



edison media research

ARBITRON

Spot Load Study:

***“Will your listeners
be right back after
these messages?”***

Sponsored by R&R

Edison & Arbitron's Industry Research

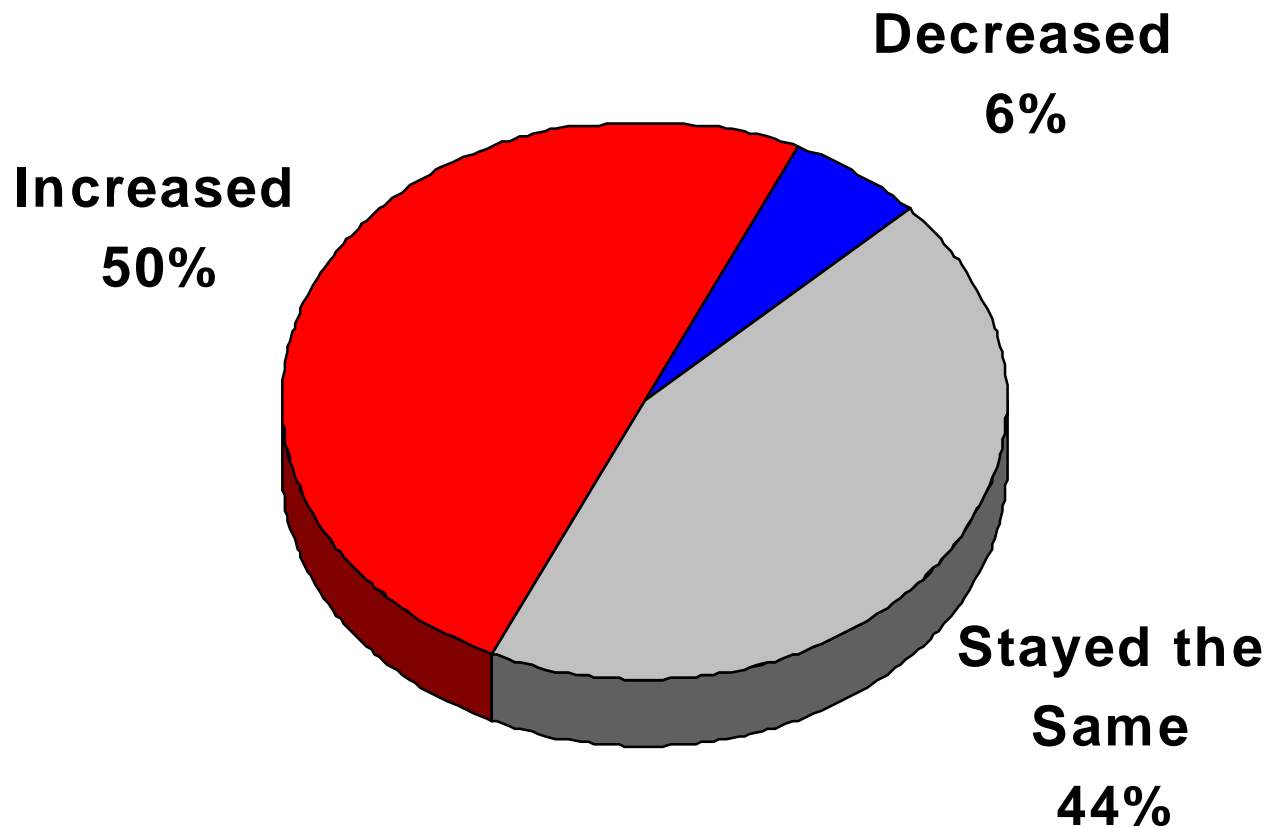
- **1996 - Newspaper Advertisers**
- **1997 - At Work Listening**
- **1998 - Internet I**
 - - **“Radio in a New Media World”**
- **1999 - Internet II**
 - - **“Radio & E-commerce”**
- **1999 - Spot Load**
 - - **“Will your listeners be right back after these messages?”**

Forces behind this survey:

→ Increased Spot Loads

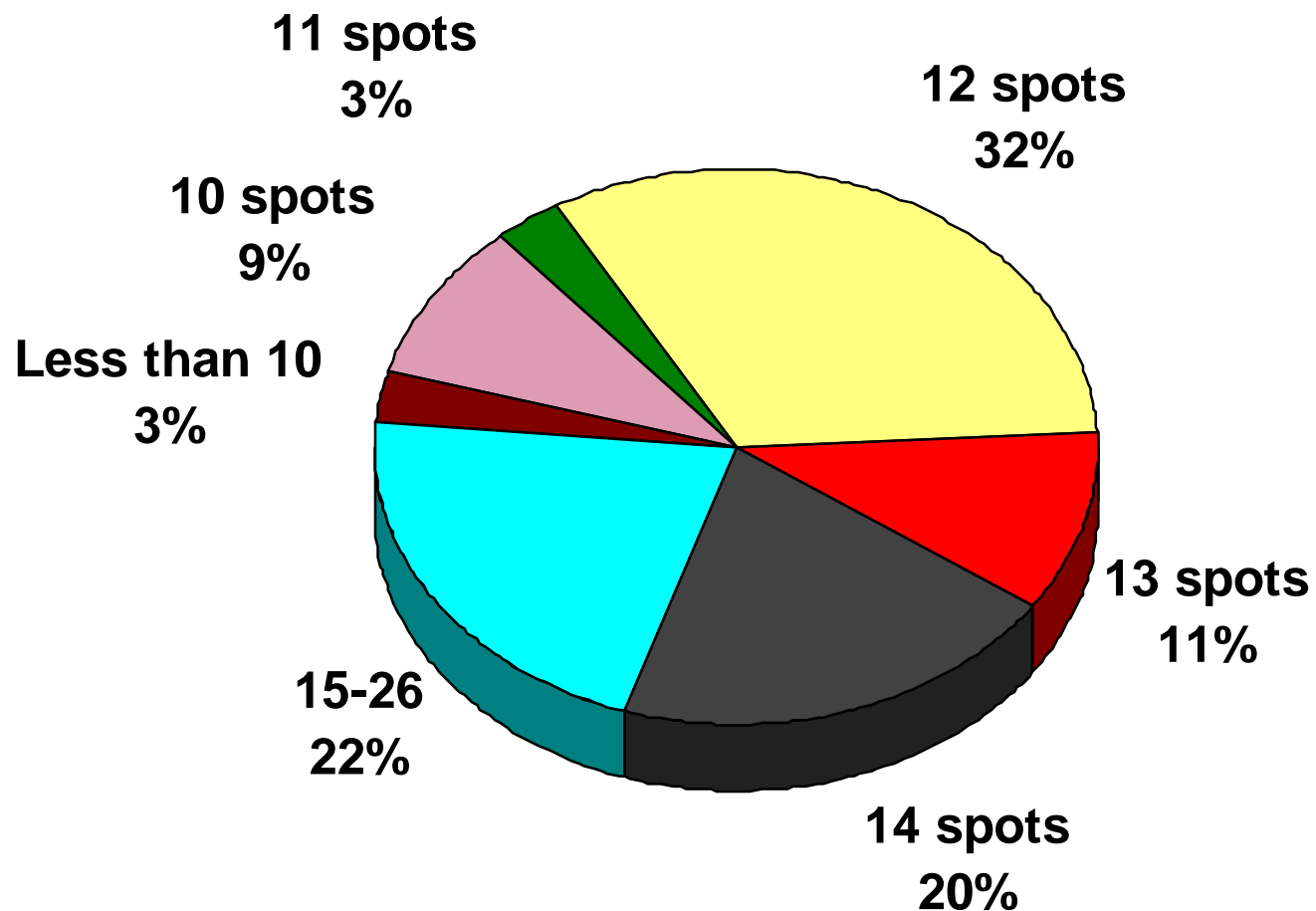
In the past year, has number of commercials your station plays increased or decreased?

Program Director Survey



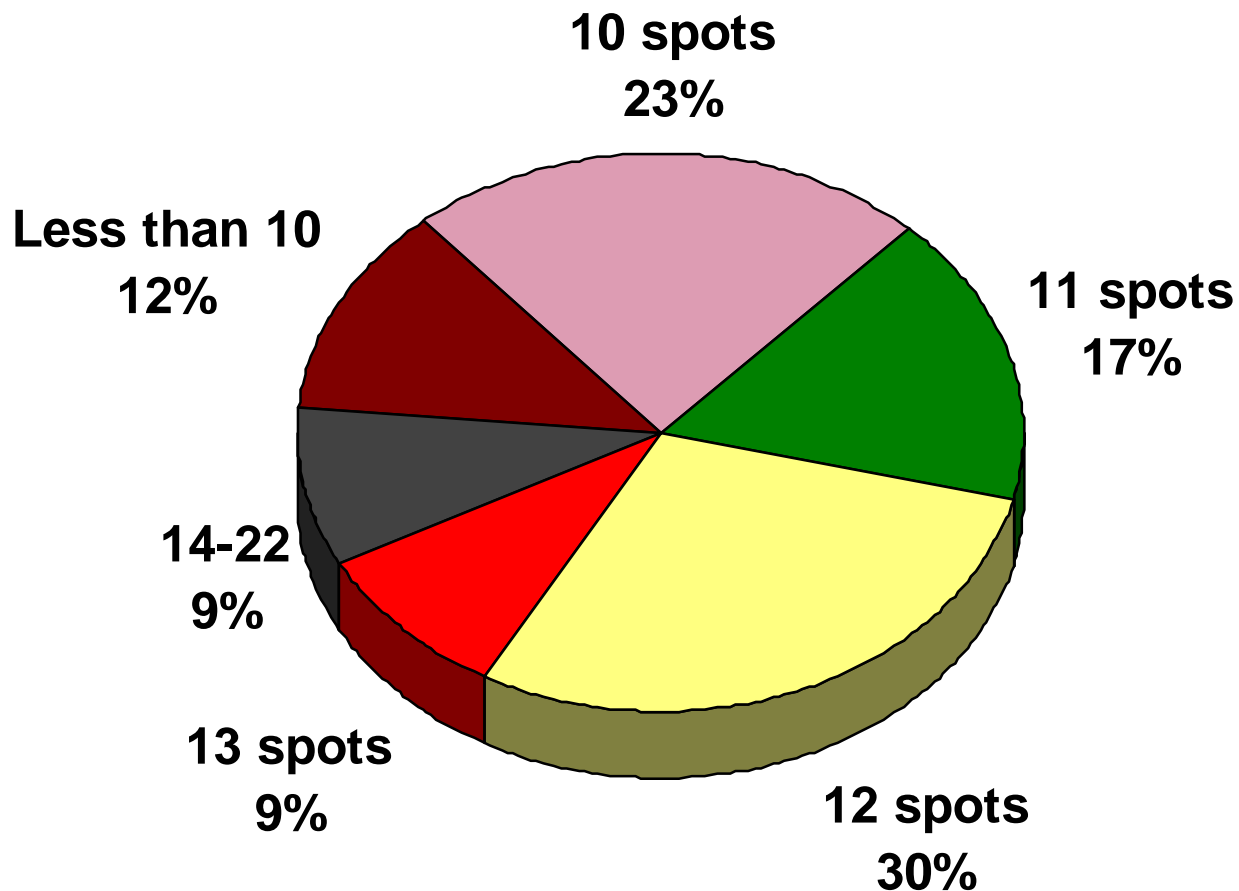
On average, how many commercials per hour does your station run in the morning?

Program Director Survey



On average, how many commercials per hour does your station run during the day?

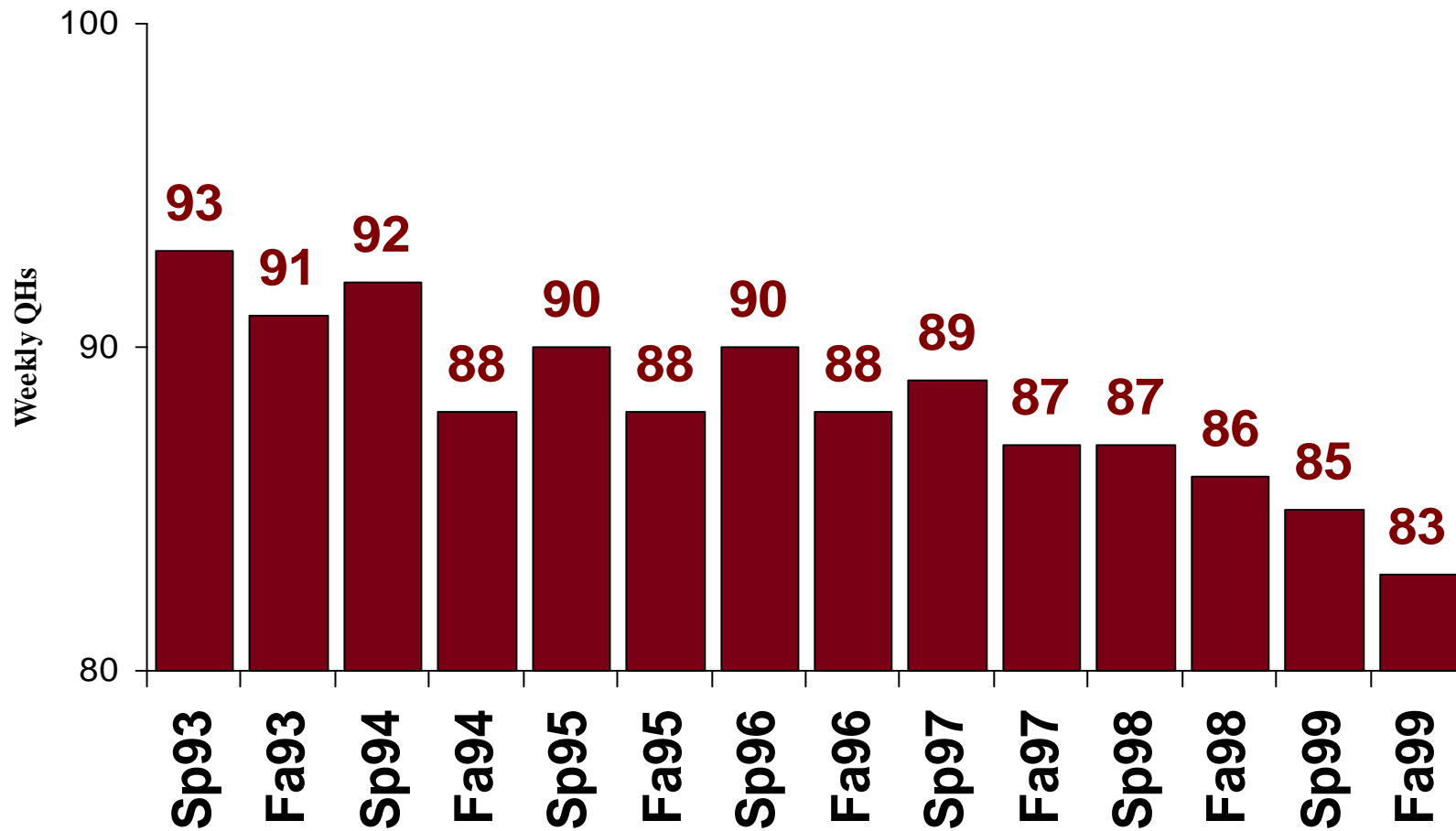
Program Director Survey



Forces behind this survey:

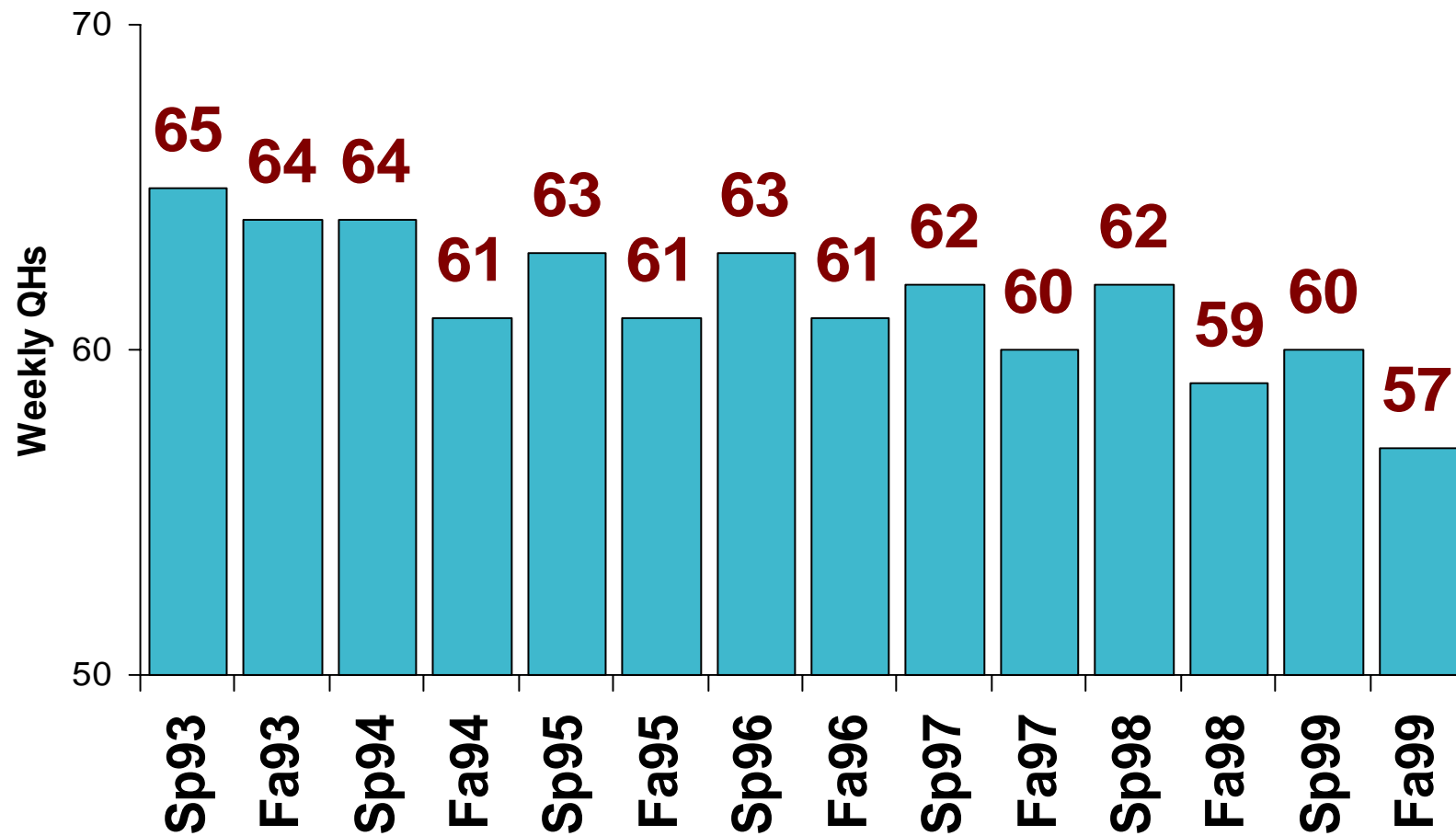
- ➔ Increased Spot Loads**
- ➔ Decreases in Radio Listening**

