



Westwood One

AUDIO ACTIVE
G R O U P

**How advertising
works and why
AM/FM radio &
digital should be
your base buy**

Key takeaways: Why AM/FM radio + digital should be your base buy

- Marketing has two equally important jobs: converting existing demand and, creating future demand
- Since reach is the foundation of marketing effectiveness, adding media grows reach and sales effect.
- Adding AM/FM radio to a TV + digital buy significantly grows reach.
- The addition of digital to an existing AM/FM radio campaign also increases reach.
- The addition of AM/FM radio to an existing digital-only campaign causes reach to surge.
- A radio base plan with digital extensions drives the greatest market reach – more than a TV base buy, print or outdoor

How advertising works

Makes your brand easy to think of and easy to buy

and

creating positive feelings and associations

via

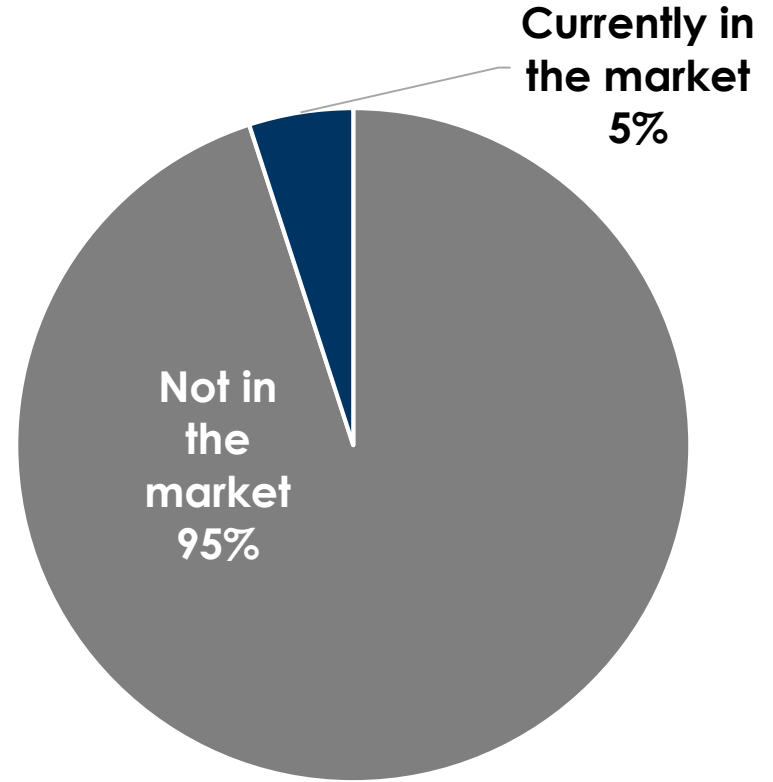
broad reach ads that people find interesting and enjoyable

and

targeted activation that they find relevant and useful

The 95/5 rule:

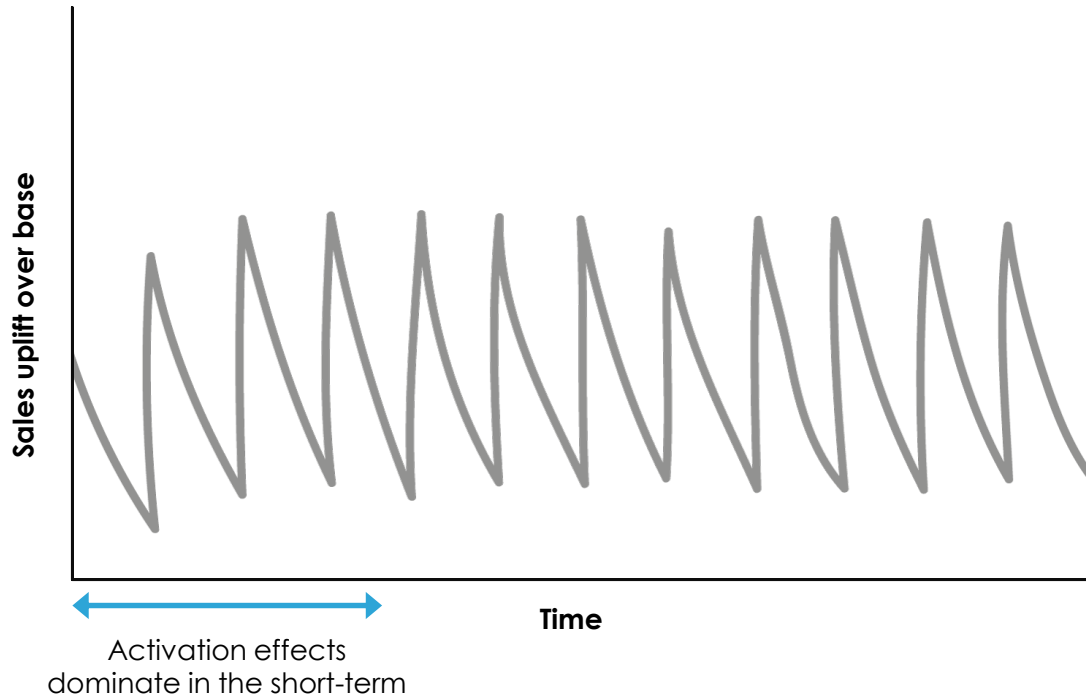
Only a small number of people are in the market at any point in time



