

## GLOBAL/GMG MERGER INQUIRY

### Third party response to the provisional findings

27 March 2013

The CC's Provisional Findings are based on an assessment of evidence that indicates:

- 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.

*Agency R said: I agree, although radio invariably works best as part of a mix of marketing channels.*

- There are advertising campaigns for which radio advertisers cannot easily substitute other media;

*Agency R said: I agree, although TV is becoming more accessible in terms of cost.*

- 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;

*Agency R said: I agree.*

- 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;

*Agency R said: I agree, especially because radio tends to be more of a scattergun approach and therefore relies heavily on reach and frequency of message.*

- Demographics: the greater the divergence between stations' audience, the weaker they are likely to be as substitutes for each other.

*Agency R said: I agree.*

- 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 R said: I agree to a certain extent, bearing in mind that the alternative options are often outside radio.*

- For some advertisers a Global station is the closest alternative to a GMG station (and vice versa).

*Agency R said: Yes – especially in North Wales.*

*Agency R concluded: [X] I have found that [Global] are significantly less flexible than other stations we've dealt with for a longer period of time including GMG and UTV, which presents a concern post-merger.*