

HIGH GAIN AUDIO

Using multiplatform audio
to amplify overall media campaign ROI



GAIN



AMPLIFY

Claire Taylor
Partner, Analytics, WPP Media

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High Gain Audio

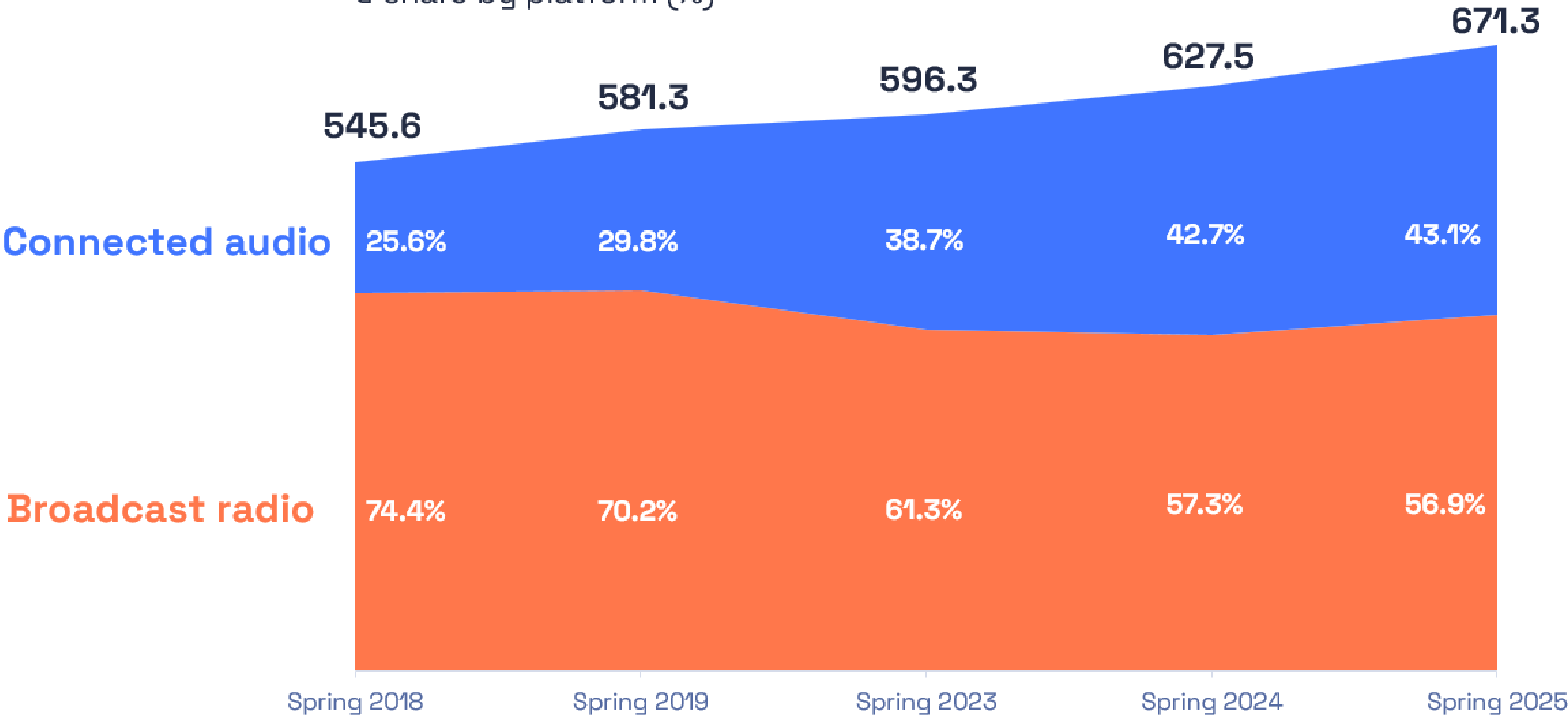
Background and objectives

Donna Burns
Head of Insight, Radiocentre

Total commercial listening is up +23% since 2018

connected audio is the main driver of growth

Commercial Audio: Total weekly listening hours (m)
& share by platform (%)





mtm

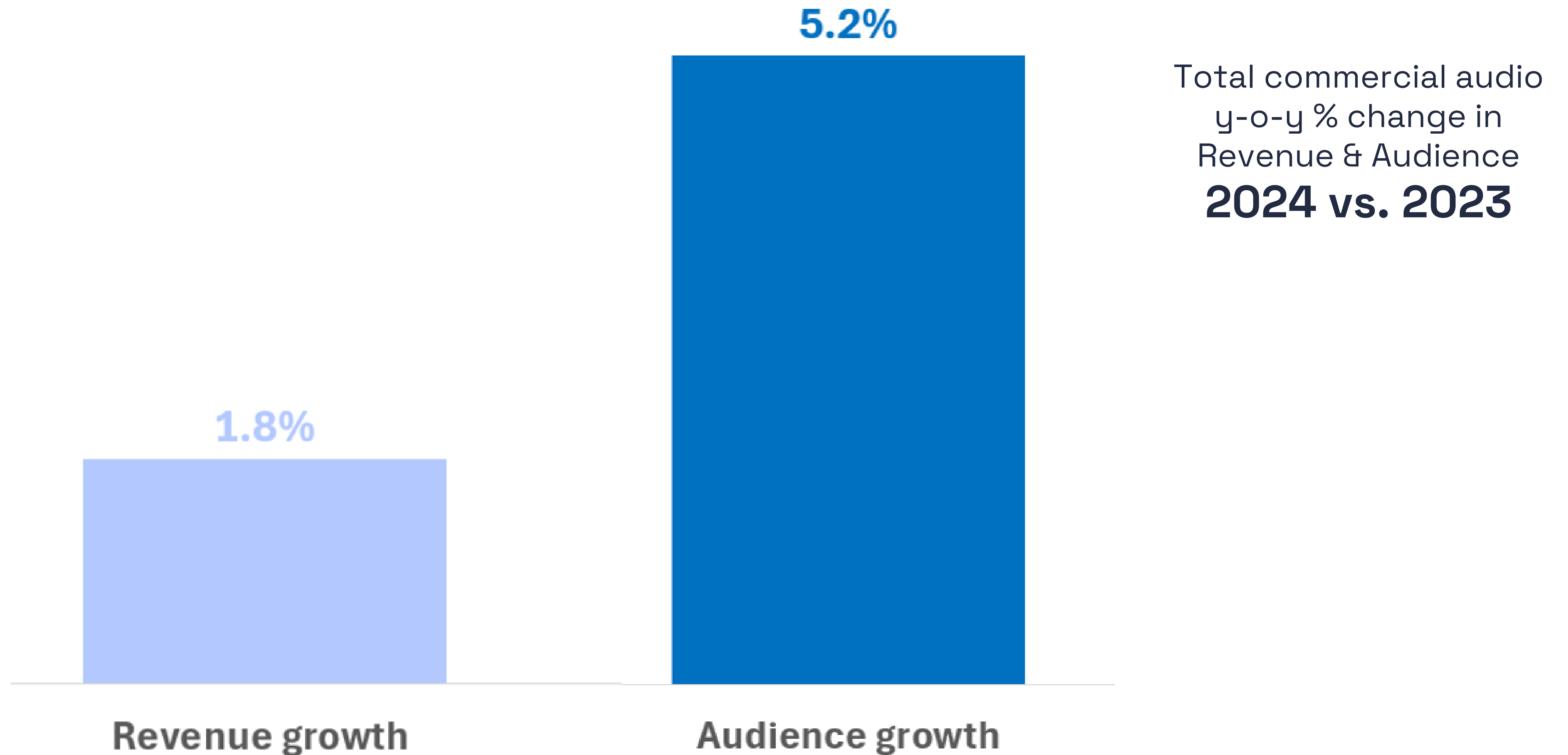
 **radiocentre**

SPEED OF SOUND

**The essential guide to how digital
innovation is accelerating the
audio advantage for advertisers**

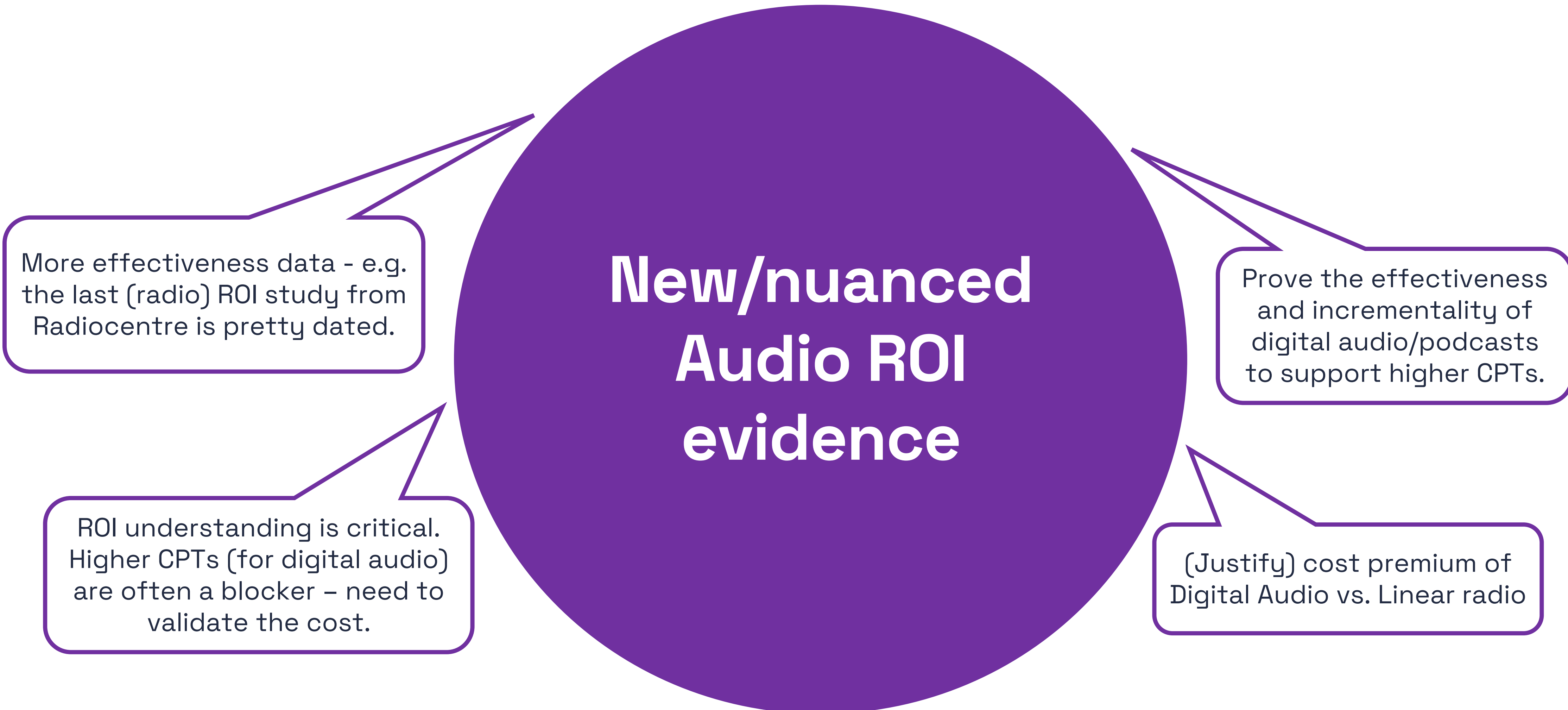
Multiplatform Audio

AD REVENUE lags AUDIENCE growth



Unlocking the Multiplatform Audio ad opportunity

according to RC customer research



New/nuanced Audio ROI evidence

More effectiveness data - e.g. the last (radio) ROI study from Radiocentre is pretty dated.

