Media Selling, 4th Edition

Chapter 21 – Radio

By Paul Talbot

The History of Radio

New York City, August 28, 1922: Rains the night before had broken the heat wave. Fans at the Polo Grounds watching the first place Yankees play the Saint Louis Browns were sent home early. But tonight there would be an even more dazzling sporting event. Johnny Dundee would defend his world Junior Lightweight Championship against Pepper Martin. Neither the ballgame nor the fight would be heard on the radio. But on that cloudy evening something never before heard would crackle through the city. Something that would launch thousands of new careers and indelibly change American business. Shortly after dark on an otherwise uneventful Monday night in 1922, while Johnny Dundee was going the full 15 rounds with Pepper Martin, the world's first radio advertisement was broadcast.

The advertisement was on radio station WEAF and lasted 10 minutes. A real estate development firm had bought a 10-minute block of time to promote its apartment buildings. The program started like this:

> Let me enjoin upon you as you value your health and your hopes and your home happiness, to get away from the solid masses of brick, where the meager opening admitting a slant of sunlight is mockingly called a light shaft, and where children grow up starved for a run over a patch of grass and the sight of a tree. Friends, you owe it to yourself and your family to leave the congested city and enjoy what nature intended you to enjoy. Visit our new apartment homes in Hawthorne Court, Jackson Heights, where you may enjoy life in a friendly environment.

WEAF had been on the air only a few months when the world's first commercial was broadcast. The station was owned by the American Telephone & Telegraph Company. But it was not America's first radio station. That distinction can be claimed by a number of broadcasters including Pittsburgh's KDKA which broadcast Federal election returns in 1920.

When the first advertising was broadcast, the radio itself, the receiver, was hardly the type of device you would expect to find in millions of homes within a few years. You could not plug it in. The early radios required battery power. You could not simply turn a dial to tune in a station. This required the maneuvering of a thin wire called the cat whisker over a crystal. Radios did not have speakers; they required earphones and an antenna had to be strung up.

On the night its first advertisement was broadcast, radio was the domain of the hobbyist. In the explosion of interest in the device after restrictions of technology were lifted following the First World War, broadcast bedlam blotted the airwaves. Stations did not have assigned frequencies.

Five years later the Federal Government made its first attempt to bring regulatory order to the dial with the establishment of the Federal Radio Commission (FRC) in 1927.

The FRC assigned frequencies, established a broadcasting band between 500 and 1,500 kilocycles, and gave the best-funded stations with the most powerful transmitters the best dial positions which allowed signals to travel farther at night and more clearly during the day. Out of radio's awkward birth, two men emerged who laid the foundations of the broadcasting business that largely remain intact. One was a gruff Russian immigrant who looked like he slept in his clothing. He placed his bets on tubes and transmitters. The other was a debonair American tobacco heir with hundreds of suits in his closet. This man placed his bets on crooners and comedians. Each built a radio network. Each was a visionary. Each was a fierce competitor. And each can take credit as being a founding father of today's media business.

The immigrant was David Sarnoff. Sarnoff's journey from a village in southern Russia to the executive suite of NBC lead through the tough New York City neighborhood of Hell's Kitchen where he delivered telegrams. He learned Morse Code, made a name for himself reporting the details of the sinking of the "Titanic," and in 1916 he sent a memo to the president of the Marconi Company suggesting that radio could be used, as he put it, as a "music box." A few years later Sarnoff was the guiding force behind the establishment of the National Broadcasting Company (NBC), and the nation's first radio networks that appeared in the fall of 1926.

The tobacco heir was William S. Paley. After graduating from the Wharton School of Finance and Economics at the University of Pennsylvania in 1922, he went to work for his family's Philadelphia-based cigar business, the Congress Cigar Company. Every day the Paley factories manufactured a million and a half cigars, most notably the popular La Palina. In 1927 Paley was a Vice President of the Congress Cigar Company when United Independent Broadcasters, a ramshackle radio network which included Philadelphia's WCAU, approached his family for an investment. Paley's father was skeptical. But the family had seen the impact on sales attributable to the "La Palina Hour" broadcast on WCAU.

A deal was struck and in September, 1928, William Paley showed up for work at the UIB offices in New York's Paramount Building. The company had sixteen employees. Within a year there was a new name, the Columbia Broadcasting System, and enough new affiliates – radio stations in different markets linked together into one network – for Paley to tell advertisers that his fledgling network was the nation's largest.

Paley and Sarnoff battled through the thirties and forties to attract the mass audiences that would interest national advertisers. They raided each other's talent and courted each other's clients. Americans loved what these two men put on the air. The first radio show to attract a national audience to tune in at a specific time was "Amos 'n' Andy." It began a nineteen-year run on NBC in 1929. Radio programmers and producers swept through the nation's vaudeville theaters searching for talent. They found people like Ed Wynn, Burns and Allen, and Jack Benny. In 1900 there were more than two thousand vaudeville theaters. By 1930, fewer than a hundred remained. The audiences had gone to radio.

Comedy was served up in the easily duplicated structure of the variety show, which featured an announcer, an orchestra, a straight man, sketches, stand ups, puns, punch lines, and characters which captured the flavor of the audience's diverse ethnicity with exaggerated accents. Every show had a sponsor. Performers wove the name of the product into their scripts. Jack Benny launched every show with the invocation “Jell-O, again.”

While radio’s largest audiences were delivered by comedians, everything from opera to boxing filled the airwaves. Americans were enthralled. In a landmark 1935 study funded by the Rockefeller Fund, *The Psychology of Radio* found that for every telephone in the country there were two radios. Seventy-eight million Americans were regular listeners. Women liked music, men liked sports, the poor listened more than the well to do, and 95 percent of the people surveyed said that they would rather listen to a man’s voice than a woman’s.[i]

Radio geared itself up to deliver the news in the late 1930s. There was fierce opposition and intense political pressure from newspaper publishers. But as World War II unfolded, an infrastructure was built to report on the war. Edward R. Murrow’s broadcasts from London, air raid sirens blaring in the background, brought the war into America’s living rooms. News became a staple of radio.

World War II was radio’s last big story. In 1946 there were nine television stations in the United States. Eight years later there would be 354. By 1950 common wisdom suggested that radio was an unnecessary medium. The popular programs and their stars left radio for television. Radio networks were, for the most part, dismantled. Television captured the nation’s fancy, created new stars, and crafted new definitions of leisure.

But radio stations did not go the way of vaudeville. The opposite took place. In 1948 there were 1,621 AM stations. By 1960 that number had more than doubled to 3,458.[ii] Radio still mattered because the medium struck out on a different path from television. Television was a national, mass-appeal medium. Radio evolved into primarily a local medium with segmented audiences. Stations chose formats to deliver well-defined audiences. Television owned the living room but radio owned the kitchen, the bedroom, the car, the backyard, and eventually the beach. The dawn of the transistor in 1954 turned radio into a portable medium. Audiences grew. Revenues rose. And shifting social patterns dealt the medium strong cards as young people and African-Americans turned to radio for entertainment they wanted but could not find on television.

