

# 14 - Radio Advertising Impact

## 43% of Music Fans Notice Brand Sponsorships

May 10, 2013 by MarketingCharts staff

Music fans not only appreciate artists, but also the brands that sponsor their events, [according to](#) [download page] a report from Nielsen. The “US Entertainment Consumer Report” reveals that 43% of music fans notice when a brand or product sponsors an artist or brand. Reaching these fans is an important endeavor: while they represent only 40% of music consumers overall, they account for 75% of spending on music. Separate results suggest that some of these fans will be persuaded to try a product by the brands’ promotional activities.

## Study finds newspaper readers are engaged, but local papers need to do more on mobile

By [Laura Hazard Owen](#)

16 hours ago Apr. 16, 2013 - 2:45 PM EDT

A new survey from the Newspaper Association of America and [Nielsen](#) finds that newspaper readers are highly engaged. But they have to do more on mobile, particularly as ad revenue plunges.

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photo: [Shutterstock / Ruggiero Scardigno](#)

Newspapers are still better at engaging audiences than any other form of media, according to a new Newspaper Association of America (NAA) survey conducted by Nielsen, and print newspaper advertising remains effective. With newspaper ad revenue plunging, though, the picture isn’t as rosy as this survey makes it appear — and newspapers can do more, especially when it comes to social networking and mobile.

The NAA-Nielsen study surveyed 5,000 adults on “11 different metrics for engagement, including trust and ethics, how connected media makes people feel, the value or inspiration it adds to life, and the effectiveness of advertising.” On that measure, print and online newspapers came out on top:

### Aggregate Engagement Scores

Newspapers Print/Web	43%
TV/TV Web	37%
Radio	41%
Internet	41%
Total	40%

*Percent rating 7 - 10 on a 10 point scale*

Advertising in print newspapers and on their websites is also effective. The survey asked respondents about different metrics of advertising effectiveness, like “usually notice ads,” “likely to purchase” and “best place for Black Friday shopping.” The average score across all media was 35 percent, with newspapers a bit higher:

### Aggregate Advertising Scores

Print Newspapers	41%
Newspapers Print/Web	39%
Radio	34%
Internet	33%
TV/TV Web	32%
Total	35%

*Percent rating 7 - 10 on a 10 point scale*

The NAA study, however, doesn't address the fact that newspapers' ad revenues are plunging. As my colleague Mathew Ingram [reported recently](#), a different NAA survey showed that the U.S. newspaper industry has lost over \$40 billion in print ad revenue over the last decade, and while papers' digital ad sales rose slightly, it wasn't nearly enough to compensate for the lost ad revenue. By that measure, the fact that audiences find newspaper advertising effective is only a small consolation.

### ***It's time to do more on mobile***

The study suggests that “content publishers of all sorts should move as quickly as possible to connecting with users on mobile devices.” National newspapers are already doing this, with 43 percent of respondents checking a national newspaper on a mobile phone daily. Local papers, however, have a lot to make up in that area:

Last Time Visited Website with Mobile Phone		
	Today	Never
Local newspaper website	8%	51%
Social network	37%	32%
Twitter/Blogs	35%	25%
National newspaper website	43%	9%
National news website	9%	52%
Local TV news website	8%	52%

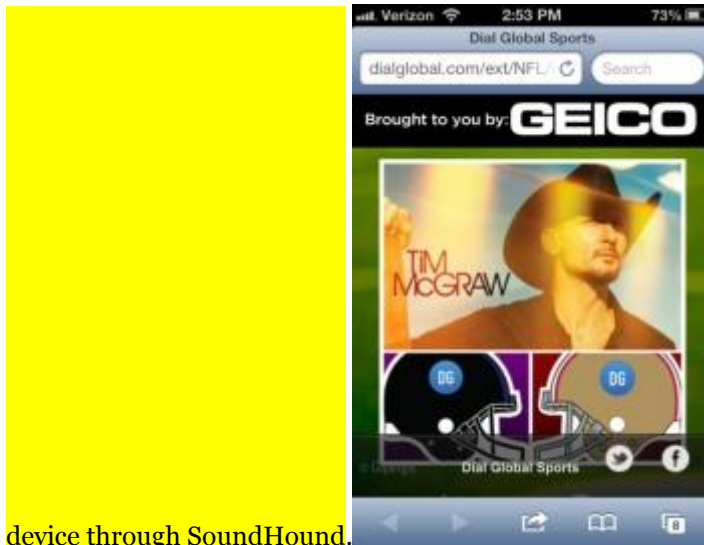
Tablets performed better: “Fully 44 percent of tablet owners said they accessed content from a national newspaper in the last week and 41 percent from a local newspaper, though here, too, social media ranked first (57 percent).”

Luckily, this appears to be an area where newspapers know they have to improve: A [December 2012 survey from the Alliance of Audited Media](#) found that 63 percent of newspaper and magazine publishers agree that “tablets are the most important digital channel for their publication’s future.”

## Mobile Ready Radio Ads

Posted: 07 Mar 2013 05:24 AM PST

**Dial Global** this week announced a partnership with **SoundHound** that will offer advertisers more interactivity with broadcast radio listeners. SoundHound is a music app that listeners can download to their mobile devices and use to identify songs. Now, advertisers can offer listeners access to exclusive offers and branded audio, video, and Web content delivered on their mobile



device through SoundHound.

With this new technology, advertisers will have the ability to provide additional information to consumers via a “second screen” portable device – enhancing the interactivity of their radio

campaigns. Reportedly, the consumer does not have to interact with a commercial immediately in order to tap into the “second screen” offering because the information will remain available for a period of time.

As lifestyle shifts toward mobile continue, technology that enables radio campaigns to benefit are essential. eMarketer forecasts the number of mobile shoppers in the US will increase by 24% in 2013 to 118 million consumers and represent 62% of digital shoppers. Over the next four years, the overlap between mobile and digital shoppers will steadily increase as the number of mobile shoppers grows to 174 million in 2016, 80% of all online shoppers.

Mobile interactivity both increases the impact of a campaign as well as the ability to quantify effectiveness. “Until now, radio has struggled to keep pace with the kind of measurable engagement offered by newer digital marketing platforms. Together with SoundHound, we have created a marketing solution that delivers trackable engagement between listeners and brands.” said **Ken Williams, President of Dial Global**.

