FOURTEEN CASE STUDIES IN RADIO STATION MANAGEMENT BASED ON ACTUAL STATION PROBLEMS

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ABSTRACT

FOURTEEN CASE STUDIES IN RADIO STATION MANAGEMENT BASED ON ACTUAL STATION PROBLEMS

by Robert Hunt Baker

This thesis, utilizing the case study technique developed at the Harvard Business School, presents fourteen original cases in radio station management. These cases were gathered through personal consultation between the author and various management officials and station personnel in radio stations in the Mid-West region of the United States. Cases contained herein are intended for individual and classroom use only.

Case one cites the many problems involved when it becomes necessary to decide whether to retain or dismiss a staff member. Case two presents the antithesis of case one: how to keep a valuable employee from leaving the station. In case three, the owner of a broadcast station must decide how to program the outlet. Case four asks the question: Can news be influenced by sponsor pressure? Case five discusses the pros and cons of editorializing. How to profitably sell FM is discussed in case six. Case seven examines the comparative advantages and disadvantages of

automated music versus music which is programmed live from a station. In case eight, a station is faced with the prospect of having too many sponsors and too many commercials. Case nine deals with a suggested promotion campaign and its effect on station personnel. Case ten examines in depth a problem confronting a telephone call-in program. In case eleven, station officials must attempt to reach a decision with regard to a union problem. Case twelve involves the implementation of a union contract. Case thirteen deals with a promotion campaign that was bought by a sponsor and cancelled before it was completed. Case fourteen indicates some of the problems a manager may confront if he becomes active in community affairs.

Also included in the thesis is a brief discussion of the case method itself, its history, its applicability for use in broadcasting, and the methodology used in preparing the case histories. In addition, there is an examination of possible areas of future exploration for those persons who might wish to develop further case studies in the field of broadcast management.

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By

Robert Hunt Baker

A THESIS

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While many persons contributed to this thesis, the final responsibility for all parts rests solely with the author.

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CHAPTER I

INTRODUCTION

The case method of instruction has been in use since the latter part of the eighteenth century. In 1788, the Medical Society of New Haven, Connecticut, issued its first volume of proceedings entitled "Cases and Observations by the Medical Society of New Haven City." The purpose of this volume was to advance the knowledge of medicine through case histories and clinical observations. The book was a fore-runner of the case study as we know it today. 1

Almost one hundred years later, the case method was brought into the field of law by Christopher Langdell.

Professor Langdell used the case method for teaching purposes in his classes in the Common Law at the Harvard Law School.

By 1909, the Langdell method had been accepted and adopted in whole or in part by a majority of the law schools in this country.²

The Harvard Business School borrowed the case study method from the law school. The first use of cases as a basis for the teaching of business was in 1908 under Edwin F.

D. Henryetta Sperle, <u>The Case Method Technique in Professional Training</u> (New York: Bureau of Publications, Teachers College, Columbia University, 1933), p. 7.

^{2&}lt;u>Ibid</u>., pp. 1-2.

Cay, the first Dean of the Harvard Business School. Within several years after its inception in the curricula of business, fifteen businessmen took part in a course which utilized the case method. These men provided cases from their own business experience for discussion.

When Professor Gay resigned as Dean of the Harvard Eusiness School in 1919, he was replaced by Wallace B. Donham, a lawyer with wide business experience. Dean Donham's background in law and his practical experience in business told him that the case method was a sound approach for instruction in the classroom. It was Dean Donham who provided the pioneering efforts necessary to make a success of the case study method in the field of business. 4

Under Donham's administration, field work was begun to gather new cases and to update what few existing cases there were in the files at Harvard. In addition, the number of courses making use of case studies was expanded. Full time research assistants were hired to write up existing cases and to research new ones. From 1908 until 1942, many of the business courses at Harvard University became discussion courses utilizing the case study method.

Similar changes were taking place at other universities

Malcolm P. McNair and Anita C. Hersum, <u>The Case</u>

Method at the <u>Harvard Business School</u> (New York: McGraw-Hill
Book Company, 1954), p. 25.

^{4&}lt;u>Ibid</u>., p. vii.

⁵<u>Ibid</u>., p. 26.

as lecture courses were transformed into participation courses. Fields other than business found the case study method could enhance student learning. Soon, the case study method was being used in such widely diverse fields as law, medicine, seciology, psychology, and education. Today, new efforts are underway to expand the case study method to fields heretofcre untouched.

What is the case method? What are its advantages? What are its disadvantages? These questions are frequently asked by people who wish to know more about the method.

The case method, as now employed in classroom use,

typically is a record of . . . [an] issue which actually has been faced by . . . executives, together with surrounding facts, opinions, and prejudices upon which executive decisions have to depend. These real and particularized cases are presented to students for considered analysis, open discussion, and final decision as to the type of action which should be taken.

Rather than being given general hypotheses and theories to criticize, students are handed the specific facts of a case. These are the raw materials out of which decisions have to be reached in life. They are the materials out of which students can realistically and usefully draw conclusions.

The case method does not give students the answers to problems faced in "real-life" situations. Answers are not

⁶Sperle, <u>op. cit.</u>, pp. 1-15.

⁷McNair and Hersum, op. cit., p. 6.

⁸Ibid., p. 7.

even provided with the cases. In fact, there are no right cr wrong answers.

Cases generally involve highly debatable alternative courses of action, as is true for the day-to-day business problems they typify. Indeed, experienced businessmen frequently demonstrate their ability to solve an identical problem successfully in different The cases thus do not necessarily lead to a single "right" answer upon which the class and the instructor are expected to reach unanimous agreement. In fact, some of the decisions most conducive to the development of penetrating analysis and balanced judgment may at first leave the student with a feeling of frustration, since no uniformity of class opinion may have resulted. The purpose of the case has been served if it provokes intelligent discussion, independent thinking, and progress toward the ability to make sound, well-considered decisions.

All the facts of a case may not be presented explicitly when the case is written; many facts may be left out altogether. Frequently a case will present only

the presumed facts, opinions, and points of view held by one or more of the people involved, and hence leaves those discussing the case with only the information that the persons in the actual situation possessed at the time. The student must recognize that just such severe limitations as to factual data and as to the time available for the decision-making process commonly characterize the actions of businessmen in general. 10

To be certain, if a student is not spoon-fed with facts and information which he is to accept blandly as "truth," he may develop anxiety and confusion. Most students experience just such emotions when first exposed to the case method.

⁹Lynn L. Bollinger and John S. Day, <u>Management of</u>
New Enterprises, A Casebook of Problems on the Establishment
and Operation of New Businesses (Homewood, Illinois: Richard
D. Irwin, Inc., 1954), p. 3.

¹⁰ Ibid.

Nonetheless, these feelings soon give way to deep interest on the part of the student. At last he has something tangible, something requiring original thinking and effort in order to come to a solution. The case method leads the student to make the effort required to come to a solution for the problem at hand. Indeed, one of the outstanding effects of the case system is to put upon the student the burden of independent thinking. 11

The primary objective of the case method of instruction "is for the student to place himself realistically in the position of the top administrator and to develop a capacity to determine what can be done to produce successful results in situations where managerial action can be decisive." The student, when studying a case problem, acts somewhat in the manner of an engineer of a train which is approaching a switchyard. In the switchyard there are many tracks, all of which are open to the train upon the operation of the proper switches. The engineer must make the decision as to which track his train shall travel.

Like the engineer, the student attacking a case problem is faced with alternatives which are equally attractive. It is his decision, backed by reason, as to which alternative is best for him.

It is necessary to inject a note of caution here. While the student may act as an engineer, he is not, in fact,

¹¹ McNair and Hersum, op. cit., p. 13.

¹² Bollinger and Day, op. cit., p. 1.

really in the same situation. He is not responsible for implementing his decisions when he acts at being an engineer. The case method is an acting situation. The student can be given the facts of a problem and he may very well come to a decision on the basis of those facts. But this decision is not the same as if the student were actually responsible for his decision. "It is too much to expect that anything except experience can be exactly like experience." 13

This is not to say that the case method is ineffective. It is as effective as it might be; certainly, it is more effective than any other known method of instruction in providing the student a wealth of relative experience. Through the study of case problems, the student can accumulate the background information necessary for responsible decisions in "real-life" situations. He is led to an active consideration of a tremendous number of diverse and related real situations which it would take him a lifetime of experience to encounter on his own. 14

It is one of the great strengths of the case approach that by its emphasis on the process of business decision-making, it forces this needed synthesis of a variety of social disciplines. The student is placed in the position of the businessman who must act, who must before he acts weighs the bearing on his problem of a variety of different considerations, both short-run and long-run in character, but who must in any event make a decision and implement it. The distinguishing characteristic of the case method

¹³ McNair and Hersum, op. cit., p. 14.

¹⁴ Ibid.

in the classroom is the extent to which the responsibility for this analytical sifting of pros and cons and for arriving at a definite decision is undertaken by the student himself. 15

Abraham Flexner, a doctor who used case studies in the field of medicine, said that in the classroom the case study method is invaluable for it develops the friction, competition, and interest which are powerful stimulants to creative thinking. It was Flexner's opinion that the case method was economical for it "brings considerable [classroom] members in touch with fertile teachers, at a minimum expenditure of time and energy."

Indeed, the classroom teacher must reorient his teaching methods when he attempts to make use of the case method. The teacher must realize that the purpose of the method is not to teach truths, but to teach students to think in the presence of new situations. 17

Teaching by the case method is class discussion of possibilities, probabilities, and expedients—the possibilities of the combinations of very intricate facts, the probabilities of human reactions, and the expedients most likely to bring about the responses in others that lead to a definite end. Such discussion rests on the nice balancing of probable results; and in this balancing a teacher has little to contribute except a broader appreciation of the springs of human action than his pupils are likely to have developed and perhaps a greater knowledge of economic theory and its applications to contemporary business. 18

¹⁵ Ibid., p. viii.

¹⁶Sperle, <u>op. cit.</u>, p. 7.

¹⁷ McNair and Hersum, op. cit., p. 3.

¹⁸<u>Ibid</u>., p. 4.

There are, to be certain, several drawbacks inherent in the use of the case method. Fundamentally, the method has none of the conspicuous advantages of teaching accepted truths.

As a method, it is crude and clumsy in execution; it is inefficient in that no scale of accomplishment can be established and empirically applied; it lacks the technical excellence ordinarily associated with good teaching and the finished art of the pedagogues. Nevertheless, the use of cases as the basis of teaching presumes a confidence in the [method] .19

It is not easy for students to accept the challenge of responsible activity in the face of realistic situations. Nor is it always easy for teachers to preserve the needed open-mindedness toward their students' contributions.

"Nevertheless, the very existence of the assumption, implicit in the case system, that students are in a position to, and will exert themselves to think with a lively independence toward a useful end in itself provides a real stimulus."

Misused, the case method can become a nightmare. If the instructor attempts to impose his own decisions on his students, he can confuse and bore them. If the students will not accept the case method, it will fail them miserably. If, however, the case method is used correctly, it is the next best thing to actual experience. Thus, it is invaluable.

To date, there have been few cases gathered for use in television and radio courses. One thesis has been completed

¹⁹<u>Ibid</u>., p. 2.

^{20&}lt;u>Ibid</u>., p. 7.

at Michigan State University utilizing the case studies in radio and television; 21 several others are, at the current time, in the preparation stages. In all the cases collected at Harvard, there are but seven which deal directly with matters relating to broadcasting. 22 In addition, the National Association of Broadcasters has gathered several other cases which have been used in their regional meetings. These are not generally available for other uses. 23

It can be said, therefore, that there is a lack of cases available to the student of broadcasting who wishes to employ the case method, to the educator who wishes to use the case method in his classroom, and to the researcher who can glean valuable information from case studies. This thesis will help fill the void in providing fourteen additional case studies for use in the study of broadcast management.

²¹ Richard Alvin Egli, "Eleven Case Studies in Broadcasting Management Based on Actual Station Problems" (unpublished Master's thesis, Department of Television and Radio, Michigan State University, 1965).

²²<u>Ibid</u>., p. 7.

²³Ibid., p. 8.

CHAPTER II

DISCUSSION OF METHODOLOGY

The purpose of this thesis is to provide cases in the field of broadcasting management for use by individuals or groups in the classroom. Recognizing that so few cases are available in the field of broadcasting, this author has attempted to provide cases in many areas of station operation rather than concentrate on one or two areas. Contained in this thesis are cases dealing with problems in the areas of personnel, sales, production, union-relations, news, programming, FM, music, promotion, and community relations.

At the outset, the author divided radio management problems into four general areas of sales, personnel, programming, and engineering. It was thought that these areas provided a structure around which case studies could be grouped. It was hoped that cases could be found which involved each of these areas.

Station managers at several radio stations were contacted and asked to submit to interviews with the author. No more than two managers in any one given market were interviewed. Generally, markets of different size in several states were selected. This was done so that case problems obtained would not be too homogeneous in terms of market background, station treatment of problems, etc.

Each manager contacted by the author was then interviewed. During the initial stages of the interview, the author explained the purpose of the thesis and defined the case study method. It was often necessary to use an example of a case study in radio broadcasting to allow the manager to understand how the case method could be applied to everyday radio station operation.

It was made explicitly clear to each station official interviewed that all information received in the interview would be confidential and would not be used without his expressed written permission.

Rather than attempting to have one manager supply a case in engineering or sales, the author suggested that the manager discuss any problem he felt would make a good case study. This would allow the manager to discuss anything of importance to him and would, perhaps, suggest more original, complex problems. It was found that this was, indeed, the case.

During each interview, the author took extensive notes on the problem as outlined by the manager. It was often necessary to ask a manager for clarification and elaboration. It was always necessary to guide him by asking leading questions.

Without exception, each manager who was contacted submitted to the interview and gave of his time and knowledge. Most of the managers contributed far more information than

they were asked to give and all of them desired to further broadcasting by helping the author. Knowing that they must remain anonymous throughout this thesis, these men, nonetheless, contributed all that they would have if there had been some form of recognition connected with the interview. The author can only acknowledge his grateful appreciation to each official interviewed.

After each interview, the author read the notes obtained in an attempt to categorize the problem in one of the four areas of management considerations. Then the first draft of each case was prepared. The notes were expanded and reworked so that the station and market from which the case had been obtained would be protected.

Each case thus prepared was submitted to the author's advisor who read it and suggested changes and corrections. If the initial editing required that the case be resubmitted, it was rewritten and turned in for final approval.

As final approval was granted for each case, the completed case was then sent to the manager who had provided its data in the interview. With each case went a letter of appreciation to the manager and a release form which indicated that the case had been approved for publication in this thesis and would be restricted to educational use. 24

 $^{^{24}}$ See appendix for copies of these forms.

As mentioned previously, each case in the thesis is disguised as to its actual market, station, and personnel.

Each is a fictionalized story which contains factual information on a problem encountered in the operations of a commercial radio station.

No solution is given for any case presented herein.

The case method dictates that solutions not be given. Possible alternatives are offered for consideration but these are weighted equally and should not suggest one "right" or "best" answer. Indeed, there is no "right" or "best" answer for any case.

The decision that is made in regard to a case problem is not the important consideration. What is important is the vast number of considerations which must be taken into account in order to arrive at a decision. The reasoning leading to the decision is of primary importance.

Each case is designed to provide learning on the part of the student or students making use of it. Each is constructed so as to provide some background about station operation, market information, etc. connected with the problem. By its very nature, however, the case is incomplete. It is limited to the information available to the manager who suggested the case. The reader must supply additional ideas and suggest additional solutions. It is in this manner that the case will stimulate group discussion and result in ideas far transcending those which have been put on paper.

This will open up new problems heretofore unencountered in the case. Students will learn and profit from studying the case in this manner. It is in this usage that the case method is invaluable as a teaching and learning device.