Radio has been sold to advertisers since 1922. It has never lost its importance. It has been a vital platform for marketers for more than 80 years. Today the people who sell radio advertising enjoy remarkable opportunities.

Today’s Radio Industry

Radio is primarily a local business; only five percent of radio’s total advertising dollars in 2007 went to national wired radio networks and only 17 percent went to national spot radio according to the accounting firm of Miller, Kaplan, Arase & Co.[iii] Local radio stations tend to be locally operated, with management, sales, and programming, by and large, rooted in the local marketplace. Ownership usually is not. A number of large companies such as CBS, Clear Channel, Cox, Emmis, Citadel, and Cumulus own and operate large numbers of radio stations. Some of these groups own large numbers of small stations in small markets. Some have a smaller number of larger, higher-billing stations clustered in major markets, and some companies have a blend of each. In terms of the number of stations owned and operated, Clear Channel, in 2007, was the largest radio company with 1182 stations.[iv] This concentration of ownership is largely a result of two events that unfolded at roughly the same time during the mid to late 1990s.

The first was the deregulation of federal restrictions on broadcast ownership. This ruling paved the way for a business entity to own multiple stations in one market and lifted limits on the total number of stations that one company could own. This deregulation spurred the rise of interest of the investment community in radio. As in other industries where deregulation encouraged economic consolidation, the radio industry, with its emerging economies of scale, became attractive to Wall Street investors. What had been a highly fragmented business quickly became consolidated. And the consolidation of radio has created significant changes and opportunities for salespeople.

Opportunities for Salespeople

The greatest of these opportunities is the possibility that a salesperson may be selling more than one station. Because one company may often own more than one station in a single market, the deployment of salespeople and which station or stations they sell results from a strategy set by management. While the tendency is for individual stations to maintain individual staffs, there are situations where management may assign a salesperson to a specific account with responsibilities for generating revenue for more than one station. This could be a result of a special relationship the salesperson enjoys with the client, a request from clients to have a single salesperson from the group call on them, or a decision based on a strategy put in place by management.

The degree to which salespeople communicate and cooperate with their counterparts at sister stations differs significantly. This depends, again, on management strategy. In some situations there is a high degree of internal competition where the salesperson treats a counterpart on a sister station as an actual competitor for revenue. In other situations there is a greater degree of cooperation, to the point a salesperson will share information about a client and work with the sister stations' salespeople to develop plans to either secure or grow the business for all of the stations involved. Station-based strategies and market-based strategies for maximizing revenues are common.

The consolidation of the radio industry has impacted more than structure. It has prompted organizations to experiment with ways of packaging a number of media assets into one bundle to make potentially attractive offerings for advertisers. It has encouraged the emigration of programming from one market into another. Contests, a hallmark of radio promotion, are now often run in a number of markets simultaneously. And behind the scenes, operating expenses are being more aggressively managed as economies of scale are brought to bear on what has historically been a decentralized business.

Radio Station Structure

You will find much the same structure in most radio stations. As a salesperson you will report to a sales manager. This may be either a local or a general sales manager. The local sales manager's responsibilities are exactly what they sound like; supervising the local sales department, which in a typical station delivers the majority of the station's revenue. The single most important task a local sales manager performs is to hire the best and most knowledgeable people possible, so you may want to bring this up and sell yourself a bit when you're interviewing. Also, it might be a good idea to bring along well-thumbed-through copy of this book with you to an interview.

Other responsibilities include training the sales staff and growing its collective skill level, managing and pricing the inventory of commercial availabilities that is available to sell, reporting activities and progress toward sales objectives to senior management, evaluating the performance of the sales staff, gathering information from the sales staff to effectively monitor the marketplace and the competition, developing new products to sell, and working with other departments within the station in order to communicate a station's value to the salespeople.

The local sales manager may report to a general sales manager, who would typically oversee both the local and the national sales efforts. In situations where there are a number of stations owned by one company in a single market, the sales managers may report to a director of sales, who oversees the sales of the group of stations and sets strategy for all of the company's stations in the market.

The national sales manager works with the station's national sales representative firm. National sales managers spend most of their time on the telephone working on pieces of business that are being negotiated by national salespeople in offices such as New York, Chicago, or Los Angeles on the station's behalf. The national sales manager will travel to these markets to keep the rep firm and important clients informed of the station's activities, such as events and promotions, competitive and format changes, and market conditions.

The sales department may have a support staff. Sales assistants help salespeople prepare presentations and print out research reports. Some stations have research directors who work with the salespeople on presentations that are ratings intensive.

The sales department works closely with two other departments. One is traffic, the other production. It is the responsibility of the traffic department to make sure that a log is produced each day. The log is a legal document that serves as a record of when advertisements and other program materials are broadcast. Because it is vital that the advertising is broadcast at the time of day the salesperson has told the client it will be on the air, accurate and ongoing communication between the sales department and the traffic department is essential. Account executives quickly learn that next to their boss, the person in the station who can best help them manage their business and their success is the traffic director.

In some stations, a continuity director reports to the traffic director. It is the function of the continuity person to make sure that advertising copy or produced commercials are in the station before the appointed deadline, that it is properly coded, and in the hands of the production department to be ready for broadcast. Campaigns can often be a bit complicated, with different commercials for different days of the week, or in different rotations. Continuity people make sure that the advertising runs properly.

The production department typically has three responsibilities, two of which involve the sales department. One responsibility is making sure that advertising produced outside the station is transferred to the medium used to broadcast the commercials, such as a tape cartridge machine or a hard drive. The other is the actual production of advertising that originates with the station and has been produced at the direction of the salesperson. The production director will round up all of the necessary elements, ranging from the voice of on-air talent, to sound effects, to music in order to produce a professional piece of advertising. The production director's other responsibility, which tends not to involve the sales department, is producing the station's own advertisements, or promotion announcements, referred to as promos. The promos may deal with anything from a station contest to a weekend's special programming.

Everything that is broadcast by the station is the responsibility of the program director. Commonly known as the PD, this person decides which disk jockeys or personalities will be on the air and when, what music will be played or what kind of talk or news will be aired, what promotions will be run, and what kind of an image the station portrays. It is the PD's objective to get as many people as possible to listen for the longest period of time possible and to have the station positioned in the minds of the listeners so that they will remember it if they are ever surveyed for the ratings.

Depending on the size of the station, PDs may or may not be performers on the air. PDs may or may not have a music director and a promotion or a marketing director reporting to them. The music director decides which songs will be played and how often, based on their popularity or other criteria set up by the PD.

The business manager tends to all of the financial functions of the station. From managing receivables to processing invoices and preparing month end profit-and-loss statements and other financial reports, the business manager's day is spent immersed in numbers. Salespeople work with the business manager on two tasks; a new advertiser's creditworthiness and collections. Good radio account executives know how to read an aging list (a list of accounts that are past due on their payments) and take the proactive steps necessary to make sure that the station's invoices are paid in a timely fashion.

