

*Graduate School of Business
National University of Singapore*



**MBA7301G/MMT6018G – Internet Marketing
Semester I 2000/2001**

e-Marketing/Business Plan: Love 97.2FM

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1. INTRODUCTION

Radio has seen enormous changes in the last few years. It sits at a unique moment in its history. For the first time radio as a medium is being targeted with audio alternatives. With Internet radio, radio is on the verge of facing the new kinds of challenges. Moreover, the pie of advertising revenue for radio is getting smaller.

In our case, Love 97.2 is facing a similar challenge. Its market share is dwindling and its revenue is being eaten away. What steps can Love 97.2 take to remedy this situation? Is the Internet or e-commerce the solution to its problem, or is it just a case of poorly executed marketing strategy?

We shall dwell further into the issues that Love 97.2 is facing and make recommendations to help the radio station achieve its objectives.

2. LOCAL MASS MEDIA INDUSTRY

The Singapore mass media industry comprises various major segments including press, TV broadcasting and radio broadcasting.

The press segment, comprising newspapers and magazines, is dominated by the Singapore Press Holdings. Some of the major newspapers in circulation are The Straits Times, Business Times, and Lianhe Zaobao. The main player in TV broadcasting is the Media Corporation of Singapore (MediaCorp) which operates the most popular TV channels such as TCS 8, TCS 5 and Sportscity. Radio broadcasting, on the other hand, is dominated by Radio Corporation of Singapore, which is a strategic business unit of MediaCorp.

TV and newspapers represent the biggest segments of the industry. The TV segment is especially gaining importance in the last twenty years. Radio and magazine, on the other hand, have experienced a downward trend for their market shares. The last couple of years however, the trend has leveled and their market shares are expected to remain at the current level. According to a study done by AC Nielson in 1999, TV and newspapers together capture close to 90% of market share of the entire industry. Radio and magazines capture the rest of the market share equally, about 5% each.

In view of the advancement of technology and globalization, the Singapore government recently announced a review of the structure of the media industry in March 2000¹. The review aims to strengthen the local media to ensure they can anchor local audiences to local content, and to structure the industry so that companies can compete more effectively. In the future, the government sets forth to stimulate the development of local multimedia content that appeals to the local audience and encourage local players to aggressively embrace the Internet.

3. ENVIRONMENTAL ANALYSIS

3.1 Competitive Analysis of Local Radio Industry

Using Michael Porter's five forces, we conducted a competitive analysis to examine the extent of attractiveness of the radio industry.

3.1.1 Barriers to Entry and Exit

The entry and exit barriers are relatively high, owing to the high cost required to set up broadcast facilities and the high expense in building up a reputation and brand name. The second point is particularly pertinent in Singapore radio industry, given the market saturation. Threat of new entrants is therefore low.

3.1.2 Level and Basis of Competition

Industry rivalry is rather intense, as there are a total of 29 FM stations serving a small local market. The Singapore radio industry is dominated by the RCS Pte Ltd, which operates the nation's largest radio network with 12 out of the 29 FM stations. The 12 stations broadcast in four different languages, offering a mix of music, news, and information to the 3.5 million Singaporeans weekly. Other broadcasting stations in the playing field include Rediffusion, Radio Heart and Safra Radio. Rediffusion, broadcast over cable since 1949, offers 18 hours of Mandarin programs on its Gold Channel and 24 hours of English and Mandarin programs on its Silver Channel. Radio Heart, a station under the NTUC Media Corporative, runs 2 radio channels – 91.3 FM and 100.3 FM. It broadcasts in four languages. Safra Radio, a station under the Singapore Armed Forces Reservists' Association (SAFRA), operates 2 radio stations – Dongli 88.3 FM and Power 98FM, which are dedicated to Operationally Ready National Serviceman, Full-time National Serviceman and Regulars. Although RCS claims that the 12 stations under its umbrella are left to compete based on market forces, there bound to be a certain degree of neglect and lack of resources for certain stations.

3.1.3 Threat of Substitute Products

The threat of substitute products is increasing. New mass media such as cable TV and Internet have intensified competition in the broadcasting industry. Cable TV offers consumers a wide selection of programs from all over the world, delivered in the comfort of their homes. Wireless Internet give people easy access to a new source of entertainment and to thousands of overseas Net radio stations. It is becoming much harder for local broadcasters to hold audiences in this multi-channel and multi-media environment.

3.1.4 Bargaining Power of Buyers and Sellers

Both supplier and customer bargaining power are growing. Given the widespread of mass media and new media such as Cable TV and Internet as mentioned above, supplier has more distribution possibilities, e.g. launching new music records via the Internet instead of radio. Customers also have more choices of entertainment and radio stations have to keep its program interesting in order to keep its listeners. With increased supplier and customer bargaining power, it will be increasingly tougher for the radio stations to maintain competitiveness.

