

HOW TO MAKE RADIO ROCK?

-SAM BALSARA

Thank you Promax for inviting me to share my views on Radio and thank you Douglas for your generous introduction.

I'd like to start by reminding everyone that Radio has been an intrinsic part of most Indians, of my generation. It is probably true, that for most, of my vintage, born in the 50's, their first introduction to advertising was through Ads on Radio. You were too young to read newspapers, there was no television, but there was radio, and in most middle class homes, it was always ON in the mornings, afternoons and late evenings.

My memory takes me back to the days of Radio Ceylon, Binaca Geet Mala, then the days of Vividh Bharati and more recently AIR's numerous Primary Channels, when they opened their doors to advertising, which were supposed to open up the smaller rural markets for large advertisers in India.

Classically, Radio was looked upon both by advertisers and **communication** experts as a '*Reminder medium*', whilst Press and Cinema were regarded as the primary medium.

Why didn't Radio grow in India? A simplistic and probably the true reason is, because it was the exclusive domain of the government. So can we expect, what C&S did to Television spends, FM to do to Radio spends?

The Pitch Madison Media Advertising Outlook for 2006 estimates the total advertising pie **to jump** to Rs. 14,000 crore, an increase of 18% and Radio to **jump up** from 200 crore to 270 crore, an increase of 35% over previous year. An increase, that is second only to the increase of 50% projected for internet spends. This will marginally increase the contribution of Radio from 1.7% to 1.9%. I am sure, many in this room believe these estimates to be pessimistic and way off the mark.

**MADISON
MEDIA**

Pitch - Madison Media Advertising Outlook

	2005		2006		% Growth
	Rs.	% Contb.	Rs.	% Contb.	
Press	5,700	47.8%	6,840	48.7%	20%
TV	5,000	41.9%	5,750	41.0%	15%
Outdoor	870	7.3%	950	6.7%	9%
Radio	200	1.7%	270	1.9%	35%
Internet	110	0.9%	165	1.2%	50%
Cinema	36	0.3%	45	0.3%	25%
Total	11,916	100%	14,020	100%	17.6%

Rs Crore

Anyway the purpose of a Seminar of this nature, is I guess to find ways and means of getting Radio to a respectable contribution figure of atleast 5%, over the next few years.

What does Radio have to do, going forward? I'd like to **suggest** 4 ideas:

1. IT SHOULD BE CHEAPER. It's commonsensical to expect that if you are dealing with a medium that offers audio only, as against another that offers audio plus video, as the TV medium does, it should be cheaper. But it isn't.

Take a look at some inter-media Cost per 1000 comparison that I have done for the purpose of this talk.

Inter-Media CPT*

Cost Per Thousand - Rs

TV	78
Press	321
Radio	867

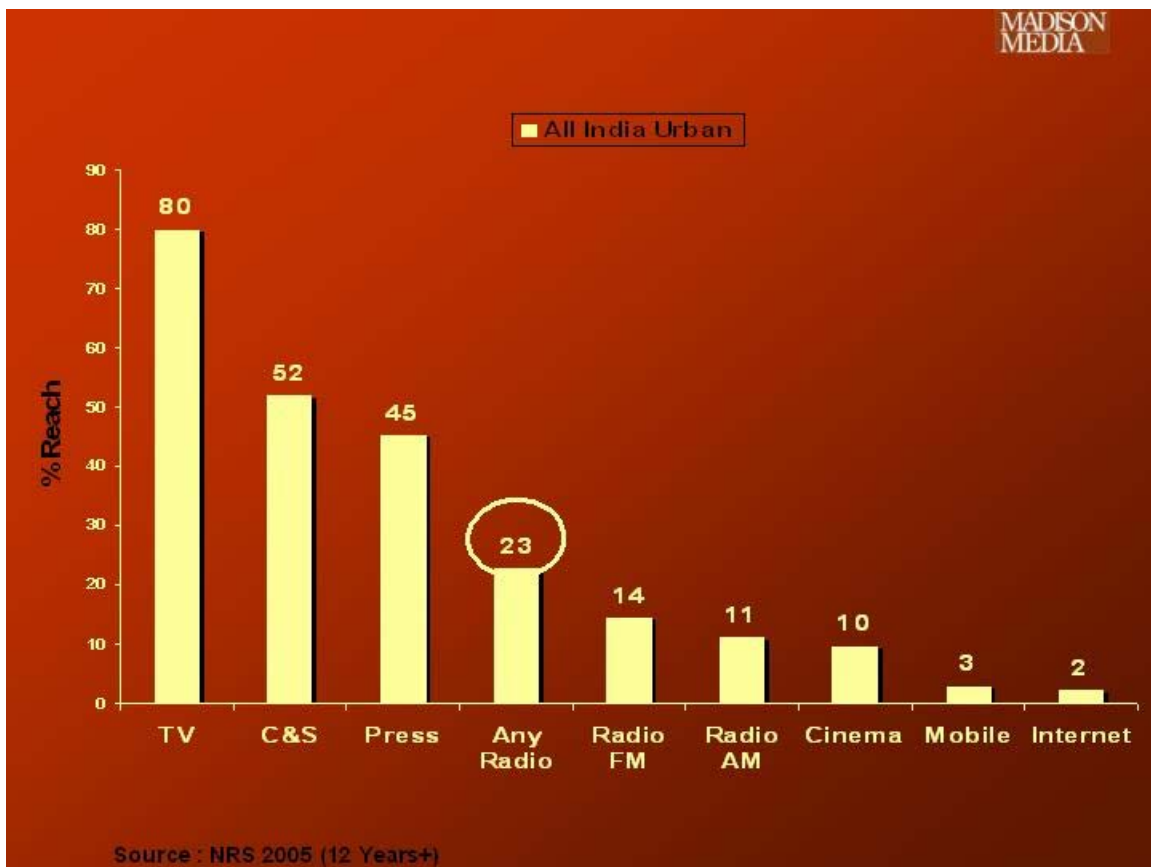
***For a typical All-India 1L+ Towns Plan**