The chief engineer has limited interaction with salespeople. The chief engineer is responsible for making sure the station's transmission is in legal compliance, that the transmitter is performing at optimal technical specifications, that the sound of the station is properly processed, and that the studios are properly equipped and maintained.

At the helm of the station is the General Manager (GM). The GM works with all department heads to insure smooth and profitable operations. The GM's most important task is the protection of the license granted by the Federal Communications Commission (FCC) entitling the station to legally broadcast. Without a license there is no station.

The Radio Business is Competitive, Not Complex

For different reasons, there is no radio station without salespeople. The sales staff is a cornerstone of a station. Most new radio salespeople are daunted by what they perceive to be a formidable learning curve. In particular, they're overwhelmed by the apparent complexities of the ratings, which you learned about in Chapter 16. But in reality, the business is relatively simple.

As a new salesperson, you should remember that you're part of a mature industry where the hardest work is figuring out people, not figuring out industry buzzwords or ratings. It is important to know about the technical aspects of the ratings. But it is essential to know about the people you're calling on. You need to understand their desires, their motivations, their perceptions, and their needs. If you build your career paying more attention to your client's character than your station's cume, if you focus on a prospect's behavior more than focus on your station's broadcast signal pattern, you will prosper. Your true complexities come into play in understanding the type of people you're selling to, not in what you're actually selling. This is hardly the exclusive province of radio. So when you apply the AESKOPP formula and develop your skills in establishing and maintaining relationships with your prospects and customers, identify and solve advertising and marketing problems, and get results for these people, you're covering all the bases. Do not be overwhelmed by and imagined complexities of the radio business.

You also need to be aware of the highly competitive nature of the radio business. Just as radio programmers compete for ratings and the loyalty of listeners, radio salespeople compete for business. This competitive environment is unrelenting and is fueled by savvy media buyers who, when negotiating with salespeople, will be quick to remind them that they, the buyers, can buy essentially the same product cheaper from the competition. This threat puts you in a position where you need to know as much about your competitors as possible. When you know their pricing and their inventory situation, you can make more intelligent negotiating decisions. The trap to avoid falling into is thinking the worst of your competition and believing that they will always undercut you on price. We are all somebody's competitor. If we all undercut on price, we would all be giving our product away. A healthy respect for the competition and an understanding of what is really happening across the street will benefit you.

With the high degree of competition comes a high degree of fun. Remember that selling radio is more fun than selling newspaper advertising and harnesses more of your creativity than selling television. Your job in radio is inherently more interesting than your competitor's selling job is in another medium. This concept leads to the notion that when it comes to business, you are not just competing against other radio stations, you're competing against other media. You need to understand why radio is inherently better.

The Advantages of Radio

While you should never use negative selling against another radio station, because you are attacking your medium, you should know how to communicate the weaknesses of the media you are competing against for budgets. Newspapers, broadcast television, and cable television are each plagued with problems for an advertiser. They are also the home of the budgets you want to target for your station. While the temptation is to move dollars from a competing station onto your station is always present, and while this is occasionally might be acceptable even though it does not increase the size of the radio advertising pie in your market. You should remember that in most instances larger financial opportunities present themselves when you work to move dollars from a competing medium. Targeting budgets placed with the newspaper, broadcast television, and cable television is exhilarating, profitable, and something many of your radio competitors are not very good at. It is also hard work. You need to be patient and prepared. You need to understand the weaknesses of your competitors. Let's start with newspapers.

Radio Versus Newspapers

About six times more money is spent on newspaper advertising than is invested in radio advertising. The local newspaper is your primary competitor and it is pockmarked with shortcomings, ranging from unattractive demographics to pricing inefficiencies. Circulation has been on a downward skid for fifty years. So has the amount of time people spend reading the paper. The typical American adult spends 5 percent of his or her annual time spent with consumer media with a newspaper, but more than 22 percent with radio.[v] Just slightly more than half the people who read the paper read only the first section, which happens to be the strongest section in terms of readership.[vi] Less than half the paper's readers even notice a full-page ad. Newspaper advertisers face imposing clutter problems – 68 percent of the Sunday paper is advertising.

And then there is pricing. As circulation declines, rates increase, and advertisers grow resentful and feel trapped by what they often perceive as the only game in town when there is newspaper monopoly. There are not too many beloved newspaper salespeople working the streets.

Radio Versus Broadcast Television

Broadcast television also has a special knack for upsetting media buyers. Television commercials are often bumped, or preempted, and not run as scheduled. This can happen for a number of reasons, ranging from being preempted by political advertising to being moved aside to make way for a client willing to pay a higher rate.

But even if every schedule ran exactly the way it was booked, broadcast television has a significant problem with advertisers. In the last 15 years, ABC, CBS, and NBC have lost half their viewers. The three networks commanded a 61 percent share of primetime household viewing in the mid eighties. Today it is only a 24.7 share.[vii]

As broadcast network shares have gone down, unit commercial loads have gone up. Television clutter is highly problematic with as much as a 24-unit spot load every hour.

Television is having trouble connecting with busy people. Forty percent of all viewers are considered light viewers who watch television less than 90 minutes a day. Remember that the average American adult spends more than three hours a day with radio.

And then there is the quality of the broadcast television audience. The more money people make, the less broadcast television they watch. Conversely, the more money people make, the more likely they are to be radio listeners.

You might want to remind your clients that the median cost of producing a national television commercial is more than $350,000, and that to effectively compete against these messages on a somewhat level playing field, low budget production will not cut it. Radio, on the other hand, offers highly discrete audiences and highly affordable production.

Sometimes television gets the credit for the job the radio has performed. I remember telling one of my retail clients as we prepared to launch her campaign and put her on the radio for the very first time that someday, one of her customers would come in and say "I saw your ad on TV" when in fact the radio campaign was the only advertising in the market. My client smiled and shook her head in disbelief. But sure enough, a month or so later, she gave me a call. "You wouldn't believe what just happened." Naturally, I did.

Radio Versus Cable Television

Cable television is one of the big reasons why broadcast television is being relegated to the media choice of the downscale consumer. But it is not the sole reason. Cable television ratings are largely driven by programming such as wrestling and cartoons, perhaps not the most appropriate environments for an advertiser looking to connect with an interested, affluent consumer.

Cable television audiences are small and they are splintered. There are more choices for the viewer on the cable set top box than there are for the listener on the radio dial. Ad clutter is even more extreme than broadcast television, with some cable networks running up to 28 units an hour.

Great radio salespeople who understand human nature know that we never want to launch a frontal assault on competitive media, essentially telling an advertiser that they're stupid for spending their money in such a squalid, cluttered environment. The disadvantages need to be carefully communicated so as to create doubts, and in a fashion that sets the stage for a shift in the media mix where radio can be brought into the plan.

