

GLOBAL/GMG MERGER INQUIRY

Third party response to the provisional findings

21 March 2013

I felt it would be useful, in light of your current considerations in regard to the acquisition if I outlined our thoughts on our relationship with Real Radio and the perception of the proposed structure after the conclusion of the process.

We have used Real Radio to advertise, and undertake a programme of brand recognition throughout 2012, and we are currently preparing a programme of radio advertising for the remainder of 2013. As part of that process we have assessed our budgetary constraints, and looked at the available options for achieving the best return on investment for the spend we commit to our advertising campaign.

We currently utilise traditional methods such as on-line presence, social media channels, and outdoor advertising, and we have in the past utilised the local print media in our advertising mix. All of these are readily available to us as part of our overall strategy, and we do not feel that any element of the proposed acquisition will limit our options for relevant and targeted advertising, and as such we do not have any concerns.

We can, and do use all of these avenues as well as using the Real Radio route for our advertising, and they do meet the same objectives.

However, we feel that there are two important factors that lead our decision making and the first of these is price competitiveness. Our relationship with Real Radio has provided us with an excellent return on investment, and prices are competitive, but if prices were to rise we could seek alternatives vehicles to undertake our advertising.

What we do understand also is the diversity and demography of our consumer base, and the different diversity and demography served by the current radio stations in Wales. Our demographic sits well with the Real Radio target audience of 25-54 year olds, but as we seek a wider customer base and a diversification in our operations, we would seek to use other avenues, and possibly other stations, as, for example we are acutely aware of the younger audience of Capital Radio, which we would then use if the need arose. We are careful to choose the avenue we need that fits with our brand, but that may change and evolve as we do, and we would only use the most relevant options open to us.

In essence we have no concerns about the proposals, and indeed feel that the benefits it would provide us with, via its professional staff, would give us a greater return on investment.

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