Radio

The Performance Multiplier

radiocentre

Online attribution

Online businesses allocate most of their budget to offline media

Brands-born-online advertising spend 2023
Split Offline vs. Online

OFFLINE
Share of total media

62%

ONLINE
Share of total media

38%

The Performance Plateau:
when performance activity is no longer enough

Tom Roach
VP Brand Strategy
Jellyfish

radiocentre

jellyfish

The Performance Plateau:
when performance activity is no longer enough

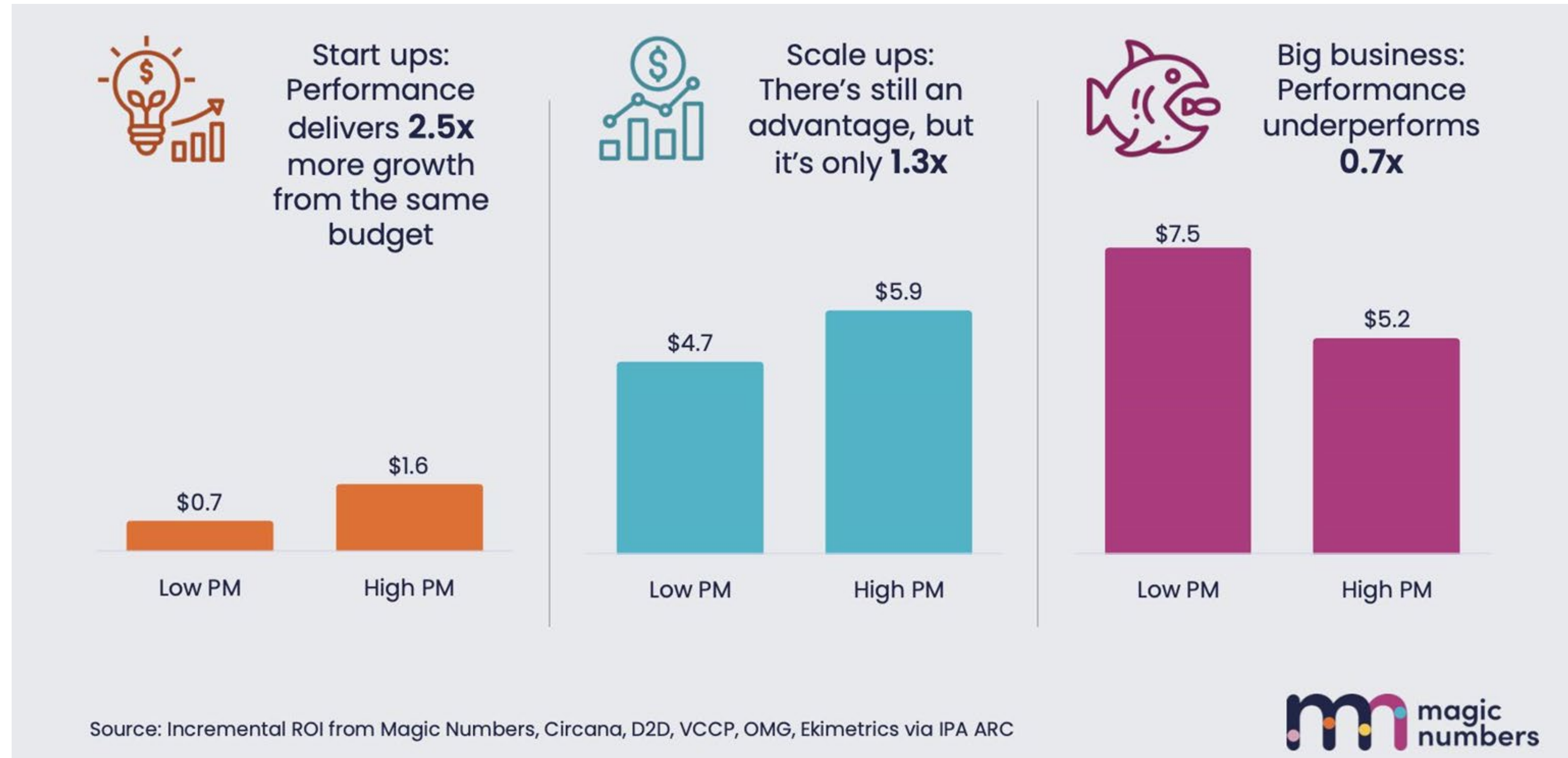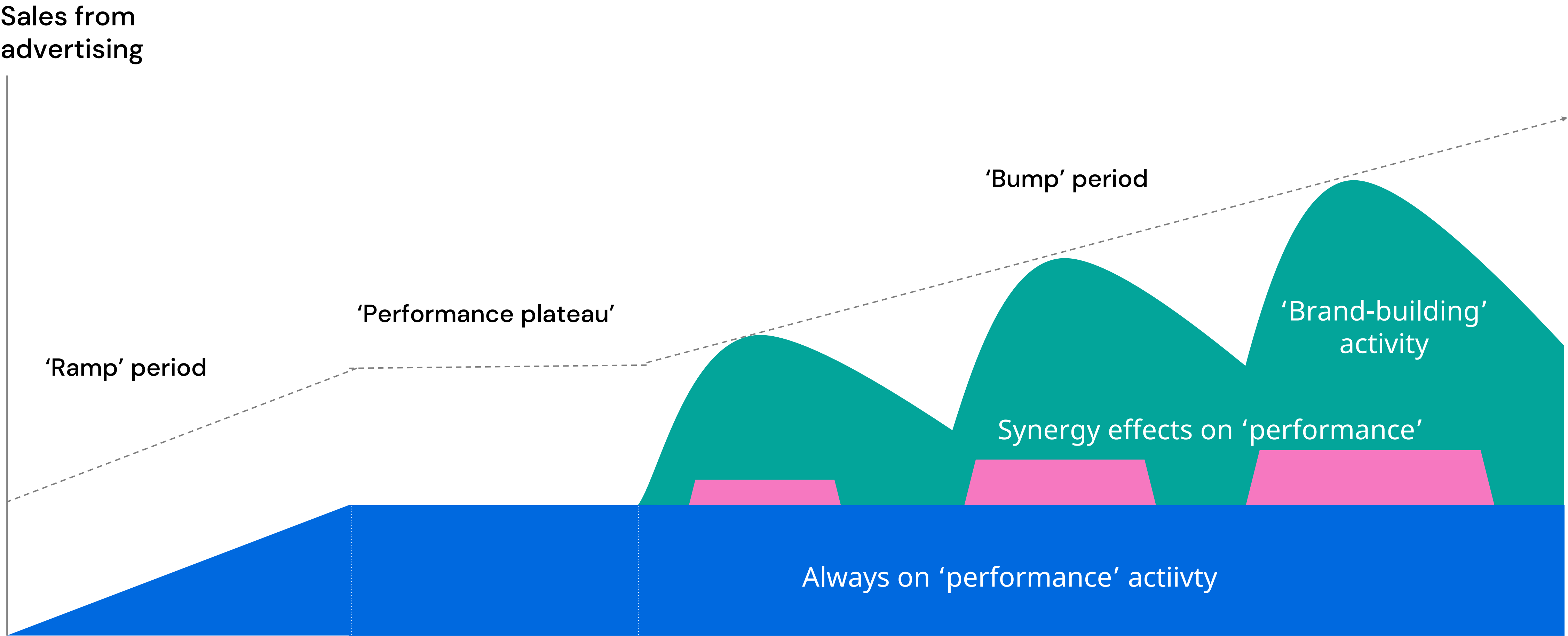**1st May** | **TOM ROACH** | **Radiocentre**
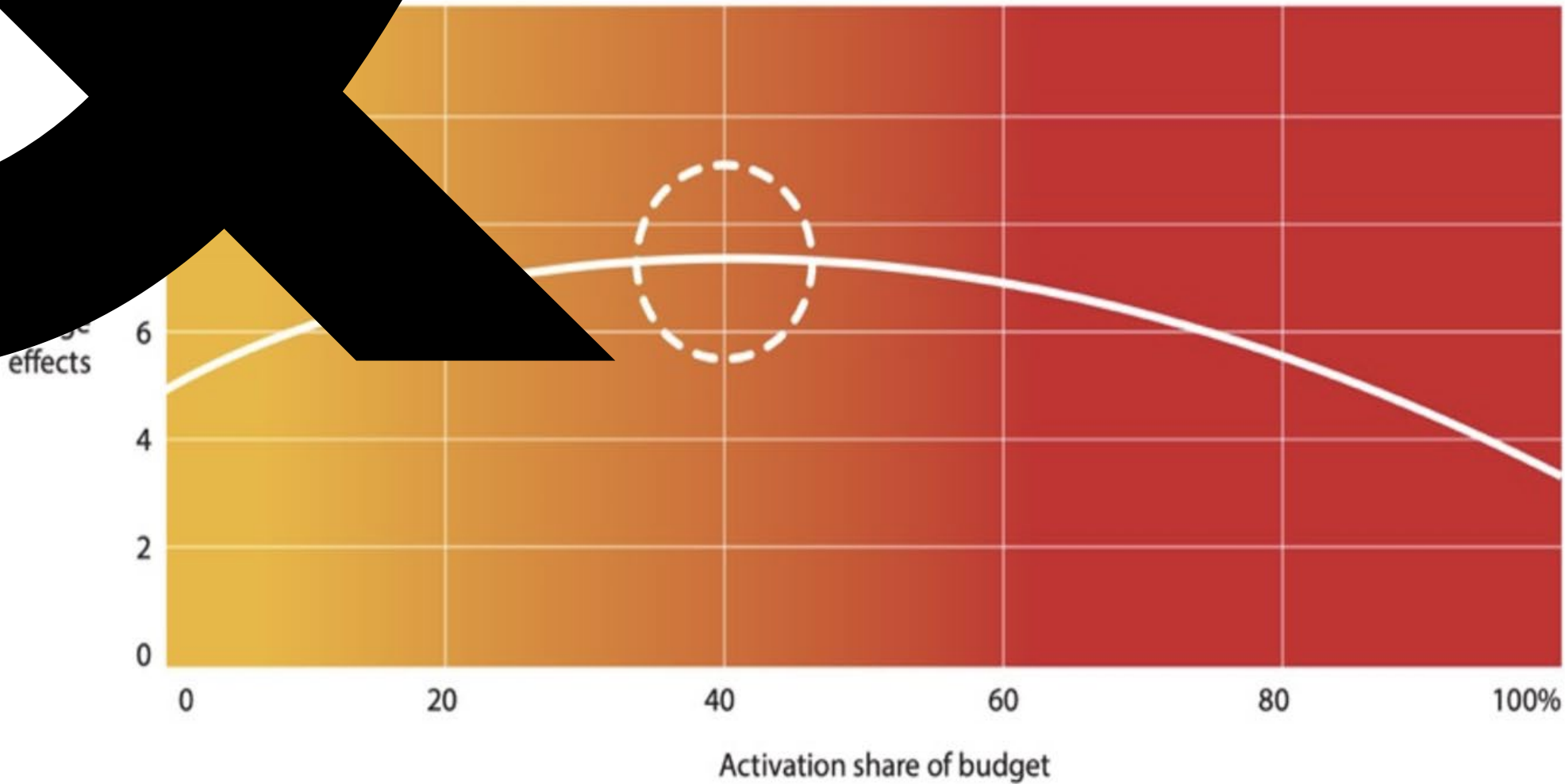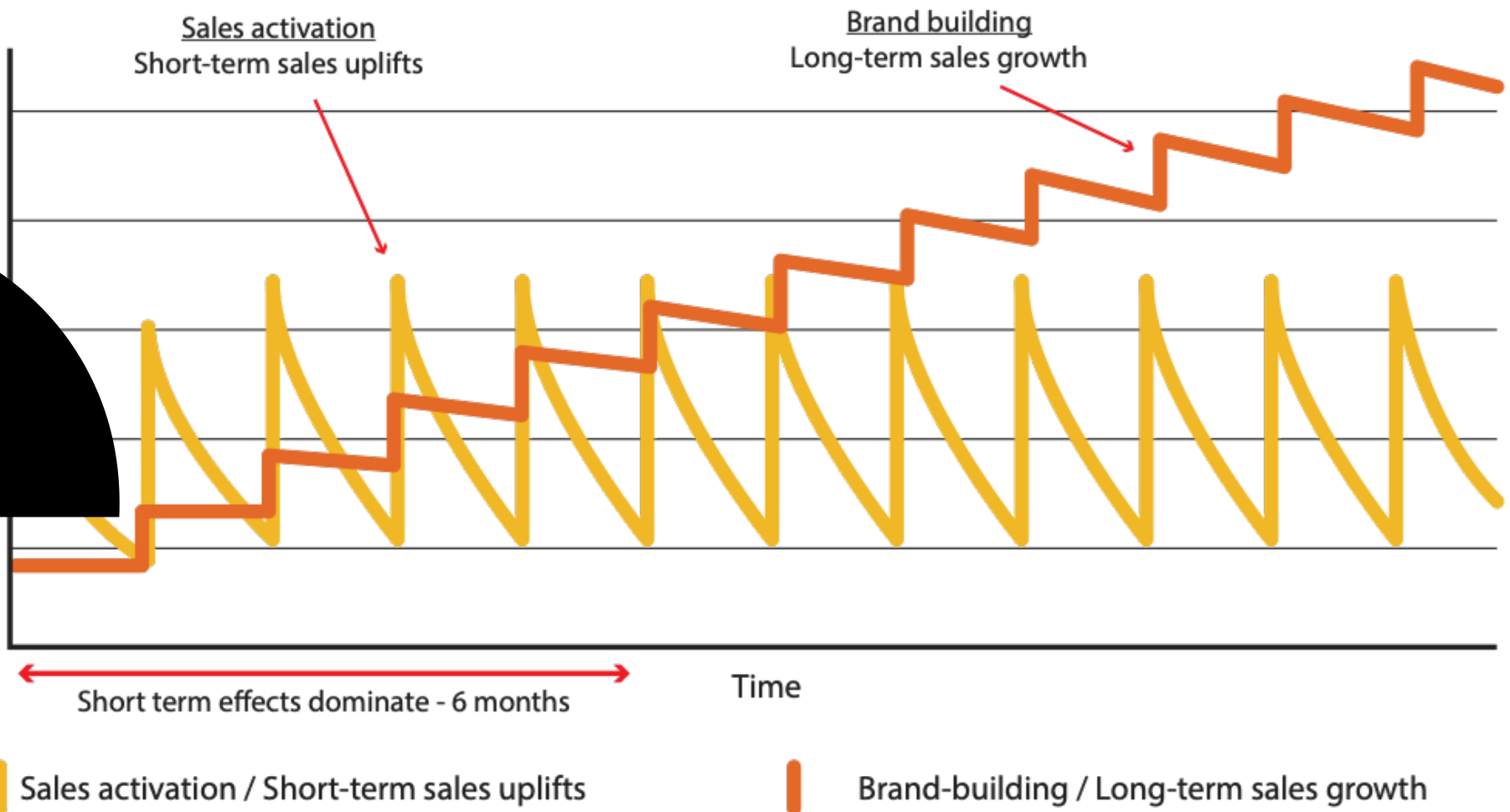
'BOTHISM'

"*I re-posted* **'The Wrong & The Short of It'** *on LinkedIn, asking other marketers to read it. And one notable marketer,* David Thomas*, pointed out that he expected this essay and my subsequent promotion of it would "become known as the development of the Bothism model"*

Mark Ritson

Relying on performance activity ok for startups, but not for bigger businesses

Start ups: Performance delivers **2.5x** more growth from the same budget

Scale ups: There's still an advantage, but it's only **1.3x**

Big business: Performance underperforms **0.7x**

	Low PM	High PM
Start ups	$0.7	$1.6
Scale ups	$4.7	$5.9
Big business	$7.5	$5.2

Source: Incremental ROI from Magic Numbers, Circana, D2D, VCCP, OMG, Ekimetrics via IPA ARC

magic numbers

Combining brand and performance is the key to a long term sustainable growth

Sales from advertising

'Bump' period

'Performance plateau'

'Ramp' period

'Brand-building' activity

Synergy effects on 'performance'

Always on 'performance' actiivty

Source: Dr Grace Kite & Tom Roach

GETTING OFF THE PLATEAU

jellyfish

Harvesting
existing demand

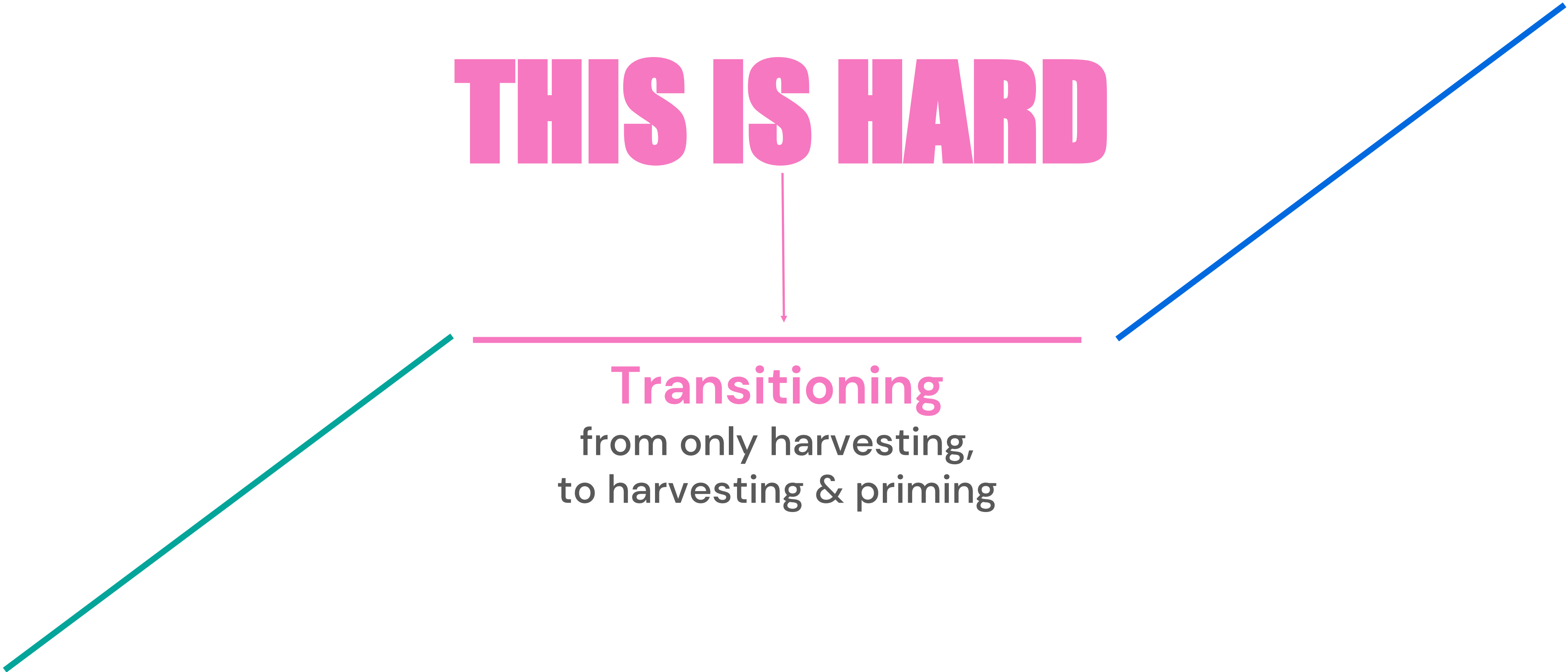**Transitioning**
from only harvesting,
to harvesting & priming

