



Taking the "Me" Out of Media

May 2021

WE'RE NOT THE AVERAGE CONSUMER.

When it comes to understanding the audio landscape, Marketing and Advertising professionals have a much closer relationship with services like Spotify than the average Canadian consumer; those consumers who advertisers are trying to reach with their ad dollars. More often than not, those of us in “adland” have a skewed perception of how much time Canadians engage with personal music platforms, like Spotify, and overstate how much time Canadians engage with those forms of audio vs. AM/FM Radio.

It’s not surprising to find those of us in “adland” have radically different lifestyles and media consumption habits compared to the general public, including a much larger online footprint, particularly when it comes to social media.

And, Canadian advertising professionals are not unique. In fact, across Australia, the UK and the U.S., similar results have been found. Those of us in marketing and advertising need to remember our behaviours and consumption habits are not those of the typical consumer.

Ipsos Canada, in partnership with thinktv, recently released the 2020 update of their 2017 Ad Nation Study. Once again, the findings serve as a reminder for Marketing and Advertising professionals, that when it comes to planning advertising activity, it’s important to take the “Me” out of Media. “We’re (still) not normal”.

“The biggest risk for AM/FM radio is the 26-year-old planner who lives in New York or Chicago and does not commute by car and does not listen to AM/FM radio and thus does not think anyone else listens to AM/FM radio.”

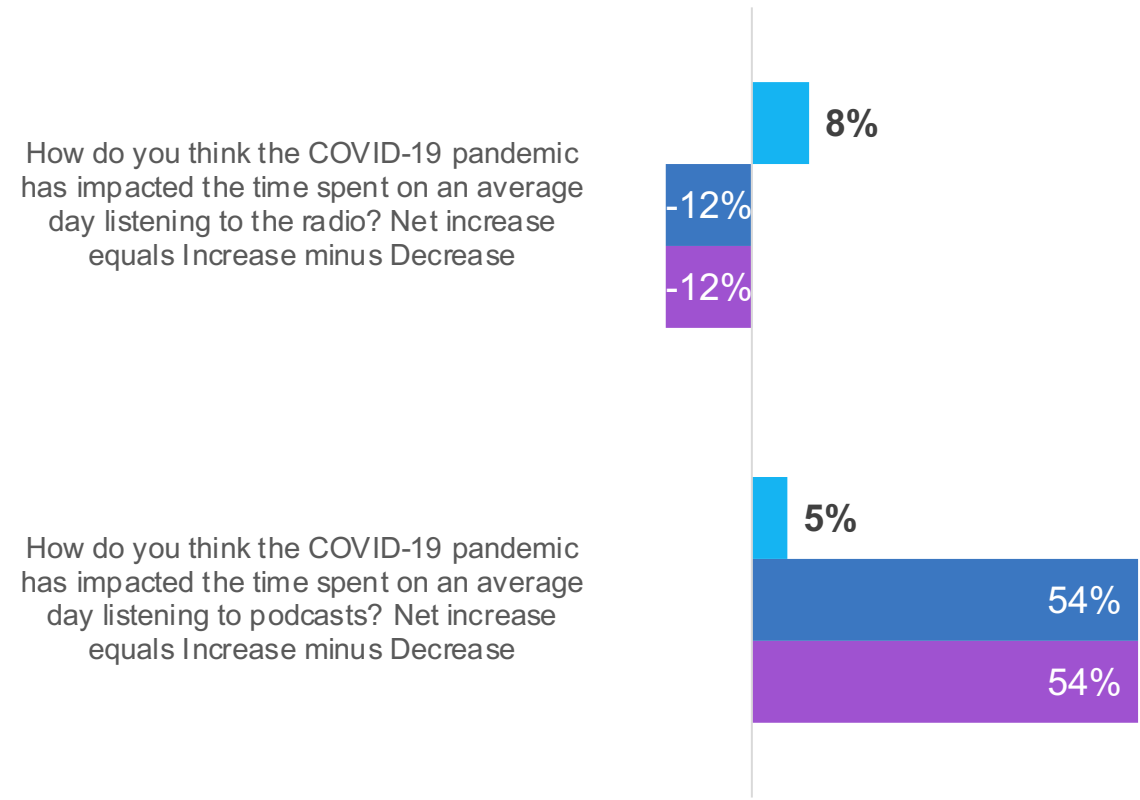
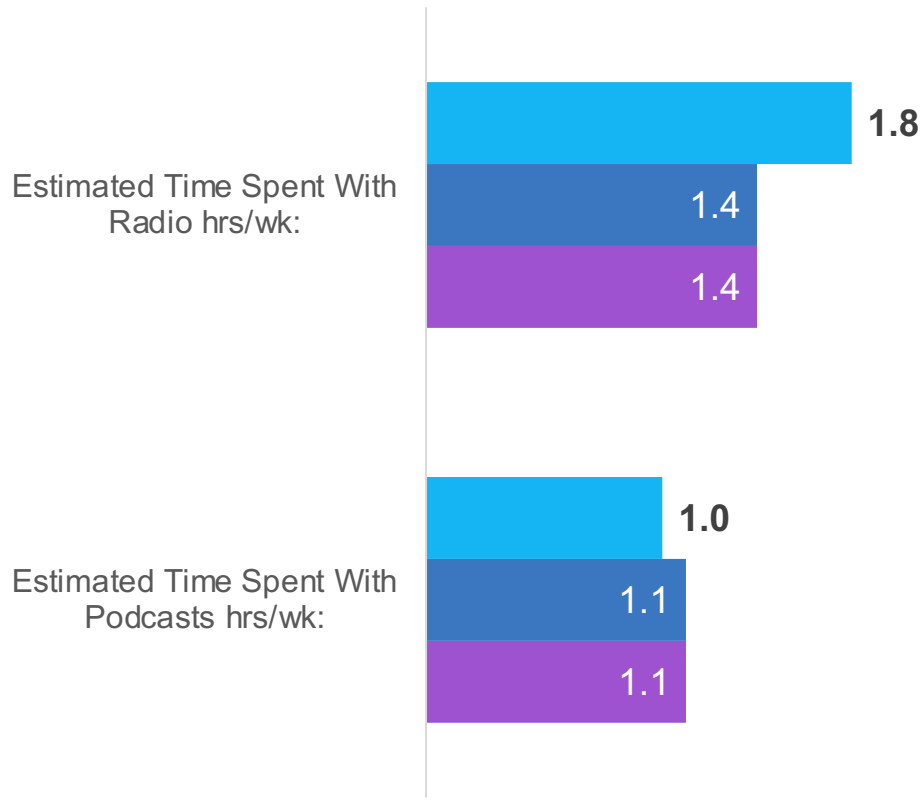
Colin Kinsella, the CEO of Havas Media North America