CHAPTER III

CASES

THE GUNN BATTLE

Maybe it had been a mistake from the very beginning. Perhaps Tommy Gunn should never have been hired. But he had been, and he had caused the station varying degrees of trouble ever since. Now, six years later, the whole situation was coming to a head. Gordon Bossun had been over the problem many times in his mind. Just that morning, he had called a meeting with his boss, Saul Zussman (the owner of Press Broadcasting Corporation), and Bob Edwards, station program director. The entire four-hour session was spent discussing one man--Tommy Gunn. The details of Gunn's case had been clarified and amplified, then rehashed again and again, but no decisions had been made.

As general manager of KDDD and Vice President of Press Broadcasting, Bossun knew the decision was his alone. He recognized this and was revolted at the thought. He shook his head in disgust. "Dammit!" If he'd just been here six years ago, Gunn probably would not have been hired in the first place. Or, if he had, he would have lasted about one week. But now, after six full years as KDDD's top personality, things weren't that easy. It would be difficult to explain any possible action to either of two very important groups of people—the station staff and the general public.

"Ok, ok--let's go over it once more," thought
Bossun. "Maybe it'll clear up this time through and you
can make a decision."

He thought back: Tommy Gunn was hired by Bob

Edwards in the summer of 1959. He had come from a small

station in a midwestern community of 35,000 people. Gunn

had been the top disc jockey in that area. Actually, that

wasn't much to achieve considering that the station had

been virtually without competition and Gunn held down the

morning drive-time slot, the best of the day. It was little

wonder he was a powerhouse with his talent. He was a natural

on the air. The manager of the station where he had been

employed had described him in a letter as "witty, smooth,

poised on the air, with tight production—a real showman."

It was the following paragraph of that letter that had given the warning of the consequences of Gunn's employment. It had said: "Tommy Gunn has been most difficult to work with. He is completely self-centered and always out for himself. We've been forced to threaten him with his job twice for actions off the air, in the community."

Of course, Bob Edwards, who had been responsible for the hiring and firing of station personnel at that time, had been in a spot. Ratings at KDDD had been going down steadily in the 7 PM to midnight slot for months. They were so low in the summer of 1959 that Zussman had once said it would have been better to sign off the station than take such a beating.

The trouble was, there had been no reason for the drop in points. KDDD's programming had been unchanged for two years prior to the decline in audience. The station was playing "hard rock" aimed at attracting the area teenagers. The evening disc jockey wasn't outstanding, but he had been with KDDD for four years and had built up a large following. Just prior to the drop in audience share, KDDD had begun several new promotions designed to put more life into the evening show. Edwards had scheduled "oldies but goodies" from 10 PM to 11 PM each night, and at 8:30, KDDD featured live, on-the-air voice reports from high school correspondents reporting on their school's social and athletic events. In addition, "Teen Club News," a bulletin board of upcoming events of interest to the teen agers, was featured for several minutes each hour during the evening.

"The sound had become stagnant after two years, and the kids, searching for something new, turned their dials to the other top forty station in town."

KCCC, Bossun knew, was more of a "screamer."

The station didn't believe in personalities as such; rather, they had an on-the-air staff that was smooth, fast-paced, and "screamed" time, temperature and record information at the audience.

KDDD, on the other hand, operated on the theory that people were intelligent and didn't like to be talked

down to. Thus, the on-the-air staff of KDDD was made up of men who were personalities in their own right. These were men who played rock and roll, to be sure, but along with the top forty they said something important.

Regardless of what the differences were between KDDD and KCCC, KDDD needed something to bring back the audience that had once been theirs. Edwards had been of the opinion that a new night-time personality was needed. He had been looking for a staff member when Tommy Gunn's audition tape was received. After listening to the tape, Edwards was convinced that Gunn was just the man to help bolster the slumping ratings. He could be great! And a natural on-the-air salesman.

"I probably would have hired Gunn too. I just wish it was still Bob's job to dismiss him." It wasn't, and Bossun knew it. He knew that when Zussman had expanded the station's staff a year ago, he had been hired as the first general manager. As general manager, he inherited many of the responsibilities for which Edwards had been accountable. This freed the program director to concentrate on the onthe-air sound of the station.

Edwards had been right about Gunn's ability to bolster points, though. The ratings began to climb shortly after Gunn was put on the air, and they kept coming up.

Every time a new survey was taken, the story was the same.

KDDD again increased its lead in the evenings. In the most recent Hooper, Gunn had managed to pull over fifty percent of the audience in a four-station market even with strong personalities at two of the three competing stations.

Within six months after Gunn joined KDDD, his show was practically sold out. Sponsors liked Gunn, for he did a good job in selling their products. Any product advertised on "The Tommy Gunn Show" was sure to be bought by hoards of teen-agers. Even those skeptical sponsors who seldom used radio had testified to Gunn's fantastic ability to influence sales. It was little wonder his show was sold out.

But what about those negative comments in the letter from Gunn's former manager? There had been ample warning in the sentence: "We've been forced to threaten him with his job twice for actions off the air, in the community."

Bossun had no way of knowing what kinds of actions the former manager had reference to, but he could guess.

"And I'll bet I'm pretty darn close, too," he thought. He knew what Gunn had done since coming to KDDD.

Within nine months after he had been hired, Gunn had been involved in a morals scandal with a sixteen year old girl. It had taken a lot of doing to keep that story out of the papers. Even without press coverage, many people in the town knew about it.

The problem was that so many people in the community thought Tommy Gunn was the entire station. His actions were

thought to represent those of the rest of the staff. When he was in trouble, his actions reflected negatively on the station's community image.

Several times over the six year period, Gunn had been questioned by the police for drunken driving. One summer night, he had almost been killed in a head-on collision. He had spent six months in the hospital recovering. When he finally returned to work, Edwards had warned him that he had had his final fling. He would have to settle down and work to create a better community image or he would lose his job.

Gunn had calmed down for a while. As a matter of fact, it was almost a year before he caused any further trouble. Then, just last week, news had reached Bossun about Gunn's latest escapade. This was of a different nature and did not make great community news, but from the station's standpoint, it was very serious.

Ted Evans, a salesman, came to Bossun's office early one morning to report the incident. He was fuming. Evans had recently acquired the Honda Cycle Club account for KDDD. As part of its initial advertising campaign, the Club was conducting a contest to determine which of two KDDD disc jockies could influence sales the most. The two disc jockies taking part in the contest were Tommy Gunn, and the new all-night man, Jimmy Robin.

According to the rules of the contest, both Gunn and

Robin were to ad lib a specified number of Honda commercials during their programs. These commercials were scheduled on the log and were run six times during the 11 PM to 12 midnight portion of "The Tommy Gunn Show" and six times during the 12 midnight to 1 AM segment of "The Jimmy Robin Show." The disc jockey who persuaded the most people to go into the Honda Cycle Club and say that "Tommy Gunn (or Jimmy Robin) sent me," was to win a free Honda motorcycle.

It was common knowledge around KDDD that Tommy Gunn wanted that motorcycle in the worst way. As a matter of fact, he wanted it so much that he took the station's logs down to Honda Cycle Club and showed Bartsch, the manager, what he called "discrepancies" in the way that KDDD was handling the contest. Gunn's "discrepancies" involved the fact that KDDD was running more spots during the Robin show than it was during the Gunn program. Gunn claimed Robin was ad libbing unauthorized spots not paid for by Honda Cycle Club. This claim was later proved false.

Gunn further stated that while all spots were supposed to be ad libbed live, they were, in fact, ad libbed on a cartridge. This had been done so the disc jockey wouldn't have to worry about ad libbing the spot while he was on the air. Gunn claimed the spots weren't as effective when pretaped ahead of time. KDDD countered that while the spots were indeed ad libbed on a cartridge, they were more effective than if they had been presented live, as special production

techniques and sound effects could be used and some prior thought could go into the ad libbed message. If a mistake were made during the recording, it could be redone. On the air live ad libbing didn't allow this possibility.

"Bartsch was so mad he cancelled on the spot," Evans had said. "He said if we were treating our employees in a manner even suggesting unfair treatment among them, he wanted no part of it. Further, he didn't like our putting his spots on cartridges even if they did sound better that way. He thought that he should have received prior notification of it in writing. It all came down to the fact that he thought it was in the best interests of the Honda Cycle Club to move his business to KCCC. So he cancelled, effective immediately."

Bossun had thought ahead. Bartsch might talk to other local businessmen and more spot cancellations could be forthcoming. Or maybe the other advertisers wouldn't believe Bartsch--after all, Gunn did a good selling job on the air for the products he advertised. Why should other advertisers care about Gunn's relationships at the station as long as he produced sales for them? Perhaps Bartsch wasn't like other businessmen in his attitudes. Was it worth the chance of waiting to see if further cancellations occurred?

What to do? Bossun knew the alternatives. Gunn could be fired or retained. There were no other solutions possible. He swayed between the two choices.

If Gunn were fired, would many of his sponsors drop

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off? How about the ratings? Would they drop back to where they were before he came? And what about the rest of the staff? Even though many of them didn't like Gunn, they recognized his ability as a disc jockey and respected him. Either firing or retaining Gunn could undermine station morale. If he were fired, the staff might think management was conducting a purge. If he were retained, they would think he had gotten away with losing a good account.

Control of the Contro

Another thing to consider was the extensive promotion that KDDD had done to build up Gunn's name and his show. If he were fired, all the money and effort put into his promotion would have to be scrapped. The station would have to start from scratch with the new disc jockey.

The new disc jockey. That was the next problem. If Gunn were fired, could Bossun find a man who could hold the teen-agers as Tommy had?

Bossun thought about retaining Gunn. He could talk to him again--warn him that this was definitely the last straw; then set down strict conditions for his future behavior. This would keep the air staff continuity that Bossun so desperately desired. But the rest of the staff might resent "the extra chance" if it were given to Gunn. There was also the distinct possibility that within months, Gunn might be back to his old tricks of destroying confidence in the station and creating a bad image by his own childish acts.

Bossun shook his head. He honestly didn't know what to do.

THE PERSONNEL APPROACH

Al Eastman had a definite theory of personnel management. This theory had been developed as an undergraduate at a major university on the West Coast. When the young college graduate went to work for Westdim Broadcasting Incorporated in 1952, he hardly dreamed that he would be able to put his theory into actual practice so soon. But in 1956, when Westdim bought a small daytimer in a midwestern city of 300,000, Eastman suddenly found himself the general manager.

As the other two Westdim stations in the chain were both "top forty" outlets, and since there was only one "rocker" in the four-station market, the company decided to program rock and roll on its new outlet. The facility they bought had been a good music station and the decision was made by top company officials that all air personnel should be fired and a completely new staff recruited for the "new sound."

The job of finding an air staff belonged to Al Eastman.

Eastman knew that personnel could be recruited from one or more of several places. First, air men might be "stolen" from competition in the area. Secondly, experienced personnel could be recruited from outside the market. Third, the staff might be built from young people—those who had some years of experience in broadcasting and who showed great

potential. Recent college graduates with some prior experience in the business could be included in this group.

Eastman favored the third method. A basic reason was that salaries would be lower for people with less experience. This was important to Westdim Broadcasting.

"Spend only what is necessary to get a good sound," was the word from his boss. "Don't bring in high school kids for disc jockies but don't hire people from major metropolitan stations either. We've got to be careful of costs for a while until we get this station in the black."

As a manager, Eastman recognized the difficulty of his position. It was important to get the best people for the money. They would not have many years of experience behind them, but they would make up for this in desire and in being willing to advance fast as Westdim Broadcasting expanded to new markets. There were great opportunities for advancement in a company that believed in internal promotions to fill management positions in new outlets.

Eastman thought about his market. It was a large, industrial city of 300,000 located only forty miles away from a major metropolitan area of over 1.5 million. There were four AM stations in the market, only one of which was currently playing "top forty." This station was number one according to all surveys, but Westdim thought they could overtake the competition by smart programming and management decisions.

The second-rated station was a good music facility; the third played albums interspersed with network shows from CBS. Eastman's station had been fourth-rated, programming a hodge-podge of top forty, country music, and jazz.

Eastman recalled his theory of personnel management from his college days. He remembered how he had once said to a professor that if one couldn't compete salary-wise, he would have to make it up by offering the prospective employee something else such as opportunities for rapid advancement, pensions, and other fringe benefits. Westdim could offer employees just such inducements.

He began making phone calls to some of his friends in smaller markets throughout the country. Within a month, Eastman had his air staff. Each man he hired was under 30. Each was a hard worker with an average of 3-5 years of experience. Most of them had graduated from college and all ten believed they were in broadcasting to stay. They were ambitious and interested in opportunities for promotion. For most of them, this market represented a big stepping stone up the ladder of success. They realized that if they worked together they could build a virtual radio giant in the market. To be sure, their salaries would be low at first, but as they gained experience and as the station came into the black on bank statements, they felt they would advance. After a couple of years, salaries should be compatible with those being paid in other stations within the market. And the

experience they would be getting in a medium-sized market would be invaluable training for later steps to bigger markets or moves into management in smaller cities.

Eastman's theory worked out surprisingly well.

After three years, he had a highly-trained, professional air staff which had banded itself into a hard-hitting commercial package. The station was not number one, but it was a powerful advertising vehicle to reach the teen-age population of the area.

Actually, the latest Hooper showed the station to be a strong number two, gaining a few points each month, but still a long way from overtaking the front-running "rocker." Eastman's original staff was still basically intact, except for the addition of a new morning disc jockey three years ago. The men had stayed with the company because the company had wanted them to stay. They had been given raises twice a year, and most of them held some kind of title, in addition to their on-the-air duties. The mid-morning man, for example, was also the music director; the afternoon man was the production director. Outside the station, "record hops" were plentiful and a staff member could make up to \$100 a week in addition to his salary by doing "hops." And there was still the possibility of being promoted to a better position in a new outlet with the company.

Now, seven years after he had been transferred into the city as manager, Al Eastman sat at his desk looking over

a sales contract and thinking back to his college days.

"That personnel theory worked," he mused, "but I wonder what would happen if I'd have to replace part of my staff now? I couldn't hire an amateur again, for he wouldn't fit in with the rest of the staff. It's ok to do that if the whole staff is amateur, but when one man has considerably less experience than the rest of the group, he could easily sound out of place."

There was another problem involved, too. Although his station's personnel were as qualified and, in most cases, experienced as those people in the larger market forty miles to the north, they were not paid as well. There was a new station just opening in the larger market and this station would require a complete staff. How could he hope to compete salary-wise for people? He couldn't, and he knew it.

Just then, Eastman's thoughts were interrupted by a knock on his door. "Come in," Eastman said.

It was Johnny Clark and he wanted to talk to him in private for a minute. Clark had been with the station since Westdim took it over and he and Eastman had become quite close friends. Clark had developed into an outstanding disc jockey and a good team man. He was active in community affairs and was well known and respected by people at the station and in the community.

"Close the door and come in," said Eastman. "Have a chair. Now, what's on your mind?"

"Well, Al, I just wanted to see you a moment to tell you that Len McMannes has been after me for three weeks now to go to work for him at his Florida station. He sent me plane tickets last weekend and I flew down to take a look at the set-up. I really haven't made a decision yet, but since I've always been able to talk to you, I thought it was only fair to let you know."

"Oh brother," thought Eastman. "I must be psychic. I no sooner think about a potential problem then it walks through the door." Out loud he said, "Well, John, I appreciate your telling me. I respect you for that. May I ask you what kind of an offer Len made you?"

"Actually it was nothing special--pretty much the same salary. Oh, a little more, I guess. I'd do the morning drive slot and be in charge of station production."

"That's all?" asked Eastman.

"That's it," replied John. "I'm supposed to let him know within the week. He's got an opening the first of next month."

And that's how the half-hour session with Johnny Clark went. Very friendly and straight forward. Clark admitted the Florida climate had a lot to do with his contemplation of the move. He and his wife had lived in the South when they were first married and they liked the thought of going back.

Eastman suddenly felt very tired. He thought

about the predicament the station would be in. Clark had been with Westdim Broadcasting for seven years. His salary was above average for the market and not too far below the average for the larger market forty miles away. If he left, Westdim wouldn't allow Eastman that kind of money for a new man. The home office had said that a high initial salary didn't build loyalties. Company policy was based on the belief that it was better to start a man off low with promises of increases and advancements as he went along. But if a salary were set too low, Eastman would not be able to get the right man for the job.

