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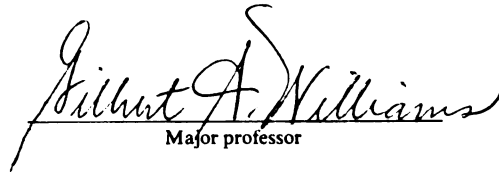
THE DECISION-MAKING PROCESS FOR TWO MAINSTREAM
(HIP-HOP) RADIO STATIONS: A CASE STUDY

presented by

Preston A. Blakely

has been accepted towards fulfillment
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Ph.D. degree in Mass Media


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**THE DECISION-MAKING PROCESS FOR TWO URBAN
MAINSTREAM (HIP-HOP) RADIO STATIONS:
A CASE STUDY**

By

Preston A. Blakely

A DISSERTATION

**Submitted to
Michigan State University
in partial fulfillment of the requirements
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ABSTRACT

THE DECISION-MAKING PROCESS FOR TWO URBAN MAINSTREAM (HIP-HOP) RADIO STATIONS: A CASE STUDY

By

Preston A. Blakely

The purpose of this study was to investigate how two commercial radio stations used the decision-making process in such areas as programming, policy, sales, management, and personnel. In addition, this study also addressed theoretical and regulatory issues related to radio station decision making, FCC rule making, and concepts such as localism and low-power radio.

Two commercial radio stations were selected from the state of Georgia. Anonymity and pseudonyms were provided for each owner, station, and respondent participating in the interviewing process. Each radio station was selected for its urban radio format (black/hip-hop), market size, and African-American ownership. WAAA-FM was selected from a metropolitan Georgia market, and WBBB-FM was selected from a smaller rural Georgia market. The method of inquiry for this study was qualitative in design and included various aspects of field study, observation, interview, and case study.

Data collection and analysis were accomplished in three stages: site visits to each station, review of station documents, and personal interviews. Data collection involved documenting observer comments in field notes, reviewing pertinent research literature and station documents, analyzing audio tapes of interviews, and providing a final analysis of the research findings. Data analysis for this study entailed three concurrent activities: data reduction, narrative, and conclusion drawing and verification.¹

Findings from the study include the following: Management of WAAA-FM and WBBB-FM are against low-power radio, fearing competition and broadcast interference. Managers of both stations think they are meeting the needs of localism without regulation. Both stations followed the standard decision-making process. Adjustments to the process were necessary, depending on the problem being solved, the type of decision required, and the number of alternatives available. Results of this study suggest that decisions may be influenced by such things as ratings, record sales, and music chart listings. Therefore, similar choices or alternatives exist for radio regardless of the size of the market. The study also found that goals were discovered throughout the course of making a decision rather than set at the early stages of problem discovery.

¹Matthew B. Miles and A. Michael Huberman, Qualitative Data Analysis: A Sourcebook of New Methods (Newbury Park, CA: Sage Publications, 1984).

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Finally, I would like to thank my mother, Christine C. Blakely, and father, Preston B. Blakely (now deceased), who began this journey with me in 1992. A very special thank-you to my best friend, Peggy J. Fitzpatrick, who believed in me, accompanied me to numerous libraries and copy centers, and encouraged me to complete the Ph.D. program. And a special thank-you as well to my two sons, Preston M. Blakely and Kevin E. Blakely, who were both undergraduates when this process began and have become successful family- and businessmen during this journey.

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CHAPTER I

INTRODUCTION

Introduction to Study

From its inception in 1934 until today, the Federal Communications Commission (FCC) has encouraged localism for the commercial radio broadcaster. Localism is reflected in radio programming that expresses the needs and interests of the local community. Throughout the years, the concept of localism has slowly changed from one of location or geography to one of social context, including cultural tastes, values, and interests of the community.¹

By the mid-1950s, specialized programming with varying program formats had arrived. A strong community identity was needed to continue radio's growth during the early years of television. The rhythm-and-blues format or "Negro-Appeal" radio was one of the first segment formats with local appeal to succeed during a time when television was replacing network radio.² Today, more than 360 urban radio formats provide local programming to fit the needs of the African-American community. An urban format is considered a black format and provides music, news, public affairs, and public service programming of interest to a predominantly African-American audience.³

Deregulation, however, has threatened the need for local programming for the urban broadcaster.⁴ The Fairness Doctrine and program ascertainment have been abolished as a part of deregulation.⁵ Additional policy changes have influenced radio programming with the passage of the 1996 Telecommunication Act.⁶ This legislation removed all limits for national radio ownership and raised the cap in local markets from four to as many as eight, depending on the number of stations in the market being considered.⁷ This change has had an impact on ownership diversity, as well as programming diversity for the minority owner and its listenership.

Many minority owners feel the 1996 Telecommunications Act favors large conglomerates at the expense of the minority owner. Critics say the latest round of radio consolidation, brought about by the 1996 Telecommunication Act, allowed larger broadcast owners to buy up radio property of the smaller broadcast owner, pricing out of business the one- and two-station owner. Ninety percent of black radio owners own no more than one or two radio stations.⁸ The minority population, which includes blacks, Hispanics, Asians, and Native Americans, represents 30% of the United States population but owns only 3.1% of the nation's radio and television stations.⁹

In an attempt to equalize the playing field, on January 28, 1999, the FCC proposed to license and sought comments on establishing new 1,000-watt, 100-watt, and 10-watt low-power radio stations.¹⁰ It is the commission's belief that by establishing the low-power stations, they will provide new opportunities for

community radio broadcasting through providing diversity in local radio programming and by increasing minority radio ownership.¹¹

On January 20, 2000, one year after the FCC's low-power plan was first proposed, the FCC adopted rules to support the creation of a low-power radio station. The 100-watt and 10-watt stations were approved in hopes of better serving the local community. The new FM service will be available to only noncommercial broadcasters. The FCC canceled plans for a 1,000-watt station because of potential interference problems.¹²

Questions often arise over the ability of commercial radio to serve the local community as well as deal with the demands of the marketplace. The absence of rules and guidelines as a result of deregulation may limit management's programming commitment to remain socially responsible to the local community. Critics of deregulation often argue that radio is no longer concerned with meeting the needs of the public. Others feel that a good radio manager can be socially responsible and effectively serve the needs of the public as well as the marketplace.¹³ And low-power radio may also provide programming to the local community.

My work addresses theoretical and regulatory issues related to radio station decision-making, FCC rule-making, and concepts such as localism and low-power radio. Using the case study approach, I examine each of the issues in depth, providing commentary and analysis, as needed, for interpretive purposes.

Statement of Problem

Debate often arises over the ability of radio station management to serve the public as well as the marketplace. The absence of rules and guidelines as a result of deregulation has placed the decision of how best to serve the public interest on station management.¹⁴ The removal of community ascertainment and the Fairness Doctrine, and the FCC requirement of news and public service programming for license renewal, has allowed managers more latitude when deciding how to serve the public.¹⁵

Critics of deregulation have argued that radio is no longer concerned with meeting the needs of the public. Radio managers, however, disagree with their critics. Still, radio managers do have an obligation to their owners and stockholders to maintain a profitable business. While the push for profits may override the needs of the listener, many managers feel they can effectively serve the needs of the public as well as meet the needs of the marketplace.¹⁶

Despite the deregulatory trends that many say have negatively impacted the minority broadcaster, concerns over ownership concentration remain a major regulatory issue.¹⁷ Radio concentration per market can be measured by the number of radio station owners and the size of the audience each owner delivers to its advertisers. By lifting the ownership-cap limits nationally and locally, radio owners are provided with an opportunity to develop market power and control over the most popular radio stations. Economically, the new rules benefit those companies with radio stations that can consolidate audiences and generate more advertising revenue, thereby improving economies of scale.¹⁸

The profit potential of a radio station is a matter of maximizing revenues and minimizing costs. A disproportionate share of the costs in radio is fixed, meaning that costs are incurred regardless of the size of the audience or advertising revenue generated. Thus, radio group owners such as Clear Channel Communications, Inc., maximize their economic potential in the marketplace by taking advantage of the economies of scale and spreading fixed costs over a larger number of revenue-generating stations.¹⁹ Because the number of radio stations that may be owned in lucrative markets is fixed, broadcasters must merge or acquire existing stations locally and nationally to grow.

Many minority stations receive high-price offers, think they cannot compete financially, and sell to the broadcast conglomerate. The minority station often is purchased by a group owner or conglomerate such as Clear Channel Communications. Clear Channel now owns more than 1,000 radio stations.²⁰ As the consolidation trend continues, it will be increasingly difficult to promote and protect the public interest goals of localism and diversity of ownership.²¹ Today, radio's challenge is to continue to serve local and diverse audiences while remaining economically competitive.

The FCC hopes the minority broadcaster will survive or succumb according to management's ability to make programming financially competitive while remaining responsive to the "public interest, convenience, and necessity."²²

How will the minority owner survive in this environment? Little is known about the people who make programming decisions in urban radio. What are the influences that affect their decisions? What kind of information does the decision-maker need to guide him or her in making a decision? This study looks at the decision-making process within the context of the urban radio broadcasting industry.

The following research questions are addressed in this study:

1. How has urban radio remained committed to the community as well as profitable in the marketplace, given all the pressures these stations face?
2. How is management, corporate, owner/president, department, or committee involved in the decision-making process? What is the nature of the debate, if any, about what to program or what to advertise?
3. How has multiple/single radio ownership influenced the decision-making process for the commercial radio broadcaster?
4. What is the decision-making process for selecting programming for two commercial radio stations, each representing a different-sized market?

Purpose of Study

Decision-making is at the heart of the managerial process. It is difficult to think of any aspect of operating a radio station that does not involve the decision-making process. Herbert Simon, considered by many to be the most noted scholar in the area of decision-making, compared the process of decision-making with the process of management. Both are equal.²³

This case study investigates how two commercial radio stations have made their decision-making process in the area of policy, personnel, programming, sales, and management. Each radio station was selected because of its urban (black) radio format and market size.

The pseudonym for the radio station conglomerate selected is Rad Media. The pseudonym used for the radio station owned by Rad Media is WAAA-FM; the station is located in metropolitan Georgia. In contrast, the station owned by an individual is located in a smaller rural Georgia market; the pseudonym used for this station is WBBB-FM. It is owned by Robots Communications, also a pseudonym.

These stations were selected for the following reasons: The researcher was provided complete access to management, programming, and sales meetings; key personnel were made available, as necessary, for interviews. In addition, the general manager of WAAA-FM is also chief operating officer of Rad Media, the conglomerate that owns WAAA-FM. The general manager and chief operating officer were able to provide management and programming insight from the corporate level as well as the local level. In contrast, WBBB-FM provided an independent owner who is a full-time on-site manager.

This study identifies and examines similarities and differences in the decision-making process relative to the five categories of decision-making in commercial radio, as reported by Barnes: policy, programming, sales, management, and personnel.²⁴ The effectiveness of the decision-making process is discussed through interviewing selected radio informants (Appendix

A). Interviews also were conducted with a former official with the FCC who is currently with the Cellular Telecommunications Industry Association. An interview also was conducted with a senior official of the Policy and Rules Division of the FCC.

Methodology

What is the decision-making process for urban radio? To answer this question and others, decision-making was analyzed relative to radio programming and management within urban radio. Station analysis provided information to better understand the process of effective decision-making by individuals or groups within the industry. The process of selecting specific situations, solutions, and alternatives was considered decision-making.²⁵

This case study addresses theoretical and regulatory issues related to radio station decision-making, FCC rule-making, and concepts such as localism and low-power radio. The study examines these issues at two commercial radio stations—WAAA-FM in metropolitan Georgia and WBBB-FM in rural Georgia. The radio stations represent two different-sized markets and types of ownership. WAAA-FM is located in a large market and is owned by Rad Media. Rad Media owns at least 50 radio stations throughout the United States. WBBB-FM is located in a smaller market and is owned by Robots Communications, Inc. Robots Communications owns four radio stations in the Middle Georgia region. Both are owned and operated by African-Americans.

Specific criteria on how each station was selected will be provided in Chapter IV–Methodology. The intention is to examine these stations and observe their approach to decision-making as they attempt to balance the public interest with the economic elements of the marketplace. This study offers an opportunity to present findings on the decision-making process at two urban radio stations representing two different organizational structures.

The method of inquiry for this study was qualitative and included on-site observations, interviews, and analysis of station documents.²⁶ Documents included news releases, newspaper articles, magazine articles, music charts, program logs, ratings information, and organizational charts. Findings were drawn from an analysis of documents, interviews, and field notes from site visits.

The case study was used to organize the data obtained. As a research strategy the case study method was appropriate for this study. According to Yin, the case study is used in many settings, such as programming and management research.²⁷ Qualitative researchers take pride in discovering multiple points of view of a case study. The interview is considered a source for discovery.²⁸ Interviews focused on each manager's approach to the decision-making process and how it was applied to urban radio programming.

Data analysis for this study involved three concurrent activities: data reduction, data display narrative, and drawing conclusions and verification.²⁹ Data reduction involves narrowing the topic and making a final selection from all possible choices. Data display narrative means an organized representation of information or data in narrative form that permits conclusion drawing, such as

noting similarities and differences. Drawing conclusions and verifying information through comparison with the literature review are also a part of the data-analysis process.³⁰ The data analysis presents a comprehensive explanation of the decision-making process in urban radio.

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CHAPTER II

REVIEW OF RELATED LITERATURE: POLICY AND DECISION-MAKING

A Conceptual Framework for Localism

Localism or local radio programming continues to evolve in purpose and content. Localism for the radio broadcaster reflects the needs and interests of the local community. The FCC, with congressional and judicial support, has always placed priority on the issue of localism and program viewpoint diversity, as authorized in the Communications Act of 1934.¹

Congress established the FCC in 1934 to serve and protect the “public convenience, interest and necessity” in licensing of radio stations. The Commission later supported the mandate of serving the public interest by requiring radio station owners to serve and, if possible, reside within the community in which the radio property was located and, as owners, participate in the operation of the radio station. The Commission’s policy requiring integration of broadcast station ownership and management was intended to increase licensees’ sensitivity to local community needs.²

The Commission first adopted the integration criterion in 1965. However, the Circuit Court of Appeals for the D.C. Circuit Court struck down the rule,

concluding that “the Commission accumulated no evidence to indicate that the policy achieves one of the benefits that the Commission attributes to it.”³ This essentially reflected the idea of localism, where the broadcasters maintained ties with the community they served and provided programming or a voice that responded to issues of importance to residents of that community.

The concept of localism and radio has slowly changed from a spatial geographic definition to one of a social context. According to Stavitsky, geographic localism is defined by physical borders requiring signal reach within a designated area.⁴ The spatial concept relates better with the policy of localism, i.e., broadcasting that speaks in a local voice to the concerns of residents of a specific geographic community. Social localism as conceptualized by Stavitsky is constructed around shared cultural tastes, values, and interests of a community. Social localism emphasizes commitment to radio programming values rather than a commitment to a geographic area. The former concerns the physical domain; the latter focuses on shared tastes and interests.⁵ The concept of localism is not just a United States policy; similar policies also are found in China, Switzerland, and other countries.

The doctrine of localism is intended to ensure that broadcasters “serve the needs of the local community” in which they are licensed to operate. The localism doctrine has two components: the geographic distribution of licenses and specific requirements of programming. The geographic component reflects the statutory requirement that the FCC distribute broadcast licenses “fairly, efficiently and equitably” throughout urban and rural areas within each state.⁶

The programming component, dating from the earliest years of broadcast regulation, requires that stations, as part of the licensing process, provide programming that meets the needs and interests of the communities in which they are licensed.⁷

Local Service Origination

Localism always has generated debate concerning its role in the marketplace. The free and open marketplace was seen as an ideal setting for citizens who enjoy both commercial goods (advertising) and political ideas (public service). Radio broadcast regulation has been marked with tension between the democratic idea of local service and providing regulation that meets the needs of the profit sector. Today, managers of both AM and FM radio stations want to remain committed to localism while continuing to remain profitable. Ways in which a manager may approach this dilemma will be addressed later in this study.⁸

Local service origination is a product of two broadly interrelated concepts: (1) the required geographic distribution of licenses to operate radio as demonstrated by the Communications Act of 1934: "The Commission shall make such distribution of licenses . . . among the several states and communities to provide a fair, efficient and equitable distribution of radio service to each of the same," and (2) the station's obligation to identify and program for local needs and problems. "The principal ingredient of a licensee's obligation is the diligent,

positive and continuing effort by the licensee to discover and fulfill the problems, needs and interests of the public within a station's service area.”⁹

The attainment of the second concept, a station's obligation to identify and program for local needs and problems, depends on proper implementation of the first concept, required geographic distribution of FCC licenses to operate a radio station. To a large degree, justification of the first concept—programming for local needs and problems—depends on the acceptance and enforcement of the second concept—adequate geographic distribution of the radio stations and FCC licenses.¹⁰

Today, fair and equitable radio broadcasting service has been provided to all parts of the United States, fulfilling a legislative mandate that requires a fair and equitable division of radio services to the states and communities. The FCC has acted as a traffic controller for frequency assignments. In creating a pattern of effective frequency assignments, the FCC has successfully fulfilled its obligation of geographic distribution.¹¹

Specifically, since the inception of federal radio regulation, efforts to achieve local service have been central to regulatory policy. Thus, radio licenses have been allocated on a geographic basis to serve the programming needs of local areas. The emphasis on local service obligation remains at the core of broadcast regulation.

Technical Aspects of Radio Signals: Coverage Area

AM and FM stations use two very different broadcast systems. The older, Amplitude Modulation (AM), uses the frequency between 540 and 1710 kHz. Frequency Modulation or FM utilizes the radio band between 88 and 108 megahertz (mHz). The differences in frequency location and band width have a considerable influence on the geographic coverage area of the radio station signal.

AM coverage. The FCC groups AM stations into four classes of frequencies according to their coverage characteristics. Class I stations operate on "clear" channels, meaning that they share the channel with only one or two other stations in the country. Class I stations serve large metropolitan or rural areas and have very powerful signals (maximum operating power of 50,000 watts) that at night can be received hundreds of miles away. Class II stations are similar to Class I stations in terms of power and coverage, although they must direct their signals at night. Class III stations operate with a maximum of 5,000 watts and share "regional" channels with many other stations. Some must cease operations at night and are known as "daytimers." Class IV stations cover a small service area and operate with a maximum power of 1,000 watts during the day and only 250 watts at night. They share "local" channels with other full-time Class IV stations.

Table 1 lists the technical classifications of AM stations as assigned by the FCC.

Table 1: Signal and coverage classes of AM stations.

Class	Power (Max.)	Characteristics
I	50 kW	Clear channels (45 in U.S.), with one or two stations on each channel, serving large metro centers and remote rural areas. Most clears have great nighttime signal penetration with a skywave traveling 700 miles or more. There are a few daytime only stations in this class.
II	50 kW	Secondary stations on 29 clear channels and separated from primary clear channel frequencies so as to limit interference with Class I stations. Most use directional antennas at night. Some in this class are daytime only stations.
III	5 kW	Share 41 Regional Channels with over 2,000, other "fulltime" and "daytime only" Class III stations.
IV	1 kW	Operate on six Local Channels. Limited power covers a small service area. Some stations near U.S. borders must lower power at night.

Source: Bruce Bishop Cheen and Mark R. Fratrik, Fair Market Value of Radio Stations: A Buyer's Guide (Washington, D.C.: National Association of Broadcasters, 1990), pp. 7-13.

FM coverage. The technical aspects of FM radio are less complex than those of AM radio. All FM stations are licensed for full-time operation. There are no FM daytimers. FM signals are static free; the size of the coverage area of an FM station is directly related to the height of its antenna and power output. Frequencies for FM stations are listed by community in Tables of Assignments found in the Commission's rules and regulations. Applications for new FM stations can be filed only for frequencies listed in this table. Frequencies for AM stations are not assigned to communities in Tables of Assignments.

The FCC has three main classes of frequencies for FM stations: A, B, and C. Table 2 provides a summary of the various technical classifications of FM stations as assigned by the FCC.

Table 2: Signal and coverage classes of commercial FM stations.

Class	Power (Max. kW)	Maximum Height (Feet)	Primary Service Areas (Miles)
A	6	328	15-18
B	50	492	32
B ¹	25	328	25
C	100	1,968	57
C ¹	100	980	45
C ²	50	492	32
C ³	25	328	25

Source: Bruce Bishop Cheen and Mark R. Fratrik, Fair Market Value of Radio Stations: A Buyer's Guide (Washington, D.C.: National Association of Broadcasters, 1990), p. 12.

The Evolution of Radio Programming as a Local Service

The discussion about what is a community and how to better serve that community through radio is reflected in the ambiguity surrounding the doctrine of localism. Although policy drove local programming in radio's early years, commercial broadcasters discovered the economies of scale inherent in network broadcasting and, by the late 1920s, became affiliated with national or network radio services.¹² The Radio Act of 1927, which made limited mention of networks, established the policy for broadcast regulation based on the licensing

of individual stations, emphasizing local programming and local talent.¹³

However, this policy was rarely followed during radio's early years.

During this period, radio stations programmed in vertical format, providing a variety of network programs with general audience appeal. Network programming at this time consisted of first-rate comedy routines, soap operas, dramas, and variety programs. The comedy format proved to be the most popular network programming format during the Great Depression and World War II. The network was also influential in providing quality programming with popular actors at less cost to the local radio programming, providing a better program than the local radio station could afford to produce on their own.¹⁴ In addition, local programmers filled in scheduled network inserts with regional news, sports, and informational programming, and provided the local listener with public affairs programs, call-ins, and programs of local interest.

After the war, advertisers had less money to spend in a postwar economy, leaving network producers with limited budgets. Additionally, television was introduced in 1939 at the New York World's Fair; eventually, many of radio's best network actors became stars on television.¹⁵ Although policy was originally created for local radio, the idea of radio as a local service dominated various FCC and congressional hearings following World War II. Those responsible for radio began to direct their attention to program content and service to the local community, in hopes of competing with television. Serious consideration for local expression evolved, simply because radio's role was perceived as being changed by the arrival of television.¹⁶

Station owners redefined the radio medium to fit the new conditions—lower budgets, less live talent, and smaller audiences. Without being able to afford network programming, most local stations could not afford to underwrite large variety shows or dramas, so they turned instead to prerecorded music with live personalities called “disc jockeys.” The notion of programming to mass audiences was no longer realistic for the radio medium. Instead, stations began to identify target audiences and created formats or niches to narrowcast to the local listener.¹⁷

By the mid-1950s, rock-n-roll, rhythm and blues, jazz, classical, country-western, pop, and gospel were developed to appeal to the individual listener's taste. Strong local identity was essential for radio's growth during the advent of the television age, and radio station programmers seized every opportunity to demonstrate their commitment to their community.¹⁸

Early African-American Contribution to Local Radio Programming

The rhythm-and-blues format was one of the first segment formats to succeed during a time when television was replacing radio as the nation's mass medium. During the late 1940s and early 1950s, the rhythm-and-blues format was known as Negro-appeal radio and featured black announcers who played rhythm-and-blues music targeted at a primarily black audience. The “Negro-Appeal” format was among the first segmented non-network formats that prospered during the early years of television. Although the television medium contributed to the decline of live network radio broadcasting, it also influenced

the growth of locally based radio programs that featured prerecorded music.

Rhythm-and-blues radio also served as a model for other musical formats.

In the late 1940s, much of the early rhythm-and-blues programming was broadcast in block segments. For example, an individual could purchase an hour of air time on a local radio station for the purpose of featuring rhythm-and-blues music. Eventually, station managers in cities with substantial black populations were encouraged to build an entire format around their audiences' demand for rhythm and blues.¹⁹

Stereotyping began to decrease during World War II, in part because of the high number of black people who joined the armed forces. Blacks and block programming were encouraged in response to governmental concern over racial conflict interfering with the war effort. The broadcast industry was asked by government officials to help white Americans develop a more tolerant attitude about blacks through radio programming.²⁰ Encouragement by the military forced many radio stations to accept blacks for on-air positions at white stations. As their economic power and advertising market value improved, so did the black image on radio.²¹

In the late 1940s, WDIA-AM was instrumental in programming black gospel music, as well as other black-oriented music, on Memphis radio. In 1949, WDIA offered the first all-black format in the United States, providing local programming for the African-American community in Memphis, Tennessee. The station became famous for its public service or community announcements, which included announcements for missing persons, lost personal property, and

church meetings. The station also solicited blood donors, helped reunite families, and assisted listeners in getting jobs.²²

Early African-American disc jockeys were also considered cultural heroes to the African-American community. The backgrounds of the disc jockey and the radio listener were very similar. The music and commentary of the disc jockeys reflected what was being felt within their local communities.²³

With the Civil Rights Movement in the 1960s, Nicholas Johnson, then Chairman of the FCC, maintained, "Minority stations have an important role to play. No other institution inside or outside of government can match their power to administer day-in, day-out therapy to the root cause of the worsening malaise of our cities."²⁴ Black radio was considered a way to control civil disturbances, as well as addressing the problems of drugs, education, and employment.

It was not until 1968 and the release of the Kerner Report: Report of the National Commission on Civil Disorders, that the broadcasting industry began to consciously pursue programming reflecting broader minority concerns than music and entertainment. Although the Kerner Report criticized broadcast media for supporting and helping perpetuate racism, the report is often cited as a turning point in the radio industry's awareness of minority needs and interests.²⁵

Today, there are at least 360 urban-format radio stations in the United States; their musical programming includes rhythm and blues, jazz, dance, hip-hop, and gospel. Urban radio stations, although not necessarily black-owned or managed, have usually connected with their local audiences, offering

programming to fit the needs of the African-American listener. Urban radio is different from other radio formats due to its unique commitment to the African-American community.²⁶

The Deregulation of Radio

The controversy surrounding deregulation was led by former FCC Commissioner Mark Fowler. The impact of Fowler's six years of deregulatory initiatives (1981-1987) is well documented and will continue to be felt as a result of the economic forces caused by deregulation. Deregulation has had a significant economic impact, whether directly or indirectly, on the radio industry.²⁷ For example, by removing the FCC's anti-trafficking rules, which previously required companies to own a broadcast property for at least three years, many now say Fowler paved the way for the increase in mergers among radio broadcast properties.

During the early 1980s, there were calls for deregulation and reliance on the marketplace to decide broadcasting in the public interest.²⁸ To understand deregulation, it is necessary to examine the regulatory models most frequently analyzed. These two models reflect what Fowler identified as the trusteeship and marketplace models. The former favors a stronger regulatory role for the FCC, while the latter relies on a broadcaster's good-faith judgment.²⁹

Broadcasters are often perceived as eager to discard public affairs programming in order to make available air time for more music and commercials, thus increasing listenership and revenue dollars. This would not

occur with the trusteeship model, under which the airwaves belong to the people and broadcasters are obligated to provide more than programming that appeals only to the largest audience. The trusteeship model is a “voice of the community,” providing access to the airwaves for those other than the broadcaster. Another aspect of local service under the trusteeship model is ownership. Local owners are usually preferred over absentee owners, in the belief that the local owner will be more in touch with the community and less concerned about profit.³⁰

The second model is the marketplace model. This model reduces regulatory control to a minimum “traffic cop” level, with the FCC ensuring orderly use of the airwaves but not influencing program content. Market forces are relied upon in the hope that broadcasters will use positive judgment and will serve the public interest; those who do not will be driven from the market or at least forced to change programming because they do not provide what listeners want. This model relies on ratings; stations with the most listeners are considered as doing the best job of meeting audience needs. The marketplace model entrusts faith in the competitive forces, and hopes it will ensure that broadcasters will try to determine local needs and develop programming to meet those needs.³¹

Congress has never been clear when presenting its definition of a proper relationship between broadcasting and free enterprise. The Communications Act of 1934 implies that broadcasters should be limited by the FCC when imposing programming priorities. According to Glasser, Congress intended the

licensee to “survive or succumb” according to his or her ability to make programs attractive to the public while remaining responsive to the “public interest, convenience, and necessity.”³²

Today, broadcast stations are placed in a more competitive marketplace. When one talks about localism and the marketplace, one talks about what the consumer wants. If the tastes of the consumer are in conflict with local issues, then those issues are not broadcast. Today, the FCC looks at the entire community and the station’s contribution to that community. A broadcaster does not have to air a program on every single issue that the community finds important. Thus, the FCC emphasizes the competitive marketplace and lets the public determine what type of programming should be broadcast within that marketplace.³³

There are advantages and disadvantages to both models. The trusteeship model relies on the FCC to enforce policy relative to such issues as community ascertainment and the Fairness Doctrine. The advantage: The local community was assured of local programming concerning issues of importance to their community. The disadvantage: Owners/managers were closely monitored by the Commission, thus limiting the managers’ control over station programming and operations.

The marketplace model reduces regulatory control to a minimum, with the Commission limiting their influence over programming content. The marketplace model requires management to serve the public interest without regulation while also remaining competitive in the marketplace. The disadvantage: Researchers

have found that the marketplace model often encourages competition at the expense of local programming. The advantage: Those managers with a commitment to local programming will meet the need, and the station often remains profitable, without heavy regulation of the Commission.

The Rise and Fall of the Fairness Doctrine

Another means of ensuring local service was the Fairness Doctrine, until it was abolished in 1987. The FCC concluded that an open marketplace of ideas made the Doctrine unnecessary. The Fairness Doctrine had been a part of broadcast regulations since 1949. It required stations to provide opposing views in their programming when addressing controversial issues. This approach had two advantages: (1) It allowed licensees to remain responsible for programming, leaving to their discretion decisions over which issues have public importance and who should speak about them, and (2) It obligated licensees to provide access to ideas other than their own.³⁴

The Fairness Doctrine was enforced on a case-by-case basis by station management. Typically, the FCC became involved when a listener complained that a station did not air his or her view. Most complaints did not produce sanctions by the FCC, and air time was provided by management to those who complained.³⁵ In practice, therefore, most Fairness Doctrine complaints came as reactions to ideas that had already been discussed on the air, rather than as complaints about the failure to initiate a discussion of an issue.

Because the Communications Act of 1934 required radio stations to serve the “public interest, convenience and necessity,” the Fairness Doctrine was one of the means by which the FCC attempted to influence broadcasters to fulfill this responsibility.³⁶ It was also the responsibility of management to regularly survey community leaders in order to know what issues were important. Accordingly, the Doctrine’s purpose essentially compelled radio station owners and managers to provide valuable broadcast time, which ordinarily would not be available if left to decisions based solely on marketplace forces. Others believed the Fairness Doctrine provided valuable access for minority groups who otherwise would not have had an avenue to have their opinions and needs heard.³⁷

There were, however, problems with implementation of the Doctrine. Despite the balance provided by the Doctrine, many broadcasters used their stations to promote extreme positions on controversial issues, negligent to the fact that as a licensee they had an obligation to offer opportunities for rebuttal.³⁸ Abolishing the Fairness Doctrine in 1987 was a blow to local programming, which no longer required owners and managers to provide air time for the general listener.

Ascertainment: A Commitment to Localism

On July 29, 1960, the FCC provided guidelines in its first major policy statement on ascertainment and radio programming. The report and policy statement reminded broadcasters that a principal ingredient in their public interest obligation was meeting listeners’ tastes, needs, and concerns. The

report outlined several programming needs supported by the public interest standard, including local expression, religious and children's programming, as well as news, sports, and public affairs programming. The FCC's programming ascertainment requirement mandated that radio broadcasters determine the needs and interests of their community of license and program to meet those needs and interests.³⁹

According to Brian F. Fontes, a former FCC senior staff member and currently senior vice-president for policy at the Cellular Telecommunication Industry Association, the issue of localism has been an extremely important one in broadcasting. For many years the FCC would regulate the type and amount of programming a licensee provided by reviewing specific programming categories during license renewal. This procedure was designed to ensure that the broadcaster met his or her responsibility to the public, and would provide the right type and amount of programming. This procedure also helped qualify the station for license renewal. Fontes pointed out:

In fact, licenses were often challenged in the past for failure to meet certain categories of broadcasting. If you didn't air the correct percentage of children's programming or religious programming or public interest programming, the licensee and the Commission would receive complaints from the public, especially during license renewal.⁴⁰

The Commission intended ascertainment to become part of every application and license-renewal proceeding. An applicant for license renewal was required to conduct a survey of community leaders to ascertain the problems of the proposed community of license and to suggest broadcast programs that would discuss these problems. The FCC also provided a list of 20 universal categories of people to be questioned; questions included the needs,

problems, and interests of the community.⁴¹ The problems, needs, and interests of the community were addressed in the interviews in the survey.

