Cable: Efficient Path To Branding Your Station

There is no shortage of recent discussion about the importance of branding in business. Our industry is no exception. The subject has taken a new aura lately as the heads of radio groups have implored their stations, as well as the radio industry at large, to distinguish themselves.

Stations that are well branded are really special. Hopefully, yours is one of them. But in the current environment, the pressure to deliver cash flow often outweighs the practice of maintaining the strength of your brands. How often has your marketing budget been scaled back, eliminated altogether or "passed along" to another market? Station marketing and branding during the past couple of years have often been limited to only a couple of situations: heritage stations under attack from new competitors or the newly launching stations attempting to establish their own position.

With the mounting pressure to deliver a reasonable return on investment with marketing dollars, stations have begun to look for alternatives to their traditional media strategies. Many alternatives exist, but one of the most powerful is also one of the least understood and most under-utilized: cable advertising.

Dan Hotchkiss

CABLE AND MARKETS

Cable advertising was rarely noticed in most markets until just about 10 years ago. Even then, several factors relegated it at best to a category of "emerging media." Multiple owners within a given market, lack of technical sophistication, and generally disjointed sales efforts all contributed to cable's image as too complicated.

The consolidation of ownership within the cable industry over the past decade has had a profound and positive effect at turning around that image — and reality. Five companies now enjoy a substantial concentration of subscribers in the larger markets: Comcast, Time Warner, Charter, Cox and Adelphia, with nearly 49 million basic subscribers. Plus, Cablevision has an important presence in New York, with nearly 3 million customers.

In early 2000, just 10 of the top 100 television markets had "interconnects" — cable operations that, despite multiple networks and possibly numerous owners, offer a client one contract, one tape and one invoice. There now are close to 75 interconnects within these same markets, with 90 expected by the close of 2004. Cable operators in many major markets now offer at least 40 networks on which they offer local advertising opportunities.

The more sophisticated markets, like Los Angeles and Phoenix, have tools that allow radio stations to target potential diary-keepers particularly effectively. In 1995, Adlink in L.A. introduced **Adcopy™**, which has since been licensed to the New York market and will eventually roll into Comcast markets. Adcopy allows stations to break down the market geographically and address relevant messages to specific audiences. With Adcopy, radio stations can simultaneously run different branding messages in select subsections of the market — an awesome capability for delivering your message to specific clusters of hot ZIP codes.

Cox Media in Phoenix has an exceptional offering of cable networks that can help to hone in on specific radio audiences. Cox currently inserts commercials on 59 cable networks, including some on the digital tier. In addition, it recently rolled out a new product, **interACTIVE™**, that invites viewers to respond to polls or questionnaires via their remote controls. This application has tremendous potential for branding radio stations and collecting pertinent data from listeners.

KABC AND CABLE

One station that was an early proponent of cable as a marketing vehicle was KABC in Los Angeles. **Shelley Wagner**, the station's marketing director, began using cable for her station nearly 10 years ago. Initially, information gleaned from internal research led Wagner to cable for its ability to target geographically. "We were able to combine our ZIP code analysis with Prizm® codes that allowed us to promote different personalities and the benefits of the radio station to a highly targeted audience," she recalls. "Cable offered us a lot of flexibility in that it allowed us to traffic different commercials into ZIP codes that made sense for that specific personality."

Its expectations having been realized, the station has primarily focused on the geographic targeting advantages that cable provides, including the implementation of Adcopy™. An additional factor that has proven favorable is using cable to target with frequency, something that can be financially prohibitive in broadcast media. "When you have to hone in, you seek out the medium that allows you to target, and that has been cable," Wagner says. "We are sold on its cost efficiency and opportunity for frequency."

The sophistication on the sales side of cable is overshadowed only by the enormous growth in cable audience. A decade ago, the broadcast networks clearly delivered a much greater share of audience than did the cable networks that inserted local advertising. Since then, however, cable viewing to adinsertable networks has grown nearly 50 percent. In fact, 2003 marked the first year in which cable viewing outpaced that of the seven major networks. Household ratings for cable networks increased 9.7 percent in November 2003 over the previous year's reports.

YOUR STATION AND CABLE

How does this impact the branding of your radio station? First, it is important to acknowledge the progress of the medium and the likelihood that the quality of cable programming will lead to continued ratings growth. Second, you can take advantage of the strength of the brands that exist within the cable universe by fine-tuning your marketing efforts. We help radio stations identify the brands that are best aligned with their formats, and then we design strategies that create compelling synergies between the audiences of each.

There are advantageous similarities between cable networks and their respective target audiences and those of radio formats. The News/Talk listener, for example, is very likely to be a viewer of such cable networks as CNN, Fox News, MSNBC, CNBC and Headline News. KABC launched Sean Hannity and Bill O'Reilly in Los Angeles by buying spots in the hosts' cable programs. This is one

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of the most obvious examples of efficient targeting that pinpoints access to the exact audience a station needs to reach.

KABC also employs a complement of the other cable news networks to connect with its potential listeners. Hot AC stations are aligned with networks such as VH-1, E! and USA. The Classic Rock audience is easily targeted with ESPN, ESPN2, TNT, TBS or Spike TV.

Beyond the obvious synergy between cable networks and radio formats is the power of the medium to uniquely and effectively reach your potential diary-keepers. The biggest benefit that cable can provide is its ability to target geographically and qualitatively, while providing excellent frequency.

In planning an effective cable advertising campaign, it's important to keep in mind how a station can achieve goals of both branding and ratings growth by melding the strengths of outdoor, broadcast television and direct marketing. Broadcast television remains a tremendous vehicle for reach; unfortunately, that reach often extends well beyond a radio market's metro area. A broadcast television station covers up to about 30 counties, depending on the market, while there may be only four or five counties in a station's metro.

THE HOT SPOTS

The real battlefield exists only in a limited number of ZIP codes within those few counties. Approximately 18-20 percent of the ZIP codes in a metro can represent the majority of a station's diary returns. Often, two-thirds of that station's diaries are coming from less than 30 percent of the metro ZIP codes. Similar to planning outdoor advertising, this ZIP code analysis can be used to structure a cable buy. Most cable markets break their coverage areas into clusters of ZIP codes. This enables a station to target its advertising geographically for much greater impact and cost efficiency. (It also allows that station to target the ZIPs of its main competitors.)

Cable brings together the qualitative profile of the target listener with the necessity for reaching into hot ZIPs that consistently produce diary returns. More important, this strategy allows a station to increase the frequency of its branding message to an audience that is predisposed to tuning in and reporting listening to the station. Additionally, return on investment can be substantially improved by allowing the station to reach the right prospective listeners with the maximum frequency. This is precisely how most successful advertisers use radio, and cable can do the same for the branding of a radio station by taking a targeted group of networks, like a group of radio stations, and delivering optimum frequency. The result is both powerful for the brand and expansive to the bottom line.

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