

BILL ROSE:

Welcome to Radio and Word of Mouth. I'm Bill Rose, SVP of Marketing at Nielsen Audio.

This presentation looks at broadcast Radio's strength as a Social Medium that sparks brand conversations.

I will be joined today by Ed Keller who is the CEO of the Keller Fay Group. Keller Fay is considered by many to be the leader in word of mouth research. We will share more about Keller Fay in a minute.

But first I want to share a little about our tools and training for the Radio industry.

Nielsen Audio Insights

Training



Radio landscape presentations developed in partnership with Katz and the RAB

Outreach



Testimonials from advertiser champions of radio

Industry Studies



Research studies to help understand the value of radio

2

nielsen

BILL ROSE: For the several years we have worked in collaboration with Katz and the Radio Advertising Bureau to create a new training series for sellers and buyers called Radio Landscape 2013. This training series comes in three parts and it provides valuable insight into what makes radio unique and valuable.

We have also reached out to key radio advertisers to develop case studies/testimonials called the Deeper Dive Series. These case studies are available to customers on Arbitron's web site including AT&T, Allstate, Cricket Wireless, Novamex, Coca-Cola, the US Marine Corps, Midas and Six Flags.

Finally, for years we have conducted our own research and worked with others to provide studies to help promote radio. Examples include the Infinite Dial series together with Edison Research, What Happens When the Spots Come On with Media Monitors and Coleman Insights and Where Radio Fits.

If you have not used these tools we encourage you to check them out. I will provide more on where to find these resources in a few moments.

Today's presentation focuses on Radio and Word of Mouth: Radio's Strength as a Social Medium that Sparks Brand Conversations.

Introduction: The Importance of Word of Mouth

www.kellerfay.com

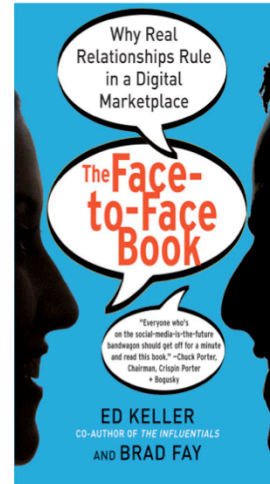


BILL ROSE: When it comes to influencing consumers advertising certainly has a very important impact. However, what people say and what they hear from their family, friends, acquaintances and co-workers can have a huge influence on the brands they consider and buy. Think about it. What consumers hear from people they care about and listen to drives brand perception, trial and repeat purchase. And word of mouth about a brand or product can amplify the marketers message beyond those who are exposed to the advertising.

We wanted to highlight radio's ability to spark word of mouth conversations because we believe in Radio's ability to create connections between its listeners and the station's brand, personalities, programs and advertisers. So we turned to the experts in Word of Mouth research, the Keller Fay Group, to learn how radio stacks up when it comes to sparking brand conversations.

The Keller Fay Group www.kellerfay.com

- The first research-based marketing consultancy focused on word of mouth
 - **Ed Keller:** Author of *The Influentials* & Past President of Word of Mouth Marketing Association
 - **Brad Fay:** Winner, Grand Innovation Award of Advertising Research Foundation; Chair-Elect of WOMMA
- At the center of Word of Mouth Marketing
 - Only firm to measure all Word of Mouth
 - *Offline + Online*
 - The Face-to-Face Book
 - *"Everyone who's on the social-media-is-the-future bandwagon should get off for a minute and read this book." — Chuck Porter, CP + B*



www.kellerfay.com

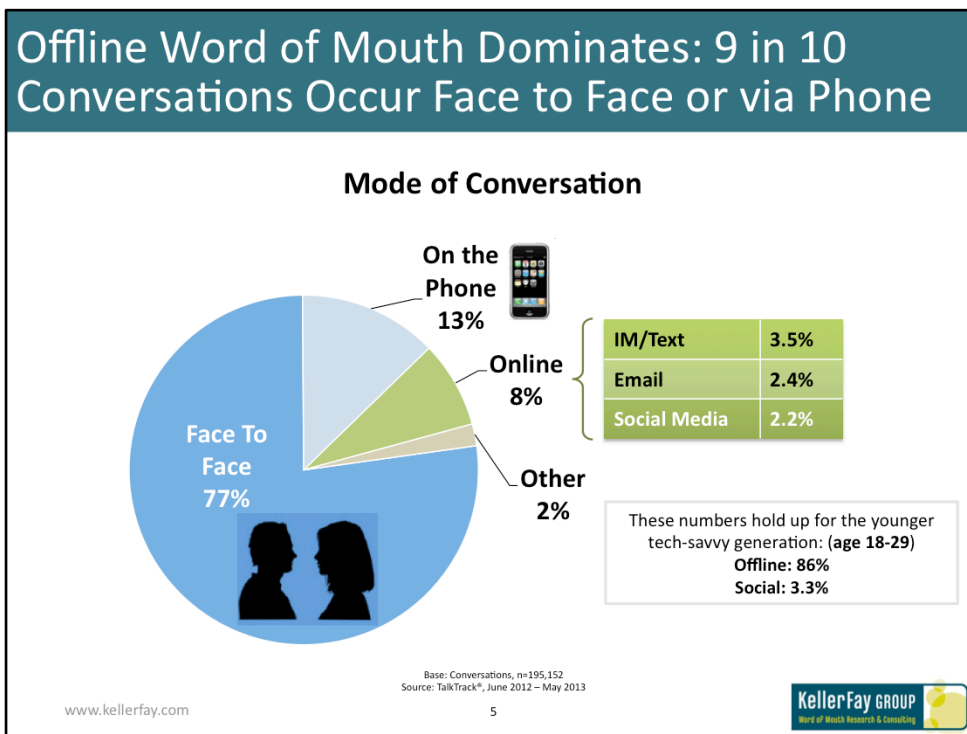
4



BILL ROSE: The Keller Fay Group specializes in word of mouth research. They operate an ongoing, national syndicated service that measures all forms of word of mouth including offline and online.

Principals Ed Keller and Brad Fay, have been honored by groups such as the ARF for their research and have written *The Face-to-Face Book* about the importance of face-to-face relationships when it comes to influencing attitudes and buying decisions.

It is my pleasure to introduce Keller Fay's CEO Ed Keller. Ed is not only the co-author of *The Face-to-Face Book* but also *The Influentials*, which some of you will be familiar with, and he is the Past President of the Word of Mouth Marketing Association. Who better to fill us in about importance of Word of Mouth and how Broadcast radio stacks up.



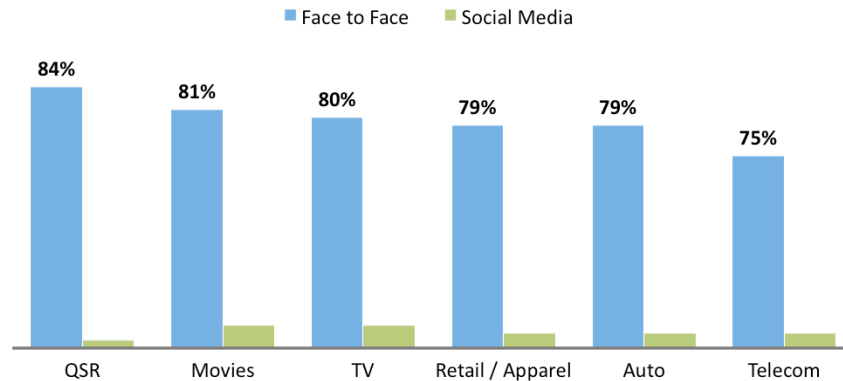
ED KELLER

Thanks, Bill. And hello, everybody. Thanks for taking some time out of your day to be with us here. As Bill mentioned, my firm specializes in research about word of mouth and we are the only firm that provides an ongoing measure of all word of mouth. Why is that important? Because as you can see from this chart, when we look at all brand related word of mouth, over three quarters of it takes place face-to-face -- conversations people have at the workplace or on the sidelines while watching their kids play sports, or at home over the dinner table with family or friends, or while driving to work with carpooling buddies. Another 13% takes place over the phone. Add together the face-to-face and phone and you find that 90% of word of mouth takes places offline. Of the remaining 10%, it is about evenly spread among conversation that take place via text, or email, or social media.

Anticipating a question some of you may have, namely is there a sharp generational divide here, the answer is no. Even for 18-29s we see that offline conversations dominate.

Face to Face Far Exceeds Social Media as the Mode of Conversation in Key Categories

Mode of Conversation, by Category



Base: Conversations, QSR, n=5,575; Movies, n=4,607; TV, n=9,926;
Retail/Apparel, n=16,638; Auto, n=10,194; Telecom, n=10,956
Source: TalkTrack®, June 2012 – May 2013

www.kellerfay.com

6



ED KELLER

And while we see some variation in the volume of face-to-face conversation depending on the category, across the board it is the dominant mode.

So for all the talk – some might say hype – about social media, it continues to be dwarfed by a huge volume of conversation that takes place offline, in the real world. And the question for brands is how best to help drive those conversations. That's what we are here to discuss today.

TalkTrack® Methodology

- Keller Fay Group's TalkTrack® is a national syndicated program measuring word of mouth in **all** forms—face to face, over the phone, and through the Internet.
- 36,000 interviews annually
 - This study includes consumer responses for the 12-month period from June 2012 – May 2013.
- Respondents are representative of the U.S. population aged 13 to 69, use a diary to keep track of their brand conversations, then complete an online survey to gather detailed information about these conversations.

www.kellerfay.com

7



ED KELLER

Before we proceed and take a deeper dive in the findings we want to share with you today, let me say a word about the methodology we deploy. The Keller Fay Group operates a large, ongoing study that we call TalkTrack®. Each week of the year, dating back to 2006, we interview a cross section of Americans ages 13-69. Respondents are recruited via online panels, and once they agree to participate they are asked to download a short, two page diary that helps them keep track -- for a single day -- all of the conversations they have about products and services and brands across a range of product categories. Those conversations might take place face to face, by phone, via social media, or text, or email. The next day they come back online and we take them through what is largely a structured questionnaire about each of the conversations they have had. The diary helps them to remember the specific brands they talked about, and those include brands of all types from big to small across all different types of categories from consumer packaged goods, to food and beverages, to big ticket items such as autos and technology, to services such as travel and finance. Over the course of the year we are getting feedback from quite a large number of people -- 36,000 -- who are representative of the total US population.

During this presentation, you will see frequent comparisons of heavy users of various media. To define these groups, we categorized respondents in TalkTrack based upon their self-reported levels of usage of these media on a daily basis. Heavy users were classified as approximately the top 25% of users of each media. Specifically, Heavy Radio Listeners listen to more than two hours of radio per day and represent 25% of the population. Heavy TV viewers watch more than 5 hours per day and are 27% of the population, Heavy Internet Users are online more than 5 hours per day and represent 25% of the population, and Heavy Print Readers read more than 1 hour per day and are 20% of the population.

