



LR2
Uldis Duka, Director, LR2



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the

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LR2 – the only Latvian music radio channel in Latvia.



Established in 1995 by Latvian Radio (Latvian public radio, LR), one of LR2's main objectives was to create an entertainment programme service targeted at a young audience. Initially it had an allocated airtime of 8 hours per day (from 4:00 p.m. to midnight), filled by dedicated talk programmes and various kinds of music. A year later the airtime was extended to 12 hours (noon to midnight) but the network frequencies had to be shared with the (integration) channel that targeted ethnic minorities.

In 2000 LR2 became fully fledged with its own production facilities working around the clock, however, its network was only able to cover a 60km radius around the Riga area. Up to 2002 coverage of the rest of the country was made possible by sharing the “integration” channel’s network.

A bank loan of €50,000 to pay technical staff and freelancers made it possible to expand production facilities thereby allowing the channel to be on air 24 hours a day. The strategy was that the increased commercial revenue would generate a return on investment, and this turned out to be case.

Creative output

Alongside technical developments, creative output also changed. Way back in 1997 half of the airtime was filled by popular music in Latvian, but, despite its reluctance, the Broadcasting Authority allowed LR2 to abandon foreign music and the channel came up with the idea “Sing along in your native tongue!”

Today a format like LR2 is quite unique in the European public broadcasting landscape: a channel dedicated to songs produced in Latvia and sung in Latvian. Though programming includes diverse styles and covers several epochs, it mainly concentrates on current pop music as well as news, culture spots, sport, business, etc.

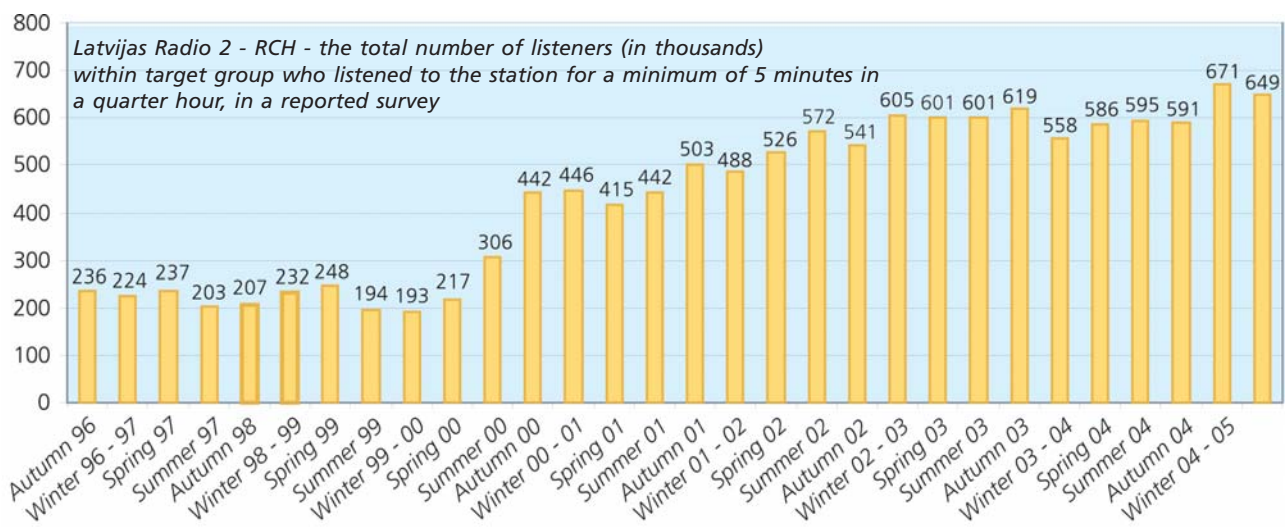
Indirectly LR2 has had a serious impact on the Latvian music market. More music records – and of higher quality – are now being produced. If a decade ago the choice of Latvian music was limited, it is no longer the case today. Ironically, Latvian commercial broadcasters which had previously neglected local pop music now pay more attention to it since its success on LR2.

