



Southern California Broadcasters Association White Paper Report

Consumer Response to Broadcast Radio Commercials vs. Digital and Social Media

The Southern California Broadcasters Association is committed to providing relevant consumer information and research to clients, agencies, and our member radio stations to advance the value of Radio as an effective and targeted medium. Our goal is to be a trusted resource to all of our constituencies providing accurate and unbiased information to assist in marketing and advertising decisions for Southern California. To that end, the following SCBA White Paper focuses on the consumer and the commercials they remember and those they ignore by media.

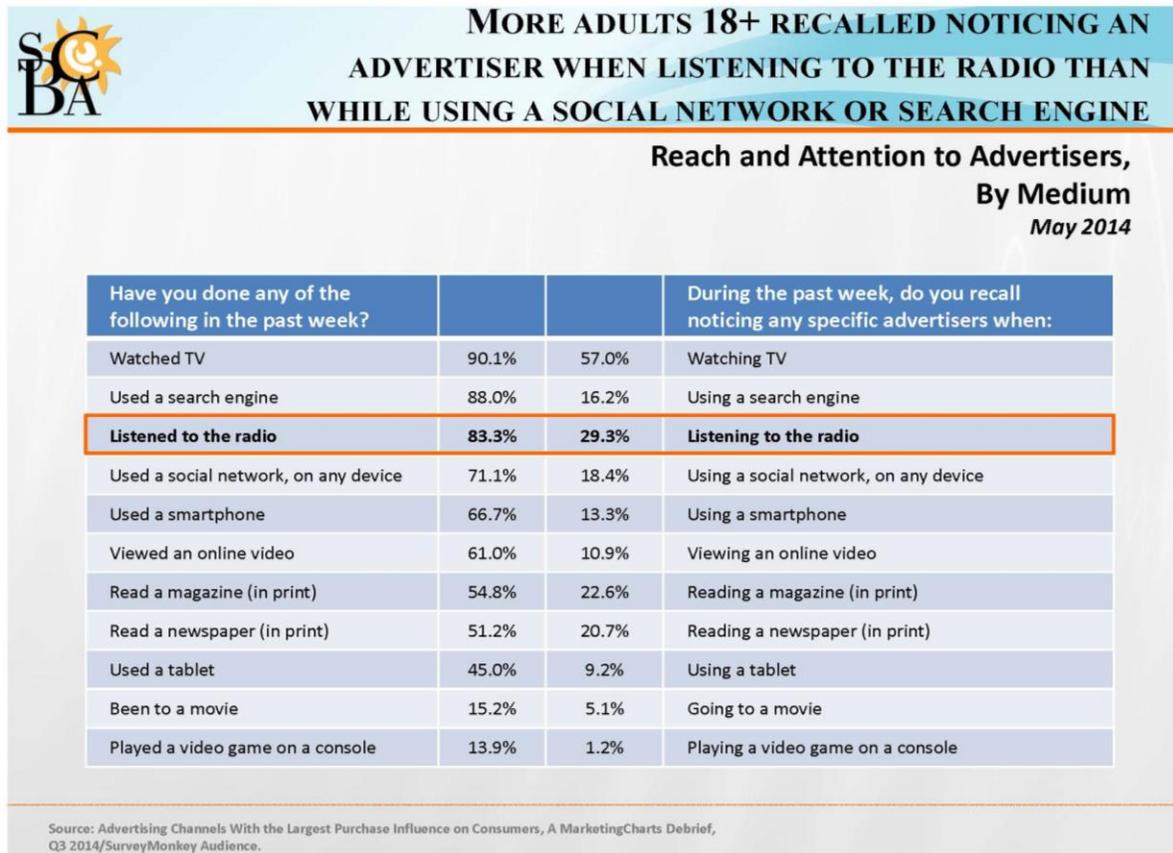
We understand the pressure advertisers, account teams, brand managers, planning groups, and other interested parties are under to find the next “new thing” that will extend their brand, build a loyal following, and win market share. In the collective rush to “go digital”, advertisers may be neglecting the principle reason they are advertising in the first place; to have their message be heard, noticed, and influence purchase or at the very least, consideration.

