
UNIT 13 MARKETING STRATEGIES FOR RADIO

Structure

- 13.0 Introduction
- 13.1 Objectives
- 13.2 Commercial Broadcasting
- 13.3 Marketing
 - 13.3.1 The Meaning of Marketing
 - 13.3.2 The Marketing Mix
 - 13.3.3 Marketing of Services
- 13.4 Marketing of FM Radio: The Strategies
- 13.5 Product: Programme Mix
- 13.6 Promotion
- 13.7 Price
- 13.8 The Audience: Listeners and Perceptions
- 13.9 Let Us Sum Up
- 13.10 Check Your Progress: Possible Answers

13.0 INTRODUCTION

The purpose of producing a product is its sale. Each producer explores ways and means of marketing the product and maximise sales and in this, advertising plays a major role. Radio is one of the major media for advertising. With the growth and expansion of media opportunities, radio has to compete with other media for its share of advertisement pie.

Earlier All India Radio had a monopoly in the area of broadcasting. Its broadcasts have been mostly on medium wave and short wave and the mode of transmission is referred to as AM (Amplitude Modulation). In the year 1977, AIR introduced FM or Frequency Modulation in its transmission with emphasis on music. Later in the nineteen eighties, AIR had to use FM extensively as a mode of broadcasts by new radio stations due to scarcity of frequencies on medium wave. The Vividh Bharati Commercial service's FM transmitters are also being replaced by FM transmitters. The mode of broadcast for Gyan Vani channels of IGNOU and radio for educational institutions is also FM. Thus, it is hardly surprising that FM is the channel which is much talked about these days. Many private companies have taken to commercial broadcasting and there is fierce competition to capture audience with alluring programmes. Marketing holds great importance in such a competitive scenario.

In this unit, we shall examine the concept of marketing and how it is applied to devising marketing strategies of commercial FM radio channels of AIR and private companies.

13.1 OBJECTIVES

After reading this unit, you will be able to:

- describe the growth of commercial broadcasting;
- define marketing and marketing concepts; and
- analyse the marketing of FM radio.

13.2 COMMERCIAL BROADCASTING

You have read in Unit 11 that Public Service Broadcasting, like the BBC, does not accept commercial advertisements. This policy was adopted by All India Radio for quite some time. However, the Government accepting a recommendation of the Chanda Committee introduced commercial broadcasting in a limited way in its Vividh Bharati service in the late nineteen seventies. But the reach of Vividh Bharati was limited and it was realised that the primary channels of AIR which carry public service programmes must also carry advertisements so that their reach is expanded. This was done in two phases. The first phase covered entertainment and rural programmes while in the second phase, other programmes, except devotional music, were also included.

Although FM radio is in operation in India since the decade of the nineteen seventies, it was the metro FM by private operators that gave a distinct niche to FM. So much so that now many analysts take FM radio as a different genre in itself. The style, format, content and the personality of Radio Jockeys (RJs) positioned it as a medium for the youth. Radio FM over the years has become the choice of more and more young listeners who also include the mobile population - those switching it on in their motor vehicles.

It was in 1993 that the Ministry of Information and Broadcasting allowed private firms to get blocks/chunks of time, prepare programme content, book advertisements and broadcast on AIR FM channel on the payment of a licence fee. The programmes became popular and as per industry estimates, within four years, advertising and sponsorship business grew manifold, rising to Rs 93 crores in 1997-98. However, the private firms made a case that the licence fee was high and got a drastic reduction of the fee.

The FM companies pay a large sum of money to the Government as licence fee. Their operating expenses are also substantial. FM companies have invested money expecting a return on capital which can be secured only through advertisements. Already, there are several players in the media, including the press, television, cable television etc. Each FM channel has to establish its popularity with listeners to convince the advertisers that their FM is the channel for advertising products and services. And this need for generation of ad revenue has stepped up the need for marketing.

Based on the experience gained, the Prasar Bharati and the Government decided not to renew the contract of the private players. The expectation of FM stations to be revenue earner was high. However, the FM channel which AIR continued to operate did not attract as many ads or sponsorship as expected. This, however, did not dampen the spirit of either the government or the industry. The government decided to auction licences for 148 new FM stations all over the country and expected to collect Rs 80 crores from auctioning 108 licences. However, it faced mass withdrawal of the bidders who were around when auctioning of FM radio took place in the year 2000. The industry spokespersons argue that non-serious players entered the fray at the cost of those who chose to operate while those who surrendered attribute the reason to non-viability.

Out of the 148 new FM stations announced across 40 cities, forty frequencies have been reserved for educational radio to be operated by the Ministry of Human Resource Development.

