



CUMULUS
MEDIA

Westwood One

AUDIO ACTIVE
G R O U P

ABX Advertising
Benchmark Index

Massive ABX study of TV and AM/FM radio ads reveals
“sight, sound, and motion” superiority is a myth

Marketers often dismiss audio advertising by noting **solemnly, “We need sight, sound, and motion”**

The implication: video ads generate substantially greater creative effectiveness, increased brand equity lift, and larger sales effect than an audio ad.

“I need to show my car” auto brands say. QSR marketers require their ads show succulent food shots. Haircare and skincare advertisers want ads showing silky hair and smooth skin.

ABX conducted a comprehensive analysis of 40,000 ads over a two year period

Largest head-to-head examination of TV and AM/FM radio ads

Study included:

- 10,738 TV ads
- 2,779 AM/FM radio ads

Who is ABX?

- ABX is the largest Syndicated Ad Effectiveness Service
 - Normative Database of 365,000+ measured ads
 - 20,000 AM/FM radio ads
 - 200,000+ with gender scores / 5,000+ with multicultural scores
 - Pre- and post-testing across all media ... TV, AM/FM radio, print, online, OOH
 - In 14 countries (accounting for \approx 90% of global ad spend)
 - Research partner to Association of National Advertisers and Radio Advertising Bureau
- A single-source solution to identify relationships between multiple creative KPIs, audience profiles, and creative results. Only ABX measures ads from all media types in the same survey allowing clear comparison of the creative effectiveness of one media type versus the other.

ABX: Measuring what works

- ABX is a syndicated service designed to evaluate the effectiveness of advertising creative
- Benchmarks advertising creative across all major media types: TV, AM/FM radio, newspaper, magazine, online display & video, out-of-home
- ABX provides a consistent metric for 14 KPIs that applies across every media type measuring ad effectiveness for: Building awareness, communicating key messages, generating a call to action, enhancing reputation, and likeability
- Each ad is evaluated by respondents from a representative and well-balanced consumer panel via the internet
- Results are available within 24-48 hours of the launch of the ad in the marketplace or from pre-testing

ABX Creative Score: Four measures create overall creative effectiveness performance

The overall ABX creative score for each ad tested is comprised of four key elements:

- Brand: This measures the awareness of the brand being advertised in the ad.
- Messaging: This includes how well the ad **clearly communicates the product's** benefit, and a crucial aspect of advertising effectiveness, is the ad is easy to understand.
- Reputation: This quantifies the net positive difference between those who said the ad made their opinion of the company better and those who said the ad made their opinion of the company worse.
- Take any call to action: Respondents indicate a number of actions they would be likely to take as a result of the ad (contact advertiser, visit website, look for product/service, purchase, recommend, talk to someone, etc.).

The Advertising Benchmark Index (ABX)

| Advertiser | ABX Index | Brand linkage | Messaging (average of two values) | | Reputation | Any action |
|--------------|-----------|---------------|-----------------------------------|--------------------|------------|------------|
| | | | Clear benefit | Easy to understand | | |
| Vs. all ads | 127 | 120 | 110 | 111 | 156 | 142 |
| Vs. category | 116 | 109 | 107 | 107 | 146 | 125 |
| Vs. medium | 131 | 117 | 115 | 118 | 169 | 148 |

