



WINGMAN MEDIA AGENCY

2019 Industry Report

RADIO STILL MOVES THE DIAL FOR THE HOME IMPROVEMENT INDUSTRY

WWW.WINGMANMEDIACOM

OVERVIEW

DOES RADIO STILL MOVE THE DIAL?

With so many new forms of media available to reach consumers nowadays, advertisers often ask “does radio still move the dial?” Despite what you may have heard from skeptics, research has consistently proven that radio is still one of the most powerful media channels out there - especially for the home improvement industry. And media savvy home improvement advertisers know it.

Radio ads are a key influencer in the decision making process for consumers who are planning their next home improvement project.

In fact, according to Media Monitors, ALL of the nation’s top 10 radio advertisers in 2019 (by number of spots) come from the home improvement industry.

The Radio Advertising Bureau’s (RAB) Finding Consumer Trends Report found that radio ads are a key influencer in the decision making process for consumers who are planning their next home improvement project.

These are just a couple examples from the research we've collected on the value of radio advertising for home improvement companies.

TOP 10 RADIO ADVERTISERS

- 1 CertaPro Painters
- 2 Universal Windows Direct
- 3 Window Nation
- 4 Renewal By Andersen
- 5 Pella
- 6 California Closets
- 7 Window World
- 8 USA Insulation
- 9 Pink Rose Home Service
- 10 Rock Solid Countertops & More

Still not quite convinced? No problem. If you sell home improvement products or services, here are seven reasons to consider radio advertising. Let's count them down.

01. EVERY DOLLAR SPENT ON RADIO GENERATES \$9 OF REVENUE.

In a study commissioned by Nielsen, researchers examined radio's return on ad spend (ROAS) for the home improvement category. According to the study, investing in radio ads yielded a 9:1 return ratio for home improvement companies. The study looked at the ROAS for \$38 million spent on radio during a single quarter. It found that nearly \$370 million of incremental revenue was earned from customers exposed to radio campaigns.

That means for every dollar spent in radio advertising, \$9 of revenue was earned from listeners exposed to ads. The results make a compelling case for why radio should continue to play a significant role in the home improvement media mix.

\$9 : \$1

ROAS ratio

Radio ads yield a 9:1 return ratio for the home improvement industry.

02. RADIO OFFERS UNSURPASSED REACH.

Radio remains the leading channel in terms of reach, with an impressive 92 percent of people tuning into AM/FM radio over the airwaves weekly. This outpaces all other media channels, including television, smart phones, and connected TV (CTV). But it's not just how many are tuning in, but also when.

92%

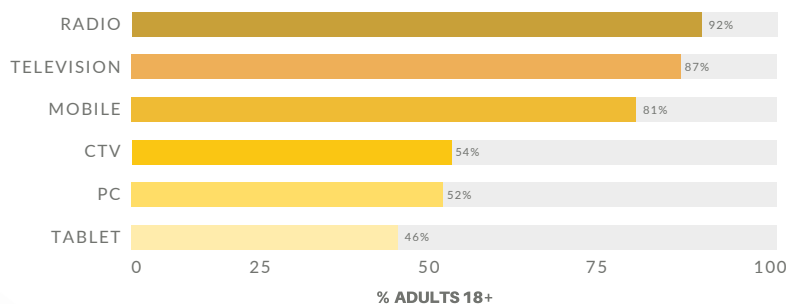
“of people tune into AM/FM radio over the airways weekly.”

Big city commuters know all too well that “rush hour” can easily span the hours between 6am and 10am weekday mornings and between 3pm and 7pm in the afternoon/evening. While this may be bad news for commuters, it’s great news for advertisers for whom this prime window of opportunity arrives every Monday through Friday in the form of captive listeners.

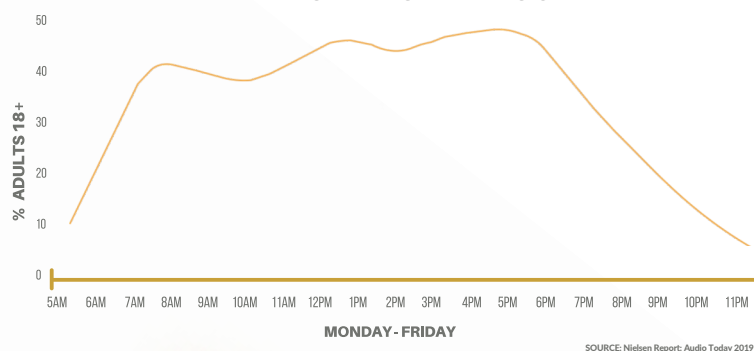
Want to hear more good news? Consumers don’t just tune out once the morning commute ends. Research shows that audiences continue to tune in throughout the workday.

