Training for the Non-Sales Radio Professional

CRMC 2000

CRMC: Programmer's Accreditation

Radio Advertising Bureau
Radio
CRMC
Certified Radio Marketing Consultant
Programmer's Accreditation

1320 Greenway Drive #500 • Irving, TX 75038 • 1-800-232-3131 • http://www.rab.com

RADIO ADVERTISING BUREAU
Radio
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Dear CRMC-PA Candidate:

Radio's new reality: If you're in Radio, you're in sales. No matter what your job or your title, you must be part of your station's effort to maximize revenue through the sale of advertising and marketing programs.

That's why the Radio Advertising Bureau, in cooperation with Shane Media Services, has extended the scope of its Certified Radio Marketing Consultant accreditation to professionals who work on the programming side of Radio — Program Directors, Promotion Managers, Copy Writers, Production Directors, Music Directors, and Operations Managers.

Radio's best salespeople know the importance of earning CRMC certification. It shows that they have a unique understanding of both sales and marketing and establishes them as a knowledgeable professional who understands how to help their clients use Radio most effectively.

And now, the new CRMC Programmer's Accreditation offers this same opportunity for professional growth to everyone on the programming side of Radio and bridges the gap between sales and programming by helping everyone become part of the station's sales efforts.

Through the CRMC-PA study materials provided, you now have opportunity to fully understand what it takes to build and maintain a successful sales organization. You'll discover the keys to developing a successful partnership between sales and programming; learn how to withstand the threat of competitive media; understand the fundamentals of selling; and become familiar with how a good sales department maximizes both traditional and non -traditional revenue opportunities.

Broadening your horizons and increasing your skills is vital to your long-term success as a Radio broadcaster. This new RAB certification program will help you get on the fast track to a fulfilling and rewarding career.

Congratulations on your decision to study for your CRMC-PA. Everyone at Shane Media Services and the RAB looks forward to your successful completion of the program.

Sincerely,

Mike Mahone
Executive VP/Services

Ed Shane
Shane Media Services

Introduction

What it Means to be a CRMC-PA

With a Certified Radio Marketing Consultant-Programmer's Accreditation...

- You will have your industry's most recognized and respected professional certification, accredited by the largest Radio marketing organization in the world...the Radio Advertising Bureau.
- You will prove that you have the experience, knowledge, and skills necessary to help your stations, your company and its clients solve their specific advertising problems and meet their unique marketing objectives.
- You will gain special knowledge and a deeper understanding of advertising, marketing, and retailing.
- You will enhance your professional credibility.
- You will stand out as a talented professional who is willing to work hard to improve your knowledge and abilities, demonstrating that you are a prime candidate for career advancement opportunities.
- You will recognize both the distinct honor and the inherent responsibility of being a CRMC by maintaining the highest standards of personal and professional conduct.

To Recognize Your Accomplishment...

- You will receive a handsome personal CRMC-PA wall certificate.
- You will receive the coveted gold CRMC-PA lapel pin.
- A special news release about your accreditation will be sent from RAB directly to the local media of your choice and to industry trade publications.
- A letter will be sent from RAB to your general manager and to the head of your company, acknowledging your CRMC accreditation.
- A special recognition letter will be sent from RAB to a select list of your industry contacts.
- Your name and designation will be added to the growing master list of over five thousand CRMCs worldwide.
- You will be authorized to use the CRMC-PA designation on your stationery, business cards, and presentations.
- You will be officially recognized as a CRMC-PA at RAB meetings and workshops.
- If your station subscribes to RadioLink, you'll have *free personal* access for one full year.
- You'll be entitled to special privileges such as discounts on RAB materials and seminars.

Many CRMCs are now in top management. The certification is a universal one that gives you the same professional prestige as a CPA or a CLU. Your CRMC will give you knowledge, confidence, pride and the respect of your peers — rewards that no other certification in broadcasting or advertising can match.

Everyone at the Radio Advertising Bureau is looking forward to congratulating you on earning your Certified Radio Marketing Consultant - Programmer's Accreditation.

Exam

How to Prepare for the CRMC-PA Exam

This Certified Radio Marketing Consultant-Programmer's Accreditation study kit represents a major revision of the time-honored CRMC professional certification program. These materials will help you study specific areas of expertise on which you will be tested during a written examination. It is essentially the same test all candidates must pass to earn CRMC accreditation.

You may already be experiencing a certain amount of "test anxiety" about taking the qualification exam, especially if it's been some time since your formal schooling ended. This kit is designed to relieve that anxiety and improve your performance not only on the test — but "in the real world" as well. As you review the CRMC materials, you'll be refreshing — and strengthening — your own knowledge of how the Radio medium works. You'll be reinforcing your skills in matching the power of Radio to the marketing needs of your stations, your company, and its advertising clients.

Each module of this CRMC-PA study kit, along with the accompanying audio cassette, covers a specific area of study and will take you step-by-step through the material you must know to become a CRMC. Some of the questions on your CRMC exam will be multiple choice; some will be "true / false" questions; and some will be fill-ins or "short-answer" questions. You will be expected not only to demonstrate your knowledge of these CRMC study materials, but also show your understanding of how advertising, media, and Radio work. In other words, you'll be asked to show the skills and marketing savvy you have developed as a result of your day-to-day Radio experience.

You will be called upon to synthesize what you know about the Radio medium, modern marketing, and your own individual creativity in an important section of the test — the Case Study. In the Case Study, you will be presented with a hypothetical marketing situation and will be required to develop a comprehensive written presentation that demonstrates your understanding of the client's marketing issues and your ability to utilize the power of Radio to address those issues. The Case Study will account for 30% of your CRMC examination score, so it is important that you give particular time and attention to this area of study.

In completing the Case Study, you will be required to use a proposal format that clearly and concisely demonstrates how you and your Radio station can help solve one or more of the client's most pressing marketing problems by accomplishing specific advertising objectives. Your proposal must accomplish all of the following:

1. Demonstrate that you fully understand the client's major marketing problems and his key advertising objectives.

2. Show that you know the client's competitive advantages and competitive disadvantages.

3. Properly use consumer data (provided to you at the time of the exam) such as the RAB Instant Background Report to document the client's marketing situation and support the logic of your advertising recommendations.

4. Express and document how Radio is uniquely able to solve the client's marketing problems and/or meet his advertising objectives.

5. Express and document how your station is uniquely able to solve the client's marketing problems and/or meet his advertising objectives.

6. Explain how your creative (copy) will solve the client's marketing problems and/or meet his advertising objectives.

As you prepare for the CRMC-PA exam, you may wish to evaluate your station's "real-life" presentations to see whether they would be likely to earn you a passing grade on this section of the test. The module on "Preparing Written Presentations" (Section 7 of this study guide) will be particularly valuable in this regard.

If during your preparation period you have any questions concerning the study materials or the actual CRMC-PA exam, just call RAB Member Service at (800)-232-3131.

Congratulations on your decision to study for CRMC-PA accreditation.

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Module

1

The Partnership Between Sales and Programming

Sales is from Mars. Programming is from Venus.

Sometimes it seems that way, doesn't it?

The "Mars and Venus" analogy is a play on the title of John Gray's successful books about the relationships between men and women. Men, you'll remember, are from Mars, and women are from Venus.

Just as men and women approach issues from opposite perspectives and seek mutual understanding to make their relationships work, sellers and programmers in Radio show opposite attitudes and must also find areas of mutual agreement.

What are the key differences? Ask a seller about goals and the answers are likely to revolve around money. Ask the same question of a program director or production director and the answers are about product issues or creativity. Each side may feel their opinion is mutually exclusive.

Further differences are demonstrated in each department's use of the same words but with remarkably different meanings. For example, ask someone from the programming department to define the word "demo," and the answer will probably be "demographics, the classification of audience by social and economic characteristics." A seller who deals with retail accounts will tell you that "demo" means "a demonstration of a manufacturer's product."

Here are some other examples of definition differences:

- **Front loading.** The programmer uses that phrase to refer to running network commercials at the beginning of the week. The seller knows that as a retail term meaning "a specific buy that qualifies for promotional dollars."
- **Trade.** In programming, the term usually means reciprocal commercials in exchange for products or services. Sellers know that manufacturers call their retail outlets "trade" accounts.
- **Football.** Programmers think first of the fall ritual. Sellers think of products with prices that are "kicked" up and down, like soft drinks.
- **Gondola.** No, it's not a boat in the canals of Venice, but a long narrow display case used by a retailer.
- **Delicatessen.** If "lunch" is the first definition that comes to mind, ask a seller to tell you about buying strategies that let retailers sample many lines of merchandise without buying in depth.

You see, the key differences in language have to do with the sales people and their day-to-day contact with retailers and advertising agencies who deal with retail. A good seller knows as much about the business of the advertiser as possible. The more the seller knows, the easier the sale. Understanding the language of retail is essential for the Radio salesperson. You'll find RAB's Glossary of Retail Terms at the end of Module 10, "Retailing Today."

These differences are not bad. Radio serves two separate and distinct constituencies, the audience and the advertiser. While the programming department concentrates on building and serving the audience, the sales department focuses on presenting the benefits of that audience to advertisers.

Sellers and programmers should be active proponents of their individual areas. Who sells Radio better than a trained salesperson? Who is better suited to develop programming, direct air talent, choose topical content or set proper music rotations than a skilled product person?

It's appropriate that sellers don't obsess about positioning like programmers do. It's also understandable that members of the programming department don't share the stress of hitting monthly revenue goals. For Mars and Venus to coexist, each side must understand that the solutions to conflict support the entire Radio station and not one side or the other.

When a General Manager or Sales Director determines that the station must be "on the buy" coming from an agency, the programming department may be called upon to find a creative way to execute a sales promotion that supports the buy. On the other hand, the GM could determine that a buy or promotion is detrimental to the station's goals or contrary to the values of the listeners. That's when the sales department has to find other ways to meet revenue goals.

The programming newsletter "DeMers Dispatch" put it this way: "Radio, like marriage, is not likely to ever be stress-free; but it's safe to say that Mars and Venus will sleep better at night if they don't take final decisions personally. Both sides will win a few and lose a few—and the rules may change from week to week. Rebuilding trust will solidify relationships."

Programming in the Marketing Dimension

There's no escaping Radio's new reality: If you're in Radio, you're in sales.

Radio companies have always been sales-driven. Post-consolidation companies ratchet up the intensity of the sales effort because of the need to meet ambitious revenue projections. So no matter what your job title, you're part of the sales effort at your station.

This is especially true of anybody who works in the programming, production and promotions departments. These key functions must work with sales, breaking down roadblocks between the departments, for the ultimate good of the Radio station. The level of service by the sales staff is much better when the programming department is with them in partnership, whether that means follow-through in production of a commercial or development of effective promotions.

The programming department is often called upon to provide time for promotional announcements and giveaways or to create new ideas to help a client move product. The best ideas turn businesses into regular users of Radio because the sales effort and the programming effort combine to demonstrate how powerful a medium Radio is.

The Difference Between Sales and Marketing

Your challenging journey on the road to becoming a Certified Radio Marketing Consultant must begin by understanding a concept that is the foundation for the CRMC-PA program — the critical difference between *selling* and *marketing*. You'll note that, upon successful completion of this accreditation program, you will *not* be recognized as a Certified Radio *Selling* Consultant. The word *marketing* is used for some very important reasons that you must be able to explain fully as part of your CRMC examination.

If you like, you can take a moment to look up *selling* and *marketing* in the dictionary, but for our purposes we'll define *selling* as trying to get someone to buy something. *Marketing*, on the other hand, is developing a product or service that is perceived by the customer to meet *their* needs so precisely that they *want* to buy it! *Selling* is trying to get someone to buy *your* stuff but *marketing* is helping your client to get someone to buy *their* stuff.

Typically, selling is <u>product-</u> or <u>seller-</u>focused, but *marketing* is <u>client-</u>focused. For example, if I were a "seller" at your station, I would spend my days calling on prospects and telling them all the reasons they should be advertising on *my* Radio station. I'd spend most of my face time *talking* to them about *my* great ratings; *my* superior programming; *my* unique format; *our* track record of successful promotions; and the reason they should buy from *me* instead of from some other Radio rep. In other words, I would focus on telling them all about *my* super station and try to persuade them to buy *my* special services. The problem with this approach is that the entire focus of the call is on *me* and *my* Radio station. Have we forgotten someone with this very typical sales approach?

When I use the marketing approach, I save all those great reasons to advertise on my station (to be presented at a later, more appropriate time) and start right off focusing on the client. I spend my time *asking* my client about *his* industry; *his* specific business; *his* competitive advantages and disadvantages; etc. The entire focus is right where it should be...on the *client*!!!

The job of the marketer, therefore, is to uncover and understand the unique problems facing the client, and then to figure out precisely how our station can serve to solve those problems!

Module

2

2

A Brief History of Radio

The Beginning

Radio goes back a lot farther than you might think. In the early 1830s, Samuel Morse used a series of batteries and coils to transmit a message through 200 feet of wire. This gave birth to the first electronic method of communication, the telegraph. The system of dots and dashes which was used to signify letters still bears his name: Morse Code. Almost a half-century later, in 1875, Alexander Graham Bell accidentally stumbled onto the secret of transmitting the human voice electrically, giving birth to the telephone.

Interestingly, the man who could have become the true father of Radio — Nat Stubblefield — unfortunately was a victim of greed. Stubblefield figured out a way to transmit the human voice through the air back in 1892, but he waited a full decade before demonstrating it publicly. On New Year's Day, 1902 in Fairmont Park, Philadelphia, Stubblefield finally broadcast the sound of his own voice to a receiver over a mile away. He received a patent on May 12, 1908, but he wanted so much money for the invention that no one bought it from him.

The man generally credited as the father of Radio is Guglielmo Marconi, who transmitted the letter "S" (three dots in Morse Code) through the air from a base station in Wales to St. John's, Newfoundland in December, 1901.

If you had to put a birthdate on commercial Radio, it would be 1910. John Wanamaker installed the most current equipment in his Philadelphia department store and broadcast a Radio show through the airwaves.

Radio Becomes An Industry

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In its earliest days, Radio was used primarily by the military for ship-to-shore communications. David Sarnoff, founder of The Radio Corporation of America (RCA) was a young wireless operator who, on that fateful April day in 1912, picked up the S-O-S message from the Titanic as the mighty superliner was sinking. Radio news was born with that event.

In 1916, Sarnoff wrote a long memo to the General Manager of the Marconi Wireless Company suggesting the idea of a "Radio music box" that would bring music into every home on different wavelengths through amplifying tubes and a loudspeaker. He foresaw this invention manufactured in large quantities and sold for seventy-five dollars for use in parlors and sitting rooms.

By 1922, Sarnoff was General Manager of RCA and the first "Radio music box" came off the assembly line. In its first year, $11,000,000 worth were sold. Sales more than doubled in the second year to $22,500,000. By the third year a remarkable $50,000,000 worth left the factory.

Notable Pioneers

Licensed in 1919 and operating out of a tent, KDKA/Pittsburgh is acknowledged as the first "real" commercial Radio station. KDKA was also the first to broadcast Presidential election coverage — the Harding-Cox returns — in 1920. Press coverage of this event confirmed to early "crystal set" Radio listeners that they were living on the cutting edge of a new communications technology.

A popular band leader of the period, Vincent Lopez, conducted the first Radio remote — a dance band pickup from the Pennsylvania Grill in New York shortly before Christmas in 1921. When he asked people to call in for reservations to see his orchestra at the Grill, incoming calls knocked out a mid-Manhattan telephone exchange!

The power of Radio, still in its infancy, was beginning to be felt! By the end of 1922, more than 200 stations were broadcasting programs to an audience of over three million Radio homes. (Quite an advance from just two stations one year earlier!)

1922 also ushered in the first Radio commercial. On August 28th, a ten-minute real estate announcement for the Queensborough Corporation of Jackson Heights, New York, aired at 5:15 PM on WEAF 660 AM. The price was $100. The copywriters were Robert and Albert MacDougal, and the salesperson was George Blackwell.

In spite of its steady audience growth, early commercial Radio was an economic bomb. Advertisers did not flock to the stations. Radio was blamed for a 30% decline in magazine subscriptions and for all but killing the record industry, as record sales plummeted almost 90%. Station operators had a great deal of difficulty convincing advertisers to use Radio instead of newspapers, billboards or handbills. To complicate matters, actors and actresses who originally appeared on Radio for the publicity and exposure started to demand payment for their services. Secretary of Commerce (and later President) Herbert Hoover didn't make things any better when he declared that "the American people will never stand for advertising on American Radio."

Uncontrolled Growth Leads to Regulation

In 1921 there was no licensing procedure for Radio stations. At the outset this presented little problem since most stations were built and operated by amateurs and run at very low power. Their frequencies didn't overlap or interfere with one another. But as stations began increasing power to reach more and more households, the situation quickly changed. Since the prevailing practice was to pick a spot on the dial and go for it, stations soon found themselves drowned out by other broadcasters on the same frequency. It was not uncommon in those days to receive two or more signals at the same position on the dial.

In February of 1922, Hoover met with all branches of the "wireless communications industry." As a result, The Federal Radio Commission was born. The idea was to have the federal government serve as a "traffic cop" by assigning stations specific locations on the dial. However, it wasn't until 1934 that formal regulatory powers were applied to Radio, when Congress enacted the Communications Act that formally established the Federal Communications Commission (FCC), comprised of seven commissioners each serving a seven-year term.

Communications legislation remained largely untouched for 62 years, until Congress passed — and President Clinton signed — the Telecommunications Act in 1996. This bill has had a major impact on virtually all aspects of the broadcasting, cable, and telephone industries, including Radio ownership and licensing.

Today, the Commission has a basic mandate to oversee the "public interest, convenience, and necessity" through a number of rules dealing with Radio engineering, programming, public affairs and community service. In recent years, rules on station ownership and programming have been relaxed under a major shift in policy known as "deregulation," and the Tele-communications Act has eased these rules even more.

Radio Networks: Birth, Death, and Reincarnation

A "network" is two or more stations in different cities that broadcast the same program. This "sharing" concept was born in 1923 when WEAF in New York and WNAC in Boston were connected by phone lines and carried identical broadcasts at the same time. The idea of mixing programs from different cities so fascinated NBC's David Sarnoff that he created the first network to serve 24 stations. The NBC Radio Network debuted on the night of November 14, 1926 with a broadcast featuring Will Rogers from Kansas City, Mary Garden from Chicago, Eddie Cantor from New York, and many others — all heard directly from their respective cities of origin.

The period that followed is known as "The Golden Age of Radio." During the years leading up to World War II, a whole spectrum of network programs emerged featuring former vaudeville stars who, through Radio, became a part of everyday life in America.

Jack Benny, W.C. Fields, Fred Allen, George Burns and Gracie Allen, Fibber McGee and Molly, and Amos and Andy became household names. Network Radio of the 1930s and 40s occupied the same relative position and enjoyed the popularity that network TV has today. Network Radio aired mysteries, adventure shows, dramas, soap operas, news, sports, commentaries, and children's programming. If you think about it, today's TV lineup employs the same program concept as network Radio did in its so-called "Golden Age."

With the introduction of television, Radio networks were forced to change. Stations changed to a more specific program format concept related to listeners' ages and lifestyles. In 1968 ABC requested permission from the FCC to create four demographically targeted network services. After due consideration, approval was granted and ABC converted from a single network to four services; each had a different editorial style and independent production values. The success of the four ABC networks encouraged other network operators to initiate new, demographically targeted services. It also attracted people from outside the industry to create new network companies.

The introduction of satellite transmission capability in the late 1970s brought a new dimension to networking. The cost barriers of telephone transmission were overcome and the audio quality of network programs was improved. In the '80s the "turnkey" long form network was born. Delivered by satellite, these networks now can supply program service in a variety of formats, with top-quality air talent available to any station, anywhere, 24 hours a day, seven days a week.

Among the benefits networks offer affiliates are enhanced program content and quality, network compensation, and cost savings. Network growth has been phenomenal, from just four networks in the late sixties to 15 national networks and hundreds of distinct syndication companies offering news, information, talk shows, and programs in virtually every musical genre.

Radio's Reaction to Television

By World War II, Radio was America's primary communications medium, rivaled only by newspapers in its ability to attract advertising dollars.

A pivotal year for Radio was 1948. The freeze on television licenses was lifted, allowing the infant visual medium to grow at a fantastic rate. Television's potential was recognized almost overnight by Radio talent, staff and management. They rushed into the promising new medium. So decimated was Radio by this exodus of key personnel that few media observers at the time held any hope for its continuance as even a "minor" force in the exploding world of visual electronic communications. The conventional wisdom was that "Radio was dead."

Rather than passively accept defeat, however the medium not only met the challenge head on, but did so creatively. To promote Radio, the Broadcast Advertising Bureau was created by the National Association of Broadcasters in 1951. By 1954, this organization was split into the Radio Advertising Bureau (RAB) and the Television Bureau of Advertising (TVB), each charged with serving respectively as a sales and marketing advocate for electronic media among clients and agencies.

Television was becoming the mass medium, pumping out spectacular "family" entertainment programs like "The Toast of the Town" starring Ed Sullivan and "The Texaco Star Theatre" with Milton Berle. For a while, Radio struggled to find a new identity in the face of this TV onslaught. After a period of searching, a solution was found. In response to the size and scope of television, Radio became intimate and personal.

Two inventive broadcasters of the time, Todd Storz and Gordon McLendon, recognized that Radio excelled at delivering music. By playing the 40 biggest selling records on their stations over and over, they attracted large, loyal audiences. This "Top 40" format began the resurgence of public interest in Radio.

Using the "Top 40" formula as a guide, broadcasters developed specialized formats designed to appeal to clearly defined segments of the population. All of a sudden there were stations playing only Country music, Classical music, Adult Contemporary music, or formatted with All-Talk or News.

Broadcasters also discovered that Radio listeners were loyal to stations just as television viewers were loyal to programs. To be successful, Radio stations had to provide consistent programming which met the expectations of the listeners when they tuned to their favorite station. By offering a wide variety of listening choices, Radio opened the door to fantastic revenue opportunities and, as a result, more and more stations enjoyed economic success, rising out of what many had thought was television-induced "ashes."

The Radio Business

Like any business, it costs money to build and equip studios, pay talent and maintain a support staff. From the beginning, broadcasters recognized that revenues were going to be generated by selling segments of time to advertisers. Growth was steady and Radio remained a profitable medium.

In 1938, during the heyday of the "Golden Age," the networks had compiled combined grosses of $75,000,000. In the 27 years between 1960 and 1987, Radio revenues increased over 1000% from $654 million to a staggering $7.3 billion. Radio revenues have continued to grow faster than the rate of inflation or the growth in retail sales. Today, Radio is a $13.5 billion-dollar industry that is growing at an annual rate of over 10%.

Radio's Future

Enormous changes have been brought about by advancements in technology. Satellite technology has opened the door to independent producers who now are able to syndicate programs to any group of stations with access to a receiving dish.

Cable is now able to originate programs and sell local advertising, and with this capacity it has joined newspaper, local TV, direct mail, shoppers and Yellow Pages as one of Radio's direct competitors. The Internet and direct-broadcast satellite (DBS) are emerging as the newest players who are vying for a piece of the advertising pie. Yet Radio — as an industry — has a history of adapting to changing markets and changing technology. This flexibility is Radio's best hedge against current and future media competition.

The headlines in Radio trade publications after passage of the Telecommunications Act of 1996 said "Let the Deals Begin!" And begin they did, with a flurry of mergers and acquisitions that began what we now know as consolidated Radio.

The 1996 changes meant that one company could own as many as eight Radio stations in a single major market — more than could be controlled nationally under the old seven-station limit, which had lasted for decades. (In the 1980s, the FCC expanded those limits to 12, then 18, and then 20 stations.)

The new law set no upper limit on the number of Radio stations one company could own, except that no single owner could control more than half of the stations in any market, regardless of size. The Antitrust Division of the U.S. Department of Justice decided that no single-market Radio ownership combination could exceed half of that market's Radio advertising revenue.

Whatever new directions Radio takes, one thing is certain: There will always be a need for professionals who have the ability to use the uniquely persuasive power of Radio to help marketers take their advertising messages to the consumer.

Module

3

How a Radio Station Operates

Working in a Radio station every day makes it easy to take for granted the basic structure of the operation. Each company sets up the station or consolidated cluster in a way that meets corporate goals, yet may not be typical of Radio generally.

Take a few minutes to review this section on how a Radio station operates. It was originally written for the newcomer to the Radio field, but it makes a good refresher course on the basics of a station's structure.

Management

The **General Manager** (or GM) is responsible for everything that goes on at the Radio station. The GM's success depends on the ability to guide, counsel, motivate and direct the efforts of the station's staff according to its goals and policies. The GM is in charge of planning, goal setting, policy development and execution, and hiring and firing. He or she is responsible for supervising all the department heads and resolving any disputes which may arise among them. Ultimately, the GM is the person who bears responsibility for the station's performance, from both a programming and revenue perspective.

In markets or regions where a single broadcasting company owns multiple stations (a cluster), it's also common to find an additional layer of administration in the form of a **Regional Manager** and/or a **Market Manager**. People in these positions may or may not take the place of a General Manager — it really depends on a given stations organizational structure. In any case, the responsibilities of a Regional or Market Manager are similar to those of a GM, but on a larger scale. As indicated by the title, these managers may be responsible for all the stations in a given market or region of the country.

3

A **General Sales Manager** (GSM) or **Director of Sales** (DOS) is responsible for generating revenue through the sale of Radio advertising. Although some stations have other sources of revenue, such as leasing tower space, the lifeblood of the station is revenue generated from advertisers.

The size of a sales staff will vary with market size and station sales activity. Depending on these factors, one or all of the following managers might report to the GSM or DOS: **Retail Sales Manager**; **Local Sales Manager**; and **National Sales Manager**. The GSM/DOS is responsible for recruiting and training members of the sales staff. He/she may also be called upon to aid the sales staff in particularly sensitive aspects of on-the-street sales. Of primary importance is the pricing of commercial inventory to maximize both the use of the inventory and the revenue earned.

In many cases, the GSM or DOS will create packages, plans, or promotions geared to selling a station's available commercial time. He/she is responsible for all decisions made in relation to sales. People in this position may report to a GM, Market Manager or Regional Manager and typically have three major areas of responsibility related to specific types of advertising revenue: Local sales, retail sales, and national/regional sales.

Local Sales

The **Account Executive** is the sales representative for the Radio station. He/she is responsible for selling station services, such as air time and promotions, to advertisers. At most stations, new AEs are assigned a small list of accounts that already advertise on the station, and are expected to prospect (seek out) new advertisers. Today, the most successful salespeople are those who go beyond simply "selling air time" and learn how to utilize the Radio station's services to help clients meet specific sales and marketing objectives.

Typically, local sales revenue comes from advertising placed on the station by local businesses and advertising agencies. In some cases, the owner, manager, or designated employee of a local business deals directly with the salesperson from a station. This is generally referred to as "direct" business.

Some advertisers hire an agency to create a media campaign, produce the commercials, and buy time on the appropriate station or stations. It is standard industry practice for the Radio station to pay the agency a 15% commission on the gross amount of advertising time purchased. Larger agencies usually have a media department responsible for buying media time or space. The assigned Radio salesperson or Account Executive is accountable to the Sales Manager for convincing the agency of the value of Radio versus other media, and the specific value of his/her station.

You also may hear the term "buying service." A buying service serves one function: placement of media time and/or space. It does not provide creative services, only placement. You may also hear the term "in-house agency." In-house agencies are operated by advertisers who are big enough to have their own advertising staff. In-house agencies often are granted the same commissions as the independent agency.

Retail Sales

Some stations consider both local agency business and direct retail business as "local" sales. Other stations prefer to treat retail sales as a separate category. A retail prospect is an advertiser who is spending money in some form of media (Radio, TV, or print) but does this without the services of an advertising agency or buying service. In fact, if you handle retail accounts, you will have to perform some of the functions of an agency, such as suggesting creative ideas, writing copy, and handling paperwork. Commissions are sometimes higher on direct retail sales because of the additional work involved and the absence of any agency commission. This is why many stations like to label retail sales as the source for "New Business Development."

National/Regional Sales

Some advertisers are located outside your station's local marketing areas. To handle these advertisers and agencies, the station may hire a **rep firm** to secure advertising dollars. Here's an example. Acme Camera Co., located in New York, sells its cameras in stores throughout the United States and wants to advertise its products in several markets, including Detroit, MI. Acme, or its ad agency, will notify the national rep firms for the various Detroit stations that ad dollars are available for the market. The process is called "issuing an avail call," which requests information on available Radio time and prices for specific markets. The rep firms then compete against each other to get a portion of the ad dollars placed on the stations they represent. Rep firms usually earn commissions on revenue they generate for the station. The station's national and/or regional rep firm is an extension of the station's local selling function.

Programming

The **Program Director** is responsible for attracting, keeping, and increasing your station's audience. The PD is responsible for everything that is broadcast over the air. He/she makes the general format decisions at the station, subject to the approval of the General Manager, and is responsible for every aspect of how the station sounds. Many Program Directors use some form of audience research to help them develop the most effective programming strategy. At music-intensive stations, the PD is in charge of music selection, frequency of airplay, news and public affairs programming, and for maintaining the guidelines for the broadcasting of commercial announcements and programs sold by the station. For example, the PD supervises the number of commercials to be broadcast in any given hour, as well as the lengths of the commercial breaks in those hours. The PD also directly supervises the on- and off-air performances of the station announcers, also called station "talent."

The following personnel typically report to the Program Director:

The **Production Director** is responsible for producing commercial messages that air on a given station. It is very important that salespeople become familiar with the station's policies concerning the overall sound of the station so that you do not sell a commercial concept that is incompatible with the station's basic format.

The **Music Director** often serves as the primary assistant to the Program Director and is generally responsible for selecting what music will be presented on the station and in what order or "rotation" it will be played.

The **Continuity Director** often is the primary creative force at the station and is usually responsible for writing commercials that effectively communicate your clients' sales messages. He/she also checks copy for legality and policy compliance. The Continuity Director works closely with the Production Director and the Traffic Manager (see other typical positions) to see that commercials are properly prepared and aired. Not every station employs the services of a Continuity Director.

The **News Director** is responsible for the gathering and dissemination of news. The News Director may report to the Program Director or directly to the General Manager. Not every station employs the services of a News Director.

The **Sports Director** responsible for sports programming such as play-by-play broadcasts, daily sports reports, etc. just as the News Director is responsible for news programming. Not every station employs the services of a Sports Director.

Engineering

To most other station employees, what goes on in the Engineering Department remains the ultimate unsolved mystery. Engineering is a highly technical department whose activities are heavily regulated by the FCC.

The **Chief Engineer** is in charge of the technical facilities of the station. This includes the transmitter, console, cartridge machines, digital work stations, tape machines, microphones and everything mechanical that gets your station over the airwaves. Technical compliance with the strict guidelines established by the Federal Communications Commission (FCC) for broadcast standards is a major job responsibility. Some Radio stations have replaced their full-time Chief Engineer with a part-time Consulting Engineer or a Contract Engineer who may work for several stations in the area. The Chief Engineer and Program Director work closely to shape the station's sound and to ensure optimum broadcast performance.

Very few schools specialize in broadcast engineering or electronics. As a result, although station engineers usually have an engineering degree of some type, most of them have learned their craft on the job and have developed a considerable amount of hands-on experience. In the past, the FCC required that Radio station engineers, together with announcers, have what is called a

First Class License. The agency dropped this requirement in the early 1980s, however, so that today anyone with the necessary technical knowledge and experience legally can operate and repair high-powered transmitting equipment. Most stations rarely have more than two engineers on staff.

During the day, some engineers can be found in the engineering room, their work area filled with tools, tubes, fuses, a soldering iron and half-assembled objects. Others are positioned behind computer terminals, operating and maintaining a station's high-tech broadcasting equipment by remote control. On a stormy night, however, it's not unusual to find a Radio engineer at the base of the transmitter hastily trying to repair any damage to the electrical equipment that lightning or strong wind may have caused.

Even engineers can't get out of doing some paperwork, such as documenting maintenance checks and repairs on a regular basis for all major pieces of equipment. It may also include submitting reports that back a recommendation for equipment expenditures.

Radio station engineers don't get overly concerned with such questions as how high the transmitting tower can be or how much power the station can use when broadcasting, since the FCC already made those decisions for the station when the agency first chose to grant it a broadcasting license. Regarding FM, for example:

Class C stations must have an antenna height above average terrain (HAAT) of at least 300 meters (984 feet). No minimum HAAT is specified for classes, A, B1, b, C3, C2, and C1 stations.

AM stations, Classes 1, 2, 3, 4, and various Subclasses, can broadcast at up to 50,000 watts. FM stations can be licensed to broadcast at lower power levels like 3 or 6 kilowatts; or 50,000 watts or 100,000 watts.

Engineers do get concerned, however, with ensuring that the station continues to operate at all times within the tight specifications set by the FCC. For example, an FM station's actual power output cannot exceed by more than 5%, or drop below 10%, of the power level at which it was licensed to operate.

Its frequency must also be carefully controlled so the station stays within 2000 hertz of its licensed frequency. For example, an FM station may be licensed to broadcast at 94.7 megahertz.

The transmitter tower represents the engineer's single most important responsibility. The engineer is on 24-hour alert and will respond immediately if anything threatens or damages it. For instance, if lightning strikes the tower, the transmitter should automatically shut itself off...but it's imperative that the engineer assess the internal damages immediately to make arrangements for getting it fixed right away. Every minute of lost air time may well result in lost advertising dollars for a station.

