

Executive Summary: Evaluation of Market Readiness for Radio Advertising Education Program for WKLM

April DD, YYYY

Sam Student 'YY

Sample University

Note: This example is not perfect, nor should it be assumed to be complete. It has been modified to preserve client and student anonymity.

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Background and Description of Problem

WKLM, an FM radio station based in Bethany, Missouri, is a division of Great Tails Broadcasting Corporation. Joe Taylor, general manager of WKLM, supervises a sales force of six people, whose primary responsibility is to see various clients to advertise on WKLM. Joe Taylor will be looking for information to direct him to improve methods and techniques, in order to more effectively attract WKLM's desired advertising clientele. He also wants to confirm his perception that businesses don't advertise on radio because they disbelieve radio's ability to deliver results for their advertising dollar.

For many years, WKLM has been considered a 'teen' station (serving 13 to 23 market segment) by the public, competitors, clients, and radio listeners. On January 12, MMDDYY, in order to attract the desired target market of 24 to 54 year olds, the station changed its programming format while staying within the music category. The various reasons for this change include:

- To satisfy the wants of this unsatisfied target market.
- To avoid intense competition for the teen segment.
- To attract the more established advertiser.

The advertisers which WKLM wishes to attract are those that would be directly associated with the desired target market. Undesired advertisers would include those businesses selling personal hygiene products, drug paraphernalia, or those dealing with controversial social causes and life styles. WKLM also avoids advertisers of teen-oriented products and stores, and businesses devoted to seniors.

When educating advertisers on the benefits of radio, presently two methods are used: (1) various on-air advertisements that focus primarily on the general advantages of radio, and (2) sales force presentations to potential radio advertisers.

Research Objectives

The nature of our research is descriptive, presenting information from current and potential clients of WKLM.

Main Research Objective: To assist WKLM in designing an educational program that will be used to enlarge the quantity and the quality of their advertisers, concentrating on determining which of the different types of educational programs/components are most preferred and in which way these educational programs should be presented.

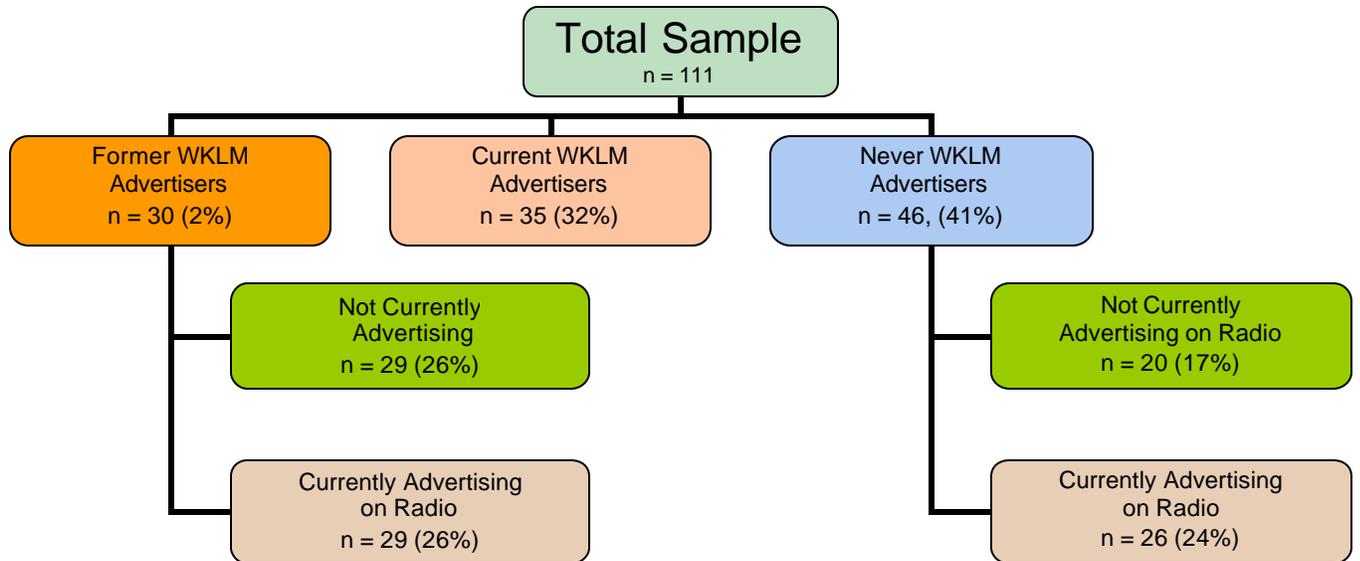
The Methodology

The method best suited for our research objective, due to the flexibility and immediacy of response, was a phone survey. WKLM provided the names and numbers of former, current, and potential advertisers in the Bethany area. Numbers were verified using the current phone directory.

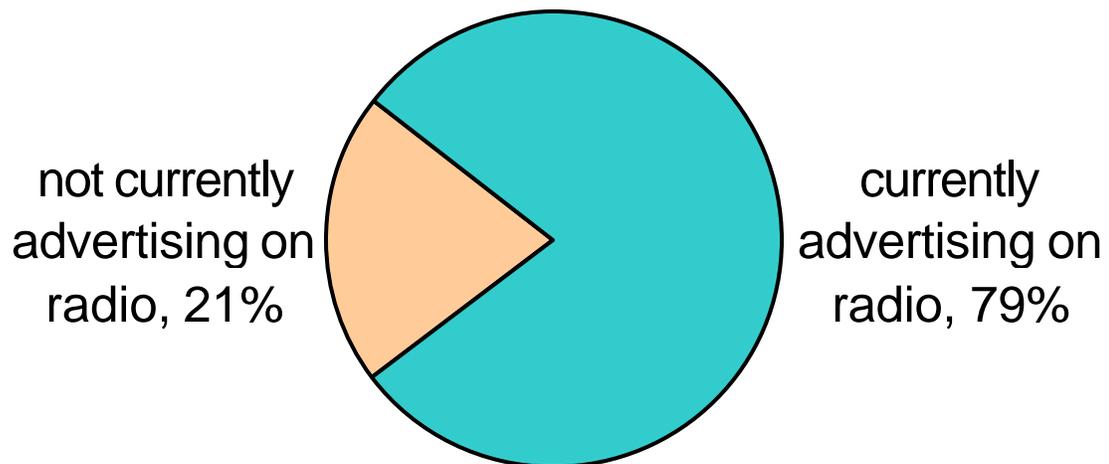
A judgment sample (non-probability) sample was drawn from the indicated sample frames by first eliminating those decision makers who could not be reached by phone during the data collection period. Businesses that do not market to WKLM's new target market were also eliminated from the sample frame.

During the first three weeks in January, YYYY, one hundred eleven advertising decision makers completed the phone survey.

