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' 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.

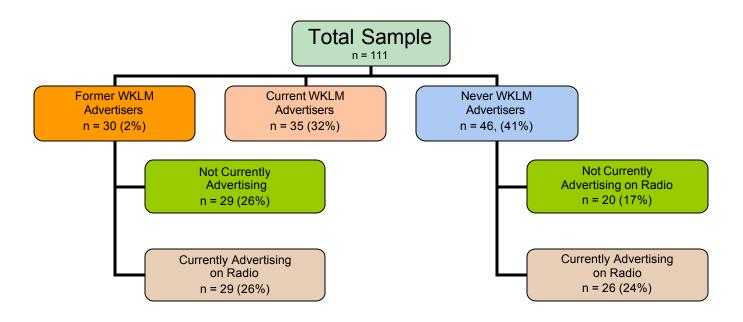
Main Research Objective: To assist WKLM in designing an educational program that will be used to enlarge the quantity and the quality of their advertisers, concentrating on determining which of the different types of educational programs/components are most preferred and in which way these educational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

The Methodology

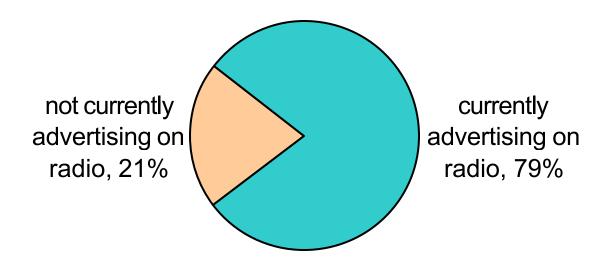
The method best suited for our research objective, due to the flexibility and immediacy of response, was a phone survey. WKLM provided the names and numbers of former, current, and potential advertisers in the Bethany area. Numbers were verified using the current phone directory.

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.



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



Limitations

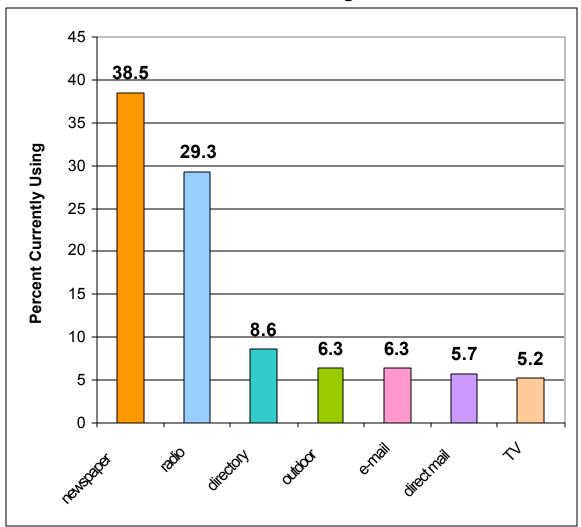
During data collection Bethany encountered a large snow storm which closed businesses and made our sample more pressed for time and less willing to participate. Although WKLM's identity was disguised, it was impossible to disguise that the client was the likely radio station sponsoring the research.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

