

# RADIO'S ENDURING ROLE IN EFFECTIVENESS

AM/FM Radio Advertising Generates Significant Sales & Profit Growth for Marketers



Les Binet  
Head of Effectiveness  
adam&eveDDB

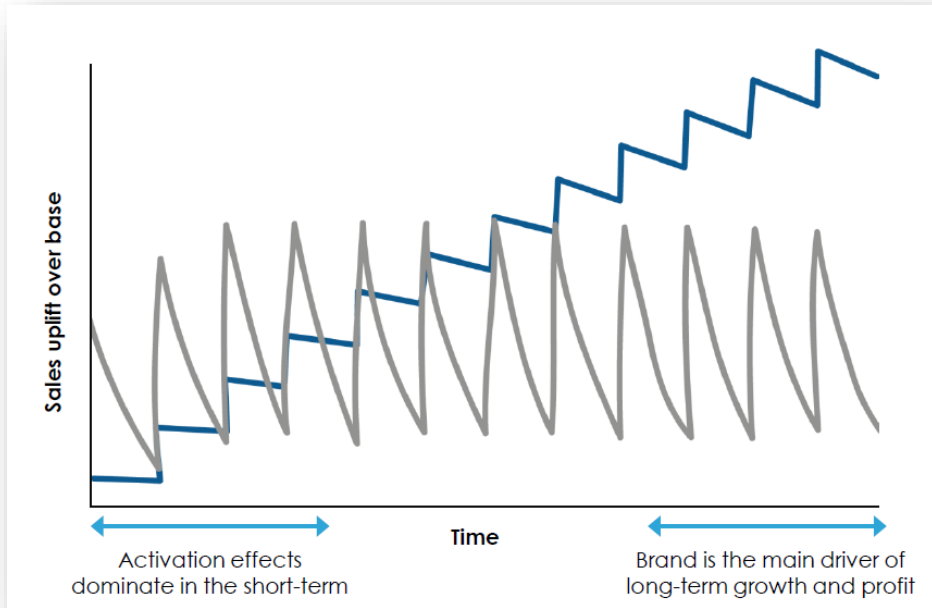


Peter Field  
Acclaimed marketing  
specialist

Les Binet, Head of Effectiveness at adam&eveDDB, and Peter Field, acclaimed marketing specialist, have been dubbed the “godfathers of marketing effectiveness” and have produced the world’s most authoritative analysis of how to grow revenue and profits.

Binet and Field studied the Institute of Practitioners in Advertising (the IPA) Databank of case studies to determine effective marketing strategies.

# Brand building ads steadily **build sales over time**



## Sales activation/short-term sales lift

Short-term sales uplifts, but brand perceptions unchanged. No long-term increase in sales or reduction in price sensitivity. High efficiency and ROI. Sales activation is the “carbohydrate” of advertising.

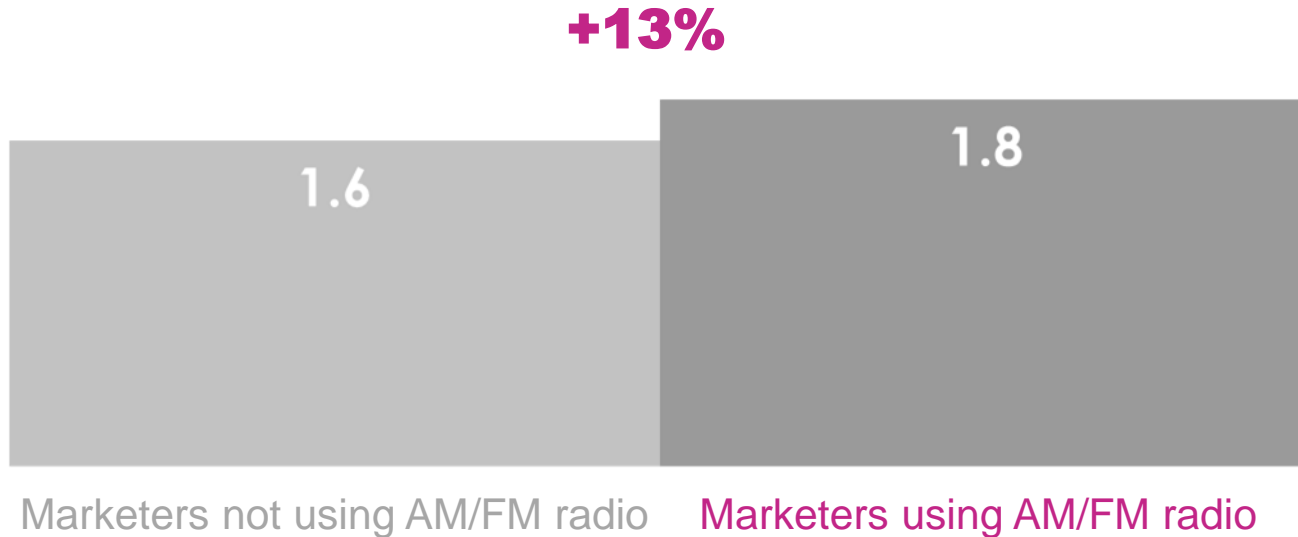
## Brand building/long-term sales growth

