

# STEVEN PRICE

## Town & Country

**F**ormed in 2010 with the acquisition of the Regent, and soon thereafter, the GAP Radio and New Northwest stations, Oaktree Capital-funded Townsquare Media has quickly become one of America's largest radio groups with nearly 170 stations, 37 of which are Country. Chairman/CEO Steven Price leads an impressive team of executives whose vision centers around, appropriately, considering the company name, a local strategy. At the same time, he also sees the opportunity to leverage Townsquare's collective strength to create national brands, supported by a major online platform. Country Aircheck caught up with Price to learn more about the company's approach to media and, in particular, to Country radio.

**CA: You've worked at the Pentagon, two private equity firms, a software company, Goldman Sachs, a law firm, and in the cell phone industry, among other posts. How did you end up running a radio company?**

**SP:** It's probably not as [intuitive] as it sounds. Besides serving our country, which I love, what I like most are starting, building and running businesses and creating great consumer experiences within them. And that's what we set out to do here. In early 2009, our management group got together at the peak of the economic meltdown and decided to be contrarian: When everyone was afraid to invest, we decided to make a relatively big investment somewhere. We looked at 15 different areas including cable, newspaper, television, movie theaters, summer camps and cable networks, and we ultimately decided that radio was by far and arguably the best position for the future.

**Why radio?**

First, it's a local business, close to the consumer and proven to be effective. A phenomenal 92% of Americans still listen, on average, 20 hours a week. Research says it's still the most cost-effective and reliable mechanism for advertisers.

Second, when you talk to people across the country, you don't find they have a deep affinity for their local TV channel or newspaper, but they do love their radio brand. That's something unique that gave us the ability to build a local media company and extend past just radio.

Third, it's an ideal medium in a digital and multi-platform world. Radio has been blogging for 50 years. That's what DJs do. And it's not what people in newspapers, TV or in other media do. If you're going to focus on a new media/digital world, radio is a great place to start.

**Many of your key executives were with you at LiveWire Ventures; none could be described as a radio veteran, though you do have a few GAP folks in your executive team. Did anyone help you learn the radio business?**

As opposed to getting somebody on Wall Street or someone who's been in the industry for 30 years telling us how good or bad radio was (not that we didn't talk to them), we found "ground truth" is often the best truth. When we did diligence – and we visited a lot of stations because each market's different – we talked to a lot of GMs and sales reps, and went out on sales calls. We talked to advertisers to really get a sense of what's going on today, what had gone wrong in the past and what could go right if you did it right in the future. You could say that's learning by doing. We had a thesis, spent a lot of time in the field talking to people and came up with our plan to, I hope, build a differentiated radio company.

**Did your early thesis hold up?**

I would say it did. We are as much believers in radio and local media as we were when we started, maybe more so. I won't say we didn't have any surprises, but, actually, surprisingly few. One of the biggest was that people were negative about the business in '08, '09 and even in the beginning of last year because of the advertising meltdown. Radio, as well as other ad-supported media, was hurt hard. People were down, but the industry did not do a terrific job of communicating the staying power of the medium. Basically the same number of people listen to radio as they did 10 years ago. And yet it's seen as a dying medium. Those two don't make sense together. I don't think the industry has been proud enough and done a good enough job championing how much it delivers for consumers and advertisers. That's in part because so many radio businesses had leveraged themselves, under-invested and starved certain assets in certain markets. To some extent, that happened to a couple companies we inherited, and we've done a pretty strong 180 in terms of investing. The other thing that surprised us is how many people believe in syndicated programming. We still believe in being live and local.

**The name Townsquare has meaning for your team because it speaks of community. I take it that's what you mean about being live and local.**

We spent a lot of time thinking about the name. The image of "town square" is exactly what we want to convey in our markets and to our partners.

If you look back, before the age of nonstop communications, what happens in the town square? It's the place people felt like they needed to be. They were missing something if they weren't in or walking through it, checking in. "What's the new restaurant in town?" "Where do I get my hair cut?" "What do I do with my kids this weekend?" And that's what we want to do: Provide the products and tools on-air, online and maybe elsewhere in our local communities, so that when people think about viewing the world outside that particular town, they view it through Townsquare. They might not know it's a Townsquare product, but they come either to our station, our websites or to one of our events to see that world.

And what surrounded the town square for centuries were local businesses selling goods and services. Well, that's what we want. We want principally local – and to a certain extent national and regional – advertisers to want to be around us because that's the way they're reaching their consumers.

We didn't feel constrained by what had or hadn't been done in the past. We just looked at it as what's right for our listeners because if we don't have listeners, we're not going to have a business.

**What other media initiatives are you undertaking to complement your broadcast properties?**

Broadly speaking, we want to be the pre-eminent local media company in our markets, and, potentially, even outside our markets. We start with a great radio platform, but we will evolve to having great radio stations and also, we hope, great websites and other great businesses including live events. We are investing pretty heavily to be that dominant local media company. We're playing offense as opposed to defense, so to speak, which I think the industry has done for the past few years. I'm not sure what other businesses we might or might not get into. The new media, digital and mobile area is clearly where we've started. We've hired what we think is a world-class team led by Bill Wilson, who was former president of AOL Media, and are focused on building great products for our customers, whether it's on-air or online.

