

AM/FM Radio and TV Work Together

What's the best way to grow sales? Add
AM/FM Radio to your Television campaign.

August 2020



“Mass reach is the key
to new customer
growth”.

SOURCE: Byron Sharp,
How Brands Grow 1&2

- The gurus of marketing effectiveness say the driver of sales lift is customer growth powered by mass reach & expanded media channels.
- It's no less true today than it was when Byron Sharp first said it in his legendary marketing book *How Brands Grow* - broad reach is key to acquire new customers. With so many choices available to consumers, unavoidable turnover among a brand's customer base makes increasing household penetration crucial to a brand's sales volume. That requires broad reach and frequency of exposure.

“Target everyone who
buys your category”.

SOURCE: Les Binet & Sarah Carter ,
How Not To Plan: 66 Ways to Screw It Up

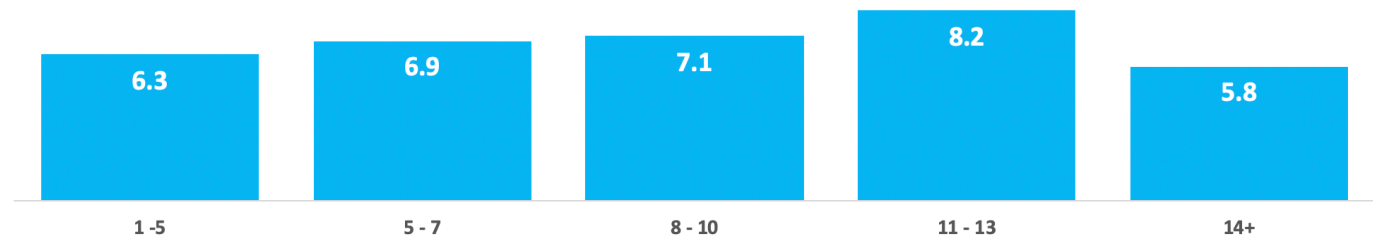
- Les Binet and Sarah Carter believe advertisers should target everyone who buys their product category and recommend the following to grow sales:
 - Always aim to get more customers from all segments of the market. It's the main way brands grow.
 - Talk to everyone who buys your category. Talk to them regularly because advertising memories fade.
 - Reach as many category buyers as possible.
 - Don't target too narrowly, it's rarely effective. Tight targeting means low sales and profits.

“Adding media channels increases reach and effectiveness”.

SOURCE: Peter Field & James Hurman,
The Effectiveness Code

- *The Effectiveness Code*, a major new study by marketing effectiveness experts James Hurman and Peter Field, is an expansive report that analyzed 4,863 effectiveness case studies from every major market in the world.
- One of the key findings of their study revealed as the number of media channels increases, effectiveness grows. Along with spend and campaign duration, there is a strong correlation between the number of media channels used and effectiveness.

Average WARC effectiveness points score by number of channels used



SOURCE: Cannes Lions & WARC, The Effectiveness Code, James Hurman & Peter Field, 2020

AM/FM Radio extends TV Reach

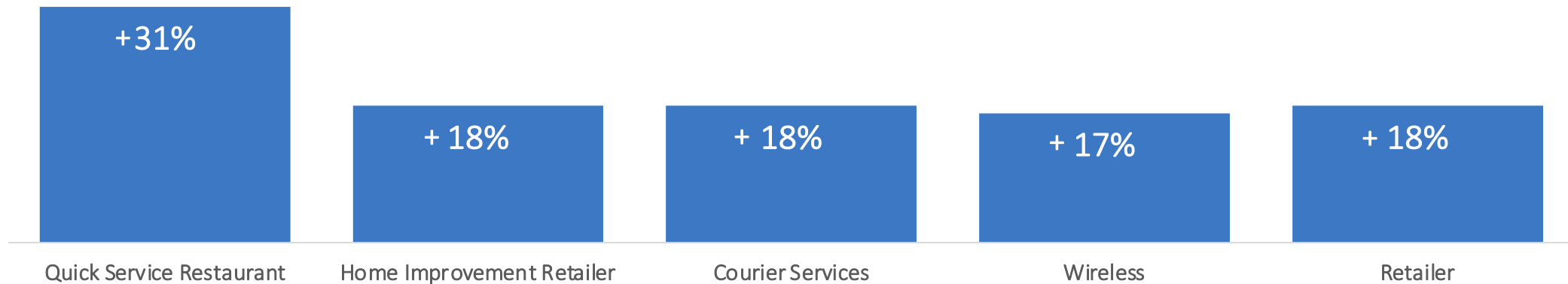
SOURCE: Nielsen U.S,
*Nielsen PPM Custom Analysis, Aggregate of
Incremental Reach Studies conducted in 2019 / 2020*