Marketing has two equally important jobs

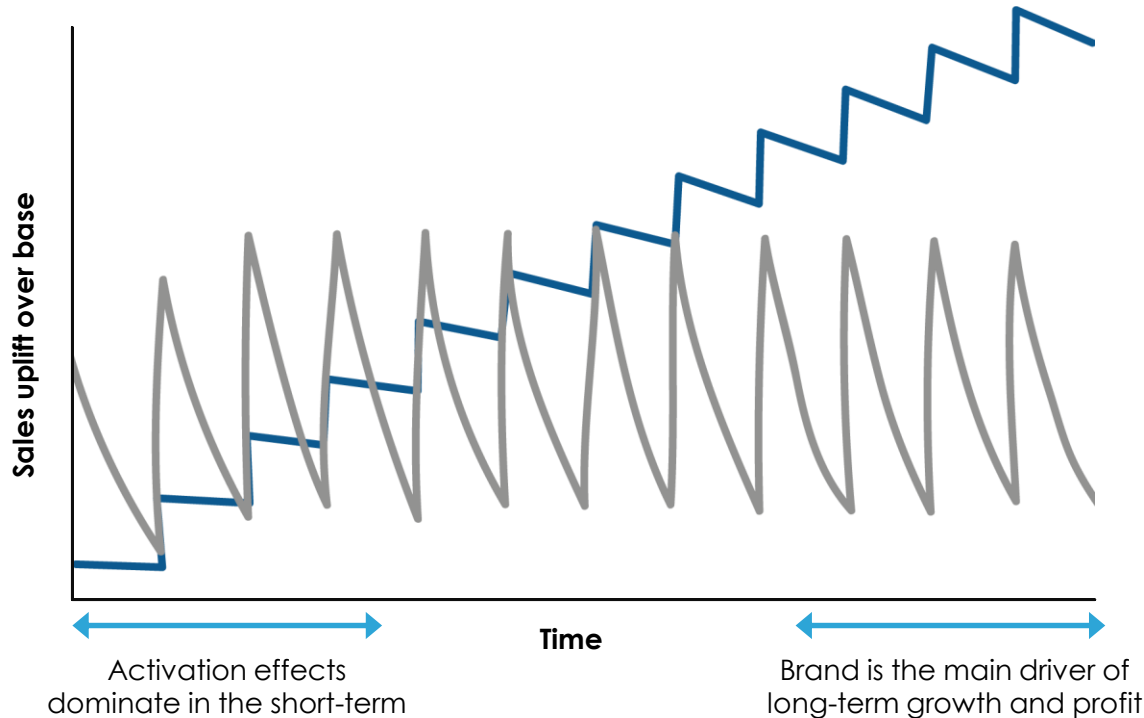
Convert existing demand	Create future demand
Create a lead	Create a memory
Generates sales now	Influences future sales
Tightly targeted	Broad reach
Short term	Long term
Persuasive messages	Positive emotions

Converting existing demand generates short-term sales uplift



Converting existing demand/short-term sales lift
Short-term sales uplifts, but brand perceptions unchanged. No long-term increase in sales. Converting existing demand via sales events is the “carbohydrate” of advertising.

