



What Works in Direct Response Radio Advertising?

By Jeff Small and Brett Astor

It's one of the questions we hear most frequently. It's also one of the most difficult to answer.

One reason it's a difficult question to answer is that the list of what works is so long. Much longer than what doesn't work. One look at the following list of businesses, products, and services categories that have found success with direct response radio advertising shows how true this is.

Financial Services (loans, insurance—think GEICO among others, debt consolidation offerings, different brokerage product offerings and the like), **Intellectual Property** or informational products (wealth building, parenting, fitness, anxiety/stress reduction, weight loss, and other similar types of products), **Nutritional Supplements** (solution specific products targeted at any of the various top health concerns), **Beauty** (skin, hair,

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teeth, weight), **Fitness** (promotions for various home fitness products and routines), **Seminars** (promoting an upcoming seminar in specific markets), **Hard goods** (computers, radar detectors, other new or specialized productions), **Retail**, driving

traffic in support of bricks-and-mortar as well as web retail sales. Examples are sites like Priceline.com, eHarmony.com, and Overstock.com. Retailer Home Depot is one of the biggest radio advertisers. **Other** business categories include auction web sites, discount buying sites, music, computer repair, employment, and Lasic eye surgery.

This is also a difficult question to answer because the question itself is a bit misleading. It carries two underlying assumptions: one, that that radio advertising itself is the center of the business success, and two, that there are hard and fast rules about what will or won't (or can or can't) “work” in radio.

We can see the first assumption more clearly when we realize that the type of advertising employed is a tactic in support of achieving business goals, not a business model itself. Radio advertising, like any advertising medium, can most powerfully impact one part of the business: the customer acquisition. Direct response radio, TV, and print can primarily promise to deliver a new customer at the lowest possible cost, or CPO. It's up to the rest of the business model to cultivate that new customer into one that has as positive a lifetime value as possible.

The second assumption is dispelled when we recognize that the desire for hard and fast rules is misleading when it comes to assessing the potential of direct response radio advertising. The

biggest misconception that we hear about radio advertising is the one that goes something like “if a product has to be demonstrated before anyone will be interested, it won't work on radio.” Yet this has been disproved many times. Let's take the classic direct response category of skin care.

There was a time in the direct response world when everyone thought that skin care products could only be successfully advertised with DRTV or DR print because potential customers just *had* to see the before and after results. But that assumption has been proven to be completely incorrect as many skin care companies have made—literally—hundreds of millions of dollars (in profit, not just revenue) resulting from direct response radio advertising.

These skin care marketers have proved the one fundamental axiom of direct response radio advertising: When the radio creative is done expertly, it is possible to do two key things that are required for success in direct response radio: 1) create a vivid impression in people's minds that captures attention, and 2) to convey information that entices the potential customer to take an action *that the business has a plan for turning into a long term customer*. When a campaign reportedly fails in radio, it's usually not a failing of radio per se, rather a failing of the *application of radio advertising* to the campaign in question.

For those direct response marketers or business owners who just want to know whether their product or service has a chance of achieving profitable growth with direct response radio, we offer this advice.

First, make sure you have something unique to offer the world—whether it's a unique product, product characteristic, offer, or otherwise. You can be different or innovative in many different aspects of your offering, but if you bring a “me too” offering to the table, you'll get poor results.

Second, have a plan to maximize lifetime value of the customers you'll acquire. The focus can be on the first

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sale, with upsells and conversions from free offers. Or the focus can be on cultivating additional transactions with each

new customer. The best approach is a combination of the two.

Third, test—because as we've demonstrated above, the list of what works in radio advertising isn't set in stone; it's long and growing. You can't know for sure whether you'll be successful until you test. One of the most attractive aspects of direct response radio advertising is that relative to TV and print radio requires so little money and time to learn of the profit potential of your campaign.



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