Learfield and the Internet

When the Internet began morphing into the World Wide Web in 1993 and 1994, I was leading an effort at our company to create a low-cost alternative to the Associated Press. A cheap wire service for broadcasters affiliated with one of our radio networks. I'd played with BBS's and had a CompuServe account but wasn't thinking of the "web" as all that relevant to our business.

In 1994 the White House launched its website; businesses were starting to create commerce sites; our email inboxes began filling up with "spam"; and we started using something called Netscape Navigator to "browse" the web. The first banner ads appeared on Hotwired.com in October. In December a St. Louis company called P-Net registered the domain MO.net and wanted our permission to use it in advertising. Our lawyer said it would be difficult to stop them so we didn't try.

In 1995 CompuServe, America Online and Prodigy started providing dial-up Internet access and people started getting online. In April some tech folks from the University of Missouri came to our offices in Jefferson City and gave us a demo of the "World Wide Web" and our first look at Netscape Navigator. I can't speak for the others in the meeting but I was mightily impressed.

I knew a bit about the Internet but nothing about how to create a website or register a domain, so I contacted Mike McKean, a professor at the J-School at the University of Missouri, and asked if he could put me in touch with a student who knew how to do this stuff. He introduced me to Dan Arnall, a senior journalism major. Dan was technically adept but he brought along Allen Hammock who was majoring in computer science. Dan and Allen were high school classmates in Springfield, Missouri, and were in members of [a student leadership organization](#) at Mizzou.

These guys were smart and confident and recognized an opportunity to get some experience with a big company. By the time we'd had a few meetings to talk about an online strategy for Learfield, they had formed their own company (Echo Communications). I don't think Dan saw himself as an "employee," even at that tender age.

From a [memo by Learfield CEO, Clyde lear](#), dated May 22, 1995: "Learfield has had more than a passing interest in the Internet for a number of months now. We thought that this new medium may have advertising potential. We are confident some of the

program offering services that Learfield owns are candidates for inclusion on the Internet. We're just not entirely sure how all of this can come together as a business venture nor are we real sure about how it can evolve organizationally. While we were thinking about this, two young men from the University of Missouri — Dan Arnall and Allen Hammock — came to us with an interesting concept on building a business venture around the Internet by providing a service for advertisers. They had an innovative and interesting approach and we have met with them several times and like what they say. Now we believe it is time to get a broader group of us together to dream and think about how clearfield can create a desirable service that ultimately can be profitable."

From its inception, Learfield had been an advertising supported operation and the web looked like something we could use to distribute our news, farm and sports programming and sell sponsorships. We had a [meeting at the Lake of the Ozarks on May 31, 1995](#), to talk about "the web." In attendance were: Matt Gamewell, Kay Henderson, Matt Lear, Mike Mayfield, Brad Scrivner, Dan Arnall and Allen Hammock, Clyde Lear and Steve Mays.

In August we registered our first domain: Learfield.com. While we didn't have a clear strategy, we could see it was important to own the domains for our various networks. Dan and Allen got busy (hand-coding the HTML) creating our first websites. Here's what Radio Iowa looked like in December, 1996 (screenshots from the Internet Archive Wayback Machine)

The look and content of our growing number of sites evolved quickly. Below is a screenshot of The Missourinet from April, 1997.
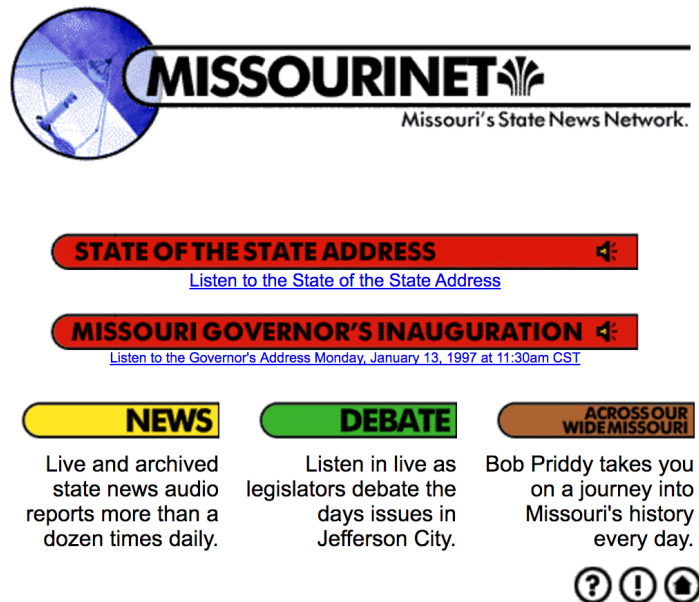
Mark Cuban and AudioNet

