

Review of Government direct communications - Response from RadioCentre

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Executive Summary

Introduction

RadioCentre, on behalf of commercial radio, welcomes this opportunity to input into the Government's review of direct communication. We recognise that the need to achieve savings across Whitehall, and the belief that Government should be smaller, require all within the advertising industry to consider how the Government's communications budget could be deployed more effectively and efficiently.

RadioCentre's response seeks to communicate a number of key messages:

- Government should consider advertising to be a positive investment, which can improve service delivery and efficiency
- Radio is an effective and efficient means of advertising, relative to other media, and should therefore play an integral role within the Government's paid advertising mix
- It is likely that it would be valuable to maintain a central communications function within Government, in order to minimise duplication and maximise efficiency
- Commercial radio makes an important contribution to the Big Society – via both value added to COI campaigns, and other public service activity

The value of radio advertising

Effective Government advertising should seek not only to deliver positive outcomes, but also to do so at a lower cost than the alternatives. It is more cost-efficient to use advertising to inform citizens and encourage them to adopt positive behaviours, or avoid negative behaviours, than it is for Government to deal with the consequences.

We recognise that there is need to reduce budgets across Whitehall, and that historically not all Government communications campaigns may have delivered value for money, but we caution against drastically reducing budgets for the most efficient forms of direct advertising, especially given the potential negative consequences. The cost to Government of not advertising would, in many cases, be greater than the costs of doing so.

Within the Government's communications mix (paid, earned and owned), we believe that paid advertising must be considered a crucial element, for three reasons. Firstly, paid media enables the Government to reach out to audiences who don't engage with the Government's owned media. Secondly, paid media enables Government to have total control of the message delivered; whereas earned media, such as PR, cedes control to a journalist and their interpretation of a message. Lastly, paid media enables the Government to select when, where and how often a message is delivered.

Given radio's proven effectiveness and cost efficiency, it must be considered to be an integral method for communicating Government messages. Radio is free to consume, delivering large and diverse audiences, including those that are hard to communicate with through other media. Radio is one of a few media that can still be planned and bought on a local or regional level, enabling national Government messages to be communicated with a local voice. As a real-time, linear medium, available across many platforms and devices, radio is able to deliver Government messages to people at the most relevant times to affect behaviour change. And as an audio-only medium, radio is a powerful emotional influencer and can use the spoken word effectively to influence behaviour change.

Radio is the most cost-efficient medium, delivering greater overall impact compared to other advertising media for the same level of investment. Measurement of nineteen

Government radio campaigns has demonstrated how the medium has enhanced awareness of specific messages; average uplift in awareness across these campaigns was 50%.

The value and role of the COI

Commercial radio recognises that there are both advantages and disadvantages to the central coordination of communications across Government.

We recognise that Government seeks to minimise duplication and maximise efficiency, and therefore believe that some form of central coordination will be required going forward. However, we believe that the detail of this is ultimately a matter for Government.

Commercial radio's contribution to the Big Society

The wider economic and social value of commercial radio should not be underestimated. All local commercial radio stations broadcast local news, weather and travel bulletins, as well as promoting and involving themselves in community and charitable activities. Stations do this to deepen their connection with their listeners and their communities – not because they are obliged to do so. We are able to estimate that the value of this public service activity is equivalent to £1.8m per week across the whole commercial radio industry – or £93.6m in total per annum.

The industry wishes to continue broadcasting this valuable public service content. However, commercial radio is only able to contribute to the Big Society because of the revenues which it receives from advertisers – including from Government.

Delivering increased public value

In addition, Government may wish to consider how deregulation could assist in maximising the opportunities for radio to play this public service role. We propose that Government leads a project that involves advertisers, agencies and the radio industry, in order to identify the key areas that are most adversely affected by the requirement to incorporate additional terms and conditions within some radio advertising.

An initial assessment would suggest that the potential revenue benefit of removing the most onerous requirements could be in the order of several million pounds, increasing the prospect of stations having the capacity to provide further airtime for public service content and/or Government communications.

Conclusion

In summary, we hope that Government recognises that radio should remain at the heart of its direct communications strategy. This will allow commercial radio to continue to contribute significantly to the Big Society, whilst ensure that key Government messages are conveyed effectively, efficiently and represent unbeatable value for money.

About RadioCentre

RadioCentre is the industry body for commercial radio, formed in July 2006 from the merger of the Radio Advertising Bureau (RAB) and the Commercial Radio Companies Association (CRCA).

The role of RadioCentre is to maintain and build a strong and successful commercial radio industry - in terms of both listening hours and revenues. RadioCentre operates in a number of areas including working with advertisers and their agencies, representing commercial radio companies to Government, Ofcom, copyright societies and other organisations concerned with radio. RadioCentre also provides a forum for industry discussion, is a source of advice to members on all aspects of radio, jointly owns Radio Joint Audience Research Ltd (RAJAR) with the BBC, and includes copy clearance services for the industry through the Radio Advertising Clearance Centre (RACC). RadioCentre is also a founding Board member of Digital Radio UK (DRUK).

