

KOWH-KOWH FM OMAHA: A CASE STUDY

by

MEREDITH E. KIDD

B. S., Kansas State University, 1974

A MASTER'S THESIS

submitted in partial fulfillment of the

requirements for the degree

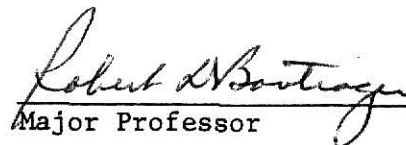
MASTER OF SCIENCE

Department of Journalism and Mass Communications

KANSAS STATE UNIVERSITY
Manhattan, Kansas

1982

Approved by:


Major Professor

Spec.
Coll.
LD
2668
.T4
1982
K52
C.2

A11202 246611

TABLE OF CONTENTS

ACKNOWLEDGEMENT	vi
CHAPTER I. INTRODUCTION TO STUDY	1
KOWH Choice.	2
What is Black-Oriented Radio?.	2
Black Radio Programming in the Early Days.	3
Importance of the Study.	5
Studies on Minorities and the Media.	5
FCC Conference Concerning Minorities in Broadcasting	10
FCC Policy on Minority Ownership	12
Minority Employment in Broadcasting.	13
The Discrimination Problem	14
CHAPTER II. BACKGROUND	18
Methodology.	19
Black Radio Current Trends	20
Black-Owned Stations of the 1980s.	21
Nebraska's Black History	22
Omaha Black History.	23
Black Media in Nebraska History.	24
CHAPTER III. THE ESTABLISHMENT OF KOWH AM-FM IN OMAHA.	26
The Reconciliation, Inc. Investment Group, Rodney Wead, Chairman	27
Black Radio for Omaha.	28
Reconciliation, Inc. Investment Group.	29
KOWH Financing	29
Reconciliation, Inc./dba/KOWH-KOWH FM Corporate Structure	30
Structure Reorganization	30
CHAPTER IV. KOWH OPERATIONS.	33
KOWH Initial Employment.	34
KOWH Location.	34
KOWH AM Program Strategy	34
KOWH FM Program Strategy	37
News Programming	39
KOWH-KOWH FM Awards.	40
Marketing Strategy	43
KOWH Sales and The Omaha Market.	45
KOWH AM-FM General Managers from 1970-1979	49
Keith Donald's Reorganization of KOWH.	52

CHAPTER V. THE DECLINE OF KOWH	55
Major Factor in the Decline of KOWH.	56
KOWH-KOWH FM is Sold	56
The Sale is Finalized.	58
CHAPTER VI. SUMMARY AND CONCLUSION	60
APPENDICES	
A. Articles of Incorporation of Reconciliation, Incorporated	64
B. Escrow Agreement Between Starr Broadcasting Group Inc. and Reconciliation, Inc. for the Transfer of Control	67
C. KOWH Original Corporate Structure 1970	71
D. KOWH Reorganizational Chart 1974	72
E. A Listing of KOWH Advertisers for 1975-1976, KOWH's Best Sales Year	73
F. KOWH Information Sheet Used by the Sales Department to Convince Prospective Clients of Black Radio's Marketability.	78
BIBLIOGRAPHY.	85

LIST OF FIGURES

FIGURE

1. Full-time 1980 Broadcast Employment by Job Categories. .	14
2. Initial Programming Intent from 1970 to 1972	35
3. Receiving Radius for KOWH FM	38
4. Advisory Board Minutes for KOWH, July 27, 1972	41
5. Rate Card Used from 1975 to 1978	44
6. Results of KOWH FM Survey to Determine Black Listenership Versus Other Stations in Omaha, Nebraska. .	48
7. KOWH Proposal of Service to Heilicher Brothers, 1973 . .	50

ACKNOWLEDGEMENT

My early interest in this area of study was stimulated by my major professor, Dr. Robert Bontrager. I have always held an interest in the broadcast industry, therefore, I felt the need to study one segment of that total industry which is sometimes exploited, sometimes maligned, and not often researched-black radio. For stimulating my interest and offering invaluable guidance throughout this study, I am grateful to Dr. Bontrager.

I owe a special thanks to Harold Becker, Richard Baker, Marge Bray, Robert Boozer, Denny Christensen, Dr. David McFarland, Keith Donald, and Marleen Gnadt for taking time from their busy schedules to assist me in my efforts. Their assistance has added an essential and colorful dimension to this study.

And to my family, sons, Edward and Elliott, and wife, Sandra, I am thankful for the assistance and encouragement they gave me.

CHAPTER I

INTRODUCTION TO STUDY

Introduction to the Study

KOWH-KOWH FM of Omaha was founded in December, 1970, by Reconciliation, Inc. A review of literature by the author indicated that at the time of this study, there had been no thesis, dissertation, or published paper using radio station KOWH as its main subject.

The KOWH Choice

Because KOWH played an important part of the Nebraska media picture, came into existence through the community efforts of black people, and had not been the focus of any previous major study, the author felt it was an excellent subject for research.

KOWH was especially interesting to study because the station was financed to a great extent by the United Methodist Church and by blacks in the Omaha community. Also of interest to the author was the fact that several key people in KOWH ownership and management were Kansas State University alumni. Bob Boozer, on the Board of Directors, was a 1958 graduate of KSU. Keith Donald, Richard Baker, and Mike Jones, KSU alumni, served in management positions at KOWH.

What is Black-Oriented Radio?

Before the Civil War, blacks in the United States used the medium of the newspaper to crusade for black people's collective aspirations. For many years black-oriented newspapers comprised the primary media channel in this pursuit for racial equality. Black newspapers have suffered from a high mortality rate, due to the lack of advertising and subscriptions which created financial instability.¹

The black entry into the radio industry was due primarily to financial incentive.²

Any radio station that carries programming which is intentionally designed and oriented to a black audience may be defined as black radio.³ By that definition, black ownership is not a prerequisite; comparatively few radio stations can be considered black radio because they are not black-owned and black-operated stations. Many white owners went into the black market radio venture by default.⁴ The owners were financially in trouble and tried this specialized programming as a last resort.

Black Radio Programming in the Early Days

Black radio's birth was motivated primarily by money-making objectives. The first attempt of a coast-to-coast black radio program was promoted by a black businessman, Leonard Evans. Evans was promoting a black soap opera show in 1954. Evans' philosophy was apparent in the following statement: "This is not a crusade for the intermingling of the races, we are out to move tonnage, to sell merchandise. If we do help race relations, it's incidental."⁵

This type of business-like attitude was typical of early black radio. Black radio was not used as a voice against the racial injustices. The use of radio to render public services to blacks was not attempted and perhaps not even conceived of during the early period.

Those prevailing characteristics began to disappear during the late 1960s and early 1970s for two reasons. For one, the black radio station began to get more involved with its community. This correlated quite closely with the progression of the civil rights movement in the United States.

Secondly, national advertisers became aware of blacks' purchasing power, which represented money. Black radio stations provided Madison Avenue advertisers research facts which showed blacks spent 98.9 percent of their disposable income compared to 77 percent by whites.⁶ Studies also confirmed that blacks could recall about twice as many commercials (particularly from black radio) as could whites. Other similar data were gathered, and suddenly the black consumer was the target of advertising campaigns. By 1964 black radio had become a \$25 million business.⁷ Black radio increased to an estimated \$35 million business in 1981.

Advertisers, in expanding into black radio, found it profitable to change their advertisements to a more black-oriented content. John Johnson of Ebony magazine said: "The Negro consumer is demanding that his hopes, fears, needs and dreams be considered. He is increasingly responsive to advertisements oriented to him. He cannot be sold by advertisements and articles which take him for granted."⁸

Bob Dore, a black radio station representative, said, "When a Negro hears a commercial on general market radio, he's not sure it's meant for him. When he hears one on a Negro station, he knows it's meant for him."⁹

From the advertiser's point of view, black radio emerged as a dynamic force for three principal reasons. First, the black population represents a \$25 billion annual income. Secondly, blacks have their own tastes, preferences, purchasing habits, and dreams. Thirdly, large black populations are often grouped in a small geographical area which makes a convenient, easy target for advertising.

Importance of the Study

The value of studies in black radio and in other black media becomes apparent when one considers the importance of black media to the black community and the relatively little attention it has received.

Maxwell Brooks, in The Negro Press Re-examined, wrote:

For nearly a hundred years now the Negro's efforts have been directed toward the achievement of full citizenship...Two institutions have had major roles in this long struggle--The church and the press. White Americans are rather well aware of the part that the Negro church and its agents have played, but they are far less informed about the Negro press...The Negro press has been important...and it deserves more thorough study than it has received.¹⁰

In The Negro in the United States, Erwin Welsch said:

The Negro press has become the most influential Negro business in the twentieth century...Unfortunately, the press has not received the scholarly research attention it deserves.¹¹

According to John D. Stephens, "Until the boom in black history in the late 1970s, blacks were as invisible in journalism history as in other history; they are still under represented."¹² Roland E. Wolseley, in

The Black Press, U.S.A., stated that:

Little has been set down about black radio as a journalistic phenomenon. As of this writing, black owned and operated radio has been the only viable electronic competitor from within the complete realm of the black press. The black radio is a relevant force making a noticeable impact on American radio as a whole.¹³

The Black Almanac of 1979 states: "Blacks have progressed faster in radio than any other areas of media. Blacks are responsible and responsive to the black radio."¹⁴

Studies on Minorities and the Media

Race and ethnic status have long been used as analytical variables in sociological research. In mass communication research, however, it is only

in the last decade that there is a sustained utilization of race and ethnic status as explanatory variables in the communication process. As a result, there seems to be a void in knowledge of the relationships between minorities and the mass media.

Several justifications can be advanced for studying ethnic minorities and the media. First, it is important from a theoretical view to compare the different minority groups with the majority group. Secondly, since minorities form a sizable segment of the media's audience, it is important from a practical standpoint for those in the media holding policy-making positions to be familiar with this segment of the audience preferences.

Recognizing the significance of the relationships that exist between minorities and the media, the author collected from Spingarn Library, Howard University in Washington, D.C., results of an unpublished study by Donetta Langley and Reggie Henderson. In 1980 they collected and recorded the results of empirical studies that have been conducted over a 33-year period, 1948 to 1981. The majority of the studies in their review were located through a systematic search of the indices of four major research journals in mass communication: Journal of Broadcasting, Journal of Communication, Journalism Quarterly and Public Opinion Quarterly. In addition, they used Social Science Index and issues of the American Newspaper Publishers Association (ANPA) News Research Reports.

One of the primary questions answered in Langley and Henderson's literature review was: Compared to whites, which media do blacks use? The primary answer has been that blacks are different from whites in their selection of the media. Their paper asserts the following:

The fact that blacks differ from whites in their media use is a common finding in Bogart (1972); Sharon (1973); Bush (1971) and Stroman and Becker (1978).

Bogart's (1972) study is the most general picture in the literature on the black community's exposure to newspapers, television and radio. Sharon (1973) and Bush (1971) confine their studies to readership of the newspaper only and Stroman and Becker (1978) concentrate their analysis on blacks' reliance on the media for political content.

Bogart's analysis of a national sample of more than 15,000 adults compares black and white exposure to print and broadcast media. Bogart's finding that fewer blacks than whites read newspapers is also found in Sharon (1973) and Stroman and Becker (1978). While there are no sex differences between whites in newspaper readership, there are sex differences between blacks; that is, black¹⁵ women read newspapers more frequently than their male counterparts.

With respect to age, the study says:

The age difference among blacks parallels that of whites with older blacks reading newspapers more frequently than younger blacks. Blacks who are very old, though,¹⁶ are the least likely age group to pay attention to newspapers.

Langley and Henderson's unpublished study shows basic differences continue to be prevalent:

There are also differences in attention to television. Blacks are more frequent viewers than whites of non-prime time television. During prime-time, blacks and whites view television with approximately the same frequency. Among blacks, young people are the heaviest viewers of television and during prime-time, upper income blacks are heavier viewers than lower income blacks.

Bogart found little difference between black and white use of radio. Black men were slightly more likely to listen to radio than white men and black women were slightly more likely to listen to radio than white women.

Sharon (1973) found that low income blacks were still less likely to read newspapers than low income whites.

Sharon (1973), Bush (1971) and Stroman and Becker (1978) also looked at what kinds of stories attracted blacks. Sharon found that blacks read fewer editorials, womens and society pages and regular ads than whites, but blacks read more sports stories than whites. Bush (1971) also found that blacks were less likely than

whites to read opinion content, financial news and comics. In addition, Bush found that few blacks read stories which had been jumped to an inside page. While the Bush study found that black men were not as thorough readers as were white men, it didn't find any differences between black women and white women in their thoroughness of reading the newspaper.

Differences were also found in the Stroman and Becker (1978) study in the time of day blacks and whites watched television news. Blacks were more likely than whites to watch morning and late evening news and less likely to watch the early evening news.¹⁷

While the most mentioned studies compared blacks with whites, the study also presented information comparing blacks with other blacks in their use of the media.

Jackson (1980) attempted to determine if differences in socio-economic levels among blacks were related to their media use. Jackson found that highly educated and upper income blacks read newspapers and magazines more frequently than poorly educated, low income blacks. In addition to socio-economic level differences, Jackson found age differences with relation to print media. Newspaper reading peaked in the 30-year old category; that is, blacks in their 30's were the most regular newspaper readers while blacks who were over 50 were the least regular readers. This age difference was also among Bogart's (1972) findings.

Carey discovered that blacks preferred weekend programs while whites liked mid-week viewing. Blacks preferred programs which were individually oriented while whites preferred programs which were family oriented. Blacks also preferred programs with individual conflict as a theme and what Carey said critics called "better television." Blacks preferred physically aggressive, visual comedy as opposed to strictly oral humor. In addition, Carey found that blacks avoided country and western and romantic music.

Hur and Robinson (1978) investigated blacks' preference for and exposure to the highest rated program in television history--Roots. In this study which was conducted in Cleveland, the authors found that more blacks than whites watched Roots and among Roots viewers, blacks watched more episodes on the average than whites. In an investigation of attitudes and interpersonal communication surrounding Roots, the authors found that black viewers thought the series was more historically accurate and blacks talked with more people about Roots than whites.¹⁸

Langley and Henderson show that while many of the studies have looked at the entertainment program preferences of minority audiences, few studies have linked minority audiences with public affairs and political information. They indicate other studies which were found useful.

Tan and Vaughn (1976) examined the relationship between media use and public affairs knowledge. They found that there was a significant positive relationship between total media use and public affairs knowledge. However, the relationship between use of black media and public affairs knowledge was weaker than that between total media use and public affairs knowledge. The best predictor of public affairs knowledge was newspaper reading.

Most of the studies throughout this section have focused on the audience's relationship to newspapers and television. Except for Surlin (1977) little is known about the relationship of the minority audience to radio. Surlin investigated the attitudes of the public, particularly poorly educated, alienated blacks about the need for minority ownership of minority programming radio stations. In the study which was conducted in Athens, Georgia, Surlin found that poorly educated, high fatalistic blacks were much more likely than their white counterparts to perceive a need for minority ownership. Highly educated, low fatalistic blacks were on the other hand, least likely to perceive a need for minority ownership.¹⁹

The major conclusions suggested by Langley and Henderson concerning the complete study are as follows:

The media usage and content preferences of blacks differ from those of whites. These differences surface in the following manner: blacks read newspapers to a lesser extent than whites and blacks and whites read different sections of the newspaper; blacks view more television than whites (with the exception of prime-time television); and blacks listen to radio slightly more than whites.

