

RADIO: **THE ROI MULTIPLIER**



BACKGROUND & OBJECTIVES

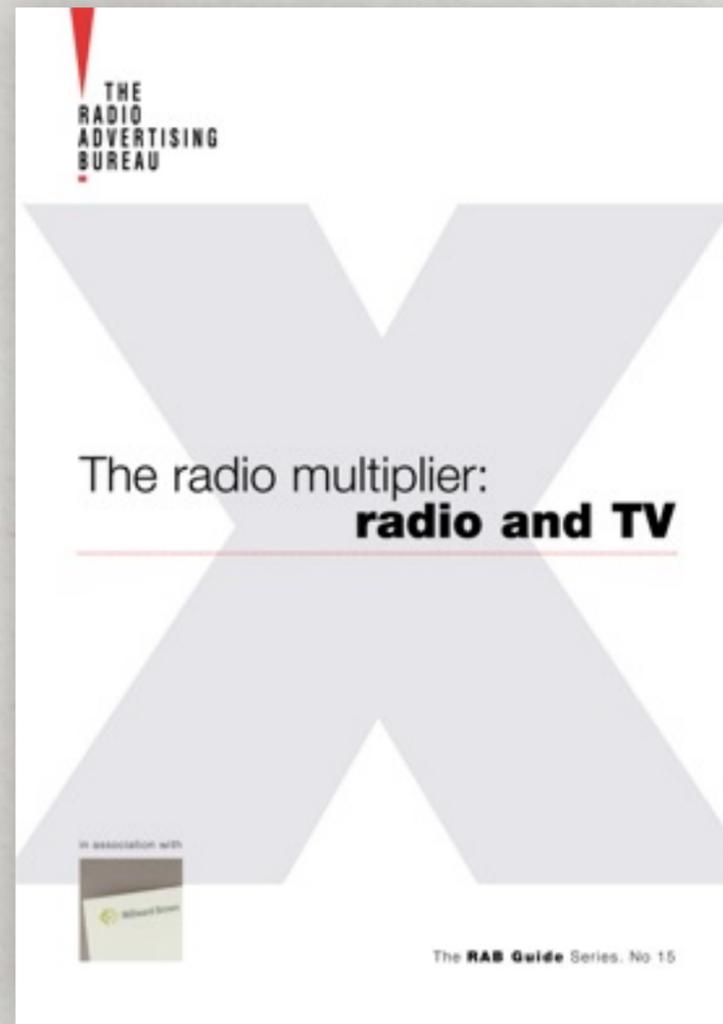


20+ YEARS OF RAB LEARNING

Radio is the
multiplier medium



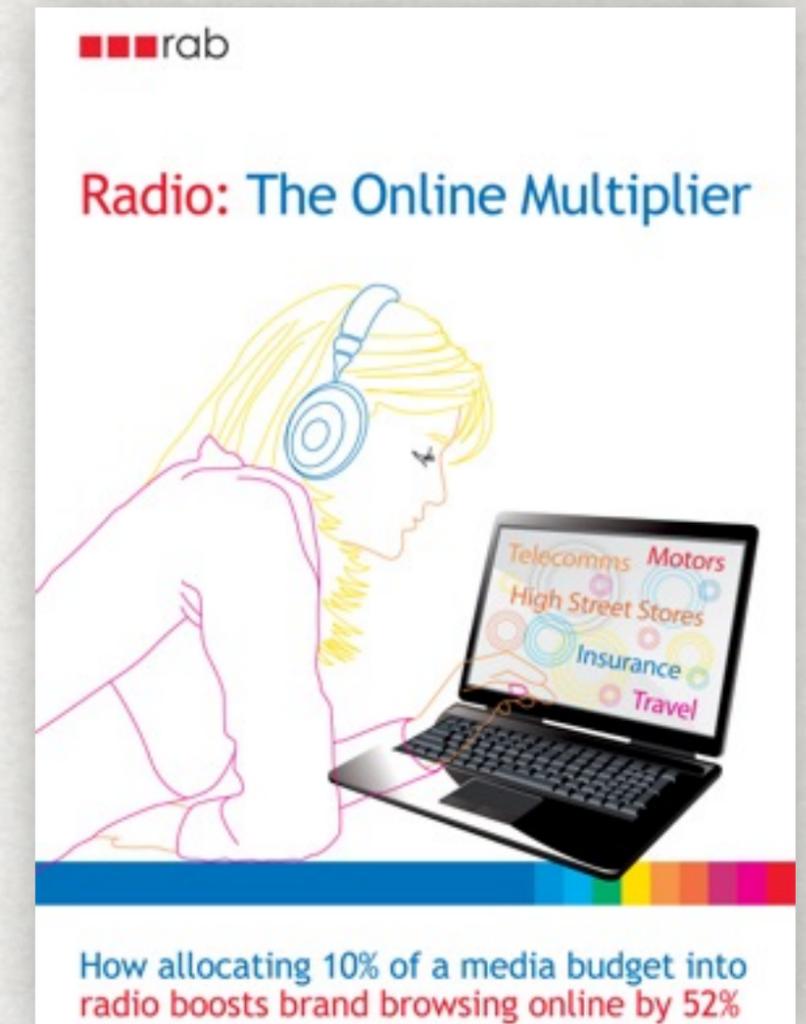
RADIO: THE MULTIPLIER MEDIUM



+15% awareness

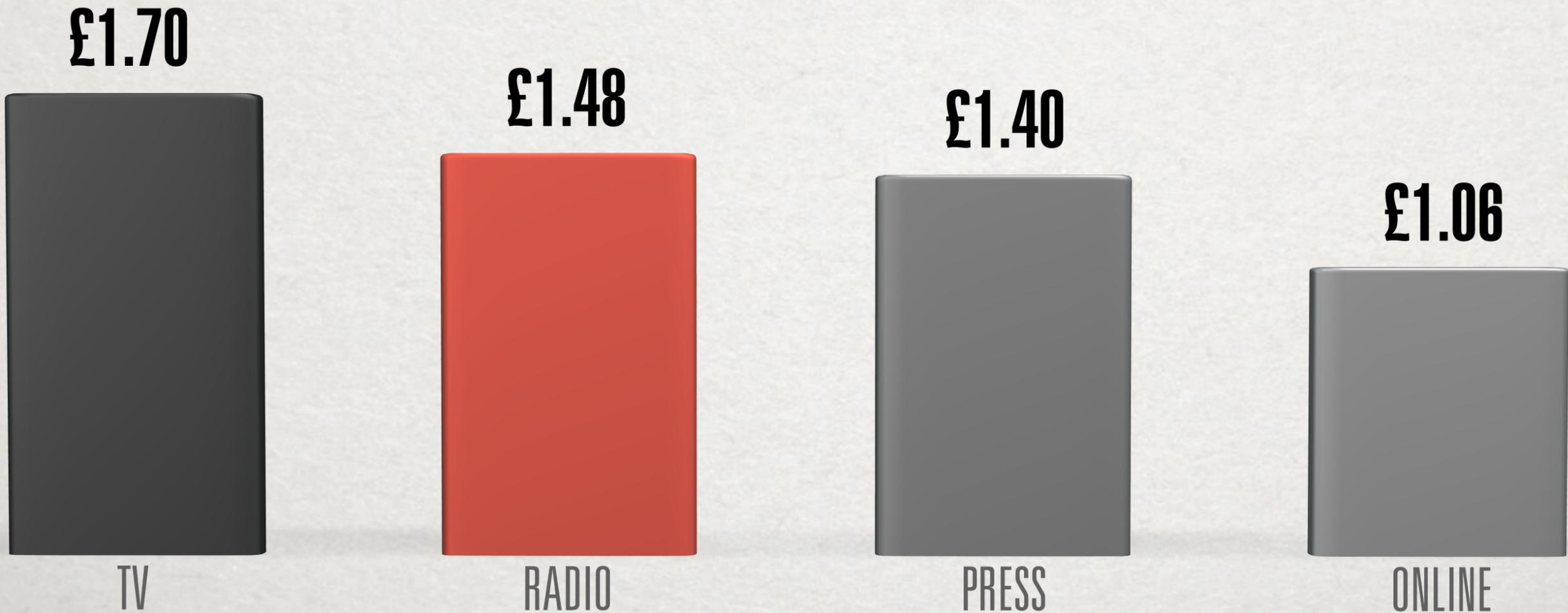


+9% sales



+52% brand browsing

TV & RADIO DELIVER HIGHEST PROFIT ROI



Source: Thinkbox /Ebiquity Payback 3 Study

OBJECTIVES OF THIS STUDY

What return on investment does radio deliver for advertisers?

What characterises the campaigns with the best ROI?

How does the use of radio affect overall campaign ROI?



