RADIO: THE ROI MULTIPLIER

HOW RADIO CAN UNLOCK MILLIONS IN UNTAPPED REVENUE FOR ADVERTISERS

Preface

Simon Redican
Managing Director

This report has been a year in the making.

Across that time, the major econometric analysis agencies signed up to the vision of constructing the definitive analysis of radio's ROI contribution within the wider marketing mix; they extricated all of their econometrics data relating to radio campaigns and supplied it to the central pool; the data has been aligned and analysed to produce highly compelling findings.

We would like to thank all of our agency partners, who represent all of the major agency groups (BrandScience, Data2Decisions, Havas Media, Holmes & Cook, IPG Mediabrands, MediaCom, Mindshare, OHAL, and Starcom Mediavest), for trusting us with their data and committing their time to this study – the biggest of its kind – for the benefit of their clients and the wider industry.

Finally, we would like to thank those in the industry who helped along the way: the IPA for their wise counsel; Robin Angell and the J-ET team for helping to fill some information gaps; and a special thank you to Holmes & Cook, who did such an incredible job of making sense of the blizzard of data.

Who knew numbers could be so interesting!

Mark Barber
Planning Director

Over 20 years of RAB research gives a clear indication of radio's multiplier effect within the media mix. But to date this claim has been based mainly on intermediary measures; unsupported by definitive ROI evidence.

That's why we commissioned this study.

We encountered a lot of challenges along the way – not least getting sufficient data to enable the analysis to take place. And, because it's a first, we had to create a process to capture, harmonise and interrogate the data before we could begin to unearth some frankly astonishing results for radio.

Because it's a new RAB study about radio, you won't be surprised to hear that this report contains strong evidence of radio's multiplier effect on ROI for advertisers - not least that allocating a higher share of media budget to radio can significantly improve returns from overall media investment – and some important lessons for optimising this.

If you'd like to discuss how your brand can harness Radio's ROI Multiplier effect, please give us a call on 020 7010 0700 – we'd love to hear from you.

Contents:

Partner agencies:

The Main Headlines

First-ever analysis of confidential cross-agency data reveals radio's true return on investment (ROI):

- Brands using radio **get their money back nearly eight times over** on average, and in many sectors, radio offers the best ROI of any media
- For radio campaign planners, **maximising weekly coverage** rather than frequency delivers significantly stronger ROI
- The brands which have the highest radio ROI use **commercials which stand out, fit well with the brand and communicate information clearly**
- **Using more radio boosts overall campaign ROI:** if existing budgets are reallocated from other media to give radio a 20% share of spend, overall campaign ROI increases by 8%
- For the Top 100 radio advertisers, this is **equivalent to recouping over £1.4bn in untapped return** on their advertising investment

Implications for Advertisers

The implications of this study are evident: advertisers can significantly boost their campaign ROI by:

- **increasing share of spend on radio to around 20%, subject to media mix**
- **maximising radio weekly audience coverage (rather than optimising frequency)**
- **leveraging effective creative components (stand-out; brand-fit; clarity) within radio executions**

Executive Summary

In a **world first**, this study evaluates radio advertising effectiveness in detail in terms of revenue **return on investment** (ROI) across a broad dataset. The results are based on an analysis conducted by Holmes & Cook of confidential ROI data supplied by nine econometrics agencies representing **all major media agency groups**, covering over **2,000 individual media campaigns** across 517 separate advertising campaigns. The campaigns covered ten major sectors, and used a variety of multi-media combinations. All data were supplied direct by the agencies, and unbranded to preserve client confidentiality.

On average **radio advertisers get their money back 7.7 times over**, although some categories show exceptional performance, notably automotive and retailer brands, as well as impulse products. This makes radio the medium with the second-highest return on investment (TV is first), out-performing press, outdoor and online.

When the creative analysis from radioGAUGE studies is included, we see that the radio campaigns most likely to out-perform the average are those which have **standout, present their message clearly** and are seen to **fit well with the brand**.

In terms of media planning, it is **coverage rather than frequency which boosts radio ROI** – there is a strong statistical link between these.

Perhaps most importantly, this meta-regression analysis allows us to assess the "**multiplier effect**" which different levels of radio spend have on **overall campaign effectiveness**. This reveals that brands which reallocate more of their ad budgets to radio see significantly higher returns in terms of **overall campaign ROI**.

Currently radio carries 6% of all advertising budgets, but this study demonstrates that if budgets were reallocated to **give radio a 20% share of total spend** – with no increase in overall expenditure – the **total campaign ROI raises by over 8%**.

For the top 100 radio advertisers, this is equivalent to recouping **over £1.4bn additional return** on their investment.

Background and Objectives

Radio has established itself as an effective advertising medium in the UK, and the RAB holds over 600 case studies demonstrating this. Radio's strengths mainly lie in the way it is consumed:

- people listen for long periods – radio accounts for 25% of all daily media consumption time, according to IPA TouchPoints
- in tandem with the high share of voice that radio offers compared to other media this allows advertisers to achieve very high levels of "share of mind" compared to their rivals
- radio allows advertisers to speak to listeners at key activity moments across the day – during the school run, food preparation, commuting etc.

It seems to be this unique consumption pattern that, when underpinned with the important emotional support role radio plays in people's lives, gives radio the "multiplier effect" which has been demonstrated many times in the RAB's major studies, notably:

- how radio boosts the effect of TV advertising
  (The Awareness Multiplier, 2000)
- radio's ability to drive FMCG sales
  (The Sales Multiplier, 2003)
- how radio boosts brand browsing online
  (The Online Multiplier, 2010)
- how radio's emotional component enhances ad effectiveness
  (The Emotional Multiplier, 2011)

Recently however there has been a dramatic change in the media effectiveness information available to advertisers. An ever increasing need to justify media investment is leading to marketing activity being analysed in far more detail than ever before, particularly in terms of identifying cause and effect. As a result, all the major agency groups now have econometrics specialists, and the effects of individual media within the media mix are being continually measured – albeit in confidence, and using slightly different modelling approaches in each agency.

ECONOMETRICS – THE KEY PUBLISHED STUDIES

Advertising Pays: this 2013 report by the Advertising Association *(www.adassoc.org.uk)* was based on independent research by Deloitte, and established that for every pound spent on advertising, the economy grows by about £6. Although radio was included in the study, its effectiveness was not analysed in detail.

Brand Science OMC study: this 2009 econometric study for the Outdoor Media Centre *(www.outdoormediacentre.org.uk)* identified strong returns on advertising investment, and suggested that some media combinations were more efficient than others. However it was mainly focused on the retail and FMCG sectors, and no specific detail on the role of radio was published.

Payback 3: this 2011 study was commissioned by Thinkbox *(www.thinkbox.tv)* for the commercial TV industry. It analysed the performance of 3000 campaigns over five years using Ebiquity's proprietary data, and specifically looked at the profit generated by advertising – in this regard radio was the second-highest performer amongst the mainstream media (TV came top). However, more detailed findings about the effectiveness of radio were not made public in the study.

The limitations of these studies helped to identify the challenge facing the radio industry. There was a clear need for an authoritative source which could identify the role played by radio in terms of return on advertising investment and explore what influences this.

Key objectives

- **What return on investment does radio deliver for advertisers, how does this compare to other media, and how does it vary by sector?**

- **What characterises the campaigns with the best ROI levels in terms of laydown and creative approach?**

- **How do different levels of radio spend affect the ROI for radio, and for the overall campaign ROI?**

How the Study was done

To meet these objectives we needed data which would:

- allow detailed analysis of the role played by radio in the media mix in terms of ROI
- identify the creative characteristics of the most effective campaigns
- give indications of the most effective ways to deploy media spend

An initial consultation revealed a major challenge to these goals – no single econometrics agency held enough data about radio campaigns to tolerate this depth of analysis. The ground-breaking solution we developed was to pool all available radio-related ROI data held by the main agency groups to allow detailed central analysis to be conducted and underlying patterns revealed.

There were two main stages to the study in order to ensure that it delivered against these requirements.

A. DATA COLLECTION

The initial focus of this project involved briefing and persuading the econometric agencies to agree to participate and provide the data required within the project timings. An important condition within this was that any data supplied would be unbranded to protect client confidentiality.

Our partner agencies for this project included BrandScience, Data2Decisions, Havas Media, Holmes & Cook, IPG Mediabrands, MediaCom, Mindshare, OHAL, and Starcom Mediavest. We appointed Holmes and Cook to conduct the central analysis.

