

*"Working for quality
and diversity in
British broadcasting"*



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VLV's Response to Ofcom Consultation on Commercial Communications in Radio Programming: Broadcasting Code Review September 2010

Voice of the Listener & Viewer (VLV) is an independent, non-profit-making association, free from political, commercial and sectarian affiliations, working for quality and diversity in British broadcasting. VLV represents the interests of listeners and viewers as citizens and consumers across the full range of broadcasting issues. VLV is concerned with the structures, regulation, funding and institutions that underpin the British Broadcasting system.

Introduction

1. VLV does not have specific expertise in the economics of this area of commercial radio. However radio in general has been central to VLV's concerns since its foundation in 1983. Most of our members are avid consumers of radio output but only a minority listen regularly to commercial radio stations, in many cases due to the perceived intrusion of commercials. Whilst appreciating that commercial radio, by its nature, is funded by a mixture of spot advertisements and sponsorship of different kinds, we believe that any increase in the amount of commercial communications is likely to irritate the majority of listeners and likely to prove self-defeating in economic terms. We are therefore making only a brief general response to this consultation as we believe any increase in the amount of "commercial communications" should be resisted. A key finding of the research undertaken by Ofcom published in June 2009 (see appendix to this response for summary of findings) into consumer attitudes to commercial references within radio programmes was that consumers valued the principle of separation between commercial communications and programming. We therefore support option one in this consultation which would maintain the status quo. This position is consistent with our opposition to the extension of the commercial content in television by the introduction of product placement.

Radio

2. Radio remains a very popular medium but is especially important to the elderly, disabled and those citizens isolated geographically or socially. Radio relies solely on the audio stream coming from the receiver. It is therefore a very special and personal medium which relies on each listener's experience and imagination for interpretation, the old cliché that the pictures that it forms inside our heads are better is therefore true because they are different for every listener.
3. This means that commercial communications make a significant impact on the listener. They are not in the background but take over the listening experience for their duration. On television the impact of advertisements can be reduced by turning down the volume, not an option for the radio listener who cannot avoid them.

Reasons for supporting only option one

4. There are currently spot advertisements, sponsorship announcements and phone-in competitions on commercial radio, all of which we classify as commercial communications. We believe that the current quantity of these communications is probably the most that many listeners will tolerate. VLV wishes to see a strong commercial sector and fully understand the need for a healthy advertising environment. However that environment will result from a balance of the need for content against the listener's resistance to too much intrusion by advertising. An overbalance will lead to further disasters in a currently weakening sector. The right environment for advertising, attractive content for the target group, is more important than the time available for adverts. Using the accounting trick of increasing time available for advertising will likely be self-defeating in VLV's view and not produce the productive advertising contribution that commercial radio broadcasters and VLV would wish.
5. We are concerned that creative and editorial decisions might be skewed in order to provide opportunities for more commercial messages if there is a relaxation of the current code.
6. The commercial content of radio is currently reasonably obvious and transparent to the listener. Despite the reassurances given in the consultation we are not convinced that extra commercial messages will be so obvious and listeners may not always know when they are being sold to.
7. We regret that product placement has been permitted in commercial television programmes and fear that it will lead to a loss of trust in the integrity of editorial decisions. As we explain in paragraphs 2 and 3 above, radio is a very special medium which we believe cannot sustain any further commercial content without damaging the listening experience.
8. Another finding of Ofcom's research into the attitude of listeners to commercial references in radio programmes was that listeners would welcome a relaxation in the regulation of commercial content. However we consider that the overall view that should be taken of the results of this research is that listeners in general do not like advertising (see the 5 points at finding 2) and want strict controls to be imposed on any new commercial input. This attitude reflects many of VLV's concerns outlined above. The support for change appears to come from a hope that it will bring an improvement in commercial communications. We believe that that is a hope that will not be fulfilled – see point 9 below.
9. If any option other than one is adopted, we believe there will be a significant increase in new commercial messages while spot advertising will continue at the current level.

