

# RADIO DRIVES CPG BRAND SUCCESS

How Radio Delivers ROI  
And Sales Lift for CPG  
Brands

January 2022



## THE TASK



**Understanding AM/FM Radio's Contribution to CPG Media ROI, the impact on brand sales when Radio is included in the Media Mix, and how Trade Activity impacts CPG brand budgets.**

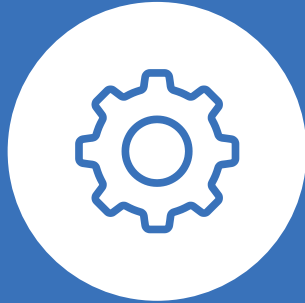
# THE OBSERVATIONS



## **NIELSEN MMM NORMS**

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MMM studies help  
advertisers predict ROI  
impacts



## **5 YEARS OF MMM NORMATIVE DATA**

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1,000+ observations of unique  
CDN CPG brand activity in TV,  
Radio, OOH, Online and Trade  
from 2015-2020

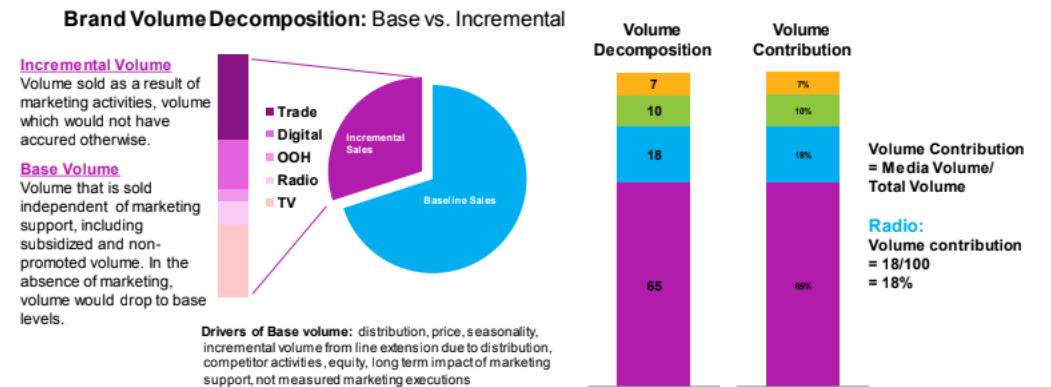
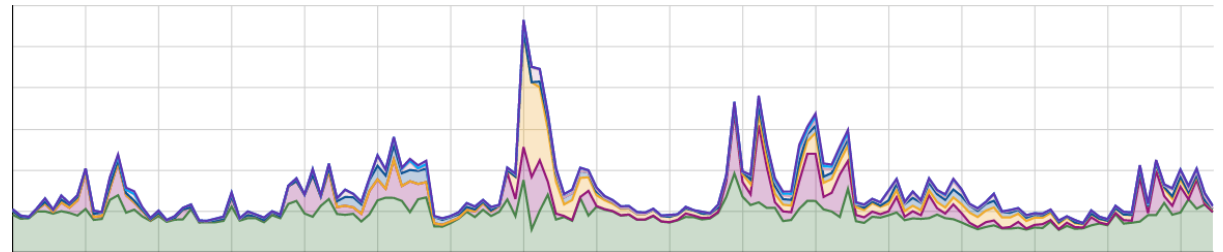
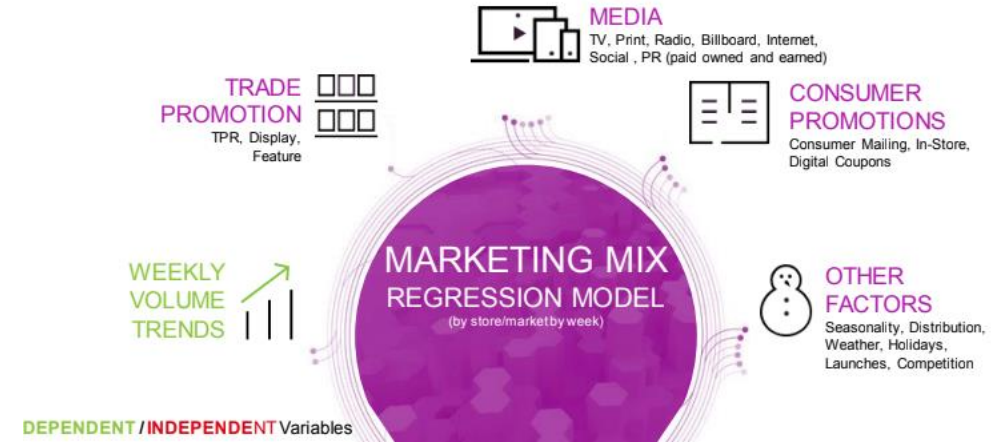


