



# RADIO MESSAGING AND FOOD & BEVERAGE: WHAT GETS CONSUMERS TO BUY

A CRN White Paper with  
Exclusive Research and Analysis

October 2014

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## OVERVIEW

What's the most effective marketing means to capture the attention of radio listeners and prompt them to buy your product?

That's the fundamental question CRN International posed in a recent online poll of 489 consumers of the food and beverage product category (including alcohol) defined by a wide range of demographics including gender, age, education, income, and frequency of radio listening.

Why did CRN undertake this survey? Companies spend about \$16 billion (projected for 2014) in order to reach their share of the 244 million Americans that listen to radio every week. Food and beverage is the fourth largest advertising category, and with products being introduced on a regular basis, advertisers face new and different types of challenges to keep their brands front and center. We wanted to assist food and beverage marketers in using those advertising dollars wisely by examining the different forms that radio marketing can take and understanding how consumers engage, respond, and act based on those tactics. While radio listening habits have been researched in the past and much valuable data is available, we wanted to build upon that data by asking consumers directly their opinions and attitudes about various messaging tactics, some of which have not been studied to the extent of others. We looked at radio commercials, but we also looked at sponsored custom content, DJ endorsements, real-people testimonials, live station appearances, and contests and sweepstakes.

We had no preconceived idea as to whether our results would confirm or raise questions about the results of earlier research. What we found was a little of both. As for radio listening frequency in general, the survey respondent base was right in line with generally accepted research. While Nielsen Audio's *Radar 121* report from June 2014 indicates that 92 percent of Americans ages 12 and up listen to radio every week, 94 percent of the respondents to our survey (which measured for ages 18 and up) said they listen to radio.

Yet when it came to the subject of specific radio messaging tactics, respondents indicated that some of the more traditional methods were not necessarily the strongest strategies to employ to meet brand marketing objectives.

The study gave careful scrutiny to traditional radio advertisements—how intently consumers listen to them and the impact they have on buying decisions. While the results indicated that radio commercials still get some traction, the broader conclusion is that they are not a highly effective strategy and, as currently delivered by most broadcasters, are at a listening disadvantage regardless of how informative, clever and witty they may be.

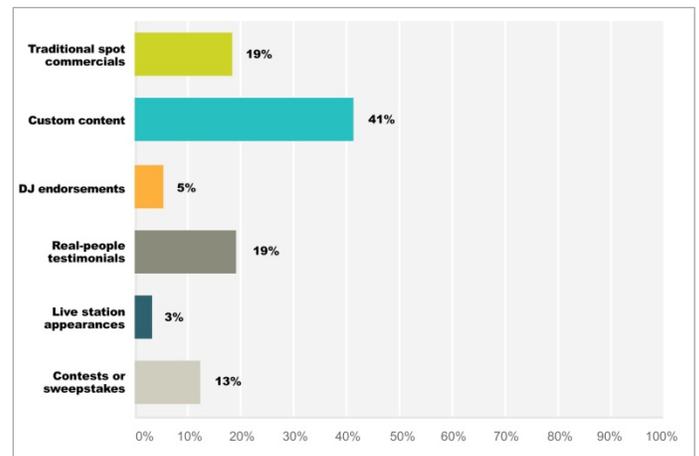
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*Some of the more traditional radio marketing methods were not necessarily the strongest strategies to employ to meet brand marketing objectives.*

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Perhaps the most telling barometer of consumer behavior and messaging success were responses to the question of which radio messaging tactic would most likely prompt consumers to consider particular food and beverage products:w

Which messaging form would make you most likely to consider buying a product?



The findings cast little doubt on the *Harvard Business Review's* claim that we are in the midst of a content marketing revolution. Not only did the results support consumers' desire to listen to such content, but also that they would remember and appreciate the brand that provided it.

While information on the methodology of our study appears at the end of this report, it might be useful in reading the results to first understand how questions were posed to the survey respondents.

We used three different types of questions to probe for opinions and attitudes:

1. *Comparative questions.* These forced respondents to choose from among several radio messaging tactics the one that best answered the question for them. These questions, for example, asked things like "which tactic do you like the most," or "which tactic is the most likely to influence a purchase decision" (as in the example above).
2. *Analysis questions.* These focused on each tactic separately onto itself, independent of comparison to other tactics. The questions, for example, might have asked "how much do you like this tactic," or "how much does this tactic influence your purchase decisions."
3. *Agree/disagree statements.* These questions offered a statement and asked respondents to indicate their level of agreement or disagreement with it. The questions, while more direct, were designed to test very specific hypotheses we had about radio messaging in the marketplace.