As Eastman saw it, there were several alternatives:

1). He might try to keep Clark at the station, and thus, stand in the way of his advancement. 2). He could attempt not to influence Clark in his decision at all or he could let him go with McMannes and create a problem of getting a replacement for him. 3). He could recommend Clark's transfer to another Westdim outlet where the climate was more suited to his tastes or there might be other advantages more to his liking. This, of course, could be easily accomplished, but it really wouldn't solve the problem. He would still have to find a replacement.

Eastman knew that Clark had the potential to be a good program director, but the program directorship was filled at the present time. He knew Westdim would go along with a small increase in salary for Clark, but did Clark really want this? Eastman didn't think so.

He turned in his chair to look out the window. He was rapidly developing a headache. But he had to face this problem, headache or no headache. It was not likely that it would resolve itself without decision and action on Eastman's part.

FORMAT, FORMAT, WHO'S GOT THE FORMAT?

The five Mercury Broadcasting officials entered the narrow, sound-proofed conference room and took seats around the big mahogany table. First to be seated was Jeffery Walton, president of Mercury. Robert Greenberger, the vice president of the company, sat down next to Walton. Ed Paul, national program director, followed Greenberger and sat opposite him across the table. Al Greens and Arman Jantz, recently appointed station manager and program director respectively of the newest Mercury property, took seats at opposite ends of the table.

Each of the five knew why the meeting had been called. Each knew that before he left that conference room, a decision would have to be made on the overall programming format for the new station which Mercury had acquired less than a month ago.

Jeffery Walton spoke first: "Gentlemen, I'm glad you could all be in attendance this morning. We have a most important decision to reach today—a decision which will ultimately affect each of us in some way. By the end of this meeting, we must have a recommendation for a format for our new broadcast property. The importance of being right in our choice of a format cannot be overstressed. This station cost us too much in time, effort and money for us to be wrong.

"I think it would be best if this meeting were conducted informally with each of you making contributions to the discussion and weighing consequences as we go along.

Ed Paul will give us some pertinent background information to start us off. Ed"

Ed Paul shuffled some papers in front of him. "As you all know, Mercury Broadcasting last month made the biggest purchase in terms of dollars and market size, in our fifteen year history. This property, a one-thousand-watt radio station, was obtained for \$900,000 from Wilmington Evans Broadcasting House. In buying WXXX, we are entering competition in one of the top thirty markets in this country. It's a Southern market of approximately 1.9 million people. I'll try to give you a few pertinent facts that will be necessary for background information.

"First of all, let's talk about population distribution. Of the 1.9 million people, 1.2 million live in the metropolitan area. The rest live in surrounding suburbs. Thirty percent of the population is white-collar; the rest, blue-collar. This latter group is primarily made up of workers in several large textile factories and those who are employed in manufacturing.

"With regard to competition, there are ten radio stations, including ours, which are currently serving the market. I have some sheets prepared on the outlets giving you a general idea of what our competition programs and how

they stack up rating-wise."

Ed Paul reached into his brief case and selected a manila folder. From this, he distributed a set of papers to each of the men seated at the table. (For a copy of these handouts, please see pages 41 through 44.)

"As you can see, we are currently the seventh-rated station in the market. The number one station, which, by the way, seems to be glued to that spot, is a group-owned, good music outlet, with a heavy emphasis on news.

"The second and third rated stations, as you might expect, are rockers," Ed Paul continued. "Neither emphasize news too heavily, although the independent does a passable job with it. The chief difference in the two stations is their air personalities. Number two has the personalities; number three, the button-pushers.

"Number four in the market is a CBS-affiliated good-music station, which, believe it or not, has been successful in emphasizing the net. Also, they're the sports powerhouse, carrying pro football, basketball, and baseball.

"The fifth rated station is the outlet to watch at the moment. Owned by XOX Broadcasting, the station has been programming background music all day almost like an FM outlet. They had been doing pretty badly in the ratings until about nine months ago when they traded formats. They're strong on R & B now and have done quite well with it. In nine months, they jumped three notches in the Hooper and

they're not far from taking over the fourth position. I talked to their sales manager last week and he said their billings have increased 120% since the switch. Incidentally, XOX uses Mutual for most of their news. They do very little with local originations.

"Nothing exciting about number six. It's an independently-owned NBC affiliate which is programming standards and a little religious music. They try hard on the local news but for some reason they just don't come across.

Facility-wise, this is the second best in the area, close behind Group-Six's property. This outlet is the only one in town that makes use of a traffic-copter.

"Number seven is our property which we'll discuss at length in a minute. Number eight is owned by Amerax Broadcasting. It programs talk shows interspersed with popstandards. The station is weak on news, strong on personalities. It's also overcommercialized, by the way. That could be part of their problem.

"Number nine is an ethnic station all the way, and number ten mixes classical, good-listen, country, and R & B. No news to speak of. You can see why they're tenth."

A number of laughs went up from around the table.

Paul reached for the glass of water in front of him. "Any questions so far? Yes, Al?"

"At one point in here, Ed, you mentioned facilities.

How do we stack up in that department?"

"We're about in the middle, so far as I can determine," said Paul, replacing his glass of water. "We have a good physical plant with regard to the building, but the equipment is pretty old. No out-of-station stuff at all. Everything is anchored down or too bulky to be portable. The transmitter is new and the tower is in good shape. Consoles and other gear are operative but not the newest by a long shot.

"Our one main advantage is our band position. We're on the low end at 640 and that's the lowest in town. The position has obvious marketing advantages as well as driving our 1000 watts further than if we were at the high end of the band. But, in all, I'd say we were about in the middle, facility-wise.

"Any other questions?"

Jeffery Walton leaned forward in his chair: "How about the billings? Do those follow the ratings?"

Ed Paul considered the question carefully before he answered. "Generally speaking, yes. Group-Six has been dominant with both points and dollars for a long time. The two rockers continually spurt back and forth, always remaining somewhere within the number two and three positions.

J.J.'s station cuts the rate card more than it should and more than it needs to. Consequently, their gross billing is less than their position indicates it should be. The CBS station has a high billing, perhaps due to the fact that their staff requirements are less as they plug in the net so much.

"If you remember, I said XOX's outlet, the new R & B giant, has increased its billings 120% in nine months. This is true, but it's deceptive. I would imagine that there's been a lot of initial bargain offers to get clients onto the R & B bandwagon. Also, I know for a fact that their rates are lower to begin with than most stations in this market—certainly lower than they should be for number five."

"Is there any reason for that?" asked Robert Greenberger.

"The only reason I can think of is that they're going slow with the new sound--don't want to promise more than they can offer. Also, they've been so low for so long, that I don't think they know what rate structure to use. They're probably in the process of drawing up a new card now, as they've taken on an increasingly big audience lately.

"If there are no more questions, let's talk about what our station is doing now. To begin with, we're number seven in a ten-station market. That should give us some indication that something is wrong right there. Furthermore, we've been number seven for four consecutive years, with virtually no change in programming over that time. Arman, do you have a question?"

"Yes. Yes, I do. Exactly what kind of a programming policy did Wilmington-Evans put into effect? What did they format?"

"Well," said Paul, scratching his head, "that's hard to answer, because in the two weeks of monitoring the station,

I'm not sure there was a programming policy at all. The station is sort of a hodge-podge of everything: a little rock, a little country, a few standards, and virtually no news to speak of. At night, it's purely middle-of-the-road. That's the only time we're purely anything.

"I will say this--the only reason we've got a seven rating at all is due to our air staff. Most of them are older men with a solid background of easy-going radio. You know, the true personality types, the kinds that say something when they open their mouths.

"The sales staff is something else again. Half of them have had experience selling rockers; the other half is used to selling blocks of time. With a group like that, I don't know how the station brought in the business it did.

Most of the station's billing, as I see it, comes from national sales, which are, for some unexplained reason, stronger than they should be for a station as low as we are.

"That's about the extent of our facts as we know them at this time. It's our job now to come up with a workable format for our property. Any ideas?"

Arman Jantz dropped his pencil on the table and sighed loudly. "Well," he said, "my first impression upon looking at that format sheet you passed out, is that there's no station in the market playing hard country music. With this, a Southern market, there's bound to be support for it, if it's done right."

"Sorry to interrupt you, Arman," said Al Greens,

"but there's a rumor floating around that the NBC outlet is
about to be switched to a total country format. I can't

find any firsthand evidence that a switch is imminent, but
the rumor still keeps cropping up. If they do go country,
and we decide to do the same, there'd be real problems trying
to justify it, to say nothing of trying to sell it. I hate
to think of that possibility."

"I think I know how we can find out," said Ed Paul.

"I have some close friends in the area, one of whom is the music director at the station. He's been there for four years, so he's probably in the know if a switch is imminent. I don't think he'll mind telling me because he's leaving on the tenth of next month for a job in Chicago. I'll call him."

"Good idea, Ed." Jeffery Walton was getting up from the table. "This seems like a logical spot to break for lunch. Take an hour off and think about our situation. Country music, of course, is one of our considerations. Whether this rumor is true or not certainly affects this. But there are some other avenues we could travel, too. I've personally been thinking about an old-time radio format, somewhat along the lines of WJR in Detroit, if you're familiar with that. It's proved saleable in many markets and there's no one else doing it here. Ed also suggested automation. This would cut our overhead, allowing us to sell

ABC which isn't now represented in the market. There are a lot of other ideas and we're going to have to consider each carefully. Think about it over lunch and we'll meet back here at 2:00 PM."

The five men got up from the table, put papers into brief cases and walked out of the conference room. The morning session had been grueling, but the worst was yet to come. Each of the five knew the choice of a format meant the difference between success and failure, profit and loss.

Ed Paul--Handout P. 1

MARKET: Large, Southern, population 1.9 million COMPETITION: Ten AM radio stations RATINGS FROM JAN.-FEB. HOOPER-PULSE SURVEYS:

- 1). 50,000 watts. Owned by Group-Six Broadcasting. On the air 24-hours a day. Music format: pop-standard (100%). Special programming: college football, basketball, local race track results. Bill Victor interviews the stars twice daily. Don Hoffman is director of 10-man news department. 5-minute news on hour and half-hour. Six 15-minute casts per day. 60-minute news block at 6 PM. Number one rating for two years according to Pulse. Strongly identifiable air personalities.
- 2). 10,000 watts. Owned by J. J. Broadcasting. On the air 24-hours a day. Music format: contemporary (100%). Editorializes occasionally. Ed Baker is director of 3-man news department. 5-minute news at 55 past the hour; headlines on the half-hour. Strongly identifiable air personalities. Number two rating for past three months (switching places with #3).
- 3). 5,000 watts. Independent. On the air 24-hours a day.

 Music format: contemporary (100%). Editorializes occasionally. Special programming: "Instant Requests," call-in
 requests on all DJ shows 5:30 AM 1:00 AM Monday-Saturday.

 Alan Nelson is director of 5-man news department. Special
 equipment: 1 mobile unit for traffic reports, accidents,
 etc. 5-minute news on the hour. Number three ratings for

Ed Paul--Handout P. 2

past three months (switching places with #2). This station had been a strong number two for one year prior to last Hooper.

- 4). 5,000 watts. CBS affiliate. Independent. On the air 24-hours a day. Music format: pop-standard (80%), contemporary (20%). Special programming: "Arthur Godfrey Time," "Act Linkletter's Houseparty," "Dimension," etc. Tom Francis editorials heard twice daily. Pro football in season, plus pro basketball, and pro baseball. Jim Rooney is director of 6-man news department. 5-minute news on the hour and half-hour. Expanded casts at 8 AM, 12 Noon, 6 PM, and 11 PM. Special equipment: helicopter for traffic reports. Number four rating for one year.
- 5). 1,000 watts. Mutual affiliate. Owned by XOX Broad-casting. On the air 24-hours a day. Music format: rhythm & blues (75%), contemporary (15%), jazz (10%). Special programming: high school football and basketball in season. Bill Williams is director of 3-man news department. 5-minute news on the hour: 2-minute local news on half-hour. Strongly identifiable air personalities. This station was number eight in the market until a format switch nine months ago.
- 6). 10,000 watts. NBC affiliate. Independent. On the air from 5 AM 1 AM daily. Music format: standard (95%), sacred (5%). Special programming: Traffic reports during rush hours. NBC "Monitor" on weekends. Network regularly

scheduled programs. Richard Paisley is director of 6-man news department. NBC news on the hour, followed by 5-minutes of local news. This station had been number five in the market for four years until nine months ago when it slipped to number six.

- 7). MERCURY BROADCASTING ACQUISITION. . .
- 8). 5,000 watts. Owned by Amerax Broadcasting. On the air from 6 AM to Midnight. Music format: pop-standard (60%), talk (40%). Special programming: "Listener's Choice"-- audience call-in talk program 6 AM 9 AM Monday through Saturday; "Town Forum," interview panel with civic officials, business leaders, etc. 10 PM 11 PM Monday through Friday; "Phone Club"--recipes, household hints, etc. Monday through Friday 11:30 AM. Ted Niarhous is director of 4 man news department. News on the hour and half-hour. This station had been number seven for over a year until the last Hoopers, when it was edged out slightly.
- 9). 250 watts. Independent. On the air from 6 AM 11 PM. Music format: Spanish (90%), standard (10%). Jan Bowen is director of 2-man news department. News at 7 AM, 11 AM, 3 PM, 5:45 PM, 10:45 PM. This station has been number nine for four years.
- 10). 250 watts. Independent. On the air from 6 AM Sunset. Music format: classical (35%), conservative (35%), country (20), rhythm & blues (10%). Gordon Kirkland is director of 3-man news department. News every hour on-the-hour. This

station has been number ten for four years.

THE BROKEN GLASSES

Chet Roberts came whistling up the walk to the station. It had definitely been a good day for the young salesman. Not only had he lined up three prospective buyers for a special news package, but he had also been able to land a sixteen-week renewal on the Baylor Optical account.

Baylor Optical was more important to Chet than any other account on the station. It had been a hard account to obtain in the first place. For years, the company had spent its entire advertising appropriation in the local newspaper. When it had finally been persuaded to go into radio in 1960, it bought only the top two stations, both of which were teen-oriented. Chet's station, the only good-music, adult-oriented station in town, had long been after the lucrative Baylor account, but Baylor refused to spend money on the last-rated station in a four-station market, preferring instead to spend its money on sheer numbers.

And Baylor got what it paid for. It had large numbers of people listening to its spots, but few results were obtained; few sales resulted. And the reason? It was appealing to the wrong market. Teen agers didn't buy the majority of eye glasses in the community. Adults did, and adults listened to the fourth-rated station in town.

As soon as Baylor realized that, it began to advertise sparingly on Chet's station. At first, Chet had been able to get the company to allocate only \$35 a week, but within eighteen months after first coming on the air, Baylor was spending \$125 a week with Chet. That figure, Chet reflected, represented sixty per cent of the entire radio advertising budget per week for Baylor.

"Not bad, not bad at all," Chet was saying to himself as he went into the station.

"Boy, I can see that you're in a rare mood this afternoon, Mr. Roberts." It was Mary, the new receptionist, who broke into Chet's thoughts.

"I sure am, Mary," Chet laughed. "Things couldn't be better. Say, got any messages for me?"

"Yes. Mr. Wise wants you to see him before you get involved in something else. And your wife called."

"Ok. Thank you, Mary. Buzz Bernie Wise and tell him I'll be right up. I'll call my wife later."

Chet picked up his mail and an afternoon paper from Mary's desk and walked down the hall to Bernie Wise's office. Bernie Wise was the station manager, a native of the city who had been in the broadcasting business twenty-five years. He was a knowledgeable man, well versed in all fields of the business. He had a particular knack for recognizing trouble before it occurred and doing something to avoid it.

Wise was on the phone when Chet entered the office.