National Advertising

I mentioned the role of the national sales manager and the rep firm. Let's revisit this and find out exactly what these people do. Let's say that today is Monday and that on Friday American Airlines is going to cut all of its domestic fares to $99. Suppose the marketing people at American Airlines know from their market research that 80 percent of their business comes from the top ten markets, so that is where they'll run 100 percent of their advertising. Because the advertising must be produced and distributed quickly, they decide to use newspapers and radio to advertise the new low fares. The American Airlines marketing people call their advertising agency, give them a budget, and tell them to get radio schedules launched in the top ten markets on Friday.

Rather than getting in touch with a hundred stations, ten leading stations in each of the top ten markets, for rates and clearance information, media buyers at American's advertising agency will call a rep firm. The rep firm is a sales organization that sells advertising for a number of stations that are its clients. These stations are typically in different markets. The rep firm has salespeople, just like a radio station, that call on the media buyers at large advertising agencies and media buying firms that place business nationally and regionally.

The American Airlines scenario is typical. The rep firm knows the latest rate and clearance information, which in some instances can change quickly, for all of its stations. So rep salespeople will take the media buyer at the American Airlines' agency rates and clearances for their stations in the markets that are "up," or being bought. The buyer and the reps then negotiate, and when a deal is struck the reps send the order out to their stations and the business is booked.

A rep's primary contact is the national sales manager, who at some stations may also double as the general sales manager or even the general manager. The national sales manager needs to make sure that the rep firm is well informed on the station and the market and that the rep gets quick and accurate information pertaining to specific pieces of business being negotiated.

National business can also be placed on networks. Essentially, there are two types of networks. One is a wired network and the other is an unwired network. An unwired network is a collection of station in different markets with only one common denominator; its stations broadcast a client's advertising. The rep firm manages this group of stations to make sure that the inventory clears, that the rotations are proper, that the creative is being properly trafficked, and that the invoicing is correct.

Network Radio

As in television, there are also several radio networks, such as CBS, ABC, ESPN, and Westwood One (owned by CBS). Radio stations affiliated with these networks do not have traditional, exclusive affiliate contracts, as most television stations do, but radio stations agree to carry network programming, such as news or talk programs. Typically radio stations are not compensated for carrying programs that include network commercials, but they receive free programming and are allowed to insert local commercials in the programs they carry.

Often radio stations carry programs from more than one network. For example, a station might carry CBS news programs, "The Osgood File" and "The Jim Bohannon Show" from Westwood One, and, perhaps a talk show such as the Premiere Network's "The Rush Limbaugh Show."

Radio networks have sales staffs that sell to national advertisers that are represented by agencies, so the type of selling is similar to selling for a cable network.

Local Advertising

Local advertising falls into one of two categories, agency and direct. Direct business is created by working with directly with an advertiser – there is not an advertising agency involved that handles the creation of the advertising or the scheduling strategy of the campaign. These tasks are a salesperson's responsibility. Skilled salespeople who understand that the most important order they receive is the second order, since this signifies the creation of a customer, will do everything possible to insure the success of the campaign that has been sold through the first order.

Local advertisers have needs. Typically, they are business needs. A restaurant client might tell you that "Dinner business is fine but I need to get more people in here for lunch."

As a skilled salesperson, the only things you need to bring to your first meeting with a direct prospect are a strong sense of curiosity and a business card. You will ask a lot of intelligent discovery questions similar to what learned in Chapter 9, you will identify the business need of the prospect, and you will schedule a follow up meeting to present your solution.

A great first sales call will have you only talking about your station ten percent of the time and developing an understanding of the customer's marketing issues 90 percent of the time.

When you ask questions to identify these marketing issues, keep in mind there are two schools of thought on taking notes. One says ask for permission and then take copious notes. The other says listen attentively and do not take notes because prospects may feel uncomfortable. They may feel that something they say may be later used in a manipulative fashion to get them to do something they do not want to do. Furthermore, on the first call it is more important to develop rapport with your prospects and show them that you care about them and their business than it is to record their every word on a piece of paper. Whatever the case, you cannot sell a solution unless you understand what you're selling a solution to and have developed enough rapport so that prospects look forward to having you back.

On your first call you may want to hold off on presenting a media kit or a ratings report. But it is a good idea to have these materials tucked in your briefcase so you can pull them out to discuss them if the client asks.

Local direct advertisers do not care as much about ratings, or programming formats, or air personalities as much as they care about making a profitable investment in advertising. They do not have a high degree of price sensitivity. They do have a high degree of results sensitivity.

Radio Programming

Just as magazines target specific audience audiences by the nature of their editorial content, and just as television networks reach different types of audiences with different programs, radio uses formats to deliver specific audiences.

A 2007 study of formats conducted by M. Street Corp. revealed that the most popular format is Country, followed by News/Talk [viii]

Radio salespeople should have an understanding of what types of audiences the different formats deliver. All News and Classical Music attract listeners with the highest median incomes. Adult Standards and All Sports attract the highest concentration of homeowners. For broad reach, Adult Contemporary and Country deliver the highest reach of Adults 18+. To reach young adults in the 18-34 demographic, Contemporary Hit Radio is the leading format.

Regional tastes come into play with format preferences. Country, for instance, has historically failed to deliver sizable audiences in urban markets outside the south, western, and north central states.

You should also know that variety within a format is commonplace. Some Country stations play music designed to appeal to women in their thirties while others play music for men in their forties. Some of the songs they play may be the same, but there will be musical-mix differences within the same format, and there will also be differences with the image the station portrays, the style of its announcers, the objectives of its contesting, and all the other elements that go into the positioning of a station.

The first week on the job, every new radio salesperson should take their station's program director out to lunch, ask a lot of questions, and learn exactly what the program director is attempting to do. When you have a detailed understanding of the station's programming, how it competes, and the exact niche it is attempting to occupy in the market, you will benefit in two ways. First, you'll be better informed. This information translates into a greater degree of confidence. Secondly, you'll know exactly what kind of people listen to your station and in turn what kinds of advertisers you can deliver great results for and in what business category you should be prospecting.

How to Get Results for a Client

There is nothing theoretical about results. Advertising must work. It must deliver at least the results the client expects and, preferably, exceed those expectations. So, a sensible first step in insuring results is a discussion with the client on what can reasonably be expected from a radio advertising campaign.

It behooves a salesperson to carefully manage expectations, as you learned in Chapter 8.

The first thing to keep in mind is that advertising is a risk. Not just radio advertising, but any advertising is as far as one can get from the proverbial sure thing. Smart business people understand this fact. Therefore, never make promises.

Next, have a conversation with a client in which the two of you set some benchmarks for success. If your client is a mortgage broker and makes two thousand dollars for every new loan processed, a radio schedule that costs two thousand dollars and generates just two new clients is probably a pretty good deal. You do not want to be the radio salesperson who goes back to the client when the campaign is over, learns that the station created just two pieces of business and rushes to the conclusion that the results were unacceptable. Only by knowing in advance what defines a win for the client, only by understanding the metrics of the deal, will the salesperson have the knowledge necessary to move forward, renew the business, and create a long-term, satisfied client.

