

Radio For The Advertiser

Radio for the Advertiser will answer your questions about advertising using radio alone, or with other media. Traditional **mass marketing** approaches are losing touch with your customers in this multi-fragmented world. What worked before is now in jeopardy. What is needed today is **micro marketing** – one-on-one advertising. Radio is the personal, interactive medium that allows immediate response. This booklet will demonstrate how to increase your return on investment with Radio.

INDEX

- Part I – Why Advertise?**
- Part II – Why Radio?**
- Part III – Planning Your Radio Campaign**
- Part IV – How to Plan Successful Radio Commercials**
- Part V – Basic Radio Terms**

The lifestyle of the average Canadian has changed considerably. For advertisers, the consumer marketplace has become very fragmented.

Historically, advertisers considered their customers to be "the typical Canadian family," the wife at home with the children, the husband at work. They led a typical lifestyle and had typical media habits.

Today, that marketplace has changed. The lowest household growth rate is with families, the highest growth rate is in single person households. Given the proliferation of new products, store types and services, the escalating cost of advertising and no real increase in advertising budgets, it has become more important than ever to plan a marketing strategy that reaches customers selectively. **RADIO, "THE ADVERTISER'S MEDIUM OF THE 00'S"**.

Part I

WHY ADVERTISE?

Advertising Creates Store Traffic

Continued store traffic is the first step towards increased sales and expanding your base of shoppers. The more people who come into the store, the more opportunities you have to make sales. The National Retail Merchants Association in the U.S., found from a survey conducted, that for every 100 items shoppers planned to purchase, they also made 30 unanticipated purchases.

Advertising Attracts New Customers

Your market changes constantly. Newcomers to your area mean new customers to reach. People earn more money, which means changes in lifestyle and buying habits. The shopper who would not consider your business a few years ago may be a prime customer now.

Only advertising gets your message into the minds of thousands of potential customers . . . building awareness of and need for your product or service.

There are hundreds of reasons why advertising is one of the best investments you can make for your business.

Advertising Encourages Repeat Business

Shoppers don't have the store loyalty they once did. Shoppers have mobility and freedom of choice. You must advertise to keep pace with your competition. Mobility and non-loyalty are rampant. Stores must promote to get former customers to return and to seek new ones.

Advertising Generates Continuous Business

Your doors are open. Employees are on the payroll. Even the slowest days produce sales. As long as you are in business, you have got overhead to meet and new people to reach. Advertising can generate traffic now... and in the future.

Advertising Is An Investment In Success

Advertising gives you a long-term advantage over competition who cut back or cancel advertising. A survey of over 3,000 companies found . . .

Advertisers who maintained or expanded advertising over a five-year period say their sales increased an average of 100%.

Companies that cut advertising grew at less than half the rate of those who advertised steadily.

Advertising Keeps You In The Competitive Race

There are only so many customers in the market ready to buy at any one time. You have to keep regular customers and to counterbalance the advertising of your competition. You must advertise to keep or expand your market share or you will lose to more aggressive competitors.

Advertising Keeps Your Business Top-of-mind With Shoppers

Many people postpone buying decisions. They often go from store to store comparing prices, quality and service. Advertising must reach them steadily throughout the entire decision-making process. Your name must be fresh in their minds when they decide to buy.

Advertising Gives Your Business A Successful Image

In a competitive market, rumours and bad news travel fast. Nothing sets the record straight faster than advertising; it tells customers and competitors that your doors are open and you are ready for business. Advertising that is vigorous and positive can bring shoppers into the marketplace, despite the economy.

Advertising Maintains Morale

Positive advertising boosts morale. It gives your staff strong additional support. When advertising or promotion is cut suddenly or cancelled, salespeople and employees may become alarmed or demoralised. They may start false rumours in the honest belief that your business is in trouble.

Advertising Brings In Big Bucks For Your Business

Advertising works. Businesses that succeed are usually strong, steady advertisers. Look around. You will find most aggressive and consistent advertisers are almost invariably the most successful. Join their ranks by advertising and watch your business grow.

Part II

WHY USE RADIO?

Radio Targets

For an advertiser, one of radio's greatest strengths is its ability to deliver a selective audience. Each station's programming mix has been designed to meet the needs, tastes and preferences of specific audiences. The mere touch of a button can bring you hard rock, or easy listening, adult contemporary, country, ethnic, news and information, etc., etc. We call it selection to perfection.

Radio Reaches Virtually Everyone

Radio reaches more than 90% of all teens, adults, men and women weekly. Canadians 12+ spend an average almost 23 hours with radio each week.

