

He Cut Ads To 5:00 Per Hour – What Happened Next?

By **Radio Ink** - March 22, 2023



Earlier this year, *One Putt Broadcasting in Fresno, California* did what so many stations only dream of: they limited ads on each of their five stations to five minutes per hour. As radio chases the shorter stopset, Radio Ink talked with One Putt owner John Ostlund about the path there and the results.

Radio Ink: Everybody claims that they want shorter stop sets, but so few do it. Why do you think that is?

John Ostlund: One Putt is fortunate we just don't have any debt. And so that's the biggest competitive advantage that we could possibly have. Well, and I really believe in being different. And I really believe in radio. If you wanna have a great brand, there are two things you have to do before everything else. One is to make your listeners happy and the other is to make your advertisers happy.

So, I did the math – five minutes an hour, 18 hours a day, times five stations, times 365. When I sell out at five minutes, I'll have doubled my revenues. And so I think that's a better path to success for us to stick with that idea than, no offense intended, iHeart or Cumulus.

They're very large, very successful organizations that found themselves between a rock and a hard place, but I think they maybe look at this industry as a commodity more than I do. Rather than sell radio as a commodity, we have a rate card. We don't vary from it. We don't give away spots. We don't do bonus weight. We don't let agencies tell us how we're going to sell our products and our services. That's my mindset.

Radio Ink: What was the average spot load on your stations before committing to the five minutes?

John Ostlund: Oh, just like everybody else, we were running 10 or 12 an hour – maybe more. And it was just a cluster. To sell it, you had to discount it, and then give it away on top of the discount. It was a race to the bottom. You know, I would have to compete with iHeart and Cumulus who were discounting the products. There's no way that I can get in the ring with iHeart, because you know the minute that I sell something for – call it \$10 – iHeart and Cumulus will take \$8. So am I supposed to take \$6? And they've got a lot more inventory than I do because there's almost no limit to how many commercials they'll run.



I did a funny thing when I decided to make this move. We recorded a single break on a competitor that had 12 units in a single break. I recorded it and went to a local agency and I played this break. At the end of that, I put a hundred-dollar bill on the table. I said, "If you all, working together, can name all the commercials you just heard, this is yours."

I think they got six.

So then I looked at the agency president and I said, "What if you were the only commercial in a break? Would it be worth more?" She said absolutely. So they clearly saw that it was more valuable to be one of one rather than one of 12 that nobody hears, nobody remembers. So that's when we really made the decision. We have two two-minute breaks, and one 60-second break at 50, where an advertiser can pay a small premium to own that break.

Radio Ink: So how have the local advertisers responded to this?

John Ostlund: It's been remarkable. We made a presentation to a large resort on the edge of Fresno County and explained the logic behind the whole thing. And then we added a unique twist. That one-minute break would be live. So you'd have the DJ coming out of the song and saying, "Hey, that was Michael Jackson off of Thriller and talk about a thriller – have you been to Harris Ranch? Place's unbelievable." And so it's a live improvisational 60-second commercial. We started that campaign a few months ago and the president of the company loved it so much when he heard it, that he sent it to his board, all of his employees, his friends.

Radio Ink: It's funny because this is all how a lot of ads and programming were done back in the day. Is this a case of "everything old is new again?"

John Ostlund: Well, I am a huge fan of what Bill Drake and Gene Chenault did together. And I know that story fairly well. When I bought KYNO, I took possession of Gene Chenault's personal file cabinet. It had just been sitting there for all these years. And I opened it up. And there's all these memos. I love that sort of stuff.

Radio Ink: Besides live reads, let's discuss recorded ad quality. We've all heard, and probably run, snoozers. What focus goes into ad development when you and the client both know it'll stand out way more?

John Ostlund: You know, that's a very important brick in the wall. You got to stack a million bricks together and it has to be an absolutely perfect line. If you don't do that, you'll never maximize your potential. Five minutes an hour is one brick. Absolutely stunning, creative, commercial production is another brick. Service to community is a brick.

Every single week, we invite the executive directors of five local nonprofit organizations into the radio station to record a PSA, which airs about 40 times over the course of seven or eight days. And then we're on to the next group of five. Last year, we served 160 nonprofits with a staff of three people that were just assigned to that. And it's another one of the



bricks in the wall. There's not a station in the market that does the kind of public service announcements that we do. There's not a radio station that invests the kind of money that we do in producing creative.

Radio Ink: So the five minutes per hour is just one piece of the radio puzzle?

John Ostlund: We're trying to maximize the potential of radio. What we don't need is just more music. If all you were going to do is reduce your commercial load so you could play more songs, that would leave the listener feeling very abandoned. We engage the listener. We have to be the companion that radio always wants to be. It's a lot of work, but I'm really lucky to have a staff of 12 full-time and another 12 part-time that I'd put up against anybody.

You couldn't pick a better time to be in radio if you like to compete, if you like to win, because the large groups – and again I mean no disrespect – they've got billions of dollars invested but they're handicapped by debt. Their only way out is to generate revenue and the only way to do that is to give it away. They can't concentrate on what I concentrate on every day.