RadioCentre shareholders account for 98% of commercial radio listening and >95% of industry revenue. The membership is made up of 267 radio stations of all types – including the three major commercial radio groups, small local radio groups, independent local stations and digital-only services.

Section 1: The importance of Government advertising and radio's place within this

This section seeks to demonstrate that it is more cost-efficient to use Government advertising to encourage citizens to adopt positive behaviours, or avoid negative behaviours, than it is for Government to deal with the consequences. More specifically, radio advertising plays a unique and exceptionally valuable role within this.

The importance of influencing behaviour

Changing the way people behave is important to all Government departments, from tax compliance to investing in pensions, from reducing crime to climate change. It is simply more cost-efficient to use advertising to encourage people to comply with positive behaviours or prevent negative behaviours than it is to process them through, for example, the legal or healthcare systems should they not.

In this context, advertising should be seen as a positive investment for the Government which actually saves money. However, acknowledging the current economic context, there is clearly a need for Government to become more efficient in its use of advertising, to reap maximum effect for minimum outlay, and thus reduce overall levels of advertising expenditure. It is our understanding that radio is one of the most, if not THE MOST, efficient advertising medium across Government campaigns.

Using advertising to influence behaviour

According to the GCN/COI report 'Communications and behaviour change', advertising is a vital part of the wider communications mix, proven at influencing behaviour in the following ways:

- **Building knowledge and awareness**
 - for example, when telling people how to deal with swine flu, or about an important new piece of legislation
- **Changing attitudes**
 - or example, social unacceptability of drink driving
- **Interrupting habitual or routine behaviour** by communicating with people at relevant times
 - for example, reminding people to file their tax returns online when they are most likely to be using their PC
- **Prompting people to act in accordance with social norms**
 - for example, advertising can provide testimonials from others, such as people's personal experience of how blood donors helped to save their life

In the context of how communications influence behaviour change detailed above, advertising in the form of paid media is crucial within the mix because it offers a number of unique benefits in relation to owned and earned media:

- **Reach** – Paid media enables the Government to reach out to audiences who aren't currently engaging with the Government's owned media, building wider awareness and knowledge
- **Control of content** – Paid media, in the form of advertising space or airtime, enables the Government to have total control of the message that is delivered to people, ensuring that it communicates in the most appropriate manner. Earned media such as PR cede control to the journalist or editor and their individual interpretation of a message

- **Control of delivery** – Paid media enables the Government to select when, where and how often a message is delivered to a specific group of consumers, defined by geography, demographics or other factors. As explored above, timing of message and context can be crucial in communications effecting a behaviour change

The government has exploited all of these characteristics of paid media across a wide range of campaigns, saving the tax payer many times the amount invested into advertising. Some important examples (within which radio advertising has played a significant role) include:

- When, in 2008, the Department of Transport wanted to reduce road safety deaths, direct communications were at the forefront of their work. The THINK! brand prompted a re-appraisal of poor road safety behaviour by getting people to take responsibility for the consequences of their actions. The result was casualty reduction targets achieved two years ahead of schedule. THINK!'s contribution was to prevent over 3,000 deaths and serious injuries during this period, representing a saving to society of over £800m and generating payback of £9.36 for every £1 spent on the campaign.¹

- Research found that the Training and Development Agency for Schools (TDA) didn't face an attitude problem with people wanting to become teachers, but a behavioural problem in that people weren't taking all the steps to become one. Reframing the communication task as a behavioural problem led to a radically different media strategy from 'selling' teaching to 'helping' people become teachers. A series of behavioural triggers to 'nudge' people through this journey was devised, turning a big decision into a series of small steps. The resulting campaign achieved a minimum payback of £101 for every £1 spent, increasing teacher enquiries and applications to record-breaking levels on a smaller spend.² The campaign won a Gold Award at the 2010 IPA Effectiveness Awards.

- Theft costs British society an estimated £9.5 billion per year. Many of these thefts are opportunistic crimes that can be easily avoided if people take simple preventative measures. The challenge was to find a single campaign idea that could motivate a core target audience most at risk of crime and demonstrate measures they could take to prevent it. Using a single, humorous campaign idea, executed through TV, radio and print, the strategy was to dramatise how thieves saw their victims as stupidly careless. The campaign, for the Home Office, reduced the cost of crime to the taxpayer by £189 million and generated payback of £14 for every £1 spent.³

Radio's important role in influencing behaviour

Radio offers a number of unique characteristics that are hugely valuable in the context of optimising paid media's influence on behaviour change within the communications mix:

- Radio is **free to consume**, delivering Government messages to **large and diverse audiences**, including those that are disadvantaged or hard to

¹ Figures from the Institute of Practitioners in Advertising Effectiveness Awards.