In September of 1995 we received a phone call from Mark Cuban. He and a partner (Todd Wagner) had recently acquired a company called Cameron Audio Networks, named after its founder Cameron Christopher Jaeb. The company had acquired rights to broadcast radio and professional sports games live on the Internet. Cuban wanted to listen to the basketball games of his alma mater, Indiana University. Learfield owned the media rights to IU (and eight other universities and colleges). Cuban renamed his company AudioNet.

From the AudioNet media kit, October 1995: *"AudioNet is one of the most popular destinations on the Internet. People around the world know that when they want their choice of realtime and on demand audio programming there is only one place to go, WWW.Audionet.Com, the world's first Broadcast Network on the Internet!"*

"We offer them realtime broadcasts of radio stations such as KLIF Dallas, KFI Los Angeles, KOA Denver, XTRA San Diego, WQAM Miami, WJFK Washington DC WCKY

Cincinnati, with many more to come. The there is the realtime broadcasts of exciting sporting events such as Texas A&M, University of Southern California, Baylor, Southern Methodist University college football, a growing schedule of professional football, baseball, basketball ad hockey, and Indoor Soccer."

"In addition to sports programming we offer a complete choice of entertaining programming (you) can't get anywhere else, like the Janice Malone Show, The Mark Cuban Show, Jeffrey Lyons Movie Reviews and Hollywood Reports, Medical Matters, Tech Talk, NetRadio, Geek Free Radio, Legal Matters, NetRadio, Celebrity Interviews with Michelle Pfeiffer, Patrick Swayze, Dustin Hoffman, George Foreman, Gennifer Flowers and much more. What's even more exciting is that AudioNet is doubling (its) content offerings every month, with new things being added every day. Listeners know to stop by and see what's new, and they do!"

On November 10, 1995, we met with Mark in Kansas City to discuss how our two companies might work together. It was Clyde, Allen Hammock, Steve Mays and (maybe) Chief Engineer Charlie Peters. Since Learfield owned the broadcast rights, we couldn't see the value of what AudioNet brought to the table. At one point Mark walked over to the whiteboard and scrawled some numbers, offering to sell 10% of his new company to Learfield for half a million dollars (others recall the number as one million). Learfield didn't have the money at the time and really couldn't see the value of AudioNet in any event. (Cuban sold his company to Yahoo! on April 1, 1999 for $5.7 billion, making it the most expensive acquisition Yahoo! had made at the time.)

In December, 1995, Learfield and AudioNet signed a letter of agreement for Internet distribution of our live college sports programming. AudioNet provided a minimum of 10,000 RealAudio streams while Learfield provided audio of our football and basketball broadcasts. We were also responsible for development of all content for the websites. Any advertising sold by Learfield, the split was 80/20 (80% to Learfield). If AudioNet sold the ads, the split was 60/40 (60% to Learfield). The term of the agreement was two years.

At some point during our talks with Mark, someone at Learfield asked why we couldn't just do this on our own. Why did we need AudioNet? I recall Mark explaining he had an arrangement with RealAudio for streaming licenses that no other company could get. That was his edge.

In October we brought Learfield.com online and started running promos on our news networks, promoting our websites. This wasn't popular with the newsroom staff -- who

hated giving up precious seconds of airtime -- or our radio affiliates who would prefer people listen to their station than visit the network website.