Bothist
priming future demand
& harvesting existing

jellyfish

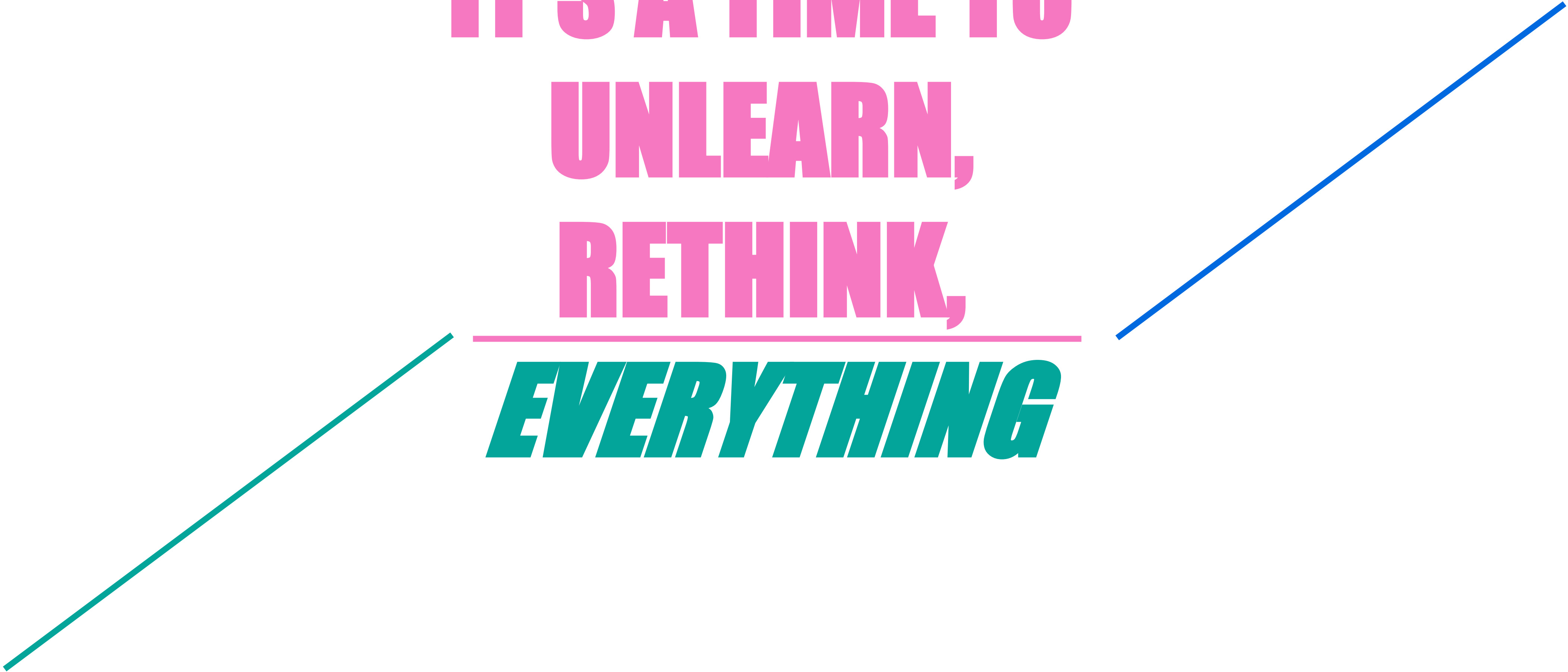# THIS IS HARD

Transitioning
from only harvesting,
to harvesting & priming

jellyfish

WHAT GOT
YOU HERE

WON'T GET
YOU HERE

jellyfish

IT'S A TIME TO UNLEARN, RETHINK, *EVERYTHING*

YOU'LL NEED NEW...
BELIEFS, MODELS, CREATIVE,
MEDIA, MEASUREMENT, METRICS

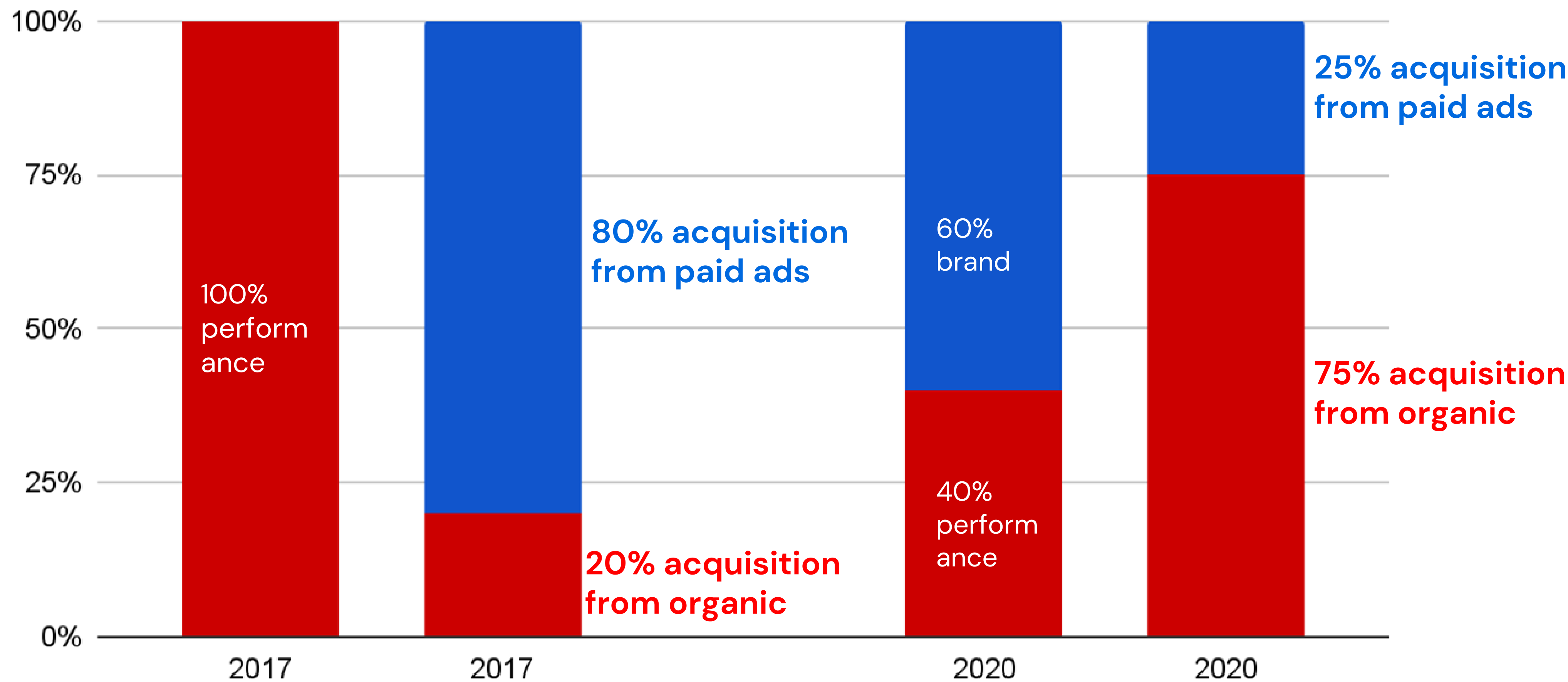YOU NEED TO CHALLENGE YOUR ORTHODOXIES WITH NEW BELIEFS.

If your product requires advertising or salespeople to sell it, it's not good enough: technology is primarily about product development, not distribution. Bubble-era advertising was obviously wasteful, so the only sustainable growth is viral growth.

-Peter Thiel: Zero to One

"Advertising is the price you pay for having an unremarkable product or service"

UK meal kit brand Gousto's successful transition from performance to bothism

Jellyfish

- 100% performance (2017)
- 80% acquisition from paid ads (2017)
- 20% acquisition from organic (2017)
- 60% brand (2020)
- 40% performance (2020)
- 25% acquisition from paid ads (2020)
- 75% acquisition from organic (2020)

Source: Tom Wallis, Gousto CMO

Gousto built a <mark>performance model</mark>: a new model for how brand communications would work for them

Unaware, or low intention to purchase

Brand Awareness

Intention To purchase

Demand Pool

Acquisition

Customers

Awareness via word of mouth

Word of mouth (network effects)

Source: Tom Wallis, Gousto CMO

jellyfish
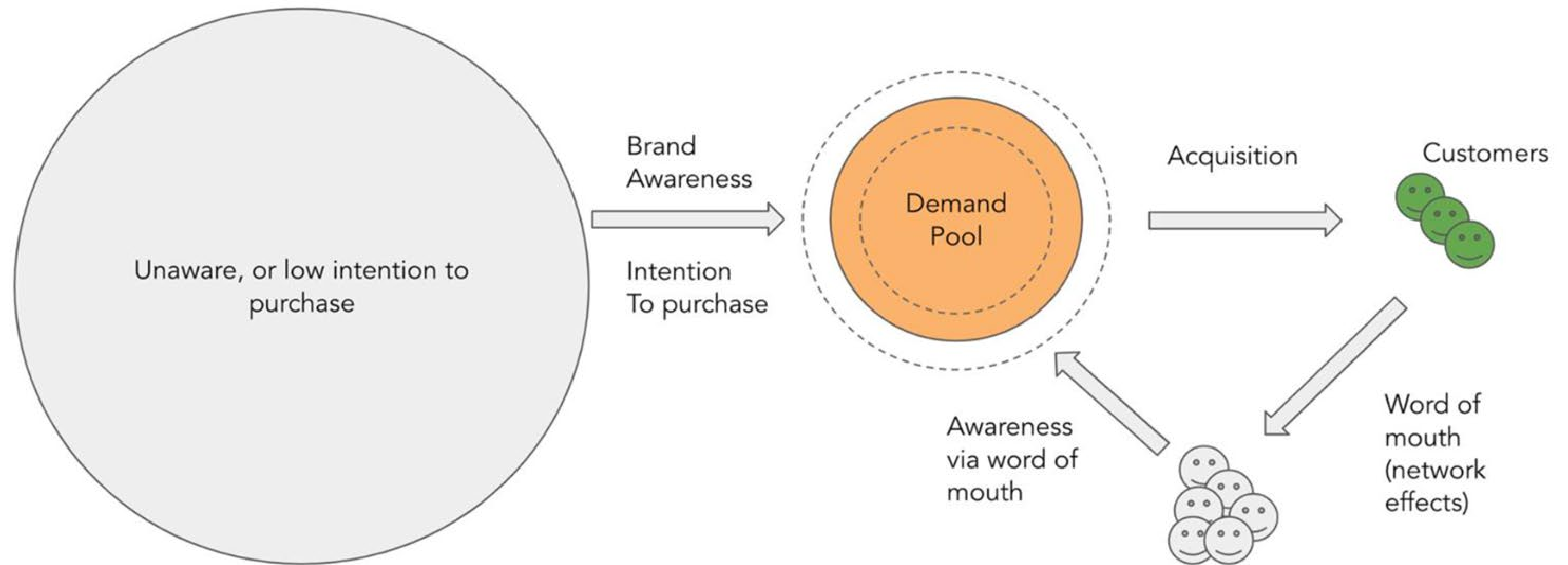
"I've used this at **inDrive**. It moved our strategy to a combination of brand-building digital and digital performance, which we've been following for 1.5 years. It brought us good brand, marketing and sales KPIs. Making inDrive #2 ride-hailing app in the world after Uber."

Jellyfish

"I used the chart at **Travelport** 3yrs ago to plot what we were hoping to achieve. We later mapped uplift in commercial performance that validates it."
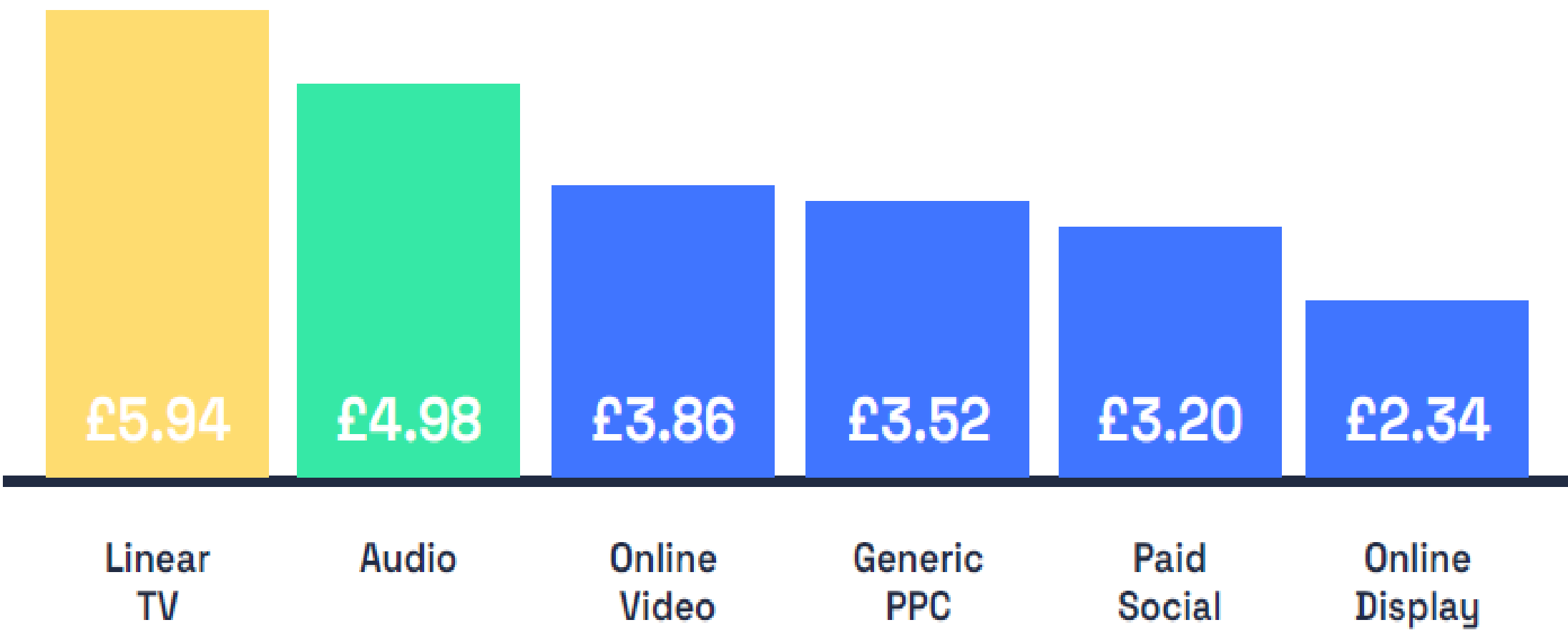
RADIO

Radio helps generate future demand

Increases awareness, relevance, and trust

+ 49.4%

Yes:

"Seen or heard advertising for this brand recently"

+ 24.1%

Strongly agree:

"This brand is for people like me"

+ 31.6%

Strongly agree:

"This is a brand trust"