² Ibid

³ Ibid

communicate with through other media (for example, illiterate adults, the housebound, the unemployed, those with no internet access, etc)

- Radio is one of a few media that provides a local editorial perspective and can still be **planned and bought on a local or regional level**, enabling national Government messages to be communicated with a local voice
- Radio accounts for over a quarter of all time consumers spend with media and as a **real-time, linear** medium, available across many platforms and devices, radio advertising is able to deliver Government messages to people at the most relevant times to effect behaviour change – for example, reaching people with anti-speeding messages whilst they are driving
- As an audio-only medium, radio is a **powerful emotional influencer** and can use the spoken word effectively to speak with the voice of authority or the voice of the peer group as required, to best influence behaviour change

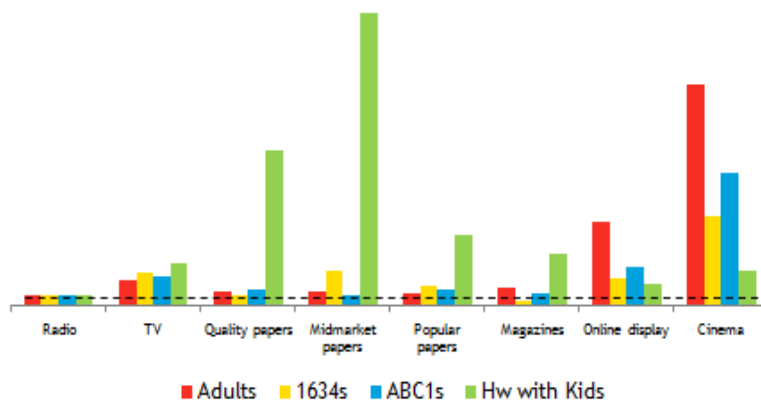
The advantages of using radio to advertise – efficiency, augmented effects, call to action

Radio is an incredibly cost-effective advertising medium and is proven to deliver efficient results in influencing behaviour change for Government campaigns:

- Radio delivers audiences for advertisers **far more efficiently** than any other editorial medium
 - For example, according to media agency estimates: Pound for pound, a media budget spent on radio delivers 2.5 times more adults than TV and almost 8 times more adults than online display
 - Pound for pound, a media budget spent on radio delivers over 3 times more 16-24 year olds than TV; 2.5 times more 16-24 year olds than online display, and eight times more 16-24 year olds than cinema
 - Pound for pound, a media budget spent on radio delivers almost 3 times more ABC1 adults than TV, and almost four times more ABC1 adults than online display

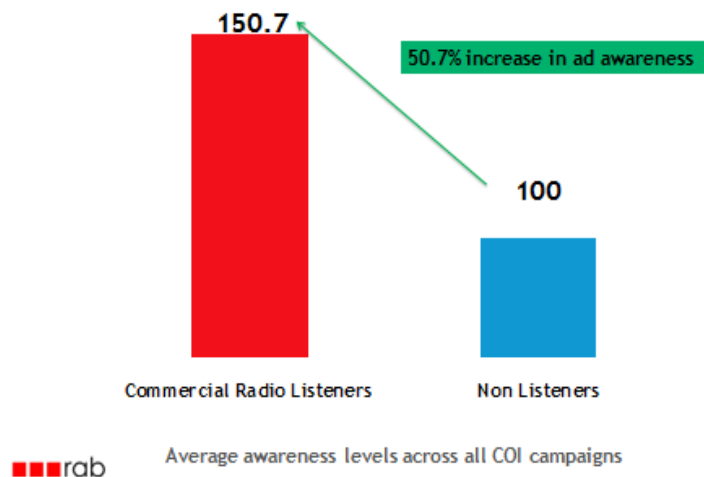
Radio is more cost-efficient than other media for most audiences

Media CPTs indexed on radio CPT
Radio = 100



- Research commissioned by the RAB proves how radio advertising can have a **"multiplier" effect** within the media mix i.e. delivering greater overall effect for the same level of media investment:
 - Radio Multiplier Study (**radio is 4x more cost-effective than TV** at generating ad awareness)
<http://www.rab.co.uk/rab2009/showContent.aspx?id=466>
 - Radio: The Online Multiplier (**radio is 4x more cost-effective than other media** combined at driving driving people online)
http://www.rab.co.uk/rab2009/publicationDocs/RAB_OnlineMultiplier.pdf
- Nineteen Government radio campaigns have been measured on the RAB's RadioGauge ongoing radio campaign measurement tool, demonstrating how the medium has **enhanced awareness of and cut-through** of specific messages within the media mix:
 - Average uplift in awareness delivered by radio advertising across these campaigns is 50%

COI campaigns on average see an uplift of 50.7% in ad awareness due to radio advertising



- Radio is acknowledged as an **effective call-to-action medium**, mobilising listeners to change their behaviour. This effect has been researched and demonstrated for Government communications:
 - Case study for Change4Life demonstrating how radio activity influences behaviour <http://www.rab.co.uk/rab2009/showContent.aspx?id=9082>

Section 2: The value and role of the COI

This section seeks to demonstrate that commercial radio recognises that there are both advantages and disadvantages to the central coordination of communications across Government. We recognise that Government seeks to minimise duplication and maximise efficiency, and therefore believe that some form of central coordination will be required going forward. However, we believe that the detail of this is ultimately a matter for Government.

