

## EXECUTIVE SUMMARY

Broadcasting industry is dynamic and lucrative. It has the ability to influence peoples' thoughts. It must be noted that peoples' choice of preferred channels varies according to their personal perception. In 1994 a renaissance in the Sri Lankan broadcasting culture was affected with the launch of Sirasa FM. Sirasa FM started a new broadcasting subculture in Sri Lanka and was undisputed leader in the industry up until the year 2006. By this time all top five radio channels in the country were airing monotonous fast music in the evening drive time in an act to compete with one another. Since the cutthroat competition was saturated, Sirasa FM was no longer recognized as a pioneer in the evening drive time. Failure in capturing larger stake of listenership made the airtime less attractive to the advertisers, and the revenue fell short. Since the industry accepted performance indexes for commercial broadcasting is listenership and revenue, MBC was under pressure. To spearhead the competition it was thought that a new marketplace needed to be created in which the competition was irrelevant. Hence the management of MBC decided that they will move away from the existing high competition and do something totally new to capture the new marketplace. This mechanism is the Blue Ocean Strategy.

In this management case study, the author attempts study the competition that existed by 2006, the importance of creating a new marketplace, identify the components and success factors of the paradigm shift of the strategy and, validate the successful application of BOS into the Sri Lanka's radio channels' weekday evening drive times for rapid listenership and penetration growth. The effect of market rivalry towards the anticipated results will be analyzed and ultimately, the effect of market dominance in listenership to gain higher revenue will be studied.

Primary information will be gathered from interviews. The team involved in the BOS initiative – team LKTB, members of the marketing fraternity and personnel from LMRB will be interviewed face to face, over the phone or via email. Secondary information will be gathered from radio listenership survey data released by LMRB quarterly between 2006 and 2008. The impact of the identified key independent variables – *Value Innovation, Overcome Key Organizational Hurdles and Tipping Point Leadership* to the dependent variable – *Rapid Listenership and Revenue* growth with *Industry Rivalry* as a moderator will be analyzed and studied.

The application of the Blue Ocean Strategy to regain the market share was done in three layers. Firstly by Value Innovation to create complete novel experience to the listeners and create a new competition irrelevant market space. Secondly, to Overcome Key Organizational Hurdles in managing the cross functional team; and, thirdly the Tipping Point Leadership where the leadership's spirit in transforming the people, act and activities.

In value innovation, Sirasa FM choose comedy genre program with distinctive key personality. This main character was designed to have an elderly voice with a young personality. He was named as Tarzan Bappa. This was a creation completely based on voice personality and behavioral personality. This program set the new industry standards for evening drive time and many started following it. The phenomenal increase in listenership led to attract many advertisers. The rivalry in the industry has intensified the effect of the independent variables towards the rapid listenership growth. From the 5<sup>th</sup> position in Q1 2006 Sirasa FM evening drive time reached the top position by Q1 2007 and dominated throughout.

The rapid growth of listenership has made the program a trendsetting example, and became a hotspot for advertisers. The marketing fraternity confirms the reason for advertiser interest was purely the large listenership share and penetration LKTB achieved. By the end of 2007, listenership and revenue almost tripled. These achievements were recognized at the *SLIM Nielsen Brand Excellence Awards* by awarding the Silver award for the *Best Turnaround Brand of the Year 2007*.

Therefore it has been verified that, when industry rivalry exists, the application of Blue Ocean Strategy in the evening drivetime on Sri Lankan Sinhala radio channels will effectively increases the listenership and, will lead to a rapid revenue growth as well.