CANADIANS SPEND MORE TIME WITH AM/FM THAN WE THINK.

Canadians spent 29% MORE time with AM/FM Radio than the Industry thinks

During COVID, Canadians spent 8% MORE time with AM/FM Radio, while the Industry thinks Canadians spent 12% less time with AM/FM Radio



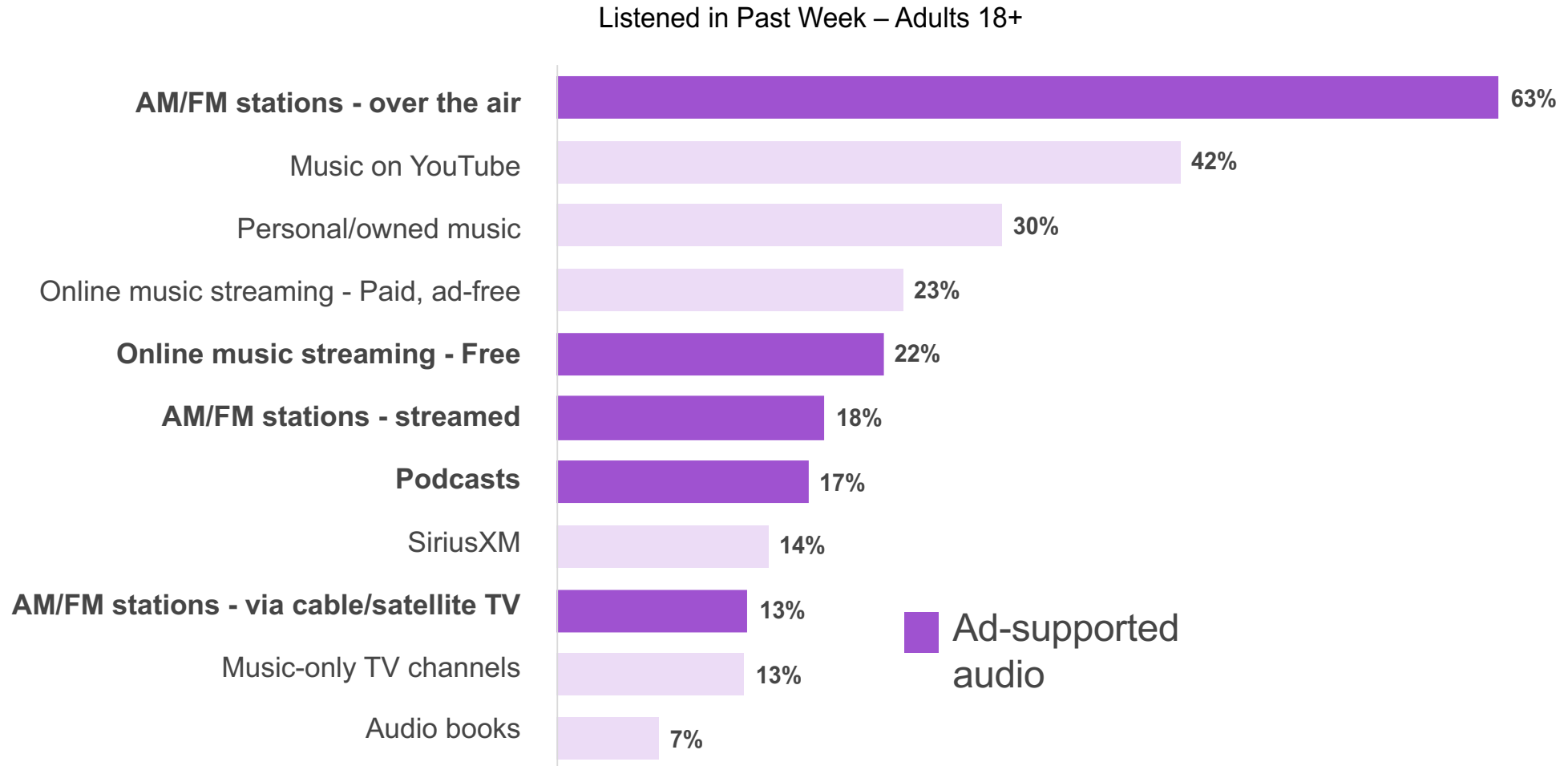
■ Canadians ■ Industry ■ Industry Perspective