Radio, The Anywhere, Anytime Medium

Ninety-nine percent of all Canadian households have radios and 90% of automobiles have a radio. Of all media, radio is uniquely able to reach your customer where no other media can... While they are doing something else - eating, jogging, in the shower, ironing, on the beach, or maybe most effectively of all, in the car.

Radio Builds Top-of-mind Awareness

Almost 80% of adults listen to radio every weekday, week in, week out. Radio delivers high, affordable frequency or repetition. Repetition builds awareness, and awareness is a key component in gaining market share.

Radio Reaches Selective Newspaper Readers

Less than 50% of all adults read a newspaper five days a week and on average they only spend about one hour per day with the paper. Demands on the consumers' time make it almost impossible to read from cover to cover everyday creating a very selective reader.

Radio Reaches Light Users Of Other Media.

Light television viewers spend over twice as much time with radio as they do with television. Weekly, radio reaches almost 90% of light newspaper and magazine readers. Radio reaches people who do not make extensive use of other media.

Radio, The Team Player

Not only does Radio work well as a standalone medium, but it is also a great team player. Radio can be added to a campaign to generate increased reach and frequency, effectively and efficiently.

Radio Reaches The "Upscale" Market

The "upscale" consumer reflects an important target to many advertisers. Their occupation, education, income and lifestyle make them above average customers in both frequency and size of purchase. Radio matches their busy, mobile lifestyles making them heavier than average radio listeners.

Radio Is The Pulse Of The Community

People listen to radio to find out what is happening in their community each day. Traffic problems, school closings, special events, and weather are all reported regularly on radio.

Radio Has Promotion Power

Radio stations are masters at creating and executing local, regional and national promotions. They are exciting! They create interest! They get results! You can gain high awareness and increased traffic by tying in with promotions offered by your radio station.

Radio's Audience Is Consistent All Year Around

Consistency is an important commodity for any advertising medium. Unlike television with a notable summer audience decline, Radio offers all year around coverage with little or no audience drop-off.

Radio Advertising Influences Consumers Closest To The Time Of Purchase

A Canadian study showed that among the four primary media, the elapsed time between exposure and the day's largest purchase is shortest with radio. The closer the media impression can get to the cash register, the better the chance of influencing the purchase.

Radio Is The Least Zipped Or Zapped Medium

Of traditional media, radio advertising was reported as the least avoided in a Canadian media study. Your message is listened to by your potential customer.

Radio Messages Stand Alone

You will not have to be side by side with your competitors' identical merchandise at the same or lower prices. Your radio commercial is front and centre with no distractions. With radio, even large budget advertisers cannot overshadow your ads by using costly layouts.

Radio Is Cost Efficient

Smart advertisers study the relationship between costs and audience. Radio delivers more advertising impressions than any other medium for the same budget. This advantage is called reach and frequency. Reach is the number of people contacted by your sales message; frequency is the number of times they will hear your commercial.

Radio Is Urgent, Immediate and Flexible

In today's competitive, volatile marketing environment, it is important to have at your disposal, a medium that can react quickly to your advertising needs and also promote immediate action from the consumer. Without the production and deadline delays of other media. You are in complete control.

Radio's Low Production Cost Offers Pinpoint Targeting Flexibility

Production costs in radio are somewhat lower, allowing an advertiser to change the message and the creative direction to match the format and demographics of each station used. No other medium allows such pinpoint targeting as cost efficiently as radio.

Radio Helps You To Maximise Your Advertising Through Co-op

By taking advantage of funds accrued through your suppliers, you can increase your advertising budget by up to 100%.

Part III

PLANNING YOUR RADIO CAMPAIGN

Radio Marketing Strategies

Advertisers should establish objectives for radio to accomplish different marketing strategies. Retailers who get the most out of their radio investment use a

balanced plan to accomplish several objectives, which are:

Building Traffic

Radio can increase customer flow by transmitting to listeners the exact character and personality of your store and by giving them reasons to shop there.

Image Building, Changing and Polishing

Many stores use radio for image advertising where emphasis is on service, atmosphere, personnel and policies, rather than items and price.

Promoting Special Events

For store wide sales or specific merchandise in every price category. To highlight special promotions or to sell new or limited item products.

Understand Your Market

This is a wide-ranging topic that includes everything from your customers to the competition. First there is the geography of your market. You have to consider how far the prospects must travel, the diverse neighbourhoods and communities you will be addressing. What are the unifying characteristics, or the divisive ones? What is the economic condition? What are the seasonal trends?

