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Coleman Music Monitor Analysis:

An Early Peek at Classic Alternative

Written by

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CLASSIC ALTERNATIVE: NO CONSENSUS

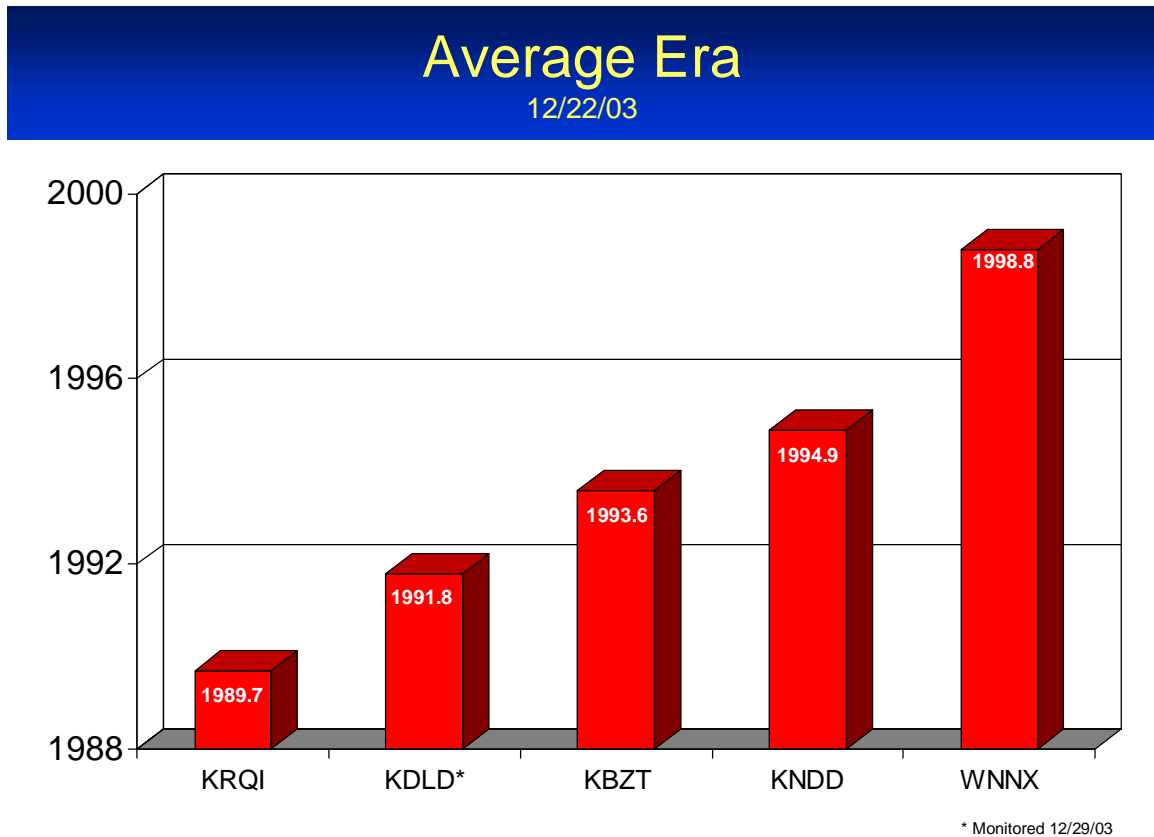
As we begin 2004, the radio industry is abuzz with the launch of a number of so-called Classic Alternative stations. Moves to Classic-based positions by heritage Alternative stations WNNX/Atlanta and KNDD/Seattle and new Classic Alternative format launches at KRQI/Seattle and KDLD/Los Angeles took place over the span of nine days in late December. Interestingly, all of this occurred more than a year after the successful launch of KBZT/San Diego, which takes a decidedly Gold-based approach to the Alternative format.

To provide deeper insights into this noteworthy trend, Coleman has completed a detailed analysis of the music products of each of these Classic Alternative outlets¹. While this analysis provides no more than an early look at how each station is approaching this new format variation, it clearly demonstrates that there is no consensus formula for Classic Alternative.

¹ The Appendix to this report contains complete details from our music monitor analysis.