THE CHALLENGE



NO **SINGLE ECONOMETRICS** AGENCY
HAS ENOUGH DATA ABOUT RADIO
TO ALLOW FOR DETAILED ANALYSIS

THE SOLUTION



POOL RADIO-RELATED DATA ACROSS AGENCIES
TO ALLOW **DETAILED ANALYSIS**
TO BE CONDUCTED

PARTNER AGENCIES



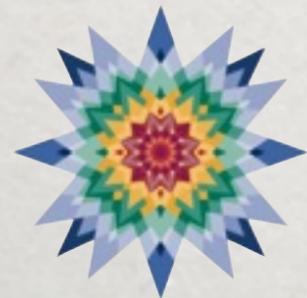
MEDIACOM

**holmes
& cook**

ohal  defining
analytics



BrandScience



Starcom MediaVest
GROUP

**HAVAS
MEDIA GROUP**



HOW THE STUDY WAS DONE



DATA SUPPLY



All data supplied unbranded

Qualitative data

Sector
Market position
Type of purchase

Quantitative data

ROIs
Sales uplift (%)
Media spend
Campaign delivery

radioGAUGE data

5Is score
Opinions on creative
Creative features

THE RADIO ROI DATASET IN NUMBERS

9 
agencies

517 
CASES

2,000
individual media campaigns

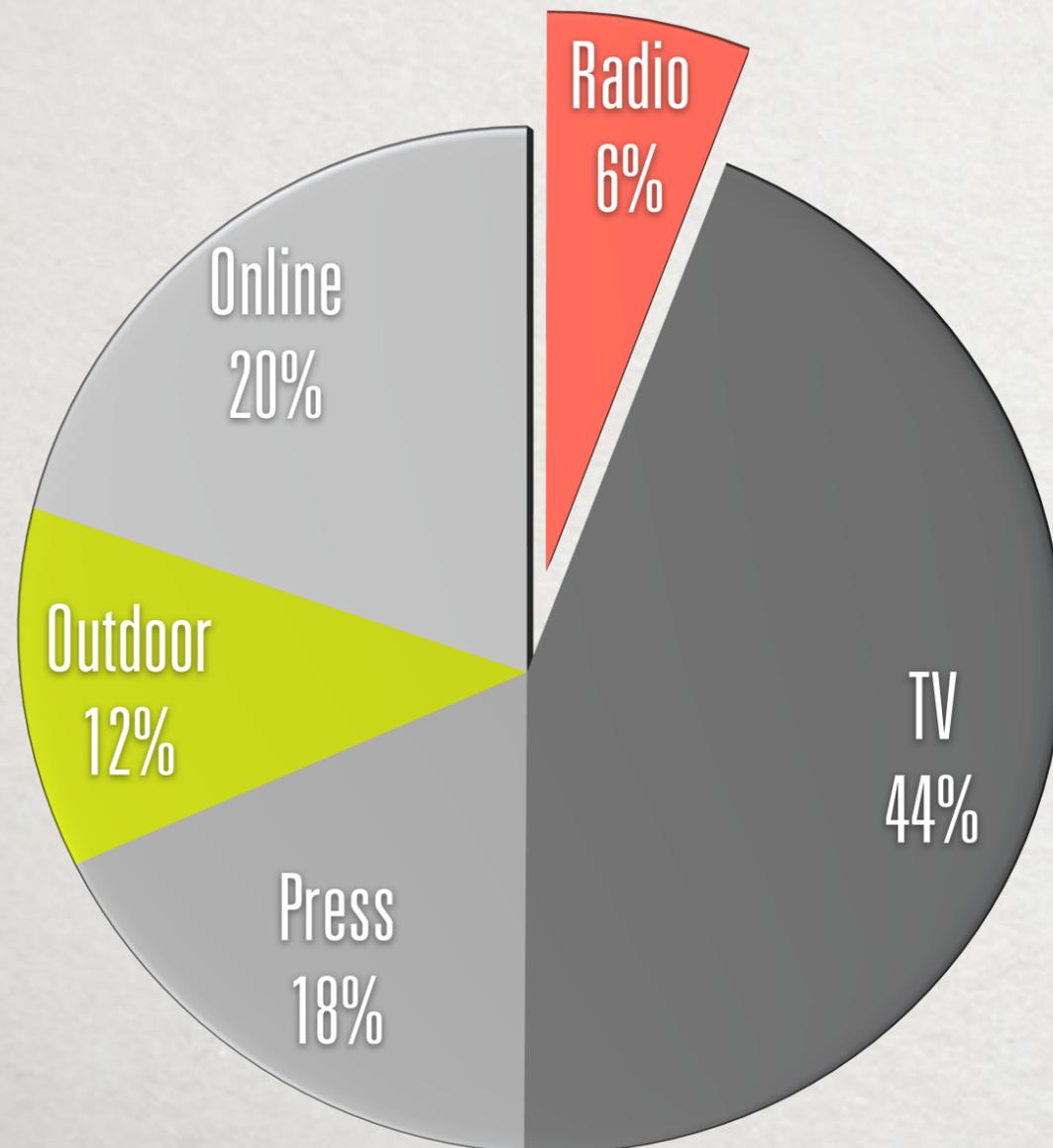

10
sectors

71 
radioGAUGE
creative matches

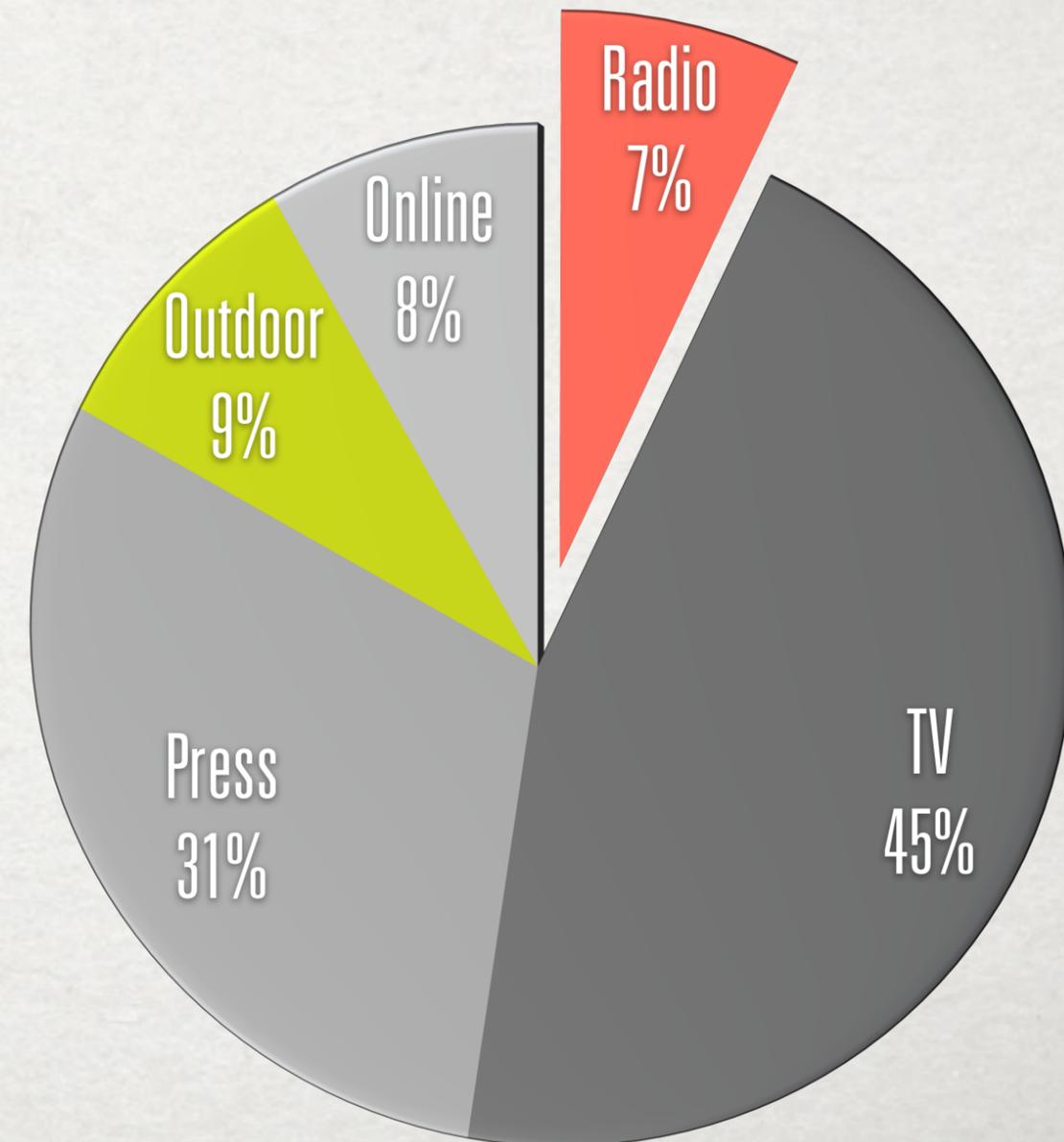
22,748
data points

HOW REPRESENTATIVE IS THE DATASET?

