

WHY NOW IS A GOOD TIME TO ADVERTISE ON RADIO

The top eight reasons to advertise on radio during the current crisis

egta compilation, April 2020

In order to support egta radio members with additional arguments on “why advertise on radio”, we have selected a set of research data and facts to highlight the key reasons to keep using radio in times of crisis.

egta presents eight main reasons to advertise on radio right now:

1. [Radio's reach and time spent listening are as strong as ever](#)
2. [Brands that 'keep on advertising now – win](#)
3. [Radio is the most cost-effective mass medium](#)
4. [Radio drives traffic to the web](#)
5. [Radio is a unique campaign multiplier](#)
6. [Radio has two distinct modes of consumption – radio is on when screens are off, but can still be effective as a background medium](#)
7. [Audio creative – high quality, fully remote and not an expensive production](#)
8. [Radio is a trusted source of information in times of crisis](#)

1. Radio's reach and time spent listening are as strong as ever

The full report **demonstrating radio listening resilience** during the covid-19 crisis is [available here](#).

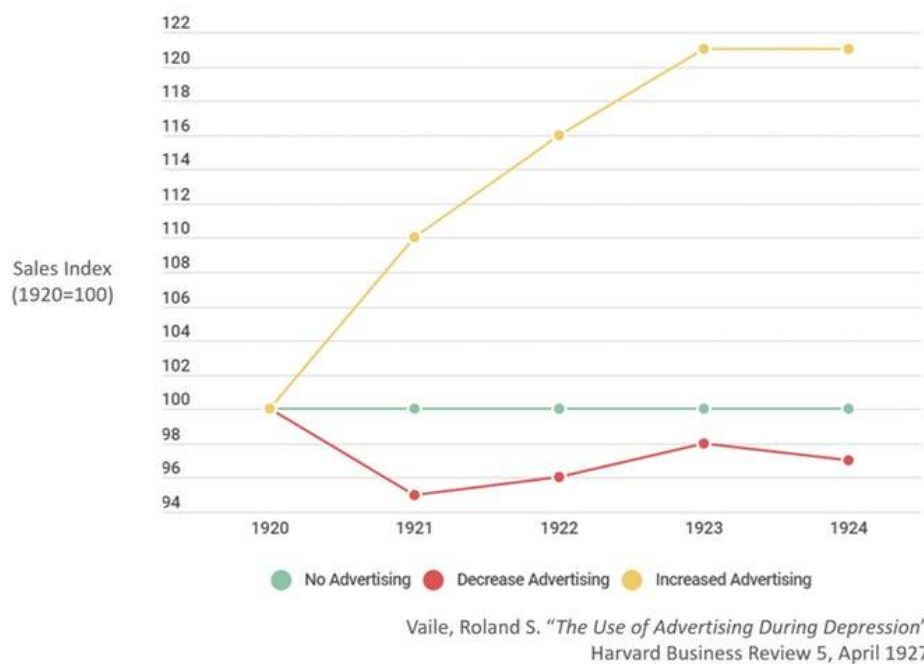
Highlights:

- **Time spent listening** among radio listeners in Norway, the Netherlands, Sweden and Switzerland has **increased by 14%, 13%, 8% and 7%** correspondingly in the second half of March.
- **8 out of 10** respondents **listen to radio more or for the same amount of time** (data from the US and Russia).
- **A 156% increase** in **Alexa flash news briefings** was observed by Global UK together with an 11% overall increase in radio listening across its entire commercial radio brand portfolio.
- DPG Media in Belgium registered a **39% overall increase in online listening** and 66% increase for Qmusic radio.
- Radio stations in **Germany** have recorded around **22% more radio listeners online** since the beginning of the crisis.
- Online listening of NRJ and RTBF radio online streams in Belgium increased by 20% in March compared to February.
- Communicorp in Ireland has reported that **listeners are spending 45% more time with their stations** and that reach has increased by 32%.

2. Brands that keep on advertising now - win

More listeners and hours spent listening + fewer competitors in an ad break = bigger market share now and faster growth during the recovery

At the moment brands can benefit from the increased radio audience and TSL as well as from the decreasing advertising activity of their competitors. They can use this context to increase their share of voice in a category. Maintaining advertising during a downturn “boosts profitability and market share during recovery” plus there is an expected spike of deferred demand after the lockdown.



The very first research on advertising effect during a recession was carried out by Roland Vaile during the post WWI Depression of 1920-21. The “results demonstrated that companies that increased their ad budgets during the recession grew sales much faster than their rivals – not only during the downturn but also beyond it. Companies that decreased their advertising spend saw their sales decline both during the recession and then for the following three years. In relative terms, these companies actually underperformed even those that elected to do no advertising at all.