WIDE RANGE OF AVERAGE ERAS AND CONTEMPORARY CONTENT LEVELS

Highlighting the lack of a consensus is the differing Average Eras of the five stations we analyzed. KRQI, which launched its new format within hours of cross-town KNDD's move to Classic Alternative, is taking the oldest approach, with an Average Era of 1989.7. At the other end of the spectrum is WNNX, which has a 1998.8 Average Era that is barely older than the station's 1999.4 Average Era from before its format adjustment. The Average Eras of KDLD, KBZT and KNDD all fall within the 1992-1994 range.

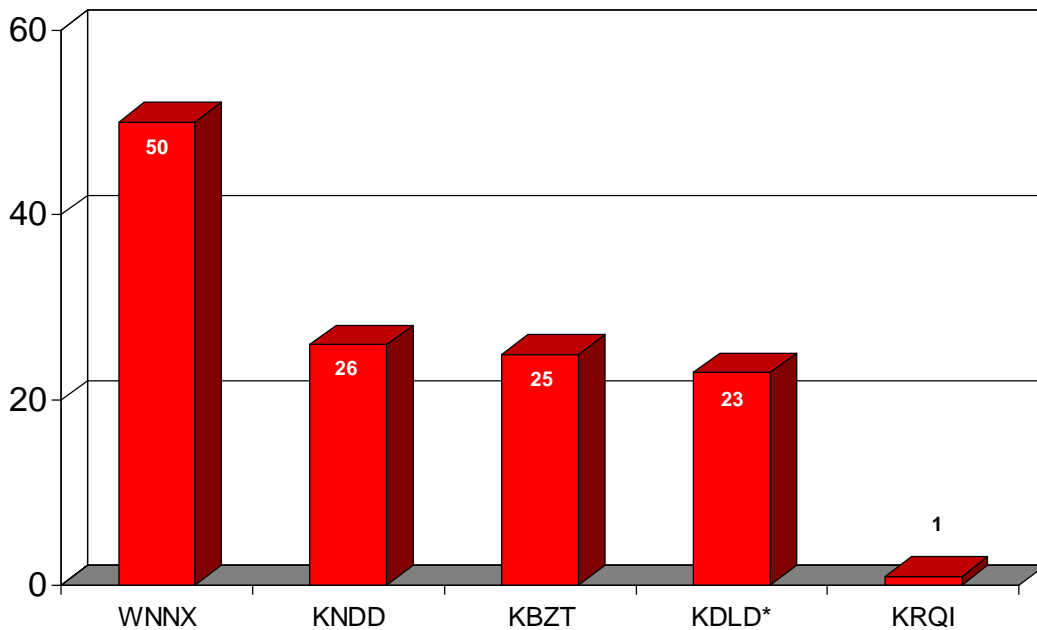


Coleman's Early Peek at Classic Alternative
January 2004

In a similar vein, we observe variations in the amount of contemporary music these stations are playing. KRQI's older Average Era largely results from the station's low exposure of contemporary music, as only 1% of the titles it plays were released in 2002-2003. Half of the titles exposed on WNNX, on the other hand, are from the last two years. The music mixes of KDLD, KBZT and KNDD all feature 2002-2003 content levels of roughly 25%.

Contemporary Content

% Exposure of 2002-2003 Titles – 12/22/03



* Monitored 12/29/03

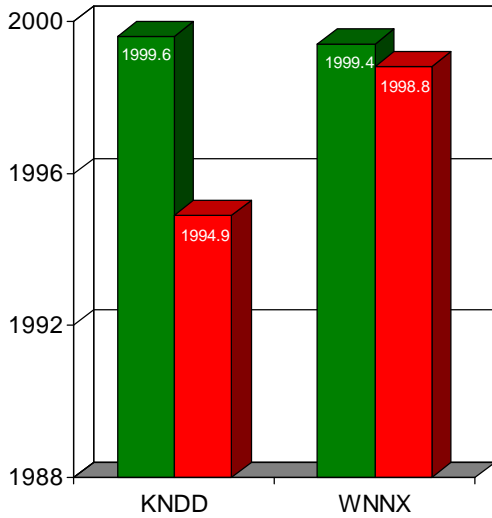
KNDD VS. WNNX: "REAL ADJUSTMENT" VS. "SMOKE AND MIRRORS?"

