



SEVEN STEPS FOR SUCCESS

ADVERTISING ON LAS VEGAS RADIO

// A Resource for Nevada Small Business Owners





INTRO: THE “3-Rs” OF ADVERTISING

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An essential function of advertising is to compel consumers to take action regarding a specific product or service.

Consumers in Las Vegas are expected to spend at least \$45.6 billion at retail this year.

The Las Vegas media markets consists of Clark County, Nevada.

To claim a greater share of this giant pool of cash requires local business owners of every size to advertise their goods and services. As Professor Jef Richards at Michigan State University points out, “Advertising is totally unnecessary...unless you want to make money.”

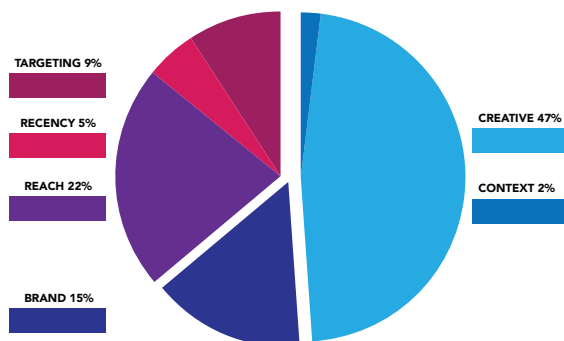
The bottom line: It is difficult for anyone in the Las Vegas area to purchase a product or service from a local business if they aren’t aware it exists.

There are many ways for local small business owners to advertise. These options include local newspapers, local magazines, local television, and online. However, to achieve the “3-Rs” of advertising success, **Reach**, **Recall**, and **Return**, no other medium delivers results as effectively and efficiently as advertising on Las Vegas radio stations.

1. REACH

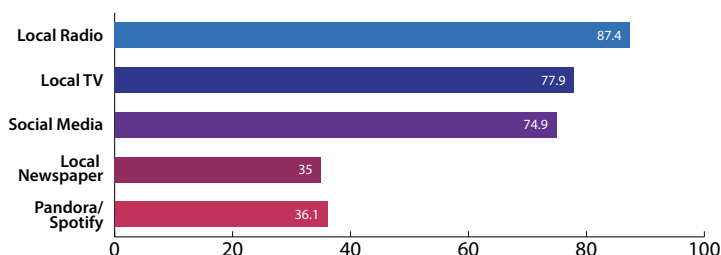
The first “R” is Reach. According to a study by Nielsen, after the actual content of the commercial message itself, reach is the most potent advertising element that can drive sales. Reach is more important than brand, recency, or even context. Las Vegas radio provides local business owners with the biggest reach among consumers.

PERCENT SALES CONTRIBUTION BY ADVERTISING ELEMENT



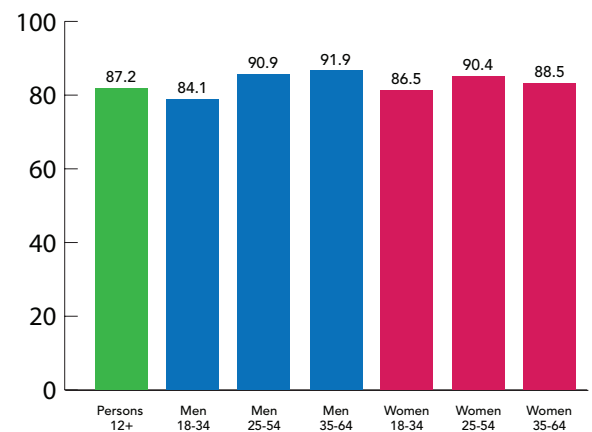
Last week, 1,522,627 adult consumers tuned to their favorite Las Vegas radio stations. This is significantly more than those who watched local TV, read a newspaper, logged-in to social media, or used a streaming audio site.

LAS VEGAS MEDIA REACH ADULT CONSUMERS



Unlike other local media, which tends to skew towards older audiences, Las Vegas radio reaches consumers of all ages. This includes members of Generation X, Y, and Z; Millennials, and Boomers. Everybody.

% OF METRO LAS VEGAS AREA CONSUMERS REACHED BY LOCAL RADIO



Media expert Gordon Borrell, CEO of Borrell Associates, advises, “Everything we’ve read about listening and aging audiences would have us believe that only our grandmother is listening to radio. Turns out the industry’s biggest supporters, the radio advertisers who foot the bills, aren’t buying that at all. Radio works, and the listeners are telling us in the latest survey data that radio has one helluva return-on-investment.”