The 1960s ascertainment programming statement resulted in new license application forms requiring applicants to demonstrate ascertainment of community needs and interests and to list programs that had addressed these needs in the previous year. Whether the programming statement greatly increased the local content of radio programming is arguable. Many claimed that it had little impact because the FCC seldom enforced it.⁴²

Elimination of the Ascertainment Rule

In 1981, the Commission deleted the requirement for ascertainment of local community needs. With deregulation, stations were no longer required to file ascertainment and programming information with the FCC. Today, the only ascertainment requirement is to have a general knowledge of the local community and to continue to place Quarterly Lists of “issues” programs in the public file.⁴³

The FCC has determined that many of the ascertainment rules were nonproductive and broadcasters were actually doing more than what the Commission's rules required. Thus, the Commission moved away from heavy regulation to light regulation.⁴⁴

Supporters of ascertainment felt that dropping the requirement would result in stations cutting back on the production of low-revenue local programming. Former Commissioner Benjamin Hooks predicted that stations

previously providing public service programming to minorities would cease to do so.⁴⁵

Minority Broadcast Ownership: Implications for Deregulation

In early February 1978, the Carter Administration announced a multi-faceted program to increase minority ownership in radio broadcasting. Carter's plan included minority finance programs from the Small Business Administration and the Economic Development Administration, as well as Distress Sale and Tax Certificate Programs.⁴⁶

The FCC's policy was based on the assumption that "such measures would result in programming reflecting the needs and interests of minority groups." This gave notice to minority owners that part of the burden for the success of this policy, particularly programming, was their responsibility. Therefore, it was expected that minority owners would increase minority viewpoints through programming and ownership.⁴⁷

Before 1992, FCC regulations prevented any group or individual from owning more than one AM and one FM station in a single market. This provision, known as the duopoly rule, was designed to prevent concentration of ownership in local markets, while continuing to allow local views.⁴⁸

During 1992, however, declining revenues in the radio industry prompted the FCC to revise its ownership rules in order to stimulate greater economic growth. In an attempt to address the changing economic climate, the FCC relaxed national and local ownership limits. In lifting the cap on ownership, the

Commission provided radio owners the opportunity to own several stations in a market and enjoy such joint ownership efficiencies as consolidation of facilities, staffs, promotion, and programming. Potential savings from such efficiencies allowed station owners to compete more effectively in markets undergoing significant restructuring.⁴⁹

On February 8, 1996, the Telecommunications Act of 1996 became law. Radio ownership limits had been expanded by the FCC in 1992. Now there was no limit on the number of stations owned, except on a market-by-market basis. For example, in the largest radio markets having at least 45 stations, a group may own eight radio stations; in the smaller markets with 14 or fewer stations, five total stations may be owned by a single entity.⁵⁰

Many minority owners fear that further consolidation in the ownership of stations would reduce the number of independently owned voices, which would ultimately decrease the diversity of programming choices and localism as we now know it.⁵¹ When the FCC was considering relaxing its radio ownership rules to allow companies to own several stations in a market, some of the strongest opposition came from minority broadcast owners. Many felt the 1996 Telecommunications Act favored large conglomerates at the expense of the small minority owner. In fact, while favoring the 1996 Telecommunications Act, FCC Chairman William Kennard and FCC Commissioner Michael Powell both voiced concern over the small number of minority-owned stations. According to the Commerce Department, only 2.8% of radio and television commercial stations were owned by minorities in 1998, down from 3.1% in 1997.⁵²

The Commission must continue to strike a balance between the economic interests of the radio industry and the importance of the public's interest. Congress, the Commission, and the courts have all emphasized the importance of diverse broadcast ownership and localism as long as it is driven by the marketplace.

FCC commissioners have weighed in on the matter of localism and diversity of ownership. According to Chairman Kennard, the most dramatic increase in radio consolidation in the history of broadcasting is now taking place, and requires that both competition and diversity remain at the forefront of the Commission's concerns. Kennard continued, "Broadcasting remains the way that most Americans receive their information about their local communities. . . . Continuing diversity of ownership and an emphasis on local programming is vital to the democratic process."⁵³

Commissioner Ness took a different approach and questioned the impact regulatory policy has had on the smaller market radio stations that generate less revenue than the larger market stations that generate more revenue. Ness asked the following questions: How are smaller and less-revenue-generating radio stations able to compete with larger and more-revenue-generating radio stations? How are the smaller stations able to take a risk on new services and talent? How are the smaller stations able to continue providing community and charitable support which requires staff and time, but rarely contributes to the bottom line? Are our ownership rules inadvertently causing the financial suffocation of the small entrepreneurial broadcaster? Commissioner McConnell

argued, "Even where a station is owned by an organization hundreds of miles from the radio station's city of license, the need to provide local service to that city remains paramount."⁵⁴

Lower-Power Radio: An Answer to Local Programming?

According to Adam Clayton Powell III, you are what you hear, and through radio you hear what you are. Radio is community. The need for community radio still exists, but many feel the large corporate-owned, profit-driven radio stations are not interested in the small towns and rural areas that require adequate coverage and local programming. As large broadcast corporations expand in an effort to increase profit, radio listeners find increasingly that listening formats decrease in diversity.⁵⁵

Critics of commercial radio often cite radio consolidation as one of the reasons for limited local programming, providing justification for their request for low-power radio.⁵⁶ As proposed by the Commission, noncommercial low-power radio would provide a low-cost means of serving urban as well as rural communities with a local community programming emphasis. A 1,000-watt radio station would serve a radius of 8.8 miles, and a 100-watt station will provide 3.5 miles of coverage. A third microradio class is also being considered.⁵⁷

In January, 1999, the Commission proposed three classes of low-power radio service which would operate on the existing FM radio band: a 1,000-watt primary service, a 100-watt secondary service, and a 10-watt microradio service. The public urged the Commission to create ways to increase public access to

the airwaves. More than 13,000 inquiries were filed from the public voicing interest in starting a low-power radio station. In creating three classes of stations, the Commission hoped to solve the need for local radio programming, encourage opportunities for minority radio ownership, and promote program diversity.⁵⁸

On January 20, 2000, one year after the FCC's initial proposal, the FCC adopted a plan for the 100-watt and 10-watt noncommercial radio stations. Licensees must maintain a local community emphasis. The FCC canceled plans for a 1,000-watt service because of possible interference problems.⁵⁹

Specifically, the Commission hopes to increase station ownership by minorities and women because of extremely poor representation in radio station ownership. Legally, stations cannot be reserved for minorities or women, but the Commission hopes to create the availability of low-power stations so that more minorities and women may participate in ownership.⁶⁰

The 100-watt class would meet the demand of those who would like to broadcast to communities of moderate size. A 100-watt station would reach a few hundred to several thousand listeners. As a secondary station it would not be permitted to cause interference with the protected service of existing or future primary stations, nor would secondary stations be protected from interference from primary stations.⁶¹

The third class of low-power FM service, known as microradio (10 watts or lower), is intended for those with limited financial support. The third class of station would reach listeners within a localized setting. Microradio stations

would offer very limited coverage for schools, neighborhoods, subdivisions, and town centers.⁶²

What has really fueled the need for low-power radio? According to Charles W. Logan, Jr., currently FCC Chief of the Policy and Rules Division,

There are a lot of very small community groups, churches, neighborhood groups, even some state and local governments that would really like to get their voices heard. Hopefully, this will also be an alternative to private radio. Low-power radio is available to those who do not have the money for a full-power radio station.

For those who say, "I don't have the money to go out and buy a full-power radio station . . . but I still have something to say and I still want to carve out this little community radio station that serves my community and has a real voice in the community," low-power radio is the answer.⁶³

Petitioners of the Commission argue that consolidation has made radio stations too expensive for most individual owners; thus, the public is being deprived of a local voice. Petitioners also criticize the loss of less popular music formats, and they contend that low-power radio could serve the needs of the niche listener.⁶⁴

The National Association of Broadcasters (NAB), National Public Radio (NPR), and a number of individual licensees oppose low-power radio.⁶⁵

According to Logan,

Low-power radio has caused a lot of controversy in the existing broadcast industry. They don't like this idea . . . they're afraid that this could interfere with their broadcast signal. It's also possible that they're afraid of increased competition. It's a fair question. Is it possible to fit a low-power radio station under existing standards? If the Commission really wants to fit a sizable number of low-power radio stations, especially in

urban areas where there tend to be a lot of radio stations, it's going to have to adjust the current interference protection standards.⁶⁶

Logan added that:

There is a need for low-power radio; to what extent it happens is still unclear. It depends on the result of the interference studies. There are real interference issues that will have to be reviewed. Chairman Kennard is really on board with this, and that makes a big difference. I think the real issue is how, to what extent can you establish service. How much can we relax these current interference rules to create these new opportunities for stations?⁶⁷

Many who have responded to the Commission's proposal have questioned whether low-power radio is a viable means of addressing local autonomy. Fontes said,

When we did low-power television, that was very controversial. The whole goal of low-power television was to allow people who previously had not owned a broadcast station to get into the broadcast business. If we turn around and look today at how many of those original low-power broadcast licensees are actually broadcasting, it is far, far, far, far less than the number of low-power television stations that were issued. The bottom line is it takes money to run a station. And money is dependent on the operations at the station, the money coming into the station is dependent upon the number of eyeballs watching television or eardrums hearing radio. And if you don't have the programming, they are not going to watch or listen. And if they are not watching or listening, you are not going to get the advertising to get the money to buy the programming to get them to watch in the first place. So it is really an uphill battle. A phenomenal uphill battle. There must be ways to make money at this. Is it possible? Absolutely. There are ways you can make it viable. However, this isn't beautiful, fabulous real estate, it is a starter home. We all have to get into a house at some point in our lives with hopes of moving up and having something better.⁶⁸

What Issues Will Low-Power Radio Solve?

Scores of communities across the United States are preparing to launch low-power radio stations. Many researchers think America is losing a power

vehicle for diversity, as commercial radio stations are consolidated into fewer and fewer hands. The FCC's ruling of opening new space on the airways for low-power radio is their answer to the recent consolidation trend. Ninety-five percent of all music in this country is never broadcast over commercial radio. Now, music and local community programming will be broadcast over low-power radio.⁶⁹

In addition, consolidation is pricing minority owners of one and two stations out of business. The Commission sees low-power radio as a possible alternative for the minority owner.⁷⁰ However, many radio station members of the National Association of Broadcasters (NAB) say low-power radio presents no real economic value.⁷¹

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CHAPTER III

REVIEW OF RELATED LITERATURE AND ISSUES RELATED TO URBAN RADIO AND DECISION-MAKING

According to Kharbanda and Stallworthy, two vital factors for successful leadership are sound motivation and quick decision-making. A good leader must be decisive as well as a good motivator. Often a decision must be made before all the relevant information is available. This is where so many decisions fail. Many managers wait for the last significant item of information, waiting until it is too late to make an accurate decision. A good leader is prepared to make decisions on inadequate and incomplete information, realizing that no decision is perfect and that an imperfect decision is better than no decision at all. The best sign of a good leader is the people who surround the leader—enthusiastic and excited, preferring to work where they are than anywhere else.¹

The Unit of Analysis in the Decision-Making Process

Various units or departments operate within any organization. The study of decision-making requires the analysis of at least three sets of variables: (1) the decision-maker, (2) the goals of the organization, and (3) the culture within which the action is to take place.² The unit's decision-maker, such as an individual, committee or group, is subject to various organizational constraints.

Such constraints are considered requirements or limitations imposed on the decision-maker. The constraints may arise from the radio station's culture, behavior of other units within the radio station, station goals or policies, or individual agendas within a unit or department.³

Some organizations operate under a charter or mission statement—implicit or explicit—with norms or roles that transcend the composition of any single decision-making unit. Consistent communication patterns must exist between each separate decision-making department of a radio station. The culture of such operatives strongly affects the unit and the subsequent decisions made for the station as a whole. Within the station, numerous units are involved in decision-making in order to accomplish the organization's objectives.⁴

In addition, a decision maker is also subject to various external constraints. For instance, the length of ownership of a radio station by the same owner has an impact on the decision-making process and overall operation of the radio station. The tenured owner is often the financially stronger owner. Stable ownership of a radio station also aids in the development of long-term relationships with the community and with advertisers. Research has shown that new station owners, burdened with newly acquired debt and with less management experience, have less commitment to the community than owners with stronger ties to the community.

The number of radio stations owned by a single owner or group owner is another way to determine the financial strength of that owner and his station. There are clear economies of scale when controlling several stations due to the

cost advantages that come from operating efficiencies in combining otherwise separate operations. Researchers have suggested that group owners receive more favorable treatment than single owners when negotiating the purchase of programming or the selling of advertising.

Other constraints include the band the station is located on, the station power, as well as the size of the market. FM stations are more popular with listeners than AM stations, and AM stations attract an older audience than FM stations (which is less desirable to advertisers). A station with a higher transmitter power (FM) has a larger potential audience than a lower powered station (AM). Smaller markets have less advertising revenue per radio station than larger markets; therefore, the approach to decision making will be different. Such constraints as market size, daytime-only status (for AM), tower height (for FM), frequency, location, and the number of competing stations per market all have an effect on the decision-making process.⁵

The effectiveness of a decision may depend on the composition of the decision-making unit. In many cases, individuals may make the best decision. Group decision-making usually requires increased time to make a decision because of the long process of forming a consensus among people with conflicting opinions.

If timing is critical, individualism is better. If timing is not critical, and risk and uncertainty are high, a slower group process has its advantages. The inherent lack of speed in group decision-making is just one characteristic of group decisions. When complex tasks are involved, groups have the advantage

of assigning specific responsibility to group members to thoroughly evaluate the problem and recommend a solution. Dividing tasks among group members may actually speed up the process, since no one person must learn the wide range of information required for a complex decision.⁶

The final step is to establish that the decision is actually working and that the anticipated results are being achieved. If it is not working, it may be possible to take corrective action, but first it becomes necessary to establish why and where the failure has occurred. Typical reasons for failure are: inadequate planning for implementation, poor communication, and a lack of enthusiasm on the part of management in pursuing station goals.

The growing complexity of commercial radio has given support to attempts to develop a science of decision-making for broadcast media. Early decision research was directed toward finding techniques that would maximize the probability that the best choice among the available alternatives would be chosen by the decision-maker.⁷

Types of Decisions

A programmed decision states that an action will take place once a certain condition has been reached. Decisions are programmed to the extent that they are repetitive and routine. A nonprogrammed decision does not have the advantage of policy or principle. Programmed decisions are structured, with established goals and procedures. Nonprogrammed decisions have a poor structure, vague goals, and untested information. The greater the number of

programmed decisions, the more time a manager will have to review and analyze difficult nonprogrammed decisions. Whether a decision can be programmed depends on the uncertainty and risk involved. The lower the uncertainty and risk, the more likely a programmed decision will work.⁸

The main reason for distinguishing between programmed and nonprogrammed decisions is that different management techniques are required to address each type of decision. Programmed decisions have a standard operational procedure; nonprogrammed decisions require managers to exercise judgment.⁹

Redmond and Trager offered two types of decisions: routine decisions and nonsystematic decisions.¹⁰ Routine decisions are associated with repetitive patterns of behavior that are procedure-oriented. Various kinds of decisions meet the routine category. Generally, these types of decisions involve matters that occur often and for which standard procedures have been developed. Typically, routine decisions include budgeting, accounting, hiring, and firing—the kinds of decisions based on routine procedures.

Nonsystematic decisions are the opposite of routine decisions. They require a decision on a new development or program for which established procedures have not yet been developed. They may be carefully considered, but are not the result of an official process or routine. Nonsystematic decisions are caused by new developments that require organizations to change.

Routine decisions require considerable organizational knowledge because they depend on past practices and policy. Nonsystematic decisions

require just the opposite—an open mind able to understand the scope of something that has not previously been experienced and then to think creatively to resolve the problem.

Operational Definition of the Decision-Making Theory

Radio managers make decisions every day. Management decisions for radio often involve routine responsibilities, such as budget approval, station policy, program selection and scheduling, as well as personnel matters.¹¹ Specifically, what is the process of decision-making for urban radio programming? To answer this question and others, decision-making was analyzed relative to radio programming and policy within the commercial radio industry. The analysis provides information to better understand the process of effective decision-making by individuals, groups, or committees within commercial radio.

Researchers have defined effective decision-making as goal-directed or action-oriented. From an etymological perspective, the verb “decide” is derived from the Latin prefix “de” meaning “off” and the Latin word “caedo,” meaning “to cut.” In this sense, the cognitive process cuts off or selects a particular course of action from among a set of possible alternatives. The process of selecting specific situations, solutions, or alternatives is considered decision-making.¹² Shull, Delbecq, and Cummings also viewed the decision-making process as a conscious activity, not an automatic behavior response.¹³

Helga Drummond, another noted researcher, thought decision-making was about shaping the future.¹⁴ According to Drummond, it is important to distinguish between a decision and the decision-making process. The decision-making process involves events leading up to the point of choice and beyond. A decision means to cut and decide on a specific course of action. Many radio managers fail to see beyond the decision to cut. The decision-making process requires active involvement in implementation; to confront ambiguity, to encourage staff members to seek clarification, and to modify ideas that are clearly impractical at first glance. Decision-making is defined as a conscious human process. Both individual and social phenomena are involved, which leads to a choice of one behavior activity from among one or more alternatives with the intention of moving toward some future desired state of affairs.

Decision-making may be simple in some instances, but in other instances it may call for the most demanding exercise of a person's judgment, reasoning, and imagination. A decision can only be as effective as the process used to reach it. Accordingly, for those called on to make important, difficult decisions, it is always helpful to be thoroughly grounded in the various steps of the process, to understand the theoretical and logical bases of the decision-making process.¹⁵

The impact of decisions made in urban radio depends on the level of the manager. What is important is that all decisions should be made or considered at the lower level of staff or management (subordinate to the general manager) because it is those staff or managers who know exactly what is going on.

Traditionally, the middle manager's role has been one of implementation rather than formulation and planning. Now middle managers are taking more of an active role in the planning process as well as implementation of a decision.¹⁶ However, when it comes to adverse decisions affecting those at the lower level, the full responsibility and final decision are with top management.¹⁷

Decision-making is one of the most important elements of the managerial process. To make an effective decision, managers must understand the decision-making process. Researchers often take different approaches to the decision-making process. Huber emphasized differences between decision-making, choice selection, and problem solving.¹⁸ Problem solving, according to Huber, is used in the broadest sense and involves anything from identifying problems to monitoring, maintaining, and reviewing solutions to the problem. Decision-making also involves generating alternative solutions, selecting an alternative, and evaluating the outcome.

According to Lyles and Thomas, the economic view of decision-making is shown in the rational decision-making model.¹⁹ The authors believe this model is the benchmark against which all other decision-making models are compared. This approach requires the decision maker to make a rational choice. A responsible manager provides personnel whatever is needed to secure the necessary information so that the manager can make an intelligent decision.

Gore suggested that there are two decision-making systems: (1) the rational system, in which the decision is conscious, logical, planned, and quantifiable, and (2) the heuristic system, which is unconscious, intuitive,

emotional, and unplanned. According to Gore, the rational system is more applicable to the quantitative decision-making process concerning money and profit, whereas the heuristic system is more applicable to the intangible and the qualitative.²⁰

Moreover, the “maximization” concept is also discussed within this context. It assumes that the most important goal in decision-making is the maximum return for a given investment of time and money. Fleming²¹ and Barnes²² referred to this process as the condition of certainty, uncertainty, and risk. Again, decisions are based on information relating to the possible outcome of alternatives. Decisions are also tied to the assumption that in a world in which not all alternatives are met equally, the element of probability is present. This element of risk and the possibility of reversing the outcome is one of the determining factors in choosing the most appropriate alternative for the problem.

Two models were used by the above-mentioned researchers. One of the models is termed “economic man” and is similar to the maximization concept. The economic man model deals with real-world issues, reviewing all information and possible alternatives before making a decision. With the economic man model, decisions are based on maximum return.²³

The second model is the “management man” approach, which has the following characteristics: the outcome of possible alternatives is difficult to predict, limited information and resources are available to the decision maker, the decision process often is influenced by external factors, and the end result for management man is a sense of satisfaction rather than monetary gain.²⁴

Some of the difficulty in understanding the decision-making process is due to the confusion in the use of the terms “economic man” and “management man.” In classical economics, the decision maker or economic man was a person who was completely rational and selected a course of action from all alternatives presented under conditions of complete and accurate information. This course of action led to the maximization of profits because of the ability of economic man to determine the conditions under which marginal costs equaled marginal revenue.²⁵

According to various scholars, management man is a more realistic portrait of the decision maker. With management man the decision-making process starts by defining the problem and ends four or five steps later with implementing the decision. Fleming, for example, pointed out that this decision process is more realistic than the economic model. Thus, management man brings to the process his personality, his experience, and his aspirations—himself.²⁶

In the work of Mintzberg, Raisinghani, and Theoret, the economic man model is replaced by management man because environmental factors are not considered in the economic man model.²⁷ With this theory the decision effort is directed toward “satisfying” rather than “maximizing” efforts. The list of environmental factors that influence the decision-making process includes economic health of the radio station, station competition, impact of FCC policy on station operation, and the impact of technology such as the Internet on the

broadcast marketplace. Knowledge and control of such factors allows management to make effective decisions.²⁸

The standard description of decision-making—identification of goals, search and evaluation of alternatives, determination of the best course of action—has been criticized by Anderson.²⁹ According to Anderson, this model overestimates the information-processing capability of those involved. Moreover, the path from goals to the final choice is not a fixed sequence of events but could include varying cycles, thus overlooking the social interaction involved: discussion, debate, and evaluation. Anderson's critique refutes the standard model of decision-making but falls short in proposing an alternative.

According to Nutt, the decision-making process is composed of a set of events that begins with the identification of a problem or issue and ends with action being taken. Nutt's research found the decision-making process to be solution oriented, restricting innovation and limiting the number of alternatives available.³⁰

According to Paul Anderson, in the standard decision-making process, decision makers confront a problem and look for a solution. They face many competing courses of action and select the alternative that best solves their problem and achieves their goals. The standard decision process assumes that making a decision involves choosing one alternative from a set of competing alternatives.³¹ The potential success of a decision improves when the number of alternatives increases.³² One must be knowledgeable of the positive attributes of the alternatives available to support decisions that may be controversial.³³

Finally, the standard description of decision-making assumes that the purpose of decision-making is to solve a problem. Anderson suggested that what decision makers are looking for is not a solution to a problem but a course of action that does not have a high probability of making matters worse. Whether the action will solve the problem is of secondary concern.³⁴

Once the agreement on goals has been reached, the alternative often follows as a matter of course. Goals are discovered through a social process involving argument and debate in a setting where justification and legitimacy play an important role. Not just any sort of a goal will be discovered. It will be one that is consistent with shared goals of the radio station.

It is clear that numerous researchers over the past four decades have investigated and written about decision-making from a variety of perspectives and approaches.³⁵ Despite the attention decision-making has received, theoretical dilemmas often blur rather than clarify the decision-making process. The need to understand decision-making as a process still exists.³⁶

The Standard Decision Process

Decision-making is a process in which managers collect information, set direction, evaluate alternatives, and implement the best alternative.³⁷ Despite the use of phrases to characterize decision-making, most models of decision-making are similar: classify the problem, define the problem, specify what the decision must do, seek the right decision, build in the action component to make the decision happen, and use feedback to test the effectiveness of the

decision.³⁸ Huber listed five steps in his decision-making process: determine the problem, develop alternative solutions, select alternative solutions, implement the selected alternative, and monitor and encourage feedback.³⁹

Often an individual or organization has little understanding of what is involved when making a decision, or the route taken to its solution, or what the solution might be, or how it will be evaluated once it is decided.⁴⁰ As previously discussed, there are many decision-making models available for consideration. The decision model that provides a backdrop for this study is shown in Appendix B. As the model illustrates, collection, evaluation, and analysis of information are the focus of the decision-making process.⁴¹ Strengths and weaknesses of this decision model as they pertain to urban radio will be shown in Chapter VI.

Defining the Problem

The first step in defining the problem is to ask: Is the problem unique? Problems that are unique in content should follow a rule, policy, or principle before final implementation. Once the right principle has been applied to the problem, other similar situations can be handled according to that principle.⁴²

Defining the problem also involves the collection of information about the problem. This information must be analyzed in a way that allows station managers to properly frame the problem. The question, "What caused the problem?" must be answered. Each problem has several possible causes. It is the manager's and staff's responsibility to define the problem in such a way that the causes can be accurately identified. The severity of the problem can be

determined by analysis of the station's performance and any deviation from the station's goals.⁴³

Specifying Goals

What goals will be attained by the decision? What conditions must be met? Goals are needed where performance and results directly affect the survival and effectiveness of an organization. Goals provide direction for an organization. Goals indicate the proper course of action and reasons for that action.⁴⁴ Goals should be as specific as the problem will allow. All goals should have a deadline for accomplishment. Specific goals should allow monitoring and force a station manager to use detailed information analysis. The crucial aspect of goal setting is the degree of specificity; one must collect as much information as possible and analyze it as effectively as possible within the time allotted.⁴⁵

Developing Alternative Solutions

The next step in the decision model is developing alternative solutions. Two questions are asked: (1) Will the alternative selected actually accomplish the proposed goals? (2) Will the costs of the solution be more than the potential gains to the station? If the answer to the first question is no, then the alternative should not be selected. If the answer to the second question is yes, then the alternative should be discarded. All alternatives must be considered before a final decision is made.⁴⁶

In deciding alternative solutions, the decision maker must be guided by his previous steps—the objectives and goals of the organization, the problems

identified and defined, the hypothetical solutions to the problem, and the information collected and analyzed. The objective in making a decision is to select from among the most promising alternatives the ones that will produce the largest number of desirable outcomes.⁴⁷

Selecting Alternative Solutions

Selecting a final alternative depends on the costs and benefits of that alternative. Often more than one solution will work, so the correct option is the one with the best return—one that is beneficial to the station. One solution, for instance, may generate more listeners than another, but the costs may be so high as to consume the increase in profits. A solution may also be inexpensive, but the results may not increase listenership. A search for alternatives is where internal and external environments are analyzed for information to fulfill the station goals.⁴⁸

Implementing the Alternative Solution

Once the alternative solution has been selected, it must be implemented. The decision will not be effective unless a commitment has been built into the process. In fact, no decision will be made unless it has become someone's responsibility. Until then, it is only a good idea. Managers are more likely to be enthusiastic about decisions they have made than about decisions that have been given to them.⁴⁹

Again, the collection and analysis of information is important at this stage. Much of the information required now deals with internal organizational issues

such as budget, timetable, and delegation of responsibility. It is important to note that those responsible for implementing the solution must be given the power and budget to do so.⁵⁰

Monitoring the Solution With Feedback

Monitoring by station management should allow feedback on the progress being made toward the goals selected and be part of their implementation. Feedback must test the effectiveness of the decision against the actual course of events: How is the decision being implemented? Are the assumptions on which it is based appropriate? A solution that is not working should be given adequate time for success. Information monitoring and reporting must be built into the decision-making process to provide continuous testing of the alternative solutions selected. These solutions must be tested against other decisions to ensure that the right decision has been made. If the solution is not working, a new cycle of decision-making is started and the process begins again.⁵¹

Summary

Issues discussed in the previous chapters offer factors that influence radio decision making regarding programming, policy, and personnel, as well as sales and management. Each station must take an individual approach to the decision-making process. The Telecommunication Act of 1996 changed the role of broadcast radio; consolidation and radio concentration now challenge the owners and managers of urban radio stations and their commitment to local programming and financial survival.

For instance, many factors influence radio programming decisions. One consideration is the programming already available in the station's listening area. A new format of hip-hop music may be decided upon because no other station in the market offers that type of music. However, if there are only a few hip-hop fans in the market, this format will not draw a sizable audience. Radio station decision making evolves around the economics of the station. Advertisers, the sole source of revenue for commercial radio, prefer a carefully researched and successful format.⁵² Effective decision making in the areas of policy, personnel, sales, and management mean positive cash flow for the radio station.

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CHAPTER IV

METHODOLOGY

This study investigated the decision-making process for commercial radio. Two commercial radio stations were selected from the state of Georgia for this study. Anonymity and pseudonyms were provided for each owner, station, and respondent participating in the interviewing process. The pseudonym for the radio station conglomerate is Rad Media. The pseudonym used for the radio station located in metropolitan Georgia and owned by the conglomerate is WAAA-FM. Rad Media owns more than 50 radio stations in the United States.

As suggested by Horvath and McMillan,¹ the restriction to just two stations was decided to provide as much in-depth information as possible within the time and resources available. A two-case study is an appropriate design for the following reasons: The theory previously presented for this study has a set of assertions or questions that must be answered. To confirm, challenge, or extend the theory, one or both cases may meet the conditions for testing the theory. A two-case study can represent a significant contribution to the knowledge of theory building without the advantage of generalization.²

Final selection of the two stations was based on the following: The general manager of the station located in metropolitan Georgia (WAAA-FM) is

also the chief operating officer of the African-American conglomerate that owns WAAA-FM. The chief operating officer/general manager is able to bring a unique perspective on decision making from the corporate as well as the local level, a rarity in the radio broadcasting industry today.

In contrast, the station representing rural Georgia is owned by an individual. This African-American owns four radio stations in central Georgia, a smaller market, and approaches decision making from a single-owner perspective. The owner/operator was given the pseudonym Robots Communications; the station pseudonym is WBBB-FM. The single owner works daily at WBBB-FM and brings a very different view to the study than does the corporate owner.

Radio broadcast experience and previous research in the field of decision making have reinforced the belief that too little research has been focused on the decision-making process in urban radio. With the limited amount of research literature available on this subject, an exploratory study was warranted.

Selection of Stations

Two urban, contemporary radio stations were selected because of their programming format, market size, and ownership. An urban format requires that 75 percent or more of the listening audience be nonwhite.³ The urban format consists of various forms of music, including rhythm and blues, black or soul, hip-hop, and oldies.⁴

This study looked at two urban-format stations that program a black-oriented music format with local news and/or informational programming. Using the Broadcasting and Cable Yearbook 1997, the M Street Radio Directory, and the American Radio Winter 1997 Report, the author identified these two stations as having an urban format and African-American ownership.⁵ As suggested by Singleton, each station was contacted by telephone to confirm ownership as well as programming format.⁶

The smaller-market station was selected within a 100-mile radius of the larger-market station. To determine whether the market size influences the decision-making process, two radio stations were selected according to their market rankings in the 1997 Broadcasting and Cable Yearbook.⁷ Stations in markets 1-50 are considered large-market stations, 51-250 are medium-market stations, and markets above 250 are identified as small-market radio stations.⁸

This study looked at a large-market station, WAAA-FM, metro Georgia, and a small-market station, WBBB-FM, rural Georgia. These stations were also selected for their unique ownership and management structure. The choice of these stations was also based on new ownership and the current programming format. WAAA-FM is considered a start-up within the broadcasting industry, recently entering the metro Georgia market and presenting the first hip-hop music format for this market. WBBB-FM was purchased in July 1997 and also broadcasts with a hip-hop format.

Identifying Decision Makers

As suggested by Kriger and Barnes,⁹ initial contact was made by letter to the chief operating officer of WAAA-FM and the owner of WBBB-FM. Upon approval of the research project, the ranking officials identified personnel at their stations who they thought shared in the decision-making process. Those persons selected represented positions of responsibility and leadership at each station.

Method of Inquiry

The method of inquiry for this study was qualitative in design and included various aspects of field study, observation, interview, and case study. Considerable time was spent at each station interviewing research subjects, reviewing documents, recording data for analysis, and writing descriptions of the findings, as suggested by Miles and Huberman.¹⁰

Evert Gummesson stated that qualitative research has unique characteristics. For example, the researcher or investigator must be concerned with the perspective of the participant. Further, research should be analyzed inductively, and qualitative researchers should be concerned with the process rather than the result. Moreover, qualitative research is descriptive; therefore, data collected are in the form of words rather than numbers. Finally, Gummesson pointed out that qualitative research encourages a setting where direct sources of data are available, and the researcher is the key instrument to seek out that information.¹¹

As a research strategy, the case study is appropriate for this type of investigation. "The case study allows an investigator to retain the holistic and meaningful characteristics of real-life events--such as . . . the managerial process."¹² According to Yin, "various sources are highly complimentary, and a good case study will want to use as many sources of evidence as possible."¹³ The case study helps to answer the questions of "how" and "why" through qualitative methods of evidence instead of statistical data.¹⁴ In an effort to answer the four research questions for this case study, three sources of evidence were used: documentation, interviews, and observation. As a means of analyzing and reporting the data collected for this study, the case study was a valid research tool for studying the management and decision-making process.

Data Collection

Single case study research is quickly becoming a scientific tool for the business-oriented researcher. If you want to understand in-depth mechanisms of change, you no longer have to study a large number of cases.¹⁵ Yin agreed; the case study is used in many settings, one of which is organization and management research.¹⁶ Most of the evidence for this study was provided by field interviews conducted on-site with radio station management. The interviews focused on the manager's approach to the decision-making process and how it is applied to urban radio programming.

