

# Commercial Radio - a Snapshot

## Strengths of Radio

- **Radio reaches virtually everyone in many environments** – at home, in the office, car or even while surfing the Internet. No matter where people are, radio is there.
- **Radio cuts through** – it is the medium that people spend most time with throughout the day, providing ample opportunity for a message to reach its audience. People carry out a wide range of activities while simultaneously listening to the radio.
- **An anywhere, anytime medium** – given radio's portability, advertisers have the opportunity to reach people on the go, giving them an edge over competitors. The accessibility of radio enables listening to occur in places that other media may have difficulty reaching, for example you shouldn't read a newspaper or magazine whilst driving, or watch the television in the shower!
- **Targeting** – radio allows messages to be tailored and localised to each audience. Advertisers can target their message to specific demographics and communities, geographic areas, and around events and genres in a market; therefore reducing wasted advertising messages.
- **Pulse of the community** – people listen to the radio to find out what is happening in their community such as special events, news, traffic updates, weather reports, sport, entertainment etc. It's more local than global...the traffic is jammed or the bridge is closed.
- **Consistent all year round** – radio does not have a noticeable summer audience decline.
- **Influential** – influences consumers closest to the time of purchase. Radio is the medium to build top-of-mind awareness.
- **Cost Effective** – radio offers reach, frequency, impact and economical advertising solutions for advertisers in media value and production solutions.
- **Flexibility** – urgent, immediate and flexible – radio commercials can be created quickly without the production costs and delays of other media. Copy can be produced and revised at short notice.
- **Strong call-to-action** – radio commercials can be selectively scheduled by day-part and weekday, enabling messages to be delivered close to purchase. Listeners can act on an advertisers message and participate in station competitions.

- **A competitive medium** – the growth of national talk and music station networks and growth in off-air promotions has made radio more attractive to national advertisers, and more competitive with national media. Radio can localise a national or even global issue.

## Segmentation of Creative

- Radio commercials can be created in a variety of styles. Creative can be changed on virtually a day-to-day basis to match consumer response. News messages can be changed from minute to minute – telling listeners what is happening as it happens!
- Different creative can be prepared for various times of the day, reflecting the consumer's mood and frame of mind.
- Radio commercials can evoke visual images in the minds of listeners.
- Radio commercials can be tailored with a base ad and local content inserted – cost effectively.
- High quality creative – low production cost allows more money to be spent on advertising impact, locally if relevant.

## Radio and its emotional link

- **Radio – the intimate companion** – listeners tend to be very loyal, many are woken each morning by their radio alarm clock that is preset to the same radio station. Radio helps to ease the listener into another day.
- **One-to-one Communication** – radio speaks to its audience in a highly personal manner. Listeners build a relationship with their local radio personalities – a rich resource into which the community can tap.
- **Companionship** – radio provides people with company, it can lift their spirits and enhance their mood, as well as provide background noise when people have company. It is fun, entertaining, and a friend that is always there – people always find time for radio. Radio is an easy and convenient companion – people simply listen, no need to hold something or watch.
- **Habitual, with high loyalty** – radio's listeners display remarkably consistent listening patterns – the perfect opportunity for advertisers to build brand awareness and reinforce key messages.

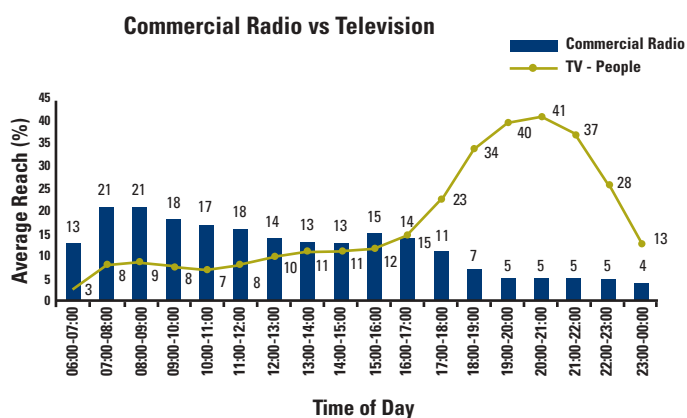
## Radio – a leader or in combination with other media

**Radio in combination** – radio is complementary to other media. It can lead in a solus campaign or overcome shortfalls, extend the reach of a campaign, focus the delivery and enhance or reinforce a message.