Once signed up for the project, participating agencies were then asked to submit unbranded data for all radio-related campaigns – the vast majority from the past five years. This used a fixed data template (see Appendix for the full template) for the agencies to supply detailed campaign information under three main headings:

i) Qualitative data
As data was supplied unbranded, it was important to collect information to help understand what type of brands and campaigns were being analysed to provide context to the findings.

ii) Quantitative data
This included essential information about the performance of campaigns and individual media.

iii) radioGAUGE data

The additional challenge with analysing unbranded data is that it precludes evaluation of creative impact. To fill this information gap RAB provided agencies with all radioGAUGE information held for their clients, including quantification of creative impact based on the RAB's proprietary 5Is process (see Appendix for more detail). Where matches existed between the campaigns measured on radioGAUGE and those for which they held ROI data, the agencies attached the radioGAUGE information to the unbranded statistics featured in the data template, enabling the influence of creative execution on Radio ROI to be explored without undermining brand confidentiality.

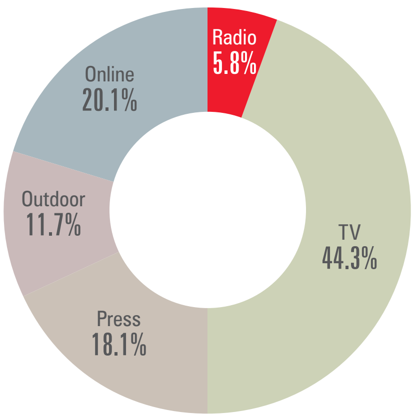
DATA SUPPLY

All data supplied unbranded

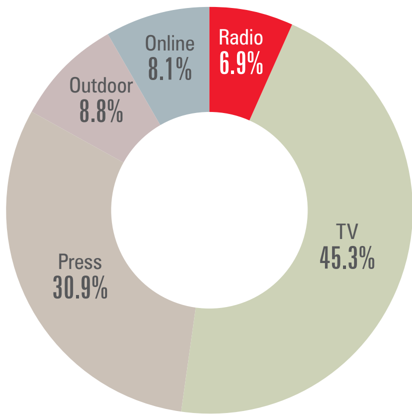
QUALITATIVE DATA	QUANTITATIVE DATA	RADIOGAUGE DATA
Sector Market Position Type of Purchase	ROI Radio Sales Uplift (%) Media Spend Campaign Delivery	5Is score Opinions on creative Creative features

The final Radio ROI Dataset

Following extensive cross-checking and reconciliation of source data, the final dataset was revealed to comprise 22,748 individual data points across 2,000 separate media campaigns relating to 517 advertising campaigns, which spent a total of £2.52bn across media as follows:



Radio ROI Dataset

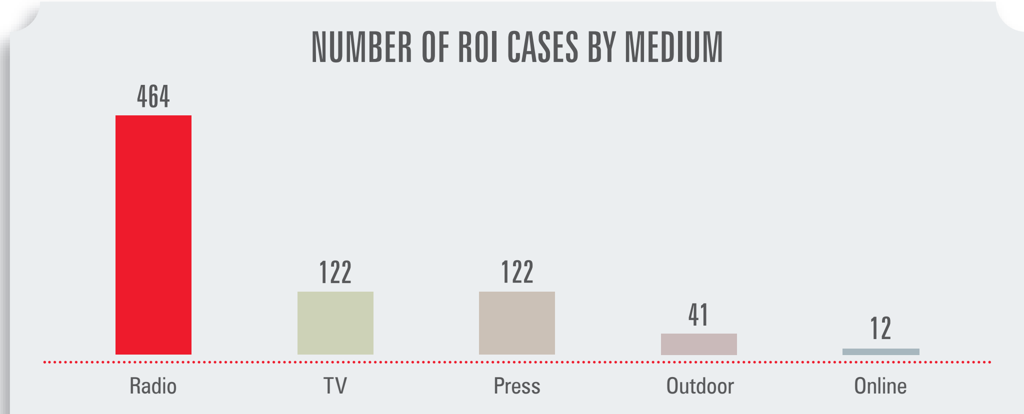


Overall Advertising Market

Source: Nielsen AdDynamix MAT June 2013

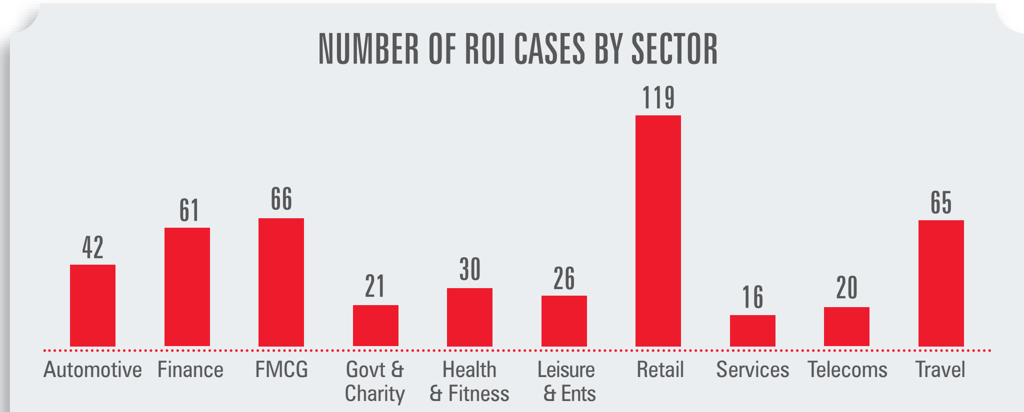
At the total level, the brands in the dataset had a broadly similar pattern of media spend to the wider display market. Interestingly, despite the fact that it featured in all campaigns, radio was under-represented in terms of share of campaign spend. This slight under-investment in radio was found to be consistent across all sectors (see Appendix for a full breakdown) and is crucial to note because it highlights that the use of radio is unexceptional across the campaigns analysed, meaning that there is no bias in the findings resulting from the pattern of media investment.

The number of ROI cases supplied varied significantly by medium (see chart below). As this was a study specifically exploring radio's ROI effect within the mix it is unsurprising that more ROI cases were supplied for radio than any other medium. TV and press were also well represented with over one hundred ROI cases supplied for each whilst, despite accounting for the second highest share of spend, online saw the fewest reported ROI cases of any medium.



Source: Radio ROI Dataset

Inevitably with a study of this nature collating data from a range of different sources – all of which have different approaches to categorising and analysing their campaigns – there were some gaps in the final dataset e.g. we were unable to separate the digital case studies into Search and Display, as in many cases the data was supplied categorised under the catchall of 'Online' (it is therefore assumed that this pool consists of a mix of both search and display-related data); similarly we are unable to break down 'Press' separately into newspapers and magazines.



Source: Radio ROI Dataset

The campaigns covered most major sectors and, based on the qualitative information supplied, tended to represent more established brands (which are by definition more likely to have dedicated econometric modelling data).

B. DATA ANALYSIS

Once the Radio ROI Dataset had been collated, Holmes & Cook conducted five main stages of analysis:

i) Data summary: ROI by medium and sector
The 517 sets of results were used to calculate the average ROIs for each medium and each sector (where data was available). The average ROI calculation was based on the mean of the individual ROIs supplied.

The subsequent four stages were all based on meta-regression analysis, a technique that allows results from different research projects to be analysed as one dataset in order to determine what the true, unbiased outcome is. This form of analysis is commonly used in politics and medicine – allowing important patterns to be extracted, for example, from a diverse set of political polls or pharmaceutical tests. To the best of our knowledge this technique has not previously been used in the field of media econometric analysis.

ii) Meta-regression analysis: Factors enhancing radio ROI
In 229 cases, sales uplifts due to radio were reported – these were used to investigate the factors behind the variation in sales response when radio was used.

iii) Meta-regression analysis: Effect of media laydown on radio ROI
Within the 229 cases where sales uplifts due to radio were reported, radio campaign outputs (e.g. coverage and frequency) from J-ET were available in 131 cases to explore the impact of media planning factors on radio sales uplift.

iv) Meta-regression analysis: Creative features enhancing radio ROI
Also within the 229 cases where sales uplifts due to radio were reported, radioGAUGE data was matched in 27 cases allowing for analysis of the creative characteristics of higher performing radio campaigns.

v) Meta-regression analysis: Effect of radio investment on overall campaign ROI
In 132 cases, overall campaign ROIs were available – these were used to investigate how varying levels of expenditure in different media impacted total campaign ROI.

