

Q & A

JOHN KIRBY IS CHAIRMAN, VILLAGE ROADSHOW FM LTD, WHICH RECENTLY MADE A FORAY BACK INTO THE RADIO WORLD WHEN IT ACQUIRED THE TRIPLE M NETWORK, WITH STATIONS IN SYDNEY, MELBOURNE, BRISBANE, ADELAIDE AND PERTH.

What is the direction of the commercial radio industry for the next five years?

It's a pretty exciting time, a challenging time. The challenge for the industry is for it to become a lot more competitive with the number of new licences being issued. This provokes people to be better at what they have chosen to be their particular ability in providing a service on radio. The end result is the public will be better served by radio. Some audience groups have not been well served by radio in recent times. A good example of this is the one shown up by HITZ-FM in Melbourne—mainstream radio has not catered for that significant market. I'm sure there are many more market segments to be discovered. I believe the end result will be that everyone will benefit. It will make radio more a part of people's lives. When we expand listenership it will expand identification with radio and all participants will be better off.

What is your reaction to the demand shown for HITZ-FM?

HITZ-FM was successful because it was not all things to all people. HITZ-FM was a breath of fresh air to the radio industry and we support new blood and new ideas. And Triple M assisted HITZ-FM with the supply of new equipment to support their broadcasting service.

One of the criticisms aimed at commercial radio, especially those on the FM band, is that they are all the same. How do you respond to that?

It's a little difficult for me to answer, as we have only been back in radio for nine months. My impression is there is a great similarity between a lot of the stations and that has not served the industry particularly well. It has meant that rather than creating new markets, members of the industry have been stealing little bits off each other and I don't think that is a healthy way to operate.

If the aim is to expand the com-

mercial radio audience base, how can the industry do this?

The commercial radio industry can identify market segments and adventurously program towards them. But to a large extent this will be driven by a whole lot of new licences the ABA will be issuing, aimed at market segments not well catered for by current participants. This will force people to narrow their focus on audience targets, will also force them to aim at one particular segment of the market rather than trying to be all things to all people. Trying to be all things to all people is a recipe for failure.

Do you see narrowcasting as a threat or as an opportunity?

I think it is an opportunity. I think it is an exciting development for the industry. If narrowcasting identifies market segments that are not catered for by the current industry, it will therefore expand radio listenership and make radio more a part of people's lives and everybody will be better off. There are a lot of people in the industry who have a 'jurassic' attitude to change. Our philosophy is that more is better, more is exciting.

Do you see a network such as yours going into the narrowcasting segment of the industry?

It is something we are looking at very closely, but we haven't made a decision yet. In terms of the new age Triple M, we are only nine months old, so there is a whole range of things we need to consider so that we are strong in terms of our management systems, our financial disciplines, our ratings, our profitability. Looking beyond that, it is the nature of Village Roadshow, and so now also the nature of Triple M, to grow and develop. That will mean more licences, not just here in Australia, but also internationally.

Do you have plans to expand internationally?

We have considered it.

Is the planning of the mainland metropolitan services next year

likely to have any effect on the commercial radio markets?

If there are people out there who are not listening to radio, then there is obviously demand for extra radio because there must be a reason why they are not listening. The current range of radio stations is not catering for them, so in that respect I welcome additional licences. I would love to see a survey where everybody listens to the radio, just as I would love to see a survey where everybody goes to the cinema. That will only happen if you have more outlets and facilities that people want. There is a marketing side attached to all of this. People have a perception of what a particular station is and what it does and develop a loyalty to that station. But if that station is all over the place, catering to a whole range of people, then it means people have to keep changing channels to find what they want.

HITZ-FM is a wonderful example that shows there is a radio audience out there that is not being served well by the mainstream operators. The Minister should issue a licence because that audience was not being served. It also means there must be other areas of the market out there that are not being served, so I would welcome licences being issued to them as well.

New licences will cut into the radio audiences of Austereo, Wesgo and ourselves and, as the largest companies, we have more at stake financially. But we need to become more appropriate to the market and more efficient in the way we present ourselves. That audience may be listening to HITZ-FM now, but in the long term, it will change as it gets older and listen to other stations. The new licences will 'grow' the audience and spread the message.

