

Hobbyists go online - but will podcasting kill the radio star?

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By: Scott Morrison, Financial Times

They call themselves idiots, talk about their most notorious wine disasters, and teach people how to return a bad bottle of wine at a restaurant. Genuinely engaging, often funny and always down to earth, the guys at GrapeRadio are not your average radio hosts.

Their everyman charm, and a schedule that includes interviews with some of the world's leading winemakers, retailers and sommeliers, has earned GrapeRadio's three on-air hosts a small but loyal following.

"We want to take a lot of the snobbery out of wine," says Michael Geoghegan, one of GrapeRadio's founders.

But do not look for GrapeRadio on your dial: it is a podcast, one of a growing number of independently produced audio shows uploaded to the internet, so that listeners can download and listen to them at their convenience. It is a revolution that some believe could transform commercial radio.

GrapeRadio is one of perhaps 10,000 podcasts produced by hobbyists revelling in the digital era's newest form of self-expression. But it stands out because it is one of only a handful that has turned a profit.

Anyone with a computer, a microphone, free software and some technical aptitude can create podcasts. Listeners can subscribe for free, and have each programme downloaded to their PCs and to portable music players such as Apple Computer's iconic iPod - hence the term podcasting.

"The costs are very low. This is not like starting up a TV or radio station," says Michael McGuire, analyst at Gartner.

Thousands of people have already produced niche podcasts aimed at music lovers, film buffs, gays, devout Catholics, political junkies, golfers, photographers, and, inevitably, Apple aficionados. Many podcasts come across as ravings from the lunatic fringe, so word-of-mouth and websites such as www.podcastalley.com or www.ipodder.com are crucial tools for audiences seeking higher-quality podcasts.

Podcasting's potential has not gone unnoticed by traditional broadcasters. Commercial radio stars such as Rush Limbaugh, the conservative US talk show host, have started podcasting shows. Infinity Broadcasting has reformatted an AM station in San Francisco to broadcast listener-submitted podcasts. Clear Channel, the biggest US radio broadcaster, in June started making some of its regular on air content available via podcasts. The BBC radio network, Australia's ABC Radio National and Canada's CBC radio network are all experimenting with podcasting.

In corporate America, Walt Disney, the entertainment group, produced podcasts to showcase its 50th anniversary celebrations. BusinessWeek magazine says it will produce regular podcasts featuring its weekly cover stories, and General Motors began producing podcasts about its cars in February.

Mr McGuire says some corporations also hope to create podcasts to communicate with employees in order to overcome the usual dry written memo.

But nearly all podcasts are produced by independent broadcasters, some of whom are experimenting with business models.

Tim Bourquin is one of a few podcast pioneers who claim to be turning a small profit. A mountain biker from southern California, he launched Endurance Radio after realising that extreme athletes were interested in each other's stories and advice about competitions, training and nutrition.

He now produces three weekly podcasts dedicated to endurance sports and has negotiated to sign Gatorade, the sports drink maker, as an exclusive advertiser. Mr Bourquin charges \$4,000 for roughly a dozen 30-second podcast adverts over the course of a month.

Such rates may sound modest, but Mr Bourquin says his overhead is primarily measured in time and he expects to raise his fees as his 25,000-listener audience increases. He is also planning a new podcast for small business owners.

But Mr Bourquin recognises his programmes will never win huge audiences, and says podcasting technology is still too complicated for mainstream adoption.

"When we get to the point when tuning into a podcasting is as easy as tuning into a radio station, that's when it really takes off. We have to make it a lot easier for them to get it," he says.

Those issues have not stopped GrapeRadio, which has about 6,000 listeners right now. The \$1,000 sponsorships sold for each podcast are now booked through mid-August.

GrapeRadio's partners says they are just beginning. The partners recently built a \$20,000 recording studio and are targeting 50,000 listeners by year end. They are also planning a lifestyle newsletter, and hope to build enough brand identity to sell GrapeRadio wine tours and merchandise.

No one can predict when or if podcasting will go mainstream. Meanwhile, podcasters such as Mr Geoghegan and Mr Bourquin will continue to tap advertisers and perhaps eventually experiment with paid subscriptions.

But some analysts caution that podcasters motivated by profit must tread carefully, at least for now.

Podcasting owes its early success to an audience weary of predictable, advertising-laden commercial radio. A business transformation could alienate the very people that podcasting was designed to attract, says Mr McGuire.

But Phil Leigh, analyst at Inside Digital Media, says he is certain podcasting will eventually become the conventional means to broadcast audio content. "The trend is inevitable and as certain as fleas on a yard dog," he says.