



## **Application for the FM Independent Local Radio Licence for Manchester**

**9 February 2005**

## GENERAL INFORMATION

### **(a) Name of Applicant, Address, Telephone and Fax Nos., E-mail address**

This must be a single legal entity: either a body corporate or a named individual person. If the former, a copy of the certificate of incorporation must be included with the application.

Xfm Manchester Limited  
Company Number: 5337066

30 Leicester Square  
London  
WC2H 7LA

Telephone: 020 7766 6000  
Fax: 020 7766 6097  
Email: [contact@capitalradiogroup.com](mailto:contact@capitalradiogroup.com)

Certificate of Incorporation: **Appendix 1**

### **(b) Main Contact (For Public Purposes)**

Please nominate at least one individual to deal with any press or public enquiries, stating:

Name: Jane Wilson  
Telephone (daytime): 020 7766 6863  
Address: Capital Radio PLC, 30 Leicester Square, London, WC2H 7LA  
E-mail address: [jane.wilson@capitalradiogroup.com](mailto:jane.wilson@capitalradiogroup.com)

### **(c) Proposed Station Name (if decided)**

Xfm Manchester

### **(d) Brief Description of Programme Service**

Xfm Manchester will provide an Alternative music format for 15-34 year olds in the Manchester area, playing generally guitar-led, quality modern and classic “music with attitude” created by artists who challenge mainstream pop aesthetics.

### **(e) Main Contact (For Ofcom Purposes)**

Please nominate one individual to whom questions of clarification and/or amplification should be sent

Main Contact details submitted separately within confidential appendices.

## **SECTION 105(A): ABILITY TO MAINTAIN PROPOSED SERVICE**

### **1. Ownership and control of company which will operate the licence**

#### **(a) Board of Directors**

(i) Provide the name, occupation, other directorships, other media interests, background and relevant media experience of each director (executive and non-executive), including the proposed chairperson.

#### **NON EXECUTIVE CHAIRMAN**

**Name:** Robert Hough DL LLB DBA (Hon) DLitt (Hon)

**Occupation:** Deputy Chairman, Peel Holdings Limited  
Chairman, Liverpool John Lennon Airport PLC

#### **Background:**

Robert Hough graduated with first class honours in law from Bristol University and was admitted as a solicitor in 1970. From 1974 to 1989, he was a partner with a major firm of solicitors in Manchester specialising in corporate, commercial and banking law.

He became Chairman of the Manchester Ship Canal Company in March 1987 - a position which he held until October 2002 - and he has been a Director of Peel Holdings plc since June 1986 and its Deputy Chairman from March 1989.

Peel Holdings is a substantial public property and transport group listed on the AIM market with gross assets in excess of £2 billion and, with its wholly owned subsidiary the Manchester Ship Canal Company, is the largest private landholder in the Greater Manchester area. It is one of the most substantial property investment and development groups in the United Kingdom and is the owner of the 1.4 million sq ft regional shopping and leisure centre known as The Trafford Centre, as well as the Port of Glasgow.

The Peel Group also owns Liverpool John Lennon Airport. Robert Hough is currently the Chairman of Peel Airports Limited, Liverpool John Lennon Airport and Teesside International Airport.

He has also made a substantial contribution to the regeneration of the North West Region. He was the Chairman of the Organising Committee of the Manchester Commonwealth Games from 1995 to 1999, then its Vice-President, and also Mayor of the Games Village during the Games themselves. He is now Chairman of New East Manchester Limited, the urban regeneration company responsible for the physical, social and economic regeneration of a disadvantaged area in that part of the City, comprising about 2,700 acres.

In addition to his corporate duties, Robert Hough is also a member of the North West Business Leadership Team and was its Chairman for nearly four years until December 2003. He is also a member of the North West Regional Assembly and was previously Chairman of the North West Regional Review Group; a member of Court of the University of Manchester; a member of the Economic Panel of the Bank of England

## Xfm Manchester Application

North West Agency; a past President of the Manchester Chamber of Commerce & Industry; a past Trustee of The Lowry and a past Governor of William Hulme's Grammar School.

Robert Hough is also the High Sheriff of Greater Manchester for the year commencing April 2004.

In July 1996, Robert Hough was awarded an Honorary Degree of Doctor of Business Administration *honoris causa* by Manchester Metropolitan University and of Doctor of Letters *honoris causa* by the University of Salford. In March 1997, he was appointed a Deputy Lieutenant of the County of Greater Manchester.

### **Other Directorships:**

Alfred McAlpine PLC  
Cheshire Building Society,  
QA plc

Robert Turley Associates  
Shiloh PLC.

### **Other media interests:**

Robert Hough is Chairman of the North West radio station, Century Radio 105 Limited which is wholly owned by Capital Radio PLC.

## **NON EXECUTIVE DIRECTOR**

**Name:** Simon Moran

**Occupation:** Managing Director, SJM Concerts

### **Background:**

Simon Moran promoted his first concert at Sheffield University just over 20 years ago, and now fronts the largest UK concert promoter.

Simon has resisted the industry pull to move to London and based SJM Concerts in Manchester. SJM now not only promotes some of the most successful artistes in the world but Simon also manages acts such as the Beautiful South, the Coral and John Squire. He was voted Young Manager of the Year for his work with The Coral by the Music Managers Forum.

Whilst honoured to be invited by Tony Blair to advise the government on the economics of the music industry, Simon is never more comfortable than when he is discussing the musical career of young talent with record company directors, managers and agents.

He is an avid rugby league fan, sitting on the Board of Warrington Wolves and holding a majority share in the Club.

### **Other Directorships:**

SJM Ltd  
Roseclaim Ltd  
Maztec Ltd  
Gigsandtours.com Ltd  
Wembley TV Ltd

Warrington Stadium Developments Ltd  
Wired Concerts Ltd  
V2000 Ltd  
Academy Music Group Limited  
Academy Music Holdings Limited

## Xfm Manchester Application

Warrington Sports Holdings Ltd

Santa's Kingdom (UK) Ltd

### **Background and relevant media experience:**

SJM Concerts was established in 1988 and expanded from being at the forefront of the explosion of Manchester music to the UK's leading concert promoter, responsible for over 1700 concerts per year and employing 22 full time staff. SJM is based in Manchester.

SJM's artist roster includes Scissor Sisters, Avril Lavigne, McFly, Blink 182, Green Day, the Stereophonics, Dido, Coldplay, Keane, Joss Stone, Oasis, Robbie Williams, Morrissey, David Gray, N\*E\*R\*D, Duran Duran, Franz Ferdinand and Fleetwood Mac.

As well as the numerous indoor shows in clubs, universities, city halls and arenas, SJM Concerts stages many outdoor events, including Radiohead in Oxford South Park, Spice Girls at Wembley Stadium, Robbie Williams at Lancashire County Cricket Club, Red Hot Chili Peppers at City of Manchester Stadium and Oasis at Knebworth.

SJM co-promotes the V Festival, held over twin sites in August and now in its tenth year, and the Scottish festival 'T In The Park'. SJM promotes the annual Move Festival held at Lancashire County Cricket Club in Manchester, which has been headlined in previous years by David Bowie, REM, The Pixies and Manchester acts such as Morrissey, New Order, the Charlatans and Ian Brown, and has also featured up-and-coming Mancunian artists like Doves, Badly Drawn Boy, Alfie and Elbow.

SJM Concerts has won numerous awards over the years, most recently the coveted 'Promoter Of The Year' for 2004, awarded by both Manchester's MEN Arena and London's Wembley Arena.

### **NON EXECUTIVE DIRECTOR**

**Name:** David James Mansfield

**Occupation:** Chief Executive, Capital Radio PLC

#### **Background:**

David Mansfield was appointed Chief Executive in July 1997. Prior to this he was Capital Radio's Managing Director having joined the company in 1993 as Commercial Director.

#### **Other Directorships:**

Beat (East Midlands) Limited

Border Plc

Border Radio Holdings Limited

Capital Charities

Capital Gold Manchester Limited

Capital Radio Digital Limited

Capital Radio Fun Limited

Capital radio north east limited

Capital radio plc

Capital Television Limited

Investors In Radio Limited

Southern Radio Group Limited

CRCA

Digital Radio Development Bureau Ltd

Digital Radio Plus Limited

M C Media (India)

Radio advertising bureau

**Background and relevant media experience:**

David has spent over twenty years in media starting his career as a Marketing Executive at Scottish Television and Grampian Sales in 1977. Following a number of management roles he left in 1985 to join Thames Television as Marketing Controller. Latterly, as Deputy Director of Sales and Marketing, he was responsible for the day to day sales operation of the company until leaving to join Capital Radio in 1993.

Since 1993, Capital has expanded its operation from 2 to 21 analogue radio licences and has over eight million listeners. In preparation for the future transfer of radio broadcasting from analogue to digital, Capital has invested significantly in digital radio. Capital Radio is now a leading digital radio broadcaster operating a network of 58 digital services in all major UK conurbations, including one national licence.

Capital Radio PLC is the largest UK commercial radio group and a member of the FTSE 250.

**NON EXECUTIVE DIRECTOR**

**Name:** Paul Richard Davies

**Occupation:** Operations Director, Capital Radio PLC

**Background:**

In 1997 Paul was appointed to the Board of Capital Radio PLC as Group Commercial Director. In June 2000 Paul became Operations Director, bringing responsibility for all aspects of the Group's radio business under his wing.

**Other Directorships:**

BB Capital Limited	First Oxfordshire Radio Company Limited
Beat (East Midlands) Limited	Gwent Area Broadcasting Limited
Beat 106 Limited	Healthbuild Limited
Birmingham Broadcasting Limited	Hit 40 UK Limited
BRMB Limited	Invicta Concerts & Promotions Limited
Capital Disney (West Midlands) Limited	Jams Of London Limited
Capital Gold Birmingham Limited	Midlands Radio Plc
Capital Gold Hampshire Limited	Mwah Mwah Limited
Capital Gold Kent Limited	My Kinda Bath Limited
Capital Gold Manchester Limited	My Kinda Bones Limited
Capital Gold Sussex Limited	My Kinda Shacks Limited
Capital Interactive Limited	My Kinda Square Limited
Capital Online Limited	Neal Street Blues Limited
Capital Radio (London) Limited	Ocean Fm Limited
Capital Radio Fun Limited	Power Fm Limited
Capital Radio Investments Limited	Radio Invicta Limited
Capital Radio Management Limited	Radio South Limited
Capital Radio Plc	Rib Shack Limited
Capital Radio Restaurants Group Limited	Southern Radio Limited

## Xfm Manchester Application

Capital Radio Restaurants Limited	T S Holdings Limited
Capital Radio Telstar Entertainment Direct Limited	Thamesquote Limited
Cardiff Broadcasting Company Limited	The Chicago Rib Shack Limited
Century Radio 105 Limited	The Ocean Radio Group Limited
Century Radio 106 Limited	World Television Productions Limited
Century Radio Limited	Xfm Limited
Cheerdale Limited	Independent Radio News Limited
Expressway Limited	

### **Background and relevant media experience:**

Paul started his career in media with the sales department in Anglia TV in 1973. Over the next 6 years he went to ATV and subsequently HTV. In 1979 Paul moved into radio, joining a fledgling selling operation to represent a number of the newly launched commercial radio stations.

In 1981 Paul joined Capital Radio PLC as Sales Manager. In 1989 a new company was formed called MSM (Media Sales and Marketing) to act as a national sales house for radio companies, which Paul headed as Managing Director. Over the next eight years MSM expanded rapidly and took on the representation for all of the radio stations owned by companies such as Emap Radio, GWR Group as well as nationally syndicated programmes such as The Pepsi Chart Show and Independent Radio News.

### **EXECUTIVE DIRECTOR**

**Name:** Peter Jonathan Harris

**Occupation:** Finance Director, Capital Radio PLC

### **Background:**

Peter joined Price Waterhouse in 1984, where after three years he qualified as a Chartered Accountant. In February 1988 he left Price Waterhouse to join Lloyds Merchant Bank as a corporate financier.

After four years of corporate finance, Peter joined NatWest Markets in February 1993 as Manager of the Corporate Finance Department. He was involved in managing a number of corporate finance transactions, including flotations, acquisitions and disposals of major clients.

### **Other Directorships:**

BB Capital Limited	Expressway Limited
Beat 106 Limited	First Oxfordshire Radio Company Limited
Birmingham Broadcasting Limited	Glasgow Gold Limited
Border Plc	Gwent Area Broadcasting Limited
Border Radio Holdings Limited	Healthbuild Limited
BRMB Limited	Investors In Radio Limited
Capital Charities (Trading) Limited	Invicta Concerts & Promotions Limited
Capital Disney (West Midlands) Limited	Jams Of London Limited
Capital Gold Birmingham Limited	Midlands Radio Plc

## Xfm Manchester Application

Capital Gold Hampshire Limited	Mwah Mwah Limited
Capital Gold Kent Limited	My Kinda Bath Limited
Capital Gold Sussex Limited	My Kinda Bones Limited
Capital Interactive Limited	My Kinda Shacks Limited
Capital Online Limited	My Kinda Square Limited
Capital Radio (London) Limited	Neal Street Blues Limited
Capital Radio Digital Limited	Ocean Fm Limited
Capital Radio Investments Limited	Power Fm Limited
Capital Radio Management Limited	Radio Invicta Limited
Capital Radio Plc	Radio South Limited
Capital Radio Restaurants Group Limited	Rib Shack Limited
Capital Radio Restaurants Limited	Soul Media Limited
Capital Radio Trustee Limited	Southern Radio Group Limited
Capital Television Limited	Southern Radio Limited
Cardiff Broadcasting Company Limited	T S Holdings Limited
Century Radio 105 Limited	Tainside Limited
Century Radio 106 Limited	Thamesquote Limited
Century Radio Limited	The Chicago Rib Shack Limited
Cheerdale Limited	The Ocean Radio Group Limited
Choice FM London Limited	World Television Productions Limited
Choice FM North London Limited	Xfm Limited
	Wildstar Records Limited

### Background and relevant media experience:

In 1994, Peter joined Capital Radio as Head of Business Development, where his first brief was to oversee the acquisition of Southern Radio plc.

In October 1996, he was promoted to Group Finance Director. As well as overseeing the financial operation of the group, he has also been closely involved with the strategic development of the company, including the acquisitions of Border TV Plc, Beat 106 Ltd and more recently Choice FM.

### EXECUTIVE DIRECTOR

**Name:** Graham David Bryce

**Occupation:** Managing Director, Xfm, Choice FM and Capital Gold

### Background:

Graham is a qualified Chartered Accountant and has an MBA from IMD in Switzerland. Prior to his role at Xfm he worked in strategy and development for the Capital Radio Group, becoming Head of Corporate Strategy in 1997.

### Other Directorships:

Soul Media Limited	Xfm Limited
Tainside Limited	M C Media (India)



## Xfm Manchester Application

### **Other media interests / Background and relevant media experience:**

Graham has been Managing Director of Xfm since 2000 and has been responsible for the transformation of Xfm into the leading Alternative music brand in the UK. During the past four years Xfm's audience in London, and nationally on digital, has grown to record levels, and the revenue of the London station has more than doubled. The London station has won many awards and accolades including being voted "Best Radio Station in the UK" by the music industry, as well as winning "Best Breakfast Show" and "Best Presenter" Gold at the Sony Radio Awards.

He has been a Board Director of Choice FM for two years, representing Capital Group's 20% shareholding, and became Managing Director following Capital Group's full acquisition in March 2004. In April 2004 Graham was also given the task of running the Capital Gold network.

(ii) If there are firm plans to appoint any further directors, provide information (with details of any specific individuals in mind). This information may be submitted in confidence.

N/A

**(b) Proposed Investors and Shareholding Structure**

Full details of the proposed shareholding structure should be provided, including:

(i) Names and addresses of all existing or proposed shareholders.

Capital Radio PLC  
30 Leicester Square  
London  
WC2H 7LA

(100% shareholding)

(ii) Total number, class/classes of shares and issue price of shares (specify voting, non-voting, preference, other etc.).