Radio is the most effective means of reaching light users of other media:

- With the array of programs and station choices on free-to-air and Subscription Television, TV viewing has become more fragmented. Radio has strong overall listenership. This strength makes **Radio a logical media partner for TV**. Radio can be used to add reach and frequency to a TV campaign.
- **Radio and the Internet are natural partners** – people can surf the net, check e-mails, comparison-shop and purchase online at the same time as listening to radio.
- **Radio can reinforce the impact of a newspaper advertisement** amongst those consumers who saw it, and reach those who did not see it at all. Radio can bring life to newspaper advertisements – it can add personality or tone of voice!
- Magazines require a long lead-time. Both monthly and weekly publications limit frequency. **Radio can add frequency and immediacy to magazines** by delivering more advertising impressions for the same budget and the ability to control advertising exposure.
- **Radio can enhance or reinforce a direct mail campaign** by interacting with the audience, that is, radio can bring attention to a mailer or catalogue.
- **Radio offers more creativity in a message** where as copy for Outdoor Advertising must be short and simple.

## The Role of Radio



Radio Source: Nielsen Media Research, average five capital cities, Surveys 1-8, 2001, all people aged 10+

TV Source: OzTAM, five city Total TV, average audience by people, Weeks 1-52, 2001

## Brand Campaign

### Background

In June 2003, the commercial radio industry launched a major national advertising campaign targeting advertisers and marketers. It was the largest brand campaign ever conducted by commercial radio and underpinned a broader and more aggressive push by the industry to encourage advertisers to use the medium more often and more effectively.

The commercial radio industry has committed another \$20 million in airtime over the next twelve months to continue the campaign. The primary objective of the campaign is ensuring radio is top of mind for people wanting to advertise.

The new ads, which started 1 July, reinforce the message that radio is an effective way to reach your audience compared to other mediums, particularly television and newspapers. The ads continue their humorous tone, but at the same time include the facts that radio advertising throughout the day is twice as effective at reaching your audience than TV; and also that most days, people spend around seven times longer listening to their radio than reading a newspaper.

### The Results – a work in progress

The commercial radio industry's brand campaign has been highly successful. An evaluation study of the campaign in December 2003 showed 50% of advertisers or agencies surveyed said it had improved their opinion of radio as an advertising medium and/or they intended to use radio more heavily in the marketing mix.

The study, conducted by independent research firm TNS, found that the campaign achieved excellent cut-through, with unprompted awareness of the campaign among key advertising decision makers standing at 65% four months after the campaign launch. The study demonstrated that the industry had been successful in getting the advertising industry to rethink the way it uses radio as an advertising medium.

Radio has performed consistently well over the past twelve months in increasing advertising revenue; but the industry's main objective is now to convert this into a larger slice of the overall advertising pie.

### Revenue growth

- The CEASA figures show advertising revenue for metropolitan radio (including both national and non-national advertiser categories) increased to \$484.8 million in 2003 (up by 6.2%). Regional radio (including both national and non-national) grew to \$238.5 million (up by 4.6%).
- CEASA's Advertising Expenditure in Main Media report shows total radio advertising revenue increased by 4.9 per cent to \$736.9 million for the 2003 calendar year, the industry's third successive year of growth.

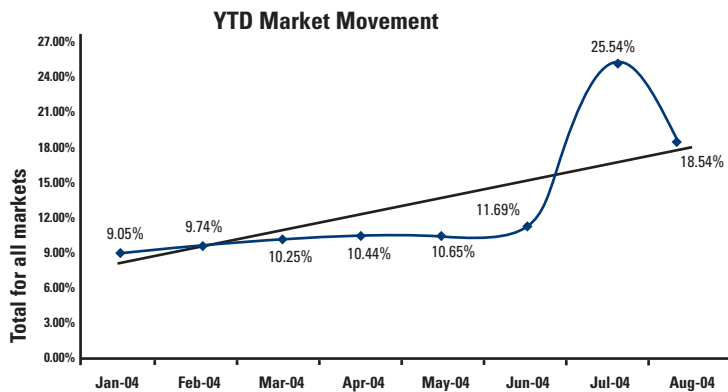
- The immediate benefits of the campaign were reflected in the latest PricewaterhouseCoopers Radio Revenue Performance figures; a 18.54% metropolitan advertising revenue increase for the 12 months to August 2004.
- This growth follows an exceptionally strong performance for July; advertising revenue figures up by 25.54%.