The uber competitive market environment that advertisers big, medium, and small face today should place the basic tenant of effective advertising in the forefront of their thinking and planning. Moreover, with limited ad budgets, each dollar spent must be analyzed for its effectiveness and influence on the target consumer. To assist advertisers in understanding how best to influence their current and future customers, the SCBA has uncovered remarkable new data that brings into question how Broadcast Radio commercials are noticed and recalled versus social media ads, search engine ads, online video ads, mobile ads, or any device or tablet ads.

The results of this research study are compelling and should drive advertisers to re-look the value of Radio while reconsidering their digital spend.

The study, which is entitled, “Advertising Channels with the Largest Purchase Influence on Consumers” was conducted by Marketing Charts, Inc. (www.marketingcharts.com) using SurveyMonkey’s audience panel, with additional data from Harris Interactive and Experian Marketing Services, and reveals a staggering lack of consumer awareness and retention of online ads while giving Broadcast Radio a considerable advantage from consumers who noticed and recalled ads heard on the Radio.

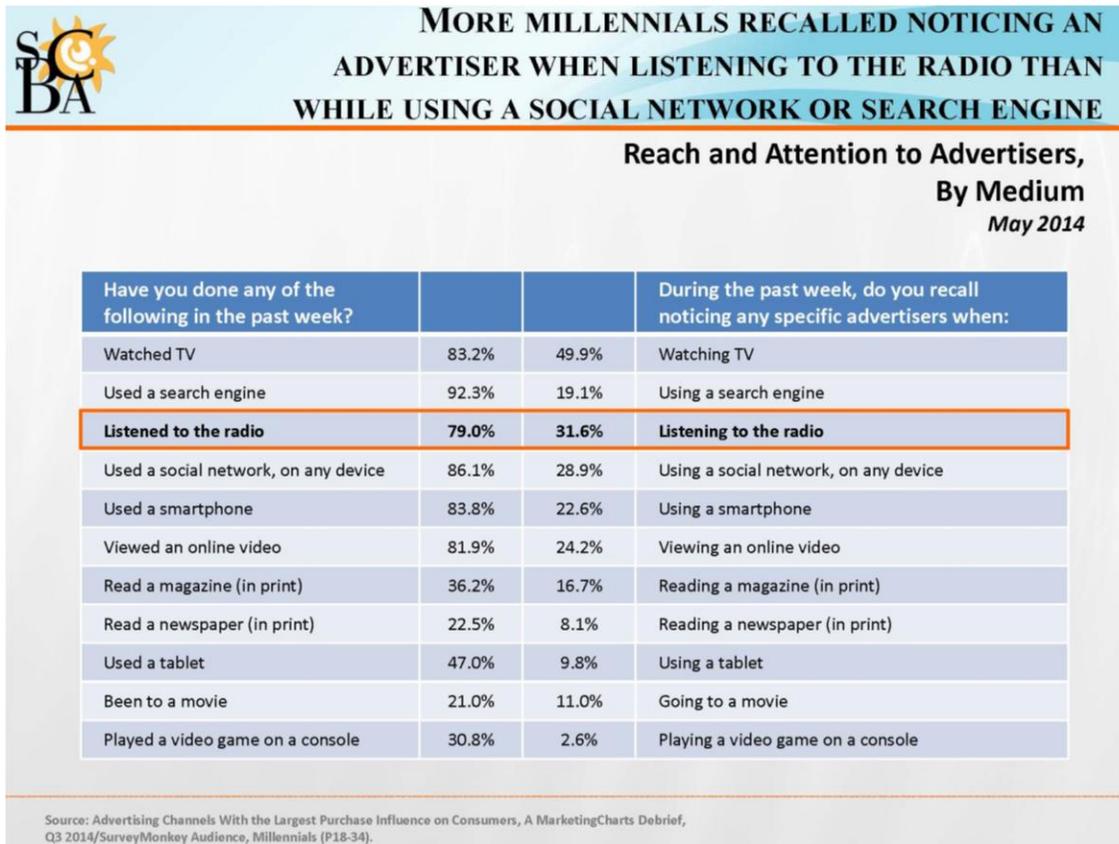
The SCBA has condensed this rather voluminous research paper into the most revealing data, in an easily understandable and brief series of slides. The first set of data is entitled, **MORE ADULTS RECALLED NOTICING AN ADVERTISER WHEN LISTENING TO THE RADIO THAN WHILE USING A SOCIAL NETWORK OR A SEARCH ENGINE.**