Based on the above analysis, we can see that the radio industry is somewhat declining. The pressure now is great for radio stations to maintain a respectable share of the pie in the mass media industry. They will have to look beyond the traditional means and explore new ways of competing in the market.

3.2 Radio and the Internet – A Peek into the Future.

While Internet is catching on strongly in Singapore, it is already widely used and developed in countries such as United States. In the USA, the Internet has shown tremendous growth and increases in Internet radio usage. We therefore felt that it is worthwhile examining the trends of Internet radios in this developed country as it will give a fairly good idea of what the future has in store for the radio industry in Singapore.

3.2.1 Internet Radio in USA

In United States, Internet radio, or alternatively known as webcasting, has started to give commercial radio a run for their money. There has been an explosion in online radio usage. Almost one out of seven Americans have now listened to radio on the Internet, shown by Arbitron Internet Study², while other studies have shown that 75% online listeners plan to increase their listening more frequently in the future. The Massachusetts Institute of Technology's list of Internet radio stations (<http://wbir.mit.edu/stations/list.html>) has links to more than 9,000. About 2,700 of these

are Internet-only stations that broadcast 24 hours a day, seven days a week. The majority are conventional stations that broadcast over the air and via the Internet simultaneously. This gives an indication of how interest in Web radio is growing.³

I. Internet Radio Usage Statistics

The reach of Internet radio is amazing. Anyone who has a free piece of software can listen to Internet radio stations from New York, New Zealand or Nepal⁴. To hear an Internet broadcast with the same clarity as a conventional on-air broadcast, computer users need a broadband cable connection that can “stream” audio signals through the Internet to a computer quickly. Currently only 4% of Internet users in the United States have this capability but this number is expected to jump to 21% by 2003 as more Internet service providers begin to supply broadband connections at cheaper prices. The average number of hours per year individuals spend on the Internet is projected to grow from 30 to 300 by 2004. Conversely, the number of hours per year people listen to the radio is expected to decline from 1092 to 1028. Many people with access to the Internet say they are spending less time with other past-times such as watching televisions (35%), reading magazines (19%) and newspapers (18%), listening to the radio (16%), shopping at the mall (18%) and going out (12%)⁵ (See Appendix for Table 1). Further, about two thirds of Internet radio listeners are tuning in to radio stations that they would otherwise not be able to get, according to the Arbitron New Media Study on Internet listening, released in June 1999. About 56% of Web listeners also listen to a local station’s Webcast. It also reported that 77% of people surveyed listen to music on the Web, and coming in as a close second is news coverage, which is tuned in to by 64%.⁶

II. Advertising Effects

Advertising agencies are sitting up and taking note of this trend. Currently, although only 2% of all advertising is done on the Internet, the number has been doubling each year. If the current rate of growth continues, it is projected that the amount will grow from US\$3.6 billion national total for 1999 to US\$21 billion in the United States by 2004.⁷ Although Internet radio may only claim a small portion of total online advertising, it is still another revenue source that should not be ignored. One article claimed that while a typical Web banner ad might get a \$20 CPM (2 cents per viewer) and not be particularly effective, a 30-second audio spot should have a considerably better response rate and thus more valuable. Such spots are predicted to earn CPMs of \$50 to \$100 (5 to 10 cents per listener). This would mean that the number of ads required to make a Web radio operation profitable need not be very high.⁸

Furthermore, an Arbitron study has found that online listeners are highly responsive web consumers who purchase more on the Web than Internet users who are not listening online.⁹ The study reveals that 79% of online radio listeners are likely to visit a website advertised on their favourite radio station and 60% have made a purchase from a website. Nearly two thirds (62%) of online listeners have visited a website they learned about from radio advertising. Also, nearly two thirds (63%) of streamies have clicked on Web advertising. Hence online listeners are worth a lot to Internet radio companies and advertisers targeting at the Internet audience. Broadcasters and Internet radios therefore have a chance to deliver advertising to a highly valuable new breed of consumers – online listeners – who are more Web-savvy, buy more online and have more disposable income. They can therefore demand a premium from advertisers who want to reach this new breed of consumers!

III. Opportunities for Radio

Most online Americans are aware that radio stations have websites, so better content and increased promotion should drive up website visits. Also, music e-commerce represents a huge opportunity for radio. Music represents a top category of e-commerce today, and it is what listeners are most interested in purchasing from a radio station website. As a vast majority of American radio stations play music, marketing music via the Internet is a huge e-commerce opportunity. The proportion of those online that have listened to radio stations over the Internet has jumped from 18% to 27%. Among all Americans, 13% have listened to radio stations over the Internet. Radio has an opportunity to infuse audio into its Web applications, taking advantage of radio's expertise in using audio to entertain and market itself.

