

Insights on Wearout for Radio Ads

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RAB[®]

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About ABX

For over 25 years, the ABX team has led the way in major ad effectiveness solutions, conducting millions of interviews and measurements across multimedia audiences.

Measuring Multimedia Audiences 25+ Years

Consultants to Industry Giants

Some of the largest advertising insights firms in the world turned to our founders for guidance, including Kantar, GfK Ipsos, and Nielsen.

Largest Breadth of Channels

Unlike most who look at just TV and Digital, we look at all media types, including radio, podcasts, outdoor, cinema, FSI, magazines, in-store, product integration, movie trailers, and more.

Research Partners to Most Trusted Industry Organizations

- RAB
- Association of National Advertisers (ANA)
- Out of Home Advertising Association of America (OAAA)

THE DATA:

ABX Index™

We exhaustively test every single type of advertising creative across the globe using the identical methodology to create benchmarks so we can accurately and continually assess what drives ad success.

Radio Product Placement/Integration
Social TV Outdoor
Out of Home **Digital** Podcasts
Cinema Online In Store
Print Video **FSJ**
Direct Mail Audio
Gaming



460,000+ In-Market Ads Evaluated Globally

▶ 27,000+ Radio Ads Globally

The ABX Solution

Powered by a global syndicated database of newly launched in-market ads tested for their effectiveness — coupled with robust consumer and audience insights — we deliver the start-to-finish custom insights creative teams need to dramatically increase advertising impact and to make real-time informed decisions every step of the way.

Insights on Wearout for Radio Ads

Background

- ▶ Advertisers question whether advertising creative “wears out” over time. The definition of wearout being the creative effectiveness is reduced.
- ▶ Conventional wisdom is that wearout is not an issue for good advertising creative, and radio ads are especially immune since spend levels for radio are generally too low to invite wearout.
- ▶ In response to a conversation with the RAB, ABX leveraged its extensive database and capabilities to definitively address the question of wearout.

Methodology

- ▶ ABX has evaluated 460,000 ads, of which 25,000+ are Radio. The ABX Index and 14 KPIs are proven to Correlate to Outcomes, increase ROAS and align with Sales Impact.
 - ▶ Survey results are collected and analyzed on a real-time basis.
 - ▶ ABX utilizes a stratified random probability sampling design accessing blended sample from leading panel companies. Participants double opt-in and are balanced by age within gender and geography, with additional demographic, segmentation, product use, social media and media consumption collected.
 - ▶ ABX evaluates ads of different media types in the same survey, across all day-parts, and all ads are evaluated against a GenPop audience, which allows direct comparisons of all ads to one another. ABX continuously validates consistency to assure quality.

Methodology

- ▶ ABX looked at 2,452 radio ads currently in-market and identified the length of time these ads had been in market (days) and the cumulative ad spend for these ads.
- ▶ Average spend for this group of ads was \$185,000 with an average time in-market of 241 days.
- ▶ Forty-three (43) ads had a cumulative spend greater than \$2 million. **Data on 12 of these ads from the time of their first appearance in the marketplace is available.** Average cumulative spend for these 12 ads is \$5.2 million. Average time from first appearance in the marketplace is 345 days.
 - ▶ The selected ads represent the top 2% of all ads based on cumulative spending. If wearout exists, it should be visible in this sample of top spending ads.

Methodology

- ▶ Evaluation of these 12 ads was repeated obtaining ABX standard metrics for each ad:
 - ▶ Overall ABX index (summary score takes into account Clear Brand, Messaging, Reputation, and Call-to-Action measures).
 - ▶ Clear Brand (clear which brand was advertised)
 - ▶ Message Delivery
 - ▶ Reputation
 - ▶ Call-to-Action
 - ▶ Likeability
- ▶ Interviewing was conducted among a **Gen Pop sample** using an online methodology, with N=150 interviews collected for each test ad.
- ▶ **Target audience samples** are as large as needed for accuracy.

