

Radio – a traditional media with new possibilities

A description of why and how advertisers in Finland should use radio.

Emilia Murmann

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Author:	Emilia Murmann	
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Supervisor (Arcada):	Katarina Hägg	
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Abstract:

For advertisers, radio is often seen as an old-fashioned or traditional type of media. This research enters into new ways radio can be used in advertising, focusing on commercial radio stations in Finland. Today the media industry is changing rapidly, especially when it comes to digitalisations and online advertising, which can be seen in radio as well. This degree thesis is a description on why and how advertisers in Finland should use radio. The aim of this study is to find out and discuss how radio can be used as a part of marketing communications. The limitation in this study is the lack of profound theory on commercial radio in Finland, because existing material tends to be out of date due to the fast changing industry. Therefore the main source is based on empirical research, including five in-depth interviews with seven respondents, in order to gather up to date information from professionals and experts in the industry. The main results of this study include e.g. that radio is highly used together with online advertising, which is a widely discussed topic in this report. There are many solutions available as the technology is evolving and radio stations are constantly developing new innovative ways radio can be used as commercial media. This degree thesis also provides recommendations for advertisers planning to use radio in their advertising campaign. The recommendations are e.g. investing on quality of the radio spot, defining the role of radio as a media, using multimedia solutions and taking advantage of the expertise radio stations have to offer. Also the future of radio advertising is discussed.

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1 INTRODUCTION

1.1 PURPOSE AND RESEARCH QUESTION

The topic for this degree thesis, Radio – a traditional media with new possibilities, is an interesting subject for any advertiser. Commercial radio can be an efficient and versatile advertising media and thanks to modern technology, radio can be seen as a competitive media. In this topic, the central problem can be defined as *why and how should advertisers in Finland use radio in advertising*. This study will focus on the commercial and private radio sector in Finland. The purpose of this study is to describe and analyze the role of radio advertising in media planning and marketing communications. This thesis aims to find out what kind of additional solutions radio advertising has to offer, in order to bring more value for an advertisers radio campaign.

1.2 METHODS

The main literature used in the theory are books and up to date articles about advertising and mediaplanning. Also for example Radiomedia will be used to provide detailed and up to date information about the subject. Radiomedia in Finland is an impartial source of this study, and it is used to gather relevant theories on why and how radio can be used in marketing communications. Radiomedia is a useful source of information, as it is an organization that represents the national and local private radio sector in Finland. The role of Radiomedia in Finland is to provide marketing and training, as well as publicity. It is also in charge of research and information services. In addition, the organization represents the interests of the private radio industry in Finland. (Radiomedia, 2009) The empirical part of this thesis will consist of qualitative research, including in-depth semi-structured interviews with seven respondents who represent media agencies, radio stations, and Radiomedia. In-depth qualitative interviews are suitable for this topic, as they allow the researcher to deeply explore the feelings and perspectives of the respondents, concerning the subject in question. Semi-structured interviews are discovery oriented and open minded which gives the respondents the freedom to answer the questions in their own words. Also the interviewer has the possibility to ask questions flowing from the respondents previous answers. In-depth interviews include recording and documenting the responses in order for the researcher to work on a deeper meaning and understanding of the outcome. (Guidon, Diehl, McDonald, 2012) The reason why this method was chosen is because of the expertise and experiences of professionals in the industry that is a comprehensive and up to date source for this research topic.

1.3 LIMITATIONS

I have chosen to focus on the empirical part of the study, which is why this study includes a limited theory on why and how radio is used in the most recent trends in advertising and marketing communications. Even though radio advertising is a common topic in marketing communications, the subject is often only part of a larger scope of advertising and marketing books and articles. Because of this there are some limitations in the theoretical part due to lacking sources focusing on what radio advertising is today in the commercial section in Finland.

2 THEORETICAL FRAMEWORK

2.1 RADIO AND ADVERTISING IN FINLAND

2.1.1 Radio as a media

Radio has been a significant media for advertisers for centuries. The first local radio stations were founded 1985 in Finland, which lead to the time spent listening to radio more than doubled, and the advertisers got the use of a whole new media channel. Radio is a popular media in Finland when it comes to consumption of media. This can be seen in (see figure 1, p. 8). The consumers can be reached through radio on a national level, as the private radio sector in Finland reaches more than 3,6 million Finns aged over 9 years (KRT March-May 2009). On an average day the radio is listened to for more than three hours. The daily listening time has stayed the same since the 90's, even though the media supply has grown rapidly. The main places people listen to the radio are at home, at work and in the car. When planning to advertise on the radio it is important to consider the listeners daily routine, and schedule the right message at the right time. The foundation of commercial radios enables listeners to have even more channels to choose from. The consumers in Finland have today approximately 20 different channels available. Despite this, the listeners in Finland are very loyal to their radio stations, as the average is that each listener only listens to 1,5 stations. In Finland it has been proven, that listeners do not change the channels while ads are on, they have learned that ads are an essential part of the commercial radios content. At best, ads can be entertaining, useful, educational, and activating. Radio advertising is also relatively cost efficient, compared to other media (p. 5-6. Marmori Oy, 2009).

The benefit of radio advertising is the possibility of a sufficient reach within the target group. Also the frequency is high, in other words how many times the message is heard by the target group. Using radio advertising in Finland, it is possible to reach up to 3,5 million Finns within a week. According to studies, the radio is usually the latest media used when going to the store or the mall for example. In the car radio is a natural companion for many consumers, which gives the possibility to promote e.g. special offers and tips on what to buy. During the day radio can also strengthen messages heard or seen earlier in other media (p. 10-11. Marmori Oy, 2009).

