



2016 Annual Review




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INTRODUCTION

Radio was in a state of robust good health at the end of 2016. An impressive 35 million listeners tuned into radio on a weekly basis, and commercial radio saw 4.7% growth in ad revenue by the end of the year. Radiocentre sought to celebrate and promote our industry's creativity and tenacity through *See Radio Differently*, our new strategic positioning campaign, launched at our conference last May.

With 90% of the adult population still tuning into radio every week and revenue figures on the up, I am confident that the industry will continue to achieve great things in 2017. Here at Radiocentre, we are excited to continue our work as commercial radio's proudest champions. I hope that this review will provide some useful insight into what we have done to strengthen and celebrate the original broadcast medium over the last year.

A handwritten signature in black ink, appearing to read 'Siobhan Kenny', with a long horizontal flourish extending to the right.

Siobhan Kenny
Radiocentre CEO

ADVERTISING

Advertising Campaign *See Radio Differently*

In May, Radiocentre launched its first major advertising campaign for some years. Devised by creative agency Lucky Generals, the campaign targeted high-profile marketers who under-spend on radio and asked them to *See Radio Differently*. The ads, in the form of songs, targeted senior marketers from Unilever, John Lewis, L'Oréal and Airbnb and covered genres from hip-hop to house music, running nationally across commercial radio. A press, digital and outdoor campaign accompanied the ads.

The campaign was received well by its targets, and covered widely by the advertising press across five months. Coverage included multiple pieces in *Campaign*, *The Drum* and other advertising publications; a review in *Campaign's Private View*; huge amounts of social media conversation; and a mention by Keith Weed (our first target) at his keynote speech at Cannes Lions.

Proposition and Strategy

Following the success of the campaign, we have begun implementing *See Radio Differently* as Radiocentre's strategic positioning. Whether speaking to advertisers, agencies, government or other stakeholders, we will be asking our audiences to consider their preconceptions about commercial radio.

See Radio Differently is about seeing radio as a current, brand building opportunity that can not only drive increased effectiveness but also deserves ambition and creative craft.

SEE
HOW

KETH
WITED

You can be the leader.

This song is dedicated to Keith Wood,
Chief Marketing Officer of Unilever.

You can be the leader, Keith Wood from Unilever.
You can be the leader, Keith Wood from Unilever.
We've got something for you that may make you better.
It's an opportunity, it's called media - a...

You can be the leader,
you're Keith from Unilever.

With the help of research, all of the things you'll think of.
But when you need some inspiration, it's good to listen.

You can be the leader,
you're Keith from Unilever.

This is our story... Truth-told...

We're in every house - hold...

When it comes on your radio...

You can be the leader...

And your ears are listening...

And you can be so...

This is our story...

This is our story...

That's right, Keith Wood, Unilever's
Media is the place to be, it's O&O to the 1400.

Why don't you be the leader,
ah, Keith from Unilever.

Why don't you be the leader,
ah, Keith from Unilever.

So this is our message... Keith
See Media Differently at media.unilever.com

BECOME A

HIP-HOP
STAR

RESEARCH

Radio: The Brand Multiplier

Radio is a consistently under-used platform for brand building campaigns and *Radio: The Brand Multiplier* set out to reveal that, when used with TV, it can be an effective brand building medium.

Building on theories presented by Byron Sharp in *How Brands Grow*, the research revealed that by exploiting audio brand assets featured in TV advertising and creatively linking the brand to multiple reasons to purchase, radio advertising will expand a brand's network of associations and build overall 'mental availability'.

The research was launched at the Ham Yard Hotel in November to an audience of advertisers, planners and industry experts, and has since been toured to nearly 20 media agencies and presented at our conference in Manchester and at various industry events. The tour continues this year.

The full research can be read at www.radiocentre.org/brand

Strike a Chord

Following the launch of *Strike a Chord* in October 2015, the team continued to roll-out the research in 2016 with a tour of the major media agencies, presenting the findings to over 400 planners, buyers, and strategists. The study also proved popular at UK and international conferences such as ASI European Radio Symposium, EGTA Market Intelligence Meeting, MRG Conference and Radio Days Europe.

