

Using Radio To Reach Business Decision Makers

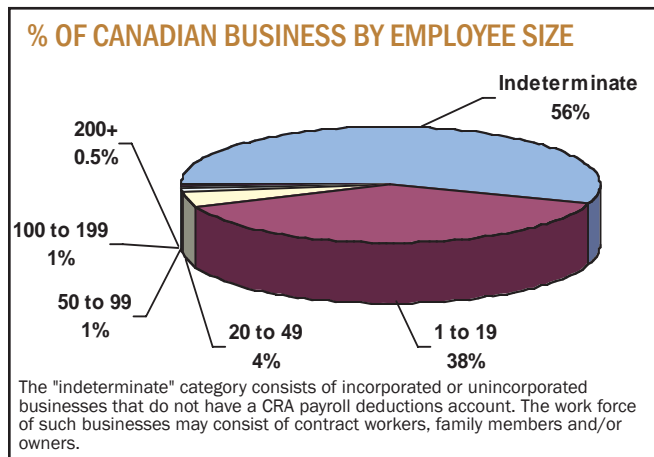
Business to business advertising has become critical in today's market. Evolving technology and business "specialists" have contributed to the growth of small business and the popularity of a business partnership model. In a highly fragmented and competitive market, B2B advertisers need to effectively and efficiently reach prospective customers that have no time to waste.

Radio allows B2B advertisers to speak to business decision makers in a personal voice; an efficient networking opportunity that can be the catalyst for a lasting business relationship.

THE CANADIAN BUSINESS ENVIRONMENT

Business Size

- As of June 2004, there were more than 2.3 million business establishments in Canada. Almost half of all business establishments are called "employer businesses", because they maintain a payroll of at least one person (possibly the owner). The other half are classified as "indeterminate" because they do not have any employees registered with the Canada Revenue Agency.

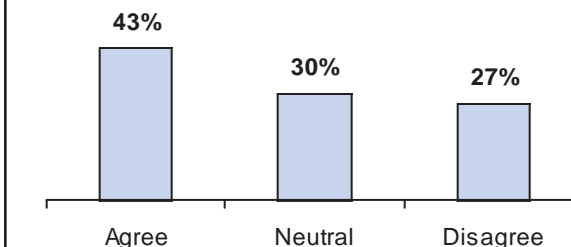


- 98% of all employer businesses have a staff of under 100 employees.
- RTS Canada reports that a total 1.4 million Canadians are owners, managers or professionals that were personally involved in business purchases of \$2,000 or more in the past 12 months.

CHALLENGES TO BUSINESS ADVERTISERS

B2B advertising has become increasingly difficult in today's cluttered media market. Managers, owners, professionals and executives (MOPES) are a moving target with very little discretionary time. Most business people agree that advertising is an important source of information for them, but how do you get their attention?

ADVERTISING IS AN IMPORTANT SOURCE OF INFORMATION



Source: RTS Canada Spring 04-Fall 04

B2B ADVERTISERS ENCOUNTER MANY BRAND AWARENESS "BARRIERS"

Ad Clutter

Business publications and programs are a logical choice for B2B advertising; these vehicles offer efficient targeting opportunities. The downside is the significant

amount of B2B advertising clutter. MOPES tend to edit their reading in order to save time; this means that a lot of ads will be skipped over.

Business advertising does not have to be within a business environment in order to be noticed. In a 1999 study by Continental Research respondents representing small to large businesses in the UK were asked whether or not they agreed with the preceding statement.

"Business advertising does not have to be within a business environment in order to be noticed"	%
Agree	78%
Neither	5%
Disagree	17%

Not surprisingly the majority agreed that business advertising outside a business environment was effective. Why? Businesses are made up of people with media habits and tastes similar to the general population. They listen to radio; as a matter of fact radio occupies a good portion of their weekly media time. Importantly, radio offers less business advertising clutter than traditional business press.

Creative Impact

In today's extremely competitive business environment it is hard for B2B advertisers to differentiate themselves from their competitors. Product and service innovations do not remain innovative for long; competitors are quick to adapt and level the playing field.

Print advertising is excellent for communicating detailed information such as product specifications and benefits but is that compelling enough to command the attention of time strapped executives?