Consider your target prospects. Find out as much about them as possible. Statistics Canada has much information that will be useful to you. Local information is sometimes hard to find, but it is worth the effort.

FACTORS TO CONSIDER:

Nature of Product or Service

New product or established;
Packaged goods or durable;
Price – how much pre-purchase consideration needed;
High or low consumer interest.

Product Purchase Cycle

Every 2 weeks (household groceries) or 5-10 years (appliance).

Product Awareness/Market Position

Brand leader or low awareness.

Product Seasonality

Single, dual or none.

Advertising Objective

Trial, stimulate an established consumer base.
Change established buying patterns.

Competitive Activity

What are they doing?
When and why are they most vulnerable?

Product Availability

Make sure that whatever you are about to advertise you can get from your supplier. No prospective customer wants to respond to advertising only to find the product is not in stock.

DETERMINING BUDGET AND SCHEDULE

Establish the Budget

There are three traditional methods for developing a budget for an upcoming advertising campaign. They are:

Task Method

This method requires no predetermined budget figure. Instead, after media objectives are developed and strategies devised to meet those objectives, the budget becomes whatever it takes to accomplish the objectives.

Advertising To Sales Method

First, project sales for the upcoming year or designated period. Then predetermine a percentage of those sales to establish an advertising budget that can handle the job.

Historical Method

Evaluate what traditionally has worked for you and for the industry in general. For instance, if 2% of your operating budget has produced satisfactory sales, continue to allocate 2%, if not increase it.

Each of these methods has its advantages. However, their combined use can help you best achieve your objectives.

How Much Weight to Buy

There are no strict rules on the amount of advertising weight you should buy.

There are two criteria that effect your decision.

A) BUDGET

B) OBJECTIVE

Evaluate Your Budget

When you have set the budget, evaluate it to be sure it is adequate and realistic. Will it cover the expenses and leave some funds in reserve for special circumstances and opportunities?

The radio budget should be broken down into periods, allocating so many dollars for each, according to your sales plan.

If you have sufficient budget to give satisfactory reach and frequency on more than one station you may wish to make a multi-station decision. **Do not stretch out the budget that will dilute the campaign.**

Examples Of Radio Scheduling

Continuity – Pattern of uninterrupted advertising activity during a specified period.

Blinking/bunching – Advertising activity over a short period (e.g. one week on - one week off - one week on).

Bursting – A pattern where heavy advertising has been concentrated over a short period (e.g. one weeks advertising run during four days).

Pulsing – A pattern that employs an uneven distribution of advertising weight over time, using regular, non-regular or no spacing between schedules (e.g. four weeks at 30 spots per week followed by 20 spots a week for 2 weeks).

Sliding – A schedule in which the pattern of advertising changes over the course of a campaign, in terms of advertising weight and spacing intervals. Generally refers to a campaign pattern of heavy weight at the start. As the campaign progresses the weight is reduced, with the hiatus between schedules increased.

Evaluate Your Radio Market

There are three basic criteria for inclusion of a station (or daypart) in a schedule:

1. Audience – The size of the audience (within your target demographic) that the station/daypart delivers. Audience is measured by the Bureau of Broadcast Measurement (BBM), from 1 to 3 times each year depending on the market. The quality (type) of audience that a station delivers may also be of importance to your advertising campaign. One station may have a higher proportion of owners/managers (if business people are your target group); working women (day-care services, home cleaning products) are your target group. Those examples demonstrate some basic considerations.

2. Cost Of Airtime – each station has a printed rate card, which details the cost of purchasing announcements. Generally, rate cards are a reflection of the station's total audience delivery.

RADIO DELIVERS FREQUENCY

3. Value of audience versus cost - you should not pre-determine that a station's spot rate is too high without some evaluation of the audience it delivers. If it delivers a higher percentage of the demographic group you are targeting it may be more efficient than a station that costs less but also delivers a lower percentage of your target.

Repetition is the key to successful advertising! Radio's low unit cost compared to other media allows effective reach of your target group. As illustrated, at least three exposures within the purchase cycle is necessary:

Consumer Reaction

First Exposure:	
Attention/"What Is It?"	
Second	Exposure:
Interest/Desire/"What of It?"	
Third Exposure:	
Action/"Let's Do It!"	

DAYPARTS

(Time Blocks, Time Periods)

The broadcast day is divided into classifications or dayparts. Though there will be some variation

between stations, this is generally the way a radio station's day is segmented.

