5) FIND NEW (AND PROFITABLE) USES FOR AM RADIO SIGNALS

Summary

As new content vehicles emerge (FM, cell, internet, wi fi, etc.), AM radio usage has dramatically decreased. Accordingly, revenue and profitability have evaporated.

Challenge:
Are there new uses, formats or products for AM radio signals that can drive profits to sustain the medium?

1) The name of your company / organization?

Radio One Inc., Cleveland

2) Explain your “challenge.” Be as descriptive as possible, providing relevant background or other information to help student competitors clearly understand the problem to be solved.

Bring “Value” back to AM radio stations.

As new content vehicles emerge (FM, cell, internet, WiFi, etc.), AM radio usage has dramatically decreased. Accordingly, revenue and profitability have evaporated.

AM radio station owners have made large investments in their assets and, indeed, have expansive delivery vehicles via AM signals. Those signals can include wireless digital content and/or data. However, the spectrum is plagued by atmospheric interference and digital capabilities are subpar compared to other vehicles.

Old business models based on delivering audio music and information with revenue driven by commercial sales are not holding up.

Are there new uses for AM radio signals that can drive profits to sustain the medium? Or, are the days of profitable Amplitude Modulation (aka, “AM”) dead, and is commercial use of the spectrum nearly obsolete?
3) How would you know if a student entry has produced a good solution? That is, how would you measure the effectiveness of the solution (e.g. surveys, online audience metrics, etc.)?

A review of feasibility by industry peers. Will it work?

NOTE: If students conclude there is no profitable future for Amplitude Modulation, they should make that statement. It’s possible that a good solution for our industry is no solution. Current owners are in denial over that possibility.

4) Are there additional criteria against which the proposed solution should be evaluated? (e.g. well-designed, attractive interface, usability, mobility, low-cost implementation, etc.)?

Profit. Currently most AM radio stations (except the few major market powerhouses like WLW, WTVN, WTAM) are either losing money, or barely breaking even.

Usage should be evaluated. If not measured by “Listeners,” measured by “Users.” Who is (and how many are) “Using” the signal?

5) What resources are available to help inform and guide the student competitors (e.g. data sources, reports, articles, audience metrics, etc.)?

Arbitron ratings. Countless industry articles. Online coverage maps.

6) Please provide the name(s) and contact information of someone we may contact if we have questions about your “challenge.”

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Challenge 5:
Find New (And Profitable) Uses For Am Radio Signals

Written materials¹:

1. Cover page with title, number of the challenge addressed, list of contributors and contact information.
2. One page executive summary w. title – required (12-point type, may be single-spaced)
3. White paper
   a. Required: Title, problem restatement and proposed solution (What is your innovation?), maximum three pages
   b. Required: Measurable aims: how will you know if your solution works, maximum one page.
   c. Required: Project description, maximum of 10 pages total
      i. Required: Evidence to support your approach
      ii. Required: Necessary resources to implement your solution
      iii. Required: Implementation plan
      iv. Optional: Timeline
      v. Required: Technical approach.
         Include detail about your technical approach; show that your approach is consistent with FCC license rules. Identify transmission impairments and detail how your approach mitigates those impairments.
      vi. Required: Testing. Detail how your solution can be deployed in a pilot project.
      vii. Optional: If your analysis concludes that the probability of a profitable transition is low, provide details of that analysis here.
      viii. Optional: If you conclude that profitable use of the spectrum is only possible if FCC license rules are changed, provide that analysis here.
4. Required: Financial Information – no page limit
   i. Required: Proposed budget and budget justification; this can either reflect the budget needed to implement new content delivery, or your analysis showing the lack of profitable options.
5. Appendices – optional, no page limit. Note: judges are not required to read appendices.

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¹ All written materials in the white paper must be in a normal 12-point type, double-spaced, unless otherwise noted. Charts, tables, illustrations and embedded spreadsheets may be single-spaced. Final deliverables of the cover sheet, executive summary and white paper must be three, and only three, separate Word documents or PDF files.
**Presentation Materials**:  

1. Set of PowerPoint slides without voiceover – maximum 20 slides as a PowerPoint file **OR**  
2. Link to a viewable set of PowerPoint slides with voiceover – maximum 20 slides, 5 minutes **OR**  
3. Link to viewable video presentation, maximum 5 minutes.  

**NOTES:**  
Addressing this challenge requires a combination of technical analysis, design, and financial analysis. A possible outcome of the analysis is the conclusion that no technical design will lead to a profitable outcome. A well-reasoned submission making this argument in a quantitative way is acceptable.

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2 If the presentation materials are posted on a private website, complete instructions for accessing the site must be given.