Closer examination of Average Era and Contemporary Content data highlight significant differences between how heritage Alternative outlets KNDD and WNNX implemented their format adjustments. Our analysis suggests that KNDD has made a relatively significant adjustment to its music mix, while WNNX's new Classic Alternative emphasis is more the result of positioning and marketing efforts, as opposed to substantial changes in its music.

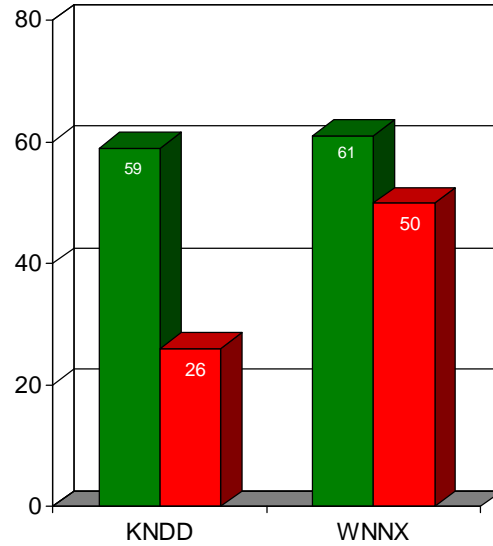
For example, when KNDD announced it was moving back to its Alternative heritage, it shifted its Average Era by more than four years. As noted above, WNNX's introduction of "New Rock and '90s Alternative" was accompanied by a less than one-year shift in its Average Era.

KNDD vs. WNNX Comparison

12/22/03



Average Era



Contemporary Content

■ 11/3/03 ■ 12/22/03

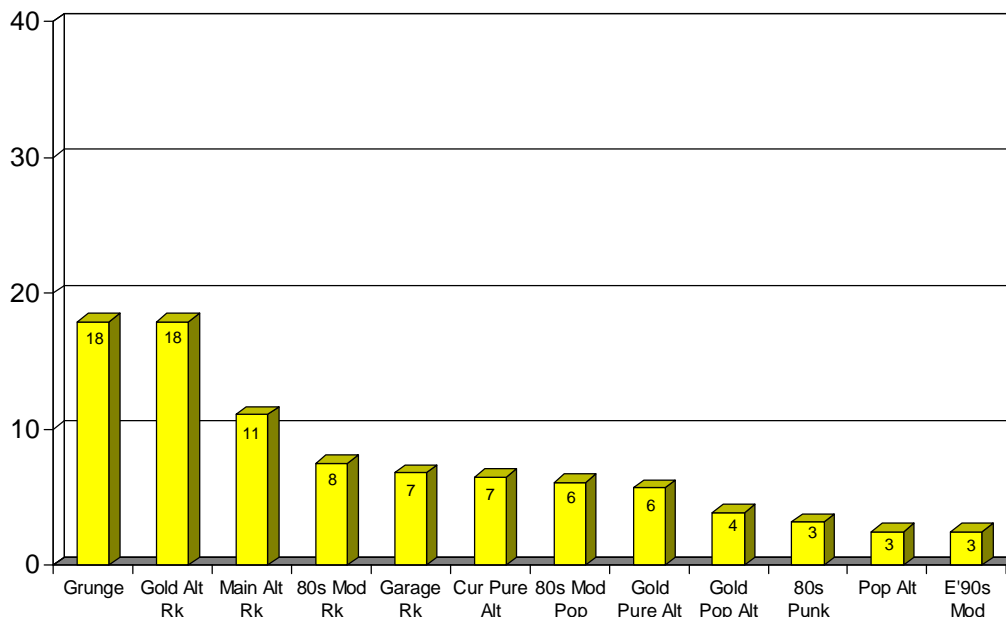
Similarly, WNNX has not significantly reduced its contemporary music content level. The station's 50% exposure of songs released between 2002 and 2003 is only slightly lower than its 61% exposure of this material prior to its adjustment, suggesting a difference of about one song per hour. KNDD, on the other hand, has cut the amount of 2002-2003 material it plays by about four songs per hour, lowering its Contemporary Content level in half from 59% to 26%.