Listeners in some of the metros and other places tasted the variety in programmes when some of the private players started broadcasting from the year 2001. The availability of so many channels provided great opportunity for operators and advertisers. According to market watchers, FM's growth would depend on traditional advertisers who use radio as a reminder medium. Because of high speed of production, more and more advertisers see good potential in advertising in FM. As most of the private FM players own cross media, these come in handy for publicising the FM station e.g. Times of India group publications publicise Radio Mirchi, Star TV publicises Radio City and so on.

The response from major corporate sector organisations and multinationals has been quite enthusiastic for advertising on FM. Companies like Maruti Udyog, Hutch, Seagram, Ranbaxy, HLL, Motorola, Dr. Morepen, Ansal Builders, and local advertisers like Sirs and Hers and Fortune Cookies in Mumbai have been advertising over FM. In Delhi, some of the more visible advertisers include: Tanishq, Heinz Ketchup, Surf, PSI (AIDS campaign). Others include coaching institutes like the IITjees, publishers promoting Harry Potter books etc.

According to industry sources, ads for programmes like 'Morning Drive Time', 'Temperature Check, and 'Traffic Beat' are sold months in advance. Motorola, an aggressive advertiser in Mumbai FM plans to replicate its strategy in Delhi also. Similarly, Dr. Morepen has also been using radio vigorously. Liberty Shoes prefers the 'tried and time tested' Vividh Bharati, Delhi FM 1 and FM 2. There are others who are still waiting and watching the growth and efficacy of FM as an advertising medium.

As the reach of any FM stations is limited and local in nature, it is expected to be a good medium for local advertisers, especially retail outlets, if the tariffs are rationalised. Analysts point out the cheaper tariffs on some of the music channels on television against the current ad tariffs of private FM stations. They feel that the share of radio is limited by the medium's current delivery. However, given a free hand and competition, there is no reason to believe that the medium which delivers in any other country will not perform well in India.

It is therefore necessary for us to explain the concept and basic principles of marketing and marketing strategies so as to provide you with a better understanding of the marketing strategies for FM channels.

13.3 MARKETING

Marketing is an activity which should not be looked upon in a vacuum or in isolation. It is, in essence, taking a view of the whole business organisation and its ultimate objectives. Concern for marketing must penetrate all areas of the enterprises. Marketing emphasises the belief, handed down for a long time by good marketing people, that the 'customer is king' and his/her satisfaction must be the ultimate aim of a business activity, if the business unit desires continued success over a long period of time. It is because of this that all business thinking in management must start with identification of a 'need' of a group of likely customers or persons. This leads to identification of the type of 'product' or service to be offered. The product or service is aimed at satisfying the needs of a group of consumers, known as customer segment or mix directed to secure consumer-satisfaction as well as profitability for the organisation.

13.3.1 The Meaning of Marketing

Let us start by first understanding the meaning of the word 'marketing'. Thereafter, we will offer you some definitions and develop the topic further.

Let us raise the following question:

What do you understand by the word 'marketing'? You may write your answer in the space provided.

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The objective of this question is to make you start thinking on your own. While answering the above question have you thought that

Marketing is selling

or

Marketing is advertising

or

Marketing is promotion

If yes, then you are certainly on the right track.

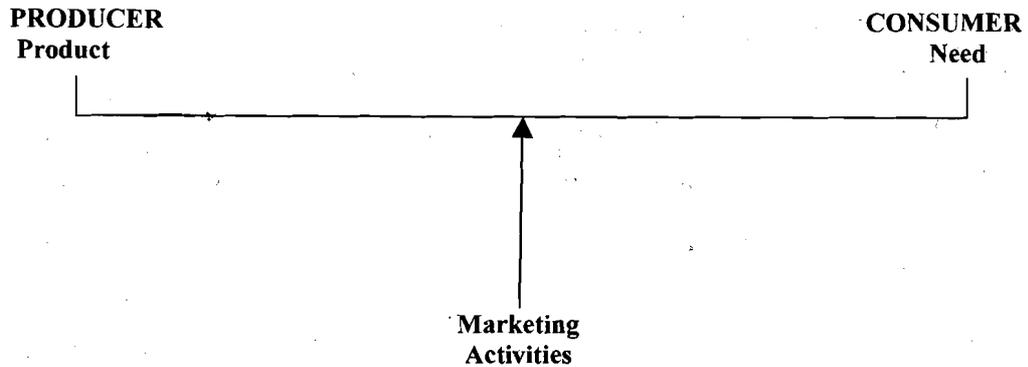
In USA, 300 college administrators were asked about the meaning of marketing. As many as 90 percent said that marketing was selling, advertising and/or public relations. It is no wonder that the Americans are bombarded with radio, TV commercials, newspaper advertising, sales calls, etc.

Even in our own country when managers are asked this question, the majority of them give a similar reply. It is important to understand that marketing is much more than selling or advertising, although these do form part of the marketing functions.

The American Marketing Association defines marketing as follows:

"Marketing is the performance of business activities that directs the flow of goods and services from producer to consumer or user."