Brand grows stronger, leading to long-term volume increase and reduced price sensitivity. Brand building is the “protein” of advertising.

# AM/FM radio boosts **mental availability**

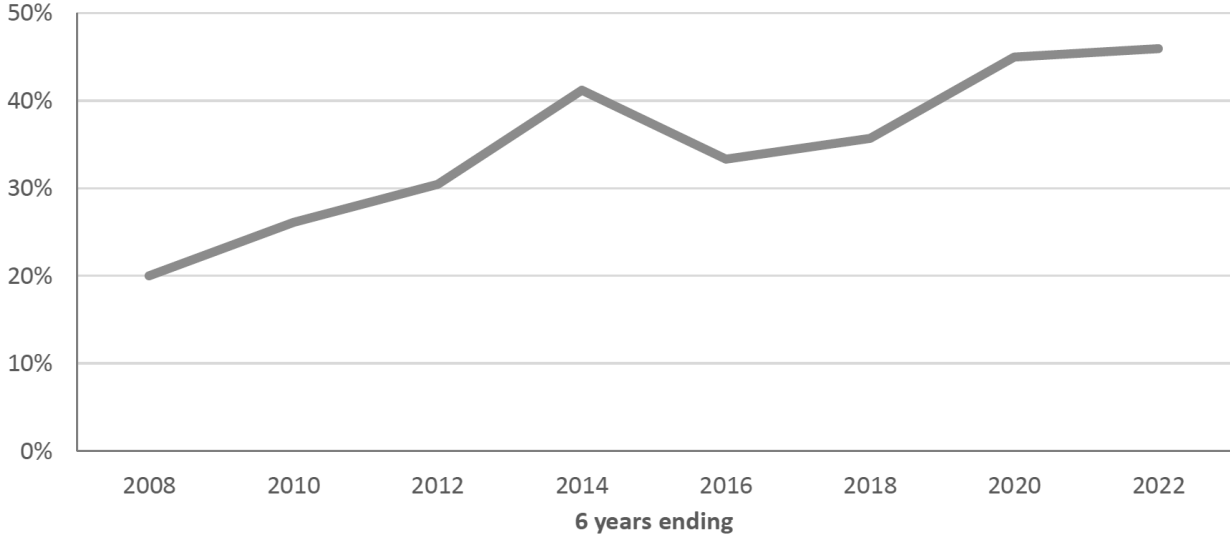
Campaigns with AM/FM radio drive +13% more mental availability than campaigns without AM/FM radio