Stages of the analysis: approach, measure and number of cases

FIVE STAGES OF ANALYSIS					
ANALYSIS	Data summary	Meta-regression analysis			
MEASURE	ROI	Radio sales uplift %			Overall campaign ROI
OUTPUT	ROI by medium & sector	Factors optimising radio effect	Coverage & frequency effects	Effects of creative features	Effects of radio within the mix
CASES	517 cases	229 cases	131 cases	27 cases	132 cases

Following the analysis stages detailed above, the findings from the study were shared with the partner agencies/data suppliers prior to the public launch of the report.

KEY FINDINGS FROM THE STUDY

A. REVENUE RETURN ON INVESTMENT FOR RADIO ADVERTISERS

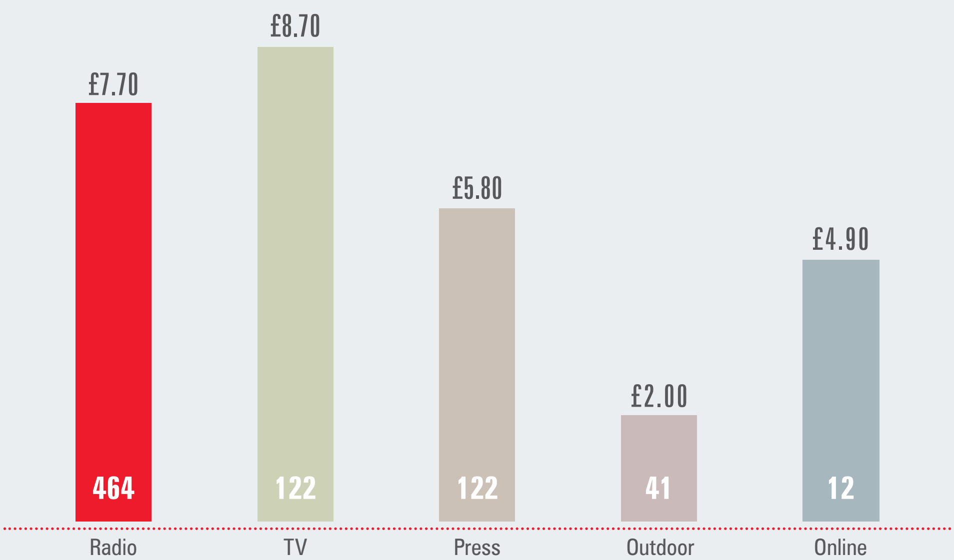
Across the 464 radio advertised brands in the study with ROI information, the average return on investment was £7.70. Put another way, this means that for every pound spent on radio, the advertiser receives £7.70 back.

Note that the ROI featured in this analysis is Revenue Return on Investment (rather than e.g. profit ROI) as this was the measure that most agencies reported.

This makes radio the second most efficient medium after TV in terms of ROI, which aligns with the findings of Thinkbox's Payback 3 study from 2011, which evaluated profit ROI of the different media channels.

Chart - A1

AVERAGE REVENUE ROI FOR BRANDS ON RADIO IS £7.70



Source: Radio ROI Dataset (no. of cases shown in white)

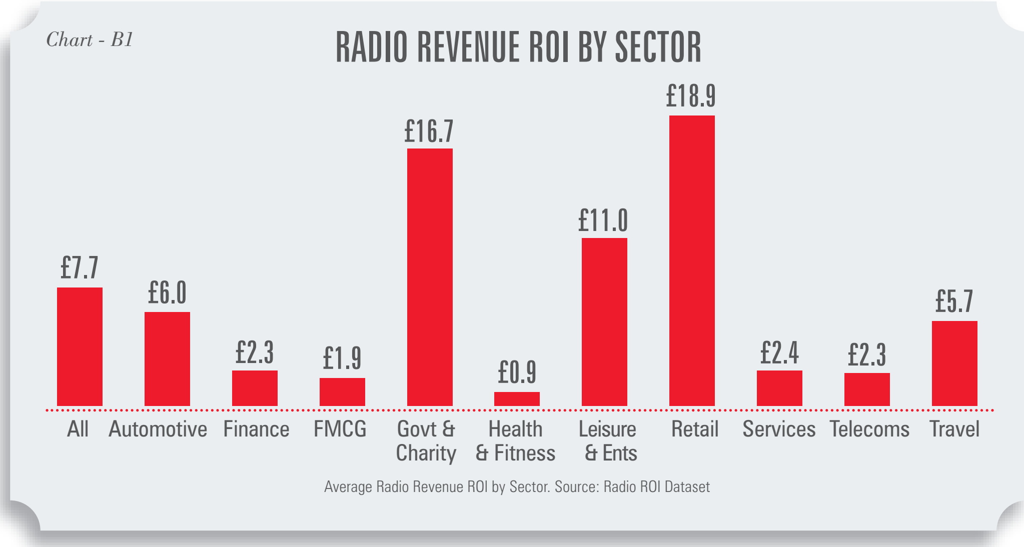
B. VARIATION BY SECTOR

Radio return on investment is found to vary between sectors and this is illustrated in Chart B1. The top performing category is retail, with an average ROI of almost £20 for each pound spent on radio advertising.

This variation in ROI by sector is neither unexpected nor peculiar to radio. The ROI information from the IPA Databank also demonstrates differing returns from individual sectors, with variances broadly analogous across the two datasets, where comparisons can be made.

As we explore later, many factors can influence campaign ROI including type/frequency of purchase, brand maturity and position in market. Clearly these vary considerably from sector to sector and therefore influence the average ROI results accordingly.

To help place these radio ROIs into a more helpful context the next section explores how sector averages vary across media within the Radio ROI Dataset.

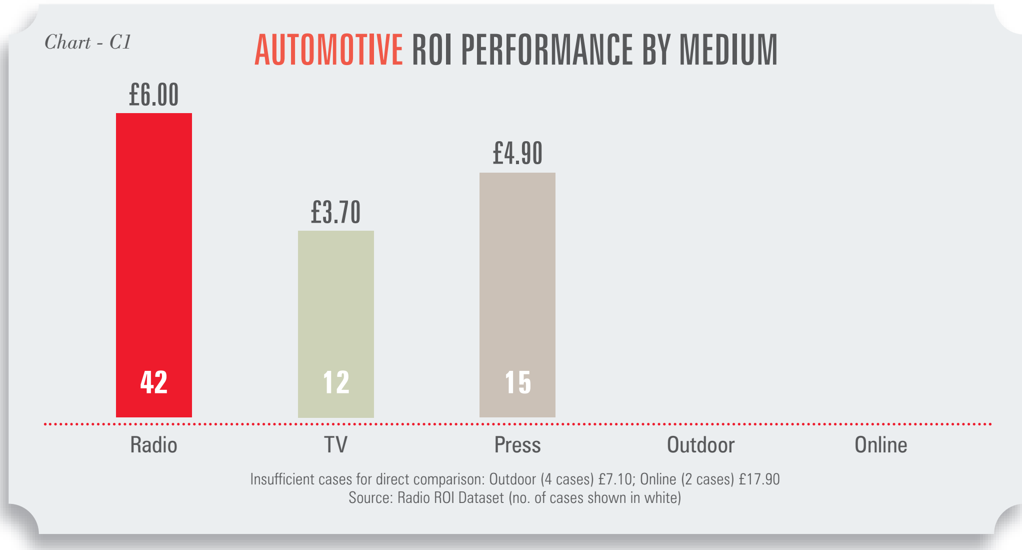


C. HOW SECTOR AVERAGES VARY ACROSS MEDIA

Please note: media where there were fewer than five reported observations are not shown, and sectors where radio was the only medium with 5+ observations are also not shown.

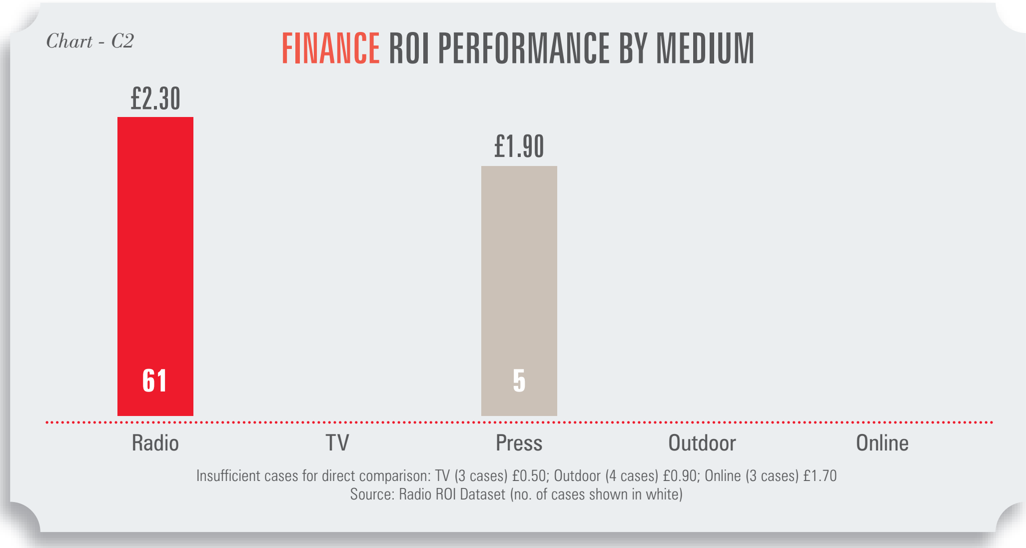
i) Automotive

Radio comes top in the automotive category, with an average ROI of £6.00 across 42 observed campaigns, while press and TV are in second and third places respectively, with ROI scores of £4.90 and £3.70.