Prove the effectiveness and incrementality of digital audio/podcasts to support higher CPTs.

ROI understanding is critical. Higher CPTs (for digital audio) are often a blocker – need to validate the cost.

(Justify) cost premium of Digital Audio vs. Linear radio

Objectives for this study

Develop ROI evidence to underpin hypotheses developed in *Speed of Sound*

1. Quantify Audio ROI relative to other media for both *generating* and *converting* demand
2. Compare ROI of Broadcast Radio and Digital Audio *individually* to other media
3. Explore how Multiplatform Audio amplifies overall media campaign ROI

Profit Ability 2: the new business case for advertising

ebiquity

em essence
mediacom

GAIN
THEORY

MINDSHARE

Wavemaker

High Gain Audio

Methodology & Findings

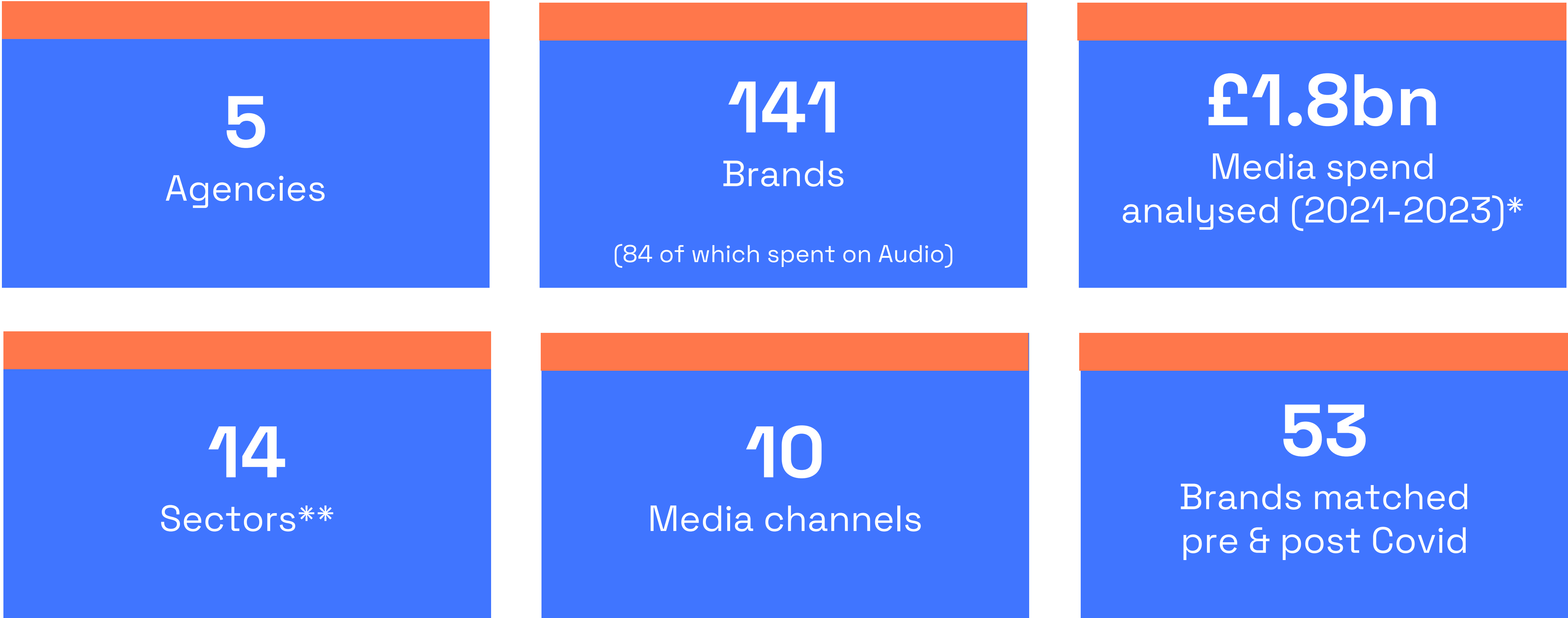
Claire Taylor
Partner, Analytics, WPP Media

Our approach was two-fold

1

Mine the
Profit Ability 2 database
for learnings about Audio
at a headline level

Profit Ability 2 is the biggest post-COVID MMM databank



Source: Profit Ability 2, April 2024 – Ebiquity, EssenceMediacom, Gain Theory, Mindshare, Wavemaker UK.
*Based on end date of analysis period. Spend by year: 21% 2021, 32% 2022, 47% 2023 All analysis based on most recent 52 weeks available.
**Total databank has 14 categories only 7 have sufficient granularity to report individually

Our approach was two-fold

1

Mine the Profit Ability 2 database for learnings about Audio at a headline level

2

Identify advertisers where it is possible to separate Digital Audio from Broadcast Radio effects within their MMMs

Definitions (1)

Description	Includes
Broadcast Radio	• Linear radio listened to via non-IP device (e.g. FM/AM/DAB receiver)
Digital Audio	• Linear radio listened to via IP-device • Podcasts • Streamed music services

