

# RADIO BASICS

AN UNOFFICIAL GUIDE TO RADIO PLANNING BASICS

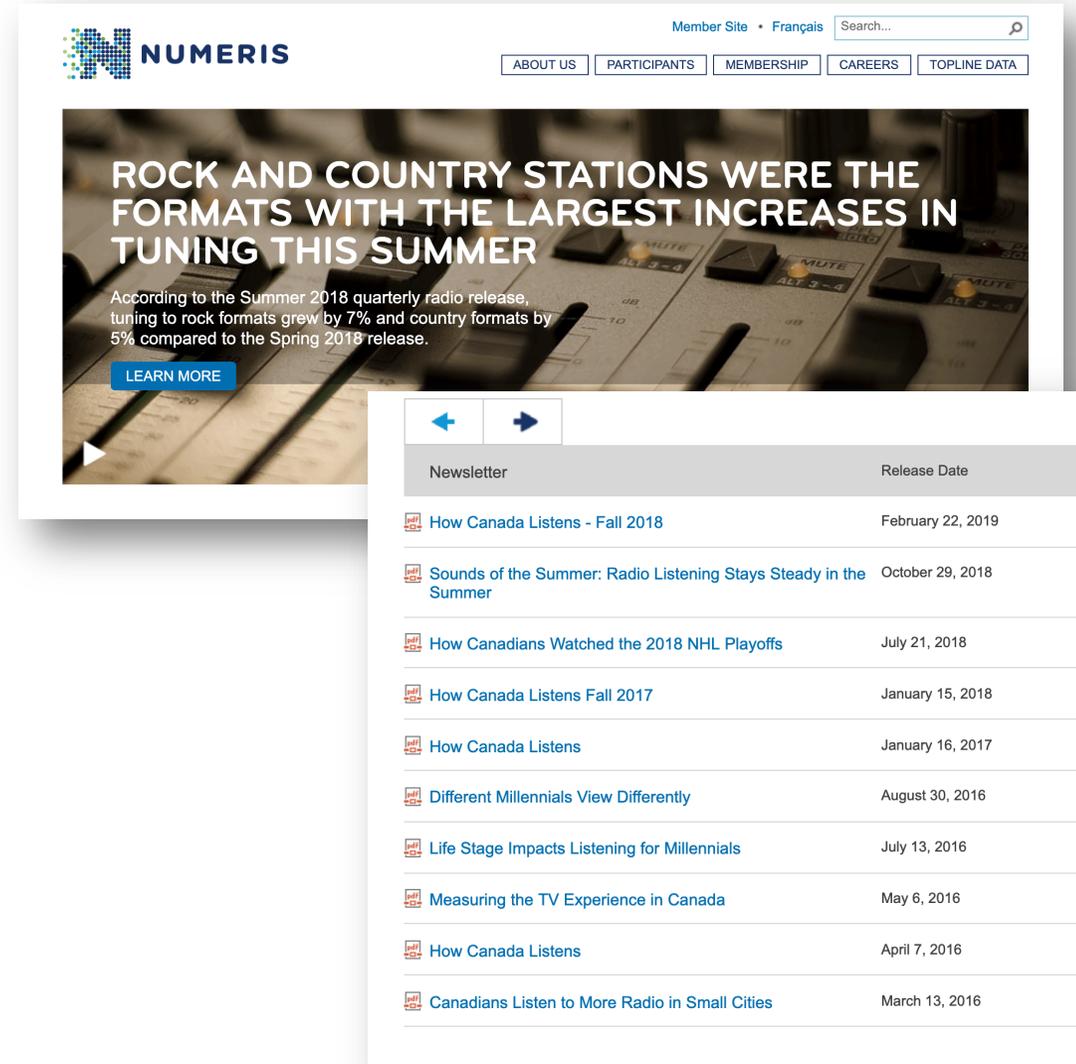


# RADIO BASICS

- The following provides generic guidelines for effectively planning radio. They are presented in absence of advertising category tactics, specific target insights or campaign objectives, and are meant to be used as guiding principles and best practices only.
- Every radio campaign and execution should be reflective of an individual advertiser's campaign objectives and the market conditions at time of execution.