By the way, a good radio salesperson knows that it is a mistake to visit with a new client after the campaign is over and only then to ask how things are going. The better move is to check in after the first week. And do not sell one or two-week campaigns if you can help it, sell 26- or 52-week campaigns, because continuity is the best strategy for long-term success.

Aside from managing expectations, there are a number of things a good radio salesperson will do to stack the deck in favor of good results. There is nothing wrong or deceitful about stacking the deck. Good results constitute a win for the salesperson and a win for the client.

First comes understanding exactly what the client wants the advertising to do. Results are typically linked to specific objectives. You cannot tell how the advertising is working when all the client says he wants to do is to "Get my name out there." This leads us to the notion that in a somewhat simplified context, there are only two kinds of advertising. One is strategic and the other is tactical. The *strategic advertisement* is designed to get the listener to believe something. The *tactical advertisement* is designed to get the listener to do something. Know which kind of advertising you're working with.

The ad cannot be conceived, let alone scripted or produced, unless you and the client agree on its purpose. This concept sounds simple. In reality, it can be difficult. The client may rely on a salesperson to suggest an ad's purpose. Only by understanding the client's business can a salesperson make a thoughtful recommendation. It may be as simple as getting a listener to call the business to learn about the benefits of refinancing a mortgage.

Creating Radio Commercials

Take note of the word *benefits*. You have already learned in the material on media sales skills that you do not want to be in the business of selling features. You want to be selling benefits. It is exactly the same with advertising. If you are writing a commercial for an appliance store that is trying to sell refrigerators, do not talk about urethane door insulation. Talk about "Built to use less electricity and save you money." So make sure that commercials are wrapped around benefits, not features.

There are five styles of radio ads: jingles, testimonials, drama, humor, and straight information. Each, when properly developed, is effective. The use of jingles prompted one advertising wag to remark, "When you've got nothing to say, sing it." But good jingles have an uncanny ability to penetrate the mind and leave an enduring impression, which is often a good feeling about a product or store. If you have a client interested in a jingle, the production director or the program director at your station can suggest a good producer.

Testimonials are extremely powerful, but only when there is a good fit between the spokesperson and the product. Credibility is important, as is the ability of the listener to see in his mind the spokesperson using and knowing something about the product. Word of mouth is perhaps the single most influential factor when it comes to motivating people to try a product, and well-crafted testimonial campaigns capture the essence of word of mouth.

Drama is often little more than conversation. We have all heard these commercials. A woman asks her husband if he has heard about the new restaurant in town. He says no. She then proceeds to tell him all about it. But realistic conversations are hard to write. Commercials like this are easy to write if the goal is anything short of excellence. But with a few clever twists, a good ear, production that puts real people and not staged announcers into their roles, these ads are intriguing, informative, and can be quite effective.

Humor is hard work. Humor is also a risky business because if joke falls flat, the attempt at humor will cast the advertiser in a bad light. To the listener, it is not just a stupid joke, it is a stupid business whose image is impaired by that stupid joke. But just as we all have a primal need for a good story, we enjoy a good laugh, and in the rarified environments where advertising and humor intersect, great results can be achieved with a clever, memorable, and truly funny commercial.

Then there is the commercial that is straight information. You ave heard these and if they strike you as a collection of points hastily strung together to last sixty seconds you're probably correct. Lists of facts about a business where a benefit is never suggested, rarely stimulate a response. That is because these lists of features rarely penetrate our minds. We never really hear radio commercials like this – they do not penetrate our consciousness. For a piece of radio advertising to work, it needs to push whatever we are thinking about right now out of the way so it can command our attention. Only then will the listener consider the message, evaluate its benefits, and be in a position to do business with your advertiser.

One afternoon I was driving back to my station through a hardscrabble part of the city when I noticed the sign that every radio salesperson yearns to see, "Opening Soon."

I had time, so I stopped, went into a trailer and started chatting with the owner. He had leased a vacant lot surrounded by chain link fencing and was starting an auto auction. He had a very limited budget. I learned that one of his auctions would take place each Sunday night. I knew that we could give him a great rate on Sunday afternoons when demand on our inventory was relatively light. So I suggested that he run a campaign with us just to support the Sunday night auction. He understood the benefit of the focus and the immediacy. He also said he would give away a car every Sunday night to one of the registered bidders.

The ad I wrote started and ended with the phrase, "Tonight you can win a free car." The copy was built on the platforms of immediacy, a call to action, and a significant benefit. There was nothing artistic about it. I knew it would never win an award. This piece of advertising was simply a workhorse. The ad ran four times each

Sunday between 3:00 and 7:00 P.M. I never changed the copy. And, of course, it worked like a charm.

The time you take to develop a great piece of advertising is time well spent. You will discover that success is largely a matter of building up a list of active advertisers. The single best way to do this is to get results for advertisers. Developing an advertising campaign is a wonderful creative exercise, and a perfect and profitable means of showcasing your creativity. See Appendix B - Writing Copy – for more information about the art and science of writing effective advertising copy.

Selling to Agency Buyers

Most media buyers at agencies usually want to make good buys. They are receptive to learning more from salespeople about how a station performs in delivering specific audiences. But sometimes they are restricted in how they can make their buy. Whatever the case, it is essential that radio salespeople know their station's audience, understands the strengths and weaknesses of their station, know their station's audience composition, and how the competitors fare with their audience delivery. But knowing the station and the market is just a start. Knowing the buyer is what matters most.

Great radio salespeople love their buyers. They know exactly how their buyers like to work, and they are highly attentive to both the personal and the business needs of the buyer. They know that there are some common themes in what media buyers want from a salesperson; flawless communication skills, integrity, candor, quick turnarounds, accuracy, and consistently flawless execution of booked schedules.

But there is more. Media buyers need to be understood. They need to be respected. They need justification and they need to know why. And a media buyer needs to know that if there is ever a problem that the salesperson is going to accept responsibility and fix the problem.

Rate negotiations between a media buyer and a salesperson can be tough and fraught with tension. But the relationship can be wonderful. The relationship is not defined by the tension of the occasional rate negotiation but by a genuine willingness of the two parties to work together, to partner in an effort to do work that benefits the radio station, the agency, and the client. Skilled buyers who are self-confident and self-assured understand this relationship. Less skilled buyers will be hesitant to work toward this type of a relationship.

How Radio is Sold

Radio is sold by dayparts, as seen in Exhibit 21.1.

Exhibit 21.1 Radio Dayparts

Daypart Name	Time
Morning, or AM, drive time	6:00 – 10:00 A.M., Monday - Friday
Daytime	10:00 A.M. – 3:00 P.M., Monday - Friday
Afternoon, or PM, drive time	3:00 – 7:00 P.M., Monday - Friday
Night time	7:00 P.M. – Midnight, Monday - Sunday
Weekends	6:00 A.M. – Midnight, Saturday and Sunday
Overnight	Midnight – 6:00 A.M., Monday - Sunday

When it comes to pricing, radio is a highly negotiable medium. Part of this is attributable to the notion that most radio salespeople are woefully trained in negotiating if they have not read Chapter 12 in this book. But the economics of supply and demand come into play as well.