841	819	231
Advertising awareness	Brand relevance	Brand Trust

Strong long-term ROI

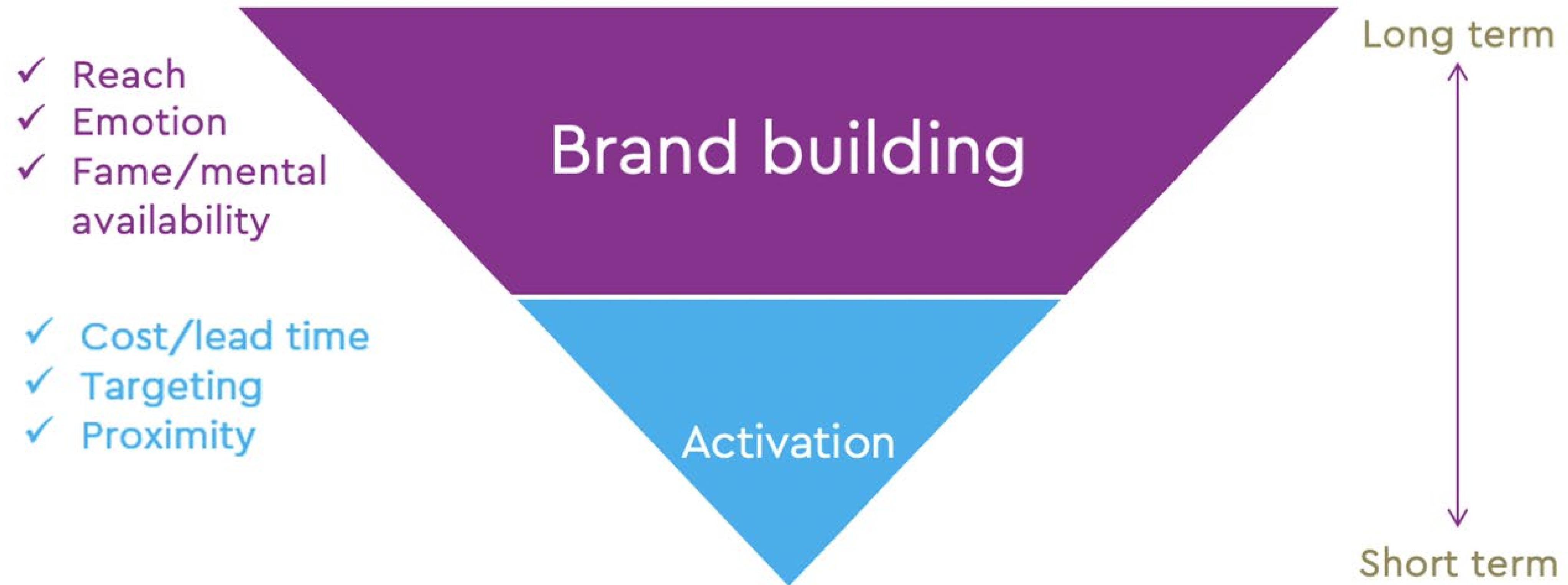| Linear TV	Audio	Online Video	Generic PPC	Paid Social	Online Display
£5.94	£4.98	£3.86	£3.52	£3.20	£2.34
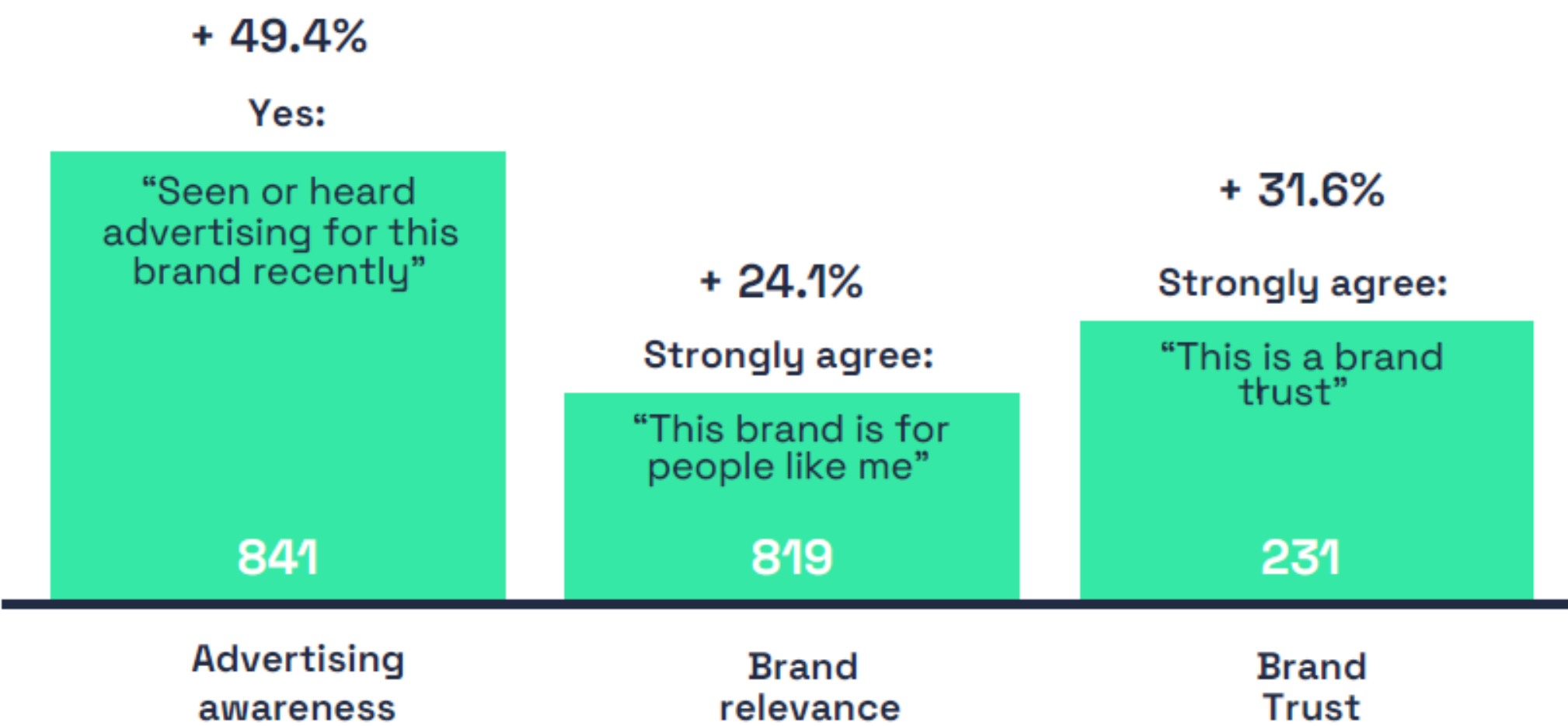
Source: Thinkbox Profit Ability 2 - Ebiquity, Essence Mediacom, Gain Theory, Mindshare, Wavemaker, April 2024

Radio proven effective at both <mark>generating</mark> and <mark>converting</mark> demand

✓ Reach
✓ Emotion
✓ Fame/mental
   availability

✓ Cost/lead time
✓ Targeting
✓ Proximity

Brand building

Activation

Long term

Short term

The challenges to accurate radio attribution

1. Bridging the offline/online divide

The challenges to accurate radio attribution

2. Listeners are engaged in other tasks

The implications of parallel listening

1. **Delayed** response

IMPLICATION:

Short-term, spot-by-spot, response-window attribution will not accurately quantify the true radio effect.

The implications of parallel listening

2. **Indirect** response

IMPLICATION:

The full effect of radio will be realised via a range of referral sources.

Objectives for this study

1. Quantify the full extent of radio advertising's short-term uplift effect on web sessions.

2. Provide context for radio's performance relative to other media.

3. Define how the use of radio can drive overall Performance Marketing effectiveness.

4. Identify media planning strategies and creative approaches that optimise radio's effect.

5. Explore radio's value-added longer-term brand effects for Performance-led campaigns.

The core methodological challenge

Accurately capture an *offline* medium's *online* response,

when it is distributed over a *yet-to-be-determined* interval,

and delivered through a *range of response channels.*

How the study was done

Our approach = regression modelling

Identifying the correlation between media impacts and web sessions

Understanding radio's effect vs. other media

MEDIA CAMPAIGN DATA
(by MEDIUM)

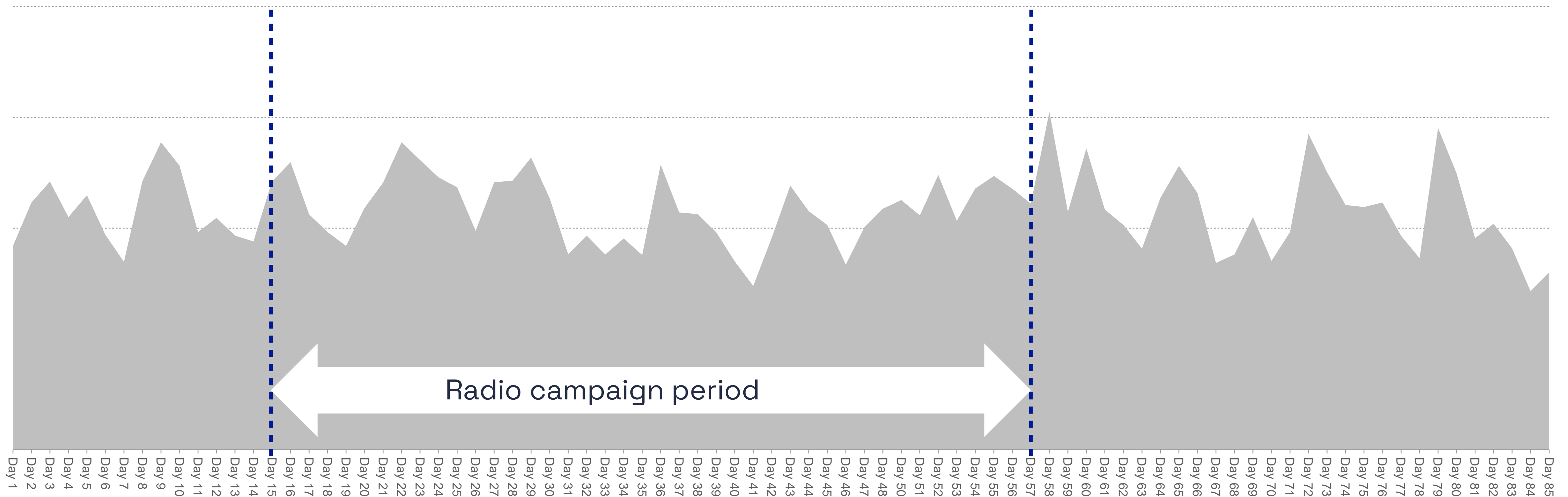Daily adult impressions & weekly spend

GOOGLE ANALYTICS DATA
(by REFERRAL SOURCE)

Daily web sessions

For full radio campaign period & two weeks pre- and post

1. Establishing Baseline traffic

Daily web session volumes once media activity effects have been removed

Radio campaign period

Day 1 Day 2 Day 3 Day 4 Day 5 Day 6 Day 7 Day 8 Day 9 Day 10 Day 11 Day 12 Day 13 Day 14 Day 15 Day 16 Day 17 Day 18 Day 19 Day 20 Day 21 Day 22 Day 23 Day 24 Day 25 Day 26 Day 27 Day 28 Day 29 Day 30 Day 31 Day 32 Day 33 Day 34 Day 35 Day 36 Day 37 Day 38 Day 39 Day 40 Day 41 Day 42 Day 43 Day 44 Day 45 Day 46 Day 47 Day 48 Day 50 Day 51 Day 52 Day 53 Day 54 Day 55 Day 56 Day 57 Day 58 Day 59 Day 60 Day 61 Day 62 Day 63 Day 64 Day 65 Day 66 Day 67 Day 68 Day 69 Day 70 Day 71 Day 72 Day 73 Day 74 Day 75 Day 76 Day 77 Day 78 Day 79 Day 80 Day 81 Day 82 Day 83 Day 84 Day 85

2. Quantifying the **total** 'demand-generation' **media** effect

Actual web session volumes vs. baseline

Radio campaign period
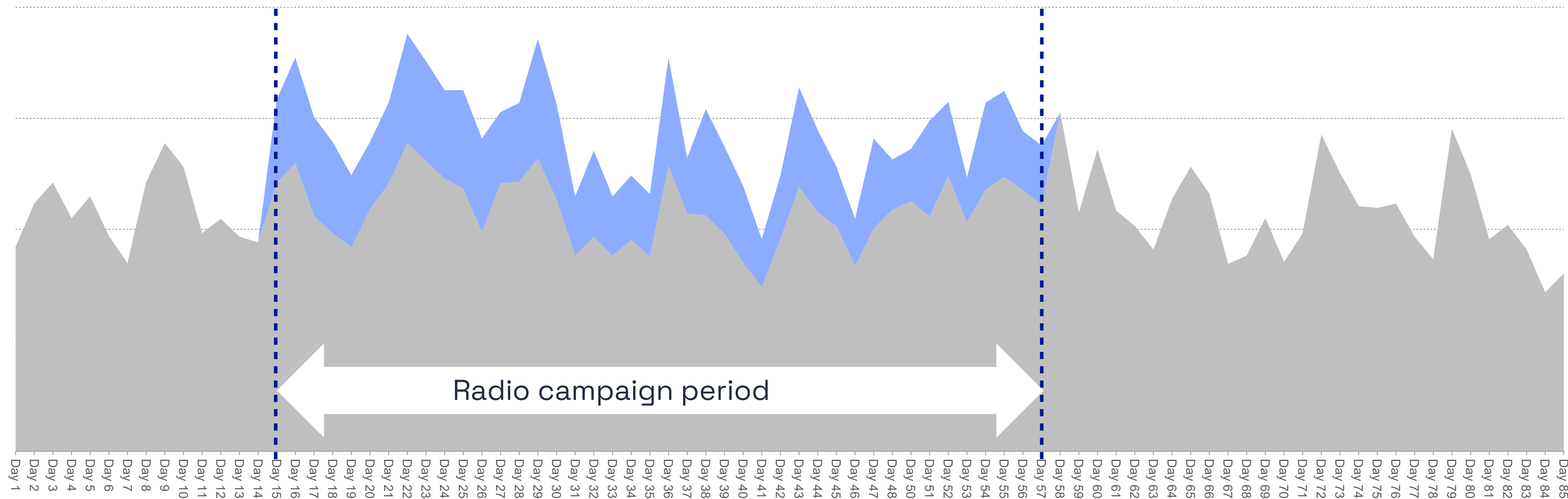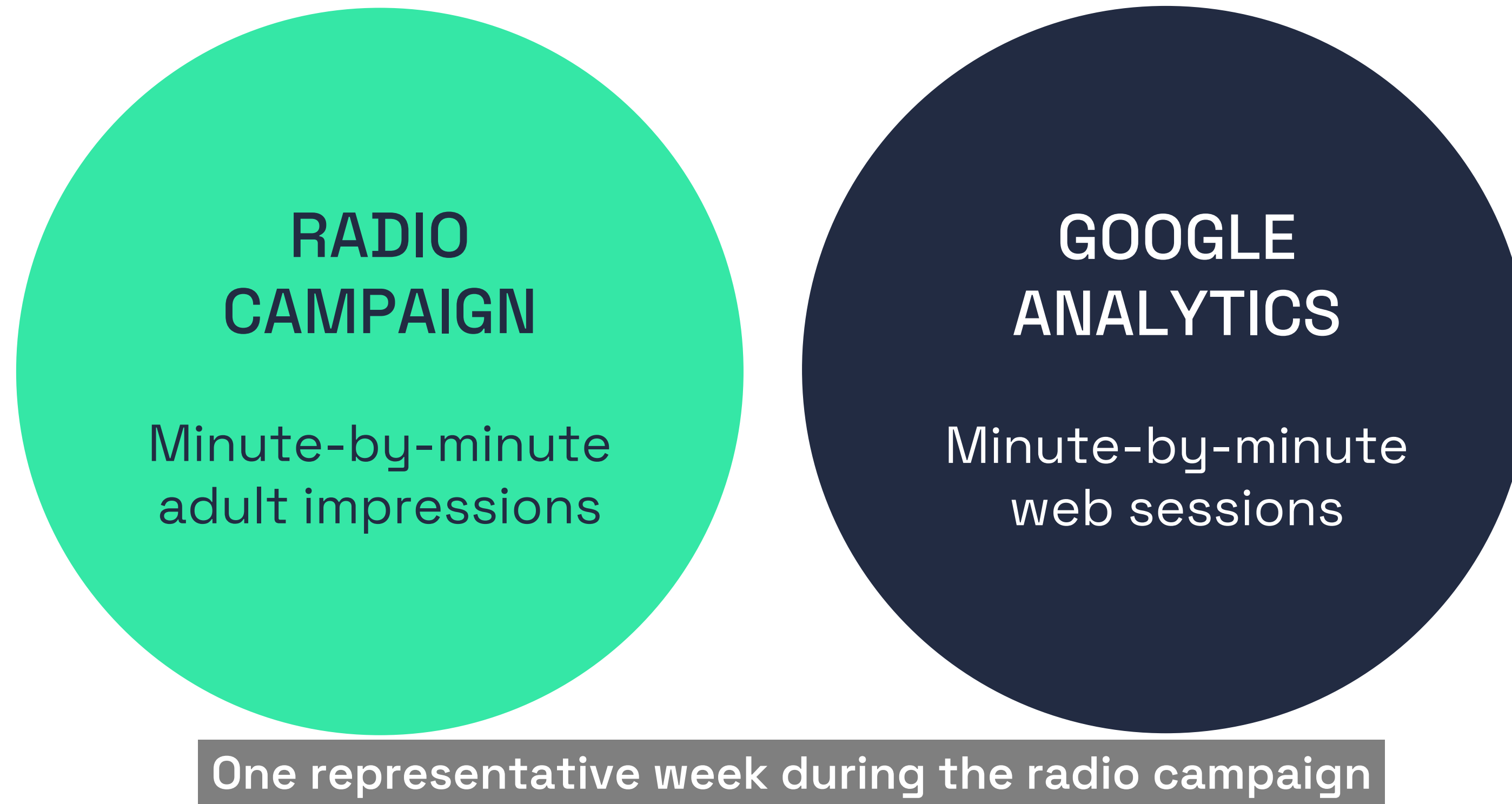
3. Isolating the RADIO campaign effect

Share of additional web sessions attributed to RADIO
Share of additional web sessions attributed to other-media-combined

Radio campaign period
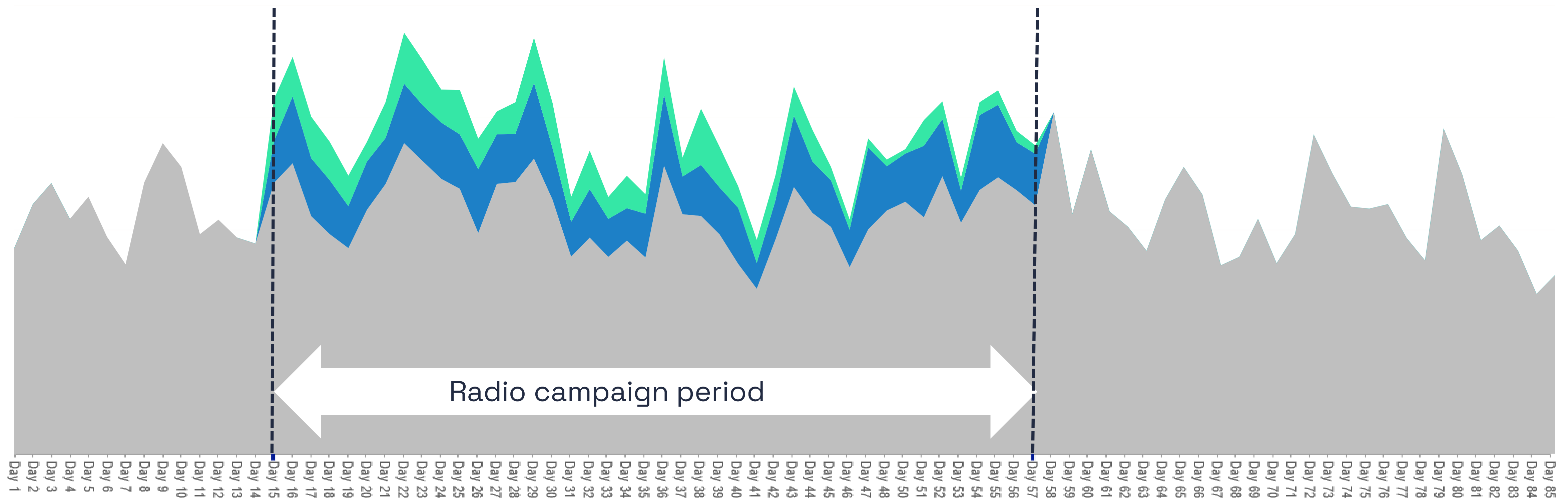
Understanding Radio's *delayed response* in detail