The manager saw him, and waved him to a seat. Chet took the

overstuffed, red leather chair in front of the desk. Wise was ending the call as quickly as possible. "Sure, Sam. Right. Ok, Sam. Listen, I'll keep you posted, alright? And you keep after that prospect. He'll come around in time, ok? Alright, Sam. Bye."

"Sorry, Chet. Sam Arnold on the phone. Where have you been, out on the Baylor account?"

Chet smiled. "Sure have! And they signed for another sixteen weeks, too."

"Good!" Bernie was pleased. "Not so good, though, is what concerns Baylor in the morning paper. Don't suppose you've seen it, have you?"

Chet admitted he hadn't. "I usually look it over quickly in the office before I make my rounds, but this morning some things came up and I didn't get around to it. What's up?"

"Well, maybe something and maybe nothing. I don't really know. Take a look at this article and tell me what you think." He pushed a piece of newspaper copy across the desk at Chet.

Chet took his glasses from his coat pocket and scanned the article:

A west <u>(city)</u> woman is listed in fair condition at St. Thomas's hospital, the victim of a freak accident yesterday. Mrs. C. H. Lemen, 53, of 1027 Woodlawn Avenue, told police she was walking in the 400-block of west Market street when a passing car flipped up a rock which hit her in the head. The rock smashed the woman's glasses, forcing particles of glass into her eyes and face.

Authorities at St. Thomas say Mrs. Lemen is suffering from severe contusions of the face and forehead. Doctors report that the woman may lose sight in her left eye permanently.

The woman's husband, Charles, said his wife's glasses were supposedly shatterproof and were bought from a leading optical company in town. He said he is inquiring into the possibility of a lawsuit against the firm.

Chet looked up. "And I suppose this woman bought her glasses from Baylor Optical?"

"Right," said the manager. "Soon as I read this, I got on the phone and did a little checking. Baylor Optical sold her the glasses. You know what this could mean, don't you?"

"Well, I've got a good idea," answered Chet truthfully, "but spell it out for me."

"Ok. Our news staff is on this story now, as are all the other stations in town. No mention of Baylor Optical. So far, so good. But here's the bad part. I talked to Bill Victor, our lawyer, and he says from what he knows of this situation, the woman's got a case. And according to Bill, the stakes could be high."

Chet was puzzled. "So I understand all this, but exactly where does the station come in?"

"Alright," said Bernie, getting up from his desk
and staring out the window. He suddenly turned toward
Chet. "Alright, let's suppose for a moment that this Lemen
guy does file a hefty suit against Baylor. It's going to be
top news all over the area, right? The paper will be sure to

make a big deal about it. They'll blow it sky high and say a lot of unnecessary junk like 'suppose it was your kid's glasses that shattered,' or something like that. Anyway, it'll be big news, regardless.

"Now, in all likelihood, the two rockers won't use the story. Baylor is their client and they may say 'it's our policy not to say anything on the air that's derogatory about one of our clients'. The third station has never had Baylor dollars on its air and so they'll romp with this like the paper will. That leaves us.

"As you know, we've always prided ourselves on our news image. We give the community 'all the news that is news', if you'll pardon the cliché. Even if the story would hurt us, we've always had a policy to use it, whenever it's hard news. The policy has been sound and we've never had any trouble with it so far. Of course, we've never run into anything like this before, either.

"I don't think I have to tell you what would happen if we used Baylor's name on the air in conjunction with a libel suit as part of a news story. . . ."

"No," agreed Chet, "you don't have to tell me. I know that bunch. They'd cancel--and they'd cancel quick."

"Precisely! And that's something we can't have happen. We need the billing they bring in. Baylor is one of our biggest accounts. To lose them would hurt us considerably." Bernie Wise sat back down at his desk and put his head in his hands. "Got any ideas?"

Chet wasn't too sure of himself now, but he began in earnest. "Well, first off, do we really have a problem? I mean, as yet there's no suit and Baylor hasn't been mentioned publicly. . . "

Wise looked up at Chet. "Yes, I know," he said. "I know they haven't. But it's my opinion we're going to have a problem very shortly. If Victor thinks that woman has a case, she's got a case. Victor hasn't been wrong yet."

There was silence for a moment. Then the manager reached for his phone. "Let me get Harold Leary in on this. Hold on a second." He dialed two digits. "Harold? Bernie. Listen, can you come up for a few minutes on this Baylor thing? Chet Roberts and I are talking about it now. Right. Come on up now."

Harold Leary was the news director of the station. It had been he, more than anyone else, who was responsible for the news image that had been established at the station. He had won his long fight for a news policy that would be unhampered by restrictions imposed by management, sponsors, etc., and that fight had paid off. The station's news staff was regarded highly in the community and a good news image had become the station's strongest selling point.

Harold Leary opened Wise's door. "Come in, Harold," said the manager. "Chet and I have just gone over the background of this Baylor Optical story. We're ready to suggest some possibilities now and we wanted the news point of view."

"I'll give you my point of view, alright," said

Leary, taking a chair next to Chet. "Assuming this woman

does sue, it's news. Because it is news, and good hard

news at that, it's station policy to air it. Whether Baylor

Optical is mentioned in the story or not has nothing to do

with it. Our news image has been built on giving the people

of this community the whole story, with no editing of the

facts and no editorializing by omitting items. I guarantee

you we won't blow this out of proportion like the paper

probably will--we'll simply report the facts as they happen.

Nothing more and nothing less. That's my position pure and

simple."

Chet was a little angry at the way Leary was so positive in his statements. "Look, Harold," he said, "suppose you run the story and Baylor cancels. That's a hundred-twenty-five bucks a week down the drain."

Leary had known what was coming and he was prepared for it. "You don't know they'll cancel," he shot back.
"You have no possible way of knowing that at all. If you're asking me to lay off the story just because it's hot, forget it! That's like asking me to dump three years of image building down the drain in one day. If I laid off that story, our image would sink faster than a burning battleship. People would hear the story on the competition, and they'd be sure to read it in the paper. Then they turn us in, and, nothing! We don't say a word about it. Sorry, Chet, we're using the story if it breaks."

Chet could see Larry's position, though he could also see the other side. News was important to a station and the news image that would be tarnished by the omission of one story, would stay tarnished in the eyes of listeners to the station for a long time after that story was buried. If people didn't hear a story as important as this one, they would expect not to hear other stories as equally important in the future.

But as important as news was, it wasn't as important as sales to Chet. "Look, Harold," he said, "I know that you've got an image to uphold, but look at this from the sales point of view. The station needs the Baylor business. Without revenue coming in from sponsors, there'd be no money for news or anything else around here. Also . . . "

Leary interrupted him: "If you let one sponsor run your news, it won't be long until all the rest of your clients want the same privilege. Before you know it, the news is completely out of station control."

The news director would have said more, but he was cut short by the telephone ringing. Bernie Wise picked it up. "Yes?" he said. There was a long pause. "You sure of that? How much was it for? When? Ok! Thanks for calling, Benj. Right." The phone dropped into its cradle.

"That was my brother Benjamin who's a judge at the courthouse. Lemen just filed a "\$12,000 suit against Baylor!"

TOP LEVEL DECISION

The main topic of conversation at the station had been the same for months. Ed Rosenblatt was tired of even thinking about it. It got so the problem was with him 24 hours a day. Lately, he couldn't even sleep, worrying about the possible repercussions. The trouble was, there were negatives on both sides of the question. "Wonder why there isn't ever an issue that's all black or all white," he thought as he drove into the station parking lot. "Everything always seems to be shades of grey."

And shades of grey this issue was, for it concerned a policy of editorialization. "Should we editorialize or shouldn't we?" That was the question. As the owner of the station, it was Ed's ultimate decision but he had tried to be as democratic about it as possible. Before he had finalized his own opinion on the matter, he had called in each of the station officials one by one to express their views on the subject.

At the outset, he had expected few difficulties. He had thought the issue was less complex than it was. "Complex! What an understatement," he mused as he walked into the station. He was so absorbed in his thoughts, he didn't even hear the cheerful "good morning" from Miss Lloyd, his secretary. As a matter of fact, Ed Rosenblatt didn't hear much

of anything until he reached his office and found his private phone line ringing.

"Here we go again," he thought, as he picked up the receiver.

It was a staff writer for the local newspaper. "Mr. Rosenblatt," the reporter began, "we've received a report that your station is going to editorialize--going to endorse candidates in the coming election. Would you care to comment on the statement?"

Ed silently counted to ten, then answered slowly, choosing his words with care. "It is true that we've been discussing the possibility, but no decisions have as yet been made. I expect to have some answers later in the day. If you'll check back with us later. . . ."

The reporter wasn't satisfied and he kept pushing for some sort of statement he could use. Ed had handled these types before and he was short with the man. "Look," he said, "I've told you we haven't reached a decision yet. When we do, you'll hear about it. Goodbye!"

The phone was replaced gently. "Well, better begin looking over this stuff again," Ed said half aloud. He pulled a sheaf of papers from the corner of his desk and spread them out in front of him. He first picked up a sheet entitled: "Market facts."

This sheet listed data pertinent to his market. He quickly scanned the facts:

- 1). 49th market in the U.S. Population 300,000 in city. Estimated signal area coverage: 500,000.
- 2). Principal areas of local employment: industry, manufacturing. Population predominantly blue collar and factory workers.
- 3). Mass media: 4 AM radio stations, 1 FM radio station, 1 UHF TV station, plus strong signals from nearby metropolitan areas.

He scanned another sheet labeled "Competition."

Ed had that sheet memorized. It was a personal sore point to him. Of the four local AM radio stations in the market, his was the lowest rated, although recently it had been making substantial gains in share-of-audience figures.

Appealing to an adult, educated group, listeners were more loyal to the station than teen agers were to their stations. Teens would switch stations for no reason at all. Ed's listeners wouldn't, and surveys showed they listened more and listened more intently than average radio listeners.

Budget wise, Ed knew he again was on the low end. He had the smallest budget of the four stations. He also believed he did more with that budget than his competition did with theirs. He had more public service programming, more station-community integration, more listener participation than his competition. He also had better news, especially on local events. It was a natural that if any station in town should editorialize, it would be his.

He wondered if people in the community expected it.

"I doubt it," he thought. "Most probably don't even realize
there is no broadcasting facility in this town that speaks
out on anything."

And Ed knew why. He had recently participated in a college seminar with three other station managers from the area. The four had acted as a panel to answer questions thrown at them by the students. The subject of editorials had come up for discussion more than once. Reasons against a policy of speaking out were always the same. It would cost the station money. It would take too much time. It would require an expert which the station didn't have or didn't want to get. It would involve a lot of paperwork such as filing reports to the FCC, receiving requests for equal time, etc.

The first answer was the most logical, although all were strong. Any time a station stands up for something or somebody, it puts itself in a position where it can conceivably lose money. Should he decide to endorse candidates for political office, Ed knew several things might happen:

1). Sponsors opposed to a policy of editorialization in general could drop. 2). Sponsors opposed to the station's stand on an issue or candidate could drop. 3). Political candidates endorsed on the air might not buy additional paid political announcements, figuring the endorsement was enough advertising for them. 4). Those candidates not endorsed

wouldn't buy spots, preferring instead to take their business to the competition.

"Yes," thought Ed, "the possibility of financial loss is great. But aside from that, and aside from all the other negatives, there are some obvious positives to any policy as far-reaching as this one."

To be sure, there would be some listeners who would be alienated when the candidate they supported was not endorsed. These would, perhaps, tune the station out. The great majority of listeners, though, would welcome a stand by the station. Whether they agreed with the position taken or not, they would, in all probability, discuss the endorsement with their friends and associates. This word-of-mouth advertising was the best possible kind for the station. It would build an audience and most certainly create a very strong community image. Besides, it would be excellent public service and it would look good to the FCC at license renewal time.

In addition to all this, there was a strong possibility that the higher rating obtained from more listeners could persuade new business to come on the station. This could increase billings.

Ed knew that the station had the staff to conduct a policy of editorializing. To be sure, they were not "experts" but they were trained broadcast journalists and leading community citizens who could be expected to give a

fair presentation to every issue. Just as important, these men had the desire to editorialize. They wanted to subject their views to knowledgeable criticism from the public.

These men would have to be paid for their time spent in writing and researching editorials. And a part-time man would be needed to help them in some of their more routine functions. Could the station afford this? "It could," thought Ed, "if we'd be even reasonably certain that we'd get a better rating, or more business, etc. Chances are, though, that we'll actually lose money on the deal for a while." He knew he could never be sure until the program had been tried.

Tom Wilson, the news director, had come up with an interesting idea. Ed thought about it. Tom had said that a station has an obligation to editorialize; that broadcast news is comparable to a newspaper and should accept the same responsibilities as a paper. One of these responsibilities is to editorialize.

"An interesting thought," Ed said to himself. "Maybe it's true. The broadcasting industry does have to begin
exercising its rights some day. It might be just as well to
begin with editorials."

Ed's program director, Roger Grand, didn't see it that way. Roger thought radio should stay out of the newspaper's domain. "They're doing alright with it," he had said yesterday in a conference. "They've got more of a

staff and a bigger budget. This lets them do a lot more than we can ever hope to do. At best, we could only go into this part-way. To come out for or against every issue and candidate in November would require hours of work that I'm not interested in putting in. Personally, I don't feel a need for it, and I don't care to get involved."

This had been a typical reaction at the college seminar. Two of the other station managers had said they didn't want to get involved with editorializing. "I don't have the time. Section 315 makes the whole situation unbearable. I'm sick of accepting requests for equal time." These were a few of the reasons.

It was true. Section 315 of the Federal Communications Act and the Fairness Doctrine were sore points with broadcasters. They required stations to give equal time to opposite points of view and all candidates for the same political office (should time be allowed one candidate). Thus, if one candidate were endorsed for mayor, and there were three other candidates running for that post, the two candidates not endorsed would be entitled to the same amount of time given to the endorsed candidate.

"Could the station afford all this time," wondered Ed? "Would the number of requests for equal time drive listeners not interested in politics away?" There was always that chance.

"Oh, brother!" thought Ed. "This issue isn't grey.

It's as thick as brown mud with all the complications and

considerations that have to be taken into account. But somewhere in all this complexity, I know there's an answer for this station. There's got to be."

"Do we editorialize or don't we?" The question was still unanswered.

THE ANSWER FOR FM

Rick Greve stared at the walls of his office. His mind hadn't been on his job all day. It was his first day back from a two-week vacation in Florida and the young manager found it hard to get back into the swing of things. He kept telling himself that he had to forget Florida and concentrate on the problem at hand. He had spent many hours on the problem before he left for Florida and he was quite familiar with it. The trouble was that it was still awaiting an answer—an answer which Rick didn't have.

Rick Greve had been with Rogo Publishing Company since 1958. He had served as a disc jockey on the companyowned radio station until February of 1965 when he was promoted to the newly-created post of operations director for WEEE-FM. Six months later he had been named manager for FM.

Rick had known that FM was a hard commodity to market to the community, but he had little idea just how hard it would be to gain advertiser acceptance for the station. Rogo Publishing had apparently understood the problems involved in selling FM, for Mr. Rogo had once told Rick that the company was prepared to subsidize the station for up to one year to get it established. But now, fifteen months after separating from WEEE-AM, the station was still losing money and was deeply in debt.

The loss was even more pronounced when records showed that during the period from October through February WEEE-FM made money. This period's profit reflected substantial sales of package deals on local high school and college football and basketball games. Local advertisers felt that sports packages on FM were good buys and were effective in selling their products. When the winter sports season was over, however, sponsors who had purchased packages failed to renew their contracts and business slumped. It slumped so badly that the overall period from February, 1965 until April, 1966 (the station's first fifteen months of separate operation) showed a heavy loss.

Surveys had proven that WEEE-FM had a sizeable audience both for its sports packages and its good music programming. Rick opened his desk drawer and pulled out a map of the station coverage area and a special survey Rogo had commissioned Market Research Incorporated to administer. Results of the survey supported earlier studies.

