

BBC Public Interest Test consultation

New music radio stations

Response from Boom Radio

24 April 2024

Executive Summary.....	2
Preamble.....	4
Scale	5
BACKGROUND – BOOM RADIO	6
The BBC proposals	11
Serious errors in the BBC’s data	14
Engagement.....	15
CONSULTATION QUESTIONS	17
Question 1: Potential public value	17
Public Purpose 3: Quality and Distinctiveness	17
Music content	21
Presenters and speech content	23
The public value framework.....	25
Question 2: Benefit to audiences	27
55+ audiences.....	27
C2DE listeners	29
Public Purpose 4	31
The BBC’s other public purposes	32
Question 3: Impact on fair and effective competition	33
Investment Scale.....	33
Investment scale: Music rights	34
Marketing and promotion	34
Distinctiveness and novelty	35
Duration.....	36
Usage and competitive effect	37
Audience effect	37
Competitive set analysis	37
Revenue effect.....	40
Business effect	40
Adverse impact on fair and effective competition	42
Boom Light, Boom Rock and other spin-offs	44
Impact on citizens and licence fee payers.....	47
Point-by-point rebuttal of the BBC’s case for R2X.....	48
Question 4: Mitigating steps.....	49
Conclusion	50

Executive Summary

- BBC Radio (and Radio 2 in particular) already holds a dominant position amongst 55+ radio listeners, reaching over two-thirds of them and commanding the majority of listening.
- The Radio 2 Extension (R2X) proposal is virtually identical to the service already provided by Boom Radio. The descriptions of the character of service and music policy of R2X could apply equally to Boom. The target audience of over 55s is also identical.
- R2X represents an existential threat to Boom due to the BBC's spending power in programming, marketing and distribution; its unique ability to cross-promote; its uniquely protected status as a PSB with guaranteed prominence on all platforms; and its enhanced appeal as a provider of ad-free content. These things give the BBC huge market power.
- The R2X proposals contain nothing original, creative, innovative, risk-taking or not already available on Boom Radio or other existing radio stations.
- The BBC does not appear to have complied with its obligations on openness, transparency, accountability and industry engagement.
- Each element of the R2X proposition is already provided by Boom – often to a higher standard than is promised by the R2X proposal.
- It is not distinctive to play oldies. Boom, Gold and many other commercial radio stations have oldies-based music formats or feature oldies heavily in their output.
- R2X appears to be offering very little in terms of speech content, and nothing that is distinctive from what is already provided by Boom.
- R2X will deliver no public value, contributing nothing to the BBC's Mission, as defined by the Public Purposes in the Royal Charter and evaluated by the Mazzucato framework.
- There is no evidence to support the BBC's claim that R2X will particularly appeal to C2DE listeners. Nothing appears designed to address the issues raised by Ofcom's research into the BBC's failure to connect and engage with listeners in the D and E socio-economic groups.
- Nothing in the R2X proposal will contribute to Public Purposes 1 (News) or 2 (Education).
- The BBC has under-stated the investment scale required to launch and run R2X. The suggested programming budget for the service is not credible.
- There are serious errors in the data upon which the BBC has relied to gauge the distinctiveness of the R2X proposition, its scale and its market impact.
- The BBC asserts that R2X will attract a "new audience" from streaming and non-radio users. There is no evidence to support this assertion, particularly as the 55+ audience is already strongly engaged with radio and in relative terms far less engaged in streaming.
- Our audience modelling, based on both RAJAR data and independent Opinium research commissioned by Boom, and validated by the independent strategic media consultancy firm DotVector, indicates that Boom Radio would suffer a 39% audience loss as a direct result of the launch of R2X on DAB and online.
- Over three years, with knock-on effects, we project revenue declines at Boom Radio due to the launch of R2X of 51% compared to current plans. This is likely to destroy the value of Boom as a business.

- Our spin-off services – Boom Light and Boom Rock – will quickly become unsustainable and be forced to close.
- Given the lack of public value in the R2X proposal, and the very substantial harm to fair and effective competition, we do not feel that there are any steps the BBC could take that should permit it to go ahead with the proposed service.

Preamble

1. This is a response from Boom Radio to the BBC Public Interest Test consultation on the proposed launch of new music radio stations on DAB. Boom Radio is an independent, privately-owned radio station, providing a popular service primarily of music from the 1950s, 1960s & 1970s, for a target audience of listeners aged 55+ - the Baby Boomer generation.
2. The principal focus of this document is on the proposals for the Radio 2 extension ("R2X") and its particular impact on Boom Radio.
3. This response should be viewed in conjunction with our submission to the BBC's Controller, Regulation on 22 March 2024 regarding the BBC's Materiality Assessment of the online launch of R2X, wherein we believe we have presented sufficient evidence for the online version of this service alone to be subject to a full PIT due to its effect on fair and effective competition. A more detailed submission making the same points was also made to Ofcom on 8 April 2024, asking it to use its 'step in' powers were the BBC not to submit the online service to a full PIT of its own volition.

Scale

4. The size of the proposed Radio 2 extension (R2X) means it will have a significantly greater impact than the other three proposed new BBC services.
5. The BBC itself suggests 2m listeners will listen for 21m hours per week - over twice the combined size of the other three services. However, even the BBC acknowledges that this is just a “tentative” estimate¹.
6. Independent research² suggests this 2m weekly reach figure may be a serious underestimate, with some 3m over 55+ radio listeners saying they were “extremely likely” to trial this new service, and 15m adults “quite likely” to trial.
7. The 3m figure is a credible estimate, given that the station's parent, Radio 2, is the largest radio station in Europe with over 13m weekly listeners. R2X will be available instantly on over 10m smart speakers and via 5m installed BBC Sounds apps. It will then appear on the BBC's DAB multiplex, which reaches 99% of the U.K. population. More widely, the BBC's radio services reach 31m people each week, and utterly dominate listening amongst the over 55s which will be targeted by this new service. All of the BBC will be used to help promote and market this new station.
8. Given this promotional power, it is without question that a new music-intensive service, playing some of the best and most familiar records ever made, and hosted by much-loved and recognisable presenters, will be hugely popular.
9. If 3m listeners and 32m hours were achieved, this new station would be bigger than BBC Radio 4 Extra (10m), BBC Radio 3 (13m) Radio X (19m), Kiss (21m), talkSPORT (22m), Magic (24m), BBC 6 Music (26m), Capital (27m), LBC (28m), Radio 5 Live (31m), and almost as large as the whole of the BBC Local Radio network in England (34m). Even with just 21m hours it instantly becomes a top tier station.
10. It also represents a huge threat to existing stations, including Boom Radio, as we outline in this response.

¹ BBC Controller, Regulation - letter to Radiocentre 23/04/24 p3

² Opinium, 2,000 sample, March 2023

BACKGROUND – BOOM RADIO

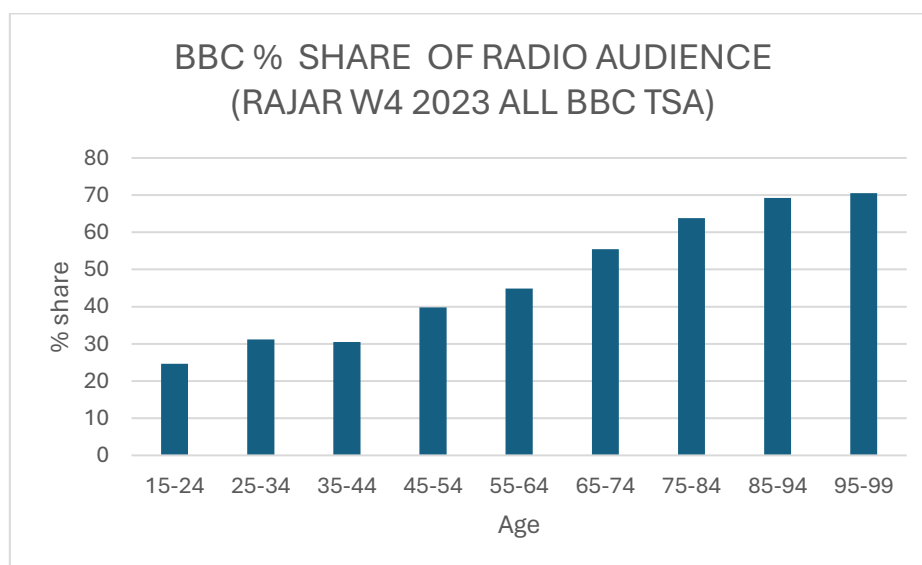
THE IMMEASURABLE PLEASURE AND VALUE OUR LISTENERS GAIN FROM OUR DISTINCTIVE SERVICE LIES AT RISK FROM THIS PROPOSAL.

11. Boom Radio was created in the Autumn of 2020, as the UK was entering the second phase of lockdown. Veteran radio executives David Lloyd and Phil Riley hypothesised that there might be some merit in establishing a new type of commercial radio station, aimed at potentially disaffected BBC Radio 2 listeners – those older fans who were feeling left behind by that station’s decision in 2018 to target more closely younger ‘mood mums’ aged in their late 30s, 40s and 50s.
12. The Boom vision was for innovation in both programming and operation, with a deep playlist, full-service presentation style from accomplished familiar presenters, and remote operation allowing the business to offer a high-quality but cost-efficient new entrant to the market for older listeners.
13. At the time, there was no indication that the BBC was planning new services dedicated exclusively to the 55+ audience, and no signalling of such in BBC annual reports. Indeed, subsequent BBC statements insisted that Radio 2 itself still catered for older listeners as well as those a little younger.

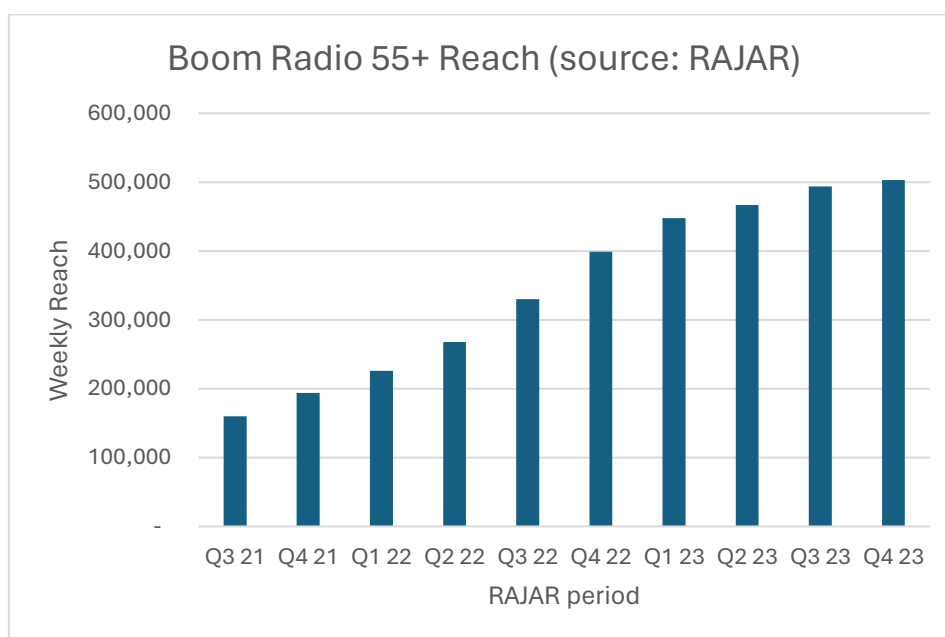
“Radio 2 remains committed to its multi-generational appeal that serves a 35+ audience, a target which hasn’t changed in decades, said a [BBC] spokesperson”.

Daily Mail, 10 August 2022 and The Guardian, 2 February 2023

14. That BBC strategy appeared defensible, given the huge proportion of licence fee-payers already served through its radio services alone, as they are to this day, with BBC Radio reaching over two-thirds (67%) of those aged 55+ and enjoying the lion’s share of listening (53.7%).