Source: Advertising Expenditure in Main Media Report, Commercial Economic Advisory Service of Australia (CEASA), year ended 31 December 2003

This chart compares YTD (financial year) to the same period in 2003.

Source: PricewaterhouseCoopers radio industry market movement figures.

Note: figures compare a month (ie. January) in 2004 with the same month from the previous year. The YTD columns compare YTD (financial year) to the same period in the previous year.



## Campaign Hits the Mark

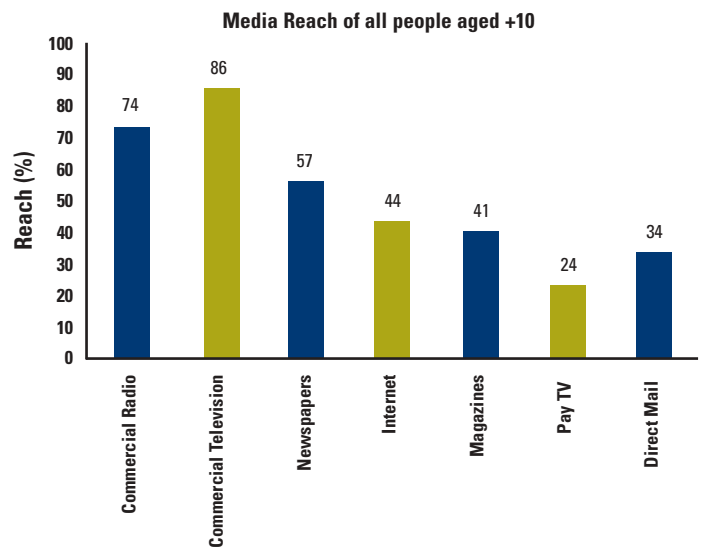
We are all familiar with the Commercial Radio Industry brand campaign targeting advertisers and marketers. The commercials that aired in 2003 and early 2004 were based on a clear fact and were presented in a mock-mentary interview style. The same theme continues into the second half of 2004.

1. Tea - As his name suggests, Martin Derek is a Marketing Director. Working with FMCG brands for a number of years he recognises that radio is a daily part of most people's life, and therefore he can reach his audience very effectively. Getting through to Mark however, is proving a lot more of a challenge.
2. Musician - To find out how radio ads can communicate on an intimate, emotional level, Mark visits a musician, Chris Chatham. Through the power of music, Mark finds himself on an emotional rollercoaster and gets a little too intimate for Chris's liking.
3. Voice-Over Man – In this commercial, Mark looks at how radio ads can talk to different people in different ways. He speaks to voice over artist Andy Prendiville, and discovers that sometimes it's the way that you say it that gets results.
4. Over 55 – Abby McGinnon is Marketing Director of an over 55s holiday company. She explains to Mark why radio is the ideal medium to reach her active customers. Mark's concern that they may be hard of hearing displays that he is obviously hard of understanding.

We are yet to encounter:

- Busy Mum – Reaching people like Leonie Gribble, who are responsible for making household purchases, is not an easy task. But no matter how busy they are, the radio is a welcome companion. Unfortunately, the same cannot be said for Mark.
- Bank – Mark goes for a drive with Scott Barnes, New Business Director of a major investment bank. Initially sceptical about radio's ability to reach his high earning investors, Scott realises he's not investing his marketing dollars very wisely.

The campaign has proven that strong radio creative coupled with a sound media plan, with excellent reach and frequency, is a successful mix.



Source: Commercial Radio Australia, Targeting Time Poor Study, 2002 update

## Commercial Radio a main medium of choice

- Commercial Radio and Commercial Television are still the main media choice of Australians, a long way in front of other media. Australians are prepared to allocate over 2 hours of their time to Commercial Radio each day.