RADIO ROI DATASET

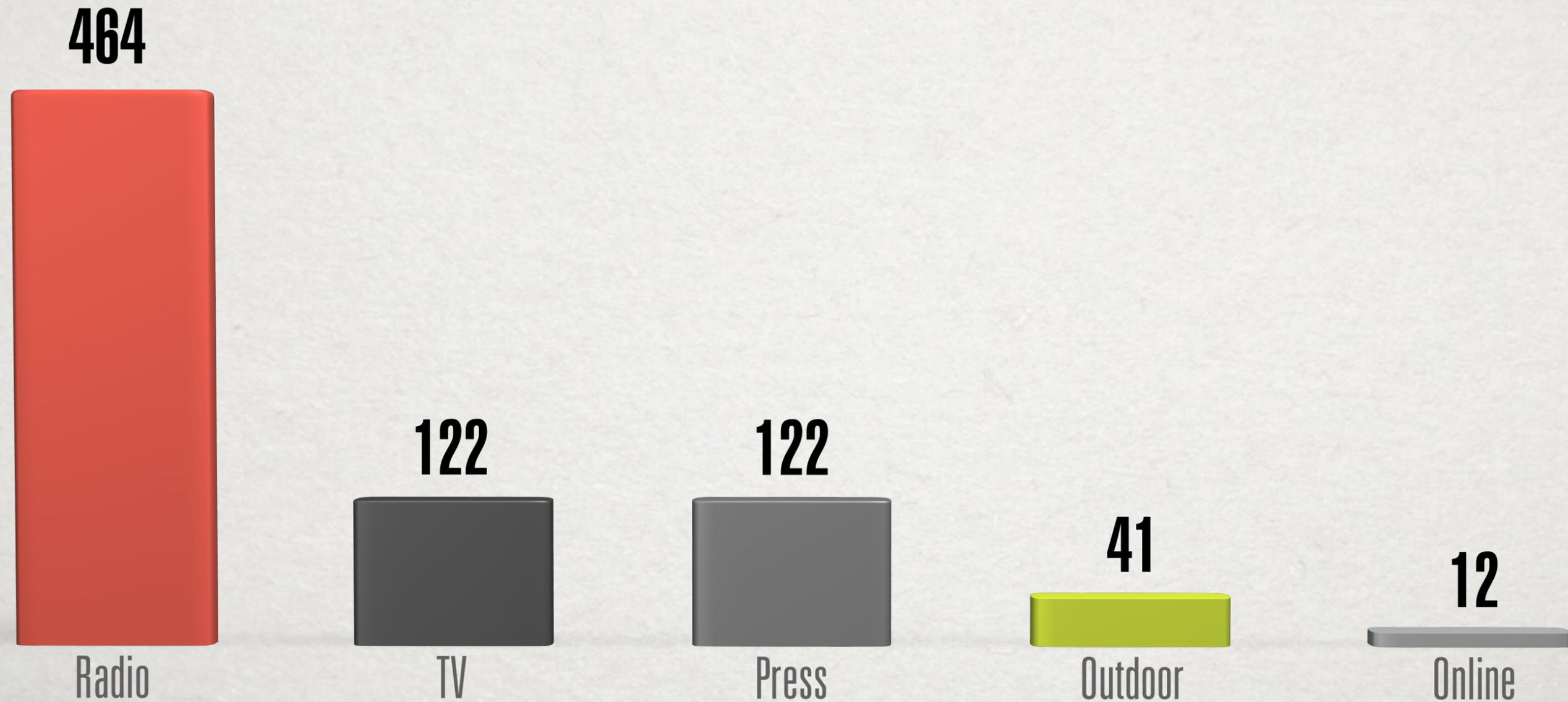


OVERALL DISPLAY MARKET



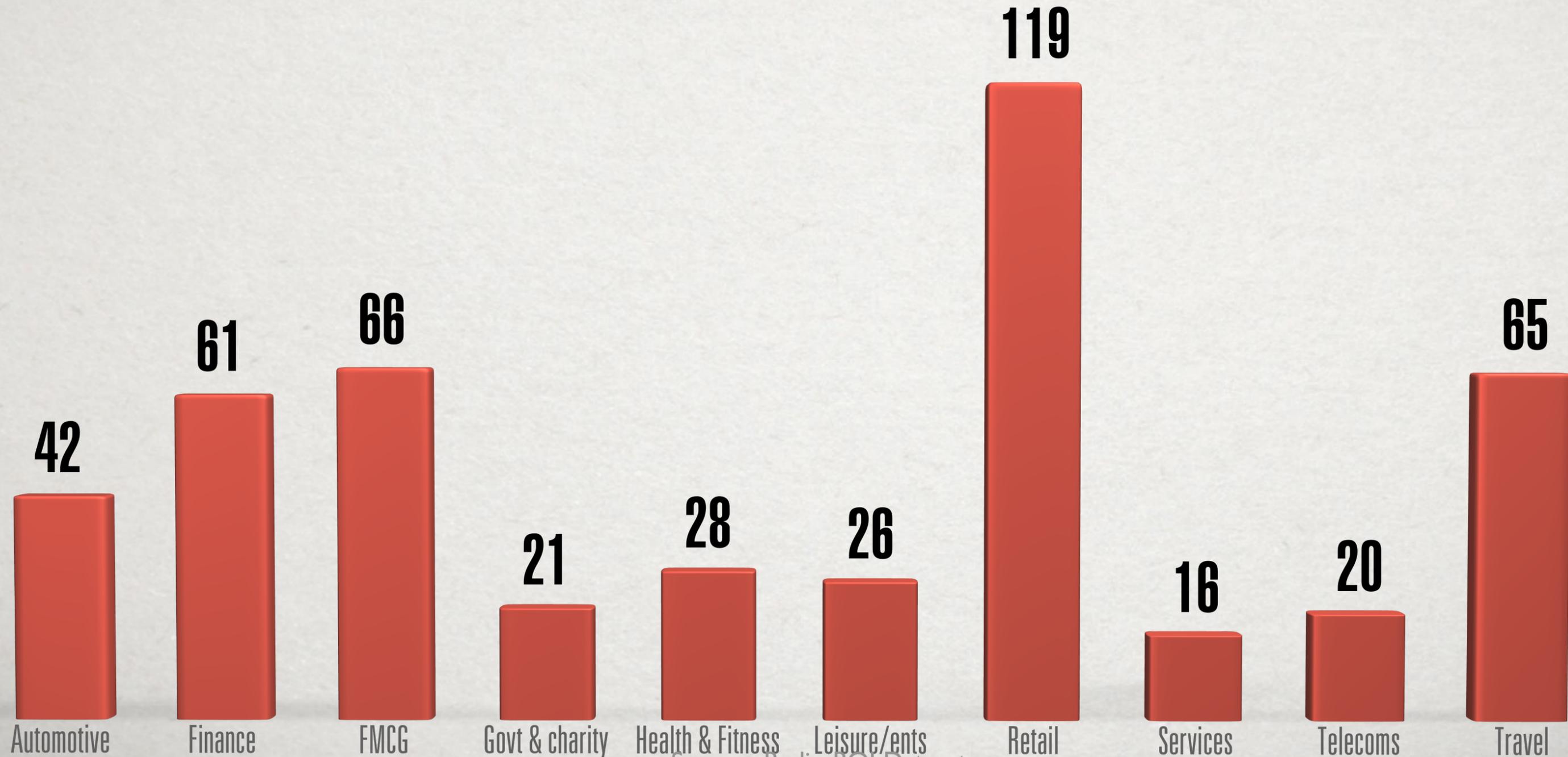
Source: Radio ROI Dataset; Nielsen AdDynamix MAT to June 2013