15. As the PIT itself notes, BBC radio penetration has naturally fallen since DAB allowed commercial radio, at last, the platforms necessary to deliver hundreds of new services. The BBC, however, is not charged under the Charter with retaining or growing scale per se - and the BBC's own analysis (p10 of the PIT consultation) advances absolutely no case for a 55+ service.
16. Research confirmed the Boom hypothesis, leading to a business plan and fund-raising round in October 2020 to afford Phil and David sufficient cash to launch. Boom Radio remains an independent operator, not tied to one of the major radio groups, funded by 32 private shareholders who took a significant risk from their own finances to provide a service that was not otherwise available.
17. The station started broadcasting in February 2021 to an instant, enthusiastic response, prompting the company to fast-forward its plans. The launch strategy had been for Boom to be online and on DAB in London – expanding further on DAB as circumstances permitted. However, the feedback from listeners gave the team confidence to expand, and a fortuitous opportunity arose to secure DAB capacity on SDL/D2 on a long-term contract (which now runs to 2028). Within a month of launch, the station was available nationwide on DAB as well as online.
18. The early flurry of positive response was confirmed by the station's growing online listening data and the station's first set of RAJAR figures, published in October 2021. An initial weekly reach of 233,000 listeners and 1.8m hours listened gave the station the confidence to believe more growth could be achieved. Audiences have continued to grow and current RAJAR metrics stand at almost four times the size of those early numbers.



19. Initially, revenues were generated directly from advertising by smaller businesses, alongside income from online ad sales via the Global Radio DAX platform. By the turn of that first year, the published RAJAR figures also allowed national sales contractor Bauer Media to sell inventory nationally. The station averaged [REDACTED] in monthly revenues in the second half of 2021, before national revenue started to flow. By September 2022, revenues had hit [REDACTED] and have continued to grow.

20. Because of the station's low operating base, these strengthening revenue numbers have allowed the company to invest increasing amounts in a long-term marketing initiative, building audiences beyond the traditional word-of-mouth expectations. A million listeners, tuning in for 10m hours per week, is the station's medium-term ambition for the next 18 months, with planned growth thereafter.
21. Boom Radio is undoubtedly one of the most successful media launches of the last decade. It unapologetically focuses on older listeners – with the 50s, 60s & 70s accounting for the lion's share of the music played. The station operates a 'deep' playlist, with 10,000 active songs in rotation.
22. The average age of the 25-strong presentation team is 70, including much-loved household names with a meaningful connection to the music and radio culture of the 60s and 70s. The presenters engage with their audience and share their lives, providing real companionship.
23. Milestone events are celebrated on Boom with quality, built programme strands. In recent months Boom has marked the 60th anniversary of Radio Caroline's launch, the 50th anniversary of ABBA's Eurovision success, the launch of Top of The Pops in 1964, 50 years of commercial radio and 60 years of UK Motown success. Artist landmark birthdays are marked – as are deaths, such as with our recent Bacharach Chart.
24. Whilst providing a high quality, popular radio station, the operation is run remotely from back bedrooms and attics, with no central studios or offices. The company employs or contracts for services with over 40 people, largely outside London and broadcasting from across the country. Given the scale of our operation and its relative newness, we believe their livelihoods, along with the investment made by shareholders, is at serious risk from the plan for R2X.
25. Most importantly, the immeasurable pleasure and value our listeners gain from our distinctive service lies at risk, as illustrated in our Boom Radio Public Value document. 95% of listeners agree "it's the sort of radio station I've always wanted"³.
26. Launching commercial radio services to an older audience is a highly challenging business, not least for a small independent concern. Older audiences are of limited advertiser appeal for a range of reasons, in turn creating a low financial yield per listening hour, and therefore were not targeted appreciably by commercial operators.

"I cannot imagine not having this station. So glad I found you".

Boom listener

27. Boom risked this venture because it believed such a business may be sustainable were it run tightly. Alongside the economies of the operating model, the offering is so distinctive that a modest marketing spend can generate satisfactory audience levels. This business model is now in jeopardy.
28. As we will argue in depth in this response, the R2X proposal is virtually identical to the service already provided by Boom. The descriptions of the character of service and music

³ Boom Radio/Smartsurvey 23/24

policy of R2X could apply equally to Boom Radio. The target audience of over-55s is also identical. We are concerned that those similarities were not identified accurately in any research conducted by the BBC prior to developing the R2X proposal, and thus the BBC has not taken this duplication into account satisfactorily and has missed the damage which would be caused. That failure itself is also likely to impact on the ability of any consultation respondents to this PIT process to assess the genuine impact of the proposition, as they in turn will not be aware of our concerns when evaluating the R2X proposal.

29. R2X represents an existential threat to Boom due to the BBC's spending power, in programming, marketing and distribution; its ability to cross-promote its services to huge nationwide audiences; its uniquely protected status as a PSB, with guaranteed prominence on every broadcast platform; and its enhanced appeal as a provider of ad-free content – these things all give it huge market power, against which a small independent new entrant like Boom has no effective defence.
30. Whilst we accept the BBC will seek to adapt to a changing media world, there appears no case for extending its already dominant position amongst listeners over 55. Despite its changes, Radio 2 alone reaches 32% of all those over 55⁴.
31. BBC Local Radio also serves “the elderly”⁵ (cited internally by the BBC as 55-64), reaching 19% of this 55+ age group⁶. In core hours outside of the 0700-0830 breakfast peak, the local BBC offering may be almost half (45%) music content and there are no music limits out of core hours. This network simply adds to the BBC's dominance amongst those over 55 who enjoy radio services with some significant pop music content.

“It’s definitely a way of fighting decline,” one senior BBC radio figure says [of the proposed new radio services]. “It’s parking tanks on commercial radio’s lawn.”

‘The BBC Fights Back’ – Radio Times, 24 February 2024

32. The launch of R2X would be a clear abuse of the BBC's market power, of its privileged and protected status as a Public Service Broadcaster, and of its unique access to public (licence-fee) funding.
33. The potential repercussions of approving these proposals go beyond Boom Radio and the radio industry. The BBC's regulatory framework is recognition of the considerable power it has in every market in which it operates or enters. The Charter requires the BBC to “invest in the creative economies of each of the nations and contribute to their development”⁷, not their demise. The BBC is also obliged to “seek to avoid adverse impacts on competition which are not necessary for the effective fulfilment of [its] Mission” and “have regard to promoting positive impacts on the wider market”⁸.

⁴ RAJAR Q4 2023

⁵ Interview by David Lloyd with Rhodri Talfan Davies, BBC Director of Nations, May 2023

⁶ RAJAR Q4 2023

⁷ BBC Royal Charter, Public Purpose 4

⁸ BBC Royal Charter, section 11: Market Impact

34. The R2X proposal offers a clear test of the regulatory safeguards designed to enforce these Charter provisions. It would send a chilling signal to any innovator, anywhere in the creative sector, if the BBC were permitted to launch such a direct attack against a new competitor with impunity.

The BBC proposals

THE MARKET ANALYSIS FOR R2X IS SERIOUSLY FLAWED, WITH TOO LITTLE DETAIL TO ENABLE STAKEHOLDERS TO SCRUTINISE THE PROPOSAL SATISFACTORILY.

35. The R2X proposals contain nothing original, creative or innovative. Overwhelmingly, it is a proposal to duplicate other successful commercial radio stations and re-purpose existing BBC content – adding little to the range of services available to listeners and adding no public value.
36. We are being asked to comment on a set of programming proposals that are vague and incomplete. Nowhere is a clear sense given of how the proposed station will sound. It is suggested that ‘much-loved presenters’ from the BBC’s stable will play a part, but we are acutely aware how few key radio names remain who enjoy that reputation amongst the target audience. In discussing this issue publicly, much has been made of the archive material, but little has been shared of what material that comprises and how much or little will be aired during daytime when larger audiences are tuned in. This public assertion of distinctiveness sits at odds with the published plan which suggests a music-intensive oldies station during daytime.
37. Since the launch of this consultation, the BBC has shared a little additional information in confidence, but we remain left with the impression that this is still an unfinished idea. Some of the many questions unanswered by the consultation document are listed below.
 - What proportion of the music played will come from each of the 50s, 60s and 70s?
 - What proportion will come from the additional genres mentioned – Motown, rock & roll and rhythm & blues? Will these genres be part of the mix or in dedicated shows? Will these be scheduled during daytime?
 - Will any music from other decades be played, including current material?
 - How much of the station’s programming will consist of repeats of recent Radio 2 programmes, and when will they be scheduled?
 - How much of the station’s output will be archive material? What sort of material will be used and when will it be scheduled.
 - There is a fleeting mention of “bespoke commissions” – what kind of programmes will be commissioned, when will they be scheduled, and how much of the station schedule will they constitute?
 - Which “much-loved presenters” are expected to be part of the “high quality, talent-led” programming that has been promised?
 - Will R2X have any dedicated presenters of its own?
 - “Potentially a small amount of new live content,” has been suggested – how small an amount, and when?
 - The new service will “showcase more classic editions of some of the BBC’s most loved music brands from the archive”. What does “showcase” mean in terms of duration, frequency and scheduling? How is “more classic” defined? What are the “most loved music brands from the archive”? How much of the schedule will this take up, and when?
 - What will be the speech/music ratio of the station during both daytime and off-peak?

- The station “will provide some speech content on a regular basis”. How much is “some”? How regular is “regular”? Will this just be archive content? Will there be no other speech features?
- We are told the archive material will include “concerts and performances, interviews and special documentaries” – how much of each, and how often?
- There is no information to support the claim, made almost in passing, that the service will “support learning for people of all ages”. How will this be achieved?
- We are, again, promised that the service will “showcase concerts and live music sessions from the BBC’s archive”. Again, what does “showcase” mean in terms of duration, frequency and scheduling?
- Which aspects of the programming are intended to appeal particularly to C2DE audiences?
- Through the (unspecified) commissioning of (undefined) new programmes, the new service will “be raising the profile of artists ... that are lesser known and have not received as much broadcast coverage.” Who are these artists and how much broadcast coverage will they receive?

Along with our colleagues at Radiocentre we have requested this information in summary form from the BBC but have only received a partial, holding response from the Controller, Regulation on 23rd April. That response contained virtually no new information on the questions above, and suggests plans are still not advanced enough to be shared. It is unfortunate that we and other consultees are unable to consider the detail at this stage, just as we were unable to review the BBC's own research into the service's impact. Moreover, it serves as a reminder that every response to this PIT consultation received so far - and, indeed, the BBC Board's initial approval of the proposed new services - has relied on incomplete information. We will respond further in due course if more information becomes available and should we feel it important to do so.

38. The absence of any meaningful detail in the programme proposals for R2X is more than just disappointing. It has repercussions both for the conduct of this consultation and for defining the character of the R2X service if it were permitted to launch.
39. This consultation invites comment from all interested stakeholders, including the licence fee-paying public, on proposals that are full of platitude and hyperbole in place of genuine substance. For listeners, and other respondents outside the radio industry who may not fully understand what goes into running a radio station or how the radio marketplace is structured, it would be easy to take at face value the BBC’s claims that R2X is distinctive and unique. There is too little detail about R2X to enable anyone to scrutinise these claims and substantiate them. It is impossible for most to make any kind of informed comment on these proposals because so little genuine information is provided.
40. More significantly, there is almost nothing in the R2X proposals that constitutes a recognisable, clearly defined commitment that could be included in the BBC’s operating licence. Each of the BBC’s current public services has measurable obligations in the operating licence to ensure that each contributes in clearly defined ways to the achievement of the Public Purposes. From the sparse, vague description of the proposed R2X service in this consultation, it would be impossible to formulate any similar obligations. It should not be permissible for the BBC to seek approval for a new public service without clearly stating, and consulting on, its intended operating licence commitments.
41. Whilst research findings are cited and more studies are promised, we cannot identify evidence to support these proposals – and we do not have access to some of the past research cited to justify them (such as the BBC Soundcheck research). The BBC Charter

demands the consideration of such audience insight in reaching an evidence-led conclusion.