Headlines: Radio Is a Social Medium

- Radio audiences, especially heavy listeners, are **highly engaged in Word of Mouth**, both online and especially offline.
- Radio listeners say they often talk about brands they have **seen or heard in advertising**, including radio advertising.
- The **majority of Word of Mouth still takes place offline**, not on social media.
- Word of Mouth from heavy radio listeners is both **sizeable and influential**.
- Radio has a **decided advantage versus TV and Internet** in Word of Mouth volume and influence among heavy users of media.
- Across four key categories, **QSRs, Auto, Telecom, and Retail**, radio enjoys significant advantages over the competition.

www.kellerfay.com

8



ED AND BILL ALTERNATE ON THIS SLIDE

- » Radio is a **social medium**.
 - Radio audiences, especially heavy listeners, are **highly engaged in WOM**, both online and especially offline.
 - Radio audiences say they often talk about brands they have **seen or heard in advertising**, including radio advertising.
- » The majority of WOM still takes place offline, not on social media.
 - Over 29 billion projected WOM impressions per year reference radio, 49% more than those who reference social media.
- » WOM from heavy radio listeners is both **sizeable and influential**.
 - They engage in **101 weekly conversations**, significantly more than heavy users of both TV and the Internet.
 - Heavy radio listeners are more likely than the general population to:
 - Be **Conversations Catalysts®**, including for key categories Food, Retail, Media, Auto and Telecom.
 - Refer to advertising and media/marketing during their conversations.
- » Radio has a **decided advantage versus TV and Internet** in Word of Mouth volume and the influence of listeners.
 - Heavy radio listeners have **more conversations and projected Word of Mouth impressions** on Food, Entertainment / Media, Retail, Telecom and Auto than heavy users of TV and Internet.
 - 7.5% of heavy radio listeners are **Conversation Catalysts®**, compared to just 5.5% for heavy internet users and 5.2% for heavy TV watchers.
- » Across four key categories, **QSRs, Auto, Telecom and Retail**, radio enjoys significant advantages over the competition.
 - **McDonald's** earns significantly **higher positivity scores** from heavy listeners compared to the general public.
 - In Word of Mouth about the **leading car brands**, people are nearly **3x as likely to reference radio** as social media.
 - A greater % of heavy radio listeners talk about the **Big 4 telecom brands** than the general public.
 - Walmart garners **higher positivity and more conversation** from heavy radio listeners.

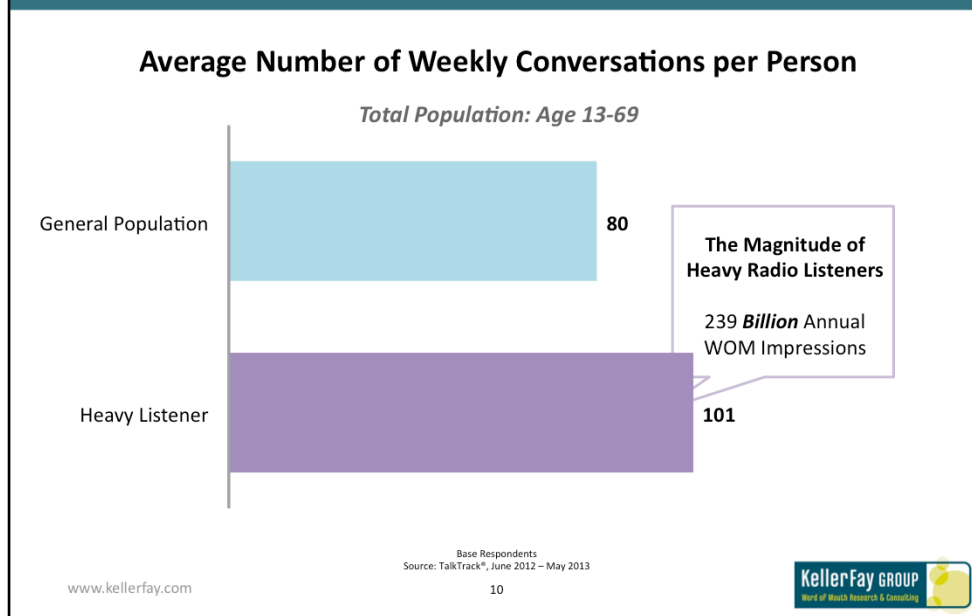
The Relationship Between Radio Listeners and Word of Mouth

www.kellerfay.com



BILL ROSE: Ed, why don't we start with the relationship between radio listeners and word of mouth?

Heavy Radio Listeners Have a Powerful Voice, Averaging 100 Conversations a Week...

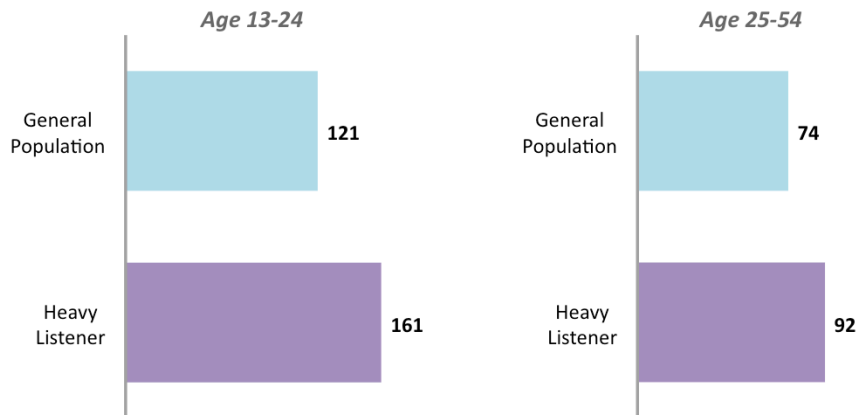


ED KELLER

A good place to begin is by looking at the volume of brand-related word of mouth. The average American engages in 80 conversations per week. Among the heavy radio listeners, that number rises to over 100. And just to put that into perspective, those 100 conversations per week involving the heavy radio listeners translate into a very impressive 239 billion word of mouth impressions per year! I think you will agree with me, that's huge.

...While Heavy Listeners Among 13-24s Generate Even More Weekly Word of Mouth

Average Number of Weekly Conversations per Person



www.kellerfay.com

Base: Respondents
Source: TalkTrack®, June 2012 – May 2013

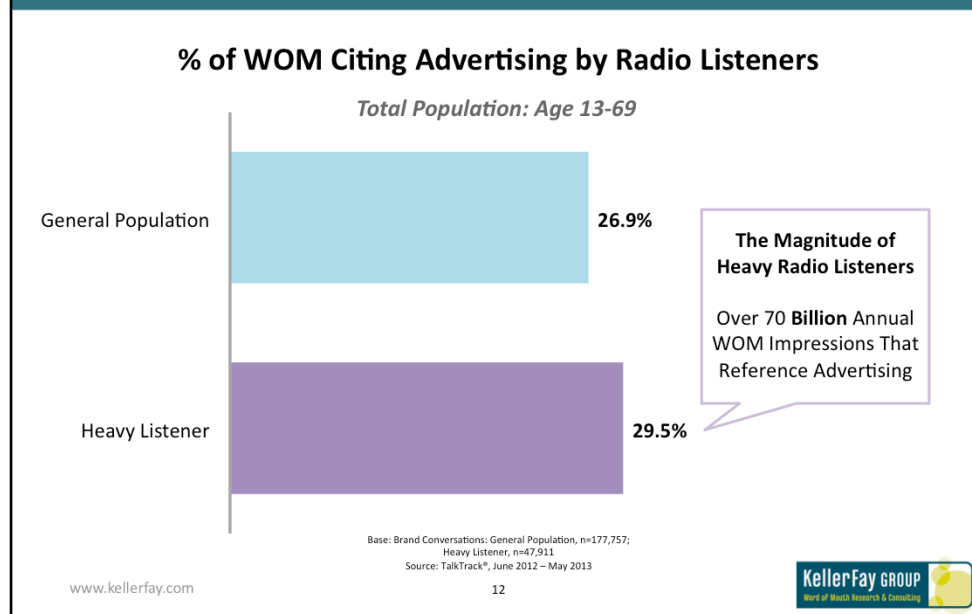
11



ED KELLER

When we look at the younger consumers in our sample, the numbers of word of mouth conversations are even higher. Among all consumers 13-24 there are 121 conversations per week, and among the heavy radio listeners among this demographic, it's over 160 conversations per week. Young folks really like to talk about brands and the evidence here is very striking.

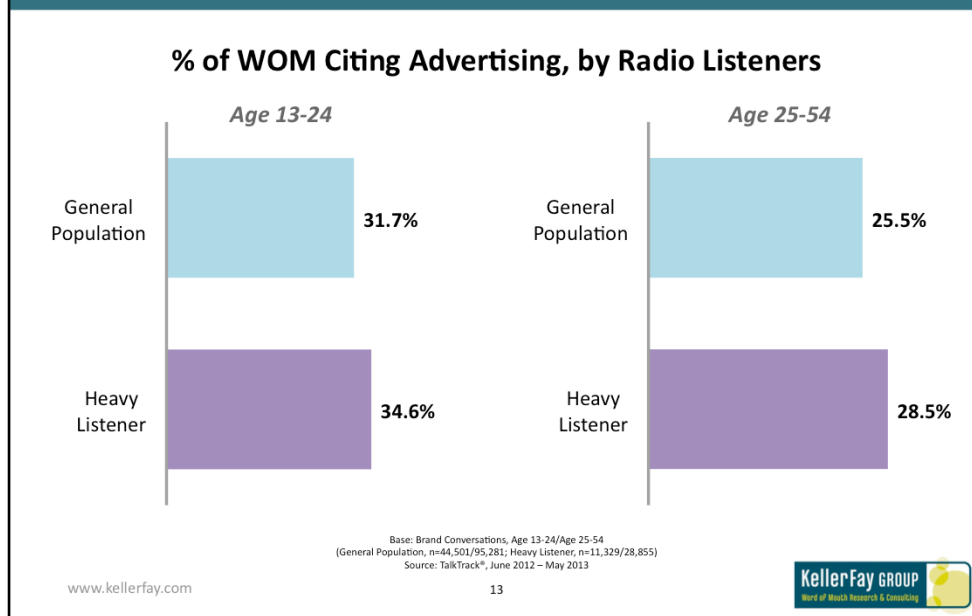
Nearly 30% of the Conversations Among Heavy Radio Listeners Cite Advertising...



ED KELLER

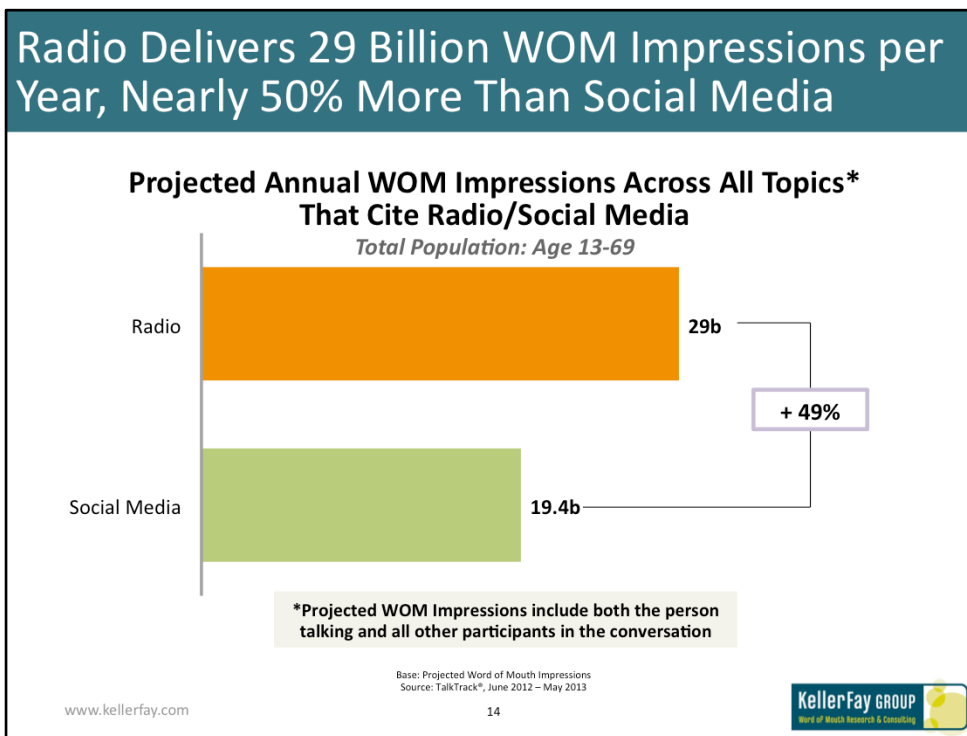
Now let's move beyond the numbers of conversations to one of the most important insights about word of mouth. A relatively large percentage of these conversations that I've just talked about include people who are talking about advertising. Among heavy radio listeners, for example it's almost a third of all their conversations. That translates into more than 70 billion word of mouth impressions per year that specifically reference advertising. There's a great opportunity for your message to go beyond just the individual listener. The right message targeted at the right consumer also generates a multiplier effect through word of mouth.

