

Holland Cooke Newsletter • December '07

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2007 YEAR-IN-REVIEW, 2008 FORECAST

INTERNET REVENUE TOPS RADIO'S. DEADLIEST IRAQ YEAR YET. \$4 GAS YONDER. PERFORMANCE FEES THREATEN MUSIC STATIONS' BUSINESS MODEL. EAGLES RELEASE OWN CD – NO LABEL. PAUL MCCARTNEY DEBUTS CD AT STARBUCKS, SINGS IN IPOD TV SPOT. AUDIENCE AGING & NEW-TECH OFFER UNDER-EXPLOITED OPPORTUNITIES. HD STILL BOMBING, WI-MAX LOOMING. APPLE SELLS IPOD #100 MILLION, 1 MILLION IPHONES IN 74 DAYS. MEGA-OWNERS DIZZY. STERN RULES SATELLITE. IMUS SKATES OUT OF PENALTY BOX.

What happened? What happens next? What to do about it? That's what I try to frame here each year at this time.

- Three years ago, my December '04 newsletter urged that the mantra for 2005 was **BE RELEVANT**, "especially to busy Baby Boomers in-car. If you are, you will be more relevant to the advertisers who want to meet these super-spenders."
- In December '05, I cautioned that, "in 2006, merely being relevant won't cut it any more. You need to **CUT TO THE CHASE**; and "come to whatever point you mean to make quickly. Assume that everyone – listeners, advertisers, EVERYONE -- is time-deprived. Communicate as efficiently as possible."
- A year ago, I urged that **WHAT COMES OUT THE SPEAKER NEEDS TO BE REMARKABLE**. By "remarkable," I didn't mean miraculous. I meant likely-to-cause-the-listener-to...remark. "Hmmm!" You're still striving to be memorable to Arbitron diarykeepers. So "Hmmm!" is a hit. Getting-quoted-later is a home run. Causing-a-listener-to-patronize-a-local-direct-advertiser for the first time is grand slam. Renewing-the-advertiser is a game win. Using-that-advertiser's-testimonial-to-write-new-direct-retail-business is a playoff win.
- In 2008, on-air programming that swings-for-the-fence will still beat lifeless competitors. But winning the on-air game isn't enough any more. Good News/Bad News. First, The Bad News, if you think you're still in "broadcasting:"

“Not only will marketers continue to shift dollars from traditional media to emerging venues such as the Internet...but audience fragmentation will make it harder for media outlets to win price increases.”

Wall Street Journal

And The Good News...no...the GREAT news, if you think-beyond-the-transmitter...

“Over 140 million people are listening to the radio this morning. Over the next 24 hours, nearly 194 million people will have listened to the radio. In 2006, radio reached over 30 million streaming listeners a week, up 50% from the previous year.”

First sentence of new Radio Advertising Bureau President/CEO Jeff Haley's first State of the Industry address at the RAB2007 convention

Radio's pre-existing user base and brand equity still afford us a commanding head start. But the opportunity is perishable. Because new-tech's adoption slope is so steep, it's dangerous to take comfort that radio's attrition graph has been gradual.

Echoing a theme several RAB2007 speakers preached, Haley says think bigger than defining what-we-do as "radio," a device:

“‘Radio’ is sponsored content.”

Recently, I caught myself telling a client station, "I'll Google the address and Mapquest directions." I was verbing nouns, the way people now say "I'll TiVo it." THAT is the level-of-utility needs to re-attain. [In this month's newsletter](#): How we can do that, based on what-clicked and what-clunked in 2007; and what we see as we squint-over-the-horizon to 2008.