



10

Broadcast Media

CHAPTER OBJECTIVES

- To examine the structure of the television and radio industries and the role of each medium in the advertising program.
- To consider the strengths and limitations of TV and radio as advertising media.
- To explain how advertising time is purchased for television and radio media, how audiences are measured, and how rates are determined.

A Live Ad for Nicoderm

To commemorate the 50th anniversary of CBC television, the national network envisioned a program entitled *Live to Air* that would be broadcast live—just like television when it first aired in Canada so many years ago. Jumping on the opportunity, Pharmacia Consumer Healthcare's [now Pfizer] smoking cessation product, Nicoderm, along with their agency Le Groupe TMC, visualized a live television commercial associated with a live television show. Despite the CBC changing their plans for a live show, Pharmacia pursued the idea to a successful completion as it executed the first Canadian live television commercial since the 1950s.

The original idea called for two 60-second spots during the live show, however, that all changed when the television show moved to a pre-recorded format. Instead, Pharmacia and its agency saw an opportunity to develop the media opportunity further by running a full two-minute live commercial for a more resounding impact that they hoped would lead to stronger brand recall.



- A creative theme of a journey back in time to the dawn of television exactly 50 years ago captured the essence of the product's benefits and fit the theme of the television show like a glove. A 1952 couple, visited by a Nicoderm doctor from the future, learned about the dangers of smoking.
- Although a serious message, the ad contained music, dancing, and laughter to keep the tone light-hearted.

Pharmacia supported the live ad with additional communication to maximize exposure. Feature articles ran in various newspaper publications. Advanced notice of the ad occurred on a TV spot and an ad in *TV Guide*. A contest also sparked interest and garnered stronger participation in the campaign.

- Although specific success measures never materialized publicly, Pharmacia claimed success and received an award for outstanding creativity in media usage for their risky adventure.

Source: Tiffany St-Germain, "Five, Four, Three, Two—You're Live!" *Marketing Magazine*, February 24, 2003.

TV has virtually saturated households throughout Canada and most other countries and has become a mainstay in the lives of most people. The average Canadian household watches almost six hours of TV a day, and the average person (age 2+) watches about 3.5 hours of TV per day.¹ The large numbers of people who watch television are important to the TV networks and stations because they can sell time on these programs to marketers who want to reach that audience with their advertising messages. Moreover, the qualities that make TV a great medium for news and entertainment also encourage creative ads that can have a strong impact on customers.

Radio is also an integral part of our lives. Many of us wake up to clock radios in the morning and rely on radio to inform and/or entertain us while we drive to work or school. For many people, radio is a constant companion in their cars, at home, even at work. The average Canadian listens to the radio about three hours each day.² Like TV viewers, radio listeners are an important audience for marketers.

In this chapter, we examine TV and radio media, including the general characteristics of each as well as their specific strengths and limitations. We examine how advertisers use TV and radio as part of their advertising and media strategies, how they buy TV and radio time, and how audiences are measured and evaluated for each medium. We also examine the factors that are changing the role of TV and radio as advertising media.

TELEVISION

It has often been said that television is the ideal advertising medium. Its ability to combine visual images, sound, motion, and colour presents the advertiser with the opportunity to develop the most creative and imaginative appeals of any medium. However, TV does have certain characteristics that limit or even prevent its use by many advertisers.

STRENGTHS OF TELEVISION

TV has numerous strengths compared to other media, including creativity, target audience coverage, cost efficiency, attention, scheduling flexibility, geographic coverage, reach, frequency, and acceptable image.

Creativity for Cognitive and Emotional Responses Perhaps the greatest advantage of TV is the opportunity it provides for presenting the advertising message. The interaction of sight, sound, and motion offers tremendous creative flexibility and makes possible dramatic, lifelike representations of products and services. TV commercials can be used to convey a mood or image for a brand as well as to develop emotional or entertaining appeals that help make a dull product appear interesting. The overall impact of TV's characteristics provides unlimited options for generating optimal cognitive and emotional responses to highly imaginative ads.

Television is also an excellent medium for demonstrating a product or service. For example, print ads are effective for showing a car and communicating information regarding its features, but only a TV commercial can put you in the driver's seat and give you the sense of actually driving, as shown by the Porsche commercial in Exhibit 10–1.

Target Audience Coverage Television advertising makes it possible to reach large audiences. Nearly everyone, regardless of age, sex, income, or educational level, watches at least some TV. During prime time (7:00 p.m. to 11:00 p.m.), an average of 40 percent of adults will tune in (see Figure 10–1). Most people do so on a regular basis since 99 percent of all Canadian households own a TV, and 57 percent have more than one. Marketers selling products and services that appeal to broad target audiences find that TV lets them reach mass markets.

Exhibit 10–1 This TV commercial helps viewers feel the sensation of driving a sports car

Cost Efficiency Compared to many other media, the cost to reach individuals by television is reasonably affordable. For example, one estimate is that the average cost per thousand (cpm) to reach English-speaking women 18 to 49 is about \$18.³ Because of its ability to reach large audiences in a cost-efficient manner, TV is a popular medium among companies selling mass-consumption products. Companies with widespread distribution and availability of their products and services use TV to reach the mass market and deliver their advertising messages at a very low cost per thousand. Television has become indispensable to large consumer package-goods companies, carmakers, and major retailers. Companies like Procter & Gamble and Coca-Cola spend a high percentage of their media advertising budget on television.

Attention Television is basically intrusive in that commercials impose themselves on viewers as they watch their favourite programs. Unless we make a special effort to avoid commercials, most of us are exposed to thousands of them each year. This seemingly continuous exposure implies that viewers devote some attention (i.e., selective attention) to many advertising messages. As discussed in Chapter 3, the low-involvement nature of consumer learning and response processes may mean TV ads have an effect on consumers simply through heavy repetition and exposure to catchy slogans and jingles.

285

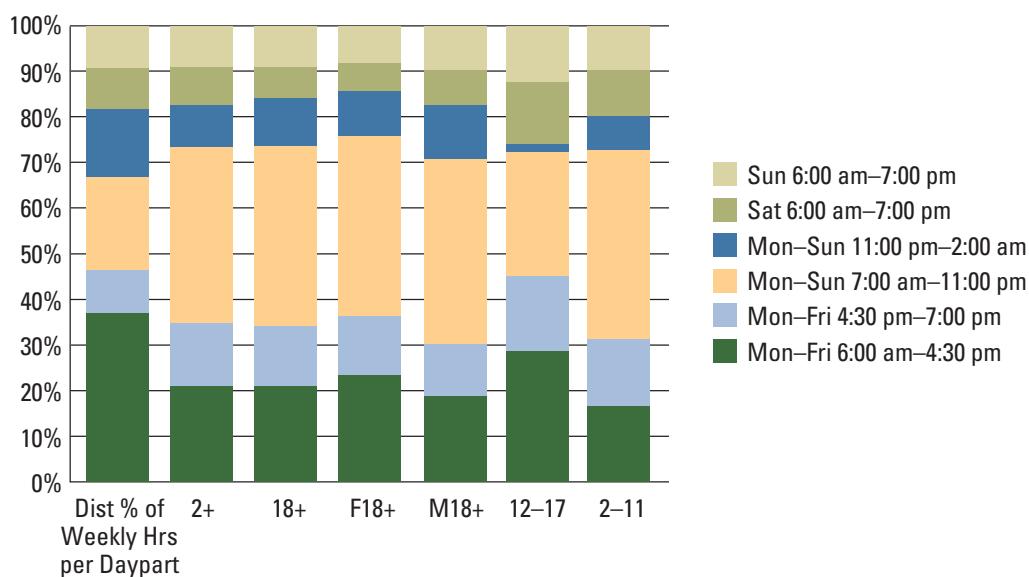


FIGURE 10–1
Percent distribution of weekly per-capita hours by daypart: total Canada

Scheduling Flexibility Television has often been criticized for being a nonselective medium, since it is difficult to reach a precisely defined target audience through the use of TV advertising. But some selectivity is possible due to variations in the composition of audiences as a result of broadcast time and program content. For example, Saturday morning TV caters to children; Saturday and Sunday afternoon programs are geared to the sports-oriented male; and weekday daytime shows appeal heavily to homemakers. With the growth of specialty channels, advertisers refine their coverage further by appealing to groups with specific interests such as sports, news, history, the arts, or music.

Geographic Coverage Advertisers can also adjust their media strategies to take advantage of different geographic markets through spot ads in specific market areas. Ads can be scheduled to run repeatedly in more favourable markets. Alternatively, advertisers can obtain national coverage or regional coverage depending upon their marketing objectives.

Reach Television viewing is a closely monitored activity such that the size of the audience for a television program is known fairly quickly. Placement of TV ads on certain combinations of shows allows an advertiser to reach as many in their target audience as they feel necessary. Availability of airtime and amount of budget are the main constraints from allowing an advertiser to reach as large an audience as possible.

Frequency Scheduling television permits frequency in concentrated blocks throughout a program, evening, week, month, or season. Heightened frequency may be necessary for a new product launch or an effort to obtain switching while lower levels of frequency may be feasible for advertisers desiring more continuous exposure.

Media Image Given the prominence television has with its mass-market characteristic, TV advertising often carries a high degree of acceptability. Television is usually viewed favourably due to the higher costs of placement and production that demonstrates a level of acceptance or establishment for those who advertise with this medium. In fact, Figure 9–4 of the previous chapter shows that the degree of acceptability of advertising on television is at a remarkable 72-percent acceptance level.

LIMITATIONS OF TELEVISION

Although television is unsurpassed from a creative perspective, the medium has several limitations that preclude its use by many advertisers. These problems include high absolute costs, low target audience selectivity, short processing time, extensive clutter, high selective exposure, low involvement, and distrustful image.

Absolute Cost Despite the efficiency of TV in reaching large audiences, it is an expensive medium in which to advertise. The high cost of TV stems not only from the expense of buying airtime but also from the costs of producing a quality commercial. Production costs for a national brand 30-second spot average nearly \$300,000 and can reach over a million for more elaborate commercials.⁴ More advertisers are using media-driven creative strategies that require production of a variety of commercials, which drive up their costs. Even local ads can be expensive to produce and often are not of high quality. The high costs of producing and airing commercials often price small- and medium-size advertisers out of the market.

Target Audience Selectivity Some selectivity is available in television through scheduling, but advertisers who are seeking a very specific, often small, target audience find the coverage of TV often extends beyond their market, reducing its cost effectiveness (as discussed in Chapter 9). Geographic selectivity can be a problem



for local advertisers such as retailers, since a station bases its rates on the total market area it reaches. For example, stations in Ottawa reach viewers in western Quebec and eastern Ontario. The small company whose market is limited to the immediate Ottawa area may find TV an inefficient media buy, since the stations cover a larger geographic area than the merchant's trade area.

