

WTMP: From Urban AC to Spanish Tropical

---Was it a right decision?

**A First Year Market Analysis for the Ethnic Format change of
WTMP in Tampa Radio Market**

Yu Feng

Graduate Student in Telecommunication

University of Florida

December 6, 2012



Table of Contents

Executive Summary.....	3
Introduction.....	4
Literature Review.....	5
Methodology.....	6
Arbitron Data (Tampa Bay Area).....	7
Web Sites of Tampa’s Radio Industry.....	7
Findings.....	7
External Conditions.....	7
Internal Conditions	
Conclusions.....	18
Summary.....	18
Recommendations.....	19
References.....	21



Executive Summary

External Conditions

In this market analysis project, we examined the external conditions for the ethnic format change of WTMP in Tampa radio market. We find that favorable factors in different aspects to support the ethnic format change in terms of the long-term trends in radio industry as well as the specific market factors in Tampa Bay area.

Internal Conditions

We also conduct a SWOT analysis to carefully analyze the strengths, weaknesses, opportunities and threats for the ethnic format change of WTMP in Tampa radio market.

Recommendations

Based on our findings, the current report made several strategic recommendations for the future development of WTMP in Tampa radio Market.

WTMP: From Urban AC to Spanish Tropical

---Was it a right decision?

A First Year Market Analysis

for the Ethnic Format change of WTMP in Tampa Radio Market

WTMP, billed as “La Bahia”, is a radio station broadcasting on 1150 AM and 96.1 FM, serving the young adult Latino audience in Tampa Bay Area, Florida with Spanish Tropical music. There was a radical reform for WTMP in September 2011, which changed its target audience from Black community to Hispanic Americans in Tampa, as well as its format from urban adult contemporary to Spanish Tropical music. The format change was caused by the bankruptcy of its previous owner, Tampa Broadcasting, who sold the station to Davidson Media Group to pay off their outstanding debts (Lorel, 2011).

After 57-year tradition of serving the local African American, the ethnic format change of WTMP has caused a shock and mourning within Tampa’s black community. “It was a voice for the black community...a station I grew up listening to that inspired me to get into radio”, said Alex Jordann, the black former program director for WTMP, “It’s like a death in the family” (as cited in *Tampa Bay Times*, September 1) .

With such a controversy and lament among African Americans, WTMP has been embracing its new Hispanic audience for over a year now. Was that a right decision? How’s the station doing now in Tampa radio market compared to its previous situation? Is the ethnic format change successful based on the comparison? What are the opportunities and threats for WTMP as a Hispanic radio station in Tampa Bay Area?

To answer these questions above, the present market analysis report, then, attempts to examine the current situation of WTMP in Tampa radio market and compared it to that before the ethnic format change. With the “before and after” comparison and analysis on the station’s market position, the report will critically assess whether the ethnic format change was a right decision and make recommendations for WTMP in Tampa radio market.

Literature Review

Since its birth the 1920s, radio has become a reliable media companion in people’s everyday life. Nowadays, even with the rise and popularity of more and more new media technologies, and some might believe that radio’s prime time has passed, radio still reaches more than 93% of Americans aged 12 years and older each week. Regardless of the audience’s age and gender, they listen to the radio at home, at work, and in the car for news, information, entertainment, and socialization (Arbitron, 2011).

Historically, ethnic minorities are ignored by radio station’s owner and managers since they are less attractive to the advertisers. With the trends of segmentation and narrowcasting in the mass media market, more and more media and advertising companies have paid attention to the potential power of specialized radio in targeting the small-sized niche audience group but usually with a high quality and loyalty. Numerous media outlets designed for specific ethnic and language audiences have been launched, and Hispanic radio is one of the fastest-growing formats in the United States (Sylvie et al., 2004).

Even though the majority of Hispanics in America are bilingual, the Hispanic radio offers opportunities for Hispanics to identify, maintain, and reestablish their cultural heritage besides the general functions of radio. It may also acts like a social network to connect the Hispanic community together (O’ Guinn, T. C., & Meyer, T. P., 1983). The Spanish-language

radio was called by Guernica as a “culturally attuned companion,” and a “direct electrical connection to the Hispanic culture and language” (as cited in O' Guinn, T. C., & Meyer, T. P., 1983, p. 10). The Hispanic radio tells Hispanics that they are not alone in the United States.