## **INVESTIGATE IMPACT OF RADIO IN THE MEDIA MIX**

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Nielsen evaluated CDN ROI norms to  
understand how Radio advertising  
impacted ROI and worked in synergy with  
other media to improve sales volumes

# MARKETING MIX INCORPORATES A BROAD RANGE OF INPUTS TO EFFECTIVELY MEASURE MEDIA IMPACT & ROI



# FINDINGS SPECIFIC TO CPG BRANDS

**1.3X**

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Radio ROI  
Outperformed  
Total Media ROI by  
128%

**+2%**

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Total Media ROI is  
higher with Radio  
in the mix

**1.06%**

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Sales volume lift  
when Radio activity  
runs in tandem  
with **Other Media**

**2.56%**

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Sales volume lift  
when Radio activity  
runs in tandem with  
**Trade Activity**

# RADIO'S ROI IS HIGHER THAN OTHER MEDIA TACTICS

Radio Outperforms Total  
Marketing by **128%** (1.3X higher)

Retail Revenue Return on  
Investment



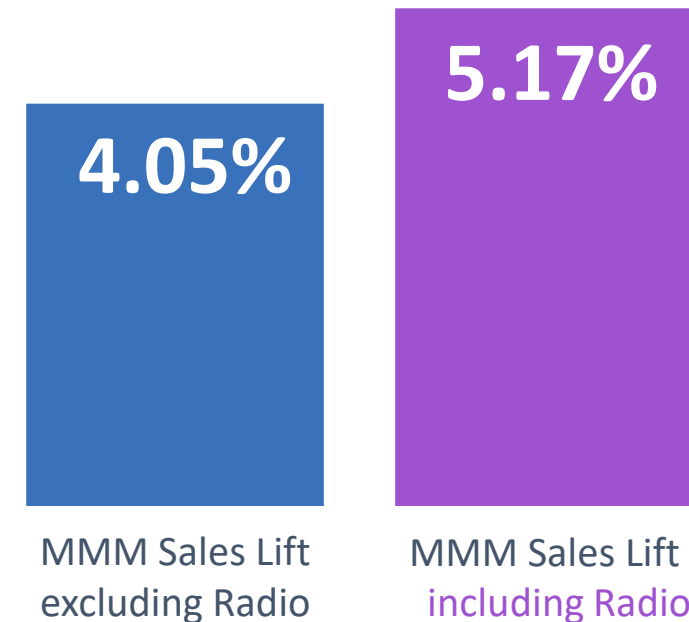


INCREMENTAL  
VOLUME IS  
GENERATED  
WHEN RADIO IS  
PAIRED WITH  
OTHER  
MARKETING  
ELEMENTS

Source: Nielsen Canada CPG Norms Database and Synergy Analysis 2021

Radio drives an additional 1pt synergistic lift, which is **28%** greater than other Media tactics combined