2. RECALL

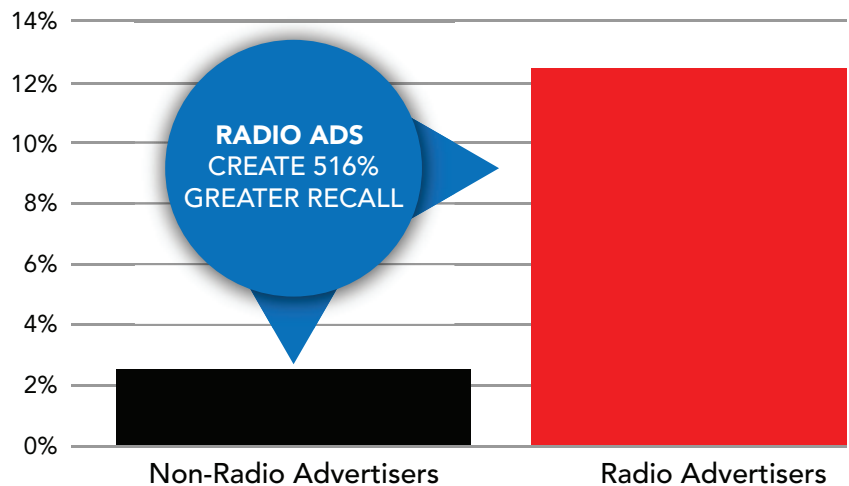
The second “R” affecting advertising success is recall. To be effective, advertising must be remembered by the consumer when it comes time to choose which Las Vegas area businesses to patronize.

Local Ad Recall, a research company that measures the effectiveness of advertising, found that brand recall was five times higher for companies that advertised on radio versus the companies that did not.

Consequently, Clark County small business owners who advertise on radio have a much better chance of being recalled and, therefore, frequented by prospective customers than companies that do not advertise on radio.

Consumer insight company Nielsen found similar results. Across several different business categories, on average, radio advertising improved recall by 82%. The businesses measured were a health and beauty company, an information technologies company, an auto aftermarket retailer, a motorcycle company, and a mobile app company.

UNAIDED BRAND RECALL



RADIO AD RECALL

	Unexposed	Exposed	% Lift
Body lotion/moisturizer brand	0%	26%	+2600%
Information technology brand	16%	40%	+153%
Auto aftermarket brand	9%	18%	+99%
Major motorcycle brand	25%	37%	+48%
Mobile app	36%	46%	+28%



3. RETURN

The third “R” of advertising success is return-on-investment (ROI). ROI is a measurement of revenue growth that a Las Vegas area business owner can expect for each \$1 invested in advertising. According to Advertising Age Magazine, when executed correctly, radio advertising can deliver a greater ROI for a local business than investing in TV, digital, or social media ads.

Over the past few years, Nielsen has conducted more than 20 studies to determine how much ROI a business owner could expect when advertising on radio. In every case, radio’s ROI was, in the words of Advertising Age, “eye-popping.”

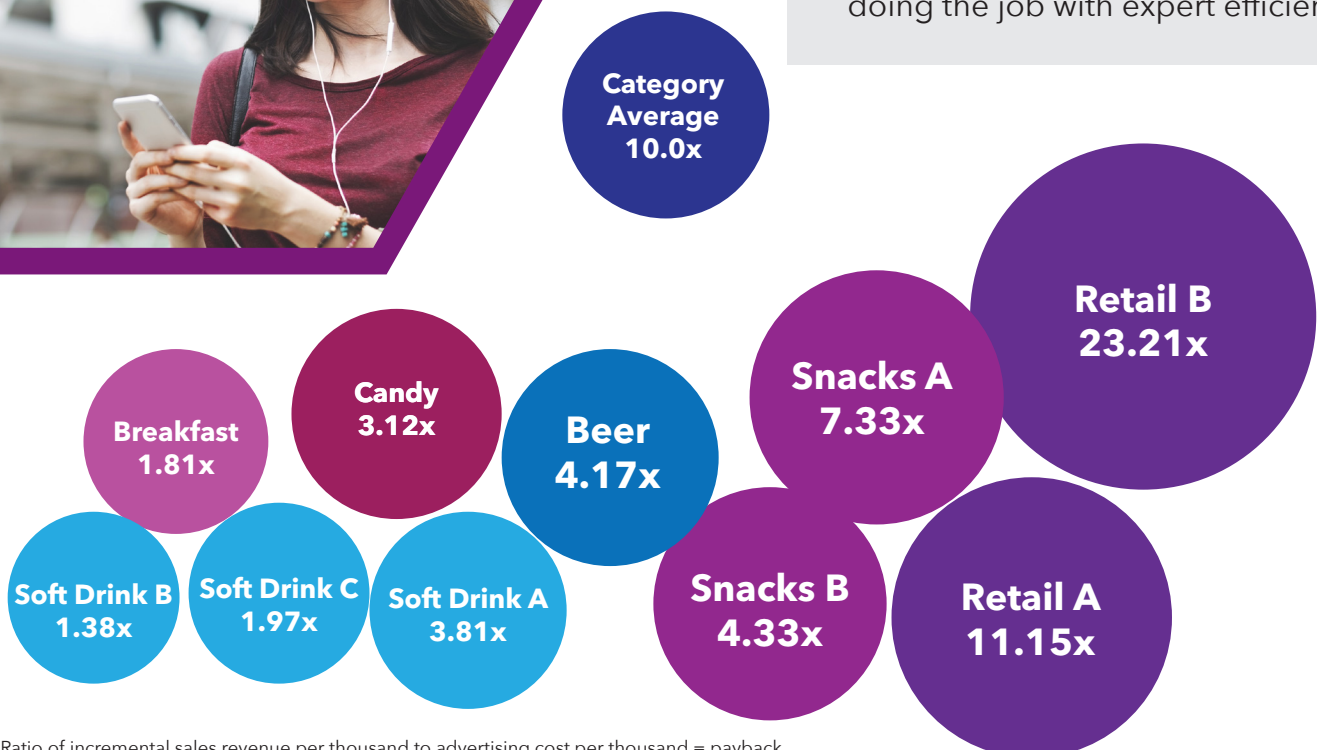
The most recent ROI study released by Nielsen is no exception. According to Westwood One, the company that commissioned this latest study, a radio campaign for a men’s personal-care brand produced \$11.96 in sales-lift for every \$1.00 invested in radio advertising.

