WELCOME

Let’s give credit where it’s due. Radio is remarkably resilient. When Nielsen added Audio to the media it measures, radio’s reach surpassed all other media, surprising a few people in the process. Despite the countless media and entertainment options available today, AM/FM radio continues to be the top weekly reach medium. No kidding.

Marketers and brand managers are rediscovering radio. It’s a mass medium that can deliver targetability and message frequency.

Radio listeners tune in when and where it counts. Listening in the car is a strength of AM/FM radio, and it gives advertisers the opportunity to deliver their messages just before the point of purchase. In addition, radio ads boost memorability for the same TV advertising and are deemed more trustworthy than online ads.

Radio is connected to the community. Hispanic and African-Americans are radio fans who consistently listen to more AM/FM radio than other demographics. This tendency provides savvy marketers an effective avenue to reach these important consumers.

Broadcast radio also provides advertisers with effective digital opportunities to complement and extend its large over-the-air audience. AM/FM streaming audio, HD radio, NextRadio, and radio’s social media sites provide advertisers with new ways to connect to the passionate radio audience. Radio data is now feeding seamlessly into programmatic solutions and the Nielsen Marketing Cloud.

Accountability is more than a buzzword. Advertisers increasingly insist on it and radio delivers. Nielsen provides independent measurement, and our audio data is now powering high-caliber analytics in a variety of new ways such as marketing mix modeling, return on ad spend, and cross-media incremental reach. Tools that go way beyond traditional audience metrics are helping advertisers do more than just quantify their CPMs. New capabilities enable a much deeper understanding of HOW and WHY radio advertising works.

We hope that this Brand Manager’s Guide to Radio helps you re-discover audio’s powerful reach and unique connection to consumers in the communities where they live, shop and buy.
RADIO. EVERYBODY’S LISTENING

MEDIA UNIVERSE: COMPARABLE METRICS

WEEKLY REACH (% OF POPULATION)

Source: Nielsen Comparable Metrics Report Q4 2016 – P18+ Weekly Reach
When advertisers think of reach, TV and Internet are usually top of mind but Nielsen’s data shows that Radio has the greatest reach of all electronic media. This chart from the Comparable Metrics Report shows that 93% of adults 18+ listen to radio each week, followed by TV at 89% and Smartphone at 83%. When advertisers want to cast a wide net with their message, radio should be an essential part of the media mix.
EVERY YEAR, THE RADIO AUDIENCE IN AMERICA CONTINUES TO GROW

WEEKLY AUDIENCE, PERSONS 12+

Radio continues to reinvent itself every day. From playing the hottest hits to discussing the topics listeners care about the most, AM/FM Radio caters to its loyal listeners and they keep coming back year after year.

Source: Nielsen RADAR 120, 124, 128 & 132, Mon-Sun Mid-Mid, Weekly Cume Audience, Persons12+

<table>
<thead>
<tr>
<th>Year</th>
<th>Audience</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>249,841,000</td>
</tr>
<tr>
<td>2016</td>
<td>246,706,000</td>
</tr>
<tr>
<td>2015</td>
<td>245,054,000</td>
</tr>
<tr>
<td>2014</td>
<td>244,457,000</td>
</tr>
</tbody>
</table>
RADIO ADS ARE MORE TRUSTED THAN ONLINE ADS

PERCENT OF PEOPLE THAT TRUST SOMewhat OR COMPLETELY

<table>
<thead>
<tr>
<th>Recommendations From People I Know</th>
<th>82%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consumer Opinions Posted Online</td>
<td>66%</td>
</tr>
<tr>
<td>Ads in Newspapers</td>
<td>65%</td>
</tr>
<tr>
<td>Ads on TV</td>
<td>63%</td>
</tr>
<tr>
<td><strong>Ads on the Radio</strong></td>
<td>60%</td>
</tr>
<tr>
<td>Billboards/Outdoor</td>
<td>57%</td>
</tr>
<tr>
<td>Ads Served in Search Engine Result</td>
<td>49%</td>
</tr>
<tr>
<td>Online Video Ads</td>
<td>47%</td>
</tr>
<tr>
<td>Ads on Social Networks</td>
<td>42%</td>
</tr>
<tr>
<td>Online Banner Ads</td>
<td>41%</td>
</tr>
<tr>
<td>Ads on Mobile Devices</td>
<td>39%</td>
</tr>
</tbody>
</table>