Most stations in larger markets use some type of a yield management strategy, with the help of software programs, to price their inventory. The higher the demand, the higher the rate; and, conversely, the lower the demand, the lower the rate. Great sales staffs create demand.

Great sales managers in turn understand exactly how their product should be priced. They use pending business reports to have a grasp of what is being offered for sale that has not yet been closed. (See the Business Pending Tracker form, available for download at www.mediaselling.us/downloads.html.) From an analysis of historical data, they understand that there will be greater demand during the middle and final weeks of a month so they will quote higher rates for these weeks. They may also know that more advertisers would like to be on the air Wednesday through Saturday so these days of the week will be priced higher if advertisers insist on running only on those days. Different times of day, or dayparts, will attract different levels of demand. They will be priced differently.

The goal of the station is to sell the highest possible percentage of all available inventory at the highest possible rate. It is the responsibility of the sales manager to anticipate demand, set pricing, take special considerations into account, and help the sales staff maximize revenue.

The tactic most commonly used to support a yield management strategy is packaging. The station wins by building schedules for clients that blend inventory from different dayparts, days and even weeks to achieve its objectives. The client wins by being in a position to reach broader segments of the station's audience and to enjoy pricing efficiencies.

How to Use Radio Research

Once you start working as a radio salesperson, it will not be long before somebody tells you, "If you live by the ratings, you'll die by the ratings." Ratings are important because in terms of raw dollars most decisions on where to place advertising schedules are primarily based on ratings. The system is simple. The higher a station's ratings, the more business it will attract, the higher the rates it can charge and the higher the levels of revenue it can generate. Another important function of ratings is to help programmers make decisions on their content. Poorly performing dayparts often mean the on-air personality who hosts those hours may be replaced, the music may be adjusted, or some other change in hopes of attracting higher ratings is put in place.

Agency buyers are not interested in listening to radio salespeople whine about the shortcomings of Arbitron and the integrity of the data. At the end of the day, blemished as it is, the Arbitron numbers represent the best data for agency buyers and radio salespeople to use.

In a negotiation, agency buyers will use the data to make a station look worse than it is so they can try to negotiate a lower rate. The salesperson will do the opposite. There is an abundance of tactics each side in the negotiation will use to support their positions. A skilled radio salesperson needs to know how to mine stories from the raw data, how to establish value from this data, how to rebuff anticipated ratings-based attacks from agency buyers, and in general to have an understanding of the strengths and weaknesses of a station.

When a salesperson calls on an agency and a buyer says, "You went down in the ratings," the salesperson needs to be able to respond with information that counters this negative slant on the new data with something positive. "Yes, our average quarter hour numbers were off a little, but our cume was up… we're actually reaching more people now than in the last survey, and look at our weekends, our shares there are up more than 20 percent." Crafting statements like this take time but you can never put yourself in a position where an agency buyer can get away with establishing a one-sided story as the truth. And the truth is that virtually every ratings survey, even those that create ghastly carnage for a station, contains data that a salesperson can use to establish something positive. Optimism is vital – the glass is always half full.

So far we've been talking about the type of ratings that tell us how many people listen, their age and their sex. This rating information is called *quantitative ratings*. But in many markets there's an entirely different and additional type of ratings. These ratings tell us about the characteristics of the audience – the educational attainment and household income of a listener, what kind of car they own and plan to buy next, their marital status, even whether they prefer to shop at Target or Wal-Mart, and how much money a week they spend on groceries. These ratings are called *qualitative ratings*.

Because many stations deliver essentially the same numbers of listeners, and because it is the job of the salesperson to create a differential competitive advantage for a station, using qualitative data, if it is available, can make a big difference. If you and your competitor are each trying to get an agency piece of business for a bank where the desired demographic is Adults 25-54 and your audience delivery is basically the same, but you can use qualitative data to show that your listeners have higher incomes and higher net worth, thus representing more value to the bank because they will place larger deposits and grow the bank's assets more quickly, you will win. You should also be able to use this qualitative data to secure a higher rate.

If you spend your career looking at ratings to see only how your station ranks against the competition, you squander a wealth of data that can get you onto pieces of agency business you otherwise would lose. But keep in mind that if you spend your career talking to direct clients about ratings, you're squandering something entirely different, the opportunity to identify a business problem that can be solved by advertising.

Selling Sports on Radio

You do not hear this sort of thing on the radio anymore. But on October 3, 1951, it was all that mattered if you were a baseball fan.

> So don't go away. Light up that Chesterfield. Stay with us and we'll see how Ralph Branca will fare against Bobby Thomson. Thomson against the Brooklyn club has a lot of long ones this year. He has seven home runs. Branca pitches and Bobby takes a strike called, on the inside corner. Branca throws, there's a long fly, it's gonna be, I believe. The Giants win the pennant, The Giants win the pennant, The Giants win the pennant, The Giants win the pennant, The Giants win the pennant.[ix]

Russ Hodges made the call as the New York Giants came from behind to beat the cross-town Dodgers and win the National League pennant. His play-by-play descendants are not inviting their listeners to light up Chesterfields or anything else today. But the fans of every baseball team in America know that just as the book is inevitably better than the movie, the radio broadcast is better than the television broadcast. If you pursue a career in radio sports sales and if you are sufficiently adept at reminding advertisers of this axiom, you will have a lot of fun and you will make a handsome living.

Today the sport we almost never hear on the air was the genesis of radio sports broadcasting – boxing.

On the fourth of July in 1923 in Shelby, Montana, Jack Dempsey defended his heavyweight title against Tom Gibbons. Minutes after the last punch, fight fans in New York heard a detailed report of the bout on WOR. This was not blow-by-blow, round-by-round live coverage, but the Dempsey Gibbons fight is regarded as the first sporting event broadcast on radio.[x]

Today there are stations that broadcast nothing but sports. The first was New York's WFAN, which launched an all-sports format in 1987. ESPN has a radio network. Opinionated sports-talk show hosts abound.

The economics of running a sports franchise are closely linked to the economics of broadcasting sports. Today a single play-by-play broadcast may have more than fifty different advertisers. Rights fees have increased dramatically so the amount of inventory sold has expanded commensurately. For years, there would be a single minute of advertising during a basketball time out. Demand has increased this time to a minute and a half. Baseball has gone from one- to two-minute breaks between innings. Between 1955 and 1966 the New York Yankees had two sponsors; Ballantine Beer and Camel Cigarettes.[xi]

Over the past 20 years sports programming has been a source of significant economic growth for the radio business. Advertisers have demonstrated a strong thirst for sponsorship opportunities. In the 1980s Anheuser Busch went on a spending spree securing a large number of local sponsorships in order to more effectively compete against Miller and Coors. The strategy worked as Budweiser and Bud Light each gained market share at the expense of the competition.

