

Clear Channel, CBS Radio Chase Digital Listeners

Roll Out Online Apps for Personalized Radio Stations

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NEW YORK (AdAge.com) -- It only took them about three years to catch up with their traditional media counterparts, but the big radio groups are finally embracing digital in a major way. Now two of the industry's biggest players, CBS Radio and Clear Channel, are in an arms race to see who can build the most scale the fastest.

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Clear Channel wants to lure more, younger listeners to its weekly listener base of 1.4 million by creating its own indie-rock online music app, eRockster, to bring a catalog of 5,000 indie, alternative and electronica songs to its music library by the end of May. And, later this summer, Clear Channel will launch its own personalized radio station, with a best-of-breed partner.

Making music together

CBS Radio unveiled in March that it would power the AOL Radio player, which would allow online radio listeners to toggle seamlessly between CBS and AOL radio stations. The partnership marries AOL Radio's 1.36 million weekly listeners with CBS' weekly audience of 1 million.

Similarly, the radio group is sharing its 140 stations' streaming sites with sister company Last.FM, a streaming audio site acquired by CBS Corporation last year for \$280 million. At an event for advertisers and media buyers last week, the [company unveiled plans](#) to launch its first personalized internet radio station called Play.It, its take on customized-music players such as Pandora and Rhapsody.

If Clear Channel's plans sound similar to the CBS/AOL strategy, that's because the leader of Clear Channel's online group is Evan Harrison, who was hired by the company from AOL Radio in 2005.

A growing audience

Although online radio accounted for a relatively small portion of radio ad buys in 2007, comprising anywhere from 3% to 5% of most sales, the listenership is growing. According to an April online radio report from Arbitron, "The Infinite Dial 2008," the weekly online radio audience in 2008 rose 11% to 13% to 33 million from the previous year. That's why eMarketer predicted last August that Internet radio ad revenues would nearly double from \$500 million in 2007 to \$950 million in 2008, with Borell and other analysts pegging Clear Channel's share to account for nearly 40% of the total revenue.

To accommodate the spending frenzy, CBS and Clear Channel are not only ramping up the content and features for their digital radio players, they're making sure it's easier for advertisers to get involved, too.

This week, both groups are rolling out partnerships with StudioNow, an online production company that enables local advertisers to convert their raw radio or video spots into fully edited online pre-rolls compatible with Clear Channel or CBS' radio players. So local advertisers who would never otherwise have the resources to produce their own online ads can now commission the station groups to edit their spots for them at a fraction of the cost.

Said Mr. Harrison, "Our strategy has been all about local, and this is a core part of what our local advertisers are doing. We didn't want to take away from their ability to get their ads on our players."

Making deals on many fronts

But the eRockster and StudioNow deals are just part of the broader social digital strategy Mr. Harrison and his team have developed over the last 18 months. Some of the group's other recent initiatives include introducing iTunes tagging to its stations' songs, a partnership with song-lyrics database GraceNote and a successful venture into social-networking widgets with Clearspring. A recent online performance from the Jonas Brothers, for Clear Channel's acoustic "Stripped" concert series, logged 1 million video plays, a third of which came from off-network sites like Facebook. The band's tour sponsor, General Mills' Breakfast Breaks, even got a piece of the audience by promoting its sponsorship on the syndicated video clip.

"We realize that while we have all these destinations at our station sites, we need to serve it so that people can take the content with them or find it wherever they're going to be," Mr. Harrison said. "It's the kind of thinking that wouldn't have existed in radio a few years ago."

Indeed, the recent surge in new-media partnerships from CBS, Clear Channel and other radio groups like Emmis and Entercom has radio buyers and sellers alike excited for the old-school medium's future growth. Andy Lipset, managing partner of the online radio ad rep firm Ronning Lipset, said, "CBS is a great first example of a traditional radio group doing it, and doing it the way it needs to be done. They're creating engaging content that's going to get listeners to learn forward and experience their music and radio properties very differently than they might have before."