Classes of share capital:	Type	Number	Par value	Issue price (if different)
Ordinary Shares	Voting	100	£1	N/A
	Non voting	-		
	Preference	-		
	Other	-		

(iii) All voting shareholders and holders of 5% or more of non-voting shares and loan stock should be named. State the number, class/classes and price of shares to be issued to each investor.

Capital Radio PLC will hold 100 ordinary voting shares, representing 100% of the total issued share Capital.

(iv) Outline any shareholders agreements or arrangements which exist.

There are no shareholders agreements or similar arrangements in existence.

(v) Where a corporate body other than a current Ofcom licensee will be providing 30% or more of the required funding, details should be given of its directors and main shareholders, and of its activities.

n/a

(vi) Ofcom may request additional information (e.g. a banker's letter, statutory/management accounts) regarding the shareholders, or any other providers of finance, listed in the application.

Capital Radio PLC is happy to provide any additional information Ofcom might request.

**(c) Involvement of the Applicant in Specified Activities**

Details are required of the involvement by the applicant and its participants (including shareholders or other subscribers of more than 5% of the applicant's total funding requirements) in any of the activities listed below, and the extent of the interest. For these purposes, the applicant includes associates of the applicant (i.e. directors and their associates and other group companies).

(a) Advertising agencies;

None

(b) Newspapers;

None

(c) Other broadcasting interests;

Capital Radio PLC owns and operates 21 analogue and 58 digital commercial stations under licences from Ofcom. It also holds two digital additional service licences, four local multiplex licences and has interests in four other multiplexes.

Directors' interests are set out in 1(a) above.

(d) Bodies whose objects are wholly or mainly of a religious nature;

None

(e) Bodies whose objects are wholly or mainly of a political nature;

None

(f) Local authorities;

None

(g) Other publicly-funded bodies.

None

## 2. Financial and business plan

### (a) Overall Financial Strategy

Provide a concise summary of how the applicant considers it is able to establish and maintain, throughout the licence period, its proposed service, and how this licence fits in with the investors' strategy.

Xfm Manchester will be not only a radio station, but also a major player in Manchester's music scene. Xfm will fuel the growth and popularity of Alternative music in the area, on air and off air through live concerts and club nights, which in turn will drive the ongoing success of Xfm. This cycle will not only benefit Manchester, but also have a significant impact on the success of digital radio nationally by adding high quality, locally-made material to the digital programme mix.

### Capital Radio PLC development strategy

Capital Radio PLC is the UK's leading local commercial radio group, with experience and success over 31 years in developing strong local music radio stations. The Group owns and operates 21 local analogue stations and 58 local digital sound programme services. Xfm Manchester will be a wholly owned subsidiary of Capital Radio PLC. It will benefit from the expertise, financial stability and full resources of its parent company.

Our application to Ofcom for the Independent Local Radio licence for the Manchester area is entirely consistent with our strategy of developing successful local commercial stations on both analogue and digital platforms. As "Xfm" is closely associated with Alternative music among music fans and advertisers nationwide, we decided to use that name for our proposed Manchester service. Xfm Manchester will be a high quality, locally relevant service which will significantly broaden the range of existing commercial radio offerings in the Manchester area.

As a major player in the development of digital radio, Capital is committed to it for the long term. Our investment in digital radio in the next financial year will be £6.2 million. The award to us of the new analogue licence for Manchester would provide a significant boost to the longer-term development of digital radio services by enabling the expansion of a genuinely local service onto the DAB platform. We would simulcast our local output on DAB digital radio and take every opportunity to further promote digital take-up in the Manchester area, thereby adding to the critical mass needed for the long-term success of DAB.

In the most recent RAJAR figures (W4:04), 23% of Xfm's listeners (158,000 listeners) and 21% of listening hours were outside the London TSA. To bolster these digital listening figures, the best shows from Xfm Manchester would be added to the national Xfm output to enhance the digital programming available throughout the UK. The Group currently sells advertising on Xfm's (national) digital listening figures and it remains a favoured brand for advertisers, who have added their support to our bid (cf. **7. Evidence of Support**)

## Financial Stability

In the 2003-04 financial year Capital Radio PLC saw underlying group profit before tax increase by 4% year on year to £23.7 million. Cash conversion was strong with 106% of underlying operating profit being converted into trading cash flow. In November, the Group announced the additional investment of £1.5 million in two of our development brands, Xfm and Choice FM.

Capital Radio PLC is highly confident of its ability to maintain the proposed service through to profitability and thereafter throughout the twelve year licence period. Capital Radio PLC is listed on the London Stock Exchange with a market capitalisation of approximately £350 million. All funding required for the operation of the Xfm Manchester licence will be met by the group's existing banking facility, renewed on a rolling annual basis. Our bank has indicated its willingness to continue to provide this arrangement. The Group is highly cash generative. Operating cash inflows for the year ended 30 September 2004 were £25.4 million compared to underlying profit before tax of £23.7million.

### (b) Funding

Detail the sources of finance that will be used to fund the licence, under the following headings:

#### (i) Share capital

The sources of finance to fund the licence are as follows:

Source of finance	Amount (£)
Share Capital	100
Loan stock	-
Leasing/HP facilities	-
Bank overdraft	-
Grants and promotions	-
Other (Intercompany balances)	3,265,000

Xfm Manchester will be funded in the same way as all other stations within Capital Radio PLC. The Group operates its transactions from a central finance function, and trades through Group bank accounts. All funding required for the operation of the Xfm Manchester licence will be met by the Group's existing banking facility. As at 30 September 2004 there was £33,564,000 headroom within the Group's borrowing facilities, enough to cover the requirements of Xfm Manchester almost ten times.

#### (ii) Loan stock

Not applicable

#### (iii) Leasing/HP facilities (capital value)

Not applicable

#### (iv) Bank overdraft

## Xfm Manchester Application

Not applicable

(v) Grants and donations

Not applicable

(vi) Other (please specify)

Not applicable

Where relevant, provide information on:

(i) Loan terms (e.g. interest rate, repayment terms, redemption/conversion terms);

Not applicable

(ii) Assets leased.

Not applicable

All of the funding identified above should be confirmed to the applicant. Explanation should be provided if this is not the case.

Confirmation of funding is set out in a letter (cf. **Appendix 2**)

### **(c) Financial Projections**

The purpose of this question is to allow the applicant to demonstrate its understanding of the market. The forecasts should be based on reasonable assumptions, that are logically applied and justifiable. The applicant should provide financial projections on an annual basis for the licence. The projections must include:

- (i) Profit and loss accounts
- (ii) Balance sheets
- (iii) Cash-flow forecasts

The period covered is at the discretion of the applicant, but should be justified. The forecasts should be supplied on an Excel spreadsheet or similar, with any accompanying guidance notes.

This section must include a full listing of the underlying assumptions on which the financial projections are based, relating such assumptions clearly to other parts of the application (e.g. proposed format, extent of coverage area).

The applicant should detail how revenue figures were derived, distinguishing between local, national and sponsorship revenue.

Our financial projections are supplied separately in confidence (Microsoft Excel doc: Financial Projections) together with guidance notes listing the detailed assumptions used in the preparation of the forecasts which are enclosed in the separately submitted Confidential Appendices.

## Xfm Manchester Application

### (d) Audience Projections

Provide the following information:

(i) The projected adult (aged 15+) population of the Total Survey Area (TSA) within which it is intended to measure the listenership of the service;

The target audience for Xfm Manchester will be men aged 15-34 in the Manchester area, though the station will appeal to a broader group of men and women with an interest in Alternative music. Although the total potential reach of the audience may be more than the 1.3 million predicted by Ofcom (cf. **3. Transmission Proposals**), we have adopted that number as the TSA for the purposes of business planning and this application.

(ii) Projections for listenership ratings (e.g. weekly reach, average weekly hours of listening) over the first three years of the service, with detailed demographic breakdowns as appropriate;

Audience projections for Xfm Manchester were informed by our November 2004 survey, which tested a prototype of the station on 812 15-44 year-olds in the Galaxy 102 TSA. **Table 1** below shows how likely respondents are to listen to the station listed by demographic group:

**Table 1: Population of coverage area by demographic and survey results**

	Population	% who would listen "A lot"	% who would listen "Regularly"
<b>15-24 Male</b>	104,718	16.4%	38.2%
<b>15-24 Female</b>	105,293	22.7%	27.3%
<b>25-34 Male</b>	100,115	16.2%	30.5%
<b>25-34 Female</b>	106,444	14.3%	27.7%
<b>35-44 Male</b>	123,130	14.8%	31.3%
<b>35-44 Female</b>	129,459	9.6%	19.3%

We then applied these statistics to the local market and listening habits to produce reach and hours projections for the first three years of transmission (cf. **Table 2** below). The assumptions behind these projections are explained in **Section 105 (A) 2 (d) (iv)** below.

We believe these projections to be realistic compared to the reach and hours achieved by other radio stations broadcasting in Manchester.

We have also drawn encouragement from the experience of Kerrang! in the West Midlands. Birmingham is a rock music city in much the same way as Manchester is associated with Alternative music. Kerrang!'s early success in Birmingham reflects that connection, which leads us to believe that we would have a similar early success with Xfm Manchester.

## Xfm Manchester Application

Finally, our experience of Xfm in London suggests that our projections are realistic. In a much more competitive market, with double the number of local commercial analogue stations, and one with a less pronounced heritage in Alternative music, Xfm's reach has grown by 21% in the past three years and now comfortably achieves 5%. Over the same period hours have averaged 7.2.

**Table 2: Weekly reach and share over time**

	<b>W4:2006</b>		<b>W4:2007</b>		<b>W4:2008</b>	
<b>Reach</b>	<b>No. of listeners</b>	<b>% of total</b>	<b>No. of listeners</b>	<b>% of total</b>	<b>No. of listeners</b>	<b>% of total</b>
<b>15-24 Male</b>	22,588	19%	27,447	19%	30,305	19%
<b>15-24 Female</b>	22,012	19%	26,081	18%	28,714	18%
<b>25-34 Male</b>	18,797	16%	22,661	16%	24,999	16%
<b>25-34 Female</b>	17,931	15%	21,640	15%	23,875	15%
<b>35-44 Male</b>	22,601	19%	27,366	19%	30,204	19%
<b>35-44 Female</b>	14,959	13%	18,079	13%	19,950	13%
<b>Total reach</b>	118,886		143,274		158,047	
<b>% Reach</b>	<b>9.1%</b>		<b>11%</b>		<b>12.2%</b>	
<b>Average hours</b>	8.5		8.6		8.6	
<b>Total Hours</b>	1,007,052		1,237,965		1,355,227	
<b>% Share</b>	<b>3.1%</b>		<b>3.9%</b>		<b>4.2%</b>	

(iii) The expected impact of the proposed service on existing services, in listenership terms;

Our research suggests that the presence of Xfm Manchester in the market will grow overall listening: 25% of respondents in our survey claimed they would listen to more radio as a result. Nevertheless other respondents claimed that listening to Xfm Manchester would erode their consumption of both existing commercial radio (29%) and BBC stations (20%).

Our research indicates that the appeal of Xfm Manchester is quite broad – listeners will come from a wide range of stations. The biggest impact on existing services is likely to be on BBC Radio 1. Two-thirds of survey respondents who claimed they would listen to Xfm Manchester “A lot” had listened to Radio 1 in the past week. Over half of Radio 1's weekly listeners surveyed claimed they would listen “A lot” or “Regularly”, and only 13% said they would not listen at all, while 57% of those who claim that Radio 1 is their favourite station expect to listen “A lot” or “Regularly”.



## Xfm Manchester Application

The next biggest impact is likely to be on Key 103. Among respondents who said they would listen to Xfm Manchester “A lot”, 56% had listened to Key in the past week. A majority, 52%, of those who described Key as their favourite station said they would listen to Xfm Manchester “A lot” or “Regularly”.

Century FM 105.4 would also be likely to lose listener hours to Xfm Manchester: 41% of survey respondents who claimed they would listen to Xfm Manchester “A lot” had listened to Century in the past week, while 47% of those who regarded Century as their favourite station said they would listen to Xfm Manchester “A lot” or “Regularly”.

(iv) The basis on which the estimates above have been calculated, and any assumptions taken into account.

To calculate the demographic breakdown of the coverage area, we took the sub-demographic population sizes of the Galaxy 102 TSA from RAJAR W4:04 and factored it down in line with the difference between the Galaxy TSA (2.686 million) and the advertised coverage area of the new licence (1.3 million).

Our quantitative research gave us the percentages of each demographic group who said they would listen to Xfm Manchester “A lot” and “Regularly” (cf. **Appendix 4**). We then discounted these percentages to reflect the fact that not everyone who said they would listen would actually tune in.

By the end of Year 1, we assumed that only 50% of respondents who said they would listen “A lot” would actually have become listeners. By the end of Year 3 this will have risen to 60% to reflect the effects of heightened general awareness, successive marketing campaigns and word-of-mouth.

We took a similarly conservative approach to respondents who said they would listen “Regularly”. We estimate that only 35% would be listeners by the end of Year 1, and that greater awareness would drive this only to 50% by the end of Year 3.

Even though we expect some over-44s and some of the survey respondents who said they would listen “Occasionally” to become Xfm Manchester listeners, for the purposes of our projections we have assumed that none will. Similarly we have not assumed any growth in the market’s average hours or total listening hours following Xfm Manchester’s entry into the market, despite 25% of respondents in our survey claiming they would listen to more radio as a consequence.

The survey respondents who said they would listen “A lot” will become “core” P1 listeners, according to our assumptions. P1 listeners in the 15-44 age-group in the Galaxy 102 TSA listen to their favoured station for an average of 17.7 hours, according to RAJAR W3:04. We have discounted this in Years 1 and 2 and only assume that Xfm Manchester P1 listeners will be listening for 17.7 hours in Year 3.

We assume also that the survey respondents who said they would listen “Regularly” and go on to become listeners will become “non-core” P2 listeners. P2 listeners in the 15-44 age-group in the TSA listen to their favoured station for an average of 2.7 hours, according to RAJAR W3:04.

## Xfm Manchester Application

### 3. Transmission proposals

(i) Provide details of the transmission site you propose to use, under the following headings:

(a) Name and National Grid Reference of site;

Sunley building. NGR: SJ 844 983.

(b) Height of site above Ordnance datum (in metres);

44 metres.

(c) Height of transmitting aerial above ground level (in metres);

The mean height of the existing antenna above ground level is 123 metres.

(d) Radiated power in either or both planes of polarisation, and aerial radiation pattern (if no aerial radiation pattern is submitted, it will be assumed without exception to be omni-directional).

Effective radiated power will be 500W HP + 500W VP, using an existing antenna at Sunley building. ntl inform us that Ofcom already have the technical details of this antenna and they are pleased to answer any questions that Ofcom may have.

No antenna radiation pattern is included as the radiation pattern is nominally omni-directional.

The applicant should confirm whether he believes that his intended mast aperture will be available, and whether, where required, planning permission can be obtained. Where appropriate, evidence to support this belief should be provided. Details of any negotiations which have been entered into with the site owner should also be provided.

The antenna is owned and maintained by ntl and they have confirmed that the antenna system is capable of being shared. Planning permission will not be required as it is not necessary to effect any external changes to the system

ntl have offered us site-sharing facilities and will be pleased to confirm this to Ofcom if required.

The information provided above must take into account any requirements set out in Section 2 of this Notice. In the event of minor non-compliance, Ofcom may revisit an applicant's proposals with a view to modest adjustment following award and closer scrutiny. Significant non-compliance may render the application liable to disqualification.

ntl have noted the requirements set out in section 2 of the notice and confirm that, in their opinion, the existing antenna system that we propose to share meets Ofcom requirements.

(ii) Please provide a detailed computer predicted map (in colour) of the coverage anticipated using the transmission site and parameters described above.

