



“Radio is focused!  
It has the regional  
ability to focus  
content with  
presentation and  
the ability to  
get scale.”

# One on One

RBR talks with Jack Abernethy, Executive Vice President of Fox News Channel and Fox News Radio.

RBR/TVBR Publisher Jim Carnegie met Abernethy over the phone in 2003 when Fox News Radio was taking their first step alone into the radio medium. He has the smallest office in the business. If you are claustrophobic —do not close the door. The man always has his tie—untied, sleeves rolled up and in the trenches working with all the staff in the massive NYC Fox complex. Carnegie and Abernethy met face-to-face in April 2003 for an hour conversation which took up an entire afternoon. Carnegie took the Abernethy tour of Fox News and it just was not walking and talking. It was Abernethy in the studios with on-air talent to lifting the trap floor doors to show how the entire news complex is wired. If you ever take the Abernethy tour take your own soap and towel because he's not afraid to get a little dirty. After one full year under his radio belt – Carnegie went back to see if the passion for radio was still with Abernethy and to get his take of the communications medium overall. Here are the issues one-on-one. The man has passion from his gut.

**RBR:** Jack Abernethy, Executive Vice President of Fox News Channel and Fox News Radio. Jack a little background on yourself.

**JA:** I've been with Fox News since the beginning, eight years, before Fox I helped launched America's Talking and before that CNBC so I've been launching and growing media businesses now for 14 years. Before that I was with NBC in a variety of financial and operational positions mostly with their TV stations division.

**RBR:** You came on the scene with Fox News Radio after 9/11. There has been an extremely competitive nature in the news business and you (Fox News Channel) dominate that sector from a standpoint of all news media. How do you mentally act and focus differently as compared to your competitors in Your programming—Your strategy—What's in your head?

**JA:** The first difference is **Fair and Balanced News** which we've done right from the beginning and it's probably been our biggest strength. Cover both sides of the story and it's been probably the single biggest factor in resonating with our audience in growing the business.

The other thing that we did right from the beginning was look at the surveys and recognized that TV news was in trouble.

**Roger Ailes** (Chairman & CEO of Fox News Channel) read a number of surveys. In addition to the people feeling the news was biased they also thought it was boring.

So we have then and now continued to make news as interesting as possible through the use of: Graphics, Original shows and Authentic Talent. A real flow in what we do as opposed to a lot of repeats and repackaged packages that you would have seen on CNN ten years ago.

**RBR:** You made an interesting comment to me concerning **Tom Brokaw** on the **NBC Nightly News**, the content and attitude is—“This is what you're going to get and that's what Brokaw feels the viewers needs to get.” You emphasized “look at the commercials it tells you the decline on their audience and news perception.” Your observation hit me between the eyes. I watch Brokaw and came back and started to see his spot load and it's really not geared for somebody that is 25 years of age.

**JA:** I don't know for sure but I guess it's all 35 plus.

**RBR:** As for news or as I call them, the traditional networks, Where do you see some of their problems?

**JA:** Their problem is from a business standpoint. Bottom line, their signature newscasts have declined dramatically in share and the part of the reason for that is you mentioned that people don't want to wait around for assigned times, 6:30 or 7:00 P.M. to see the news.

They want to see national news when it's more convenient and so cable news, with Fox News being the leader, has basically taken those viewers away from the traditionally broadcasted, newscasts, and for people that want to see news and see newscasts either as it breaks or when it convenient for them.

**"Quite frankly I can not understand why radio advertising isn't doing better. We find on the TV and on the Film side here that Radio is the best advertising vehicle to advance our businesses."**

**RBR:** Let's put it under the Abernethy research and programming microscope. Explain.

**JA:** Our research shows that the real problem they (traditional networks) have is their audiences are declining but they're keeping their older loyal viewers. The decline is not from across the board it's the fact they're not getting the younger viewer who suddenly reaches age 40 and decides that maybe news and information is more important to them today than before. Then and now that younger demo decides to be a bigger news customer is going to cable TV. It's called convenience with a flip of the one remote button.

**RBR:** Seems that Brokaw picked the right time to get out. **Brian Williams** who is 42 years of age is going to have a rough time just because of how the traditional evening news is programmed.