Commercial radio's perspective on the COI

We believe that the COI has developed a good relationship with the radio industry, for the development and delivery of:

- Consistent and clear planning
- Clarity of messaging and targeting of audiences
- Clarity of objectives, which help establish research parameters to drive understanding, evaluation and ROI
- Consistent high creative standards for all broadcast media
- Competitive value through the consolidation of expenditure
- Ambition to use all radio opportunities including sponsorship, on-line etc and developing new ways of using the medium, such as community messaging
- Honesty and transparency in all its relationships – not least its openness to dialogue alongside the agency

We therefore believe that there are advantages to a central communications team acting on behalf of the whole of Government, in order to:

- Share best practice, learning & skills across departments
- Maximise efficiency through non-duplication of functions across multiple departments
- Exploit synergies between Departments and co-ordinate procurement

However, we can also see that there may be some potential disadvantages of a central communications function:

- Added layer of management between Government department and agency/media owner
- Possible duplication of roles between the COI and Government departments

Looking forward

In our view, Government should be seeking to minimise duplication and maximise efficiency. We therefore see advantages in retaining some central COI functions.

However, we believe that the most appropriate way to organise and structure the Government's direct communication capability is ultimately a matter for Government.

Section 3: Commercial radio's contribution to the Big Society

This section seeks to set out commercial radio's current contribution to the Big Society; both in terms of the value added to COI campaigns and station-initiated community and social engagement. We believe it is important that the significant value of this activity is not overlooked, especially during consideration of how the Government might change its approach to direct communication.

Value added to COI campaigns

As discussed in Section 2, the Government has benefitted from exceptional levels of added value to its COI campaigns – which no other medium would be able to match in terms of value.

Community messaging activity serves to enhance COI campaigns. Whilst a commercial value can be placed on this, the social and cultural value is unquantifiable. Recent examples of community messaging linked to COI campaigns include:

- A Department of Education campaign on Kiss FM to raise awareness of the creative and media diploma. Breakfast show hosts Ricky and Melvin talked about the diploma in the context of the Kiss Academy.
- A Communities and Local Government campaign on Absolute Radio to raise awareness of the importance of having a working smoke alarm. Breakfast show host Christian O'Connell talked about how Absolute's longest-running DJ, Russ Williams, often gave him great advice – thus advising listeners to listen to the good advice to have a working smoking alarm.

Community and social engagement

Commercial radio punches above its weight in terms of social and cultural impact. Whether it is a traffic jam avoided because of a report on the way to work or a community inspired to work together by a news report, every day commercial radio connects with listeners. Stations can respond to a local event in minutes, not hours or days and people connect with their local stations because the people behind the microphone care about the same issues as their listeners.

All local commercial radio stations broadcast local news, weather and travel bulletins, as well as promoting and involving themselves in community and charitable activities. Stations do this to deepen their connection with their listeners and their communities – not because they are obliged to do so.

Understandably, it is extremely difficult to quantify the value of this activity. A recent audit of commercial radio stations allows us to quantify the total number of minutes that an average commercial station devotes to local news, travel, weather and charity appeals per week:

Broadcast activity	Mins per week (per station)
Local news	180
Travel	80
Weather	80
Charity appeals	13
Total	353 (c.6 hours)

This activity totals around six hours of public service content per week per station. We are able to estimate that this airtime has a value equivalent to £1.8m per week across the whole commercial radio industry – or £93.6m in total per annum.

Below are a number of case studies that describe in greater detail commercial radio's commitment to and investment in social action engagement.

Real Radio Northwest – Websafe (GMG Radio)

Real Radio's Websafe campaign had one main aim – to encourage parents to get more involved and take an interest in what their children are doing on the internet. It was broadcast with the backing of Google and the NSPCC and was spear-headed by the Government-appointed Victims' Champion Sara Payne.

Real Radio carried out the biggest internet safety survey of 2009, involving 3,680 schoolchildren in all. The results were then used to give parents a snapshot of how teenagers are using the internet and the dangers they admit to putting themselves in. The campaign featured hard-hitting case studies of cyber-bullying victims and detailed investigations into social networking sites.

On air, Real Radio broadcast advice for parents but also set up a special Facebook page to encourage them to have a go at social networking, making parents and children aware of both the huge benefits and the possible downsides of the internet.

This ambitious and effective multi-media campaign was rewarded in 2010 with an Arqiva Social Action Award.

BRMB Walkathon raises £333k (Orion)

In the summer of 2010 Birmingham radio station BRMB handed over a cheque for more than £330,000 from its massive fundraising event to help wounded soldiers.

The Walkathon raised money for a special unit in Birmingham's Queen Elizabeth Hospital which will help to enable soldiers and their families to adjust to the traumatic impact of injuries sustained in battle.

Around 8,000 people took to the streets to walk 26 miles round the Birmingham outer circle bus route in the summer, with the final amount raised of £333,454 one of the largest ever charitable totals raised by a single commercial radio station.