Coverage will be severely affected by co-channel interference from the Radio 1 service transmitting from Sandale and also from the Radio 1 service on 97.8 MHz transmitting from Pendle Forest. A computer predicted coverage map is included on page 11. This shows in magenta the predicted coverage if the transmission were noise limited and, in blue, the coverage area where interference from the two BBC transmissions is unlikely

## Xfm Manchester Application

to have any material effect. The populations covered by these areas are 1,760,000 and 1,235,000 respectively.

ntl have recently completed field measurements prompted by this application. From the results of these measurements and following experience elsewhere, ntl advise us that useful coverage will be achieved beyond the area indicated in blue. We believe that the actual population covered will be somewhere between the two figures; for the purposes of our business plan, we have taken a conservative figure of 1.3m.

(iii) Describe proposed arrangements for transmission provision (installation, maintenance and repair). The transmission system and equipment must comply with the Engineering Code originally published by the Radio Authority, which represents Ofcom's current policy and is available at:

[www.ofcom.org.uk/codes\\_guidelines/broadcasting/radio/codes/engineering\\_code.pdf](http://www.ofcom.org.uk/codes_guidelines/broadcasting/radio/codes/engineering_code.pdf)

We intend to contract with ntl who will install, commission and maintain the transmission system on a Total Broadcast Contract basis. Peak modulation level will be controlled by the audio processors and the service will include telemetry and remote monitoring which reports on a 24 hour basis to the control centre at Emley Moor. ntl have trained personnel from within its Broadcast Division who are able to deal with all regulatory and technical issues. They will regularly check transmission parameters and work to the Engineering Code originally published by the Radio Authority and now adopted by Ofcom.

(iv) What is the anticipated time-lapse between the award of licence and start of broadcasting? Applicants should note that failure to commence broadcasting the service within two years of the date on which the licence is awarded is likely to lead to the offer of a licence to the successful applicant being withdrawn. In these circumstances the licence would be advertised afresh and a new competition would be held to award the licence.

Xfm Manchester will be ready to commence broadcasting within 6 months of being awarded the Manchester licence. Proposed month of launch would be October 2005.



# Xfm Manchester Application



**SECTION 105(B) AND (C): CATERING FOR TASTES AND INTERESTS/BROADENING CHOICE**

**4. Programming Philosophy**

(i) This sub-section of the application should take the form of a statement setting out the applicant's overall programming philosophy and vision for the radio service.

*"Before it became just another category, Alternative was... it was attitude."<sup>1</sup>*

Alternative music – high-quality, credible music created by artists who challenge mainstream pop aesthetics – has been synonymous with Manchester since the 1970s. Alternative music is the music Manchester is famed for creating – and the music Manchester loves. Yet current local commercial and BBC radio offerings rarely, if ever, play this music. Chart success, whether current or historical, is in most cases the key criterion for airplay.

Our desk and quantitative research reveals a significant gap in radio listening among men under 35 in Manchester. Our qualitative research shows that those who do listen to local commercial radio do so for want of anything better. They feel disenfranchised. The music they love is neither played nor discussed on the radio. They find the presenters on local radio out of touch with their humour and values, the things they talk about irrelevant to their lifestyle.

We believe that the award of this licence to Xfm Manchester, a local music radio station reflecting Manchester's position as the home of Alternative music in the UK, would best satisfy the requirements of the Communications Act to provide a range and diversity of local radio services in the area.

Xfm Manchester will bring a new kind of local radio to the area, characterised by:

- a range of exciting, credible Alternative music;
- a refreshingly informed and opinionated presenting style;
- intelligent speech content that reflects its audience's passions and concerns; and
- engagement with the Manchester community through live events and club nights, and support for local bands, artists and DJs.

In so doing, Xfm Manchester will:

- address the discrepancy between Manchester's passion for Alternative music and the dearth of airplay it receives on local radio;
- broaden the range of commercial radio available in the area dramatically; and, as a result
- increase commercial radio listening in Manchester.

Capital Radio PLC is the only UK radio company with a track record in delivering this new kind of local radio, and has done so in the challenging London market. In 2004 Xfm London broadcast 350 live sessions, 90 live concerts and 350 interviews with Alternative artists. Xfm has nurtured distinctive on-air talents like Christian O'Connell, Zane Lowe

---

<sup>1</sup> Michael Stipe of REM in Xfm's *The A To X Of Alternative Music* (Steve Taylor, Continuum 2004)



## Xfm Manchester Application

and Lauren Laverne, all of whom have picked up major radio awards. It has also made an enormous contribution to London's music scene, last year staging 50 events a year and giving 150 unsigned acts their first airplay. We would like to do the same for Manchester.

Xfm already holds a DAB digital radio licence in Manchester. If Xfm Manchester is awarded the FM licence, we will immediately localise the DAB output for Manchester, and then simulcast the FM output on DAB from launch. The best shows on Xfm Manchester will be included in the Xfm satellite and DAB digital broadcast throughout the UK.

(ii) The strategies which the applicant proposes to implement in regard to:

- catering for the tastes and interests, general or particular, of persons living in the area;
- broadening the range of local commercial services available in the area;
- the provision of local material, if any;
- the proportion of locally-made programming, if any should be set out in this section

### 1. Music's Coming Home: Catering for local tastes and interests

Alternative music *is* Manchester's music. Our RSL created a buzz which is still the talk of the town: "Xfm is coming to Manchester!" Xfm Manchester will play the range of Alternative music that our research shows our audience wants to hear, and introduce them to new, emerging artists who will be the Alternative stars of the future.

In order to understand the tastes and interests of persons living in the Manchester area, we undertook a four-stage research project to develop the most appropriate format for this licence application:

1. **Desk-based analysis of the local radio market** to identify service gaps, and listening and demographic trends within the TSA;
2. **Xfm Restricted Service Licence (RSL)** in August 2004 to trial a modified version of the existing Capital Radio PLC service that targets the identified demographic gap, followed by **qualitative research** (focus groups) to assess listeners' reaction;
3. **Detailed music preference study** of 15-49-year-olds in the Galaxy Radio TSA to identify music choices and likely audiences; and
4. **Second phase of focus groups** to gain a greater understanding of local demand and further tailor our proposed output for local tastes and desires.

Throughout this process we also hosted numerous events in the area and conducted interviews with a variety of experts.

Our principal finding was that Alternative music dominates life in Manchester, from the sense of pride that Manchester's musical heritage gives local people, to the city's

## Xfm Manchester Application

disproportionate consumption of live music<sup>2</sup>, and the way in which the “attitude” of Manchester mirrors its approach to music.

We uncovered a number of other interests characteristically shared by Mancunians who like Alternative music: going out, the arts, news, sport and comedy. We also found a strong taste for radio presenters who are intelligent and have “attitude”.

Accordingly we concluded that a radio station that played Alternative music, supported by news, listings, sport and comedy, delivered by knowledgeable, passionate and funny presenters would be the one that would best cater for local tastes and interests.

### Alternative music

It is Alternative music, with its passion for credibility over the commercial concerns of mainstream pop, that Manchester gravitates towards:

“It’s not enough for Manchester just to be successful, it has to have the edginess and attitude that generates respect and credibility and thereby fuels that particularly Mancunian version of confidence... The bands Manchester most values within its music history are not its most successful, but the ones that are credible, that are hip, that generate ‘respect’.”<sup>3</sup>

Manchester’s relative youthfulness makes it a haven for Alternative music: 47% of the population of Greater Manchester is under 35, compared to the national proportion of 45%. In central Manchester this rises to 55%.

Manchester has the largest student population in Europe – 85,000 students reside here in term-time – which also has a major impact on its character:

“The product of Manchester is quintessentially shaped by the universities – in terms of bars, restaurants, music and shopping. Students influence the product extraordinarily, in that it’s aspirational, it’s young and it’s intelligent.”<sup>4</sup>

Aware of this passion for Alternative music in Manchester, we did a four-week RSL broadcast in Manchester in August 2004 to test a prototype of Xfm Manchester. The output comprised six to nine hours per day of local programmes, with the remainder a simulcast of Xfm’s existing Alternative music analogue station in London. In the course of this we conducted on-air interviews with Alternative artists, past and present, and also staged live events showcasing local Alternative acts.

The research we conducted after the RSL strengthened our conviction that Alternative music was very close to the interests of local listeners:

---

<sup>2</sup> Manchester has a place at a live music venue for every 15 inhabitants, compared to only one for every 49 people in Birmingham, and one in 50 in London. Source: SJM Concerts and *National Statistics Census 2001*.

<sup>3</sup> *A Brand Strategy For Manchester* (Hemisphere Design & Marketing Consultants, July 2003)

<sup>4</sup> Susan Hunt, Marketing Director, Manchester City Council, interview, 20 January 2005

## Xfm Manchester Application

“Yes, that’s the thing, it’s not music that you are going to get on any other radio station.” (Male 25-27)<sup>5</sup>

“I didn’t hear two songs the same, that’s why I thought they didn’t have a play list and I didn’t hear a song repeated, so it is alright.” (Male 20-22)

We subsequently conducted a music preference survey in November 2004 which confirmed this hypothesis:

- the three favourite categories among 15-24-year-olds were variations on Alternative music;
- 25-34s named two Alternative formats as joint-favourites, with both Pop Rock and Brit Pop prompting “I love it” responses from 25% of respondents in this group;
- 15-24s named Alternative formats as the top six formats they “want to hear more of on the radio”; while
- four out five of the top formats 24-35s wanted to hear more of were Alternative formats.

It is important to note that our research demonstrated that respondents want a mix of Alternative genres. Our music montages contained artists as diverse as AC/DC, Blur, Green Day and Scissor Sisters; all montages scored above 22% among 15-34s in the “I love it” test. 48% said they would listen “A lot” or “Regularly”.

Xfm Manchester will cater for this passion for Alternative music by playing only Alternative music and the older music that has influenced Alternative music. Our research demonstrates that – in keeping with Mancunians’ openness to diversity – we should not focus on a narrow definition of music such as “rock”, but rather supply a broad range of music that represents that Alternative attitude, such as Indie, Modern Alternative, Pop Rock and Britpop. We will therefore ensure that our output always provides a broad range of styles of Alternative music, but always on the cutting edge and credible. This range will produce a station which will be quite distinct from London’s Xfm, in keeping with the strong preferences of the Manchester audience as indicated in our research.

### **Manchester’s musical heritage**

Throughout the world, Manchester is viewed as the home of British Alternative music.

Though Manchester’s place as a hotbed of musical talent dates back to Victorian times, the late 1970s, with the emergence of the Buzzcocks and Joy Division, established Manchester’s reputation as the home of Alternative music in Britain. These bands enjoyed commercial success despite their stark rejection of the aesthetics of mainstream pop music.

Joy Division’s global success secured the reputation of the Factory record label, which went on to propel New Order and later the Happy Mondays to massive success. The latter, along with several other local bands including the Stone Roses and the

---

<sup>5</sup> All unattributed quotes are taken from our qualitative research. Full transcripts are available.



## Xfm Manchester Application

Charlatans, comprised the “Madchester” dance-rock phenomenon of the late ‘80s and early ‘90s. Factory were also behind the Hacienda, the Manchester club that launched house music in the UK, spawning the dance music boom of the ‘90s.

Meanwhile the Smiths were exporting another vision of Manchester, immortalising local landmarks like Strangeways prison and the Salford Lads Club the world over. In the mid-‘90s, Manchester was there again, sending Oasis into battle against Blur in the North vs. South “Britpop Wars”.

Manchester’s pride in this heritage is obvious. The bands that survive still attract a fervent following. In December 2004 the Charlatans sold out two “homecoming” shows at the 1,300-capacity Salford University<sup>6</sup>. In 2003 an upmarket new housing development called The Hacienda was built on the site of the club, highlighting the value of these associations 21 years after it opened. In March 2004 Peter Saville, the legendary in-house designer at Factory, was appointed “Creative Director” of Manchester in recognition of music’s key role in the image of the city to residents and visitors alike. Even Manchester United fans reference Joy Division as they sing “Giggs Will Tear You Apart” in tribute to local winger Ryan Giggs.

Manchester is unique in having musical associations that have become integral to the fortunes of the city:

“Manchester’s musical heritage is fundamental to the identity of Manchester. It’s the reason why people come to Manchester; it’s the reason people stay in Manchester. They want to live somewhere that’s different and challenging.”<sup>7</sup>

Our December 2004 music preference survey confirmed this. Among 25-34 year-olds, many of whom grew up with these songs and bands, the music formats containing heritage Manchester bands came joint-first and fifth favourites out of the 18 tested. Even among 15-24s, who would theoretically have far less familiarity with these tracks, these formats scored well.

Xfm Manchester’s strategy for catering for this local interest will be to play tracks by classic Manchester bands throughout its schedule. Our request-based programming of at least two hours per day will, we anticipate, lead to Manchester’s heritage acts getting even more airplay.

We have also engaged, subject to contract and the granting of the licence, two presenters who are firmly associated with Manchester’s musical heritage. Clint Boon, formerly of the Inspiral Carpets, and currently running regular club nights in Manchester, will bring a wealth of knowledge of the musical history of the city to his weekend breakfast show. Terry Christian has been respected for his connections to Manchester’s legendary bands of the late ‘80s and early ‘90s, and featured prominently on the Channel 4 TV show, *The Word*. Both remain close to the key personalities from Manchester’s music history and would be well-positioned to attract guests for interviews.

---

<sup>6</sup> Source: SJM Concerts

<sup>7</sup> Nick Johnson, Development Director, Urban Splash, interview 19 January 2005

## Manchester's vibrant music scene

In recent years Manchester has continued its illustrious lineage, producing bands and artists that typify crafted modern British music, with Badly Drawn Boy, Doves and Elbow all enjoying significant critical and commercial success.

In 2005 the press is once again abuzz with speculation about a new wave:

"This year it seems as if Manchester is going to enjoy a marked revival in its musical fortunes."<sup>8</sup>

Nine Black Alps, The Longcut and Fear Of Music are just some of the Manchester bands currently attracting the attentions of both the press and the major record labels.

Local people recognise the importance of this –

"There's a huge amount of really good bands in Manchester." (Student)

– and lament the fact that it is not reflected on local radio:

"We need Xfm in Manchester to ensure new local acts get the coverage they deserve. Far too often commercial radio immerses itself so deeply in the current charts that it fails to recognise new and breaking music and is unable to provide the necessary support."<sup>9</sup>

But the local music scene is more than an interest; it is integral to modern Manchester, both culturally and economically. Manchester has the largest regional concentration of creative enterprises in the UK, with the music industry contributing 26% of total enterprise value in this sector:

"The infrastructure of musicians, record labels, management and facilities make up a local industry capable of generating further employment and wealth."<sup>10</sup>

Over 600 businesses in Manchester are involved in breaking local bands and thus in shaping Manchester's identity. Local record labels are at the heart of this:

"From Factory in the '80s to Twisted Nerve now, the independent sector of music has been a key feature of Manchester, even driving the economy. The value of the subculture to the fabric of Manchester is incalculable."<sup>11</sup>

The local music scene is most visibly reflected in Manchester's enormous interest in live music. The total capacity of Manchester's live music venues is 25,000, 29% more than Birmingham, a city that has a population two-and-a-half times larger<sup>12</sup>. SJM Concerts,

---

<sup>8</sup> John Robinson, *The Guardian*, 15 January 2005

<sup>9</sup> Manchester University student, via email, 25 January 2005

<sup>10</sup> Manchester City Council Creative Industries Report 2004

<sup>11</sup> Nick Johnson, Development Director, Urban Splash, interview 19 January 2005

<sup>12</sup> Population figures based on Manchester and Birmingham city figures, excluding wider urban areas.

## Xfm Manchester Application

the country's biggest live music promoter, put on 27% of its concerts in 2004 in Manchester, compared to 8% in Birmingham.

Live music is also a key driver of Manchester's night-time economy and thus essential to the values of the city:

"Positive attitudes to Manchester are more prevalent amongst the young for whom it conveys excitement and confidence. Being part of it transforms their self-image... Manchester promises and delivers a buzz."<sup>13</sup>

Xfm Manchester will nurture the local music community first and foremost by playing music by emerging bands in the Manchester area.

Local bands will have access to a fully-plugged recording studio at Xfm Manchester. We anticipate that five to ten sessions per week will be recorded and broadcast (Xfm London produced 350 in 2004), as many as possible of them featuring local bands, both established and emerging.