**Amex uses radio to promote Main Street retailers.** Between Black Friday and Cyber Monday lies what’s increasingly being known as Small Business Saturday. The American Express-created event highlights small, independent businesses that may otherwise get lost in the blitz of door-buster deals and free shipping offers. Once again, the credit card company used radio to spread the word. Clear Channel Connections president Greg Glenday says American Express’ own research showed radio was one of the key building blocks last year, and it’s a reason why they came back giving his team a bigger budget commitment than they did in 2011. Clear Channel created a multiplatform campaign that included nearly all of its assets. “National scale with local activation, that’s the theme behind the whole thing,” Glenday says. The national elements ran across Premiere Networks, iHeartRadio, and an unwired network buy across the company’s 850 radio stations. But it was the local creative that really showcased what radio can do for a marketer. Glenday says Clear Channel produced a spot with common opening and closes (a donut in production director parlance) leaving the bulk of the time to highlight local retailers selected by the credit card company. It required 600 different pieces of copy — while Dallas listeners heard about a local boot shop, New York listeners heard about a knitting boutique. “One of the things they liked about radio is that a good chunk of our clientele is small businesses,” Glenday says. The campaign also showcased radio’s ability to quickly respond to change. After Hurricane Sandy hit the Northeast, American Express wanted to make sure all the featured stores were still open and could handle the expected flood of business. Clear Channel reps reached out to all of those shopkeepers as the copy was adjusted to feature a “now more than ever” messaging. “They could never have been that nimble with a TV network or a print campaign,” Glenday points out. Clear Channel also enlisted air personalities to promote Small Business Saturday. The company’s programming operations center coached talent how to talk about the event. Glenday says it wasn’t a traditional endorsement campaign, but more a personalities getting behind a concept. They also used their social media relationships. “It’s something we hold sacred so it’s got to be the right partner, and this makes sense because they’re supporting their own market,” he says.

## New Initiatives Point Toward More Accountable Marketing

Making Measurement Make Sense and Brand-Specific Commercial Ratings Underpin Push for Greater Accountability

By: Bob Liodice Published: November 26, 2012

We're dubbing 2013 the "Year of Accountability."

Frankly, we're frustrated with the industry's inability to advance measurement practices. We must give marketers the data, facts and information to make better marketing decisions. There are two specific initiatives that underpin this push for greater accountability.

The first is 3MS, or Making Measurement Make Sense. In collaboration with the 4A's, IAB and other industry partners, **the ANA is determined to advance digital-advertising measurement and cross-platform analytics.** Collaboratively, we have made major strides over the past 18 months. One of the most important developments was the creation of the new standard, **the "viewable impression."** **This will replace the archaic "served impression," a source of grossly misleading and overstated metrics.** Viewable impressions will lead to the development of the e-GRP which will provide improved commonality across media to facilitate cross-platform measurement.

As part of the 3MS initiative, the Media Ratings Council has stepped up to become the guardian for creating and enforcing industry measurement standards. We are delighted that we finally have an objective industry body to advance the measurement profession.

**The second core measurement initiative is brand-specific commercial ratings for TV. Marketers are leaving millions of dollars on the table in lost productivity and substandard business decision-making due to the lack of reliable ratings information. Syndicated brand-specific commercial ratings will tell marketers precisely how well ads are performing -- something that average commercial-pod ratings cannot do.**

There are many more measurement initiatives that will be getting into the pipeline. But what will advance all of them is strong foundation. That foundation is the acceptance of a standard for coding advertising assets, be they for TV, radio, digital or any other media.

Ad-ID is that standard. The boards of directors of the ANA and the 4A's recently voted to make Ad ID the industry coding standard by January 2014. The balance of the industry must do the same.

Why? Ad-ID is the equivalent of the UPC code for advertising. Consider the enormous benefits UPC codes provided for business and industry over the years. Similarly, Ad-ID will streamline advertising workflow, improve processes and generate efficiencies, productivity and cost savings for the entire marketing community.

It's a no-brainer that's worth \$2 billion industrywide.

By improving the business of measurement, we can facilitate marketing decision-making for brands and make the overall marketing ecosystem a far more reliable place to invest our precious advertising resources.

ROI is not metrics, but you need metrics to measure business value of an initiative, whether it's driven by social media or not. The equation goes like this:

- 
- 

Few media can produce results – whether selling a car, a brand of toothpaste or a presidential candidate – as effectively as word of mouth endorsements. And BIGinsight suggests that the new digital person-to-person tools, such as social media, should fall into the WOM category.

BIGinsight thinks the campaigns should be taking note of this right now, because they are spending tons of money on television when WOM is much more effective at influencing the “purchases” – in this case Obama or Romney – than is television or any other medium.

Take a look at this chart, generated using BIGinsight’s Prosper MediaPlanIQ:

Prosper MediaPlanIQ™ Allocation Model\* – Overall Media Influence

Likely Voters

WOM\*\*\* — 32.4%

TV — 18.1%

Direct Marketing — 16.4%

Radio — 8.3%

Newspaper – 8.0%

Magazines – 7.0%

Internet Advertising — 6.8%

Outdoor Billboards – 3.1%

Source: Prosper MediaPlanIQ™, JUN-2012

\*Media influence is weighted by consumption

\*\*Overall media influence is an aggregate percentage of people who are influenced by various media to purchase: Electronics, Apparel, Grocery, Home Improvement, Car/Truck, Medicine, Telecom, Dining Out and Financial Services

\*\*\*WOM includes: Face-to-Face, Social Media, Mobile, Text, Instant Messaging and Blogging

**“I have never stopped believing that the spoken word and the imagination of the listener are infinitely *stronger and more dramatic than anything television can offer.*”**

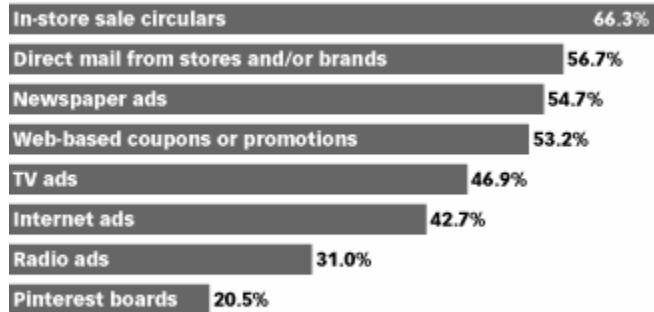
**-Himan Brown, Legendary Radio Producer: “Radio Mystery Theater”, “Inner Sanctum Mysteries”, “The Adventures of the Thin Man**

**(Comment: Note on below the methodology of asking people’s opinions as to what impacts them is completely flawed. Expecting people to accurately convey what impacts them is dangerous as so much of advertising is absorbed subconsciously making it virtually**

impossible for anyone to accurately state and opinion as to what caused them to do something)

**Influence of Select Marketing Channels on Back-to-School Purchasing Decisions According to US Parents, July 2012**

% of respondents



Note: ages 18+ who are parents or guardians of at least one school-age child and are the primary back-to-school shopper of their household  
Source: Burst Media, "Back-to-School Shopping: A Report Card on Consumer Intentions for the 2012 Season," Aug 3, 2012

144003

www.eMarketer.com

We are in an environment when the advertiser is looking for measurable results, not an emotional, anecdotal response from Radio AE's.

Agencies and advertisers are looking for ammunition to defend their decisions to include radio. Many are not going out of their way to look for ways to add it to a campaign. Supplying them with the proper performance metrics provides them with evidence of success which then hopefully leads to confidence to invest.

