THE MUSIC OPPORTUNITY
In 2015 RNZ set itself a target of doubling its total audience from 600,000 New Zealanders (14% of population) per week to 1,000,000 (28%) New Zealanders per week by 2020.

- In March 2019 the 1 million mark was achieved.
- This growth has been driven primarily by the news related content of our news-centric channels - RNZ National, rnz.co.nz, and third party content sharing partnerships.

- For the year commencing July 2019 RNZ has set itself a new target of “1 in 2 New Zealanders” (50%) by 2023 by “creating a lifelong relationship with all the people of Aotearoa”.

**QUESTION:** How can RNZ drive the next level of growth necessary to achieve this new goal?
ANSWER:

1. By attracting completely new and different sectors of the New Zealand population, and

2. With the news-orientated audience already well catered for, by creating some completely new and different brands and content to attract these distinctly new and different audiences in sufficient numbers.
The opportunity for new audience is clear

RNZ current audience heavily skewed older

RNZ current audience heavily skewed pākehā
RNZ does very well meeting the needs of its older pākehā audience, BUT....

- RNZ is under-performing with younger New Zealanders and a range of other (non-pākehā) ethnicities.
- RNZ cannot meet its Charter obligations without broadening the diversity of its audience.
- RNZ will not be able to achieve its goal of reaching one-in-two New Zealanders, or have a “life-long relationship” with them, without attracting additional new diverse audiences.

So, what can RNZ do to attract younger and more ethnically diverse New Zealanders?
- Younger New Zealanders are more likely to consume music than they are news and current affairs.

- Music is a strong element of the Māori & Pasifika cultures – RNZ currently significantly under-indexes with these communities.

- Local music is an integral element of NZ’s cultural identity and the RNZ charter.
  - RNZ currently under-delivers with its music, especially NZ composition and NZ performances.

Music is the way to reach these new audiences
A new music based service is also essential for achievement of RNZ’s strategic objectives and charter obligations.
In achieving its purpose, Radio New Zealand must endeavour to provide services of the highest quality which:

a) are predominantly and distinctively of New Zealand:  

b) inform, entertain, and enlighten the people of New Zealand: ✔ ✔

c) are challenging, innovative, and engaging: ✔

d) foster critical thought, and informed and wide-ranging debate:

e) stimulate, support, and reflect the diversity of cultural expression, including drama, comedy, literature, and the performing arts: ✔ ✔

f) stimulate, support, and reflect a wide range of music, including New Zealand composition and performance:

g) reflect New Zealand’s cultural identity, including Māori language and culture: ✔

h) provide awareness of the world and of New Zealand’s place in it:

i) provide comprehensive, independent, accurate, impartial, and balanced regional, national, and international news and current affairs:

j) provide programmes which balance special interest with those of wide appeal, recognising the interests of all age groups: ✔ ✔

k) contribute towards intellectual and spiritual development:

l) include an international service to the South Pacific in both English and Pacific languages:

m) take account of services provided by other broadcasters:

n) take advantage of the most effective means of delivery:

o) preserve and archive broadcasting material of historical interest.

A new music based service is also essential for achievement of RNZ’s strategic objectives and charter obligations
LOCAL CONTENT & CHARTER OBLIGATIONS

The level of local NZ music played on RNZ Concert is very low - NZ Performances = 18%, NZ Compositions = 4%.

- This is very low for a publicly funded broadcaster, let alone one with the Charter obligations of RNZ to reflect NZ’s cultural identity.

AUDIENCE REACH & DIVERSITY

RNZ Concert’s audience is the largely the same audience that also listen to RNZ National, (60% shared), and does not add much to overall reach and diversity of RNZ’s total audience.

- This is a lost opportunity to use one of our two radio assets to reach new and different audiences.
- By adding only an additional 69,800 listeners to RNZ’s total reach is a very poor audience return on investment in RNZ Concert.