When not responding to transmitter emergencies, an engineer may be cleaning. The control room and the transmitter site must be kept clear of dust. Dust is an engineer's worst enemy because it traps heat and wreaks havoc with electronic equipment. Dust can disrupt computers in the office and stereos at home — imagine what it can do to a 50,000 watt Radio station.

Radio stations broadcast either on the AM or FM band. AM refers to amplitude modulation of a Radio wave, while FM stands for frequency modulation. Historically, AM is the older of the two services, but FM generally has higher fidelity characteristics, and is freer of static, fading and signal overlap. This greater tonal range is possible because FM uses a wider channel than that used for AM broadcast; it also occupies a higher-frequency portion of the Radio spectrum, where there is less of the noise and interference often found at lower frequencies.

Skywave transmission (frequencies reflecting back to earth from ionospheric layers) is a factor in AM broadcasting, particularly at night when signals travel greater distances than during the day, so many AM stations are licensed only for daytime operations. These stations are referred to as "daytimers." Skywave reflection, however, does not inhibit FM broadcasting, so many FM stations can use the same frequency without causing nighttime interference.

Because of this difference between AM and FM broadcast characteristics, FM listenership is considerably higher than AM listenership. This does not mean, however, that an AM station has less value or that its programming is not a marketable service. Quite the contrary, in fact: many AM stations have adapted successfully to their technical limitations by broadcasting programs that do not require high-fidelity sound, such as news, talk and sports. Additionally, some AM stations have achieved higher audio quality by broadcasting in stereo, which increases the tonal quality of the signal. FM stations, by contrast, tend to concentrate more on music-intensive programming that is enhanced by its higher frequency range.

AM stations operate on the 535-1710 kHz band, while FM stations operate at 88-108 MHz.

The latest breakthrough in broadcasting technology is Digital Audio Broadcasting, or DAB. While more testing must be conducted and FCC inquiries into adapting DAB must be finished before it becomes an operating reality, DAB promises to provide a higher quality broadcast signal than anything currently in use. Today's standard AM and FM signals are analog; DAB would offer the same sound except with digital quality — much like that currently available on compact discs.

Invisible "waves" in the air surround us constantly, carrying messages at thousands of frequencies as we go about our daily lives. The FCC controls the entire Radio frequency spectrum, allocating wide bands of it for exclusive use by AM and FM Radio, UHF and VHF television, shortwave, cellular, and satellite. Still other bands of the spectrum are reserved for special uses: the U.S. military, the FBI, police and fire departments, fleet dispatchers and paging companies.

Because of the growing competition for even more limited "air" space, the Federal Communications Commission is under constant pressure for spectrum reform. And as constant changes and increasing demands continue to impact the technological side of Radio broadcasting, the role of the station engineer will become even more important in the future.

Other Typical Positions

Of course there are many other positions that make up a typical Radio station staff. These positions include:

A Radio station, first and foremost, is a business. As with all businesses, the **Business Manager/Controller/Bookkeeper** must be responsible for the financial obligations the station incurs — such as rent, power, and payroll. The Business Manager also must keep records of advertising revenues and establish the station's policies for credit and collections.

The **Traffic Manager** schedules the commercials sold in accordance with the station's inventory policies. He/she generates a daily program log (a printed schedule) which includes the name of the programs, commercial announcements, other programming elements, or features the station will run each day. Copies are distributed to other departments, and the log is reviewed the following day to identify and resolve any discrepancies between what was scheduled to air and what actually occurred. The Traffic Manager works very closely with the sales department, keeping them apprised of the amount of commercial inventory available for sale and making sure every commercial announcement is scheduled, aired and billed properly.

The **Promotion Director** is responsible for the coordination of all sales promotions and other programs designed to generate sales revenue through sponsor-related activities. In many cases, he/she also is responsible for the internal and external marketing of the station. External marketing includes advertising in other media to build or reinforce your station's audience. Internal marketing involves on-air contesting, special event promotions, and all other uses of your own facilities to promote your station's unique qualities to listeners. The Promotion Director works closely with all departments within the station.

The **Public Service/Community Affairs Director** is the station's eyes and ears in the community. He/she maintains regular contact with community organizations and leaders to assure that the station's public affairs programming addresses the interests of the community. Even in an era of deregulation, when there are no strict guidelines for this type of programming, most responsible broadcasters voluntarily choose to maintain a high level of community awareness and accompanying activity. In many cases it is possible to combine community interest with advertiser participation. Food drives, community chest drives, substance abuse prevention campaigns, and voter registration programs all offer an opportunity for stations to use their resources to join with clients wanting to build goodwill by addressing community needs.

3

Summary

A commercial Radio station truly is a team effort that depends on every member participating at a level consistent with the best of his or her ability. Indeed, your future success as a CRMC-PA will hinge greatly on your understanding of station operations and how to put these vital resources to work for your station's clients.

Module

4

The How and Why of Advertising

9 Keys to Advertising Success

Today, perhaps more than any time in history, a business is subject to the effects — both positive and negative — of constant, relentless change. More competitors, more products, growing customer diversity, declining store and brand loyalty, and an increasingly skeptical consumer with precious little time for leisurely shopping describe just a few issues that contribute to a highly volatile business environment. To help your station's clients survive and prosper in these challenging times, you must maximize market potential through (among other things) a carefully planned, well-executed advertising strategy.

That's what "9 Keys to Advertising Success" is all about. The 9 Keys presentation is a benefit-oriented, full-color presentation featuring page after page of client-focused marketing information.

With "9 Keys to Advertising Success," you'll help your station's clients understand how Radio can:

- Expand advertising reach — business growth is dependent on reaching new markets and new prospects.
- Target advertising — making sure a message is focused to reach the very best customers and prospects.
- Help ensure prospects are hearing an advertising message enough times to fully understand and respond to it.
- Reach current customers and new prospects wherever they are — at home, at work, and at play.
- Motivate consumers to want to buy products and services.
- Generate one-time sales, and establish a special relationship with consumers.

- Keep advertising from getting lost in the sea of media clutter that bombards today's consumer.
- Help you make a strong, favorable, and lasting impression.
- Bridge the gaps left by other media and maximize an investment in advertising.

#1 - Expand Market Reach

The growth of your station's advertisers is dependent on reaching new markets and new prospects. There are a limited number of consumers who are in the market to buy a given product or service at any one time and a seemingly unlimited number of competitors who are also trying to attract them. Your station's clients must seize every practical opportunity to broaden existing markets and develop entirely new ones. The advertising media they select must be able to effectively reach and positively influence those who are most likely to buy their products and services.

Radio has been accurately described as the optimal reach medium because virtually everyone listens to the Radio. Over 95% of all adult consumers are reached by Radio each week, and 76% listen to Radio every day! And they obviously like what they hear on their favorite Radio stations, because they listen for an average of three hours and twenty-one minutes each weekday and almost 5½ hours every weekend.

Life in the late 90's is, in a word, frantic! Modern-day consumers are always on the run — from the time the clock Radio wakes them in the morning until it lulls them to sleep at night. Their schedules are fast-paced, and your clients' advertising must be geared to reach and influence them at every opportunity during the long and hectic day.

Radio is the only medium you can rely on to effectively deliver your clients' important message to the best customers and most promising prospects anytime — anywhere!

#2 - Target the Best Prospects

It's now common knowledge that the old "mass" or "shotgun" method is no longer viewed as a viable approach to advertising. Today, target marketing — identifying the best prospects and focusing advertising toward those primary targets — is the key to advertising success. Military tacticians call this concentration of forces. And while other media struggle to develop such targetable advertising vehicles, Radio consistently stands out as the only medium that couples point targetability with the ability to generate enough critical mass to deliver strong, consistent, cost-efficient results!

The targeting process is actually relatively simple in concept and even easier to for advertisers to achieve with Radio.

- First, choose the most desirable and lucrative products and services to sell.
- Then select the prospects who are most likely to purchase those specific products and services.
- And finally, choose the station or stations that reach those targeted consumers who are most likely to buy those products and services.

Radio makes it easy for your prospects to enjoy the obvious benefits of target marketing. With the current product, consumer and media research now available, your station's clients can be certain that they are using the right stations to reach and influence their best prospects. And because Radio remains the most cost-efficient of all media, they can afford to run more than one advertising program — separate campaigns that effectively and efficiently target the most likely buyers for each of your client's most profitable product lines and service categories.

#3 - Generate Sufficient Message Frequency

To be successful, your station's client's advertising program must not only be targeted toward the right prospects, it must also deliver their message enough times during the course of the purchase cycle to make a favorable impact on the consumer. In other words, to be successful, advertising must be repetitive.

Every good teacher knows that successful learning is deeply rooted in repetition. "Tell them what you're going to tell them, tell them, and then tell them what you just told them!" And isn't that what good advertising does? Don't you want your clients' advertising to "teach" the consumer all the unique benefits of buying their products and services?

Over the years, researchers have concluded that in order for advertising to be successful, it must achieve repeated consumer exposure. And many advertising professionals believe that each favorable impression consumers receive moves them another step closer to actually buying the product. It makes sense that to persuade a prospect to buy, you must first get their attention; then generate awareness of and interest in the product or service being advertised; and finally elicit the desired action — buying ... and even more importantly, buying from your client!

Radio advertising is inherently repetitive. Why? Because consumers listen only to their very favorite stations and they listen for very long periods of time — an average of three hours and twelve minutes each weekday and 5 ½ hours every weekend. This unique attribute of Radio gives your station's advertiser the best possible opportunity to tell the sales story with enough repetition to successfully plant their ad message in the minds of their best customers and prospects!

#4 - Reach Mobile Customers

To say we live in a highly mobile society may be the understatement of the decade! Your client's best, most acquisitive customers and prospects typically jam each and every day with nonstop activity — work, school, family, exercise, shopping and leisure — and they spend their remaining time commuting, mostly by car, from one activity to the other!

It is obvious that your station's clients need an advertising medium that has the mobility to accompany consumers while they're engaged in other activities and the portability to go with them wherever they go! Radio is the only medium that reaches prospects and customers wherever they are and whatever they're doing!

The typical Radio audience mix is 38% people listening at home, 40% listening in cars, and 22% listening at work or outside the home. In fact, over one third of American workers listen to Radio at work, of which 64% say they listen to the same station at work as they do while in the car. Radio is an invited guest in virtually every home, car, and workplace in this country, and Radio is the only medium that consumers regularly choose as a special companion to accompany them as they tackle the activities of the day.

The average American spends ninety minutes each day behind the wheel of their car, commuting to work, running family errands, and, of course, shopping! In fact, 94% of all adults use the car for shopping, and Radio is the only way to reach the rolling consumer! What's more, four out of five adults are reached by car Radio each week and 86% listen to the Radio while driving to the places they choose to shop. Only with Radio can advertisers reach these active buyers who, for an average of thirty-two minutes per shopping trip, become the quintessential captive audience for an advertising message.

#5 - Motivate People to Shop and Buy

Your station's advertising must do more than inform consumers about the products and services they have to offer. It must also make them want to buy those very same items! Experts agree that in order for advertising to be successful, an intangible but very real dynamic must take place between the advertiser and the consumer. As author Dr. Elizabeth Loftus at the University of Washington has concluded: "The verbal message alone seems to create in people's minds more of a positive feeling for the product."

Jack Trout, noted author and internationally recognized marketing guru, has noted that "The ear is faster than the eye" and that "... in many ways, the ear is superior to the eye!" In other words, the mind works by the ear and Radio is the ear medium. Trout goes on to say that "...listening to a message is much more effective than reading it" ... because pictures and graphics can sometimes get in the way of the consumer visualizing the product and/or service in the way that is most pleasing and satisfying to them. Since Radio works solely through the ear, it is uniquely intrusive. It penetrates the mind more quickly and effectively than other media.

In his highly acclaimed studies on the importance of recency in advertising, advertising expert Erwin Ephron reports, "There is a window of advertising opportunity preceding each purchase. If we want our advertising message to influence the purchase, we should plan media to place the message in that window." Radio's popularity and mobility makes it the primary medium to reach customers and prospects closest to the most critical point in the buying process — just prior to making a purchase.

#6 - Establish a Relationship with Consumers

The exploding proliferation of products and services available to consumers in today's marketplace is evidence that, from the consumer's perspective, one size no longer fits all! It's true for merchandise and it's also true for advertising. Mass media is dead because your client's customers and prospects insist on being treated as individuals with unique needs and preferences. Meeting this emerging demand is no small challenge.

The good news is that by utilizing a highly targeted medium along with a carefully customized advertising message, your station's clients can build and maintain the positive, one-to-one relationship that is so critical to effective advertising. The good news is Radio!

Virtually everyone has a favorite Radio station. And listening to Radio is a uniquely intimate, personal, and generally private activity that provides advertisers a special opportunity to talk directly with consumers in a positive environment that results in a high degree of listener receptivity. Radio listeners are almost fanatically loyal to their favorite stations and, as a result, spend more time with Radio than with any other medium during prime shopping hours.

The more they listen, the more often they hear your client's advertising message and the better opportunity your client has to reach them, establish a personal relationship, and positively influence their buying decisions.

Gary Fries, President and CEO of the Radio Advertising Bureau, has called Radio's relationship with the American consumer "...the most valuable asset that exists in today's marketing arena..." Shouldn't your station's clients be taking full advantage of Radio's one-on-one attribute that has more impact on buying behavior than any other element in advertising?

#7 - Break Through the Clutter

The average American consumer is bombarded by as many as 3,000 marketing impressions per day — 3,000 attempts to influence his or her purchasing behavior. The marketing community calls it media glut and the situation is not likely to improve over time. In order for your client's advertising to be successful, it must break through this barrage of media clutter in a way that solicits a quick, strong, and favorable response from their current customers and new business prospects.

Your station's clients already know that in order to protect or increase critical market share, they must create a high degree of positive awareness for their business and their merchandise in the minds of their target customers.

Call it top-of-mind awareness, call it branding, call it whatever you like, but the point is that if they are not at the very top of the list of choices the consumer remembers when considering his or her options for buying a specific product or service, there is very little chance that consumer will ultimately buy from your client.

Radio is recognized as today's primary media choice for breaking through the clutter and developing a top-of-mind position with your client's best customers and prospects. Radio is able to accomplish this task (1) by offering a variety of special formats that uniquely target your client's best customers; (2) through programming and personalities that attract large audiences and keep listeners glued to the Radio for long periods of time; and (3) by offering special promotional opportunities that help advertisers establish direct, positive and personal relationships with consumers.

#8 - Make a Lasting Impression

Customers can't buy from your station's clients if they can't remember who those clients are. With so many options of what to buy and where to buy, it can be totally overwhelming to consumers. That means the client's advertising must do even more than be targeted, repetitive, mobile, personal, and intrusive. It must also place a clear and memorable image in the mind of the consumer.

Until recently, many advertisers believed the only way to accomplish this was to put a picture in their advertising. We now know that while pictures can help attract and persuade a reader or viewer, they can also serve to distract and confuse them.

As the number of people who regularly read newspapers and magazines continues to decline, television is perceived by many to be the most memorable of all media because it uses a combination of sound and pictures. So it might surprise your client to learn that studies by the PreTesting Company show consumer recall of Radio commercials is virtually equal to that of television ads.

Radio has the special ability to merge the features of your client's product or service and the benefits of buying with the needs and desires of their target prospect. The result is a clear and memorable mental image of the satisfaction of owning that product or service firmly planted in the mind of the prospect.

The Imagery Transfer Study conducted by Statistical Research, Inc. found that 75% of those surveyed recalled key visual elements of a TV commercial when later hearing only the audio in a Radio commercial. That means that if your client's Radio commercial is carefully constructed to carry critical portions of the audio of its visual counterpart, it will not only reach those who will not see the ad on TV, but it will also impact three out of four of the consumers who have seen it!

Through Imagery Transfer your client can reinforce the dollars they spend on television by using Radio to build the needed reach and frequency at an affordable cost!

#9 - Maximize Your Investment

Let's face it ... your station's clients wouldn't be spending their hard-earned dollars on advertising if they didn't have to! Their media costs are rising, they have more competitors who continue to expand their advertising efforts, and deciding where and how much to spend is getting increasingly complicated. But the fact is that they must advertise to influence their current customers and protect their market share, and they must certainly advertise to attract new customers and help their business grow.

Your station's clients must advertise, but they must do it wisely! As the marketplace changes, they need to determine how those changes are affecting their current media strategy and be prepared to make the adjustments that will keep their business moving forward.

Newspaper has traditionally been a primary medium for local advertisers, but increasing costs, declining readership, eroding circulation, and the inability to target key prospects is a major cause for concern. Over the past ten years, the circulation of most newspapers has dropped significantly while published standard advertising unit rates have soared.

The success of the client's advertising depends on reaching as many target consumers as possible, as often as possible, at the lowest possible cost.

According to Starch Readership Studies, on average only 41% of newspaper readers will recall even seeing a full page ad. When the ad size is reduced, for example, to a half page, the "noting" score is trimmed by a mere 8%, while the cost is cut in half! And, of course, the message frequency generated by a single newspaper ad is only "one." By reducing the size of a newspaper ad and reallocating a portion of the savings to Radio, your station's clients can quickly expand their market by reaching those who don't see the paper. Using Radio in conjunction with newspaper not only helps ensure advertising coverage among light readers, but also allows them to build critical message frequency with those who did see their ad. And they can do all this without increasing their total advertising costs.

While gathering around the tube is still considered an American pastime, TV no longer dominates our leisure time. The explosion of cable, pay-per-view, satellite delivery, the Internet, and other home entertainment options has greatly reduced the impact TV once had on the American consumer. In fact, 38% of all adults watch no more than one hour of television per day. And broadcast TV's audience is not only watching less, but they're also surfing around the channels during commercial breaks, taping more programs and zipping past the commercials during replay at an ever-increasing rate.

Also, it should come as no surprise that as income increases, TV viewing time decreases. For example, U.S. adults who earn more than $50,000 per year, prime prospects for most advertisers, watch 26% less TV than the average viewer. During prime shopping hours this important consumer segment spends only 29% of their media time with TV compared to 53% with Radio!

Radio is the client's best option for shoring up the reach and frequency gaps that are inherent in advertising on TV. Over the course of the entire day, consumers spend virtually the same amount of time with Radio as they do with TV. By adding Radio to the mix, your station's clients can virtually double their advertising impact. What's more, Radio's unparalleled cost efficiency and low production costs and its ability to reach consumers where they now spend most of their waking hours — away from home — make it the perfect partner for their TV advertising program.

Some advertisers think of cable as low-cost TV, but the truth is cable misses about a third of all U.S. homes and basic cable service (where your client's commercials must air) represents just 22% of total primetime TV viewing among U.S. adults. And while the multitude of viewing options now available via cable give them a better chance to target key consumers than with broadcast TV, it also makes it very difficult for them to achieve the critical mass and message frequency necessary for a successful advertising program.

Meanwhile, even the most popular cable networks enjoy only a fraction of the ratings of other media. While broadcast networks typically reach from 7% to 10% of all households during prime time, even the most watched cable networks rarely reach the 2% mark. When you combine Radio with a client's cable advertising program, you will reinforce their message with those who watch cable and extend their reach to those who do not. And with Radio, you can create a highly focused program that not only delivers critical mass and sufficient message frequency, but also targets those consumers who are most likely to buy your client's products and services.

In Review

Advertisers need Radio to:

1. expand their advertising reach — the growth of their business is dependent on reaching new markets and new prospects.

2. target their advertising — to be sure their advertising is focused to reach their very best customers and prospects.
3. ensure that their prospects are hearing their advertising message enough times to fully understand and respond to it.
4. reach current customers and new prospects wherever they are — at home, at work, and at play.
5. make consumers want to buy their products and services.
6. not only generate one-time sales, but also to establish a special relationship with consumers.
7. keep their advertising from getting lost in the sea of media clutter that bombards today's consumer.
8. help them make a strong, favorable, and lasting impression with their advertising.
9. bridge the gaps left by other media and maximize their investment in advertising!

Radio is the key to unlocking a client's maximum market potential through successful advertising! There is no other medium that reaches so many consumers and allows your client to establish an immediate, personal, one-to-one relationship with your client's customers and prospects like Radio.

With selective Radio you can target those who are most likely to buy the products and services your station's clients have to offer. With cost-efficient Radio you can afford to deliver the message frequency that is necessary to influence today's busy consumer. With mobile Radio, you can talk to their busy prospects wherever they are — any day and any time! Let's work together to energize advertising programs with the awesome Power of Radio!

10 Reasons to Advertise

There are times when Radio professionals must remind prospects and active clients why it's important to continue to invest their hard-earned money in advertising. Often, when businesses experience slow sales and/or other financial concerns, they look to their advertising budget as one of the first areas in which to make cuts. But advertising is a business's most important link to the consumer — and savvy marketers intensify their advertising efforts when they need to increase sales or meet other critical financial objectives.

This section, "Ten Reasons to Advertise," details key reasons why businesses should establish and maintain a well-planned, well-funded, and well-executed advertising program.

1. Advertising Creates Store Traffic

Continuous store traffic is the first step toward increasing sales and expanding your base of shoppers. The more people who come into the store, the more opportunities you have to make sales. A National Retail Federation survey found that for every 100 items shoppers plan to buy, they make 30 unanticipated purchases.

2. Advertising Attracts New Customers

Your market changes constantly. Newcomers to your area mean new customers to reach. People earn more money, which means changes in lifestyles and buying habits. The shopper who wouldn't consider your business a few years ago may be a prime customer now.

3. Advertising Encourages Repeat Business

Shoppers don't have the store loyalty they once did. Shoppers have mobility and freedom of choice. You must advertise to keep pace with your competition. The National Retail Federation states: "Mobility and non-loyalty are rampant. Stores must promote to get former customers to return and to seek new ones."

4. Advertising Generates Continuous Business

Your doors are open. Employees are on the payroll. Even the slowest days produce sales. As long as you're in business, you've got overhead to meet and new people to reach. Advertising can generate traffic now...and in the future.

5. Advertising is an Investment in Success

Advertising gives you a long-term advantage over competitors who cut back or cancel advertising. A survey of more than 3,000 companies found that advertisers who maintained or expanded advertising over a five year period saw their sales increase an average of 100%, and companies that cut advertising grew at a less than half the rate of those who advertised steadily.

6. Advertising Keeps You in the Competitive Race

There are only so many customers in the market ready to buy at any one time. You have to advertise to keep regular customers and to counterbalance the advertising of your competition. You must advertise to keep or expand your market share or you will lose to more aggressive competitors.

7. Advertising Keeps Your Business Top-of-Mind With Shoppers

Many people postpone buying decisions. They often go from store to store comparing prices, quality and service. Advertising must reach them steadily through the entire decision-making process. Your name must be fresh in their minds when they decide to buy.

8. Advertising Gives Your Business a Successful Image

In a competitive market, rumors and bad news travel fast. Nothing sets the record straight faster than advertising; it tells your customers and competitors that your doors are open and you're ready for business. Vigorous and positive advertising can bring shoppers into the marketplace, regardless of the economy.

9. Advertising Maintains Morale

Positive advertising boosts morale. It gives your staff strong, additional support. When advertising or promotion is suddenly cut or cancelled, salespeople and employees may become alarmed or demoralized. They may start false rumors in the honest belief that your business is in trouble.

10. Advertising Brings in Big Bucks for Your Business

Advertising works. Businesses that succeed are usually strong, steady advertisers. Look around. You'll find the most aggressive and consistent advertisers are almost invariably the most successful. Join their ranks by advertising and watch your business grow!

Module

5

Radio

In your training materials, we're pleased to include a copy of the current edition of the *Radio Marketing Guide and Fact Book for Advertisers.* The current edition is filled with information designed to help your clients take advantage of the unique marketing power of Radio.

Radio Facts You Should Know

As implied by the title, the book serves two purposes. First and foremost, it's a "fact book." Throughout its 44 pages, you will find a variety of information that defines the scope of our industry...the who, what, when, why and how of Radio listeners. As a "Marketing Guide," the book is designed to be client-focused and benefit-oriented... communicating to advertisers and agencies the powerful marketing realities of Radio.

From an organizational standpoint, the book is divided into five easy-to-use sections: Radio Audiences, Listener Profiles, Product Categories, Media Comparisons and Radio Facts. Each section features colorful charts and consumer graphics, influential quotes from the ongoing "Radio Gets Results" success story campaign and research data from a variety of credible sources including Simmons, Media Audit, Arbitron, Radar 56, Edison Media Research, Competitive Media Reporting and the U.S. Census Bureau.

The *Radio Marketing Guide and Fact Book for Advertisers* is one of the most important publications produced by RAB. Not only is it sent to every RAB member station, but RAB's National Marketing Center in New York sends thousands of copies to advertisers and agencies all over the country. The *Radio Marketing Guide and Fact Book* is one of the most-read, best-circulated pro-Radio publications.

Putting the *Marketing Guide and Fact Book* to Work for You

The fastest, easiest way to begin using this potent collection of Radio marketing data is to simply include key highlights in the "Why Radio" section of your proposals. These should take the form of Radio benefit statements that are relevant to your client's marketing objectives. Remember, different from features, a benefit statement is client-focused and answers the specific marketing challenges facing your client. For example, if your client was interested in reaching 25- to 54-year-old adults, the benefit statement might be, "You'll hit more of your consumer target because Radio reaches 78 percent of 25- to 54-year-old adults every day." For more help with benefit statements and writing client-focused proposals, see "Preparing Written Presentations," section #7 of your CRMC study guide.

The *Radio Marketing Guide and Fact Book* is also the perfect anchor for an advertiser-centered marketing campaign. Consider using material from the new book in statement stuffers, mixed with client testimonials in an on-air campaign, newspaper ads or on your station website. Again, be sure you keep the data client-focused, and don't forget to source the material correctly.

A computer diskette version of the *Radio Marketing Guide and Fact Book* is available for just $25. Get it and place a copy on your computer. The disk version includes the text and graphics you see in the book and makes using the material in your presentations a snap. An electronic version is also available on RadioLink, your Radio marketing resource center on the Internet at www.rab.com.

Finally, consider giving a copy of the *Radio Marketing Guide and Fact Book* to your top clients. Send it with a "thank you" letter from your station manager or sales manager. It's a great way to recognize their valued support of Radio and your station(s). RAB offers special discounts on multiple copies of the book. For more information, call RAB's Member Service HelpLine at 1-800-232-3131.

Blueprint for Results

As a CRMC-PA, you'll always be looking for new and innovative ways to tell prospects and remind clients about the unique benefits associated with advertising on the Radio.

Perhaps your client is a local car dealer. He has always used Radio as part of his marketing plan, but runs heavy weekend flights in the local newspaper. His annual contract is up in a few weeks, and you've been told he is thinking about trimming back Radio in favor of "more visual" media.

Maybe a prominent area hospital has never used Radio, but with lots of new competition for health-care dollars, they've decided to reevaluate their marketing approach. You've been asked to prepare a presentation for their board of directors that will convince them Radio can be a highly effective marketing solution.

Perhaps a client has run several small campaigns on your station that have met with limited success. She doesn't have the money to run a high-frequency schedule like some of her larger competitors, and she's wondering how to create memorable impact on a limited budget — a campaign that cuts through the clutter.

For these situations and hundreds of others, you now have a new sales and marketing tool: **Blueprint for Results** — *Building Your Business with Radio.*

Blueprint for Results was developed by RAB's National Marketing Department in cooperation with Haley Productions, a multimedia, film, video and Internet production company that serves the Radio industry. At a basic level, it's a new pro-Radio, multimedia, interactive CD-ROM. But more than that, **Blueprint for Results** allows you to provide a powerful pro-Radio presentation that's ready to address your client's varied needs. You can either drop it in and let it play, which takes less than 30 minutes, or you can use the point-and-click technology to focus your client's attention on key Radio benefits relevant to his situation.

Blueprint for Results is an extension of "Building Brands with Radio," an "in-person" presentation developed for communicating the benefits of Radio to clients and agencies at the national level. Regularly, RAB's National Marketing Department calls on clients and agencies all across the country to communicate the unique benefits associated with Radio. Following presentations, we were always being asked for additional information — something we could leave behind that could be shared with other agency partners, creative directors, brand managers, etc. That's when we came up with the idea for an interactive CD-ROM.

How Blueprint Works

Blueprint for Results helps explain many of the intangible benefits of advertising on Radio. While highly educational, it's designed to be fun, entertaining, and easy to use. The presentation features two main characters. The client, Catherine, faces the problems associated with launching a new product. Jake, a marketing "architect," walks her step-by-step through the process of building her new brand with Radio. Along the way, **Blueprint for Results** covers:

- **Breaking through the clutter:** First, **Blueprint for Results** shows clients how they can use Radio to break through the clutter of today's overloaded marketplace.
- **Time poverty:** Here, the presentation demonstrates Radio's strength as a medium that travels with busy consumers.
- **Limited budgets:** In this section, clients will see how Radio can be very cost-effective by reaching customers closer to the point of purchase and by partnering with other media.
- **Memorable impact:** Finally, **Blueprint for Results** enlightens and inspires by offering clients dozens of specific examples for creating memorable messages. Using award-winning creative from the Radio-Mercury Awards, clients will hear how other advertisers use Radio to create memorable, high-impact campaigns.

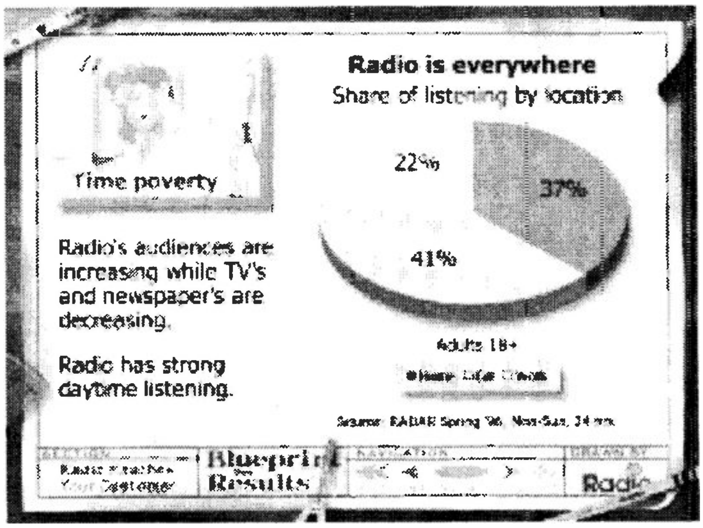
After each segment of the CD-ROM, you are also given the opportunity to break off into sub-sections that explain key concepts in greater detail.

The interactive nature allows you to make choices and keeps the program fresh and interesting. It allows you to dynamically interact with the audience you are presenting to, whether it's a large group or one-on-one. **Blueprint for Results** is the ultimate "why Radio" presentation. For new clients, it brings the intangible benefits of Radio within easy reach. It will help clients sitting on the fence recognize the value of an investment in Radio. And it's perfect for good clients that need a refresher on Radio's benefits.

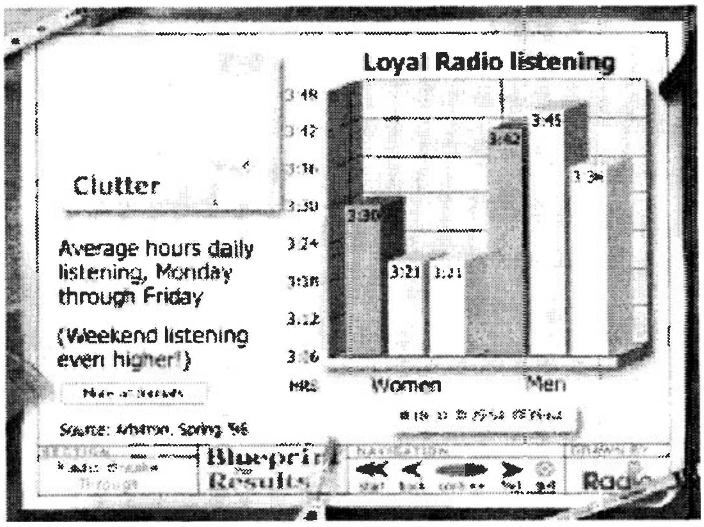
Sample Screens

On the next few pages, you'll find several sample screens taken from Blueprint for Results. The interactive program uses a combination of text, graphics and audio to create an effective multimedia presentation.

In this screen, the viewer is shown how time poverty makes it difficult to reach their consumer target. However, Radio travels with today's busy customers. At home, at work and in the car, they can count on Radio to deliver.



This screen illustrates listener loyalty by showing Radio's remarkable time spent listening for people in a number of key age cells. As stated in the presentation: Radio offers the opportunity to reach the best prospects more often.



