

## Edinburgh independent local radio licence applications

# Questions and responses: 4Life FM

*These are the responses from 4Life FM to the non-confidential questions asked by Ofcom regarding the group's application for the Edinburgh licence.*

**1. In the section on Population Profiles (page 20) you say that the UK population is broken down into “ten major segments,” using “information and analysis from more than 100 different sources.” Can you explain the basis of this segmentation further or provide the source used?**

As the 4LiFE FM proposition is concerned with reflecting the lifestyle of our core target audience, we commissioned an independent report in order to better understand the individuals, their circumstances and their environment. Only the highlights of the profile report were included in the 4LiFE FM application document, but we now enclose the full version. The techniques used in the profiling are described as follows:

The lifestyle segmentation model describes the UK population by nine key segments, each of which have a number of sub segments within them. Each segment describes a part of the population that are characterised by their lifestyle, shopping behaviour, media likes, propensity to switch brands, work ethic etc. In short, the segmentation looks for key similarities and describes the population by their preferences and consumer behaviour as opposed to their geo demographics. It also places the population into groupings where distinct similarities exist.

In common with most lifestyle segmentation, postcodes to six digits were used to identify the location and membership of each group. Our segmentation approach differs and enhances traditional methods in a number of ways, however the key difference is that for each time the technique is used, it is cross-referred with regional and cultural differences that exist.

Our report was commissioned from specialists “in-Marketing Partnership” whose modelling techniques have been refined over the past eight years and who use the following existing sources of information: Mosaic, Acorn, Royal Mail, Government sources, Central statistical office, Geodemographics, Income, Trends, Housing, Employment, Economic trends, Regional micro and macro economic monitors, Regional and County statistical offices, County and District plans, Development agency information, The Electoral roll, Regional Development Agencies and The 2001 Census.

The model also uses existing research from AC Nielsen, AGB, Datamonitor and others as well as focus groups, postal, telephone and face-to-face interviews. “In-Marketing” also draw on industry reports such as Utilities, Financial Services, FMCG including Trades Groups and Associations - subscribing to around twenty annual reports on customer behaviour. Other

sources include published information via a number of websites, various company reports e.g. Unilever, Innogy, Cadbury's Lloyds TSB, RBS, Regional Press, National Press, Trade Press, University research (principally Warwick and Hull)

Originally the segments were based upon extensive profiling of two databases of four million households and supplemented by specially commissioned research. Once the segments were defined, refined and tested a constant watch on consumer trends looked at the behaviour of the segments and how they reacted to new influences. Information was collated on a weekly basis from existing sources and in house research was undertaken on a quarterly basis to identify new and merging trends within each group.

**2. Were the four segments highlighted as being your core audience used anywhere else in the research? For example, did the quantitative survey aim to replicate these clusters?**

The four segments were not used for the qualitative or the quantitative research, as at this stage we were concerned to approach Edinburgh from a completely open standpoint. Our RAJAR analysis showed clearly that the older generation were less well served but we had no preconceived ideas about what type of station would best serve them. The focus groups were used to gather opinion from this section of the population. Through this process and the subsequent quantitative research we were able to identify the character of their 'ideal' radio station, its tone and editorial focus. It was after this process we were able to clearly identify and define the audience for 4LIFE FM by the profiles used. This ability to present the audience by its lifestyle characteristics rather than just statistics was particularly relevant to our discussions with the advertising industry.

Recruiting a sample on the basis of such segmentation is extremely difficult at the practical level. Such segmentations, as you will observe from the answer to question one, are based on a battery of attitudinal statements and demographic criteria, the combination of which produces an extremely high screening failure rate. For example, depending on the size of a segment, finding a single respondent who fulfils all the relevant criteria to qualify for a segment would involve numbers of up to 100 interviews.

**3. On page 18 you say Edinburgh has a high youth population - 25% higher than the Scottish average, and with this trend expected to continue over the next 10 years. Can you provide a source for this?**

This information was sourced from the Scottish Office and The 2001 Census.

**4. Who is William Burdett Coutts in relation to the application?**

Mr Burdett Coutts is a 10% shareholder of 4LiFE FM and as such is very much part of the station proposition and has a direct interest in its future success. He has a wealth of comedy experience, running Edinburgh's Assembly Rooms as well as Riverside Studios in London and the highly successful Brighton Comedy Festival. We will be calling on his experience and expertise to ensure the station maximises all opportunities to exploit the rich comedy talent that is such a fundamental part of Edinburgh's culture. William's full resume is detailed below.