Relevant Literature Review

The literature review included articles from journals and professional magazines. Information was also provided by broadcast and journalism associations. The author read dissertations, newsletters, reports, textbooks, and newspaper articles to complete the literature review section.

Documents

Additional print material from each manager was requested. Useful documents included station budgets, organizational charts, brochures, media kits, related magazine and newspaper articles, copies of promotional initiatives, news releases, and mission statements (see Appendix D). Budgetary information was reviewed on-site at each station.

Site Visits

The intention of the on-site visits was to investigate the management and decision-making styles of station management. Further purposes of these visits were to meet with interview respondents face to face, as well as inquire into the computer technology and music product/format used at each station. Interviews were conducted at the time of the site visits. Direct observation was used to collect data during the site visits as well as to observe the management and operation of each station. Field notes, which included audiotaping, collection, or on-site review of station documents, were used to develop a case study of each station. Observations of programming, sales, and promotion meetings as well as on-air shifts were also conducted.

The Interview

The principal uses of a case study are to obtain descriptions, and the interpretations of others. Qualitative researchers take pride in discovering and portraying multiple points of view of a case study. A qualitative case study seldom proceeds like a survey, with the same questions asked of each respondent. Rather, the respondent is expected to have had a unique experience in a particular subject area and is allowed to explore those experiences during the interview. The interviewer hopes to get a telling description of an episode or explanation of a situation during the interview.¹⁷

For this study, on-site semi-structured interviews were conducted during May, July, and September 1999. In semi-structured interviews, questions can be customized to individual respondents and therefore may not be identical, and answers may vary accordingly. Given the exploratory nature of this research, however, this was considered a strength rather than a weakness because interviewees were expected to provide different views on decision making and localism, and thus provide new insight into these issues.¹⁸ Each month's on-site station visit lasted several days. The interview consisted of 20 open-ended questions (Appendix C). As suggested by Eisenhardt and Bourgeois, these questions were supplemented with additional support questions as necessary.¹⁹ The interviews typically lasted 90 minutes per respondent but could run much longer depending on the respondent's answer. Twelve people were interviewed from both radio stations.

Each interview began with the author asking for a description of the station and its position within the local market. Managers were also asked to discuss their station's competencies, success factors, program influences, personnel skill level, and general background. These issues provided the study with a sense of the culture of the station. Detailed interview notes were completed within 24 hours of each interview.²⁰

The use of multiple informants also provided a check and balance of the various decisions recalled by the respondent, overcoming possible bias concerns when relying on the recollection of only one respondent.²¹

Interview questions. The interview questions were designed to encourage responses that would apply to the four research questions that follow in this chapter. The format of the questionnaire and wording of each question were influenced by Mildred L. Patten, author of Questionnaire Research.²² Questions were structured to be read orally and to be answered orally. The respondent was allowed to answer each question at length. As necessary, supplemental questioning and probing was done by the investigator to clarify the responses given. The questionnaire was composed of the following categories: programming/decision making, personnel/decision making, policy/ decision making, and local community/decision making.

In addition to the scheduled interviews, an effort was made to obtain additional information concerning the station and the personnel within each station through informal discussions. In a number of cases it was possible to discuss station matters with the manager, owner, and other station personnel

during lunch, dinner, or informal meetings. This information was noted and later used to better understand the operation and management of each station.

Informed consent. All interviewed were ensured anonymity for themselves and their radio stations. Therefore, no respondents or stations are identified by name in the study. Each respondent received a cover letter that described the purpose of the study and the method of data collection (Appendix E). They were asked to sign the informed consent form if they agreed to participate in the study. Everyone interviewed and included in the study signed the form.

Participant recollection. Participant recollection is considered a data source often used in the study of decision making.²³ Rarely is there an opportunity for a researcher to observe a decision in process; thus, participant recollection was used for this study. According to Schwenk, decision making occurs at different stages and is always goal directed.²⁴ The stages include problem identification, selection of an alternative, evaluation of the alternative, and formulation for action. Data from other sources can also be used to confirm information obtained through interviewing and participant recollection; this avoids using transcripts and other records as a primary data source.²⁵

Data Analysis

Data collection was accomplished in three stages: site visits to each station, review of station documents, and personal interviews. Analysis of data took place after the collection of data was completed. The analysis involved

writing observer comments in field notes, reviewing pertinent research literature and station documents, transcribing audio tapes of each interview, and providing a final analysis of the research findings. Data analysis for this study entailed three concurrent activities: data reduction, data display narrative, and conclusion drawing and verification, as suggested by Miles and Huberman.²⁶

Data Reduction

Data reduction refers to the reduction of “raw” data that appear in the researcher’s field notes. The reduction of data in this study included completing summaries, writing memos, and selecting key themes from the field notes and interview transcripts.

Data Display Narrative

Data display narrative is an organized presentation of information that permits conclusion drawing. The display for this study was narrative in text. One way of presenting interview data is to organize excerpts from the transcripts into categories. The interviewer then searches for connections or themes among the categories that emerge, and presents the information in narrative form. Identified themes should relate to the literature review and should confirm, extend, refine, or contradict previous thesis. Miles and Huberman also recommended extensive quotations as proof that the collected data produced the reported concepts as well as preserved the language of the respondents.²⁷

Drawing Conclusions/Verifying Information

Drawing conclusions and verifying information with the review of literature of the study was also part of the data-analysis process. To evaluate the decision-making process in urban radio, data were reviewed and organized to allow for comparisons between WAAA-FM, located in a larger market, and WBBB-FM, located in a smaller market.

Framework for Data Analysis

The author also made an on-site visit to the FCC, where two senior staff were interviewed. There, he met with policy analysts who explained low-power radio and their views of how they thought it would work in today's radio marketplace. In addition, the author met with a former FCC employee, who provided background materials and expertise on the history of policy making at the FCC and offered suggestions for interpreting and understanding the policy processes in Washington, D.C.

In the data analysis, the researcher attempted the following:

Policy. Define the policy/culture of the two selected stations. What are the similarities in policy/culture of the two selected stations? What are the differences in policy/culture of the two selected stations?

Decision-making process. Define the decision-making process in use at the two selected stations. What are the similarities in the decision-making processes at the two stations? What are the differences in the decision-making processes at the two stations?

Ownership/ market size. What role, if any, does ownership/market size play when deciding program format, content, and so on? What are the similarities in the role of ownership/market size? What are the differences in the role of ownership/market size?

Responsibility for decision making. Who is responsible? Is the decision-making process a bottom-up or top-down approach?

Research Questions

The following research questions were addressed in this study: How has urban radio remained committed to the community as well as profitable in the marketplace, given all the pressures these stations face? How is management, corporate, owner/president, department, or committee involved in the decision-making process? What is the nature of the debate, if any, about what to program or what to advertise? How has multiple/single radio ownership influenced the decision-making process for the commercial radio broadcaster? What is the decision-making process for selecting programming for two commercial radio stations, each representing a different-sized market? What new questions are raised by all of this?

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CHAPTER V

PRESENTATION OF DATA AND SUMMARY OF FINDINGS

Part I--Presentation of Data

Chapter V presents the findings of this study and focuses on localism and decision making for the radio broadcaster. As suggested by Yin,¹ there are four primary sources for conducting case studies: (a) documents, (b) archival records, (c) interviews, and (d) direct observation. The case study approach is useful in analyzing and summarizing the findings from the two radio stations selected. To maintain the anonymity of the two stations selected, they are referred to by pseudonyms: Case I--WAAA-FM and Case II--WBBB-FM. When a respondent is quoted directly, a title is associated with the quotation. When exact wordings are used within the text, these are enclosed in quotation marks. Informal discussions are summarized and used within the body of the text. Interview questions are denoted by bold italics.

This chapter includes the data collected, which assists in answering the research questions as listed in Appendix F. This helped form the conclusions, implications, and recommendations discussed in Chapter VI.

The data obtained from the two radio stations are presented in two case studies. Case I--WAAA-FM represents a station located in the metro Georgia region; Case II--WBBB-FM represents a station located in the central or rural Georgia region. The findings are presented in the following order for each case study: The company profile, station profile, respondent profile, and response to questionnaire. The respondent profiles are reported to provide the reader with pertinent information on those individuals who were interviewed one-on-one for the study.

The researcher observed four meetings held at WAAA-FM: programming, promotion, sales, and a manager's meeting. The researcher also observed a live broadcast.

The data collected will provide insight into the decision-making process for station operations, sales, and programming from a multiple-owner standpoint. Several examples are provided that illustrate decision responsibility, influences, and types of information necessary to make a decision.

Case I--WAAA-FM

The Company Profile: Background Information on Rad Media, Inc.

Considered by many an overnight success, Rad Media, founded in 1980, will celebrate its twentieth anniversary this year. Catherine Liggins Hughes and her former husband, Dewy Hughes, bought their first radio station, WOL-AM, located in Washington, D.C.

Today, Rad Media is considered the largest radio broadcasting company in the United States targeting urban listeners. Upon completion of pending acquisitions, Rad Media will own or operate more than 50 radio stations; many are located in 9 of the top 20 African-American markets.²

Since January 1998, Rad Media has purchased 43 of its 50 stations. Rad Media's management strategy is simple yet aggressive: Target cities with African-American communities, buy stations, and reprogram them with adult or young adult urban-contemporary formats, also referred to as black music formats. Rad Media stations are a mixture of urban contemporary music, gospel, and talk for young and old, with an overall African-American audience of 70%, a demographic group whose population growth and income are outpacing mainstream America. Other goals include increasing individual station ratings and cash flow. Rad Media plans to be in 22 cities by 2004.³

In March 1999, Rad Media filed with the Securities and Exchange Commission for approximately \$125 million of its common stock to be offered publicly on NASDAQ. According to Hughes, "Going public at this time of our development will provide the capital necessary for expansion and a chance for our listeners to own a piece of the rock." All stations owned or managed by Rad Media as of December 31, 1998, were ranked first or second in their market in both audience and net broadcast revenue share, which totaled \$60.8 million for 1998.⁴

Catherine Liggins Hughes is chairperson of Rad Media, Inc., located in Lanham, Maryland, and signs off on all acquisitions and strategic initiatives. Her

son, Alfred C. Liggins III, is president and CEO. They own 71% of Rad Media's shares of \$428 million, as of May 7, 1999. Both manage Rad Media's more than 700 employees, of whom 75% are African-Americans.⁵

The Local Station Perspective

Background information on WAAA-FM. WAAA-FM is one of 50 stations owned and operated by Rad Media, Inc. In completing this study, WAAA-FM was analyzed, specifically looking at localism as well as management's approach to the decision-making process concerning sales and programming.

Mission statement: Alfred Liggins, CEO of Rad Media, stated his company's goals in an article appearing in Radio Ink. Those goals are to increase ratings, revenue, and cash flow, and to double the value of any station purchased within three to five years. Liggins prefers to purchase underperforming stations and improve their programming and revenue, thus increasing shareholder value. Additional goals include becoming the predominant provider of urban radio programming by having a presence in the top 30 markets.⁶

The following discussion provides background information on the local radio station, WAAA-FM.

Does your station operate with a mission statement, strategic plan, or policy initiative? The general manager/COO responded:

We have a mission statement, and I couldn't even tell you what it means. . . . All I know is that the environment has to be a place where people like to come to work. It's fun, and you can be creative and successful at the same time. I don't know that we've got time for a mission statement.

Things move too fast here for us to be fooling around with stuff like that.
(Transcripts, 7/26/99)

The station manager concluded that the main goal is to “make budget . . .
that’s the main goal . . . and to stay on the air” (no technical problems).

Organizational chart: See Appendix G.

Annual budget: \$11 million.

Target audience: 12 to 34.

Core audience: 12 to 25.

Wattage and coverage area: 7000 watts; metropolitan Georgia and
northern suburbs.

Format: “The only station where hip-hop lives: WAAA-FM” is the logo
and identifier for metro Georgia’s hip-hop station. WAAA-FM went on the air
July 3, 1995, with a core target demographic of 12 to 24. Through research,
Rad Media determined that there was a segment of the population being ignored
in the metro Georgia market. WAAA-FM became the first full-service hip-hop
station to service the metro Georgia market. Although there are four established
urban stations in the market, no one programs hip-hop exclusively, 24 hours a
day.

Management at WAAA-FM approach this program format as though every
listener is a member of the hip-hop generation. Those who understand it
appreciate it as a lifestyle. Today, hip-hop includes television programming,
publications, fashion, language, and music. And for advertisers, the 12 to 24

year old has money and buying power. WAAA-FM's listeners tune in to hear special programming geared to the 12- to 24-year-old market.

Respondent Profiles

Several participants from WAAA-FM were interviewed. Their titles and responses to the first interview question are presented in this section (see Appendix C for interview questions).

What are the types of activities you do in your job, and why do you do these activities?

General manager and chief operating officer (COO): Attended Auburn University and upon graduation accepted a position at a "little" station in Huntsville, Alabama. Later programmed WSM-AM/FM in Nashville, Tennessee, then moved to Atlanta as program consultant for Cox Broadcasting. Before accepting current position at Rad Media, Inc., was executive vice-president of the Radio Division for Summit Broadcasting. Currently holds the position of general manager and COO of Rad Media, Inc.

Station manager: Responsible for the day-to-day operation of the station; checks sales orders, makes sure appropriate rates are applied, monitors production orders as well as program logs, and so on. Also assists general manager in finalizing and implementing station budget. Responsible for management of station when general manager visits other stations as COO for Rad Media, Inc. The station manager has a Ph.D. from Bowling Green State

University and has worked in the nonprofit, higher education, and public radio arenas.

Program director: The program director, at age 23, is currently working in his third program director position. He joined WAAA-FM in March 1999.

“Responsible for everything you hear on the air—programs, production, remotes, music, announcers.” Supervises 20 announcers, including 5 staff for promotions, 2 for production, and 1 music director.

Business manager/human resource administrator: Responsible for all financial aspects of station and serves as financial liaison with corporate office. Also responsible for Human Resources Department and Traffic Department.

Traffic manager: Responsible for reviewing production quality of all commercials. Reviews commercial log to determine availability of time, schedules all commercials and prepares log, schedules around competitive advertisers, keeping all competitors separate. Avoids scheduling spots or commercials at the same time every day, thus avoiding tune-out. Avoids scheduling same voice on several spots in a row. “There’s that tune-out factor. . . . You keep hearing it, and after a while you just don’t hear it any more, and that’s the kiss of death.”

Program consultant: Currently serves as program director for WAMG-FM, an oldies station located in Atlanta and owned by Rad Media. Also assists WAAA-FM program director as necessary.

Sales manager: WAAA-FM sales manager has extensive experience as sales manager in the Atlanta market. Requires a minimum of five years' experience when hiring account executives.

National sales manager: Responsible for contacting national sales agency. Required to interact with national account representatives requesting placement of national advertising on WAAA-FM. Responsible for at least 25% of station advertising. National advertising includes Reebok, Nike, Hershey's, Microsoft, and others. Previous experience includes national sales manager for a commercial FM station in San Diego, California.

Localism/Community Programming (Policy)

Low-power radio. ***What problems, if any, can be expected for the radio broadcaster with the advent of low-power radio?*** Alfred Liggins, CEO, responded for an article in Radio Ink: "We have enough of a challenge competing against the larger companies that have five FM's in the marketplace, to our two." Adding low-power stations to a metropolitan area means they will probably offer an urban format and compete against a Rad Media station. Liggins continued, "That hurts our stations. It's difficult getting a good complement of stations in some of these markets. Then we must compete with smaller stations that we can't own. Adding more licenses is not good for anybody."⁷

The station manager agreed: "Three years ago, 3,000 to 6,000 watts was considered low power; now 100 to 1,000 watts is low power. It is still our competition, regardless of the power."

Commitment to community. ***What role have local programming and community service played in remaining committed to the community?***

Today, a station's commitment to community is defined in many different ways.

The station manager responded:

Yes, you are responsible for meeting the needs of the community. The FCC guidelines specify that the licensee should serve the public, and you do that by trying to understand the pulse and conscience of the community you serve. In this particular market, we have to know what is going on in the community . . . what issues are important to our listeners. [For instance], a week or so ago there was a huge fire in town, and on that particular day a couple was burned out of their home. They were expecting a child; all their belongings were burned in the fire. Well, our morning show announcer and producer thought the station and the community should do something, so we had an on-air drive the next morning, and out of that drive we raised over \$5,000 in contributions. People also brought in clothing as well as an automobile. The station received positive publicity from the local media, and the station was able to rally the community to help someone in need. The station tries to take on the personality of the community. (Interview transcript, 7/26/99)

According to the station manager, public affairs programs on school safety have also been produced to respond to the large number of students hit by automobiles at school crossings. Station personnel have also attended meetings to encourage the city council to place warning signs or increase crossing guards at school crosswalks. He concluded, "These are the kinds of things the station does to get the public to respond to issues involving their community."

The program director cited specific programming that met his definition of local programming at WAAA-FM:

On Monday nights at 9:00 p.m., we do a program called "Check Yourself," a talk show geared to teens where community issues are discussed. We also broadcast the "Money Talk" feature each morning during our morning show. (Interview transcript, 7/26/99)

The "Money Talk" program runs five minutes in length and includes financial information for the listener. The program director is also committed to providing air time for local musicians in the area. Many of these artists reside and perform locally but have national popularity.

Community as part of station. ***How do you make the community feel a part of your station?*** The program director supported the station manager's previous comments:

We adopt a school . . . and volunteer at that school. A family was burned out with nowhere to live or clothes to wear. Our morning show announcers asked the community for help, and people started dropping things off; the whole community came together. (Interview transcript, 7/26/99)

In addition, each announcer is required to do six community events a month, which totals more than 120 community events per month for the station. These events are coordinated by the news director of the "Morning Show" and are generated by public service announcements (PSAs) sent to the station by community organizations. Each PSA is assigned to one or more announcers, and they are required to participate at the assigned event (see Appendix G for events).

The program director asked the question “Why do we do this?” and then answered as follows:

We don't want to be perceived as just a clubbing, partying, or hip-hop station. We want people to know that we are a shoulder they can lean on if there is a problem. We don't want to be seen as a bunch of kids that are just here to have fun and can't do anything right. We want to show that hip-hop has a better image than previously given. We want people to know that we are here for you. (Interview transcript, 7/26/99)

The general manager and COO took a different perspective on the “commitment to community” issue:

I think the community's role is vital. When we put the station on the air it was because we knew we were going to do a format targeted toward African-Americans, and we did the research that told us what the format hole was in our market. Every week we have a company out of Detroit that does research for all our stations. They call 100 people per station. (Interview transcript, 7/26/99)

She continued:

You can't program a station from a corporate level. It has to be local because that's what radio is. It's all about being local and appealing to your market, and knowing what your market needs, and what's going on in your market. (Interview transcript, 7/26/99)

Competitive marketplace. *How have you been able to meet this goal and also remain competitive in the marketplace?* The station manager explained:

If you are going to pay several million dollars for a license, then you have a financial responsibility not only to yourself as an investor but to other investors, and to the community itself, to run a sound business. What drives a radio station is being able to be in touch with its community, knowing what the listener wants, playing the music that people want to hear. This also drives sales. We wouldn't be able to do any of this if we didn't have a solid sales team . . . you must make money so you can do the other things for the community . . . and the station wouldn't be able to sell the product if the station didn't have a product that the people liked.

What drives this station is the popularity of the product. (Interview transcript, 7/26/99)

The station manager reviewed the sales and collection process:

You get a certain commission for new orders, you get a certain commission for regular recurring orders . . . you get a certain commission for club orders. . . . If it is a new order you get a little more money. . . . The incentive is that if you can go out and bring in new business you get a little more money . . . you get that incentive one time at a set rate. If you get a commission today and money is never received through the business office for the order, then that money is deducted from your check. If money is not forwarded from the advertiser, then the sales representative must return to the advertiser and collect the money. If the money is not provided by the advertiser, then money must be backed out of the sales representative's next check. This is incentive for the sales person to collect the money. If the sales representative does not collect, then the account is turned over to the business office for collections. You don't want the business manager to get involved because their approach is much different and they may ruin your relationship with that business. (Interview transcript, 7/26/99)

Role of business office. ***What is the role of the business office, and what types of decisions take place during the work day?*** According to the business manager,

The role of the business office is to handle all financial aspects of the station as they relate to the basic operation of the station. A salesperson goes out and meets with a potential client, presents a package, and the client decides whether they want to buy advertising time. The salesperson would then write up a sales order. If it is for a specific event or a first-time advertiser, cash is required in advance until credit approval. For existing agencies or previous clients, a line of credit is provided. (Interview transcript, 7/26/99)

For the first-time advertiser, the salesperson would provide that business with a credit application. Once the application is completed and approved, the traffic department puts the commercial into the system. The business office is responsible for monitoring all revenue.

We are the gatekeepers of the revenue, and as a result that's why the traffic department reports to the business office. I want to see exactly what we're putting on the air. What's been approved. What's not been approved. Whether or not we have received payment. (Interview transcript, 7/27/99)

And all payments are turned in to you? The business manager responded,

Correct. I do have an assistant within the business office itself. The person that's making the deposits and collecting the actual cash . . . is not the person that's actually posting the cash. Once this is done, we review our trial balance. That's the document that's produced after we have completed the sale and the order gets into the system. We run the spots. We do the posted log and then we create invoices and generate that document which is a subsidiary of our general ledger. It's called a trial balance. From that document I normally would review with my general manager and general sales manager any accounts that we are having problems collecting. (Interview transcript, 7/27/99)

What is the turn-around time?

Our terms are net 30 [days]. Most people pay within 45 to 60 days. Sometimes it goes into 90 days, but we try to maintain our receivables 90 and over. Our goal is to maintain it at 6% or lower. Part of my responsibility is also maintaining control of our revenue, managing the revenue, and a disbursement of cash through accounts payable. Therefore, I am always monitoring our spending and our daily operations in terms of our spending because I am responsible for preparing the budget.

Budget decisions. ***What types of decisions are required in***

preparation of the station's budget?

In the past we would do their [staff] budgets and give it to them. Last year I took it upon myself to train the department heads to understand the purpose of a budget and to actually prepare it based on what they know their needs are, specifically, and work from there. . . . We then compare what we have in the budget, what we budget for, and based against actual, what we're spending. It's another thing to actually incur the expense, and it all goes back again to the revenue; if we are not meeting our revenue goals, everything becomes "No." (Interview transcript, 7/29/99)

Do you and the general manager set the budget, or is that pretty much up to you?

It's my responsibility to make sure that we prepare the budget, do our presentation, and make sure we meet our goals. I also meet periodically with the general manager, who is also the chief operating officer for the company, to inform her of what my estimates are based on. (Interview transcript, 7/27/99)

The station manager continued:

Each station will develop a budget according to what they think they will need as a market. The general manager will finalize the budget. The chief financial officer [for Rad Media] will review budgets for each station to determine if you are justified in your request. He will do some number crunching and determine what amount of budget should be approved. Budgets are determined from what was spent the previous year. . . . You try to make sure sales can pay for whatever you are asking for. (Interview transcript, 7/26/99)

Projections, reports, deadlines. *What is the role of the business office at the local and corporate level?*

Every Monday by 1:00 p.m., I report to my corporate office in terms of what we've projected, what we actually have on the books, and how we will perform based on history. We want to be able to project where we will be in the future, also known as forecasting our numbers. Sales managers are supposed to give figures on Friday so we can report to Corporate by 1:00 p.m. Monday. Sales managers know what is pending, what's scheduled for closing during the week . . . that's what the forecast numbers are based on. So I have to interact directly with sales managers, which include my national and general sales manager.

For me, month-ends mean that at the end of the month, we have to actually create our invoices that we send to our clients, and that's when we prepare our financials. So my interaction with corporate is really with the financial department of the corporate office. We try to plan this in an expeditious manner because it's month-end or it's quarter end, and we have to report externally to our public. (Interview transcript, 7/27/99)

Resolving decrease in sales. *What happens if sales projections are short for the month? As business manager, do you talk to the sales*

manager, or is that done by the general manager? How is the problem resolved?

On July 27, 1999, at a department managers' meeting, the general sales manager informed the general manager/COO and the business manager that sales would be \$21,000 short for the month of July. There were only four days left for the sales staff of 10 to sell the necessary advertising. The business manager, however, thought the sales manager should have met his monthly sales quota since sales projection reports were required each week. According to the business manager, there was enough time to adjust sales projections and avoid the \$21,000 loss. The sales manager, however, implied that the difference could be corrected in August. The business manager responded:

That's what we were discussing in our meeting yesterday. . . . The general manager is trying to ascertain from the general sales manager where they are actually in terms of what we projected, and they know where they are going to fall. . . . That's why she was concerned when the sales manager was telling her about August and we're like, we're still in July. . . . We are really much lower [in sales] than what we budgeted for. How can we make up the difference? That's why we were concerned about it. . . . For now, let's just try to deal with July. That's why we brought it up in our department head meetings . . . and it is their responsibility to meet with their staff. (Interview transcript, 7/27/99)

So you estimate the annual budget for each year. Did you overestimate for this year's budget? The business manager responded, "I'm not sure if we overestimated. The market on a whole, its national sales, they are down and it's across the market. It's not just our station . . . we have several special events that we believe will pick up the shortfall this year." Also, it

is possible they will have to depend more on local and less on national sales for next year.

Limited understanding of the role of national sales manager. ***What issues may have influenced the decline in national advertising revenue?***

The national sales manager responded,

The national side is looked at as a necessary evil by radio managers. I'm called a national sales manager. I'm not really a manager. . . . When I came here I was department head. Now, I'm not. I used to report to the general manager as department head. Now I report to the general sales manager. I'm a manager without teeth, essentially . . . I'm an island. I'm kind of an enigma . . . as far as local sales people, a lot of them don't even understand how I'm different than they are as far as my side of the business. . . . When I got here a year ago, our billing was so messed up, our advertisers weren't even receiving their invoices because they weren't being mailed to them. We had \$292,000 that was past due over 90 days national, just national. . . . I found out what the problem was and worked with the business manager on this and really got it cleaned up. Today, our over-90-days aging is under \$100,000. (Interview transcript, 7/27/99)

Are the national spots more than the local spots?

Sometimes yes, sometimes not. The reasons for that are more esoteric than they are statistical. The national rates are higher than the local rates because of the local perception of hip-hop. A lot of local advertisers say, "I don't want to advertise on that rap music station." On the national side, AT&T, Taco Bell, Reebok, Nike, these are corporations that have realized that they can increase their sales dramatically by associating with the hip-hop lifestyle. So they're willing to spend more money and drive rates up. (Interview transcript, 7/27/99)

Ratings. The national sales manager had this to say with regard to ratings:

But the bottom line is, when a buy is up, they got to look at these numbers. They want to buy these day parts. They've got this much money to spend and this is how many rating points they want to buy. . . . With local it's different; the local advertisers, many of them, don't even know what a rating book looks like. . . . To them it's like, "I like the music and yeah, I think that people who listen to that music would buy my

product or service. They would come into my store.” Locally, it’s more about selling. You go out and say, “This is who we are and this is what we do,” and they don’t care how big your audience is. What they care about is are you going to be able to help them get rid of all the product, all the inventory in their store. (Interview transcript, 7/27/99)

Cost per spot. The national sales manager continued,

You know, [metro] Georgia is a very, very unusual market in that we are the most under “radioed” market in the country. We have fewer radio stations per capita than any other market in the country. . . . If there’s money coming into the market and there are fewer outlets, meaning radio stations, it drives the price higher because you want to get on and we set the rates so the advertiser can get on. That’s what really sets the rates. . . . In January if there’s not much demand, I might be selling spots at \$200 a spot because we need the money and there’s so much revenue out there, everyone is going to cut the rates because they have inventory, but when you’re talking about July, August, and September, and it’s youth radio like we are, there’s going to be a lot more demand in the summer than there is in January . . . and we’re more limited with inventory per hour due to the demand, so now we sell it for \$500 a spot. . . . It’s still 25% to 30% of the total revenue so you need it. (Interview transcript, 7/27/99)

The general sales manager agreed: “People often want to buy time during parts of the day when no time or inventory is available,” warranting an increase in cost per spot for time available. According to the general sales manager, a local spot averages \$350 per 60 seconds. In the final analysis, prices are determined according to what the market will bear.

Programming/Personnel

Format and research. ***How did you decide on the current format?***

How does music research contribute to the process? According to the station manager, “A perceptual and format opportunity analysis was completed.” The firm responsible for this analysis met with station personnel and discussed

station goals and potential music positioning for the station. Demographics of the target audience were also discussed, as well as analysis of local stations that "have listeners we would like to attract." The goal was to develop a new station image for the marketplace. A market survey was also conducted to determine what was being played in the market.

We hired a firm and conducted a music test on the market. The research will tell you if there are any holes in the urban format in this market. We can then find something that will generate an audience that advertisers would want to go to. . . . Once the research is completed and we decide what format we are going to use [must be an urban format], we then do a music test, and then after you do a music test that's when you bring in your focus groups and you ask people what type of music they would like to hear. Based on their response, a library is developed which is inputted into the computer. There are no compact discs or albums; all music is on computer hard drive. (Interview transcript, 7/26/99)

Selection of music. ***What role does the announcer play when***

selecting music for broadcast? The station manager responded,

That's the difference between old-time radio and new radio. Everything we do here is by computer, so when a jock goes into a studio all that jock has to do is what the computer tells him, including when he should talk and what music he should play. The computer will kick him out if he talks too long. If necessary, the computer can run the entire show with jock imaging. . . . It sounds like the person is actually there . . . you can use the voice of a jock and drop it in and the computer will run it. [This is done for holidays and emergencies.] (Interview transcript, 7/26/99)

Preprogrammed computer selects music. ***What role does the computer***

or other technology play in the decision-making process? The station manager responded, "It used to be you had a jock on the air and the jock had say-so in what was being played . . . and the program director was still ultimately in control." Today, the process has changed. The corporate office,

programming committee, and consultants now contribute to the process. The station manager continued,

If an announcer programs his show and follows the way the computer says and the way the test says, normally you get numbers you hope for. And if you don't get those numbers, heads don't roll the way they used to because it was a group decision. If an announcer returns to the old days when you could play around with the music . . . that announcer would get fired. (Interview transcript, 7/26/99)

For instance, the announcer opens the microphone; the computer tells the announcer how long to talk and will cut him off if he talks too long. Commercials are set at 60 seconds and will begin automatically. "The computer is set up so you average 8 to 10 minutes of commercials per hour with at least 50 minutes of music. Breaks are at 20 minutes after and 38 minutes to the hour for commercials."

The company and decision making. ***How involved is Rad Media in making programming decisions for WAAA-FM?*** The general manager/COO explained:

Well, this station is a little different from many stations. I think my program director is the youngest program director in the country [age 23]. But this is a young station so you have young people. Sometimes it can be really frustrating, but also they have so much energy and they don't have a lot of preconceived notions . . . they're just like sponges. Our listeners are between the ages of 12 and 34, primarily 12 and 25.

[Rad Media] stations are programmed separately, but there's support from corporate if you need it. . . . I have leaned on my vice-president for programming lately because I realize that the program director needs a little more attention, but you can't program a station from the corporate level. I've been drawing the vice-president for programming more into the mix to get him to spend more time with the program director because when we hired him we just threw him into it and he didn't know this market. . . . He has so much to learn, and it's our job to make sure that he learns everything he can to be successful. (Interview transcript, 7/26/99)

The station manager continued,

The company has a programming plan for our station. Similar to football, the play we give the program director to run on the field, he runs the play, and if he runs the play provided by the company, then he is guaranteed success. Some announcers have thought they were smarter than corporate and began to tweak the music. . . . You can go into the computer and change the music. . . . The computer will show what has been changed; then you know someone has been messing with the computer. Those announcers thought they knew the music better than corporate. They deviated from the plan and were terminated. (Interview transcript, 7/26/99)

Responsibility of program director. ***What role does the program***

director play in the decision-making process? According to the station manager, the program director has an influence on the programming of the station, but any decision to select or change music requires the approval of the company vice-president for programming and/or the local general manager.