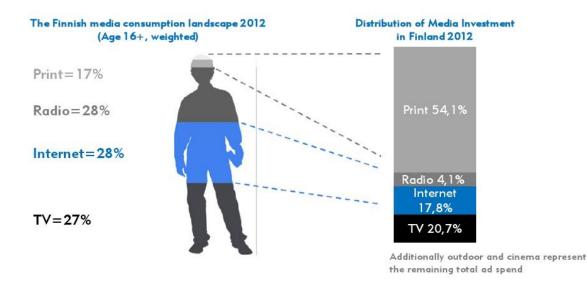


Figure 1: Finnish Media consumption versus investments (Media Investments, TNS Gallup 2012)

From the advertisers' point of view, the channels in Finland offer an opportune environment for targeted advertising. Each channel reaches a certain age group and listeners with a specific set of values which creates a well profiling audience (p. 9. Marmori Oy. 2009). These are points that partly answer the question on why radio should be used by advertisers, as it is a media which is highly consumed in Finland.

2.1.1.1 KRT – National Radio Survey (Kansallinen Radiotutkimus)

The National radio survey is the base study of the Finnish radio industry. It is a joint audience research project of the private commercial radio stations, as well as YLE. KRT provides important data to these radio stations, so that they can monitor their audience trends and plan their programming. Also marketing planners and media agencies will gain use of the data, as KRT provides useful refined information to plan advertising. (National Radio Survey, Finnpanel.fi)

2.1.2 How to create successful radio advertising

The creative planning and ad production makes the essential part of the emergence of a radio spot. With the help of sound, speech, sound effects, music and authentic sounds you can build soundscapes and different forms of consciousness, that become images in the receivers minds. Even though the radio spot is received to the listener only through one sense, the hearing, people tend to perceive their surroundings using all their senses. Therefore, the radio spot is a perfect sensory experience for the receiver. At best, hearing a good radio ad is comparable to reading a good book. Similar to the reader, the listener creates their own surrounding scenery for the happenings in their own minds. This is why radio offers a great environment for image advertising. (p. 14. Marmori Oy. 2009)

When creating a radio spot it is important to keep the emphasis on the clarity of the message, and focus on a relatively fast production schedule. Radio is a news media that lives in the moment and it is associated with speed and responsiveness. These features are in focus when radio is used as a tactical media. In practice this means short production schedules, ready ad material and easy adaptability. The planning process requires active updating of information and preparing. The essential part is to clarify the plan how to use radio, and all integrated marketing measures. Usually an existing sound logo is the easiest solution, when you want to make sure that all marketing communications stay in line with the image of the brand. (p. 14. Marmori Oy. 2009)

Creative skills are in a central part of the planning. In Finland the making of the spot is often based on the writing, which is also the prevailing practice considering radio as well. When planning the script for the ad, it is important to give room to images created by the sound and to the interpretation of the speaker. Instead of words, the writer should focus on a working idea and possible creative solutions that the media has to offer. A fictional setting as a creative solution gives the chance to stand out, and it does not require additional budget. Usually a good idea is enough. (p. 14. Marmori Oy. 2009)

2.2 RADIO AS A PART OF THE MEDIA MIX

Radio works well as an individual marketing channel, as well as a supporting media as a part of integrated media solutions. How much the advertiser should invest in each media is dependent on the case in question, and on how many different media that are in included. Also the role of each media should be considered. In figure 1 on page 8 the media consumption of Finns is presented and it can give a direction on the share of how much each media could be used, in terms of visibility.

Radio as a part of *print media* can make the printed words come more alive, and power up the impact of the message. The audio element makes the vision stronger, and the message can be maintained for a longer time period. Using the same sound or music with the *TV-ad* can strengthen the overall effect of the campaign. With radio it is possible to continue the influence of the TV spot by for example targeting the message at a certain time of the day. All though, the soundtrack from the TV spot may not as such, be suitable for a radio. Radio can also efficiently be used together with *out of home* advertising. This way especially motorists can be reached, and the message can be targeted effectively. The division of work is clear when it comes to internet and radio. In this combination the radio raises the interest of the target group, and gives directions to the advertiser's site. (Radiomedia, 2009) This topic will be further discussed in the next chapter.

2.3 RADIO AND INTERNET

2.3.1 Internet as a platform for media

Previously internet was only discussed as a technical distribution channel, and not as much as a media. Even though this has changed, it is still an important distribution channel for traditional media, such as radio, TV and magazines. In the beginning these traditional forms of mass media used internet only as an extension to the traditional activity. This consisted mainly of offering the same contents through internet, as on paper or TV. Later on, the media companies started to adapt their services to internet, including for example special material that was not possible to implement in the traditional form. (p. 122-123. Hadenius, Weibull, Wadbring, 2008)

Some forms of media, such as newspapers and magazines, have invested in their online services, but it has become very expensive. The reason is that the payment systems are still complicated. This is why many companies have kept their online magazines free of charge, and they have invested in the online advertising instead. When comparing this to online radio for example, the case is different. This is because the radio transmission online is the same as through traditional transmitters. In addition, internet based services for radio have been easier, as commercial radio is free for listeners anyway, and the companies are funded by advertising in any case. Online radio is only another channel for the same service. The benefits, however, are that new forms of advertising solutions have been generated, taking advantage of the numerous possibilities of internet and giving the companies additional income. With internet, it also became common that media started to write news and information in so called internet versions in high speed that were only available online. (p. 123-124. Hadenius, Weibull, Wadbring, 2008)

2.3.2 Internet and radio – an effective combination

The combination between radio and internet can be seen from two different perspectives: How radio channels can be heard via internet, and how these two media work together and support each other. Basically all of the Finnish radio stations can be heard online. This also enables local stations to be heard outside of the specific region. Internet is a natural delivery channel for the radio, as the radio adapts easily into different technological requirements. (Radiomedia, 2009)

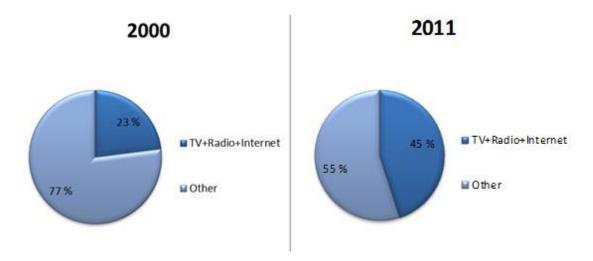


Figure 2 Media usage 2000 vs. 2011. (TNS Adex)