Below are three radio effectiveness studies conducted by Critical Mass:



# Bank Card Case Study



## Study Overview



- 100% web fielding via 3<sup>rd</sup>-party national panel companies
- Each study fielded in 3 waves:
  - Wave #1: “Before” wave prior to campaign (September 19-22, 2011)
  - Wave #2: “During” wave at 1<sup>st</sup> campaign midpoint (November 7-13, 2011)
  - Wave #3: “During” wave at 2<sup>nd</sup> campaign midpoint (January 23-27, 2012)
  - Wave #4: “After” wave after the campaign (March 19-25, 2012)

- 60% female; 40% are male
- Age 25-54
- Household incomes between \$50,000 and \$125,000
- Average participant is married, employed full-time, and living in a household of 3
- Half listen to Delilah regularly or daily; half are non-listeners (control group)
- About 2/3 are primary financial decision-makers; about 1/3 share equally in financial decisions





# Executive Summary

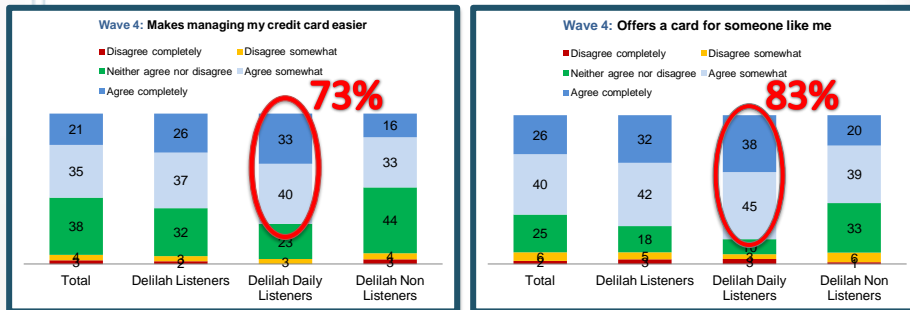
- 1 Delilah effectively educated consumers on Bank Card's key attributes, convincing up to **83%** of those surveyed of Bank Card's reliability, flexibility, and ease of use.
- 2 Nearly **50%** of listeners showed an **intent to purchase** at the end of the campaign, an increase of over **50%**.
- 3 Delilah listeners demonstrated high brand loyalty, identifying Bank Card as card for "someone like me". **75%** said they were likely to recommend it to a friend.
- 4 Delilah's endorsements were memorable. **50%** more listeners **recalled hearing a Bank Card ad** at the end of the campaign. **75%** said that Delilah's endorsement was **more effective** than a regular ad.



## Changing Opinions

One of Bank Card's chief campaign objectives was to drive home certain attributes of and attitudes towards their special features. Delilah's endorsement managed to convince her core audience of many of these key attributes.

By the end of the campaign, Delilah Listeners were overwhelmingly convinced of Bank Card's key attributes:

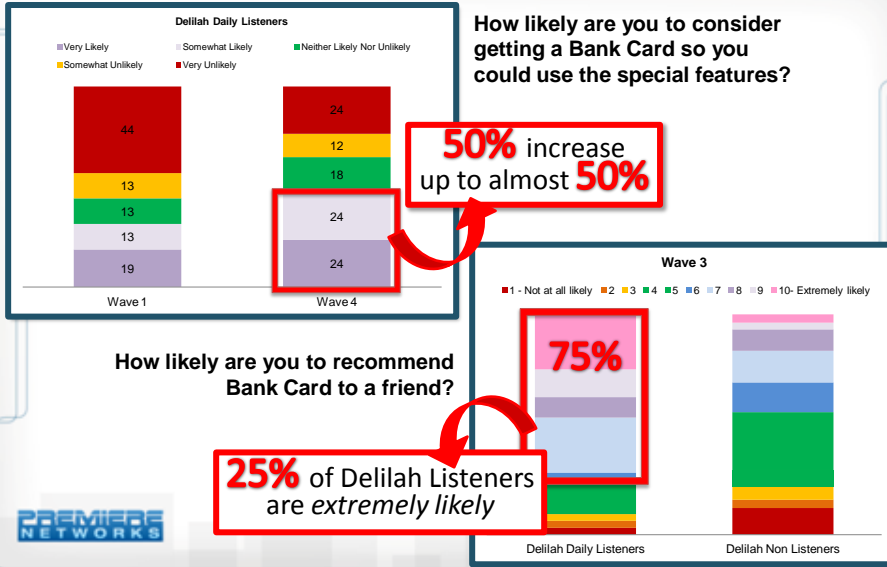


Other Key Attribute Successes Included:

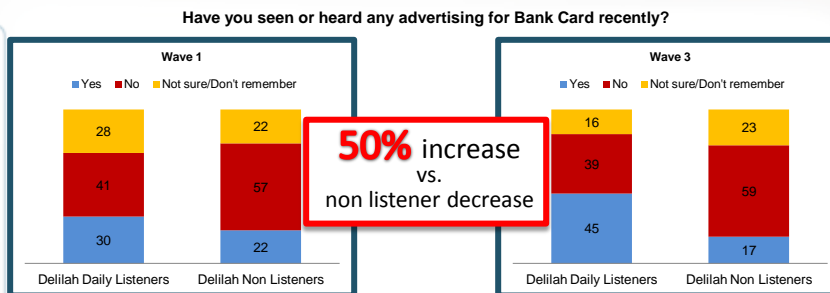
- **20%** increase in belief that Bank Card "Appreciates My Loyalty"
- **24%** increase in "Understands The Things That Are Important To Me"
- **70%** more likely to consider Bank Card "flexible" than non listeners



# Intent to Purchase and Recommend



# A Memorable Endorsement



Nearly **two-thirds** of Delilah listeners say hearing her talk about Bank Card is more convincing than standard advertising.

More than **75%** of daily listeners agree.



# CRITICALMASSMEDIA

Household Appliance Brand



## METHODOLOGY

- Timing: September 2011 --January 2012 campaigns
- 100% web fielding via 3<sup>rd</sup>-party national panel companies
- 70% of participants were female
- The study rolled out in 3 waves:
  - “Before” wave prior to campaign (September 6-11, 2011)
  - “During” wave at campaign midpoint (October 31-November 3, 2011)
  - “After” wave one week after campaign completion (January 5-11, 2012)
- Conducted by *Critical Mass Media*



# RESULTS

**75% increase** in radio advertising recall for Household Appliance Brand among Premiere listeners throughout the course of the campaign. *(TV recall increased by only 23% during that same period).*

**125% increase** in Premiere listeners' ability to attribute the Household Appliance Brand tagline to the correct product throughout the campaign. *(There was no statistically significant increase among non-listeners).*