In addition to the types of questions asked, we used a variety of subtle language cues to make distinctions between similar behaviors and perceptions. For example, some results indicate the *likeability* of a tactic and others illustrate the amount of *influence* it might have in purchasing decisions. Similarly, when we talk about radio engagement, we examined the differences between having a station turned on, listening, and paying close attention. In this report, we've tried for clarity's sake to use the appropriate terminology throughout, without randomly interchanging them.

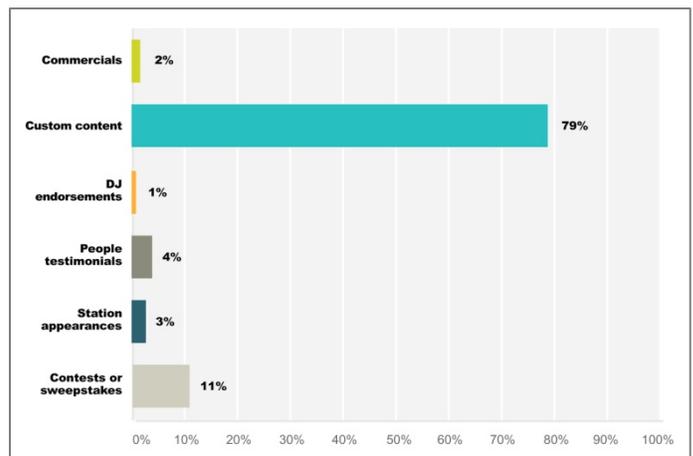
One further note: For greater accuracy, the statistics used in this report do not include data from the 6 percent of respondents that said they do not listen to radio.

## EXECUTIVE HIGHLIGHTS

### Content Marketing

- Of the various messaging strategies considered, 81 percent of the respondents said they are **most interested in listening to** those that provide useful or entertaining information about an area of interest to them, far surpassing the second most popular answer, which was hearing about contests or sweepstakes (11 percent).
- Of the various messaging strategies considered, 55 percent of the respondents said custom content—useful or entertaining information provided by a sponsor—was the tactic that would make them **most likely to consider purchasing** a product from that sponsor.

What form of messaging interests you the most when you listen to radio?

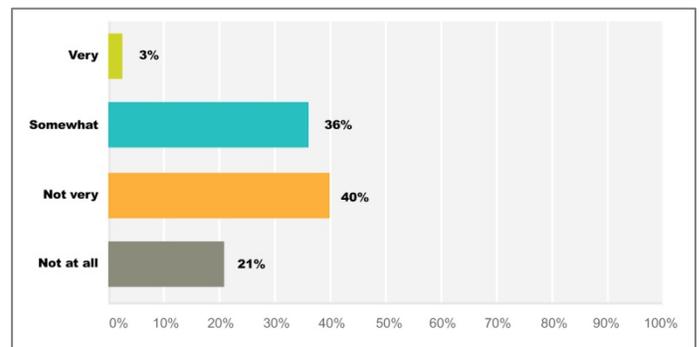


- Asked to respond to a statement specifically about content marketing, 76 percent said they enjoy getting information and tips they can use both personally and professionally, and would remember and appreciate the company or brand that provided it.
- Fifty-five percent of respondents said hearing useful or entertaining content presented by a sponsor would actually increase their chances of considering that sponsor's product.

### Traditional Radio Advertisements

- Some 83 percent of respondents agreed with the statement, “I pay little attention to radio spot commercials.”
- About one-third of the respondents said they typically listen to most of a commercial, with about two-thirds indicating they do not. About 22 percent of the base of respondents (who all listen to radio) said they do not listen to radio commercials at all.
- Regarding commercial stop sets, 68 percent of the respondents said they don’t make it past the second spot before they tune away.

How much would hearing a radio ad boost your chances of buying the product?



- When participants were asked specifically how much a radio commercial would increase the chances of them considering or buying the brand advertised, 61 percent said it would have very little or no chance. Almost 3 percent said it would increase their chances of purchase very much, with 36 percent saying it would increase their chances somewhat.

