

Crisis Time - Change or Die

New Tactics

Keeping the music in step with what the listeners want to hear. Very important – in fact critical to keeping your radio station on track to better ratings success. Better ratings success means higher revenue. Seems like a simple formula. So, where's the issue? Ah, yes, the state of the economy. Staff cuts continue, line items eliminated, and many stations still can't answer for why they're not doing better. One of those line items that's been eliminated is MUSIC RESEARCH. Radio stations are left to GUESS what their listeners will like, dislike, or are tired of. Whether the radio station is worth \$500,000, \$5 million, or \$50 million, those can be some expensive "guesses."

Talking with a major market General Manager, his station feels the same budget pains as those in medium and smaller markets.

"We are in the worst economy we've seen in years. Radio revenues are down and will drop even more before any hope of recovery. To put it bluntly, this is *CRISIS TIME* for managers strapped with the responsibility to maintain rank or grow audience AND do it with LESS MONEY. We can't afford to spend \$30k on a music test, but we also can't afford the risk of letting our audience decline either. When we simply don't have as much money to work with, we need to explore other methods. We turned to Kelly Music Research for help and they showed us a different methodology.

After years of doing the same Auditorium Tests for \$30k a piece, we looked into Kelly's Living Room Music Test methodology. We never NEEDED to look at alternatives until pushed financially. It was a smart move. The methodology has been around Radio for 16 years and now that we've done a few of them, I wish we had switched sooner. Our music testing cost is down 30% and our programming team and consultant have a higher level of confidence in the data than the often wobbly Auditorium data we had grown accustomed to."

Remnant Inventory

Due to today's economic conditions, many radio stations commercial logs have less and less commercials, and more avails than ever. Remnant inventory has become a popular buzz phrase in this tough economy. Another KMR client GM has seized this opportunity to get some value for his station's unsold inventory.

"With spot sales down, we have inventory we were not monetizing and Kelly has barter packages that let us use our unsold inventory to reduce our music testing costs. We don't do a lot of callout research (about 12 reports a year) but like to use it to keep our current music in line with the listeners. We can't afford to guess incorrectly.

In tough economic times like these, we have to operate in *crisis* mode, which means we can't rely on the same old, same old. Managers have to change the way we operate or our stations face certain death."

Upon hearing these words, I felt compelled to share them with as many of you as possible. Are your stations facing certain death or do you still have time to save them? And are you willing to do what it takes? As always, I welcome your thoughts.