Findings

- ▶ For 10 of the 12 ads, which were long-running ads in the top 2% of all ads, there were no statistically significant differences between the original creative metrics when initially introduced to the marketplace and the repeat evaluations.
- ▶ 2 of 12 ads showed statistically significant differences in Reputation and Likeability. One ad also showed a statistically significant difference in Call-to-Action. None of the ads showed a significant difference for Branding or Message Delivery.
- ▶ The two ads showing differences were at the top end of cumulative spending and time in market.
- ▶ Looking at the full set of 12 ads, there is **no sign of wearout until spend exceeds \$8 million and days in-market exceeds 600.**

Long-running Ads Evaluated

Specific to wearout, the aqua-shaded results marked with NSD show that no statistically significant change in scores occurred.

Radio Spots	Clear Brand	Message Delivery	Reputation	Like	Any Action	Cume Spend	Days	ABX Index Original	ABX Index Repeat	Original	Repeat
Wireless Service Brand	NSD	NSD	NSD	NSD	NSD	\$ 2,553	80	88	89	Bot 20%	Bot 20%
Fabric deodorant brand	NSD	NSD	NSD	NSD	NSD	\$ 2,311	100	101	98	Top 40%	Top 35%
Cleaning product brand	NSD	NSD	NSD	NSD	NSD	\$ 4,949	181	110	111	Top 15%	Top 15%
Credit card brand	NSD	NSD	NSD	NSD	NSD	\$ 2,070	182	106	112	Top 25%	Top 10%
Fabric softener brand	NSD	NSD	NSD	NSD	NSD	\$ 5,222	196	104	105	Top 25%	Top 25%
Internet service brand	NSD	NSD	NSD	NSD	NSD	\$ 2,517	204	71	72	Bot 3%	Bot 3%
Digestive aid brand	NSD	NSD	NSD	NSD	NSD	\$ 2,450	205	100	107	Top 40%	Top 25%
Supermarket brand	NSD	NSD	NSD	NSD	NSD	\$ 2,411	232	101	101	Top 40%	Top 40%
Car deodorant brand	NSD	NSD	NSD	NSD	NSD	\$ 8,782	514	50	42	Bot 1%	Bot 1%
Fabric softener brand	NSD	NSD	NSD	NSD	NSD	\$ 7,355	541	106	99	Top 25%	Top 35%
Toilet paper brand	NSD	NSD	-91%	-33%	-33%	\$ 8,843	671	88	65	Bot 20%	Bot 1%
Laundry detergent brand	NSD	NSD	-47%	-30%	NSD	\$ 13,026	1,030	101	86	Top 40%	Bot 20%

Indicates a statistically significant decline at the 95% confidence level

NSD = No Significant Difference

Higher performing ads continued to remain good performers. Poor performing ads remained poor performers.

Insights and Recommendation

Based on this analysis, it has been confirmed that wearout is extremely rare.

- ▶ Only two of 12 ads from the top 2% of cumulative ad spending and days in market showed a decline in some creative effectiveness metrics. Two major components of Creative Effectiveness, **Branding and Messaging**, showed no sign of wearout.
- ▶ The KPIs that did see a decline, **Reputation and Likeability**, were further examined and there is reason to believe that changes in the marketplace were the cause of these differences.

Insights and Recommendation – Focus on Improving Creative Effectiveness

- ▶ We have clear proof that creative effectiveness is a significant driver of sales performance.
- ▶ We have proven methodologies to improve the creative effectiveness of radio ads, (and in fact all media types), which is where the focus should be rather than worrying about wearout.
- ▶ Several of the ads with high cumulative spend and longevity in the marketplace were measured for low Creative Effectiveness yet were allowed to remain in the marketplace.
- ▶ More than \$10M was spent on ads with low Creative Effectiveness scores. We have the tools to do better.

Radio Best Practices

Creative Best Practices - Audability

This sounds so obvious, but you must make the ad easy to hear and understand

- Talent with a clear voice
- Simple voice over with minimal background effects
- Ads with no background music on average are 12% better than those with background