The Sample



Most of the advertisers had very small advertising budgets (below \$15,000 dollars per year).



Limitations

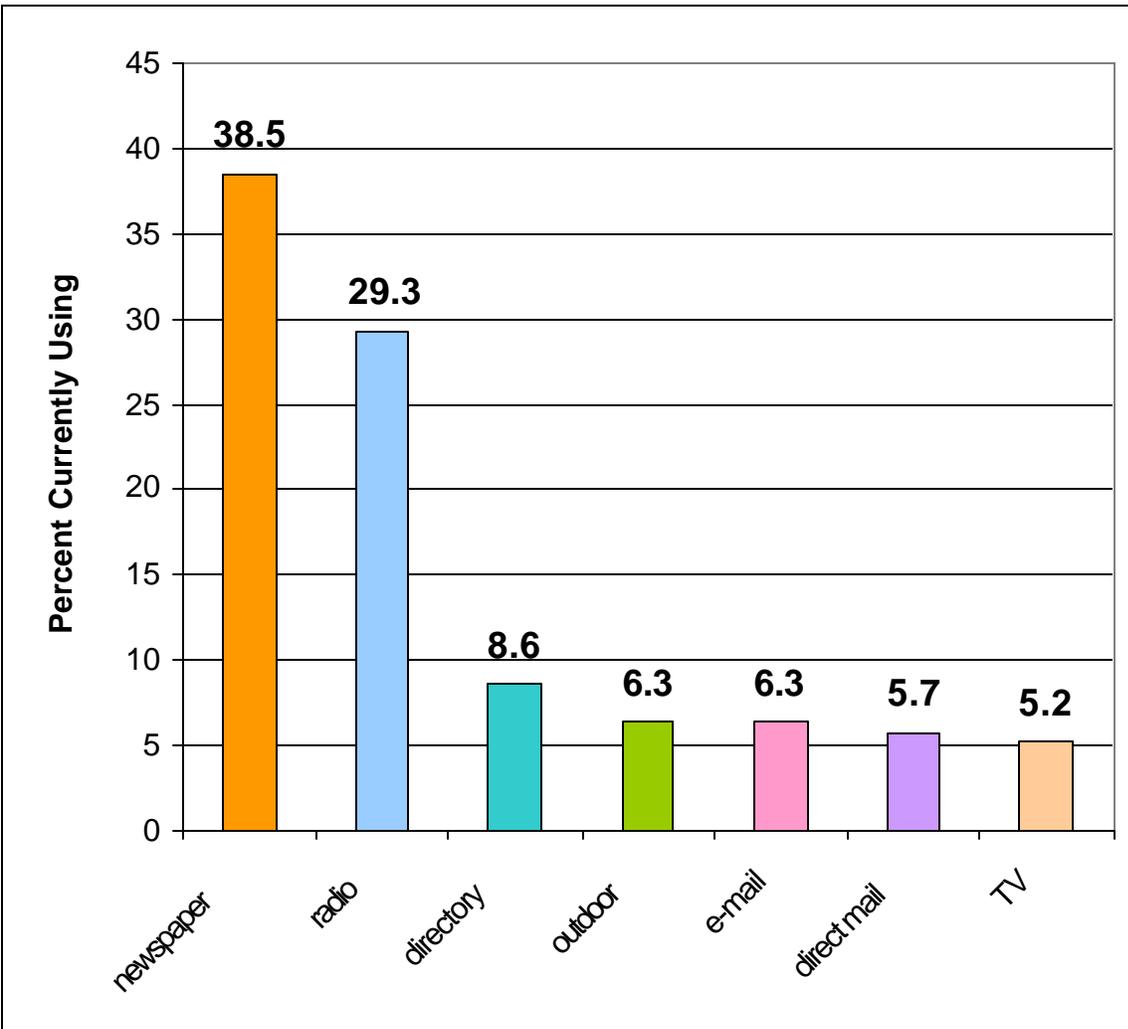
During data collection Bethany encountered a large snow storm which closed businesses and made our sample more pressed for time and less willing to participate. Although WKLM's identity was disguised, it was impossible to disguise that the client was the likely radio station sponsoring the research. This assumption may have biased the advertiser's responses.

Because of the recency of the change in format, advertisers may have responded based on their outdated perception of WKLM rather than the current reality. (The researcher was not made aware of the former format until after the research was conducted; knowledge of the format was assumed on the part of the client.)

In some instances (those businesses with national headquarters rather than local decision makers), the actual advertising decision maker could not be contacted; a subordinate interviewed might not have been as knowledgeable.