Our Multiplatform Audio Dataset

- brands whose Broadcast Radio & Digital Audio effects are separable in MMMs

7
Brands

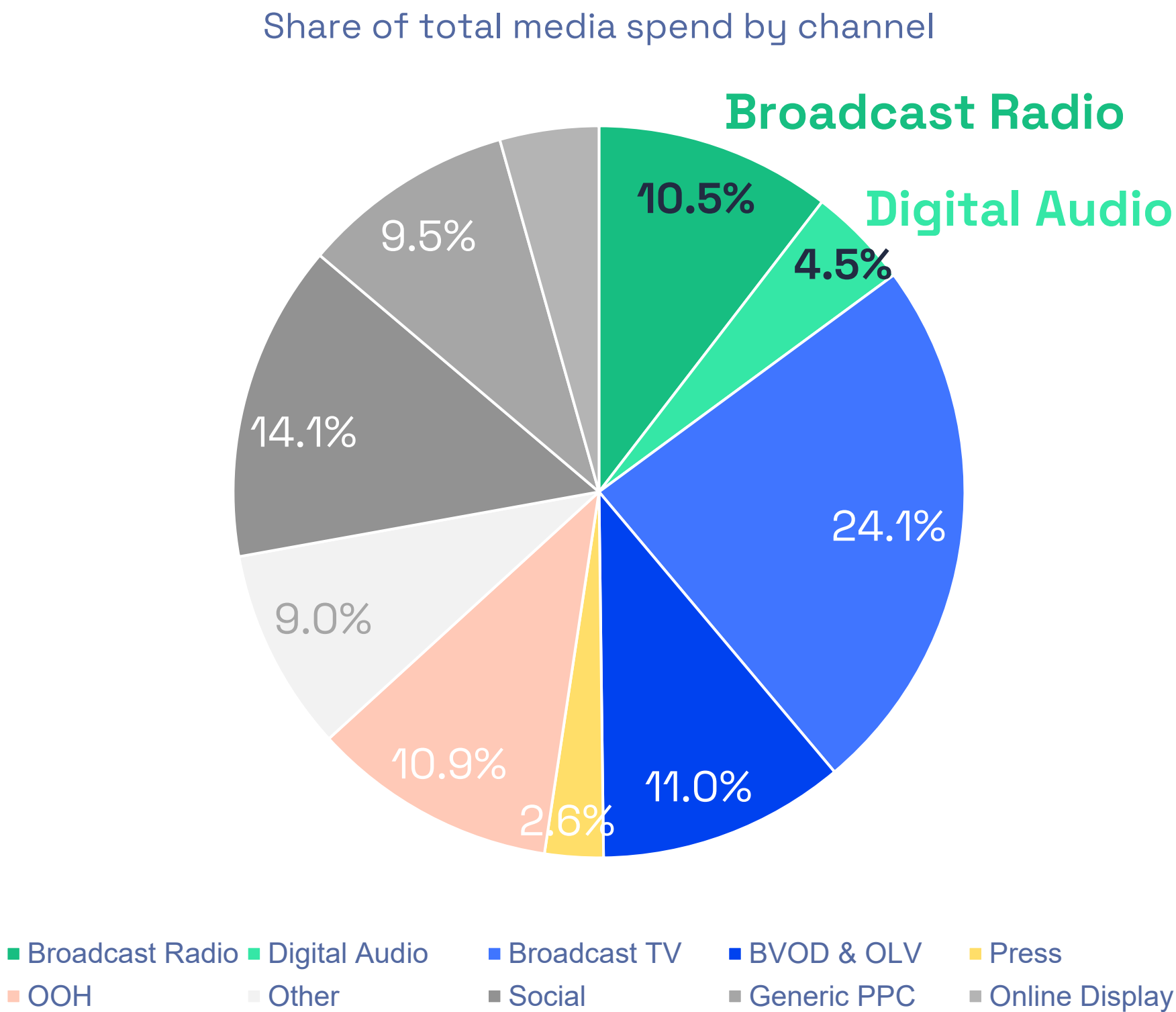
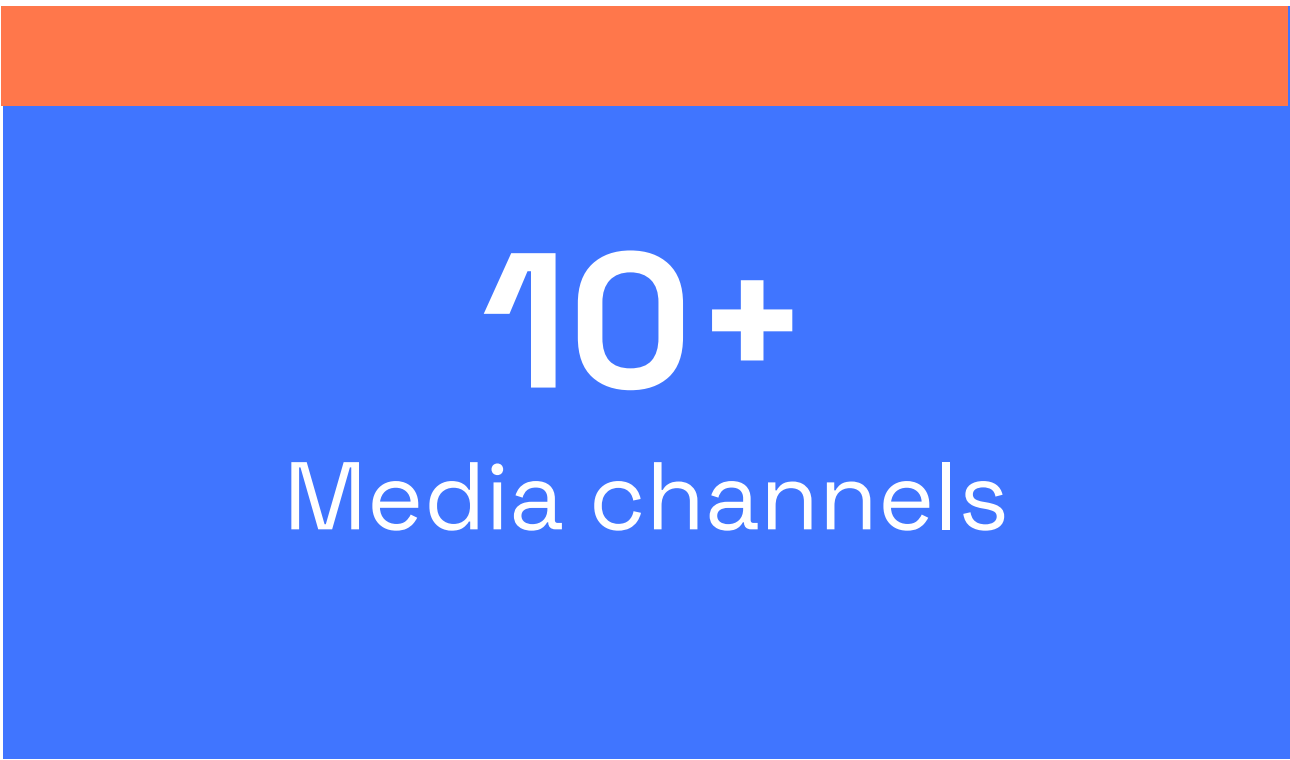
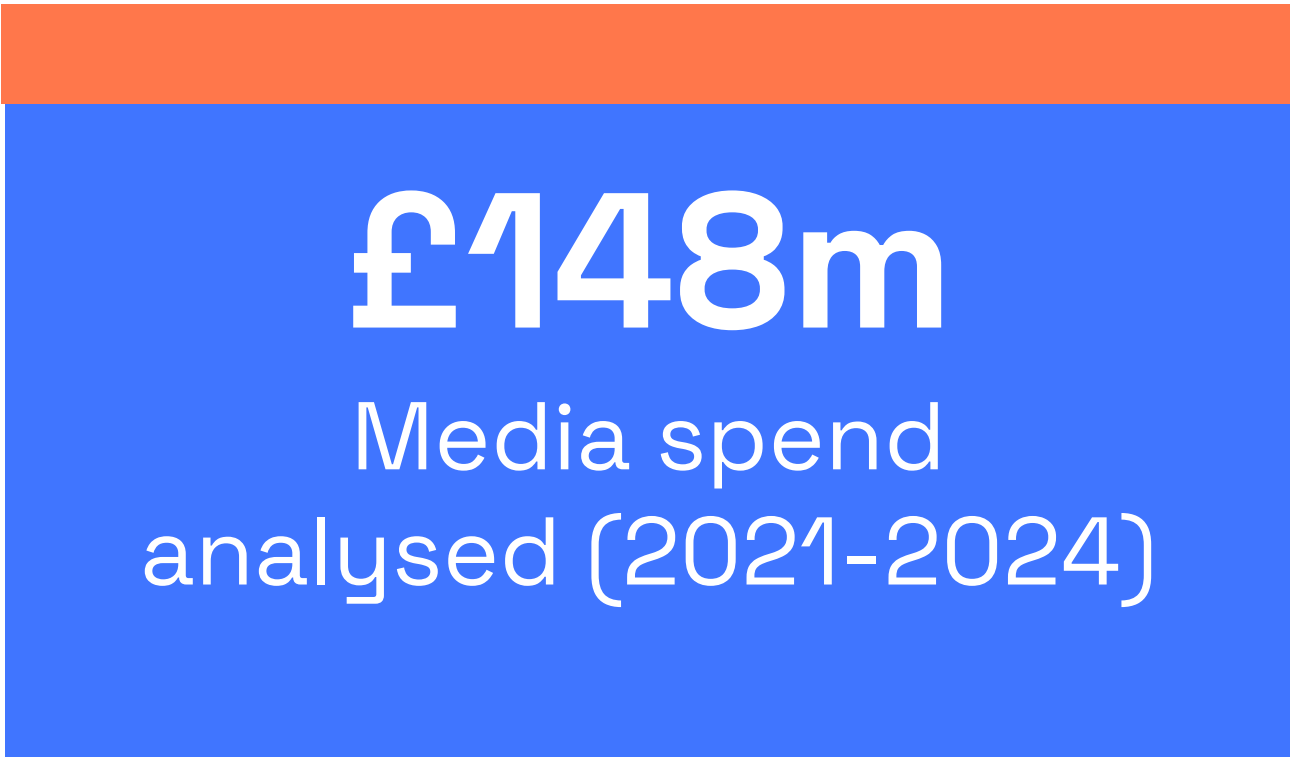
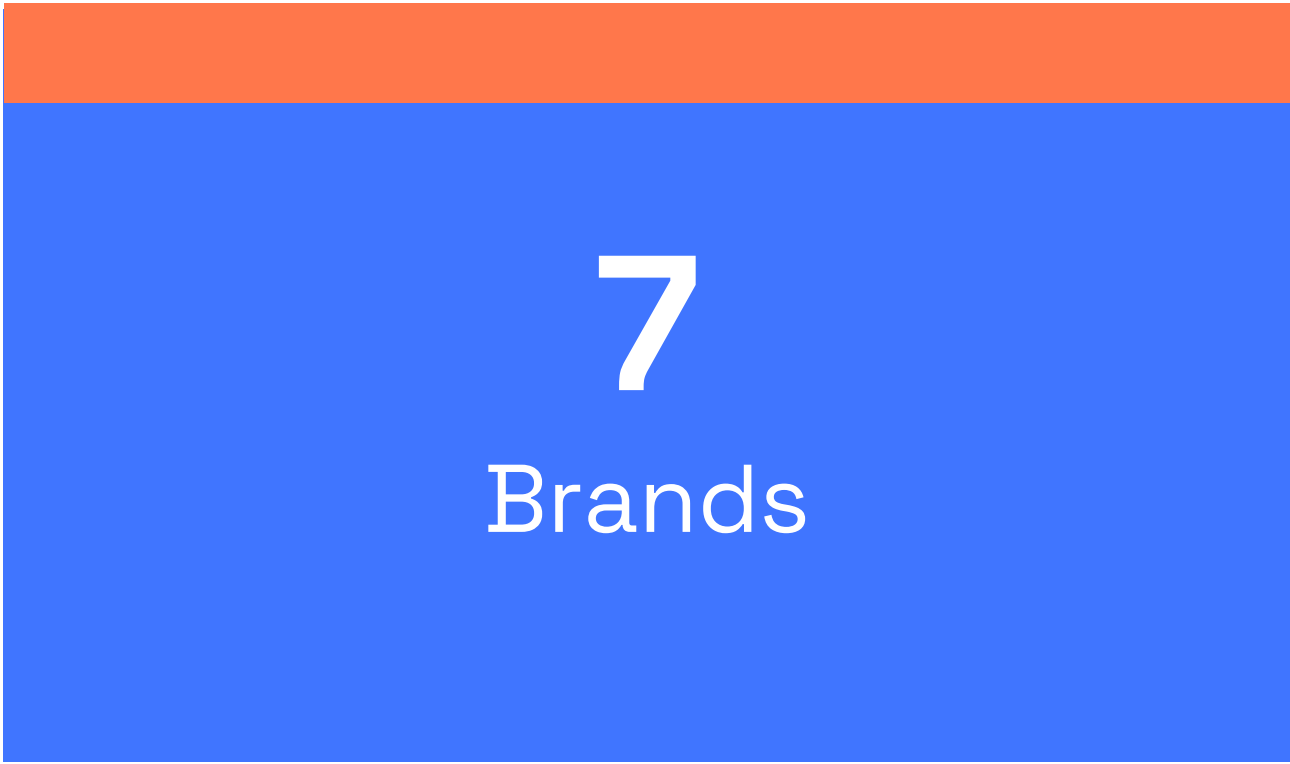
£148m
Media spend
analysed (2021-2024)

