

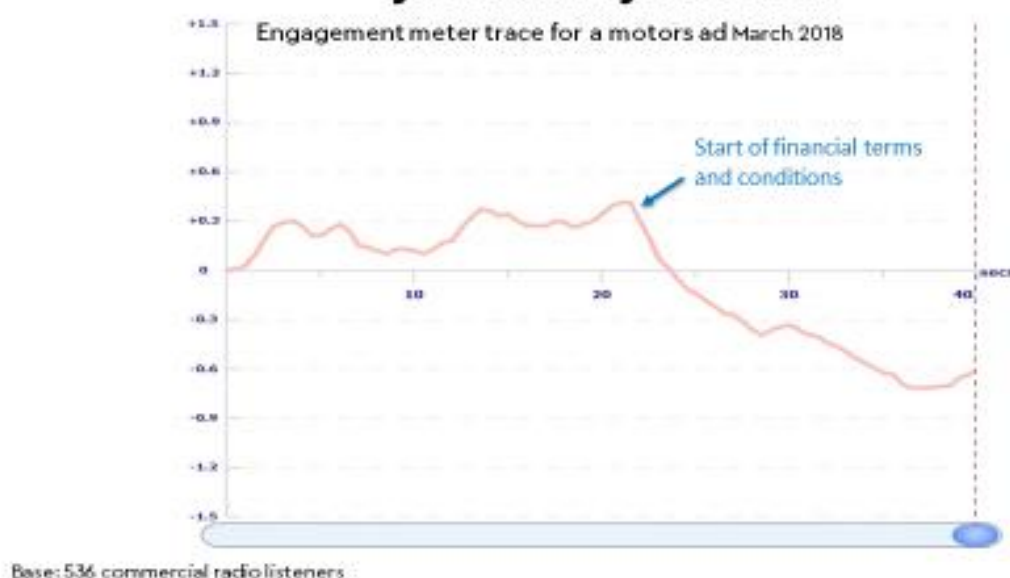
Protecting Consumers

Why long and complex terms and conditions on radio don't work

Background

Terms and conditions (Ts&Cs) in advertising are meant to ensure consumers are not being misled through the omission or misrepresentation of information. However the longer and more complex the terms and conditions the less likely consumers are to pay attention to them or understand them.

Listeners don't pay attention to complex financial information



A 2004 study by Navigator already revealed that consumers viewed the value of wealth warnings (financial Ts&Cs) in advertising with some cynicism. They also felt that wealth warnings on radio were particularly problematic because of the sequential way in which the information is delivered, making the listener more likely to zone out when the caveats were too long¹.

From 2013 to 2016 Radiocentre invested in a programme of research to further understand and quantify the impact of lengthy financial terms and conditions in radio advertising on consumer perceptions and recall. This included the commissioning of three online panel surveys of 3,200 commercial radio listeners in total² and research conducted by Lancaster University in 2016 which

¹ *Radio Commercials and Wealth Warnings*, Navigator 2004

² Online survey conducted by Other Lines of Enquiry, 800 commercial radio listeners 18+ for surveys 1 (2013) and 2 (2015) and 1600 commercial radio listeners for survey 3 (2016)

explored the extent to which listeners absorb financial information in radio ads when engaged in other tasks as well as the impact of Ts&Cs on brand trust³. Credit ads for motors brands were used as the core stimulus for each study.

Collectively this programme of research has provided valuable insight into the importance of keeping terms and conditions on radio as clear and concise as possible.

The evidence

- Consumers don't feel radio is the right place to include detailed financial terms and conditions which need time and attention to understand⁴ and 72% of commercial radio listeners would prefer to read financial terms and conditions in their own time on a website. This is not surprising - over 98% of radio listening is in real time⁵ and in nine out of ten listening occasions listeners are engaged in other activities with radio in the background.
- 60% of commercial radio listeners believe that the terms and conditions are there to protect the advertiser (rather than the consumer) and this trend is ever more exaggerated amongst younger consumers where 70% of 18-24s think that the terms and conditions are there to protect the advertiser
- In the Lancaster University study, there was also some indication that longer terms and conditions can have a negative effect on brand trust and favourability. Participants were asked to score brands for favourability and trust immediately prior to being exposed to radio ads and again immediately afterwards. When participants had heard an ad with long financial Ts&Cs, scores for favourability and trust in the brand declined. However when participants had heard the same ad but with shorter Ts&Cs brand scores increased.
- Crucially, listeners don't recall figures easily no matter how important they might be to the advertiser
 - o Across the 3 online surveys less than 4% of respondents could recall the total cost from a representative example immediately after listening to the radio ad. Indeed for one ad this dropped to below 2%
 - o And in the Lancaster study, where radio was playing in the background whilst listeners were engaged in a task (a more realistic representation of radio listening) spontaneous recall of the total cost from 2 separate ads was zero

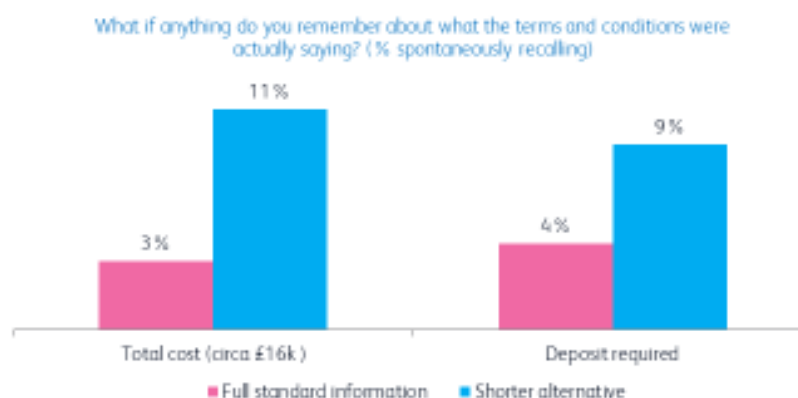
³ Lancaster University 2016 : controlled lab test of 150 commercial radio listeners, of which 100 were engaged in an online task with their favourite radio station playing in the background

⁴ *Radio Commercials and Wealth Warnings*, Navigator 2004

⁵ RAJAR Midas Spring 2019

- When the financial information is reduced to only one key figure, recall increases: in the case of the three online surveys recall of total cost increased almost three fold on average, and from 0% to 7% for one of the ads tested in the Lancaster University distraction study.⁶
- However it should also be noted that recall of numbers in general is low - even when the financial information is shortened and includes just one number, spontaneous recall doesn't get any higher than 11% in any of the studies.

Consumer recall increases when the information is simplified



Source : Other lines of enquiry 2015 survey, base 800 commercial radio listeners (400 per execution)

Conclusion

Less is clearly *more* and simplicity is vital when communicating important financial information effectively on radio. The longer and more complex the financial Ts&Cs, the less likely listeners are to pay attention and the more likely they are to simply zone out. To increase the chances of critical information landing effectively and in doing so protecting consumers, it is vitally important that Ts&Cs are kept as clear and concise as possible, without technical jargon or too many numbers and with clear signposting to further details online or at point of sale.

⁶ Two ads were tested by Lancaster University, but in the case of the second ad recall remained non-existent even when the shorter version was played.