RADIO CAMPAIGN

Minute-by-minute
adult impressions

GOOGLE ANALYTICS

Minute-by-minute
web sessions

One representative week during the radio campaign

The campaign recruitment process

Over a period of

12 months

we contacted

11 media agencies

about

20+ campaigns

Participating advertisers/agencies

HomeServe®

december 19

HARRY'S

Goodstuff
media and some

Checkatrade.com

national express

mSix & Partners

Overview: the four participating media campaigns

2 X National
2 x Regional
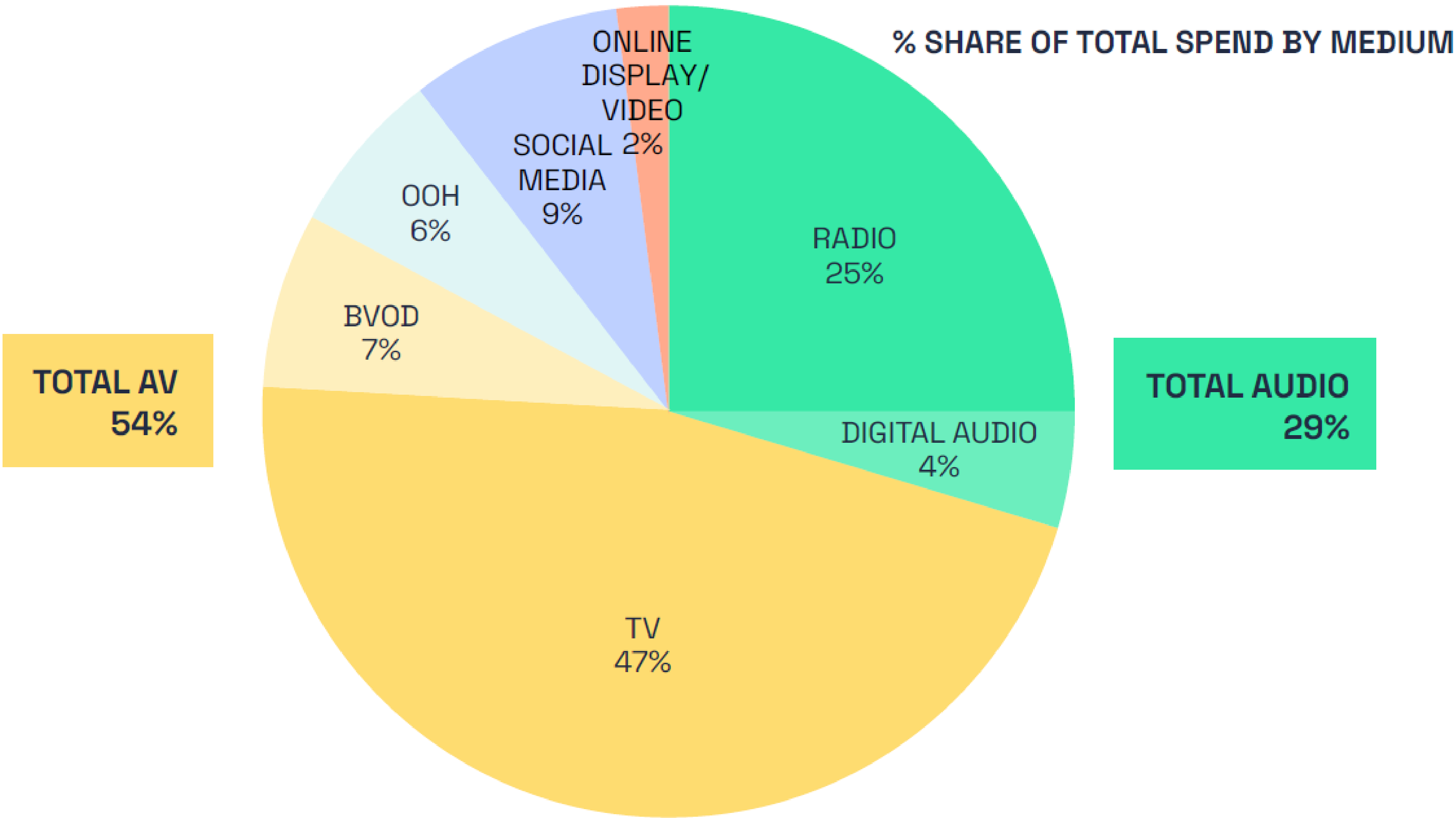
'Demand-generation' media used/reviewed:

4x featured Radio
(2x inc. Digital Audio)

3x featured TV
(2x inc. BVOD)

2x featured OOH

2x featured Social Media

2x Featured Online Display/video

TOTAL MEDIA SPEND WITHIN RADIO CAMPAIGN PERIOD = £3.25M

% SHARE OF TOTAL SPEND BY MEDIUM

ONLINE DISPLAY/ VIDEO

SOCIAL 2%
MEDIA
9%

OOH
6%

BVOD
7%

RADIO
25%

DIGITAL AUDIO
4%

TV
47%

TOTAL AV
54%

TOTAL AUDIO
29%

Depth of data/statistical significance

Daily multi-media model

1.6bn multi-media impressions
30m web sessions

Minute-by-minute Radio model

152m Radio impressions
2.1m web sessions
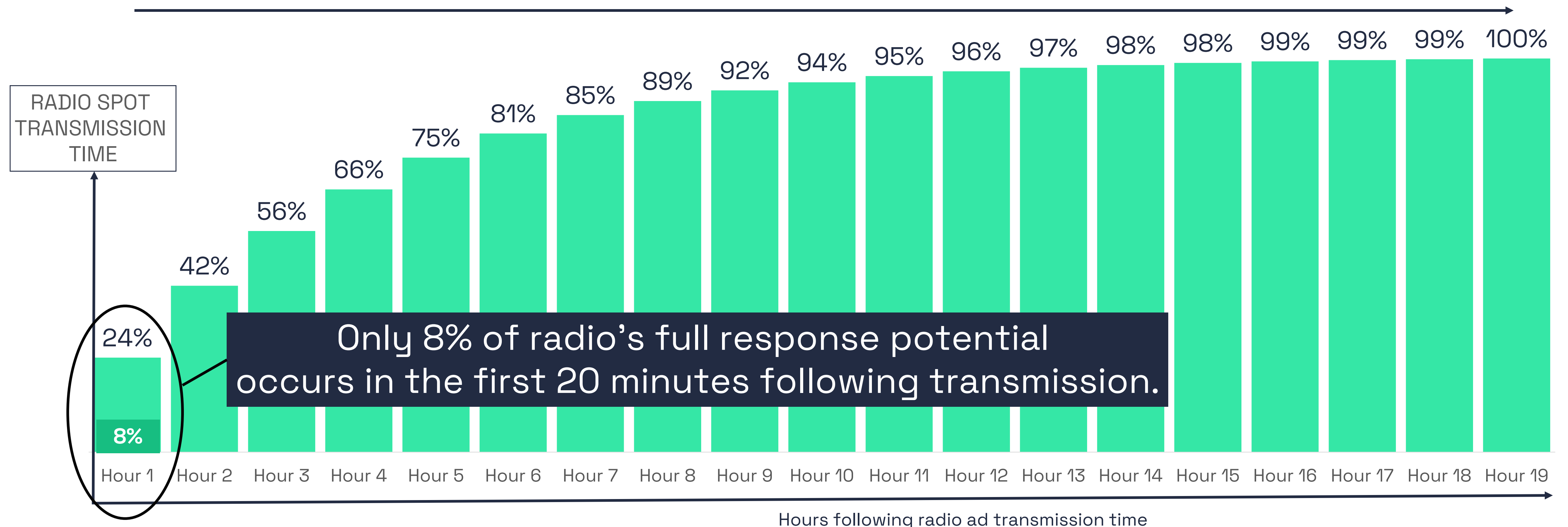
The findings

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An average radio spot takes 19 hours to deliver its full web response potential

Cumulative build of effect (proportion of total) for each radio spot delivered by hour following transmission

RADIO SPOT TRANSMISSION TIME

24%	42%	56%	66%	75%	81%	85%	89%	92%	94%	95%	96%	97%	98%	98%	99%	99%	99%	100%
Hour 1	Hour 2	Hour 3	Hour 4	Hour 5	Hour 6	Hour 7	Hour 8	Hour 9	Hour 10	Hour 11	Hour 12	Hour 13	Hour 14	Hour 15	Hour 16	Hour 17	Hour 18	Hour 19

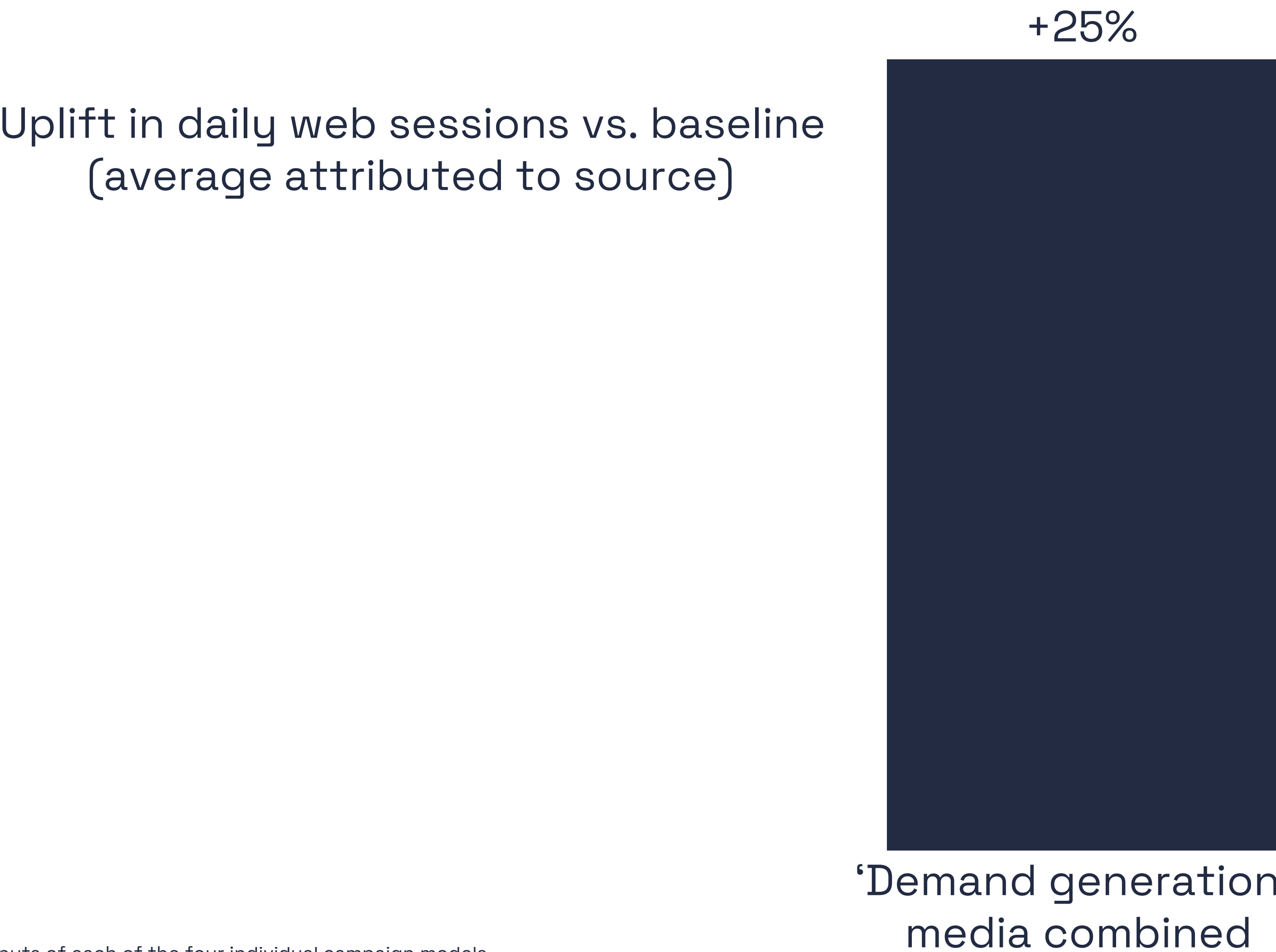Hours following radio ad transmission time
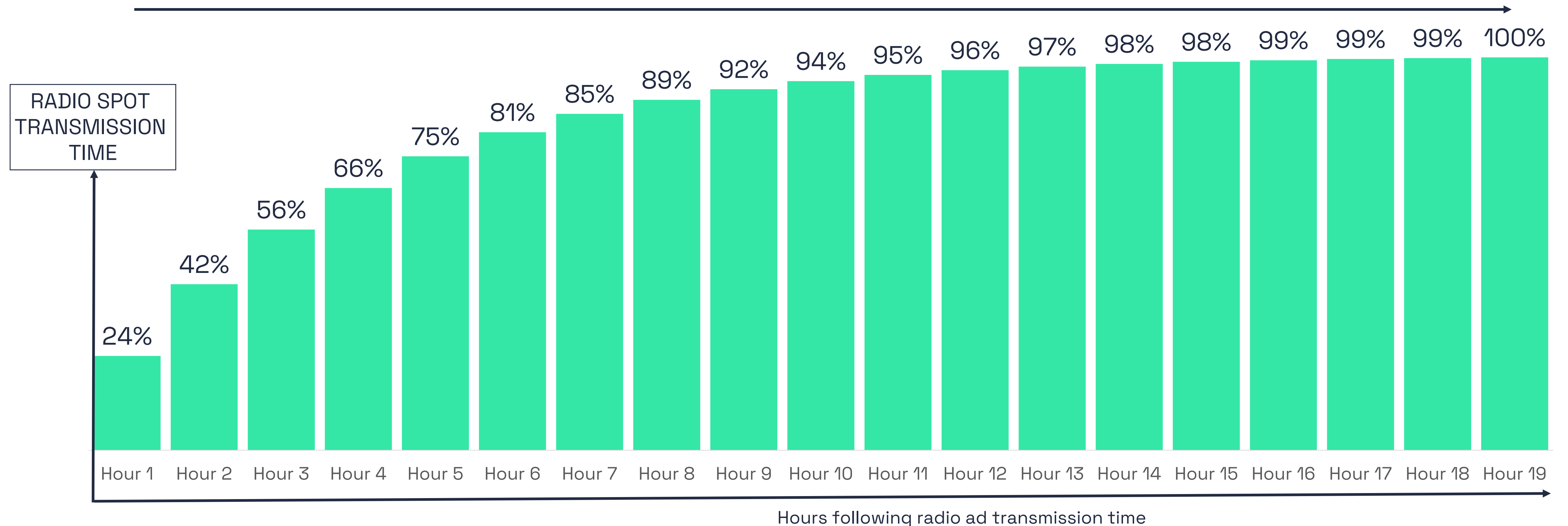
Typical short-term response window attribution excludes 92% of radio's full effect!

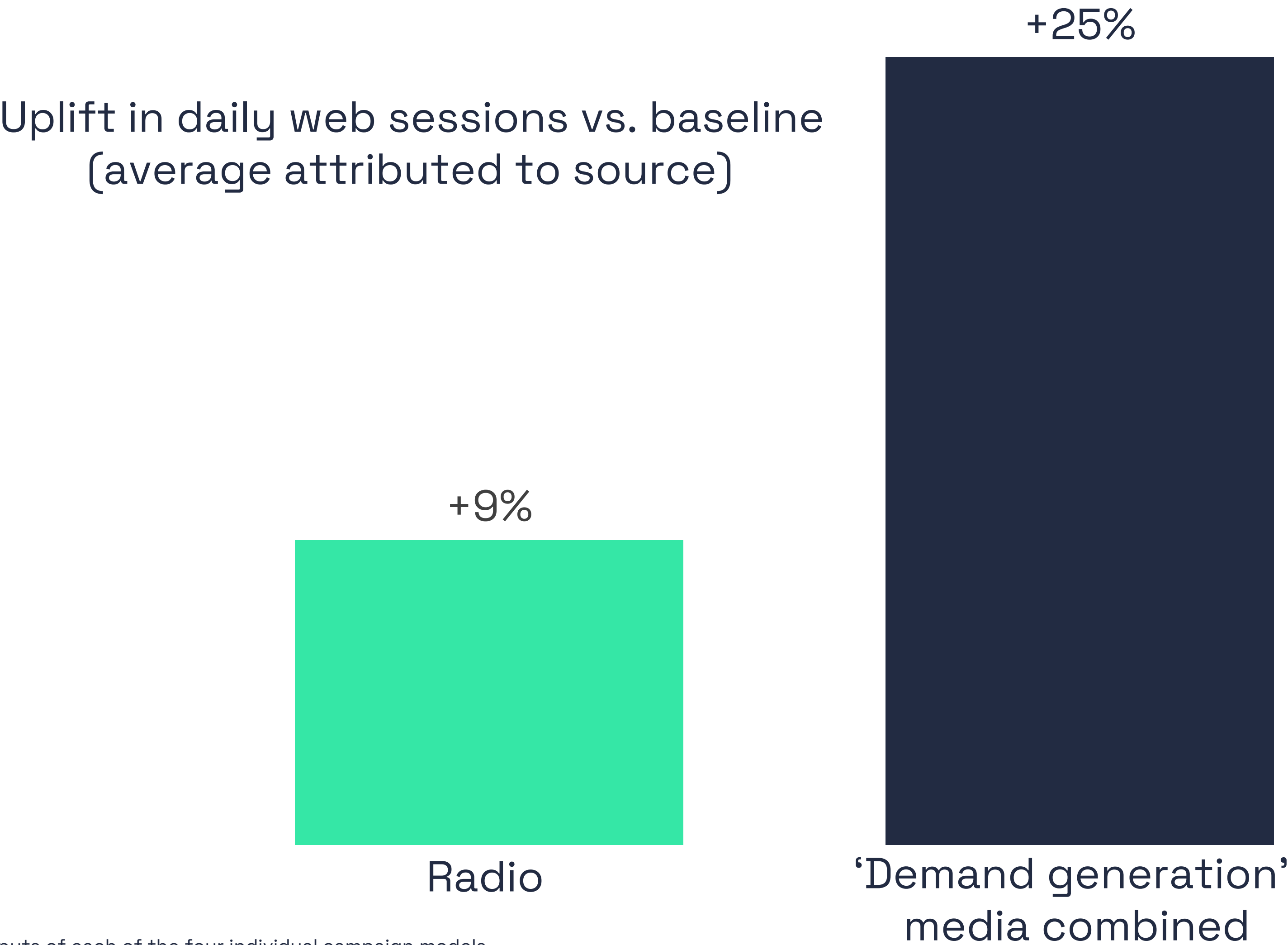Cumulative build of effect (proportion of total) for each radio spot delivered by hour following transmission →

RADIO SPOT TRANSMISSION TIME

24%
8%

42%

56%

66%

75%

81%

85%

89%

92%

94%

95%

96%

97%

98%

98%

99%

99%

99%

100%

Only 8% of radio's full response potential occurs in the first 20 minutes following transmission.