Average number of brand effects



# The link between trust and profit **has grown especially strong**

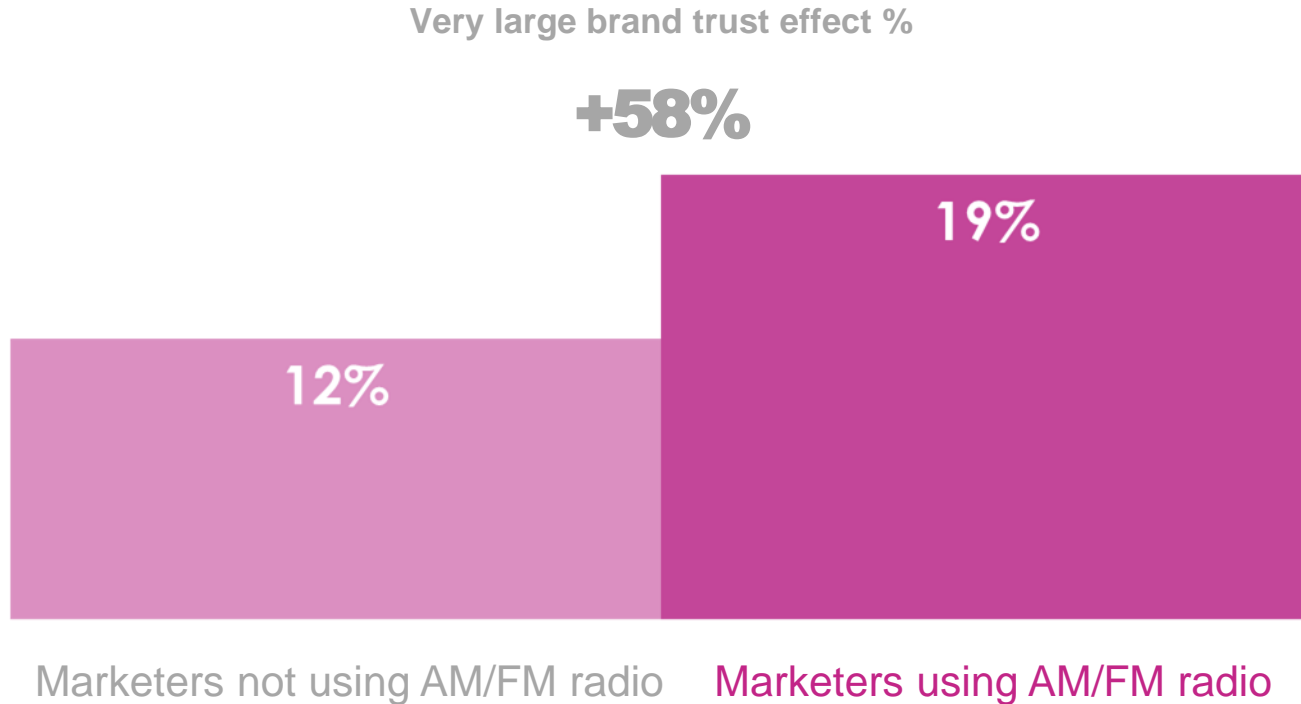
**% cases with strong trust growth reporting strong profit growth**



Source: CUMULUS Westwood One IPA Databank, 2000-2022 for-profit cases reporting very large trust improvements