This study used Electroencephalography (EEG) to evaluate the effectiveness of music specifically when used in an advertising context, coupled with semiotic analysis to explore the hidden meaning that music communicates for brands.

The research won silver in the Trade Body Research category at the Media Week Awards in October 2016.

Radiogauge

Now in its tenth year, Radiogauge continues to provide individual radio advertisers with evidence of the effects of radio advertising within their media mix.

Across the year, 38 radio campaigns were measured from a range of sectors including Sky, Cadbury, Marmite, Vodafone, Vauxhall, BT and Lloyds TSB.

Since launch over 650 campaigns have been measured and the aggregated data from these is updated every year and made available to customers and radio sales teams via the Radiogauge Predict Tool on the Radiocentre website.

Agency Planning Tools

In 2016 we kicked off a project to better understand how Radiocentre can integrate with planning tools used by agencies. The brief sought to gain a detailed understanding about the media planning systems that have been developed or are in development by media agencies, how radio currently fares within them, and how we might integrate into them beneficial data derived from independent research studies funded by the radio industry. The consultation continues into 2017.

PARTNERSHIPS

IPA Effectiveness Awards

Radiocentre was a proud partner of the 2016 IPA Effectiveness Awards. The awards are the most prestigious of their kind in the world, judged by some of the UK's most successful CEOs and Marketing Directors, as well as highly respected industry commentators and academics. They remain the only competition where entries have to prove beyond all reasonable doubt how communication, media and marketing campaigns have worked in hard business terms across multiple channels.

Aerial Awards

The Aerial Awards are a monthly celebration of the Best of British Radio Advertising and the people who make it happen. Every month, the winning work is showcased in a special full page article in *Campaign* in print and online. 2016 winners included Marmite, McDonalds, IKEA and Harvey Nichols.

D&AD

Since 2012, Radiocentre and D&AD have been in a partnership, championing and inspiring great radio advertising. As well as sponsoring the Radio category of the 2016 Professional Awards, we also sponsored the New Blood Awards, which aim to inspire the next generation of creative talent.

BRIT Awards

Radiocentre enjoys a longstanding partnership with the BRIT Awards. This year we co-ordinated an on-air promotion running across 70 of our local member stations, raising awareness of the BRITs and offering listeners the chance to win tickets to the live show.

Media 360 and Media Playground

We forged another partnership with Media 360 and Media Playground in 2016. These events, attended by senior figures from across media and advertising, are a unique chance for us to promote new opportunities in commercial radio, and ensure radio is represented at key events.

TRAINING

Introduction to Radio Advertising

174 delegates attended our monthly *Introduction to Radio Advertising* course which aims to increase understanding of the opportunities for radio and persuade people to see radio differently. Demand for shorter bespoke training sessions for advertisers and agencies also grew in 2016 with topics ranging from demonstrating radio's accountability to a brief introduction to Radiocentre's planning and research tools.

Creative Training

Radiocentre ran a bespoke programme of workshops for agencies and brands where there is seen to be an untapped creative opportunity. The session showcases best in class advertising from the sector, a reminder of radio's effectiveness. They also offer advice about how to optimise it, along with useful tips for briefing, evaluation and production. Last year's workshops included John Lewis and Adam&EveDDB, Marie Curie and Saatchi & Saatchi, and GSK with PhD.

Clearance Training

The Clearance team held a series of training workshops in London which helped customers understand better how to get their clients' ads to air within Code rules and with minimum hassle. The workshops were a mix of regulatory updates, interactive exercises and practical, current advertising examples. The A-Z Copy Guidelines were also refreshed in 2016 giving customers a valuable tool to check questions and policy easily online.

POLICY

Action Stations

In October 2016 Radiocentre headed to the House of Commons to launch *Action Stations*, a report that highlights the public value of commercial radio. *Action Stations* consists of a series of case studies from the commercial radio sector which focus on local news and information, community and social action, technology and innovation, and music.