Good radio advertising can help B2B advertisers differentiate themselves from the pack. Radio involves the listener - in the theatre of the mind, radio provides the audio, and the listener provides the visual images. When radio listeners create their own unique mental picture as a result of the advertising message, they have played an active role in establishing the message in their

mind. It will be vividly remembered for a longer period of time than other forms of communication.

RADIO, A SOUND INVESTMENT FOR B2B ADVERTISERS

Radio Connects With Prospective Buyers

People tune in to radio stations that deliver the music and information that they want to hear and reflects their lifestyle. A relationship is established between a radio station and each listener

A recent study conducted by the Radio Ad Effectiveness Lab "[Personal Relevance, Personal Connections](#)"* reports that

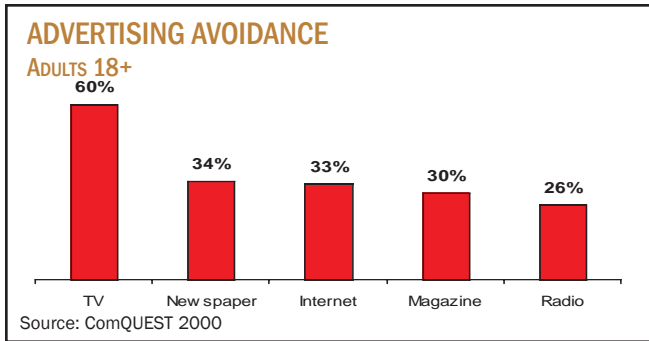
- Radio listening is a one-on-one and emotions-driven experience, and listeners believe that both the medium and its advertising are more relevant to them (compared to television and newspapers).
- Consumers believe that their radio programs carry ads which are appropriate for them as individuals, and listeners are therefore more ready to react at an emotional level.

Business people develop a close relationship with their favorite station because it is part of their daily routine; accompanying them to and from work and even in the office. B2B advertisers can leverage radio's personal relationship by creating ads that speak in a personal voice. If the listener can relate to the ad playing on their radio station they are more likely to accept and consider it.

Low Advertising Avoidance

In general, Canadians tend to be loyal to two radio stations. This holds true for business people as well. People tune in to radio stations for the content (music, personalities and information) that reflects their personal tastes, wants and needs. Very little station surfing occurs meaning low advertising avoidance and increased opportunity for advertising exposure.

* "[Personal Relevance, Personal Connections](#)" study available here



Radio Reaches Business People

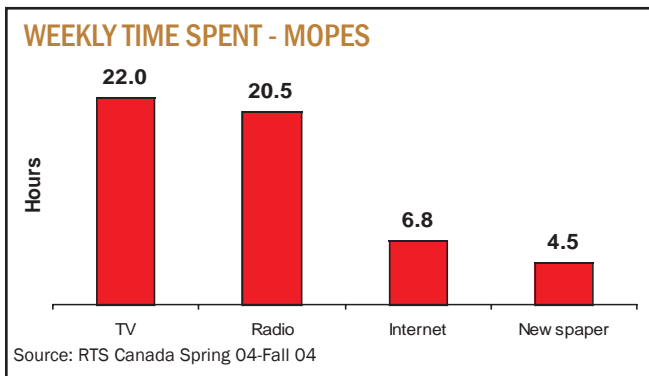
Because it is portable radio fits the hectic lives of business people and creates many opportunities for advertising exposure. Compared to other media, radio reaches the business market exceptionally well daily and throughout the week.

Media Exposure	Radio	TV	Internet	Newspaper
Yesterday	89%	85%	71%	56%
5 out of 5 weekdays	81%	67%	n/a	39%
Weekly	97%	97%	90%	81%

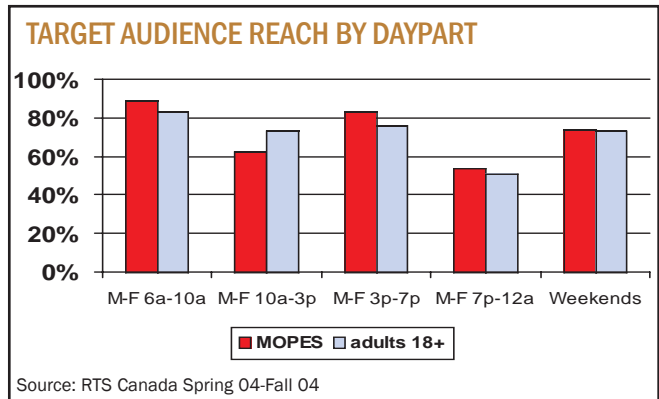
Source: RTS Canada Spring 04-Fall 04

Business people spend over 20 hours a week with radio and average almost 3 hours daily. This is a significant amount of time for people that consider themselves "time strapped".