Internet and radio have proven to be a mediamix where the media support each other very well: Radio awakes the target group interest, and the web generates information and works as a distribution channel. According to a study including 8 multimedia campaigns made in 2006, 41 % of the respondents listened to the radio always or most of the time while browsing the web. Note that this study was made before the radio stations became online stations in July 2007. (Radiomedia, 2009)

2.3.3 Radio as a booster for generic search

In a study called *Radio: The Online Multiplier* written by John Naughtor brings up benefits in using radio advertising when boosting brand awareness. This is now-a-days dominated by generic search. One of the key findings in the report is that brand browsing is increased by an average of 52%, when consumers are exposed to radio advertising. Another important finding is that radio is up to four times more cost efficient than other media, in stimulation of brand browsing. Radio also has a direct effect on browsing: the study shows that more than half of browsing that was identified as having been encouraged by radio happens within 24 hours of exposure to advertising. How the creative work is done is also crucial in optimizing the radio's online multiplier effect. Strong brand linkage and communicating a clear and simple proposition is important. According to the study, it was clear that well performing spots directed consumers to go online to a self-evident and straightforward brand web address. As a conclusion, you could say that radio is cost-effective for advertisers aiming to drive listeners to interact with their brand online. (Naughton, 2010)

2.3.4 Online based advertising on radio stations

In addition to traditional radio, radio station "The Voice" has online radio and a web site, which reaches up to a million Finns within one week. According to their studies the web page voice.fi increases the reach by 16%. (SBS Media, KRT 2011, TNS Atlas)

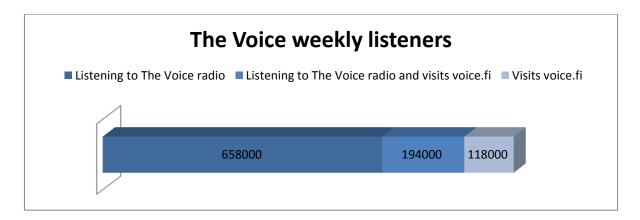


Figure 3: Voice weekly listeners. (KRT, Finnpanel, TNS Metrix, TNS Atlas)

Most of the radio stations in Finland have a clearly profiled target group. For example SBS has four radio stations: The Voice, Radio City and Iskelmä, Radio Pooki, which each has a different target audience, and all of the contents, stories and cases of each station are all tailored for the specific target group. Also the promotions and advertising campaigns are planned for these target groups. The newsroom and journalists speak about the subjects in a way that appeal to the target group, which increases word-of-mouth activity that brings traffic to the websites. (SBS Media. 2013)

Through the online sites, it is also possible to vote for e.g. what songs are playing next on the radio, this way internet and radio is also highly connected. Also mobile optimized web pages and apps are becoming more common. The creative department can make promotions and program sponsorships where spots and program presenters are combined together with display advertising online, mobile and practical implementations of events. All of these activities are driven by the objective and the target group. In other words, what needs to be accomplished? After this the relevant tools needs to be defined, in order to generate visibility. (SBS Media, 2013)

There are endless possibilities of different ways to combine internet to radio campaigns. This chapter introduces two cases that have been implemented by advertisers together with SBS. One way to enhance visibility is to do a takeover on the entrance site, such as Voice.fi. In figure 4, (p. 13) you can see a campaign of a Marabou launch. This kind of format has high attention value, where the visitor is exposed to the advertisement in a very visible way. To boost a radio campaign it is also possible to add visibility to the web radios. An example of this can be seen in figure 5 (p. 14). The example is from SBS web radio with a monthly sponsorship, where the implementation included an audio pre-roll, which was played every time the web radio was turned on. In addition the sponsorship had an ad-box which was shown every time the audio pre roll was activated. This way both visible and listened ad formats were in use. (SBS, 2013)



Figure 4: Marabou launch campaign on SBS Online (SBS, 2013)



Figure 5: Online radio, preroll and promotion box. (SBS, 2013)

3 EMPIRICAL RESEARCH

This study consists of five in-depth semi-structured interviews, with seven respondents, who represent professionals in different sectors of the commercial radio industry in Finland. In order to gather relevant information about the topic from different point of views, two of the respondents were chosen from media agencies, three from radio stations and two from Radiomedia. The respondents were asked to state their name, job title and number of years in industry. The interviews took place between 12th March and 11th April 2013.

3.1 RESPONDENT DEMOGRAPHICS

The respondents interviewed for this degree thesis are professionals in the commercial radio industry in Finland. The respondents representing media agencies are Media Manager Mervi Luoma at OMD Worldwide, who has been working in the industry for 6,5 years, as well as Broadcast Manager Minna Andersson at Vizeum, who has been work-

ing in the industry for four years. The radio station representatives are Juha Lecklin, Commercial Producer from Radio Nova, who has been working at Radio Nova since 2005. From Nelonenmedia the respondents were Wille Niinistö, who is Promotion Manager in Radio and has been working in the industry for 20 years, who was interview together with Kalle Alanen, who is Product Manager in Online, and has been working in the industry for six years. The fifth respondents represent Radiomedia: Riina Aho who is Research and Media manager, who was interviewed together with the CEO, Stefan Möller. The reason why the interviewees were chosen from three different parties in the radio industry was to get a wide perspective from different points of view, as these professionals all have their own area of expertise relevant for this subject.

