

Liverpool independent local radio licence applications

Questions and responses:

These are the responses received from Jack FM to the non-confidential questions asked by Ofcom regarding their application for the Liverpool licence.

1. Why was the UK selected to be “prioritised as a base for strategic investment” by Communicorp (page 15)?

Four factors have combined to make the UK a priority for strategic investment by Communicorp at this point in time.

Timing

Since it was established in 1989, Communicorp has maintained a disciplined approach to expansion, concentrating on select geographic areas where it can achieve scale and long term operating success. Communicorp is now the leading Irish commercial radio broadcaster and also has a strong footprint in Central and Eastern Europe.

With the integration of its most recent transaction now complete (17 stations in Central and Eastern Europe were acquired from Metromedia International in 2004), and further growth secured in Ireland through recent licence wins, Communicorp is embarking on the next phase of its strategic expansion.

Geography and economics

From both a geographic and economic perspective, the UK market is a logical development for the Company. Communicorp is committed to the UK market and is confident about the market's long term prospects. It provides the opportunity for Communicorp to grow its business in line with its long term strategic vision as a pan-European radio broadcaster.

Regulatory environment

The Communications Act 2003 was a landmark piece of legislation which prompted renewed interest in the UK radio market by both EU and non-EU broadcasters alike. While Communicorp, as an EU company, has long been eligible to own radio assets in the UK, the passing of the 2003 Act and the subsequent award by OFCOM of the Solent and Plymouth FM licences to new entrants from outside the UK were important factors in Communicorp's decision actively to prioritise the UK for expansion.

Local management

Communicorp gives high levels of autonomy to its local management and will only invest where it has expert local management in place. The availability of David Mansfield and Absolute Radio to represent Communicorp in the UK was the final factor that enabled it to approach the UK market with confidence.

2. Please clarify how “rock” is defined for the purposes of this Format. (For example, “guitar-led music with a strong beat”).

We confirm that for the purposes of the format we define rock as “guitar-led music with a strong beat”.

3. It is stated that "during non-peak daytime there will be an emphasis on less repetition of music tracks". Please quantify this (in hours or days, as appropriate).

During our monitoring of the six main commercial stations in Liverpool from 0600 to 1900 on 3rd May 2006, we discovered a lot of music repetition, especially on Juice and Radio City:-

Station	Total Songs	Different Songs	Songs Played More Than Once
Buzz	135	116	13
Century	117	108	5
City	130	104	19
Juice	140	88	28
Magic	148	146	2
Smooth	146	142	4

Source: Radiomonitor / Paul Easton

Only one station, 100.4 Smooth FM, bills its daytime output as “All Request Workday” and has no repetition of tracks during the period from 0900 to 1700.

Jack FM also intends to have a repeat-free daytime music output. We are therefore happy to enshrine this in our Format in the following way: “From 0900 to 1900 weekdays, there will be no repetition of tracks in the same day”.

4. Assuming that this is indeed the case, please confirm that the draft station Format should read that news will be broadcast 'at least hourly' (so as not to make the broadcasting of additional bulletins a technical breach).

We are happy to confirm that our draft station Format should include that news will be broadcast “at least hourly” (see also answer to Question 10 below).

5. The fourth paragraph of the draft Format details what Jack FM’s news provision would be in the event of a licence award. However, as it stands the second sentence includes an incongruent reference to ‘shorter’ news bulletins. Should it be assumed that the bulletin durations listed on page 40 of the application (i.e. 5 + 2 mins.) are to be committed to, for Format purposes? How, if at all, will the ‘local content’ included within the headline bulletins vary from that included in the main (“top of hour”) bulletins?

Taking into account this point and the answer to Question 9 above, we would propose the wording in the fourth paragraph of our draft Format should read as follows:

“Bulletins containing local news, sport and information of 2 minutes duration (5 minutes duration at 0700, 0800, 0900, 1700, 1800 and 1900 weekdays) must be broadcast at least hourly 24 hours a day.”

6. Please provide the questionnaire and tables used in the second quantitative study (n=100).

Please find the questionnaire and the tables attached.

7. Please provide the discussion guide/report from the qualitative analysis.

We attach two files relating to the Focus Groups. The first is the moderator's guide for the sessions. The second attachment is the report, as compiled by Jacobs Media.

8. Please confirm that all demographic quotas for the consumer interest study (n=1200) were set for a representative sample or to allow robust sample sizes for sub-analysis?

We confirm that the research sample is fully representative of the 15-64 local population within the proposed coverage area.