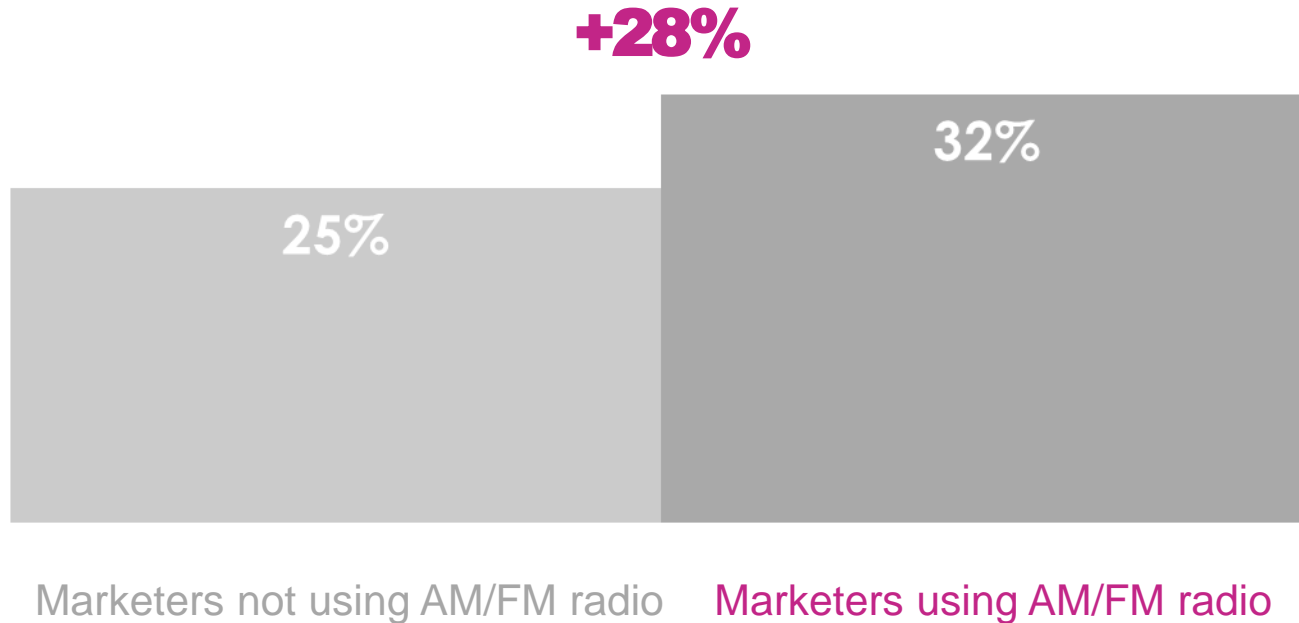


# AM/FM radio increases brand trust by **+58%**



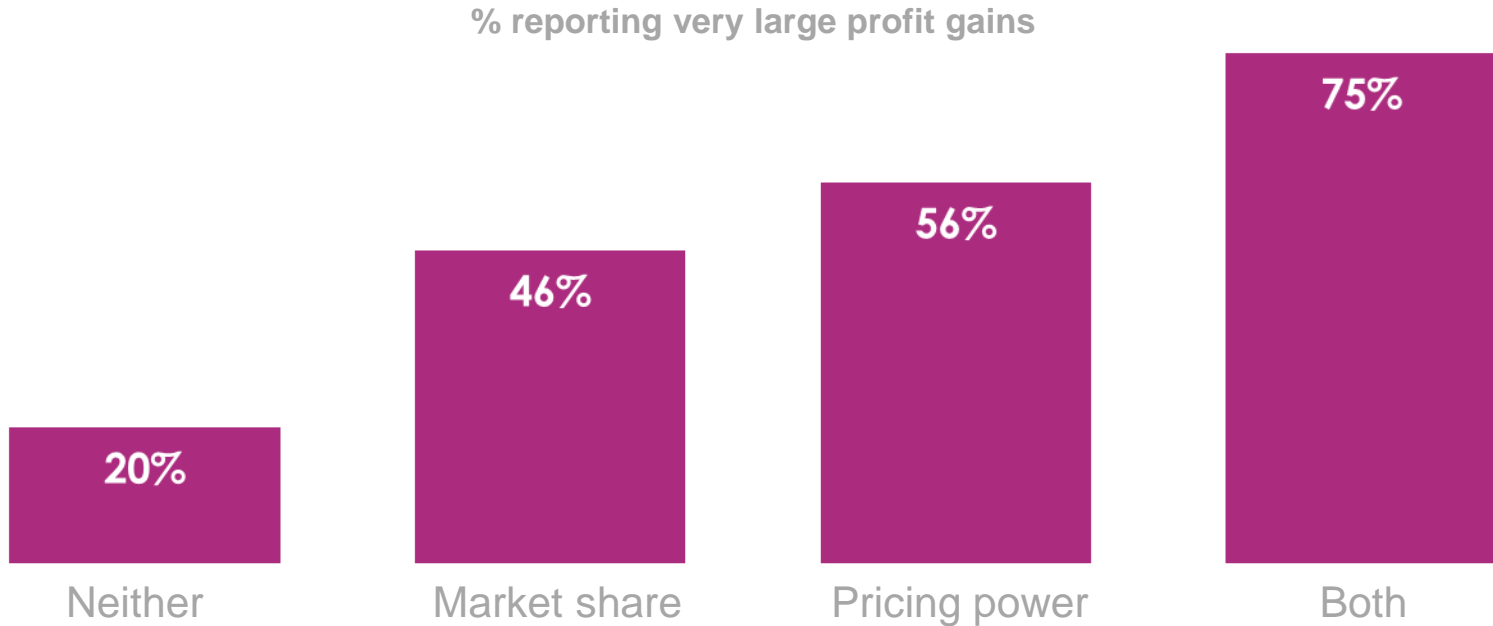
# AM/FM radio boosts market share **by +28%**