3.1.1 Implementation of the interviews

The interviews were made by the researcher of this study. They were recorded, and time spent on the implementation of the interviews was from 30 to 50 minutes each. Most of the interviews took place at the respondents' office, except the interview with Mervi Luoma, whose interview was conducted at Restaurant Monte Etna, as well as the interview with Radiomedia, which was conducted at Media agency Carat Finland office. The interview guide consist of three different sets of interview questions, which include separate questions for media agency representatives, radio station representatives, as well as questions for Radiomedia representatives in order to provide the respondents with relevant questions concerning their area of expertise. The differences in the interview guide can be explained by the fact that radio station representatives have the knowledge from the production perspective and the radio station they work for. Media agency representative's perspective differs due to the fact that in their planning process they need to consider and evaluate the whole media field. This gives them a rich view of the available possibilities and solutions on radio planning. Radiomedia representatives on the other hand have an impartial perspective of the radio field in Finland, and many years of experience. This gives them the knowledge of e.g. the development of the radio industry and emerging trends which is a relevant addition to this study.

3.1.2 Validity of the study

When reflecting back on the research question, "*Why and how should advertisers use radio?*" this research method partly answers the question. In these results there is a lack of concrete examples. This study could have been fulfilled with a case, which could have provided more insight on how advertisers actually use radio in their campaigns. The results of this study lie in experiences and knowledge of the chosen respondents. Validity of this study also lies in the timing of the results, which may not be valid in a few years due to the fast changing industry.

3.2 RESULTS

3.2.1 The development of commercial radio during recent years

The respondents from the radio stations, as well as Radiomedia, were asked how they see that the commercial radio as a media has changed during recent years, in order to get a background on where radio as a media stands in the present day. According to Wille Niinistö, who works as a Promotion Manager at Nelonen Media, one of the greatest changes when thinking about the recent years is the unification of radio and internet. "How radio and internet has become closer, internet is always present when doing radio promotions. Internet has become a standard element, where radio gives a high reach and internet works as an activating factor." Niinistö continues by explaining that radio has advanced in content as well as in personality. Also, the commercialism has reduced, as stations and advertisers focus on the collaboration, figuring out what can be done together. When it comes to the buying and planning of radio, it has become much more professional. (Niinistö, 2013)

Kalle Alanen, who works as a product manager at Nelonenmedia, adds that in the past when a radio commercial was made, it was essential to figure out what could be done on air. Now-a-days the starting point is often to figure out what happens online, and bring it to the radio frequency. He continues: "The home of the campaign is usually online and radio serves as a guiding factor. Of course there are things like interaction with listeners, which cannot be done anywhere else than on radio." (Alanen, 2013)

The commercial producer of Radio Nova, Juha Lecklin, brings in another point of view He says: "If addressing radio together with the advertiser, radio has become more and more a tactical media, in the past radio was often seen only as a supportive media, and a media that helps to build up a brand and the image. The role of radio has become more tactical, and through research radio is also known for its affective guidance to internet." Lecklin also points out, that when thinking about the media field, the competiveness has increased. There are more channels, which are more profiled for a specific target group. There are challenges and a lot of competitiveness in the contents of radio. (Lecklin, 2013)

Möller, the CEO of Radiomedia, has a similar point of view. He also brings up the fact that the content has become more essential. He says: "As a consumer you need to feel that you are up to date when listening to a certain channel. This makes the radio easy to use. If you need to find all of the information online for example, you need to be very active. The strength of radio is that you can do many things at once." An interesting fact that was also brought up by Möller is that when radio is competing with other media for the spare time of consumers, the share of radio has stayed the same for a long time, despite new competition. This demonstrates how radio has been able to provide interesting contents that consumers want to listen to (Möller, 2013).

3.2.2 Radio combined with online advertising

The key question in this study is how radio can be used in advertising. As pointed out in several occasions, online has a significant role. The respondents were asked what kind of special solutions linked to internet they like to recommend their clients. Niinistö, from Nelonenmedia, likes to recommend a trinity between radio, online and social media, where radio has the on air content, and internet has the activating role. These two are then completed with social media, this makes the effect more aligned (Niinistö, 2013). Alanen from Nelonenmedia continues: "If a campaign has a good take off on the radio, in addition to a campaign site online combined with different sharing elements, a whole new dimension can be emerged on internet." (Alanen, 2013).

"When thinking about the content of the spot, the message has to be simple because the consumer faces advertisements all over all the time. You should focus on the clarity of the message. If the advertiser steers the consumer to a specific web site or competition site, it has to be done well and guide the consumer deeper into the product." (Lecklin, 2013)

Also the media agency respondents like to recommend sponsorships or special solutions packages where radio is combined with internet to their client. The majority of these solutions emerge from the radio stations. Andersson for example points out that almost all of the commercial channels have their own web site, and they often like to offer advertising solutions that includes a competition site. "There are many consumers visiting the web sites who do not listen to the radio. With a promotion we can reach different consumers and adding internet makes sense as you can guide the consumer to the advertisers own web site, to find out more about the brand or product. Online you can serve the consumer much more." (Andersson, 2013)

According to Luoma, it is often up to the radio station, how well they can exploit their own web site. If the site is good and working, it is more beneficial to combine radio and internet. Luoma also brings up the previously discussed fact that, now-a-days the spot is guiding the listener to go online one way or the other (Luoma, 2013). The representatives of Radiomedia reinforce this view. Möller remarks that previously the radio spot was telling about the product, but now it works more as an impulse or a "bate" that lead people to go online and find out more about the product. He continues to say that radio and internet are a very good combination, but it also depends on the product and what wanted outcomes are (Möller, 2013). Riina Aho, Research and Media Manager of Radiomedia remarks that there are many surveys studying this, but the findings are very variable. It depends also on the implementation, how well internet works, what the content is and how the listener is guided to go online. "If you think about online advertising, radio a natural pair for it", Aho continues (Aho, 2013).

The host of the radio station can also play a big role in commercial radio. The channel can for example place the advertisers product or service into the program stream, so that

the hosts presents the product or service in the program, from which they can for example direct the listeners to the advertisers Facebook page (Luoma, 2013). This is exploited at Nelonenmedia as well. According to Niinistö, the hosts of the shows are also a part of the online activity. He says: "The listeners have chosen the radio channels based on the personalities and the music, so we like to bring these personalities to be a part of the online promotions and activation. This is something that will become more common, as you will be the one spending time also online with the "persons or friends" that you have chosen" (Niinistö, 2013).

