

Dual-D. Station 7721 East Wilshire Drive, Santa Monica, California 90405

PRESENTATION
for
METRO BROADCASTING CORPORATION

PREFACE

The San Juan radio market has become more competitive in the last several years than it has ever been in the past. A number of major stations such as WBMJ, WQBS and WRAI have revised their programming in an effort to garner audience, the key to agency sales. The already dominant stations, WKAQ, WUNO and WKVM have maintained an aggressive programming stance, coupled with an organized sales effort.

Within this competitive environment, it is possible to situate a station such as WJIT in a dominant position, both in audience and sales. Simultaneously, WJIT-FM can be made economically viable.

INTRODUCTION

San Juan has approximately 50 advertising agencies. The more successful stations bring in between 80% and 90% of their revenues from these agencies.

The inference is that a high volume of agency billing is essential to a major radio station. The key to agency business lies in a combination of a large audience and a positive sales image.

The first step in opening agency doors begins in programming the correct format. With the proper programming, an efficient and effective sales effort can then be begun.

PROGRAMMING

The attached list of San Juan AM radio stations reflects the absence of a format which in other Latin American countries has been eminently successful. This format, patterned after U. S. stations such as WABC in New York, calls for the programming of contemporary, modern music only. Most appropriate for the Puerto Rican market would be a mix of 30-40% current records and 60-70% hits of the past 6 to 8 years.

There is no San Juan station with this format. A number of facilities program some of this music form, but always mixed with "salsa," boleros and other non-related music forms.

The appeal of this format is broad-based, with an advantage that it is concentrated in upper income listeners in the prime buying age groups up through 35 year-olds.

Through music research systems developed in the U.S., music can be selected to appeal to the broadest segment of audience possible. An initial study will determine overall programming, and regular follow-up procedures will insure proper continued targeting.

Once the new programming concepts are implemented, an audience promotional campaign must be begun to both attract and hold new listeners. This campaign should be multi-media, but will center on exciting, interesting activities as a part of the station's programming.

The FM side of the operation will be programmed to complement the AM, audience wise.

As with the AM, overall audience appeal of the FM will be directed at the upper half of the socio-economic spectrum. However, the age target will be developed to form a continuum from the point where the AM format ceases its appeal, basically among listeners over 35 years of age.

The format will be a customized, latinized version of the popular and profitable U.S. "good music" formats, such as heard on WRFM in New York City. It would be obtained pre-recorded, and suitable for automated, unattended operation.

Although there are several stations in San Juan with the same format concept, none is executing it adequately. All are over commercialized, and have poor and inconsistent music selection.

Because of the predominance of news on certain stations, neither the AM nor the FM should enter into a direct battle for news audience. Both should, however, be an alternative for concise, brief news coverage, strategically scheduled only at the times of day when required. This will make maximum use of a small, functional news department.

The news department will also carry responsibilities for public affairs and community interest programming as called for in the station licenses. The proposed programming changes may possibly require a change in the nature of the station's commitments to the Federal Communications Commission as to News, Public Affairs and Other programming. There will be no difficulty, however, in insuring the minimum aggregate of 8% for the AM station and 5% for the FM of total program time devoted to these areas.

While programmed separately, the two stations will be able to operate with very nearly a single station staff, in that most internal functions will be combined.

SALES

With the proper product to sell, a sales manager and his staff working under the general manager can approach the time buyers in the market with a product with a defined image backed by the quantitative results of audience research.

A sales approach can be developed emphasizing a joint AM and FM buy to reach middle and upper income families, or a single buy to reach a specific segment of this socio-economic group, which constitutes 56% of San Juan Metropolitan population, according to 1972 figures of Clapp and Mayne, Inc.

Initially, a rate structure should be developed to make the station competitive in the market. Advertisers who are early to recognize the potential of the formats will receive 6 to 12 months' protection on rates, which would be raised as the stations grow. This will encourage buying at an early stage of the stations' development.

In addition to an organized on-the-street sales effort, a secondary thrust can be made through the creative use of direct mailings to key agency personnel, thereby giving in written form data, statistics and information which will reinforce the impression of in person presentations and calls by station salesmen.

Rate increases will follow as a consequence of audience growth as related to cost-per-thousand comparisons for other stations in the market.

