

## GLOBAL/GMG MERGER INQUIRY

### Third party response to the provisional findings

20 March 2013

This situation will not affect us as an agency, but if I look at the situation if it were to happen around my area then I would comment the following:

From an agency point of view if Global owned all radio stations;

- Our buying power with the group would improve, thus keeping rates low
- We would still be impartial with our clients so they would not be affected
- I would be cautious that sponsorship and promotional opportunities would either become restricted/the same/repetitive/choice limited if global owned all stations. Currently working with two different radio groups in most areas across the UK keep the tender process fresh with new client projects.
- I would also be cautious that networking would happen, and the consumer level would drop in time across all brands, thus reducing radio's effectiveness within the given area.

I agree that advertisers use multiple types of media to meet their advertising needs and other media may be bought as a complement to radio or as a substitute for it.

I agree that there are advertising campaigns for which radio advertisers cannot easily substitute other media

You said:

*"The main factors advertisers take into account when choosing between radio stations include:*

- *Geographic coverage: radio stations are weaker substitutes where their geographic coverage is very different;*
- *Relative strength in terms of audience: stations with a large share of listeners are better placed to attract advertisers than those with a low share of listeners;*
- *Demographics: the greater the divergence between stations' audience, the weaker they are likely to be as substitutes for each other."*

I disagree with the above as the final choice of radio station can be down to available budget, and clients make sacrifices if their budget cannot get them their first choice radio station.

I agree that the strength of an advertiser's bargaining position and the price he or she is likely to receive will be affected by the relative strength of the alternative options.

Agency AJ