

How PPM & Hispanic Population Growth May Soon Change Country Radio Forever

By Loyd Ford, Radio Division Manager @ Americalist Media Marketing
877-475-6864

You hear it all the time. *The only constant in radio is change*. Case in point: Radio experienced dynamic change through consolidation and may experience an even different set of adjustments with the reverse of some of that consolidation (or actually “reconfigured consolidation”) over the next 18 months through Clear Channel sell-offs and potential reductions in station size for other broadcast groups.

And now the PPM looms on the horizon. Program directors, marketing directors, and station personalities will be faced with more *change in audience potential, continued compression, and change in the way ratings will be measured*. Critical audience composition is also shifting and should be embraced in the coming months (and years).

Americalist Media Marketing has begun to adjust our approach to *direct marketing* for radio stations in response to these changing market conditions, and companies, individual stations, programmers and personalities will have to shift gears as well to meet the real challenges that lie ahead.

Arbitron is introducing the PPM and radio is getting a good look at the real information we learn from the new measurement. Many radio stations, broadcast companies and other entities are already adjusting tactics due to this change in measurement (even in markets that won't see the PPM for decades *or may never see it*). Much of the focus on the PPM seems to be only on the differences between the way ratings are being measured by the PPM vs. the diary.

Americalist thought it might be interesting to study both the similarities *and* differences between the diary and the PPM to determine how best to approach marketing for radio's best advantage under the new measurement. We think making suggestions based on this balanced approach to reviewing the PPM will give clients the ability to explore real opportunity to increase ratings and improve the value of their marketing. Interestingly, we have recommendations for everything from the way the marketing is identified and executed to new strategies regarding on-air content. Our rationale: the right kind of strategies with both marketing *and* content learned from our review of the PPM and comparison with the existing system of measurement will impact ratings *under the diary and the PPM*, and we can use what we have learned about the PPM and actual listener behavior to impact both.

CHANGE IN BASICS

Programmers, in large part, have been trained for years to attempt to gain a full quarter-hour from listeners when tune-in or reported listening happens because **the quarter-hour** is the basic element of how ratings are *measured* with Arbitron. While the basic element of ratings measurement has not changed between the PPM and the diary, we propose it will be necessary to adjust how we **approach increasing the ratings**.

DISCLAIMER

Before I talk about what you can do on the radio station product end to address the changes and the similarities between the PPM and the diary, I must state plainly that you must *not* abandon the sound principles of working to increase both CUME and time spent listening (no matter what Arbitron may say). Simply put, you will always need to focus on increasing “invitation influence” (CUME) and “enjoyment” (time spent listening) so your *radio station grows and remains healthy*. If you eliminate the practice of trying to increase your CUME, you will potentially reach a dead-end road. If you don't work to engage your listeners and give them what they seek from their radio usage, you will also begin to experience inconsistencies, audience shrinkage and possible failure. What we are about to address is the connection the listener has with your brand and what

we now see as the real basic element of *ratings creation* in both the diary and PPM versions of Arbitron ratings.

You've heard "all politics is local." Keep in mind that what I am sharing with you today is how *you* can impact your station *on the local end* without having to seek corporate permission for some of the advice shared below. You can drive the impact from what you read today and you can deliver your own career progress by focusing on what is important at the local level.

HOW BOTH SIMILARITIES AND DIFFERENCES SHOULD IMPACT ON-AIR

Arbitron's introduction of the PPM underscores radio's longtime frustration with the diary system, but it also suggests that chasing one mythical quarter-hour is potentially flawed and that radio stations can generate increased positive results with a slight change in philosophy.

While the basic element in *measuring* ratings in your market is still **one quarter-hour**, the new suggested goal should be to focus on using your content to achieve **two quarter-hours per tune-in event or occasion** with individual listeners. This is the *minimum* goal. This applies to both the diary and PPM method. The PD focus with this goal should be on *how your talent handles* individual on-air breaks to connect the listener to your product and induce longer listening per occasion to expand the length of time individual listeners (especially P1s) tune to their station based solely on their content. It may be the single most powerful adjustment you can make in your on-air presentation to increase ratings. Keep in mind that while you are coaching your personalities to focus on two quarter-hours as the *minimum* goal for TSL, this will impact the diary system also because you are using *connection* as the tool. In other words, your personalities must craft the station images and elements of programming along with their critical lifestyle content to *connect the brand (station) to listeners directly*. Personalities who read this and work with success to improve their skill set in this one area will be worth their weight in gold.

Programmers should now double their efforts to focus on motivating their talent to combine standard content (weather, promotions, live reads, etc.) *with content that connects those things to listeners' lives and the station in a relevant real life way*. Programmers who do this will succeed at a higher rate than the rest of the people in this business with both the diary and the PPM measurements. But you must *focus your talent and their efforts on capturing two quarter-hours* from each individual listener tune-in occasion. This is not a station goal -- it is a *goal for individual personalities who must drive ratings with their content and connection*.

Naturally, there are things that create tune-out that you cannot control. For years, we have worked hard to identify and eliminate as many tune-out factors as possible. We all know that smart music programmers are going to attempt to play the best music based on the credible information they have today. You have lists, consultants and monitoring systems that provide excellent access to this data. These things have become basics in the most highly competitive environments.

We also know that good programmers will focus on eliminating clutter or bad content. However, the strategy of focusing *directly on the talent first* and their potential to impact ratings like never before is the *critical missing link* at most radio stations today.

As a part of the evolution of modern radio in the eighties and nineties, many radio stations have eliminated personality and connection in favor of more controllable liner-based DJs or even jukebox-based formats without any emotional or lifestyle drivers outside of the music itself.