Metro Radio - Surviving Suicide (Bauer)

The North East of England has one of the highest suicide rates in the country. In response Metro Radio in Newcastle upon Tyne has been involved in a number of highly successful campaigns and programmes to encourage men in the North East to talk about their problems instead of using suicide as a way out.

Working in partnership with the Samaritans, Metro Radio's programmes have featured those affected by suicide while offering advice to listeners who feel they, or someone they know, may be at risk of harming themselves.

Throughout its campaign, Metro Radio ensured that it got expert advice from health professionals and help groups on this issue. As a consequence, the station's programming has been widely praised for its sensitive and well thought out approach to the subject. Most recently, Metro Radio's campaign has been tied in with the launch of the North East's 5 year strategy for suicide reduction and prevention.

Choice FM – I have a choice (Global)

Although many young people are eager to work in media, getting the first step on the ladder can be difficult, particularly for those from a disadvantaged background. To help to address this issue, urban station Choice FM set out offer people aged between 16-25 an opportunity to gain valuable skills in the creative sector by setting up workshops to deliver training in music production, mixing and film making.

Choice FM's '*I have a choice - Music Potential*' last year gave 800 young people in Birmingham and London training in a range of media and music skills and the project is set to continue into 2011. Of those wanting to become a DJ, the most talented youngsters will go on to take part in an exclusive 30 hour course earning an accredited qualification, while the six who show the most potential will then get the chance to take part in a week long work experience placement with Global Radio, Europe's largest commercial radio company.

The amount of airtime donated specifically by Choice FM to this campaign represents around £150,000.

Disaster Emergency Committee (DEC) activity

Commercial radio has broadcast approximately 15 DEC appeals since 2002 and runs no less than two DEC appeals a year - the most recent appeals were for Haiti in January 2010 and the Pakistan Floods in August 2010. In 2009 the industry broadcast appeals for Gaza, Indonesia, Philippines and Vietnam and the floods in Cumbria.

Global, Bauer, GMG, UTV, UKRD and the majority of the smaller groups and stations all ran ads for these appeals – typically 20 or 30 second ads. This amounts to a total of over 300 stations.

For the Haiti appeal - which was a typical DEC appeal - 93 million impacts were achieved and 23 hours of airtime transmitted. Approximately £100 million pounds was raised in total – with commercial radio contributing to a significant proportion of this.

Recognising and safeguarding this value

We recognise that there is a desire for the Government's Big Society approach to be extended to the manner in which Government communicates via direct advertising. We note from this review's call to evidence the following statement: '*In future we will start from a presumption that others may be better placed to achieve our goals, often working in partnership with us.*'⁴

It is the unique properties of commercial radio – a focus on localism, the personal connection between presenters and listeners, radio's strength in call to action etc. (as set out more fully in Section 1) – that enables it to be so effective. This is why we echo the message within Section 1 of our response – that the Government's investment in radio advertising is exceptionally influential in changing behaviour and ultimately saves the Government money – and cannot be replicated by use of Government-owned media (such as Government property or websites) of earned media.

Commercial radio's public service activity (i.e. 'What's on' messaging and charity appeals) could also do much to facilitate the increased involvement of 'third sector' voluntary and community organisations in the Big Society. This public service activity

⁴ Call for written evidence: Review of Government direct communication and the role of COI

works so effectively precisely because it is not centrally-coordinated, but is instead initiated at the station and community level.

We therefore question the likely effectiveness of a centralised Ad Council model as a means of delivering communications for Government, community and not-for-profit bodies in the UK. The establishment of an additional tier of bureaucracy to manage these communications seems counter to the Government's Big Society approach and is unnecessary in the UK, where media owners have been able to develop strong relationships with non-profit and charitable organisations, and effective campaigns that can save money for Government.

In addition, a significant reduction in Government use of radio advertising could potentially reduce commercial radio's wider contribution to the Big Society. Commercial radio wishes to continue contributing to and investing in public service activity, such as outlined above. However, it is only able to do so because of the revenues which it receives from advertisers – including from Government. It therefore calls on Government to consider this valuable activity when considering its future approach to direct communications.

Section 4: Delivering increased public value

If commercial radio is to continue to provide effective charitable, community and public service communication as effectively in the future as it has done in the past, Government may wish to consider how deregulation could assist in maximising the opportunities for the medium to play this role. This section outlines the challenges and proposes a mutually beneficial process for addressing these issues.

The need to reduce restrictions

In practice this deregulation could take the form of a **reduction in restrictions and the obligation on advertisers to include terms and conditions or 'qualifying information' within radio ads**. These requirements only succeed in inhibiting the commercial opportunities available to radio stations, thus reducing the prospect of stations having the capacity to provide airtime for public service and/ or Government communications.

