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ABX Advertising
Benchmark Index

RAB[®]

Insights on wear-out for AM/FM radio ads

About ABX

- ABX Advertising Benchmark Index (www.adbenchmark.com) is a data science company focused on driving ROI through creative excellence in advertising and marketing. Designed by the visionaries, pioneers, and inventors who helped create the methodologies used by legacy ad research firms, ABX enables marketers to evaluate all their ads and their competitors' across all media types, population groups, and geographies including local, DMA, city, region, country, territory, or global.
- With 300,000+ ads measured to date (20,000+ in radio), ABX has created a one-of-a-kind multichannel data matrix offering the most accurate norms in the world with every creative element measured by a singular methodology. ABX evaluations include the ABX gold standard gender equality, multicultural, and social sensitivity measures.
- ABX insights are accessible and affordable through global syndication and custom research options for in-market pre-tests, trackers, product placement/integration, podcasts, short-form radio on mobile, and more.
- ABX is a research partner to the Association of National Advertisers (ANA) and the Radio Advertising Bureau (RAB).

ABX creative key performance indicator definitions

Key performance indicator (KPI)	Definition
ABX Index	Summary score taking into account clear brand, messaging, reputation, and call to action measures.
Clear brand (awareness)	Awareness of the brand being advertised in the ad.
Messaging	The ability to express key messaging and benefits in the ad. Plus, being easy to understand.
Reputation	The opinion about the brand after exposure to the ad.
Call-to-action (any)	Likelihood to take any action as a result of the ad.

Background

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

Methodology: Unearthing the ads with the biggest spend over the longest period of time

- ABX studied 2,452 AM/FM 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 wear-out exists, it should be visible in this sample of top spending ads.

Methodology: Narrowing down the AM/FM radio ads

25,000 AM/FM radio ads tested by ABX

**2,452 AM/FM radio ads have
been in the market in the past 2
years**

**43 AM/FM radio ads had a
cumulative spend greater
than \$2 million**

**Data was available
for 12 of these
AM/FM radio
ads**



- Ads had an average cumulative spend of \$5.2 million and averaged 345 days in the marketplace
- Ads represent the top 2% of all ads based on cumulative spending

Key findings

- Based on this analysis, it has been confirmed that wear-out 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 wear-out.
- Looking at the full set of 12 ads, there is no sign of wear-out until spend exceeds \$8 million and days in-market exceeds 600 (almost 2 years).
- 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.

Evaluation of long-running ads: Higher performing ads continued to remain good performers; Poor performing ads remained poor performers

AM/FM radio spots	Days on-air	ABX Index for original airing of ad	ABX Index after ad was tested	Original ranking	Repeat ranking
Wireless service brand	80	88	89	Bottom 20%	Bottom 20%
Fabric deodorant brand	100	101	98	Top 40%	Top 35%
Cleaning product brand	181	110	111	Top 15%	Top 15%
Credit card brand	182	106	112	Top 25%	Top 10%
Fabric softener brand	196	104	105	Top 25%	Top 25%
Internet service brand	204	71	72	Bottom 3%	Bottom 3%
Digestive aid brand	205	100	107	Top 40%	Top 25%
Supermarket brand	232	101	101	Top 40%	Top 40%
Car deodorant brand	514	50	42	Bottom 1%	Bottom 1%
Fabric softener brand	541	106	99	Top 25%	Top 35%
Toilet paper brand	671	88	65	Bottom 20%	Bottom 1%
Laundry detergent brand	1,030	101	86	Top 40%	Bottom 20%

Don't worry about wear-out

Wear-out is the point where creative performance declines by 50% from its peak from listener fatigue of message frequency in a continuous time period.

The better the creative, the longer you can run the ad.

This chart illustrates the number of GRPs that a piece of creative can be run before wear-out occurs. For example, an ad with average creative score of 100-109 can be run with 1100-1500 GRPs before wear-out.

