

**PLAN DEVELOPER OF THE DALLAS MARKETPLACE**

**EXECUTIVE SUMMARY**

**Prepared for**

**KEGL**

**By**

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**Research Triangle Park, North Carolina**

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## EXECUTIVE SUMMARY AND CONCLUSIONS

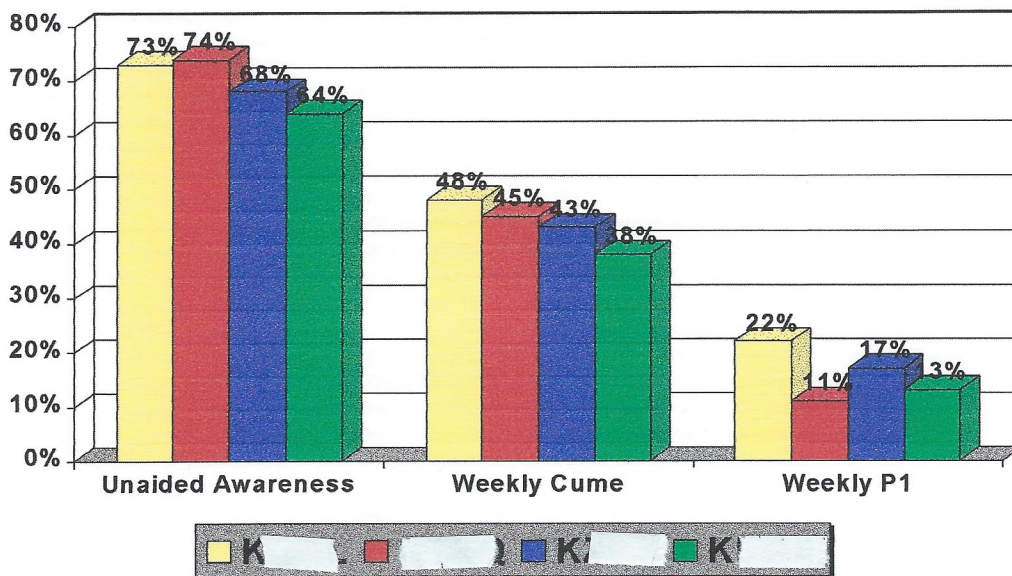
### K IS THE LEADING ROCK STATION IN DALLAS

Among all 18- to 44-year-old men, K has a substantial lead in P1 listenership.

K is strongest among 18- to 24-year-olds, although it also does well among 25- to 34-year-olds. K overwhelmingly wins partisanship among '90s Hard Rock fans. It also wins P1 listenership among '80s Hair Bands, Rock Alternative and Industrial fans, but by a lesser magnitude.

K is a distant second in P1 listenership, but appears to be the station with the most momentum as it is gaining listeners from K and K. K also appears to be picking up some Mainstream Hard fans from K. Both K and K display negative momentum, as indicated in Prior P1 listening.

### Listenership Behavior Among All Listeners



## STERN IMPLICATIONS

Eighteen percent (18%) of K1GL Cume listeners tune in exclusively for Howard Stern. Thus, 18% of K1GL's Cume will leave when Stern is taken off the air. The largest percent of K1GL's Cume (46%) say they listen for both Stern and music. This is reflected in the agree/disagree statements where 45% of the station's Cume strongly disagrees with the notion that they would listen to K1GL more if Stern was not on the station. These listeners should continue to cume K1GL although they may provide it with significantly fewer quarter-hours.

