

## Ipswich local commercial radio licence applications

# Questions and responses: Switch FM

*These are the responses received from Switch FM to the non-confidential questions asked by Ofcom regarding their application for the Ipswich local radio licence.*

**1. You state on page 27 that your audience projections are based on “knowledge of similarly sized local radio stations”. Could you confirm which stations were used as comparators.**

Lynn Bell, Station Director of Switch fm, has had over 10 years experience in managing, creating and developing small to medium size radio stations. It is fair to say that Lynn’s knowledge and experience encompasses both the best and worst of times with such size stations. An example is when Lynn took the role of Group MD of the Minster Sound Radio stations, (Minster FM in York and Yorkshire Coast Radio, Scarborough) whose combined TSA was 250,000, the stations were struggling due to heavy overheads and poor sales. Lynn’s management skills and radio business expertise turned the stations around into profit making brands in their own right – and star performers in terms of stations of their size.

Lynn’s actual knowledge of real management of these brands plus her direct input into the development and growth of 2br in Burnley (tsa 200k), provided the Board of Switch fm with a sound reference for the right cost of running a station the size of Switch fm – and provided a realistic approach to the listening projections we gave.

Interestingly, whilst 2br shot into its first RAJAR with a reach in the 30s, Minster FM (as a combined with YCR Scarborough) held a more modest yet healthy 21-24% reach. We noted that geographical areas, listening habits in those areas and existing stations available play a huge part in the listening achieved. 2br proved this as the station came into an area hungry for its own station and little served by any existing services.

We referenced this knowledge with the research results and recognised the task to educate the listenership to come to commercial radio and leave the BBC stations and felt caution was the byword for us.

We also checked other similar sized stations: The Bear, with 224k tsa and 26% reach, Centre 231k tsa and 21% reach yet Star with 254k tsa and 15% reach, plus Wire with 238k and 24% reach – and concluded that the reach figures (and hours) that we projected were achievable and right for the first three year assumptions. We submitted them in the absolute belief that we will grow Switch fm slowly and firmly, aspiring to achieve and hold a minimum of reach percentage in the late 20s by years four and five, growing hours and increasing commercial radio’s share of listening in the Ipswich area. (Source: The UK Radio Guide and Directory Winter 2005)

**2. Similarly, on page 30 you state that in completing your listening projections, you have “analysed the growth experienced by other stations in the Suffolk area”. Could you confirm which stations you are referring to.**

Mike Stewart, a director of Switch fm and radio professional whose broadcast and management work in the region has been entirely in commercial radio over the past 20 years, helped increase our understanding of the landscape of radio in Suffolk.

Recognising that most of the Suffolk area, including Ipswich, has been only reasonably well served in terms of radio choice compared to many other areas, Mike's experience is that commercial radio stations in the Suffolk area were welcomed by listeners but generally there has been steady "adoption" of the stations rather than overnight success for them, (especially after the very early days of commercial radio and Radio Orwell's highly successful launch in 1975).

For example, Dream 100 (previously called Mellow when launched in 1990), took time to firmly establish itself in the neighbouring broadcast area of Tendring, but is now achieving reaches in the mid-20s with solid listening hours of around 10 weekly in a slightly smaller tsa from launch.

We also referred to SGR fm and its rollercoaster reach and hours in past years, which have seen highs in the 30 percents since its re-launch in the early 90s, but which now have steadied at late 20s with listening hours of 8.8.

SGR fm's sister station, the more compact (in tsa terms) SGR Colchester has had more success concentrating on a more local area and sees reaches of 35% with 9.1 hours, having quickly achieved considerably higher listening in earlier years during the 1990s. The regional station, Vibe fm, based in Suffolk at Bury St Edmunds, built a strong audience fairly quickly from launch eight years ago but now its reach seems to have peaked around 20 per cent or just below.

In summary, referring to Mike's experience, RAJAR evidence and the current predilection to BBC stations rather than commercial stations in Ipswich, we concluded that we have an excellent opportunity to repeat the reach and hours success of, for example, SGR Colchester in the longer term – but have a short-term challenge to change listening habits and educate the potential listeners to the benefits of listening to Switch fm.

We believe we will outperform the reach and hours figures we have projected but have taken the prudent approach of acknowledging all indicators, (e.g. other stations in the area, similar-size stations in the UK and current listening habits in Ipswich) and of being cautious.

(Source: RAJAR Q2 2005)

**3. Can you confirm that Switch FM plans to employ three full-time journalists – i.e. the two stated in the Ofcom financial template, plus the Head of News which we believe has been included in the template under the "management" heading?**

We can confirm that Switch fm will employ three fulltime journalists. We did include the Head of News in the management heading of the Ofcom financial template whilst the other two were under news.

The salaries for the three are in the business plan and the positions are shown in the staffing chart.

Switch fm are committed to providing the best, most relevant local news and information service for the Ipswich area, 24 hours a day, as a major part of our programming plans to attract and grow our audience.

**4. Within your draft station Format, your rewording of the Definitions for 'Speech' and 'Music percentages' would appear to imply that you anticipate these definitions applying only during 'daytime peak' (sic) and 'peaktime' respectively. Is this the case? If so, what definitions should apply outside of these times?**

May we apologise for rewording these definitions: we were being too thorough in the detail and are comfortable to work with the standard definitions of:

Speech	“Speech” excludes advertising, programme/promotional trails & sponsor credits and may be calculated across daytime or non-daytime
Music Percentages	Any music percentages are calculated as a percentage of the total tracks broadcast in the period specified.
Peaktime(s)	“peaktime(s)” refers to Weekday Breakfast and Afternoon Drivetime output, and Weekend Late Breakfast
Daytime	“Daytime” refers to 0600 to 1900 weekdays, and weekend output from 0800 to 1400.
Locally produced/presented	Production and presentation from within the licence area. All requirements for locally produced/presented output must include peaktime.

**5. Please indicate the measures/controls that were put in place to ensure that the consumer quantitative sample was geographically and demographically representative of the proposed TSA.**

- The area covered by the proposed TSA was defined using postcode sectors as per the attached map.
- All available telephone numbers were extracted for the defined area. The postcode sectors were then used to set quotas based on the number of households in each one, to ensure a good representative spread of interviews across the entire survey area. Each of the individual telephone records was then assigned a random number. This random number determined the access order from the database for the telephone interviewers, with the next number being automatically dialed by a CATI system.
- Population and demographic information was obtained for the area, based on TGI demographic from Experian.
- The research data was then weighted by age and social grade to reflect the demographics of the area.
- It should also be noted that respondents were screened for radio listening, only those listening for 2 hours or more a week were interviewed.