Introduction

This presentation covers research into listener attitudes toward advertising, sponsorship and commercial influence — in news and current affairs programs — on commercial radio.

Commercial radio continues to be a significant part of our contemporary media environment, and is also a ‘traditional’ broadcast media that is subject to content regulation via industry codes of practice, program standards and licence conditions (under the *Broadcasting Services Act 1992*).

Research context

The research was undertaken last year in 2009 to inform the ACMA’s *Review of commercial radio standards* (which is currently in progress).

It is the ACMA’s strategic intention to make media work in Australia’s public interest, which includes fair and accurate reporting of matters of public interest (an Object of the *Broadcasting Services Act 1992*).

The review is focussing on three program standards that regulate: advertising; the disclosure of sponsors; and compliance programs.


The ACMA’s approach to the review

A ‘first principles’ approach has been adopted by the ACMA for the Review to reconsider the standards after almost 10 years of operation. It will also take account of industry, community and regulatory developments since the standards were introduced.

Community research is one part of the evidence-base being used to inform the Review, and brings an important community perspective by identifying community interests and standards that regulation might address.

Current status of the review

For the Review, an issues paper and research reports were released in February 2010. Fourteen public submissions have been received — from the commercial radio industry, advertising industry, public interest groups and individual citizens.

The ACMA is about to release an options paper (in late 2010 or early 2011) — for public comment on specific options for regulation.

Overview of current advertising and disclosure standards

In brief, the Advertising Standard requires that advertising be clearly distinguished from other program material.

The Disclosure Standard requires the on-air disclosure of commercial agreements between presenters and sponsors in current affairs programs.
The standards apply to all commercial radio licensees.

And, the focus of the current Disclosure Standard is news and current affairs programs, including talkback.

**Research questions** ↔ **Regulatory issues**

In order to address the regulatory issues of the Review, the main research questions covered:

- radio listening behaviour, and how important commercial radio as a source of news and current affairs
- listener attitudes to advertising and sponsorship, and how listeners feel about commercial influence in current affairs discussion and commentary
- whether listeners can distinguish advertising or promotional material from other program content
- the extent to which listeners understand the purpose of on-air disclosure announcements
- and how effective those disclosure announcements are.

**Research methodology**

The community research involved two studies.

The first study was a national representative telephone survey of Australian household respondents. The following methodology was chosen to provide the best possible representation of community views:

- a large sample of 1537 Australians aged 15 years and over — made up of 1423 radio listeners, and 1018 commercial radio listeners
- the sample was randomly selected, and quotas were used on age and geographic location to reflect the Australian Bureau of Statistics Census (2006)
- about half of the survey questions related to this topic on advertising, sponsorship and influence in commercial radio news and current affairs programs (the other half of the survey covered other concerns about radio content e.g. offensive content, children’s listening, awareness of the complaints process)
- the research was conducted in January–February 2009, and the report *Community attitudes to radio content* was published early this year (2010).

The second study was an online survey, and the key reason for going online was to use audio clips to test listener reactions. Actual clips from commercial radio broadcasts were used to understand how easily listeners could distinguish different types of advertisements from other program material. The online study involved the following:

- also had a large sample of 1214 commercial radio listeners
- respondents aged 17 years and over
- sample respondents sourced from on online panel
- as with the phone survey quotas were used
- use of audio clips of different advertising scenarios
- the survey was conducted in August 2009
- published early this year (2010) in the report *Listener attitudes to advertising, sponsorship and influence on commercial radio.*

Both studies were commissioned by the ACMA from Ipsos MediaCT.
Some concerns about doing an online survey

Before going on to the results, I’m going to give a short assessment of how the online survey compared with the phone survey.

We had some reservations about using an online methodology, including concerns about being able to obtain a representative sample from an online panel.

In order to meet the research and regulatory objectives there was a need for accuracy and reliability.

To achieve this, we:

- used a large online panel with over 200,000 active members, a panel sample that was recruited using different approaches, and a panel used for research purposes only
- the results from the first study — the phone survey — provided a random framework from which to verify the online sample
- we also repeated some questions from the phone survey — which included questions about radio listening behaviour and an attitudinal question — to compare findings against the first study.

The online sample compared favourably with the telephone sample against most demographic variables, but with some exceptions:

- there was an under-representation of households with children aged under 15 years, and respondents who had achieved some secondary schooling
- and there was an over-representation of people with TAFE or trade certificates.

Main differences between the studies the listening behaviours of commercial radio listeners

The studies captured some different information about the listening behaviours of commercial radio listeners:

- Compared to the phone survey, fewer online survey respondents regularly listened to:
  - commercial AM and ABC radio services (excluding Triple J)
  - news and information, sport, talkback, and special interest formats.
- More online survey respondents listened to breakfast programs on commercial FM radio.
- And, a similar proportion of listeners listened to music on radio.

This seems to make sense because of the nature of internet users who are generally younger, and who are more likely to be getting their news and information from online sources.

‘Advertising content on radio should be clearly distinguishable from other radio content’ — % of commercial radio listeners

It was encouraging that a similar level of agreement was found for this attitude statement from both surveys (chart below):

- a total of 75% of people from the online survey agreed that ‘Advertising content on radio should be clearly distinguishable from other radio content’ — this compared to 79% from the phone survey
- the online survey also resulted in slightly lower agreement, and fewer people who disagreed compared with the phone survey
- more people also expressed a neutral position.
Online survey n=1214 commercial radio listeners, August 2009
Phone survey n=1018 commercial radio listeners, February 2009

The similar results were encouraging because the measures of greatest interest for this project are attitudinal in nature (i.e. attitudes to advertising content and distinguishing advertising from other content).