The weight levels that would cause wear-out are much higher than the majority of national AM/FM radio campaigns.

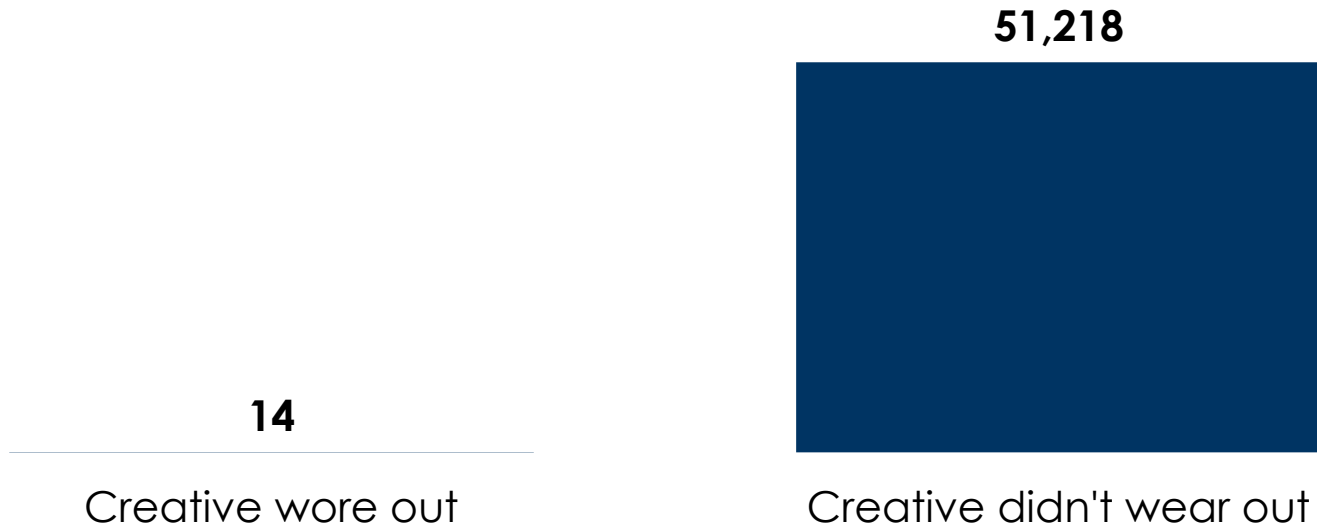
“Don't be overly concerned about wear-out. Millward Brown concludes that genuine wear-out is rare, and limited to 'new news' ads. Campaigns are more likely to wear in than out.”

- Les Binet and Sarah Carter
How Not To Plan

Creative test score index (higher = better)	GRPs allowed before encountering wear-out
<80	400-800
80-89	700-1100
90-99	900-1300
100-109	1100-1500
110-119	1300-1700
120-129	1500-1900
130-139	1700-2100
140-149	1800-2200
150-159	2000-2400
160-169	2100-2500
170-179	2200-2600
180+	2400-2800

Analytic Partners: Wear-out doesn't exist

Analytic Partners looked across more than 50,000 ads in 2020 and found that only 14 of these campaigns had run their full course and were exhibiting wear-out when they were replaced. The other 51,218 were pulled despite the fact they were demonstrating no signs of wear-out at that time.



Mark Ritson: Takeaways for marketers

- 1. Learn patience:** The most obvious implication of the lack of wear-out is the need for greater patience on the part of marketers with respect to their creative execution. While wear-out does not exist for most consumers, it is alive and well in the world of most marketing departments.
- 2. New marketers should resist new campaigns:** The single most common move for new senior marketers taking over at a brand is to put the account under review and start thinking about a Big New Campaign. I can count on one hand the number of senior marketers who entered a new role, looked at the existing advertising campaign and agency partner and – with the help of research rather than their lower intestine – opted to keep running things as is. Yet this wear-out data demonstrates very clearly the likely value in doing just that.
- 3. Dust down old ads:** Armed with this data, marketers should also be raiding their corporate libraries for the dusty VHS tapes of their old brand ads. Sure, you can build something new. But that does not mean it's the right move. Your predecessors from the 70s and 80s were just as smart as you, they just dressed badly. Hell, there is a 50/50 chance they were smarter. Don't forget to look backwards before you head forwards. The message from the wear-out data is that if it wasn't broke you don't need to fix it.