**JA:** Right. I agree.

**RBR:** You've taken that Fox News Channel philosophy and methodology you described the PD question is how did you take that and move it into the radio media with Fox News Radio?

**JA:** We had a real advantage into moving into radio in that our management and our on air talent actually started out in radio.

Example—**Alan Colmes** was successful in radio and we've got some of our producers who knew radio so in many ways it was an easy transition into radio.

We had to learn some things and one of the things that's exciting about radio as opposed to cable is we get the opportunity to work closely with some really good PDs that have a great handle on their market place.

Cable we're just putting one product out that's airing and in it's entirety, but on the radio side we have the opportunity to really frame some products with really good input from local PDs which we've done right from the beginning.

**RBR:** Cable and Radio differences or similarities from a PD and Sales perspective?

**JA:** There are probably more similarities than differences. The fair and balanced positioning is probably even more important in radio because we have anecdotal, we have research and feedback that says the bias that you find in national news is in some cases even more pronounced in radio. So the need for and the desire for fair and balanced reports on the events of the day are even greater. That has been a key part of our radio effort.

**RBR:** The phrase, Show me the Money—you just made a road trip with **Dial-Global**, to the agencies, was that a religious experience?

**JA:** I wouldn't call it religious but it was interesting. We had tremendous response to our news service and our programs especially Colmes as he launched from an advertising perspective.

My drive or road trip was and will continue to be meeting with some of the agencies because—quite frankly I can not understand why radio advertising isn't doing better.

We find on the TV and on the Film side here that Radio is the best advertising vehicle to advance our businesses.

Radio is focused! It has the regional ability to focus content with presentation and the ability to get scale.

Radio is a great, great medium for us and I quite frankly as someone new or relatively new to radio, couldn't understand why radio wasn't doing better.

Part of my reason to go around and meeting with ad agency people was to maybe get a handle on that. It was interesting, a lot of the issues you dealt with in **Radio Business Report (RBR)** Magazine and your morning **Epaper**—but I think that there's challenge with compliance that I think the industry is dealing with.

**RBR:** Your findings on the agency road trip?

**JA:** I found that the agencies very interested in the medium, very much encouraging—to come up with innovative programming that advertisers could get behind and so to me it was exciting and I think we're very excited about the future of radio. In spite of whatever challenges you might have in the short term.

**RBR:** Your view on radio's immediate problem(s)?

**JA:** I see problems; you know I think this industry (radio) has to get a handle on the clutter. That is an issue that people are dealing with—it's a concern. But, I think and know radio is a tremendous medium and we at Fox are very excited about it and want to be a player with the radio business.

**RBR:** On the clutter side—is there going to be a shake out anywhere towards 2005 where people think it's a network or think it's a news operation which actually falls by the wayside?

**JA:** I don't think there'll be any great movement there. I think that there is no incentive necessarily for anyone to cut their inventory as long as they don't feel there will be a corresponding boost to their ratings. But, if they think their programming is going to be better and their audience is going to grow people will do it and so a trend will fall out of that.

For example, we found overnight on the TV side that it wasn't necessarily a clutter issue but we couldn't sell the commercials at the kind of rates that we wanted and we're getting these long two-minute commercials. You know like you see over night that kind of drives you crazy when you're watching television. We cut back the inventory dramatically on the TV side and we did that by actually increasing the programming overnight. So if you watch Fox News Overnight our newscasts are three or four times longer than they are in the daytime.

**RBR:** I start watching Fox probably around 4AM in the morning.

**JA:** You will see much less clutter. Now the reason we did that is to enhance the viewing opportunity because sales weren't there. People, individual programmers have to go do that.

**RBR:** Just some PD's and marketers understand branding—how do you tell a local operator about the Fox Brand and what Fox brings to the table when they work with Fox in programming, etc. Many broadcasters just don't understand that they just think they can pack um, stack um and rack um and they're not getting the full value of your brand.

**JA:** Jim you are so right. Our findings actually demonstrate our consistent





Some of Fox's heavy hitters: (from top to bottom)  
Alan Colmes, Neil Cavuto and Tony Snow.



brand to radio in ways that no one else has done. When you have on a radio station **Sean Hannity** or **Bill O'Reilly** plus **Tony Snow** and **Alan Colmes** your listeners believe that's a Fox News radio station. We've seen evidence of that which I'll talk about in a second. On the other hand if you have **Laura Ingraham** and **Michael Savage** and if you said to the listeners, what station is that? What would they say? There would be no brand associated with it so we have found that our product, particularly when they are leading into each other or when they're cross promoting each other, that brings the branding strength, which for stations is **1 + 1 = 3**.