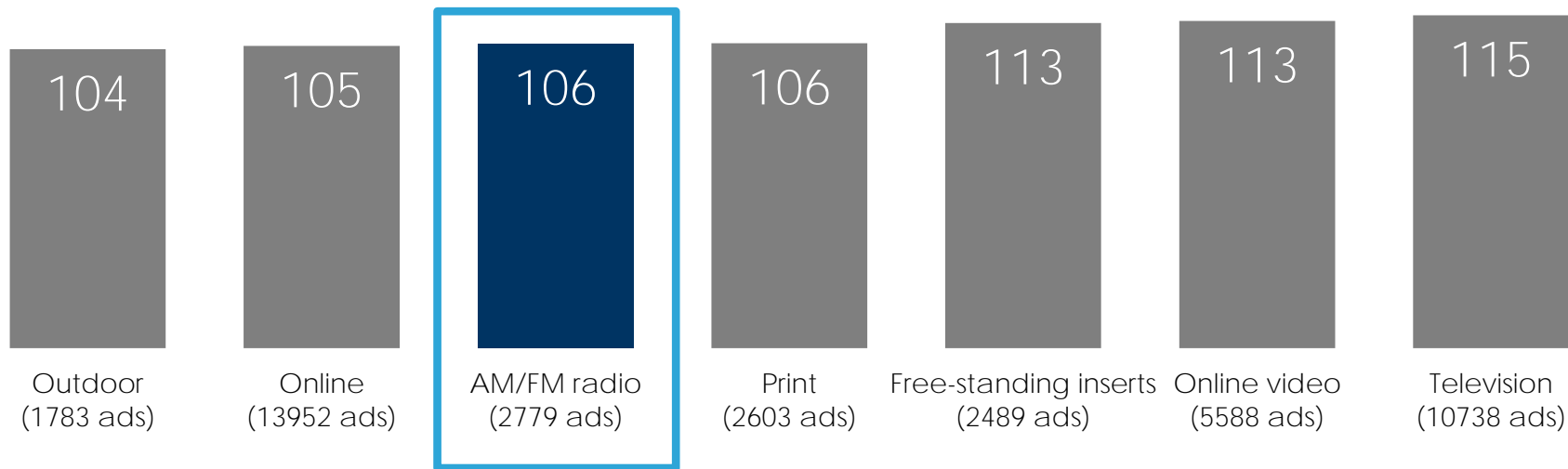


ABX
Index

- The ABX index correlates with Media Mix Modeling
- ABX data correlates with legacy testers
- The ABX Index is customizable based on factors that correlate with client needs
- “Reputation” is net of “better” minus “worse”
- “Any action” is one or more calls to action including: contact company, visit the website, purchase, recommend, or talk to someone

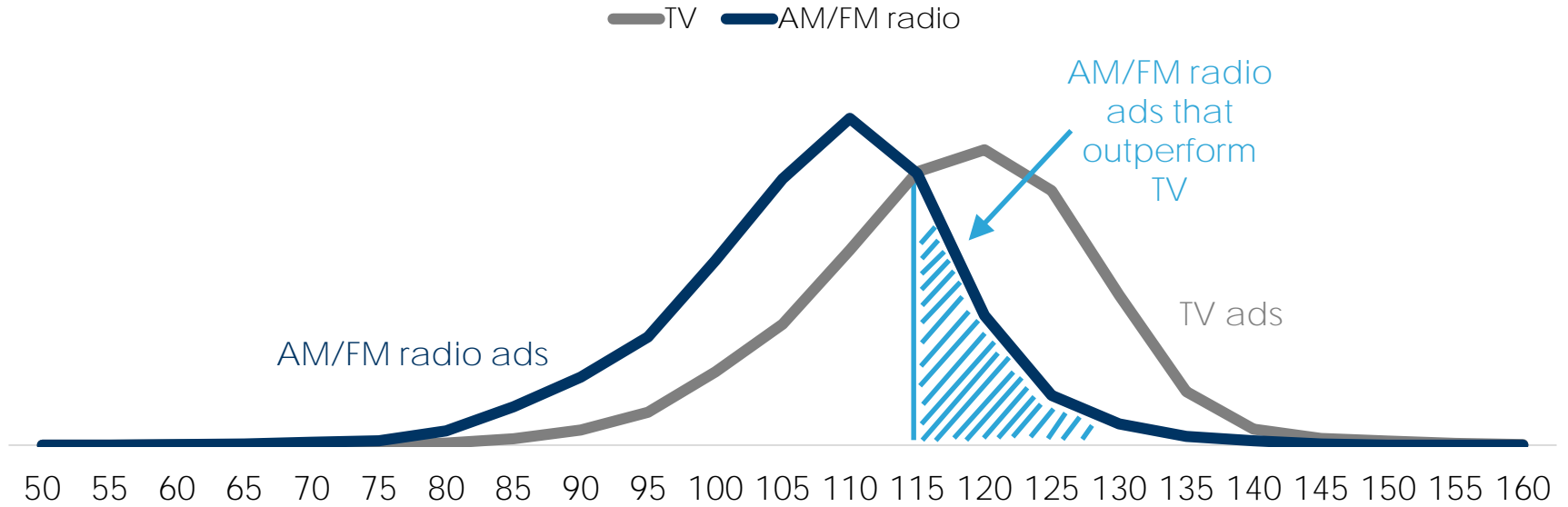
Of 40,000 recently ads tested, AM/FM radio is 92% as effective as TV at one-fourth the CPM and is comparable to print, online display, and outdoor