The case studies demonstrate that commercial radio is an essential part of local communities. Every year, our members bring together millions of people with events across the country, including charitable work that directly raised £25m in 2015. As well as providing over 13 hours of public service content each week, commercial radio is instrumental in introducing listeners to new music, providing unknown artists with an important platform.

Valuing Radio

Our *Valuing Radio* report, conducted by Oxford Economics – industry leaders in economic impact analysis – was the first of its kind to provide a detailed examination of commercial radio's economic activity and its impact on the wider UK economy. The report identified that the sector supports a gross value added (GVA) of £683m to the UK economy, alongside a healthy £4.6bn Return on Investment to advertisers.

The analysis also highlighted the 12,340 jobs supported by the industry (4,410 directly within commercial radio) as well as its support for the UK music industry, driving an estimated £103m in music sales and paying around £50m in rights payments. Crucially, the report demonstrates that while commercial radio has a positive impact on the UK economy, it still faces challenges from the BBC's market dominance, digital music services and outdated regulatory constraints. Commercial radio has the potential to be of still greater value to the wider economy.



Deregulation

Following our campaign calling for a review of the regulation of commercial radio, the Department for Culture, Media & Sport (DCMS) asked Ofcom to provide draft options on potential changes to the legislative framework. The current legislation was devised in a pre-internet age to help ensure choice and diversity for listeners, but these rules are now anachronistic and hampering our potential for growth.

Ofcom published a report in March 2016 supporting the case for regulatory change. In anticipation of the changes (and a DCMS consultation in early 2017) we have been engaging with parliamentarians. Our ambitions about the review are to ensure that we receive cross-party parliamentary support for outdated local radio production commitments to be relaxed and for the current music formats to be dropped.

BBC Charter Renewal

As part of the BBC's Royal Charter renewal the Government published its White Paper, *A BBC for the future: a broadcaster of distinction*, in May 2016. A draft Charter was published in the autumn followed by debates in Parliament, before the final charter and framework agreement were formally agreed and laid before Parliament in December.

The new Charter will run for 11 years and came into force on 1 January 2017, although some elements of the new regulatory regime will not come into effect until April. We were pleased that many of the central themes that Radiocentre included within our response to the Green Paper – greater emphasis on distinctiveness (particularly Radio 1 and Radio 2 in peak hours); external regulation; meaningful sanctions – were included within the final agreement. Ofcom and the BBC will now consult on detailed elements of the new framework.

Ts&Cs

Terms & Conditions (Ts&Cs) remained high on Radiocentre's agenda in 2016 as we continued to make the case for more effective regulation with a particular focus on the European regulation, the Consumer Credit Directive (CCD).

In early 2016 we submitted to the European Commission's REFIT Platform asking them to consider a review of Article 4 of the CCD. This has been followed up with a programme of meetings with Commission and UK government officials to ensure our case is given the attention it deserves.

Our REFIT submission has successfully been passed to the REFIT Platform members for consideration in 2017.

We continue to work closely with the Association of European Radios, supporting their negotiations with Brussels. In the light of Brexit we are also picking up conversations with the UK government to ensure our case remains on their agenda as a potential opportunity to reduce unnecessary red tape. Meanwhile we were delighted with the FCA's decision to relax some of the regulations for 0% interest on credit offers – definitely a step in the right direction.

Diversity

Diversity in UK media has come under increasing scrutiny in recent years, following criticism that media organisations are failing to reflect the broad range of people in our society. Until now much of this attention has focussed on ethnic diversity in film and television, both on screen and behind the camera. Commercial radio is enjoyed by 35 million people each week, though people from black, Asian and minority ethnic backgrounds (BAME) continue to be underrepresented in its workforce. With such a diverse audience it is important to understand the make-up of our industry.

