



The Clear Advantage of AM/FM Radio over Pandora

SCBA long term member Peter Burton, Vice President/Market Manager of Entercom owned KSWD in Los Angeles has shared a recent Pandora listening experience from an industry colleague.

Important Headlines:

- The following Pandora listening experience supports the findings from the recent Cumulus/Westwood One Edison Q3 2016 Share of Ear study.
- The Edison study revealed that only 5% of Americans represent 75% of Pandora's time spent listening.
- Based on that, to achieve an advertiser impressions goal, a small number of listeners must be relentlessly and excessively served the same ad over and over.
- Clients using Pandora must demand “Frequency Caps” and see real metrics on how impressions were delivered.

“Over the past ten days I streamed Pandora as I occasionally do around Christmas. They have a nice Classical Christmas channel but the listening experiences this year were bizarre and rather unpleasant.

On Wednesday December 7, I was served a total of 14 commercials. All 14 were the same Nordstrom Rack commercial. No commercials from any other advertiser were served. This past Thursday, I wanted to see if the previous week’s ad serving experience was an anomaly. It wasn’t. It was worse. I was served a total of 25 commercials. All 25 were the same Applebee’s commercial. Yesterday, I again listened and all 7 commercials served were for Applebee’s and as I write this Saturday morning, I again was served 5 more commercials, all for Applebee’s. Thirty-seven (37) Applebee’s commercials served to one individual over three separate listening occasions, spanning three days. In all my years in this business I’ve never uttered the words, “a frequency of 37”.

In addition to the deluge of Nordstrom Rack and Applebee’s commercials, Pandora’s “thumbs” were apparently broken. After repeatedly “thumbing down” Tchaikovsky’s Nut

Cracker Suite, it remained in rotation. So much for the Genome project, its 450 different musical attributes and its 2,000 focus traits. Sounds impressive, didn't work.

For both advertisers this type of commercial mugging is worse than simply wasting precious advertising dollars, as my reaction to both advertiser's commercials evolved from initial attention, to avoidance, to annoyance, to "I can't believe I'm actually hearing this", to hostility. This is usually not the reaction any advertiser would want to elicit.

There are a couple of key takeaways from this:

The Genome project for all its supposed sophistication is not without its flaws. With each subsequent serving of the Nutcracker a different finger, not thumbing, was used to greet its arrival.

This could never have occurred on an AM/FM radio station.

If any of our advertisers decide to use Pandora they had better insist upon a "frequency cap" and let the buyer beware. The advertiser might get "metrics" but how they were generated and what they represent should be open to debate.

In advertising there's something called "ad latency" which is the amount of time that an advertisement positively impacts key brand metrics such as "awareness", "consideration" and "intent". This period of time, based upon the offer, creative, etc. can last several days or up to as long as several weeks.

An effective advertising schedule ideally delivers a "refreshing" message to a campaign's target as the impact from the previous commercial exposure begins to ebb. This helps ensure that an advertiser's offering stays top of mind. One thing we can be absolutely certain about is that the "latency period" for both Nordstrom's and Applebee's messaging was a heckuva lot longer than what was described above, unless of course our ability to "retain" now approximates that of a Goldfish.

It is better to "reach many", rather than "preach repeatedly to a few" - a key benefit of AM/FM and its scheduling. Unquestionably, Applebee's and Nordstrom's would have sold more product by reaching 37 and 14 different consumers once rather than reaching me 37 times and 14 times respectively.

We can draw a couple of things from this, neither overly positive:

That Pandora meets their advertiser impression commitments without any regard for how they are generated.

Such mind-numbing, abusive frequency is required to generate results on this streaming service.

Wonder if Nordstrom's and Applebee's would think this is a wise use of their audio budget."