

Management



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**Oh, for a life
on the
radio wave**

HAS ANYBODY REALLY READ TELESIS ?
SMALL INDUSTRY IN THE MID-WEST

Management

April 1983

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CLAIMING A turnover of £1.2 million last year, Radio Nova hopes to hit the £2 million mark by the end of this year. £2 million must amount to a significant income for operating in an area of business that many would consider illegal, and some would even go as far as to say offensive — pirate radio.

"Nova Media Services Ltd" began operations in July 1981 with a capital investment of £100,000. The station employs a staff of 43 and broadcasts twenty-four hours a day from the city centre of Dublin.

Another of Ireland's major pirate radio stations is "Sunshine Radio Productions Ltd" with 42 employees and is also Dublin-based. This was one of the first independent radio stations to be set up in 1980 on a capital outlay of some £60,000. Last year, Sunshine's turnover realised the comparatively modest sum of £253,155.

The only source of income for both these stations is the advertising that they carry. Although there are few others as well organised or making anything remotely approaching the above sums, the mere fact that there are about 14 pirate radio stations operating in the Dublin area alone with a total of over 70 pirate transmitters secreted away throughout Ireland's countryside, seems to suggest that there's real money in it.

Piracy of the airwaves is not a new phenomenon and was common throughout the continent in the 1960s. Here in Ireland, a few vigorous attempts have been introduced in the Dáil to bridge or obliterate the pirate stations altogether, but any such legislation has been impeded by the frequent governmental changes and, until recently, seemed as unlikely as ever to be enacted.

According to Part I, Section 3(i) of the "Wireless Telegraphy Act", 1926, it is illegal to possess or operate a transmitter without a licence from the government.

"Every person who maintains, works, or uses any such signalling station... shall be guilty of an offence... and shall be liable on summary conviction thereof to a fine not exceeding £10 together with, in the case of a continuing offence, a further fine not exceeding £1 for every day during which the offence continues", the Act states.

Today, the maximum fine for contravention of this Act is still only £100. Albert Reynolds' "Wireless Telegraphy Bill" of 1979 would have increased that fine to £10,000 but it would also have made provision for a franchise to be given out to the legitimised independent local radios that would have been licensed as a result. That bill went down the road with the Fianna Fáil government's fall from power.

Ted Nealon, the present Minister of State for Broadcasting at the P+T, is now expected to table another bill, "The Local Radio Authority Bill", to the Dáil come the autumn.

OH, FOR A LIFE

There are now over 70 radio stations in Ireland and only those owned by RTE are legal. Paltry fines make it impossible to shut the "pirates" down and some of the more professional ones have seized their opportunity to grab huge listenerships. Pat Nolan has been eavesdropping on the scene.

Louis McRedmond, Head of Press and Information at RTE sees the pirates as being both illegal and immoral. "The whole thing is a question of whether or not the law matters" he feels. He also castigates the pirates for non-payment of royalties, plagiarising the news from RTE and other stations and complains of the interference caused by the pirate radio transmitters. Mr McRedmond alleges that the pirates cause interference both at home and abroad giving Ireland a bad name.

"The allegations of interference are just not true" responded Robbie Robinson, who owns and runs Sunshine Radio. "The nearest to our frequency is a German station which is four-hundred-and-eighty times more powerful than we are and we can just pick them up". Ireland's nearest neighbour is England and Mr Robinson takes these allegations of interference seriously. He says that he has checked with the Home Office in London, "and they have received no complaints".

Nevertheless, radio signals can travel quite far under certain atmospheric conditions (especially at night) as they can "bounce" off the ionosphere and be reflected to another part of the globe. But Louis McRedmond can also list instances of complaints concerning local interference on television and radios here in Ireland involving Sunshine, amongst other pirate stations, that have been confirmed by the Department of Posts and Telegraphs. However, Mr Robinson is doubtful as to whether the "interferences" reported were caused by his radio station or by a fault developing in the owner's receiving system.