### Other Radio Marketing Tactics

- Regarding endorsements from their favorite radio DJ personalities, 26 percent said that tactic would have a positive impact on their chances of considering or buying the sponsor’s product.
- Regarding endorsements from everyday people like themselves, 40 percent said that tactic would increase their chances of considering or buying the sponsor’s product.
- Twenty-two percent of the respondents said meeting radio personalities at a live local radio station appearance would be of interest to them.
- Fifty percent said they would be interested in participating in a contest or sweepstakes heard on the radio.
- Fifty-eight percent said they would be very or somewhat receptive to considering or buying the product of a contest or sweepstakes sponsor.

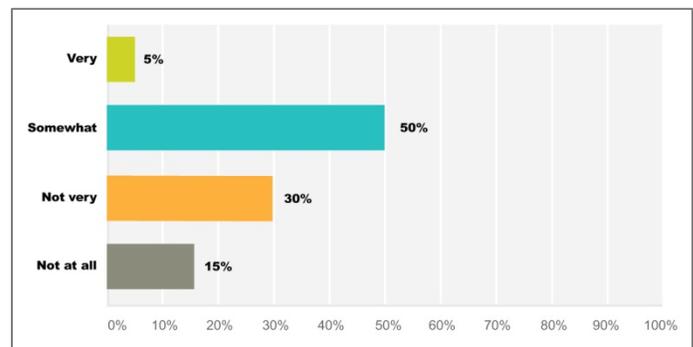
## ANALYSIS AND COMMENTARY

### Content Marketing Analysis

Engaging with useful content was the most called-for choice of the several marketing tactics offered within the survey. Not only did consumers provide a ringing endorsement for content as a listening choice, but they also indicated that useful content as a messaging format would have the greatest positive influence on their decision to consider or purchase the sponsor's product.

Why the popularity? "Consumers have shut off the traditional world of marketing," says The Content Marketing Institute. "They can easily skip television advertising, often ignore magazine advertising, and have become so adept at online surfing that they can take in online information without a care for banners or buttons.

How much would hearing custom content boost your chances of purchasing that sponsor's product?



While much of today's focus is about aligning content with online and social spaces, the survey results indicate that radio, the original content medium, can be the secret weapon for marketers when used properly. Custom content on radio engages customers better than spot ads, builds brand affinity and consumer relationships, triggers sales, cuts media costs, creates opportunities for meaningful multiplatform extensions and provides a measurable return on business objectives.

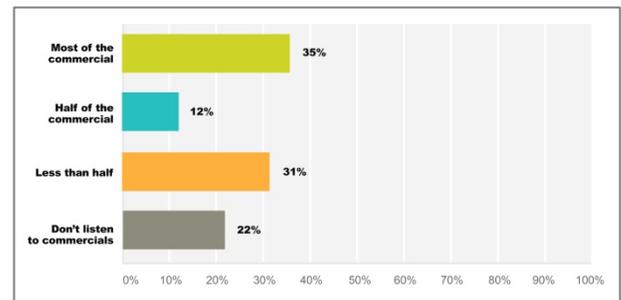
The research supports that claim. About three-quarters of the respondents agreed that they enjoy getting information and tips they can use both personally and professionally, and would remember and appreciate the company or brand that provided them with such information. Almost 20 percent of them "strongly agreed" with that thinking, indicating that such content is more than just a "feel-good" marketing application. The research validates a strong connection between useful content and brand likeability and message recall, implying solid results for use of this method. This echoes previous research performed by CRN, where sponsored content outperformed a traditional spot in aided recall by 63 percent (CRN/Microsoft Small Business Study conducted by Horizon Research).

### Traditional Advertisements Analysis

Consumer attitudes and behavior regarding traditional radio commercials were more of a mixed bag. The good news: Over one-third of the respondents in the food and beverage category said they typically listen to most of a commercial when they hear it. The bad news: Just under two-thirds of the respondents said they typically do not listen to most of a commercial when they hear it. The numbers are slightly worse within the 18-to-34 age bracket, where only 30 percent report listening to most of a commercial when it comes on. More than 20 percent of the respondents who listen to radio said they never listen to radio commercials. Even among active listeners who say they listen to radio several hours a day, there are still 18 percent who don't listen to commercials at all.

