

# Small Market Radio NEWSLETTER

BOB DOLL  
PUBLISHER and EDITOR

275 19th Street Otsego, Michigan 49078  
Telephone (616) 694 9357

June 8, 1983

Dear Fellow Broadcaster:

With our compliments, here is the first issue of the SMALL MARKET RADIO NEWSLETTER - published weekly and devoted exclusively to SMALL MARKET RADIO BROADCASTING.

Two months ago I completed the sale of the radio stations which I owned and managed for 8-1/2 years. I had spent 32 years in small market radio, including 4 as manager of a station, 14 as manager and minority stockholder in a group of 3 AM-FM combinations and a short hours daytimer under the umbrella of the nation's 36th market.

After the transference of our stations was completed, my wife and I set out on a 7,300 mile - 33 day cross country trip by auto. We visited with over 100 small station managers and owners. They shared the view I have had for over a year that there is a need for a publication for small station management and investors.

To assemble the SMALL MARKET RADIO NEWSLETTER we are assembling research, developing a coast to coast network of contributors and sources, installing a nationwide W A T S line, and we plan an extensive travel schedule.

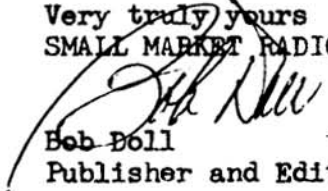
We intend to provide you with news and ideas you can use to make your station a better service to its community and more profitable for its investors. We would like your suggestions along with your subscription. One full year, 52 issues, is just \$99.00 (less than \$2.00 per week). You can cancel at anytime. We'll refund the unused portion of your subscription.

Next week our feature article will be "HOW MUCH IS MY RADIO STATION WORTH NOW?" Whether you own your station or manage it for someone else, this is something you need to know.

In closing, a special word of thanks to those among the 500 people we sampled last week, answered us favorably. Our return was 10 times what we were told by newsletter experts to expect.

Looking forward to sharing the newsletter with you, we are

Very truly yours  
SMALL MARKET RADIO NEWSLETTER



Bob Doll  
Publisher and Editor

Small Market Radio

**NEWSLETTER**

275 - 19th Street

Otsego, Michigan 49078

Telephone (616) 694-9357

Bob Doll - Publisher and Editor

Barbara J. Doll - Circulation

BULK RATE  
U.S. POSTAGE

**PAID**

Otsego, MI. 49078

Permit No. 45

VOLUME I - Issue 1 — June 9, 1983

HOW MUCH SHOULD YOUR RADIO STATION GROSS? The F. C. C. stopped gathering financial information from licensees last year. The most recent study on the subject was undertaken by the principals of a radio station brokerage firm. His survey indicates that the average radio station billings are equal to .29% (that's 29 hundredths of a percent) of home county retail sales. That's average. Better or worse showings are attributed to: location, facility, competition, MANAGEMENT.

THE DAYTIME BROADCASTERS ASSOCIATION has about \$50,000.00 in past-due legal and engineering bills PLUS a need for about three times that much for a successful final push for extended hours for daytime only stations - at least 6 A. M. to 6 P. M. D. B. A. a contribution of \$200.00 by 40% of daytimers will do the trick. Drives are underway in 2 Midwestern states to "test the waters."

THE PLIGHT OF MANY DAYTIMERS IN COMPETITIVE MARKETS is illustrated by two random stories within the past month. A daytimer in Indiana that was purchased 2 years ago for \$275,000.00 was re-sold within the past month for \$125,000.00. And, when a 27-year old daytimer asked the Commission to "go silent," the town's newspaper contacted the F. C. C. A Commission spokesman said that "it is not now unusual for such stations to go silent."

DAYTIMER W B Z T (Waynesboro, PA) purchased in 1980 for \$350,000.00 is "going back" to its former owners for \$253,000.00. The town has 9,760 population. W B Z T's local competitor is a 1-KW daytimer with a companion Class A FM.

YOU DON'T HEAR ABOUT THEM, BUT THERE ARE STILL SOME REAL WINNERS AMONG STAND ALONE DAYTIMERS. We're going to talk about three of them in next week's SMALL MARKET RADIO NEWSLETTER.

SOMETHING TO WATCH FOR IN YOUR TOWN. Many of those 20-year cable TV franchises granted in the mid-60s are coming up for renewal. Watch for your local government to ask for "a bigger slice of the pie", more channels, and upgraded system. Watch for cable owners to look for revenue outside their subscriber base e. g. local advertising sales.