## Media Attitudes

- Only 25% of people agree that they 'always change radio station when an ad comes on', with 38% disagreeing all together and 37% neither agreeing nor disagreeing. Heavy radio listeners (16+ hrs per week) are 25% less likely than the population generally to agree to this statement.
- People aged 55+ are 28% more likely than the population generally to 'trust radio ads that are read by or featuring radio personalities', while young people are 22% more likely to 'find radio ads creative and entertaining'.

- While 42% of people agree they 'find most radio ads annoying', nearly the same amount (41%) neither agree nor disagree, and 16% of people in fact disagree all together. This compares with 48% of people who agree 'nearly all TV advertising annoys me' with only 36% unsure.
- Success driven people are 19% more likely to 'like radio ads that have the same feel as the station they are listening to'

Source: NMR Panorama Aug 2003-July 2004, All People 14+ unless otherwise stated, Filter: Respondents to Attitudinal Questions

Of all commercial radio listeners:

- 87% believe that family is more important than a career
- 83% believe it is important to keep in touch with friends
- 69% prefer commercials that give them information
- 67% believe Australia is the best country in the world
- 60% do not have enough time to do what needs to be done
- 52% try to buy Australian made products
- 50% do things on the spur of the moment
- 51% switch brands for bargains or specials
- 50% travel to work/study by car
- 71% spend more than \$50 a week on groceries and 34% spend more than \$100 a week on groceries
- 84% watch sport on TV, 73% participate in sport themselves and 49% attend sporting events

Source: Nielsen Media Research Panorama, Survey 6-2004 (Aug 03-July 04), People 14+.

## Commercial Radio Landscape

There are 260 commercial radio stations across Australia.

- 257 are currently operating (on air)
- 251 are members of Commercial Radio Australia
- There are three new FM commercial radio stations – Sydney will be on air by the end of 2004, and Brisbane and Melbourne by mid 2005.

Of the 257 commercial radio stations that are on-air, there are:

- AM licences – 108, FM licences – 149
- Service regional markets – 217, Service capital cities – 40
- 32 operators own commercial radio member stations. Of the 32 operators, 12 radio networks own 80% of the stations.
- The twelve networks include: Ace Radio Broadcasters Pty Ltd, AMI Radio Pty Ltd, Austereo Pty Ltd, Australian Radio Network Pty Ltd, Australian Regional Broadcasters, Capital Radio, DMG Radio Australia, Grant Broadcasters Macquarie Regional Radioworks, Star Broadcasting Network, Supernetwork Radio, and Southern Cross Broadcasting.

The table below outlines the population figures as well as the number of operating Commercial Radio Stations across Australia as at 1 October 2004.

Population and Commercial Radio Stations in Australia					
State	'000	Commercial Radio Stations in each State	Capital City	'000	Commercial Radio Stations in each Capital City
NSW	6,719.8	81	Sydney	4,201.5	10
VIC	4,962.0	40	Melbourne	3,559.6	10
QLD	3,863.6	61	Brisbane	1,733.2	7
SA	1,533.2	16	Adelaide	1,119.9	6
WA	1,975.8	37	Perth	1,433.2	6
TAS	481.7	13	Greater Hobart	199.9	4
NT	199.2	5	Darwin	107.9	2
ACT	323.9	4	Canberra	322.5	4
AUSTRALIA	20,061.8	257			

Source: ABS Publication 3101.0 Australian Demographic Statistics. State figures - March 2004. Capital City figures - June 2003

## Audience Measurement

- Commercial Radio Australia is partnered with Nielsen Media Research who is responsible for radio audience measurement for the Australian Radio Industry.
- The metro markets - Sydney, Melbourne, Brisbane, Adelaide and Perth are in survey for 39 weeks of the year. There are eight survey results released per year for these markets.
- Large regional markets, Newcastle, Canberra and Wollongong are surveyed 2-3 times per year.
- Diaries are personally placed in proportion with the spread of the population. "Household flooding" is the current diary placement methodology used. That is, all people aged 10+ years in each household are given a diary.
- Participants are required to record their radio listening in the diary for one seven day period from Sunday through to Saturday.
- Diaries are personally collected at the end of the week and after a ten-week period (in capital cities, the first survey each year is generally a shorter period with larger weekly samples); the completed diaries are then processed to produce data relating to an average week of the survey period.
- Over 65,000 different people participated in radio audience surveys nationally in 2003 - 50,292 in Metro markets and 15,237 in Regional markets.