Serious errors in the BBC's data

42. Before we present our own analysis of the R2X proposal, it is important to make clear that we identified a series of major errors in the data that the BBC has relied on both to make the decision to approve all four proposed new services, and in the case of the BBCs internal Materiality Assessment prior to launching online, to reach the initial conclusion that the services would have little impact on fair and effective competition. We worry that this is also the data that would have been presented to the BBC Board at the stage of the original approval. We understand this original modelling may have been “significantly adapted” more recently but we are unaware of any revisions.
43. Boom Radio and Radiocentre have already written to BBC executives and to the BBC Board, as well as to Ofcom, to detail these errors in the BBC's data and to express our concern. To summarise the case that we have made:
- **Audience projections have been wrongly devised.** The BBC has used separate and completely incompatible sets of data to calculate the audience split between the online and DAB variants of the new services.
 - **The scale of the predicted online audience is not correct.** The BBC has forecast that the R2X online audience will account for just 4% of the station's total audience after it launches on DAB, when every other DAB+online radio station in the UK sees around 40% of its audience coming from online. These are not plausible figures.
 - **The market analysis is flawed.** Relevant stations were omitted. Furthermore, in establishing the distinctiveness of the proposed services, the BBC has relied on incomplete and incorrect data, particularly with regard to Boom.
 - **Failure to consider the impact on competitors.** The lack of any genuine effort to monitor and assess the market has led to the publication of, and reliance on, badly misleading data. The BBC has failed, therefore, to consider whether there are competitors likely to be significantly affected by the proposed changes, as its own policy on materiality assessments requires it to do.

“Some months back I just suddenly lost reception of Boom Radio and was heartbroken.”

Boom listener

Engagement

THE BBC HAS NOT COMPLIED WITH ITS OBLIGATIONS TO TRANSPARENCY AND STAKEHOLDER ENGAGEMENT.

44. There are a number of governing documents that place on the BBC an obligation to engage proactively with the wider industry as it considers significant changes to its services. Section 12(1) of the Charter requires that “the BBC must observe high standards of openness and seek to maximise transparency and accountability.” Section 12(2)(1) requires that the minutes of the BBC Board are “made public as soon as possible.” Additionally, it is an Ofcom requirement that the BBC ensure “stakeholder engagement during the materiality stage” (i.e. before a Public Interest Test is launched) “to allow stakeholders to comment on any concerns they have regarding the potential impact of the BBC’s plans on competition.”⁹ Ofcom expects the BBC to begin this process by publishing its intentions in its Annual Plan – but where this is not possible, the BBC should “use an alternative, consistent means of communication to enable potentially affected parties to easily access the relevant information.”
45. We note that:
- The BBC did not mention any plans to launch new DAB services in its Annual Plan for 2023-4, published in March 2023
 - In response to an article in the ‘i’ online newspaper in June 2023, the BBC denied that it had any plans to launch a Radio 2 spin-off service, and repeated this denial to Radiocentre
 - Just four months later, the BBC Board approved the proposed new services in its meeting on 17 October; the minutes of that meeting were not published on the BBC’s website until the day after the new services were announced on 7 February 2024
 - Only the day before the public announcement on 7 February was there any engagement with the commercial radio industry about the proposed new services
 - In those ‘day before’ briefings, whilst the major radio groups were contacted, no effort was made to contact Boom Radio, despite the huge and self-evident overlap between Boom and the largest of the proposed services. The BBC did not contact us at any time prior to the launch of this PIT consultation, or immediately afterwards – we were instead asked by Ofcom to make the initial contact
 - The announcement on 7 February gave no indication of the timescale of the PIT consultation process, which was launched just one week later
 - The PIT consultation document made a passing reference to the Materiality Assessment that the BBC was separately conducting for the online version of these same new services – and offered no other information about this process, how it would be conducted or on what timescale, and it did not invite views or evidence from any external stakeholders.
46. It is clear that the BBC has not complied with its obligations to transparency and stakeholder engagement. Indeed, on at least two occasions – the June 2023 denial, and waiting until February and the publication of the October BBC Board minutes before making any public announcement – the BBC appears to have withheld or delayed information so as to avoid engagement and scrutiny.

⁹ Ofcom Guidance for Assessing the Impact of Proposed Changes to the BBC’s Public Service Activities, section 4.14

47. Whilst BBC Sounds is currently considered a single Public Service, the BBC is well aware of the speed of transition to IP delivery for radio and the huge proportion of listening that online now delivers. Given the overall scale of the proposals - one of the largest developments in linear radio in the BBC's existence - and given the volume of listening to the new services that will be delivered online, alongside the scale of investment, the BBC should not be purely analysing internally the public value merit and level of competitor damage from the online services alone, without proactively seeking the views of competitors and the wider industry in a formal online PIT process.

CONSULTATION QUESTIONS

Question 1: What do you think about the potential public value of our proposals for the launch of new music radio stations on DAB+, including the extent to which our proposal contributes to the BBC's mission to serve all audiences through the provision of high quality and distinctive output and services which informs, educates and entertains?

THERE IS LITTLE PUBLIC VALUE HERE. NOSTALGIA IS NOT A PUBLIC PURPOSE. 'MEETING THE MOODS AND NEED STATES OF MODERN AUDIENCES' IS NOT A PUBLIC PURPOSE. THERE IS SCARCELY ANYTHING THAT WILL INFORM, EDUCATE OR ENTERTAIN AT HIGH QUALITY.

48. On the basis of the R2X proposal as it is presented in this consultation, it will deliver minimal public value. Despite its (unsupported) claims to the contrary, the service will not be distinctive, creative or original, and it will simply serve an audience already well served by either Radio 2 or one of a whole raft of commercial radio stations, including Boom Radio.
49. The BBC claims that the proposed services are intended to fulfil Public Purposes 3, 4 and 5¹⁰. We don't know why PP5 (bringing UK culture to the world) is mentioned. It appears irrelevant in the context of domestic DAB services solely for the UK market. We will address PP4 in Q2 of this consultation. Here, we will focus on PP3.

Public Purpose 3: Quality and Distinctiveness

50. PP3 is defined in the Royal Charter as:

To show the most creative, highest quality and distinctive output and services: the BBC should provide high-quality output in many different genres and across a range of services and platforms which sets the standard in the United Kingdom and internationally. Its services should be distinctive from those provided elsewhere and should take creative risks, even if not all succeed, in order to develop fresh approaches and innovative content.

51. PP3 sets an extremely high standard for creativity and distinctiveness. The proposal for R2X fails to come near to meeting that standard. Indeed, it is the antithesis of what PP3 demands. The R2X proposal is not remotely "distinctive from [services] provided elsewhere". It takes no "creative risks". There is no sign of any "fresh approaches" or "innovative content".

¹⁰ BBC PIT consultation p26

52. Simply as a point of principle – and considering the range of possible (and viable) programme formats available to the BBC as it seeks to fill newly available national DAB channels – the following characteristics would seem to fail the very high test set by PP3:
- A mainstream music-intensive pop music station
 - An extension of an existing BBC brand
 - A service with minimal speech and no news content
 - A service heavily reliant on archive material and re-purposed content from other BBC channels
 - A service with an identical format description and target audience to an existing commercial service.
53. To understand just how similar - and how threatening - the R2X proposal is to Boom Radio, it is important to understand some background to Boom’s programming philosophy. Boom Radio launched in 2021 following research into the 55+ market gap to establish an innovative music strategy across the decades - delivering a distinctive take on pop nostalgia. The music library adopted stretches to many thousands of tracks – double the BBC’s proposal. The BBC’s claim to distinctiveness in this respect is untrue.
54. It was quickly clear from the volume and quality of the response that the station had hit a chord with a generation thanks to presenters – average age 70 – who understood them, playing music they loved and had missed. Boom quickly became more than just a radio station - making a real difference to listeners’ lives. It has a feel-good mood: 96% of Boom listeners say the station ‘cheers them up’¹¹.
55. As a key point of difference, Boom eschewed tight rotation of music tracks – instead blending familiar hits with back catalogue listeners may not have heard for years. The station focusses on music from the 60s and 70s, spiced with 50s and easy material – and introduces listeners to a small number of newer tracks, mostly from British heritage or new artists. Specialist programmes showcase soul and other genres. 84% of Boom listeners agree they hear “a lot of surprises”¹². The music played in each show is playlisted for, and with, the input of each presenter to both reflect their areas of knowledge and expertise, and also to explore the huge array of music released in the target audience’s lifetime. Audience satisfaction is high, with 95% of listeners saying the era mix is “just right”¹³.
56. The station has developed an unrivalled audience response for a music radio station, as reflected both in listening loyalty (a UK record 11 hours¹⁴) and the volume and quality of response. The station meets the audience demand for nostalgia; and listeners engage constantly with the music and talking points.
57. Whilst music-intensive, listeners – particularly our older listeners – also value the companionship. Presenter contributions are gilded by other short-form speech content during the peak listening hours, with features on medical matters, fitness and exercise, hobbies, education and travel and our popular ‘places’ series highlighting key points about a particular town or city.
58. There are hourly news bulletins too, given these traditional radio listeners expect them and only 17% of Boom’s audience suggested they were not interested in news¹⁵. The BBC predicts lengthy listening hours for R2X, a service which it promises will carry no news.

¹¹ Boom Radio/Smartsurvey 23/24

¹² Boom Radio/Smartsurvey 23/24

¹³ Boom Radio/Smartsurvey 23/24

¹⁴ RAJAR W4 2023

¹⁵ Boom Radio/Smartsurvey 23/24

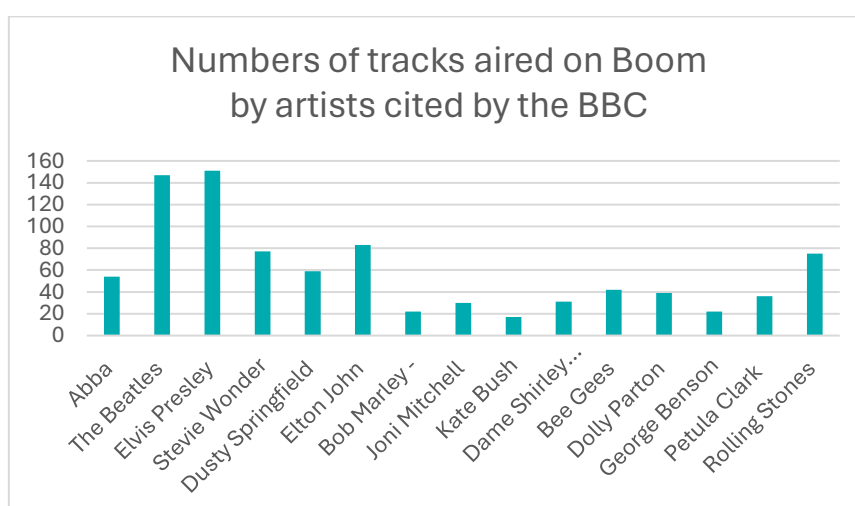
This suggests that its listeners would miss out on much BBC radio news – and that R2X will ignore the BBC’s first Public Purpose. Listeners don’t miss out on Boom, where the bulletins are also supplemented by business news updates and relevant news flashes.

59. Boom presenters are much-loved – theirs are the voices our audiences grew up with. David Hamilton (85) introduced the Beatles on stage in their earliest days, Roger Day (78) hosted the Beach Boys European tour in '68 and Nicky Horne (73) chatted to John Lennon by his white piano in New York. Boom reflects the UK too, with several presenters who carved their reputation outside London, giving a platform to the likes of award-winning Les Ross MBE who entertained the West Midlands at breakfast time for 27 years. The station marks key anniversaries as demonstrated by numerous specials and themes. Guest presenters eager to work with us have included Angela Rippon (79), Pete Murray (98) and Michael Aspel (91). Boom really is the voice of a generation.
60. The Boom Radio offering is a rich, proven one and delivers the equivalent, and in excess, of the R2X promise. Its value is now boosted by the unique benefits of its sister stations Boom Rock and the older targeted Boom Light. The station delivers demonstrable and proven public value against four of the BBC’s own public purposes.
61. Taking each element of the R2X proposition in turn, it is clear that Boom is already doing it – and sometimes doing it better than is proposed by the BBC.

