



8 things brands have
completely wrong
about AM/FM radio

The **Cumulus Media | Westwood One Audio Active Group**[®] wanted to examine prevalent advertiser/agency **perceptions** about consumer media habits as reported by Advertiser Perceptions, the gold standard in understanding marketer/agency sentiment.

To determine the **realities** of consumer behavior, we turned to Nielsen, Maru/Blue, and Edison Research.

Duncan Stewart

Director of Research,
Technology, Media &
Telecommunications at
Deloitte

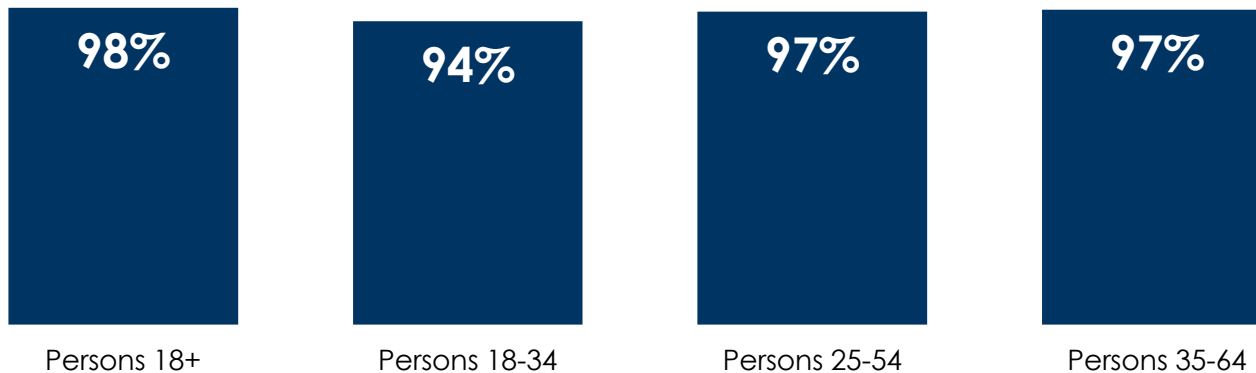
“Why do people think that nobody listens to radio anymore? Because there is a narrative that new media kills old media, so nobody bothers to look at evidence that doesn't fit the narrative.”

Deloitte's Technology, Media, and
Telecommunications, *Predictions* report 2019

**Perception #1:
“Due to the pandemic, no one
is listening to AM/FM radio.”**

Nielsen reality: Spring 2022 vs. Spring 2019: AM/FM radio retained 98% of its persons 18+ reach

Reach recovery index: Nielsen Nationwide Spring 2022 versus Spring 2019, weekly cume persons Monday-Sunday 6AM-midnight



How to read: In Spring 2022, U.S. AM/FM radio retained 97% of the 25-54 reach of the Spring 2019 survey.

Perception #2:

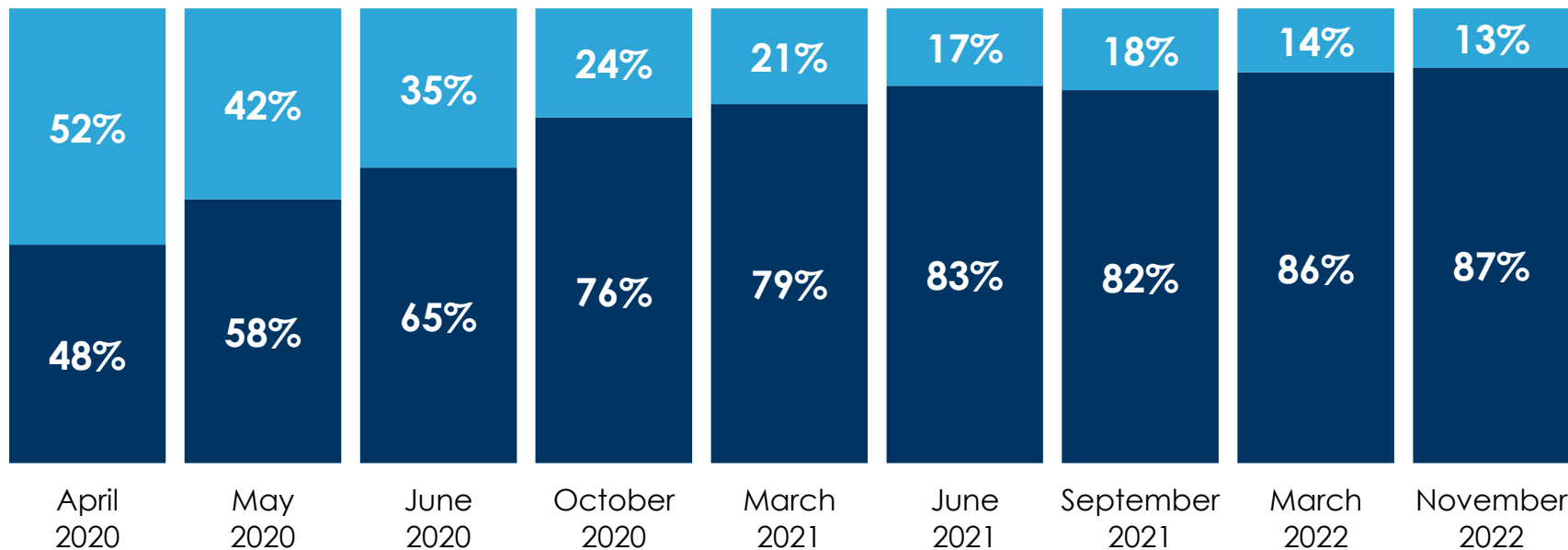
“Due to the pandemic,
everyone’s working at home
and no one is commuting.”

