

# INSIDE RADIO

Friday, June 2, 2006

Editor: Tom Taylor (609) 883-3321

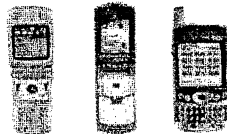
**From the Rumor Mill — more groups sniffing at an Arbitron PPM deal?** One group head says “I hear some are getting near the fence.” But as much as they’re drawn to a ready-to-go electronic measurement system — they’re still repelled by the cost. Our skeptical friend says “I don’t know whether we’ll ever get it back” in terms of advertising sold. But he hears the signals from the agency world about electronic ratings. And agrees with us that “the agencies want electronic measurement, though they’re not necessarily married to Arbitron.” It’s been quiet since the CBS bombshell. That may not last.

**Trendwatch — Online ad spending is poised to overtake radio.** Internet ad spending surged 19.4% in the first quarter of the year to \$2.31 billion. That puts web spending within striking distance of radio. TNS Media says radio spending in Q1 totaled \$2.34 billion — a drop of 1.2% compared to the first quarter of 2005. At this growth rate online media is expected to take in more advertising dollars than radio by the end of the year. That would put Internet in sixth place and push radio back to seventh. In the first quarter network TV remained the biggest revenue generator (\$6.5B). Followed by newspapers (\$5.5B). Magazines (\$4.8B). Local TV (\$3.9B). And cable (\$3.6B).

**Houston talk personality Dan Patrick is taking his act to Dallas — he’s buying KMGS (1160).** And just in time to help influence the Fall 2006 elections — which Dan confidently expects will send him to the State Senate. (He just won the Republican primary in District #7.) Dan will broadcast his daily conservative talkshow from Austin back to both Liberman-owned KSEV and to his own KMGS in the Metroplex. He figures the coverage of the two AMs gives him “the potential to reach nearly 50% of the people who vote in November elections and close to 60% of the people who vote in Republican primaries.” KMGS will also share part of KSEV’s Edd Hendee morning show as well as Patrick’s program. The reason Dan (not the ESPN “Dan Patrick”) is so confident of victory is that Republicans usually sweep his district. (We told you on March 22 that his Democratic rival granted him a waiver to return to the air on KSEV.) Seller of KMGS — the former KBIS, Highland Park — is First Broadcasting. They did the upgrade work on it. No price announced. But locals think it could be \$9 million or better. Broker — Mike Bergner.

**How’s business? So far Los Angeles and San Diego are pacing “slightly up.”** That’s from the Southern California Broadcasters Association. Category by category — SCBA says automotive spending on radio is down “most notably because Ford dealers moved much of their budget to TV.” And while most foreign car dealer groups have increased their spending it’s not enough to make up the loss of domestic dealer dollars. Financial and banking is also down about 2% — but the category continues to put about one-third of its media budget into radio (mostly on AM stations). What’s gaining? Telecom. And

**The Media Audit**



**Smart Cell Phone**

**The Simple, Common Sense Solution for  
Media Measurement...for today and tomorrow.**

For more information call Bob Jordan or Phillip Beswick 713-626-0333