



PREDICTABLY EFFECTIVE

How radio influences offline & online
consumer behaviour

Advertising theory and evidence

Which game are we playing?



ZERO IMPACT THEORY

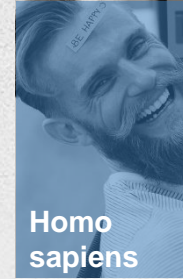


No advertising

Price promotion



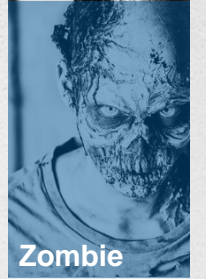
MODERATE IMPACT THEORY



Creating mental availability



CRAZY IMPACT THEORY



Rational persuasion / USP

Emotional manipulation

Creating physical availability: offline and online distribution strategy

Modelling the impact of radio on website visits

Realised by the research agency *bynd*, commissioned by ARD MEDIA

Input Data per Brand

Weekly data on website visits for a two year period

Weekly data on ad spend for different media

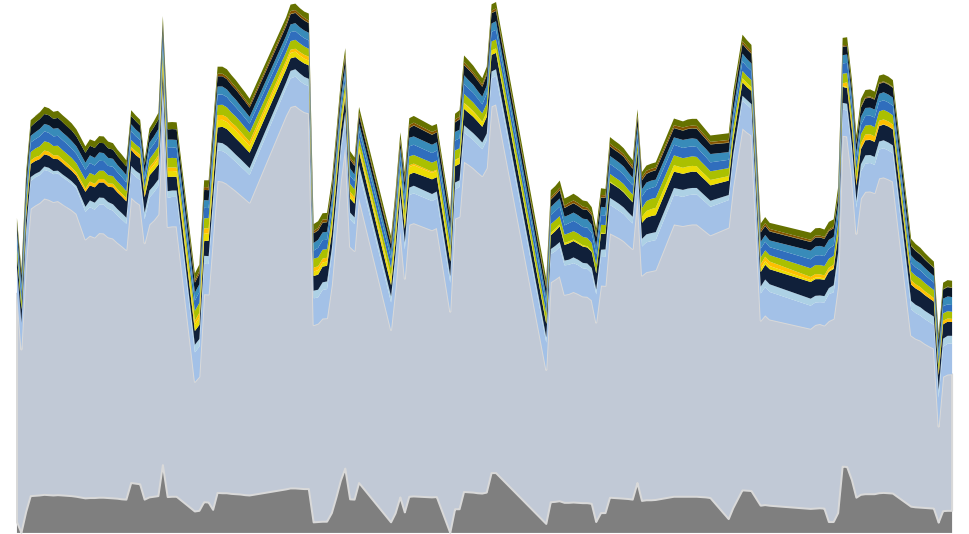
macroeconomic data, weather, pandemic

Brands & Markets

Time series data on website visits for 11 online-stores, including

- fashion stores
- travel agencies
- entertainment platforms
- furniture stores
- grocery stores
- car manufacturers