Nielsen/Maru/Blue reality: 87% of pre-COVID commuters are now working outside the home, steadily increasing from 48% in April 2020

% of workers who used to commute before the pandemic

■ Working out of the home

■ Working at home



Source: Custom Nielsen study conducted April, May, June, & October 2020, March, June & September 2021, and March 2022 via an online survey among P18+. *For those who said they were "furloughed or laid off and have since gone back to work" assumes the same ratio of those who work outside the home (52%) as the total employed population; Maru/Blue November 2022, study of 1516 persons 18+

**Perception #3:
“AM/FM radio has very
low reach.”**

Perception: Advertisers believe AM/FM radio reaches 44% of Americans weekly

Advertiser Perceptions study of 300 advertisers and agencies:
% of persons 18+ reached weekly

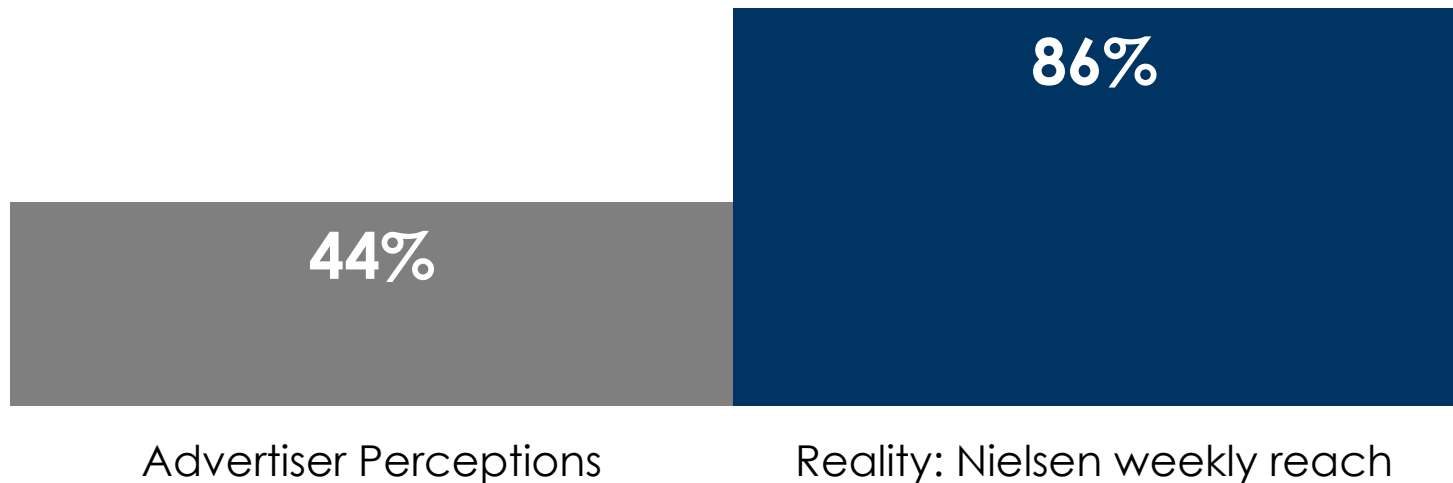


44%

Advertiser Perceptions

Nielsen reality: 86% of Americans are reached by AM/FM radio weekly

% of persons 18+ reached weekly

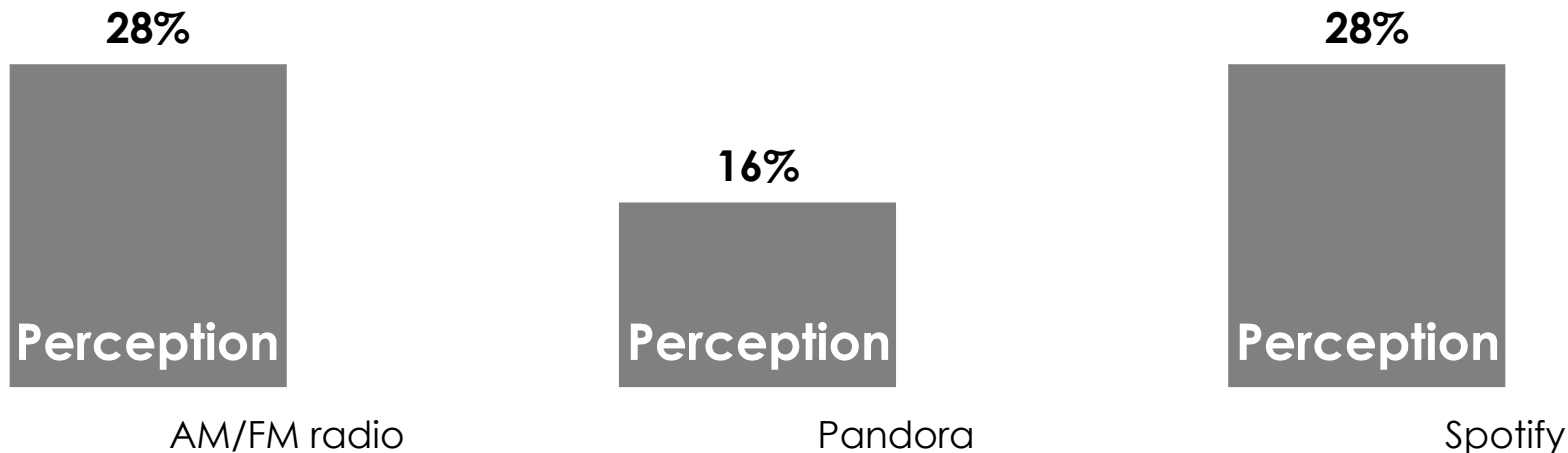


**Perception #4:
“Audience shares to
Pandora/Spotify are nearly
equal to AM/FM radio.”**

Advertiser Perceptions: Advertisers think AM/FM radio's audience share (28%) trails Pandora/Spotify (44%)

According to Advertiser Perceptions, advertisers and agencies think the share of audio time spent with AM/FM radio is less than combined streaming

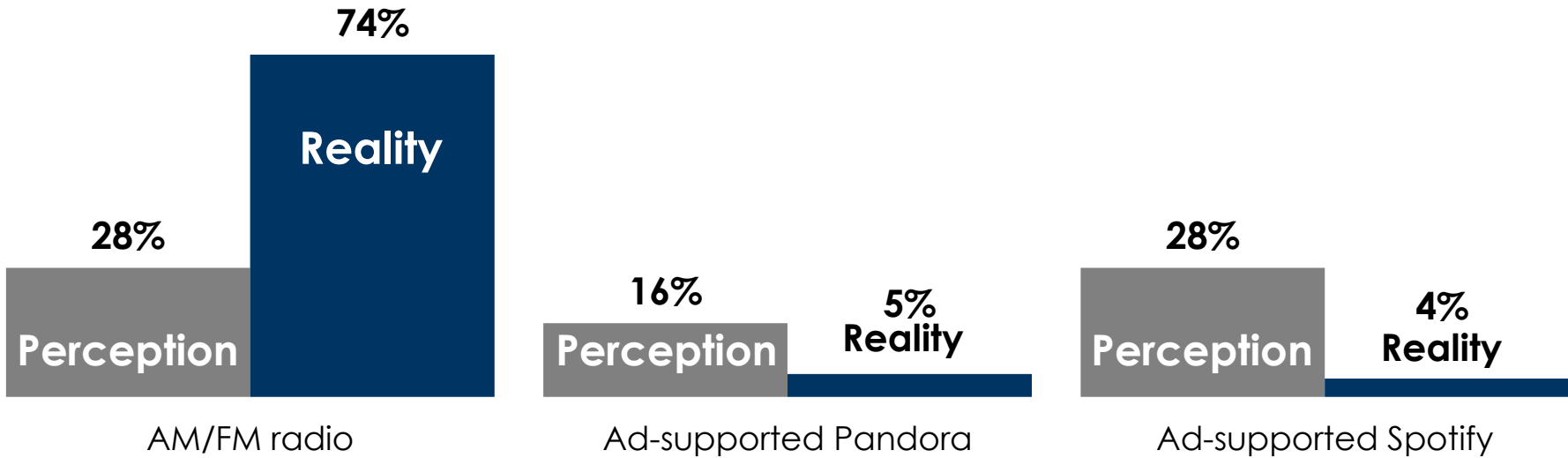
Q: There is a lot of activity in the online radio space. In recent years, Pandora, Spotify, iHeartRadio and other audio streaming services have grown in adoption. Please estimate what you consider their audience share.