Overall, according to Nielsen, among all of the studies conducted, radio ads produced a very impressive 10x ROI.

RADIO ADVERTISING ROI BY BRAND CATEGORY

**DOUG SCHOEN WROTE
IN FORBES MAGAZINE OF
RADIO'S ABILITY TO DELIVER
THE "3-RS" OF ADVERTISING.**

"The implications of results like these are profound for the communications and advertising industries," Mr. Schoen said, "and as a marketing professional with over 35 years of experience, I found this data nothing short of fascinating. It's quite clear that we should all be paying more attention to radio, its reach and potential to help our businesses. It's doing the job with expert efficiency."



Ratio of incremental sales revenue per thousand to advertising cost per thousand = payback
Source: Nielsen

7 STEPS

FOR SUCCESSFUL ADVERTISING ON LAS VEGAS RADIO STATIONS



Step 1:

Define A Key Marketing Objective for an Advertising Campaign on Las Vegas Radio //

An effective advertising campaign on Las Vegas radio needs a specific marketing objective. The objective should correspond with an advertiser's key challenges or opportunities. The objective will influence which radio stations to purchase, the length of the campaign, the timing of the advertising, as well as the length and the content of the commercials.

It is possible that over time, a business could have many different marketing objectives, but it is a proven, best practice for each campaign to focus on one. The objective selected should be crucial to the continued success of the business.

Marketing objectives typically fall into one of two categories: **BRANDING** or **PROMOTION**.

- **Branding** objectives focus on convincing consumers to believe something about a product or business. For instance, a financial planner in Spring Valley might want adults approaching retirement to regard her firm's annuity plans as the safest way to ensure worry-free living.

■ **Promotional** objectives are used when a business owner's goal is to encourage the target consumers to take a specific action, quickly. They are usually time-sensitive with a specific call-to-action. For example, a pizza restaurant in Henderson might want working moms to order take-out dinner on their way home from work, taking advantage of a two-for-one promotion.

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A marketing objective should distinctly identify the target customer. Age and gender alone do not provide enough insight to determine radio station selection or commercial content. Examples of a well-defined target might be:

- **Wine enthusiasts**
- **Working moms**
- **Under-employed college graduates**
- **DIY Home Depot shoppers**
- **Heavy internet users**
- **Men planning to propose**
- **Pickup truck owners**

A business owner may have several different target consumers. For instance, a local bank might need to target homebuyers for mortgage products, entrepreneurs for commercial loan products, smartphone users for mobile banking products, and retirees for certificates of deposit.

Although each of these targets is a viable prospect for the bank, they are likely to have little in common, including their choice of radio stations, due to different lifestyles and stages of life.

With a well-defined marketing objective, a business owner can be certain every element of an advertising campaign on Las Vegas radio is designed to deliver the right message to the right audience at the right time.

Step 2:

Choose the Right Las Vegas Radio Stations to Advertise on //

The stations selected for advertising a product or service on Las Vegas radio should be determined by the marketing objective.