NO. OF ROI CASES BY MEDIUM



Source: Radio ROI Dataset

NO. OF RADIO CASES BY SECTOR

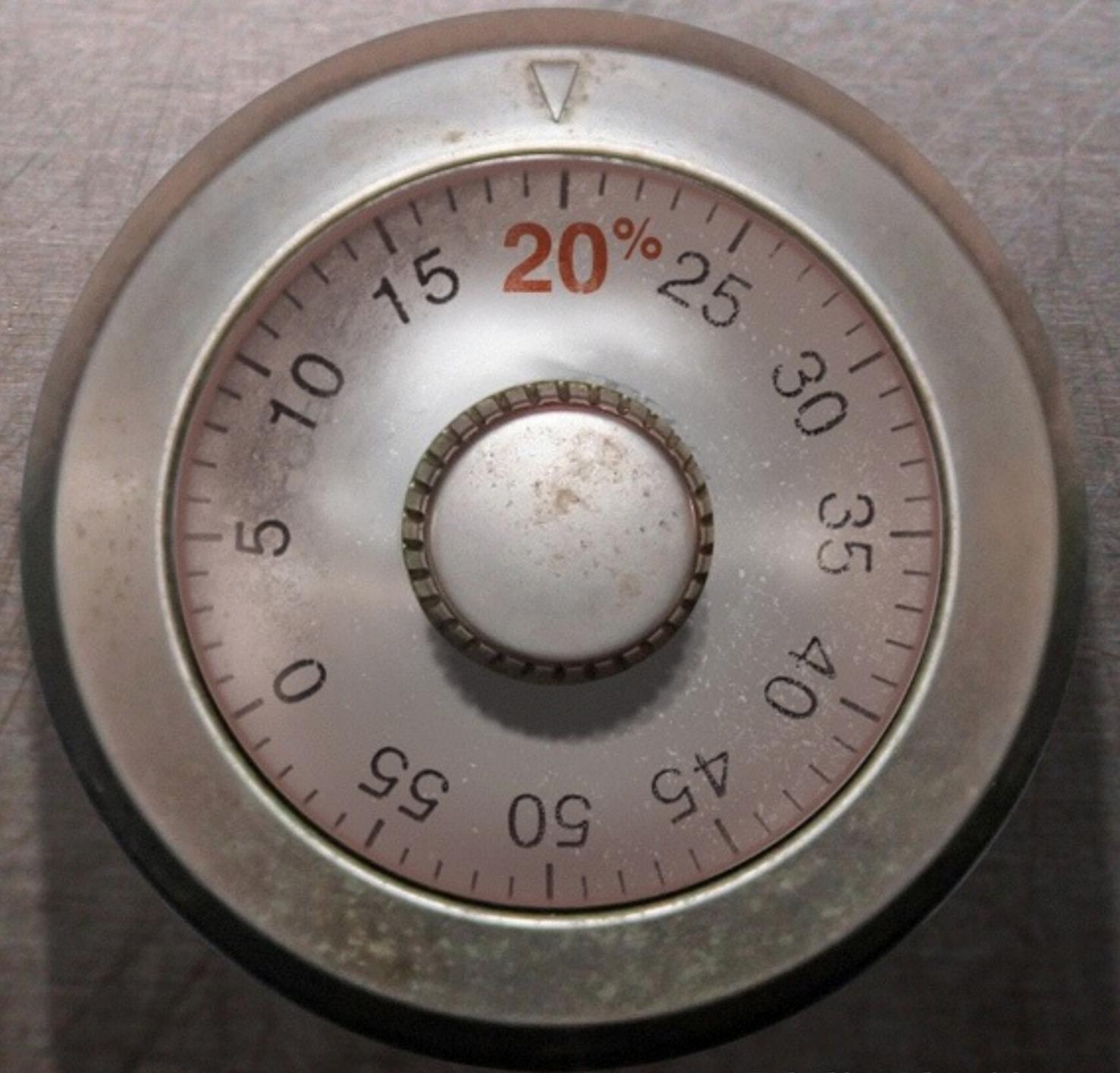


Source: Radio ROI Dataset

FIVE STAGES OF ANALYSIS

ANALYSIS	Data summary	Meta-regression analysis			
MEASURE	ROI	Radio sales uplift %			Overall campaign ROI
OUTPUT	ROI by medium & sector	Factors optimising radio effect	Coverage & frequency effects	Effect of creative features	Effects of radio within the mix
CASES	517 cases	229 cases	131 cases	27 cases	132 cases

KEY FINDINGS



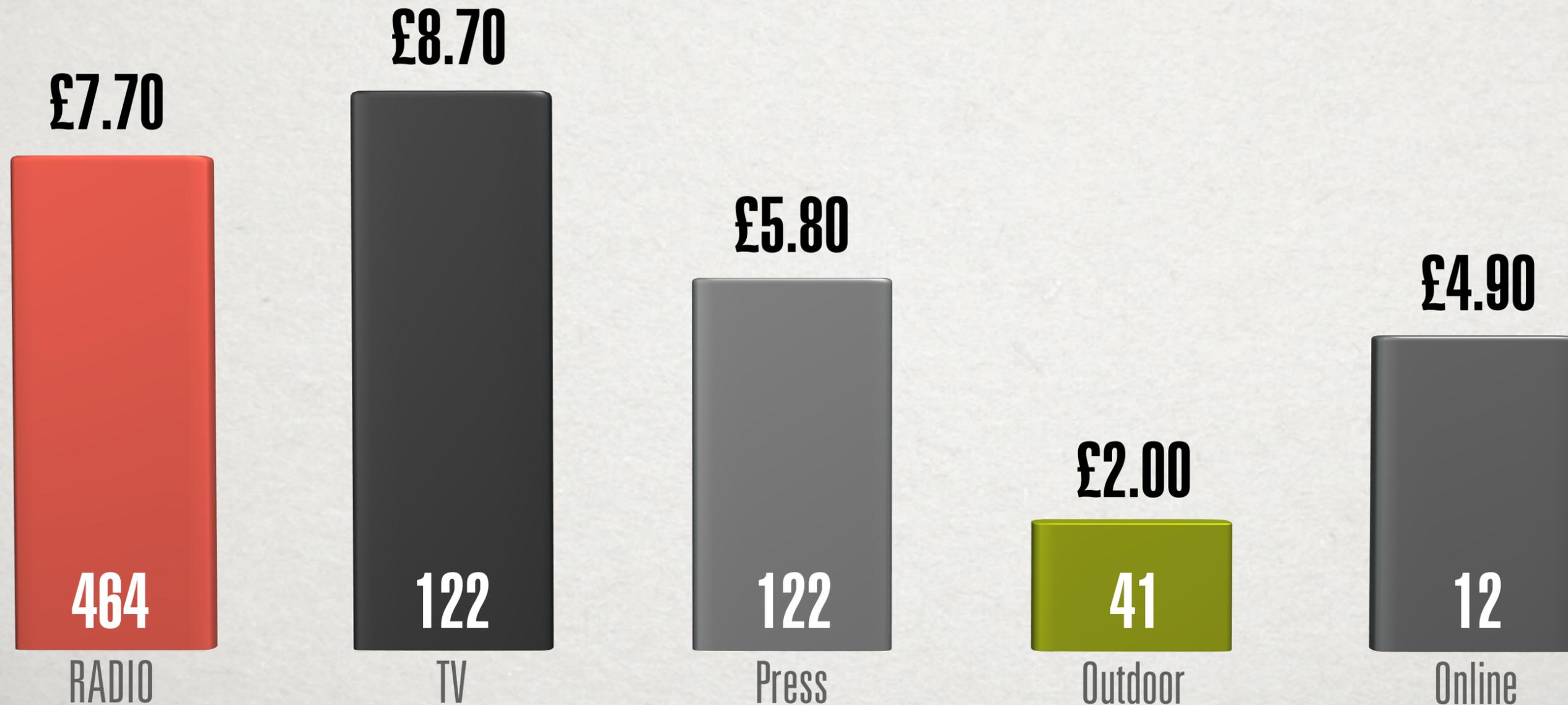
KEY FINDINGS



1. Revenue return on investment for radio advertisers
2. Optimising radio ROI
3. Impact of radio on overall campaign ROI



AVERAGE ROI FOR BRANDS ON RADIO IS £7.70



Source: Radio ROI Dataset (no. of cases shown in white)