As for royalties, the Performing Rights Society (PRS) functions in protecting "the creators" of music played in public under the 1963 Copy-

right Act. The authors and artists would be unable to universally monitor all channels and so the PRS does this for them. Pat Condon of the PRS finds that the quasi-acceptability of the pirates places his organisation in something of a fiscal conundrum.

The PRS refuses to grant a licence or to negotiate with the pirates because they are illegal. For the major pirate stations to have a chance of obtaining any future government licence, every opportunity must be taken to improve their credibility and they have offered to pay the PRS the royalties due to them. But since they are classified as "illegal", the PRS refuses to enter into a contract with them. This "catch 22" has cost the PRS's guardianship nearly £100,000 last year in lost revenue. By comparison, RTE paid £404,361 in royalties for 1981. "We find ourselves in an embarrassing situation" said Mr Condon.

If they decide to "go after" one station, to be seen to be fair, they would be constrained to pursue all Ireland's pirate stations.

"We depend on government legislation and the goodwill of the Irish Government to survive". According to present legislation and PRS's counsel, any contract entered into with the pirate stations would not be legally binding. The ambivalence of the situation becomes even more poignant when one considers that both Sunshine and Nova have registered company status in the city.

Sean Hurley, Chairman of the Irish Area Council for the National Union of Journalists, explained that their policy towards the pirates was in the process of finalisation but would almost certainly be along the lines of non-co-operation.

"The pirates do not employ any NUJ members as far as we know nor do they provide fair competition because they employ part-timers", he charged. Both Nova and Sunshine reject this and claim to have members of the NUJ on their staff. Nova claimed only three part-timers although Sunshine claimed 17, "including the cleaning staff".

Mr Hurley claims, too, that they steal the news from RTE and the other media, simply re-gurgitating it on their bulletins. This is not denied, though applications to have news service lines installed were blocked — presumably due to the NUJ's tacit policy of non-co-operation. His final reason for denouncing the pirates was that they steal advertising away from RTE and the newspapers. (contd. on page 20).

ON THE RADIO WAVE



The paradox continues in a number of different directions. Ignoring for the moment the illegal status of the pirates (a description that is impugned by Robbie Robinson), in other respects, Sunshine and Nova have integrated remarkably well into Dublin's business community. "Nova Media Services Ltd", can be found in the telephone directory. Radio Dublin can be found in the Yellow Pages. The Department of Posts and Telegraphs supplies both Nova and Sunshine with telephone lines and the pirates are frequently involved in various promotional activities out and about in Dublin. Both Sunshine and Nova have accounts with the Bank of Ireland.

Radio Nova's Advertising Manager, Mike Hogan adds, "There are only two commercial radio stations operating as limited companies in Dublin — Nova and Sunshine." Both stations strive to attain "respectability" over the less professionally organised radio stations. "No other independent radio station returns their PAYE and PRSI other than Nova and Sunshine," says Mr. Hogan. "We have directors and dividends to meet and we actually run limited liability companies." Radio Nova operates from 19 Herbert Street in the city and Sunshine Radio broadcasts from The Sands Hotel, Portmarnock.

However, another of Ireland's pirate stations operating as a limited company is Southcoast Radio in Cork. Their Station Manager there, Don Stevens believes that they have an anodyne role to play in the lives of the people of Cork and environs. "We have a specific duty to our listeners to broadcast for their benefit," he says.

On the question of alleged interference with legitimate broadcasting stations such as RTE, Don Stevens was distinctly under the impression that any interference in the area was of RTE's making and was directed against Southcoast Radio.

Southcoast Radio had never been approached by the International Telecommunications Union concerning complaints of interference with stations abroad. He had little time for RTE's castigations and believed that RTE was not up to the job of broadcasting nationwide.

"Speaking for people down here in Cork" he said, "they feel RTE is a Dublin-based station for Dubliners. Only permitting four hours a day for local radio affairs is ridiculous. The government, by their lack of action, show support for independent commercial stations."

Like all of the commercially independent stations, they are a "music-based station". They employ 22 full-time employees some of whom work twelve to fourteen hours per day and the station pays PRSI and Tax.