FINANCE & RESOURCING

With 18 FTEs and an operating budget of $3.8M per annum (direct costs only – scheduling, presentation, production & TX) is very inefficient compared to other music stations in NZ.

- There is considerable scope to operate more cost-effectively.
- RNZ could achieve a significantly higher return on this investment if it was directed towards audiences that did not have a 60% duplication with RNZ National.
RNZ’s total combined (unduplicated) radio audience = 669,600

RNZ National total audience = 599,800
RNZ National unique audience = 504,000
RNZ shared audience = 95,800 (60%)

RNZ Concert total audience = 165,600
RNZ Concert adds 69,800 unique listeners

Concert exclusive audience = 69,800
Therefore, irrespective of whether or not RNZ elects to launch a new music based service for new audiences, setting a new direction for RNZ Concert is essential in any event.
With the current RNZ Concert service under-performing, and

- a need for RNZ to broaden both the reach and diversity of its audience,

there is the opportunity to create a significantly new and different RNZ music service that will allow RNZ to extend its audience into new sectors of the New Zealand population, without the need for additional funding.
The Ten New Zealanders

- Globalist
- Curious - Grazer
- Curious - Intellectual
- Company Seeker
- Tell-it-like-it-is Sports Fan
- Community Minded
- Social Connector
- Relax and Unwind
- Go-getter
- Unengaged
Segments presenting the best opportunity to grow

Total = 1,646,653 New Zealanders

Relax and Unwind
(469,938 people; 13% of population)

They’ve had to think during their day, so when it comes to media content they just want something that allows them to **mentally switch-off and relax**. They want simple, easy to follow storylines — something that is not mentally taxing.

Social Connector
(552,647 people; 15% of population)

Young men and women in their 20s. Social media is part of the fabric of their life. They’re looking for content that lifts their mood — something that makes them laugh, or inspires them, or **simply music**. They’re also wanting to connect — through a shared interest or activity, or that gives them something to share with friends … something that has shock value (“OMG did you see when …”).

Go-getter
(169,178 people; 5% of population)

These young men have a desire to succeed and get ahead. They’re looking for content that gives them an advantage whether it be for work (business and finance content), life (investments), and generally (tech). They want to feel they’re a step ahead.

Unengaged
(454,890 people; 12% of population)

They’re typically young men with little interest in news and information. They’re more interested in entertainment — particularly content that allows them to connect with others — however they consume a lot less media than the other groups.

They do like listening to music.
The 10 New Zealanders are more interested in listening to music than interviews or documentaries about music.
The Go-getter and Social Connector are also likely to be younger and from Auckland.

<table>
<thead>
<tr>
<th>Total population*</th>
<th>Globalist</th>
<th>Curious - Intellectual</th>
<th>Curious - Grazer</th>
<th>Company Seeker</th>
<th>Tell-it-like-it-is Sports Fan</th>
<th>Community Minded</th>
<th>Go-getter</th>
<th>Social Connector</th>
<th>Relax and Unwind</th>
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</thead>
<tbody>
<tr>
<td>Under 35</td>
<td>31%</td>
<td>17%</td>
<td>32%</td>
<td>45%</td>
<td>1%</td>
<td>5%</td>
<td>8%</td>
<td>46%</td>
<td>67%</td>
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<tr>
<td>65 and over</td>
<td>17%</td>
<td>26%</td>
<td>13%</td>
<td>11%</td>
<td>56%</td>
<td>42%</td>
<td>27%</td>
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<tr>
<td>Auckland</td>
<td>32%</td>
<td>36%</td>
<td>27%</td>
<td>23%</td>
<td>16%</td>
<td>25%</td>
<td>26%</td>
<td>57%</td>
<td>47%</td>
</tr>
<tr>
<td>Live in a provincial city or town**</td>
<td>33%</td>
<td>26%</td>
<td>27%</td>
<td>33%</td>
<td>48%</td>
<td>41%</td>
<td>40%</td>
<td>13%</td>
<td>24%</td>
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</table>

Percentages represent incidence of under 35s or people living in the city/area in the segment (e.g., read as 17% of Globalists are under 35).