The contention that commercials buried within long radio stop sets do not get the same attention as those near the beginning was confirmed by the findings. Over six out of ten respondents said they don't make it past the second in a series of spots during the commercial break. The law of diminishing returns applies, according to the survey, as spots get further and further down the order within the commercial set. Even for avid food and beverage consumer radio listeners—those respondents who said they listen several hours a day—31 percent said they listen to the first commercial but no more. The poll did not measure how intently they are listening.

When you listen to radio commercials, how long do you typically listen?



These results are in stark contrast to Nielsen (formerly Arbitron) data, as reported in *What Happens When the Spots Come On?* (Nielsen, Media Monitors, Coleman Insights Media Research, 2011). Why the discrepancy?

One possible answer is the aggregate nature of the results reported in the Nielsen study, which demonstrates that stop sets deliver an average of 93 percent of the lead-in audience. This means that the number of people listening as a station goes into stop set only drops by an average of 7 percent by the end of the stop set. The behavior of individual listeners, however, isn't reported. The results do not take into account the effect of listener turnover during commercial breaks (i.e., listeners tuning away and being replaced by new listeners tuning in).

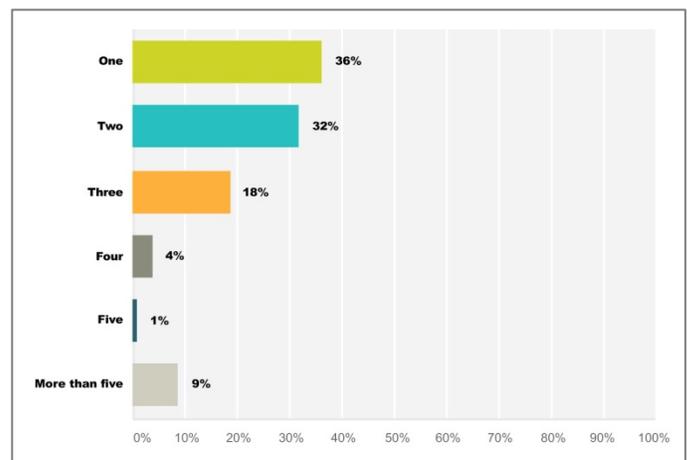


It is important to note, as well, the difference between recorded behavior and reported behavior. Nielsen measurement is now based purely on exposure. Its research participants wear Portable People Meters (PPM), which register their radio exposure throughout the day. It does not measure, however, whether participants are actively listening, or whether or not they recall later what they heard. PPM measures when listeners tune away from one station and onto another, but it doesn't measure "passive listening," or when they mentally tune out.

The results then beg the question: Are traditional commercials that can't get one of the top two slots during a commercial break an effective means of radio marketing?

Consider some of the other findings: In terms of what interests food and beverage consumers the most when they listen to radio among the various types of promotional messaging, less than 2 percent said commercials. Commercials did not finish rock bottom in terms of messaging that would most likely prompt consumers to consider purchase, however. In fact, commercials garnered about 19 percent of the total, finishing neck in neck with testimonials from everyday people and behind custom content at number 1.

When several ads in a row come on, how many do you listen to before tuning out?



But the numbers above refer to the impact of commercials only in comparison to other forms of marketing. When asked point blank whether hearing a radio commercial would increase their chances of considering purchasing a particular food or beverage, the majority said it would not. About 36 percent said hearing a commercial would increase their chances "somewhat" of considering the product, while 3 percent said it would increase their chances "very" much.

Asked even more directly about their response to the statement, "I pay little attention to radio spot commercials; their chances of influencing a purchasing decision for me are not very good," 83 percent agreed, with 47 percent strongly agreeing.



The findings, based solely on custom content and traditional spot ads, would suggest that when marketers use radio beyond the conventional radio stop set, their brands radically increase their chances of achieving positive results. The point was further substantiated in a random poll CRN recently conducted in which a majority of 75 marketers said they feel a combination of non-traditional advertising tactics such as custom content and promotions generate stronger results for their brands than straight spot commercials.

### **Contests and Sweepstakes Analysis**

Marketers have long tried to understand the impact of contests and sweepstakes as marketing and promotional tactics, looking to measure not only whether consumers will participate but whether they will follow the activity surrounding them and make the connection with the sponsoring brand. While custom content, as noted above, was the most popular form of messaging when considered in comparison to all others, contests and sweepstakes finished a distant second—but second nonetheless—with 11 percent citing them as the most interesting listening.

