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A New Form of Radio Marketing

By NAT IVES

FOR marketers, it may finally be paradise by the dashboard light. Big radio companies like Clear Channel Communications and Infinity Broadcasting are equipping some stations with technology that broadcasts not just commercials but text messages that appear on car radio displays. And advertisers like First Charter Bank in Charlotte, N.C., which will use the approach in a campaign beginning in late January, are signing on to see whether extra text can give their spots extra heft.

The technology - called R.D.S., for radio data system - has long been common in Europe and available in the United States, where it is gaining as cars increasingly come ready for the technology and radio stations compete more fiercely for ad revenue against satellite radio and other media.

But consumer advocates like Ralph Nader said the potential for driver distraction, not to mention irritation, could make dashboard advertising more boondoggle than boon. "Anything that keeps the eye off the road increases the risk of a crash," Mr. Nader said in a phone interview.

Radio has weathered the recent economic slump better than some other media. Radio ad spending has nearly regained its losses since it sank in 2001. It rose to \$19.4 billion in 2002 from \$18.4 billion in 2001, according to the Radio Advertising Bureau in New York. Through September 2003, radio ad sales rose 2 percent compared with the same period a year earlier, the bureau reported.

But most marketers and media executives, facing an uncertain economy and worried about devices, like TiVo, that permit viewers to skip commercials, feel heavy pressure to reach consumers in new ways, said Steve McKee, president at McKee Wallwork Henderson in Albuquerque.

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"Advertisers are spending more and getting less because of what we call 'fragflation,' the fragmentation of audiences combined with media inflation," said Mr. McKee, who has worked extensively with text message marketing using cellphones. "They're desperately searching for new ways to reach prospects." Radio stations are also looking for new approaches. They have used the radio data system to promote concerts during songs by the appropriate bands and movies during songs by bands that play on the soundtracks.

For First Charter, a small bank with 53 branches in 17 North Carolina counties, generating attention can be tough amid better-financed campaign from the much larger banks nearby, said J. Kevin Toomb, executive vice president and marketing director at the bank.

"It's a crowded marketplace," Mr. Toomb said. "Any way we can stand out, we will do it."

First Charter decided to add text messages to its radio ads after prompting from their advertising agency, **Planet Central**, who has offices in Charlotte and was preparing the bank's next radio campaign.

Planet Central executive Barry Wilson had seen that radio data system technology was used mostly to provide station, artist and song identification.

"So we thought, why couldn't it contain some other information than 'Mariah Carey'?" said Steve St. Clair, managing partner and creative director.

While the script for the First Charter campaign is not final, the text portion is reasonably clear: "CALL NOW" and the bank's toll-free number are likely to flash in sequence across dashboard radio screens when First Charter spots play. Other messages might include "FREE CHECKING" or "FREE GIFT."

Displaying the text while the commercial plays is important to consumer comprehension and satisfaction, Mr. Toomb said. "When the subject matter is consistent, the mind will process it better," he said. On the other hand, he added, "If they were listening to Shania Twain and a First Charter notice came up," they might become upset.

But Mr. Nader said the accumulation of dashboard devices like Global Positioning Systems and large map displays was already pulling drivers' eyes in the wrong direction.

"All these kinds of distraction," he said, "add up to the following: the

driver is paying more attention to the inside of the vehicle than the dynamics outside."

Backers of radio data system advertising say they share some safety concerns and will keep their messages simple to minimize distraction.

Dashboard ads also drew criticism for delivering advertising to yet another place that was once merely functional, as happened with automated teller machine screens, movie theater lobbies, elevators, taxis, cellphones, restrooms, gas station pumps and subway station floors.

Gary Ruskin, executive director at Commercial Alert, a consumer advocacy group in Portland, Ore., called the text ads "the newest invasion of ad creep."

"A lot of people enjoy a moment of solace in the car," Mr. Ruskin said. "Predictably, this will drive plenty of people nuts."

Mr. McKee, the McKee Wallwork president, said the tempests over telemarketing and spam e-mail in 2003 showed that there were limits, particularly when consumers consider ads intrusive.

"Just because you can advertise somewhere doesn't mean you should," Mr. McKee said. "Remember the 'do-not-call list'?"

Executives involved with the radio technology disagreed, saying that some listeners may be put off but more will be receptive or at least open minded.

"A listener of classical music may disapprove of these ads more than pop radio listeners," said Ryan Steelberg, president at dMarc Networks in Newport Beach, Calif., which offers radio data system content and services.

"There's a big opportunity for advertisers and marketers who are trying to get through to consumers through another medium," he said.