The industry has done itself a great disservice in terms of not embracing change or fostering change. It's not how much of the pie that you have, it is the direction of the pie, whether it is growing and the size of the pie.

There are no limits on foreign ownership of radio. Do you think there will be increased interest by international investors?

I think there should be more interest by international investors. It is appropriate that local people have a preference but I think it would be exciting to have international interest, to have them come in and try the market. We learn from competition. We should not put up barriers and say we do not want influences from anywhere else in the world.

Digital sound broadcasting is the next big step for radio. Do you think the industry has been preparing itself?

I'm not a technical person. Any improvement in the service and the signal I endorse. I don't know what it means in terms of the cost structure of the organisation, but conceptually any improvement in the service must be good.

The industry is examining it?

I'm sure it's something in the FARB tube but as to when, I don't know. As with other breakthroughs, the signal is improved and what the consumer hears is better but the adoption of technological breakthroughs can be jurassic. I don't think its introduction should be compulsory, some people may choose to introduce it, some may not. It's something that the listener will decide. Radio is a medium to serve the market and the market will decide what it wants.

Does Village Roadshow's experience in the entertainment business help in the radio industry.

Yes, I think so. Our business in the cinema extends over four decades. In the main, the cinema going audience is the 15-35 age group. The target age group for Triple M is 18-40 years. The fact that we have been working in the 15-35 age group successfully for 40 years gives us some confidence for the future with what we are doing at Triple M.

Are there any advantages in being involved with both industries?

There are lots of advantages in that we have entertainment contacts unmatched

by others. We have nearly 200 cinema screens throughout Australia which can support the marketing of Triple M. We are one of the leading video distributors in Australia and one the major film and production houses in Australia, which gives us opportunities for cross promotion. There is an enormous amount of synergy, or cross promotion, we are harnessing to the benefit of Triple M.

Does the Nine Network's shareholding have any effect on Triple M?

No, I don't think so. The Nine Network shareholding is on an investment basis



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only. In terms of promotional activities (through the production house facilities) we deal with all the networks.

What are your immediate plans for the Triple M network?

We want to ensure we are running as tightly and efficiently as possible, creative to the maximum with a well marketed service harnessing all the advantages with the cross promotional opportunities we have. The areas that have seen the greatest changes so far have been administrative because for many years Triple M was virtually running itself without any proprietary ownership or direction. We have made a number of major appointments: Peter Harvie, Network Managing Director; George Buschman, Network Sales Director; Robyn Burke, Marketing Director; and Bob Scott as General Manager of Triple M Sydney. All these people bring superior qualifications and records of success to the radio industry and Triple M in particular. Their talent and abilities I am sure will be to the betterment of all

participants in the Australian radio industry by leading right into the next century.

How could you describe the Triple M management/corporate style?

It was pretty fast and loose. We have tightened up to focus on planning and systems. It is driven by the creative forces.

Was the investment strategic for Village Roadshow or was it seen as an investment in its own right?

We bought the network because we saw all the cross marketing advantages that no one else has which can be used to support it. We were very successful with 2DAY FM and we have a degree of confidence that having done it once we can do it again. So it is an area of entertainment we know, but it is also an area well aligned with our movie-going audience.

Do you have any plans to expand into other services?

Our immediate aim is to be the best at what we are—the best music station for those in 18-40 age group. Beyond that we will look acquiring other stations or taking up or acquiring new licences.

Where are you in the ratings?

We are improving in Melbourne and Adelaide. Duncan Campbell has reprogrammed the Perth station and we are expecting some improvement there. We had a disastrous survey last time—we dropped seven points which is a pretty savage fall. In Sydney we fell away after Doug [Mulray] left, which was only natural as he had a huge personal following, 'the Doug factor' and we are rebuilding. In Brisbane we are pretty much the same as last year.

Is the programming the same or is specific to each city?

There are elements of both. Duncan Campbell oversees the programming in all the cities but the program directors run their own city. It is aimed at the same target market in each city. The people vary though, which is the same with films. A film may work in one city but not another.