Broadcast Media has developed a relationship with their audience over the years. Digital Media does not have the same personal connection among consumers. This is just one more example of why radio advertising is so effective.

A National Cable Network wanted to boost viewership of a primetime sporting event so they turned to Radio in a few key markets. The radio campaign was tracked with a single-source panel (PPM) to see which ads drove the most tune in. On average, 27% of the people who were exposed to the radio ads tuned in to watch the game that evening. However, the ads that ran 90 minutes or less before the game saw the highest conversion rate. 53% of the people who were exposed to radio ads during the 7-8:30PM daypart watched the game. This study shows that spots airing within 90 minutes of a program are TWICE as likely to get people to tune in. This is also know as the “Recency Effect” underscoring Radio’s ability to influence an audience just before they make a decision or take action.

Source: Nielsen RADAR 120, 124, 128 & 132, Mon-Sun Mid-Mid, Weekly Cume Audience, Persons12+
A major retailer wanted to know the impact Radio advertising is having on shopping and purchase behavior. Nielsen conducted a campaign effect study where people were asked “Which of the following actions, if any, did you take after hearing the store ads?” The responses were separated between those who did not recall hearing a radio ad (in light blue) and those who recall at least 3 radio ads from this retailer (in dark blue). Store visits were 20% higher among those who heard the radio ads. Visits to the retailer’s website were 75% higher, click-through rates soared 160% for the retailer’s online ads and product searches jumped 40% higher among those exposed to the radio ads. Most importantly, radio advertising increased sales in-store and online for this retailer. This study confirms that radio not only drives consumers to retail locations but it also enhances e-commerce efforts for brick-and-mortar businesses.
RADIO BOOSTS THE MEMORABILITY OF YOUR TELEVISION ADVERTISING

A major insurance provider wanted to see how their TV ads were performing along side their radio campaign. Nielsen conducted a campaign effect study and found that 40% could recall an ad on Television for this insurance company. When we isolate the consumers who were exposed to the radio campaign, we saw that 54% of them could recall a TV ad for this insurance company. Consumers who heard radio ads had a 35% higher awareness of advertisers’ TV ads. This study confirms that when radio is used in conjunction with TV, it makes the campaign more effective.

Nielsen Study – April 2015 / Control (503), Exposed (517)
Q. Where else have you seen or heard advertising recently for brand?
MEASURING RADIO’S ROAS
(RETURN ON AD SPEND)

BY MATCHING CREDIT AND DEBIT CARD PURCHASES TO EXPOSURE OF RADIO ADS, NIELSEN IS ABLE TO QUANTIFY THE INCREMENTAL REVENUE GAINED FROM CONSUMERS WHO HEARD THE RADIO ADS.
TELCO PROVIDER
$14 OF INCREMENTAL SALES FOR EVERY $1 SPENT

CONSUMERS WHO HEARD THE RADIO AD CAMPAIGN SPENT AN AVERAGE OF $8 MORE PER MONTH ON THE TELCO SERVICES THAN THOSE WHO WERE NOT EXPOSED.

THE AVERAGE MILLENNIAL WHO HEARD THE AD SPENT $16 MORE PER MONTH THAN THOSE WHO DID NOT

IMPACT OF RADIO EXPOSURE
$210,000,000
Incremental spend for customers exposed to the radio campaigns in Q1 2014

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RADIO AD INVESTMENT
$15,300,000
Total Q1 2014 radio ad spend

= $14 RETURN ON AD SPEND
QSR/FAST FOOD
$3 of incremental sales for every $1 spent

Exposure to radio campaigns drove a 6% increase in sales overall.
Radio drove more people into the restaurants and they spent more each time.