Creative effectiveness by media type tested April 2020 – April 2022 ABX Index



Best testing AM/FM radio ads outperform 48% of all TV ads even without sight/motion

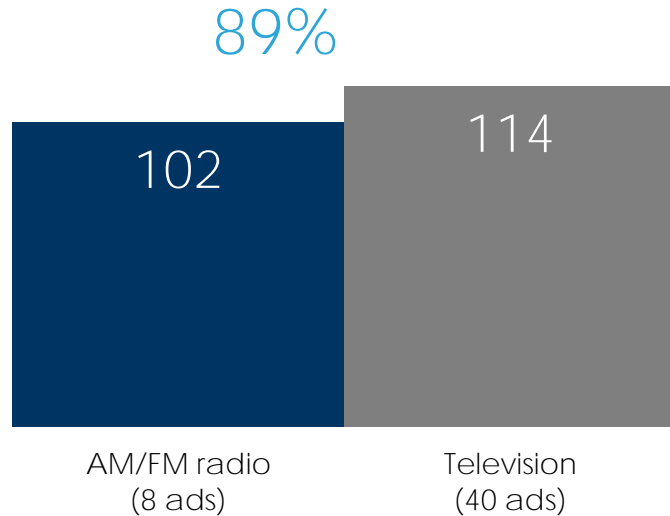
ABX Index: Creative effectiveness by media type



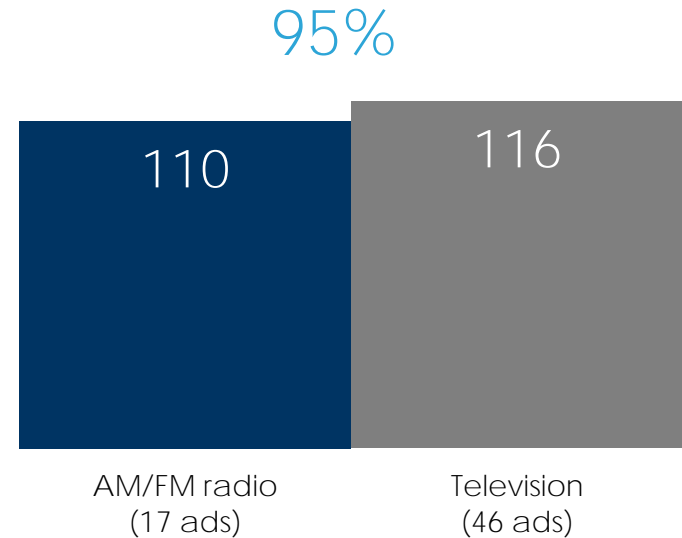
Haircare and skincare: AM/FM radio ads perform very close to TV ad effectiveness for highly visual personal care categories