There are numerous examples where this type of qualifying information restricts radio advertising. For example, savings and investments are required to be compliant with strict FSA rules and provide significant qualifying information and definitions, which seem excessive and unnecessary as part of a short 30 second spot advertisement designed to bring the listeners attention to the product rather than provide detailed contractual information. Advertisements that include an offer for consumer credit (for example, to purchase a car) are also subject to relatively onerous qualifying information, depending on the type of claim or offer that the advertiser wants.

However, the removal of the requirement to include such detailed terms and conditions would clearly benefit to advertisers and the radio industry. The available evidence suggests that the net result of the current regulatory burden is a disincentive for companies in some sectors to advertise on radio. For example, a qualitative research project conducted for Ofcom in 2009 found that *'some advertisers in financial services and telecommunications argue that the requirements for detailed terms and conditions in every commercial severely restrict their ability to use the medium for product offers'⁵*. To illustrate this point they provided a number of direct quotes, which we believe are an accurate reflection of the views of advertisers and agencies in these sectors. Examples of these comments are provided below:

- *"Creatively, we can't make it work. Too much time is taken up with all the detailed terms and conditions which we have to put into every ad."* Advertiser
- *"We would need to use 17 seconds of a 40 second commercial just to cover all the T&Cs. Why should we pay for that?"* Advertiser

This attitude was echoed in a benchmark study conducted by the radio industry in 2008⁶, which found that a significant number of respondents claimed that the inclusion of terms and conditions were a barrier to them using radio more often. Therefore we would stress that we believe that a **significant commercial opportunity could be created by the reduction in these requirements, which could then be leveraged to deliver even greater public value for Government**.

No negative impact on consumers

Such an approach would only be acceptable if there was no negative impact from removing the existing requirements. Fortunately the evidence suggests that the removal of these requirements would have **no detrimental impact of listener awareness or consumer protection**. Research commissioned by the Radio Advertising Bureau to test the level of engagement of listeners with radio ads (using their award-winning

⁵ Change Agency – Future of UK Commercial Radio, March 09

⁶ RAB Benchmark Study 2008

RadioGauge research tool), has specifically traced the way in which listeners' attention falls away once the terms and conditions are being read out. Examples of this phenomenon in respect of a particular set of radio ads for the motor industry are provided as an APPENDIX.

This is supported by further research⁷, which has found that consumers use advertising to make them aware of the different products available rather than as a useful way to find out detailed information about them. Supplier literature is regarded as the most appropriate means for delivering such information and there is cynicism amongst consumers about the role and usefulness of warnings, particularly in radio advertising. Many radio ads now simply call on listeners to 'see website for details', which is seen as a much more appropriate source for these types of detailed terms and conditions.

The process of reducing this regulation

We understand that removing the existing regulation and need for qualifying information is not straightforward in all sectors, due to the combination of European law and UK regulations. Indeed these restrictions often derive from a combination of legislation, regulations and industry practice, whether developed in line with decisions from Advertising Standards Authority (ASA) or formalised within the rules of the Broadcast Committee of Advertising Practice (BCAP Code). Moreover, in a number of cases qualifying information is developed by the advertiser themselves through their own legal and compliance teams.

Therefore, as part of the assessment of its future communications and consistent with its stated objective of removing unnecessary regulation, **we propose that the Government leads a project that involves advertisers, agencies and the radio industry, in order to identify the key areas that are most adversely affected** by the requirement to incorporate additional terms and conditions within advertising. This joint project should then consider those areas where appropriate action can take place to deregulate and/ or reduce any unnecessary requirements. There could undoubtedly be mutual benefit for both Government and industry by adopting this approach if this was agreed that a proportion of this value was used to support Government communications (explored further below).

Delivering even greater value

It is difficult to estimate the precise value of additional revenue that could be unlocked by such changes until the more detailed work (outlined above) has been conducted. However, an initial assessment would suggest that the potential revenue benefit of removing the most onerous requirements for terms and conditions could be in the order of several million pounds.

Crucially, commercial radio believes that it may be possible to utilise the opportunities (and a proportion of the additional revenue) provided by a reduction in this regulatory burden to **enable the industry to deliver even greater public value** through its core output, including greater opportunities to support Government communications. In particular, we believe that there are a number of creative approaches that we could adopt in partnership with Government, which could have a significantly positive outcome for the mutual benefit of all parties. These could even involve linking the nature (or category) of particular Government communications to the sector where the deregulation has occurred. For example, deregulation of requirements under consumer credit regulations could create the opportunity for radio groups to provide further support for the HMRC self-assessment campaign.