Meta Model



Successful brands cater to mass markets – offline & online

Example: The market for fashion/clothing in Germany



Annual market revenue:
65 billion €



Category buyers:
99%
of the population aged 14+

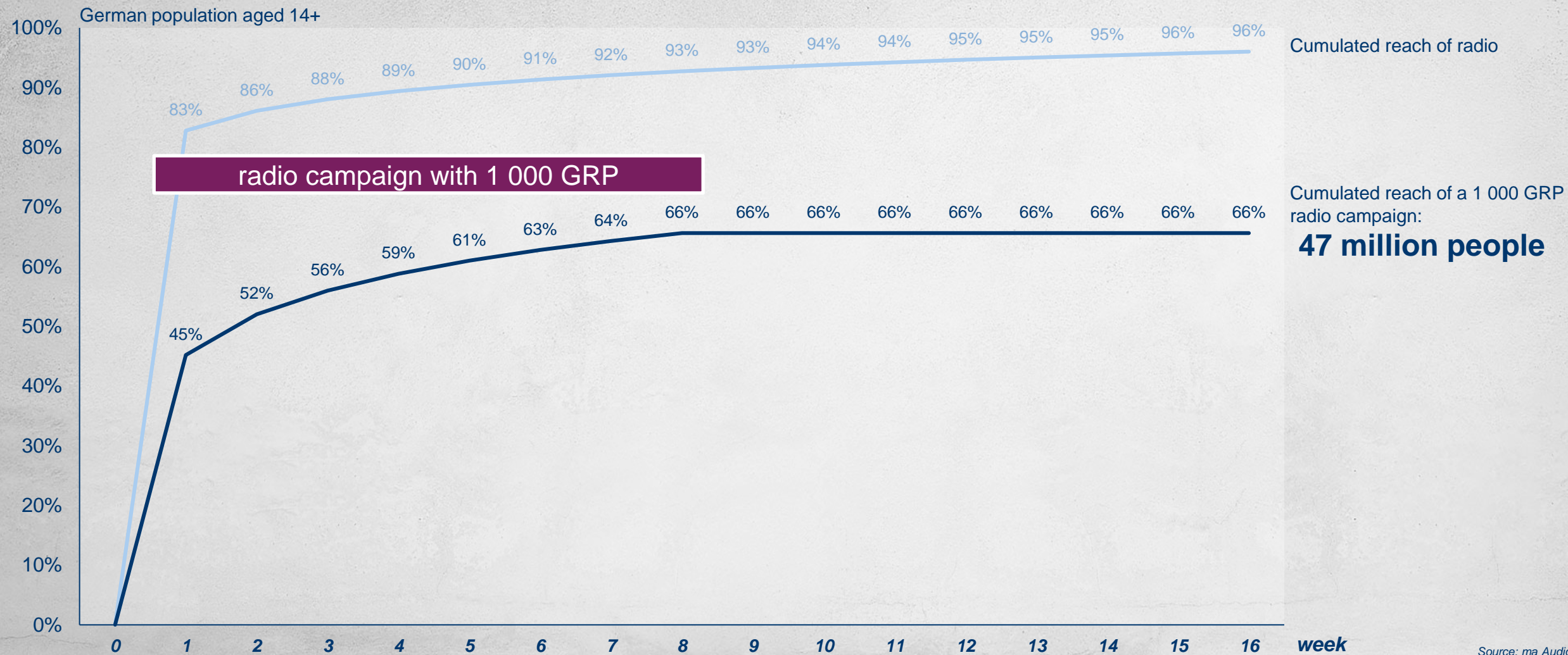


Average buying cycle:
149 days

Source: ma Audio,
consumer survey by forsa & ARD MEDIA;
Statista Consumer Market Outlook

Category buyers reached by radio campaign

Examples from multiple categories/markets (offline & online)