The media use patterns noted above are reflected in the sources that blacks rely on for information. In general, blacks are more likely than whites to rely on television and people as sources of information. Rarely do they use newspapers as a source of information.

Minorities are also underrepresented in television programs. And, although there has been an increase in the proportion of minorities appearing on television, this increase has occurred in minor, insignificant roles or roles that tend to reinforce stereotypes of minorities.²⁰

One of the conclusions the author feels can be drawn from this review is that, while little is known about the relationship of blacks and the mass media, even less is known about other minority groups such as Spanish-Americans, Native-Americans and Asian-Americans. Except for a few studies on Mexican-Americans, these other minority groups have been ignored in the literature. What is presented then is a decidedly unbalanced picture of minorities and the media.

FCC Conference Concerning Minorities in Broadcasting

In a Statement of Policy on Minority Ownership of Broadcasting Facilities released in May 1978, the FCC said it was committed to seeing that the need and viewpoints of minorities are reflected in broadcast programming. The commission recognized that equal employment opportunities for minorities would result in diverse programming, but it concluded that minority ownership is another important way to ensure programming responsive to American's needs.

The FCC convened a conference designed to look at and research barriers to minority acquisition of broadcast properties and ways of overcoming those barriers. This important conference met at FCC headquarters on April 15 and 26, 1979. The conference's principal finding was that minority groups seeking entry into the broadcast industry are at a serious disadvantage because they have relatively little knowledge of, or experience with, the complex and sophisticated arrangements for financing the acquisition of broadcast facilities.²¹ The conference also found that lending institutions, as a group, have relatively little knowledge of, or experience with, financing either minority business enterprises or broadcast properties. The conference

also found that minorities, as a group, lack managerial and broadcast operational experience that would lead institutional lenders to finance acquisition of broadcast stations.²²

Other findings were that minority groups already operating broadcast stations are at a competitive disadvantage for two primary reasons: (1) the major broadcast audience rating services, on which much of a station's advertising revenue depends, employ survey methodologies that consistently underestimate the audiences of minority-owned (and formatted) broadcast stations; and (2) the major broadcast advertising agencies and advertisers are frequently reluctant to purchase time on minority-owned (and formatted) broadcast stations.²³

The conference recommended, among other things, that the FCC study ways to increase minority broadcast ownership and that the FCC conduct a critical review of its policies and rules affecting minority broadcast ownership.²⁴ Other conference recommendations were that the financial community reevaluate its collective attitude towards financing minority broadcast station acquisitions and that the advertising community conduct further research into the purchasing power and buying habits of minority groups.²⁵

The final conference recommendation was that the audience rating services develop new survey techniques where such techniques are necessary to guarantee accurate estimates of the audiences of minority-formatted stations.

The FCC has taken several steps to make it easier for minorities to acquire and operate broadcast stations.

FCC Policy on Minority Ownership

In May 1978 the FCC announced in its Statement of Policy on Minority Ownership of Broadcasting Facilities that when an application is made to transfer or assign a broadcast license to a minority enterprise, the FCC will consider granting the seller a tax certificate under Section 1071 of the Internal Revenue Code. The commission is authorized to issue a certificate if it appears likely that the transfer or assignment of a broadcast license will facilitate either the implementation of new FCC policy or changes in existing FCC policy. A person holding such a certificate may defer payment of capital gains taxes upon sale of the station. The commission said it believed that the availability of tax certificates would serve as a significant incentive to those selling broadcast stations to sell to minority enterprises. In fact, a number of minority enterprises acquired stations under this policy.²⁶

There are presently three ways a minority enterprise can acquire a broadcast station. First the entrepreneur may challenge the license renewal application of an existing station and have the FCC award the license to the entrepreneur. Second the enterprise may apply to the FCC for a license to broadcast on an unusual frequency. Finally the enterprise may buy an existing facility.²⁷

At the time of the study black radio stations in operation were at an all-time high. Early 1980 figures indicate that black radio participation was prevalent in 29 states.

The participation included 65 AM stations and 36 FM stations. The number of FMs remained constant between the National Association of Black

Owned Broadcasters (NABOB), 1980 and 1981 measurements, and only the AM totals increased.

The number of black owners over the same interval grew from 63 in 1980 to 71 as of January 1, 1981, a 12 percent rise.

Nate Boyer, executive director of NABOB, estimates that roughly half the current total of black-owned stations have been "a direct result of the FCC's policy of encouraging minority ownership," while another 20 percent were secured through the normal acquisition channels. Since May, 1978, when the FCC began implementing its minority ownership policies, blacks have acquired 18 properties as a result of the issuance of tax certificates to broadcasters who sell to minorities, and 15 properties as a result of FCC distress sale proceedings.²⁸

Minority Employment in Broadcasting

The broadcasting employment statistics are defined further in nine categories of work performance. These categories are: officials and managers (which includes newswriters, reporters and announcers), technicians, sales workers, office/clerical, craftsmen (including building trades), operatives, laborers and service personnel. The breakdown of broadcasting employment in these categories is shown in Figure 1. The Federal Communications Commission is concerned with the relatively small number of minority personnel in management positions and the large number of personnel in the lower positions.

	<u>Total Employment</u>	<u>Total Minorities</u>
Officials and Managers	28,544	2,255 (7.9%)
Professionals	42,895	5,688 (13.3%)
Technicians	26,609	4,083 (15.3%)
Sales Workers	16,165	1,302 (8.1%)
Office/Clerical	22,826	5,520 (24.2%)
Craftsmen	1,801	322 (17.9%)
Operatives	958	252 (26.3%)
Laborers	240	114 (47.5%)
Service	1,164	723 (62.1%)
TOTAL	141,202	20,259 (14.3%)

FIG. 1 Full-time 1980 broadcast employment by job categories, showing total employment and minority employment.

The Discrimination Problem

In spite of the FCC's steps to make minority access more equitable, Elliott Franks, former head of the National Association of Black Broadcasters, said it will be virtually impossible for black radio to "make ground." He says it is impossible because of the distinct discrimination that takes place in media, especially in radio. He described the plight of black radio during an interview in December, 1980 with former correspondent and anchor-woman for ABC news, Sylvia Chase.

- Q. In what ways are black radio stations discriminated against?
- A. Black radio, because of the way it was born...it was given birth by white America, and white America in the late 40s and early 50s talking about black programming, gave to the black community what they thought the black community might like to hear. I mean that finger popping, jive talking, street corner kind of presentation so consequently in the eyes of many major ad agencies and the clients they represent, black radio is a joke with no credibility.
- Q. Aren't black radio stations still caught in that kind of vicious circle...they don't grow as fast as white owned-operated radio stations because they are not getting the advertising and because they don't get the ads they don't grow fast and therefore don't get the advertising?
- A. We think the priority problem is the rating service. There is almost a monopoly as far as rating surveys to date. The problem that U.S. census has every 10 years coming up with a severe undercount of blacks...

that same problem manifests itself in the major rating services in radio today. They have not come up with the type of mechanism or structure that adequately surveys the black community and indeed does get an inaccurate reflection of that black and black family listening habits as it relates to radio. Ad agencies have little or no sensitivity in terms of a black owned facility. When we go to the market place to pitch our station, the ad agency representative is interested in one thing and one thing only...and that is what kind of numbers do you have in the demographic spread that their client wants? ...how many men do you have--25 to 29? How many females--18 to 35? And if you don't have the numbers the ad agency could care less...they'll say sorry then go ahead and buy those stations that have the numbers. Also there are many advertisers who tell stations they will not buy "ethnic," meaning simply they will not buy Black or Spanish, yet these are firms that don't refuse black dollars.²⁹

FOOTNOTES

¹Harold Herring, "Black Radio in the United States," unpublished paper in the course Black Press in America, Kansas State University, 1972.

²Ibid.

³Ibid.

⁴Ibid.

⁵"Negro Network," Newsweek, January 18, 1954, p. 51.

⁶Richard S. Kahlenberg, "Negro in Radio," Negro History Bulletin, XXIX, March 1966, pp. 127-8.

⁷"Black Radio," Ebony, November 1970, p. 44.

⁸Ibid., p. 46.

⁹"The Negro Market," Sponsor, August 17, 1964, p. 49.

¹⁰Maxwell R. Brooks, The Negro Press Re-examined, Boston: Christopher Publishing House, 1959, pp. 11-12.

¹¹Erwin K. Welsch, The Negro in the United States, Bloomington: Indiana University Press, 1965, pp. 37-38.

¹²John D. Stephens, "Black Journalism: Neglected No Longer," Mass Media and the National Experience, New York: Harper and Row, 1971, p. 97.

¹³Roland E. Wolseley, The Black Press, U.S.A., Iowa State University Press, 1972, p. 283.

¹⁴The Black Almanac, 1979, p. 930.

¹⁵Donetta Langley and Reggie Henderson, "Minorities and the Media," unpublished study, Howard University, Washington, D.C., 1980.

¹⁶Ibid.

¹⁷Ibid.

¹⁸Ibid.

¹⁹Ibid.

²⁰Ibid.

²¹Minority Ownership of Broadcast Facilities: A Report, December, 1979, Federal Communications Commission Office of Public Affairs: E.E.O. Minority Enterprise Division, p. 5.

²²Ibid., p. 6.

²³Ibid., p. 6.

²⁴Ibid., p. 6.

²⁵Ibid., p. 6.

²⁶Ibid., p. 6.

²⁷Ibid., p. 6.

²⁸Black Radio: The Market, Television/Radio Age, February 23, 1981, p. A-4.

²⁹Interview conducted by Sylvia Chase of ABC news, December 1980. Tape is property of KSAC Radio Station, Kansas State University.

CHAPTER II

BACKGROUND

Methodology

The method employed in this study of KOWH is the case study. Several sources provided information for this study. Primary sources were personal interviews with Richard Baker, who served as operations director for KOWH FM from November 1974 to February 1977; Robert Boozer, a member of the board of directors for KOWH from 1970 to 1979; Denny Christensen, sales manager from 1972 to 1977; Marge Bray, who served as office manager from 1972 to 1979; and Keith Donald, general manager from 1973 to 1979. Secondary sources provided introductory and background information. These included: 1946 to 1980 issues of the Omaha World-Herald newspaper, 1969 to 1980 issues of the Omaha Sun newspaper, literature on Nebraska black history, the City of Omaha black history, studies in the area of black broadcasting in Nebraska and the United States, and literature on black broadcasting in general.

Some issues of the World Herald are on microfilm at the Nebraska State Historical Society and newspaper clippings concerning KOWH and Omaha's radio stations can be found on the 3rd floor of Omaha's public library in Omaha, Nebraska.

Other secondary sources included a discussion and subsequent interview with Harold Becker, a Nebraska historian who specializes in Nebraska black history and is a columnist for Sun Newspaper in Omaha. Also included were a visit to Creighton University's department of journalism and visits to the libraries at the University of Nebraska at Omaha, Howard University in Washington, D.C., Kansas State University, and the University of Kansas. These sources were utilized for information concerning black radio, black radio history, minority acquisition, and black broadcast advertising. Brochures, pamphlets, and studies from the National Association of Broad-

casters, Broadcast, and the Federal Communications Commission were used to gather minority broadcasting facts such as total stations, minority employment, minority ownership, the status of minority broadcast fund, FCC minority ownership policies and NAB activities and chronology of assistance to minorities.

Copies of official KOWH documents were given to the author for use in the study by several former employees of KOWH.

The remainder of this chapter will touch on the current status of black radio in America and then will bring the study into focus on blacks and black media in Nebraska.

Black Radio Current Trends

In spite of the low number of currently black-owned and operated stations in the over-all media picture, the number of black-owned and black-oriented stations has shown a marked increase since the first outlet devoted entirely to black audiences was established after the second World War.

It is clear that a function of black-oriented radio is to entertain and to inform the black populace. With that factor being prevalent, the bulk of the "outlets" are situated in large cities in the Northeast, Midwest, West and heaviest in the South. As more blacks migrated to large cities, interest in establishing new "soul" outlets increased, so that urban black listeners usually can choose from two or more stations.

"Black programming stations reach approximately 93 percent of the U.S. black population totaling more than 23,000,000 black Americans."¹ By 1970 the number of black-owned radio stations had increased due to a more unified feeling in America's black community. The smallness of black radio

is realized when it is noted that in 1975 more than 7,000 commercial stations existed in America, with 118 of those stations having all black programming.²

The explanation for so few black owned and operated stations is that greater equalizer...money. The Black Almanac points out that many "applications for the necessary certifications by the Federal Communications Commission are challenged by rivals for the frequency rights with the result of prolonged lobbying and litigation." Few blacks have the dollars or credit lines to support such costs on their own.³ The "ownership" question has recently been a concern with the broadcast industry as a whole.

Black-Owned Stations of the 1980s

As of January 2, 1981, there were 108 black-owned broadcast stations (defined as at least 51 percent black participation) in 29 states, according to the latest survey of the National Association of Black Owned Broadcasters (NABOB). This represented a 4 percent gain in the number of black stations over the previous year, when NABOB reported 104 outlets in which blacks held a majority interest.

Of the 108 facilities, 65 were AMs, 36 FMs and seven were TV stations. The number of FMs and TVs remained constant between NABOB's 1980 and 1981 measurements, and only the AM totals increased, the survey showed.

The number of black owners over the same interval grew from 63 in 1980 to 71 as of January 1, 1981, a 12 percent rise.⁴

Nate Boyer, executive director of NABOB, estimates that roughly half the current total of black-owned stations have been "a direct result of the FCC's policy of encouraging minority ownership," while another 20 percent

were secured through the normal acquisition channels. Since May, 1978, when the FCC began implementing its minority ownership policies, blacks have acquired 18 properties as a result of the issuance of tax certificates to broadcasters who sell to minorities, and 15 properties as a result of FCC distress sale proceedings.⁵

Nebraska's Black History

Information on Nebraska's black history is not detailed. Several sources were found to mention the presence of a black populace as early as the mid-1860s. The development of the West, coincident with the economic upheavals in the south, attracted the attention of many dissatisfied freedmen.⁶ New lands, new environment plus the opportunity for social and economic development beckoned. By 1870 the first Negro exodus from the South was underway.⁷ Omaha became the port where the majority of the blacks settled and established homes. There were jobs in Omaha and a chance to make a living. Those who came in advance of their families sent for them and brought them north. As the news spread in the south, friends and relatives were encouraged by reports of industrial opportunity and joined the move northward into Nebraska.⁸

Little is written about blacks in Nebraska before the post-Civil War time frame.

Legend has it that an exploring expedition headed by a monk, Fray Marcos, touched the south eastern part of the state in 1539. A Negro servant is thought to have been a member of the party. This same Negro is thought to have been with Coronado's expedition when he supposedly penetrated the southern part of Nebraska in 1541. If it can be taken for granted that one or both of these expeditions crossed the present southern boundary of the state, then it is entirely possible that Negroes entered Nebraska as early as 1539 or 1541.⁹

Disregarding those blacks who, as slaves, arrived in Nebraska because

they had no choice in the matter, immigrants fell into three classifications with regard to their reasons for coming to Nebraska. Those who came to Nebraska for economic reasons comprised numerically the largest of the three groups.¹⁰

"Next in importance was the group prompted to choose Nebraska as a future home because of social factors. Finally a certain small percentage settled in the state purely by chance."¹¹

Omaha Black History

The city of Omaha was often referred to as the "Gateway of the West for Blacks."

