Monetising online radio: Stop, collaborate and digitally listen

By Chris Jordan   26 Oct 2017

South Africa is still a country that is slowly getting comfortable with the idea of online media. Having worked with a few online stations and seeing the growth in awareness (which unfortunately does not mean the actual growth) of these stations over the past 5 years or so, one thing I've noticed is the biggest concern for survival, or even successful inception of IoR (or Internet Only Radio), is of course, funding.

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Where traditional models in radio have enjoyed funding from around 70% of what the station makes through ad sales revenue, online stations need to do the same, but in a completely different way.

Let's remember that the digital space is a world apart from other media platforms. It has its own rules, its own models, its own consumer market, and its own gamechangers. The digital arena has been around for decades, and we – in radio, TV and print – are busy catching up, stepping into territory that isn't our own to begin with. I think we need to dial it back and stay in our lane, for now. Get both terrestrial radio and online radio where they both need to be, on their own terms, then start to learn from one another about what works and what doesn't. This incestuous invalidated relationship of borrowing models back and forth isn't working, not here anyway.

Let's have quick look abroad at an example of knock-on effects from one platform to the other.

Creating audio for the digital space

According to the site Electronicbeats.com, in 2008, top radio revenue conglomerate iHeartMedia launched its own online radio network, iHeartRadio, in order to aggregate content from local stations around the country, rather than producing audio specifically for the web. This corporate tide has echoed across media outlets the world over and has forced most local stations to succumb to increasingly uniform advertising, marketing and styling techniques as well as reduced musical diversity. When economics drive programming decisions, it follows that radio play will steer toward the most lucrative demographic through narrow playlists and conservative content.

I like the way this sums up rethinking your own platform/space. Threats are just threats. The moment the radio industry is threatened by the digital space is the moment you lose focus on what makes you go for another century. Operating in IoR (a phrase coined by Hendrik Baird), we are creating audio for the digital space. Content that needs to compete with any other media, traditional radio or not. So, the same applies. IoR is NOT competing with terrestrial or DAB radio. Again, not yet anyway. It needs a stronger pair of legs to start running that race.

Yes, we do have broadcasters. Yes, we do have music. Yes, we must pay the bills through forms of third stream revenue or advertising. Yes, that sounds like radio. But it doesn't have to be, nor should it. That is if online radio is to survive its first century.

Ultimately, I have a couple of suggestions:

1. Look at what works.
Apple Music has around 17 million subscribers. iHeartRadio has around 100 million registered users. Pandora similarly boasts around 80 million active users. Spotify has raised the bar at 140 million active users. People are online for choice – premeditated choice – and they are willing to pay for it. So, data rates and streaming concerns are not, well, concerns. You must lure the listener to your online station with music. But give them the illusion of choice. Have a rotating playlist determined by some simply programmed online algorithm where users get to pick and choose from loads of songs, and programme accordingly when you are playing music – and according their choice within your format.

2. Make sure you are playing music when you should, and broadcasting when you should.
Have a look at your target market and identify when the peak listening times are. Broadcast then. Have voices on then. Remember, this is audio content for the digital space. While they are choosing to be there, give them something they want to hear from personalities that are the utopian representation of what your station stands for. In other words, no middle ground will work here. You have the privilege of "uncensored" radio here, which means not only can you broadcast content that has no limitations from a controversial perspective, but you can do what you want! Hire who you want. Programme what you want. You have the upper hand over terrestrial radio, so use it. And this is where you can do it. Cult followings begin with alternatives to the norm. Why do what is already being done? A set line-up with gem personalities around ONLY during peak times will draw sponsors and advertisers out. And towards you. Concentrating on making these slots powerful, will give you any good reason to take cash from a brand that wants to reach your growing audience.

For the rest of the programmed schedule, play music! Music they want to hear. See point number 1. As for advertising, why not sell stings and IDs that say, "Non-stop music brought to you by <>" or "We know you love choice, so <> has let you choose all the music here". I'm sure the creatives can come up with something catchier, but you get the idea.

3. Be specific. Very specific.
The most successful online radio stations proliferate exponentially to a specific need. Do you have yours? If you do. Redefine it again. Then again after that. It will also definitely increase a potential advertisers' need to identify with your brand and listeners. Concentrate on achieving 100% sales in a much smaller, niche advertiser market. Rather that, than waffling about like a waddling penguin on thin ice in a broader, time-consuming market "guess-timation" that you can't really bank on a certain angle or benefit of advertising or aligning in some way with your brand.

4. Get a name in.

Not permanently. Just once off. Big celeb names that are relevant to your audience should be sold as fully sponsored features that can be hyped up and bought into three ways from Sunday. Identify them. Rule the relevance of the context in which they will be hosting a speciality segment on your station – and let it sell itself providing you have identified potential advertisers beforehand, approached them on the idea and pitched rates and benefits to why this will be a great payoff for them to invest in.

5. Let the advertiser "control" your content.

You've probably had a mini heart attack reading that. Relax. This isn't a bad thing. If you have looked at and implemented the previous points, you will have room to invite advertisers into your station that have your best interests at heart, even though you should let them know right off the bat that they can control your content through a variably large range of choice. If a clothing store wants to buy a 30-minute segment, and you are an alternative rock radio online station, get a guest in to talk about creating your own alternative look for summer. Fill the segment with bumpers and billboards that are customised and unique for the client, and they will keep coming back for more knowing you are the creative genius, and they are enjoying the benefits of having more than a shared partnership in what say goes into what they want on air. This, and all mentioned so far, works, considering one final thought.

6. Stop, collaborate and digitally listen.

This is the digital space. Use it. Sell according to how many followers, fan page likes, subscribers, or active users you have. Focus on the fact, that just like terrestrial radio, these are potential buyers to a client's products or services. So, the payoff is kind of the same, right? Of course, if you are pro-digital and pro-your platform, you should have no problem knowing that digital strategies will work better for you than for any other traditional medium encroaching on your space. Vodcasts, podcasts, banners, global village group think, etc. Use this ownership. Use this knowledge. And make it to the 22nd century. It is called the digital era – your era, after all.

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