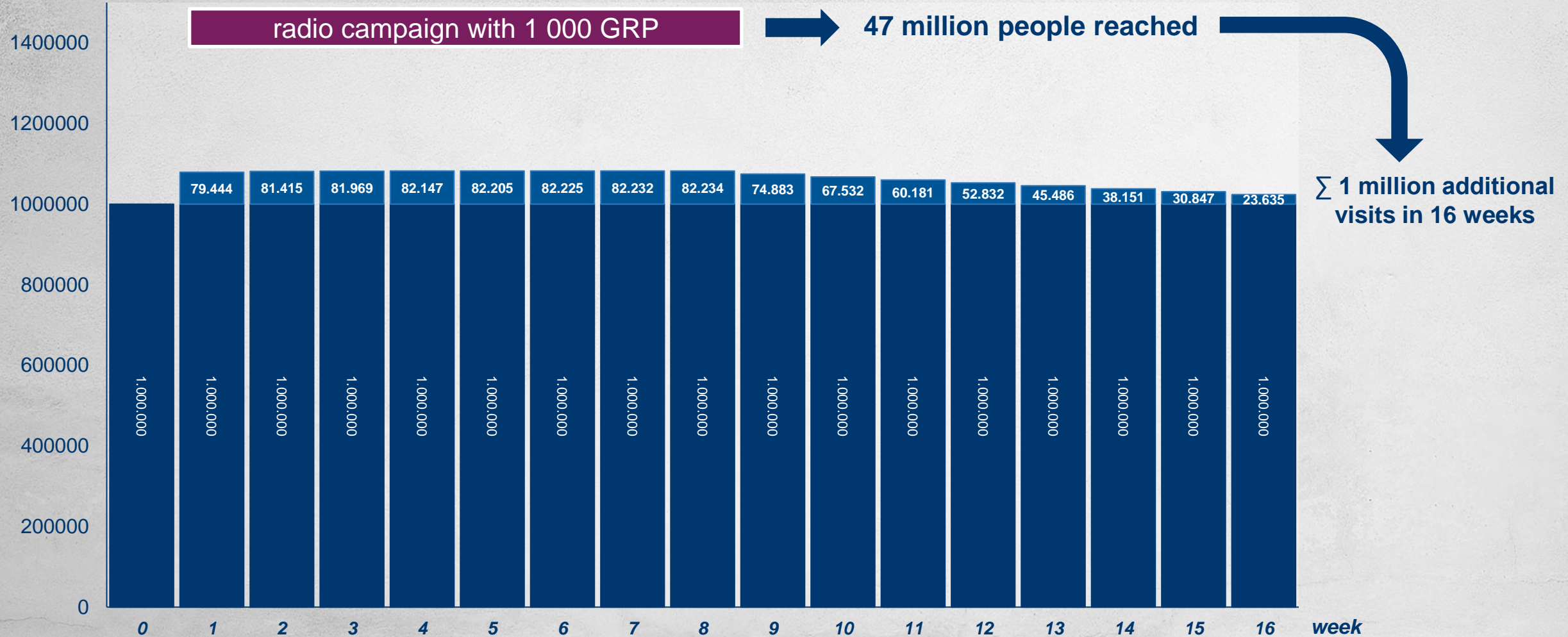


Source: ma Audio

Average impact of a 1 000 GRP radio campaign

For an online store with 1 million visits on average per week (baseline)