- Some of the radio survey terms show:
  - Share of Listening - Station Share of all listening in a market
  - Average Audience - average quarter hour audience
  - Time Spent Listening (TSL) - in hours and minutes, and
  - Cumulative Audience (Cume) - number of different radio listeners.

## Commercial Radio Reach & Frequency – A dominant media choice

- Radio can greatly extend coverage – and frequency – amongst key groups.
- Commercial Radio provides more opportunities for a message to impact the listener.
- Radio frequency can jog the memory, reinforce the message or generate share of mind. Radio can concentrate on extending the frequency of the message to achieve specific objectives.
- Commercial radio attracts in excess of 70% of all listening in an average week.

## Radio Facts – Radio Advisor (metro markets only)

- In an average week, commercial radio reaches 78% of Australians.
- People aged 10+ spend a weekly average of 19 hours and 34 minutes listening to commercial radio; however TSL increases to a weekly average of 23 hours 29 minutes for people aged 55+ years.
- 62.3% of commercial radio listeners only listen to commercial radio.
- The average age of commercial radio listeners is 40.1 years.
- Each week, 38% of people listen to commercial radio in the car between 5.30am and 9.00am; while 36% of people listen to commercial radio while driving between 4.00pm and 7.00pm.

Source: Nielsen Media Research, Average of Five Capital Cities, Survey 6-2004. All people 10+, Monday-Sunday 5.30am-12mn.

**Radio Commercials - an online resource**  
 To be truly inspired by some of the worlds highly applauded radio commercials and campaigns, listen at:  
[www.commercialradio.com.au](http://www.commercialradio.com.au)

## Place of Listening

Radio is as an intensely personal medium. Its portability enhances this attribute. Radio travels with people, both inside and outside the home.

Average Weekly Reach (%) by Location				
	Home	Work	Car	Elsewhere
All People 10+	56.9	18.4	60.5	11.2
All People 10-17	62.2	5.9	60.9	16.9
All People 18-24	56.4	30.8	62.4	17.9
All People 25-39	55.7	26.8	69.3	11.8
All People 40-54	55	21.9	67.5	10
All People 55+	57.7	6.7	43.5	5.9
Male 10+	53.6	22.3	59.5	9.2
Female 10+	60.1	14.7	61.4	13.1

Source: Nielsen Media Research, Commercial Radio Average of Five Capital Cities, Monday-Sunday, 5.30am-12mn, Survey 6-2004

Time Spent Listening (hh.mm) by Location				
	Home	Work	Car	Elsewhere
All People 10+	12.3	21.32	6.2	3.12
All People 10-17	8.4	10.1	3.5	2.45
All People 18-24	7.56	21.37	6.02	3.07
All People 25-39	8.45	21.49	7.32	3.09
All People 40-54	11.2	23.08	7.06	3.06
All People 55+	21.22	19.54	5.07	4.12
Male 10+	10.5	23.5	6.59	3.38
Female 10+	13.56	18.11	5.44	2.54

Source: Nielsen Media Research, Commercial Radio Average of Five Capital Cities, Monday-Sunday, 5.30am-12mn, Survey 6-2004

## Five Year Trends

Radio continues to reach many people and even in times of increased media choice, radio listening continues to track at consistently high levels. With commercial radio performing particularly well in the 10-17 year old demographic.

### Time Spent Listening

- In 1999, average Time Spent Listening (TSL) for people aged 10+ years to commercial radio was 18hrs 34mins. In 2003, the TSL for people aged 10+ years to commercial radio was 19hrs.
- In 1999 average TSL to commercial radio for men aged 10+ years was 19hrs 4mins, whereas in 2003 TSL for men aged 10+ years was 19hrs 18mins – an increase of 14mins.
- Women aged 10+ also increased their TSL to commercial radio; in 1999 they listened to an average 18hrs 6mins and in 2003 an average 18hrs 42mins – an increase of 36mins.