## NUMERIS MEASURES THE CANADIAN BROADCAST LANDSCAPE.

- Numeris, formerly BBM, provides broadcast measurement and consumer behaviour data.
- They are a tripartite non-profit organization providing audience and ratings data to a membership and licensee base that includes Canadian broadcasters, advertisers and agencies, and other broadcast-related organizations in English and French Canada.
- They use sophisticated data tracking and measurement technologies and services to gather information on audience behaviours during and after broadcasts.
- The ratings and audience data generated is used as the basis for developing media currency in the broadcast landscape.



The screenshot shows the Numeris website interface. At the top, there is a navigation bar with the Numeris logo, a search bar, and links for 'ABOUT US', 'PARTICIPANTS', 'MEMBERSHIP', 'CAREERS', and 'TOPLINE DATA'. The main content area features a large article titled 'ROCK AND COUNTRY STATIONS WERE THE FORMATS WITH THE LARGEST INCREASES IN TUNING THIS SUMMER'. Below the title, a sub-headline reads: 'According to the Summer 2018 quarterly radio release, tuning to rock formats grew by 7% and country formats by 5% compared to the Spring 2018 release.' A 'LEARN MORE' button is visible below the text. To the right of the article, there is a list of newsletters with columns for 'Newsletter' and 'Release Date'.

Newsletter	Release Date
<a href="#">How Canada Listens - Fall 2018</a>	February 22, 2019
<a href="#">Sounds of the Summer: Radio Listening Stays Steady in the Summer</a>	October 29, 2018
<a href="#">How Canadians Watched the 2018 NHL Playoffs</a>	July 21, 2018
<a href="#">How Canada Listens Fall 2017</a>	January 15, 2018
<a href="#">How Canada Listens</a>	January 16, 2017
<a href="#">Different Millennials View Differently</a>	August 30, 2016
<a href="#">Life Stage Impacts Listening for Millennials</a>	July 13, 2016
<a href="#">Measuring the TV Experience in Canada</a>	May 6, 2016
<a href="#">How Canada Listens</a>	April 7, 2016
<a href="#">Canadians Listen to More Radio in Small Cities</a>	March 13, 2016

## RADIO MEASUREMENT - TWO VERY DIFFERENT METHODOLOGIES.

### PPM – National panel of 4,560 HH, 11,000+ Canadians.

- Passive measurement, 24/7 and credits listening by the minute
- Shares panel with television
- Montreal E, Montreal F, Toronto, Calgary, Edmonton, Vancouver are measured for a continuous 52 weeks
- Data released in 13 week cycles

### Diary measurement based on recall and credits 15 minutes of listening for an entry in the diary.

- Self reported AQH M-Su 5a-1a
- Combination of paper diaries and online diaries
- Continuous measurement being introduced with Fall 2019 survey
- Fall 2019 and Spring 2020 release of 80+ markets

Measurement Weeks		Release	
Start	End	Fall 2019*	Spring 2020
August 12, 2019	August 18, 2019	✓	✓
August 26, 2019	September 1, 2019	✓	✓
September 9, 2019	September 15, 2019	✓	✓
September 23, 2019	September 29, 2019	✓	✓
October 7, 2019	October 13, 2019	✓	✓
October 21, 2019	October 27, 2019	✓	✓
November 4, 2019	November 10, 2019		✓
November 18, 2019	November 24, 2019		✓
December 2, 2019	December 8, 2019		✓
December 9, 2019	December 15, 2019		✓
January 13, 2020	January 19, 2020		✓
January 27, 2020	February 2, 2020		✓
February 10, 2020	February 16, 2020		✓
February 24, 2020	March 1, 2020		✓
March 9, 2020	March 15, 2020		✓
March 23, 2020	March 29, 2020		✓
April 6, 2020	April 12, 2020		✓
April 20, 2020	April 26, 2020		✓

*\*Hybrid of last available survey (either Fall 2018 or Spring 2019) and the indicated 6 weeks*



## CONTINUOUS MEASUREMENT IN RADIO DIARY MARKETS

- In a fast-changing media landscape where fresh data is of paramount importance, Numeris's move to continuous diary measurement in all radio diary markets will bring year round recruitment and measurement to the Canadian radio landscape.
- Using a rolling average methodology of 24 weeks of measurement over a 12-month period, Numeris will measure every other week of radio tuning, avoiding the last two weeks of December and the first two weeks of January.
- Continuous measurement will help improve the stability of radio ratings, making them less susceptible to fluctuations. With continuous measurement, peaks and valleys will be smoothed out by the 12 month average resulting in a continuous refresh of what's going on in a market.