M-Lab used postcode data provided by CACI which was based on our transmission coverage prediction. We then used the weighting factors shown in our response to Q14 to finalise the sample. Whilst our RAJAR analysis had indicated a likely market opportunity, we did not boost the Consumer Research sample in any demographic because we wanted the most robust data for all age bands from 15 to 64. Certainly, the decision to invest in a large sample size helped maintain more robust sample sizes for sub-analysis in all the 15-64 age bands.

Liverpool is a complex market with numerous stations; the coverage area also extends into Cheshire and parts of Wales. With this in mind, we also used CACI postcode data to analyse three sub-regions within the coverage area: Liverpool, Lancs / Greater Merseyside and Wirral / Chester / North Wales. This enabled us to fully identify interests and trends within the inner and outer extremes of the predicted coverage area.

9. What weighting factors were used in the main consumer interest survey?

The weighting factors used in the main consumer research interest survey were as follows.

JACK fm Main Consumer Research (1,200 Sample)

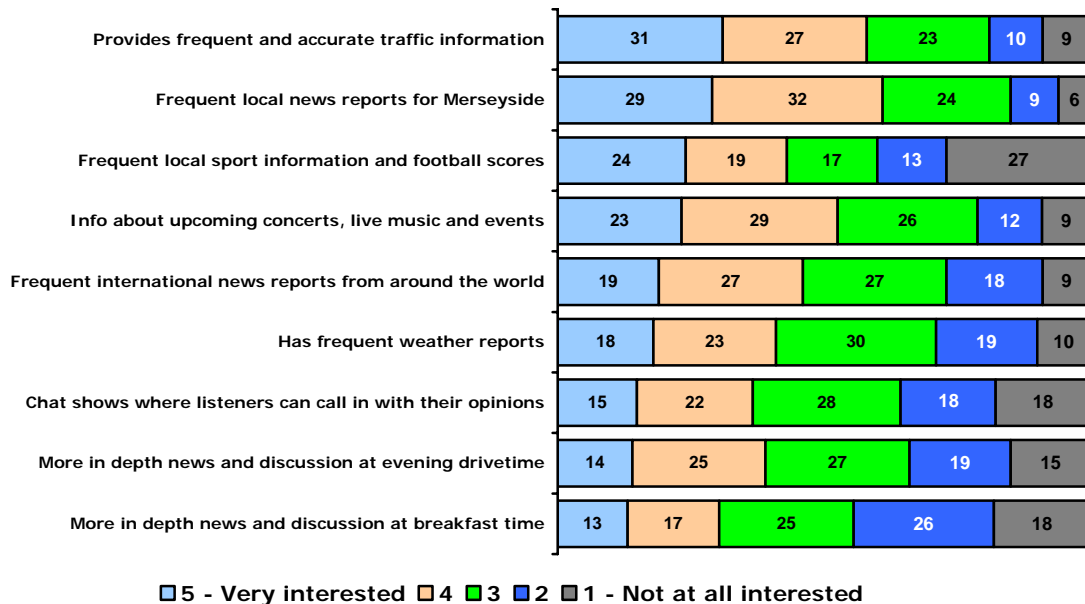
WEIGHTING FACTORS by age, socio economic grouping and area

AGE	Females %	Males %	Total %
15-24	10.4	10.6	21.0
25-34	8.8	8.4	17.2
35-44	11.8	10.8	22.6
45-54	10.6	10.0	20.6
55-64	9.6	9.0	18.6
Total			100.0
SOCIO			
ABC1			49.6
C2DE			50.4
Total			100.0
AREA			
Liverpool			35.7
Lancs & Greater Merseyside			26.2
Wirral/Chester/ North Wales			38.1
Total			100.0

10. It would appear that some labels are missing from the “importance of speech elements” graph (page 63) – if this is the case, please supply a corrected table.

Apologies, the chart did not cope very well with the long descriptors. Below is this chart which now shows all the labels. (Source: Page 63 of application – 1200 respondents, Main Consumer Research). Please note that we have slightly condensed the questions so they can be included in chart-form; the contexts have not been changed and the full questions are available in the questionnaire supplied.

Importance of Speech Elements



11. What were the recruitment criteria for the advertiser research? What ‘other sources’ were used to identify potential respondents?

We wanted to canvass existing media users in the Liverpool area. The sample was made up of non-rejecters of radio - i.e. businesses which may either be current radio advertisers, who had done so in the past or who were open minded. If respondents said they would never use radio under any circumstances (Q1b), the interview was terminated.

Respondents only qualified for the survey if they had responsibility for advertising budget. Interviewees were, therefore, mainly Proprietors, Managing Directors or Marketing Directors. Only companies with employees of 50 or more were recruited. The ‘other sources’ referred to were businesses sourced from a database maintained by M-Lab’s partner company Perspective MR. The database is drawn from many sources including Yellow pages, Business Pages and also Dun and Bradstreet lists.