

Manchester independent local radio licence applications

Questions and responses: Fun Radio

These are the responses received from Fun Radio to the non-confidential questions asked by Ofcom regarding its application for the Manchester licence.

1. Please explain the future envisaged ownership status of HIT Entertainment plc. If known, please describe how any change of ownership might affect this application and HIT's investment in CRUK.

Shareholders in HIT Entertainment plc recently voted to accept an offer from a vehicle controlled by Apax Partners, a well known and highly regarded UK private equity house. It is envisaged that the same management team, including myself, will continue to run HIT. If this transaction goes ahead there will be no change in HIT's investment in CRUK and indeed Apax's view HIT's investment in CRUK very positively and are keen to see it prosper. The transaction is expected to close on 24th May 2005.

2. How many children (under 10) were interviewed in total, and how many parents?

A total of 1,072 interviews were carried out - 482 with parents and 482 with children. All interviews with children were carried out in the presence of the parent/carer interviewees.

3. Please explain any specific steps that were taken to ensure that interviewing for the major consumer research (pp 42-45) was not biased due to some of the interviews taking place during the run up to Christmas 2004 - normally a period avoided by market research companies.

It is not our understanding that market research companies normally avoid research in the run up to the Christmas period. In our experience, this has traditionally been a very busy time and any problems experienced are usually by fieldwork companies not having access to as many interviews as they might like. Hence, perhaps, the assumption that this is a period to be avoided.

Of course there are research topics to be avoided around any key holiday period, including Easter, e.g. purchasing of fast moving consumer goods when it is highly likely that one might note abnormal purchasing behaviour patterns. Since we firmly believe that radio listening patterns are not seasonal, as evidenced by RAJAR since its inception, nor that consumers views could possibly be influenced by Christmas or other seasonal holidays when it came to asking them what they felt about a new radio station for children, their parents and carers, we felt confident with our study.

We have subsequently checked with several major market research companies, including that used in this study, to ascertain whether in their view

consumer opinions on the topic under investigation - "interest in a new radio licence", would be influenced by the interviews taking place across the Christmas holiday time period. None felt that this would distort consumer opinion.

4. Please explain how CRUK identified the market gap for the proposed station, and arrived at the target audience.

Market gap

The market gap for a children's radio service was identified throughout ten years of research led by Susan Stranks. More recently, this work has been updated and built upon by GWR Group and HIT Entertainment through desk research (such as RAJAR tracking child and parent listening) as well as through monitoring of programming specific to our target audience by the BBC and commercial radio. From this it is apparent that there are no radio stations specifically serving children.

The lack of a dedicated channel serving the under 10s and their parents is something which Government has recognised for many years. Indeed back in January 1998, Mr Phil Woolas (MP for Oldham, East and Saddleworth) spoke in the House of Commons:

"Children, particularly very young children, would and could benefit enormously from greater provision of a comprehensive children's radio service. Radio unlocks the imagination of children in a way that visual media, television and computers, cannot. There are strong arguments, from educationists and from psychologists, to back up that point of view. Radio provides great support, and has done so for teachers in schools for many years. It also provides support to parents who are struggling to settle their children, especially in the evening. Most important from the child's point of view, radio is great fun".

Mr Woolas added that the Government should require the Radio Authority to direct that dedicated children's services should be included as part of the (then) future digital radio offerings.

It is interesting to compare radio with television, where there are currently over 20 television channels and services dedicated to serving children, of which a number specifically target younger children, including Cbeebies and Nick Jr. On radio, there is currently no dedicated radio service. Whilst the BBC produces some content on Radio 4 and BBC 7, by their own recognition these hours are limited. There is currently no children's programming carried on any commercial channel apart from a few hours on Oneworld and some family orientated weekend breakfast shows on a number of localised services, for example Splash FM. Our initial listening to' analysis of the radio industry therefore identified a gap in the market.

In relation to Manchester specifically, we have sought to demonstrate the market gap through our qualitative and quantitative research.

Target audience

We came to our definition of the target audience, namely children aged under 10, their families and carers, by observing who interacts with children on a day to day basis. During most parts of the day, children will be in the company of adults - either parents, grandparents, teachers and carers, amongst others. Interestingly, 37% of children aged under 11 are cared for by their grandparents on a regular basis.

We will carefully target different ages throughout the day and week by creating interesting and innovative programming. Unlike audiences to existing radio services, our target audiences have unique lifestyle patterns.

For example, weekdays between 9am and 3pm, most over 5s are attending school, allowing us the opportunity to micro-programme for the under 5s at this time. During these hours our focus will be to stimulate children's imagination, nurture their creativity and develop their communication and concentration skills in an entertaining manner.

Likewise, programming in the late evening and overnight will more specifically focus on the needs and interests of parents and carers through the choice of music, the tempo of presentation style as well as speech content.

Programming during breakfast and drivetime peaktime hours will target the broader under 10 audience, their families and parents, providing a mix of music and speech, but with a general style that is fun and entertaining.

The programme format of 97.7 Fun FM! is therefore designed to appeal to all sections of the audience through careful playlisting of a broad range of music and through day-parting to target different age groups. 97.7 Fun FM will cater for parents and carers in the evening and overnight. In discussions with the NSPCC, some parents and carers might welcome helpful information on parenting. Therefore we will create information features for parents to be broadcast overnight.

5. Please indicate how the station was described in the consumer research study referred to on p27 of the application.

"Manchester is soon to have a new commercial radio station. One of the groups applying for this licence would like to run a station serving children aged 10 and under (and their parents and/or carers), playing a mixture of child friendly popular chart and soft contemporary music, children's film music, sing-a-long songs, nursery rhymes and relaxing music. In addition, speech will be centred around fun and discovery for children, as well as parent-orientated entertainment and information for grown-ups."

6. Can you confirm whether you intend to broadcast any automated output, and if so, what the maximum extent of this would be, in line with paragraph 5(b) of section 6 of the advertisement?

The service duration description in the format should have read:

Service Duration

24 hours a day (all locally produced/presented, save the occasional programme); 7 hours per day of automated programming, of which no more than 2 hours during daytime hours.

These 7 hours per weekday (6 on Saturdays and Sundays) breaks down as follows:

Time	Comments
5am to 6am	<ul style="list-style-type: none">Automated programme
6am to 9am	<ul style="list-style-type: none">Live
9am to 3pm	<ul style="list-style-type: none">Live apart from automated between 1pm and 2pm (weekdays)
3pm to 6pm	<ul style="list-style-type: none">Live
6pm to 8pm	<ul style="list-style-type: none">Live
8pm to Midnight	<ul style="list-style-type: none">Live
Midnight to 5am	<ul style="list-style-type: none">Automated