4
Sectors

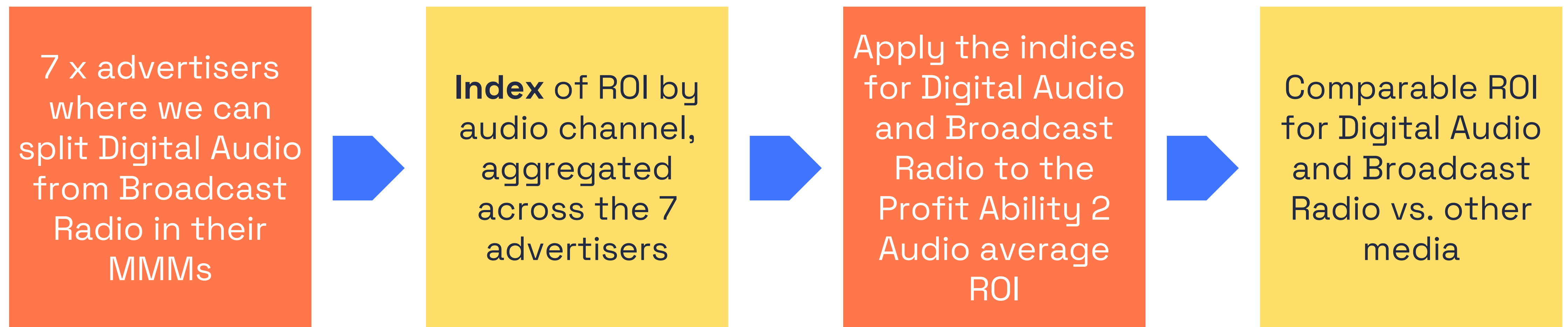
10+
Media channels

Our Multiplatform Audio Dataset

- brands whose Broadcast Radio & Digital Audio effects are separable in MMMs



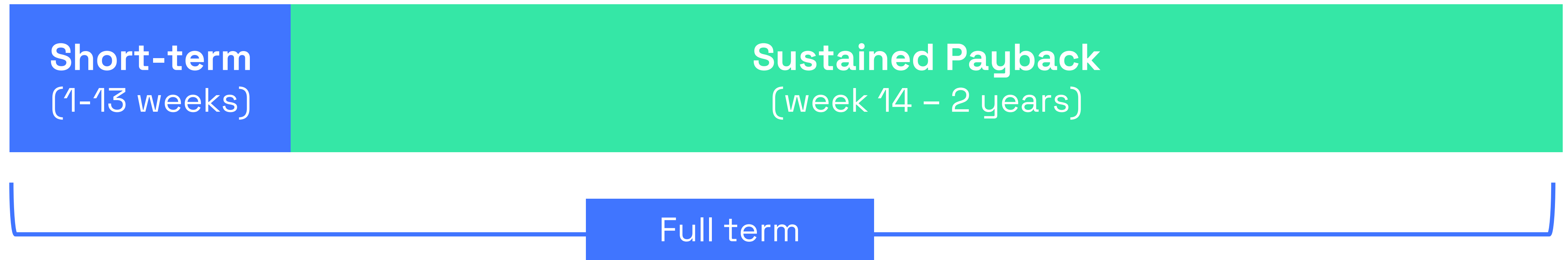
The outputs of these 7 models were then linked to Profit Ability 2 dataset to provide a comparison to other channels



1. Total Audio ROI relative to other media

- Generating demand (full-term)
- Converting demand (short-term)

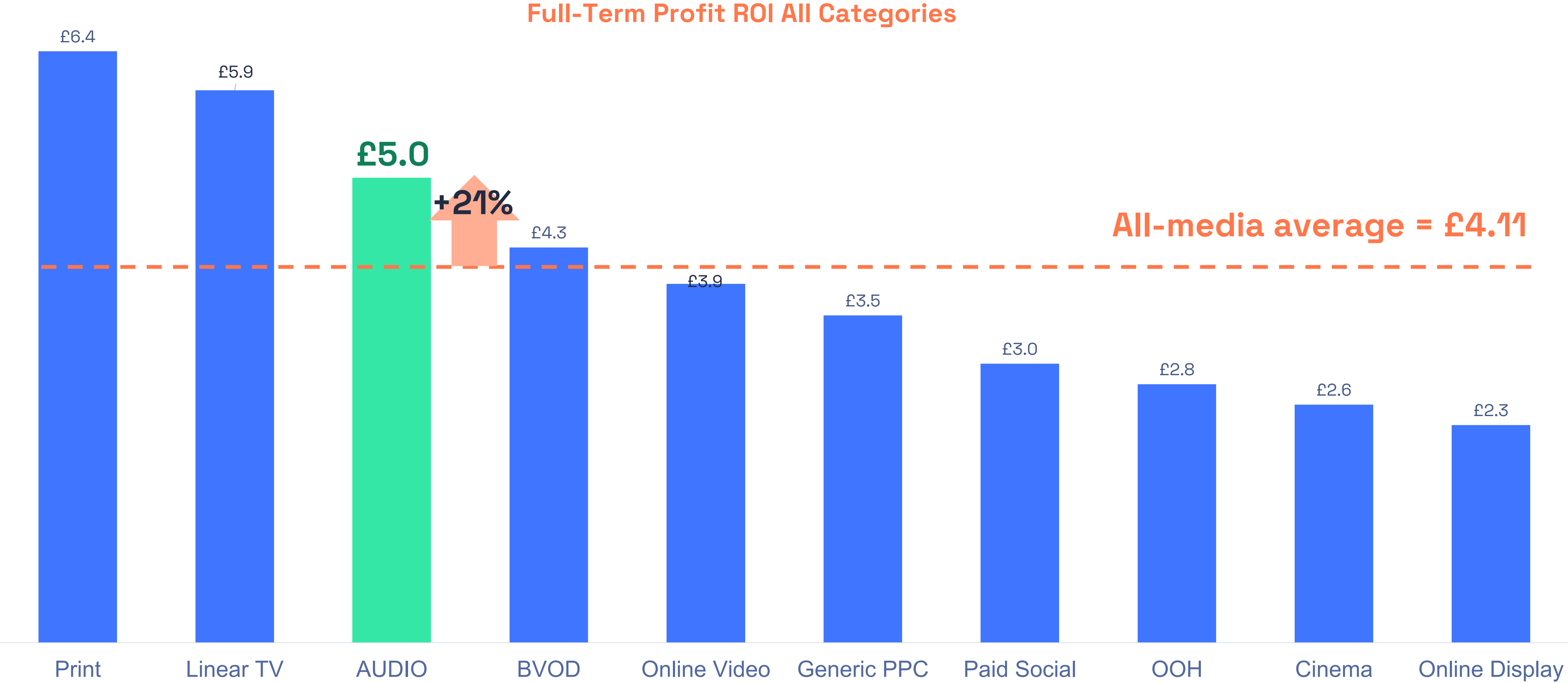
Definitions (2)



Profit Volume - The incremental contribution of advertising to business profit based on unit sales, revenue contribution, profit margin and/or lifetime value

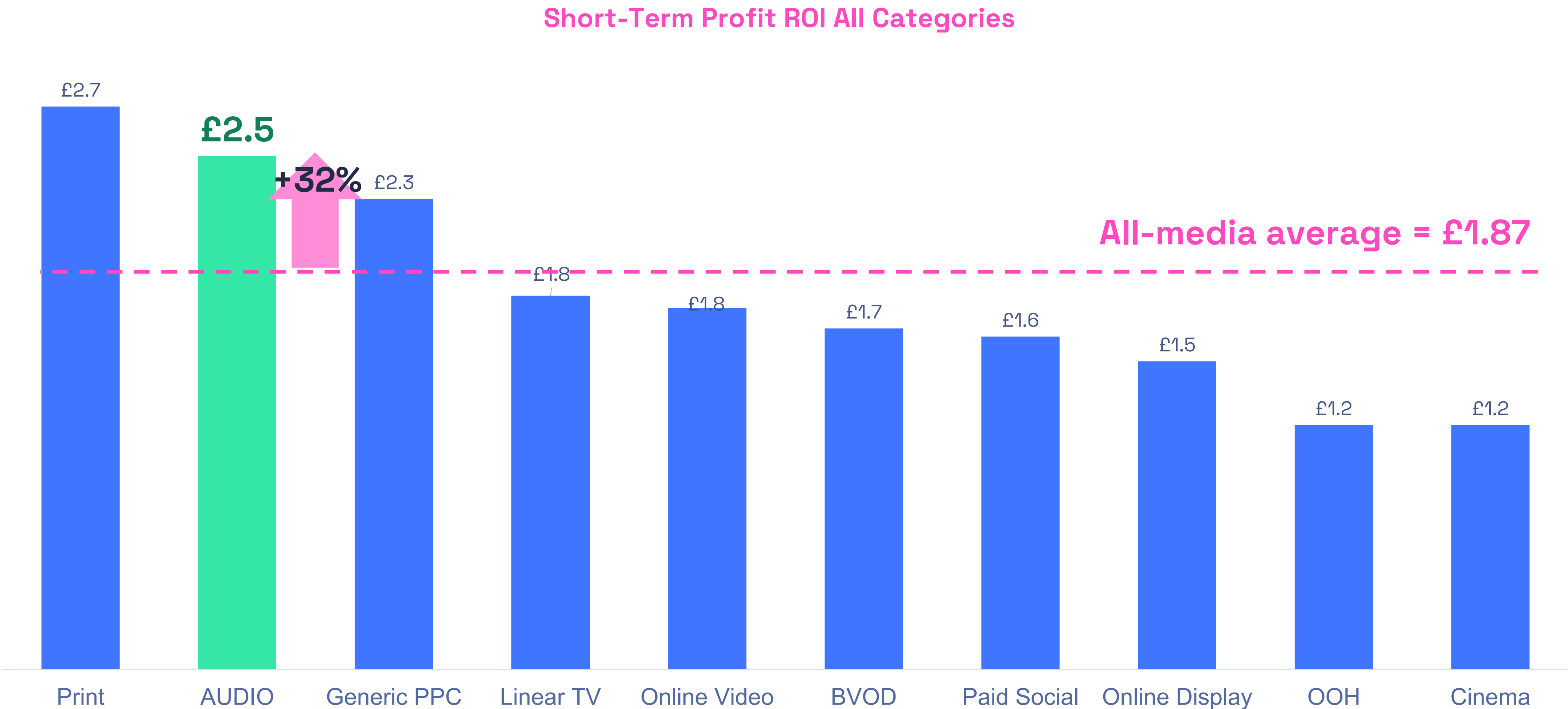
Profit ROI - The ratio between profit volume and advertising spend ($\text{ROI} = \text{profit volume} / \text{media spend}$ where 1 = breakeven)

Audio Full-term profit ROI is 21% higher than the all-media average



Source: Profit Ability 2, April 2024 – Ebiquity, EssenceMediacom, Gain Theory, Mindshare, Wavemaker UK.