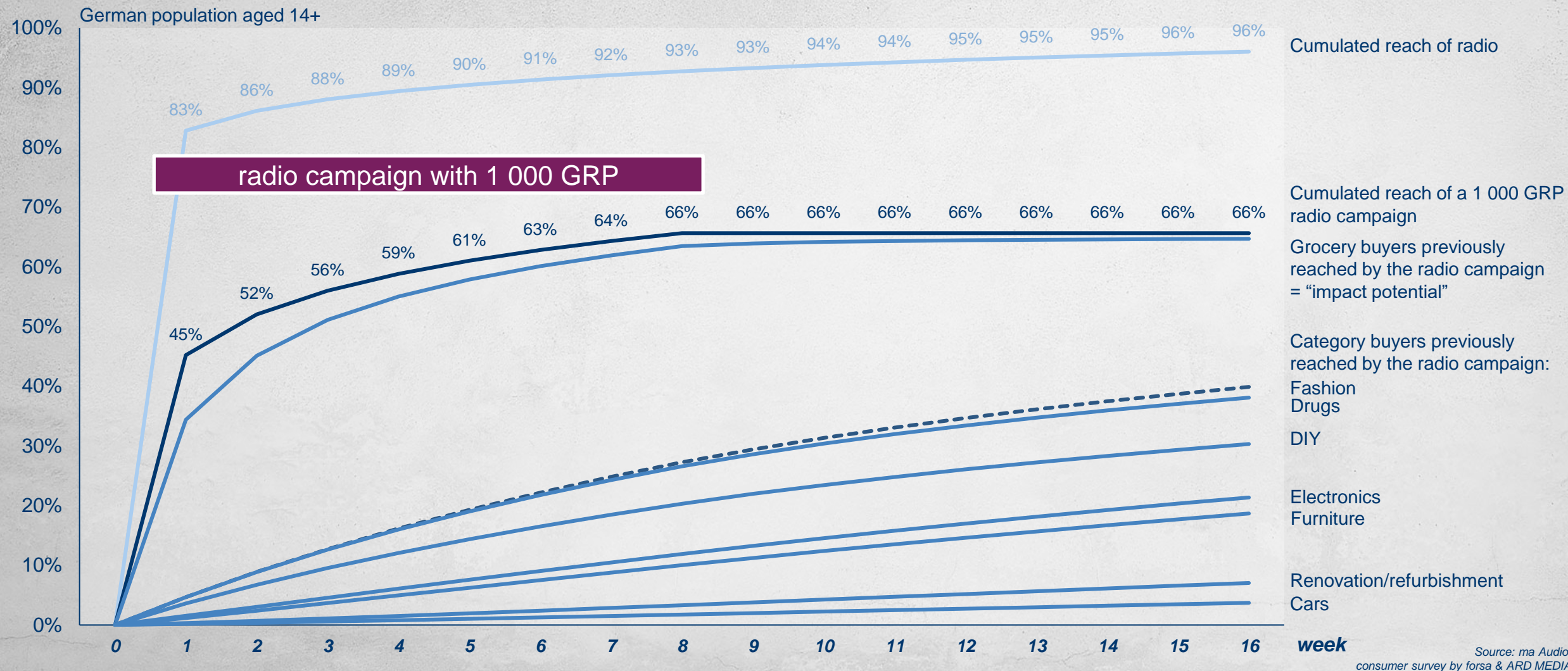
Weekly website visits



Source: D2W by bynd and ARD MEDIA

Category buyers reached by radio campaign

Examples from multiple categories/markets (offline & online)