IV. Challenges for Radio

Internet users spend less time with radio. As Internet usage continues to grow, time spent listening to the radio may see continued erosion. Radio station websites have good awareness but are not drawing repeat traffic. Two-thirds of online Americans are aware that stations have websites, and one-third have visited a radio station website. Also, few people bookmark or save radio station websites as favorite places. Those surveyed have expressed that most station websites do not provide the type of information desired by listeners. Information drives Internet usage. Listeners want radio station sites to provide community and concert information, title and artist of songs being played, the ability to listen to the station, enter contests and to see advertisers products. If station sites can consistently begin to provide this type of information, their website visitation should grow¹⁰.

V. Radio's Web Presence in Singapore

In Singapore, increasing affluence means more people have computers at home. Internet awareness and usage is increasing everyday. Existing radio stations already have tremendous programming expertise. By creating Internet outlets, they can supplement and enhance existing over-the-air franchises. Radio stations should therefore define themselves not as traditional broadcasters but as suppliers of audio programming and entertainment.

Currently, all the 12 stations under RCS have their own website and offer live radio over the Internet. Other features in the websites are highly similar, e.g. program schedule, DJ profile, song dedication, latest promotions or events, joint publicity with music companies and music/album/artiste review. As the contents are largely the same, aesthetics, interest level of the contents and ease of navigating the website have become important factors. In these areas, YES 93.3 and Perfect10 FM98.7 somewhat stand up from the group.

To a large extent, the local radio stations are currently making use of the website as an additional medium or distribution channel. Certainly, more can be done online as we feel that there is potential in webcasting. In the following sections, we set forth to analyse Love 97.2 and make recommendations to enhance the channel's ability to compete in the new era. We will conduct a company analysis of Love 97.2, and based on our analyses, recommendations will be made for Love 97.2 in terms of its business focus, business and strategic directions, target market positioning, enhancement of competitiveness and marketing mix plans.

4. LOVE 97.2 – COMPANY ANALYSIS

Love 97.2 is one of the 12 stations on the FM band that is owned by RCS. Each of these 12 stations targets at different audience. Love 97.2 revamped its image a year ago to target at bilingual working adults aged between 25 and 35. It positions itself as a contemporary Mandarin music station playing popular music of the 80's and 90's interwoven with lifestyle programs. Its new unique selling proposition is “Quality Lifestyle, Quality Station”, and the Chinese version is “It feels great to have you with me”. Love 97.2 has positioned itself as the music station for romantic golden hits and quality lifestyle information. The songs the station plays ranges from Chinese songs in the 1990s to the Evergreen English songs. Its positioning is similar to that of Class 95. Currently, its weekly audience rate is about 450,000 listeners and is the 5th most popular radio station – a drop

from the 4th position few years ago. As with most radio stations, its major revenue source comes from advertisements and sponsorships.

4.1 Strengths

Love 97.2 has well known, charismatic, experienced, and moreover, bilingual DJs such as Billy, who is very popular and well liked among the middle-aged woman in Singapore. Furthermore, some of the DJs have been educated and nurtured to be specialists in certain fields that are related to their programs, for example, travel and healthcare.

Love 97.2 has also created a niche segment for itself by benchmarking programs, which would attract listeners. It produces many lifestyle-related programs, for instance, food and entertainment programs, which have shown to capture more listenership. This is distinctive in that no other radio station provides such programs that cater to the needs of the yuppies target market.

In addition, Love 97.2 has proposed creative packages to appeal to advertisers. For example, there is the low price package, which was especially well received during the Food Paradise week. This special promotion had attracted restaurants and companies selling beauty products over from Capital Radio 95.8FM.

4.2 Weaknesses

Love 97.2 finds it difficult register its new image in the public's minds. Although it has changed its image a year ago to target at yuppies, its target market still has the perception that Love 97.2 is an “oldies” channel. Hence, the listenership has failed to increase as desired.

Although the experienced and mature DJs can be considered one of the strengths of Love 97.2, however, it can also hurt the new image that Love 97.2 is trying to portray. The DJs, having been in this field for a long time, give the younger audience, between 25 – 35, the impression that the radio station is more suited for the “oldies”. The mature DJs also tend to use very “dated” expressions that further enhance the “old” image of the station. This is a huge conflict with Love 97.2’s new positioning.