This definition is undoubtedly an improvement on describing marketing as selling as it shows that marketing does encompass other activities besides selling. Schematically, this definition can be reproduced as shown below:



We can see that marketing, as per this definition, starts with a 'product'. This is a very common idea among many people, for example, in advertising agencies, as they normally are required to advertise to sell a product which already exists. Similarly, salesmen are also given 'products' and asked to sell them. Therefore, to them marketing often starts with a product.

Marketing has also been defined as "the analysis, planning, implementation, and control of programmes designed to bring about the desired exchange with the target audience for the purpose of personal or mutual gain. It relies heavily on the adaptation and coordination of product, price, promotion, and place for achieving effective response". In other words, *marketing is the set of human activities directed at facilitating and consummating exchanges.*

13.3.2 The Marketing Mix

Marketing is performed within a certain environment which itself is always changing. The marketing activities have, therefore, to change in consonance with environment in order to be continuously effective. In order to appreciate this process, it is easier to divide the marketing activities into four basic elements which are together referred to as the marketing mix. These four basic elements are:

- i) Product
- ii) Price
- iii) Promotion and
- iv) Place (or physical distribution).

As all these four start with the letter 'P' they are, at times, referred to as the four Ps of the marketing mix or the 4Ps in marketing.

Product stands for the goods or services offered by an organisation. Once the needs are identified, it is necessary to plan the product and after that keep on analysing whether the product still satisfies the needs which were originally planned for, and if not, to determine the necessary changes.

Price refers to the money value that the customer has to pay. The product has to be adequately priced. This involves considerations of the profit margin, the cost, the possibility of sales at different prices and the concept of the right price.

Promotion is the aspect of selling and advertising, or communicating the benefits of the product or service, to the target customers or the market segment involved in order to persuade them to purchase such products or services.

It includes selling through advertising as well as the sales force. Besides, a certain amount of promotion is done through special seasonal discounts, competitions, special price reductions, etc. collectively called sales promotion.

Finally, **Place** or Physical distribution refers to the aspect of the channels of distribution through which the product has to move before it reaches the consumer. It also includes the logistics aspects of distribution of the products.

13.3.3 Marketing of Services

All business thinking in management must start with identification of a 'need' of a group of likely customers or persons. This leads to identification of the type of 'product' or service to be offered. The product or service is aimed at satisfying the needs of a group of consumers, known as customer segment or segments. This is followed by a host of decisions and activities known as the marketing mix directed to secure consumer-satisfaction as well as profitability for the organisation.

The term 'service' is rather general in concept and it includes a wide variety of services. There are the business and professional services such as advertising, marketing research, banking, insurance, computer-programming, legal and medical advice. Then there are services which are provided by professionals but consumed for reasons not necessarily of business, rather for leisure, recreation, entertainment and fulfillment of other psychological and emotional needs such as education, fine arts etc.

To be successful, you have to firstly identify the basic need which is being fulfilled by your service, and secondly, find ways and means to differentiate it from that of the competitors so that you can increase your number of customers and also command their loyalty. Thus, as a marketing manager involved in the marketing of services, your first concern should be the identification of the customers' needs.

Having now understood the importance of the marketing mix, it should be remembered that marketing consists in directing a proper marketing mix towards a target group of customers or market segment. The "Four Ps" are decided and directed at the consumers on the basis of proper diagnosis of the market arrived at through the process of marketing research.

Check Your Progress: 1

- Note:** 1) Use the space below for your answers.
2) Compare your answers with those given at the end of this unit.

1) What do you understand by 'marketing'?

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2) List the various Ps of the marketing mix.

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3) What do you understand by marketing of services?

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13.4 MARKETING OF FM RADIO: THE STRAGETIES

Now let us see in brief how the principles and practices of marketing management are followed by FM radio operators.

Product: FM, to some, is technology and to others a genre by itself. Whatever the academic discussion, there is no gainsaying that today FM is perceived as new, trendy, interactive, glamorous medium.

Promotion: Advertisers will buy time on the radio channel which is more popular among the audience. The promotional strategies of various FM channels are two fold, viz. *their strategy to woo the listeners through programme content, the interactivity to keep the audience hooked* on the one hand, and *to market the station to the industry for selling air time/ sponsorship* etc, on the other. Currently, radio share is just two per cent of the over Rs 10,000 crore ad pie. Television on the other hand, accounts for nearly 36 per cent ad spend.

The FM stations were allotted various frequencies 92.5, 93.5, 94.6, 98.3, 102.6 which could be a hindrance in giving a branding niche to various competing channels. The private channels however, did not lose any time in christening respective stations. Not to be isolated, AIR also re-christened its FM I and FM II as AIR FM Rainbow and AIR FM Gold. Radio Mirchi in fact played on the number game 98.3 and FM WIN on its name in their promotional campaigns. A number of marketing exercises are undertaken to woo the target audience base.