Overall, 244.5 million Americans 18+ listen to the radio with the majority consuming more than 12 hours during the typical week.

WEEKLY REACH BY CHANNEL



RADIO REACH BY HOUR

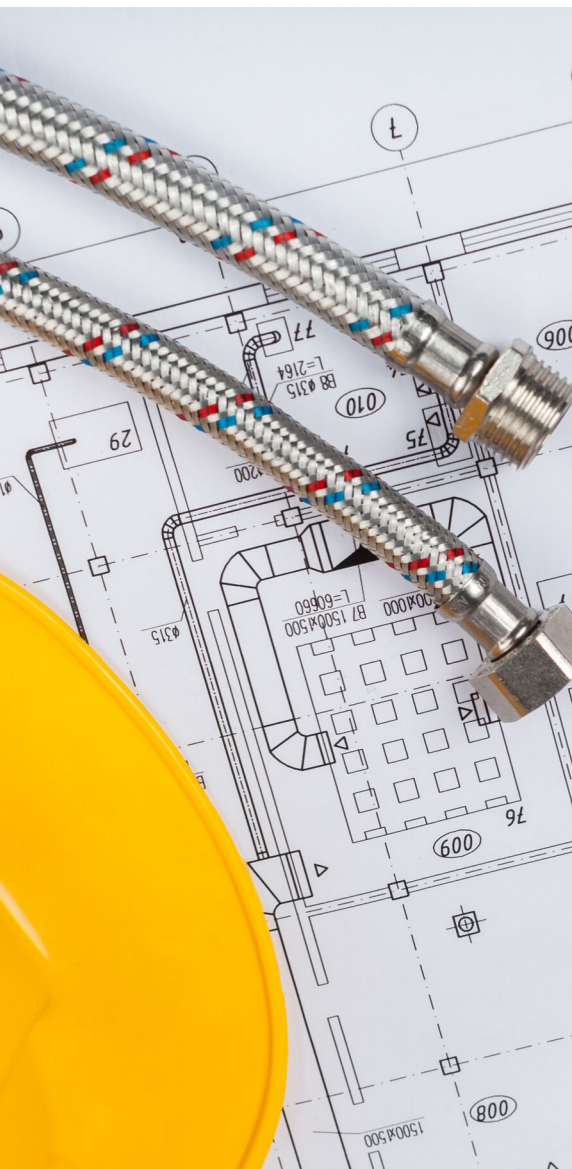


244.5 MM

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03. RADIO STATIONS ARE LARGELY PERSONALIZED.

While people may have favorite television shows, they're not necessarily committed to one TV network over another. Why not? Because it's about the content, not the network. Radio, however, tells a different story where loyalty to the station is the driving factor. Because the content played by radio stations reflects personal preferences, they become unique outlets for self-expression. In short, radio listeners aren't just listening to music; they're telling you who they are.



Advertisers looking to deliver targeted messages should be paying close attention to a radio station's audience composition. Today's over-the-air (OTA) advertisers are no longer limited by radio's traditional demo-based targeting options.

New technologies are delivering innovative capabilities for OTA advertisers to target custom audience segments — something that, up until very recently, has been available exclusively for digital.

“Today's over-the-air (OTA) advertisers are no longer limited by radio's traditional demo-based targeting options.”

04. RADIO LETS ADVERTISERS PLAY TO THEIR STRENGTHS.

Because radio comes in many formats, advertisers gain unique leverage when it comes to optimizing their reach. Have a narrow geographic focus in mind for your services? Local radio fits the bill. Looking to cast a wider net? National radio opens the door to millions of new listeners. On a tight budget? Remnant advertising is your new best friend.

Have only a limited creative budget, but want your message to leave a lasting impression with your audience? Radio gives you the chance to get very creative on a small budget as you are relying on the customer's imagination to create the visuals.

Want to take your message to a mobile-first audience? Going digital opens radio advertisers up to a whole new world of targeting across devices. With seemingly endless possibilities, there's no one-size-fits-all solution to make radio work for you. And with the right media planning and buying strategy, the sky's the limit.