Audio Short-term profit ROI is 32% higher than the all-media average

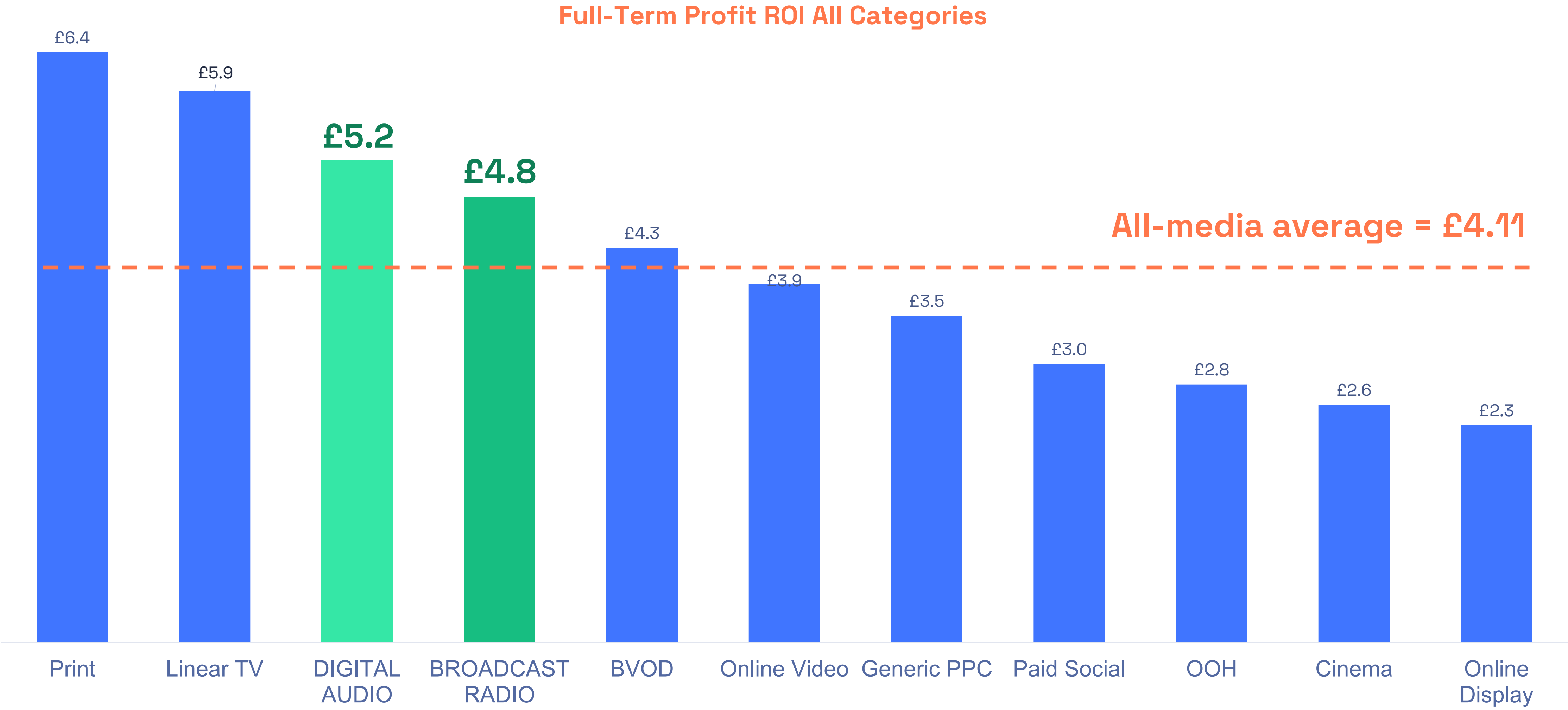


Source: Profit Ability 2, April 2024 – Ebiquity, EssenceMediacom, Gain Theory, Mindshare, Wavemaker UK.

2. Broadcast Radio & Digital Audio ROI vs. other media

- Generating demand (full-term)
- Converting demand (short-term)

Broadcast Radio AND Digital Audio Full-term profit ROI are both significantly higher than the all-media average



Source: Profit Ability 2, April 2024 – Ebiquity, EssenceMediacom, Gain Theory, Mindshare, Wavemaker UK; Digital and Broadcast Audio split, WPP Media, 7 brands

Broadcast Radio AND Digital Audio **Short-term profit ROI** are both significantly higher than the all-media average

Short-Term Profit ROI All Categories



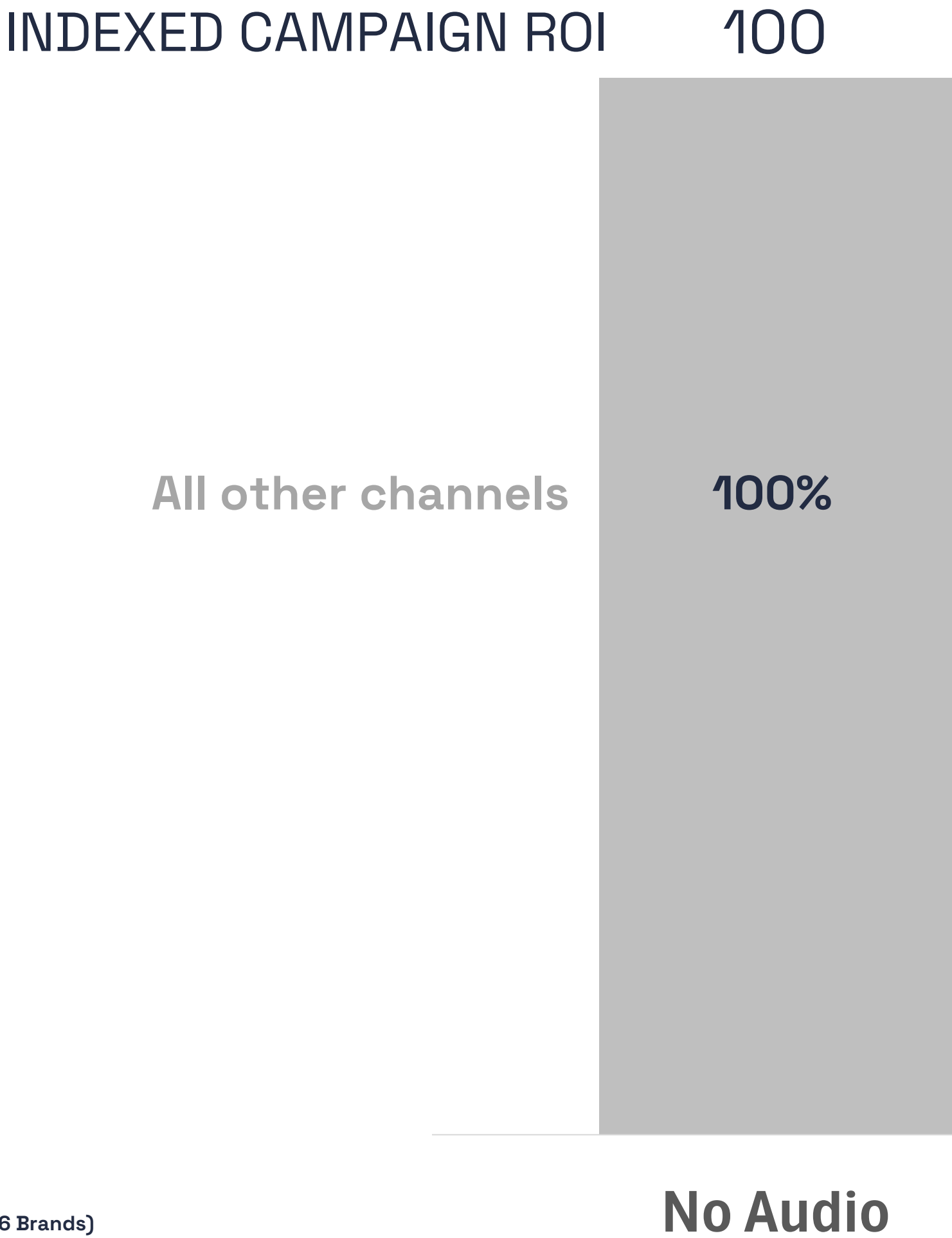
Source: Profit Ability 2, April 2024 – Ebiquity, EssenceMediacom, Gain Theory, Mindshare, Wavemaker UK; Digital and Broadcast Audio split, WPP Media, 7 brands

High Gain Audio

3. Effect of Multiplatform Audio on overall campaign ROI

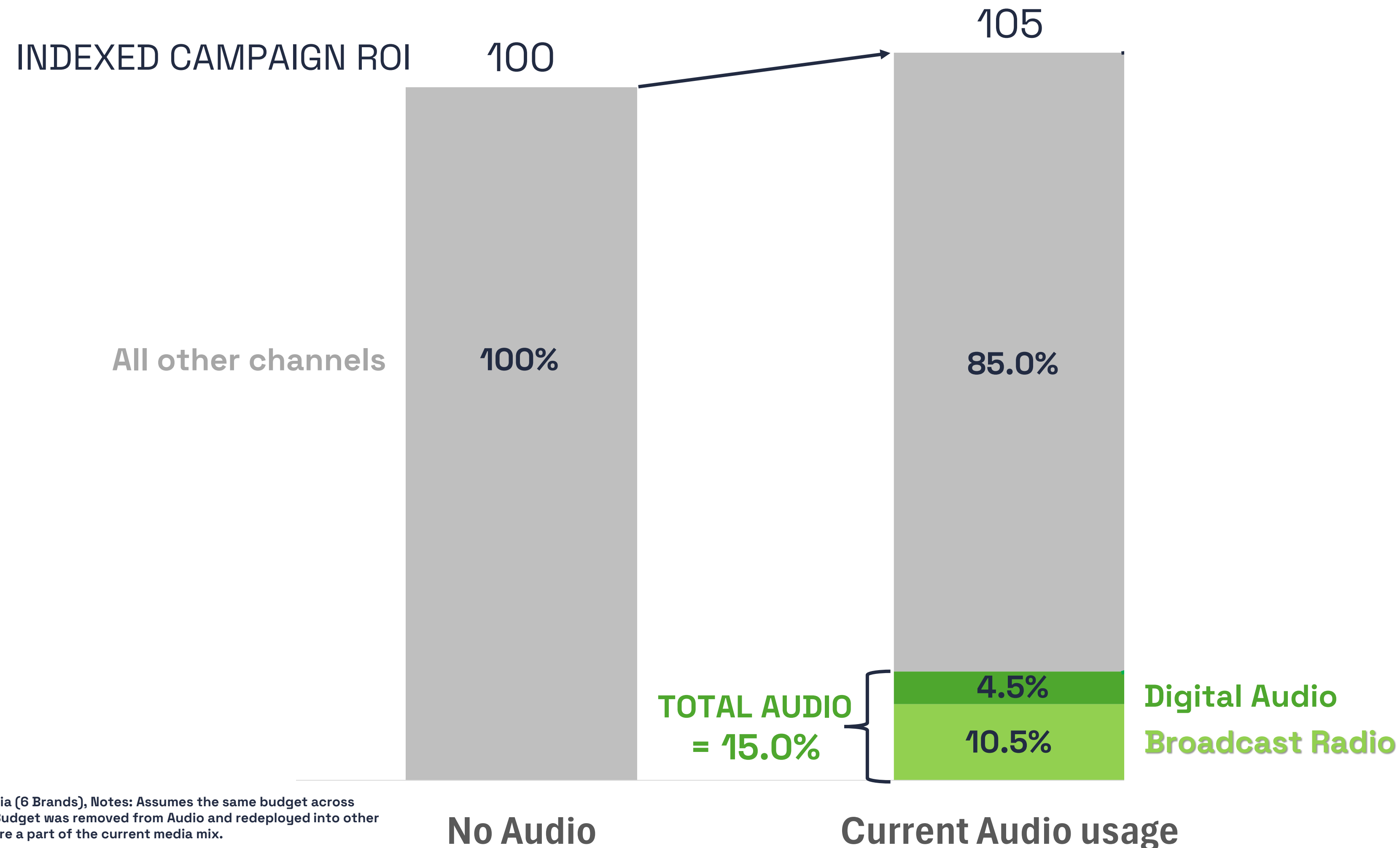
Excluding Audio: **SHORT-TERM** CAMPAIGN ROI base