3.2.3 Additional ways to use radio in advertising

Alanen brings in another new perspective, recommending using mobile phone devices as a part of a radio campaigns, e.g. using them as guiding advertising or audio detection devices. Many possibilities lay within this area, but then there is also the question about how to commercialize mobile campaigning (Alanen, 2013). Niinistö adds to the subject, that mobile campaigning needs to be implemented well in order to get it to work. "The mobile and radio combination, is the only one that can be reached anywhere, from point of purchase to an online store", he continues (Niinistö, 2013). Alanen also feels that mobile can already be brought in as a part of a campaign, using mobile as a "return channel", when people go online based on a radio ad, thereby the services can be offered to consumers by using games or discount codes for example. This way it is possible to reach consumers that are actually interested in the product or service, and getting them to return for a possible purchase. (Alanen, 2013)

Another great way to use radio advertising is to make it activating in real time. Now-adays almost everybody can go online anywhere at any time, so this is an ideal way to make an advertisement for getting something when acting at a certain moment for example. The fact that you can listen to radio almost everywhere creates a lot of possibilities to steer the listener to a specific web site, competition or to claim an offer for example. (Lecklin, 2013)

The radio station respondents were asked to give some examples of ad formats that could be used. Lecklin pointed out that considering internet, the possibilities are almost unlimited. Although IAB (The European Interactive Advertising Bureau) defines certain standards within online advertising that can be executed. Lecklin feels that in the modern world, these possibilities could be exploited even more. He continues: "As a radio person, I like the power of sound. This goes for web radios as well. Now-a-days we can stream videos, explore contents in real time. Internet gives endless possibilities to do things." (Lecklin, 2013)

"If you think about ad formats, in different mobile apps that enables radio listening you should take advantage of the advertising surface. The downside is that the amounts of users in web radio and mobile radio are still pretty low. The benefits are that you can reach people on the move that are possibly simultaneously browsing the news for example, and bringing the promotion messages there, similarly to how they are brought to millions of people in traditional online advertising, but optimizing the sites also for mobile phones" (Alanen, 2013).

"Our biggest and most successful promotions have had something to do with games. Playfulness has been a part of them somehow; it is a good way to get people interested. There should always be entertainment". (Niinistö, 2013)

3.2.4 Innovative radio advertising

During the interview with the representatives of Radiomedia, a few examples of new and innovative radio advertisements were brought up. As Aho explained, "Now-a-days advertisers want to use innovative ways to use radio which does not necessarily have anything to do with the spot itself, but the way that radio as a media is used." (Aho, 2013).

One good example of creative radio advertising is utilizing the technology. A Brazilian radio ad that was presented in Cannes in 2012 included a sound frequency that only mosquitos could hear, using the radio station as a mosquito repellent. This way the station got listeners to tune in. (Möller, 2013).

Also in radio advertising there are trends. Möller says: "During recent years it has been popular to produce long spots and long monologues. I believe that the use of music will

come back in a new form. Also the use of soundscapes will increase." Usually advertising agencies follow trends around the world and they follow up on what kind of advertising is being rewarded. This is the way trends emerge. (Möller, 2013) Aho accentuates, that when thinking of international trends in spots, insightful scripts seem to be common. The creative solution has an important role, in addition to the media buying. (Aho, 2013)

3.2.5 Benefits with combining radio advertising with online advertising

In order to get a more comprehensive understanding on *why* radio should be used by advertisers in the previously mentioned ways, the respondents were asked to define the benefits in combining radio with online. According to Luoma, it is clear that if a radio spot guides listeners to activate online, it is much smoother. "It depends on if the objective of the campaign is to increase the recognition of the brand, or if it is clearly a tactical spot that guides the consumer to activate. It is usually beneficial to include online, of course it is different if the spot only has a message about an offer in a grocery shop for example. Then it might be enough to have only a tactical approach." (Luoma, 2013)

Niinistö points out the basic things such as reach and coverage, which naturally increase when advertisers use both radio and online (Niinistö 2013). Alanen also comments on the time-bound advertising, which can be done both online and on radio, and if something is happening online, radio is a good channel to tell listeners about it. Also, if the consumer is already in the right environment online, the point of purchase is much closer (Alanen, 2013). Niinistö adds that the guiding of purchase is used insufficiently by advertisers, especially when online stores are increasing all the time (Niinistö, 2013).

Internet makes a radio campaign also visual, it activates and it teaches the consumer about the product or service. The advertiser can get leads, and thereby give direct purchase impulses to consumers through different preferences (Alanen, 2013). Also Andersson brings up the visual part of internet, which is something that is lacking in radio. For many advertisers it is important to include for example a certain color, which can be included in the online part of the campaign. Also including social media, such as Facebook, can bring street credibility to the campaign. A good example is the Facebook group of radio station "Radio Rock", which has more than 175 000 fans, where products that are brought up gives a certain reality to the consumer (Andersson, 2013).

The benefits that are gained using both radio and online are also much dependent on the type of advertising; whether it is a spot campaign, a promotion or a sponsorship. This is something that is brought up by Lecklin who feels that it makes a difference if the promotion site is a part of the radio station, or if it's the advertisers own site. If the promotion is made to the radio stations site, you can create content to the radio programs as well with competitions for example, and you can get deeper into the promotion. "You can get more tacticity to the campaign. It works because radio is not a visual media, when creating a promotion site or a competition, it gives a great addition to the campaign." (Lecklin, 2013)

Niinistö remarks that they always try to discuss different new solutions with their clients, even if there is no ready-made approach. This could be some type of audio recognitions system between mobile phones and radio, and they are constantly looking to find suitable clients to work with on this kind of new and innovative solutions (Niinistö, 2013). Alanen adds to this that most of the clients are also aware of the fact that they cannot be executed in the next few years, which is why it is profitable to bring new possible ideas up well in advance. "We just have to wait for the world to change, and we want to be the first ones to implement the ideas." Alanen continues. (Alanen, 2013)

