

# Radio's making waves

*Syndicated shows ride radio's success—or is it really the other way around?*

By John Merli

**F**orget what the history books say about the "Golden Age of Radio." If you're a typical syndicator, that Golden Age may well be 1999. While many industry observers don't seem to be quite sure whether this decade's record revenue growth has syndicated programs largely to thank for radio's overall gains—or if syndicators have simply been riding the wave of 80-plus months of industrywide successes—no one is complaining. For its part, radio syndication is alive and well in a world of consolidations and is finding a welcoming home nestled beside local programming in all size markets.

Radio revenues overall have climbed steadily through much of this decade—in 1998 local sales totaled \$11.92 billion, national sales were \$2.77 billion and network sales were \$720 million, according to the Radio Advertising Bureau (RAB). And as the industry approaches the new millennium, there

appear to be as many syndicated services for stations as there are number of years in a millennium. The massive growth in radio groups in recent years has helped strengthen an already robust and increasingly competitive syndication market. What other media can boast offering both Newt Gingrich and Vanna White from the same source, as does *Premiere*?

"In most cases, syndication is better and stronger than ever," says Mitchell Scholar, director of national radio for ad buyer Horizon Media. He buys time on syndicated shows for more than half a dozen major advertisers. The enormous success of radio in the past few years "has given everyone the motivation to clean up their acts, to tighten their affiliate lists," he says. He credits consolidations with helping bring major broadcast companies into the syndication arena.

Scholar adds that today syndication lists—affiliate stations—are closer to what the syndicators say they are. "It's

rarer these days for a syndicated show to claim the number-one market, for example, when they really mean they have some small outlet somewhere out on Long Island."

Scholar, who purchases both spot and national ads, is bullish on what consolidations have created for advertisers.

"*Premiere* [Chancellor] amazes me. They police themselves [on maintaining bona fide] affiliate lists. And with AMFM's network of owned-and-operated stations, it brings us a lot of regularity, consistency and integrity we can count on."

The RAB, which reported a 12% gain in industry sales during the first half of this year, says syndicated programming deserves a big share of the credit for the industry's impressive growth through most of this decade. "There is no doubt that syndication has played a major role by providing compelling programming for listeners, which contributes to the success of many stations nationwide," says RAB

**Radio syndication stars (clockwise from top left): Vanna White, 'Radio Wheel of Fortune'; Dr. Laura Schlessinger; Rush Limbaugh; United Station's Chairman Dick Clark; Dr. Dean Edell; Casey Kasem (c) of 'American Top 40' flanked by Bob Kevoian (l) and Tom Griswold of the 'Bob & Tom Show'; Howard Stern; and Lorianne Crook with Charlie Chase of 'Crook and Chase.'**

half of 1999. The company is composed of AMFM Radio Group (465 outlets in 105 markets, 66 million base listeners), including syndicator AMFM Radio Networks and Chancellor Marketing, as well as AMFM New Media Group, which includes Katz Media and AMFM Internet. Its radio networks arm offers *American Top 40 with Casey Kasem* and *The Bob & Tom Morning Show*, among many other nationally syndicated services. Including a recently completed mega-merger with Capstar Broadcasting, its radio division

reports net revenues are up 13.1%, and its radio cash flow is up 18.1% in 1999 from the first half of last year.

Marty Raab, vice president for marketing at AMFM Radio Networks, says industry consolidations provide "the support of a station group for a network or syndicated program, bringing a great deal of attention to and interest in the product. That, in some ways, brings in even more outside stations that recognize that the product is extremely viable and complementary," he adds. According to Raab, consolidation has also

brought a "premium value to network and syndication support from advertisers. Better clearances contribute to the overall health, longevity and further investment in the programming."

"In more than 30 years in this business," says United Stations Radio Networks President-CEO Nick Verbitsky, "I've never seen anything as good as today's [syndication market]. Advertiser appetite is strong because they know syndicated radio does things efficiently. And we serve a need for stations—we produce things that they could never afford to do for themselves locally." Verbitsky says stations are always looking to retain their weekday audiences on weekends, which explains why so many of his and other syndicators' offerings are weekend-only programs, especially with Verbitsky's longtime partner Dick Clark as United Stations' most highly visible personality.