Market Segmentation. The major segment of the pirate radio listening

In-Car Radio Listening in Dublin

by Ken Grace, Media Director, Wilson Hartnell Advertising & Marketing Limited

With the high cost of television advertising, radio is becoming an increasingly important medium. However, the data is contradictory. But Wilson Hartnell Advertising and Marketing Ltd in conjunction with Lansdowne Market Research conducted research on listenership in cars late last year. Ken Grace from Wilson Hartnell reported on this research for the agency's house magazine 'Input'.

One area not specifically probed, is that of in-car listening and to address this, Wilson Hartnell, in conjunction with Lansdowne Market Research, recently undertook a Pilot Survey of in-car listening in the Dublin area in late 1982. The basis of the study was the monthly National Omnibus Survey and with a sample of 420 in Dublin, it was found that 41% of all adults in the area own/have regular use of a car and 61% of Dublin car owners/regular users have a Radio/Radio Cassette in their car. The following highlights emerged:-

Car Owners/Regular Car Users—Dublin

- (a) 41% of All Dublin Adults own car/have regular use of car.
- (b) Men outnumber women two to one as regular car users.
- (c) Almost half are in the under 34 age group.
- (d) Almost two-thirds are in the 25-49 years of age group and almost two-thirds are in the ABC1 socio-economic group.
- (e) Almost four out of every five regular car users in Dublin are married.

It can be seen, therefore, that the average regular car user in Dublin is predominantly male, married, comes from the upper/middle class and is comparatively young.

Some very interesting figures on "listened yesterday anywhere" patterns emerged for Dublin Car Radio Owners in comparison to the National Adult listenership. For example, the proportion of Dublin Car Radio owners listening to Radio 1 at 53% is similar to the national figure of 54% obtained from this particular Omnibus Survey. However, RTE Radio 2 decreases somewhat while the dominant "Pirate" stations in Dublin increase significantly:—

market in Dublin is shared between Nova and Sunshine. Reliable figures of pirate radio's share of the overall listening market are hard to find and furthermore, generally acceptable figures do not exist. Some time ago, two market surveys on radio listenership were undertaken separately by Lansdowne Survey Services Ltd and the Market Research Bureau of Ireland for Radio Nova and RTE respectively.

The findings of these surveys have been the focus of much controversy, resulting in the Marketing Society requesting that the figures be disregarded for the present. In the meantime, a report on the matter has been produced and a more reliable method of obtaining audience listening figures is being sought by the Society who are to lay down procedures for future radio listenership surveys, as the methodology in the past was considered unsatisfactory.

The Council of the Marketing Society investigated the research studies with the assistance of independent expert advice via the co-option of a nominee of the Market Research Society in Great Britain.

No evidence was found to oppose the belief that "... each study conformed with the Society's code of marketing research practice", according to the Report. However, they did find a number of "... significant technical flaws and procedures in both surveys which were of concern to the Council."

The MRBI study commissioned by RTE asked station detail questions before asking when the interviewee had listened to radio last. In the opinion of the Council, this technique is arguably undesirable. There was insufficient provision for recording those who had listened to the radio on the day of interview. Visual aids tended to be biased towards RTE. Minimal

However, perhaps the most enlightening figures to emerge from the whole piece of research are those for "Solus in Car" Listenership to the individual Radio stations:—

Also interesting was where this listenership by Dublin Car Radio Owners took place. The findings indicated that there was a close similarity between Dublin Car Radio Owners listening "within the car" and "outside the car".

It can be clearly seen that the "Solus in Car" Listenership amongst Dublin Car Radio Owners is quite significant and the next question is obviously to determine the times of day when Dublin Car Radio Listeners can best be reached within their car.

Whilst "In-Car" listenership figures to individual Radio stations within broad time segments were detailed within this "Pilot Study", the sample base was obviously too low as a basis for firm judgements. There is, however, strong evidence to suggest that a higher coverage of Dublin Car Radio Owners can be achieved as a result of "In-Car" listening, by using certain time bands. This information could have an important influence on time buying policy for a number of particular products and Wilson Hartnell will be progressing further related research with Lansdowne in the near future.