Cross media ownership with most of the FM stations has come in handy to advertise the product more vigorously. Radio Mirchi, owned by the Bennett & Coleman group can claim to have one of the most visible promotion campaigns and fierce marketing strategies.

Price: FM is free to air for the listeners, but for the advertisements it carries a price referred to as advertising rates.

Place: Place in marketing terminology connotes distribution. As of now, FM is distributed only in metros and some bustling towns where the number of listeners are in millions. The channel operators have no maneuverability so far the place of a radio station is concerned as this is determined by the Government.

In the context of radio, two more Ps, namely, people and perceptions are also important. We shall examine each of these in greater detail in the following sections.

13.5 PRODUCT: PROGRAMME MIX

With so many channels, FM radio is like a commodity market where brand differentiation will decide the victor. Tune in to any FM station, and one gets a potpurée of Indian pop, weather news, traffic information, interactive chat *et al.* The general perception is that none of the FM stations have been able to create a distinct niche for itself. It is the self-advertisements and the signature tune that probably is the only differential. The FM spokespersons feel that with the fixed licence fee structure, even if a station wished to do niche programme, it would be constrained against it, because advertisers may not be attracted. Hence, it is run of the mill Hindi songs most of the time on all the FM stations. The clutter, feel the experts can change only when operators feel comfortable with the money situation and apply their minds on creativity. Till such time, they would churn out the 'me-too' programmes of pop music to cater to the wider audience base. There is a general criticism that all FM's play the same songs. Many a time, even when one changes the channels, probability is that the same song would be played there too! Hence it is hardly surprising that listeners are unable to differentiate between one channel from another. According to a recent survey, 74 percent of listeners were unable to correctly associate FM programmes with the channels they saw.

Radio City introduced daily morning forecasts *Radio City Bhavishyavani*. Its other programmes include '*Kiski Dilli, Kaisi Dilli*' 'Kid Hour', '*Gana Full Plate, Nau do Gyaraha, Tandoori Nites* and Power Update. Radio Mirchi, has music, contests and chirpy jockeys. According to its CEO, it does not play retro, *gazals* or English songs. It is a 24x7 contemporary Hindi channel. In a survey conducted by another radio station, an 'active dislike for English' was found. However, the language used is generally Hinglish or Hindish.

Some channels also broadcast film gossip in good measure. Media analysts feel that it is nothing but a rehash of what has already been published in tabloids and newspapers in the morning.

FM channels are playing safe with similar programming formats that appeal to the largest common audience base. In the absence of a robust and reliable measurement, it is difficult to know the target audience and their preferences. While listenership is growing, listeners lack brand loyalty.

Lending international dimension to FM operation, one channel has hired the services of John Catlett, who has built and operated popular radio stations in major cities of the US and Europe. According to the industry buzz, Catlett has a mind to introduce new style of programming in order to 'revitalise the place of radio among today's active young Indian'.

"Everyone in the radio business likes to think he knows just what the public wants to hear, but almost invariably that opinion is heavily influenced by a person's own taste and the similar tastes of his or her friends," says Catlett.

When the government of India allowed private participation in FM radio, one of the conditions was that they would be debarred from news and current affairs programmes. This is considered unfair by some as many private media houses have 24 hour television news channels. However, with many FM stations, news seems to be an integral part of their programme content. The escape route is that the government has not given any specific definition of 'news' to private players, hence they are going by their own interpretation of the word. Some of them do not call it news, they refer it as 'Biz updates' or 'Business update'. The news even includes a run on the stock prices.

AIR did not lag behind in its programme strategy. It re-christened AIR FM I and 2 to AIR FM Rainbow and AIR FM Gold for making both channels distinct from each other. If the former caters to a variety of tastes—from popular Hindi film music to Western Classical, rock, pop and jazz including chat shows, help-lines and city beats, aiming at audience 'young at heart', the later, AIR FM Gold is 'vintage in positioning', playing all the golden melodies plus news and current affairs. According to Marketing Director of AIR FM, FM Rainbow caters to the youth and 'young at heart' and FM Gold to a mature audience, including retired people.

Analysts feel that AIR FM, besides being around for some time, also has interesting current affairs programmes that have helped it retain its listenership. When private channels are allowed to include news and current affairs programmes, it would not only bring in variety, but the differential among various players would also be conspicuous. The other area that would bring in loyal listener base would be various stations' ability of scheduling the programmes at various parts of the day depending on the demographic and user-graphic profile of listeners.

13.6 PROMOTION

The FM operators are using various communication strategies that include direct mailers, meetings, and using media both through advertising space, and reportage to attract the attention of the industry. Large discounts, it is believed are offered by private channels, depending on the negotiating capability of the media buying agencies. AIR feels handicapped as there is no product promotion fund with them to attract the space buyers. But despite that, they feel the strength of the programme content and their rapport with the clients and agencies help them in getting better revenue.