To critically assess the ethnic format change of WTMP as a Hispanic radio in Tampa Bay Area, market analysis is an effective tool to identify the advantages and disadvantages, the opportunities and risks for WTMP. Sylvie et al. (2004) present external conditions, internal conditions and financial conditions as the three sections to carefully examine when processing a market analysis. The present report followed the steps to analyze the external conditions, internal conditions, and financial conditions of WTMP in Tampa radio market, aiming to assess whether the ethnic format change was a right decision for WTMP.

Methodology

To conduct the first year market analysis for the ethnic format change of WTMP in Tampa radio market, we collected secondary data within the radio industry from Arbitron, industry sites, and research. The data and support material came from the following sources.

Arbitron Data (Tampa Bay Area)

Arbitron's radio reports and Tap Scan (Version 11.0) program were used in the process of data collecting. The Tap Scan database was used to search for statistics in terms of two main aspects.

First, we examined the market position, demographics and listening trends of Hispanic radio stations in Tampa Bay area. The Ranker feature was used to look at metrics such as the ranking, average rating, share, cume TSL for Hispanic radio stations, including how was WTMP doing in September 2011 as its first month after the ethnic format change. The IQP feature then was used to reveal the demographic makeup of Tampa Hispanic

audiences. We also examined the listening trend of Hispanic audience from September 2010 to September 2011.

Second, we looked at the market position, demographics and listening trends of Black radio stations in Tampa Bay area in the same way we looked at the Hispanic radio stations. WTMP's previous performance in Tampa radio market before the ethnic format change is examined in the process.

After we collected the statistics from the Tap Scan database, we compared the metrics and demographics between Hispanic and Black radio stations. We also conduct an analysis on the listening trends of both Hispanic and Black radio stations in Tampa Bay area. In this way, the advantages and disadvantages of the ethnic format change shows up during the data comparison and analysis.

Web Sites of Tampa's Radio Industry

Besides Arbitron's database, we also collect support material from web sites of Tampa's radio industry. We carefully examined the official site of Davidson media group, the current owner of WTMP, to study on the company's mission statements and objectives, organizational structure and culture, available expertise and product mix, market position, and financial resources, in order to analyze its strength, weakness, opportunities, and threats. Other radio web sites were also went through to collect useful information.

After we finished the data collection, we synthesized and compared them with each other. The data were analyzed for the primary purpose of demonstrating the advantages and disadvantages for WTMP's ethnic format change. With our findings from the data analysis, we'll make strategic recommendations regarding WTMP's opportunities or developments in Tampa radio market.



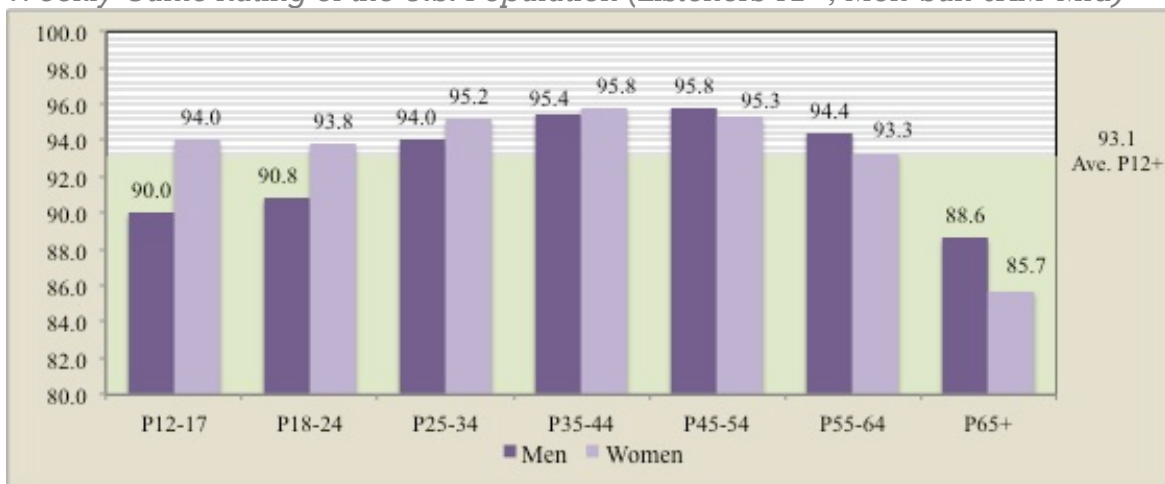
Findings

External Conditions

Long-term trends in radio industry.