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ACROSS ITS MANY PLATFORMS, AM/FM RADIO DELIVERS THE REACH SUCCESSFUL AUDIO PLANS NEED.

Over the air and everywhere, AM/FM is the dominant platform for advertising reach.



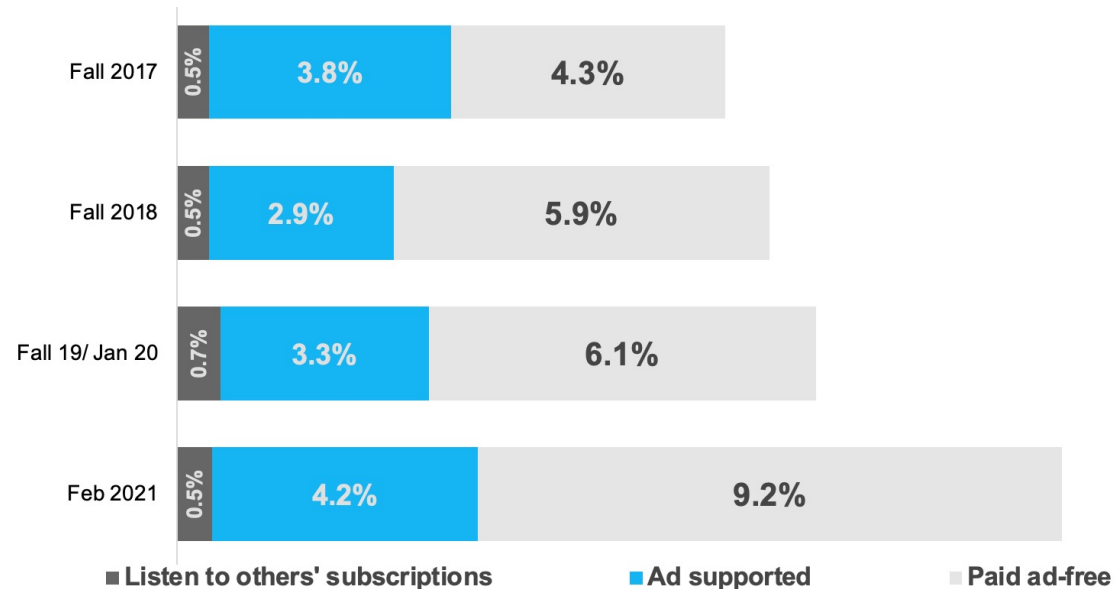
ROTM 2021 B3b. When is the most recent time, if ever, you listened to the following types of audio on ANY DEVICE?
Base: Canadians 18+ (n=2,001)

CANADIANS LISTEN TO SPOTIFY LESS THAN WE THINK.

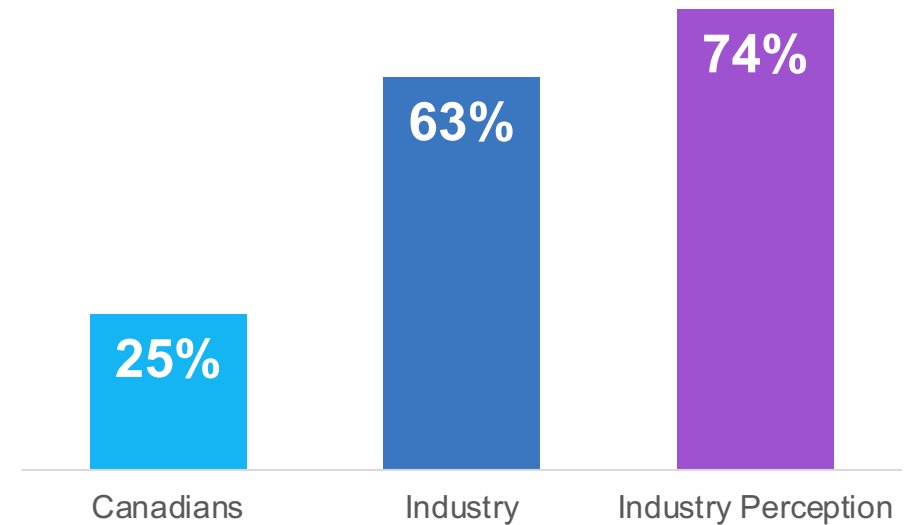
- Since 2017, daily listening by users who **pay** for the **ad-free** Spotify has more than doubled, while listening to Spotify's **free, ad supported version**, is essentially **flat**.¹
- When asked what percentage of Canadian consumers used the app in the past month, regardless of whether it is the paid or ad supported version, Marketing and Advertising professionals **overstated** the use by almost 300%.²



