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The Bible of Talk Radio and the New Talk Media

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The state of Internet talk

Talk practitioners discuss the current world of online spoken-word programming

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SPRINGFIELD — While royalty rates, including retroactive fees, that are under fierce debate in Congress threaten the profitability of Internet music radio, Internet talk radio has been growing steadily in the number of programs offered, listenership and profits. Add to that the recent draconian programming budget cutbacks taking place at terrestrial talk radio, which only further the weakening of the product, and a strong case can be made that Internet talk radio is rapidly on its way to being a major media movement in popular culture. In fact, all-talk, all-Internet radio likely webcasts more talk shows than terrestrial radio's estimated 5,000 U.S. talk programs.



The creators of Podjockey (www.podjockey.com) — the talk radio website that has an "official" licensing agreement with *TALKERS* magazine — are betting on the Internet being the platform for the next wave in the talk radio phenomenon of the modern era. Describing Podjockey as one of the emerging examples of a "media station," *TALKERS* magazine managing editor Kevin Casey (who doubles as program director of Podjockey) confidently predicts that the incarnation of Podjockey up and running at present is but an

infant compared to what it will be in months and years to come.

But Podjockey is not the only Internet talk-oriented media station where tremendously exciting things are happening.

BlogTalkRadio (www.blogtalkradio.com), launched less than two years ago, boasts 4,000 programs that drew 2 million listeners in January. VoiceAmerica (www.voiceamerica.com) and its sister World Talk Radio (www.worldtalkradio.com) have more than 200 shows with about 5 million unique visitors per month. wsRadio (www.wsradio.com) features 100 shows with combined listenership of 200,000, and AllTalkRadio (alltalkradio.net) carries about 30 original shows.

And that does not count the hundreds, if not thousands of hours of talk programming on other websites delivering a mix of original and syndicated talk and music shows, such as AOL Radio (www.music.aol.com/radioguide/bb), which features some XM channels. Live365 Internet Radio (www.live365.com) lists more than 304 talk shows along with its thousands of music programs.

In addition, some Internet companies are creating services to integrate the airwaves and cyberspace. PalTalk (www.paltalk.com), for instance, an Internet chat service combining audio, video and text, allows listeners tuning into a talk show (online or on terrestrial or satellite radio) to interact with each other and

in some cases with talk hosts who may stop in at the chat room while or after they are on the air. The service has 4 million unique registered users who log on each month. At any given time, about 70,000 of them troll PalTalk's 4,000 chat rooms.

Many of the Internet radio network owners *TALKERS* magazine interviewed, backed by personal capital of the founders, managed to break even within a year and a half to two years.

A 2006 Arbitron study pegged the Internet radio audience — music and talk — at approximately 52 million per month.

Quirky content

But numbers only tell part of the story. Some of these Internet radio networks are producing very different types of programming than what listeners can find on terrestrial talk stations.

For instance, wsRadio produces eBay Radio for eBay, PayPal Radio for PayPal, "Marketing Matters Live!" for the American Marketing Association, and PriceWaterhouseCoopers Radio for the big accounting/management consulting company. Chris Murch, president and founder of wsRadio, says, "We're niche programming. If a show can garner an audience on the Internet, obviously a global audience, we're interested. But they [the hosts] need to bring something to the table in the way of traffic."

Podjockey features an eclectic variety of programs and talk modes ranging from theological historical documentaries (such as WCCO, Minneapolis star Jack Rice's "In Search of Abraham") to X-rated personal memoirs of a woman going through a series of dysfunctional sexual encounters (Roberta Gale's "Boyfriend Tour").

Despite the global reach of the web, most of AllTalkRadio's shows are local to Las Vegas, where the company is based. Local, but with potential global interest, that is. For instance,



Chris Murch

"Celebrity News," with a member of Blue Man Group as co-host, brings in celebrity guests appearing in Vegas. AllTalkRadio presents its 30 shows in one lineup in real time instead of offering them via different channels based on category. "We were going to have categories because everyone else was doing something similar to that," says co-founder George Carson. "But we want people to know all the shows are featured. We like to keep a mix so people will see everything from religion all the way up to fantasy talk shows."



AllTalkRadio co-founders George Carson (l) and Millian Quinteros (r).

AllTalkRadio does have a second channel, just for live events, such as a live karaoke contest at a Vegas pizza joint on Saturday nights. It also offers archived audio for each program. Even as it adds more shows, AllTalkRadio plans to avoid organizing the program listing into neat categories. When it gets too cumbersome to list all the shows on one web page, it will bump the live-events channel to ATR 3 and fill ATR 2 with another page of randomly listed programs.