The audience share of LR2 has soared from 4% in 1995 to 24% in 2005. This success is down to its staff whose numbers remain relatively modest: 8 full-time employees and 17 freelancers, and only 2 technicians. Today, 43% of LR2's audience is in the 35–54-age group, with a high proportion of women (59%).

Romantic

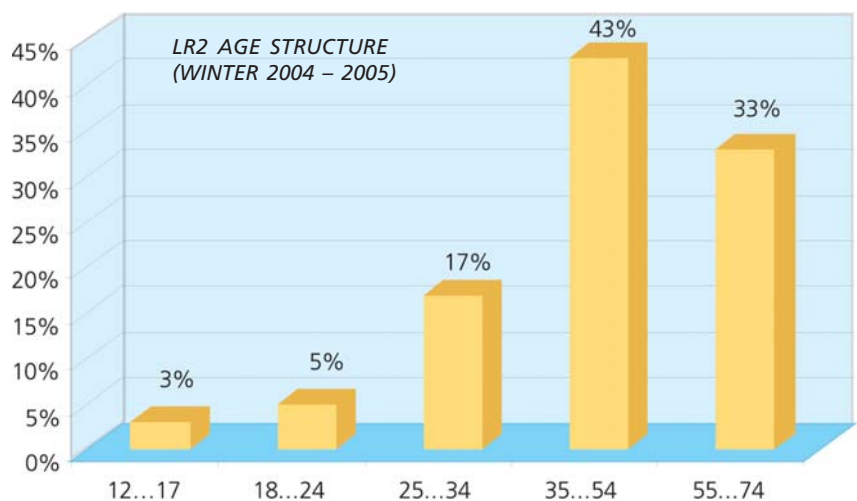
Latvians are sentimental and like to sing a lot about love! In total the sound library of LR2 holds more

