

KOST-FM, Los Angeles Station Manager Jhani Kaye (r) and Morning Hosts Mark Wallengren and Kim Amidon appear in a video that's distributed at 153 video stores.



MARKETING: MORNING TEAM FOR RENT... ON VIDEO

KOST-FM distributed 1,500 promo videos through a retailer — for free. And got 25 calls a day from people who watched it.

KOST-FM, Los Angeles Station Manager Jhani Kaye attributes part of KOST's 6.2 to 6.6 boost in the summer Arbitron to the distribution of a promotional video. The station needed a way to overcome the limitations of billboards, TV and direct mail to build an emotional connection with listeners. And get their undivided attention for a pitch about the station's benefits.

KOST tied in with a video rental chain to let customers take its 17-minute video home and watch it — free. They're renting and returning a video anyway. So why not? For KOST's second edition video, the retailer will supply a database of everyone who checked out the tape.

KOST pulled it off like this.

■ **Negotiate a deal with a video store to distribute the video.** KOST struck a distribution deal with Wherehouse video which has 153 locations in the L. A. area. KOST mentions Wherehouse on the air once during each daypart: "So don't forget, while you're at the Wherehouse, to pick up a copy of the KOST video." In return, Wherehouse sets up a point-of-purchase display for the videos in each store and also a counter display with a photo of the morning team. Customers have to sign the video out and return it, but they don't have to pay for it.

■ **Take viewers on a tour of the station.** KOST Station Manager Jhani Kaye shot the video himself using his own 8 mm video camera. The tape was later converted into 3/4-inch

format. Kaye starts the video by introducing the morning team who conducts the station tour. Viewers are encouraged to call him personally on his direct line if they have any comments or questions. He was getting 25 calls a day when the promotion began.

Viewers go through the various station departments, learning about the equipment and meeting station employees. One scene is a drop-in visit from recording artist Michael Damian. Viewers are taken up in the traffic helicopter and out to the antenna site.

Stations airing a lot of spots from TV stations may consider a trade deal for a camera crew and editing time to create the video.

KOST's only cash expenditures were \$3,000 to duplicate 1,500 tapes (ten copies at each store) plus the cost of the cover art. KOST saw it as a nominal expense compared to other direct marketing methods. Video hosts "Mark and Kim" encourage people watching to make a copy and give it to a friend.

■ **Set up some "in-video" contesting to find out who's watching.** A drawing on the morning show to be held exclusively for video viewers who send in a postcard. They'll have a better chance of winning because it's a select group. And the station's building its mailing list. The morning show could also promo a contest that asks listeners trivia questions from the video: What color shirt does the morning host wear in the video? Or have copies of a written trivia quiz at the in-store display. Viewers answer questions about the video and send them in to be eligible for a special drawing.

SALES: MAKING MONEY FROM ASCAP AND BMI

A Tulsa station trades spots in return for paying music licensing fees so retailers can leave the station on.

KBEZ-FM, Tulsa GM Linda Taber exchanged spots for fees that Carpet One owner Curt Holdridge paid to play her easy listening station.

KBEZ-FM, Tulsa GM Linda Taber has a plan for ensuring her easy listening station stays on client workplace radios even though ASCAP and BMI are beating up retailers for fees. More retailers are pulling the plug because they can't afford royalty fees charged by the music licensing services.

Taber put together a package that exchanges radio spots for the dollar amount that retailers pay in fees. So ASCAP and BMI get paid. The radio stays on in stores. And the retailers get free radio spots to advertise their products. It pays off by keeping current retail advertisers happy and recruiting some new ones.

This is how KBEZ is doing something positive about a situation that has retailers in an uproar.

■ **Offer a consultation to determine if a retailer really owes music licensing fees.**

When a retailer complains about ASCAP and BMI, Taber talks with them about the set-up at their stores. Many retailers don't know the requirements for paying the fees and may pay them even if they have only

one radio in the back room for their own enjoyment. Taber has helped retailers decide to challenge the services so they don't have to pay the fees at all. If they determine together that the store owes money under the current requirements, she'll offer to reimburse them with spots. Most of the retailers' complaints have come in at the beginning of the year when ASCAP and BMI crack down on enforcement.

■ **Exchange ASCAP and BMI fees for a radio spot schedule.** If it's been determined that the retailer legitimately owes fees, they're encouraged to go ahead and pay. But they can send their cancelled check to the station and receive that dollar amount in spots. The spots run once during each daypart for as long as they last. If the retailer is already a client, the spots will be used to extend their schedule during the same times that their original schedule ran. Taber sees no advantage in burying the freebies in a less-than-prime position unless she's out of inventory. The more response from the spots, the more likely they'll consider renewing with a cash buy. Taber has only had to make good on the offer three or four times during the year. And \$400 was the biggest check she had to match in spots.

■ **Try to sell retailers a paid schedule with their free spots.**

KBEZ uses the opportunity to get in the door of retailers that aren't already on the air. They're obviously users of the station and care enough about playing it to call for help when that use is threatened. They may want to extend their schedule by throwing in some extra bucks to make sure they get the best possible response. Retailers who run only their freebies may see just a flicker of response if they only get six spots. But they'll have a good idea of what a heavy-duty schedule could do for them.

WHEN DO RETAILERS HAVE TO PAY ASCAP AND BMI?

ASCAP:

When licensed music is used "to enhance the atmosphere." Retailers are charged on the number of speakers used (\$122 yearly for up to three). Restaurants are billed based on seating capacity. ASCAP says it never writes a retailer before first making a personal inspection.

BMI:

Anytime recorded or live music is heard by customers in a retail location or restaurant. The formula is based on square footage (\$60 a year for less than 1500 square feet, \$120 for 1501 to 2500). The letter BMI sends to the retailer should contain an 800 number to call for clarification. BMI may send a notice without making a prior visit.