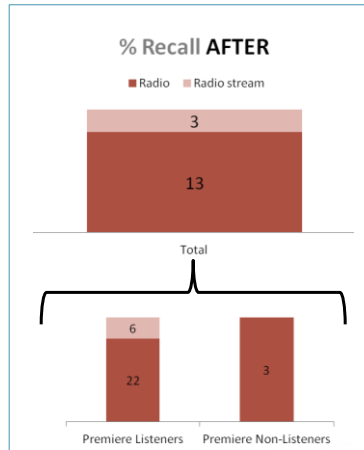
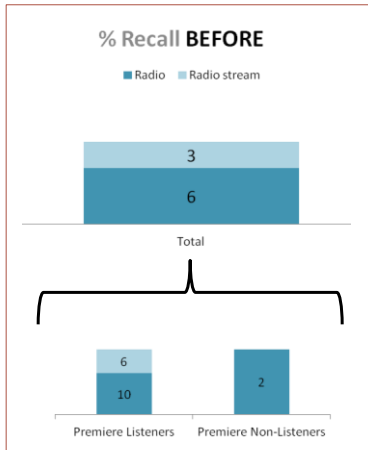
**Increased likelihood of purchase** for daily listeners of Premiere entertainment programs



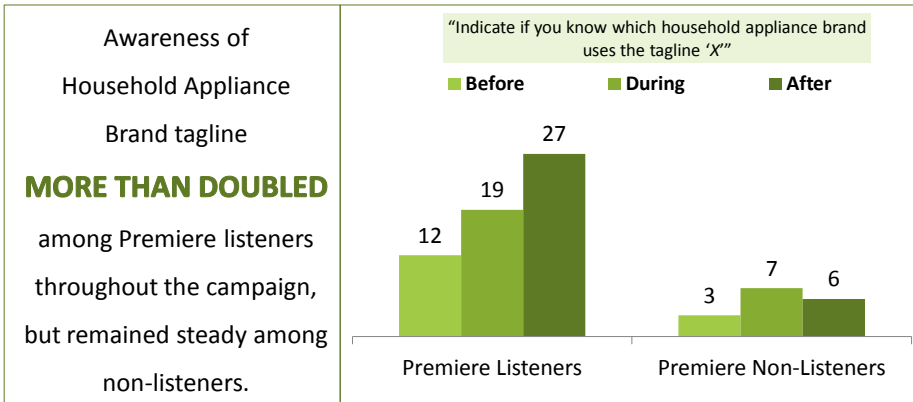
## ADVERTISING RECALL

### 75% INCREASE IN RADIO ADVERTISING RECALL

The Household Appliance Brand displaced the next higher advertiser as the 2nd most-recalled brand, by the campaign's end.

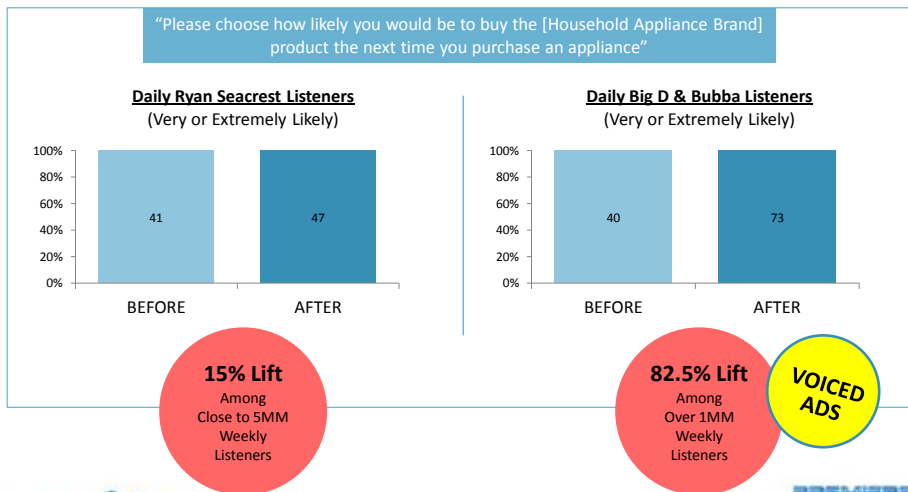


# TAGLINE ATTRIBUTION



# LIKELIHOOD TO PURCHASE

## RADIO *INCREASED PURCHASE INTENT* AMONG DAILY LISTENERS



# CONCLUSIONS

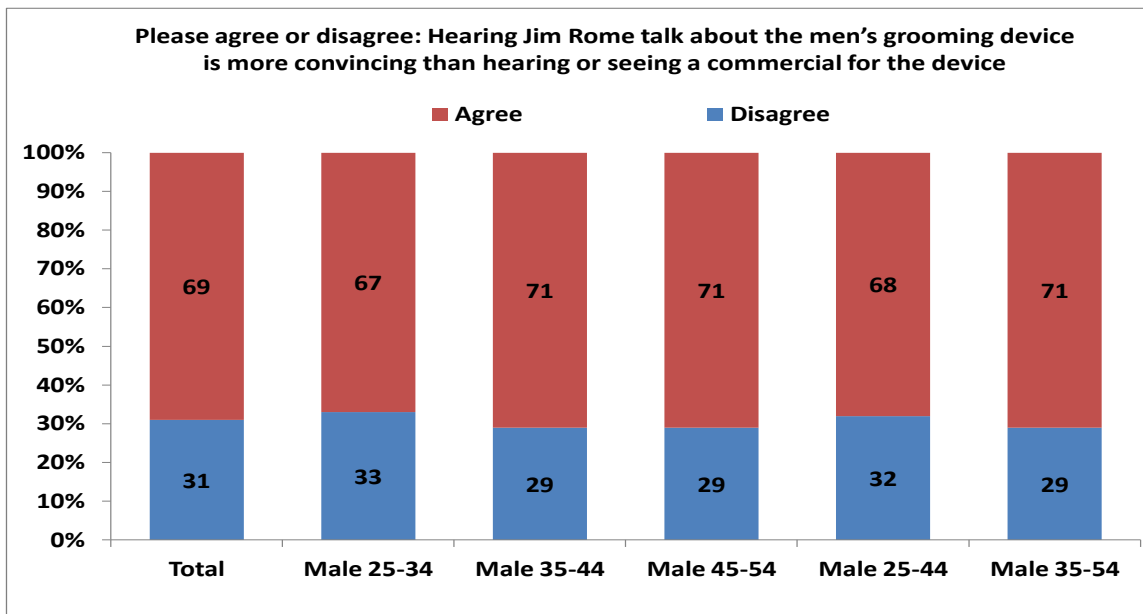
This study demonstrates increase in ad recall, increase in tagline awareness, and increase in the intent to purchase

Targeting females using voiced endorsements on Premiere's entertainment properties WORKS for household appliances.