Radio's positive result is unsurprising given the medium's ability to communicate with audiences in-car, deliver high share of voice for automotive brands relative to other media, and its proven effect in driving people to engage with brands online – an important goal of many automotive campaigns.

ii) Finance & Insurance

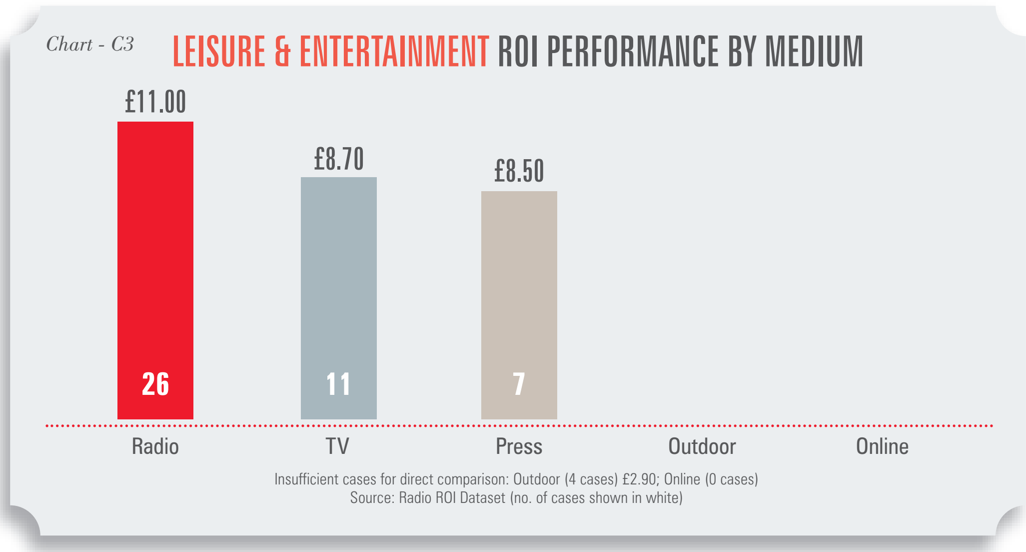


There are only two media available for comparison in the Finance & Insurance categories, as there were fewer than five ROI observations in TV, outdoor or online.

Radio comes ahead of press with an ROI of £2.30 in this, one of the most competitive advertising sectors.

Radio's strong performance may be down to the way it reaches out beyond the in-market audience and builds emotional connection with finance brands. Radio's ability to drive online behaviour is also important in this sector, because the internet is now the most important customer interface for finance brands.

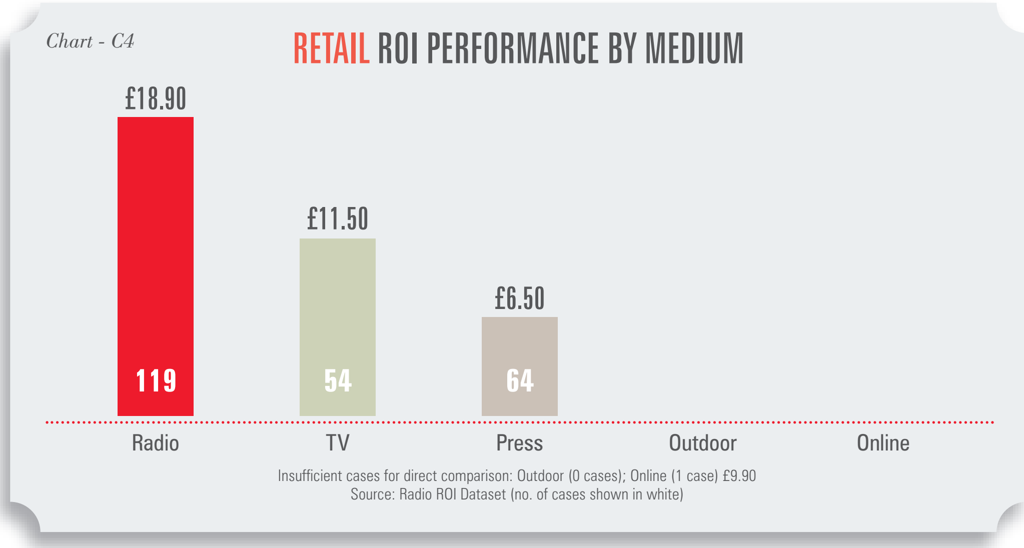
iii) Leisure and Entertainment



Radio is the best performer for Leisure and Entertainment advertisers with an average ROI of £11.00 over 26 campaigns.

It may be radio's strong call to action which is making the difference in this category, where many purchase decisions are one-off rather than habitual (e.g. tickets to events).

iv) Retail

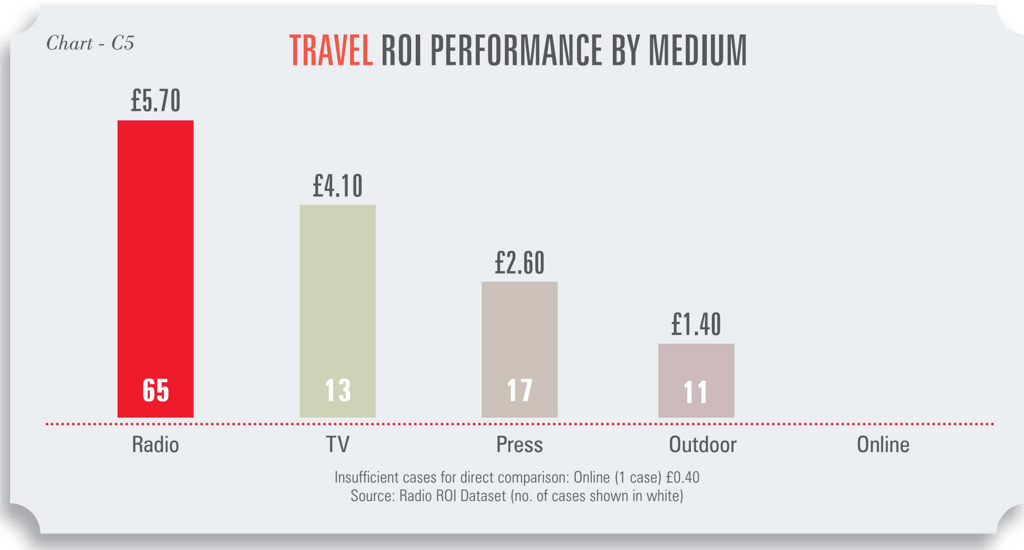


This is the sector where radio has its highest ROI score of all at £18.90 for every advertising pound spent – nearly three times the press average of £6.50.

Radio is famously able to speak to important retail audiences around shopping occasions and at other critical times during the day e.g. mums during the school run.

