

Subscribe / Join

Login



Reports + Analysis

News + Views

Market Voice

Podcast

Video + TV

About



"If you want the latest innovation and technical developments, Mi3 delivers every day."

ROGER SLATER | former Head of Segments & Digital, Citi

Leader | 15 Sep 2019 - 6 min read



Jack Singleton on talk radio as a 'circus', Alan Jones' advertiser boycotts, Singo exiting media and building his flowers empire

By Paul McIntyre - Executive Editor



Jack Singleton says Singo & Co will steer clear of future media and advertising investments. But Flowers Corp is staying. Photo : Nic Walker, Nine



"For thought provoking, no nonsense news and information, look no further than Mi3."

JO GAINES

AVP, Digital360 at Salesforce

As the latest storm around Alan Jones continues, former Macquarie Media director Jack Singleton talks through the tension with talkback radio delivering large audiences advertisers want, the last media investment for the Singleton empire, the media agency bias against AM radio



"Talk radio is a circus. Sometimes the lion eats the ringmaster and that's why you listen to Alan Jones - because he will have provocative points of view and opinions. Sometimes it comes

back to bite you."

— **Jack Singleton**

If you want the unadulterated version - and it's a highly entertaining 25 minutes - listen to the *Mi3* podcast here with Jack Singleton.

Nine's within a whisker of finalising its Macquarie Media deal. Jack Singleton has been off the Macquarie board for a few years but shortly the Singleton portfolio will be out of media and advertising for the first time in decades. Jack Singleton is as close to Australia's flower magnate as you'll get and he has some fascinating insights on why the Roses Only brand saves him \$4 million in paid search annually versus the line-up of his other flower ventures.

But first to *that* radio deal, and Alan Jones.

"The price and the timing were right," he says of the Nine deal. "For a long time, Russell Tate, the executive chairman, has said the natural owner of [of Macquarie] is a TV station. And the fact that Nine now owns Fairfax ... that's a good fit and they've paid the right price."

Singleton says his father, legendary adman John Singleton, had first discussed a deal with the Fairfax family more than a decade ago. It was scuppered more by "personality clashes than the numbers", he says, but "everyone agreed" it was the right thing to do.

"You've got all the backend synergies - accounting, shared premises. Then on the revenue side, one of the biggest advertisers on 2GB and 3AW are TV stations wanting to promote that night's news," says Singleton. "Radio is a very good place to promote TV. So you've got good cross-promotional synergies, backend synergies, talent sharing and then also, the talent risk."

Talk radio: Risky business

In one sense, 2GB's Alan Jones personifies talent risk. Jones' most recent offence - suggesting premier Scott Morrison "stuff a sock" down New Zealand counterpart Jacinda Ardern's throat and adding a "backhander" for good measure - left advertisers with little option but to head for the hills.

Executive chair, Russell Tate, has since written to advertisers to apologise, though his contrition focuses more on the fallout than the root cause.

Nevertheless, Singleton says Jones is on his final warning.

"This most recent episode has been the closest. As Russell Tate has said, it's [Jones'] third big strike. If it happens again, his contract will be torn up."

But Singleton is adamant that personality - love or loathe it - is what draws listeners. For that reason, he says talk radio is an inherently risky business and not for the fainthearted, especially when the shit invariably hits the fan.

"As a station dependent on advertising revenue, you've got to make some tough calls. You have to run ad-free days. You have to get the broadcaster to make a public apology," says Singleton.

"But that's the nature of the beast. Alan always says he's a broadcaster rather than a journalist. He makes a lot of noise. He puts on an incredible show every morning. It's a circus," suggests Singleton.

"Sometimes the lion eats the ringmaster and that's why you listen to Alan Jones - because he will have provocative points of view and opinions. Sometimes it comes back to bite you."

That risk will soon be fully on Nine, something the broadcaster is undoubtedly weighing carefully.

But Singleton says that if he "owned the station 100 per cent, I think it is a risk you have got to take. A lot of people won't forget what he said, but a lot will."

“We saw what happened when Kyle and Jackie O went to KIIS [from 2Day FM]. You lose those provocative stirrers, you're going to lose ratings. You lose ratings, there's no advertising dollar. So you live by the sword, you die by the sword.”

— Jack Singleton

Play it safe, haemorrhage cash

Bland, safe radio, he says, guarantees one thing: no listeners and owners “haemorrhaging cash”.