Radio is delivered in real time, the advertising moves to the listener. This means that the listener does not have to make time for radio advertising as he/she can be exposed to it while engaged in other activities like driving or working.

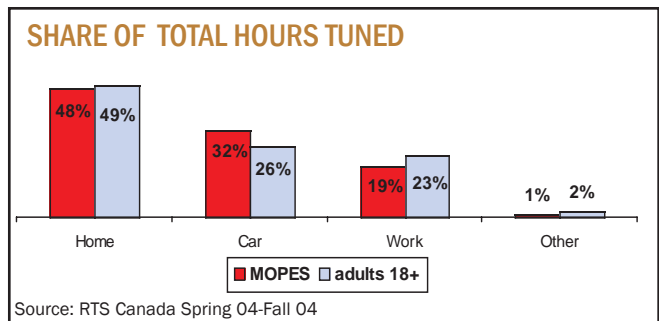


The chart below indicates that business people tune in to radio all day; in most cases radio reach potential for MOPES is above the national average. B2B advertisers can create awareness when their target audience is in business mode and increase their odds for consideration.



In Car Tuning

In car tuning occupies one-third of total hours tuned for MOPES. The car is a very personal space which can enhance radio's "personal relationship" with the listeners.



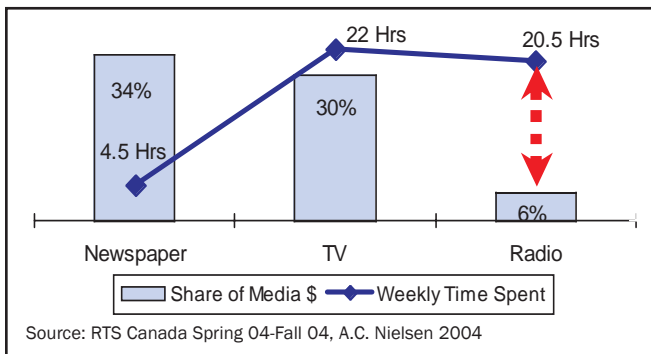
Radio Creates a Strong Market Presence

Radio station loyalty plus almost 3 hours tuning daily translate to greater message frequency for B2B advertisers. Radio's pervasiveness offers B2B advertisers a solid opportunity to gain and maintain a high, memorable profile. Advertising must be heard with frequency for this to happen and radio enables advertisers to achieve this with greater effectiveness and cost efficiency than other media. Added frequency increases the opportunity for recent advertising exposure

and the likelihood that MOPES will hear your message prior to a business purchase decision.

Increase Share of Mind for Your Business

Curiously many B2B advertisers have avoided radio and choose to invest in business magazines and newspapers as a primary vehicle for advertising. A.C. Nielsen reports that advertisers in the Business Equipment and Services category invested over \$30 million in media in 2004; radio spending accounted for 6% of the total. The chart below indicates that there is a significant opportunity for B2B advertisers to create a market presence that is better aligned with people's media habits. Through radio B2B advertisers can increase market penetration and share of mind.



Brand Building

Building a brand is all about fostering a relationship between customers and the brand.

In order to establish a relationship you need an opportunity to introduce the brand and time to cultivate it. Creating an ongoing conversation with consumers strengthens the consumer/brand relationship.

Radio stations are, in essence, brands to which listeners are very loyal and with which they interact on a daily basis; a perfect environment for brand building.

Greater Media ROI

Radio's efficient media and production cost allows B2B advertisers to deliver greater impact for their money. A recent study conducted by the Radio Marketing Bureau

reports that radio media costs were a third that of TV and newspapers; this means B2B advertisers investing in radio can increase the duration of their advertising campaigns, sustain awareness and develop a relationship with MOPES.

