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Radio advertising: an effective and efficient driver of ROI, traffic to the web, marketing buzz and word-of-mouth



BrandScience

This week's egtabite looks at a piece of research from BrandScience, which was presented at the Radio Advertising Summit in Germany last week, that demonstrates radio's effectiveness – at comparatively low cost – across a range of different indicators. Far from being effective only for short-term activation and sales campaigns, radio can also have a powerful effect on all of a brand's assets.

The research uses the *POEMS* model to investigate radio advertising's effect on Paid, Owned and Earned Media, and in particular it focuses on radio's ability to drive traffic to brand websites.

Paid media: Radio's ROI and efficiency

Radio's excellent ROI has been well established by multiple studies, and this research draws on campaign cases in BrandScience's modelling database to better understand of how effective radio advertising is in relation to its share in the media mix. Looking at campaigns for advertisers in both the FMCG and non-FMCG sectors, the study shows radio to have a higher share of media effect than its share of media spend. For instance, for FMCG campaigns, radio had an average of 15% share of spend while it contributed 20% of the media effect; for non-FMCG cases, radio represented an average of 17% of spend and a full 25% of media effect.

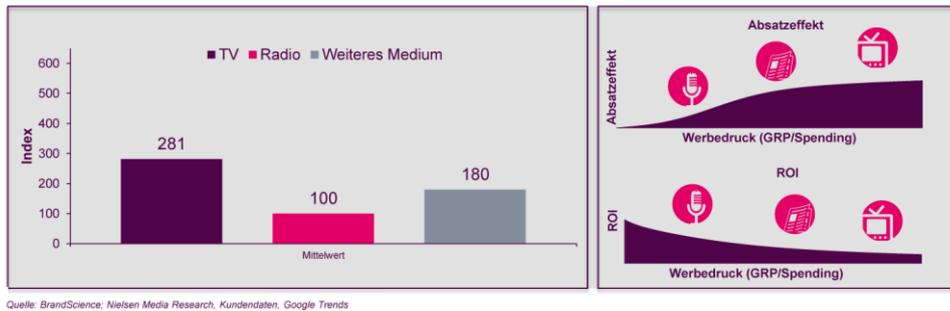


This effect exists in part thanks to radio's advertising pressure, which is typically relatively low. This results in proportionally high efficiency when compared to media such as TV.

Owned media: Radio's effect on web searches

Using data that included Google Trends as a source, BrandScience's research found that in the cases examined, 11% of web searches can be attributed to radio. Crucially, radio was the lowest cost medium to increase web searches by one percentage point.

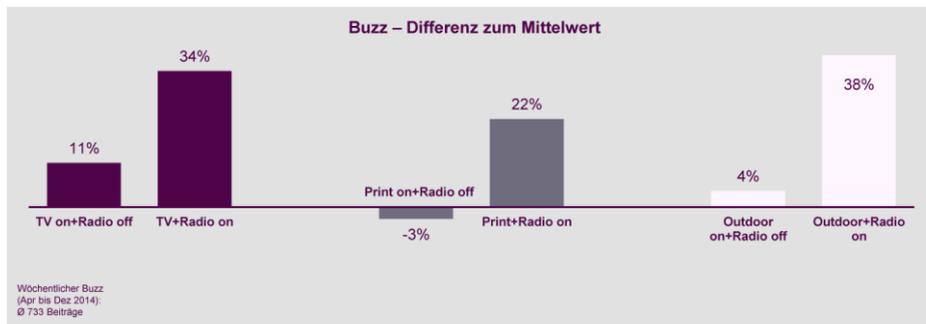
The research looked at 14 brands from three sectors – automotive, travel and online stores. Across these cases, radio was almost always the lowest cost medium for driving search when compared to TV or other media.



Earned Media: Radio's effect on marketing buzz and word-of-mouth

This part of the study examined the effect of radio advertising on some of the less tangible – but nonetheless highly valuable – brand assets: the buzz and social conversations around marketing campaigns and the word-of-mouth recommendations consumers make to people in their social circles.

To measure the buzz, brand mentions on social media were analysed and matched against gross spending data in radio and other media. Radio was shown to have a positive effect on buzz, and this effect “reverberated” for the couple of weeks following campaigns. The buzz effect was most evident in campaigns that featured average volumes of radio advertising, over those featuring low or high volumes. Radio was also found to be especially effective when used with other media.



Quelle: Brandwatch; Basis: pro Kategorie jene Kunden, bei denen das entsprechende Medium im Analysezeitraum mind. 4 und max. 36 Wochen geschaltet war (N=31/21/25/26)

By using a brand tracking technique developed by the research body YouGov, BrandScience also modelled word-of-mouth (WOM) exposure. Again, radio was found to be relatively efficient as a medium to increase WOM exposure.

Why this matters for egta members

The *POEMS* model, when applied to brand marketing, can help explain the impact and relative cost of channels used within the media mix. By bringing all of the elements of Paid, Owned and Earned Media together, BrandScience found robust evidence of the significant contribution radio can offer in the digital sales funnel – especially by driving web searches – and therefore the positive difference it can make both directly and indirectly to a brand's success.

As the spotlight increasingly turns to the often opaque data being used to justify investments in online search, display and video, well-established media such as radio stand to benefit greatly from independent and well-designed research that shows its effectiveness and efficiency not only as a driver of sales, but also as a significant contributor to online traffic, marketing buzz and word-of-mouth.

This research was presented by Dr. Alexander Preuss, Director – BrandScience, at the Radio Advertising Summit in Düsseldorf, Germany, on 18 June 2015.



Background info

Please click on the links below to access the relevant documents:

- » **Presentation from Radio Advertising Summit** (please click [here](#))
- » **egta insight - Radio Audience Measurement** (please click [here](#))