It was the first proper analysis to demonstrate a key lesson in advertising theory: the power of increased advertising in a recession. It was certainly not the last. In fact, over the subsequent century dozens of empirical studies re-confirmed Vaile’s main finding. Despite studying different firms across very different recessions, each study revealed that maintaining or even increasing ad spend during a downturn is invariably the right thing to do because it sets a company up to survive the downturn (a little) and then prosper (a lot) in the period that follows. **Mark Ritson: The best marketers will be upping, not cutting, their budgets” [link](#)**

More on this topic:

- [Seven marketing strategies for an uncertain economy](#) – by Cumulus and Westwood One

3. Radio is the most cost-effective mass medium for brand building and call-to-action campaigns

- On average, radio's CPM is at least 3 times lower than TV's.¹ Thus, it is clear that beyond just extending reach, including audio in the mix can also significantly [improve the overall cost-effectiveness of brand-building campaigns by over 20%](#).
- Radio's [cost per awareness is nearly twice as efficient as that of television](#).
- **Creative sponsorship on radio works for brand building and sales** – as proven by Absolute radio's sponsorship campaign for Wickes, a major DIY retailer serving homeowners and the building trade. Over £10m worth of sales were attributed to a 12 month radio sponsorship project and +35% of listeners felt a more positive association to Wickes ([Absolute and Wickes put power tools on the air](#)).

4. Radio drives traffic to the web

Radio advertising is an effective way to **redirect customers to your e-shop** or **inform them about delivery options**, instead of just letting them go to the international e-commerce platforms to buy substitutes.

- Radio drives **+21% of average online traffic increase** for advertisers. The increase was even higher (**37%**) for **small and medium digital advertisers** (TF1's Les Indés "[Radio drives traffic to the web](#)" study 2015-2018)
- **A 40% increase in interest and a 50% increase in registrations** was driven by radio campaigns to the sites of an electronics retailer and travel agency as demonstrated by the Hungarian Radio Sales House (RSH) [case study](#).
- Radio ad campaigns **boosted registrations** of a French C2C start-up AlloVoisins from 70.000 to 1.600.000 during the period of 2015-2017 and made AlloVoisins the most recognised brand in its category, 29% ahead of the nearest competitor ([M6 Publicité study](#)).
- Advertising on radio drives on average a **29% incremental lift in brand Google search results**, ranging between 7% for an automaker brand and 370% for a jewellery brand (["Radio drives Search" RAB](#)).
- There is an incredibly strong relationship between radio and online - **62% respondents said they had gone online after hearing a radio advert**, with 89% of those who went directly to an advertiser's website and 83 % of those who went online to find out more said that they followed this up by looking for the product in a shop ([Urban Media radio campaign for Boutique Bake](#)).
- Up to **12,7% of incremental unique site visitors** are driven by radio campaigns ([Proving the effectiveness of radio advertising on sales and a brand's positioning, RMS, AS&S](#))

¹Source: egta benchmarking database

5. Radio is a unique campaign ROI multiplier

- Radio provides **1:3 ROI for FMCG brands** ([WestwoodOne new breakfast brand launch case](#)).
- **Purchase consideration** increases significantly when consumers are exposed to both TV and radio ads. **Adding radio or TV boosts purchase consideration by 38%**, but this [lifts to 70% when the two are combined](#).
- Preliminary exposure to a radio spot increases attention to the brand in the TV spot by 62.5%, to the brand banner ad by 28,6% and boosts emotional impact of the TV spot by 25% and online ad by 40% ([RadioCompass](#) by Rai Publicita).
- The proven power of visual transfer – more than **75% of radio listeners immediately recall a brand's TV spot** when listening to a radio commercial ("[Radio and the power of visual transfer](#)" RMS).
- Synchronised radio and banner ads drove up **online sales of Touring car assistance by 228%** during the three-month period compared to the same time the previous year. The number of people who chose the premium option doubled from 19% to 39%. Most importantly, the number of visitors to the site increased dramatically when the radio spots were broadcast ([VAR case with Touring](#)).
- By using radio advertising in Germany, **PayPal increased its number of new registrations by 29,1%** during the campaign period, compared to just 3,7% in the regions excluded from radio ad campaigns ([RMS Germany PayPal radio ad study](#)).
- **For FMCG campaigns, radio had an average of 15% share of spend while it contributed 20% of the media effect**, while for non-FMCG cases radio represented an average of 17% of spend and a full 25% of media effect ([BrandScience research](#)).
- The US data shows that on average **radio advertising delivers a sales uplift of more than 6\$ for every 1\$ spent** in the 28 days after consumers hear an ad ([Now that's what I call ROI! Radio's new story](#)).
- 5,5€ is the average ROI in food retail with up to 9,3€ for one of the discounters, while in non-food retail an average ROI is 2,61€ with up to +6€ for one textile retailer brand ([RMS Audioeffect data](#)).
- Radio drives customers to stores: the percentage of those who shopped at the retailer grew 48% after exposure to the radio campaign ([Cumulus NYC trip 2019 presentation](#)).
- **20% budget on radio and 80% on TV** for a \$2 million weekly campaign delivers 40% more reach among 25-54 target audience, +36% of awareness, +28% of consideration, +29% of purchase and +30% of advocacy compared to similar TV only campaign ([Cumulus CA trip 2017 presentation](#)).