“Radio remains resilient at reaching nearly all Americans” (Arbitron, 2011, p. 6). As there have been more and more new technologies and substitutes as the media alternatives to radio, especially those for music, however, radio remains to be a universally popular media reaching over 93% of all persons 12+ each week in the United States nowadays, according to *Figure 1*. Americans listen to the radio at home, at work, and in the car for news, information, entertainment, and socialization, regardless of the age, gender, listening time and location. Radio has always been and continues to be a necessary part in the everyday lives of all Americans.

Figure 1
Weekly Cume Rating of the U.S. Population (Listeners 12+, Mon-Sun 6AM-Mid)



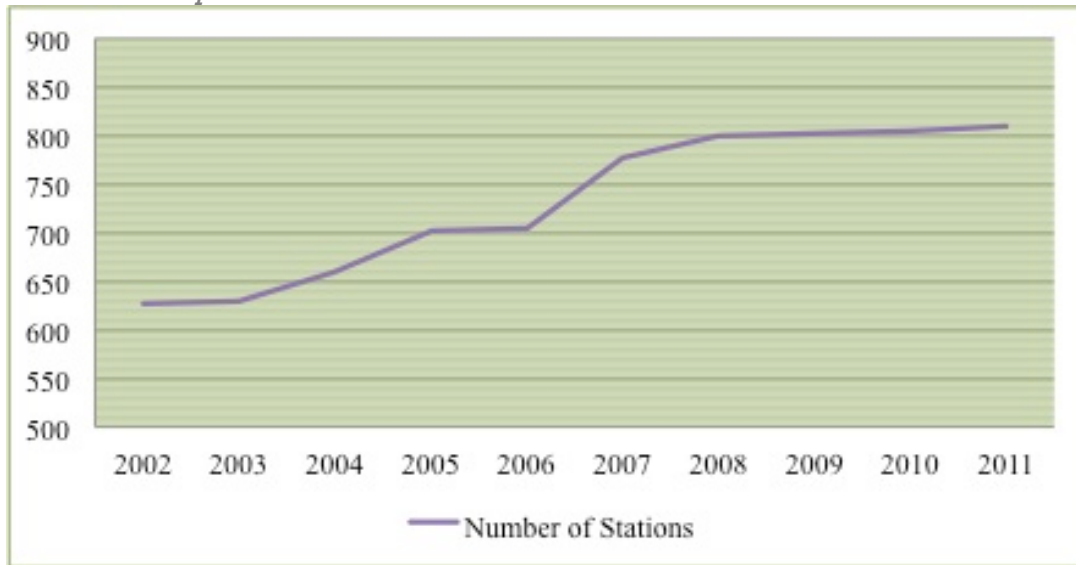
(Arbitron, 2011)

Hispanic radio grows fast in the United States. Recent years have witnessed a rise of media specialized for ethnic and language audiences. Spanish-language television and

radio is among the fastest-growing ethnic formats in the United States (Sylvie et al., 2004).

Figure 2 shows the growing numbers of Spanish radio stations.