Audience selectivity is improving as advertisers target certain groups of consumers through the type of program or day and/or time when they choose to advertise. However, TV still does not offer as much audience selectivity as radio, magazines, newspapers, or direct mail for reaching precise segments of the market.

Amount of Processing Time TV commercials usually last only 30 or 15 seconds and leave nothing tangible for the viewer to examine or consider. Commercials have become shorter and shorter as the demand for a limited amount of broadcast time has intensified and advertisers try to get more impressions from their media budgets.

An important factor in the decline in commercial length has been the spiraling inflation in media costs over the past two decades. Many advertisers see shorter commercials as the only way to keep their media costs in line. A 15-second spot typically sells for about two-thirds the price of a 30-second spot. By using 15-second commercials, advertisers think they can run additional spots to reinforce the message or reach a larger audience. Some advertisers believe shorter commercials can deliver a message just as effectively as longer spots for much less money.

Clutter The problems of short messages are compounded by the fact that the advertiser's message is only one of many spots and other nonprogramming material seen during a commercial break, so it may have trouble being noticed. One of advertisers' greatest concerns with TV advertising is the potential decline in effectiveness because of such *clutter*.

The next time you watch TV, count the number of commercials, promotions for the news or upcoming programs, or public service announcements that appear during a station break and you will appreciate why clutter is a major concern. In the USA, a recent study sponsored by the advertising industry found a record level of clutter during prime-time television broadcasts on the major networks. The study analyzed one week of broadcasts during May and November of 1999 and found that the four major networks averaged 16 minutes and 43 seconds of nonprogramming content. The hour-long police drama *NYPD Blue* had the most clutter of any prime-time show with one episode having nearly 18 minutes of clutter.⁵ With all of these messages competing for our attention, it is easy to understand why the viewer comes away confused or even annoyed and unable to remember or properly identify the product or service advertised.

One cause of clutter is the use of shorter commercials and **split-30s**, 30-second spots in which the advertiser promotes two different products with separate messages. Clutter also results when the networks and individual stations run promotional announcements for their shows, make more time available for commercials, and redistribute time to popular programs. The Canadian Radio-television and Telecommunications Commission (CRTC), which regulates television only permits 12 minutes of commercials per hour. However, when simulcast Canadian commercials are run, there is extra "time" since U.S. TV stations often show more than 12 minutes of commercials. To fill this "time," Canadian stations run "ads" for other shows, public service announcements, or news/entertainment vignettes. Thus, Canadian viewers experience a different kind of clutter than their American counterparts.

Selective Exposure When advertisers buy time on a TV program, they are not purchasing guaranteed exposure but rather the opportunity to communicate a message to large numbers of consumers. But there is increasing evidence that the size of the



viewing audience shrinks during a commercial break. People leave the room to go to the bathroom or to get something to eat or drink, or they are distracted in some other way during commercials, or they decide to change the channel. Studies of consumers' viewing habits found that as much as a third of program audiences may be lost during commercial breaks.⁶ Thus, for a variety of reasons viewers engage in selective exposure to television commercials. Advertisers are very concerned with zapping and zipping.

Zapping refers to changing channels to avoid commercials. An observational study conducted by John Cronin found as much as a third of program audiences may be lost to electronic zapping when commercials appear.⁷ The Nielsen study found that most commercial zapping occurs at the beginning and, to a lesser extent, the end of a program. Zapping at these points is likely to occur because commercial breaks are so long and predictable. Zapping has also been fueled by the emergence of 24-hour continuous-format programming on cable channels. Viewers can switch over for a few news headlines, sports scores, or a music video and then switch back to the program. Research shows that young adults zap more than older adults, and men are more likely to zap than women.⁸

How to inhibit zapping? The networks use certain tactics to hold viewers' attention, such as previews of the next week's show or short closing scenes at the end of a program. Some programs start with action sequences before the opening credits and commercials. Some advertisers believe that producing different executions of a campaign theme is one way to maintain viewers' attention. Others think the ultimate way to zap-proof commercials is to produce creative advertising messages that will attract and hold viewers' attention. However, this is easier said than done, as many consumers just do not want to watch commercials. As more viewers gain access to remote controls and the number of channels increases, the zapping problem is likely to continue.

A recent study on zapping among viewers of the five major commercial channels in the Netherlands was conducted by Lex van Meurs.⁹ He found that during commercial breaks, 29 percent of the audience stopped watching television or switched away to another channel. This loss of viewers was partially compensated for by an average increase of 7 percent of new viewers who zapped in from another channel. The study also found that people stop viewing TV during a commercial break because they have a reason to stop watching television altogether or they want to find out what is being shown on other channels. The number of people zapping in and out during breaks was not caused by the type of products being advertised or by specific characteristics of the commercials. IMC Perspective 10–1 shows how new technology may change how we view television in the future.

Based on your own behaviour, you can surmise that there are other ways we can try to minimize our contact with persuasive messages. In a representative sample of Canadians on what they do to limit their exposure to television, radio, and online advertising it shows a number of alternatives. Figure 10–2 illustrates the frequencies of those efforts that most pertain to television. Canadians engage in considerable zapping—at 61 percent or about double the amount of zapping cited in previous studies. Actual amount of zapping versus perceived amount of zapping may account for this difference. This would suggest that people's attitude towards an ad and their actual behaviour towards it are dramatically at odds. Alternatively, the different statistics may indicate a trend to increased zapping or more technological usage on the part of Canadians to avoid ads.¹⁰

The increased penetration of VCRs, remote controls, and other automatic devices have made it easier for TV viewers to avoid commercial messages. **Zipping** occurs when customers fast-forward through commercials as they play back a previously recorded program. A study by Nielsen Media Research found that while 80 percent of recorded shows are actually played back, viewers zip past more than half of the commercials.¹¹ Another study found that most viewers fully or partially zipped commercials when watching a prerecorded program.¹²



FIGURE 10–2
How Canadians avoid television advertising
□ □ □ □ □

	Age					
	Total#8224	15–19	20–29	30–39	40–49	50+
	(n=1285)	(n=120)*	(n=204)*	(n=246)*	(n=270)*	(n=445)*
Change TV channels	61	83	79	66	64	43
Use mute button	18	7	7	14	14	29
Leave room/walk away	14	8	9	13	17	18
Do something else	12	7	7	11	13	15
Turn it off	7	10	8	6	6	7
Fast forward through ads	6	1	4	5	8	9
Get food/drink	6	3	2	5	7	10
Do household task	4	2	3	3	4	5
Ignore it	4	2	4	2	3	6
Read something	3	1	1	1	2	7
Watch TV channels that don't have ads	2	—	3	2	2	2
Turn down volume	2	1	—	2	2	3
Other/don't know	4	4	4	5	3	3

Source: The Strategic Counsel, Toronto.
*n = the number of respondents.
Note: Total does not equal 100 percent because more than one response was accepted.

289

Involvement The cumulative effect of the varied television characteristics generally implies that it is a low-involvement medium. While its invasiveness can expose the message to us readily and perhaps hold our attention with significant creative strategies and tactics, the relative short processing time and clutter makes for less effective media for an advertiser to significantly persuade a target audience.

Media Image To many critics of advertising, TV commercials personify everything that is wrong with the industry. Critics often single out TV commercials because of their pervasiveness and the intrusive nature of the medium. Consumers are seen as defenseless against the barrage of TV ads, since they cannot control the transmission of the message and what appears on their screens. Viewers dislike TV advertising when they believe it is offensive, uninformative, or shown too frequently or when they do not like its content.¹³ Studies have shown that of the various forms of advertising, distrust is generally the highest for TV commercials.¹⁴ Also, concern has been raised about the effects of TV advertising on specific groups, such as children or the elderly.¹⁵

A number of options are available to advertisers that choose to use TV as part of their media mix. They can purchase ads on shows that are shown across the national or regional network versus a local spot announcement in a few cities. They can sponsor an entire program. They can purchase time in a variety of program formats that appeal to various types and sizes of audiences. With the growth of new television services, advertisers decide the degree to which they want to advertise on specialty channels. We explore these four decisions in this section.

The purchase of TV advertising time is a highly specialized phase of the advertising business, particularly for large companies spending huge sums of money. Large advertisers that do a lot of TV advertising generally use agency media specialists or specialized media buying services to arrange the media schedule and purchase TV time. Consequently, we conclude this section with a discussion on

BUYING TELEVISION ADVERTISING TIME

The Future of Television Viewing

How much would you be willing to pay to never have to watch another TV commercial, be able to automatically record shows with your favourite actor, or record more than one show at a time? How about being able to leave the room in the middle of an exciting hockey game and, when you return, being able to resume watching the game from the point where you left off? These capabilities are no longer the dreams of TV viewers. They are now the reality thanks to a new consumer electronic device called personal video recorders (PVR). And while it may be the answer to TV viewers' dreams many argue that PVRs may be the television and advertising industries' worst nightmare.

PVRs digitally record television shows and save them on a massive multi-gigabyte internal hard drive that can hold up to 55 hours of programming. Consumers can also download program schedules that pop up on the screen, and, with some simple programming through a remote control, consumers can click on shows they want to watch. PVRs also allow users to rewind or pause in the middle of a live broadcast while it keeps recording, resume watching from the point where they stopped, and then skip ahead to catch up on the live broadcast. Anticipated future versions of the technology will automatically skip past commercials.

According to Bell ExpressVu's director of communications, "It really does change the way you watch TV." The technology emerged in Canada in 2001 and although demand for PVR is at a relatively low 1 percent of all Canadian households, many believe the penetration is set



to take off once prices become more affordable for the average consumer in the next three to five years. In the U.S., similar penetration of 1 percent of households occurred over the past few years with two main brands, TiVo and Sonicblue, dominating.

Naturally, broadcasters are concerned as advertisers may question the effectiveness of placing commercials in established prime-time slots. However, others suggest that the technology permits an opportunity for advertisers to innovate beyond the limitations of older technology. For example, for an episode of the show *24*, Ford in the U.S. placed new vehicles in the first episode, sponsored the episode so it was commercial-free, and added a two-minute "Ford film" that had a *24*-like storyline. North of the border, Canadian actor and star of *24*, Kiefer Sutherland, performed the voice-over for the new Ford F-Series commercials. Additional exclusive sponsorship arrangements heightened Ford's exposure associated with the show. While the future of television viewing is open to prediction at this point in time, one expert believes that the typical 30-second commercial and conventional TV will be a key part of most TV campaigns, but they will be augmented with additional ad-like entertainment, product placement, and customized content.