There are 35 radio stations that service the Las Vegas area. Each provides a unique blend of music, information, and entertainment. Some stations focus on politics or sports. Some play country music. Some play the hits. Some play classic rock. Some are on the AM dial. Some are on FM.

Las Vegas radio listeners are fiercely loyal to their favorite stations. Despite numerous listening options, the typical listener tunes-in to three stations each week. So, to create a successful advertising campaign on local radio, a business owner must identify those radio stations that attract the target consumers defined by their marketing objective.

The pizza restaurant referenced above, for instance, wants to target the 193,634 moms in the Las Vegas area who work full-time. It takes just three local radio stations to reach the vast majority of these moms. This information alone allows the restaurant owner to narrow the choices of Las Vegas radio stations from 35 to 3.

The question then becomes, which combination of these three stations should ultimately be chosen for the ad campaign? The answer is determined by the marketing objective.

A branding objective involves creating or modifying a consumer's belief. To do this successfully requires the repetition and reinforcement of the business owner's

marketing message. This repetition is referred to as *frequency*. Achieving the necessary frequency can be accomplished by scheduling commercials on as few as one or two Las Vegas area radio stations over a longer time frame.

A promotional objective, on the other hand, requires the largest number of target consumers to be exposed to a marketing message. This is referred to as *reach*. If a certain number of consumers in the Clark County area are ready to buy, then obtaining the greatest reach possible among those listeners will increase the odds of creating a sale.

Achieving the necessary reach can be accomplished by advertising on multiple Las Vegas radio stations generally over a shorter timeframe. Note, each additional radio station that is purchased expands the overall reach of the campaign.

The owner of the pizza restaurant has a promotional objective, to encourage working moms to order take-out on their way home from work tonight. Because this type of objective requires reach, then, budget permitting, the campaign should include the three radio stations that comprise the majority of the target consumers.

Rules of Thumb:



- Reach more people with a radio advertising campaign by spreading budget over multiple stations. Used for promotional objectives.
- Increase the number of times a consumer is exposed (frequency) to an advertising campaign by using fewer radio stations. Used for branding objectives.

When a Nevada area small business owner considers advertising on local radio, the information needed to make an informed station selection can be secured from a reputable radio account executive. This information includes reach and frequency data from Nielsen; local listener profiles from Scarborough; and consumer insights from Gfk MRI.

Step 3:

Select the Right Time to Advertise on Las Vegas Radio Stations //

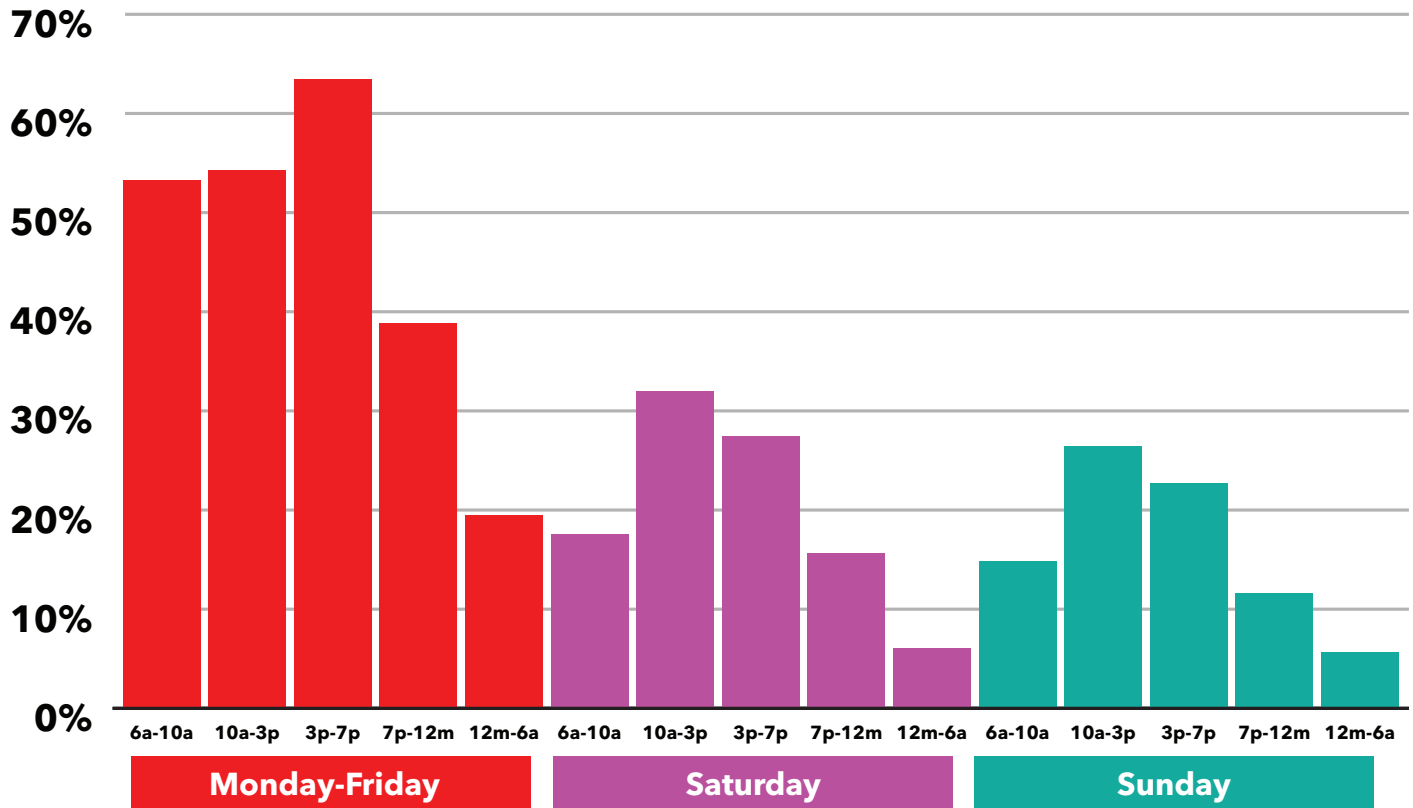
The times of day a small business owner should advertise on Las Vegas radio is determined by the campaign's marketing objective and the budget for achieving it.