High Scoring
Walmart
Top 1%

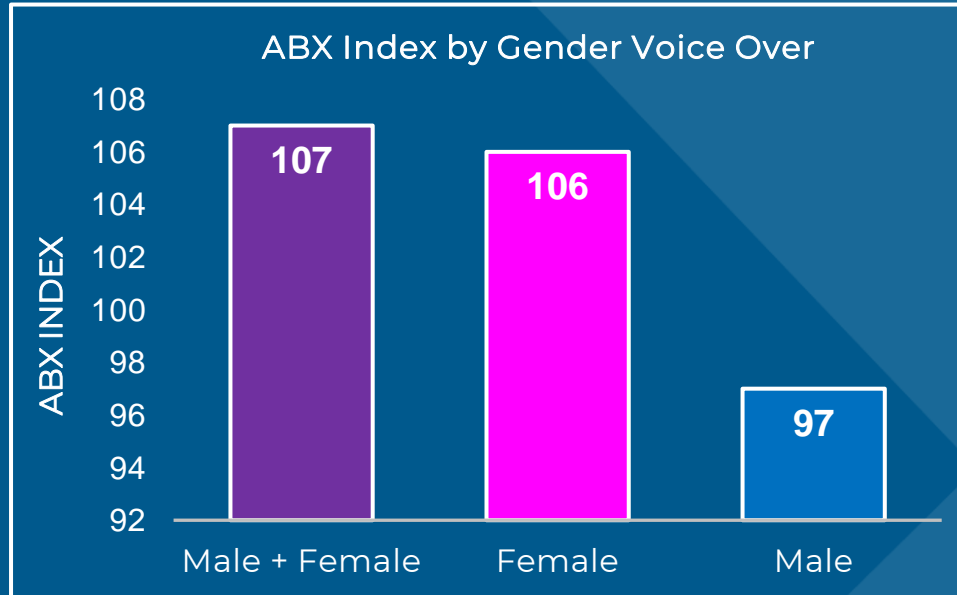


Low Scoring
General Mills
Bottom 10%

Creative Best Practices – Voice Over

Ads with a female voice-over generate a higher ABX Index than male voice-over

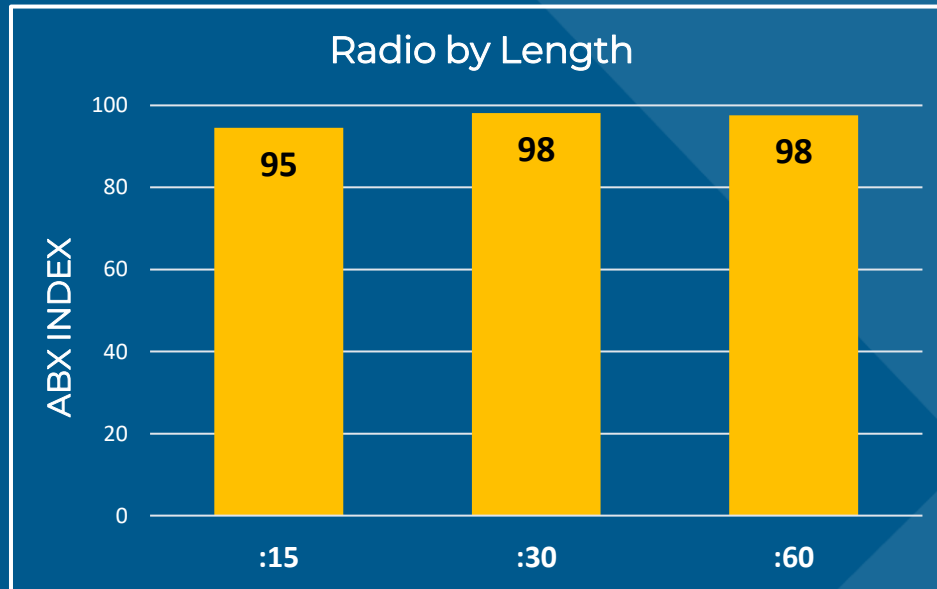
Ads with both a male and female voice-over are even more effective



Creative Best Practices – Ad Length

Longer ads are slightly more effective than shorter ads, but not significantly

- Ad length should be determined by only how long it takes to deliver your message



Creative Best Practices – Brand Early & Often

Proudly mention your brand

Mentioning the brand at the close of the ad is usually less effective



High Scoring
Vicks Sinex
Top 5%

Creative Best Practices – Brand is Hero

The brand must be the hero of the storyline.