Edison Research reality: The audience share of AM/FM radio is 19X larger than ad-supported Spotify and 15X larger than ad-supported Pandora

AM/FM radio's actual share is 3X greater than what advertisers perceive

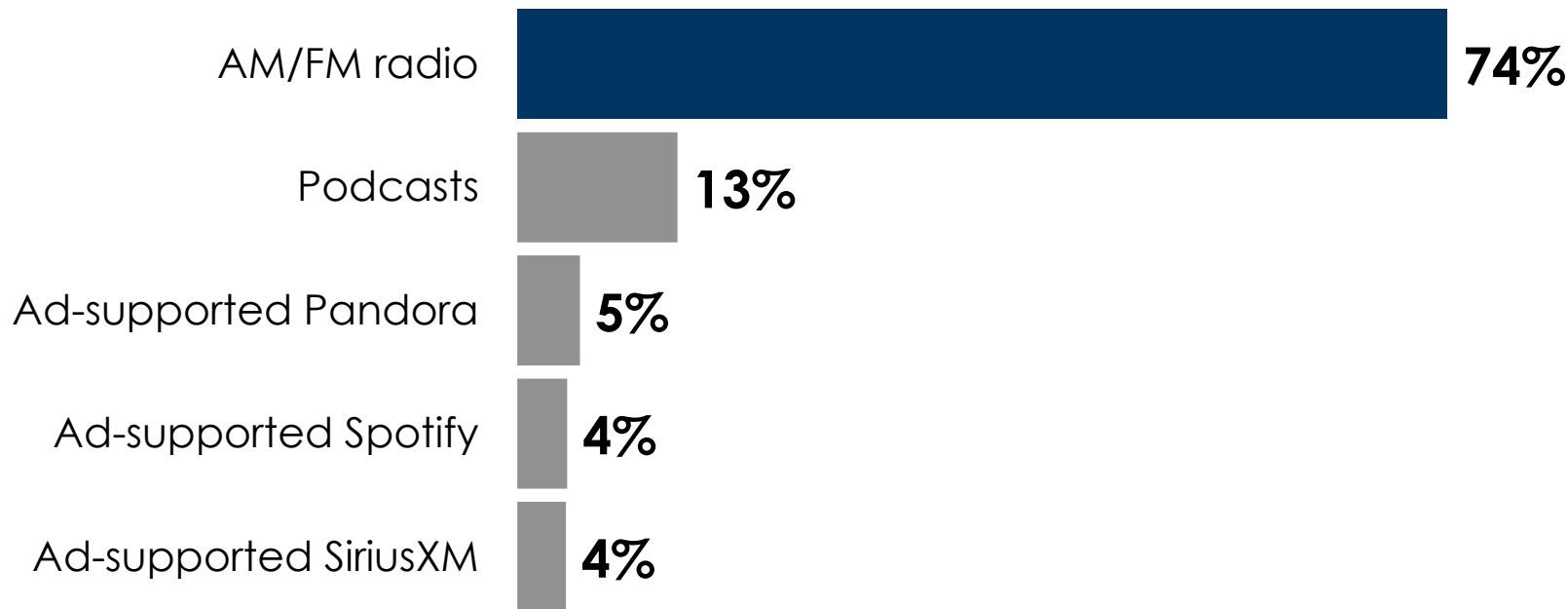
Perception of advertisers and agencies vs. actual share of ad-supported audio time spent among persons 18+



Source: Advertiser Perceptions, August 2022, 300 advertisers and agencies, perception = total ad-supported Pandora and ad-supported Spotify; Edison Research, "Share of Ear," Q4 2021-Q3 2022. Persons 18+.