The city where the station was located had a population of 35,000, but WEEE-FM's primary coverage area encompassed 100,000 potential listeners. Of this number, 67% owned at least one FM receiver. Many homes had two or three sets. Of all the homes with FM sets in the area, 75% listened to WEEE-FM most of the time. The audience was definitely there. The problem was in translating this to the spensor.

Other demographic data showed WEEE-FM's listeners to be far above the national average in terms of income, education, etc. Invariably listeners were adults—adults with more money to spend on consumer goods and services.

Over 50% of FM listeners in the area were found to earn between \$7,000 and \$10,000 a year.

This information looked good on paper and Rick Greve knew it. The figures proved he had a sizeable audience listening to WEEE-FM. Advertisers knew who listened. They had seen the survey results. Most area businessmen listened to the station themselves in their homes or their places of business. Still they were reluctant to buy. Why?

and FM? Rick knew that WEEE-FM didn't have the mass audience that WEEE-AM claimed but those people that listened to FM were "opinion leaders," and people of influence in the community. These were the types of people an advertiser should want to cultivate. There was no other competition in the market except from the newspaper.

The general conservative business climate of the community was probably the primary reason why advertisers were reluctant to go into FM. Rick had talked to the AM sales manager and he knew it had taken a long time to get local businessmen educated to AM radio. It would probably take even longer to get them to buy FM.

FM had always been a hard commodity to sell, especially in a smaller market such as this. A basic reason was that

it required completely new selling techniques and new understandings of the people who listened. FM couldn't be sold like AM radio. A sponsor couldn't buy traffic time on FM. There was no traffic time. To be sure, there were periods during the broadcast day when more people listened than during other times, but they were more spread out over the whole day than the traditional AM designations of morning and afternoon drive time.

Audiences listened to FM more throughout the day and they stayed with a station longer. There wasn't the constant dial-flipping so well-known in AM radio listening habits.

On FM, listener loyalties were better established and a sponsor could be more sure of reaching his audience.

Information such as this was useful to the advertiser but it required him to readjust his thinking about radio.

Successful businessmen were reluctant to change as long as they were making money.

A special problem involved in selling WEEE-FM resulted from the fact that AM, FM, and the town's only newspaper were all owned by Rogo Publishing. Thus, the company had a virtual communications monopoly in the market. Traditional selling techniques of belittling competition to gain acceptance for a new medium wouldn't work here. A salesman couldn't sell FM by trying to undermine confidence in AM or in the newspaper. This made FM sales even more difficult to obtain.

Most of the community businessmen had been advertising in the paper for years. More recently, many had enlarged their advertising budgets or ear-marked funds for radio--AM only. To ask them to further enlarge or alter the budget to include FM would only meet with stiff resistance from many clients. To be sure, this resistance would subside in time, but until then, billings would remain low. These sponsors had to be convinced that FM could effectively move their products.

There were alternatives—different ways to possibly increase billings. Rick tried to distinguish among them. First, of course, the sports packages offered during the winter months had been quite successful. Why not offer more such packages? Major league baseball was a possibility, but the games were televised on a station in a nearby city that was received well in Rick's area. Would people listen to the games on radio if they could watch them on TV? And would local sponsors invest in a package that could be received on another medium in the area?

Another suggestion was that music shows could be packaged and sold to clients. No such effort had been made in this direction at WEEE-FM. Rick knew a special show was always attractive to sponsors. Why not program music like sports? But would advertisers accept music packages as readily as they had accepted sports packages?

Packages had their advantages, the biggest one being that only one or two sponsors were involved in each package

deal. This was advantageous to the sponsor who could become identified with the show. It was advantageous to the station as it cut down the amount of work required of the station staff. With only a few sponsors there would be less copy to write, less bookkeeping problems, less promotion to worry about, etc.

On the other hand, selling package proposals required that a great deal of individualized effort be expended toward getting the business of a few clients. Special sales pitches had to be made and program proposals needed to be thought up for the client. If he failed to accept the proposal and wouldn't buy, this effort would be for nought. The effort would have been directed to only one end. A new proposal would have to be made for a different client concerning a show tailor-made for him.

There was another problem with package sales. When the package was over (as in the case of baseball or football games), a new package must be devised or the sponsor would be likely to cancel. This could mean a substantial loss of revenue all at one time.

Rick knew that another way to increase billings would be to offer discounts on the station's rate card. Sponsors always liked the thought of getting a bargain. Discounts and special deals could allow the smaller advertisers with limited budgets to come on the air and prove FM's effectiveness to themselves.

The trouble was that WEEE-FM's rate card was low to begin with. The open rate on one minute spot announcements for Class A time from 7 AM - 6 PM daily ranged from \$2.50 a spot (for ten spots a month) to \$1.50 a spot (for 50 spots a month). During Class AA time from 6 PM - midnight daily, 10 spots a month could be purchased for \$3.00 each, while 50 spots a month could be purchased for \$1.75 each. These rates had been set low enough in the beginning to allow only a small profit on operations. The station allowed no more than six commercial announcements per hour to interrupt its programming.

Dropping rates further could result in more sales, but they would be sales at a loss. The volume increase resulting from the rate decreases would have to be substantial enough to warrant the lower rates.

This presented another problem. With more spots needed to break even, music programming would have to be interrupted more frequently. Perhaps ten or twelve spots per hour might be run. Would this increased commercial policy alienate listeners? Would they tune away? And would sponsor effectiveness be impaired by the addition of more spots? Rick wasn't sure.

Free plugs and promotional deals could be offered sponsors as a bonus for advertising with WEEE-FM. This could bring in more business. It could also result in some grave headaches for the staff who might have to write, revise, record, and continually update promotions for many

different businesses. This would take time and a lot of effort. Free plugs and promotions could also clutter the air more than the station desired. The FM image could be hurt just as if there were too many commercials.

Rick didn't know the answer to the problem. He did, however, know that Rogo Publishing Company had called a meeting to discuss FM for the following Monday morning.

That gave him seven days to come to grips with the problem.

WANTED: DEAD OR ALIVE

As a management consultant, Chuck Parker was supposed to know all the answers. When radio station managers hired his company to research policy matters or operational procedures or sales problems, he was usually able to come up with one alternative that was better than others. Now, however, he was stumped. He had a problem with only two apparent solutions, both of which were equally attractive.

He actually didn't know what advice to give Leonard Berk concerning the situation. He had thought last night how much easier it would have been if he weren't so conscientious. He could easily give Berk a superficial answer, but his professional pride and sense of honesty wouldn't let him. Berk trusted him and this trust was a necessary and valuable asset to have in the management consultant business.

He could tell Berk that there was no right or wrong decision in this matter, give him the facts, and let him make the final choice, but that wasn't what he was being paid for. Berk was paying him to come to a decision and that he would have to do. He would have to make a recommendation to Berk—a recommendation that either way would ultimately result in the expenditure of a considerable amount of money for equipment and personnel. The decision had to be sound and based on the best available information.

Chuck Parker looked at the problem as given him by Leonard Berk. Berk was the manager of WTTT-FM, which, in eighteen months, would begin to program separately from WTTT-AM. The two stations had been simulcasting programs until the owner, State Broadcasting, had decided that they should be separated. State had left all operational and programming decisions up to Berk.

Berk had been in the broadcasting business for nearly twenty-five years and he was more than capable of handling any problems which arose in the course of a broadcast day. He was more capable than most managers Chuck had known. The trouble was that Berk had never been in on the ground floor of setting up a radio station.

Even without this prior experience, he had made many smart decisions which Chuck felt would pay off. With regard to programming, for example, Berk had decided to be rather conservative and play only adult-oriented music on the new station. To be sure, the whole day would not be programmed alike, but, over-all, the format would be adult.

In the morning, there would be up-tempo popular standards and instrumentals. Around noon, the format would gradually switch toward light classics until 4:00 PM, when dinner music would be programmed. There was classical music scheduled for each evening at 8:00 PM and more popular music at 10:30 PM until signoff at midnight.

It was a good decision, reflected Chuck, that Berk

had made. And Berk had made other equally good decisions with regard to production, personnel, news, etc. His problem came when he tackled music origination.

How should WTTT-FM's music originate? There were two possibilities. Music could be programmed live from records owned by the station or it could be programmed pre-packaged on tape from a company specializing in "customized music" for every format. Chuck had first thought a combination of the two would provide the answer but when he had become fully engrossed in all the particulars of each system, he realized that this wouldn't be practical. In essence, then, there were two choices for Berk.

He tackled live music first. Live music programmed on records from the studio meant several things. First, it meant that the station would have to obtain a large record library containing wide selections of virtually every type of music. This, the FM station didn't have.

WTTT-AM had a record library but this consisted mostly of 45 RPM records and a few albums that were too old and scratchy for use on FM.

A library was an expensive item to establish. It wasn't something a station could just go out and purchase from one or two sources. To establish a complete library, Berk would have to contact literally hundreds of different record companies about supplying copies of their back products. Much of those products wouldn't be available

anymore, and the library would, therefore, be incomplete. Was it worth the time and effort, to say nothing of the cost, that it would take to establish a record library that wouldn't have many of the songs listeners would probably want?

Just the selection of albums for the library seemed like an endless task. What albums would be chosen? What artists? What labels? There were many factors to consider. Each would take a considerable amount of time.

Before purchasing the records, housing for the library would have to be provided. To have cabinets and shelving built for the record library would be costly. There was no way to figure the exact cost but a reliable estimate had been made at around \$400.

To maintain the library and to program the records, two additional staff members would have to be hired. Their combined salaries would be approximately \$200 a week. Once the library was stocked initially, additional purchases of records would have to be made to keep the station up to date on new records. The easiest way to handle the purchasing of new records would be to subscribe to the services offered by the major record companies. These services would cost WTTT-FM up to \$65 a week.

With all of the costs involved, live music had some obvious, and in some cases, unbeatable advantages. The primary advantage was that live music could be programmed

locally to provide a sound which could be tailor-made for the community. This was important for Berk's community was distinct from all other communities. A sound which would be popular in Chicago might be highly ineffective locally. The local organization of records allowed the station the chance to develop a sound designed specifically for the area. There would be more listener involvement and a greater local image to the station if the music were programmed originally by the station. Furthermore, the local blend of music would provide the community with an overall programming sound which listeners could not get on those regional stations whose signals were received in the area.

Live music was also flexible. If a particular blend of music selections did not satisfy large segments of the audience, the format could be altered to achieve whatever sound the station might want. This change could be instituted on very short notice; all that would be involved would be the scheduling of a different kind of records. Should the station desire to play a greater percentage of show tunes during the morning hours, for example, all that would be needed would be the specific records. Substitutions could always be made at a moment's notice, if necessary.

In addition, requests could be honored by playing records locally. If listeners had favorite selections that fitted the format, their requests could be inserted in the schedule in place of other records. Thus, there could be more community participation in the programming.

Chuck looked at the information which he had available on taped music. There were several big disadvantages. The major drawback was that the station would have to spend a considerable amount of money to purchase the automation which would be required to play the tapes. Necessary equipment would include a giant complex of tape decks, a time clock to automatically stop the tape at selected points in order to insert local commercials and station announcements, and several cartridge machines to hold the spots, ID's, etc. Estimates on the cost of this equipment ran from \$10,000 to \$14,000. This would be a sizeable outlay for the station.

Control over the programming of musical selections was out of the hands of the station if automation were installed. The tape wouldn't allow for requests and the format of a program couldn't be changed if the necessity arose.

Taped music was inflexible.

In Chuck's mind, the worst part about the automated service was that it was mass produced. The tapes were made in New York and distributed to some one-hundred different stations in all parts of the country. Any station subscribing to the format which Leonard Berk was considering, would receive the same tapes; yet each station and its own market was unique unto itself. The tape wasn't localized. It couldn't be. Would this make a difference to the listeners in Berk's community?

Another problem with the tapes was the mailing procedure involved. To be sure, the company would pay for all

mailing and shipping charges, but WTTT-FM would be faced with the physical handling of the tapes: picking them up at the bus station, unpackaging them, scheduling them, using them, repackaging them, and returning them to the bus station.

This would take a considerable amount of time. Would another staff member be needed?

Still another concern was the machine itself. Was the "monster" infallible? Should it break down, what would the station broadcast until it was repaired?

With these disadvantages, however, came several important advantages. To begin with, automated music programmed on tape was convenient. The day's schedule of music was planned ahead and well-balanced. It was programmed by professionals whose business it was to program music and it eliminated the need to program and handle records locally.

Secondly, the taped service was economical. After the initial expenses for equipment, the total cost to the station per week was but \$50. All expenses involved with the mailing of the tapes were borne by the company. The station paid no postage and freight charges whatsoever.

Thirdly, the automated service was dependable.

Tapes of the highest quality would arrive at the station one week in advance of the time when they were to be aired. Programming would always be consistent. No records of inferior quality or questionable taste would be played.

Efficiency was, perhaps, the biggest advantage of the preprogrammed taped service. Automation eliminated the

need of handling records locally and helped keep personnel to a minimum. Thus, money could be saved on salaries.

The crux of the problem was outlined in black and white before Chuck. He tried to translate it into terms of WTTT-FM's position. State Broadcasting had the money to establish a library or to purchase the automated equipment, whichever decision was made. The only concern was that the money spent should yield the best return for the dollars invested.

The whole issue became a question of taped programming versus live music. Which would it be? Chuck's assignment as a management consultant required that he give Leonard Berk an answer.

SWEET SMELL OF SUCCESS

It was an atypical radio market. Within the boundaries of the market itself there were but two radio stations, yet there were five stations showing substantial ratings in surveys. Of the three stations outside the market, two were 90 miles away; the third was 75 miles away.

wrr, located in the heart of the Ellet market, was a strong number one on all surveys. It had always been that way, and there were many reasons for the dominance. To begin with, wrr had been on the air for ten years before wsss began broadcasting. It had always been strong on local news and community involvement and people in the Ellet area recognized this. It was almost a reflex action to tune to wrr.

Even when WSSS went on the air in early Spring three years ago, WRRR retained its dominance. Ratings even showed an audience gain for WRRR in some time periods of the day. To be sure, WSSS had some listeners in the Ellet area, but these listeners came mainly from those people who had listened to one of the other three stations outside the market or from the people who had never used radio to any great degree. WRRR's listeners remained loyal to the station. Surveys proved that over 50% of the audience in the market listened to WRRR. During morning traffic time, ratings had recently

soared as high as 58%. Clearly, WRRR was number one.

As the radio market was atypical, so Ellet itself was atypical. It was an industrialized community of 50,000 people nestled within four large metropolitan communities not far away. There had been little population growth in Ellet in recent decades, yet business was booming. Two new suburban shopping centers had recently opened for business and there were rumors that a major automobile company might decide to build a plant just outside the city.

The community was made up of people in all socioeconomic classes but the bulk of the population was blue
collar. Most families worked in one of the several big
manufacturing plants in or near the city. People who lived
in Ellet loved the city and seldom moved away. They formed
a tightly closed society not outwardly friendly to those not
familiar with the area. Indeed, those people moving in from
outside Ellet often chose not to remain as it was difficult
to get acquainted and adjusted to local ways. Ellet was
totally involved with itself.

WRRR had been able to capitalize on the town's unique and conservative characteristics. The station went out of its way not to offend or be controversial. The programming was a carefully-tested balance of news, sports, and good music designed to appeal to everyone. In a word, the station was "conservative."

The image that had evolved over the years had reaped dividends many times over in terms of listeners and revenue.

WRRR and Ellet were integrally involved. They were almost synonymous. The result was that competition found the going quite rough.

When WSSS announced it was going on the air, many people who knew the radio market in Ellet predicted it wouldn't last a year. To be sure, the going had been rough for the new station, but after three years and two format changes it was doing as well as could be expected. It was thought that WSSS was just about breaking even financially.

WRRR's station and sales manager, Dick Grosby, was glad he was with WRRR and not WSSS. "The problems at that station would probably be tremendous," he thought. "That isn't to say that we don't have problems, though. We have just as many as they do, but ours are of a different kind."

