

CONTEMPORARY TENDENCIES IN RADIO STATION MANAGEMENT

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Abstract:

Radio station management has changed dramatically during the last few years. Operating in a stiff competition environment, radio stations need to focus on new business models, as they evolve from broadcasting to narrowcasting or nichecasting. Since a radio station operates simultaneously on two markets (the consumers and the advertisers) attention should be placed both on the radio production and the radio promotion, on-air as well as off-air. The Program Director (PD) is acting more and more as a brand manager in order to ensure a unique competitive advantage for the radio station.

Key words: *radio station management, brand management, program management, radio programming*

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Radio management has undergone important changes during the last years, primarily because of a series of regulatory changes that have steadily increased ownership limits to the point where there are no longer national limits, but limits at the local market level (Albarran: 2006, 13).

Even if the revenues stagnate, radio stations still make decent sales, because investors continue to reckon radio stations profitable businesses, mainly in medium and large markets.

There are several explanations for the industry's inertia. Some observers indicate concern with business processes, such as the complexity advertisers face when buying time on multiple stations, and audience measurement. Other analysts think that formats and programming practices are a problem.

Because of the lowered legal requirements for local programming, many stations run simply as automated computer servers, transmitting content produced elsewhere. Consequently, consolidation has reduced the number of jobs in the radio industry, so that a very small number of managers run a very large number of stations (Van Tassel and Poe-Howfield: 2010, 12-13). The loss of individual stations has also caused station diversity to decline, so that radio stations become more and more dull and stereotyped.

Technology has enhanced the trend toward format similarity, as automation allows many programming and recording tasks to be done on a computer. Thus, radio has lost much of its local character. The competitive landscape of broadcast radio has changed dramatically in the last few years, also due to new audio technologies, such as satellite and Web radio, as well as music downloading and mobile music services or mobile multimedia devices.

However, the business plan for most of the larger groups has not worked out as they expected, as the cost savings realized by the large combos were less than anticipated and radio station groups were unable to use their size to leverage significant increases in advertising.

Broadcasting radio managers need to explore programming and format options, and more sophisticated advertiser relationships.

Various analysts expect radio format audiences to shift in the next few years, with a boost for news/talk formats and urban stations. All other formats in use are projected to decline.

Redefining radio station management implies at least two interrelated and interdependent dimensions: brand management and content management.

There are two markets of every radio station: business-to-business and business-to-consumer. Consequently, radio brands must generate two sets of brand strategies.

Using business-to-business branding, brand equity can be cultivated among the elite group of customers. For radio broadcasters, this means capturing primarily the attention of advertisers (Albarran: 2006, 245). Pricing can be a pivotal variable for managing brand equity. That is, the more added values a brand name evokes to a media buyer, the more likely he will pay a premium price for a commercial or advertisement. Brand image goes beyond mere awareness and deals with the thoughts and feelings (meaning) of the brand to a consumer. It can be conceived as a cluster of attributes and associations (Albarran: 2006, 234).

As business-to-consumer is concerned, there are on-air and off-air strategies to attract a carefully segmented audience.

One thing that is absolutely necessary for the successful business operation of a radio station is to establish an identity. The radio station's identity needs to be a combination of all the things a station is to its listeners, synthesized into one or two highly identifiable elements (Warren: 2005, 97). Many radio stations display highly conflicting identities just because they did not invest effort or funds to convert from old identities to new ones. The kind of station identity that works is build from consistency. The station mood can be achieved through a very specific sound and format.

Formats need both durability and consistency (Perebinosoff et alii: 2005, 153). Choosing the right format for the intended audience is critical. Commercial viability of a radio station requires a marketable format. Adjusting existing programming or selecting a new approach is a decision for a radio station searching for viable format alternatives (Warren: 2005, 39). A format is basically a specific design and schedule of program elements, a menu formed by a unique combination of ingredients, meant to Music programming is the primary on-air format strategy. Program management needs to determine what image the station projects musically. Radio stations with the highest ratings are those that are musically superior to their competitors, not just because of the songs played, but also because of the way programming management successfully mapped the general music image that the station needed to project (Warren: 2005, 52).

As Steve Warren observes (Warren: 2005, 39-40) there have always been different formats available for radio stations. Some keep recurring, though redefined from year to year. The most common music formats are:

1. Contemporary popular music by today's top recording artists, generally appealing to
2. the young adult audience, or music-conscious adults.
3. Country music, contemporary or traditional, ranging in demographic appeal from young adults to very old.
4. Recent hits from the past decade. Largely the most highly visible and identifiable songs. Programmers refer to this as "recurrent based" music.
5. Oldies, songs at least a generation old. Now branching into various subformats as the
6. body of available music familiar to radio listeners grows. Often represents various urban preferences. Appeals to mature adults.
7. Ballads and soft, easy-listening music. Familiar melodies by known artists.