Figure 2
Numbers of Spanish Radio Stations Grow

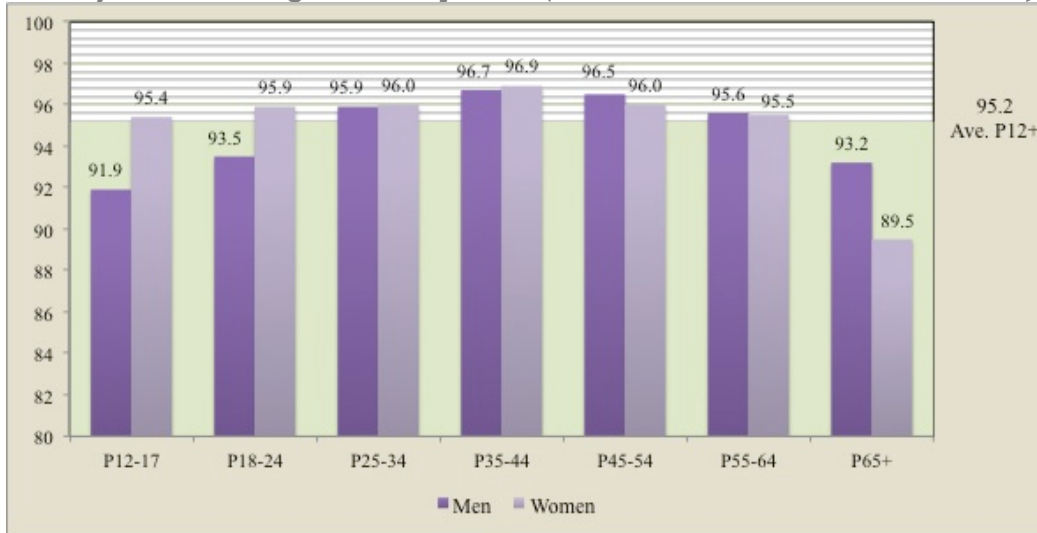


(Emily Guskin and Amy Mitchell, 2011)

Radio's reach remains strong among all Hispanics. Although a cornucopia of media choices are dazzling Hispanic audiences, who embrace new technology faster than other ethnic groups, radio remains to reach 95%-96% of all Hispanic listeners, as demonstrated by Figure 3. The percentage is even higher than that of the U.S. population in general. Hispanic radio offers opportunities for Hispanics to identify, maintain, and reestablish their cultural heritage besides the general functions of radio. It acts like a social network to connect the Hispanic community together (O' Guinn, T. C., & Meyer, T. P., 1983).

While there is still skepticism about radio overall, the growth characteristics of the Hispanic market are impressive. Radio continues to serve as a vital part of the daily lives of Hispanic American consumers.

Figure 3
Weekly Cume Rating of All Hispanics (Listeners 12+, Mon-Sun 6AM-Mid)



(Arbitron, 2011)

Specific market factors in Tampa Bay area.

The demographic traits of Hispanics are more attractive than black audiences to advertisers in Tampa. There are now 49.1 million Hispanics in America, which take up 16% of the U.S. population. The Hispanic population in Tampa is also a large number. According to the report of Tampa Bay Demographics (2011) published by the Tampa Bay Partnership’s Center for Business Intelligence, Hispanic or Latino residents take up 16.2% of the Tampa Bay’s population, which is even a little higher than the Hispanic percentage of the U.S. population, while the black takes up 11% of the Tampa population.

Table 1
Tampa Bay Areas 12+ Population/ Black Population/ Hispanic Population

MKT Code	Metro 12+ Rank	Type	Market	Metro Persons 12+ Estimated Population	Black Metro Persons 12+ Estimated Population	Hispanic Metro Persons 12+ Estimated Population
87	18	PPM	Tampa-St. Petersburg-Clearwater	2,475,100	284,800	404,600

(Arbitron, 2012)

Hispanic population not only stands out in amount, but also in other demographic traits. According to *Figure 4 & Figure 5*, different from the entire Tampa population, where retirees takes up a large portion, Hispanic radio listeners are more likely to be comprised of young families. Therefore, they potentially tend to buy a wide variety of household items and participate in many different activities. Also, They are increasingly mobile, which may contribute to the radio listening in car.

Figure 4
The Age Distribution of 18+ Population vs. Hispanic Population in Tampa Bay Area

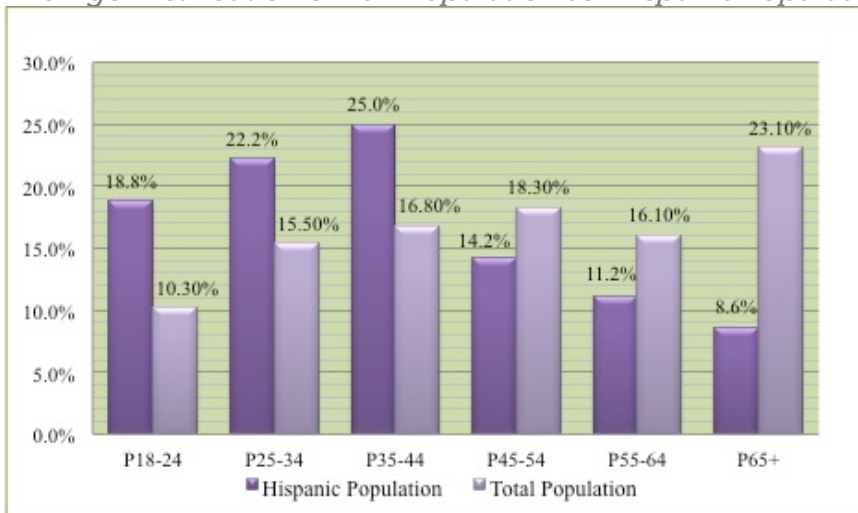


Figure 5
The Employment Status of 18+ Total Population vs. Hispanic Population in Tampa