From a memo from Clyde dated October 31, 1995: *"Today at 2:15 p.m. will discuss putting our 9 properties on the Internet live. The proposal I'm suggesting would begin as soon as possible on all nine schools. New equipment and line installation would cost about $80,000 now. Annual operations will cost $35,000 before personnel costs. Personnel costs, including benefits, could amount to as much as $75,000."*

Clyde was never one to do something halfway.

All-staff memo from Clyde dated November 6, 1995: *"We are moving ahead with expanding the Internet project. We began looking at moving onto the Internet last summer and began involving Dan Arnall and Allen Hammock in the effort, eventually handing their company (Echo Communications) a 6 month contract to develop a home page for clearfield and to help us think about long term uses of the Internet. This project has proved fruitful. We are going to launch our nine university sports broadcasts live not the Internet — hopefully by early next year. That means that wherever you are in the world, you'll be able to access the Internet and hear any one of our teams play-by-play. And, there is much more: coaches programs, interactive discussions, links to other home page and other live sporting events. The mind is the limit."*

"We're not real sure about the distribution system or the equipment that will be necessary. The hope is to do what we have to do to make this work ASAP. The organizational structure of this new effort will be a new limited liability corporation, of which Learfield is the majority owner."

From all-staff memo from Clyde on December 28, 1995: *"On January 6 (1996) we will begin (streaming) live our basketball broadcasts over the Internet. That means that wherever you are in the world, you can listen to the broadcast by simply accessing the Internet and our Home page.*

On January 13, 1996, we will be providing live Internet coverage on an exclusive basis of the Republican GOP candidate debate from Iowa. The Internet project will be put into its own Limited Liability Company very soon. The new name is STRAYLIGHT."

By 1996 there were approximately 45 million people using the Internet, with roughly 30 million of those in North America. 43.2 million (44%) U.S. households owned a personal computer, and 14 million of them are online. There were only 100,000 websites.

Bill Clinton and Bob Dole were running for president and with lots of attention was focused on the Iowa Caucuses, we looked for ways to use our website to promote Radio Iowa's (one of Learfield's news networks) coverage. From one of our news releases:

"A new service for computer users will focus exclusively on Iowa's first-in-the-nation caucuses, the first test of the 1996 Presidential campaign.
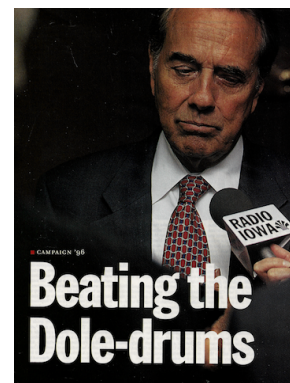
Radio Iowa's CAMPAIGN COUNTDOWN may be found on the World Wide Web, a computer network which provides almost instant transmission of data around the globe. On-line users, or "web surfers," can access the INTERNET global network using a modem and simple browsing software.

When arriving at the Radio Iowa web site, users may read the latest news from the Iowa campaign scene in the TOP STORIES section. In addition, web users with multimedia or sound equipment may listen to a minute-long review of the week's campaign activity at the SOUND BOARD.

The REFERENCE ROOM is available for those who wish to search the Radio Iowa archives for information on a specific candidate or topic. Links that allow visitors to browse through other campaign-related Internet sites are also available in the REFERENCE ROOM.

Three Iowa political correspondents will provide weekly commentary at the REPORTER'S ROUNDTABLE. Informal question-and-answer sessions with Iowa politicos will also be a feature in this section of the web site."

By the beginning of 1996, Learfield's Internet "project" was well on its way to becoming it's own company. While Learfield owned controlling interest, Clyde allowed some employees (True Believers) to invest in the new venture. The official launch came on July 1, 1996.

Dan, Allen and Steve Mays made a trip to Dallas that month to see Mark Cuban's operation. It was in the Deep Ellum section of the city and was mostly a big warehouse packed with computers and miles of cable. Lots of energy.

