



Personal Relevance Two: Radio's Receptive Ad Environment

A Major New Study of How Radio Ads Affect Consumers in Unique Ways

The First in a New Series: "Radio and the Consumer's Mind: How Radio Works,"
September 2006

Making Radio More Effective

In 2004 and 2005, the Radio Ad Lab conducted three major studies on different aspects of Radio advertising. With this 2006 study, the Radio Ad Lab is beginning a new series of research projects under the general theme, "Radio and the Consumer's Mind: How Radio Works."

Our goal is to shed new light on the psychology of Radio advertising more than on the mechanics. We've established in previous studies, especially the landmark Radio's ROI Advantage, that Radio works, and it works in extremely cost-effective ways. Now we want to help the industry better understand how Radio works.

In particular, we want to help advertisers understand Radio's role in the overall media mix. While the Radio Ad Lab is oriented toward understanding Radio specifically, each of our new studies is designed to better understand Radio in the larger context of marketing communications.

Beyond "Personal Relevance, Personal Connections": More Sample, and Comparisons to the Internet

Much of the inspiration for this first study in the new series came from the initial research conducted by the Radio Ad Lab, which we called "Personal Relevance, Personal Connections." That study was conducted in 2004, and the full report on its findings remain available for free at the Radio Ad Lab website.

In 2004, we found that Radio is the most personal medium of the three we studied. Consumers choose Radio to satisfy personal wants and needs, and as a result, Radio affects listeners at a very individual and emotional level. Furthermore, Radio advertising also benefits from that personalized connection. Radio ads, like the programming that contains them, are seen as "speaking to me," and Radio advertisers are associated with "trying harder to reach me personally."

Based on feedback from advertisers, agencies, and the Research Committee, the Radio Ad Lab decided to revisit those topics with a substantially larger study (to allow for more demographic drill-downs), and to field a study that also contrasted Radio advertising with ads on the Internet. Therefore, this new study compares consumer perceptions of Radio and Radio advertising with corresponding perceptions for television, newspapers, and the Internet.

The full paper, "Personal Relevance Two: Radio's Receptive Ad Environment," is available for free download at the Radio Ad Lab site, www.RadioAdLab.org. You can also download the entire selection of research studies and papers.

How the Study was Done: Efforts to Achieve a Quality Survey

Under the supervision of the Research Committee, a 44-member group of experienced researchers from advertisers, agencies, and broadcast organizations (see our website for details), the Radio Ad Lab contracted with Harris Interactive, Inc., to field a nationally projectable RDD telephone survey during June and July 2006. We achieved a very respectable 37 percent “true” response rate as we tallied 2,649 completed media interviews with randomly selected adults 18-54.

Higher incentives and bilingual interviewers were used in high-density Black and Hispanic ZIP codes in order to optimize cooperation from ethnic populations. The approximately 20-minute questionnaire was pre-translated into Spanish. We achieved well over 200 completed media interviews each from Blacks and Hispanics. Many more details about the survey methodology are available in the full research report.

The Questionnaire: Measuring Emotional Connections and Advertising Perceptions

We had two main types of questions in the new survey. The first set focused on which emotional attributes are linked with which media by consumers. For example, we would ask respondents which of the four media was most likely to “improve your mood or make you feel positive.” There were 20 statements like that. Because those statements required participants to choose among all four media, we decided to limit our tabulations to those who said they used the Internet at least two hours per week (for reasons other than e-mail); we thought it would be unfair to make a four-way comparison among people that had no basis for answering questions about the Internet.

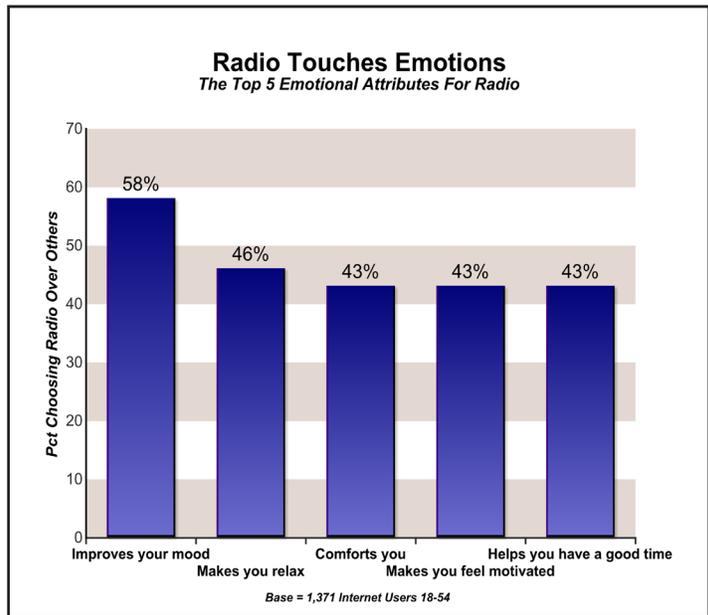
The second type of question assessed perceptions of advertising on each medium. For each medium, we would ask users of that medium to tell us how well certain statements described advertising on that medium. For example, each Radio user was asked to consider a five-point scale to rate the statement, “Radio ads are more likely to reach the people they are meant for.” There were 14 statements along those lines.