	Status	Hispanic Population (%)	Total Population (%)
Employed	Employed Full-Time	43.7%	40.2%
	Employed Part-Time	23.6%	13.6%
Not Employed	A Homemaker	8.1%	8.3%
	A Student	3.8%	3.0%
	Retired	8.2%	21.8%
	Disabled	2.7%	6.0%
	Temporarily Laid-Off	1.6%	1.5%
	Not Employed-Looking For work	8.4%	5.4%
	Other	0.0%	0.3%

(Arbitron, 2012)

The market structure is more favorable towards Spanish format than black radio format. The Tampa Bay area is ranked 18th place among the radio markets in the United States by Arbitron (2012). More than 70 radio stations represent most major programming formats in the area.

According to Arbitron’s database, there are five Hispanic radio stations in Tampa Bay Area, including WTMP. As demonstrated in *Table 2*, WYUU leads in Tampa’s Hispanic radio market, which makes it be the biggest competitor of WTMP.

Table 2
Average Share of Hispanic Radio Stations in Tampa Bay Area from September 10 to September 11 (Listeners 12+, Mon-Sun 6AM-Mid)

Ranking	Station	SEP10	OCT10	NOV10	DEC10	HOL10	JAN11	FEB11	MAR11	APR11	MAY11	JUN11	JUL11	AUG11	SEP11
15t	WYUU-FM	3	3.3	3.1	3	3.4	3.7	3.1	3.1	3.2	3.1	3	2.7	2.6	2.9
24	WLCC-AM	1.3	1	1.2	1.2	0.8	0.7	0.7	0.9	0.6	0.4	0.3	0.2	0.1	0.2
27t	WGES-AM	0.6	0.7	0.6	0.4	0.4	0.3	0.4	0.5	0.5	0.2	0.4	0.5	0.4	0.2
37t	WQBN-AM	0.1	0.2	0.1	0.1	0.2	0.3	0.3	0.3	0.2	0.3	0.2	0.2	0.2	0.3
-	WRUM-FM	0	0.1	0.1	0.1	0.2	0.2	0	0	--	0	0	--	0.1	--

(Arbitron, 2012)

According to *Table 3*, which shows the statistics of the Hispanic radio’s position in September 2011, we can see that WTMP make a pretty good performance by squeezing into the 2nd place among Tampa’s Hispanic radio stations in its very first month after the ethnic format change. Although the newest data about WTMP’s position is not available on Arbitron, its first month’s performance leaves us a positive expectation.

Table 3
Listening metrics of Hispanic Radio Stations in Tampa Bay Area in September 2011 (Listeners 12+, Mon-Sun 6AM-Mid)

Rank	Station	Demo	Average Rating	Average Share	Weekly Cume Rating	Weekly Cume Persons	Daily Turnover
18	WYUU-FM	Persons 12+	0.2	2.9	9.5	225100	20.8
22t	WTMP-FM		0.1	0.9	2.9	68900	14.2
36t	WGES-AM		0	0.2	0.8	17900	15.5
36t	WQBN-AM		0	0.2	0.8	19300	21.2
41t	WLCC-AM		0	0.2	0.7	15900	16.4

(Arbitron, 2012)

What’s more, take a look at *Table 4*, we’ll find that WTMP is the only Hispanic radio station that features Spanish Tropical music in Tampa Radio Market, which makes it differentiate from other Hispanic radio stations. According to Arbitron (2011)’s Hispanic radio report, the Spanish Tropical format attracts adult listeners along the East Coast and is especially rated strongly in Florida, thanks to stations in Orlando, Tampa-St. Petersburg-Clearwater, Ft. Myers-Naples-Marco Island and Miami-Ft. Lauderdale-Hollywood. Thus, as the only one Spanish tropical station in Tampa, Florida, WTMP has more chances to win the heart of Hispanic audience and advertisers.

