

Radio's 2009 Directive: "Get It Done Cheaper!"

Virtually all forecasters have already predicted that 2009 will be another tough year for Radio. The marching orders being sent down from Corporate to General Managers and Program Directors is crystal clear: "*Get it done cheaper!*" Survival of the fittest has never been more prevalent for the radio industry. If you can't get it done, then *you'll* be done. It's that simple. That's why Kelly Music Research has fielded more inquiries about our **Barter Programs** and more cost-efficient approaches like **Rolling Sample Call-Out** than ever before.

Radio stations are cutting staff. Critical budgets for promotions, marketing, and music research have been shaved to a bare minimum or slashed altogether. However, the financial risk of competing without these weapons can be very expensive. **What is a rating point worth to your radio station?**

Here's a quick example. Let's say you're in a Top 50 market and available advertising dollars for all radio stations in your market this year is \$100 million. That means every Arbitron share your station earns will be worth \$1 million in ad revenue. If your station gets a 5 share, your station should get \$5 million in ad sales.

What if your decision to cut music research leads to a *slip* in your ratings to a 4 share? \$1 million in revenue – gone. Or you miss an opportunity to *increase* to a 6 share? A \$1 million opportunity missed. When you look at these numbers, it just doesn't make good business sense to mess with your success and risk exponential loss.

Unfortunately, 2009 economics demand cutting cash expenditures. And your head's on the chopping block if the revenue or ratings drop. What did you do to get it done cheaper? Don't be that GM or PD sitting at home with your office in boxes around you wondering, "*What else could I have done?*"

One GM I spoke to is calling 2009 a "holy year" because his stations' commercial logs will be full of holes. There are more avails now than a station knows what to do with. Can you get some **value** from this available inventory? Yes, you can. Can you get music research done in your market using this available inventory? Yes, you can!

Kelly Music Research can provide local call-out research and library testing for your station using barter inventory. Use the tools you have (commercial inventory) to keep the weapons you need (music research) to survive in one of the toughest years the radio industry has ever seen.

Make no mistake. It truly is survival of the fittest. With more groups cutting back, and eliminating research budgets, wouldn't it be to your benefit to continue doing research while the others go without? You'll be staying in touch with the listeners, while the rest hope to guess correctly about what the listeners want. Some expensive mistakes lurk around the corner for those guessing incorrectly.

Don't be one of those people guessing about the impact of your guesses. Call or e-mail me to talk about your situation and needs. I may be able to help.