The private FM stations have launched a number of promotional strategies to be in focus and gain visibility. Every radio station tries to establish its positioning effectively. One FM station for instance has launched a campaign to communicate 'fun' as a basic proposition. Its '*Fun ka dose har roz*' ads have been splashed across the media. Another channel positioned themselves as the 'most entertaining' radio station: of being the ultimate boredom buster.

One FM station after launch took its van around the city of Delhi asking people to sign over it and guess how many signatures there will be by the end of the campaign. The winner received a motor car. An FM station gave away fuel worth Rs 10,000 everyday. Those who drove in to a Bharat Petroleum Station and allowed pasting of the FM station sticker on the car were included in the game. If the car number was announced on air, a call to the station within 30 minutes made the person eligible to claim a prize.

The 98.3 *Kismat Khol De* contest had lakhs of people participating in it when it was launched in Delhi and Mumbai in May and June 2003 respectively. Listeners had to find the number '983' in various personal things like the bank account; credit card, car, cheque book etc. The contest was given huge publicity both in the Radio and various newspapers of the Times group. Some lucky winners got the FM radio in lieu of the sticker on their vehicle. According to the channel managers, the aim was to re-establish frequency, by connecting numbers that were crucial to everyday life of listeners. In their view, everybody was looking for excitement, and by promotion of that kind, they were also passing on a message to the advertising agencies.

WIN 94.6 also used innovative strategies to woo the young listener. It gave away scholarships to students who scored 94.6 per cent in their board examinations, paying the entire first semester fees. The station also capitalised on its name 'WIN' by saying that with such a station, you could only win. It was ironical that it suspended transmission in May 2003 for what the industry watchers say was owing to colossal financial loss. However, it resumed transmission in July 2003.

Go 92.5 has launched a lunchtime show, 'Dabba Service' that is targeted at lunchtime audience in offices. Office goers can call in greetings to their colleagues that will be aired during the show. According to the spokesperson of this station, what they are looking at people who listen to radio while having lunch from 1.00 p.m. to 2.00 p.m. Free holidays, shopping vouchers are commonplace in various contests. In order to make their programmes more glamorous, all the FM stations have been inviting popular film and television stars to speak over them.

As of now, as brought out elsewhere in this unit, none of the FM channels except the AIR FM stations has been making substantial revenue. No private channel has even reached the stage of break-even. Hence, it is the constant endeavor of the FM stations to woo advertisers. The response has been quite encouraging from a section of advertisers. Others are waiting and watching.

It is felt that FM, supposed to be a local medium catering more to the retail outlets and local advertisers, has drifted and there is an important reason behind this. To recover costs, FM stations have been vigorously marketing their stations to big-time advertisers who have the money. Advertising of cars, insurance, travel packages that appeal to the upper crust target audience SEC-ABC can be felt all over. SEC is the Socio Economic Classification of audience based on various factors that include education, and occupation and indicated as A/B/C.

Analysts feel that whatever one says of the strategy of wooing the big spender, small advertisers find FM ad rates highly prohibitive. Unless the stations reduce their rates, there may not be many local advertisers who would use FM for advertising. This would go against the medium *per se*. But given the enormous pressures, under which the private stations are working, it is hardly surprising to see SEC-ABC being wooed.

Roadblocks

The sailing has not been smooth for the private FM stations who claim heavy losses. Five private operators submitted their financial statements to the Ministry of I & B that reflected a combined turnover of Rs 50 crores and a combined loss of Rs 120 crores among the operators. These companies paid the government licence fee to the tune of Rs 74 crores during the period. It is a matter of fact that against eleven bidders for eleven frequencies auctioned for Delhi, only five responded and today it is reduced to three. In Mumbai, it is reduced to four, besides AIR FM. Some analysts feel that only the fittest will survive in this environment of high cost of operation.

Another objection has been from the music companies who feel that 24 hour FM station playing popular songs have brought a dent in their business of selling cassettes and CDs. The music companies have their sales data since the coming of FM stations to support their argument. They have been arguing in favour of song edits, instead of playing complete songs by FM stations. As FM radio stations play the songs time and again, listeners do not feel the need to buy the cassettes/CDs. However, FM station spokespersons have been arguing that radio always enhanced sale of cassettes and not vice versa.

The other pragmatic view is that as FM is a new and growing medium, which has the potential to 'cannibalise' other entertainment options, but only until its newness wears off. The VCR, when introduced, was said to sound the death knell of cinema, but multiplexes started drawing people to cinema once again. Hence, the solution may not be in song edits but waiting and watching the trend with patience.