- A series of Nielsen cross-media studies commissioned by CUMULUS MEDIA | Westwood One, finds the addition of AM/FM Radio to a TV plan generates a substantial lift in campaign reach.
- As in Canada, Nielsen PPM service measures both TV and AM/FM Radio audiences with the same panel, enabling researchers to precisely determined those only exposed to the TV ads, those only exposed by AM/FM Radio ads, and those exposed to both the TV and AM/FM Radio ads.
- Consistently, across 5 different case studies, Nielsen found adding AM/FM Radio to the TV plan generated on average a 20% increase in reach.
- They also found 5 consistent themes when AM/FM Radio was added to the mix:
 1. Typically the reach of TV increased with the age of the target. Adding AM/FM Radio to TV campaigns targeted to younger demos resulted in the largest incremental reach generated by AM/FM Radio
 2. AM/FM Radio generated large reach lifts in bigger households with children
 3. Reach among employed consumers received a major boost when AM/FM Radio was added to the plan
 4. The major source of AM/FM Radio's incremental reach was light TV viewers
 5. Across the 5 studies, Nielsen found nearly two-thirds (63%) of the incremental reach generated by AM/FM Radio came from light TV viewers.

Adding AM/FM Radio to the TV plan generated a 17+% lift in incremental reach across various categories

Although each campaign utilized varying levels of TV and AM/FM Radio investment, putting AM/FM Radio into the media plan consistently increased campaign reach.

*Incremental reach among A6+**



SOURCE: Nielsen PPM Custom Analysis, Aggregate of Incremental Reach Studies conducted in 2019 / 2020; Home Improvement reflects A35-64, not A35-54 | *U.S. demographics measured at 6+ vs. Canada at 2+

The younger the demographic, the greater the increase in incremental reach generated by AM/FM Radio