Mark Ritson: Takeaways for marketers

- 4. Save next year's creative budget to spend on media:** The average big new campaign will spend 20% to 30% of its annual budget on execution, leaving the remaining 70% for media investment. But what if you knew you could run your ad for longer? That would change your approach, right? For starters, you'd spend more in year one because you know this campaign will be running for many years. You'd spend more on testing too because the stakes are so much higher and longer than they used to be. But then you can look forward to many years where close to 100% of your ad budget becomes working media investment in the years that follow. If you accept wear-out does not exist – if you go for better, longer creative – you just earned yourself an extra 25 points of share of voice to win the game, versus your new-ad-loving, underspending competitors.
- 5. Create ads that cross geographical boundaries:** There is a clear link between creating an ad that will last the test of time and its geographic and channel expansion capabilities. What I mean by this – and I have zero evidence to back up this point – is that when you look at the great ads that defy wear-out, they also defy the cultural constraints of different markets and different media.



Thank You

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Appendix

ABX standard creative evaluation questions

Standard profile probes:
gender, age, income,
employment, media use

Reputation	Made your opinion of the company better
	Made no change in your opinion of the company
Has this ad...	Made your opinion of the company worse
Score is better - worse	

Like	Using a scale from 1 to 10, please rate how much you like this ad. If you dislike it very much select a "1." If you like it very much select a "10." You may also select any number between 1 to 10 to indicate how much you dislike or like the ad.
Score is top 3 box	

Dislike	Using a scale from 1 to 10, please rate how much you like this ad. If you dislike it very much select a "1." If you like it very much select a "10." You may also select any number between 1 to 10 to indicate how much you dislike or like the ad.
Score is bottom 3 box	

ABX standard survey questions

Messaging: Clear benefit

Please tell us how much you agree with each of the following statements about this ad. Please select one answer for each statement below:

The ad clearly communicates the product's benefit.

Strongly agree

Somewhat agree

Neither agree nor disagree

Somewhat disagree

Strongly disagree

Score is top 2 box

Messaging: Relevant

Please tell us how much you agree with each of the following statements about this ad. Please select one answer for each statement below:

The product in the ad is relevant to me.

Strongly agree

Somewhat agree

Neither agree nor disagree

Somewhat disagree

Strongly disagree

Score is top 2 box

Messaging: Easily understood

Please tell us how much you agree with each of the following statements about this ad. Please select one answer for each statement below:

The ad was easy to understand.

Strongly agree

Somewhat agree

Neither agree nor disagree

Somewhat disagree

Strongly disagree

Score is top 2 box

ABX standard survey questions

Messaging: See again

Please tell us how much you agree with each of the following statements about this ad. Please select one answer for each statement below:
It's an ad I would like to see again.

Strongly agree

Somewhat agree

Neither agree nor disagree

Somewhat disagree

Strongly disagree

Score is top 2 box

Clear Brand: Awareness

Thinking about the ad you just viewed, I feel that...

It was definitely clear which brand was being advertised

It was somewhat clear which brand was being advertised

It was somewhat unclear which brand was being advertised

It was definitely unclear which brand was being advertised

Score is top 2 box

Call to action: Which of the following actions would you be likely to take as a result of this ad?

Contact

Contact company by e-mail/mail/telephone

Web

Visit their website

Look for

Look for the product/service

Purchase

Purchase the product/service

Recommend

Recommend the product to someone

Talk

Talk to someone about it

None

None of these

Any action

Calculated field [1-none]