The dispute about payment of royalty, however, seems to have been resolved between the private FM stations and Phonographic Performance Ltd. (PPL), the representative body of various music companies. The Copyrights Board has decided on a rate of Rs 1200 per needle hour applicable on prime time broadcasting (8.00 a.m.-10.a.m. and 6.00 p.m.-8.00.p.m.). The rate for lean hours, i.e., 10.00 p.m.-6.00. a.m. is 25 per cent of the standard rate. For the rest of the day it is Rs 750.00 per hour. All put together it works out to Rs 16,200 per day. The Board has applied a flat rate system, despite varying population figures in different cities.

13.7 PRICE

From the time AIR went commercial in 1963, it never has had any significant marketing strategy to tap the market. The availability of ad time was enough for the ad agencies to include radio in their media planning. The newness of the medium, radio's reach, easier production techniques and low tariff made radio advertising an attractive proposition.

From the mid-sixties to the end of nineteen seventies, the listeners heard some of the most memorable ad jingles. Usha Uthup's 'Mummy, Mummy Modern Bread' rent the air right in the morning in many languages all over the country. Lux, Vicks, Amul, Coca-Cola, Afghan Snow, Binaca, Colgate, *Lal Dant Manjan*, *Mugli Ghutti 555* were some of the other brands that used the medium extensively.

With competition now brewing from the private FM radio, and expectation from the newly formed corporation, Prasar Bharti now seems to be serious about brand building of AIR and Doordarshan. Besides the Central Sales Unit established in Mumbai some years ago that facilitates booking at one point from all over the country, a Marketing Unit has been set up in Mumbai, Delhi and other places. Centres from all over the country are encouraged to sell unsold slots. There are annual awards for the best commercial stations.

Some of the current marketing strategies include tapping the untapped market, going to the industry directly, offering 15 percent discount to government, public sector and private sector organisations, if they come directly and not through advertising agencies. Volume discount is offered to ad agencies from April 2003. The following table reflects the annual turnover incentives:

S. No.	Quantum of net business given (In Rs)	Rate of agency incentive (In Rs)
1.	Up to 10 lakhs	Nil
2.	Above 10 but less than 20 lakhs	1% of the amount of which the total net business exceeds 10 lakhs.
3.	Above 20 lakhs but less than 30 lakhs	10000+ 2% of the amount by which the total business exceeds 20 lakhs.
4.	Above 30 lakhs but less than 50 lakhs	300000+ 3% of the amount by which the total net business exceeds 30 lakhs.
5.	Above 50 lakhs but less than Rs 70 lakhs	90000+ 4% of the amount by which the total net business exceeds 70 lakhs.
6.	Above 70 lakhs but less than one crore	170000+5% of the amount by which the total net business exceeds 70 lakhs.
7.	Above 1 crore	320000+6% of the amount by which the total net business exceeds 1 crore.

Incentive is paid to only those agencies that do not have any outstanding dues with AIR.

The Prasar Bharti has appointed well known advertising professional Alyque Padamsee, as a consultant to advise them on building Doordarshan and AIR as brands. Some of the top-notch advertising agencies have also been invited to pitch for the campaign.

The Rates

The rates among competing brands are competitive. A study of the Delhi FM tariffs makes an interesting study. All the four stations have divided their programmes in Super-Prime Time, Prime Time and Non-Prime Time.

Time band	Super-Prime Time (I)	Prime Time (II)	Non-Prime Time (III)	Rate (In Rs) per 10 seconds
AIR-FM Rainbow	8.00-10.00 a.m. 6.00-7.00 a.m.	7.00-8.00 a.m. 10.00-11.00am. 5.00-7.00 p.m. 7.00-9.00 p.m./ prime time 2 6.00-7.00 a.m.	11.00 a.m-5.00 p.m. 9.00p.m.-12.00 a.m./ 12.00-6.00 a.m.	900 (I) 600/400 (II) 300/150
Radio Mirchi	8.00-10.00 a.m. 6.00-8.00 p.m.	7.00-8.00 a.m. 10.00-11.00am. 5.00-6.00 p.m. 8.00-10.00 p.m./	11.00 a.m-5.00 p.m. 10.00 p.m.-6.00 a.m.	3000/2500 (I) 2000 (II) 1200 (III)
Red FM	8.00-10.00 a.m. 6.00-8.00 p.m.	7.00-8.00 a.m. 10.00-11.00am. 5.00-6.00 p.m. 8.00-10.00 p.m./	11.00 a.m-5.00 p.m. 9.00 p.m.-12.00 a.m.	2400(I) 1800 (II) 1200 (III)
Radio City	7.00-11.00 a.m.* 5.00-9.00 p.m.	11.00 a.m-5.00 p.m.** 9.00 p.m.-12.00 a.m.		4000 (I) 3000 (II & III)

*Called Radio Active; ** called Radio Mix
8% Service tax and 5% Broadcasting tax over and above the rates.