Source: Bruce Neve, "Better, Smarter, Stronger," *Marketing Magazine*, February 16, 2004; Paul-Mark Rendon, "Zapping Power," *Marketing Magazine*, May 5, 2003.

measuring TV audiences since it is a critical input for TV decisions. Figure 10–3 illustrates how the percentage of hours tuned to various types of television stations has changed over time.

NETWORK, SPOT, SPONSORSHIP

A basic decision for all advertisers is allocating their TV media budget to network versus local or spot announcements. Most national advertisers use network schedules to provide national coverage and supplement this with regional or local spot purchases to reach markets where additional coverage is desired.

Station	FALL				
	1999	2000	2001	2002	2003
<i>Conventional Station</i>					
CBC	4.6	4.8	4.4	4.5	4.7
CBC affiliates	1.1	1	0.9	0.7	0.7
CBC TOTAL	5.7	5.8	5.4	5.3	5.6
CTV	14.8	14.5	11.3	12.2	11.9
Independent English	9.1	7.7	7.6	8	9.4
Global	5.8	6.4	7.7	7.9	7.5
Radio Canada	4.6	4.0	4.1	3.4	2.7
Radio Canada affiliates	1.3	1.1	0.9	0.8	0.6
RADIO CANADA TOTAL	5.9	5.1	5.1	4.2	3.3
TVA	9.7	9.3	8.7	8.7	8.2
Télé-Québec	0.6	0.5	0.6	0.7	0.7
Quatre Saisons	3.1	3.5	3.4	3.5	4.1
Total Cdn. Convent	54.7	52.8	49.8	50.4	50.7
<i>U.S. Conventional TV</i>					
ABC affiliates	2.4	2.4	2.4	2.1	1.9
NBC affiliates	2.4	2.2	2.3	2.0	2.1
CBS affiliates	2.8	2.4	2.1	2.1	2.2
FOX affiliates	2.3	2.4	2.5	2.0	2.0
PBS	1.4	1.6	1.4	1.1	1.1
Independent/UPN/WB	0.9	0.8	1.5	1.6	1.4
Total U.S. Convent	12.2	11.8	12.2	10.9	10.7
Cable	0.3	0.3	0.3	0.4	0.3
International	0.1	0.1	0.1		
Provincial	1.2	1.2	1.2	1.4	1.2
VCR	5.2	4.6	4.2	4.5	4.5
CDN. Specialty/Pay	16.7	19.2	21.4	22.8	23.8
U.S. Specialty/Pay	7.7	9	9.2	8	7.2
Others	2.1	1	1.4	1.4	1.6
Total Hours (Millions)	659.6	644.3	642.9	659.4	667.4

FIGURE 10–3

TVBasics 2003–2004:
Share of hours tuned by
station group



291

Network Advertising A common way advertisers disseminate their messages is by purchasing airtime from a **television network**. A network assembles a series of affiliated local TV stations, or **affiliates**, to which it supplies programming and services. These affiliates, most of which are independently owned, contractually agree to preempt time during specified hours for programming provided by the networks and to carry the national advertising within the program. The networks share the advertising revenue they receive during these time periods with the affiliates. The affiliates are also free to sell commercial time in non-network periods and during station breaks in the pre-empted periods to both national and local advertisers.

Canada's television industry features three national networks. The Canadian Broadcasting Corporation (CBC) is a Crown corporation of the federal government of Canada. Its full network includes 34 stations, including 19 private affiliates that reach 99 percent of English-language homes. Radio-Canada is the CBC cousin for the French-language network consisting of 13 stations (7 in Quebec, 6 outside of Quebec). The Canadian Television Network (CTV) operates as a national English-language service and owns 22 stations in most Canadian provinces.

Canada has a number of regional networks. The CBC also consists of five regional networks; Atlantic, Central (Ontario and English Montreal), Pacific (B.C.), Western, and North (NWT). CTV has three regional networks: Ontario, Atlantic, and Saskatchewan. Global Television Network sends its signal from Toronto to 14 transmitters to reach 97 percent of the Ontario population. Global Atlantic operates in a similar manner to reach the majority of people in New Brunswick, PEI, and Nova Scotia. NewNet is an amalgamation of five Ontario stations reaching over 4 million people. Citytv, based in Toronto, reaches an audience of 4 million households from Windsor to Ottawa. CHTV operates similarly out of Toronto/Hamilton and covers 90 percent of Ontario through its seven transmitters. There are three regional networks in Quebec. TVA has 10 stations and reaches 99 percent of the province. Television Quatre Saisons has nine stations and reaches 94 percent of the province. Finally, sports programming has reached the regional network status as Sportsnet operates in four regions: Pacific, West, Ontario, and East.

The networks have affiliates throughout the nation for almost complete national coverage. When an advertiser purchases airtime from one of the national networks, the commercial is transmitted across the nation through the affiliate station network. Network advertising truly represents a mass medium, as the advertiser can broadcast its message simultaneously throughout the country.

A major advantage of network advertising is the simplification of the purchase process. The advertiser has to deal with only one party or media representative to air a commercial nationwide. The networks also offer the most popular programs and generally control prime-time programming. Advertisers interested in reaching huge nationwide audiences generally buy network time during the prime viewing hours of 8 to 11 p.m. eastern time.

The major drawback is the high cost of network time. Figure 10–4 shows cost estimates for a 30-second spot on many national and regional networks for the 2002–2003 television season. The cost for a most watched show or special on the CTV network would be \$80,000. As an absolute cost, this is quite prohibitive for many marketers. As a result, only about 20 percent of all TV advertising is done in this manner.

Availability of time can also be a problem as more advertisers turn to network advertising to reach mass markets. Traditionally, most prime-time commercial spots, particularly on the popular shows, are sold during the buying period in May/June/July that occurs before the TV season begins. Advertisers hoping to use prime-time network advertising must plan their media schedules and often purchase TV time as much as a year in advance. Demands from large clients who are heavy TV advertisers force the biggest agencies to participate in the up-front market. However, TV time is also purchased during the **scatter market** that runs through the TV season. Some key incentives for buying up front, such as cancellation options and lower prices, are becoming more available in the quarterly scatter market. Network TV can also be purchased on a regional basis, so an advertiser's message can be aired in certain sections of the country with one media purchase.

Buying Television The marketing and selling of advertising space by the network producers of television shows to buyers of advertising can be less challenging with an established brand like the television series *Canadian Idol*. However, the challenge can be enormous for new television shows with a low profile. The producers of the hit show, *Corner Gas*, marketed to television viewers directly to build the audience, thus making the show very attractive to advertisers. CTV used publicity, on-air ads, website promotions, and a cross-country tour of Brent Butt (a comedian and star of the show) to appeal to a core group who would like a show that was described as original, familiar, and fun. At its peak, *Corner Gas* is in the top 15 shows watched in Canada with an audience of 1.5 million, topping many American situation comedies.¹⁶

Similarly, Alliance Atlantis Broadcasting takes a packaged-goods marketing approach in its planning and organizing to develop the market for its imported



Network	# of Stations	Basic Range \$	Network	# of Stations	Basic Range \$
National					
CBC Full	34	100–52,000	Bravo!	1	150–5,500
CBC Metronet	17	100–25,000	Canal D	1	75–1,365
CTV	22	2,500–80,000	Canal Vie	1	50–1,785
Radio Canada	13	200–25,000	Canal Z	1	40–960
TVA	10	Various	CBC Newsworld	1	250–1,000
			CMT	1	30–1,000
Regional					
ASN	1	30–640	Comedy	1	40–1,600
ATV	3	450–3,300	Discovery	1	500–5,000
			Food Network	1	100–3,500
			HGTV Canada	1	100–3,500
CBC Regional					
Atlantic	6	100–2,800	Historia	1	40–310
Central	12	100–21,000	History	1	100–2,800
Western	12	100–7,500	Life Network	1	100–3,700
Pacific	6	100–4,200	MuchMusic	1	1,050–3,000
Global	1	150–48,000	Musique Plus	1	480–600
MITV	2	55–33,400	OLN	1	15–1,300
CTV Ontario	5	1,700–33,000	Prime	1	10–1,500
TQS	10	315–12,000	RDI	1	50–550
Tele-Quebec	10	200–2,500	RDS	1	250–18,000
CTV Saskatchewan	4	120–2,500	Score, The	1	60–5,000
			Series+	1	40–1,140
			Showcase	1	100–4,700
			Space	1	50–3,200
			Sportsnet	4	100–7,500
			Teletoon (English)	1	75–1,400
			TSN	1	500–20,000
			Vision TV	1	400–1,000
			Weather Network	1	90–300
			W Network	1	25–1,475
			YTV	1	150–4,500

FIGURE 10–4
Estimated cost of network commercials 2002–2003 (30-second rates)



293



specialty channels like HGTV, National Geographic Channel, and BBC Canada or domestic specialty channels like Showcase and History Television. In addition, it uses innovative creative tactics to ensure large audiences for its advertisers. For example, during the *Six Feet Under* launch, it used an unusual mobile display to a record-breaking 735,000 viewers, establishing it as the most watched specialty channel program.¹⁷

Spot Advertising Spot advertising refers to commercials shown on local TV stations, with time negotiated and purchased directly from the individual stations or their national station representatives. **Station reps** act as sales agents for a number of local stations in dealing with national advertisers.

Spot advertising offers the national advertiser flexibility in adjusting to local market conditions. The advertiser can concentrate commercials in areas where market potential is greatest or where additional support is needed. This appeals to advertisers with uneven distribution or limited advertising budgets, as well as those interested in test marketing or introducing a product in limited market areas. National advertisers sometimes use spot television advertising through local retailers or dealers as part of their cooperative advertising programs and to provide local dealer support. This attractive option is most prevalent in Canada with about 60 percent of all TV ads.

Sponsorship Advertising Under a sponsorship arrangement, an advertiser assumes responsibility for the production and usually the content of the program as well as the advertising that appears within it. In the early days of TV, most programs were

produced and sponsored by corporations and were identified by their name. Today most shows are produced by either the networks or independent production companies that sell them to a network, however, sponsorship is a good option in some situations.

Several major companies have been sponsoring special programs for many years, such as the Kraft Masterpiece Theater and Hallmark Hall of Fame dramatic series. In 1994 Hallmark acquired RHI Entertainment Inc., the company that produces its wholesome Hall of Fame productions as well as TV miniseries and movies. Sole sponsorship of programs is usually limited to specials and has been declining. However, some companies do still use program sponsorships occasionally.

A company might choose to sponsor a program for several reasons. Sponsorship allows the firm to capitalize on the prestige of a high-quality program, enhancing the image of the company and its products. For example, the Ford Motor Company received a great deal of favourable publicity when it sponsored the commercial-free television debut of the Holocaust movie *Schindler's List*. Companies also sponsor programs to gain more control over the shows carrying their commercials. For example, Wendy's International has been involved in sponsorship of family-oriented programs.