5:00AM – 10:00AM Monday-Saturday

10:00AM – 3:00PM

3:00PM – 8:00PM

8:00PM – 1:00AM

5:00AM – 1:00AM Sunday

Breakfast usually has the highest audience and therefore commands the highest rates.

Campaigns may be purchased on a daypart by daypart basis. You may wish to schedule your ads, for example, to reach working women, who are listening to daytime radio.

RATES AND PACKAGE PLANS

Stations generally have a variety of rate card structures and packages available on their printed rate cards.

1. Single Price cards – a single rate is established for each of the stations time periods and days of the week.

2. Grid cards – some stations operate on a multi-level rate card, in which the rates for each time period vary, week-to-week, dependent on available airtime.

3. Total Audience Plan (TAP), Guaranteed Audience Plan (GAP), Reach Plan (RP) – is a rate given for a combination of time periods. The distribution (or percentage of announcements that run in each daypart) is pre-determined by the station. By using a broad combination of dayparts, you will have an opportunity to reach more of your potential customers, than you might with a campaign that runs only in breakfast time.

4. Run-of-Schedule (ROS) or Best Time Available (BTA) – are other forms of reach plans that are generally available at a lower rate than TAP plans. Your commercials run any time between 5:00AM and 1:00AM, with no guaranteed distribution by daypart.

5. Combinations (Combos) – is the purchasing of 2 or more stations at a combined rate, such as AM/FM combinations or groups of stations within a geographical area.

ANNOUNCEMENT LENGTH

Stations are qualified to analyse your needs, recommend creative approaches and convert your information into selling copy. The length of your commercials is, to a large extent dependent on the creative idea.

60-second announcements give you ample time to present a complete selling message and should be used when there is considerable information to transmit.

30-second announcements are for shorter messages, and may be used to allow you to run a higher frequency of messages.

Shorter commercial lengths may be available (e.g., 10, 15, 20 seconds) from your local station.

Announcement costs vary by length, but not proportionately. A 30-second announcement is usually between 75 and 80% of the cost of a 60-second announcement.

PROGRAMS/SPONSORSHIP

Stations sell time within special programs or features. Such as news, weather, traffic reports, play-by-play sports, farm reports, and other special interest programs such as gardening and syndicated music programs.

Sponsorship is generally available in these features, which may include an opening credit (mention), a commercial within the feature and a closing credit. These features are premium priced, and in some markets may require a long-term (13-52 week) commitment. Commercial times and length are subject to variation in different markets and from station to station.

Another way to secure some advantages of a program, without investing your entire budget in sponsorship, is to buy adjacencies preceding or following the program. These positions are usually sold at a premium rate, and it is necessary to plan ahead to book adjacencies because supply is limited.

PART IV

HOW TO PLAN SUCCESSFUL RADIO COMMERCIALS

Before your radio copywriter begins to write your commercials they must:

1. Know your product
2. Know your customer
3. Know your competition
4. Know your position in the marketplace
5. Know your strategy for taking and holding your position

Only then can they begin to produce the successful commercials that will **target your preferred customer and reflect your marketing objectives.**

What Should You Say In A Commercial?

Only what your CUSTOMER wants to HEAR!

Customers do not care that you are overstocked or that you have been in business for 50 years. Customers care about the sales prices on the overstocked merchandise, and the reliability and fair dealing that has kept you in business for 50 years! In short, customers don't want to hear a list of features (the things YOU consider important). Customers want to hear consumer benefits (the things they consider important).

Hard sell versus soft sell should never be the issue. Too often, hard sell is equated with loud yell!

Whether you are running a long-term awareness campaign, or a campaign designed to move merchandise off your shelves in a short period, you need strong, effective sell.

The *tone* of your commercials should be dictated by your overall *marketing strategy*.

Self Interest Sells

Customers are sold on what is of interest to them. They want to hear news. They want to buy things that save (or make) money for them, that give them more time, make them look and feel better.

Customers also like to feel smarter. So don't confuse them.

Put one strong sell message in each commercial. Back it up with supporting information. And STOP.

Remember if your message is confusing, customers will not **SORT** it out, they will **TUNE** it out and that is not the reason you are advertising.

How Should You Say It?

Simply. Clearly. Differently!

That single strong selling message must be communicated simply and clearly, in a way that is very different from that of your competition.

Your Radio Station has all the tools and techniques you need to convey that message.

What Are Those Tools and Techniques?

Voices:

- Announcers (male and female)
- Customers
- Your voice
- Interview/Testimonials/Voice Clips

A word of caution: Before you decide to use non-station voices, please talk with your Radio Sales Representative about station policy in this regard.