Specialist shows will focus on specific aspects of the local scene. **Counter Culture** for instance will give exposure to the loose coalition of leftfield dance music acts based in Manchester's Northern Quarter.

This exposure will benefit the local music industry – the labels, managers, promoters, publicists, designers and venue owners who invest in local music – creating a virtuous circle wherein the success of local acts allows the industry to support more local acts:

"They should play Manchester stuff and encourage more bands to make a start, not just Manchester but the whole of the North West." (Student)

We believe that nourishing the local music scene must also take place at grass-roots level, and engagement in live music is core to Xfm's values. In the past year Xfm has staged over 50 live events, including seven in Manchester that have focused on supporting local talent. One of these included a showcase for unsigned local band Fear Of Music, to which we managed to attract Capitol Music President Keith Wozencroft, hopefully leading to a recording contract for the band.

Regardless of the outcome of the Manchester licence, we have committed to hosting monthly X-posure nights in Manchester for the rest of the year. Like their counterparts in London (and, increasingly, in other locations), these nights feature the best emerging acts from the local area and beyond, and are frequently a stepping-stone to greater things. Our February 14 event with Manchester's Nine Black Alps has generated considerable excitement.

In addition, Xfm Manchester will host free live shows featuring the most in-demand Alternative bands around. We will launch a monthly series of Live Sessions in Manchester; in recent months the equivalent events in London have featured Athlete, Feeder, Kasabian and Muse, and we would expect to attract a similar calibre of artist in

---

<sup>13</sup> *A Brand Strategy For Manchester* (Hemisphere Design & Marketing Consultants, July 2003)

## Xfm Manchester Application

Manchester. Club nights attached to our specialist shows will in addition provide a live performance outlet for more niche artists in the area.

We would also aim to launch a major annual live event that would benefit a local charity: Xfm's Winter Warmer and Winter Wonderland events in 2003 and 2004 generated a total of £43,000 for London's homeless through Shelter.

For the lifetime of the licence we have entered a partnership with SJM Concerts, Manchester's biggest promoter of live music, to ensure that Xfm Manchester will be at the heart of live music in the city. If Xfm Manchester wins the licence, we will launch, with SJM's assistance, an unprecedented live music festival in Manchester.

Finally, our commitment to local music news and listings for live events in and around Manchester will provide further exposure for Manchester's music scene (cf. **What's on?** and **News and sport**).

### New Alternative

Our music survey confirmed Manchester's interest in current Alternative music, regardless of its provenance. Of all the formats tested, Pop Rock – a montage of current Alternative hits – attracted the biggest response of "I love it" across all respondents. We have acknowledged its popularity by including it as a specific genre within the Xfm Manchester format.

Our most recent qualitative research study revealed that, while Manchester's music, past and present, is a key interest, this should not be at the expense of exposure to the best new music, from wherever it originates:

"Xfm Manchester shouldn't just be about Manchester, that would be too limiting. Especially with so many students from around the country." (Student)

"Xfm Manchester should cover the whole country, including London, because that's where the main scene is." (Student)

Moreover, this interest was felt to be underserved by current radio offerings:

"You just hear what's out; you don't hear anything that's up-and-coming." (Student)

Our commitment to devote at least 70% of Xfm Manchester's daytime output to current or recurrent (i.e. tracks that have been current in the past 12 months) Alternative tracks will satisfy this demand for new music. The focus of this will be the daytime schedule; in a typical hour between 0600 and 1900, 12 out of 15 tracks played will be current or recurrent.

The desire to hear little-known and unsigned artists will be catered for in part through specialist shows, another area of our proposed output that was well received in our research, particularly in the context of discovering new music in fringe genres that rarely receive radio airplay. Our research revealed that our target listeners were open-minded about what kinds of specialist music Xfm Manchester should play; their main stipulations

## Xfm Manchester Application

were that, in contrast to the manifestations of those genres currently available on the radio, it should be credible and local:

“There is a growing scene for that music in town as well, there is loads of stuff like hiphop based and dance coming out all over the place.” (Male 20-22)

Accordingly we propose to broadcast a roster of specialist shows that will cater for Manchester’s taste for the credible end of the spectrum in genres like dance-rock, electronica, underground hip hop and house, for example ***The Remix*** and ***Hot Pot Radio*** (cf. **Schedule**). Specialist shows will also include local guests.

Xfm Manchester’s commitment to new music will be complemented by investment in interactive services including a dedicated Xfm Manchester website that will feature the opportunity to listen to new tracks. In the future we would plan to offer a subscription new music discovery service involving downloads online and ultimately via Xfm Manchester’s DAB output.

### Classic Alternative

Alongside this thirst for new music, Manchester also has a massive interest in classic Alternative music which emerged as a key interest for Manchester’s radio listeners from all phases of our research.

Gareth Brooks’ request show on the RSL broadcast provided a welcome platform for classic tracks:

“He was one of them when you phone what you want on. That was superb – the Kinks were on there. I heard him for like 40 minutes when people were voting, I heard seven quality songs.” (Male 25-27)

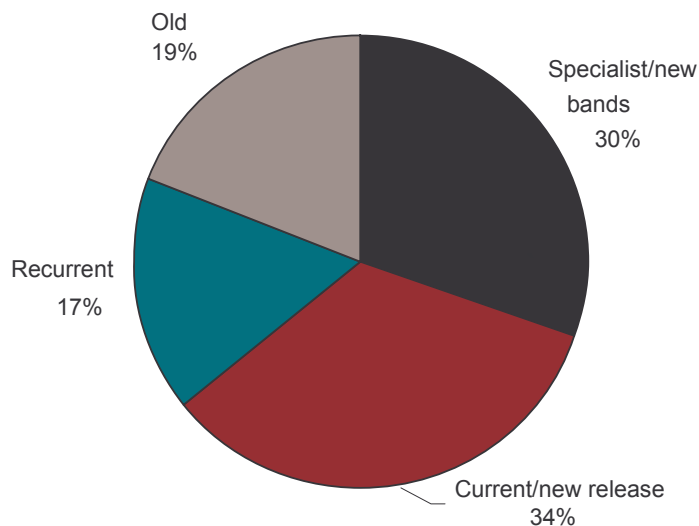
Our November 2004 music survey also confirmed a strong interest in classic Alternative:

- three of the seven top-ranking music clusters among 25-34s – BritPop, Classic Indie and Classic Rock – were classic Alternative formats;
- two of the top three formats that 25-34s “want to hear more on the radio” were classic Alternative formats, as was the second highest-ranking format among 15-24s;
- Classic Rock was the third most popular format across all age-groups, suggesting that a station playing that as part of its music mix would also attract listeners outside the target demographic.

To cater for this demand, we propose to devote up to 30% of our total output to “classic” tracks. This will include ***Xfm Classics***, a specialist show featuring nothing but classic Alternative tracks and those that have inspired Alternative artists, pausing for reflection on certain years that have produced significant tracks or albums, always leaving time for “The Long One”, a classic song with a minutage that normally prohibits radio airplay.

## Xfm Manchester Application

Xfm Manchester's balance of new, classic and specialist across a typical week will be:



### What's on?

In keeping with the vibrancy of Manchester's music scene, it is important for Mancunians to know what is happening in the area:

"You don't always know about things until it's too late do you? Sometimes you don't know about tickets that are on sale until it's too late." (Female 26-35)

"[The ideal radio station] would tell you who is on. I think Kasabian was last week and I don't think that got mentioned on Radio 1, yet it was sold out." (Female 26-35)

This was not restricted to major music events – there was a keen interest in information about grass-roots events:

"Smaller venues like Night and Day and the Roadhouse." (Student Manchester)

"Club nights – that would be good." (Student Manchester)

An important facet of a relevant, distinctive **What's on?** service was felt to be the opportunity to win tickets for events:

"Instead of offering a grand they could have good concert tickets, really obscure tickets hard to get hold of for real music lovers, that would be really good inspiration to listen to it." (Male 24-26)

Xfm Manchester will supply its audience with daily events listings across the spectrum, from grass-roots music venues like the Night And Day Café – to Old Trafford. Our

## Xfm Manchester Application

involvement in the city's live music community will ensure that we have accurate, comprehensive listings, as well as plenty of tickets to give away to listeners.

We also propose ***Xfm's Manchester***, a regular feature providing editorialised information about events in the Manchester area, both in music and in the arts in general, as we do in London with Xfm's London, produced in collaboration with the *Guardian Guide*.

All aspects of Xfm Manchester's listings service will be reflected in a dedicated website, an SMS bulletins service, email updates, and, in the case of Xfm Manchester's DAB output, via DLS and any future data services that are introduced.

### Knowledgeable presenters

Mancunians demand that the people appearing on their local radio station be knowledgeable and opinionated about the music they play and the local music scene they are part of, in keeping with the character of the city: "The character traits most frequently assigned to Manchester were attitude or "edge", followed by openness and tolerance, ambition and drive."<sup>14</sup>

Our research highlighted that knowledge, particularly local knowledge, was hugely important in presenters, regardless of where they come from:

"You don't have to be from Manchester to sound like you know what you're talking about. If they've done the research and they're convincing in the way they put it across then it shouldn't really matter." (Male 24-26)

"As long as they are entertaining and know their stuff it doesn't matter." (Male 24-26)

Equally important was that presenters hold strong views about the music they play:

"If the people doing the shows are genuinely interested, that will shine through." (Student)

"[Terry Christian]'s fairly opinionated which is good." (Student)

"Someone who will actually have an opinion, someone who has a bit of passion about what they are playing." (Student)

"[I'd] imagine they would be knowledgeable about music, know about bands, more like your Steve Lamacq or John Peel type presenter." (Student)

Knowledgeable presenters, with that elusive trait, "attitude", are core to the values of Xfm. Building on our experience with Xfm in London, where presenters like Christian O'Connell and Lauren Laverne have won multiple awards for their distinctive, intelligent style, we will stock Xfm Manchester only with presenters who know what they're talking about and have something to say. As there is little demand for such presenters on

---

<sup>14</sup> *A Brand Strategy For Manchester* (Hemisphere Design & Marketing Consultants, July 2003)



## Xfm Manchester Application

existing radio stations, we will inevitably be developing new talent in the area, now and in the future. Presenters' credentials and the full schedule are listed in the **Schedule** below and **Appendix 3** respectively.

### Comedy

Our quantitative survey found that 38% of respondents "would like to hear more comedy on the radio", - rising to 50% among 15-24s– the most preferred speech format by a significant margin.

We will meet this demand primarily by integrating comedy into the general, music-based output. This approach has won numerous listeners – and awards – for Xfm in London. In addition we will offer two weekend specialist comedy shows, fronted by cutting-edge comedians Jimmy Carr and Adam and Joe.

Ricky Gervais was frequently cited in research as a comedian that Mancunians would like to hear on their new radio station; Ricky has a long and illustrious association with Xfm in London, having been the station's first Head of Speech and more recently the presenter of his own show. Though Ricky is not currently on air, we are hopeful that these ties will bring this highly regarded comedian back to Xfm, and to Xfm Manchester.

### News and sport

News is the other popular speech format in Manchester according to our preference study, albeit only certain kinds. Aside from comedy and listings, discussed above, the only speech formats to score well were local news, music news, entertainment news and sport.

Our understanding of these local preferences developed further in our qualitative studies. National and international news fared much better once it had been placed in the context of the typical news output on music radio, whether national or local:

"Not like the patronising news you get on Radio 1... They talk to you like they're on Newsround, the kids' one." (Male 24-26)

"I think you need to know what's going on. [Key] 103 just brush over the top and the next thing you know it's back to the adverts. They do need to give us some input, it's important at the end of the day and I like to know what's going on in the world and not just down the road." (Male 24-26)

Because music is at the heart of the Xfm Manchester, we will encourage presenters to discuss breaking music news as part of their speech content, and will provide a dedicated music news service via the Xfm Manchester website and SMS alerts.

If Manchester is associated with one thing, besides music, it's sport: "Travel the world and Manchester is known for two things: pop music and football."<sup>15</sup> This interest in sport was reflected in the preference study, with sport the sixth most popular speech format overall, joint-fifth among 15-24s and third among 25-34s.

---

<sup>15</sup> Dave Haslam, *Manchester, England*, Fourth Estate 1999



## Xfm Manchester Application

Yet our qualitative research found that this did not equate to a demand for significant sports coverage on Xfm Manchester, principally because Xfm Manchester was perceived first and foremost as a music station; other existing stations specialise in sport. A strong preference was revealed for “need-to-know” sport only:

“Sport headlines yeah.” (Student)

“Especially if there's going to be more male listeners, definitely, just the main headlines and not in-depth.” (Male 24-26)

Our strategy for catering for these interests is to provide brief, regular bulletins containing:

- major international news stories
- major national news
- significant local news
- entertainment headlines
- updates about key sporting events, both local and national
- music news

During daytime on Xfm Manchester, these bulletins will occur on the hour, every hour, and at appropriate junctions elsewhere in the schedule. During key sporting events, such as football matches involving the major Manchester teams, we will provide goal-flashes and updates, though not to the detriment of listeners’ enjoyment of the music.

### **Manchester’s Tastes and Interests: The Future**

How will we ensure that local tastes and interests are catered for over the lifetime of the licence? First, Xfm Manchester is committed to ongoing interaction with its listeners. Our format includes output of not less than two hours per day of music chosen directly by listeners. This, and further interaction through the **Music:Response** show and a dedicated website, will ensure that the character of the station lies to a significant degree in the hands of local people.

Second, we will undertake ongoing audience research to make sure that our output remains in step with local tastes and interests. These will include online research, focus groups and listener panels.

Finally, the composition of Xfm Manchester’s Board will ensure that local preferences are always taken into account, even as they evolve. Robert Hough, our chairman, already chairs a local radio station and has a track record in representing local interests. Simon Moran, MD of SJM Concerts, is better positioned than anyone to ensure that the grass-roots of music in Manchester – its live scene – is being properly reflected by Xfm Manchester.

## 2. Manchester's Only Alternative: broadening the range of local commercial services

Xfm Manchester will bring an entirely new form of local radio to Manchester, with music that no other station plays and refreshingly informed and opinionated presenters, significantly broaden choice in the area.

In both its music and speech output, Xfm Manchester will be unlike anything currently available on local commercial radio.

### Music

The following analysis of existing commercial radio offerings<sup>16</sup> reveals that men aged 15-34 eschew Smooth FM, Magic and Capital Gold, all of which target an older audience with easy listening and/or oldies formats:

	Reach men 15-34	% of men 15-34 citing station as their favourite
<b>Century 105.4</b>	22%	8.2%
<b>Smooth FM</b>	5%	1%
<b>Magic</b>	3%	0%
<b>Capital Gold</b>	2%	1.4%
<b>Galaxy</b>	25%	11%
<b>Key 103</b>	32%	9.4%

They attract very low reach among these men, and hardly any of them name them as their favourite station.

Although Century 105.4 attracts a 22% reach among 15-34-year-old men, this is largely due to its football coverage<sup>17</sup>. Its non-specialised speech content appeals to an older demographic (Century has a 19% reach among 35-54s in the Galaxy TSA) and its music bias is increasingly female-orientated, resulting in women comprising 51% of its audience in the TSA in RAJAR W4:04.

Galaxy 102 and Key 103 are the only stations that currently attract 15-34-year-old men in significant numbers – despite both having a female-biased reach. The Xfm Manchester output will be highly distinct from both, providing a genuine alternative for young men.

A sample analysis of music output from Key 103 and Galaxy 102 taken on 12 January 2004 demonstrated a sizeable overlap between these two stations of 11% of the tracks

<sup>16</sup> No RAJAR data was available for Asian Sound, the seventh commercial station operating in the advertised coverage area. However, we believe there will be no overlap with its niche, community-focused format, and very little audience cross-over.

<sup>17</sup> Male listening patterns show a distinct increase in listening specifically around The Legends Football Phone In. On average across the week, the male audience of Century FM more than doubles between 17:45 and 18:01 when the phone in starts. In addition male listening makes up the total additional listeners on a Saturday afternoon, when Legends Soccer Saturday is scheduled, compared to Sunday afternoon's reach. Male listening increases by 125% compared to a static female listening pattern. RAJAR W4:04

## Xfm Manchester Application

played. This is unsurprising given both stations' bias towards Top 10 chart hits: 65% of Galaxy tracks and 87% of Key 103 tracks fell into this category.