...and the Number Rises to Nearly 35% When Looking at the 13-24 Age Group



ED KELLER

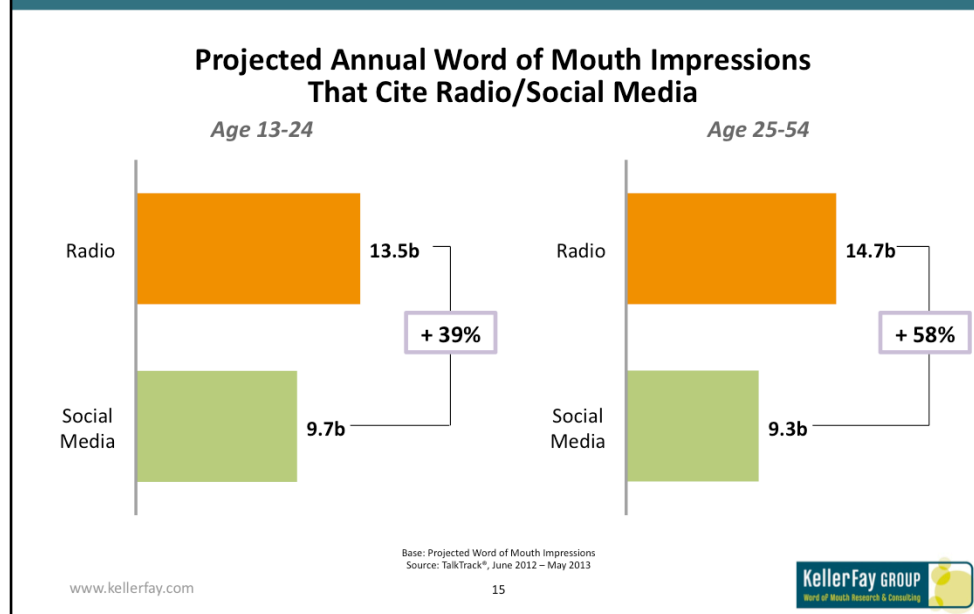
And once again, when we look at the 13-24s, in particular those that are heavy radio listeners, the story about advertising and word of mouth gets even more interesting. More than a third of their conversations include specific references to ads. Word of mouth and advertising can – and often do – go hand in hand.



ED KELLER

When we drill down more specifically into which media, specifically, people talk about when they engage in word of mouth we find that radio has a huge advantage over the much ballyhooed social media. There are nearly 30 billion word of mouth impressions per year that specifically reference radio, compared to just under 20 billion that reference social media. That's almost a 50% advantage for radio. So what this tells us is that not only is the radio audience a power engine for word of mouth, but radio itself plays a big role . . . Bigger than I suspect many people assume. And this is the reason we said at the beginning that radio is a very social medium.

Radio Is Cited Significantly More Often Than Social Media in Key Buying Demos



ED KELLER

The advantage radio holds over social media as a medium talked about in word of mouth conversations holds across age groups.

Radio and Consumer Influence

www.kellerfay.com



ED KELLER:

Let's now move on to another important element as we seek to understand radio's role in driving conversation and that's the area of consumer influence.

When It Comes to Word of Mouth, “Conversation Catalysts®” Are “At the Center”

- The Value of Influencers:
 - “Reach effect”– They talk about more brands with more people
 - “Acceleration effect”– They keep up with what’s new and spread the word
 - “Amplification effect”– They talk about advertising, so your message goes further
- Keller Fay’s **Conversation Catalysts®** influencer segmentation system identifies WOM leaders.
- They are the consumer influencers who:
 - Have a large social network
 - Follow a topic area closely
 - Frequently give advice to others in a variety of product/service categories



www.kellerfay.com

17

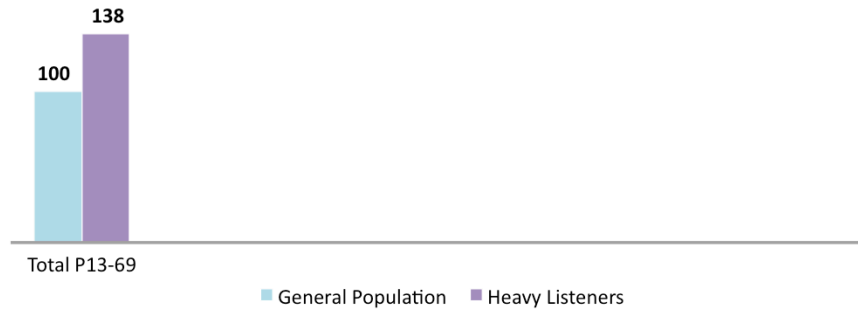


ED KELLER

Within TalkTrack we have an algorithm for identifying the subgroup of people who are influencers, or what we call “Conversation Catalysts.” These are people with larger social networks than the average American; they make a habit of keeping up with things that are new in the consumer marketplace so they are well informed; and as a result, they are frequently sought out for their advice and recommendations. Because of this combination of behaviors, this group of people offer marketers a lot of value. Because they connect regularly with more people, they offer a reach effect. Because they keep with what’s new they offer an acceleration effect. And because they talk not only about their own experiences with a product but what they have seen or heard – including via ads – they offer an amplification effect. For all these reasons, many marketers covet the influencers.

Overall, Heavy Radio Listeners Are More Likely to Influence Conversation as Conversation Catalysts®

Conversation Catalysts®: Indexed to Total Public



Base: Respondents, General / Heavy (Men, n=16,610/4,031; Women n=20,788/5,349; 13-24 Years, n=7,977/1,943; 25-54 Years, n=20,166/5,562; \$100k+ HHI, n=3,989/911)
Source: TalkTrack®, June 2012 – May 2013

www.kellerfay.com

18

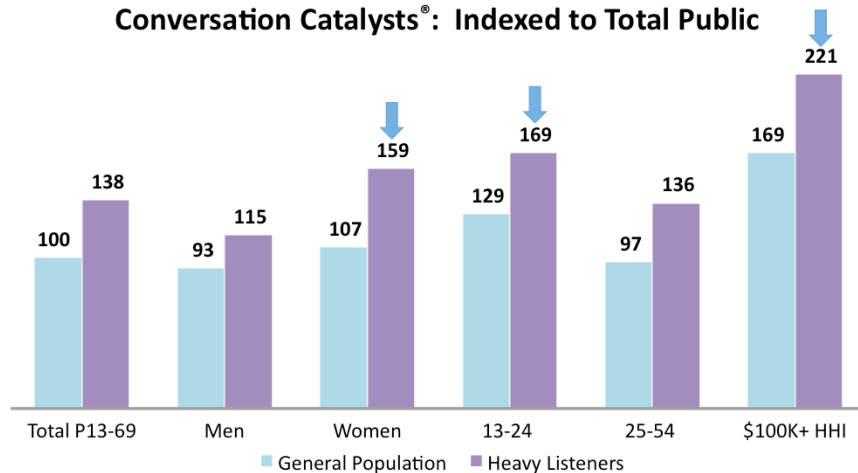


ED KELLER

Across the population as a whole, we find that heavy listeners are more likely than the average to be Conversation Catalysts – 38% more likely, to be precise.

Heavy Radio Listeners are More Likely to be Conversation Catalysts® in Several Key Demos

Conversation Catalysts®: Indexed to Total Public



Base: Respondents, General / Heavy (Men, n=16,610/4,031; Women n=20,788/5,349; 13-24 Years, n=7,977/1,943; 25-54 Years, n=20,166/5,562; \$100K+ HHI, n=3,989/911)
Source: TalkTrack®, June 2012 – May 2013

www.kellerfay.com

19

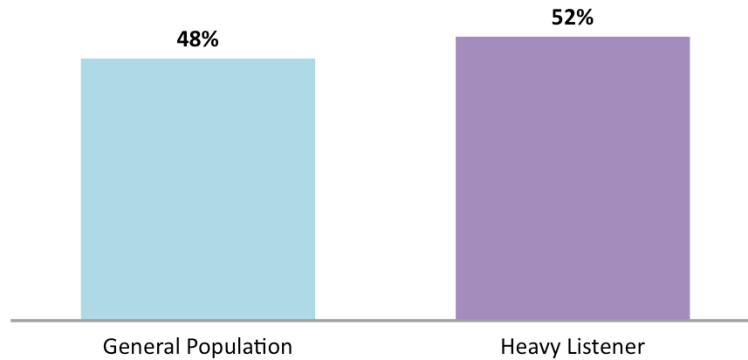


ED KELLER

This advantage holds across demographic groups, and is particularly pronounced for women, among whom heavy radio listeners index at 159 versus the total public; 13-24s who are generally more likely to be influencers and the heavy radio listeners among this age group index at 169; and among the affluent, we see heavy radio listeners index at more than 220. If influencers are an important consumer target, and there's lots of reasons why they should be, then heavy radio listeners should be part of your media plan.

More Than Half of Heavy Radio Listeners Express High Level of Intent to Purchase Based on WOM

Purchase Intent Based on Word of Mouth, by Radio Listener



Base: Brand Conversations: General Population, n=107,281; Heavy Listener, n=29,063
Source: Keller Fay Group's TalkTrack®, June 2012 – May 2013

www.kellerfay.com

20

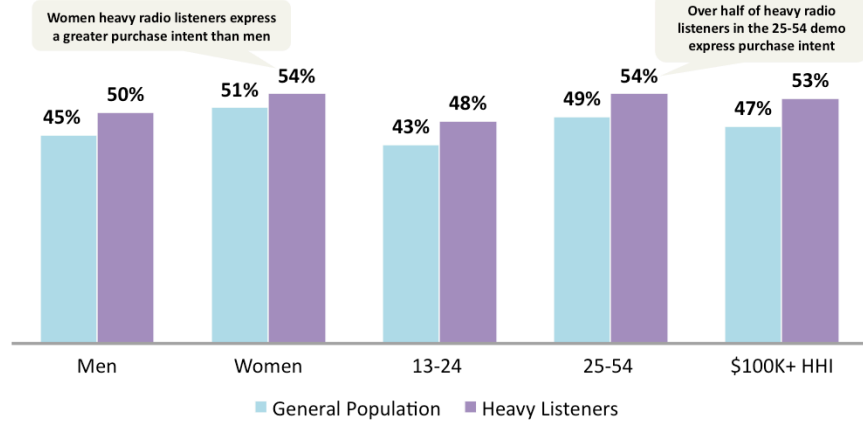


ED KELLER

I am often asked whether word of mouth might not just be idle chatter, when the really important question is whether it moves the market forward. There is a large body of evidence that says, yes it does influence sales. And here are just a few examples. When we look at the people in our research who were on the receiving end of word of mouth advice and recommendations, about half tell us that they either have already bought or intend to do so, based on the word of mouth. That's true for the radio listener, as it is for the population as a whole.