TSL among all Persons 12+ is down **9%** since Spring 1993



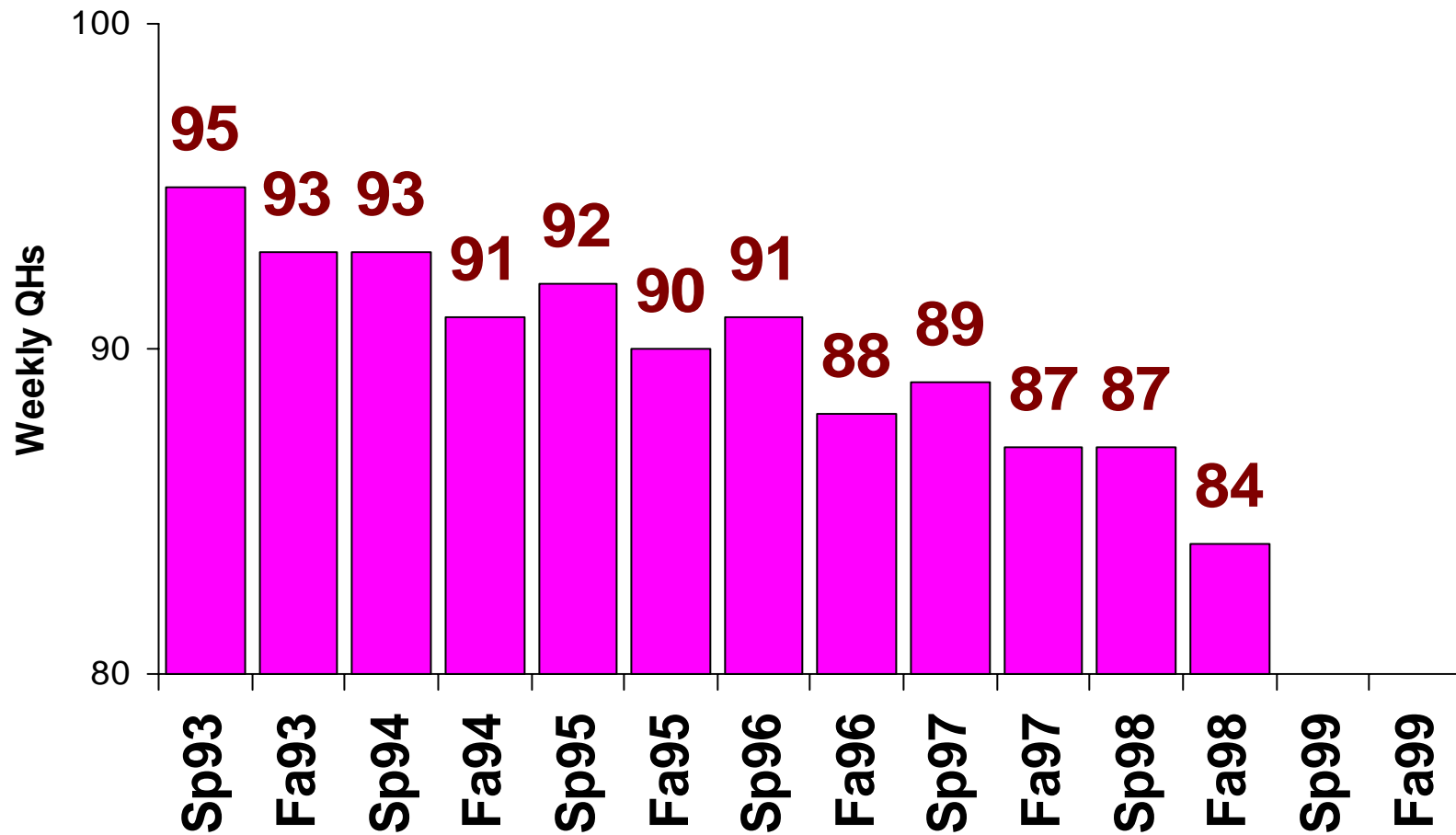
Source: Arbitron

TSL among Teens (12-17) down 11%



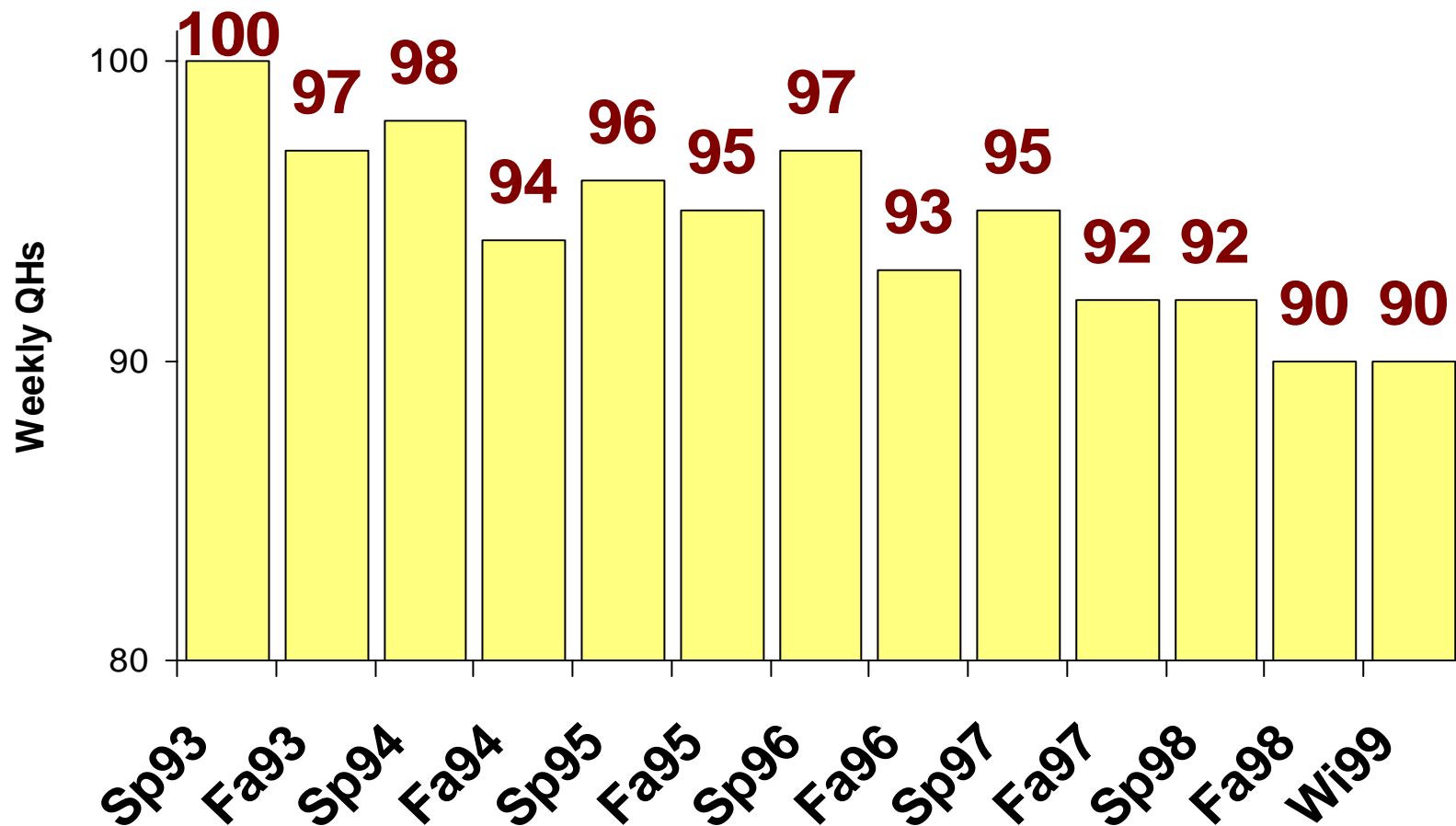
Source: Arbitron

TSL 18-24 down 14%



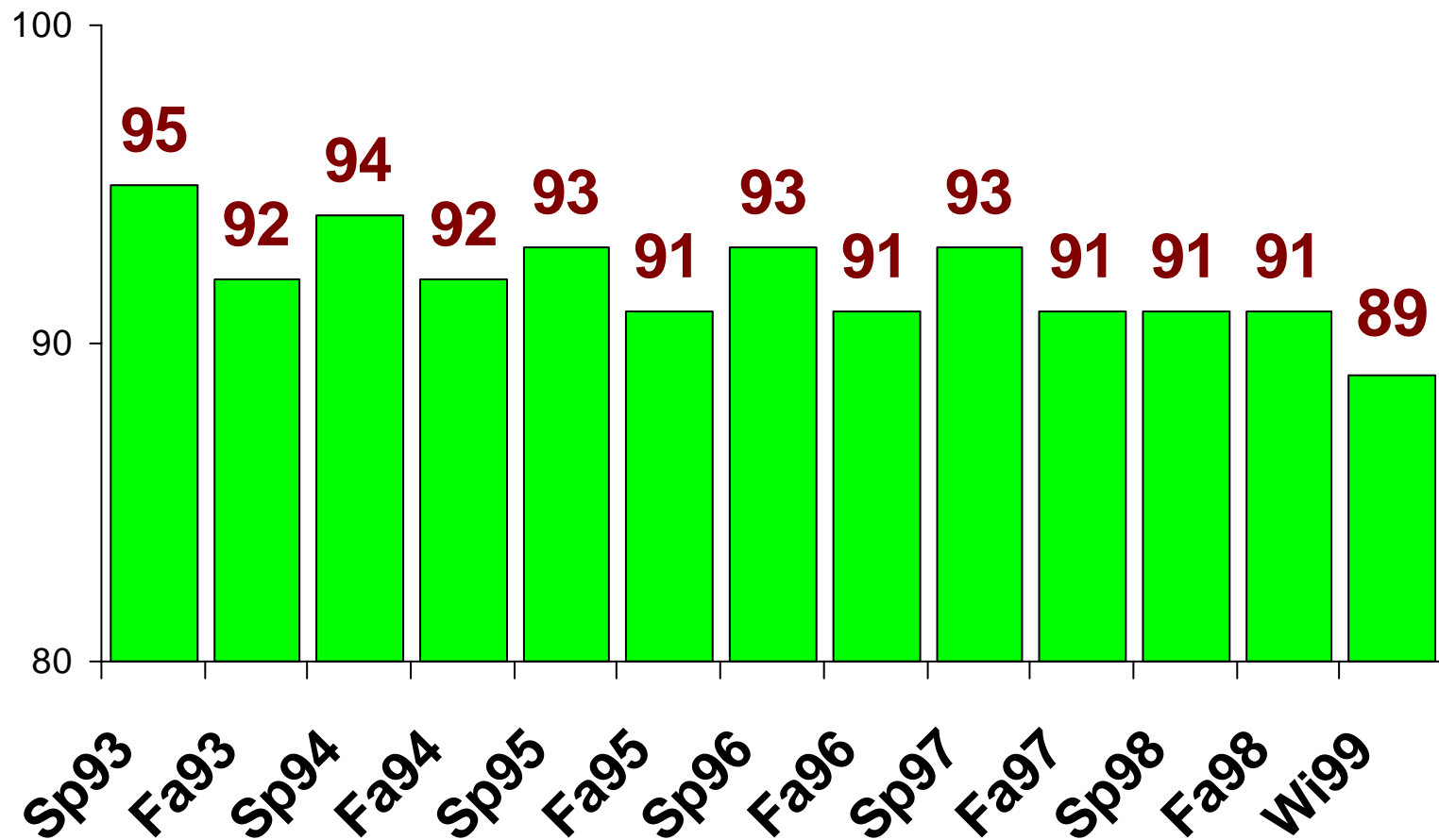
Source: Arbitron

TSL 25-34 down 10%



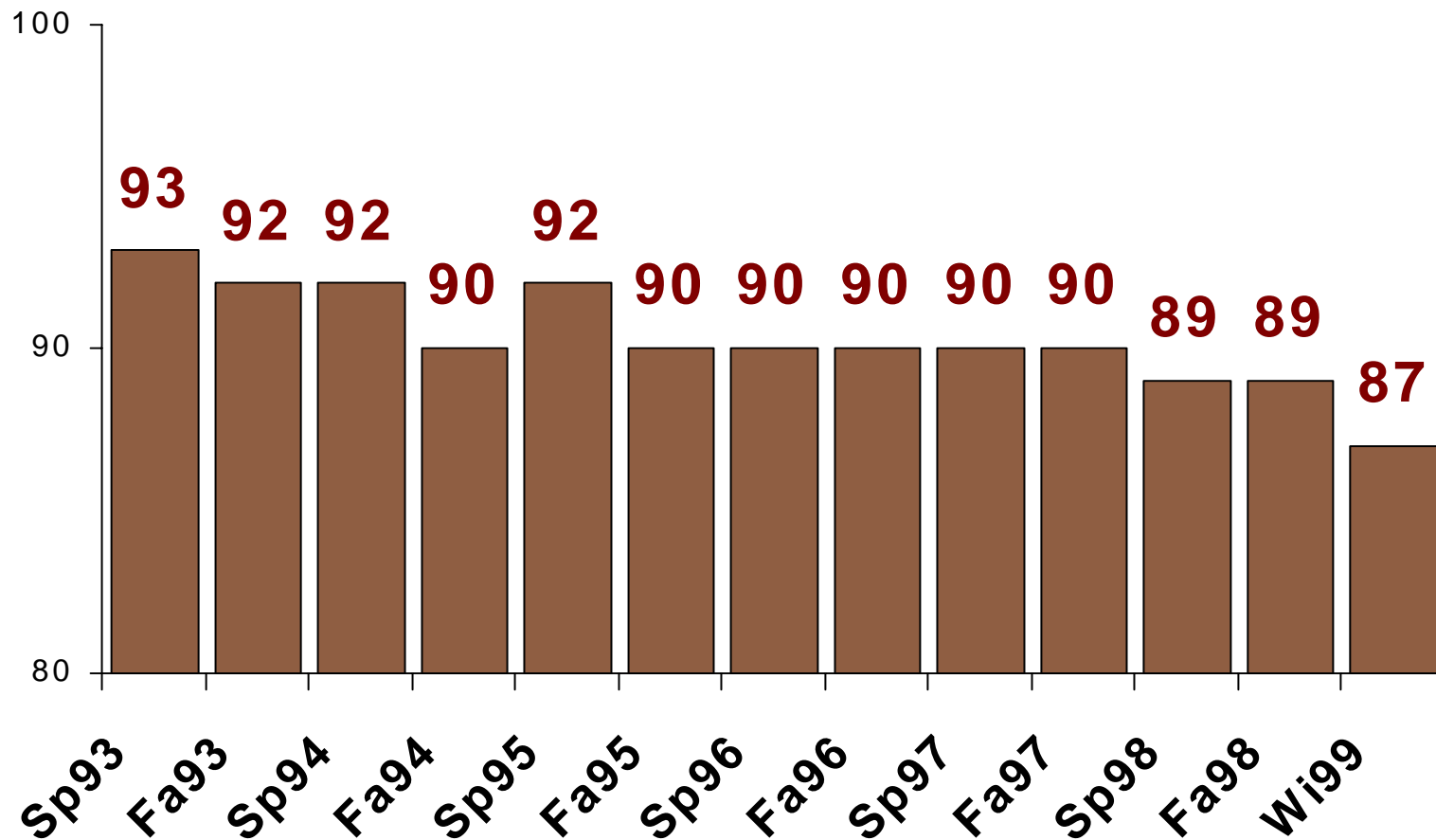
Source: Arbitron

TSL 35-44 down 6%



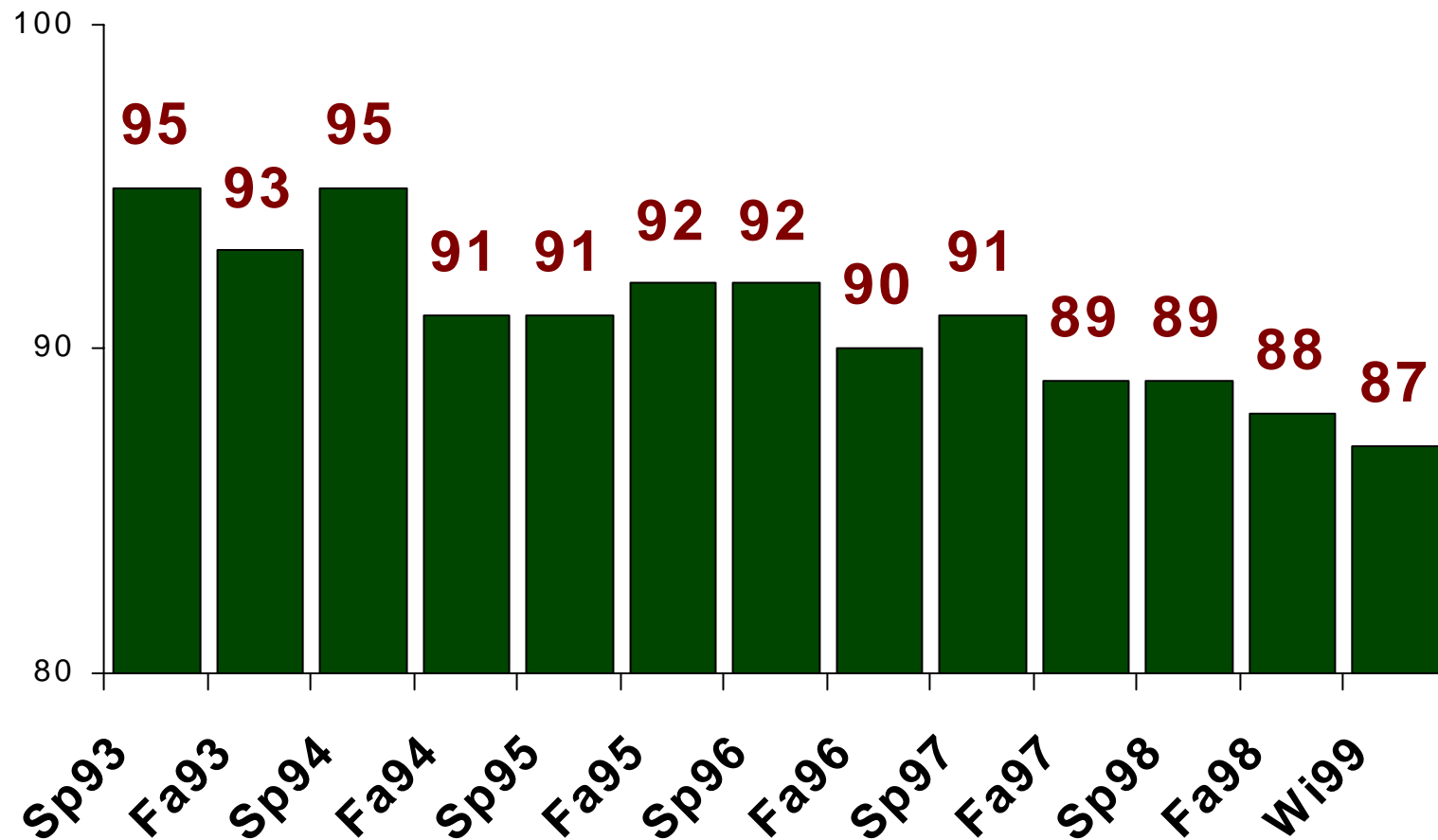
Source: Arbitron

TSL 45-54 down 6%



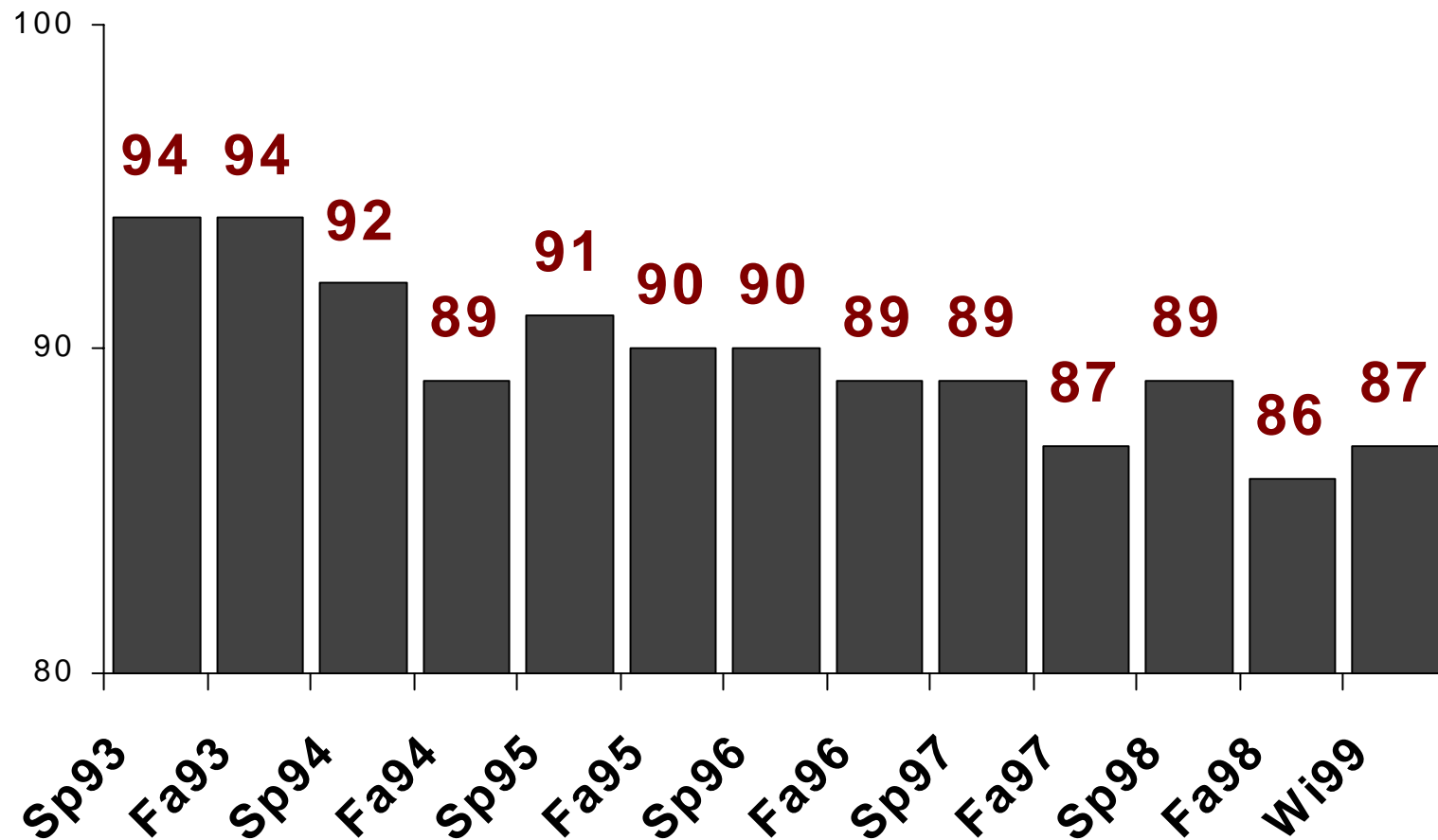
Source: Arbitron

TSL 55-64 down 8%



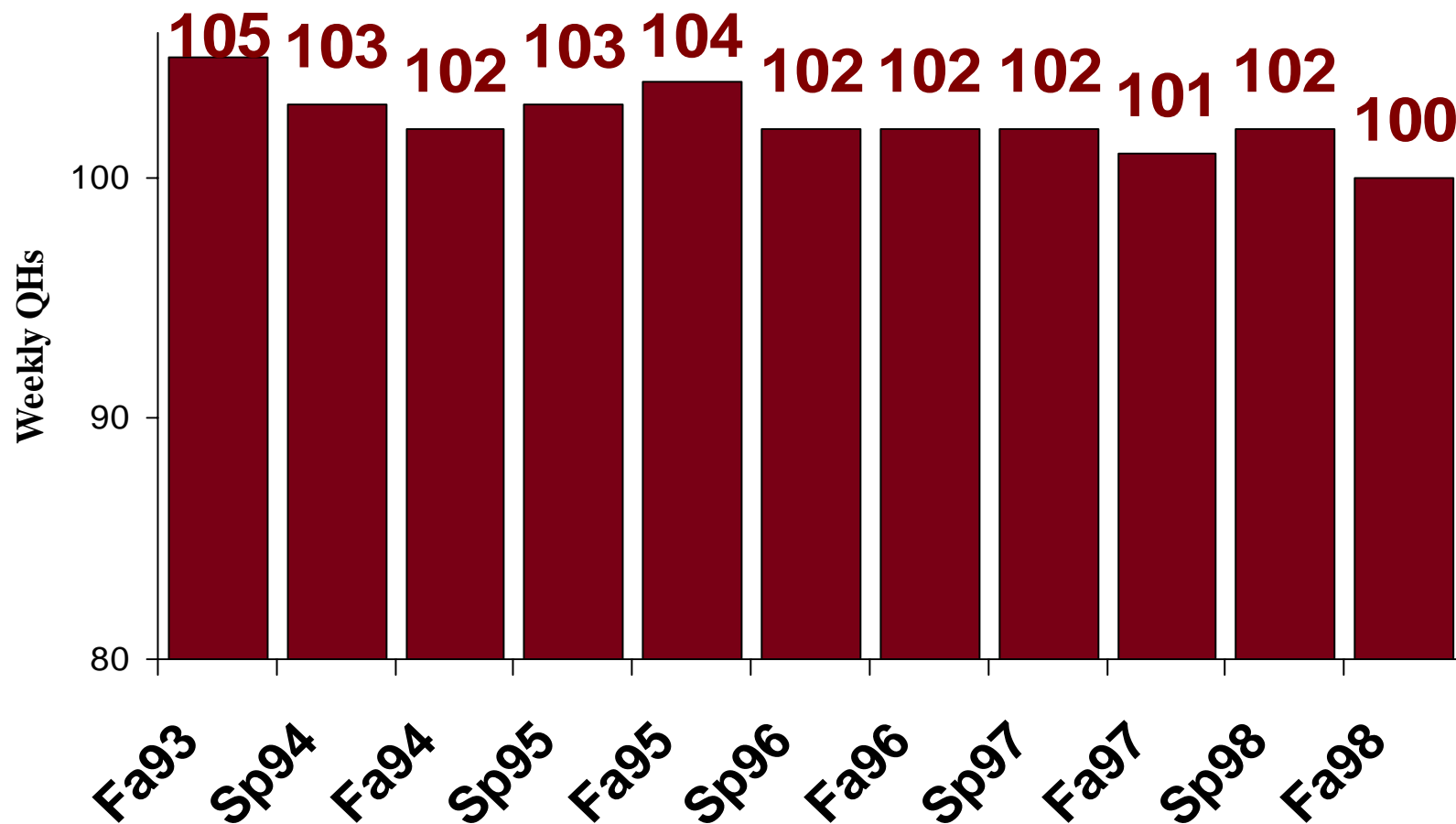
Source: Arbitron

TSL 65+ down 7%



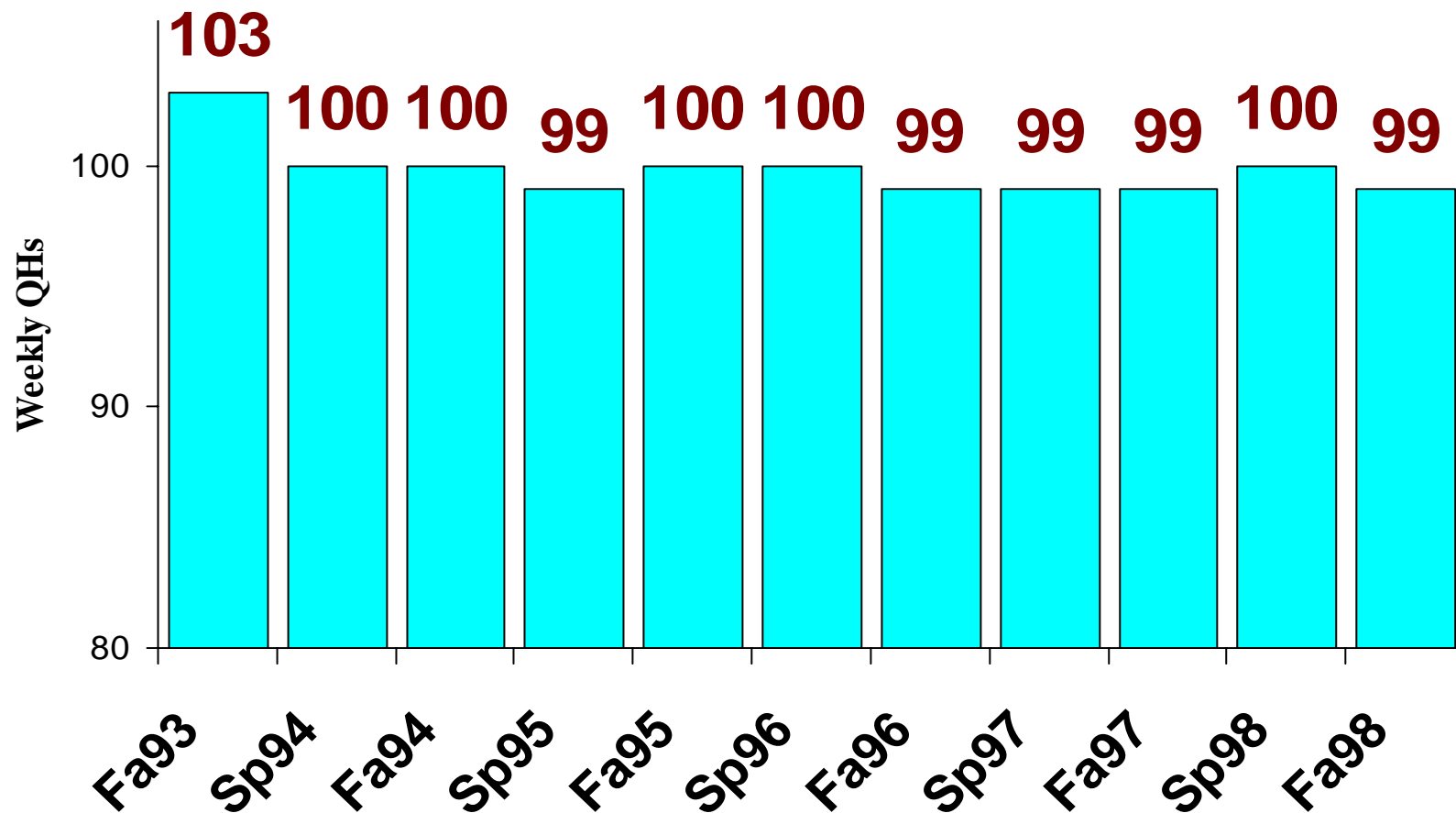
Source: Arbitron

TSL among African Americans down 5% since Fall 1993



Source: Arbitron

TSL among Hispanics down 4% since Fall 1993



Source: Arbitron

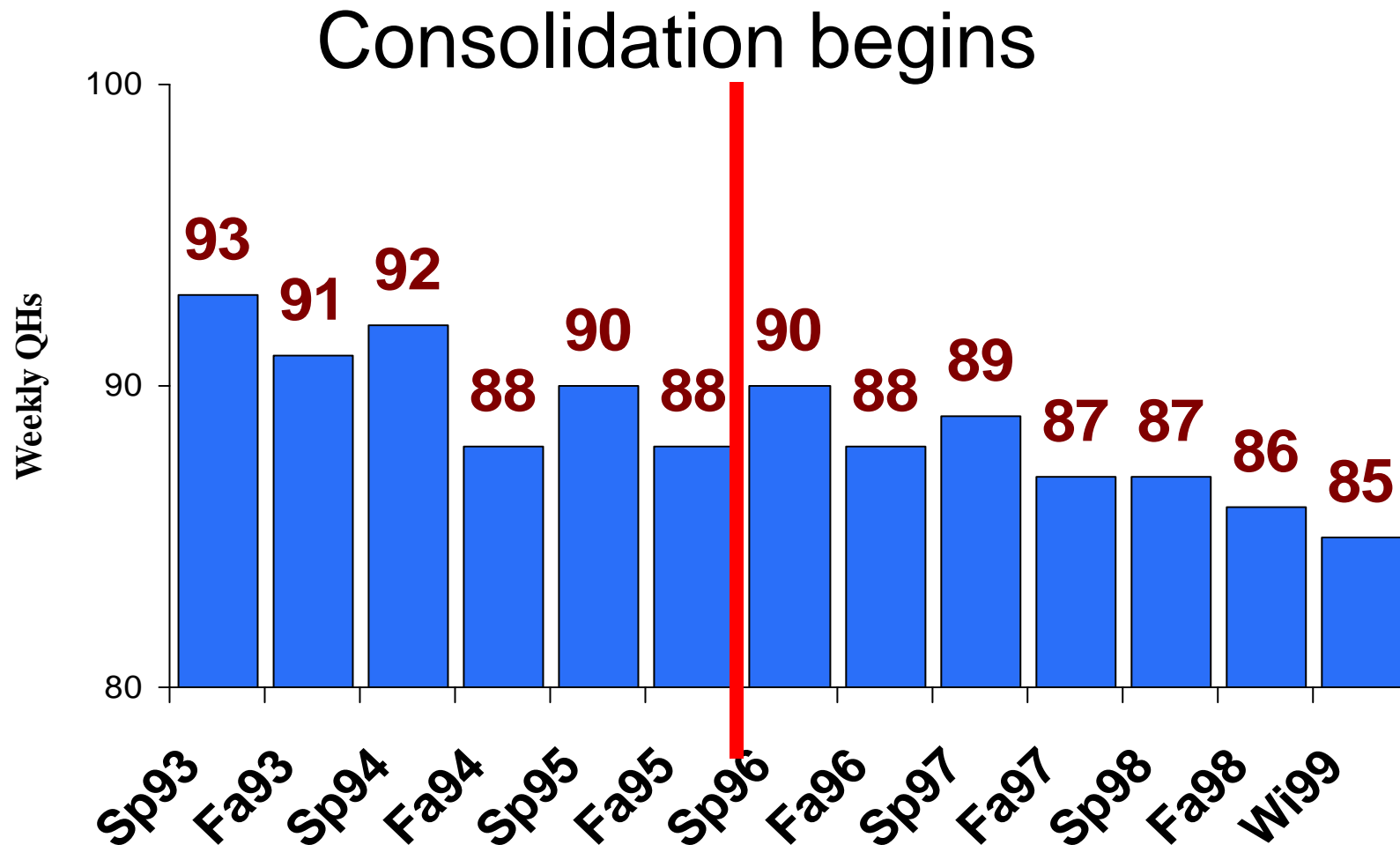
Forces behind this survey:

- ➔ Increased Spot Loads**
- ➔ Decreases in Radio Listening**

Are these items related?

Are we driving listeners away?

Decreases started before the “Spot Load Explosion”



Source: Arbitron

Questions We Are Trying to Answer:

- Are listeners aware of higher spot loads?
- What is the listening of those who are aware of increased spot loads?