8. Adult music from nonrock background. Includes MOR (usually meaning Middle-of-the-Road, or a mixture of various styles), Pop Standards, Lite Adult Contemporary.
9. Rock in any form, either Classic Rock from the 1970s and 1980s or Contemporary Hard-Edge Rock.
10. Specifically ethnic or urban music targeted directly at a certain ethnic group.
11. Background easy listening, mostly instrumental, nonforeground; can represent both newer and traditional selections.
12. Religious or inspirational. Spiritual music or contemporary artists with religious or moral message.
13. Classical. Orchestral, chamber music, opera, choral, arts-involved, major composers.
14. Alternative. Counterculture, whatever is not mainstream, changes frequently.

This list does not address presentation or non-music elements within each format. These are general categories, but they are the building blocks that tend to make up the many combinations and hybrids at radio stations everywhere. Depending upon how many different radio stations there are in a market, many of the above formats can be combined or merged, forming hybrids.

The image that the radio station projects also results from news station ID and on-air promotion.

Unlike managers in non-media businesses, radio station managers have virtually no influence over four of the five basic elements of marketing.

Most business managers can control the way their products or services are distributed, the prices charged, the characteristics of the products themselves, and the postpurchase services offered. But radio managers have very little, or no control over any of these (Tyler Eastman: 2006, 31).

Radio station managers cannot control the price charged for their programming because radio station listening is free to the consumer. Moreover, for most formats, station management has only a limited control of the programming itself. Music-oriented stations rely on material that is available only as a result of the decisions made by music companies. News and talk station programming is driven by events beyond the direct control of station management. In other businesses, postpurchase service includes items such as warranties, service contracts, and so on. Although there is an element of service after an advertising buy, postpurchase service for the audience is mostly limited to responding to listener complaints (Tyler Eastman: 2006, 32).

Radio station managers also cannot control the place where their station's programming is consumed because listening occurs everywhere, usually while people are engaged in other activities and is secondary to those activities.

Of the five elements of marketing, only one – promotion – is completely within the control of the station management. For radio stations, marketing means promotion, in terms to attracting audiences. Radio has two great promotional advantages over many other businesses, however. First, because radio is present almost everywhere and is consumed by almost everybody, a multitude of opportunities exists for promoting the programming. Second, radio has the priceless ability to promote itself on air.

Many radio stations fail to assess the needs of the listeners accurately. They base their promotions on things that come to them through the back door, either from record companies or from merchants with whom they have advertising relationships rather than trying to fulfill the needs that the listeners really have. That may be one of the great benefits of learning about your audience. Radio stations should closely identify with the listeners, not only regarding the music, the selection of news and information, not

just in the attitude of the DJs, but also by offering promotional opportunities that directly benefit an immediate need that the listeners have.

Many radio stations conduct research using listeners, but this is usually research based on music preferences and virtually no attention is granted to the other aspects of the radio station. A more complex and extended research can help radio stations to find a lot of other things the station can be doing to serve the listeners and therefore gain greater listenership.

Some of the best kinds of promotions are those that pay for themselves by participation of other business interests within the promotion. A promotion that requires a prize, for example, can be effectively developed into a self-paying opportunity by the participation of several parties other than the radio station alone.

Listeners' perceptions of what a radio station represents are more significant than the reality of the station's programming. If the listener perceives the radio station as sounding better, then, for that listener, the reality is that the station indeed sounds better. For example, a station that heavily promotes long music sweeps between commercial blocks may be perceived as less commercial, even when it actually carries more commercials than its competitors. Successful promotion managers undertake activities that will generate talk about the station (buzz) and design positioning campaigns to create perceived advantages (Tyler Eastman: 2006, 34-36).

Getting audiences so interested in a station that they will talk about it with their friends can be powerful tool for promotion in critical format change periods or other major audience acquisition efforts. Radio stations have used several stunts over the years to make known programming changes, from playing a single song in a loop, to running for weeks without commercials or DJs. In each case, the idea was to do something so odd, so unusual, that people would talk about it with friends and family members. A staged action that other media cover also creates buzz.

In order to position itself successfully, a radio station needs to fit closely into the target audience's lifestyle. The goal is to create a station image that matches the self-image of the audience. To support the positioning process, radio stations create a single listener representation that the staff always takes into account when working on programming or promotion.

In today radio, brand positioning means understanding the competitive strengths and weaknesses in the market and using those to station's advantage (unique selling point), from the music to the logo and slogan to the DJ talk between songs and news programming.

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