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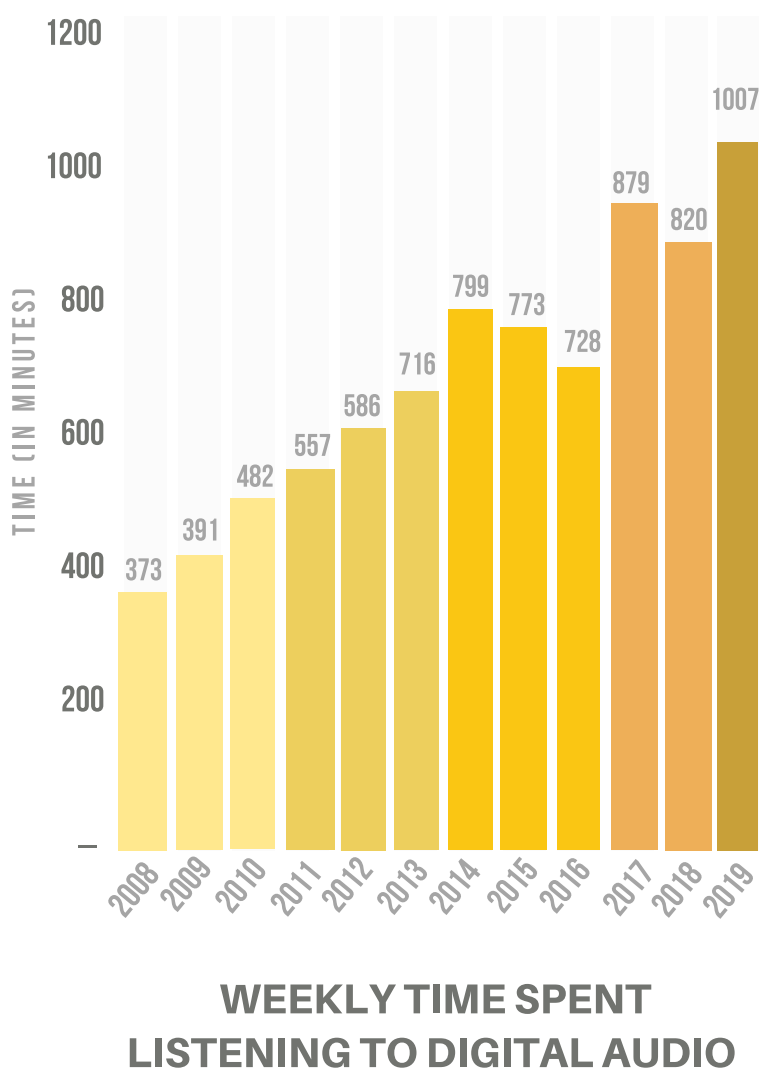
05. RADIO IS A POWERFUL OUT-OF-HOME MEDIA CHANNEL.

Radio advertising not only reaches more consumers, but qualifies them in the process. What do people stuck in their cars listening to the radio have in common? They're on their way to jobs. More importantly, jobs that pay them money. Research reveals that employed people make up the vast majority of radio listeners.

The takeaway? If you're looking to catch the attention of consumers with dollars to spend, you're likely to find them listening to the radio. Radio continues to dominate on the road with 82% of audiences age 18+ tuning into radio in the car.

Here's another reason radio is a powerful out-of-home media channel. It offers the final chance to engage purchase-ready consumers when they're on their way to shop. Radio ads fit the bill perfectly by delivering the right message, to the right audience, at the right time — just before the point of purchase.

Using radio to target on-the-go, ready-to-buy consumers isn't limited to terrestrial airwaves. Digital audio platforms have become an everyday form of radio, and offer plenty of scale. According to Edison Research, podcasts alone comprise around 22% of all audio content listened to in cars.



The Infinite Dial 2019 by Edison Research reports that the percentage of Americans who listen to online audio has doubled since 2012, growing from one-third of the population to two-thirds.

As of this year, there are around 169 million weekly listeners streaming online. The time spent listening to online audio has also reached a record high this year, with listeners reporting an average of nearly 17 hours in the past week!

And don't forget satellite radio subscribers. If you're looking for a qualified audience for home improvement advertising, look no further than SiriusXM. A whopping 82 percent of SiriusXM listeners are homeowners with an average income of just over \$110,000.

With the pump so well-primed, it's hardly surprising that so many savvy advertisers are opting for spots on SiriusXM. In 2018 the company's net income totaled \$251 million in the fourth quarter, compared to \$37 million in the prior year period. Overall, SiriusXM's 2018 net income grew 81% to a record \$1.2 billion.



