



CUMULUS MEDIA | Westwood One

AUDIO ACTIVE
GROUP

The business case for AM/FM radio advertising

Key findings

- In one of the most significant studies ever conducted on the sales effect of AM/FM radio, Peter Field, one of the “godfathers of marketing effectiveness,” reveals major differences in business outcomes for marketers who utilize AM/FM radio versus those who don’t:
 - +13% greater mental availability, the propensity of a brand to be noticed and thought of in buying situations
 - +28% larger market share
 - +17% increase in pricing power
 - +42% increased profits, with AM/FM radio’s impact on profit growing
 - +23% greater return on advertising spend

Key findings

- Across dozens of sales effect studies, Nielsen reports AM/FM radio advertising generate an outstanding \$10 return on advertising spend
- Nielsen Media Mix Modeling: “Radio consistently ranks as a top tier medium for ROI”
- Ebiquity/Gain Theory: Of ten media, audio is number two in short-term ROI and number three in long-term ROI
- LeadsRx 17-campaign analysis reveals a +14% average increase in website traffic due to AM/FM radio advertising
- Through the long-term use of AM/FM radio, Steve’s Pest Control of Columbia, Missouri has expanded its business from one van to ninety

**Peter Field: Radio's
enduring role in
effectiveness**

Les Binet & Peter Field: The “godfathers of marketing effectiveness”



Les Binet
Head of Effectiveness
adam&eveDDB



Peter Field
Acclaimed marketing
specialist

Les Binet, Head of Effectiveness at adam&eveDDB, and Peter Field, acclaimed marketing specialist, have been dubbed the “godfathers of marketing effectiveness” and have produced the world’s most authoritative analysis of how to grow revenue and profits.

Binet and Field studied the Institute of Practitioners in Advertising (the IPA) Databank of case studies to determine effective marketing strategies.

The Long and the Short of It - 10 years on



Radio's enduring role in Effectiveness

October 5th 2023

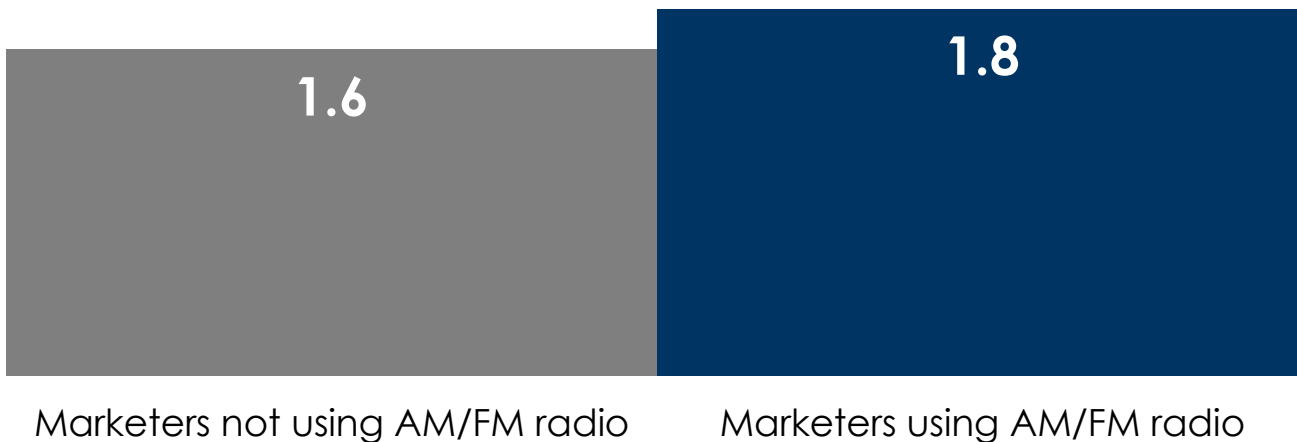
Peter Field
Marketing & Communications Strategy

AM/FM radio boosts mental availability, the propensity of a brand to be noticed and thought of in buying situations

Campaigns with AM/FM radio drive +13% more mental availability than campaigns without AM/FM radio