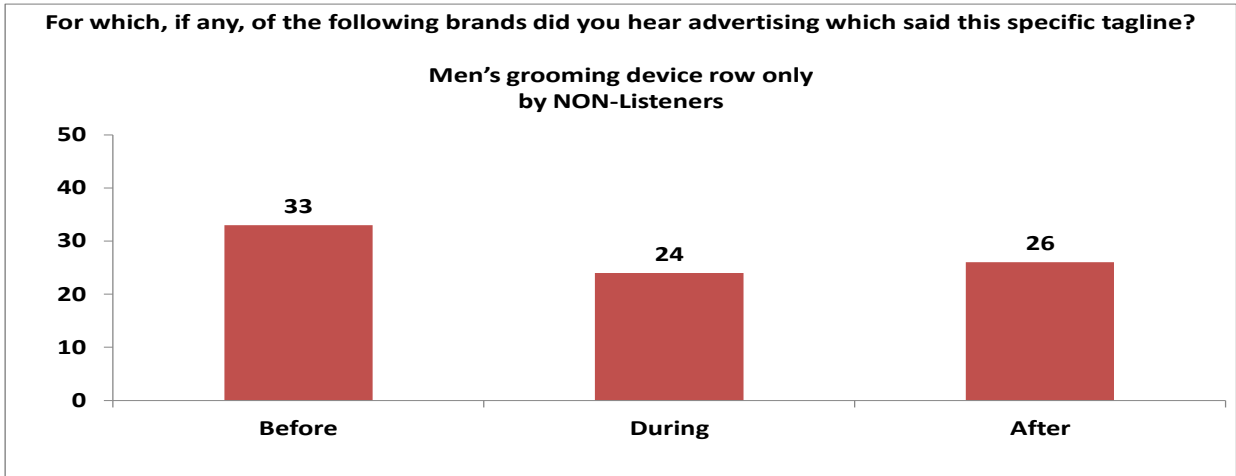


## A Men's Grooming Device

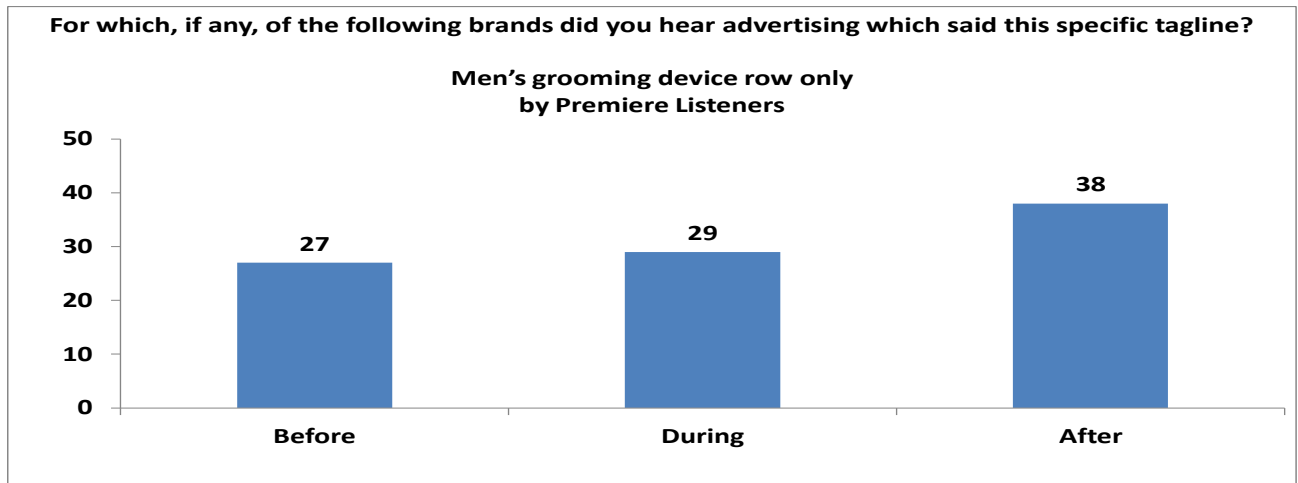
- More than 2/3 of Jim Rome listeners say hearing Jim talk about the men's grooming device is more convincing than hearing or seeing a commercial for the device



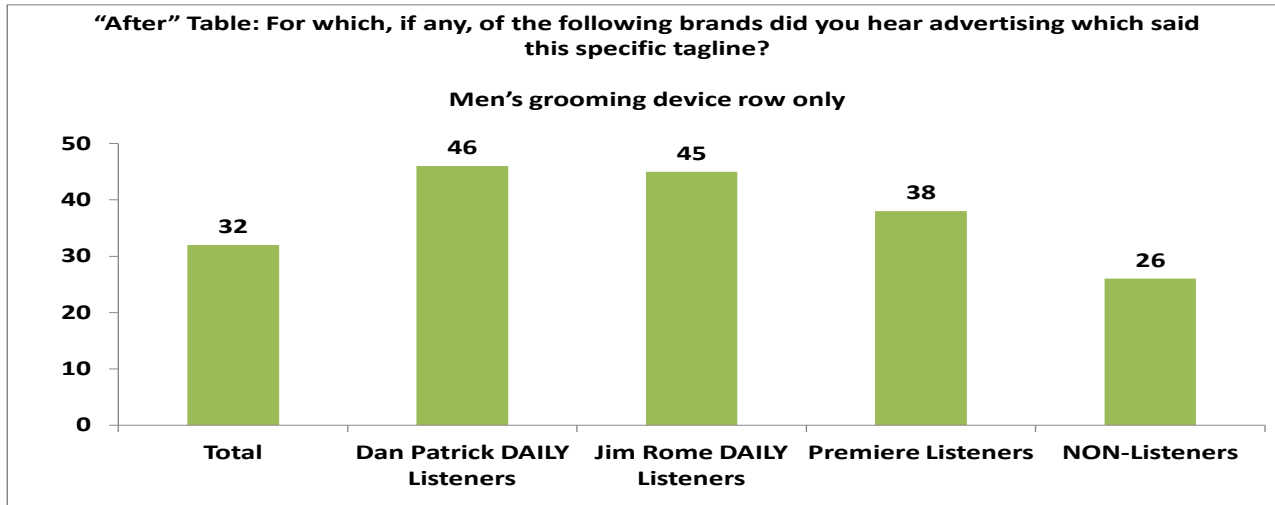
- Awareness of the men's grooming device tagline increased 41% among Premiere listeners from Wave 1 to Wave 3