“Has it affected the ratings? No. Will advertisers want to disassociate themselves with Alan Jones for a period of time? Yes. Will they want to do live reads? No, pre-recorded ads are probably going to be fine. The advertisers will come back,” says Singleton.

“It's a high-risk business. The ratings are all dependent upon the personalities specifically. Most importantly, Alan followed by Ray Hadley. You lose them, you lose a large chunk of your audience. We saw it when they left UE and came to 2GB. We saw what happened when Kyle and Jackie O went to KIIS [from 2Day FM]. You lose those provocative stirrers, you're going to lose ratings. You lose ratings, there's no advertising dollar,” says Singleton. “So you live by the sword, you die by the sword.”

There's a strong dislike of Jones by many of those to the left of his politics, who have described him as a “hate-mongering misogynist”. Does Singleton acknowledge that some of 2GB's broadcasting might be contributing to a fractured society?

Society, Singleton suggests, has always been factional.

“Disagreeing is natural. There's a right to express yourself and there's also the right to shift your advertising dollars. Some of the things that Alan says, I agree aggressively with. Some of the stuff he says I couldn't even contemplate thinking, let alone saying.”

Ultimately, says Singleton, Jones draws a big audience.

“Some people love what he says and some people hate what he says. It's a bit like the car accident you can't look away from.”

Life after Alan and caveat emptor

Whether or not Jones will be gelded by the new owners, he's no spring chicken. Sooner or later, 2GB will need to live without him. But Singleton thinks Ray Hadley and Ben Fordham can carry the fire.

“There was a period a few years back when Alan was sick for an extended time and Ray Hadley actually ran the show from 05:30 until noon. That was a massive workload on him, but he held the ratings.

“You wouldn't think that someone's going to do a six and a half hour shift on an ongoing basis, but the natural progression would probably be to shift Ray from 05:30 to 09:00 and Ben Fordham going from 09:00 to noon.”

Should new owners move to minimise risk, however, Hadley and Fordham are hardly without controversy.

“No,” says Singleton, “and that is why people listen. You get a bland broadcaster, you're not going to get higher ratings.”

The listeners, he says, must be given what they have tuned in for.

“A lot of people like going to the circus. There's lions in a cage with a bloke with a whip. It's dangerous. Personality-based radio is a dangerous arena.”

Come out smelling of roses

The Singletons may be out of broadcast media, but Jack Singleton has quietly become the kingpin of delivered or 'gifted' flowers, with close to 20 per cent of the \$300m market - which in turn is part of the overall \$1bn Australian flower market. It's highly fragmented.

For a man who has spent many years spruiking the power of talk radio, it's surprising to learn that he spends 90 per cent of his ad budget on search.

Singleton started a flower business - 1300 Flowers - in the mid-noughties, but started to really motor after buying the assets and brand of Roses Only in late 2013.

"We had tried for seven years to build a brand as good as Roses Only. We couldn't do it," Singleton admits.

After buying Roses Only, the "pay per click ad word spend to generate the same sales on Roses Only was about 20 per cent what it was on our core business," he says. "So that is the value of that brand. Without it, we would have to spend five times as much [on search ads]."

Brand, says Singleton "is not colours and fluff, it's a reputation in someone's brain." Having that connection and owning the brand "saves us probably \$4m a year," he suggests.

Ironically, he says, the original Roses Only brand was "built around live reads with Alan Jones on 2UE and ads in the *AFR*". But he says brand building today, in a fragmented environment, is hard. "Roses Only did the hard yards early."

“ ” "Dad is constantly offering advice and 90 per cent of it is worthless ... It's being able to pick the gold nuggets out of the mighty river that flows by ... but there's a lot of gold nuggets in there."

— Jack Singleton

Sophisticated acquisition strategy

Singleton says the flower business will do “more than 500,000 deliveries” this financial year. “That’s a million people sending or receiving those flowers.”

He’s not too bothered about Amazon eating his lunch: “There are a few business that can do next day delivery, but 90 per cent of ours are same day”.

In the meantime, Singleton says the holding company, Flowerscorp Group, plans to add to its seven brands with further acquisitions. He says the strategy mirrors that of Warren Buffett. “We sit and we wait for the phone to ring.

“A lot of florists call us. They can’t afford their Westfield rent any more. So we will buy their brand assets, their domain name, their geographic phone number. That gives us a lot of search traffic and gets the calls coming in,” says Singleton.