CDN Media Synergy Lift  
CPG Norms 2015 – 2020



# TRADE ACTIVITY DRIVES CPG BRAND SPENDING IN CANADA

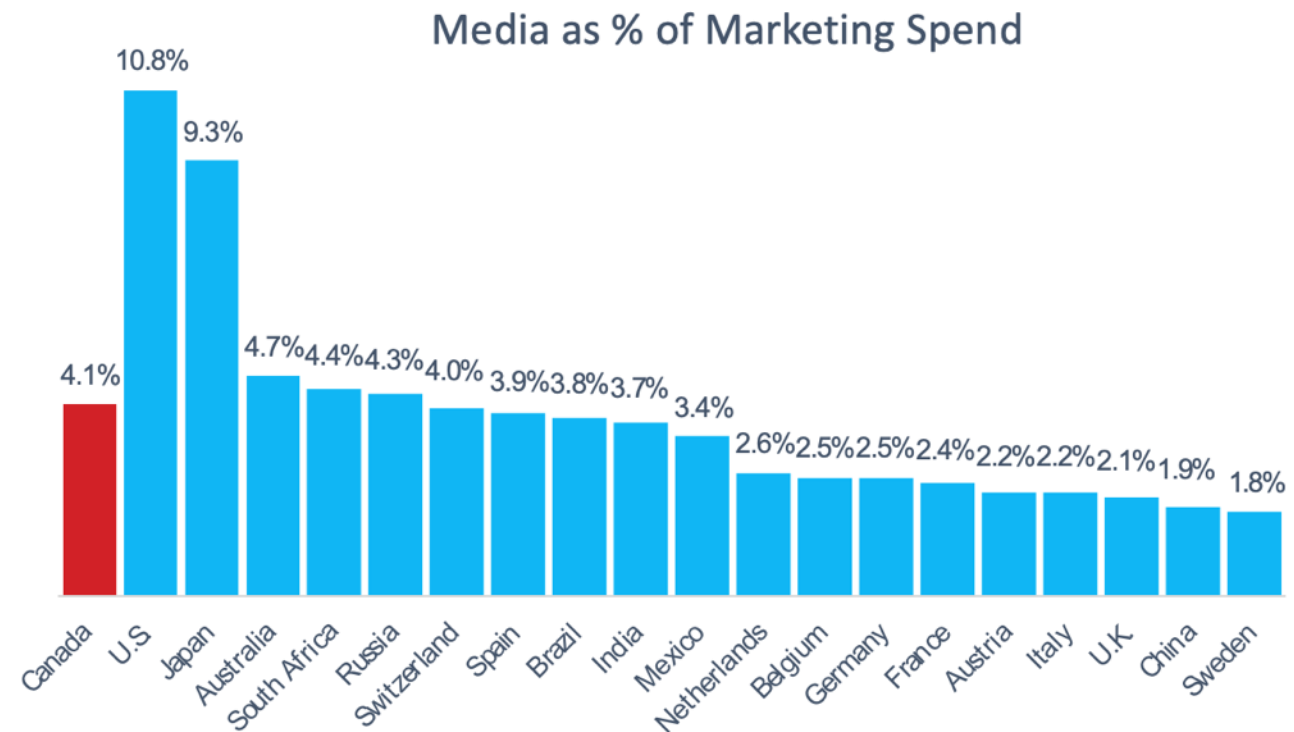


**Canadian CPG Marketers face budget challenges with the majority of brand support falling below the line.**



ONLY 4% OF  
CANADIAN CPG  
SHORT-TERM SALES  
ARE DRIVEN BY  
MEDIA BUDGETS,  
COMPARED TO 10%  
IN THE U.S.

