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## The Programming Public

More than slightly scary is the fact baby boomers are old enough to be grandparents. Even **more** frightening is many **are**.

Associated with that, one can't help but imagine boomers spinning yarns to their grandkids about the days of yore when FMs couldn't be given away; gas not only cost less than a dollar a gallon – you also got free dishes and/or trading stamps with each fill-up; television choices usually stopped at channel 13; the Boston Red Sox would never win the World Series; and a cell phone's only functions were to make and receive calls.

Strain just a bit to hear it and you'll identify Barbara Streisand's "Memories" sneaking up in the background.

Or is it Dylan "The Times They Are A-Changin'?"

Regarding the aforementioned list's last entry, there doesn't seem to be an end to what can be done with that omnipresent device affixed to so many ears.

Moreover, the number of cell phones only proliferates.

For perspective, the United States' estimated 2008 population is (roughly) 303 million and it's believed there are 250 million cell phones in the country.

### Straightforward Process

Mindful of that and considering the public is now accustomed to controlling content on its terms and convenience, **Foneshow Co-Founder/CEO Erik Schwartz** developed a telephone-based distribution platform for primarily short-form audio. "If you think about it, radio for the last 80 years has been a broadcast model," he opines. "One person talks and many [others] listen."

Things have pretty much been on the broadcaster's schedule but owing to the growth of the Internet, YouTube and other media, that's not necessarily the case anymore. "People want to do a lot of their own programming," M.I.T.-educated Schwartz remarks.

"[Foneshow] allows radio stations to start doing that. They have this great asset [with people who] can use their voices and minds to entertain, influence and inform [others]. [Radio] will always be there because there's a huge, companionship piece to [it]. People aren't always listening though when news happens. "It's great [some] stations do `Traffic on the Eights' but if it's nine minutes after the hour, you have to wait," Schwartz observes. "If you're a weekend [Talk radio host] and some major story happens, you don't get to talk about it for five days. Hosts have opinions and an audience wanting to hear those opinions. Content creators can have a closer, one-on-one relationship with their audience."



On first blush, it would seem a strong similarity exists between podcasts and what Schwartz has invented (Foneshow), although the former is downloaded media. "You have to connect to the Internet and suck the whole thing down to a mobile device," he explains. "We've built streamed media. There's no digital copy of the show on your phone. We narrowcast directly to [it] from our servers. From a technology standpoint, many stations aren't quite there yet [with podcasts]."

If a content provider is already feeding podcasts to iTunes or [Really Simple Syndication] subscribers, there is, according to Schwartz, essentially “zero work” involved in integrating Foneshow. “You take that RSS feed and mobilize it,” he states. “We have a very simple web interface tool that [makes it possible] for [stations] to upload audio. At that point, they’re just creating an audio file and that’s what they are good at doing.”

## **Blackberry Razors**

Ocean enthusiast Schwartz was at the beach with a friend one day in September 2006. Both self-described news and Talk radio junkies wondered why they didn’t listen to news podcasts. “It seems like something we should care about – but we didn’t,” Schwartz recounts. “The problem we came up with was that by the time content went from the creator, aggregated at Apple, came down [via RSS] to our local computer and finally got synched to the iPod when I plugged it in to [re-charge] it, [the news] was a day and a half old. The thing about news is that it’s ephemeral. Some news stories are still interesting a day and a half later but, if I’ve already heard it somewhere else, it’s not news anymore.”

That’s when they started considering alternative ways of delivering programming in a timelier manner.

Given as inferred above that virtually everyone has a cell phone, Schwartz brainstormed how he could marry that pre-existing technology with his innovation. “The first thing we thought was we’d build [an application] that ran on the handset [but] we then realized [doing that] was challenging because there aren’t many standards,” he explains. “It runs differently on [Motorola’s RAZR] than it would on a Blackberry [or] on the cheap, little phone I pick up at Wal-Mart. So we thought about how to do everything we wanted to do but not require any software running on the handset that wasn’t already on [it]. We came up with this neat little system.”

As soon as content is published, a text message is sent to all subscribers of that particular series. Several pieces of information are included within that communication including series name; a specific show’s topic; and program length. “We think it’s really important people know what they’re getting into when they start something,” Schwartz states. “There’s also a coded access number. The great thing about [most] handsets is it’s easy to dial an access number embedded within a text message. All I have to do is hit ‘send’ and my cell phone dials the embedded number and that piece of content [immediately] starts to play. You’re not going through a big, ugly voice menu system.”

## **Chat Develops Into A Company**

Just two months after the original beach conversation, Schwartz had devised a prototype he was happy with and effectively transitioned an idea into an actual company.

Five fulltime employees and several consultants, including former Air America honcho

**Jon Sinton**, are part of the Portland, ME-based operation which was taken from private to public beta in January 2007. “[Jon’s] been an enormous amount of help to us,” notes Schwartz, who in August 2007 closed a slightly more than \$1 million venture capital round. “We’ve been ramping up the company ever since. I’m from the world of software developers where, as soon as something works, you [unveil] it and see what people think. It began getting significant traction [by summertime 2007].”

Others are trying to do something similar using Smart Phone’s data channel. “That’s interesting but there aren’t that many Smart Phones out there,” Schwartz notes. “Only about 11 million cell phones in this country are Smart Phones.”

Greater accountability to advertisers is among the most significant fallout radio faces in the Internet age and Schwartz maintains, “There’s a reason Google is a \$150 billion company. They’ve made ad sales an intellectual decision [rather than an] emotional [one].”