Buying cycles for different product categories

Average buying cycle per category in days



Grocery stores:
10 days



Drugs:
150 days



Electronics:
285 days



Fashion:
149 days



DIY:
194 days

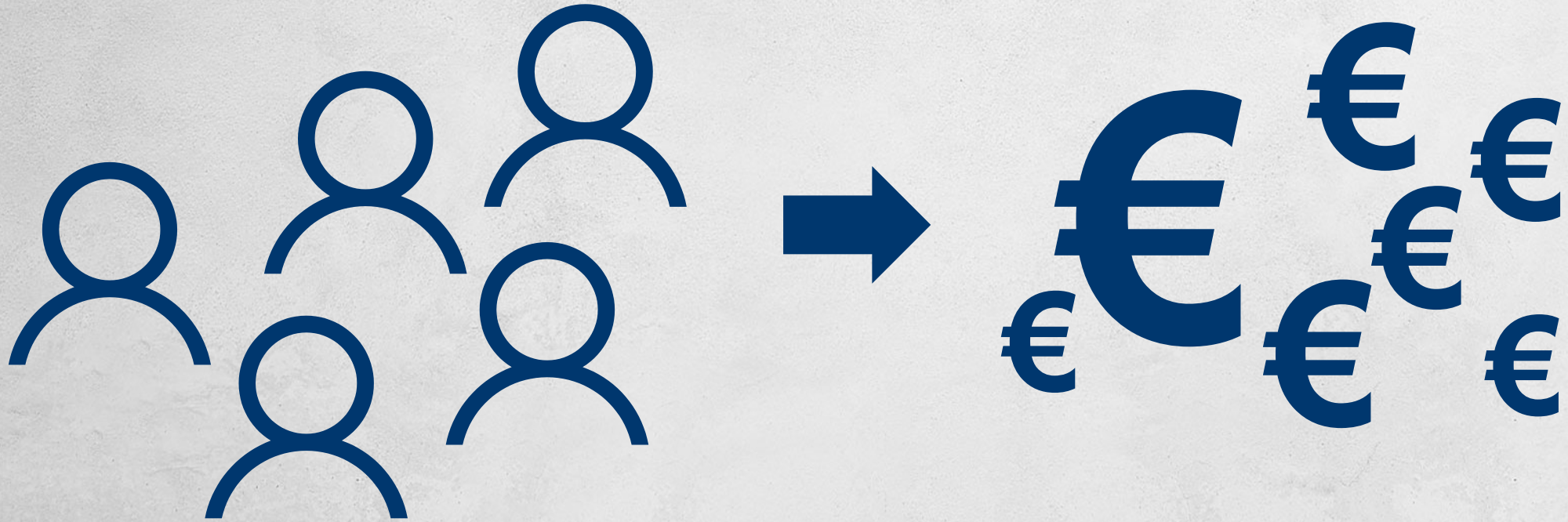


Furniture:
300 days

Source:
consumer survey by forsa & ARD MEDIA

Counting money, not people

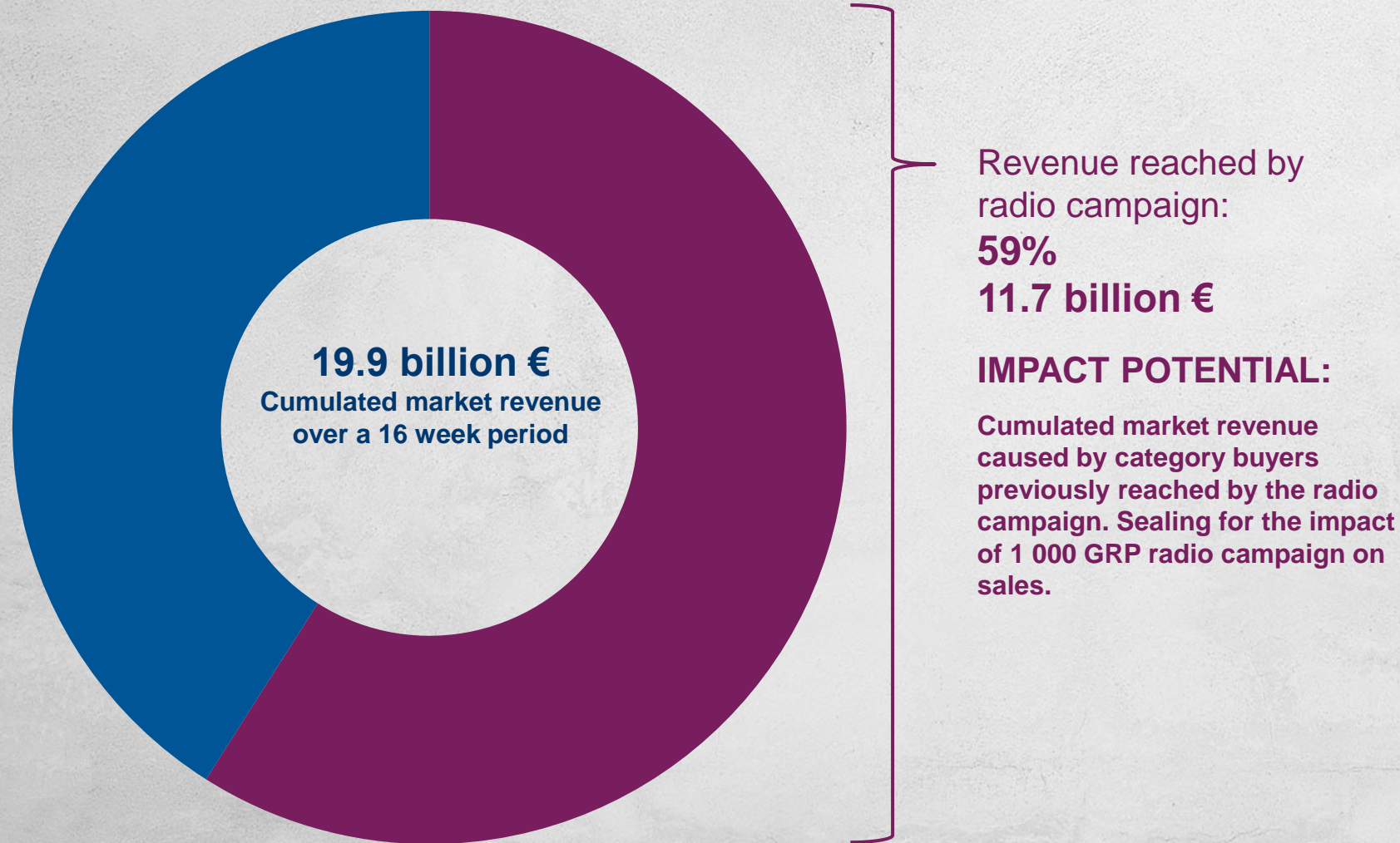
Shifting the planning paradigm



Source: ma Audio,
consumer survey by forsa & ARD MEDIA

Impact potential in terms of revenue for fashion stores

Radio campaign with 1 000 GRP (evenly split over 8 weeks + 8 weeks cool down period)