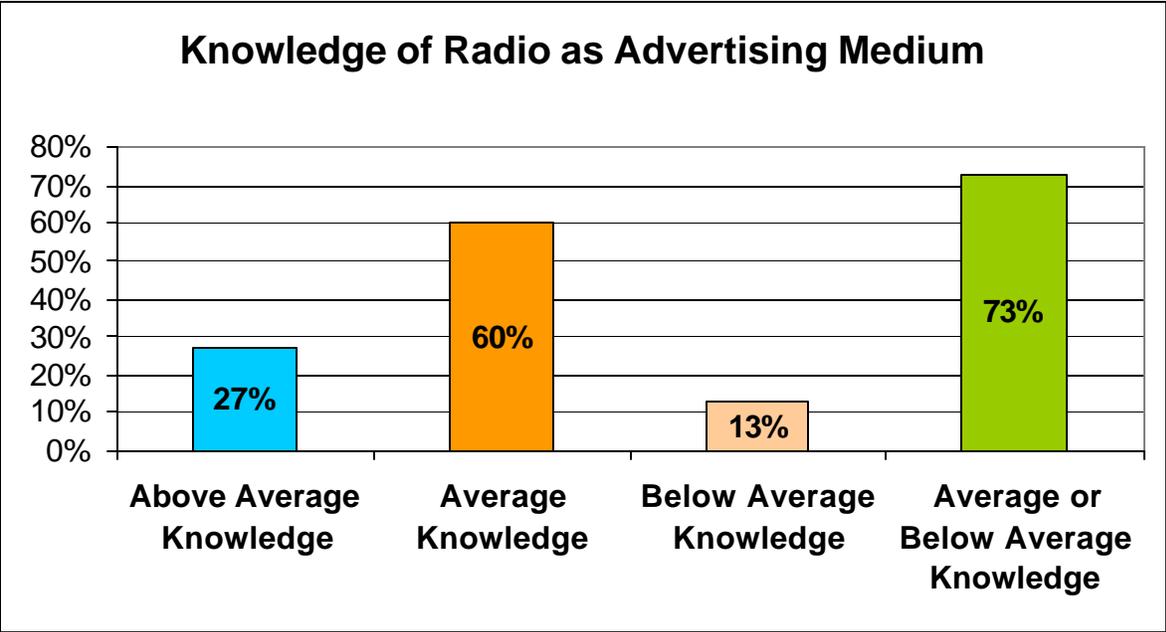
Findings

Current Advertising Practices

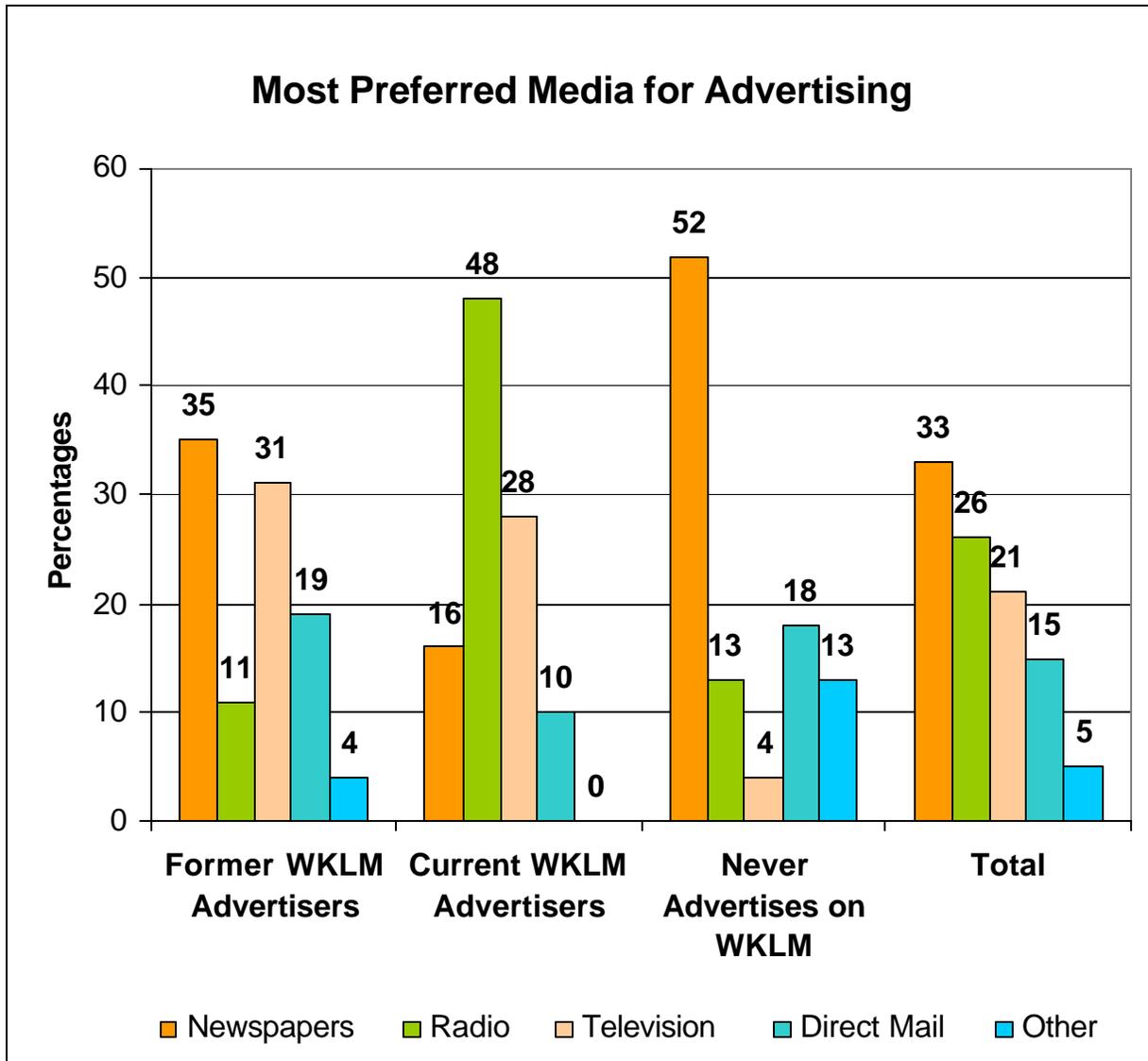


Radio is considered as an appropriate advertising medium by a portion of those businesses currently advertising. If an increase in their advertising budget occurs, some advertisers will consider investing in radio advertising.

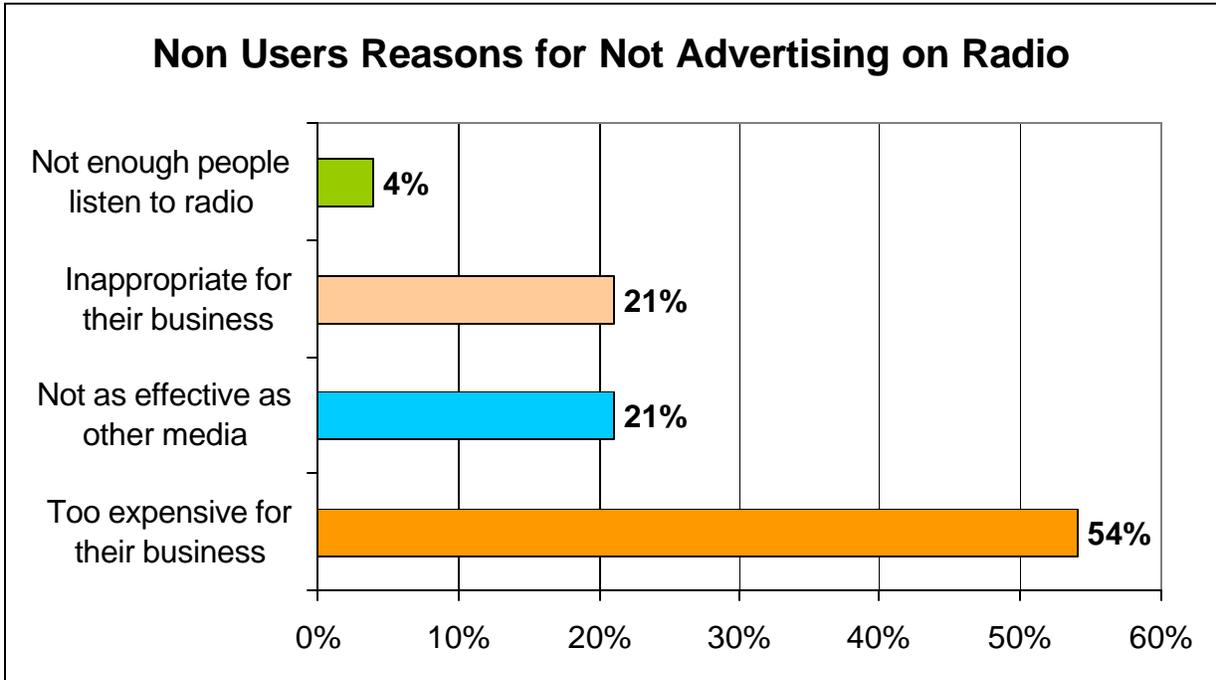
However, to reach those that are unfamiliar or that have had a poor prior radio experience, education might be in order..