The first black known in Omaha was owned by an Indian squaw. Though no records show slavery as a popular industry in Omaha, local interest was evidenced by an article appearing in the "Omaha Nebraskan" which quotes the Chicago Times and Herald on the running away of Eliza, a slave, from Stephen A. Nuckolls, to Chicago and her arrest November 12, 1860.

Omaha was the fourth largest railroad center and the eastern terminus of the Union Pacific. Many blacks were employed by the company as porters, cooks, and waiters. They found Omaha desirable and moved their families there. The need for manpower immediately preceding and following the World War furnished the next incentive for mass movement which increased at an unusual rate. "According to the U.S. Census in 1920, the Negro population in Omaha was 10,315. According to the census of 1930, of 214,000 people in Omaha, 11,123 or 5.6 percent were Negroes."¹²

It is not surprising that a black radio station would be situated in the Omaha area in the 1970s, as that is where 35,000 of the state's 50,000 blacks resided.

Black Media in Nebraska History

Nebraska has had a broadcast facility and at least 12 black periodicals during its existence as a state.¹³ Chronologically these periodicals include: Omaha Chronicle (1887-1888), Progress (1889-1904), Afro-American Sentinel (1893-1899), Enterprise (1893-1914), Omaha Monitor (1915-1919), New Era (1920-1926), Omaha Guide (1927-1956), Lincoln Voice (1946-1953), Omaha Star (1938---), Everybody (1959---), and Tan Pride (1968---).¹⁴

FOOTNOTES

¹Minority Ownership of Broadcast Facilities: A Report, December 1979, Federal Communications Commission of Public Affairs: E.E.O. Minority Enterprise Division, p. 3.

²Ibid., p. 6.

³Ibid., p. 7.

⁴Black Radio: The Market, Television/Radio Age, February 23, 1981.

⁵Ibid., p. A-14.

⁶Negroes of Nebraska: Nebraska Writer's Project, Lincoln, Nebraska, Woodruff Printing Company, 1940.

⁷Ibid., p. 8.

⁸Ibid., p. 8.

⁹Ibid., p. 8.

¹⁰Ibid., p. 9.

¹¹The Negro in Omaha: A Social Study of Negro Development, a published report by T. Earl Sullinger, Ph.D., 1952.

¹²Ibid.

¹³Joyce Smithson, "The Omaha Star: Its Main Concerns," A Masters Thesis 1974, Kansas State University.

¹⁴Ibid., p. 10.

CHAPTER III

THE ESTABLISHMENT OF KOWH AM-FM IN OMAHA

No other radio station in Omaha provided the black community and its supporters the latest soul, jazz and gospel recording and relevant information on political, social and economic issues which reflect the black perspective as did KOWH-KOWH FM.¹ That message was part of a letter the FCC received from a member of black Omahans as a result of a letter writing session held in an effort to save KOWH-KOWH FM from being sold and from format changes. The above request and subsequent discussion and show of concern were exercised to no avail.

Omaha's black-controlled radio stations had a goal to present music, news and editorials geared to the total Omaha market. Attorney Wilber Phillips made that comment as Reconciliation, Inc., a Negro controlled corporation, signed contracts to purchase KOZN and KOWH FM with the approval of the Federal Communications Commission.²

The Reconciliation, Inc., Investment Group, Rodney Wead, Chairman

Rodney Wead, chairman of the board and president of Reconciliation, Inc., was the person responsible for the founding of KOWH-KOWH FM.

Wead received a Bachelor of Science degree from Dana College. He is married, and he and his wife had four children. Wead also served as executive director of the United Methodist Community Center, also known as Wesley House, in Omaha. He was responsible for establishing a commercial credit union, a legal defense fund, a scholarship program for minority students, an Afro-American library and an urban-rural crisis fund for education and economic assistance for blacks, Chicanos and Indians of the State of Nebraska.³

The venture into black radio for Omaha was the result of a brainstorm

during the Nebraska Methodist Conference held in July 1969.⁴ The amount of \$10,000 was given by that conference to the Urban-Rural Crisis Fund which was to be headed by an Omaha attorney.

Then \$10,000 was given to this venture by the Nebraska Methodist Conference as a contribution to the Fund for Reconciliation.⁵ Wead indicated that the corporation for the black radio station was called Reconciliation, Inc., for a reason. He said, "...we feel that reconciliation may be on the way to the ghetto because for the first time in this part of the middle west there is a voice for the community."⁶

Black Radio for Omaha

The outstanding characteristic of Wead's concept for black radio in Omaha was the emphasis on community participation. This is evident in his statement on the original idea:

We first began to talk about the idea of a black radio station in Omaha, Nebraska, when we learned that, since 1956, when radio station WDIS of Memphis pioneered programs especially designed for black listeners, the number of stations devoting at least part of their air time to black audiences has risen to nearly five hundred. Only seven of them are black-owned and most of the black-owned stations were family-operated and are controlled by closed corporations. Therefore, it was exciting to us that we might start the first community-owned, community-controlled and community-operated black radio station.⁷

Wead was convinced Omaha was a viable market.

Most people in the industry believe it will continue to grow and will do so at a much accelerated rate. There is a greater feeling of togetherness in the black community today which has created an awareness and pride in black people and changed the whole face of ethnic radio over the past five to ten years. Factors bearing upon estimated revenue are: presence of two major universities; advantage of both AM and FM capabilities; wide coverage area of signals. Especially the AM which is at 660 KC on a clear channel and offers the advertiser such cities as Lincoln, Nebraska, St. Joseph, Missouri, Sioux City, Iowa and

outlying portions of Des Moines (this is especially important to national accounts); and absence of a 'black' 'oriented' or 'soul' station in the area. Considering these facts and the presence of five other commercial AM stations, we should be able to realize a minimum annual income of two hundred thousand dollars (\$200,000) within an eighteen to twenty-four month period. The only qualification that is placed on this estimate is the presence of top management and sale personnel.⁸

Wead felt the key to success for black-oriented radio was the personal approach of the station. He considered black-programming radio to be the only medium that could reach the black community every day with the things it wants to hear and know about. Several surveys showed that the average black person is more brand conscious than the average white person.⁹

The Reconciliation, Inc. Investment Group

The purchase price for the two stations was announced as \$360,000. The purchaser, Reconciliation, Inc., was made up of twenty-one black and four white investors whose funds totaled \$120,000. By written agreement the whites were obligated to sell their interests once black purchasers could be found. Names of all the investors were never revealed but two members of the investment group were prominent professional sports stars Bob Gibson and Bob Boozer. Others included Thurman Ballard, treasurer, Alvin J. Gilmore, secretary, Lewiser L. Dixon, Dr. Lloyd Howard, Dr. Otis Morgan, Kenney Myers, Dr. Claude Organ, Robert Myers, Earle Persen, Dr. John H. Wells, American Community Stores Incorporated and Richman Gordman, Inc.¹⁰

KOWH Financing

Bob Gibson, the second largest stockholder, owned 9.58 percent of the stock of Reconciliation, Inc.¹¹ Bob Boozer owned 4.35 percent.¹²

Charlene Gibson, Bob Gibson's wife and listed as assistant treasurer of

Reconciliation, Inc., owned .87 percent. The largest stockholder was Dr. Marion E. Jones, a physician from Kansas City, Missouri with 13.07 percent. The Nebraska United Methodist Conference had 1,250 shares of non-voting preferred stock, which included all of the preferred stock issued. The FCC indicated the percentages of common stock listed referred to all issued stock and did not include subscriptions.¹³

Wead described the financing process as follows:

We accomplished the task this way--purchase of a station (formerly called KOZN AM and KOWH FM) was accomplished by a \$250,000 loan from MELIC (Mission Enterprise Loan Investment Committee) of the Methodist General Board of Missions, the aforementioned \$10,000 grants from the Nebraska Conference of the United Methodist Church, a loan of \$50,000 from a local bank, a loan of \$12,500 and an investment of non-voting stock of \$12,500 from the Nebraska Conference Council and \$80,000 raised locally.

The original operating plan for KOWH was to have the station managed by blacks, but it would not necessarily work to employ an all-black staff during its operation.¹⁴

Reconciliation, Inc./dba/KOWH-KOWH FM Corporate Structure

Reconciliation, Inc., doing business as KOWH-KOWH FM, had to separate organizational operations during the nine-year existence of the corporation. Initially Reconciliation was comprised of the stockholders, the board of directors, the president and general manager, one engineer, two sales persons, an accounting and administration department, a commercial manager, an operations manager who had jurisdiction over the news director, newsperson, program director and announcers. The initial structure had 14 employees including maintenance personnel.

Structure Reorganization

In 1974, Reconciliation, Inc. reorganized the structure to accommodate

a different strategy. The focal point of the strategy was the separation of AM operations from FM operations.

From 1974 to 1979 the corporate structure of Reconciliation, Inc. consisted of the stockholders, board of directors, one general manager, one engineer and one AM operations manager. The AM operations manager had jurisdiction over the AM news department, two AM announcers, the traffic department and one secretary. Also included in the reorganization was a business manager, a sales manager with two account executives and an FM operations manager. The FM operations manager had jurisdiction over the FM news department, three announcers, the traffic department and one secretary.

FOOTNOTES

¹Omaha World-Herald, March 12, 1971.

²Ibid.

³Who's Who in Black America, 1973.

⁴Rodney S. Wead, unpublished paper for the National Conference on Social Welfare, April 1970. Paper entitled, "Soul Radio 1970 for the Omaha, Nebraska Community."

⁵Ibid., p. 2.

⁶Ibid., p. 2.

⁷Ibid., p. 2.

⁸Ibid., p. 3.

⁹Ibid., p. 4.

¹⁰Omaha World-Herald, March 2, 1970.

¹¹Ibid.

¹²Ibid.

¹³Ibid.

¹⁴Ibid.

CHAPTER IV

KOWH OPERATIONS

KOWH Initial Employment

During the existence of KOWH one of the station's primary problems was getting and keeping staff members.¹ Needed were well-trained, experienced journalists to help establish a professional, quality station. Experience dictated to train people from the community rather than getting outside, high priced professionals who did not stay very long, since they used the station as a stepping stone for their careers.² That philosophy echoed Rodney Wead's goals to keep the station run by community blacks. That was done on most levels of employment at KOWH but was not the rule in management levels.

KOWH Location

The original station location was the Prom-Town House motel in downtown Omaha.³ Omaha architect Ambrose Jackson was named to draw up remodeling plans so the station would operate on two floors in the rear of the Franklin Community Credit Union Building and occupied a total work space of 2,000 square feet. The complete remodeling job took about 66 days.⁴

KOWH AM Program Strategy

At the time of the remodeling procedure KOWH FM had five black disc jockeys and two sales persons on its staff during which time the station offered a strictly soul music format.⁵

Figure 2 shows the initial programming intent of KOWH-KOWH FM. KOWH was located at 660 on the AM dial. The AM was a 1000 Watt daytime operation which broadcast from sunup to sunset everyday. The AM had an operating radius of 225 miles.⁶ If a radio receiver was within 225 miles of Omaha, chances are KOWH AM could be received. KOWH AM was designed to inform and

A Broadcast Facility
of Reconciliation, Inc.
of Omaha

KOWH KOWH-FM

660 AM 94.1 FM STEREO

39
Sound of Soul
Omaha
7000 Dodge St.
Omaha, Nebraska 68132

Telephone (402) 556-8500, 556-8501, 556-8502
Bob Nichols, - Gen. Mgr.

P R O G R A M M I N G !

KOWH - KOWH FM is primarily concerned with becoming the community voice of the 100,000 black people in the greater Omaha area, but has also gained a tremendous percentage of the white audience too! KOWH AM and FM is now programming 50 top soul records plus 15 soul "extras" each day. Added to this are two pop records from the "Hot 100" per hour.

FIG. 2 Initial Programming Intent
from 1970 to 1972

entertain the mature adult who had a healthy respect and genuine interest in what he or she heard on KOWH radio.

KOWH AM offered traditionally music designed specifically for the black consumer market and primarily directed at the 12-24 or 12-34 age groups.⁷ One innovative approach KOWH AM tried for its black audience was that of Music of Masters. This programming was instituted in 1975.

Music of Masters was a "super collection of world famous artists coordinated into a finely synchronized mixture of male vocalists, female vocalists and instrumental arrangements that were specifically designed to fill the 34+, mature, black adult radio programming void."

A handout described the KOWH Music of the Masters as a "new, different and innovative approach to radio that is unequaled in Omaha!" The series included artists such as:

Nat King Cole	Duke Ellington
Ray Charles	Count Basie
Nancy Wilson	Abby Lincoln
Cleo Laine	Diana Ross
Johnny Mathies	Brook Benton
Sammy Davis, Jr.	Quincy Jones
Shirley Bassey	Dinah Washington
Della Reese	Wes Montgomery
Lou Rawls	B. B. King
Arthur Prysock	Etta James

The KOWH Music of the Masters claimed three major functions:

1. Fill the void for the 34+, mature, black adult.
2. Provide an extremely unique variety of music that always has received 'General Market' acceptance.
3. Make you proud to be an adult.⁸

KOWH turned the morning portion of the AM station to a religious format which monetarily was good.

KOWH FM Program Strategy

Figure 3 shows the potential receiving range of KOWH FM. KOWH FM was designed to inform and entertain the teenagers and young adults in Omaha who expressed their appreciation for "Soul Music." KOWH FM gave the "Sound of Today."⁹ KOWH FM was found on 94.1 on the FM dial; it operated 24 hours per day as a full-time stereo soul station. KOWH FM emphasized what was referred to as its "Action Stages." The Action Stages were designed to coincide with shifts which would work the completion of an old stage and the beginning of a new one. KOWH FM, Stage I stereo presented the nation's hottest selling soul singles, complemented by the greatest soul hits of all time. Stage I stereo hours of operation were from 6 a.m. to 6 p.m. Stage II stereo presented the nation's hottest selling soul singles as found in Stage I, but the special feature of Stage II was the top selling soul LP cuts which added the variety necessary to make radio more interesting. In summation, Stage II featured the nation's hottest selling soul LP cuts. Hours of Stage II entertainment were from 6 p.m. to midnight. Stage III of KOWH FM's action stages featured the best in the Jazz experience and operated in a midnight to 6 a.m. time frame.¹⁰ To underscore its prominence, KOWH FM utilized the slogans, "KOWH FM is excitement, KOWH FM is innovation, KOWH FM is the soul of Omaha."

From the outset, KOWH emphasized its total programming aspect.

In keeping with its unique characteristic of community involvement, KOWH-KOWH FM was heavily involved in community affairs. It was an information center, fund raiser, catalyst and a community bulletin board.