No Audio: overall campaign ROI (SHORT-TERM)



Including Multiplatform Audio within the mix boosts **SHORT-TERM** TOTAL CAMPAIGN ROI

Effect of including Audio on overall campaign ROI (SHORT-TERM)



Source: WPP Media (6 Brands), Notes: Assumes the same budget across both scenarios. Budget was removed from Audio and redeployed into other channels that were a part of the current media mix.

Theory reminder: diminishing returns and marginal ROI

Average vs Marginal ROI - example

Illustration



Both Broadcast Radio and Digital Audio have headroom to profitably increase investment

Average vs Marginal ROI - example

Illustration



Available headroom vs. current spend at different levels of Short-term MARGINAL ROI cut-off

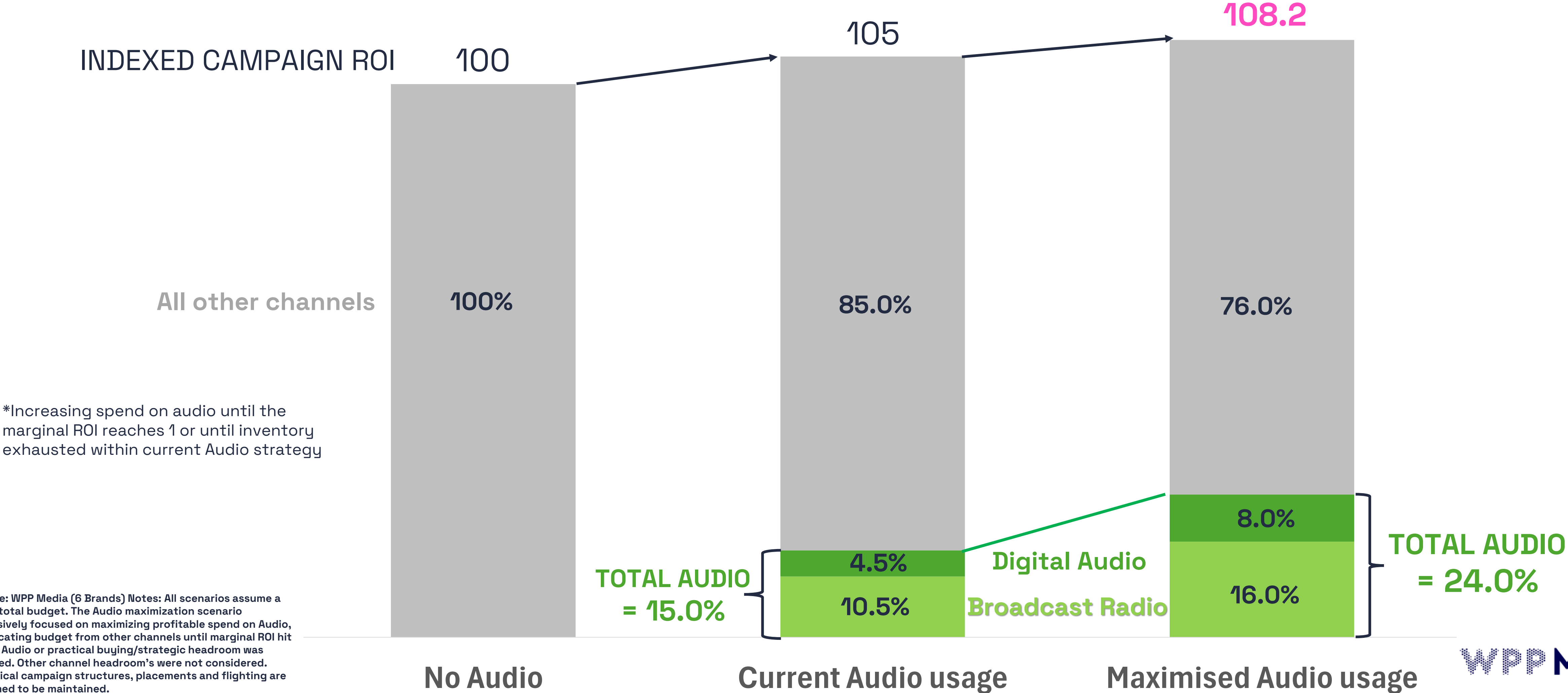
Minimum Marginal Profit ROI	Broadcast Radio	Digital Audio
£1.50	+20%	+40%
£1.25	+40%	+80%
£1.00	+90%	+130%

Maximised level

Source: WPP Media, Curves illustrative example only; Notes: Table results are based on 6 brands and show % spend increase vs current spend levels to different levels of marginal ROI. These are for Audio only.

Maximising Multiplatform Audio share of media spend to 24% boosts **SHORT-TERM** TOTAL CAMPAIGN ROI by **8.2%**

Effect of including and maximising* Audio budget share on overall campaign ROI (SHORT-TERM)



Summary of the key findings

Key learning 1

Audio has both a **higher short-and-full term ROI** vs the all-channel average

+32% in the short-term

+21% in the full-term

Key learning 2

When measured separately, both **Broadcast Radio** & **Digital Audio** outperform the **all-channel average**

Key learning 3

Including Multiplatform Audio within the media mix **boosts total campaign ROI**

+5% the short term

Key learning 4

Maximising Multiplatform Audio within the media mix **boosts total campaign ROI**

+8% in the short-term (max spend 24%)

High Gain Audio

Wrap up: putting the learning into practice

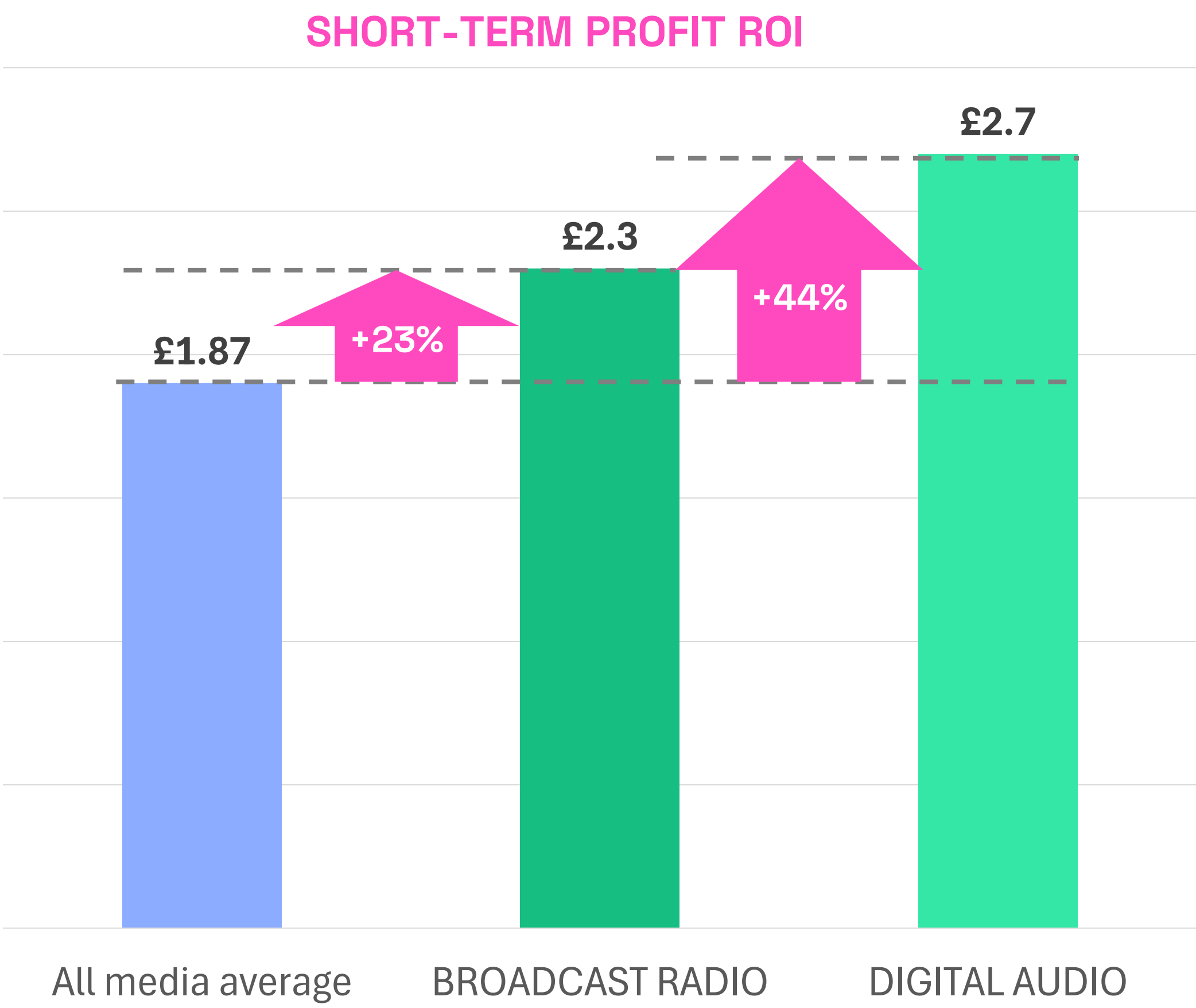
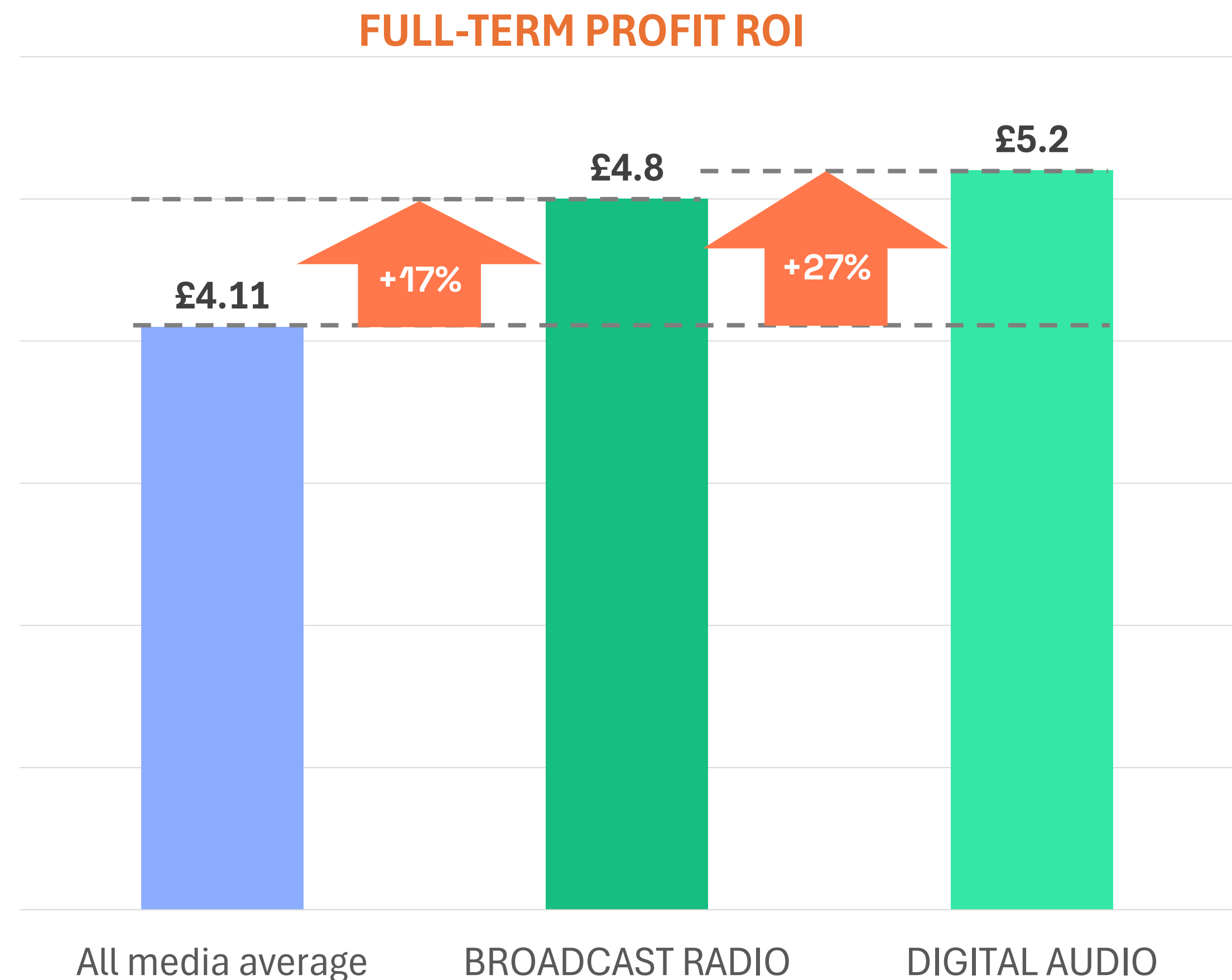
Donna Burns
Radiocentre