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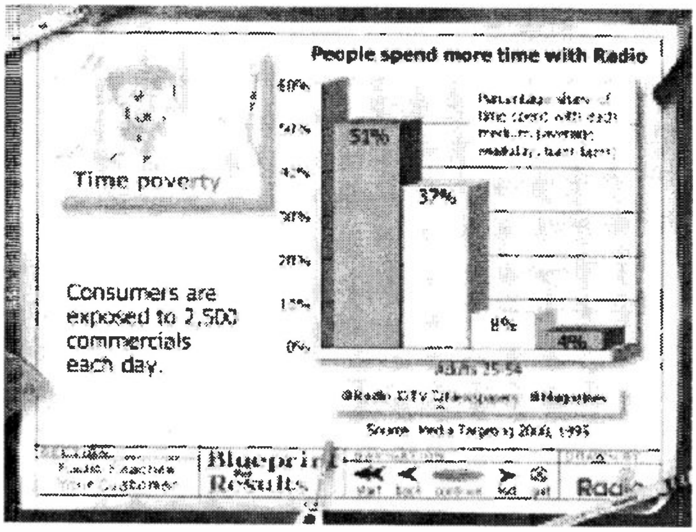
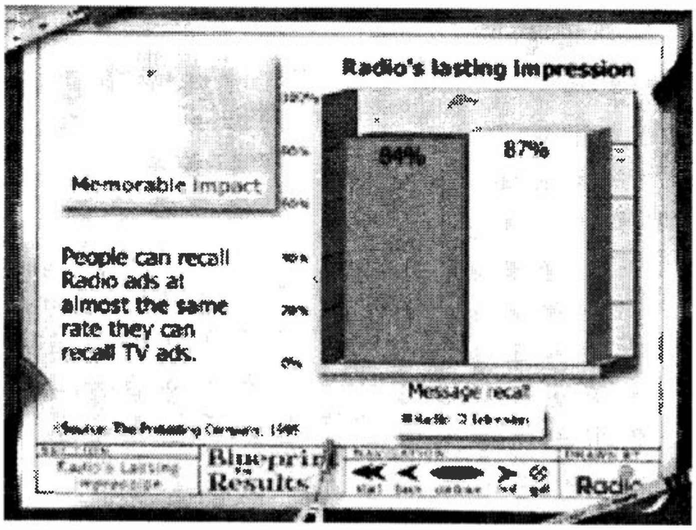
Using data from *Media Targeting 2000*, this screen demostrates how people spend more time with Radio. As the chart indicates, 25 to 54 year old adults spend 51% of their 6am to 6pm media time with Radio...more time than any other medium!



Finally, the chart on this screen compares the message recall of Radio and TV ads. Note that it is virtually the same...great news for advertisers wishing to extend the reach and frequency of their TV campaign with Radio.



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Glossary of Radio Terms

Average Quarter-Hour Audience (AQH Persons): The average number of persons listening to a particular station for at least five minutes in a 15-minute period within a specific daypart.

Average Quarter-Hour Rating (AQH Rating): The AQH persons expressed as a percentage of the population being measured. Used by Arbitron in measuring the size of Radio audiences.

$$\frac{\text{AQH PERSONS}}{\text{POPULATION}} = \text{AQH Rating}$$

Average Quarter-Hour Share (AQH Share): The percentage of the total listening audience tuned into each station as a percentage of the total listening audience in the survey area.

$$\frac{\text{AQH PERSONS TO A STATION}}{\text{AQH PERSONS TO ALL STATIONS}} = \text{AQH Share}$$

Average Time Spent Listening (TSL): The amount of time the average person listens to a Radio station in the course of the average day or week.

NUMBER OF QUARTER-HOURS IN TIME PERIOD **X**

AQH PERSONS CUME PERSONS = TSL

Cost Per Point (CPP): A computation used by media buyers to compare the cost efficiency of broadcast programs that divides the cost of commercial time on a program by the audience rating.

$$\frac{\text{COST OF SCHEDULE}}{\text{GROSS RATING POINTS}} = \text{CPP}$$

Cume Persons: A term used for cumulative audience, which is the estimated total number of different people who listened to a Radio station for a minimum of five minutes during a particular daypart.

Cume Rating: Cume expressed as a percentage of the population.

$$\frac{\text{CUME PERSONS}}{\text{POPULATION}} = \text{Cume Rating}$$

Frequency: The number of times a target audience is exposed to a media vehicle(s) in a specified period.

Gross Impressions (GIs): The sum of the AQH persons audience for all spots in a schedule.

AQH PERSONS **X** NUMBER OF SPOTS = GROSS IMPRESSIONS

Gross Rating Points (GRPs): A measure that represents the total delivery or weight of a media schedule during a specified time period.

AQH RATING X NUMBER OF SPOTS = GRPs

Net Reach: The number of different persons who are exposed to a commercial schedule. Reach also can be expressed as a Rating (percentage of the population being measured).

Persons Using Radio (PUR): The total of all listeners in a market, including those listening to commercial, noncommercial or unidentified stations.

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Module

6

Competitive Media

When you think of the competition, you probably think first of the station that competes head-to-head with you in your format. Next is the station that's not in your format, but shares more of your cume than you'd like.

You may be among the programmers who think of the Internet as competition, especially with streaming audio from stations all over the world accessible to your listeners with the click of a mouse. Internet-only "broadcasters" add niche formats that chip away at potential audience shares.

To a salesperson who calls on advertising clients, the word "competition" means something else altogether. The advertiser has an array of media venues to use to get the word to his or her customers. So the seller might hear from a client about Cable TV, the Yellow Pages, Broadcast TV, the daily newspaper, direct mail, and any other medium the client might use or contemplate. The sales staff at your station will find themselves selling against "pennysavers" (the weekly free "shopper" papers) and the billboard company, too.

Oh yes, then there's the competition from other Radio stations in town and from sellers of Internet banners and links.

Attention is scarce and every medium is our competition, whether direct or indirect.

Think of all the advertising you see in a typical day: Buses, billboards, T-shirts, coffee mugs – you name it. Everywhere you look, many messages cry for the attention of consumers. Radio's advertisers must battle to cut through the clutter.

So the effective seller must be versed in media other than Radio, ready to explain the benefits and liabilities of each medium to the advertiser or prospect. Knowing how each medium works helps us help our clients...but where can you find the information you need? That's where RAB can help.

In your training materials, we're pleased to include a copy of *Media Facts: A Comprehensive Media Guide*. This invaluable publication is jam-packed with information to help your station's staff — not to mention its advertisers — understand the strengths and weaknesses of Radio's media competitors.

Inside *Media Facts*

Here's a quick rundown of what you'll find in *Media Facts:*

First, there's a section outlining the current state of Radio. You'll find handy stats on the industry's size and helpful copy points on its advantages as an advertising medium. The Radio section also contains a clear, easily understood explanation of the concept of "Imagery Transfer," or the process by which visual elements of a TV commercial or program are transferred into the consumer's mind by using a similar audio track in its Radio counterpart.

Following the Radio section is a series of 10 sections covering the following competing media:

- Broadcast Television
- Cable Television
- Direct Mail
- Internet
- Magazines
- Newspapers
- Outdoor
- Place-Based / Point-of-Purchase
- Alternative Newsweeklies
- Yellow Pages

Each section contains a snapshot description of a medium's "state of the industry," covering recent developments affecting its advertising viability. You'll also a list of both the advantages and disadvantages of advertising on that medium, as well as several paragraphs explaining how the medium's effectiveness can be enhanced by including Radio in the media mix.

Putting *Media Facts* to Work for You

Media Facts is a great tool for those who work with advertisers, whether from the sales side or the programming side. Many advertisers may never have really thought about why they should choose one medium over another, instead just doing the same thing as last time because they've "always done it that way." *Media Facts* can provide them with the information they need to make an informed decision.

Radio professionals should study the book to learn all they can about their media competitors. That way, if a prospect says, "I'm not interested in Radio...I've always advertised in the newspaper," you can respond with information that may convince the advertiser to expand his or her understanding of today's best advertising options.

Media Facts is also a valuable resource for the programming department. A better understanding of the strengths and weaknesses of various media competitors will come in handy when selecting media partners for a big promotion, for example.

An electronic version of *Media Facts* is available on RadioLink, RAB's Radio marketing resource on the Internet at http://www.rab.com. Your station's sales staff can copy and paste materials from the electronic version into their proposals for added punch to the "Why Radio?" section.

Finally, consider giving a copy of the book to your best potential advertising clients. *Media Facts* is designed as a advertiser-oriented publication and may help your prospects decide to buy air time on your station. Moreover, your existing clients can benefit from the information in *Media Facts* as well. Send it with a "thank you" letter from the station manager or sales manager. It's a great way to recognize their valued support of Radio and your station(s). RAB offers special discounts on multiple copies of the book. For more information, call RAB's Member Service HelpLine at 1-800-232-3131.

Module

7

Fundamentals of Radio Sales

The "Mars and Venus Syndrome: we discussed in Module 1 really shows itself when it comes to the specific jobs of selling. Product people often are reluctant to prospect for business, to qualify prospects, and, especially, to ask for the order. If there's anything that differentiates the two groups, this is it. Yet you don't have to be a professional salesperson to sell. If you have human interaction of any kind, then you'll "sell" something every day.

- Ask the boss for a raise and you're selling the company on what you think you're worth.
- Ask for a date, and you're selling the idea of togetherness, creating a need for companionship, with you as the solution to that need.
- Ask a friend to do you a favor, and you're selling the benefits of friendship and reciprocity.

The sales trainers are right when they say, "Everything is selling."

Almost every environment exists because somebody with sales skills matched a need with a product or a service that fulfilled that need. Vehicles, cosmetics, hospitals, roller coasters — you name it — a salesperson created or sold a certain product that provided a solution to a specific problem.

If your programming department works closely and cooperatively with the sales department, you'll recognize what you're about to study here and in the next module — the "job" of the salesperson, reduced to the fundamentals. If that's the case, study this as a refresher. It may sound like we're trying to "teach you to be a salesperson," but we're not. This is designed to give you a new perspective on the sales department.

Account Executives are the sales representatives for the Radio station, responsible for selling station services such as air time and promotions to advertisers. At most stations, AEs are assigned a small list of accounts that already advertise on the station, and are expected to prospect (seek out) new clients. Today, the most successful salespeople are those who go beyond simply "selling air time" and learn how to utilize the services of the Radio station to help advertisers meet specific sales and marketing objectives.

It is impossible to cover in this document every aspect of the responsibilities of an Account Executive at your station. But for now, the following will serve as a brief rundown of their primary sales duties.

Setting Goals

Everybody in today's Radio stations shares the need for goal-setting. Neither you nor the salespeople at your station can effectively do your job without setting qualitative and quantitative goals.

Qualitative Goals are your personal goals for growth, knowledge, professionalism, appearance, reputation and time management. Throughout your career you should take steps to improve the scope of your knowledge of our industry and the world around you. Involve yourself in the community. Be on time for your appointments. Make sure your paperwork is timely and correct. If you set your standards high, you're bound to have a positive impact on everyone with whom you associate.

Quantitative Goals are the steps that will lead to your desired level of success you want to achieve. For a seller, it can be the number of cold calls, written presentations, or face-to-face selling calls each month. for the programmer, it can be ratings goals, industry attention, or development of on-air talent. Your manager will help you initially in setting challenging, but achievable, goals that specifically address your personal goals and the operational and/or financial needs of the station.

Planning

Once you have established basic goals, you need to devise a plan of action, in conjunction with your manager, to reach them. Programmers work on goals relating to ratings, to outside promotional activity, and to performance standards for their air talents. Sellers begin by looking at the account list they have leased. That's right, "leased." The list belongs to the station, which retains all proprietary rights. For the new salesperson, the list may contain only a limited number of "active" accounts — advertisers who currently, or at least regularly, are on the air.

Making Calls

The first task for a new salesperson is to immediately contact the active accounts and make an appointment to see them. Since they are active customers — already sold on the merits of the station — the goal is to emphasize servicing their needs. Inform them about station events, special packages or promotions, and any other information that will help them. This could take the form of articles addressing their business, or station research on your audience and the consumers they're trying to reach. Sellers must pay close attention to their advertising schedule, their ad copy, and their invoices and accounts receivable or "aging" (the record of how promptly they pay their advertising bills to the station).

The next group of accounts are the "inactive" accounts. They are classified as inactive because they have not been on the air on your station for some time. Perhaps they currently are advertising on another station or in another medium such as TV, cable, newspaper, billboards, etc.

The third and most important category to concentrate on are "prospects." These are businesses that no one at the station is calling on at the present time.

Where can these "prospects" be found? Besides other Radio stations, TV, newspaper and billboards, there are many other sources, including:
- Local Business Publications
- National Business Publications
- Suburban Newspapers
- New Incorporations
- Real Estate Transfers
- Transit Advertising
- Shopping Mall Managers
- "Coming Soon" Signs
- Yellow Pages

It might be helpful to separate your station's prospective advertising clients into four subcategories:

#1. Those who don't believe in advertising

#2. Those who don't believe in Radio

#3. Those who believe in Radio, but aren't sold on your station

#4. Those who used your station in the past and were dissatisfied with the results

The sales staff will limit the time spent with group #1 and undoubtedly will have some ideas on how to proceed with prospects in the other categories.

Selling Tips

RAB has terrific advice for salespeople, newcomers, and veterans alike — good background for programmers who want to understand the fundamentals.

RAB reminds sellers to make sure that the person they're calling on is the decision maker. No seller can afford to waste time on someone who has to get permission from someone else to make the buy. Finding the decision maker is sometimes made more difficult by barriers they erect. Secretaries, assistants, and various lower-ranked managers can sometimes send a salesperson on a long and winding road to nowhere.

Time is the best teacher on how to handle this uncomfortable situation. But for starters, sellers are advised to ask, "Are you the person who makes the final decisions on your advertising?" If the answer is no, they ask for the name of the person who is. If the approach is businesslike, most of the time that results in the name of the person to contact. There's a rule in sales that works in any endeavor: Don't take a "no" from someone who can't say "yes."

"Inactive" and "prospect" accounts need to be called on initially to gather information. RAB suggests that sellers study RAB materials on how to conduct a successful needs analysis (you'll find it in Module #8 of your CRMC-PA materials). Keep in mind that prospects are primarily interested in themselves, their business and their problems. They are busy people who are constantly being approached not only by salespeople from all the other media in your market, but also not-so-major media like the high school yearbook ad committee. They also are besieged by sales reps from current and prospective suppliers. For example, a typical furniture store owner or manager may be called on by more than a hundred different reps selling carpeting, furniture, upholstery fabric, bedding, fixtures, sprinkler systems, insurance, and so on.

The key for a seller is to make a good initial impression, and that's done by researching the prospect's industry and their particular business. Next is to have a basic understanding of their sales process, their customers, their current advertising approach, and their industry jargon. All of this should be done before a call is made. Sellers often ask themselves, "What can I bring to this prospective customer to show that I have a basic understanding of their business — and that I'm there to help them make money?"

The CRMC's job is to combine what you've learned about the client's business with what you know about marketing, media, and the benefits of advertising on your station to help them solve their specific problems and meet their sales and marketing objectives.

Idea Selling

Based on what you know about your prospect's business and what Radio and your station has to offer, it is your job to help your client devise unique marketing solutions. Good business people are always open to new ideas, if they are relevant to their business situation. The effective seller knows that if he or she can offer something new to help sell their product or service, that will result in an appointment.

Generally it's not a good idea to detail an entire idea on the phone. Give the prospect just enough information to whet his appetite and grant you an appointment for an in-person call. Even when ideas are rejected, you've had the opportunity to position yourself as someone who wants to help. At the same time you've had the opportunity to learn more about the prospect's business and discover potential objections.

You'll find a complete, step-by-step guide to getting the first appointment in the next module of your CRMC-PA study guide.

Appearance and Attitude

We recommend that you invest in your future and buy an initial wardrobe that reflects an image of someone who already is a successful business professional. Top performers will tell you this is one of the best investments you can make at this stage of your career.

Be positive. Believe in your product. Believe in yourself. Be enthusiastic about Radio as a medium and your station in particular. Be proud of what your station is doing and show it. Use positive language. It's important to be confident, but not arrogant. When going out on an appointment, attempt to "visualize" the sale taking place. Remove the word "if" from your vocabulary.

Follow Through

What happens after the sale often is more important than the initial sale itself. Careful follow-through demonstrates to the client that you really do care about his/her business and about building a long-term, mutually beneficial relationship. (More about this in Module 10.)

Other Helpful Hints

Use your prospects' language. Clients are much more interested in discussing margins, profits, ROI, market share, store traffic and incremental sales than in hearing about formats, signal strength and AQH ratings. Don't talk Radio jargon to a client — talk in terms that refer to his/her business and concerns.

Negative selling can be ruinous. Professional Radio people do not "bad rap" competitors within the industry or other media. The best approach to take is to position yourself as up-front and honest. Be prepared to point out the strengths as well as weaknesses of all media and offer an opinion as to which are best suited to help your client meet his/her sales goals and marketing objectives.

You have to know the competition: newspaper, TV, billboards, direct mail, transit and all the others. Make it your business to have a general idea of what they cost and how they are sold. You must be able to position Radio in relation to these media, and you often will be called upon to make recommendations about the best media to complement advertising on your station.

Selling inside the station often is as important as selling outside. In this case though, you're selling yourself. Your prospects here are salespeople, sales assistants, traffic personnel, production and on-air staff, the business manager and, of course, the boss. You're selling the fact that you're a hard worker, reliable, honest, and a team player who wants their help and is willing to help them in return. This is your support staff; if you don't have their respect and their cooperation, your job will be tougher than it has to be. Don't take these people for granted and they won't treat you the same way.

Glossary of Media/Advertising Terms

Account Executive: The individual who serves as the liaison between the advertising agency and the client. The account executive is responsible for managing all of the services the agency provides to the client and representing the agency's point of view to the client.

Advertising: Any form of nonpersonal communication about an organization, product, service, or idea by an identified sponsor.

Advertising Agency: A firm that specializes in the creation, production, and placement of advertising messages and may provide other services that facilitate the marketing communications process.

Advertising Campaign: A comprehensive advertising plan consisting of a series of messages in a variety of media that center on a single theme or idea.

Advertising Manager: The individual in an organization who is responsible for the planning, coordinating, budgeting and implementing of the advertising program.

Affiliates: Local stations that are associated with a major network. Affiliates agree to preempt time during specified hours for programming provided by the network and carry the advertising contained in the program.

Area of Dominant Influence (ADI): A geographic survey area created and defined by Arbitron. Each county in the nation is assigned to an ADI, which is an exclusive geographic area consisting of all counties in which the home market stations receive a preponderance of viewing.

Brand Manager: The person responsible for the planning, implementation, and control of the marketing program for an individual brand.

Business-to-Business Advertising: Advertising used by one business to promote the products and/or services it sells to another business.

City Zone: A category used for newspaper circulation firgures that refers to a market area composed of the city where the paper is published and contiguous areas similar in character to the city.

Clutter: The nonprogram material that appears in a broadcast environment, including commercials, promotional messages for shows, public service announcements, and the like.

Commission System: A method of compensating advertising agencies whereby the agency receives a specified commission (traditionally 15 percent) from the media on any advertising time or space it purchases.

Contest: A promotion whereby consumers compete for prizes or money on the basis of skills or ability; winners are determined by judging the entries or ascertaining which entry comes closest to some predetermined criteria.

Controlled Circulation Basis: Distribution of a publication free to individuals a publisher believes are of importance and responsible for making purchase decisions or are prescreened for qualification on some other basis.

Cooperative Advertising: Advertising program in which a manufacturer pays a certain percentage of the expenses a retailer or distributor incurs for advertising the manufacturer's product in a local market area.

Copywriter: Individual who helps conceive the ideas for ads and commercials and writes the words (or copy) for them.

Cost Per Thousand: A computation used in evaluating the relative cost of various media vehicles that represents the cost of exposing 1,000 members of a target audience to an advertising vehicle.

Coverage: A measure of the potential audience that might receive an advertising message through a media vehicle.

Cross-Media Advertising: An arrangement where opportunities to advertise in several different types of media are offered by a single company or a partnership of various media providers.

Database Marketing: The use of specific information about individual customers and/or prospects to implement more effective and efficient marketing communications.

Dayparts: The segments into which a day is divided by Radio networks and stations for selling advertising time.

Demographic Segmentation: A method of segmenting a market based on the demographic characteristics of consumers.

Direct-Broadcast Satellite (DBS): A television signal delivery system whereby programming is beamed from satellites to special receiving dishes mounted in the home or yard.

Direct Marketing: A system of marketing by which a company communicates directly with consumers to generate a response and/or transactions.

Direct-Response Advertising: A form of advertising for a product or aservice that elicits a sale directly from the advertisement.

Display Advertising: Advertising in newspapers and magazines that uses illustrations, photos, headlines, and other visual elements in addition to copy text.

Effective Reach: A measure of the precentage of a media vehicle's audience reached at each effective frequency increment.

Event Sponsorship: A type of promotion whereby a company develops sponsorship relations with a particular event such as a concert, sporting event, or other activity.

Federal Trade Commission (FTC): The federal agency that has the primary responsibility for protecting consumers and businesses from anticompetitive behavior and unfair and deceptive practices. The FTC regulates advertising and promotion at the federal level.

Full-Service Agency: An advertising agency that offers clients a full range of marketing and communications services, including the planning, creating, producing, and placing of ad messages and other forms of promotion.

Horizontal Cooperative Advertising: A cooperative advertising arrangement where advertising is sponsored in common by a group of retailers or other organizations providing products or services to a market.

Image Advertising: Advertising that creates an identity for a product or serviceby emphasizing psychological meaning or symbolic association with certain values, lifestyles, and the like.

Imagery Transfer: A Radio advertising technique whereby the audio of a television commercial is implanted into a Radio commercial.

In-House Agency: An advertising agency set up, owned, and operated by an advertiser that is responsible for planning and executing the company's advertising program.

Internet: A worldwide means of exchanging information and communicating through a series of interconnected computers.

Jingles: Songs about a product or service that usually carry the advertising theme and a simple message.

Local Advertising: Advertising done by companies within the limited geographic area where they do business.

Market Segmentation: The process of planning and executing the conception, pricing, promotion, and distribution of ideas, goods and services to create exchanges that satisfy individual and organizational objectives.

Marketing Mix: The controllable elements of a marketing program including product, price, promotion and place.

Marketing Objectives: Goals to be accomplished by an organization's overall marketing program, such as sales, market share, or profitability.

Media Buying Services: Independent companies that specialize in the buying of media, particularly Radio and television time.

Media Plan: A document consisting of objectives, strategies, and tactics for reaching a target audience through various media vehicles.

Message: A communication containing information or meaning that a source wants to convey to a receiver.

Noise: Extraneous factors that create unplanned distortion or interference in the communications process.

Positioning: The art and science of fitting the product or service to one or more segments of the market in such a way as to set it meaningfully apart from competition.

Qualified Prospects: Those prospects that are able to make the buying decision.

Ratings Point: A measurement used to determine television viewing audiences in which one ratings point is the equivalent of one percent of all of the television households in a particular area tuned to a specific program.

Reach: The number of different audience members exposed at least once to a media vehicle (or vehicles) in a given period.

Run of Paper (ROP): A rate quoted by newspapers that allows the ad to appear on any page or in any position desired by the medium.

Script: A written version of the commercial that provides a detailed description of its video and/or audio content.

Showing: The percentage of supplicated audience exposed to an outdoor poster daily.

Spot Advertising: Commdercials aired on local stations, with the negotiation and purchase of time being made directly from the individual stations.

Standard Advertising Unit SAU): A standard developed in the newspaper industry to make newspaper purchasing rates more comparable to other media that sell space and time in standard units.

Station Reps: Individuals who act as sales representatives for a number of local stations and represent them in dealings with national advertisers.

Target Marketing: The process of identifying the specific needs of segments, selecting one or more of those segments as a target, and develping marketing programs directed to each.

Teaser Advertising: An ad designed to create curiosity and build excitement and interest in a product or brand without showing it.

Telemarketing: Selling products and services by using the telephone to contact prospective customers.

Unduplicated Reach: Number of persons reached once with a single media exposure.

Word-of-Mouth Communications: Social channels of communication such as friends, neighbors, associates, coworkers, or family members.

World Wide Web (WWW): Commonly referred to as the Web; the multimedia portion of the Internet.

Zapping: the use of a remote control device to change channels and switch away from commercials.

Zipping: Fast-forwarding through commercials during the playback of a program previously recorded on a VCR.

Module

8

Preparing for the Sale

The Sales Process

What have you sold today?

As we said at the beginning of the previous module, "Everything is selling." If you have human interaction of any kind, then you'll "sell" something every day.

This module will show you the initial steps the sales people at your radio station must take to find new account prospects and convince then to advertise on your station.

In its typical definition, selling connotes economic exchange, not day-to-day human interaction. For Radio sellers, the exchange is dollars for advertising time or message space.

"Selling is the mechanism that drives the economy," said Charles Futrell, professor of marketing at Texas A&M University, to the Houston Chronicle. "It's matching what you're selling to a customer's needs in a professional manner." Futrell teaches selling at A&M's Lowry Mays College and Graduate School of Business. The name of the school speaks volumes. Mays, founder and chairman of Clear Channel Communications, a media company that spans the globe, funded a business school, not a media school.

Mays talks about various forms of media as conduits from the advertiser to the viewer or listener. As sellers of advertising in electronic media, we're sellers of the advertiser's product. Mays explains: "We view ourselves as being in the business of selling automobiles, tamales, toothpaste, or whatever our customers want to move off their shelves. That culture, whether in Radio or television, has served us well and keeps our focus where it should be, and that's on the customer."

There is a "process" to selling that guides behavior in a desired direction, culminating in the purchase. "The path to a sale is through uncovering client needs and satisfying those needs with product benefits," say Charles Warner and Joseph Buchman in their classic textbook, *Broadcast and Cable Selling*.

Warner and Buchman divided buyers into two groups — customers and prospects. "Customers" have already bought what you have to sell, and they need to be nurtured or resold. "Prospects" require information about your product, explanation of benefits, and evidence about expected results.

The last thing a prospect wants to be is "a prospect." That makes him or her sound like a target, not a person. Sales trainer Tom Hopkins reminds us that not everyone wants to be sold. Negative perceptions about selling are a reality to millions of people. "It arises from the actions of the minority of salespeople who believe that selling is purely and simply aggression," Hopkins writes in *How to Master the Art of Selling*. "Eventually all such vultures will be driven out of sales by the new breed of enlightened salespeople who qualify their prospects, care about their customers, and make sure their clients get benefit from their purchases that outweigh the prices paid."

Mark McCormack, author of *What They Don't Teach You at Harvard Business School*, says "There are no fads in selling, only basics." There are tools that become fads — cell phones, palmtop computers, a fax machine in the car, software to make your computer's memory sharper, your client information more accessible, and your presentation more powerful. But tools don't persuade the customer to commit. That's the seller's job.

The Sales Cycle

"If you can't close, you can't sell." That's a mantra sellers have used since it rang in the ears of the first person who ever sold anything.

There's no denying that every sale must have a close. That's the moment when the prospect becomes a customer by saying "Yes!" Yet closing is only part of the sales cycle. Effective sellers begin at the beginning and follow the steps toward closing:

1. Prospecting
2. Qualifying
3. Needs analysis
4. Presentation
5. Handling objections
6. Closing
7. Relationship management

Those seven steps are the sales cycle. At any one time, sellers have a number of clients at a variety of points in the sales cycle. This is why salespeople seem like independent managers of their own jobs. Only the salesperson knows for sure where each customer is in the cycle.

So much has been written about the sales cycle that you'll find lots of different words to describe those seven basics. Here are a few examples:

- *Selling Power* magazine combines "prospecting" and "qualifying" under "call preparation."
- Michael Keith, writing in *Selling Radio Direct*, equates "prospecting" with "list building."
- Selling Electronic Media separates "qualifying" from "needs analysis."
- You might see "negotiation" as a separate element of the sales cycle. We include it as part of closing. If you're at the point of negotiation, the sale is emotionally closed. Only the terms of the sale are still in question.
- Some salespeople use the phrase "servicing accounts." Getting the paperwork done, the order processed, and the commercial copy prepared is part of closing. Otherwise Radio sellers could not deliver their product and, technically, there'd be no close. Servicing and implementation is a bridge between closing and relationship management.

"Relationship management" begins the process all over again by helping our stations retain clients. Repeat business keeps us all gainfully employed.

While there's no one part of the sales process that's more important than any other, we're going to put emphasis on the presentation, especially the written presentation, which you'll encounter in the next module. The completeness of your written presentation shows just how well you've understood the needs of the potential client and how well you demonstrate your station's ability to meet those needs.

If members of your station's sales department have achieved CRMC accreditation, they've probably mentioned how much of their test was based on the written presentation. The programmers who advised us on the CRMC-PA study guide suggested that the presentation test should remain, but that portion counts for only 30 percent of your grade. It demonstrates the importance of your knowing what the sales staff has to know to keep revenues coming in.

In fact, what you're about to learn in this module and the next is a complete sales course, the same basic steps sellers receive from RAB trainers.

Prospecting for Success

Prospecting. Learn how to do it well and you'll excel as a Radio Marketing Professional. Let's begin by spending just a moment talking about why an AE needs to be actively and continuously prospecting. To someone who is new to Radio sales, prospecting is just about the only way they're going to get enough business to cover their draw and become an asset to the station. Those who have been around for a while know that even the best and most experienced Radio salespeople lose 15 percent or more of their account base every year — the industry average is 25 percent.

Clients leave the station for a variety of reasons. Sometimes it's because of something we did or didn't do, and sometimes it has less to do with us and more to do with them. Businesses today are constantly looking for new, better, easier and cheaper ways to deal with their everyday problems. Sometimes they change their advertising because they truly believe the adjustments are necessary, logical and justifiable. Sometimes they just want to try something new or different.

Whatever their rationale, client attrition is a very real part of sales. As Radio sales professionals, we have to learn to be proficient at replacing the defectors.

You know as a programmer that the old 80-20 rule really is true — about 80 percent of P1 listening comes from about 20 percent of your cume listeners. In selling, the 80-20 rule applies, too. About 80 percent of our total business comes from about 20 percent of our accounts. Don't believe it? Run the numbers on your station's account lists! If you do, it should be clear that a seller's success greatly depends on developing core accounts that are willing and able to spend substantial dollars with you on a regular basis.

The fact is that once a client becomes comfortable with a particular spending pattern, it can be very difficult to significantly increase his or her level of spending. The point here is we must do more than just replace lost clients — we must prospect to find key accounts to add directly to our "20 percent" list if we want to maintain and grow our billings.

New Prospects

So how do the salespeople at your station go about finding all these great new prospects? First, the best accounts are not on some other salesperson's list! They probably aren't even the advertisers you heard on another Radio station. Most salespeople will tell you that their very best accounts are the ones they introduced to Radio and the station!

Second, you can't just do prospecting occasionally — it's something you must do constantly. It doesn't just happen. A good prospecting program is a well-organized, well-planned part of your weekly routine.

The first step must be to locate the prospects. Here's some ideas on where those prospective "great accounts" might be hiding:

Inactive Accounts — Your station's sales manager has a list of accounts that, for whatever reason, no longer use the station. They may have left because they weren't satisfied with the results their ads achieved, but there are dozens of other possibilities. There may be gold in those inactives!

Other Stations — Most stations regularly monitor commercial activity on other stations. There's nothing wrong with this practice, if you select only the accounts that you sincerely believe could also benefit from being on your station as well as your Radio competitor. If they do advertise on a competitor, congratulate the prospect on using Radio, support their initial station choices, and then show how your station can also help them meet their marketing objectives.

Competitive Media — Now that's where the money is! In most markets, newspaper and TV together garner well over 50 percent of the advertising revenue. And many prospects allocate a sizable portion of their budgets to Yellow Pages, direct mail and outdoor.

For most local advertisers, newspaper is the best-known and most widely accepted method of advertising. The only problem is that today's paper is yesterday's news — literally and budgetarily speaking. The money has already been spent! The good news is that many advertisers are creatures of habit. They often run the same sale or advertising events the same time each year. Consider going to the library to check the microfilm of last year's papers. Salespeople should work at least six to eight weeks in advance of the event or sale that was advertised last year.

Most papers publish a list of special sections, editions, and supplements that will be available to advertisers throughout the year. There's no reason why your station can't get in on the action if you know what kind of special advertising opportunities the newspaper plans to offer. Develop some ideas that will help your prospect stand out from competitors in the special edition.

Good prospectors set their VCRs for 6-or-8-hour format recording, then review the tape in the evening or over the weekend. They do just the opposite of what most viewers do — zip past the programming and make note of all the local advertisers.

The Yellow Pages people come into the market once each year to sell advertising. Their goal is not only to convince advertisers to buy ads, but to buy bigger ads, add color and place additional listings. Radio's goal is to reach advertisers before the Yellow Pages sellers do and show them how to generate more business more efficiently with the powerful combination of smaller Yellow Pages ads and an attention-grabbing campaign on your Radio station.

Many advertisers are heavily involved in direct mail. Our job is to show them why the combination of Radio and direct mail is much more effective than direct mail alone. Again, the key is reaching prospects before the money is spent!

While outdoor may not account for the lion's share of the advertising dollars being spent in your market, there is business to be had if you can successfully convince advertisers to re-allocate outdoor dollars, or use a combination of outdoor and Radio. The nice thing about outdoor is, it's easy to spot! The down side: Once you spot it, the money has already been spent.

Final Thoughts about Prospecting

Finally, there are a number of things sellers do as part of their regular activity that make it easier to find and develop new prospects:

- Find out about any new businesses that are coming into your area, and by keeping abreast of growth or changes in existing businesses.
- Check the paper for legal notices on construction permits, vendor's licenses, etc.
- Scan the classifieds for any new businesses that might be running help-wanted ads.
- Join the Rotary, Kiwanis or other civic organizations where important business contacts can be made, while also helping make your community a better place to live.
- Join (or start) a lead club. Lead clubs consist of people from other businesses (bankers, lawyers, printers, accountants, etc.). This can be a great opportunity to network with other professionals who don't compete with you or the Radio station and are also interested in uncovering new business opportunities.
- Make it a regular activity to ask your satisfied customers if they know of someone else in the market who could benefit from doing business with you and your Radio station. Don't be afraid to ask for referrals.

The key to any salesperson's success is the ability to confidently, effectively and continuously prospect for new business.

Getting the First Appointment

For some, one of the toughest tasks in Radio sales is picking up the phone and getting a first-time appointment with a prospective advertiser. It's easy to imagine hearing, "he's not in," "what's this call about," "we don't need any more advertising," "too busy — call back next month," and an assortment of other pointed if not colorful verbal abuses.

