Radio Sales Competitive Media

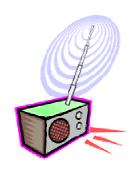
If you read "The 8 Secrets to Powerful Advertising", you learned about the strengths and weaknesses or Radio and our competitors.

The following are "1-sheets" on each competing media. These are suitable for including in proposals or for handing out to clients. (Full-color PDFs are available on the station Intranet site).

The sheets are:

- Radio versus Newspaper
- Radio versus Direct Mail
- Radio versus Cable TV
- Radio versus TV
- Radio versus Billboards
- Radio versus Yellow Pages
- The Brutal Truth About the Yellow Pages
- Deader Than a Bag of Hammers (Yellow Pages)

Read each of these. Study them. Understand the strengths and weaknesses of each and be prepared to address them.



Radio versus Newspaper...



Radio is More Efficient And More Environmentally Friendly

When you're trying to attract new customers, which works better – information or motivation? The correct answer, of course, is motivation. Newspaper is an information medium, and most newspapers do a great job of it. However, Radio is motivational, and motivation is the only way to attract new customers.

According to the book <u>"The 8 Secrets to Powerful Advertising"</u>, by Michael S. Miller, "newspapers will not draw new buyers into the market. They simply serve as an information medium for 'right-now' buyers. When a specific item isn't needed right this instant, newspaper ads tend to get skipped." Try it out for yourself, Miller advises. "How many newspaper ads do you remember from yesterday's paper?

Why is Radio better? Compare newspaper to Radio and you'll see the difference:

Only 64% of all adults read a newspaper on an average weekday. Those that do, spend approximately 11 minutes with the newspaper. 81% of all adults listen to the Radio each weekday. The average adult listens for more than three hours daily!

Newspaper ads are typically read only by those already in the market for the product or service being advertised. Newspaper ads provide consumers already in the market with reference information. Radio can stimulate new demand for your product or service, often planting the seed that leads to a buying decision.

Newspaper is ineffective at reaching under-35 consumers. People under 35 just don't take the time to read the newspaper the way older generations did. Radio, on the other hand, is extremely effective at reaching those under 35. Radio reaches people at work, in their homes, and in their cars.

Newspaper readers typically only "skim" the newspaper. Only 57% read the front page. Only 42% read the TV listings/entertainment page, only 24% read the food page and only 21% read the classifieds. So if only 60% of the people get the newspaper and only 24% of those people read your ad in the food page, your readership percentage gets awfully small. Your ad is missing a lot of people. On Radio, your commercial is "front and center" in our regular entertainment and news programming. Your ad is never buried at the bottom of page 46-D.

Newspaper ads are just ink-on-paper. They have no emotion and no motivation. Radio uses the power of the human voice to motivate listeners. Sound makes Radio commercials easier to remember.

Newspaper advertising is not environmentally friendly. Thousands of acres of trees are harvested each year to produce newsprint, most of which is not recycled. Radio advertising is environmentally friendly, with no pollution and no waste.

In <u>"The 8 Secrets to Powerful Advertising"</u>, Michael S. Miller says "no doubt that with newspapers being so tangible, you psychologically will be tempted to build your whole campaign there. Don't. Regardless of your past success or lack thereof with newspaper advertising, you'll almost always do better when you lay a foundation for it with those media better built to create brand awareness and product demand."



Radio versus Direct Mail...



They Don't Call It "Junk Mail" For Nothing!

Like other print media, direct mail is not a venue which inherently delivers some of advertising's critical elements. According to the book "The 8 Secrets of Powerful Advertising", by Michael S. Miller, "You can't create top-of-mind awareness. Nor can you create product demand."

If you're spending all of your advertising budget on direct mail, your advertising message may never reach your potential customers. More often than not, direct mail pieces go straight to the trash can. Perhaps you should consider switching your advertising to radio for optimum results.

Compare direct mail to radio and you'll see the difference:

More than half of all direct mail pieces are discarded without ever being read. Don't believe it? Just check out the trash cans in the post office on the day direct mail flyers are mailed out. According to recent studies, 41% of all adults consider direct mail a nuisance. On the other hand, people listen to the radio because they choose too. And 99% of all adults listen to the radio each week.