Hour 1 Hour 2 Hour 3 Hour 4 Hour 5 Hour 6 Hour 7 Hour 8 Hour 9 Hour 10 Hour 11 Hour 12 Hour 13 Hour 14 Hour 15 Hour 16 Hour 17 Hour 18 Hour 19

Hours following radio ad transmission time →

On average, all 'demand generation' media combined increase daily web sessions by 25%

+25%

Uplift in daily web sessions vs. baseline
(average attributed to source)

'Demand generation'
media combined

Radio advertising uplifts daily web sessions
by an average of 9% over baseline (when correctly attributed)

+25%

Uplift in daily web sessions vs. baseline
(average attributed to source)

+9%

Radio

'Demand generation'
media combined

Radio accounts for 36% of *total media-driven uplift* in daily web sessions

+25%

Uplift in daily web sessions vs. baseline (average attributed to source)

+9%

RADIO =36% OF TOTAL MEDIA EFFECT ON DAILY WEB SESSIONS

RADIO = 29% OF TOTAL MEDIA BUDGET

Radio

'Demand generation' media combined

Understanding relative campaign performance
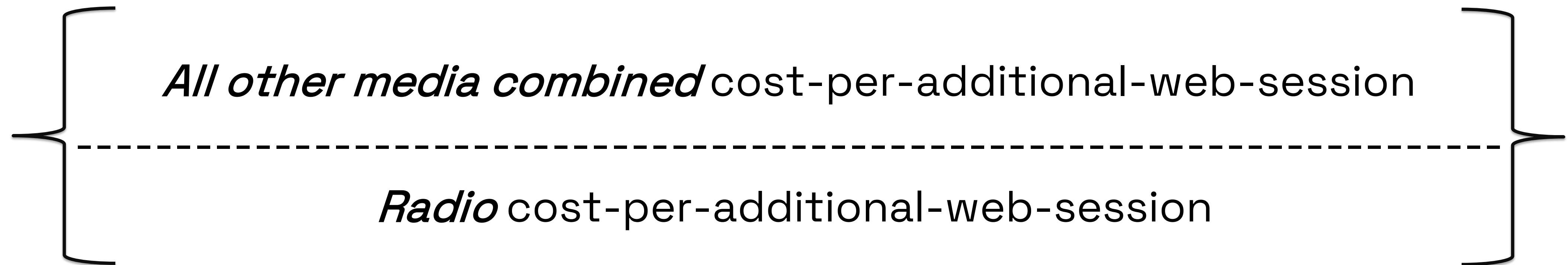
The challenges:

- Huge disparity in baseline web session volumes
- The value of a web session varies greatly from business to businesses

Therefore, straightforward **cost-per-additional-web-session** comparison **is not a meaningful measure** of relative campaign performance.

Understanding relative campaign performance

Our solution = the **RADIO COST-EFFICIENCY RATIO** (**"RACER"**)

$$\left\{ \frac{\textit{All other media combined} \text{ cost-per-additional-web-session}}{\textit{Radio} \text{ cost-per-additional-web-session}} \right\}$$

If RACER >1, radio is more cost-efficient than other-media-combined.

- This formula allows us to:
    - assess radio's performance (relative to other media) on a *campaign-by-campaign* basis.
    - calculate the *average* radio performance (relative to other media) across ALL campaigns.

Radio uplifts web sessions TWICE as cost-efficiently as other 'demand-generation' media combined
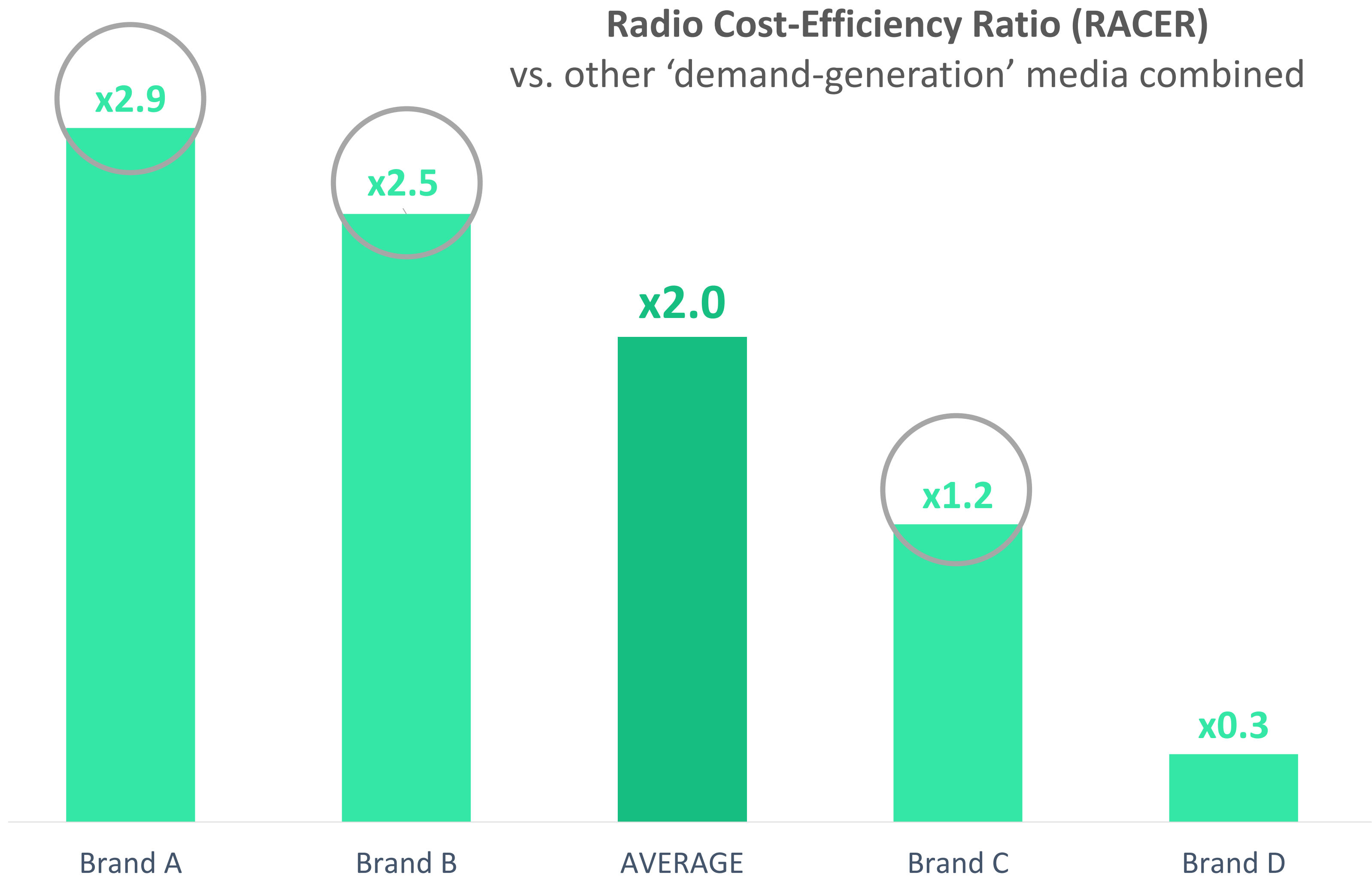
Radio Cost-Efficiency Ratio (RACER)

vs. other 'demand-generation' media combined

(average across all 4 campaigns)

x2.0

AVERAGE

Base: average calculated from the outputs of each of the four individual campaign models

Radio uplifts web sessions more cost-efficiently than other-media-combined in 3 out of four cases

Radio Cost-Efficiency Ratio (RACER)
vs. other 'demand-generation' media combined

x2.9 — Brand A
x2.5 — Brand B
x2.0 — AVERAGE
x1.2 — Brand C
x0.3 — Brand D

The best-performing campaigns
are characterised by higher weekly reach %
& consistent use of distinctive audio brand assets

	Average radio campaign weekly reach %	Average score for use of audio brand assets (max.= 10)*
CAMPAIGNS ACHIEVING **ABOVE-AVERAGE** RADIO COST-EFFICIENCY RATIO (RACER)	31%	6
CAMPAIGNS ACHIEVING **BELOW-AVERAGE** RADIO COST-EFFICIENCY RATIO (RACER)	22%	3

Base: all campaigns – *score calculated on use of established/distinctive audio brand assets, over time and across media (max possible =10).   Source: participating media agencies/Radiocentre observational analysis

The impact of radio on overall performance efficiency

alongside pureplay online response channels

Uplift in web sessions over baseline by referral source
(Brands A, D, and B)

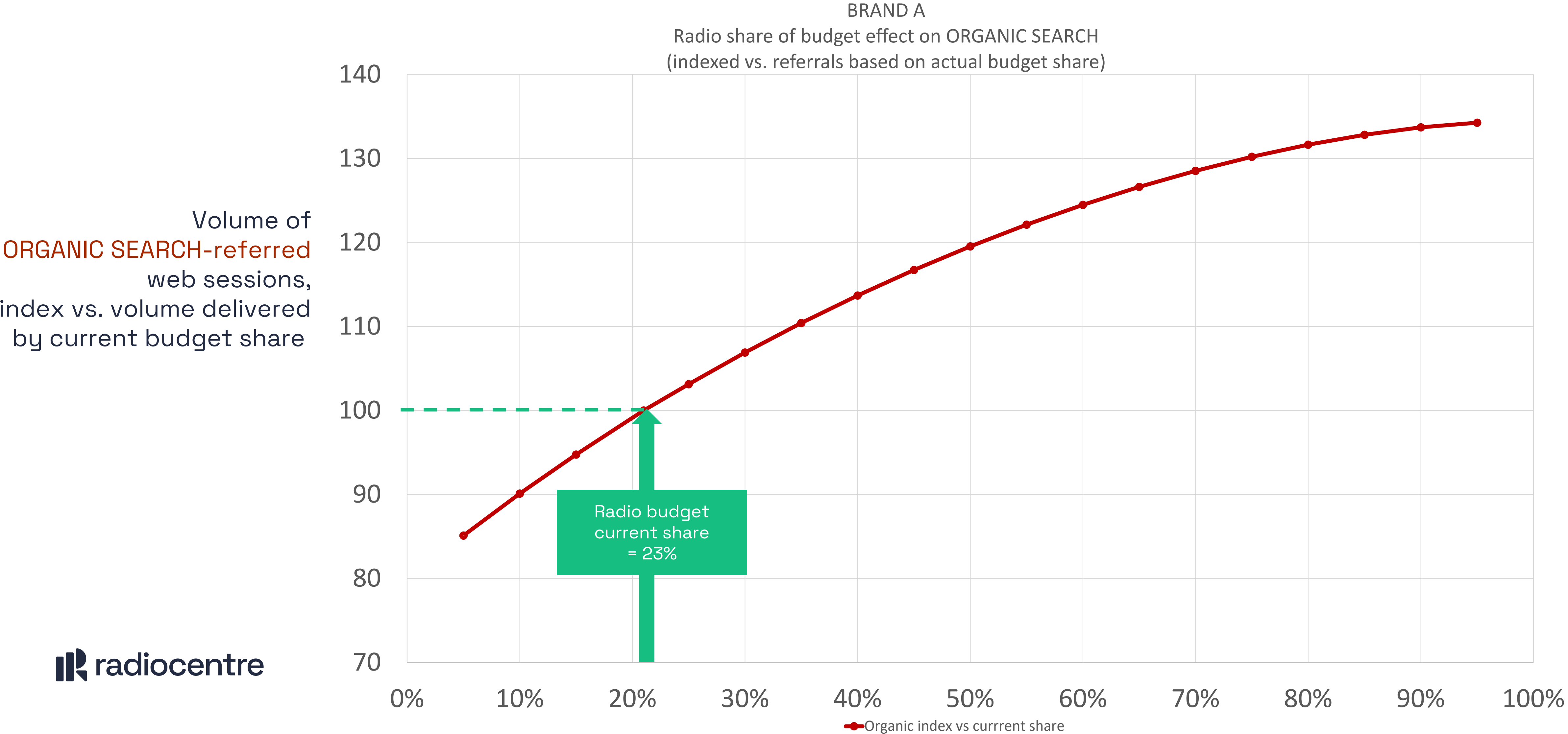

Brand A

- Email/Other 3%
- Direct 19%
- ORGANIC SEARCH 77%

Brand D

- PAID SEARCH 100%

Brand B

- Email/Other 6%
- Paid Search 8%
- Display 11%
- PAID SOCIAL 75%
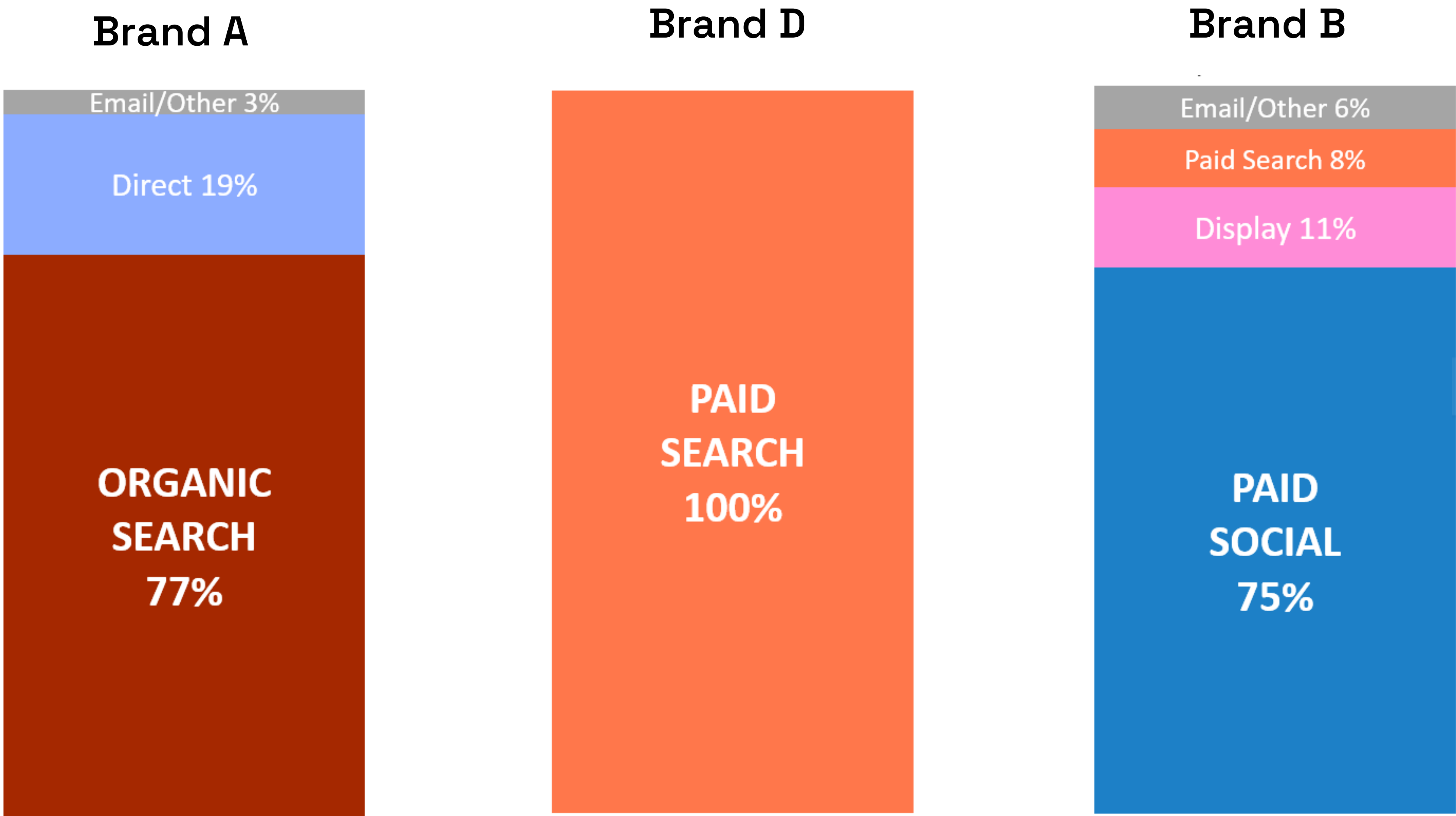
Brand A
Radio's effect on Organic Search referrals

Brand A

Reallocating budget to Radio boosts Organic Search referrals
AT NO EXTRA COST!

BRAND A
Radio share of budget effect on ORGANIC SEARCH
(indexed vs. referrals based on actual budget share)

Volume of
ORGANIC SEARCH-referred
web sessions,
index vs. volume delivered
by current budget share

Radio budget
current share
= 23%

— Organic index vs currrent share

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Base: Brand A campaign model

Source: Radio: the Performance Multiplier, Google Analytics/Colourtext

Reallocating budget to Radio boosts Organic Search referrals
AT NO EXTRA COST!

BRAND A
Radio share of budget effect on ORGANIC SEARCH
(indexed vs. referrals based on actual budget share)

Volume of
ORGANIC SEARCH-referred
web sessions,
index vs. volume delivered
by current budget share

+ 20% increase in Organic Search referrals
(at no extra cost!)