Relating to the point that the public is unaware of the station’s new image – as the changed image had not been properly filtered to the public, the station has not been able to convince potential advertisers the benefits and potential of advertising to this niche segment on Love 97.2.

4.3 Opportunities

The lifestyle of the target market is changing. This segment of people have similar lifestyle behavior and preferences, such as the increasingly desire to enjoy life. As these people are getting more affluent, they are more willing to spend on their lifestyle wants and comforts. Love 97.2 can tap on this changing trend, by offering services that suit the needs and wants of these target consumers.

With the increasing use of the Internet, there is the potential for Love 97.2 to leverage on its website, and to provide value-added "products and services" which are not possible on radio. The Internet and e-commerce can solve common advertiser objections to radio such as the lack of visuals, inability to coupon, lack of product detail and uncertainty in measuring results. If radio stations can provide what listeners want on their web sites, radio stations overcome these historical objections and enjoy increased revenue.

According to one research, the top major advertising client for the radio industry is the Telecommunications sector. Thus, besides producing lifestyle-related programs, Love 97.2 should also plan programs that are tailored to the needs of the Telecommunications companies to tap into the high growth rate of this sector.

4.4 Threats

Love 97.2 faces fierce competition, both internally, from radio stations under RCS, and externally, from radio stations outside of RCS – which includes Safra Power 98 and NTUC Hearts 100.3. The latter two radio stations are slowly climbing up the 10 most popular radio stations chart in Singapore and are giving RCS's radio stations a run for their money.

Internally, Love 97.2 has two Chinese big brother radio stations to contend with – Yes 93.3 and Capital 95.8. Both are well established with the Chinese radio listeners in Singapore. Yes 93.3 is now the most popular radio station in Singapore with its youthful image and is even capturing listeners from the English-speaking group. Yes 93.3 has positioned itself as a music station while Capital 95.8 is an information station. Both stations have entrenched these images very deeply into the minds of the general public by now. As a result, Love 97.2 has to strike a balance between music and information and find a niche for itself.

Besides facing fierce competition from its own medium, Love 97.2 also faces strong competition from other media, such as TV, print and even Internet. Although these media can be used

complementary to radio, they can also serve as substitute products, in terms of advertising budget as well as audience's spending time (especially against TV).

In addition, the station has found it difficult to recruit manpower, in particular, DJs and IT personnel. This is both an internal and national problem.

5. PROBLEMS FACED AND OBJECTIVES

5.1 *Problems faced by Love 97.2*

For the past few years, Love 97.2 has had difficulties generating sufficient revenue to cover its costs and expenses. The station was making a loss of \$2m per year. Although the situation has improved since the station changed its image, its most recent bottomline is still a loss of \$600,000. This is partly due to the fact that Love 97.2 has been unable to establish a clear image for itself. The image change has not been filtered down to create the much needed awareness to the general public. The market's perception of the station is that it is still an "old-fashioned" station playing oldies and contemporary hits.

Due to the fact that Love 97.2 is not generating sufficient revenue and listenership, RCS is unwilling to commit too much resources to support its activities. This channel is perceived as a "dog" or "problem child". Advertisers are more likely to advertise on Yes 93.3 if they want a higher reach or Capital 95.8 if they want to target at the Chinese community. However, by not investing resources, RCS is aggravating the situation. It is actually putting Love 97.2 in a potential vicious cycle of losses. Given the situation, Love 97.2 has no other options but to find the way out on its own.

5.2 *Objectives of Report*

The top priority of Love 97.2 is to earn more revenue so that it is profitable in 2001-2003. It also aims to regain back its 4th position and, from there, move up to be among the top three most popular radio stations in Singapore.

In order to achieve that, the station needs to educate the public about its new image and increase its revenue and listenership ratings. More importantly, Love 97.2 must work on its positioning such that its target market can identify with the radio station's new image. Only then, can they attract and retain their target consumers.

Hence we will use various marketing strategies, as well as the Internet as a supplementary tool, to help Love 97.2 in its positioning and to market its current image so as to attract more listeners and advertisers.

6. MARKETING STRATEGY AND RECOMMENDATIONS

6.1 *Positioning*

Love 97.2 currently positions itself as a contemporary Mandarin music station playing popular music of the 80's and 90's interwoven with lifestyle programmes.

6.2 *Target Market*

Having changed its positioning a year ago, Love 97.2 revamped its image to target at bilingual working adults aged between 25 and 35. We recommend maintaining this new target segment, that is to focus on the bilingual working adults between 25 and 35 years old. This is because this segment of people has great spending power and is comparatively more interested (than teenagers and older generation like parents/grandparents) in enjoying life. They pay more attention to travel and food. Furthermore, it has been noted that this segment is also frequent users of the Internet. Hence, by offering programs related to lifestyle and entertainment, be it through the traditional form or through the Internet, we will be able to reach out to this target market. Also, this target market tends to seek out information so as to make quick and sensible decisions, though our programs, Love 97.2 would be able to satisfy their needs.