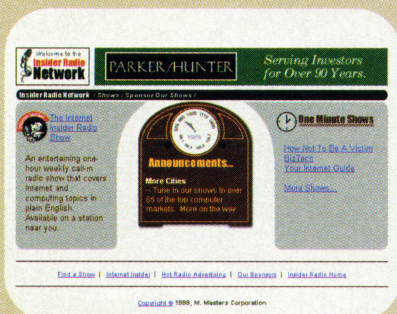
Apart from a wide range of music-format shows, United Stations' Andy Denmark, senior vice president for programming cites its comedy and AccuWeather services as prime examples of a central source serving the needs of stations on the local level.

Weather data and comedy bits are often localized for stations—a "streaming" process to stations which will become more efficient when digital audio broadcasting (DAB) takes hold in a few years, says Denmark. And what has changed most in recent years that affects his syndication business? "The widespread use of e-mail!" Denmark says, only half-jokingly. "Now we get to hear directly from listeners through our affiliates' Web sites in large numbers. It's a good gauge of what we're doing right, and wrong."

Despite the frenetic pace of group growth and restructuring in recent years, for the most part, stations and program directors make decisions based on what will work for them, says Jones Radio Networks Vice President-GM Phil Barry. "That hasn't changed at all since I was a PD taking calls from syndicators." Yet Barry says that group-owned stations, which have an obligation to run their company's network inventory, have reduced the available inventory for other network or syndicated programming in some situations.

Jones, the parent company of major sales force MediaAmerica, provides about a hundred programs and services to more than 4,000 outlets—including 24-hour formatting for 1,200 stations. Barry contends that the state of syndica-

## Going online on-air



**'Internet Insider with David Radin' debuted nationally this month with an impressive list of 14 affiliates.**

Chicago, WJFK(FM) Washington, and WBAP(FM) Dallas.

Host David Radin is the sole owner of InsiderRadio, and oversees all marketing and promotional activities. This is his first foray into national syndication. The call-in show utilizes an ambitious dedicated Web site ([www.insider-radio.com](http://www.insider-radio.com)) to enhance the program's appeal and depth, allowing listeners outside of terrestrial coverage areas to hear the broadcast online, live or taped. But Radin says his Web site is careful to point listeners to local affiliates' on-air signals first (to hear local spots), and encourages online listening via the affiliates themselves if listeners are out of signal regions. About half of Radin's early affiliates provide their own local Web site audio streaming, although the five CBS affiliates do not, as a matter of corporate policy.

"Listeners will not respond to either geekiness or pomposity," Radin maintains. "We aim to help people with both at-home and business [applications] with their online activities. And we give them some of the 'secrets' of how to simplify their Internet experiences, like why e-mail doesn't always work the right way."

Fed on an ABC satellite, the weekly 60-minute program airs live at 11 a.m. EDT on Saturdays, offering eight minutes of local avails and nine national minutes. Its first two national advertisers are software company Beatnik, and a major Internet portal, Lycos. Apart from major radio DMAs, Radin's show also aims for the top "computer markets" in the country. It now airs in 14 of the top 15 computer areas of the U.S. as designated by Internet magazine, *InfoWorld*. Radin's show also includes occasional guests, such as Kevin Coleman, chief strategist for Netscape.

"We've been doing this show for quite a while in Pittsburgh, so we knew what we were doing when we went into syndication," Radin says. "When we began five years ago, no one was sure yet whether the Internet would even take off!" Radin suggests that local stations would be smart to let an Internet presence complement their on-air programming—as many have done—and not resist its potential benefits.

—John Merli

One new nationally syndicated show that hopes to exploit the emerging influence of the Internet premiered in August with an impressive list of major outlets.

**Internet Insider with David Radin—Radio with Byte!** is produced by independent syndicator InsiderRadio, based in Pittsburgh. The weekly call-in program, which has aired locally on KDKA(AM) since 1994, went national on Aug. 7. Its initial affiliates list comprises 14 stations, including WABC(AM) New York, KRLA(AM) Los Angeles, WCKG(FM)