Dialects and Impersonations: Are dangerous. They are seldom executed well. Besides, you do not want to run the risk of offending another race or culture.

Interviews/Customer Testimonials: Are effective if they are believable. Rather than ask inexperienced people to read scripts, have your Radio Station conduct interviews, then edit the tape to make appropriate "voice clips" for your commercials. It's a time consuming and exacting job. But the results will be worth it.

Music/Sound Effects: Are these elements appropriate? Do they enhance your selling message or confuse it? If you are using a custom designed Sound Logo, is it still fresh and motivating, or has it become dated? Has it kept pace with your marketing objectives? Is it providing you with positive or negative identification?

Imagination: Turning the familiar into something different. Exciting. Fun. Informative. Motivating!

Numbers: Are there too many? Are there too many prices, too many addresses, phone numbers, percentages, etc. Numbers are confusing unless they are what you are advertising, e.g. Pizza-Pizza at 967-11-11.

Humour: Can have a remarkable impact. Or it can be a very expensive mistake. Does humour sell your product? Is it a strong selling message or a very funny creative exercise? Humour will shorten the shelf life of your commercial. It can be difficult to sustain.

Slice of life: Can be effective if it is believable, and relevant to the customer. Good dialogue is hard to write. Especially in 30 or 60 seconds. So we suggest that, if you use it, you hear a taped commercial prior to airtime.

Grocery Lists: Has your writer transformed your features into customer benefits? Or does this commercial contain just a list of features?

Your station will set up schedules for recording and editing, and will handle all legal formalities.

Radio Stations, through personal contact and formal research, stay in close touch with their listeners. They know WHO they are. WHEN they listen. HOW MUCH they listen. WHAT they LIKE and WHAT they DISLIKE.

**YOUR success, is THEIR success! GOOD
CREATIVE WORKS!**

Before Your Radio Commercial goes On the Air, review the Checklist:

1. Does this commercial reflect my position in the marketplace, and does it further my strategy?
2. Is this commercial targeted to my CUSTOMERS? (Or am I running it because I/my wife/my husband/my friends like it?)
3. WORDS: Are they appropriate, understandable, clear, descriptive, colourful, and MOTIVATING? Have you vetoed all meaningless superlatives, jargon, street language, etc?

Measure your creative against your marketing objectives. Please do not let your personal likes and dislikes impair your judgement. Support your advertising in-store. Be sure your staff knows the content and timing of your campaign. Clever retailers display featured merchandise front-and-centre, often with a sign that says something like, "You heard this advertised on CXXX Radio." You might want to play your commercials in-store. (Your radio people can give you an advice about the legalities and possible payments involved).

BASIC RADIO TERMS

1. **Adjacency** – commercial that runs immediately before or after a program or feature.
2. **Affidavit** – written proof-of-performance from a radio station that a commercial ran as ordered.
3. **Availabilities – or "avails"** are commercial positions available for sale to advertisers.
4. **Average Quarter Hour Audience** – the number of people tuned to a particular station, during any 15 minute period within a specified period (e.g. Monday-Friday 6-10 AM).
5. **BBM - Bureau of Broadcast Measurement** is a non-profit tripartite research company, which surveys and reports radio listening habits across Canada.
6. **Central Area** – a geographical area defined by Statistics Canada, is either a Census Metropolitan Area (CMA) or Census Agglomeration (CA). BBM reports audiences in both the Central Area and Full Coverage Area (FCA - see below).
7. **Circulation** – the potential daily or weekly coverage of a station.
8. **Composition (Audience)** – the percentage of the audience that are members of a target group – i.e. of CKKK's Adult 18+ audience (or cume), the number (or percent) that are 25-49.
9. **Cost-Per-Thousand (CPM)** the advertiser's cost for each 1,000 units of audience. The calculation is simply the cost of a schedule divided by the total number of exposures expressed in thousands.
10. **Cume/Reach** – the unduplicated number of people tuned once or more to a station in a given time frame (i.e., Potential coverage or circulation of a station).
11. **Flighting** – the period during which an advertiser runs their advertising (less than 52 weeks) as opposed to continuous advertising. Periodic waves of advertising, separated by periods of total inactivity.
12. **Frequency** – the average number of times each member of the net audience is exposed to an advertising message.
13. **Full Coverage Area (FCA)** – a geographical area that encompasses the total reach of a station. Usually expressed in terms of audience reached.
14. **Gross Impressions** – the total number of people/exposures to a media schedule - i.e., the sum of the gross audience of a schedule.
15. **Remote** – on location broadcast.