While you may not spend much time trying to get appointments with advertisers, it is important that you understand, from a salesperson's perspective, the steps they must take to accomplish this critical task.

Programmers and sellers alike know the telephone is an important tool, so let's start by taking just a moment or two to get prepared and organized. This is important. A little pre-call prep time can not only make your telephone work easier, but most importantly, more productive.

You must regularly block off some time in your schedule that will be devoted strictly to prospect phone calls. It could be two hours a day or an hour a week; the point is to schedule the time and stick to the schedule. Let's face it, we all tend to put off the task we find least pleasing, and on those days we find ourselves having a less than brilliant day on the phone, there's a strong tendency to find other "very important" things to do, like cleaning out a file drawer. Don't let it happen. Schedule time to make your calls, an hour or so per session, and promise yourself you'll stay with it for the entire hour.

The best strategy is to organize the activity so as to spend the most telephone time on the best prospects.

You'll also need to set up some kind of system to keep track of who you're calling, how many times you've attempted to reach decision-makers, when you should call back, your next action, etc. Today, there are many fine contact management programs available to help you with this part of the task.

First Impressions

It's trite but it's true! You never have a second chance to make a good first impression. Especially over the telephone. It can be hard enough just getting a prospect to speak with you over the phone. What you say in the first 60 seconds can be absolutely critical.

You might consider working with an outline, at least initially — a simple flow chart to keep you on track and help you quickly and easily move through the various segments of the prospect call procedure.

The Pre-Call Letter

The RAB offers this suggestion: Send a brief pre-call letter to prospects about a week prior to an appointment call. Nothing fancy, just a note that says who you are, your name, title, etc. Briefly explain what you do, e.g., "I specialize in designing broadcast marketing programs for small and mid-sized businesses" and the purpose of the letter, "I'll call in a few days to arrange a time to meet and discuss how I might be of service to you and your business."

As you learned in the previous section on prospecting, a seller's goal is to know enough about the prospect's industry up-front, so that when you are connected to the decision-maker you can quickly establish yourself as a real professional — someone who actually knows something about their business, and someone with whom he or she should invest their time and interest.

You'll want to start by reviewing the very latest articles on marketing and advertising from the client's industry trade publication. (RAB maintains files on over 300 business and marketing categories. Category files are compilations of articles from important trade publications for specific business categories. And RAB adds over 600 new articles to our Category Files each week.)

Another handy tool is a selection of your station's success stories for the prospect's business category, or in lieu of local testimonials, one or more of the 1,000+ new "Radio Get Results" Success Stories recently collected and published by RAB.

Once you actually get through to the prospect, you have a very brief period of time to say who you are, establish your credibility, state the purpose of your call, demonstrate a specific benefit the client will get if they'll agree to meet with you, and set the time and place for the meeting.

Your conversation with the prospect will need to move with a professional stride. Not rushed, but well-paced; friendly, but direct and to the point. It should be voiced in a way that says this is an important call. It should demonstrate that you have an acute sense of the value of everyone's time, and that you're someone the client really should talk with and ultimately meet.

Remember that the goal of the call is *not* to sell a schedule; it's *not* to sell the station; it's not really to even sell yourself. The one and only goal of the call is to GET THE APPOINTMENT — PERIOD!

Breaking the Ice

The age-old question: What to say after the client says hello, and you say, "Hello, John...this is Bill Smith at WRAB."

The best approach: "I'm calling, as promised as a follow-up to the letter I sent you earlier in the week. Did you get my letter?"

If John says, "Yes, I did get your note," you can then continue with, "Great...then you know that I specialize in developing broadcast marketing strategies for local retailers." But what if John says, "No, I don't remember getting your letter!" No problem...you say, "I see, well, the letter explained that I specialize in developing broadcast marketing strategies for local retailers."

Credibility and Purpose

The next step is to establish your credibility by saying something like: "Over the past five years, I've assisted more than 160 local retailers in constructing successful broadcast marketing efforts;" or "We're currently serving nine other area furniture stores with highly customized broadcast marketing programs." Either way, you've started to identify yourself as someone who might be worth a small portion of John's limited and valuable time. Then, without pause, you continue with the purpose of your call: "I'm calling to arrange a time to meet," followed by a specific benefit the client will get if he or she will agree to see you..."and to share some ideas on how stores like yours are improving sales using some very innovative strategies."

Asking for the Appointment

At this point, and again without pause, you now ask for the appointment.

RAB sales trainers say your best bet is to offer the prospect a choice of two times: "Could we get together on Wednesday at 10:15, or would Friday at 2:45 be better?" Each time you ask for the appointment, offer an option of two different times.

Note the use of the quarter hour — 10:15 as opposed to 10 o'clock; 2:45 as opposed to 2:30. If you ask for a meeting at 10:00, how long does it feel like the meeting will last? That's right...an hour! Ask for a meeting on the half-hour, and it sounds like it will last at least a half-hour. But ask for a meeting on the :15, and it sounds like the meeting will last for about 15 minutes!

Seeding the Prospect

If you decide the prospect needs a little more warming up, consider sending a series of clippings, one every week or so, from important industry trade publications that cover the news that's important to his or her business. As we've discussed before, RAB's Client Files can help make this a relatively simple process. When you send the article, attach a brief note. Don't send station information. Don't send the "media packet." If you do, your correspondence will be viewed as a pitch, instead of important information. If the articles are current and informative, the prospect may be much more receptive to your call the second time around.

Finding Points to Probe

As a CRMC-PA, you'll get to know the importance of using the resources available from RAB and other industry-specific sources to learn as much about the prospect's business as possible before making the consultancy call. With category-specific information firmly in mind, the next step is to prepare a customized list of key questions that are relevant to the prospect's business and, at the same time, suitable to your individual station situation.

To prepare an advertising plan for a client, you should also, prepare questions covering six other areas of the prospect's business:

1. Competitive Market Position
2. Target Customer Profiles
3. Media Perceptions and Budget Allocations
4. Potential Funding Opportunities
5. Creative Approach Preferences
6. Nuts and Bolts Stuff

Conducting a Needs Analysis

Prospects rarely buy just because they like us or our stations. They buy because they have a problem to solve, and they believe that you can (or at least have the potential to) help them solve that problem. The degree to which they believe this depends on the level of confidence and comfort they have with you and your product.

The next point is obvious, but you'd be surprised how often it's overlooked: You must know what the problem is before you attempt to solve it!

It makes sense that the more you know about what your prospects really care about — how their industry works, current trends in their industry, major concerns for their industry, emerging profit centers in their business, who their customers are likely to be, who their competition is — the more time they'll be willing to spend with you...and the more likely they'll be to openly share information about their concerns and problems.

To gain this critical knowledge, you can't get away with walking into an account, completely ignorant of his or her business, and saying, "Tell me all about the _________ business." Why? Because...

- Most prospects have neither the time nor the inclination to teach outsiders about their business; and
- They will not see you as a true professional who deserves their time and ultimately their trust.

Breaking the Ice

Better to say something like, "Tell me, Ms. Prospect, how did you get started in the ______ business?"

It's a good question because it's non-threatening, and it helps prospects start to feel comfortable about talking with you about themselves, about their business and, ultimately, about their business problems.

The More They Talk, the More You Learn

Once you've broken the ice successfully, you want to keep the client talking. The more they talk, the more comfortable with the interview they become and the more critical information you're likely to uncover. Your questions need to gradually move from least threatening to most intrusive.

"With this in mind, what do you think is the greatest misconception people have about buying a ________ ?"

After the prospect tells you what people should understand about buying the product, you continue, "What would you say are the most important things someone should know before buying a _______?" Followed by, "What are some advantages of purchasing a new ________ RIGHT NOW?" And finally, "What are the unique benefits of buying that new _________ FROM YOU?"

With just a few short questions, you now have a pretty good idea of the prospect's overall perspective on his situation — his unique perception of his product(s), his customers, and his competitive positioning.

Keep in the mind that the longer we keep the prospect talking, the better the opportunity to build the relationship, enhance our credibility, and uncover the real, most pressing problems the prospect is facing. And the only way to keep the prospect talking is to ask more questions.

Five Tips for a Successful Needs Analysis

1. Resist selling! Remember: The goal is to gain information that will help you make the big sale!
2. Memorize as many of the questions as possible, and be sure to ask them in the proper order. Also, it's acceptable to write down important questions to refresh your memory during the interview.
3. Be sure to customize or tailor the questions with client industry research.
4. Take copious notes during the interview so you can remember to include key findings in your subsequent presentation — and to show the prospect you're really listening and that you regard what they're saying as very important.
5. Don't hesitate to be enthusiastic about the prospect, his/her business, and your ability to help him or her solve key marketing problems.

Needs analysis is the foundation on which the entire relationship with the client will be based.

The needs analysis questionnaire that follows is one of RAB's most frequently copied publications. Use it as a guide for client interviews or to understand how your account executives move prospects to become clients.

Advertiser Needs Analysis

Background:

How did you get started in this business?

Opening Question:

If someone is in the market to buy ____________ today, why won't they buy from you?

Explanatory Questions

What is the greatest misconception people have about buying __________________?

What are the most important things people should know about buying __________________?

What are the benefits of buying ______________ from you?

Nuts and Bolts

What are your hours? ____

a. Peak hours? ____

b. Best day(s)? _____________, _____________, _____________, _____________, _____________

Sales and Special Events:

a. Dates and names of all major sales events?

____ ____

____ ____

____ ____

b. Two strongest sales events and why they are the most successful?

____ ____

Financing:

a. Bank cards accepted? ☐ Yes ☐ No

b. Revolving plan? ☐ Yes ☐ No

c. 90 days same as cash? ☐ Yes ☐ No

MARKET POSITION

Business advantages:

a. Why do customers come to you?

b. What do you offer that competitors can't or won't?

c. What makes your business unique? (positioning)

Major competitors:

a. Who are your competitors?

b. Why do customers go there?

c. What is their largest competitive advantage?

What is your single greatest competitive advantage?

What is your single greatest competitive disadvantage?

Overall image:

a. Currently: (low price, large inventory, service, none, etc.)?

b. Desired: (low price, large inventory, service, etc.)?

c. What is the biggest misconception consumers may have of your business?

What is the biggest marketing problem you face today?

CUSTOMER PROFILE

Customer Demographics:

a. Gender	Currently:	Male _____%	Female_____%				
	Desired:	Male _____%	Female_____%				
b. Age	Currently:	☐ 18-24	☐ 25-34	☐ 35-44	☐ 45-54	☐ 55-64	☐ 65+
	Desired:	☐ 18-24	☐ 25-34	☐ 35-44	☐ 45-54	☐ 55-64	☐ 65+

Customer Income:

Currently: ☐ Under $20K ☐ $20-40K ☐ $40-60K ☐ $60-75K ☐ +$75K

Desired: ☐ Under $20K ☐ $20-40K ☐ $40-60K ☐ $60-75K ☐ +$75K

Marketing Area:

a. Currently: (Regional, local, neighborhood)

b. Desired: (Regional, local, neighborhood)

MEDIA PERCEPTIONS

Rank by order of importance to your business (1=most important; 7=least important:)

a. Outdoor ___
b. TV ___
c. Radio ___
d. Newspaper ___
e. Direct Mail ___
f. Magazines/Trade Publications ___
g. Telemarketing ___
h. Other ___ Describe:

Tell me about the medium you ranked #1?

a. What do you like best about that medium?

b. What do you like least about that medium?

c. If you could, how would you change or improve that medium?

Tell me about the medium you ranked #2?

a. What do you like best about that medium?

b. What do you like least about that medium?

c. If you could, how would you change or improve that medium?

By percentage, how do you allocate your advertising dollars:

a. Outdoor ___
b. TV ___
c. Radio ___
d. Newspaper ___
e. Direct Mail ___
f. Magazines/Trade Publications ___
g. Telemarketing ___
h. Other ___ Describe:

How often do you advertise in the following media?:

a. Outdoor ______
b. TV _______
c. Radio ______
d. Newspaper ______
e. Direct Mail ______
f. Magazines/Trade Publications ______
g. Telemarketing _______
h. Other ______ Describe

Approximately how much is your annual advertising budget: $____________

FUNDING OPPORTUNITIES

Co-op Funds / Special Vendor Support:

a. The major sources of advertising support I've uncovered are...
b. What are other possible sources of cooperative advertising funds?
c. Are you taking advantage of discretionary vendor support?

CREATIVE PREFERENCES

What style of Radio commercial would best depict your business?

a. Comedy
b. Straight read
c. Highly creative
d. Sound effects
e. Slice-of-life
f. Other

OTHER QUESTIONS

Do you have an agency?

Others involved in planning and implementing advertising program:

Could we both benefit from my asking these questions of others?

SUGGESTED INTERVIEW CLOSE

"Thank you for the opportunity to meet with you today to learn more about you and your business. Over the next few days I'll be comparing the information you've shared with sales and marketing data our research department is collecting on your industry. As we conduct this custom research, should I be looking for information on any other areas of specific interest to you?

"Let's get together on (day-date-time) to review our findings and explore your marketing options."

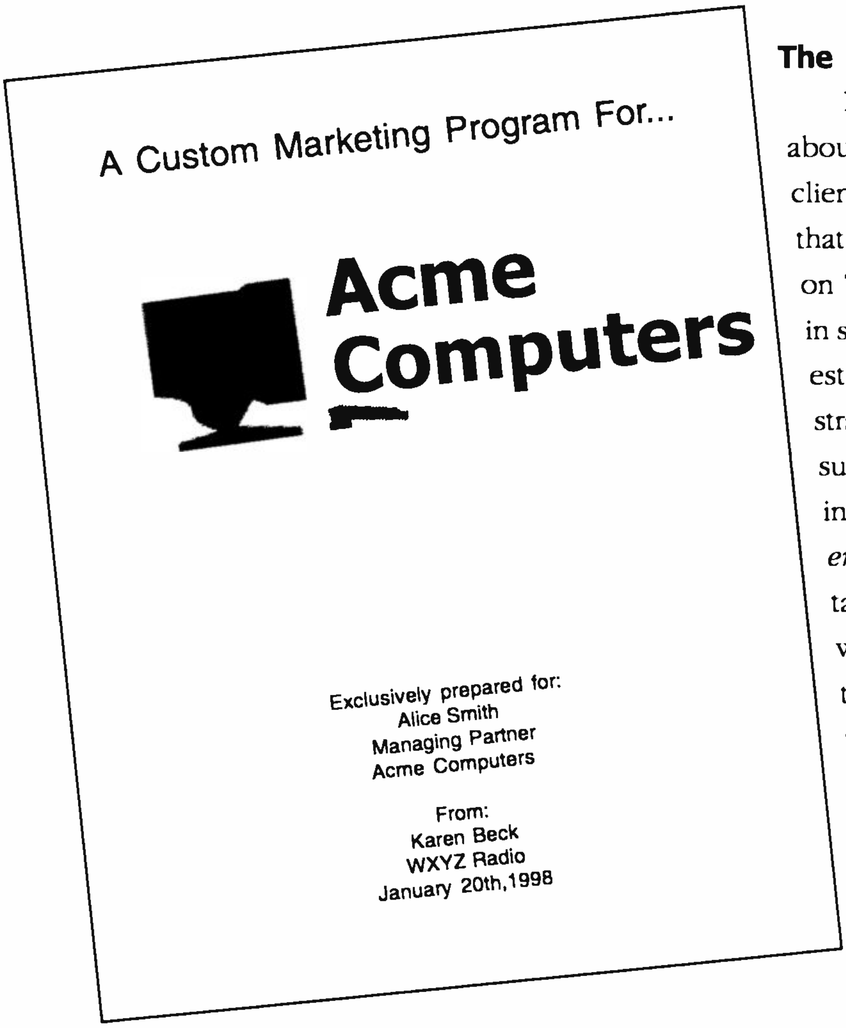
Module

9

Making the Sale

Preparing Written Presentations

Good Radio sales pros know a proposal is more than the station's media kit and a ranker. In fact, written presentations are one of the most important steps in the sales process. CRMCs must know how to create client-focused, research-based, problem-solving proposals.


A Custom Marketing Program For...

Acme Computers

Exclusively prepared for:
Alice Smith
Managing Partner
Acme Computers

From:
Karen Beck
WXYZ Radio
January 20th,1998

The Cover Page

Notice anything special about our proposal cover? The client's logo — the very logo that they use in the newspaper, on TV, on their stationery and in sales literature — is the largest item on the page, demonstrating right up front that the subject of the proposal is going to be the *client*. The *client* will be the most important entity in the pages that will follow. Note that station info, including call letters, logo, account executive, etc., is in relatively small type at the bottom of the page.

Advertising Objectives

What specific outcomes will be accomplished by this marketing program? What problems is your client trying to solve through this marketing effort? The information found in the first section of your proposal, "Advertising Objectives," comes from the need analysis and focuses on up to three objectives the prospect believes their marketing efforts should address. **These points will be the foundation for the entire proposal, so make sure they accurately reflect the discussion you had with your client during the needs analysis.**

Acme Computer Advertising Objectives

You have told us that your primary advertising objectives are:

- Increase sales for personal computers
- Educate customers about the benefits of owning a home PC
- Jump-start your annual Spring Clearance Sale

On the following pages, we will review your competitive situation, explore important industry and consumer research, and examine a HOT 98 radio marketing program that will accomplish your specific advertising objectives.

Hint: As you're writing advertising objectives, try using active verbs. Words like *increase, educate, improve, create, enhance* or *overcome* will help communicate the idea that your marketing campaign is designed to generate results through specific actions.

9

Competitive Advantages/ Disadvantages

In conducting your needs analysis, your client will also identify the inherent strengths and weaknesses in his/her business. On the next two pages, you will list these competitive advantages and disadvantages. Among other things, this keeps your proposal focused on the client and helps to recap information gathered in the needs analysis interview.

As with everything in your proposal, be sure to get point by point agreement as you present this information. This assures that you and your client are on the same track.

Acme Computer Competitive Advantages

A key element of our overall marketing strategy for Acme Computer is to help you maximize your distinct competitive advantages:

1. Low price image
2. Large selection of merchandise
3. Convenient location

Your advertising program must allow you to move ahead of your competition by maximizing your unique competitive advantages.

Acme Computer Competitive Disadvantages

A key element of our overall marketing strategy for Acme Computer is to help you minimize your distinct competitive disadvantages:

1. Limited instock inventory
2. Hard to find qualified sales associates
3. Low top-of-mind awareness

Your advertising program must allow you to move ahead of your competition by minimizing your unique competitive disadvantages.

Industry and Consumer Research

Here, we suggest you introduce research data and start to position yourself as a valued marketing consultant instead of just another media salesperson. Note that the major points in this section are tied directly to the objectives stated on your first page. As you select research, work with one objective at a time and choose only data that correlates directly to your client's goals. For an example, see the sample page below.

Some other hints:

- Use only category (product) consumer research with which the client will most likely agree.
- Call RAB at 800-232-3131 for same-day delivery of consumer data on hundreds of product/service categories including Category Files and RAB Instant Backgrounds.

Acme Computer
Industry & Consumer Research

The following research reviews the current market conditions for your business, confirms the logic of your advertising objectives, and establishes the rationale for our specific radio marketing recommendations:

1. It makes sense to increase sales for personal computers because:
   - Household penetration of personal computers in the U.S. eclipsed the 40% mark for the first time in 1997. Computer Intelligence, 1998
2. It makes sense to educate customers about the benefits of owning a home PC because:
   - The most popular applications on home PCs are: Word processing, 64%; games/entertainment, 44%; home finance, 29%; e-mail, 28%; education/reference, 28%; spreadsheets, 25%; accounting/finance, 24%; on-line services, 23%; faxing, 23% and database, 21%. Research Alert, 1998
3. It makes sense to jump-start your annual Spring Clearance Sale because:
   - Factors consumers consider important in deciding where to shop for computers and supplies for home offices are: Store reputation, 28%; customer service/support, 22%; sales staff keeps in touch, 11% and convenient location, 10%. Fuji/Home Furn. Network, 1997

- When sourcing your research data, don't use RAB. Instead, refer to the trade or other resource from which the data was originally taken. This will have significantly more credibility with your client.
- Avoid introducing any *media* research (ratings, format information, etc.) in this section. For the time being, focus on your client. Save station-related research for later.
- Again, as you deliver your proposal, solicit agreement on a point-by-point basis and *do not* continue until you have reached consensus on each major point.

Competitive Media

What other forms of media is your client using?

Select research from the *RAB Media Facts* book, both advantages and disadvantages to show your objectivity, for each media type you learned are part of the client's media plans. In addition, you need to detail the **benefits** of how Radio works together with each competitive medium.

Include Newspaper, Broadcast TV, Cable TV, Yellow Pages, Outdoor, Direct Mail, Internet, Shoppers/Pennysavers, Magazines, and Place-Based/Point-of-Purchase media facts.

Acme Computer
Media Analysis for Advertising Objectives

The following research reviews the current situation with which you are faced in regards to using other media for advertising. It indicates the strengths and weaknesses of each medium and their power and potential when combined with Radio.

• The Pros of Newspaper:

1. ***History:*** One of the oldest, most highly regarded media in the U.S. Among its loyal readers, it enjoys a high degree of familiarity, acceptance, credibility, and respect.
2. ***Visuals:*** The newspaper's combination of text and graphics creates visual appeal that reinforces the messages of its advertising.
3. ***Mass Audience:*** Newspapers reach a relatively large mass audience throughout the market with a single exposure.

• The Cons of Newspaper:

1. ***Decreasing Population:*** In most markets circulation is less than 50% of all households (please ask to see the RAB Newspaper Performance Report based on Audit Bureau of Circulations data for your local market).
2. ***Readers Don't See Ads:*** On average, only 42% of newspaper readers will recall noting a full-page ad (for specific ad noting factors, refer to the RAB newspaper Performance Report for your market).
3. ***Can't Target:*** It's difficult to accommodate selective approaches that improve your cost efficiency and enhance frequency against clearly defined, high-potential customer segments.

• It makes sense to pair newspaper with Radio because:

1. Adults 18+ spend 3 hours and 24 minutes per day listening to Radio — considerably longer than they spend with newspaper.
2. Using Radio with newspaper increases the reach of your advertisement and ensures greater coverage among light readers and younger consumers.
3. Radio reaches 63% of shoppers age 25-54 within one hour of purchase time — providing the greatest "purchase proximity" of all major media. Combining Radio with newspaper allows you to influence your customers closer to the point of purchase.

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Why Radio

Before a prospect will even consider your station, he or she must understand the unique way Radio can solve their marketing problems and be convinced that Radio can meet their specific sales objectives.

The "WHY RADIO" section is built on the objectives we defined at the beginning of the proposal. Also in this section, you will rely on benefit statements to help the client see how Radio can answer their toughest marketing challenges. Benefit statements are different from feature statements. They are client-focused and help position your proposal as a solution to problems or objectives defined by your client. For example, "*With Radio, you'll stand out from the competition because...*" as opposed to a relatively weak feature statement, *Radio reaches more than 95% of adults every week.*"

If you need additional "WHY RADIO" data, consult your *Radio Marketing Guide and Fact Book for Advertisers* or call the Radio Advertising Bureau at 1-800-232-3131.

Why Radio is the Right Choice for Acme Computer

The following research clearly shows that Radio is the best medium to help you achieve each of your advertising objectives:

1. • You'll Increase sales for personal computers when you advertise on radio because:
   - Radio reaches 96.9% of all adults age 25-54 every week. Fall Arbitron, 1997; PUR Estimates.
   - Each week radio reaches 97.7% of all adults (18+) who hold professional or managerial positions. Radar 53, Spring 1998; 24 hour; Mon-Sun.
   - Adults (18+) who have an annual household income of $50,000 or more listen to radio 2 hours and 51 minutes each day. Radar 53, Spring 1998; 24 hour; Mon-Sun.
   - Adults (18+) who graduated from college listen to radio 2 hours and 42 minutes each day. Radar 53, Spring 1998; 24 hour; Mon-Sun.
2. You'll Educate customers about the benefits of owning a home PC when you advertise on radio because:
   - Radio reaches 86.1% of the 70.8% of adults who don't watch the Late Evening Local News. Media Audit, 1997.
   - Adults age 25-54 spend 23 hours and 30 minutes with radio every week. Fall Arbitron, 1997; Time Spent Listening.
   - Radio reaches 85.6% of the 34.2% of adults who don't watch Prime Time TV. Media Audit, 1997.
3. You'll Jump-start your annual Spring Clearance Sale when you advertise on radio because:
   - Radio reaches 90.8% of the 69.2% who don't usually read the Sports Section. Media Audit, 1997.
   - Radio reaches 91.4% of the 71.1% who don't usually read the Business Section. Media Audit, 1997.

Why Your Station

Next, the page for which you've been patiently waiting... the page that tells why the prospect should be using *your station!* The format is the same one we've used for each preceding page and it should parallel the "benefit" approach used on the "WHY RADIO" page.

IMPORTANT: Limit your data to facts that relate directly to the advertising objectives covered in the previous section and don't forget to look beyond station ratings. There may be a number of important benefits to advertising on your station, including creative, follow-up, targetability, specific programming and more.

Why HOT 98 is the best choice for Acme Computers

The following facts clearly demonstrate that WRAB Radio is the best choice to help you accomplish your advertising objectives

1. You'll Increase sales for personal computers when you advertise on HOT 98 because:
   - We target your best customers and prospects.
   - We reach a large and loyal audience.
   - We guarantee a positive ROI.

2. You'll Educate customers about the benefits of owning a home PC when you advertise on HOT 98 because:
   - Your messages will be connected with the best news coverage in the market.
   - Your messages will be connected with the most frequent and accurate traffic reports in the market.

3. You'll Jump-start your annual Spring Clearance Sale when you advertise on HOT 98 because:
   - Our award winning creative staff will help you prepare attention grabbing, results oriented copy.
   - We offer a wide variety of promotional opportunities to help you achieve your sales and marketing objectives.

Marketing Plan/Creative Strategy

The marketing plan ties all of the elements of your proposal together. On this page you will summarize objectives, your demographic target and your client's competitive advantages/dis-advantages.

The other area you'll cover on this page deals with creative. Remember, the client is buying more than a schedule — more than air time. The client is buying a solution to his/her problem and a major part of the solution is the commercial message. Use this page to explain exactly how your creative approach will solve one or more of the very same objectives that have served as the foundation for the entire proposal. And don't forget to play at least one good demonstration commercial (spec spot).

> **The HOT 98 Marketing Plan for Acme Computer**
>
> This comprehensive program was designed exclusively for Acme Computer by the Radio marketing professionals at HOT 98 to ensure that you:
>
> - Increase sales for personal computers
> - Educate customers about the benefits of owning a home PC
> - Jump-start your annual Spring Clearance Sale
>
> The advertising copy will communicate these points:
>
> - There's never been a better time to own a home PC
> - There's never been a better place to buy your home PC than at Acme Computer
> - You can save big bucks when you buy during our Spring Clearance Sale
>
> The program will maximize these competitive advantages:
>
> - Low price image
> - Large selection of merchandise
> - Convenient location
>
> The program will minimize these competitive disadvantages:
>
> - You have only one location
> - The computer super-stores dominate the market
> - You don't have any name recognition, especially in the home PC market

As with other sections of this proposal, point-by-point agreement is very important. This is your chance to make sure the material you presented is focused on the right issues. Stop at each key point and make sure your client agrees on the strategy.

Schedule and Investment

You've covered the details, handled any objections, and have agreement on each point of each page of the proposal. Now, closing should be a relatively easy and logical end to a great presentation.

In creating this page, make sure you design a schedule you feel confident will work for your client. Your schedule should reflect any logic presented in your proposal and be aggressive enough to fulfill the objectives of the campaign.

The HOT 98
Radio Marketing Schedule for
Acme Computers

Flight Dates: 5/11/98-5/30/98
Flight Description: Spring Clearance Sales

Daypart	# of Ads	Length	Rate	Total
6-10A	30	:60	$200	$6000
10A3P	18	:60	$100	$4500
3-7P	12	:60	#150	$4200
7P-Mid	12	:60	$50	$1500
4-6A	12	:60	$140	$2100
6A-Mid	30	:60	$75	$2250
				$20,550

Final Thoughts

The proposal featured in this section was created using RAB's PROposal Wizard, an Internet-based proposal writing system. For more information and an overview of this unique, innovative system, see Module #15 of your CRMC-PA study materials. You'll also find a sign-up form at the back of your CRMC-PA materials. Use this certificate to receive a free 60-day trial. Simply fill out the necessary information and fax it to RAB using the number indicated at the bottom of the certificate.

The Critical Difference Between Features and Benefits

Understanding the difference between features and benefits is not only important to radio sales people, it can be a tremendous asset to anyone who needs to have the ability to convince someone to do something. It's natural (and healthy) for all us to care about ourselves. When asked to do something, we want to know what's in it for us! It is for this very reason that client don't buy **features**, they buy expected **benefits**. After learning the concepts we present in this program, you'll have a sure-fire method to help you avoid the feature statement trap and always talk in terms of client-focused benefits.

Why Clients Buy

First, remember that the only reason anybody buys anything is because they believe the product or service will meet their needs, satisfy their wants, or solve their problems. Perhaps they believe that buying whatever is being sold will make life easier, make them look good, or make them money. The point is that they buy because they believe the product or service will bring them a very specific benefit!

Here at the RAB, we define *selling* as taking our "stuff" — our spots, our packages, our promotions, and even our ideas — to the clients and trying to convince them to buy. And we often do so without a clear understanding of what problems he wants or needs to solve. We sometimes call this approach "peddling" or "schlepping."

Marketing, on the other hand, starts with our having at least basic knowledge of how the client's industry operates. It involves asking enough relevant questions to uncover important wants and needs. And it progresses to positioning our products or services as a logical solution to the client's specific problems. In our business the *selling* approach is basically station or media focused while *marketing* is client focused. Let's say it another way: *Selling* is based on communicating **features**, while *marketing* is based on communicating **benefits.**

Changing a bad habit is very difficult to do! That's why they call it a habit...because it's something we do automatically, without thinking. It's usually easier to understand the concepts and principles involved in a selling skill if we start by taking it out of the context of Radio sales. It is often better to look at the approach outside our own paradigms. The axiom is true: Sometimes we just can't see the forest for the trees.

Features

So let's start with a non-Radio example. Pretend that I'm standing in front of you and that I have in my hand a baseball cap. *I'd like you to buy this cap. And you really should because it really is a great cap. Just look at it! It has a large, nice oversized bill. It has a handy size adjustment band in the back. And it has a cool ultra-light mesh top. This is, without a doubt, the best cap I've ever had the opportunity to sell. So how many do you want?*

I've just described the hat in terms of its **features**. When I speak in terms of features (*my* hat has this, *my* hat does that) I am describing the hat from my point of view. I've told you what *I* think is important about the cap. I've tried to *sell* you. The focus of the communication is on the product and the seller.

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Of course we all know what a baseball cap is, but suppose for just a minute that you had never seen a baseball cap before my presentation. Suppose the only cap you'd ever seen was a stocking cap. Would the baseball cap look a little strange to you? Would the benefits that might be associated with owning a baseball cap instead of a stocking cap be readily apparent? And even if you were a little interested, could that interest be overshadowed by any confusion or concerns you might have about the ball cap? Can you see the parallel between this scenario and how a heavy newspaper advertiser in your market might look at advertising on Radio and on your station?

Translation

So, if you will, let me try again: *As you can see, this cap has a nice oversized bill, which means to you that your eyes will be protected from the glaring sun. The cap has a handy quick-snap size adjustment band, which means to you that the cap is sure to fit you comfortably. And this quality cap has an ultra-light mesh top, which means to you that your head will stay cool even on the hottest summer days.*

What do you think? Does that sound a little better? Remember, you've never seen a baseball cap before or, at best, you thought a stocking cap was the only kind of head covering available. What I've done is TRANSLATE ball cap *product features* into *owner benefits* with the transition statement, "which means to you."

With this simple phrase, we've progressed from presenting just the **features** (the cap's characteristics from the *seller's* point of view) to translating those features into **benefits** (its characteristics from the *buyer's* point of view).

Remember: The only reason anybody ever buys anything is because they believe the product or service will bring them a very specific benefit. The benefits I think you'll enjoy as a baseball cap owner are now on the table, and, as a result, I should have a much better chance of convincing you to buy.

Lead With the Benefit

But let's not stop here. Let's take the process one step further. Instead of starting with the feature and then using the benefits transition statement, let's change the order. Let's START with the benefit and then use the feature to document, prove, and support the benefit.

When you own this cap, Ms. Prospect, your eyes will be protected from the glaring sun [there's the benefit] *because the cap has a nice, oversized bill* [that's the feature that delivers or proves the benefit]. *Your cap is sure to fit you comfortably* [benefit] *because the quick-snap band will allow you to adjust the cap for a perfect fit* [feature as proof]. *Your head will stay cool even on the hottest summer days because the cap features an ultra-light mesh top that lets cool air in.*

It should be clear that this approach is better. Now we're actually communicating benefits instead of talking features. Now we're clearly and concisely presenting those key benefits right up front. And most importantly, we've moved the focus away from the product and seller, and placed it squarely on the buyer – exactly where it belongs!

Let's review. **Features** are products or service characteristics described from the SELLER'S point of view; **benefits** are those same characteristics described from the BUYER'S point of view. Up to this point we've gone from selling features to translating those features into benefits to changing the order — leading with the benefit and supporting with the feature. This would be great if you and I were in the business of selling caps! But what about selling Radio?