Market share: % reporting very large share growth



# Pricing power is the biggest profit driver

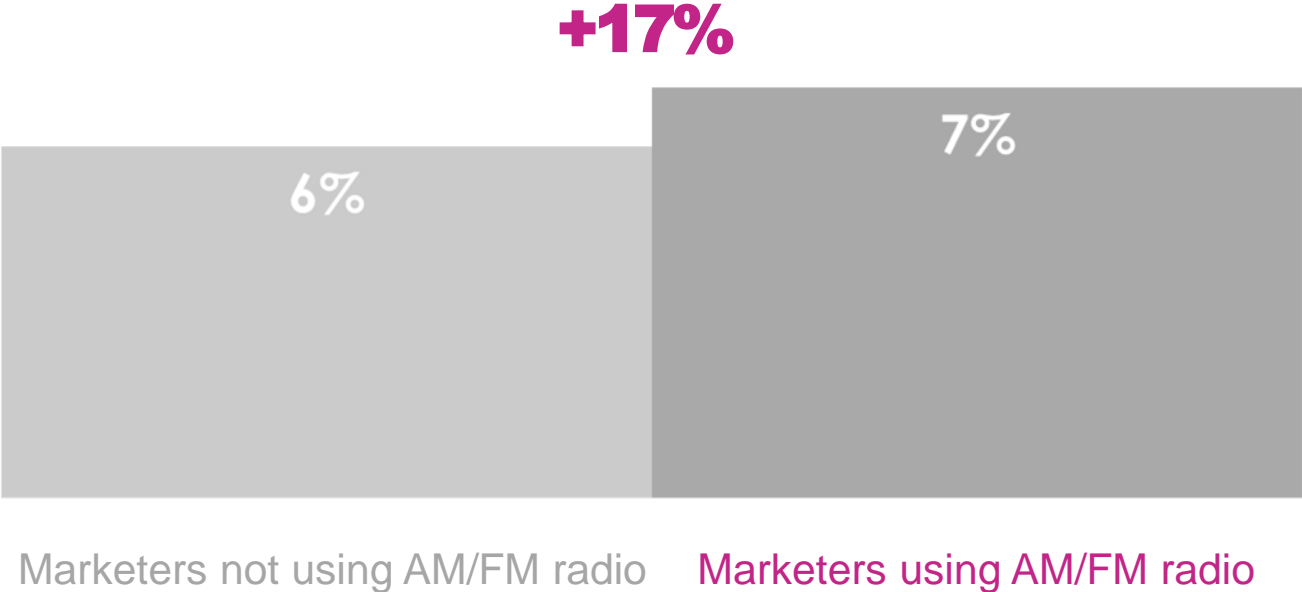
Brands cannot thrive just by selling more





# AM/FM radio boosts pricing power **by +17%**

Pricing power: % reporting very large pricing power growth



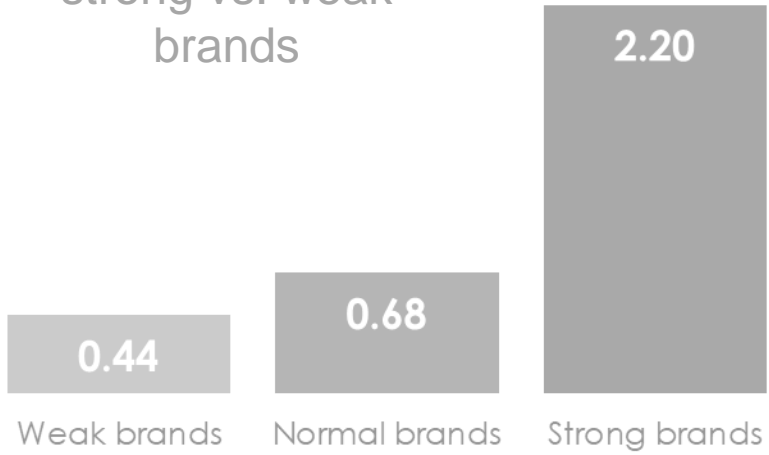
Source: CUMULUS Westwood One IPA Databank, 2000-2022 for-profit cases