Another reason is that the sponsor has control over the number, placement, and content of its commercials. Commercials can be of any length as long as the total amount of commercial time does not exceed network or station regulations. Advertisers introducing a new product line often sponsor a program and run commercials that are several minutes long to introduce and explain the product. While these factors make sponsorship attractive to some companies, the high costs of sole sponsorship limit this option to large firms.

Scotiabank provides an excellent example of innovative sponsorship. Historically, Scotiabank was successful with its sponsorship of CTV's "Business Report," shown during its *Canada AM* morning show. Looking for a consistent message across many of CTV's banners, Scotiabank hit on the solution of using the Report on Business Television's financial news show, *Dollars & Sense*, as shown in Figure 10–5.¹⁸



FIGURE 10–5
The *Dollars & Sense* breakout
□ □ □ □ □

Participants: Report on Business Television, CTV Newsnet, *Canada AM*, CTV News, CTV.ca, ROBTV.com and other Bell Globemedia relevant websites.

Run: For 10 weeks starting Oct. 6, 2003 and for 20 weeks starting Jan. 5, 2004.

Production: 150 original two-minute *Dollars & Sense* segments airing on Report on Business Television; 30 original 30-second *Dollars & Sense* interstitial vignettes airing on CTV Newsnet and *Canada AM*.

Online: Digitized content so interstitials and long-version *Dollars & Sense* segments are available online supporting the advertising.

Component breakdown:

Report on Business Television runs two-minute editorial segments titled *Dollars & Sense*; airing four times per day, with unique content, Monday to Friday. Editorial segments are sponsored by Scotiabank and packaged with a 10-second opening and closing billboard and a 30-second adjacent Scotiabank commercial. Scotiabank-branded stock ticker appears on screen during the editorial content.

CTV Newsnet runs 30-second *Dollars & Sense* interstitial vignettes (similar content to longer version but more compact and focused in-content delivery), airing two times per day, Monday to Friday; 30-second commercial adjacency following interstitial; 10-second customized closed captioning campaign promoting "*Dollars & Sense* brought to you by Scotiabank," Monday to Saturday.

Canada AM runs 30-second *Dollars & Sense* interstitial in fixed position on Wednesdays and Fridays with 30-second commercial adjacency.

CTV News runs 10-second customized closed-captioning campaign promoting "*Dollars & Sense* brought to you by Scotiabank," Monday to Friday.

TIME PERIODS AND PROGRAMS

Another decision in buying TV time is selecting the right period and program for the advertiser's commercial messages. The cost of TV advertising time varies depending on the time of day and the particular program, since audience size varies as a function of these two factors. TV time periods are divided into **dayparts**, which are specific segments of a broadcast day.

The time segments that make up the programming day vary from station to station. However, a typical classification of dayparts for a weekday is shown in Figure 10–6. The various daypart segments attract different audiences in both size and nature, so advertising rates vary accordingly. Prime-time draws the largest audiences, with 8:30 to 9:00 P.M. being the most watched half-hour time period and Sunday the most popular night for television. Since firms that advertise during prime time must pay premium rates, this daypart is dominated by the large national advertisers.

The various dayparts are important to advertisers since they attract different demographic groups. For example, daytime TV generally attracts women; early morning attracts women and children. The late-fringe (late-night) daypart period has become popular among advertisers trying to reach young adults. Audience size and demographic composition also vary depending on the type of program. Situation comedies attract the largest prime-time audiences, with women 18 to 34 comprising the greatest segment of the audience. Feature films rank second, followed by general drama shows. Women 55 and older are the largest audience segment for these programs. Another factor to consider is the time of year. Figure 10–7 shows that TV viewership drops significantly in the summer.

SPECIALTY TELEVISION ADVERTISING

Canada has an extensive variety of specialty networks and digital specialty networks that advertisers run commercials on to reach specific target audiences. These specialty networks require either cable or satellite technology on the part of consumers

295

FIGURE 10–6
Common television
dayparts
□ □ □ □ □

Morning	7:00 a.m.–9:00 a.m., Monday through Friday
Daytime	9:00 a.m.–4:30 p.m., Monday through Friday
Early fringe	4:30 p.m.–7:30 p.m., Monday through Friday
Prime-time access	7:30 p.m.–8:00 p.m., Sunday through Saturday
Prime time	8:00 p.m.–11:00 p.m., Monday through Saturday, and 7:00 p.m.–11:00 p.m., Sunday
Late news	11:00–11:30 p.m., Monday through Friday
Late fringe	11:30–1:00 a.m., Monday through Friday

FIGURE 10–7 □ □ □ □ Television summer dropoff

	Total hours tuned: % difference										
	Daytime: M–F 6 a.m.–4:30 p.m.		Fringe: M–F 4:30 p.m.–7 p.m.		Prime time: M–Sun 7 p.m.–11 p.m.		Late night: M–Sun 11 p.m.–2 a.m.		Weekend: Sat/Sun 6 a.m.–7 p.m.		Total
All 2+	-10		-27		-31		1		-33		-25
Adults 18+	2		-38		-26		57		-33		-20
Women 18+	69		-23		-26		56		-29		-8
Men 18+	-14		-24		-31		-2		-31		-29
Teens 12–17	-19		-30		-33		-3		-37		-24

Total=% drop-off from Fall and Spring averages for 9 EMs (Halifax, Quebec, Montreal, Ottawa-Hull, Kitchener-Waterloo, London, Winnipeg, Calgary, Edmonton)
Source: BBM Summer, Fall, Spring 2002

to access this entertainment. We will briefly review these two technologies and then discuss the advertising on these specialty channels.

Cable and Satellite Technology Perhaps the most significant development in the broadcast media has been the expansion of **cable television**. Cable, or CATV (community antenna television), which delivers TV signals through fibre or coaxial wire rather than the airways, was developed to provide reception to remote areas that couldn't receive broadcast signals. Canadians readily accepted cable in the 1970s since it was the easiest or only method of receiving the feed of American channels. Today, cable penetration stands at about 67 percent.

Direct broadcast satellite (DBS) services emerged in the 1990s. TV and radio programs are sent digitally from a satellite to homes equipped with a small dish. DBS penetration reached 22 percent in 2003, mostly at the expense of cable companies. DBS companies have been aggressively marketing their service, superior picture quality, and greater channel choice as subscribers receive as many as 200 channels that include news, music, and sports in crisp, digital video and CD-quality sound. However, the pendulum can swing back the other way as more cable operators offer digital cable that allows them to match the number of channels received on satellites. Note that the combined penetration of these technologies is 89 percent indicating that a sizable number of Canadians cannot be reached through specialty television advertising.

Cable and satellite subscribers pay a monthly fee for which they receive many channels, including the local Canadian and American network affiliates and independent stations, various specialty networks, American **superstations**, and local cable system channels. Both operators also offer programming that is not supported by commercial sponsorship and is available only to households willing to pay a fee beyond the monthly subscription charge (e.g., The Movie Channel). Cable and satellite broadens the program options available to the viewer as well as the advertiser by offering specialty channels, including all-news, pop music, country music, sports, weather, educational, and cultural channels as well as children's programming. Many cable systems also carry American superstations, independent local stations that send their signals via satellite to operators to make their programs available to subscribers. Programming on superstations such as TBS and WGN generally consists of sports, movies, and reruns of network shows.

Specialty Networks The proliferation of channels in both technologies has influenced the nature of television as an advertising medium. Expanded viewing options have led to considerable audience fragmentation. Much of the audience growth of specialty networks has come at the expense of national and regional networks. Specialty networks now have about 28 percent of the viewing audience. Many specialty networks have become very popular among consumers, leading advertisers to re-evaluate their media plans and the prices they are willing to pay for network and spot commercials on network affiliate stations. Advertising on specialty networks reached \$438 million in 2001 up from \$109 million in 1994. In comparison, all other television ad revenue increased from \$1.663 billion in 1994 to \$2.123 billion.

This change in advertising revenue indicates that advertisers are using specialty networks to reach specific target audiences. Advertisers are also interested in specialty networks because of their low cost and flexibility. Advertising rates on cable programs are much lower than those for the shows on the major networks (see Figure 10–4). This makes TV a much more viable media option for smaller advertisers with limited budgets and those interested in targeting their commercials to a well-defined target audience. Also, specialty network advertisers generally do not have to make the large up-front commitments, which may be as much as a year in advance, the networks require.

In addition to costing less, specialty networks give advertisers much greater flexibility in the type of commercials that can be used. While most network commercials are 30- or 15-second spots, commercials on specialty networks can be



longer (i.e., **infomercials** ranging from 3 to 30 minutes in length). Direct-response advertisers often use these longer ads to describe their products or services and encourage consumers to call in their orders during the commercial. The use of infomercials by direct-response advertisers is discussed in Chapter 15. Finally, specialty network advertising can be purchased on a national or a regional basis. Many large marketers advertise on specialty networks to reach large numbers of viewers across the country with a single media buy. Regional advertising on specialty networks is available but limited.