Their own perception of their lack of knowledge gives support for a more educational approach to selling radio advertising time.

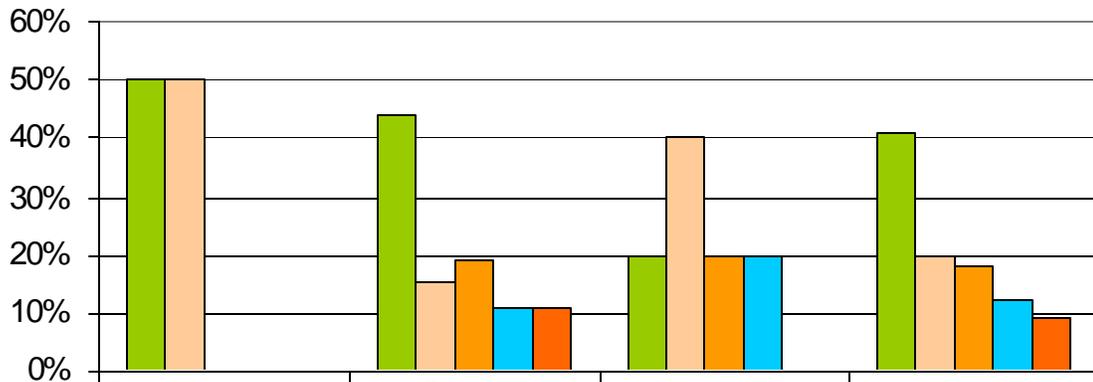


Radio is not the preferred medium, although no one medium is overwhelmingly preferred. The variety of decision makers' responses lends support to the theory that not all advertising campaigns are appropriately delivered by a single medium or the same medium every time. Advertisers need to keep their options open. And they need information and understanding of how each medium works best to make the right decision.



The primary reason given by Bethany businesses for not advertising on radio is the perceived high cost. This again implies that the benefits of radio have not been clearly heard, and that the advertiser doesn't perceive sufficient value for their advertising investment with radio. Overcoming this objection and establishing value in the minds of decision makers should be a primary focus of an educational campaign.