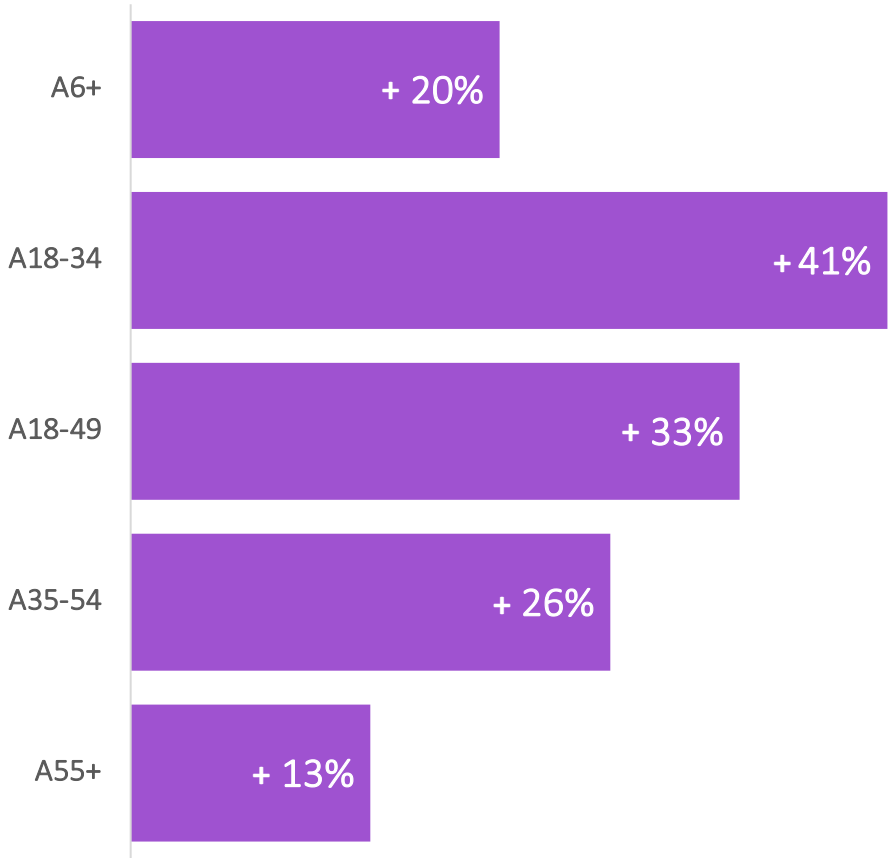
Incremental Reach by Age

Category	A6+	A18-34	A18-49	A35-54	A55+
Quick Service Restaurant	+31%	+46%	+30%	+32%	+31%
Home Improvement retailer**	+18%	+42%	+35%	+25%	+11%
Courier Services	+18%	+39%	+33%	+24%	+9%
Wireless	+17%	+35%	+30%	+22%	+8%
Retailer	+18%	+41%	+37%	+30%	+10%

Across the five categories, AM/FM Radio generated an average **+33%** incremental lift in TV reach among A1849, and a **+41 %** increase in TV reach among the A1834's.

As TV reach increases with age, adding AM/FM Radio to a TV plan **dramatically increases reach** among persons 18-54.

Average Incremental Reach by Age

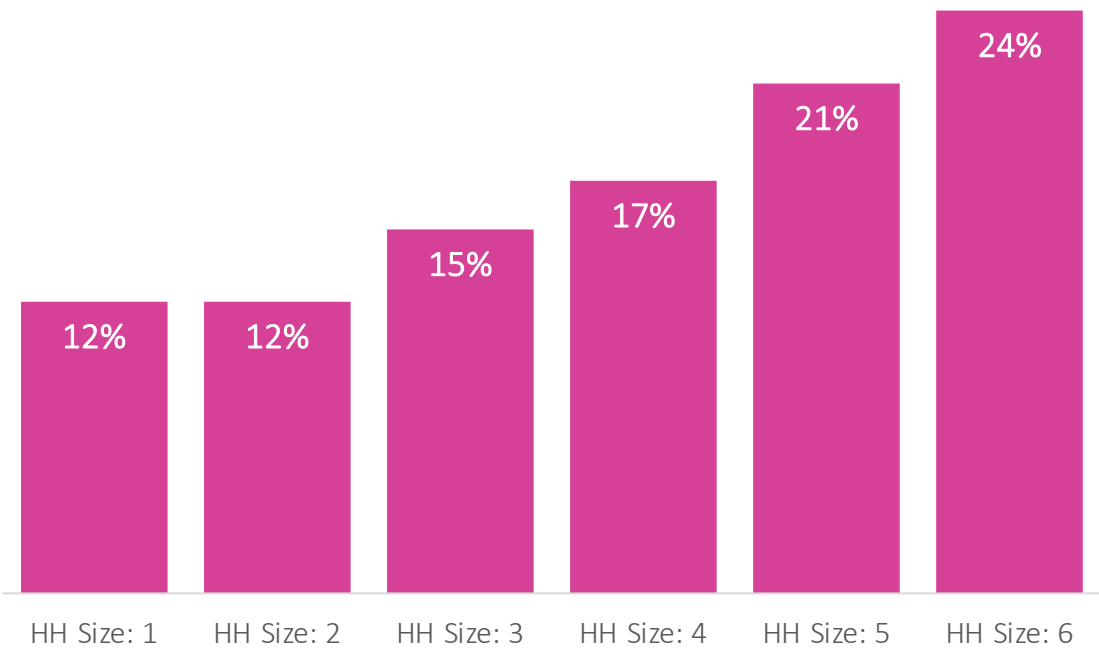


SOURCE: Nielsen PPM Custom Analysis, Aggregate of Incremental Reach Studies conducted in 2019 / 2020; | **Home Improvement reflects A35-64, not A35-54 | *U.S. demographics measured at 6+ vs. Canada at 2+

