

Solent regional independent local radio licence applications

Questions and responses: Melody 106

These are the responses received from Melody 106 to the non-confidential questions asked by Ofcom regarding their application for the Solent regional licence.

- 1. Sponsorship income has been set at 5% of income because “we want promotional clients to assist us with our marketing rather than just be a revenue source”. Could you please explain in greater detail what this means?**

We recognise that in a typical large ILR station, this source of revenue might represent anywhere between 10-15% of its total net revenue. However, as a new entrant, and in order to build greater awareness of the station, our strategy would be to identify promotional and sponsorship clients whose customer profiles closely match our target audience with a view to forming marketing partnerships with them. These partnerships are described on page 24 of our application.

In essence, we would commit a larger part of any income we generate on improving the overall on-air offering to the listener, for example through better prizes or through listener offers, or as reciprocal marketing spend for the station. We have therefore assumed that we would take lower net revenues than normally the case. Rather than try to calculate the actual costs to Melody, we have simply assumed a lower percentage of net revenue from these sources of income. An example of this would be the Bournemouth International Centre sponsoring Melody's 'Box Office' feature. As part of the overall negotiation, we would investigate how we could market Melody to their customers, using direct mail or an on-line link, branding at concerts, plus offering our listener's exclusive previews and advance ticket offers. Whilst we don't anticipate taking this approach with all of our clients, nevertheless, we believe that in our formative period, this approach gives us the flexibility to develop working relationships with companies whose clients are Melody's potential listeners, thereby expanding our marketing budget in a practical way. In addition, by taking a more conservative approach to this source of revenue, we will be able to be more circumspect about the type and volume of promotional clients we have on-air, and ensure that we can deliver our overall philosophy of a smooth and easy to listen to presentational style.

- 2. Your draft Format states that Melody 106 will broadcast, "hourly news bulletins [which] will include local news", but does not specify that these will only be broadcast between certain times. Does this equate to a commitment to air local news every hour, every day? If so, please could you clarify how this would be achieved, since it is not apparent from the description given on page 36 of the application (for example, would any bulletins be pre-recorded)?**

Local news will be an integral part of our home mixed news bulletins. These, as stated on page 36 of our application, will be broadcast 0530- 1900 Monday-Friday, and 0600-1300 Saturday & Sunday. In our quantitative research 'news about where you live' and 'news from the wider region' scored 86% and 82% respectively amongst those aged 40+. National and international news was also highly rated by this age group at 78% and 71% respectively. When asked

whether they agreed with the statement ' *news bulletins on the radio are less important to me in the evening*' 59% of our target age group agreed with this statement, with those aged 55-64 even more strongly in agreement at 62%. These two findings seem to suggest that our target market wants to hear local news during the day and that our proposal to broadcast a more limited news service outside of the above times will not unduly disenfranchise potential listeners. We are happy for this obligation to broadcast local news at the above times to be included in Melody's format.