Likelihood to Purchase Increases Among Key Demos Who Are Heavy Radio Listeners

Purchase Intent Based on Word of Mouth, by Demographics



Base: Brand Conversations, General/Heavy (Men, n=44,488/11,701; Women, n=62,793/17,362; 13-24, n=26,755/6,911; 25-54, n=56,572/17,199; \$100k+ HHI, n=12,713/3,218)
Source: TalkTrack®, June 2012 – May 2013

www.kellerfay.com

21



ED KELLER

And, that intent to purchase figure rises among the heavy listeners who are women, 24-54, and the affluent.

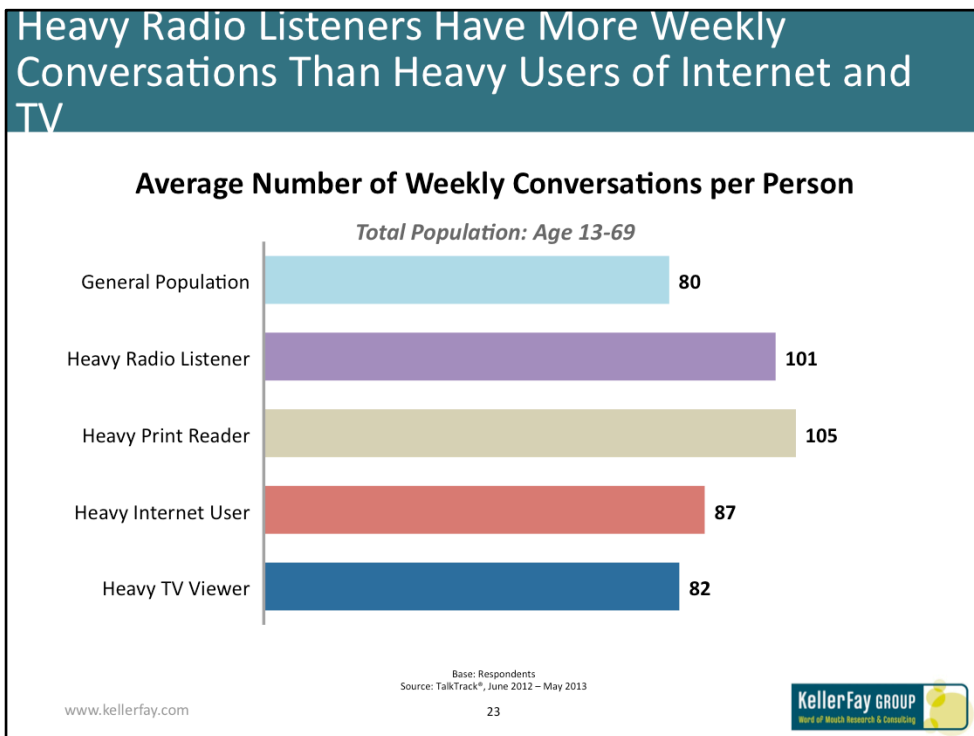
Radio vs. Other Media

www.kellerfay.com



ED KELLER

We have focused thus far on the power of word of mouth, and compared the heavy radio listener to the total public across a variety of important indicators. Let me now turn to a comparison between radio and other media.

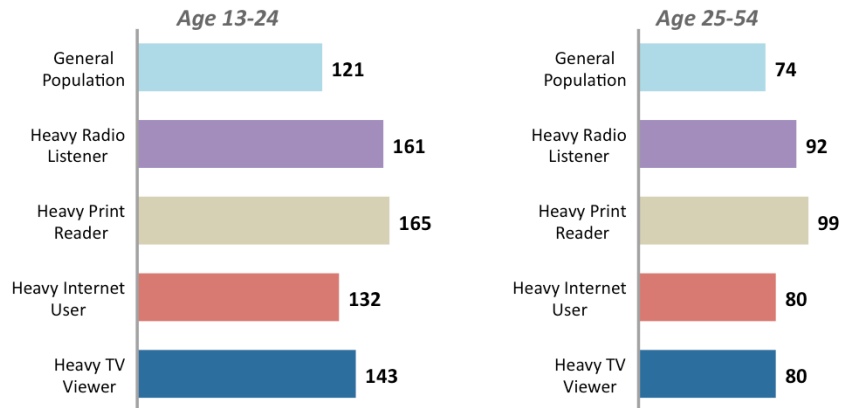


ED KELLER

I showed you previously that heavy radio listeners had many more brand-related conversations each week than the general public – 101 per week among the heavy radio listeners versus 80 for the public as a whole. Here we can see that the heavy radio listener engages in more WOM than the heavy Internet users and heavy TV users.

Heavy Radio Listeners in Key Buying Demos Have Many Brand Conversations per Week

Average Number of Weekly Conversations per Person



www.kellerfay.com

Base: Respondents
Source: TalkTrack®, June 2012 – May 2013

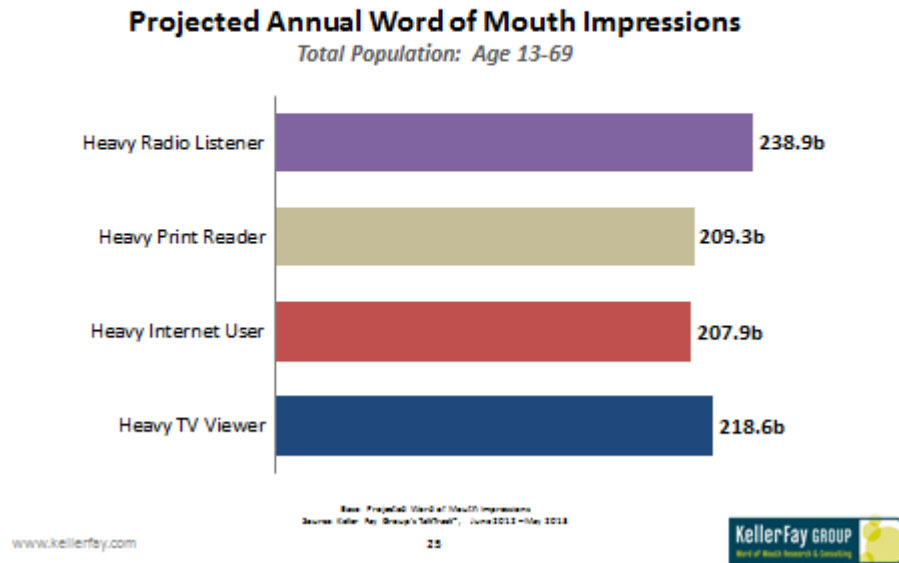
24



ED KELLER

And here we see that this advantage among heavy radio listeners versus the Internet and TV holds across age groups.

Heavy Listeners Generate Nearly 240 *Billion* Word of Mouth Impressions Annually...

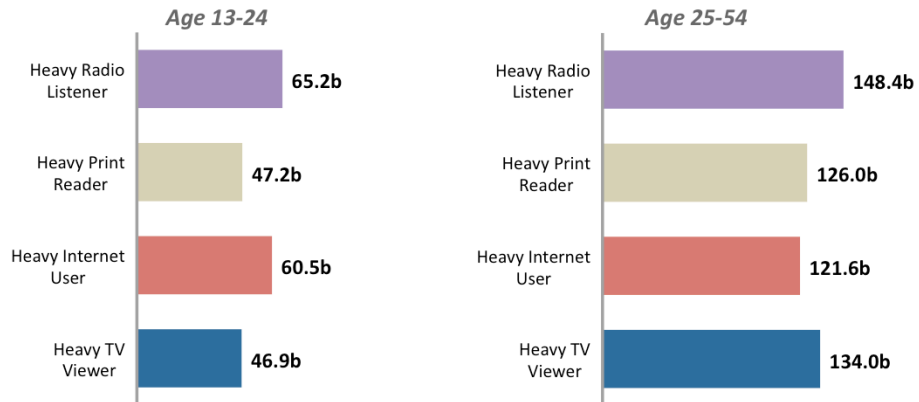


ED KELLER

Another way to see how the heavy radio listener stands out is to look at the projected number of word of mouth impressions, which we calculate based on the number of conversations per week, the number of people involved in those conversations, and then we multiply that by 52 weeks. Here we can see that the heavy radio listeners generate nearly 240 billion – that’s billions with a “b” – word of mouth impressions per year. That’s more than the heavy TV viewers, more than the heavy Internet users, and more than the heavy readers of print. To me this is one the most compelling figures of all that we have looked at in terms of why you should be looking at radio as a way to ignite social activity on behalf of your brand.

...and Heavy Radio Listeners in Key Buying Demos Lead in Word of Mouth Impressions

Projected Annual Word of Mouth Impressions



Base: Projected Word of Mouth Impressions
Source: Keller Fay Group's TalkTrack®, June 2012 – May 2013

www.kellerfay.com

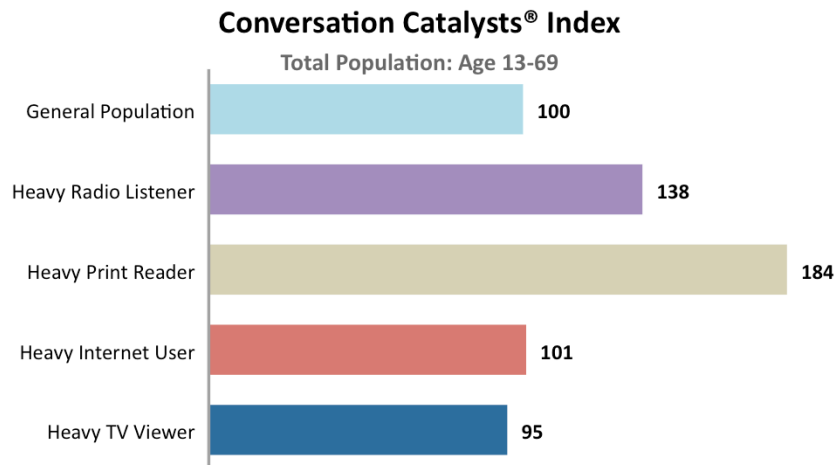
26



ED KELLER

Once again, we see this advantage for radio cuts across age groups.

Heavy Radio Users More Likely to be Conversation Catalysts® Than Heavy Users of TV and Internet...