	BOOM RADIO	BBC RADIO 2X
“A distinctive take on pop nostalgia”	✓	✓
“Broad” music range	✓ 10,000 tracks	✓ 5,000 tracks
“Much-loved presenters”	✓ Graham Dene, David Hamilton, Roger Day, Nicky Horne, Judi Spiers, Jenny Hanley, Graham Torrington, Simon Bates, Les Ross	✓ Unnamed (save for Tony Blackburn’s Sounds of the 60s)
Speech – “bring stories to life ... in the history of popular music”	✓	✓
Speech – lifestyle and information features reflecting listeners’ daily lives	✓	✗
Audience interaction	✓	✗
National and international news bulletins	✓	✗
“High quality talent-led music programming”	✓	✓
“Support anniversaries and commemorations of key moments”	✓	✓
“Feel good”	✓ In music and listener conversation	✓
Pop music from the 50s, 60s and 70s	✓	✓
Archive content, including interviews, concert footage and documentaries	✓ Access to external archives	✓ Unique access to BBC archive
All original programming – no repeats	✓	✗ Will repeat Radio 2 shows
Spin-off older stations for greater depth and specialisation	✓ Boom Light and Boom Rock	✗

Music content

62. It is not distinctive to play oldies. Boom does it. Gold has done it since 1988, yet the latter major commercial brand is wholly absent from the BBC’s competitive bubble graph¹⁶ which suggests a lack of understanding of the competitive set. There are also now decade-based commercial stations devoted to playing pop music from the 60s or 70s. The BBC nevertheless makes the claim that “music from the 1960s in particular is less well served in the current UK radio market” and misrepresents the quantity of 60s music on Boom. Fully 35% of the music tracks played on Boom are from the 60s - with 8% coming from the 1950s and 31% from the 1970s¹⁷. No figures are provided for R2X’s music output, although the document implies the proposed station will better Boom’s 60s percentage whilst also suggesting that, exactly like Boom, it will embrace the 50s and 70s too.
63. As well as our nearest commercial competitor, Gold, oldies are also played by Bauer’s Greatest Hits Radio (GHR). While GHR eschews the 60s across much of its output to create a point of difference within this competitive set, a significant proportion of tracks played are from the 70s. The three era-based oldies stations – Heart 70s, Absolute Radio 60s and Absolute Radio 70s – are self-evidently focussed exclusively on either the 60s or 70s. Virgin Anthems also reaches into this same oldies territory.
64. Boom receives thousands of emails and comments (just a few of which are featured in this document), and they illustrate the extent to which Boom already provides the “comprehensive nostalgia experience” promised by R2X. Indeed the ‘Feel young again’ marketing campaigns in which we have previously invested, and our new “We’re here because you were there” campaign now running on TV, Outdoor and Social Media at significant expense for our young company, focuses exclusively on this 60s nostalgia angle.
65. The R2X proposal promises “a soundtrack unmatched by anything in the current marketplace.” This hyperbole is followed by a list of hugely popular mainstream pop artists¹⁸, every single one of whom is played in abundance by multiple commercial radio stations, including Boom Radio. Again, we question the BBC’s understanding of the current radio marketplace.



¹⁶ BBC PIT consultation p12

¹⁷ Boom Radio internal analysis – available upon request

¹⁸ BBC PIT consultation p18

66. The BBC imagines that it will play “a broader range of tracks ... than the market.” The opposite is true. R2X boasts that it “will draw on a library of 5,000 tracks a year.” Boom Radio plays over 10,000 different tracks a year. Its on-air strapline is ‘every song’s a surprise’ and listeners volunteer the adjective “eclectic” to describe the offering.
67. The list of artists suggested by R2X is supplemented by the commitment to play “a variety of genres”. It cites, however, just three sub-genres of pop music – Motown, rock and roll, and rhythm & blues – each hugely popular and each also getting substantial airplay on Boom and other stations.

Presenters and speech content

68. Beyond the music, there are few clues as to what speech content the “talent-led” R2X service will provide.
69. There are repeated references to R2X featuring the “much-loved presenters” of Radio 2, and “some of the BBC’s best-loved talent”, but we are left guessing who these presenters might be and exactly what they will be asked to do. At Boom Radio, we know the presenters who are really loved by the audience and why – and the list is not large. To what extent will the station simply repeat Radio 2 programmes; and will R2X have any dedicated presenters of its own, or will it be solely reliant on Radio 2 talent? The suggestion of re-using the parent station’s presenters and programmes cannot be considered distinctive, innovative or risk-taking.
70. On Boom, Graham Dene, David Hamilton, Simon Bates, Roger Day, Jenny Hanley, Nicky Horne, John Peters and Les Ross are just some of our 25 regular presenters. Boom’s DJs can claim to have “shaped the cultural landscape of the time” as well as anyone.
71. The R2X proposal talks repeatedly about “curating the story of pop music”, and how it will “celebrate and commemorate ... key moments in the history of popular music”, providing “opportunities for deeper understanding and exploration of the genres.” This “distinctive human curation and context” will be “led by knowledgeable, passionate presenters.” Boom and other commercial oldies stations already do just that. Boom celebrated the pirate stations and 50 years of commercial radio. Dame Jenni Murray helped to mark 60 years of Motown and Boom broadcast a Sir Tim Rice programme on the 50th anniversary of ABBA’s Eurovision win. It also recognises all key artist anniversaries.
72. Every element of this aspect of the R2X proposal – bringing heritage artist catalogues and stories to life in a deep and richly textured way; celebrating and commemorating birthdays, anniversaries and key moments; interviews and special documentaries on the artists and moments that shaped pop music – is provided on Boom and elsewhere.
73. We acknowledge that the BBC has unique access to its own archive of music-related content from the 50s, 60s and 70s which may be extensive – largely because it was the only UK radio broadcaster allowed to exist until 1973. We are unsure, however, to what extent it retains rights for material which would sit suitably in mainstream programming and the extent to which ongoing strands of programming have been preserved. Moreover, other archives exist and commercial broadcasters have access to them. Listeners to Boom are also treated to archive interviews with heritage artists and documentaries. As just one recent example, a 1959 interview between a young Cliff Richard and Boom’s David Hamilton was aired to mark David’s 65th year in radio.
74. R2X “will provide some speech content on a regular basis”¹⁹ – but there is almost no information on what this speech content will be, or how much of it, how often, for how long, or when it will be scheduled. Boom Radio already accommodates news, interviews, features and regular speech-heavy shows. The weekly Choices programme, for example, has featured Marty Wilde, PP Arnold, Paul Carrack, Rod Argent, Roger McGough, Graham Nash and Suzi Quatro and many more. A new series hosted by Jo Brand boasts Sir Michael Grade, Lynda La Plante, Pam Ayres and Lesley Joseph as guests reflecting on their early TV viewing.

¹⁹ BBC PIT consultation, p19

75. What appears to be missing entirely from the R2X proposal is any speech content – distinctive or otherwise – beyond the ‘story of pop’ archive material. We will discuss how this approach fails to serve its intended audience when we consider Public Purpose 4. In the context of looking at PP3, it is simply worth observing just how limited the R2X proposition is in its thinking.
76. Even with use of the BBC’s archive, R2X is not especially distinctive, risk-taking or innovative. Indeed, it suggests that the peak daytime period will be music-intensive. Providing a 60s jukebox as “a relaxing lean-back listen” is not a public service.

The public value framework

77. In this PIT consultation (as in previous BBC PITs) the BBC claims to be applying the framework of Public Value developed by Professor Mariana Mazzucato et al in 2020. There is little evidence of this framework in the proposals being consulted on – or, if there is, it comes from a highly selective reading of Prof Mazzucato’s report. Central to Prof Mazzucato’s thinking is the idea that we recognise the BBC’s role in shaping markets. This idea asserts that the BBC should be expected to do more than ‘fix’ market failure, and it should be permitted to invest in areas where there isn’t market failure, but where the BBC nonetheless can help grow the market and build a dynamic ecosystem alongside commercial operators. However, the way the BBC might do this involves taking the lead in innovation, in “taking risks and investing in areas where the private sector is too risk averse to tread.”²⁰ Taking its coverage of women’s sports and its natural history TV programming as prime examples, Mazzucato says that “by pushing industry frontiers, the BBC has transformed existing markets ... and in the process crowded in new actors in the ecosystem.”²¹ The BBC has market-shaping value when it generates spill over effects that benefit other broadcasters; or de-risks industry innovation by being the pioneer in a new market; or sets the standards for others to follow, for example by establishing a new technology.²²
78. None of what Mazzucato describes is happening in these proposals for new radio services. As we have argued in great detail, there is nothing innovative or risk-taking in the R2X idea. Nor is there any attempt to encourage investment and ‘crowd in’ new actors in the ecosystem. In this case, the BBC are not bold innovators, they are imitators, offering an inferior copy of a commercial service to defend an already dominant position in the well-established 55+ market. If it is allowed to go ahead, it will crowd out Boom Radio and stifle investment. Where Boom Radio has genuinely built public value, R2X threatens to destroy it. This is not market-shaping – it is the opposite.
79. The BBC seems to be using Prof Mazzucato’s report to justify a definition of public value that is only loosely connected, if at all, to the very clearly defined Public Purposes in the Charter. It is clear from the Public Value Hypothesis (section 4.3 of the consultation document) that the BBC considers meeting listeners’ basic expectations of radio as a medium as being sufficient to deliver public value, even when those expectations have no relevance whatsoever to any Public Purpose and they are already being well catered for elsewhere.
80. Nostalgia is not a public purpose. ‘Escape’ is not a public purpose. ‘Meeting the moods and need states of modern audiences’ is not a public purpose. These are the qualities and aims that the consultation suggests will define R2X’s daytime offering.
81. Even if we were to accept the BBC’s definitions of public value, this proposed new station is still offering nothing new or distinctive; and delivers no additional value even on those terms. The BBC trumpets “targeted, personalised content”, but then describes, certainly during daytime where older listening peaks occur (not breakfast/drive), a conventional mainstream pop music radio station, no different from any other. All radio stations are ‘always on’. We all provide a laidback, ‘hands-free’ offer and a consistent, familiar tone. We all have schedules that reflect the mood needs of listeners and commercial radio has been delivering those for decades informed by its own research. Boom and other stations also operate with “distinctive human curation” and “knowledgeable, passionate

²⁰ Mazzucato et al, ‘Creating and measuring dynamic public value at the BBC’, p18

²¹ Mazzucato, p28

²² Mazzucato, p45

presenters". These have been the basic building blocks of pop music radio for decades, so it seems a stretch to consider them creative, distinctive or innovative, let alone standard-setting, as Public Purpose 3 requires.

Question 2: What do you think about the benefit to audiences who will listen to the stations, as well as wider potential social and cultural impacts?

THE CASE FOR THE BBC TO INCREASE ITS 55+ DOMINANCE IS NOT MADE AND R2X DOES NOT ADDRESS THE BBC'S DE CHALLENGES. THE BBC MAKES NO CASE IN RESPECT OF WIDER SOCIAL AND CULTURAL IMPACTS FOR THIS SERVICE.

82. The BBC makes the repeated claim that the proposed new services will help the BBC better serve “younger C2DE audiences”. R2X conspicuously does not achieve this, nor even attempt to.