According to the station manager,

As long as you can explain, as manager, why you choose to do something, and it sounds logical and rational, you will get support on it. Nobody will listen to you if you can't explain it. You must also take responsibility and be accountable for all the decisions you make. (Interview transcript, 7/26/99)

The program director must "establish his brand and position the station," while following the programming philosophy of the company. For example, according to the station manager, the program director

. . . changed the music mix in the morning. . . . You can look at your numbers and tell when your numbers are flat . . . so you have to make a judgment call . . . Is it the music mix or is it the on-air personality? Research doesn't answer all the questions . . . sometimes you can feel the problem. In this case it was determined that the music mix was too old school for the young target audience we were trying to reach. . . . You have to remain edgy . . . you don't want to be too safe . . . are you playing one song too much, or are you not playing a song long enough? . . . He

must make a judgment call as to what to put in and what to pull out . . . who to hire, what jocks to rotate . . . so he can have his own brand on the station. (Interview transcript, 7/26/99)

Station brand or image. ***How does the program director place his brand on a station that receives so much input from corporate, consultants, and the general manager?*** The program director responded, "You have to learn to work together. It is a team effort." For instance,

A change in the morning show would require approval from the general manager, then run it by the vice-president for programming to see what his thoughts were. . . . All three of us would get on a conference call and discuss the changes and decide what will be done. (Interview transcript, 7/26/99)

According to the program director, he "oversees everything in programming, everything you hear on the air, promotions, production, music, announcers." Every special event sponsored by the station is produced and promoted by his staff. Promos must "sound good enough to attend . . . to make our listeners come out and want to be a part of it . . . oversee production . . . to make sure spots are hype [exciting] enough." The promos must reflect the hip-hop image, "to look for a certain sound and to make sure the production team is putting that sound across the air."

The sound of the station. ***How is your station's sound different from the sound of another market?***

You must play the universal records every market will play, the top 20; then, for instance, Washington, D.C., has GO GO, we have the booty-shake music that no one else will play, what is known as dance music. . . . Each market caters to a particular type of music. (Interview transcript, 7/26/99)

Ratings. *How do you look in the metro Georgia market?* The program director responded,

Ratings are very important. We rank 10 in the market out of 25 stations. . . . You must try to find ways to make your ratings go up . . . contests, promotions, changes in the music . . . we are trying to attract those who love hip-hop music. You can't force it on people who don't like it or are totally against it. We just want our share of the hip-hop pie. (Interview transcript, 7/26/99)

The program director continued, "We avoid the negative rap artist; we play nonoffensive rap. We want to present hip-hop as responsible music with a positive image--happy hip-hop."

How heavily do you rely on ratings? How important are ratings?

The general manager/COO responded,

I think sometimes there is too much research. I don't think we do too much research, but I think some companies have gotten themselves bogged down in research so that you almost lose the heart and soul of the station. It can get very sterile, and programming is part art, part science. So I think we have just about the right amount. It seems to be working for us. (Interview transcript, 7/26/99)

Describe the decision-making process required to produce the morning program. The program director commented,

Every day after the morning show . . . we do a morning show meeting . . . review that day's morning show . . . decide on future guests . . . try to have a very energetic, entertaining show. When your alarm clock goes off, you are not just hearing something boring; our goal is to make you hear something funny or up-tempo that will make you jump up and move . . . make the listener say, "That's my song playing," . . . make you want to get up, take your shower, and get ready for the work day. (Interview transcript, 7/26/99)

The program consultant commented on how music is added for the morning program and other programs at WAAA-FM:

If a record is testing well but it's getting to the 40% burn mark, then what you do is drop it in rotation to a category called "stay current," which means you are still going to keep it current. It's still going to be fairly aggressive, but you're going to slow it some. Everything you play doesn't make it to the current category. You want your stay current and recurrents to be the best of what you keep. (Interview transcript, 7/26/99)

How does the call-out work?

In terms of making decisions when you have a current, recurrent radio station with a recent or current mix, call-outs are very valuable in helping you make your decisions. What you are trying to find out with call-outs are, number one, is the song familiar to the listener, number two, what is the preference score on a one to five basis? That's a one to five score, where one is dislike and five is favored. The third thing you are looking for is burn . . . are they tired of hearing the song? Then you break it out based on the demographics you're interested in . . . male and female 16 to 25. (Interview transcript, 7/26/99)

How many records are tested during a call-out?

You always need to test your A's and B's . . . your powers and your secondaries . . . that's about 20 records. . . . Then you bring in an additional 10 records that have enough spins to test in addition to the A's and B's. But the main thing is you need to test A's and B's every week because those are the presence of your station in terms of the mix. (Interview transcript, 7/26/99)

So the listener actually tells you what to play? "Yes." According to the consultant, call-out listeners are first screened according to demographics and station preference.

Then we play hooks of these songs down the phone line and they respond to it. That's the way you make the decision about current music on a station that plays a lot of current material. You have to know what your station is about. . . . You can't use the call-out research until a record has been on the station long enough to test. (Interview transcript, 7/26/99)

How does the program director know what to add?

You got to know the format. I wouldn't pretend to know the music like [the program director or the vice-president for programming]. That's where the art is. You must know the new song by the core artist and know it is going

to be a hit. Once you add the record . . . you've got to have some emotion with the science. You've got to say, "Boy, this new JZ record is going to be a hit. I'm going to put that in my power new category and hang my hat on that record." Those are records you're going to bet on. Then the other records must meet the needs of the station, such as an artist that we always play, or it's just a good song. After they've been on the station for two to three weeks and have enough spins, plays on the station, then they go into the call-out and the listener either validates the hypothesis of adding the record or says "Mistake, see ya later." But the listener ultimately makes the decision. (Interview transcript, 7/26/99)

The general manager/COO commented on listener research and the role of the program director:

The record people come in on Thursdays with new product. On Friday the program director and the music consultant will sit down and figure out what they're going to add and if they are going to move any of the songs out of rotation. In the control room we have somebody that's always in there answering phones and writing down the requests, but you can't just rely on requests. . . . A lot of times record labels will hire people just to call up for their record, so you have to be careful. That's where [the program director] is so important . . . because the audience can only tell you what they think about a record after they've heard it a couple of times, but [the program director] is the one who figures out what records to put on the air, and there aren't a lot of people really that do that and do a good job of it. (Interview transcript, 7/26/99)

Case II--WBBB-FM

The Company Profile: Background Information on Robots Communications, Inc.

Mike Roberts, owner of Robots Communications, the only African-American owner and the third largest radio operator of radio stations in central (rural) Georgia, owns two AM-FM combos with the following formats and power:

AM Urban gospel--1,000 watts

Simulcast/satellite programming

FM Urban gospel--3,000 watts

AM Urban oldies--10,000 watts (CD automation)

FM Urban mainstream (WBBB-FM)--6,000 watts

The stations are sold and marketed as two stations, gospel and urban mainstream. No commercials are broadcast over the AM urban oldies station. Only WBBB-FM is fully staffed.

Respondent Profile

Owner/president: Mike Roberts has been a morning announcer and program director at a top-40 rhythm-and-blues station located in a metropolitan city in Georgia. Originally from Buffalo, New York, he purchased WBBB-FM and three other stations in central Georgia in July 1997.

General manager/national sales manager: Previous position was in "corporate America," in Los Angeles, California. "I was not working in radio but always had a passion for radio." The general manager has an undergraduate degree in broadcast journalism from Florida A&M University. He wanted to return to the South to be near family and friends; he has held the position for two years.

Program director: Also holds the position of music director, morning show announcer/producer, and promotion director. Also assists as traffic director and receptionist, as necessary. (There is no receptionist, secretary, or voice mail at WBBB-FM.) According to the program director, the owner serves as program consultant because he has the most programming experience at the station.

Local sales manager/account executive: Started working in radio sales in 1978. Has been employed as account executive at WBBB-FM for two and one-half years; has been sales manager for one and one-half years.

Staffing. *Do you have separate staffs for each station?* The owner responded,

Right, but now they're blending more and more together. We actually now have on our gospel station two people that actually work for both stations, and we consider them to be two stations because the oldies station we really don't market or promote very much . . . and the gospel station is simulcast so it's really two stations, an urban mainstream and gospel station, and that's kind of how we sell them. . . . One doesn't carry any commercials, by design . . . it's being automated rather cheaply, and frankly the reason we don't put spots on it is it's a pain in the butt to do it. What we do is record 15 hours of music on CD and we use a CD changer, so you only hear dead air one time per hour when the CD changer is changing . . . everything is prerecorded. The downside is if you listen to the station long enough you can kind of predict what is going to come next. I try to rotate the music and change the hours periodically. . . . Because we run it that way there is really no simple way of running commercials on it without having a human being going in there and stopping the CD changer. . . . If we have a client and it's worth it, we do that. But I don't encourage selling it until we put a real automation system in. We actually run it as a spoiler right now. . . . What that means is it's on the air to hurt somebody else more than to make revenue. (Interview transcript, 9/20/99)

How did you get in the business?

The telecommunications bill came through, and all the big boys started lining up . . . and I said . . . "If I am going to do this, I better do this." And so I got a call from a friend of mine who was running one of the stations . . . and he needed some financial backing . . . so I said, "OK, I'll help you out." So after getting involved with the radio station . . . he said, "Hey, how would you like to buy it?"

The funny thing about broadcasting, once you're in the buying mode everybody knows, so I get a call from a broker, who says, "I hear you want to buy a combo; I've got another station in central Georgia that's up for sale, and it will complement what you're doing pretty well signalwise," and he was right. One signal came out of the northwest part of town, and the other signal came out of the southeast, so if you wanted

to simulcast you could pretty much cover the market with both stations. It made sense, plus there were already two owners who owned most of the stations in this market, so it would make sense to come in with four stations rather than with one or two, considering I would be going up against groups who at that time had, respectively, five and seven stations.

Once I became a financial backer, I said, "Why should I continue to pour my money into it? Why don't I just buy it? Getting the funding is something I stumbled on . . . Nation's Bank came to me. Frankly, they needed to do a better job supporting minority businesses, and they needed a poster boy and I was more than willing to be the poster boy. They said they would like to get SBA to do part of this . . . so Nation's Bank ended up financing 70% and 30% by SBA. The process took nearly a year . . . we closed in July of 1997. Total purchase price of the whole group was \$1.1 million. Originally, two stations were on the market for \$750,000, which I thought was ridiculous since there was no revenue from either station. And the other was on the market for \$650,000. I had two motivated sellers, and I talked them both down to \$550,000; that's how we ended up with a \$1.1 million package.

When you are an owner of a station or a small group of stations that have to go up against a conglomerate, you have to have a vision, and secondly you have to share that vision with your staff. If the staff is on board with you, you can accomplish tremendous feats. We operate like a family, and I think that plays a major role in our ability to survive. I wish we could pay our people better. The economics are simply that we are still losing money. I'm still dumping a great deal of my own money into the company. (Interview transcript, 9/20/99)

According to the program director, small-market radio is

more exciting. . . . That's why so many are leaving major-market radio and returning to the smaller markets. . . . You don't have to deal with the corporate president of the company in another town. . . . You can walk down the hall and talk to the owner. (Interview transcript, 9/20/99)

The general manager continued:

We can do and get away with a lot of things big radio stations can't. I like to refer to our employees as independent contractors. Everybody has a job. Everybody knows what they've got to do. . . . We're too small . . . everybody wears too many hats to be standing . . . over somebody's shoulder. . . . You've got to carry your own weight, and if you're not . . . we don't need you here. We try to let our people do their job. We will step in when we need to step in. We're small market. . . . I dressed up for you today. . . . Normally, I am in a pair of shorts and a shirt . . . unless I've got a meeting with somebody. We're kind of relaxed here and it works well

for us, and that's one of the beauties of small-market radio. (Interview transcript, 9/20/99)

The Local Station Perspective

Mission statement. Does your station operate with a mission statement, strategic plan, or policy initiative? (See Appendix D for mission statement.) The owner responded:

The overall vision of the station is to be a successful minority-owned broadcast company. I try to create an environment that doesn't pressure our people to the point where they are unhappy and stressed out and can't perform. My competitor has a lot of problems with that. He's had tremendous turnover, and it has definitely affected their ratings as a result, and they got a lot of unhappy people. . . . But our presence doesn't help matters any . . . because when you are the big gun and there is a lot of pressure in your office and then you've got the little station down the street giving you fits, it demoralizes you.

That's the process I go through. I have always tried to hire people who have a tremendous amount of talent, easy to work with, a desire to learn, and are self-motivated. The interesting thing is none of these people are getting rich working for us. But they never complain about money . . . and they all see this as an opportunity and that's who I want working for me . . . people who see an opportunity and share a vision . . . that's important. If you don't share the vision that I have or the management team has, then you're not going to do a good job. I strongly do not believe in throwing money after people to motivate them . . . that won't work. . . . There has to be something burning in their heart. . . . Get them to work hard, then pay them. . . . You don't throw money at them to force them to work hard . . . that's not going to happen. (Interview transcript, 9/20/99)

The program director agrees with the owner and continues with his goal, "to build a team in order to be the best station they can be." To compete with other stations they must develop "their own sound," a sound that is set apart from the other stations. Specific goals include (a) to be number one in the 18 to 34 age group and (b) to continue to increase women listeners ("If women

listeners increase, then overall numbers will increase”), and redirect all promotions so they focus on increasing women listeners. The program director wants the station to be female friendly; he stated,

Women drive the market . . . and women control the largest percentage of the spending dollar. Stations that are too male dominated are often not successful. . . . This station has continuously improved its share in the past three years by including women. . . . Women do like rap. [Rap and hip-hop music considered same in this context.] (Interview transcript, 9/20/99)

Organizational chart: See Appendix G.

Annual budget: \$45,000 per month, \$540,000 per year.

Target audience: 18 to 34.

Core audience: 18 to 25.

Wattage and coverage area: 6,000.

Format: Urban mainstream (hip-hop).

Localism/Community Programming (Policy)

Low-power radio. ***What problems, if any, can be expected for the urban radio broadcaster with the advent of low-power radio?*** The owner responded,

Well, the politically correct thing to say is that it's going to create noninterference for existing broadcasters. The truth is it is going to kill minority broadcasters. . . . Most of, not all, but many of your targeted black-owned radio stations are not licensed to the city they serve. We get our listeners from central Georgia because there is no licensed station there serving the black community on the FM band. All of us are suburban-licensed stations. We just happen to be minority owned.

You put a lower-power stick downtown in the middle of the city, even if it is noncommercial, even if it is only 500 watts, now I've got an instant competitor that will split my audience. I see no way that existing broadcasters, particularly minority-owned broadcasters, are going to be

able to survive when we already have a gazillion obstacles in generating advertising dollars, dealing with our signals reaching our audience and fighting with the big conglomerates that are entering the market. Then I would ask the commissioners, you're going to put a bunch of stations on the air, many of which are not going to have enough money to run properly, so how does that help our industry, by putting a bunch of bad broadcasters on the air . . . 1,000-watt bad broadcasters all over the country. On top of that, what markets do you think they will squeeze these low-power stations into, the small markets, not the major markets; they're already crowded, they already have enough interference. So they are going to end up in markets like Macon, Augusta, and Savannah, which are already struggling for audience; add to that the interference problem.

You put a low-power station next to me at 107.3 on the dial, put that stick downtown, you won't hear me at 107.3. It won't happen. It's a bad idea. If the FCC wants to fix the mess they've created, then they need to go back to the minority tax certificate and they need to look at some of the proposals that some of the broadcasters have offered to bring more minorities into the business. . . . But to kill the existing broadcasters makes no sense at all to me. I'm not going to continue to fight for a little piece of the pie if I can turn around and sell this station at a profit [now] before you add more competition in the mix; it just wouldn't be worth it. The net result is you're going to have major broadcasters and minorities [owners] replaced by the low-power broadcasters, and I don't think that serves the community interest at all.

At least I am now in a position to offer quality programming, promotions, and be involved in the community, but once my revenue stream gets strained I couldn't do it. At least I'm able to pay insurance for my employees and offer them benefits. The low-power stations won't be doing those kinds of things. When I took over these stations they didn't get paid for holidays, they didn't get paid vacation pay, the employees didn't get paid for sick days, none of those things were available. The only way I can continue doing these things is by increasing our revenue. I just think it is a bad idea. . . . There is a need for diversity in voices; I think the key is to preserve the voices that are there, rather than put only weak voices on the air! (Interview transcript, 9/20/99)

Commitment to community/community a part of station. What role have local programming and community service played in remaining committed to the community How do you make the community feel [that it is] a part of your station? The owner responded,

The reality is most black people . . . get it [news] from the music station they listen to. . . . Therefore, we have to provide news so we can keep them informed. Historically, black listeners have always gravitated to the black station in town to find out what's going on in the community, plus they will get a perspective different from the white community. For example, we didn't announce the election of [central Georgia's] first black mayor as an upset. Why would it be an upset when the city is majority black? But that's the way the white media presented it. We bring a valuable, viable perspective. . . . As our revenue stream grows, we will be able to hire a full-time news director. (Interview transcript, 9/20/99)

The general manager provided his opinion:

We have a responsibility to deliver what our audience needs to know. For instance, let's go back to when Tupac was killed. Let's go back to when Biggie was killed. That's our demo [target demographic group]. That's a big issue. Not only did we lose two big rap artists, but it also addresses the problem that we have with black-on-black crime and our youth killing each other. We could talk about welfare reform here in Georgia . . . our listeners could not give a flip about it . . . it's sad to say . . . they could not care less.

He continued:

We try to get our announcers out as much as possible because being in the street is very, very important. Last week, being the kickoff season for football, one of our announcers went to a couple of the pep rallies that the high schools had called . . . our demo [target demographic] audience, so we've got to be there for them . . . gave away T-shirts, CDs . . . did a tailgate party at one of the big rival football games. The owner's philosophy on radio is that radio has always been community based and we have to keep it that way. We are a black-owned radio station. We've got to serve the black community . . . we've got to let them know that we're here for them and we want them to be there for us. (Interview transcript, 9/20/99)

Competitive in marketplace. ***How have you been able to meet this goal***

and also remain competitive in the marketplace? The owner responded,

The change in format has had a direct impact on revenue. Is it tough to sell hip-hop? Yes and no. Since we didn't position the station as a hip-hop station, because of advertisers, it has not been as big a hurdle as you might think. What we present advertisers with is a strong position of young adults 18 to 34. What we say is, here is the active African-

American market in [central Georgia]. It is not necessarily 23 to 54 [the preferred market]; it is 18 to 34. We are ranked third in the market . . . number two 18 to 34 among blacks in this market, and that has been our pitch. So, as a result, advertisers have accepted that position and they get the results because we do have a very active audience. (Interview transcript, 9/20/99)

Role of owner/budget decisions. ***What is the role of the business***

office/owner, and what types of decisions take place during the work day?

The owner responded,

I typically come in Monday, Tuesday, Thursday, and Friday. A lot of what I do is to try to assist everybody else in their job . . . and to make sure the bills are paid. So, for example, with the program director, I try to give him more time to do what he needs to do. I run the music computer for him . . . I help him schedule the music . . . the computer does all the scheduling and I do the editing [changing music selections in rotation]. He adds all the songs and I put them in the computer, and that's one less thing he has to do. In the case of the general manager, I assist him with sales packages . . . I assist him with making sure production is done, sometimes writing scripts, voicing spots [commercials], getting them in the computer system in time to go on the air. And with the sales staff, I try to help them with their presentation as well as their packages.

The majority of my day, when I am not doing those things, is to try to look for ways to expand the company . . . to take care of the day-to-day operation of the company. . . . I've got reports required by the bank, I've got to make sure the bills are paid . . . even though we have an accountant, I write all the checks. I pay all the bills because I know how the money is coming in. . . . Now, when the cash flow gets to a point where I can say, "Here's the bills, pay them," then I will just sign the checks. . . . I am always going to sign the checks. Until that happens, I must now say, "That's the phone bill, we need to pay that first." Since I am also the computer guy, we're in the middle of Y2K, so I am trying to get all the computers updated. (Interview transcript, 9/20/99)

Resolving decrease in sales. ***What happens if sales projections are***

short for the month; how is the problem resolved? The urban mainstream

station carries the other three stations. The general manager explained:

We were losing money; we were not making budget. We were losing \$20,000 a month on that station, and we couldn't afford it [referring to

gospel AM/FM combo]. So we had to syndicate it and let people go. The advertising dollars at first weren't there. . . . If you go to Coca-Cola they will pay our competitor their spot price, but they want to beat us down because we are black. They are going to beat us down to as low as they can get us in price. U.S. Broadcasting only has one urban station in their mix, and it's gospel. They have all these white [format] stations, and they're getting all the dollars. I have to fight national sales people to give us money; I beg, and they don't have to do that over there . . . and that's not just us, that's everybody . . . from V103 [black format station in Atlanta] to Rad Media . . . it's hard.

When you start looking at our national sales, our national sales are pretty good. I have a good rapport, I get along with everybody. . . . I could sell you this ink pen . . . I'm just being honest with you . . . it's about relationships . . . you earn their trust and confidence . . . and they will buy from you. The majority of people we buy from are white. . . . "Oh, he's a black guy!" Yea, I'm black . . . I want you to buy from me . . . what can we do about it? (Interview transcript, 9/20/99)

The general manager continued:

This actually happened last week. A car dealership wants to buy from us; their demo is 18. She is sitting there looking at the same Arbitron screen . . . and says, "I want to buy from you guys, but I cannot pay your rates." We quoted her the same rates as the competition. So I sit there and I have to make a decision. I have a budget that I have to make. Do I say, "We'll compromise with you on these rates," or do I say, "This is what our rate is" and stick with it and lose the dollar because she will go to our competitor. So what I end up doing is compromising. . . . "Okay, we can do this . . . but I can't give you morning drive [prime], but I can give you afternoon drive" [less money means less visible location for spot to air]. You come up with ways that everybody walks away happy, but ultimately the station loses some money. Yes, the station gets the buys and gets the dollars, but it's not comparable to what other stations make. (Interview transcript, 9/20/99)

The general manager referred to what is known as minority discounts and "urban/Spanish dictates" within the radio industry. A minority discount is the practice of reducing the cost of advertising on minority-owned and -operated radio stations because of the station's ethnic audience. This practice is used by advertisers and ad agencies.⁸ The best way to explain the discrepancy is on a

dollar scale. General-market stations are paid about \$1 per listener, minority-formatted stations are paid \$.78 per listener, and minority-owned and -formatted stations are paid \$.71 per listener.⁹ Lee Bailey, CEO and executive producer of Bailey Broadcasting Services, which produces urban-based programming, said the following:

You have a whole segment of the listening audience whom the advertisers are not reaching because the agencies or the buyers think that they don't have enough disposable income to use the products. The audience is stereotyped as poor and indigent. There is no logic behind it. It is outright discrimination.¹⁰

A study recently chartered by the FCC focused on practices called "No Urban/Spanish Dictates." Based on comparisons of nationwide data, the study found that stations that target minority listeners are unable to earn as much revenue per listener as stations that air general programming. Based on interviews and an analysis of radio-industry data for 3,745 stations, the FCC study found that stations owned by "majority" firms collected about 29% more revenue per listener than minority-owned stations targeting minority listeners. The report recommended that advertisers adopt a code of conduct that outlaws "dictates" and that the federal government consider an executive order prohibiting businesses from contracting with advertising agencies that employ discriminatory practices.¹¹

Influences on local/national sales. *What issues have influenced national and/or local advertising revenue?* The owner responded:

My competitor will tell you in a heartbeat, "Why advertise with WBBB when we have a mainstream urban, we've also got an adult contemporary, and we have a gospel station. Spend all your money here

and cover the market" [implying that advertisers can reach a broader audience because the competition owns several stations in the central Georgia market]. And your response is, "Yeah, you cover almost two-thirds of the market, but you have left out one-third. . . . Can you afford to do that?" So we are now in a better position because our one-third that does well does very well. . . .

Now, we don't have American Express on the air and we don't have Delta Airlines on the air . . . we don't have Parisians [upscale Atlanta department store] on the air, but we do have Belk [popular department store]. We also have Rich's, and Rich's is owned by the same people who own Macy's. K-Mart buys us locally, and we have been trying to make inroads in the automotive category.

The strategy was always if you bulk up 18 to 34 it would give us decent numbers 25 to 34 and 25 to 49, and it has. And, in fact, we probably have the same numbers 25 to 49 as we would have had, had we continued as an urban adult contemporary station. But we also have the added element of teens and, actually, we have used our teen audience to our advantage. All of the major concerts that come to town, we get a piece of the pie . . . we get a majority of the buy . . . we get a huge piece of the Coca-Cola buy. Before, it was all going to one organization [competition] before we came on the air. Coke is very interested in young adults and teens, but because we're new and because we have seen a sudden growth in ratings which has transferred into a sudden growth in revenue, we haven't encountered a whole lot of negatives because everything is happening so fast. . . . If we had been on the air for ten years, I could probably give you a bunch of negatives about people we have gone to. I have a small sales staff. We don't get a lot of objections; we also don't target a lot of advertisers that we know will say no. We get very few objections to the format. . . . Again, we don't walk in . . . and say, "Buy from the rap station." (Interview transcript, 9/20/99)

What percentage is local sales versus national sales? The general manager responded, "It's probably 50-50 right now, and that's changing every day." He continued,

Our sales have gone out of the roof since we've finally gotten some numbers. Our national sales are going up as well as local sales. . . . National advertisers are now seeing us on their books. They were accustomed to buying only one urban in the market, and that's another big battle that we fight now. A lot of agencies who were just accustomed to only buying one urban now have to buy two urban stations or they split and maybe buy us one quarter and buy them [the competition], and it is just education . . . teaching them that it's okay to buy two urbans because

you want to cover the market the best with the demo that you're trying to get. It's been difficult because the advertiser often says, "Oh, I can't buy two stations." (Interview transcript, 9/20/99)

The pie is cut in other ways, as well. The general manager explained:

U.S. Broadcasting, which is the largest broadcaster in this market, has 65% to 70% of all the revenue. U.S. Broadcasting owns five stations in the market and makes up to 65% to 70% of all the revenue in the market. So, you can see, out of that that's left, it is split between everybody else, and that's a pretty small part. Their budget this year is \$8 million. (Interview transcript, 9/20/99)

Cost of spots. The general manager said,

Right now we are running around \$65 for Morning Drive, which is 6 a.m. to 10 a.m. Then we'll drop down to \$45 for 10 a.m. to 3 p.m. From 3 p.m. to 6 p.m. goes back to \$45 to \$50, and then 6 p.m. to 10 p.m. we are at \$60 a spot, then from 10 p.m. to midnight \$35 and then from midnight to 5 a.m. we drop to \$25.

You send a salesman out; does he get leads, does he go out and drum up his own business? The general manager responded,

Beat the bush. However you can get a lead, if you know somebody who knows somebody who knows somebody or you just cold-call. We run an ad on the radio station that says, "We appreciate our advertisers. If you are interested in advertising with us, please call us at this number." (Interview transcript, 9/20/99)

The sales manager/account representative continued in detail:

I go out daily and I cold-call people. I pick an area and I just go door to door. . . . I tell a little bit about my company . . . and once I tell a little about my company I ask a little about theirs. . . . That's how I determine what we can do to help them out. A lot of it is just prayer . . . just hoping I get that sale. Most businesses are looking for packages. Most of the people I go to are mama's and papa's . . . small businesses, and they can't afford a lot of money. On some days I spend three to four hours a day listening to other stations so I know exactly what's running and what's not, and if I don't have those particular customers, then I solicit them . . . that's part of my schedule. I try to make 11 to 15 cold calls per day. If I fall short of that, it's because I spent too much time at a business! Sometimes you get the doors closed on you, but that's very, very seldom.

Naturally, with sales you have to sell yourself . . . and you get them to trust you. If you can get them in the first three to five minutes to trust you . . . it may not be that day but eventually you will get the sale. Once I get that one foot in the door, I'm in and I can take it from there. That's all I need. If I don't get the sale, I continue to follow up on it. People get tired of seeing me. I try to wear that joker out until he gives me the sale. (Interview transcript, 9/21/99)

The pitch:

This is how I make my living . . . I want to help you out. What can I do to take your business and turn it around? This is what we have to offer. . . . I have a list of people who can vouch for it. Let them look at the list . . . name recognition. I just wear them out . . . sometimes they see me in my tie . . . sometimes they see me in my short pants . . . sometimes it is after hours, I pop by . . . and I might go in and spend \$5, \$10, \$15 and still try to work on that account. A lot of times when they see you spend money in the place of business . . . they say, "This guy really wants to do something . . . he's interested in what we are selling." I become a customer as well as their salesman. So I make myself known just like I am part of the family. (Interview transcript, 9/21/99)

Honesty:

I am very particular about who I do business with. I don't want to do business with anyone who might hurt the station. I try to work with people who are established and well known in the community. I want people to be able to say, "He really helped me." They have enough faith in me to give me their business. Some of the people I talk to consider \$100 big money. I have to go in there with an attitude that it's a lot to me, too. I'm in it to make money, but I'm not in it to make a killing. (Interview transcript, 9/21/99)

Programming/Personnel

Format and research. *How did you decide on the current format?*

The owner responded,

When I took over . . . it had been a variety of stations . . . classic music station . . . country station, it had been a top-40 station and a jazz station . . . and not a very good jazz station. The reality is it had a 1.0 share, meaning it was only reaching 1% of the listeners in the market at any given time . . . and it was ranked dead last in the ratings in the market. . . .

It had never been higher than a 2 share--pretty low ratings--for the entire history of the radio station . . . for nearly 25 years.

We originally changed the format to urban adult contemporary . . . and were able to get it up to a 2.3 share after one book . . . we were happy. The reality is that the station we hurt the most was a R&B oldies station . . . and thus they decided to go urban adult contemporary [AC]. There was already an urban AC . . . that now makes three in the market. Once the oldies station made the change, that put my station back down to 1.0 share. So we can either fight for this audience or we can do something else. So after being in the position where there were three urban ACs in the market, we decided it just wasn't wise to continue to fight for our third of that share.

We have always been hesitant to go up against the other mainstream urban station . . . but they have the biggest share of the audience . . . they have no direct competitor, it makes no sense for us to continue to fight for the adult audience . . . even though it is more of a salable audience. I thought that if we had huge numbers as a young end station that would be better than small numbers as an adult station, and the result has proven to be true. So in February of last year [1998] we switched to where we are today--a young-end mainstream urban station. In our first book we went from a 1.0 share to a 6.8, so we knew we made the right decision. (Interview transcript, 9/20/99)

Ratings and Competition

The general manager explained:

This is where we are now, at a 7.7 for Spring '99, which just came out. Our Fall '98 book was a 6.8, and in Spring '98 we debuted at a 6.3. So we went from a 6.3 to a 6.8 to a 7.7. Now the fall previous to that we were at 1.0 . . . and that's when we changed our format from adult contemporary to hip-hop. Our direct competition . . . was sitting up here in the number-one position with like a 14, 15, 16 share. So you can see when we went head to head . . . what it has done to them. They're sitting in third. We're sitting in fourth. (Interview transcripts, 9/20/99)

So what do you think has to be done to overtake the competition?

We're a 10,000-watt [actually, 6,000] station. They are a 25,000-watt station. They're the big guys. They have been here longer than we have. We just wanted to share the market . . . we never anticipated numbers like this. . . . Will we ever beat? I say "No," because their reach is so much greater than ours . . . they've got a stronger power. There are still a lot of places here in [central Georgia] that our signal will not get into. They

reach one of the demos, which is Peach County, which we don't get into well . . . so we're losing diaries and books there. They reach a lot of places we don't . . . but we would like to close the window as close as we possibly can. (Interview transcripts, 9/20/99)

Why use urban mainstream instead of hip-hop? The owner

responded,

We use the phrase "urban mainstream" . . . but for all practical purposes it is a hip-hop station. The dirty little secret is that's what it is . . . but we don't promote it that way because of a variety of reasons. One, we were always told that a hip-hop station wouldn't work. Two, we were always told that advertisers won't accept young-end radio stations . . . and there is some truth to this. I talked with other managers, and I said, "If you were in our shoes and you didn't have to use the term, would you use it?" They said, "No." . . . And I talked to a number of people who said that if you don't have to market yourself that way for programming purposes, then don't.

