

Local Renaissance: Why Broadcasters Win in the Age of Community

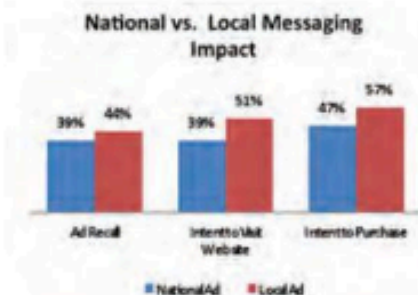
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It wasn't that long ago that John Doerr, the American venture capitalist and partner at Kleiner Perkins, coined the acronym "SO-LO-MO," believing the future would be dramatically impacted by the convergence of social, local, and mobile forces. This trifecta should have been a boon to local broadcast, since radio and TV stations have always been mobile and social at their very core, predating the digital manifestations on devices and apps available today. But while we've heard a great deal about SO (social), and a lot about MO (mobile), we've heard precious little about LO (local). In fact, recent data even suggests that national marketers have been moving more and more dollars out of local media in favor of the perceived efficiencies in national channels. The time is now for SO-LO-MO to become reality. Local broadcasters must seize this opportunity to re-engage marketers in what is perhaps one of the greatest countercultural movements of our time: a revitalized love affair with localism.

Virtual communities may be growing up online, but actual communities have taken on renewed relevance. Even though the digital era has made the entire world immediately accessible, its global citizens, adrift in virtual existence, have begun yearning for something more tangible that ties them to a particular time and place. Major corporations, research vendors, and advertising agencies have been investigating this phenomenon, finding that not only do consumers believe they should and do have pride in their local communities, but that millennials are leading this charge. In a 2013 Havas study, 64 percent of millennials indicated they derive personal satisfaction from purchasing locally produced goods, more than any other demographic group. That's great news for local media!

Consumers today not only want local goods, they want national marketers to speak to them



in a local context. Sixty-one percent of respondents in the same 2013 Havas study agreed that national brands should play bigger roles in their communities, opening the door to wider investment from national spot advertisers willing to customize messaging to local audiences. Katz Media Group tested this hypothesis recently for a national advertiser by comparing reactions to national and localized versions of the same radio creative. The results were resoundingly positive for the localized spots, with a +13% increase in ad recall, a +31% increase in intention to visit the brand's website, and a +21% increase in purchase consideration for those who heard the localized ads versus the national ones.

With the power of localism clearly on the rise, the ability to use geo-locational targeting to micro-segment our DMAs and digitally re-target our constituents has become an enticing proposition for advertisers. And yet, the role of local broadcasters to deliver on Doerr's vision remains more promising than ever before.

Why? Three reasons: Better than anyone else, local broadcasters can deliver the powerful combination of relevant cultural currency, authentic community, and live experience.

In addition, local broadcasting is inherently mobile and social.

1. The concepts of "friending" and "following" strangers in virtual communities is facilitated by discovering common bonds that are often drawn from the products of mass culture: music, TV shows, movies, etc. These touchstones provide us with cultural currency as we navigate virtual life. This is why, despite references to radio as "old media" and prognostications over the "death of TV," all mass media are actually more powerful than ever.

2. In a world of virtual relationships, local community grounds us in authentic experience. Broadcast advertising that is "localized" stands out because the velocity and variety of digital interactions today have multiplied our level of distraction and numbed us to the constant barrage of re-targeted, "personalized" digital ads. Advertising that is truly localized therefore allows marketers' messages to rise above this din and resonate with consumers in a way that embraces the authentic communities they identify with.

3. Local media are frequently live, and, in the case of local radio, almost exclusively live. In an age when so much media usage is on demand and consumers expect gratification in the here and now, marketers need vehicles that can deliver mass audiences instantaneously, in real time, with the ability to locally contextualize their message simultaneously.

While mobile and social media are frequently touted as our industry's bright new shiny objects, in reality, these are not new opportunities for marketers. Broadcasters have been delivering on mobile and social since their inception. Radio has always been the true mobile medium, with two-thirds of its usage occurring out-of-home and closest to the point of sale (compared to mobile devices, which are used at home, over WiFi, two-thirds of the time).

Likewise, social is at the very heart of radio's essence. From request lines to dedications, radio has been providing listeners with tangible, human interactions that go far beyond 140 characters and "like" buttons. Compared to other media types, a 2012 Colligent study revealed that local radio stations drive the most engaging behaviors within Facebook, while local television reigns on Twitter. Social media, facilitated by mobile devices, may be this century's version of the telephone, enabling easier and more robust interaction, but it is still the content of radio and television stations that drive those interactions. Skeptical? Consider that iHeartRadio's Music Festival and the Academy Awards each drove 5 billion social media impressions this year.

Radio and TV broadcasters win in the "Age of Community" because their powerful brands are fixtures in our local lives. Whether on the air, online, or on mobile devices, local stations remind us of where we are and where we're from, giving us a sense of purpose and direction as we navigate our weather, traffic, and local events. They give us moments of belonging with real people throughout our day as we commute with our morning drive time jocks, cheer with our local sports announcers, and relate to our real neighbors with our late-news anchors. Likewise, radio and television talent are like family, providing local broadcasters with powerful persuasive capability that rivals the word-of-mouth recommendations that have always factored so heavily in consumer decision-making.

Now more than ever, localism is the critical differentiator in the media mix, giving local broadcasters a unique opportunity to outshine other communication channels. At Katz Media Group, we have been researching and investing in the concept of localism, developing relevant case studies to reinvigorate national advertiser interest in local markets, and highlighting pathways for them to engage meaningfully. Stay tuned.