Now make a list of the top ten, most important, you-gotta-buy-us-because, features of your station. Examples might be features like a great signal, strong ratings, traffic reports, Limbaugh or Stern or Dr. Laura, exclusive format ... you get the idea. Please list at least ten, and for the purpose of this exercise, word them as feature statements. This will be one of the most worthwhile exercises you can undertake. When we're all done, you'll change these feature statements into an absolutely dynamite list of benefit statements for your station that you can use for months and perhaps even years to come.

Once your list is complete, it's time to add that transition statement *which means to you*, and write a benefit for each of your feature statements. You should end up with something like: *Our station has a powerful 100,000 watt signal, which means to you that you'll have the opportunity to reach and influence more potential customers from an expanded marketing area.*

You'll note that this step is a bit more difficult than listing your feature statements. You may find that some of your statements seem a little long or not particularly well focused. You probably just need to work a little more on those. Be sure to choose your words carefully and try to get to the point as quickly as possible. It may take you several rewrites to prepare a really good benefit for each of the features on your list. Which brings me to a very important point.

You may end up with a station feature for which you just can't come up with a good benefit. It could be that it just needs a little more work, or it may be that this feature, while seemingly important from our point of view, may not be a really strong benefit from the buyer's perspective. If any of the features you've chosen can't be translated into powerful, compelling customer benefits, drop them and come up with something better and more persuasive.

We now approach the final step in this important exercise. Back to your list. This time you'll need to re-write the statements so that you are *leading* with the benefit and *supporting* with the feature. A typical statement should read like this: *You'll have the opportunity to reach and motivate more potential customers from an expanded marketing area when you advertise on KRAB, because our station has a powerful 100,000 watt signal.*

The Next Step

You are now ready to take the system to its final and most critical stage. If what you just learned is a master's degree in building great benefit statements, then we are now working toward your doctorate.

Let's go back to the ball cap for just a moment. I think you'd agree that my ball cap benefit statements were vastly superior to my initial feature statements. But consider this. As good as those benefit statements might be, I'm still *assuming* a lot, aren't I? I'm assuming that keeping the sun out of your eyes is important to you. I'm assuming that you are concerned about how the cap will fit, and how cool the cap will be on hot summer days. But suppose none of this is true. What if only one of the three suppositions is correct? Remember that the only reason anybody buys anything this to meet a need, satisfy a want, or solve a problem. No want, need or problem – no sale!

And since I really want to sell you that cap, suppose I go back to the very beginning of the sale and start not by presenting features or benefits, but by asking you a few key questions. *Do you spend a lot of time outdoors? Do you wear sunglasses? Do you wear a cap now? What kind is it? What size is it? What do you like best about it? What do you like least?* Remember that you had never seen a baseball cap before, and the only hat you had ever worn was a stocking cap. *That's a lovely stocking cap, but I'm wondering if it gets a little warm on hot summer days?*

I've just completed a CUSTOMER NEEDS ANALYSIS (like the one you learned about in Module 6). If I'm good at it, I will have discovered what's important to you in making a cap selection. I now understand your buying situation and I'm ready to meet as many of those needs and wants as possible by POSITIONING my cap as a logical solution to your headgear requirements.

Now my first statement would be like this: *You told me that you spend a lot of time outdoors and you stopped buying sunglasses because you keep losing them...is that right? Well, when you own one of my caps, you won't need sunglasses and your eyes will be well protected from the glaring sun because this cap has a nice, oversized bill.*

My second benefit statement continues: *You told me that your hat size is a large 8 1/4.* (There's the problem.) *I can certainly understand your concern. Your new WXYZ cap is sure to fit you comfortably* (that's the benefit) *because the quick-snap band allows you to easily adjust the cap for a perfect fit* (the feature as proof).

Here's the third benefit statement: *You told me that you often get too warm wearing your stocking cap. You'll stay cool yet protected from the sun when you own one of my caps because the light mesh top allows cooling air to easily circulate through the cap.*

Avoid the Feature Trap

Here's a quick tip to keep you away from the feature trap: If your statements start with the words "we" or "us" or "our," you're probably presenting **features**. If your statement starts with "you" or "your," you are most likely communicating **benefits**.

There is one final step you can take to make sure your list of station benefits is right on target. Make a list of the most common objections you receive from prospects that are reluctant to buy advertising on your station and from current accounts that are not spending as much with you as you would like. Once you have this list, make sure you have one or more benefit statements that address those objections.

Handling Objections

"Just tell the client what we do and the Radio station will sell itself!"

If you're in the programming department you may have said those words.

If you didn't say them aloud, you probably thought them to yourself: "This is a great station I've put together, why should it be difficult to sell?" That's why this CRMC course is important to you.

In an ideal world, good programming would bring in advertising with no selling, no rate negotiation, and no value-added promotions. Unfortunately, that's not the real world. Clients and prospects seem to find new ways to challenge the salesperson. Those challenges are called "objections."

The seller hears something like, "Your rates are too high!" or "I tried Radio and it didn't work," or "I don't have the budget." Good sellers use objections as a springboard for further conversation and clarification about the product they're selling. They get used to hearing the prospect say "No" and work on turning each "No" into a "Yes."

It's important that you're sensitive to the responses that people in your sales department will hear in the course of selling the product you create.

Think for a minute about the last time you were the buyer for a major purchase — like a car. Can you honestly say you didn't feel a little bit of nervousness in the transaction...some uncertainty that maybe the seller wasn't being entirely straight with you, the buyer? The point is — there's tension and anxiety on each side of the buying-and-selling process. Understanding that, and knowing how to move from conflicting anxieties into a zone of mutual comfort and confidence — that's the start to successful resolution of client objections.

What the Client Says

Price, you'll discover, is the easiest objection for a prospect to articulate. But when a prospect or client says "Your price is too high," there may be something left unsaid. There's often a deeper reason for not wanting to buy. It's the seller's job to probe for the true reason and to answer it with the benefit inherent in the schedule. That's the way the salesperson neutralizes the objection and wins the business.

Objections are simply an expression of the prospect's concern about advertising. On the surface, the objection seems to be a reason *not* to buy what you're selling. Sellers learn early in their careers not to take an objection as *rejection*. Your job, too, is to understand that objections happen all the time. When they do, the prospect or client is not attacking your Radio station or the effort you've put into programming. Often it's a call for help or assurance.

Salespeople on your staff know the rule: "You don't lose to objections, you win by handling objections." The objections they encounter are likely to fit into one of three categories:

1. An unspoken request for more information or clarification
2. A defense mechanism on the part of the prospect
3. A stalling technique

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The good news: Objections *can* be resolved to the benefit of both prospect and seller. Any active salesperson discovers most of the built-in objections within the first month they're on the job. A built-in objection is one that the prospect uses nearly every time. After a few months in the business, sales people will say, "I always get hit with that objection." That's good. It means they know what's coming and how to answer the objection.

When the Customer Says "No"

Some years ago, Shane Media Services published an article titled "Selling Begins When the Customer Says NO." They didn't invent the phrase; they adapted it from selling literature that had been used for years. The phrase is essential to maintaining a positive attitude while selling. It's a given: Sellers *will* encounter objections.

Objections must be dealt with before a sale can move forward. Addressing each objection specifically and completely gives momentum to the selling process. Consider the following guidelines that are part of any seller's training:

Learn To Listen

The most important weapon you have in overcoming objections is your ears, not your mouth. If you pride yourself on a few snappy comebacks you use when clients raise objections, you may miss the real objections entirely. Learn to listen and ask probing follow-up questions to uncover the real objections, and you'll be more successful in addressing them to your clients' satisfaction. Admittedly, some clients will raise objections just to "jerk you around" or maybe just to make you work for the order. More often, though, the underlying reasons for objections are solid, at least in the client's perception: Value, affordability, timing, real or perceived business pressures, lack of rapport with the salesperson, lack of confidence in the station. Each of these can inhibit a client's willingness to "buy into" what you're proposing.

As you build your presentation, use the information you've gathered about your client to anticipate these objections, and you'll avoid being blind-sided. Here's an example: If your client's sole advertising strategy has been full-page newspaper every week for years, it's logical to expect an objection to a proposal changing that strategy to all-Radio or even mostly Radio. If your client — like many heavy newspaper advertisers — believes print works reliably, but isn't so sure about Radio's ability to get results, make sure your proposal includes not only compelling benefit statements, but also relevant, documented success stories and case histories illustrating how well Radio has performed for clients in the same or similar industries in the same or similar markets. (If you have documented, station-specific success stories available, that's great. If you don't, call RAB Member Service for copies of success stories from comparable industries or markets.)

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Understand the Objection

If your client does raise an objection, make sure you understand the real objection before firing off a response. Even as the client's objection raises the tension level between the two parties, your use of probing, open-ended questions can reduce the tension and get the closing process back on track. Here's an example — a client says, "This costs too much." If you unleash a response after hearing only those four words, can you be confident you've addressed the real issue? Is the issue your rates? The total cost of the schedule? More than the client can spend this month? More than the client can spend without getting approval from higher management? More than the client could spend and still maintain a presence in newspaper? The point is — given just the phrase, "This costs too much," you can't be sure you automatically know what the real objection is. Take the time to listen, and you'll be more successful in resolving the real objection. After you hear the objection, let the client know you're listening, and use open-ended questions to get the client talking. You'll develop your own favorite phrase, but here's one response that's always worked well for RAB's Mike Mahone: "I can certainly understand how you might feel that way." What this says is, "Okay, I'm listening. Let's try to work this out." What it *doesn't* say is, "You're right. This does cost too much."

Then What?

Once you discover the real objection, you'll be able to develop a variety of alternatives aimed at satisfying the client's reservations and bring the process to a mutually satisfactory conclusion. In the process of doing this, it's important to: (1) Refer to the fundamental advertising objectives uncovered in the needs analysis; (2) reinforce the benefit statements developed to address those objectives, and the features which generate those benefits; and (3) provide proof to further reassure the client that the attainment of these objectives is both logical and predictable.

Handling objections is a necessary part of the selling process, but it need not be fraught with anxiety or contention. Given the right information, the right preparation, and the right attitude, you may even come to value objections as buying signals — indications that the client is interested in your proposal, with only a few reservations or uncertainties to be resolved before agreement.

Closing the Sale

Over the years, CLOSING THE SALE has been the most talked about, the most written about, the most cussed and discussed of all selling topics.

You've probably heard the conversations many times: "He didn't make it in sales because he just couldn't close;" or "Her accounts love her, but she just doesn't close enough business;" or "I don't need consultants, I need closers."

Is it any wonder that many new salespeople have a high degree of anxiety about closing? And make no mistake about it — closing the sale is a very important part of what we do. The axiom is that "nothing happens unless somebody sells something," and the fact is that nothing gets sold unless somebody closes the sale.

That's probably why sales people from virtually every industry have spent billions of dollars on books, tapes, newsletters and seminars that focus on closing.

Those of us who have been around for awhile have seen or heard most of them: 101 Ways To Close; the Power Close; the Sharp Angle Close; the Ben Franklin Close; the Alternate Choice Close; the Action Close; the Paper-Work Close...and the list goes on.

There was a day when the best salespeople were those who knew how to close, and in many cases that's about all they knew. Ken Greenwood tells us of the encyclopedia salesman who used to get the husband and wife together on the living room sofa, and then slowly build a wall of books around them. The idea was to keep them inside the fortress until they said yes.

We've heard stories about the insurance salesperson who at the moment of decision, reaches into his pocket and slams a model coffin on the table while intimidating the prospect with the question: "What is your family going to do when you are gone?"

And who doesn't hate it when the car salesperson says something trite and canned like: "If I can get the price down another $300, would you buy today?"

The "Canned" Close

The problem with closing in the traditional sense of the word is that it is one-sided. It's manipulative. It is often perceived by prospects and clients as a way to trick them into saying yes or to mislead them into making the wrong decision. Canned closing techniques may have worked when the Music Man was selling band instruments. One shot, one sale, and then high-tailing it on the midnight train to the next town. The technique might also work from time to time on an unsophisticated and unsuspecting car buyer, but this mode of getting the sale has no place in modern-day marketing.

Canned closes are easy to memorize and to recite. That's why they're part of sales programs for insurance and other fields that train newcomers to read a script, whether they understand what they're saying or not.

The clumsier the seller using a script, the more likely a closing question will be blurted out at the wrong time during the sales process.

What's the right time? When all the questions have been answered and when all the objections have been discussed and resolved. In other words, when the prospect is ready to advance the sale. For example, when the prospect is ready to talk price, you've entered the closing phase.

Sales trainers will tell you that "closing is everything," but like a fine wine, closing is better in its own time. A salesperson who beats a customer to verbal submission is not going to get much repeat business. That's old-style selling. Yet it's still true that "If you can't close, you can't sell."

Closing is the payoff for all the work the salesperson has done: the prospecting, qualifying, needs analysis, presentation, and answering objections. Until closing all your work is done for free. You consult the client on advertising, you create a commercial, and you write a proposal — all for free. It may take you hours, but there's no pay until the client says, 'yes.' Yet, closing, as Zig Ziglar says, is "no more, or no less, important than any other phase of the sales process."

From Ed Shane's *Selling Electronic Media*, here are guidelines that the best Radio salespeople follow every day to get to closing naturally:

1. **Assume You Will Close** - Go into your presentation *expecting* to make the sale. Expecting to close makes you *ready* to close, and you stay cool and confident even though your adrenaline is pumping.

2. **Summarize Needs and Wants** - What surfaced during your needs analysis and your presentation? Recap all the problems, concerns, and situations you uncovered that led you along the path to a sale.

3. **Summarize Solutions** - During your presentation, you reached agreement on specific solutions your advertising schedule will provide the prospect. Emphasize that your proposal is the best solution to the prospect's problems.

4. Help Prospects Fantasize - Encourage the prospect to visualize their commercial message on the air. Speak in present tense as if the schedule has been bought. Talk about *when* the prospect hears the commercial, not *if*. Involve the sponsor in the show-business aspect of Radio.

5. Close Early - It works especially well when the benefits are already known or are easy to explain. "There's a :30 available in the Noon Request Hour and I knew you'd want it."

6. Ask for the Order - You don't have to say the specific words, "May I have an order, please?" but it helps. You want to communicate to your prospects that you want their business. "We're ready to get this schedule on the air when you give the go-ahead" is a good signal to the client.

7. Shut Up! - Tom Hopkins adds these two important words to his information on closing. Ask a question that prompts a close. Give the prospect a chance to answer your question and commit to the buy. Then be quiet. Let the prospect say the next words.

Today, we're not interested in just grabbing a single piece of business. We want more than one schedule. We want to develop solid relationships with our clients that result in profitable, long-term business. In this context, closing isn't something that happens at the end of the sale, it's something that develops throughout the buying process.

Advancing the Sale

The fact is that the impression you make on the prospect is what ultimately closes the business. That means that closing actually starts when you call the prospect for the very first time to secure the first appointment. It is enhanced or diminished during the needs analysis interview when you show your knowledge of the client's industry and your eagerness to understand his or her specific sales and advertising objectives. It is advanced or hindered through your communication with the prospect. It is brought into focus as you present your marketing analysis and make your advertising recommendations through your written proposal and your in-person presentation. This process is known as "advancing the sale."

The fact is, if you handle yourself well throughout all the stages of the relationships with your prospects — if they see you as someone who is genuinely interested in helping them improve their business; if they see you as someone they like and respect; if they believe your recommendations make sense and your product or service is fairly priced — they will buy. In other words, if all these elements are handled properly, then closing is not a final step, but an integral part of the entire process.

And keep in mind that today's business people — your best prospects — are better educated, more sophisticated and savvy than ever before! They've heard all the trick closes and all the clever closing lines. They may have, from time to time, used a few of them themselves. They know one when they hear it and they don't like them — especially when they are on the receiving end.

Most sales experts agree that closing as a stand-alone technique is a vastly overrated skill and a very risky way to pull down business. The key to big sales — those heavier and longer schedules — is to keep the sale open, to give the salesperson enough time to completely understand what the prospect wants and needs, and develop customized solutions to the prospect's problems. Today, the best sales people know how to advance the sale — to keep the selling process open long enough to earn the client's trust and ultimate long-term commitment.

Research tells us that most major sales are not closed until the fifth or sixth call. In Radio, we very often don't get beyond the second or third call. So it makes sense that we should try to improve our performance in three areas: (1) Learn how to keep the sale open long enough to allow the prospect to make the decision to buy; (2) Learn how to create an environment that encourages the prospect to want to buy sooner; (3) Learn how to identify buying signals so you don't miss any opportunities to close; and (4) Figure out how to overcome any inherent fear you may have about finalizing the business.

In fact, at RAB, we recommend that Radio sales professionals take the word "closing" out of their business vocabulary. Instead, let's start thinking about <u>advancing the sale to the point that we can finalize a particular piece of business.</u> Let's keep the manipulative closing techniques in the selling history books where they belong. Let's work to understand the prospect's industry, his or her sales and marketing goals, his or her problems and fears...and develop advertising and marketing programs that are so on-target that he or she wants to utilize the full range of our services. With this as our mindset, we have a phenomenal opportunity to keep our clients satisfied, our managers happy, and our paychecks healthy.

Module

10

Managing the Account

Relationship Management

What's the easiest sale you can make? A follow-up sale to an existing customer who's satisfied with what your station has done in the past.

People in the product side of Radio—especially program directors, production directors, and promotions managers—have a large stake in the satisfaction levels experienced by advertisers.

The job is to turn the one-time buyer into a customer, someone who comes back again and again because buying advertising time on your station works. The salesperson can't do the job alone.

Sellers know these truisms: Keeping customers is the key to growth. Satisfying customers is the key to keeping them. Servicing them above the norm (more importantly, above their expectations) is the key to satisfying them.

You've heard people on our station's sales staff talk about "servicing accounts." Usually that means getting the paperwork done, signing contracts, and picking up copy or copy points for someone at the station to turn into a commercial. There's a difference between "servicing accounts" and "relationship building."

Building relationships goes far beyond the sale and the paperwork. The best sellers know that service is not an event; it is the process of creating an environment of information, assurance and comfort for the customer, your station's advertiser. Sellers who take a proactive approach to developing and maintaining relationships discover that follow-up sales are easier to come by.

In Radio, some member of the programming staff will be responsible for part of the follow-up to a sale. A copy writer or creative director will write the commercial. The production director will produce it. An announcer or disc jockey will read the voice track. Some stations have separate jobs for each step, others have one person who wears all those hats. The sales department relies on the programming department in this crucial stage of the process.

This is the time that teamwork and team contributions are most important. The sales staff depends on the members of the programming staff to be a continuing resource for the advertiser client.

What Makes Customers Mad

The sales staff at your station knows there are as many reasons for losing a customer as there are customers to be lost. Here are a few broad categories.

The station didn't deliver. The schedule's not what the customer ordered. The price isn't what was promised. Nothing happened on time. The schedule and the price are the responsibility of the sales representative and the sales manager. Timeliness is everyone's responsibility. How did the programming and production staff handle their part?

"Sell and walk syndrome." Customers don't want the salesperson to disappear after the sale. A good customer is buying into a personal relationship as well as into an effective advertising medium. Teamwork between sales and programming goes a long way toward making the customer feel the station is responsive.

Changes in personnel. Clients hate breaking in new salespeople, especially if they've been served well. It's worse if they've been served badly, because they expect the new seller to be no better than the first. The client's interaction with the programming and production staff will help ease the pain if there's a change.

Lack of contact. A corollary to "sell and walk syndrome." Ad agency founder Fred Poppe put it this way: "When you're out of sight, you're out of mind. And you will soon be out of pocket." Sellers who ask the production department to call the client with a commercial are not abdicating responsibility, they're making sure the client hears from the station in a timely fashion.

Ignoring details. You never know which tiny detail is crucial to the customer until it's been overlooked. Sales and programming alike should know what's been promised to the customer and when it's expected.

What can programmers or other product people in Radio do to help in relationship management?

- Be courteous and understanding during client contacts.
- Make sure that copy and production are executed with timeliness and precision.
- Provide creative input on copy and promotions.
- Help to combine promotion ideas for maximum effect.
- Keep the sales person informed of the progress of the project.

This quote from *Direct Marketing* sums up why relationship management is so important: "When companies are interested in keeping customers for a long time, it is because they intend to be in business for a long time."

Scheduling for Results

As a Radio programming professional, you're accustomed to scheduling your station's programming. Maybe you use Selector, PowerGold or other music rotation software to assure that songs play when they can reach your audience most effectively.

Hit music stations rotate their Hot Currents every 2.5 to 5 hours, depending on station strategy and audience turnover. Gold often gets a rotation based on a combination of days and dayparts, e.g., "a day and a daypart" or "two days and a daypart" to keep songs moving through the system properly.

News and talk stations also "rotate" their stories and topics for effective coverage. Whether music or talk, the goals are the same: Enough variety to keep it interesting and enough repetition to satisfy audience expectations.

As marketing consultants, an important element of the marketing strategy you create for your client is development and recommendation of an on-air schedule... determining the right combination of the right number of spots, airing at the right times, to get results for your clients.

Just as the objectives of your clients differ according to their individual and specific needs and circumstances, your scheduling recommendations will also be different depending on a variety of factors.

Therefore, before a schedule recommendation can be made, some basic agreements must be reached during the needs assessment and the resulting development of the marketing plan.

Objectives and Expectations

It's important to recognize that all schedule recommendations must take into consideration two important criteria:

1. They must be designed to achieve the client's *objectives*.
2. They must meet the client's *expectations*.

Sometimes the objectives and the expectations are and <u>should be</u> the same. Sometimes the objectives and the expectations are, <u>but should not be</u> the same, and you must manage your clients expectations. And sometimes the objectives and the expectations are and should be different.

Same Objective, Same Expectation - The objective of an auto dealer group is to sell a specific number of cars during the "Weekend Used Car Super Sale." Based on past sales figures with similar selling conditions though <u>without</u> using Radio, you and your client agree that this is realistic. You recommend a hard-hitting vertical and horizontal saturation schedule...which begins Monday, builds Tuesday and Wednesday, and moves into high gear Thursday, Friday and Saturday, and tapers off by Sunday afternoon. Your client agrees to proceed with your recommendation. Your client's objective and expectation should be that they will move those cars.

Stated Objective, but Managed Expectation - In the example above, your client decides to advertise with your station, but not to make the dollar investment for this heavy schedule. You need to manage their expectations, that they may not reach their goal with a lesser schedule. Though their objective is to sell a specific number of cars, their "managed expectation" with their smaller schedule is lowered...and they are "OK" with that realization.

One Objective, Different Expectation - Staying in the Automotive category, your Auto Body Repair client's objective may be to build top-of-mind or brand awareness, so that their target customers will think of them first when they have an auto accident. Their expectation is that this brand awareness will increase sales by "X"% over a long-term, clearly defined period, such as a quarter, or a year. Though the eventual goal is the same...increased sales...the Objective and Expectation are different, yet very closely linked.

Having reviewed those two important elements of your responsibility as a Sales Consultant, let's now consider some of the scheduling options.

Scheduling Theories

There are many theories about how to use scheduling to achieve the best results for your clients, and like most elements of effective marketing...there is no one scheduling method that will fit all circumstances. The one constant in every theory, however, is that scheduling must fit the client's individual needs.

As we just reviewed, during the Needs Analysis and follow-up consultation, the client's objectives must be clearly defined. Let's review different scheduling theories, relative to client objectives.

Long-Term, Fixed Position

Objective: Build profile, consistency, and top-of-mind brand awareness among consumers, generally for a product or service that has a long lead-time or shelf life.

Strategy: Scheduling that will deliver an advertisers' message at a predetermined and predictable time and/or day, over an extended period.

Execution: Schedule long term, fixed-position advertising, within a specific day, daypart, or feature. Though not always, frequently it involves a sponsorship of a programming feature or special program.

Examples: Schedule an ad every day at approximately the same time, during one or more specific hours or dayparts, for a quarter, or perhaps an entire year. This might be an ad in the 7:00AM hour; a sponsorship of the daily Morning or Afternoon News; a sponsorship of the Thursday Mid-day "Food News" program; or a sponsorship of the Weekend Countdown Program.

Benefits: Messages heard within a highly controlled and predictable environment; association with a highly targeted feature; implied endorsement of a personality; subliminal and consistent message impression and retention for specific later use by consumers who are going to be buyers over a longer period of time; long-term frequency, based on consumer life-style habits.

Limitations: Reaches fewer people, and sacrifices short-term frequency.

Horizontal Saturation

Objective: Motivate a specific, targeted consumer to a specific action.

Strategy: Scheduling that will deliver an advertisers' message several times during a defined daypart, generally over an extended period of time.

Execution: Schedule multiple commercials within a specific daypart, spread over several days.

Examples: Schedule a message every hour from 9:00PM to Midnight, Wednesday through Saturday, to reach "club goers" for the "Midnight Mudwrestling Madness." Schedule a spot an hour from Noon to 3:00PM, Monday through Friday during the "Your Money Matters Forum" to reach investment customers.

Benefits: Highly targeted, high frequency. Reach a select group, as often as possible.

Limitations: Low or limited short-term reach.

Vertical Saturation

Objective: Motivate a relatively broad consumer group to a specific action.

Strategy: Scheduling that will deliver an advertisers' message to as many potential customers as possible.

Execution: Schedule multiple messages during all dayparts, generally on one or two specific days.

Examples:

1. Schedule a message every hour from 5:00AM to Midnight, on the 13th and 14^{th}, and the 29^{th} and 30^{th} of each month, to promote "cash advances" and "easy cashing" of a check cashing service.
2. Schedule a message every hour, all day Wednesday, to promote the Thursday Food Section in the local newspaper.
3. Tie in different creative approaches which mirror the scheduling, especially when the schedule is run over a "lower demand" period such as weekends and Mondays.

In this example, a home loan mortgage broker's multiple daily messages would change each day of the schedule: Friday – "If you are looking for your dream home this weekend, wouldn't it ease the stress if you were already pre-approved for your home loan? Call etc."; Saturday and Sunday – "While you are out with your Real Estate Agent this weekend, we hope you find your dream home…and when you do….etc"; Monday – "We hope you found your dream home this weekend; now, we can make the buying process easier, etc."

Benefits: High reach in a concentrated period. Reach a large group of potential customers in a quick blitz.

Limitations: Limited, short-term impact.

Optimum Effective Scheduling (OES)

Objective: Motivate a wide consumer group, to a specific action, generally within a shorter period of time or tied to a specific event. The goal is to communicate the client's advertising message to as many perspective buyers, enough times, to move these target consumers through the "Awareness, Interest, Desire, and Action" sequence. The focus is both Reach *and* Frequency.

Strategy: Scheduling that will reach as many people as possible, as many times as possible, within a short period of time; i.e., bombarding a station's core audience with concentrated, frequent spots.

Execution: Schedule enough commercials to effectively reach approximately 50% of a station's cume, 3 or more times, each week.

Here are the specific calculations necessary to determine the number of spots necessary for an OES plan:

1. Determine your station's Turnover by dividing Demo Cume by Demo AQH, and multiply that Turnover figure by 3.29:

<u>Demo Cume</u> <u>750,000</u>
Demo AQH = Target Demo Turnover 45,000 = 16.66
Multiply Turnover by 3.29 16.66 x 3.29 = 55
Your OES advertising schedule will require 55 commercials.

2. To calculate your station's Effective Reach, simply multiply your station's Demo Cume by .46.
   750,000 x .46 = 345,000
   Your OES schedule will effectively reach 345,000 demo targeted persons.

Examples: Schedule 55 commercials per week, Monday through Sunday, in all dayparts to: increase in-store sales for an end-of summer sale; create traffic and excitement for a grand-opening; draw consumers to a special event; provide a winning basis for the "let's do a Radio test" mentality revolving around a particularly special consumer offer.

Benefits: An effective Reach and Frequency schedule that gets results for advertisers. Maximizing the Frequency of a station's Reach; Recognizing...and using...Radio as both a Reach and a Frequency medium. Enables a client to buy heavier on a few target stations rather than buying fewer spots on more stations; demonstrating to a TV or heavy newspaper advertiser that Radio generates sales, moves product, and guarantees results with comparable advertising investment.

Limitations: Prohibitively expensive to use as a long-term strategy; emphasis on short-term use of Radio; doesn't effectively use or promote Radio as a long-term, branding medium; ignores the marketing concept of *consistency,* by ignoring those buyers who are loyal listeners but may not be today's consumers; devaluing those consumers who will be in the market over a longer period of time; if your station or market is not rated, calculations must be based on format norms.

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Summary

Effective scheduling is <u>part of</u> the marketing equation. The right balance of a creative message, a solid marketing plan and the right media will play an important role in the effectiveness of your scheduling strategy. Just as no two clients' needs and objectives...and expectations...are exactly the same, no one scheduling concept is going to be applicable to all of your clients. A combination of scheduling approaches will probably be the most effective for your clients over time.

Module

11

Creating Effective Commercials

The Mind Works By the Ear

Confucius said that a picture is worth a thousand words. These seven words have been repeated for some 2,500 years and have become the pet phrase of many agency presidents, creative directors, and art directors. Chances are, these seven little words will never die. Isn't it interesting, then, that Confucius supposedly used words to convey this idea, not pictures?

In the world of positioning, is it true that a picture is worth so much more than a word? After analyzing many effective positioning programs, a surprising conclusion surfaces: The programs that work the best all are verbal. Therefore, we have come to the conclusion that the mind works by ear, not by eye. Perhaps a picture is *not* worth a thousand words. Could it be that Confucius was wrong?

Think about it. If you look exclusively at the pictures in a magazine or newspaper, how much do you actually learn? Very little. But if you read the articles without glancing at the pictures, you would grasp a great deal. Similarly, television with video-only lacks the full story, whilethe audio alone in a television commercial usually carries an easy-to-understand message. Most classical print advertisements illustrate the same principle. The visual alone makes almost no sense. Naturally, a print ad with both pictures and words is more effective...but which is more powerful on its own, the verbal or the visual?

Dr. Elizabeth Loftus, psychologist at the University of Washington, said that words are very powerful. "In many ways, the ear is superior to the eye," she says. "Controlled laboratory studies show that when you present a list of words to people audibly on a tape player, or visually on slides, people remember more of the list if they hear the words than if they see them." Loftus describes two types of memory: Iconic (which stores visual images) and echoic (which stores auditory messages). Echoic memory fades more slowly than iconic memory. In other words, echoic memory for auditory data lasts longer than the iconic memory for visual data.

The Written and the Spoken

There are two kinds of words: Those that are printed and those that are spoken. Repeated studies indicate that the ear is consistently faster than the eye; in fact, the mind is able to understand a spoken word in 140 milliseconds, while it takes 180 milliseconds to understand the printed word. To account for this 40-millisecond delay, psychologists believe that the brain translates visual information (such as the printed word) into aural sounds it can comprehend.

Similarly, what you hear is retained longer in the memory than what you see. A visual image can fade in one second unless the brain "files" the essence of the idea, while an auditory image can last four or five times as long. Also, because sound lasts much longer in the mind, the spoken word is much easier to follow, allowing you to understand the train of thought with greater clarity. Additionally, the tone of the human voice gives words an emotional impact that printed words alone cannot impart.

The Mind Works By the Ear

Written language is recorded by the mind into an internal form of oral language. It appears that the mind must translate printed words into their spoken equivalents before the message can be understood. The ear drives the eye, and there is much evidence that supports the idea that the mind works by the ear. Thinking is a process of manipulating sounds, not images. As a result, you see what you hear — and what the sound has led you to expect to see — not what the eye tells you it has seen.

Implications for Advertising

The implications of these findings for the advertising industry are staggering. In many ways, they call for a complete reorientation from the visual to the verbal point of view. The visual will still play an important role, but the verbal should be the driver, while the pictures reinforce the words. All too often, marketers believe the opposite is true.

Clearly, there is a striking inconsistency between advertisers and the target of their advertising, the consumers. People spend 85 percent of their overall time immersed in ear-oriented media such as Radio (and, arguably, television), and only 15 percent of their time with eye-oriented media such as newspapers and magazines. Advertisers, on the other hand, spend 55 percent of their dollars on eye media (print) and only 45 percent of their dollars on ear media (broadcast). True, it can be debated that television is not an ear-oriented medium, but research suggests that sound plays a far more important role in the communication effectiveness of television than most advertisers are willing to admit.

Summary

As we've indicated, considerable evidence exists to show that the mind works by the ear and that thinking is a process of manipulating sounds rather than images — even when pictures or photographs are involved. And, as it turns out, Confucius has been misquoted from the beginning. When his words are translated literally, we find that what he really said was, "A picture is worth a thousand pieces of gold." Not words, but gold!

A reminder to Radio salespeople: You're selling a medium that has brand-building power all by itself. Marketing plans aren't dependent on pictures, but they do need words or sounds. If you convince yourself of this, you'll get much closer to your share of advertising dollars — a sum that better represents the time that consumers spend with your medium.

By Jack Trout, President, Trout & Partners Ltd.
Trout & Partners Ltd. is a leading marketing firm that works with Fortune 500 companies nationwide. The above is adapted from "Chapter 14: Minds Work By Ear" *in Trout's book,* The New Positioning *(McGraw-Hill, New York, 1996).*

All About Imagery Transfer

Sellers often hear: "We only buy television because we need to show our product." It's a line used by many national agencies, advertisers and media buyers, as well as local retailers trying to justify their habitual practice of buying TV only. Despite television's high cost and inability to target specific consumer groups, many marketers consider it a panacea because it appeals to the eye. What they fail to recognize, however, is what you've just read: The mind works by the ear, not by the eye. In fact, the brain is forced to translate visual images into verbal messages in order to comprehend them.