RADIO ROI BY SECTOR



Average Radio Revenue ROI by Sector
Source: Radio ROI Dataset

MEDIA COMPARISONS BY SECTOR



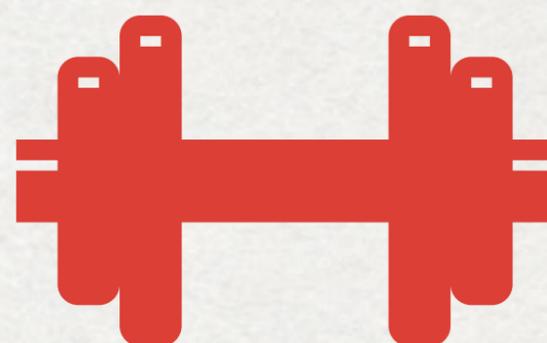
Automotive



Finance



FMCG



Health & Fitness



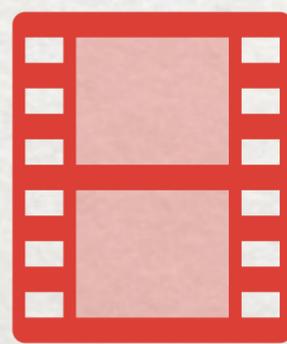
Government & Charity



Travel



Retail



Leisure & Entertainment



Services

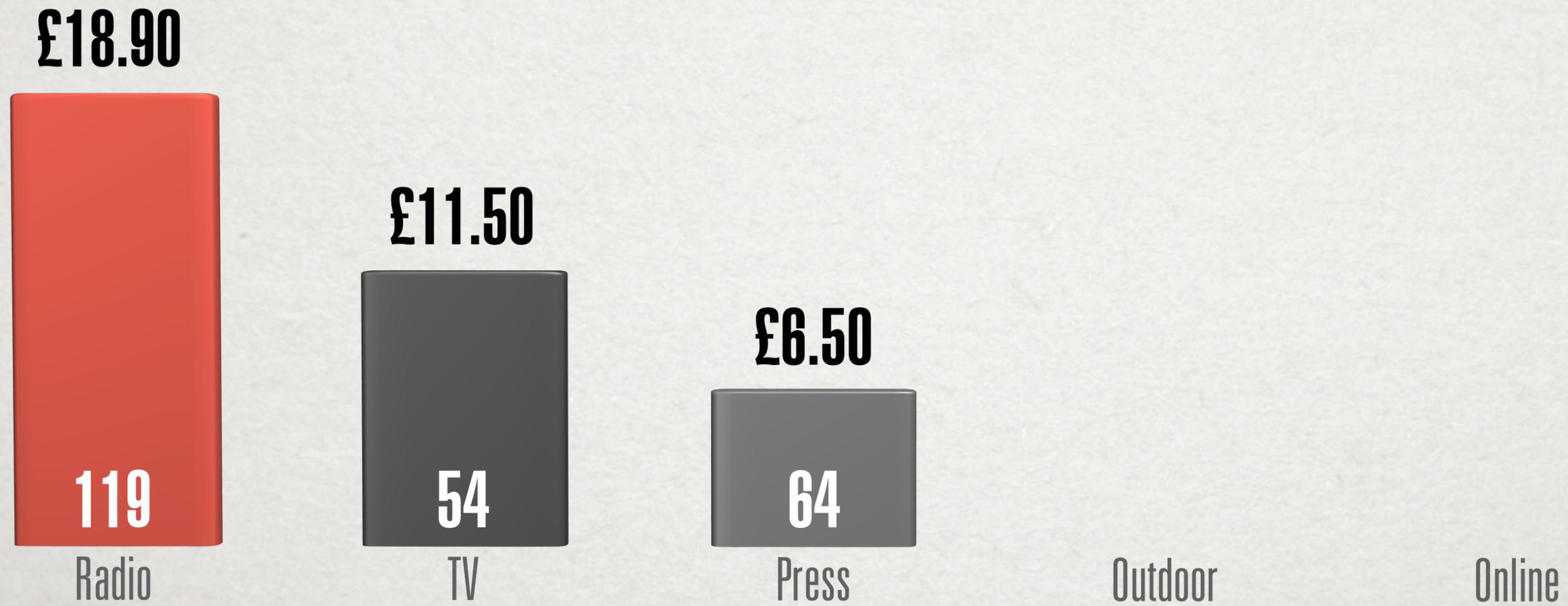


Telecoms

RETAIL



Average Roi Performance By Medium



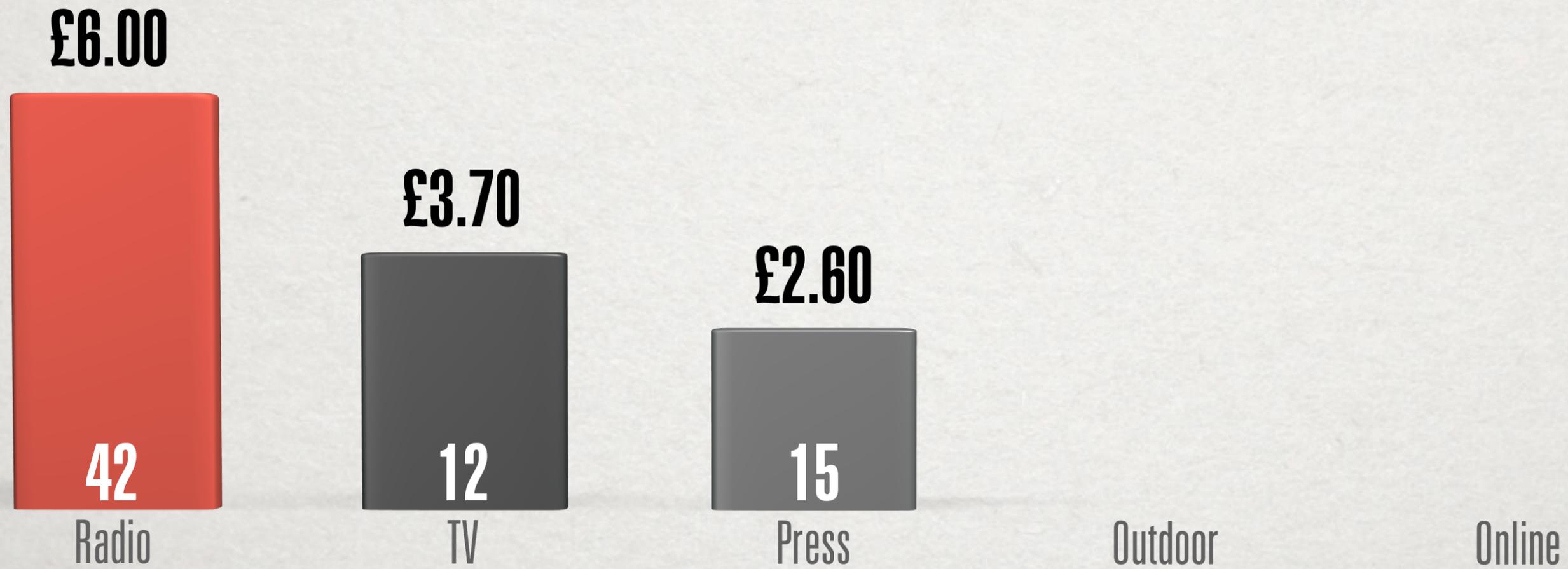
Insufficient cases for direct comparison: Outdoor (0 cases); Online (1 case) £9.90

Source: Radio ROI Dataset (no. of cases shown in white)

AUTOMOTIVE



Average Roi Performance By Medium



Insufficient cases for direct comparison: Outdoor (4 cases) £7.10; Online (2 cases) £17.90

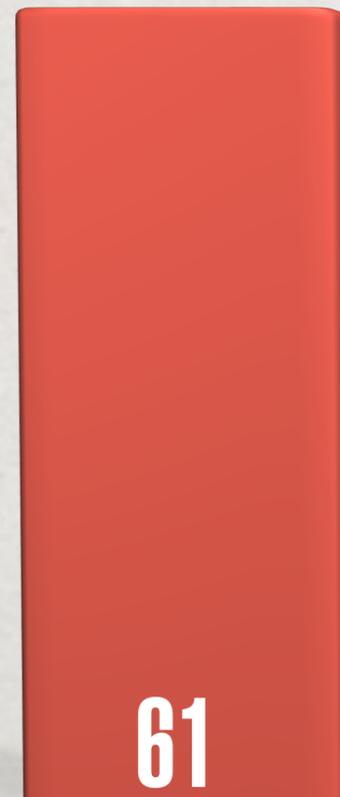
Source: Radio ROI Dataset (no. of cases shown in white)

FINANCE

£

Average Roi Performance By Medium

£2.30



61

Radio

TV

£1.90



5

Press

Outdoor

Online

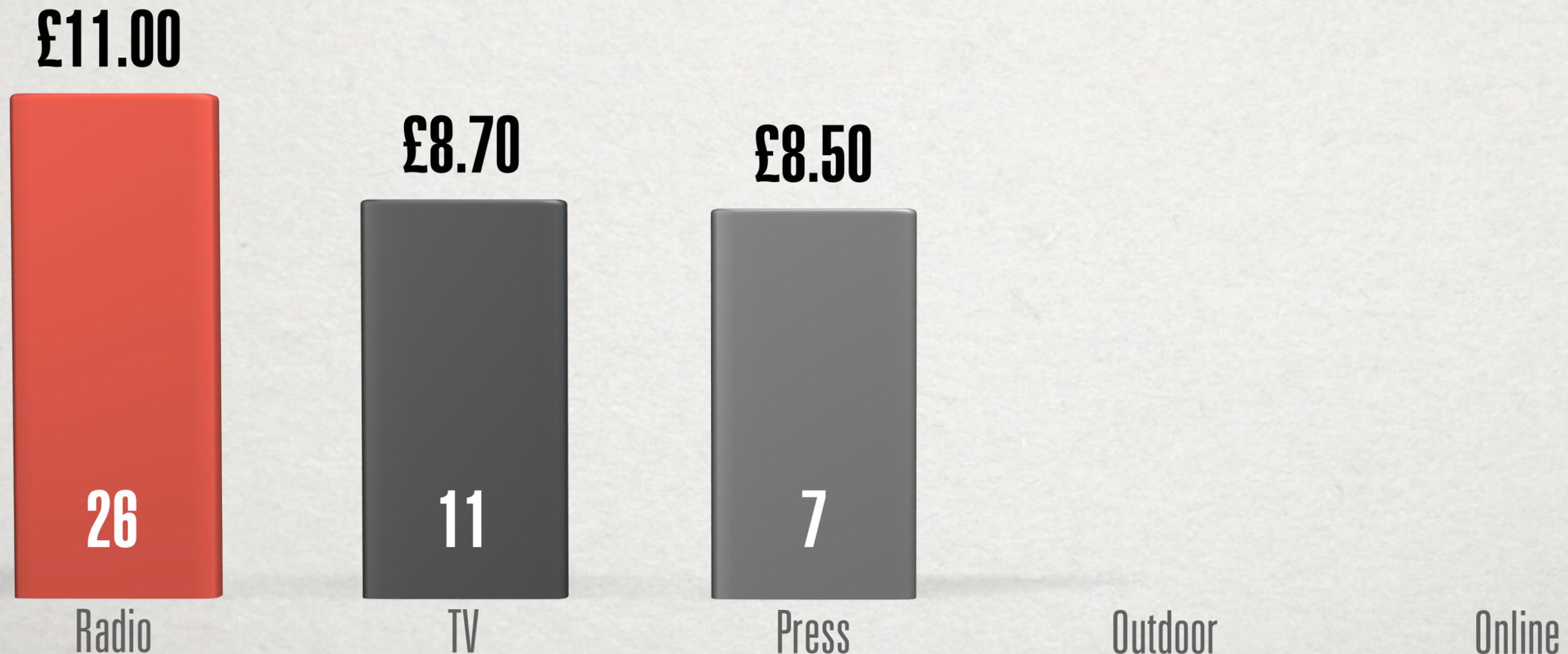
Insufficient cases for direct comparison: Outdoor (4 cases) £7.10; Online (2 cases) £17.90