# Stronger brands capture more sales and **achieve** **price premiums**

Sales volume captured  
Index to average

**5X**

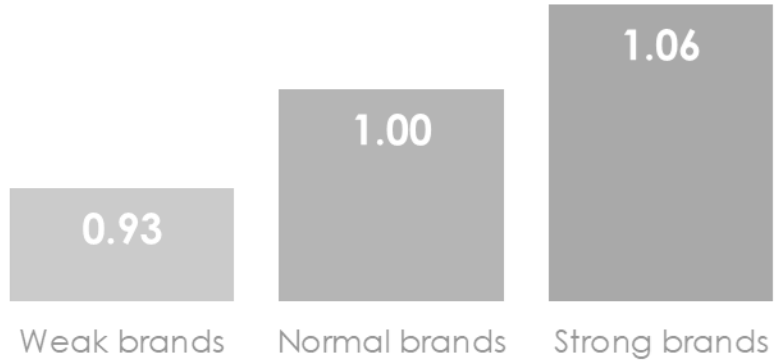
strong vs. weak  
brands



Price premium achieved  
Index to average

**1.1X**

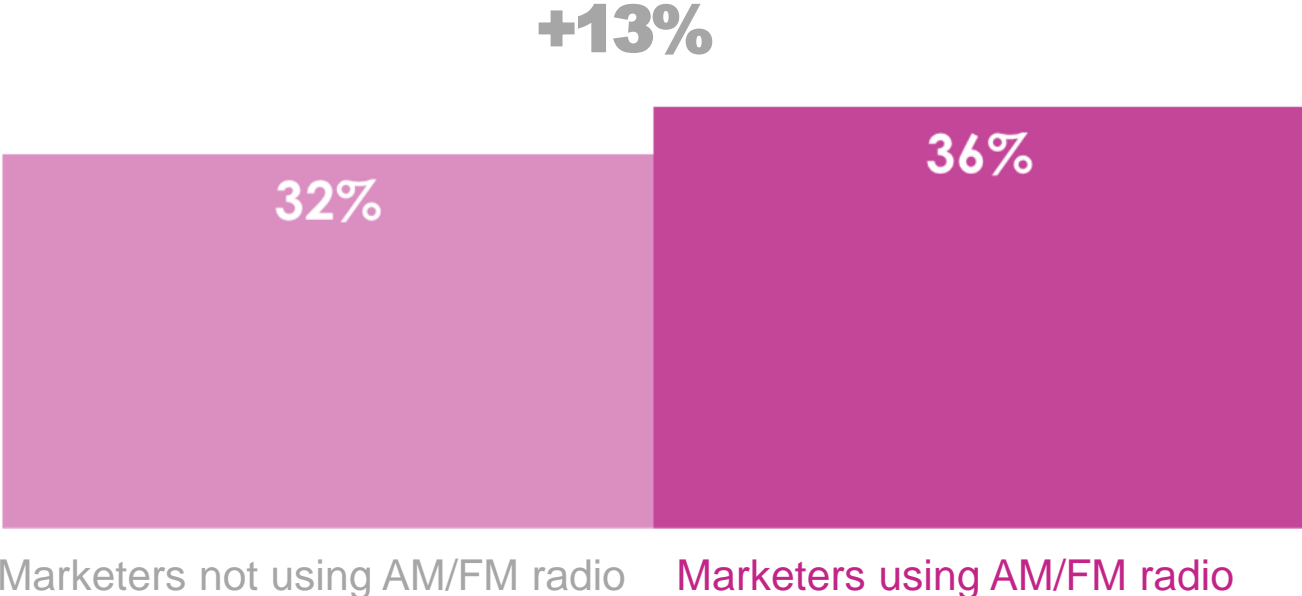
strong vs. weak  
brands



Source: Kantar Millward Brown 2013 from the book Future Demand: Why Building Your Brand Among Tomorrow's Customers is the Key to Start-Up Success by James Hurman