Because of the high degree of community involvement, KOWH-KOWH FM generated a high level of rapport with its listeners.¹¹ To underscore its

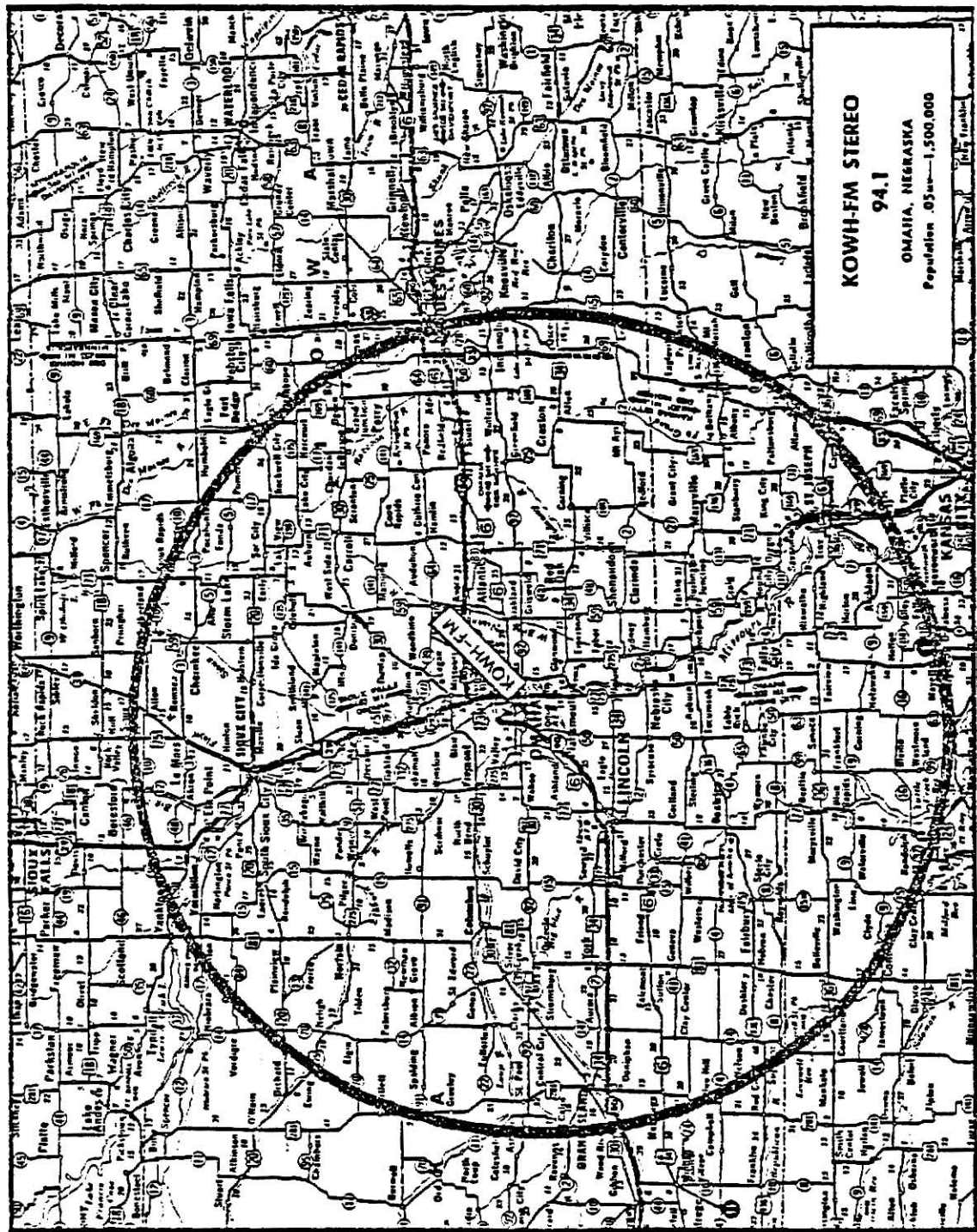


FIG. 3 Receiving Radius for KOWH FM

involvement, KOWH FM listed 19 activities of operation:

1. KOWH FM News in Depth
2. KOWH FM Nebraska Job Service Report
3. KOWH FM YMCA Report, Fund Raising, Membership Drive
4. KOWH FM Consumer Corner
5. KOWH FM Community Issues
6. KOWH FM Social Scene
7. KOWH FM Request Lines
8. KOWH FM Promotions (Audience Participation)
9. KOWH FM Communications Call-In
10. KOWH FM Miss Black Nebraska Pageant
11. KOWH FM Stone Soul Picnic (National in 1975)
12. KOWH FM Mid City Business and Professional Association
13. KOWH FM Radiothons
14. KOWH FM United Negro College Fund Drive
15. KOWH FM Remote Broadcasts
16. KOWH FM Turkey Giveaway
17. KOWH FM Instant News
18. KOWH FM Omaha Royals Professional Baseball
19. KOWH FM Kansas City Chiefs Football

In the final analysis, KOWH management felt programming was not only unique but functional as a whole.

News Programming

In August 1972, KOWH switched from the Black Audio Network (BAN) to the Mutual Broadcasting System, Inc. The Mutual service was one of two networks organized to provide live national news and sportscasts of particular interest to blacks.¹² BAN was not a live service and would supply KOWH with 13 or 15 news stories per day which the station recorded and used later as needed.¹³ There was some concern expressed by black radio station managers in other cities that national network ads could cause a loss of local advertising revenue. If Ford Motor Company were to advertise on the network, it was feared that local Ford dealerships might cut back on their black radio advertising budgets.

That was of concern to KOWH because the station originally had some

trouble convincing local advertisers they had a good portion of the Omaha market. That changed somewhat as in 1972 the annual gross income was \$125,000.¹⁴

KOWH-KOWH FM Awards

In the nine year history of the station KOWH-KOWH FM received twelve awards based on community service and programming.

1. Award of Merit for distinguished service since 1922...by the Nebraska Broadcasters Association.
2. Award of Appreciation...by the American Red Cross.
3. Historical Journalism Marker...by the Nebraska Professional Chapter of Sigma Delta Chi.
4. Black is Beautiful Award...by the Afro American Culture Center Library.
5. United Appeal...for outstanding public service advertising and publicity.
6. U.S. Army Recruiting Main Station.
7. Public Service Award...by the General Services Administration for support of the Federal Procurement Task Force on Minority Business Enterprise and the GSA in promoting the President's Minority Business Enterprise Program within the community.
8. Certificate of Appreciation...by the Interfaith Human Services Disaster Task Force, Inc.
9. C.A.P....presented by Cooperative Urban Teacher Education Association.
10. Salvation Army Tree of Lights Campaign.
11. CAP Award...presented by the National Automobile Dealers Association.
12. United Negro College Fund Distinguished Service Citation.

In June of 1972, general manager Alvin Gilmore instituted a community Advisory Board with the expressed purpose of giving the black community an opportunity for station input. Figure 4 shows the Advisory Board Minutes for July 23, 1972. The Advisory Board functioned until 1977.



COMMUNITY ADVISORY BOARD MEETING

The meeting opened with Mr. Gilmore stating he has had some feed back that there was a group in the community contemplating challenging KOWH at license renewal time. He felt that this was very unfair of any black organization without at least trying to notify KOWH of their complaint.

Mr. Gilmore stated that KOWH realizes its obligations in meeting community needs . . . which not only includes entertainment but also public service, public affairs, education, etc. He also stated that KOWH is in the process of improving in all of these areas, as is evident with the Community Advisory Board.

Mr. Gilmore then asked each Board Member to inform any community persons, who have suggestions or ideas on how KOWH can improve in the community, that they are welcome to attend our meetings; or they can call to arrange meetings any time and any where they specify. He also stated he would be willing to work with these groups to help alleviate the employment problems persons are having with other radio stations. As an example, if a radio station would like to hire him to train someone at KOWH, this could easily be arranged.

The next item discussed was an off-shoot of the Community Advisory Board . . . a special Personnel Committee chaired by Senator Ernest Chambers.

Mr. Gilmore stated that since most of the station's problems in the community seem to stem from employment turnover, this would keep the community aware of the problems we have with some of our people and show them that we do not fire people except after constant counseling--warnings, fines, suspensions--before terminating. It was the general consensus of the group that this was a good way of approaching the problem.

At this point, there was a short discussion on programming. Several board members asked why KOWH does not have separate programming on the FM. Mr. Gilmore stated until now, there has been a financial problem, but now the station is working on a plan which would include jazz, blues, and easy listening soul music on the FM station. He also stated the station is planning to go stereo on FM also.

The next item discussed was the possibility of KOWH using a special promotion for the Community Advisory Board using names of Board Members for the community to contact with ideas and suggestions. The general consensus appeared to be this particular policy would interfere with the Board Members' personal lives; and, therefore, the matter was dropped.

FIG. 4 Advisory Board Meeting Minutes for KOWH,
July 27, 1972.

FIG. 4 (Continued)

2

It was announced that Senator Ernest Chambers, Aleane Carter, and David Rice--representing the Penal Complex--had been added to the Board. Mr. Gilmore stated he felt especially happy about the addition of Aleane Carter because of her knowledge and dedication to the community along the lines of communications.

Mr. Gilmore also felt it was a good idea having David Rice represent the Penal Complex because there are many KOWH listeners in Lincoln; and the station feels we should be trying to meet their needs also. When Mr. Gilmore talked with Mr. Rice a couple of months ago, Mr. Rice mentioned he thought it would great if the Community Advisory Board Members would meet in Lincoln occasionally. Several of the members indicated they would be in favor of holding one of the meetings in Lincoln. Mr. Gilmore stated the station would pay any expenses for such meetings.

Mr. Gilmore commented everyone realizes the importance of having a man of Senator Chambers' stature on the Committee Advisory Board.

Mr. Gilmore further stated that Buddy King is now in charge of all Personnel in News and Programming. He stated Buddy, the Operations Manager, has complete charge of hiring and terminating employees. He has been experiencing a number of problems at this time.

Eddie Chambers asked whether the station has ever conducted any seminars explaining the team effort involved in operating a business. Mr. Gilmore stated no special seminar had been held, but constant meetings had been held on this problem. He stated that this was like fighting a losing battle because in most "Top 40" and "Black" programming stations--except in larger union markets such as Chicago--there's constant turnover. When asked why "Top 40" and "Black" programming stations, Mr. Gilmore stated these are the types of stations that employ young, immature persons, as opposed to "Middle of the Road" stations that employ older and mature individuals. Therefore, you naturally would have this problem.

Mr. Gilmore commented that the feed back on the money rap program was good from upper income people but it apparently is not reaching the lower classes of people. He has been talking with Larry King with the Franklin Community Credit Union about adding a financial program that will be suitable for people with low incomes.

Gregory Rhodes suggested that next year the station should make an effort to air editorial type programs for low-income persons at income tax time. Mr. Gilmore stated he agreed and would see that this happens.

Eddie Chambers then suggested that our News Department try to develop better contacts so that the community will be kept informed of the dates and times of community meetings.

Marketing Strategy

The advertising scheme KOWH AM employed from 1970-1979 was a common-sense approach to selling through written communication to a possible client with the following pitch:

Why should I advertise on KOWH...You cannot afford not to!¹⁵ KOWH provides you access to a consumer market that is more often regarded as an adjunct to the general market than being regarded as a distinctive 'recognized' buying power! Black-oriented media include radio stations, magazines and newspapers. Black people listen to radio considerably more than the average white person and are slightly less interested in TV and much less interested in print media. When the black person does tune in his radio, he is inclined to "black programmed stations."

When you advertise at KOWH it is not a gamble...But an investment that declares a dividend on your share of a 93.5 million dollar market.¹⁶

Figure 5 shows the Spot Rate Card utilized for much of the advertising sales. These rates were instituted in 1975 and with minor variations effective until 1978.

Denny Christensen, sales manager at KOWH from 1972 until 1978, indicated five reasons for the influence and importance of KOWH-KOWH FM in the black market:

1. KOWH-KOWH FM is the only medium available on a day-to-day basis which specifically attempts to reach the black community.
2. KOWH-KOWH FM supplies the listener with advertising which he can be sure is meant for him.
3. Blacks are so strongly concerned with their visibility and identity as people that they feel obliged to listen to a medium which specifically gives them an identity and visibility. Black radio supplies a communications medium that apprises them of daily happenings throughout the country and the world.
4. KOWH-KOWH FM has an incredibly high index among blacks.
5. J. Walter Thompson estimates that 90 percent of the black population listens to black radio regularly, in fact, a per capita average of 23 hours and 23 minutes per week.¹⁷



RECONCILIATION, INC.

Rate Card #5

Time Specifications

Effective Feb. 1, 1975

AAA 6-9AM, 4-7PM

AA 9AM-4PM, 7PM-11PM

A 11PM-6AM

(AAA)	KOWH	60's	30's
Less Than	12x (106)	\$14.00	(132) \$11.00
	12x (141)	12.00	(120) 10.00
	24x (264)	11.00	(216) 9.00
	36x (360)	10.00	(288) 8.00

(AA)	KOWH	60's	30's
Less Than	12x (132)	\$11.00	(108) 9.00
	12x (120)	10.00	(96) 8.00
	24x (216)	9.00	(168) 7.00
	36x (368)	8.00	(216) 6.00
	48x (336)	7.00	(240) 5.00

(A) Flat Rate, \$3.00 and combinable.

(AAA)	KOWH-FM	60's	30's
Less Than	12x (120)	\$10.00	\$8.00 (96)
	12x (108)	9.00	7.50 (90)
	24x (192)	8.00	6.50 (156)
	36x (264)	7.00	5.50 (144)

(AA)	KOWH-FM	60's	30's
Less Than	12x (84)	\$ 7.00	\$6.00 (72)
	12x (72)	6.50	5.50 (60)
	24x (144)	6.00	5.00 (120)
	36x (144)	5.50	4.50 (120)
	48x (240)	5.00	4.00 (190)

FIG. 5 Rate Card from 1975 to 1978.

Christensen further stated that the simple formula used to reach that black market was simply recognition, identification and invitation.

Blacks want to be recognized. They want to know that someone cares about their business.

Blacks want to identify with the image projected in the media. The black consumer wants to be solicited--invited in media and under circumstances with which he is familiar.¹⁸

Christensen said advertising clientele had to be continuously convinced that Omaha had a viable black market. KOWH formulated an information sheet entitled, "Understanding the Black Consumer," which was distributed to potential advertisers to reassure them that buying KOWH time was worth the effort. Appendix F is the text of that message.

KOWH Sales and The Omaha Market

KOWH sales appealed for national advertising through a promotional piece that gave the demographics of the Omaha black market. KOWH presented the following information to prospective clients.

The Omaha Black Market

"The Omaha black population is ranked 78th nationally with an estimated population of 44,839. The 7.7 percent degree of error by the U.S. Census Bureau places the approximate figures closer to 50,000.

The average number of persons per household is 3.46, compared to 3.01 for whites. According to these figures, there are approximately 14,286 black families in the Omaha area.

Two earner families make up 54 percent of all black households to provide a \$12,982 median income. All black families have a \$70,800 median income. Simply stated, the black people of Omaha spend approximately:

\$151.6 million per year!

12.6 million per month!

1.9 million per week!

The black people of Omaha contribute no significant industry to the City. They contribute no significant political influence in the City. They represent no significant social strata in the City. The black people of Omaha for the most part are consumers...loyal, dedicated, influencible, somewhat predictable consumers. They make 40 percent less than white families do on the whole, but they spend 30 percent more of their disposable income. They spend almost \$152 million per year right in Omaha. Can you afford not to ask for your share?"