AM/FM radio leads ad-supported audio shares

Share of ad-supported audio time spent among persons 18+

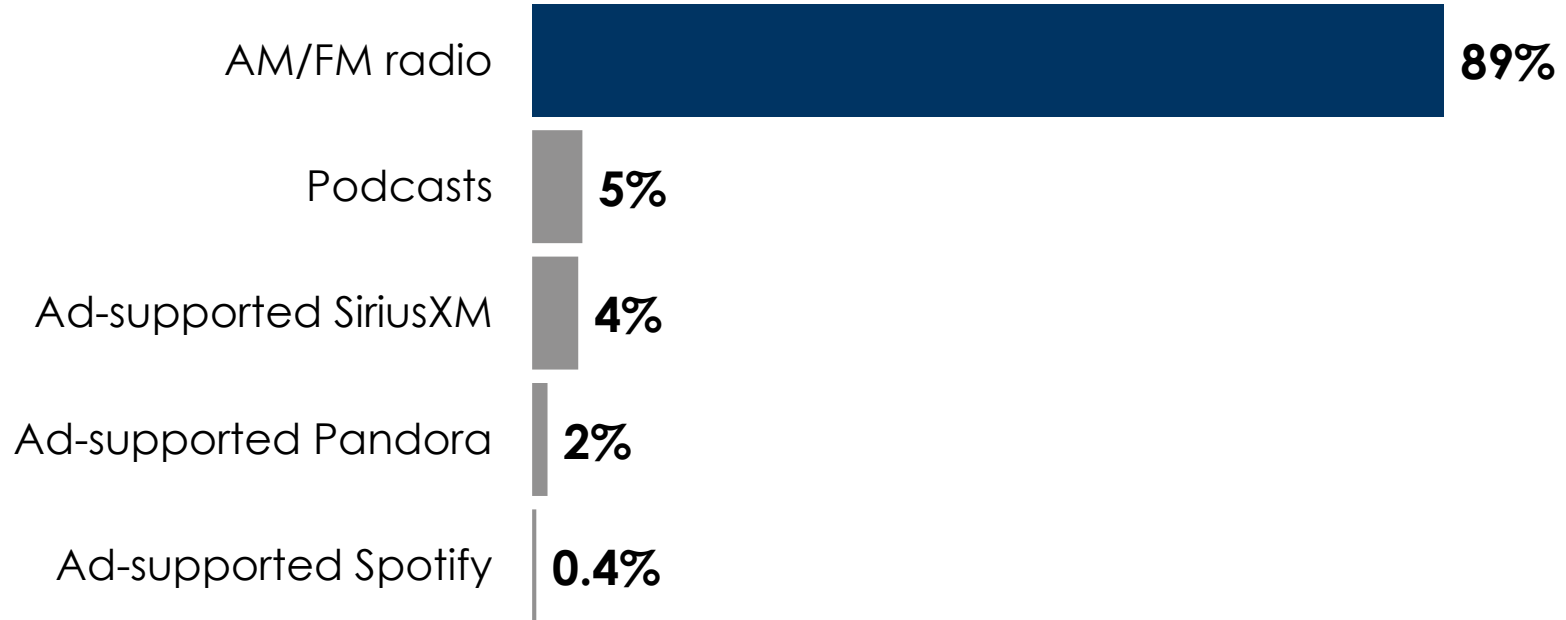


Perception #5:

“In the world of the connected car, the number one thing people do in their car is stream online radio on their smartphones.”

Edison Research reality: AM/FM radio rules ad-supported audio in the car

Share of ad-supported audio time spent in the car among persons 18+



Source: Edison Research, "Share of Ear," Q4 2021-Q3 2022. Persons 18+, in the car; SiriusXM: Ad-supported: Spoken Word. Ad-free: Music; Percentages may not add up to 100 due to rounding.