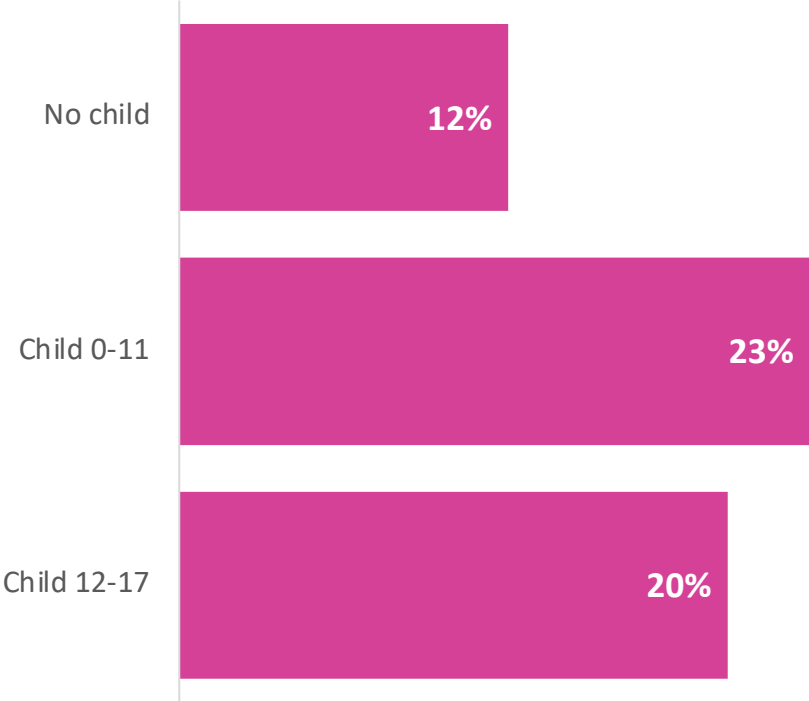
AM/FM Radio generated large reach lifts in bigger households with children

Across the five case studies, AM/FM Radio drove greater reach growth in households with kids and teens.

Incremental Reach by Household Size



Incremental Reach by Age of Children in Household

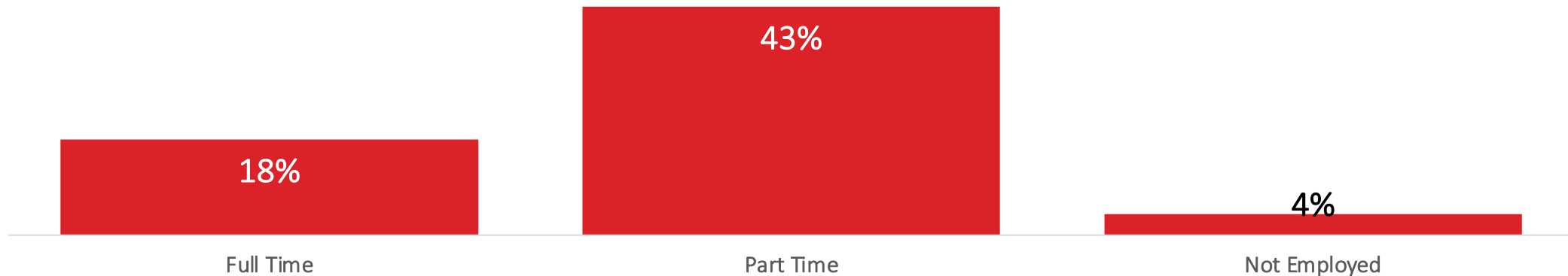


SOURCE: Nielsen PPM Custom Analysis, Aggregate of Incremental Reach Studies conducted in 2019 / 2020

Reach among employed consumers grew when AM/FM Radio was added to the plan

Most AM/FM Radio listeners are employed – Canadian AM/FM Radio reaches 52% of A18+ who work 30+ hours/ week and 77% of A25-54 who work 30+ hours. That’s why AM/FM Radio is known as “the soundtrack of the employed.” If a brand target includes the workforce, AM/FM Radio is the ideal addition to the media plan.