6.3 *Product*

To more comprehensively address the needs of the target market so that it can identify with the station, we recommended that Love 97.2 repackage its product offerings. The proposed product offerings, which include enhanced existing products and new products, are aimed at creating value for the company's end customers (i.e. its listeners). In addition to Love 97.2's current focus on food and travel, it is proposed that entertainment be included. These products can be broadly classified according to whether it is delivered to consumers via radio broadcasting or via content of the website.

6.3.1 *Radio Programs*

Information is the key to the station's programs. At the moment, Love 97.2 is broadcasting programs that provide information on food and travel. Specifically, listeners are introduced to various new eating places as well as tours. This practice should be continued as it addresses the

needs of the target market for information in relation to lifestyle. On top of providing introductions to restaurants and travel attractions, Love 97.2 can consider providing useful tips on traveling and healthcare. For instance, short programs can be scheduled to provide daily tips on how to stay healthy, and things to take note when going for vacation. Especially for tips on traveling, the programs can be based on particular themes - e.g. special cultures and rules of different countries can be highlighted each week.

To inject some fun and to increase listeners' involvement, call-in programs should be scheduled. These can be independent programs for listeners to call in and share their experience on specific topics. Alternatively, this feature can be integrated with the basic programs mentioned above. Listeners can call in to contribute to the information provided in the programs. Besides, games can be designed such that listeners can participate. For instance, some questions can be asked regarding the countries introduced in the program, and gifts will be given to the first listener who provides the correct answers.

In addition to the above basic programs, promotional programs on specific restaurants, tour agencies and other companies can be broadcasted. These are basically programs designed to promote the selected companies in terms of their products and promotions. These programs can be positioned as tie-ups and collaborations with those selected companies, or alternatively as part of Love 97.2's advertising packages. In both ways, a win-win situation is created for Love 97.2 and the respective companies in terms of increased listenership (for Love 97.2) and promotion (for the companies).

Apart from food and travel, other forms of entertainment are proposed to be included. This is to serve the target market more comprehensively, as entertainment such as movies and music form an important part of their lifestyle. Entertainment can include movies, music, plays, concerts, exhibitions and other happenings or events in town. For instance, there can be programs to review movies, CDs, concerts and plays. Love 97.2 can also tie up with some of these entertainment companies to promote the events, e.g. by offering special price tickets to Love 97.2 listeners or by organizing radio contests for listeners to win tickets. Additionally, Love 97.2 can also provide information and updates on the latest shopping centers and entertainment outlets.

Music is another important product for radio stations. Currently, Love 97.2 is playing songs of the 80's and 90's as its niche strategy. While it should not cross the border to play only the newest songs (which is the primary focus of 93.3), it could consider playing songs of the late 80's onwards,

including some latest hits. Songs of the early 80's do not really appeal to the target market, and they also do not align well with the image of providing updated information on entertainment.

6.3.2 Internet

In order to increase website traffic, it is important to make the site a compelling place to visit every day. This includes dramatically enhancing the site content to ignite the imagination of surfers by programming the website according to listener needs. The Arbitron Study has revealed that things which would really excite listeners are providing the titles and artists of songs being played in real time, listening-to-station facility via web, concert information, community information, and information on advertiser products and services. Meeting the goals of the improved contents and aggressive marketing will drive up visitation levels. Once this can be accomplished, a station can become a force in e-commerce. Stations have tremendous on-air marketing power to drive website visitation. Radio must use these advantages to become a leader in e-commerce¹¹.

As mentioned earlier, the current website that Love 97.2 now has is a reactive stance to the Internet wave. Its website is providing minimal information and static content. Furthermore, although it is positioned as a bilingual station, its website is hosted only in Chinese.

We propose that Love 97.2 revamp its existing website. However, the Internet will not be used as a strategic revenue source for Love 97.2. Instead, it will be used as *a supplementary tool* to the radio broadcasting. Given a target market that is modern and highly influenced by new technology and the Internet, the website will serve as a good supplementary channel in providing content services as well as promoting the radio station. The overall concept is to create a platform for exchanging value-added information with the visitors and advertisers. On one hand, the website will be a useful channel for hosting advertisements and for raising the awareness of Love 97.2 to reach out to more people. On the other, the website will be used for storing certain radio programs and snippets, such that listeners who have missed the on-air broadcasting can visit the website to catch up on what they have missed.