Efficient production costs allow advertisers to enhance their brand image by producing a variety of radio ads that can effectively communicate multiple brand benefits.

Radio Supports Other Media

A media mix that includes radio can be more powerful than television or newspaper in isolation, according a 2004 study from the Radio Ad Effectiveness Lab "Synergy - Moving Money To Radio."* RAEL compared the effects of two television ad exposures to one television ad plus two radio exposures; the same tactics were applied to newspapers-comparing two newspaper exposures to one newspaper ad plus two radio exposures. In this controlled, lab-style test of advertising synergy, the results were impressive:

- Substituting two radio ads for one of two TV ads
 - ◆ Increased unaided brand recall by 34%.
 - ◆ Increased brand preference significantly.
- Replacing one of two newspaper exposures with two radio ads
 - ◆ Almost tripled unaided brand recall.
 - ◆ Increased brand preference and main message playback significantly

This study suggests that radio may be undervalued as a way to affect consumers that are reached by television and print. Radio can be a persuasive alternative to other media; this study offers more reasons to consider using radio as an integral component of an advertising campaign.

* "Synergy - Moving Money To Radio" study available here

Direct/Indirect Response

Radio's relationship with listeners is interactive. Levels of interaction on the radio are high and there are many ways in which listeners can get involved; entering a competition, calling during a phone-in segment, visiting a station's website or attending an event.

Radio's interactivity works well for advertisers seeking a response from customers, directly or indirectly. People are more inclined to respond to personal communication that is relevant or appealing to them. B2B advertisers can focus on the benefit of their product/service appealing to the listener's emotions and direct them to another source (website, 1-800 number, direct mail) for rational information such as product specifications.

NOTHING ILLUSTRATES THE POWER OF RADIO BETTER THAN A SUCCESS STORY. THE FOLLOWING CASE STUDY DEMONSTRATES RADIO'S ABILITY TO CONNECT WITH AND MOTIVATE BUSINESS DECISION MAKERS.

Case Study - UK Trade & Investment

UK Trade & Investment (UKTI) is a British government organization that supports international businesses seeking to set up or expand in the UK. Situated throughout Canada, investment professionals help Canadian businesses to make sound investment decisions, and to quickly and smoothly set up and expand their business from a UK base.

As trade marketing was not driving the desired number of leads and inquiries, UKTI in 1995 moved to radio to achieve a stronger, continuous presence amongst senior business decision makers.

Radio delivered high reach potential of this highly mobile target group catching them "on the move" throughout the business day. Of vital importance was the ability to strategically deliver UKTI's message through an appropriate listening environment. All-news/news-talk formats were selected for the following key reasons:

- News programming offers "active listening" whereby people tune in to pay particular attention to the messages of the day.
- Program content includes Business Reports and other news and editorial topics relevant to the business community.

From a creative standpoint, radio offered the opportunity to present a "human voice" with which business leaders could identify - one that would naturally elicit confidence in UKTI's expertise, and would stand out as unique from other B2B advertising.

Results

Radio has formed the foundation of UKTI's advertising because it consistently drives a significant number of high-quality leads via phone and the website, with web hits increasing noticeably when the radio commercials run. UKTI utilizes a disciplined approach to determining the source of all leads and to tracking all phone and web activity. There is a clear correlation between radio advertising and the increase in the number of Canadian companies who expressed an interest in expanding into the UK since radio was adopted in 1995.

High-level, strategic decision makers are responding to the radio advertising in numbers that far exceed what any other medium has been able to achieve. Although not measured formally, UKTI executives have been able to detect a strong awareness of their radio commercials amongst the Canadian executive community. Radio keeps working for UKTI and continues to be its primary communication method in Canada.

"When I arrived in Toronto last year I was a radio advertising skeptic due primarily to the fact that UKTI had not used radio in other global markets. I questioned its ability to deliver on our requirements. I'm now a big fan. Evaluation of our radio campaigns provides evidence that radio effectively reaches executive business decision makers, producing solid leads and a significant contribution to our business plan."

Mike Moon, Consul (Head of Inward Investment)