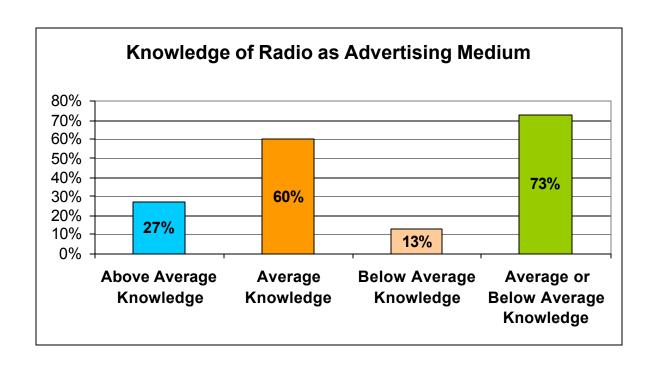
Findings

Current Advertising Practices

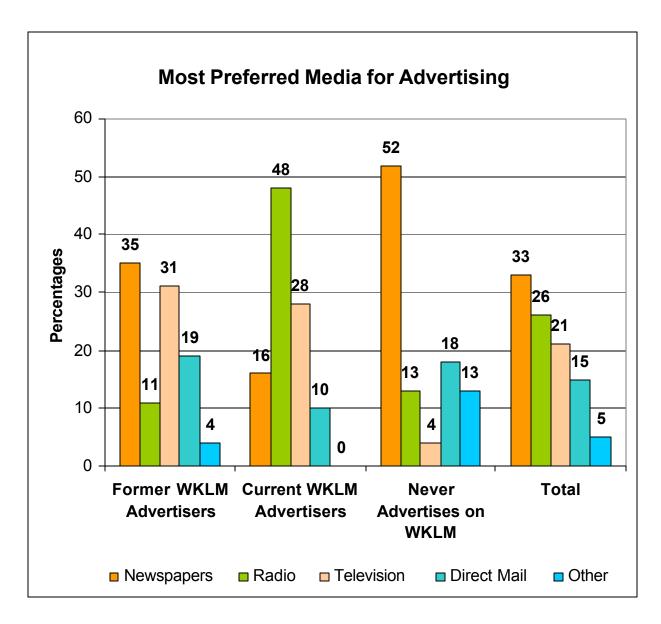


Radio is considered as an appropriate advertising medium by a portion of those businesses currently advertising. If an increase in their advertising budget occurs, some advertisers will consider investing in radio advertising.

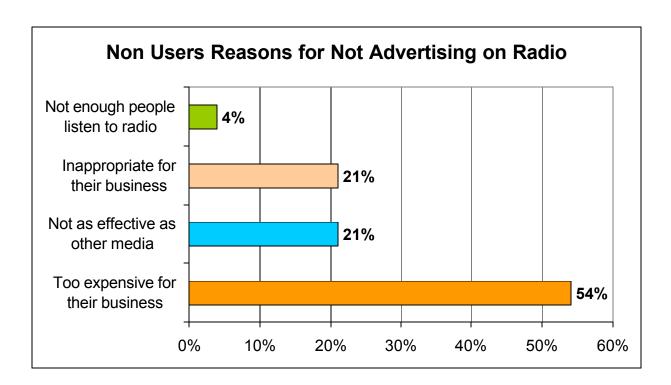
However, to reach those that are unfamiliar or that have had a poor prior radio experience, education might be in order..



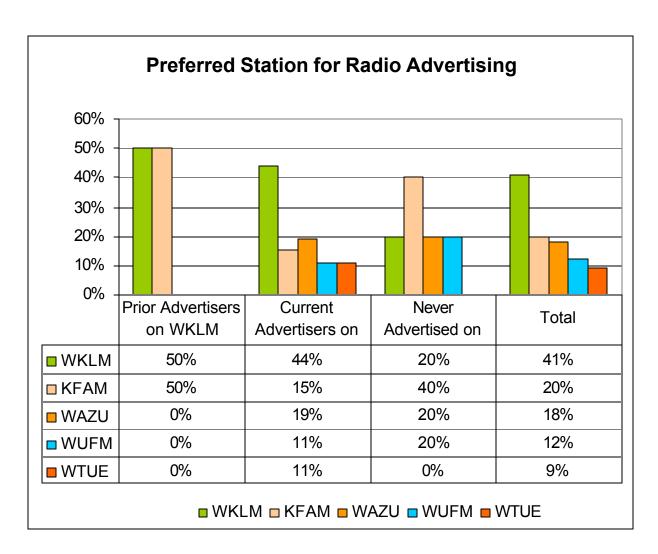
Their own perception of their lack of knowledge gives support for a more educational approach to selling radio advertising time.



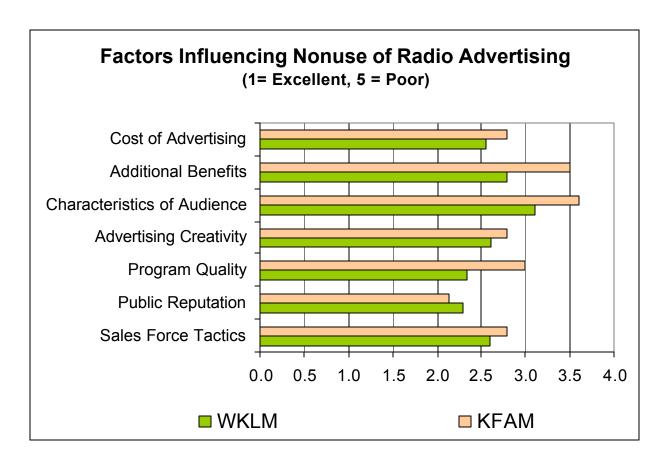
Radio is not the preferred medium, although no one medium is overwhelmingly preferred. The variety of decision makers' responses lends support to the theory that not all advertising campaigns are appropriately delivered by a single medium or the same medium every time. Advertisers need to keep their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