In the last 90 days, for example, we have rebuilt all of our station websites from scratch. If you go to any one of our station sites, you'll see a clean look that's very focused on giving consumers lots of local content and a good complementary experience to what they might get on-air.

**Explain the development of Taste Of Country, both as an online service and branded concert event.**

We love the country music business and the lifestyle; we think it's a great and growing genre. It's increasingly part of the fabric of America, and resonates really well in the small-to-mid-sized markets where we are. We're a big believer in country on-air, online and at local events, and want to support the business and lifestyle.

In our early market visits, it appeared that we had a lot of talent in the country music area. We own the No. 1 Country station in 24 markets, so we do have a good presence in country. So it made sense to build a national country music news and lifestyle site that would serve the talent well and offer deeper content to current and potentially future consumers.







WYRK/Buffalo has been running a *Taste of Country* concert for 10 years. Last June, I brought my wife and kids to it, and GM Jeff Silver put us to work. Our whole management team was out selling t-shirts. We're hands-on! What we saw was something that had a great brand affinity ... people loved it.

While thinking about our site, somebody in Buffalo said, "Why don't you just call it Taste of Country?" So we did, and launched Dec. 13. We're already up to 70,000 Facebook followers, which, from a standing start, is pretty good. The site is closing in on six-figure unique visitors per month, 10 times what we thought it would be. We're doing many innovative things, and our name is starting to get out there. We're starting to do some exclusive interviews, and launched a cute little series where country stars picked the Super Bowl winner. Faith Hill was the first we spoke to, but we listed a whole bunch of country talent and the team they wanted to win, which we thought would be a fun thing for our consumers.

We've also started a free *Taste of Country News Minute* for our stations and others. It will help get our brand out there and, it's hoped, provide for some interesting content.

**You've also gotten into the touring business. The *Cold Beer and Reindeers* tour?**

*Taste of Country* in Buffalo is one example of the live events we inherited, and we're sort of hyper-charging that. We did an eight-stop Christmas country tour through Texas, which we called *Cold Beers and Reindeers* featuring Josh Thompson, to really see if we could do a country concert in December. Candidly, it was like, "Could we as a brand-new company develop, produce and promote our own concert series?" We were very pleased, I think the talent was, too, and the people who came to the venues enjoyed it. So that's something we'll probably continue in some form. And we're doing many additional concerts and events throughout the country in our markets, some branded as the *Taste of Country Concert Series*.

**What's your strategy how headquarters deals with individual stations?**

In terms of corporate, I'd say we are more decentralized than most. My view is that what works in Lubbock probably won't in Ft. Collins. As opposed to providing top-down decisions that would probably be right in some places and wrong in most, our corporate philosophy – and my partner [EVP/CFO] Stu Rosenstein and I have done this in a number of businesses – is to get great local managers and talent. We view corporate not in terms of mandates, a bottleneck or to get in the way, but as headquarters supporting the local markets. What should we be doing to support them? What guidance do we need? What help do they need? That's the way we view the role of our corporate office, which we call the "Town Hall." For example, our Nashville-based Country programming specialist Bob Moody provides programming tools. We also have somebody who helps coordinate our events, book talent, etc. We're trying to provide help to the markets, but, ultimately, it's sort of a ground-up, decentralized model, which I know is different from most.

**Is there a regional executive structure, or does each cluster go right to the Town Hall?**

We have two Sr. VPs who help oversee the markets. We split the company into Town and Square divisions. SVPs Erik Hellum and George Laughlin, who were with GAP, run the Town and Square groups, respectively, and we talk to them often. One's based in Phoenix, one's in Dallas; it's not like everyone has to

be in the New York area. I spend a lot of time talking to our GMs and visiting them. We want to know what's going on and to see how we can help. There's a lot of change going on in our company, and we're doing a lot of different things. We want to make sure the lines of communication are wide open.

**How do your Country stations fit in your overall strategy?**

We have more Country stations than any other format, and it's by far our most important genre both in terms of audience, No. 1 stations and revenues. Our big money makers are often our Country stations. I'd say Country is a key focus for our company.

**What did you learn during your trip to Nashville last year?**

It was very instructive for us. People were very open, and we felt we had good meetings. Beforehand, we had *thought* we should go deep in Country, but after that we became convinced. Tasteofcountry.com is the first music portal we've launched, and we're building at least two concert series around it. So clearly, we took it to heart.

Historically, which we really didn't appreciate because we haven't been in the radio business, there are very strong

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relations between the Nashville country music community and radio, which drives country more than other formats. Candidly, I'm not sure we knew that. And that is to the mutual benefit of Nashville and the radio industry. Without getting too specific, our perception is that there are ways the radio industry could have been more supportive of Nashville and talent. Therefore, we felt a real opportunity came from those meetings – a willingness and an openness to think about new and different ways to partner with local media businesses.