We also observe significant changes in the texture of the music played on KNDD. At 18% each, Gold Alternative Rock (from artists like Live, Green Day and Bush) and Grunge (Pearl Jam, Nirvana and Stone Temple Pilots) are now the most heavily exposed sounds on the station, up from 10% and 12%, respectively. This has largely occurred because of the substantial drop in Mainstream Alternative Rock (Queens of the Stone Age, Incubus and Audioslave) content, from 36% in November to 11% today.

Hard Active Rock (System of a Down, Disturbed and Tool), which made up 9% of KNDD's music mix before its format adjustment, has largely been eliminated. KNDD has also added more '80s Modern Rock (U2, Clash and R.E.M.) and '80s Modern Pop (Cure, Depeche Mode, B-52s) material, with these two sounds now accounting for 12% of the station's sound, versus only 1% in November.

KNDD Music Monitor Analysis

12/22/03

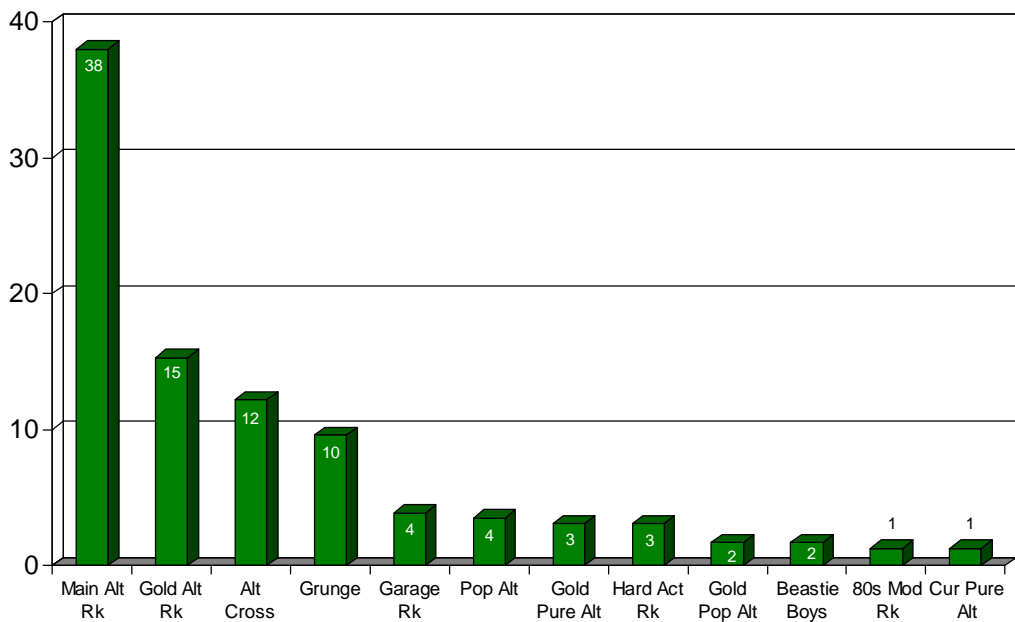


Coleman's Early Peek at Classic Alternative
January 2004

By comparison, no Sound Code's presence in WNNX's music mix has changed by at least six percentage points between November and today. As WNNX's new positioning language implies, '80s-based Alternative music has not been added to the station, with the '80s Modern Rock, '80s Modern Pop and '80s Punk sounds combining to make up only 1% of WNNX's sound.

