

Australian Broker

Tune in to marketing on the radio - July 2006



According to the All Australian Listening Report (released in 2000) every household in Australia has at least one radio, and 99% of all cars have one - which means that radio can reach people at home, in the car, at work and even while they shop.

Radio advertising for mortgage brokers

Joan Warner, CEO of Commercial Radio Australia, believes that radio should be a part of every mortgage broking firm's advertising campaign. "Radio advertising is important for mortgage brokers because it reaches their target audience cost-effectively and very efficiently. It should be used as an essential part of any advertising mix," she says.

Warner sees radio as having an advantage over print and television because of its ability to target specific groups and ages. She points to data collected by Nielsen Media Research on the percentage of radio listeners that intend to buy or sell property over the next two years. Latest figures show that 20% of commercial radio listeners intend to buy or sell their house, 23% of listeners would consider changing lenders and 30% of that group are aged between 25 and 39.

"So if this is the sector mortgage brokers wished to target, they could focus an ad campaign on radio stations that attract the most listeners in this age group - very smart and strategic advertising," she says.

Stuart Ayling, director of sales and marketing consultants Marketing Nous (established in 1999 to help service businesses attract more clients), on the other hand, is not convinced that radio advertising is the best strategy for all mortgage brokers.

"Generally speaking, radio isn't effective at building trust for financial services, so I wouldn't usually recommend it being part of a mortgage broker's marketing program," he says. That said, he does concede that it may be the right medium for certain brokers; if they can deliver the right message. "If the audience mix is right, the coverage is right and the price is affordable, then maybe radio advertising should be considered as a possible marketing tactic," says Ayling.

He notes that radio advertising sits between newspapers and television on the cost scale, so it will be most beneficial for large brokerages such as franchise groups. "This type of firm [the large brokerage] will cover a good portion of the radio station footprint, and they will get value for money from the coverage area. That means less wastage from advertising to areas they don't service," he says.

Commercial Radio Australia argues that any type of broking company should consider radio advertising, because an advantage of radio is that coverage can be targeted according to groups and geographic area. Larger brokers can advertise on metropolitan stations that have a network across Australia, while smaller outfits can reach their target audience by advertising on local stations in regional Australia.

Factors to consider

When it comes to planning your radio advertising spend, there are many factors to consider. Advertising rates, audience details, advertising production, the frequency of ads and the cost per lead all need to be analysed before taking the plunge.

Ayling believes the most important rules for success in radio advertising are frequency, timing and developing a suitable marketing message. "It is better to advertise more frequently over a short period of time, than to spread out advertisements. A minimum would be four ads per day, spread over two sessions [for example, the morning session], two ads per session," he says. "The other major success factor is to have a message that cuts through the general clutter on radio ... the marketing message must be clear, with a point of difference that's easily understood by potential clients," he adds.

Costs vary according to audience size, length of campaign and competitive factors in the market. Ayling provides figures of upwards of \$300 per 30-second spot on the major FM stations, \$180 in regional areas and \$70 in rural areas. "Using the minimum frequency of four ads per day over a five-day campaign, that totals at least \$6,000 per week for a main metropolitan station," he says. He warns that you shouldn't sign up for cheap ads on a 'run-of-station' basis, ie where the station chooses the time slot. "They'll often be used to fill the gaps and could be aired during the graveyard shift."

Target your advertising

There's no point advertising your services to the wrong people. Advertising your mortgage broking services to JJJ - which has a large percentage of listeners under 25 years old with no interest in lending - would be fruitless. Likewise, advertising in the early hours of the morning or in the evening when most people are watching television is unlikely to pay dividends. Don't make your selection based solely on price, or you will miss your target and you won't see any results from your campaign.

You can find demographic summaries for metropolitan and regional radio markets on Commercial Radio Australia's website (www.commercialradio.com.au), which has information on audience reach, length of time listening, place of listening (eg car, home), audience make-up and contact details for stations. Individual stations can also provide audience profiles via their sales department. Remember to do your research before you dive in.

Taking the next step

Commercial Radio Australia has a planning and creative advisory service which provides independent, unbiased strategic radio planning advice for those interested in radio advertising. To take it a step further, sales and marketing consultants such as Marketing Nous can help you formulate your entire marketing strategy.

Once you have decided to use radio, to get the right message across you will need to find an advertising agency or use the radio station's in-house creative department. "It is important to have good ads - strong creative delivers results every time. It doesn't have to be expensive, but strong creative really puts you out in front," says Warner.

Source:

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