BlogTalkRadio, which bills itself as the first social broadcasting network, includes many hosts whose shows are obscure, but somehow manage to nab guests who are anything but — including the likes of Yoko Ono, presidential candidate Senator John McCain, Brad Pitt, Frank Rich and best-selling authors. Instead of looking to carry already-syndicated content, founder Alan Levy says BlogTalkRadio has been busy fielding inquiries from established media companies, including XM Satellite Radio, carry some of its shows. Levy says some of XM's bloggers do shows on his network, which they repurpose for XM. As of this writing, no deals have been inked, but Levy confirms, "We're in the process, in lots of conversations with all sorts of strategic players, such as other radio stations and media companies. I see this happening more and more."



Alan Levy

BlogTalkRadio recently jumped into the limelight itself when one of its hosts, Shaun Daily, organized a campaign on his show to get CBS to return its popular show, "Jericho," which had been canceled last year after its first season. Daily prodded listeners to send peanuts to CBS headquarters in Los Angeles and New York — because the last "Jericho" show ended with the words, "Ah, nuts." After CBS received 40,000 pounds of nuts, it got the message and brought the show back last month.

PalTalk has signed on seasoned talk hosts such as G. Gordon Liddy, Doug Stephan, Opie & Anthony and Bobby Likis. Some simulcast their syndicated shows. Others do a separate show on PalTalk. Yet others a combination. PalTalk has developed some of its own shows as well, and has partnered with some terrestrial stations to produce ongoing or one-time events. For instance, WINS, New York partnered with PalTalk during its September 11th memorial coverage via a link from 1010WINS.com to PalTalk, with the station's correspondent Susan Richards co-hosting with PalTalk's Gary Baumgarten. In addition to live reports from WINS reporters at Ground Zero and guests in the studio, PalTalk's website enabled listeners to share their memories, including those who lost family members and a doctor who is running a registry tracking workers who became ill in the aftermath.



Gary Baumgarten

Before working for PalTalk, Baumgarten was CNN Radio's New York City bureau chief. When he was covering the death of Yasser Arafat, he was able to find PalTalk users from Israel and Palestinian territories who were logged into chat rooms to give him audio interviews. "We were probably the first with that kind of reaction on radio," says Baumgarten.

The business models

wsRadio offers several different models, says Chris Murch, "depending on who we're producing shows for. We charge for production fees and then for most of our hosts we work with them and share advertising inventory and revenue for their shows." For example, initially eBay radio paid production fees and wsRadio was able to sell advertising for that show. Once it became successful, they switched to a total ad revenue model. "They get more than 200,000 listeners per month on the Internet through wsRadio," Murch explains. "With that many listeners, we're able to sell targeted advertising to companies that want to get in front of eBay sellers. Not only is the production fee covered, but it's also a profitable model." The majority of wsRadio's shows are brokered. The American Marketing Association's "Marketing News Radio" has its own sponsors, so it pays for production and they own all their advertising.

wsRadio provides the host with a free 18-point marketing plan and works with new hosts to implement the plan. The company is beginning to franchise itself. So far, it has opened more than 65 remote studios around the country. "We have a number of companies in San Diego, for instance, that want to adver-

tise, but they're not global. So we're setting up franchises where we'll open wsRadio stations in local markets across the country and they'll develop local programming. We've targeted the top 50 cities in the U.S. by population that we hope to open in the next two to three years. Smaller cities can have their own local wsRadio station as well, but we'll open those as they come to us. As we open these local markets, we'll have local advertising inventory avails, which is something we don't have now. They'll purchase the franchise as a station."

WorldTalkRadio and VoiceAmerica also use the brokered model. Initially, hosts pay their own production costs. "Once a show is a reality, 100% of the advertising goes back to the host," Jeff Spenard, president, tells *TALKERS*. "After the hosts recoup their costs, then we go to a 50-50 split." VoiceAmerica, which Spenard co-founded in late 2000, broke even in one-and-a-half years. "Overhead was pretty low. We immediately started generating capital through the brokered programming." VoiceAmerica is now owned by publicly traded Modavox, Inc., maker of the Boombox software that many Internet talk radio shows use to webcast their shows. In March of last year, Modavox also acquired World Talk Radio, which continues to operate under its own name.

"Overhead was pretty low. We immediately started generating capital through the brokered programming."