WNNX Music Monitor Analysis

12/22/03

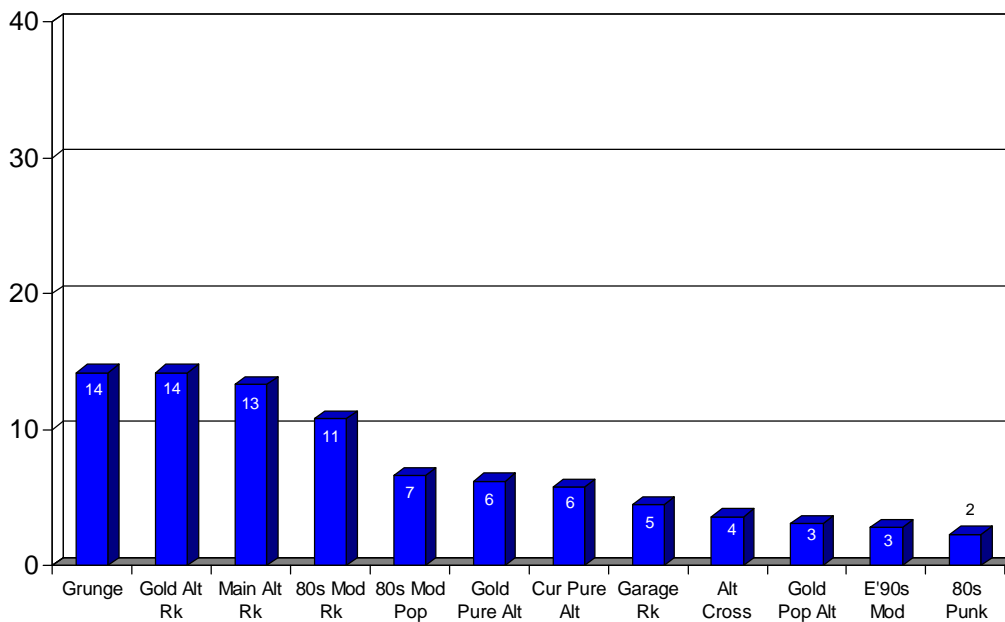


TEXTURAL DIFFERENCES ABOUND

The Gold Alternative Rock and Grunge sounds that lead KNDD's music mix are the most heavily exposed on average across all five stations we analyzed. They are followed closely by Mainstream Alternative Rock and '80s Modern Rock.

Music Monitor Analysis

Five-Station Average



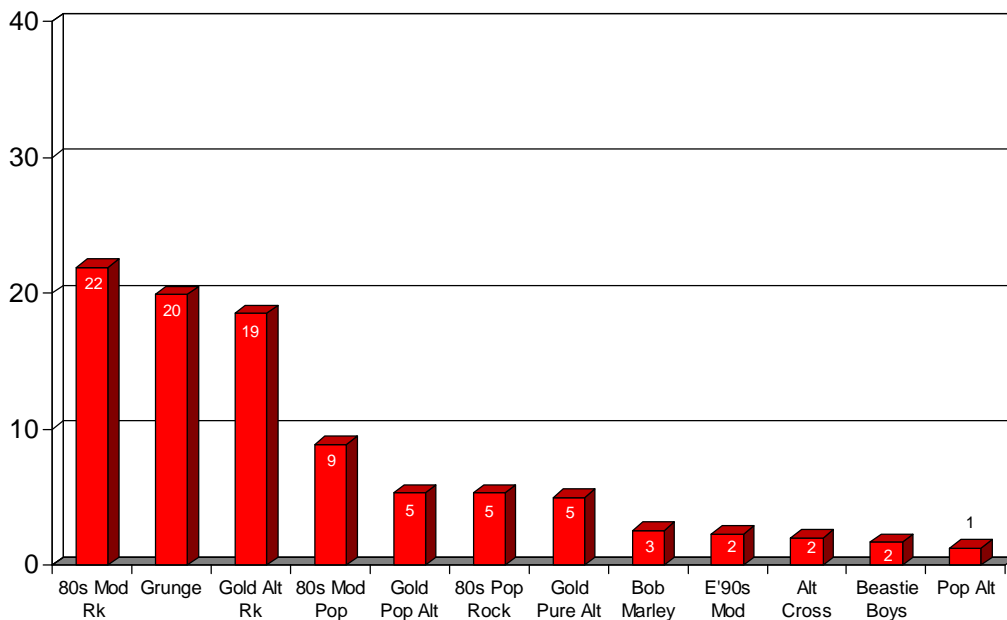
However, as we review the music mixes of each station individually, we observe some notable differences. This is especially true for WNNX, KRQI and KDLD, each of which features noticeably different exposure levels for selected Sound Codes.

KRQI stands out from the other four stations primarily through its heavier reliance on '80s material, which is not surprising given its previous existence as '80s-formatted KYPT. The 22% presence of '80s Modern material is well above that

of any other station in our analysis, and twice the 11% average of the five stations we analyzed. KRQI's 20% Grunge exposure is also higher than any of the other four stations.