Responses to more specific questions about contests and sweepstakes demonstrated higher levels of interest among consumers than this result suggests, however. These questions focused on consumers' interest in hearing about, actually participating in, and connecting with the sponsors of radio contests and sweepstakes. In the case of this survey, “doing” took precedence over standing on the sidelines. Almost 50 percent said they would be interested in participating in a contest or sweepstakes heard on the radio. Only 22 percent said they would take an interest in hearing about others participating in such contests and sweepstakes.

However, whether participating actively or vicariously, almost six out of 10 respondents said they would be receptive to considering the sponsor of a contest or sweepstakes.

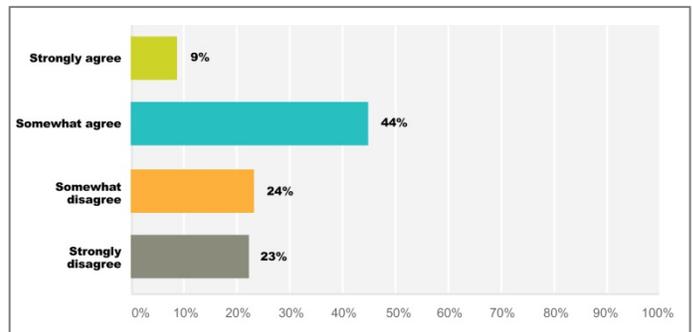
Those numbers take an interesting turn when you separate by gender, with females trending a bit higher: 58 percent expressed interest in participating, 28 percent in hearing about, and 66 percent were inclined to remember the sponsor and be receptive to considering the brand.



### Endorsements and Testimonials Analysis

About 53 percent agreed with the statement that they would be more inclined to consider purchase if a marketing message came from everyday people or one of their favorite radio personalities. However, there is a clear preference between the two—at least according to the respondents. When asked which form of promotional messaging would make them more likely to consider purchasing a product, testimonials from everyday people finished a close third behind custom content and commercials, at 19 percent. A product endorsement or recommendation from a celebrity DJ was listed the most likely by only 5 percent.

Agree or Disagree:  
“I would be more inclined to consider purchasing a product if the message came from everyday people like myself or one of my favorite radio personalities.”



Asked more directly, 40 percent said hearing testimonials from everyday people would increase their chances of considering or buying a product, while 26 percent said hearing a DJ endorsement would increase their chances of considering or purchasing a product.

These findings come at a time when other research has demonstrated the positive effect of product recommendations by local radio personalities. A study conducted by the University of Southern California found that 52 percent of listeners state their favorite personality influences their opinion and 51 percent consider or purchase a product advertised during their favorite personality’s show. So why did so many respondents in our survey feel differently? We look at that question in the Recommendations section that follows below.



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*Radio spot commercials are not a highly effective strategy and, as currently delivered by most broadcasters, are at a listening disadvantage regardless of how informative, clever and witty they may be.*

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## SUMMARY

Non-traditional marketing tactics take salient product communication points out of commercial stop sets and place them inside programming segments, when consumers are actively listening to radio. They work because they communicate with listeners through formats they seek out, enjoy engaging with, and are more likely to believe, all at a time when they are more inclined to be paying attention.

The world of food and beverage marketing is constantly changing, with new competitors and different ways consumers learn about products. The findings suggest that strategies beyond traditional radio commercials generally make a favorable impression and have a greater likelihood to move consumers to consider or purchase a brand. The findings in no way reflect upon the quality of the ads, promotions or strategies, but simply the inclination of consumers to have a favorable reaction.

Radio has an incredible reach—more than 244 million Americans every week—and can generate significant ROI when used properly to meet specific client objectives. Many of the strategies studied in this report have been employed to help brands exceed marketing expectations.

Custom content is the marketing tactic that scored the highest. Traditional radio advertisements were found to have a reasonable impact on consumer consideration, but their format, length, content and placement within stop sets hinder their effectiveness in converting consumers to buyers.

## RECOMMENDATIONS

### Advertisements

Traditional radio advertisements decrease in effectiveness the deeper they are placed within commercial breaks. The fallback strategy would be to assure placement as the first or second unit. A more effective strategy would be to separate your advertising message entirely from the clutter of the commercial stop set. What are some ways you can do that?