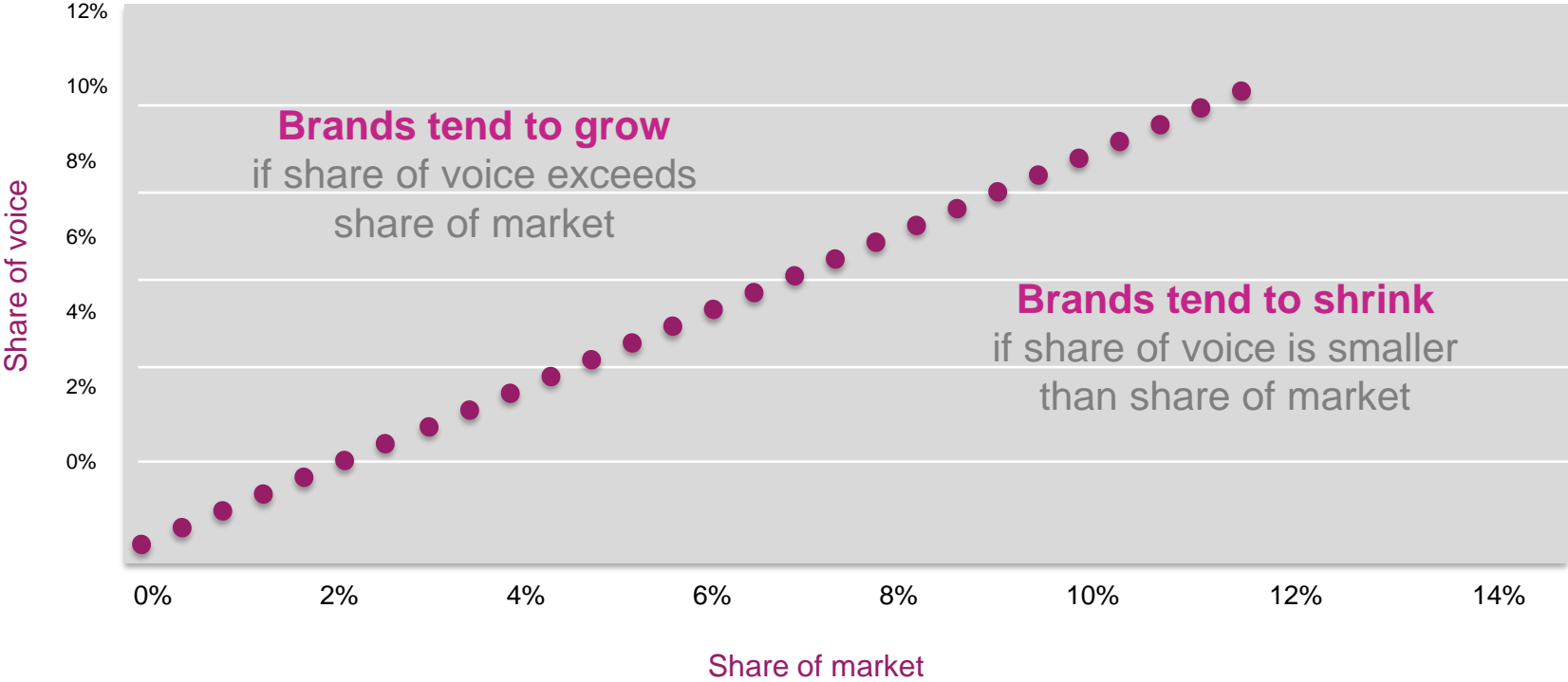
# AM/FM radio drives short-term sales effects by +13%

Short-term effects: % reporting very large share growth



Source: CUMULUS Westwood One IPA Databank, 2000-2022 for-profit cases

# Share of voice drives share of market



Source: Les Binet and Peter Field 2017. Media In Focus: Marketing Effectiveness in the Digital Era

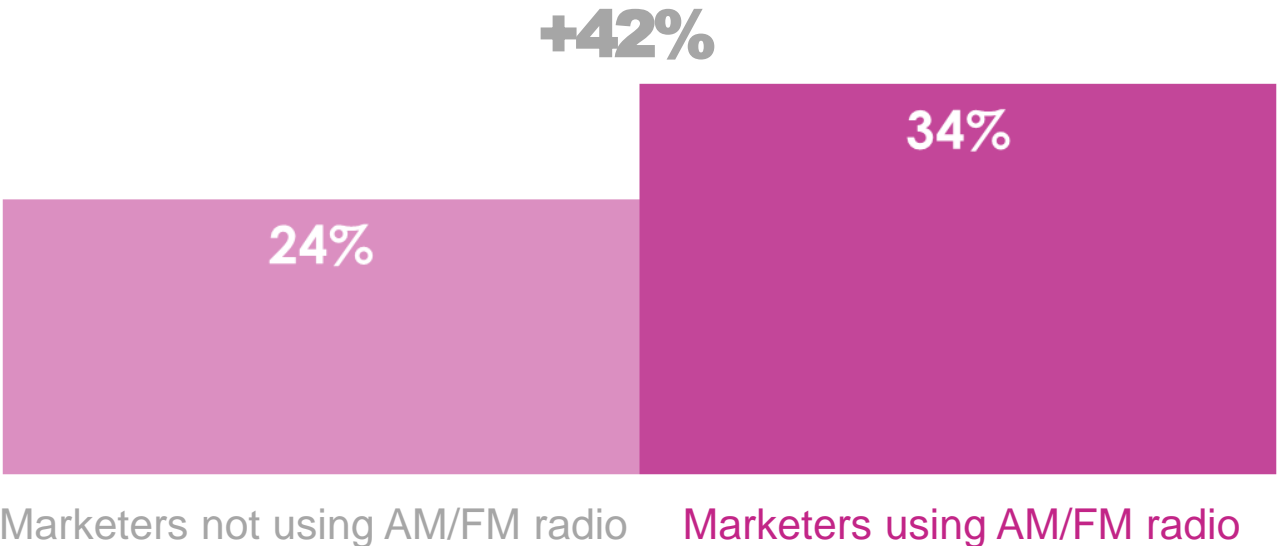
# Marketers with AM/FM radio in their media plan can increase market share **4X** more than marketers who don't use AM/FM radio