Green bubble indicates over-indexing relative to incidence in population.
The Go-getter and Social Connector are likely to be Māori, Pacific, or Asian.
<table>
<thead>
<tr>
<th>Age Group</th>
<th>Station 10-17</th>
<th>Station 18-34</th>
<th>Station 35-49</th>
<th>Station 50-64</th>
<th>Station 65+</th>
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<tr>
<td></td>
<td>The Edge</td>
<td>The Edge</td>
<td>More FM</td>
<td>RNZ National</td>
<td>RNZ National</td>
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<td></td>
<td>More FM</td>
<td>ZM</td>
<td>The Rock</td>
<td>The Breeze</td>
<td>Newstalk ZB</td>
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<tr>
<td></td>
<td>ZM</td>
<td>Mai FM</td>
<td>The Breeze</td>
<td>Newstalk ZB</td>
<td>Magic Talk &amp; Music</td>
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<td>The Hits</td>
<td>The Rock</td>
<td>The Edge</td>
<td>The Sound</td>
<td>Coast</td>
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<td></td>
<td>Mai FM</td>
<td>More FM</td>
<td>ZM</td>
<td>More FM</td>
<td>The Breeze</td>
</tr>
</tbody>
</table>

GfK S3 2019: Total NZ, All People 10+, Mon-Sun 12mn-12mn

**RNZ in the radio market**
Vision

**RNZ MUSIC v 2.0**

RNZ creates an entirely **new brand for young NZ** (all 18 – 35)

RNZ Music v 2.0 utilises **traditional broadcast** and **new digital technologies** to generate and share content. Content that is curated by **influencer talent** that RNZ will source from within the diverse target audience. This will foster a sense of strong national identity and will **promote NZ culture** to a young Aotearoa.
Content Delivery

Radio. New Music Brand
(and music on RNZ National)

Online:
RNZ.co.nz - Video - Streaming - Content

Social
Facebook, Instagram, Snapchat, YouTube
Brand

- Broad appeal format reach a wide audience vs. a niche approach.
- Non Genre Specific Playlists. Genre is no longer relevant to this audience. Market research and streaming data has borne this out.
- Driven by diverse range of influencer talent and personalities.
- This strategy will be driven by a new product team based in Auckland and an injection of fresh and diverse presentation talent.
Talent

- The new team will be Gen Z and Millennials.
- They will have social clout within the new audience.
- They live the life and reflect the audience’s lifestyle back upon itself.
Talent

- On Air Talent are no longer just radio announcers. They are musicians, comedians and social media content creators.

- They use influence within the community to spread the message far and wide to RNZs new social audience.

- The RNZ content integrates seamlessly within their personal feeds.
An example of best practice in this space. Ebro Darden. Hot 97 (New York) Beats 1 Radio

On his own personal ‘gram, he carries Beats 1 content and his own curated content.
Ebro cleverly teases content on his Instagram story before posting that content on his Instagram.
Not only does the interview live on Ebro’s social. It also has a home on Apple’s own Beats 1 Social, the App and the Beats 1 live radio broadcast.
RNZ Music Online

- YouTube
- Facebook
- Instagram
- Twitter
- App
- Streaming Services
RNZ Music playlists on Spotify / Apple Music and other streaming services extend brand reach and offer further artist partnership opportunities.
How will it look?

- Multimedia Studios
- Social Media hubs delivering content from the studio
- Snackable video!
- Brand agnostic / Multi purpose
How will it look

• Event Partnerships
• Live performance recording
• Video and Audio live to social media
• Brand Marketing opportunities
How will it look?