Neither station would overlap significantly with the proposed music output for Xfm Manchester. From our sample there was no overlap with Galaxy 102, and just two tracks on Key 103's playlist might have been played on Xfm Manchester: Eminem's *Like Toy Soldiers* and Outkast's *Hey Ya*, both of which are rare examples of hip hop that both reaches the top end of the charts and would be regarded as Alternative in spirit.

From time to time Key 103 also plays tracks by guitar-led Alternative artists like Franz Ferdinand and Keane, but this is also a consequence of the current, transient chart success of these bands. Unlike other radio stations, Xfm Manchester will continue to support these bands, regardless of their level of mainstream popularity: "Apart from Radio 1, Xfm and a handful of other stations, radio support across the UK for Muse has been negligible."<sup>18</sup>

Furthermore, it takes specialist stations (like Xfm has in London) to propel these crossover Alternative artists to a position where they can attract the attention of commercial radio programmers in the first place: "Many commercial stations now feature the Darkness on their playlists, but they were largely ignored by other media outlets, with the exception of Xfm, during those critical early days."<sup>19</sup>

This is why a radio station that is dedicated to Manchester's music – Alternative – will genuinely broaden the range of services in the area over the 12-year lifetime of the licence.

The music schedules on Galaxy 102 and Key 103 also differ from Xfm Manchester's proposed output in the weighting placed on new/current, recurrent and older/classic music scheduling.

Galaxy 102 is heavily weighted towards pre-release and current chart hits (have been in the top 40 during the past three months) with 71% of its output on the sample day falling into these categories. Recurrent hits (in the charts longer than three, but less than 12 months ago) made up 26%, and the remaining 3% were older tracks.

In contrast to this, older tracks made up 25% of Key 103's output with a further 28% falling into the recurrent tracks category. As a result the number of new/current tracks played is much lower.

Xfm Manchester will provide a genuine alternative for our target audience by including more specialist programming and older Alternative music during normal daytime hours – 8% and 28% respectively. We will provide a more even spread of current/new releases and recurrent tracks giving listeners in Manchester greater variety of music throughout the day.

---

<sup>18</sup> Jon Turner, MD of Station To Station promoters, quoted in the BBC's submission to the DCMS's *Review Of BBC Analogue Radio*, Oct. 2004

<sup>19</sup> BBC submission on Radio 1 to the DCMS's *Review Of BBC Analogue Radio*, *ibid*

## Xfm Manchester Application

Our November 2004 music preference survey confirms that Alternative music formats are the least catered for on the radio stations available in Manchester. Three of the four lowest-scoring formats when respondents in all demographics were asked “Can you hear this type of music on the radio where you live?” were Alternative formats, with Alternative Rock the lowest-scoring of all.

The qualitative research we conducted within our target audience revealed not only that a radio station that played Alternative music would be very popular, but also that many under-35s are apathetic towards – or even have a strong aversion to – current offerings. It appears that commercial radio in the area is out of step with a significant portion of the local populace:

“There’s a definite gap for Alternative-type music. With Manchester having such an indie-dancey history and all the students here there should be something that appeals to all that.” (Student)

“[Key] 103 is commercial, whatever is in the charts. It’s chart music. It just gets monotonous because you hear the same songs over and over again until it’s out of the charts. I don’t listen to them.” (Male 24-26)

By contrast, the epithets participants in our various qualitative research groups used to describe Xfm Manchester’s proposed output highlight its distinctiveness as against current radio in the area:

“Different.” “Unique.” “New.” “Ground-breaking.” “A breath of fresh air.”

“Everything that the other stations aren’t.” (Student)

In our quantitative research we played a montage of the sort of music we envisage playing on Xfm Manchester and asked what impact the availability of this station would have on respondents’ listening habits. 25% said they would listen to more radio as a result. Within the target market (15-34-year-olds), this rose to 32%. 29% of all respondents, 32% of the target demographic, said their consumption of existing commercial radio stations would fall as a result of the presence of Xfm Manchester, clearly demonstrating the impact of significantly broadened choice.

Xfm Manchester would also impact BBC stations’ share of listening in the area, with 20% of respondents claiming that they would listen to less BBC radio as a result.

### Speech

A significant local speech service already operates in the Manchester area – Century 105.4. With up to half its output comprising challenging speech, it reaches an audience of 17% of the Greater Manchester TSA.

Therefore we do not consider that an additional speech-based service would broaden the range of local commercial radio services in Manchester. Nor, given the considerably smaller TSA of Manchester compared to the Century TSA, do we believe a speech service could draw sufficient audience from Century to be viable. However, it is clear from our research that our target audience would want and value a music service with

## Xfm Manchester Application

intelligent speech which was tailored to their interests, speech which they say is not currently available:

“The scene I’m familiar with is not represented at all.” (Student)

Xfm Manchester proposes to broaden the range of services in the area with speech content that is relevant, intelligent and different – delivered by presenters who are knowledgeable, passionate and above all close to music in Manchester. We will provide key local stories, but also serious international and national news and sports coverage. Listings will cover a wide range of local events, from grass-roots concerts to exhibitions to films. There will be cutting edge comedy integrated into general output, as well as featured in two weekend specialist comedy shows.

All through our research came a clear message that Xfm Manchester would represent a popular option – and thus broaden choice – for women as well as men, despite the station being first and foremost targeted at the gap for men.

### 3. Provision of local material

With the exception of a handful of high quality specialist shows, all of Xfm Manchester's output will be locally produced and presented, with a mix of speech and music carefully tailored to meet the desires of Manchester's audience.

Ofcom's guidelines on localness stipulate that there should be a “suitable proportion” of locally-produced programming on a local commercial radio station. Our view is that an almost totally local output is the suitable proportion in this case. Only occasionally will we share programming from Xfm in London and then only to ensure that the highest quality programming is available to the Manchester audience.

Xfm Manchester's shows from Monday to Thursday will be entirely local. Presenters will be based in Manchester, and their intimate knowledge of the city will be reflected in their speech content and interaction with listeners. This is particularly important in the case of **X-posure** for example, which, like its London counterpart, is devoted to unearthing the best local bands and the best new bands passing through local venues.

Friday's shows will also be produced entirely locally, the only exception being the hour-long **Import:Export**, a specialist show produced by Xfm London in conjunction with New York's K-Rock that focuses on emerging breaking artists on both sides of the Atlantic. We have chosen to network this show from London to Manchester for two reasons. First, the cutting-edge nature of the show makes it of equal interest to music fans in Manchester and London. Second, the character of the show consists in US/UK rivalry and would be lost if the show was specifically local to either London or Manchester. In any case the show will reference up-and-coming acts in both Manchester and London, and may well broadcast specials from Manchester from time to time.

Daytime programming across the week will feature hourly news bulletins which will include local general news and music stories, produced in Manchester. Daytime output will also include hourly listings for live music and other cultural events in the Manchester area. Every day two hours of **X-list** request-led programming and **Music:Response**,

## Xfm Manchester Application

where listeners vote to compile a chart of current tracks, will place control of the output in the hands of local listeners. On Fridays the **Weekender** dance-rock show offers a further opportunity for local listeners to choose tracks.

The weekday specialist shows will all be produced locally. **Monday Meltdown** gives “mix-tape” shows to up-and-coming local DJs across the spectrum of Alternative music and will be a key platform for our future on-air talent. **All City** will focus on underground hip hop and will frequently feature Manchester acts on air and at its spin-off live events, while **Flo-motion** showcases the most cutting-edge downtempo electronic music. **The Remix** reflects Manchester’s passion for dance-rock, as strongly reflected in our research. While several of these shows have counterparts on Xfm in London, they will be produced and presented locally to meet the distinctive tastes of Manchester. We believe this provides the optimum balance of expertise in these specialist areas with local knowledge and interaction.

Weekends on Xfm Manchester feature further specialist output. **Hot Pot Radio** features local heroes Mr Scruff and Treva Whateva and will reflect their legendarily eclectic DJ sets that take in a broad spectrum of dance music from jazz to techno. The pair have defined the local music genre named 'Northern Quarter' after the Manchester neighbourhood famed for its record shops and clubs. **Counter Culture**, a weekly celebration of “beats and breaks”, will be fronted by Mark Rae, founder of Manchester’s mould-breaking Grand Central record label, and feature live mixes, sessions and interviews reflecting Manchester’s club scene.

**Blood And Fire** is a specialist dub reggae show hosted by the pioneering Manchester record label of the same name, established in 1994 by various Manchester music luminaries including Andy Dodd and Mick Hucknall. The show will provide Manchester with the best in dub and underground reggae, much of it originated from the area. Our specialist **Rock Show** will be networked from London on the grounds that its presenter, Ian Camfield, is an authority on classic and contemporary rock music and better able to provide this service than anyone else in the country. Because of the popularity of dance-rock in Manchester as shown by our research, we have opted to extend our output with a networked London-based show on Sunday evenings.

The weekend is also the home of comedy programming on Xfm Manchester. In **Adam and Joe** and **Jimmy Carr**, Xfm has two of the best comedy shows on the radio, and it would do Manchester a disservice not to offer them to the local audience.

Regular local news and listings will continue through the weekend, as will local request-led programming.

Throughout the schedule live sessions and concerts will be broadcast. While most will be local, we will showcase the best of our London events in Manchester. This will work both ways, with Manchester sessions and live events getting airplay in London, and thus providing new, local artists with wider exposure.

#### **4. Proportion of locally-made programming**

Networked shows and networked elements like live sessions and concert broadcasts will comprise no more than 15 hours of weekly output on Xfm Manchester, ensuring that locally-made programming will make up at least 91% of the total output.



## Xfm Manchester Application

(iii) If appropriate, the applicant may also provide a typical programme-by-programme weekday schedule, to give a flavour for the direction of the station.

Presenters in the schedule below are all confirmed, subject to contract and the award of the licence to Xfm Manchester. Details of presenters not named on confidentiality grounds and the full weekend schedule are available in **Appendix 3**.

### Schedule: Monday-Thursday

0100-0300	Xfm Manchester features a wide range of specialist programming across the week. For full details see Schedule: Specialist Shows Monday-Thursday below.
<b>Specialist shows</b>	
0300-0500	Music-saturated Overnight shows will be the nursery slopes for Manchester's up-and-coming on-air talent.
<b>Overnight</b>	
0500-0600	A one-hour advertisement-free music mix for people who burn the candle at either end, hosted by Overnight presenters.
<b>The Sound of Manchester: Non-stop</b>	
0600-1000	A lively music-led breakfast show hosted by Leigh Iad Keaveny – returning to his roots after four years with Xfm in London. The show includes the X-list Overload requests segment 0930-1000.
<b>Shaun Keaveny</b>	
1000-1300	Manchester legend Christian peppers a steady stream of great music with his unique commentary and interviews with special guests from Manchester.
<b>Terry Christian</b>	
1300-1600	Moss Side émigré and City fan Brooks is an up-and-coming Xfm London presenter and was a hit on Xfm Manchester's August 2004 RSL. The first hour comprises X-list request-led programming.
<b>Gareth Brooks</b>	
1600-1900	Another rising star who has been brought through the ranks at Xfm in London and went down well on the Xfm Manchester RSL. Marsha's drivetime show will include guests for interviews and live sessions, and X-list Overload – 30 minutes of requests.
<b>Marsha</b>	
1900-2200	Music:Response invites Manchester music fans to phone, text and email their votes for the best new music. Details of presenter in CONFIDENTIAL Appendix X.
<b>Music:Response</b>	
2200-0100	Hosted by Xfm veteran and music author Steve Taylor, X-posure introduces listeners to the hottest up-and-coming artists – from Manchester and beyond – and features live sessions and interviews.
<b>X-posure</b>	



## Xfm Manchester Application

### Schedule: Specialist Shows Monday-Thursday

#### Monday

---

0100-0300	Up-and-coming local DJs across the spectrum of Alternative music take listeners through their hour-long "mix-tape" shows. This will be a key conduit for future Xfm Manchester talent.
<b>Monday Meltdown</b>	

---

#### Tuesday

---

0100-0300	Xfm London's underground hip hop don Dan Greenpeace brings his show to Manchester, featuring the best of the fringes of local and international hip hop, with live performances and interviews.
<b>All City</b>	

---

#### Wednesday

---

0100-0300	Nick Luscombe gets experimental with his round-up of global and local electronica. Includes interviews and live studio performances.
<b>Flo-Motion</b>	

---

#### Thursday

---

0100-0300	DJ and remixer Eddy Temple-Morris fronts a Manchester-based edition of his Xfm London dance-rock, breaks and bootlegs extravaganza.
<b>The Remix</b>	

---

## Xfm Manchester Application

### Schedule: Friday

0100-0300	Xfm London's James Hyman spins the best new underground house and techno, with world-class guest DJs providing live mixes every week.
<b>The Rinse</b>	
0300-0500	Music-led Overnight shows will be the nursery slopes for Manchester's up-and-coming on-air talent.
<b>Overnight</b>	
0500-0600	A one-hour advertisement-free music mix for people who burn the candle at either end, hosted by Overnight presenters.
<b>The Sound of Manchester: Non-stop</b>	
0600-1000	See Schedule: Monday-Thursday.
<b>Shaun Keaveny</b>	
1000-1300	See Schedule: Monday-Thursday.
<b>Terry Christian</b>	
1300-1600	See Schedule: Monday-Thursday.
<b>Gareth Brooks</b>	
1600-1900	See Schedule: Monday-Thursday.
<b>Marsha</b>	
1900-2100	See Schedule: Monday-Thursday. Features the Music:Response Top 20 – the week's best tunes as compiled by Xfm Manchester listeners.
<b>Music:Response</b>	
2100-2200	Broadcasting simultaneously on both sides of the Atlantic, Xfm's Ian Camfield and Danni at New York's K-Rock trade the tunes that are blowing up in their respective countries.
<b>Import:Export</b>	
2200-0100	Xfm Manchester listeners pick past and future dance-rock classics to warm up their Friday nights.
<b>The Weekender</b>	

### 5. Proposed Format

A blank Format is attached at Appendix 3. Fill it in, ensuring that each of the following criteria are addressed within, where it is felt appropriate to do so. It should follow the style of Ofcom Formats, which can be viewed at: [www.ofcom.org.uk/static/radiolicensing/amfm/analogue-main](http://www.ofcom.org.uk/static/radiolicensing/amfm/analogue-main) . Reasons for omission of any particular criteria (and it is accepted that not all criteria will be relevant to all applications) should be set out separately. The Format will form part of the licence. Therefore, questions of clarification may be asked prior to licence award and the wording amended to reflect this, if necessary.

- (a) Station Name (working titles accepted);
- (b) Service Duration. This is the number of hours you will broadcast each day. It should also include the maximum extent to which you plan to automate programming, or the minimum level of live presentation (daytime/non-daytime).
- (c) Locally-made programming. The level and type of locally-made programming (i.e. programming made within the licence area) promised. It should also reflect a likely level of networked/syndicated material, and news-gathering arrangements.
- (d) Character of Service. This is a clear, one or two sentence, description of the output and target audience.
- (e) Detail. This should address, where appropriate:
  - A clear description of the type/range of music.
  - Specialist music programmes.
  - A level of speech content (peak/non-peak)
  - Any specific plans for local material.
  - News obligations, local and national (weekdays and weekends, peak-time, non-peak, etc.)
  - Other character-defining elements of programming.