3.2.6 Room for improvement – what could be explored better in radio advertising?

The respondents were asked what they think could be explored better in modern radio advertising in their experience. Luoma pointed out that advertising agencies and the production companies should invest more in the production of the actual radio spot. Luoma continues "I would hope for more imagination in the implementation of the spot and variability to the speakers in order to make the spots more vivid. Also radio channels could be more active in selling, as radio works well as a media, but it is sometimes difficult to convince clients of it." (Luoma, 2013) This issue is pointed out strongly also by Radiomedia. "The central problem is that the campaigns are not given enough planning time. The benefit would be greater if the advertisers would invest more on the planning and the production of the spot as well as the story telling. Often the client orders a spot of a certain length without knowing the idea of the spot. How can you know that the idea is 15 seconds? It is important to first set an objective for the campaign and the spot." (Möller, 2013)

"Radio stations have created interesting platforms for mobile phones, for example sites where you can vote for your favorite songs. This kind of solutions has not been possible in the past when listeners had to call the stations to vote. Now the listeners can go online anywhere with their mobile phones and it is easy to vote and the advertisers can be a part of these contexts as well. It can be a good base for advertisers, as listeners have already been activated to visit a specific site." (Andersson, 2013)

From a radio station point of view, a few interesting cases were brought up. Lecklin for example, remarked that many advertisers buy to gather a registry to for example to call or sell something, but in the end no one is in contact with the gathered leads, which is a shame for consumers that are actually expecting to be contacted. A great potential lies within this. In general, to get to the participants, everything from the web to the listener should be taken care of better. The radio channel itself has the possibility to provide new innovative advertising solutions. Now-a-days multimedia solutions are common, and also TV is often a part of the campaigns. "In these cases it is important to define the role of each media, in each stage of the promotion. This is not always clear in the brief. Through this we can build the ensemble of the campaign", Lecklin explains. Radio that in the past often only was a supportive media now has got a clear role in the campaigns, due to the flexibility. Also the production schedule is short and it is cost efficient compared to for example TV. (Lecklin, 2013)

"Media agencies and creative agencies have a big influence on how the creative spot is planned, and how radio as a media is utilized at best. Things should stay unambiguous enough, so that it does not get too complicated. Cool things can be done, but it is important to keep the red thread." (Alanen, 2013) Time-bound advertising is something that is not exploited as much as it should. Alanen continues with an example of a larger campaign with one generic spot that is run on all stations, floating depending on time and place. Niinistö ads, that it could involve a generic web page as a base, so that the target group would be reached during different stages of the days in different ways. (Alanen & Niinistö, 2013)

Related to this, the sound of the spot could be exploited in moving image (TV), sound (radio), as well as internet. This can save a lot of production costs as well. The sound is recognizable on radio as well as online, which is why online or TV is a good addition as you cannot see the ad on radio, but you can combine it with the sound. (Alanen, 2013)

3.2.7 The role of the radio station web page or Facebook page

The role of the radio station web page and Facebook page was also discussed with the respondents, as they have a significant role when it comes to radio related promotions. "There are big differences in the radio station web pages and Facebook pages, some web sites may have only 30 000 visitors, while other might have up to 250 000. As a mass this is already a big difference". (Andersson, 2013) A popular radio station web site is a great addition to a radio campaign, if the station profile is suitable for the campaign. If the Facebook page is active, it is also a very good addition to introduce a product in an environment where consumers are already interested, as Facebook marketing might otherwise be quite challenging. (Andersson, 2013)

"Commercial radio stations should have their own internet pages to be more focused on social media, which gives the advertiser more possibilities to be a part of the content. In social media you can just include a link, unless you are building a campaign. As activation can be shared, it should be utilized much more." (Lecklin, 2013)

In Nelonenmedia all of the radio station web pages have developments running, in order to make them profitable. Ahonen says that they will probably become some kind of meeting places that would have program information and platforms for competitions. If the sites offer more content and entertainment, it is more profitable for the advertiser as well, in addition to having Facebook as part of the campaign (Alanen, 2013). Niinistö feels that Facebook should be a part of the online activity, not separate. It could be like a communal element within the traditional online operations. "If we think about the 175 000 members of Radio Rock Facebook group, it is a huge amount of people that are fully committed to it. And they want to be "disturbed" within this media, in a positive sense of the matter", Niinistö remarks. He also mentions, that you have to be very careful about the things you can include (Niinistö, 2013). Alanen points out that this is something that is exploited in a commercial way, there has to be some sense in it, and a balance needs to be found in what happens on the website and what happens on Facebook, as it is a great alternative channel for the radio stations, and for advertisers as well (Alanen, 2013).

3.2.8 Radio advertising in the future

In order to get an understanding on where the commercial radio industry is going, the respondents were asked about the future of radio advertising. This way advertisers can identify new possibilities in advance. The respondents had many different views on the matter. Möller pointed out that changes often happen slower than expected, and that radio needs to be a part of all units and devices that people use. He does not believe that the consumer will go to the store and buy a separate radio set in the future. It has to be on mobile, the computer, or any device that people use (Möller, 2013).

Möller also mentions that radio also has to develop and be up to date and it needs to study people's behavior and learn how to be interesting. The trends evolve, and the share of speech in radio grows, but the music will never fade away, though its role will become smaller. The personalities and contents will definitely grow (Möller, 2013). This is mentioned by Andersson as well, she points out that the radio stations will seek for a certain kind of smaller profile for their station, and the amount of mass audience stations will decrease. This way they can sell a specific target audience for a higher price (Andersson, 2013).

"As a commercial media, the possibilities for growth lay in good executions, a good audience and working platforms for advertisers. The more we understand the intensifying effect of radio, the more it can bring efficiency to the campaign. Unfortunately radio is rarely on top of mind when planning advertising campaigns, which has not changed over the years", Möller (2013) remarks.

