

# Radio Ga, Ga

Radio as a medium is witnessing a resurgence in India, with millions of new listeners tuning in to the vibrant sounds flowing out of scores of new FM channels. **Dipta Joshi** tracks developments in this venerable medium.

**R**adio will now be playing loud and clear widespread in the country, even in places like Jhansi, Dehradun, Agartala, Bilaspur and Akola. These places are amongst the 48 cities and towns where 97 FM radio frequencies are being auctioned by the Union Information and Broadcasting Ministry, as part of the second phase of its radio broadcasting privatisation plan. Once the process is through, there will be a total of 378 FM channels (inclusive of both private broadcasters and

state-owned All India Radio) in India.

The private FM radio scene in India is buzzing with action that usually accompanies opportunity. There are high expectations regarding FM, digital radio and even community radio. The industry has been in talks with the government regarding licences for multiple frequencies, current affairs programming and content differentiation all of which will give a boost to the growth prospects of private FM stations.

The Indian private FM space is clearly booming. The FM radio market in India

today is worth almost \$100 million and is expected to grow at a rate of 40 per cent annually. A PricewaterhouseCoopers report estimates a compounded annual growth rate (CAGR) of 32 per cent, and projects the radio industry will top the \$300 million-mark by 2010.

Radio's national footprint is also expected to rise with the geographical expansion of FM from 12 to 91 cities in the next phase. Most of these stations will be active by the end of 2008 when phase III will be around the corner with



another 97 FM radio frequencies on offer. The new channels are expected to go on air by 2009-2010.

Radio listenership too has been showing an uptrend. From a weekly listenership of 70 million in 2005, the figure touched 114 million listeners just a year later.

"These numbers alone make the organic growth spurt of FM radio very obvious," points out Apurva Purohit, CEO, Radio City 91.1 FM. "This growth, coupled with robust radio measurement (indicative of radio audience) and the easing of regulations will see FM radio as a significant medium of entertainment."

Private FM radio in India is a relatively new entertainment medium that opened up only in 2000. Till then, the government-run All India Radio (AIR) was the sole broadcaster in the country. Private broadcasters, however, realised the power of the medium when in 1993 a couple of them were sold slots on AIR's FM channels for certain key cities (the service was discontinued in 1998).

Thus, when 101 FM frequencies in 40 centres were finally auctioned to the private sector, a number of deep-pocketed

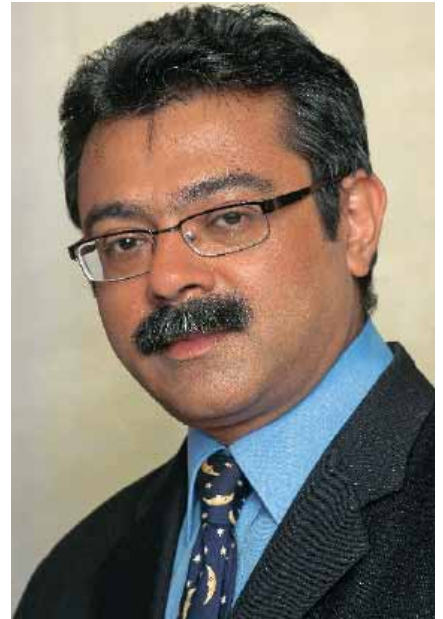
companies belonging to media houses like Mid-Day Multimedia Ltd., the India Today group and Bennett, Coleman & Co were interested.

In 2001 cities like Mumbai and Delhi were the first to tune in to the crackle of radio waves from private radio stations. Today there are close to 30 odd players in the industry with investments at about \$900 million.

Licensing norms were made easier (a revenue sharing model was adopted) for the second phase of FM privatisation in 2005. Licences for 91 cities were auctioned in February 2006. The government also allowed foreign investment up to 20 per cent into the segment to help players raise more funds for expanding the sector. Thus the end of 2006 saw the launch of Fever 104 FM, promoted by the Virgin group and Hindustan Times.

Private FM channels have faced competition from the visual medium in terms of ad spend. While the media spend as a percentage of the total ad spend for television saw a steady rise, it remained stagnant at a mere 2.9 per cent for radio in 2004.

Even today it comprises 3-3.5 per cent



**ANISH TRIVEDI:** 'There is only so much TV one can watch'

of the overall advertising pie. However, radio is expected to move towards high decibel advertising some time soon. Radio advertising, currently a little over \$125 million, is likely to grow to \$216 million by 2009.



**TUNING IN:** The Indian private FM space is clearly booming



**APURVA PUROHIT:** Significant medium of entertainment

Research by independent advertising agencies shows radio has a good 56 per cent reach since people listen to FM at home, while driving, at public places and even at the office. That radio enjoys a greater degree of localisation and interactivity should make it a hit with local advertisers.

Its lower broadcast cost compared to television makes it an excellent national platform too feels Anish Trivedi, chairman and managing director of Banyan Tree Communications, a content provider for terrestrial, satellite and internet audio broadcasts. "There is only so much television that one can watch," points out Trivedi. "As radio increases its reach across the country, it is proving to be a great national platform too for those looking to reach a certain consumer. Thus the right brand strategy can mean proper brand recall."