Creating future demand steadily builds sales over time



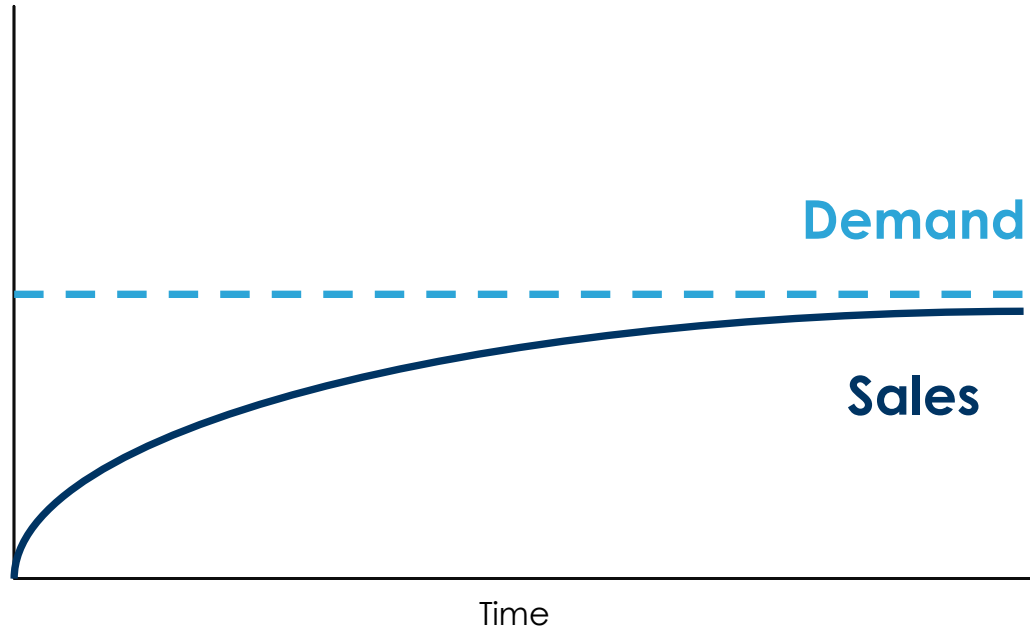
Creating future demand/ long-term sales growth

Brand grows stronger, leading to long-term volume increase and reduced price sensitivity. Creating future demand via the “protein” of advertising.

Converting existing demand/short-term sales lift

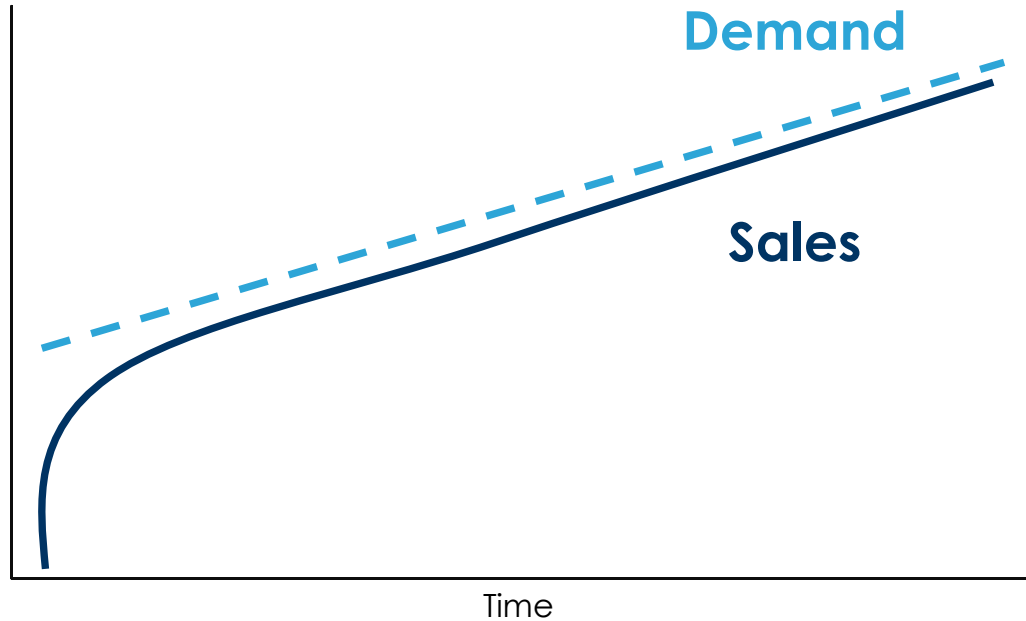
Short-term sales uplifts, but brand perceptions unchanged. No long-term increase in sales. Converting existing demand via sales events is the “carbohydrate” of advertising.