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*The research validates a strong connection between useful content and brand likeability and message recall.*

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1. *Use a promotional approach.* Look at the key points you want listeners to take away from your advertising and think outside of the spot box. Consider food and beverage features and benefits, the lifestyle of your target consumer, how your brand fits into the context of their lives, and what (beyond awareness) you want from your consumer. Then think about what kinds of information, entertainment or incentives you can provide your consumers that will grab their interest and be of value, and connect these back to key takeaways about your brand.
2. *Embed your spot within content, and run it outside of the stop set.* For example, create content with a cliffhanger before the end, and insert your spot there. Make sure that the content connects back to key brand takeaways, and holds information or entertainment value for your consumer.

### Content

Radio is, was, and always will be about content. Let's face it, no one tunes into their favorite station for the ads. Listeners want music; thought-provoking and entertaining conversation; news, weather, traffic and other useful and interesting information; and a sense of connection with other like-minded people in their community. Brands are able to play in this "programming space" when they use radio beyond traditional advertising.

Content saves money. If content is compelling, more people will lean forward to hear the message and brand language, requiring less frequency and, hence, less investment to break through. In addition, good content is good for the station, so stations would be more apt to provide "earned" exposure in the form of continuous promotion.

The payoff? Our findings indicate that consumers will associate your brand with the value of the information or entertainment you provide, and will be more likely to consider your brand in the future when making purchase decisions.

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*The findings cast little doubt on the Harvard Business Review's claim that we are in the midst of a content marketing revolution. Not only did the results support consumers' desire to listen to such content, but also that they would remember and appreciate the brand that provided it.*

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**Here are some suggestions for creating sponsored on-air content:**

1. *Develop content your target audience enjoys or needs, based on their interests.* The content can appeal to their personal or professional lives. It can be informative or entertaining, or both. It can spark their intellect or touch their hearts. However you play it, choose a subject matter that makes sense—that engages the consumer and advances the brand. Also consider localizing the content to the stations where it will air. Listeners’ ears are attracted to local references. Products that position themselves as part of the community earn loyalty and are remembered.
2. *Be mindful of the balance between product messaging and real content.* Honest, solid information will set up the product message much better than a disguised effort to make a self-serving advertisement sound like editorial. Content should not be commercial sounding. Overly produced or too much brand sell tells listeners they are hearing an ad and they will tune it out. Think native advertising, not advertorials. Remember, content needs to be of real value if it’s going to be accepted.
3. *Keep it fresh.* If possible, content should change daily. No one listens to the same newscast or sportscast over again. Repeating content will suggest to listeners they may be hearing advertising and generate the same negative result.
4. *Take title sponsorship of content.* Title sponsorships tell consumers the sponsor is *providing* the content and taking ownership of it, not simply *buying* it from someone else and lending its name to it. Title sponsorships will lead to better recall of the brand, as well as of the connection between the content and what it is you want to communicate about your brand.
5. *Promote the content on air and extend it online.* Content should be promoted continuously by the radio station with appropriate brand and call-to-action language. Not only does this increase awareness, it will call attention to the brand’s enterprise in providing relevant information to its consuming public. Content should also be repurposed on brand digital and social properties as well as on station digital and social assets. This will extend the content’s reach to all platforms on which radio listeners engage.

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*The contention that commercials buried within long radio stop sets do not get the same attention as those near the beginning was confirmed by the findings. Almost seven out of 10 respondents said they don't make it past the second in a series of spots during the commercial break.*

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### Celebrity Endorsements

As a marketing technique, endorsements from on-air personalities did not score highly in the survey results, but that might be attributable, in part, to prevailing radio practices.

Personality endorsements have gained popularity as a radio tactic over the years, but are often executed more like advertising than programming. Stiff DJ reads, onerous copy point requirements, prerecorded messages, and indiscriminate choice of talent are all contributing factors to a less-than-engaging or credible effect. It's no wonder listeners don't respond well. There are, however, many effective ways to incorporate personalities in promoting brands on the radio—ways that are less heavy-handed and more engaging to listeners.

1. *Choose endorsers wisely.* Not all DJs match up well with all products, so an extensive vetting process is necessary. Match DJs with your target consumers and their lifestyles and attitudes. Make sure the DJ has a use for your product. And don't force it—not all products beg for a DJ endorsement.
2. *Training is essential.* DJs must experience the product, understand the talking points, and then express those points *in their own words*—not a script—and in a way that puts the product in the context of their own lives. If it makes sense, have them use the product on-air in the studio, or have them call in when they are using the product at home. Most of all, get them to do it *live*, with all the “ers” and “ums” of everyday speech. All of this takes a lot of preparation and monitoring, but the results are much more natural and engaging, like the advice of a trusted friend.
3. *Extend endorsements beyond the airwaves.* Have personalities demonstrate products on YouTube for their listeners and discuss the product on social media. Get them to talk about products from locations other than the studio, like from their own homes or the store aisles. Have them interview product experts on-air. Give them samples to hand out to listeners at station events. The more involved you can get the DJ in experiencing and interacting with the product, the better.