The Omaha market report was part of the packet of information distributed to potential advertisers by KOWH sales. KOWH underscored the fact that black consumer market is vast and untapped.

Among black consumers, KOWH saw the following as rapid growth categories:

Housing	Travel/Airlines
Clothing	Cosmetics
Home Furnishing	Publishing
Auto/Oil Co.	Credit Cards
Liquor	Food at Home
Entertainment--TV/Stereo/Records/Camera	

Brand categories most vulnerable to shifts were the following:

Automotive	Cosmetics
Liquor	Tobacco
Appliances	Entertainment/TV/Stereo ¹⁹

KOWH strategy was to magnify emphasis on black identity thus making totally black-oriented media, such as KOWH, the strongest vehicle, to not only reach, but also to motivate the black consumer. That was the message the sales staff conveyed most.²⁰

In 1975 KOWH conducted a survey to gather data to use in marketing strategy. The intent of the survey was to amplify the fact that more blacks in Omaha listened primarily to KOWH. One hundred twenty-seven blacks in Omaha were called and asked, "What station do you listen to most?" The respondents were identified by age, sex, hours listened per week and time of day or night listened to. Based on the survey findings, KOWH was far and away the most listened to station in Omaha. Figure 6 shows the results of the survey.

Also part of KOWH market strategy, sales pointed out the benefits of KOWH-KOWH FM radio spots. KOWH described the benefits of the market as such:

Reach and Persuasiveness:

Because blacks listen predominantly to black radio and because the black population is so highly concentrated, you can reach your target group with fewer media.

KOWH-KOWH FM is involvement.

Media exposure translates into media motivation.

Efficiency:

A highly responsive population segment with rapidly growing purchasing power can be reached in its entirety.

Loyalty and low turnover translate into high frequency of exposure.

Low station rates and high station credibility translate into top advertising dollar efficiency.

Effective Targeting:

KOWH-KOWH FM offers a choice of flexible scheduling. Messages can be aired at times where they work best. 100 percent guarantees spot allocation.²¹

Given the pertinent information concerning the importance of using KOWH as an advertising medium, KOWH sales strategy's next step was to present a

WHICH RADIO STATION DO YOU LISTEN TO THE MOST?
(REPLIES OF THE BLACK POPULATION)

Category	Total Number	KOWH	KOIL	KFAB	WOW	Other	Total
Total	127	78.0	8.7	4.7	4.7	3.9	100.00
Age:							
13 - 18	21	95.2	0.0	4.8	0.0	0.0	100.00
19 - 25	14	85.8	7.1	7.1	0.0	0.0	100.00
26 - 35	40	77.5	5.0	2.5	10.0	5.0	100.00
36 - 60	42	76.2	11.9	2.3	4.8	4.8	100.00
Over 60	10	40.0	30.0	20.0	0.0	10.0	100.00
Sex:							
Male	40	85.0	5.0	2.5	2.5	5.0	100.00
Female	97	74.7	10.4	5.7	5.7	3.5	100.00
Hours listened Per Week:							
1 - 5	22	81.8	13.6	0.0	4.6	0.0	100.00
6 - 15	58	69.0	10.3	8.6	6.9	5.2	100.00
16 - 25	18	83.2	5.6	5.6	5.6	0.0	100.00
26 - 40	11	81.8	0.0	0.0	0.0	18.2	100.00
Over 40	18	94.4	5.6	0.0	0.0	0.0	100.00
Time of Day or Night Listen Most:							
6AM - 12PM	43	74.4	9.3	4.7	11.6	0.0	100.00
12PM - 6PM	17	58.8	17.6	11.8	0.0	11.8	100.00
6PM - 12AM	60	85.0	6.7	3.3	1.7	3.3	100.00
12AM - 6AM	6	83.3	0.0	0.0	0.0	16.7	100.00
More than one	1	100.00	0.0	0.0	1.1	0.0	100.00

(EXPRESSED IN PERCENTAGE)

FIG. 6 Results of KOWH FM Survey to Determine Black Listenership Versus Other Stations in Omaha, Nebraska.

proposal for service.²² Figure 7 is a proposal issued to Heilicher Brothers - J.L. Marsh in 1973.

KOWH AM-FM General Managers from 1970-1979

During its nine years, KOWH-KOWH FM had four different general managers.²³

Robert Nichols

"Robert Nichols served as the initial general manager. Nichols officially started as general manager on January 4, 1971. He had previously lived in South Carolina and had accumulated 18 years experience in radio and TV in that state prior to the position at KOWH. Nichols left KOWH in September 1971 to move back to South Carolina to work as a talk show host at a Charleston television station."²⁴

Alvin Gilmore

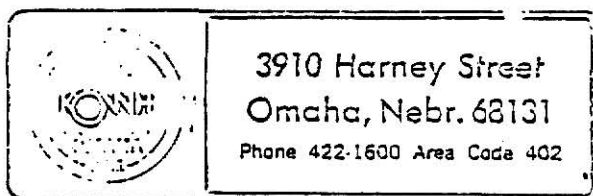
"Alvin Gilmore took over the general manager position in October 1971. Gilmore was part of the original board of directors at KOWH and was an Omaha native. His tenure ended in February 1973 when he accepted an executive position with Blue Cross-Blue Shield of Omaha."²⁵

Richard Garvey

"Richard Garvey, the only non-black general manager KOWH had during its years of operation, was hired in March 1973. He was not retained past August 1973 because of differences of managing philosophy with the board of directors and because of other personal conflicts."²⁶

Keith Donald

"Keith Donald was the final general manager for KOWH. Donald, a 1970 graduate of Kansas State University, began at KOWH in September 1973. Donald was originally from Kansas City, Kansas, and had a radio sales oriented back-



November 27, 1973

HEILICHER BROTHERS - J. L. MARSH

KOWH and KOWH-FM extend to Heilicher Brothers - J. L. Marsh a tremendous opportunity to capitalize on one of the hottest commodities available today . . . "SOUL MUSIC"!!

The growth of the soul music market over the past three years has been phenomenal! Weekly figures from Billboard Magazine's "Hot 100" indicate from 39% - 47% of the singles being played nationally are soul records! With these facts in mind, KOWH and KOWH-FM have combined their efforts to program soul music in a way completely new to the Midwest. We call our approach "Total Soul Programming".

All music that is soul music and that's done by Black or White artists will be played on KOWH and KOWH-FM. This means a number of things to you as an advertiser. It means:

1. We'll have a larger audience
2. We'll reach a more diversified demographic audience
3. We'll make more impressions
4. We'll have more receptions
5. Our listeners will provide responses
6. You'll make more sales
7. You'll make more money from your advertising dollar

PROPOSAL: To maximize your advertising opportunities on the KOWH "Total Soul" concept, I recommend the following spot allocations:

KOWH-AM	20	60's per week for 52 weeks . .	1040 @ \$7.75 =	\$ 8060
	20	30's per week for 52 weeks . .	1040 @ \$6.50 =	6760
The Black 40	6	60's per week for 52 weeks . .	312 @ \$8.00 =	2496
KOWH 60's package (including Black 40)				\$10,556
KOWH 30's package (only)				6,760

FIG. 7 KOWH Proposal for Service to Heilicher Brothers, 1973

FIG. 7 (Continued)

HEILICHER BROTHERS - J. L. MARSH

-2-

November 27, 1973

KOWH-FM . . . Stage I (Easy listening soul music) 8 am - 2 pm

Stage II (LP Cuts) 2 pm - 10 pm

Stage III (Jazz; Modern and Contemporary) 10 pm - 6 am

2,000 60-second spots @ \$2.50 = \$5000

*All FM spots are to be allocated on a STA basis

KSD:ew

Keith S. Donald

ground. He had been a sales representative for a radio station in Junction City, Kansas, and for two radio stations in Kansas City, Missouri."²⁷

When Donald assumed the general manager position, the monthly income of the station was \$12,000 but the monthly expenditures amounted to approximately \$16,000. To help offset some of the negative activity, Donald hired two program directors, Mike Jones, a black, and Richard Baker, a white, both classmates of Donald's at Kansas State University.²⁸

Keith Donald's Reorganization of KOWH

Donald hired Jones as operations director of KOWH AM in August 1974. Baker was then hired as operations director for KOWH FM in November 1974. The position of operations director paid \$900 per month as established by Donald. The position had complete control of all facets of KOWH operations except the sales department or more specifically the day to day sales activity. The operations director had some input into the sales department as it related to programming. Each director had the services of bookkeeper, two office persons, two news persons, an air staff which included four full-time air personalities and two part-timers.²⁹ Donald required both operations directors take a board shift to eliminate hiring any new disc jockeys. The board shifts increased from four to six hours in duration.

The primary function of the positions was to work on ways of improving programming, news reporting, and evaluate personnel already with the station, and generally review and implement methods of generating revenue which had been neglected by previous administrations.³⁰ Donald felt the key to KOWH longevity rested with the ownership.

FOOTNOTES

¹Keith Donald, personal interview, Kansas City, Kansas, October 26, 1981.

²Ibid.

³Omaha World-Herald, March 2, 1970.

⁴Ibid.

⁵Ibid.

⁶KOWH Market Report, entitled: "Who, What, Where, Whem, How," April 1970.

⁷Ibid.

⁸Ibid.

⁹Ibid.

¹⁰Ibid.

¹¹KOWH-KOWH FM proposal for service packet, entitled: "KOWH is Involved," April 1970.

¹²Omaha World-Herald, September 12, 1972.

¹³Ibid.

¹⁴Keith Donald, personal interview, Kansas City, Kansas, October 26, 1981.

¹⁵KOWH FM Market Report, entitled: "Where, When, How, Why," April 1970.

¹⁶Ibid.

¹⁷Ibid.

¹⁸Denny Christensen, personal interview, Omaha, Nebraska, June 4, 1981.

¹⁹Ibid.

²⁰Ibid.

²¹Ibid.

²²Ibid.

²³Keith Donald, personal interview, Kansas City, Kansas, October 26, 1981.

²⁴Ibid.

²⁵Ibid.

²⁶Ibid.

²⁷Ibid.

²⁸Ibid.

²⁹Ibid.

³⁰Marge Bray, personal interview, November 27, 1981.

CHAPTER V

THE DECLINE OF KOWH

Major Factor in the Decline of KOWH

KOWH-KOWH FM was reasonably successful, financially, under the management of Keith Donald. Unfortunately at the time Donald assumed the general manager position at KOWH, the station had lost some credibility in the Omaha black community and had accumulated a large debt as the result of many unpaid bills including later delinquencies from previous managements.¹ The monthly income was \$12,000 but the expenditures amounted to approximately \$16,000.² Throughout its existence, the station was delinquent in making loan payments. The station also owed ASCAP a total of \$9,500 and was inconsistent in making necessary tax payments to the Internal Revenue Service.³ Donald felt many of the KOWH financial concerns rested with the ownership. While KOWH operated to keep the monthly and yearly financial activity on the positive, it was Reconciliation, Inc.'s responsibility to pay taxes and make sure loan payments were made.

Donald and his operations managers had several meetings with the board of directors and made every effort to keep them apprised of the situation. In 1977 and 1978 they made several trips to Kansas City in an effort to obtain funds from the major stockholders.⁴ This effort was not successful and the debts continued.⁵

KOWH-KOWH FM is Sold

It was announced October 1, 1978 that KOWH FM was being bought by Wichita Great Empire Broadcasting, Inc. Great Empire owned station KYNN. S & M Broadcasting of Indianapolis purchased KOWH AM.⁶

The announcement of the sale brought opposition from the black community. The Omaha branch of the National Association for the Advance-

ment of Colored People (NAACP) wrote oppositions to the sale and directed their opposition directly to the FCC. NAACP President James Hart said the sale of KOWH to a white corporation would mean the loss of the annual radiothon for the United Negro College Fund. The radiothon was a function which annually netted over \$5,000.⁷ A meeting protesting the sale was held at the Omaha Opportunities Industrialization Center. It was attended by 400 people.

A news story in the Omaha World-Herald on October 22, 1979 stated:

If there is "a substantial outcry" from the community, the Federal Communications Commission may decide to hold a hearing on Omaha's only black-owned and operated radio station.⁸

Nearly 1,000 people signed a protest petition and the goal was to canvass the community and obtain 30,000 signatures to send to the FCC.⁹ The majority of KOWH's board of directors voted to sell the stations, but some dissenting board members and stockholders wanted to keep KOWH black-owned with a black-oriented format. After the ownership of KYNN filed an application to the FCC for transfer of license a "petition to deny" could be filed by those opposing. That petition needed to have quite a few names on it to be effective. The FCC's main concern was to see that the public interest was served by the licensee. What about keeping the station black-owned? It would be unconstitutional and against the public interest for the FCC to disapprove the sale because the buyer was a white-owned corporation.

Because of the protests, the principals agreed to give the opposition a chance to find a buyer willing to retain the formats.

The stipulation: a buyer would have to be found in 90 days. The price tag for both stations was \$1,375,000.¹⁰ The primary thrust was to get community control of the radio stations to avoid the eventual change of programming. The principals in the sale agreed to this arrangement. A

corporation would have to be formed before stock could be sold. Stock subscriptions were sold in December 1978. It was hoped that enough stock subscriptions could be sold to enable stockholders to form the purchasing corporation. Price for common stock was \$20 a share and preferred stock was \$1,000 a share.¹¹ The general public could either buy stock subscriptions or donate to the "Save Our Radio Fund," which was housed at the Community Bank of Omaha. A 24-hour answering service was made available to those wishing to find out how to purchase stock subscriptions or wishing to offer services such as typing or telephoning.

Another key area of activity was door-to-door canvassing. Members of Black Liberation for Action on Campus (BLAC), a student group at the University of Nebraska at Omaha, undertook a door-to-door campaign. All these efforts netted only \$800 in pledge cards and \$1,000 in cash donations to the escrow account at the Community Bank. This was clearly far short of the amount needed to sustain KOWH as a community-owned radio station.

The Sale is Finalized

The sale of KOWH-KOWH FM to separate buyers was approved by the Federal Communications Commission in April 1979. KOWH AM was sold for \$435,000 to Radio Omaha, Inc., which is owned by Sam W. Smulyan, his son Jeff Smulyan, and Jack Marsella, who also owned WNTS radio in Indianapolis.¹² The AM station retained the religious music format.

KOWH FM was sold for \$1,050,000 to Wichita Great Empire Broadcasting, owned by F. F. Lynch and Michael Oatman. Wichita Great Empire also owns KYNN in Omaha, KFDI AM-FM in Wichita, KTTS AM-FM in Springfield, Missouri and KROK FM in Shreveport, Louisiana.¹³ KOWH FM's Soul format changed to a country-western format one week after its sale.

FOOTNOTES

¹Keith Donald, personal interview, Kansas City, Kansas, October 26, 1981.

²Ibid.

³Ibid.

⁴Ibid.

⁵Ibid.

⁶Omaha World-Herald, October 22, 1978.

⁷Omaha World-Herald, October 23, 1978.

⁸Omaha World-Herald, October 22, 1978.

⁹Omaha World-Herald, October 23, 1978.

¹⁰Ibid.

¹¹Omaha World-Herald, April 11, 1979.

¹²Ibid.

¹³Ibid.