Radio stations breakdown the day into segments called dayparts:

- 6:00am-10:00am
- 10:00am-3:00pm
- 3:00pm-7:00pm
- 7:00pm-12:00mid
- 12:00mid-6:00am

Listeners tune-in to Las Vegas radio stations throughout the day, but the greatest concentration of listeners occurs on weekdays between 6:00am and 7:00pm. This is referred to as radio's "prime time".

LAS VEGAS RADIO REACH BY TIME OF DAY



Consumers in the Las Vegas area spend close to 14 hours per week listening to their favorite radio stations. This equates to approximately two hours per day.

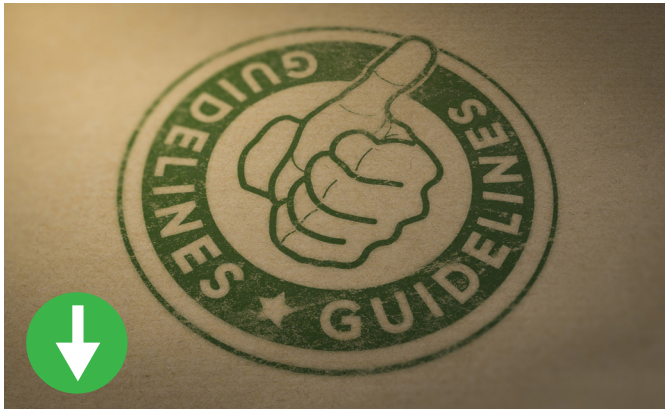
Research indicates that the typical person tunes-in at about the same time throughout the week. An example is the listener who turns on the radio at 5:20 every weekday afternoon for a 38-minute commute home from work. Or, maybe, the new mom who listens for 20 minutes every morning when she wakes up for a 2:00 feeding.

Achieving a branding objective requires frequency of message among the target

consumers. To build effective frequency, a business owner should concentrate commercials during specific dayparts over an extended timeframe.

Conversely, if a small business owner has a promotional objective, then utilizing multiple dayparts throughout the week would be recommended. Remember, since individual radio listeners habitually tune-in at the same times every day, to reach the most, different listeners requires using as many dayparts as possible.

Rules of Thumb:



- Reach more people with a radio advertising campaign by spreading budget throughout the day. Used for promotional objectives.
- Increase the number of times a consumer is exposed to an advertising message by using fewer dayparts. Used for branding objectives.

Dayparts vs. Budgets

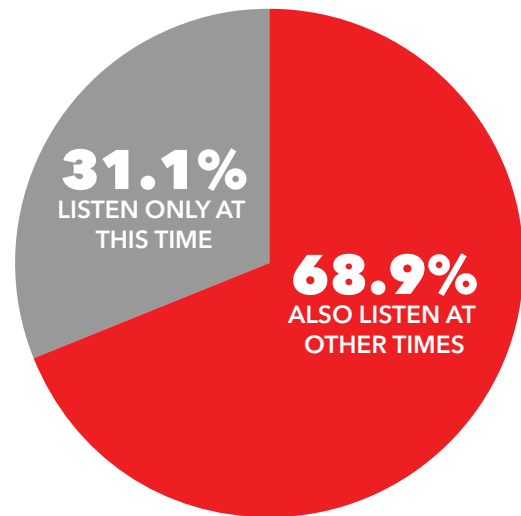
Most Las Vegas radio stations limit the supply of commercials that are available during an hour of programming. This benefits radio listeners who prefer more entertainment. This also benefits advertisers who prefer fewer marketing messages that compete with theirs.