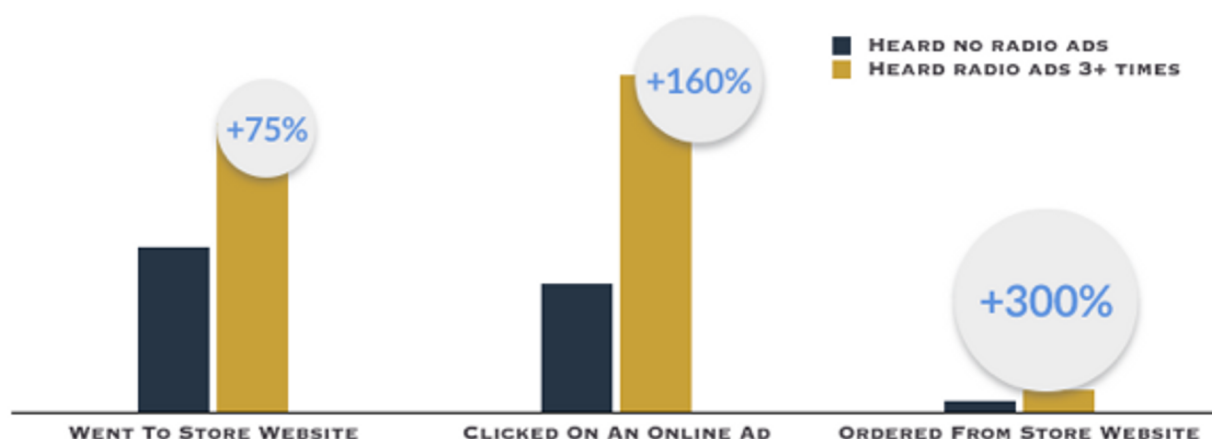
The time spent listening online has also reached a record high this year, with online listeners reporting an average of nearly 17 hours in the past week!

06. RADIO DRIVES ONLINE SEARCH.

The Internet Advertising Bureau (IAB) reports that one third of home improvement purchases are made through digital platforms. Because radio is now accessible from the same devices consumers use to browse and shop online, advertisers have a new opportunity to reach audiences while they're researching home improvement websites for their next considered purchase.

And several studies published by the Radio Advertising Bureau provide clear evidence that radio is a powerful driver of online brand interactions. Studies show a positive correlation between radio advertising and increased online traffic for businesses across all industries.

Radio Drives Online Purchase Decisions



SOURCE: NIELSEN AUDIO-STATE OF MEDIA: AUDIO TODAY, JUNE 2017, PERSONS 6+

A 2017 study commissioned by RAB and Media Monitors analyzed the impact of radio ads on Google search. The study found that radio generates an average 29% incremental lift in online search activity.

And RAB's 2018 research on real estate radio advertisers found that real estate companies generate 353 more website visits per day while their radio ads are on air.

RAB's 2017 report "Radio Drives Search" found that the quality of radio creative has a direct impact on increased search behavior. Among all brands within the study, the creative of those with the greatest lift in online search shared the following characteristics:



Deals on Pricing



Specified Location



Product News



Non-Price offer



Personalization

07. RADIO HELPS BUILD TRUST IN YOUR BRAND.

Today's consumers aren't exactly pro-advertising. In fact, according to a survey from YouGov, the majority of Americans put conventional advertising somewhere between used car salesmen and politicians on their list of least trusted things. Even worse news for advertisers? The more educated consumers are, the more likely they are to believe that advertisements are dishonest. We're not suggesting that you throw your hands up and walk away, but we are suggesting that a different approach might be in order.

Research shows that consumers trust people they know — a statistic which far outpaces trust rates for conventional forms of advertising. Bridging this gap? Endorsements from trustworthy sources. We've taken this knowledge and our years of experience creating DR radio campaigns to develop a more powerful approach. We don't just leverage DJ endorsements, but DJ endorsed interviews.

These mighty spots are personable, informative, and inherently valuable without triggering alarm bells with listeners. In other words, they allow advertisers to deliver a compelling message while building consumer trust. We have seen these creative strategies, backed by our years of response data, consistently increase response upwards of 400%.



While listeners may not technically know the voices on the other end of their radios, they feel like they do. In fact, one study from the University of California reveals that not only do endorsements from radio DJs make ads more personal, but that 60 percent of listeners consider the radio host to be the equivalent of a trusted friend.

Katz Media's recent study found that radio listeners have been loyal to their favorite personality for over eight years.

RAB's Finding Consumer Trends report found that radio station personalities increase consumer trust in home improvement commercials.

Listeners seeking information on the latest products and services find DJ banter not just to be entertaining, but also useful — a magic word among today's consumers.

If you've been considering switching the dial to "off" when it comes to your radio advertising efforts, you've now got seven solid reasons not to pull the plug. But sticking with your same-old radio advertising strategies may not be the way to go, either.

Tuning in to new approaches while making the most of today's data-driven media methodologies can help you maximize your marketing dollars.

LET'S PLAN YOUR NEXT CAMPAIGN.

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