We therefore propose a joint industry/Government initiative to identify similar areas and suggest solutions, with a view to removing unnecessary regulation. The industry will

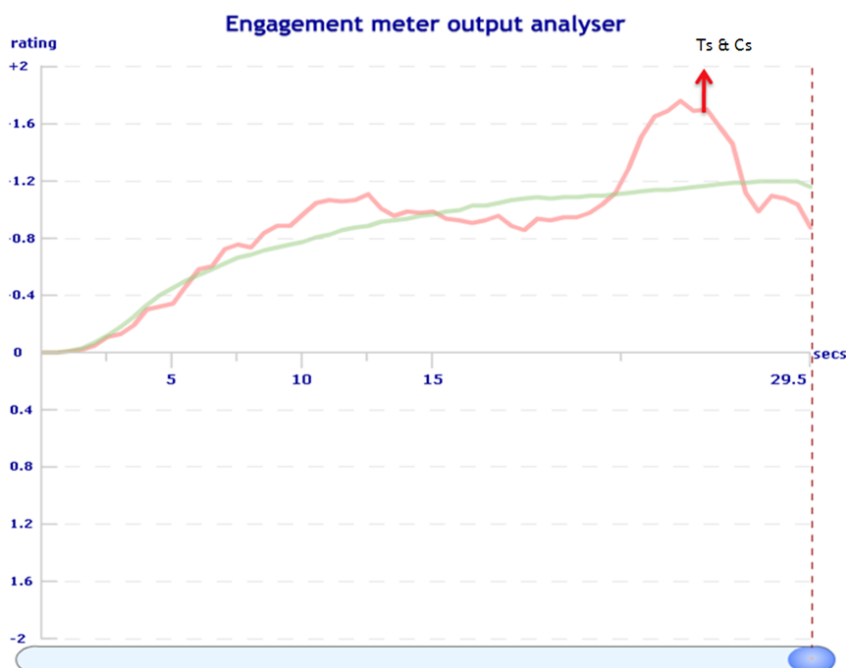
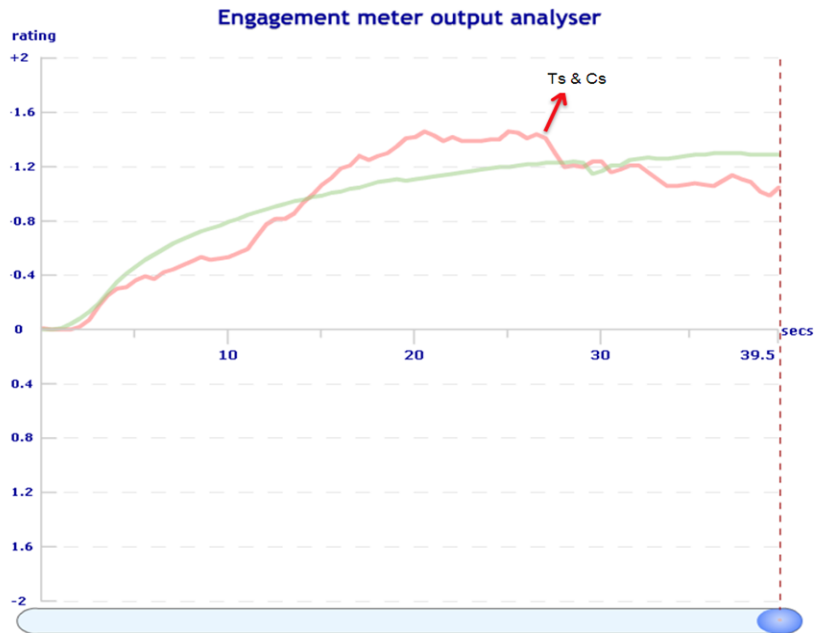
⁷ Navigator – 'Radio commercials and wealth warnings', February 2004

then commit to making enable a proportion of this released value available to support Government communications and provide even greater public value.

Appendix – examples of listener engagement⁸

Listeners were tested to establish their level of engagement with these radio clips. Through the entire course of the radio clip they were asked to show how interesting or enjoyable they found the content they heard (measured on the 'rating' axis). This allowed a trace to be plotted against the length of the advert. Green line is the average score, Red line is the advert being tested.

In all cases the level of engagement fell away markedly once the terms and conditions (Ts&Cs) were read out.



⁸ Radio Advertising Bureau – RadioGauge 2010

Response to consultation questions

1. What is your experience and opinion of Government direct communication and COI?

In recent years, commercial radio has benefited from a relatively large share of Government advertising expenditure - assisted by the COI's focus on value and effectiveness (which, as outlined in Section 1, has played to radio's strengths).

In turn, we believe that the COI has developed a good relationship with the radio industry, for the development and delivery of:

- Consistent and clear planning
- Clarity of messaging and targeting of audiences
- Clarity of objectives, which help establish research parameters to drive understanding, evaluation and ROI
- Consistent high creative standards for all broadcast media
- Competitive value through the consolidation of expenditure
- Ambition to use all radio opportunities including sponsorship, on-line etc and developing new ways of using the medium, such as community messaging
- Honesty and transparency in all its relationships – not least its openness to dialogue alongside the agency

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2. The new Government has a clear intent to have fewer, more effective communications at lower overall cost, a greater devolution of responsibility to partners both commercial and civic and a greater use of non paid for channels. Within this context:

- **When should Government use direct communications, and when should it not?**
- **What are the most important changes Government should make in its approach to direct communications?**
- **Are there any other principles you think should guide Government's use of direct communication?**

We understand and accept the pressure on Government to become more efficient in its use of advertising. Therefore we would propose that it seeks to prioritise the use of direct communications with the most efficient media, and consider the most effective way of delivering Government policy objectives in ways that can save money for taxpayers.