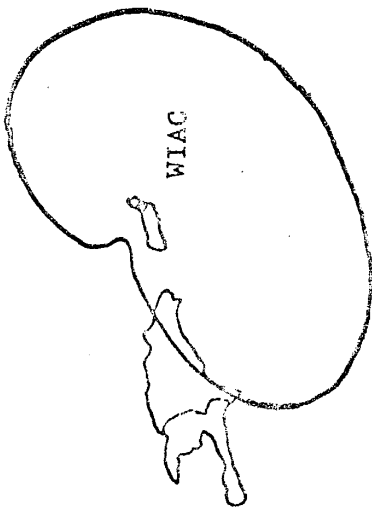
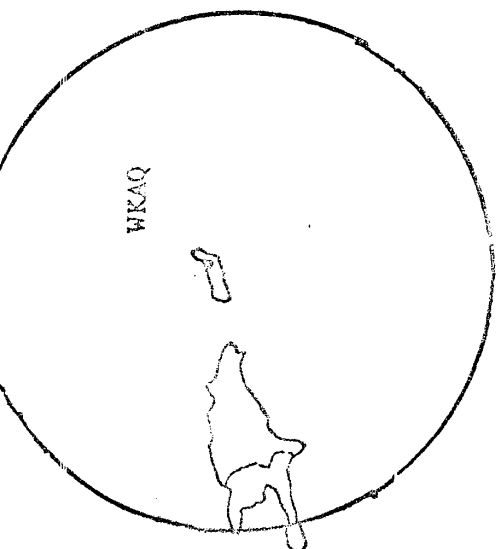
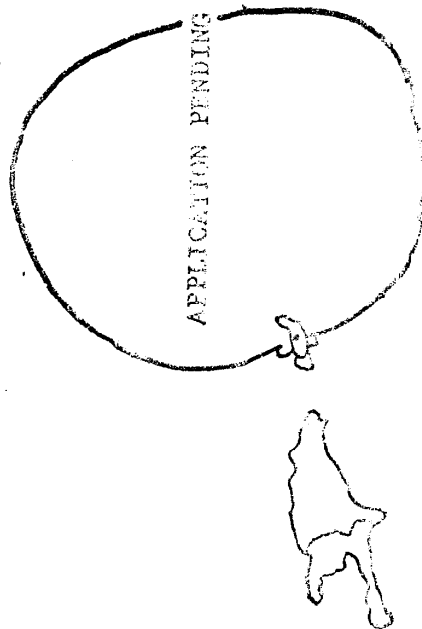
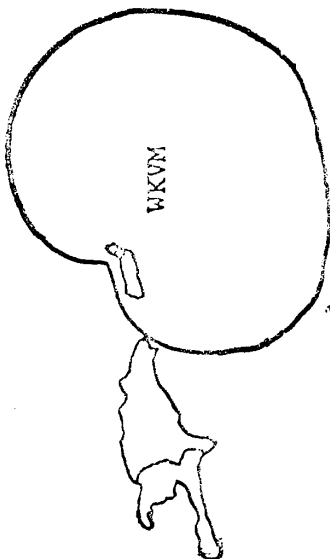
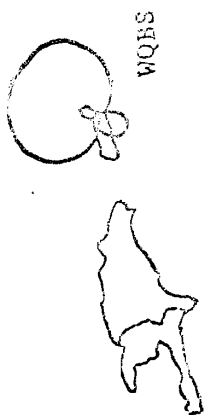
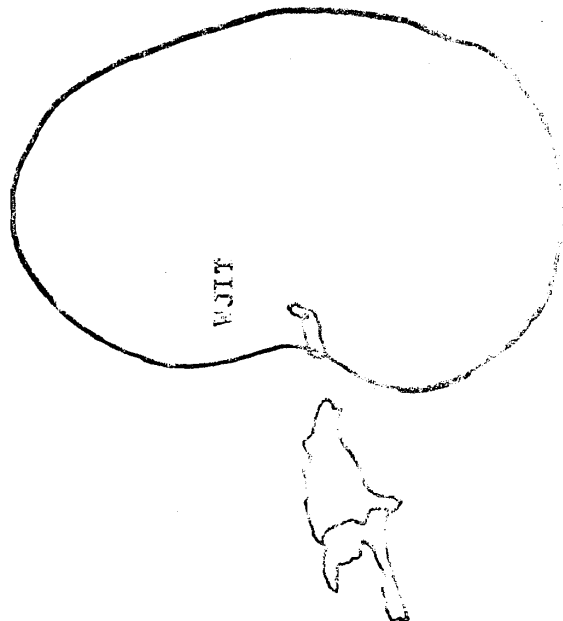
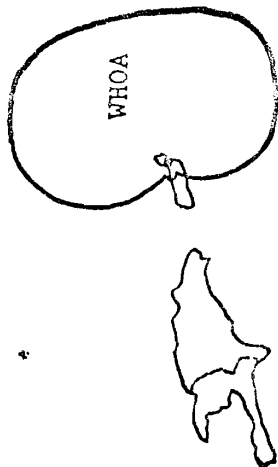
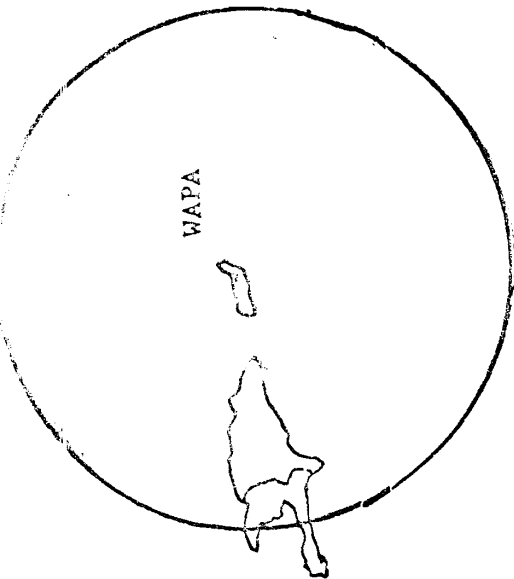
A billing projection which is neither exaggerated nor overly conservative would give average gross monthly billing of \$55,000 after the first 12 months operation for the AM, and \$18,000 to \$22,000 for the FM. The present market conditions in San Juan would seem to