**See next page for Xfm Manchester Format**

## Xfm Manchester Application

### XFM STATION FORMAT

#### Licence Outline

<b>Station Name</b>	Xfm Manchester
<b>Licence Area</b>	Manchester (as defined in the Radio Authority's Measured Coverage Area map)
Frequency	97.7 MHz
Service Duration	24 hours a day (generally presented live; at least 20 hrs locally produced/presented)

#### Definitions

<b>Speech</b>	"Speech" excludes advertising, programme/promotional trails & sponsor credits, and may be calculated over any four hours.
<b>Music Percentages</b>	Any music percentages are calculated as a percentage of the total tracks broadcast in the period specified.
<b>Peaktime(s)</b>	"Peaktime(s)" refers to Weekday Breakfast and Afternoon Drivetime output, and Weekend Late Breakfast.
Daytime	"Daytime" refers to 0600 to 1900 weekdays, and weekend output from 0800 to 1400.
<b>Locally produced/presented</b>	Production and presentation from within the licence area. All requirements for locally produced/presented output must include peaktime.

#### Character of Service

XFM MANCHESTER WILL PROVIDE AN ALTERNATIVE MUSIC FORMAT FOR 15-34 YEAR-OLDS IN THE MANCHESTER AREA, PLAYING GENERALLY GUITAR-LED, QUALITY MODERN AND CLASSIC "MUSIC WITH ATTITUDE" CREATED BY ARTISTS WHO CHALLENGE MAINSTREAM POP AESTHETICS.

#### Detail

Artists featured on Xfm Manchester will generally be "Alternative": credible, youthful and committed to challenging the aesthetics of mainstream pop music, with an emphasis on quality of composition. "Alternative" genres will include Alternative Rock, Modern Alternative, Britpop and Pop Rock.

Xfm Manchester's output will be guided by these principles rather than by chart success, past or present, and so will rarely have significant overlap with other local radio stations, though these artists may occasionally enjoy chart success over the lifetime of the licence in line with fluctuations in popular tastes.

Daytime output will consist of at least 70% current and recurrent Alternative tracks with the balance being "classic rock and indie" tracks, defined as classic Alternative tracks and heritage rock tracks that have inspired Alternative acts. 45 hours per week specialist shows will showcase the fringes of Alternative music and reflect the diverse tastes of music fans in Manchester, such as dance-rock, underground hip hop and electronica. All aspects of Xfm Manchester's output, contemporary and classic, general and specialist, will feature artists from Manchester and the surrounding area prominently. Many tracks will be selected by local listeners via requests, including dedicated request programming of at least two hours per day.

Daily programming (hourly during Daytime) will contain local listings for live music and other cultural events, music news, and news containing a mixture of international, national and local reports in line with the tastes of the audience. Weekly output will include at least three "live" sessions (each at least 15 minutes) and at least three unsigned artists.

Comedy is a key interest to the target audience; Xfm Manchester will accordingly broadcast specialist comedy shows and seek to include comedy elements within general programming where appropriate.

## SECTION 105(D): EVIDENCE OF LOCAL DEMAND OR SUPPORT

### 6. Evidence of Demand

This section should provide an analysis of the reasons as to why it is considered that there is a demand for the type of service proposed, with reference to the size and nature of the proposed target audience.

If original market research has been undertaken, please provide the following information:

- (i) A statement of the key objectives of the research;
- (ii) The specific questions that the research sought to answer;
- (iii) How the research was conducted;
- (iv) The size and composition of the sample(s);
- (v) When and where the research was conducted;
- (vi) A summary of the main findings from the research, showing how these demonstrate evidence of demand for the service proposed;
- (vii) Full data tables for any quantitative research undertaken (these may be submitted in confidence).

A four-part research programme has helped us to identify a gap in commercial radio in Manchester and develop a service that caters to the tastes and interests of an underserved section of the local population.

### Capital Radio PLC licence application strategy

We have developed a targeted application strategy in response to Ofcom's first tranche of future radio licence advertisements. Our in-house research team embarked on early desk-based research to identify areas where there were gaps that we could serve with our radio programming expertise. These target markets also had to fit our ongoing strategy of developing strong local stations that will translate into both analogue and digital radio. We have not applied, nor will apply, in areas not meeting these criteria.

### Research

In order to understand the tastes and interests of people living in the Manchester area, we undertook a four-stage research project to develop the most appropriate format for this licence application:

1. **Desk-based analysis of the local radio market** to identify service gaps, and listening and demographic trends within the TSA;
2. **Xfm Manchester Restricted Service Licence (RSL)** in August 2004 to trial a modified version of the existing Capital Radio PLC service that targets the identified demographic gap, followed by **qualitative research** (focus groups) to assess listeners' reactions to it;
3. **Detailed quantitative study** of 15-49-year-olds in the Galaxy Radio TSA to identify music preferences, attitudes to speech and likely audience size; and
4. **Second phase of focus groups** to gain a greater understanding of local demand and further tailor our proposed output for local tastes and desires.

In our research, we have used the Galaxy TSA to ensure that we are as accurate as possible in measuring taste and demand within the greatest potential TSA. In

## Xfm Manchester Application

calculating the expected audience size, we have weighted the figures down to the smaller market of 1.3m to ensure a robust and viable business plan.

The potential size of the audience for Xfm Manchester is outlined in the **Audience Projections** section of this document (**Section 105(A)2(d)**).

### Stage 1: Desk-based research

(All chart references: Appendix 4, Manchester RAJAR Research)

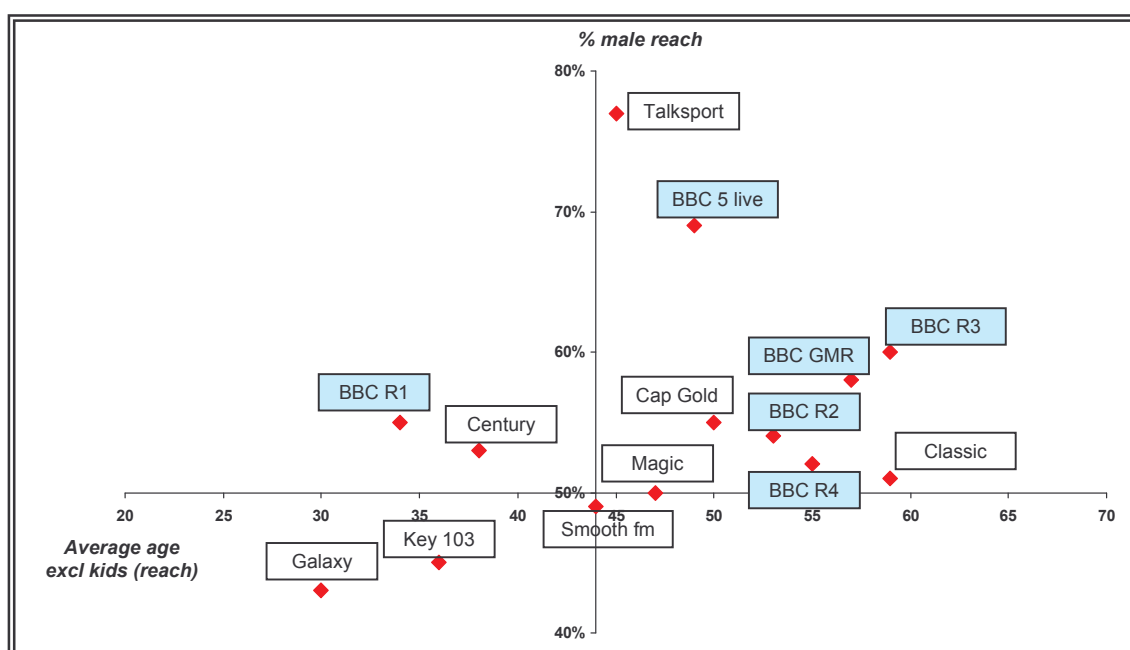
#### *Identifying the market gap*

The first phase of our Manchester research was to study RAJAR audience data for the proposed new licence area and identify the gap in the current radio market.

We studied data from the W3:04<sup>20</sup> cycle of research, which enabled us to ascertain the most recent and accurate trends in Manchester radio listening. All charts and data quoted in this section are available in full in the Appendices.

The first part of this stage of our research involved examining the current competitive positioning in the local market. Looking at stations with 3% reach or more, the map below shows the average listener profile by age and gender.

#### Competitive positioning: stations with 3% reach or more



This map shows two clear gaps for commercial radio at the younger and older ends of the age spectrum.

<sup>20</sup> This research was initially conducted on RAJAR W2:04 and re-run on W3:04 data as it became available in order to ensure that our results were still accurate.

## Xfm Manchester Application

Turning first to the older market gap, we believe that it would not represent a viable option for a new and sustainable commercial analogue station in Manchester. Our research showed that tastes at the older end of the market are very varied (from classical music to classic rock to easy listening to soft AC), making it difficult to fashion a proposition that would appeal to enough of the market to ensure commercial viability over the licence period.

Looking at the younger end of the spectrum, only Radio 1 has a slight male bias.<sup>21</sup> Consequently we concluded that on first appraisal, the greatest potential for a new commercial radio station is one for men aged 15-34.

### *Population profiles vs. radio listening hours*

To investigate this hypothesis, we drilled further into the RAJAR (W3:04) data for the Galaxy TSA to examine to what extent this demographic is currently underserved.<sup>22</sup>

**Chart 1 (Appendix 4)** shows that 15-34-year-olds contribute proportionately fewer all radio listening hours than their share of the population suggests they should.<sup>23</sup>

**Chart 2** shows that this difference is more pronounced among males than females. 15-34-year-old males, who make up 32.3% of the TSA population, only contribute 27.8% of listening hours.

Manchester	% Population	% Listening Hours
15-34s all radio	32.1%	28.4%
Men 15-34s all radio	32.3%	27.8%

This figure is lower than the UK national listening profile (**Chart 4**), where males aged 15-34 make up a similar proportion of the population but contribute 29.4% of radio listening hours. Comparing UK and Manchester *commercial* radio listening hours among this group, Manchester males aged 15-34 make up 34.1% of total hours while the UK figure is significantly higher at 37.3%.

	UK	Manchester
Men 15-34s all radio	32.5%	29.4%
Men 15-34s commercial radio	37.3%	34.1%

Looking at listening hours over time, **Charts 5** and **6** show that these figures have been consistent. However, examining the trend by gender (**Charts 5** and **6**), we can see that

<sup>21</sup> While Century FM has a slight male biased listenership, it is now actively positioning itself as more female focused. Century's male audience bias is a result of a combination of its extensive speech content (up to 50% of its daytime output is challenging speech), its coverage of Manchester United games and its daily football phone-in (Men make up 80% of listening hours during the weekday football phone-in, 29.2% of which is made up by 15-34-year-old men – W4:04).

<sup>22</sup> UK figures are included within the research findings for comparative purposes.

<sup>23</sup> However, they make up a greater proportion of commercial radio listening than the over 55s, who historically do not listen to commercial radio and we believe would therefore be difficult to convert



the gap between the percentage of the TSA population and total radio listening has increased more in males over the past 12 months.<sup>24</sup>

#### *Reaching younger listeners*

As can be seen both in the table below and **Chart 9 of Appendix 4**, radio reaches fewer listeners among the younger age profiles than older in Manchester:

Age	Radio reaches
15-44	85%
45-54	92%
55-64	89%

**Charts 11 and 12** show that, as with the hours data, radio is reaching fewer young men than young women. Average reach among females aged 15-34 is 84% compared to males aged 15-34 where radio's reach is 79%.

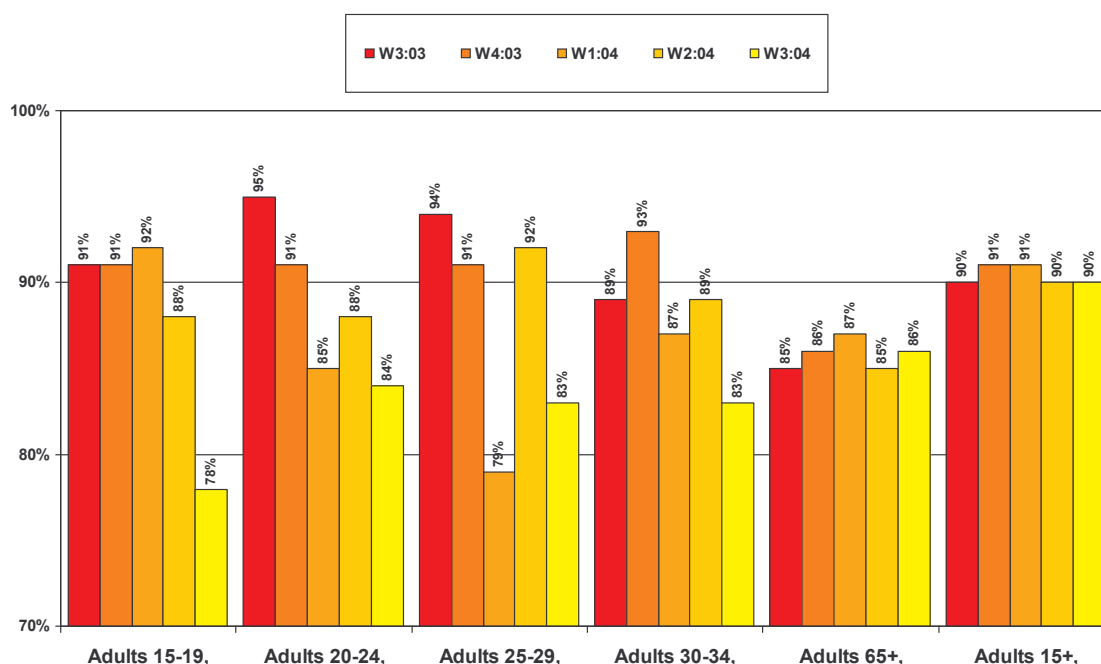
Compared to national figures, radio's reach in the TSA is 4% less among 15-24-year-olds and 2% less among 25-34-year-olds. Weekly reach among 15-34-year-olds is also lower in comparison with other metropolitan areas:

Weekly reach % 15-34-year-olds	
Manchester - Galaxy TSA	85%
London TSA	88%
Glasgow - Clyde TSA	89%

As the chart below (**Chart 15 in Appendix 4**) testifies, over the past twelve months penetration of radio in the TSA has fallen in all age groups in the 15-34 range. Examining RAJAR figures from the last three years, radio's reach among 15-34-year-olds in the Galaxy TSA has fallen from 91% in W3:02 to 85% in W3:04.

<sup>24</sup> W3:03, 15-34 year olds made up 31.7% of all radio listening. By W3:04 this had dropped to 28.3%.

### Reach % all radio (Galaxy 102 TSA)



Aside from the national speech stations, Talksport and BBC Radio Five Live, which recorded a high proportion of both male and listening hours, there are no local commercial radio stations that aim directly for the younger male market within the TSA.

The failure of the current radio offerings to maintain their reach among the younger demographic is a clear indication that the current formats are not servicing the younger market, who are the future of radio listening in the UK.

#### Stage 1 conclusions

A detailed analysis of the current radio market within the TSA of the proposed new licence demonstrates four clear trends.

- Current radio offerings within the TSA are particularly under serving the young with 15-34-year-olds, particularly men, contributing significantly less radio hours than their demographic share would suggest.
- Radio listening has fallen 10% among 15-34 year olds in the past 12 months (W3:03-W3:04).
- The RAJAR data demonstrates the inability of the current radio offerings within the TSA to maintain their reach among the young.
- Aside from the national stations that are predominantly speech-based and/or sported, there are no current local offerings directed towards young men.

From a detailed analysis of the market within the TSA it is clear that 15-34-year-olds males are underserved for in the Manchester market.

## **Stage 2: Xfm Manchester Restricted Service Licence (RSL)**

(Focus Group Discussion Guide: Appendix 6.1)

Having identified young males aged 15-34 as being underserved by existing Manchester radio stations, we embarked on a RSL in Manchester in August 2004. We chose to trial a modified version of London's Xfm, a service that successfully targets an audience that corresponds to the gap in Manchester.

Xfm broadcast from 2 August 2004 for four weeks in central Manchester. The output was unique to Manchester from 10am to 4pm Monday to Friday (Marsha Shandur and Gareth Brooks presenting) and simulcast across all other times. Lauren Laverne and Richard Bacon broadcast their respective drivetime shows from Manchester during the second week in August.

The RSL was promoted with a poster campaign and with 2 events: The Remix at Sankeys Soap, and X-posure Live at Manchester Academy.