## K1GL'S MUSIC MOST IMPROVED

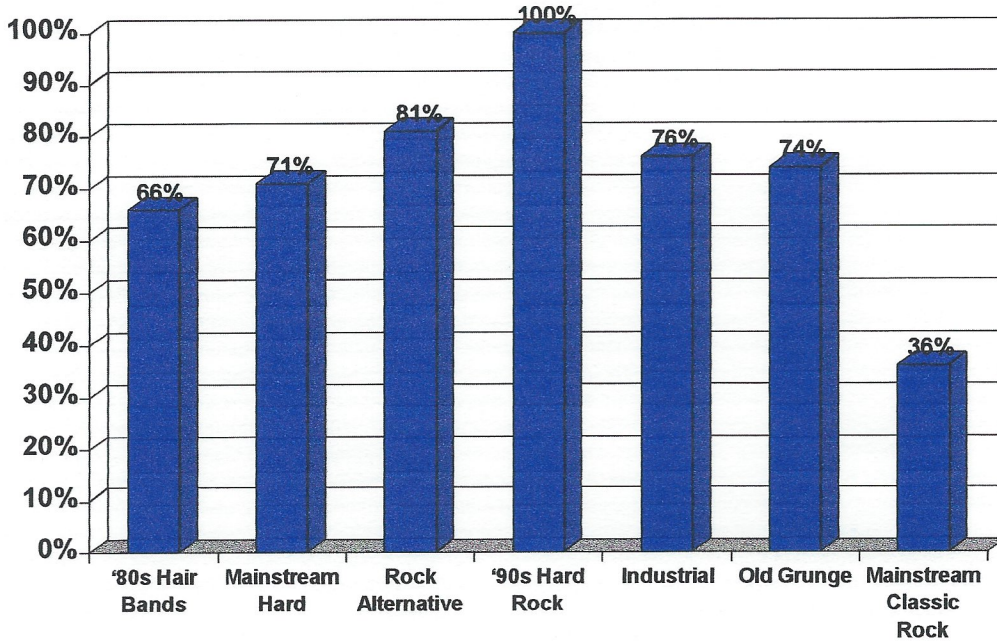
K1GL's healthy P1 share is to some degree due to improving music. Of the four stations measured, K1GL is the station with the highest percentage of listeners who say its music has gotten better lately. K1GL listeners give the highest gotten worse votes.

## MUSIC SEGMENTATION SHOWS HOW TO DRIVE CUME AND PASSION

Mainstream Classic Rock, Mainstream Hard and Old Grunge have the highest Cume Potential and Preference. Rock Alternative has secondary Cume Potential and Preference. Nineties ('90s) Hard Rock has low Cume appeal but solid Preference—suggesting it drives loyalty.

K1GL draws nearly half of its P1 audience from '90s Hard Rock fans. Therefore, it is the key sound in K1GL's current success. Fortunately, '90s Hard Rock partisans have a great deal of appetite for Mainstream Hard, Grunge, '80s Hair Bands, Rock Alternative and Industrial. Combined, these sounds represent the preferences of 52% of the Rock audience.

### Montage Compatibility '90s Hard Rock



These six sounds can be blended to make up KFGZ's music recipe. However, Mainstream Hard and Grunge are the two with the most Cume Potential. Mainstream Hard has the widest appeal and is strong across 25- to 44-year-olds. The appeal of the remaining hard, more recent sounds is much lower and limited to 18- to 29-year-olds. Thus, Industrial and '80s Hair Bands are of lesser importance to KFGZ because they have less mass-appeal. Fans of these sounds will readily accept Mainstream Hard, Rock Alternative and Old Grunge, which have broader Cume draws.

## A FRAGILE COALITION

Mainstream Hard and Grunge fans have little interest in '90s Hard, '80s Hair Bands and Industrial. The implication is that between 10 and 20 percent of the coalition K1 GL has formed is vulnerable to a focused Mainstream Hard or Grunge-based station. K1 GL's ability to draw P1 listenership from such a diverse group of people is largely because the Alternative station and Mainstream AOR have done poor jobs of holding their natural constituencies.

The development of this coalition is evident in the audience's association to each of the sounds. K1 GL's image for '90 Hard Rock is the second strongest association in the market. K1 GL also wins the image for '80s Hair Bands, but not by as great a magnitude. K1 GL has a slight advantage over K1 XQ and K1 ZPS for Mainstream Hard, although it is essentially a three-way tie. K1 GL also leads K1 DGE for association to Industrial.

K1 DGE has failed to demonstratively own Old Grunge. While it has the highest association to Old Grunge, both K1 GL and K1 XQ have peeled away enough image to block K1 DGE from becoming a strong Alternative station. Rock Alternative is also a draw between K1 GL and K1 DGE with K1 XQ still in the hunt.