During certain times of day, the demand to purchase commercials is greater than the supply. This, then, drives up the cost of advertising during those times. The commercial time in most demand is prime time, which, for most stations, is Monday through Friday between 6:00am and 7:00pm.

For a radio campaign to be successful, it is not imperative that all commercials run during prime time.

For Las Vegas area small business owners with limited advertising budgets, using fewer ads during prime time and placing more commercials during the lower demand times of the week can prove to be as effective and more cost-efficient. This is because nearly 7 out of 10 consumers who tune-in to radio during prime time also listen during non-prime times.

LAS VEGAS RADIO LISTENERS WHO TUNE-IN MON-FRI | 6:00AM-7:00PM



The commercials on Las Vegas radio broadcast outside of prime time are the least expensive. For the budget-conscious business owner, then, the value becomes clear: it is possible to reach a majority of the prime-time listeners at a lower cost.

Step 4:

Determine How Long an Advertising Campaign on Las Vegas Radio Should Last //

The US Small Business Administration recommends that every Las Vegas small business advertise consistently. "Think you have a great product?" asks the SBA.

"Unfortunately, no one's going to know about it unless you advertise." The SBA goes on to say, "Advertising, if done correctly, can do wonders for your product sales, and you know what that means: more revenue and more success for your business."

Henry Ford believed continual advertising was a wise investment. "Saving money by not advertising," he claimed, "is like stopping a clock to save time."

The most successful Las Vegas marketers avoid "going dark" or stopping their advertising. In other words, they advertise consistently. These local business owners know that there are always consumers in the buying cycle for their products and services. Converting these prospects to customers is critical to their success.

Ongoing advertising strategies comprise individual campaigns that run throughout the year. The duration of each of these campaigns is determined by the underlying marketing objective. There are times when these campaigns run concurrently, but most often, they are rolled-out sequentially.

Again, if a particular campaign has a branding objective, then a longer campaign is required. Remember, a branding campaign is focused on convincing consumers to believe something about a product or business. Creating or altering a belief usually takes time and repetition of message (frequency). Therefore, branding campaigns often run for extended periods and can be scheduled continuously or in well-timed "pulses".

For instance, a Summerlin area hardware store owner might need to convince loyal Home Depot shoppers that his store provides better do-it-yourself advice. Brand advertising is crucial to change the habits and loyalties of a competitor's customers. To be successful with

this objective will require frequency of message over time.

When a campaign on Las Vegas radio is promotional in nature, it typically lasts for a shorter timeframe. Keep in mind, the purpose of a promotional campaign is to compel a consumer to take immediate action.

As an example, a local community college might need to encourage recent high school graduates to register for upcoming classes by the end of the month. This objective would likely be achieved by advertising heavily the remaining weeks leading up to the registration deadline.

Rules of Thumb:



- Branding campaigns require repetition of message (frequency) for an extended period-of-time.
- Promotional campaigns require delivering a message to as many target consumers as possible during a shorter timeframe.

When a Las Vegas area small business owner considers advertising on local radio, professional radio sales executives can provide local Nielsen data to project the reach and frequency delivery

for a proposed campaign. This data will result in a better-informed buying decision and ensure a more effective campaign.

Here is a sample reach and frequency report for a 52-week branding campaign on Las Vegas radio for a local credit union in Paradise. The branding objective is to compel homebuyers to believe that the advertiser has the lowest mortgages rates in Nevada.

CONSUMERS PLANNING TO PURCHASE NEW HOUSE, CONDO, OR CO-OP				
STATIONS	TOTAL COMMERCIALS	NET REACH	% REACH	FREQUENCY
RADIO TOTAL	2,340	143,300	87.6%	11.0
STATION A	790	68,100	50.9%	10.0
STATION B	780	68,100	40.2%	5.7
STATION C	780	67,500	39.9%	5.8

SCHEDULE RADIO TOTALS: 52 WEEKS

MARKET: LAS VEGAS | METRO

SOURCE: SCARBOROUGH R2 2019: SEP18-SEP19; METRO; M-SU 6A-12M; P 18+

This report projects that if the credit union advertises on just three Las Vegas radio stations, close to 88% of the target audience would be reached. Additionally, each prospective home buyer hearing the message would hear it an average of 11 times throughout the year.

This report demonstrates that by investing in the proposed campaign, the business owner will have created a strong foundation for successfully achieving their branding objective.