Don't get so lost in the story that the brand becomes secondary

Be careful about using celebrities since they can become the hero



Low Scoring
Peloton
Bottom 10%

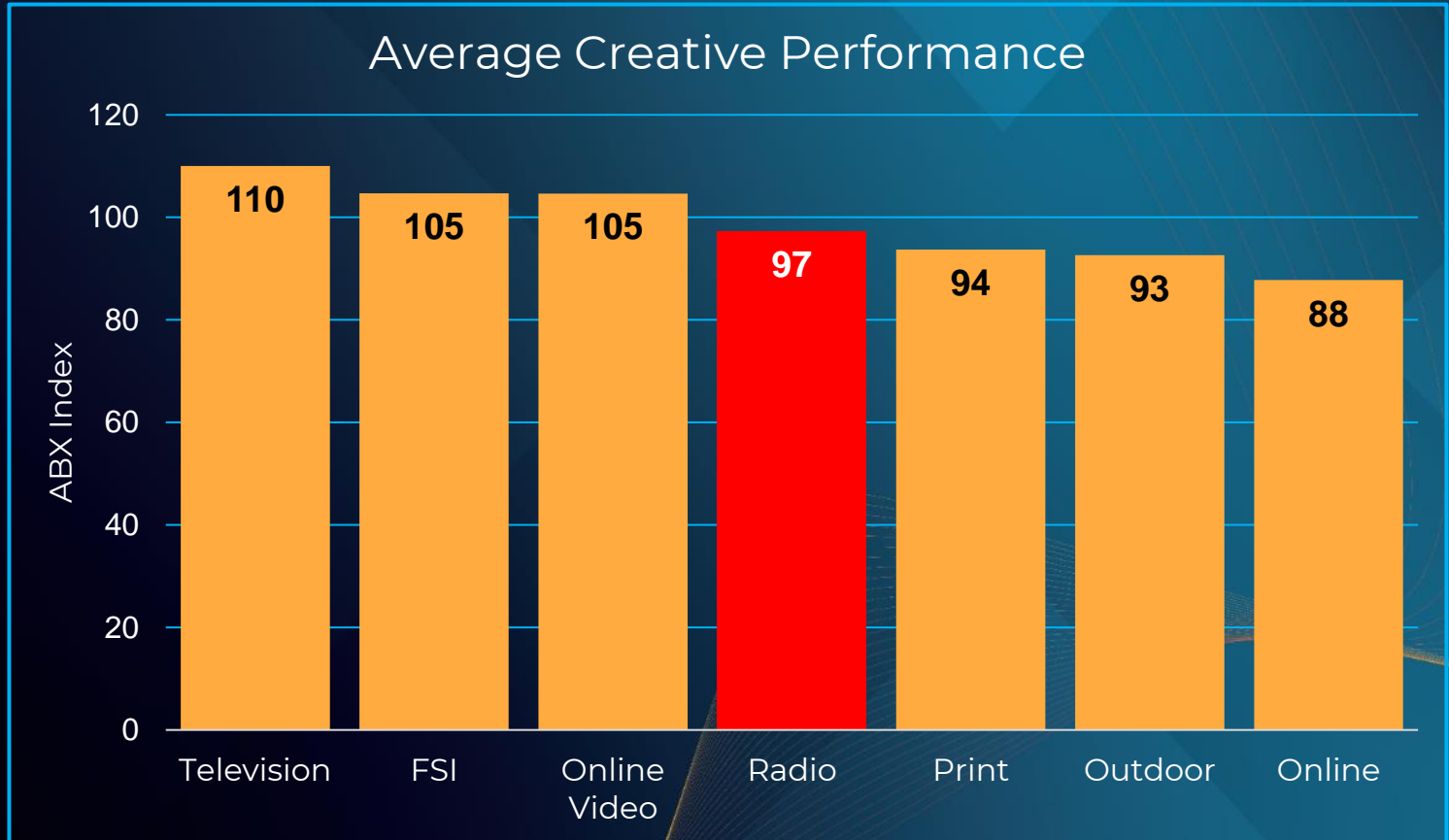
Creative Best Practices – Have a Conversation