## Canadian Media Dollars Have To Work Harder To Impact Sales



# MEDIA BUDGETS ARE TYPICALLY 10% OF A CPG BRAND'S TRADE BUDGET



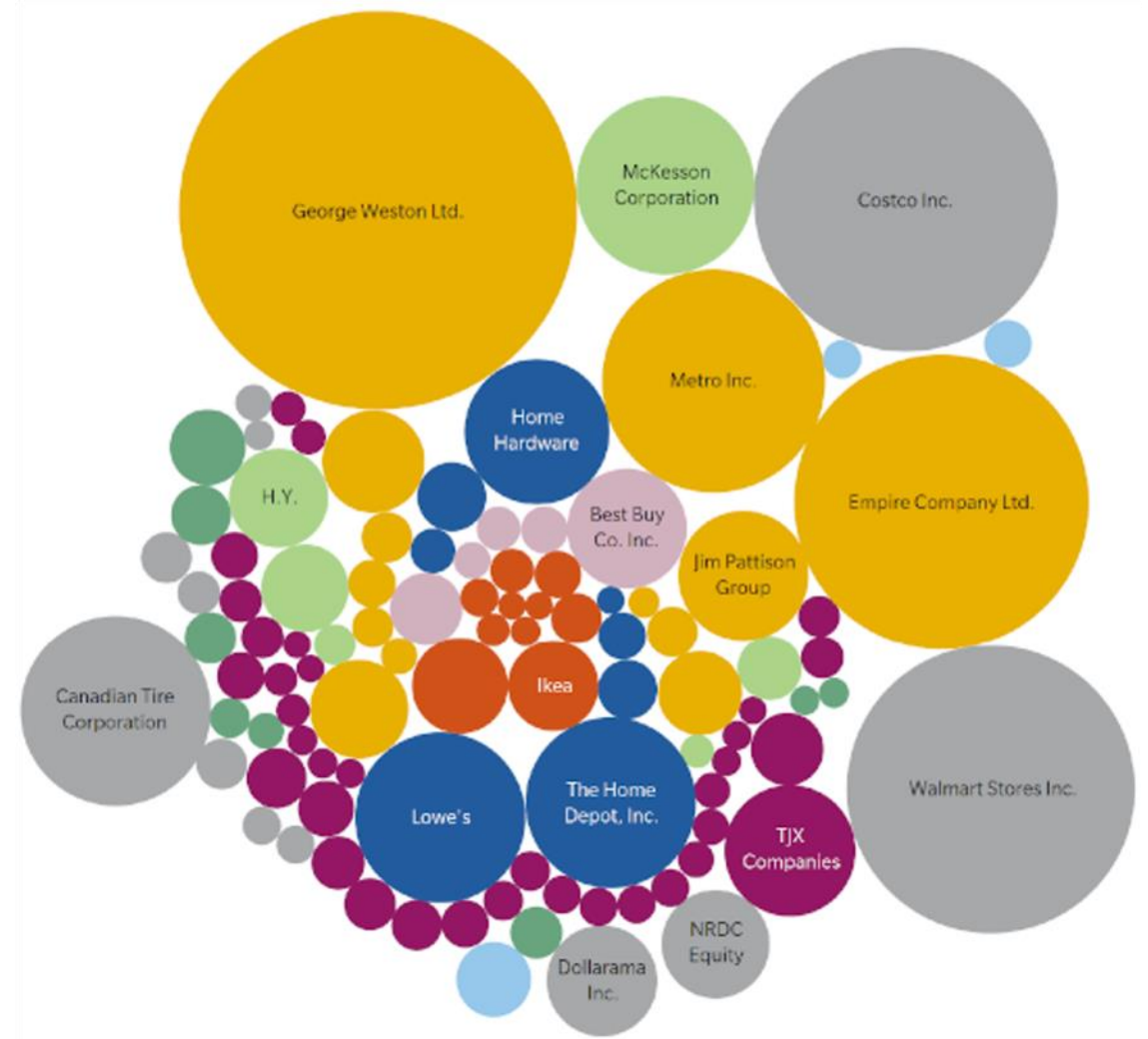
**ABOVE THE  
LINE:  
\$2 – \$3  
Million  
Media Budget**