Also Lecklin has a similar vision. He believes that radio advertising does have a future, and he also points out the fact that the content will be very important. He says that the reason why people listen to the radio is that it surprises you and it sets a pace to the day. There are a lot of things that other media cannot do. Lecklin continues that in the future multimedia solutions will increase, and it has done so in the recent years already. He says that the media field becomes more and more fragmented, and media becomes more interactive. Radio will also get clearer role as a media. Because radio can be listened to from many different devices, it opens up a lot of new possibilities (Lecklin, 2013). Also Luoma remarked on the use of radio, TV and online together. She also felt like the advertiser should get a radical change in attitude towards radio advertising, in order for radio to be successful in the future (Luoma, 2013).

This is discussed by Andersson as well, she says that the combination of radio and internet will probably become more popular, as online also has the possibility for banner advertisement for example, and make the campaign visual as well. Internet brings a good follow-up to the campaign. Andersson also brings up the previously discussed fact about new investments in the radio stations that have founded new creative teams to work on special solutions (Andersson, 2013).

"If we go into the future, I believe that radio stations need to jump off of the traditional role of radio, and start being a market close to the stores, along with the growth of e-commerce. The line between traditional advertising and commercial content will fade, by moving away from the commercial breaks into the actual content of the media. The collaboration between commercial partners will increase, but the listener or consumer needs to feel that he gains something extra out of it." (Niinistö, 2013) Another thing that will increase in radio is events, due to experiences and thrills together with the brand in question. "You do not listen to the radio, you experience the media", says Niinistö. (Ni-inistö, 2013)

Niinistö fills in, that in the near future the meaning of the personalities will increase, and personalities who listeners want to spend time with voluntarily (Niinistö, 2013). Radio will be time bound, topical, "a friend" that brings a good feeling to the listener (Alanen, 2013). The power of radio also lies in the fact that the listeners can trust that the radio will tell them if there is something that they needed to know, it is not just a jukebox. Here lie many commercial success stories as well, as the radio stations and the presenters stand behind the messages, when you think about all the advertisements people face every day (Niinistö, 2013).

4 DISCUSSION AND CONCLUSION

The majority of the central topics related to modern radio advertising are discussed in the empirical part of this report. The most relevant findings come from the in-depth interviews, resulting in discussions on up to date solutions and advertising methods in radio advertising. As mentioned on several occasions during the interviews as well as in the theory, internet is in a big role in the majority of the cases when it comes to radio advertising. The advertiser should remember that even though radio is a traditional media, due to new technology, innovative solutions are constantly arising. A fact that should be taken into consideration when planning the media mix, is the Finnish media consumption, presented in Figure 1 (p. 8). There you can see that the consumption of radio is 28% compared to the media investment that is only 4,1%. In this section further key findings will be discussed and analyzed in order to get a clear view on why and how radio advertising can and should be utilized today.

4.1 Advantages in radio advertising compared to other media

When talking about radio as a single media in advertiser's point of view, radio is one of the few media that can only offer sound. When exploited well and in a creative way, it can lead to successful advertising campaigns increasing the image and recognition of a product, service or a specific brand. The strength of radio is the ease of use. Finns are very loyal towards their favorite radio station, and the need to switch channel during commercial breaks is very small. As a commercial media, advertisers have the possibility to include advertisements that can be educational, useful, entertaining, and most of all activating. In addition, radio is cost efficient, which should be taken into considerations in case of any budget pressure of campaigns.

4.2 Radio advertising today

Concerning what radio advertising is today, there were a few points that stood out in the theory as well as the empirical research. The first one is the previously discussed online advertising, which is a huge part of radio advertising today. The most common ways to link these two is by promotions, competitions or using a simple activation in the radio spot that leads the consumer online to find out more about a product or to make a purchase. As internet has become a standard element of radio advertising, each media has gotten a clearer role: radio brings reach and internet works as an activating factor. This is amplified by the study made by RAB, which is presented in the theory in chapter 2.3. According to this study, there was up to 52% increase in brand browsing, when consumers were exposed to radio advertising. This is one of the most relevant points of this degree thesis, as the combination on radio and online it is highly discussed in the empirical part of the study as well.

Another thing that has become more essential in radio advertising is the use of interesting personalities as hosts, as well as developing radio stations to have a stronger specific profile concerning the target group. This involves also improving the content, which is increasingly focusing on other content than music. As discussed earlier, radio needs to be entertaining, easy to use and give the listener the feeling that they are up to date on what is going on in the world.

One very interesting fact brought up during the interviews was that the commercialism has reduced during recent years. This means that the collaboration between the radio stations and the advertiser has increased and the possibilities on what can be done together is explored more closely.

The role of radio in multimedia solutions was also strongly discussed. There are many ways radio can be a part of the media mix, but the role of each media has to be clear. Many of the respondents recommended using radio together with online and social media, or with television, but the objectives and targets of the campaign have to be specified in order to create a successful combination. Something that should be exploited more according to the respondents is the use of mobile as a part of the campaign, as one of the strengths of radio is the real-time advertising possibilities. As mentioned earlier, the combination between radio and mobile is the only one that can reach the consumer anywhere at any time. Now-a-days consumers can go online at any time through different devices which lead the consumers to being even closer to the point of purchase or an online store.

4.3 Recommendations

As a result of this study, there are a number of recommendations that can be given advertisers planning to use radio as an advertising channel. This chapter brings up a few points that should be considered when planning an advertising campaign.

1. Be innovative and invest in the quality of the radio spot

As pointed out in the empirical research, the professionals in the radio industry feel that advertisers do not invest enough time on the planning and execution of a radio spot. It is very important to focus in the quality of the spot and be innovative. There are many possibilities that can be done with sound when building brand awareness. Also the sound of the spot can be used in both TV and Radio, which can save a lot of production costs as well. The advertiser should challenge the production companies into doing something new or follow trends around the world in order to exploit radio advertising to the fullest.