If you only do sales events, no future demand is created



- **Demand** for the brand stays flat
- **Sales** plateau when demand is exhausted aka: sales conversion valley of death
- Conversion activity stops working as there is no more demand

When future demand is created consistently, sales growth can be maintained



- Future **demand** is consistently built
- **Demand** is converted at a sustainable rate as it's created
- Conversion activity continues to work as new demand becomes available

Advertising impact takes place over an extended period of time

Due to the 95-5 rule, less than 20% of current ad spend impacts in the short term

% of sales impact





**Why digital and radio work so
well together**

Use AM/FM radio to create future demand and Digital Solutions to convert existing demand





What happens when a portion of a TV + digital plan is shifted to AM/FM radio with no increase in budget?

Nielsen Media Impact: A TV + connected TV + digital campaign generates sufficient reach

Nielsen Media Impact: % reach

59% reached

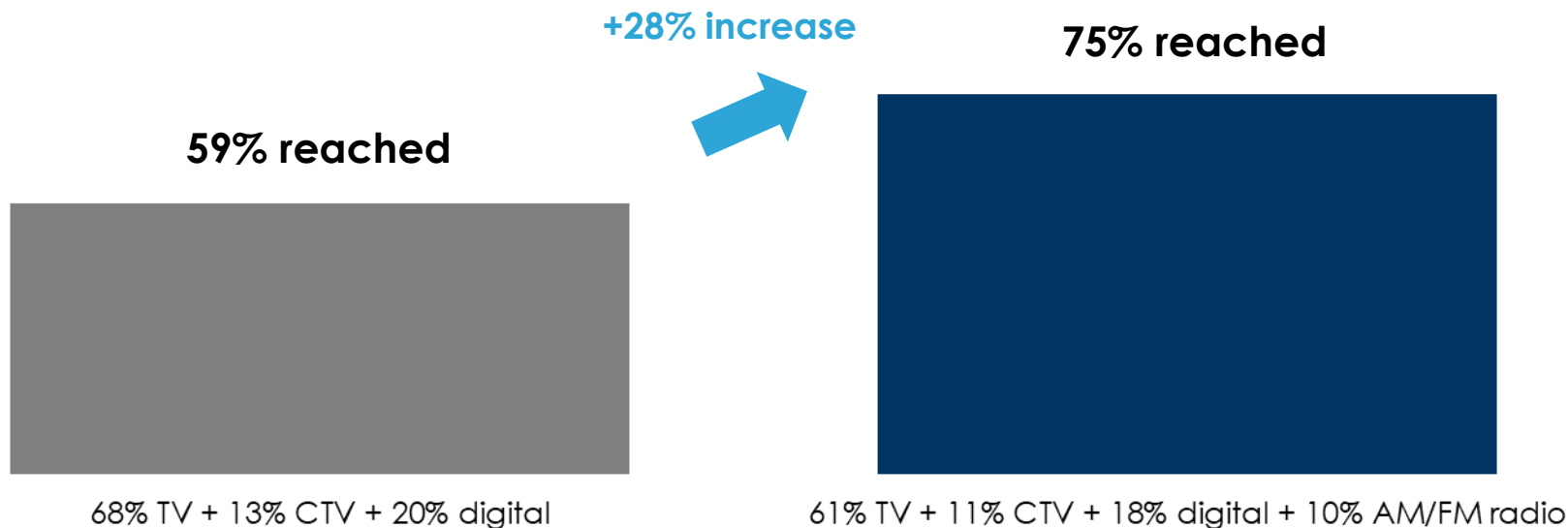


68% TV + 13% CTV + 20% digital

Source: National Nielsen Media Impact November 2023 campaign. \$10,000,000 national campaign in both instances. Television campaign represents all broadcast television, CTV is ad-supported OTT devices and inventory, Digital is all desktop, social, mobile. Radio is all broadcast Radio. Persons 18+, TV: \$31,100 CPP, CTV: \$25 CPM, Digital: \$10 CPM, Radio: \$5,000 CPP

Nielsen Media Impact: Adding AM/FM radio to the media plan generates a +28% increase in reach with the same spend