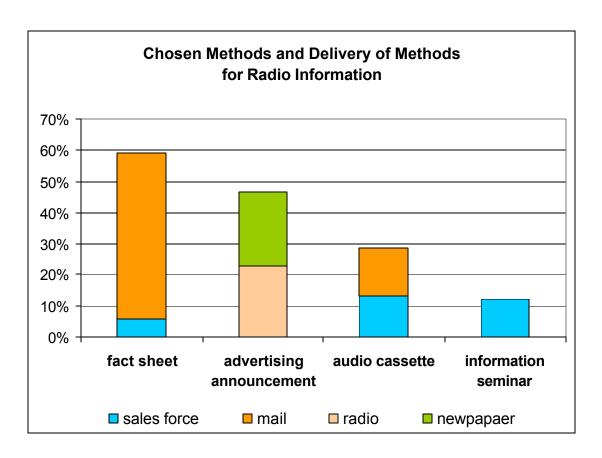
The primary reason given by Bethany businesses for not advertising on radio is the perceived high cost. This again implies that the benefits of radio have not been clearly heard, and that the advertiser doesn't perceive sufficient value for their advertising investment with radio. Overcoming this objection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



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 my 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 perceptive to a different approach if their the delivery vehicle were not the sales force.

Conclusions and Recommendations

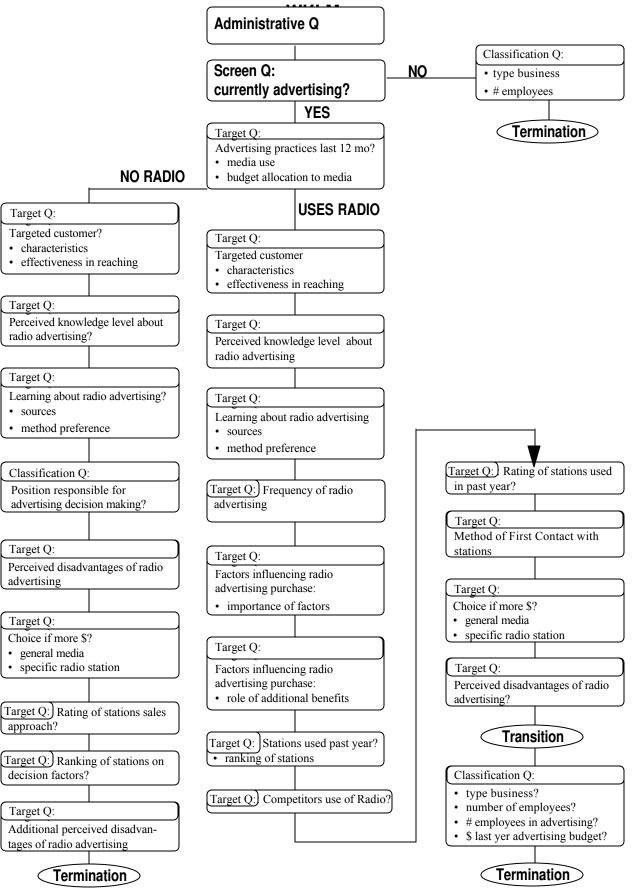
It is strongly indicated that the most preferred advertising medium to which advertisers would like to direct their funds are newspaper and radio. The competitors of note for radio advertising dollars are KFAM and WAZU, both with different formats and audiences. WKLM must emphasize the differences, and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