## K1 GL MUSIC IMAGES MOST IN SYNCH

The preferences and images of K1 GL P1 listeners are the most in synch of any station in the market. On the other hand, K1 DGE P1 listeners prefer Pop Alternative but think of the station primarily for Old Grunge. So, the overall market, which has high preference for Old Grunge, does not think of K1 DGE; while its P1 listeners, who are less into Old Grunge, do associate the sound with K1 DGE. The preference and

images among K100 P1 listeners are primarily for Mainstream Classic Rock. However, the station's core has more interest in Mainstream Hard and more image for Soft Classic Rock. K100 has low and unfocused music images even among its core.

K100's growth will come from stealing additional image among fans of Grunge and Rock Alternative from K105 and K107, as well Mainstream Hard partisans from K107 and K100.

### **OTHER OPPORTUNITIES**

Compatibility analysis suggests that Mainstream Classic can be combined with either Mainstream Hard or Soft Classic Rock. However, Soft Classic and Mainstream Hard are at best marginally compatible. The implication is that there is room for a softer Classic Hits approach in addition to a more traditional Classic Rock station.

Even among men there is significant preference for Pop Alternative. A focused Pop Alternative station could inflict further damage to K105.

### **K100'S IMAGE PYRAMID UNDERDEVELOPED**

K100's largest market image is as the Heavy Metal station. K100 also has the largest image for a funny and entertaining morning show. Further, it is K100's second largest image among its core, once again suggesting that dropping Stern will significantly disrupt K100's audience. Thus, K100's Image Pyramid is constructed primarily on Rock music—and Hard Rock in particular—and the morning show. K100's tertiary image is as the concert station. Developing other parts of

the station's Image Pyramid is of paramount concern, especially in light of losing Stern.

### **AGREE/DISAGREE STATEMENTS SHOW HIGH DEGREE OF PASSION**

Several agree/disagree statements illicit passion. Forty-five percent (45%) strongly disagree that they would listen to K1EGL more if the station did not carry the Howard Stern show. This is among the highest strongly agree or disagree we have seen in some time.

K1EGL's Cume is strong in its opinion that the station's music is neither too hard or too soft. They also clearly listen to K1EGL primarily for Hard Rock and not either older Rock music or Alternative music. The Cume agrees but is not passionate that Pure Rock is a good description of the station's music.

With these findings in mind Coleman Research offers the following recommendations to K1EGL in *"The Plan."*

*"The Plan"*

1. **K1 GL should be prepared for significant losses if the Howard Stern show is terminated.** Approximately one-fifth of the station's Cume will leave. Among the remaining listeners, nearly half are likely to give the station fewer quarter-hours.
2. **K1 GL should prepare to market and use tactical promotions simultaneously with the discontinuation of the Stern show.**
3. **K1 GL should consider hiring [ Bo and Jim ] for mornings.** In all likelihood, whoever replaces Stern becomes a "sacrificial lamb." However, [ Bo and Jim ], with a more music approach, may offer K1 GL the most credibility and to some degree block the growth of [ Lex and Terry ] on K1 XQ.
4. **K1 GL should make Mainstream Hard and Grunge more prominent in its music recipe at the expense of Hard Rock and '80s Hair Bands.** These sounds will provide K1 GL with the largest possible Cume.
5. **K1 GL should set a goal of improving its association to Mainstream Hard and Grunge by at least 10 points each.**
6. **If either K1 XQ or K1 GE improve and respectively focus on Mainstream Hard and Grunge, K1 GL should be prepared to remain focused on '90s Hard, Rock Alternative, Industrial and '80s Hair Bands.** If both stations focus, K1 GL could experience a P1 drop of 10% to 20%.



7. **K1 **GL** should strategically build other non-music or morning show aspects to its Image Pyramid.** If K1 **GL** can successfully lock up other desirable images (such as music quantity, community involvement or concert association) it will be stronger in the event K1 **XX** or K1 **GE** improves.
  
8. **Nationwide should consider the merits of moving K1 **DMX** more Pop Alternative.** Although this project was not designed to study the AC audience, we do find a large Pop Alternative constituency. A true Pop Alternative station would further pin K1 **GE** down. Clearly though, K1 **GL** cannot make Pop Alternative part of its sound.

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