Creative effectiveness by media type by category, ABX Index

Haircare ads



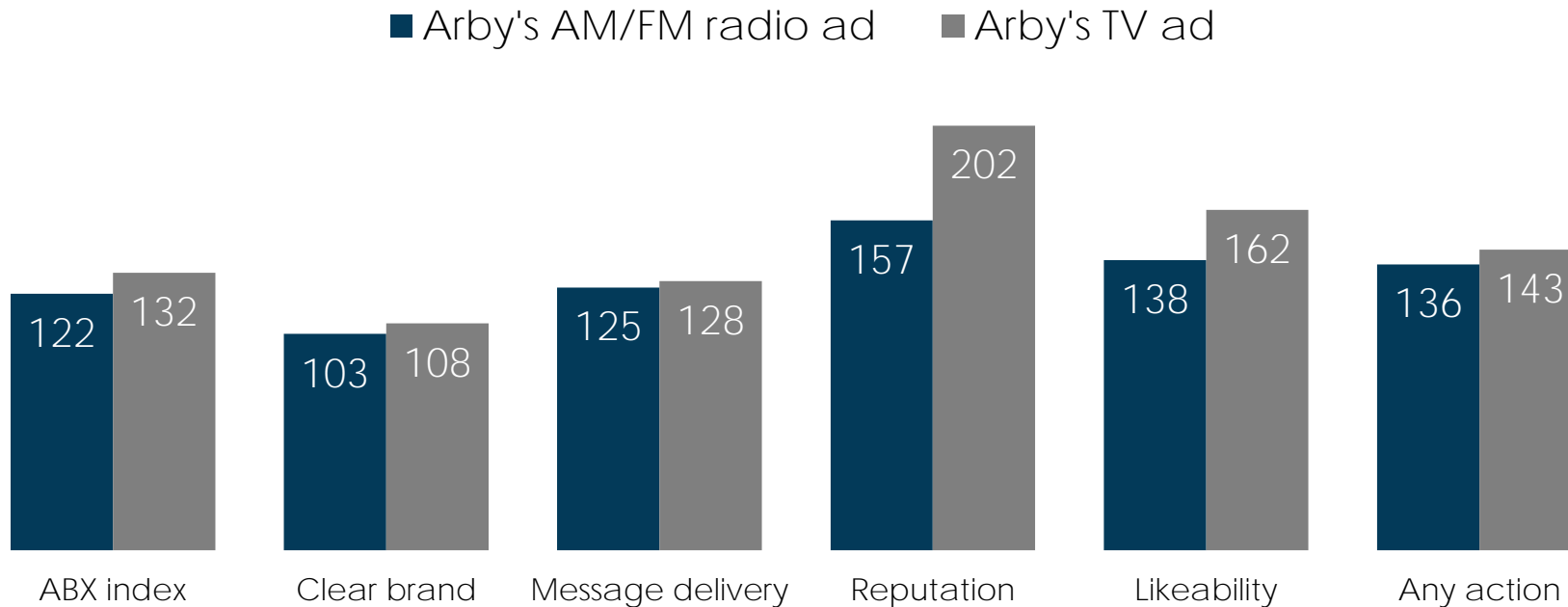
Skincare ads



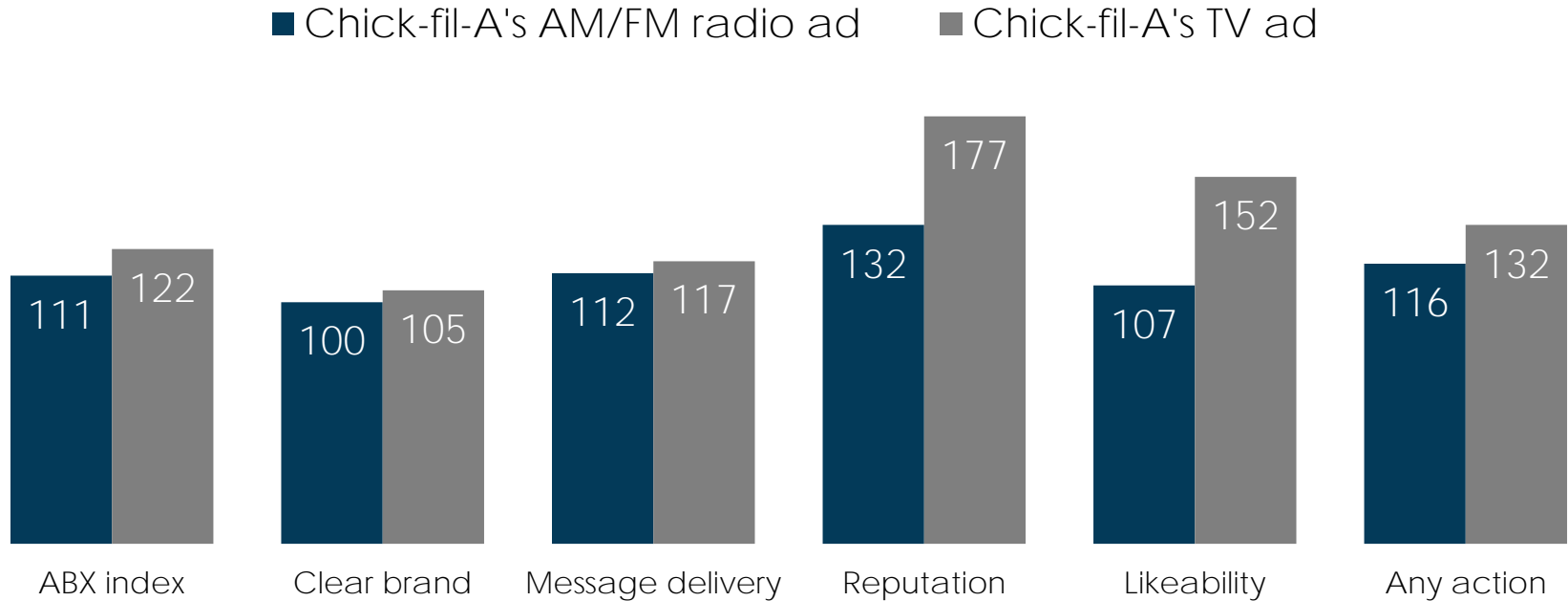


ABX creative testing:
QSR AM/FM radio ads test at
~90% of the effectiveness of TV
ads at 1/4 of the CPM

Arby's: AM/FM radio ads test at 92% of the TV ads at 1/4 of the CPM