**Other research findings**

**Importance of commercial radio as a source of news and current affairs — % of listeners**

Current affairs programs and news reports on commercial radio were found to be important sources of information and opinion for many Australians.

Phone survey bases: all radio listeners 15+ years n=1423; commercial radio listeners n=1018; commercial AM talkback listeners n=205
Source: ACMA *Community attitudes to radio content* 2010

The top bar of this chart above shows that commercial radio is an ‘extremely’ or ‘very’ important source of news and current affairs for a total 44% of commercial AM talkback listeners.

Commercial radio was also a ‘very’ or ‘extremely’ important source for 33% of commercial radio listeners, and for 27% of all the radio listeners surveyed.

A number of listeners also said that commercial radio was a ‘fairly’ important source of news and current affairs.
To put this in a broader context: 91% of Australians in this study reported listening to radio at least once a week. Two-thirds listened to commercial radio, and fewer listened to commercial AM talkback at 14%.

And, by way of further background: News and information and talkback were found to be the second and third most preferred radio formats after music.

**Importance of transparency**

We found that listeners were more sensitive toward unclear advertising practices in current affairs programs than in non-current affairs programs. Being able to distinguish advertising was considered to be ‘very’ or ‘extremely’ important in current affairs by 66%, and in non-current affairs by 47%.

Phone survey base: commercial radio listeners aged 15 years and over (n=1018)
Source: ACMA Community attitudes to radio content 2010.

This chart (above) shows the strong value placed on ‘transparency’ in current affairs programs.

When asked how important it is to them ‘… that the actual content of current affairs programs is free from commercial influence?’

- 62% of commercial radio listeners said this was either ‘very’ or ‘extremely’ important, and a further 18% said it was ‘fairly’ important (making a total of 80%).

And when asked how important it is ‘… to be able to make a clear distinction between advertising and other radio content in current affairs programs?’

- a total 85% said this was at least ‘fairly’ important.

**Distinguishing advertising from other program material — % of commercial radio listeners**

Online respondents listened to six commercial radio audio examples of advertising and promotional material as a way to understand listeners’ ability to distinguish advertising from other program material. Some practices were more difficult for listeners to distinguish than others. The chart below summarises the outcome.
Three of the clips are described below — to give you an idea of the range of examples used.

**Clip A:** was a live read by two presenters who promote a particular brand of chocolates between two ads during a commercial FM breakfast show. Clip A was the easiest to identify as advertising.

**Clip F:** was commentary and interview between a presenter and a senior representative of a telecommunications company, they discuss the features of a new mobile phone network and how coverage is better than the older network.

**Clip B:** was a discussion with a talkback caller where the caller gives favourable information about a particular food market with the presenter’s encouragement. This example was the least distinguishable as advertising, with a small 17% saying it was either ‘clearly’ or ‘more like’ advertising.

**Common cues used to identify advertising**

The common cues or signals used to identify advertising were the …

- use of brand or product names
- repetition of those product names
- provision of company contact details
- overly detailed or positive descriptions
- or, a scripted or artificial ‘feel’ to the material.

In general, the less structured examples — without those cues — i.e. the more interactive and multi-faceted clips — that included presenter commentary, discussion, interviews or talkback — were more difficult for listeners to interpret as advertising.

**Effectiveness of on-air disclosure announcements**

Moving on now to perceptions about the value and effectiveness of on-air disclosure announcements on commercial radio.
These on-air disclosure announcements aim to make listeners aware of sponsorship arrangements with presenters, and their potential to influence current affairs content.

We found that, for the 54% of commercial AM radio talkback listeners who had heard a disclosure announcement, 65% had a ‘good’ or ‘part understanding of their meaning and purpose. The remaining 35% had a ‘limited’ or ‘no’ understanding.

This chart (below) gives an assessment of the usefulness and importance of on-air disclosure announcements.

![Chart showing assessment of usefulness and importance of on-air disclosure announcements.](chart.png)

Phone survey base: Commercial AM radio talkback listeners who had heard disclosure announcement n=111.

Source: ACMA Community attitudes to radio content 2010.

- 36% said the announcements were either ‘extremely’ or ‘very’ ‘useful in informing you that what the announcer is saying might be influenced’, 38% said ‘somewhat’ useful, and 23% ‘not’ useful.
- 49% said it was ‘extremely’ or ‘very’ important for disclosures to be ‘made at the same time that an announcer mentions a commercial sponsor’, 28 said ‘somewhat’ important, and 22% ‘not’ important.

So, we could say that the announcements are somewhat more important than useful, and there are mixed views about their value.

**Proximity of on-air disclosure announcements to advertising**

The two advertising and sponsorship practices that are described in this table (below) were identified as the most concerning to online respondents (out of a total six advertising practices that were provided to respondents).

Similar levels of concern were found for each of these practices:

- about 74% of commercial radio listeners said they were either ‘very’ or ‘moderately’ concerned about them — when presented without an on-air disclosure
- the blue column shows how concern levels declined to 63% if a disclosure was made ‘at some point’ in the program
- the orange column shows a further drop to 53% of listeners with a concern if a disclosure was made ‘at the same time as advertising’ in the program.
In summary, the research highlights these main findings:

- Radio generally, and commercial radio in particular, are important sources of information and opinion for a number of Australians.
- Transparency of commercial relationships in news and current affairs programming is also important.
- Some advertising practices can be difficult to discern as promotional material.
- And, the on-air sponsorship disclosures that are used in commercial AM talkback programs are effective to a degree.

‘Transparency’ and ‘fairness and accuracy’ in news and current affairs content might also be important to users of online and mobile media platforms. How these principles might be addressed in an online environment is less clear.

Further information

- Research reports are available from:  
  ➢ Scroll down, under For consumers and Media
- Review of commercial radio standards:  
- Contact: margaret.cupitt@acma.gov.au