

January 23, 2012

A Letter to Our Fellow Broadcasters:

A great deal has been written recently about on-line audio services and the way in which they are comparing their audience size to terrestrial radio stations. We at Research Director, Inc. have spent twenty years helping our clients understand the value of quality research. While many may argue the merits of the on-line rating comparison, we believe the long-term success of our industry will not be determined by this debate. To fend off this newest competitor, we need to focus on serving our listeners.

Two things that we cannot do:

- We cannot be an ostrich with our heads in the sand and hope that these on-line audio companies will go away. They will not.
- Nor can we be Chicken Little, fearing that the sky is falling and declare defeat. This too will not occur.

Throughout our history, new competitors have attempted to attract the radio listener. Before these on-line-only music companies, satellite radio was going to destroy our industry. Clearly it has not.

We do not want to diminish the potential of these new services. We need, however, to focus on what radio does best; supply entertaining and informative audio content to the local community. While music may comprise the majority of the content for many radio stations, community service is a hallmark of the most successful broadcasters. Ask most people in Atlanta about WVEE-FM, and they will say, "The People's Station." This station's community involvement makes as much of an impression on its listeners as the music.

No algorithm can match the personal relationship that many radio stations have with their listeners. A great morning show offers companionship as its listeners in the local community begin their day. Chicago's Eric and Kathy on WTMX-FM are part of their listeners' lives, not just a jukebox.

Again, we do not want to downplay the threat that on-line-only music services pose. It means, however, that, as broadcasters, we need to fight harder and smarter to maintain our fair share of listeners' time. Let's do what we do best...deliver quality programming and focus on our local community. Only then can we feel confident in our response to this latest competitor for our audience's attention.

Sincerely,



Charlie Sisen
President
Research Director, Inc.