Average number of brand effects

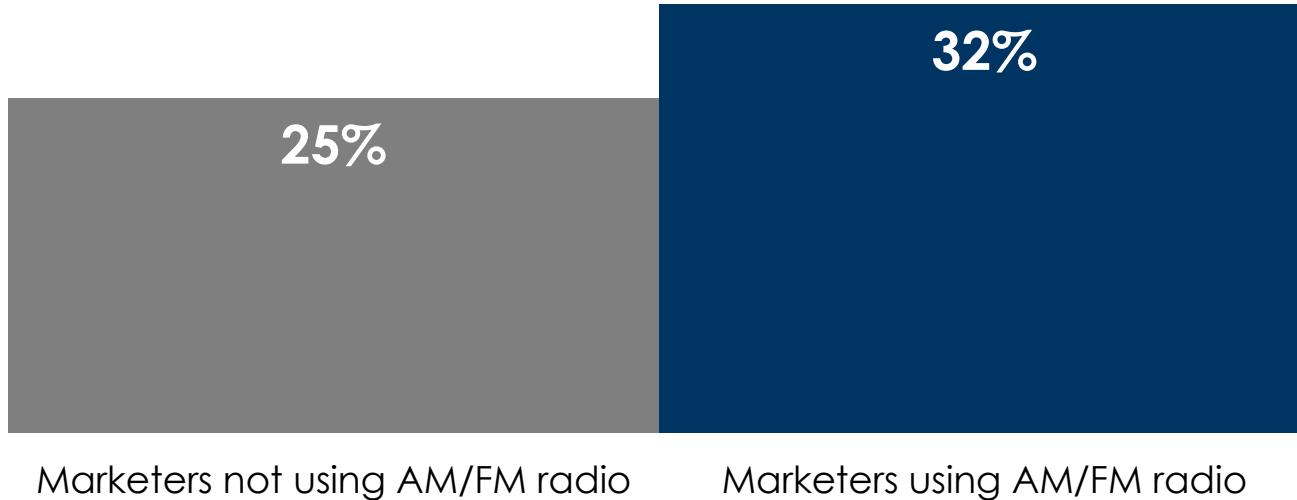
+13%



AM/FM radio boosts market share by +28%

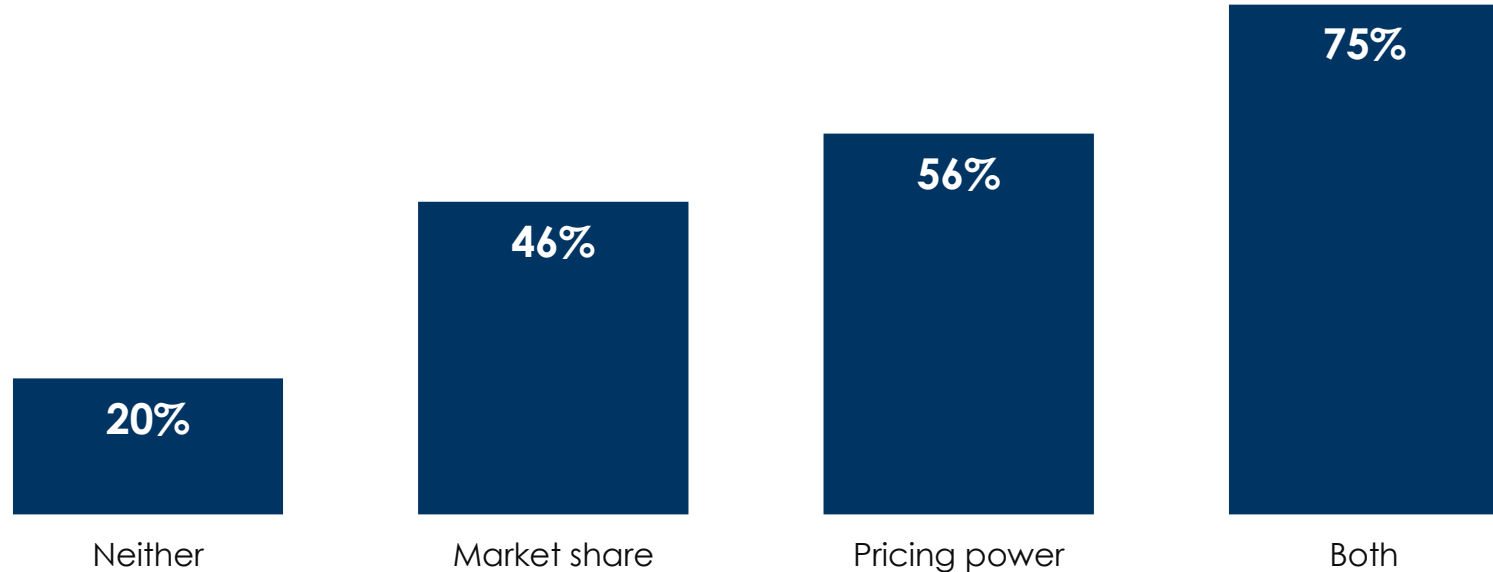
Market share: % reporting very large share growth