KRQI Music Monitor Analysis

12/22/03

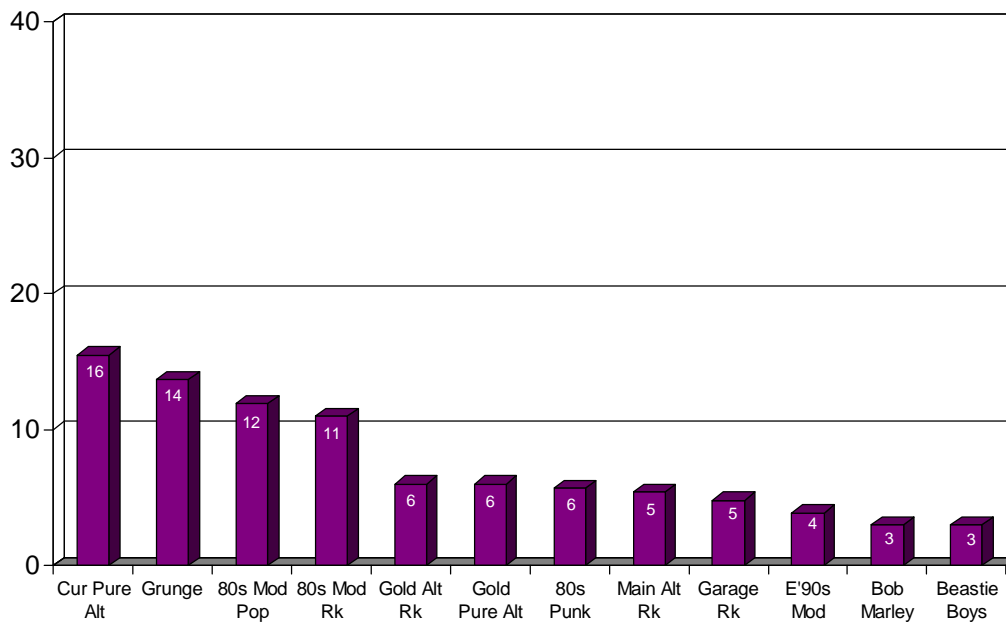


Where KRQI also stands out is in the lack of Mainstream Alternative Rock on the station. As mentioned previously, Mainstream Alternative Rock is one of the four most prominent sounds, on average, across all five stations.

KDLD also has some unique attributes to its music mix. The most prominent of these is its 16% exposure of Current Pure Alternative (Radiohead, Sneaker Pimps and 311) titles, which is more than twice as high as any other station, along with its high 12% '80s Modern Pop content. Conversely, KDLD plays less Gold Alternative Rock and Mainstream Alternative Rock than the other stations.

KDLD Music Monitor Analysis

12/29/03



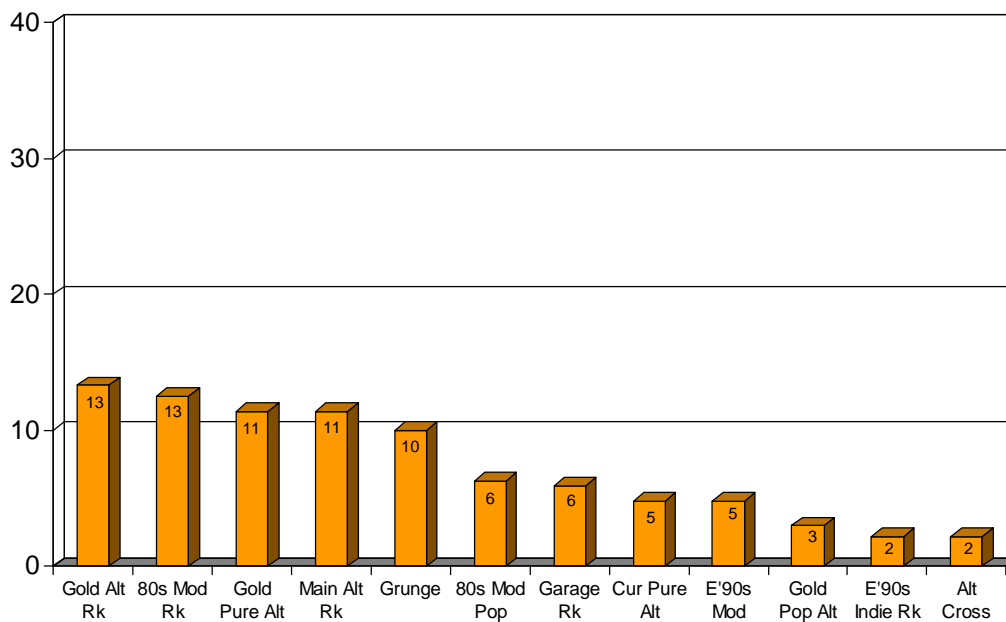
Not surprisingly, the far more contemporary approach of WNNX also leads to some significant textural differences from the other Classic Alternative stations. The station's 38% Mainstream Alternative Rock content is three times as high as any other station. In addition, at 12%, WNNX features high Alternative Crossover (Staind, Nickelback and 3 Doors Down) content, while this sound makes up no more than 2% of the mixes on any of the other stations we analyzed. As noted previously, unlike the other four stations, WNNX features virtually no '80s-based Alternative content.