While specialty networks have become increasingly popular among national, regional, and local advertisers, they still have limitations. One concern is that specialty networks are overshadowed by the networks. The average person will watch more hours per week of a CBC or CTV affiliate than a single specialty network, although this is changing. Figure 10–8 shows a summary of the more highly viewed specialty channels. The average Canadian watches TSN an average of 1.5 hours per

SPECIALTY	TVBasics 2003-2004					
	Hours (000)	Fall 2002 Reach (000)	Avg Hrs	Hours (000)	Fall 2003 Reach (000)	Avg Hrs
Bravo	5,488	6,073	0.9	5,936	6,026	1.0
Canal D	5,040	2,546	2.0	3,920	2,547	1.5
Canal Vie	3,136	2,232	1.4	3,584	2,191	1.6
Canal Z	2,128	1,225	1.7	1,904	1,249	1.5
CBC Newsworld	5,264	5,490	1.0	5,600	5,334	1.0
Country Music Television	3,080	4,783	0.8	3,472	4,325	0.8
Discovery	6,832	7,341	0.9	7,616	7,134	1.1
Food Network Canada	2,688	2,799	1.0	2,912	2,753	1.1
HGTV Canada	4,480	4,432	1.0	4,256	4,268	1.0
Historia	1,456	1,082	1.3	1,568	1,077	1.5
History Television	6,048	4,655	1.3	5,600	4,440	1.3
Life Network	3,024	5,568	0.5	3,136	5,652	0.6
MuchMusic	4,592	6,071	0.8	4,256	5,980	0.7
Musique Plus	1,232	2,059	0.6	1,008	1,835	0.5
Outdoor Life	1,568	3,325	0.5	1,344	3,124	0.4
Prime TV	7,056	4,824	1.5	6,944	4,751	1.5
RDS - Le Reseau des Sports	6,944	2,766	2.5	5,936	2,598	2.3
RDI - Le Reseau de L'information	3,472	2,436	1.4	3,696	2,662	1.4
Score Television Network	N/A	N/A	N/A	2,352	3,411	0.7
Series +	4,256	1,330	3.2	5,040	1,227	4.1
Showcase	5,488	5,937	0.9	6,496	6,032	1.1
Space	7,168	4,838	1.5	6,272	4,422	1.4
Sports Net	7,280	6,816	1.1	10,864	6,815	1.6
Teletoon English	7,840	4,978	1.6	8,736	5,483	1.6
Teletoon French	4,704	1,978	2.4	5,040	1,966	2.6
The Comedy Network	3,920	5,301	0.7	3,472	4,969	0.7
The Family Channel	9,520	6,120	1.6	10,304	6,189	1.7
The Weather Network	2,688	4,594	0.6	2,576	4,882	0.5
TSN	14,112	9,155	1.5	12,544	8,386	1.5
W Network	4,480	5,473	0.8	5,040	5,158	1.0
TOTAL DIGITAL NETWORKS	13,328	3,888	3.4	13,776	4,624	3.0

*Numbers represent an average of eight weeks: Sep 30-Oct 6, 02 to Nov 18-Nov 24, 02; Sep 29-Oct 5, 03 to Nov 17-Nov 23, 03

Source: Nielsen Media Research, People Meter Data

FIGURE 10–8

Average hours watched per week for selected specialty channels



week while the average person in Ottawa watches the CBC affiliate 2.6 hours per week. Although specialty networks' share of the TV viewing audience has increased significantly, the viewers are spread out among the large number of channels available. Collectively, the specialty channels contribute to greater audience fragmentation as the number of viewers who watch any one cable channel is generally quite low. Figure 10–9 shows a breakout of television viewership across all formats.

The emergence of dozens of digital specialty channels a few years ago raises the question as to how well they are performing in attracting audiences in sufficient numbers for advertisers to consider them as a viable television vehicle. While their share of 1 or 2 percent of the television market may be considered disappointing, another perspective suggests that a more realistic benchmark should be used. Since access to a specific digital specialty channel requires a subscription similar to that of magazines, a more important comparison is to look at the leaders for each media. In fact, about three-quarters of the digital specialty channels have more than half a million subscribers, something only three subscription magazines can claim.¹⁹

Recent research suggests that over the past few years, 45 percent of all viewers watch more programs on specialty channels with 41 percent indicating their perception that these channels have more interesting/entertaining programming versus conventional channels. Furthermore, 37 percent devote more than half of their viewing time to specialty channels and a similar number will consider a specialty channel first when they do not have a planned program to watch. With cost per rating point being about 50 percent lower and a greater ability to target an audience, it is not surprising to see that advertising revenues for specialty channels is growing significantly faster compared to conventional channels.²⁰

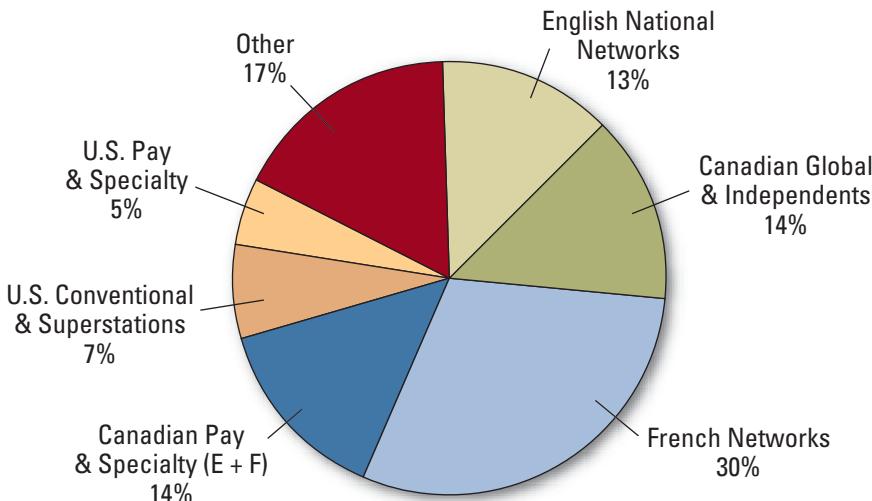
MEASURING THE TV AUDIENCE

One of the most important considerations in TV advertising is the size and composition of the viewing audience. Audience measurement is critical to advertisers as well as to the networks and stations. Advertisers want to know the size and characteristics of the audience they are reaching when they purchase time on a particular program. And since the rates they pay are a function of audience size, advertisers want to be sure audience measurements are accurate.

Audience size and composition are also important to the network or station, since they determine the amount it can charge for commercial time. Shows are frequently cancelled because they fail to attract enough viewers to make their commercial time attractive to potential advertisers. Determining audience size is not an exact science

FIGURE 10–9

Viewing habits of Canadians 2+ by station groups (NMR 2002 weeks 5–13)



and has been the subject of considerable controversy through the years. In this section, we examine how audiences are measured and how advertisers use this information in planning their media schedules.

Audience Measurement Resources The size and composition of television audiences are important to media planners as they weigh the value of buying commercial time on a program. In Canada, television audiences are measured and communicated by BBM Bureau of Measurement of Canada (BBM Canada) and Nielsen Media Research. A third organization, the Television Bureau of Canada, offers additional information related to television audiences.

BBM Canada BBM Canada is a not-for-profit broadcast research company based on cooperative between the Canadian Association of Broadcasters, the Association of Canadian Advertisers, and Canadian advertising agencies. BBM Canada produces audience measurement data for its TV and radio members. This member relationship gives BBM Canada the reputation as the industry's rating service.

BBM Canada uses the diary research method for collecting television audience information in 35 smaller local markets during the fall and spring, and 12 larger local markets during the fall, spring, and summer. A booklet for each television owned in the household is sent to a representative sample of households. BBM gathers viewership information from this sample and then projects this information to the total viewing area.

The diary method work as follows. Each person aged two years or older records his or her viewing for one week in the booklet. The recordings are based on 15-minute increments from 6:00 A.M. until 2:00 A.M. Viewers write down station call letters, channel numbers, programs, and who is watching. The booklet also contains a number of based demographic questions to be completed by each individual. All participants receive a small incentive to encourage their responses. BBM receives completed diaries from about 40 percent of those that are mailed, although the rates vary by region and other factors. These and other aspects of the research process are done according to standard market research practices to ensure valid and reliable information; however, one drawback is that some diaries are not filled out correctly.

Due to this methodological concern and the pace of technology, BBM Canada is currently implementing the people-meter technology for local audience measurement. BBM Canada has begun to use meters to continuously record television audiences for local and regional markets. It started with Vancouver in 1998 and has now reached the Toronto local market and the Ontario and Quebec regional markets. As of June 2002, BBM Canada had tested preliminary data from a national panel of 2,100 households and plans a commercial launch of the service in the near future.

To help its customers understand the data, BBM Canada provides an extensive array of products. Market reports are a summary of the audience sizes across all markets by time block, program listings, and time period. Their reach book summarizes the demographic information across each province, data area, and station. BBM Canada also offers guidelines on population estimates and booklets that assist its members in understanding the geographic boundaries studied and the research methodology. BBM Canada's television data book breaks down the viewing habits across different markets with user-friendly graphs and charts. The EM Stats Card provides detailed information for each extended market in terms of cable, satellite, and VCR penetration in addition to other similar macro-level data. Finally, two different documents tabulate the audiences for the different televisions shows. As a complement, BBM Canada also offers four different software packages that allow its members to analyze the data in a variety of ways.

Nielsen Media Research Nielsen is a Canadian subsidiary of an American firm with the same name. Nielsen gathers viewership information from a panel of TV homes that is a representative sample. It then projects this information to the total viewing area. The resulting data is presented as the Nielsen Television Index (NTI).



In Canada, the only technique used to gather audience measurement information is the electronic meter. Nielsen had previously used both the diary and electronic meter in Canada, like the practice done in the United States. In 2002, Nielsen's had the technology to measure audiences for the national market and for the Vancouver, Calgary, Toronto/Hamilton, and Montreal (French only) markets. Nielsen has recently launched a similar service to measure the audiences for the new digital channels offered on both cable and satellite.

Nielsen provides audience viewing information by household across a number of variables including income, language, cable status, pay TV, children residing, household size, age of head of household, number of TVs, rent or own home, kind of dwelling, ownership of VCRs and other durables, principal shopper, and restaurant and movie usage. The data is also presented by age, gender, education, and occupation. Like BBM Canada, Nielsen also provides various data management tools and services to help its clients understand the data. IMC Perspective 10–2 describes another service offered by Nielsen.

With BBM Canada and Nielsen offering very similar services, Canada is in a unique position of being the only country in the world that has two firms measuring TV audiences. The U.S. has only Nielsen; historically, there has been significant concern as to whether the advertisers are getting their money's worth and whether the data is sufficiently accurate as Nielsen uses two different methods (i.e., diary and meter). In Canada, the debate has centred on a couple of other facets. Some argue that Canada should return to a single firm measuring TV audiences as this would reduce overall costs; however, others contend that a dual system gives advertisers and agencies greater choice in making their TV media purchases.²¹

Television Bureau of Canada (TVB) The TVB is an industry association for television networks, television stations, and sales firms that sell television advertising time. It offers resources to those in the television industry to demonstrate the value and importance of television as a media versus competing media (i.e., magazines). It publishes basic facts garnered from various sources and conducts primary research through independent market research firms.

Most of the information is from BBM Canada or Nielsen Media Research. Based on this research, television consistently outperforms the other media on a number of variables. Television reaches 85 percent of the country on a daily basis, with the average Canadian watching about 3.5 hours per day. Furthermore, television is perceived as being the most authoritative (43 percent) and most influential (71 percent) compared to radio, the Internet, daily newspapers, and magazines.

Audience Measures We now review some of the concepts associated with television audience measurement that are the basis for the reports published by these three organizations.

Television Households The number of households in the market that own a TV is sometimes referred to as the *universe estimate* (UE). Since over 98 percent of Canadian households own a TV set, **television households** generally correspond to the number of households in a given market.