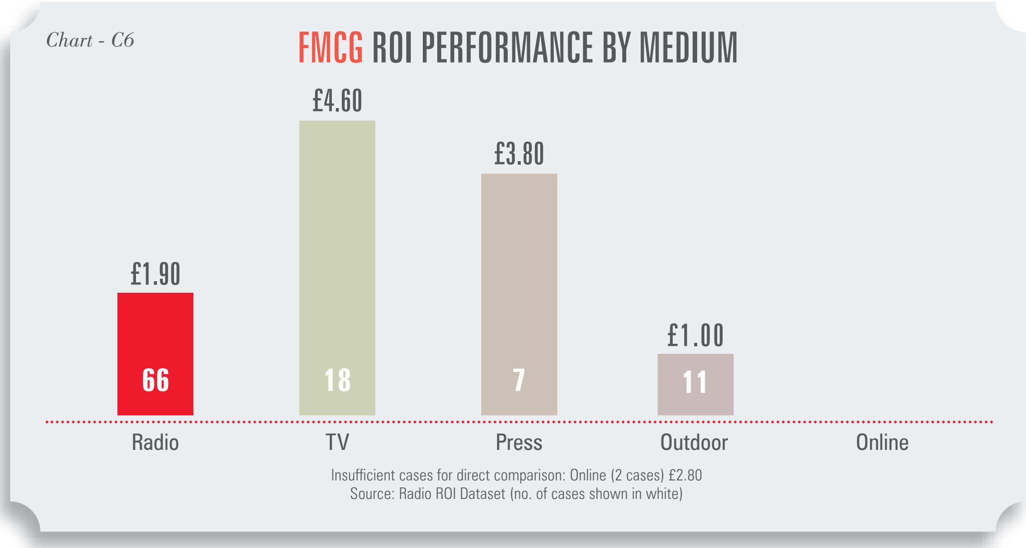
Historically retailers have been very heavy spenders in the national press which like radio, is consumed mainly during the "retail day" when stores are open. However, with a higher share of media time, radio is more effective at building share of mind for retail brands.

v) Travel



Travel is a sector where the advantages of using radio are clear – radio comes top in ROI terms, returning £5.70 on average for every advertising pound spent. This may be because of radio's ability to stimulate an emotional response coupled with its strength at driving business online, where consumers access the travel brands directly.

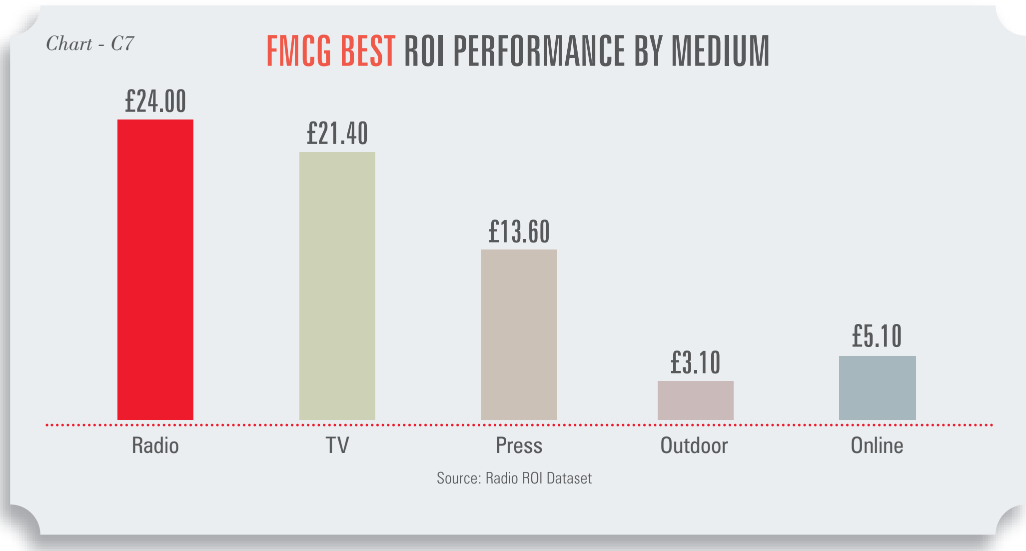
vi) FMCG



In this sector radio's ROI score of £1.90 comes third, behind TV and press. TV has historically always dominated the FMCG category, and this is true in this study with over half of all FMCG campaign budgets (57%) still spent on TV.

Bearing in mind radio's strategic qualities for FMCG brands - such as reaching people around shopping occasions and ability to efficiently amplify the effects of TV campaigns – this is a somewhat surprising result.

However, as the graph below shows, with an ROI of £24.00 at least one FMCG advertiser has found a way for radio to match and exceed best ROI performance of any other medium (a pattern that is repeated across most sectors in this study).



Because this isn't an issue about audience – the main shopper audience is one of commercial radio's key constituencies, with 28 million tuning in every week – this suggests that other factors, such as media planning and creative approach, can make all the difference to radio ROI. We explore the influence of these in further detail in the next section.

D. BEST PRACTICE INSIGHT FOR RADIO PLANNING

As we have seen, individual brands can far exceed their sector's average. So the next stage of the analysis looked for correlations between high ROIs and variable factors such as radio campaign laydown and creative characteristics.

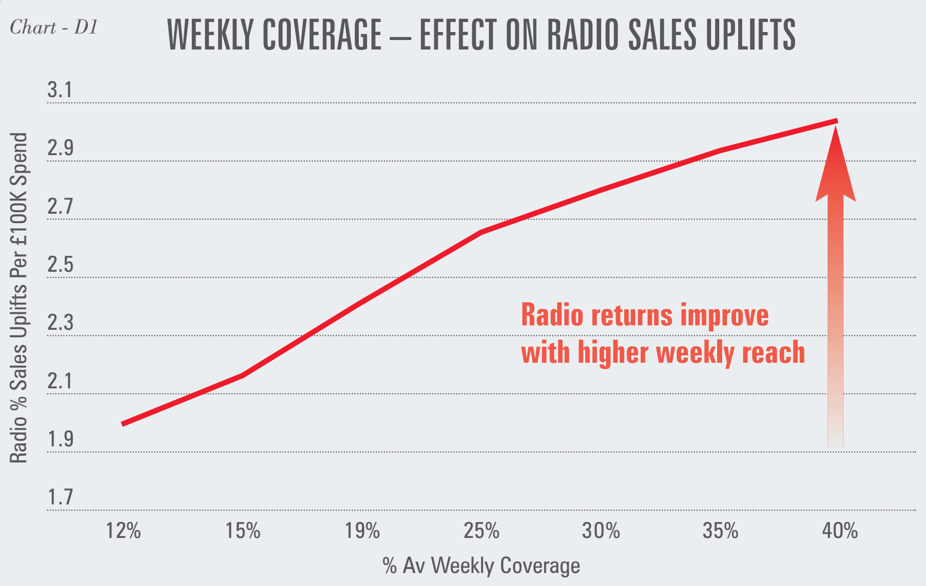
Of the 229 cases where radio-generated sales uplift data (per £100K media spend) was available, 131 also included J-ET data which allowed the researchers to investigate the impact of coverage and frequency on sales.

The results were conclusive, if somewhat unexpected: in radio advertising, the impact of increased coverage on sales is far stronger than that of frequency.

In the sample, the mean average weekly coverage was 16%, with a maximum of 40%. When this data was modelled against sales uplifts from radio, the results demonstrate significantly improved returns at the higher coverage levels and support optimising weekly coverage beyond the 40% limit of our dataset.

This is news for the way agencies normally plan radio as "the frequency medium", and suggests that coverage is the new touchstone for optimising radio effectiveness.

Chart - D1



Source: Radio ROI Dataset
Base: Meta-regression Analysis, Radio Sales Uplifts, 131 cases

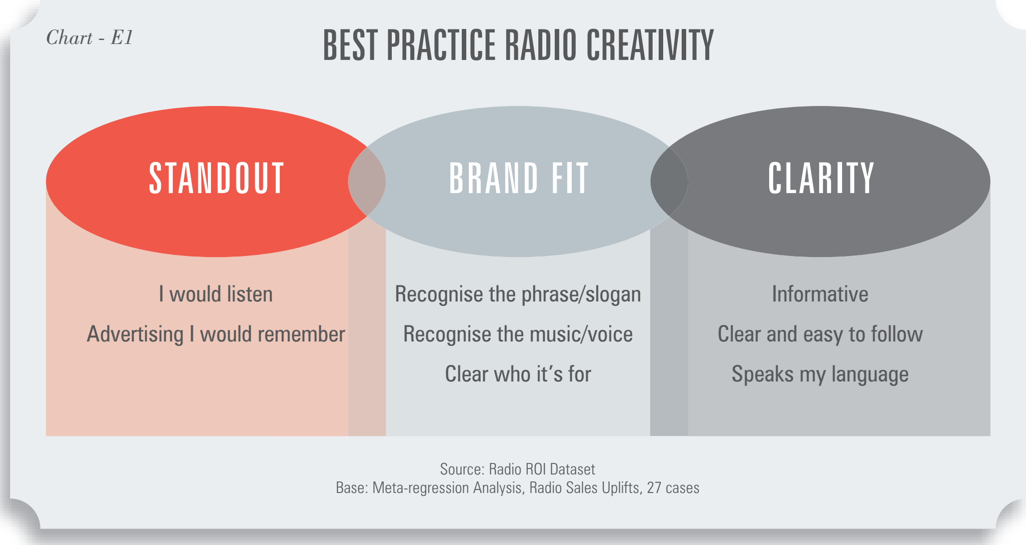
E. BEST PRACTICE INSIGHT FOR RADIO CREATIVITY

Having established the effect of media planning practises the next stage of the analysis looked for correlations between high ROIs and creative characteristics, sourced from radioGAUGE tests. Of the 229 cases with recorded sales uplifts, 27 also had radioGAUGE data, from which these findings have been derived.