Working on a typical plan that reaches 1lakh+towns, **using** TV would cost you Rs 78 per 1000. The comparable figure **for Print** would be Rs 321 and for **Radio** it would be a whopping Rs.867. No doubt, these figures would be less dramatic if you were working on a typical 8-metro plan, but even then TV would outperform Radio by 50%. I find this unacceptable. Infact Radio should be outperforming TV by atleast 50 % in efficiency terms.

Radio has a lot going for it. But unless this basic anomaly is corrected, it will continue to be a marginal contributor to the total advertising pie. Conversely, what I am saying is that Radio has the potential to become a major contributor if this anomaly is corrected.

2. My second point is that Radio needs to be sold as a powerful and efficient medium that can add additional Reach at reasonable cost to a single-media or a multi-media plan.

Let's first look at few Reach numbers. It is a medium that enjoys the 4th largest reach at about 23%. If you take FM alone, the reach number is 14%, pretty small compared to TV's 80% reach or C&S's 52%, but by itself the number is nothing to scoff at.



With so much of media choice and media fragmentation, multi-media is the answer and I am a strong advocate of it. Radio is in a unique position to provide the top-up to a Press-alone or a TV-alone or a Press+TV plan.

At Madison, we have a tool called **M:Spectra** which enables an evaluation of multimedia plans, although data for each medium may come off separate studies.

We evaluated several plans for Mumbai city with the objective of reaching 60% at 3+ plus, specifying a target audience of All Adults, 25 years+, Sec ABC and with a plan period of one month; And what did we find?

Table

	Cost Index
Print Alone Plan	220
TV Alone Plan	100
TV + Radio Plan (TV – 88%; Radio – 12%)	72
Print + Radio Plan (Print – 89%; Radio – 11%)	78
TV + Print + Radio Plan (TV – 61%; Print – 23%; Radio – 16%)	52

A **Print-alone** plan has an indexed cost of 220, A **TV-alone** plan has an indexed cost of 100, whereas a **TV+ Radio plan** has an indexed cost of 72 (where spend on TV is 88% of spend and Radio 12%), a **Print+ Radio plan** cost indexes at 78 (where print is 89% of cost and Radio 11%) and a **TV + Print+ Radio** cost indexes at, hold your breadth, 52 (where TV is 61% of cost, Print 23% and Radio 16%).

In New York, The Radio Ad Effectiveness Lab sometime ago released a study on Radio’s ROI compared to TV, conducted by Milward Brown, and concluded that Radio can offer an **ROI** that is 49% higher than that of TV.

So a quantitative analysis, does seem to make out a strong case for adding Radio to Media Plans.

- 3.** **Which** takes me to my third point. As experienced media planners know, there is more to media than just numbers. An over emphasis on numbers alone could lead us to lots of exposures, that translate to little more. The advertiser after-all is interested in sales and **not just** exposure and engaging exposure is a lot more useful than one that is not.

Whilst we spent most of the 70s, 80s and 90s chasing exposure, the proliferation of media and consequent high costs during this period has fortunately stopped us and made us question, whether we should after all be chasing exposure.

Radio, in my view lends itself to the creation of more engaging advertising. The arrival of FM stations, led fortunately by New-age, Ex-Marketing or Ex Media people have enabled the medium to be responsive and sensitive to the advertisers' needs for engagement and ROI. And in a short span of a few years we already have a body of Radio advertising work that is path breaking by conventional advertising standards.

And mind you, it is true that **creative agencies** do not still give to Radio, even 10% of the attention than they give to TV.

My client and colleague on this panel Saugata has shown you an outstanding example of Radio at work for Saffola. I want to share with you another **example** of McDonalds, where Radio was used not just for brand building but to solve a business task of getting across McDonalds home delivery service in a lively, engaging and non-advertising format. The communication plan involved, a contest, of course the ubiquitous RJ and breakfast parties all in the Radio studio.) **Let's hear it. (CLIP)**

So my third point is that Radio should position itself as a medium that is advertiser-friendly and **can offer** not just vanilla-exposure but engaging- exposure, which is the need of the hour. And ofcourse it should back its position with concrete offerings in this area.

I heard, that last month when launching the Norwegian edition of **Guinness World Records** 2006, the advertiser thought it was only natural to stretch the limits. So, when it came to advertising the book, they put out what it believes was a record Radio spot, in terms of its duration; **a spot** of just one-second, barely enough to say: Guinness Book of Records. The spot ofcourse got unimaginable ROI, given the fact that Press and TV picked this up in many countries across the world and I heard about it in India too.

4. I am told that everybody in the world today multi-tasks when they are consuming media and kids specially in Western countries are talking on the phone, chatting with a friend on the MSN Messenger and very often going back to their Play Stations. Guess it is little more difficult to watch TV or read a newspaper in addition to all this. But Radio? No problem. Perhaps this *reminder medium* of my time will soon become the only medium that can leave a lasting impression in an unobtrusive manner on the multi-tasking consumer of today.

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(1,296 words)