Based on the above, our specific recommendations for Love 97.2 are as follows. The information provided will relate to food, travel and entertainment as well. However, to fully capitalize on the advantage of Internet, more features can be provided online. In the website, latest information, tips and recommendations related to food, travel and entertainment, which are the interests of the target market, should be made available. Also, to fit into its bilingual image, the site should include the

option of different languages (i.e. English and Chinese). The website can be structured accordingly with independent sub-pages on each of the three categories.

I. Food

Latest information on restaurants and eating places can be listed. Their peculiarity (made up by their food, atmosphere, location, prices, etc) should be introduced in great detail. This can be accompanied by Love 97.2 recommendations on scrumptious or special dishes. The basic information of the restaurants including addresses, reservation numbers and business hours should also be provided. This section aims to introduce new and existing eating places to visitors. While the new restaurants or restaurants advertising on the channel can be given the limelight, other restaurants can be archived. A search engine can be built in to search for information on particular restaurants. This section will create value to customers by providing information and convenience.

A forum is proposed to be included in the website as well. This forum allows visitors to contribute and exchange information on food and restaurants and share their experience with each other. The forum also serves as a platform to get visitors' involvement in the site, and also projects an image that the site provides objective information.

II. Travel

Similar information on travel can be provided. This section aims to provide all useful information for visitors preparing to travel. Highlights of different countries and places, tour packages and travel tips will be included. In addition to text and pictures, short videos can be put onto the site so that visitors can visually appreciate the attractiveness of the countries or places introduced. This not only attracts visitors, but also serves as a means to overcome the limitation of radio stations - lack of visual appeal. Besides, a variety of tour packages and tour agencies should be included. This would comprise details of the different tour packages offered by the tour agencies, as well as company-specific information on these agencies. This would allow visitors to compare the offerings in the market and make decisions all at one site. A built-in search engine would facilitate visitors in finding specific packages and agencies in mind.

Value-added travel tips will also be put into this travel section. Such tips would educate visitors on everything that they need to prepare for their vacation. The basic information on different countries including their law and regulations, climate, currencies, language,

general prices, transportation, critical telephone numbers and others should be provided. In addition, general issues such as application of visa, purchase of travel insurance and things to pack will also be included. Useful links can also be listed such as links to local and foreign immigration departments and foreign embassies. Also, a platform (a chat room or forum) can also be incorporated to allow travelers to share and exchange travel experience and tips.

III. Entertainment

This section represents a new product to Love 97.2. Previews of movies, new music, plays and concerts will be included in this section. Besides, the information (such as addresses and reservation numbers) on related companies (theatres, cinemas, major music stores) will also be provided. This creates convenience to visitors who are looking for such entertainment.

In addition, new happenings in town will be highlighted under this section, such as the opening of new shopping centers and other entertainment facilities. Introduction and description of these new happenings can be detailed. For instance, the recent opening of the Snow City in Jurong can be a major highlight of the week or month.

Not forgetting Love 97.2's traditional business, online "live" radio and selective programs will also be featured. This should be done such that visitors can still browse the other pages of the site while listening to the music and programs. The selective programs are pre-recorded or past programs that have been broadcasted before. This not only allows visitors to select what they want, but also provides a channel for them to listen to programs that they have missed.

IV. Online Music Purchases

Recommendations by US studies have shown that music represents the number one category for online purchases. When probed as to which types of products and services people would most be interested in purchasing from a radio station website, music shows up highest. As most radio stations have a music focus and there seems to be tremendous interest in purchasing music, there is an obvious opportunity for radio and music e-commerce. However, we feel that such a business model requires intensive supplier and distributor networks, as well as a large, if not adequate, market to sell to. Currently Love 97.2 does not have the capability as well as the financial pockets to do so. Furthermore,

there is a constraint on the size of the market to sell Chinese music to. This is further aggravated by the fact that Love 97.2 has not established itself locally. Therefore, we feel that Love 97.2 should not do transactions over the Internet for the time being. It is only when they have strongly established themselves, in terms of reputation, listenership and revenue generation will they be ready to develop such an e-commerce model to sell music through their website.

6.4 Price

Currently, Love 97.2 faces the challenge of attracting advertisers. Since advertisements can be hosted on all radio stations and other types of media, Love 97.2 needs to devise some ways to differentiate itself and thus justify the benefits of advertising on the channel. We have addressed the issue of deepening the new channel image by enhancing its products and services, which can contribute to this aspect. In addition, advertising packages that create value to advertisers in either cost or content serve as another means. One of Love 97.2's strengths is its creative advertising packages. This practice should be continued. The recommended strategy is to have fixed rates for normal advertisements (i.e. commercials and online advertisements such as banners), and a variety of packages with different content and prices. These might be considered "good deals" by potential advertisers.