Source: Radio ROI Dataset (no. of cases shown in white)

LEISURE & ENTERTAINMENT



Average Roi Performance By Medium



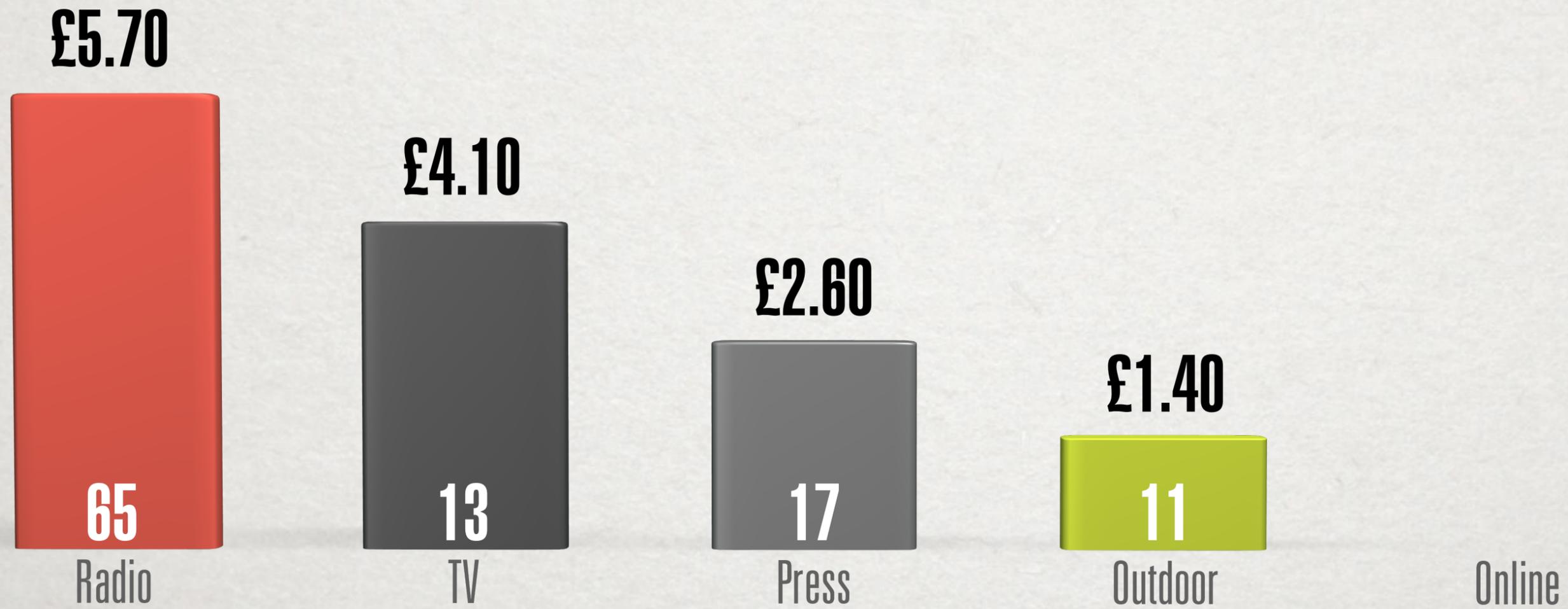
Insufficient cases for direct comparison: Outdoor (4 cases) £2.90; Online (0 cases)

Source: Radio ROI Dataset (no. of cases shown in white)

TRAVEL



Average Roi Performance By Medium



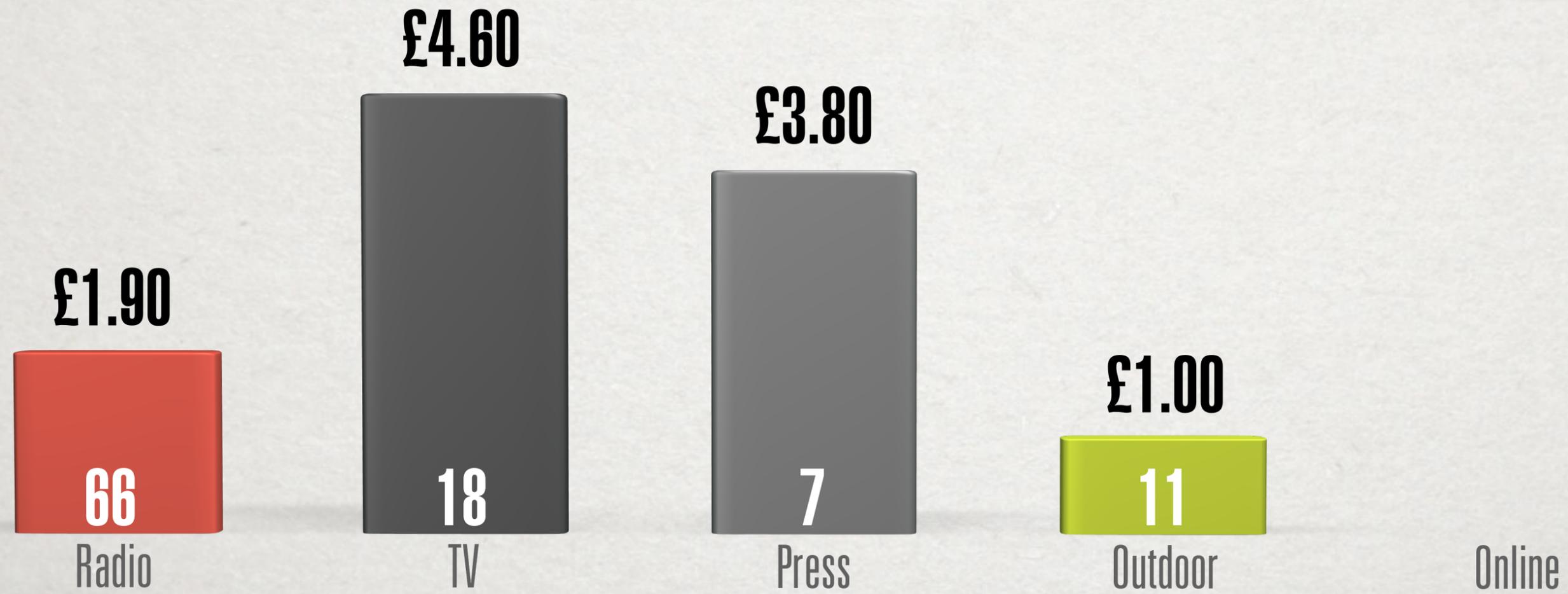
Insufficient cases for direct comparison: Online (1 case) £0.40

Source: Radio ROI Dataset (no. of cases shown in white)

FMCG



Average Roi Performance By Medium



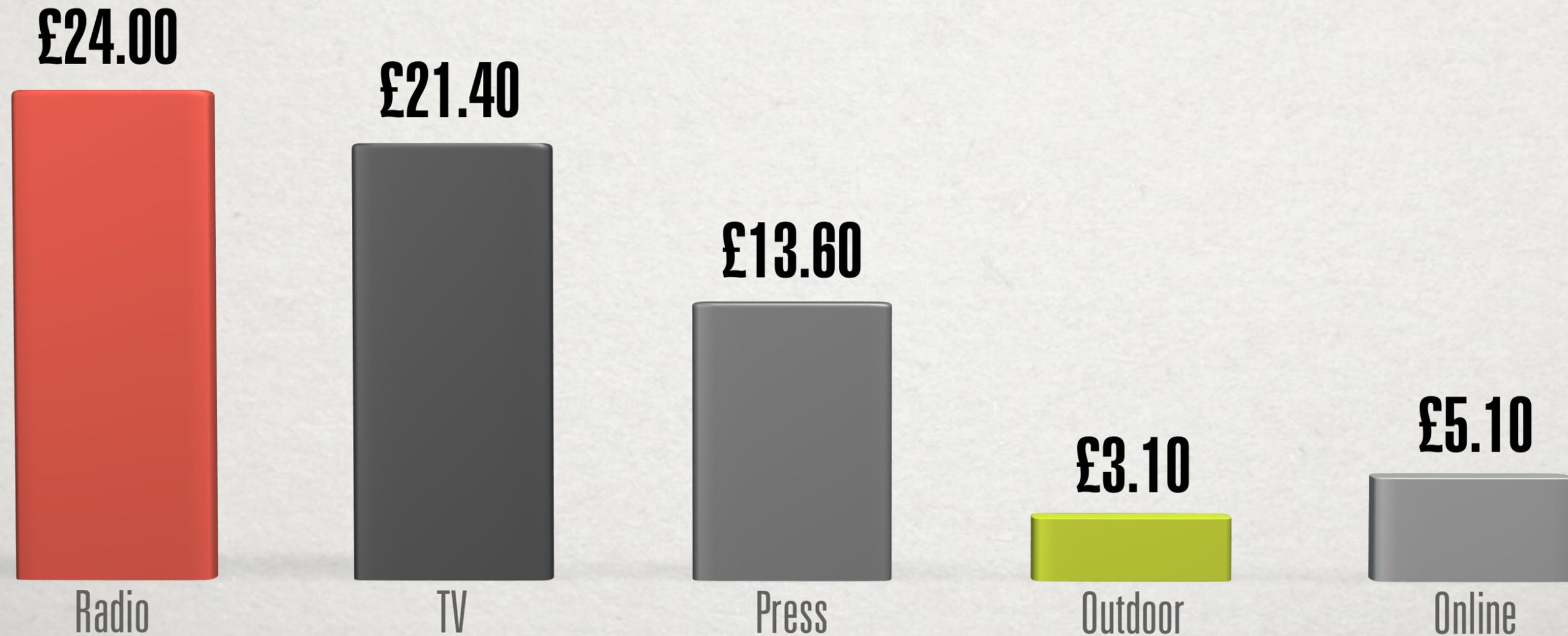
Insufficient cases for direct comparison: Online (2 cases) £2.80