Program Rating Probably the best known of all audience measurement figures is the **program rating**, the percentage of TV households in an area that are tuned to a specific program during a specific time period. The program rating is calculated by dividing the number of households tuned to a particular show by the total number of households in the area. For example, if 1.2 million households (HH) watched a show, the national rating would be 10.9, calculated as follows:

$$\text{Rating} = \frac{\text{HH tuned to show}}{\text{Total HH}} = \frac{1,200,000}{11,000,000} = 10.9$$

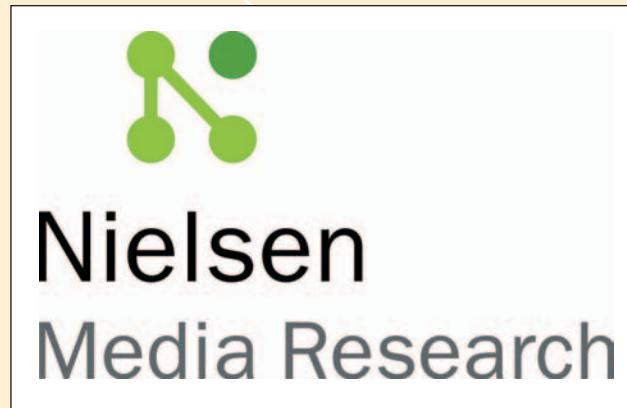


Tracking Your Competitors

You're ready to launch a huge multi-million dollar advertising campaign with the majority of your budget dedicated to television spots on numerous networks. You've analyzed everything, from your target audience and their viewing patterns to which local TV stations are best suited to run your commercials. You're now ready to execute the planning and strategy of your media plan. But there is one important factor you overlooked, one that could either increase or reduce the effectiveness of your entire television campaign. That factor is the past and present success of your competitor's media strategies.

In the past, big marketing players in Canada's television world had a tough time reading what their competitors were doing in their media plans. The only way one could get a sense of their competitor's media plans was by wading through loads of numbers or watching a heck of a lot of TV!

Enter SpotWatch, a new service available through Nielsen Media Research of Markham, Ont. Nielsen bills SpotWatch as "the highest-quality competitive advertising intelligence and spot verification service available for television in Canada." The system automatically identifies when programs and commercials are aired through "passive pattern recognition" technology. Each ad has a video and audio signature that signals to the system so that key information is stored (i.e., when and where it has aired). This data is also linked to Nielsen's TV viewing data to determine who has received the messages.



The most obvious benefit is that the service offers accuracy in determining audience delivery for particular commercials and campaigns. But more importantly, the reports are especially detailed since SpotWatch can provide charts for each brand's TV spot, or for a whole category, that include the distributor, creative theme, day of the week and time it aired, position of

the ad in a pod (commercial break), length, flighting patterns (periods of activity and inactivity for a campaign), and share of voice (the percentage of a brand's advertising in relation to the total advertising in its category). Another key benefit is the fact that Nielsen is providing the reports in 15 days so that planners have the opportunity to make quick appropriate changes depending upon what the data indicates. And finally, there is a user-friendly decision support system to let planners work with the data.

It all sounds pretty good but there are a few potential drawbacks. The cost ranges from \$200 to \$1,500 per month, depending on the category. And while the service boasts a correct identification for commercials about 95 percent of the time, which many people are happy with, it is still not 100 percent accurate. Finally, the distribution was still limited to Toronto and Vancouver in 2001. In all, however, you can be sure that Nielsen's SpotWatch service will level the competitive media planning and strategy playing field.

Source: Sarah Smith, "The Spying Game," *Marketing Magazine*, May 7, 2001.

A **ratings point** represents 1 percent of all the television households in a particular area tuned to a specific program. On a national level, 1 ratings point represents 110,000 households. Thus, a top-rated program with an average rating of 19 reaches 2.1 million households each week ($19 \times 110,000$).

The program rating is the key number to the stations, since the amount of money they can charge for commercial time is based on it. Ratings points are very important to the networks as well as to individual stations. A 1 percent change in a program's ratings over the course of a viewing season can gain or lose millions of dollars in advertising revenue. Advertisers also follow ratings closely, since they are the key measure for audience size and commercial rates.

Households Using Television The percentage of homes in a given area where TV is being watched during a specific time period is called **households using television (HUT)**. This figure, sometimes referred to as sets in use, is always expressed as a percentage. For example, if 5.5 million Canadian TV households have their sets turned on at 10 p.m. on a Thursday night, the HUT figure is 50 percent (5.5 million out of 11 million). Television usage varies widely depending on the time of day and season of the year.

Share of Audience Another important audience measurement figure is the **share of audience**, which is the percentage of households using TV in a specified time period that are tuned to a specific program. This figure considers variations in the number of sets in use and the total size of the potential audience, since it is based only on those households that have their sets turned on. Audience share is calculated by dividing the number of households (HH) tuned to a show by the number of households using television (HUT). Thus, if 5.5 million Canadian households had their sets turned on during the 10 p.m. time slot, the share of audience would be 20, calculated as follows:

$$\text{Share} = \frac{\text{HH tuned to show}}{\text{Households using TV}} = \frac{1.1}{5.5} = 20$$

Audience share is always higher than the program rating unless all the households have their sets turned on (in which case they would be equal). Share figures are important since they reveal how well a program does with the available viewing audience. For example, late at night the size of the viewing audience drops substantially, so the best way to assess the popularity of a late-night program is to examine the share of the available audience it attracts relative to competing programs.

Ratings services also provide an audience statistic known as **total audience**, the total number of homes viewing any five-minute part of a telecast. This number can be broken down to provide audience composition figures that are based on the distribution of the audience into demographic categories.

Audience Measurement Technology

Nielsen Television Index The source of national and network TV audience information is the Nielsen Television Index (NTI), which provides daily and weekly estimates of TV viewing and national sponsored network and major cable program audiences. Currently, BBM Canada is planning a national service to be launched in the spring of 2002. Historically, Nielsen provided this information using a two-pronged system consisting of a national sample of metered households along with a separate sample of diary households. In the metered households, an electronic measurement device known as the **audimeter** (audience meter) was hooked up to the TV set to continuously measure the channels to which the set was tuned. Network viewing for the country (the famous Nielsen ratings) was based on the results provided by audimeters placed in a national sample of homes carefully selected to represent the population of households. The metered households were supported by a separate panel of households that recorded viewing information in diaries. Since the audimeter could measure only the channel to which the set was tuned, the diary panel was used to gather demographic data on the viewing audience.

For many years, the television and advertising industries expressed concern over the audimeter/diary system. The information from diaries was not available to the network and advertising analysts for several weeks, and studies indicated the method was overstating the size of some key demographic audiences. Cooperation rates among diary keepers declined, and often the person who kept a household's diary did not note what other family members watched when he or she wasn't home. The complex new video environment and explosion in viewing options also made it difficult for diary keepers to maintain accurate viewing records.



As a result of these problems, and in response to competitive pressure from an audience measurement company from England, AGB, in 1987 Nielsen made the people meter the sole basis of its national rating system and eliminated the use of the diary panel.

The People Meter The **People Meter** is an electronic measuring device that incorporates the technology of the audimeter in a system that records not only what is being watched but also by whom in 3350 homes. The actual device is a small box with eight buttons—six for the family and two for visitors—that can be placed on the top of the TV set (Exhibit 10–2). A remote control unit permits electronic entries from anywhere in the room. Each member of the sample household is assigned a button that indicates his or her presence as a viewer. The People Meter collects what station is being tuned and, through interaction with the meter, who is sitting down and watching the programs.

The viewership information the People Meter collects from the household is stored in the Home Unit which in turn reports television use over a telephone line to a central computer at Nielsen Media Research head office. Data collected include when the set is turned on, which channel is viewed, when the channel is changed, and when the set is off, in addition to who is viewing. The demographic characteristics of the viewers are also in the system, and viewership can be matched to these traits. Nielsen's operation centre processes all this information each night for release to the TV and advertising industries. Nielsen uses a sample of metered households to provide overnight viewing results.

Many people believe People Meters are only the first step in improving the way audiences are measured. While the People Meter is seen as an improvement over the diary method, it still requires cooperation on an ongoing basis from people in the metered homes. Viewers in the Nielsen households, including young children, must punch a preassigned number on the remote control device each time they start or stop watching.

Television has often been referred to as the ideal advertising medium, and to many people it personifies the glamour and excitement of the industry. Radio, on the other hand, has been called the Rodney Dangerfield of media because it gets no respect from many advertisers. Dominated by network programming and national advertisers before the growth of TV, radio has evolved into a primarily local advertising medium. Radio has also become a medium characterized by highly specialized programming appealing to very narrow segments of the population.

The importance of radio is best demonstrated by the numbers. There are 941 radio stations in Canada, including 274 AM stations and 667 FM stations. Radio reaches 93 percent of all Canadians over the age of 12 each week and has grown into a ubiquitous background to many activities, among them reading, driving, running, working, and socializing. The average Canadian listens to radio three hours per day or 21 hours per week. The pervasiveness of this medium has not gone unnoticed by advertisers; radio advertising revenue grew from \$741 million in 1994 to \$1.1 billion in 2001.

Radio has survived and flourished as an advertising medium because it offers advertisers certain strengths for communicating messages to their potential customers. However, radio has inherent limitations that affect its role in the advertiser's media strategy. IMC Perspective 10–3 highlights radio's recent attractiveness.

STRENGTHS OF RADIO

Radio has many strengths compared to other media, including cost efficiency and low absolute costs, reach and frequency, target audience selectivity, geographic coverage, scheduling flexibility, creativity, and image.



Exhibit 10–2

Nielsen Media Research uses the People Meter to measure national TV audiences

RADIO



Radio's Resurgence

With the great blackout in Eastern Canada and various natural disasters across the country, 2003 will go down as the year of the radio. Although listenership peaked to satisfy people's need for information during those trying times, advertisers for national brands discovered or rediscovered the power of radio. With the coming technology of digital audio broadcasting (DAB), consumer interaction with the media, and the cost of media placement, radio is a strong option for a comprehensive IMC plan.

Brand development through radio appeared as a strong possibility and Goodyear Canada made this traditional media work. Building on the successful image from its TV ads, the radio ads used the highly recognizable spokesperson Tom Sharp with his distinctive and recognizable voice. The campaign focused on safety by informing consumers that various safety vehicles (e.g., ambulance, police car, or school bus) used Goodyear tires.

Technologically, radio is going digital like television. Compared to traditional analogue-based AM and FM stations, DAB offers CD-quality sound and a screen display that can communicate song credits, traffic, and emergency information, and possibly marketing messages. A consortium of major radio broadcasters (e.g., Chum, Rogers) launched a radio campaign describing these benefits of



DAB with a suggestion to visit its website digitalradio.ca for more information. Many stations already offer DAB, however, consumers need to purchase a relatively inexpensive receiver. Some media planners remained skeptical, as consumers' perceptions of the benefits of DAB may not arise if they focus solely on the additional cost of the receiver. Moreover, the importance of the visual display was unclear and the availability in all markets limited the overall penetration.