That's where Imagery Transfer comes in. Imagery Transfer is the process by which visual elements of television commercials or programs are transferred into the consumer's mind by incorporation of a similar audio track in its Radio counterpart. In a special national recall study conducted by Statistical Research, Inc., it was found that three out of four consumers who watch a spot on television will "replay" the visual image mentally when they hear the audio portion in the corresponding Radio commercial.

Imagery Transfer is not a pitch to get advertisers to shift their marketing focus from television to Radio. In fact, it depends on a certain level of television in order for it to work effectively. But Imagery Transfer allows advertisers to actually strengthen their media campaigns by using Radio to augment the images conveyed by their television commercials...at a fraction of the cost if television was used alone.

An excellent example of Imagery Transfer at work is a successful Radio promotion developed by Anheuser-Busch, Inc., in 1997 that drew on the popular croaking frogs seen in Budweiser commercials. As Busch Media Group President/CEO Tony Ponturo observed, "Imagery Transfer worked very positively...everybody who hears the spots can visualize the Bud frogs croaking 'Bud-Weis-Er.'"

Advertisers can use Imagery Transfer to help them extend campaign reach, substantially increase message frequency, improve awareness during TV flights, maintain awareness between TV flights, maximize advertising investments, and reach consumers just prior to purchase. Bottom line: By incorporating the concept of Imagery Transfer into their campaign, advertisers can reinforce the dollars they spend on television by using Radio to build the reach and frequency they need to effectively target their best customers...with far greater results.

Imagery Transfer is a real concept that really works... and it's something all of your clients who even think about television need to know about. Use this information as part of your written presentations to try to educate them about Radio's inherent value as part of their overall marketing campaign.

Writing Good Copy

You've heard it before...clients don't buy spots. They buy solutions to their marketing problems. For them, advertising is a significant investment in the future of their business. And as the word "investment" implies, they do expect a return in more customers, a higher market profile and/or increased sales. That's where copy comes in. Your copy is a culmination of the sales and marketing process. It's the point where you put into action a marketing strategy that may have taken months to plan and create. The only thing standing between you and your client's success is copy that generates results.

The first rule to writing great, customer-focused copy is that...when it comes right down to it, there are very few rules. Think about your own experience. We've all heard Radio commercials...thousands of them. What makes some better than others? Why do some captivate our imagination, while others play through almost completely unnoticed? The fact is, there are a variety of reasons why a given advertisement works. And while defining a list of hard, fast rules is nearly impossible, we can offer a number of solid suggestions to help your copy to achieve great results for your clients.

Think About It

In their book *Marketing Warfare* (a "must read" for anyone in sales and marketing), Jack Trout and Al Ries describe the customer's mind as the arena where all marketing battles are won or lost. Consequently, understanding how your target customer receives and processes a message is a critical part of writing and producing successful copy. *The Copy Workshop Workbook* by

Bruce Bendinger describes this process as the "4 A's of Advertising: Attention, Awareness, Attitude and Action."

Attention

The first job of any advertisement is to get the attention of your target audience. Considering the amount of clutter in today's marketplace, this can be one of the greatest challenges you face. Your copy must speak directly to your target audience, focus with precision and invite participation. In short, before your copy can work, it must get noticed. This doesn't mean being loud. On the contrary, it means finding a point where you and your listener can connect or relate. This is exactly why getting to know your target customer is so important to writing effective copy.

Awareness

According to Bendinger, "An advertisement must build awareness...your advertisement must move beyond merely being noticed to being remembered." Again, this is no small challenge. Your target consumer possesses an extremely effective filter system, designed specifically to keep unwanted information or "clutter" from getting through. When you consider the thousands of pieces of information that flood our lives every day, this filtering system plays an essential role in helping an individual process data. It operates at a subconscious level, receives new data, discards the irrelevant and passes items of interest on to short-term memory. When your copy makes it this far, you've taken the first step toward building awareness and being remembered.

Attitude

Bendinger writes, "Attitude is the feeling people have toward a given product. It's more active than awareness." Using the 4-A's model, the goal of advertising is to guide consumers toward developing a positive attitude toward a given product or service.

Action

To state the obvious, this is the point where customers finally take action and purchase the advertised product or service. Customers can pass through all four steps of this model in an instant, as is the case in an impulse buy, or it can take months...consider the process for purchasing a new car.

Naturally, there are dozens of other models intended to represent the process of hearing, remembering and acting on an advertisement. It will be well worth your time to explore others. In the meantime, use the 4 A's to help you think through the underlying goals of your copy: to get attention, build awareness, shape attitudes and move customers to action.

Know the Product

While I was working as a Creative Director in Minnesota, the owner of a popular local brew-pub invited me over for lunch. The day of my appointment, I was greeted at the door, shown to a nicely set table and treated to a wonderful buffet. I expected the owner to join me, but instead, he let me sit and watch the busy lunch-rush run its course. It was a unique opportunity see how a restaurant really works; how the wait staff interacted with customers; reactions to the food and service and how the restaurant's overall atmosphere played into the experience of dining out.

The lesson here is a good one. Before you can write a single word, you must understand a product or service from your target customer's perspective...what are the advantages, disadvantages, specific uses, consumer benefits, etc. This is true whether you're marketing a single product or an entire store. Experience a product or service firsthand and your copy will reflect the extra effort.

Know Your Target

One of the wonderful things about writing for Radio is the intimate, emotional connection listeners feel for their favorite station. For most, Radio is more than just "extra-long music sweeps" and weather reports every 30 minutes. There is a special one-to-one connection between Radio and its listeners. You can use this connection to your advantage, but you must understand your audience first.

Start by putting together a profile of your station's typical listener. This goes deeper than just demographics. Call RAB and ask for the Simmons Format Profile for your station(s) and begin defining a solid picture of your typical listener. What are their likes and dislikes, income and social background? Do they have kids? What do they drive? Where are they likely to dine out? All of this information and more is available and fairly easy to access. Use it to understand your audience and then tailor your copy to speak directly to your target. The goal is to find points of contact with your listeners...contacts that you can use to relate the product or service for which you're writing to their everyday lives.

The Specifics: Customer-Focused, Benefit-Oriented Copy

So, if there are few hard, fast rules for writing consistently successful copy, what can you do to help ensure your client's advertising will achieve its goal of generating exceptional results? The following key points will help:

Define an Advertising Objective

This comes directly from your advertiser needs analysis and represents the overall marketing goal of your campaign. For help in this area, see the "Conducting a Needs Analysis" section in Module Six of this book.

Define a Commercial Objective

Different from your advertising objective, the commercial objective is much more specific and pertains directly to the commercial copy you are about to write. Start your objective with the words, "This advertisement will..." and then finish the statement. Remember, be as specific as possible and limit the number of objectives for each piece of copy to one. Addressing multiple objectives in a single script will impair the clarity of your message.

Identify Your Target Audience

Clients don't buy spots, they buy solutions to their problems. The same is true of your client's customers...more often than not, their purchases are motivated by the desire to solve a problem. Sometimes those problems are easy to identify, like the need to buy groceries or new furniture. Often, they run a little deeper, like the desire to define one's social status by purchasing a luxury car. The point is still the same, however...customers have problems. Position your client's product or service as a solution. In doing so, you must know your target: Who is this ad designed to reach? Who are you talking to? What kind of problems are they likely to have? This is more than just the demographic, so be as specific as possible and write your copy to appeal directly to the intended target.

State Specific Benefits to the Consumer

As much as our clients would like to think otherwise, most potential customers couldn't care less about their problems. The fact that the retailer is overstocked or has trouble selling a given item is of little consequence. The customer wants to know, "What's in it for me?" Write this statement down in large print and tape it to your computer screen! Then measure everything you write by how it answers that question from the customer's point of view.

Make a Specific Offer

Your copy should make a specific offer. This might be a price point, special savings, a gift with purchase, etc. The point here is to give your target customer something on which to act.

Issue a Call to Action

What exactly would you like your customer to do? Nearly every commercial should ask your target audience to DO something: Shop, buy, call, ask for more information. Most of the copywriting clichés you're familiar with fit into this part of your commercial. Avoid using them! This sometimes takes a little extra, but your efforts will pay off with a more effective commercial (see the list of clichés at the end of this module).

Support Material

At this point in the commercial, you can work in other material that's relevant to your advertising/commercial objective. This might include more details about your offer, a call to action or consumer benefits. Keep this information very concise. Too many details will reduce the clarity of your message. Your target consumer simply won't listen.

Closure

Good closure is one of the most important elements of writing an effective commercial...it's also the easiest part to overlook. A good close should tie the elements of your copy into a single, easy-to-remember message, restating or reinforcing your commercial objective. This often takes a little time to write, but it can mean the difference between leaving your target consumer focused on a compelling thought or simply confused. This doesn't need to be clever...clarity is much more important.

Commercial Style

There are many ways to convey your client's message in great copy. Here are some styles that are commonly used:

Straightforward

Sometimes the simplest approach works best. This one usually takes the form of a narrative message, delivered by one, effective voice.

The direct approach works particularly well when a positive image has previously been established and a specific event is being promoted, like a sale. In such cases, you don't have to persuade or change a consumer's mind, simply expand on or enhance the positive attitude that is already in place.

Music

The use of music in commercials can be very powerful since it can evoke emotional responses. Even without lyrics, music can create a positive feeling that will transfer to the product or service.

Another advantage of music is that the same theme can be used to tie together a campaign and can be transferred to other media, like TV, while still retaining the flavor of the original ad and aiding in recall.

Slice of Life

The most successful and creative commercials give audience members something or someone to which they can relate.

This is why the "slice of life" approach has worked in so many instances. Overhearing bits of real-life conversation — between lovers, spouses, parents and children — makes the potential customer an active participant instead of a passive listener.

If your copy strikes a responsive chord — if you create a comfort zone in which listeners identify with the characters — the listener is much more apt to be open to, in fact to develop a relationship with, the client's offering.

The major drawback using a slice of life style is that they must be done extremely well to be effective. It must not only be believable but likable, since the prime mark of this kind of spot is its credibility to those listening.

Humor

If well-executed, humor can provide the perfect opportunity for a persuasive advertising message. It engages the listener, creates emotional responses and provides entertainment. A humorous approach in commercials, however, can be a tricky business. Things to keep in mind:

Stick with universals — if you can. Situations that revolve around family or intimate relationships work because problems such as these usually have the same human elements.

Understand your audience completely. Even though you may not find something funny, your listeners may have a different idea. You're writing for them—not you.

Keep up on what's current in your listeners' lives. Read their newspapers, magazines, watch their TV shows and know their music. An item in one of these might spark a humorous idea for a spot.

Remember that humor is exaggeration. If the situation is precisely true to life, then it probably isn't funny. Real life experiences should be suggested but their exaggeration is what really makes people laugh.

Testimonial

A technique that works very well in advertising, both print and broadcast, is the testimonial. This approach is especially effective when the product or store is new and not a proven entity. Here's where affirmations by other customers can be a convincing argument for sampling your client's products.

Testimonials are fairly easy to produce and require few, if any, complicated production tools. Telling a convincing story, however, can be a bit of a challenge since you're dealing with real people, not actors.

One of the concessions you'll have to make in this approach is one of time. It's essential that you take all the time that's needed to get your "actors" to relax. The more takes, the more relaxed and less self-conscious they'll be.

Getting to Work

Now that we've explored a few of the basics of writing copy, it's time to put them into practice. In your written materials, you will find a "Creative Strategy" form developed with help from Maureen Bulley of the Radio Store (1-888-DO-RADIO). Use it as a guide to help you create customer-focused, benefit-oriented copy that will get results for clients. For more help, see the samples on page 10 of this module. And for a few thought-starters, be sure to check out the library of real commercial scripts available on rab.com. For more information on this and other RAB creative resources, see Module 15 of this book.

Common Clichés

Avoid using clichés in your copy. Instead, give your target audience something to think about. Keep your copy crisp and clear, but remember, your goal is to capture their imagination, not bore them with meaningless phrases. Here's a partial list of phrases to avoid:

- Going on now...
- They won't last long
- Service second to none
- Savings throughout the store
- The sale you've been waiting for...
- It's sale time
- It's big savings time...
- Storewide savings
- It's happening now...
- It's happening at...
- We service what we sell...
- For all your ______ needs.
- Friendly, knowledgeable staff.
- Conveniently located at...
- So hurry...
- Where service is the difference.
- Not to mention...

Creative Strategy Form

You will invest a significant amount of precious time and creative energy in creating good copy. So, it's important to make the most of it. Below you'll find a Creative Strategy form adapted from the form designed by Maureen Bulley of the Radio Store. Note how the finished script mirrors the information supplied on the form.

The Radio Store
Radio Creative Strategy

Date: January 1998

Account: Medieval Times Dinner & Tournament

Advertising Objective:
Increase awareness as an ent. alternative vs. movies, amusement parks; etc.

Commercial Objective:
Establish Medieval Times as a family destination and introduce "free February's"

Target Audience:
Families with children ages 4-11

Customer Benefit:
Kids eat free in February

Offer
1 child free with each full-price adult every Sunday - Thursday

Call to Action
Include phone numbers for tickets (260-1234)

Support:
4-course meal, trip giveaway, ent. value, open year-round

Tone/Manner:
Convey fun, light- hearted whimsical image

Closure:
use slogan, "kids are king"

1-888-DO-RADIO

Client: Medieval Times
Air Date: January and February 1997
Script#: Kids are Free
Length: :30

Man interviewing child

Man: Medieval Times is open year-round. What made you come now?
Kid: Kids are free in February!
Man: A whole night of entertainment? A four-course meal? Is that why?
Kid: Kids are free in February!
Man: Maybe 'cos while you're here, you could win a family vacation for 4 to Medieval Times in Florida?
Kid: Kids are free in February!
Man: Medieval Times! One child free with each full-priced adult Sunday through Thursday. Kids are FREE!
Kids: Kids are free!
Man: "Cos Kids are King!
Kids: "Cos Kids are King!
Man: Medieval Times Dinner and Tournament... for tickets call 260-1-2-3-4
Kid: Kids are free!

THE RADIO STORE

Radio Creative Strategy Form

Date: ________________

Account: ____

Advertising Objective:

____

Commercial Objective:

____

Target Audience:

____

____

Customer Benefit:

____

Offer:

____

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Call to Action:

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Support:

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Tone/Manner:

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Closure:

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Module

12

Working with Retailers

The Basic Challenges Facing Most Retailers

As a Radio Marketing Consultant, you must understand, accept and, in many cases, take advantage of change. You must face not only changes in broadcasting, advertising, and in the skills you need to excel as a Radio marketing professional, but also changes in way the clients you serve conduct their business. This section of the new CRMC-PA Study Kit will help you:

1. Understand the basic changes that most of your station's retail clients must cope with today.
2. Discover the role that marketing and advertising can play in the retailer's strategic plan.
3. Ensure that, as a CRMC-PA, you are helping to provide solutions to these and other client problems.

Seven Major Changes in the Retail Environment

1. America is Over-Stored

In 1979 there was eight square feet of retail space for every man, woman and child in America. Today, there is over eighteen square feet of retail space per person.

What does this mean? It means that retailers no longer can exist simply by developing a market for their products and services. They must, in fact, take away market share from their competition. Put another way, THEY MUST STEAL MARKET SHARE.

Additionally, retailing has, in general, moved away from an era of department store dominance through mass merchandising for the general public to an era of specialty-store dominance featuring highly focused merchandise for specific consumer targets. In other words, with a few notable exceptions, mass marketing is dead.

To survive this change, retailers must (1) develop a long-range strategic plan to position themselves against the competition; (2) move away from mass marketing/advertising approaches and move toward more focused, targeted marketing/advertising programs; and (3) adopt a customer-focused philosophy of marketing. A "marketing" oriented firm knows that its basic business is making customers — not just selling merchandise.

2. Changing Channels of Distribution

Traditionally, manufacturers sold to the retailer and the retailer sold to the consumer. Today, there are many more channels of distribution or ways to get the merchandise to the ultimate consumer. They include:

Direct to Consumer - Companies such as L.L. Bean, Orvis, Lands' End and Spiegel market directly to the consumer through sophisticated catalog ordering systems and the Internet. Many customers enjoy the speed and ease of shopping from the comfort of their homes and offices.

Manufacturers' Stores - Ralph Lauren, Liz Claiborn, Victoria's Secret, Coach and a host of other manufacturers actually have gone into direct competition with the retailer through retail and outlet stores.

Off-Price Stores - In an effort to expand and reach new, larger markets, many name-brand manufacturers have developed additional lines, resulting in a proliferation of designer goods. These "excess" goods often are sold to such off-price retailers as T.J. Maxx, Burlington Coat Factory and others who, by working with smaller margins, can offer consumers "perceptually" the same merchandise at lower prices.

Electronic Retailing - The Internet is a distribution infant that many believe will become a giant in just a few short years as technological innovations in on-line systems continue to improve. According to an Internet Advertising Bureau report prepared by Coopers & Lybrand, Internet ad revenue for 1997 was up a staggering 240% over 1996. Some feel this is just the beginning as this new advertising and distribution channel still presents seemingly limitless untapped potential.

Retailers need to understand these retail changes and develop a plan to overcome them. Proper marketing strategies that focus on the service package, target marketing, merchandise assortment, and customer retention are part of the solution.

3. Changing Perception of Value

Consumers have a confused perception of value as a result of most retailers' focus on price competition and emphasis on price promotion. Increasingly, consumers are skeptical about the true value of products and services and regular price claims by retailers. This means that for most retailers, price-item advertising doesn't work as well as it once did.

Consumers are looking for real value...not price alone. Consumers want friendly, courteous, knowledgeable sales help in pleasant surroundings with honest values. Consumers are smart...much smarter than many retailers give them credit for.

4. Relationship Marketing

It is estimated that the typical local independent retailer actually knows fewer than fifty of the hundreds of customers who shop at their store each week. Relationship marketing is accomplished by building a customer database, including a profile of purchases. The resulting data can be used to stock merchandise that fits the portfolio of the store's most important target customers and give retailers the opportunity to "capture" or steal sales of merchandise that was previously purchased elsewhere.

Media suppliers who not only can help retail clients develop a customer database but who also can provide synergistic opportunities through their own (listener / reader / viewer) database often are able to establish an especially strong partnership with their clients.

5. Time Poverty

Business downsizing is resulting in heavier workloads, longer work hours, more single working parents, working women — these are just a few of the trends that have Americans chasing the clock and feeling that there just isn't enough time to "get it all done." Our society as a whole suffers from time-deprivation, and the result is consumer demand for speed, service, and convenience in retail transactions.

Retailers must develop and market a "service package" that includes (a) convenient hours, (b) ease of finding merchandise, (c) convenient return policy, (d) depth of assortment, (e) pleasant, comfortable surroundings, (f) special services, and (g) fast check-out. Marketing professionals must clearly understand that the "service package" must meet or (preferably) exceed customer expectations, and that surviving retailers will be those who successfully position themselves as the primary "destination location" for specific products and services.

6. Changing Generations

How people respond to advertising and marketing efforts — and how they ultimately spend their money — depends to a certain degree on their age, their income, their response to peer pressure and their lifestyle expectations. Here is a capsule profile of the five age groups that are affecting retail sales today:

G.I. Generation - Today's elderly, born between 1901 and 1924; Rational problem solvers; busy and mature consumers.

Silent Generation - Born 1925-1942; survivors of war and depression; very conservative; youngest generation to marry; generally conformist.

Boom Generation (Baby Boomers) - Born 1943-1964; largest group in history; have dominated American lifestyles since the 1960s; being supplanted by Generation X; different lifestyles than conservative parents; consider "value" more important that "price"...and are willing to pay for it.

Generation X - Born 1965-1981; 13th generation to live under US flag; children of Baby Boomers; second largest group in US history; children of divorce (50%); no brand loyalty; look at life with blunt, cynical realism; have diminished expectations; suspicious of advertising claims; looking for honest information.

Millennial Generation - Born 1982 to present; smart, better behaved, civic minded; ethnically diverse.

7. Advertising Must Produce a Measurable ROI

Retailers today are driven by their need to generate cash flow, increase profits, and control inventory; thus, every expenditure must be directly responsible for improvement in one of these areas. Advertising and marketing efforts also must show a direct return on investment. This has become a major challenge for media because:

Cooperative advertising and vendor funds, seen by most media people as simply a way to pay for advertising, are not always viewed by retailers as a means of reducing their advertising costs. Retailers often have the option of using these manufacturer / vendor allowances to (a) fund greater markdowns, (b) get better return privileges from the vendor, (c) get better payment terms from the vendor, or (d) fund incentive plans for their salespeople.

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It is increasingly difficult today for most retailers to successfully improve business by positioning themselves based on *merchandise differentiation* (we've got the best stuff and/or *price)* the area in which advertising traditionally has been utilized. Why? Because of the explosion of new products going into the market each day through an increasing number of channels of distribution, and because the "price" position in most markets is usually already owned by a few select mega-stores like Wal-Mart, Target, etc.

Just as the package goods marketer's job is to build a strong, unique, recognizable, and positive image in the mind of the consumer based on the name of the product (Cheerios, Charmin, Right Guard, Tide, etc.), so must today's retailer concentrate on building the same kind of *brand equity* for their stores. Many retail experts believe that advertising's job is to help build retail brand equity which will, in turn, help the retailer sell more merchandise at regular prices and consequently make sale events more believable to consumers and more profitable to the retailer. The result: measurable ROI on advertising.

Glossary of Retail Terms

As with any professional occupation, Radio has its own collection of terms and industry jargon. This, all by itself, would be enough to learn, but as a Radio sales professional, you must also understand the retail and marketing terms used by your station's clients. In this section, we'll get you off to a good start. Given the length of this list, we recommend you break terms into blocks of 25 and learn those before moving on to the next group.

Account Specific: A product and/or promotion sold in to one store.

Accrual: Co-op money earned by a retailer as a percentage of purchases from a manufacturer.

Accrual Period: Retailer accrues co-op advertising funds on his purchases during a specific period of time set by the manufacturer.

All Commodities Volume (ACV): A basis for measuring retailer distribution which takes into account the relative importance of an operator. For example: Brand A has distribution in only one store. If that store does 10% of market sales, Brand A has 10% ACV distribution.

Alternative Retail Format: Deep Discounters, Mass Merchandisers, and Warehouse Club stores.

Amortization: The splitting of an investment between departments or budgets; the ability to take one investment and spread it over a longer period of time.

ANA/RAB Tear Sheet: Radio co-op documentation system combining script with affidavit.

Aperture: The height and width and depth of facings.

Assortment Plan: Sometimes referred to as a model stock. It is the required depth of stock by price, color, material, size and classification to satisfy expected customer demand.

Auditor Survey: The checking of stores in a chain to verify how much product must be shipped to each store to fulfill distribution requirements.

Automatic Reorder: Setting up a reorder cycle whereby basic merchandise is ordered as the stock reaches a predetermined minimum level.

Back Card: A point-of-sale card affixed to the back of a Dump Bin or Floorstand, designed to present an advertising message at eye level above the product.

Bait & Switch: Illegal retail practice of advertising an unusually low-priced item, usually not even available, to lure customers into a retail store, where they can be sold a higher priced item.

Bedding: Mattresses.

Best Food Day (BFD): The heaviest food shopping day, on which most local retailers place their feature ads in the newspaper.

Brand Dollar: A budget that manufacturers use to promote the value of their brands to consumers.

Buyer: The individual who is responsible for purchasing products from a manufacturer or broker.

Buy-In: The procedure whereby a retailer is required to buy a new product or a certain amount to participate in a co-op schedule. Usually paid 100% by the manufacturer.

C-Store: Convenience store.

Case Allowance: Discount offered by a marketer to a retailer, based on a number of cases purchased.

Case Cards: Price cards that are used on displays, usually refrigerator and freezer cases.

Case Extender: Device used to extend shelf space from store case or bin into aisle. Extender is affixed to the case.

Case Commitment: The agreement by a retailer to buy a certain amount of product sold in cases from the manufacturer.

Case Deal: A price discount established by the manufacturer based on the volume of cases purchased by the retailer.

Category Killers: A term used to describe a large retail store dedicated to one category of merchandise, also called Superstores.

Ceiling Hanger: Type of point-of-purchase signage hanging from the ceiling above the product.

Chain: An operation of 11 or more retail stores, under central corporate ownership.

Channel Marketing: A way of organizing marketing functions of a company to put individuals in charge of selling certain classes of trade.

Charge Back: Bill that store issues to vendors to collect money owed for co-op advertising or merchandise rebates.

Circular: Special advertising supplement (price/feature piece) inserted in the newspaper, picked up at the store, or mailed directly to the consumer.

Claim: The process and form used by the retailer to get reimbursement for advertising expenditures. (Sometimes known as the "proof of performance.")

Claim Period: The period of time after the advertising has run and before any deadline date in which claims can be filed, usually between 30-60 days after advertising schedule.

Close: To obtain the commitment of the prospect in a personal selling transaction.

Coffin: Horizontal display in the frozen food section.

Commodity: Product sold by trades at less than price purchased for. Usually sold and promoted with product which has high margin. For example, coffee often is a commodity item sold at a loss, but sold and promoted with creamer, which holds a high margin.

Competitive Advantage: Something unique of special that a firm does or possesses that provides an advantage overs its competitors.

Consumer Behavior: The process and activities that people engage in when searching for, selecting, purchasing, using, evaluating and disposing of products and services so as to satisfy their needs and desires.

Deductions: Incentives given/paid to trade from the manufacturer to motivate better display, space, reduction in prices, shelf facings, etc.

Delicatessen Buying: Sampling many lines of merchandise without providing sufficient depth to satisfy customer demand.

Demo: A demonstration of a manufacturer's product.

Development Money: Funds outside the normal co-op budget that are based on proposals from the advertiser for such things as store openings, new products, or remote broadcasts.

DFI: Discount from invoice.

Direct Response: Non-store retailing. Consumers order products/service by mail, phone, fax or computer.

Disclaimer: Copy which is intended to limit a marketer's liability regarding promotional claims.

Discretionary Funds: All funds (vendor, promo, special event, market development) that a manufacturer may provide to a retailer.

Direct Store Delivery (DSD): Marketer delivers direct to the store level without using wholesaler or warehouse. DSD's are products like chips, milk and soft drinks, usually delivered by a rack jobber.

Display: Arrangement of product(s) usually accompanied by signage and special racks placed to attract a shopper's attention in the store.

Display Allowance: Incentive offered to retailer in return for off-shelf display of the marketer's products.

Display Funds: A budget used to pay for retail display.

Display Merchandiser: Permanent display provided by principal. Often includes some service attachment; i.e., battery tester, coffee grinder, etc.

Distributor: (Wholesaler) Business which warehouses products, provides a selling function to retailer and ships/invoices goods. A distributor doesn't usually handle competing lines, whereas a wholesaler usually does.

Distressed Product: Product that doesn't move off the shelf. Trade will sell at a loss to free shelf space for other products or return through agreement to principal. Often includes perishable products with dated shelf life so principal reimburses trade for distressed perishable product.

Double Billing: An illegal procedure involving any medium that renders a false invoice to a retailer for co-op reimbursement. This can involve a bill showing a higher rate than actually paid by the retailer, a bill for air time that was not used, or two separate invoices for an advertisement.

Efficient Consumer Response (ECR): A term used by retailers to study the effectiveness of promotions, product flow and product development to determine profitability.

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Feature: A highlighted product within a retailer's circular, newspaper ad, POP display, or even a Radio or TV commercial.

Football: Product is price sensitive and product price is kicked up and down; e.g., Pepsi Cola, Coca-Cola.

Forward Buying: Buying excess product on deal to sell later at full price.

Franchise: Exclusive distribution agreement. Store may be company owned or individually owned. Examples; fast food, auto dealers, etc.

Free-Standing Display: Portable display accessible from all sides positioned in open areas of stores to display product on promotion. Usually not placed at end of aisle.

Free-Standing Insert (FSI): Coupon carrier usually delivered in Sunday edition paper.

Front End: The area of the front of the store (near the cash registers). Impulse items, high-profit items and items that need to be watched are found here.

Front Loading: Requirement by principal for specific buy to qualify for promotion.

General Merchandise: Non-edible goods; e.g., automotive, baby needs, greeting cards, toys, batteries, photo needs, light bulbs, etc.

Generics: "No name" or "no frills" products.

Gift With Purchase (GWP): Promotional technique most often found in department stores; e.g., free eye shadow with fragrance purchase.

Gondola: Long, narrow display case from which merchandise is accessible to customers on either side.

Gondola End: Product display designed for the end of a Gondola, a set of store shelving. Usually considered a prime, large display situation.

Graduated Percent Participation: A participation plan based on the number of ads the advertiser runs. For instance, the first ad may be 50% paid, the second ad may be 75% paid, and the third ad may be 100% paid.

Horizontal Co-op: A co-op program where several dealers' accruals are combined to fund a single schedule.

Incremental Cases: Additional cases of product sold during specific promotion period.

Keystone: A method of applying markup whereby the cost price is doubled to arrive at the selling price.

Kiosk: A free standing, usually permanent display. Might be an information display for pamphlets or an actual selling space.

Launch: Roll-out of a new product introduction.

Leased Department: "Store within a store." Example: a shoe, cosmetics, or jewelry department in a department store. They pay rent and/or a percentage of sales to the larger store.

Length of Deal: Inclusive dates of case deal and promotion offered by principal.

Leverage: The tools the manufacturer uses to sell-in his/her product.

Limited Assortment Store: A store with under 1,500 items basically selling dry grocery and very few perishables. Very low margin and labor ratio. Practically no service offered.

Line Extension Allowance: Principal creates a new product that is really a variation of the old product; e.g., Liquid Tide, Tide with bleach, etc.

Local Marketing Allowance (LMA): The amount per case available to support the promotion at the local level. These funds traditionally have been used to lower prices, also for in-store Radio.

Loss Leader: Product featured at a low price, often below cost, in order to increase store traffic to sell additional profitable items.

Low Volume Product (LVP): AKA convenience items. Items stocked by store purely for the consumer's convenience; e.g., shoe strings, kite string, etc.

Manufacturer's Accrual Notice: A notice to the retailer of amount of accrued earnings, sent by the manufacturer monthly, quarterly, or semi-annually.

Manufacturer's Claim Form: A specific form provided by the manufacturer that must be used in order to make claims upon that manufacturer for advertising reimbursement.

Manufacturer's Rep: A salesperson working directly for a manufacturer and calling on retailers and/or distributors.

Margin: Gross profit. The difference between the retail and wholesale price before expenses (other than costs of goods sold).

Markdown Pool: A budget from which a manufacturer pays a percentage of the cost of selling goods at a marked-down price.

Market Development Funds: Manufacturer funds available to boost product sales in a specific market.

Packaged Goods: Branded consumer products sold primarily via supermarkets, drug stores, convenience stores, and mass merchandising retailers.

Pass-Through Co-op: Co-op funds available to the retailer even though he/she purchases from the wholesaler or some other indirect source.

Performance Date: The last date by which an ad must run in order to qualify for co-op.

Performance Requirements: Rules and regulations set down by the manufacturer to which a retailer must adhere in order to be reimbursed for advertising costs.

Planogram: A space management tool. Layout of a store's floor space and shelf space as it pertains to store inventory, shelf stocking requirements, floor layout and promotions.

Point of Purchase (POP): Display materials used at the point of sale to attract customer attention to a product.

Point of Sale (POS): Usually printed materials, but also electronic, designed to attract consumer attention and stimulate a purchase at the retail store.

Prepack: Merchandise shipped already bundled in a size, it is either broken down in the warehouse, or display is sold to the customer as the manufacturer packaged it.

Price Point: Price consumer pays.

Principal: Term used by trades and brokers for manufacturer.

Prior Approval: A term in some co-op plans requiring ads to be approved by the manufacturer before running.

Private Label: Packaged goods product similar to a nationally advertised brand, but priced lower. Trademark product usually regionally owned by the distributor/wholesaler or a chain's common housebrand.

Product Introductory Allowance: Special trade allowance offered for new product, usually with a higher allowance than normal.

Product Turn: Selling out of total stocked inventory.

Proof of Product Purchase: Documentation used to claim pass-through co-op. Normally either a document filled out by the distributor or a copy of the retailer's invoice proving that he did purchase the product and indicating the amount of accrual he has earned.

Proof-of-Purchase: Sometimes a requirement by the marketer that must be remitted to qualify for his offering. Might be a box top, a UPC symbol, or a cash register tape.

Purchase Cycle: The frequency with which consumers buy a product or service.

Purchase with Purchase (PWP): The offer of an additional product at a reduced price. The second product is only available if the first one is purchased.

Redemption Programs: Incentive offers such as free admission, product, or service made available with proof of purchase of a specific product.

Return on Investment (ROI): A ratio that measures the success of a marketing campaign, calculated by comparing the amount of incremental sales to the amount invested in the promotion.

Register to Win (RTW): A consumer promotion designed to increase store traffic and product sales.

Sampling: A variety of prcedures whereby consumers are given some quantity of a product for no charge to induce trial.

Scanner: Cash register, or computerized checkout equipment which records transactions by reading the UPC code. Used to track consumer purchase of product, control inventory and observe sales by category, brand, size, stores and time periods. Can also measure effect of coupons.

Scanner Data: Data captured by the scanner process which can be used for inventory control, sales analysis, etc.

Sell-In: The process of the manufacturer selling goods to the retailer.

Sell-Through: The process of the retailer selling goods to the consumer.

Shelf Extender: A point-of-sale fixture which can hold additional product over and above normal shelf stock quantity to create extra product visibility and availability.

Shelf Talker: A small sign displayed with the product. It may give suggestions on usage of product, announce contests, or have tear-offs for customers.

