



## Finding Country's Lost Momentum

**During Beasley Communications' Feb. 12 analyst call regarding Q4 2015, EVP Caroline Beasley addressed weak diary market ratings: "Our Country formatted stations accounted for much of the fall 2015 softness, which we attribute to a soft music cycle."**

**Two weeks later, Fox News reported: "Country music festivals shutting down left and right." Farmborough, Big Barrel and Dega Jam were all canceled in the first two months of 2016.**

**Year-over-year PPM ratings are down for the Country format. Prominent stations nationwide have cut their number of currents because, as one PD says, "The new songs just aren't testing."**

**Soft music? Bailing festivals? Ratings slide? What in the world is going on in country music?**

"This story could have been written last year," says UMG/Nashville Chairman/CEO **Mike Dungan**. "It's actually a little bit better now. What we saw was more dramatic in every phase last year. Does that mean we bottomed out and are coming back up? I don't know if we can know that yet."

Offering up numbers, Dungan notes the overall domestic music industry is up 9% in albums and tracks overall; country is up 2%. However, from 2014 to 2016, the business is up 37% while country is flat. On the streaming side, country is up 75% while pop is up 60%. "That bodes well for us, but over the last two years we're up 335% while the overall business is up almost 500%," he says. Dungan also points out while country is 12% of the overall music business, it only accounts for 4% of streaming. So being up 75% isn't as significant when the base is small.

As for ratings, Dungan thinks it was more dramatic last year. "You could see it in the monthlies," he says. "I'd look at a couple markets in those graphs you do and wonder how someone hasn't gotten fired. Over the last six months or so it appeared to turn back up." A prominent PPM market programmer who asked not to be named thinks 2016 isn't much better. "Share is down almost 20% year-to-year," he says.

From where Delmarva Broadcasting Corp. Dir./Programming **Brad Austin** sits, "I haven't seen a

decline. Ratings, engagement and concerts seem as strong as always here. The [local] *Big Barrel Festival* going away didn't have so much to do with demand as with extenuating circumstances around land use. It wasn't cut-and-dried a sales issue."

Specifics in certain markets aside, the touring business seems to be regressing. "Two years ago it busted open," says Neste Event Marketing President **Gil Cunningham**. "Tremendous growth. Within the last 12 months ticket sales have dropped. There's a definite softening on the country festival side."

What does it all mean? "It's a natural correction," says BMLG President/CEO **Scott Borchetta**. "There are a lot of new artists and new music, so we're in a period where the real stars haven't emerged from the current crop yet. A year from now we'll be able to look back and say, 'Yep, it was him, her and them. They were the ones.' We're early in that natural selection."

### It All Starts With...

Perhaps Ms. Beasley – whose schedule didn't permit her participation in this article – was on to something in her comments about Nashville's creative offerings. "The music sucks," our unnamed PD says, a sentiment shared in less direct fashion by other programmers who spoke for background purposes only. "I can show you M Score numbers and it's not real good," he continues. "Out of 10 I'm looking at, eight have negative scores. Nationally, probably more than 70% are in negative territory. These are people who are listening to Country radio and they don't like the current music. This is what I have to choose from to find titles to play."

Echoing Borchetta's statements about the prevalence of new music, the PD adds, "While we are all supportive of new acts, if you brought 100 listeners in a room with Thomas Rhett, Brett Eldredge, Jon Pardi, William Michael Morgan, Frankie Ballard, Michael Ray, Drake White, Dustin Lynch and Cole Swindell – and asked the listeners to put the correct name tag on the artist,

how many are going to be right? In favor of bringing new acts into the format, we've become very unfamiliar to the audience. Then you go back to my two songs in 10 in with positive M Scores and they were Tim McGraw and Blake Shelton. Duh."

Austin concedes the point. "We're in a weird spot between breaking new superstars and seeing maybe a bigger disparity in test scores between the stars and everyone else," he says. "But our top testing songs haven't seen declines at all."