Table 4
The Format of Hispanic Radio Stations in Tampa Bay Area

Stations	Format
WQBN-AM	Spanish Variety
WLCC-AM	Mexican Regional
WIPC	Regional Mexican
WAUC	Spanish Contemporary
WAMA	Spanish Sports Talk
WYUU-FM	Spanish Hot Adult Contemporary
WGES-AM	Spanish Contemporary Christian
WTMP-FM	Spanish Tropical

(Arbitron, 2012)

On the other hand, there are other two Black radio stations in Tampa Bay area before WTMP’s ethnic format change. Both WBTP and WTMP featured Urban AC format, but WTMP was far behind WBTP according to the statistics showed in *Table 5* & *Table 6*, which made WTMP in a considerably disadvantaged market position to compete with WBTP.

+ ETHNIC FORMAT CHANGE OF WTMP



Table 5
Average Share of Black Radio Stations in Tampa Bay Area from September 10 to September 11 (Listeners 12+, Mon-Sun 6AM-Mid)

Ranker	Station	SEP10	OCT10	NOV10	DEC10	HOL10	JAN11	FEB11	MAR11	APR11	MAY11	JUN11	JUL11	AUG11
13	WBTP-FM	5.6	4.9	4.7	5	4.9	5.2	5.2	4.2	4.7	4	4.4	4.5	4.6
22	WTMP-FM	1	1.3	1.3	1.2	1.1	1.2	1.5	1.3	1.2	1.1	1.1	1	1.3
39t	WRXB-AM	0.7	0.6	0.6	0.4	0.3	0.3	0.3	0.2	0.2	0.2	0.2	0.1	0.2

(Arbitron, 2012)

Table 6
The Format of Black Radio Stations in Tampa Bay Area

Stations	Format
WBTP-FM	Urban Contemporary
WTMP-FM	Urban Contemporary
WRXB-AM	Gospel

(Arbitron, 2012)

Besides, while some might argue that the ethnic format change has caused the loss of a considerable number of loyal listenership in Tampa’s black community, *Table 7* shows that the median age of the loyal listeners were tend to be older than the Hispanic audience, which means they are less attractive than Hispanics to the advertisers.

Table 7
Median Age for Black Radio Stations’ listeners in Tampa Bay Area

Station	Average Persons Median Age	Weekly Cume Persons Median Age
WBTP-FM	41	37
WTMP-FM	54	47
WRXB-AM	67	53

(Arbitron, 2012)

Internal Conditions (SWOT Analysis)

Strengths.

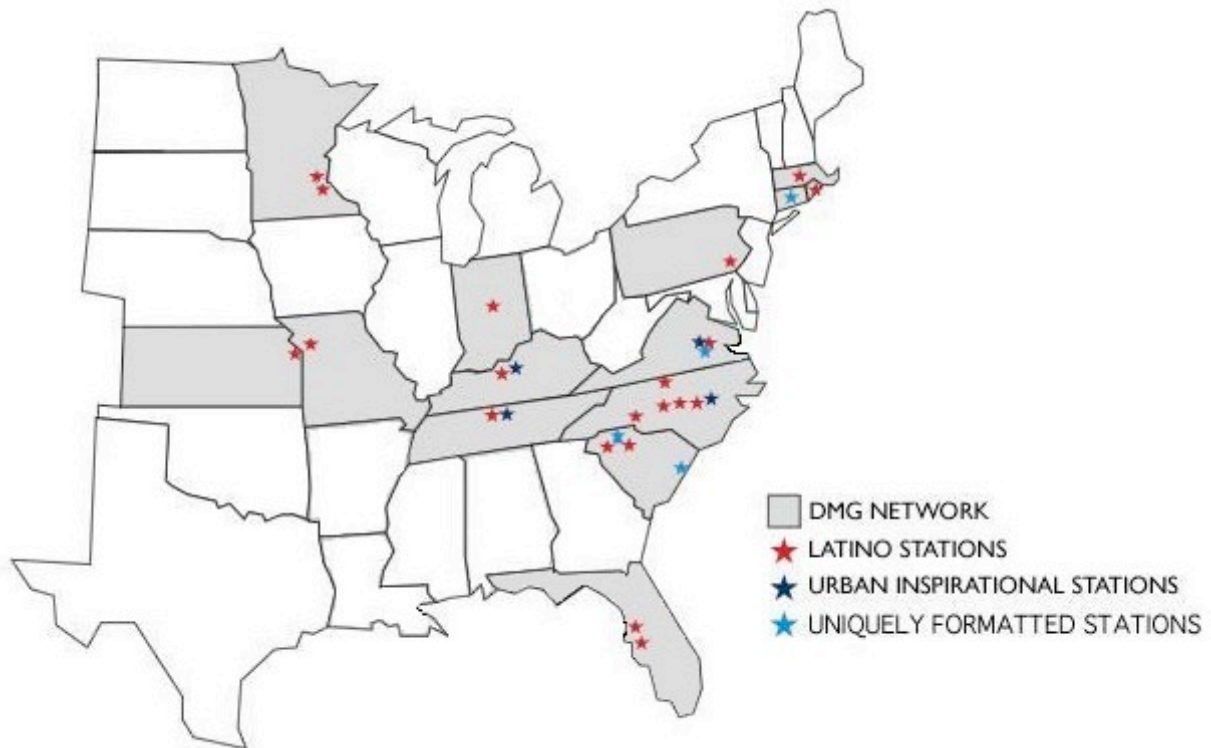
The format change is consistent with the company's mission statement and goals. According to the statement from the official web site of Davidson Media Group (DMG) (2012, index page), the current owner of WTMP, it is “one of the largest multicultural radio groups in America today”, “with a focused vision of serving the country's emerging Hispanic markets”. The ethnic format change is consistent with DMG's Hispanic-orientated business.