One problem Dick knew WSSS didn't have was the overcommercialism which characterized WRRR. It was getting so
that business at WRRR had to be turned down for lack of
availabilities. Nowhere was the problem more acute than
during the morning and afternoon drive time slots. There
were virtually no openings at all for spots in those periods
of the day. Even during the remainder of the day there were
but limited availabilities.

Dick had accepted a telephone call just fifteen minutes ago that typified the station's predicament. The advertising manager for Cardinal's Department Store which had just opened in the new Summit Mall had wanted ten spots a day for a week. These were to promote the "Grand Opening"

Spectacular of Values" to be offered by Cardinal's during their first two weeks of business. The spots were each to be one-minute in length. The store manager had asked for three per day in morning traffic time, four per day during afternoon traffic time, and the rest to be scattered throughout the remainder of the broadcast day.

"I'll bet WSSS wishes it had advertisers call for spots," thought Dick. "Instead they have to go out and work for business. We just wait for our phone to ring."

Of course, not all business came in that way, but there were a surprising amount of orders called in to the station. The unfortunate thing with the Cardinal's offer was that it couldn't be accepted. WRRR had no available commercial slots in peak listening periods for the following week. When told of the situation, the manager for Cardinal's said he would take his business elsewhere.

Dick Grosby's problem, like the city and the radio market, was atypical. What to do with the sponsors who wanted airtime that WRRR didn't have? This was the question.

There were several possible answers but none were completely satisfactory. One answer was to raise the rates charged for spots. This would cut down on the number of advertisers but could produce approximately the same amount of revenue for the station. Many sponsors would not renew contracts at the higher rate. This would allow availabilities for those who really wanted or needed to get on the air.

The station would have more of the larger businesses and less small businesses which could not afford to advertise at the higher rate.

At first glance, this had seemed to be the logical solution. After studying the implications of this course of action, though, Dick had some doubts. There was always the possibility that too much business could be lost through the rate increase. In addition, many merchants might not feel the increase was justified. This could create ill will toward the station.

Program quality would certainly improve for, with less commercials, there would be more time for the substance of the program. Listeners could hear more news, more sports, and more music.

Another problem involved with this possible solution was the fact that all advertisers had to be given a year's notice of the rate increases. Any new business coming on the station after the increase would be billed at the new rate, but all old business could continue for a period of one year to advertise on WRRR at the older, lower rate. Thus, there would be a delay in getting more time available for sponsors like Cardinal's.

There was another possible answer to the problem.

Perhaps more commercials could be inserted into each program.

WRRR had been limiting the number of spots per hour to the

NAB recommended maximum of 18. But why not go up to 20 or

22? It would mean Cardinal's could get the package it wanted and WRRR would have the additional revenue from the spots.

The disadvantage to this suggestion, perhaps, was best expressed in terms of the FCC. Because the Federal Communications Commission had recently been taking a harder line towards those stations which exceeded the NAB commercial limits, there was the chance that WRRR might be fined for exceeding the limit. Worse than that, the station might lose its license. Was the risk worth it?

Of course, WRRR could always refuse to accept the client's business, attempting to explain the fact that it had no commercial availabilities. This might mean, that, as in the case of Cardinal's, the client would take his business to WSSS. Could WRRR get the business back when openings became available?

Still another possible suggestion was that WRRR could ask the client if he would accept another time period for his spots. This would be a cheaper time period, but the cost in relation to the number of people listening would be the same. Thus, the sponsor would be getting the same relative value for his money. But would advertisers accept this? Would they run spots in time other than prime times?

It was an atypical problem and it needed an answer.

THE ART OF PROMOTION

The big decisions had already been made. It had taken three weeks of endless meetings, conferences, luncheon appointments, and telephone calls but now rough plans were in order. The top management of Wallace Broadcasting Corporation had returned to St. Louis and with them had gone much of the confusion so apparent for the last few weeks. That was not to say that KBIL was back to normal. strict sense of the word, "normal" would never return, for the station had a new manager, a new program director and a completely new air staff. All former employees in those positions had been released. Other off-the-air personnel were generally unchanged. They were the ones who noticed the partial return to normal when top corporate management had left. The others didn't notice for they hadn't been at KBIL before corporate management came to visit. Indeed, they owed their new jobs to the top officials of Wallace Broadcasting, Incorporated.

The basic decision that had been made at the three weeks of meetings was that KBIL would undergo a format shift from a conservative good music station to a teen-oriented "hard rocker." The date for this "big switch," as it was heralded in papers and on billboards, was to be set for Monday, October 12.

For years, KBIL had been known in the metropolitan area for its adult image and its conversatism. But recently, ratings had been falling and billings had been dropping off. Wallace Broadcasting officials, fearful that the trend might continue, had called a series of top level conferences to discuss what to do. Out of those conferences had come the decision to try to build a new image. For that new image, a new air staff and new management would be needed for the station. The officials had recruited top broadcasting people all over the country for the change. From a competing station in St. Louis, Wallace Broadcasting hired one of the top managers in the city in Jack Sanders. Eddie Gale, the new program director, had come from Miami, Florida. Gale and Sanders knew each other; they had formerly worked together in Buffalo, New York, when both had been just out of college. Similarly, all the new air staff had been recruited from top markets across the country.

Eddie Gale and Jack Sanders had just ended a three-hour conference in Sanders' plush office. The two had met to finalize plans for promotion of the new sound. It had been decided long ago that money was of little concern in the switch. It was important to get the new sound into as many homes and cars as possible and as fast as possible. This meant promotion and a lot of it.

Sanders and Gale had agreed on most of the new promotional ideas. They had liked the idea which had

been advanced by one of the new disc jockeys. This called for the station to take tape recorders to many of the important local and state officials in the area and ask them to record 15-second promotional announcements "congratulating" KBIL on its new sound and wishing it good luck. Gale had suggested the idea of expanding this to include "congratulatory" announcements from many of the popular recording stars appearing at clubs in the area.

Much of the time this morning had been spent in listening to jingle packages and trying to select one for the station. Jingle packages were expensive and both Sanders and Gale wanted to get the most for their money. They finally decided on a package from a well-known New York firm which had a thematic which emphasized "The New Sound of Big Bill."

Another important decision had been reached this morning. The two station executives agreed that one week prior to the change, the station's conservative image would be dropped. In its place, the disc jockeys would play 24 hours a day of "cldies-but-goodies" back-to-back. There would be no news on the station and no personalities whatever during the week. After every record, a 10-second promotional announcement would advise listeners that:

"It's coming. The big, bright new sound of Big Bill.

Monday October 12. Keep listening." Sanders and Gale both felt this would add excitement to the change and could get

area listeners talking about the station all week before the new format was put into effect.

Sanders and Gale disagreed on one point concerning promotion. Both were all for the station image of "Big Bill" but Gale wanted to carry the image over to the personalities themselves. He wanted to do this by naming each disc jockey "Bill." The morning man would be called "Bright Bill" with other staff members accepting titles of "Wild Bill," "Buffalo Bill," "Bouncin' Bill," etc. Each man would use his own last name.

Sanders was not at all sure he wanted to promote the "Bill" image that much. He saw several objections to it. His biggest objection was that KBIL's new format was hinged on personalities and he wondered if each air man's personality would suffer under the common label of "Bill." Would listeners become confused as to who was on the air?

Was it fair to the disc jockeys to be branded with the name "Bill?" Would they be able to work with the title as well as they could with their own names?

And what about their professional careers? Disc jockeys build an image on the air in a community. When they move on to other stations in other markets, they are often hired on the basis of the image they had achieved at their former stations. Their new employer would naturally expect them to further develop this image and expand it so that they would become stronger personalities. With the "Bill"

label, would the disc jockeys have to start over in a new market with a different image? Would they be able to find jobs when prospective employers learned of the "Bill" image? These were questions to think about.

There was another problem inherent in the "Bill" concept of branding the disc jockeys. This problem became apparent off the air, in each disc jockey's personal life. Since most of the air personalities were outgoing and active, most could be expected to join community activities. One might be in the Chamber of Commerce, another in Kiwanis, etc. Ordinarily, with their real names, most disc jockeys would be recognized as parts of the radio station. Their names would have become familiar enough to the community so as to afford them recognition whenever they joined groups or took part in activities not associated with the radio station. This provided a more personal involvement between the air personalities and the community and, at the same time, was an excellent way of promoting the station and associating its staff with community affairs.

If the personalities used the "Bill" label on the air and assumed their real names in private associations, would people recognize them as being with the station?

Would the station get the benefit of the men's organizational ties or would it lose the chance to become associated with the community through a lack of identification of its air staff? Would the disc jockeys themselves get the kind of listener feedback they would be likely to receive if

people immediately recognized them as being with KBIL?

Sanders had to admit, though, that the "Bill" image did have some obvious advantages. It was, as Gale had pointed out, the best possible form of on-the-air promotion. Every time the disc jockeys said their names, the call letters of the station would be reinforced. It was a natural tie-in, one that listeners should easily remember.

And Gale predicted that the "Bill" image would prove its worth at rating times. Most surveys required that a listener be able to identify the station and the show he was listening to at any given time. With KBIL, the call letters, and "Bill," the disc jockey, the one word would suffice for both. If a listener said he was listening to "Bill," he would be given credit for listening to KBIL and whichever Bill happened to be on the air at that particular time. Thus, it would be easier to get ratings than if the person had to remember he was listening to "The Jack Ryan Show on KMMM."

It was certainly true that the "Bill" banner provided an extra touch of showmanship. Both Sanders and Gale believed that showmanship was one of the keys to a successful top-forty operation. This might provide the extra spark to make the station truly successful.

Further, the "Bill" image had another advantage.

Should an on-the-air personality decide to leave the station, it would make personnel changes exceedingly simple.

Air continuity could be guaranteed even during the switch. If a disc jockey decided to leave KBIL, his show could be promoted as the "Buffalo Bill Show" during his final weeks. His last name would be stressed as little as possible. When the new man took over for the departing disc jockey, he, too, would become "Buffalo Bill," and the show's title would not be changed. Eventually, the new personality could begin to use his last name as part of the show title. Most listeners wouldn't even recognize the change in personnel, according to Gale.

In considering whether to accept or reject the "Bill" image for use by the disc jockeys at KBIL, Sanders wanted to be sure that he did what was in the best interests of the station. At the same time, he was concerned about his decision's effect on the men who would have to use the titles. The manager had scheduled another meeting with Eddie Gale for this afternoon to discuss the matter further. He would have to come to a decision on the matter at that time.

FLUORIDATION AND THE PHONE CLUB

"The Phone Club" had been on the air from 7:30

PM to 9:00 PM Monday through Friday on WWWW for seven

years. It had grown steadily in popularity. Recently, it

had been attracting audiences almost as large as those during

prime-time afternoon hours. The show's format was basically

very simple. Listeners called in and talked to the announcer

handling the program about topics of interest to the com
munity.

Far from being a watered-down program which would offend few listeners, "The Phone Club" was just the opposite. Its 90 minutes each evening were packed with controversy. Indeed, the program was <u>designed</u> to be controversial and its audience had been built on that basis. Topics covered on "The Phone Club" included such problems as: "Should the U.S. engage in a race for the moon?" "Should the city increase the school bond levy?" "The pros and cons of Medicare." "Are American automobiles really safe?" "Do we need a new sewage system?" "American sex morés." "Quality of education in our city's public schools."

Topics were chosen on the basis of their immediacy and their applicability to large numbers of WWWW listeners.

Not all topics had to be controversial, though by far the largest number of topics discussed on "The Phone Club" were.

Generally, if a topic were current and also important to the city and community, it would likely be discussed on "The Phone Club."

WWWW assumed the responsibility for choosing the topics for discussion on "The Phone Club." Topics were assigned a week in advance and were promoted throughout each broadcast day so that listeners would be aware of what subjects would be covered on which evenings. Any person who was interested could then call in to the station and discuss the topic with the moderator.

On Friday of each week, WWWW opened "The Phone Club" to any topic which anyone might wish to discuss. Thus, a Friday program might conceivably consist of a hundred different topics all in one evening. This was done to allow interested persons to express themselves on topics not covered during specific programs.

Each evening, the moderator stressed to the listening audience that callers were restricted to three minutes on the air at any one time. Furthermore, listeners were advised not to call more frequently than once a week. The operators who answered station phone lines during "The Phone Club" asked each person who called to give his name. Lists of participants who called in were made and checked from week to week. Any person calling in more frequently than allowed by WWWW was told that his call would not be put through to the moderator of the show. Thus, those

persons who wished to monopolize the program were kept from doing so by having their calls stopped by an operator.

There were several other programs at WWWW patterned after "The Phone Club." In the morning, "Phone Potpourri" featured call-ins which gave recipes, lost and found items, household hints, etc. Early in the afternoon, "For Women Only" featured noted guests who spoke on problems of interest to women. After the guest was finished with his prepared remarks, phone lines were opened and listeners could address questions to the guest. All of the phone programs had been quite successful and had helped boost WWWW's image.

In September, a problem arose with regard to the call-in show. During the summer months, a topic of major interest to the community was a concern over the possible fluoridation of the city's water supply. The city council had passed a resolution in the latter part of July authorizing fluoridation. A majority of the townspeople were for this, but those against the resolution had banded together into a group known as the Anti-Fluoridation League. The Anti-Fluoridation League had caused much controversy over the proposal and had circulated petitions asking that the issue be brought to a vote in the November election. Enough petitions were signed so that the issue was included on the ballot.

The management of WWWW recognized the Anti-Fluoridation League as one of the most vocal groups in the community. While most of the people in the league were well-meaning citizens who were entitled to their beliefs on fluoridation, a few of the leaders were trouble makers who delighted in stirring up controversies. These leaders asked their group to "take over" "The Phone Club" on Friday evenings when no topics were assigned by the station. By calling the station in large numbers, the members of the group could effectively dominate an entire evening's program with their point of view by tieing up the phone lines so that few persons other than those in the Anti-Fluoridation League could get on the air.

Management saw a potentially dangerous and explosive situation in the making if the Anti-Fluoridation League was able to do what it wanted. Officials of the station decided to adopt a wait-and-see attitude. They could do little else until the group actually took over a program.

On Friday, September 7, listeners to "The Phone Club" heard the entire program taken over by the members of the Anti-Fluoridation League who kept phone lines tied up for the full 90 minutes that the program was on the air. No other topic was even posed that evening and no profluoridation callers were able to get into the station switchboard.

The same thing occurred on the two succeeding Fridays. Apparently the Anti-Fluoridation League was going to try to take over "The Phone Club" each Friday until the

election. To date, they had been doing a good job of it.

Station management decided that it had to act to stop this. The community was receiving a totally distorted view on the issue of fluoridation. What could be done to insure that "The Phone Club" would not be dominated in future weeks by the Anti-Fluoridation League?

There were alternatives. One possibility was that the issue of fluoridation could be prohibited altogether on succeeding Friday programs. This would end the domination of the show by those against fluoridation but it would also leave the city with an already very biased presentation of the issue. Management believed that the people in the community had a right to know the facts on fluoridation—both pro and con.

If the subject of fluoridation were dropped from the program, the Anti-Fluoridation League could stir up a great amount of trouble for the station. The League could promote a letter-writing campaign to WWWW asking why the subject had been dropped. This would require time and effort to reply to each letter. An even more frightening possibility was that someone might write to the Federal Communications Commission accusing WWWW of censoring material on the air by not allowing a "free discussion" on a topic of interest to the community at large. This could result in a lengthy hearing on the matter and WWWW

officials then would have to spend a great deal of time arguing the case for the station. Management was not at all interested in the possibility of a hearing. It would involve too much time, effort, and money.

A possible solution was that WWWW could accept an anti-fluoridation call but then ask the people who were pro-fluoridation to call in and express their views. This might be effective in getting the other side to call but would pro-fluoridation callers be able to get in to the station switchboard? Could supporters of the Anti-Fluoridation League keep phone lines so tied up that others couldn't get through? Or would a concerted effort by groups supporting fluoridation result in some calls breaking into the "phone blockade?"