Focusing on manipulating **one quarter-hour** as the goal for increasing ratings might be the greatest misstep radio has made in many markets year after year. It has created a philosophy at many stations where music may be the only significant content the core listeners care about or connect with on the station.

This slightly new approach gives you a *specific goal* (increasing the minimum element to build ratings to **two quarter-hours**). This goal can be accomplished by personality, content and specific marketing to drive connectivity. The idea of slightly shifting the focus also signals a move away from “pure ratings manipulation” toward generating more consistent “real ratings.” Take advantage of this focus in your on-air production, music promotion, live and recorded promos, contesting, and marketing efforts. Based on the evidence seen in behavior by listeners involved with the PPM, this may have a larger than expected payoff for radio in the ratings game.

CHANGES IN AUDIENCE, MARKETING

At the same time, Americalist has identified creative ways to gain more advantage out of your marketing mission and produce higher ratings and higher value in your marketing. This includes using very specific targets, a variety of tools (old and new), and sometimes very individualized direct marketing personalization *designed to enhance personal relationships* with individual station listeners.

The second key area of change many stations of all formats must begin addressing is Hispanic listening and how it will impact your stations. Because of the dynamic shift in populations *centered around the Hispanic population explosion in the U.S.* and Arbitron’s way of recruiting ratings participators, the Hispanic households may take on an entirely new meaning for **country stations**. Hispanic households will become increasingly interesting and even essential to country programmers. In some cases, country stations are already concerned about unconfirmed Hispanic impact that may be creating small slides or inconsistent warbles in station share right now. Additionally, stations may be reluctant to deal with this issue, fearing how their existing country audience may view emerging Hispanic influence on “their station.”

Country music is the most popular format in the U.S. today because it is American music, but what America is...*is changing*. When you look at the hard numbers regarding population growth, you must realize that American music will have to engage and include Hispanics to continue thriving in the future. Lifestyle similarities between Hispanics and the country life group are also very similar.

If you have seen the recent research studies on Hispanic country listening, you know that while Hispanic and Anglo conversion rates to the country format are very *similar*, country radio has largely not invited the Hispanic audience to the neighborhood country station. Of course, there are always exceptions to this, as some stations have purposefully and successfully engaged the Hispanic audience in an attempt to increase ratings. We know because we have been involved. By the way, the process involves invitation *and* adoption. It is not a one-step process. You must invest in the Hispanic life group and watch it grow into your station.

There is also an example in at least one highly Hispanic-influenced market where Hispanic households are gravitating to country because of a cultural and accidental introduction to the format based on an event that cast the Hispanics and country radio together. This has created a higher and faster adoption of country with Hispanic households because *they felt included*. It is also further proof that PDs should invite Hispanic audience to engage country radio.

By targeting Hispanic households who also speak English (generally Generation 2), Americalist has helped stations with non-Hispanic formats encourage this market segment to tune in and keep listening longer.

If you have seen the numbers on Hispanic growth and you live in a market with a growing Hispanic population, you should not wait to explore marketing to these important new audience factors in your market. This is *not* going to have a small impact over the next decade and even more. In fact, some experts say government estimates significantly underestimate future growth of this population segment.

Some people in the radio business like to think "the sky is falling." There is always fear created by the competitive environment, delivery system scares, or the fear that Americans will somehow lose interest in traditional radio or replace it with a smarter cell phone, WiFi, I-Pods or satellite. In truth, the ratings game continues, *and you risk failure by ignoring factors such as CUME, TSL, station and personality content, and key audience shifts.* However, simple math tells you that program directors must focus on emerging shifts in audience composition and help their on-air talent deliver **personality-driven content that connects your station to as many people as come in contact with you daily.**

I am a believer that the basic uniqueness that makes traditional radio different from all other forms of entertainment today (including new media) and keeps us in the daily active lives of so many listeners is "*companionship.*" *People need companionship.* Personalities that don't connect with individual audience members *per individual tune-in event or occasion* and stations that avoid any seriously emerging group of new influential listeners can play a major role in *destroying their own success.*

With the introduction of the PPM, stations will likely be able to realize higher CUME instantly and boost their ratings much faster by *exploiting companionship and undeniable content* to keep essential individual P1 "episodes of listening" longer. That is the key and the secret. And we know exactly how long the minimum *building block* for your ratings should be today -- **two quarter-hours per listening occasion.**

Expansion of mass CUME *alone* in PPM may prove more difficult and create some potentially cost-prohibitive problems for radio. Providing compelling content and creating peer-to-peer talk about your station with your on-air, marketing and contesting efforts will move audience and achieve more consistent results. Connection tends to grow. Disconnection creates fade. Don't let your station "fade away."

It should be a concern and a challenge to every country PD today to harness ***the power of what you are*** and make every effort to avoid sounding generic. Really focus on personal connection with individual audience members (existing and emerging) through providing constant and compelling content and training your talent to seek higher companionship with the people who come in contact with their daily shows. They must do this on the air. Then you should work to bring the same level of energy and focus to your contesting and marketing.

These are the cornerstones of the future growth and health of country radio as we know it in the United States. Add to that only that your broadcast company should always be looking at delivery systems and new ways to inspire usage of your product in different ways.

Yes, *things always change.* But the one thing that *should not change* is how well you and your team engage people in your market, including emerging audiences, giving listeners the amazing experience of the country format, and using creativity to entertain them while you drive the length of time your high-participants listen to your product on individual tune-in occasions. This will make you a winner for a long time to come.