Overall, radio's numbers speak for themselves. Its daily share of media time (i.e., three hours) is equal to television at 37 percent with daily newspapers trailing in third with 10 percent. Radio advertising revenues increased 6 percent for a total of \$1.1 billion, easily surpassing all other media beyond television and daily newspapers. Although some believe radio's resurgence is a backlash against the higher costs of TV production and placement, others note that advertisers are tracking positive results and buy radio for 52 weeks a year. Moreover, with such an extensive investment, these kinds of advertisers look for ways to integrate radio with their other media.

Source: Andrea Zoe Aster, "Radio's New Wavelength," *Marketing Magazine*, February 2, 2004.

Cost Efficiency and Absolute Cost One of the main strengths of radio as an advertising medium is its low cost. Radio commercials are very inexpensive to produce. They require only a script of the commercial to be read by the radio announcer or a copy of a prerecorded message that can be broadcast by the station. The cost for radio time is also low. The low relative costs of radio make it one of the most efficient of all advertising media, and the low absolute cost means the budget needed for an effective radio campaign is often lower than that for other media.

Reach and Frequency The low cost of radio means advertisers can build more reach and frequency into their media schedule within a certain budget. They can use different stations to broaden the reach of their messages and multiple spots to ensure adequate frequency. Radio commercials can be produced more quickly than TV spots, and the companies can afford to run them more often.²² Many national advertisers also recognize the cost efficiency of radio and use it as part of their media strategy.

Target Audience Selectivity Another major advantage of radio is the high degree of audience selectivity available through the various program formats and geographic coverage of the numerous stations. Radio lets companies focus their advertising on specialized audiences such as certain demographic and lifestyle groups. Most areas have radio stations with formats such as adult contemporary, easy listening, classical music, country, news/talk shows, jazz, and all news, to name a few. For example, among 18- to 24-year olds, the most popular radio format is top 40, while those between the ages of 45 and 54 prefer news/talk. Elusive consumers like teenagers, college students, and working adults can be reached more easily through radio than most other media.

Radio can reach consumers other media can't. Light television viewers spend considerably more time with radio than with TV and are generally an upscale market in terms of income and education level. Light readers of magazines and newspapers also spend more time listening to radio. As mass marketing gives way to market segmentation and regional marketing, radio will continue to grow in importance.

Geographic Coverage Radio is essentially a local media. In this respect, since all listeners can tune in, it offers excellent coverage within its geographic scope. Radio stations become an integral part of many communities, and the deejays and program hosts may become popular figures. Advertisers often use radio stations and personalities to enhance their involvement with a local market and to gain influence with local retailers. Radio also works very effectively in conjunction with place-based/point-of-purchase promotions. Retailers often use on-site radio broadcasts combined with special sales or promotions to attract consumers to their stores and get them to make a purchase (Exhibit 10–3). Live radio broadcasts are also used in conjunction with event marketing.

Scheduling Flexibility Radio is probably the most flexible of all the advertising media because it has a very short closing period, which means advertisers can change their message almost up to the time it goes on the air. Radio commercials can usually be produced and scheduled on very short notice. Radio advertisers can easily adjust their messages to local market conditions and marketing situations.

Creativity for Cognitive Responses The verbal nature of radio ads make them ideal for long copy to select target audiences who may appreciate greater detailed information for some products. Alternatively, radio ads can also provide more concise brand information in a timely manner. Moreover, both of these factors are highly relevant for those listening in their car, which is a significant percent of radio listenership. In either case, the informative nature of radio advertising makes it an opportunistic media to connect with a target audience on a more rational level.



Exhibit 10–3

Banana Boat uses live radio broadcasts to promote its sun-care products

Media Image Radio advertising in general has a good media image. Consumers rely on radio for news, weather, and traffic information, not to mention the obvious program content. Thus, radio is well appreciated and this spills over to the ads as 77 percent of Canadians feel that radio advertising is acceptable.

LIMITATIONS OF RADIO

Several factors limit the effectiveness of radio as an advertising medium, among them weak creativity, short processing time, target audience coverage, limited listener attention, potential selective exposure, clutter, and low involvement. The media planner must consider them in determining the role the medium will play in the advertising program.

Creativity for Emotional Responses A major drawback of radio as an advertising medium is the absence of a visual image. The radio advertiser cannot show the product, demonstrate it, or use any type of visual appeal or information. While the creative options of radio are limited, many advertisers take advantage of the absence of a visual element to let consumers create their own picture of what is happening in a radio message. Some ads encourage listeners to use their imagination when processing a commercial message.

Radio may also reinforce television messages through a technique called **image transfer**, where the images of a TV commercial are implanted into a radio spot.²³ First the marketer establishes the video image of a TV commercial. Then it uses a similar, or even the same, audio portion (spoken words and/or jingle) as the basis for the radio counterpart. The idea is that when consumers hear the radio message, they will make the connection to the TV commercial, reinforcing its video images. Image transfer offers advertisers a way to make radio and TV ads work together. This promotional piece put out by the Radio Advertising Bureau of the U.S. shows how the image transfer process works (Exhibit 10–4).

Exhibit 10–4

The Radio Advertising Bureau promotes the concept of imagery transfer

306

Imagery Transfer:

It's the process by which visual elements of television commercials or programs are transferred into the consumer's mind by incorporating a similar audio track in its Radio counterpart.

Imagery Transfer lets you strengthen your media campaign significantly by using Radio to augment the image conveyed by your television commercial. This means that Radio can help reinforce the consumer awareness generated by your TV commercial... at a fraction of the cost.

By incorporating the concept of Imagery Transfer into your campaign, you can reinforce the dollars you spend on television by using Radio to build the reach and frequency necessary to effectively target your best customers...with far greater results.

The first Imagery Transfer study, conducted in 1988, found that 72% of those people surveyed recalled prime visual elements of TV commercials when hearing only the audio in a Radio commercial. Twenty-five years later that figure had increased to 75% — meaning that a Radio commercial carrying the audio portion of its visual counterpart impacts three out of four people who already have seen the TV message. Three out of four, with greater reach and frequency, and much lower cost.

Sources: Imagery Transfer, © Strategic Research Inc., 1992, 1994.

Radio Advertising Bureau
361 Madison Ave., 23rd Floor
New York, NY 10016
1-800-253-RADIO (7234)

Radio
<http://www.rab.com>

Amount of Processing Time A radio commercial is, like a TV ad, a short-lived and fleeting message that is externally paced and does not allow the receiver to control the rate at which it is processed.

Target Audience Coverage Another problem with radio is the high level of audience fragmentation due to the large number of stations. The percentage of the market tuned to any particular station is usually very small. The top-rated radio station in many major metropolitan areas with a number of AM and FM stations may attract less than 10 percent of the total listening audience. Advertisers that want a broad reach in their radio advertising media schedule have to buy time on a number of stations to cover even a local market.

Attention Another problem that plagues radio is that it is difficult to retain listener attention to commercials. Radio programming, particularly music, is often the background to some other activity and may not receive the listeners' full attention. Thus they may miss all or some of the commercials.

Selective Exposure One environment where radio has a more captive audience is in cars. But getting listeners to expose themselves to commercials can still be difficult.

Most people preprogram their car radio and change stations during commercial breaks. A study by Avery Abernethy found large differences between exposure to radio programs versus advertising for listeners in cars. They were exposed to only half of the advertising broadcast and changed stations frequently to avoid commercials.²⁴ Another factor that is detracting from radio listening in motor vehicles is the rapid growth of cellular phones. A recent study found that half of commuters surveyed who own a cellphone reported listening to less radio than they did a year earlier.²⁵

Clutter Clutter is just as much a problem with radio as with other advertising media. Radio stations can play as many minutes of advertising as they like. Most radio stations carry an average of nearly 10 minutes of commercials every hour. During the popular morning and evening rush hours, the amount of commercial time may exceed 12 minutes. Advertisers must create commercials that break through the clutter or use heavy repetition to make sure their messages reach consumers. In a study of radio listeners conducted by Edison Research, perceptions of increased ad clutter were cited by participants as a reason for spending less time listening to radio.²⁶

Low Involvement Similar to television, radio is generally considered a low-involvement media since it is faced with the same characteristics of short processing time and clutter. In fact, it may be seen as being less involving since it has the additional limitation of no visual.

BUYING RADIO TIME

The purchase of radio time is similar to that of television, as advertisers can make either network, or spot buys. Since these options were reviewed in the section on buying TV time, they are discussed here only briefly.

307

Network Radio Advertising time on radio can be purchased on a network basis. This is a relatively new option for advertisers who can now run ads on the CHUM radio network, The Team Sports Radio Network, and a few others. Using networks minimizes the amount of negotiation and administrative work needed to get national or regional coverage, and the costs are lower than those for individual stations. However, the number of affiliated stations on the network roster and the types of audiences they reach may vary, so the use of network radio reduces advertisers' flexibility in selecting stations.

Spot Radio National advertisers can also use spot radio to purchase airtime on individual stations in various markets. The purchase of spot radio provides greater flexibility in selecting markets, individual stations, and airtime and adjusting the message for local market conditions. By far the heaviest users of radio are local advertisers; the majority of radio advertising time is purchased from individual stations by local companies. Auto dealers, retailers, restaurants, and financial institutions are among the heaviest users of local radio advertising.

TIME CLASSIFICATIONS

As with television, the broadcast day for radio is divided into various time periods or dayparts, as shown in Figure 10–10. The size of the radio listening audience varies widely across the dayparts, and advertising rates follow accordingly. The largest radio audiences (and thus the highest rates) occur during the early morning and late afternoon drive times. Radio rates also vary according to the number of spots or type of audience plan purchased, the supply and demand of time available in the local market, and the ratings of the individual station. Rate information is available directly from the stations and is summarized in CARD. Some stations issue grid rate cards. But many



FIGURE 10–10

Dayparts for radio



Morning drive time	6:00–10:00 A.M.
Daytime	10:00 A.M.–3:00 P.M.
Afternoon/evening drive time	3:00–7:00 P.M.
Nighttime	7:00 P.M.–12:00 A.M.
All night	12:00–6:00 A.M.

stations do not adhere strictly to rate cards. Their rates are negotiable and depend on factors such as availability, time period, and number of spots purchased.