Base: Respondents, Heavy Radio, n=9,380; Heavy Print, n=7,546;
Heavy TV, n=10,310; Heavy Internet, n=9,036)
Source: TalkTrack®, June 2012 – May 2013

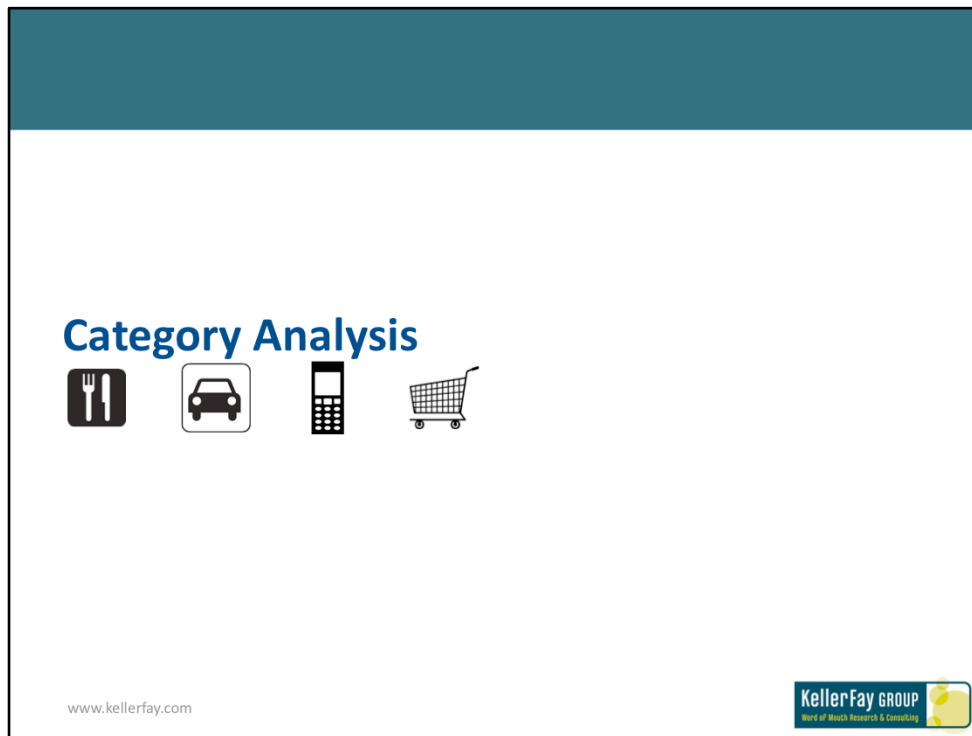
www.kellerfay.com

27



ED KELLER

And the index I showed you earlier, whereby the heavy radio listeners are 38% more likely to be Conversation Catalysts, can be seen here relative to the heavy users of other media. Heavy Internet users and heavy TV viewers are far more likely to be average. Only heavy print users stand out more than the heavy radio listener.



We would now like to shift gears and look at some of these very same metrics that we've already talked about, but at a category level. We've chosen to analyze four key advertising categories to see how radio performs in WOM: QSRs, Automotive, Telecom and Retail.

Among Heavy Users, Radio Listeners Have More Conversations About Key Categories Than TV Viewers and Internet Users

Average Number of Weekly Conversations per Person, by Category

	General Population	Heavy Radio Listeners	Heavy TV Viewers	Heavy Internet Users	Heavy Print Readers
Food / Dining	9.6	11.3	9.5	10.0	11.2
Retail / Apparel	6.4	8.0	6.5	6.8	8.7
Telecom	5.4	7.1	5.6	6.1	7.1
Auto	4.4	5.7	4.3	4.3	5.7

Base: Respondents (Total Population, n=37,398; Heavy Radio, n=9,380; Heavy TV, n=10,310; Heavy Internet, n=9,036; Heavy Print, n=7,546)
Source: TalkTrack®, June 2012 – May 2013

www.kellerfay.com

29



ED KELLER

We saw earlier that heavy radio listeners have more overall brand conversations than heavy users of other media. But now we want to take a look at the conversation levels in these key advertising categories. As you can see, the trend continues, as Heavy Radio Listeners have more weekly conversations about Food and Dining, Retail and Apparel, Telecom and Automotive than Heavy TV Viewers and Heavy Internet Users.

Radio Has the Most Annual Word of Mouth Impressions for Each Key Category

Projected Annual Word of Mouth Impressions
(Billions)

	Heavy Radio Listeners	Heavy TV Viewers	Heavy Internet Users	Heavy Print Readers
Food / Dining	27.8	26.7	25.0	23.9
Retail / Apparel	22.7	20.7	20.0	20.1
Telecom	13.1	11.9	11.7	11.6
Auto	15.6	12.3	11.7	12.4

www.kellerfay.com

Base: Projected Word of Mouth Impressions
Source: Keller Fay Group's TalkTrack®, June 2012 – May 2013

30



ED KELLER

And those conversations project to a massive amount of Word of Mouth for heavy radio listeners – **nearly 28 billion annual WOM impressions in the case of the food and dining category**. And, for all four key categories, Heavy Radio Listeners project to have more WOM impressions than heavy users of other media.

Heavy Radio Listeners are More Likely to Influence Conversation as Conversation Catalysts®

Conversation Catalysts® Index

	General Population	Heavy Listeners
Conversation Catalysts®	100	139
<i>Conversation Catalysts® for:</i>		
<i>Food / Dining</i>	100	121
<i>Retail / Apparel</i>	100	127
<i>Auto</i>	100	140
<i>Telecom</i>	100	137

Base: Respondents: General Population, n=37,398; Heavy Listener, n=9,380
Source: TalkTrack®, June 2012 – May 2013

www.kellerfay.com

31



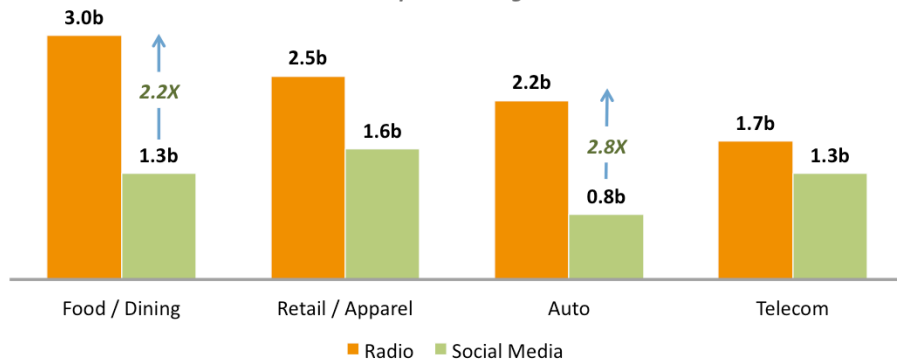
ED KELLER

We've also talked about the power of radio to reach influencers, or what we at Keller Fay call Conversation Catalysts®, and the story is no different in these categories. Heavy Radio Listeners significantly over-index against the general public in their propensity to be a Conversation Catalysts® in Food/Dining, Retail/Apparel, Automotive and Telecom. These are the influential people that any marketer should want to reach.

Radio is Referenced More Than 2x as Often as Social Media in Food/Dining and Auto Categories

Projected Annual WOM Impressions Citing Radio/Social Media by Category (Billions)

Total Population: Age 13-69



www.kellerfay.com

Base: Projected Word of Mouth Impressions
Source: TalkTrack®, June 2012 – May 2013

32



ED KELLER

And finally, you can see that across the four categories, radio is more likely than social media to be referenced in people's word of mouth conversations, and by a wide margin at that.



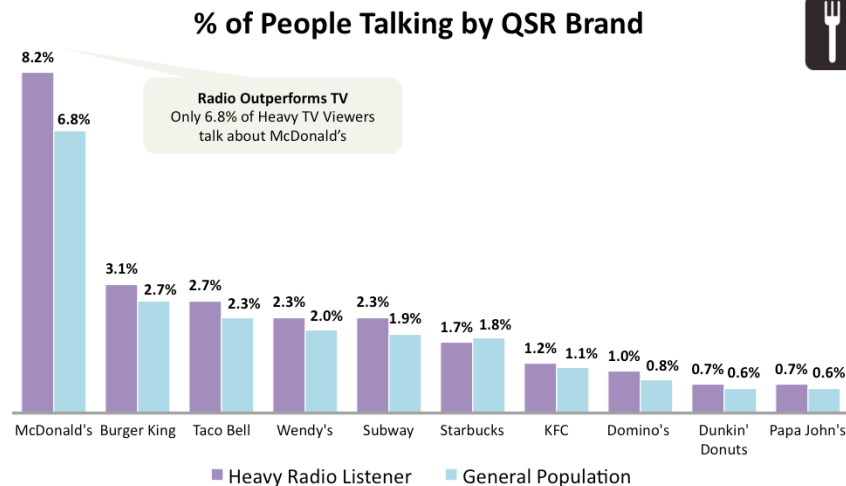
ED KELLER:

By now I hope we have opened your eyes to a number of things:

1. Brand word of mouth encompasses far more than what gets talked about online via social media
2. There are billions of brand impressions created every day via offline conversations, primarily those that take place face-to-face.
3. The heavy radio listener is also heavily engaged in word of mouth and therefore should be a very important part of your media and marketing plans, if your goal is to not only reach individual consumers but also to have your message spread via word of mouth.

Before we conclude I would like to share selected results on a category by category basis, so you can see how these major findings play themselves out at the category level. And there is more data at the category level that your Nielsen Audio representative will be happy to share with you, upon request.

Heavy Radio Listeners Are More Likely to Talk About Popular QSR Brands



Base: Respondents (Heavy Radio Listener, n=9,380; General Population, n=37,398)
Source: TalkTrack®, June 2012 – May 2013

