

Debunking Radio Myths



Audio Update
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#Radioworks

- Some brands have notions about radio that are completely wrong. Insights from key researchers - Ipsos, Audience Insights, Radiocentre.org, The Advertising Research Foundation, Media Technology Report, and Numeris, debunk some of the myths around radio. Here are 5 of the largest misconceptions about the power of AM/FM and its ability to connect with consumers.

Myth # 1: “AM/FM radio has very low reach.”

Ipsos' 2018 Ad Nation study asked Canadian media and marketing professionals about Canadians' radio habits. They underestimated the reach of radio by 20+%.

Continuous passive measurement conducted by Numeris in Canada's largest markets shows AM/FM radio consistently reaches over 90% of Canadians on a weekly basis. MTM's recent Spring 2018 report confirms that even as the audio landscape expands, radio listening has remained stable for the past decade.

RADIO'S REACH IS CONSISTENT ALL YEAR



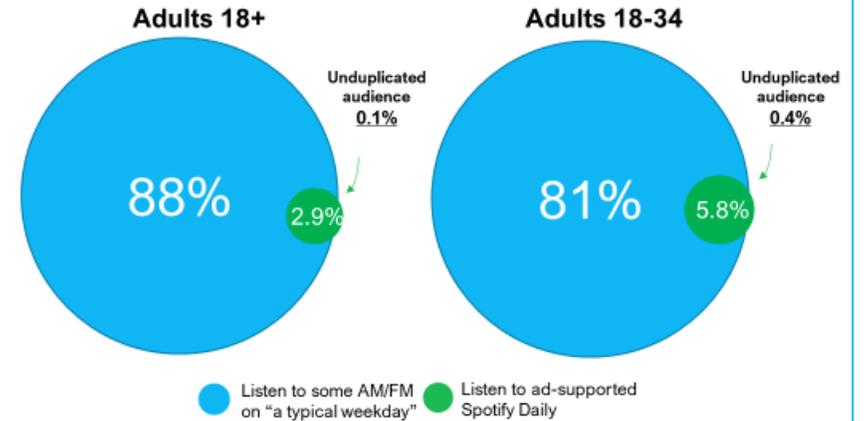
SOURCE: Numeris PPM Data | Mo-Sun 2a-2a | Total Meter Ctrl | Total Radio | Avg. Wkly Reach % | Calendar year 2018 Jan-Dec | Demos as labelled

Myth #2: “Millennials don’t listen to radio.”

According to Audience Insights’ recent Radio On The Move study, 81% of A18-34 years old’s listen to some AM/FM radio on an average day. Personal music platforms like Spotify can’t deliver that kind of reach. In fact only 5.8%* report listening to ad-supported Spotify on a daily basis. That means advertisers can reach Millennials 14X more using AM/FM radio. *ROTM Fall 2019

SPOTIFY LISTENERS ARE ALSO AM/FM LISTENERS

THE VAST MAJORITY OF DAILY AD-SUPPORTED SPOTIFY LISTENERS SAY THEY ALSO LISTEN TO AM/FM RADIO “ON A TYPICAL WEEKDAY.”



SOURCE: ROTM FALL 2018 E1. Thinking of all the time you may listen at home, in the car, or at work, how much time in total do you spend listening to AM or FM radio stations during a typical weekday?
Base: Canadians 18+ (n=3,505) and 18-34 (n=1,076)

Myth #3: “In the world of the connected car, the number one thing people do is stream online radio on their smartphones.”

In the expanding audio landscape, AM/FM continues to dominate in car tuning. According to ROTM, 56% of Canadians wouldn't buy a car if it didn't have a radio. ROTM also reports that when it comes to in car audio, having AM/FM in the car is 2X more important than having Apple Car Play for iPhone users and 2.5X more important for Android users than having Android Auto.

AM/FM AN IMPORTANT FEATURE IN NEW CARS

MORE IMPORTANT THAN AUTOMATIC BRAKING, PARALLEL PARKING ASSIST OR APPLE CAR PLAY / ANDROID AUTO

% Who Ranked as <u>Most Important</u>	iPhone Users	Android Users
Backup camera	41%	32%
AM/FM radio	25%	31%
Driver assist features (such as automatic braking)	14%	16%
Apple CarPlay/Android Auto	12%	13%
Automatic parallel parking	8%	9%



SOURCE: ROTM FALL 2018 Q. FT. 1. Please rank each of the following features in terms of how important they would be to have in your new car or truck. Base: Canadians 18+ iPhone users (n=1113); Android users (n=1436)

Myth #4: “Today’s optimal media plan: put all your money into mobile and social.”

In a fragmented media landscape, shrewd marketers are returning to a balanced approach. Effective communication platforms are not built on an “either / or” scenario. The Advertising Research Foundation advises only 22% to 29% of a media plan be allocated to digital. The truth is AM/FM radio can deliver more reach in one week than any social platform, across all age groups.

RADIO CAN REACH MORE CANADIANS IN ONE WEEK THAN ANY SOCIAL PLATFORM, REGARDLESS OF AGE



SOURCE: RTS FALL 2018 Canada social networks used past 7 Days / radio total market 7 day cume

Myth #5: "Radio doesn't build brands."

Digital platforms and services like Google, Amazon, TripAdvisor and Trivago as well as DTC businesses like Wayfair, SkipTheDishes and Hello Fresh, repeatedly use mass media, including radio, as part of their communication plans. Their marketing teams know radio can create the brand fame needed to drive results. They also know when people hear ads on the radio, they take action online.

RADIO CREATES BRAND FAME AND DRIVES ACTION

5X

Unaided recall greater than those not advertising on radio

Brands advertising on radio are remembered.

Commercials heard on the radio influence purchase behaviours.

50% - Canadians who action after hearing an ad on the radio



33% - Hearing an ad on the car radio affected a purchase they were about to make, or a store/location about to be visited.



30% - Ad1834 year old's went online to seek more info on a product/service they heard advertised on AM/FM radio



Source: ROTM Fall 2018 Ad1. Whether listening in the car or elsewhere, have you ever taken any of the following actions after hearing a brand, product or service advertised on AM/FM radio? | Radiocentre.org-AudioNow

Truth: #Radioworks

AM/FM delivers continuous reach across all key consumer demos throughout the year.

Radio reaches Millennials 14X more than ad supported Spotify.

Smart phone users would rather have an AM/FM radio than Car Play or Android Auto in their cars.

Key consumer segments are reached more by AM/FM radio than any social media platform.

An ad heard on the radio aids brand recall, influences purchase behaviours and drives online actions.