Incremental Reach by Employment Status



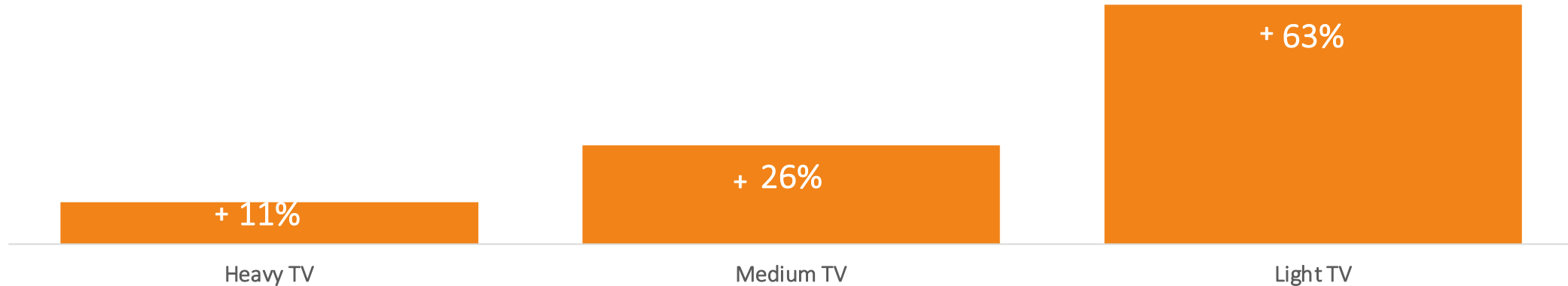
SOURCE: *Nielsen PPM Custom Analysis, Aggregate of Incremental Reach Studies conducted in 2019 / 2020 | Numeris PPM Total Canada NC 2019-08-26 to 2020-08-23, AW (Mo-Su 2a-2a)

Light TV viewers were a source of AM/FM Radio's incremental reach. Canadian Radio reaches 88% of Canada's A25-54 light TV Viewers

Over the five studies, Nielsen found nearly two-thirds (63%) of the incremental reach generated by AM/FM Radio is from light TV viewers.

According to Numeris Spring RTS 2020 data, **37% of A25-54 in Canada are light TV viewers**, who spend only 6.6 hours / week with TV.

Radio Incremental Reach against TV Quintiles



SOURCE: Nielsen PPM Custom Analysis, Aggregate of Incremental Reach Studies conducted in 2019 / 2020 | RTS Spring 2020: Total Canada / A25-54 / Light TV viewers

Summary

- Leaders in marketing science - Byron Sharp, Les Binet, Sarah Carter, James Hurman, and Peter Field - conclude that new customer growth is the key to increasing sales. The route to acquiring new customers includes campaigns with broad reach.
- Brands experience strong effectiveness lift by expanding the number of media channels.
- Five Nielsen cross-media studies commissioned by CUMULUS MEDIA | Westwood One revealed the addition of AM/FM Radio to a Television plan generated significant lift in campaign reach. Across their five case studies, AM/FM Radio generated an average of 20+% lift in incremental reach.
- The younger the demographic, the greater the increase in incremental reach generated by including AM/FM Radio in the campaign.
- AM/FM Radio generated large reach lifts in larger households with children.
- Reach among employed consumers was boosted when AM/FM Radio was added to the plan.
- Canadian AM/FM radio reaches 88% of A2554 light TV viewers.