- Do listeners really hate commercials and tune out whenever they hear them?
- How much is too much?
- What's more important -- the quality or quantity of commercials?

Questions We Are Trying to Answer:

- Are there new ways to structure clocks to maximize TSL?
- Are there new marketing strategies related to commercials that can be tried?

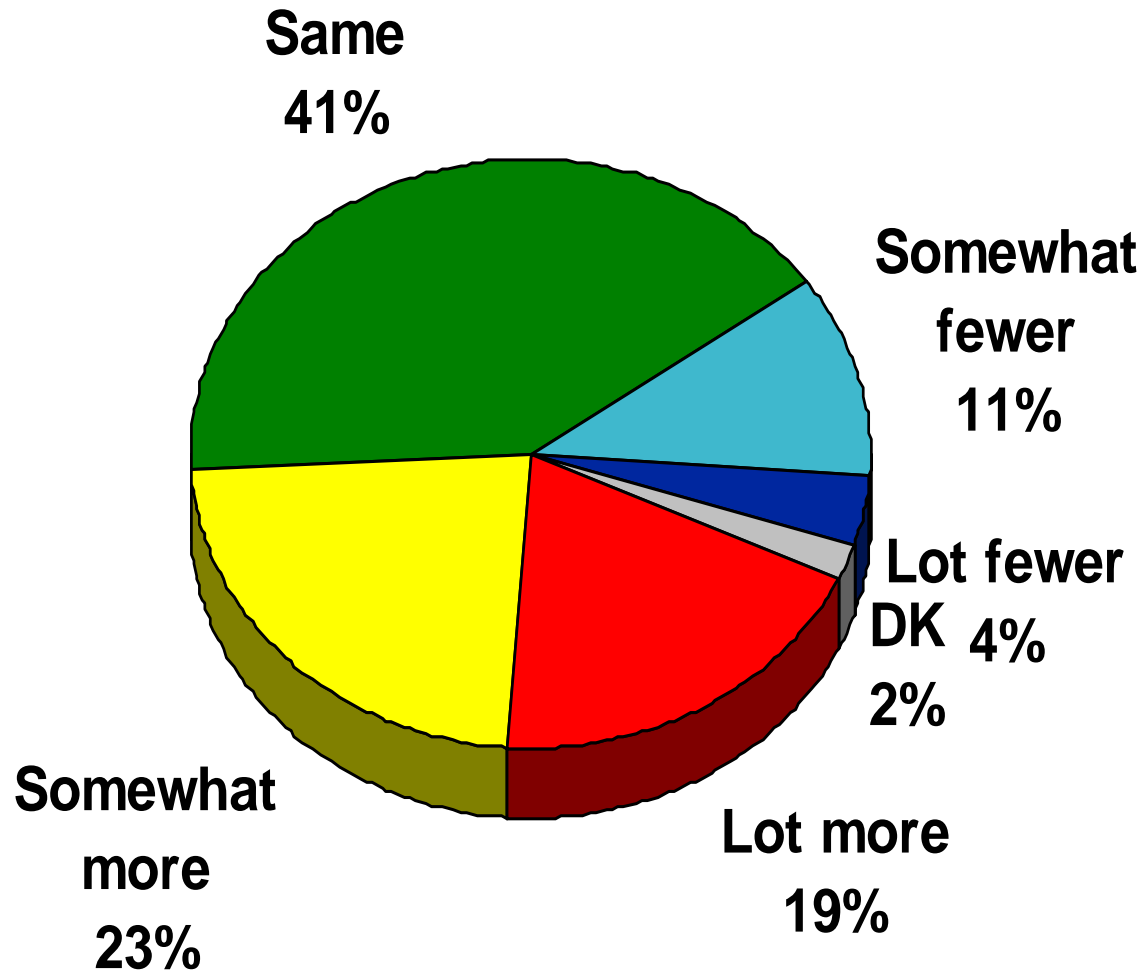
How the Survey Was Conducted:

- 1071 telephone interviews (May/June 1999) with Winter 1999 diarykeepers from the 94 continuous measurement Arbitron markets
- Random sample of diarykeepers 12+
- Listening measurements from Diary
- Online Survey of Program Directors

The Spot Load Study

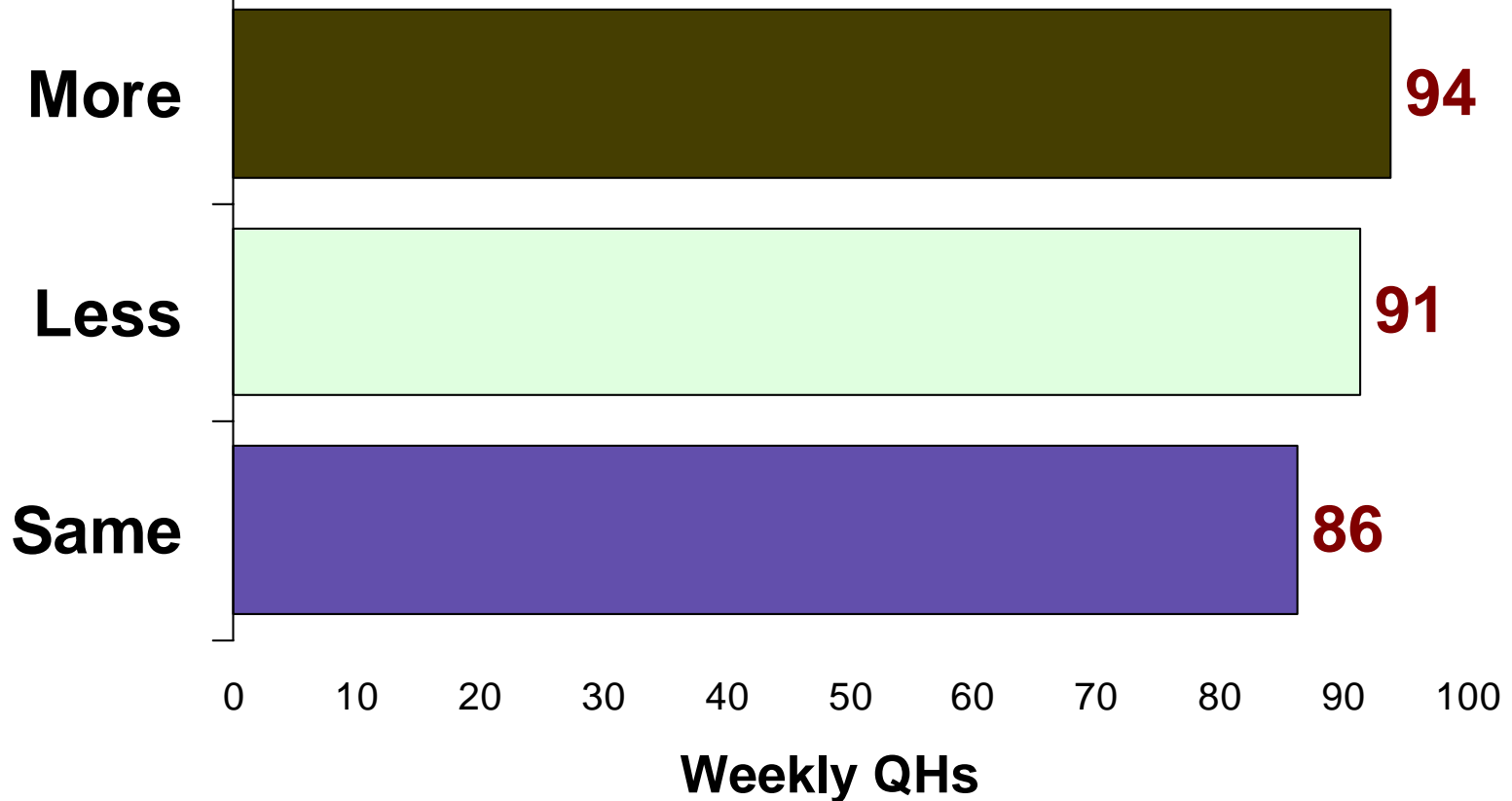
**Are Listeners
Aware of Higher
Spot Loads?**

Compared to a year ago, are there more or fewer commercials on stations you listen to?



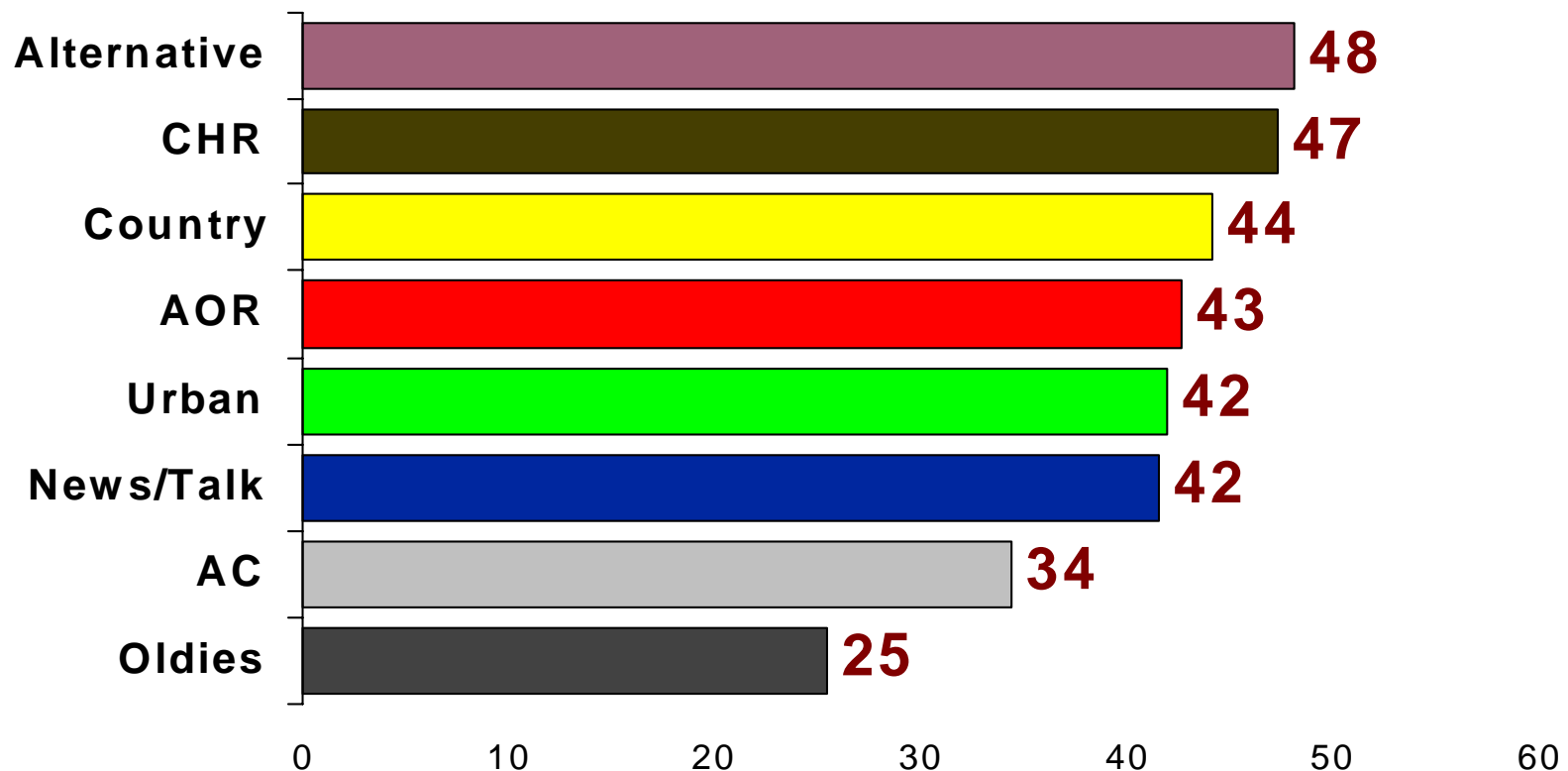
TSL does not seem to vary by perception of Spot Loads

People hearing commercials ...



Compared to a year ago, are there more or fewer commercials on stations you listen to?

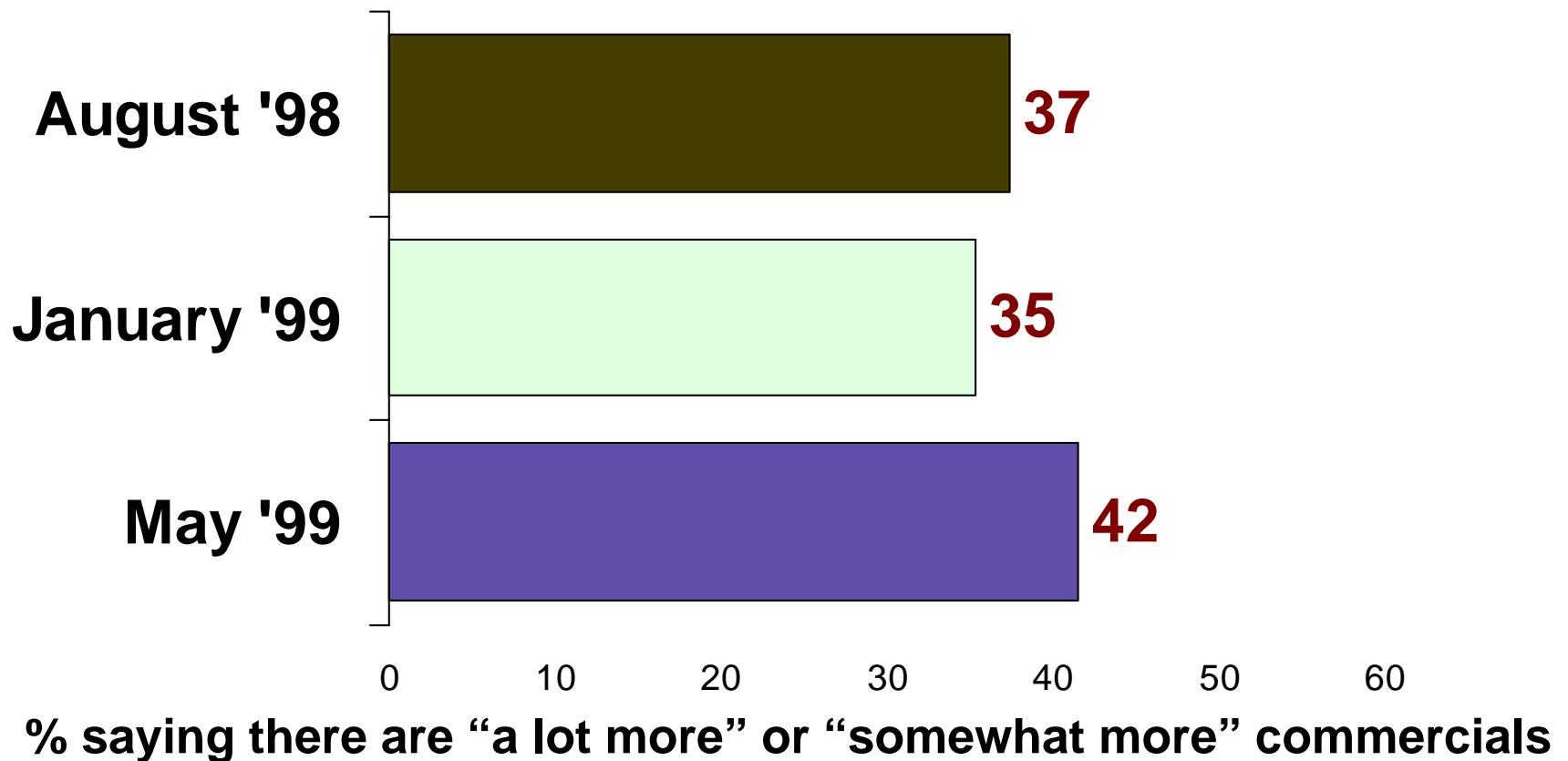
By Format



% saying there are "a lot more" or "somewhat more" commercials

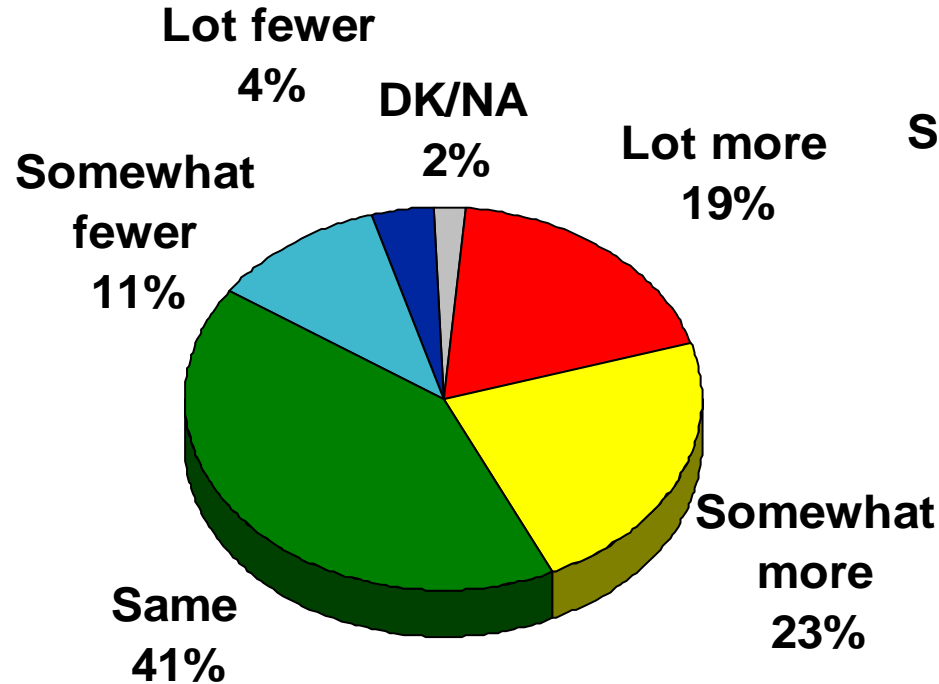
Compared to a year ago, are there more or fewer commercials on stations you listen to?