Share of market growth per 10 percentage points of increased share of voice



# AM/FM radio boosts the number of companies reporting large profits +42%

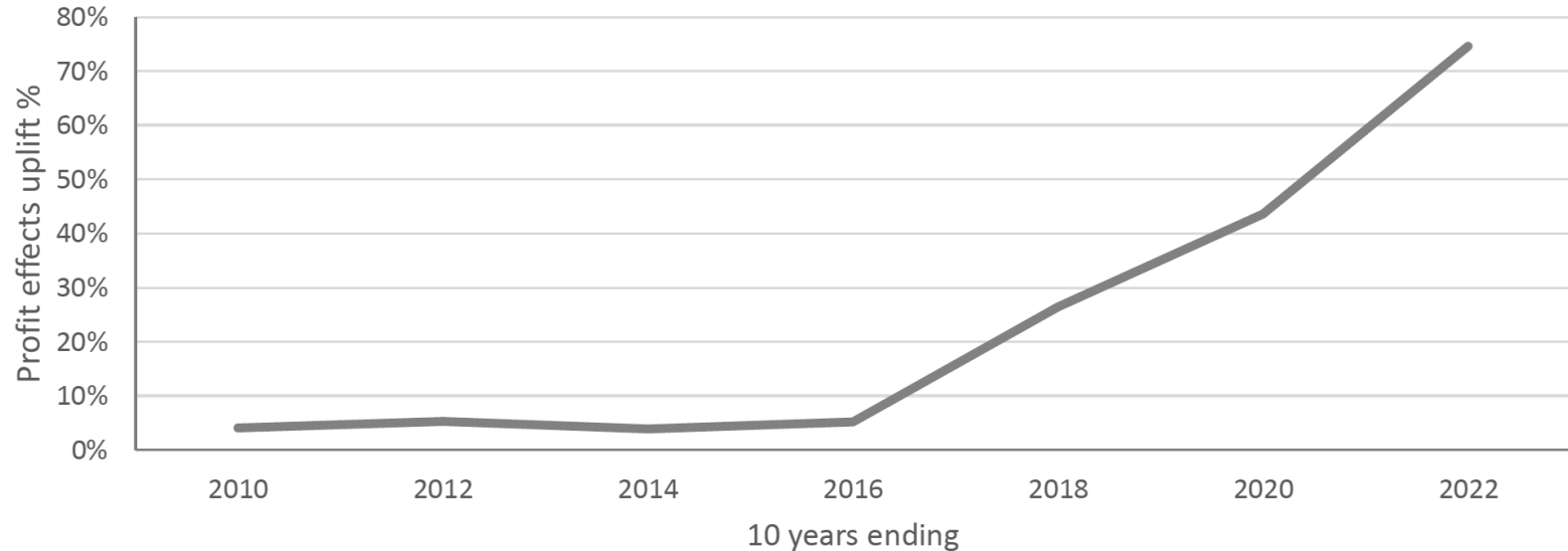
Profits: % reporting very large profit growth



Source: CUMULUS Westwood One IPA Databank, 2000-2022 for-profit cases

# AM/FM radio's positive impact on profit **is increasing**

Uplift to very large profit effects: AM/FM radio vs. no-users



# AM/FM radio lifts **return on investment +23%**

ROI: Average return on marketing investment reported

**+23%**





# AM/FM radio's enduring role in **effectiveness**

Peter Field, one of the “godfathers of marketing effectiveness,” reports major differences in business outcomes for marketers who utilize AM/FM radio advertising versus those who don't:

**+13%**

greater **mental availability**, the propensity of a brand to be noticed and thought of in buying situations

**+28%**

larger **market share**

**+42%**

lift in the number of companies reporting **large profits**

**+23%**

increased **return on marketing investment**

**THIS!**  
IS RADIO

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