Daily Spotify Listeners among all Canadians aged 18+



Used the Spotify App in the Past Month



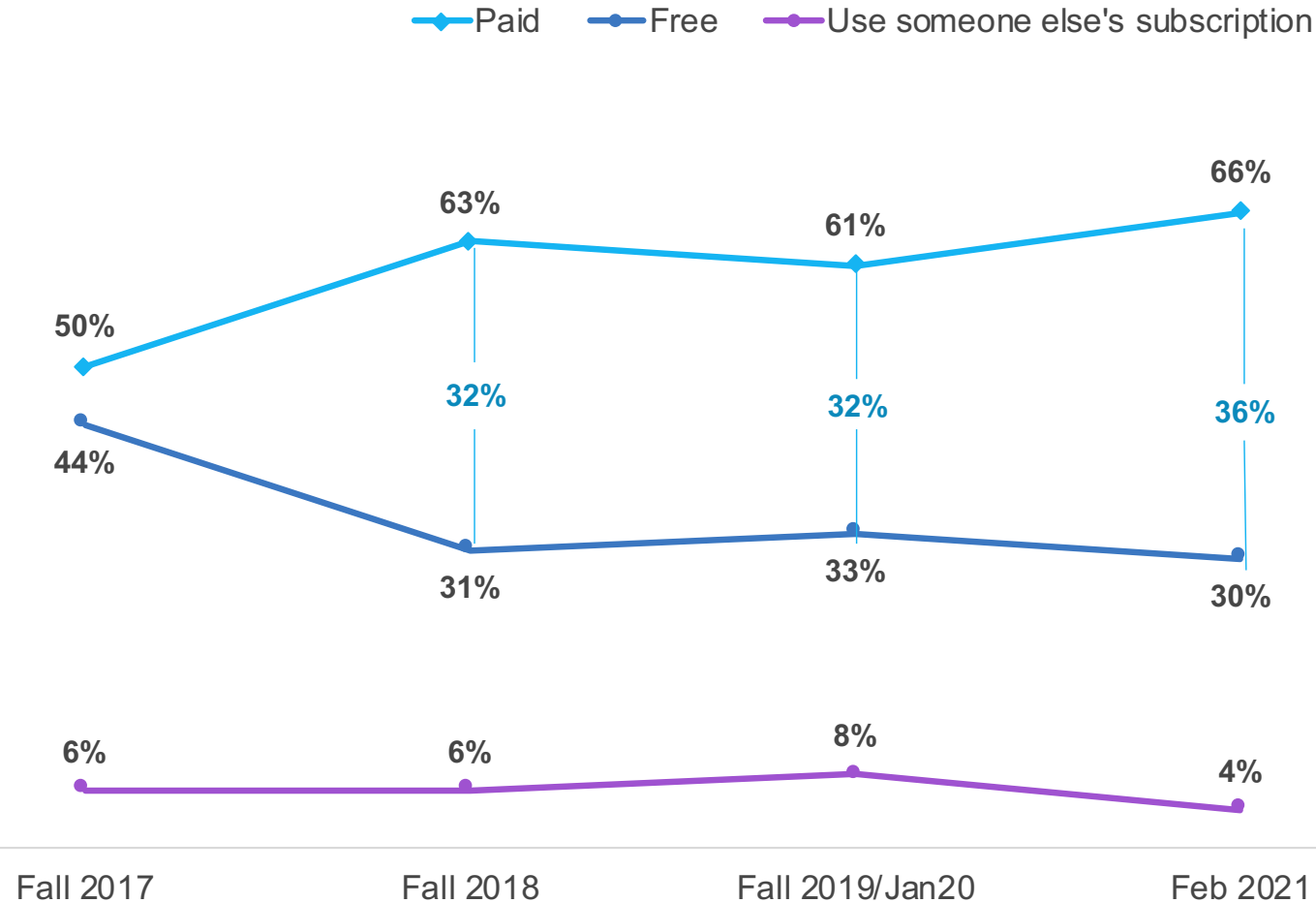
Source: ROTM 2021 F13. Overall, thinking of all locations, how often, if ever, would you say you listen to Spotify? F16a. You mentioned listening to Spotify. Which of the following best describes your Spotify subscription? Base: Canadians 18+, Fall 2017 (n=3,452) Fall 2018 (n=3,505) Fall 2019 (n=4,000) Feb 2021 (n=2,001)



GROWING % OF SPOTIFY DAILY USERS ARE AD-FREE

THE GAP BETWEEN DAILY LISTENERS WITH PAID VS FREE SPOTIFY USERS HAS WIDENED—2/3 OF DAILY USERS OF SPOTIFY DON'T HEAR ADS.

% of daily Spotify listeners who choose paid ad-free vs. ad-supported Spotify





SPOTIFY DELIVERS LITTLE EXCLUSIVE REACH

MOST DAILY LISTENERS TO AD-SUPPORTED SPOTIFY ALSO REPORT LISTENING TO AM/FM RADIO “ON A TYPICAL WEEKDAY.”

