



## **Assistance for New Radio Advertisers**

With PIA's radio ads and your local radio station, you have just about everything you need to start advertising your agency on radio. The following information can help you get started.

### **General Information About Buying Radio Advertising Time**

Radio station listenership is among the most analyzed mediums in existence. Arbitron Inc., a ratings service, carefully tracks the listening habits of people based upon numerous demographics. The upside of this is that you can probably find a station that reaches your intended audience, so your message is more likely to fall upon receptive ears than if you were choosing a radio station blindly. The downside of this is that when you ask to see a station's ratings, you are likely to encounter confusing messages from radio sales people, each providing you with a proposal that indicates that their station is the best one to reach your intended audience—with statistics sliced and diced to back up their claims.

When working with your local radio stations' ad sales representatives, they should take the time to get to know your needs so that they can demonstrate that their station reaches the people you want to hear your message. They should propose an ad schedule for you that will include a suggested number of ads/week running in suggested time slots, which could be specific times of the day to match a specific program or commute pattern (i.e. "morning drive"), or could be much more open ended (and less expensive). They may also attempt to quantify "Reach" (i.e. the number of people in your market you will reach) and "Frequency" (i.e. the number of times those people you reach will hear your ad in one week). As an example, some radio sales professionals suggest that advertisers run 20-30 ads/week, striving for a Reach above 30% of your market and a Frequency of 3 times per week. Costs may prevent you from reaching that percentage, but you should try to ensure ads will have a decent frequency. That will ensure your message can sink in to the minds of your intended audience.

Historically, radio ads were often sold as flat rate units. A flat rate unit could be up to one minute long and had a fixed price regardless of length (e.g. 1 minute cost the same as 30 seconds). Nowadays, most companies don't sell flat rate units, and instead offer discounts for shorter length commercials much as newspapers charge less for smaller ads. Like newspapers, however, an ad that is half the length does not cost half the price. It is not unusual for a 30 second ad to cost 60%-85% of the price of a 1-minute spot. Depending upon the offering of your local radio station(s), you may want to consider the option of running 2 of our 30-second ads back-to-back, for a total of 1 minute. For the healthcare ads, a 60-second advertisement is provided.



Typically, the unit cost for ads that run when most people are listening is higher. “Morning drive” will be more expensive than mid-day, when fewer people are listening. The least expensive rate will often be for what’s called “run-of-schedule” or ROS, in which the ads are run randomly throughout the day and night. The key is achieving a balance between the number of ads you run with the times of day.

As a rule, you should avoid advertising after 7:00 p.m. on weekdays, after 2:00 p.m. on Saturdays, and after noon on Sundays. These are “dead times” when the fewest people are listening.

### **Finding the Right Radio Station**

Picking the right radio station on which to run your ads is tricky.

*If you are advertising nationally or regionally, you may want to work with either a national radio sales representative or an advertising agency. The national rep will be someone who works for a chain of broadcast outlets or a sales company representing a number of such chains. This person works on commission, so you shouldn’t have to pay for more than the radio time. An advertising agency (or “time broker”) will have contacts with many outlets. Advertising agencies or time brokers are usually paid a percentage by the radio station; you may also be charged a placement fee (this is not common), but more likely you will only pay for creative services, should you require any such services.*

*It is most likely that you will probably be working directly with a local sales rep at a local radio station or group of local stations. This person works on commission. Because of the fluid, flexible nature of advertising sales, the more you know going in and the better you are at negotiating, the better you will fare.*

*Which station to choose?* It depends on who you are trying to reach. Radio stations serve separate, distinct demographic groups. You may already have a radio station in mind for your ads, but you should always be sure that the station you have in mind will reach your target audience. One pitfall to avoid is advertising only on radio stations that you listen to. You may not be representative of your target audience.

*The information below can help you find the proper “Format” (news, classic rock, etc.) and the local radio stations in your “Market” that broadcast those formats. [Please note that Katz is in the business of selling ads for the radio stations it represents, although the Katz link below contains information about both Katz and non-Katz radio stations.]*



1. Radio Advertising Bureau: <http://www.rab.com/>
2. Katz Radio Group Radio Resource Center: <http://www.krgspec.com/>
  - a. **Formats:** Click on the Formats tab to select a format and see demographics for that format's listenership (e.g. number of men versus woman, number of teens, age groups)
  - b. **Markets:** Click on the Markets tab to find information about the local radio stations in your market (e.g. call letters, format, dial frequency, transmission power, contact information, etc.).
    - i. Keep in mind that the Metro Survey Area (MSA or Metro) is the primary reporting area for local radio in your market. The Total Survey Area (TSA) is often a larger geographic area that includes the Metro Survey Area and may include additional counties. The Designated Market Area (DMA) defines television markets; every county or split county in the United States is assigned exclusively to one DMA.
  - c. **Stations:** The "Stations" tab allows you to quickly find a local station that has a format you are looking for.

*Going With Your Gut:* If you live in a smaller community with only a few radio stations, it may not be useful to spend a lot of time doing a lot of research. In this applies to you, chances are you already know pretty well what people listen to. If that's the case, just go with your gut.

### **Have a Question for PIA?**

Should you have a question for PIA, please contact us at [ProductsAndServices@pianational.org](mailto:ProductsAndServices@pianational.org).