Direct mail is expensive - printing, production and postage costs are all up. Radio advertising is cost effective and has increased at a rate far below that of other media.

Direct mail is unreliable. Mailing lists are often inaccurate and delivery is often late due to postal delays. Radio reaches a mass audience each and every day without the need for names and addresses. And delivery of your commercial message is not affected by the Postal Service.

Direct mail is inflexible. Direct mail often requires weeks of preparation and lead time before mailing. Once printed, copy cannot be changed. Radio commercials can be revised on short notice to allow advertisers to take advantage of sudden changes in market conditions.

Direct mail is impersonal. Most direct mail flyers are addressed to "Occupant" or "Resident". Radio listening is highly personal. No one thinks of radio as a nuisance since everyone selects a station to meet their own personal needs and tastes.

Direct mail flyers are just ink-on-paper. They have no emotion and no motivation. Radio uses the power of the human voice to motivate listeners. Sound makes radio commercials easier to remember.

Your product or service isn't junk, so why settle for "junk mail" when you can have an effective advertising campaign now. Put your ad dollars to work on the radio!



Radio versus Cable TV...



Are Your Ads Being "Zapped?"

If you're spending your advertising budget on Cable TV, your message may be missing most of your potential customers. Cable TV advertising, although inexpensive, is plagued by low viewership and limited reach. According to the book "The 8 Secrets of Powerful Advertising" by Michael S. Miller, "The average household changes the TV channel once every 3 minutes and 42 seconds. Those with cable flip channels every three minutes. And with the use of remote controls, it's not uncommon for a viewer to spend eight or so seconds per channel, while racing through 40 different channels."

On the other hand, Radio is everywhere. The average household has five Radios and the average adult listens to the Radio in excess of three hours a day. Perhaps you should consider switching your advertising to Radio for optimum results.

Compare Cable TV to Radio and you'll see the difference:

Cable TV reach is limited. Most cable systems cover only a limited geographic area, normally a specific city and its immediate suburbs. Those outside the area have no access to cable, and therefore never see your commercial. People with satellite dishes are watching the "national feed" of various cable channels and never see commercials aired on the local cable system. Radio is everywhere and is accessible to listeners in their homes, in their cars and at work.

Cable TV is extremely fragmented. With 40 or more channels on most cable systems, reaching potential customers can be difficult, especially since ads run only on certain channels. Even the most-popular cable channels rarely reach over 3% of TV viewers at any given time. On the other hand, everyone has a favorite Radio station. Listeners are loyal to the station as opposed to channel flipping to watch certain shows.

Cable TV is ineffective. Most cable subscribers get cable to improve the reception of network channels (ABC, CBS, NBC, FOX), to receive premium channels (HBO, Cinemax, The Movie Channel or Pay-Per-View events) and to receive "Superstations" (WTBS & WGN). Persons watching these channels are not exposed to your ads on the "off brand" channels. Radio advertising is extremely effective. Listenership patterns are stable and do not vary greatly from one program to the next.

Cable TV advertising, like broadcast TV advertising, is highly susceptible to "zapping" and "channel surfing" (see above). Commercials in TV programs are "interruptions". When commercials come on, viewers zap to another channel, run to the bathroom, or head to the kitchen to make a snack. Radio commercials are integrated into the programming making them less likely to be missed.

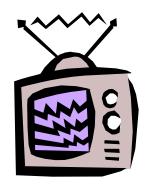
Cable TV is inflexible. Commercial production usually requires substantial lead time. Copy changes are difficult and expensive. Radio commercials can be revised on short notice to take advantage of sudden changes in market conditions.

Don't settle for advertising with so many limitations when you can have an effective advertising campaign instead. Put your ad dollars to work on the radio!



Radio versus Television...

Look Closely For The Real Picture!