The format change is consistent with the company's organizational structure and culture. According to *Figure 6*, there are three types of radio stations owned by DMG, including 22 Latino stations, 4 urban inspirational stations, and 4 uniquely formatted stations. Latino stations, which are apparently DMG's business focus, are distributed across different states in the United States.

Among the 22 Hispanic stations, WTMP is the first Hispanic station in Florida. Thus, the ethnic format change of WTMP not only fits into the company's organizational structure and culture, but also acts as the first step for DMG to open the Florida market, which is one of the most valuable markets to target Hispanics in the United States.

After the takeover and ethnic format change of WTMP, DMG bought another Hispanic radio station, WLCC, as the company's second station in Florida in May 2012, which might prove the success of the first step into the Florida market.

Figure 6
The Distribution of DMG's Radio Stations



(Davidson Media Group, 2012)

The company has a strong leadership to support the ethnic format

change of WTMP. Sanjay Sanghoe, the current director of DMG, is highly experienced in Hispanic media marketing and investment. He is also one of the important members of Hispanic Radio Conference. DMG also has an experienced managing group specialized in multicultural media business (Davidson Media Group, 2012).

The company's stable market place supports the ethnic format change of

WTMP. With the population explosion in the United States with Spanish-speaking individuals, DMG has experienced rapid growth since its start in 2004. Till 2008, it is one of America's largest companies specializing in Multicultural programming. The stable position in the market supports DMG to make new investment and explore new market.

Weaknesses

On February 13, 2009, Davidson Media Group was purchased by SS Broadcasting Holdings at \$1000 cash and assumption of debt. The purchasing more or less would bring some negative effect to DMG's business, structure and personnel, which would cause a relatively weak market position.

Also, as its very first radio station in Florida, it would take some time for DMG to get familiar with the local market and business as well as building a reliable relationship with local audience and advertisers.

Besides, to compete with WYUU, the biggest competitor for WTMP in Tampa market, DMG has to make strategies to win the Hispanic audience and advertisers.

Finally, there are several big bullies in Tampa media market. Clear Channel Communications is the biggest owner of radio stations in the area, followed by Cox Broadcasting and CBS Radio. DMG has to face the challenges to compete the business resources with them.

Opportunities

With rich experience in Hispanic radio, there is a great chance for DMG to turn the big and fast-growing Hispanic population in Tampa into the loyal audience of WTMP. Besides, with the takeover of WLCC as the company's second Hispanic radio station in Florida market, the two stations can work together and make communication strategies to win Tampa's audience and advertisers.

Threats.

Besides the brilliant prospects, DMG and WTMP will have to take the burden of the entire eroding radio market in the United States as well as the downturn of the advertising market and the national economic situation.