### ONGOING

Continuously measuring results in better clarity and consistency.



### 24 WEEKS

Detailed understanding of behaviour from 24 weeks of measurement.



### 12 MONTH

Increased diary service stability derived from longer report duration.



### DATA

Ability to blend data anomalies and reduce measurement fluctuations.

## IDENTIFYING THE CONSUMER: TARGETING KEY DEMOGRAPHICS

- Radio has the ability to deliver both targeted reach and frequency and can be planned on a more defined demographic or audience skew.
- Although it is key to identify the buying demo as the ‘currency’ demo upon which costs and negotiations are based, station selection can be informed by a tighter demographic composition as Men 18-34 or Women 25-45, within the Ad 18-49 or Wm 25-54 currency demo.
  - Helps determine appropriate station selection or format
  - Ensures buy delivers against the key consumer profile
  - Improves overall audience composition of the buy
  - Important to balance skew when buying against adults so that neither men or women are overdelivered against

## IDENTIFYING THE CONSUMER: TARGETING KEY DEMOGRAPHICS

- Psychographics, behaviors and factors like household income and purchase history are available within Numeris RTS data to further identify key stations.
- The more demographic and psychographic information available, the better the execution will be.
- It is important to remember however, the more finite or targeted a campaign becomes, the buy can be impacted as follows:
  - Fewer stations used
  - Possible reach reduction, but higher frequency
  - Increase in cost

## WEIGHT LEVELS: UNDERSTANDING BRAND OBJECTIVES AND MARKET DYNAMICS

- Planning effective GRP levels takes into consideration the marketing insights (brand health, competitive landscape, SOV objectives, consumer target) which inform the individual market objectives.
- Reach will build faster in PPM markets vs. diary markets as passive measurement reflects behaviour vs. recall, and minute by minute tuning vs. average quarter hour based on recall:
  - Example: a meter can be exposed to a station or a number of stations if, for example, a person is scanning through the radio dial in the car, or if the wearer happens to be in a store or coffee shop where the house audio system is playing the radio.
- Frequency will build slower in PPM markets vs. diary markets as passive measurement tracks listening over longer periods of time, vs. quarter hour measurements as reported through recall.
- Based on these inputs, the following are determined:
  - Reach: What percentage of the target market audience needs to be reached to achieve objectives?
    - Weekly level
    - Campaign level
  - Frequency: How many times does the target market need to hear the message to take the required action?
    - Weekly level
    - Campaign level

## WEIGHT LEVELS: UNDERSTANDING BRAND OBJECTIVES AND MARKET DYNAMICS

- Resulting influencing factors can impact planned GRP objectives:
  - Other media planned in market
  - Individual market dynamics
  - PPM vs. Diary markets
  - Target Demographics
  - Advertising category
  - Time of year
  - Product purchase cycle

## WEIGHT LEVELS: POSSIBLE SCENARIOS

- The general rule of thumb is a minimum of 150- 250 GRPS per week (50% R/ 3.0 F):
  - Some markets will require more stations to achieve reach levels, therefore requiring overall higher GRP levels
  - PPM markets vs. diary markets can have different reach objectives
- The frequency rule is typically a minimum of 3 per station for diary and 2.0 – 2.1 in PPM markets:
  - Note, in some markets this may not be achievable on all stations
- Station format and audience “churn” will also impact frequency:
  - All news stations with 15 minute news cycles may require more spots to generate higher frequency due to audience “churn” or “turn-over”

## WEIGHT LEVELS: POSSIBLE SCENARIOS

- GRP weight levels will vary by campaign, objectives, product and buying strategy, and can vary by market.
- English vs. French:
  - Tuning dynamics and reach behavior in French markets are different than in English markets
  - Higher ratings can result in different reach outcomes
- Is it a launch?
  - Is it daypart specific?
  - Is it a spot buy vs. GRP buy?
  - Is it a DJ endorsement campaign?