CHAPTER VI

SUMMARY AND CONCLUSION

Summary and Conclusion

During its brief life span, KOWH considered itself the primary communication life-blood of the Omaha, Nebraska black community. The station spent nine years trying to imprint that feeling on the whole Omaha listening audience.

It is the opinion of the author that Rodney Wead set up Reconciliation, Inc. to administer KOWH for the purpose of serving the black community. The author feels that Wead viewed mass communications as the first step towards unity and self-determination for a black community, specifically, his black community.

The Wead philosophy concerning mass communications was consistent with Jane Goodman who wrote:

Unless minority groups can be helped to understand their rights and responsibilities in broadcasting, and how to protect and exercise them, they will continue to be deprived of the vital channels into the main stream of American life, livelihood and dialogue.¹

The author believes KOWH was unique because the station was a community project. The community aspect is important because part of the station's funding came from the sale of stocks which were offered to the public. Many media outlets do not offer such stock availability to the general public.

The broadcasting of KOWH was specifically designed to be of interest to the black community and all the music programmed was by black artists. The author believes that like other media in the realm of black press, KOWH was cause-oriented. But, before any station can continue to exist, it has to be money-oriented. Wilbur Phillips, attorney and economic developer for Wesley House, put it succinctly, "We cannot stay in business if someone sues

us out of business. We are out to make money for our investors and we also have debts to pay."²

KOWH lost credibility in the community during its initial years of operation but the station made a slight gain later in its history. It is the author's opinion that the "Keith Donald" era of station operation did well in regaining some of the lost respect and credibility. Unfortunately, the indebtedness was too serious. By the time Donald assumed control, the station was never really able to rebound. For Reconciliation, Inc. the only way to eliminate those debts was to sell Rodney Wead's dream.

FOOTNOTES

¹Jane Goodman, unpublished Community Action Paper, entitled: Community Action and Broadcast Regulations, May 6, 1970.

²Sue Ericson, unpublished paper, entitled: KOWH of Omaha, Nebraska, 1972.

APPENDIX AARTICLES OF INCORPORATION
OF
RECONCILIATION, INCORPORATED

KNOW ALL MEN BY THESE PRESENTS:

That we, the undersigned, for the purpose of forming a corporation under and pursuant to the laws of the State of Nebraska, do hereby associate ourselves together as a body corporate, and do adopt the following Articles of Incorporation:

ARTICLE I

The name of this company shall be Reconciliation, Incorporated.

ARTICLE II

The principal place of transacting business of the corporation shall be in Omaha, Nebraska but the corporation shall have the power to transact and carry on its business in other cities, towns, counties, and states.

The registered agent of this corporation shall be:

Rodney S. Wead, and the registered office shall be
2001 North 35th Street, Omaha, Nebraska and the
registered agent at that address shall be Rodney S. Wead.

ARTICLE III

The general nature of the business of the corporation and the objects and purposes proposed shall be: To buy, own, hold, deal in or otherwise acquire, control, rent, lease, manage, operate, develop, build, construct, erect, improve, repair, maintain and invest in real and personal property of every description; and to sell, convey, lease, transfer, exchange, mortgage, pledge or otherwise dispose of such property or any part thereof; the loaning of money for itself and as agents for others upon mortgages or other securities and the purchasing and selling of lands, and of money obligations secured upon real or personal property; the acquiring, holding, selling, hypothecating, assigning, transferring and conveying of its own obligations or the obligations of any other persons, individuals, associations, partnerships or corporations; and collecting, foreclosing, compounding, compromising, releasing, satisfying and discharging the same of record; to buy and sell chattel mortgages, conditional sales contracts, taxes and tax certificates, securities, notes and other obligations of every kind and nature; borrowing money and executing deeds of trust or mortgages upon real estate or personal property as security therefore; the borrowing of money and executing and issuing promissory notes, bills of exchange, bonds, debentures

APPENDIX A (Continued)

and other negotiable or transferable instruments; to acquire, own, operate and manage, either as principal or as agent, any manufacturing, jobbing, wholesale or retail business; to deal in its own capital stock and capital stock of others and generally to do any and all other things necessary, usual, incident or customary, in order to carry out the purposes for which this corporation is formed, which are permissible or legal under the laws of the State of Nebraska.

ARTICLE IV

The authorized capital stock of the corporation shall be \$100,000 divided into 100 shares of common stock, with a par value of \$1,000 each. The stock may be issued for cash or for labor, property or services, at values fixed by the Board of Directors. All stock so issued shall be fully paid and nonassessable. Each share of stock shall be entitled to one vote.

The corporation may commence business when a minimum amount of \$10,000 Dollars of the capital stock is issued and fully paid.

ARTICLE V

The time of commencement of this corporation shall be the date of filing of these Articles of Incorporation in the offices of the Secretary of the State of Nebraska and the recording of same in the office of the County Clerk of Douglas County, Nebraska, and shall have perpetual existence.

ARTICLE VI

The affairs of this corporation shall be conducted by a Board of Directors consisting of not less than two nor more than five Directors, elected by the stockholders at the annual meeting of the stockholders.

The Directors of the corporation shall fix the time and place of the annual meeting of the stockholders.

The affairs of the corporation shall be conducted by a Board of Directors to be chosen in the first instance by the Incorporators. The Directors so chosen shall hold their offices until the first annual meeting of the corporation. Thereafter the Directors shall be elected by the Stockholders.

The Director shall adopt by-laws for the management of the corporation.

The Directors shall elect the officers who shall consist of President, Vice-President, Secretary and Treasurer and such other officers as may be deemed necessary for the proper management of said corporation.

APPENDIX A (Continued)

ARTICLE VII

The Incorporators of said business company and their addresses are as follows:

Rodney S. Wead	3404 Burdette	Omaha, Nebraska
Nona Taylor	3510 North 45th Avenue	Omaha, Nebraska
June Swanigan	4315 North 33rd Street	Omaha, Nebraska

ARTICLE IX

These Articles may be altered or amended by a majority vote of the issued and outstanding capital stock of the corporation at any annual or special meeting of the stockholders.

APPENDIX B

ESCROW AGREEMENT BETWEEN STARR BROADCASTING GROUP INC. AND RECONCILIATION, INC. FOR TRANSFER OF CONTROL

ESCROW AGREEMENT

IT IS AGREED by and among STARR BROADCASTING GROUP, INC. ("Seller"), RECONCILIATION, INC. ("Buyer"), THE OMAHA NATIONAL BANK ("Bank"), ROBERT MYERS as the Trustee for all present and future stockholders of Reconciliation, Inc. ("Trustee") and THE UNITED STATES NATIONAL BANK of Omaha ("Escrow Agent") as follows:

Escrow Agent acknowledges receipt from Trustee of certain shares of common and preferred stock of Reconciliation, Inc., a Nebraska corporation, as more particularly described in a "stock list" attached hereto and incorporated herein, together with stock powers executed in blank for all of said stock. Buyer and Trustee represent and warrant that the aforesaid certificates constitute all of the presently existing stock of Reconciliation, Inc., and that the signatures on each of the stock powers are valid and genuine signatures of the owners of the certificates referred to therein. Escrow Agent agrees to accept and acknowledge receipt for all additional shares of Reconciliation, Inc., stock hereinafter delivered to it (all of which shall be hereinafter be referred to as "Stock") and agrees to hold and dispose of same in accordance with the following instructions:

1. Buyer is indebted to Bank in the amount of Three Hundred Thousand Dollars (\$300,000.00), said indebtedness being evidenced by a certain Loan Agreement, and two promissory notes executed in conjunction therewith, all of which are attached hereto as Exhibits 1, 2, and 3, respectively. Said promissory notes are hereafter referred to as "Bank's Notes."
2. Additionally, Buyer is indebted to Seller in the sum of Sixty Thousand Dollars (\$60,000.00), as evidenced by Purchase Agreement and a promissory note (hereinafter referred to as "Seller's Note"), both attached hereto as Exhibits 4 and 5, respectively.
3. In the event of default by Buyer in the payment of either of Bank's Notes or Seller's Note, the Bank or Seller, or both, as the case may be, may serve written notice of said default upon Escrow Agent, together with proof of service of the same notice upon Buyer and Trustee. The failure of either Bank or Seller to serve written notice of any particular default upon Escrow Agent shall in no way prejudice the right of Bank or Seller to serve written notice upon Escrow Agent as to any subsequent default. If within thirty days after service of such notice, Bank or Seller, as the case may be, has not notified Escrow Agent in writing that the default has been cured, Escrow Agent will thereupon cause all of the stock then held by it to be sold at public sale in Omaha, Nebraska, after giving printed notice of the time, place and terms of the sale for not less than three consecutive weeks in a newspaper of general circulation in

APPENDIX B (Continued)

Douglas County, Nebraska. A copy of said printed notice shall be delivered to Buyer, Trustee, Seller and Bank within five days after the first publication thereof. The terms of said sale and the manner in which it is conducted shall be "commercially reasonable" as said term is used in the Uniform Commercial Code and judicial interpretations and constructions thereof.

Either the Bank or the Seller may be bidders and/or purchasers at said sale. The fact that the successful bidder or one or all of the individuals involved in a bidding group may be shareholders of Reconciliation, Inc., shall not prevent them from being bidders.

Said sale shall be made subject to FCC approval of the transfer of control of stations KOZN (AM) and KOWH (FM) to the successful bidder. Unless instructed otherwise in writing hereafter by both Seller and Bank, Escrow Agent shall also require as a condition of sale that a minimum bid of One Thousand Dollars (\$1,000.00) be entered by any bidder other than Seller or Bank, and that a cash deposit be made by the successful bidder (other than Seller or Bank) in an amount equivalent to ten per cent (10%) of his bid, or One Thousand Dollars (\$1,000.00), whichever is greater. The successful bidder must make application to FCC for a transfer of control within fourteen days after his or its bid is made and must secure approval of said transfer of control within ninety days after his or its bid is made. If the successful bidder fails to perform as above the Escrow Agent, if directed to do so by either Bank or Seller, shall void the sale to said successful bidder to the extent permissible under FCC Rules and Regulations and proceed to resale of the stock following the same procedures (including those pertaining to avoidance of the sale) and subject to the same conditions with regard to application for and approval of the transfer of control of Reconciliation, Inc.

Unless Bank and Seller shall otherwise jointly direct in writing hereafter, upon the avoidance of any sale as aforesaid, the bidder shall forfeit his cash deposit which shall be used and applied as provided in this next paragraph: Escrow Agent shall inform all prospective bidders of this sale condition is same has not been remanded by Bank and Seller as herein provided.

4. The proceeds of said sale (after deducting therefrom the reasonable expenses of sale) shall first be applied to the payment of the fees and expenses of the Escrow Agent; then to the principal and interest then due on the Bank's Notes; then to the principal and interest then due on the Seller's Note; then to any reasonable expenditures made by Bank or Seller to preserve the assets of Reconciliation, Inc., pending sale of the stock. If any excess remains, it shall be paid to Trustee, and thereupon all obligations between Buyer and the Bank and Buyer and Seller shall cease; if there is a deficiency. Buyer shall be liable to Bank or Seller, or both, as the case may be, for the same.

5. It is understood and agreed by the parties hereto that at all times prior to FCC approval of a sale of the stock of Buyer that the shareholders of Buyer shall have all the voting and other rights of shareholders except as dividend rights are conditioned and limited by the Loan Agreement.

6. Escrow Agent's fees and all expenses in connection with the Escrow created by this Agreement, to the extent that they are not fully paid from the proceeds of the sale of the stock of Buyer, will be paid by Seller, or, in the event that Seller's Note has been previously paid, said expenses will be paid by Bank.

7. Upon written notice from Bank, Seller and Buyer that Bank's Notes and Seller's Note have been paid in full, Escrow Agent will redeliver the stock to Trustee.

8. As a condition to acceptance of the obligations hereunder, Escrow Agent may require any reasonable evidence of Trustee's authority to act on behalf of the stockholders or Buyer.

9. Escrow Agent shall be entitled to a minimum fee of One Hundred Fifty Dollars (\$150.00) to be paid by Seller upon the execution of this Agreement by Escrow Agent. In the event that Escrow Agent shall perform services under this Agreement as a result of notice of default being served upon it by Bank or Seller, Escrow Agent shall be entitled to reasonable compensation for such services, as well as reimbursement for all out-of-pocket expenses reasonably incurred in connection therewith including, but not limited to, reasonable fees of its counsel and court costs.

In consideration of the acceptance of the Escrow Agent of this Agreement, Seller, Buyer, Bank and Trustee, and each of them, agree that Escrow Agent's duties in connection herewith are confined to those specifically enumerated, that Escrow Agent shall not be liable or responsible for the sufficiency or validity of any instruments deposited with it, including endorsements on said stock certificates and that Escrow Agent shall not be liable for any loss which may occur by reason of the exercise of discretion of Escrow Agent in any particular manner or for any reason except for fraud or willful misconduct and Seller, Buyer, Bank and Trustee, and each of them, agree to indemnify, defend and save harmless Escrow Agent against all costs, damages, attorney fees, expenses and liabilities which it may sustain in connection with this escrow or any court action arising therefrom and to pay them upon demand.

APPENDIX B (Continued)

DATED this 19th day of December, 1970.

ATTEST:

STARR BROADCASTING GROUP, INC.

/S/ Gordon M. RyanBy /S/ Peter Starr, President
Title:

ATTEST:

RECONCILIATION, INC.

By /S/ Rodney Wead
Title

THE CMAHA NATIONAL BANK

By /S/ Edward A. Kohout, V.P.