Radio budget
increased share
= 50%

Radio budget
current share
= 23%

```
140

130

120

110

100

90

80

70
   0%   10%   20%   30%   40%   50%   60%   70%   80%   90%   100%
```

● Organic index vs currrent share

Brand D
Radio's effect on Paid Search referrals
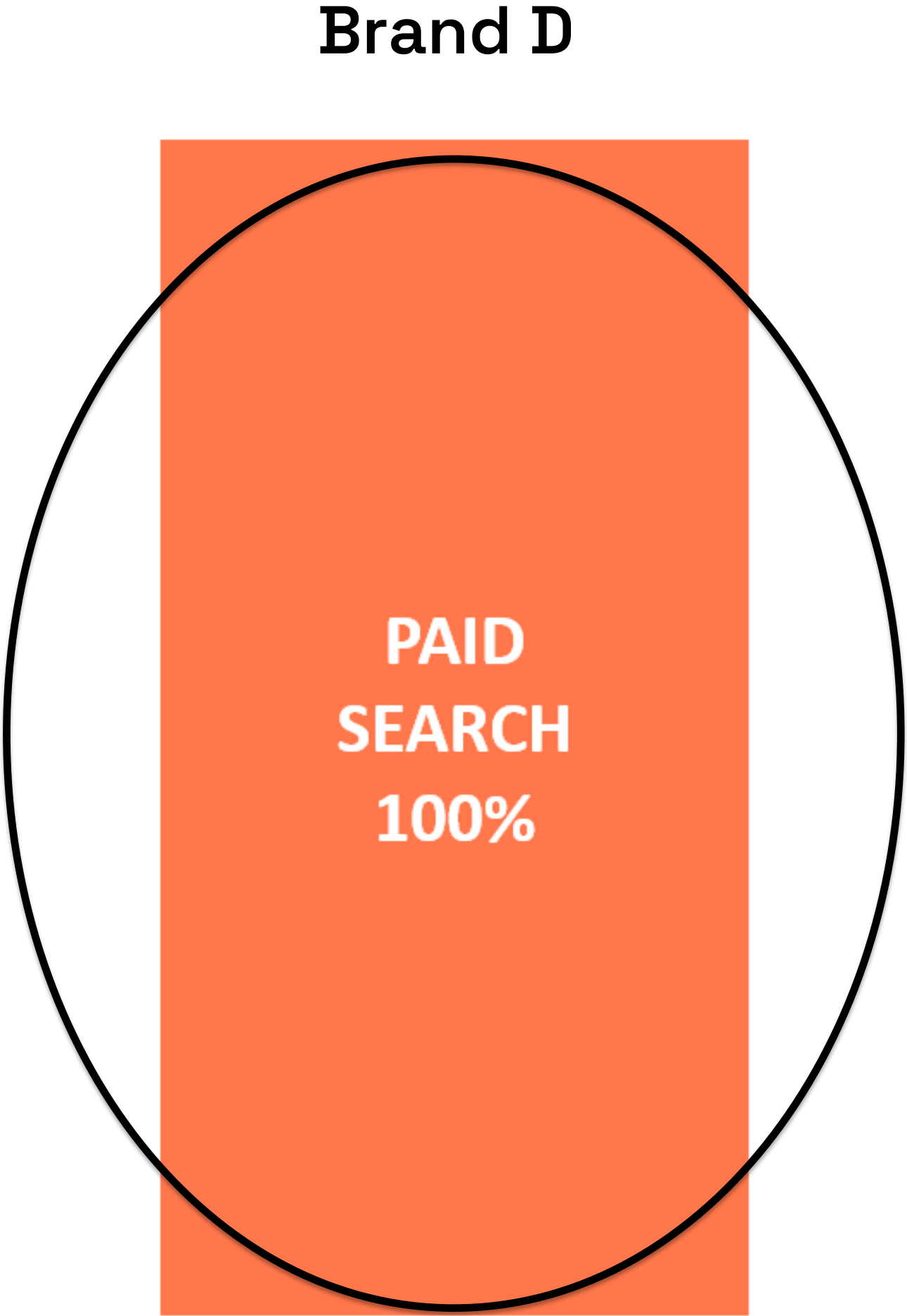
Brand D

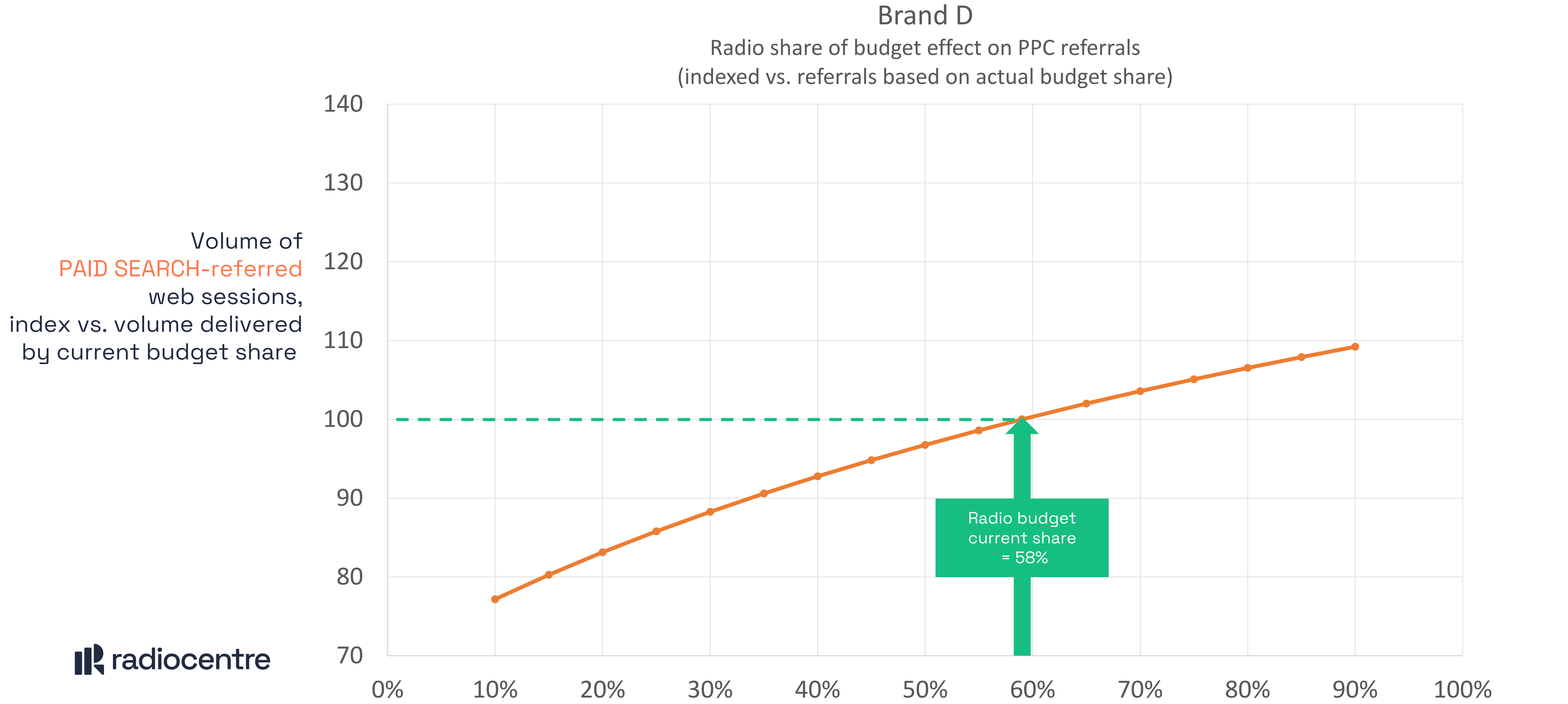# Reallocating budget to Radio boosts PPC referrals
AT NO EXTRA COST!

Brand D
Radio share of budget effect on PPC referrals
(indexed vs. referrals based on actual budget share)

Volume of
PAID SEARCH-referred
web sessions,
index vs. volume delivered
by current budget share
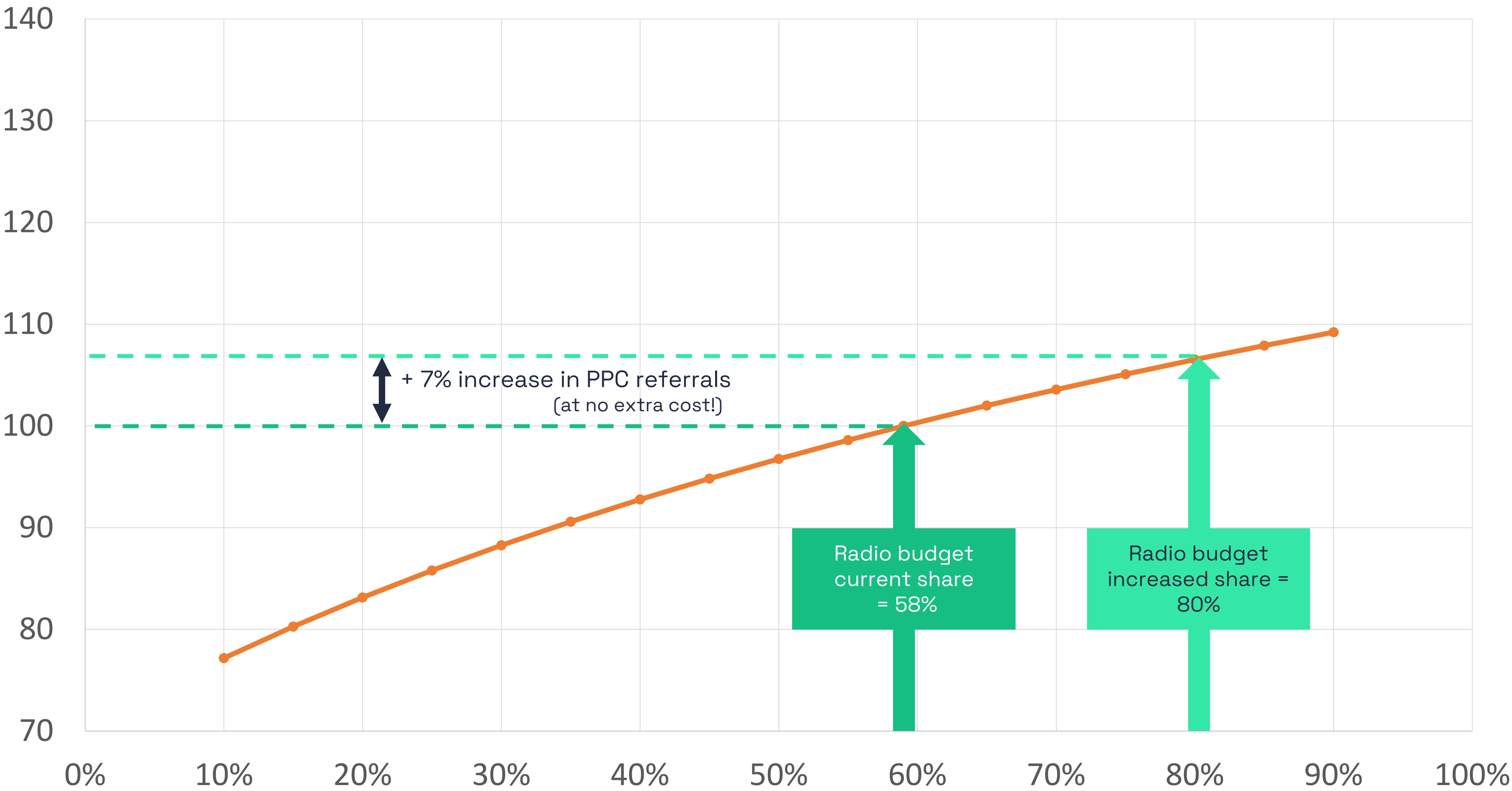
Radio budget
current share
= 58%

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Reallocating budget to Radio boosts PPC referrals
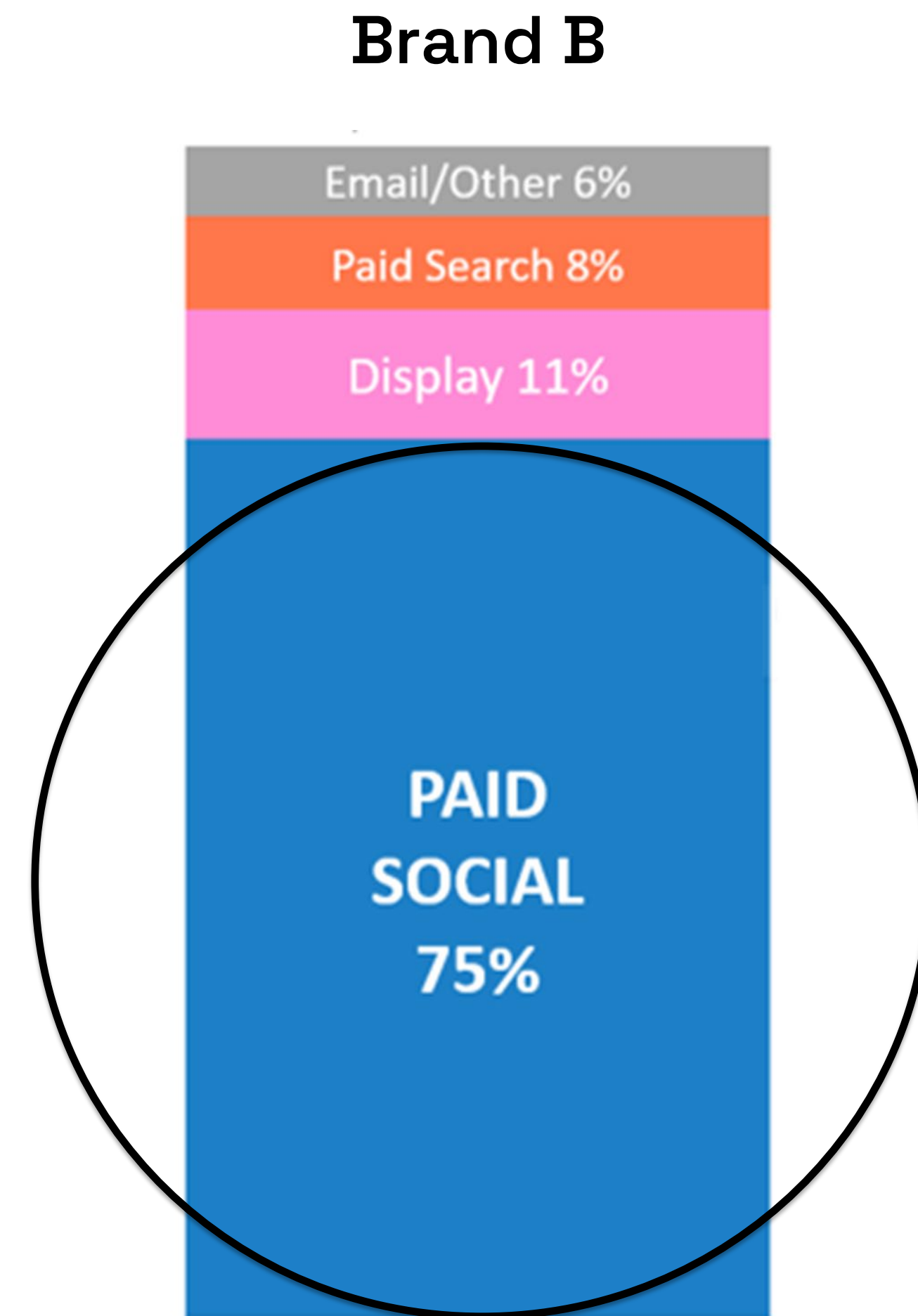## AT NO EXTRA COST!

Brand D
Radio share of budget effect on PPC referrals
(indexed vs. referrals based on actual budget share)

Volume of
PAID SEARCH-referred
web sessions,
index vs. volume delivered
by current budget share

+ 7% increase in PPC referrals
(at no extra cost!)

Radio budget
current share
= 58%

Radio budget
increased share =
80%

Base: Brand D campaign model

Source: Radio: the Performance Multiplier, Google Analytics/Colourtext

Brand B
Radio's effect on Paid Social referrals

Brand B

Email/Other 6%

Paid Search 8%

Display 11%

PAID
SOCIAL
75%

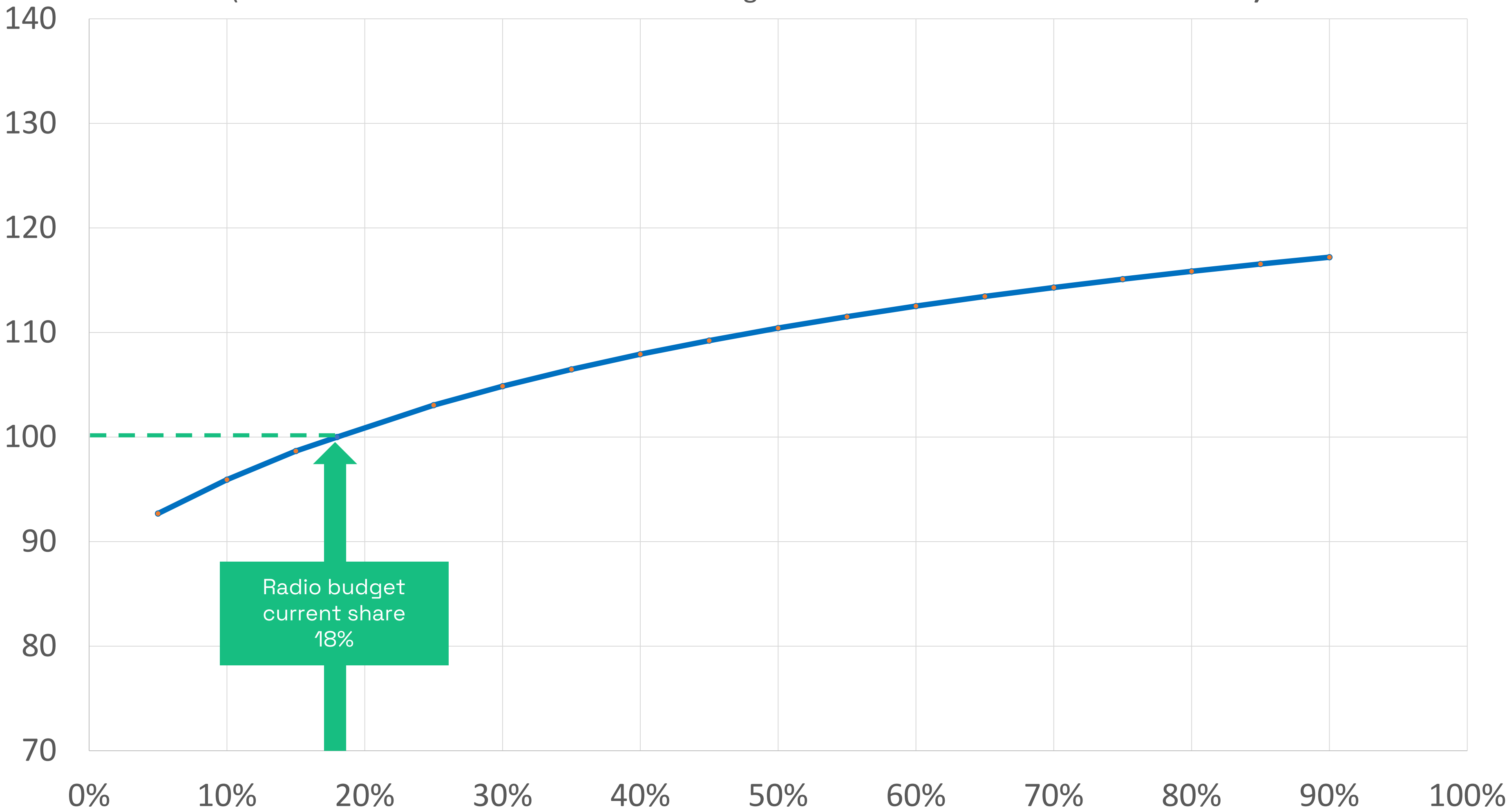# Reallocating budget to radio boosts Paid Social referrals
AT NO EXTRA COST!