If 'Binaca Geetmala,' radio's longest running show – the weekly countdown of top Bollywood songs was broadcast from 1952 to 1994 over Radio Ceylon - has been considered as one of the best media properties created till date through radio, a number of on air radio contests too have been a success. Interactive contests like 'Kismet khol de' and 'Khel lakho ka' (Radio Mirchi) or even live ones like 'Big Fresher 2007' have managed to hook radio listeners and garner followers.

Each of these events has proved an opportunity for brand promotions for everything from potato chips to filmy blockbusters. 'Bingo Tick Tock Boing' was initi-

## NEW WAVES IN RADIO

**SATELLITE RADIO:** A satellite radio is basically a digital format of the medium that receives signals broadcast by communications satellite. Thus a person with a receiver can listen to favourite satellite radio stations anywhere in the country, unlike terrestrial radio (AM and FM) whose signals are limited to a certain area. It is not possible to tune in to local radio stations though. Satellite radio offers digital quality sound and there are no commercials.

**INTERNET RADIO:** Internet radio is an audio broadcasting service (working just as traditional radio does), but transmitted through the internet. Internet radio 'stations' are usually accessible from anywhere in the world, which makes it a popular service for expatriates.

**VISUAL RADIO:** Listeners can actually see what they have been hearing. The service allows mobile radio listeners to interact with their radio station on specially designed visually enabled mobile handsets. It allows listeners to tune in to local FM radio via the analog receiver on their mobiles while simultaneously receiving interactive

information and graphics that are synchronised with the radio broadcast via the cellular data network onto the screen of the mobile device. With Visual Radio, listeners can enjoy visuals, information and entertainment of what's playing over the air, purchase ring tones and other mobile content of the artiste, participate in radio station promotions, polls, contests, and interact with radio jockeys and special guests.

**COMMUNITY RADIO:** India opened up its 'community radio' possibilities with the official policy being announced last year. Community radio operates out of rural or urban areas and is broadcast to small areas. It offers a non-commercial voice to specific needs of various groups giving out local information. It has a limited broadcast range (of about five kilometres). The move has been welcomed by educational institutions and NGOs, who would want to use the service to broadcast public service messages. Earlier, for a couple of years, it was mostly 'campus radio' stations that were being allowed to operate as community radios.



**PRASHANT PANDEY:** Need to create more spectrum for content differentiation



**RADIO JOCKEY:** Good morning India

ated by Fever FM to promote ITC Food's snack brand 'Bingo'. Big FM was Yash Raj Film's on air-partner for films 'Tara Rum Pum' and 'Jhoom Barabar Jhoom.'

One reason why advertisers had been overlooking radio as a medium was due to lack of data on the kind and number of listeners. This is, however, no longer an issue with the introduction of radio audience measurement (RAM). TAM Media Research (already into television audience measurement) hopes to collect data on what listeners are hearing on a daily basis as also what are the peak hours of listenership. Those in the business hope media planners will now be able to match their advertising to specific radio stations. This should help to grow the radio pie.

As the industry takes time to settle down, most FM stations are realising that heavy duty selling to advertisers will be possible only if its programming is attractive. So far private FM channels have been sticking to programming that caters to the mass audience.

"Going by sheer demographics, India is getting younger with those in the early '20s to mid-late '30s comprising a largely significant section of the population," remarks Purohit. "They are also a very attractive segment for most advertisers. Thus, radio like most other mediums caters to their specific preferences in

Two or three players will dominate with content appealing to the masses.

content and music." But eventually as the Indian private FM space opens up further, one can expect an array of niche offerings catering to specific pockets of listeners, she feels.

Smita Jha, principal consultant, entertainment and media practice at PwC, believes that as more players enter the arena, players will have to look at alternative options to create a USP for themselves in their respective cities. "What is likely to happen is that two or three major players are likely to dominate the market with content appealing to the masses, whereas the other players will have to go niche, just the way it is in a mature market," she adds.

Radio stations are already veering towards such programming. Radio Today recently launched the niche, talk based

## RADIO TRIVIA

- \* Binaca Geetmala a weekly radio countdown show of top Bollywood songs was broadcast for over four decades (from 1952 to 1994) over Radio Ceylon. It was hosted by the legendary compere Ameen Sayani during its entire run. His first payment when he started his career in the 1950s was a 'weekly tin of Ovaltine', a popular health drink.
- \* Radio has proved to be a lucky mascot for Hindi films. Most films and even songs that used it as a backdrop have become memorable. In 2006 there were two films using radio as the backdrop – Lage Raho Munnabhai and Rang De Basanti. Both of them were Oscar entries.

Meow 104.8 FM, a channel dedicated to women. New genres of content are expected to drive growth in radio. "There are so many uncovered aspects," points out Prashant Panday, deputy CEO, ENIL (Radio Mirchi). "Stations could have programming in more than one language, they can cater to more than one genre of music. However, we need to create more spectrum if we have to have any content differentiation."

Indeed stations are expected to try out niche content formats once the government allows multiple license ownership in each city. FM players are also looking forward to hosting news and current affairs shows (currently only AIR is allowed to do so) on FM. Internationally, it has been seen that there is a 15 per cent increase in overall listenership when news is added. More action is also expected regarding community radio in India. Meanwhile satellite radio, internet radio and even visual radio are finding a place for themselves.

About 25 years ago British band, Queen, in Radio Ga Ga, its ode to the medium - that was then struggling against the onslaught of the visual medium - wondered: "Radio what's new? Radio, someone still loves you!" Had they asked the question in India today, there would be reams and reams to write home about 🌈