Radiocentre has begun a programme of engagement with various stakeholders in order to establish a set of industry best practice tools and guidelines. This important work will continue throughout 2017. We have also been working with Creative Access, a charity supporting paid internships to try and improve representation of BAME individuals. In March 2016 we co-hosted a Radio Masterclass with the BBC, aimed at Creative Access interns looking to pursue careers in creative industries.

EVENTS

*Tuning In
See Radio Differently*

Love of radio was broadcast loud and clear at the West End's Ham Yard Hotel on 17 May at our annual conference, *Tuning In*. Lucky Generals founder Andy Nairn unveiled our new ad campaign, *See Radio Differently*.

Philosopher and author Alain de Botton gave a fascinating speech touching on the ambivalent nature of love, art and how advertising might be transformed to better match our needs. Another highlight was Tracey Follows, Futurist and Chief Strategy and Innovation Officer at The Future Laboratory. She discussed how mindfulness has become part of the mainstream and introduced the next big thing: "mind wandering". The event was attended by 200 people from across the radio, advertising and marketing industries.



Conferences beyond London

November also saw us kicking off our tour of *Tuning In* conferences outside the capital as we travelled to Manchester's King Street Townhouse. Headlined by radio writer and poet Lemn Sissay, our Manchester event gave advertisers, their agencies and Radiocentre members the chance to hear all about the latest trends and opportunities in the rapidly evolving world of radio and audio.

The audience, formed of 100 people from across the Midlands and North of England, came from media agencies, creative agencies, production companies, large radio groups and smaller stations.

We will host our next conference in Edinburgh in March.

Commercial Radio Awards

On 17 May, we held the 21st Arqiva Commercial Radio Awards at the Roundhouse in Camden. The ceremony was hosted by comedian Jon Holmes and the atmosphere enhanced by blistering live sets from BB Diamond, Jack Savoretti and Fleur East.



CLEARANCE

Script Clearance

The team cleared 31,989 scripts in 2016 (compared to 29,959 scripts in 2015). A typical month saw around 2,500 scripts being dealt with; around 94% of these were approved within 24 hours, and 77% were approved within 8 hours. An even faster turnaround was achieved by customers who used the Fast Track service which offered emergency copy clearance within 2 hours.

Complaints

Out of the nearly 32,000 scripts cleared, the ASA formally ruled on ten (nine in 2015). Five were not upheld, with five being found to be in breach; three were felt to give a misleading impression, one was considered to objectify women and one targeted children to donate in a charity ad.

20 Year Anniversary

1 July 2016 marked 20 years in operation for Clearance, with a huge 66 years' collective and expert experience within the small team. They've operated under two Acts of Parliament, worked with three different regulators, translated three codes of advertising practice and grappled with countless pieces of legislation. Their remit has remained constant throughout; to provide fast and effective copy clearance affording a high standard of consumer protection and freedom of expression for advertisers.

Radiocentre Clearance will continue to be radio's protector in advertising regulation and looks forward to the many challenges and opportunities of a post-Brexit world.



STAFF & BOARD

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KIP MEEK, Chairman
FRANCESCA LEWIS, Head of Communications
ATHENA KYPRIANOU, Company Executive Assistant

Advertising

MARK BARBER, Planning Director
LUCY BARRETT, Client Director
JUDITH SPILSBURY, Head of Training & Special Projects
TOM STEVENS, Head of Marketing
CLARE BOWEN, Head of Creative Development
SARAH GREGORY, Head of Partnerships & Membership Marketing
SUSAN BARTON, Interim Insight Manager
DONNA BURNS, Insight Manager (Maternity Leave)
GEORGE BUTLER, Marketing Executive
ANEKA HUSSAN, Insight Executive

Policy

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MICHAEL IRELAND, External Affairs Manager
AIDAN CHENG, Communications & Policy Assistant

Clearance

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AL DAMON, Deputy Head of Advertising Clearance
KATHERINE BORRETT, Senior Clearance Executive
SIMON SCOTT, Clearance Executive

Finance & IT

NISHI SHARMA, Finance Director
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Group Managing Director Radio,
Bauer Media

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