55+ audiences

83. Nowhere in the consultation document is there any attempt to justify why R2X is targeting the 55+ audience. This is the audience segment already dominated by the BBC (and Radio 2 in particular), reaching 67% of adults and with a 53% share of all listening²³. BBC Local Radio is also targeted at “the elderly”, according to BBC Director of Nations, Rhodri Talfan Davies. The 55+ audience is not an audience underserved by the BBC, nor one identified by Ofcom as in need of greater attention.
84. Those aged 55+ make up 40% of the population. Despite the document's assertion that today's radio is more targeted, the BBC has made little effort to target this station any more closely than this 40%, when there are clearly hugely different listening behaviours across this large group of people.
85. The BBC has clearly noticed other stations – particularly Boom Radio – targeting this audience and starting to attract listeners away. This opportunity arose owing to the BBC's changes at Radio 2 and BBC Local Radio, the latter moving on from its previous 55+ regulatory requirement.
86. Ever since Jim Moir, when Controller of Radio 2, complained 25 years ago that “the majority of listeners fall into this age band, so they will inevitably reach that final stage of maturity known as death”²⁴, Radio 2 has treated listeners over 55 as irrelevant to the station's future. Older listeners were uncool. They were “aunts, mum and dad, and certainly granny” giving “the perception of 'old, dull, boring, not for me'”.²⁵
87. As recently as 18 months ago, the BBC claimed that Radio 2's “multi-generational appeal serves a 35-plus audience, a target which hasn't changed in decades”, insisting that it features “the best music from the past seven decades, which is key to the station's continued success.” But the station has seen constant change to the music it plays and to the presenter line-up – with many of those “much-loved presenters” being replaced by rather less-loved talent. As the 35-54 bracket became the core target of Radio 2, some older listeners still engage, but others felt ignored and rejected.

²³ RAJAR Q4 2023

²⁴ <https://www.newshopper.co.uk/news/6516719.its-radio-2-jim-but-not-as-we-know-it/>

²⁵ <https://www.independent.co.uk/news/media/plucky-jim-105375.html>

88. Radio 2's bid to win over the next generation of listeners while not losing the current generation was effective when older listeners had nowhere else to go. Over-55 audiences have always had limited appeal to advertisers and, apart from short-lived efforts from Saga Radio, the commercial sector has historically paid little attention to them. But in the last two decades, technological changes have allowed for new stations to launch with much-reduced production and distribution costs. Meanwhile, cultural and demographic shifts have meant that 'uncool granny' is now a Baby Boomer, part of the rock 'n' roll generation – the very definition of cool.
89. As well as Radio 2, the BBC had another radio network that delivered strongly for older and C2DE audiences, in the form of BBC Local Radio, which was originally required to service those aged 55+. That requirement was swept away as the BBC Trust was disbanded. The stations have now regionalised much more and their music policy and programming approach has shifted. The audience losses from this network, which once delivered one of the BBC's healthiest C2DE contingents, have been significant, with almost a million C2DEs turning their back on their local stations in the last two years. It is hard to reconcile the BBC's enthusiasm now for re-capturing older C2DE audiences by launching R2X with its apparent disregard for the exact same audience segment in the way it has managed BBC Local Radio.
90. There is nothing stopping the BBC from seeking to recoup its older listeners to Radio 2 and Local Radio by rolling back some of the changes it has made to those stations. There are no regulatory or public purpose obstacles to Radio 2 playing more music from the 50s to the 70s, or broadcasting more archive material, or delivering nostalgic escape. These choices remain open to the BBC, and they would be very unlikely to require a Public Interest Test.
91. It is important here to pick up the point we made earlier about how limited the R2X proposal is in its creativity and innovation, because it also indicates a very superficial view of the station's intended audience. As well as failing to recognise that the need of the 55+ audience for nostalgia is already being amply met elsewhere, the BBC seems also not to recognise that this audience has other important radio listening needs. There is more to listeners over 55 than their fond memories of the past. They are fully-rounded human beings, living in the present and engaged in shaping their future. They are physically, intellectually, culturally and economically active, with plans for the years or even decades that they have ahead of them. If the BBC persists with the mental image of 55+ audiences as being 'uncool granny', with no interests beyond reminiscing about the bygone days, then it will continue to fail to deliver public value to them as radio listeners and as licence fee payers.

C2DE listeners

92. There is little indication in the consultation document of how or why R2X will attract underserved C2DE listeners. The R2X approach seems to be that Radio 2 performs well with C2DE audiences²⁶ and Ofcom's research suggests that they appreciate 'escape' and nostalgia, so a nostalgic version of Radio 2 should attract C2DE listeners.
93. Boom Radio, the closest radio exemplar to the R2X proposal there is, would seem to contradict this assertion. Boom's audience profile is quite strongly ABC1 – they have accounted for 55% of the station's weekly reach and 58% of the total hours listened to Boom across its ten surveyed RAJAR periods. There's no indication from our figures that well-presented oldies radio particularly appeals to C2DE audiences.
94. The BBC's view on C2DE audiences is a superficial reading of Ofcom's research and indicative of the BBC's general, long-term failure to connect and engage with audiences in the D and E socio-economic groups²⁷. There are several consistent themes in Ofcom's BBC Audiences Review²⁸ and the research from 2CV²⁹ that informed it:
- DE audiences value escapism and companionship – the latter coming, in part, from familiarity and nostalgia.
 - BBC programmes (TV and radio, taken as a whole) are perceived as too dry and serious – audiences want more fun and more comedy.
 - DE audiences want the BBC to take more risks, produce new and innovative content, 'edgier' content that stands out from the crowd.
 - They feel the complexity and reality of their lives is not reflected in BBC content.
 - When they do feature, it is often in a negative way, or as a caricature or stereotype (this was particularly true of DE audiences outside London).
 - They want their lives and communities portrayed authentically.
 - There are negative perceptions of the BBC as an organisation – that it cannot be trusted, that it is elitist, out of touch, arrogant, old-fashioned; there is resentment about mandatory and regressive nature of the licence fee.
95. Providing additional resources and outlets for stations that already serve young audiences (in the case of the Radio 1 and its extensions) and C2DE audiences (in the case of Radio 2 and its R2X add-on service) does nothing to address the underlying problems. A genuine attempt to address failure would look at the key areas of failure – news, comedy, the nations and regions, authentic portrayal in BBC output, representation in BBC staff – and ask what can be done to fix them.
96. As with 55+ listeners, there is a real risk that R2X's sole focus on nostalgia will deepen the alienation of DE audiences rather than alleviating it. Ofcom's report makes much of the perception that the BBC doesn't understand "the complexity of ordinary life – encompassing people's struggles and difficulties but also their joys and successes."³⁰ The one-dimensional nature of the R2X service over-simplifies the needs of its audience, and completely ignores their current lives and experiences.

²⁶ BBC PIT consultation p13

²⁷ We note that, while Ofcom's concerns relate to D and E socio-economic groups, the BBC has, in this PIT consultation, discussed the much broader C2DE category

²⁸ <https://www.ofcom.org.uk/tv-radio-and-on-demand/information-for-industry/bbc/performance/bbc-audiences-review>

²⁹ https://www.ofcom.org.uk/__data/assets/pdf_file/0028/272395/Exploring-relationship-D-and-E-audiences-BBC.pdf

³⁰ BBC Audience Review, p22

97. The R2X proposal also ignores the very clear demand from DE audiences for genuine creativity and innovation. In fact, it aligns with some of the key concerns of DE audiences about the BBC: that it “feels ‘old-fashioned’, both in terms of its content and the delivery of its content”³¹. It’s hard to see how a service of mostly re-heated Radio 2 and archive content could change the DE audience perception that “the BBC was increasingly reliant on established programmes and formats, and that this element of the BBC’s portfolio needed a refresh.”³²

I think it hasn’t changed its style. The presentation of things are very old. I think it’s not keeping up with other channels. ... Everything BBC is still the same old-fashioned way they are doing things.

*2CV focus group participant, London, woman, 64, D
2CV research report, p20*

98. There is nothing in the R2X proposal that addresses the broader concerns about the BBC as an organisation – and, again, there is the danger of exacerbating these issues. Ofcom and 2CV reported that DE audiences had lower levels of trust in, and connection with, the BBC than the UK population as a whole, due to their perceptions of the BBC’s behaviour. “There was a perception that ... the BBC does not consider ‘people like them’ when making decisions”³³. As focus group participants told 2CV: “the BBC is set in its ways” and “it has a pre-defined agenda”³⁴. This chimes very much with what Boom Radio’s listeners have told us about why they have ditched Radio 2 for us.

It’s like a little private club, isn’t it? ... It’s institutionalised, and that’s what’s got the BBC the way it is. And why the BBC doesn’t seem to care.

*2CV focus group participant, London, man, 70, E
2CV research report, p27*

99. It is clear there has been much public and Parliamentary concern about the BBC Local Radio changes. BBC investment in the service was reduced and the level of localness seriously eroded despite this network of stations delivering the highest proportion of C2DEs. With around a million C2DEs leaving BBC Local Radio in the last two years alone, it is clear they valued the music and conversation approach which is not to be delivered by R2X.

³¹ BBC Audience Review, p18

³² BBC Audience Review, p21

³³ BBC Audience Review, p30

³⁴ 2CV research report, p28

Public Purpose 4

100. Like PP3, Public Purpose 4 goes far beyond, and sets a far higher standard, than just “meeting the needs of the UK’s communities”³⁵.

To reflect, represent and serve the diverse communities of all of the United Kingdom’s nations and regions and, in doing so, support the creative economy across the United Kingdom: the BBC should reflect the diversity of the United Kingdom both in its output and services. In doing so, the BBC should accurately and authentically represent and portray the lives of the people of the United Kingdom today, and raise awareness of the different cultures and alternative viewpoints that make up its society. It should ensure that it provides output and services that meet the needs of the United Kingdom’s nations, regions and communities. The BBC should bring people together for shared experiences and help contribute to the social cohesion and wellbeing of the United Kingdom. In commissioning and delivering output the BBC should invest in the creative economies of each of the nations and contribute to their development.

101. As well as offering little evidence that it will actually appeal to C2DE listeners, we see little in the R2X proposal that really engages with the other aspects of this Public Purpose. In its sole focus on nostalgia, R2X will not really address or reflect the lives of the people of the UK today. There is no mention of the different cultures and alternative viewpoints that make up British society. No mention of the UK’s nations, regions or communities. Nothing about commissioning or production outside London. This is in stark contrast with Boom’s team of older broadcasters, broadcasting from their own homes across the country.
102. We have already pointed out that re-investing in BBC Local Radio would boost the BBC’s appeal to C2DE audiences far more reliably than the R2X proposition. Equally clearly, a reinvigorated Local Radio network would address the requirement of PP4 to serve diverse communities across the nations and regions in a way that a single national pop music station cannot.
103. Also missing from these proposals is any attempt to look beyond a basic demographic analysis or to look at any more granular detail than just ‘younger and more C2DE’. There is no assessment of the appeal of the service by gender or ethnicity. There is no recognition that within those broad audience categories – over-55s and C2DEs – there is considerable diversity. There is nothing in the proposal about how the service will appeal to audiences in the nations and regions. No attempt to cater for specialist or minority tastes. No analysis of audience by lifestyle, values, sexuality, faith, language, education, employment, parental status, disability or any consideration of communities of interest.