Now, had my competitor decided that they were going to call themselves "the home of hip-hop," we would have had to position ourselves that way . . . but since they didn't want to take on that position . . . we didn't have to take on the position. . . . So it was a strategic move from a programming and sales standpoint . . . our listeners know what we are. (Interview transcript, 9/20/99)

The general manager continued the discussion:

I'll tell you why we use the term "urban mainstream." We use urban mainstream because of advertising dollars. Advertisers, the white advertisers who buy radio, tend to stay away from hip-hop music, the hip-hop scene, the whole hip-hop generation, that whole hip-hop culture because it has gotten a rap of being very, very violent. It has become gang related . . . yet people like the fact that it's a \$7 billion industry. Advertisers like the fact that it is a young target audience. Everybody knows that the young kids are the ones that are out spending \$200 for a pair of sneakers. Advertisers want that business . . . but advertisers don't want to be associated with hip-hop . . . so we refer to it as urban mainstream. Urban mainstream means we will play everything from Whitney Houston . . . to Snoop Dog, Outcast, Juvenile, and Pastor Troy. Our station is really unique. We've got a huge number of white listeners because young white kids in this market are very in tune to hip-hop music and hip-hop culture . . . because we target the young end; that's where all our listeners are. Those [white youth] are also the people that are more

likely to fill out Arbitron diaries and send them in. (Interview transcript, 9/20/99)

Selection of music. *What role does the announcer play when*

selecting music for broadcast? The general manager responded,

The music selection is very, very simple for us. We play what appears in the top 5 to top 10 on the Radio and Record chart and the Billboard charts [music trade magazines with various music lists], as well as what we get off the request line. So everything we play is a hit. We are not a hit-making station, meaning we're not going to take a song that our kids are not familiar with and make it a hit. If it's going to be on our station, it's going to be a hit. So that's why we have the slogan "We play the hits" because, literally, we do. . . . It may be doing well, but if it is not a hit we won't play it. An example, the CD "Miseducation of Lauren Hill," her latest release "Everything Is Everything" was moderately successful. Our competitors played it. It never peaked on Billboard, never peaked on R&R, and we never got any phone calls on it. We didn't play it. A good song . . . but it was not a mega hit. (Interview transcript, 9/20/99)

If your instincts thought a song was going to be a hit, would you

play it? The general manager answered,

We do have a program during the evenings where we'll put certain songs on, called "Battle of the Flavors," and if it wins for a certain period of time then we'll put it in light rotation, which means it will never reach heavy rotation. Our heavy rotation is a very tight rotation. We play the most-requested songs, the hits. (Interview transcript, 9/20/99)

Explain heavy rotation.

It's going to be played every hour and a half . . . that's what the kids want to hear . . . they're constantly calling. So it has to come back up . . . and that's a very, very, very tight rotation. Let's say you have five records that are in that hour-and-a-half rotation period. You could see where you would hear them pretty often. Stations that are number one in the market or number two—a lot of times what you hear about pop radio is "Ah, man, they play the same things over and over again." Yeah, we have to because it's a hot song and people want to hear it. If they don't hear it, they're saying, "I got to go all over the radio to find a song that I want to hear." So you have to play it for them to hear [and not lose listeners]. (Interview transcript, 9/20/99)

What kind of burnout can you expect?

It's quick and really depends on how quickly it falls off the chart and what our phones are doing on it. If it is in heavy rotation . . . it may stay there for maybe a week, two weeks, and then it will just go to a lighter rotation where it won't rotate every hour and a half. It may rotate every two hours or every two and a half hours, and then on down the line until it is rotated out. . . . And then it may be reinserted as a recurrent, which means it may come up once or twice a week. (Interview transcript, 9/20/99)

Specialty programming/special events. The general manager explained,

From 6 p.m. to 10 p.m., you're going to hear heavy, heavy, heavy hip-hop records. That's like the true party hour. We do programs from 6 to 10 p.m. At 7 o'clock we do the top 7, which is a countdown of the most-requested songs that day, and then from the top 7 at 7 we do "The Booty Shake at 8" and then from 9 to 10 p.m. we do "Scramble Jam," . . . where he mixes up a couple of songs and the callers call in and try to unscramble the songs. We also do "Where You From" during this hour, and the listener comes on the air . . . and what we do is put kids on the air as often as we can because it's like ministers . . . they love to hear themselves on the radio. Our announcers are all pretty much on the same level, meaning you could take the announcer from the morning show and put him in that 6 to 10 p.m. spot. . . . All our announcers are interchangeable because they're all hittin' that same demo. So we don't really have to match announcer personalities to day parts. (Interview transcript, 9/20/99)

The program director concluded, "Young people or youth rule the radio after 6 p.m. The evening jock has an opportunity to fill two slots per night with new, untested music. You provide what the market demands" (Interview transcript, 9/20/99).

The program director is also responsible for promotions. "We try to keep the 6 p.m. to 10 p.m. announcer in the street." He is the announcer who should know everything going on in the city and should promote those events heavily on his show to attract listeners. The 6 p.m. to 10 p.m. announcer has sponsored male strip shows for the women listeners, beauty pageants, and concerts. The

program director considers these types of events an experiment in small-market radio that has worked. "In a smaller market, things are up for grabs. . . . You have to keep trying things to see what works" (Interview transcript, 9/20/99).

Responsibility of program director/general manager/owner. What role does the program director, general manager, or owner play in the programming decision-making process? The owner replied,

When it comes to music, we are a hit-music station. We are a young, leading hit-music station. So with that said, because our target audience is young African-American and because the focus is real young, we are looking for music that appeals to them. Right now that appeal tends to be hip-hop. . . . The request lines can drive records on our radio station . . . video can drive records on our station. But at the same time we tend not to jump on product until it starts proving itself. That's more a positioning of the station that has worked more than anything else. The reason why our competitor tends to be early on everything is because they have a much broader play list than we do. We tend to be more of a follower than a leader . . . and we are trying to be as familiar as we possibly can so that when anyone turns us on they hear their favorite song . . . and it has worked from a ratings standpoint. We do use national charts . . . and we do use local record sales . . . but the song has to appeal to our target audience as well. So, if Whitney Houston has a number-one record, there is a chance we are not going to play it because Whitney doesn't appeal to young African-Americans, not any more. (Interview transcripts, 9/20/99)

Is there a hip-hop chart?

Yes. The Billboard Monitor tracks air play across the country, which is more important to us than charts that are hyped by somebody over the phone. The key to adding records on our station is national charts like Billboard, record sales locally, and the request line. And because we are a young station, we tend to pay more attention to the request line than other stations might. (Interview transcript, 9/20/99)

The owner is also responsible for the selection of announcers. He responded,

Most of our staff is from [metropolitan areas in Georgia]. We are looking for people who will appeal to the audience we are targeting, and are hungry and willing to grow . . . and we're giving them an opportunity to do something they wouldn't be able to do in Atlanta or a major market. So most of our announcers, in fact all but one, have never held a full-time shift anywhere else. These are people with weekend or overnight experience. [The program director] used to be producer of my morning show [in Atlanta]. He wanted to do a morning show. Well, it wasn't going to happen and he knew it; on top of that, he wanted to program. So I said, "I need a morning guy and I need someone to program the station, also someone to help run this radio station. Come work with me. . . . And he has a great head on his shoulders for promotions . . . so he also serves as promotion director . . . that's how he got the job. Our afternoon guy was doing overnight weekends in a [metropolitan area in Georgia], but they weren't going to put her on during the week and she felt nobody was working with her to get her up to speed . . . so we said, "Come join us." I spent some time with her, and lo and behold she started to blossom. Our night guy, an older brother, was in promotion in [a metropolitan region in Georgia]. He always wanted to be on the air. . . . Our competition did not use the opportunity to get much more seasoned talent, so they weren't going to hire these people. Again, he had never hosted an air shift before, but he knew the music and had the vibe, had natural talent and ability, and really, really wanted to give it a shot on his own. Now he's number one in the market after six months, probably the most well-known announcer in this town. (Interview transcript, 9/20/99)

The general manager agreed:

We are a young-end station . . . so we've got to have announcers that will appeal to that audience. They've got to be energetic. They've got to be knowledgeable of what's going on in what we call "the streets." They've got to know what the kids are into . . . what the fashions are and what the lingo is. Young kids, they're all about what's going on today. What's right now. You have got to have somebody on the air that can relate to the kids, who the kids can relate to, who they can identify with, but at the same time is a positive role model. They've got to be good, of course. They've got to sound good. I like to say that because we're in a small market, small-market radio has a tendency to fall into sounding like small-market radio. An example of that would be if you went to a small market and you turned on the radio and you heard an announcer speaking very regional. I've always thought that a radio station, in order to sound mainstream, has got to sound what we call "midwestern" in broadcast. We're also starting to see announcers getting younger and younger to appeal to that younger group, and unfortunately, when that happens, you

see announcers at 30 peaking out. . . . They're like the grandfathers of hip-hop.

Are you training them for the next level?

Well, we would hope so. . . . We say, "Keep training to where if you need to go to an adult contemporary format." That's real hard to get through to some of these young kids who are coming into radio . . . the hip-hop end of it . . . has a very short life span. (Interview transcript, 9/20/99)

Information/influences for morning program. *Describe the decision*

process required to produce the morning program. The general manager responded,

There's certain templates . . . that are standard in radio . . . morning drive, people are getting up . . . they want to know what happened while I was sleeping. What's the weather going to be so I know what to wear, and what time it is . . . and they want to be entertained. We want to . . . start your day. We do local and national . . . headlines. Every time we open the mike, we're going to let them know what time it is . . . and we're going to let them know what the weather is. That's important to a morning person. If we were in a major city that had traffic problems, we would give them traffic . . . but we don't have to worry about that.

So that's the advantage of local programming in morning drive. Unfortunately for us, we're a very small, black-owned company with very little--and I probably need to add five more "very"s there--working capital. The "House Party" is the morning program, and the announcer does it by himself . . . and he does a great job. But if you think about the fact that this morning show is called the "House Party" and he's actually at the party by himself . . . it is difficult to party by yourself. As soon as we get more capital in, we would like to add more people to the morning show to make it more of a party. . . . Our competitor's got five, six people on, which makes their morning show entertaining. The more characters that you have, the more entertaining it is. (Interview transcript, 9/20/99)

The program director, also the morning announcer and morning producer of "House Party," has tried to play songs that people want to hear, and determined this through the request line, clubs (what's "hot" and makes people dance), and music retail outlets, as well as listening to "what's hot in other

markets and determining if it will work in this market. With such a young demo, the program director would like to sponsor "alternative entertainment to what is already being provided in this market." Before he joined WBBB-FM, young adults only went to the movies; now they have alternative entertainment each week sponsored by WBBB-FM.

What impact do the nationally syndicated morning programs have on the local market?

Morning radio is very competitive. You've got Tom Joyner and others as the competition now. . . . We are the only local morning show on urban radio. How do we compete? We have to take advantage where we have it. The advantage that we have over the other guys is that we're local. People can call in to us and get through . . . they can call in without having to call a 1-800 number and compete with somebody 2,000 miles away. They can get birthdays . . . they can win prizes . . . and pick them up. They can be on the radio. They can participate in the bits. We give localized information. We're not interested in what's going on in Dallas [location of syndicated program]. We're interested in right here in your city. These types of things build loyalty. (Interview transcript, 9/20/99)

What is the main difference between a large-market station and a small-market station? The owner explained:

The main difference would be the budget and the staff. At a station in metro Georgia, you are going to have a program director who is off the air . . . you may have a music director that is off the air . . . you are going to have a general manager, and that is all the general manager does is manage the operation. . . . And you will have a local sales manager and a general sales manager . . . and a national sales manager. At our radio station we have one person that does all four of those jobs . . . we all carry multiple hats. . . . I try to give them as much autonomy as I possibly can, but being the owner and the one with the most experience, a lot of things end up falling on my shoulders. I do a lot of our own books financially, I meet with advertisers, I am the programming head when it comes to programming, since this is my strength and background. . . . I am also the computer, I fix the computers when they die . . . and cut the transmitter on when it goes off due to a storm . . . all of these things are things the owner would never do in a major market. There's also a big

difference, obviously, in facility; it's like night and day. Metro Georgia stations have plush facilities in bank buildings downtown, and here we are in the boonies in a very worn six-room house next to our transmitter site. (Interview transcript, 9/20/99)

What do you see as weaknesses in the way decisions are made?

The general manager concluded,

We're so young, and my coming from LA, the owner from Atlanta, and most of our staff from a larger market . . . our weakness is we don't know where the bones are buried. . . . We haven't been able to completely understand how the market thinks . . . what's going to work here . . . because we are all from a different market. We're coming in and trying to learn . . . and central rural Georgia is different. It is its own monster, and you have to understand the monster. That would be our weak point . . . trying to understand the monster. (Interview transcript, 9/20/99)

Part II--Summary of the Findings

The data presented in this section represent a summary of responses provided by respondents interviewed for this study. Each station is presented as a case. Case I is WAAA-FM, and Case II is WBBB-FM.

Research Questions

1. How has urban radio remained committed to the community as well as profitable in the marketplace, given all the pressures these stations face?
2. How is management, corporate, owner/president, department, or committee involved in the decision-making process? What is the nature of the debate, if any, about what to program or what to advertise?
3. How has multiple/single radio ownership influenced the decision-making process for the commercial radio broadcaster?

4. What is the decision-making process for selecting programming for two commercial radio stations, each representing a different-sized market?

Themes and Categories

Commitment to Community and Competitive in the Marketplace

Low-power radio

Commitment to community

Competitive in the marketplace: sales and programming

Who is Responsible for Implementation of Decisions? What Are the Decision Influences?

Corporate

Owner/president

Management

Committee

The Decision Process

Goal or mission

Alternatives

Influences

Solutions

Case I–WAAA-FM

Commitment to community and competitive in the marketplace.

Research Question 1: How has urban radio remained committed to the community as well as profitable in the marketplace, given all the pressures these stations face?

The data relative to this research question have been organized according to the responses of respondents interviewed for this study regarding the following three themes: (a) low-power radio, (b) commitment to community, and (c) competitive in the marketplace: sales and programming.

Low-power radio: WAAA-FM is one of at least 50 radio stations owned and operated by Rad Media, Inc. The mission for Rad Media includes three key goals: to increase ratings, to increase revenue and cash flow, and to double the value of any station purchased within the next three years. Management of Rad Media prefers to purchase underperforming radio stations and improve their programming and revenue base, with a long-range goal of becoming a provider of urban radio programming in at least 30 markets.

Management of Rad Media views low-power radio as an unnecessary distraction to their mission. Rad Media, a broadcast company that owns two to three radio stations in various markets across the United States, now competes with larger broadcast corporations that own more stations. Those broadcast companies that own five or more stations in a market where Rad Media owns only two have a revenue advantage in that market.

Many broadcast owners, commercial and noncommercial, think a low-power radio station will split the revenue in an already competitive market, possibly causing existing minority stations more difficulty in operating at a profitable level. As Liggins, CEO of Rad Media, concluded, "Adding more licenses is not good for anybody."

Critics of the FCC, however, argue that radio consolidation has made the purchase of commercial radio stations too expensive for the independent owner; thus, the public is being deprived of a local community voice. Therefore, the Commission created low-power radio as an answer to those critics. In addition, supporters of low-power radio think commercial radio broadcasters have not met their commitment to the community because they are no longer required to conduct community-ascertainment surveys or produce local news and public affairs programming as required before deregulation.¹²

As proposed by the Commission, low-power radio would provide a low-cost means of serving urban as well as rural communities with local programming. The Commission also hopes to increase station ownership by minorities and women through the purchase of low-power radio stations.¹³

The owners of WAAA-FM, as well as other commercial radio broadcasters, disagree with critics who say they are no longer committed to localism and local radio programming. The findings of this study show that their approach to localism may have changed with the advent of deregulation. However, they are still committed to the concept of localism, regardless of the type of owner, geographic location, or size of market. Currently it is left to the broadcaster and the marketplace to determine what is local programming. Often the issue involves how to present local programming so that it will have a positive effect on the community as well as station revenue. Today, WAAA-FM utilizes its morning show to feature local programming of interest to the community.

Commitment to community: Today, commercial radio's commitment to localism and the community involves unique programming and community outreach, both produced with a focus on increasing listenership and revenue. For instance, WAAA-FM's fund-raising effort for a family recently left homeless by fire is just one way that WAAA-FM meets its commitment to the community. In addition, such special programming as "Check Yourself" and "Money Talk" also meets the needs of the local listener. Other community outreach efforts such as adopting a school and volunteering in the community are examples of many ways that the station meets the needs of the community. Adopting a school, for example, supports the needs of the community while also increasing interest in the radio station, thereby increasing listenership and revenue.

The most important avenue for local programming for WAAA-FM is their morning program, "Ray in the Morning," broadcast from 5:30 a.m. to 10:00 a.m. each weekday morning. The morning program offers local and national guests, local and national news, local and national sports, local traffic and weather, and special features from a local perspective. Special-feature programs encourage listener interaction through calling in and discussing issues of importance to the community. This is what the urban mainstream (hip-hop) radio broadcaster considers local programming. The morning show at WAAA-FM has a staff of five including a host, news director, sports director, audio engineer, and producer. As WAAA-FM's chief operating officer/general manager commented, "It's all about being local and appealing to your market and knowing what your market needs, and what's going on in your market." The management of WAAA-FM

strongly disagrees with their critics who say they are not meeting the needs of the local community. They believe they are meeting the needs of their community and that deregulation helped them do it.

Competitive in the marketplace--sales and programming: Community outreach, local programming, production, and sales all work toward one common goal: generating revenue. Most local programming is packaged within the morning program and is designed to provide information as a public service as well as increase listenership. The local need is being met while the station continues to strive for increased revenue, which is a priority. To remain competitive in the marketplace, one must know what the listener wants. Broadcasting what the listener wants will increase listenership and drive sales. According to the station manager of WAAA-FM, there is a charge for every second of broadcast time at WAAA-FM, including public service programming. Increasing listenership and increasing revenue are at the forefront of every decision. For instance, rather than broadcast public service announcements throughout the day, station personnel participate in more than 120 public events each month, making public appearances, producing live remotes, all designed to meet the needs of the community as well as increase listenership and revenue.

Responsibility for implementing decisions—decision influences.

Research Question 2: How is management, corporate, owner/president, department, or committee involved in the decision-making process? What is the character of the debate, if any, about what to program or what to advertise?

Corporate decision influences: The chief operating officer/general manager stated, “You can’t program a station from the corporate level. It’s all about being local and appealing to your market and knowing what your market needs.” However, the corporate office often plays a major role in the decision-making process for the local radio station. The following discussion provides insight into the types of decisions necessary between the corporate office and the local station.

Business-office decision influences—local and corporate: The role of the business office is to handle all financial aspects of the radio station as they relate to the basic operation of the station. First-time advertisers receive a credit application. Once their application is approved, the traffic department inserts their commercial into the computer for rotation and broadcast. It is important for the traffic department to creatively schedule the spot to avoid listener tune-out. If all goes well, spots are run, invoices are created, and trial balance ledgers are completed. Most people pay within 45 to 60 days. Receivables are maintained at 6% or lower. The business manager monitors daily budgetary spending.

Budget influences: The business manager assists other department heads in preparing their budgets. The department heads specify their budgetary needs. The business manager, the chief operating officer/general manager, and the chief financial officer from Rad Media decide whether their requests are reasonable. “We compare what we have in the budget . . . what we budget for . . . and what we are spending. . . . If we are not meeting our revenue goals, everything becomes ‘No.’”

The chief financial officer for the corporate office reviews the budgets for each station (50) to determine whether requests are justified. He makes final approval of all budgets according to one's success in reading previous sales projections, as well as looking at the sales projections for the next year. The sales manager for each station, including WAAA-FM, supplies sales figures weekly to the corporate office. These sales figures alert the local station as well as the corporate office to anticipate any potential revenue problem within the 50-station system. These types of decisions are considered routine or programmed decisions.

National spots and local spots—decision influences: According to the respondents at WAAA-FM, national sales rates are higher than local sales rates because of the local perception of hip-hop music. Many local advertisers will not advertise on a hip-hop music station because of the perception of violence associated with the music and the artist; therefore, the station must lower its rates. However, national advertisers such as AT&T, Taco Bell, Reebok, and Nike want to reach the hip-hop audience, and rates remain high. Although national sales were down at WAAA-FM, national advertisers are not concerned with the violent image of hip-hop. In commercial radio advertising, the season and demand for inventory often set the cost per spot. Depending on one's location in the ratings, ratings may also influence the cost per spot. If there is a demand for inventory, prices are high. If the ratings are good, prices are high. For instance, in January, inventory was low, there was no demand, and therefore prices were low. During the summer months, companies want to sell their

seasonal items, spot inventory is in demand, and thus the cost of advertising is high.

Programming/decision influences—program format: The final decision for selecting the hip-hop programming format for WAAA-FM was reached through research, a Perceptual and Format Opportunity Analysis Survey. The survey was conducted in the metro Georgia market to determine what format “holes” were in that market. The firm responsible for this analysis met initially with station personnel and discussed goals and music positioning of the station. Such areas as demographics and station competition were discussed. The goal was to develop a new format and image for the metro Georgia market, i.e., an image and format never before offered in this market. Music tests and focus groups were also conducted to support the final decision for a hip-hop music station in metro Georgia.

Announcer/management influences: Announcers at WAAA-FM no longer select the music during their air shift. A computer is programmed by the program director and tells the announcer what to play, how long to talk, what to say, and when to break for commercials. All programming decisions must be approved by the corporate office and the chief operating officer/general manager before music data are entered into the computer. The vice-president for programming for Rad Media meets regularly with the chief operating officer, station manager, program director, program consultant, and music director to discuss and debate the value of a song. The researcher for this study observed

the programming meeting and found that the vice-president for programming usually made the final decision on programming issues relative to WAAA-FM.

Research Question 3: How has multiple/single radio ownership influenced the decision-making process for the commercial radio broadcaster?

Rad Media, a multiple station owner, influences the decision-making process for WAAA-FM, specifically in the area of sales and programming. For example, the sales department at WAAA-FM was \$21,000 short in advertising sales for the month of July. The researcher attended a department-head meeting where the loss was discussed. Management did not express urgency in seeking ways to correct the loss. Several possible solutions were provided by respondents interviewed for the study. The business manager thought the sales manager had adequate time to prevent the loss; after realizing the first-week sales projections were short, he could have increased his sales staff output. Although the national sales manager said the hip-hop youth market generated strong sales, national sales revenue for the month of July was down at WAAA-FM. Closer monitoring and an increase in local and national sales goals may have resulted in an increase in overall sales. The department head meeting ended with the sales manager saying, "We will make up for the loss next month." An immediate decision was not required of staff, alternatives were not discussed, and choices were not made to solve the problem of the loss.

Research Question 4: What is the decision-making process for selecting programming for two commercial radio stations, each representing a different-sized market?

WAAA-FM readily uses research consultants to determine programming format and musical selection. The station is located in a major African-American market and can safely market its image as a personality-driven hip-hop radio station without concern for loss of advertising. Rad Media operates several hip-hop stations in various markets across the United States. The vice-president for programming for Rad Media is actively involved with each station.

The hip-hop music format for WAAA-FM and metro Georgia has been fine-tuned and requires only routine or programmed decision making by local management and the vice-president for programming. However, the producers of the morning program, "Ray in the Morning," are able to produce the nonmusic components targeted at the metro Georgia market, including local interviews, local musicians, local telephone calls to discuss a topic or make a request, or produce skits of interest to the local community. The corporate office usually is not involved in production of the local components. The vice-president for programming's responsibility is to oversee the addition or deletion of musical selections each week.

Case II-WBBB-FM

Commitment to community and competitive in the marketplace.

Research Question 1: How has urban radio remained committed to the community as well as profitable in the marketplace, given all the pressures these stations face?

The data relative to this research question have been organized according to the responses of respondents interviewed for this study regarding

the following three themes: (a) low-power radio, (b) commitment to community, and (c) competitive in the marketplace: sales and programming.

Low-power radio: "Low-power radio will kill the minority broadcaster," said the owner/president of WBBB-FM. Today's minority broadcaster must contend with generating advertising dollars in an extremely competitive and hostile environment. Today the independent owner, such as the owner of WBBB-FM, must compete with large conglomerates. These conglomerates buy several stations within a market and supply varying formats to reach each station's audience. Specifically, U.S. Broadcasting owns five stations and covers two-thirds of the central Georgia market, maximizing their leverage in audience and advertising dollars, leaving less than one-third of the market for the independent broadcaster. According to the owner, low-power radio, regardless of wattage or commercial or noncommercial frequency, will split the market further, causing additional loss of listenership and revenue.

This is already happening in markets where the independent owner is struggling for market share. Many minority broadcasters, including the owner/president, think low-power radio is simply a way for the Commission to "pacify" the minority broadcaster as he is slowly being squeezed out of the profitable markets by the larger conglomerates. The owner/president continued, "The Commission should find ways to preserve the minority stations on the air, not create policy that provides additional competition for the minority broadcaster."

Commitment to community: News and local programming are important to the management of WBBB-FM. "Historically, black listeners have always

gravitated to the black station in town to find out what's going on in the community, plus they will get a perspective different from the white station in town." WBBB-FM broadcasts news and public affairs programming targeted at teens, community issues are discussed, and the listener is encouraged to call in and ask questions. "Money Talk" is a program broadcast every weekday morning. This program is a five-minute feature and provides financial information for young adult African-American listeners.

Competitive in the marketplace--sales and programming: The owner and president of WBBB-FM has been able to improve programming, increase ratings, and increase revenue after only three years. All programs are produced with the purpose of attracting listeners, increasing ratings, and increasing profit. WBBB-FM hires full-time announcers and managers, many of whom have held part-time or lower-tier broadcast positions in larger markets. These personnel are hired in full-time professional or managerial positions at WBBB-FM, a smaller market, and paid a very low salary, freeing up money for other station operations.

The morning program, entitled "House Party," is another example of how money is saved, enabling WBBB-FM to remain financially competitive with larger conglomerates in the market. WBBB-FM's "House Party" does very well in the ratings and sounds as professional as any morning program in the market. WBBB-FM, however, has only one announcer, whereas the other stations in the market have a "morning crew" of five. "House Party's" on-air personality answers telephones, plays music, reads headlines from the local newspaper,

and conducts interviews. The host of the morning show is also music director, promotion director, and morning show producer. The limited finances of the independent owner require personnel to perform several positions. Small-market independent radio has always combined positions to achieve profitability. WBBB-FM has remained competitive in the marketplace through adopting a new format, increasing ratings, and using ratings to convince advertisers to buy advertising. They have been innovative in station management and operations.

Responsibility for implementing decisions—decision influences.

Research Question 2: How is management, corporate, owner/president, department, or committee involved in the decision-making process? What is the nature of the debate, if any, about what to program or what to advertise?

Owner/president decision influences: The owner/president of Robots Communications (WBBB-FM) works four days per week at WBBB-FM. He assists the station's employees in various duties, including loading computers and scheduling music, assisting new staff in development of sales packages and presentations, as well as writing scripts and producing commercials. The owner is also responsible for meeting budget projections, securing loans, paying bills, and completing bank reports. He also assists the general manager in soliciting and selling national advertising. According to the owner/president, the music broadcast over WBBB-FM is hip-hop; however, calling the format urban mainstream makes the music more accessible to the white advertiser. The owner selected urban mainstream rather than hip-hop for the following reasons: He was always told hip-hop would not sell, advertisers would not buy the young

demographic (18-34), and white advertisers would not buy advertising from a hip-hop station. To avoid these problems, urban mainstream rather than hip-hop is used as the format name.

Who is responsible for making decisions? The owner and the program director make the final decision on selection of music. "We are a young, leading hit-music station. We are looking for music that appeals to the young African-American listener." Request lines and videos assist in determining the hits, but the Billboard magazine trade publication is the primary source for the Top 20 hits. In addition, the owner, program director, and entire staff assist in determining the special-feature programming.

Owner and program director–selection of announcers: Many of the staff were recruited from Atlanta, Georgia, where they had worked part-time at a larger radio station. WBBB-FM, located in a smaller market, provides full-time employment and opportunity for advancement–young adults, age 23 to 35, who can relate to the 13-to-34 target audience. They are people who have experienced missed opportunities in a larger market and have been given a second chance to prove themselves in a smaller market.

Decision influences/decision making: Is it difficult to sell urban mainstream? Yes. But according to the general manager, who is also responsible for national sales, it is difficult for an African-American owner to sell any radio format. WBBB-FM was positioned as an urban mainstream station rather than hip-hop to attract advertisers. The owner requires the account executive to sell the demographic group rather than the music. WBBB-FM is

ranked third in the central Georgia market, second among African-Americans 18 to 34. The account executive pitches to the advertiser, "We have a strong position of African-American males 18 to 34." The advertiser wants to reach this target with his product. The urban mainstream format for WBBB-FM has brought results. For instance, listenership, advertising, and revenue have all increased.

Ratings: Improvement in ratings has caused local and national sales to increase. Previously, advertisers would only buy one urban station, WCCC-FM, in the central Georgia market. Today, with WBBB-FM's increase in sales, advertisers buy WBBB-FM as well as the competing station, WCCC-FM. The cost per spot is determined by the popularity of the program and the asking price of the competition. The season and available inventory also are factors in setting a price.

Sales/promotions: The researcher attended a sales meeting where sales territory, sales projections, selling technique, and promotions were discussed. All operational expenses were discussed, approved, and included in the weekly sales projections. For example, the program director/promotion director needed \$300 to purchase auto decals for a station promotion. The sales manager instructed the sales staff to sell \$300 worth of advertising to cover the cost of the auto decals. Any unplanned expense must be approved by sales and management at WBBB-FM and included in sales projections accordingly.

Decrease in advertising dollars—minority discounts: The general manager for WBBB-FM stressed the following: "National advertisers will pay

WBBB's competitor their spot price but will try to talk WBBB down on their spot price because we are a black station." Many white advertisers think the African-American consumer has less disposable income to spend and, therefore, will not purchase their product. African-Americans are stereotyped as poor and indigent. Therefore, stations that target African-American listeners are unable to earn as much revenue per listener as stations that broadcast general market programming. The general manager/sales manager of WBBB-FM often must negotiate a broadcast time and cost for the advertiser, always accepting less money in the process.

Research Question 3: How has multiple/single radio ownership influenced the decision-making process for the commercial radio broadcaster?

The urban mainstream format has had a direct effect on station revenues. Adding another urban mainstream format in a market with an established urban mainstream powerhouse, WCCC-FM (25,000 watts), was not the owner's first choice. WBBB-FM was purchased in July 1997 by Robots Communications. During the past 25 years, WBBB-FM has offered a variety of formats to the central Georgia listenership. Such formats as classical music, country, top 40, and jazz all proved unsuccessful. For 25 years, WBBB-FM averaged a 2.0 share and was not profitable. Knowing the history of the station, the new owner changed the format of the station to urban contemporary, thinking this alternative was the answer. After one ratings period, a competitor also changed its format to urban contemporary, making three urban contemporary stations in the central Georgia market. The addition of another urban contemporary format caused

WBBB-FM to drop to a 1.0 share. The owner considered other formats and decided that, with only one urban mainstream (WCCC-FM) in the market with a 14- to 16-point rating, he would try that format and hopefully split their listenership and ratings. By changing the format to urban mainstream, WBBB-FM went from a 1.0 to a 7.4 rating and split the competition's audience. Today, WCCC-FM, the competition, is number three in central Georgia. WBBB-FM is number four.

Although the increase in ratings has been impressive for WBBB-FM, competing against U.S. Broadcasting, Inc., for advertising dollars has been a greater challenge. U.S. Broadcasting, Inc., owns five stations with varying formats in the central Georgia market. U.S. Broadcasting offers such formats as urban mainstream, adult contemporary, gospel, and country. Their sales pitch is, "Spend all your money here and cover two-thirds of the market." The staff and management of WBBB-FM think they can survive and become profitable if they can reach that one-third of the market with an urban mainstream format—one-third of the market split between several stations. For WBBB-FM to accomplish this, the station will have to undercut the competition in cost per spot and convince advertisers that it is all right to buy two urban mainstream stations in the same market.

The general manager explained it best: "Our sales have gone out of the roof since we've finally got some numbers. Our national sales are going up as well as local sales . . . advertisers are now seeing us on their books." Revenue has increased because of an increase in ratings points. However, the increase

in revenue is not an accurate representation of the dollar value of WBBB-FM because the advertising inventory for an African-American station often is undervalued when sold.

Research Question 4: What is the decision-making process for selecting programming for two commercial radio stations, each representing a different-sized market?

Decision influences: Selection of music for the morning program, "House Party," is very simple. The owner/president and the program director program the top 5 to top 10 songs from the hip-hop chart appearing in Radio and Records or Billboard magazine. Music videos, CD sales, and the request line also influence music selection. Selecting the top 10 of both charts means broadcasting only the hits.

Heavy rotation only includes the most requested songs. If a song is in heavy rotation, it will be broadcast every hour. This is considered a very tight or heavy rotation. The heavy rotation is designed to increase the listeners' "time spent listening." Listeners will continue listening for long periods of time rather than search other stations for their favorite song.

Radio burn-out depends on how fast a record drops or decreases in popularity on the hip-hop charts. Usually a popular song will stay in rotation one to two weeks, then move to a lighter rotation where the song is heard every two hours or every two and a half hours until it is rotated out; then it may reappear in the recurrent category once or twice per week. This is the model or formula for a young hit-music station. The management feels that "If you are 18 to 34, any time you turn on WBBB-FM, you should hear your favorite song."

The preceding example meets the definition of a programmed decision. There are no surprises; every song is a hit—thus, “Your Hit-Music Station.” The result is that WBBB-FM has successfully increased its rating share from 1.0 to a 7.7 share in less than a year.