**Perception #6:
“Today’s optimal media plan:
Put all of your money into TV
and digital.”**

Perception: A TV + connected TV + digital campaign generates sufficient reach

Nielsen Media Impact: % reach of a TV/CTV/digital campaign

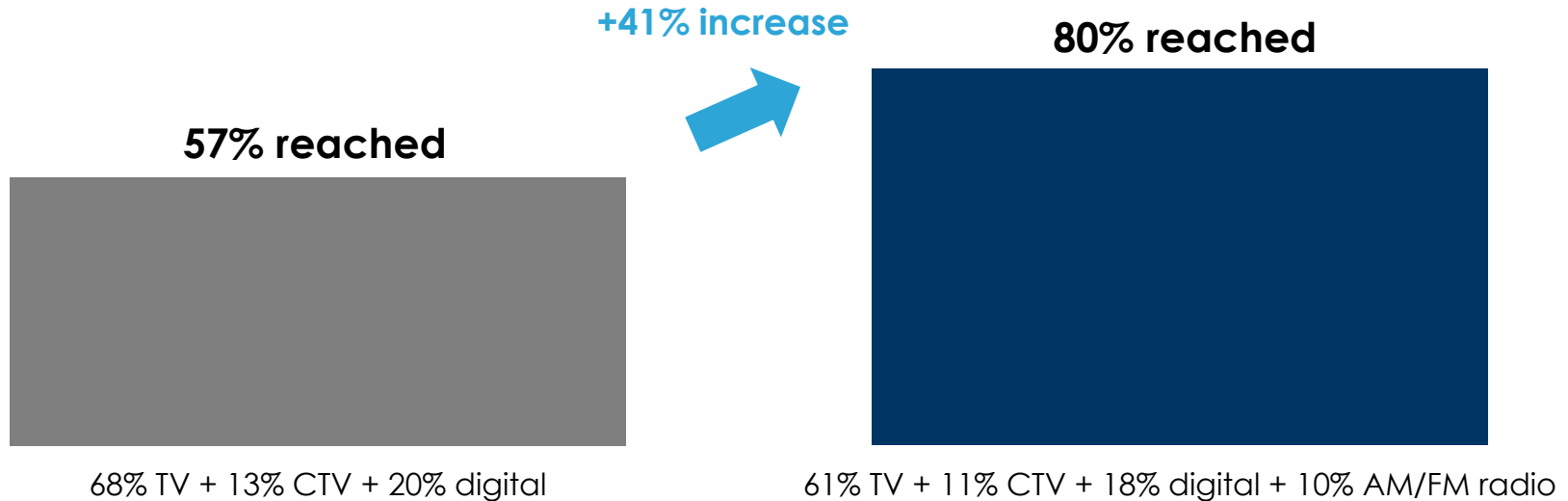
57% reached



68% TV + 13% CTV + 20% digital

Nielsen Media Impact reality: Adding AM/FM radio to the media plan generates a +41% increase in reach with the same spend

Nielsen Media Impact: % reach with a 10% reallocation to AM/FM radio



Source: National Nielsen Media Impact August 2019 campaign. \$10,000,000 national campaign in both instances. Television campaign represents all broadcast television, CTV is ad-supported OTT devices and inventory, Digital is all Social and News inventory. Radio is all broadcast Radio. Standard National Campaign Persons 18+

Perception #7:

“I would love to consider audio. However, there’s a total lack of ROI and sales lift evidence for AM/FM radio.”