Yearly Trend

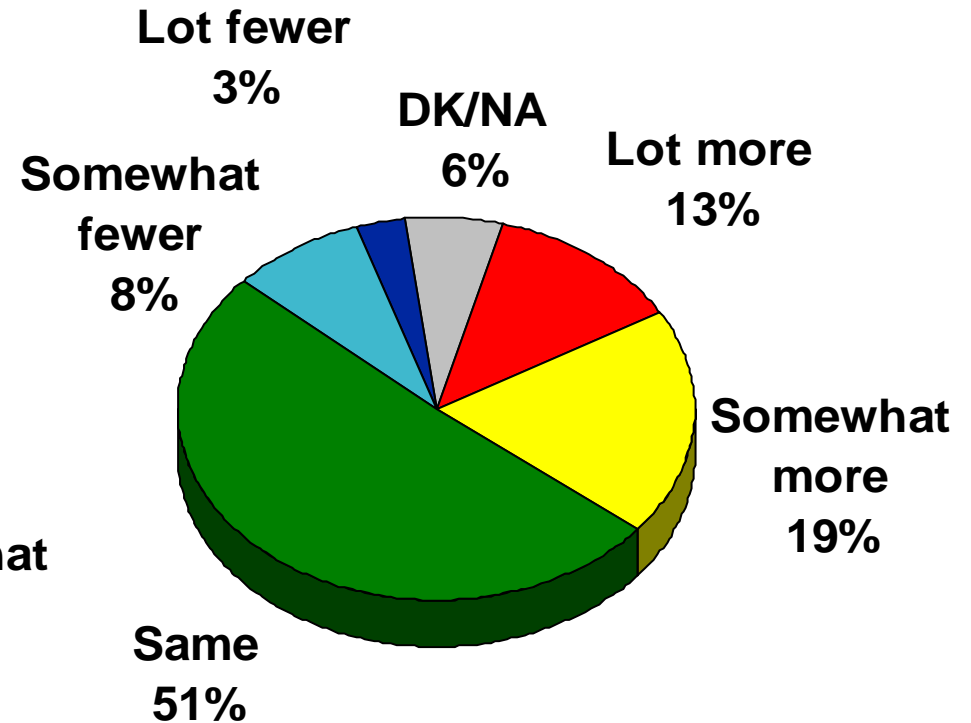


Compared to a year ago, are there more or fewer commercials ...

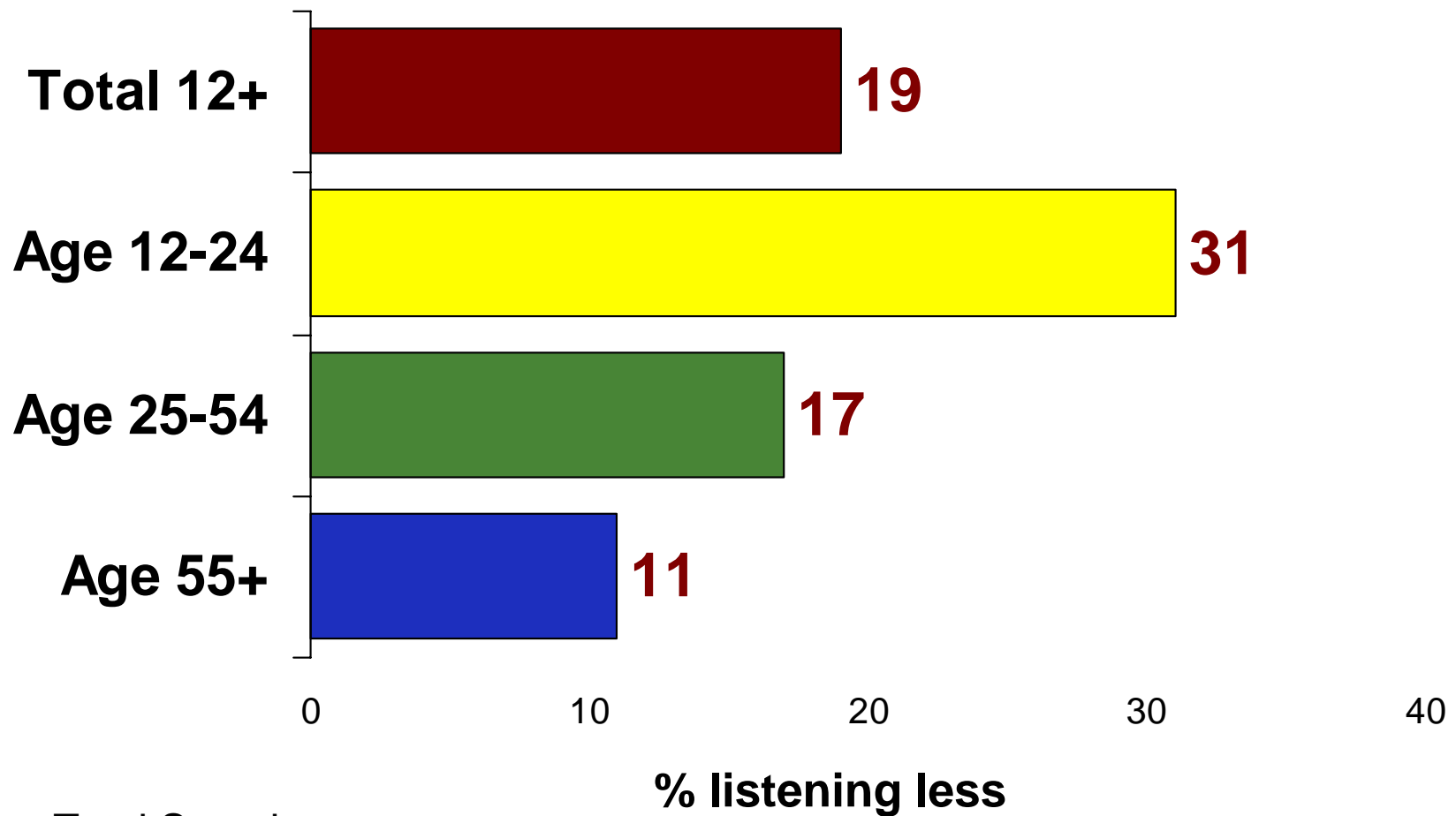
“On the Radio”



“On your P1 Station”



Are you listening to the radio less as a result of hearing more commercials on the radio?



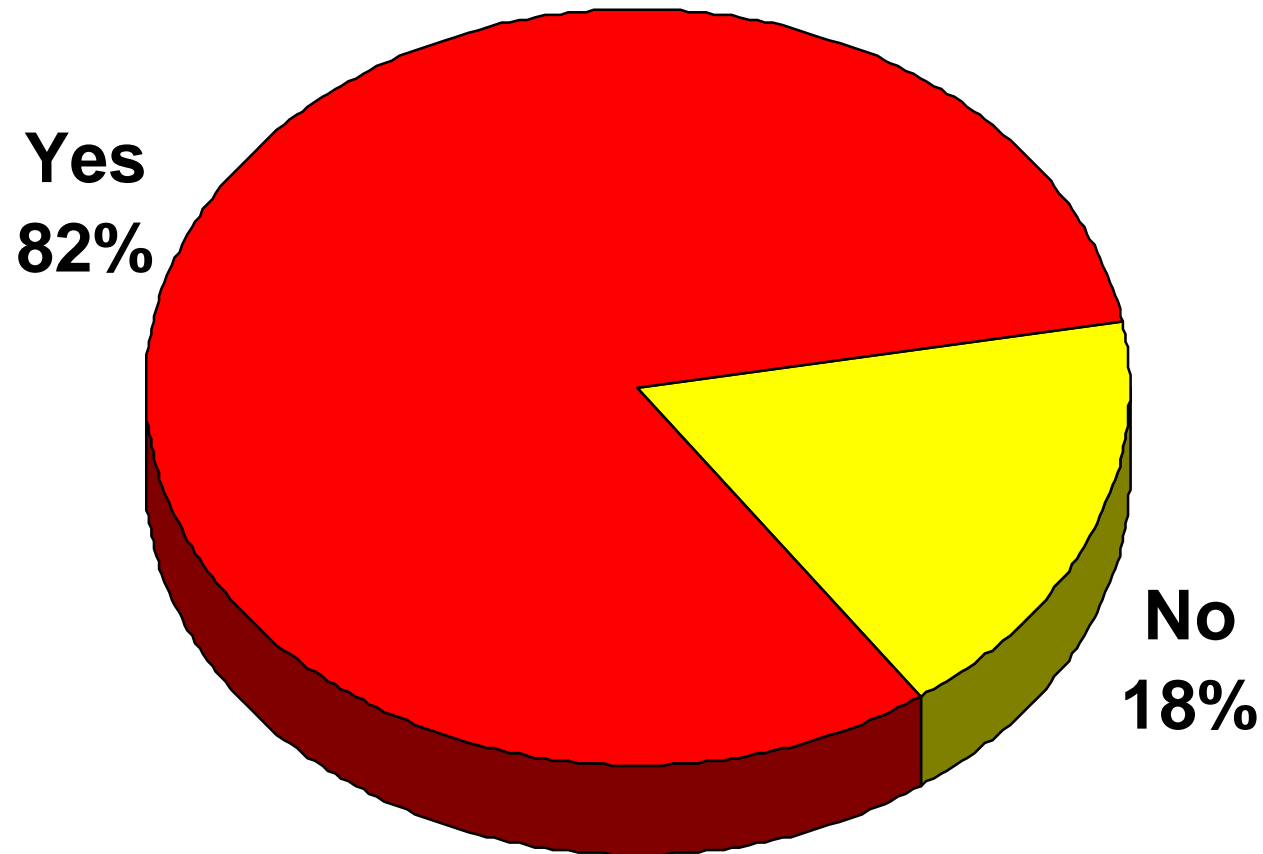
Base: Total Sample

The Spot Load Study

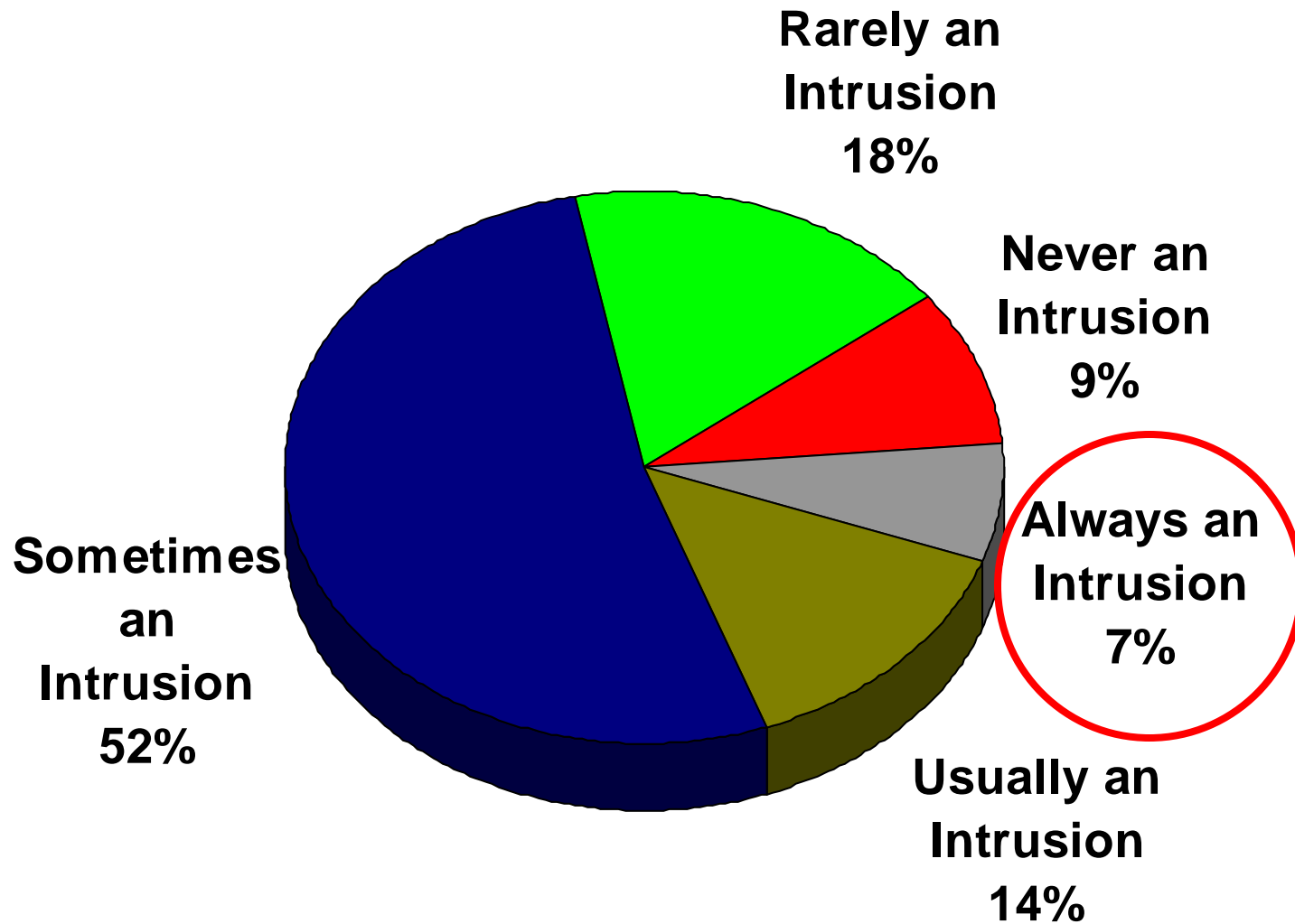
Are Commercials

EVIL???

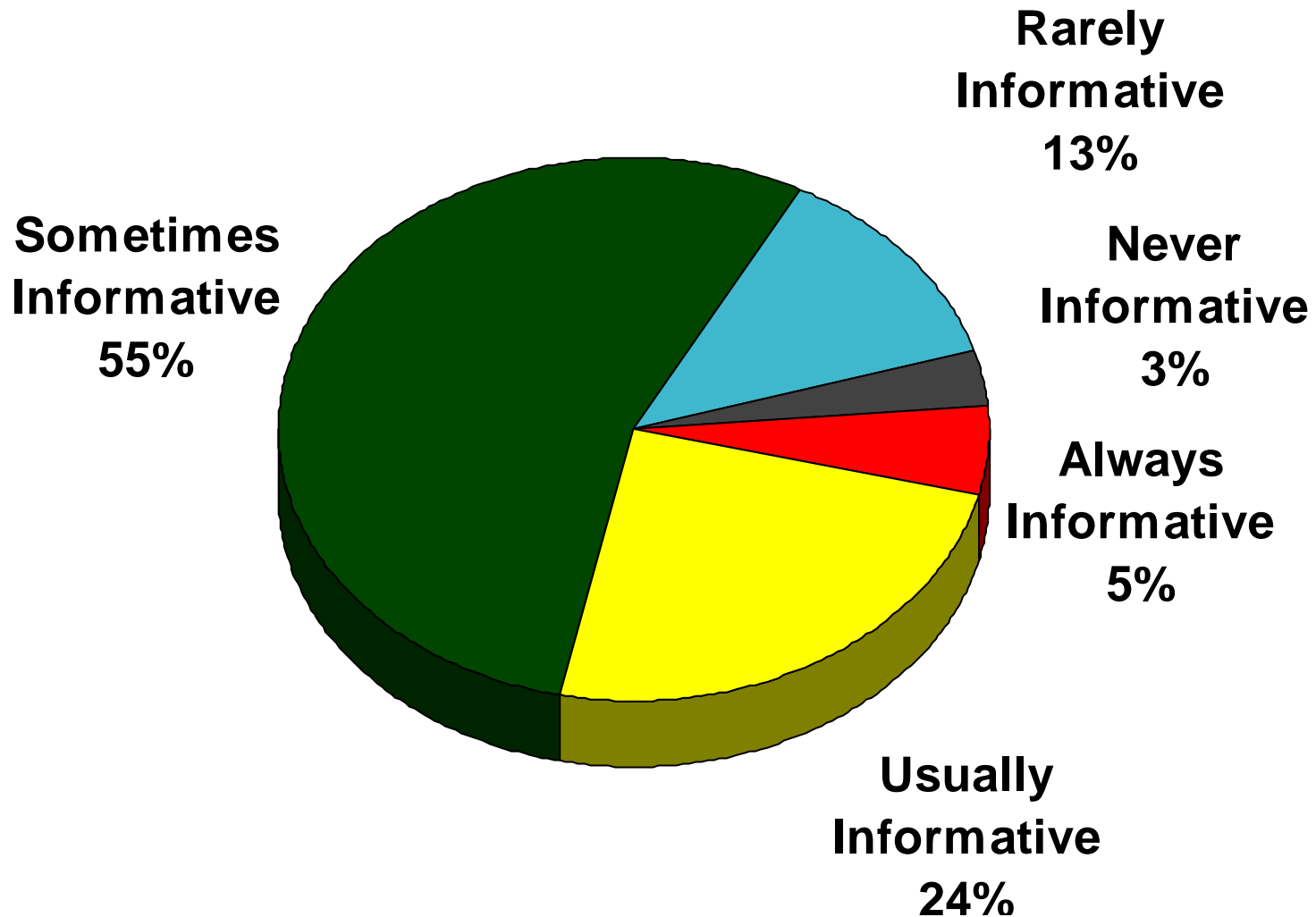
Is listening to commercials a fair price to pay for free programming on the radio?



How intrusive do you find the commercials you hear on the radio?



How informative do you find the commercials you hear on the radio?

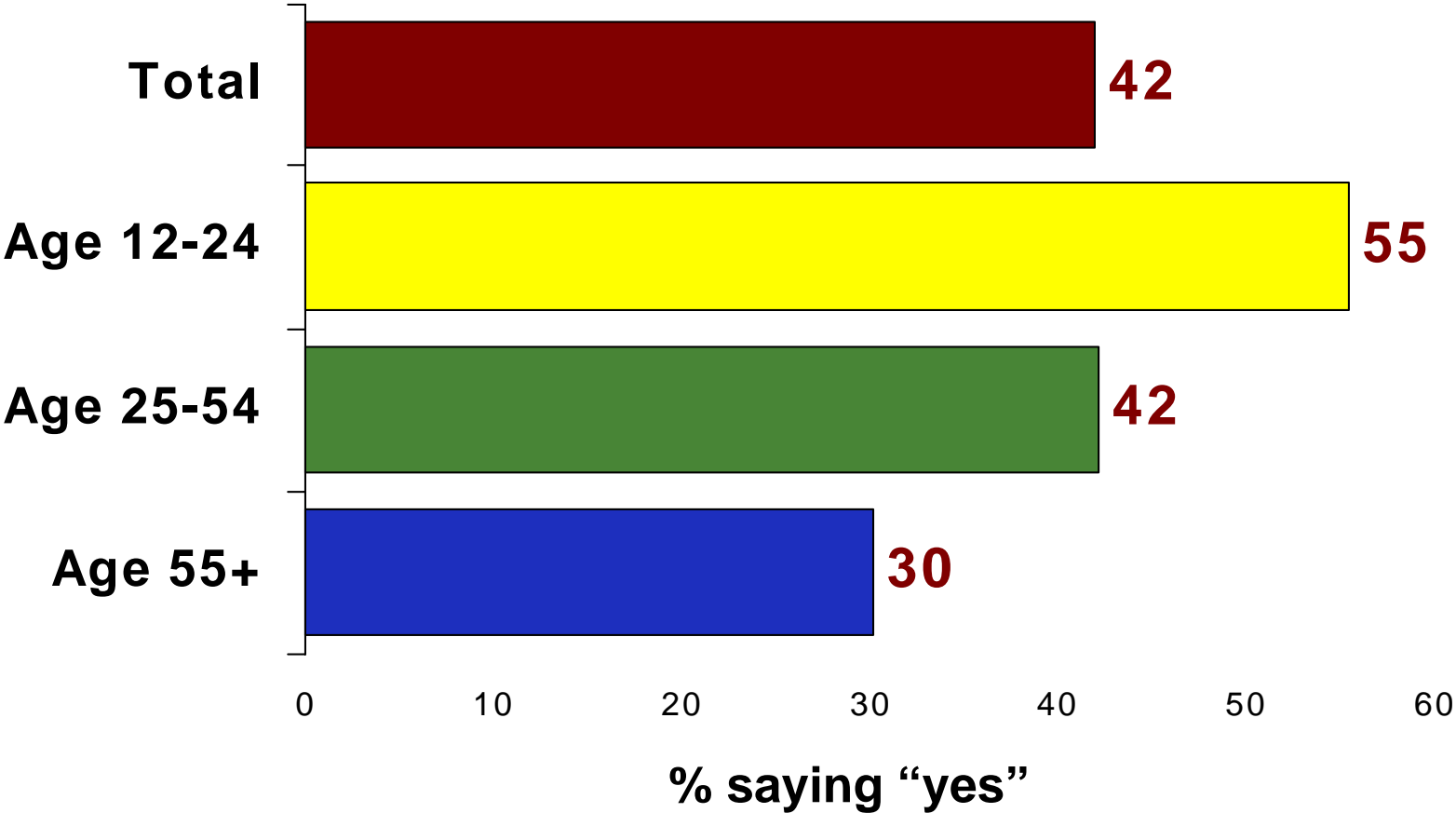


The Spot Load Study

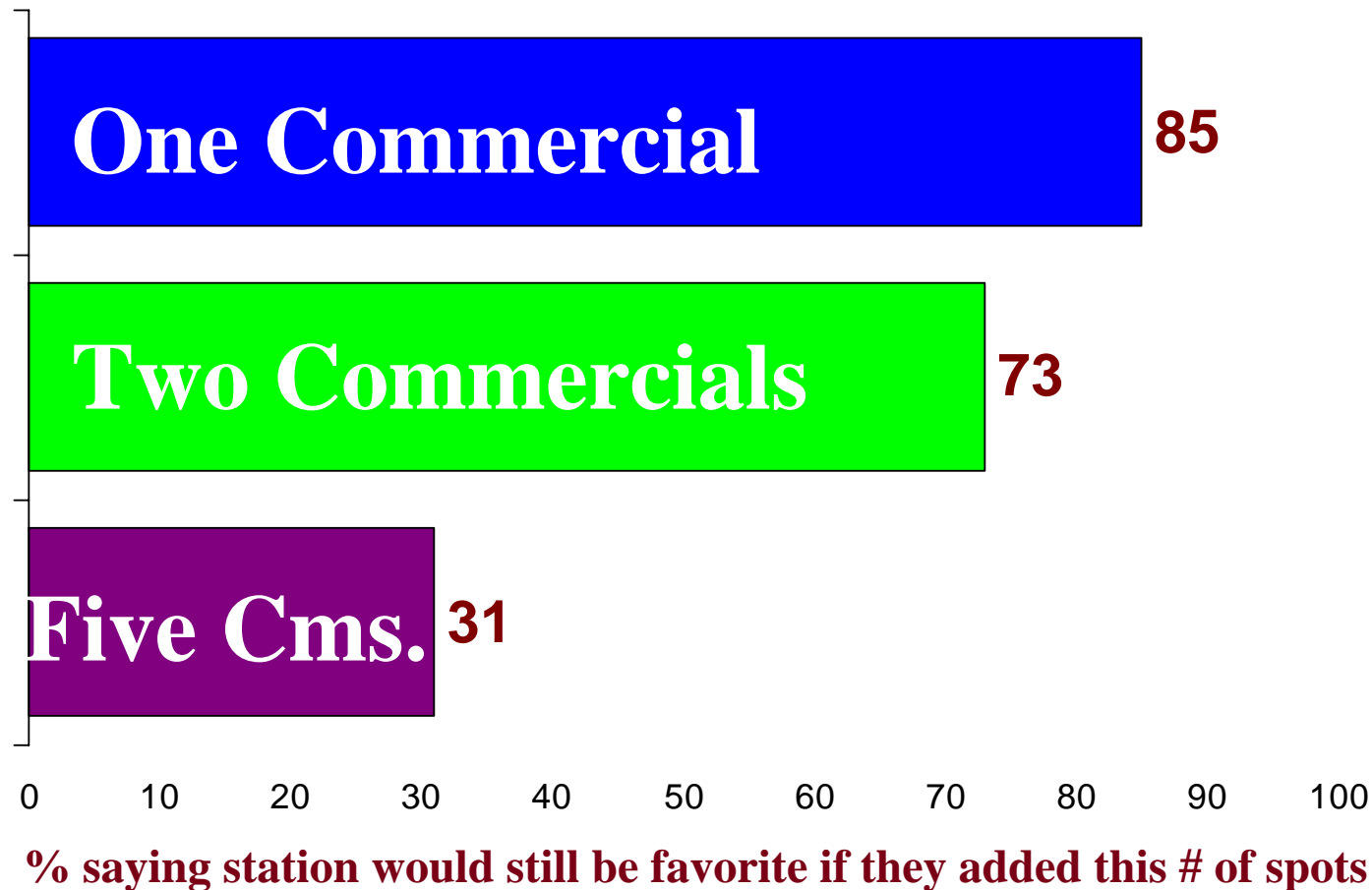
How Much is

Too Much?