6.4.1 Advertising Packages

Firstly, a package can be designed for advertisements on both the radio and website. This would include commercials on radio and banner advertisements on the website, which feature the companies' name and logo. This package should be priced lower than the total costs of advertising on radio and website separately, so as to encourage companies to make use of both media.

Secondly, to complement the special events (such as concerts) that Love 97.2 occasionally holds, special promotional packages can be offered for the events period. Companies which advertise on Love 97.2 (on either radio, website or both) for the entire period (depends on the duration of the events) will get special discounted rates which are lower than the rates at normal time. This package is generally targeted at companies related to the event. For instance, restaurants will be more interested to advertise during food festival periods.

Apart from price, Love 97.2 can use creative content as a selling point to attract companies. This represents different format of commercials and advertisements. For instance, Love 97.2 can do promotion for a particular company by producing a one-time or repeated program, which

introduces the company to listeners in detail. Games related to the company can also be designed with rewards being the company's products or discounts. Both the program and games can be done on the website as well. When put online, these advertisements on companies will appear on the respective sub-pages on food, travel and entertainment. Due to the value-added of these advertisements, this package need not use low price as its attraction. The prices of this package will commensurate with the amount of efforts put in by Love 97.2.

6.5 Distribution

In our value chain, we have two critical parties --- suppliers and consumers. On the one hand, Love 97.2 has established strategic partnership with reputable and reliable suppliers of music, information and the news. On the other hand, the radio and the Internet are our distribution “outlets”. We will attract and retain listeners by providing quality programs as well as developing high quality content on our web site, as mentioned in the above paragraphs.

6.6 Promotions

All efforts to revamp the channel's image and product offerings are wasted if the market is not aware of them. Currently, Love 97.2 leverages on traditional media and direct marketing strategies to promote the channel and its programs. However, although efforts are expended, the impact on market perceptions and response does not seem to be far-reaching enough. We recognize that brand awareness and acceptance have significant influence over listeners' choice of radio stations. Listenership and ratings reflect the ability of the channel to reach out to its target audience, which in turn, affects the confidence of advertisers and sponsors. Thus, to constantly "remind" companies and customers of Love 97.2 and its value-added products and services, we recommend it to select the suitable tools for promotion. The proposal takes into the cost and potential benefits of the suggestions.

6.6.1 Advertising

As analyzed earlier in our report, the audience’s perception of Love 97.2 is still “old”. Therefore the main objective of all of our advertisements will be informative so as to register the new image and products in people's mind. The advertising budget RCS has set for Love 97.2 for the next year is S\$20,000. With this limited amount of money available, we will only recommend low cost advertising tools.

I. Internal Advertising

We suggest that Love 97.2 should, firstly, try to leverage on the existing internal advertising channels, i.e. to promote its new image and announce its website promotions on the other radio stations of RCS. This is a cheap and yet effective way to reach out to radio listeners. Besides this channel of advertising, we also propose using the following medium.

6.6.2 Public and Joint Events

The objective of joint marketing programs with the advertisers or sponsors, or hosting public events, is to be “in touch” with the general public. In this way, Love 97.2 will be able to gain more exposure, and the public, particularly their target market will be more aware of their existence. The programs and events that the station hosts, jointly or individually, will have to be in line with the radio station’s new image, such that the programs will have to bring across the “relaxing lifestyle” positioning or image of Love 97.2.

I. Awareness Events

Love 97.2 should hold events at special occasions such as anniversaries to promote their awareness. This could include company events, or special launch promotions for brands that is in line with Love 97.2’s new image.

II. “Live” Hosting Campaigns

Hosting programs “live” in outdoor place with high traffic flow to increase mindshare and gain awareness. Special programs can also be hosted such that the DJs can go to the street and do “live” programs outdoors and interact with passersby, through interviews, games and contests. This has proven to be successful for the other radio stations like Class 95FM. “Live” outdoor broadcasting should be done especially in high-density work areas, such as Shenton Way during lunch hours, since that is where Love 97.2’s target market can be reached.

III. Co-host Food Festivals

Love 97.2 can jointly organize food festivals with the restaurants that have alliances with the radio station. While the restaurants pay for the main expenses, Love 97.2 provides special programs to introduce the event and do live broadcasting at the event.

IV. Travel Fairs

Theme travel fairs can be offered together with partner travel agencies to the Love 97.2 listeners or potential listeners, with the participation from the famous DJs from Love 97.2. Traveling together with their DJs as hosts, will attract more listeners to pay attention to the station. Also, the winner will be more likely to stay with the station.

