Effectiveness of radio in marketing for business

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Abstract
This research paper is exploratory in nature whether advertising on FM radio is effective or not. The research indicates that the respondents believe advertising on FM radio is an effective tool for time slot advertisement and advertisement regarding an event taking place at some place and time. Not so effective advertisement on FM radio is the RJ’s endorsement of a product, and live coverage of an event.

Introduction
A total of 295 respondents took part in this research. Of these 295 respondents, 72% were male and 28% female. We also asked the respondents whether they were students or working professionals. 77% of our respondents were professionals while the rest were students. The main assessment of this research was to gague the effectiveness of advertisement played on FM radio.

We asked our respondents if they listen to Radio. 95% percent of the respondents said yes. The respondents were asked where they listen to the radio. Exhibit 1 shows that 70% of the respondents listen to radio while driving. A distant second is the cell phones. This is also evident by the fact that 61% of the respondents tune into radio during drive time; i.e, between 8 and 10 AM and 8 PM onwards.

WHERE DO YOU LISTEN TO FM RADIO USUALLY? (EXHIBIT 1)

Majority of the respondents (60%) believe that advertisement is effective on FM radio. The reasons have been summarized in Exhibit 2. It must be noted that almost 34% of the respondents believe that advertisement is ineffective on the radio. The reasons are shown in Exhibit 3.
Based on the flow of information and theme of the questionnaire, we felt necessary to ask the respondent as to how long should an ad break be. Majority of the respondent (52.9%) answered two minutes. Almost 36.3% respondents feel that the advertisement slot should be less than 2 minutes. Based on these results, it is clear that FM listeners can only listen to advertisement on FM for only a certain time period. After that, they change the channel. This is also evident by their response to the question ‘Do you listen to ads or switch to other stations while the ads or running on the FM radio’? Response to this question is summarized in Exhibit 4. It can be concluded from the previous responses that the percentages of those listening to ad can be increased if the ad break is cut short and run over more intervals.

Ads timing can be cut short by making the advertisement shorter. Besides, this is what the FM listeners want. This is evident by the fact that almost 70% of the respondents feel that advertisements should be short, running more often. Conversely, 40% of the respondents either say that the advertisement should be lengthy, running fewer times or have no response.

We asked the respondents if they remember any ad or jingle from radio. The majority said ‘no’ (See exhibit 5). Upon further investigation, results are surprising. It has been ascertained that retention levels are higher in case of female FM listeners as compared to male listeners. Nearly half of the female listeners remember an ad or a jingle (see exhibit 6). This has strong implication for those companies that caters the female population in some way.
Remembering an ad or jingle is one thing but making a purchase on the basis of those ad or jingle is another. We asked the respondents if any radio has compelled them to make a purchase. Although 80% of the responded said that radio advertisement has not motivated them to make purchase, 15% said they have made purchases based on radio advertisement. Refer to exhibit 7 given below. These figures are impressive and they indicate that advertisement on radio FM is an effective tool for marketing.
There are various forms of advertisement on radio FM other than time slot advertisement. They include RJ’s endorsement of a product, RJ informing the listener of an event taking place in the near future and/or talking to a colleague for the live coverage of an event. Through the questionnaire, we tried to assess the effectiveness of these different forms of advertisements.

The results for the parameters were an eye opener. When we talk about RJ’s endorsement of a product/services, the results were poor. Hardly 20% of the respondents are interested in listening to what the RJ has to say. The rest either feel annoyed or change the channel. However, when the respondents were asked how they react when an RJ informs of an event taking place in the near future and/or live coverage of an event, the results were more positive. 60% of the respondents listen closely to the details of an event that shall take place in the near future. These events include concerts, opening of a restaurant or a retail outlet, theatrical production, et al. Similarly, around 40% of respondents listen closely when an RJ is talking to a colleague for the live coverage of an event. These events may include opening of a new shop or outlet, coverage of an exhibition or a carnival, et al. The results substantiate the fact FM radio is an effective for brand activation or disseminating information regarding an event. Exhibit 8, 9 and 10 summarizes these results.
Conclusion

Based on the conducted research, it is our conclusion that Radio advertisement is an effective tool both in form a time slot advertisement and other non time slot advertisement. Ad recall is high amongst the respondents and based on the ad recall, particularly among the female listeners. Purchases made based on those advertisements are quite high as well.

Majority of the people do not listen to RJ’s endorsement of a product or service. They are, however, avid listeners when the RJ tells the listener about a certain event taking place or when the FM channel is covering an event, live.