George Carson, co-founder of AllTalkRadio, says, "Jumping into Internet radio was really tough. We had to mix old traditional radio with new ways of doing radio to blend it right. We had no clue what kind of business model we'd have. To this day we're still not exactly sure how to sell it, how to approach it with people. We started saying a lot of techie stuff no one was understanding, such as how many bites we put out for sound. Regular people who've bought ads for regular radio didn't understand what we were talking about. We had to go to them and break it down as if it were still AM and FM radio. Advertisers would ask, 'Why would I want to listen to you on the computer? I have my stereo sitting right here.' I'd say, 'What's the difference if you turn your stereo or the Internet on?'" Most of AllTalkRadio's shows are brokered, although some are in-house, where AllTalkRadio will work out a deal to produce a show it wants, and split ad revenues half and half.

BlogTalkRadio is free to its hosts. "Anyone can come on the network and create their own show," says Alan Levy. "They just register as a host and create a profile. We provide them with tools to be able to have the show replayed on their own website by using a widget we give them. All you need is a phone and an Internet connection and you can be on air in five minutes." In addition, its Browser Base lets hosts have up to six people on the line at once. "There are no downloads required," Levy continues. "If you broadcast your show on Thursdays at 4:00 pm, you can tell your friends via e-mail, post something to your site or blog, with the url address. We provide you a button. You do your show, call into a phone number, you can have a guest on your show, you can play bumper sounds or music, and after, you can post your show. Within 30 minutes that show is recorded and uploaded as a podcast."

BlogTalkRadio makes money by "targeting ads to exactly what the company wants," explains Levy. "If Nike wants to focus on a sports category, we can give them 5,000 impressions or video pre-rolls, audio ads. We can drill down further to, say, college radio. Or to March Madness. We target exactly what advertisers want. If a host brings us a sponsor to their radio show, we'll share the revenue 50-50 with that host. If we bring advertisers to the table, then the hosts get 35% and we'll get 65%. By having a platform that incentivizes the hosts, they have more interest in promoting their show and creating content."

Baumgarten describes PalTalk's business model as quid pro quo. "For example, we help Doug Stephan with the technology and with promoting his show on PalTalk and he talks about PalTalk on his show so people who listen might download PalTalk to participate. If you're a radio station or a host of a show and you have your own website, you can model this around your website so you can enjoy the benefits of whatever ads you generate on your site, including interstitial ads and banners. And we benefit from click-throughs to our site. So you keep your money and we keep ours."

Threat or opportunity?

Whether cyber stations pose a competitive threat to terrestrial stations varies in the opinion of many terrestrial talk radio programmers. "I'm sure there are some talented people working on those Internet-only stations," KFI, Los Angeles PD Robin Bertolucci tells *TALKERS*.

Bertolucci also believes having a local connection is important. "International is placeless," she says. "The idea of being in a place, being connected to people's lives on a day-to-day basis is powerful. I'm sure there's great



Robin Bertolucci

stuff out there, but how do you make it stick?" WABC, New York program director and vice president of news/talk programming for ABC Radio Networks Phil Boyce says he's not too familiar with the Internet-only talk stations or their talent and he's not threatened by them. "I can't be. I'm into broadcasting, not narrow-casting. If at some point they start stealing listeners from me, I'll have to start paying attention."

But Boyce agrees that there probably is some talent out there. "It could be a great place to start grooming new talent. Every now and then something like that happens. But they say every talk radio listener has one show in them. The question is do they have two or three? This is a way to find out. We can weed out the wannabes that way."

Rick Jensen, PD at WDEL, Wilmington, agrees. "Internet-only stations are not a threat unless they can do what we can do locally. Take a look at what's happening with satellite radio — they have not yet saturated the marketplace with satellite radios in cars. There are more people opting out than opting in when they buy satellite radio-equipped cars."

Jensen says he enjoys the novelty of Internet radio — those 16-year-old kids hosting unique niche shows. "However, when I'm in my car or home in the morning, those 16-year-old kids on Internet radio are not telling me what I need to know to get to work, what's happening where I live that will affect my day in a meaningful way. Those shows are fine for some short entertainment. But your local station is more than that, especially if it's as much a part of the community as WDEL is. We're an integral part of many people's lives. I believe that those radio stations that provide what they do on as many platforms as possible and serve their local audience in a way that no one else can will be successful."

The Internet is becoming a more integral one of those platforms at a number of stations.

Many talk stations, such as KIRO, Seattle, stream their regular shows. "Now it's just our terrestrial products," Rod Arquette, KIRO's PD, tells *TALKERS*. "I'd like to explore the possibility of more specialty programming. There are millions of topics out there that could be tried. Perhaps shows on stamp collecting or genealogy. We're just starting to

scratch the surface. We've just completely redone our websites, putting all three stations under the same umbrella at Mynorthwest.com, in an effort to make that one site the source of information on our three stations. I used to believe they were an extension of the stations. Now I think they complement and extend the station. We want to make sure that's up and fully functional, and make it one of the most-viewed sites for information on the Pacific Northwest. And that depends on ad support that comes with it as well."