SMALL MARKET RADIO BROADCASTERS toying with the idea of getting into LOW POWER TV will want to proceed with caution. The much heralded first LOW POWER TV has suspended operations "at least for the summer." Channel 26 (with maximum facilities for low power TV) went on the air in December, 1981 in remote Bemiji, Minnesota (population 10,949). It broadcast 12 hours of programming (7 A. M. to 7.P. M.). Included was 3 hours of local news, live and filmed accounts of local sports events, and syndicated programming. The owner is a veteran TV operator - 30 plus years). The station had 20 fulltime and 8 part time employees.

ALTHOUGH THE COMMISSION IS REGULATING LESS, IT IS STILL REGULATING AND FINING. The June 1 releases included:

W A A V and W G N I(FM) Wilmington, North Carolina (Cape Fear Broadcasting Company), notified of apparant liability for forfeiture of \$250.00 for repeated violation of Section 73.1211 (broadcast of lottery information.)

K Y O U, Greeley, Colarado (O'Kieffe Broadcasting Company), ordered to forfeit \$500.00 for repeated violations of Section 73.1800 (a) of the rules which requires that operators keeping logs make entries in the station's logs that accurately reflect the operation of the station.

AND, \$1,000.00 fines were levied on 22 licensees for failing to file an Annual Employment Report (F. C. C. Form 395). The stations were in all parts of the country.

SIGN OF THE TIMES. The Commission has received an application for involuntary transfere of control of K M Y Z and K M Y Z - FM, Pryor, Oklahoma to Kenneth Greenwood, Receiver. K M Y Z is a 1,000 watt daytimer. The FM is a Class C operating at 320 feet. The AM went on the air in 1950, the FM in 1969. Pryor's population is 8,483. It's a single operator market with home county retail sales of over 98-million.

INTERSTATE COMMUNICATIONS CORPORATION has asked for permission to sell W R N B (a Class IV - 1 kw daytime/250 night) operation at New Bern, North Carolina. The buyer the New Bern Assembly of God Church. The price \$250,000.00. Interstate will keep its 100,000 FM facility at New Bern (W A Z Z). New Bern with 14,500 people has 3 local broadcasting companies operating 5 stations. The county of 72,000 has 8 radio stations.

DO YOU HAVE A PET IDEA, THEORY or EXPERIENCE you'd like to share with our readers? Whether it's sales, promotion, programming, engineering, or management, if it's about SMALL MARKET RADIO send it to us. We'd like it to be about 1,000 words. If we use it, we'll send you \$50.00. If writing radio commercials paid that well, we'd all be rich. Pass the word along to people in your station.

## THE MONEY PAGE - \$ALES\$ IDEAS

**BEST PLACE TO GO FOR THE BIG BUCKS THIS MONTH.** The Wall Street Journal reports that automakers are gearing up for a 33-1/3% sales increase in June vs. June 1982. Factory rebates and bargain interest rates are being offered. The heat is on for the dealers to "move iron."

**JUNE IS THE #1 SALES MONTH FOR SPORTING GOODS!** It is #2 for building materials and home improvements, hardware stores, mobile home dealers, paint stores. It is the #3 month for garden supplies and equipment. It is also the #3 month at the drug store. It is also a very good month for the sale of tires.

**NEW REVENUE POSSIBILITIES.** With the elimination of the F. C. C. commercial limits, many SMALL MARKET RADIO STATIONS are improving their gross and cash flow with what used to be referred to as "PROGRAM LENGTH COMMERCIALS." Here are three examples:

**AUCTION ANNOUNCEMENTS.** The most successful work like this:

Programs are scheduled 2 times per day (early morning - 6 A. M. to 7 A. M. and noontime).

Auction announcements of 1-minute or less are run back to back - opening with the recorded chant of the auctioneer conducting the sale.

The program is open-end. If there are 7-announcements to be run, the program is 7-minutes long plus open and close. If there are 10-announcements it is 10-plus minutes long etc.

Each auction announcement should be broadcast 3 times in the morning and 3 times at noon.

If your high 1-minute rate is \$5.00, you get \$30.00 per auction. If you carry an average of 5 auctions per week, 30 minutes of your time per week will bring in \$7,800.00 per year - and the stations running it tell me IT IS GOOD LOCAL PROGRAMMING.

**AUCTION ADVERTISING IS USUALLY BILLED TO THE PERSON FOR WHOM THE AUCTION IS BEING CONDUCTED. ADVERTISING BILLS ARE USUALLY SETTLED THE DAY OF THE SALE OUT OF THE PROCEEDS.** Make sure your auctioneer has your bill by the day of the sale.

PAID CLASSIFIED ADVERTISING. Most stations are scheduling between 8:00 A. M. and 1:00 P. M.

Each "ad" is limited to 50-words maximum.  
The "ads" are run "back to back."

If the station's high 1-minute rate is \$5.00, classified "ads" of 50 words or less (20 seconds) are broadcast 3-consecutive days for \$5.00.

The program is "open end". The length depends on the NUMBER OF ADS YOU HAVE SOLD.