Campaign Type	Radio Only	Radio with other media
<b>Retail</b> -typically sales driven, short term	<b>300-450 GRPs/wk</b>	<b>250-400 GRPs/wk</b>
<b>Launch/Growth</b> – e.g. new product	<b>250 – 400 GRPs/wk</b>	<b>200-300 GRPs/wk</b>
<b>Mature</b> – Sustaining, brand building	<b>200 – 250 GRPs/wk</b>	<b>150-200 GRPs/wk</b>

## COSTS VARY WITH DIFFERENT SCENARIOS

- Target Group
  - Smaller the demo or more specific the target, the higher the cost
- Commercial length
  - Not all lengths are costed the same, outside of 30 second creative, typically pay a premium
- Lead Time
  - Closer to airtime and the 'tighter' the avails, the higher the cost
- Specific station selection
  - Higher ranked stations typically cost more - number 1 ranked on Ad1849 vs. number 6 ranked on Ad1849
  - Some formats can cost more because the audience is positioned as premium: i.e.. 680 News or all news formats
- Timing
  - High demand or strong retail periods – back to school, pre Christmas
  - Long weekends in the summer

## COSTS VARY WITH DIFFERENT SCENARIOS

- Day part mix
  - Radio is typically bought on a reach plan – Monday to Sunday all dayparts
  - When days or dayparts are excluded or used exclusively, costs will be impacted
- Tightened rotations
  - Restricting airings to specific times will impact costs, i.e. 7a-830a vs 5a-10a
- Promotional events
  - Events where the station promotional teams or specific events will have hard costs outside of station CPRs
  - Stations may require a minimum spend to extend promotions
- Radio remotes
  - Like promotional events, radio remotes have hard costs outside of media costs
  - May require minimum media spend to have a remote

## THE CLOSER TO THE AIR DATE TYPICALLY MEANS LESS CHOICE FOR MORE COST

- Major markets or top ranked stations can be sold out up to 2 months in advance.
- Longer lead times will result in better station inventory and better rates.
- Premium or top ranked stations may invoke minimum unit rates for high demand periods.
- Specific station requests and short lead times requires communication between the planning and buying teams.
- Stations require at minimum a week for promotional ideation. To generate customized and targeted promotions, more lead time should be given.

## CREATIVE LENGTHS

- Radio unlike Television does not require Telecaster approval.
- They are self-regulated and will determine creative acceptability:
  - Radio stations follow Health Canada guidelines when it comes to regulated advertising products like: Tobacco, Cannabis, Vaping, Pharmaceutical and Children's Advertising
- Stations will refuse creative if they believe it does not align with:
  - Their station brand or values
  - Their station format or with the station's 'personality'
  - Listeners' sensibilities or is considered offensive to them
- There are 3 creative lengths for radio
  - 30's are the standard
  - 60's are rare
  - :10s (could also be 5's, 7's 8's or 15's depending on each station).
    - Good use for promotional and sponsorship reminders
    - Effective when paired with 30 second brand sell
- When trafficking radio tags and/or 30 second scripts (for brand sell) – lead time is essential.
  - Radio stations require time to ensure the tag is the correct length
  - Station talent needs time to record the 30 second spot and build in time for client approvals