The aim of the RSL was to understand listeners' reaction to the Xfm format and music offering through listener feedback channels. A post-RSL qualitative research project (cf. **Appendix 6.1: Discussion Guide**) was then undertaken to understand in depth what listener reactions had been to Xfm in Manchester to:

- help guide the format for a subsequent licence application;
- identify which features and shows have most local appeal; and
- provide insight into how to make Xfm Manchester as relevant as possible.

We recruited four focus groups of potential listeners and asked them to listen to Xfm when they would usually listen to the radio, with special attention to the breakfast show, during the day, and to drivetime.

Sample:

- Group 1: 20-22 Male ABC1
- Group 2: 25-27 Male ABC1
- Group 3: 33-35 Male ABC1
- Group 4: 25-27 Female ABC1
- All to be current regular radio listeners
- All claimed that "Guitar music" was their favourite genre of music
- All answered 'yes' to the question "Would you listen to a radio station that plays a mix of music that includes Red Hot Chilli Peppers, The White Stripes, The Streets, Snow Patrol, Scissor Sisters, Badly Drawn Boy, Franz Ferdinand, Keane, Oasis, The Libertines and Air?"

The research was carried out on 1 and 2 September 2004 by research specialists Vegas. Part of the Synovate group, Vegas are a leading global youth agency, with experience in qualitative and quantitative research, youth panels and market insight.

## Xfm Manchester Application

### *Research findings: It's all about the music!*

Responses to the Xfm Manchester RSL were overwhelmingly positive. The aspects of the station that were consistently praised were:

- a focus on music not currently played on existing stations;
- introducing listeners to new music; and
- the wide range of music.

"It is so much better than anything we get here or on Radio 1. If we had it I would listen to it all the time" (Male 20-22)

"It's not music that you are going to get on any other radio station" (Male 25-27)

"Introduced me to so many new bands, there is just so much out there" (Male 33-35)

"Such a good range of music" (Female 25-27)

Localness was a key demand from the putative radio station, particularly:

- knowledge of local news and affairs important;
- support and airplay for local bands;
- desire for credible information about music and culture in Manchester; and
- local accents were not deemed to be as important as relevant content.

"There was one DJ called Marsha, she was very knowledgeable about events that had been happening in Manchester." (Female 25-27)

"If you think about it, there is so much music that comes out of Manchester, why ship it all out. We get all that dance music on the radio at the moment but not a lot of them are playing the Indie music that does come out of Manchester." (Male 33-35)

"I would say broadcast in Manchester, the same sort of music but for me you have got to include the local sort of news and whatever is going on around Manchester." (Male 33-35)

"They [DJ's] are talking about music more than anything, if you are going to listen to a radio station, yes you want the music on but certain times of the day you want the news, so it has got to be local stuff." (Male 33-35)

Specific preferences included:

- the music played during the RSL: credible, good current tracks, respected classics and introduction to new material;
- music knowledge and credibility of the presenters;
- diversity in the specialist shows;
- a good representation of Manchester's music heritage; and the
- selection of classic tracks important.

"They know the music really well. You know you can tell they are well into it all – they are enthusiastic for it and they come across really well. If they say somebody is good, it usually is very good." (Male 25-27)

## Xfm Manchester Application

“It was a good range of music. They played stuff and I found myself thinking ‘God I haven’t heard this for ages’. With Key 103 and Galaxy you don’t get that, it’s never a song you haven’t heard for ages, it never takes you by surprise whereas they had really heavy guitar stuff and then they played a really nice soft Beatles song. They did have a good range of stuff.” (Female 25-27)

Being introduced to new music was the part of the RSL that the listeners felt really made it unique in the market:

“It would bring some of the new bands up quicker that are in Manchester, that are quality that maybe would get lucky in the London Station.” (Male 25-27)

“Listening to Xfm introduced me to a lot of bands. I was checking the play list on the Internet today and I bought 2 albums by a band I have never heard of before.” (Male 33-35)

Our focus group responses showed that Radio 1 was the key competition in the market. Xfm Manchester would encourage respondents to listen to more commercial radio and in many cases convert them to commercial radio from the BBC.

“On Radio 1, they don’t really play anything that hasn’t been out in the last year or so.” (Male 20-22)

“It’s a bit like Jonathan Ross who plays a really good mix of old stuff and I just thought it was on the same level, a mix of good guitar. There were some old tunes and some new tunes and heard some really good recent tunes so it all kind of blended together well.” (Male 33-35)

The BBC itself acknowledges the role Xfm plays. Its submission to the DCMS Review of BBC Analogue Radio said: “Radio 1 does not have a monopoly on building public value through music. It recognises the contribution that the commercial sector has made, and continues to make, in particular to building cultural value through niche music stations such as Xfm.”

### *Stage 2 conclusions*

The positive responses to our RSL content showed we were correct in our early assumptions on the suitability of the Xfm Manchester format. The findings of this stage of the research are reflected in the **Programming Philosophy** section of this submission.

### **Stage 3: Detailed quantitative study**

(All chart references: Appendix 5, Manchester Music Map)

Having established by an analysis of RAJAR data that 15-34 year old males are currently the demographic most underserved by radio in the Galaxy TSA, and subsequently trialling Xfm in Manchester through the RSL, we then conducted a study of music preferences to add a further layer of local market knowledge.

### *Research methodology*

The two stages of this research were to determine current radio listening and to conduct a detailed study of music preferences.

A total of 812 respondents completed the survey online.

They were recruited by email from an existing access research panel which accurately represents the Manchester adult population. It is owned by online research experts Research Now.

Respondents were recruited to best mirror RAJAR weekly reach by specifying the number of invitations sent to potential participants where radio habits were already known, thus avoiding potential bias.

Clusters of four clips from tracks in 18 distinct music genres (cf. **Appendix 5**) were then played and respondents invited to state their preferences. At no time were any of the respondents made aware of the name of the genres being tested.

Finally short station montages were tested to gauge the initial reactions to music mixes and to determine whether these had the potential to boost both radio choice and actual time spent listening to the radio.

The survey took 20 minutes to complete and was completed between 10-18 November 2004. All respondents live in the Galaxy TSA area and the results were weighted to reflect 5-year actual age groups within gender.

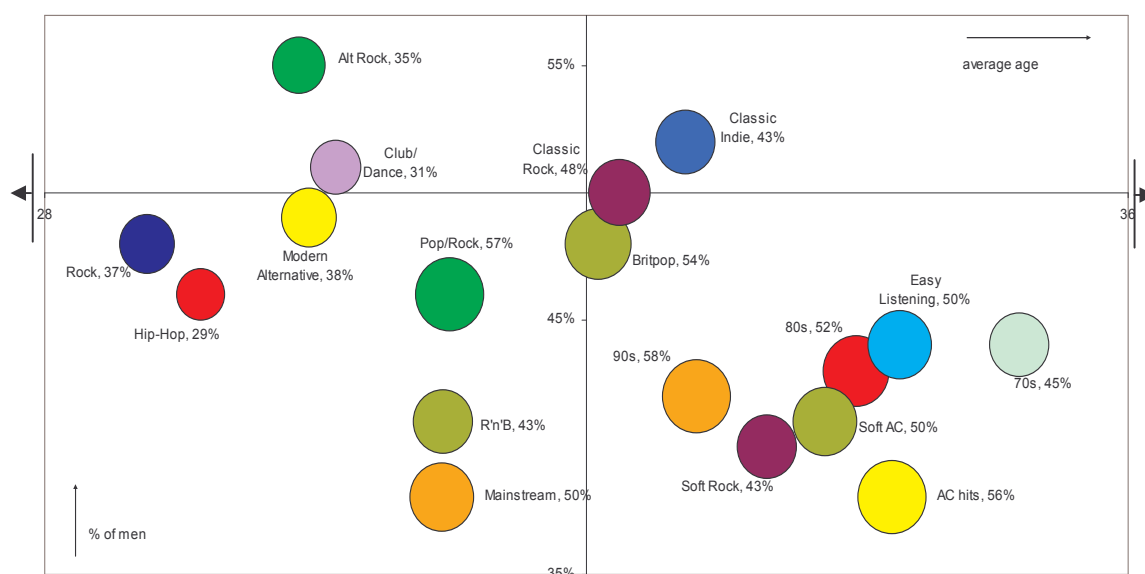
### *Research findings*

The findings of the quantitative music survey echo some of those extracted from the RAJAR analysis. The most listened-to stations within the TSA are predominantly targeted at a female audience (**Chart 1**). Galaxy, Key 103 and Century FM all scored highly among female respondents, while among music stations, only BBC Radio1 measured highly among male respondents (**Chart 2**). Later qualitative research conducted with Manchester focus groups (**Stage 4**) supports the evidence that Radio 1's specialist programming is viewed positively among our target listeners, while current commercial offerings left our respondents feeling disenfranchised.

In the quantitative music preference testing, Modern Alternative, Rock and Pop Rock were the most popular music genres among 15-24-year-olds, with Brit Pop and Alternative Rock next in line. The same music genres are broadly mirrored by the broader 15-34 year old demographic (**Charts 8 and 9**).

Plotting those music preferences on a map determined by age and gender, and comparing this to the earlier Manchester radio map, illustrates which age-group and music styles are currently not catered for by radio within the TSA. **Chart 10** (Appendix 5 and below) clearly indicates a clutch of genres attracting older and female listeners with Easy Listening, Soft Rock, 80s and AC Hits among others, whilst only Club/Dance and Alt Rock register within the exclusively male part of the map.

## Manchester Music Preferences: 15-49s "I love/like it"<sup>25</sup>



Given that both Talksport and BBC Radio Five Live enjoy healthy listening among young males and both are speech based, it was appropriate to investigate where any gap for a commercial *music*-based station might lie, whilst taking into account in our research the obvious appeal of speech to this market.

Identifying our target audience as the younger age group, the objectives of the study were to determine the music preferences of the Manchester adult population under 50 and identify whether they felt that the music styles they like are currently available on local radio stations. This would reveal where the biggest market gap in terms of musical preferences lay and, together with earlier research, allow us to tailor our analogue licence application accordingly.

Copies of the study and the charts quoted in this section are available in **Appendix 4**.

These charts strongly support the analysis of the RAJAR data that it is among younger men where the listening gap exists.

Whilst the RAJAR data demonstrated that young men were underserved by radio within the TSA, the music map illustrates that a station offering a combination of Modern Alternative, Rock, Alt Rock and Pop Rock music genres would be the most attractive to 15-34 year old men.<sup>26</sup>

<sup>25</sup> While the music preference research was conducted among 15-49 year olds, the average ages of those preferences for the genres above fell within the 28-36 years age group. This map represents the smaller area for clarity of reading.

<sup>26</sup> Importantly, our research shows that this format would also be very attractive to young women and therefore have a wide appeal among all younger listeners. (Chart 5)



After identifying the music genres in abstract that would attract young men to any new radio service, we then went on to ask what music they would like to hear on a new local station.

**Chart 12** shows that amongst all respondents, Guitar-based Rock (33%) was the most popular genre, followed by Pop (26%) and RnB (21%). Indie (18%) also scored highly, coming fifth out of the eighteen genres tested, while Classic Rock came lower at 9%.

It is clear that the success of any new music station within the TSA would be best served by playing the most popular genres of music among the established market gap of young males, without duplicating the music already offered by the market and thus widening choice.

At this stage, we proceeded to measure both the music passion and the music potential among our respondents, by comparing music they wanted to hear more of, with what they feel is currently available on the radio.<sup>27</sup> **Chart 20** demonstrates that 15-24s consider that Pop Rock, AC Hits, Mainstream Pop, RnB, HipHop and Club/Dance are all already available.

The genres that they wanted to hear more of are all guitar-based, Alternative genres – Rock, Classic Rock, Alt Rock, Modern Alternative and Brit Pop. (**Chart 20**)

Amongst the older 25-34 year old demographic, the favoured genres which are not currently available are Pop Rock, Alternative Rock, Britpop and Classic Rock (**Chart 22**).

Returning to the demographic gap identified in our RAJAR research, **Charts 26 and 27** demonstrate an obvious distinction between what music genres are already available on radio within the TSA and what music genres young men want to hear more of – guitar-based Classic Rock, Alternative Rock, Classic Indie, Rock and Brit Pop. Encouragingly, Rock and Alternative Rock also scored highly for females aged 15-34 (**Chart 28**).

**Charts 32 and 33** map these music preferences and show that of those genres that young males want to hear more of, only club/dance formats are currently provided in the TSA (Galaxy).

#### *Station montages*

After identifying the most popular individual music genres and the biggest gaps in music radio, we then tested short station montages. These consisted of four song hooks and a station jingle (these were not real stations but created specifically for the research).

**Chart 34** illustrates that the Alternative montage proved to be the most popular, building both the largest and most loyal audience, with Classic Rock second.

It is our contention that any new commercial station whose playlist includes the two most popular musical genres will have the greatest appeal to the currently underserved young male demographic, as well as substantial appeal amongst females.

<sup>27</sup> We also tested speech preferences and these results (which form part of Appendix 4) form the basis of the speech element of our programming philosophy.

## Xfm Manchester Application

We then went on to test what effect an Alternative station would have on listening habits within the TSA:

- 48% of 15-34 year olds would listen a lot or regularly if that station was available (**Chart 36**)
- 50% of 15-34 year old males would listen a lot or regularly if that station was available (**Chart 36**)
- 32 % of all 15-34 year olds said they would listen to more radio if that station was available. (**Chart 37**)
- 34% of all 15-34 year old males said they would listen to more radio if that station was available. (**Chart 37**)

This (Alternative) montage had the most significant impact on potential listening behaviour.

### *Stage 3 conclusions*

Analysis of the music preferences among 15-34 year old men clearly show their preferred music genres to be Alternative.

When asked how their listening habits would change should an Alternative commercial radio station become available in the TSA, a significant number of all 15-34 year olds said that their radio listening would increase. We believe that this would contribute to eradicating the decline in the reach of radio among this age group and significantly grow the radio market within the TSA.

An Alternative music station would not only be distinct within the market place and broaden choice, but also would be likely to attract a new radio audience.

If an Alternative music station was available, we believe that it would grow radio listening within the TSA. This proposition is further supported in the Stage 4 qualitative research.

### **Stage 4: Focus groups, second phase**

(Focus Group Discussion Guide: Appendix 6.1)

The main aim of this research, conducted in December 2004 and January 2005, was not only to find evidence of demand, but to define our programming strategy and create a unique new Manchester station which would truly broaden choice and reflect the tastes and demands of Manchester listeners and potential radio listeners.

### *Background*

Following qualitative and quantitative research conducted in Manchester, further research was required to hone and define the areas of demand within the previously identified demographic group.

We also knew from our work in the summer that, in general, people who listened to the RSL very much liked what they heard. However, these were reactions to the station as

## Xfm Manchester Application

a version of London's Xfm; this new research would bridge the gap in our knowledge so that we could tailor our proposal for the local market.

The objective of this research was to influence our programming philosophy, show evidence of demand and enable us to create a station that is inextricably linked to the preferences of a Manchester audience. We looked at areas such as music policy, commitment to new and local bands, speech content and news.

### *Research methodology*

Seven focus groups were conducted:

- 26-35 year old males who love guitar music
- 26-35 year old females who like guitar music
- 16-21 year old males who love guitar music
- 16-21 year old males who like guitar music
- 24-26 year old males who love guitar music
- 24-26 year old males who like guitar music
- Student focus group – further, separate group session in January 2005

The research was carried out 13-15 December and on 12 January by Vegas.

### *Research Findings: It's all about the music... Again!*

This qualitative research again showed that it would be the music content of Xfm Manchester which would make it distinctive and attract listeners. Overall the music content is described as “guitar”, “indie”, and some, “just the best of what’s currently on offer”. As in previous research, many respondents described the music content in terms of what the station would *not* play:

“As long as they don’t play cheesy R&B I’ll listen.” (Student)

“You don’t want to hear obscure stuff all day.” (Student)

“You don’t want to be overdoing the old stuff. A bit of Nirvana’s alright, but they don’t need the exposure. He’s dead for a start.” (Student)

“If you have too much new stuff, people are going to lose interest” (Student)

“If daytime’s different [to Galaxy and Key 103] all the time, it would have a good chance” (Student)

As in previous research, we confirmed the fact that there is a definite demand among respondents for a station like Xfm in Manchester. If listeners do not like pop, R’n’B or dance music, then needs are not currently served by incumbents.

