

Why The 'Do Not Call' Law Hurts Radio Marketing

Listener list limitations force rethink of outreach strategy

By RJ Meacham

Despite the on-again, off-again legal wrangling involving the national "Do Not Call" register (it's currently on and in effect), the overwhelming consensus is — even among the most vocal supporters of telemarketing — that the law will stand and the impact on the industry as a whole will be profound.

Interestingly enough, some of the articles related to the DNC that have run in radio-related trade publications (such as R&R on Sept. 5, 2003) appear to be attempting to put a *positive* spin on this legislation and its effect on telemarketing for radio stations. All of these articles point out that radio calls aren't selling anything, that people like to hear from radio and that the legislation will increase the consent rates of people contacted.

While these may be true and valid statements, they neglect to address the biggest issue of all: Stations and marketing companies adhering to the DNC legislation when making their calls will be missing a significant majority of the households being called by Arbitron.

Due to Arbitron's methodology, this is already a significant issue even before considering the impact of the DNC. The disparity between your telemarketing company's list and Arbitron's stems from the fact that Arbitron uses a much more complex and comprehensive approach to generating its calling list than simply buying phone numbers from a broker.

The reason behind this is that Arbitron must be sure that it is getting a calling list that is representative of the market, thereby providing a statistically valid sample (which you are paying for). To do so, it enhances lists bought from list brokers with phone numbers generated by a company called Survey Sampling Inc.

Without delving into the specifics of SSI's approach, you need to know that these are not simply random numbers, and the end result is a calling list that allows Arbitron to potentially call *any* and *every* working phone number in the market.

Where's The Coverage?

However, the list you're getting for your own telemarketing doesn't offer nearly as much coverage. For example, according to Verizon Florida Manager/Media Relations **Bob Elek**, there are approximately 1.7 million active residential phone numbers available in the six-county Tampa Bay area. (Arbitron defines Tampa as a four-county metro. However, I used the six-county definition to be consistent with figures provided by Verizon Florida.)

Contrast that with the 848,000 records available for purchase from one of the two largest list companies. That's half of what Arbitron could

call! In fact, the average for in-tabs coming from "unlisted" households — defined by Arbitron as phone numbers that cannot be matched to a physical address — is 45%. In some states, such as California, this percentage is as high as 75%.

Again, this is *before* considering the impact of the DNC legislation. What happens when you factor in the removal of the millions and millions of people who have signed up and do not want telemarketing calls?



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Consider that in a recent Harris Interactive poll 30% of adults surveyed had already signed up on the register. Furthermore, Harris projects that 60% of adults will ultimately sign up. Staying with the Tampa example, if those numbers prove to be accurate, Arbitron will still be pulling from the same 1.7 million names. But the radio telemarketers' available universe will be substantially below 50% of what's out there as more and more people sign up on the list. And that figure is before targeting using hot ZIPs and specific age and gender selections.

Who's Left To Convert?

In what is already a game of odds — using telemarketing to find potential diarykeepers within your market — they are increasingly in favor of the house (i.e., Arbitron). And while those people not on the Do Not Call list may truly be excited to hear from a radio station, the question is this: Are there enough of them in your demos and hot ZIPs to make a difference?

Increased conversions and higher accept rates become relatively meaningless if they're only coming from a fraction of the surveyed population. Furthermore, how are those conversion rates going to hold up when those not on the DNC register begin getting bombarded with calls? Imagine the last single woman on the planet stuck in a room full of men who have to get married or die. Not a pretty sight.

So is telemarketing still a viable form of marketing when trying to reach potential diarykeepers? The answer depends upon the application. Calling databases of people who have recently responded to your station's marketing is both legal and, if executed well, effective. But the cost of a big telemarketing campaign coupled with the pitfalls of list coverage and federal legislation certainly put a damper on what just a few years ago was an extremely effective tactic.