2. Define the role of radio in the media mix

The advertiser should define the role of each media in each stage of the campaign or promotion. Is radio used as a tactical media, or a supportive media? What is the wanted outcome? In the past radio was often used only as a supportive media on the side with other media such as TV as a main channel. It is also common to use radio as a reminder after a TV campaign. Now-a-days radio has become more of a tactical media, through affective guidance to internet. Due to the fact that the listeners can be reached almost anywhere at any time, also real time advertising can be utilized in a new perspective.

The radio can also represent many different roles in the campaign, by using radio together with online and Facebook. Radio can be an efficient media to boost recognition and the image of a brand. This way radio can be in a significant strategic role, depending on the extent and volume of radio advertising.

3. Use multimedia solutions - online and radio works well together

If possible, the advertiser should consider bringing online to the radio campaign. There are endless ways on how to do this, the easy and common way is to guide the consumer to go online in the spot itself and visit for example the brand web page. Also, internet makes the campaign visual. TV is also a classical addition to a radio campaign as it is easy to use the same sound or music in both media. A combination recommended by the respondents is the trinity between radio, online and Facebook. It is a great way for the advertiser to utilize new technology. It is modern advertising, and most important of all this kind of solutions enables the advertiser to reach the consumer different stages of the day.

4. Take advantage of the strengths of radio

Real-time advertising, mobile apps, cost efficiency, innovative use of sound, new technology and brand loyalty are only a few of the strengths that radio has to offer as a commercial media. These strengths are something that the advertiser should consider when planning a radio campaign. The advertiser should definitely take advantage of the expertise of the radio stations that have the possibilities to execute good promotions and invest on successful cooperation according to the advertisers needs. Most radio stations have activated in establishing new teams that focus on promotions and online solutions in radio. Radio stations are also looking for advertiser to collaborate with when developing "first in media" solutions. As pointed out by the radio station representatives, there are endless ideas that are waiting for the right kind of advertiser to collaborate with, in addition to the technology to develop.

4.4 Radio advertising in the future

Due to the development of technology and internet and all the devices consumers have at hand, also radio has changed as a media and keeps on developing. A few visions of the future of radio were discussed, and the position of internet stood out. All the respondents felt like the combination between radio and internet will become more popular in the future. Also, the fact that radio can be listened to on so many devices, opens up a lot of possibilities. Mobile advertising was one of the highly discussed topics, which most likely is to develop and increase in the future. Different radio related applications on mobile in addition to the already existing web radio opens up new and innovative advertising solutions. This is also a topic that could be recommended for further research. The link between internet will also make radio a market close to the online stores, due to the growth of e-commerce. In the future the line between traditional advertising and commercial content will fade, which gives a lot of new possibilities for the advertiser. One of the reasons the respondents felt like radio will have a strong future as a commercial media, is the fact that radio has been steady for many years when measuring use of media, despite new competition. An interesting prediction was also that radio stations will start investing on the contents and personalities, and the share of music will decrease. This also opens up new possibilities for advertisers that have the chance to be a part of the content. Consumers find radio as an easy media to spend time with, having the pleasant content they enjoy and being "a friend" that keeps them up to date on what is going on in the world.

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6 APPENDIX

Interview guide.

Questions for media agency representatives:

- 1. Where does the planning of a radio campaign start? What is the planning process?
- 2. What kind of different special solutions for radio campaigns do you like to offer your clients, when talking about new and innovative ways of using radio? Are clients often interested in this kind of solutions?
- 3. In what ways can the radio campaign outcome be better when using a combination of radio and online?
- 4. What kinds of factors mainly affect the choice of radio stations in this kind of special solutions?
- 5. In what way does the radio station web page and Facebook page affect the choice of station?
- 6. Do radio stations often offer special solutions, or packages where radio is combined with online?
- Do you feel like there are unexplored possibilities that haven't been utilized?
 What could be explored better?
- 8. Do you feel that advertisers take enough advantage of this kind of solutions that radio stations have to offer?
- 9. a) How do you see the future of commercial radio? What kinds of solutions are gaining popularity, and how do you see the media changing?
 b) How do you see the internet and digitalization affecting radio advertising in the future?

Questions for radio station representatives:

- 1. How has radio as an advertising media developed in the past few years?
- 2. a) What kind of different special solutions for radio campaigns do you like to offer advertisers? (focusing on online solutions)

b) What kind of different ad formats are possible to implement?

- 3. a) Do you like to recommend advertisers to use this kind of new innovative solutions in radio advertising, and do the advertisers usually express interest in using them?
- 4. b) Do you feel that advertisers today take enough advantage of the possibilities the radio stations have to offer when planning to execute a radio campaign?
- 5. Do you feel like there are unexplored possibilities that have not been utilized? What could be explored better?
- 6. In what ways can a radio campaign outcome be better when using a combination of radio and online?
- 7. Do you have any research data on how this kind of campaign where radio is combined with online work together, compared to using radio as a single media?
- 8. *a)* In what extent do you develop and promote the Facebook or web page of your radio stations?

b) In what ways can these affect the radio stations as brands?

9. a) How do you see the future of commercial radio? What kinds of solutions are gaining popularity, and how do you see the media changing?
b) How do you see internet and digitalization affecting radio advertising in the future?

Questions for Radiomedia representatives:

- 1. How has radio as an advertising media developed in the past few years?
- 2. What are the strengths of radio as a media?
- 3. What kind of special solutions (different from basic spot advertising) in radio do you see as beneficial for advertisers?
- 4. What kind of solutions do you feel that could be explored better in radio advertising?
- 5. In what ways can a radio campaign outcome be better when using a combination of radio and online?
- 6. Do you have any research data on how this kind of campaign where radio is combined with online work together, compared to using radio as a single media?

- 7. How essential do you see that radio station own internet pages and Facebook pages are?
- 8. a) Do you have any information on the ratings and popularity of online radio?b) How does this channel work as a base for advertisers?
- 9. How do you see the future of commercial radio? What kinds of solutions are gaining popularity, and how do you see the media changing?