If you are selling radio sports, you are obviously competing against television. You probably have a number of advantages, the foremost of which would that the package you are offering consists of broadcasts of every game. On television the rights are typically split between cable, network, pay per view, and local stations. An advertiser's investment in radio broadcast rights often provides a bond with the announcer, which approaches something of an implied endorsement. Promotions are easier to execute on radio. Promos the station runs before the broadcast inviting listeners to tune in can include the sponsor's name. And on the radio, tune out during commercial breaks is less of a problem for advertisers than on television, where zapping is virtually endemic on sports broadcasts.

Selling radio sports is largely a matter of selling the benefits of affiliating a product with the respective team. There is a historic spillover of loyalties from a fan of his team to a product that sponsors the team's broadcasts. In smaller markets, radio salespeople know that finding business owners who are ardent supporters of a team means they have found a good prospect for advertising. The packages that a station or a local network builds will typically include value above and beyond in-game, pre- or post-game placements. These packages could range from stadium signage and desirable tickets to awards banquets and team golf tournaments. In any event, advertisers who make a marketing investment in a sports franchise or program is doing much more than making a ratings-driven media buy. They are making an investment in improving the public perception and perception of a business by a positive affiliation with what is hopefully a well-liked sports franchise.

Selling Events

An event might be a concert; it might be a pumpkin patch. Whatever the event, there are opportunities for a radio station to get involved. The station's involvement often leads to sponsorship sales to third parties.

This type of business typically falls into a category that radio broadcasters refer to as non- traditional revenue, or NTR. The structure of a deal and the extent of a radio station's involvement determine the economics and the sponsorship opportunities.

Just as sports franchises have developed a lucrative revenue stream by selling signage at stadiums they own or control, radio stations have attempted, with differing degrees of success, to sell on-site exposure at events they produce or promote. This effort can range from a banner inside a concert venue to a booth at a crafts fair. The benefit to an advertiser is the opportunity to have direct contact with a prospective customer in a positive environment and exposure to, hopefully, large numbers of people who fit a particular demographic profile.

There are two major challenges involved with selling events. One is financial and is the amount of money a sponsor believes is justified in investing. Measuring the return on this investment is difficult for an advertiser. The second is time. There is both the limited amount of time a sponsor will enjoy exposure during an event, and the often extraordinary amount of time the radio station invests in planning, producing, and selling an event.

Hispanic and Urban Radio

Nothing has changed the make-up of radio in the past few years to the extent that Hispanic radio has. There is eight times the number of Hispanic stations than there were 20 years ago. The reason: dramatic shifts in demography.

Hispanics account for about 13 percent of America's population. Looking at this from a different vantage point, America's Hispanics represent the world's fifth largest Spanish speaking country. Naturally, Hispanics are served by radio and advertisers look for effective ways of making a connection with this increasingly vital audience through radio.

Because Hispanic population tends to be concentrated in the major markets, so do the radio stations serving them. The audiences are large: the leading stations in Los Angeles, San Francisco, Dallas, and New York are often Hispanic.

Programming is tailored to address different cultural and regional nuances. For the melting pot of New York City, a bilingual format works well. Regional Mexican formats perform well in California and the other Border States. Tejano formats target multi-generational Texans, Tropical formats target Caribbean Hispanics, and Romantica formats provide an international, mass-appeal.

The people who manage Hispanic radio stations suggest that the significance of their medium for advertisers is not as much about language as it is about culture and the links America's Hispanics choose to retain with their cultural roots. They would also point out that Hispanics tend to be heavier users of radio than other media.

America's large African-American population is also served by radio. There are more than 300 urban-formatted stations and a number of formats designed to appeal to different segments. Contemporary Hit and Urban Contemporary target teens. Alternative reaches young adults and older adults prefer Urban Adult Contemporary, Urban Oldies and Smooth Jazz.

Unique Qualities/Competitive Advantages of Radio

Radio offers advertisers a number of advantages. The most significant of these is the medium's ability to target specific segments of the population. While this can also be achieved on cable television and the much more static, low-impact medium of magazines, the specific characteristics of the audiences radio can deliver to an advertiser can often be more narrowly defined.

For instance, an advertiser who needs to reach a working mother of two young children would be an ideal candidate for radio. Because this woman needs to help get her children ready to leave the home in the morning, she's not watching television, although the television may be turned on and is used as background noise. She does not have time to read the paper, if one comes to the house. But once in the car and on her way to work she is alone with the radio. She may listen to the radio at work, but she's certainly not watching television or reading the newspaper. The radio remains on in her car as she leaves the office to pick up her children and take them to soccer practice. Radio is typically the last medium she is exposed to before making the largest purchase of the day.

Advertisers can study ratings to determine which types of station deliver the largest audience in their targeted demographic. In the case of the working mother of two small children, the target would probably be a woman between 25-44. One common mistake advertisers make when determining which radio station(s) to use to deliver a desired audience is in defining the audience too broadly. Advertisers who target audiences with Adult 18-49 or Adult 25-54 demographics, a fairly common practice, often reach too broad an audience. The advertiser who buys radio against an Adult 25-54 demographic should remember that the consumer characteristics of a 25-year-old woman and a 53-year-old man, who are in the defined target, tend to have little in common.

Radio salespeople can help advertisers make more intelligent decisions on which station(s) to include in a campaign, and help insure stronger results, by suggesting that the advertiser look at the demographic epicenter of the target. In the case of a media buy where the advertising agency says it wants to reach an Adults25-54, intelligent questions on the part of the salesperson may identify the heavy user of the advertised product as being in a 25-34 cell of the demographic. It may turn out that 80 percent of all the purchasing activity within an Adult 25-54 demographic takes place in this Adult 25-34 cell. This fact means that a good media buy will concentrate on this demographic target cell.

Along with the ability to reach very specifically defined audiences, where radio is surpassed only by direct marketing, online and offline, radio offers an advertiser other significant advantages. One of these is often perceived as a disadvantage by some prospective advertisers. That is fact that radio lacks a visual component.

Radio salespeople are often left with the feeling they have been given an insurmountable objection when an advertiser touts television because of its ability to show a picture of the product. But radio can take on this assignment quite nicely. By writing effective copy and by using sound effects and music, a radio commercial can easily engage the imagination. A good radio commercial will actually put listeners to work creating a unique and personal image in their own mind. A television viewer who is in the market for a new sofa may see a furniture store's advertisement. All the sofas viewed may not be appealing. But the radio listener who is in the market for a sofa will hear the selection of sofas described. The image of the sofa the listener wants will take shape in the listener's mind. The listener will associate this image with the advertiser and as a result will go to the store and look at the sofas.

When radio advertising is carefully written and well produced, this type of theater of the mind often takes place. But when cliché riddled copy is carelessly thrown together just to get something on the air, radio has been cheated out of an opportunity to do the job it has been performing capably and consistently for more than 80 years.