He began his career as a theatre director in Scotland in the late 1970's before setting up the Assembly Rooms in 1981, which is now into its 25<sup>th</sup> year. This established the historic Assembly Rooms as the most prestigious venue at the annual Edinburgh Fringe Festival and in its time it has been described variously as "*The National Theatre of the Fringe*" and "*The Jewel in the Crown of the Fringe*". Most major comedy names on television today at some point graced the boards here, from French and Saunders to Alan Davies, along with a host of international and local theatre companies from Nobel Award winner Dario Fo to the Young Vic. Every year he is responsible for putting on over sixty different productions with an audience in the region of 200,000.

His contribution to the arts in Scotland was such that in 1987 he went on to run Mayfest, Glasgow's International Arts Festival for three years up to 1990, when the city was European City of Culture.

Between 1989 and 1993, William was Head of Arts at Granada Television and was responsible for the local and network show *Celebration* for which he made over a hundred arts programmes. He also created Manchester's Festival of Arts and Television, which he ran between 1991 and 1993.

In 1993 he became Chairman of Faze FM which won the licence for Manchester's radio station KISS 102; the company won a further licence in Yorkshire which ran as Kiss 105 in Leeds. The company sold to Chrysalis in 1997.

William became Artistic Director of Riverside Studios in Hammersmith in October 1993, a multi-complex arts centre comprising three studios, a cinema and gallery space. He also set up his own independent television production company, Assembly Film and Television, which is based at Riverside.

Assembly Film and Television ran the highly acclaimed *Channel 4 Sitcom Festival* for five years from 1995 to 1999. Out of the *Sitcom Festival* it produced a sitcom series called *In Exile* for Channel 4 which won a special award at Montreux and, more recently, has produced three series of *Black Books* for Channel 4. This is the BAFTA award-winning sitcom written by and starring Dylan Moran, situated in a second-hand bookshop with Bill Bailey and Tamsin Greig. In addition, the company made *Jo Brand's Hot Potatoes* for BBC1, a comedy panel show based on the great British argument, hosted by Jo Brand and, most recently, *Fred Macaulay's Fringe*, a chat show hosted by the comedian during the 2003 & 2004 Edinburgh Festivals.

**5. Why have Ken Lewandowski, Phil Anderson and Sarah Smith been given 5% of the voting shares between them for virtually no consideration?**

We believe that in any new venture it is important that the directors are participants. The local directors will play a crucial role in establishing and running what promises to be a successful business. At the outset our goal was to have a minimum of 25% and a ceiling of 40% local shareholding. The minimum has been achieved with the 5% allocated to the local directors named above and the 10% shareholding of both our Chairman James Faulds and William Burdett Coutts. While William is not a director we expect him to take a keen interest in the development of the station and its future success.

**6. We note your proposal to have a “news editor at large”. Could you outline further what this particular role will involve?**

In order to meet our audience's expectations, it is our belief that 4LiFE FM will need to establish strong links with local and national decision makers. This is a challenge for any station in any locality, but since 4 LiFE's constituency will include the Parliament, our staff will be competing with exceptionally talented correspondents from the rest of the media. Naturally, we will recruit an experienced journalist with established contacts.

However, we believe the calibre of individual we seek would not be attracted to the conventional role of News Editor. We have therefore decided that an on air presence dictated by the strength of the story rather than the position of formal news bulletins will give the individual professional satisfaction, and the listener a sense that the station is continuously in touch with the outside world. The 'market' in Edinburgh contains several strong candidates who are keen to elevate their profile, and whilst we envisage that economics may limit our ability to retain any one such ambitious individual for more than a couple of years at a time, we believe the value for money of this approach will prove significantly worthwhile in enriching the station's output.

**7. Could you confirm that it is your intention that all of 4Life's output will be locally produced and presented, as this is not stated explicitly in the Format (although it is stated on page 37).**

We confirm our intention that all of 4LiFE's output will be entirely locally produced from local studios by the stations own local staff. However we recognise that as the industry develops, opportunities may arise that justify acquisition of independent productions from beyond Edinburgh. At the moment however, no such proposals exist and are likely only ever to represent a small proportion of the overall output. 4LiFE FM is a local station wholly focused on providing local output for a local audience.