Coleman's Early Peek at Classic Alternative
January 2004

KBZT and KNDD have the most similar music approaches, with Gold Alternative Rock, Grunge and Mainstream Alternative Rock all having prominent roles on the station. One unique attribute of KBZT's music mix is its 11% Gold Pure Alternative (Beck, Sublime, Cake) content, which is nearly twice as high as any other station.

KBZT Music Monitor Analysis

12/22/03



FEW CLEAR CONCLUSIONS

Our findings point to only one clear conclusion: There is no consensus formula for Classic Alternative at this point. While each station we analyzed faces different market and competitive circumstances, their different approaches—especially in terms of music Era—are notable. For every average we can calculate across the five stations, we can find one station that deviates from that average by a considerable amount.

Coleman will monitor the progress of these stations and any others that enter the Classic Alternative arena. We welcome your feedback on this analysis at ClassicAlternative@ColemanInsights.com.

APPENDIX: Coleman Music Monitor Analysis Details

Overview – By Sound Code

	KBZT 11/3/03	KBZT 12/22/03	WNNX 11/3/03	WNNX 12/22/03	KNDD 11/3/03	KNDD 12/22/03	KRQI 12/22/03	KDLD 12/29/03
'60s Classic Rock	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.3
'70s Classic Hits	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.3
'70s Classic Rock	0.0	0.4	0.0	0.0	0.0	0.0	0.7	0.6
'80s Modern Pop	7.4	6.3	2.1	0.0	0.5	6.1	8.9	11.9
'80s Modern Rock	8.1	12.5	0.0	1.3	0.5	7.5	21.9	11.0
'80s Pop Rock	1.1	0.0	0.0	0.0	0.0	0.0	5.3	0.0
'80s Punk	3.5	1.8	0.4	0.0	0.0	3.2	0.7	5.7
AAA	1.1	1.8	0.0	0.0	0.0	0.7	0.0	0.9
Alternative Crossover	1.1	2.2	17.8	12.2	7.0	1.8	2.0	0.0
AOR Rock	0.0	0.0	0.8	0.9	0.0	0.0	0.0	0.0
Beastie Boys	2.8	1.8	2.1	1.7	1.5	0.7	1.7	3.0
Bob Marley	1.8	1.1	0.0	0.0	0.0	0.4	2.6	3.0
Current Pure Alternative	7.4	4.8	1.7	1.3	4.5	6.5	0.7	15.5
Early '90s Indie Rock	2.1	2.2	0.4	0.4	0.0	1.4	0.7	2.4
Early '90s Modern	3.9	4.8	0.4	0.4	0.5	2.5	2.3	3.9
Extreme	0.0	0.0	0.4	0.0	0.0	0.0	0.0	0.0
Garage Rock	7.0	5.9	6.2	3.9	9.0	6.8	1.0	4.8
Gold Alternative Dance	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.2
Gold Alternative Rock	14.4	13.3	10.8	15.3	10.0	17.9	18.5	6.0
Gold New Pop Rock	0.0	0.0	0.0	0.4	0.0	0.0	0.3	0.0
Gold Pop Alternative	1.4	3.0	1.2	1.7	0.5	3.9	5.3	1.8

Overview – By Sound Code (continued)