“So if you’re a florist out there and you want to be acquired, call 1300 Flowers.”

Drop pants, get stuffed

Singleton still retains a stake in ad agency Jack Watts. But he, and Singo senior, are otherwise out of the ad game.

Singleton says he’s glad to walk away from what has become “a race to the bottom”.

“A good friend of mine who’s got an agency picked up a bit of business for Telstra a couple of years back and I said, “Oh mate, that’s great. That must be going great.” “No, it’s terrible.” So why? He goes, “Well, we got the business because we offered the lowest price which meant we couldn’t employ very good people and we couldn’t employ many of them so we’re giving Telstra rubbish work. Telstra hate the work. Our staff are unhappy. Telstra is not happy. The work is rubbish. We have to keep doing it over and over and it’s unprofitable.”

End of the big idea

As a marketer in the flowers business, and as a relatively silent agency partner, Singleton says he is still regularly on the receiving end of advice from Singleton senior.

“I’ll tell him about an issue I might have with marketing or something and I’ll just let him rumble,” says Singleton.

“He’s constantly offering advice and 90 per cent of it is worthless ... It’s being able to pick the gold nuggets out of the muddy river that flows by ... but there’s a lot of gold nuggets in there.”

Singleton senior is also glad to be long gone from the game he shook up in the eighties and nineties.

“Dad’s very happy to be out of it,” says Singleton. “We watched *Mad Men* together for the first few seasons, and he was saying, “the day of the big idea is over”.

“Now it’s all data and numbers and it should be. You used the word earlier - we’re a “reluctant Google advertiser”. It’s 90 per cent of our ad budget and we get a return on every single dollar. We would like that return to be higher... but it’s working.”



Talk radio is definitely an older demographic, something media planner and buyers may not be familiar with. But the 50 and 60-somethings are the ones that can afford the BMW, afford to fly business class.

— Jack Singleton

Buy big spending audiences, not frequency modulation

While poised to exit talk radio, Singleton has one last crack at media agencies that apparently think AM is somehow different to listeners' ears than FM.

It's a point he has made many, many times – both to junior journos covering radio ratings and young gun media buyers pouring client budget into FM stations with far fewer listeners than the undisputed market leader.

Singleton channels a Jones-esque build up.

“Why draw a line in the sand between AM/FM, music and talk?” asks Singleton. “It’s radio. It’s a button in your car. Most listeners are a band agnostic. No one would even know what frequency they’re watching free-to-air or cable TV or subscription. It’s to classify stations based on the underlying wavelength, whether it be amplitude modulation or frequency modulation.

“I think the buyers, media buyers, tend to be young. They probably - literally - don’t listen to AM. It’s very hard to sell a product that you’re not familiar with yourself.”

But the key point, he says, is that marketing and advertising is about shifting product – and older people, with fat defined pensions and rich off the decades-long property boom, are largely the only ones with big money to spend.

“It’s definitely an older demographic and media planners and buyers would rather sell a product with which they are familiar. But the 50-year-old or 60-year-olds, they’re the ones who can afford to fly business class and buy the Mercedes and the BMWs.

“So I guess the ad rights on talk radio are undervalued.”

At this point Singleton admits that, even on the verge of exiting for good, “I’m turning this into a sales pitch for advertising on AM radio.”

But, with the deal yet to officially conclude, he remains optimistic it might just nudge the sale price up a notch.

Should that eventuate, Singleton promises to send some flowers.



Share your reaction (and see how others voted)



Great



Insightful



Interesting



Like



Not Sure

Leave a comment (you must be logged in)

Login

Subscribe / Join

> Be the first to comment



“Mi3 is invaluable. It often leads us directly to insights and actions in our business.”

ANDREW WADDEL | General Manager (Australia), Tourism NZ

Keep Reading

Make it personal

Join Mi3 to receive our weekly edition and personalise your experience

Your email address



About Mi3

Mi3 is a contemporary take on an industry journal - part journalism, part equities-style analysis. It's designed to be different in its conversations across the nexus of marketing, agencies, media and tech.

[Learn more...](#)

[Deep Dive](#)

[About](#)



[Opinion](#)

[Legal](#)

[News Analysis](#)

[Industry Contributor](#)

[Market Voice](#)

[News](#)

[Podcast](#)

[Video + TV](#)

© 2020 Mi3. All rights reserved