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**FICCI Frames 2010: Are radio players revenue-phobic?**

[Devina Joshi](#) | afaqs! | Mumbai, March 18, 2010



On an average, radio has a share of around 8.5 per cent in an advertiser's media mix pie, globally. In India, the industry has come a rather long way, but according to experts debating the evolving role of radio in the media mix at Day 2 of the FICCI Frames 2010, radio has a long way to go as well.



**Sunil Lulla**

Moderated by Prashant Panday, CEO, Radio Mirchi (ENIL), the session involved panellists such as Sunil Lulla, MD and CEO, Times TV Group; Tarun Katial, CEO, Reliance Media World; Punitha Arumugam, Group CEO, Madison Media Group; William Stegeman, CEO, FunX, The Netherlands; LV Krishnan, CEO, TAM Media Research; Paritosh Joshi, CEO, STAR CJ; Tariq Ansari, MD, Mid-Day Multimedia; and Pradeep Shrivastava, chief marketing officer, Idea Cellular.



Advertisement



**Tarun Katial**

Katial began by stating that radio has come of age, and having captured over 300 cities in the country, radio is far ahead of other media in terms of geographical reach. However, one tends not to give radio the credit it deserves, particularly with reference to its role in smaller markets where it has often taken the lead in spurring the entertainment industry, he said.



Punitha Arumugam

TAM's Krishnan added a perspective on who is actually listening to radio, breaking quite a few myths along the way. It is a firm belief that cars is where radio is most listened to, and that morning and evening are the most popular time slots for radio listenership. "After conducting our listenership study, we discovered that the afternoon band is extremely popular amidst housewives," Krishnan revealed.



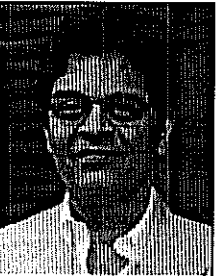
William Stegeman

Furthermore, for those advertisers who believe television is the only dominant medium for consumers on weekends, it is also true that time spent on radio is rather high on weekends as well. And contrary to popular belief, home listenership is far higher (standing tall at 70 per cent) as compared to car/out of home listenership. And youth (known for tuning in during evenings and late-nights) aren't the only drivers of radio - housewives dominate a fair number of slots, particularly the 11 am-4 pm time-band.



LV Krishnan

Lulla of Times TV Group - while appreciative of the long strides private FM has taken and sympathetic of the content constraints it operates in - felt there is little use of the 'E' word, namely Entertainment, on radio. He also had a grouse against the radio industry - that it is not doing nearly enough in the branding arena, to put radio brands out there before consumers - and this, when there are only a handful of radio stations, as opposed to markets like Paris, which have easily 90 radio stations with distinct brand personalities. "This industry has become revenue phobic, and that is dangerous," he said.



Paritosh Joshi

Tariq Ansari countered that by citing the huge costs incurred by radio stations such as license fees, spent every few years, which puts further pressure on revenue generation. "Besides, the buyer of radio spots only looks at listenership, so quite frankly, we have to bring in the listeners and to differentiate may be quite a risky proposition here," he said. The solution, he proposed, could be a solving of the royalty issues faced by the industry, as well as an extension of licenses for 10 or 15 years by the government, which could actually induce radio players to allot more time and monies into brand building.



Tariq Ansari

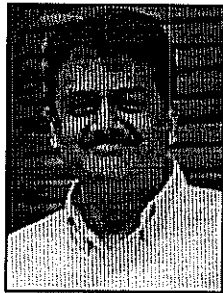
Lulla maintained that the radio industry itself has to lobby for these things with the concerned parties, as the initiative is unlikely to emerge from anywhere else.

To the radio players' credit, Katial drew a parallel between soaps on GECs and music content on radio: in the former's case, he said, viewers do pick up subtle differences in soap operas and choose their favourites, and similarly, small differences in radio content become large differentiators for listeners and hence, all is not lost.



Punitha Arumugam agreed that while a person may not identify one station from another when they both play songs from a 'My Name is Khan', they do identify radio stations on the basis of radio jockeys who lend character to a

**Pradeep Shrivastava** radio brand.



**Prashant Panday**

STAR CJ's Paritosh Joshi, representing himself as a consumer of radio, said that often RJs work their way around content constraints and with little nudges and pushes, end up giving local news, sports highlights and current affairs to the 'aam junta'. For instance, highlighting a water problem in a particular locality and getting the RJ to call the municipal commissioner is often a radio station's way of not only engaging consumers but also providing the 'talk radio' format in a surrogate manner. "Radio allows for a more precise targetting of audiences, and it's a young medium with vastly untapped potential, raring to go!" Joshi exclaimed.

William Stegeman lent the international radio player's perspective when he said that the radio industry in India has a long way to go. "There have been years in Holland when radio has been more profitable than television. In Europe, digital radio - live radio on the Internet - is a popular means of consumption. Today, a radio player can't afford to not be on the web in those markets," he said, adding that perhaps that could be a way ahead for Indian players.

Going by how mobile penetration dominates broadband penetration in India, Idea Cellular's Shrivastava made his point about how radio ought to think of ways to integrate itself on mobile phones in a better way, with applications such as Music on Demand. "As an advertiser, I find radio much more willing to experiment with formats, to co-create ideas, and play around with properties, as compared to TV, which has a more restrictive format," Shrivastava remarked. Further, radio allows for brands to latch on to local dialects and content, and in Idea's own experience, campaigns like 'Use mobiles, save paper' and 'Talk for India' were successful radio campaigns as well.

Arumugam had an interesting point to make when she said that brand activation on radio and brand integration into content can be one way of supporting ad revenue for a radio station, but it cannot be the driver, to which Katial retorted saying that perhaps radio stations ought to charge extra for providing add-ons and creative ideas to brands and agencies. "In so many markets, radio isn't just an add-on either; it actually amplifies BTL in a way television can't, and in some cases, even build brands, particularly in the case of SMEs," he said.

On the ever present debate whether the media agency short-sell radio or does radio short-sell itself, Katial allowed that there is indeed a school of thought that feels that as radio works so well with regional/smaller or mid-sized brands, it ought not to target national advertisers. Arumugam affirmed that cost efficiencies on TV are much more for a national advertiser than on radio.

Katial concluded by saying, "The growth of radio all depends on how we manage ourselves and not how everyone else manages us."

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