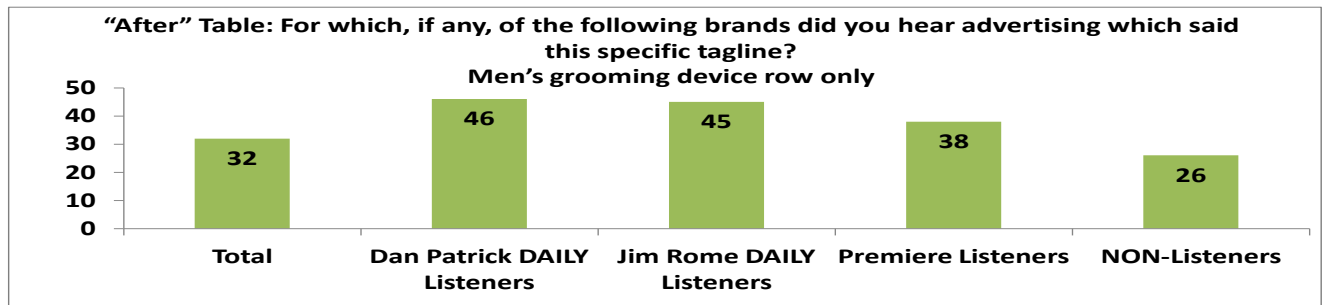
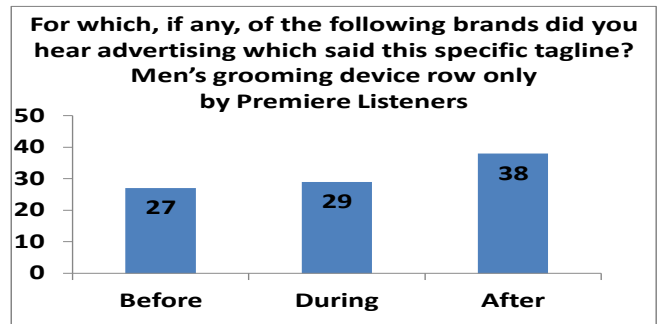
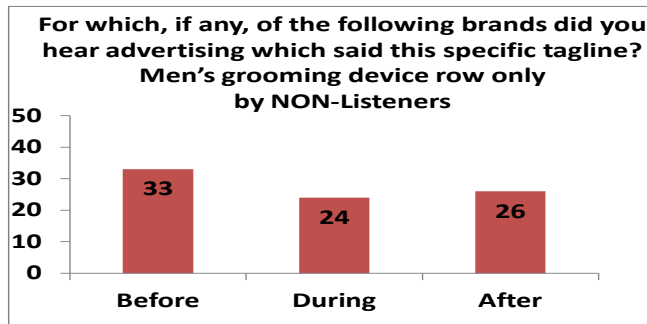
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## Executive Summary

- 1. 73% of Dan Patrick listeners say hearing him talk about the men's grooming device is more convincing than either hearing or seeing a traditional advertisement for the device. 69% of Jim Rome listeners say the same about him.**
- 2. By the conclusion of the campaign, the men's grooming device makes gains on a competitor as a brand they've heard advertised lately. Recall for the men's grooming device advertising on Jim Rome's show increased by 62% from Wave 1 to Wave 2. Recall for the men's grooming device advertising on Dan Patrick's show doubled in the same time period. Respondents generally say they heard the spots multiple times.**
- 3. Awareness of the men's grooming device tagline increased 41% among Premiere listeners from the beginning to conclusion of the campaign.**
- 4. By the end of the campaign, 46% of heavy Dan Patrick listeners, 45% of heavy Jim Rome listeners, and 38% of listeners (both casual and heavy) of either show can peg the men's grooming device's tagline to the correct product, compared to just 26% of non-listeners.**
- 5. Interest levels in the men's grooming device increased marginally throughout the campaign; this increase occurred among both listeners AND non-listeners.**
- 6. By the conclusion of the campaign, half of Premiere show listeners say they'd at least probably buy the men's grooming device in their next purchase, compared to just 30% of those who don't listen to either show.**

To quantify radio's impact for major national advertisers, Katz Marketing Solutions has been working closely with Ipsos OTX, a well-respected research company, on advertiser-specific studies. These studies have had two objectives:

- 1) To provide advertisers with key branding metrics of radio's performance: awareness, consideration, intent, advocacy and affinity
- 2) To provide complete diagnostics on the radio creative aired by the advertisers

## Ipsos/OTX Press release:

### Ipsos Study Shows Radio has Positive Impact at all Stages of Purchase Funnel

Monday, November 07, 2011

**New York, NY** - Ipsos OTX MediaCT has undertaken an on-going evaluation of radio campaigns in partnership with Katz Marketing Solutions. The first release of the results provide a compelling story for radio as exposure to the campaigns had a positive impact on consumer's at all stages of the purchase funnel. According to Bruce Friend, President of Ipsos OTX MediaCT: "These results have demonstrated to us the power of radio."

The approach compared results from people who had listened to at least one of the stations included in the campaign with a control group of people in the same markets who had not listened to those stations. Numerous brand metrics were included as well as questions that focused on the ads themselves. Key findings:

#### Radio can impact brands all along the purchase funnel

Radio can be used to improve a brand at stages all the way from creating awareness to enhancing the likelihood that the consumer will recommend the brand to a friend. It is a versatile tool that can be used to meet a variety of objectives.



(Click to enlarge image)

#### Radio works across a variety of categories

Campaigns for movies, financial services, retail, consumer durables and fast food have been evaluated so far. All of them showed stronger results among radio station listeners than the control group of non-listeners. And as noted above, improvement was seen on multiple brand measures for all the campaigns.

## Radio ads need to work at an emotional level as well as a rational one

While many people see radio primarily as a way of communicating a wealth of information about a brand these results show the importance of connecting at an emotional level with consumers. The strength of emotional response to each ad used in the campaigns was measured using Ipsos' proprietary Emotive Power measure. Stronger campaigns used ads with greater emotional power. This finding throws a challenge to creatives developing radio spots to generate ideas and content for ads that go beyond information and connect with the consumer.

The project was commissioned by Katz Marketing Solutions, the leading media representative for the radio industry. In this role, they have a distinct interest in helping advertisers understand the efficacy of radio, what its proper role is in the media mix and how to make it work even harder. This led them to approach the team at Ipsos OTX MediaCT to develop this in-market evaluation tool that they could use to better understand exactly how radio worked.



### ***Proving and Improving Radio Effectiveness***

Client specific case studies that confirm radio's impact

From blind and intuitive to informed and enlightened

KATZ MARKETING  
[S O L U + I O N S]

# Our challenge: Prove radio works!

- Radio impact has always been difficult to measure
- Research is expensive!
- Past Radio industry “performance” research...
  - Mostly lab or “controlled” settings
  - Generic ...ONE SIZE FITS ALL
  - OTO: not continuing research
- Also needed to address creative

2



Partnered with OTX- Owned by Ipsos

TV & Film Studios	Gaming, Internet & Other Entertainment	Technology & Communications
sundance channel Comcast abc A&E NETWORK Discovery NBC UNIVERSAL Nickelodeon Scripps HBO FOX LIONSGATE Universal The CW Turner DIRECTV Warner Bros. SONY PICTURES 20th Century Fox VIACOM T MTV NETWORKS TELERADIO	Walt Disney ancestry.com ACTIVISION AOL FOX HEARST corporation MOBILE GROUP UBISOFT YAHOO! NFL T2 Google msn SEGA SEGA OF AMERICA THE HUFFINGTON POST FOX INTERACTIVE MEDIA PREMIERE the knot SIRIUS SATELLITE RADIO ORBITZ GAMES	Microsoft Sprint Together with Nextel LG NETFLIX T-Mobile ebay SONY BEST BUY SAMSUNG hp Apple intel amazon.com XBOX 360 stardoll