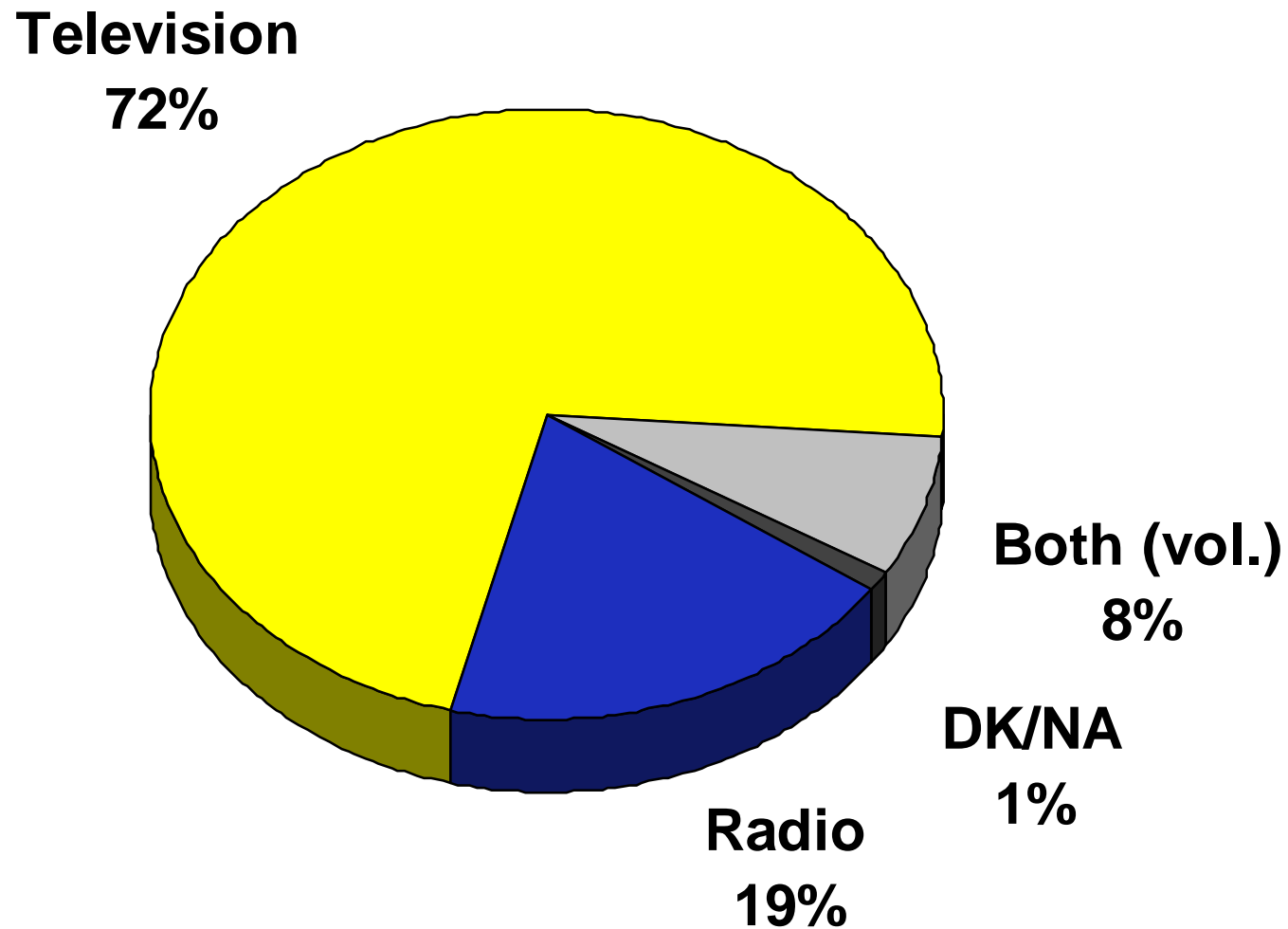
Do commercials on the radio ever become so intrusive that you turn the radio off?



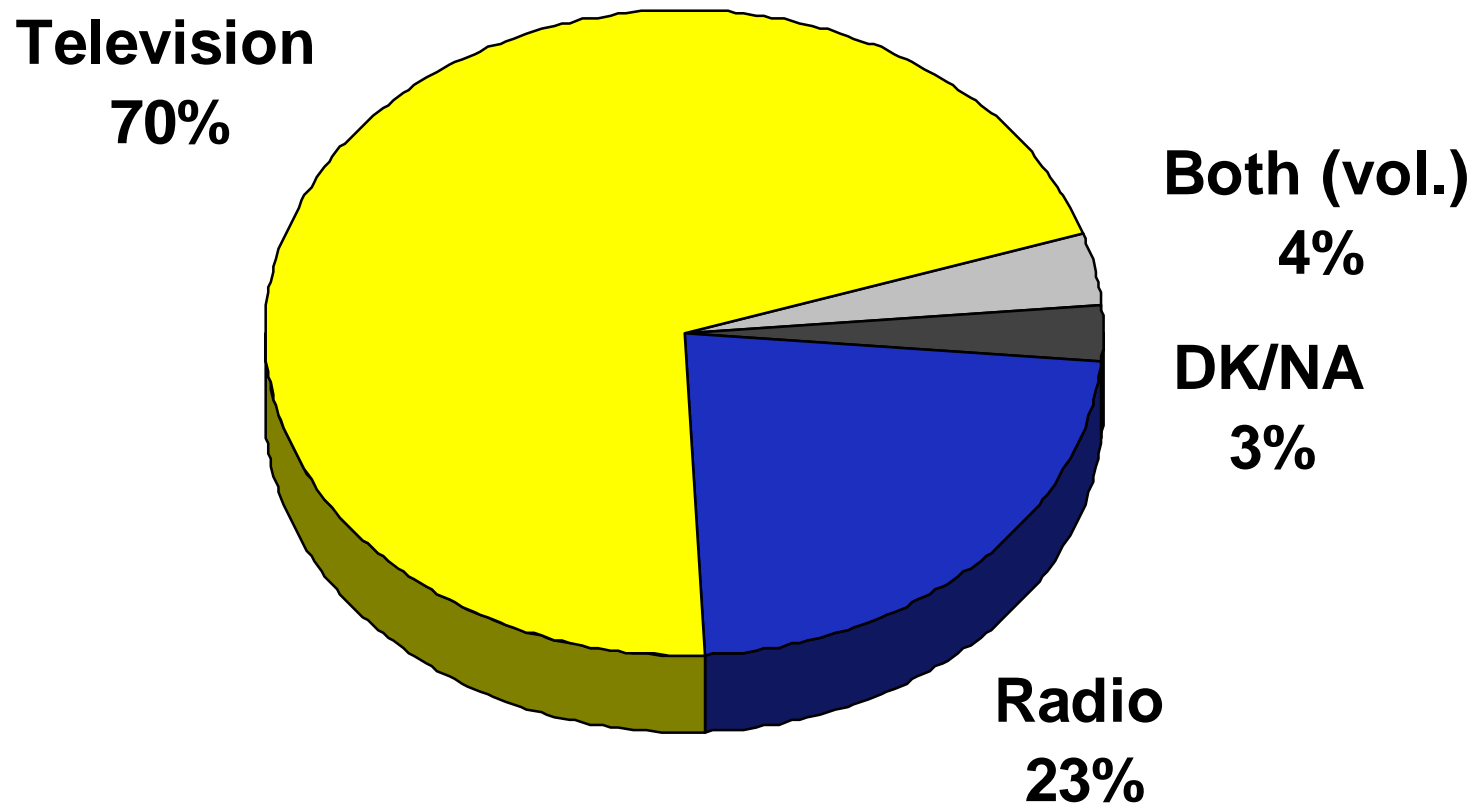
Would your P1 station still be your favorite if it added...



Between Television and Radio, which one has more advertisements?

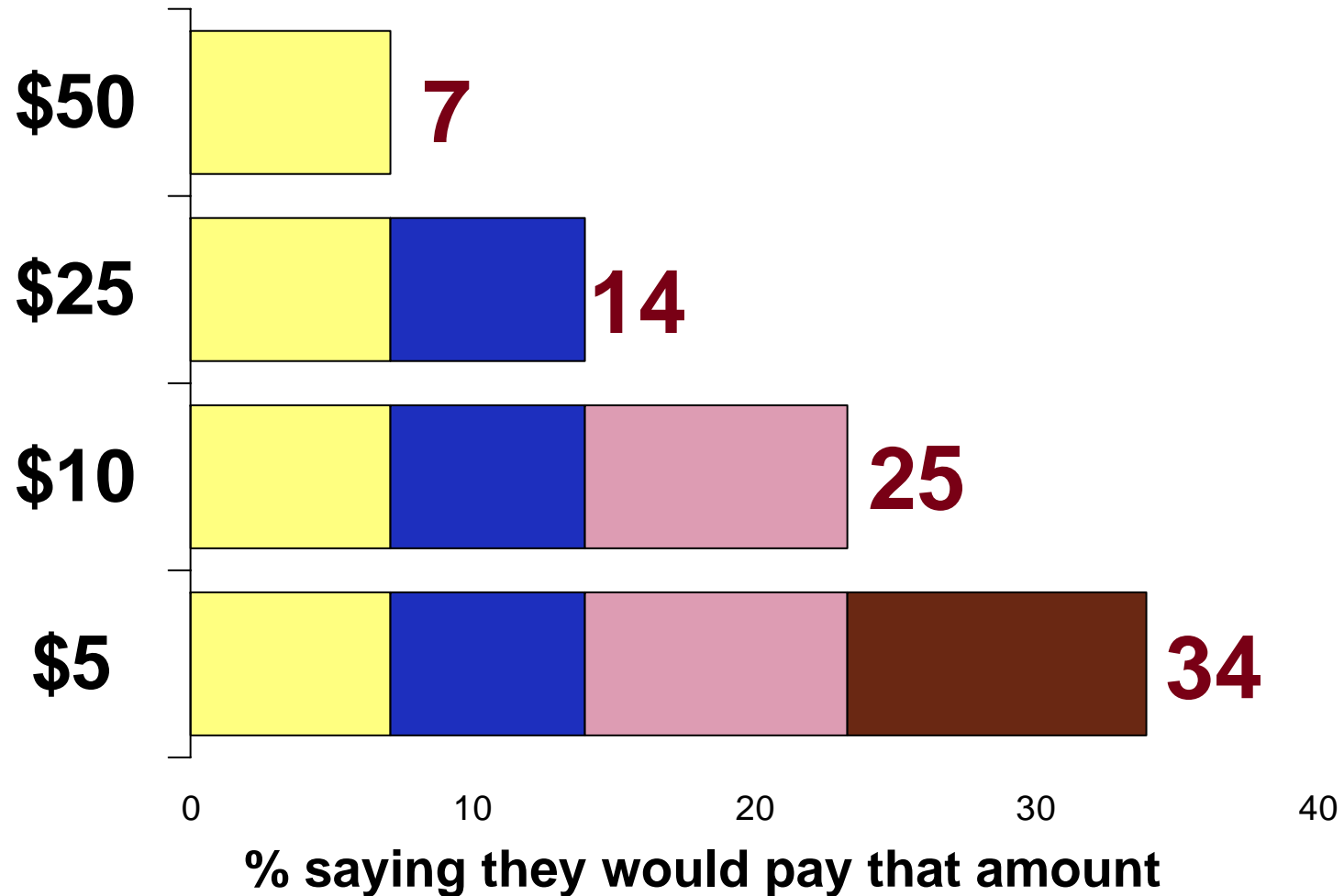


Between Television and Radio, which one has ads that are more of an intrusion



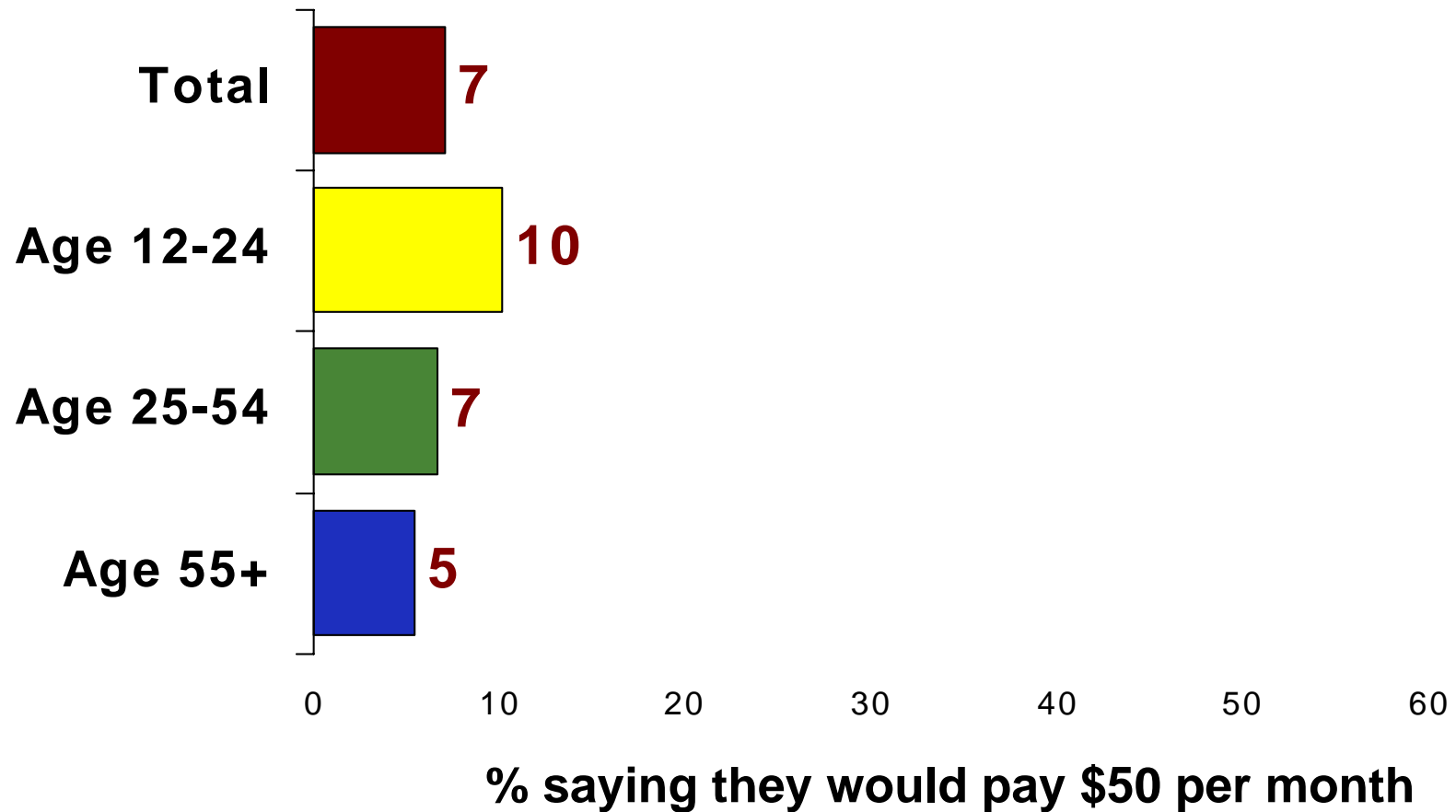
In exchange for all radio stations being commercial free, would you be willing to pay...

Amount per month



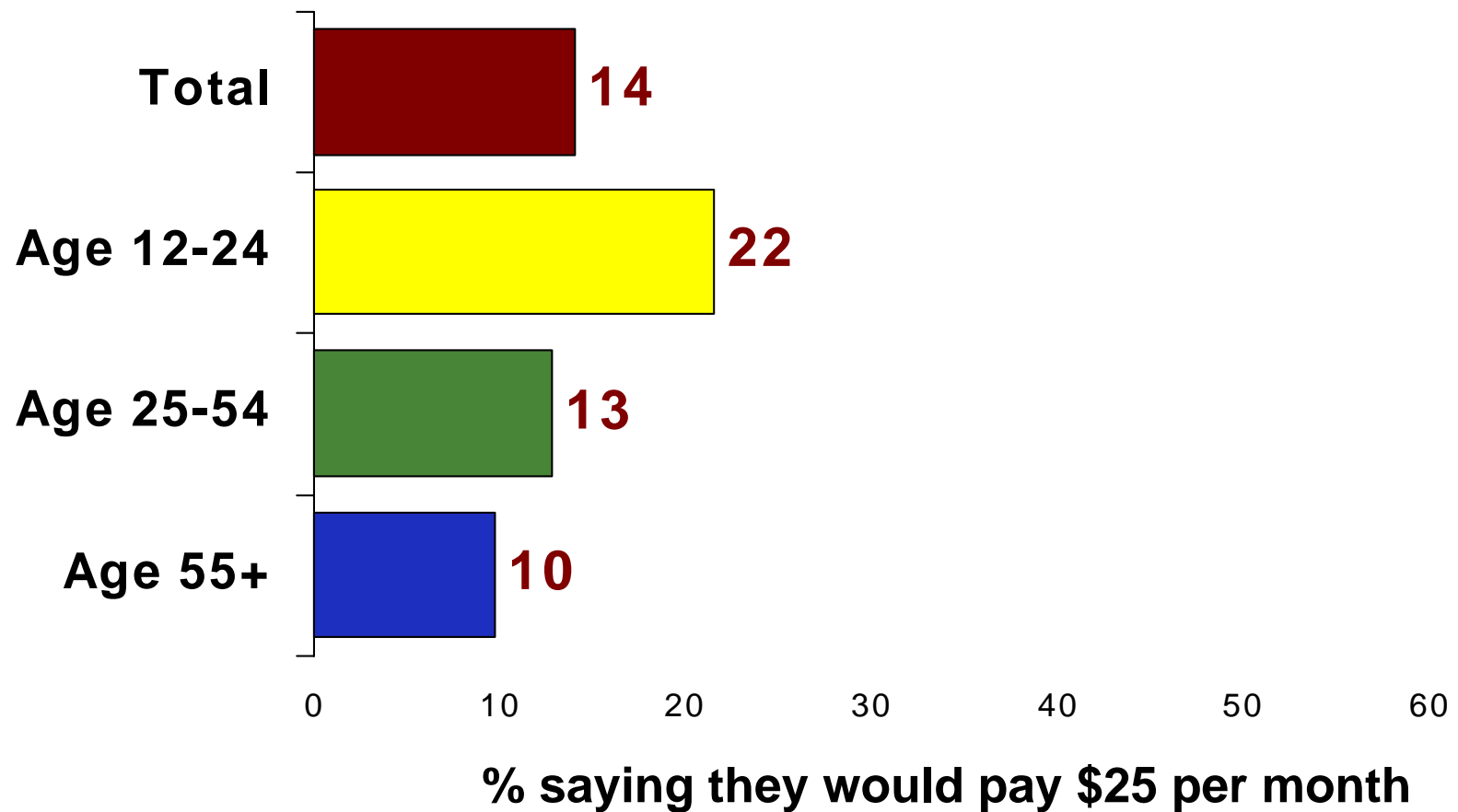
In exchange for all radio stations being commercial free, would you be willing to pay...

Willing to pay \$50?