+28%



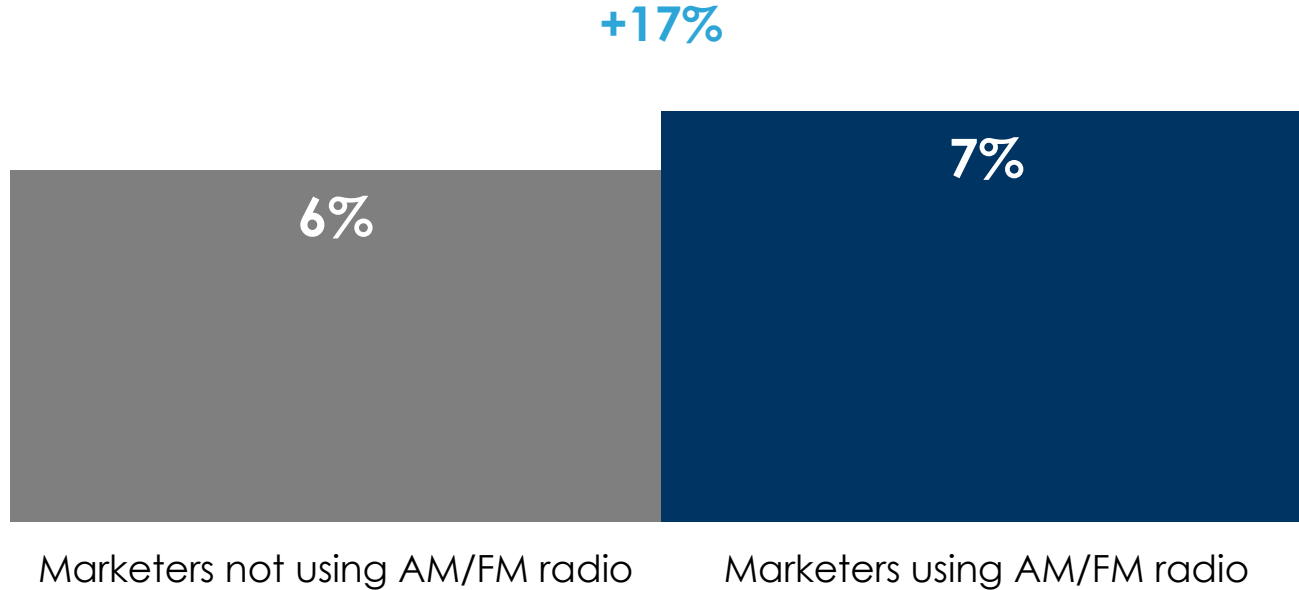
Peter Field: Pricing power is the biggest profit driver; Brands cannot thrive just by selling more

% reporting very large profit gains



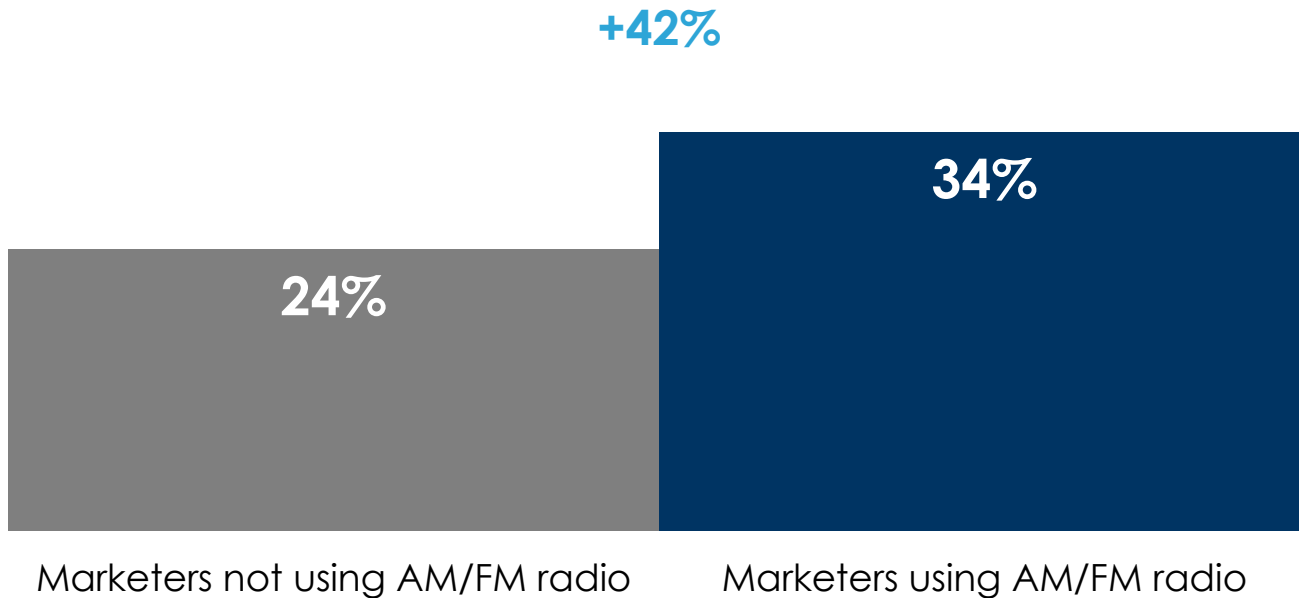
AM/FM radio boosts pricing power by +17%