Television advertising - it's glamorous <u>and</u> expensive. It's also very risky. When commercials come on, viewers often disappear. According to the book <u>"The 8 Secrets of Powerful Advertising"</u> by Michael S. Miller, "The average household changes the TV channel once every 3 minutes and 42 seconds. Those with cable flip channels every three minutes. And with the use of remote controls, it's not uncommon for a viewer to spend eight or so seconds per channel, while racing through 40 different channels." What do you do when commercials come on? Flip channels? Go to the bathroom? Head to the kitchen for a snack? So does everyone else! If you're spending your advertising budget on television, perhaps you should consider switching your advertising to radio for optimum results.

Compare television to radio and you'll see the real picture:

Television is stationary. It cannot reach mobile consumers. 96% of all television viewing is done in the home. Radio is everywhere and is accessible to listeners in their homes, in their cars and at work.

Television viewership is extremely fragmented. Network affiliates face competition from hordes of cable channels and from satellite dishes. Viewers don't watch stations, they watch programs, often flipping the dial until they find a show they like. On the other hand, everyone has a favorite radio station. Listeners are typically loyal to that station, often listening for hours at a time.

Television advertising is highly susceptible to "zapping" and "channel surfing" (see above). Commercials in TV programs are "interruptions". Local commercials on network affiliates usually run between programs, when viewership drops drastically. Radio commercials are integrated into the programming making them less likely to be missed.

Television advertising is inflexible. Commercial production usually requires substantial lead time. Copy changes are difficult and expensive. Radio commercials can be revised on short notice to take advantage of sudden changes in market conditions.

Television has a very small daytime audience. People at work, in their cars, and out shopping, are not daytime TV viewers. Radio's daytime audiences are huge. Radio reaches 61% of all adults in their workplace and 95% of all adults in their cars.

Television advertising is expensive. One prime time spot on a network affiliate can cost as much as an entire month long schedule on radio. Radio is affordable and cost effective, allowing you to air your commercial more often and reach more people.

Don't settle for expensive advertising that airs when most people are in the bathroom or raiding the refrigerator. Put your ad dollars to work on the radio! According to <u>"The 8 Secrets of Powerful Advertising"</u>, "Radio is the only medium that allows you to incorporate each of advertising's eight power ingredients." And, Radio can deliver your message with greater repetition that TV. And as we all know, repetition sells!



Radio versus Billboards...

Is There A Hole In Your Advertising?



According to the book <u>"The 8 Secrets of Powerful Advertising"</u>, by Michael S. Miller, *"few companies can grow by using only billboard advertising. Billboards generally become the principle medium used only when a product or service can be used immediately by people driving by."* Gas stations, motels and fast food restaurants often benefit from billboard advertising. However, as Miller states, *"you won't create demand, impact emotional decision-making or be memorable with billboards. If your after support for a widely recognized product (Wendy's – Next Exit), or if your offering something that can be of quick use to those driving by (Gas – One Mile), then billboards can play an important role." If your product or service doesn't fit into either category, then billboards are largely ineffective.*

Why is Radio better? According to Miller, "Radio has the ability to deliver your message to any person, at any time at any place." Plus "Radio can create demand" and "Radio uses the power of sound to motivate people."

Compare billboards to radio and you'll see the difference:

- Billboards are passive. People can drive by your billboard every day and never notice your message. Radio is an active medium. Radio can create demand for your product or service and influence purchasing decisions on a daily basis.
- Billboards have a negative image and are usually perceived as an "eyesore". Many communities have banned
 or restricted billboards. Radio's message can be received at almost any location. Customers need not be in
 any specific location to be exposed to your advertising message.
- Billboard advertising is inflexible. Copy revisions are difficult and expensive. Radio copy can be changed as
 frequently as necessary to respond to changing market conditions, to promote special events or announce new
 product lines.
- Billboard copy must be brief. The average billboard reader sees your message for just six seconds (if they see it at all) not enough time to make an impact. Radio offers a variety of commercial lengths and program sponsorships.
- Billboard readership and physical condition deteriorate during inclement weather. Radio listening is not hampered or controlled by seasonal conditions.
- Billboards without lights are ineffective after dark. With as many as 12 hours of darkness in some months, your ad is totally useless more than half the time. Radio advertising actively promotes your business 24 hours a day, 7 days a week.
- Billboards cannot stimulate customer interest or help you develop top-of-mind awareness. Radio uses the
 power of the human voice to motivate listeners. Consistent radio advertising creates top-of-mind awareness for
 your company. Radio creates a positive image for your company through repeated airing of your commercial
 messages.