6. Radio has two distinct modes of consumption – radio is on when screens are off, but can still be effective as a background medium

[egtabite 261: Hear and Now study: How targeting people at relevant times helps turbocharge ad effectiveness](#)

- People feel **twice as happy when listening to radio** compared to when not consuming any media. This mood-boosting effect of radio editorial is proven to enhance engagement with advertising.
- Listeners are able to **absorb the detail of radio ads** when they are participating in tasks or activities as effectively as when engaged in other audio listening or TV viewing experiences.
- Whatever the main activity is- cooking, exercising, housework, working, shopping or driving - advertising that directly relates to tasks or activities that listeners are participating in builds on these editorial effects and turbocharges them: +23% in engagement, +22% for a long-term memory encoding of radio commercial. These ads performed better than up to 94% of other "non context relevant" TV or radio commercials.

Six R of radio advertising backed up by Nielsen data: Remind, Register, Reinforce, Relate, Reach, Return

- **Remind** – radio recency matters and reminds consumers to take an action closest to the point of an intended outcome. For example, spots airing within 90min of a sporting event drive over 2X higher conversion.
- **Register** – radio registers with consumers and drives them to investigation on digital and purchase. People exposed to a radio ad three or more times were more likely to do online research and take action to purchase.
- **Reinforce** – radio reinforces the total media plan by driving up awareness of the same ads on other media. Consumers who are exposed to ads on radio had a 35% higher awareness of the same ad on TV.
- **Relate** – radio branding spots combined with celebrity voiced spots relate with consumers and deliver message memory, engagement and resonance.
- **Reach** – radio reaches 9 out of 10 people each week which is more than any other media platform in the US.
- **Return** – Radio has a proven track record in delivering a positive return on ad spend across a variety of categories. For each 1\$ spent on radio advertising, radio returns up to 23\$ (for retail brands).

7. Audio creative – high quality, fully remote and not an expensive production

Audio ad format has a great deal of room for creativity while remaining relatively low cost and fast to produce. It provides much needed flexibility to adjust messages as the situation changes rapidly. It allows for flexible schedules and reactive media planning. Unlike most of the visual based commercials, **radio spots can be created, produced and scheduled in a fully remote way without any compromise in quality or speed.**

- [Snickers on radio](#) - just one of the examples that demonstrates how to adapt an existing marketing concept of a visual FMCG campaign to radio in a unique and medium specific way, while amplifying TV and digital, and building a strong case for radio as an advertising platform.

8. Radio is a trusted source of information in times of crisis

Radiocentre's "Radio in crisis" overview states that repeated studies show that radio is the most trusted medium for news, with [research](#) finding that 77% of audiences in the UK say they see radio as a trusted source of national news, more than any other media. The same study also found that 60% of listeners turn to radio to keep informed during emergency situations. These findings are in line with [research](#) from the European Commission that consistently find that radio is the most trusted medium in Europe.

In [the USA](#) and [the UK](#), the majority of citizens trust radio and TV as sources of timely and reliable information in times of crisis.

BONUS RESOURCES:

Radio and online – an ideal combination for mass reach, swift, dynamic, reactive and cost-effective ad campaigns. egta's compilation of cases on the topic:

- [egtabite 278: Making brands shine via cross-media solutions and brand integrations](#)
- [egtabite 271: Red Bull & Ö3 Concert Spectacle](#)
- [egtabite 275: How can radio make a million on YouTube?](#)
- [egtabite 269: Once Upon on a Time...on Absolute radio](#)
- [egtabite253: An interactive live online video quiz creates new opportunities for branded content and monetisation](#)
- [egtabite 243: BFF Speed Shopping Date – using radio and social media to engage audiences](#)
- [egtabite 236: Pepsi Max & IP Belgium - successful advertainment, combining audio, video, field activation and social](#)
- [egtabite 230: Virgin Radio and Yamaha – successfully combining branded content, radio broadcast and online as well as offline experiences](#)
- [egtabite 201: The 702 Road trip – branded content drives engagement and results](#)
- [egtabite 186: Samsung & KPN Find The Phone](#)
- [egtabite 176: Radio Contact and IKEA create a true FOMO moment](#)
- [egtabite 172: Engaging fans and making the most of the complementarity between radio and social media](#)
- [egtabite 137: Cooking up a tasty creation with 538 and Domino's Pizza](#)
- [egtabite 92: Sky Radio + Shazam: bringing listeners one tap closer to Bavaria Beer](#)