There was another possibility. Perhaps a topic could be assigned for "The Phone Club" each night during the week instead of just on Monday through Thursday. Thus, the Friday program would be structured around another topic and calls on flucridation wouldn't be accepted. This change could stop the domination of the show by the Anti-Fluoridation League. But would the group continue to call station operators and tie up lines so other subjects couldn't be discussed? And was this change fair to those listeners who had topics for discussion which weren't on the schedule? There would be no time for these people to express their views on these subjects during the other programs.

A final suggestion for alleviating the situation was that "The Phone Club" could deviate from its intended format on the two successive Friday evenings prior to election day. Spokesmen could be selected to represent the opposing sides. Each could speak for his side and then the phone lines could be opened so that listeners could question the speakers. The Anti-Fluoridation League would be scheduled for the first Friday; the pro-fluoridation group, for the second Friday. After the two special programs, no further mention of the issue would be permitted on other programs.

It was possible, management realized, that the Anti-Fluoridation League might try to again dominate the programs with their views, but, at least, on the final Friday, the profluoridation group would have a spokesman on the air who could refute charges made by members of the league.

The question was whether the Anti-Fluoridation League would participate in the program at all. If they did consent, would they want the second program rather than the first?

The final Friday was closer to the election and could be presumed to have a greater advantage than the first Friday.

Management, however, decided that whatever the stand of the Anti-Fluoridation League, it should not be allowed the final date since it had so completely monopolized "The Phone Club" for so long. The pro-fluoridation group needed some advantage. Would the Anti-Fluoridation League refuse to participate in the program if it couldn't have the second

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Friday? What effect would this have on the intended twopart series on fluoridation?

The management of WWWW was faced with an important decision. The decision affected not only an important issue in a coming election but it also could affect the future of "The Phone Club" as an informal and unbiased informational program. It could also threaten WWWW's long standing image of fairness in the community. Some sort of decision was imperative.

THE UNION SHOP

Unions had long been sources of bargaining power in negotiations with management teams at the various stations in the city where WAAA was located. WAAA was heavily unionized, and management had, in the past, often tred lightly when union toes could conceivably be stepped on. For the past several years, however, union-station relations had relaxed somewhat so that conditions were more favorable for increased understanding of each side's position. Both management and union officials realized that to reach their desired objectives they would have to work together.

The union contract with WAAA stated that whenever a dispute should arise, the union had seven days after the incident took place to file a grievance report with the station. The station was then required to answer the union's grievances within seven days after receiving them. If the dispute could not be settled between union and station officials meeting privately on the matter in question, arbitration proceedings would begin. If either side desired arbitration, proceedings had to be started within seven days after the grievance charges had been answered.

Assuming that arbitration was requested by one or both of the parties to the dispute, station representatives and union officials would meet with an arbitrator whose

official function would be to interpret the contract and try to solve the dilemma. Both parties had to agree to accept the decision of the arbitrator.

If the deadlines specified in the union-station contract were not met, arbitration was not mandatory. If the dispute had to be settled and one side did not wish to arbitrate, the two parties were required to go to court. Court proceedings were usually not favored, except as a last resort, by either the union or a station. They were costly and time consuming and, often, the ruling resulting from such proceedings was satisfactory to neither side.

Just the threat of initiating court proceedings on an issue that seemed insoluble was often enough to bring the two parties to agreement outside the courtroom. Those few rulings that did find their way into court were usually not welcomed by any of the parties to the dispute, even the side that began the proceedings. Taking an issue to court was definitely an action undertaken only as a last resort.

WAAA was involved in a dispute now that threatened to resolve itself in a courtroom. The management of the station had done nothing to provoke the action. They felt they were entirely in the right, yet still they disliked the idea of possibly going to court to settle a matter involving a station employee. It was an odd situation that had developed, but one that, nonetheless, needed a decision.

The problem began ten weeks ago when Bob Harper had

been fired from WAAA for insubordination to a superior. The young announcer had lost his temper and had sworn at the program director. This wasn't the extent of Harper's difficulties with WAAA, though. He had been called in several times in recent months for not showing an interest in his job. His air work had been suffering and management was concerned. They had warned Harper that if his attitude and his program did not improve, he would be fired. Harper ignored the warning. His insubordination to the program director resulted in his dismissal from the station.

As soon as Harper learned he had been fired, he called the union and related his grievance. Backing him up completely, the union filed a complaint with WAAA within the seven day period. In its report, the union asked the station to give Harper severance pay. Severance pay is an amount of money given to a dismissed employee to enable him to be able to afford to spend time looking for a new job. Usually it is equal to several week's salary.

The station answered the union's grievances the day after receiving them. In its reply, management said WAAA would give Harper a full six weeks' severance pay. If this offer were accepted by the union, the issue would be closed.

When WAAA's answer to the grievance arrived at union headquarters, it became misplaced and was not acted upon for three weeks. This was long after the stipulated period of seven days in which arbitration could be requested.

Almost four weeks after sending its answer to the union, the general manager of WAAA received a letter from one of the top union leaders in the city. The letter asked the station to submit the Harper case to arbitration.

Legally, the time limit for arbitration had expired long ago. Now, however, the union was asking the station to arbitrate the dispute regardless of the exceeded deadline. The union had been negligent in not filing a request for arbitration within the required seven day period. Should WAAA allow arbitration or not?

Technically, the station was under no obligation to arbitrate. The contract was quite explicit in its statement that disputes not submitted to arbitration within the specified time limits did not have to be arbitrated unless both parties agreed. However, if the station decided to interpret the contract strictly and refused to arbitrate, the union might also strictly enforce the contract in regards to many other matters such as news, production, engineering, etc. Strict union interpretation of the contract could result in increased costs or inconveniences for WAAA.

For example, the union contract stated that newsmen were not allowed to edit their own beeper phone tapes. For years, however, neither the union nor the station had interpreted this clause literally and it was a common practice for newsmen at WAAA to do their own editing. If the union took a strict approach and interpreted the contract literally,

newsmen could no longer edit their own tapes and an engineer would have to be assigned to the newsroom to handle such functions. This would mean another salary cost for the station.

In the area of production, the union could be equally as strict. It could require separate engineers to handle records and cartridges. One engineer was responsible for both now. If the union desired, it could probably force WAAA to hire two engineers for each one now employed. Similarly, there were other areas where strict interpretation of the contract would not be in the best interests of WAAA.

Further, if WAAA refused to arbitrate, the union could threaten to take the case to court. While the management of the station felt it was in the right and could easily win any court decision on the matter, it did not want to get involved in a lengthy hearing. Court proceedings could go on for days and would be quite costly.

there was always the chance that it could lose heavily through the decision which might be rendered by the arbitrator. The arbitrator might say that Harper should be retained by the station or that his severance pay should be increased substantially. This kind of decision could hurt the station. It could force WAAA to pay to Harper a greater amount of pay than would ordinarily have been given or it could force the station to retain an employee who already had been fired.

Another factor to consider was that the union might interpret WAAA's decision to arbitrate as a sign of weakness. Would union officials think that because the station gave in easily on the Harper case, it would give in easily on other future matters? Would they think WAAA was afraid of the union? Such union attitudes could seriously inhibit future bargaining practices.

There was a decision to be made. Should WAAA agree to arbitrate the Harper case with the union? Much more was at stake than just the answer to that question. Station officials needed to make a decision.

WANTED: ONE PRODUCTION ENGINEER

Don Johnson looked at the union contract lying on his desk. It was very specific--much more specific than he would have liked, but it had been accepted by both the union and his station. Whether he liked it or not, the contract was binding. It could not be changed for two years.

The basic problem in the contract involved jurisdiction--which employees could perform what tasks? Under
the old contract there had been a small amount of flexibility.
Employees had often performed tasks which they were not
technically allowed to perform under the provisions in the
contract.

The new contract allowed no such flexibility. Each task involved in the operation of WGGG was carefully defined and assigned to an engineer, an announcer, or a newsman. The contract was jurisdictionally binding. An announcer was not allowed to act as an engineer; an engineer could not announce. The union had the power to enforce the contract to be sure no one performed a task in an area not assigned to him under terms of the contract.

For example, one clause in the contract required that an engineer be present in the station's mobile unit to operate the two-way radio. All that was involved in the operation of the radio was turning the unit on and off. A

A newsman or an announcer broadcasting a remote report could easily have operated the radio himself, but the union rules specified that an engineer must be assigned this function. Thus, for all mobile news reports and on-the-spot coverage of community events, two persons were required in the mobile unit: an announcer or newsman and an engineer.

In the area of production, the union was also jurisdictionally binding. One of the major stumbling blocks to contract agreement had been the issue of production.

The union had wanted a full-time production engineer for all production work; WGGG had wanted a combo operation where an announcer would run his own board when recording spot announcements, making production aids, etc. Under the terms of the cld contract, WGGG had been able to use a combo operation for most of its recordings. When a particularly difficult recording was needed, an engineer was asked to run the control board. Usually, though, one man (the announcer) worked in the production studio alone.

The union and the station had finally agreed on the new contract. With regard to production, the terms of the new contract said that an engineer would be utilized for production but this man did not have to work in production full-time. This meant that WGGG could either hire a full-time production engineer or make use of the engineers now employed by the station.

The production facilities at WGGG had been designed

originally for a combo operation. Nonetheless, there was a small, sound-proofed booth in one part of the production studio in which an announcer could work if he were using an engineer.

The production studio was located next to the main control room at the station. Thus, any engineer on duty in one room could easily oversee operations in the other. It was only a matter of fifteen steps from the audio console to the production board.

At the time WGGG and the union agreed on a new contract, the station employed five full-time first-class engineers. Three of these engineers were audio operators. That is, they operated the audio console on the air. During their eight-hour shifts, they were responsible for running the board for each announcer, playing cartridges, commercial ET's, and watching levels. In addition, they had to take transmitter readings twice each hour.

The other two engineers were primarily engaged in maintenance and repair work, although they were responsible for operating the audio console on the weekends.

Many times in the past, the audio engineers had helped with production work. They had done this while working the audio board. In effect, they had been performing two jobs at once. Though they had done this only when an announcer specifically requested their help in production, the arrangement had worked out quite well for the station.

It was Don Johnson's decision now whether to have the engineers now employed as audio operators also work in production or hire an additional engineer to handle production chores.

The manager knew that production was an important part of station operations. It was necessary to utilize production techniques on commercials, IDs, disc jockey intros, on-the-air station promotions, etc. Each time a sponsor wanted production music, stingers, or attention-getting intros for his commercial copy, the production studio would have to be used to make the recording and put it on a cartridge. In Johnson's opinion, production made the station sound "alive." To be sure, production was one reason why WGGG maintained higher ratings than its competitors. Other stations in town had little, if any, recorded production. Production made a big difference in the "sound" of a station. Johnson needed to be certain that production quality would be maintained whatever his decision.

If he decided to hire an additional engineer for the production studio, Johnson knew he would have to incur the expense of an additional salary. The station could afford the expenditure if it were necessary, but was it really necessary? Hadn't the engineers done production work while operating the audio console in the past?

Johnson wondered if there would be enough production to keep a full-time production engineer busy. The station couldn't hire a part-time man because the union wouldn't

allow it. An engineer would have to be paid for full eighthour days. Would there be enough production work to require a full-time engineer?

Could the station find a man competent enough to do the job? Johnson had spent almost four months trying to replace the last engineer who had left the station. Good engineers with first class licenses were hard to find.

There were definite advantages to hiring an additional staff member to work solely in production. To begin with, all production chores would be concentrated during one eight-hour period of the day. One man would be in charge of all recording and all repair and maintenance work that involved production equipment.

With but one engineer in charge of production, there would be no overlapping effort with regard to several engineers trying to repair the same equipment. One man would know what tasks needed to be completed and which had already been completed. The other engineers would be freed from production duties and they could concentrate on other functions.

If Johnson chose not to hire an additional engineer for production purposes, he could make use of the existing audio engineers. During the newscasts and records, the engineers could step from the audio console to the production studio and record production materials. They had the time to do this. WGGG had proved this in the past. But did the station want to make this a permanent policy?

The union would not object to having the audio engineers perform production duties. But was a policy such as this in the best interests of WGGG? Could the quality of production be maintained at the same time that an engineer was running the audio console? Would the engineers object? Would they dislike having additional duties imposed upon them? These were all important questions that needed answers.

It would probably take longer to do production work if an engineer were also operating the audio console than if he were doing nothing else. But because some engineer was on duty all the time that the station was on the air, wouldn't there be more production time available overall than if one full-time engineer were hired for an eight-hour shift?

Johnson tried to list some of the more important advantages to the use of an audio engineer for production work. First, of course, there would be no additional salary which would have to be paid. Secondly, there would be a better utilization of each engineer's time and talents by having him responsible for production as well as for audio. And production materials could be recorded at any time an engineer was on duty, not just during certain hours of the day. Thus, more production could be undertaken.

There were advantages and disadvantages to each of the two alternatives. If Johnson decided to hire an additional engineer, he would have to begin looking for a man right

away. If he decided to utilize the engineers now employed by WGGG, he should begin this policy when the new contract officially became binding. This date was less than two weeks away. Johnson needed to make a decision and act upon it.

THE REMOTE AFFAIR

Plans were finalized, the contract was signed, and everything was ready to go. Advance publicity for the event had been out for over a week. There were posters almost everywhere—on signposts, in store windows, on city busses and in taxis. On—the—air announcements were being run on WNNN as often as twice an hour.

WNNN had prepared and distributed all the advance publicity. It was part of a package deal agreed to by the station and The Camper Trailer Sales Company. The whole plan had been conceived by Eddie Schenkle of Camper Trailer Sales. Robert Wylie of WNNN had suggested refinements and additions to the promotion.

The major purpose of the promotion was to sell camper trailer outfits, although the nature of the campaign would create excitement on the part of WNNN's listeners and would probably result in excellent publicity for the station.

Details of the promotion were on a mimeographed sheet in front of Wylie. On Friday evening, June 30, WNNN would begin the promotion with a giant caravan which would leave the station and would travel around the city. Beginning at 5:00 PM, the caravan would consist of all the station's disc jockeys who would be riding in convertibles. In addition, there would be two trucks, one carrying a band, the other

with cheer leaders from the various high schools in the area.

Any townspeople who wished to join the caravan could do so
at any point along the route by simply following in their
cars.

The caravan was scheduled to last for ninety minutes, winding all through the city and finally ending at The Camper Trailer Sales Company showroom at 6:30 PM. Live reports from the caravan would be broadcast on the air from start to finish. When the caravan reached the camper trailer lot, one of the station's disc jockeys would begin remote broadcasting.

"Dapper" Don Williams, WNNN's top-rated disc jockey, was to broadcast the remote and was to send reports back to the station each hour he was at the site. Williams was to broadcast from a small camper trailer outfit atop a sixty foot tower overlooking the highway on The Camper Trailer Sales Company's lot. He was to remain at the scene several hours each day (except Sunday, July 2) through July 8.

On Friday evening, Williams was scheduled to remain at the site for ten and one-half hours until 5:00 AM

Saturday morning. During this period, he would hold a record hop for the people who would be gathered around the site and would send back hourly reports to the station.

On Saturday morning, he was to broadcast his show remote from the Camper Trailer site from 11:00 AM until 2:00 PM. At 6:00 PM Saturday evening, he was to go back into

the camper trailer outfit atop the pole and hold a record hop.

During periods when he was not scheduled on the air, the disc

jockey could sleep in one of the camper trailer outfits at the

site. The record hop was to end at 9:00 PM Saturday night.

No broadcasts were to be made from the scene of the trailer sales company until 4:00 PM Monday afternoon when Williams was to once again climb the pole and broadcast remote reports from The Camper Trailer Sales Company lot.