Don't settle for just a sign when you can have an effective advertising campaign instead. Put your ad dollars to work on the radio!





Radio versus Yellow Pages...

How Entertaining Is Your Phone Book?



If you are relying on the Yellow Pages as your primary advertising medium, you're missing the boat! According to the book <u>"The 8 Secrets of Powerful Advertising"</u> by Michael S. Miller, "Yellow Pages in and of themselves do not make an advertising campaign. In reality, Yellow Pages are more of a directory than an advertising medium. Businesses that rely on Yellow Pages advertising must wait for someone to come to them. Yellow Pages will not create additional demand or top-of-mind awareness."

If you are spending your advertising budget for Yellow Pages advertising, you should consider switching your advertising to radio for optimum results.

Compare Yellow Pages to radio and you'll see the difference:

The Yellow Pages are passive. People consult the Yellow Pages only after the buying decision has been made and only when they are ready to buy. Radio is an active medium. Radio can create demand for your product or service and influence purchasing decisions on a daily basis.

The Yellow Pages are used infrequently. Your Yellow Pages ad is not "on the job" everyday in most homes the Yellow Pages are stuffed under the bed, located at the bottom of a kitchen drawer or just plain lost. Radio reaches over 96% of the U.S. population on a weekly basis. The average person listens to radio over three hours per day and radio is the only major advertising medium that reaches people in their cars.

The Yellow Pages are inflexible. You are locked in to the same ad copy for an entire year. Radio copy can be changed as frequently as necessary to respond to changing market conditions, to promote special events or announce new product lines.

The Yellow Pages are composed entirely of advertising, with your ad usually located right next to your competitor's ad. Radio is mostly entertainment and news and your commercials are never aired within 10 minutes of your competition.

Yellow Page directories located in public places are often missing, mutilated and/or out of date. Radio is always complete, with no missing program material and always up-to-date.

Yellow Page ads are just ink-on-paper. They have no emotion and no motivation. Radio uses the power of the human voice to motivate listeners. Sound makes radio commercials easier to remember.

The Yellow Pages are nothing more than a reference source, they do absolutely nothing to actively promote your business. Radio advertising actively promotes your business 24 hours a day, 7 days a week. Consistent radio advertising creates top-of-mind awareness for your company.

Don't settle for just an ad when you can have an effective advertising campaign instead. Put your ad dollars to work on the radio!

The Brutal Truth About Yellow Pages





Why are the Yellow Pages like nursing homes? They're shockingly expensive, few people under 70 use them, and many who do are just a little out of it.

Moral of the story? When you invest in Yellow Pages ads, you're setting fire to your money.

Are we being a little harsh on this venerable (read: antique) information source? Hell no. This obsolete technology sucks millions of dollars away from more cost-effective marketing tools, while delivering less every year. There are better uses for your budget, especially if you market goods and services to people who don't remember the Truman Administration.

Way back in the 20th Century...

The answer to "Where can I buy a refrigerator?" used to be "let your fingers do the walking." But the only people who continue to walk those fingers in this millennium are the ones who got into that habit decades ago. Google and Yahoo, to cite two sites, offer vastly more information, from more sources, more quickly. Fresher info, too. Phone book accuracy begins to decay the moment it comes off the printing press.

Look at your brand message: how can you best tell your story? If you can draw prospects – via broadcast or print ads, good search engine rankings, or sponsored search – to your website, you can offer information precisely tailored to those prospects, with as much drill-down information as they desire. And pictures. And video. And animations. Even pages of technical specs if prospects need them. Bingo. Yahtzee. Home run. Hibachi.

Note carefully: we said "prospects" three times in that last paragraph, and not by chance. In branding, we pay less attention to your customers. Customer's attitudes toward you are contaminated by reality; product performance will dictate repeat purchases. The bigger lever to your growth is to create a powerful brand, to influence positively the collective perception of your best prospects.