- People aged 10-17 years spent an average of 11hrs 54mins each week listening to commercial radio in 2003, which is 84 minutes more than in 1999, while young people aged 18-24 years listened to commercial radio for an average of 18hrs 31mins in 2003, 63 minutes more than five years ago.

Time Spent Listening (hh.mm) Five Capital City Annual Average Mon-Sun 5:30am-12:00mn						
People	1999	2000	2001	2002	2003	Increase / decrease 02 vs 98
10+ years	18.34	18.33	19.43	19.29	19.00	+26m
10-17 years	10.35	10.45	12.22	12.22	11.54	+1h 24m
18-24 years	17.28	17.01	19.14	18.44	18.31	+1h 3m
25-39 years	18.52	18.53	19.49	19.37	19.07	+15m
40-54 years	19.37	19.25	20.17	19.58	19.32	-5m
55+ years	22.31	22.42	23.39	23.27	22.39	+8m
Men 10+	19.04	18.59	19.58	19.54	19.18	+14m
Women 10+	18.06	18.09	19.29	19.05	18.42	+36m

Source: Nielsen Media Research, Five capital city, average of surveys for 1999-2003, Monday-Sunday, 5.30am-12mn

- When comparing average TSL in 2003, with results from 1999, the largest increases are for the 10-17 years group (for the five capital city combined and all individual capital cities, except for Adelaide).
- The highest increase for people aged 10-17 years was in Melbourne – TSL in 1999 was 10hrs 44mins and in 2003 was 12hrs 47mins – an increase of 2hrs 3mins.
- The highest increase for people aged 40-54 years was in Perth – TSL in 1999 was 18hrs 16mins and in 2003 was 20hrs 46mins – an increase of 2hrs 30mins.
- People aged 55+ years in Melbourne listened to commercial radio for 23hrs 36mins in an average week in 2003 – 83mins more than five years ago.

### Cumulative Audience

- Cumulative Audience increased in line with population trends. However, in percentage terms commercial radio experienced a slight increase. In an average week, between Monday to Sunday, 5.30am - 12 midnight, commercial radio reached 78% of people aged 10+ in 1999 and 78% in 2003.
- On average, nationally commercial radio reached 78% of 18-24 year olds in 1999 and 81% in 2003, an increase of 4.64%.
- Commercial radio is dominant over other stations amongst the 18-24 year age group. When comparing commercial radio reach to 18-24 year olds, the two markets that experienced the greatest increases from 1999 to 2003 were Melbourne 80% in 1999 vs 85% in 2003 (increase of 5.24%) and Perth 72% in 1999 vs 81% in 2003 (increase of 12.6%).
- Commercial Radio reach also increased in Brisbane amongst those aged 10-17 years increasing from 82% in 1999 to 86% in 2003 (increase of 5.46%) and those aged 40-54 years increasing from 79% in 1999 to 83% in 2003 (increase of 5.17%).

Cumulative Audience (Reach) % Five Capital City Annual Average Mon-Sun 5:30am-12:00mn						
People	1999	2000	2001	2002	2003	5 Year % Change
10+ years	78	78	79	79	78	0.64
10-17 years	82	82	83	85	84	2.87
18-24 years	78	79	81	83	81	4.64
25-39 years	80	80	82	83	81	1.18
40-54 years	79	79	81	81	80	0.97
55+ years	71	70	70	69	69	-2.76
Men 10+	76	76	78	78	77	1.17
Women 10+	79	79	80	81	79	0.59

Source: Nielsen Media Research Radio Ratings, Five capital city, average of surveys for 1999-2003, Monday-Sunday, 5.30am-12mn

## Key Facts and Figures – Revenue

### Radio Financial Results for 2002-03

- In 2002-03, commercial radio licensees generated \$774.2m in revenue, with \$668.0m going to expenses
- Amount of revenue generated represents a 6% increase over the previous year's amount of \$730.6m
- A broadcasting profit of \$106.2m, down by 2.2% compared to 2001-02 (\$108.6m)
- Revenue split for 2002/03:
  - Metro (capital city) - 68%, Regional - 32%
  - FM - 70.4%, AM - 29.6%
- Revenue Split (of total advertising revenue):
  - Agency/National - 42.8%, Non-Agency/Local - 45.8%, Contra 3.2%