Event Partnerships deliver exclusive content for playback across all channels. 
RNZ Music in front of big audience 
Bringing big moments to young Aotearoa
RNZ’s total combined (unduplicated) radio audience = 669,600

RNZ National total audience 599,800

RNZ National unique audience 504,000

RNZ shared audience 95,800

RNZ Concert total audience 165,600

RNZ Concert adds 69,800 unique listeners

Concert exclusive audience = 69,800
RNZ’s total combined (unduplicated) radio audience = 727,000

RNZ National total audience 599,800
RNZ National unique audience 563,000
RNZ Music Radio Total audience 165,000

Unique audience increases from 69,800 to 127,000
RNZ shared audience reduces from 95,800 to 37,000

Music brand exclusive audience = 127,900
(with same audience size but different composition)
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<thead>
<tr>
<th>Year</th>
<th>Total</th>
<th>10-17</th>
<th>18-34</th>
<th>35-49</th>
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Projected FM Audience
RNZ Concert future state - Options for current listeners

- FTA channel 51 + SKY TV audio
- Mobile App and Streaming partnerships
- Website streaming and Concert broadcast
### PROJECT APOLLO
THE RNZ MUSIC OPPORTUNITY

#### Timeline – to launch mid-2020

<table>
<thead>
<tr>
<th>Phase</th>
<th>Task 1</th>
<th>Task 2</th>
<th>Task 3</th>
<th>Task 4</th>
<th>Task 5</th>
<th>Task 6</th>
<th>Task 7</th>
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<tbody>
<tr>
<td>Phase 1 - PROPOSAL FOR MUSIC OPPORTUNITY</td>
<td>Develop proposal for new opportunity</td>
<td>SECURE BOARD ENDORSEMENT</td>
<td>Key Stakeholder engagement</td>
<td>Develop Comm’s Plan</td>
<td>Public Announcement</td>
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<td>Task 1</td>
<td>19-Aug</td>
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<tr>
<td>Phase 2 - RESTRUCTURE CURRENT MUSIC TEAM</td>
<td>Prepare change proposal</td>
<td>PRESENT TO STAFF</td>
<td>Staff Consultation &amp; submissions</td>
<td>Close Date for Staff submissions</td>
<td>Implement change proposal</td>
<td>Affected Staff departures</td>
<td>Change Complete</td>
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<td>Task 1</td>
<td>6-Sep</td>
<td>2-Sep</td>
<td>9-Sep</td>
<td>10-Sep</td>
<td>17-Sep</td>
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<td>6-Dec</td>
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<td>20-Jan</td>
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<td>3-Feb</td>
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<td>17-Feb</td>
<td>24-Feb</td>
<td>31-Feb</td>
<td>7-Mar</td>
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<td>28-Mar</td>
<td>4-Apr</td>
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<td>18-Apr</td>
<td>25-Apr</td>
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<td>Phase 3 - INTRODUCE THE NEW</td>
<td>Complete detailed planning</td>
<td>Start recruitment</td>
<td>Technical requirements</td>
<td>New Launch</td>
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</tbody>
</table>
1. That the RNZ Board endorse the plan to implement a significant change in the direction for RNZ Music. The aim is to contribute to RNZ’s strategic objective of having a lifelong relationship with all the people of Aotearoa. This will be achieved by launching a completely new and different music service in 2020, intended to broaden the reach of RNZ’s current audience to include younger New Zealanders and in particular Māori and Pacific Islanders.

2. That the RNZ Board agree the first step will be to introduce and implement a change proposal for current RNZ Music personnel before the Christmas break of 2019. This could potentially result in redundancies for up to 20 staff and cost in the order of $209,200. Of this, $89,200 is provided for in the current budget and a further $120,000 could be offset by reduced operating costs before the new service is fully launched in mid–2020.

3. That a more detailed implementation plan for the new music service will be progressively developed and presented to the Board for their consideration and endorsement by March 2020.
Note that the objectives for the plan for the new service will include:

1. An operating budget at no more than that of the current RNZ music service, and with the objective of being at least \( s \cdot 9(2)(a) \) less for the first two years to offset the net cost of redundancies, AND

2. A range of alternatives for the current RNZ Concert listeners to continue to be able to access a RNZ classical music service, most likely not on radio, but including online, mobile streaming options.