³⁵ BBC PIT consultation p26

The BBC's other public purposes

104. In making its case to fulfil Public Purposes 3 and 4, it is conspicuous that the R2X proposal also ignores the other two Public Purposes that apply to the BBC's domestic Public Services. The BBC has been curiously selective in deciding which of its Public Purposes to consider in devising these proposals and it is not clear what its rationale is for this.
105. Public Purpose 1 requires the BBC to deliver accurate and impartial news that helps people understand and engage with the world around them. Yet the BBC is proposing no news on any of these new services, on the basis that news bulletins would be "interruptions to the tone and mood." Yet, providing "primarily mood-based music stations" is not a Public Purpose of the BBC and providing news is.
106. Here was a chance to use the huge news resources of the BBC to create an entirely new kind of news channel, specifically aimed at younger and C2DE audiences who, as well as being underserved by the BBC and the market, are also the same audiences that have turned away from the BBC for their news. Such a service could potentially fulfil all the other Public Purposes as well and would clearly be distinctive and innovative.
107. Public Purpose 2 requires the BBC to support learning and education for people of all ages. The PIT consultation attempts to argue that some of the archive documentaries on R2X will fulfil this criterion, but it's a claim that is made only once, and briefly – and we're not sure that even the BBC really believes it.
108. Had the BBC sought to deliver on Public Purpose 2, they might have proposed an educational radio service, the like of which doesn't exist anywhere in UK radio, drawing on the BBC's educational, factual and documentary programming. This, too, might have fulfilled all the Public Purposes, delivered obvious public value while acting as a market shaper, 'crowding in' other innovators.
109. It does feel as if, as well as really not delivering any public value, these proposed new radio services represent a number of missed opportunities to truly fulfil the BBC's Public Purposes.

Question 3: What impact (positive or negative) do you think our proposal for new music stations on DAB+ might have on fair and effective competition on commercial radio stations providing music content on radio?

THE EFFECT ON FAIR AND EFFECTIVE COMPETITION IS STAGGERING. R2X DUPLICATES COMMERCIAL RADIO UTTERLY. THE SCALE OF THE SERVICE AND ITS MARKET IMPACT IS HIGHLY MATERIAL AND COULD DRIVE BOOM RADIO OUT OF BUSINESS.

110. The proposed R2X service will have a severe adverse impact on fair and effective competition. We believe it is text-book example of what the regulatory regime is intended to prevent. It fails to further the Public Purposes, duplicates radio provision and does serious damage to much-loved and valued commercial services.
111. The BBC's Policy on Material Changes states that this section of a Public Interest Test is intended to "demonstrate that the BBC has taken reasonable steps to ensure that the proposed change has no adverse impact on fair and effective competition beyond any necessary for the effective fulfilment of the mission and public purposes."³⁶ We have already shown why we believe the R2X proposal does nothing to help fulfil the BBC's mission or any of its public purposes. We will demonstrate below how significant the adverse impact on fair and effective competition of the R2X proposal is likely to be. The BBC has not indicated that it will take any steps at all to minimise this adverse impact, nor mitigate the adverse impacts (as per section 2.38 of the BBC Policy).
112. We have structured this submission around the list of factors that the BBC should normally take into account in conducting its materiality assessment, as detailed in section 2.18 and 2.19 of the BBC's policy on material changes to the BBC's public service activities and section 4.9 of Ofcom's Guidance for assessing the impact of proposed changes to the BBC's public service activities - and we have made additional reference throughout this submission to the factors detailed in section 4.41 of the Ofcom Guidance.

Investment Scale

113. Section 2.18 of the BBC Policy requires it to consider the scale of the investment in the proposed new service when making a materiality assessment. Ofcom's Guidance, in section 4.41, states that the BBC should consider "the incremental costs associated with the proposed change in absolute terms and relative to comparable commercial operators".
114. The BBC budgets indicated in the PIT consultation document are not credible, and we do not believe they bear any relation to the actual likely costs of providing the proposed services. The proposed programming cost of £420,000 pa for the R2X service is equivalent to just 3% of the programming budget of BBC 6 Music, and less than 1% of Radio 2's budget. To understand these costs relative to a comparable commercial operator, the annual programming budget alone of Boom Radio – a single start-up with costs pared back to the absolute minimum and without the high production standards of a national BBC network – is, at over £400,000, already equal to the purported cost of R2X.

³⁶ BBC Policy, section 2.37

115. In 2022-23, according to the BBC's financial statements, of the "much-loved" Radio 2 presenters who are promised to be part of the R2X service, the eight whose pay has to be declared had a combined salary of over £3 million. The idea that a new service, on any platform, that promises what is offered in the PIT consultation document can do it on such a miniscule budget is just not tenable.
116. The R2X service promises to be more than just a few repeats of Radio 2 content bundled together at minimal cost. The PIT consultation document promises that the service will include "Radio 2's line-up of much-loved presenters" as well as "some bespoke new commissions". It promises "a more comprehensive nostalgic experience" than Radio 2 can provide, and "the most creative, highest quality and distinctive output" that will "support learning for people of all ages." There is a commitment to "speech content on a regular basis" alongside "high quality, talent-led music programming". All the proposed new services will provide "distinctive human curation and context, led by knowledgeable, passionate presenters, including some of the best loved voices of BBC music radio."
117. We are acutely aware of the level of production, operational resource and programme management required for a service of this nature. Programming a large music library is itself a significant task – and repurposing and scheduling archive material is highly labour intensive. Whilst some duties will be soaked up by existing staff, that carries a cost too, given the demand of this format and the scale of effort required. Again, the idea that a new service, on any platform, that promises what is offered in the PIT consultation document can deliver it on such a miniscule budget is simply not tenable. We can only conclude that the proposed budget for the service has been artificially reduced to give a misleading sense of the scale of investment involved. Contrary to section 4.33 of Ofcom's materiality guidance, the true amount, nature and cost of content is unclear.

Investment scale: Music rights

118. Deliberately excluded from the PIT consultation (for reasons of commercial confidentiality) is the cost of music rights. This, too, will be significant and should be factored into any consideration of investment scale. The fees we pay for music rights are in proportion to revenues, derived directly from our audience – so the audience loss that will result from this proposed new service will not just impact our revenues, it will impact the revenues of the music rights holders (and this is a supply chain impact of the type that we assume is envisaged in sections 2.19, 5.3 and 5.4 of the Ofcom Guidance). The rights holders will seek to recoup this shortfall from the BBC, further increasing the likely costs of the new service and, thus, the scale of investment required to launch it.
119. We estimate that the likely revenue shortfall the music rights holders will see as a direct result of the expected audience loss from commercial radio following the launch of R2X will be in the region of [REDACTED] (please see point 18 in the Confidential Appendix for details on how this has been calculated). This will give some idea of the investment scale required to secure a music rights agreement for the new service.

Marketing and promotion

120. The BBC has provided no information on its marketing plans but it has estimated an audience of over 2 million for the R2X service and this won't come without considerable investment in advertising and promotion. We assume that the new services will benefit from extensive cross-promotional activity on the BBC's other services. While this will not entail significant additional financial cost to the BBC, airtime or visual space on BBC

channels is a finite resource with an extremely high financial value, and this should be considered when assessing the scale of investment in the new services.

121. We also note from the PIT consultation that the BBC expects in part its audience to come from listeners to commercial radio services, online music streaming platforms and “people who would otherwise have not listened to any of the above”. However, even this assertion as to the likely listener make-up to R2X is flawed. There has been no growth in total radio audiences, as a percentage of the population, in the past decade – in fact reach has declined by 3 percentage points, despite the launch of over 25 new commercial stations. Already, 92% of those 55 and older listen to the radio. There is no appreciable potential here. Similarly, those in this demographic do not listen to on-demand music playlists to any great extent, with streaming accounting for just 4% of audio consumption amongst over 55s according to RAJAR’s MIDAS research.
122. We believe new listening from those using online music streaming services and from current non-radio users will be minimal. If the BBC believes it is latent, it will need to spend money to market to those audiences – as it certainly will to take listeners from commercial operators. The cost of this needs to be considered when determining the genuine scale of investment.

Distinctiveness and novelty

123. Section 2.18 of the BBC Policy requires the BBC to take account of the distinctiveness and novelty of its proposed service, in recognition of the fact that a BBC channel that closely resembles a commercial service is likely to have a significant commercial impact on that service, while delivering minimal additional public value. Section 4.41 of the Ofcom Guidance also requires the BBC to consider “how similar the BBC proposal is to commercial offerings that currently exist or are likely to emerge.”
124. We have already detailed the many ways in which the R2X fails to be distinctive or novel. It is impossible to draw an evidence-based conclusion that the market is not well-served by oldies radio or that R2X is sufficiently distinctive so as not to seriously affect Boom’s livelihood. Boom Radio itself lies exactly in format and target where R2X is positioned - a market researched extensively at launch. The proposed BBC service closely resembles our service and is therefore likely to have a significant commercial impact on Boom, providing an interchangeable option for listeners and listening whilst delivering minimal additional public value.
125. The impact of R2X on fair and effective competition rests on its scale and nature. We believe that not only will there be an adverse impact, but that impact will be hugely significant owing to the nature of the format, the BBC’s marketing scale and the fact the station will be ad-free (the highest ranked reason for trial amongst all adults according to our independent research). In this research, conducted for Boom Radio by Opinium, 44% of Boom’s 55+ listeners say they would be “extremely likely” to trial the service – far higher than nearly all comparable stations.
126. Given the huge similarity in format a significant proportion of Boom Radio listening is likely to be substituted by R2X listening. Similarly, further growth expected for Boom will be significantly diminished, leaving its ongoing viability in doubt, as we shall demonstrate.

Duration

127. The BBC has given no indication that they consider the proposed R2X to be a test, trial or pilot service and we have assumed that it is intended to be a permanent service.

Usage and competitive effect

128. The BBC has not included in the PIT consultation document any detailed analysis of where the audience for R2X is likely to come from, nor has it considered who the station's key competitors are likely to be. Both these analyses should form the evidence base for any understanding of the proposed station's impact, in terms of usage and competitive effect. We have commissioned our own research, as well as conducting detailed desk research, in order to model the likely audience effect of R2X on the wider radio market, and particularly on Boom Radio. We have then modelled the consequent revenue effect which results from the audience loss.

Audience effect

129. We have taken at face value the BBC's assertion that R2X is likely, were it launched on both DAB and online, to gain **2m listeners, delivering 21m weekly hours of listening**³⁷. We believe this is an underestimate based on our independent research³⁸, which suggests "very likely" or "extremely likely" interest from 15m adults in trialling this service, with 3m over-55s "extremely likely" to trial R2X. Nevertheless, we have used the BBC's figures as the basis for our modelling. The BBC have estimated this audience will be achieved over three years, and we have assumed a significant launch effect followed by smooth growth over three years in our modelling.
130. Our own market impact model is contained in our confidential data pack, and the assumptions outlining its effect are outlined below.

Competitive set analysis

131. No new launch of a product or service impacts equally on all other providers of the same category of product or service. Markets are segmented, by both product type and audience profile. A new pop music station for over 55s will have the greatest impact on other pop music stations targeting a similar demographic – and much less impact on, say, a speech station, or a pop music station for 18-24s. To understand the likely impact of a new station, it is therefore necessary to define its competitive set.
132. In determining which stations to use as the competitive set for R2X, we have made some simplifying assumptions. Firstly, we have only looked at those major stations who have more than a 1% share within the 251m hours of listening to pop & rock music radio consumed by 55+ listeners, along with those smaller services who specifically target the eras defined by R2X as its core offering of 50s, 60s & 70s music. We have split these stations into three groups:
133. **Oldies** (GHR, Gold, Boom, Heart 70s, Absolute 70s, Absolute 60s, Virgin Radio Anthems). These seven stations are defined specifically by their oldies-based playlists and we would consider them direct competitors to the new R2X service due to the proposed service having an identical, or heavily overlapping, music format. We think these seven stations, along with Radio 2 itself, create the competitive set that R2X will challenge, and we have based our analysis on this 'core set'.
134. **Adult** (Smooth, Heart, Magic, Absolute, Virgin). Whilst there might be some modest peripheral switching here from these services to R2X, none would describe themselves

³⁷ BBC PIT document, 14 February 2024

³⁸ Opinionium research for Boom Radio conducted 8-12 March 2024

primarily as “playing oldies” or being “nostalgia-based” – and specifically would not play a preponderance of music from the R2X era. These services do share some listening currently with Radio 2, but we have assumed no effect vs those services in our core R2X modelling (but have produced a secondary piece of modelling analysis using Magic, Smooth, Absolute and Virgin for completeness, also contained within the confidential data pack). It is more likely that a Radio 2 shorn of any need to cater for the nostalgic over 55s may in fact become more of a rival to Magic, Smooth etc.