MEASURING THE RADIO AUDIENCE

As noted earlier, BBM Canada also provides information on radio listenership using a diary method similar to television. Surveys are done up to three times per year in over 130 radio markets. BBM Canada publishes many reports associated with these surveys. Market reports summarize each radio station's audience by occupation, language, and other important characteristics. Other similar reports with greater aggregation across regions are also published. As for television, BBM Canada provides its members with many supporting documents to understand how to use radio as a communication tool. It also offers many software applications so that advertisers can purchase radio media effectively and efficiently. The three basic elements in the BBM Canada reports are:

- Person estimates—the estimated number of people listening.
- Rating—the percentage of listeners in the survey area population.
- Share—the percentage of the total estimated listening audience.

These three estimates are further defined by using quarter-hour and cume figures. The **average quarter-hour (AQH) figure** expresses the average number of people estimated to have listened to a station for a minimum of five minutes during any quarter-hour in a time period. This figure helps to determine the audience and cost of a spot schedule within a particular time period.

Cume stands for cumulative audience, the estimated total number of different people who listened to a station for at least five minutes in a quarter-hour period within a reported daypart. Cume estimates the reach potential of a radio station.

FIGURE 10–11

Weekly reach and share of total hours tuned by demographics



Canada	Reach		Share	
	AM (%)	FM (%)	AM (%)	FM (%)
12+	38.5	80.4	26.3	73.7
Women 18+	39.1	80.2	27.3	72.7
Men 18+	43.0	80.2	27.1	72.9
Teens 12–17	14.7	82.6	6.0	94.0

Source: BBM, Fall '02

Quebec	Language	Reach		Share	
		AM (%)	FM (%)	AM (%)	FM (%)
12+	(Fr.)	21.1	88.8	12.3	87.7
	(Eng.)	40.5	83.0	26.1	73.9
Women 18+	(Fr.)	20.6	90.4	12.9	87.1
	(Eng.)	40.3	83.0	26.7	73.3
Men 18+	(Fr.)	24.8	88.8	12.3	87.7
	(Eng.)	45.3	83.2	26.9	73.1
Teens 12–17	(Fr.)	5.0	79.6	2.3	97.7
	(Eng.)	15.8	81.8	5.9	94.1

Source: BBM, Fall '02 *Home Language

Time Block			Women 18+ (%)	Men 18+ (%)	Teens 12–17 (%)
Breakfast	Mon–Fri	6–10a	49	47	4
Midday	Mon–Fri	10–4p	51	47	2
Drive	Mon–Fri	4–7p	46	49	5
Evening	Mon–Fri	7p–12a	43	47	10

Source: BBM, Fall '02

The **average quarter-hour rating (AQH RTG)** expresses the estimated number of listeners as a percentage of the survey area population. The **average quarter-hour share (AQH SHR)** is the percentage of the total listening audience tuned to each station. It shows the share of listeners each station captures out of the total listening audience in the survey area. Figures 10–11 to 10–15 provide a summary of Canadian radio listening habits.

Audience research data on radio are often limited, particularly compared with TV, magazines, or newspapers. The BBM audience research measurement mostly focuses on demographics and a handful of lifestyle factors. Most users of radio are local companies that cannot support research on radio listenership in their markets. Thus, media planners do not have as much audience information available to guide them in their purchase of radio time as they do with other media.

The Radio Marketing Bureau (RMB) is an organization that plays a similar role for radio as the Television Bureau of Canada, discussed earlier in this chapter. It acts as a resource for radio stations and those involved with selling airtime for radios. Its mission is to educate advertisers on the effective use of the radio medium and to assist advertisers in meeting their communication objectives. The Radio Marketing Bureau offers professional services to advertisers if needed. It also offers a training and certificate program for those working in the radio industry. Finally, this organization does some research to help support radio as a viable communication medium.

FIGURE 10–14

Percentage of listening by location

□ □ □ □

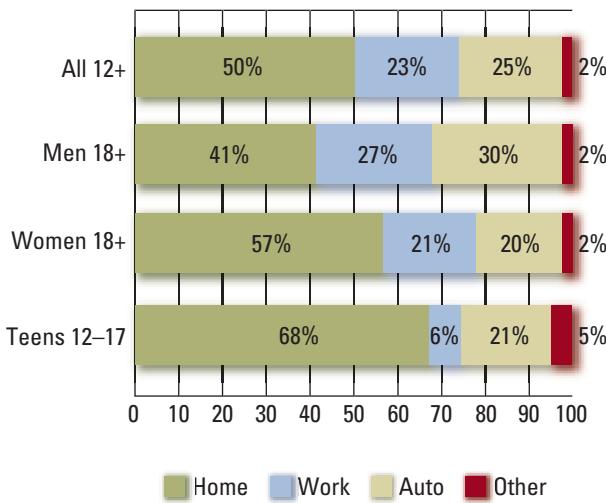


FIGURE 10–12

Audience composition by time block

□ □ □ □ □

FIGURE 10–13

Percent weekly reach and hours tuned by major demographic

□ □ □ □ □

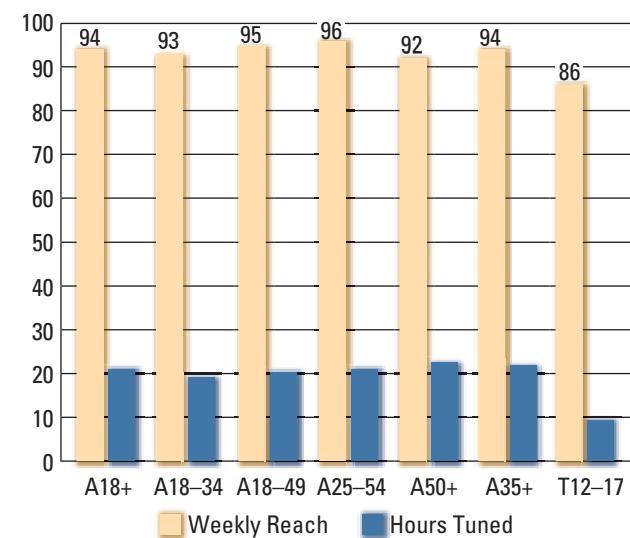
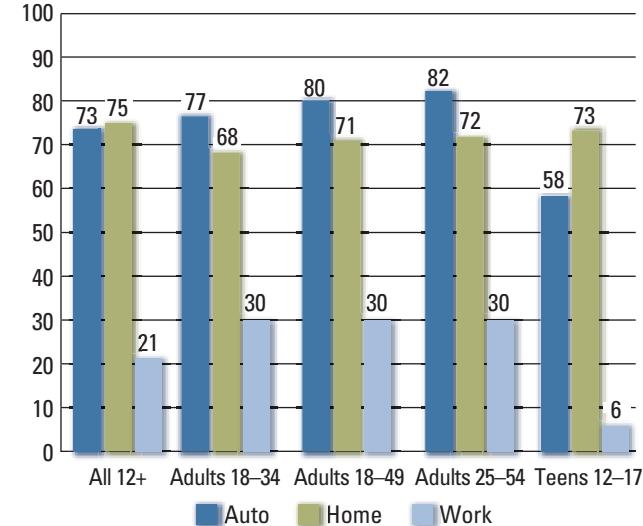


FIGURE 10–15

Percent weekly reach by major demographic, by location

□ □ □ □



SUMMARY

Television and radio media are the most pervasive media in most consumers' daily lives and offer advertisers the opportunity to reach vast audiences. Both media are time rather than space oriented and organized similarly in that they use a system of affiliated stations belonging to a network, as well as individual stations, to broadcast their programs and commercial messages. Advertising on radio or TV can be done on national or regional network programs or purchased in spots from local stations.

TV has grown faster than any other advertising medium in history and has become the leading medium for national advertisers. No other medium offers its creative capabilities; the combination of sight, sound, and movement give the advertiser a vast number of options for presenting a commercial message with high impact. Television also offers advertisers mass coverage at a low relative cost. Variations

in programming and audience composition, along with the growth of cable, are helping TV offer more audience selectivity to advertisers. While television is often viewed as the ultimate advertising medium, it has several limitations, including the high absolute cost of producing and airing commercials, low target audience selectivity, short processing time, extensive clutter, high selective exposure, and distrustful image.

Information regarding the size and composition of national and local TV audiences is provided by BBM Canada and Nielsen. The amount of money networks or stations can charge for commercial time on their programs is based on its audience measurement figures. This information is also important to media planners, as it is used to determine the combination of shows needed to attain specific levels of reach and frequency with the advertiser's target audience.

The role of radio as an entertainment and advertising medium has changed with the rapid growth of television. Radio has evolved into a primarily local advertising medium that offers highly specialized programming appealing to narrow segments of the market. Radio offers advertisers cost efficiency and low absolute costs, reach and frequency, target audience selectivity, geographic coverage, scheduling flexibility, creativity, and image.

The major drawback of radio is its weak creativity owing to the absence of a visual image. The short and fleeting nature of the radio commercial, the highly fragmented nature of the radio audience, low involvement, and clutter are also problems.

As with TV, the rate structure for radio advertising time varies with the size of the audience delivered. The primary sources of listener information are BBM and RMB.

KEY TERMS

split-30s, 287
zapping, 288
zipping, 288
television network, 291
affiliates, 291
scatter market, 292
spot advertising, 293
station reps, 293

sponsorship, 293
dayparts, 295
cable television, 296
direct broadcast satellite (DBS) services, 296
superstations, 296
infomercials, 297
television households, 300

program rating, 300
ratings point, 301
households using television (HUT), 302
share of audience, 302
total audience, 302
audimeter, 302
People Meter, 303

image transfer, 306
average quarter-hour (AQH) figure, 308
cume, 308
average quarter-hour rating (AQH RTG), 309
average quarter-hour share (AQH SHR), 309

DISCUSSION QUESTIONS

- 1.** Discuss the advantages of television as an advertising medium and the importance of these factors to major advertisers such as automobile companies or packaged goods marketers.
- 2.** Television is often described as a mass medium that offers little selectivity to advertisers. Do you agree with this statement? What are some of the ways selectivity can be achieved through TV advertising?
- 3.** Choose a particular television daypart other than prime time and analyze the products and services advertised during this period. Why do you think these companies have chosen to advertise during this daypart?
- 4.** Explain what is meant by zapping and zipping and how they affect television viewing behaviour. Discuss some of the ways that advertisers can deal with these problems.
- 5.** Discuss the advantages and limitation of advertising on specialty channels. Discuss how both large national advertisers and small local companies might use cable TV effectively in their media plans.
- 6.** Discuss the methods used to measure network and local TV viewing audiences. Do you think the measurement methods used for each are producing reliable and valid estimates of the viewing audiences? How might they be improved?
- 7.** What are the advantages and disadvantages of advertising on radio? What types of advertisers are most likely to use radio?
- 8.** What is meant by image transfer in radio advertising? Find an example of a radio campaign that is using this concept and evaluate it.
- 9.** Discuss some of the factors that media buyers should take into consideration when buying advertising time on radio.