Nielsen fact: AM/FM radio delivers excellent ROI across various categories

AM/FM radio sales return for every \$1 ad investment



Breakfast bar

\$1.81



Quick service restaurants

\$3.01



Snacks

\$7.33



Home improvement

\$12.00



Telecom

\$14.00



Department store

\$17.00



Grocery

\$23.00



Men's personal care brand

\$11.96



Soft drinks

\$1.97



Candy

\$3.12



Beer

\$4.17



Gasoline retailer

\$11.50



Mass merchandiser

\$16.37



Auto aftermarket

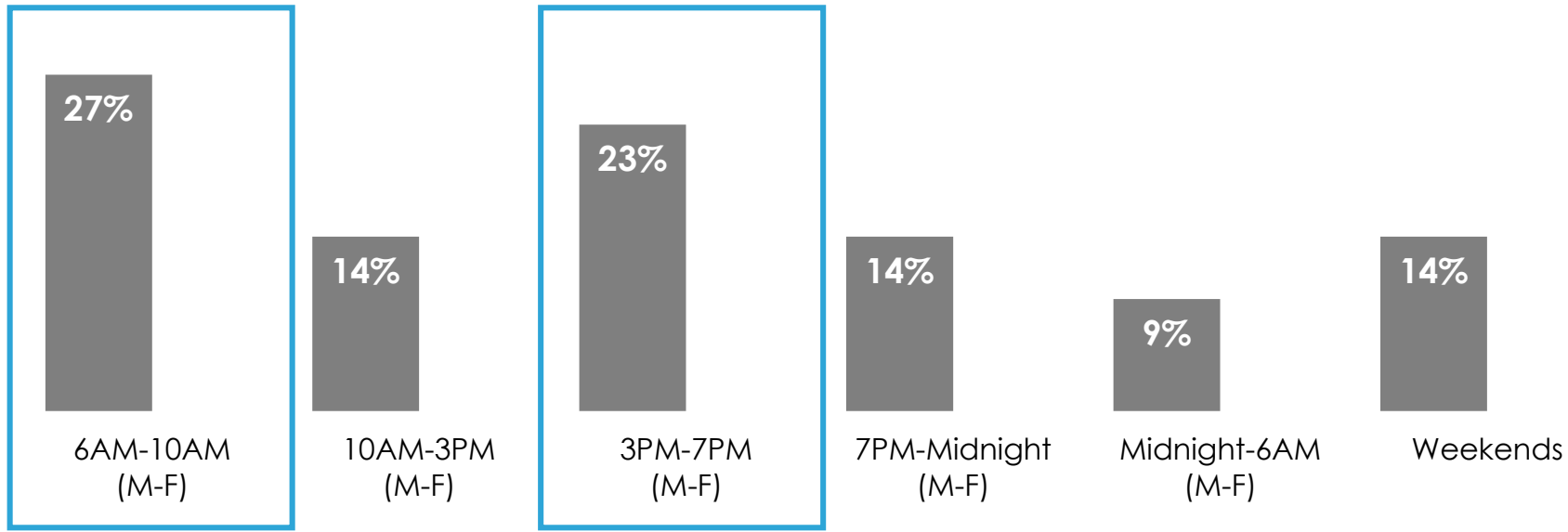
\$21.00

**Perception #8:
“AM/FM radio listening only
occurs during drive times.”**

Perception: Advertisers estimate more than half of all AM/FM radio listening occurs during “drive times”

Q: Thinking about traditional AM/FM radio, to the best of your knowledge, please indicate what percentage of listening occurs in each of the time slots listed below.

■ Perception: Average % of perceived listening occurring

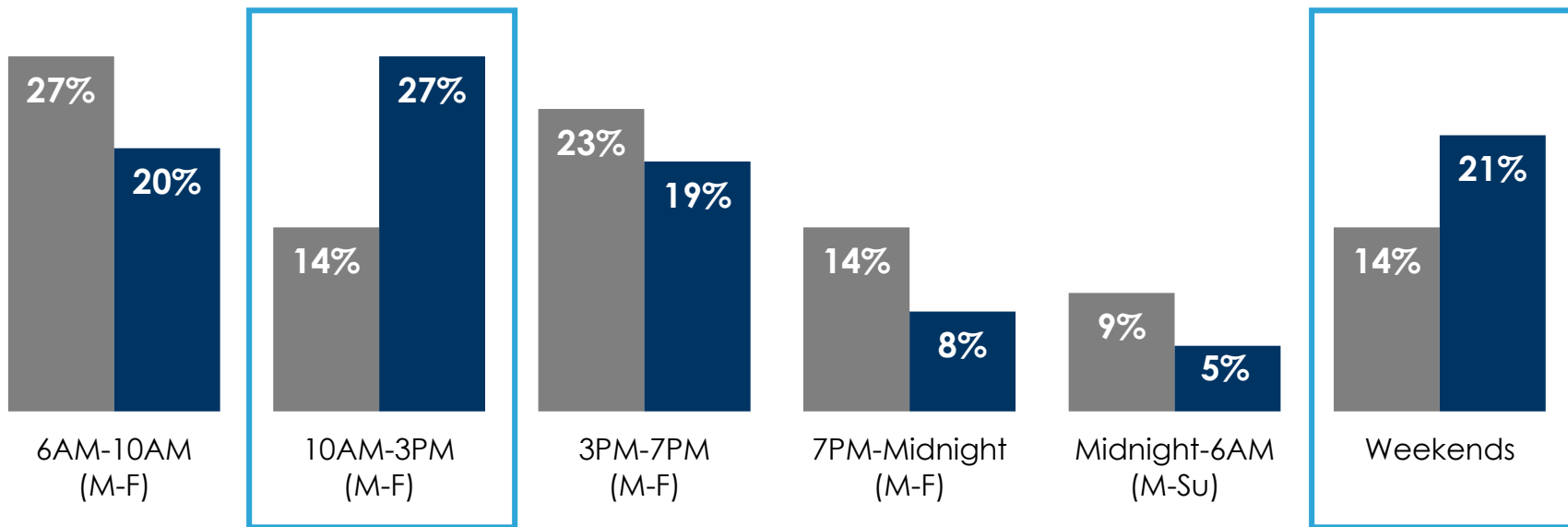


Nielsen reality: Over 60% of listening occurs outside of drive times; Middays and weekends are far stronger than advertisers perceive