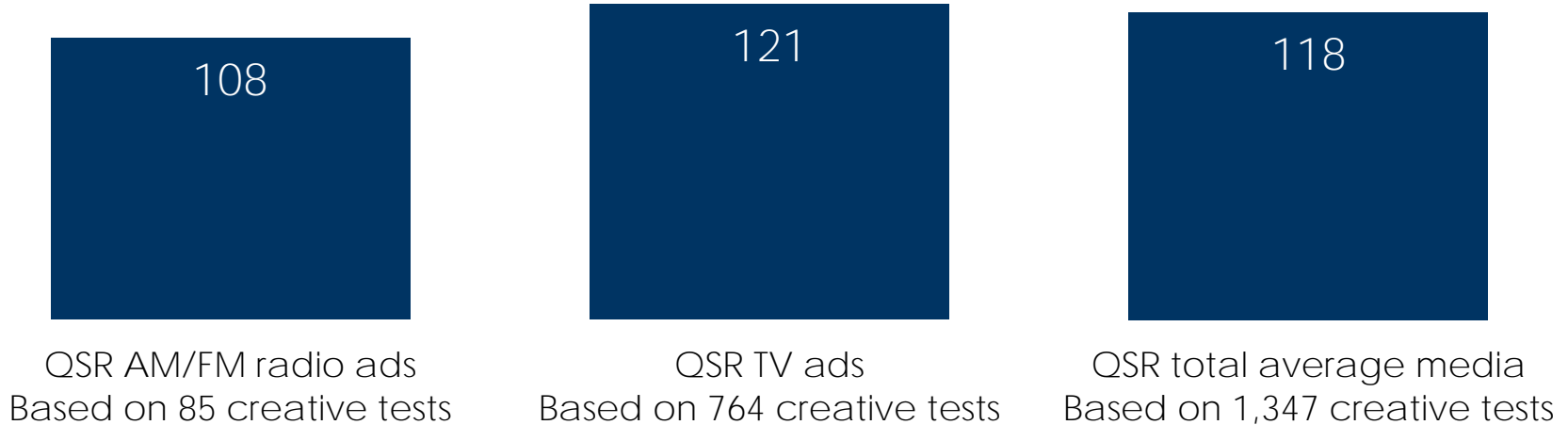


Chick-fil-A: AM/FM radio ads test at 91% of the TV ads at 1/4 of the CPM



ABX creative test: QSR AM/FM radio ads test at 89% of TV ads at 1/4 of the CPM

Average of ABX index



Why don't "sight, sound, and motion" TV ads significantly outperform AM/FM radio ads in creative effectiveness?