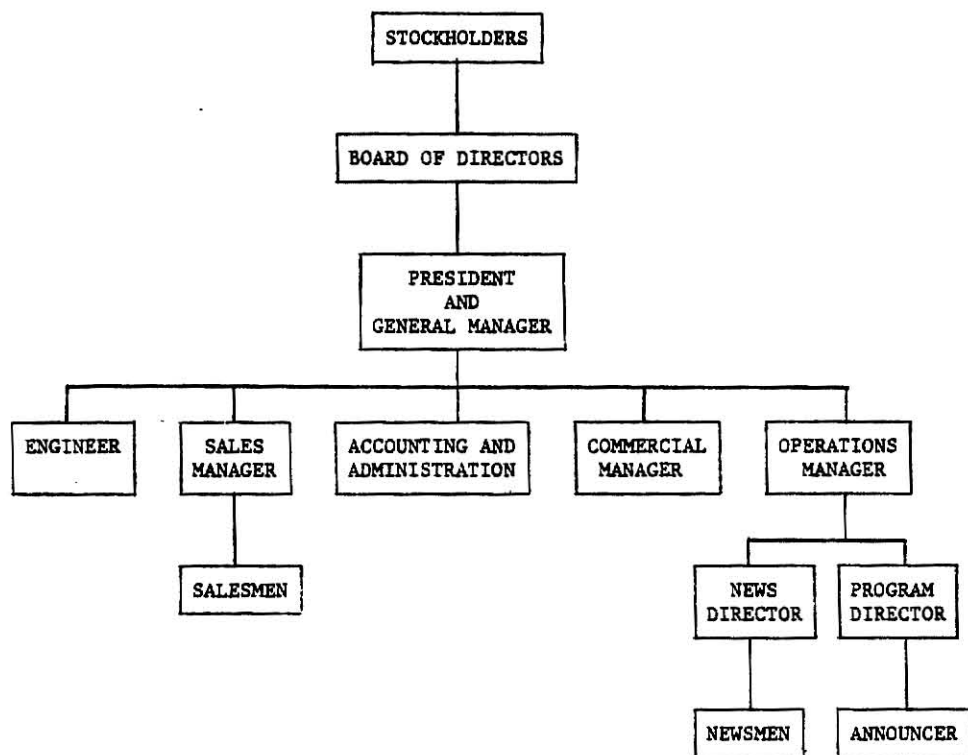
THE UNITED STATES NATIONAL BANK of Omaha

By _____
Title:/S/ Robert L. Myers
ROBERT L. MYERS, Trustee

APPENDIX C

KOWH ORIGINAL CORPORATE STRUCTURE 1970

KOWH RADIO ORGANIZATIONAL CHART

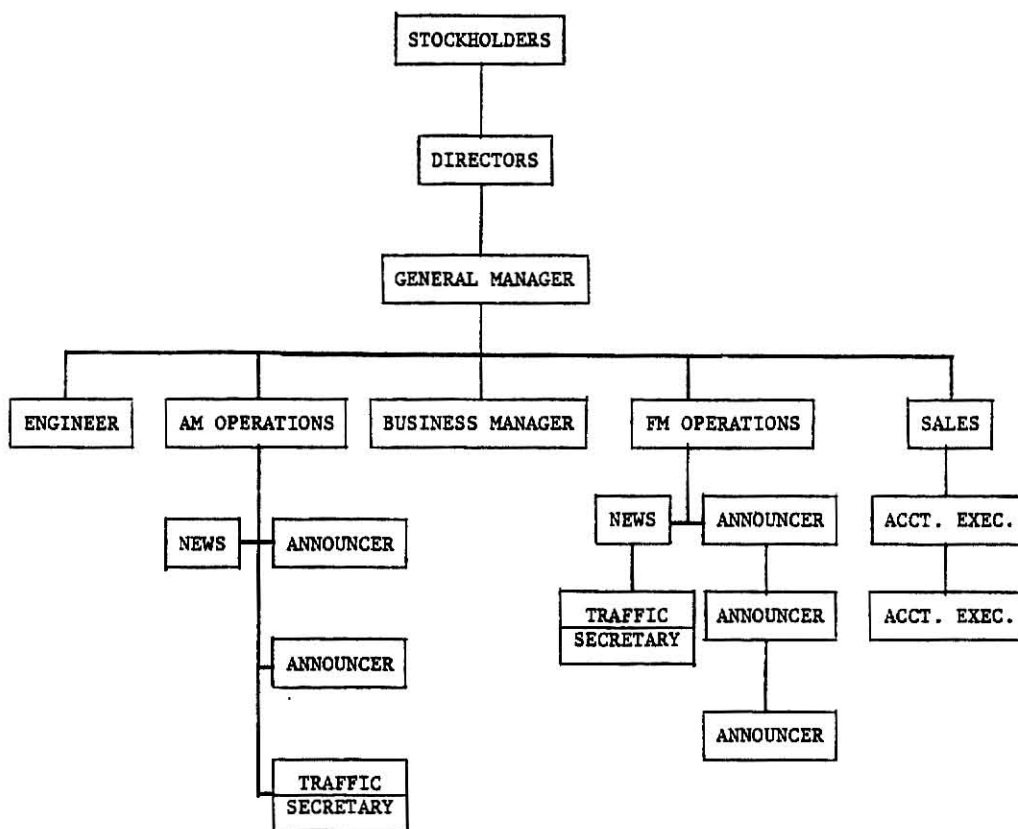


APPENDIX D

KOWH REORGANIZATIONAL CHART 1974

RECONCILIATION, INC.,/dba/KOWH-KOWH FM

C H A R T O F O R G A N I Z A T I O N



APPENDIX EA LISTING OF KOWH ADVERTISERS FOR 1975-1976,
KOWH'S BEST SALES YEAR

KOWH/KOWH-FM RADIO

1975-76 ADVERTISERS

Barnhart Press
 Bike Rack
 Brandeis
 Canfields
 City Cleaners
 Crossroads Merchant Assn.
 Ederer Florist
 Gardentorium
 General Foods Corp.
 Gov's Gallery
 Homer Records
 Hutsut Records & Tapes
 Johnson Security
 Kilpatricks
 Max I. Walker Cleaners
 Midwest Music Company
 Miller Wedding World
 Montgomery Wards
 Otto Shine Car Wash
 Records & Tapes
 Sears
 Silverado Music Group
 Sound Machine
 Target
 Turnstyle
 Wes Cleaners
 Westroads Merchants
 Zodiac Sounds & Gift Shop

Kidney Foundation of NE
 M.U.D.
 Mid City Business & Prof.
 National Farmers Org.
 Nebraska Job Service
 Northwestern Bell
 O.O.I.C.
 O.P.P.D.
 Omaha Jazz Society
 Omaha Star Newspaper
 Skil Corp.
 Urban League
 V.F.W. #2364
 Wesley House
 Zodiac Health Spa

(LOCAL)

PACKAGE STORES

Alberts Package Store
 Daileys Package Store
 Decat Package Store
 Dixon's Package
 M & G Enterprises

(LOCAL)

PHOTOGRAPHY

Al Brown Studio
 Merrill Goff Studio

(LOCAL)

JEWELERS

Loes Fashion Jewelry
 Brodkey Jewelry
 Michael Jewelry

(LOCAL)

RELIGION

American Indian Hour
 Back to the Bible
 Believers Voice of Victory
 Bellevue Assembly of God
 Bible Institute of the Air
 C. H. Mason Bible College
 Chaplain Ray
 David Nunn Revivals
 Evangelist Gray
 Faith Seminar of the Air
 Faith Temple COGIC
 First Church of the Open
 Bible

(LOCAL)

MISCELLANEOUS

Alexander Enterprises
 B & B Opportunities
 Bull Work
 Church of Scientology
 Comprehensive Manpower Program
 Concentrated Manpower
 Florence Day Care Center
 Form 1040
 J. W. Gibson Company

APPENDIX E (Continued)

KOWH/KOWH-FM RADIO

1975-76 ADVERTISERS

First Lutheran Church
 Gospel Hour
 Hill Green Evangelistic Assn.
 Holy Trinity House of God
 Hour of Deliverance
 Jewish Voice
 Jimmy Swaggart
 Kenneth Hagin
 Midwest Tabernacle of Deliverance
 Mission to Children
 Mother Roberts
 Muhammad's Temple
 New Bethel GOGIC
 Omaha Gospel Tabernacle
 Oral Roberts
 Price Hall Masons
 Radio Bible Class
 Rev. J. R. Williams
 Rev. Jordan
 St. Peters Rock Baptist Church
 Sister Ethel Crawford
 Southwest Radio Church
 Spiritual Clouds of Joy
 Temple of Truth
 The Chapel of Air
 The Word of Miracles
 World Missions, Inc.
 Zion wheel Baptist Church

(NATIONAL)

(LOCAL)

(LOCAL) RESTAURANTS/LOUNGES

Allen's Showcase
 Bali Hi
 Best Steak House
 Bob Rodgers Lounge
 Dairy Queen
 Diamond Back Lounge
 Dixie Chicken
 Ebony Restaurant
 Friendship Inns International
 Go Go Drive-In
 Gulf Sea Foods
 Guys & Dolls Club
 Hill's Chicken in a Box
 Joker Lounge
 Kentucky Fried Chicken
 M & B Lounge
 M & M Lounge
 McDonalds
 McDonalds Hot Spot

(LOCAL)

(LOCAL)

Mr. G's Lounge
 New Travelers Club
 Play Pen Lounge
 Run Johnny Run
 Sgt. Mac's Cafe
 Skeets Bar-B-Que
 The Fish Basket
 3-5-7 Club
 Time-Out Drive-In
 Universe of Love
 Westroads Dinner Theatre

RESTAURANT

Burger King

SALONS & BARBER SHOPS

Economy Beauty Salon
 Fifi Beauty of Essence
 J. Paul's Barber Shop
 Johnny's Wig & Beauty Salon
 Littlefield's Beautyrama
 New Look Barber Shop
 Mr. L's Barber Shop
 Sculptured Nails
 Velma's Cosmetique
 WBJ Boutique
 Wilson's Beauty & Barber

SCHOOLS

Althouse School of Beauty
 Boystown
 Metro Tech. Community College
 Neb. University at Lincoln
 Neb. Wesleyan University
 Universal Schools

SPORTS/CLUBS

Mid Continent Sports Co.
 Midwest Athletic Club
 North Branch YMCA

KOWH/KOWH-FM RADIO

1975-76 ADVERTISERS

Expressions in Ethic Arts	(NATIONAL)	<u>FACTORY/DEALER ASSN.</u>
Fonner Park		
Fox Theatres		Ford Motor Company
Get Down Productions		honeywell
Golden Gloves Tournament		Subaru Auto
Golden Spike Drive-In		Vickers Petroleum
Omaha Theatres		
Admiral	Park IV	
Dundee	Q Cinema Four	
Gemini Twin	Six West Theatres	(LOCAL)
Northampton	Skyview Theatres	
Peony Park		<u>FINANCIAL-INSURANCE</u>
Shrine Circus		Ames Plaza Bank
Sidney Iowa Rodeo		Blue Cross/Blue Shield
Soul King Productions		Colonial Penn Insurance
Stars Limited		Community Bank of Nebraska
State Fair Races		First National Bank
Sunset Speedway		North Side Bank
West L Auditorium		North West Bank Corp.
Utopia Productions		State Farm Insurance
		Thomas Realty & Insurance
(NAT.)	<u>ENTERTAINMENT-RECORD CO.</u>	(LOCAL)
ASI Records		<u>FOOTWEAR</u>
ATS Adv./"64 Motown Hits"		Corbaley Shoes
CBS Records		
Candlelite Music Co.		
Capitol Records		
Great Hall Productions	(LOCAL)	<u>FUNERAL HOMES</u>
History Greatest Headlines		
J. D. Productions		Myers Funeral Home
Jack Wodell Association		Thomas Funeral Home
K. C. Jazz Festival		
Lewis Gray Productions & Pacific		
London Records		
Mans World Enterprises	(LOCAL)	<u>GASOLINE/OIL</u>
Margrace Corp.		
Musicland		John & Leons Standard
Nebraska State Fair		Sam Young's Mobil Station
New Worlds Production		Sledges 400
T-S Productions		
Tarus Production		
United Artists		
VMS Productions	(LOCAL)	<u>GENERAL RETAILERS/RECORDS</u>
Warner Productions		
Worlds of Fun		A & A Music

KOWH/KOWH-FM RADIO

1975-76 ADVERTISERS

(LOCAL) APPLIANCES-FURNITURE-DECORATING

Don's Radio & TV
 Goodman's Custom Upholstery
 Igwanna African Imports
 Nebraska Furniture Mart
 Nebraska TV & Sales
 Omaha Shade & Shutter
 Sol Lewis

(LOCAL)

BEVERAGE

Coca Cola Bottling Co.
 Mr. Pib
 Coke

(NATIONAL)

BEVERAGE

Budweiser Beer
 Candaigua Wine Co.
 Falstaff Beer
 Gallo Winery
 Olympia Beer
 Schlitz Beer
 United Vitners

(LOCAL) AREA FOOD PRODUCTS & RETAILERS

Aunt Sweets Snack Shoppe
 Bullits Fast Del. & Grocery
 F & L Grocery
 Hill's Catering
 Hinky Dinky
 Kellogg's Garden Market
 Larry's Food Station
 Safeway Stores

(LOCAL)

CLOTHING

Artis Fashions
 Crosstown Clothing
 Tully's for Men

(LOCAL) AUTO DEALERS-PARTS-MOTORCYCLE SHOPS

AAMCO Transmissions
 Ace Auto Supply
 Baxter Enterprises
 Bluffs Cycle
 Charlie Graham Buick
 Chase Auto Repair
 Dewey Chevrolet
 Etex Body Shop
 General Pontiac
 House of Hardtops
 Jack King Lincoln Mercury
 Jones Body Shop
 Mid City Auto
 Mr. Automotive
 Novak Cadillac
 Novak Porsche/Audi
 Novak Volkswagen
 Ron Olson Dodge
 Shelly Buick
 Sidles Distributing
 Sonny Gerber Auto
 Tires, Inc.
 Troy Tire Store
 Warren Anderson Auto

(LOCAL)

DRUG STORES-COSMETICS

Health Care Prescriptions
 Johnson Drug
 Kelly's Sundries
 Wilson's Beauty Supply

(LOCAL)

ENTERTAINMENT (THEATRES, ETC.)

Afro Academy of Dramatic Art:
 Aksarben/Holiday on Ice
 Aksarben/Horse Races
 Atokad Horse Racing Assn.
 Charles Gamble Jazz Show
 Chris Fritz Productions
 Columbus Races
 Creighton/Upward Bound
 / Splash Party
 Crest Theatre
 Douglas Theatre
 Elks Hall

APPENDIX E (Continued)

KOWH/KOWH-FM RADIO

1975-76 ADVERTISERS

(LOCAL) TRAVEL

Avis Rent a Car System, Inc.
Continental Trailways
Metro Area Transit
Union Pacific

(NAT.) TRAVEL

Greyhound Corporation

APPENDIX F

KOWH INFORMATION SHEET USED BY THE SALES DEPARTMENT
TO CONVINCE PROSPECTIVE CLIENTS OF BLACK RADIO'S MARKETABILITY



UNDERSTANDING
THE
BLACK CONSUMER

MARKETING OBJECTIVE??

SOCIAL RESPONSIBILITY??

COMPLETELY
IGNORED??!!

From its noted beginnings following World War II, the black consumer market has grown, shifted, and has become in some product categories a vital and crucial market. It has undergone change, often because it has reflected the consumer group which has also undergone changes.

For many companies today, the black consumer market can either represent a marketing objective or as too frequently is the case - a social responsibility. It may be time, therefore, to review what constitutes the black consumer market, and what distinguishes it from the total U.S. market for goods and services.

STILL MINORITY STATUS

People, being the dynamic, complex creatures that they are, are motivated in large measures by emotion, habit, and prejudice from which are derived their ideals and behavior. In the case of the black American his highly visible and different outward appearance identify him as a member of a minority group having an imposed subordinate status in American society. This has not changed after a decade of freedom-rides, marches, pray-ins, legislative gains, nor is there any strong indication that blacks will be accepted into the mainstreams of American life, particularly the basic areas - social, economic, or cultural.

The American society today, as it has been, is divided into two basic groups, the white and nonwhite populations, and as a result the two groups, for the most part, continue to operate separately in the stated basic areas.

APPENDIX F (Continued)

REASONS FOR THE MARKET STABILITY

There are four reasons why there is a black consumer market in the United States:

- 1) forced identification of the people comprising this market,
- 2) definable purchase patterns by this group of consumers,
- 3) the size of the market, and
- 4) the location of this market in the U.S.

These facts have not been altered, despite limited gains in some areas.

BASIC FACT APPLICATION

It is important for those who are now selling products, services, and ideas to the black consumer market, and for those who will do so in the future, that the basic fact of customer-oriented programming be applied.

NOT REVERSE SEGREGATION

Despite the amount of advertising directed to black consumers, there still exists in many quarters the idea that segmented marketing - customer-oriented programming directed to the nonwhite community - is segregation in reverse. Customer-oriented programs aimed at this consumer group are not segregation in reverse but simply provide black consumers with what they want - recognition.