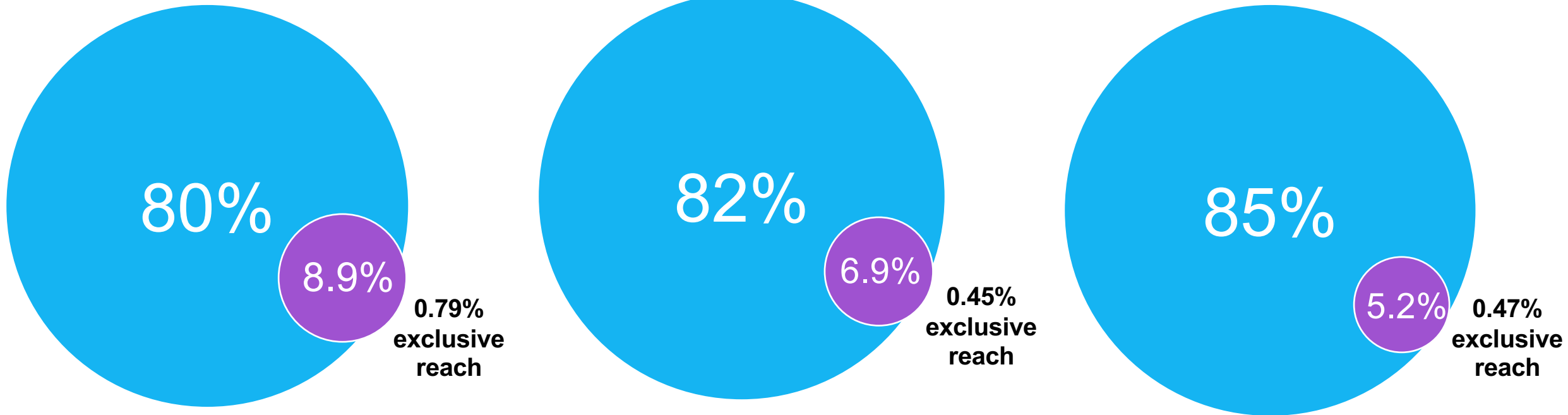
● Listen to some AM/FM Radio on “a typical weekday”

● Listen to ad-supported Spotify daily

Adults 18-34

Adults 18-49

Adults 25-54



ROTM 2021 :E1. Thinking of all the time you may listen at home, in the car, or at work, how much time in total do you spend listening to AM or FM radio stations during a typical weekday? F13. [Spotify] Overall, thinking of all locations, how often, if ever, would you say you listen to: F16a. You mentioned listening to Spotify. Which of the following best describes your Spotify subscription? Base: Canadians 18-34 (n=586), Daily listeners to ad-supported Spotify; 18-34 (n=86); 18-49 (n=110); 25-54 (n=99)