	KBZT 11/3/03	KBZT 12/22/03	WNNX 11/3/03	WNNX 12/22/03	KNDD 11/3/03	KNDD 12/22/03	KRQI 12/22/03	KDLD 12/29/03
Gold Pure Alternative	12.6	11.4	2.1	3.1	5.0	5.7	5.0	6.0
Grunge	8.8	10.0	7.5	9.6	11.9	17.9	19.9	13.7
Hard Active Rock	2.5	1.5	5.4	3.1	8.5	1.4	0.0	0.6
Mainstream Alternative Rock	7.4	11.4	34.0	38.0	36.3	11.1	0.7	5.4
Pop Alternative	4.9	1.5	2.1	3.5	2.0	2.5	1.3	0.6
Pop Dance	0.7	1.1	0.0	0.0	0.0	0.0	0.0	0.0
Pop Hip Hop	0.0	0.0	2.9	1.3	2.0	0.0	0.0	0.0
Punk	0.0	0.7	1.7	0.4	0.5	1.1	0.0	1.8
Rhythmic Alternative	0.4	0.4	0.0	1.3	0.0	0.7	0.7	0.0

Average Era/Tempo

	KBZT 11/3/03	KBZT 12/22/03	WNNX 11/3/03	WNNX 12/22/03	KNDD 11/3/03	KNDD 12/22/03	KYPT 12/22/03	KDLD 12/29/03
Average Era	1993.8	1993.6	1999.4	1998.8	1999.6	1994.9	1989.7	1991.8
Average Tempo	3.5	3.5	3.7	3.7	3.7	3.6	3.5	3.4

Era Distribution

	KBZT 11/3/03	KBZT 12/22/03	WNNX 11/3/03	WNNX 12/22/03	KNDD 11/3/03	KNDD 12/22/03	KYPT 12/22/03	KDLD 12/29/03
2002 - 2003	22	25	61	50	59	26	1	23
2000 - 2001	6	2	9	10	7	3	2	5
1998 - 1999	3	3	2	3	3	5	4	4
1996 - 1997	11	11	2	4	8	9	8	3
1994 - 1995	14	15	12	17	9	22	17	8
1992 - 1993	12	12	8	10	8	13	20	15
1990 - 1991	6	7	2	2	3	5	7	8
1988 - 1989	8	3	1	1	1	4	7	4
1986 - 1987	5	3	1	1	1	4	8	5
1984 - 1985	3	2	0	0	0	3	3	6
1982 - 1983	2	3	2	1	0	1	10	3
1980 - 1981	4	7	0	0	0	2	4	8
1959 - 1979	5	5	1	0	0	3	10	10

Average Era

	KBZT 11/3/03	KBZT 12/22/03	WNNX 11/3/03	WNNX 12/22/03	KNDD 11/3/03	KNDD 12/22/03	KYPT 12/22/03	KDLD 12/29/03
6AM - 10AM	1993.0	1993.0	2000.7	1999.9	1998.7	1995.3	1990.4	1991.9
10AM - 3PM	1994.1	1993.1	1996.9	1998.0	1998.8	1994.8	1989.7	1991.7
3PM - 7PM	1993.8	1993.8	2000.5	1999.3	2000.1	1995.5	1989.2	1991.2
7PM - MID	1994.1	1993.3	2000.1	1998.9	2000.9	1993.4	1989.6	1992.2
MID - 6AM	1993.7	1994.7	1999.8	1998.7	1999.5	1995.2	1989.7	1992.0
Total	1993.8	1993.6	1999.4	1998.8	1999.6	1994.9	1989.7	1991.8

Average Tempo

	KBZT 11/3/03	KBZT 12/22/03	WNNX 11/3/03	WNNX 12/22/03	KNDD 11/3/03	KNDD 12/22/03	KYPT 12/22/03	KDLD 12/29/03
6AM - 10AM	3.6	3.7	3.4	3.7	3.6	3.5	3.5	3.4
10AM - 3PM	3.5	3.4	3.6	3.6	3.8	3.6	3.5	3.5
3PM - 7PM	3.6	3.7	3.7	3.8	3.7	3.5	3.4	3.3
7PM - MID	3.3	3.4	3.7	3.7	3.6	3.7	3.5	3.4
MID - 6AM	3.4	3.3	3.7	3.7	3.7	3.5	3.5	3.4
Total	3.5	3.5	3.7	3.7	3.7	3.6	3.5	3.4