### Real-people Testimonials

Today's consumer plays a much more involved role in the marketing of products. No longer do they have to take at face value the information that marketers tell them as true. They have a voice. They blog about the efficacy of their laundry detergent, they post comments on websites about their stay at a particular hotel, use a product's very own website to criticize the product itself in an effort to bring about change, and so on.

Consumers are in a better position to sell products than an advertiser. Why? Because hearing and seeing what everyday people think about a product is considered a more trustworthy source than, say, the multibillion-dollar company that sells detergent. What “real people” are saying means a lot.



### **Here are some tips on how to harness the power of real people:**

1. *Use real people.* Not actors portraying real people. So many advertisers try to fool consumers with fake real people. They think they are getting closer to the open, honest approach that appeals to today's consumer, but instead they are creating a campaign that only smacks of real people. It isn't really real. And consumers can tell the difference.
2. *Let them talk about your brand in their own words.* Don't try to script them. Let them say what they honestly think about the product, why they like it, and how and when they use it. These are the details that make a testimonial authentic and relatable. Also, don't edit the testimonials to death. Leave in "ers" and "ums" and pauses. It will sound more natural.
3. *Use local people.* People most trust other people who they feel are similar to themselves. A regional accent, a reference to a local place, a colorful turn of phrase from local parlance—these are the things that give a testimonial extra credibility in the minds of listeners.
4. *Provide a comfortable environment.* Don't put them in a studio in front of a microphone. Don't put them in front of a camera. These things can affect how people speak and sound. They become self-conscious of what they are saying. In radio, there's the benefit of being able to create an intimate environment, whether it's over the phone or over a cup of coffee.

### **Contests and Sweepstakes**

Consumers like to participate in the fun and excitement of promotions like contests and sweepstakes and tend to make the connection between contest and brand. A strong majority of respondents said they would be more receptive to considering a product that sponsors a contest or sweepstakes. So what are some ways to maximize success with this tactic?

1. *Make sure you align with an organization that is fully experienced in this area.* While the fun part of this tactic is all that consumers hear on the air, there are enormous considerations for marketers regarding procedures, rules, regulations, and legal considerations. The best-laid strategies can easily turn into disasters when not properly researched for each locality and executed to spec.
2. *Remember that promotions are a prop.* Of course you want thousands of consumers to flock to your contest or sweepstakes. You want engagement and participation. But that's not the be-all and end-all objective. What you want more is large numbers of consumers paying attention to your message because there may be "something in it for them," whether or not they choose to participate. You want them to remember something key about your brand, long after they've forgotten about the promotion. Even better, you want them to heed whatever call to action you are communicating, such as a drive to retail to purchase. In this way, promotions are a prop for getting your message heard, remembered and acted on, away from commercial clutter.



3. *To that point, make sure your promotion communicates a key takeaway about your brand. When it comes to prizes, cash is king, but it won't buy you recall. It's far more effective to design promotions so that the prizes and method of entry are strategic to your message.*

## METHODOLOGY

The survey was sent online and completed by 489 consumers between June 20, 2014 and June 25, 2014.

The consumers' demographic breakdown is as follows:

### Gender

Male	51%
Female	49%

### Age

18–29	17%
30–44	28%
45–60	27%
Over 60	28%



### Education

High school degree or lower	7%
Some college or associate degree	32%
Bachelor degree	32%
Graduate degree	29%

### Time Spent Listening to Radio

Several hours a day	27%
One to two hours a day	34%
Less than an hour a day	32%
Never	7%

## ABOUT CRN INTERNATIONAL

CRN International ([www.crnradio.com](http://www.crnradio.com)) uses radio differently to solve marketing challenges for major brands. It excels in using non-traditional promotional tactics to separate brand messages from the clutter and generate measurable results. It is based in Hamden, CT, and has offices in New York; Minneapolis; Houston; and Hershey, PA.

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