The last decade witnessed not only fierce inter-media but intra-media competitions resulting in unhealthy practices in allowing discounts. The emergence of media buying houses and agencies on record (AOR) have only made it more apparent. How much is the actual ad revenue to various FM stations, no one would venture to tell or even speculate.

Radio Mirchi claims 1000 advertisers, including multi national like Coca-Cola and Hindustan Levers Ltd. (HLL). The station claims 45 lakh listeners every week, the average time being 45 minutes per listener, according to a Radar Study. According to media reports, television channels have emerged as the fourth largest spender on radio, after, FMCGs, Finance and automobile companies. Using media from their own stable has been the current strategy of major players; Radio City advertising for Star Movies, Times of India and other sister publication advertise in Radio Mirchi etc. As the viewership of television has increasingly become fragmented, channels like Sony, HBO and Sony have also started advertising heavily on FM radio.

Check Your Progress: 2

- Note:** 1) Use the space below for your answers.
2) Compare your answers with those given at the end of this unit.

1) What type of programme mix is generally broadcast by private FM radio stations?

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2) List some promotional strategies being undertaken by private FM radio channels.

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3) What steps in marketing have been taken by Prasar Bharati?

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13.8 THE AUDIENCE: LISTENERS AND PERCEPTIONS

You have read in the previous section that the entire marketing revolves around four Ps, viz., the product, price, promotion and place. In the context of radio, two more Ps, namely, people and perceptions are also important. Most of the FM content is geared to the metropolitan youth, and feature a “weird mix of talk shows, sponsored shows, and direct call-ins, the same monotonous stuff”. From the kind of interactive chat that one hears, it is quite clear that the stations are targeting young listeners.

In fact, FM is a medium of the young. This gets reinforced if one were to content analyse the programme and the interactive chat on various FM channels on an average day. Various exploratory research studies undertaken by the research industry and at times commissioned by some FM channels have been giving contradictory data about the target audience. This is compounded by the fact that there is no audience-measuring tool as of now to provide authentic data. According to a recent survey in Mumbai, more than 90 per cent radio FM listeners belonged to the home segment. If one were to agree with the findings, it is primarily the housewife who is listening to the FM, which may or may not be very likely. Further research needs to be undertaken to reinforce the findings.

In a ‘car track’ survey done by the IMRB in the four metros, field surveyors placed themselves at ten of the busiest traffic junctions in each metro during morning and evening rush hours and randomly chose private cars. Radio dial was checked to determine the radio station tuned in. The interesting finding was that 60-70 per cent of car population was tuning into the radio barely two to three weeks after it was launched in Delhi, Kolkatta and Chennai. Most of the car owners would be a mixed group of young and middle-aged office goers and not necessarily the college youth.

According to another IMRB research, the reach of FM is the highest among students and working men. According to Indian Readership Survey 2002 (IRS 2002), radio as a medium has grown by 69 per cent and is the fastest growing besides the Internet. In Mumbai that has five private players besides two AIR FM stations, the reach is estimated at 62 per cent. The average daily listenership in households with FM access is 54 per cent as compared to 85 per cent of television viewership. Time spent in listening to radio is 105 minutes as compared to average TV viewership of 135 minutes.

There has also been increase in the ownership of music systems and portable radios according to the same survey. According to a media report in Financial Times, Philips hopes to sell about four lakh units of pocket radios in a year. In the first seven months of the FM boom, the company doubled its sales of pocket radios to about a lakh and a half pieces. Cashing in on the popularity of FM, the company has come out with five new models of FM pocket radios.

Although radio is perceived to be the medium of the masses by language and content, analysts feel especially that in case of FM the tone, tenor and personality of the RJ's, the stations are fighting over a relatively narrow segment of Socio Economic Classification – SEC-ABC, though given the profusion of cheap sets, many listeners would belong to SEC-D and E also.

Experts feel that the reason for inadequate radio audience measurement is the small share of ad pie and the vast geographic spread. According to Media Research User's Council (MRUC), which is developing a measurement system for the medium, “The sharp listenership augurs well for the medium and has given players a reason to be in business despite high licence fee”. It plans to shift from the current 12,000 people tele-survey to a dairy based panel for data collection. In the absence of any credible research data about radio listenership, other than NRS/IRS half yearly data, and AIR's inhouse audience research publications, the media planners are anxiously watching for more and more research data on a monthly, if not weekly basis.

13.9 LET US SUM UP

AIR FM, a new experiment when launched first with private enterprise in the early nineteen nineties and later by AIR received an overwhelming response in the beginning from the industry. It was probably for the first time that the medium offered different kind of programmes especially aimed at the young listeners. Despite the fact that there was a dip in the revenue after AIR took the FM mantle on itself, but it was still an earner of good revenue for AIR, when the general listenership of short-wave and medium wave was going down.

