

Cornwall independent local radio licence applications

Questions and responses: Extreme Radio

These are the responses received from Extreme Radio to the non-confidential questions asked by Ofcom regarding the group's application for the Cornwall licence.

1. What evidence led Extreme Radio to conclude that a station aimed at a young audience would be more likely to be commercially viable than one aimed at an older audience (p 21)?

It is an immutable rule of commercial radio life that revenue achievement is inextricably linked with listenership levels. In the case of Cornwall, a smaller licence with comparatively high transmission costs, it is crucial that the new service is able to build audience levels quickly.

Our analysis of RAJAR, prior to commissioning formal Paragon research, showed a high level of listening above the age of 55 to BBC Radio Cornwall – with a weekly reach of 50% with average weekly listening hours of 16.4.(RAJAR Q3/04) in this demographic. This indicated a high level of satisfaction with existing radio provision for older listeners. Indeed, Ofcom's own research (*The Knowledge Agency, April 2004*) confirms this view. *"In contrast the empty nesters in St Austell were very happy with BBC Radio Cornwall, to the point of insisting that they didn't want a new service!"* Ofcom's study also states that, *"Younger people (and especially 16-24s) are especially likely to be interested [In a new radio service]."* Incidentally, our Focus Group research coupled with our experience of operating Cornwall's first commercial radio station supports Ofcom's views in this respect.

As part of our examination of the viability of a new station targeting an older audience, we consulted with Saga Radio, the UK's leading operator of radio services for the over 50s. In discussions with Saga, it became clear that they did not feel the Cornwall market could sustain a commercial radio station for this age group as the potential listenership was simply too small. (p. 21)

We spoke to several media agencies – including First Radio Sales, who represent Pirate FM for national sales – who confirmed that an older Cornish service would face significant difficulties in delivering meaningful levels of national revenue. This affirmed our belief that an older service would struggle commercially.

We suspect that a number of other applicant groups came to a similar conclusion to ourselves, and this drew them to propose services for the middle ground, either 35+ or even 25-54. Obviously it would have been pointless for Pirate to propose a service to target what was already its strongest audience and indeed we fail to see how the principle of diversity could be met adequately by such a proposal.

On the other hand, we believe that our carefully researched plans for developing a viable audience among the 15-29 age group are highly achievable, especially given that the only direct competition would be the national BBC Radio 1.

Furthermore, our survey of Cornish advertisers gave us additional comfort that a real desire existed for a station targeting the younger audience that was hard for them to reach through other media. Equally experience would suggest that a younger station would be more likely to attract national revenue.

Thus the younger skewed Extreme Radio format is the only logical gap both in terms of extending programme diversity *and* being commercially viable.

2. What evidence of demand is there among your proposed target audience of 15-29 year-olds for a radio station in which "speech will be the defining part of the output" (p.50)?

This question, in relation to this audience, is answered in four parts:

- (1) Evidence from Extreme Radio's Focus Group sessions
- (2) Evidence of demand for the amount speech required
- (3) Evidence of demand for the types of speech required
- (4) Evidence relating from our philosophy and experience of radio

(1) Our Focus Group research identified a real passion for relevant speech particularly at times when our target audience will be listening – breakfast and late evening. We tested the propositions thrown up by these sessions in our formal research exercise.

(2) The desired balance of speech to music is shown on page 22 of the Paragon research. This proportion is 30% speech (commercials included) to 70% music.

At breakfast, when most listening to radio is at its highest, the proportion, shown on page 23 of the Paragon report, rises to 40% speech to 60% music.

Evidence of demand that a substantial proportion of the output be speech is clear and present.

(3) Strong demand for certain types of spoken word content is illustrated in the 'relative importance' tables shown on pages 16 to 21 of the Paragon report.

Respondents strongly differentiate between various types of speech; they demonstrate strong feelings on the subject matter. Had speech been unimportant or undesirable to the target audience, their rating of the various elements, from Very Important to Not Very Important, might have been expected to be lukewarm.

On the contrary, 92% of respondents rated Local News as being Important to their radio listening. Of these, 61% described Local News as being Very Important. 89% of respondents described the concept of a Campaigning radio station as Important and 11% as Not Very Important. These are strongly-held views which show that speech must define the service.

Amongst the entire hierarchy of all speech-related findings and across this entire audience, the proportion of "Don't Knows" was virtually zero. Here is powerful evidence that the audience is passionate about Cornwall and it shows their wish for the station to campaign on their behalf, to speak to their interests and to report local affairs.

It can clearly be demonstrated, beyond any reasonable doubt, that the target audience expresses strong speech-related preferences, both positive and negative.

We conclude that this audience has conclusively demonstrated strong evidence that the content of spoken word broadcasting should play a vital role in the definition of the station.

(4) In our philosophy, experience and study of all kinds of broadcast radio, speech always defines the output to a significant degree; it is always of the essence, almost regardless of the format and contributes at least 50% to the persona of the station even where the proportion of spoken word is less than that of the music. Sheer volume of words is less important than the quality of the content (as Ofcom has itself indicated on a number of occasions).

Neither "localism" nor "important issues" can be defined, addressed, or communicated by music alone. The spoken word is necessary to complete this task.

The respondent's tastes and interest, as regards speech, are clearly a critical part of defining the unique image for the successful radio station.

Without some "hook" or personality of difference, Extreme Radio will be merely an "also ran" in the minds of the listeners and never reach its full potential.

We affirm that there is strong evidence of demand, from the target audience, that speech should and must, to a great degree, define the station.

This demand is answered by our programming and news commitments which include local news until midnight on weekdays.

We are confident that Extreme Radio will succeed because of the company's track record in Cornwall of doing the right job and doing the job right.