Step 5:

Create an Effective Radio Commercial for Las Vegas Radio //

The number one job of any radio commercial on Las Vegas radio is to break through and

be heard. If it is not heard, then it can't be remembered. If it is not remembered, then it can't be acted upon.

Breaking through and commanding a listener's attention is a function of a commercial's creative content.

According to a Nielsen study, the creative content of an ad contributes more to a commercial's ability to drive sales than any other element of an advertising campaign. Content is more important than brand, reach, and frequency combined.

Nielsen's findings are confirmed by a study from OMD, an advertising agency whose clients include McDonald's, Apple, Pepsi, and Google. This study found that ad engagement has an 8-time bigger effect on sales than size of audience.

A creative director at Proctor & Gamble – the company that makes Pampers, Crest Toothpaste, and Tide Detergent – sums it up best: “There is no greater return-on-investment than improving creative content.”

Commanding attention can be a challenge. Ordinary life activities, other media, and smartphones are also battling for the listener’s attention. To win the engagement battle, every word and sound of the entire commercial needs to be relevant and engaging.

Most importantly, the entire commercial should advance the business owner’s specified marketing objective for the advertising campaign. A branding ad will need to create an indelible promise of fulfilled expectations. A promotional ad will need to compel an immediate action.

There is no single formula for creating effective ads on Las Vegas radio stations. What follows, though, are 11 proven guidelines to assist in the creation of an effective radio commercial.

- 1. Start strong...** a listener’s attention needs to be engaged within the first 3 or 4 seconds of a commercial.
- 2. Be concise...** use only words and sounds that link to the marketing objective. Extraneous words or too many selling points will cause a listener to disengage.
- 3. Be consistent...** use the same voices, music, and sounds to establish an audio identity across commercial campaigns. This can trigger instant brand recall.
- 4. Be repetitive...** the name of the advertiser should be repeated often to allow for an ebb-and-flow of a listener’s attention.
- 5. Add surprise...** a listener’s attention

is drawn to the unexpected. This can be achieved by using multiple voices, interesting word choices, avoiding clichés, and changing the speaker’s tones and volume.

- 6. Tell a story...** listeners are hardwired to emotionally respond to features and benefits when presented in story-form rather than as a list. The advertiser should be the hero of the story.
- 7. Write for the ear...** radio commercials should sound like the way we speak, not the way we write. Humans don’t apply the same set of rules to speech that they do to written communication. When speaking, we often use broken sentences, non-sequiturs, and awkward phrasing. A listener’s attention is more likely to be drawn to this type of natural speech.
- 8. Talk...** listeners prefer to be “talked with” not “announced at”. Stereotypical radio voices should be replaced with the same tones and manner used to talk with friends.
- 9. Use humor cautiously...** humor is a good way to command attention but can be difficult to execute well. Be certain that the humor in a radio commercial will resonate positively with the target consumer.
- 10. Finish strong...** not every listener will engage with a commercial at the same time. So, it is critical to finish by reinforcing the key points presented throughout. This includes restating the advertiser name and the key marketing message.
- 11. Expand...** there is no reason an advertising campaign can’t use multiple commercials. In fact, it is encouraged as long as the first ten guidelines on this list are adhered to...especially #3.

Las Vegas area business owners are masters of their businesses. It is not necessary for them to be expert copywriters, too. Given a well-defined marketing objective, the creative team of local radio stations will be able to apply their professional skills to the development and production of effective radio commercials.

Step 6:

Choose the Best Length for a Commercial on Las Vegas Radio //

Las Vegas radio stations offer different commercial length options to fulfill the marketing objectives and budgets of local small business owners. The most common lengths are :60 seconds; :30 seconds; :15 seconds; and :10 seconds.

APPROXIMATE NUMBER OF WORDS IN A TYPICAL RADIO COMMERCIAL:

DURATION IN SECONDS	NUMBER OF WORDS
:60	160
:30	80
:15	40
:10	25

Note: When numerals are used in a commercial, they translate to multiple words. For instance, the number 22 is actually two words: twenty and two. Web addresses are also multiple words. **AdvertiseInLasVegas.com** converts to six words: Advertise, In, Las, Vegas, dot, and com. Also, using multiple multi-syllable words will drive down the word count.

The two sentences below both have 10 words, but the second would take twice as long for an announcer to read than the first.

1. The duck flew at night to steer clear of light.
2. Mallards routinely circumnavigate evening skies to ultimately evade daytime luminosity.

Typically, fulfilling a branding objective requires longer-form commercials. Media expert Seth Godin describes brand as "a set of expectations, memories, stories, and relationships that, taken together, account for a consumer's decision to choose one product or service over another." Obviously, a message of this complexity would require a greater number of words.

