

# Why internet radio stations have shot themselves in the foot

By [Justin McCarthy](#)

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Now that the dust is settling on the [mini drama over listenership figures](#) for internet radio stations Ballz Visual Radio, 2OceansVibe and KingfisherFM, the media industry should be asking some pointed questions.



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NetDynamix, the platform service provider to these stations, has been appropriately discredited in some media for their role in what can justifiably be certified as the Zimbabwean-like hyperinflation of listenership numbers, with both Ballz and 2OceansVibe making statements about their intentions to seek alternative providers. That's all good and well, but with the possibility that damages claims may yet follow should any of the stations' clients decide they deserve a refund, plus the very real probability of advertisers withholding spend from streaming stations, this is a sharp reminder of just how important substantiation is to reputation.

Interest in this matter should go beyond the claims, counter-claims, blogs, tweets, PR disasters and general buzz that Shaun Dewberry's [blog post](#) rightly triggered. When that's all died down and we've moved swiftly on to the next attraction, somebody has to count the cost and rewrite the business plan - or plans in this instance. I don't profess to know anything about streaming radio but I do a thing or two about advising clients on media matters. My general advice is if it's not measured, don't buy it. This fiasco underlines my stance.

## Years in the media, but...

Now measurement in media is not the beginning and the end, not by a long shot. If that were the case we'd use software to plan media, not humans. [Note: anticipate lots of derogatory chirps about media planners, software, hardware and automated functionality]. However an accurate measure of what you're paying for is a basic permission to play. No ID, no entry is the general rule of thumb. Thus when an entirely new medium such as internet radio is so rudely exposed, one has to wonder about the long term strategies of the owners of these channels.

Take Darren Scott, a founder of Ballz Visual Radio. Here is a man who has grown up in the media and particularly in radio. He has spent over twenty years as a DJ and anchor in the medium, not to mention the years on television as a sports anchor. It is impossible for someone in his position, with all that experience, not to know a reasonable amount about audience measurement and its inextricable relationship with advertising rates and income. This is commercial radio, not Good Morning Vietnam's Armed Forces Radio or The King's Speech's BBC. How does someone with such an intricate knowledge of the medium possibly not question statistics presented to him by his service provider touting 51 000 listeners?

## Putting it into perspective

Let's put this into perspective for Josephine Public. I've picked a sample of 3 radio stations' listenership figures<sup>[1]</sup> : 5FM, Jacaranda and Classic FM and illustrated them in the chart below along with Ballz and 2OceansVibe's numbers as claimed by NetDynamix. I've chosen 5FM and Jacaranda as they are stations that are likely to have a similar profile to the audiences the internet stations are appealing to, with 5FM being national and Jacaranda regional. I've chosen Classic FM because it is a niche station with a very specific appeal to a small but viable listener base.

Listeners	5FM	Jacaranda	Classic FM	2OceansVibe	Ballz
Mon to Fri 12h00-15h00	817,900	907,300	39,700	59,000*	51,000*
Mon to Fri 15h00-18h00	1,254,000	1,078,300	58,300		
* Not measured on the same basis as RAMS but as close as possible given the figures touted by NetDynamix					

This puts both Ballz and 2OceansVibe in a similar audience delivery category as Classic FM, a terrestrial FM frequency station of 15 years' standing. Admittedly it's a small channel, but it delivers a good platform for advertisers to an upmarket and niche audience, just what the internet stations are striving to achieve. Rudolph Muller of My Broadband conducted a credible [study](#) on the actual average quarter hour listenership of both stations which is technically as direct a comparison as is possible with the RAMS numbers I've quoted. Both internet stations emerged with between 200 and 300 listeners per quarter hour compared to Classic FM's 40 000 to 58 000 listeners in the same time channels. Let's be clear about this: there is simply no comparison.

How is it then conceivable that Scott can take the numbers presented by NetDynamix at face value? How does he not only question them, but also put them out to the marketplace for what is clearly intended as commercial gain? In one article that appeared on the website [Media Update](#) on 14 June 2012, Scott makes a clear case for commercial promotion when he says "*Weekly statistics for May show an average hourly listenership of just over 51 000 between 12:00 and 18:00, which we're very pleased about considering that the concept of visual online radio is still very much in its infancy*". He goes on to say "*A total of 72.73% of listeners access ballz.co.za via fixed line while the balance access the radio via mobile*", which would indicate that up to 37 000 listeners are accessing the feed via their computers while another 14 000 listen via their mobile phones.

## Too convenient to simply shift the blame

For a professional running a commercial business to not question the veracity of these numbers, let alone promote them and later attack Dewberry on air in a thinly veiled attempt to discredit his research is, not to put too fine a point on it, what some observers might consider somewhat mendacious. It smacks of intentional deception and a bullyboy approach to discredit any attempt at unveiling the truth. The same principle applies to 2OceansVibe, who, despite a much more reserved and honest attitude to the fiasco must surely have had reason to question the credibility of the numbers presented by NetDynamix. I do not know the company's credentials in media ownership, but that hardly serves as an excuse for accepting the numbers at face value.

It's simply too convenient to shift the blame to the service provider in the hope that the stain of deception will stick to them. These stations must take responsibility for their own part in this mess. Ignorance is not a defence. The problem is that it casts a shadow of suspicion across all new media channels which each deserve a better deal in their quest for a spot in the sun. As an advertising practitioner, it is very much in my interests to promote new media and encourage any channel that provides greater audience engagement. Unfortunately the stain on the crisp white shirt that is internet radio will take a great deal more than a thirty second radio spot to remove.

[1] Source: SAARF RAMS Radio Diary Dec 2011

## ABOUT THE AUTHOR

Justin McCarthy joined the advertising business after serving many of its leaders while managing an upmarket Sandton restaurant. Since then he's operated in all the disciplines in the communications field across virtually every category. With over 20 years' experience he's covered a lot of ground, both literally and figuratively, and is never shy to express an opinion. He recently left the hubbub of Jozi's industry for the more measured pace of Durban where he looks after TBWA's interests. Justin is active in the broader industry through representation on the ACA board. He writes in his personal capacity.

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