The remaining 3 options in this consultation all envisage significant increases in the amount of commercial communications. VLV believes any such move could alienate many listeners and prove counter-productive. VLV does not, therefore, support any increase in the current permitted amount of commercial communications and makes no comment on the remaining options.

Appendix to VLV's response to Ofcom consultation on Commercial Communications in Radio Programming: Broadcasting Code Review

Key Findings of Ofcom commissioned research into consumer attitudes to commercial references within radio programmes June 2009

1. Commercial radio is a medium through which most listeners expect to be 'sold to', or receive commercial messages from, whether by spot ads or within programming; the majority understand that this is how commercial radio is funded and accept that this is the 'trade-off' for receiving a free service.

2. Among listeners, traditional spot advertising has an immediate association with commercial radio, and is its main defining characteristic. However, spot ad breaks also tend to be regarded negatively; they are considered:

- to be intrusive / interrupt programme content;
- to be loosely targeted to a mainstream audience; consequently often irrelevant;
- to have an overt sales agenda;
- often to have low production or tonal values; and
- to be repetitive.

3. Commercial references in programming are widely considered to be preferable to spot advertising. As such, sponsor credits are often well-received on the grounds of their brevity, relatively low level of intrusiveness and less overt sales agenda.

4. Levels of regulatory awareness in the commercial radio domain are low; most listeners are aware only of programme content-related regulation, driven by recent high-profile cases such as the Russell Brand / Jonathan Ross controversy and TV phone-in scandals. Ofcom's activity and remit in the area of commercial radio regulation is largely unknown and most listeners have never given consideration to whether or how commercial radio advertising is regulated.

5. Participants showed a clear appetite for some relaxation of Ofcom's rules concerning commercial references in programming and sponsorship. When asked, in response to audio stimulus, the majority of respondents opted for a change to the status quo. Nevertheless, their openness to any relaxation of Ofcom Broadcasting Code rules was subject to certain caveats, based on the preservation of their *listening experience* and their *listener principles*.

6. Of prime importance to listeners is the quality of the listening experience itself. Commercial activity which is deemed to impair the listening experience tends to fall into one of two main camps:

- it is not relevant to the listening context; and/or
- it intrudes on the listening experience;

7. Alongside the listener experience, listeners hold dear two broad 'listener principles' which demand that any piece of commercial activity:

- is clearly understood as being commercial in nature; and
- does not threaten listener trust.

8. These listener principles could be summarised as 'clarity and integrity'; and, as acceptance criteria, are broadly in line with Ofcom's three principles of separation,

transparency and editorial independence, although with some important exceptions and variations noted in the following paragraphs.

9. The main exception is the principle of **separation**. For many, separation represents a barrier to the more integrated type of commercial activity which this research indicates many listeners are welcoming on radio. Listeners are, however, aware of the potential for surreptitious/covert messaging if the principle of separation is not applied. While few consider themselves to be susceptible to this form of advertising, it is felt that more vulnerable members of society such as children or the elderly may be more at risk.

10. For this reason, the principle of **transparency** is of paramount importance to listeners; where there is transparency; separation becomes a less important principle. Listeners want to know whether what they are listening to has a commercial agenda or not; this is a fundamental requirement among listeners, if trust in the broadcaster – and indeed the advertiser – is to be retained. Equally, without transparency, the concept of listener choice is felt to be compromised, since there is no clear signpost to switch station (or off) if desired.

11. **Editorial independence** is considered to be the most important principle among listeners for a number of reasons. Commercial radio audiences often have longstanding, trusted relationships with their presenters and if they are felt to be delivering 'scripted opinion', listeners feel irritated and let down, or in some cases object to the presenter's role being compromised. The idea that presenter opinion or play list selection might be directly influenced by a commercial third party is unpalatable for many, particularly if this is not made clear.