By the end of the summer we'd registered domains for all of our news and ag networks and struggling with what to put on these new websites, as well as who and how this would be accomplished.

In September -- and again in November -- Allen Hammock was a guest on The Derry Brownfield Show, a new radio program that spun off from The Brownfield Network, Learfield ag radio network.

By the summer of 1997, Clyde decided Straylight needed to be closer to the Internet action and Dan and Allen packed up and moved to Seattle where they could be around other Internet start-ups. Better access to talent, resources and ideas. They opened the Seattle office on July 1, 1997.

In October, following a two-day visit, Clyde reported to Learfield's management team:

"Product - The Gamecruiser produce we had in place last year is still functioning in much the same manner. An update is planned for basketball season. The new "ad active" product is still in development. Since the two go hand-in-hand, Allen has been spending much of his time perfecting the availability of audience information while at the same time trying to grow that audience. The "ad-active" product is an entirely new concept. It will be a tool for advertisers to use to grow relationships with each individual customer. Gamecruiser has five elements: audio, chat rooms, product sales, statistics and fan pages. Fan pages and chat room have very limited appeal, therefore the guys are backing off on their work on those. The chat room is already in place however, through "Talk City", (so) there is no cost to us. We are part of their "college connection." However, for this to really be successful, we need to get talent in the room or utilize chat as part of the Coaches Shows. Both have staffing and management obstacles. The guys just don't have time to get this in place. It's a neat idea but lots of work. And the pay-off is relatively small. The value is building loyalty. The guys have a deal they can take with Stats, Inc., however it's about $5,000 per month -- totally outside their budget range, even with a strong advertiser. They are reviewing the possibility of utilizing the SID (sports information director) produced statistics during and following the games on line.

The audio is in place, of course. They guys are also looking at covering local breaks with demographic specific audio advertising; and they've found a way to do it technically that is hassle-free.

Ad Active - [The Ad Active product](#) is in the "functional specification stage." This is where they are drafting the specification for how the product will work.

Marketing - Over the last two months Dan has made separate calls on 63 potential advertisers. 40% have been national and 60% regional and local. He's had a diverse range of response. One objection he's getting frequently is we don't have numbers. He suspects this is only an objection because the Internet press is saying most advertisers are pushing for site branding; i.e. where the advertiser gets full sponsorship that penetrates into the content.

The pricing for local is $1,000; for regional, $10,000 and for national, $100,000.

Regarding his pitch: he goes in with a custom pitch for each advertiser. Most of his (prospects) already have a web presence. He's learning a lot about their objectives now and making sure he's calling on the right people within the company and determining budget year, agency, etc. Much of this work as of today is pretty preliminary.

From a [memo by Clyde on November 12, 1997](#): *"The guys in Seattle continue to work on their AdActive program which is an innovative software package that will allow us to closely watch each person who signs on to listen to one of our ten universities. You should look at the new design of the basketball website that was created primarily by Jason Sonderman. It looks very good. This division is a long way from budget because it hasn't realized any sales on modest projections for this year. Dan says he still believes some business will be forthcoming."*

By July of 1998 Straylight had stopped working on Gamecruiser. Most people still had dial-up Internet connections with speeds ranging from 28.8 Kbps to 33.6 Kbps. 56 Kbps modems became available the year before but there were inherent challenges in getting people -- even loyal sports fans -- to listen to games on their computer. Radio had trained them to expect a mobile listening experience. Dan and Allen put all of their efforts into Ad Active, "the intelligent ad banner."

That visitors to a website might not want to see *any* kind of advertising, even an "intelligent" one had not started to sink in in 1998, and letting someone offer feedback or block an ad was an idea way ahead of its time.

In October Mark Cuban and Todd Wagner visited Learfield in Jefferson City and met with Clyde Lear. The following April Cuban sold his company -- now called Broadcast.com -- to Yahoo! for $5.7 billion. They had 570,000 users, and the purchase

price was $10,000 per user. Cuban sold most of his Yahoo stock that same year, netting over $1 billion.

By the end of the year, Straylight ceased operations.