Brand B
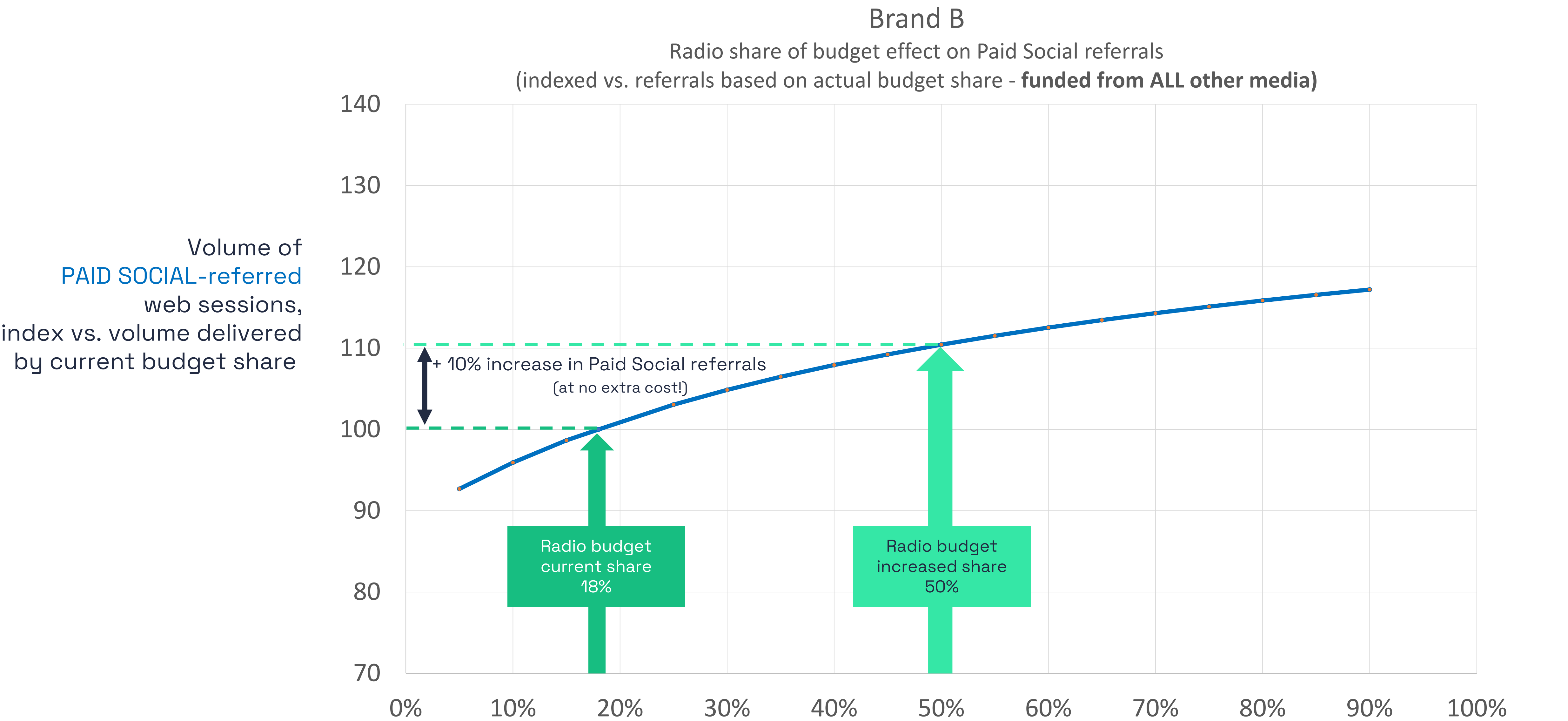Radio share of budget effect on Paid Social referrals
(indexed vs. referrals based on actual budget share - **funded from ALL other media**)

Volume of
PAID SOCIAL-referred
web sessions,
index vs. volume delivered
by current budget share

Radio budget
current share
18%

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Base: Brand B campaign model

Source: Radio: the Performance Multiplier, Google Analytics/Colourtext

Reallocating budget to radio boosts Paid Social referrals
AT NO EXTRA COST!

Brand B

Radio share of budget effect on Paid Social referrals

(indexed vs. referrals based on actual budget share - **funded from ALL other media)**

Volume of
PAID SOCIAL-referred
web sessions,
index vs. volume delivered
by current budget share

+ 10% increase in Paid Social referrals
(at no extra cost!)

Radio budget
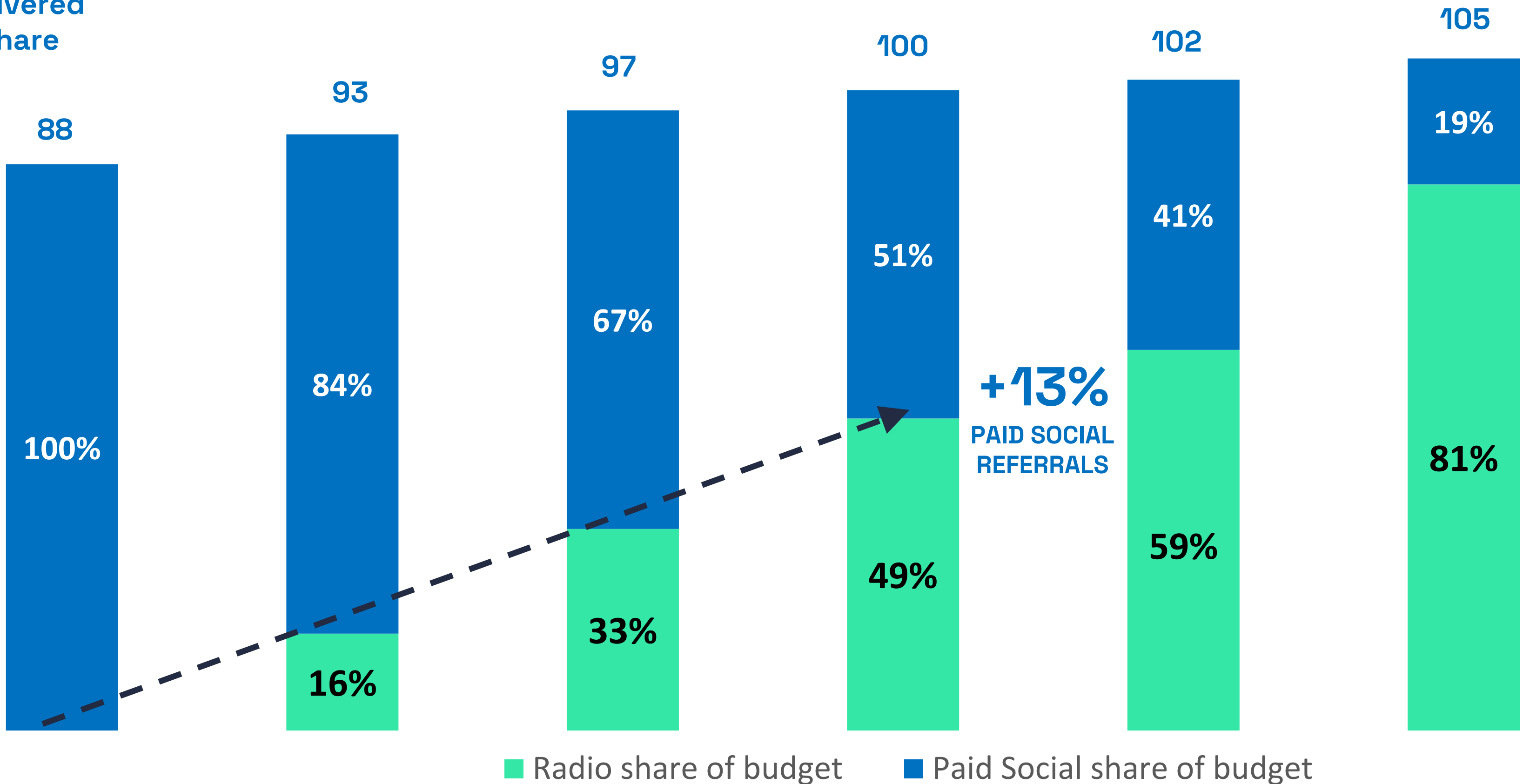current share
18%

Radio budget
increased share
50%

Moving Paid Social budgets into radio boosts Paid Social referrals
AT NO EXTRA COST!

VOLUME OF PAID SOCIAL REFERRALS
Index vs. volume delivered
by current budget share

100

51%

49%

■ Radio share of budget   ■ Paid Social share of budget

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Moving Paid Social budgets into radio boosts Paid Social referrals
AT NO EXTRA COST!

VOLUME OF PAID SOCIAL REFERRALS
**Index vs. volume delivered
by current budget share**

88

93

97

100

102

105

100%

84%

67%

51%

41%

19%

16%

33%

49%

59%

81%

+13%
**PAID SOCIAL
REFERRALS**

■ Radio share of budget   ■ Paid Social share of budget

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Measuring radio's longer-term effect on brand

Bespoke consumer surveys measuring brand effects of 'live' in-market campaigns

800 x 16-54 adults

COMMERCIAL RADIO LISTENERS VS. NON-LISTENERS
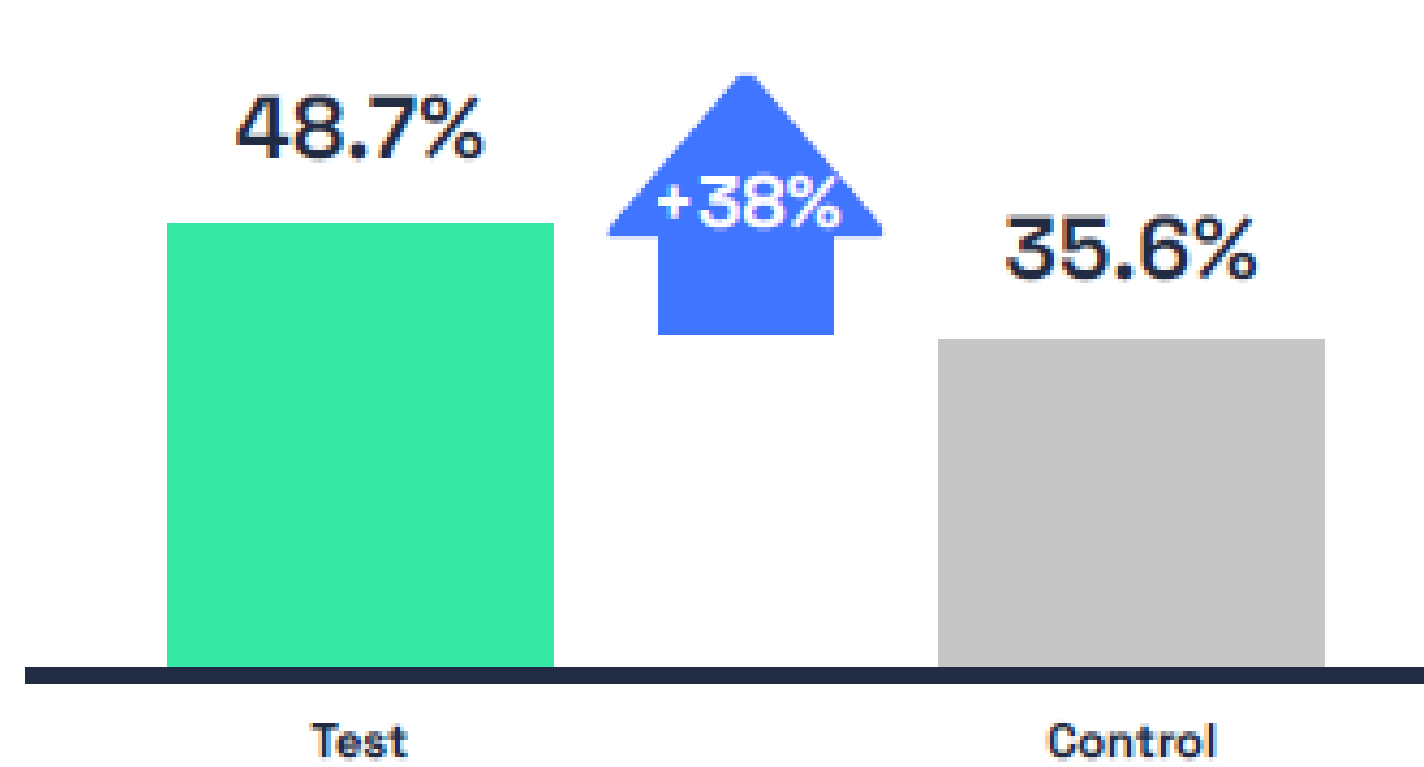
Mental availability metrics

NETWORK SIZE

MENTAL PENETRATION

Average number of CEPs associated with a brand

Number of people associating the brand with at least one CEP

Radio boosts awareness, consideration, and mental availability

38% increase in Ad Awareness
(Average across brands A&C)

48.7% +38% 35.6%

Test Control

47% increase in Purchase Consideration
(Average across brands A&C)

31.5% +47% 21.5%

Test Control

9% increase in Network Size
(Average across brands A&C)

4.9 +9% 4.5

Test Control
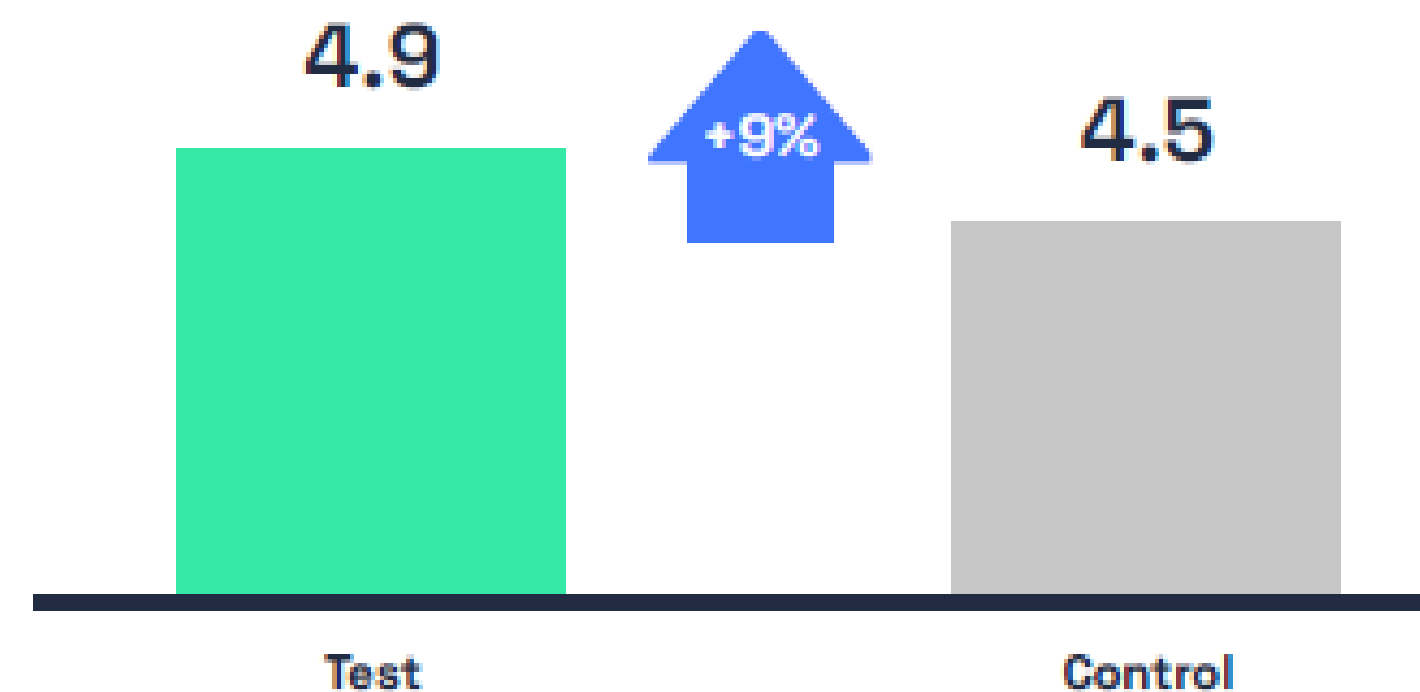
22% increase in Mental Penetration
(average across brands A&C)
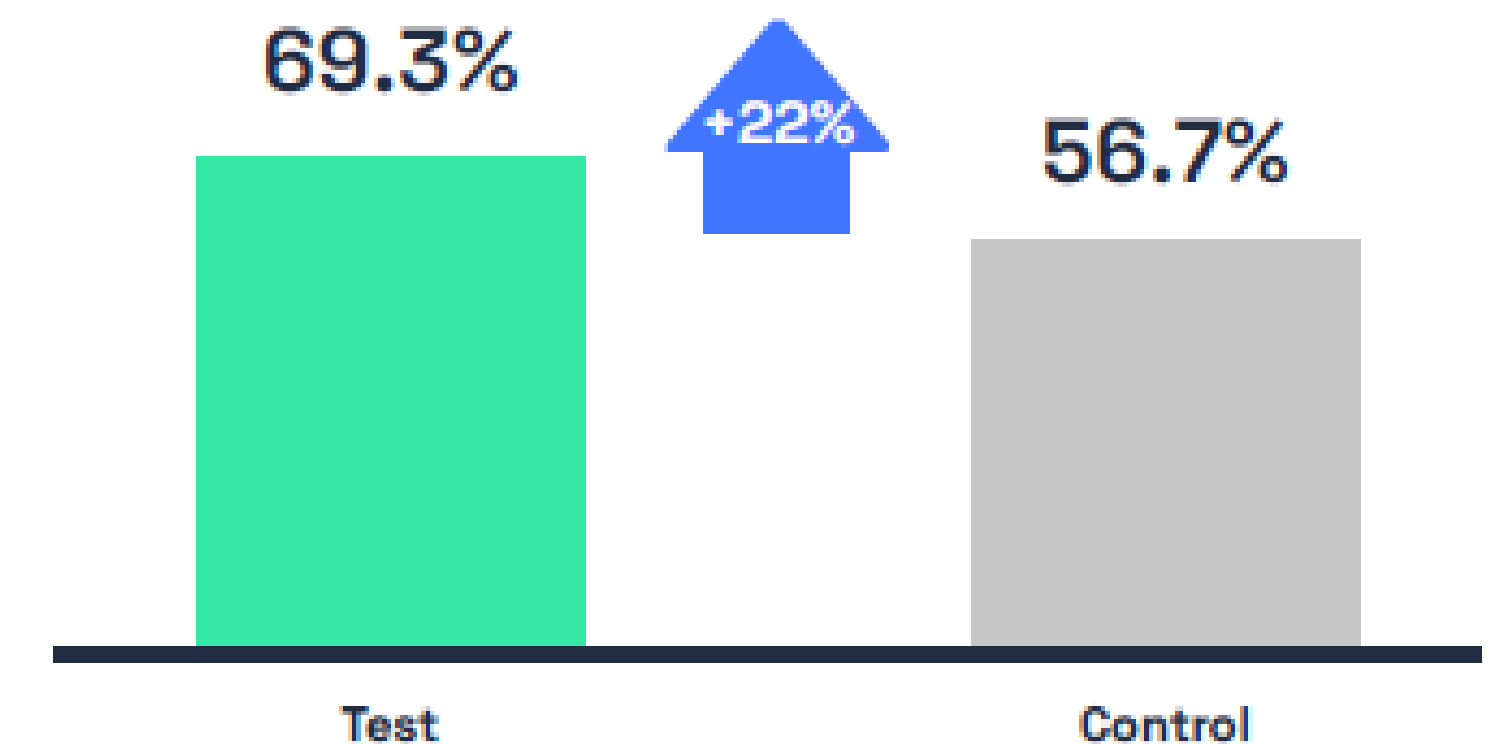
69.3% +22% 56.7%