Source: Radio ROI Dataset (no. of cases shown in white)

FMCG



Best Roi Performer By Medium



Source: Radio ROI Dataset

KEY FINDINGS



1. Revenue return on investment for radio advertisers
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3. Impact of radio on overall campaign ROI



OPTIMISING RADIO ROI

Meta-regression analysis

Radio sales uplift %

Factors optimising
radio effect

Coverage & frequency
effects

Effect of creative
features

229 cases

131 cases

27 cases

WHAT AFFECTS RADIO ROI?

Fixed factors

- ▶ Sector
- ▶ Position in market
- ▶ Brand life-stage
- ▶ Type of purchase

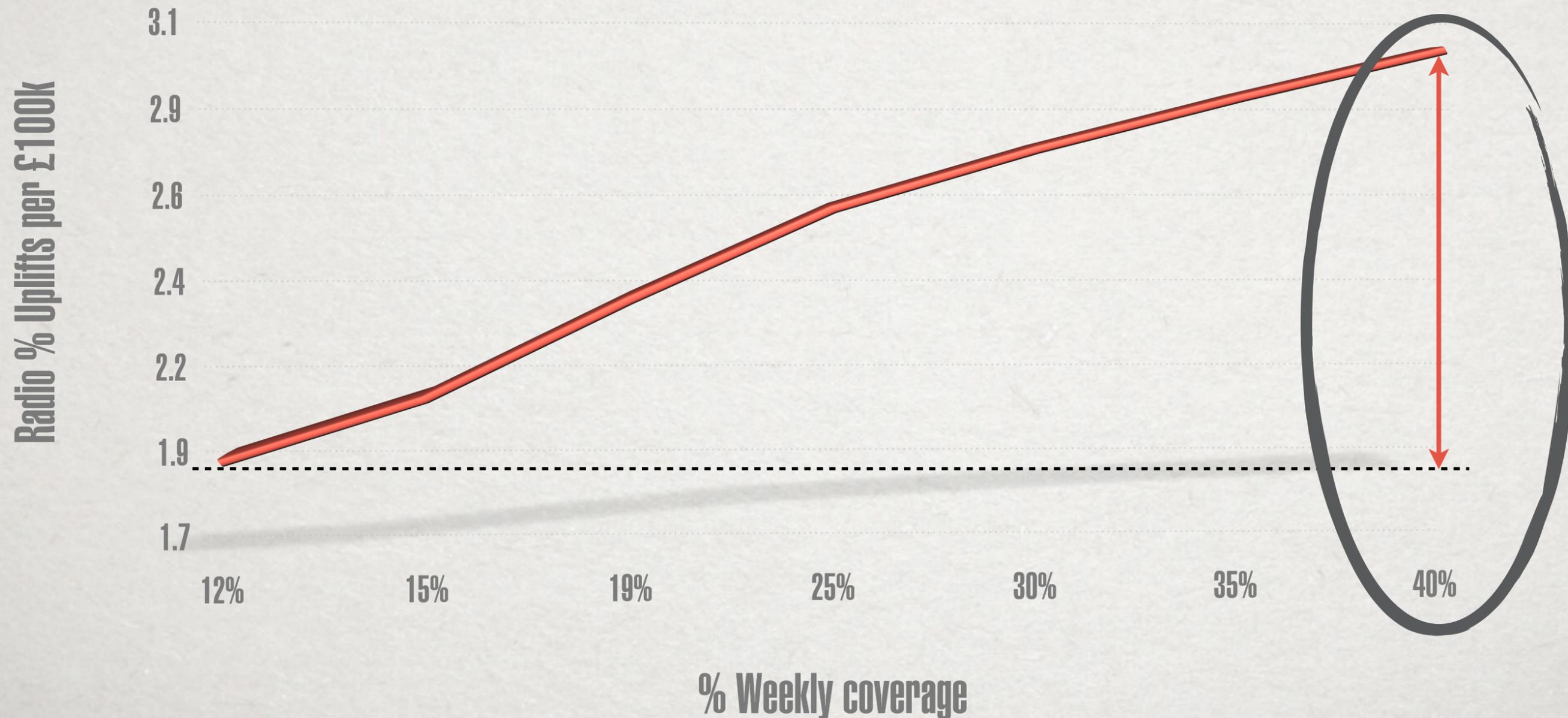
Variable factors

- ▶ Radio planning
- ▶ Creative execution

Source: Radio ROI Dataset

Base: Meta-regression Analysis, Radio Sales Uplifts, 229 cases

WEEKLY COVERAGE EFFECT ON RADIO SALES UPLIFTS



Source: Radio ROI Dataset

Base: Meta-regression Analysis, Radio Sales Uplifts, 131 cases

BEST PRACTICE RADIO CREATIVITY



Creative Features Associated With Higher Revenue Returns

STANDOUT

- ▶ I would listen
- ▶ Advertising I would remember

BRAND FIT

- ▶ Recognise the phrase/slogan
- ▶ Recognise the music/voice
- ▶ Clear who it's for

CLARITY

- ▶ Informative
- ▶ Clear and easy to follow
- ▶ Speaks my language

Source: Radio ROI Dataset & radioGAUGE
Base: Meta-regression Analysis, Radio sales uplifts, 27 cases

KEY FINDINGS



1. Revenue return on investment for radio advertisers
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IMPACT OF RADIO ON CAMPAIGN ROI

Meta-regression analysis

Overall campaign ROI

Effects of radio within the mix

132 cases

WHAT AFFECTS OVERALL CAMPAIGN ROI?