The three factors which characterise strong sales uplift in this study are:

- **standout** (the advertising is distinctive from other brands)
- **brand fit** (the advertising fits with the brand's character and wider advertising campaign)
- **clarity** (the advertising message is simply expressed and comprehensible)

Chart - E1

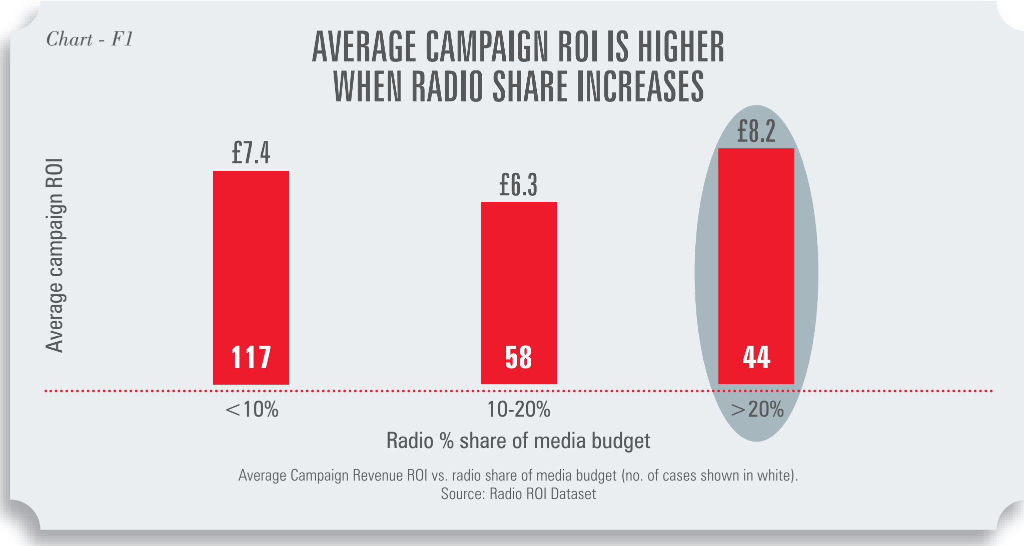


These indicators harmonise very clearly with historical RAB analysis of effective creativity:

- the Awareness Multiplier Study singled out engagement and brand linkage as key requirements for powerful creative
- the Sales Multiplier Study highlighted simplicity, synergy with other media and audio branding devices
- the Online Multiplier Study recommended good brand linkage & simplicity, but also clear web direction for online follow-up
- 'Turning Art into Science' emphasised the consistent use of audio brand cues within different radio executions and across media

F. HOW INCREASING RADIO'S SHARE CAN IMPROVE TOTAL CAMPAIGN ROI

As demonstrated in the chart below, the Radio ROI Dataset indicates a relationship between improved overall campaign ROI and higher share of budget allocated to radio.



Average Campaign Revenue ROI vs. radio share of media budget (no. of cases shown in white).
Source: Radio ROI Dataset

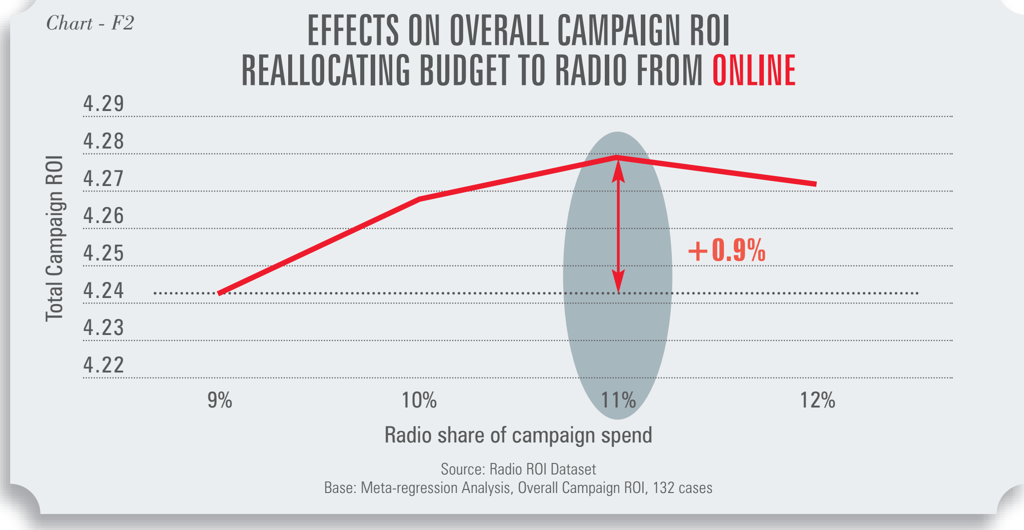
In many respects, this is not surprising. As a basic premise, redeploying media spend to more effective (higher ROI) media should mean that campaigns become more efficient.

However, as we revealed in the sector-level analysis, many other factors can influence outcomes at an overall campaign level, so we used meta-regression analysis of the 132 overall campaign ROIs to identify the most efficient patterns of media budget deployment involving radio taking all of these variables into account.

The charts on the following pages reveal the effect on overall campaign ROI of reallocating budgets from individual media into Radio (Outdoor is not included because no significant effect was identified within this analysis). The shape of the curve identifies the point where moving money from other media eventually results in diminishing returns.

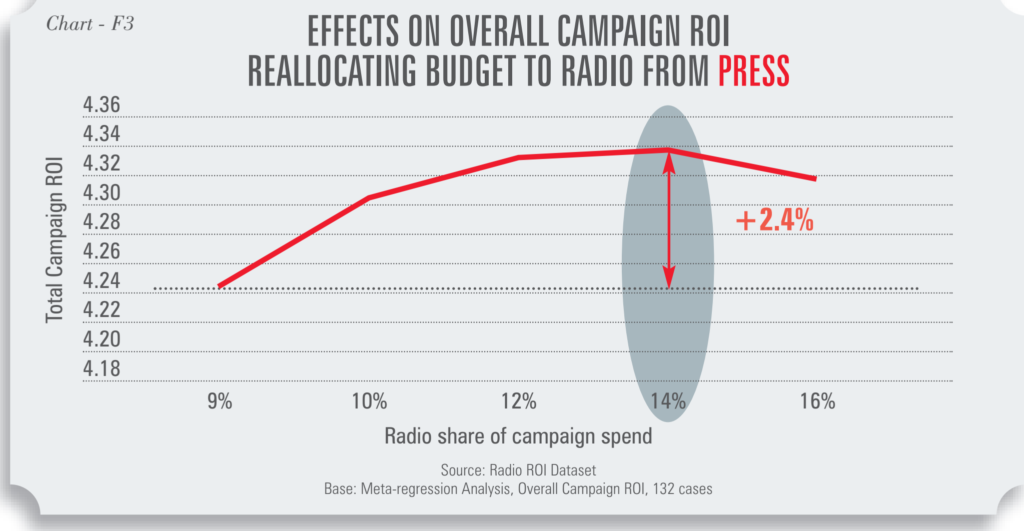
i) Moving budgets from Online into Radio
There is a positive but minor uplift on overall campaign ROI of 0.9% resulting from moving money from Online into Radio, with the effect optimised when Radio's share of total budget hits 11%. This limited effect is unsurprising given that Radio and Online tend to play separate and often complimentary roles within a media plan (see the RAB report: Radio – The Online Multiplier for further details).

Chart - F2



ii) Moving budgets from Press into Radio
When boosting Radio's share funded by Press budgets, a larger increase in overall campaign ROI of 2.4% is attained, optimised at 14% share of total campaign budget for Radio. This is to be expected – Radio and Press often play similar tactical roles within a plan, but Radio's real-time communication can help reach out and communicate messages more effectively with wider audiences (see the RAB report: Using Radio with Newspapers for more information).