TV ads aren't seen 61% of the time

% of time TV ads are airing

Eyes on the screen

39%



Eyes on a second screen

40%



Out of the room

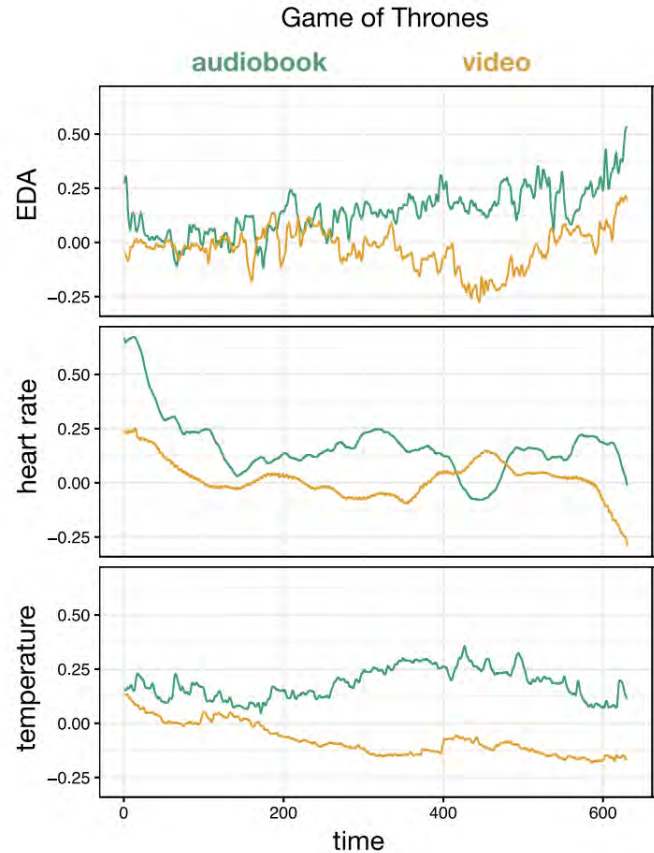
21%



Games of Thrones: Audio trumps video in creating consumer engagement with emotion-based stories as audio book beats the TV show in consumer engagement

Consumers are far more engaged with an audio story than a video narrative

The *Game of Thrones* audio book audience showed greater physiological responses (heart rate, body temperature, and galvanic skin response) than viewers of the TV show



Source: Engagement In Video And Audio Narratives: Contrasting Self-report And Physiological Measures, Nature Research

Physiological responses revealed more cognitive and emotional engagement while listening to audio narratives

Source: Engagement In Video And Audio Narratives: Contrasting Self-report And Physiological Measures, Nature Research

“Spoken narratives require the participant to be an actively engaged listener, whereas videos deliver rich stimulation to a more passive viewer. The pictures in the listener’s mind [from the audio narrative] may not be as vivid and as detailed as those onscreen ... yet the imaginative generation of those images requires greater cognitive and emotional processing, and so they are physiologically more **engaging.**”

The commonly accepted wisdom of the superiority of TV ad “sight, sound, and motion” to AM/FM radio ad is a myth

- ABX: AM/FM radio creative effectiveness is 92% of TV at one-fourth of the CPM – TV ad “sight sound and motion” superiority is a myth
- Best testing AM/FM radio ads outperform nearly half of all TV ads
- Haircare and skincare: AM/FM radio ads perform very close to TV ad effectiveness for highly visual personal care categories
- Quick service restaurants: AM/FM radio ads perform very closely to TV ads in a category that has valued showing beautiful shots of food
- Nielsen: 61% of TV ads are not seen; most exposures occur when consumers gaze at their phone or are out of the room
- *Games of Thrones*: Audio trumps video with greater cognitive and emotional processing as audio book beats the TV show in consumer engagement



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Thank You