**BELOW THE LINE:  
\$20 - \$30  
Million  
Trade Budget**

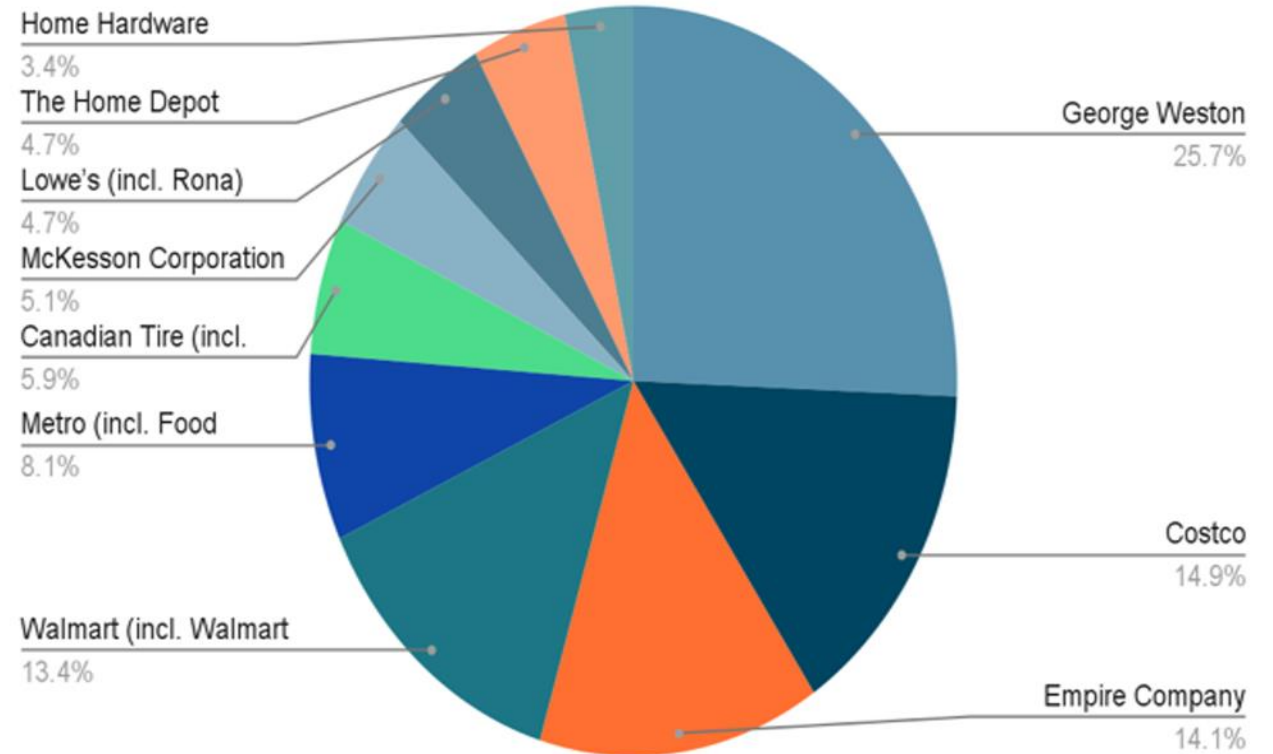
# CANADA'S CONSOLIDATED RETAIL LANDSCAPE PUTS PRESSURE ON ADVERTISERS ACROSS ALL CATEGORIES TO INVEST MORE IN TRADE EACH YEAR

Source: retailcouncil.org, the-top-100-retailers-and-canadas-top-10-retailers-2019 [www.ufc](http://www.ufc)