Multiplatform Audio is underinvested!



Multiplatform Audio is underinvested!

Profit ROI significantly outperforms the all-media average



Base: Multiplatform Audio dataset (7 campaigns) vs. Total PA2 dataset

Source: WPP Media

The Radiocentre 3-step guide:

Amplifying campaign effects using multiplatform audio

STEP 1.

Be more ambitious with
multiplatform budget
allocation



RULE OF THUMB

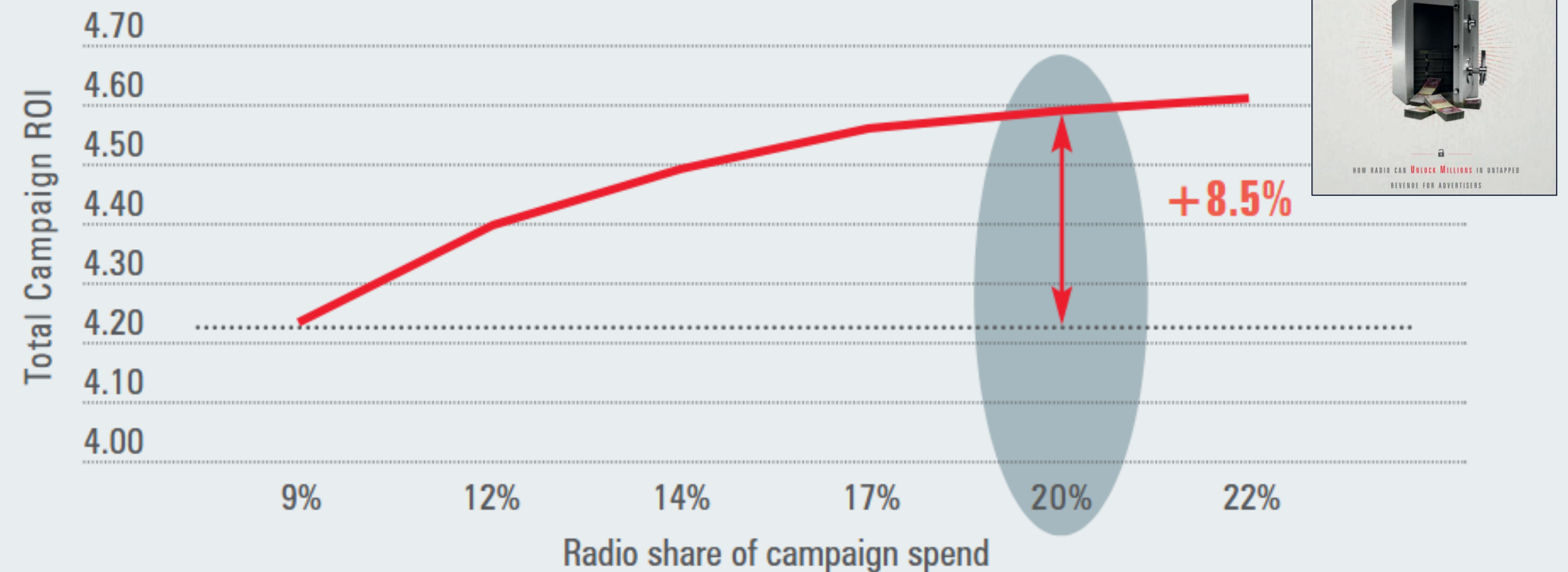
20%

OF TOTAL MEDIA BUDGET

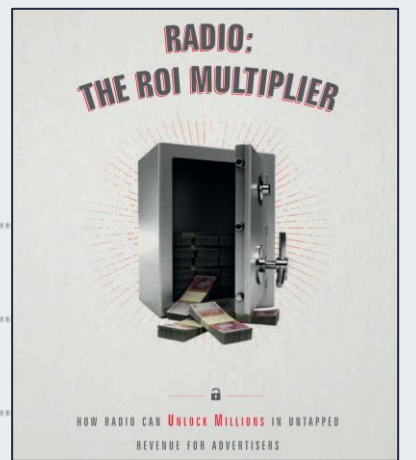
Overall campaign ROI is optimised
when radio is allocated 20% of total budget

Chart - F5

EFFECTS ON OVERALL CAMPAIGN ROI REALLOCATING BUDGET TO RADIO FROM **ALL MEDIA**

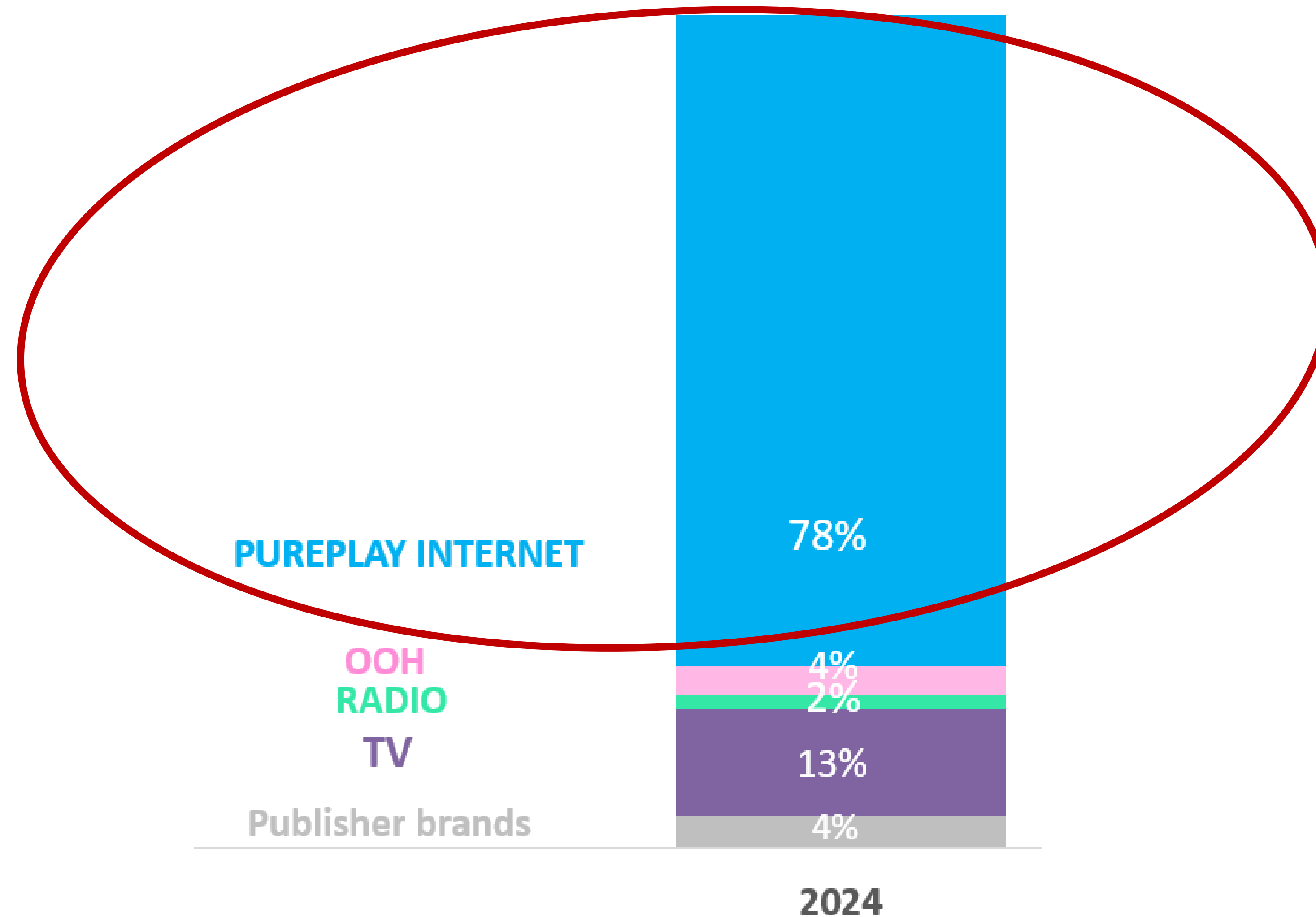


Source: Radio ROI Dataset
Base: Meta-regression Analysis, Overall Campaign ROI, 132 cases