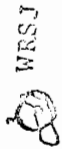
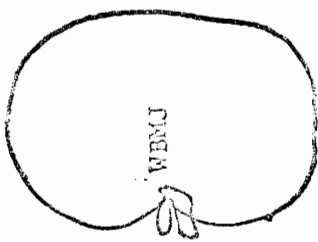
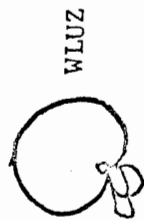
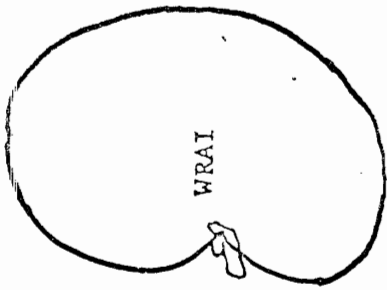
place an annual billing ceiling in the vicinity of \$850,000 for the AM and \$275,000 for the FM, contingent on the relative success of the respective formats as to audience size.

SAN JUAN RADIO STATIONS

- WKAQ 20% of schedule devoted to news. Also carries horse races. Music programming consists of current top selling records of all kinds, without regard for specific appeal to station's audience. Programming dictated by non-resident program consultant. Good coverage and signal.
- WQBS Format consists of a contrived, monotonous blend of "romantic" music combined with produced features and gimmick-laden newscasts. Poor night coverage.
- WAPA A station without a format. Programs some current music without regards to its real popularity. Has news blocks and many special programs which interrupt audience flow. Good coverage and signal.
- WIAC Much like WAPA, but on a lower budget. Good daytime signal, but restricted to the West at night.
- WKVM Definite and intentional appeal to the "pueblo" with music, news and announcing aimed at lower income family tastes. Puerto Rico's most powerful radio station, but very directional at night.
- WFOA English station with programs, features and music aimed at the non-Puerto Rican minority.
- WIPR Educational station, not a factor in any sense.
- WBMJ Recent 1973 program changes have made this station a factor in the market. The mix of rock and roll and "salsa" limits it to a very young listenership, and there are serious defects in the program concept.

- WUNO A major station still despite deterioration of programming. Tends to play poorly selected music, is over-commercialized and has very poor signal coverage due to bad frequency and low power.
- WVOZ This all-salsa station is a minor facility due to low power (250 watts) and budget.
- WRAI English rock and roll, done in a style typical of that type of station 5 to 8 years ago in the U.S. Directional pattern restricts night coverage.
- WRSJ Instrumental music, very loaded with low rate spots. Music not well selected. Poor night signal due to low 250 watt power.
- WLUZ Poor coverage all day for this Bayamón station limits its impact and potential.
- WJIT Good day and night signal (about 4th best overall in the city according to FCC statistics) make it suitable for building into a major force in the market.





COMPARATIVE DATA FOR NIGHT OPERATION OF SAN JUAN AM RADIO STATIONS
Patterns shown do not reflect coverage in that they show relative
field strength at one mile from each transmitter site. Actual
coverage is less than shown on a proportional basis.