Nielsen Media Impact: % reach with a 10% reallocation to AM/FM radio



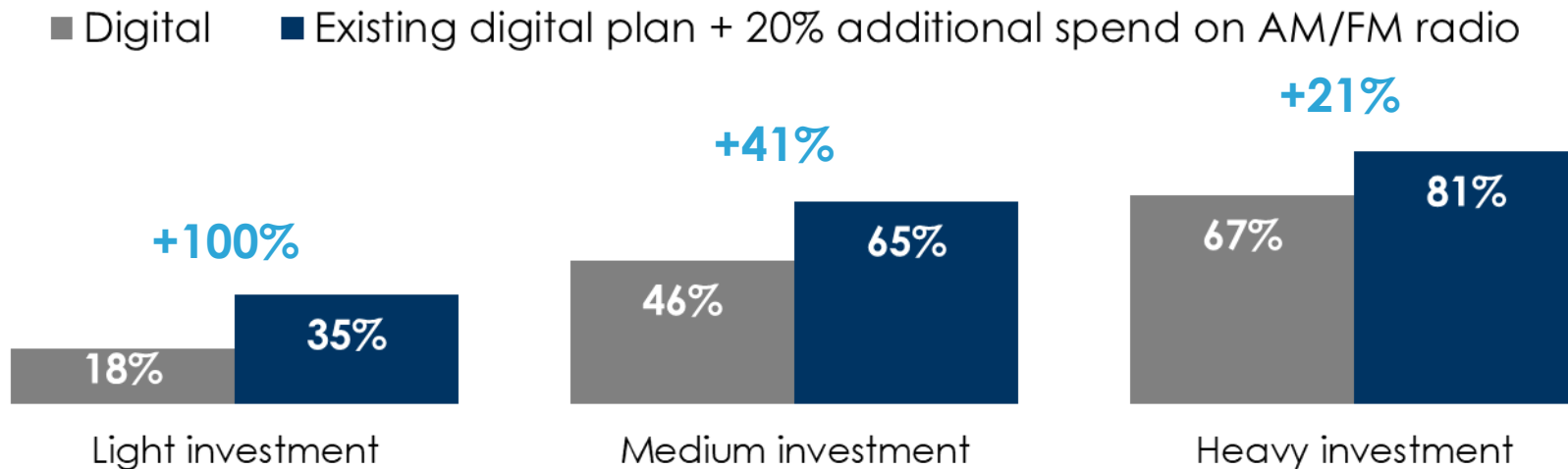
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**What happens when AM/FM
radio is added to a digital-only
plan at a 20% increase?**

Nielsen Media Impact: Adding AM/FM radio to digital-only campaigns generates significant incremental reach at all media investment levels

Adults 25-54, monthly reach by amount spent



How to read: A medium digital-only campaign reached 46% of the market. Adding AM/FM radio to the plan for a 20% additional investment generated a +41% increase in campaign reach.

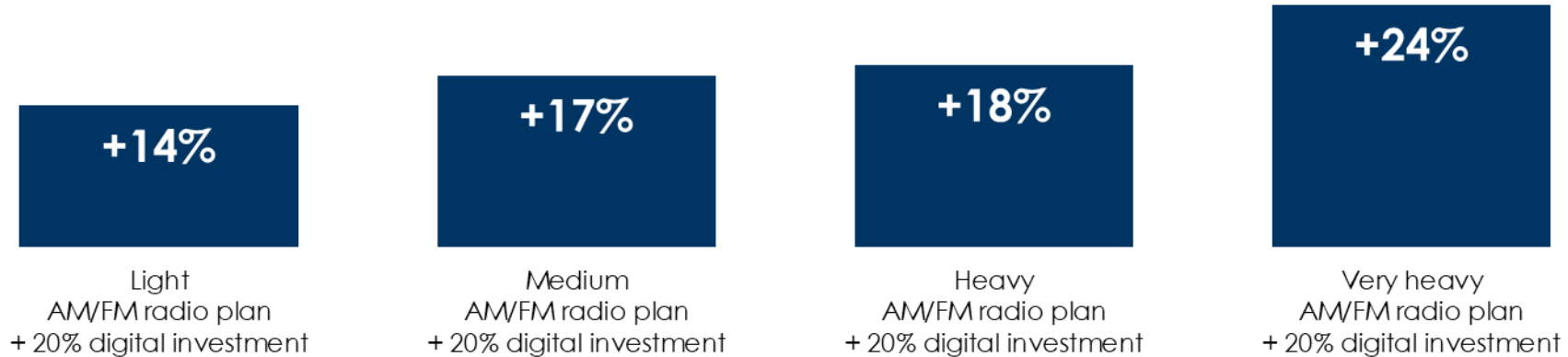


**What happens when digital
(online video and social) spend is
added at a 20% increase to an
AM/FM radio plan?**

Nielsen Commspoint: Adding online video and social delivers consistent incremental reach to all AM/FM radio investment levels

Online video and social as a 20% addition to an AM/FM radio campaign

Incremental monthly reach added among adults 25-54 when a digital investment (online video and social) is added to an AM/FM radio media plan



How to read: Adding digital to a very heavy AM/FM radio plan for a 20% additional investment generated a +24% increase in campaign reach among adults 25-54.



