Chapter 9

With a Little Help from My Friends: The Irish Radio Industry’s Strategic Appropriation of Facebook for Commercial Growth

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ABSTRACT

Ireland has faced significant economic hardship since 2008, with the Irish radio industry suffering as advertising revenues evaporated. The difficult economic circumstances have forced radio station management to devise new and cost effective ways of generating much-needed income. The answer has come in the form of Facebook, the leading Social Network Site (SNS) in Ireland. Using Ireland as a case study, this chapter looks at how radio station management are utilising the social network strategically in a bid to enhance their audiences and revenues. Radio station management consider Facebook to be an invaluable promotional tool which is very easily integrated into radio programming and gives radio a digital online presence, reaching far greater audiences than possible through broadcasting. Some radio stations are showing ambition and are realising the marketing potential that Facebook and other SNSs hold. However, key changes in practice, technology and human resources are required to maximise the profit-making possibilities offered by Facebook.

INTRODUCTION

The Irish radio industry has undergone significant change in recent years due to the challenges posed by the economic recession and the pervasion of digital media. Irish radio stations are fighting for the attentions of modern audiences who have high demands placed on their time and attention from digital and social media. Through smartphones, individuals have the entire globe at their fingertips and this presents threats and opportunities to an older medium like radio.

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This chapter explores how the radio industry in Ireland is incorporating the Facebook phenomenon into the traditional broadcasting business model. This ongoing development has involved modifications to radio production practices, an alteration of technology needs and additional human resources in the form of dedicated digital media managers. Management at some radio stations, particularly the youth oriented stations, are enjoying some success in using their significant social media followings to promote their commercial partners and gain revenue from these services. This chapter demonstrates that a dedicated and aggressive social media strategy can have a positive influence on audience ratings. Furthermore, the stations that are having the most success in exploiting social media for commercial gain are primarily the youth-targeted radio stations.

The main aim of this chapter is to assess the commercial impact of SNSs on Irish radio stations. First, it seeks to assess the importance of Facebook and other SNSs as conduits for communication between radio audiences and radio stations. Second, it attempts to assess how radio stations are using Facebook and other SNSs to engage with their audiences. The third objective is to gauge how SNSs are being used by radio stations for commercial gain. The hypotheses are two fold: first, that radio audiences and radio producers are spending increasing amounts of time interacting with one another on SNSs; and second that radio station management are successfully using SNSs to strategically build a strong online audience which can be sold to advertisers and sponsors, thus creating a new revenue stream to help grow their businesses.

BACKGROUND

The radio industry in Ireland has faced huge challenges since 2008 due to the economic recession that has gripped the country. The Independent Broadcasters of Ireland (IBI) is an organisation representing the interests of the thirty-four independently-owned commercial radio stations in Ireland. In 2013 IBI Chairman John Purcell revealed that revenue within the radio industry was down some forty percent compared to pre-recession figures (Purcell, 2013, np). It was in the context of these desperate economic times, that innovative minds within the industry spotted the potential to be gained from appropriating SNSs into the radio broadcaster’s remit and set about exploiting the power of digital media for economic gain.

Independent commercial radio stations in Ireland are privately owned and operated enterprises which rely on commercial revenue via advertising, sponsorship and investment income. Although the four public service radio stations that are owned and operated by Raidió Teilifís Éireann (RTÉ) are largely supported by the television licence fee, independent stations do not receive any direct pecuniary input from the government and thus have been under severe financial pressure. RTÉ’s radio stations meanwhile have enjoyed the safety net provided by public funding, coupled with advertising and sponsorship revenue from the commercial market where they compete with independent radio stations.

Despite the initial threat to radio posed by digital media – namely that audiences would switch off radio in favour of online podcasts and digital streaming services – radio continues to survive, if not thrive, thanks to the emergence of one of the most pervasive of digital media, SNSs (colloquially known as social media). This is due to a number of factors. First, radio is a highly flexible and adaptable medium capable of adjusting to changes in the mediascape. Moreover, it faced down the arrival of television in the 1960s and the internet in the late 1990s, both of which, many predicted, would signal the end of