V. Holding Concerts of 80 - 90's pop singers

As the target audience is between the ages of 25 to 40, special concerts of 80 – 90's pop stars, which are the main appeal for this target group, can be organized once a year to give the target customers an opportunity to meet with their stars. For example, Bananarama and Belinda Carlisle came to Singapore earlier this year to host concerts for the Class 95FM's target audience. This hugely increased Class 95FM's popularity with its target audiences.

VI. Art Festivals Official Media

We suggest that that Love 97.2 offer to be the official media to promote art festivals or musicals on air. This is in line with the "Lifestyle" image of 97.2's target market. Arts events are also an essential part of yuppies' lifestyle and increasingly so.

6.6.3 *Sales Promotions*

Sales promotions are used to increase short-term listenership as well as to help build long-term market share. We also recommend trade promotions to encourage sponsors and advertising agencies to place their advertisements with us.

I. Tie-in with Sponsors to Build Awareness

We suggest working with sponsors. This is a win-win situation since we can jointly build up awareness. Examples include listeners having to listen to sponsored snippets with given password to be eligible for special promotions. For instance, Love 97.2 could recommend a dish for a restaurant and listeners with the given password could go to the restaurant for a meal and upon mentioning the password, get the recommended dish at a special price. Other examples could include special advertising packages such as dedicating a fixed time in a day to a certain sponsor for a week to introduce his product series, e.g. dishes, cosmetics, facial and skin care methods or packages. Live broadcasting from the sponsors' sites can also be arranged.

II. Contests, lucky draws

Sponsored prizes can be offered in various programs, in the form of contests and lucky draws, to attract the audience to listen to Love 97.2 more frequently. Special arrangements will also be made to prolong the audience's listening time. For example, DJs could pose some questions in the morning's broadcast, give out some hints on the answers at noon and finally ask the listeners to call in with answers in the afternoon, with attractive prizes for the correct answers.

III. Trade discounts for Advertisers

Trade discounts will be offered to advertisers for placing longer terms of advertising. As mentioned earlier in the Pricing strategy, special bundling packages will be available for different types of advertising terms. Love 97.2 can also offer special rates for repeat advertisers.

6.6.4 Direct Marketing

Love 97.2 should continue with its direct marketing practices. The staff of Love 97.2 should survey the public to research on their target market's listening behaviors, preferences and recommendations, and at the same time, inform them and increase their awareness of Love 97.2.

Also, Love 97.2 can contact the potential advertising agencies directly (via phone or sales visit) to inform them the change of image in Love 97.2 and invite them to place their ads with the radio station.

7. CONCLUSION

We have touched upon the problems and objectives of Love 97.2. Although much is being said and done about radio and the Internet in the highly developed countries like the USA, the radio industry with regards to the Internet is still very much dormant in Singapore. This is simply because the local market and industry is too small and too tightly regulated. Also, the local market is not ready to embrace such changes. Furthermore, Love 97.2 is currently unable to carry out e-commerce business model since it is resource constrained.

The recommendations made is to help bring out the new image that Love 97.2 is trying to portray, with the objective of increasing the awareness and mindshare of both the listeners and the advertisers, and hence its revenue. Thus, we advocate Love 97.2 to strongly push and promote its new image and services to the target market and also, with more proactive improvements in its

Internet direction. However, we do see the potential of radio and e-commerce, and when the wave hits us fully, Love 97.2 will be strategically prepared to take on the Internet.

¹ Keynote address by Mr Lee Yock Suan, Minister for Information and the Arts and Minister for the Environment, at "Digital television: managing the transition" seminar on 5 June 2000, www.gov.sg/sprinter/archives/00060503.htm

² The Arbitron Internet Listening Study II, Radio and E-commerce, 1999

³ "Yack! launches online", 18 August 1999, PR Newswire

⁴ Web radio's signal grows the internet, Danialle Weaver, 10/06/1999, Florida Today

⁵ Study finds online radio listeners are active web consumers: Advertisers wise to include Web address in radio ads, 2 September 1999, www.arbitron.com

⁶ Arbitron study details net radio usage, 17 July 1999, Dow Jones Interactive.

⁷ Radio casts a wider net, traditional broadcasters make waves on the web, 9 July 2000, Dow Jones Interactive.

⁸ Newspapers' next big play on the Net?, 12 June 2000, Dow Jones Interactive.

⁹ Internet Study IV: The Buying Power of "Streamies", 17 February 2000, www.arbitron.com

¹⁰ The Arbitron Internet Listening Study II, Radio and E-commerce, 1999

¹¹ The Arbitron Internet Listening Study II, Radio and E-commerce, 1999