**NOTES: RESPONDENT INTERVIEWS
CASE I--WAAA-FM**

General manager and chief operating officer. Interviewed by Preston A. Blakely, Atlanta, Georgia, July 26, 1999.

Station manager. Interviewed by Preston A. Blakely, Atlanta, Georgia, July 26, 1999.

Program director. Interviewed by Preston A. Blakely, Atlanta, Georgia, July 26, 1999.

Business manager/human resource administrator. Interviewed by Preston A. Blakely, Atlanta, Georgia, July 27, 1999.

Traffic manager. Interviewed by Preston A. Blakely, Atlanta, Georgia, July 27, 1999.

Program consultant. Interviewed by Preston A. Blakely, Atlanta, Georgia, July 26, 1999.

Sales manager. Interviewed by Preston A. Blakely, Atlanta, Georgia, July 27, 1999.

National sales manager. Interviewed by Preston A. Blakely, Atlanta, Georgia, July 27, 1999.

**NOTES: RESPONDENT INTERVIEWS
CASE II--WBBB-FM**

Owner/president. Interviewed by Preston A. Blakely, Macon, Georgia, September 20, 1999.

General manager/national sales manager. Interviewed by Preston A. Blakely, Macon, Georgia, September 20, 1999.

Program director. Interviewed by Preston A. Blakely, Macon, Georgia, September 20, 1999.

Sales manager. Interviewed by Preston A. Blakely, Macon, Georgia, September 20, 1999.

NOTES

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CHAPTER VI

CONCLUSIONS, IMPLICATIONS, AND RECOMMENDATIONS

The purpose of this study was to investigate two commercial radio stations and their approach to the decision-making process relative to programming, policy, sales, management, and personnel. This study also addressed such issues as localism and low-power radio. The review of literature included such areas as localism, deregulation, the Telecommunication Act of 1996, black or urban radio programming, and the impact of radio consolidation on the independent radio owner.

The method of inquiry for this study was qualitative in design and included various aspects of field study, observation, interview, and case study. This study attempted to address some of the influences that affect the decision-making process within the context of the urban radio broadcasting industry. This chapter provides conclusions, implications, and recommendations for this study.

Conclusions

Research Question 1: How has urban radio remained committed to the community as well as profitable in the marketplace, given all the pressures these stations face?

Commitment to Community and Profitable in the Marketplace

The doctrine of localism is intended to ensure that broadcasters “serve the needs and interests of the community” in which they are licensed to operate.

The localism doctrine has two components: geographic distribution of licenses and programming that must meet the needs and interests of the community in which the station is licensed.¹

The fear of whether commercial radio broadcasters will remain committed to localism without the mandate of the FCC, hereafter referred to as the Commission, is not without merit. The success of localism depends on broadcasters recognizing and supporting its value and worth, identifying the factors relevant to the community, and taking steps to implement that which is of importance.² The findings of this study indicate that the urban radio broadcaster, in small and large markets, thinks he is meeting the needs of localism in his community. Both stations in this study have owners, however, who live in a geographic location other than the location of the station.

However, when comparing localism in a historical context, the concept of localism has changed considerably since deregulation. Historically, localism has been the bedrock of commercial radio broadcasting.³ Since its inception, the Commission has attempted to ensure local service for everyone. Community ascertainment was just one way the Commission attempted to regulate local programming for commercial radio. The community-ascertainment survey required broadcasters to survey their community to determine issues of importance and to provide programming addressing those issues.⁴

The Commission's support for deregulation required the abandonment of most traditional policies ensuring at least minimal local programming. This included the removal of quantitative guidelines for nonentertainment programming, community-ascertainment procedures, program logs, and the

Fairness Doctrine. The result, according to critics, is programming that has in many ways become less community responsive.⁵

The return to community ascertainment is not encouraged by management of WAAA-FM or WBBB-FM. The management of both stations think they are meeting the programming needs of the local community through their morning program and special-feature programming available throughout the day. Although neither station offers a web site, managers of each station encouraged listeners to call in during appropriate programming and voice their concerns.

As the findings for both stations show, the morning program has become the showcase for local programming. Management of both stations prefer the Commission to continue their deregulation initiative and not interfere with station operations or programming content. It is unlikely the Commission will return to community ascertainment, given the recent trend of radio consolidation.

Commitment to community. The need for local radio still exists, but many think the large corporate-owned, profit-driven stations are not interested in local radio. Respondents from Rad Media's corporate office and WAAA-FM disagree. The vice-president for programming at Rad Media, as well as the station manager and program director of WAAA-FM, all voiced support for their weekday-morning show as a local program that provides local news, sports, weather, and interviews. Other local programs are also offered during the evening that involve call-in opportunities for the listener to interact with the producer or the on-air personality. With the trend toward radio consolidation, the definition of localism has changed from one of talk, news, and public affairs

programming to commercially sponsored news, talk, and call-in programming targeted to a specific audience and produced as a revenue-generating source.

Low-power radio. The squeeze on the African-American owner is occurring on two fronts. First, the consolidation war is pricing the one- and two-station owner out of the marketplace. Second, virtually all of the Commission's minority ownership policies have been eliminated, so it is very difficult for a minority owner to purchase a station in today's financial climate.⁶

The latest round of industry consolidation started with the passage of the Telecommunication Act of 1996, which eliminated the national ownership cap for radio stations and relaxed local ownership rules.⁷ This deregulatory policy has increased radio station prices and increased the number of radio stations, purchased by conglomerates using economies of scale to boost their profits. Ninety percent of African-American owners own only one or two radio stations, whereas the broadcast conglomerates control as many as eight stations per market. The eight-station conglomerate often causes the African-American owner to lose a large share of the advertising dollar, eventually going out of business.⁸

Several hundred low-power radio stations could be created during the next few months, depending on the application response by the public. The new FM low-power service, which would operate between 10 and 100 watts, would be open only to noncommercial radio broadcasters, and was created by the Commission as a means to increase minority ownership and to provide local programming. Initially, the purchaser will be limited to only one permit in a

single market, and those broadcasters who own full-power stations will not be allowed to purchase a low-power service.⁹

The research findings for WAAA-FM and WBBB-FM are in agreement with the opinion of members of the National Association of Broadcasters. Respondents from both stations and the association are strongly against low-power radio. Their concerns include possible broadcast interference as well as increased competition for listeners and advertising/underwriting dollars. Although noncommercial low-power radio only broadcasts between 10 and 100 watts, both owners think a new competition for revenue in their market is detrimental to the established owner in that market.

Competitive in the marketplace. The Telecommunication Act of 1996 has resulted in policy that has increased radio consolidation, increased the price of broadcast properties, and encouraged fierce competition in the radio marketplace.¹⁰ The increase in competition has proven difficult for all broadcasters, but especially difficult for the African-American broadcaster, who often represents small-market radio. The African-American broadcaster, particularly those who own small radio groups or stand-alone stations, are often in the enviable, or perhaps an unenviable, position of receiving a high-price offer from conglomerates to purchase their property. Many stations are struggling financially and are accepting these offers.¹¹

Although Rad Media now has at least 50 radio stations, respondents interviewed at corporate Rad Media and WAAA-FM did not consider Rad Media big business or a large conglomerate. Their response was, "Larger companies are buying several stations per market, while Rad Media is only able to buy one

or two stations in that market.” Rad Media’s two stations are often in competition with the larger eight-station conglomerate. In their view, many of their concerns are similar to the individual owner who also competes against the larger conglomerate.

The owner and president of Robots Communications takes a different view. His criticism toward low-power radio also includes possible interference and competition. However, he also sees low-power radio as a means to pacify the minority broadcaster who is unable to receive funding for profitable broadcast properties located in profitable markets. Lending institutions are no longer offering money to entry-level minority broadcasters, according to the owner/president of WBBB-FM. He argued that low-power radio is the Commission’s attempt to quiet minority dissension as they are systematically squeezed out of broadcast ownership.

Today, most venture capitalists want to invest in companies that plan to go public, and they want their money back plus a good return in three years, and certainly no more than five years.¹² Everyone, not just the minority broadcaster, is being affected by the size of the conglomerates and their purchasing influence in large and small markets. However, WBBB-FM, small-market radio with an individual owner, has been successful through planning and innovative decision making.

Research Question 2. How is management, corporate, owner/ president, department, or committee involved in the decision-making process? What is the nature of the debate, if any, about what to program or what to advertise?

Corporate Versus Individual Owner

The findings of this study strongly suggest that the majority of decisions for the two urban radio stations studied were made from the top down and not from the bottom up as suggested by Kharbanda and Stallworthy.¹³ Kharbanda and Stallworthy's research suggested that decisions should be made from the bottom up because it is the employees at the bottom who actually know what is going on. The findings of this study show that decisions at WAAA-FM and WBBB-FM are made from the top down as suggested by Nicholas.¹⁴ Both stations usually require the final decision of the corporate vice-president of programming, the president/owner, general manager or station manager, or chief operating officer/general manager. Thus, when it comes to major decision making, the responsibility for the decision is top management.

Research Question 3. How has multiple/single radio ownership influenced the decision-making process for the commercial radio broadcaster?

Programmed decisions require choices or actions that routinely reflect the station's policy or mission statement.¹⁵ Station policy guides the everyday operation of collections, commissions, credit approval, and budget appropriations. Nonprogramming decisions often fit the category of judgment or intuition decisions.¹⁶ Often critical decisions must be made, requiring the decision maker to create a rule, policy, or programmed procedure to follow. Additional guidelines often are determined once a decision is made. An unstructured or unprogrammed decision requires the following characteristics:

Alternatives are unknown during the initial process, discovered during the decision process, or the alternative is not well defined.¹⁷

Soelberg and other decision-making theorists often refer to the "search for alternatives" as implying that the decision maker has several choices or alternatives when making a decision.¹⁸ The individual owner of WBBB-FM, with limited finances, often has only one or two choices or alternatives to solve a problem. If there are only two alternatives, the decision-making process may be much faster.¹⁹ The poorly financed small-market owner must be creative and innovative in competing against the broadcast conglomerate. Thus, nonprogram decisions fit well in the culture of the small-group or individual radio owner.

The researcher's observations indicate that Rad Media operates with a programmed approach to decision making, usually requiring each corporate-owned station to follow company policy, whereas the owner of Robots Communications was much more creative and innovative in the decision-making process. WAAA-FM also has the financial support of Rad Media; therefore, problems are not as urgent, and time is available to consider several alternatives to solving a problem. For instance, minority discounts for advertising are a problem for WBBB-FM and often require nonprogrammed decisions for the sale to benefit the account representative and the radio station. Minority discounts for WAAA-FM were never mentioned by respondents. Their advertising emphasis follows company policy and does not allow for nonsystematic decision making.²⁰

Research Question 4. What is the decision-making process for selecting programming for two commercial radio stations, each representing a different-sized market?

First, the standard decision-making process (see Appendix A) assumes that one must make a decision by choosing one alternative from a set of competing courses of action.²¹ Results of this study suggest the following: Decisions may be influenced by such things as ratings, record sales, and listings in various industry magazines. Thus, there are choices or alternatives for urban radio regardless of the size of market.

Second, the standard decision-making process assumes that decision makers identify goals as a first step. In this study I found that goals were discovered throughout the course of making a decision rather than set at the early stages of problem discovery. Third, the standard description of decision making assumes that the point of decision making is to solve a problem. The evidence from this study suggests that this is true. However, what decision makers are looking for is a solution to a problem and a course of action that does not have a high probability of failure.

Managers or decision makers in urban radio usually follow the standard decision-making process. For instance, at WAAA-FM research was used to determine the format hole for the metro Georgia market. The firm responsible for this analysis met initially with station personnel and discussed goals and music positioning of the station. Music tests and focus groups were conducted, alternatives considered, and a hip-hop music format selected.

At WAAA-FM, the vice-president for programming meets regularly with the chief operating manager, station manager, program director, program consultant, and music director to discuss and debate the value of a song. In commercial radio all programs are produced with the purpose of attracting listeners, increasing ratings, and increasing profits. This is no different for WBBB-FM. For instance, selection of music for the morning program, "House Party," requires the owner/president and the program director to program the top 5 to top 10 songs from the hip-hop charts. Alternatives are considered and a song is selected that meets the goals and needs of the station.

Both stations followed the standard decision-making process as suggested by Lacy²² and other theorists. Adjustments were often necessary, depending on the problem being solved, the type of decision required, and the number of alternatives available. The sequence of the decision-making process—problem definition, alternative choices, refinement, and solution²³—was followed at both radio stations.

Implications and Recommendations for Further Study

Localism

The FCC is mandated by the Communication Act of 1934 to ensure that broadcasting serves the public interest, convenience, and necessity. This study has shown that local program content is important to a large number of listeners. As a policy objective by the Commission, localism has effectively been eliminated through deregulation and the Telecommunication Act of 1996. If the

Commission still considers localism a valid objective, it will have to take steps to ensure its survival.

It is recommended that a regional case study (several stations, similar or different formats) be conducted on the current forms of local radio programming offered by the commercial radio broadcaster. This study would provide a historical perspective on how localism has changed with the recent advent of consolidation. Such issues as reenactment of the community-ascertainment policy by the Commission should be considered, as well as a new definition for the concept of localism.

Decision Making

The decision-making data collected for this study raised additional issues that researchers might want to investigate. This might involve conducting a regional case study on decision making in a large or small market, using a larger sample, comparing the types of decisions, influences, and the decision-making process required for an independent African-American or minority-owned radio station, and an African-American or minority-owned multistation conglomerate. In addition, a researcher might look specifically at the differences in financial support for each owner and what effect money or lack of money might have on the decision-making process.

NOTES

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APPENDICES

APPENDIX A

LIST OF RESPONDENTS

RESPONDENT INTERVIEWS WAAA-FM

General manager and chief operating officer. Interviewed by Preston A. Blakely, Atlanta, Georgia, July 26, 1999.

Station manager. Interviewed by Preston A. Blakely, Atlanta, Georgia, July 26, 1999.

Program director. Interviewed by Preston A. Blakely, Atlanta, Georgia, July 26, 1999.

Business manager/human resource administrator. Interviewed by Preston A. Blakely, Atlanta, Georgia, July 27, 1999.

Traffic manager. Interviewed by Preston A. Blakely, Atlanta, Georgia, July 27, 1999.

Program consultant. Interviewed by Preston A. Blakely, Atlanta, Georgia, July 26, 1999.

Sales manager. Interviewed by Preston A. Blakely, Atlanta, Georgia, July 27, 1999.

National sales manager. Interviewed by Preston A. Blakely, Atlanta, Georgia, July 27, 1999.

RESPONDENT INTERVIEWS WBBB-FM

Owner/president. Interviewed by Preston A. Blakely, Macon, Georgia, September 20, 1999.

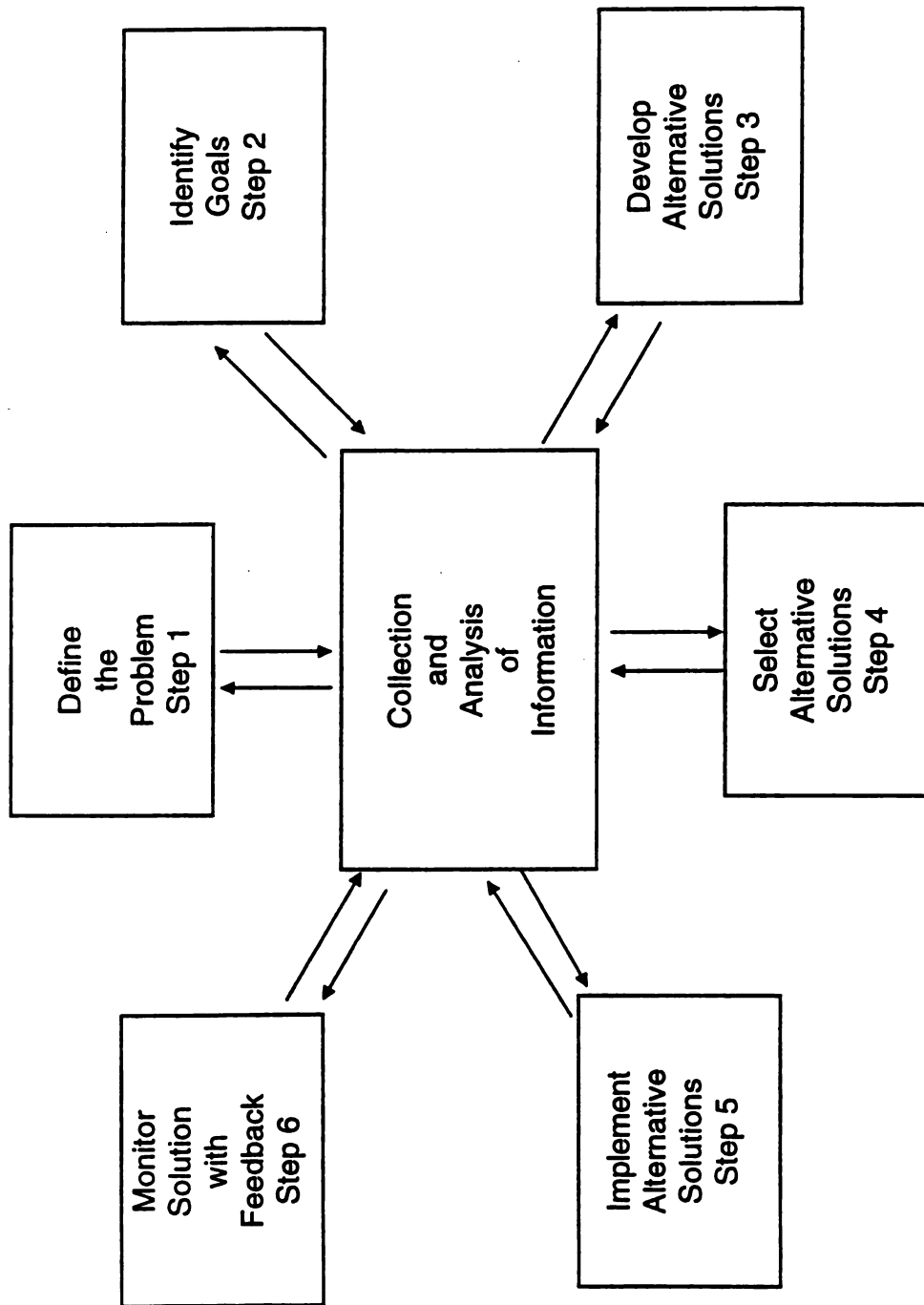
General manager/national sales manager. Interviewed by Preston A. Blakely, Macon, Georgia, September 20, 1999.

Program director. Interviewed by Preston A. Blakely, Macon, Georgia, September 20, 1999.

Sales manager. Interviewed by Preston A. Blakely, Macon, Georgia, September 20, 1999.

APPENDIX B

STANDARD DECISION-MAKING PROCESS



Standard Decision-Making Process

APPENDIX C

RADIO STATION PERSONNEL INTERVIEW QUESTIONS AND RESPONSES TO INTERVIEWS CONDUCTED WITH SENIOR OFFICIALS ASSOCIATED WITH THE FEDERAL COMMUNICATIONS COMMISSION

Radio Station Personnel Interview Questions

To answer the research questions and to identify the decision-making characteristics of each station, a questionnaire was developed for all respondents. Respondents were asked the following questions, as appropriate:

1. Does your station operate with a mission statement, strategic plan, or policy initiative?
2. What are the types of activities you do in your job, and why?
3. What problems, if any, can be expected for the urban radio broadcaster with the advent of low-power radio?
4. What role has local programming and community service played in remaining committed to the community?
5. How do you make the community feel a part of your station?
6. How have you been able to meet this goal and also remain competitive in the marketplace?
7. What is the role of the business office, and what types of decisions take place during the work day?
8. What types of decisions are required in preparation of the station budget?
9. What is the role of the business office at the local and corporate levels?
10. What happens if sales projections are short for the month? As business manager, do you talk to the sales manager, or is that done by the general manager? How is the problem resolved?
11. What issues may have influenced the decline in national advertising revenue?
12. How did you decide on the current format? How does music research contribute to the process?
13. What role does the announcer play when selecting music for broadcast?
14. What role does the computer or other technology play in the decision-making process?

15. How involved is "The Company" in making program decisions for WAAA-FM or WBBB-FM?
16. What role does the program director play in the decision-making process?
17. How does the program director place his brand on the station that receives so much input from corporate, consultants, and the general manager?
18. How is your station's sound different from the sound of another market?
19. How heavily do you rely on ratings? How important are ratings?
20. Describe the decision process required to produce your morning program.

FCC Policy Questionnaire

1. Please provide us with an overview of the current status of low-power radio. What happens next?
2. Does commercial radio (NAB) consider low-power radio a threat? Why? Why not? (listenership, advertising dollars, interference)
3. With the advent of low-power radio, will commercial radio have any responsibility for local programming? Has the FCC abandoned localism on commercial radio?
4. What is the priority for low-power radio? (increasing minority ownership or improving local programming)
5. Who do you anticipate owning the low-power station? What will it cost? Have studies been conducted to determine the potential for financial success for a low-power station owner? How will they make money?
6. How do you envision the program format differences between low-power radio and commercial radio? Can low-power radio be competitive? If so, how?
7. Will there be a regulatory policy similar to community ascertainment to determine if low-power radio is meeting its commitment to local programming?
8. What are the differences in cost to purchase a low-power urban radio station compared to that of a commercial urban radio station?
9. How will you decide whether stations will be supported by commercial advertising or public radio underwriting? Where will stations be located—AM, FM, commercial, noncommercial?
10. Will commercial broadcasters be allowed to purchase low-power stations? How many stations may be purchased by one owner?
11. It has been stated that consolidation of commercial radio has priced out the one- and two-station owners. If it is decided that an owner may purchase up to five low-power stations, as mentioned in Broadcasting and Cable magazine, will consolidation again have a similar effect on the “mom and pop” low-power radio owner?
12. Are you still considering a minimum power of 100 watts and maximum wattage of 1000?

13. There are more than 100 pirate stations across the United States. Do you see low-power radio as an option for the pirate broadcaster? What happens to the pirate broadcaster broadcasting under 100 watts?

Responses to Interview With Charles W. Logan, Jr.
Chief, Policy & Rules Division, FCC, Mass Media Bureau

April 16, 1999

. . . This year, uh, the Commission issued a notice of proposal [unclear] proposing to establish a low-power radio service, and it sought comment on all variety of issues—how, what power levels should the low-power radio service be operated at. . . . There were three basic proposals of 1,000 watts, I think it's 100 watts, and the smallest would be must micro radio, very low watt, low power, and that the power levels, of course, determine the coverage areas that the lower-power radio stations would have, and it also affects the potential interference problems that these low-power stations might pose to existing radio stations. . . . The notice also sought comments on . . . we have a whole set of interference protection standards now for, and this is . . . Keith can get into more about this later, but the . . . we have a whole bunch of interference protection standards now that apply to existing radio service, and they were established at a time, quite a few years ago, based on the then existing radio receivers. Today's radio receivers are, have gotten much better, much able to, to capture the signal that they, that it's turned to . . . more able to prevent interference, so it may be possible to sort of reduce the current interference standards. And if that's the case, that would mean you could establish more low-power radio stations. You could actually fit more of them in . . . Keith will be much better explaining this than me. Aside from those sort of technical issues, the notice also sought comment on how would these low-power stations be licensed. Would you restrict the number of low-power stations any one person could own, how would they be licensed, would they be auctioned off, would it be a commercial service or noncommercial service or a combination of both, what type of . . . or would any sort of public-interest programming obligation apply to them. A whole variety . . . you're just creating a whole new service, and you have to go through those basic issues with it. I can get you a copy of the notice if you'd like. Okay. Now the . . . right now we're waiting to—the comment deadlines—this has caused a lot of controversy in the existing broadcast industry. They don't like this idea; they're very much afraid that this could interfere with their signals, fitting in these new low-power radio stations.

Is that what NAB is opposed to?

Yeah, yeah, very much so. You know, it's also possible that they're afraid; you know, aside from interference problems, that they might be afraid of, you know, increased competition. But they, they don't put it in those terms; they're concerned about the interference and [pause] I don't . . . they may know bones about their opposition to it so, . . . And what's happening now is . . . is NAB and CEMA, which is the Consumer Electronics Manufacturers Association, are going

to do testing to see whether these proposed low-power radio stations can be established without posing harmful interference to existing stations. And my understanding is it's supposedly going to be lab testing, testing in the lab. The FCC is also to do its own testing. NAB and CEMA came in about a month ago and asked us to extend the comment deadlines. We have comments and then reply comments; That's standard procedure in any kind of notice . . . proposed rule making. They wanted it as an extension into the fall. The Commission did grant an extension, but not as much as they wanted. The comments are now due June first and reply comments are due July first.

Could you go back over that again—exactly the process for this notice for rule making? 'Cause I'm not familiar with that; I don't know [interrupted]. . . .

Sure

if you're familiar with it.

We're actually, the commission can establish new rules and policies or eliminate old rules and policies, but any time it does either one of those things, it has to first propose to do so. We're required by law—it's called the Administrative Procedure Act—to before we, the Commission, decides anything that has a substantive impact on people, it has to give notice to, publish the notice publicly of what it plans to do and seek public comment and give people a chance to comment on it. And only then can the Commission go forward with a report—it's called a Report and Order—with an actual decision that, that changes a rule or adopts a new rule or adopts a new service in this case. It's meant to sort of . . . it's meant to be a public process [pause]; it's a sort of—it's a combination between typical court hearings where you hear testimony and the legislative process where it's more free-form.

Um hum.

It's meant to be—it's not as formal as a court process. The comments that people can file don't have to be . . . they can just be giving someone's opinion. They don't have to be based on hard evidence, although we welcome that.

You can just write a letter and say . . .

Um hum.

[clears throat] I'm in support of it; I think it's a wonderful idea.

Um hum.

Uh, I'd like one for my community, that sort of thing?

Yup, yup.

Or someone could do something more formal, saying . . .

Right.

given the engineering . . .

Right.

uh, dynamics of Washington, D.C., a low-power radio station is likely to have an impact upon. . . .

Exactly. Right. The real range of things we get, and it's meant to sort of help us make a decision. It's meant to ensure that the whole public gets a chance to, if they want to, to comment and give us their views. What we're required to do after we get all those comments is respond to the basic issues they raise. We can't ignore, if someone raises a significant issue in our comments, we just can't ignore it; we have to respond to it. We don't have to agree, but we have to in the decision the Commission writes up, we have to write up a decision; we have to respond to it in some way. And then the Commission's decision itself that's, that's issued, adopting whether to establish the service or not, that's reviewable in the Court of Appeals. Any party can challenge it in the Court of Appeals, and the court is . . .

Um hum.

reviews it, it gives us under the statute that governs this whole process, the Administrative Procedure Act, the court can only reverse us if we're, and this is the key term, arbitrary and capricious. So the court sort of gives the agency the benefit of the doubt, but it, it is a meaningful review. We can't make up reasons; we can't ignore arguments that parties raise.

What's the court that the FCC must respond to [unclear] second appeals?

It's actually any federal U.S. Court of Appeals.

Oh, is that right?

They typically . . . people . . . it's up to the party challenging it. You can, if you lived in California and you had filed comments and felt we'd ignored your comments, you could file in the Court of Appeals in California, the 9th Circuit. Those people tend to file in, in D.C. [unclear] U.S. Court of Appeals for the D.C. circuit [interrupted]

Right.

just because it's here. But it could be any Court of Appeals in the U.S.

Okay.

That's the overall process. So what happens next is, the Commission is conducting a study, I think right now, the Commission engineers, and these outside parties are conducting their own studies. People are putting together their own comments. The comments will come in June first; then people will have a chance to reply to those comments, written comments, that are due July first, and then the Commission over the next few months has to analyze those comments. The Mass Media Bureau rep makes a sort of an internal recommendation to five commissioners, and then they vote on it and [we hope?] some time this year [if things go well?].

Um hum

And then the decision, a written decision, is issued adopting new rules or deciding not to adopt the service.

Um hum. Um hum. Okay.

Go on to the second question [unclear]. Does commercial radio NAB consider low-power radio a threat? Why? Why not? Yeah, yeah. I mean, I think it's fair to say that based on what we've heard, that existing broadcast industry, the radio people, represented by NAB, have, are very much opposed to low-power radio. And the reasons they've given have primarily been a concern about interference. It's a fair question. I mean, we fit a lot more than, I mean it's possible to . . . especially in rural areas, to fit in some low-power radio stations under existing standards, but it would just be a handful. If the Commission really wants to fit in a sizable number of low-power radio stations, especially in urban areas where there tend to be a lot of radio stations, it's going to have to adjust the current interference protection standards. So there's a real debate, and Keith can get into more about this, about how far can we adjust those interference protection standards without degrading existing radio service. And it's a [big issue in the?] proceeding. The industry, the existing broadcast industry, thinks really we shouldn't go down this road at all. They just think it's going to open up more interference to existing service. The other thing they're concerned about is today's radio is analog, sort of the

Um hum.

current technology. Radio stations have a number of parties have proposed that we convert existing radio stations from analog to digital, sort of like TV, what TV is going through right now.

Does that mean that . . . how is the signal . . . I don't know if you can tell me in layman's terms, but how is the signal propagated differently with digital as opposed to analog?

I think it'd be better if Keith explained that to you; I'm afraid . . .

Okay.

I'd get it wrong.

Okay.

I'm just a lawyer. I could take a shot at it, but I'm afraid I'd mess it up, so let's hope . . . Keith should be, at some point, right around 10:30 [He can answer that?].

Okay.

But . . . the plan is to, for radio, this digital conversion is very much a contingency. And they think they can do it without getting, using their same existing channels. Today's radio stations have ideas about converting to digital on that same channel. And [Lucent?] has proposed a system that [unclear] called U.S. Audio Digital Radio, USADR, has proposed a system. I think another group has proposed a system as well that could do this, but they're still being developed. Broad . . . existing broadcasters are concerned that if we authorize a low-power radio service it could prevent them from converting to digital, 'cause it, this digital plan, may require a little additional interference protection, so they're afraid that that would throw a wrench in their plans to go to digital, so that's another reason they give. [Pause] I think it's, they, broadcasters haven't emphasized this so I, this is just speculation, but I'm sure—I mean, it would be reasonable if I were an existing radio station I'd also be concerned. If the Commission starts authorizing new radio services, low power, I'd be concerned about my, the bottom line—new competition. It's yet another outlet that will try to be taking listeners away from my radio.

Um hum.

And, I mean, radio stations that as time goes on there are more and more things to compete with. There's now satellite-delivered radio service, which the Commission adopted a few years ago, which is a national service, but still it's another outlet competing for the people's attention. There's the Internet.

There's cable. There's all sorts of things that are taking up other people's time, so it's just, then, I'm sure a lot of them are concerned about that. Having said that, I think the Commission has made pretty clear that we're not here to protect any certain existing incumbent industry from competition; that's not really our role. I mean, we're here, the Commission is here to promote benefits for consumers, to make sure the spectrum is efficiently and well used, and we're not here to protect anyone's sort of industry segment from competition; it's sort of not our job.

Hmmmh; so they, they think that digital is going to have a negative impact upon their bottom line, is that so?

I, you know, they haven't said that, so I have to be fair. NAB has based all their objections on . . . it's mainly this interference [unclear] problems.

Well, what's, what has been impetus for low-power anyway? I mean . . .

Um . . .

Was it engineers came to the FCC and said, "Hey, look, we've got this new technology out there, it's going to help more people get radio service." What was the impetus to even offer a comment on, a notice for rule making?

There's, I think there's, it's a couple of things. There are a lot of very small community groups, churches, neighborhood groups, even some state and local governments that would really like to sort of get their voices heard. There's also been this, I don't know if you've heard of this problem . . . of pirate radio?

Yeah.

These people will just, without getting a license, just start operating a little, tiny little radio station out of the garage. And the Commission has shut that down because it would, can cause bad interference because they just plunk it in [unclear], including interference to aviation facilities,

Sure.

which is very dangerous. But, I mean, a lot of the arguments that these pirate radio broadcasters make is, "I can't . . . I don't have the money to go out and buy a full-power radio station. To transmit at those power levels requires a lot of money. I don't have that kind of money. I still have something to say and I still want to carve out this little community radio station that serves my community as a real voice in that community." And the other thing that, it's . . . our chairman, our new . . . he's been chairman for about a year [Bill Cannard?], has really taken this up and shown a real interest in this, and he sees it as a way to really

add a lot of diversity to what people get over the airways . . . and have stations that are, are very much connected to their communities. What we've seen in the past few years, especially since the passage of the 1996 Telecommunications Act, is a great deal of consolidation of ownership in the existing radio industry. And some of these radio owners now own over 400, 500 stations across the country.