Government will inevitably wish to explore the potential use of 'owned' and 'earned' media as part of this process. However, we would stress the unique benefits of 'paid' media (in terms of reach; control of content; and control of delivery). Within this radio delivers audience more efficiently than any other editorial medium, can have a significant multiplier effect (generating ad awareness and driving people online), enhances awareness and is an effective call-to-action medium.

In order to ensure that Government's direct communications benefit fully from this effectiveness in the future it may wish to consider best practice measurement of the return on investment (ROI) achieved through radio.

3. In seeking to communicate directly with citizens, what type of relationship should Government have with the following groups?

- **Advertising and marketing industry**

[We understand this bullet point to refer to planning and buying agencies.]

We believe that Government planning should still take place within separate agencies to those used for buying. This ensures that value and effective outcomes are the focus of planning, not price - and buying then flows from communications planning, rather than vice versa. In addition, media experts, working within these very competitive sectors, add value to the Government selection process, ensuring that the manner in which Government communicates with citizens is personal, relevant and contemporary.

However, we note that, the longer the list of suppliers working on a brief, the greater the potential for it to take longer to gain consensus and execute.

- **Media owners**

The radio industry would like its collaborative relationship with Government and associated agencies to continue. This relationship focuses on delivering campaign objectives, resulting in a fair and commensurate level of investment in radio, relative to its reach, scale and position within listeners' lives.

In addition, it would be helpful if greater insights and learnings from Government advertising campaigns were shared with media owners, as this information could help improve future planning effectiveness.

- **Brand owners**

We believe that there is scope for greater collaboration between Government, brand owners and media owners. However, this is dependent on finding projects where mutual benefit can be derived for all parties. The Change 4 Life is a good example of such a project.

- **Charities and civic society**

As outlined in Section 3, we believe that Government should be cognisant of the huge role commercial radio already plays in the Big Society, via its public service activity, support for local charities and community groups, and valued added to Government campaigns.

4. Could a 'US Ad Council' style model work in the UK⁹?

- **If so, how?**

- **If not, what are the reasons?**

We question the likely effectiveness of a centralised Ad Council model as a means of delivering communications for Government, community and not-for-profit bodies in the UK. The establishment of an additional tier of bureaucracy to manage these communications seems counter to the Government's approach overall and is unnecessary in the UK, where media owners have been able to develop strong relationships with non-profit and charitable organisations, and effective campaigns that can save money for Government (as outlined in Section 3).

Commercial radio punches above its weight already in terms of social and cultural impact. This activity totals around six hours of public service content per week per

⁹ The US Ad Council brings together volunteer resource from the advertising and marketing industry, the facilities of the media, and the resources of businesses and the civic sector to deliver direct communications to American citizens.

station, which we have estimated has a value equivalent to £1.8m per week across the whole commercial radio industry – or £93.6m in total per annum.

This output and these relationships have emerged from the bottom-up in the UK, and any attempt to impose them from the top-down would be unnecessary and potentially counter-productive.

5. How could Government extend its use of payment by results i.e. agencies and media owners being paid according to the outcomes achieved?

Should the right criteria and controls be in place, we believe that most agencies and media owners would be open to a conversation with Government about payments by results.

6. What role and services in direct communication should be provided centrally by Government?

We believe that Government could play a role in centrally coordinating strategy, policy and procurement (whether via a central body in within individual departments).

In regards to planning and buying, we believe it is most critical that the two functions are kept separate. This ensures that value and effective outcomes are the focus of planning, not price - and buying then flows from communications planning, rather than vice versa.

We believe that there should be some coordination between Government money spent at a national and local level.

7. Currently, direct communication capabilities exist both centrally and within individual Government departments. What, in your view and experience, is the most appropriate way to organise and structure Government's direct communication capability?

We recognise that there are advantages if Government were to maintain a central communications team, in order to:

- Sharing of best practice, learning & skills across departments
- Efficiency through non-duplication of functions across multiple departments
- Maximisation of buying power

However, we can also identify potential disadvantages of a central communications function:

- Added layer of management between Government department and agency/media owner
- Possible duplication of roles between the COI and Government departments

Currently, an individual Government department would not have access or resource to the thinking and experience required to communicate directly with citizens. If, going forward, there was to be no central point of co-ordination, best practice controls and best in class experts, significant investment in resource and training would be required to ensure Government departments were sufficiently equipped.

We note also that certain Government departments have a greater need for COI input (for example, DVLA) than others (Frank). This is usually dependent on size and resource within Government departments – often the smaller the department, the more evident its need for COI research, insight and direction.

8. What role should COI play in the future?

In our view, Government should be seeking to minimise duplication and maximise efficiency. We therefore see advantages in retaining some central COI functions.

However, we believe that the most appropriate way to organise and structure the Government's direct communication capability is ultimately a matter for Government.