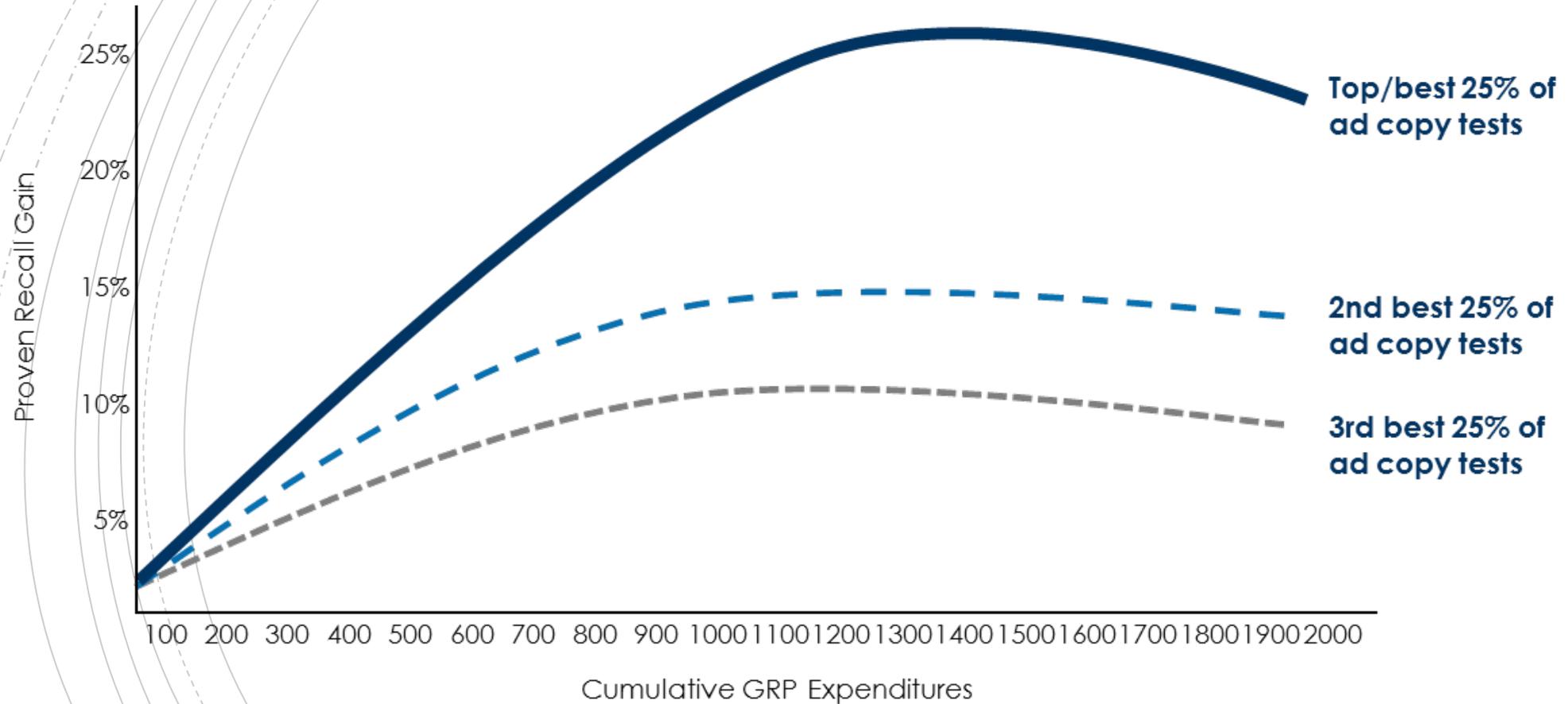
## DON'T WORRY ABOUT WEAR OUT

- **Wear-out** is the point where creative performance declines by 50% from its peak from listener fatigue of message frequency in a continuous time period.
- **The better the creative, the longer you can run the ad.** This chart illustrates the number of GRPs that a piece of creative can be run before wear-out occurs. For example, an ad with average creative score of 100-109 can be run with 1100-1500 GRPs before wear-out.
- **The weight levels that would cause wear-out are much higher than the majority of national radio campaigns.** A below average creative would wear out at 800 GRPs. Average creative wears out at 1900 GRPs. Strong testing creative hits wear-out at 2400 GRPs
- **Few national AM/FM radio campaigns use the same copy at these weight levels.** Many brands spend more but rotate copy.

Creative test score index (higher = better)	GRPs allowed before encountering wear-out
<80	400-800
80-89	700-1100
90-99	900-1300
100-109	1100-1500
110-119	1300-1700
120-129	1500-1900
130-139	1700-2100
140-149	1800-2200
150-159	2000-2400
160-169	2100-2500
170-179	2200-2600
180+	1616