Listened Yesterday Anywhere	National Adult Listenership	Dublin Car Radio Owners
Any RTE Radio Station	72%	68%
RTE Radio 1	54%	53%
RTE Radio 2	37%	24%
Radio Nova	11%	30%
Sunshine Radio	4%	15%

DUBLIN CAR RADIO LISTENERS

Listened Yesterday	"Not in Car"	"Within Car"
Any RTE Radio Station	42%	48%
RTE Radio 1	31%	33%
RTE Radio 2	13%	18%
Radio Nova	21%	21%
Sunshine Radio	11%	9%

DUBLIN CAR RADIO LISTENERS

Listened Yesterday	Listened Yesterday Anywhere	Listened Yesterday "Not in Car"	"Solus in Car" Listen- ership
RTE Radio 1	53%	31%	22%
RTE Radio 2	24%	13%	11%
Radio Nova	30%	21%	9%
Sunshine Radio	15%	11%	4%

exposure to the News Headlines was counted as having listened to the radio on the day in question.

The LMR study by Nova may have decreased claims by the use of an overall filter question and by cancelling out any claims not backed up with programme recall, aided or otherwise. The visual aids were biased towards Nova. Interviewer instructions emphasised brevity.

The differences in the two interviewing techniques could go a long way towards explaining the different listening figures obtained by the two companies.

There were some points of significant difference in the two surveys.

The timing of the survey. A Nova promotion running throughout the LMR survey was a possible source of bias. The promotional campaign was being conducted during the course of the survey although LMR's own enquiries revealed that promotions continued before, throughout and subsequent to their survey. They thus omitted it from their reckoning. The promotion was not running during the earlier survey, however, and this must be taken into account.

The fact that the surveys were con-

ducted six to seven weeks apart was thought to have contributed a possibly minor change in the relative listening figures.

The survey design. The location where the interview took place is not made clear by LMR (home, work, street, etc). The LMR survey was predominantly carried out in the street and the interviews suggested brevity unlike the MRBI survey. The latter difference seemed unable to account for any major degree of significant bias. The difference between the home and the out-of-home interviewing brought out two possible effects on the results.

- Street interviews may have tended to be shorter and, conversely, home interviews may have tended to have been longer than necessary for standard times for consideration of recall. Despite demographic weighting being carried out, since neither survey recorded actual interview lengths, there is no way of evaluating this possibility.

- There was a tendency for those interviewed at home (as opposed to out-of-home) to show greater allegiance to RTE and less to Nova. The opposite situation prevailed out of home.

The Report suggests that "... had the LMR survey been conducted all in-home, the results for RTE would have been higher and those for Nova lower." On this point the Report concludes that the scale of all these effects is not alone capable of explaining the different results between the two surveys.

- Quota setting and weighting. There appear to have been no quotas set for any socio-economic groups being analysed separately by either market research company. The two samples applied their quotas in different manners and drew their population targets from different sources. Employment status was not considered in quota controls for either sample.

The conclusions reached by the Report on the demographic differences, are that such sample profile differences cannot account for the differences in published results. The Report calls for stricter sampling techniques in the future.

- The questionnaire and interview. Unsatisfactory prompts and recall aids by both market surveys.

Here, basic discrepancies between the two overall figures for audience listening were discussed. MRBI's visual aid itemised specifically the News and Weather on RTE for every quarter of an hourly occurrence on that particular channel whereas no indication of News and Weather was indicated for Nova or Sunshine. On the other hand, the LMR survey was found to have presented a more impactful visual aid bearing a coloured Nova logo as opposed to the "less emphatic" Irish Times Programme listing for the RTE

	Any Radio	Any RTE	RTE1	RTE2	Nova	Sun- shine
MRBI (RTE)	94%	71%	46%	46%	42%	12%
LMR (Nova)	77%	39%	22%	24%	41%	11%

programmes to help prompt the interviewers' memory. Thus, "... the relatively less impactful newspaper listings for RTE could have depressed claims."

By collecting the listener and non-listener data separately, and in two parts, LMR's technique was deemed to be confusing.