135. **Contemporary** Those stations with a younger programming philosophy (Capital, Hits, Kiss etc) which still attract some 55+ audiences may see little or no erosion of their listening from R2X, although they will make their case for erosion from other planned BBC services.
136. It is also worth noting here, again, that the BBC has as yet offered no competitive set analysis of its own in its materiality assessment of either the online or DAB versions of the proposed R2X service, and has suggested (in the Controller, Regulation’s letter to Radiocentre on 23rd April) that Commercial Radio itself is best placed to determine which commercial stations are most likely to be impacted by the BBC’s proposals.
137. The independent research we commissioned from Opinium shows very little likelihood of switching coming from current non-listeners to radio. Of all the adults who said they were “Extremely likely” to trial R2X only 5% of them said they currently “never listen to the radio”. Thus, 95% of all trial to R2X is likely to come from existing radio listeners.
138. The Opinium research did not ask about streaming behaviour, which was the other area the BBC have suggested R2X would generate listening from - but the latest RAJAR Midas survey³⁹ dismisses that as a serious potential audience, with 82% of 55+ audio consumption being to live radio vs just 4% to on-demand music services. This evidence shows that non-radio listeners and 55+ streamers are insignificant here. R2X will take its listening from existing stations.
139. RAJAR data shows that in aggregate, online consumption for the ‘core competitive set’ as referred to above accounts for fully 38% of all digital listening amongst the 55+ listeners this new R2X service is specifically targeting, with DAB taking 62%. We have used this current 38% to estimate the amount of R2X listening that will be measured online by RAJAR – just over 8m hours (38% of the total 21m hours predicted by the BBC), with the remaining 13m hours being consumed via DAB.
140. The ‘core competitive set’ currently enjoy 88m hours of digital listening in total (excluding listening via DTV). Assuming all 21m for R2X come from the core set, their listening will drop from 88m to 67m – **a decline of 24%**, with 8m hours coming from online switching and 13m due to DAB switching.
141. We have assumed that this switching happens in proportion to the relative size of each of the stations in our set on the relevant platform (DAB or online), factored by the appeal of R2X to their listeners, which will vary from station to station.
142. In order to model the appeal of R2X to each station’s listeners, we have used the independent Opinium research, and specifically the question “are you ‘extremely likely’ to trial this new service (R2X)” amongst radio listeners over 55. In aggregate, across all listeners to the core competitive set (in green below), some 24% say they are ‘extremely likely’ to trial R2X.

³⁹ RAJAR MIDAS survey Autumn 2023

"Extremely Likely" to trial R2X		
	18+	55+
Absolute 60s	42%	49%
Boom Radio	30%	44%
Gold	32%	34%
Virgin Radio	21%	33%
Absolute Radio	17%	30%
BBC Radio 2	20%	25%
Core competitive set	20%	24%
Heart 70s	21%	23%
Broader competitive set	19%	23%
Smooth Radio	22%	22%
Greatest Hits Radio	22%	22%
Magic	18%	21%
Absolute 70s	20%	16%
Core: Absolute 60s; Absolute 70s; Boom Radio; GHR; Gold; Heart 70s, Radio 2, VR Anthems		
Broader: Core + Absolute; Magic; Smooth; Virgin		
Source: Opinium research for Boom Radio conducted 08-12 March 2024		

143. The Core competitive set “extremely likely to trial” 55+ figure of **24%** is identical to that produced by the RAJAR impact for R2X as noted in paragraph 133 – however, this is pure coincidence. The fact though that both are extremely similar and of a significant quantum is not coincidental – both clearly show the size of the damaging effect R2X is likely to have on this core competitive set.
144. The table above clearly demonstrates that some stations are likely to be more badly affected by R2X than others, with many more of the listeners to those stations closest in format to R2X (Absolute 60s, Gold and Boom Radio) suggesting they find R2X very appealing than listeners to say GHR, Heart 70s or Absolute 70s. In fact, some 44% of Boom’s listeners are extremely likely to trial R2X, vs for example only 16% of Absolute 70s listeners.
145. We have therefore used a ‘multiplier effect’ against the aggregate core competitive set number (for example 44%/24% - so 1.83 - in the case of Boom Radio, or 16%/24% - so 0.66 for Absolute 70s) to boost or dampen our estimates of the damage R2X will do to each of the individual stations on each platform, based on the likelihood that listeners to those stations might trial this new service. After adjusting for differences in the RAJAR and Opinium data sets (of around 10%) we anticipate **Boom Radio will suffer a devastating 39% loss in audience from the launch of R2X**. The overall audience effect of this can be seen in the confidential data pack.

Revenue effect

146. Boom Radio's income is almost wholly delivered by national ad campaigns, with around 80% coming directly from national sales contracts with Bauer for Broadcast (on all platforms) airtime and Global for DAX online-only income. A significant proportion of the remainder is traded by Boom's direct sales team with smaller agencies and individual clients, not subject to national trading agreements, but using typical audience-based, RAJAR-powered planning systems. Little to no revenue is traded on spot rates.
147. In terms of pricing, the major sales networks themselves set rates purely based on wider market conditions, and we in turn take their rates. There is very little, if any, inflationary growth in prices across the media as constantly increasing volumes (especially digitally) across the media generally inhibits growth in radio cpt. [REDACTED]
148. Accordingly, virtually all of Boom Radio's airtime sales are subject to challenging cost per '000 impact agreements (in the case of DAB-only or DAB + online joint sales) with no inflationary effect, or direct impact deliveries measured against streamed audiences (in the case of online-only DAX ads) which again have tight pricing parameters. Impacts on the loss of audience due to the launch of R2X will therefore feed through directly into effects on revenues.

Business effect

149. We have modelled the business effect of impacts on our audiences, revenues and profitability of the likely audience delta suggested above. A full description of Boom Radio's business, and how R2X affects it, is contained in a confidential appendix to this submission. In summary however, in addition to the audience reduction already identified, and the static nature of radio pricing over time, the following factors come into play.
150. The direct intervention of BBC R2X, with the BBC's unrivalled promotional power, will mean our own marketing spend will become less effective as there will be fewer available listeners with a latent propensity to switch. In this sense cannibalisation is just diverted switching and has the effect of dampening our potential for growth.
151. Further, the reduction we expect in audience growth and therefore revenue, with its resulting pressure on cash flow, means we would inevitably need to curtail discretionary marketing expenditure. This obviously has further implications for our ability to survive and grow.
152. **Because of these compounding effects and based on our planned future growth before the announcement of R2X, we are now modelling three-year revenue declines of 51% compared to expected levels of performance (see table in the confidential data pack).**
153. So, the audience impact of a drop in total hours listened of 39% in our modelling ultimately cascades via marketing spend reductions and more challenging listener acquisition metrics into dramatic losses in revenue and ultimately a complete disappearance of profitability.

154. In these circumstances, the value of the business has been destroyed, some seven or so years into this project.
155. With reference to the section 4.41 factors in the Ofcom Guidance, it is clear from our modelling that the adverse impact of the proposed launch of R2X would be rapid and irreversible.

Adverse impact on fair and effective competition

156. Based on the best available evidence, R2X has the potential to destroy the Boom Radio business.
157. As we have explained, launching commercial radio services to an older audience is a delicate business. The financial yield per listening hour is low but Boom Radio's low-cost, innovative method of operation has allowed us to carve a niche.
158. Previous services aimed at older listeners have failed to last. Melody Radio, launched by Lord Hanson in 1990, ran for 8 years. Whilst audiences were healthy, it was heavily loss-making before being reformatted by new owners. Later, the Saga Radio regional network was sold and reformatted in 2007 after running up significant losses and its national Primetime Radio DAB offshoot for the over-50s closed in 2006.
159. Even for stations with a broader or younger target audience, it is extremely difficult to get established as an independent stand-alone service outside an existing commercial media group. Union Jack went into administration in March 2022 and Great British Radio ceased trading at the end of 2023 after trying to establish a foothold in the national music radio landscape. And those stations which do survive are finding current conditions challenging, with Fun Kids recently ceasing national DAB coverage after seven years on SDL due to tough trading conditions.
160. National revenues for commercial radio are linked wholly to the scale of the audience delivered. As audiences decline, so too do revenues - with much online-derived revenue responding almost immediately. We note that the rapidity of impact is an Ofcom materiality consideration and is also a key consideration for Boom given the tight cashflows of a young business.
161. In terms of the size of audience for R2X, we believe that the penetration will be of a wholly different scale to that suggested by the BBC. A popular format delivered on widely accessible platforms, targeting almost 40% of the population, leaning on Europe's largest radio station, will deliver huge audiences quickly. Our own experience is educative.
162. Section 4.41 of the Ofcom Guidance also requires the BBC to consider commercial offerings "that are likely to emerge." Boom Radio has already launched two spin-off specialist channels - Boom Light and Boom Rock. Their focus lies outside the scope of Boom Radio itself, with Boom Light targeting listeners over 70. These services lean initially on the scale of the main station for promotion. These are delivered online currently, although DAB is seeded and it is Boom's intention to grow the scope of these services – and investigate new complementary opportunities for older audiences – as resources allow. These services would be at immediate risk if there was a decline in Boom's overall audiences and revenues.
163. No commercial business is, or should be, immune from competition. Indeed, since launch Boom has weathered the significant growth of Greatest Hits Radio, overlapping to some extent with Boom's appeal. Whilst the BBC Charter allows the BBC to compete, it does not encourage the Corporation's executives to pursue ventures which cause significant, rapid and irreversible damage via a head-on commercial-free soundalike which fails to deliver distinctive quality output addressing the Public Purposes.
164. We believe that the creation of R2X would mean it would be virtually impossible for any new, independent commercial radio operator to sustain a business targeting 55+ with a

high-quality, widely distributed and marketed service. There could no longer be fair and effective competition for the BBC itself amongst older audiences.

Boom Light, Boom Rock and other spin-offs

165. The strategy of the Boom brand is to deliver older audiences via a distinctive, deep music offering. Pre-launch research educated decisions on the content for the main Boom Radio station, leading to a reliance on 60s music, backed up by the 70s. There was a lesser yet appreciable appetite for older music from the 50s and easy listening, so that too was included sparingly. It is not surprising, however, that music tastes differ across such a large demographic. Boom Light, therefore, was launched as a spin-off in August 2022, centred on music from the 50s, blended with easy listening, orchestral and light favourites.
166. The station was launched modestly, as resources allowed, principally delivered online, but also using some small-scale DAB. Our objective was to test the format then invest in additional programming to boost audiences further, thereby delivering some modest profits over time, before investigating further platform delivery options.
167. The format of Boom Light is unlike anything delivered by any other commercial radio operator – or by the BBC – and the warmth of its reception is clear.

“I just want to say how much I love Boom Light. I grew up in the 40s so my music taste ranges from Big Band, Jazz, Frank Sinatra, Doris Day, Elvis and most of all Johnny Mathis as well as Classical. The best of all worlds and you play it all. Brilliant”.

“Whoever puts together these melodies is a musical genius in my opinion. Best Wishes, Alan (age 77)”.

“Thank you so much for this wonderful nostalgic programme! I am 86 and hearing all these songs from the 50s makes my day”.

“Boom Light has filled a void in my (elderly) life”.

168. The station has been marketed primarily via cross-promotion from Boom Radio, building further loyalty amongst some listeners by providing a station even more attuned to their tastes – and allowing others to dip in as their mood dictates. There is encouragement, too, to spread the word to others, given many Boom listeners have older relatives.
169. Our own research suggests that 93% of Boom listeners are aware of Boom Light and almost half (46%) have sampled it⁴⁰. As might be expected, over two-thirds (69%) of those listeners who spend more time with Boom Light than Boom Radio are aged over 70. The station is delivering appreciable audiences. Current levels of online listening indicate it already attracts around 11% of Boom’s unique users, listening for around 80% of the time a Boom unique user does⁴¹. From this and our understanding of Boom Radio’s performance, we estimate that, were it measured by RAJAR, Boom Light might be

⁴⁰ Boom Radio/Smartsurvey 23/24

⁴¹ Boom Radio/Sharpstream internal streaming data – available on request

delivering around 40,000 listeners and 360,000 hours per week which bears comparison with some the current era-based online/DAB spin-offs of the major groups.