Three themes emerged that support our music preference study (**Stage 3**):

- respondents said that, though there is nothing on commercial radio currently targeted at them, they listen to existing stations because there is “nothing else”;

## Xfm Manchester Application

- interest in local radio is greater than in London, with research participants placing a strong emphasis on local knowledge, news, traffic and travel;
- respondents are often regular Radio 1 listeners, but complain about too much pop and resent the way the station becomes (in their minds) a “dance station from Friday night until Sunday”.

### *Broadening choice*

What was very encouraging from this research was just how far-reaching the station could be. From 16-year-old males who are passionate about music to 35-year-old housewives who listen to radio while doing the ironing, all felt that Xfm would offer a genuine, exciting alternative to what is currently on offer.

### **Research conclusions**

Based on our research findings, we conclude that:

- there is a gap in current radio offerings for a service targeting 15-34 year olds, with a bias towards males;
- the most attractive music genres to this demographic are Alternative – which are not currently offered by local commercial radio;
- those who listened to our RSL version of Xfm in Manchester liked what they heard and believed that it provided choice both among commercial services and against the BBC;
- Xfm Manchester is the strongest proposition in terms of increasing choice, satisfying demand and increasing commercial radio listening in Manchester.

Capital Radio PLC, with Xfm in London, has an unparalleled track record in successfully delivering this type of format to a local audience.

## Xfm Manchester Application

### 7. Evidence of Support

This section should provide evidence of support, where appropriate, from the applicant's potential audience or from prospective local advertisers.

We believe that evidence of demand resulting from professional research is far more pertinent to our licence application than letters of support. However, over the last seven months spent in Manchester learning and understanding the needs of the local market, we have been overwhelmed by the support we have received from the thriving Manchester music industry, local listeners and local advertisers

In the course of Xfm Manchester's August 2004 RSL, seven live events, numerous interviews and consultations, and a marketing campaign ranging from grass-roots activity in local music venues to advertising hoardings at Old Trafford, we attracted hundreds of text messages and emails. A sample are listed below:

#### **Manchester's music industry**

"Britain's Music Capital needs a proper indie station - Xfm would be great."

**Darren Nadin, North West Radio**

"From Herman's Hermits to The Bee Gees, Joy Division to The Smiths, Simply Red to Take That and The Stone Roses to Oasis, Manchester has always been a creative hotbed for music makers. Music has always shaped the cultural life of Manchester. However, it's not just something in the water that makes this city so successful when it comes to nurturing talent. The music infrastructure here is second to none, outside the capital. Recording studios, rehearsal rooms, record labels, artist management companies, to name a few, all play a vital role in the early development of the artist's career. The greatest barrier or glass ceiling facing our artists, composers, managers, record labels and publishers is gaining air play on day time radio. We welcome any applications for the Manchester radio licence that can provide a commitment to such air play alongside a commitment to local productions, local presenters, links to and partnerships with local venues and concert promoters plus evening air time for local unsigned artists. The social, cultural and economic benefits to the Manchester community of a radio station that will adhere to supporting Manchester music as stated in its promise of performance/formatting will be significant and are welcome. Such a radio station is long overdue."

**Karen Boardman, Project Manager, Manchester City Music Network**

"I believe the lives of music fans in Manchester would be greatly improved by Xfm. It's absolutely appropriate that the city that gave us Oasis, The Stones Roses and Joy Division should have its own radio station playing alternative music. The Manchester music scene is stronger now than at any time since the 'baggy' days of the late eighties and early nineties. The city is now throwing out exciting bands such as The Longcut and Nine Black Alps who will go on to massive success. Xfm is the only radio station that can do justice to the new scene. I'm passionate about music and passionate about the city of Manchester and the people who live there, and I can't think of a better fit than Manchester and Xfm. There is a huge musical gap crying out to be filled. The young music fans of Manchester deserve an Xfm to call their own."

**Conor McNicholas, Editor, NME**

## Xfm Manchester Application

"Although Xfm are a London-based station, they've already been instrumental in playing tracks from most of the Melodic catalogue thanks to their excellent specialist shows. Manchester has arguably been the most important city in the last 30 years for music and Xfm are the perfect partner in terms of a quality radio station. Their Xposure nights in London have seen early gigs by acts that have gone on to do really well (they put The Longcut on recently) so their partnership with live events is something incredibly important I think. I couldn't think of anyone better equipped to be running a radio station in Manchester right now."

**David Cooper, Melodic Records, Manchester**

"I have been representing Elbow (a Manchester band) for eight years and no radio station has done more to support them in London than Xfm. If Xfm Manchester were awarded the licence here, they would be able to extend their good work and ensure that more Manchester bands get a chance to sample success."

**Phil Chapman, Manager, Elbow**

"Red Alert Promotions was established 15 years ago here in Manchester and we have worked with practically all North West bands. These bands include New Order, Stone Roses, Oasis, The Charlatans, Doves and Badly Drawn Boy to name a few. Manchester has such a huge musical heritage and this should be reflected in their local radio station, we are not served sufficiently and haven't been for years."

There is no station that caters for alternative/guitar music; an Xfm station will not only serve the local people but also the large student population. Manchester needs an outlet for the new local talent. Bring on Xfm."

**Liam Walsh, MD, Red Alert Promotions**

Night & Day Café believes that a new radio station dedicated to new music would easily succeed in attracting an audience -- as evidenced by Xfm's broadcast last year, since which Xfm have shown a strong level of commitment to the Manchester musical scene by forging relationships and extensively polling opinion. Night & Day therefore has no reservations in supporting Xfm's bid for this station.

**Jay Taylor, Venue Manager, Night & Day Cafe**

"Fantastic news about Xfm applying for a full time licence in Manchester. Manchester Academy are behind your application all the way. We've already had a number of Xfm gigs here and we look forward to more in the future if (and hopefully when) your application is accepted." **Gina Hewitt, Manchester Academy Events Team**

"I used to listen to Xfm all the time when I lived in London and it's one of the few things I miss about it!! Manchester definitely needs a station like this."

**Blue Cat Records, [www.bluecatmusic.co.uk](http://www.bluecatmusic.co.uk)**

"A station like this is overdue and if you can give some air time to unsigned bands/artists that would help, as it's almost impossible to get a play on commercial radio for unsigned bands, the old glass ceiling." Tim Thomas, Manager, **Blueroom Studios**

"Just wanted to let you know that we support your bid for a licence - Manchester's radio needs a kick up its airwaves. As a promoter of both live and club events I have noticed how little REAL radio support there is for such a thriving little scene such as is here."

## Xfm Manchester Application

I have noticed a lack of real knowledge about what is 'out there' from some of the radio stations, maybe this is why their coverage is so limited. Clubs are springing up and disappearing very quickly in the current climate and there are no club A&R types keeping abreast of the latest trends / nights. Hopefully Xfm might be able to champion some of the new guard in this respect. Let me know if you need any help in this respect as I would be happy to get involved if the need was there."

**Dave Lilley, Lifeform Recordings**

"I definitely believe Xfm is what Manchester needs (along with all the other parts of the UK where we find ourselves listening to the station through our television sets) and would fill the niches for both quality rock music broadcasting and for supporting the thriving local music scene."

**Simon Netherwood, ALIVE - Sound Culture LLP**

"As a local DJ, producer & record label I would like to add my support for the Xfm bid for Manchester" **Nic Conef, Mettle Music**

"Good to hear you guys are applying for FM status, would be good to see another Manchester station rooted firmly on the dial, especially one showcasing the full spectrum of talent out there." **Russell Pollitt, Unique Records and Distribution UK**

"Bringing Xfm to Manchester is just what it needs at the moment. Manchester seems to be struggling to push its new music successfully."

**Dan, Director, Fat Northerner Records**

Morrissey and Marr, Liam and Noel, Shaun and Bez, it doesn't take a genius to know that Manchester's musical legacy brims with everlasting significance. But with such a thriving alternative music scene in the city, finding a radio station to support that talent has always been a difficult task. Xfm Manchester is clearly committed to giving a platform to breaking acts such as Nine Black Alps, The Longcut and The Earlies as well as fostering the already massive alternative scene in the city. In fact, with such a passion for new music, it seems inconceivable that they haven't already been a major force in the city. **Lianne Steinberg, Deputy Editor, City Life Magazine (Manchester)**

"I would whole-heartedly like to support Xfm's application for the Manchester radio licence. On a personnel note, when I subscribed to SKY TV, it was for two reasons. The Sports channel and the Xfm radio channel. I now feel envious of London's music scene for one reason, they have Xfm and Manchester doesn't. I strongly believe that Manchester's music and entertainment industry (labels, publishers, studios, rehearsal facilities, management companies, venues, promoters, bands etc) will benefit and flourish from having such a supportive, high profile, professional, proven radio operator running the Manchester licence. This can only be good for the general public as Xfm's reputation has grown on being a *local* London station playing the best Music, now here's our chance for a *local* Manchester station that'll play the best Music."

**David Wood, Director, Faith & Hope Records, Manchester**

"I think Xfm would play more up-and-coming and cutting edge music in Manchester. This would also help to promote Manchester music to London. If done right this can only be good thing for the future of the Manchester and the British music scene. DJs like Shaun Keavney who DJs with me at my getloaded nights in London add a lot of colour and personality to the airwaves." **Shaun Ryder, Happy Mondays**



## Xfm Manchester Application

"I would like to take this opportunity to re-emphasise how important Xfm is to AMG's London venues, The Brixton Academy, and The Shepherds Bush Empire. Even more impressive is the significant impact Xfm has had on our two venues in Islington (Academy and Bar Academy) here you have been instrumental in driving attendances and events at our newest venue.

Your plans to open in Manchester are exciting and Xfm would have a significant impact on the live music scene in the city which would be excellent news for both touring acts and new talent from Manchester itself."

**John Northcote, CEO, Academy Music Group**

### Advertising industry

"Whilst Xfm can provide a genuinely unique offering to those of us deprived of such a resource up here in the deep North West, the historical home of music is surely a warm nest in which to nurture Xfm's brand and core values. Surely it's the case that Xfm needs Manchester as much as Manchester needs Xfm."

**Ben Wilkins, Universal McCann**

"There is no-one on the local scene at the moment who delivers quality new music via passionate and knowledgeable presenters, and there is a real desire for this kind of service in Manchester. Radio 1 is all very well, but the station is not tasked to promote or enhance our local music scene, things which Xfm Manchester could readily do."

**Clare Chapman, Associate Director, MediaVision Manchester**

"I think I am a typical Xfm listener, am typically passionate about Manchester, and would be exactly who you guys would find listening. There's kind of edginess to Manchester that I think Xfm takes as part of its brand values, and if you were successful with the application, the platform could lead to Manchester becoming the epicentre of yet another, much needed, musical revolution. We could see people talking about Manchester again, in the same breath as Memphis, New York, and London."

**Ali Taylor, Feather Brooksbank, Manchester**

"Xfm on an FM licence in Manchester would be a great way to speak to another vibrant marketplace. Xfm is an innovative radio station like no other that appeals to a hard-to-reach audience and would be a valuable new vehicle for our clients."

**Mark Eaves, Drum PHD**

"We need Xfm in Manchester because there is currently no Alternative contemporary music station in the region. We currently have a dedicated dance station and several somewhat "middle of the road" ones, but nothing catering for the increasingly popular rock/Alternative genre. With the City continuing to grow, I feel that there is the need for more choice in radio stations and feel that XFM would certainly prove popular if awarded the local licence." **Alex Shepherd, Mediavest**

"Manchester needs you! Not a single radio station in the Manchester area acknowledges our fantastic musical heritage (past or present) and that's a disgrace. Today's new local talent have nowhere to get their music heard & Xfm will resolve that. The people of Manchester have spoken and do not want another radio station churning

## Xfm Manchester Application

out the family Bedingfield day & night. Take note authorities!! Good luck with the bid Xfm, we're right behind you." **Simon Mullington, McCann Europe**

### From current and potential listeners -

"Message: Manchester needs Xfm because a decent radio station is the main thing that is lacking in the area. There is not a radio station in Manchester worthy of rivaling the superb programming that Xfm provides." **Stephen Dunn, Listener**

"We are the Moring family living in Manchester. We all enjoyed the trial in the summer and pleased to hear that you are applying for a Manchester license. Manchester needs Xfm because there isn't any other radio station playing decent rock music. We've emailed direct to Ofcom and hope this helps. Good luck with the license!! Please bring decent rock music back to Manchester." **Jan, Stephen and Gemma Moring, Listeners**

"Good music radio would be amazing for Manchester. The restricted period last year was great. Encore!" **Alex Painter Listener**

"We need XFM in Manchester as all the other local stations are rubbish and XFM will be the best thing to happen to Manchester for a long time! I love going to London and being able to get XFM in the car!" **Maria Formosa, Listener**

"It is about time that Manchester had a radio station of the calibre of XFM, it is the only station I listen to when in London and would be here too if it gets the licence it deserves"  
**Simon Walker, Listener**

"I am a student in Manchester but come from Bristol, a city of awful radio and when i arrived in Manchester I expected great radio since it is the home to so many great bands, past and present. Instead I am left to suffer with the insufferable Vibe FM and some other commercial rubbish!! So please can u start XFM in manchester, ive heard it on digital radio and have heard great reviews from friends in London! so do something about it and give XFM a license!!!!!!!!!!!! NOW!!!!!!!!!!!! Before my ears cave in!!!!!!!!!" **Ben Kolb, Listener**

"Manchester needs a new radio station that caters to more than just pop/dance music fans! XFM play such a wide range of ace music, especially cutting edge new stuff that it would be of real benefit to music fans in the area to be able to hear the station here in Manchester!"  
**Mindy, Listener**

"Manchester needs Xfm because it's probably the best radio station in London - I listen via my DAB Digital Radio in Manchester but would love to hear a local version of it in Manchester. We need a radio station supporting the music scene - I don't believe Kerrang! can do this because they're a different type of rock music to what Manchester is about." **Jason Bourne, Listener**

"Whatever happened to Xfm in Manchester? I woke up at start of the week and airwaves were quiet ( please come back!" **Marina, RSL Listener**

"We're listening on your test station in manchester town your sounding wicked keep the tunes going so you can come full time to Manchester," **Tom, Listener**

"Manchester needs xfm because local radio is full of talentless pop idols, cheesy dance and Bling r and b and they dont support local talent." **Listener**

"Manchester has the cool music scene-ness, why should London get all the good radio action? Sort it!" **Anne-Marie Pattenden, Listener**

## Xfm Manchester Application

### DECLARATION

Applicants are required to conclude their submission by responding to the following question:

Do you confirm that, to the best of your knowledge and belief:

- (i) the applicant is not a disqualified person in relation to the licence by virtue of the provisions of section 143(5) of the Broadcasting Act 1996 (relating to political objects);
- (ii) no director or person concerned directly or indirectly in the management of the company or the applicant group is the subject of a disqualification order as defined by section 145(1) of the Broadcasting Act 1996;
- (iii) no person involved in the application has been convicted within the past five years of an unlicensed broadcasting offence and that the applicant will do all it can to ensure that no person so convicted will be concerned in the provision of the service, the making of programmes included in it, or the operation of a radio station if the applicant is granted a licence; and
- (iv) any matters which might influence Ofcom's judgement as to whether the directors and substantial shareholders involved in the application are fit and proper persons to participate in a radio licence have been made known to Ofcom?

Applicants should note that Ofcom reserves the right to revoke a licence if at any time any material statement made is found to be false and to have been made by the applicant or any member or officer thereof knowing it to be false, and that in the circumstances of section 144 of the Broadcasting Act 1996, the provision of false information or the withholding of relevant information with the intention of misleading Ofcom could incur a criminal conviction and a disqualification from the holding of a licence.

The directors of Xfm Manchester Limited confirm the above points and certify that all directors of the company are considered fit and proper persons to participate in a radio licence.