Q: Thinking about traditional AM/FM radio, to the best of your knowledge, please indicate what percentage of listening occurs in each of the time slots listed below.

■ Perception: Average % of perceived listening occurring

■ Reality: % share of total listening hours



Source: Perception: Advertiser Perceptions November 2022, 302 respondents; % do not sum to 100% due to rounding; Reality: Nielsen Audio, Persons Using Radio, Spring 2022 Nationwide, share of total listening hours by time period, total U.S.

**Bonus perception:
“No one under 35 listens to
AM/FM radio anymore.”**

Nielsen reality: Persons 18-34 are AM/FM radio's #1 demographic; Over 58M persons 18-34 listen to AM/FM radio weekly

of listeners reached each week by AM/FM radio



AM/FM radio: Setting the record straight

Perception	Reality
Due to the pandemic, no one is listening to AM/FM radio.	Spring 2022 vs. Spring 2019: AM/FM radio retained 98% of its persons 18+ reach.
Due to the pandemic, everyone's working at home and no one is commuting.	87% of pre-COVID commuters are now working outside the home, steadily increasing from 48% in April 2020.
AM/FM radio has very low reach.	86% of Americans are reached by AM/FM radio weekly.
Audience shares to Pandora/Spotify are nearly equal to AM/FM radio.	The audience share of AM/FM radio is 19X larger than ad-supported Spotify and 15X larger than ad-supported Pandora.
In the world of the connected car, the number one thing people do in their car is stream online radio on their smartphones.	AM/FM radio rules ad-supported audio in the car.
Today's optimal media plan: Put all of your money into TV and digital.	Adding AM/FM radio to the media plan generates a +41% increase in reach with the same spend.
I would love to consider audio. However, there's a total lack of ROI and sales lift evidence for AM/FM radio.	AM/FM radio delivers excellent ROI across various categories.
AM/FM radio listening only occurs during drive times.	Over 60% of listening occurs outside of drive times. Middays and weekends are far stronger than advertisers perceive.
No one under 35 listens to AM/FM radio anymore.	Persons 18-34 are AM/FM radio's #1 demographic. Over 58M persons 18-34 listen to AM/FM radio weekly.

Source: Nielsen Audio Nationwide Spring 2022 and Spring 2019, Weekly cum. Monday-Sunday 6AM-midnight; Custom Nielsen study conducted April, May, June, & October 2020, March, June & September 2021, and March 2022 via an online survey among P18+. *For those who said they were "furloughed or laid off and have since gone back to work" assumes the same ratio of those who work outside the home (52%) as the total employed population; Maru/Blue November 2022, study of 1514 persons 18+; Perception: Advertiser Perceptions, August 2022, 300 advertisers and agencies; Reality: Nielsen Total Audience Report Q2 2022; Advertiser Perceptions, August 2022, 300 advertisers and agencies; perception = total ad-supported Pandora and ad-supported Spotify; Edison Research, "Share of Ear," Q4 2021-Q3 2022, Persons 18+; Edison Research, "Share of Ear," Q4 2021-Q3 2022, Persons 18+, in the car; SiriusXM; Ad-supported; Spoken Word, Ad-free; Music; Percentages may not add up to 100 due to rounding; National Nielsen Media Impact August 2019 campaign, \$10,000,000 national campaign in both instances. Television campaign represents all broadcast television, CTV and ad-supported OTT devices and inventory, Digital is all Social and News inventory, Radio is all broadcast Radio, Standard National Campaign Persons 18+; Nielsen Buyer Insights, radio campaigns measured 2013-2019; Perception: Advertiser Perceptions November 2022, 302 respondents; % do not sum to 100% due to rounding; Reality: Nielsen Audio, Persons Using Radio, Spring 2022 Nationwide, share of total listening hours by time period, total U.S.



Thank You

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