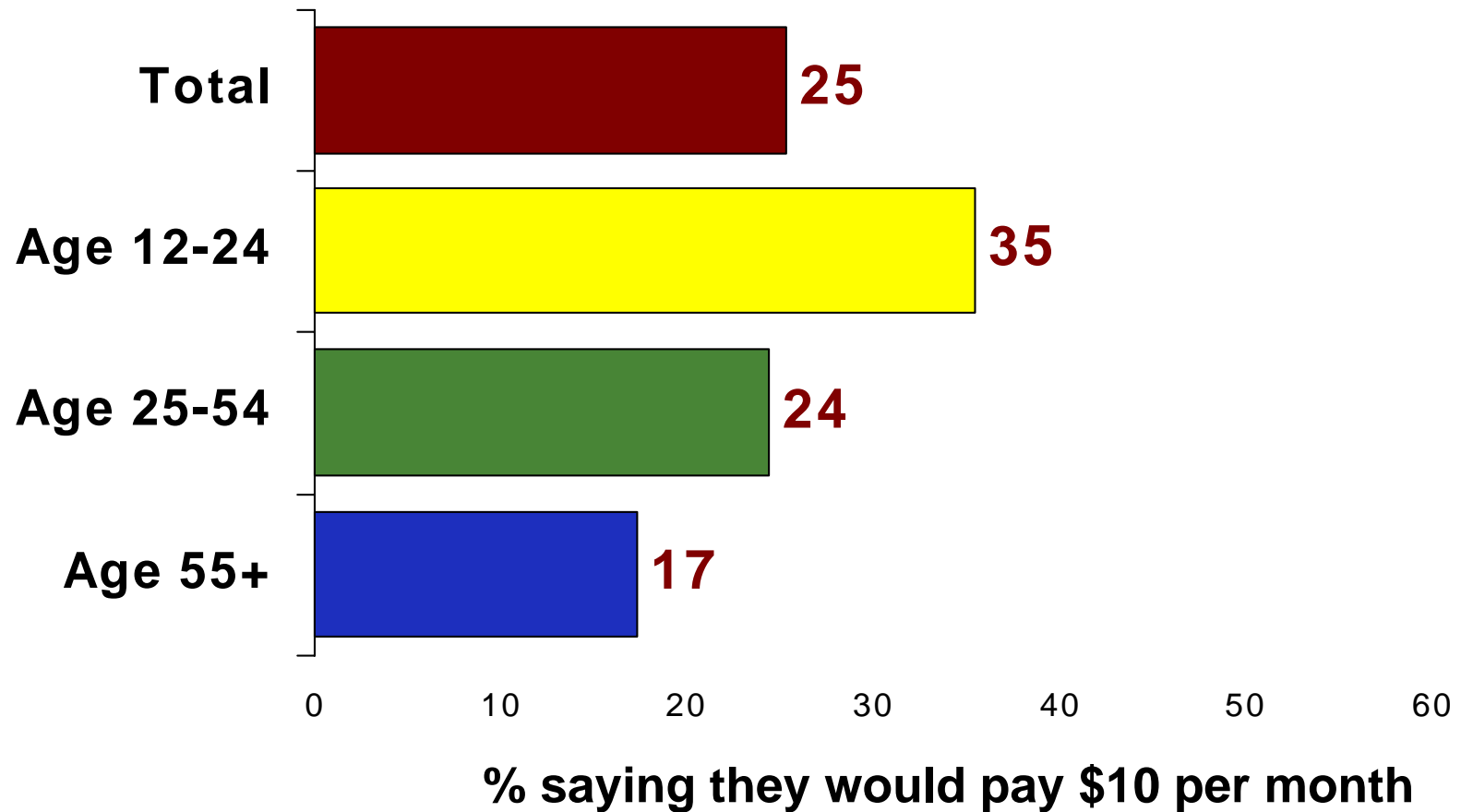
In exchange for all radio stations being commercial free, would you be willing to pay...

Willing to pay \$25?



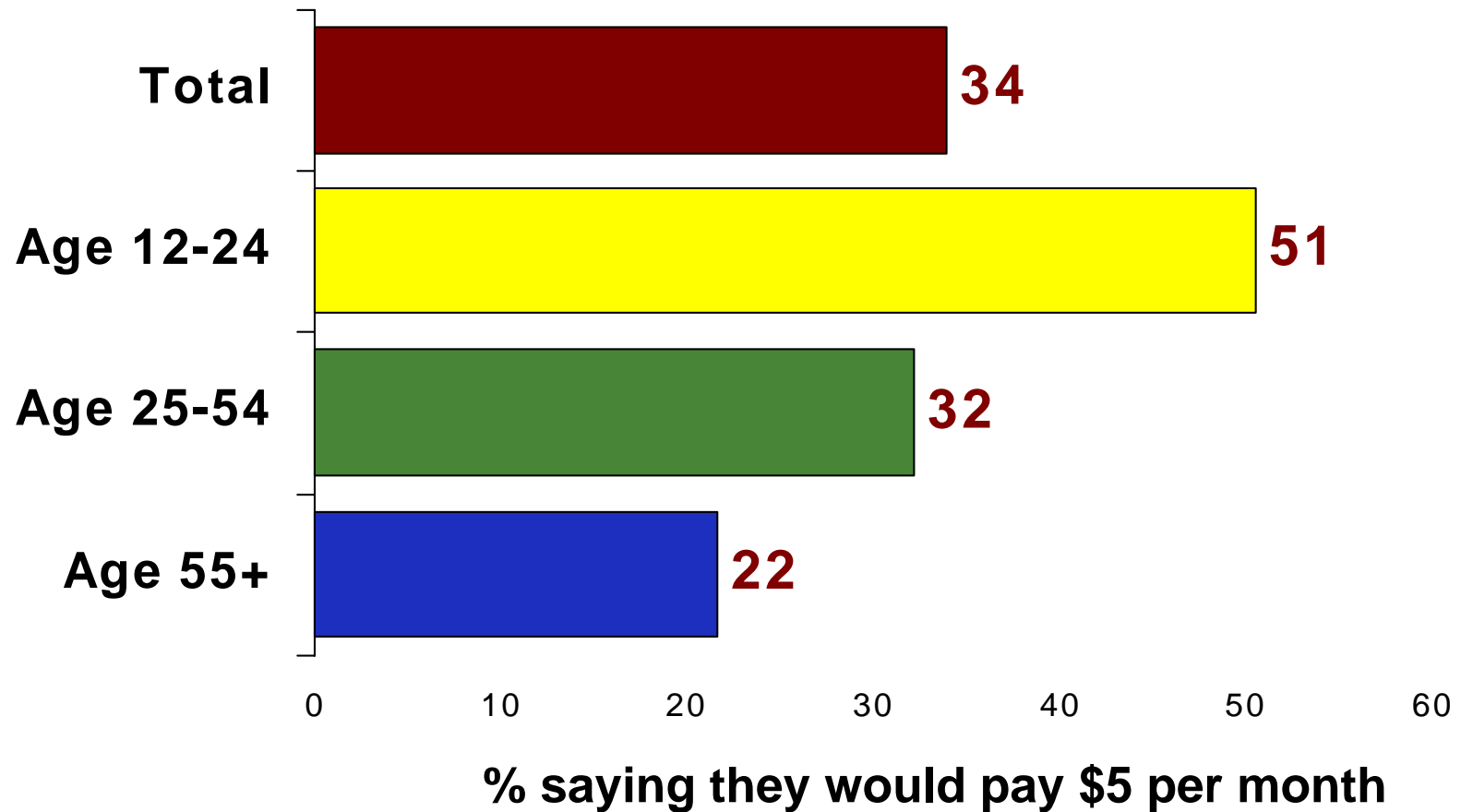
In exchange for all radio stations being commercial free, would you be willing to pay...

Willing to pay \$10?



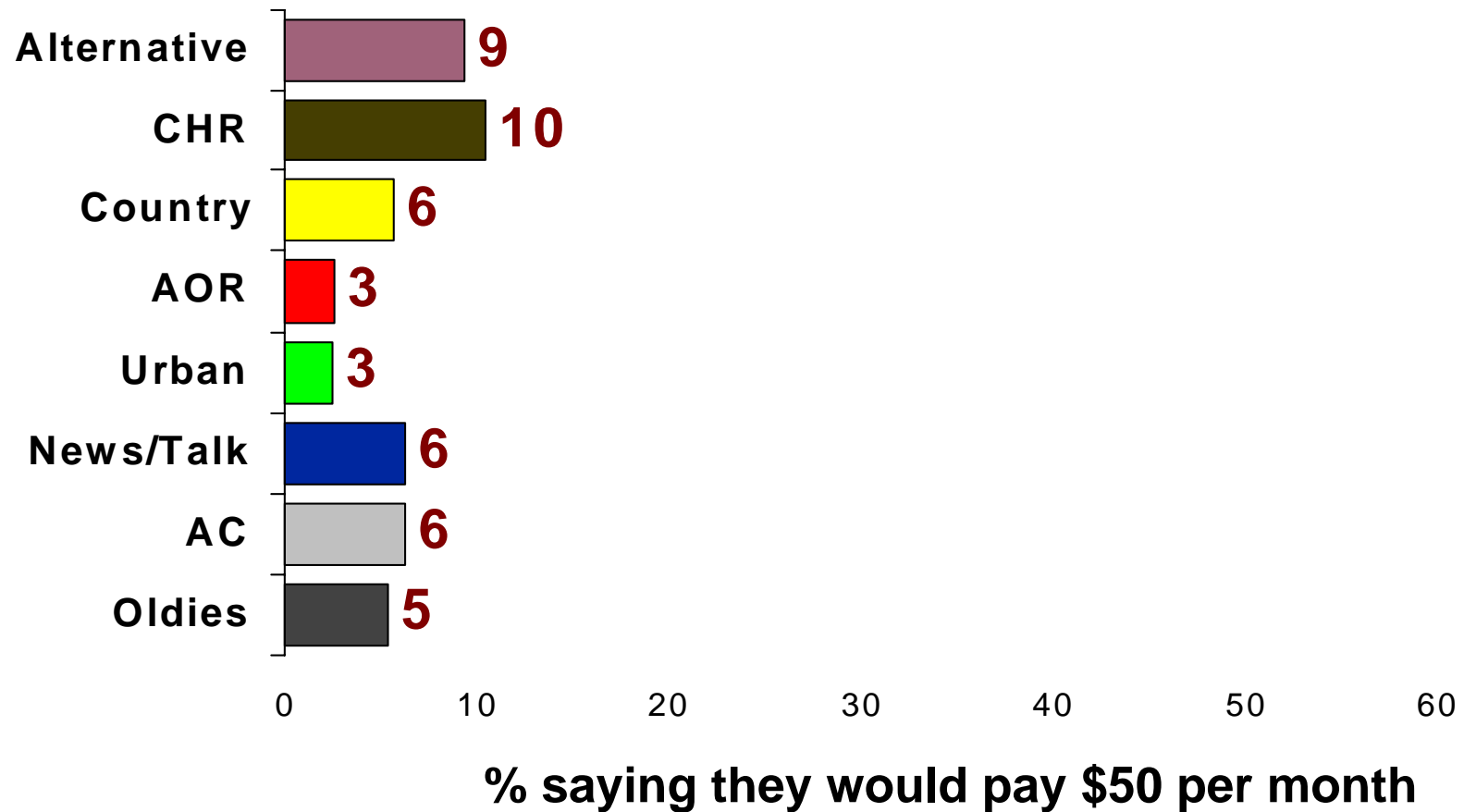
In exchange for all radio stations being commercial free, would you be willing to pay...

Willing to pay \$5?



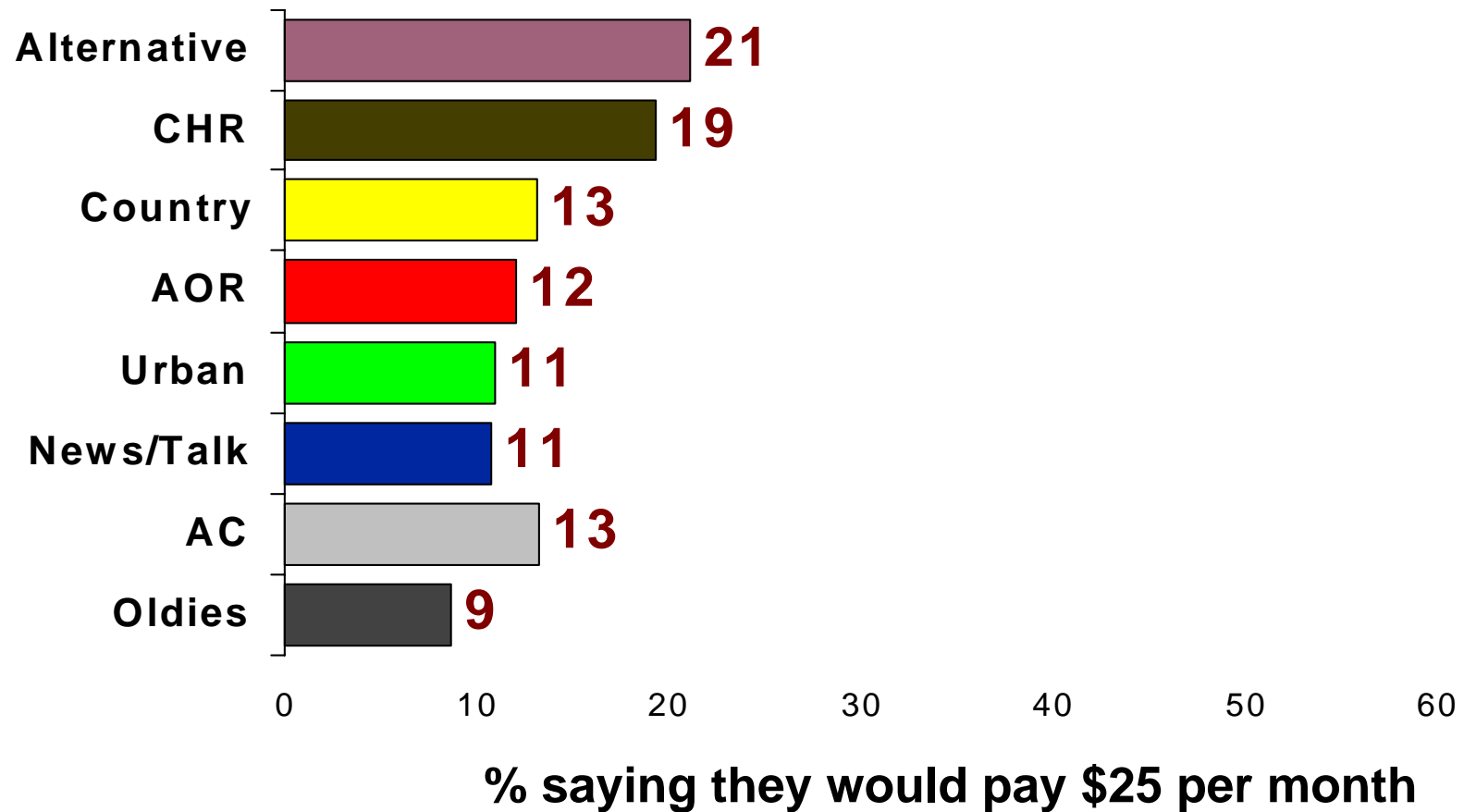
In exchange for all radio stations being commercial free, would you be willing to pay...

By Format - Willing to pay \$50?



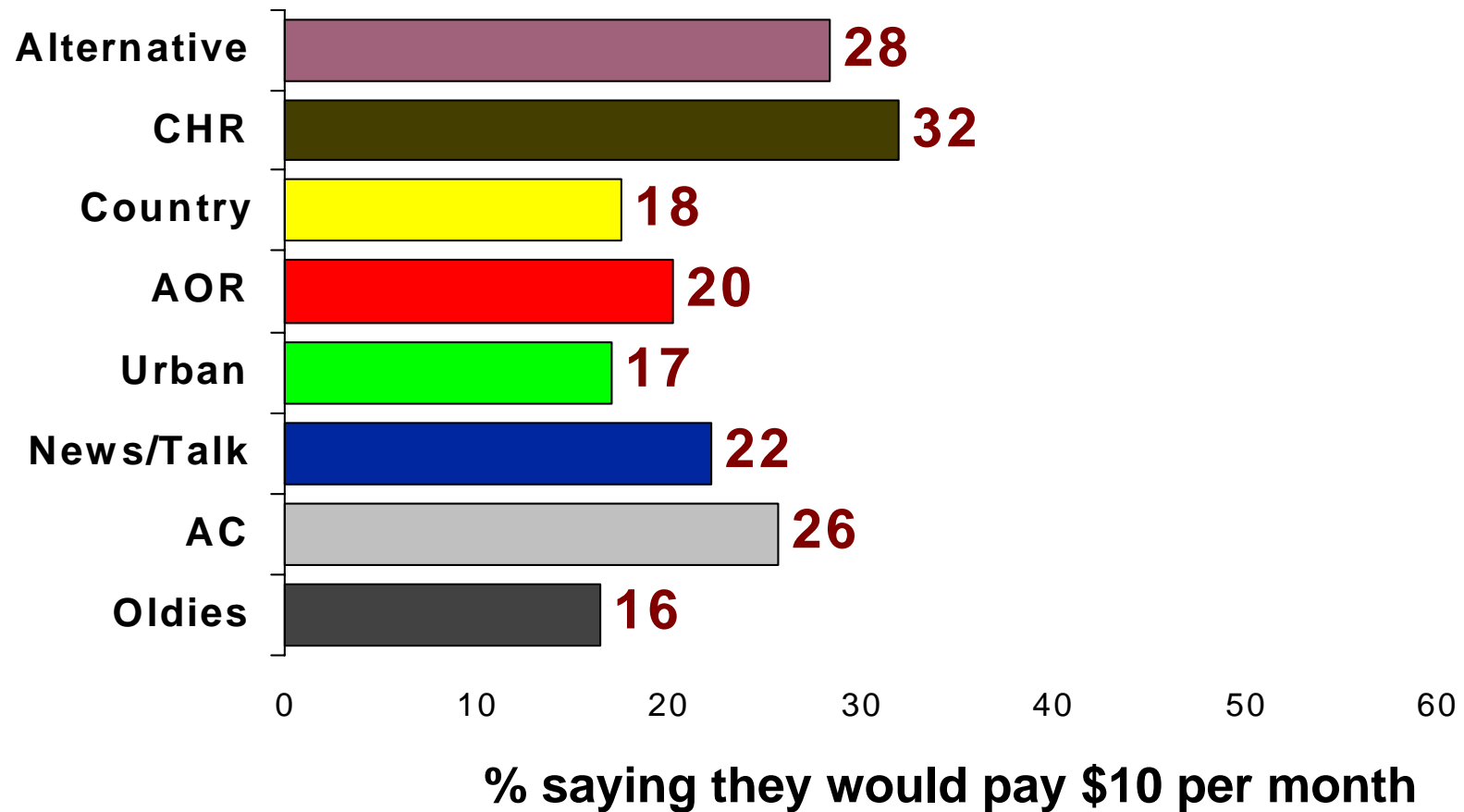
In exchange for all radio stations being commercial free, would you be willing to pay...

By Format - Willing to pay \$25?



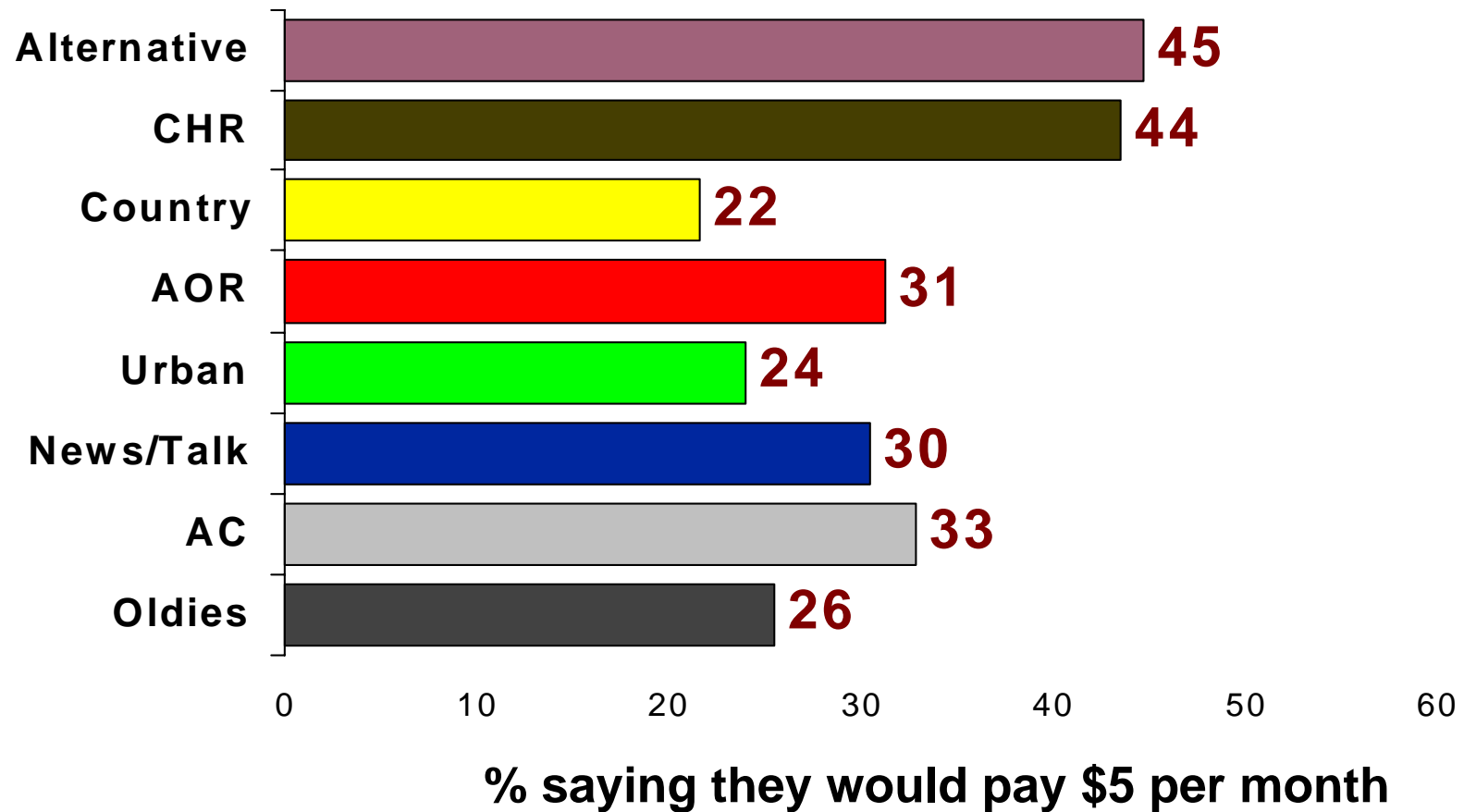
In exchange for all radio stations being commercial free, would you be willing to pay...

By Format - Willing to pay \$10?



In exchange for all radio stations being commercial free, would you be willing to pay...