Shipper: A free-standing display filled with the product sold as a package to trades. It is usually made of cardboard.

Shrink Allowance: Amount deducted from billing prior to shipment to cover anticipated loss or damage to products delivered to trades.

Shrinkage: Loss of merchandise due to theft.

Single: One display at the end of an aisle.

Sign Over: A process where the retailer releases his co-op funds to a wholesaler or manufacturer. These funds then go into a pool to be used for dealer group advertising.

Slotting Allowances: Setup charge billed to the principal by the trade. Fee includes entering items into the computer, shelf/fixture space, floor space, correspondence (i.e., shelf talker, POP, take-ones, etc).

Space Management: The science of analyzing product movement potential and allocating shelf inventory to best accommodate that potential. Also involves the decision of product location/position/facings on the shelf. See Planogram.

Split-Out/Force-Out: How a retailer distributes product among the stores in the chain. Example: a company with 20 stores in its chain may purchase 10,000 cases of toothpaste from a manufacturer, then "split-out" the product, sending maybe 500 cases to each of the individual stores.

Spread: Percentage difference between wholesale and retail price.

Street Money: Discretionary money given to specific retailers by manufacturers to "obtain their support" and obtain a higher sell-in of product or a better store position.

Temporary Price Reduction (TPR): A promotional technique used by manufacturers to temporarily reduce the price of products to increase sales.

Trade: What a manufacturer calls his retail accounts.

Trade Dollar: Money paid by manufacturers to retailers to obtain price features, displays and other trade-sponsored consumer-targeted promotions.

Vertical Co-op: A co-op program which combines a retailer's accruals from various manufacturers to fund a schedule.

Voluntary Group Retailer: Retailers who belong to a voluntary merchandising group sponsored by wholesalers who operate under a company name; e.g., Fleming Co., Super Valu, etc.

Warehouse Store: Large retail outlet that operates under a "no frills" theme. They carry everything from general merchandise to perishables. Usually stock a lot of private label items and don't have a big variety of products. Feature case-quantity pricing. Some charge a membership fee. Examples: Sam's Club, Costco, etc.

Module

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Manufacturer & Vendor Funding

What is NTR?

The premise of this CRMC-PA course is, "If you're in Radio, you're in sales."

Whatever your job description, your ultimate goal is to turn a business that advertises into a Radio user. Typically, that's been the province of the sales department, but the entire programming department gets into the act when a seller says, "I need a promotion or I won't get the buy!"

The two departments come into their best alignment when it comes to advertiser promotions, events such as expos or trade shows, or simply generating ideas.

These topics usually fall under the umbrella of NTR — non-traditional revenue. It's called "non-traditional" because the revenue is not part of the money the advertiser has already set aside for spot or network Radio.

NTR often comes from another budget altogether, sometimes "community service" funds or promotional funds. This definition has been stretched in recent years to include any dollars that haven't been in standard buys — co-op advertising, for example, or recruitment ads that typically went to newspaper.

Originally, non-traditional revenue referred to anything that made money but did not tie up commercial inventory. Consolidation in the Radio industry, however, created the need for additional dollars to feed debt service and mega-mergers. NTR was adapted to the need and often included non-traditional advertisers in traditional inventory positions.

Since there are as many definitions for NTR as there are stations trying to make money, we'll list just a few examples:

- Business-to-business shows
- Bridal expos
- Job hotlines
- Telephone concert calendars
- Station magazines or newsletter
- Community events that allow sponsorship
- Grocery store and other retail promotions that increase traffic

The RAB offers a package of proposals that have generated NTR dollars for Radio stations in markets of all sizes. Most of them fall into the last category in the list, the retail promotion. One such proposal, developed by a group of Chicago stations, provided incentives for the support staff of Valvoline products. There was a party for vendors and a sweepstakes prize for them. On the air, the stations made the public aware of the product so Valvoline sellers would have an easier entré to their retailers.

The newest addition to a station's NTR arsenal is the Internet. Your Web site can carry advertising without affecting traditional inventory, and the dollars typically come from "new media" funds at advertisers, not from dollars allocated for Radio. You'll remember the discussion in *Media Facts* about the Internet as a competitive medium. There's also good information there about using the Internet to advantage. You might want to review it in the context of NTR.

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Because some NTR plans include promotions that are tied in with audience building as well as advertising, the program director is often involved in the process. Some program directors feel they are the "NTR Directors" for their stations, even though that official title usually resides in the sales department.

The fact is, most NTR dollars will be generated by careful combinations of programs that already exist at an advertiser company. It requires a full time NTR specialist to maximize those dollars and to work with the advertiser to use them effectively on the Radio station. RAB's course on NTR focuses on those advertisers, the "vendors" you'll read about in this section. What you'll read here has been edited from the study guide for the Certified Radio Marketing Specialist, one step up from CRMC. It's important for understanding of this complex issue.

Understanding the Dynamics of Vendor NTR Programs

Packaged-goods sales and marketing is a world totally unlike Radio sales, and as a CRMC-PA you need to understand not just simple "how-to" techniques, but also the underlying perspectives and attitudes that make this corner of the world tick.

Any successful venture requires thorough preparation, so use the following tools to make your initial vendor calls successful — opening the doors for future presentation opportunities.

Understand Your Customer

The Radio industry focuses on many different kinds of vendor/co-op programs and utilizes different sets of tactics for each. This section of the CRMC-PA study program is designed to help you get results with Manufacturer-Driven Programs - specifically those targeted to packaged-goods manufacturers.

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What is a Manufacturer-Driven Program?

In a typical Manufacturer-Driven Program, a packaged goods manufacturer or food broker funds a promotional program designed to move incremental cases. Revenue sources for such programs include market development funds, special event funds, display funds, slotting allowances, and new product funds or other budgets that are over and above the retailer's "street money." The manufacturer chooses either to extend the promotion market-wide and focus on consumer "sell-through," or to keep it focused on a particular trade and emphasize retail "sell-in."

In Radio language, a manufacturer-driven program usually features a manufacturer decision-maker funding a promotional program designed by a Radio station that promises to sell more of his/her product than he/she should have sold during the same time frame without the promotion. Even though the program is designed by a Radio station, the manufacturer does not use media funds to pay for it. Instead, he/she taps other budgets that are available for the sole purpose of moving incremental product. These sales promotion budgets typically cannot be used to buy media.

The two most important elements of a Manufacturer-Driven Program are:

1. Incentives for a manufacturer to give to a retailer in order to leverage more display space and/or case commitment (sell-in); and

2. Incentives for the manufacturer to offer to consumers so they will buy more of the product (sell-through).

Radio commercials usually play a subordinate role in these programs and are typically more important to the local retailer(s) than to the manufacturer who is underwriting the promotion.

Prepare a Vendor "War Chest"

Heading to the front line without effective artillery is a sure-fire way to lose the battle. Instead, arm yourself with a Vendor Sales Presentation Book...which should include:

1. A rolling calendar of promotional opportunities/events. The GM, GSM, NTR Director, Program Director, and Promotions Department should plan expected station promotions for the entire year, filling in the blanks with national and local events/ideas suited to the station's format. This master calendar will serve as the foundation for a promotional planner offering manufacturer prospects a year-round selection or "menu" of promotional opportunities.

2. A list of potential cross-marketing, gift-with-purchase, and retail display partners. Make a commitment to identify and sign up potential cross-marketing partners for manufacturer-driven promotions. A large portfolio of cross-marketing partners is crucial to your success. Manufacturers are most interested in Retail display partners. However, these are the hardest to sign up because you usually have to negotiate with retail merchandis-

ers. If you are just starting out, don't worry about delivering retail display partners immediately. Initially focus on potential gift-with-purchase partners capable of offering consumer incentives such as free gifts or valuable discounts with purchase.

3. Case studies/success recaps from your station and others. Include an array of success stories that feature different examples of manufacturer trade-specific and market-wide promotions such as cause marketing, special events, gift-with-purchase, cross marketing, and sports tie-ins.

4. Your station's on-air sponsorship opportunities, event tie-ins, and remote packages. Don't ignore the power and appeal of your station's regular programming and promotional opportunities. Manufacturers respond eagerly to remote packages, personality appearances, sports programming tie-ins, and station events.

5. A coverage map and market ranker. Manufacturers frequently need to know exactly how many store locations fall within your listening area. Consequently, a coverage map is a good idea to have at these meetings. Manufacturers want assurance that your station is a viable one. While you do not need to provide education on other Arbitron ratings, a simple market ranker will usually put the client at ease.

Your sales department can target manufacturers using resources such as The BrandWeek Directory, available by calling 1-800-468-2395, or by subscribing to the following trade publications: *Brandweek, Supermarket News,* and *Promo* Magazine, or by calling the RAB.

Sources of Manufacturer Funding

Here's an overview of how the packaged-goods industry allocates its marketing dollars:

Trade Promotion - The largest portion of the manufacturer's marketing dollar actually is not spent on marketing at all. It is channeled into getting the product sold in to, and kept on, the shelves of the retailers who sell that manufacturer's product. Much of this money, or trade promotion funds, is simply handed to the retailer in the form of "street money" and "case deals" used to fund displays, slotting opportunities, ad features, temporary price points, and other types of in-store consideration.

Consumer Promotion - Accounting for almost one-third of the marketing budget pie, consumer promotion activities focus on national and local consumer direct promotions that seek to increase product demand at any retail location. Much of this money is spent on the glossy coupons found in the newspaper (known as Free Standing Inserts or FSIs), electronic in-store couponing, sampling, premium offers, money back offers, and sweepstakes.

Media Advertising - At one time, media advertising was the largest single marketing expenditure, but now claims only about 25% of the marketing budget. Television and print take the lion's share of all media advertising dollars, with Radio receiving slightly more than 2% of overall marketing expenditures.

In seeking out manufacturer-driven dollars, the successful Radio station will garner new revenue from all three areas of funding. However, any such effort is predicated upon a solid understanding of the key decision-makers who control these funds, as well as the processes by which they do so.

You will be dealing with two different kinds of decision-makers: Manufacturer decision-makers and retail decision-makers. Within each of these basic categories, there are a number of individuals, each with specific responsibilities, "hot buttons" and needs that Radio is well-positioned to satisfy.

Some Examples of Good Promotional Programs

1. Gift-with-purchase and redemption programs - e.g., buy a 16 oz. bottle of Lubriderm lotion and receive a free ski pass worth $35.
2. Exciting consumer sweepstakes - e.g., "be a Texas Ranger For a Day: register to win a day in the dugout and an official team jersey...only at the Keebler display."
3. Cause-related promotions - e.g., buy two cans of Campbell's Chunky Vegetable soup, give one can to the Metro Food Bank and receive a free movie ticket as a thank-you gift from Campbell's and AMC Theaters.
4. Cross promotions with a non-competitive outside retailer - e.g., buy two

packages of the new Gillette Sensor for Women blades and receive a 25% discount on your next bikini from all participating JC Penney stores.

What Can Radio Do?

For manufacturer reps and brokers

1. Provide merchandising incentives for the manufacturer to give to retail buyers. Buyers appreciate perks such as tickets, hard goods, and trips.
2. Introduce the manufacturer to non-traditional retailers (where the manufacturer does not already have distribution) who will consider slotting in their product in exchange for a promotion - e.g. a hardware chain that agrees to sell Coke in exchange for a traffic-building consumer sweepstakes promotion funded by Coca-Cola.
3. Create exciting, value-added, turnkey promos that generate traffic for their existing retail account and incremental sell-through for the manufacturer.

For brand decision-makers

1. Tie the manufacturer into a major local event with a booth, sponsorship, or remote sampling opportunity.
2. Have a manufacturer's product distributed at a sporting event venue before or after the game.
3. Obtain signage and logo identification for the manufacturer at special events and sports venues.

For marketing decision-makers

1. Offer the same features described for brand managers.
2. Keep ad rates more in line with an agency buy than a manufacturer buy;
3. Offer on-air promos if they are available; and
4. Show research which indicates that your station targets the product's specific demographic segment.

Retail Decision-Makers

Although Manufacturer-Driven programs start with manufacturer decision-makers, they very often end with a "yes" or a "no" from retail decision-makers. While it is not as important right now to study the latter in complete detail, it is imperative that you understand generally who some of the key people on the retail side are, as well as the role they play in helping a manufacturer decide whether or not to fund a promotion.

Who are they?

Retail Buyer, Retail Merchandiser, V.P. of Merchandising, Sales Manager/ Grocery, General Merchandise Coordinator, Operations Manager, District Manager (national retailers only).

What do they do?

Generally, the relevant function of these retailers is to make buying and merchandising decisions. They choose what product to buy, how much of it, and when. They also serve as gatekeepers of the retail "plan-o-gram," which controls product display and shelf placement. In addition, these decision-makers put together the retailer's newspaper and circular ads, and assign retail price points. In short, they determine how much product sells in to the trade.

Why are they so important?

If a manufacturer sales rep or broker gets a retail merchandiser/buyer to accept the Radio merchandising promotion he/she is offering in exchange for incremental case commitment or display, that manufacturer automatically will fund the promotion. This is true because he/she is guaranteed to achieve the goal of selling more product into the trade before the promo even begins.

What are their hot buttons?

1. Promoting their generic house brands;
2. Traffic-building on-site events like valuable redemption programs, frequent buyer programs, mystery shopper promotions, radio remotes, and consumer sweepstakes;
3. Help with an overlooked or perimeter department (e.g., supermarkets often need help with their floral departments);
4. Develop on-site events for a store location under siege from a competitor. Create promos for a grand opening or remodeling of one or more stores;
5. Create thematic promotions coinciding with a hot seasonal sales period such as back-to-school or Easter; and building community image programs benefiting their key consumer group.

How Radio Can Help Manufacturers Sell Promotions to Retailers

1. By putting together the type of programs mentioned above for the manufacturer to take to her buyer(s).
2. By conducting research on the retailer beforehand and including specific hot buttons in the promotion (e.g., a local cause tie-in) that the retailer is already interested in.
3. By providing the manufacturer with crisp, professional proposals that include the key ingredients and language that will relate what the retailer wants to see and hear.
4. By accompanying the manufacturer during presentations to retailers whenever possible and helping him sell the promotion "sizzle."

Glossary of NTR Terms

Marketing and partnering with clients in the package goods industry is a whole new ball game. To help ensure a smooth ride, you'll want to become familiar with their terminology. This guide exposes you to hundreds of terms that you will need to know or be familiar with in dealing with manufacturers and retailers.

Account/Trade Specific: A product or promotion sold in to one store.

Accrual: Co-op money earned by a retailer as a percentage of purchases from manufacturer.

Accrual Period: Retailer accrues co-op advertising funds on his purchases during a specific period of time set by the manufacturer.

All Commodites Volume (ACV): Basis for measuring retailer distribution which take into account the relative importance of an operator. For example: Brand A has distribution in only one store. If that store does 10% of market sales, Brand A has 10% ACV distribution.

Alternative Retail Format: Warehouse stores, membership/wholesale club stores, any type of "club" format.

Amortization: The splitting of an investment between departments or budgets; the ability to take an investment and spread it over a period of time.

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ANA/RAB Tear Sheet: Radio co-op documentation system combining script with affidavit.

Aperture: The height, width, and depth of facings.

Assortment Plan: Sometimes referred to as a model stock. It is the required depth of stock by price, color, material, size and classification to satisfy expected customer demand.

Auditor Survey: The checking of stores in a chain to verify how much product must be shipped to each store to fulfill distribution requirements.

Automatic Reorder: Setting up a reorder cycle whereby basic merchandise is ordered as the stock reaches a predetermined minimum level.

Back Card: A point-of-sale card affixed to the back of a Dump Bin or Floorstand, to present an advertising message at eye level above the product.

Bait & Switch: Illegal retail practice of advertising an unusually low-priced item, usually not even available, to lure customers in to a retail store, where they can be sold a higher-priced item.

Bedding: Mattresses.

Best Food Day (BFD): The heaviest food shopping day, on which most local retailers place their features ads in the newspaper.

Buyer: Individual responsible for purchasing products from broker's or principal's sales representative for certain product categories.

Buy-In: Procedure whereby a retailer must buy a new product or a certain amount to take part in a co-op schedule. Usually paid 100% by the manufacturer.

C-Store: Convenience Store.

Case Allowance/Deal: Discount offered by a marketer to a retailer based on number of cases purchased.

Case Commitment: The agreement by a retailer to buy a certain amount of product sold in cases from the manufacturer.

Case Deal: A price discount established by the manufacturer based on the volume of cases purchased by the retailer.

Case Extender: Device used to extend shelf space from store case or bin into aisle. Extender is affixed to case.

Case Goods: Bookshelves, vanities, chests, etc.

Category Killers: A term used to describe a large retail store dedicated to one category of merchandise, also called Superstores.

Ceiling Hanger: Type of point of purchase signage hanging from the ceiling above product.

Chain: An operator of 11 or more retail stores.

Channel Marketing: A way of organizing marketing functions of a company to put individuals in charge of selling certain classes of trade.

Charge Back: Bill that store issues to vendors to collect money owed for co-op advertising or merchandise rebates.

Circular: Special advertising supplement (price/feature piece) inserted in the newspaper or mailed directly to the consumer.

Claim: The process and form used by the retailer to get reimbursement for advertising expenditures. (Sometimes known as the "proof of performance".)

Claim Period: The period of time after the advertising has run and before any deadline date in which claims can be filed, usually between 30-60 days after advertising schedule.

Coffin: Horizontal display in the frozen food section.

Commodity: Product sold by trades at less than price purchased for. Usually sold and promoted with product which has high margin. For example, coffee often is a commodity item sold at a loss, but sold and promoted with a creamer which holds a high margin.

Deductions: Incentives given/paid to trade from the manufacturer to motivate better display, space, reduction in prices, shelf facings, etc.

Delicatessen Buying: Sampling many lines of merchandise without providing sufficient depth to satisfy customer demand.

Demo: An in-store manufacturer demonstration.

Development Money: Funds outside the normal co-op budget that are based on proposals from the advertiser for such things as store openings, new products or remote broadcasts.

DFI: Discount from invoice.

Direct Response: Non-store retailing. Consumers order products/service by mail, phone, fax, or computer.

Direct Store Delivery (DSD): Marketer delivers direct to the store level without using wholesaler or warehouse. DSD's are products like chips, milk, and soft drinks, usually delivered by a rack jobber.

Display Funds: A budget used to pay for retail display.

Disclaimer: Copy which is intended to limit a marketer's liability regarding promotional claims.

Discretionary Funds: All funds (vendor, promo, special event, market development) that a manufacturer may provide to a retailer.

Display: Arrangement of product(s) usually accompanied by signage, placed to attract shopper's attention in the store.

Display Allowance: Incentive offered to retailer in return for off-shelf display of the marketer's product(s).

Display Merchandiser: Permanent display provided by principal. Often includes some service attachment; i.e. battery tester, coffee grinder, etc.

Distributor (Wholesaler): Business which warehouses products, provides a selling function to retailers, and ships/invoices goods. A distributor doesn't usually handle competing lines where a wholesaler usually does .

Distressed Product: Product that doesn't move off the shelf. Trade will sell at a loss to free shelf space for other products or return through agreement to principal. Often includes perishable products with dated shelf life so principal reimburses trade for distressed perishable product.

Double Billing: An illegal procedure involving any medium that renders a false in voice to a retailer for co-op reimbursement. This can involve a bill showing a higher rate than actually paid by the retailer, a bill for air time that was not used, or two separate invoices for an advertisement.

Efficient Consumer Response (ECR): A term used by retailers to study the effectiveness of promotions, product flow, and product development to determine profitability of a brand.

Feature: An ad within a retailer's circular or newspaper ad.

Football: Product is price sensitive and product price is kicked up and down; e.g. Pepsi-Cola, Coca-Cola.

Forward Buying: Buying excess product on deal to sell later at full price.

Franchise: Exclusive distribution agreement. Store may be company-owned or individually owned, e.g., fast food, auto dealers, etc.

Free-Standing Display: Portable display accessible from all sides positioned in open areas of stores to display product on promotion. Usually not placed at end of aisle.

Free-Standing Insert (FSI): Coupon carrier usually delivered in Sunday edition paper.

Front-End: The area of the front of the store (near the cash registers). Impulse items, high-profit items and items that need to be watched are found here.

Front Loading: Requirement by principal for specific buy to qualify for promotion.

Generics: "No-name" or "No-frills" products.

Gift with Purchase (GWP): Promotional technique most often found in department stores; e.g., free eye shadow with fragrance purchase.

Gondola: Long narrow display case from which merchandise is accessible to customers on either side.

Gondola End: Product display designed for the end of a Gondola, a set of store shelving. Usually considered a prime, large-display situation.

Graduated Percent Participation: A participation plan based on the number of ads the advertiser runs. For instance, the first ad may be 50% paid, the second ad may be 75% paid and the third ad may be 100% paid.

Horizontal Co-op: A co-op program where several dealers' accruals are combined to fund a single schedule.

Incremental Cases: Additional cases of product sold in a specific promotion period.

Keystone Markup: A method of applying markup whereby the cost price is doubled to arrive at the selling price.

Kiosk: A free-standing, usually permanent display. Might be an information display for pamphlets or an actual selling space.

Launch: Roll out new product introduction.

Leased Department: "Store within a store." Example: a shoe, cosmetics, or jewelry department in a department store, they pay rent and/or a percentage of the sales to the larger store.

Length of Deal: Inclusive dates of case deal and promotion offered by principal.

Limited Assortment Store: A store with under 1,500 items basically selling dry grocery and very few perishables. Very low margin and labor ratio. Practically no service offered.

Line Extension Allowance: Principal creates a new product that is really a variation of the old product, e.g. Liquid Tide.

Local Marketing Allowance (LMA): The amount per case available to support the promotion at the local level. These funds traditionally have been used to lower prices, also for in-store Radio.

Loss Leader: Product featured at a low price, often below cost, in order to increase store traffic to sell additional profitable items.

Low Volume Product (LVP): Also called convenience items; stocked purely for the consumer's convenience, e.g. shoe strings, kite string, etc.

Manufacturer's Accrual Notice: A notice to the retailer of amount of accrued earnings, sent by the manufacturer monthly, quarterly or semi-annually.

Manufacturer's Claim Form: A specific form provided by the manufacturer that must be used in order to make claims upon that manufacturer for advertising reimbursement.

Manufacturer's Rep: A salesperson working directly for a manufacturer and calling on retailers and/or distributors.

Margin: Gross profit. The difference between the retail and wholesale price before expenses (other than costs of goods sold).

Markdown Pool: A budget from which manufacturer pays a percentage of the cost of selling goods at a marked down price.

Market Development Funds: Additional funds provided by principals to influence trade buyers to increase shelf space or stock new products. Broker has historically used market development funds to provide incentives, e.g. sports tickets, trips, etc.

Pass-Through Co-op: Co-op funds available to the retailer even though he purchases from the wholesaler or some other indirect source.

Performance Date: The last date by which an ad must run in order to qualify for co-op.

Performance Requirements: Rules and regulations set down by the manufacturer to which a retailer must adhere in order to be reimbursed for advertising costs.

Planogram: A space management tool. Layout of a stores floor space and shelf space as it pertains to store inventory, shelf stocking requirements, floor layout, and promotions.

POP (Point-of-Purchase): Display materials used at the point-of-sale to attract customer attention to a product.

POS (Point-of-Sale): Usually printed materials, but also electronic, designed to attract consumer attention and stimulate a purchase at the retail store. Also, Point-of-Purchase.

Prepack: Merchandise shipped already bundled in a size, it is either broken down further in the warehouse, or display is sold to the customer as the manufacturer packaged it.

Price Point: Price consumer pays.

Principal: Term used by trades and brokers for manufacturer.

Prior Approval: A term in some plans that requires ads to be approved by the manufacturer before running.

Private Label: Packaged goods product similar to nationally advertised brand. Trademark product usually regionally owned by the distributor/wholesaler or a chain common house brand.

Product Introductory Allowance: Special trade allowance offered for new product with usually a higher allowance than normal.

Product Turn: Selling out of total stocked inventory.

Proof of Product Purchase: Documentation used to claim pass-through co-op. Normally a document either filled out by the distributor or a copy of the retailer's invoice proving that he did purchase the product and indicating the amount of accrual he has earned.

Proof-of-Purchase: Sometimes a requirement by the marketer that must be remitted to qualify for his offering. Might be a box top, a UPC symbol, or a cash register tape.

Purchase Cycle: The frequency with which consumers buy a product service.

PWP (Purchase with Purchase): Consumers are offered an additional product at a reduced price. The additional product is only available if the first product is purchased.

Redemption Programs: Incentive offers such as free admission, product, or service that are made available with proof of purchase of a specific product.

Return on Investment (ROI): A ratio that measures the success of a marketing campaign, calculated by comparing the amount of incremental sales to the amount invested in the promotion.

Register to Win (RTW): A consumer promotion designed to increase store traffic and product sales.

Sampling: Often done at the retail store, it's a technique of getting the product into the hands of consumers through "in-store tastings", trial size give-aways, or trial size products at a reduced cost, etc.

Scanner: Cash register, computerized checkout equipment which records transactions by reading UPC code. Used to track consumer purchase of product, control inventory and observe purchasing decisions.

Scanner Data: Data captured by the scanner process which can be used for inventory control, sales analysis, etc.

Sell-In: The process of the manufacturer selling goods to the retailer.

Sell-Through: The process of the retailer selling goods to the consumer.

Shelf Extender: A point-of-sale fixture which can hold additional product over and above normal shelf stock quantity, to create increased product visibility and availability.

Shelf Talker: Displayed with the product. It may give suggestions on usage of product, contests, or have tear-offs for the customers.

Shipper: Free-standing display filled with the product sold as a package to trades. It is usually made of cardboard.

Shrink Allowance: Amount deducted from billing prior to shipment to cover anticipated damage to products delivered to trades.

Shrinkage: Loss of merchandise due to theft.

Single: One display at end of aisle.

Sign Over: A process where the retailer releases his co-op funds to a wholesaler or manufacturer. These funds then go into a pool to be used for dealer group advertising.

Slotting Allowances: Set up charge billed to the principal by the trade. Fee includes entering items into the computer, self/fixture space, floor space, correspondence (i.e., shelf talkers, POP, take ones, etc...)

Space Management: The science of analyzing product movement potential and allocating shelf inventory to best accommodate that potential. Also involves the decision of product location/position/facings on the shelf. See Planogram.

Split-Out/Force-Out: How a retailer distributes product among the stores in the chain. Example: A company with 20 stores in their chain may purchase 10,000 cases of toothpaste from a manufacturer, he would then "split out" the product, maybe 500 cases to each of the individual stores.

Spread: Percentage difference between wholesale and retail price.

Street Money: Discretionary funds given to retailers by manufacturers to "obtain their support" and get a higher sell-in of product or a better store position.

Temporary Price Reduction (TPR): A promotional technique used by manufacturers to temporarily reduce the price of their products to increase sales.

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Warehouse Store: Large, "no frills" retail outlet. They carry everything from general merchandise to perishables. Usually stock a lot of private label items and don't have a big variety of products. Feature case-quantity pricing.

Understanding Cooperative Advertising

Here's how RAB advises sellers to approach cooperative advertising. First, a definition: Co-op advertising is a system by which manufacturers and/or distributors agree to pay for a portion of the advertising purchased by their retailers. And since the manufacturers are spending money, they establish rigid requirements the retailers must follow. The rules can be complicated, and they're different for almost every manufacturer.

Surprisingly, some Radio salespeople still avoid this potentially lucrative revenue area. "Co-op just doesn't work for our station!" they conclude, based on one or two co-op deals that were less than successful. Some AEs have the misconception that completing a co-op sale is as difficult as walking across a bed of hot coals. It's not.

Is co-op advertising a sales opportunity that has run its course? Many stations and salespeople believe that co-op is dead. They have gladly walked away from what they see as a labor-intensive, paperwork-laden, complicated source of new business revenue. But is this "archaic" method of generating new money really at death's door? **The answer is NO!**

According to research conducted by CoAms, Inc., trade promotion allowance expenditures exceeded $37 billion last year. On average, 60 percent of those dollars are utilized by savvy retailers, many of which are placed on stations through national advertising — such as Clinique makeup available at Nordstrom, or Nike shoes available at Footlocker. During the same period, an excess of $14.8 billion dollars in accrued (but unused) co-op money expired and went back into the manufacturers' pockets. This is where Radio's local sales opportunities lie, since co-op advertising allowances are offered by almost every manufacturer of branded products.

Just as with crossing the coals, there are many steps involved in implementing a co-op sale:

#1 - The Retailer

Before calling on a prospect — retailer or vendor — do your co-op homework! Your best single source for this information is the RAB Co-op

Directory, which can help you identify specific co-op programs that represent potentially significant funding opportunities for the prospect. By becoming familiar with a variety of co-op opportunities before you call, you may end up knowing more about a manufacturer's co-op plan than the retailer does.

When you meet with your prospect, incorporate this information into your needs analysis. Inquire if the retailer has ever utilized his/her co-op dollars. Ask probing questions to discover the "who, how, and why" of the funds they have used in the past, and position yourself as a co-op marketing partner rather than a salesperson. Offer to make some calls to get accrual totals, and then prepare a proposal based on those numbers.

To accomplish this goal, ask the retailer for a list of his or her top ten manufacturers, including their account numbers. Then compare the list to the RAB Co-op Directory listing for that category. After selecting the manufacturers with the highest reimbursement and the closest expiration date, you are ready for the next step.

#2 - The Manufacturer

Since the manufacturers are paying for part — if not all — of the schedule, everyone is required to play by their rules. Therefore, you will need to make a call to the manufacturer to ask for your retailer's accrual totals and confirm the details of the program.

Plan your approach before you pick up the phone. Understand that the person you are calling could receive hundreds of calls from media reps every week. As a rule, he or she wants to protect the manufacturer's best interests, which means that the co-op contact might be hesitant to release all of the information you are seeking. Don't forget the number-one rule while communicating with manufacturers: Aggression will get you nowhere! A friendly, yet assertive, approach often is the best way to get the valuable information from the manufacturer.

Before releasing accrual totals, the manufacturer most likely will require some kind of proof that you are working with his/her customer. Sometimes this proof is as easy as giving them an account number, or you might have to fax them a release letter from the retailer. Once you provide the proper documentation, the accrual totals should be made available. At this point, you should ask the following questions:

- "Have the guidelines of your co-op program changed?"
- "Do you provide Radio scripts? If not, does dealer copy need prior approval?"
- "Are you offering any one-time co-op opportunities?"
- "What kind of documentation is required after the schedule has run?"
- "Where should the claims be sent?"

Once these questions have been answered, you can build a schedule that best accommodates your retailer's ad budget and the manufacturer's co-op plan parameters.

#3 - Your Station

Next, you need to alert your traffic or business manager that the schedule is part of a co-op buy, and that it will need special attention. After the schedule has run, someone will need to submit the required documentation along with notarized copies of the ANA/RAB Tear-Sheet. Incorrect paperwork can delay payment to the retailer which, in turn, could cause a late payment for the station. Accuracy is a necessity!

Once all the paperwork has been processed, mail the information to the manufacturer. Give a copy to the retailer, and file one yourself. Then check back with the retailer for feedback on the schedule, and inquire about the reimbursement from the manufacturer. If he or she has not received a check, offer to make a call to the co-op contact to expedite the payment.

At first glance the co-op process might seem a little overwhelming. But, through a careful, step-by-step approach, you can help your customers maximize this important source of ad funding. As a cooperative advertising expert, you can add to your professional credibility and build a rapport with your customers, which can lead to a long-term, mutually profitable relationship.

Retailer, Manufacturer, Radio

The term *retailer* describes a business (or the individual who owns or operates the business) which sells products directly to consumers. It's derived from a word which originally meant "to cut up," as in cutting something into smaller pieces. That's how a retailer makes a profit: By buying a large quantity of merchandise at a given price, then re-selling that merchandise to individual customers at a higher price. Often the retailer (also called a *dealer*) buys merchandise directly from the *manufacturer*, the company which makes the products. Some manufacturers retain local representatives who sell merchandise, help direct retailer advertising and sometimes approve co-op. These are called *manufacturer reps*.

In some cases, manufacturers sell their products to *distributors* (sometimes called *wholesalers* or *jobbers*) who then sell the merchandise to retailers. Some distributors handle only a single manufacturer's products, usually in a particular region or area of the country. However, most distributors carry the products of several different manufacturers and specialize in one category of merchandise.

In the process of getting manufactured merchandise to the consumer, a product is actually "sold" several times. At each stage, the price of the merchandise is marked up to allow each of the parties a profit. Since the whole process depends on the final retailer-to-customer sale, it's in the manufacturer's and distributor's interest to help the retailer attract customers to the store to buy the manufacturer's products. That is the basis for *co-op* (short for "cooperative") *advertising*, a system where the manufacturer – (and/or the distributor) – shares the cost of the retailer's advertising program.

While manufacturers do not have to include all media in a given co-op program, most do include newspaper, television and Radio. This availability of co-op funds represents both an opportunity and a challenge for Radio salespeople. Most stations look to retail businesses as their key advertiser base, and virtually every retailer is supplied by manufacturers who offer one or more Radio co-op plans. In short, any station's (or salesperson's) list of current and prospective advertisers will almost certainly reveal a large number of manufacturers who have allocated co-op funds which can defray all or part of a retailer's campaign on the station.