Source: Radio Financial Results for 2002-03, Australian Broadcasting Authority - released May 2004

### National advertising expenditure – CEASA:

- CEASA's Advertising Expenditure in Main Media report shows total radio advertising revenue increased by 4.9% to \$736.9 million for the 2003 calendar year, the industry's third successive year of growth.
- The CEASA figures show that radio advertising expenditure increased by 4.9% in 2003 compared with 2002; grew by 1.1% in 2002 compared with 2001, and increased by 1.6% in 2001 compared with 2000.
- Radio has performed strongly in attracting advertising revenue this year with an increase of 14.8% for the six months ended June 2004 to \$382.4 million.
- Radio's share of national advertising expenditure has remained at around 8% for the past three years with total revenue at about \$737 million in 2003

Source: Advertising Expenditure in Main Media Report, Commercial Economic Advisory Service of Australia (CEASA), year ended 31 December 2003

Total Advertising Expenditure in Main Media - (\$000)						
	2001	% of 2001 total	2002	% of 2002 total	2003	% of 2003 total
Newspapers	3,131,293	37.31	3,045,113	35.10	3,251,710	34.74
Magazines	566,652	6.75	562,897	6.49	599,895	6.41
Publications	1,173,329	13.98	1,387,309	15.99	1,486,449	15.88
Television	2,490,210	29.67	2,659,364	30.65	2,923,789	31.23
Radio <sup>^</sup>	694,970	8.28	702,420	8.10	736,954	7.87
Outdoor	271,092	3.23	261,004	3.01	296,610	3.17
Cinema	64,445	0.77	57,947	0.67	65,817	0.70
	<b>8,391,991</b>		<b>8,676,054</b>	<b>100</b>	<b>9,361,224</b>	

<sup>^</sup> Includes community radio

Source: Advertising Expenditure in Main Media Report, Commercial Economic Advisory Service of Australia (CEASA)

### PricewaterhouseCoopers Radio Revenue figures

Commercial radio continues to perform well this year with advertising revenue figures for August up by about 12.35%, on last August.

- PricewaterhouseCoopers Radio Revenue performance figures show metropolitan advertising revenue for commercial radio in August this year was around \$46.3 million compared to around \$41.2 million for the same month last year.
- All States had experienced an increase in revenue to August (over last year) with the strongest growth in 12 months recorded in Brisbane (29.95%); Perth (26.53%); Melbourne (22.31%); Sydney (13.15%); and Adelaide (8.29%).

PriceWaterhouseCoopers Radio Revenue Performance								
	Mar-04	11 months YTD	Jun-04	12 months YTD	Jul-04	1 month YTD	Aug-04	2 months YTD
Sydney	14.83%	9.44%	16.40%	10.05%	18.99%	18.99%	7.91%	13.15%
Melbourne	10.73%	11.22%	32.94%	12.99%	31.13%	31.13%	14.84%	22.31%
Brisbane	22.70%	17.89%	34.02%	19.25%	43.66%	43.66%	18.53%	29.95%
Adelaide	-0.83%	5.88%	9.91%	6.24%	5.59%	5.59%	11.05%	8.29%
Perth	9.60%	9.07%	23.68%	10.24%	37.16%	37.16%	17.20%	26.53%
<b>TOTAL</b>	<b>12.71%</b>	<b>10.65%</b>	<b>22.97%</b>	<b>11.69%</b>	<b>25.54%</b>	<b>25.54%</b>	<b>12.35%</b>	<b>18.54%</b>

Source: PriceWaterhouseCoopers radio industry market movement figures.

Note: figures compare a month (ie. January) in a year with the same month from the previous year. The YTD columns compare YTD (financial year) to the same period in the previous year.