Best way to handle. Classified ads are mailed or brought to station and paid for in CASH, CHECK or CREDIT CARD. CREDIT CARD customers can call in their ads. Have a form printed to make taking the ads simple.

Some stations have an employee call prospects taken from classified ads in newspapers and shoppers.

A 15-MINUTE PROGRAM OF PAID CLASSIFIED ADS CAN BRING IN OVER \$21,000.00 CASH A YEAR, BASED ON A 6-DAY STRIP.

RADIO AUCTION. These are most successfully being broadcast on Saturday mornings for 1 or 2 hours.

Items are "traded" at the station's highest 1-minute rate x the suggested retail. Advertisers must use advertising with 1-month.

Merchandise is offered to listeners over the air. Listeners bid by phone. High bidders pay cash or by credit card.

It takes 2 people on the air and 1 to take and verify bids.

On an average items will bring 40% to 60% of retail.

Many stations are using auctions to up regular advertisers, get business from hard-to-sell or marginal accounts, AND TO CLEAN UP BAD DEBTS.

CAUTION: YOUR RADIO AUCTION MUST BE CAREFULLY THOUGHT OUT. YOU DON'T WANT YOUR STATION TO BE A 100% TRADE OPERATION. APPROPRIATE POLICIES MUST BE SET UP BEFORE YOU GO INTO THE AUCTION BUSINESS.

If you've been a meeting or convention goer over the years, you've heard or heard about Eddie Allgood, salesman and idea man extraordinary. For many years he was Sales and Promotion Manager of W B T M and later General Manager of W D V A, both in Danville, Virginia (just a little bigger than a small market). Eddie is now in the promotion and sales consulting business, based in Danville, Virginia (804-793-6178). I'm including something Eddie handed out ten years ago at a state broadcasters' convention. It proves that COMMON SENSE IS ONE THING THAT LASTS. I hope you'll enjoy it again - or maybe, for the first time.

### 15 MISTAKES RADIO SALESMEN MAKE

1. Not asking for the order. Most radio salesmen do not ask for the order on every call.
2. Forgetting that anybody can say NO --- but only a few people can say YES. Call on the right person.
3. Sell RADIO FIRST - then sell your station. If the customer doesn't like radio, he won't buy your station or any other station.
4. Giving up too quickly. Don't give up too soon. Few sales are made on the first call.
5. Coming back with the same pitch. Present new ideas. Let the customer say no to your ideas, and not to your station.
6. Not finding the customer's "BUY BUTTON." He has one!
7. Talking when you should be listening. Give the customer a chance to say "Yes."
8. Forgetting the rest of the team. Don't try to be a star - ask for help from the rest of the station.
9. Saying "Just passing by," as an opener. Every busy man hates this statement. Have a reason for every call.
10. Forgetting the law of attrition. Even in good times, the average business loses 20% of its customers every year.
11. Ignoring the customer's customers. Talk about his or her customers.
12. Spurning available facts and figures - sales tools like those provided by R. A. B.
13. Rationalizing away sales failures. Finding alibis why the guy didn't buy that have nothing to do with the real reasons.
14. Saying "But my market is different" or "it won't work in my town." Any idea can be adapted to your type station and market.
15. Forgetting that most radio advertising is sold between 9 A. M. and 11 A. M. GET OUT EARLY!

## FM STATIONS - THE 80/90 DOCKET

Less than 2 weeks ago, the F. C. C. released the long awaited 80/90 DOCKET which ultimately will greatly increase the number of FM stations in the United States.

Before the release, some consulting engineering firms were soliciting clients to make up engineering studies for new stations or upgrading present stations, using the new rules. That's not the way it's going to work.

Sometime, after October 1, 1983, the Commission will issue a new TABLE OF ASSIGNMENTS. An applicant would first look on the table to see what channel has been assigned to his or her community. If no channel had been assigned, he or she, could have a channel search done. If it was successful, a petition could be filed, to have the channel assigned. This apparently will be even tougher than in the last several years.

In its releases, the Commission says that it studied 1,000 communities and feels that the new rules can add up to 1,500 new stations in 546 of the communities studied.

The TABLE OF ASSIGNMENTS to be released, according to the Commission, will provide 2 new stations in many major cities, an FM availability in half of the communities which now have only a daytime AM station, and many communities which have no local station (AM Or FM) will be given an assignment.

Jim Wycor, President of the Daytime Broadcasters Association, says that he has been assured that daytime radio operators will not be "compromised" because of their ownership of the local daytime radio station. This has been true in cases of mutually exclusive applications. Up to now, an "outsider" has been given merit because he or she had no local broadcast interest. No mention is made of whether there will be a preference for women and minorities in applications for the new FM stations.

Best guess is that the first stations, under the new rules, could be on the air by mid-1985.