Results: Radio’s Receptive Ad Environment - Radio Listeners Especially Receptive to Advertising

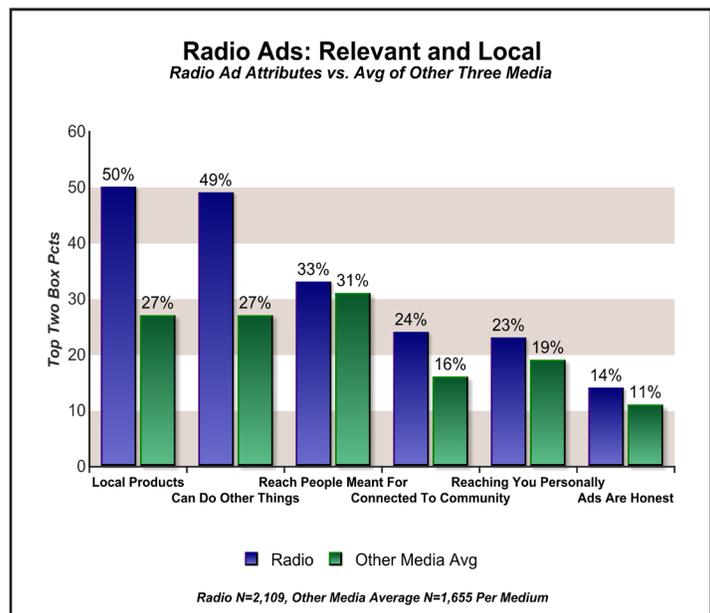
The new study is rich with observations about media, advertising, and demographics. But one conclusion runs through virtually all the data — that Radio listeners appear to be especially receptive to advertising. We came to that belief through a series of related findings:

Radio listeners have a unique relationship with Radio as a medium. That relationship is more emotionally connected than for either newspapers or the Internet. And this relationship is much more personal than for tele-vision or the Internet. This suggests that Radio provides a pathway to the consumer’s mind that can provide better emotional connections to brands and products when the advertising is designed and placed properly.

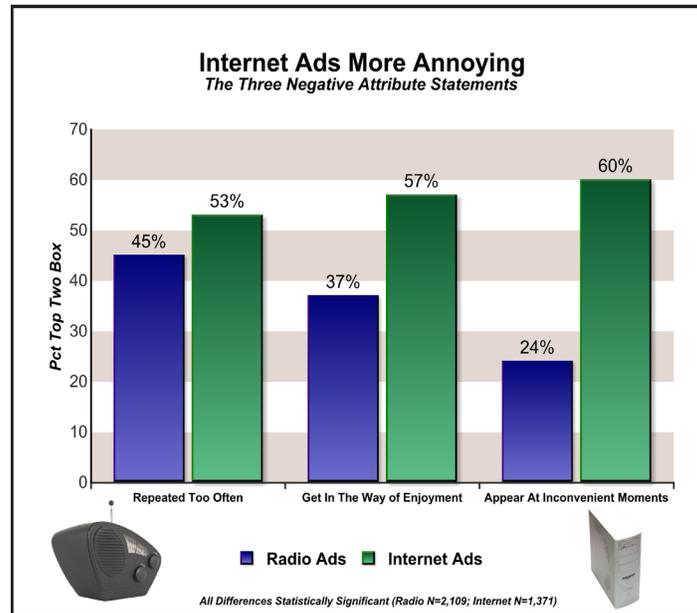
Here's a sample of what we mean, in the chart at the top of the next column, in which you can see the top-five emotional attributes that people associated with Radio:



Furthermore, consumers perceive that Radio advertising is more personally relevant to them than ads on television or the Internet, in part, we believe, because Radio ads are usually targeted to the demographics of particular stations. That sets up a unique advertising environment in which Radio listeners actually expect ads to be more interesting to them. In the following chart, we show the "top two box" ratings for a series of statements about Radio ads, compared to the averages for the other media:

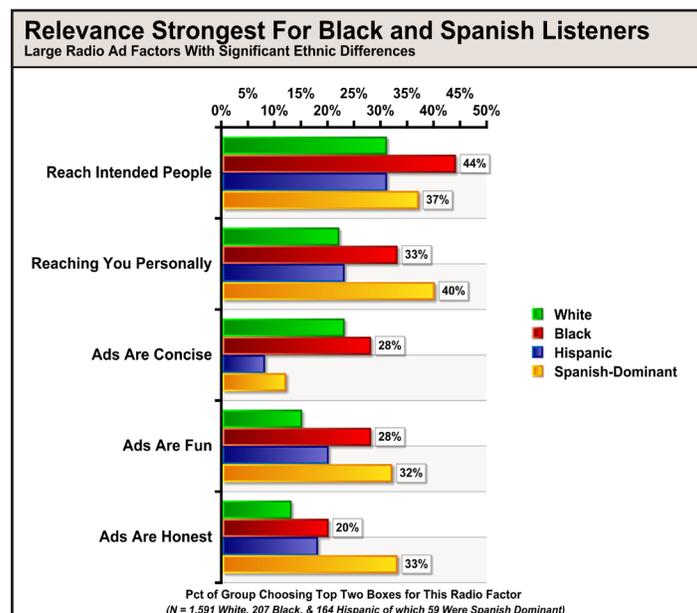


And we found that **Radio ads are better accepted** by listeners than are ads on television or the Internet, which implies a more positive environment for advertisers. We were especially struck by how negatively our respondents perceived advertising on the Internet. As you review the next chart, consider that we had respondents focus on Internet websites, excluding e-mail, so we think these responses reflect attitudes toward Internet ads other than e-mail spam:



Furthermore, when drilling down into these conclusions, we observed that our findings were generally true across all ages, genders, race/ethnic groups, and Radio formats.

1. Radio’s overall pattern of ad receptivity was strong across all Radio formats examined in this study.
2. Radio’s receptive ad environment is especially strong among Blacks/African-Americans and Hispanics (especially Spanish-Dominant Hispanics). Ethnic populations also showed some additional emotional connections with their stations, indicating strong lifestyle bonds with formats targeting those populations:



3. Ad receptivity is even stronger among heavier Radio listeners.
4. And while there were age-related variations in the absolute values of our measures, the relationship of Radio to other media held true across all age groups included here.

Putting It to Use: Consider Radio's Uniqueness in Planning, Producing, Testing, and Buying Radio Ads

For the industry to get maximum benefit from these observations, advertisers (and Radio ad producers) will need to understand and make use of these unique characteristics of Radio when planning and executing Radio ad campaigns. As we concluded in 2004, Radio communicates with consumers in unique ways, and optimal effectiveness with Radio advertising requires accounting for that difference.

Radio is truly unique. It's connected to emotions. It's personal. Its ads are relevant to consumers when used properly. And it provides an environment for advertising that's relatively accepting of ads.

But actual ad effectiveness depends on the advertising industry applying that learning in the planning, creating, testing, and buying of Radio advertising.

The Next Study: Radio-Internet Synergy

In Winter 2007, the Radio Ad Lab plans to release the second study in our new series, "Radio and the Consumer's Mind: How Radio Works." This project will examine the extent to which adding Radio to an Internet-only advertising campaign might trigger effectiveness synergies.

As we saw in the study reported here, Radio and the Internet have very different consumer perceptions, and presumably, very different advertising strengths. The new study will examine various combinations of Internet-only and Internet-plus-Radio exposures to determine whether those varying attributes can add up to useful synergies for advertisers.

Radio Ad Lab Board of Directors and Research Committee

The Radio Ad Lab Board of Directors is comprised of radio industry executives from the funding organizations and from other key broadcasting constituencies. For more detailed information, and to view a list of the Board members, please visit our website.

The Radio Ad Lab Research Committee is responsible for determining the direction of all research projects funded by the Radio Ad Lab and includes members from the advertising and client communities in addition to the Radio industry. Research Committee members are:

Radio Ad Lab Research Committee: Chair - Jerry Lee (WBEB-FM)

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Arbitron: Ed Cohen; Carol Hanley

ARE: Bill Cook

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Westwood One Radio Networks

About The Radio Ad Lab

The Radio Ad Lab is an independent organization established in 2001, funded by Radio industry companies to further the understanding of how Radio advertising works, to measure Radio's effectiveness, and to increase advertiser and agency confidence in Radio.

All Radio Ad Lab research, including White Papers, studies, and summaries, is available in its entirety and for free download at www.RadioAdLab.org. We encourage you to sign up for our email list at the website to make sure that you're notified of new Radio Ad Lab research.