Local advertisers often believe that "getting my name out there can't hurt." However, in some instances, people exposed to a business's advertising are less likely to buy its product than people who have not been exposed to the advertising if they did not like the commercial to which they were exposed. Therefore, in radio, like in any medium, good advertising works and bad advertising does not work.

Radio is a mobile medium. When transistor radios came along in the 1960s, radio suddenly left the living room and went to the beach. Walkmans took this mobility to a new level in the 1980s. Today, radio reaches us everywhere. Thirty-seven percent of listening takes place at home, 43 percent in the car, and 20 percent elsewhere.[xii]

Radio is arguably the most intimate medium. It is alone with a listener in the dark. It is the sole companion for a commuter. Because of the warmth of the human voice and its ability to communicate with intimacy, radio is an extremely powerful marketing tool when the proven fundamentals of advertising strategy are properly applied.

Just as radio can be intimate, it also has the ability to intrude. When someone is alone in their car, driving to a job they do not really like, a radio commercial for a firm which is hiring employees will prove more effective in reaching this potential candidate than a newspaper ad in the help wanted section. The people who go to the help wanted section are looking for a job. Employers know that the best candidates for the positions they have to fill typically are not looking for a job. Instances such as this underscore the importance of intrusiveness. While other media such as television are arguably intrusive, radio's ability to intrude with intimacy and to intrude on a well-defined demographic target gives it special value to the savvy advertiser.

Radio in the New Economy

If we think about radio as most of us know it, something that is on either the AM or FM band, it is probably safe to say that the medium will largely remain as vibrant, as relevant, and as meaningful a part of Americans' media diet as it has been for the past 80 years. Certainly, it will change. Driving the change will be the insurmountable surges of demographic shifts and relentless advances in technology. Radio has traditionally been a harbinger of leading-edge media change. Radio is where middle-class white teenagers discovered black music on what were called "race stations" in the 1950s. In the 1960s many of the economically undervalued and overlooked stations on the FM dial captured the feelings of a generation whose emerging viewpoints and tastes were all but ignored in virtually every other medium. The 1980s provided substantive media platforms for talk show hosts whose brand of conservative politics paved the way for organizations such as the FOX News Channel.

Radio has a history of being the medium that is on the vanguard of change. But that, too, has changed because of the Internet. A radio station no longer requires a transmitter.

HD or high definition technology allows stations to broadcast digitally. It is available to 80 percent of the U.S. population. At the end of 2007 there were more than 1,500 HD stations on the air.[xiii] Listeners need to purchase a special radio to receive these signals. Broadcasters believe benefits such as expanded programming choices and enhanced audio quality, where FM stations will offer CD audio quality and AM stations will offer FM audio quality, will help grow their audiences. Scrolling text on receivers provides data ranging from song title and artist to traffic reports.

Satellite Radio is a subscription service. The industry's two major firms, Sirius and XM, have proposed a merger which has been approved by shareholders but awaits regulatory approval as of the writing of this chapter (March, 2008). Each offers music, news, sports, and a variety of spoken-word formats.

Satellite radio operates in an environment of uncertainty. The exact subscriber base of Sirius and XM is not publicly available, but believed to total approximately 13 million. One of the reasons for this is usage similar to the churn experienced by wireless phone companies. One example of this: a potentially high share of subscribers who receive the service on a six month free trial when they purchase a new car with the in-dash equipment do not renew.

XM offers advertising opportunities via show sponsorships and segment sponsorships on some of its channels. Sirius offers limited advertising across its 65 channels as well. Each firm attempts to limit advertising so as not to alienate paying subscribers who have a low tolerance for commercial interruption.

Making a Living Selling Radio Advertising

Radio salespeople work in a medium that offers a variety of rewards. The financial opportunities are potentially lucrative. So are the opportunities to demonstrate creativity, to learn firsthand the lessons of marketing, human nature, and business.

Radio salespeople typically enjoy the opportunity to manage more pieces of the sales and marketing process, from developing a promotional concept to producing the actual advertising, than their counterparts in other media, especially in markets below the top 25, where most of the business comes from agencies. The sales process itself may often rely more on the salesperson's creativity than a more quantitative and numbers-oriented type of sale that tends to exist elsewhere in the media world, especially in television.

One of the benefits of a career in radio sales is the ability to work with a variety of different businesses. This is stimulating, educational, and a virtual guarantee that boredom and complacency will rarely enter into your world. It is not unusual for a radio salesperson to call on a car dealer in the morning, have lunch with a furniture retailer, call on a homebuilder in the afternoon, and stop by a night club client in the evening.

With tenacity, determination, and a sense of purpose, your first radio sales job may not be hard to get, and it may well be a business more difficult to leave than to enter. You may discover that the friendships you make, the pace at which your business both runs and evolves, and the sense of enjoyment and satisfaction you derive make the radio business a business that will stimulate and support you for the rest of your career.

Test Yourself

1. Why did radio evolve from a national to a local medium?
2. What does a Program Director do?
3. How does selling to an advertising agency differ from selling to a direct client?
4. What do media buyers expect of the salespeople who call on them?
5. If a prospective advertiser told you that television was better than radio because it reached more people, how would you respond?
6. Why is Hispanic radio experiencing such robust growth?
7. What benefits does sports marketing provide an advertiser?

Project

Browse through your daily newspaper and find a large ad. Write two 60-second radio commercials. Write one of the commercials so that a radio listener is *encouraged to do something* (a tactical commercial). Write the other ad so the listener is encouraged *to develop a belief* about the advertiser (a strategic commercial).

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Resources

www.clearchannel.com (Clear Channel Radio website)
www.rab.com (Radio Advertising Bureau)

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Sell online with your e-commerce website or with different sales channels.Â Sell around the world on a website, social media, marketplaces like Amazon and eBay, and anywhere else that strikes your fancy. Website. Instagram. Facebook. Google. Amazon. POS. Media buying falls into the paid media category and generally means the procurement of media space and time for displaying ad creatives. When buying media, the goal is to find the right place, time and context to deliver relevant ads to the target audience and increase conversion rates, sales or brand awareness. Media buying is time-based, meaning the buyer is paying for "renting" all possible placements on all possible platforms. So they must be available for the timeslot when it is convenient for the advertiser to place the ad. â€œMedia Selling has set the bar once againâ€•providing the new knowledge standard for the industry. Whatever segment of media and advertising youâ€™re involved in, you must read Media Selling to matter in the next-generation of media.â€ Dean DeBiase, CEO, TNS Media, Co-author of The Big Moo. â€œCharlie Warner has trained more professionals in the art -- and science -- of selling radio, television, print, and interactive than anyone else. Sell Media also works with any properly coded WordPress theme, however, some minor styling tweaks might be required. Take Sell Media to the next level with these powerful extensions: Sell photo prints. Sell Subscription Plans.Â Instant Setup. If youâ€™re having difficulties getting Sell Media set up, check out VisualSociety.com. Visual Society is our new fully-hosted e-commerce platform for selling photos online. This new platform also includes automated print fulfillment worldwide! Developers. Actions.