

## Cornwall independent local radio licence applications

# Questions and responses: Kernow FM

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

**1. Please provide more information about the South West Investment Group, which the application states would provide £50,000 in funding to Kernow FM Ltd.**

We have mailed to you today (together with the 3 bank letters as per below), 7 February, further information about SWIG, including that company's confirmation of Kernow FM's eligibility for funding. As you will have noted from my Director Profile in the main application document, I am the Chairman of SWIG but clearly this matter has been dealt with by my colleagues without any reference to myself.

**2. Figure 3 on p.45 of the application shows that ILR in Cornwall achieves a greater share of listening among 35-44s than among any other demographic sub-group. How does this finding fit with the statement that the audience aged 35+ is "poorly served in Cornwall" (p.28)?**

Figure 3 on p.45 demonstrates the relative share which commercial radio achieves in Cornwall against the industry average across the whole of the UK. It reveals that in Cornwall adults aged under 35 average a share of 30.1%, as opposed to only 20.7% achieved by the 35 plus demographic. The reference on p.28 to the 35 plus group being poorly served is for this demographic as a whole and not just to the 35 to 44 sub-group. Our core audience has been selected as those aged 45 to 64.

In making the reference to 35 pluses, we wished to highlight that the performance of ILR for under 35s was significantly better than for those aged 35 plus and therefore that, broadly speaking, there was greater potential in Cornwall for a new ILR station that sought to target the older sector of the population.

Interestingly, our consumer survey revealed that, of the significant number of lapsed listeners to Pirate FM, some 72.2% were aged 35 plus (11.3% were aged 35-44) further emphasising the potential of this target group. Our research has indicated that we should be targeting a core audience 45 to 64, but clearly there is also potential to increase listening to Kernow FM in these "neighbouring" demographic groups.

### **3. On what basis were the two format types tested in the main consumer study selected?**

The two format types tested differed only in respect of the inclusion, or not, of music from the 1950s. The basis for selection of the core format type to be tested in the Consumer Study originated initially from our collective knowledge of Cornwall and our knowledge of the existing ILR programming services available in the county. Having provisionally concluded that it was the 35 plus age group which was the least well served in the Cornish market, we proceeded to test the type of programme format which might appeal to this demographic through our 3 week trial broadcast in St Austell. The trial successfully validated our plans. However, the RSL music playlist, although extensive for such a trial, did not include any music from the 1950s and given the subsequent decision to target a core audience aged 45 to 64 and anecdotal evidence of a desire to include such music, we felt that it was important to further evaluate the demand for music from the 1950s – this matter had exercised the Board at some length in many of our meetings.

In other words, as a result of consumer feedback both from the RSL dipstick and our extensive consultation, we felt the need to establish the extent to which the inclusion of 1950s music in our mix would alter the profile of those most likely to listen and the likely market penetration. In exploring our main consumer research, we were able to evaluate reactions to a wide variety of questions on the basis of respondents preferences by format reaction which greatly assisted in finalising our programming proposals which, in the event, included the provision of 1950s music as “spice” tracks.

### **4. Please provide more information about the types of business which took part in the advertiser and agency research. To what extent was the sample representative of the wider Cornish market?**

The nature of business-to-business research is such that it usually pre-determines the need for small scale samples because of the high costs in securing interviews with management from a wide range of business types. With our commitment to conducting 30 interviews of a relevant nature to our medium it was rather difficult to ensure that the sample would be truly representative of the wider Cornish market. However, we are satisfied that our sample spread is broadly representative of Cornwall and in particular those industry types most likely to be or become radio advertisers. In the chart below we have shown our breakdown by industry type and compared this with the data available on the Cornwall Government site.

The survey whilst providing strong evidence of demand was also designed to complement the extensive consultation programme undertaken by shareholders across the County which had also underpinned a strong desire for the format.