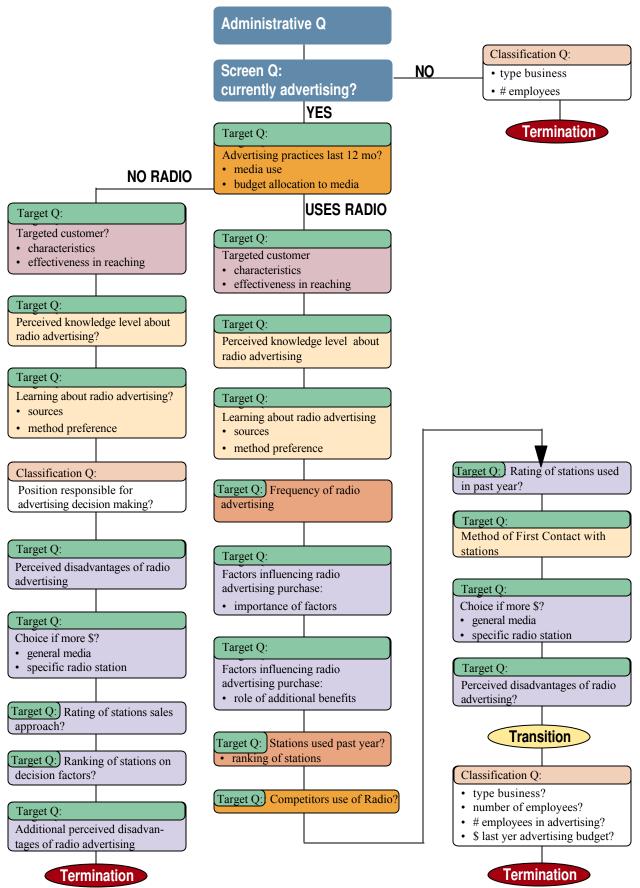
Advertisers did not have a clear perception of their desired target markets. This presents an opportunity for WKLM in relation to an educational campaign. The market may be receptive to learning more about targeting strategies overall, and this receptivity might make them more willing to participate 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 material in the contact with advertising decision maker Is there a time when I might call back and Thank you for your assistance.]
Sample University. Today we are doing a s	naker] I'm a member of the marketing research project at survey about what businesses think of advertising ates. Would you be willing to answer some questions
[Contact declines to participate.] Thank you. We hope next time Sample Un	iversity calls you will be able to participate.
[Contact agrees to participate; proceed to so Great! Here's the first question:	creen]
[SCREEN] In the last 12 months have you advertised y ☐ Yes (skip to Survey II) ☐ No (proceed to Survey I)	your business in any paid medium? (UNAIDED) - 1 - 2
	Survey I
1. How would you describe your business	??
	[FOR VALUE, REFER TO CODE SHEET]
2. How many people, both full and part ti	me, do your 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 you 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	Television	_	
Q1b	Newspaper		
Q1c	Radio		[IF CHOSEN, ASK Q3-7, THEN SURVEY III]
			[IF NOT CHOSEN, ASK Q3 -7, THEN SURVEY IV]
Q1d	Outdoor		
Q1e	Directory		
Q1f	Web		
Q1g	Other		
	TOTAL	100%	

- 3. I'm going to read several characteristics of potential customers. I want you to think about the targeted customer for <u>your business</u>. 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	Between	Between	Between	Between	Between	65 or
8-12	13 -18	19 - 24	25 - 34	35- 49	50- 64	older
(Q3a1)	(Q3a2)	(Q3a3)	(Q3a4)	(Q3a5)	(Q3a6)	(Q3a7)
				П	П	П

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

< \$20000	\$21-34999	\$35-	\$45-	\$60-	\$101,000 -	>150,000
		44999	59999	100000	150,000	
(Q3b1)	(Q3b2)	(Q3b3)	(Q3b4)	(Q3b5)	(Q3b6)	(Q3b7)