Loud, boisterous ads are far less effective

Radio is an intimate medium; have a conversation with your audience

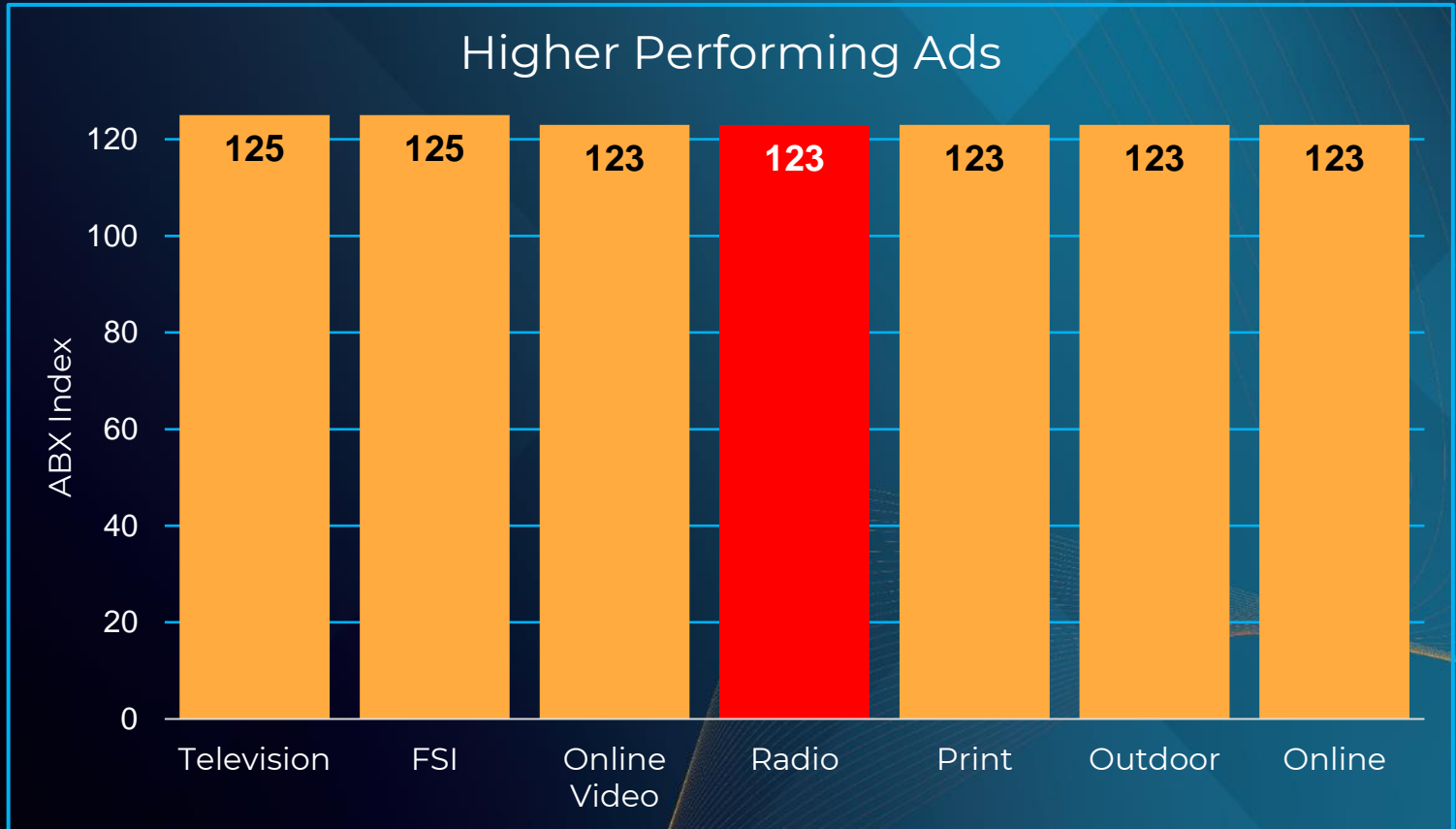
Theater of the mind...paint a picture for your audience

Radio Creative Has High Potential



Global
ABX data
Jan '22
through
August
'24

Good Creative Makes Radio Equally Effective



Global
ABX data
Jan '22
through
August
'24

Of 40,000 recently tested ads...

AM/FM Creative Effectiveness is 92% that of TV

Creative is a proven driver of sales performance

Increased use of **Pre-Testing**, and ongoing evaluation of **In-Market** radio ads are needed to achieve even higher performance

**Contact ABX for a free
evaluation of your
in-market ads!**

Thank You Code: RAB91124

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