

# PROGRAMMING TO WIN

by John Silliman Dodge



## Three Rounds Toe To Toe

I recently saw *Million Dollar Baby* starring **Clint Eastwood, Hilary Swank and Morgan Freeman**, a superb movie which really isn't about boxing at all but uses boxing as a metaphor for the larger struggles and the quest for glory we all go through. Now I'm in a boxing metaphor kind of mood and ready for a vigorous debate. Want to go three rounds toe to toe just for the fun of it? Good. You take the part of terrestrial radio and I'll be satellite radio. Ready? Ding goes the bell.

I come out swinging: "Look at how much media attention and Wall Street money I'm getting." You counter with: "So what, I have something called cash flow. Heard of it?" I say: "Your flow is going downhill and your stock is slowly sinking." And you say: "Not sinking, just temporarily flat. At least I'll still be in business in five years." And I say: "I'll be in *big* business five years from now. Much bigger business than even I boast about today. You should be quaking in your boxing boots." And you say, "You don't frighten me, Satellite Boy. If television didn't knock me out, you won't knock me out." And I say, "I'm not trying to knock you out. I need you up and staggering so I can use you to differentiate my product." You say, "What do you mean by that?" I say, "As long as you play a short and safe playlist and frequently interrupt it with a long string of irritating messages, I've got something to program against. I have a real point of difference with the customer. I'm the alternative." You respond, "Yeah but don't forget the most important differentiator: I'm free." I jab back, "What you offer for free isn't worth it anymore. You only feel like free. You cost me in the precious time I lose listening to you." You say, "You're like a fly speck on the ratings. One of my middle market morning shows gets more listeners than your whole set of channels." I say, "Remember **Wayne Gretsky's** great saying about hockey? 'Don't skate to where the puck is, skate to where the puck's going.'" And you say, "So where the puck are you skating to, exactly?" And I say, "Toward a

higher quality product...more formats, more depth, more attention paid to detail, more real personality from the talent, a more engaging experience all around. *A product so good people will pay for it.*" You almost get in one more punch, but "ding" goes the bell for Round One.

You're spitting into the can during the break and your trainer is in your face saying, "Give him the line about the Internet. Then follow up with the one about satellite radio being for talent who can't make it on real radio." He touches up that nasty little cut you got from my "product so good people will pay for it" line and you grunt and nod as they put the tooth thing back into your mouth and the bell goes off for Round Two.

You don't waste any time — you charge right at me and say, "You just wait, once wireless Internet is everywhere, the Web will take you out with music superstations from all over the world." I push back: "Thee and me, brother. But between now and then, you just watch me make a billion dollars going slowly out of business. Remember, all I have to do is fight long enough to last another round, which means a buy-out or consolidation or some morphing into the next stage. Meanwhile I'll just pop-pop-pop-pop... slowly wear you down. Bleed off your listeners. The music lovers are already gone." You say, "Underestimate me at your peril, punk. Every time I've gotten into serious trouble, I've gotten out by innovating." I say, "Maybe I have underestimated you. But your history shows me it doesn't pay to *overestimate* you. I mean come on, how long did you think it would take for people to notice how seriously you compromised your product quality by playing six, eight, nine commercials in a row? How long do you think it will take to fix the damage with your too little too late "Less is More" campaign?" You say, "Well..." and you don't have time to say more because once again, the bell saves you. End of Round Two.

Back in your corner you have two trainers working on you now. One guy is barking instructions while the other guy is patching

up your increasing number of cuts. They say, "Keep your hands up, will you? You're dropping your hands. Protect yourself! Every time Mister Pay Radio says something even close to being true, you go blank long enough for him to reload and throw the next punch. Will you just focus on the basics?" And you say, "I'm spinning just a bit now. Tell me again, just what are the basics?" Your trainer looks at you with that combination of love and fury common to parents everywhere and says: "Know your audience and give them exactly what they want." You say, "That's it? You mean that's all there is to it?" Your trainer nods and says, "Snap out of it, son. The next round is yours. Go in there and show that upstart what you got."

Round Three opens and you waste no time. You pop a shot that makes me go down on one knee. Bam! "You guys are spending money like drunken sailors. Last time I saw expenses get this far out in front of income, we had a market crash. Do the words 'Dot Bomb' ring a bell?" There's nothing I can say to that because it's true. Satellite's customer acquisition costs are stratospheric, much more than they can earn back over the lifetime of the subscriber. That doesn't look good long term. But I do manage this: "What, you think Wall Street is stupid? All these triple MBA stock boys and girls just following the story of the day? They must see something in satellite radio that your legendary 90-day vision can't see." You counter with, "I can read a balance sheet, bucko. At some point when they figure out that you can't turn a profit until 2020, The Street is gonna turn off the cash spigot. Meanwhile my business cranks out cash quarter after quarter." I say, "Yeah maybe, but I'm the sexy one." You say, "Flavor of the month is what you are. Wireless Web will take you out. iPods will take you out. Freaking cell phones will take you out." Now I'm the one that's spinning. Good thing I don't have to respond to those punches because just then the bell rings the end of Round Three and the match.

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So, that was a fun exercise, wasn't it? Win, lose, draw, what do you think? Before our fighters head for the showers and the crowd heads for the bar, let's review the match. We're in the early rounds of this dance for dominance between terrestrial and satellite radio. The winner won't be known for sometime, if there is ever a clear winner at all. Digital has changed everything and new players are coming out of the woodwork. It's not like any *one* of these alternatives is going to take us out. There are no extinction events on radio's horizon, no incoming comets. It's just a question of how many arrows in the shoulder we can take. Satellite radio is a big thing, closing in fast on five million subscribers between the two companies. If they get one or two more major talent defections, we'll see a rush to satellite like we've not yet seen. And where the talent goes, where the great program-

ming goes, the listeners go. Never forget that. 18-34 men are making the shift to satellite in big numbers. People 35+ only have to buy their next car. Contrary to any radio-sponsored rumor campaign, there is no trouble with satellite re-enrollment when the trial offers expire. Once people get used to 120+ channels of music, news, sports and entertainment, all digital coast-to-coast and commercial free, they kinda like it. They think it's the future.

One parting shot about the future: It always takes longer to arrive than we think it will. But once it gets here, it's even bigger than we imagined. This means we still have a bit of time. Good thing because we have a lot of work to do. There's only one way out of this battle — we program our way out. We remember what the trainer told our fighter about the basics: Know your audience and give them exactly what they want.



*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. Email [john@sillimandodge.com](mailto:john@sillimandodge.com) or visit [www.sillimandodge.com](http://www.sillimandodge.com).*



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