Any new phenomenon takes time to settle down and FM is no exception. The high expectation of response from the industry to FM both from the Government's and operators' perspective has been exaggerated. The speculative bidders further spoiled the show. The brief romance of AIR and private enterprise with FM raised the expectations to such an extent that government first did not renew the contract of private entrepreneurs like the Times and Mid-day, but ventured to run the FM itself. Despite the shortfall in ad revenue, it still contributed more than Rs 80 Crores in the government coffers in the year 2000-2001. Over expectation of revenue from FM, an overwhelming initial response from the industry when privatisation was announced made the government skew up the licence fee. Many bidders were not serious players and vanished from the scene. In the process, however, two important considerations were missed, one that the FM would have limited reach, two, radio had gone down in the reckoning of media choice over a period of time, especially with large advertisers due to dipping listenership. It would take some time for FM to get settled when media planners would seriously consider it in their media choice.

While radio advertising is promoted for being a cost effective medium by the operators, many media experts feel that it really is not the case when the tariffs are compared with some of the music channels on television.

The 'unviable' licence fee has already seen many players withdrawing and others suspending transmission after a year of running a station. As most of the operators have cross media ownership, especially from among the rich and mighty, intense lobbying can be felt in pressurising the government to rationalise licence fee at the earliest. Competitors have mend fences to join in the common cause.

As for the content, although every operator claims to be high on consumer research, but is this what an average listener wants? It needs to be probed who the quintessential FM listener is? Is s/he a very young person, an office going executive driving his car, or a housewife? An interesting finding deduced from the programming content is that some programmes are targeted at office goers during lunch time, which makes us believe that mass media has made inroads into the corporate world also, and employees have access to the media during office hours. Various exploratory researches have been defining the target audience based on their findings. In the absence of a measuring tool, most of the talk about audience and programme content revolves around conjectures and gut feel.

With a few players today and hopefully many more tomorrow, the FM channels will have to put their act together in the following areas: improving content, making more meaningful programmes, catering to the needs of a disparate audience, establishing brand loyalty among its target audience by going beyond interaction on radio to establishing radio *manch*/forums, improving quality of transmission, interface with industry etc.

FM stations would have to undertake a number of strategies both from the supply and demand side to make the medium viable. On the supply side, they need to reduce their capital cost, lease out idle time to genuine programmers/media houses, reduction in import duties on transmitters, studio equipment, lowering of licence fee to match world standards and a formula to share revenue. On the demand side, they need to provide listeners with a wide variety of programmes to suit various kinds of tastes and aspirations and explore beyond offering pop music alone.

13.10 CHECK YOUR PROGRESS: POSSIBLE ANSWERS

Check Your Progress: 1

- 1) Marketing is the performance of business activities that directs the flow of goods and services from producer to consumer or user. Product is an important element of marketing which is promoted using various strategies. Marketing is much more than selling or advertising, although these do form part of the marketing functions. It is a set of human activities devised at facilitating and consummating exchanges between the producer and buyer.
- 2) The four Ps of marketing mix are; product, promotion, price and place. In the context of radio, two more Ps, namely, people and perceptions are also important.

- 3) Marketing can be of a product or service. Service includes a wide variety of services such as business and professional such as advertising, marketing research, banking, insurance, computer-programming, legal and medical advice. There are services which are provided by professional but consumed rather for leisure, recreation, entertainment and fulfillment of other psychological and emotional needs such as education, fine arts etc. The basic need which is being fulfilled by service has to be identified and it has to be differentiated from that of the competitors so that the number of users can be increased.

Check Your Progress: 2

- 1) The private FM channels produce programmes in formats that appeal to the largest common audience base. They largely broadcast Hindi film songs, Indian pop music, weather news, traffic information, interactive chats. News and current affairs programmes are being broadcast only by AIR FM.
- 2) The private FM channels use various promotional strategies to gain visibility and establish their positioning effectively. One FM station launched a campaign to communicate 'fun' as a basic proposition. Another channel positioned itself as the 'most entertaining' radio station. Giving away of scholarships to students who scored a certain percentage of marks, finding the numbers relating to the frequency of radio station in bank account; credit car, car, cheque book, giving away fuel worth Rs 10,000 everyday to those who allowed pasting of the FM station sticker on the car, asking people to sign on the van and guess how many signatures there will be by the end of the campaign etc. were some of the contests which were given huge publicity both in the Radio and newspapers. Film stars were also roped in for promotional campaigns.
- 3) Prasar Bharati is making efforts towards brand building of AIR and Doordarshan. The Central Sales Unit was established in Mumbai some years ago to facilitate booking at one point from all over the country. A Marketing Unit has been set up in Mumbai, Delhi and other places. Centres from all over the country are encouraged to sell unsold slots. Annual awards have also been introduced for the best commercial stations.