Fixed factors

- ▶ Sector
- ▶ Position in market
- ▶ Brand life-stage
- ▶ Type of purchase

Variable factors

- ▶ Share of spend by medium
 - ▶ radio
 - ▶ online
 - ▶ press
 - ▶ tv

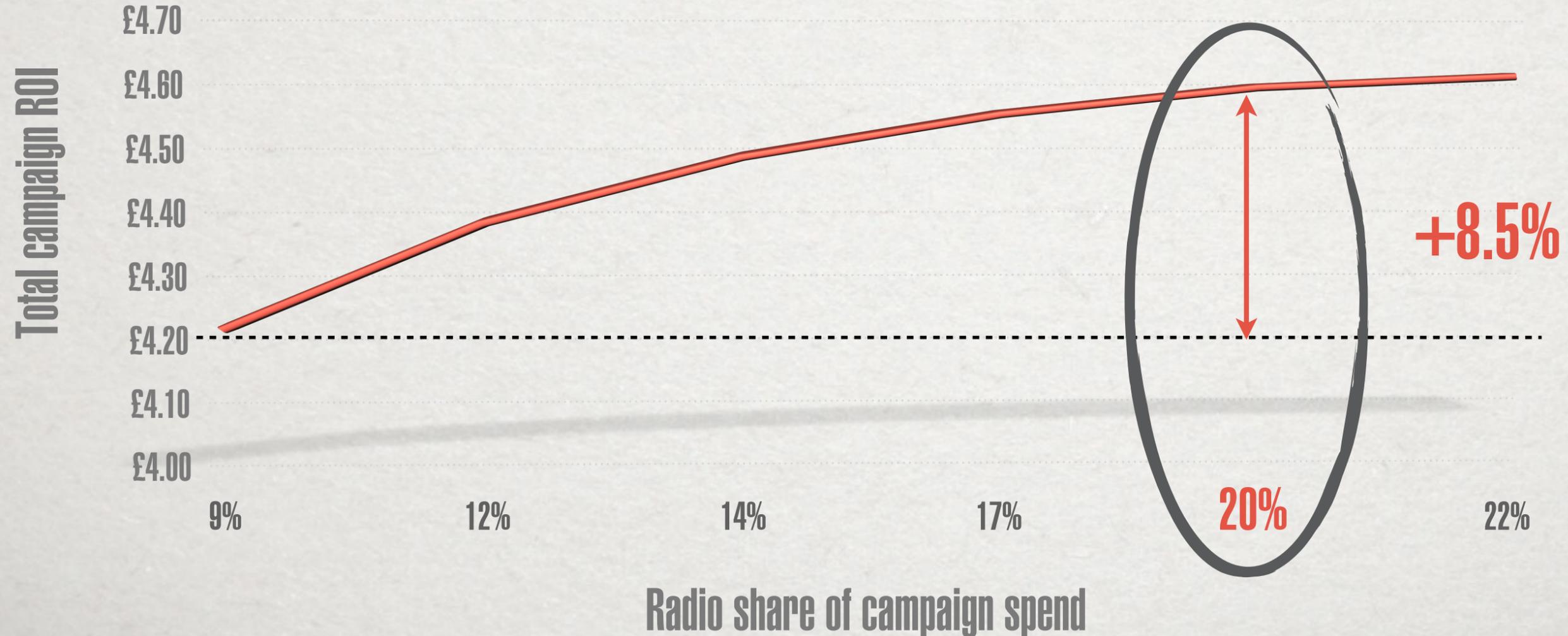
Source: Radio ROI Dataset

Base: Meta-regression Analysis, Overall Campaign ROI, 132 cases

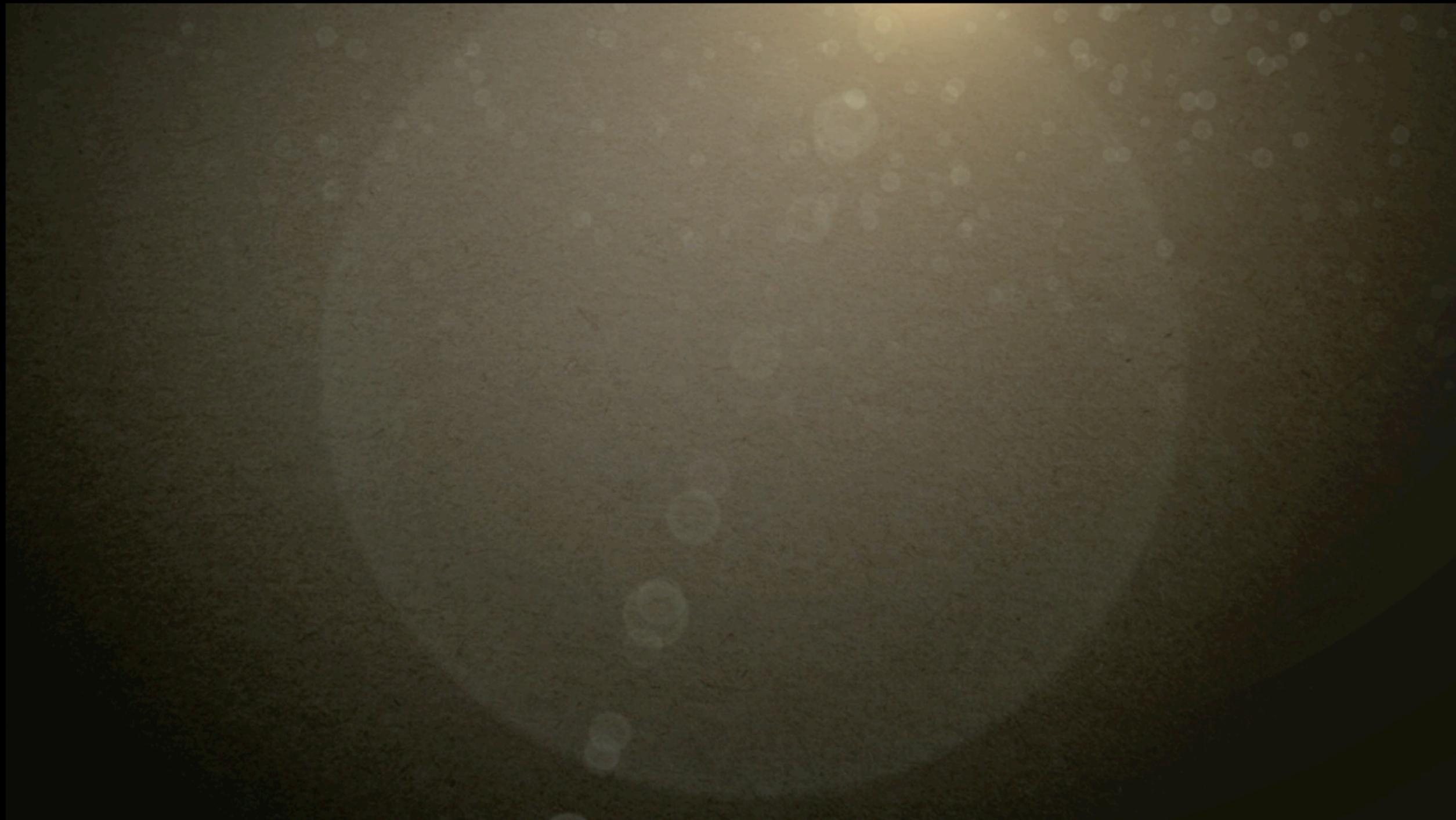
EFFECTS ON OVERALL CAMPAIGN ROI



Reallocating Budget To Radio From All Media



Source: Radio ROI Dataset
Base: Meta-regression Analysis, Overall Campaign ROI, 132 cases



IMPLICATIONS FOR ADVERTISERS

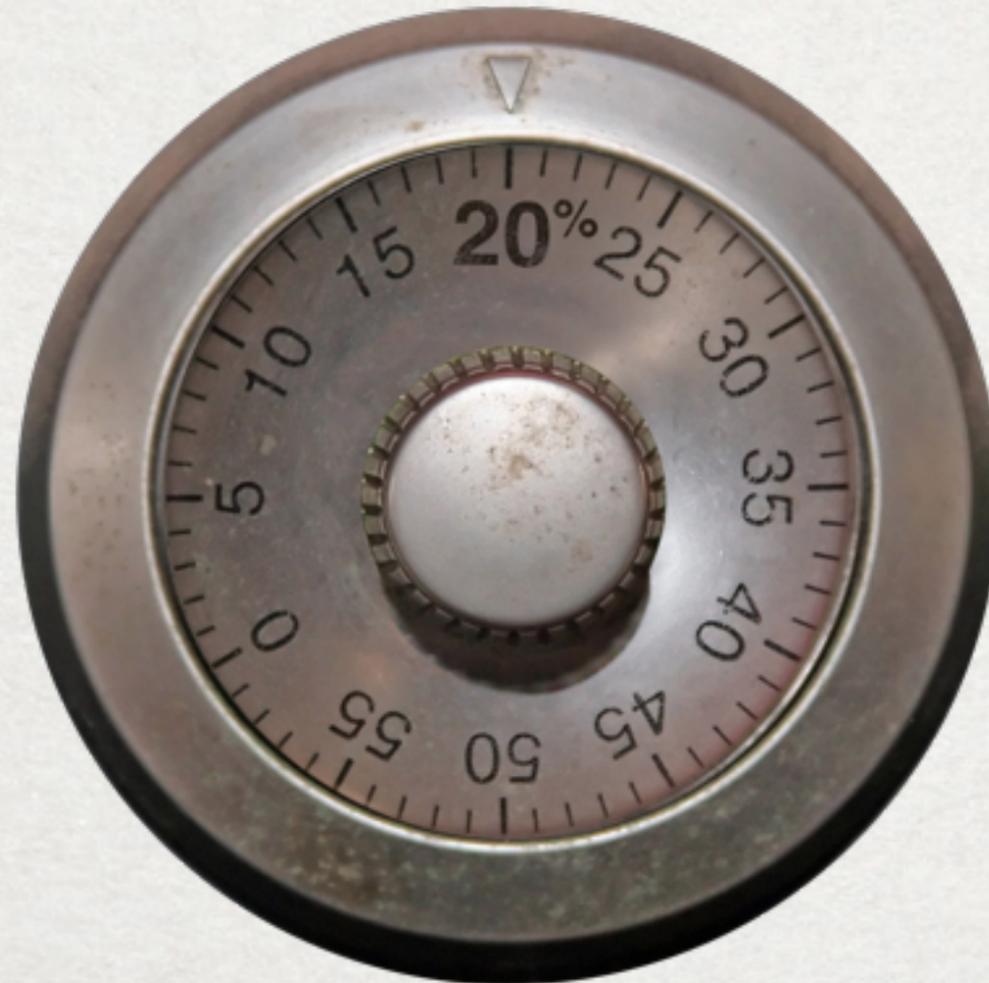


1. TO OPTIMISE **RADIO** RETURN ON INVESTMENT



Maximise **weekly** coverage within your radio campaign

2. TO OPTIMISE **OVERALL** RETURN ON INVESTMENT



Increase radio's share of overall media investment to 20%

THE 20% CLUB



..... *Unlocking Advertising's*

MISSING MILLIONS



..... *Unlocking Advertising's*

MISSING MILLIONS