GEORGE WESTON,  
COSTCO, SOBEYS,  
WALMART, AND  
METRO REPRESENT  
OVER 75% OF THE  
RETAIL SECTOR

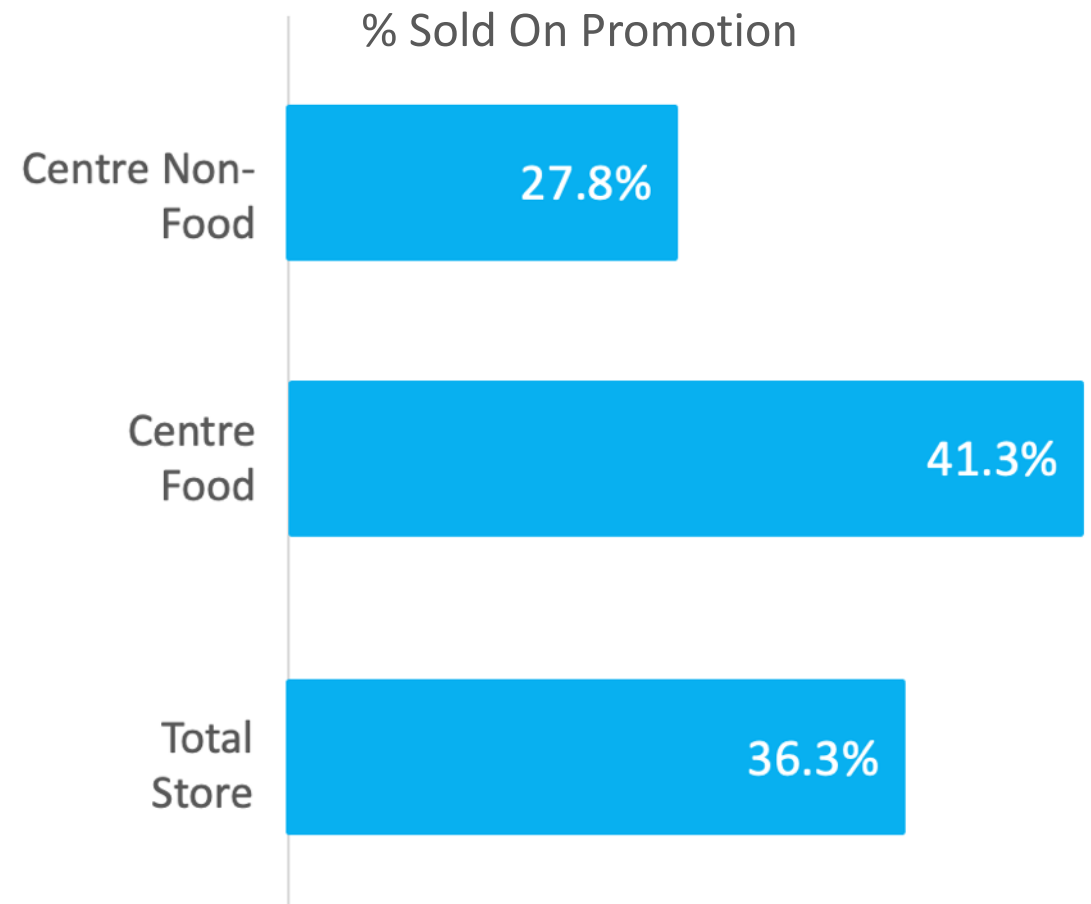
Top 10 Retailers (2019)





