

FEATURED

In A Media World Where Impressions Are The Currency, What Makes Radio Unique?

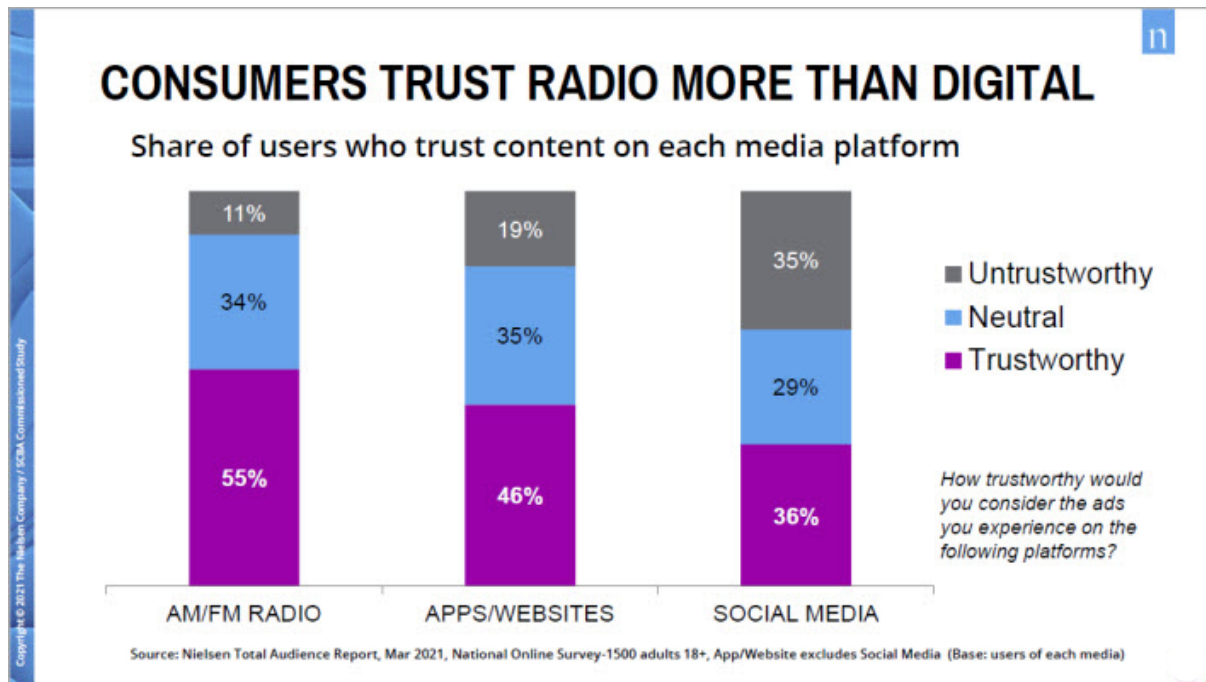
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IMPRESSIONS



Transitioning to impressions-based ad sales could help radio level the media playing field by allowing buyers to transact business using the same metric as digital. But as radio works to educate buyers and sellers on the shift, broadcasters are highlighting the qualities that make radio impressions unique – and valuable.

When advertisers evaluate the value of media impressions, consumer trust is becoming a factor of growing importance. In that crucial attribute, research has shown consumers trust radio more than digital media. According to Nielsen's Total Audience Report from March 2021, more than half of respondents (55%) consider the ads they hear on AM/FM radio as trustworthy, compared to 46% for apps/website and 36% for social media. Similarly, only 11% consider radio ads untrustworthy, versus 19% for apps/website and 35% for social media.



The belief that all impressions are not created equal is bolstered when advertisers try to verify that impressions were actually delivered as promised. That's not always so easy to do in digital media where the delivery of impressions is easy to manipulate. Digital ad fraud is projected to exceed \$15 billion in the U.S. in 2021, three times as high as it was ten years ago.

Moreover, the environment a message is associated with has increased in importance for advertisers. Unilever, Verizon, Honda and scores of other major advertisers paused advertising on Facebook last year to stop hate and disinformation on the platform.

Another point being made about the value of radio impressions has to do with engagement. For radio and TV impressions to receive credit from Nielsen, the minimum duration is five minutes. But the Interactive Advertising Bureau has yet to determine a set of standards for digital impressions. From YouTube to Tik-Tok to connected TV, each platform has its own criteria.

During a pair of webinars for member stations and their clients, the Southern California Broadcasters Association compiled a list of factors to consider when comparing radio and digital impressions. Among them: broadcast radio is a FCC-regulated medium while digital and social media have no control for brand safety. AM/FM also allows advertisers to pick and choose dayparts while most digital ads offer no way to control for time specific times.

FACTORS TO CONSIDER ABOUT DIGITAL MEDIA	
AM/FM RADIO	DIGITAL/SOCIAL MEDIA
DECADES OF TRUST	REPUTATION FOR DISTRUST
FCC REGULATED CONTENT	NO CONTROL FOR BRAND SAFETY
FRAUD FREE	INCREASING FRAUD
3 RD PARTY MEASUREMENT	IMPRESSIONS ARE SELF-REPORTED
LOCAL OR NATIONAL	PAY EXTRA FOR LOCAL IMPRESSIONS
CONTROLS FOR DAYPARTS	NO CONTROL FOR SPECIFIC TIME
IN-CAR AUDIENCE	DON'T TEXT AND DRIVE

While these types of comparisons might paint radio as anti-digital, SCBA President Miles Sexton notes that radio has wholeheartedly embraced digital as broadcasters continue to derive a larger share of ad dollars from their online assets. Instead, the point is that advertisers are better off with a balanced media mix that includes radio with digital. "We saw a rush to digital, thinking it was going to be the cure-all, it was going to be cheaper and easier to buy. It is cheaper, it is easier. But you may not be getting everything you thought you would," Sexton contends. "A media mix is a way to ensure you're going to get a better outcome than just using digital on its own."

Reversing The Math

At the core of the change is flipping the ratings currency from the percentage of the population reached by an ad campaign to the projected number of viewers or listeners reached. "Ratings are based on the percentage of the universe of the market, so you reverse that math and go to what are the actual impressions of the market, not the percentage of the market," explains Kathy Doyle, Executive VP, Managing Director, Local Investment of IPG's Magna Global, who buys audio for such clients as BMW, T-Mobile, Amazon and Zillow. Instead of the long-used cost per point ratings model (CPP), radio would trade on a cost per thousand impressions (CPM) based on average quarter hour persons. Agencies would avail stations on a CPM basis and stations would develop ad schedules in that vernacular.

While radio is working to educate its sales forces and clients on impressions-based buying, the TV industry is moving more aggressively. In September Nielsen announced it would change the currency that local U.S. TV advertising is bought and sold on to impressions, starting in January 2022, to coincide with the integration of broadband-only homes into Nielsen's local TV measurement service. "This means making TV measurement more like digital," CEO David Kenny said last week on Nielsen's third quarter earnings call. "This will enable the industry's transition to trading on impressions-based measurement and result in more complete, precise and representative measurement."