You mean like [Chancellor] and Clear Channel and those groups?

Yeah. And that, I mean that has its benefits. I mean, they can take care of, take advantage of economies of scale

Um hum.

and, uh, it helps them compete against, in this new world of what I was mentioning, Internet

Hmmmm

and all these other services. But some people think that's sort of taken away sort of the local flavor of radio stations. It's made it more homegeneous,

Oh, yeah.

less idiosyncratic.

Um hum.

So the chairman is really, he's in a, he hasn't decided the proceeding yet 'cause it's still outstanding, but he has indicated he's very . . . assuming the interference issues can be worked out . . . I think he's very much in favor of this, this idea. It's a way of promoting not just diversity but entry by people who have never, who don't have access to either the money or just the wherewithal to get on the airways.

Okay.

Here's Keith right here.

Hey, gentlemen.

Good morning

I'm Keith Larson.

Gilbert Williams.

Pleased to meet you.

Preston Blakely.

Pleased to meet you.

Okay.

We were just talking about low-power radio.

I've got fifteen minutes [unclear] be back at the [unclear] another meeting.

I had a question.

Sure.

The question has to do with the propagation of the digital signal as opposed to the analog signal for radio.

Okay.

What's the difference in terms of how those two are propagated?

Well, I think the jury might be a little bit out on that one right now. There's a field testing that's going on for the rest of this year. The three [IBOC?] components are going to be doing extensive field testing, but generally if I can extrapolate from the experience of digital television . . .

Okay.

it's somewhat similar. One of the primary characteristics is that in the analog service you have, when people refer to them as graceful degradation. In other words, as you, you've probably experienced this yourself, as you get further and further away from the station, you get a little more static, you know. In FM it's more of a fading thing; the signal comes in and then it comes out and then it comes in, so the reliability of the signal quality is less. You're more susceptible to impairments from other stations or, from a phenomena called [multipath?] where your radio receives different versions of the signal at different times.

Uh huh.

Now in digital, it is more TV, it is more you see it, now you don't. You know, you got, you have a perfect picture right up until you get what's called the cliff. And

all of a sudden you have no picture at all. And there is some of that same phenomena in radio, but the [IBOC?] designers are trying to design around that. They are aware of that phenomena and so they've got these algorithms called, for blending, what they call blending, where they can kind of send the signal twice. For example, you drive under a bridge, you lose the signal because you are under the bridge. However, they have set another signal with a time delay so that that signal will get you when you get outside of the bridge. So there is some redundancy in the way the system will be designed to try to take that account for that kind of, those kind of problems. It is, uh,

Okay.

that's as much as I know about it, but they are very concerned about the "cliff" effect

Uh huh. Uh huh.

in digital radio.

Okay.

Keith, could you, I started getting into this a little bit, but it is sort of beyond me. Could you talk a little bit about the different power levels and the significance of those?

Yeah. We don't believe a one size fits all is going to work in low-power radio. We think that just from what we've seen, in all of the inquiries that we've gotten, that people have different ideas about what they need to do or want to do, low-power radio. There are some folks that would like to operate commercial businesses with radio. And you know, and radio, about 80 percent, I'm told about 80 percent of the listening is done in the automobile. And so if you have a very small area, I mean then you really don't have a mobile audience and you are basically just talking about a neighborhood broadcasting service or something like that. So if you want to run a business station, you need enough power to have a mobile, a mobile environment. And so we proposed to create this 1,000-watt service. That would have a protected service area, a circle about 18 miles of diameter, which probably would allow you enough space for cars to run around and listen to your station in that area.

Uh huh.

Now, mind you, if you don't have any other stations in that part of the country to interfere with you, your signal will probably go out even further. You may go out twice that far. What I'm talking about here is a protected area where you would be protected within our circle of about eight or nine miles in radius.

Suppose you broadcast at 106.7

Yeah.

and then there is an FM station, another 1,000-watt station also on that frequency.

Uh huh.

How is, how are you going to protect the two?

Well, you wouldn't, we wouldn't grant you a license for 106.7 unless you met certain mileage spacings

Oh, okay.

to that other guy on 106.7, and the spacings are designed, not only to protect him, but to protect you from him.

Uh huh.

Okay. It is a two-way street. So you are ensured some protection because of those spacings. Now, if that other guy who is a full-power station wants to upgrade his station to a higher class or power or move closer to you or whatever, he would have to protect you because we have proposed that those 1,000-watt stations be full primary stations. So you would be low powered, but albeit low power, you would be a full-service FM station.

Uh huh.

Unlike that class, we proposed a second class, a 100-watt class, which is kind of more like low-powered television right now. It is a lower power, secondary service.

Do you guys know what secondary service is?

Secondary service means that you cannot cause interference to the reception of a primary service and you have to accept any interference.

Even from a new guy that comes.

Albeit whether it is an existing primary station or one that came on the air after you were already there. The tradeoff, though, is that [unclear] the secondary stations were lightly regulated [unclear] than the primary stations. And they would work, I think, in areas where you don't have so much frequency

congestion, number one, and number two, for people who want to broadcast within a very small area, maybe a couple, three miles, very small towns or segments within larger cities.

Uh huh.

But the key, the key I think is being relatively certain that, as a practical matter, for whatever reason, you are not likely to be displaced, even though you are a secondary. And if you do get displaced, that there will be other frequencies available that you can switch over to.

Uh huh. What's the coverage area of 100 watts, about?

Coverage area of 100-watt station would be about a radius of three and a half miles. Which, from the old location where the FCC used to be, down on 20th and M Street, would take you across the Potomac River and into Arlington someplace.

Uh huh. What's the difference in the cost between a 25,000 or 50,000 versus a 1,000 watt; is it the transmitter?

Well, 50,000, year, it is; I think the largest expense probably is going to be in the tower.

The tower.

We have proposed to limit the antenna heights of radio stations for the 1,000-watt stations, 60 meters, about 200 feet, couldn't go any higher than that. So, you know, you don't have to worry about 1,000-foot tower; we wouldn't let you do it.

Uh huh.

So your costs are going to be lower there. You wouldn't have to be on a tower, you could be on a building. You could be on a church steeple, you could be on a water tower.

Okay.

Ah, a telephone pole. I mean, with the 100-watt station, we are only talking about half that antenna higher, 100 feet. So there the cost, you wouldn't need a tower probably. You could just, you'd be just, you'd be on a building.

Is there much difference in transmitters, the cost of the transmitter?

Well, I was going to get to that next. Yeah, sure there is. The 100-watt transmitter may be, I'm guessing here based on what the people tell me, it could be a couple thousand dollars.

Uh huh.

Or maybe even less if you get a used one.

And what's

The 50,000-watt, we are talking hundreds, maybe \$100,000.

Is the electricity bill going to be higher?

Oh year. Yeah, they'll be for a 50,000-watt transmitter, the electric bill will be a lot higher.

Uh huh. And there is a micro radio, right? Was the proposal?

We've asked for comments on a third class. Even lower power. Now to put this in perspective, up until 1978 as you probably know, the Commission used to license noncommercial Class D, FM stations. Now these were limited to 10 watts transmitter power, so if you use an antenna with a gain [?] on it, you're probably talking about 50, maybe 50 watts coming out of your antenna, radiated power switches. More on the order 100-watt station that I was talking about, because we are talking about radiated power when we talk about 100 watts and 1,000 watts. Not the transmitter power.

ERP.

that's lower. ERP, exactly. But the micro station, we were talking about limiting you to like 1 to 10 watts ERP, so 1 watt ERP, you might have a transmitter that's may be 100 milliwatt or something way down there. There we are talking about a range of, you can get it if you got a good clear path, maybe a mile or two. Now that's truly neighborhood radius.

Uh huh.

I mean, these are for the people right now that use carrier current that would be something a little better than carrier current.

Uh huh.

You know, you want to cover the college dormitory.

Right.

or, or

The campus.

The campus, yeah, or, or your um . . .

Your church is

I've got, I live in a subdivision called Green Acres over in Fairfax, near George Mason University. A micro radio station might get me six blocks, and I could, you know, talk to my neighbors.

Uh huh.

I can't run a business on that, I guarantee you. I can't run a business, at least I don't think I could, it would be tough. But I could get on the air and I mean I could be the voice of my neighborhood. And you know these neighborhoods that you send out these, these newsletters every once and a while, I'm talking about the issues that are going on, you know, show up at the city council meeting 'cause they are going to be talking about what they are going to do with this road or that road or putting in this development. I mean, that's the kind of stuff people could do on neighborhood radio.

Now, how are people supposed to make money out of this?

They wouldn't, not in micro radio. I mean,

There is no money.

There are some very creative people out there that might try, but my personal belief is that it wouldn't be for that purpose.

You mean like a hobby or just . . .

Oh, yeah.

That's why I say, though, the one size fits all doesn't seem to work here, and that's why we are proposing options.

Okay.

And I got to run to Roy's office now.

Thanks.

Okay, thank you.

Thanks, Keith.

Thank you. Where are you folks from?

Up at Michigan State.

All right.

Michigan State University.

I'm from Minnesota originally, so I'm not too far away.

Okay, one of the Gophers.

Thanks again. Take care.

I'm glad he got a chance to stop by because he certainly knows more about the technical part of this.

That's great.

Pick up where the questions were.

Where were we? Uh, what is the priority for low-power radio. I mean, it is

Do you think it is going to happen, or is it, you know, are we just in a process or do you see favor, favor or

I think

complaint and negative or

It is hard to predict. It is really controversial.

Okay.

I think it will happen. Um, to the extent to which it happens is unclear. It depends on how these interference studies that are being conducted.

So the controversy is really with the commercial stations?

Yeah.

Their complaints

These interferences. And there are real interference issues that we have to look into. The chairman is really on board with this, and that makes a big difference. I think the real issue is how, to what extent can you establish a service. How much can we relax these current interference things to create these new opportunities for the stations? And that's going to be, a lot of that is just a technical issue and the lab work. We have to figure out how far we can go.

I think my, my views that I think is going to be, you are going to have experimentation. [Unclear] you going to have, they are going to allow it and it's going to be

A [unclear] in the water first.

Yeah, it is going to be in some places we don't have that many radio stations, probably in rural areas, but first to see, that's my view, that's my prediction.

Or it could, similar to that it could take the approach where we just are relaxing interference standards just a bit, real conservatively now, and see how that happens and permit somebody to, and permit radio stations, low-power radio stations [unclear] to those assumptions and then if that works out, maybe go farther.

Uh huh.

Things can be difficult to predict with the Commission. To be honest, there are political considerations.

How is that, Congress, and, uh,

There is, well we've got some, there is some, uh, members of the House of Representatives, Bonier,

Yeah.

and

Michigan, David Bonier.

Uh huh, and a couple of other members of Congress have written the Commission a letter supporting this. But a lot of other members, including some

very powerful, the chairs of our oversight committees, [unclear], has criticized the Commission pretty harshly for [unclear].

He's from Louisiana.

Yeah.

Uh huh.

Yeah.

You want to move away from lower power? Now we want to deal with some policy issues.

Did we cover pretty much everything?

Let him

Okay.

Okay.

What is a priority for low-power radio? I mentioned this a little bit before, but it is, I think it is to increase minority ownership, ownership by women, it is very low, very little, very low representation of those groups in existing radio service. The Commission under some more recent Supreme Court decisions have prohibited us from adopting any sort of race-based measures or measures based on gender [unclear] directly try to promote that.

To increase ownership?

Yeah. So what we are left to do is try to increase the size of the pie, so more people, and create new outlets. We can't reserve specific stations for minorities or women, but we can try to create more stations with the hope that, you know, it just increases the supply of these stations so more people can get to them.

Uh huh.

Other than minorities and women, more community groups, entrepreneurs, small business owners, [unclear] development community people that Keith was talking about. And I think the other part, and this goes hand in hand, is to improve local programming, to give more sort of variety, more local variety, more of a local connection to the community.

So in a sense of, of not so much, but there appears to be an increasing amount of syndication of radio syndication into various markets where you have Don Imus or Owen People all over the country, and they take out maybe the morning drive or something like that.

That's what we've heard. We've heard from quite a number of people that radio has become less local.

Uh huh. Yup. See number 5, who do you anticipate owning the low-power station? What will it cost? Have studies been conducted to determine the potential for financial success?

Keith talked about this a little bit. I mean, who do we anticipate owning the low-power radio station depends on the class, I mean the entire class, the 1,000-watt, would be, I think, maybe not that much different from the current radio owner, on the small side, somebody you think could probably make a go of it commercially. It would be possible to sell advertising. You'd have enough of a coverage area. What will it cost? Keith commented on that. I really, to be honest, I don't know much more about it than Keith.

Okay.

Umm,

He pretty much answered that.

Okay. Have studies been conducted to determine the potential for financial success? I have to tell you no. But that's, that's one of the things we hope to get in the comments that come in. How will they make money? Well, I mean it is really, to the extent they do make money, it would be selling advertising. That's what people anticipate.

Nowadays they would be commercial and noncommercial.

Well, it is one issue that's been raised in the proceeding, whether, let me start again. I think the micro radio station that Keith mentioned

Noncommercial, yeah.

If it is not noncommercial, in effect it will be because it is hard to sell ads on such a small station. The 100 watts, who knows, maybe it would be possible to sell some ads.

Okay.

The 1,000 watt could be commercial. The Commission has asked the question in the proceeding whether this whole service should be noncommercial.

That's what I read somewhere.

Yeah. So it is an issue in the proceeding. Number six, how do you envision the program format differences between low-power radio and commercial radio? Again, it depends on the class of the lower power radio station. I think the 1,000 watter would be similar to a small radio station. But probably more local in nature because it has a somewhat smaller coverage area. But it could be quite similar to a small radio station. The 100-watt and the micro radio almost by necessity will tend to be very local in nature, we think. And the micro radio, I mean format, it would be very interesting. It could be very [unclear] idiosyncratic.

Uh huh.

Can low-power radio be competitive? If so, how? I think the answer would be the 1,000 watts.

You think so.

What if a business bought one of these like Home Depot?

Uh huh.

And then just used it to advertise Home Depot's products 100 percent of the time; would that be improper?

It might be. One of the things we've asked about, it is an issue in the proceeding. What programming obligations, if any, do we impose on this? Do they have to provide some local and public affairs program? So that's an issue in the proceeding. I mean, it is,

You couldn't have a 24-hour advertising channel?

Well, it is an issue in the proceeding. I mean, it would be interesting; would anyone actually ever listen to that channel? Just 24-hour ads. Would anybody tune in? And if no one tunes in, would Home Depot even bother doing that?

Well, it might be something like a home shopping channel or maybe

Yeah, yeah. That's, I mean that's possible. If someone could actually make money on it.

Classified radio.

Yeah. Yup.

Classified ads on radio.

But one of the, I mean one of the questions the Commission has to answer is, would it allow something like that? What would be the basic programming obligations? And it has to walk a fine line between preventing, that's that scenario you painted is not a very attractive one, so it should have some type of programming obligation. On the other hand, the Commission sort of learned the hard way over the past 50, 60 years. It is very difficult to impose programming obligations without, that don't raise too many First Amendment concerns, that can be enforced. That give stations flexibility to actually make money and continue to operate. It is a very, it is a very tricky line to walk.

But you could, you could set commercial time; then, it is like there are so

Yeah.

many 18 minutes or 12 minutes per hour, something like that, depending on the class.

It's possible. I think the Commission used to do that long, you know, 20 years ago.

Right.

I think it is more likely now that we would just require some amount of public interest programming. We'd have some new, some public affairs programs. Like Home Shopping channels on TV, they can do home shopping, but they have to do three hours a week of children's educational TV. They have to do some type of public or public affairs programming.

Okay.

Will there be a regulatory policy similar to community ascertainment, determine if low-power radio [unclear] local programming. I doubt the Commission will go down that road and oppose specific ascertaining obligations on stations. I think the Commission . . .

Are there any requirements now for the Commission?

No. There used to be.

That's what I thought.

Yeah. In the 70s, 60s and 70s, there was a whole very rigorous set of ascertainment guidelines. But the Commission got rid of those in the 1980s, in a deregulatory era. And its reasoning back then was that it wasn't worth the burden. I think the Commission reasoned that broadcasters had every incentive to figure out what the needs of their listenership is and try to deliver it, and all these ascertainment guidelines amount to is a bunch of bureaucratic paperwork. So I think it is unlikely we'd adopt something like that here, especially given that these, these low-power radio stations, if they are adopted, are going to be, you know, they are going to have minimal resources, especially in the beginning. And you don't want to saddle them with a lot of regulatory burdens. It could almost defeat the purpose of creating them in the first place.

Uh huh.

What are the differences in cost to purchase a lower power urban radio station compared to that of a commercial urban radio station? I think . . .

You already answered that.

Keith got that, okay. How will you decide whether stations will be supported by commercial advertising or public radio underwriting? The Commission has asked that question. I think, I think the things it will be looking at are . . .

What do the commentators say about that? The key question is, I mean is it reasonable to require all these to be noncommercial, is there enough sort of underwriting and public funding out there to support this? If not, what's the point? Should let some [unclear] commercial. I think another question is, would it be allowing some to be commercial stations, would it promote competition? Which, you know, gets advertisers low prices.

Uh huh.

I think another factor that goes into it is whether it is commercial or noncommercial [that] affects programming formats. How much listenership, and it is hard to predict, but those are, those are general factors the Commission has to take into account, deciding whether to have these guys become commercial or noncommercial. Where will stations be located in AM/FM, commercial, noncommercial? This, my understanding is right now, this is all for the FM band. Whether it is commercial or noncommercial, it is unclear. It is an issue the Commission has to decide. In terms of geographic areas they'd be located, right now it is anywhere in the country; the Commission is [unclear] on locating these things anywhere in the country where they can be fit in without causing interference under acceptable interference standards. The effect of that is, it is

going to be tougher to fit these lower power radio stations in metropolitan areas where there already are a lot of radio stations. Just because of the spacing [unclear].

Hum.

But, of course, that's where the demand for radio stations is, that's where people are more likely to want to build a [unclear] radio station.

Right.

Will commercial broadcasting be allowed to purchase low-power radio stations? How many stations may be purchased by one owner? The Commission has proposed to limit, it saw comment on preventing, allowing someone to only own one low-power radio station. And prohibiting an existing radio station from owning a low-power radio station. So to insure . . .

You can only own one?

That's one idea that has been proposed. Or if not one, some smaller number.

Within the class.

Yeah.

So somebody might own 1,000 watt and they might own a 100 watt and a microwatt.

Possibly.

But they couldn't own 3,000 watt [unclear].

Right, some type of ownership on that.

Uh huh.

The whole idea is to promote entry by new people, not just existing owners. And what would we gain if, if we allowed, created this new low-power radio service and, you know, Chancellor could just come in and buy up all the [unclear]; it would sort of defeat the purpose. So that's one of the key questions the notices ask. It has been stated that consolidation of commercial radio has priced out the one- and two-station owners. It has decided that an owner may purchase up to five low-power radio stations, as mentioned in Broadcasting & Cable magazine. Will consolidation again have a similar effect on amount of [unclear] radio [coughing] . . .

You don't think that will happen?

I don't think so. I mean, there may be good reason to allow someone to own up to five low-power radio stations. It just, it makes it easier to have a sort of a viable financial operation. And maybe you don't let them own five in one city, maybe it is nationwide. I mean, there is a real tradeoff. There is, on the one hand, very strict ownership rules, insures, you know, real diversity, as much diversity as you can get. And promotes entry by new people into the industry. On the other hand, there are benefits to sort of large, larger group ownership. This economy is scales and efficiencies that make it so, make it, gives you an ability to compete, makes you at least break even. You know, drawing those lines is tough, and it is usually we don't have hard evidence to figure out where to draw the lines; it is often a judgment call. So it is sort of balancing this thing.

You do economics studies though to find out what, what's kind of optimum to make some predictions though?

Yeah. We try, we have a group of economists at the Commission who study those things, but it is, you know, often the data we get, can get is very limited. There are just so many factors in play it is hard to control for the various things that influence the bottom line or how much diversity you get. Are you still considering a minimum power 100 watts and the maximum wattage of 1,000? It is what Keith had mentioned, sort of the three classes.

Okay. And the micro [unclear] is 10 watts, right?

Yeah, I think so.

Yeah.

I can get you a copy of the notice.

Okay, that will be good. Which, uh,

I'd suggest you read that 'cause it has all the specifics.

Okay.

There are more than 100 pirate stations across the United States. Do you see low-power radio as an option for pirate broadcasters?

To some extent, yes. I mean . . .

Can they afford it? [unclear]

I think certainly the micro radio, it could. The item, the Commission did say that to the extent of lower pirate radio operate out there continues to violate our rules and transmit without a license and even does so after he has been notified that he has to stop broadcasting. If he just sort of thumbs his nose at us, that person might be disqualified from applying for a low-priority radio station. It just, it indicates someone who is resistant to any sort of reasonable regulations. It is almost you can't trust them to operate within, you know, a low-power radio license.

This person might be irresponsible in terms of a lot

Right.

of things, like Safe Harbor.

Right.

For kids, any kind of thing, and they may put anything on, so they, that's why I can see [unclear]

I mean the Commission has been very firm, even after it has proposed a low-power radio service, to continue to enforce the existing rules against transmitting or broadcasting without a license. It continues to shut down pirate radio stations because they can cause real interference to not only radio stations, other existing radio stations, but air traffic control [Unclear] crash. And the whole idea of low-power radio is to create it, to license it, to ensure it doesn't cause interference to any of those things.

Okay; uh huh.

But we hope, I mean, we hope if a low-power radio service is created, it is a legal option for people who are the private. What happens to pirate broadcasters broadcasting under 100 watts? Is that on right now?

No, that question is assuming that was the lowest wattage. Okay, I didn't know about the micro.

Yeah, there is a micro.

From what I was reading, I didn't know about the micro, so I guess they would be directed more toward the microwatt?

I would think so.

Right. Okay. Anything to add? Anything that we missed that you think we should know about?

It just, there has been a great deal of interest in this. I mean positive, too. A lot of, a lot of people are excited about this. One group is sort of independent musicians who feel they can't get air time on today's radio stations. They see this as a new outlet for their, to get their music out. So they are pretty excited about it. A lot of local and state governments sort of like this idea. I think they like it because, I mean, their community, the people in their community can get radio stations, but also I think some local governments want to get their own low-power radio stations and transmit their own public service announcements.

Uh huh.

All sorts of community groups.

I thought you were going to ask him some questions about localism. And the concept of localism and how it, where it developed.

Uh huh, okay. I mean, it goes back to the very beginnings of radio in this country. To the beginnings of regulation in radio.

Isn't it sort of like the bedrock of the American broadcasting system?

Yeah, very much so. I mean, it is, it is basically the reason why we license or allocate radio stations as we do. You could, I think in some countries you could have very high power levels. Radio stations that cover very large areas. But, with few exceptions, we have not followed that model in this country. The Communications Act [coughing] in Section 307B of the Communications Act, requires us to license radio stations through the various communities, states, and local communities in the country. And the Commission has, since 1934, interpreted that to mean, to make sure in allocating stations to different channels, to different communities, that they are evenly distributed across the country, that they not all go the big urban areas, and that they are not, not just a few of them operating at huge power levels that would have this big national signal. But, but have smaller powered stations and more, more of them. And the economics of that system means that the owner can only reach a certain area, which means they don't target this programming a little more [unclear] target that, so you can see this localism theme and how we allocate frequencies, allocate broadcast channels. Another way we've seen it is in how, over the years, the Commission has adopted sort of programming, public interest programming obligations that are all happening to try and get stations to address the local needs of its community and respond to those. And they've taken various forms over the years. At one time we had guidelines that required that the station set aside a certain percentage of its time to local programming.

That's been eliminated because they thought it was too sort of inflexible. But [coughing] every broadcaster's primary public interest obligation to day is that they serve the needs and interests of their local communities in their programming. And they have a lot of flexibility in how to do that. But they have to, they have to put together a list of programs that do that and place those in their local public file, which is open to the public to look at.

So has this concept of localism changed from a geographic or spatial concept of being, uh, fixed to a particular community to more of a philosophical approach of serving certain demographic groups?

It is still, there is an overlap there.

Okay.

But I think it is mainly still sort of the community.

Okay.

We've tried, it is mainly focused on the community, rather specific demographic groups.

Okay.

Although, you know, we have ownership rules that are, that try to ensure that any group of stations in a community are owned by a variety of people, and part of that is to, is to ensure that at least one of those stations will target to the different demographic groups. And for a number of years we had policies specifically promoting minority and female ownership. To make sure those groups, which tend to be underserved sometimes, are represented. Now, because of the Supreme Court decisions, we can't do that right now.

Was that the Adaland [?]?

Yeah, yeah.

Hum, okay.

Which actually wasn't an FCC case. I think it was a Department of Transportation program

Right.

which had set aside some minority contractors, but that was struck down. The implications of that sort of handcuffed us.

So the thing, for example, the tax incentives, comparative merit, I think there was another aspect where the FCC encouraged sales of [unclear].

Sales, yeah. Those are no longer possible under the Supreme Court rulings, is that what you are saying?

Well, they are no longer in effect right now. Congress appealed the Tax Certificate Program a couple years ago, and minority incentive, minority ownership incentives have been [unclear]. The distress-sale policy's no longer in effect. The Supreme Court did leave an opening, a little small one, but it said that if the government comes up with a really compelling case for minority-specific or female-specific incentives, it could adopt them. And the Commission is doing studies right now to try to build that case, but it is tough, the court's become real demanding.

Uh huh, uh huh.

Another form localism took is, this was years ago, when there were competing applications for the same broadcasting channel, the Commission had to decide which, which applicant won the channel. And one of the criteria used was the so-called integration criteria, where the, if the owner of the station was going to be actively involved in the operation of the station and also if it was local, the owner actually lived in the local community and managed the station, it would sort of get an advantage to the comparative process. That was, I think could be said as an effort to promote locals. The courts actually struck that down. They didn't think the Commission's rationale for that had been well reasoned when backed up by evidence.

Hum.

And aside from that, Congress now requires us to auction off, when we get multiple people seeking the same channel, we now have an auction and it goes to the highest bidder. Although we are trying to establish bidding credits for sort of small businesses.

Uh huh.

Which can include minorities.

But the integration criteria was an attempt to enforce some concept of localism?

Yeah, it, I mean it was based on that sort of policy. It was driven by that policy.

Uh huh.

That the local owner would be more apt to log local community programming, more responsive to local needs.

And the low power in assigning licenses for low power, would that also be an auction process?

We think, we saw a comment on that. We think it probably will be because the statute probably doesn't give us room to do anything else. Now if it is noncommercial, it can be something else, but if it is a commercial, low-power service, then I think it will probably have to go to the highest bidder.

Uh huh, okay.

Okay.

Responses to Interview With Brian F. Fontes,
Senior Vice-President for Policy and Administration
Cellular Telecommunications Industry Association

April 16, 1999

My names is Brian Fontes. I worked at the Federal Communications Commission from September 1978 to May 1994. During that time I worked in the Office of Plans and Policy. I've worked in the Mass Media Bureau, Policy and Rules Division, and I worked for several years as an advisor to Commissioner James [Cuello?], who served as chairman for about a year, and then I served as his chief of staff for the agency when he was chairman. So I've had a few positions within the FCC. Prior to that I was assistant professor at the University of Massachusetts in Amherst. I received my Ph.D. from Michigan State University way back in 1977. It has been [unclear].

Is that right?

Yeah.

Twenty-two years ago?

Thank you [laughter].

Twenty-two years ago.

So quite a long time ago. Boy, oh, boy. The issue of localism, I think, has been an extremely important issue in broadcasting, going back to the initial allocations of broadcast stations, both television and radio. Our country, the Telecommunications Act of 1934, took a position that broadcasting should not be, in essence, nationwide in terms of its operation. Its license area. This is in contrast to many other countries. When we go back to 1934, if you look around the world, many of the countries licensed broadcasting as a countrywide license area to pay licensees, and by and large those are often government-owned broadcasting institutions. They go back to the origins of the BBC and other broadcast entities. They were very much state owned, controlled, operated, for the large part, and their coverage area essentially covered the nation as a whole. They may have done it regionally, but bottom line is the region's collective formed the country basis for broadcasting. This country took a very different perspective, recognizing that, I think, there is a big fear in centralized government, and if we go back there is always the yin and yang in Congress and debate on the Constitution over federal versus state or central government versus a decentralized government, and certainly broadcasting, like print media, has always played an important role in the politics of a country. It has also played an

important role in information and so, by taking the position that broadcasting should be local, it was taking more of the almost like the newspaper model. In essence, in trying to make sure that broadcasting reflected the opinions, the viewpoints, the ideas, the thinking, etc., of local communities and that there should be multiple broadcasters across the country and even multiple broadcasters within communities. To go back again and look at the newspaper market, you see the kind of the rise and fall of the two-newspaper towns, you know, there was competition, there was kind of diversity, [unclear] as limited as it was. And then we've seen the evolution to, you know, one local newspaper. And then today, we have like USA Today, the Wall Street Journal, LA Times, New York Times, major city newspapers that are available in other markets throughout the country. So broadcasting in many respects, I guess, followed the print journalism model in terms of the newspaper model. So localism was, in fact, an important issue. Broadcasting like, unlike other services licensed or regulated by the FCC, was a distinguished part, an inseparable part of the Communications Act of 1934. And Congress deemed that broadcasting was, in fact, different than common carriers and, as a result, imposed a different set of requirements on broadcasting than it did on common carriers. Common carriers [unclear]. And this is where we had the institution of public interest, and over the decades of FCC regulation and court decisions, public interest evolved, and its definition, it changed, you know, it just really did kind of evolve into what it is that we know it to be today in terms of public interest. For many years, the FCC used to regulate how much programming a licensee provided by very specific categories. News, entertainment, sports, educational, religious, children's programming, and they used to have guidelines that, you know, 3 percent of your schedule or 5 percent of your schedule, or 1 percent of your schedule, and that was designed to ensure that the broadcaster in its public interest responsibility would provide these types of programs to be responsive to community concerns or interests or needs in order to qualify for license. In fact, licenses were challenged in days of war for failure to meet those categories of broadcasting. And the percentages of programming you should have for those categories. In other words, if you didn't air enough children's programming, if you didn't air enough religious programming or public interest programming or educational programming, whatever, licenses would have complaints filed against them, particularly at renewal time. And the Commission would take a look at that to determine, you know, whether or not the licensee was really living up to his or her responsibility as a broadcaster in that local community.

Now, was that the case with WLBT? When their license was withdrawn?

I'm not . . .

WLBT, Channel 3 in Jackson, Mississippi, was not being responsive to the African-American community, and it was one of the, I think it is one of the few times that a license was actually, was revoked.

Yeah; to be truthful, I'm not familiar with the details of this Jackson broadcast station. You know, I'm not qualified to comment on whether or not that was the sole reason. There may have been a number of reasons, including that.

Uh huh.

So they may have a track record of violation of the Commission rules. Usually if the license is revoked, it isn't for a one-time offense. Usually, a track record of grievous actions, so, or the action, if it is a one-time event, was so significant that it would warrant revoking a license. So, you know, broadcasters have the responsibility to program historically through these various categories. The Commission eliminated in the, I guess it was the early 1980s, the requirement to program two specific categories. And during this time, remember, in days of your broadcasting, broadcasters actually had to go out and do surveys in the public, or surveys of the public, to determine what the interests and concerns of their consumers were, of the citizens, listeners, viewers.

Was that called ascertainment?

Ascertainment [unclear]. They had to do all these ascertainment studies, and that was, in part, submitted in the record, either in a condensed version of it: Here are the issues and here is what we were programming to meet these issues. They had to actually identify the issues, identify the programs and do ascertainment studies, which were methodologically sound research studies. You couldn't just sit somebody in front of a movie theater on a Friday night and say, "Hey, what do you think the issues are?" They had to be actually bona fide to get in the studies. And some broadcasters were challenged that their ascertainment studies were not reflective of the community, so broadcasters were required to do these ascertainment studies. And then, through those studies, identify what the issues are in that community. And once they identified the issues in that community, they had to identify the programming that they aired that would meet those issues.

To address those issues.

Exactly. So that was a pretty rigorous requirement imposed on broadcasters. The Commission modified that and said, "Look, you have to, we are not going to tell you how you are going to have to do your study. We are not going to tell you all the details, but we will tell you this. You have to identify the issues." Is it 10 now? I forget what the current number is. "You have to identify the 5 or 10 issues."

Ten most salient issues in your community.

