

TIP THREE: EXTEND YOUR BRAND

Why radio offers sound advice on convergence

UK stations have found the right formula for migrating across other media, repackaging to suit each technology, writes Clare Dowdy

"In my mind and in my ear, we can't rewind, we've gone too far. Pictures came and broke your heart, put the blame on VTR."

When The Buggies released "Video Killed the Radio Star" in 1986, radio's demise in a world of new media was often seen as largely a matter of time. Instead the industry has not only proved its resilience but has been at the forefront of media and communications convergence.

The successful migration of radio stations on to the internet, the spread of digital technology and forays into television, magazines and music retailing mean that many UK radio brands are among the first fully fledged converged brands.

As a result, the medium offers valuable branding lessons to other content owners that are having to respond to convergence by extending across myriad platforms.

Most of these extensions are more about franchising, licensing or sponsorship deals than technical convergence - hence the importance of getting branding strategies right. Consultants warn that these strategies are particularly sensitive to badly applied versions of brand imagery that was never designed to work on more than one platform.

One of the main reasons for the successful convergence of so many UK radio brands has been the industry's fragmentation. For example, where the former Capital Radio was once synonymous with its flagship Capital FM network, the group - which last year merged with GWR to form GCap Media - now boasts a family of niche stations such

as Xfm, Choice FM and Classic FM.

This has allowed groups such as GCap Media and Emap more easily to structure themselves as collections of cross-media brands, repackaging brands to suit different technologies and audiences that favour those technologies.

Both groups point out that if they did not get on the latest must-have platforms then someone else would.

"If people want to consume music or music entertainment they can do that in many ways," says Graham Bryce, managing director at GCap Media's Xfm, Choice FM and Capital Gold. "So why shouldn't we be the voice across these platforms and transfer into other areas?"

Marcus Rich, managing director of Emap Advertising and Emap Performance, agrees: "It's better for you to be in that space than someone else."

Emap's stable of converged brands include Smash Hits and Kerrang!, which boast radio stations, websites, TV channels and magazines. The group has also shown how the convergence potential of niche radio products can be applied to other niche media such as magazines - since May its FHM title has encompassed a TV channel as well as a website.

At GCap Media, Xfm is a radio station, website and events operation. There are thoughts of relaunching the magazine, Classic FM offers all this - its magazine is published through Haymarket - plus a TV channel and a record label with Sony BMG.

The biggest pitfalls lie in taking trusted brands that

have been nurtured over the years and pushing them into new, ill-considered directions. "If you stretch too far, your credibility is damaged," cautions Mr Rich.

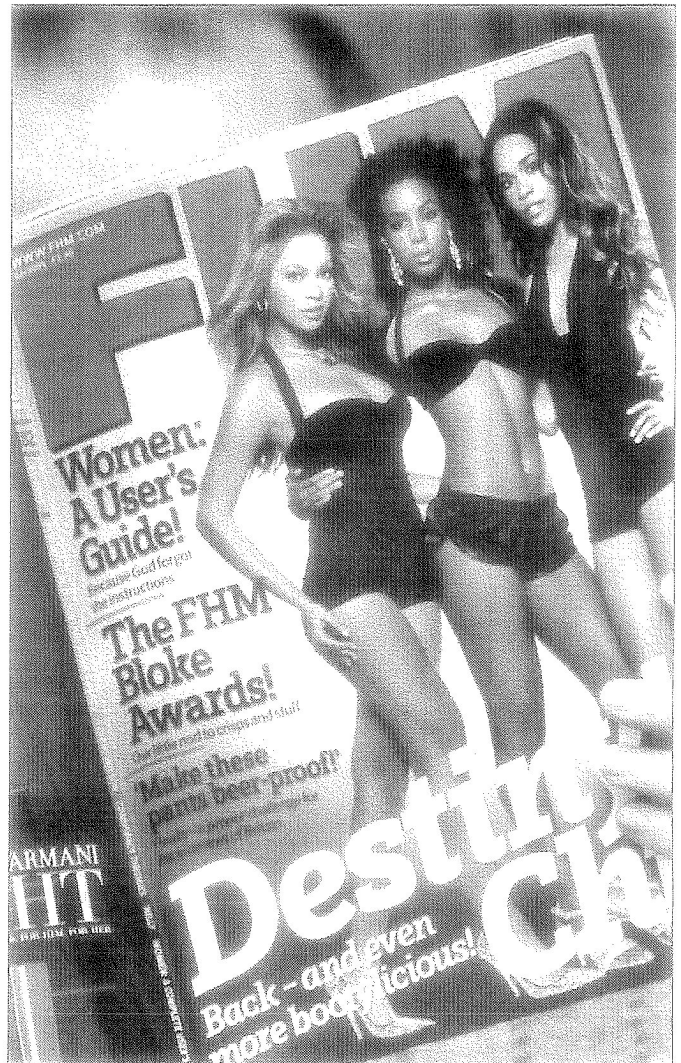
Emap tries to be inclusive in the way it goes about convergence. It sets about "marrying" the brand champion, which usually means the magazine's editor, with the platform champion and getting them to agree on the appropriateness of a brand extension.

