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M2

Off the Air And Into Your PC

*L.A. Radio Station
Exits Dial for 'Net*

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From now on, when Andy Chanley hosts his morning radio show on Los Angeles's KACD, he won't say, "It's 8:15 now." Instead, he'll say, "It's 15 minutes after the hour."

"It's 8 o'clock here," explains the 31-year-old deejay, "but not necessarily where you're listening." Which could be anywhere around the globe.

KACD begins a history-making experiment early this week. As far as anyone in the radio industry can determine, the station is the first to pick up and move everything—deejays, music, commercials—from an over-the-air frequency to the Internet.



BY MARK J. TERRILL—ASSOCIATED PRESS

Deejay Andy Chanley will soon be playing tunes exclusively over the Internet, as KACD in Los Angeles becomes worldclassrock.com.

KACD-FM will transform into www.worldclassrock.com.

Which means: The days are over when KACD relied on a weak signal that doesn't even reach north over the mountains to the populous San Fernando Valley. Now, worldclassrock.com can be picked up in any time zone by anyone with a computer, a phone line and enough patience to navigate the emergent thicket that is Internet radio. This could be a seminal moment in radio history—or it could be another dot-com disaster.

"This is terra incognita for all of us, really," says Chanley.

KACD and its 10 employees broadcast on 103.1 FM from a small studio in Santa Monica about five blocks from the Pacific Ocean. The station got backed into its cutting-edge role by the market forces of big money radio. KACD—along with its sister station, KBCD—are owned by Clear Channel Communications, one of the industry's Goliaths. When

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L.A. Radio Station Trades Airwaves for Internet

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Clear Channel merged with another radio giant, AMFM, last year, the new company was forced to sell some of its stations to comply with Federal Communications Commission ownership rules. (The FCC limits companies to eight stations per market.)

Little KACD was a prime target for sell-off: Its audience, while loyal, is minute. Its format is called AAA—Adult Album Alternative, a rock sound popular with mellow grown-ups who fancy a bit of an edge. (Locally, WRNR broadcasts a similar format from Annapolis.) The KACD playlist includes Matchbox Twenty, Phish, Sting, Steely Dan, Aimee Mann, Sinead O'Connor and Steve Earle.

Even during its best ratings periods, KACD was lucky to draw much more than 1 percent of L.A.'s listeners. So Clear Channel sold the 103.1 FM frequency to Spanish-language broadcaster Entravision for \$85 million. Later this summer, if L.A. listeners tune in that spot on the dial, they'll hear Latin pop singers.

But even though Clear Channel sold its frequency, it didn't want to lose its AAA audience, which is coveted by advertisers. Typical listeners are 25 to 54 years old, highly educated professionals, and big spenders. So the company plowed money into a new Web site, where fans of the old KACD can log on to hear Chanley in the morning and their familiar music all day.

The new Web station is a lab mouse for a broad corporate push that may herald a new direction for radio. Already owner of 850 radio stations that reach 110 million listeners (including eight in the Washington area), Clear Channel now seeks to dominate Webcasting.

"If this works, it could open the floodgates," says Nicole Sandler, 40, KACD program director and afternoon deejay.

If it doesn't, worldclassrock.com will be just one more cybercorpse in the dot-com dead pool. The trick is getting listeners to follow the station from the airwaves to the computer. It's a gamble, and the game is too new to lay odds.

Unlike over-the-air radio stations, which can be heard by an infinite number of listeners within the sound of the signal, most Internet radio stations can accommodate only so many audience members at once. Typically, each listener to an Internet radio station needs his own pipeline in. KACD has been playing its over-the-air signal on the station Web site for some time, but it could be heard by only 60 people at once (though that is about to change).

Further, to listen to worldclassrock.com, you need a computer and a phone line. Then you must download software to play the music, which can sound tinny coming from tiny PC speakers or



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headphones. Listening to Internet radio is so off-putting that only 19 percent of Americans have tried it, according to data from the Arbitron radio ratings service.

"Several times when we've been brainstorming in the conference room about this, I've gotten out of my chair, walked over to a stereo receiver, pushed a button and music came out," says Charlie Rahilly, 38, Clear Channel's vice president of sales for Los Angeles. "That's the way this has got to work."

KACD is banking on the fast arrival of technological gee-whizardry.

Several companies are working on radios that will play Internet radio stations without being hooked to a computer. Further, wireless digital companies promise Internet access without having to plug into a phone line. They say Internet car radios are not so far off. And the new worldclassrock.com is working with a company that uses Internet "multicasting," a technology that claims the blue-sky ability to host 1 million simultaneous listeners.

Further, Clear Channel owns a big chunk of XM Radio, one of the two satellite radio companies that promise 100 channels of music and talk that can be beamed into your car by early next year. With a new car radio that handles three bands (AM, FM and XM), a palm-size satellite dish and a \$10 monthly subscription fee, listeners could hear worldclassrock.com on XM Radio.

"I get lots of calls from listeners saying, 'I hate that we're losing the over-the-air signal,' " says Sandler. "I tell them we're going to be there when

the technology catches up." The AAA audience, Sandler and Rahilly say, is typically more "wired"—more willing to listen to Internet radio—than fans of other musical genres. KACD has aired promos over the past six weeks, instructing listeners where to look on the Web for the new station.

Rahilly is responsible for making sure the new venture floats. To lure advertisers to the Internet, he's slashing ad rates. Thirty-second commercials on KACD go for about \$300. On worldclassrock.com, they'll cost about \$75, he says. Because almost no one has the Web in his car yet, the concept of morning and afternoon drive time—radio's most lucrative time slots—is meaningless on the Internet. So worldclassrock.com will be sold as an at-work station, where people do have Internet access.

If he can bring over 10 percent of the station's listeners to the Internet and be out of the red after one year, Clear Channel will deem the station a success.

For now, station employees like Chanley—who says he knows only "as much about the Internet as an average person"—are trying to figure out how to escort this old medium onto a new one. The little things need to be worked out, now that his listeners may be tuning in on PCs in Santa Monica—or Santa, Idaho. Things like ticket giveaways.

"What do I do when I'm on the Internet?" Chanley puzzles. "If I'm giving away tickets to a Who concert at the Staples Center [in L.A.] and somebody calls in"—or e-mails in, for that matter—"from New York, do I chip in air fare?"