One tough decision present licensees are going to have to make is whether to meet minimum standards for their station classification. The Commission says that existing stations will have to meet those standards within 3 years or be re-classified under the 80/90 DOCKET. For Class B Stations that means antenna height of 500 feet. For Class C Stations 984 feet. The cost of the tower for a Class B about \$60,000. For a Class C the figure is about \$200,000.00.

In case you haven't seen one, we have included on the next page the MINIMUM DISTANCE SEPARATION REQUIREMENTS for FM STATIONS under the 80/90 DOCKET.

MINIMUM DISTANCE SEPARATION REQUIREMENTS  
FM STATIONS - 80/90 DOCKET

Classes of Stations. New classes are identified with "\*\*\*"

"A"	with expected service area of 15 miles				
"B"	"	"	"	"	" 40 miles
* "B-1"	"	"	"	"	" 28 miles
"C"	"	"	"	"	" 57 miles
* "C-1"	"	"	"	"	" 45 miles
* "C-2"	"	"	"	"	" 32 miles

TABLE (In Miles)

"A" Stations will be allowed to operated on B and C Channels

<u>Relation</u>	<u>Co-Channel</u>	<u>200 kHz</u>	<u>400/600 kHz</u>	<u>10.6/10.8 MHz</u>
A to A	65	40	17	8
A to B-1	86	55	30	10
A to B	101	65	43	20
A to C-2	101	64	34	20
A to C-1	122	80	46	20
A to C	138	105	65	20
* B-1 to B-1	109	71	31	15
B-1 to B	131	90	44	15
B-1 to C-2	124	83	35	25
B-1 to C-1	145	100	48	25
B-1 to C	161	120	60	25
B to B	150	105	46	15
B to C-2	147	102	46	25
B to C-1	139	98	49	30
B to C	170	135	65	25
* C-2 to C-2	118	81	36	30
C-2 to C-1	139	98	49	30
C-2 to C	155	117	61	30
* C-1 to C-1	152	110	51	30
C-1 to C	168	130	63	30
C to C	180	150	65	30

GOOD IDEA FROM ONE OF MY FORMER EMPLOYEES. We visited with Bob Bishop in Victoria, Texas where he's program director of K C W M. Bob's station is giving away \$100.00 bills. Listeners call in guesses as to the bill's serial number and letters. Calls are taken hourly, one letter or digit at a time, using the process of elimination, or high/low. Bob says if you takes 3 calls an hour, 12 hours a day, it'll take a week to ten days to get a winner.

NEW STATIONS. The commission's May 26 releases included applications accepted for filing for 4 small market AM daytimers: Portage, Indiana (27,000 - a bout 25 miles east of Chicago). Portage has no local station now. ... Oil City, Pennsylvania (population with nearby Franklin - 18,500). There are two fulltime AM stations and two Class A FMs in the market now. ... Webb City, Missouri (7,309 outside Joplin. Webb City has no station now. ... Oak Harbor, Washington (12,271) which has no radio station now.

MORE NEW STATIONS. The commission has received requests to assign FM channels at Williams, Arizona (2,266), Gulf Breeze, Florida (5,478 - near Pensacola), Marquette, Michigan (23,288 - presently has 1 AM fulltime and 1 FM plus there are 2 AMs and 2 FMS at near-by Ishpeming), Barago, Michigan (population not available), Harbor Beach, Michigan (population 2,000), Lake George, New York (1,047), Wamego, Kansas (3,590), Baker, Oregon (9,471 - now has one fulltime AM and one FM), Roxie, Mississippi (591), Bluffton, South Carolina (population not available).

IF YOU'RE USING THE TELEPHONE ON THE AIR for commercials, call in shows, news actualities play-by-play sports you can greatly improve their quality with a Gentner SP-H-3. It cost less than \$500.00 and is easily installed. Dave Burns at Allied Broadcast Equipment told me about it. His address is Box 1487, Richmond, Indiana - 47374.

#### THE LAST WORD

Some of my broker, consulting engineering, and broadcaster friends did a bit of "crystal ball gazing" on the likely IMPACT OF 80/90. Here's the general (though not Unanimous) feeling:

1. There will be a loss of secondary coverage by stations now on the air.
2. Relief for many daytimers will come on the new table.
3. Still more relief as more drop ins become possible as many holders of B and C Channels in small markets elect to have their classification changed rather than spend \$100,000.00 to 300,000.00 to meet minimums.
4. Long, tough, and expensive struggles for new channels in major and medium markets.
5. Some opportunities in small towns which will get their first assigned channel - BUT NOT MANY. There just aren't that many "good" towns where there isn't at least 1 local radio station.

Whether you're a daytimer who feels he needs an FM, or an aspiring owner wanting to start his or her own station, watch for the table - and GOOD LUCK.