

Digital Media: If You Don't Get It, You Lose



By Jeffrey Yorke

Washington, D.C. -- Digital media revenues soared to \$22 billion last year, about \$2 billion more than those netted by the radio industry. Of that, about \$8.5 billion was from local online spending by "mom and pop" operations hoping to expand their worlds and revenues.

Radio is going to see only a fraction of that and Daniel Anstandig and a panel of experts thinks its time for radio to get with the program.

During a Friday morning (March 14) TRS 2008 panel titled "When Good Advertisers Go Interactive," the group stressed to broadcasters the importance of selling their online presence to their already established advertisers and also using the internet portal as a lure for less expensive advertising to catch new advertisers. Those advertisers can later be introduced to on-air radio advertising.

"Consumers drive the buying decisions; they want what they want when they want it," offered Sheila Kirby, who as Interep's digital guru has helped generate more than \$850 million in non-spot revenue for radio stations. She noted that radio has plenty of content but doesn't always know how to capitalize on its work. "Create podcasts so they can take it with them. We are not just on air, we are on site and online. Are we bringing our brands and personalities with [us]?" she encouraged broadcasters to ask themselves. But she also warned that the day for radio generosity has passed. "We all made a mistake in radio -- we gave away our online assets. People wanted them as added value. Don't do that!" Others on the panel echoed the sentiment with a similar tenacity.

Andy Lipset of Ronning Lipset Radio, which represents online radio including AOL Radio and its new deal with CBS Online Radio, said, "removing the fear about digital radio was very hard for a radio buyer to understand at first. What is online radio? What's this streaming stuff? Where does digital and streaming fit in their advertising scheme. But some advertisers got it immediately," he said.

The business was slow to start. "Advertising buyers would try online advertising with one client, then another, then yet another as they saw that digital advertising combined with radio worked," he said. In a short time, he said, they realized "it's a spot running with your online stream. It's not that hard to get. This is something that deserves monetization."

Key to success in digital advertising, Lipset said, is creating online "stickiness. Engage brands that engage back and get people to keep coming back to those brands."

Liquid Compass founder Zachary Lewis advises against using the same audio in online advertising that is used on radio, following up with the idea of engaging users in a different way. "Advertisers need to use the strengths of each medium," he said.

Emmis' Rob Nichols, who heads the company's online video production, has essentially turned many Emmis radio stations into online television stations by incorporating an Indianapolis-based \$80,000 mobile video production into the equation. The unit shoots video of events and integrates it into its online presentation. McDonald's and Chrysler are on board as advertisers and the list is growing, says Nichols.

A similar tactic is being exercised in Delaware at WDEL/Wilmington, where the radio station's reporting staff is all using high quality television cameras to feed the station's Web site.