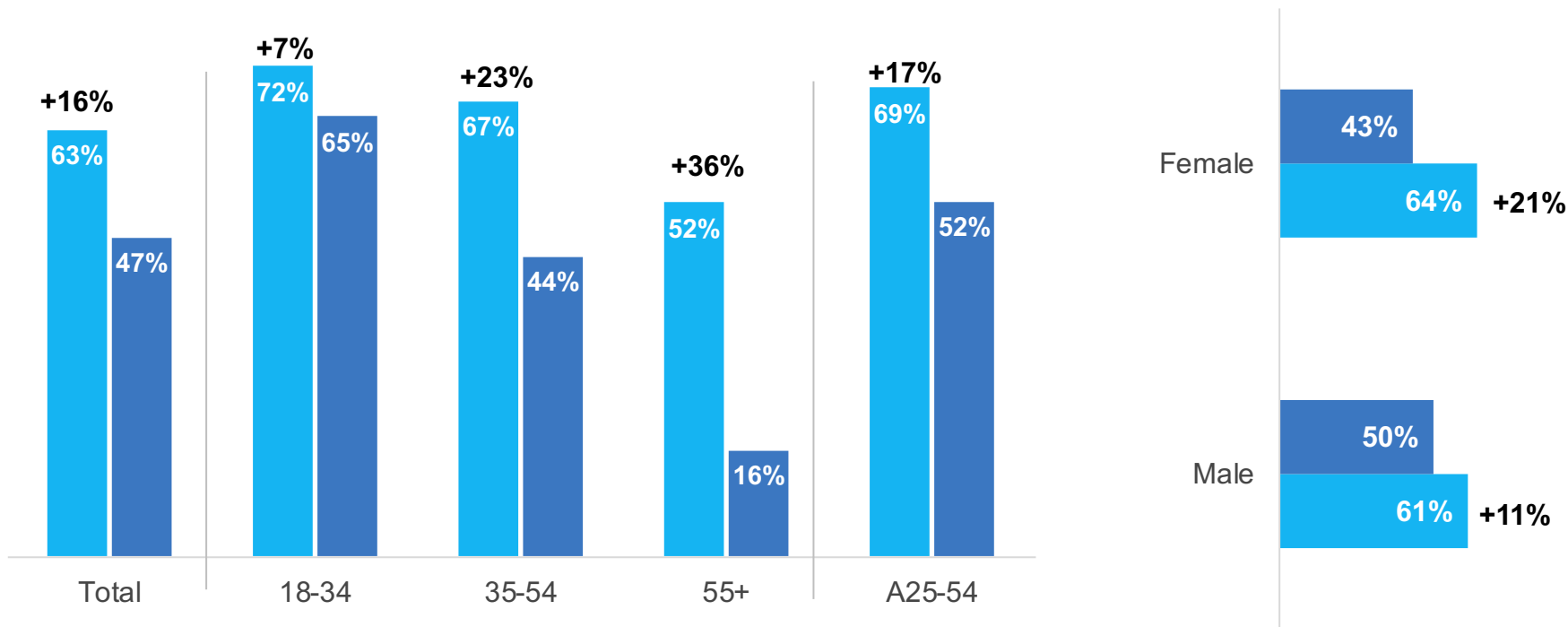


WHEN IT COMES TO HEARING AN ADVERTISER'S MESSAGE ON AM/FM, RADIO LISTENERS PAY ATTENTION.

ACROSS ALL AGES, AM/FM MUSIC RECEIVES MORE ATTENTION VS FREE ONLINE MUSIC (AD-SUPPORTED)

% who pay extremely/very/somewhat close attention to what's between songs (e.g., hosts/DJs, ads, announcements, etc.) on...

■ AM/FM stations that play music ■ Free online music streaming services

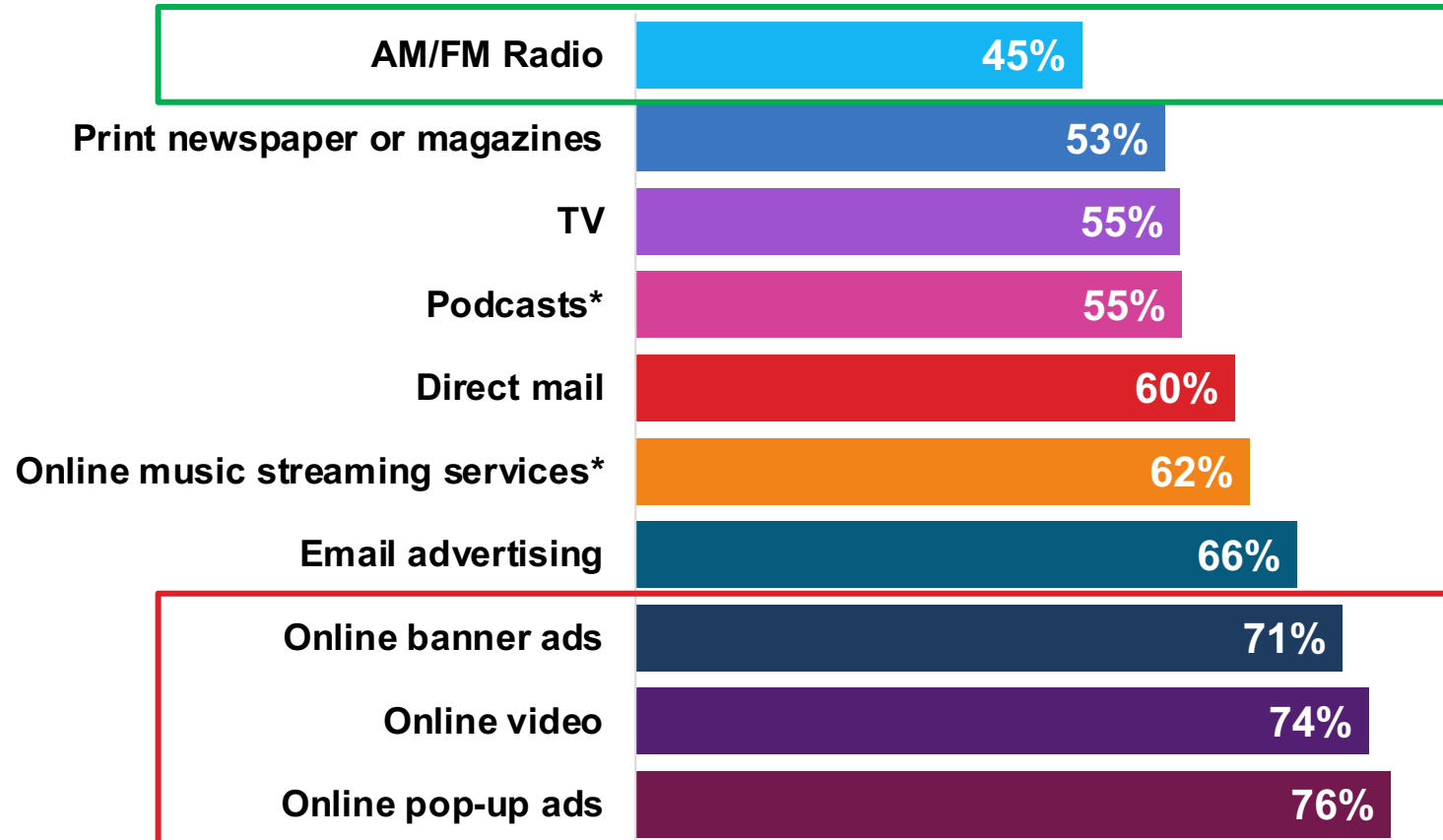


All ages are more likely to hear what's being said on AM/FM music stations vs. free ad-supported music streaming.
The attention gap is wider with women +21%