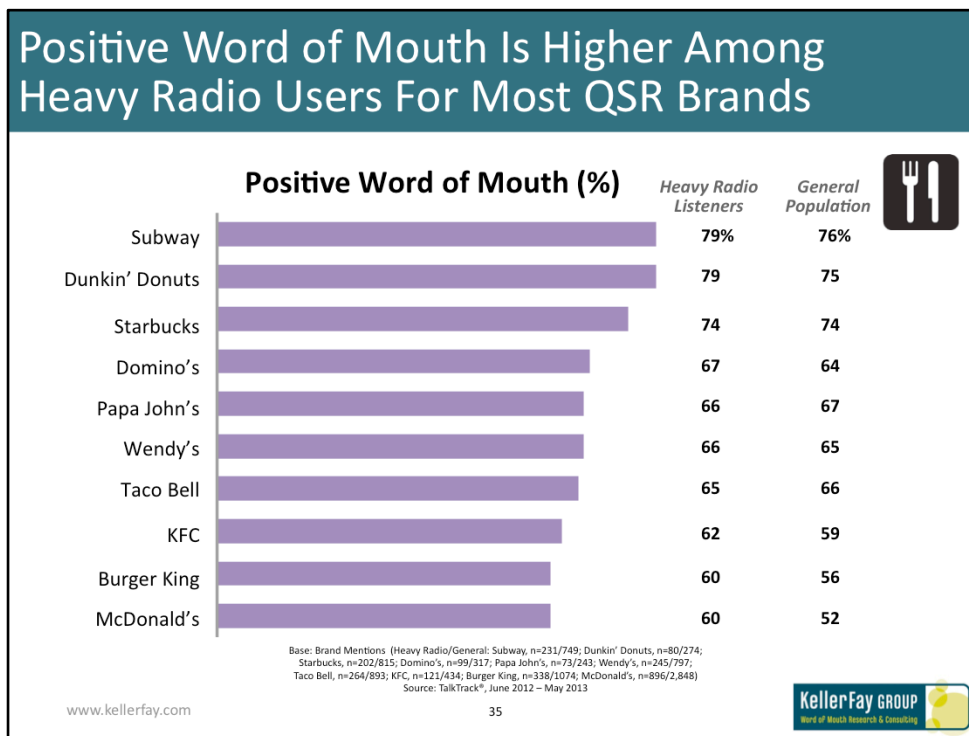
www.kellerfay.com

34



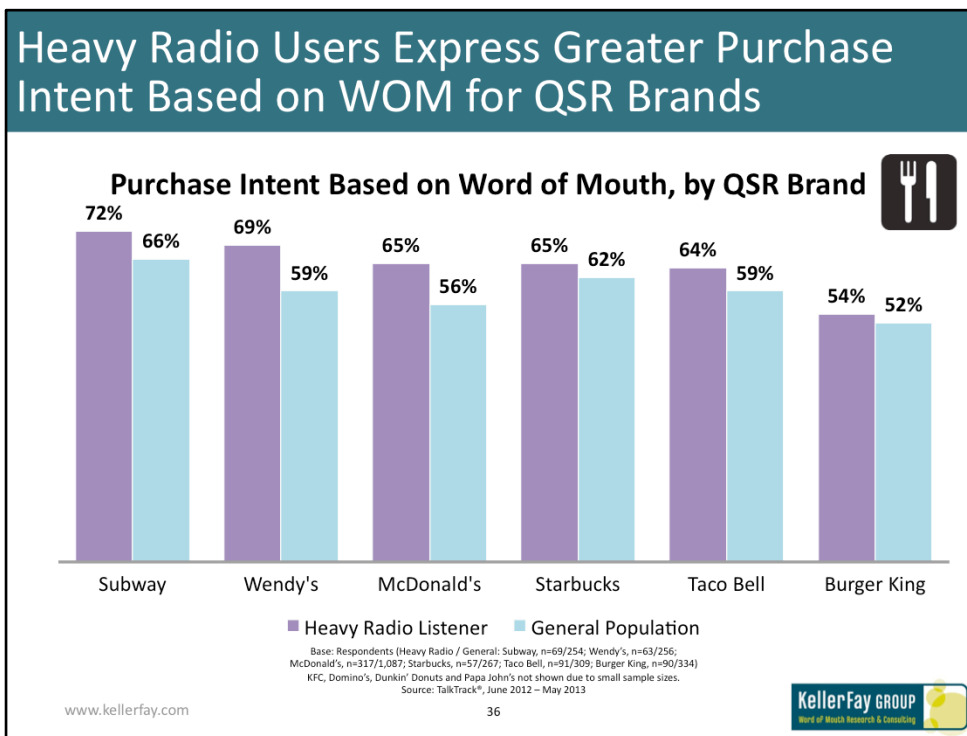
ED KELLER:

To begin, here we look for the first time at specific brands within the QSR category. Let's start on the left hand side where we see McDonald's, a top 10 WOM brand in the US. What we see here is that whereas 6.8% of the total public have a word of mouth conversation about McDonald's on a typical day, that number rises to more than 8% among heavy radio listeners. Among heavy TV viewers, by comparison, the percent of talkers is identical to the total public. This reinforces our larger finding that the heavy radio listener is a very good word of mouth audience to reach. As we look at the other brands on the list, we see across the board the same type of relationship for virtually all the brands.



ED KELLER:

Beyond the question of how much word of mouth each brand receives is the question of whether that word of mouth is positive or not. After all, it's positive word of mouth recommendations that brands are seeking. We have seen in TalkTrack that on the whole, there is far more positive word of mouth than negative. In fact, across brands we find that about two-thirds of WOM is generally positive and less than 10% of the time it is generally negative. Here we can see how that breaks out for specific QSR brands, and also see how the heavy radio listener compares to the total public. And what we see is that among the heavy radio listener conversations about brands are positive 60% of the time or more for all of these brands, with brands like Subway and Dunkin' Donuts reaching levels of almost 80% positive. Further, if we compare the heavy radio listener to the total public we see a number of instances where they are even more positive, such as for Dunkin' Donuts toward the top of the list and McDonald's toward the bottom.



ED KELLER:

Earlier in the presentation I said that there was a very high level of purchase intent as a result of word of mouth. We see that is certainly the case here for each of these brands, with majorities of Americans saying they plan to buy the recommended brand as a result of the conversation. And, we also see that purchase intent among the heavy radio listener is higher in each and every case versus the total public.

Radio Is Mentioned More Than Twice as Much as Social Media in QSR Brand Conversations

% of Conversations Referencing Radio and Social Media



Ranked in Order by Radio	Radio	Social Media
QSR Category Overall	4.1	1.7
Wendy's	6.9	1.5
Dunkin' Donuts	6.9	0.5
Burger King	5.0	0.8
Papa John's	4.6	0.8
McDonald's	4.3	1.7
Taco Bell	3.7	1.5
KFC	3.7	2.0
Subway	3.1	1.3
Domino's	2.9	1.1
Starbucks	2.6	4.3

Base: Brand Conversations (QSR Category, n=5,626; Wendy's, n=390; Dunkin' Donuts, n=137; Burger King, n=535; Papa John's, n=116; McDonald's, n=1,687; Taco Bell, n=465; KFC, n=217; Subway, n=383; Domino's, n=155; Starbucks, n=417)
Source: TalkTrack®, June 2012 – May 2013

www.kellerfay.com

37



ED KELLER:

The last slide I want to share in the QSR category is about the percentage of conversations that specifically reference radio and how that compare to the percent that specifically mention social media. What we do is to ask respondents whether during the course of the conversation, did anyone happen to mention anything they heard on radio, saw on social media, saw on TV, read in print, and so forth. This helps us to see what types of media and marketing help to drive conversations. And what we see here when we compare radio to social media – which we have done because so many people assume that social media is the most important medium for driving word of mouth – is that radio is mentioned in more than 4% of all conversations, while social media is mentioned in less than 2%. For the brands at the top of the list, such as Wendy's and Dunkin' Donuts, the difference between radio and social media is as large as four or five to one.



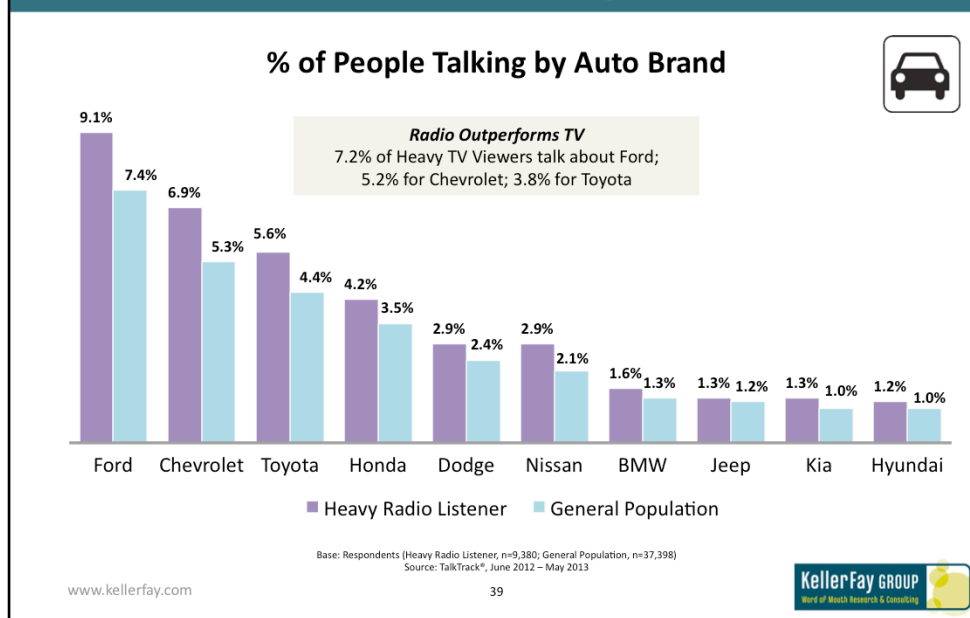
ED KELLER:

By now I hope we have opened your eyes to a number of things:

1. Brand word of mouth encompasses far more than what gets talked about online via social media.
2. There are billions of brand impressions created every day via offline conversations, primarily those that take place face-to-face.
3. The heavy radio listener is also heavily engaged in word of mouth and therefore should be a very important part of your media and marketing plans, if your goal is to not only reach individual consumers but also to have your message spread via word of mouth.

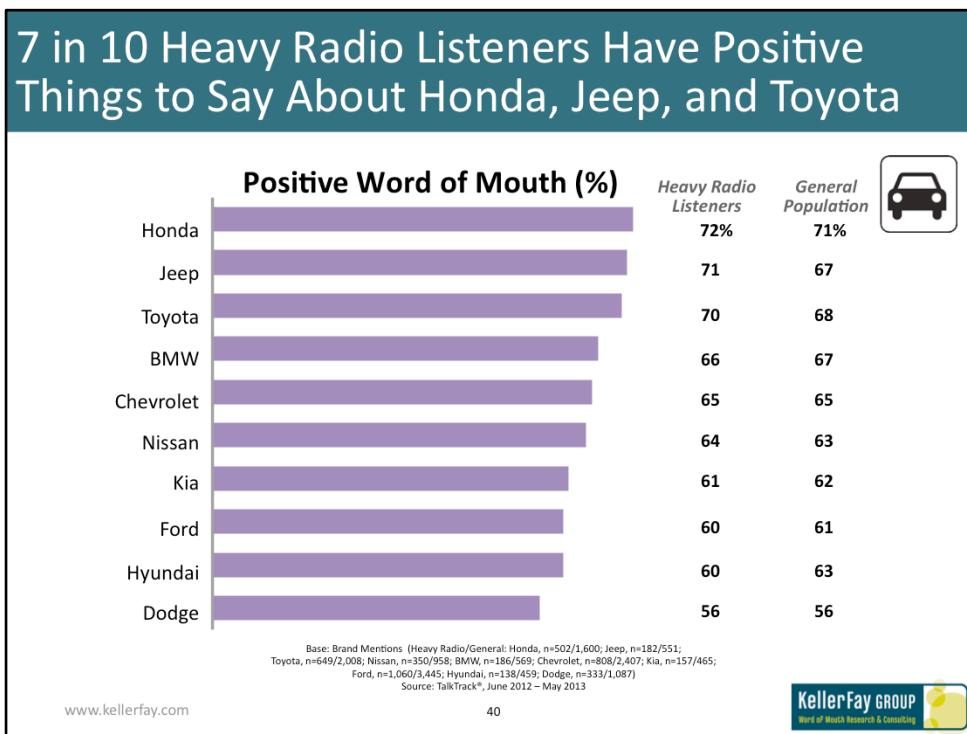
Before we conclude I would like to show how these major findings play themselves out at the category level. We are going to focus on a single category for our webinar... Automotive. However, the downloaded version of this presentation includes three others: Retail, QSR, Telecom.

Heavy Radio Listeners Generate More Word of Mouth About Leading Auto Brands



ED KELLER:

To begin, here we look for the first time at specific brands within the Automotive category. Let's start on the left hand side where we see Ford, a top 10 WOM brand in the US. What we see here is that whereas 7.4% of the total public have a word of mouth conversation about Ford on a typical day, that number rises to more than 9% among heavy radio listeners. Among heavy TV viewers, by comparison, the percent of talkers is similar to the total public. This reinforces our larger finding that the heavy radio listener is a very good word of mouth audience to reach. As we look at the other brands on the list, we see across the board the same type of relationship for virtually all the brands.