Impact of radio exposure: $87,302,965
Incremental spend for customers exposed to the radio campaigns in Q3 2014

Radio ad investment: $29,044,889
Total Q3 2014 radio ad spend

\[ \frac{\text{Impact of radio exposure}}{\text{Radio ad investment}} = \frac{87,302,965}{29,044,889} \approx 3 \]

Return on ad spend: $3
DEPARTMENT STORES
$17 OF INCREMENTAL SALES FOR EVERY $1 SPENT

EXPOSURE TO RADIO CAMPAIGNS DROVE A 10% INCREASE IN SALES OVERALL

RADIO BROUGHT IN MORE SHOPPERS AND THEY SPENT MORE EACH TIME THEY SHOPPED

3% INCREASE IN TOTAL NUMBER OF BUYERS
6% INCREASE IN $ SPENT PER BUYER

IMPACT OF RADIO EXPOSURE
$356,966,946
Incremental spend for customers exposed to the radio campaigns in Q3 2014

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RADIO AD INVESTMENT
$20,999,788
Total Q3 2014 radio ad spend

= $17
RETURN ON AD SPEND
HOME IMPROVEMENT
$9 OF INCREMENTAL SALES FOR EVERY $1 SPENT

EXPOSURE TO RADIO CAMPAIGNS DROVE A 4% INCREASE IN SALES OVERALL

RADIO CAMPAIGN EXPOSURE DROVE MORE PEOPLE TO SHOP AND TO SHOP MORE OFTEN

Impact of Radio Exposure
$368,666,119
Incremental spend for customers exposed to the radio campaigns in Q2 2014

Radio Ad Investment
$38,885,290
Total Q2 2014 radio ad spend

= $9
Return on Ad Spend

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MASS MERCHANDISER
$16 OF INCREMENTAL SALES FOR EVERY $1 SPENT

EXPOSURE TO RADIO CAMPAIGNS DROVE A 1% INCREASE IN SALES OVERALL

RADIO BROUGHT IN MORE SHOPPERS AND THEY SPENT MORE WHEN THEY SHOPPED

IMPACT OF RADIO EXPOSURE
$227,707,290
Incremental spend for customers exposed to the radio campaigns in Q4 2014

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RADIO AD INVESTMENT
$13,908,650
Total Q4 2014 radio ad spend

= $16
RETURN ON AD SPEND
“THE DAYS OF GIVING DIGITAL A PASS ARE OVER”

MARC PRITCHARD, CHIEF BRAND OFFICER
PROCTER AND GAMBLE
RADIO ADS DRIVE A 32% SALES LIFT FOR CPG ADVERTISERS

BUT CURRENT GRP LEVELS FOR MOST CPG RADIO CAMPAIGNS ARE OFTEN TOO LOW

A recent study from Nielsen Catalina Solutions looked at the impact of radio advertising on sales for a snack product. This product typically gets a 10.5% share of all sales in the category. Isolating only the 9% of consumers who were exposed to the radio campaign, the snack product saw a 13.9% share of sales in the category. This equates to a 32% increase in brand share or a difference of 3.4 share points. However, since only 9% of the audience was exposed, the total sales lift among all purchases, including for the 91% who were not exposed, is a weighted average of only 0.3 share points higher than the expected lift without advertising. Radio may have made a greater impact in overall sales if the GRP levels were higher.
ADVERTISERS CURRENTLY USING RADIO