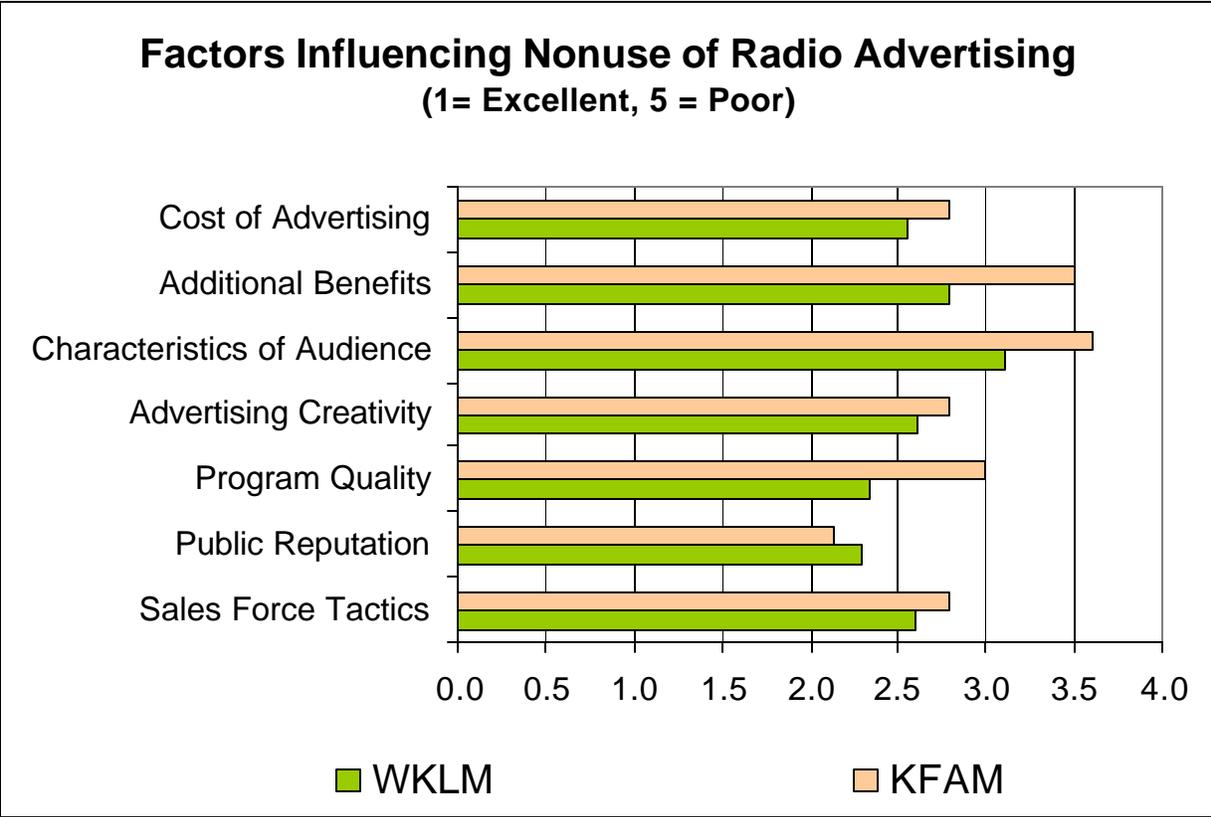
Preferred Station for Radio Advertising



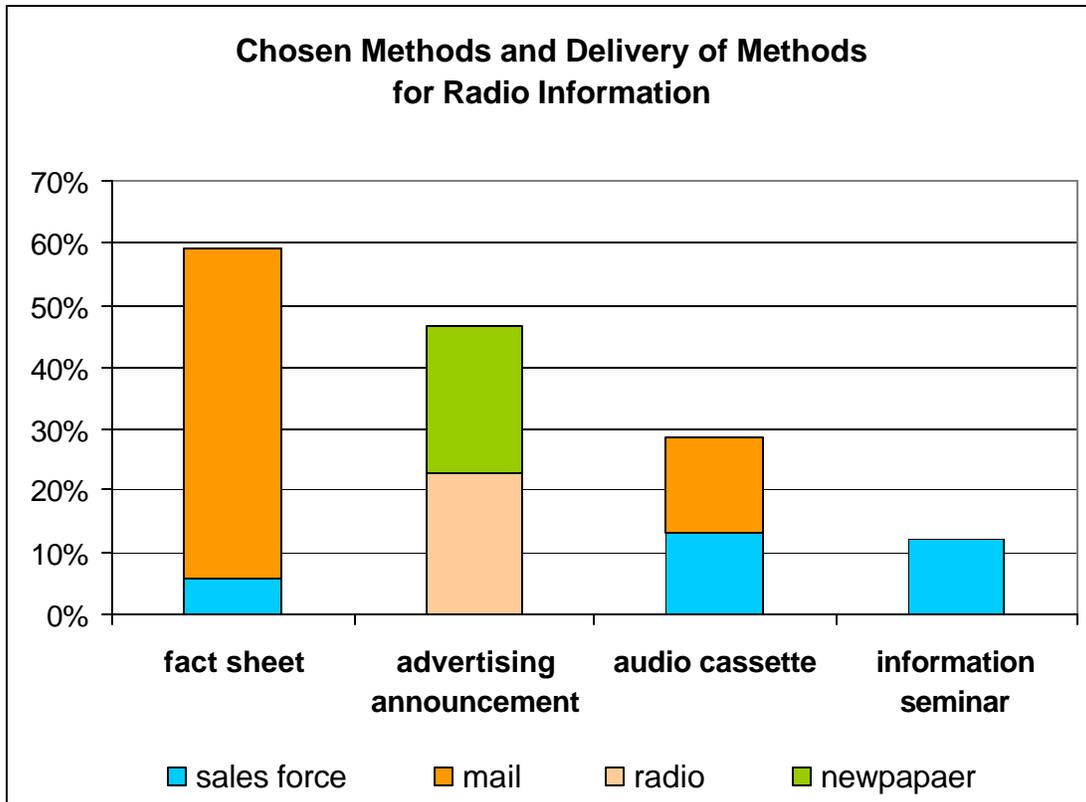
	Prior Advertisers on WKLM	Current Advertisers on	Never Advertised on	Total
WKLM	50%	44%	20%	41%
KFAM	50%	15%	40%	20%
WAZU	0%	19%	20%	18%
WUFM	0%	11%	20%	12%
WTUE	0%	11%	0%	9%

■ WKLM ■ KFAM ■ WAZU ■ WUFM ■ WTUE

In anticipating an increase in funds directed to radio, WKLM is viewed favorably, but not a clear favorite. KFAM is its most dominant competitor for radio advertising dollars, with WAZU gaining strength in the market.



Among advertisers evaluating radio as an appropriate medium—sales force tactics, public reputation, advertising creativity, and characteristics of audience reach, WKLM was consistently rated as above average. However of concern was *program quality*, which was rated as average. KFAM consistently rated *better* (lower average number on the rating scale) than WKLM on every factor.



The most preferred information sources were the advertising fact sheet and the general advertising announcements. The fact sheet was preferred when delivered by mail. The general advertising announcement was preferred when delivered by newspaper. There was no statistically significant difference between subgroups.

The market is not very receptive to being persuasively educated about the benefits of radio as an advertising medium, especially if that education comes from the current sales force. But their own perception of their lack of knowledge might lead them to be receptive to a different approach if their the delivery vehicle were not the sales force.

Conclusions and Recommendations

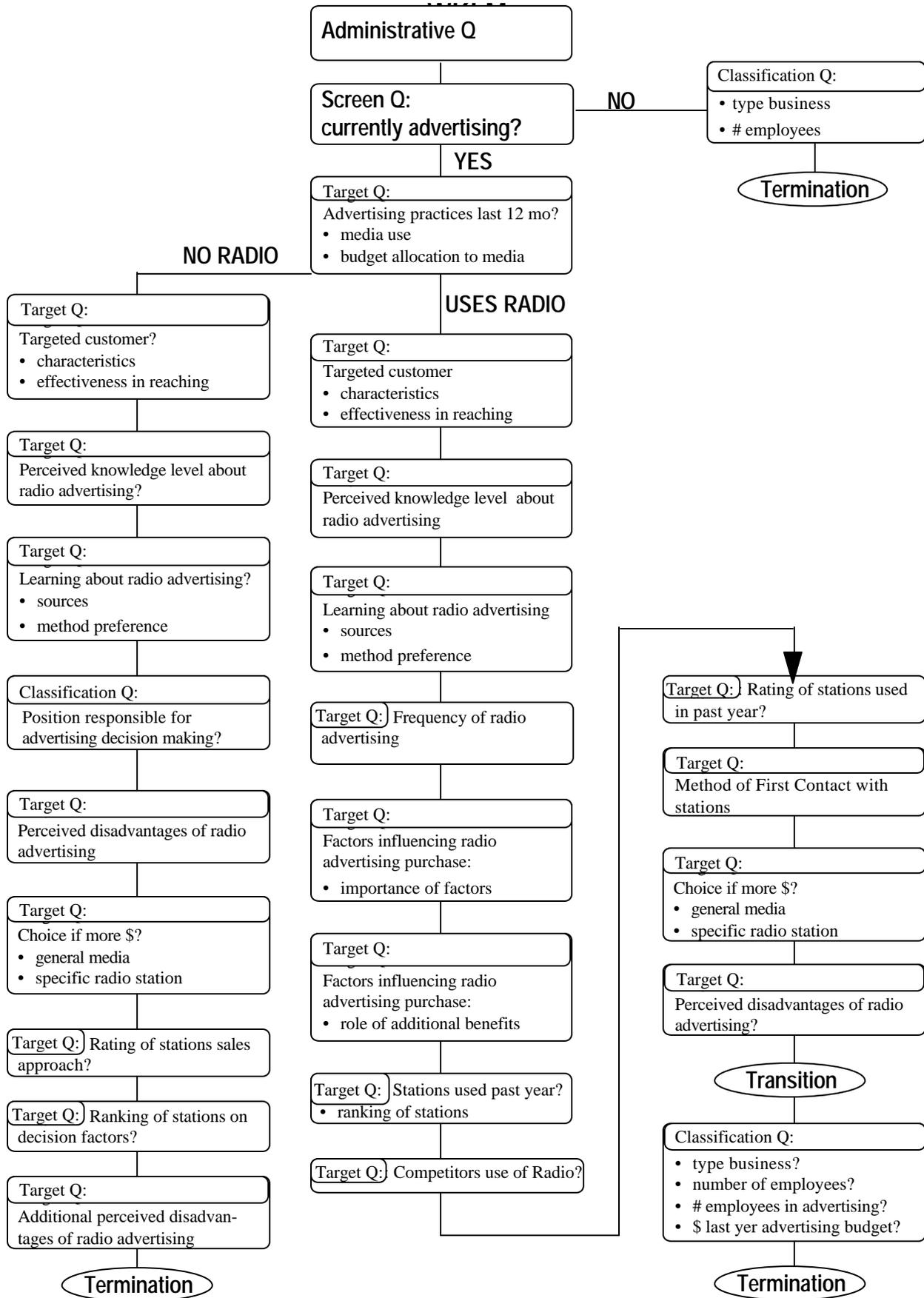
It is strongly indicated that the most preferred advertising medium to which advertisers would like to direct their funds are newspaper and radio. The competitors of note for radio advertising dollars are KFAM and WAZU, both with different formats and audiences. WKLM must emphasize the differences, and superiorities, to these two stations, and in comparison to the city and regional newspapers.