CENTRE OF STORE  
FOOD HAS A HIGHER  
PERCENTAGE OF  
SALES ON  
PROMOTION, BUT  
THEY DON'T WORK

It's A Known Cost Of Doing  
Business: **42%** Of Promotions Do  
Not Make Money



## THE SOLUTION

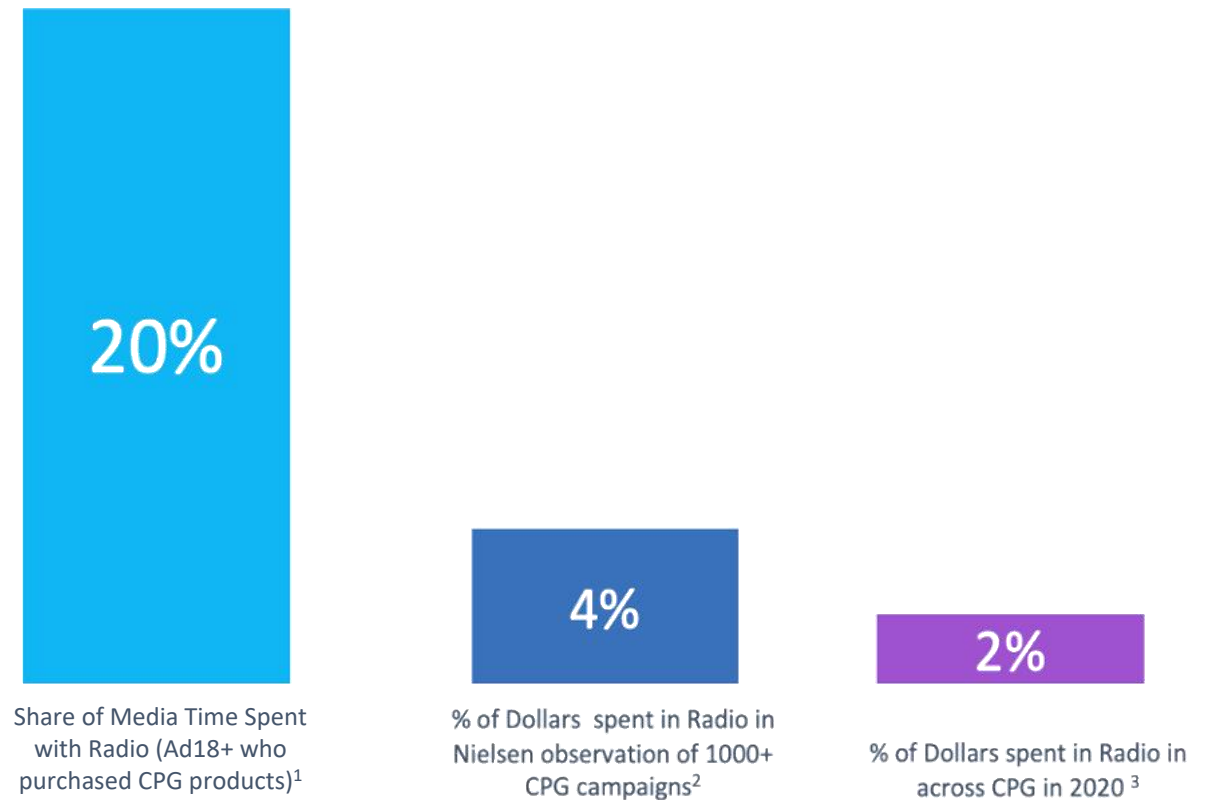


**Utilize Radio's halo effect with other CPG media tactics to drive incremental sales lift.**



DESPITE BEING A  
HIGH REACH TACTIC,  
WITH FANTASTIC  
SHORT-TERM ROI,  
RADIO RECEIVES THE  
LOWEST MEDIA  
INVESTMENT SHARE  
FROM CPG BRANDS