Scripps VP/GM Wichita Operations and VP/Programming **Beverlee Brannigan** says, "Country feels like it's coming out of a trendy phase, which is a place we've been before with the format. There are years when it's hotter than hot as the music and artists all

line up. Everyone who wasn't paying attention to the format suddenly does."

Dungan agrees. "We did attract younger listeners who tend to bounce all over the place. They're very fickle. In a very unscientific way, two years ago every time you turned on the radio it sounded the same. We do that as a culture, not just country music. Unfortunately we got stuck in that mode and as quickly as people gravitate toward something, it can also wear us out pretty quick. And it sure as hell did."

Media complaints that the "bro country" phenomenon was the format's death knell are overblown, as Borchetta sees it. "I don't know if you've been to a Luke Bryan or Florida Georgia Line concert this year, but I have," he says. "And I don't see any lack of excitement or slowdown. I love when the press take shots at us. It means we're in their face and they don't understand. The fans know. The little girls understand. And we didn't come out and say check out this thing called bro country. Someone else came up with that."

### Less Than Festive

"The audience is still there, there's just too much supply," says Messina Touring Group CEO **Louis Messina**, who says his tight roster's business is solid. "Kenny Chesney, Eric Church and George Strait are healthy as can be."

Still, he acknowledges the country touring business is exhaling a bit. "Yeah, because there's been too much inhaling," he says. "People are smoking their own shit. There are some great festivals that will remain, but there's an oversaturation. And we're recycling the same talent. How many times do you want to go to a festival and see the same artists? What's unique? You put up a Ferris wheel? Big deal. The same show is playing an amphitheater 300 miles away. We've got to get to the point where we are skipping a couple years and building demand. Not, 'See ya same time next year!'"

Cunningham says slowing sales pose a problem for many festivals ... and artists. "Headliners that once earned \$500,000 are now asking \$750,000 or a \$1 million," he says. "Ticket prices haven't gone up dramatically so promoters are counting on an increase in sales. A lot of smaller festivals in secondary and tertiary markets can't do the numbers of a festival close to a bigger market."

He sees festivals cutting their 2017 budgets as much as 20%. "Some more than that. There are artists they won't be able to afford anymore, so they'll move on to the next option. One festival dropped a full day because of the expense. If demand starts falling for headliners you'll see a natural price drop."



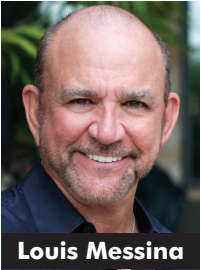
Beverlee Brannigan



Mike Dungan



Dungan isn't reading doomsday into the festival squeeze. "A lot of what's been happening there is little more than big concert monsters racing for the goal line with the biggest, baddest festivals they can to cut off the competition. Get big or get out." Later he notes his opinions on the live music business aren't al-



**Louis Messina**

ways well-received. "My promoter friends go bananas when I say this stuff."

Messina doesn't mind. "I'll raise my hand," he says. "Here I am talking about saturation when I'm the original devil. In the Pace Concerts days we built all these amphitheaters. I personally created the facility fees and megatickets. We changed touring to a summertime business, but now everyone wants to tour at the same time. That's a pitfall. We have Strait doing shows January through April when there's not as much touring. We need to get back to that."

### Metrics Conversion

A decade or more ago, the country industry could look at album sales and see, by overall tonnage or market share, how the business was doing. That fairly reliable barometer doesn't exist any more. In fact, we have more data points than ever in this business, and seemingly less ability to tell what's going on in the big picture.

"I don't know how you keep up with all the metrics anymore," Brannigan says. "They're everywhere. Downloads, streaming, attendance, social media. Maybe you just take a look at the corner of the world that's affecting you on any given day. The next question is what do you do with it? I have reams of data, how do I apply it to the decisions I'm making today? It can make you crazy and you can start reacting to things you shouldn't. Because if you become too data driven, you suck the soul out of your radio station."

Borchetta says it's not just airplay and sales anymore. "There's streaming, Shazam, so many socials. What becomes clearer is people are either walking quickly or running toward something or they're not. So you have to be on point every day to see if the sparks are sparking and people really do care about the music or the artist."