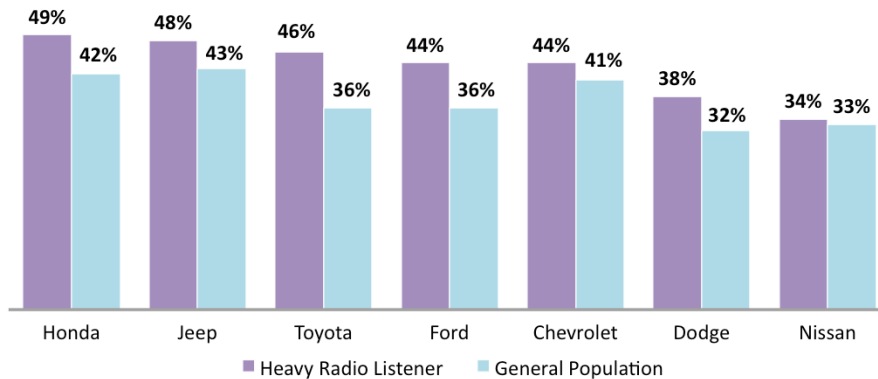


ED KELLER:

Beyond the question of how much word of mouth each brand receives is the question of whether that word of mouth is positive or not. After all, it's positive word of mouth recommendations that brands are seeking. We have seen in TalkTrack that on the whole, there is far more positive word of mouth than negative. In fact, across brands we find that about two-thirds of WOM is generally positive and less than 10% of the time it is generally negative. Here we can see how that breaks out for specific Automotive brands, and also see how the heavy radio listener compares to the total public. And what we see is that among the heavy radio listener conversations about brands are positive 60% or more of the time for nine out of ten brands, with brands like Honda and Jeep reaching levels over 70% positive. Further, if we compare the heavy radio listener to the total public we see several instances where they are even more positive, such as for Jeep and Toyota.

Heavy Radio Listeners Express Greater Purchase Intent Based on WOM for Auto Brands

Purchase Intent Based on Word of Mouth, by Auto Brand



Base: Brand Conversations (Heavy Radio / General: Honda, n=160/559; Jeep, n=55/165; Toyota, n=189/699; Ford, n=339/1,261; Chevrolet, n=252/855; Dodge, n=92/359; Nissan, n=100/326)
 Note: BMW, Kia and Hyundai not shown due to small sample sizes.
 Source: TalkTrack®, June 2012 – May 2013

www.kellerfay.com

41



ED KELLER:

Earlier in the presentation I said that there was a very high level of purchase intent as a result of word of mouth. We see that is certainly the case here for each of these auto brands, with many Americans saying they plan to buy the recommended brand as a result of the conversation. And, we also see that purchase intent among the heavy radio listener is higher in each and every case versus the total public.

Radio Is Mentioned More Than Twice as Much as Social Media in Auto Brand Conversations

% of Conversations Referencing Radio and Social Media



Ranked in Order by Radio	Radio	Social Media
Auto Category Overall	4.6	1.7
Nissan	6.3	1.0
BMW	5.8	1.9
Jeep	5.7	1.0
Ford	5.2	1.7
Chevrolet	5.1	1.7
Toyota	5.1	1.7
Kia	4.9	1.0
Honda	4.6	2.3
Dodge	4.1	1.6
Hyundai	3.8	2.7

Base: Brand Conversations (Auto Category, n=10,374; Nissan, n=516; BMW, n=273; Jeep, n=288; Ford, n=2,000; Chevrolet, n=1,362; Toyota, n=1,109; Kia, n=254; Honda, n=881; Dodge, n=548; Hyundai, n=261)
Source: TalkTrack®, June 2012 – May 2013

www.kellerfay.com

42



ED KELLER:

The last slide I want to share in the Automotive category is about the percentage of conversations that specifically reference radio and how that compares to the percent that specifically mention social media. What we do is to ask respondents whether during the course of the conversation, did anyone happen to mention anything they heard on radio, saw on social media, saw on TV, read in print, and so forth. This helps us to see what types of media and marketing help to drive conversations. And what we see here when we compare radio to social media – which we have done because so many people assume that social media is the most important medium for driving word of mouth – is that radio is mentioned in more than 4% of all conversations, while social media is mentioned in less than 2%. For the brands at the top of the list, such as Nissan, BMW and Jeep, the difference between radio and social media is as large as five or six to one.

Category Analysis

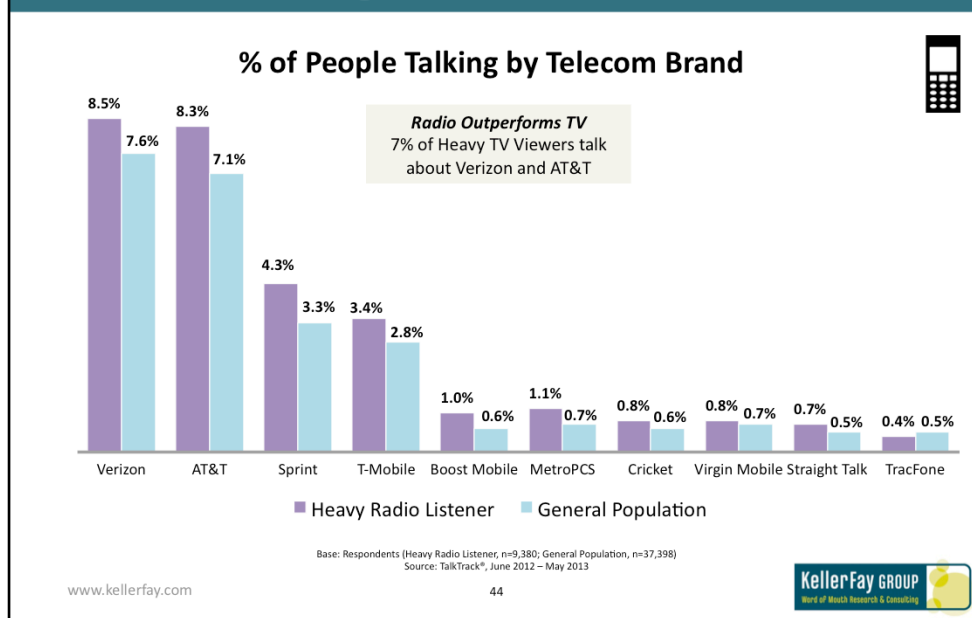


Telecom

www.kellerfay.com



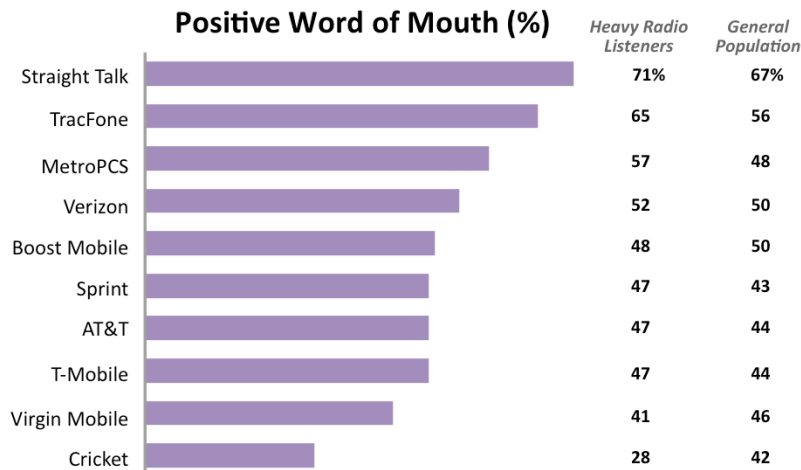
Heavy Radio Listeners Are More Likely to Talk About the Big Four Telecom Brands



ED KELLER:

To begin, here we look for the first time at specific brands within the Telecom category. Let's start on the left hand side where we see Verizon, a top 10 WOM brand in the US. What we see here is that whereas 7.6% of the total public have a word of mouth conversation about Verizon on a typical day, that number rises to 8.5% among heavy radio listeners. Among heavy TV viewers, by comparison, the percent of talkers is somewhat less than the total public. This reinforces our larger finding that the heavy radio listener is a very good word of mouth audience to reach. As we look at the other brands on the list, we see across the board the same type of relationship for virtually all the brands.

AT&T and Sprint Garner Significantly More Positive WOM From Heavy Radio Listeners



Base: Brand Mentions (Heavy Radio/General: Straight Talk, n=67/204; TracFone, n=46/220; MetroPCS, n=120/332; Verizon, n=1,012/3,596; Sprint, n=480/1,463; Boost Mobile, n=116/382; AT&T, n=964/3,292; T-Mobile, n=388/1,267; Virgin Mobile, n=96/293; Cricket, n=110/290); Source: TalkTrack®, June 2012 – May 2013

www.kellerfay.com

45

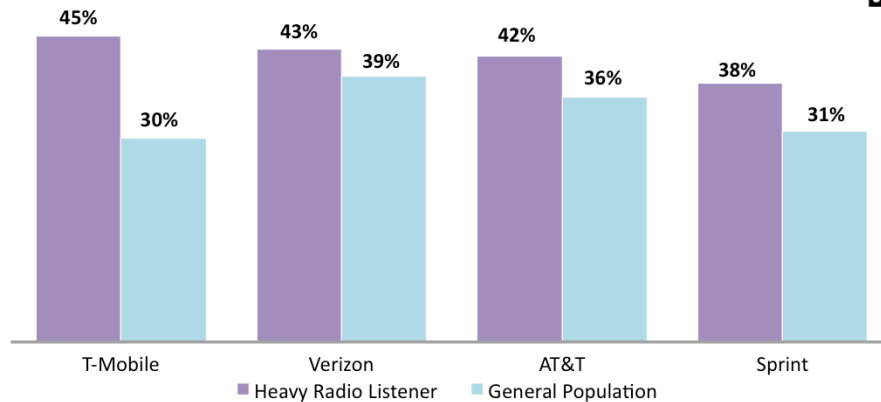


ED KELLER:

Beyond the question of how much word of mouth each brand receives is the question of whether that word of mouth is positive or not. After all, it's positive word of mouth recommendations that brands are seeking. We have seen in TalkTrack that on the whole, there is far more positive word of mouth than negative. In fact, across brands we find that about two thirds of WOM is generally positive and less than 10% of the time it is generally negative. Here we can see how that breaks out for specific Telecom brands, and also see how the heavy radio listener compares to the total public. And what we see is that the heavy radio listener conversations about brands are more positive than those of the general population for a number of brands – especially for TracFone and MetroPCS, as well as industry leaders Verizon, Sprint, AT&T and T-Mobile.

Heavy Radio Users Express Greater Purchase Intent Based on WOM for Big 4 Telecom Brands

Purchase Intent Based on Word of Mouth By Telecom Brand



Base: Brand Conversations (Heavy Radio / General : T-Mobile, n=118/414; Verizon, n=336/1,337; AT&T, n=310/1,175; Sprint, n=124/442).
Source: TalkTrack®, June 2012 – May 2013

www.kellerfay.com

46



ED KELLER:

Earlier in the presentation I said that there was a very high level of purchase intent as a result of word of mouth. We see that is certainly the case here for each of these brands, with many Americans saying they plan to buy the recommended brand as a result of the conversation. And, we also see that purchase intent among the heavy radio listener is higher in each case versus the total public.

Radio References in Brand Conversations About Telecom Brands Nearly Twice Social Media

% of Conversations Referencing Radio and Social Media



Ranked in Order by Radio	Radio	Social Media
Telecom Category Overall	3.8	2.2
Virgin Mobile	6.6	0.4
Sprint	5.3	3.5
MetroPCS	5.2	4.5
Cricket	5.1	2.7
TracFone	4.6	0.0
T-Mobile	3.9	2.9
Boost Mobile	3.9	0.8
AT&T	3.8	2.2
Verizon	3.0	1.9
Straight Talk	1.5	2.0

Base: Brand Conversations (Telecom Category, n=6,398; Virgin Mobile, n=142; Sprint, n=723; MetroPCS, n=174; Cricket, n=137; TracFone, n=129; T-Mobile, n=662; Boost Mobile, n=134; AT&T, n=1,890; Verizon, n=2,040; Straight Talk, n=117)
Source: TalkTrack®, June 2012 – May 2013

www.kellerfay.com

47



ED KELLER:

The last slide I want to share in the Telecom category is about the percentage of conversations that specifically reference radio and how that compares to the percent that specifically mention social media. What we do is to ask respondents whether during the course of the conversation, did anyone happen to mention anything they heard on radio, saw on social media, saw on TV, read in print, and so forth. This helps us to see what types of media and marketing help to drive conversations. And what we see here when we compare radio to social media – which we have done because so many people assume that social media is the most important medium for driving word of mouth – is that radio is mentioned in nearly 4% of all conversations, while social media is mentioned in only about 2%. For leading brands like Verizon, AT&T and Sprint, the advantage of radio over social holds.