For example, we met with [George Strait's manager] Erv Woolsey. We're rolling out the George Strait "cover" contest on Taste of Country nationwide. People can cover "Troubadour," put it on YouTube and send the link to tasteofcountry.com. George and his team will pick the winner, whom we will fly to Lubbock for his concert at the end of March. George will give the winner an autographed guitar onstage.

Another way I think we could be helpful is in getting a jump on digital and social media. I think our early steps have proven that we know what we're doing. We've hired the team and within a month have built up a pretty good country music website. There are probably other ways we can help either talent or others if they're thinking about digital and social media.

**How does your executive team, which hasn't had its hands knee-deep in programming, look at talent and the music?**

I don't pick records; that's really not on the list of my day job. And I don't think people in our corporate offices should be the ones picking records. We have Bob in Nashville, who spends time helping our Country programmers all around the country and thinks about what should be on our air. What works in Tyler, Texas might or might not work in Shreveport. But we have people in those markets who help make those decisions. So I would say it's more decentralized than a "This is the playlist, run it wherever"; we're not at that end.

We do spend time thinking about talent because we think about some of the concerts we're working on – either promoting or helping to partner with other people promoting them – and we want to make sure those are fruitful exercises for us and for the talent.

**Does the long-term strategy involve buying more properties?**

It's about both organic growth, as well as through acquisition. Our team has been involved in a number of acquisitions and roll-ups in different businesses. That doesn't mean we'll do that in the radio space, but we clearly would love to expand as long as the stations we buy fit the criteria we want. We're going to be prudent, and don't feel we need to grow. We feel have a broad enough platform that we can enact our business plan at this size.

We love to dominate our local markets. But if we want to be the town square, we actually have to *be* the town square. We want strong clusters with strong ratings, good live and local content on-air and online. In 90% of our markets, we're either the No. 1 or 2 radio group, and we like that positioning.

Would we like to buy good stations at reasonable prices? Yes. We have pretty large ambitions to build a nice-sized company. While we're happy with where we are today and think there's plenty of organic growth ahead of us, we have been ambitious, acquisitive and aggressive in past businesses. We hope to do so here, as well.

**Can you do anything with Country in New York?**

We don't own any stations here, so it would be tough. It's something we've tried to kick around a little bit, and maybe we'll kick around a little bit more. That's probably a fish bowl for others to play in, not us. Our strategy is really the small and mid-sized markets, and to provide services and product in those markets.

**Is going public in Townsquare Media's future?**

We do employee roundtables with pizza in all our markets, and that question comes up a lot. My answer is, I don't know. Clearly, we're in it to build great consumer experiences and to make money. What's the best way? I don't know today. We're early in this, nine months in. And we've been pretty busy in those nine months. What I do know is that if we build a great company – one that our consumers, partners and advertisers like and feel they're getting value out of it, and that's it's a growing company – good things will happen to us. I have no idea what that means in terms of going public or not. That's not something we're focused on in the near term or even midterm. We're trying to build a business.

**Tell us more about those pizza roundtables.**

We try to do them as often as we can. We've been to every market at least once, and in some cases, two or three times. We get the whole staff together, and it's usually after the morning shows. We spend between an hour to 90 minutes talking about what's going on in our corporate office, what we're trying to do. By now, they all know what our strategy is, so we don't go such high-level; we dig down into what's actually going on.

Bill Wilson, who runs our digital business, is usually with us, and talks about the new initiatives and then we spend a good hour in Q&A talking about what's going on in the market and the business. I will ask, "What are we doing right and wrong? How can we help you?" We want to hear, "If only I had this, I could do that." Our next trip involves seven markets and 1,100 miles in one week.

**As the Internet invades radio's last stronghold, the car, how do you see maximizing your multiple platforms?**

Anybody in an existing business could look at new technology as a friend or foe. And to some extent, it doesn't matter how you look at it because it's here, so we're going to make it a friend. We believe we have great local brands and great proprietary content. Our listeners want access, and they want it wherever they are. So we view digital as an untapped opportunity for radio. As long as we can build the right products to make our brands accessible anywhere the consumer is, we think that will inure to our benefit. And that's what we're doing, so we are pretty bullish on the digital opportunity.

**Have you been to any country concerts? Do you listen to the music now? What do you think of our neighborhood?**

Well, we like your little corner of the world, and are investing heavily to support and partner with it to the benefit of Nashville as well as our company. Personally, I like country music, and you can ask my kids because we listen to it in the car. When they try to change the station to pop, I turn it back to Country. We always have a little give-and-take. I've always liked it; I think it's a great format. I wish there were more choices in New York for country music, but I like the feel and vibe of the concerts. Last year, I saw Billy Currington, Joe Nichols, Luke Bryan and many others. We just had Joe Nichols in Albany. As my kids will tell you, because they hear it all the time, my ringtone is Zac Brown Band's "Free." I don't have any favorites because we love all of country music.

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