However, each year a significant percentage of this money goes unused. Estimates vary, but most experts agree that the amount of co-op which is left unspent by retailers is staggering. There are a number of reasons why. In some cases the retailer may simply not be aware that a co-op program exists – and that his purchases of a particular manufacturer's products make co-op funds available. In other cases, the retailer may lack the manpower or the expertise to handle the paperwork involved in accessing co-op funds. Some retailers may accrue individually small amounts of co-op which need to be combined with other products (or other dealers' campaigns) to be used effectively. In all these instances, the Radio station can play a crucial role in helping the retailer to make use of his co-op funds – and reap the benefits of this otherwise untapped source of revenue.

The Co-op Plan

A co-op plan is the manufacturer's formal offer to support the retailer's promotion of a given product when certain requirements are met. Elements of most co-op plans:

Accrual - The fund (usually money, sometimes credit or merchandise) a manufacturer reserves for a given retailer's use in co-op advertising is called an accrual. Most often, this is a percentage of the amount of merchandise the retailer purchases from the manufacturer in a certain period.

For example, a plan which lists accrual as "up to 3 percent of the previous year's purchases" means that if a retailer spent $10,000 last year with the manufacturer, he has accrued a co-op fund of $300 for this year. Some plans calculate accrual as a flat amount for every item purchased. Other plans are unlimited or open-ended, meaning they are not based on accrual.

Allowance - The percentage of a campaign's (or schedule's) cost which the manufacturer agrees to pay is called the allowance. A typical allowance is 50-50, meaning the manufacturer will match the retailer's expenditure in advertising a given product, up to the amount accrued.

Some plans are 100% plans, where the manufacturer pays the entire cost of the campaign (again, only up to the accrued amount) and the retailer doesn't have to use any of his own funds to advertise.

Other plans are 75-25 (the manufacturer pays 75 percent, the retailer pays 25 percent), 66.66-33.33 (manufacturer pays 2/3, retailer pays 1/3), and so on. Some plans provide for a three-way participation: Manufacturer, 50 percent; distributor, 25 percent; retailer, 25 percent.

Co-op Period - The time period a manufacturer designates for accruing co-op funds is called the co-op period. In many cases, purchases of the manufacturer's products during the previous year determine the co-op fund for the current year. Other plans accrue in the same period in which the advertising runs.

Typical co-op periods include the calendar year; first and second halves of the year (January 1 through June 30 and July 1 through December 31); quarters; and sometimes periods which begin with the company's fiscal year. Promotional (or deal) periods are common among grocery and drug co-op plans. These are times chosen by manufacturers to stimulate sales of their merchandise.

Cancellation Date - The date which ends the co-op period – and serves as a cut-off for the retailer's accrual of co-op funds – is called the cancellation or expiration date.

Contact - The person at the manufacturer's headquarters who administrates the co-op plan is called the contact.

General Requirements - Retailers must, in most cases, submit the manufacturer's co-op form for permission to advertise. Only those products and brands mentioned in a plan will qualify for co-op. Some plans designate specific days or dayparts for Radio ads.

Continuity - Most manufacturers provide produced commercials or scripts for retailer use in co-op advertising; the retailer's name and location is then inserted in the script or tagged on (announced at the end of) the commercial. Manufacturers may insist that these materials be used as-is – and may refuse to pay for the schedule if they're not. For that reason, any modification or substitution of other copy should be approved by the manufacturer in writing before the schedule airs. Some manufacturers who allow exceptions pay higher co-op allowances or accruals when their script is used.

Billing - Retailers are expected to pay media bills and are then paid back (reimbursed) by the manufacturer according to the terms of the co-op plan. Billing must follow the manufacturer's exact instructions.

Why is co-op advertising important?

Competition is fierce among manufacturers that want to get retailers to carry their brand over another company's and, as more and more retailers create private-label goods, co-op can be used as leverage by the manufacturer. It also is important for the manufacturer not only to place merchandise on the retailers' shelves, but to make sure that it sells. Co-op advertising is a means by which this goal may be achieved.

Co-op remains a robust source of revenue for many progressive-thinking stations. Some have been capitalizing on it consistently since the '70s, while others have just begun to jump into the ring. Either way, co-op has a lot to offer the retailer, the manufacturer, and the station.

Benefits of Co-op to the Retailer

- Co-op helps create store traffic by telling the consumer where to purchase the branded product or service...and it helps stretch a retailer's ad budget.
- Co-op allows local retailers to tie into national manufacturers' programs, such as Kodak's offer to give away trips to the Olympics.
- Co-op increases store and product name awareness.

Benefits to the Manufacturer

- Co-op provides local advertising and promotion of a specific product or service (Nike shoes or FTD floral service).
- Co-op creates incremental consumer purchases via temporary price reductions and product awareness.
- Co-op helps build loyal trade relationships for the manufacturer's rep.

Benefits to the Station

- Co-op is a lucrative source of new spot and non-spot revenue.
- Co-op gives AEs the opportunity to increase current advertising buys.
- Co-op sales are rarely CPP or ratings driven.

How to begin

Pick a category that fits one or both of the following criteria: 1) high-volume product sales with peak periods, or 2) hard goods that have big-ticket prices. For example, in the lawn and garden category, you would find:

- High volume/seasonal: fertilizer, grass seed, pesticide
- Big ticket: lawn mower, snow blower
- Target manufacturers: Scott's, Fertilome, John Deere

To uncover available co-op dollars in your market:

- Start looking in the newspaper for ads with manufacturers' logos or dealer listings;
- Jump on Rab.com and pull up the 100% expiring list of co-op for the following quarter;
- Brainstorm in your next sales meeting to compile a list of products and/or services that peak in your market four to six months from now.
- Pick up the phone and get started! Good luck!

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Breakthrough Marketing provides monthly leads and ideas faxed to stations nationwide called HOT OFF THE PRESS, and a bimonthly proposal called the IDEA EXCHANGE NETWORK. For more information on all of the products Breakthrough Marketing provides to stations, please call Julie Lomax Brauff at 425-747-0647, or fax 425-747-1442, or visit their Web site at www.btmktg.com.

Glossary of Co-op Terms

Accrual: Co-op money earned by retailer as a percentage of purchases from manufacturer.

Advertising Checking Bureau (ACB): Company used by manufacturers to audit retail co-op claims.

Affidavit: Statement, signed by station official, attesting that schedule was run as invoiced.

Allowance: Share of co-op advertising paid by manufacturer.

ANA/RAB Radio Tear Sheet: Radio co-op documentation system combining script with affidavit.

Cancellation Date: (also *expiration date*) Specific date when retailer's accruals are cut off.

Co-op: Partnership advertising where retailer, manufacturer and/or distributor share costs.

Co-op Period: Time during which retailer purchases accrue co-op funds.

Co-op Plan: The manufacturer's formal offer to share advertising costs with retailer.

Co-op Specialist: (also called *Co-op Coordinator*) Radio station staffer who concentrates on co-op related business.

Dealer: A retailer who purchases manufacturer's products.

Dealer Group: An association of dealers who pool their co-op funds to finance a market-wide campaign.

Dealer Support Program: Local advertising program where manufacturer selects stations and schedules, and (usually) tags dealers. Manufacturer retains control rather than offering co-op.

Distributor (also called *wholesaler or jobber*): The middle person between manufacturer and retailer who sometimes administers co-op.

Exact Times: Requirement made by some manufacturers requesting list of exact times commercials ran.

FTC: A free copy of "FTC Rules and Guides" (regulating co-op) is available from the Federal Trade Commission in Washington.

Horizontal Co-op: A co-op program where several dealers' accruals are combined to fund a single schedule.

Manufacturer: The company which makes the merchandise a co-op program promotes. Manufacturers are the source of co-op funds.

Manufacturer's Rep: The manufacturer's local representative.

Notarization: Certification by a notary public. Station affidavits are usually notarized.

Pinpoint Marketing: Company used by manufacturers to audit co-op.

Proof of Performance: Evidence that the retailer ran his/her co-op schedule as stated.

Reimbursement: Process where manufacturer repays retailer for its share of co-op costs.

Vertical Co-op: Co-op program which combines a retailer's accruals from various manufacturers to fund a schedule or campaign.

Verification. Manufacturer's system to confirm that a co-op campaign was run in accordance with the co-op plan.

Module

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Promotions

The PD's job usually includes devising station promotions and contests. Even when the station has the luxury of a promotions director, the program director is the "gatekeeper" for promotions that appear on the air.

In its simplest form, a station promotion should be designed to generate at least one of three results: (1) An increase in Cume audience; (2) An increase in time spent listening; (3) An enhancement of station image.

In today's sales-driven environment, there's one more result demanded: a sponsor tie-in. Too often, the conversation from seller to programmer comes down to these words: "I need a promotion or I won't get the buy!" The solution could be as simple as putting a sponsor coupon on the back of a station bumper sticker or as complex as creating a contest with tie-ins for listeners and sponsor employees alike.

That says that the program director must share the "gatekeeping" duties with someone else, usually a sales manager or the promotions director or both. Accommodating sponsorships creates considerations in addition to the three steps listed above. After all, advertisers are interested in getting their messages to the people most likely to use their products and services, and in the most economical way. Accordingly, sales promotion places heavy emphasis on Radio's ability to reach targeted demographics at a competitive cost.

Promotions' Role in Radio Sales

An effective sales promotion campaign is the result of careful planning based on the following considerations:

1. Campaign Purpose - Is the primary purpose to project station image or to sell time? If the former, will it be attractive to the targeted advertisers? If the latter, will the focus be on particular programs or dayparts? What about the financial expectations?

2. Target Clients - Will the campaign be directed toward existing advertisers and time-buyers, potential new clients, or both?

3. Client Benefits - What benefits will the campaign stress? Demographics and the cost of reaching them? Exposure to potential new customers? Other benefits?

4. Promotion Methods - Which medium or media will be used to reach the clients? Will the station's own air be used? What about the possibility of a joint promotion with an advertiser or advertisers?

5. Content - What content will be suited best to the medium or media selected? Can it be prepared by station staff or will outside services be required?

6. Budget - What costs will be incurred? Can they be justified by anticipated new business?

7. Scheduling - During which quarter of the year will the campaign benefit the station most? Will that period match advertisers' needs?

8. Program Impact - Can the campaign be used to draw additional listeners to the station? Will it detract from programming?

9. Evaluation - Will the campaign be evaluated on the basis of dollars generated or will other criteria be used, also?

(This planning guide is from *Electronic Media Management*, Second Edition, by Peter K. Pringle, Michael F. Starr, and William E. McCavitt. ©1995, Focal Press. Used with permission.)

Promotions Calendar

The best source for planning promotions is the calendar. There are annual events which capture listener attention and provide appropriate vehicles for both station promotion and advertiser promotion. There are only a few towns that can host The Super Bowl, for example, but any Radio station can create an effective promotion around football's premiere event. Hometown festivals and celebrations provide the same opportunities and have the added advantage of local flavor.

The following are just some of the calendar events that offer promotional possibilities:

JANUARY
New Year's Day
Elvis Presley's Birthday
Super Bowl
American Music Awards

FEBRUARY
Valentine's Day
Presidents' Day
Mardi Gras
Grammy Awards

MARCH
St. Patrick's Day
NCAA Final Four
Academy Awards

APRIL
April Fool's Day
Easter Sunday
Tax Deadline Day
Earth Day
Professional Secretaries Day/Week

MAY

Cinco de Mayo
Mother's Day
Indianapolis 500
Memorial Day

JUNE

Father's Day
Graduation
Bridal Events
Dairy Month

JULY

Independence Day
Summer Vacation
Special Olympics
Baseball All-Star Game

AUGUST

Back to School
Anniversary of Elvis' Death
Woodstock Anniversary

SEPTEMBER

Labor Day
Mexican Independence Day
Football Season
Hunting & Fishing
State Fairs

OCTOBER

Columbus Day
World Series
Country Music Month
Country Music Association Awards
Halloween

NOVEMBER
Election Day
Thanksgiving
Day after Thanksgiving Shopping Day

DECEMBER
Christmas
NFL Playoffs
New Year's Eve

There are so many designated days in any month that lend themselves to promotion. In addition to those listed above, January also includes Trivia Day, Hugging Day, Pie Day, Kazoo Day, and "Someday We'll Laugh About This" Day.

To choose the right promotional idea requires a team effort by sales and programming. Promotion meetings should be based on understanding of these key elements:

- *Trends*.................. What are people doing?
- *Listeners* .... What do they think about our station?
- *Competition* .... What are the other stations doing?
- *Goals* .... What do we want as a result?

Once those questions are answered, let the brainstorming begin!

Module

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RAB Tools and Resources

By taking advantage of the resources available to you through the RAB, you not only can enhance the success of the marketing plans you develop; you also can improve your clients' sales and profits...and your station's revenues. "The Radio Marketing Edge" brochure (located in your CRMC-PA study kit) contains an overview of each major resource area. Knowing this information will save time and energy when you're looking for information to add to your presentations to advertising prospects. Here are some highlights:

RAB's Member Service HelpLine

In the brochure, you'll find a description of the RAB Member Services HelpLine (1-800-232-3131) — your toll-free pipeline to the industry's largest database of marketing, media and consumer behavior information. It also connects you with the experienced service counselors who will help you determine exactly what information best fits your needs and is most likely to impress your clients and agency buyers.

The Member Services HelpLine saves you time and energy by putting you in contact with information drawn from hundreds of business trade journals and research reports...a total of more than a half-million individual reports on some 3,000 different marketing, media and consumer behavior topics.

RAB's Member Service Consultants will help you tap the database for trends in marketing strategies, formats and promotions...plus a virtual reservoir of information on the size and strength of the Radio medium. Since many of our advertising prospects also use other media, RAB has assembled a huge collection of trend information and performance data on other advertising media as well.

Thousands of successful Radio salespeople have used RAB's Member Service Helpline to increase their earnings and build their careers. Hours of operation are from 8 AM to 8 PM Eastern time.

Category Files

Do you know what's going on today in the restaurant business? How about the furniture business? In automotive, or banking, or computers? As a Radio professional, you need to know what's happening right now in your clients' and prospects' industries, and the Radio Advertising Bureau offers you a resource to help you learn as much as you can in the shortest possible time.

RAB Category Files consist of thousands of clippings from hundreds of sources including key trade magazines, major newspapers, research reports and other sources covering over 600 business categories and marketing topics. RAB clips over 600 new articles each and every week and batches together the latest research material, trend information and industry data. Reading the articles in an RAB Category File will help you:

- Prepare for the Needs Analysis by giving you a basic understanding of how that specific industry operates.
- Brush up on current industry jargon and terminology.
- Understand the nuances of a client's industry and determine how recent events are affecting the client's overall marketing strategy.
- Educate clients and prospects about cutting-edge changes in marketing and advertising in their specific industry.
- Craft highly customized, problem-solving presentations that utilize your knowledge of the client's industry to establish you as a true marketing professional.

As with most RAB resources, there are two ways to access Category Files. First, you can call RAB Member Service at 1-800-232-3131. A Member Service Consultant will help you choose the articles you need. We'll fax your selections immediately or mail them to you by the end of the business day.

Or, you can view articles in Category Files on the Internet at http://www.rab.com, RAB's marketing resource on the Internet. There you can receive "Articles on Demand."

"Articles on Demand" is easy to use. Just make your selection, complete the requested delivery information, and your choices will be automatically and immediately faxed to whatever location you specify. And remember, you can access "Articles on Demand" through www.rab.com anytime, day or night!

Instant Background Reports

The fastest source for finding facts is the RAB Instant Background Report. From accountants to women's wear, from air conditioning to warehouse clubs, RAB Instant Backgrounds can bring you up to speed on industry statistics faster than any other source.

Instant Backgrounds give you complete summaries for over 150 distinct business categories and are recognized as one of advertising's most used and respected sources of current, concise, relevant business category information.

Each RAB Instant Background is regularly updated with the most current data available and contains critical sales and marketing information in an easy-to-use format. Here's the kind of information you'll find in a typical RAB Instant Background Report:

- The demographic and lifestyle composition of the business's customers.
- The size and competitive characteristics of the industry.
- When and where (and why) customers prefer to shop for specific products and services.
- The peak selling periods for products and services in the category.
- Reasons why customers choose particular products, services, and/or retailers over others.
- How much consumers normally spend on specific products and services and the methods by which they typically pay for them.

When you combine the trending and statistical data in the RAB Instant Background Report with the current category information in RAB Category Files, you have virtually all the information you need to:

- Prepare for the Needs Analysis.
- Understand the national overview of the target business.
- Understand who your client's best customers are likely to be.
- Prepare factual, client-focused, problem-solving proposals.

- Position the value of Radio directly to the client's sales and marketing objectives.

Hint: The key to acceptability and popularity of the RAB Instant Background Report is the credibility of the sources. To give you more credibility, be sure to quote the source listed in the Instant Background. Instead of saying "The RAB Instant Background Report says..." you should say, "According to a 1997 Study by the Yankee Group, less than 1 percent of consumers get their local phone service from a company other than their major local provider."

Instant Background Reports are available by calling RAB Member Service at 1-800-232-3131. You can request a single copy report for any category. The reports will be faxed to you immediately or mailed to you on the same business day. There is also a computer diskette with all 154 reports.

You can also access RAB Instant Background Reports via rab.com, RAB's marketing resource on the Internet.

Radio Gets Results Success Stories

Recently, the Radio Advertising Bureau undertook the daunting task of soliciting, collecting, documenting and publishing 2,000 great Radio Success Stories as part of an industry-wide Radio Gets Results Campaign. The plan was to gather local, regional and national advertiser case histories for a wide variety of business categories from all size markets. The goal was to see that you, and every Radio sales person across the country, will have current, dynamic and tangible proof of Radio's exceptional ability to deliver results. The results — MISSION ACCOMPLISHED!!

Radio Gets Results, our collection of over 2,000 outstanding Radio case histories, reflects the unparalleled power of Radio to motivate consumers to shop and buy in a full range of client, product and market situations — anecdotal proof that Radio does indeed get results!

Each RAB Radio Gets Results Success Story tracks the specific media plans of local, regional and national advertisers in key business categories from initial marketing objectives to accountable results. You get the whole story in a one-page nutshell.

RAB Radio Gets Results Success Stories give you a lot of stories to tell. You can use them as a prospecting tool – to pique the prospect's interest in advertising on Radio. You can use them as the reason for a call: "I was just reading about an apartment complex in Columbus, Ohio, that achieved a 90% occupancy rate with Radio. I'd like to meet with you to review their success and see if there are any parallels to your situation." You can use them to document the logic of your marketing plans and advertising recommendations. You can use them as idea starters to build your own file of local advertiser success stories.

And equally important, these RAB Radio Gets Results Success Stories can help you reinforce your own personal belief in the power of Radio and help you talk more knowledgeably about Radio marketing.

RAB Radio Gets Results Success Stories are available by calling the RAB Member Service HelpLine at 1-800-232-3131.

Meanwhile, you can get RAB Radio Gets Results Success Stories via rab.com, RAB's marketing resource on the Internet. Anyone surfing the net can view these great Radio success stories on rab.com. As with other Radio marketing resources on rab.com, the data is easy to find and use.

RAB Radio Gets Results Success Stories. Read them. Use them. Share them with your prospects and clients!

RAB Research

RAB Research houses the most extensive collection of Radio marketing materials in the world. One quick call puts you in touch with an abundance of research data covering virtually every aspect of consumer behavior for hundreds of business categories. These resources include:

Simmons Market Research Bureau Study Of Media and Markets

This leading national consumer survey based on over 22,000 respondents includes a wealth of information on a wide range of products and services. Even if you have local quantitative data available through your station, Simmons information can still be extremely valuable because it measures many more business and product categories than most local surveys, including brand-specific information for major categories such as fast foods, beverages and automotive. Many sales people find the media usage by consumers of specific products and services particularly helpful. Simmons Research is available by calling RAB Member Services.

Private Eye Target Reports

A branch product of Simmons, these format-specific reports pinpoint those product and service categories for which your listeners score "above average" in consumption. In addition to reports by format, RAB can provide you with PET Reports based on listening to specific types of programs. Private Eye Target Reports are available for four demos, twenty major formats, play-by-play sports (college and professional) such as basketball, football, baseball, ice hockey, NASCAR racing, etc.), and there's even a special report for small market Radio. Private Eye Target Reports are available by calling the RAB Member Service department.

Radio Marketing Guide And Fact Book For Advertisers

This 44-page, full-color publication is the industry's most extensively used publication for profiling Radio audiences, detailing the consumer behavior of Radio listeners and comparing the benefits of Radio to those of competitive media. This information-packed volume uses the latest data from the most respected sources and is filled with eye-catching graphics and colorful illustrations. Your personal copy of the *Radio Marketing Guide And Fact Book For Advertisers* is included in your CRMC-PA study materials. It's also available for a small fee as a fully customizable computer diskette and can be accessed on rab.com, RAB's marketing resource on the Internet.

Choices

Now you can break down your audience by sex, age, education, occupation, income and other characteristics, and highlight your audience's demographic, psychographic and consumer strengths as well. What percentage of your male audience that typically drives to work will buy a chain saw this year? You can obtain data this specific with a Choices Run from RAB. Choices Runs are available by calling RAB Member Service at 1-800-232-3131.

RAB Automotive Profiles

Get the "who, when, how, and why" of car buyers for over 50 individual make-model combinations. When combined with local ratings or other listener research, *Automotive Profiles* will help you show your local auto dealer that your audience represents their best buyer prospects. *Automotive Profiles* is available on a fee basis as a booklet or on computer diskette. The data can also be found in the automotive area of rab.com.

The Arbitron At-Work Study: Presented by Arbitron, this in-depth study explores the dynamics of at-work listening behaviors and helps advertisers understand the value of reaching consumers in the workplace. A copy of the study is available from RAB Member Service and can be found in the Research area in RadioLink.

The RAB Media Center

Objection Prevention is a great concept, but you are going to deal with prospects who are happy with other media. Even your current customers may need an occasional nudge to convince them to increase their Radio spending by reallocating advertising dollars from other media.

The Radio Advertising Bureau has a variety of resources to help you position Radio as a primary medium and to understand how advertisers feel about our media competitors. Here's a sample of the kind of information available to you from the RAB Media Center:

RAB Media Facts

This comprehensive media guide gives you quick summaries of the strengths and weaknesses of Newspaper, TV, Cable, Outdoor, Direct Mail, Internet, Newsweeklies, Magazines, Point of Purchase, and of course, Radio advertising. Media Facts will help your clients understand how to best utilize each medium and discover the advantages of adding Radio to the media plan. *Media Facts* is available as a booklet or on computer diskette on a fee basis, or can be found on rab.com from the home page under "Media Facts" or in the Subscribers' area under Competitive Media.

Competitive Media Files

Competitive Media Files are compiled and maintained by RAB in much the same manner as the Client Category Files. You'll recall that RAB Client Category Files consist of more than 35,000 clippings from over 500 sources including key trade magazines, major newspapers, research reports, and other sources covering over 600 hundred business categories and marketing topics. RAB clips over 600 new articles each and every week and batches together the latest research material, trend information and industry data. Competitive Media Files are available for most major media and can be accessed through RAB Member Service (1-800-232-3131) or on rab.com in the Subscribers' Area under Newspapers.

Media Targeting 2000

Media Targeting 2000 is the definitive study of consumers and their media habits. The study was produced by Arbitron in cooperation with the Radio Advertising Bureau and covers 116 products and services. MT200 provides unprecedented insight into the amount of time consumers spend with major media such as Radio, television, newspapers and magazines; the competitive weekly reach of each medium, and competitive media exposure just prior to purchasing. Media Targeting 2000 is available on easy-to-use computer diskettes on a fee basis.

Newspaper Performance Reports

Newspaper Performance Reports provide current circulation, penetration, and ad readership data for the newspapers in your market. Each report shows you the number of households in your market and uses Audit Bureau of Circulations figures to calculate the percentage of households exposed to a newspaper. The trending information in each report shows the changes in number of households over the past five years compared to the changes in circulation and in newspaper advertising rates. Remember that not everyone who sees the paper reads every ad. You can use the Newspaper Performance Report to calculate the number of persons who are likely to see your client's newspaper ads and show how adding Radio to the media mix can greatly enhance newspaper advertising performance. Call RAB Member Service to get a current Newspaper Performance Report for each paper in your market.

Newspaper Advertiser Perceptual Study

Newspaper has been described as a medium of declining reach, shrinking demographic appeal, and three times as much revenue as Radio! What's their secret? Why do so many of your clients habitually spend so much more in Newspaper than Radio?

You now have real answers to these complex questions, thanks to a new study on the media perceptions of newspaper advertisers. The Newspaper Advertiser Perceptual Study, conducted by Edison Media Research, was initiated by the Radio Advertising Bureau and underwritten by Arbitron Radio as a service to our industry. Edison's staff conducted in-depth surveys with 56 major retail advertising decision-makers at major newspaper advertisers like Sears, Kmart, Macy's, Nordstrom, NationsBank and Glendale Federal Savings. This study can help us learn from our past mistakes by re-adjusting our thinking regarding competitive media and modifying our approach to local newspaper advertisers. For more information on this subject, or to order the RAB/ Arbitron Newspaper Advertiser Perceptual Study video, call the RAB at 1-800-232-3131. The Newspaper Advertiser Perceptual Study is also available on rab.com.

Rab.com

Rab.com, RAB's Radio marketing resource center on the Internet at www.rab.com, gives you online 24-hour computer access to RAB's vast collection of tools and services.

Widely acclaimed throughout the industry as one of the most extensive applications of Internet technology, rab.com provides you cost-efficient, 'round-the-clock access to the largest collection of Radio sales support materials available anywhere in the world. Rab.com contains thousands of pages of information you can use immediately to seed your prospects, understand a client's business, develop winning sales presentations, deal with competitive media and create super-sounding ads... all from the comfort of your computer.

Rab.com contains over 2,000 RealAudio and mp3 commercials; RadioTalk, a series of user groups; an entire section devoted to New Business Development; over 1,000 actual copy scripts; an entire database of promotional ideas;

plus RAB's co-op database of over 5,000 active plans. And you can request articles from RAB's Category Files right online. It's also important to remember that new data is being added to rab.com on a daily basis, so you are always getting the most current information.

Here's a sample of the sales-building materials you'll find on rab.com:

RAB Today

Begin your day with this timely collection of information that has become a must-read for all Radio sales professionals. Among the many items you'll benefit from are a fresh promotional idea each morning, proven sales techniques and suggestions for pumping new life into the copy you create.

Research

Supplement marketing presentations with material from Radio's most comprehensive source of business data. Choose from more than 150 Instant Backgrounds, along with Industry White Papers and thousands of category-specific articles chosen from various trade publications and general-interest magazines.

Commercials

Having trouble coming up with ideas for that special client's spot? Look no further than the Radio Advertising Bureau's Audio Archive. It features more than 2,000 award-winning commercials and over 1,000 actual copy scripts.

Promotions

More than 1,200 promotional concepts representing a wide variety of categories and occasions are featured in this valuable resource. You can also access the RAB Promotional Calendar in this section.

Automotive

Drive on the cyber-highway and find timely automotive industry trends and super-hot news about consumer behavior, dealer co-op opportunities, promotions, and more.

Sales Training

Treat yourself and your sales colleagues to a daily sales tip, in addition to hundreds of articles relating to the most current sales and motivational trends.

Non-Traditional Revenue

Get the jump on your competition and impress your clients by previewing the most up-to-the-minute information on new product introductions, listings of national cause-related sponsorships and national case studies.

Sales Meetings

Misplaced your RAB Monthly Marketing Kit, or would you like to view current and/or previous kits? Well then, the Sales Meeting section is the place. View Weekly Sales Meetings from the kits while listening to the accompanying audio segments online.

Success Stories

This section contains the complete collection of over 2,000 Radio Gets Results Success Stories that show how local, regional and national clients have put Radio to work for them, complete with objectives, strategies and results.

RadioTalk

You're invited to participate in idea exchanges and lively discussions on a variety of Radio marketing topics in this Internet chat room.

Cooperative Advertising

Search the RAB Co-op databank for funding opportunities from more than 6,000 available plans, each identified by manufacturer, category, quarter and expiration date, along with a special listing of 100%-only plans.

National Marketing

Keep up with the present activities and future plans of the leading national advertisers, and learn how you can take advantage of what's happening on the national scene.

To Use Rab.com You Must:

1. Subscribe (see the certificate in the back of your book).
2. Have a computer, a modem, and a readily available phone line.
3. Have Internet access. Contact a local ISP (Internet Service Provider) to purchase Internet access. Fees vary, but average around $25 per month.

The RAB PROposal Wizard

The RAB PROposal Wizard is the most innovative Radio marketing resource from the Radio Advertising Bureau. The RAB PROposal Wizard will let you use cutting-edge Internet database technology to quickly, easily and consistently build great-looking, well-organized, client-focused, problem-solving written proposals. Your PROposal Wizard proposals will have seven basic sections:

1. Marketing Objectives
2. Competitive Advantages
3. Competitive Disadvantages
4. Industry and Consumer Research
5. Why Radio
6. Why Your Station
7. Overall Market Strategy

Here's a thumbnail sketch of how The RAB PROposal Wizard works: First, you conduct a Client Needs Analysis to discover the client's sales and marketing objectives.

Next, you log into rab.com, RAB's Radio marketing resource on the Internet at www.rab.com, and access the PROposal Wizard from the Subscribers' Area. Access will require a special additional PROposal Wizard ID and password (get yours by using the certificate in the back of this book).

Your PROposal Wizard session will begin by asking for some basic information about you, your station, and the client such as names, call letters, the name of the business, business type, contact names, addresses, etc.

Next you'll be asked about the demographics for the prospect's primary customer target and your client's competitive advantages and disadvantages.

You'll then be asked to choose from a drop-down list of typical advertiser sales and marketing objectives, selecting from one to three of the objectives that most closely match those of your client. You will have the opportunity to customize this information later in the process and you can add additional information at virtually any stage of the proposal. The objectives you select will appear throughout the proposal, keeping you and the client focused on his or her needs, and showing how your ideas will help meet his or her sales and marketing goals.

Your choice of objectives will also automatically "tag" key pieces of consumer research from the vast databases at the RAB. You'll then have the opportunity to choose the specific research items that document the client's marketing scenario and support the sales and marketing solutions you will be suggesting. These items appear on "The Industry and Consumer Research" page of the proposal.

Once you settle on the key consumer research points, PROposal Wizard will offer you a list of benefits of advertising on Radio that directly correspond to the client's sales and marketing objectives. Your selections will appear as clear, concise benefit statements on the "Why You Need Radio" page of the proposal. At this point, you can add additional benefits or wait until the end of the PROposal Wizard process to edit this material.

Next, PROposal Wizard will offer you a list of possible benefits to advertising on your Radio station. Again, these will be benefits that directly correspond to the client's sales and marketing objectives. Your selections will appear on the "Why You Need WXZY" page of the proposal. And once again, at this point, you can add additional benefits or wait until the end of the PROposal Wizard process to edit the material.

The "Marketing Strategy" section of PROposal Wizard give the opportunity to review your overall marketing plan and detail the proposed schedules, investment, etc.

At this point you'll have the opportunity to go back and review the entire proposal while online and make any needed corrections or additions. You will also receive a list of other materials in RadioLink that you might wish to download and include with your proposal.

Then, at the push of a button, your proposal will be downloaded from the Internet to your computer where it can be picked up in your word processing software for additional editing and final customization.

Subscribers to PROposal Wizard pay a minimal monthly fee (in addition to the base RadioLink fee), but as a CRMC-PA candidate you have no-charge access to the PROposal Wizard while taking the course.

We believe that the new RAB PROposal Wizard will help take everyone who uses it to the next level in preparing client-focused proposals that address advertiser needs and deliver measurable results. We look forward to having you among the first in our industry to take full advantage of this revolutionary new system.

Creative Resources

As a CRMC-PA, you will work very hard at determining clients' sales and marketing needs and developing advertising programs that deliver satisfactory, measurable results. Unfortunately, your efforts may be wasted if the commercials your clients air do not communicate their messages in a clear, effective and entertaining manner.

Creativity plays a major role in most successful advertising programs. That's why the RAB has developed a variety of Creative Resources to help you build great Radio commercials and promotional programs for your clients.

Marketing authority Jack Trout tells us that the mind works by the ear. You and your clients can get a great ear-ful of terrific Radio commercials from RAB's Audio Library. The Audio Library has a database of more than 2,000 great Radio commercials in over 60 business categories...and more commercials are being added to the database every week. You can get sample commercials by calling RAB Member Service and requesting an audio cassette. You also can listen to these commercials instantly or download them into your computer for future reference via rab.com, RAB's Radio marketing resource on the Internet.

RAB also maintains a database containing hundreds of Radio scripts. You can call Member Service at 1-800-232-3131 to ask about the scripts available for your client's business category, or you can download them directly from rab.com. Using rab.com allows you to quickly edit and customize your selections to match the objectives of your client's advertising program.

The Radio-Mercury Awards competition is advertising's richest awards show, with more than $225,000 in prize money being given to the creators of the most memorable Radio commercials of the past year. Interest in the Radio-Mercury Awards, which are sponsored by the Radio Creative Fund, has grown dramatically in the six years that the annual competition has been held. You can get these great award-winning commercials by calling RAB Member Service to order (for a minimal fee) a CD or audio tape of past years' winners, or you can scan, listen to and download your favorite Mercury winners from rab.com.

Look no further. The RAB Radio Creative Resources Directory is a complete listing of Radio production companies available to help you meet your special creative needs. Order your directory from RAB Member Service or tap into the RAB Radio Creative Resources Directory on rab.com.

And finally, you should know that RAB maintains a database of over 800 promotional ideas for over 60 different client categories. You can call Member Service at 1-800-232-3131 to ask about the promotional ideas available for your client's business category, or you can download them directly from the Promotions area on rab.com, where you'll also find the RAB annual promotion calendar.