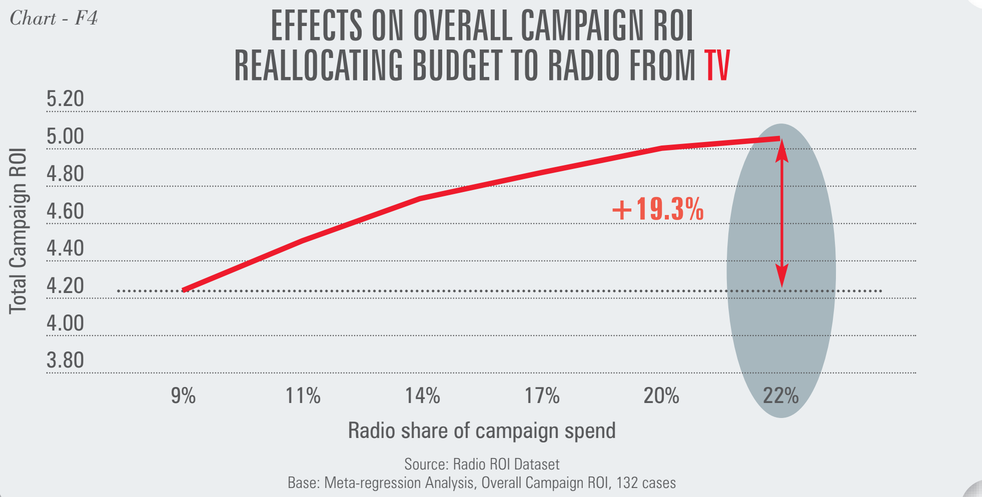
Chart - F3



iii) Moving budgets from TV into Radio

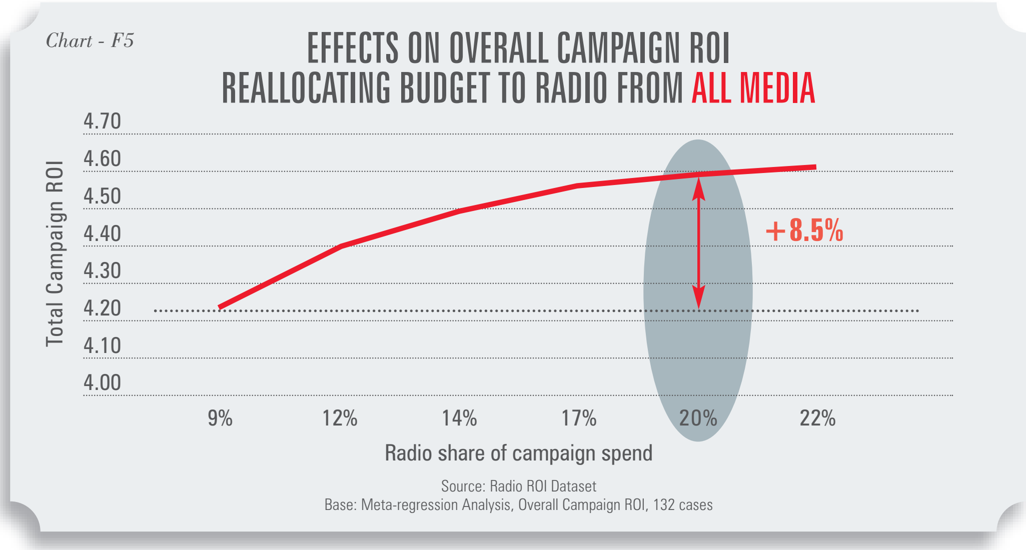
The most significant effect on overall campaign ROI is found when TV budgets are reallocated into Radio. Interestingly, within the data supplied by the agencies, we were unable to identify an inflexion point with TV – there were no cases with large enough radio budget deployments to disclose where the tipping point might come – and overall campaign ROI is still growing with a 22% share of the media budget allocated to Radio. Based on this budget allocation, overall campaign ROI is found to increase by an impressive 19.3%.

Chart - F4



Once again, when considering the context, this effect is not unexpected. Radio allows advertisers to extend campaign reach very cost-efficiently and across the day, reaching audiences at relevant times. When strong audio links are present with TV creative, Radio is found to have a "Virtual TV" effect, prompting recall of the TV campaign for a fraction of the cost. This effect was also highlighted in the Thinkbox Payback 3 study which demonstrated how Radio ROI more than doubled when the ads were creatively integrated with the TV campaign.

iv) Moving budgets proportionately from Online, Press and TV into Radio
The final analysis explores what happens to total campaign ROI when money is moved pro-rata from all three other media – that is, in proportion to their overall level of spend in the dataset. The increase in campaign ROI does not begin to tail off until Radio's share goes through 20%, at which point overall campaign ROI is 8.5% higher.



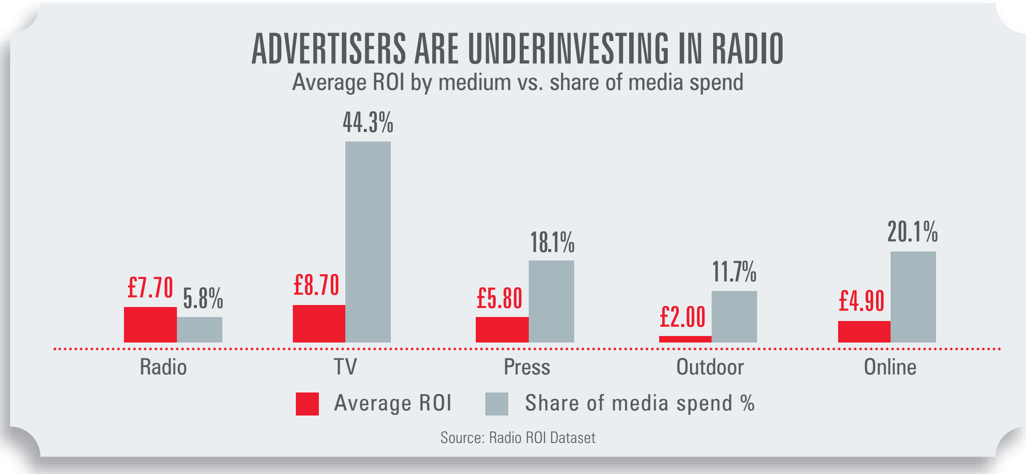
These findings argue strongly in favour of redeploying budgets from other media into Radio – especially the TV budget – but the optimum mix is likely to vary by campaign depending on the current mix and relative effectiveness of individual media, where known.

It's clear from all of these projections that moving money into Radio from any of the other media reviewed leads to increases in overall campaign ROI and therefore increased returns. Based on reallocating budgets from all three media to achieve the optimum Radio share of 20%, the top 100 UK advertisers alone could recoup over £1.4bn in untapped revenue on their current media investment.

Implications for Advertisers

The conclusions of this study are clear: radio is currently underinvested in by advertisers.

The Radio ROI Dataset highlights a distinct imbalance between ROI delivery and level of investment by medium – as the chart below demonstrates, radio receives the lowest share of media budgets yet achieves the second highest ROI.



At a wider level, radio is demonstrated to deliver significant improvement in overall campaign ROI when used optimally. To exploit this effect fully and unlock significant gains in untapped revenue, advertisers should consider:

- **increasing share of spend on radio to around 20%, subject to media mix**
- **maximising radio weekly audience coverage (rather than optimising frequency)**
- **leveraging effective creative components (stand-out; brand-fit; clarity) within radio executions**

Implications for more effective econometric analysis of radio activity

This study highlights how understanding radio campaign delivery is an important variable in optimising radio ROI, yet detailed data about campaign weights doesn't always bridge the gap between buyer and econometrician.

In consultation with our partner agencies in this project, the RAB and J-ET are working to develop a campaign outputs report to feed into econometric analysis which buyers will be able to share at the press of a button.

It is anticipated that this will be launched early in 2014 and incorporate information along the following lines:

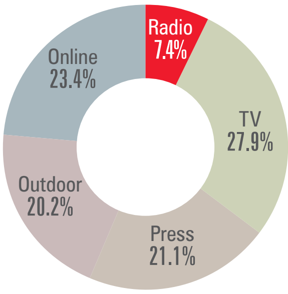
- Data supplied at an individual brand level
- Weekly GRPs/coverage/frequency by brand across each calendar year
- Split by day of week and time of day
- Provided in Excel format