3

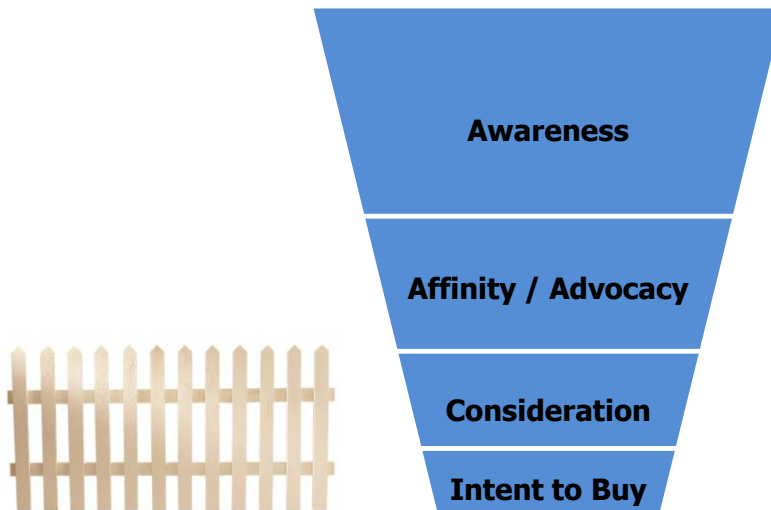


# Online Panel Based Methodology

- Multiple sources are utilized for each study
  - minimizing biases of relying on any one source or panel
- Utilizes membership sites:
  - Membership sites provide incentives to take OTX surveys
- Respondents come into the OTX router directly from invitations from our suppliers in the form of emails, alerts, etc.
- They are then routed to an appropriate client survey at random based on their pre-qualifications.

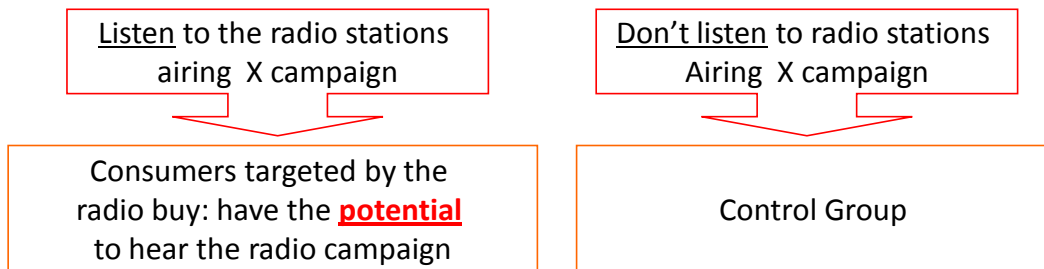


## The Brand Purchase Funnel



## A 4 Step Online Process

- 1) Must reside in targeted radio markets
- 2) Must be in the target demo, gender and ethnic target
- 3) Must currently own or plan to purchase product



Radio advertising does positively impact the 5 key branding metrics

6 study Average % Lift: Radio-targeted consumers vs. Control groups		
Awareness	➔	+ 13%
Consideration	➔	+ 20%
Purchase Intent	➔	+ 14%
Affinity / Likeability	➔	+ 38%
Advocacy	➔	+ 37%

Source: Radio Advertising Effectiveness Program, Ipsos OTX, 2010-11; conducted for Katz Marketing Solutions.



**The top commercials generate twice the impact as the bottom  
... against 12 key creative diagnostics**

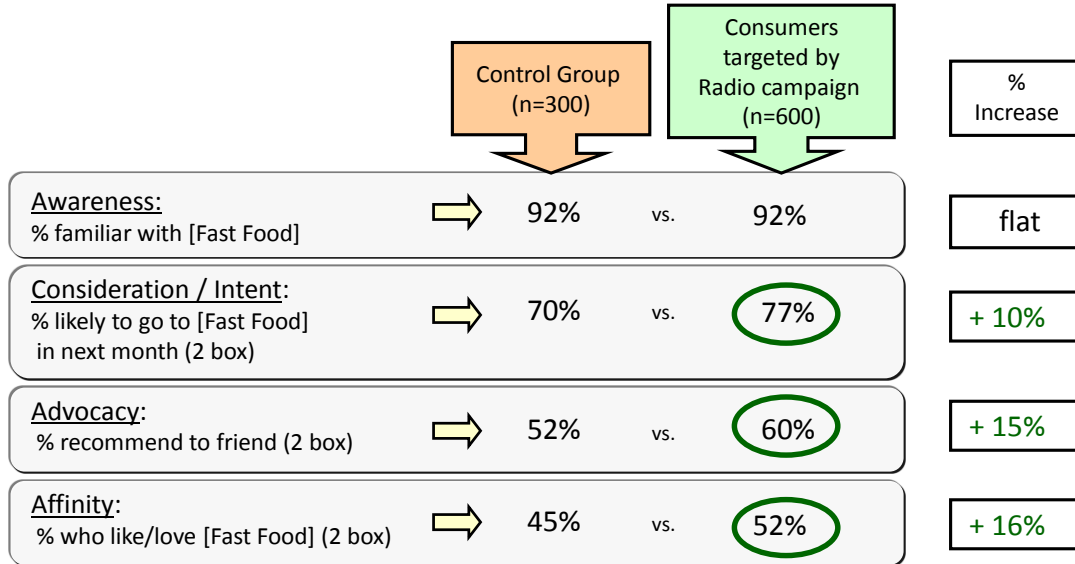
	Likeable	Emotive	Factual	Informative	Motivating	Differentiating
<b>Average of Top ads</b>	53%	41%	61%	63%	37%	44%
<b>Average of Bottom ads</b>	29%	16%	29%	26%	16%	17%
	Buy	Believable	Soft Sell	Share	Talking 2 Me	Entertaining
<b>Average of top ads</b>	67%	78%	45%	60%	67%	76%
<b>Average of Bottom Ads</b>	36%	39%	19%	28%	44%	34%

Katz/OTX has tested 23 different creative executions to date.  
To be read: the top ranked commercials on average were ranked as likeable by 53% of the respondents vs the bottom ranked averaging 29%.