SAME CONCEPT APPLIES

With the widely acknowledged concept that advertising and other means of communication, in order to achieve maximum identification, should be oriented as closely as possible to the interests of the consumer, it is surprising that even today some executives in business and industry, advertiser and advertising agency alike still need to be made aware that this same concept applies to the black consumer market.

Perhaps it is a combination of factors as to why this exists - personal prejudices, the continuing perception of the minority in American society, misinformation, misguidance, or whatever, there needs to be some reexamination of customer-oriented programming as applied to the nonwhite population. And, the need to separate the concepts of good marketing practices, and social responsibility.

APPENDIX F (Continued)

GOAL OF STATUS CHANGE

It is no secret that nonwhites want a change in their status, and this continues to be a continuing goal. Yet, a market exists within this climate. Mass-oriented communications cannot, nor has it ever been able to, effectively reach the minds and articulate the aspirations of millions of nonwhite Americans. More and more there is documentation of this fact-that nonwhite media does the more effective job of communicating and influencing. Understanding this could be critical in the period ahead.

GENERAL APPROACH?....NO!!

For business executives, advertisers and agencies, to simply say "we do not discriminate; our advertising is geared for everyone; everyone reads daily newspapers (white-oriented); we reach television viewers; we do not want to segregate anyone" is not realistic and does not reflect a true grasp of the situation in light of the changes that are taking place and the practices that continue to be highly evident.

THINGS ARE CHANGING

There is increasing evidence of changes taking place which concerns the black consumer. There are companies whose products once enjoyed fairly good shares among black consumers, but now are suffering market erosion. Companies that have been leaders in the use of blacks in television commercials (most often replacing black faces for white) are finding that "proportionate usage of blacks in commercials" is not producing "proportionate shares of black expenditures for goods".

There is growing evidence too, that there must be drawn some lines between what is going to be displays of corporate social responsibility, displays of good public relations practices, and displays of good marketing practices

DEFINE YOUR GOALS

Marketing executives will have to determine exactly what it is they want to achieve in the way of results from the black consumer market, if this is a market to be considered. If the decision is made that this is a market worth

APPENDIX F (Continued)

either developing, or protecting, then it should be approached on that basis, with exhaustive research, careful consideration, sound projections, and importantly, sound budgeting to get the job done, through the media and techniques that will produce the desired results. Feedback systems need to be built in.

~~If on the other hand a management decision is made that the company or~~ organization will undertake and communicate what it is doing in corporate social responsibility to improve the quality of life for all Americans, then that becomes a different type of campaign, but it should not be equated with the ~~belief that this is going to produce a marketing reaction in the minds of millions~~ of nonwhites.

TV?....IT'S WHITE ORIENTED

Many companies are still under the belief that the use of blacks and other minorities in commercials can do an effective selling job. This was never the intent of integrating television commercials and print ads in white-oriented print media. TV is, and continues to be, a primarily white-oriented medium. It has and is continuing in a limited way to achieve what it was designed to do - change the image of Americans who happen to be nonwhite in white viewers' minds.

Granted, there are today some black-oriented TV commercials. Generally, however, they fall into the category of being the same commercials aimed at white ~~Americans with black faces. Many get laughed at in nonwhite homes because they~~ are such blatant copies of "white" campaigns.

THE DUAL SOCIETY WILL CONTINUE

We continue to live in a dual society in America, and the evidence is such that it is going to continue for some time to come. It is apparent as well that the need for dual communications will be with us for some time. There are needs for corporate social responsibility, without a doubt and the accomplishments in ~~this area need to be communicated to whites, as well as to nonwhites. Yet, for~~ the \$52-billion consumer market nonwhites represent, there is a need for good, efficient marketing practices as well.

APPENDIX F (Continued)

PROVEN FORMULA

There is a proven formula that can be used by any company or organization that desires to improve its share of the market among black consumers. It is, simply equated...Recognition + Identification + Invitation = (A Brand New Monetary Realization!!)

The black consumer market must be recognized - objectively appraised without reliance on personal experiences and prejudices, nor as an adjunct to the white consumer market. The market wants someone to say, "I care about your business," and said to it directly! It wants to be recognized.

The second stage is to regard the black consumer in terms of his image of himself, that is, to initiate efforts to give identity to the black consumer, as a consumer. Not as a secondary consideration to which he's been subjected ~~just by being a minority. This consumer can identify with those programs in sur-~~ roundings with which he is most familiar.

The third stage is to solicit his business-by invitation-in media and under circumstances with which he is familiar, and by which he can make a favorable purchasing decision or influence a sale. The invitation can take many forms, but to the black consumer it must be (and should be) a clearcut invitation that takes the "maybe" out of whether it means him or not. What might prove to be an irritant to the black consumer (whether it is real or imagined) can ill be afforded in today's marketplace.

THERE'S A NEED FOR UNDERSTANDING

There is little likelihood that market franchises can be protected or margin ~~of profits increased if the black consumer is ignored, or "segregated" as he or~~ she often is in mass advertising.

If a company or organization seeking to reach and influence the black consumer creates a favorable climate for itself, and through programming reflective of the market produces a favorable "racial reaction", then this company should have success far beyond any normal pattern.

APPENDIX F (Continued)

BLACKS ARE A DIVERSE AUDIENCE

Today's competitive pressures demand that firms become more sophisticated in marketing strategy, development, and execution. Marketers are required to gain broader and deeper knowledge of each distinctive market segment. Advertisers, and their agencies, must become increasingly more skillful not only at reacting efficiently, but also to influence effectively. There is the need to define target audiences.

The black market is as varied and heterogeneous as the white one. Black ~~... people come in all ages, incomes, and educational brackets. There are intellec-~~ tuals and blue collars.

To classify all black people in one broad grouping is not to know "where its at".

If you try to appeal to both blacks and whites, you'll miss the boat. If you try to appeal to all blacks, you've made the boat, but you're heading in the wrong direction. If you understand the varied and interesting segments of the black population, it will be a rough voyage, but you'll make it.

There are two marketing routes to reach black people. The conventional route with black-oriented advertising and promotion, and the word-of-mouth method. Both can work equally well, but don't try the latter unless you're really in sync with the Ghetto.

PROBLEM AREAS

There have been problems in the accuracy of available standardized data, shortcomings of both research availability and measurement methodology, as well as by obsolescence. Yet, there is increasingly more information and data available on the nonwhite consumer market. It can be used to make sound decisions concerning marketing and advertising expenditures.

APPENDIX F (Continued)

DEFINING ROLES

In many businesses, the decision to communicate is often to satisfy objectives more properly under the banner of corporate social responsibility than for sound marketing objectives. An advertisement in black-oriented media describing what the corporation is doing to improve the quality of black life can hardly be considered as communication to sell and influence blacks. Nor should it even be listed in advertising expenditures. This is not to say such advertising is not necessary.

Yet, the black consumer market can remain an opportunity for some, and a problem for others, but it does exist, and can be effectively and efficiently sold. The decision has to be made if the communications objective is to satisfy marketing objectives or display corporate awareness of its social responsibility.

~~Goals should be defined and marketing practices and techniques not used to~~ meet corporate social responsibility objectives. Nor should corporate social responsibility programs be used to satisfy marketing objectives. The two should never meet. Let your KOWH-AM-FM representative show you the difference.

BIBLIOGRAPHY

SOURCES CONSULTED

A. ARTICLES AND PERIODICALS

Allen, Thomas. Mass Media Use Patterns in a Negro Ghetto. Journalism Quarterly, V. 45, Autumn, 1968: 525+.

Black Almanac, 1979.

Black Oriented Radio's Service to the Community. Journalism Quarterly.

Block, Carl E. Communicating with the Urban Poor; An Exploratory Inquiry. Journalism Quarterly, V. 47, April 1956.

Colle, Royal D. Negro Image in the Mass Media: A Case Study in Social Change. Journalism Quarterly, V. 45, April, 1968: 55+.

Conference on Mass Media and Race Relations. Cleveland, 1968. 131p. M384 C73.

Daly, Warren B. The FCC's Role in Providing Equal Employment Opportunity for Minority Groups. Boston Law Review, V. 53, May 1973: 657-710.

Dervin, Brenda and Bradley Greenberg. Communication Among the Urban Poor. Communication and Urban Poverty: An Annotated Bibliography. East Lansing, Michigan State University, Department of Communication, College of Communication Arts, April 1969. Report #7. 188p.

Fedler, Fred. The Media and Minority Groups: A Study of Adequacy of Access; Study of Minneapolis Media Finds that Minority Groups Receive More, Not Less, Publicity Than Comparable Established Groups. Journalism Quarterly, V. 50, September 1973: 109-17.

Flaherty, D. L. Of Many Things: Mass Media in the Nation's Racial Crisis. America, V. 118, April 13, 1968: 454.

Gerson, Walter M. Mass Media Socialization Behavior: Negro-White Differences. Social Forces, V. 45, September, 1966: 40+.

Greenberg, Bradley and Brenda Dervin. Communication Among the Urban Poor. Mass Communication Among the Urban Poor. East Lansing, Michigan State University, Department of Communication, College of Communication Arts, March, 1969. Report #5. 43p.

Greenberg, Bradley and Robert Dominick. Communication Among the Urban Poor. Television Image, Attitudes and Functions for Low-Income and Middle-Class Teenagers. East Lansing, Michigan State University, Department of Communication, College of Communication Arts, 1968. Report #4. 36p.

- Kassarjian, Waltraud M. Blacks as Communicators and Interpreters of Mass Communications: Data on Black Use Patterns Are Mixed: Content Studies Document Increase Presence of Blacks in Ads in All Media. Journalism Quarterly, V. 50, Summer, 1973: 285-91+.
- Rivers, William L. and Wilbar Schramm. Responsibility in Mass Communication. Rev. Ed. New York, Harper and Row, 1969. 314p.
- Spaulding, Norman W. Bridging the Color Gap: Effective Communication With the Black Community Calls for an Understanding of its Media and Leading Organizations. Public Relations Journal, V. 25, April, 1969: 8+.
- Stein, M. L. Blacks in Communications; Journalism, Public Relations and Advertising. New York, Messner, 1972. 191p.
- Wells, E. E. Mass Media and the Negro Community: A Study of Perceptions; Results of Survey. Negro History Bulletin, V. 36, December, 1973: 180-3.

B. BOOKS

- Brooks, Maxwell R., The Negro Press Reexamined. Bloomington, Indiana University Press, 1975.
- Depland, Comparative Study of License Renewal Application of Black/White Radio Stations. University of Illinois (Urbana) Press, 1978.
- Federal Writer's Project: Works Progress Administration, State of Nebraska. A Guide to the City and Environment, Volume I.
- Garnett, Bernard E. How Soulful is Soul Radio? Race Relations Information Center Press. A Report, March, 1970.
- Minority Ownership of Broadcast Facilities: A Report, December, 1979. Federal Communications Commission, Office of Public Affairs E.E.O. Minority Enterprise Division.
- Murphy, Cleophus Williams, A. B., An Ecological of the Negro in Ward Seven--Omaha, 1946.
- National Association of Broadcasters. Broadcasting Facts: Total Stations, Employment, Minority Ownership, Status of Minority Broadcast Investments Funds, F.C.C. Minority Ownership Policies, N.A.B. Activities and Chronology of Assistance to Minorities. September, 1980.
- Nebraska Curriculum Development Center. Broken Hoops and Plains People; A Catalogue of Ethnic Resources in the Humanities. State of Nebraska Press, 1976.

Purchasing a Broadcast Station; A Buyer's Guide. Federal Communications Commission. May, 1979.

Radio/Television Age. Black Radio; The Market. February 23, 1981.

Stevens, John. Black Journalism: Neglected No Longer in Mass Media and the National Experience. New York, Evanston, San Francisco, London. Harper and Row, 1971.

Woseley, Roland E. The Black Press, U.S.A. The Iowa State University Press, 1972.

C. UNPUBLISHED MATERIAL AND INTERVIEWS

Baker, Richard. Personal Interviews at KSAC radio station, Kansas State University, August 5, 1980 and December 8, 1981.

Becker, Harold W. Personal Interview at Sun Newspapers, 4875 F. Street, Omaha, Nebraska, June 3, 1981.

Bray, Marge L. Personal Interview by phone to station KCRO Omaha, Nebraska, November 27, 1981.

Boozer, Robert. Personal Interview. Omaha, Nebraska, June 4, 1981.

Christensen, Denny L. Personal Interview, Omaha, Nebraska, June 4, 1981.

Donald, Keith. Personal Interview, Kansas City, Kansas, October 26, 1981.

Ellis, Dwight, Vice President of Minority and Special Services for Broad Kap. Personal Interview by phone, May 26, 1981.

Ericson, Sue. Unpublished paper entitled KOWH of Omaha, Nebraska, 1972.

Herring, Harold. Unpublished paper entitled Black Radio in the United States, 1972.

Morales, Gerald. National Association of Broadcasting. Personal Interview by phone, May 26, 1981.

KOWH-KOWH FM, OMAHA: A CASE STUDY

by

MEREDITH E. KIDD

B.S. Kansas State University, 1974

AN ABSTRACT OF A MASTER'S THESIS

Submitted in partial fulfillment of the

requirements for the degree

MASTER OF SCIENCE

Department of Journalism and Mass Communications

KANSAS STATE UNIVERSITY
Manhattan, Kansas

May 1982

This is a case study of radio station KOWH-KOWH FM which broadcast in Omaha, Nebraska from 1970 to 1979. KOWH functioned as a black-owned and operated entity during that time frame. Its importance to the Omaha black community was unusual because of community and church involvement in the initial financing. KOWH was established in 1945, but the history of KOWH as a black-owned and operated station began in December 1970. That was when Reconciliation, Inc., a black investment group, purchased KOWH and KOWH FM. Two members of the black investment group were professional sports stars, Bob Gibson and Bob Boozer. Other money for the purchase came from the United Methodist Church and the Omaha National Bank. In addition, stock in the corporation was sold to the black community in Omaha.

KOWH-KOWH FM operated as a radio station from 1974 to 1979 under the direction of Keith Donald, general manager. Because of deficits created during the early years of operation, the stations never enjoyed a period of being ahead or "on target" as a business enterprise. The sale of KOWH-KOWH FM to separate buyers was approved by the Federal Communications Commission in April 1979, ending their operation as black media.

During its brief life span, KOWH considered itself the primary communication life-blood of the Omaha, Nebraska black community. The station spent nine years trying to imprint that feeling on the whole Omaha listening audience.

It is the opinion of the author that Rodney Wead set up Reconciliation, Inc. to administer KOWH for the purpose of serving the black community. The author feels that Wead viewed mass communications as the first step towards unity and self-determination for a black community, specifically, his black community.

The author believes KOWH was unique because the station was a community project. The community aspect is important because part of the station's funding came from the sale of stock to the public. Many media outlets do not offer to sell stock to the general public.

The broadcasting of KOWH was specifically designed to be of interest to the black community and all the music programmed was by black artists. The author believes that like other media in the realm of black press, KOWH was cause-oriented.

But, before any station can continue to exist, it has to be money-oriented. Unfortunately, KOWH-KOWH FM did not succeed as a business enterprise.