Three advertising units appear within Foneshow, including a one-liner at the bottom of the text message. “The station [or host] keeps any in-stream advertising,” Schwartz points out. “We can report back very specifically how many people have listened. That’s basic CPM advertising. Call-to-

action within radio advertising gets listeners to make phone calls [such as] ‘Call Geico to get an insurance quote.’”

Businesses know to the dollar how much marketing money they spend for each phone call received and as Schwartz explains, “We already have you on the phone. We could put in a pre-roll that says, ‘This show is sponsored by Geico. To get an insurance quote at any time, press five.’ Suddenly, you’re doing cost-per-call advertising.”

### Snacks – Not Dinner

Numerous radio stations already do text messaging contests as they look to stay connected with their audience in as many ways as possible.

The logo for Foneshow, featuring the word "Foneshow" in a sans-serif font. The letter "o" is stylized with three red dots above it, resembling a signal strength indicator.

Something such as Foneshow therefore isn’t a giant leap for them. “They’re working hard on their websites and thinking of ways to generate revenue,” Schwartz states. “Broadcast revenues are slipping and they’re looking to make up for it in interactive and mobile. We think this can help them.” Talk radio is the initial focus and Schwartz emphasizes short-form content is important. “Those people have an opinion and can get a point across with very viral content. There’s no reason in the world every baseball game’s post-game show shouldn’t be sent out this way. People don’t have time to listen to 162 baseball games but want more information than ‘Red Sox 5, Yankees 3.’ You start to get some of the emotion from a five-minute wrap-up.”

Since there’s no technical limit with regard to program length, it’s possible for someone to put out full three-hour shows on the cellular phone network although Schwartz contends, “No one wants to listen to something on their cell phone [for that long]. That’s not really my cup of tea. This is about content snacking. You get to break long audio into chunks. If I call in to listen for ten minutes and then call back later, it picks up from where I left off. It’s not about hearing an entire Rush Limbaugh show on your phone.”

Likewise, it isn’t necessarily a great platform for consuming music because audio quality is limited by the switched phone network. “I’ve talked with [executives of] a bunch of music stations and they had some interesting ideas about how they could use [Foneshow] for artist interviews, [giveaways] and concert information,” Schwartz points out. “They know the nuts and bolts of their industry – I’m just a technology guy.”

Regular messaging rates apply and Schwartz notes his text message plan enables him to receive 5,000 monthly messages for \$15. “Cellular carriers have recently been encouraging people to get text message plans.”

### Problem Solver

Cutting-edge is hardly new to Schwartz who created a little thing called Yahoo! Entertainment which he acknowledges was a rollercoaster ride. “I was doing crazy stuff like interactive television in 1991.

No one had any idea what I was talking about. I got a call in the mid-1990s from a friend who was working at a cool company [Yahoo!] that wanted to get into the entertainment business.”

No one there at that point was working in entertainment and Schwartz was brought in to build up such a group. “I was employee #200 and spent nearly four years there,” Schwartz points out. “[All preceded by the word Yahoo!], we built ‘Radio,’ ‘TV,’ ‘Games,’ ‘Movies,’ ‘Entertainment’ and ‘Astrology.’ I left shortly after the broadcast dot com acquisition.”

Early-on Yahoo! mantra was “We’re going for the big audience” and Schwartz explains in order to do that, “You must have a product that works the same across all different platforms. It was all about becoming ubiquitous. Radio is so powerful because it **is** ubiquitous. A radio is cheap and works the same way everywhere. You turn it on; choose a frequency; and listen. A data plan phone product isn’t ubiquitous [but] cell phones [are]. They all have voice and text messaging. If you want to be mobile and [omnipresent] at this point, you have to work within the confines of text messaging and voice. As the technology changes, you can leverage that audience but it really is about being everywhere.”

Some of the 15 years Schwartz spent in Silicon Valley was at Yahoo! and a portion at other startups. It was that experience, perhaps even more so than that at Yahoo!, that helped make Foneshow a reality. "The Valley's attitude toward problems is you just go and solve them," states Schwartz. "You don't let them fester – you deal with them. [Even though Foneshow is headquartered in Portland, ME], we're very much of a Silicon Valley-style company."

### **Broadcasters As Content Providers**

Several things are taking longer than Schwartz would prefer in this specific process and he confides, "It's more complicated than we thought it was going to be when we first began working on it. We thought it would be fairly simple to build. More or less [though], we're pretty much on-plan as far as our products are concerned."

Occasionally caught up in radio's theater-of-the-mind, it has admittedly been more than a bit surreal for Schwartz when he actually gets to meet radio hosts he's listened to for years. "It becomes an odd conversation because you know them very well [but] they don't know you at all," he remarks. "That has taken some getting used to."

Many people have written radio's obituary although Schwartz stresses, "I don't think it is dead. You need to think about different ways to distribute programming and skills developed doing radio through the years. It can suit you well to transmit over a different medium."

Content providers have generally been open about Foneshow and Schwartz remarks, "It's been interesting to take that basic core experience and move it to a different platform. They're getting distribution from it and like that. The radio industry isn't the fastest to embrace new technology. Some asked why they'd need something like this because they already have a transmitter." Conversely however, others are beginning to come around. "They now realize they're in the content business and not necessarily in the radio business," Schwartz states. "The real power of what they're doing is creating content."

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**Jon Sinton** was profiled in "The Mike Kinosian Interview" (5-10-2004) archived [here](#) on **InsideRadio.com**

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