TOP 100 SPENDERS ON SPOT RADIO / JAN – DEC 2016

COMCAST CORP
DEUTSCHE TELEKOM AG
BERKSHIRE HATHAWAY INC
MCDONALDS CORP
AT&T INC
VERIZON COMMUNICATIONS INC
SOFTBANK CORP
FIAT CHRYSLER AUTOMOBILES NV
KROGER CO
HOME DEPOT INC
STEINHOF INTL HOLDINGS NV
UNITED STATES GOVERNMENT
WESTERN STONE & METAL CORP
WALGREENS BOOTS ALLIANCE INC
HONDA MOTOR CO LTD-DA
AB ACQUISITION LLC
FORD MOTOR CO
HEARTRADIO INC
OREILLY AUTOMOTIVE INC
MACYS INC
JC PENNEY CO INC
OPTIMA TAX RELIEF LLC
3G CAPITAL INC
COCA-COLA CO
WALT DISNEY CO
IM PAC MORTGAGE CORP
NATIONAL AMUSEMENTS INC
LOWES COS INC
AU TOZONE INC
TOYOTA MOTOR CORP-DA
CHARTER COMMUNICATIONS INC
CALIFORNIA STATE OF
UNITED SVCS AUTOMOBILE ASSN
STATE FARM AUTOMOBLE INSURANCE CO
STAPLES INC
JW CHILDS ASSOC LP
LIFELOCK INC
ZIPRECRUITER INC
BLACKSTONE GROUP LP
AMERICAN FAMILY MUTUAL INSURANCE CO
PEPSICO INC
NISSAN MOTOR CO LTD-DA
WELLS FARGO & CO
DOCTORS ASSOC INC
WAL-MART STORES INC
STEINER LEISURE LTD
ABBVIE INC
WENDYS CO
ROCK VENTURES LLC
GENERAL MOTORS CO-DA
S I G N E T JEWELERS LTD
FORTUNE BUILDERS INC
TOYOTA MOTOR CORP
TWENTY-FIRST CENTURY FOX INC
ANHEUSER-BUSCH INBEV SA/NV
DUNKIN BRANDS INC
SELECT COMFORT CORP
FORD MOTOR CO-DA
MY PILLOW INC
AMAZON.COM INC
AMERICAN EXPRESS CO
BROADCASTING MEDIA PARTNERS INC
FLORIDA STATE OF
NUBIO TIX LLC
AUTONATION INC
NEKTRADIO LLC
MARATHON PETROLEUM CORP
YUM! BRANDS INC
BAIN CAPITAL LP
MONDELEZ INTL INC
ARIZONA STATE OF
CREDIT REPAIR.COM INC
RBS RUBBISH BOYS DISPOSAL SVC INC
PUBLIX SUPER MARKETS INC
TEXAS STATE OF
FREEMAN SPOGLI & CO INC
COMMUNITY TAX LLC-BS
GAP INC
EDYSS INTL INC
ROSETTA STONE INC
GENERAL MOTORS CO
SIX FLAGS ENTERTAINMENT CORP
KARS-4-KIDS INC
TRUECAR INC
ROARK CAPITAL GROUP INC
NEW YORK STATE OF
JACKSON HEWITTX SVC INC
PRODUCT PARTNERS LLC
TACT HOLDING INC
UBER TECHNOLOGIES INC
LOANME INC
KAO CORP
ADVANCE AUTO PARTS INC
GENUINE PARTS CO
MORONGO BAND OF MISSION INDIANS INC
VISION ACQUISITION LLC
VOLKSWAGEN AG
KOHLS CORP
COX ENTERPRISES INC
MARYLAND STATE OF
ABOUT NIELSEN

Nielsen Holdings plc (NYSE: NLSN) is a global performance management company that provides a comprehensive understanding of what consumers watch and buy. Nielsen’s Watch segment provides media and advertising clients with Nielsen Total Audience measurement services for all devices on which content — video, audio and text — is consumed. The Buy segment offers consumer packaged goods manufacturers and retailers the industry’s only global view of retail performance measurement. By integrating information from its Watch and Buy segments and other data sources, Nielsen also provides its clients with analytics that help improve performance. Nielsen, an S&P 500 company, has operations in over 100 countries, covering more than 90% of the world’s population. For more information, visit www.nielsen.com.