The profile of sample was as follows:

|                           | Kernow Survey Profile |   | Cornwall Government Statistics |
|---------------------------|-----------------------|---|--------------------------------|
| Retail                    | 33                    | Wholesale/retail/repair   | 28.1                           |
| Manufacturing             | 17                    | Manufacturing   | 8.1                            |
| Government/Public service | 13                    | Public admin/defence/social security/education/other community/social/personal services | 18.4                           |
| Business services         | 10                    | Financial intermediation/real estate/business services                                  | 15.1                           |
| Holidays and travel       | 7                     | Hotels & Restaurants  | 12.4                           |
| Leisure and entertainment | 8                     |   |                                |
| Food and Drink            | 3                     |   |                                |
| Automotive                | 3                     |   |                                |
| Construction              | 3                     | Construction  | 10.5                           |
| Media                     | 3                     | Other   | 7.4                            |

Note we have collapsed classifications from the Cornwall data to match our own descriptions which are more widely used in market research surveys.

This research was in addition to the proof of the pudding evidence of commercial support for our programme plans which only an RSL trial can produce in such circumstances. The 3 week RSL, with its adult population coverage of some 20,835 residents, produced income of some £15,000 from 38 distinct and diverse advertisers in the St Austell area, all bar one of whom said that they would support Kernow FM if we are successful in our application.

**5. To what extent did the output of the RSL broadcast in St. Austell match the Format proposed in this application? To what extent was the sample in the RSL Study representative of the wider St. Austell population?**

The RSL was conducted in April 2003 to validate our provisional views on what programme service would best fulfil the criteria of the Broadcasting Act, with particular regard to extending listening choice whilst also catering for tastes and interests of residents and, crucially, remaining commercially viable. The results of the RSL were very satisfactory and validated most of our plans. However, the RSL, taken with the extensive consultations and consumer research undertaken subsequently, revealed that the following more significant amendments should be made to our original plans:

a) The strength of our local news service was seen as a very positive characteristic of Kernow FM's RSL. The duration of our trial bulletins was in

excess of the ILR “norm” of 2 to 3 minutes and this was welcomed. However, subsequent research indicated that:

- bulletins should be extended past the usual final local news coverage deadline of 6pm – our local news coverage will therefore operate between 6am and 9pm.
- A 30 minute News / Magazine programme was also wanted – ‘Inside Cornwall’ has been scheduled to be broadcast each weekday from 5:30pm.
- Cornwall residents were particularly interested in news from where they live. Given a county as large in linear geographical terms and one where adults display a significant diversity in tastes and interests, this is a particularly difficult demand to satisfy. With this in mind, however, Kernow FM’s Board identified the need to employ 10 News and Information Correspondents located right across the county who could feed a central news service with the news from where they were. This policy is at the heart of Kernow FM’s policy to deliver a comprehensive local news service to adults in the county.

b) As noted above, our Consumer Study revealed that we should include 1950s music as ‘spice tracks’ in our Music Policy.

c) We had no original plans to include a phone-in programme, candidly believing that the days of such programming were over and therefore none was included in the RSL. Our subsequent Consumer Study revealed, however, that 66% of respondents would like such a programme. Our programming proposals therefore include a 2 hour phone-in each Sunday.

The RSL study was undertaken in St Austell as it represented (20,835 residents) the largest single settlement in the county. Volunteers of the RSL were asked to recruit “on street “ an equal number of people in each of three broad age groups - 15 to 34, 35 to 54 and 55 plus. We had decided to take this approach to setting quotas as we were unable to access population profile data for St Austell with the exception of age defined only as 16 to 29, 30 to 44, 45 to 64, 65 to 74, 75 to 84 and 85 plus, which did not correspond to any standard RAJAR break. The resulting sample profile would indicate that the sample over-represented 35 to 54 year olds and under-represented the views of 55 pluses. However, in using the data for programming modification purposes, prior to conducting our major consumer study, we focused on the views of the individual age groups rather than the sample as a whole.