

PROGRAMMING TO WIN



by John Silliman Dodge

Can You Hear Me Now?

If you thought iPod or Sirius or XM was a threat to radio, watch out for the cell phone. Last summer the *Wall Street Journal* reported that despite the success of the iPod/iTunes industry, "Apple's polishers seem to be missing a looming threat: Wireless-phone companies are teaming with the music industry to make most mobile phones into music players. While optimists think Apple could sell 45 million iPods next year, mobile-phone makers will sell more than 750 million handsets. With the rollout of full-track music download services...the wireless phone could become the music industry's biggest and most profitable distribution channel."

Let's consider three mega-trends. First, the phenomenon of *content on demand* began with the Internet. Before 1995, most people were happy to consume whatever radio served up. And for the most part, we served people well. But now music is a commodity, available from a rapidly growing number of sources. Consumers are experiencing "overchoice," and the numbers tell us they like this feeling of control. People like tailoring what they want, when they want it, and how they want it. Power is shifting from program supplier to program consumer, from us to them.

The second trend is the fractionalization of time. Time is finite and when it's gone, it's gone. Every new gadget or trend that comes along potentially subtracts time spent listening from radio. According to the Consumer Electronics Association, Americans spent \$3.8 billion on MP3 devices in 2005. Sat-radio players XM and Sirius now have over eight million subscribers between them. **Jupiter Research** estimates 55 million satellite radios will be sold in 2010. All vying for our time.

Never underestimate the American people's love of convenience, which is trend number three. If quality were more important than convenience, we would have never had the audiocassette, the VHS tape, the transistor radio, or even the cell phone, all inferior products with superior convenience factors. Since we are on the fast track toward becoming a "one person one cell phone" nation, this convenient little gadget is the next big gateway into our commercial lives.

Sprint Nextel is now in the radio business, working with Sirius. **Cingular** is in. **Virgin** is in (but what

business *isn't* Virgin in), **Motorola** has iRadio with 435 channels from **Clear Channel**; **Nokia** is getting in, CBS Radio is working with Hewlett-Packard on a "visual radio" concept that will pipe into the next generation of FM-enabled cell phones. Finally, a few weeks ago at the Consumer Electronics Show (CES) in Las Vegas, **Verizon Wireless** entered the mobile-music market, joining Sprint and Apple in offering a service that lets consumers download music to their phone or their PC. The labels will make one million tunes available by spring, priced just like iTunes. This should keep everybody busy for a while.

More about Verizon's V Cast Music and **Microsoft**. In a serious challenge to Apple, the number two wireless company and the number one software company teamed to create a service that allows customers to transfer music between Windows PCs and mobile phones. There's the V Cast Music Store, similar to iTunes. Verizon will use Microsoft's Windows Media players to play songs on the PC, transfer songs between the computer and the cell phone, and protect content with Microsoft's digital rights management technology. While the Redmond Giant might be late to the party, late entry has rarely stopped them from being a dominant player once they train their guns on the target.

Notice how FM doesn't seem to be on the radar here? More from MusicBiz.com reporting on the CES:

"Steve Jobs threw a bone to terrestrial radio. He introduced the iPod Radio Remote, which will incorporate remote control to any fifth generation or Nano iPod. It turns the toy into a portable FM radio turner, which will display station and song information on its screen. The remote retails for \$49. Granted, calling this innovation a "life-saver" for radio is a stretch. Nevertheless, the new gizmo brings the traditional medium a cutting edge cachet it sorely lacks. Now if only terrestrial radio stations would program some more compelling content for all those potential iPod consumers."

So what does this mean and what do we do about it? The audience for "traditional" radio is eroding. Even formerly bulletproof Public Radio is concerned. Erosion can produce only two outcomes: a shrinking audience will necessitate budget cuts, which will

result in an inferior product, which will further shrink audiences until a downward spiral occurs. Or, we can do what we know needs to be done, which is to *develop new talent*. Every conference I attended or presented at in 2005 had this recurring theme: How can we find and develop the stars of tomorrow? Not to be simplistic about it, but talent will always be the great differentiator. Audience always follows talent, certainly not stations or networks or delivery devices. But talent *development* has traditionally been one of those good ideas they we fully intend to look into...someday.

You may be saying, "Thanks John, I was having a pretty good morning until now." But I'm not talking Death Star here. No single event will ever take radio out. We're too creative, too resilient, though not necessarily too visionary. We tend to react *after* others act. We have to reverse that and become Actors, not Reactors. The radio business needs to focus on the *total package*, to craft the completely branded music/talk/personality/relationship/ package that makes us more compelling than any program-it-yourself entertainment option. And now would be a particularly good time to do this work, now that the music, telecom, software and banking industries all plan to make cell phones their new one-stop delivery and payment channel.

Next time you do a competitive review, ask yourself these important questions: what plans do I, or my station, or my group have to develop talent, and how will we deliver this talent and unique programming via as many new devices and channels as possible? I hope your answers satisfy.

Ring-ring, can you hear me now? Good.

John Silliman Dodge is a radio Swiss Army Knife. He's announced, produced and programmed formats from Metal to Kids to Classical. John pioneered the modern classical approach at WCRB/Boston. Today he gives interactive training workshops and consults radio stations on announcer performance and staff motivation. John also announces for Sirius Satellite Radio. E-mail john@sillimandodge.com or visit www.sillimandodge.com.