Conclusions

In the present project, we conducted a first year market analysis for the ethnic format change of WTMP in Tampa radio market on the secondary data we collected from Arbitron, Tampa radio's web sites, and other industry resources. There is a summary of the main findings of the market analysis project:

External Conditions

1. **“Radio remains resilient at reaching nearly all Americans”**
(Arbitron, 2011, p. 6).
2. **Hispanic radio grows fast in the United States.**
3. **Radio's reach remains strong among all Hispanics.**
4. ***The demographic traits of Hispanics are more attractive than black audiences to advertisers in Tampa.***
5. ***The market structure is more favorable towards Spanish format than black radio format.***

Internal Conditions

Table 8
SWOT Analysis for the Ethnic Format Change of WTMP in Tampa Radio Market

<p>Strengths</p> <ol style="list-style-type: none"> 1. The format change is consistent with the company’s mission statement and goals 2. The format change fits into the organizational structure and culture 3. The company has a strong leadership to support the ethnic format change of WTMP. 4. The company’s stable market place supports the ethnic format change of WTMP. 	<p>Weaknesses</p> <ol style="list-style-type: none"> 1. Purchased by SS Broadcasting Holdings On February 13, 2009 2. The very first radio station in Florida 3. WYUU as the biggest competitor in Tampa market 4. Big bullies in Tampa media market
<p>Opportunities</p> <ol style="list-style-type: none"> 1. Rich experience in Hispanic radio to turn the big and fast-growing Hispanic population in Tampa into its loyal audience 2. WLCC as its sister Hispanic radio station bought by in 2012. 	<p>Threats</p> <ol style="list-style-type: none"> 1. The new technologies and the eroding radio 2. The downturn in the advertising market, declining valuations, and other broad economic challenges.

Recommendations

Based on the findings of the present market analysis, we conclude that it was a right decision for WTMP to change its ethnic format from Urban AC to Spanish Tropical. We also made strategic recommendations for WTMP’s future development as below:

1. To compete with WYUU as the biggest competitor of Tampa’s Hispanic radio, WTMP could differentiate their programs from WYUU in the format, programs and culture behind it.

2. As DMG’s first business in Florida market, the company needs to build a distinguished brand image to win the local Hispanic audience’s listenership and loyalty. The brand image could be built through various public activities such as sponsorship program towards Hispanics in Tampa.

3. To deal with the challenge of online music, WTMP should develop its web site and make use of the online space to attract diverse audiences and advertisers.

4. It would be better for WTMP to utilize the new technologies rather than compete with them. They can develop new delivering platform for their radio program such as broadcasting in tablet, cellphone, and other mobile devices.

There are limitations in this market analysis project. Since Sept. 2011 is the most recent data we can access in Arbitron database, we missed the essential data to assess the current situation of WTMP in Tampa radio market after the ethnic format change. Future study could be conducted to analyze the metrics and listening trends of WTMP after September 2011.

References

- Arbitron (2011). Hispanic Radio Today, 2011 Edition.
- Arbitron (2011). Radio Today, 2011 Edition.
- Arbitron (2012). Market Survey Schedule & Population Rankings. Fall 2012.
- Arbitron (2012). TapScan (Version 11.0).
- Davidson Media Group (2012). <http://www.davidsonmediagroup.com/index.htm>.
- Emily Guskin & Amy Mitchell (2011). Hispanic Media: Faring Better than the Mainstream Media. The Project for Excellence in Journalism. Retrieved October 2, 2012 from <http://stateofthemedias.org/2011/hispanic-media-fairing-better-than-the-mainstream-media/>.
- Lorel, R. (2011, September 8). *Tampa's urban radio station WTMP goes off air*. Retrieved Oct 2, 2012, from 88.5FM WMNF Community Radio: http://www.wmnf.org/news_stories/tampas-urban-radio-station-wtmp-goes-off-air-founder-of-architects-engineers-for-911-truth-says-explosives-brought-down-world-trade-center.
- O' Guinn, T. C., & Meyer, T. P. (1983). Segmenting the Hispanic Market: the Use of Spanish-Language Radio. *Journal of Advertising Research*, 23(6), pp. 9-16.
- Sylvie et al. (2004). Market Analysis. In Sylvie, et al. (2004), *Media Management: A Casebook Approach* (pp. 197-220). Lawrence Erlbaum Associates, Inc.
- Tampa Bay Times* (2011, September 1). WTMP-AM may end 57-year history as voice of Tampa's black community at 6 p.m. Friday. Retrieved October 2, 2012 from <http://www.tampabay.com/blogs/media/content/wtmp-am-may-end-57-year-history-voice-tampas-black-community-6-pm-friday>