**RBR:** Agreed, nobody in radio has done that to the best of my knowledge except ESPN. You know what you're going to get from ESPN period.

**JA:** Right. One example of many—**KMFB in San Diego**—they have a very strong local guy named **Rick Roberts** and then after that they have O'Reilly, Hannity, Snow and Colmes—they're a Fox News station. (By the way in the last book they moved ahead into number one in their market and are doing a number of innovative things locally there to drive that station.) Bottom line and fact: The brand comes with the names.

**RBR:** Does the station get an opportunity to get some liners cut from Hannity and Colmes and Snow to give it that more personalization? That local flavor?

**JA:** Oh sure plus they promote each other. They're also doing local commercials - we've got Hannity and Colmes doing a local commercial together and continue receiving requests for local advertising.

It's very exciting Jim cause we're finding that we're putting the product out there and some good stations are really finding a way to put it together making sure they got good local content, good local shows promoting it effectively and you know the brand strength is accruing to these stations in ways that it's very exciting.

**RBR:** You've got energy at Fox that I've never seen before or for a long time in the media business.

**JA:** We still have that energy. I think a lot of that energy now is being channeled into radio, into our online site business and we're looking at other opportunities to expand, potentially expand channels, and potentially expand programming. Your question is very broad. Let me just give one slice.

With all the channels out there, the viewer, the consumer, the listener really doesn't distinguish anymore between broadcast and whatever; it's what's available to them.

My sense is that in this world where you had PVR, which are, going to allow people to time shift you have a tremendous amount of competition that there's going to be a real advantage for live programming.

What we do on the Fox News Channel and we do at Fox News Radio is very compelling and interesting. The best guests, the best and fastest news coverage and as long as we're delivering that we're not going to be immune to the challenges, but we are going to be very much defending against the time shifting those PVRs can do or the repackaging.

As long as we have a live feed of the best and most interesting content out there we're going to be better off.

Now I think radio, my sense is that radio is also going to be positioned very well. Particularly you know live and cause people aren't going to be time shifting radio like they are going to be with PVRs. So I think from relative perspective if the audiences in TV get more and more broken up and it gets harder and harder to get larger audiences cause everything is sliced up that the kind of scale you get from a KFI in LA, the kind of scale you get from good strong radio stations as an advertising vehicle is going to be relatively more important.

**RBR:** You did something extremely interesting on your web site Fox News.com. How many 18 year olds did you bring in there to design this thing? This site moves, it's awesome.

**JA:** Yeah the Internet is the young person's medium and to me it's as interesting in many ways as radio in that we are designing a medium.

Every six months the form, the relative form of the advertising in that

medium changes so we're changing, we're pushing and testing the limits, we're coming up with advertising products, sometimes it's too much you need to back off.

It's very interesting (internet) but it definitely is a young person's medium and we're finding it to be very profitable but again as I said before the key is the content and the key is to be fair and balanced. For all the bells and whistles people go to that site because they trust us and they're looking for differentiation in how we present the news.

**RBR:** Where do you see your growth in 2005? Any challenges?

**JA:** I think 2005 will be from an ad sales perspective. It will be tough coming off of an Election and Olympic year but business is with all the business indicators that I see now are strong, are good.

When we first started this business (FNC) people would say—no one is interested in news anymore—the young people get their news from **John Stewart** and MTV and you know what that's not the case. The news, the people interested in news and information grows given world events over the last four or five years what we talk about is very important.

So I'm sort of mildly bullish on ad sales, I'm very bullish on our ability to continue to grow our audiences. Higher double digit both radio and television and we're looking forward to 2005.

**RBR:** On your research you bring up a very interesting point, you mentioned the youth—the generation of the day. What does your research show of that particular demographic? And let's say we'll say 18+ because at 55, I have a hard time communicating with somebody that's 30, old enough to be my son or daughter.

What does that research show and what does that tell us in our medium of what we need to know?