Since few decision makers thought they were knowledgeable about radio as an advertising medium, we recommend that WKLM does conduct an educational campaign. The most obvious changes need to come in the advertising fact sheet. This should be modified to (1) include content that will improve the advertisers' perception of radio as a good value for reaching their particular audiences, (2) reeducate the decision makers about the changes in programming and audience receptivity to those changes, and (3) demonstrate what the station has changed to result in enhanced radio advertising creativity. Because of the importance to any advertiser that a specific medium will reach their targeted audience, audience characteristics and numbers must be documented before undertaking such an educational campaign. Focusing on these categories of information will directly address decision makers' major influences when choosing a medium to advertise.

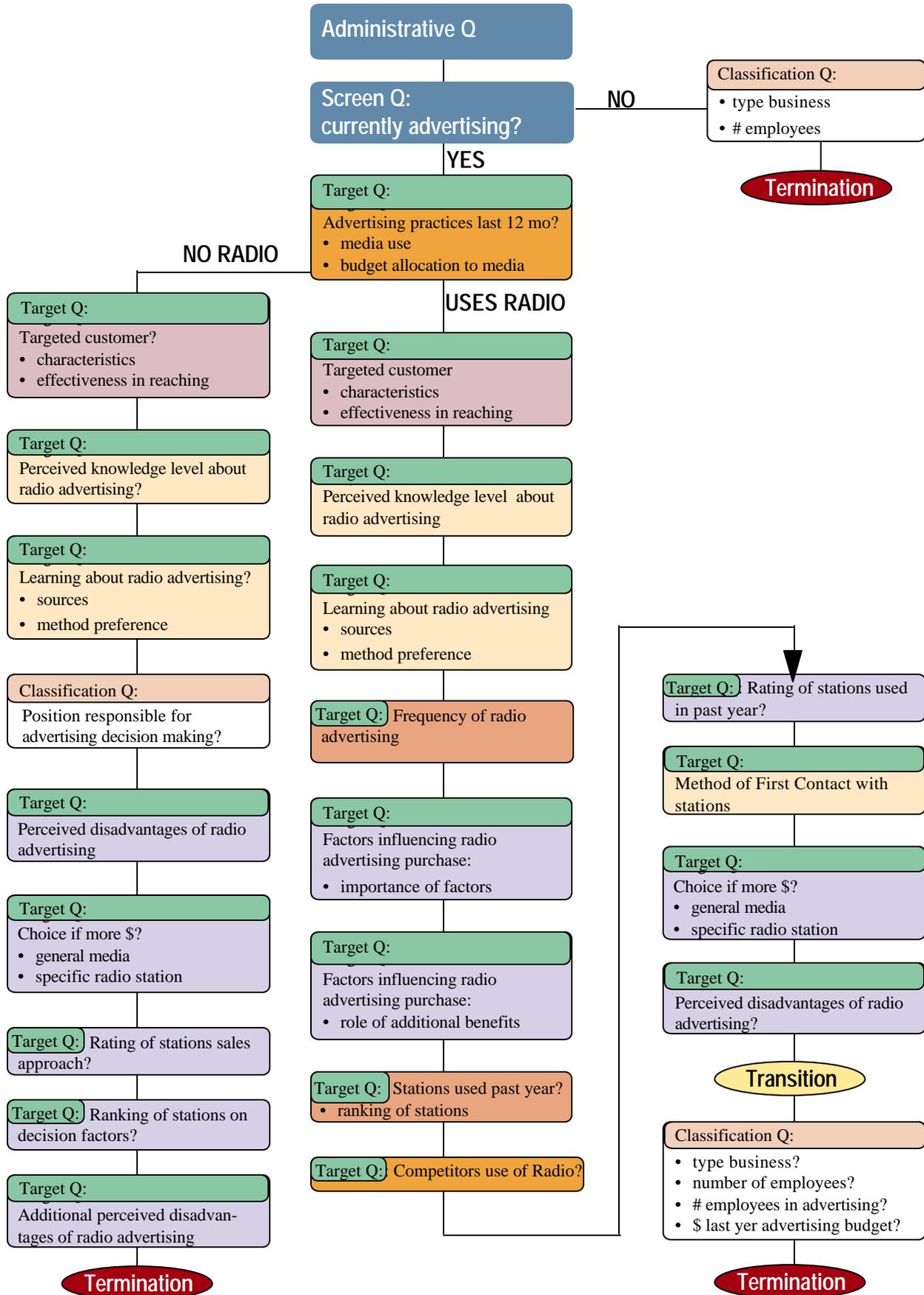
Advertisers did not have a clear perception of their desired target markets. This presents an opportunity for WKLM in relation to an educational campaign. The market may be receptive to learning more about targeting strategies overall, and this receptivity might make them more willing to participate in an educational forum sponsored by the station. We recommend that any forum take the more general approach of providing opportunities for advertisers to learn more about how to make their marketing tactics more successful.

Appendices

Questionnaire Draft Preliminary Flow Diagram: Telephone Survey for



Questionnaire Draft Colorized Flow Diagram: Telephone Survey for WKLM



Questionnaires

ID#	Client: WKLM
Business Name	Interviewer:
Phone	Date/Time of Interview:
Person Interviewed:	Length of Interview:

[Introduction]

“Hello, may I speak with the owner or manager who is in charge of advertising?”

[No contact with advertising decision maker]

Is there a time when I might call back and reach the advertising decision maker? _____

Thank you for your assistance.

[Contact is made with advertising decision maker]

“My name is _____. I’m a member of the marketing research project at Sample University. Today we are doing a survey about what businesses think of advertising media. This survey will take about 10 minutes. Would you be willing to answer some questions about advertising and your business?”

[Contact declines to participate.]

Thank you. We hope next time Sample University calls you will be able to participate.

[Contact agrees to participate; proceed to screen]

Great! Here’s the first question:

[SCREEN]

In the last 12 months have you advertised your business in any paid medium? **(UNAIDED)**

- Yes (skip to Survey II) - 1
- No (proceed to Survey I) - 2

Survey I

1. How would you describe your business?

_____ - _____
[FOR VALUE, REFER TO CODE SHEET]

2. How many people, both full and part time, do you employ in your business? _____

[Termination for Survey I]

“We are only talking today with businesses who are currently using paid advertising media. Thank you for your willingness to participate in this Sample University survey. Good evening.”