music channel in Latvian

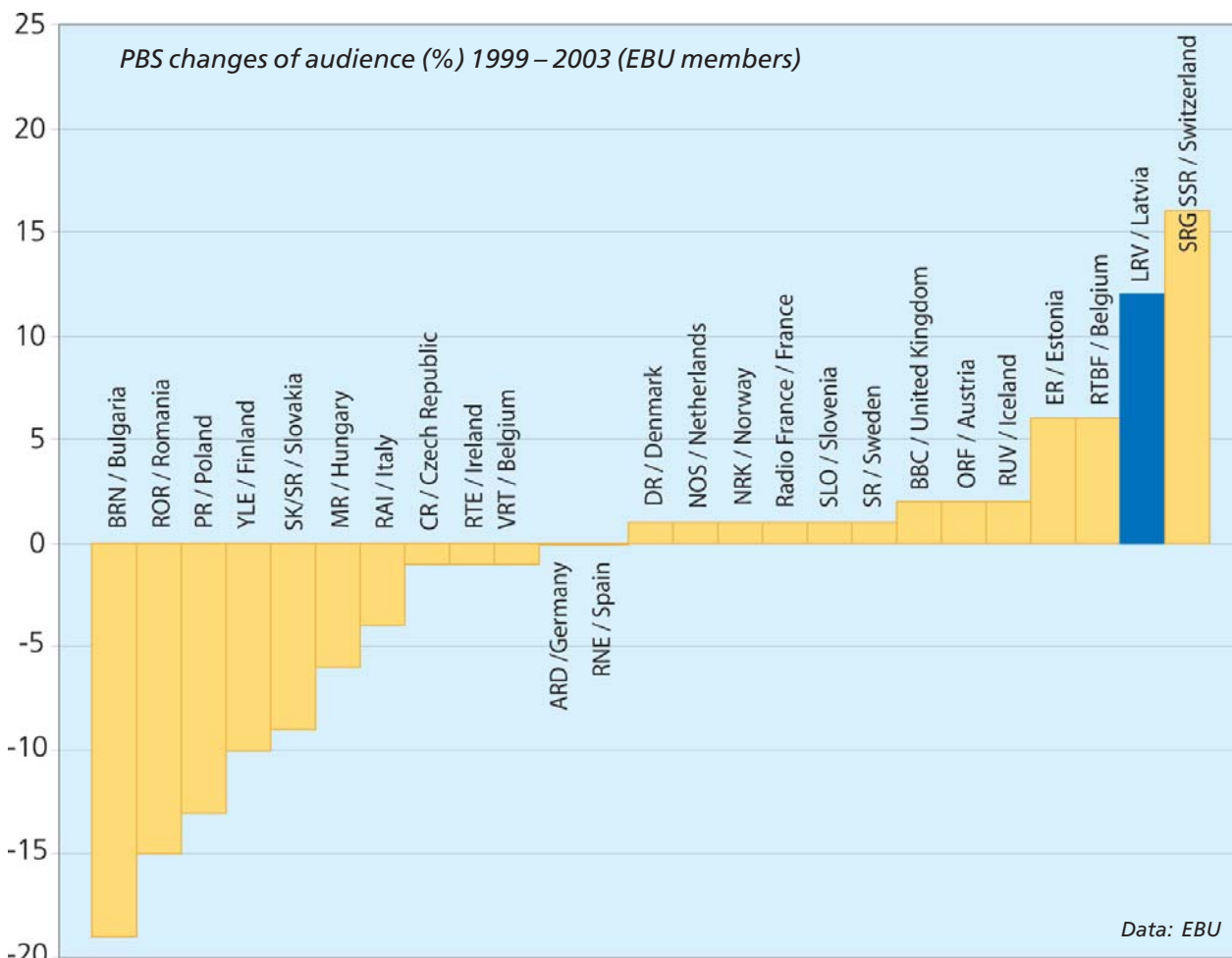


than 20,000 items of Latvian popular music, however, only 8,500 of these songs are on the play-list. A number of programmes attract audiences like magnets, in particular those that encourage listeners' letters. LR2's record of receiving an average of 2,000 letters a month from all over Latvia remains unsurpassed both by Latvian Radio's other channels and all the other channels in the country.

LR2's success in attracting larger audiences means that ethnic music can now find its place in today's music markets, despite the fact that they remain largely dominated by Anglo-American music. This is the most important message that Radio



Data: TNS/BMF



Latvia would like to send to its partners, the public broadcasters in Europe who still care for preserving cultural diversity.

Competition

Latvian Radio has to withstand tough competition and it is only due to the success of LR2 that it has been able to increase its total audience share.

Despite LR1 losing some of its listeners to commercial competitors, a number of others have probably migrated to LR2 in order to listen to Latvian music.

A study of audience dynamics shows not only steady growth but second best performance in terms of audience

growth (after SRG/SSR, Switzerland) over a four-year period (1999–2003).

Finance

Latvia has 36 radio channels for a population of 2.3 million. LR produces four programmes and participates in a fifth (NABA student radio) by providing a transmitter.

