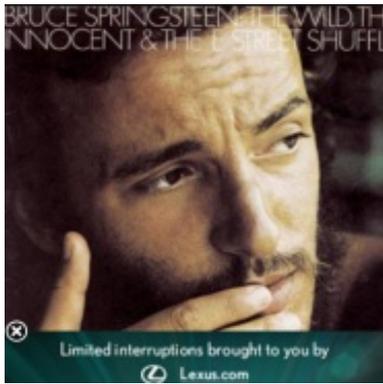


RADIO

The evolution of luxury radio marketing

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By RACHEL LAMB

Due to Internet and mobile radio service providers as well as satellite radio's increase in popularity, luxury marketers are reinventing the idea of radio marketing.

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Historically a place for automakers, new channel developments are opening up the airwaves for jewelers, fashion labels and hotel brands. Spotify, Pandora and Sirius are playing a very large role in radio marketing.

“Production must be highly professional so as to not appear small,” said Chris Ramey, president of Affluent Insights, Miami. “Radio will always have a place in the luxury segment.”

Into the airwaves

Luxury marketers still use traditional radio from time to time. This is especially true for luxury automakers that want to convey region-specific information on deals or promotions at dealerships.

However, brands do take their campaigns to a national level.

For example, General Motors Co.'s Cadillac used teen pop sensation Justin Bieber in a partnership with Sony Music to raise awareness and funds for Cure Duchenne via radio

advertising (see story).



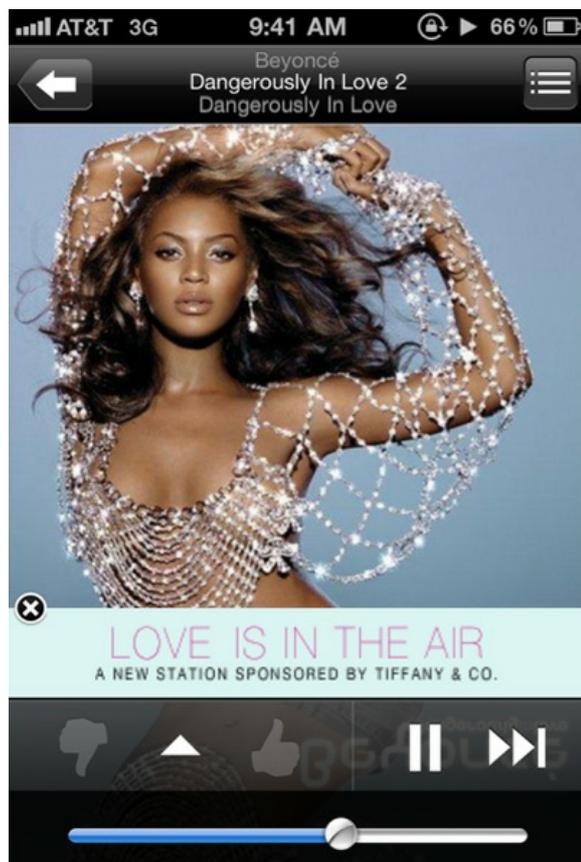
Post on the Cadillac Web site

However, the introduction of Pandora, Sirius and Spotify have opened the doors for other luxury marketers.

For example, designer and filmmaker Tom Ford uses Sirius XM Radio as a platform to reveal his vision and inspiration in an exclusive monthly series.

The Sirius XM Radio month-long series titled “Iconography” honors the life, career and impact of iconic personalities (see story).

Meanwhile, marketers including Nordstrom, Tiffany & Co., Lexus and Mercedes-Benz are using Pandora’s Internet and mobile platforms for advertising.

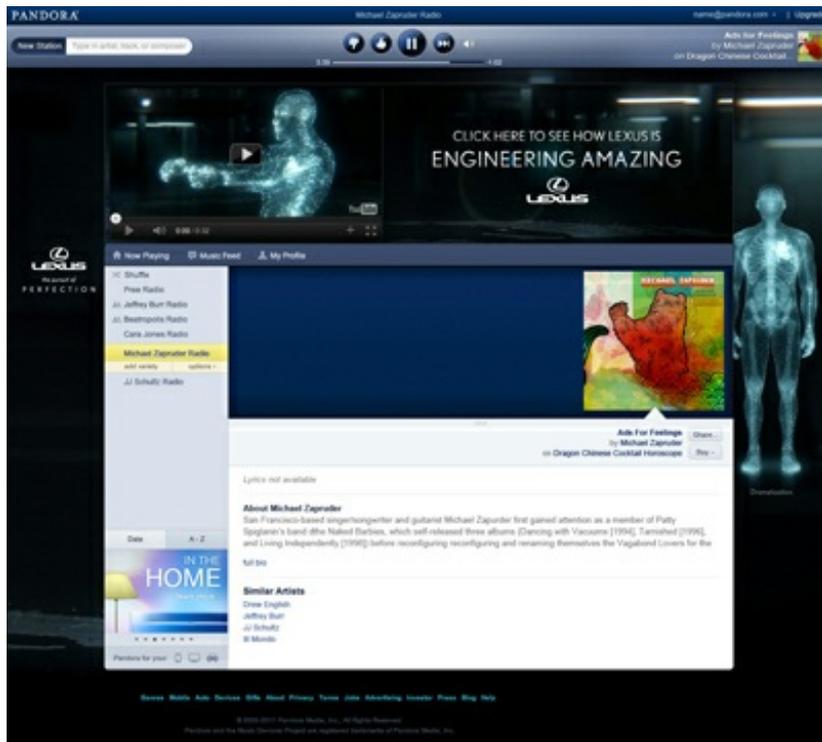


Tiffany Pandora station

Nordstrom and Tiffany & Co. use Pandora for mobile banner ads that link to optimized content and store locators (see story).

However, Mercedes, Tiffany and Lexus take it a step further through sponsoring music channels to intertwine consumers' thoughts with the brand.

Lexus even went as far as to take over Pandora's homepage with ads that display the automaker's engineering ([see story](#)).



Banner ads on Pandora

Also, BMW is taking advantage of a relatively new platform by taking out ad space on Spotify to market its 3 Series and DESIR3 campaign ([see story](#)).

Sirius business

Not many luxury brands aside from automakers go for radio advertising.

This could be because radio advertising cannot really be targeted to a specific audience in terms of income or wealth.

However, with the addition of services including satellite radio, Sirius, Pandora and Spotify, marketers can more easily target an audience.

Consumers are more likely to pay for a subscription to satellite radio. Furthermore, many luxury automakers offer a free trial period of Sirius when consumers buy a luxury car.

Even though it does not offer targeting opportunities as to demographic, radio advertising can still reach a geographic area of consumers.

It is true that radio is undergoing this transformation, but Mr. Ramey doubts that Pandora, Spotify or Sirius signal the end of the channel.

“Sometimes it is easier to convey emotion and need when you take a sense away,” Mr. Ramey said. “The impact of Pandora is immense, but television didn't kill radio and neither will Pandora, Spotify or Sirius.”

Final Take

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