Pricing power: % reporting very large pricing power growth



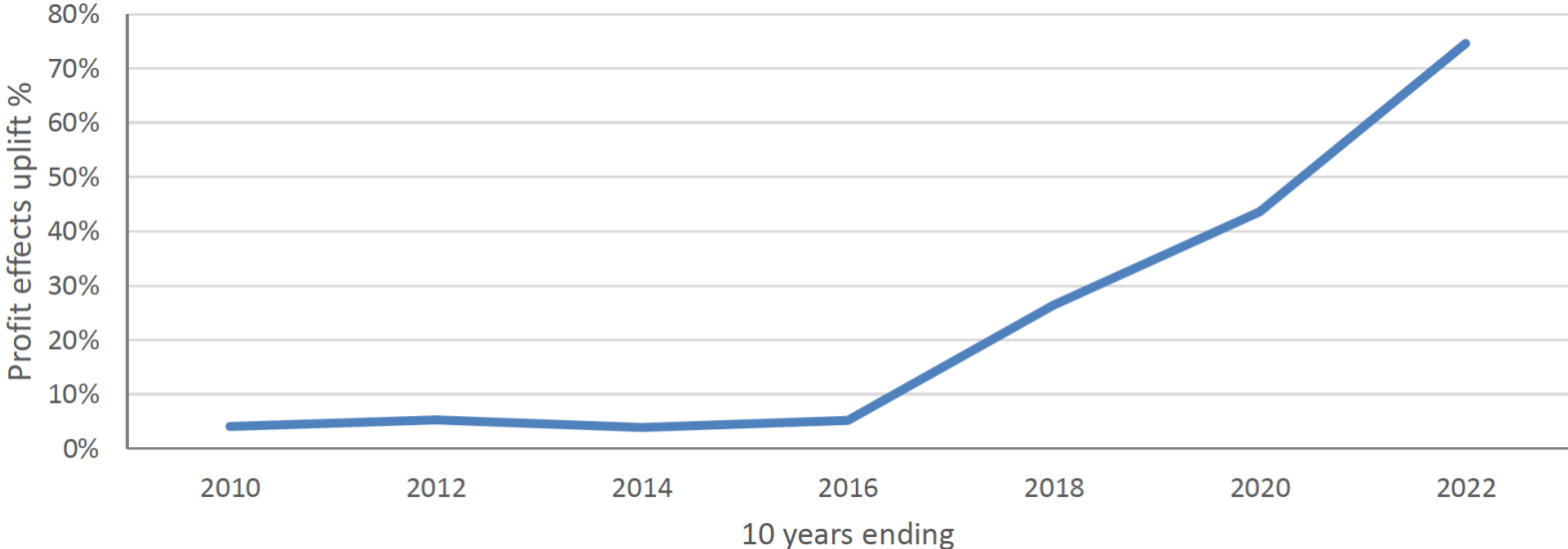
AM/FM radio boosts the number of companies reporting large profits +42%