Survey II

[USE THE GRID BELOW FOR Q1 AND Q2]

1. What advertising media have you used in the last twelve months?
2. Considering the advertising media you are using presently, what percentage of your advertising budget is devoted to [Repeat medium checked, one at a time.]?

		Q2	
Q1a	<input type="checkbox"/>	Television	_____
Q1b	<input type="checkbox"/>	Newspaper	_____
Q1c	<input type="checkbox"/>	Radio	_____
			[IF CHOSEN, ASK Q3-7, THEN SURVEY III] [IF NOT CHOSEN, ASK Q3 -7, THEN SURVEY IV]
Q1d	<input type="checkbox"/>	Outdoor	_____
Q1e	<input type="checkbox"/>	Directory	_____
Q1f	<input type="checkbox"/>	Web	_____
Q1g	<input type="checkbox"/>	Other	_____
		TOTAL	100%

3. I'm going to read several characteristics of potential customers. I want you to think about the targeted customer for your business. Please stop me by saying YES when I read the alternatives that best describe your targeted customer. You may say YES to more than one choice for each factor.

- a. With respect to **AGE**, is your targeted customer...? **[READ RANGES]**

Between 8-12 (Q3a1)	Between 13 -18 (Q3a2)	Between 19 – 24 (Q3a3)	Between 25 – 34 (Q3a4)	Between 35- 49 (Q3a5)	Between 50- 64 (Q3a6)	65 or older (Q3a7)
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

- b. With respect to **HOUSEHOLD INCOME**, is the household income of your targeted customer...? **[READ RANGES]**

< \$20000 (Q3b1)	\$21-34999 (Q3b2)	\$35- 44999 (Q3b3)	\$45- 59999 (Q3b4)	\$60- 100000 (Q3b5)	\$101,000 – 150,000 (Q3b6)	>150,000 (Q3b7)
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				

c. With respect to **EDUCATION**, did your targeted customer complete...? **[READ RANGES]**

Grade 8 or less	Some high school	High school	Some college	college	Some post- graduate work	Graduate Degree
(Q3c1)	(Q3c2)	(Q3c3)	(Q3c4)	(Q3c5)	(Q3c6)	(Q3c7)
<input type="checkbox"/>	<input type="checkbox"/>					

d. With respect to **MARITAL STATUS**, is your targeted customer ...? **[READ RANGES]**

Single or Never Married	Currently Married	Either separated, divorced or widowed
(-1)	(-2)	(-3)
(Q3d1)	(Q3d2)	(Q3d3)
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

e. With respect to **HOUSEHOLD SIZE**...

How many people comprise the household of your targeted customer ...? _____

4. Consider the advertising program and media you have used in the last 12 months. How well are you attracting this targeted customer?

Extremely Well	Very Well	Fairly Well	Not well at all
(-4)	(-3)	(-2)	(-1)
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

5. You indicated earlier that you **[USE / DON'T USE]** radio advertising. How knowledgeable are you regarding radio as an advertising medium?

Above Average	Average	Below Average
(-3)	(-2)	(-1)
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

6. I'm going to read you several ways you might learn more about radio advertising...
A. Which two methods would you prefer for receiving such information?

[READ CHOICES]

Q6a

- General radio advertising fact sheet

Q6a-1 [If chosen] Would you prefer to receive a fact sheet...?

- (-1) Through the mail?
 (-2) In person by sales force?

Q6b

- Information Seminar

Q6b-1 [If chosen] Would you prefer to attend a seminar ...?

- (-1) ...for you and other members of your firm?
 (-2) ...for your firm and other similar firms together?

Q6c

- Audio or digital presentation

Q6c-1 [If chosen] Would you prefer to receive an audio/digital presentation ...?

- (-1) ...through e-mail or the Web?
 (-2) ...through the mail?
 (-3) ...in person by sales force?

Q6d Advertising about radio...

-

Q6d-1 [If chosen] Would you prefer to see or hear this advertising...?

- (-1) ... in the newspaper?
 (-2) ... on the radio?

7. If not by you, what position within your organization would put information about radio advertising to effective use?

Position title _____

Survey III

[FOR THOSE WHO USED RADIO ADVERTISING IN LAST 12 MONTHS]

8. In the past 12 months, how many advertising campaigns did you air on radio?

- | | | | | | | |
|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 or more |
| <input type="checkbox"/> |

9. I'm going to read you a list of factors that might influence your purchase of radio advertising. As I read each factor, please tell me how important that factor is your business. Use the scale: highly important, important, neither important nor unimportant, and unimportant. How would you rate...

[READ LIST; ROTATE
ORDER OF THE
FACTORS]

	Highly Important	Important	Neither Important nor Unimportant	Unimportant
The price per advertising spot	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The desired target customer reached	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Your past experience with radio	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Any additional benefits provided by the station	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Creative ideas coming from the sales person	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

10. What kind of additional benefits do you look for when purchasing advertising on radio?
[UNAIDED]

- | | | | |
|--------------------------|--------------------------|--------------------------|-------------------------------|
| Quantity Discounts | Remote at your location | No charge for production | Sales packages and promotions |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

Other: _____

[USE THE GRID BELOW TO ANSWER Q 11, 12, 13] [UNAIDED]

11. In the past 12 months, what radio stations have you advertised on?

12. Considering the radio stations on which you have advertised in the past 12 months **[READ FROM LIST]**, please rank them in order of preference for reaching your targeted customer with “1” being the most preferred station.

13. On which of these stations **[READ FROM LIST Q11]** do your primary competitors advertise?

		Q11	Q12		Q13
KFAM	Q11a	<input type="checkbox"/>	_____	Q13a	<input type="checkbox"/>
WAZU	Q11b	<input type="checkbox"/>	_____	Q13b	<input type="checkbox"/>
WKLM	Q11c	<input type="checkbox"/>	_____	Q13c	<input type="checkbox"/>
WTUE	Q11d	<input type="checkbox"/>	_____	Q13d	<input type="checkbox"/>
WUFM	Q11e	<input type="checkbox"/>	_____	Q13e	<input type="checkbox"/>
Other:		<input type="checkbox"/>	_____		<input type="checkbox"/>
Other:		<input type="checkbox"/>	_____		<input type="checkbox"/>
Other:		<input type="checkbox"/>	_____		<input type="checkbox"/>

14. Using the following scale: Excellent, Good, Average, Below Average, and Very Poor...please evaluate the stations on which you advertised in the past 12 months using each of the following factors.