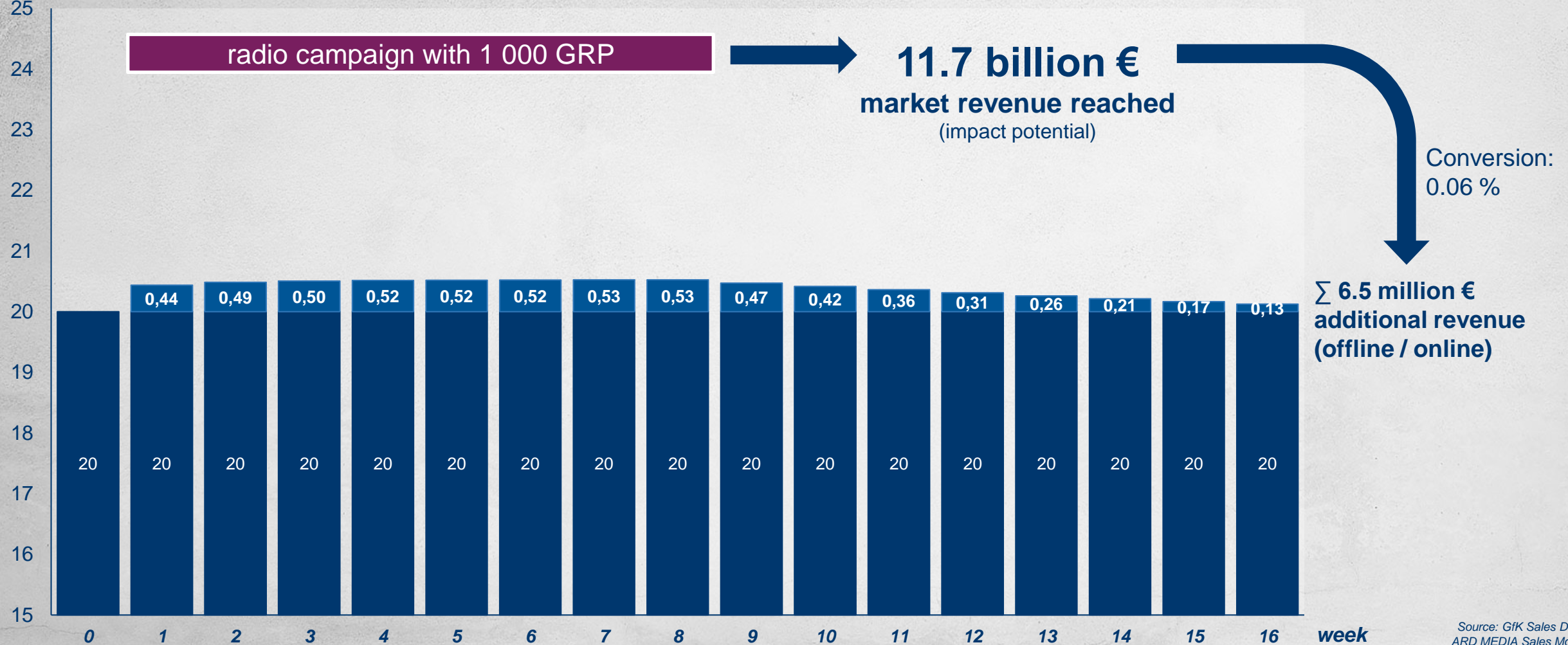


Source: ma Audio,
consumer survey by forsa & ARD MEDIA;
Statista Consumer Market Outlook

Average impact of a 1 000 GRP radio campaign

For a fashion store with 20 million € revenue on average per week (baseline)

Weekly revenue in million €



Source: GfK Sales Data &
ARD MEDIA Sales Models;
Statista Consumer Market Outlook

Average impact of a 1 000 GRP radio campaign

For a fashion store with 20 million € revenue on average per week (baseline)

$$\text{ROI} = \frac{\text{Additional revenue due to radio campaign}}{\text{Investment in radio campaign}} = \frac{6.5 \text{ million €}}{1.5 \text{ million €}} = 4.33$$

The challenge: How to impact consumer behaviour

The V-strategy of successful (radio) campaigns





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