ADS ON AM/FM RADIO THE LEAST-AVOIDED

ONLINE ADS ARE THE MOST AVOIDED OF ALL MEDIA, WHILE AM/FM RADIO IS THE LEAST

Avoid ads most/ all of the time

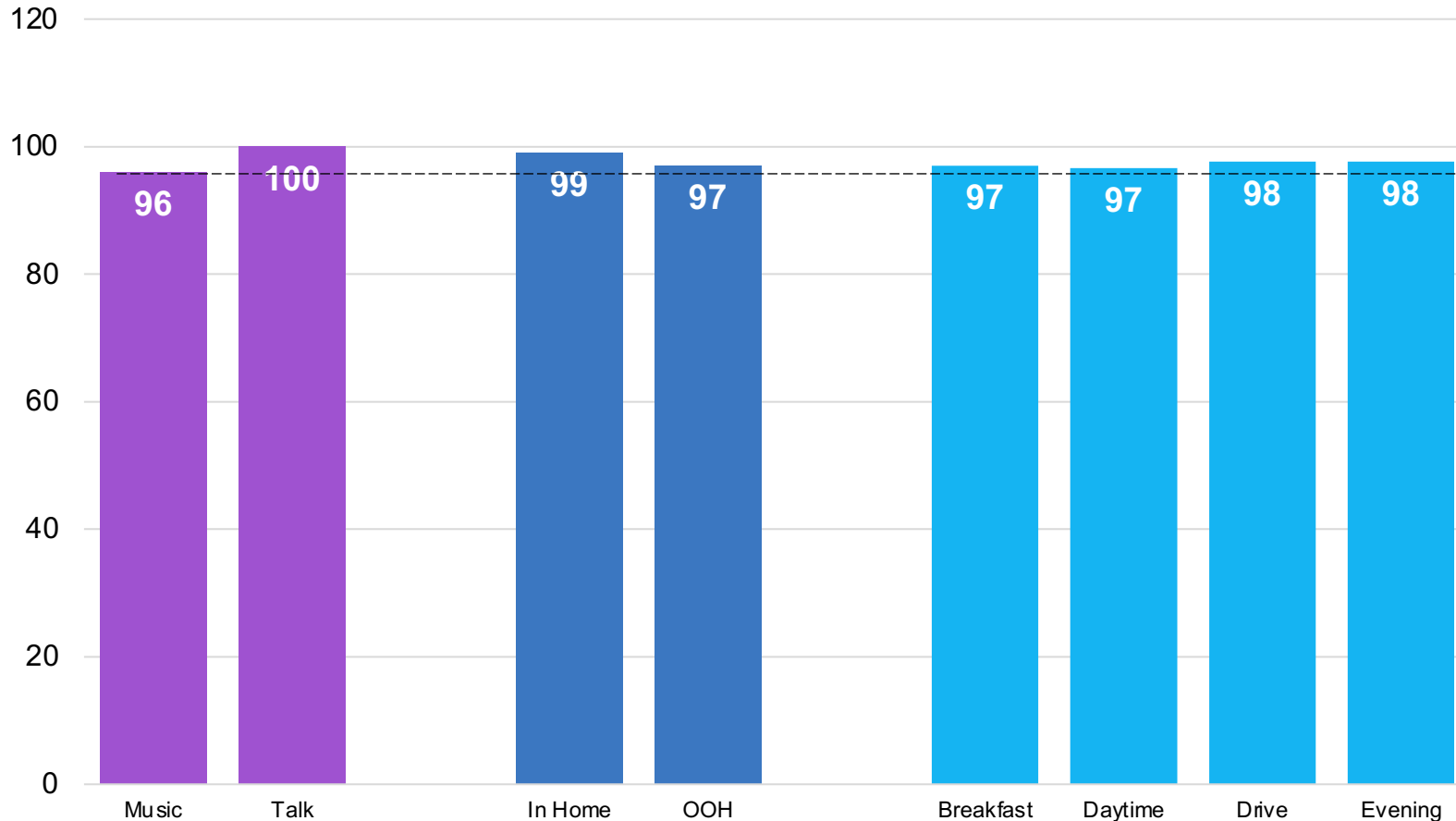




RADIO HOLDS ITS AUDIENCE IN AD BREAKS

AN INDEPENDENT STUDY DEBUNKED MARKETERS' BELIEFS THAT 2/3'S OF RADIO LISTENERS SWITCH STATIONS DURING ADS.

Commercial break audience indexed to program audience



In their recent study, Australia's Ehrenberg-Bass Institute for Marketing Science examined the combined Canadian PPM data ratings to measure loss of audience during advertising. They proved physical ad avoidance on AM/FM was only 3%. That's 1/10th of what Marketers' thought.