Boyce says WABC's Internet stream is very important to the station. "It's more important every day. It's the extra bit of connection we have with our P1 listeners that you can't get any other way. It is growing and continuing to grow as a source of info for our listeners. We want to be there at the point of contact when they're looking for something. Great way to tie in your main listeners to the content of your station, make them feel part of something bigger than just your radio station."



Rod Arquette



Phil Boyce



Rick Jensen

"More and more, our listeners are going to the Internet to get the stuff they get on air and are getting deeper content — the visual aspect and being able to time shift."

Bertolucci sees the Internet as "a huge opportunity, especially for mature businesses. KFI is financially wildly successful, but our opportunities to grow our audience at 10% or 20%, that would be really huge. On the Internet it's more like you have an emerging business. It's at a different point so there's a bit of an upside to that. More and more, our listeners are going to the Internet to get the stuff they get on air and are getting deeper content — the visual aspect and being able to time shift. We've done well with it, but we're still in the baby era."

She says the Internet is a critical element of KFI's strategy. "I don't know anyone who doesn't use a computer many hours a day, to get information, to shop, to get directions, to communicate — all the time. If that's not a big part of your business model, then clearly there's a problem. There's real audience opportunity, and there's real money there."

KFI has been experimenting with unique content such as Bill Handel's vodcasts, which include off-air segments listeners can't hear

anywhere else. "We're continually trying to bring the on-air experience online," says Bertolucci. "It's KFI squared — a deeper experience. If there's a commercial we're talking about on the air, you can play it online. It's a way for people to participate with our content and personalities, to get more information. It's just more, more, more."

That means more work for her staff. "The good news is that not any one person has to do it all. But it's a lot of work, the instantaneousness of it. Even more than radio."

Jensen puts it this way: "PDs are becoming content managers, especially in talk radio. We have to repurpose, multipurpose what we do on the air. And we're coming to a point when we'll be singularly purposing Internet broadcasting." For instance, WDEL has begun producing Internet-only high school football games. "They've been profitable and the streams are quite large. The audience is obviously there," says Jensen. "It's important to create the circle of online marketing so on-air listeners know what's available on the Internet, such as podcasting, blogs, video news that we produce and from AP and CBS News, and that our web users are aware of how they can use 1150 AM. All our news reporters take video cameras and produce video. We do make money at it."

One problem he points out, though, is that Arbitron currently will not credit Internet listening to a call letter's signal unless it's streaming 100% of its broadcasts. "We don't stream 100%. We stream 24/7, but not all broadcasts, because we carry the Phillies and the Eagles and we're not allowed to stream those games," Jensen points out.

Boyce also notes that Arbitron and legal issues are hindering terrestrial radio's ability to fully capitalize in the Internet. "Until Arbitron allows us to get credit for the audience stream, I'm not sure how to do that. We



Terrestrial radio talk pioneer Roberta Gale has found a worldwide audience on Podjockey (www.podjockey.com) where her epic 17-chapter "Boyfriend Tour" takes the listener into the most personal nooks and crannies of the female mind in an unrestricted stream-of-consciousness style that could never fly on the FCC-regulated AM/FM dial. Podjockey features a menu of talk programs that runs the gamut from educational documentaries to lifestyle-oriented adult fare.

know how many people are listening to the stream, but adding it to over-the-air listening and being able to reach advertisers with those figures — we haven't figured that out yet.

Unless we're streaming commercials 100%, and AFTRA and ad agencies don't allow that, it's a problem. We've been facing that issue for four or five years."

The future

VoiceAmerica's Spenard says, "I definitely see us competing with terrestrial radio probably in the near future. I think we can surpass terrestrial radio in audience size, advertising sales, marketing...in every way." He points out that, "Golden Broadcasters got Pat Summerall, one of our hosts, on about 17 different terrestrial stations. We also are doing business with Spodronics, which distributes our content on all the European cell phones. UpSnap distributes our content on cell phones in the U.S."

wsRadio's Chris Murch is also looking forward to expansion into new platforms. "The thing I'm excited about is more and more cars will get Internet that will be voice activated, so people will be able to listen to Internet radio in their car. In fact, that's already started."

"As AM does finally go by the wayside, as it will, we'll be the one to have the model built by then so people know this is the next jump," says Carson of AllTalkRadio

Bertolucci does not seem worried about competition from the Internet players. "The biggest challenge is how do they cut through the clutter? It's a handicap not having a broadcast signal, to make your brand memorable. It's the consistency of the experience that drives success. I am always a big believer that great content will be discovered and rise to the top, but boy, it's a noisy place out there." **T**

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