An interesting metric in the touring world is merchandise sales, which Neste looks at in its work producing 18 country festivals in North America. "We try to bring new, young artists into our festivals right out of the chute," Cunningham says. "One of the indicators we look at is how they do in merch. Sam Hunt is a prime example. He was doing huge merch numbers last year and we were able to buy him for a number of festivals in 2016."



**Gil Cunningham**

On the radio side, between an abundance of data and the influence of company-wide airplay programs, figuring out what's

really sparking is tougher than ever. "Some companies are benefiting from running programs this way and record labels are looking for the immense exposure they can provide," Brannigan says. "Whether that really works or needs to be adjusted will all come out in the wash. In the meantime, PDs and MDs with the ability to make decisions – and I'm really proud ours at Scripps do – need to make music decisions looking more deeply beyond the chart."

### System Of A Down

Business dynamics interfering with the search for hits worries Austin. "M Scores might be scaring programmers to play a lot less music in dayparts," he says. And top-down corporate programming may also be muddying the waters. "Premium Choice is on more stations than ever, there's the Cumulus list, On The Verge, Launch. If the company is making decisions for programmers on what to support, it keeps stations from embracing new music and feeding that info back up the chain. You don't have to play 50 songs, but be the person who steps out instead of waiting six months or a year to see if a song is a hit. Taking local decision making out is always a bad idea."



**Brad Austin**

Borchetta takes a moderate stance on programs like On The Verge and Launch. "You can look at the first singles that worked and the second singles that didn't," he says. "It's great to have those programs because it gives you a flying start, but if you don't have

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-PPM Market PD**

the proper second move ... I'd much rather have the exposure than not, but the question has to be do you have a hit single or do you have a hit artist? Sam Hunt would have happened anyway."

Other forces in play include the not-so-contentious battle for No. 1. "There's an air traffic control system for the country chart and everybody lines up to be



**Scott Borchetta**

No. 1," our anonymous PD says. "We're forced to play music we shouldn't so it can get to the top and we move through music that should stay up longer so the next one can land. I don't know if it's ever been this bad."

"You get your nuts cut off if you play something three less times in a week," he continues. "Noooo! You're going to kill the record! We need it to be No. 1! Well, it shouldn't be No. 1. The artist is great, but the M Score is a minus-five."

"There has been somewhat of a gentlemen's game," Dungan says. "Of course, when you get shut out you think the game isn't really there."

Borchetta adds, "If you're blaming the charts, you have a bigger issue. I was with Vince Gill last night talking about 'Go Rest High On That Mountain.' I don't know if we even touched top 5 with that and it was Song of the Year, won a Grammy and sold a half million more albums. And it was the sixth single from that album."

"In the same breath, we all want to go No. 1, but ultimately it's not the deciding factor. Radio wants to win every book, but we're not all going to get there. That doesn't mean we can't continue to do great business. You want to be able to look each other in the eye and say we did everything we can."

Austin isn't bothered by No. 1 slotting. "That's always been around," he says. "Once a song is on final approach, I don't see that as detrimental to the format. If you played it 700 times at that point, what's another 50?"

Messina hits a cautionary note by pointing at another format. "Pop is such a hit-oriented format. Songs come and go and you have artists with major hits and no fan base – someone might sell a million records but can't draw 1,500 people." He worries about the same thing happening in country. "We run songs up the charts but the artists have no base to them."

### Know Way Out

For all anyone knows, country's momentum may already be building again. "Really positive hinge times begin when we break out of sameness, and maybe that's where we are with Chris Stapleton, Maren Morris and other sounds not present in the format before now," Brannigan says.

"Sounds on the edges have always been there in country," she continues. "The audience decides which are okay, and those get folded into the mainstream. Listeners will ask why country isn't like it was with Waylon and Willie, but in their day they were literally The Outlaws. They were on the edges before getting folded in. Jason Aldean's 'Dirt Road Anthem' was so out there when it first came out. That process speaks well for the format and the future as long as we continue to be a lyrically based format that keeps letting everyone come to the party. Country music is going to be just fine."

**CAC**

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