What stands out the most from the above slide is the clear advantage of Radio as the medium consumers cited as recall noticing a commercial with a **10.9% advantage over a social network and 13.1% advantage over a search engine. The margin of noticing an ad for Radio grows even greater when compared to viewing online video ads and mobile ads from non-Radio sites.**

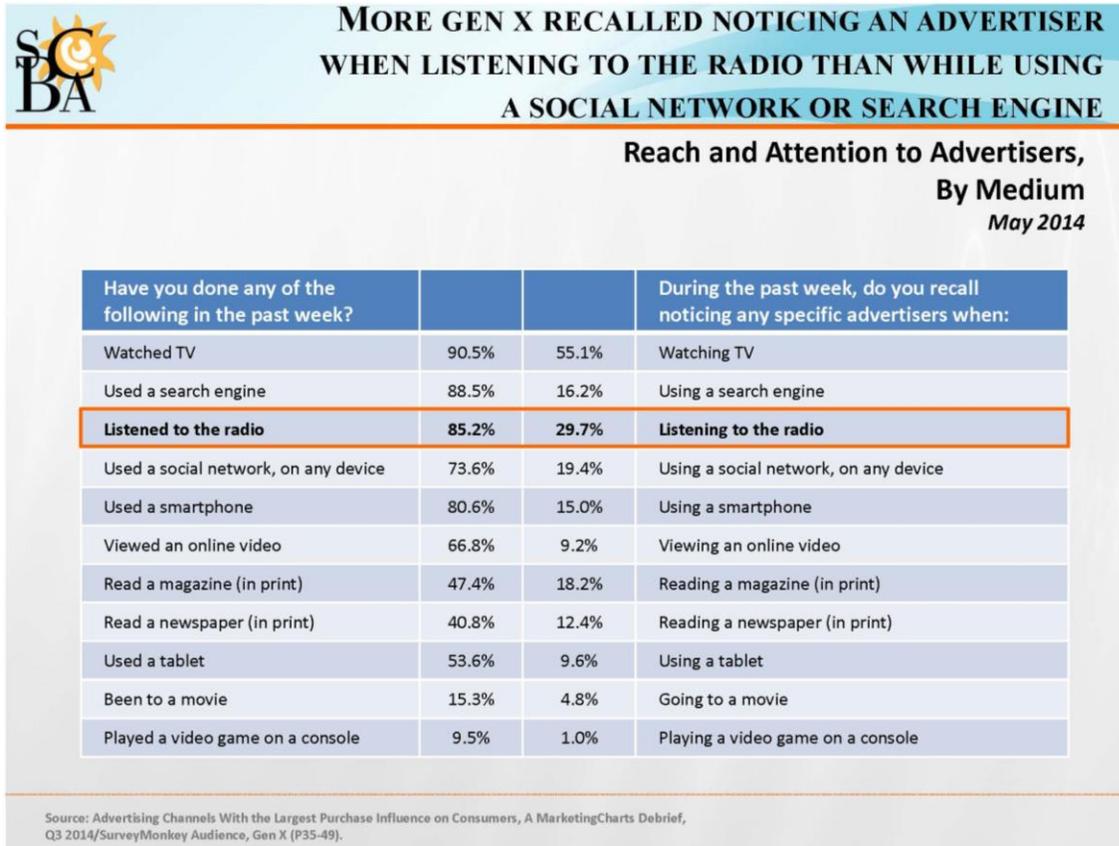
Advertisers and their agencies should also note the clear advantage Radio holds in terms of overall usage with Broadcast Radio remaining the dominant media consumed weekly right behind Television and search engines. As the above chart demonstrates, while total visits to search engines are high, recalling the ads on these search engines remain ominously low.

The second set of data entitled, **MORE MILLENNIALS RECALLED NOTICING AN ADVERTISER WHEN LISTENING TO THE RADIO THAN WHILE USING A SOCIAL NETWORK OR SEARCH ENGINE** reveals a tighter parity between the Radio consumer and the social network consumer among the restless Millennials (Persons 18-34) in regards to recalling an ad on either medium. However, any parity of recall ends there.