## Commercial Radio Key Clients

Major advertisers on national commercial radio include:

TOP 20 ADVERTISERS ON METROPOLITAN RADIO January - December 2003							
1.	Government NSW	6	Publishing & Broadcasting Ltd	11	Village AOL Time Warner Group	16	ANZ Banking Group Ltd
2	7 Network Australia Group	7	McDonalds Corporation	12	Government Victoria	17	Woolworths Limited
3	Harvey Holdings Ltd	8	Coles Myer Limited	13	Clive Peeters Electrical Strs	18	Promina Group Limited
4	Network Ten Australia Group	9	Government Commonwealth	14	John Fairfax Group Pty Ltd	19	Mitsubishi Motors Aust Ltd
5	Telstra Corp Ltd	10	Insurance Australia Group Limited	15	News Corporation	20	Mobileworld Communications Pty Ltd

Source: Nielsen Media Research - AdEx, The Top 50 Advertisers Report 2003

# Digital Radio

## What is Digital Radio?

- The exciting 'future' of radio. AM radio was launched in the 1920s and FM radio in the late 1970s. Trials of digital radio in 2004 is the third generation of radio.
- Digital radio is a revolutionary audio broadcasting technology, which dramatically improves sound quality, and will enable you to receive value added radio services through your radio.
- Digital is a new way of transmitting and receiving radio signals. It turns sound and data into digital signals at the transmission end. These are broadcast over the airwaves and a digital radio receiver decodes the signal into CD quality sound with data enhancements.
- Digital receivers are different from current radios that pick up AM and FM bands. A digital radio has a digital chip inside which allows it to tune VHF Band III and/or L/Band.

## Digital puts Listeners in Control

- Easy tune – select station name from a menu.
- Access features such as song title, album cover, scrolling traffic and news, rewind services and soon electronic coupons.
- Tell me more button – access multi-layered programs and Program Associated Data on demand – artist data including CD covers, song lyrics, tour dates.
- Listen to a morning show when it suits – not when its on – extends reach to casual/shift workers.

## Benefits to Advertisers

- **Impact** – advertisers can have their brand name, tagline and phone number scrolling across the screen adding impact to the audio advertisement.
- **Immediacy** – access to more detailed information on "tell me more" button.
- **Reach** – by integration into other digital devices – MP3 players, mobile phones etc.
- **Visual** – as data display improves, ability to value add audio message with simple text, and as receivers get more sophisticated, with GIF, JPEG and HTML files.

## Specifics of Digital Radio Trials

- Commercial Radio Australia is coordinating the trials on behalf of the commercial radio industry and public broadcasters ABC and SBS under the broadcasters consortium, Digital Radio Broadcasting Australia.
- Stations involved in the trials include 2Day, NOVA, 2SM, 2KY, WFSM, 2CH, 2GB, 2UE, ABC and SBS.

- Industry has gained access to a 6 MHz block of VHF spectrum between Ch's 9 and 10 analogue TV services. World first – digital radio transmission has been located between two analogue television services. Commercial Radio is working closely with TV to ensure that there will be no impact to adjacent analogue services.
- Industry has set up several consumer panels with youth groups, VIP/opinion makers, and race goers. A representative group of initially 100 Sydneysiders has been selected within the Digital Radio Coverage area to participate in the trial. Selection was based on: age, gender, geographic spread, household make-up, radio listening (talk, racing and music), and level of technology use (computers, Hi-Fi etc). Each panel member has been given a digital radio receiver to participate in the 12 months trials. Panels commenced in July 2004.

For more information on digital radio visit  
[www.digitalradioaustralia.com.au](http://www.digitalradioaustralia.com.au)

## Who is Commercial Radio Australia?

- Commercial Radio Australia is the national industry body representing Australia's commercial radio broadcasters. Established 1930 and governed by a Constitution.
- Membership of Commercial Radio Australia is open to those who hold a commercial radio broadcasting licence obtained under section 36 or section 39 of the Broadcasting Services Act. There are 257 Commercial Radio licenses on air in Australia, of which 251 are Commercial Radio Australia members.
- Commercial Radio Australia facilitates a number of member-represented committees.
- Commercial Radio Australia provides a range of services to its members, including: compliance and regulatory advice; legislative matters eg. interpretation of legislation and regulations; industry codes and standards eg. co-regulation of the industry (with the ABA) through Commercial Radio Codes of Practice; radio audience measurement surveys; research into key issues and trends; sales and marketing support; analysis of advertising trends; creative and planning services; strategic partnerships with educators & trainers; strategic issues such as co-ordinating the Sydney digital radio trials and planning for future rollout of digital radio across Australia.