[READ ONLY STATIONS MENTIONED IN Q11]

	(-1)	(-2)	(-3)	(-4)	(-5)
How does KFAM rate on ...	Exc	Good	Avg	Below Avg	Very Poor
...Sales Force Performance	<input type="checkbox"/>				
...Public Reputation	<input type="checkbox"/>				
...Program Quality	<input type="checkbox"/>				
...Advertising Creativity	<input type="checkbox"/>				
...Match of audience with your targeted customer characteristics	<input type="checkbox"/>				

	(-1)	(-2)	(-3)	(-4)	(-5)
How does WAZU rate on ...	Exc	Good	Avg	Below Avg	Poor
...Sales Force Performance	<input type="checkbox"/>				
...Public Reputation	<input type="checkbox"/>				
...Program Quality	<input type="checkbox"/>				
...Advertising Creativity	<input type="checkbox"/>				
...Match of audience with your targeted customer characteristics	<input type="checkbox"/>				

	(-1)	(-2)	(-3)	(-4)	(-5)
How does WKLM rate on ...	Exc	Good	Avg	Below Avg	Poor
...Sales Force Performance	<input type="checkbox"/>				
...Public Reputation	<input type="checkbox"/>				
...Program Quality	<input type="checkbox"/>				
...Advertising Creativity	<input type="checkbox"/>				
...Match of audience with your targeted customer characteristics	<input type="checkbox"/>				

	(-1)	(-2)	(-3)	(-4)	(-5)
How does WTUE rate on ...	Exc	Good	Avg	Below Avg	Poor
...Sales Force Performance	<input type="checkbox"/>				
...Public Reputation	<input type="checkbox"/>				
...Program Quality	<input type="checkbox"/>				
...Advertising Creativity	<input type="checkbox"/>				
...Match of audience with your targeted customer characteristics	<input type="checkbox"/>				

	(-1)	(-2)	(-3)	(-4)	(-5)
How does WUFM rate on ...	Exc	Good	Avg	Below Avg	Poor
...Sales Force Performance	<input type="checkbox"/>				
...Public Reputation	<input type="checkbox"/>				
...Program Quality	<input type="checkbox"/>				
...Advertising Creativity	<input type="checkbox"/>				
...Match of audience with your targeted customer characteristics	<input type="checkbox"/>				

15. Consider the radio station you have advertised on **MOST FREQUENTLY** in the last 12 months. How do you **MOST FREQUENTLY LEARN** about advertising opportunities with this radio station?

[UNAIDED—1 CHOICE ONLY]

- The radio station's sales force
- Radio advertising for the radio station
- Television advertising for the radio station
- Listening to the radio for personal enjoyment
- Family member/co-worker listening to the radio station
- Word of Mouth
- Other Source: _____

16. If you were anticipating an increase in your advertising budget in the next 12 months, to what media would you direct these additional funds? [UNAIDED]

- Television
- Newspaper
- Radio [IF CHOOSE, ASK Q 17; IF NOT, SKIP TO Q 18]
- Outdoor
- Directory
- Web
- Other: _____

17. [ASK IF ANSWERED RADIO TO Q16] To what specific radio stations would you direct these additional funds? [Unaided]

- KFAM
- WAZU
- WKLM
- WTUE
- WUFM
- Other: _____
- Other: _____
- Other: _____

18. When comparing radio with other advertising media, what factors do you consider to be disadvantages of using radio?

- High price of a campaign
- Negative reputation of the station
- Poor program quality on radio
- Limited advertising creativity on radio
- Characteristics of station's audience don't match my target audience
- Inflexibility of advertising format on radio
- Slow speed of getting message to customer group

[TRANSITION]

“We’re almost done. I just need the answers to a few questions about your business so we can compare your answers with other businesses we talk with.”

19. How would you classify your type of business?

_____ **[REFER TO CODE BOOK]**

20. How many full and part-time employees have some advertising decision making authority.

21. Please estimate the size of your advertising budget in your last fiscal year. Would you say it was...

< \$1,000	\$1,000- 15000	\$15,001- 30000	\$30,001- 50000	\$50,001- 80000	\$80,001- 100000	>\$100,000
(-1)	(-2)	(-3)	(-4)	(-5)	(-5)	(-6)
<input type="checkbox"/>						

[TERMINATION FOR SURVEY III]

“Thank you for your time and cooperation. Sample University appreciates your participation in this survey. Good [\[afternoon/ evening\]](#).”

Survey IV

[IF THEY DIDN'T ADVERTISE ON RADIO IN THE LAST 12 MONTHS]

8. Which of the following statements best describes why you don't advertise on radio?

[READ, ROTATE ORDER]

- 1 "Our type of business doesn't advertise on radio."
- 2 "Not enough people listen to radio."
- 3 "Radio isn't as effective as other advertising media."
- 4 "Radio is too expensive for my business."

9. In the next 12 months, if you were anticipating an increase in your paid advertising budget, to what medium would you direct your funds? [UNAIDED]

- Television
- Newspaper
- Radio
- Outdoor
- Directory
- Web
- Other:

[USE GRID BELOW FOR BOTH Q10 AND Q12]

10. In the last 12 months, which stations have approached you about advertising your business using radio? [UNAIDED]

11. I'm going to read you a list of factors that might influence your purchase of radio advertising. Considering these stations with which you have had contact in the last 12 months, as I read each factor, please tell me how you would rank that station. Use "1" as you most favorable rank, "2" as you next most favorable rank, and so on.

For [FACTOR], how would you rank [STATION] against other radio stations?
[REPEAT FOR EACH FACTOR; ROTATE ORDER OF STATIONS ASKED FIRST].

Q10	<input type="checkbox"/>				
	KFAM	WAZU	WKLM	WTUE	WUFM
Q 11.					
[ROTATE ORDER of FACTORS]					
Sales Force approach	_____	_____	_____	_____	_____
Public Reputation	_____	_____	_____	_____	_____
Programming Quality	_____	_____	_____	_____	_____
Advertising Creativity	_____	_____	_____	_____	_____
Degree to which their audience reaches by customers	_____	_____	_____	_____	_____
Cost of advertising	_____	_____	_____	_____	_____
Additional benefits	_____	_____	_____	_____	_____

12. When comparing radio with other media of advertising, what factors do you consider to be disadvantages of radio? **[UNAIDED]**

- High price of a campaign
- Negative public reputation
- Poor program quality on radio
- Less advertising creativity on radio
- Incompatibility of target audience reached
- Other:
- Other:
- Other:

[TRANSITION]

“We’re almost done. I just need the answers to a few questions about your business so we can compare your answers with other businesses we talk with.”

13. How would you classify your type of business?

14. Please estimate the number of full or part-time employees in your business who have decision-making authority on the selection of advertising media. _____

15. Please estimate the size of your advertising budget for the last 12 months. Would you say it was...

- | | | | | | | |
|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| < \$1000 | \$1000-
15000 | \$15001-
30000 | \$30001-
50000 | \$50001-
80000 | \$80001-
100000 | >100000 |
| <input type="checkbox"/> |

[TERMINATION FOR SURVEY IV]

“Thank you for your time and cooperation. Sample University appreciates your participation in this survey. Good [\[afternoon/ evening\]](#).”