Background

1. Belron UK Ltd, trading as Autoglass® (BUK), started advertising on radio in 2005 which was at the time its sole broadcast channel, with all of its broadcast advertising conducted via radio and, whilst BUK continue to advertise by radio, it did not begin advertising on television until 2008. BUK considered radio a core channel and typically invest in excess of £8 million on advertising each year of which about 40 per cent was spent on radio.

2. Its most recent advertising contract with Global Radio (and GMG by virtue of being the holder of the GMG national sales contract) had not been renewed since it expired in January 2011 but we were told that it would consider entering a new contract should it wish to reach a larger audience than it could achieve without these networks.

Advertising

3. BUK planned its advertising based on where it would get the most effective direct-response by using the media channels that were most cost-effective. BUK told us that when radio listening was done in-car the problem was “right in front of you” whilst the advert was broadcast.

4. BUK considered the price of radio advertising to be an important factor when deciding how to invest its money and the ability to target listeners at a regional level was also an important consideration.

5. BUK considered the regulation around radio to be less restrictive than television which meant that there were more opportunities for sponsorship and promotion. BUK has entered into radio sponsorship and promotion in the past but had not done so recently.

Media agencies

6. In order to appoint a media agency BUK approached agencies with a brief and the pitching agencies presented a strategy to meet its objectives. The winning media agency was Starcom Mediavest.

7. Even though the media agency was responsible for price negotiations with the radio broadcasters, BUK said that it had a relatively direct relationship with the broadcasters and had recently advertised with the First Radio Sales represented stations, Absolute, Jazz, Talksport and Bauer stations. In addition to this we were told that the smaller sales houses were more fitting to its recent advertising plans as the pricing was more favourable.

8. BUK said that historically it had a different model to many other radio advertisers and was less concerned about building brand awareness and more concerned with generating direct responses in terms of new business.

The effects of the merger on BUK
9. BUK did not believe that the merger would affect it in the short-term, but acknowledged that the merger could result in advertising space becoming harder to purchase.