Note below: this particular Fast Food advertiser already had an Awareness figure of close to 100% which is why the Awareness did not increase. It is difficult to improve upon 92% awareness

## Radio-targeted consumers exhibit higher levels of engagement with the [Fast Food] brand

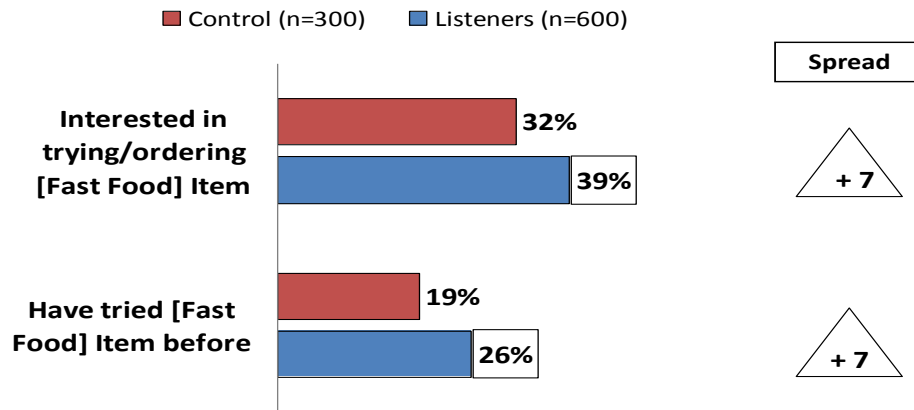


○ Indicates significant difference between comparative groups at 90% confidence

30



## Both consideration and trial of [Fast Food] Item is higher among listeners



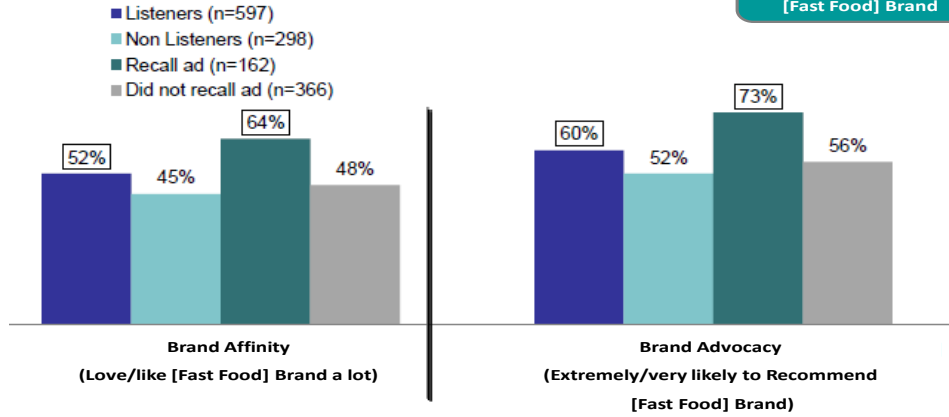
Square indicates significant difference between comparative groups at 90% confidence.





# Affinity / Advocacy

Men are more likely to love/like [Fast Food] Brand

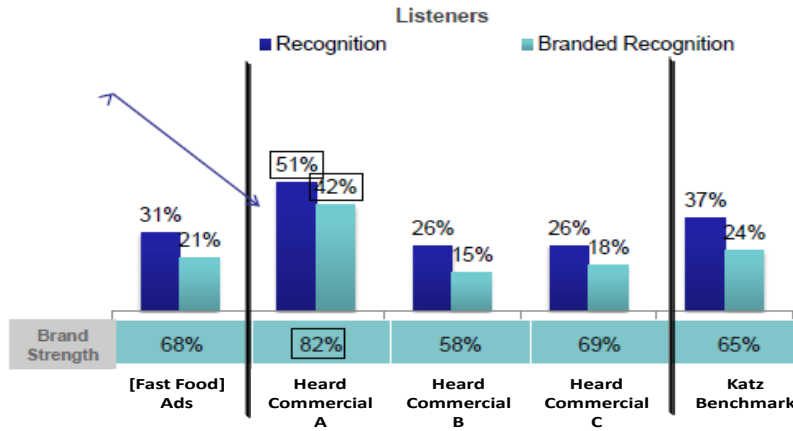


BRFAV. How do you feel about each of the following fast food restaurants? (Top 2 Box)  
 NETRECO. How likely are you to recommend each of the following fast food restaurants to a friend? (Top 2 Box)

32



## Again: Large Disparity Between Creative Performance

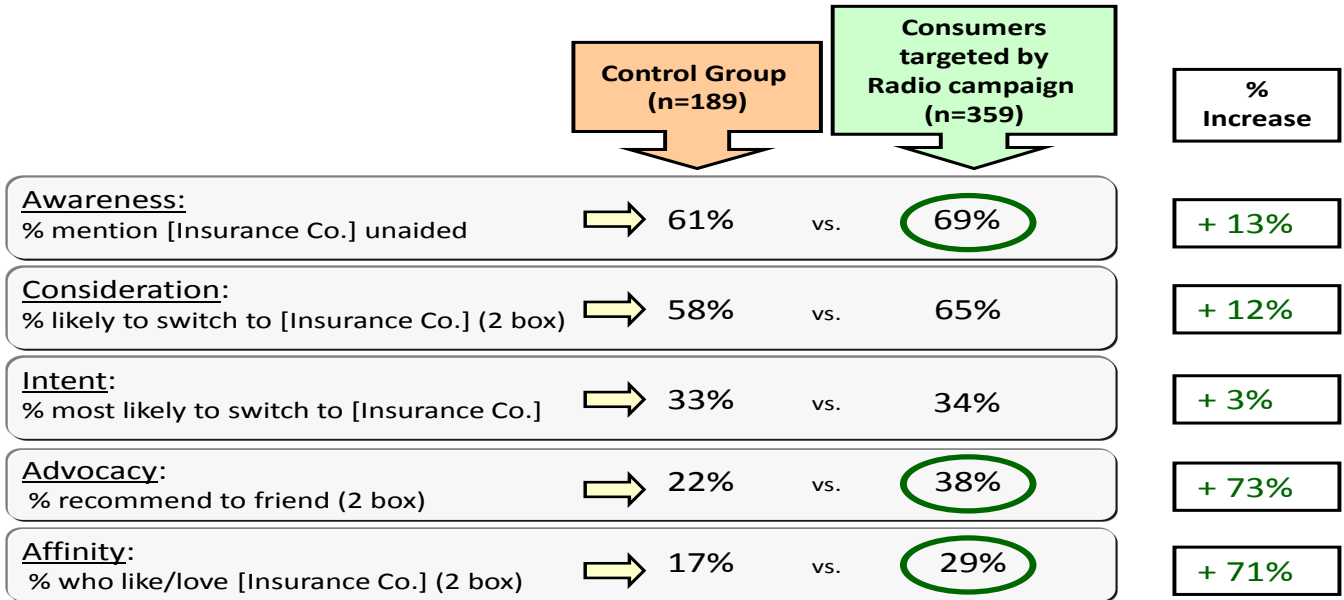


Q9. Do you remember hearing this ad on the radio recently?  
 Q10. Please tell us what brand name and any sub-brand name the advertising was for. Please type as much of the full name or title as you can remember.  
 Square indicates significant difference between comparative groups at 90% confidence


33



# Radio-targeted consumers exhibited higher levels of engagement with **[Insurance Co.]** than control group



34

 Indicates significant difference between comparative groups at 90% confidence