	-	<u>JATION</u> , ala	your targett	ea custom	er complete	. !	
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)	
d. With res	spect to MAR	ITAL STATUS	5 , is your ta	rgeted cus	stomer? [R	EAD RANGE	S
Ma	arried (-1)	Currently Married (-2) (Q3d2)					
				f your tar	geted custome	er?	
are you attracting	ng this target nely Well	ed customer	?			onths. How we	el.
are you regarding About Ave	ng radio as an above erage (-3)		g medium? Belov	v	vertising. How	knowledgeabl	le
	Grade 8 or less (Q3c1) d. With resolution of the state of the adaptive forms are you attractive extrements. Single of the state of th	Grade 8 or Some less high school (Q3c1) (Q3c2) d. With respect to MAR Single or Never Married (-1) (Q3d1) e. With respect to HOUS How many people consider the advertising professor are you attracting this target Extremely Well (-4) You indicated earlier that you	Grade 8 or Some High less high school school (Q3c1) (Q3c2) (Q3c3) d. With respect to MARITAL STATUS Single or Never Currently Married Married (-1) (-2) (Q3d1) (Q3d2) e. With respect to HOUSEHOLD SIZ How many people comprise the Day of the Average Average (-3) (-2)	Grade 8 or Some High Some less high school college school (Q3c1) (Q3c2) (Q3c3) (Q3c4) d. With respect to MARITAL STATUS, is your tax Single or Never Currently Eith Married Married divor (-1) (-2) (Q3d1) (Q3d2) e. With respect to HOUSEHOLD SIZE How many people comprise the household of Consider the advertising program and media you has are you attracting this targeted customer? Extremely Well Very Well Fairly Well (-4) (-3) (-2) You indicated earlier that you [USE / DON'T USE] are you regarding radio as an advertising medium? Above Below Average Average Average (-3) (-2) (-1)	Grade 8 or Some High Some college less high school college school (Q3c1) (Q3c2) (Q3c3) (Q3c4) (Q3c5) d. With respect to MARITAL STATUS, is your targeted customers Married Married divorced or wide (-1) (-2) (-3) (Q3d1) (Q3d2) (Q3d3) e. With respect to HOUSEHOLD SIZE How many people comprise the household of your targeted customers with the advertising program and media you have used in are you attracting this targeted customer? Extremely Well Very Well Fairly Well Note (-4) (-3) (-2) You indicated earlier that you [USE / DON'T USE] radio advance you regarding radio as an advertising medium? Above Below Average Average Average (-3) (-2) (-1)	Grade 8 or Some High Some college Some postless high school college graduate work (Q3c1) (Q3c2) (Q3c3) (Q3c4) (Q3c5) (Q3c6) d. With respect to MARITAL STATUS, is your targeted customer? [R Single or Never Currently Either separated, Married Married divorced or widowed (-1) (-2) (-3) (Q3d1) (Q3d2) (Q3d3) e. With respect to HOUSEHOLD SIZE How many people comprise the household of your targeted customer Consider the advertising program and media you have used in the last 12 m are you attracting this targeted customer? Extremely Well Very Well Fairly Well Not well at all (-4) (-3) (-2) (-1) You indicated earlier that you [USE / DON'T USE] radio advertising. How are you regarding radio as an advertising medium? Above Below Average Average Average (-3) (-2) (-1)	Grade 8 or Some High Some college Some post- Graduate less high school college graduate Degree work (Q3c1) (Q3c2) (Q3c3) (Q3c4) (Q3c5) (Q3c6) (Q3c7) d. With respect to MARITAL STATUS, is your targeted customer? [READ RANGE] Single or Never Currently Either separated, divorced or widowed (-1) (-2) (-3) (Q3d1) (Q3d2) (Q3d3) e. With respect to HOUSEHOLD SIZE How many people comprise the household of your targeted customer? Consider the advertising program and media you have used in the last 12 months. How we are you attracting this targeted customer? Extremely Well Very Well Fairly Well Not well at all (-4) (-3) (-2) (-1) You indicated earlier that you [USE / DON'T USE] radio advertising. How knowledgeable are you regarding radio as an advertising medium? Above Below Average Average Average (-3) (-2) (-1)

6.		o read you several ways you might learn more about radio advertising two methods would you prefer for receiving such information? [READ CHOICES]
		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 □	
	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?
	Q6d □	☐ (-3)in person by sales force? Advertising about radio Q6d-1 [If chosen] Would you prefer to see or hear this advertising? ☐ (-1) in the newspaper? ☐ (-2) on the radio?
		y you, what position within your organization would put information about radio sing to effective use?
	Position	n title

Survey III

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

8.	In the past 12 months	, how many adver	tising campai	gns did you	air on ra	dio?
	1 2	3	4 □	5 □	6	7 or more
9.	I'm going to read you As I read each factor highly important, im- would you rate	, please tell me ho	w important	that factor is	your bus	siness. Use the scale:
OF	EAD LIST; ROTATE RDER OF THE ACTORS	Highly Important	Important	Neither Imnor Unim		Unimportant
	e price per advertising	; □				
	ot e desired target stomer reached			_		
Yo	our past experience th radio					
Ar	y additional benefits					
Cr	ovided by the station eative ideas coming om the sales person					
10	. What kind of additio [UNAIDED]	nal benefits do you	ı look for wh	en purchasii	ng advert	ising on radio?
_		Remote at your location	,			packages and pomotions
	Other:			J		<u> </u>

[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 <u>these stations</u> [READ FROM LIST Q11] do your primary competitors advertise?