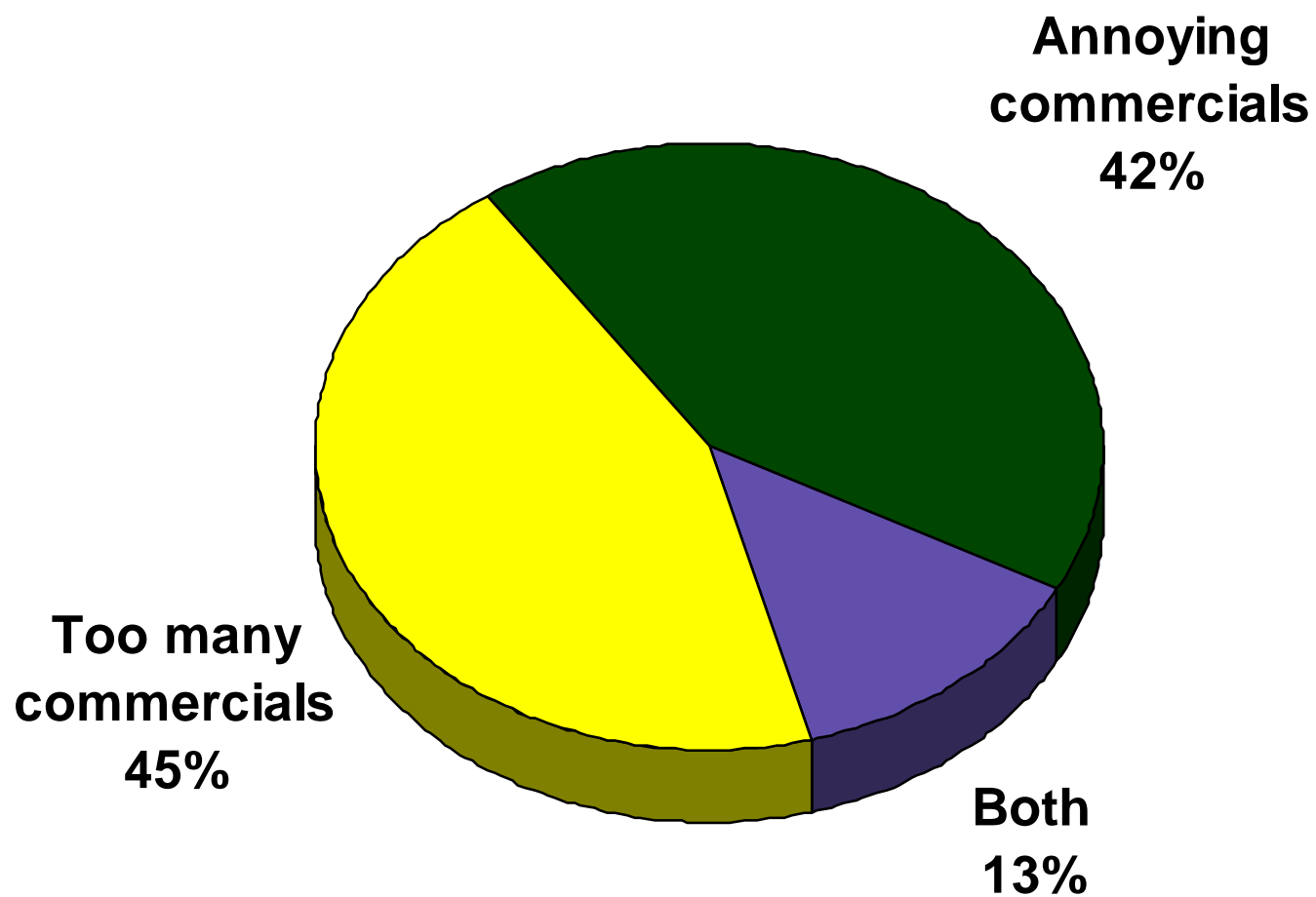
By Format - Willing to pay \$5?



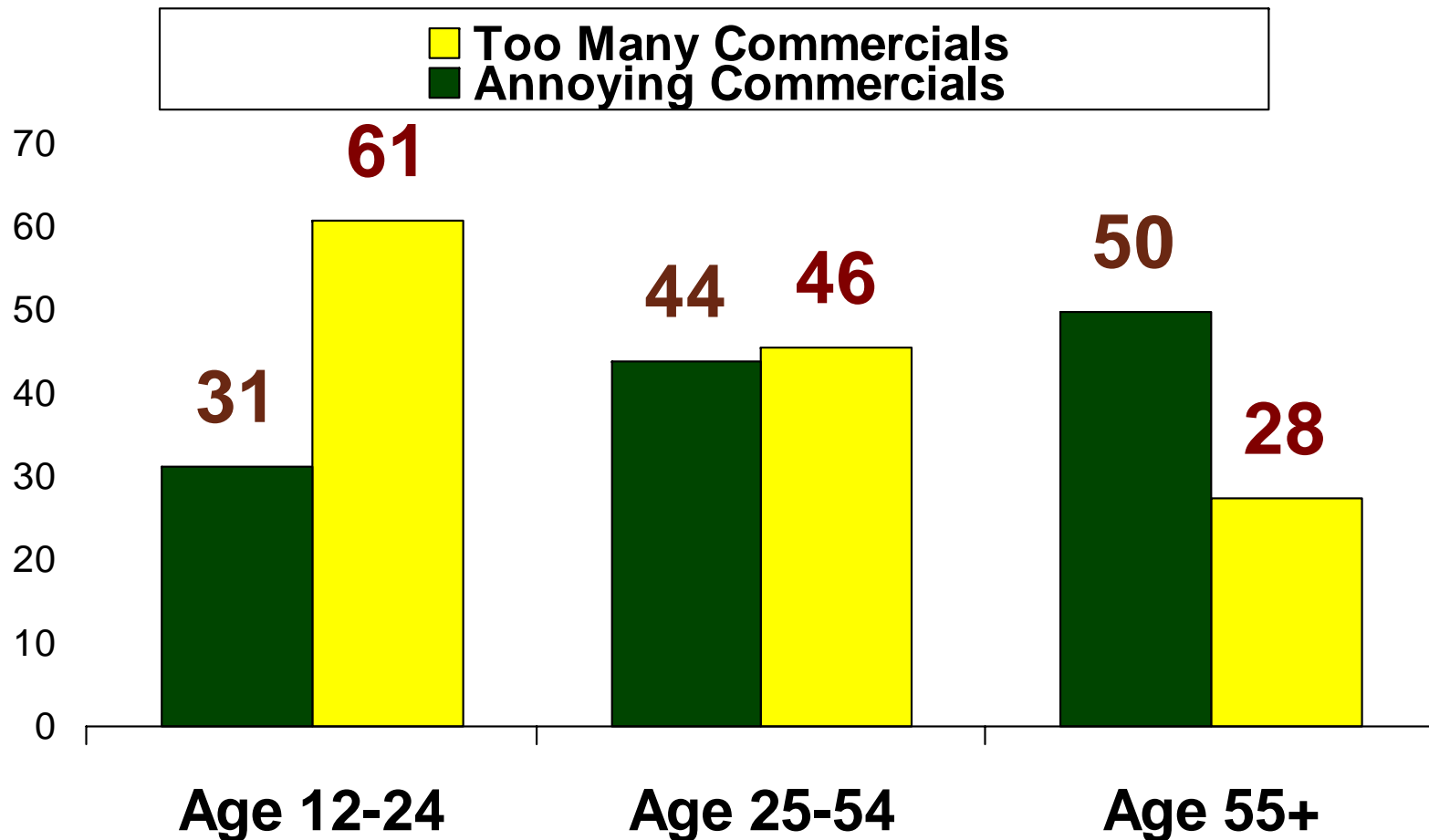
The Spot Load Study

**Is it Quantity
or Quality that
matters most?**

Which bothers you more on the radio: too many or annoying commercials?

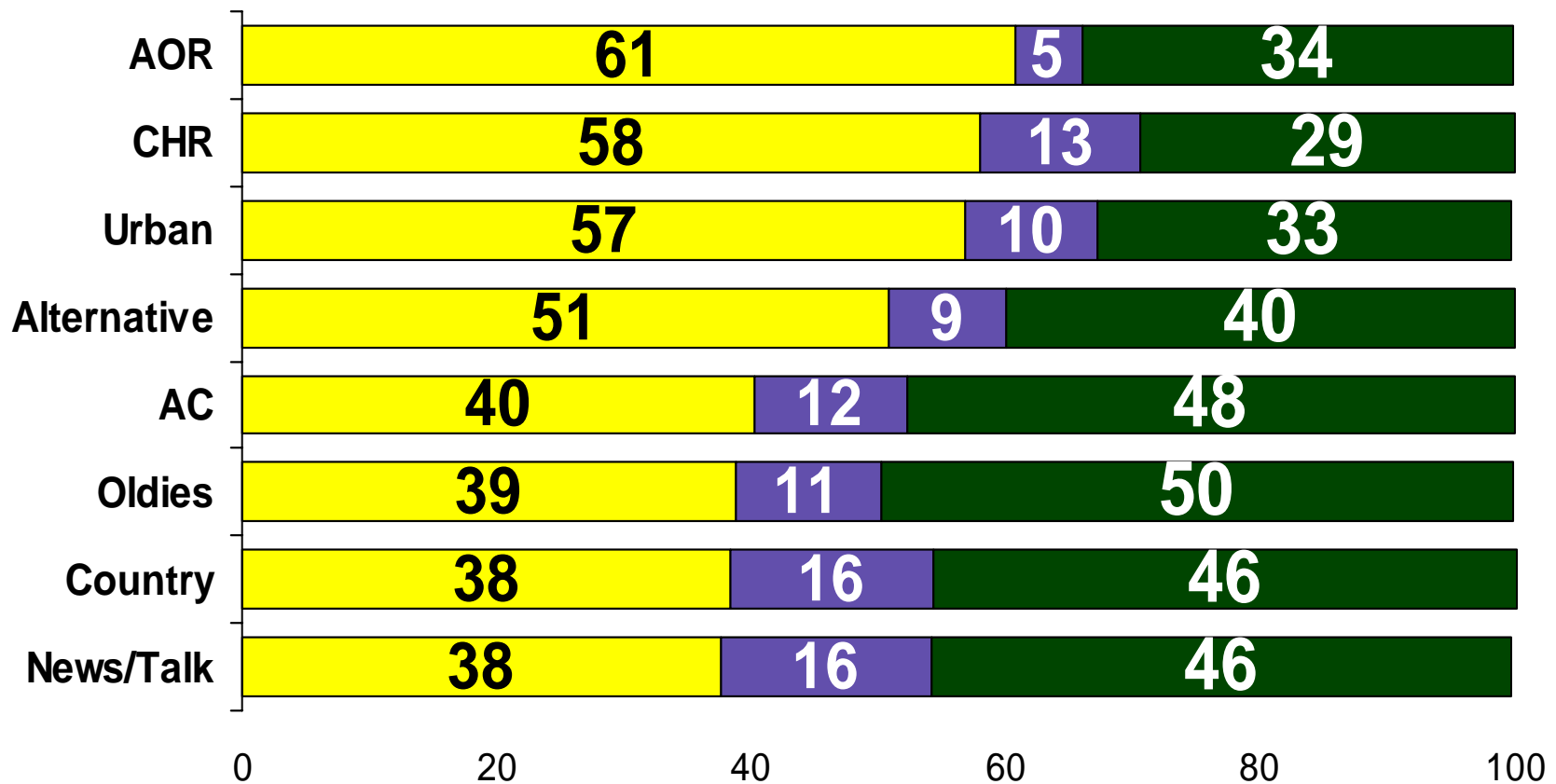


Which bothers you more on the radio: too many or annoying commercials?

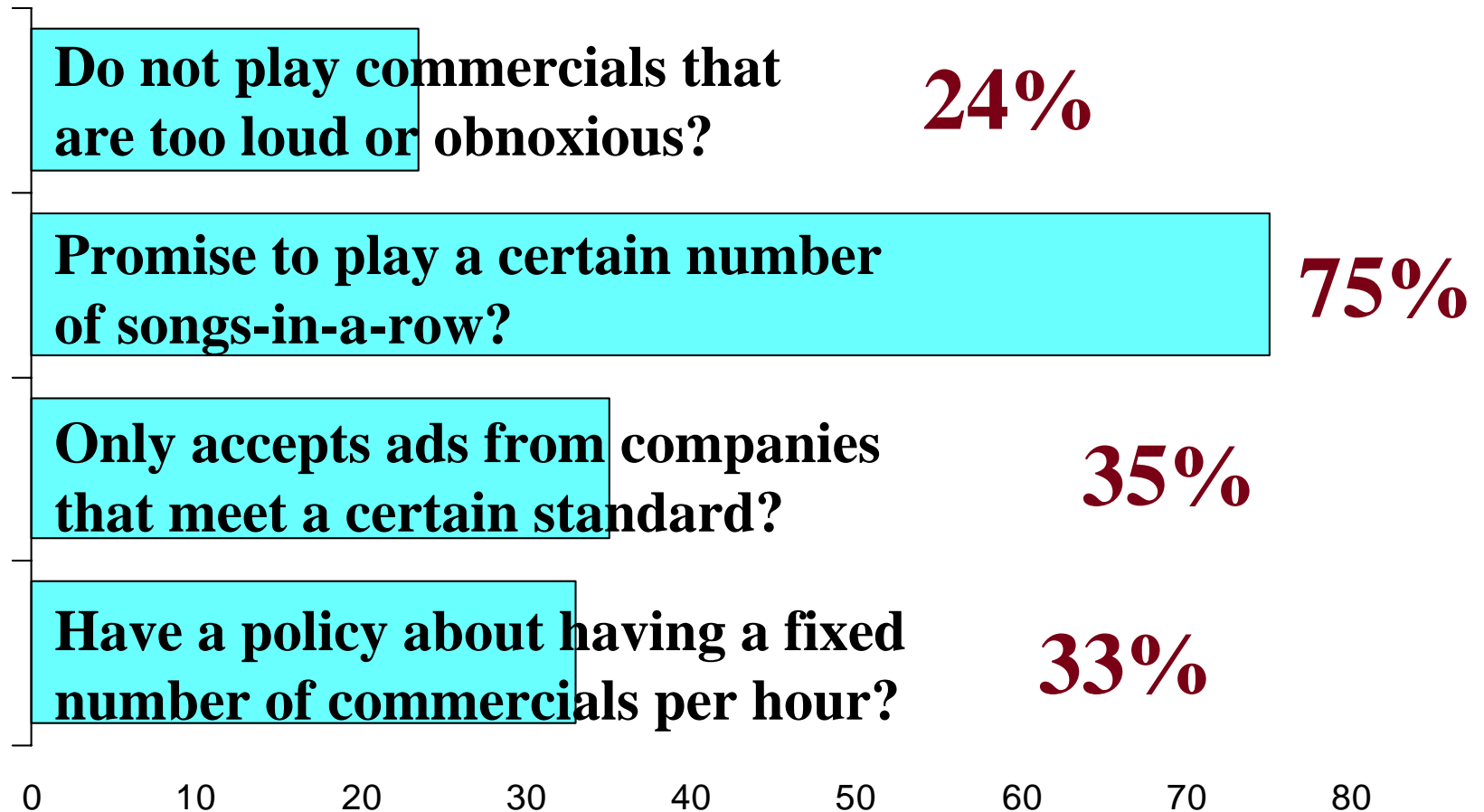


Which bothers you more on the radio: too many or annoying commercials?

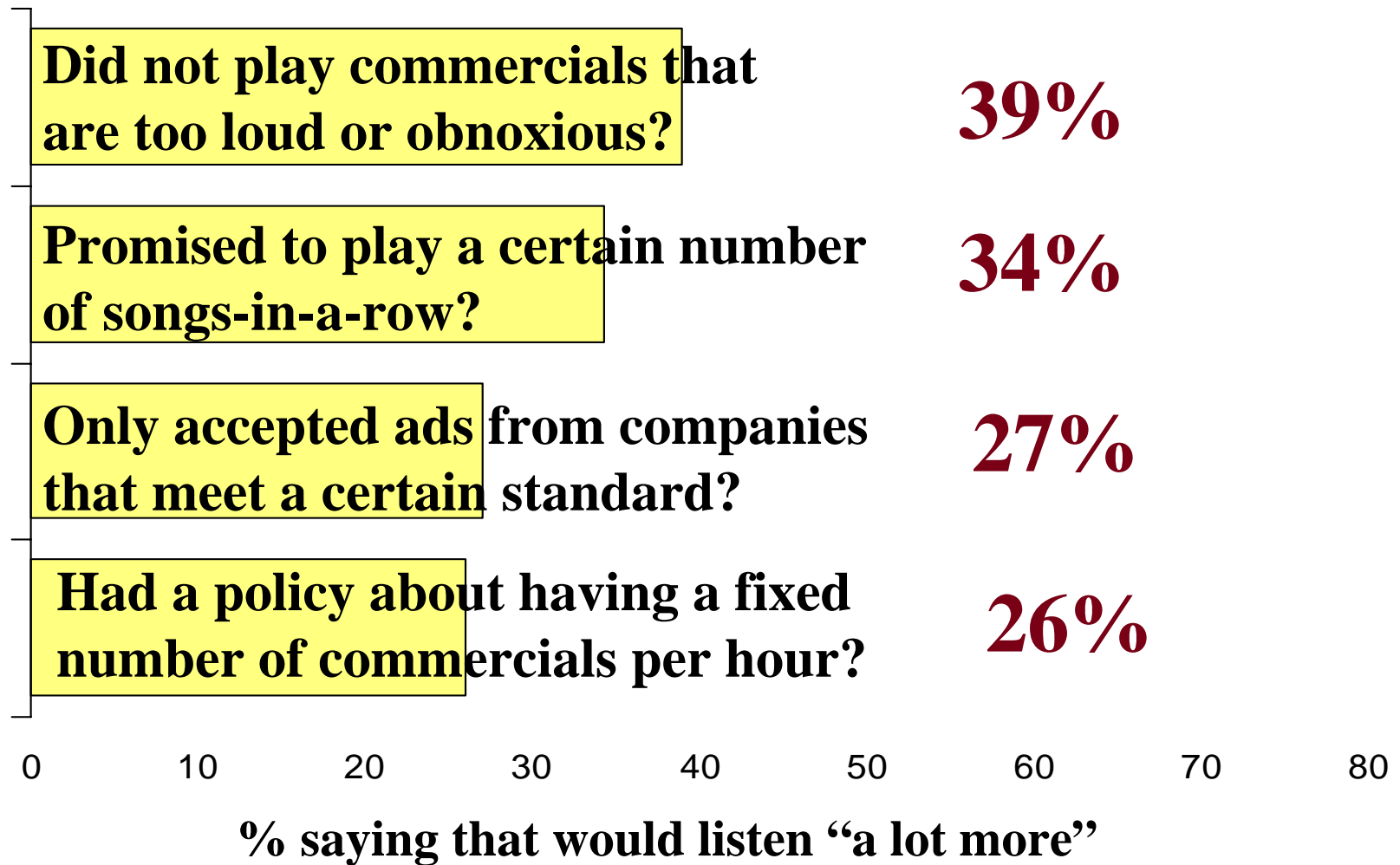
■ Too many commercials ■ Both ■ Annoying commercials



Are you aware of any radio stations that....



Would you listen to a station more if it...

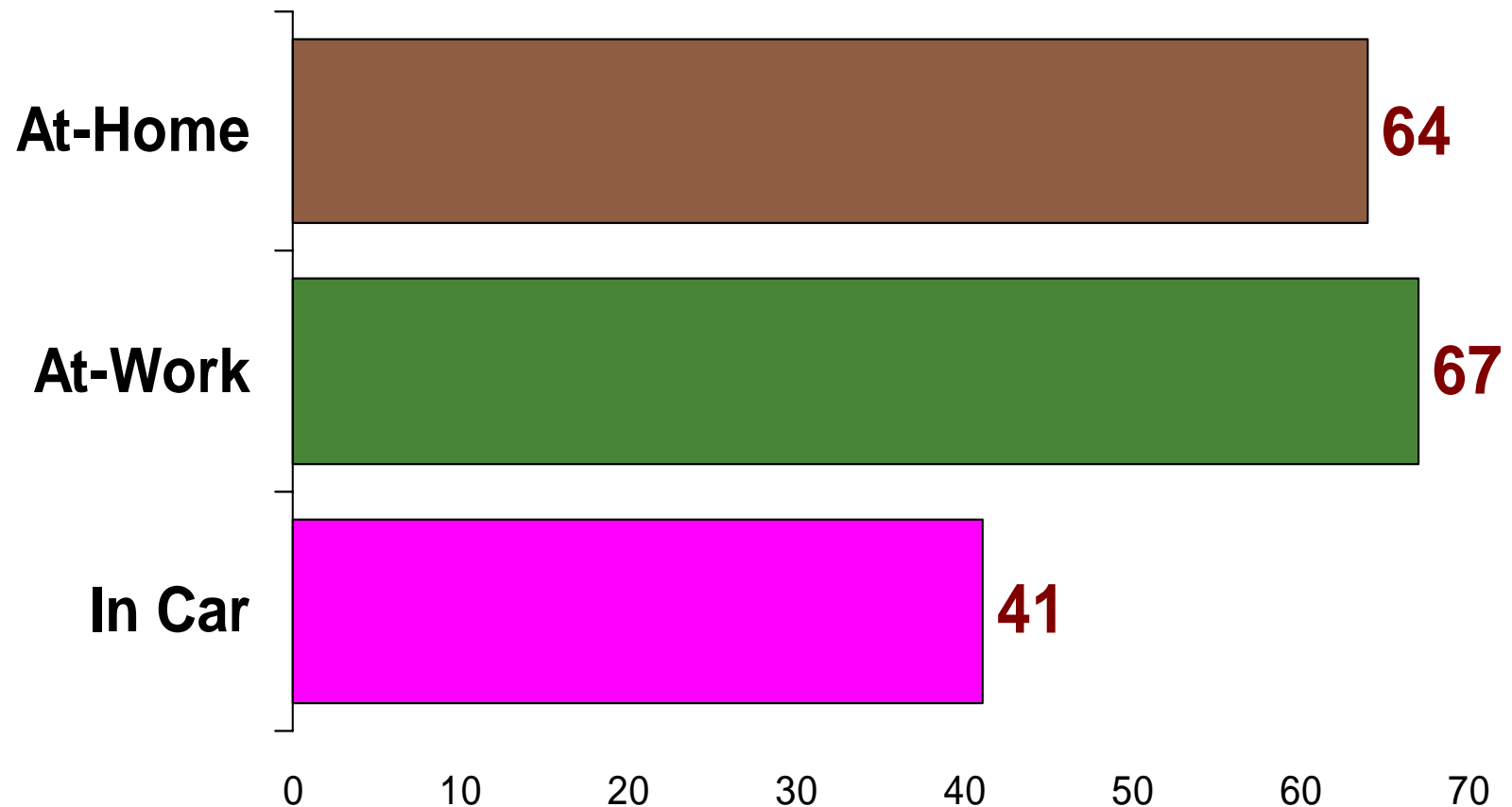


The Spot Load Study

**How should spots
be placed
strategically in
the hour?**

How often do you change stations when a commercial comes on?