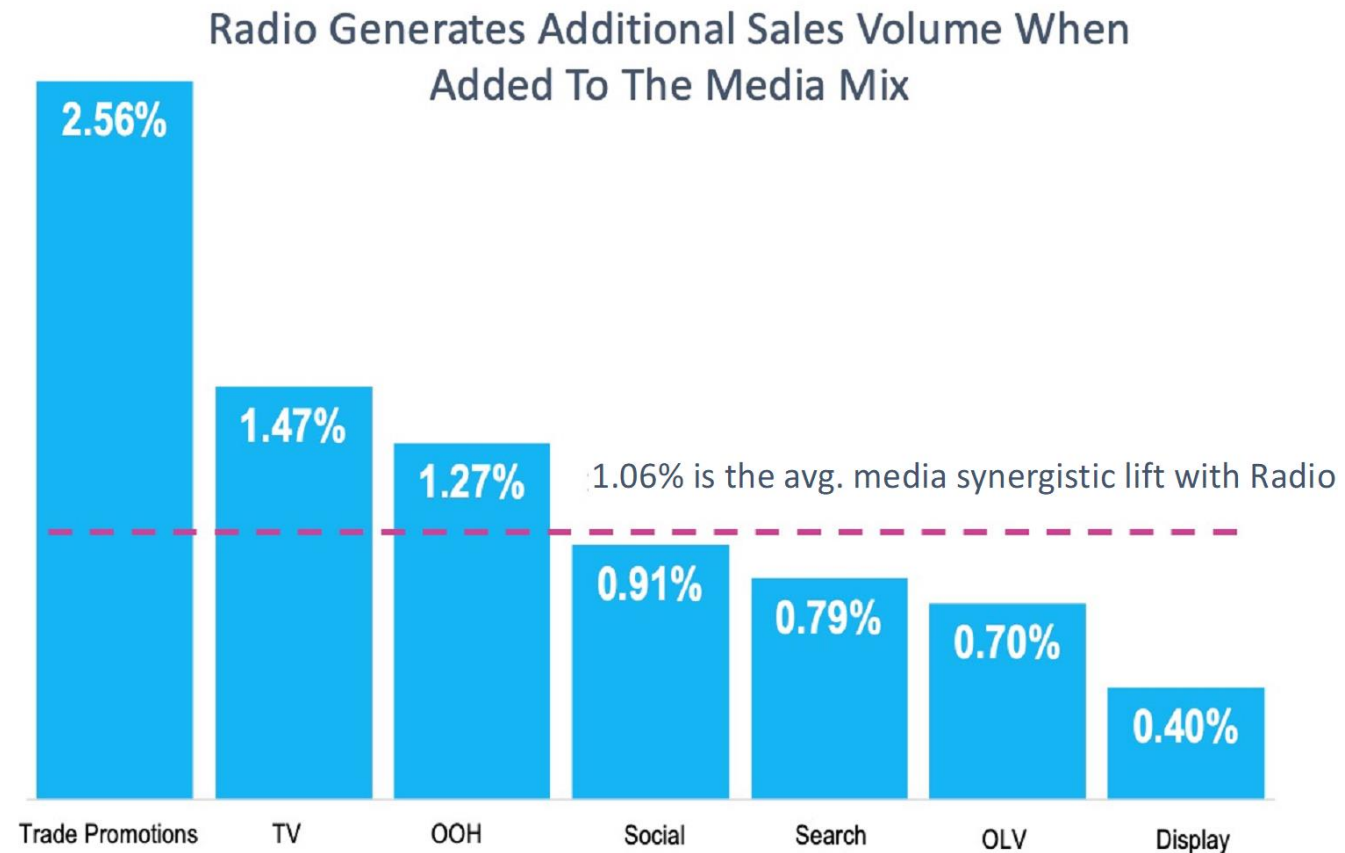
Dollars Invested In Radio Is  
Disproportionate To Amount Of  
Media Time Consumers Spend With  
Radio



# RADIO IN COMBINATION WITH TV AND OOH DRIVE THE LARGEST INCREMENTAL SALES VOLUME FOR CPG BRANDS

Source: Nielsen Canada Radio Connects CPG Norms Database Analysis

## Radio's Halo Effect On All CPG Media Tactics Drives Sales Lift



## THE RESULTS



**Adding AM/FM Radio to  
CPG brand activity  
improves Total Media  
ROI, increases Trade  
Activity synergies and  
results in overall  
improved sales  
outcomes**

# IMPROVED OUTCOMES

\$2.35

For every \$1 spent,  
Radio generates over 2X  
the value in sales

2.4X

Radio is more  
synergistic than all  
other Media in  
supporting prioritized  
Trade Activity

28%

Improvement to  
synergistic sales volume  
when added to other  
Media Tactics



# THANK YOU

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