The criteria used to determine whether one had actually "listened to" the radio were also criticised. The MRBI survey tended to take it that if one had heard any part of the News on RTE Radio, however briefly, during any part of the day whatsoever, positive listening was established. "The News Headline" argument suggests that more people who only heard the news headlines on RTE, however briefly, were included by MRBI compared with LMR figures.

On the other hand, LMR would not accept a person as having listened if they could not pick programmes from a programme prompt.

Since they are concerned with the overall standards of market research, the Marketing Society feel that they should arrange for the setting of standard measurement procedures for future radio listenership surveys along the lines of the Joint National Media Research Programme.

Anomalous disputes about the veracity and reliability of readership studies in the 1960s led to the JNMR data being used as a standard technique.

The advertising break-down. For advertising purposes, the main market segment on the radio runs from 0700 am to 1930 pm. There can be little doubt about the power of advertising over the air. Advertising agencies, though naturally concerned about pirate radio, are duty-bound to secure the best results for their clients. Radio Nova charges £30 for a thirty second spot during peak time as opposed to Radio 2's charge of £23 for a local fifteen second spot or £46 for a national one.

However, there is no shortage of people advertising on RTE according to Brian Pierce, Manager of Radio Sales at RTE. Radio One and Two's net income from advertising last year was £9 million which was twenty per cent up on the previous year. In addition, unlike the independent commercial stations such as Nova which carry up to nine minutes of advertising per hour, RTE is limited to six minutes.

Other differences of approach between RTE and the pirates readily manifest themselves.

Nova's marketing techniques are brash, vigorous and aggressive — actively reflecting the American "hard sell" ideology. Nowhere is this more apparent than in talking to Radio Nova's Advertising Manager, twenty-two-year-old Mike Hogan.

Nova's policy is to play established chart hits only. "We're not in the

business of breaking-in records. Our business is to keep the listener happy. Keep him there and make him buy cookies."

Some of their popular selling techniques are undoubtedly and unashamedly forward, not to say meaningless. Mr. Hogan's claim that "we sell so aggressively" cannot be denied and in the past, selling the station has utilised the ploy of accosting people in the street and asking them why they like Radio Nova — blatantly offering them £10 to reply, "Because it plays the best music".



Nova's Mike Hogan. "Sell more cookies".

Not content with having one station, Nova has launched a second, "Kiss FM", based on another station of the same name in Los Angeles.

"Market segmentation was essentially the reason why we opened the second station." They felt that with Nova having such a large share of the listening market (a conclusion based on the now discounted surveys mentioned earlier), an unhealthy intrinsic complacency might be liable to seep in. They introduced Kiss FM into the FM band to test market it, "to see if we could develop a good FM station in the city." (And, one must suppose, to enjoy the benefits of increased opportunity to sell more "cookies".)

Chris Carey's entrepreneurship has also extended to "Nova Park", a night-club in Rathfarnham.

Nova's approach must be anathema to RTE's Louis McRedmond who believes that "the airwaves are the property of the nation and not those of any particular segment which happens to meet best the commercial requirements of an industrial broadcasting station." He points out that RTE was legally allocated its frequencies by the government, unlike those "stolen" by the pirates.

Everything about Nova's appearance seems to reflect the idiom of the Los Angeles "go-get-'em" shibboleths. As

soon as the phone is answered, the receptionist blandly informs one that "Nova plays your favourites — Good-morning". Indeed Mike Hogan, himself, speaks like a man who has been successfully inculcated by Nova's appeal. "It's Nova playing your favourites" and "It's Kiss playing the hits," he intones, enraptured.

"Playing" seems to be the operative word with the major pirate stations as the dawn to dusk music played would appear to leave little room for having to consider stronger editorial programming. This wall-to-wall panoply of music, more than punctuated by the lifeblood of advertisements, leaves little time for any non-music or magazine programmes. Radio Nova only concedes half an hour per day, between seven and seven-thirty in the evening, for "Dublin Today".

Their marketing and promotion strategies tend to mimic their scion's original LA namesake, "Kiss FM", where millions of dollars have been spent there promoting one particular disc jockey — Rick Dees. Mike Hogan sees a would-be similar situation here. All that is lacking is a personality approaching similar stature. "If we were to get Gay Byrne on Nova, we'd spend a lot of money selling him. That's the kind of aggressive marketing that there is in LA" he stated.

