Retail radio breaking new ground in reaching audiences

In South Africa, the adoption of retail radio is seeing results in terms of audience growth and listener affinity, with chains such as Sportscene, Totalsports and Markham breaking new ground with their digital stations.

Source: © design company[designcompany](designcompany)

HaveYouHeard's inBroadcasting division head, radio legend, Jon Savage, says success in retail radio is about the critical understanding of the audience demographics overlain with tempo maps.

Understanding the audience

He explains that, while Totalsports is a hard-core sports retail brand, Sportscene is more lifestyle. Put another way, if shoppers need shoes in which to play tennis, they go to Totalsports; if they want cool Nike sneakers they go to Sportscene.

"Sportscene wants to attract a very savvy and digital youth audience. Being ahead of the trend is very important to this audience, so playing a generic FM station instore wouldn't resonate with it.

"Our playlist needed to be more than the traditional radio stations and clubs," he says.

The plan of action was to playlist new music before the major stations as well as create opportunities for new emerging artists to debut on the instore audio space.

In addition to pinpointing who the audience was – what they liked, where they hung out, what they were trying to be seen as – tempo mapping helped the strategists to understand when the audience came into the store, what they were looking for and how they behaved at different times of day and on different days of the week.

The tempo maps led to them 'upping the tempo' on Friday afternoons and to include DJ mixes on the playlists over the weekends.

"This initiative won Sportscene an SA Hip-Hop Award for the coolest brand contribution to hip-hop, and the overall approach has been so successful that Sportscene now has its own recording studio to deliver on its audio identity," says Savage.

Meeting the audience needs

The audience deep dive for Markham highlighted its playlist needed to have a little more of a commercial wider appeal; still youth orientated but more mid-tempo, a little more dance, a little more pop-based, a little less cutting edge.

"With Markham, we have a much wider audience that is more attuned to a range of music that is popular," says Savage.

He summarises: "For Sportscene we look at the biggest trends on TikTok to inform the playlist; for Markham we look at trends in our audience demographic across Spotify and traditional radio."

Interestingly, the biggest insight from the Markham's deep dive was that the staff culture is critical to the brand.

While the staff feel they belong to the Markham's family, for shoppers the staff contribute positively to the overall shopping experience.

As a result, inBroadcasting included the staff in its strategy to help develop playlists and do all the live-reads.

The power of lightweight technology

"For us, the retail radio space was ground zero when it came to putting technology to the test," he says. "And it more than rose to the occasion."

Savage maintains he'd be outright stupid to ignore the power of lightweight technology when it comes to solving or guiding solutions for heavy-weight problems, especially in an industry that is under tremendous pressure to reduce input costs.

Frustrated by the structure and costs associated with traditional radio broadcasting and advertising, Savage turned to digital radio, and started The Eye, a highly targeted, on-demand digital radio station with regular contributors/DJs and a fully integrated advertising model to incorporate brand culture into its programming.

"The Eye was intended to be the learning curve where the team could explore the technology and the marketplace to build a light-weight radio station (read: flat structured, nimble and low-cost) that could deliver the same, if not better, returns for advertisers than those delivered by major commercial radio stations," he says.

A massive paradigm shift

"Everyone knows that today's mobile devices have the same functionality and capabilities of an entire broadcast station. But five years ago, we didn't know how we could apply that to radio.

"Getting deeply involved in the technological development, the 'backend' so to say, was what really started this journey.

"And admittedly, the ability to record and broadcast audio digitally to millions is fairly simple, yet there were many other

components we had to figure out – analytics, algorithms and the like," Savage explains.

It was here, at the 'front end' where things got exciting. Applying technology and AI to the actual product was revolutionary. For example, Spotify's advanced algorithm is able to compile playlists for subscribers based on data sourced from many sources.

"We asked ourselves how we could apply a similar approach to a broadcast audience which isn't directly engaging with us?'

The solution was in the technology.

"This led to us explore the retail radio space and incorporate data from shopper behaviour analytics and social media engagements to build a very lightweight highly-effective retail radio environment – one that is possibly more effective than a commercial radio station but could deliver the proverbial goods at a fraction of the cost."

For many, it's a massive paradigm shift.

Delivering accurate metrics

Firstly, the physical part. For many 'radio' equals famous DJ behind a big computer screen with a big SM7B big radio broadcast mike, a massive mixing desk, callers phoning in, and senior management sitting upstairs. The reality is, as Savage has proven, the same product can be delivered remotely using a mobile phone.

Second, with 'big radio', audience reach, and audience engagement metrics have only ever been 'best estimates' (small groups of people sampled to provide data which was then extrapolated over minutes, hours, weeks and months).

This meant that a brand paying to reach the millions of listeners to a certain radio station is paying for the association with that radio station and for the potential audience, never a guaranteed audience.

By contrast, the digital audio space can provide far more accurate metrics. It can say how many people listened to the ad (not just the content but the ad itself), how many acted or engaged with it, and whether this converted into a direct sale.

Third, the analytics that today's technology delivers - and Savage is obsessed with analytics - means it is no longer a case of people sitting in a room deciding on the playlists.

Machine learning and Spotify, TikTok and Facebook analytics are used study audiences and truly connect with them.

Taking it a step further, Savage's inBroadcasting team is exploring the dips and spikes in shopping behaviour to understand what could have caused them, and then adapt programming to replicate them to create software assets that will track sales conversion metrics.