The 18-34 consumer recalls noticing Broadcast Radio commercials by a 12.5% margin over search engines and a 9% increase over mobile ads. And once again, the amount of time or percent of the 18-34s spending time with search engines has almost no correlation to their recalling or noticing of search engine ads.

The clear advantage of Broadcast Radio for the Gen X group (Persons 35-49) grows even wider in terms of recalling and noticing ads. This third data point, which is entitled, **MORE GEN X RECALLED NOTICING AN ADVERTISER WHEN LISTENING TO RADIO THAN WHILE USING A SOCIAL NETWORK OR SEARCH ENGINE** should increase an advertiser’s use of Radio over all the media listed with the possible except of television.

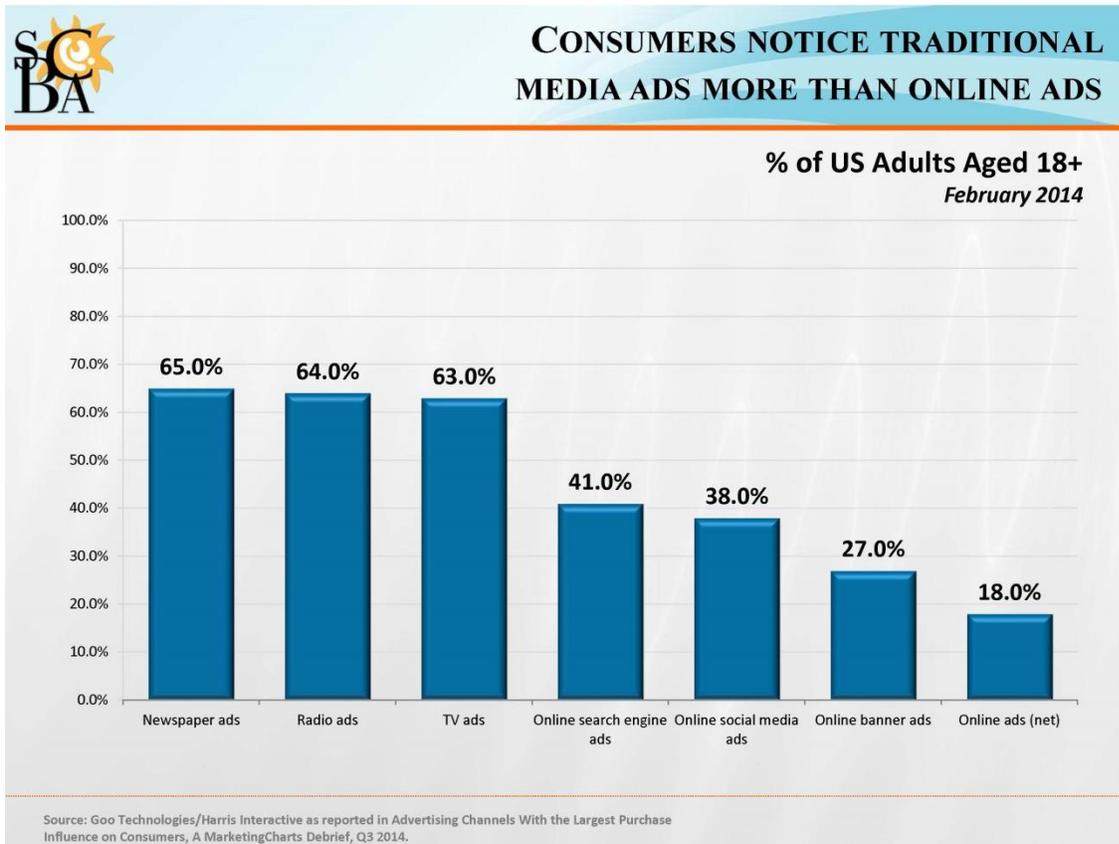


As listed in the above third data point, Radio’s ability to have its listeners recall and notice its commercials enjoys a 13.5% advantage over search engines, a 10.3% advantage in recall over social networks and a 14.7% recall advantage over mobile ads. And this data has consistently demonstrated the reach and usage of search engines has no correlation at all with the recall and noticing of search engine commercials.

It is significant to note that in all three data points so far, we have not mentioned the advantage Broadcast Radio has in terms of recalling and noticing ads from newspaper, magazines, tablets, and movie theater ads as our focus has been on digital platforms. We will explore those comparisons shortly as Broadcast Radio enjoys substantial recall and notice of commercial over these other non-digital media platforms.