Shorter length commercials are, generally, less expensive than :60-second commercials. Fulfilling promotional objectives typically requires more commercials spread over multiple dayparts on several radio stations to reach as many consumers possible. By taking advantage of the lower cost of shorter duration commercials, advertisers can purchase the volume of commercials necessary to generate that additional reach and frequency.

Reducing the length of a radio commercial by half does not equate to a commensurate reduction of effectiveness. Erwin Ephron, the architect of modern media planning pointed out, "On a pro-rata basis, a :30 is worth half of a :60. On a communication basis, though, the difference is far smaller."

A recent study by Forethought Research supports Mr. Ephron's assertion. According to the study's authors, when the effectiveness of shorter and longer length was compared, they found "non-significant differences in rational and emotional performance." The conclusion drawn was that "consumers evaluate advertising communications by moments and that duration is not a factor in this process."¹⁵

A guideline to consider: Strive to make the commercials as long as necessary but as short as possible.

There is no reason, however, that only one length of commercial should be deployed as part of an advertising campaign on Las Vegas radio. One effective way to employ multiple length ads is referred to as “sequencing”.

To sequence a campaign, the business owner begins with the longer form commercials. In time, shorter length commercials are rotated in. This enables the advertiser to generate greater reach or frequency without increasing the overall investment.

Sequencing is effective because the human brain has the tendency to “thin slice”, a term coined by author Malcolm Gladwell. This means that after multiple exposures to an advertiser's commercial, the consumer can recognize and recall the substance of the message after only a few seconds.

Step 7:

Determine a Budget for Advertising on Las Vegas Radio Stations //

Advertising and marketing are crucial to the success of every Las Vegas small business. How much should be budgeted is a function of current or projected revenues.

The U.S. Small Business Administration recommends that established businesses with more than \$5-million in gross revenue should budget 7-8% to advertise. Businesses who have not yet achieved that level of revenue should plan on investing 10-12%. Newer businesses that may not yet be familiar to their target consumers should plan on investing a larger percentage.

Once an advertising budget is determined, then station selection, campaign durations, and commercial lengths can be decided in a manner that conforms to the budget. Individual station pricing is based on several factors:

- **Number of listeners**
- **Day of week**
- **Time of day**
- **Time of year**
- **Current advertiser demand**
- **Commercial length**

The allocated budget for most campaigns can be fulfilled by carefully considering each factor above. Reputable radio station account executives can provide the necessary data for business owners to weigh both the efficiency and effectiveness to balance these factors.

According to studies referenced in the introductory section, studies from Nielsen indicate that a well-crafted campaign will achieve, on average, \$10.00 in return for every \$1.00 invested.



EPILOGUE

On November 1, 1940, KENO signed-on as the first radio station in Las Vegas, Nevada. Since then, local business owners have depended on radio advertising to successfully market their goods and service. Using any advertising metric, despite the inundation of new media options, radio remains the most potent medium for fulfilling the marketing objectives of Las Vegas area business owners of every size.

AUTHORS

This guide was created as a resource for Las Vegas area small business owners by Larry Julius and Bob McCurdy. Both authors have each spent more than 37 years creating successful radio advertising campaigns for national, regional, and local advertisers. Mr. Julius and Mr. McCurdy both hold positions with Beasley Media Group.

ABOUT BEASLEY MEDIA GROUP

Founded in 1961, Beasley Broadcast Group, Inc. (NASDAQ: BBGI) currently owns or operates 64 radio stations located in fifteen large and mid-size markets across the nation.

Nearly 41% of Beasley stations are located in the nation's top 50 markets such as Philadelphia, Boston, Detroit, Las Vegas, New Jersey, West Palm Beach, and Atlanta. The remaining stations are primarily in vibrant regional centers like Central North Carolina, Northeast Georgia, and Southwest Florida.

Beasley stations are home to a diverse range of formats, featuring top on-air personalities and programming that appeal to a wide range of audiences and demographic groups. These include Country, Oldies, Adult Contemporary, Sports, Talk, CHR and Rock, among others, reflecting a diversity that translates into a

broad revenue base. Beasley also offers local advertisers compelling digital marketing solutions as well as podcasting opportunities.

Beasley stations also follow a time-tested operating strategy of building strong station brand identities to support their mission. This includes delivering targeted promotions that energize audiences to deliver results for local and national advertisers. It also means conducting extensive market research to help improve station ratings and identifying reformat opportunities to reach under-served listeners.

Beasley station clusters are some of the largest station groups in their respective markets when ranked by audience. Clustering helps enhance each station group appeal to the widest range of advertisers in a given market and generate important operating efficiencies.