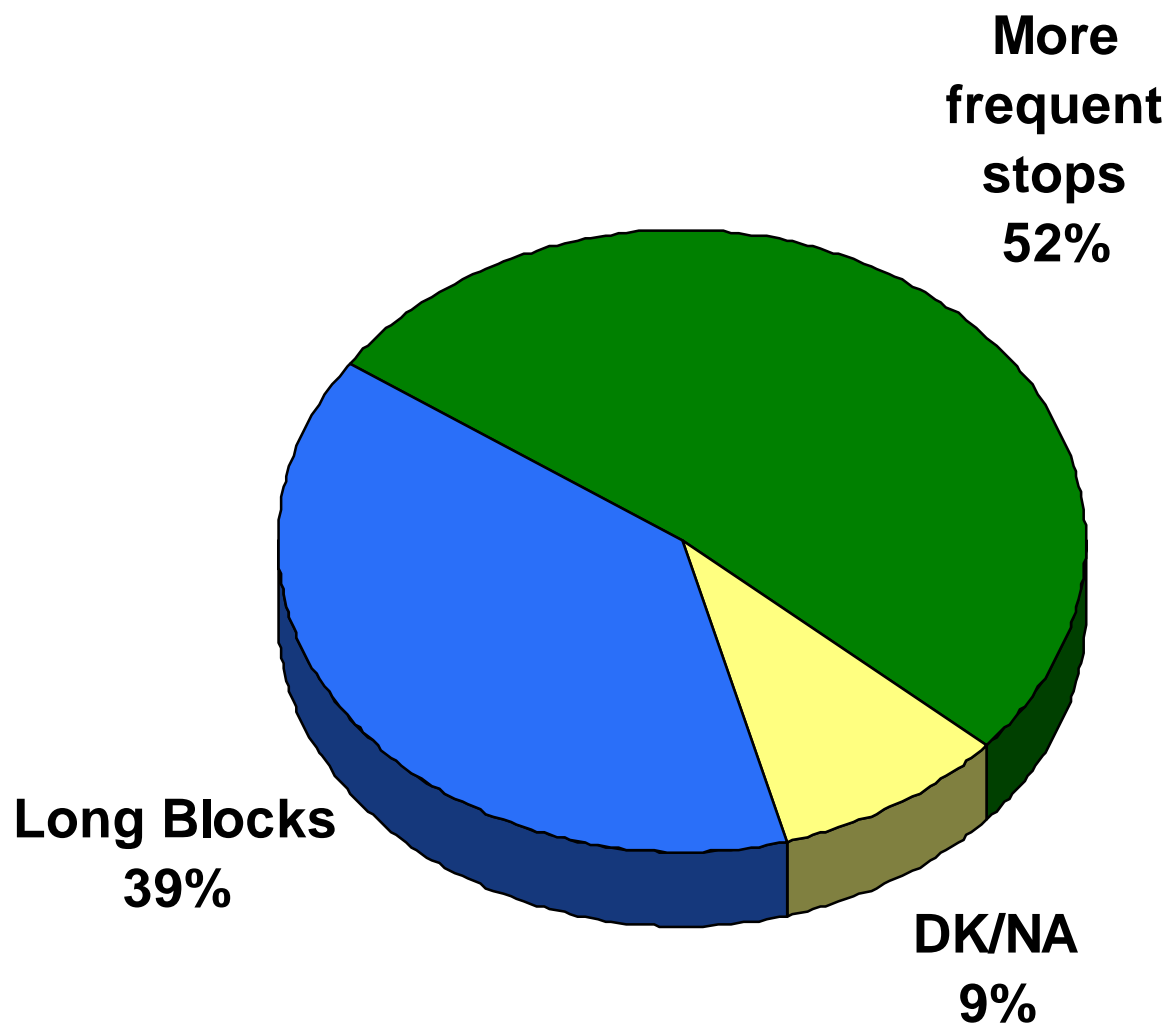
% saying they “Never” or “Rarely” change station



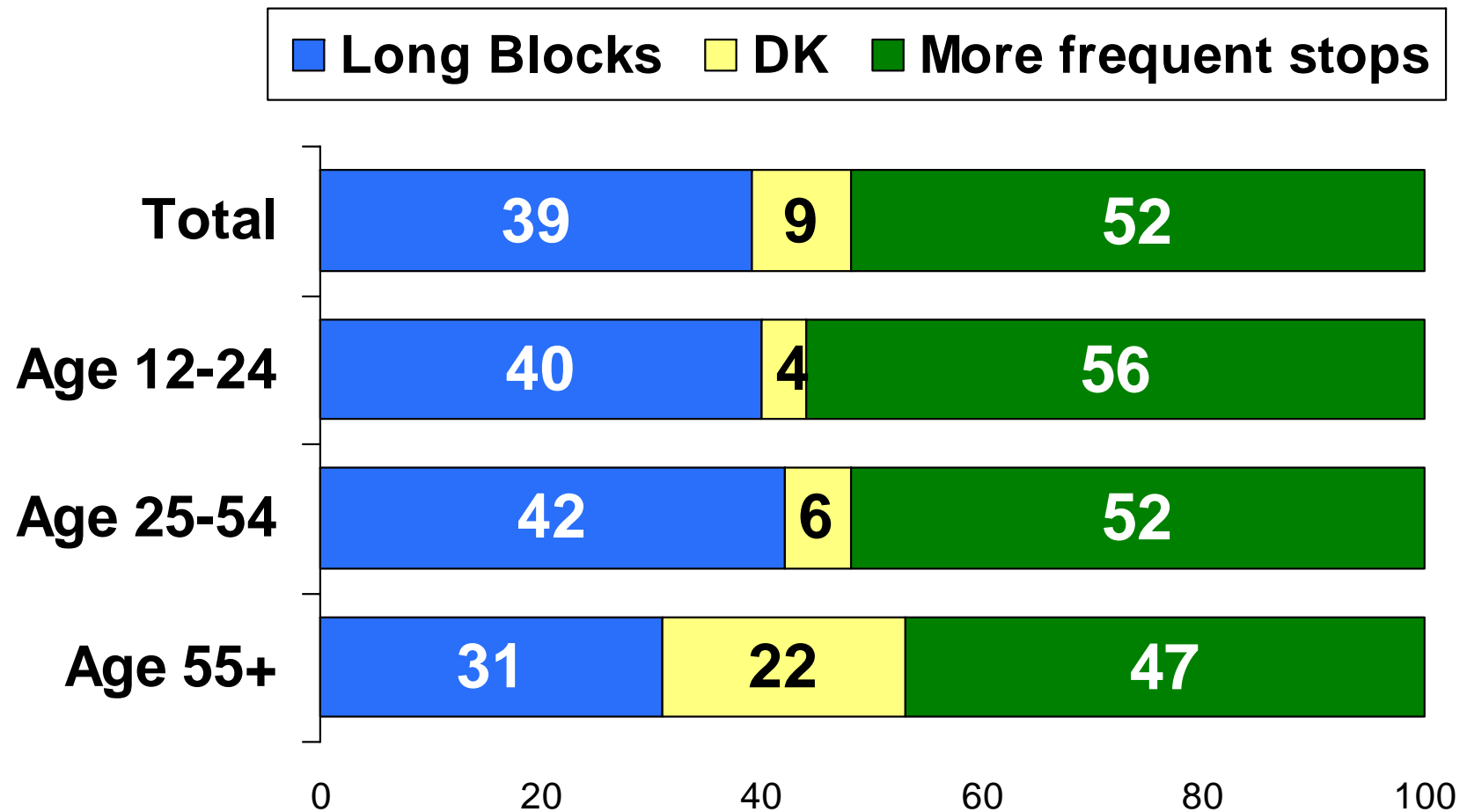
The Spot Load Study

**Are our paradigms
for sweeping
commercials
backwards?**

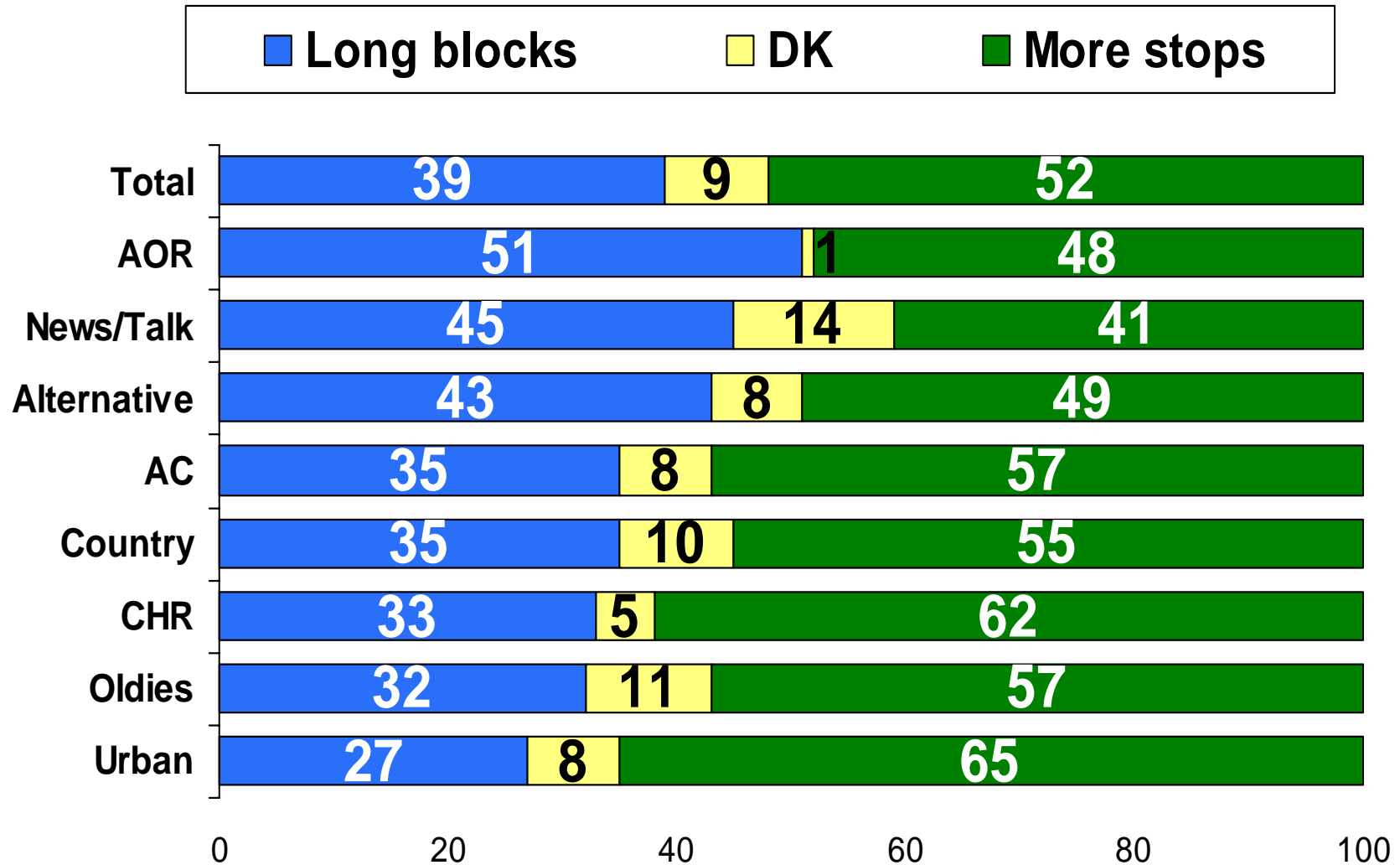
Prefer long blocks of programming w./long blocks of ads or more frequent stops w/shorter blocks of ads?



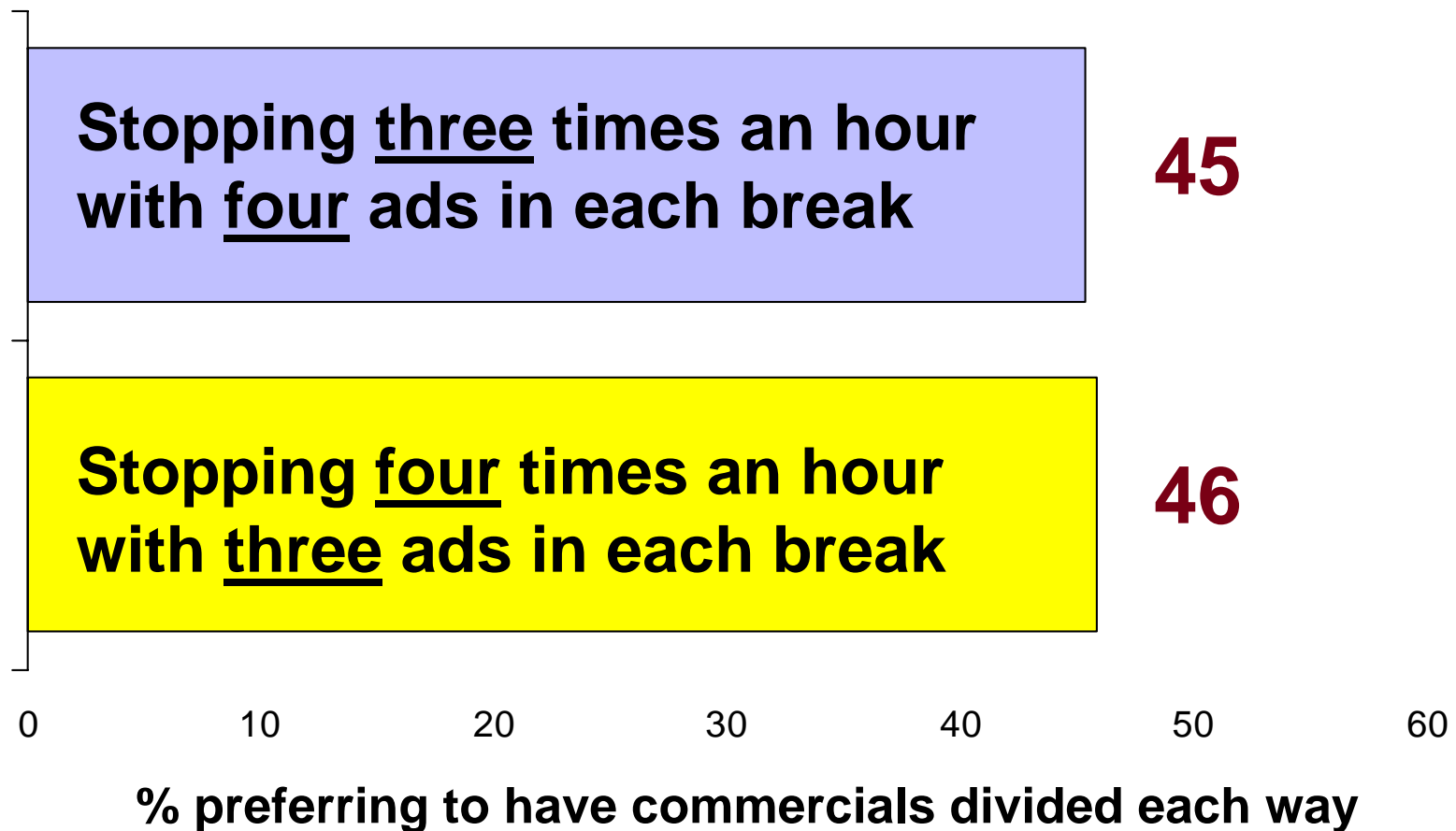
Prefer long blocks of programming w./long blocks of ads or more frequent stops w/shorter blocks of ads?



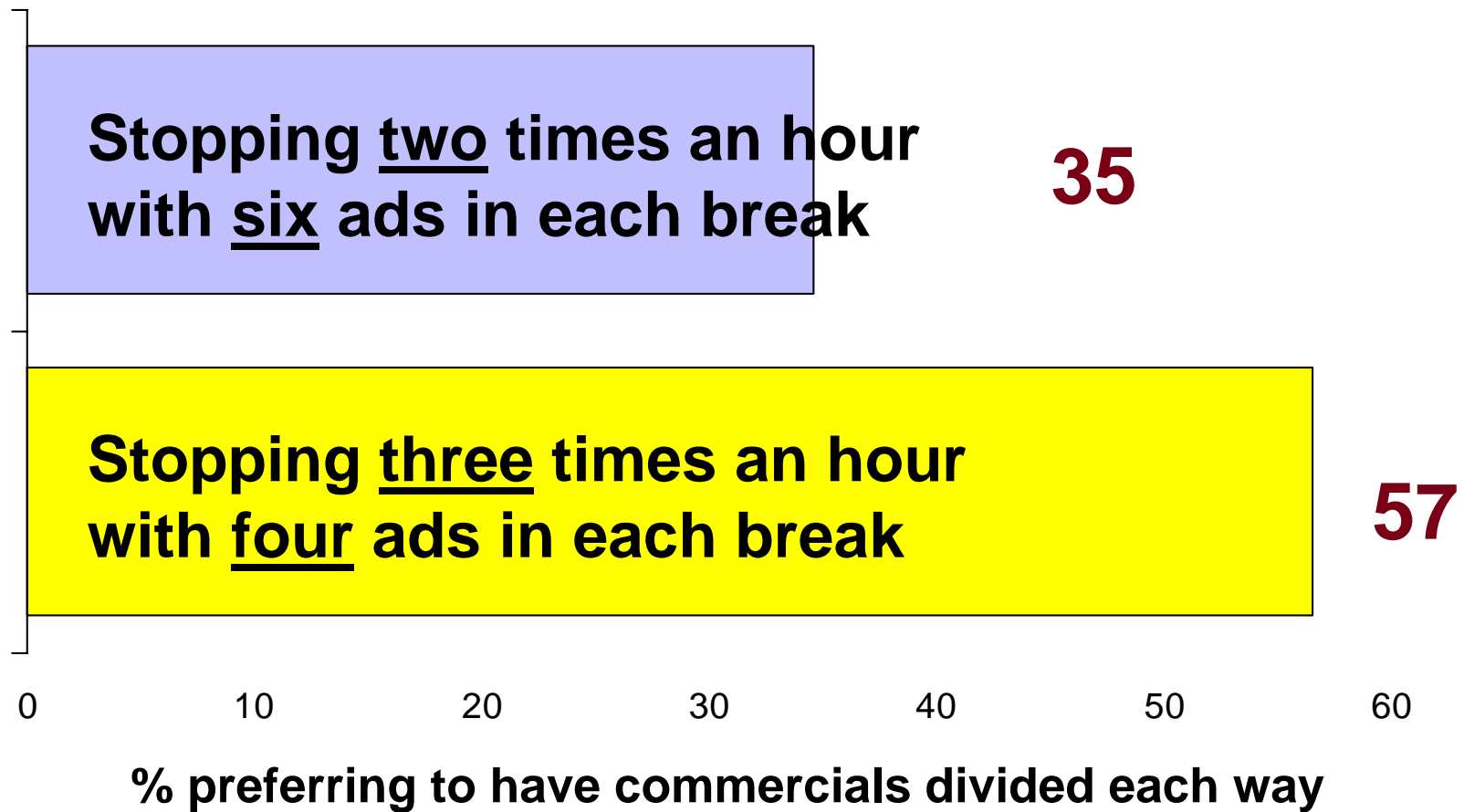
Prefer long blocks of programming w./long blocks of ads or more frequent stops w/shorter blocks of ads?



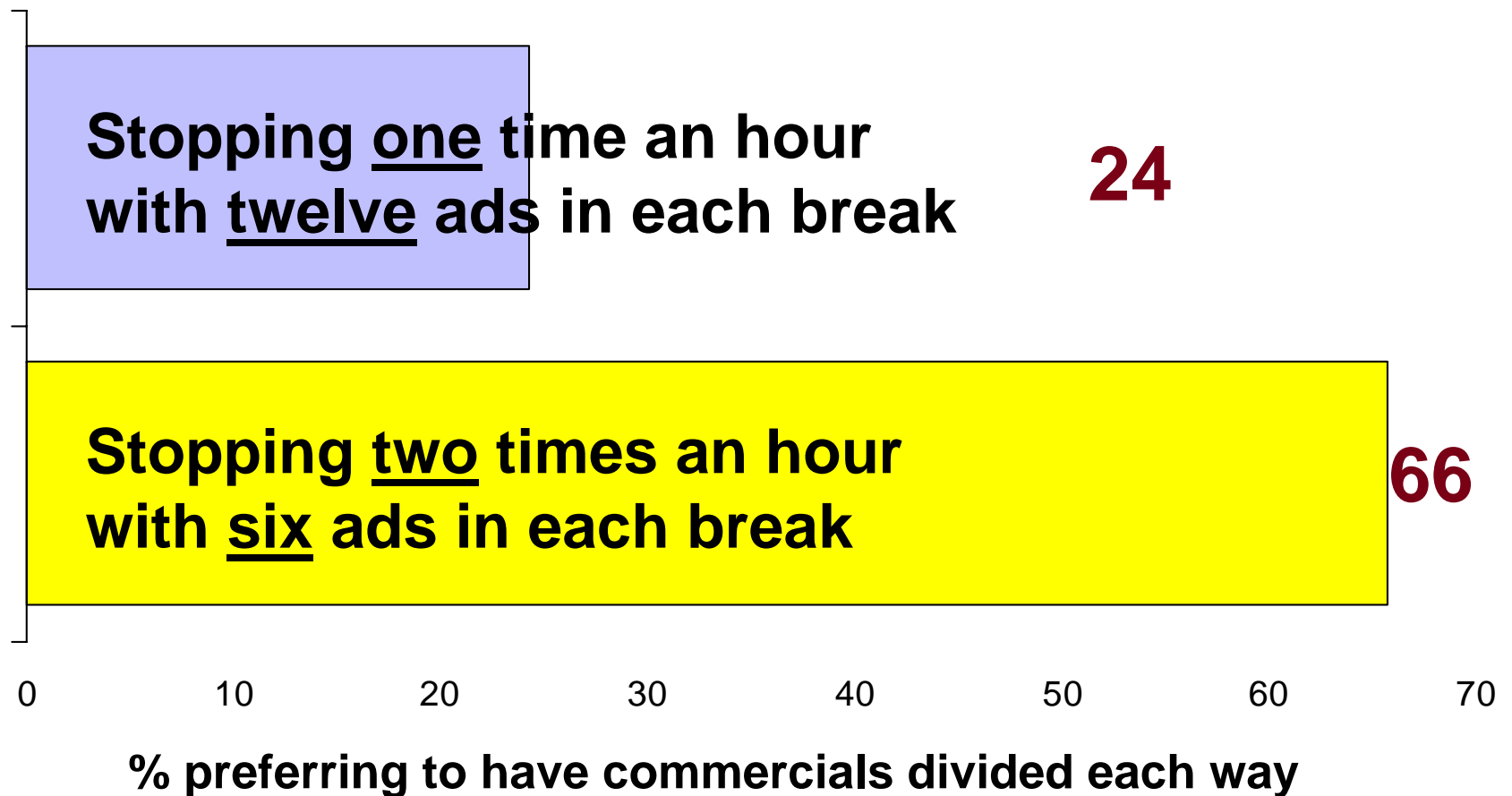
If your favorite radio station played 12 ads an hour would you prefer...



If your favorite radio station played 12 ads an hour would you prefer...



If your favorite radio station played 12 ads an hour would you prefer...



Conclusions:

- **Nearly one-half of listeners are aware of higher spot loads**
- **The vast majority of listeners do not hate commercials**
- **As many people are bothered by annoying or poor quality commercials as are bothered by too many commercials**
- **Younger listeners and those who like active formats are particularly bothered by high commercial loads**

Conclusions:

- **Younger people are listening to the radio less, and spot loads appear to be a contributing factor**
- **Listeners say they prefer more frequent, shorter breaks to less frequent longer breaks**
- **Respondents tell us they don't often change stations when at home or at work; they do often change stations in the car**
- **Overall, radio listening is down 9% in the last six years: Radio must take measures to stop this decline**

Recommendations:

- **Programmers must exert influence on all sixty minutes in the hour**
 - Hire more/better Creative Directors
 - Create better quality commercials
 - Think about rotations, as you do with songs
- **Radio needs to manage its increased demand on inventory better**
 - Employ yield management software
 - Airlines as example

Recommendations:

- **Better commercials, not just fewer commercials, will protect TSL**
 - Encourage more creativity
 - Employ qualitative research
 - Target commercials to your audience
- **Reconsider your spot clustering practices**
 - Consider listener desire for shorter commercial breaks
 - Market shorter breaks to your listeners

Recommendations:

- **Tailor your sweeps based on location of listening**
 - Sweep longer in drive times?
 - Sweep shorter for at work and at home?
 - Target commercials to your audience
- **Older targeted stations might market against “annoying” commercials**
 - Do research to determine what is annoying
 - Market “higher quality spots”

Recommendations:

- **Radio must address the erosion among 12-24s**
 - **Make commercials to target them**
 - **Choose one station in your cluster to cultivate this group?**
- **Keep marketing music quantity**
 - **It inoculates your station and radio from the full impact of higher spot loads**
 - **Market against TV -- the “clutter medium”**