Category Analysis

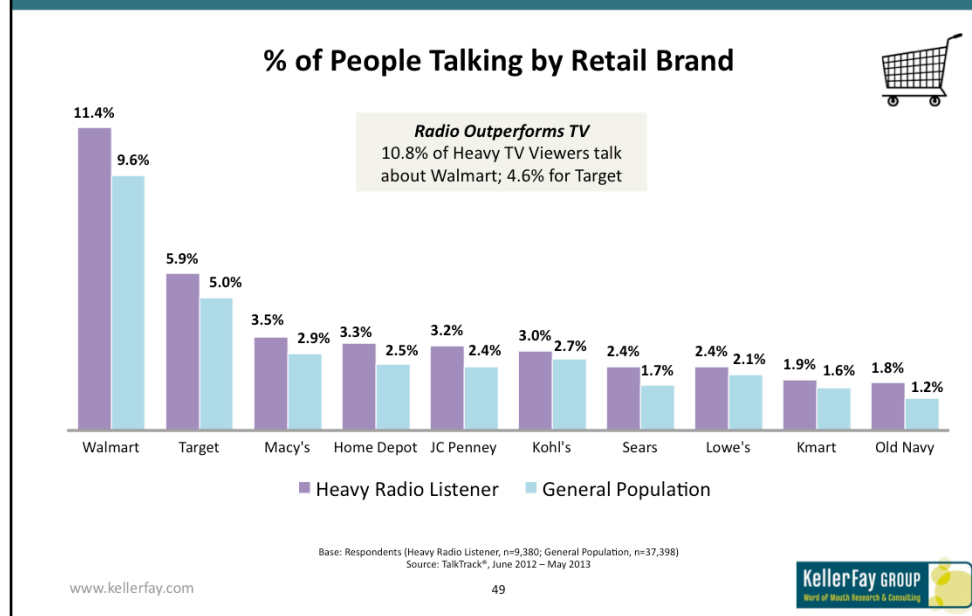


Retail

www.kellerfay.com



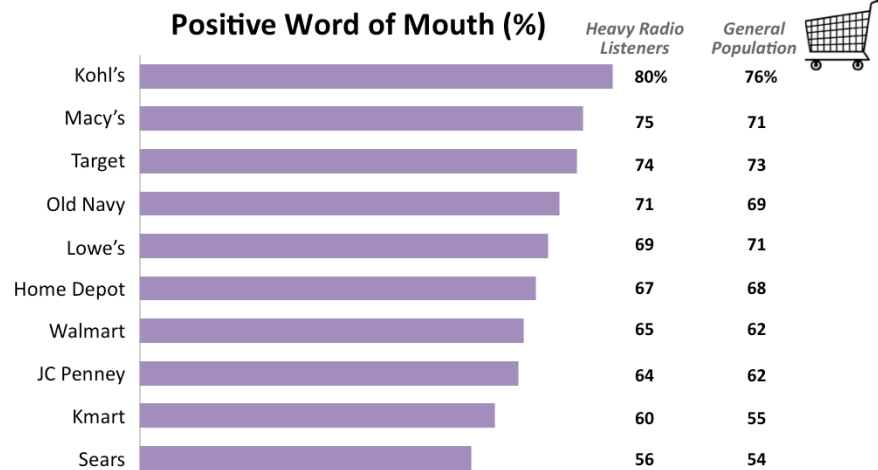
Heavy Radio Listeners Generate More WOM Conversations About Retail Brands



ED KELLER:

To begin, here we look for the first time at specific brands within the Retail category. Let's start on the left hand side where we see Walmart, a top 5 WOM brand in the US. What we see here is that whereas 9.6% of the total public have a word of mouth conversation about Walmart on a typical day, that number rises to more than 11% among heavy radio listeners. Among heavy TV viewers, by comparison, the percent of talkers is slightly lower at 10.8%. This reinforces our larger finding that the heavy radio listener is a very good word of mouth audience to reach. As we look at the other brands on the list, we see across the board the same type of relationship for virtually all the brands.

Heavy Radio Users Generate Higher Positive WOM Among Most Major Retail Brands



Base: Brand Mentions (Heavy Radio/General: Kohl's, n=333/1,193; Target, n=697/2,278; Macy's, n=413/1,332; Old Navy, n=390/531; Lowe's, n=266/911; Home Depot, n=378/1,154; Walmart, n=1,432/4,836; JC Penney, n=352/1,097; Kmart, n=202/686; Sears, n=286/820)
Source: TalkTrack®, June 2012 – May 2013

www.kellerfay.com

50

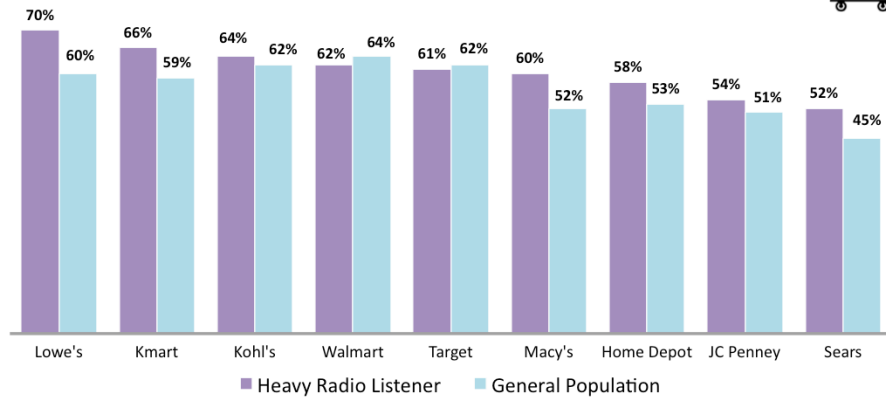


ED KELLER:

Beyond the question of how much word of mouth each brand receives is the question of whether that word of mouth is positive or not. After all, it's positive word of mouth recommendations that brands are seeking. We have seen in TalkTrack that on the whole, there is far more positive word of mouth than negative. In fact, across brands we find that about two-thirds of WOM is generally positive and less than 10% of the time it is generally negative. Here we can see how that breaks out for specific Retail brands, and also see how the heavy radio listener compares to the total public. And what we see is that among the heavy radio listener conversations about brands are positive 60% of the time or more for nearly all of these brands, with brands like Kohl's, Macy's, Target and Old Navy reaching levels over 70% positive. Further, if we compare the heavy radio listener to the total public we see a number of instances where they are even more positive, such as for Kohl's and Macy's at the top of the list and Walmart and Kmart toward the bottom.

Heavy Radio Users Express Greater Purchase Intent Based on WOM for Most Retail Brands

Purchase Intent By Retail Brand



Base: Brand Conversations (Heavy Radio / General: Lowe's, n=90/314; Kmart, n=63/175; Kohl's, n=103/422; Walmart, n=449/1,616; Target, n=177/678; Macy's, n=102/379; Home Depot, n=125/399; JC Penney, n=100/311; Sears, n=73/248)
Source: TalkTrack®, June 2012 – May 2013

www.kellerfay.com

51



ED KELLER:

Earlier in the presentation I said that there was a very high level of purchase intent as a result of word of mouth. We see that is certainly the case here for each of these brands, with majorities of Americans saying they plan to buy the recommended brand as a result of the conversation. And, we also see that purchase intent among the heavy radio listener is higher in many cases versus the total public.

Radio Mentioned Twice as Much as Social Media in Retail Brand Conversations

% of Conversations Referencing Radio and Social Media



Ranked in Order by Radio	Radio	Social Media
Retail Category Overall	3.4	1.9
Macy's	4.8	1.3
Old Navy	4.5	0.8
Target	4.2	1.6
Sears	4.2	1.1
Home Depot	4.0	1.2
Walmart	3.2	1.3
Lowe's	3.0	1.2
JC Penney	2.9	2.6
Kmart	2.5	0.6
Kohl's	1.2	1.5

Base: Brand Conversations (Retail Category, n=12,437; Macy's, n=670; Old Navy, n=269; Target, n=1,121; Sears, n=374; Home Depot, n=638; Walmart, n=2,622; Lowe's, n=486; JC Penney, n=502; Kmart, n=282; Kohl's, n=685)
Source: TalkTrack®, June 2012 – May 2013

www.kellerfay.com

52



ED KELLER:

The last slide I want to share in the Retail category is about the percentage of conversations that specifically reference radio and how that compares to the percent that specifically mention social media. What we do is to ask respondents whether during the course of the conversation, did anyone happen to mention anything they heard on radio, saw on social media, saw on TV, read in print, and so forth. This helps us to see what types of media and marketing help to drive conversations. And what we see here when we compare radio to social media – which we have done because so many people assume that social media is the most important medium for driving word of mouth – is that radio is mentioned in more than 3% of all conversations, while social media is mentioned in less than 2%. For the brands at the top of the list, such as Macy's and Old Navy, the difference between radio and social media is as large as four or five to one.

Three Key Takeaways About Radio and Word of Mouth

1. Radio is a social medium and the majority of Word of Mouth still takes place **offline**, not on social media.
2. Heavy radio listeners have **more brand conversations and are more influential** than similar users of TV and the Internet.
3. Across four key categories, **QSRs, Auto, Telecom, and Retail**, radio enjoys significant advantages vs. other media.



www.kellerfay.com

53



BILL ROSE and ED KELLER

We'd like to wrap up by leaving you with what we think are the three key takeaways from today's presentation. First, it's important to remember that radio is a social medium. But the definition of what it means to be a social medium extends well beyond online tools and technology. The overwhelming majority of radio WOM taking place offline, consistent with the fact that 90% of ALL word of mouth about brands takes place offline. Second, heavy radio listeners have more brand conversations and are more influential than similar users of TV and the Internet. Quite simply, heavy radio listeners are a powerful group not only in generating WOM for brands, but also as a peer influencer group. And finally, across the key advertising categories of QSRs, Auto, Telecom and Retail, radio enjoys significant advantages versus other media, including for some of the leading brands in the country.

With that we would welcome any questions...

Special Thanks to:

The Keller Fay Group

65 Church Street
New Brunswick, NJ 08901
732.846.6800 (Tel)
732.846.6900 (Fax)

Ed Keller, CEO, ekeller@kellerfay.com
Brad Fay, COO, bfay@kellerfay.com



54

BILL ROSE

Thank you Ed and great work by you and your entire team especially Matt Phillips. We thank you for sharing these insights about the power of word of mouth and the value of radio in sparking brand conversations.

Nielsen Audio Insights

www.nielsen.com/audio

- **Additional Resources**

- *Radio Today*: listening trends and updates on how radio reaches American consumers
- *Infinite Dial 2013: Navigating Digital Platforms*: a research study that will help radio
- Radio insights

- **Nielsen Audio client site**

- my.arbitron.com: this study and other resources to help our customers



55

BILL ROSE

And we thank you for tuning into today's webinar. For more information about resources from Nielsen Audio please check out our website at www.nielsen.com/audio.

Meanwhile this presentation and additional resources are available on our client web site.