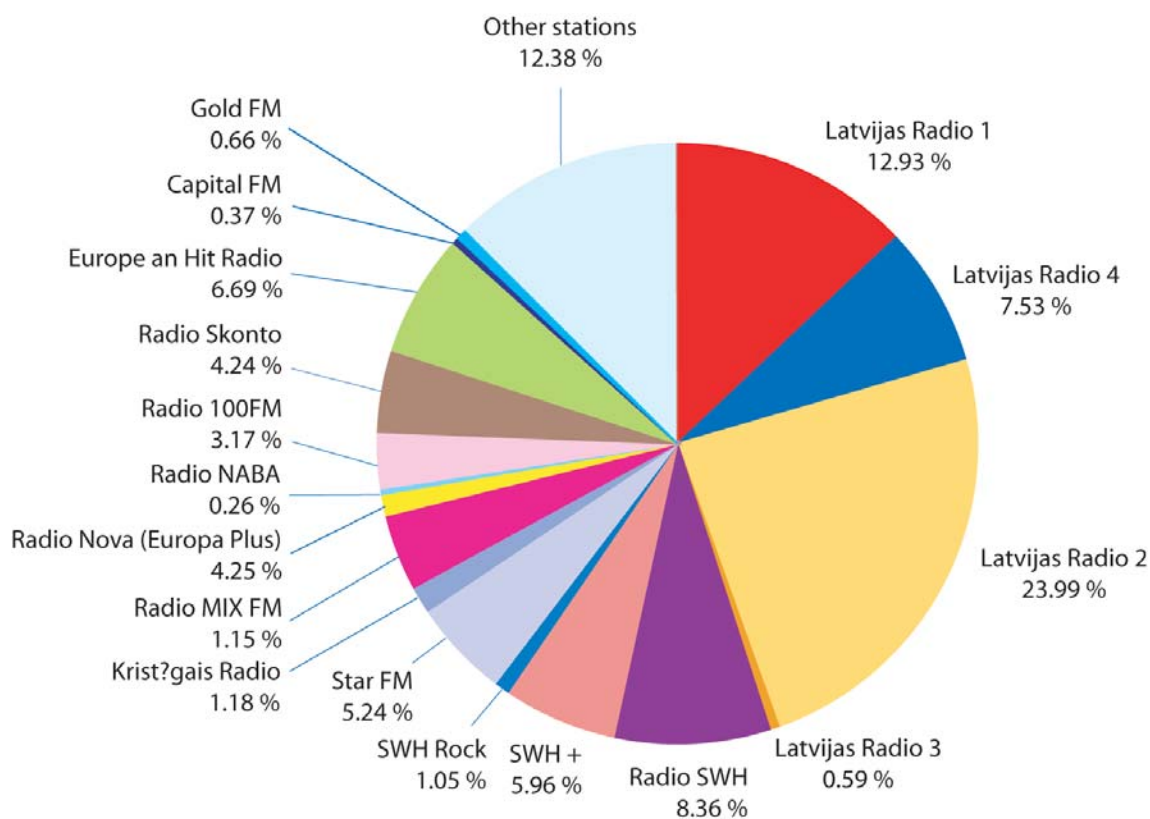
In spite of a prolonged crisis in public financing, public radio has succeeded in considerably increasing its audience. The annual allocation of public funds is roughly €4 million, commercial advertising revenue provides an additional €1.6 million. In terms of public radio spend per inhabitant, LR's income rates as one of the lowest in Europe. The public

broadcasters' total financing as a percentage of GDP is also on the decrease. In 2002 the figure was 0.18% of GDP, falling to 0.17% in 2003 and 0.16% in 2004. The average European level is 0.27% of GDP.

The new Radio and Television Bill, and Public Organizations Bill are presently under discussion.

Politicians have recently taken a decision not to introduce the licence fee; instead, the level of financing for public broadcasting as a percentage of the national budget is being mooted. The public broadcasters themselves, however, are deeply concerned about the new model.

Share of audiences of radio stations (%) - Winter 2004 – 2005



LR1, LR2, LR3 and LR4 vs. the main competitors. Data: TNS/BMF

Latvia and Radio Latvia

Latvia (area 64,000 sq kilometers, population 2.3 million), parts of which were known as Livonia and Courland through the Middle Ages, and which finally gained independence on 18 November 1918, lies on the eastern coast of the Baltic Sea, between Estonia in the north and Lithuania in the south.

The ethnic mix of the population of Latvia is largely the result of massive immigration after World War II, which resulted in a decline in the share of ethnic Latvians (originally the Lettgallians, the Couronians, the Livonians, the Semigallians and the Selonians) from 77% in 1935 to 52% in 1989.

Radio Latvia was established on

1 November 1925, and will celebrate its 80th anniversary this autumn.

It had only two programme services when it separated from the Committee for Radio and Television in 1991. Now the number of programme services has increased to 4 national and 1 local service, with modern PC technologies providing the support to its production facilities. As seen from the audience share figures, the explosion of private electronic media in 1995 means that Radio Latvia operates in a tough competitive environment, compelling it to improve efficiency on a daily basis.

The programme services LR1 (Latvian) and LR4 (Russian and minorities) are generalist services, but LR2 and LR3 specialize in music. LR3 broadcasts classical and contemporary music, but LR2 plays pop music composed and performed by Latvians.