Given that, why would you want to spend a king's ransom on Yellow Pages display ads? Those rectangles of static, limited information will be... this is where your investment gets monumentally unproductive... <u>surrounded by every competitor you have</u>. You've spent good money just to set off a round of comparison-shopping phone calls. If you're the one called first, you can't close the sale; if you're called



second or third, you have to be the low-price spread. It's a lose-lose. You may even be ignored totally if the prospect focuses on your competitor and never sees you. Yellow Pages is a "put two dollars in, get one dollar out" crapshoot.

Measure your ROBI...

Companies try to analyze Return On Investment to justify their continued Yellow Pages use, comparing the cost of the ads to the sales attributed to the medium, but this is deeply flawed, for two reasons:

The first flaw is the dilemma discussed in the last paragraph: you're spending money to be compared to every competitor, right there on the same page. It's impossible to measure but easy to imagine how many sales you <u>lost</u> that way, greatly reducing your ROBI (Return On Bad Investment). Let's get real: is your Yellow Pages ad so magnetic that you will capture a reader's eyes totally? So powerful she won't even look at the ad next door? Right.

The second flaw? Too many sales are attributed to Yellow Pages: Prospect A has seen your magazine ads and bus sides, heard your radio spots, and decides to call. If he looks up your phone number, the answer to "where did you hear about us?" will often be misattributed to that thing sitting in front of him. Look at your numbers. If you're a Yellow Pages advertiser, you're probably seeing declines from year to year, a trend we predict will continue. The total number of Yelow Pages users will decline, because, to put it bluntly - every year a portion of them "leave the market."

It's an addiction, and fear of withdrawal is what keeps the Yellow Pages on life support. All the smoke-and-mirror fear tactics of "combined rates" and "volume discounts" and implied threats to banish you to a "bad position" if you reduce the size of your ads miss the point: they are all bad positions — over-priced, underperforming, and outdated. Join the revolution: you should keep a simple line listing for older people who need to look up your phone number, but quit display ads cold turkey. Start now, because it will take 12 to 18 months to recapture and redeploy those budgets.

Consider anyone who says "oh, our company has always used the Yellow Pages" as a person failing to adapt to changing times. That's understandable, actually, because none of this would have been true ten years ago. Even five years ago, before high-speed connectivity got so widespread, it was not a slam dunk. Many of the clients we speak to admit their Yellow Pages results are in year-to-year decline, but they persist out of fear.

Are there exceptions? Of course.

If you're a locksmith, or a computer repair shop, you must advertise there: your prospects are temporarily deprived of search engine access. Likewise, if you're marketing to the elderly or to the poor (credit furniture, payday loans, monthly-pay car insurance, bankruptcy counseling...) Yellow Pages might be cost-effective – maybe.

Your best media strategy?

Assuming you're not one of those rare exceptions, your most effective, most leveraged approach to media can best be planned by brand strategists with the help of media planning specialists, considering your service or product, your geography, the demographics and psychographics of your primary and secondary market segments, your seasonality, budget, research... it gets even more complicated than that, but we'll be happy to help you sort it out, to get you into this century's best branding practices.

One thing is fairly straightforward and immediate: if you're spending more than the very minimum on Yellow Pages, it's time to kick the habit.



Photo: Tons of discarded Yellow Pages books fill a landfill.

From the USA Today: Janan New, executive director of the San Francisco Apartment Association, told NPR, "If the tenants don't pick them up, the books collect down there in the lobby, which creates not only a garbage hazard but a fire hazard. And there's no reliance on either the owner or the resident manager to pick all of that up and recycle it." New was talking about the Yellow Pages, that stalwart of the landline era when looking up a commercial phone number meant flipping through page after goldenrod page, squinting at lines of six-point type to find the right listing. Today, it's not easy being yellow in an era of green: Critics of the Yellow Pages say they're wasteful, bad for the environment and about as useful as a mimeograph or card catalog. And the more the books go unused, the more they pile up in apartment hallways, landfills and recycling centers. Last year alone, San Francisco received about 1.6 million Yellow Pages books for only 800,000 residents, creating nearly 7 million pounds of waste. So in May, San Francisco banned the books. In a 9-1 vote, the city's Board of Supervisors approved an ordinance to create a three-year pilot program limiting delivery only to customers who are at home to physically accept them or who give prior approval by phone, mail or sticky note. (San Francisco Mayor Ed Lee signed it into law just two weeks later, making it the first city in the country to ban what some have called a glorified doorstop.)