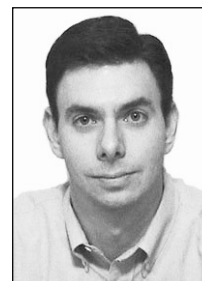
The best thing you can do is to ask lots of questions. If you still plan to include telemarketing as part of your media mix, find out how many residential numbers actually exist in the market. Compare that figure to what your telemarketing company will be able to buy. Finally, make absolutely certain that everyone involved in the campaign is in compliance with the law (fines can be as much as \$11,000 per violation).

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How To Seed And Grow Your Online Database

By Craig Zimmerman

So you want to build an online listener database? Not a problem, as long as you're prepared to offer an incentive to participate. One of the most popular methods is via a loyal-listener club. Since we encourage our listeners to listen longer by giving them a reward ("Listen for your chance to win," etc.), we should be applying the same theory to obtain a listener's



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e-mail address and other information. The first step is to create a sign-up page on your website where listeners can be a part of your exclusive club — terms like these help make listeners feel special, especially since you are going to provide members with unique benefits not available to the general public, such as:

- 1) "Win it before you can buy it" opportunities
- 2) An extra chance to win what you are giving away on the air
- 3) A chance to purchase tickets in advance of general sale

These offers also present sponsor opportunities, either for cash or value-added. For example, offer club members a "buy one, get one free" coupon at Pizza Hut or 15% off at Home Depot. Of course, the objective is to provide a benefit to the club member, your station and the sponsor. The offer should be compelling and appear to be exclusive to members.

Harvesting Methods

Even if you don't do a full-blown listener club, you should be doing contesting on your station's website and posting entries into your online database. While you can certainly have separate, online-only contests, run contests that tie in to what you are doing on-air so that your website and listener database extend your station brand. And whenever you plan on-air giveaways, there should be a web component too. This may be as simple as setting aside for online registrations one of the items that you are giving away on-air, or it could be as complex as having listeners register online, calling out names on-air and encouraging those listeners to call back to win. This will help build both your online database and TSL.

A promotion like the tried-and-true "song of the day" promotion can have a great web angle. Post the song-of-the-day calendar on your website so that listeners can find out what song to listen for — after they've entered their name and e-mail address. Then you can offer to e-mail them the song of the day each morning to help them win. Aside from the daily sponsor opportunity, this allows you to reach your listeners' e-mail boxes every morning for the duration of the contest.

If your station is News/Talk and doesn't do on-air or online contests, you can build your database in two ways. First, provide the listener with basic news and information online, but if they want to see additional information, ask them to register for free, just as the *New York Times* does.

Your station can also push specifically requested information to their e-mail inbox, such as daily weather forecasts (available free from the National Weather Service) or top headlines from your local newspaper partnership.

What To Ask For, And When

Numerous times I have left a website without making a purchase because it wanted me to put my credit card number in before it would show me the shipping charges. Studies show that, in general, people have a limit as to what and how much information they're willing to share, especially in the initial stages. So start by posting a privacy policy that states you won't sell or share their information without their permission.

Next, ask for only their first and last name, home address, phone number, e-mail address, birthday (month and day only) and a range of years during which they were born (say, 1970-1980). Explain that the phone number allows you to call them if they've won something or to participate in a reward-driven survey. The birth-date information ensures that the registrant is at least 14 years old (to comply with the law) and allows you to send automatic birthday greetings via e-mail and to establish reasonably useful demographic information from your database.

Your database system should be smart enough to recognize and store for your online members/visitors the information you already have on them so they never have to resubmit any data. Following the strategy recommended by permission marketing guru Seth Godin, over time you may also be able to gradually collect, especially from younger demos, more detailed demographic data and even cell-phone numbers so that you can send text messages. Remember to always create incentives for listeners to share additional personal information.

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Direct marketing as a whole is an incredibly effective approach to reaching targeted individuals with the right message, and telemarketing will continue to play a role. But the wise marketer is one who knows the strengths and weak-

nesses inherent in all available media and then leverages that information in a cost-effective way that is most likely to get results. The information needed to make sound marketing decisions is out there. Be the "wise marketer."