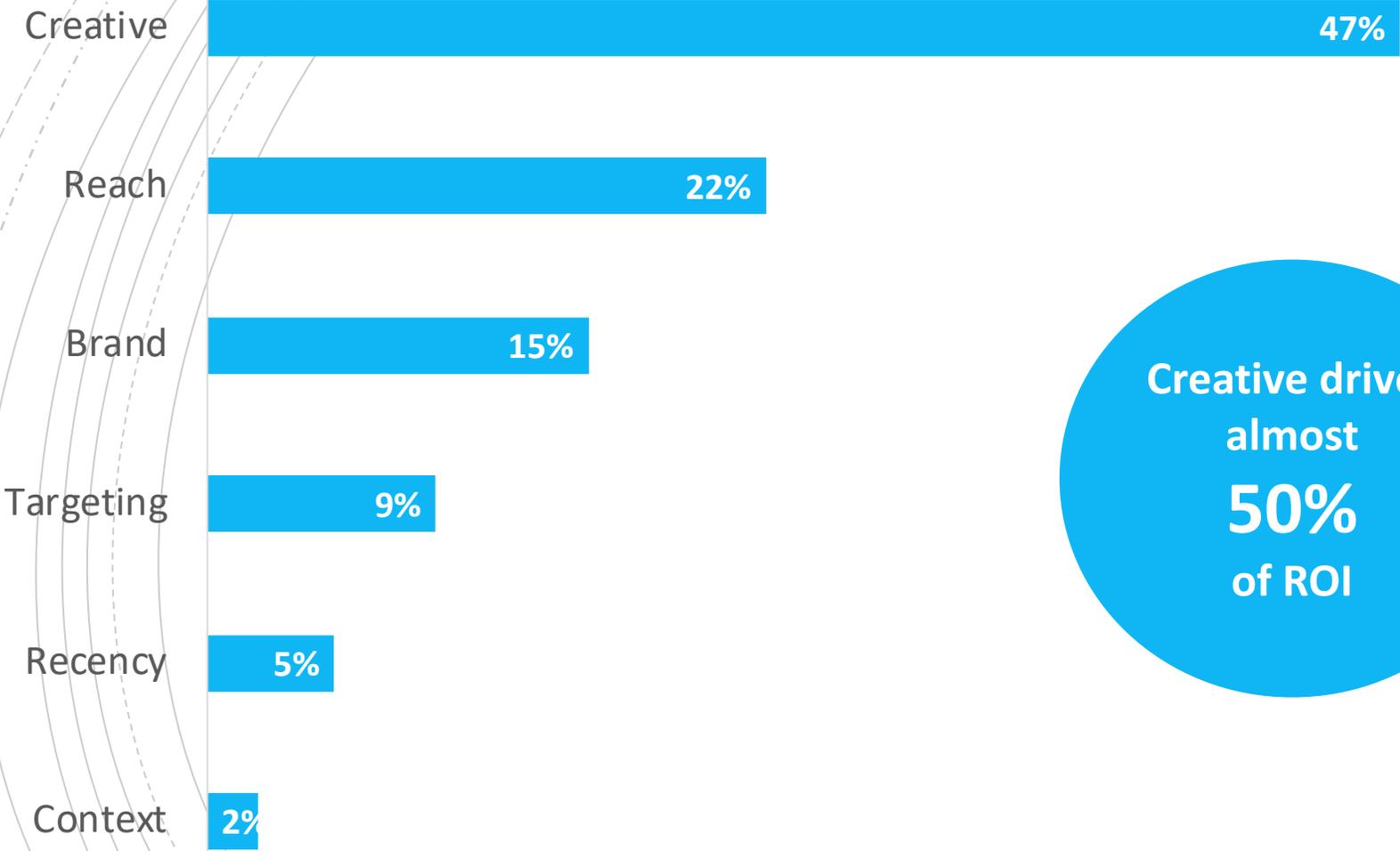
## SUPERIOR CREATIVE DELIVERS 3-4X MORE ROI

Creative quality is the primary driver of "break through," accounting for 75% of variance in brand/message recall levels



Source: Westwood One – March 2019 \_ Multi-branded pool of media mix modeling data | Ipsos ASI TV Creative Testing Database

# NIELSEN STUDY OF 500 ADVERTISING CAMPAIGNS AND ELEMENTS THAT CONTRIBUTE TO SALES LIFT ON ALL MAJOR MEDIA PLATFORMS



Creative drives almost **50%** of ROI

Questions: For more information contact us.

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