It would appear that these other media platforms need Radio’s recall and attention power to the consumer since it is clear these media by themselves cannot generate the same recall and attention as Broadcast Radio can. **We urge advertisers to consider Broadcast Radio as a strong complement and enhancement to any newspaper or magazine campaign as it is clear that message recall and attention is much stronger if Radio is a large part of the media mix.**

Our final data point should be the definitive takeaway from this illuminating study. It is called **CONSUMERS NOTICE TRADITIONAL MEDIA ADS MORE THAN ONLINE ADS**



From the broad perspective of Persons 18+, consumers clearly notice Broadcast Radio, TV, and newspaper ads far more than online search engines, social media sites, online banner ads, and Internet ads in general. To provide a second source of data, The MarketingCharts Organization also included a February 2014 study from Goo Technologies/Harris Interactive that reflects similar results with larger recall for all three traditional media. From the SCBA perspective, we urge advertisers and their agencies to look beyond the **hype and promise of the digital space** and examine which media provides the most recall and notice, as after all, isn't that what our clients are paying for?

The research reveals the less than effective commercial environment that advertisers will find from the various digital platforms that are non-Radio. It also reveals the power of Broadcast Radio to illicit recall and notice of commercials far more than any digital platform can provide.

The SCBA Viewpoint:

No one doubts the ability of the non-radio digital platforms mentioned in this study to attract millions of eyeballs, gross impressions, or any other metrics one cares to use to measure who (or what) is seeing or hearing an ad on any digital platform. Our point in providing this important research is to showcase and compare the commercial environment for recall and notice by the consumer and describe which media has the advantage in terms of recall, notice, consideration, and ultimately, purchase.

This body of research clearly shows Broadcast Radio's commercial environment to be more effective and useful to advertisers. The study also brings into the harsh light an inconvenient truth that non-radio digital ads are not an effective advertising medium.

If this empirical data of recall and notice by consumers is not enough for a serious examination of how and where the Radio and digital budgets are being spent, the SCBA also brings into question not only the effectiveness of non-radio digital advertising but exactly who or what is this audience the digital space claims as its eyeballs.

In its recent "thought Leaders" media post entitled, "**A Responsibility to the Truth**" at www.scba.com, the SCBA revealed another critical study that claims **61%** of all digital ads are not seen by humans and that over **48%** of video ads are never seen or heard by humans.

The SCBA raises the issue of digital advertising and its various platforms based on the two known criteria that all media should be measured against:

- What is the commercial environment that ads will be recalled, noticed and acted on
- What exactly is the audience a medium offers that is being purchased

In both measurements, **digital advertising platforms fall surprisingly short**. As the SCBA white paper clearly describes, the consumer recall and attention paid to digital ads is decidedly weak when compared to Broadcast Radio. Moreover, the actual audience that sees or hears a non-Radio digital ad is in serious doubt based on SCBA findings.

Broadcast Radio exceeds these two measurement criteria in a resounding manner. As the research indicates, Broadcast Radio is a much stronger commercial environment for advertisers who want and need recall, notice, and consideration of its message. Additionally, Broadcast Radio's audience is clearly defined and documented by Nielsen Audio, the industry's recognized audience measurement system. There are no Bot listeners in Radio.

The SCBA urges all Southern California advertisers to consult with our organization to gain a clear understanding of the **factual advantages of Broadcast Radio** over digital platforms. If growing market share, increasing revenue, and effective and documented advertising is important to your business, we urge you to consider Broadcast Radio, for all the right reasons.

Thom Callahan

President/Southern California Broadcasters Association

Survey Details:

In May 2014, The MarketingCharts Organization conducted a survey of 2,015 adults aged 18 and older using SurveyMonkey's audience panels. The survey was nationally represented with a 95% confidence factor. MarketingCharts' partners in this survey were SurveyMonkey and Experian Marketing and Research Services, Inc.

The Southern California Broadcasters Association purchased the entire survey and its findings for use by its members and advertisers to gain more knowledge as to the effectiveness of Radio commercials compared with digital, magazine, and newspaper platforms. The MarketingCharts Organization findings also include data from February 2014 and are used with permission from Goo Technologies/Harris Interactive.