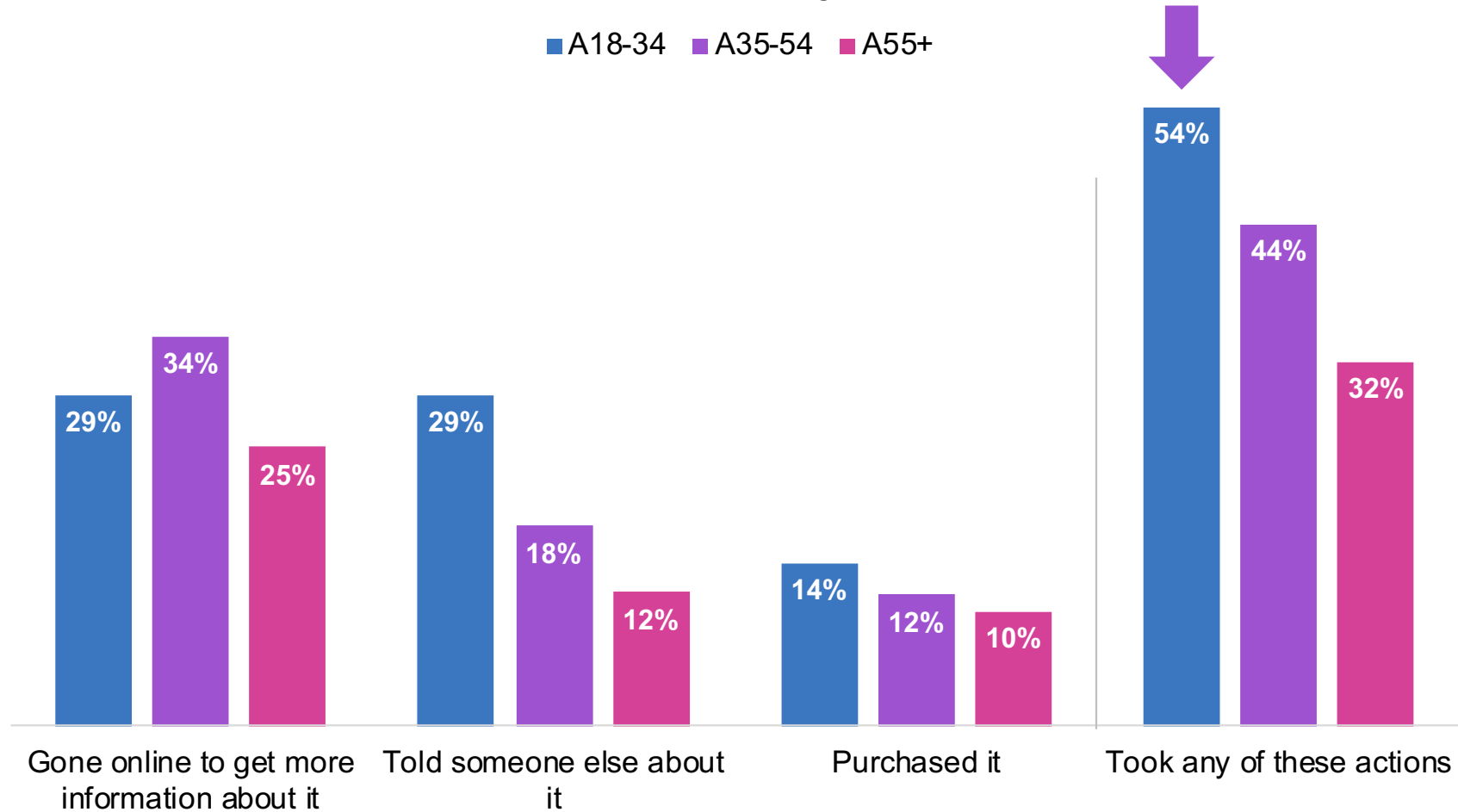


AM/FM RADIO MOTIVATES ACTION.

MARKETERS HAVE A PERCEPTION THAT DIGITAL IS DRIVING ONLINE RESULTS, BUT IN FACT, AM/FM RADIO'S BROAD REACH IS MOTIVATING CANADIANS TO TAKE ACTION ONLINE.

Actions taken after hearing ad on AM/FM

■ A18-34 ■ A35-54 ■ A55+



Canadians listen to AM/FM more than adland thinks

Over-the-air and everywhere, past week reach for AM/FM is far greater than that of any other audio available to advertisers.

Canadians aren't listening to as much Spotify as adland thinks

25% of Canadians said they used the app in the past month, and for those Canadians who use the app, 66% of them don't hear the ads.

Radio ads command attention

AM/FM Radio provides uniquely engaging advertising opportunities. Audio delivers more emotional impact than video. And AM/FM, even on music stations, commands more attention than music streaming services.

Contrary to "adland's" beliefs, Canadians don't switch the station when an ad comes on.

Research by Australia's Ehrenberg-Bass Institute for Marketing Science proved physical ad avoidance was only at 3% vs Marketers' perception of 33%

People take action after hearing ads on the radio.

A digital dashboard may show clicks and downloads and claim attribution, however, ads heard on AM/FM are helping to steer consumers to engage with advertisers online.