Appendix A: The data template

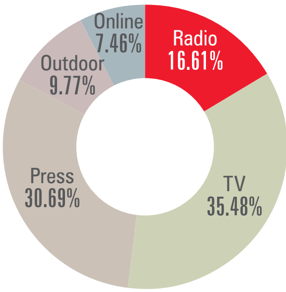
Brand Number
Radio Campaign Number
Category
Sub-Category
Number of Significant brands in market
Approximate ranking in market
Type of Purchase
Product Lifestage
Radio Campaign Timing (Year & Quarter)
Radio Campaign Regionality
If regional model, is ROI reported uplift at National or Regional level?
Radio Campaign Media Investment (£)
Radio Campaign Number of Weeks
Total Radio GRPs (vs. National)
Total Radio Coverage % (vs. National)
Average Weekly Coverage % (vs. National)
Average Weekly Frequency
Was the campaign timed to enhance a seasonal peak?
Radio Campaign Target Audience
Radio copy integration with other media channels
Radio Campaign Focus
Radio Campaign Messaging
All Media Campaign Spend (£)
All Media Campaign Number of Weeks
Other Media 1 (channel)
Other Media 1 Spend (£)
Other Media 2 (channel)
Other Media 2 Spend (£)
Other Media 3 (channel)
Other Media 3 Spend (£)
Other Media 4 (channel)
Other Media 4 Spend (£)
Other Media 5 (channel)
Other Media 5 Spend (£)
Other Media 6 (channel)
Other Media 6 Spend (£)
Competitive Activity during campaign
t-statistic for Radio in model
Is the econometric model multiplicative?
Radio Campaign % Uplift per £100k in week or airtime
Radio % Weekly Retention Rate (%)
Radio Campaign ROI (Revenue per £)
Radio Campaign Profit ROI (Profit per £)
Radio Response Curve equation
Other Media 1 ROI (Revenue per £)
Other Media 2 ROI (Revenue per £)
Other Media 3 ROI (Revenue per £)
Other Media 4 ROI (Revenue per £)
Other Media 5 ROI (Revenue per £)
Other Media 6 ROI (Revenue per £)

Appendix B: Media spend comparisons by sector

1. Automotive

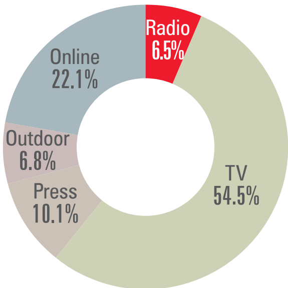


Radio ROI Dataset

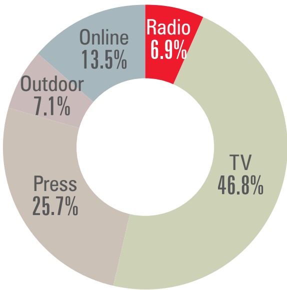


Overall Display Market

2. Finance & insurance

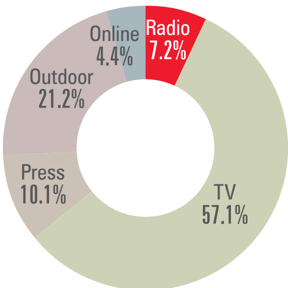


Radio ROI Dataset

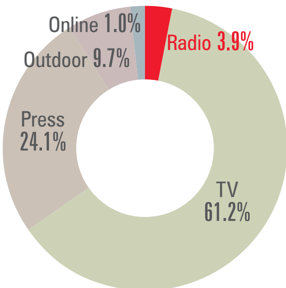


Overall Display Market

3. FMCG

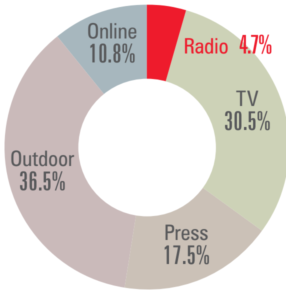


Radio ROI Dataset

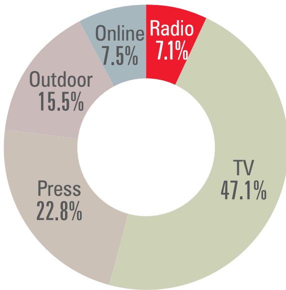


Overall Display Market

4. Leisure & entertainment

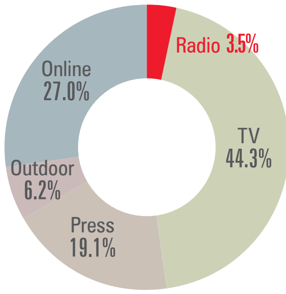


Radio ROI Dataset

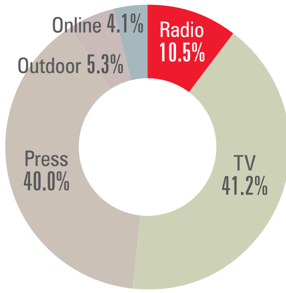


Overall Display Market

5. Retail

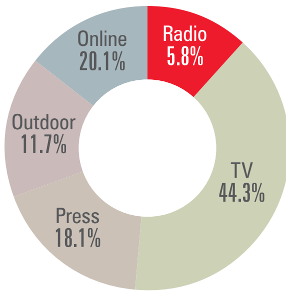


Radio ROI Dataset

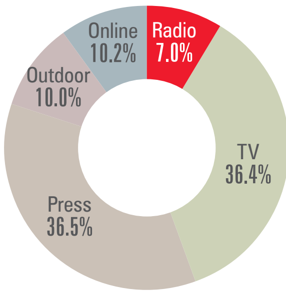


Overall Display Market

6. Travel



Radio ROI Dataset



Overall Display Market

Source: Radio ROI Dataset and Nielsen AdDynamix MAT June 2013

Appendix C: FAQs

Why did the study use “revenue return on investment” as its core currency?
Agencies were asked for several different figures for each campaign (see Data Template), but this one was most consistently reported across the maximum number of cases.

Do the average ROI scores take into account larger brands and volumes?
ROI scores are averaged to exclude the dominating effects of larger brands; this also means that the averages focus on efficiency rather than absolute volume of sales.

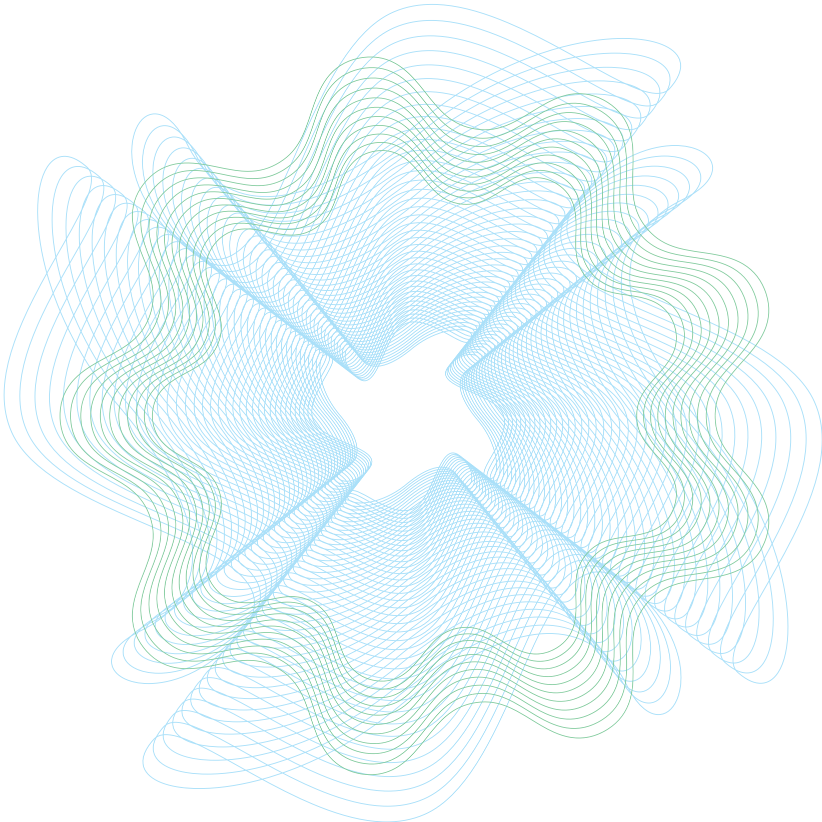
Why are there so many more radio cases than for other media?
The project was instigated by the radio industry, so radio was always going to be central to the agencies’ replies: we did not set any quotas for reporting of other media. The fact that only 12 cases were fully reported for online is surprising, and may reflect the difficulty of evaluating ROI scores in that medium.

Why use meta-regression analysis?
MRA is popular in fields which are heavily reliant on research, such as medicine (e.g. reviewing the implications of drug trials with differing methodologies) and social policy (e.g. in comparing different definitions of child poverty). Its primary value here is that it allows us to combine the econometric data of different agencies to extract a representative industry average.

517 cases in a radio industry study but only 464 radio cases – why?
Some cases were excluded from the radio averages because of the methods they had used to evaluate a radio campaign, such as cost-per-acquisition rather than revenue return.

Why are average ROIs for each medium shown for only six categories?
Media where there were fewer than five reported observations are not shown, and sectors where radio was the only medium with 5+ observations are not shown.

What creative insights do the radioGAUGE tests hold?
For all the published data from the 600+ radioGAUGE tests, check out the radioGAUGE pages at rab.co.uk



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