

GLOBAL/GMG MERGER INQUIRY

Third party response to the provisional findings

3 April 2013

We are currently not a regular buyer of radio airtime, although we do use it occasionally. Therefore the buyout as it stands does not have a huge impact on our business or our clients.

That said, it is clear that there will be issues in general, both for listeners and advertisers.

For listeners, in all honesty I do not believe that there will be any lasting repercussions. As point 5.19 of the findings point out:

Differentiation by type of content is less marked among local and regional stations with most stations focused on contemporary or rock music and targeting 15 to 34 or 25 to 44 year olds

In other words – generally speaking, to the casual listener local radio stations are ‘much of a muchness’, playing the same sort of music, by similar sounding DJs, with the same sort of features. In that respect, I do not feel that most (not all) local, commercial stations serve the local listener well. Each one will tell you this is not the case, but this is because they feel the need to have a USP for the advertisers. Die-hard, regular listeners may also disagree, as they have got to know the presenters etc.

The main impact I imagine will be felt by advertisers.

Where once an advertiser could play two or more commercial station owners off against each other to achieve lower rates, this will no longer be the case in some areas. Despite what the owners might say, Heart and Real are not THAT radically different, and most advertisers will be happy to appear on either if it covers their required geographical area. It is correct to say that other local media cannot act as an advertising substitute for commercial radio – outdoor is expensive and consumed in a different way, local press does not target the same demographic etc

If radio rates DO go up, I do not believe people will be prepared to pay them. Or at least, small local advertisers will not be able to pay them. Therefore the radio station is not serving the needs of the local advertiser.

[Agency BH]