We do have a problem with what we call free over the air radio and television because they are a regulated medium. Besides the normal clutter what do they (the consumer) want to keep us there (free media) because we've got Ipods, etc—it's just unbelievable the amount where you can get your entertainment etc.

**JA:** Right, one of the things Jim is that we resist the urge to package things for the young. If it's important news and information we don't say all right, how do specifically package this for the younger audience? Should we do an investigation of Spring break to get those younger viewers like MSNBC seemed to be doing all the time a few years ago?

We don't do that—we recognize the need to get younger viewers in but we really are focusing on what's important in the world.

Who are the most important guests? Who are the top line guests? Let's get them in here on the television. Let's get them up on Alan Colmes at night. What are the interesting stories around the world? Let's get them on the air quickly. Let's make them interesting. Let's make them fast paced. Let's move on to the next thing.

I'm not avoiding your question it's just that everybody is sitting at home with a remote in their hands or they are in their car very quickly pushing the button to switch over to the next guy.

**RBR:** If you put me in a quick draw contest with a remote I'll win.

**JA:** You win. You're a quickie on the remote.

**RBR:** I go fast with the exception of key programming that has got content, at 4:00 P.M. nobody bothers me when **Neil Cavuto** is on. I think he is the best talent in the medium today bar none. I like his presentation and content. I don't believe he is thoroughly utilized and he is a broadcaster-broadcaster, journalist, financial expert that the youth can learn from and that I learn from. There are not too many people that can get into my brain and really hold my attention span for 60 minutes.

**JA:** It's that kind of approach that if you do it well we'll get the younger audience.

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**RBR:** Do you have any plans for Cavuto going on the air besides just having him on the FNC? Professionally I can see him doing a three-minute piece and from a professional observation somebody has got to replace **Paul Harvey**. It's not going to be **Rush Limbaugh**. Somebody's got to do a morning and a mid-day three or four minutes and say you know this is My World.

**JA:** We look at that and we think about that all the time. The thing about what has happened with the FNC is and one of the keys to our success is unlike a traditional broadcast the more successful you got the less you actually worked.

For example: if you were hosting the big show on a network you read copy for 23 minutes and that's your main job. In our model the more successful you get the more you work.

So you have O'Reilly doing an hour a night on Cable and two hours a day of radio. You have Hannity hosting three hours a day of radio plus his Cable show. Cavuto is the managing editor for Business News and also hosts and produces four shows on the weekends which are also number one.

We've got a whole culture here that actually thrives as they produce more content, which is really a key to our success. When we find the right formula we'll be ready and we're gonna rollout more radio.

**RBR:** What's it like working with **Roger Ailes**?

**JA:** It's terrific. Roger often says that everyone likes to win, everyone likes to be on a winning team but to really succeed you need to put together a bunch of people that hate to lose and he hates to lose and it's that drive that never lets him rest that continues to drive this business eight years in and it's been a pleasure for me.

**RBR:** Okay last question. You made a comment as we were chatting in New York what's the election year going to come down to in November? Who is going to win?

**“It's very interesting (internet) but it definitely is a young person's medium and we're finding it to be very profitable but again as I said before the key is the content and the key is to be fair and balanced.”**

**JA:** Our own polls which we have say now (July 1, 2004) it's a very close election. We are just really going to be prepared to cover it, cover both sides of it, and cover it in an interesting way. It's just my personal view that given the challenges around the world no matter who wins they are going to have to deal with some very tough challenges and probably in many of the same ways.

**RBR:** Okay, let me give you an open forum and I'll close off here. Anything that you'd like, add words of wisdom to the entire radio and television medium, to say this is how I see it.

**JA:** My commentary my word—We're very excited about the radio medium. We see radio; news radio is very complimentary to television.

Many of the mediums that we're looking at—Internet, broadband—are competitors to our own product so we launch a new channel or we launch a broadband product it would be somewhat at the exclusion of what we're doing on the TV. In radio it is complimentary.

Our research shows that people say I love the fact that I can get up and watch Fox and Friends, get in my car and hear Tony Snow while continuing to work. Or I'm in the car and I can hear Sean Hannity or Bill O'Reilly and get out of the car and see the television. So we just think of it as a compliment to what we do. This is a terrific business and we are fully committed to it.