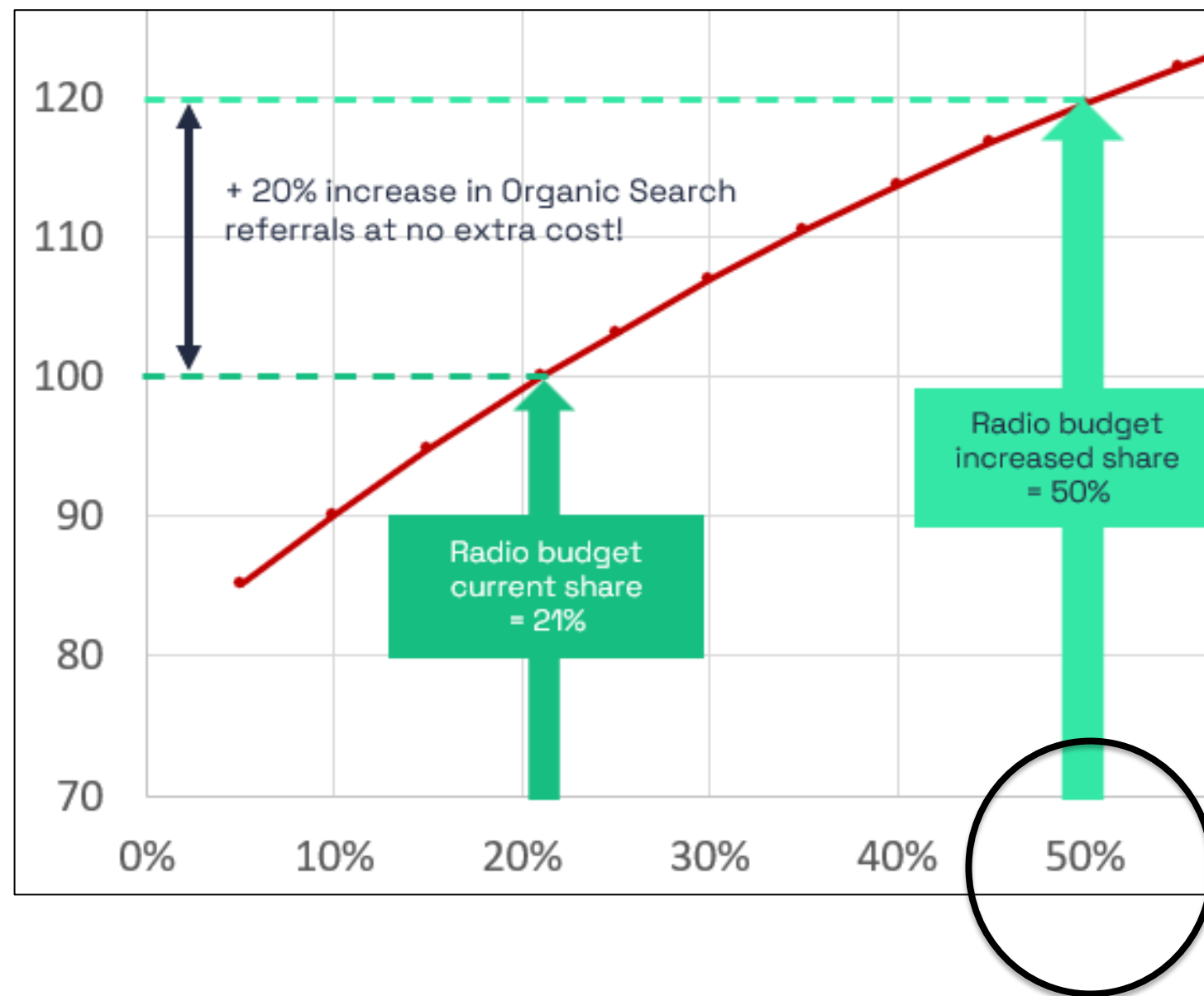Test Control

Summary

radiocentre

Summary
How radio helps brands punch-through the Performance Plateau

1. Current attribution methods exclude 92% of Radio advertising's true effect

2. On average, radio advertising boosts daily web sessions by 9%
   - 2X as cost-efficiently as other 'demand-generation' media combined.

3. Radio's *indirect response* effect boosts pureplay performance channels (search & social)
   - increasing radio's share enhances overall performance efficiencies AT NO EXTRA COST.

4. Radio's value-add = increased mental availability for performance brands
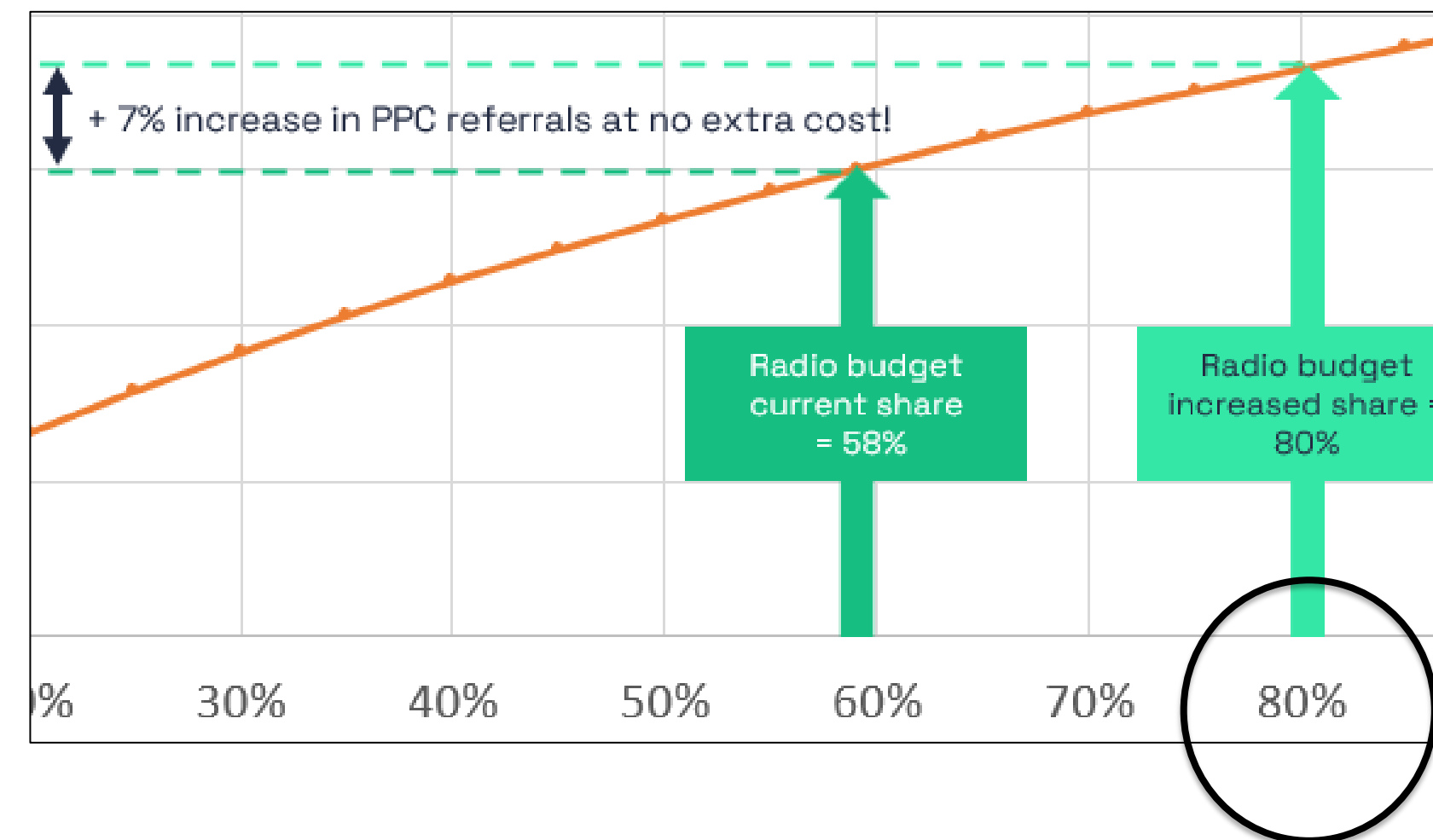   - helping to generate future demand.

Putting the learning into practice

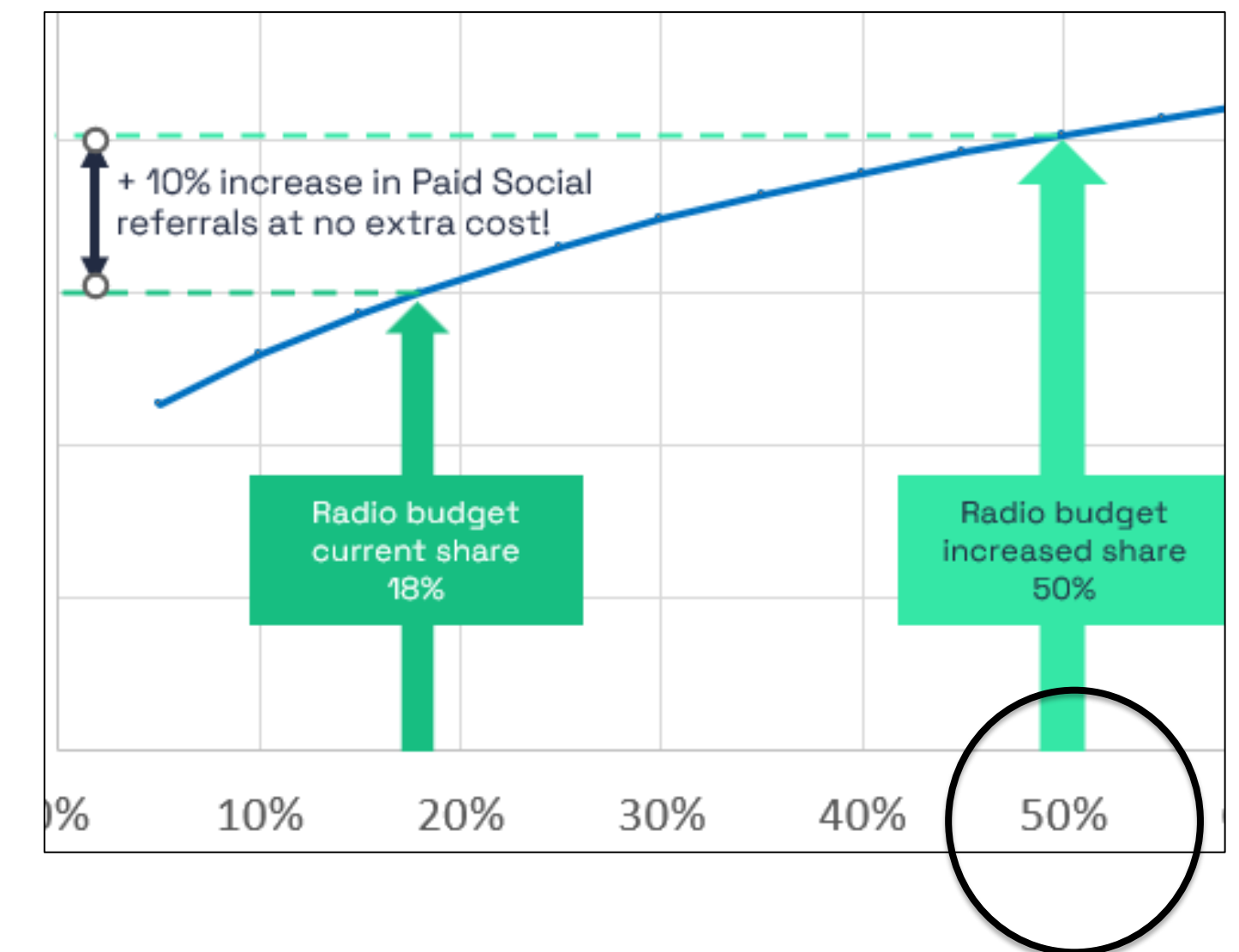radiocentre

1. Reconsider radio within the media mix

Organic Search

+ 20% increase in Organic Search referrals at no extra cost!

Radio budget current share = 21%

Radio budget increased share = 50%

Paid Search

+ 7% increase in PPC referrals at no extra cost!

Radio budget current share = 58%

Radio budget increased share = 80%

Paid Social

+ 10% increase in Paid Social referrals at no extra cost!

Radio budget current share 18%

Radio budget increased share 50%

2. Plan radio activity to maximise weekly reach

The radio planning optimiser

Welcome to a new era in data-driven radio campaign planning...

The Radio Planning Optimiser provides radio planners and buyers (strategic planners and advertisers) with a data-framework to help them make smarter effectiveness-outcome-based decisions when setting the optimum planning weights for their radio campaigns.

The tool is built on a meta-analysis (conducted by independent research company, Colourtext) of actual effectiveness results from a total of 454 individual in-market radio campaigns (with related radio campaign weight information) measured between 2008 and 2022 as part of Radiocentre's ongoing radio campaign effectiveness study Radiogauge. As such, the campaign effectiveness information contained in this Radio Planning Optimiser is derived from feedback from an aggregate sample of over 360,000 survey respondents measured across these individual campaigns. As far as we know, this is the biggest radio advertising effectiveness database of this type in the world (tell me more...).
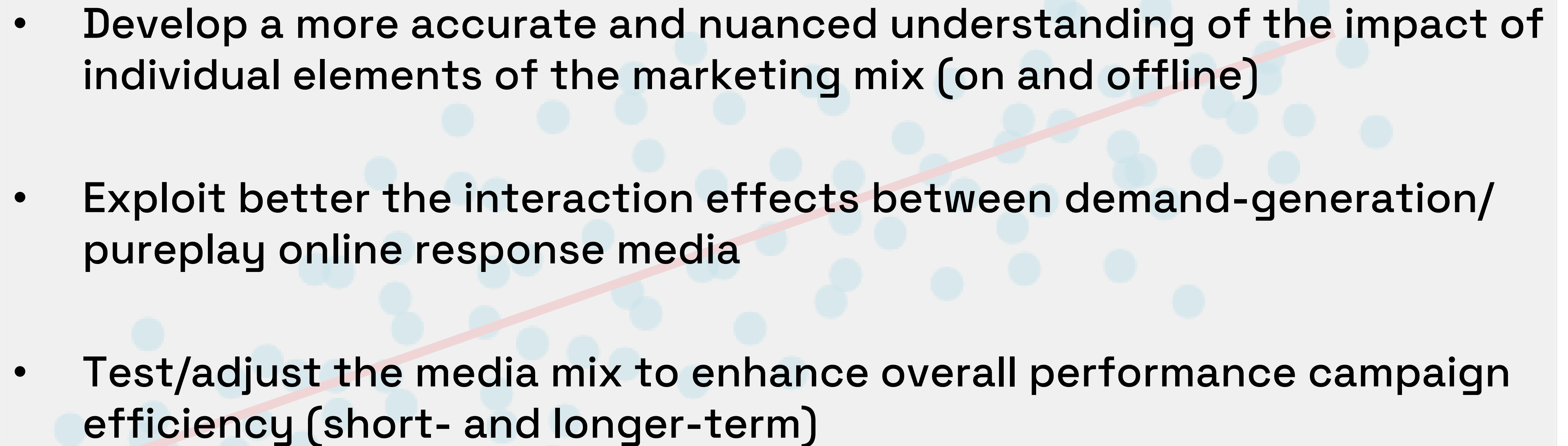
Click on the following links to find out more:

| HOW TO USE | OPTIMISE NOW | INTERPRETING THE OUTPUTS | IMPLICATIONS FOR PLANNING |

| FAQS | TELL ME MORE | GET IN TOUCH |

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3. Leverage distinctive audio brand assets for optimum effect

4. Use regression modelling to monitor performance

- Develop a more accurate and nuanced understanding of the impact of individual elements of the marketing mix (on and offline)

- Exploit better the interaction effects between demand-generation/pureplay online response media

- Test/adjust the media mix to enhance overall performance campaign efficiency (short- and longer-term)

Last CLEXIT

Let's take back control of our marketing metrics from Silicon Valley!