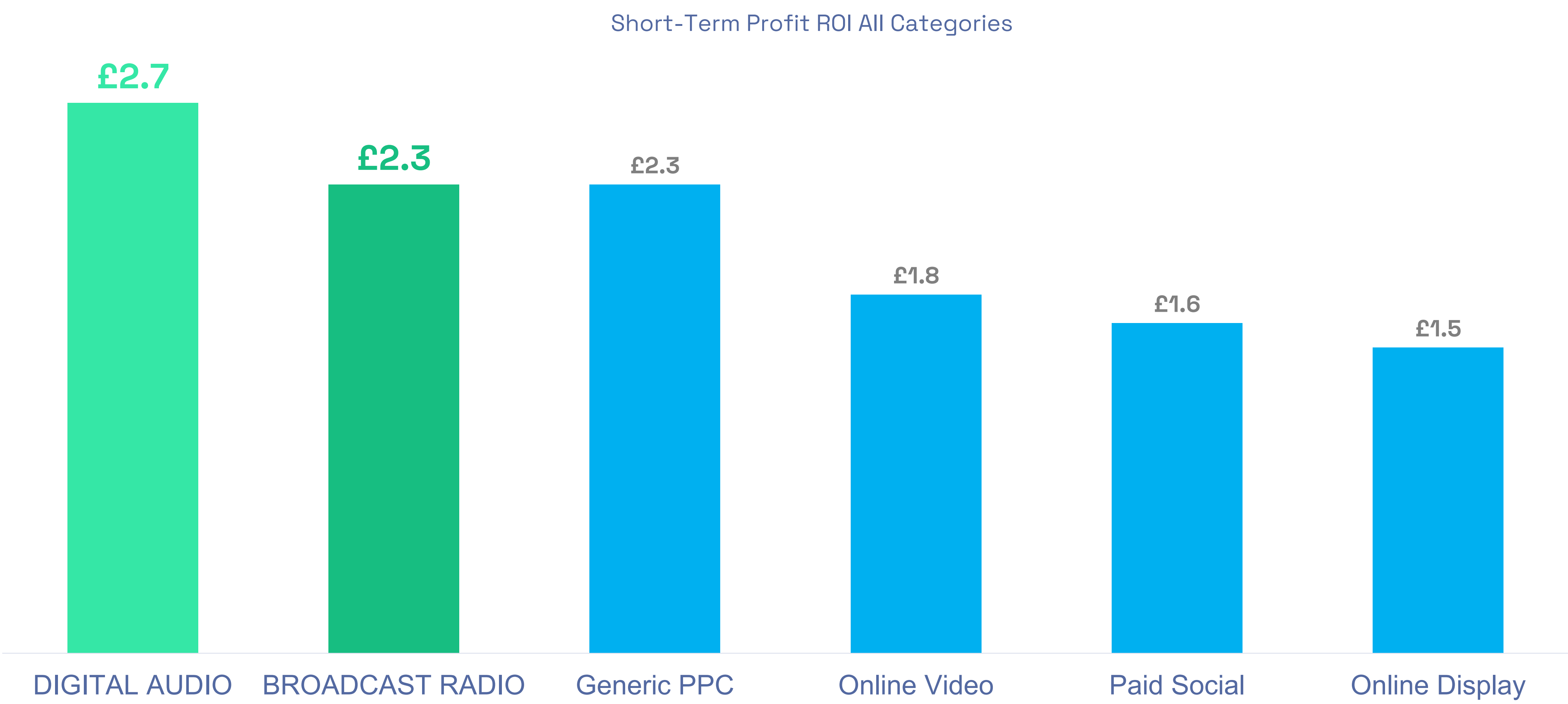


Sourcing additional Audio budget allocation

starter-for-ten...

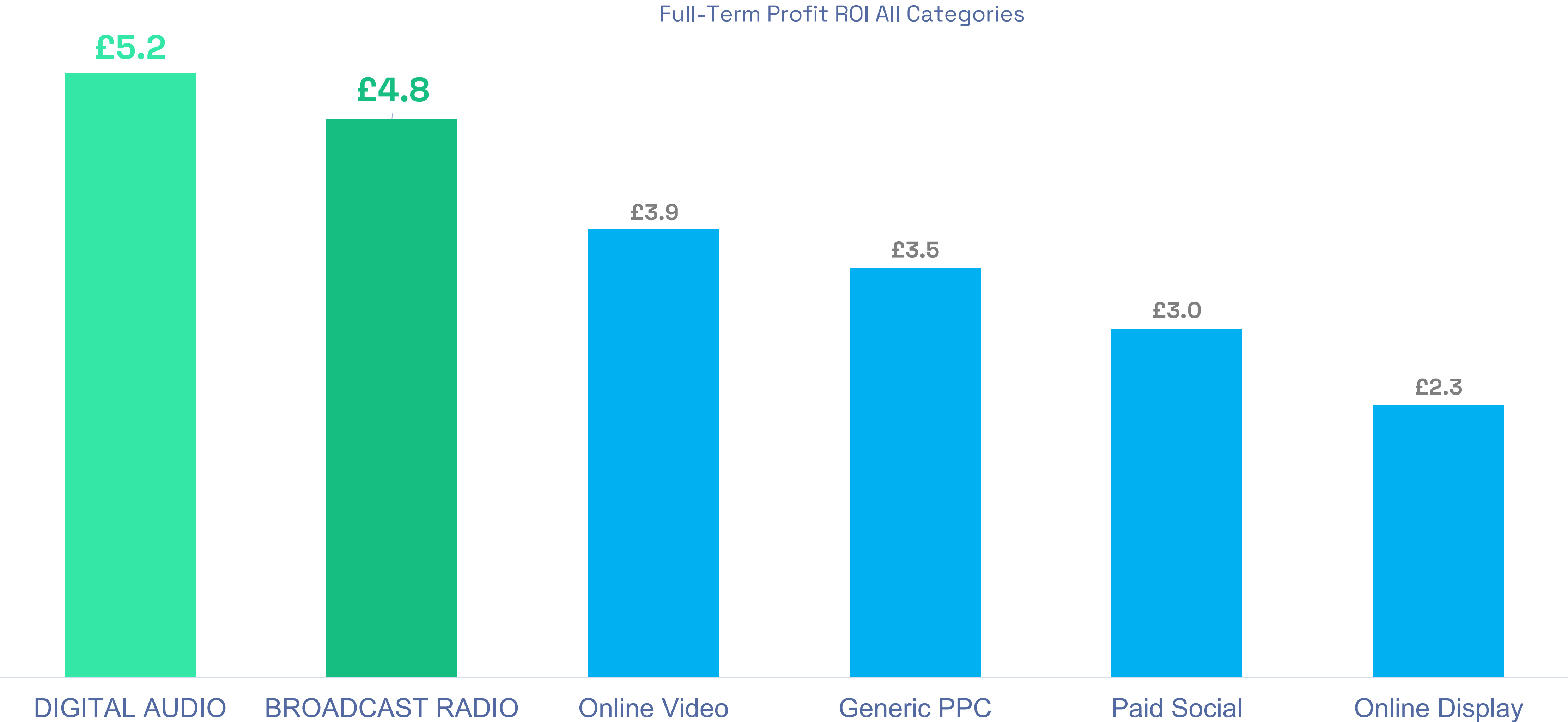


Short-term profit ROI from Broadcast Radio & Digital Audio significantly outperforms pureplay digital channels



Base: Multiplatform Audio dataset (7 campaigns) vs. Total PA2 dataset

Full-term profit ROI from Broadcast Radio & Digital Audio significantly outperforms all pureplay digital channels



Base: Multiplatform Audio dataset (7 campaigns) vs. Total PA2 dataset

The Radiocentre 3-step guide:

Amplifying campaign effects using multiplatform audio

STEP 1.

Be more ambitious with
multiplatform budget
allocation



RULE OF THUMB

20%

OF TOTAL MEDIA BUDGET



STEP 2.

Use digital audio to
supplement not
substitute broadcast
radio



RULE OF THUMB

MAXIMISE WEEKLY REACH

The Radiocentre 3-step guide: Amplifying campaign effects using multiplatform audio

STEP 1.

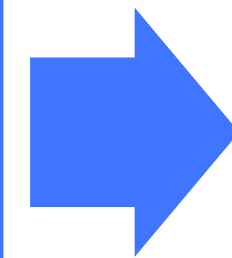
Be more ambitious with
multiplatform budget
allocation



RULE OF THUMB

20%

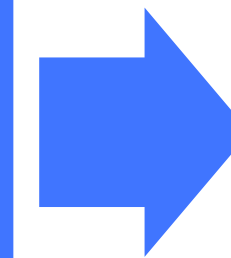
OF TOTAL MEDIA BUDGET



STEP 2.

Use digital audio to
supplement not
substitute broadcast
radio

MAXIMISE
WEEKLY REACH



STEP 3.

Evolve MMMs to parse
broadcast radio &
digital audio effects

IMPROVE AUDIO
INPUTS

HIGH GAIN AUDIO

Using multiplatform audio
to amplify overall media campaign ROI



GAIN



AMPLIFY

THANK YOU