Profits: % reporting very large profit growth



AM/FM radio's positive impact on profit is increasing

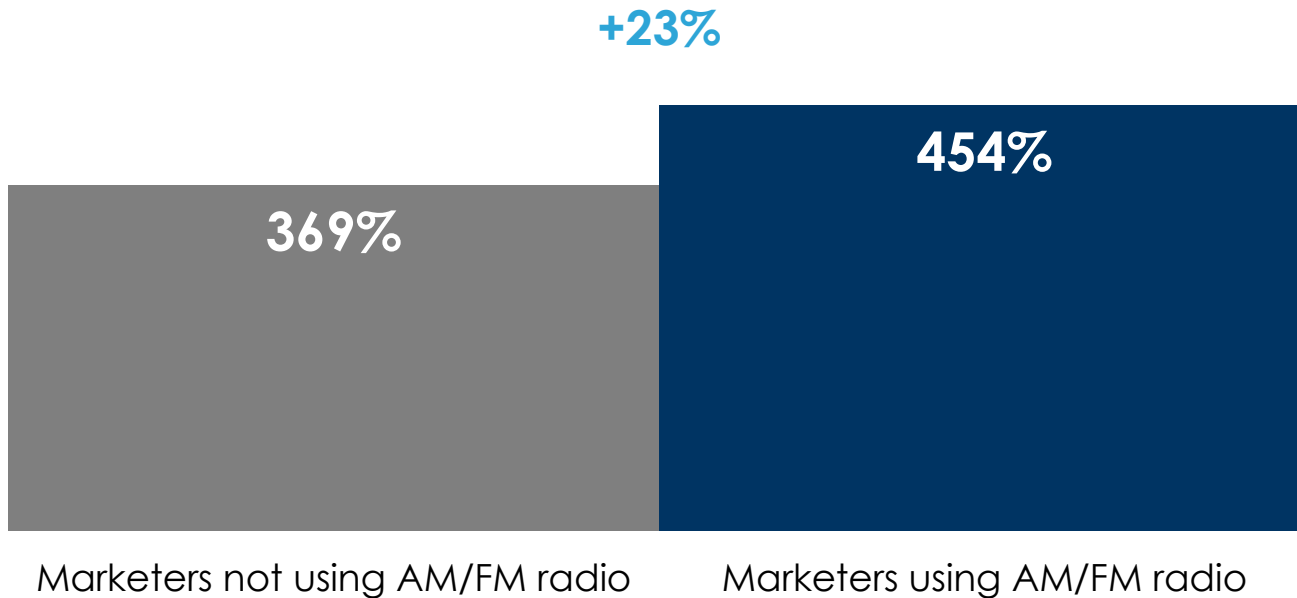
Uplift to very large profit effects: AM/FM radio vs. no-users



Source: The Long and the Short of It - 10 Years On: Radio's Enduring Role in Effectiveness, Peter Field

AM/FM radio lifts return on marketing investment +23%

ROI: Average return on marketing investment reported

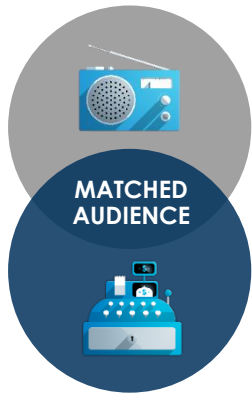


Nielsen sales effect study for retail/CPG

Methodology

Step 1

Nielsen does a household match on the address level using Portable People Meter panel data and credit/debit or shopper card purchase behavior



Step 2

Audience is broken into groups based on Media Monitors ad occurrence



Step 3

Nielsen measures the sales impact of the two groups

Analysis

- Sales/spend lift
- Buyer penetration
- Transaction/trips per buyer
- \$ per transaction
- \$ per buyer
- Share of category
- Incremental sales return per advertising dollar

Nielsen sales effect studies: AM/FM radio delivers excellent ROI

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

Nielsen Media Mix Modeling: “Radio consistently ranks as a top tier medium for ROI”

Nielsen recently released the results of a major media mix modeling analysis of 2,857 national, local, and international campaigns across advertiser categories where the allocation to AM/FM radio averaged a notable percentage of the total media budget.

Dave Hohman, EVP & GM Global Marketing Effectiveness at Nielsen’s Media Mix Modeling practice, concludes: “When the relative weight of impressions is large enough to be measured, **radio consistently ranks as a top-tier medium for ROI**. Streaming audio also performs well, albeit behind broadcast radio.”