This ensures that the brand's values have integrity on a new platform. As a magazine, FHM's values are funny, sexy and useful. Mr Rich neatly applies these to the FHM Music TV offer, explaining that it is funny, with its programmes such as Thongs of Praise, sexy, with a very high bikini count in the music videos, and even useful, with the videos requested by its 550,000 readers through the magazine.

At the same time, each of the platforms must maintain its raison d'être by continuing to offer something that the other platforms cannot do. Smash Hits' convergence strategy reflects the way its customers' circumstances have changed. Five years ago, it was a magazine. Now, Smash Hits' offer reflects that a 13-year-old girl's bedroom is home to multichannel TV and the internet - not forgetting her mobile phone.

For example, its 2.1m TV viewers a week watch the latest pop videos, while the magazine, which sells more than 126,000 copies a fortnight, features song lyrics and pull-out posters to stick on that bedroom wall.

But not every brand can take advantage of each bit of



Getting abreast of convergence issues: a man reads Emap's FHM

Chris Ebbes

new technology because, however exciting and potentially lucrative, it might not suit the consumer group.

So while GCap Media's Choice FM radio station makes 5 per cent of its revenues from its ringtone offshoot, sister stations such as Classic FM are never likely to contemplate such a move.

On the other hand, for brands that have very specific target markets, such "brand stretch" can be a useful way of appealing to a broader spectrum of people. Emap's Kerrang! has discovered that its 1.3m weekly TV viewers tend to be slightly older than readers of its magazine - which sells about 62,000 copies a week. This means that convergence is allowing its brand to hang on to its audience for longer.

GCap Media's Classic FM TV pulls in the brand's youngest audience of all its platforms. Meanwhile, during exam revision time, 70 per cent of the text messages for requests on the radio station are from students. The

magazine, on the other hand, gets 227,000 readers, whom Darren Henley, the station's manager, describes as its connoisseur audience.

Branding pioneer Martin Lambie-Nairn, whose eponymous company is owned by WPP, says brand owners have to ask themselves if the face they put on a product can be translated to the lowest common denominator - which at the moment is the mobile phone.

He points to O2 as the first brand that he was able to design centrally. "At last, they were open to a solution that was the way we had been trying to do it for a long time."

Mr Lambie-Nairn created a brand that worked in all media from the outset. The original brand had to work on mobiles, advertising, TV, computer screens, PDAs and the whole gamut of communication material.

Ultimately, well branded convergence is about exploiting other forms of revenue. The media companies are loath to release actual revenue

figures for each platform, but the proportional breakdowns are telling.

As Mr Henley at Classic FM puts it, the traditional advertising model would make £10-£12 a year per listener. "But if you can communicate with them on different platforms you can increase that revenue." In total, Classic FM has sold more than 2m units and 11 per cent of its revenue is non-traditional.

Meanwhile, 10 per cent of Xfm's total revenue comes from its online offer, with its website getting 300,000 unique users a month.

As far as the brand owners are concerned, brand-loyal consumers have no qualms about seeing their magazine or radio station metamorphose on to other platforms. In fact, they positively welcome it.

"If you have an intimate relationship with a brand then getting more of it is favourable," says Mr Rich at Emap. "The customer who really likes you will want more of you."

NEW DIGITAL PLATFORM PROMPTS CONSOLIDATION

When media group Emap last week agreed to buy the 73 per cent of Scottish Radio Holdings it did not already own it highlighted SRH's strong brands and said this was the key to success in digital radio, writes **Gautam Malkani**.

The deal, which valued SRH at £35m, left the UK with two heavyweight national radio groups following last September's merger of Capital Radio and GWR.

That merger had come days after the UK's embankment of digital radio was "billed in a speech by Stephen Carter, chief executive of Ofcom, the media regulator.

"As a medium, radio is of special interest to Ofcom because of radio's role as spearhead in the move towards convergence," he said. "At least some of the time, 15 per cent of the total radio audience listen on the internet. Over 15 per cent listen to it on mobiles. And nearly 30 per cent listen to it via the digital TV."

One of the main reasons why the UK industry has pursued the new medium, leading the world in content and technology, is the level playing field it offers commercial groups with the publicly-funded BBC - which hitherto dominated available spectrum.