The schedule called for Williams to phone in reports to the station once each hour between 4:00 PM and 9:00 PM Monday through Friday evenings, July 3 through July 7. On Saturday, July 8, Williams was to broadcast live from the site for four hours, from 11:00 AM until 3:00 PM, when the promotion would be concluded. During the seven days of the campaign, The Camper Trailer Sales Company was to remain open 24 hours a day.

On June 30, the opening day of the big week-long event, the caravan and remote broadcasts were conducted without a hitch. Hundreds of cars joined in the caravan and thousands of people were on hand at The Camper Trailer Sales Company's lot to see "Dapper" Don Williams climb the sixty foot pole and begin his remote broadcast. Crowds were large even at 5:00 AM Saturday morning.

During the day on Saturday, crowds continued to swell in numbers and the station received unverified reports that up to seven camper trailer outfits had been sold. Robert

Wylie was pleased that the promotion had been running so smoothly. Everything seemed to be going fine.

Around noon on Monday, however, Wylie received a telegram from Schenkle. It said: "Am canceling advertising effective immediately. Signed: Joe Schenkle." There was no explanation and there had been no warning. Schenkle hadn't even called Wylie personally to tell him of the decision; he had, instead, delivered the message by telegram.

Wylie immediately called Schenkle. Schenkle said he had little to talk to Wylie about. He had cancelled the promotion because Camper Trailer Sales didn't feel it was as effective as it should have been. He didn't think WNNN was promoting the remote sufficiently and his sales weren't great enough to justify continuing advertising.

This decision by Schenkle left Wylie in a jam. He was committed to a promotional stunt at the camper trailer lot. His listeners were expecting it. There was nothing to do but cancel the promotion. There would be many complaints from people wondering why "Dapper" Don Williams wasn't back at his post atop the pole but the station couldn't lose money by sending Williams to the site. If Schenkle pulled out, the stunt would have to end. The publicity resulting from this decision would not look good for the station.

Wylie thought about the money that the station had spent in heralding the event. There was the cost of posters, on-the-air announcements, etc. Williams had to be paid from

5:00 PM Friday until 9:00 PM Saturday. This was all overtime pay for the station. An engineer had to be paid for the same hours. In addition, there was the cost of the caravan, the band which played during the caravan, and the cost of telephone lines linking the camper trailer sales lot with the station. WNNN had invested a large amount of money in the promotion.

Schenkle's original package deal was to have cost
The Camper Trailer Sales Company \$1400 for everything. When
Schenkle cancelled the promotion, Wylie informed him that he
could not receive the discount rate for that part of the
promotion which had already been run. He would have to be
billed at the regular rate-card rate.

After billing The Camper Trailer Sales Company for \$1000, WNNN heard nothing from Schenkle for twenty days.

Then, near the end of July, Wylie received a check from Schenkle for \$600. On the back of the check were the words:

"Paid in full."

What to do? Should Wylie accept the check from Schenkle, cash it, and thus lose money on the promotion; or should he refuse to accept it and take the case to court attempting to force Schenkle to pay the money he owed?

If he accepted the check, there was a remote possibility that Schenkle might do business with WNNN in the future. He could, perhaps, be maintained as a client. But assuming that Schenkle would want to advertise on WNNN in the future,

would the station be wise to accept his money? Would he attempt to short-change WNNN again?

Accepting the check meant that Wylie would lose an additional \$400 on the promotion. The station could afford the loss, but would word spread to other station clients that WNNN could be "forced" to compromise its rates? This could result in many problems for the station.

If Wylie decided to take the matter to court, the station was almost certain to win. Schenkle would, thus, be forced to pay the remainder of the money he owed WNNN. But a lawyer would have to be hired to represent the station. This was expensive. A lawyer's fee was 30% - 40% of the total bill. Thirty to forty percent of \$1000 would be between \$300 and \$400. WNNN would have to pay between \$300 and \$400 to a lawyer to represent the station in court.

After the lawyer's fee, only a little more than the original \$600 would remain for the station. This was almost the amount of Schenkle's check. Was it worth the trouble to go to court?

Court action would probably mean the loss of Schenkle as a client. He would probably never again advertise on WNNN. Was this an important factor to consider?

It was also possible that if court action were begun, Schenkle could talk unfavorably against WNNN and thus do an untold amount of damage by hurting the station's image in the advertising community. Would other advertisers sympathize

with Schenkle and cancel some of their advertising with WNNN?

There were advantages in going to court. To begin with, Schenkle would be forced to pay the full amount of his bill. He would recognize that WNNN was not a station to be forced into a compromising situation. Other clients might respect WNNN for collecting; they would not be tempted to try similar tactics in the future.

To be sure, WNNN would receive a slight bit more money than if it accepted the original check. When faced with a loss on the plan anyway, any amount of money would help.

Wylie had a decision to make. It was important that the decision be based on sound business practices and the best interests of the station. What should he do?

CONFLICT OF INTEREST

WJJJ's image had been built on quality programming, service to its sponsors, and complete community involvement. The station was one of the few good-music outlets in the country that was consistently number one in its community. Years of hard work on the part of the station staff had paid off in an image of quality.

Martin Wells was the manager of WJJJ. It was his opinion that station quality was due primarily to several factors. First, Wells had made certain the station provided a complete news service to the community. Six newsmen worked around the clock to gather local information of interest to the area. Local news was supplemented with NBC radio network news once each hour. NBC's far-flung news operation added a considerable amount of prestige to the WJJJ news operation.

Music was another important factor in the quality image which had become so much a part of WJJJ. For years, the station had maintained a policy of playing only adult-oriented, middle-of-the-road selections. No "rock-and-roll" or country music was allowed on the air. Only tunes suitable for discriminating listeners would be considered for air play.

Public service had long been emphasized at WJJJ.

Groups in the community knew that whenever they planned an

event, WJJJ would give it extensive promotion. The station went out of its way to encourage local activities which would benefit the community. Editorials emphasized support for the schools, fund-raising activities, etc.

The caliber of people employed by the station helped contribute to the quality image alone. Staff members were known for their honesty and integrity both in personal and station matters. All employees were encouraged to join community activities and make themselves leaders in city affairs. Indeed, every one of the station officials were involved in at least one civic activity. The program director was also president of the city's Kiwanis Club. The news director was active in the Chamber of Commerce and Rotary, and Wells himself was on the school board, the board of trustees for a major university, and was a member of the city commission.

Even the sales staff helped contribute to the quality image of the station. Only men of the highest integrity were allowed to represent the station to clients in the community. These men never accepted discounts from the station's rate card and never tired to bargain with their clients. Businessmen respected the station and its straight-forward methods of doing business.

Martin Wells was proud of his station's community image. He was most proud of the staff's involvement in community affairs. Just recently, the Chamber of Commerce had named WJJJ as one of the most important single factors in

community development and improvement. Wells had a right to be proud of his men.

Now, however, a strange situation had developed. Few people in the community had known about the situation last week, but within a few days, it was news all over the area. The situation concerned Wells himself.

For many years, Martin Wells had wanted to be president of the city commission. He had wanted this office as much for his profession as for personal reasons. No broadcaster or even anyone in media communications had ever held a similar position in the community. Traditionally, broadcasters had not wanted such positions. The newspaper wouldn't allow its people to actively participate in community affairs. Thus, Wells wanted to become president of the city commission so that he might bring recognition to his profession.

He also wanted the post for personal reasons. He had long been interested in community affairs and he wished to have a voice in shaping those affairs. Being president of the commission would give him that voice.

When the president of the city commission died two weeks ago, Martin Wells had been named his successor. He was to serve the remaining eight months in the position until an election would determine a permanent successor. Wells had intended to campaign for the position in the fall, anyway. He jumped at the chance to become president when it was offered to him two weeks ago. Now he had some serious

misgivings about whether he had made the right decision in accepting the post.

The question concerning where to locate the city's new civic center had caused Wells to re-evaluate his decision. Several sites were being considered for the new structure and it was the commission's duty to select the best one. That site would be purchased and the commission would over-see building construction.

Action on the proposed sites was supposed to be secret. If knowledge of the suggested locations were made known to the public, land prices would soar on the properties being considered. Investors would attempt to buy surrounding land at any price. The result would be that prices would be so high that the commission would be forced to pay a price inflated far above original estimates or would have to look elsewhere for a site on which to erect the proposed new building.

Wells, in his position as president of the city commission, had access to the secret information concerning land areas which were under consideration as a site for the new civic center. Recently, pressure had been brought to bear on him by various sources to disclose this information.

WJJJ's news director had been arguing for several days that Wells should at least "tip him off" as to the proposed sites. It was his contention that to do an effective job with news, the news staff must at least have an idea of

what was going on with regard to the proposed civic center.

The news director promised that if the information were given him, it would not be released until it was ready to become part of public information.

Other pressures had been brought to bear on Wells from other groups who had special interests in the new civic center. One group, in particular, was the local real estate commission which was vitally concerned as to which property would be chosen for the proposed site. They had threatened Wells with cancellation of their advertising on the station if he did not divulge the information to them.

One of the other radio stations in town had complicated the situation by airing editorials which "suggested" that Wells had been giving information to his own staff before it was ready to be released to the public. These editorials created widespread comment and WJJJ had been besieged by phone calls and rumors from citizens demanding to know if there was any truth to the statements.

Wells was in a predicament. If he were to resign his position as president of the commission, he could lose the respect of those people who believed he had been honest. He would also be going against all he stood for in the past. He would be giving up an opportunity for people in the broadcasting industry to be recognized as vital forces in the community. He would also be forfeiting his long-held ambition of wanting to be president of the commission.

If he remained as president of the commission and did not divulge the information, he stood to lose advertising support for WJJJ from the real estate commission. This would be no small loss. In 1965, the real estate commission had placed \$1700 worth of advertising on WJJJ. Would this now go to competing stations?

What would WJJJ's news director do? He had been clearly unhappy over his not being able to get the information. Was there a possibility that he would resign his position?

How could Wells negate or ease the barrage of public criticism that was pouring into the station? Would anything short of his resignation from the presidency of the commission ease this? Would it cease then?

Wells didn't even consider the possibility of releasing the information to either his news director or the real estate commission. His personal integrity wouldn't allow it. He had withstood personal attacks before. This was nothing new. What was different about this situation was that it was more than a personal attack. It reflected on WJJJ and on the broadcasting profession.

Wells knew that whatever decision he made would have to take into consideration the station, his profession, and his own feelings. It was a big decision for one man.

CHAPTER IV

SUMMARY AND CONCLUSIONS

This thesis presents fourteen case studies in radio station management based on actual station problems. Contained in the thesis are cases dealing with problems in the areas of personnel, sales, production, union-relations, news, programming, FM, music, promotion, and community relations.

Also included in the thesis is a discussion of the case method--its history, its present use in the classroom, and its applicability in the field of broadcasting. In addition, the methodology used in preparing the case studies is discussed.

This thesis is of value to any student of broadcast management who wishes to obtain wide second-hand experience in the field without actually leaving the classroom. For groups of students using the thesis in a classroom situation, the cases can provide the basis for a wide-ranging discussion of the problems of radio station management. Utilizing the cases for class discussion is an excellent way to obtain the many advantages of the case method.

This thesis is of value also in that it provides a continuation of, and an addition to, those cases which have already been prepared for use in broadcasting management. It

supplements previous cases and provides a basis for further gathering of case materials.

The author of this thesis has gained considerably from this research and writing. He has been made more aware of some of the numerous concerns faced by commercial radio station managers. Through talking to various managers, the author has gained valuable experiences and contacts in the field. He has expanded his sphere of acquaintances in broadcasting and has been subjected to different types of radio station operations. In addition, he has experienced directly some of the complexities involved in making decisions concerning problems that may arise during a "typical" day. The author has been shown that decisions are never clear-cut. Rather, they usually involve equally weighted alternatives that offer both advantages and disadvantages. And, the author has gained a degree of sophistication in the techniques of creative writing which are required in the development of case studies.

Because case studies have been in use a relatively short period of time in broadcast management, there is a general lack of good cases in many areas of the field.

Future cases are urgently needed in such areas as engineering, the Federal Communications Commission, sales, programming, and community antenna television. Even those areas covered in this thesis need further amplification and expansion.

Broadcast management needs case studies in every facet of

station operations. Indeed, until there is a backlog of many cases for each type of problem encountered in the field of broadcast management, it is necessary to conduct a diligent and continual search for more cases in the field.

These cases are one way in which educators can help to build knowledgeable and skilled people to fill the management positions of the future.

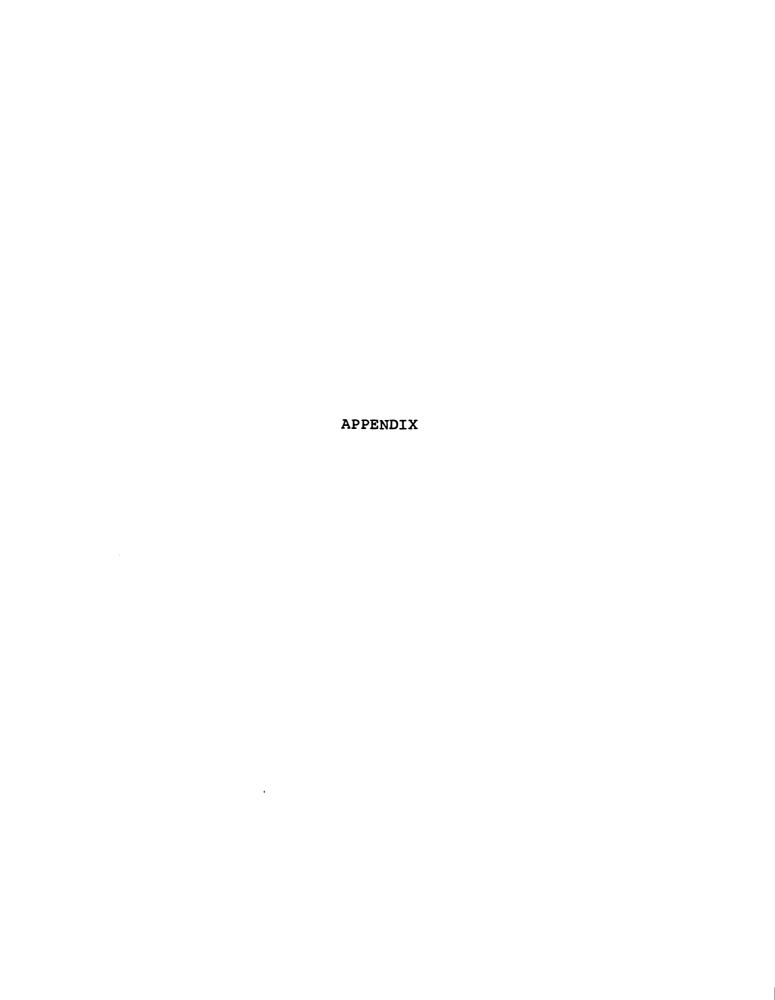
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SAMPLE LETTER OF TRANSMITTAL

200 Orchard Lane Findlay, Ohio June , 1966

Mr.		
Mr. Stati	on	
City		
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Dear	Mr.	:

Enclosed with this letter is the case which you were kind enough to provide for my thesis.

Please familiarize yourself with the case and fill out the three release forms enclosed. Then, please return the case and the completed forms in the envelope provided for such purpose. I will return a release form and a final copy of the case to you within three weeks.

Let me take this opportunity to express my gratitude to you for giving me your time and help in working on my thesis. I appreciate it very much. Through your contributions, my thesis will help to establish the case study method in the field of broadcasting and will provide many worthwhile hours of instruction and information for the students making use of it.

Again, thank you for your consideration and help.

Sincerely,

Robert Hunt Baker

RHB:bb Enclosure

RELEASE FORM

Mr. Robert H. Baker E-112 Owen Graduate Hall Michigan State University East Lansing, Michigan

Dear Bob:		
The case entitled		
has been read by me and checked for verification.		
I hereby authorize the use of this material		
without change		
with corrections indicated		
It is hereby understood that this material will be used for		
educational purposes only.		
Signature of executive		
Firm		
Position		
Date		