With such a purely commercial outlook, responsibility to the public and minority interests are not exactly considered a *sine qua non* amongst Radio Nova's priorities of profit.

"As soon as you start putting funds into a station because it can't meet repayments, that is the time that you should question whether or not you should be in commercial radio or whether or not you should change the format of a radio station", believes Mr. Hogan.

As a purely commercial venture, Nova is undeniably a success. Much is attributable to their propitious cashflow situation.

"Everybody who advertises with us pays in advance. We pay the advertising agencies a higher commission because we expect them to pay in advance." This cashflow situation allows them more flexibility and thus, as the money comes in, it goes out.

Mike Hogan claims, "We're probably one of the best credit ratings in the city," though they have never had need of it. Perhaps it is just as well considering the possible consequences with respect to contracts and legal status.

Just where the money goes to when not being re-invested back into pirate radio is a contentious issue. Nova's Managing Director and owner, Chris Carey, also owns a UK computer company, "Compshop Ltd." and reputedly lives in London though he does own a house in Dublin's Rathfarnham district. So, does the

plunder of the pirates go abroad? I asked Sunshine's Robbie Robinson. A vehement denial on his part for Sunshine Radio Productions Ltd was received.

"Sunshine Radio is a wholly-owned company. All major shareholders are Irish Nationals resident in Ireland," he told me.

The staff of Radio Nova are all young, ranging mostly in age between 20 and 29. There is no denying that profits can be made at Nova through hard work and dedication. And a final selling point from Mike Hogan: "We **do** have a good radio station. We **do** sell cookies. We **do** probably have the most effective cost per thousand in the city on the radio scene. And we are successful only because we are aggressive in the market-place and have a small, tight, hard-working staff."

More significantly, perhaps, "There is no guarantee of employment in this company . . . there's always someone around the corner who can do the job better." Lack of job security must greatly facilitate that hard-work ethic amongst the forty-three staff at Radio Nova.

Mike Hogan sees competition, both internal and external as a good salutary measure.

"It would be a great pity" he said, "if radio ends up being an RTE or state run

situation. I believe that the strength of competition is very relevant to RTE Radio Two's vast improvement over the last two years in the eyes of the public. The reason is because they have competition." This is denied by Brian Pierce, who says "RTE has been competing successfully against BBC Radio and Radio Luxembourg for years."

Many do not look favourably on the idea of a total domination of broadcasting by RTE for a number of reasons. But Louis McRedmond argues that it is not possible for RTE to have a monopoly in such a situation. "There is no monopoly in the sense that we can, because of an absence of competition, push up our price for advertising." RTE, he points out, is a publicly-owned company.

And the future . . . RTE has placed with the government their proposals for the future of local radio and these do not leave room for commercial radio in its present format. The proposals are to set up nationwide county community radio with the community's interests at heart. "Resources would be organised to provide nationwide community radio which can be directed towards serving the whole community," said Mr. McRedmond.

"We have a wish for a more community based approach. On that point

we don't believe that commercial enterprise would be interested in areas of comparatively small population that would not produce a profit." He wouldn't like to see the pirates granted a licence as this would appear to be condoning what he considers to be the present flagrant breach of the law.

Naturally enough, the pirates would like to see the introduction of licences. The reasons are self-evident. "As a company, we can't plan ahead when we are not licensed," pointed out Mr. Robinson.

As for radio's future generally, Mr. Hogan feels that it lies on the FM dial over the next few years where better quality can be achieved with stereo broadcasting. He takes a stoical attitude over the frequent scare-mongering in the press about imminent government clampdowns and waits patiently to see the concrete result of these rumours. When a bill has been tabled to the Dáil, the pirates take an interest.

He doesn't foresee any great change in the present radio scene. Perhaps a few more stations will open up. A few more will go to the wall. The government may or may not legalise independent radio.

"We'll certainly apply for a licence, if it becomes available."

They may or may not be granted one.