**Which base buy media
generates the greatest
reach? TV, outdoor, print or
radio?**

Four cross-media plan scenarios were examined, each with a different base media

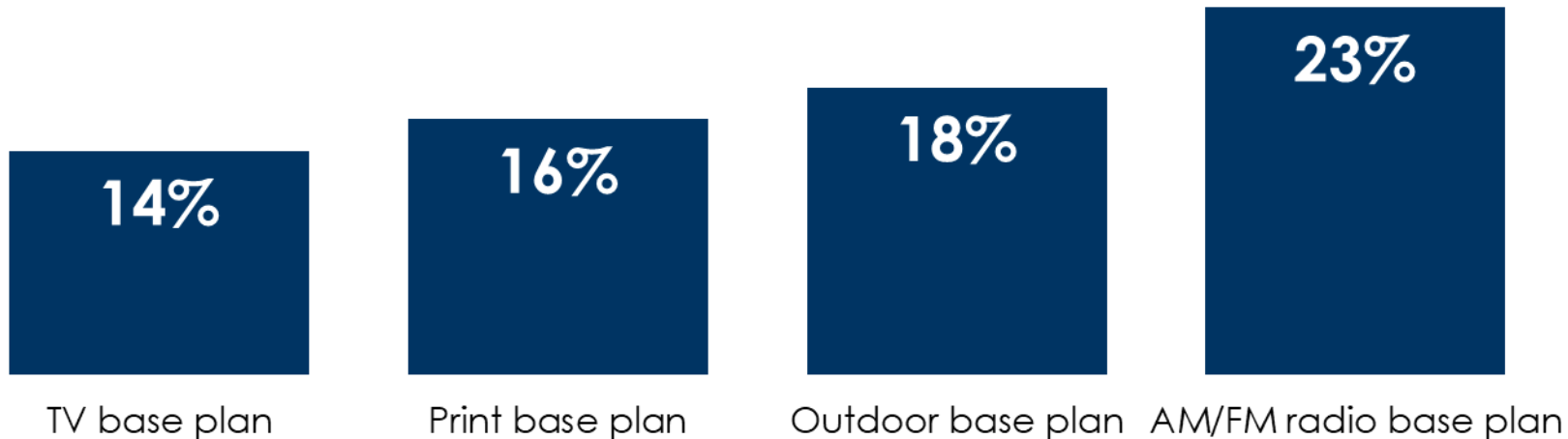
Nielsen Commspoint base plan comparison for adults 18+:
60% base (AM/FM radio, print, outdoor, or TV), 20% digital, 20% connected TV
Each plan had the same \$500K budget



AM/FM radio, print, outdoor, or TV

A cross-media plan with AM/FM radio as the base buy generates the greatest market reach

Nielsen Commspoint base plan comparison for adults 18+:
60% base (AM/FM radio, print, outdoor, or TV), 20% digital, 20% connected TV
% of market reached monthly



How to read: A media plan consisting of 60% AM/FM radio (as the base buy), 20% connected TV, and 20% digital reaches 23% of the marketplace, greater than any other base plan scenario.

Why AM/FM radio?

- AM/FM radio personalities build trust, community, and connection, **creating emotional engagement**.
- Audio ads outperform video for **attention and brand recall**.
- Reach consumers on the path to purchase: **AM/FM radio has an 86% share of ad-supported in-car audio**, according to Edison Research's Q4 2024 "Share of Ear" study.
- AM/FM radio is the **#1 mass reach media**, according to Nielsen's Comparable Metrics, that creates future demand, so brands can be "known before they are needed."
- AM/FM radio **significantly outreaches TV** in all major demographics.
- AM/FM radio **elevates the media plan** with massive lift in reach across all demographics.

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Full-service advisory for national brands offering media planning recommendations, creative best practices, and measurement services

The **Cumulus Media | Westwood One Audio Active Group®** is a true comprehensive marketing advisory that partners with clients to measure the impact of the **entire** audio campaign (not just the Cumulus Media | Westwood One investment), specializing in the following areas:

- **Audio creative best practices**
- **Media planning**
- **Strategic allocation within audio**
- **Measure the impact of the entire audio investment**

For more, please visit the Cumulus Media | Westwood One Audio Active Group® blog

CumulusMedia.com



Click '**Blog**' at the bottom of the homepage

WestwoodOne.com/blog



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