170. The station is, however, not currently measured by RAJAR as, on current audience size, the research cost could not be recouped via the national ad campaigns which could then be booked. Boom Light, therefore, depends on revenues from in-stream advertising harnessed by DAX, which delivers monthly revenues sufficient for the station to break even at an incremental cost level.
171. Another appetite the main Boom Radio station was unable to satisfy was that for a deeper exploration of rock music. Accordingly, a second spin-off, Boom Rock was launched in February 2024. Again, the response has been highly encouraging.

“At last - the perfect radio station for us ageing rockers!!!! Thank you Boom. Chris.”

“At last, a rock station that appreciates the variety that is covered by that single word ‘rock’. Stephen.”

172. Judging by the volume of streamed listening for Boom Rock, we were hopeful it too could grow to a comparable size to Boom Light, and then on to modest profitability. Like Boom Light, Boom Rock relies principally on in-stream DAX revenues, although both stations may reap very modest income from clients booking direct. Additional spin-off stations were agreed at our strategy away day earlier this year and planning had begun.
173. The BBC’s plans, however, place the future of our existing and planned spin-off stations in serious doubt. We believe that R2X will have much the same effect on them as it will have on Boom Radio – however we have modelled just 50% of the comparative Boom Radio damage to be prudent.
174. We know that many listeners switch between our stations dependent on mood or when a programme on our main station is not to their taste, but their listening is retained within the Boom family. In our research, almost 40% listen to both Boom Radio and Boom Light⁴². Were R2X added to the listening repertoire, Boom Light and Boom Rock listening would be drained. Given that the spin-offs derive their audiences via Boom Radio, the loss of scale of the main station from R2X’s arrival will also impact on the growth of spin-off station audiences.
175. If Boom Light and Boom Rock suffer alongside Boom Radio in this way, they will never be profitable - and Boom Radio itself will no longer have the capacity to subsidise them. In such straitened circumstances, rather than grow our highly distinctive and much-valued spin-off services and investigate ways of making them more widely available, we would have no option but to close Boom Light and Boom Rock immediately – and end plans to launch further services.

⁴² Boom Radio/Smartsurvey 23/24

"My lovely Dad found Boom Light a few months ago. I cannot tell you what joy it brought him when he was in hospital and on those long nights at home when he couldn't sleep.

Your station relived memories for him, made him feel young and gave him something positive and familiar to listen to.

On Sunday, with earphones in listening to your station he passed away. I know he would have had such comfort from the music you played. So, thank you so much for everything you all do."

Impact on citizens and licence fee payers

176. Any consideration of fair and effective competition naturally focuses on economic concerns, and it is simple enough to quantify the financial impact of a proposal. But Ofcom has a duty, in carrying out its functions, to be always mindful of the interests of citizens and consumers. In doing so, it should secure the provision of a wide range of broadcast services of high quality and maintain a plurality of providers of those services. The interests of citizens and consumers are not always so easily quantified.
177. It is clear from the messages we receive every day – and from the reaction of many listeners to these BBC proposals – that Boom Radio means a great deal to our audience. We are a trusted and valued companion. A bringer of laughter and comfort. A reminder of happy times. A dear friend. A lifeline. This is due not just to our music, but our whole programming philosophy. Everything R2X is promising to do, we are already doing, except that we're doing more of it, and better, than the R2X service as currently described.
178. We can never take our listeners' loyalty for granted. Much of Boom's audience came from Radio 2. They switched to us because they felt ignored in Radio 2's move to attract younger listeners. But Radio 2 was their favourite station for much of their lives. And we see in the online listening behaviour of our audience how much they remain drawn to specific shows on Radio 2 such as Sounds of the 60s, Johnnie Walker or when relevant years are featured on Pick of the Pops. A new Radio 2-branded service, featuring that kind of content, ad-free, will inevitably appeal to even the most loyal Boom listener.
179. Our programming approach will not be sustainable if R2X is permitted to go ahead. The obvious consequence of reduced revenues is reduced spending – particularly on programming. We will have less to spend on the rich speech content we broadcast – from lifestyle features to interviews to music documentaries. Less to spend on the voices that our listeners love – the presenters who bring our audience together as a generation. And less to spend on innovation and new services, like our new online spin-offs, Boom Light and Boom Rock. Even assuming we can somehow continue as a business (which is unlikely), our programme services will be diminished, and the range of services of high quality will be adversely impacted.
180. In the worst-case scenario in which Boom cannot withstand the impact of R2X, there will clearly be more considerable harm to the interests of the citizens and consumers who make up our audience and who will lament our loss. The range of services available will be reduced, as will the plurality of providers.

Point-by-point rebuttal of the BBC's case for R2X

- **It is distinctive.** It really isn't. There are many commercial oldies stations, some of which have even been missed from the BBC's incomplete market analysis.
- **A station playing 50s, 60s and 70s is "unmatched in the market".** The BBC's market analysis is inadequate - Boom Radio has been playing exactly that.
- **It will mark key milestones and anniversaries.** Boom already does just that extensively.
- **There'll be lots of nostalgia.** Boom Radio does exactly that, with the sort of listener engagement not pledged by R2X.
- **It will draw on the BBC's unique archive.** The BBC can do that already via many platforms. Little has been shared on what is in the archive for which rights are retained.
- **It will cost just £0.4m.** That's untrue, the real costs of managing, programming and producing R2X - alongside the bill for 'best-loved' talent – will be much more. The figure doesn't stack up – and of course it is just for content, not total cost.
- **It is not going to be a large service.** Potential audiences of 2m are already forecast. However, independent research suggests more than 3m 55+ listeners will be very likely to trial the station and given the service will be promoted on the gigantic Radio 2, its eventual size could be even bigger.
- **The BBC needs to serve everyone.** It can never serve everyone with everything. As it happens, the BBC already serves over two-thirds of all 55+ through radio alone, delivering the majority of all radio listening.
- **The BBC has been charged by Ofcom with attracting more C2DEs.** Ofcom recommended very different action. Nothing in this service addresses C2DE challenges – and C2DE penetration is already much higher 55+ than younger demographics. Meanwhile, BBC Local Radio has lost over 1m C2DEs in the last two years.
- **It will attract audiences from streaming and non-radio users.** Streaming levels amongst 55+ are small – just 4%! There is no evidence for this claim. And 55+ radio reach is already 92% - it is unlikely to grow further.
- **It meets the BBC's Public Purposes.** R2X does nothing to support learning; it fails to reflect, represent and serve the diverse communities of the UK and it provides no news. It does not reflect the United Kingdom, its culture and values to the world. In playing just back catalogue music and BBC archive material, it is difficult to argue it is supporting the creative economy. A "feelgood", "mood based" music-intensive "relaxing laidback" service "meeting the mood states of modern audiences" is not offering a Public Purpose.
- **The BBC's existing stations will be unaffected.** For the BBC this is simply an easily deliverable mainstream route to pacify older audiences – a pretext to free Radio 2 itself to compete more strongly for middle-aged audiences. The relative scale of the indicative R2X budget and the format itself indicate clearly that this is not a proposal to serve those aged 55+ with a distinctive, quality service which meets BBC Public Purposes.

Question 4: Are there any steps you think we could take to minimise any potential negative effects on fair and effective competition or to promote potential positive impacts?

R2X POSES AN EXISTENTIAL THREAT TO BOOM RADIO. GIVEN THE NATURE AND SCALE OF THE NEGATIVE EFFECTS OF THIS PROPOSAL AND THE LACK OF PUBLIC VALUE, WE DO NOT BELIEVE THERE ARE ANY STEPS THAT WOULD MAKE R2X DEFENSIBLE.

181. The purpose of this question is to address any imbalance between the public value provided by a proposed new BBC service and the adverse impact it is likely to have on fair and effective competition. In principle, any adverse market impact of a BBC service can be justified by the delivery of public value – the market impact must be necessary and unavoidable for the BBC to fulfil its mission and achieve its public purposes. The assumption underlying this question is that, where there is an imbalance between the adverse market impact and the delivery of public value – where the public value is inadequate to justify the likely market impact – it is unlikely to be so great that it can't be mitigated by some additional commitment by the BBC. The question asks: what could the BBC do to either 'top up' the public value offer or dampen the adverse market impact so that they come back into balance. Unfortunately, this assumption cannot be applied in this case.
182. The R2X concept is so fundamentally flawed that we believe it is beyond rescue. It delivers no public value that we can discern, yet it will have a huge adverse impact on fair and effective competition. In our view, the BBC's only option is to withdraw these proposals and start again. If it devises a new radio service, radically different to its current proposal for R2X, that is genuinely distinctive, creative, innovative and risk-taking – one that encourages investment and helps shape the market – we would give that idea more than a fair hearing.

Conclusion

THE BBC HAS SIMPLY NOT MADE THE CASE FOR THIS SERVICE. ITS INTRODUCTION WILL HAVE IRREPARABLE, DAMAGING EFFECTS ON THE WIDER RADIO MARKET. THIS IS PRECISELY WHY REGULATORS MUST STEP IN.

183. We have sought, in this consultation response, to make a detailed, evidence-based and fully reasoned case for why we believe the R2X proposal should fail this Public Interest Test and be rejected outright. We have attempted in this analysis to be reasonable and sensible in our assumptions and have used the team at DotVector Strategy Consulting to verify the accuracy of our modelling and the plausibility of our estimates.
184. The BBC's case for R2X lacks both detail and a clear evidence base to support it. Much of the data relied on to support R2X's claim of distinctiveness, and to gauge its market impact, is erroneous or has been incorrectly applied. Other supporting evidence – such as the suggested programming budget for R2X, or the audience predictions for its online stream – is not remotely credible. No evidence has been submitted to support the claim that R2X will particularly appeal to listeners in D and E socio-economic groups. No switching analysis has been conducted as far as we are aware, and nor has the BBC shared any analysis it has conducted on R2X's likely competitive set.
185. R2X will not be distinctive, original, creative or innovative in any way. There have been oldies radio stations in the UK for 36 years. Boom does everything that R2X promises to do, and does it better than R2X promises to do.
186. R2X will deliver almost no public value. It will contribute very little to the fulfilment of Public Purposes 3 or 4, and nothing at all to any of the other Public Purposes in the Royal Charter. It will also not meet Professor Mazzucato's proposed definition of public value.
187. The BBC's spending power, its ability to cross-promote its services, its prominence on all platforms as a PSB, and its ability to deliver ad-free content all combine to give any new public service significant market power from launch. This is especially true of a radio service launched as an offshoot of the most popular radio station in the UK. As our modelling has shown – informed by evidence from our own research as well as RAJAR and other industry-standard sources – R2X will stifle fair and effective competition, not promote it. The effect will be immediate and sustained – and it represents a very clear threat to the sustainability of Boom Radio's business.
188. All of this is to the detriment of radio listeners – whether defined as the licence fee payers whose interests the BBC must serve, or the citizens and consumers whose interests Ofcom must serve. The lack of distinctiveness and public value in the R2X proposal means that licence fee payers will receive very poor value for their money. The threat that R2X poses to the viability of Boom Radio means that citizens and consumers risk losing services – not just Boom but also Boom Light and Boom Rock – that they cherish and value. Both the range of high quality radio services available, and the plurality of ownership of those services, would be reduced.
189. This combination of factors – the assertion of market power, the lack of public value justification, the existential threat to a nascent operator – is the very definition of what the current regulatory regime, starting with this Public Interest Test, is designed to prevent. The BBC should not launch R2X on any platform. No other conclusion is defensible.