		Q11	Q12		Q13
KFAM	Q11a			Q13a	
WAZU	Q11b			Q13b	
WKLM	Q11c			Q13c	
WTUE	Q11d			Q13d	
WUFM	Q11e			Q13e	
Other:					
Other:					
Other:				<u> </u>	

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 \Box ...Public Reputation ...Program Quality ...Advertising Creativity ... Match of audience with your targeted customer characteristics (-1)(-2)(-3)(-4)(-5)How does WAZU rate on ... Exc Good Below Avg Poor Avg ...Sales Force Performance \Box П ...Public Reputation ...Program Quality ...Advertising Creativity ...Match of audience with your targeted customer characteristics (-1)(-2)(-3)(-4)(-5)How does WKLM rate on ... Below Avg Exc Good Avg Poor ...Sales Force Performance ...Public Reputation ...Program Quality П ...Advertising Creativity ...Match of audience with your targeted customer characteristics (-1)(-2)(-3)(-4)(-5)How does WTUE rate on ... Below Avg Exc Good Avg Poor ...Sales Force Performance ...Public Reputation П П П П П ...Program Quality ...Advertising Creativity ...Match of audience with your targeted customer characteristics (-1)(-2)(-3)(-4)(-5)How does WUFM rate on ... Exc Good Avg Below Avg Poor ...Sales Force Performance ...Public Reputation ...Program Quality ...Advertising Creativity ...Match of audience with your targeted customer characteristics

14. Using the following scale: Excellent, Good, Average, Below Average, and Very

	the radio station you have advertised on MOST FREQUENTLY in the last 12 months. you MOST FREQUENTY LEARN about advertising opportunities with this radio
[UNA	AIDED—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:
	ere anticipating an increase in your advertising budget in the next 12 months, to what ould you direct these additional funds? [UNAIDED] Television Newspaper
	Radio [IF CHOOSE, ASK Q 17; IF NOT, SKIP TO Q 18]
	Outdoor
	Directory
	Web
	Other:
-	ANSWERED RADIO TO Q16] To what specific radio stations would you direct litional funds? [Unaided] KFAM WAZU WKLM WTUE WUFM Other: Other: Other:
	mparing radio with other advertising media, what factors do you consider to be tages 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. Hov	v 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 <u>your last fiscal year</u>. Would you say it was...

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

[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]

[REA -1 -2	☐ "Not enou" "Radio isr		loesn't ad ten to rad e as other	vertise on io." advertisin	radio." ng media."		n radio?	
	next 12 months, et, to what mediu	•		_	•		ertising	
10. In the busin 11. I'm gadve monte your	Television Newspaper Radio Outdoor Directory Web Other: CID BELOW FOR e last 12 months, ess using radio? [going to read you rtising. Consideri ths, as I read each most favorable ra FACTOR], how vertice the search of the sea	which station UNAIDED] a list of factoring these station factor, pleas nk, "2" as you would you rar	ors that mons with ye tell me to next monk [STAT	ight influe which you how you vost favoral	ence your purchase had would rank, ar inst other r	ourchase of contact in that statice and so on.	radio the last 12 on Use "1" as	
		Q10						
Sales For Public For Program Advertis Degree reaches Cost of	TE ORDER of Factorice approach Reputation The Property of Technology The Pr		KFAM	WAZU	WKLM	WTUE	WUFM	

12.	be disa	advanta High pr Negativ Poor pro Less ad	ges of radi ice of a car e public re ogram qua vertising c	o? [UNAID] mpaign eputation lity on radio reativity on 1	ED]	5	t factors do	you consider to		
[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		

[TERMINATION FOR SURVEY IV]

"Thank you for your time and cooperation. Sample University appreciates your participation in this survey. Good [afternoon/evening]."