Ten most salient issues in your community. Golly, you remembered the number 10. And you can do this by interviewing civic leaders, you can do this by any number of means to identify what the issues are. And you should be able, if challenged, to defend that you have actually provided programming to address those issues. You could address a number of other issues as well, you are not limited to those 10. But you should clearly address those issues. The broadcasters were given flexibility. Their, they eliminated the requirements of X percentage of your program had to be, a minimum of X percent, had to be [unclear] news, entertainment, education. They eliminated those categories with the exception of children's television, which is a different law that was passed—that broadcasters have to air children's programming. So the Commission, over time, imposed significant rules on broadcasters to ensure that they were, in fact, meeting the needs of the community. Now, they have gone through a process where they modified a lot of those requirements or eliminated them, concurrent with providing for more broadcasters in the market. And they opened up the low-power TV docket, which, you know, is probably licensed to lose money, but nonetheless, they opened it up. They also, there was an increase, even though there was a number of allocations, there were broadcast channels that are [unclear]. And so there were more broadcast channels that came online—not online, that's a computer term—that were powered up and were actually broadcasting.

Like a UHF band, Channel 50, 53.

Yeah, exactly.

So on and so forth.

Right in the broadcast [unclear], the television context, UHF was developed. Now, the Commission, I remember working this one proceeding where we used to collect a lot of financial information from broadcasters. And the reason that we would do this, we, the Commission, would be that if any broadcaster violated the rule, you would know what type of forfeiture to impose on that broadcaster. Based on, we know that their gross revenues are, we know their gross expenditures are, the net income is, etc., so you can assess a forfeiture that would sting, but not cripple, a station. Come to find out, we collected this, I mean it was voluminous, we rarely used it. Because, number one, the Commission didn't impose a lot of financial forfeitures. And usually when they did, there is part of the investigation to determine whether there is a punishment for a misdeed. They would get the information necessary to assess how significant a forfeiture they should impose. And what happened was, interestingly enough, they collect all this [unclear] information, it was used by broadcasters, not by the Commission, to determine, it was presented in aggregate form on a date on a market basis, so they know what the market was

relative to the market. So it became a tool used by broadcasting, rather than a tool used by the agencies to actually do forfeitures. I use this as an example because the Commission went to this process, it really started in the late 70s and carried through, completely through the 80s, where they went back and all of their regulations that they imposed on broadcasting to make sure that they were doing, you know, programming to local interests, to make sure that they were doing the hiring practices in having real programs in place to make sure that there was a limited number of ownership of stations, they were falling within what was prescribed by law, FCC rules and regulations, to make sure that they were doing the ascertainment studies. To make sure they were doing all these things to be a broadcaster. Because, after all, they were licensed to serve in the public interest. So, in reviewing all those rules, the Commission decided that, you know, many of our rules are nonproductive, and broadcasters are actually doing more than what our rules require. So why are we requiring them to do, you know, 3 minutes or 12 minutes of advertising and 9 minutes of children's programming, etc., when in reality, in the competitive environment, you know, if they want to do 13 minutes of advertising, people most likely will probably change the station. Or they really are interested in watching the advertising. Therefore, you know, the public demands have to be served. So the Commission decided to take a different tack, and that was to kind of move away from all of the specific rules, and that's why, when it comes to the public interest and the issues that are of importance to the public, broadcasters now need to identify 10 of them, that they are not specific how they do their study, you know. They are given a great deal of latitude and flexibility to derive those 10 issues. And then, of course, they program to those issues as they see them to think is best served by their program. In other words, they have the choice of how to program, to address those issues. Now, in large markets, there is [unclear] too. There is a great deal of competition, and the Commission has kind of moved from heavy regulation to light regulation, so that broadcasters can more quickly respond to the community which they serve. And you also will have what I call the more granular type of broadcasting. For example, here in Washington, let me think of what I program on my radio. This is what I program. I have one public broadcast station program, I have one classical commercial station program, I have one jazz station program, I have one oldies station program, I have one, it is funny, it is not, they describe themselves more as classic rock, not oldies. It is a little more current than the oldies station. And then one rock station; there are six programs, I think that's six. And, you know, that's my choice in the market to choose these stations. Now since I've lived in Washington, I need to see how these stations have also changed their formats. There is a station that is kind of easy listening, 99.5, what's its caller's name, WJAY. And I remember that station when it was some other format trying to be just kind of easy listening station, and now it is going to become, I believe, a jazz station. So they are going to be changing their format, as well. I remember when, you know, you used to be able to turn to any radio station at the top of the hour and hear news.

Well, you know, radio stations are not necessarily all hearing news all at the same time.

Uh huh.

They realize that, hey, maybe somebody wants to listen to music at 8:00 and at 8:10 we go into the news or traffic update or whatever. So broadcasters are now given, I think, or at least have a lot more flexibility in their advertisement program schedules than what they've ever had before. And at the same time, too, they are placed in a much more competitive market, and therefore they need to have that flexibility in order to remain viable in that competitive market. And so when we talk about localism, you have the, the kind of general requirements of government coming head to head with what takes the consumers off. And if the tastes of the consumers are conflicting with the local issues, then, you know, you are probably not really gaining a full assessment of the local issues. Because these broadcasters would probably want to keep your pulse on the community, know what the issues are. You know, in the radio context, I think it is a lot easier to do because there is not a lot of, particularly during drive time periods, there is not a lot of public interest programs. Those are your peak commercial hours. Where you get into the large audience, that's where advertising goes, etc. Radio stations of 10, midnight, two or three in the morning may, in fact, change their format to get more, the [unclear] station I like is kind of a lot of music at night. I'm not really interested in listening to someone talking [unclear].

Uh huh.

So the flexibility that broadcasters have there. Now, still, if I am a broadcaster and I ignore totally what the issues are within the community, particularly on the television side of your [unclear], then I think you'd probably end up losing your show. I mean, it is only common sense that if you are going to attract the viewer of television, you want to do or air on television what they are interested in watching or hearing or learning about. I remember Jim Quello, a former broadcaster, he said, and this is a typical Jim Quello, he says, you know, if a new station was getting started or if you station is having a little difficult time, if they are changing their personalities, he said, the thing that I would always do is I would get a camera crew out there or tape crew out there. I would interview people on the street. And, he says, if you want to hear yourself, tune in tonight at 7:00. Well, what happens? I mean, that person clearly [unclear], that every person that knows that person will tune in at 7:00 because, hey, that's my friend on television or whatever. Get your 10 seconds in the sun or whatever. And so, you know, what Jim is really saying is, it is really local. And it is like all politics is local; all broadcasting should keep its pulse, you know, should keep its finger on the pulse of the local community.

Uh huh.

That's how you are going to [unclear]. Taste in music, taste in how you present yourself, your image within the community. And broadcasters are truly a corporate citizen. And they will need to be visible with local events, and many broadcasters all are. You know, whenever crises hit communities, we oftentimes will see broadcasters are out there, you know, helping to, you know, get people's attention to the crises and also helping to, you know, this is where you can send money or this is where you can send, you know, aid or the blood bank needs more blood, and they really are an instrumental part of the community. So, in many respects, they are the fabric of the community. And to ignore the fabric, you may find yourself basically with a small audience.

With what you just described, localism hasn't changed as [unclear], or has it?

I think localism, in a broadcaster's sense of localism, probably has remained pretty constant. I think the FCC's procedures to demonstrate that you are factoring into your broadcasting local concerns have changed significantly over the years.

[talking to each other] pretty much the same.

Probably so. I mean, it is not that I think that broadcasters have had some greater degree of flexibility more recently than historically. So that I think you can as a broadcaster, correct me if I'm wrong, in the television sense, there is 70, you can look at the whole environment in the local community in terms of what's available. So if, as a television broadcaster, if your competitor is airing, you know, a lot of public interest programming on lyme disease because it is springtime or something and kids are out of school and they are playing and they are going to get bitten by ticks or fleas and then carrying lyme disease, and you look at that and say, "I'm not going to do lyme disease; in my community what's important to them is road rage. So I am going to do maybe a couple little feature stories in my newscasts about road rage." Well, even though lyme disease may be one of the 10 concerns or whatever that citizens in the community have, I think broadcasters, and I think the FCC would say, you know, the fact that you didn't do a story on lyme disease isn't that critical when the community had available to it, you know, 18 hours of programming on lyme disease.

Uh huh.

Where you have provided, you know, three or four programs on road rage, which is another issue identified. So I think the Commission in its interpretation of what you have done to meet those local needs allows the broadcaster a greater degree of flexibility because you can then look at the full market. I hear the Commission was also in children's programming, looking at what's available in the videotape sections of libraries and looking at the multimedia video

environment instead of just that single broadcaster. So there is, there is a greater degree of flexibility in terms of what broadcasters can do to meet the needs, and I think there is a great deal of relaxation, I don't mean it in the negative sense, the Commission is not interested in. I think that when I say relaxation of Commission rules, that they are looking at the total local community and your contribution to that local community. So it is not that every single broadcaster has to air a program on every single issue that the community finds absolutely important and do the same amount of programming on each of these issues; they don't do that any more. They look at, you know, this broadcaster's doing a lot on this, that broadcaster is doing a lot on that, another broadcaster is doing a lot on something else. Each of them may touch on these other issues, but in different proportions and different levels. And still the Commission would find that absolutely acceptable.

In other words, one size does not fit all.

Exactly.

Does ownership have any impact upon how localism is interpreted? For example, would someone like Clear Communication or Chancellor had a different view of how they would interpret what they would mean, what they, how they saw ownership, as opposed to, say, if I as an African-American owned one radio station in Detroit, am I going to see it differently? In your experience, have you seen that to be?

Yeah. What I found, you know, what I found differently [unclear] is, let's take large corporations [unclear]. Large corporations have different management styles. For example, Cap Cities, when they were just growing, not to the level that they are today, but back when Jim Cole was a vice-president of Cap Cities, how Cap Cities, even though they owned a lot of television and radio stations, they would allow each station to be its own autonomous broadcaster. All Cap Cities was interested in was if that broadcaster was [unclear]. I shouldn't say [unclear] . . . the important thing to Cap Cities was the financial viability of that asset.

Uh huh.

And not making programming decisions from a community, you know, X, when the broadcast station's in community Y. And they, they pretty much let the local general manager do the programming, make the decisions, and be every bit a part of that local community.

A decentralized approach to . . .

Yeah, yeah, very much so. Very much so. Just kind of decentralize the management and the operations. But just like anybody that [unclear] you want to make sure that, you know, there is fiscal responsibility, that, you know, this is a good asset in terms of its generating money, but a bad asset in terms of, you know, chewing up money. So they were concerned about asset management, you know, in the true sense of the word. And respected the ability of their managers of these various stations to operate very much as a local manager of a broadcast station. So it was kind of a decentralized structure in terms of control over the programming, the issues, etc., within the local community. Now they may gripe about the fact you paid how many millions of dollars for that air-time personality when you could have probably gotten another person for a little less. I mean, they may argue about fiscal issues, the financial issues, but by and large [unclear], quite [unclear], and many times they, they kept a lot of the same management structure. So, I mean, that's one approach. Another approach would be to have more centralized decision in programming, etc., so that you can get the economies of scale and syndication and buying more of a package for your, or buying more stations for your package or your package for more stations [unclear] works. And in that situation, you may have what I call a hybrid situation where part of the broadcast schedule is kind of centrally determined and part of it is locally determined.

Uh huh.

So, I mean, it really does not say one a large corporation would do it one way would be a misperception of how corporations manage their assets. And so, you'd almost have to kind of look at each corporate structure and see how the decision making at the local level is done. Whether it is, you know, centralized programming unit at corporate headquarters or is it done at the local level. Radio talent, on-air talent, are they all hired by the central core or are they hired and determined and paid for by whatever at the local level? So these are the types of things you look at in a corporate structure. Now, saying that, if you are looking at a corporate operation versus sole proprietorship or sole ownership or whatever [extremely loud noise right in microphone]. The Commission is granting licenses and renewals, and challenges of renewals used to pay a great deal of importance to localism in ownership, management, that if you can demonstrate that you are living in the community, that the person managing your station is living in the community, etc., those were always plus factors in the decision the Commission would, plus factors in the overall decision the Commission would make.

Is that called integration criteria, something like that?

Yeah, integration; I'm trying to remember the correct terminology. Oh, gosh.

That's okay.

Yeah. But it is the same concept; it is the idea that it is going to be locally owned, locally operated.

Uh huh.

And the Commission would favor, give extra points, to that type of ownership and control. Now, with the change in the ownership laws, etc., that has been lessened substantially. But the bottom line is, you know, the whole bowl was trying to create a broadcast environment that was local in nature, run by local individuals and owned by local individuals, etc. And in this ever-evolving world of corporate structure, a lot of that has changed in terms of corporations coming in and buying these assets up.

Uh huh.

So, yeah.

Now does market size have anything to do with it?

Yeah, well, market size limits the number of stations anyone can own within a market. For example, under the Commission's rules, interpreting the law on the number of broadcast stations a single company can own is based on . . .

Or if it has 14 stations on the market.

Right, exactly.

Eight if they are 22.

Whatever.

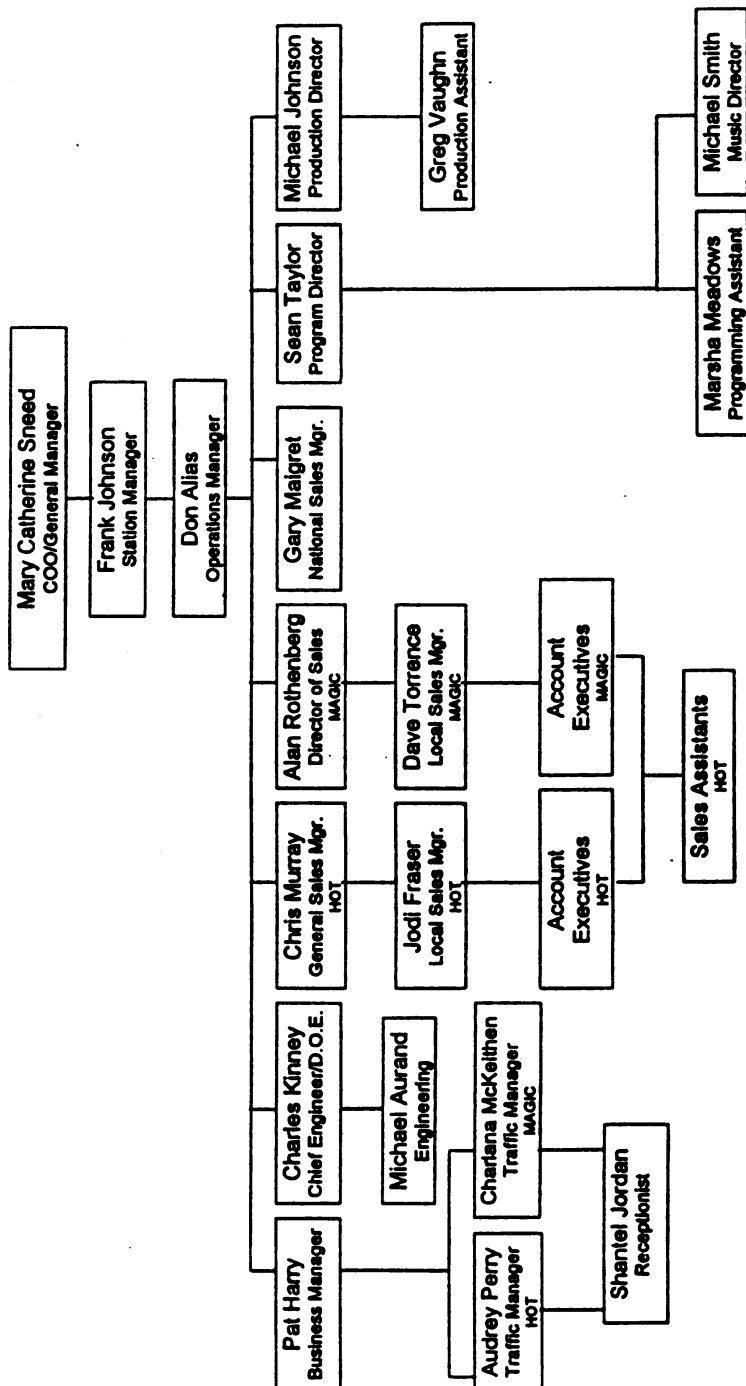
So on and so forth.

Right.

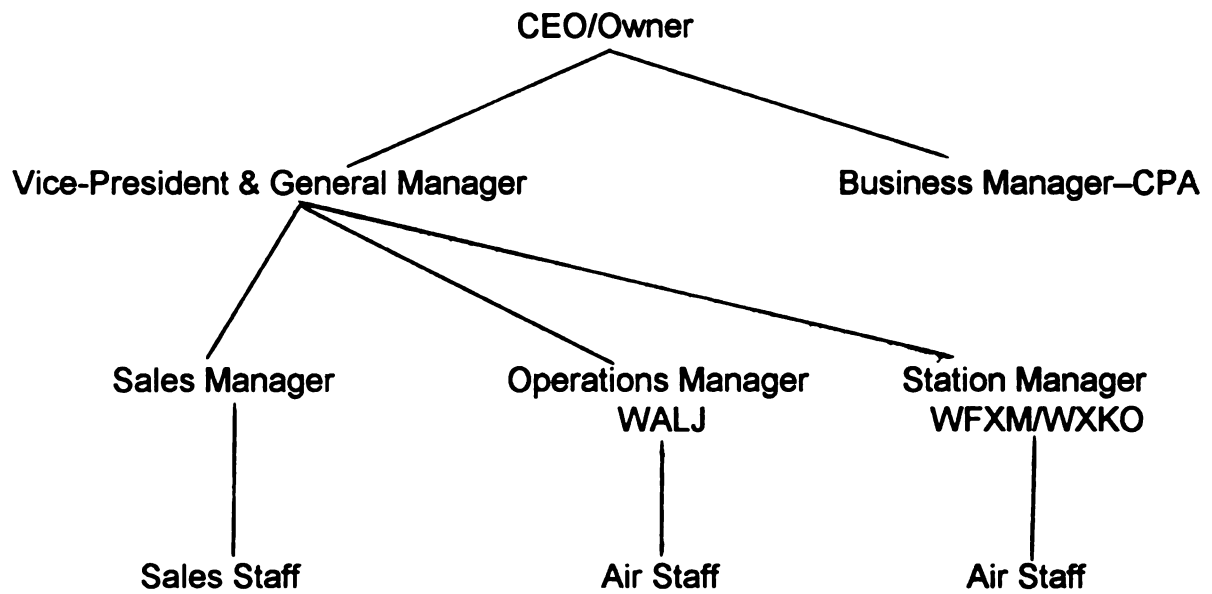
APPENDIX D

ORGANIZATIONAL CHARTS

Organizational Chart-WAAA-FM



Organizational Chart–WBBB-FM



APPENDIX E

COVER LETTERS AND CONSENT LETTER

May 20, 1999

Chief Operating Officer/General Manager
Rad Media
Atlanta, Georgia

Dear _____,

I am writing to request your assistance in completing a research project I am involved in at Michigan State University. We met three weeks ago when I toured your station with my two sons and granddaughter. Your station manager has suggested I contact you concerning my research needs.

I am currently enrolled in the Mass Media Ph.D. program at Michigan State University and would like to utilize your station as a case study in completion of my dissertation. The key research questions will be:

1. What is the decision-making process for selecting local and other programming at your station?
2. What personnel are involved in the decision-making process, and what is the character of the debate, if any, about what to program?
3. What are the structural variables linked to the decision-making process (market size, demographics, station policy, format)?
4. How do the experiences at your station suggest strategies that might be useful for other urban stations when management is involved in the decision-making process? What new questions are raised by all of this?

I would like to interview three or four of your key staff. The interview will take approximately one hour per staff member. The case study will also require support material such as newspaper articles, mission statement, organizational chart, and budgetary projections. The results of this study will remain confidential, and you and your staff will remain anonymous in any report of research findings.

If you have any questions concerning my participation in the doctoral program, please feel free to contact Dr. Gilbert Williams at 517-353-9151. I will call within the next few days to confirm our meeting.

Sincerely,

Preston A. Blakely

August 14, 1999

President
Robots Communications
Atlanta, Georgia

Dear _____,

This letter is provided as a follow-up to my telephone message left a few days ago. After meeting with _____ recently and reviewing interviews conducted with her staff, I really would like to include your station in my dissertation study.

I am currently enrolled in the Mass Media Ph.D. program at Michigan State University and would like to utilize your station as a case study. The theme of the dissertation is the decision-making process of a single-owner, smaller market radio station compared to the decision-making process at a larger market station. The research questions will be:

1. What is the decision-making process for selecting local and other programming at your station?
2. What personnel are involved in the decision-making process, and what is the character of the debate, if any, about what to program?
3. What are the structural variables linked to the decision-making process (market size, demographics, station policy, format)?
4. Do the experiences at your station suggest strategies that might be useful for other urban stations when management is involved in the decision-making process? What new questions are raised by all of this?

I would like to interview three or four of your key staff. The interview will take less than one hour per staff member. Support materials such as newspaper articles, mission statement, organizational chart, and budgetary projections will also be needed for the case study. You and your staff will remain anonymous in any report of research findings.

If you have any questions concerning my participation in the doctoral program, please feel free to contact Dr. Gilbert Williams at 517-353-9151. Please call me at 517-355-5993 so we can discuss the details.

Sincerely,

Preston A. Blakely

June 1, 1999

Dear Colleague:

As a part of my research project for my doctoral dissertation, I am investigating two commercial radio stations in the United States that have been identified as having successful urban radio formats. Your station has agreed to participate in this study.

Specifically, the case study will reflect how two commercial radio stations have used the decision-making process when selecting programming for an urban radio audience. The study will identify and examine similarities and differences in the decision-making process in order for researchers and station managers to better understand the process and, if necessary, to make improvements to that process.

My research must include an interview with you at your convenience. The interview will consist of thirteen questions and will take approximately one hour to conduct. A tour of your station is also required; printed materials will also be requested.

The results of the study will be treated with strict confidentiality, and you and your station will remain anonymous in any report of research findings. All materials will be stored in a secured, locked location. Your participation in the study is voluntary. You may refuse to respond to questions, discontinue the interview at any time, and/or decline to provide any support materials. You may request that no audiotaping be done, or if it is done, you may ask that the taping be stopped at any time.

You indicate your agreement to participate in this study by completing and returning the enclosed Consent Form. If you have any questions or concerns about your participation, please contact the undersigned at 517-355-5993 or the dissertation director, Dr. Gilbert Williams, at 517-353-9151. Thank you for your participation in this study.

Sincerely,

Preston A. Blakely

APPENDIX F

RESEARCH QUESTIONS

Research Questions

1. How has urban radio remained committed to the community as well as profitable in the marketplace, given all the pressures these stations face?
2. How is management, corporate, owner/president, department, or committee involved in the decision-making process? What is the nature of the debate, if any, about what to program or what to advertise?
3. How has multiple/single radio ownership influenced the decision-making process for the commercial radio broadcaster?
4. What is the decision-making process for selecting programming for two commercial radio stations, each representing a different-sized market?

APPENDIX G

SAMPLE PUBLIC SERVICE ANNOUNCEMENT

CHECK YOURSELF LIVE BROADCAST
AIDS WALK ATLANTA
CAU BONE MARROW DRIVE
CHILDREN'S RESTORATION NETWORK
EASTER GALA
CHILDREN'S RESTORATION NETWORK
MOTHER'S DAY DINNER
CHURCH'S HABITAT FOR HUMANITY
COCA COLA ATTENDANCE COMPETITION
COOL GIRLS BOWL-A-THON
GA STATE COMMUNITY SERVICE DAY
HOSEA WILLIAMS FEED THE HUNGRY
LIVE BROADCAST
HOT 97.5 "ROCKS THE VOTE"
HOT 97.5 HAIR CUTS FOR THE
HOLIDAYS
HOT SHOTS DIABETES B-BALL GAME
HOT SHOTS FOR HOPE GAME
AMERICORPS CELEBRITY B-BALL GAME
MAKE A DIFFERENCE DAY W/COOL
GIRLS @ PLANET HOLLYWOOD
MARIETTA HIGH CAREER DAY
MORELAND AVE. WOMENS/CHILDREN'S
SHELTER CLOTHING/FOOD DRIVE

APPENDIX H

MISCELLANEOUS MATERIALS



Urban AC Top 30

September 15, 2000

LAST WEEK	THIS WEEK	ARTIST TITLE LABEL(S)	TOTAL PLAYS	+/- PLAYS
1	1	TONI BRAXTON Just Be A Man About It (LaFace/Arista)	940	+30
2	2	YOLANDA ADAMS Open My Heart (Elektra/EEG)	895	-12
3	3	JOE Treat Her Like A Lady (Jive)	666	-16
5	4	BOYZ II MEN Pass You By (Universal)	633	+34
4	5	GERALD LEVERT Baby U Are (EastWest/EEG)	561	-86
6	6	KEVON EDMONDS Love Will Be Waiting (RCA)	507	+6
8	7	BEBE WINANS F/MCKNIGHT & JOE Coming Back Home (Motown)	495	+49
7	8	DONELL JONES Where I Wanna Be (Untouchables/LaFace/Arista)	489	-5
10	9	SISQO Incomplete (Dragon/Def Soul/IDJMG)	425	+2
11	10	RACHELLE FERRELL Satisfied (Capitol)	420	+32
12	11	CARL THOMAS Summer Rain (Bad Boy/Arista)	413	+35
9	12	WHITNEY HOUSTON & DEBORAH COX Same Script, Different... (Arista)	400	-41
16	13	NORMAN BROWN F/VESTA Rain (Warner Bros.)	375	+13
14	14	ERYKAH BADU Bag Lady (Motown)	370	+6
13	15	LV Woman's Gotta Have It (Loud)	358	-7
17	16	KELLY PRICE As We Lay (Def Soul/IDJMG)	343	-2
26	17	CHARLIE WILSON Without You (Major Hits)	309	+69
20	18	JILL SCOTT Gettin' In The Way (Hidden Beach/Epic)	297	+16
19	19	AL JARREAU Just To Be Loved (GRP/VMG)	297	+8
18	20	RUFF ENDZ No More (Epic)	291	-23
22	21	LUCY PEARL Dance Tonight (Overbrook/Pookie/Beyond)	282	+19
23	22	NEXT Wifey (Arista)	276	+18
30	23	TEMPTATIONS Selfish Reasons (Motown)	266	+81
27	24	BONEY JAMES & RICK BRAUN Grazin' In The Grass (Warner Bros.)	240	+12
Debut	25	PHIL PERRY Keep Me In The Dark Tonight (Peak/Private/Windham Hill)	239	+80
24	26	METHRONE Loving Each Other 4 Life (Ciatown/Capitol)	231	-24
28	27	IDEAL Whatever (Noontime/Virgin)	219	+2
21	28	WILL DOWNING F/CHANTE' MOORE When You Need Me (Motown)	217	-48
25	29	AVANT Separated (Magic Johnson/MCA)	187	-61
Debut	30	KELLY PRICE You Should've Told Me (T-Neck/Def Soul/IDJMG)	171	+38

EXAMPLES OF “NO URBAN DICTATE”

ACCOUNT	STATUS
Starbucks/BBDO	Turn Around
Nestle Corporate	No NUD
Pepperidge Farm	Turn Around
CompUSA	Turn Around
Weight Watchers	Pending
Auto Nation	No NUD
Continental Airlines	Turn Around
Stouffers Lean Cuisine	No NUD
Northwest Airlines	Pending
America West	Turn Around
Life Savers	Turn Around
Glaxo Wellcome	No NUD
HBO-Apollo Series	Turn Around
Paternal Importers	Pending
Perrier	Pending
Penske Auto	Pending
Tobasco Brands	Pending
Isuzu	Turn Around
Rex Healthcare	Pending
Planet Rx	Pending
Compaq	Pending

ACCOUNT	STATUS
O.M. Scott	Pending
PCI NET	No NUD
Volvo	Pending
Ethan Allan	Pending
Busy Body/Fitness	Turn Around
Tenet Healthcare	Turn Around
Mondavi Wines	Turn Around
Builders Square	Turn Around
Don Pablo/Gleason	Turn Around
Aruba Tourism	Pending
Lexus	Pending
UPS	Pending
Ciba Vision	Turn Around
Kindercare	Turn Around
Grady Restaurant	Turn Around
Calico Corners	Pending
TCBY	Turn Around
Joseph A. Bank Clothier	Turn Around
Land's End	Pending
Park Davis Pharm.	Pending
Loreli	Pending

**MICHIGAN STATE
UNIVERSITY**

July 6, 1999

TO: Dr. Gilbert WILLIAMS
422 Comm. Arts & Sciences
MSU

RE: IRB# 99397 CATEGORY: 1-C,E

APPROVAL DATE: July 6, 1999

**TITLE: SAMJ-FM AND WFEX-FM: A CASE STUDY IN DECISION-MAKING FOR
COMMERCIAL RADIO PROGRAMMING**

The University Committee on Research Involving Human Subjects' (UCRIHS) review of this project is complete and I am pleased to advise that the rights and welfare of the human subjects appear to be adequately protected and methods to obtain informed consent are appropriate. Therefore, the UCRIHS approved this project.

RENEWALS: UCRIHS approval is valid for one calendar year, beginning with the approval date shown above. Projects continuing beyond one year must be renewed with the green renewal form. A maximum of four such expedited renewals possible. Investigators wishing to continue a project beyond that time need to submit it again for a complete review.

REVISIONS: UCRIHS must review any changes in procedures involving human subjects, prior to initiation of the change. If this is done at the time of renewal, please use the green renewal form. To revise an approved protocol at any other time during the year, send your written request to the UCRIHS Chair, requesting revised approval and referencing the project's IRB# and title. Include in your request a description of the change and any revised instruments, consent forms or advertisements that are applicable.

PROBLEMS/CHANGES: Should either of the following arise during the course of the work, notify UCRIHS promptly: 1) problems (unexpected side effects, complaints, etc.) involving human subjects or 2) changes in the research environment or new information indicating greater risk to the human subjects than existed when the protocol was previously reviewed and approved.



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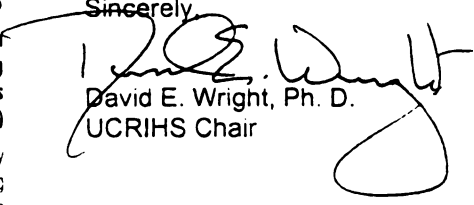
University Committee on
Research Involving
Human Subjects
(UCRIHS)

Michigan State University
146 Administration Building
East Lansing, Michigan
48824-1046

517/355-2180
FAX: 517/353-2976

If we can be of further assistance, please contact us at 517 355-2180 or via email: UCRIHS@pilot.msu.edu. Please note that all UCRIHS forms are located on the web: <http://www.msu.edu/unit/vprgs/UCRIHS/>

Sincerely,


David E. Wright, Ph. D.
UCRIHS Chair

DEW:bd

cc: Preston Blakely

**MICHIGAN STATE
UNIVERSITY**

June 6, 2000

TO: Gilbert WILLIAMS
422 Comm. Arts & Sciences
MSU

RE: IRB # 99-397 CATEGORY: 1-C,E
RENEWAL APPROVAL DATE: June 2, 2000

TITLE: SAMJ-FM AND WFXE-FM: A CASE STUDY IN DECISION-MAKING FOR COMMERCIAL
RADIO PROGRAMMING

The University Committee on Research Involving Human Subjects' (UCRIHS) review of this project is complete and I am pleased to advise that the rights and welfare of the human subjects appear to be adequately protected and methods to obtain informed consent are appropriate. Therefore, the **UCRIHS APPROVED THIS PROJECT'S RENEWAL.**

RENEWALS: UCRIHS approval is valid for one calendar year, beginning with the approval date shown above. Projects continuing beyond one year must be renewed with the green renewal form. A maximum of four such expedited renewal are possible. Investigators wishing to continue a project beyond that time need to submit it again for complete review.

REVISIONS: UCRIHS must review any changes in procedures involving human subjects, prior to initiation of the change. If this is done at the time of renewal, please use the green renewal form. To revise an approved protocol at any other time during the year, send your written request to the UCRIHS Chair, requesting revised approval and referencing the project's IRB# and title. Include in your request a description of the change and any revised instruments, consent forms or advertisements that are applicable.

PROBLEMS/CHANGES: Should either of the following arise during the course of the work, notify UCRIHS promptly: 1) problems (unexpected side effects, complaints, etc.) involving human subjects or 2) changes in the research environment or new information indicating greater risk to the human subjects than existed when the protocol was previously reviewed and approved.



If we can be of further assistance, please contact us at 517 355-2180 or via email: UCRIHS@pilot.msu.edu.

**OFFICE OF
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AND
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**University Committee on
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Human Subjects**

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E-Mail: ucrihs@msu.edu

Sincerely,

David E. Wright
Chair, UCRIHS

DEW: ks

cc: Preston Blakely
2843 East Grand River, #124
East Lansing, MI 48823

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BIBLIOGRAPHY

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