News Enough For Two?

Some of the people involved in the current network battle. Above, (from left) Richard Warner, John Lauer and Paul Stone of the Georgia Radio News Service; at right, Don Kennedy of the Georgia Network. (Staff Photos—H.A. Bridges Jr., Nancy Mangiatico)

When WGST launched its statewide network a year ago, the competition with Georgia Network appeared to be to the death, but both are still operating

By Bill King
Constitution Staff Writer

JUST SHORT of a year ago, the folks who run Atlanta all-news radio station WGST-AM decided they were putting out so much news that they might as well share it with other stations and make a little extra money on the side.

The best way to do that, they concluded, was to organize a statewide news network operating out of WGST. It was a great idea, the WGST people agreed. And so on April 14, 1980, the Georgia Radio News Service was born with 48 affiliate stations.

There was just one catch. A statewide radio news network might be a great idea, but it wasn't a new idea. Don Kennedy, among others, had beaten it by the same inspiration. And his Georgia Network — then the nation's second largest such network, with 115 affiliates — had been in operation for more than seven years. In fact, WGST was a GN affiliate until just before GRNS started (WRNG-AM is the primary local GN affiliate now).

The battle was on: established but low-profile GN vs. well-financed newcomer GRNS — makes Georgia the only state in the country with two competing, separately owned radio news networks.

Characterized by WGST Vice President and General Manager John Lauer at one point last fall as "a real dogfight," the competition seemed at first as if it were going to be to the death.

In such competition, Lauer said at the time, "one usually falls by the wayside." Kennedy was more emphatic, saying there was "no way" both networks could continue to operate successfully.

Yet, as GRNS approaches its first birthday, both are still in business. Both networks claim they're doing well despite fierce competition over the finite supply of affiliates and advertisers. And both Lauer and Kennedy have modified slightly their us-or-them views of the statewide battle.

"The way I look at it," the gray-haired, banker-looking Lauer said one recent morning in his Pharr Road WGST office, "two networks probably could exist, because of the need. But perhaps, realistically, there may not be enough advertising revenue to let two survive."

At GN's offices on Peachtree Road later that day, a cigar-puffing Kennedy chose his words carefully: "I would be a fool to say I still think that only one net-

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work could survive," he said in his distinctive, old-style radio voice. "But state networks are self-enfranchising because of the many single-station markets where they have to pick one or the other."

Kennedy, familiar to many as TV kiddie host "Officer Don," started GN in September 1972, along with former Atlanta broadcasters David Sisson and Larry Melear. Kennedy had just sold radio station WKLS-FM and was about to start WATL-TV/Channel 36, with which he is no longer associated.

"Sisson didn't stay and Melear faded out and I was left with it," the chubby, red-faced network president/owner recalled. "It was 3½ years before we made a profit."

There were seven attempts to establish state news networks in Georgia before his, Kennedy, 51, said; GN itself drove an established competitor out of business. The same thing happened in Florida, where Kennedy started the Florida Network in November 1978.

Paul Stone, the 31-year-old general manager of GRNS who used to work for Kennedy at GN, said history points to the pessimists' evaluation of the current competition. "In Texas and North Carolina there were competitive situations, and eventually only one survived."

But, Stone noted, "the state radio industry has changed dramatically in the last few years. Five or six years ago, (advertising) people in New York weren't give you the time of day. The rejection was terrible."

At the time he started, Kennedy said, "There were only six or seven other (state radio news networks) in the country, and people thought that it was a good idea. It didn't really turn the corner until about three years ago."

Stone thinks that turnaround was sparked by a realization in advertising circles that state radio networks were a cheap and convenient way to reach the hundreds of small radio markets being overlooked by statewide and national advertising.

Added Kennedy: "Advertising has become much more specific in its targeting, and the penetration (of small markets) by state networks is greater than that of any other medium."

A growth industry it may be, but there are still obstacles to overcome. Each network requires affiliates to carry 17 minutes of network advertising at prescribed times each day. That's 17 minutes the local station can't sell, and it's the main stumbling block in getting affiliates to sign on, Stone said.

While both networks are going after the same advertisers, they rarely share them, Kennedy said. "For a couple of months, some advertisers had a wait-and-see attitude and split their budgets between the two networks, but that's stopped now. They choose to buy one or the other."

It's a difficult choice. The difference in quality of service between the two networks is debatable. But in terms of quantity and variety of service, they're pretty much identical.

Each has hourly state and national newscasts during a 14-hour broadcast day (approximately 6 a.m. to 8 p.m.), six sportscasts a day, weather reports customized for the different zones of the state, a celebrity interview program (news director Richard Warner does it for GRNS while Kennedy is host of GN's), business news reports and a number of feature programs. Both also do monthly call-in programs featuring newsmakers.

GRNS boasts two longer newscasts featuring two anchors ("Georgia Midday" and "Georgia Tonight"), Dr. Andy Morley doing reports on family health and William Rukeyser on personal finance.

GN, meanwhile, has popular sportscaster Larry Munson, who announces University of Georgia football games, doing both the sports reports and "Bulldog Hotline," a 26-week series during football and basketball seasons, with UGA coaches Vince Dooley and Hugh Durham.

When it comes to staffing, Stone said GRNS has "five or six" people who work strictly on network news plus three administrators. The 38-member news staff of WGST also contributes reports to the network, he added, and one central sales staff of 10 sells advertising for GRNS, WGST and sister station WPCH-FM.

Kennedy said GN has a staff of 12, seven of whom cover news. News director Wade Medlock has been with the network since its inception for all but two years. Capitol correspondent Richard Moore is another original staffer.

With the WGST staff, GRNS obviously has greater news resources than GN. But, Kennedy said pointedly, most of that WGST staff is concerned with producing Atlanta news, and affiliates outside the city are notoriously adverse to carrying such stories. "You have to keep the news non-Atlanta. We are an independent business, and the excellence of our state news is vital. This is all we do."

But for how much longer? GRNS is an aggressive competitor, with its officials intimating that Kennedy's network is on its way down. Last October, when GRNS announced signing its 86th affiliate (it will have 87 on April 15), Lauer pegged GN's total at 84.

But Kennedy maintains that the lower GN dropped to was 98, and he currently lists 108 regular affiliates plus two non-commercial stations that carry GN news minus the commercials.

GRNS' Stone cites an Arbitron survey based on the number of affiliates each network had in October that shows GRNS with "about 10 percent more audience than Georgia Network across-the-board." GRNS' cumulative weekly audience was just over a million while GN's was slightly under a million.

Kennedy won't dispute the Arbitron figures. "I don't want to get into a fight with them over that," he said. But he did note that "the number of affiliates supplied to Arbitron is not checked." The impression left is that he questions GRNS' claims.

As for the money side of the battle, start-up costs for GRNS, Lauer said, were close to $50,000, monthly operating costs run $35,000-$50,000 and the network's gross income for its first year will be around $600,000. "We'll be very close to breaking even. We'll make money next year, though."

He maintained that GRNS "is not in business to put him (Kennedy) out of business." But, he added in the same breath, "I don't believe at this point they're showing a profit."

Kennedy won't talk specific figures, but he said, "GN is still profitable. Our sales were affected for a couple of months about six months after GRNS started, but now we're doing better than ever. I think advertiser awareness of state networks in Georgia is greater now, for which we can thank GRNS."

The thing about the competition with GRNS that's most surprised him, he said, "is that a number of stations in those single-station markets have decided to take both of us."

Just how long this situation can go on, neither side is willing to predict. Asked whether there will be two competing networks a year from now, Lauer and Kennedy had the same response: I don't know about the other guy, but *we'll* still be here.

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