Ebiquity/Gain Theory:

Audio is #2 in short-term return on investment and #3 in long-term ROI

Media	Short-term ROI: 1-13 weeks
Print	\$3.46
Audio	\$3.12
Generic PPC	\$2.89
Linear TV	\$2.30
Online video	\$2.22
Broadcast video on demand	\$2.10
Paid social	\$2.05
Online display	\$1.90
Out of home	\$1.50
Cinema	\$1.50

Media	Full ROI: 1 week to 2 years
Print	\$8.04
Linear TV	\$7.51
Audio	\$6.29
Broadcast video on demand	\$5.37
Online video	\$4.88
Generic PPC	\$4.45
Paid social	\$4.04
Out of home	\$3.51
Cinema	\$3.24
Online display	\$2.96



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Leadsx

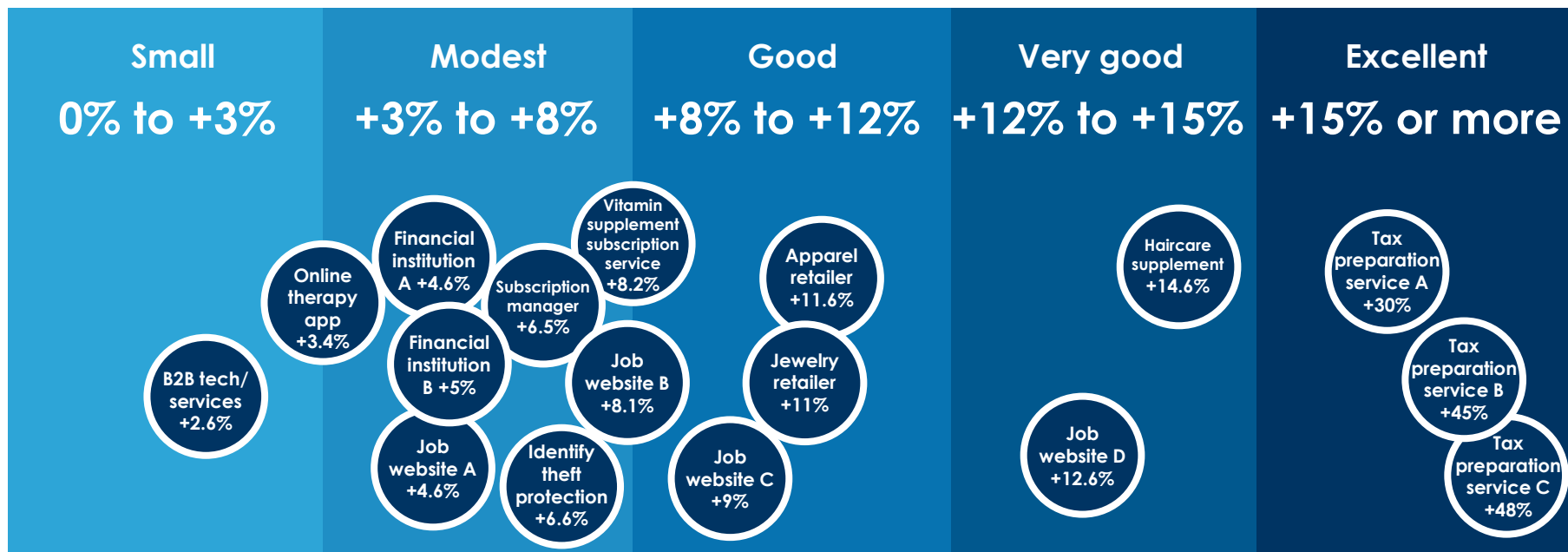
Yes, AM/FM radio attribution for site traffic and search can be measured:
17-campaign analysis

All radio ads from all media vendors
were combined to study entire
campaign effect

On average, AM/FM radio generated a +14% lift in site traffic across the 17 campaigns

Attributed lift percentage

Performance ranges are based on LeadsRx lift norms



The image shows a person in a white protective suit and respirator mask using a spray nozzle. Another person in a similar suit is visible in the background. The scene is outdoors, possibly near a building. The entire image has a blue tint.

Steve's Pest Control, Inc.

Professional Pest and Termite Elimination Services

**How AM/FM radio took
Steve's Pest Control of
Springfield, Missouri
from one van to ninety**

Steve's Pest Control leads the pest control category in awareness, ad recall, favorability, purchase intent, usage, and preference

	% of total respondents					
	Unaided awareness	Total ad recall	Favorability (favorable or somewhat favorable view)	Purchase intent	Have used	Brand preference
Steve's Pest Control	34%	40%	35%	33%	20%	16%
Orkin	23%	12%	32%	13%	8%	5%
Terminix	6%	16%	30%	10%	8%	7%
Atkins	6%	13%	21%	6%	4%	4%

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Thank You

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