MONDAY MORNING MEMO®

of Roy H. Williams, the Wizard of Ads® December 21, 2009



Deader Than a Bag of Hammers Mini-Bikes, Tape Recorders, Leisure Suits and Yellow Pages

The Las Vegas Hilton, 2003: The stagehand said, "This is the stage where Elvis appeared when he played Vegas." He was helping me set up to speak to the managers of all the local, county and state fairs in the English-speaking world.

When my stage buddy said we were good to go, the floor attendants opened the doors and the crowd washed into the room, thick streams of people jamming the aisles, then branching into little rivulets as they chose specific rows of seats. I went backstage to get last-minute instructions from my hosts.

The chairman of the board looked at me and said, "You'll be speaking to about 16 hundred members and delegates from the US, Canada, England and Australia. They're looking for ways to boost attendance at their fairs." The board of directors then filled me up with everything they felt I needed to know. When they had finally spent themselves, I asked, "What does your organization do, exactly?"

The chairman answered, "The main benefit we offer our members is a monthly magazine that reports the gate attendance of all the different fairs. We also report which performers and attractions were the biggest draws. The manager in Des Moines whose fair is about to begin wants to know what happened at the Chicago fair that just ended."

We started walking from the green room toward the wing of the stage when we heard the emcee begin to welcome the crowd.

"But doesn't it take a long time to gather all the information, print it and get it to the members?" I asked. "Yes, and that's a big frustration among the membership. They say the magazine is mostly old news by the time it arrives." "You don't have a website?" "Son," he said as he stopped abruptly, "the average age of the people you're about to address is 72 years old. Many of them are over 80. There's no one in the house younger than 65. These just aren't internet people."

At that moment, the emcee flung his arm toward me and shouted, "Roy H. Williams!" With a final glance at the chairman, I walked onto the stage and quietly took off my shoes. Standing there in my socks, I studied the crowd a minute. They looked at me as I looked at them.

Then I raised my hand and said, "How many of you have used a search engine in the past 7 days to research a purchase you were considering?" Sixteen hundred hands went up simultaneously. I looked offstage at the chairman. The man was openly stunned. I think he may still be standing there.

Pennie and I found a plastic bag at the end of our driveway last Tuesday. In it were 3 different Yellow Page books. This triggered a discussion between Pennie and me about icons of the past. We recalled the famous Yellow Pages ad of 1962, "Let Your Fingers Do The Walking." We talked about all the different tape recorders we'd owned. I told her about the J.C. Penney Golden Pinto mini-bike I coveted in 1970. And then I dropped the bag of books into the garbage.

The next morning I received an email from my client and friend, Vess Barnes: Roy, When do you predict the demise of Yellow Pages and their brand-associated websites? Is money spent there basically wasted? Have a great week. Aloha, Vess

Short Answer: Yes, money spent in the Yellow Pages (and their associated websites) is basically wasted. Have you ever Googled a product or service and had the search engine direct you to the online Yellow Pages listing for a company? I've never once experienced it. Search engines elevate the most commonly clicked links. Think about what this implies. (Okay, I'll spell it out for you: if people were using the digital Yellow Pages, those online Yellow Page ads would rank higher on Google and the other search engines. The ads don't rank high on Google because most people never see those ads.)

During the past few years, a number of our service company clients (foundation repair specialists, plumbers, HVAC companies, etc.) have taken our advice and abandoned the yellow pages completely, moving virtually 100 percent of their ad budgets to the radio. They already have websites, of course. These businesses, without exception, are outdistancing their competitors in the area of new customer acquisition.

I'm fairly certain my position will generate a firestorm of emails from people who feel passionately that I'm wrong. But there are others who will know I'm right.

Are you in that second group? Do you have the courage to slash your Yellow Page budget? Would you like to learn how to craft ads for radio and the internet that will gain and hold the attention of a far-too-busy public?