



The Cost of Radio Advertising

The Definitive Guide 2021

Intro

Radio is the perfect medium for SMEs that are looking to grow. With over 36 million adult listeners every week, commercial radio is helping business reach out to new customers to not only build awareness but to boost response to websites and increase sales. The cost of radio advertising is often variable, however the ROI of the medium towers above other traditional media such as television or print.



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The Cost of Radio Advertising

There are several deciding factors to consider when determining the cost of radio advertising, these include:

Number of Listeners

The general rule is that the more people who listen to a radio station, potentially reaching more customers for you, the more expensive it will be to advertise on there. Popular commercial stations such as Smooth North West (over 1,000,000 listeners per week) or Heart Yorkshire (400,000 listeners per week) will be higher in price than smaller local stations such as XS Manchester (110,000 listeners per week).



Number of Spots

The larger the number of spots or 'radio adverts' you choose to have, the higher the investment will be. Radio advertising campaigns vary in size depending on budget and brand, you may want to choose to play a couple of ads a day or create a more 'heavyweight' campaign and pay for between 10-15 spots so that you are covering the entire day. Radio delivers a larger audience than other media throughout the morning and is used by people to accompany tasks and activities across the day, making it easier for brands to reach people at relevant times and in relevant places.



Length of Campaign

Radio adverts can vary from 10-60 seconds, with an average advert being around 30 seconds.

Campaigns can run for one to two weeks (short term promotions or giveaways) or a few months to ensure you get your message and brand out there. Again, the longer the campaign the more reach and brand awareness the advert will garner, however shorter, more targeted campaigns can also work just as well.



Production

The production of an actual advert is an addition that you should consider, this will impact the overall cost of your radio advertising campaign. An ad that includes one simple voice would cost significantly less than a conversational commercial that would feature a number of different voice artists. Again, if you would like 'well-known' music on your spot, a fee for music licences may also apply. Strong creative can also make your ad switch from barely memorable to an instant hit.



Time of Spots

Depending on messaging, certain times of the day will work much better than others. Spots are mostly broken down into breakfast, day, evening, and overnight, these are known as 'day parts'. The most 'in-demand' spots are usually breakfast and evening as they have the most listeners. This also comes down to your target demographic, think about when they will be listening to the radio, will they be working from home? Travelling in the car?



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Does Radio Advertising Work Once I have Invested?

Commercial radio is a sure-fire way to speak to millions of people via a medium that they trust. Although often shunned for more modern methods, the strengths of radio advertising are endless, however we have pulled together some of the highlights here:

Return On Investment

A common goal for many advertisers is to increase the return on investment (ROI) from their advertising spend. Econometric analysis highlights how moving money into radio from other media leads to greater returns at a total campaign level for no extra cost.

According to Radiocentre, radio produces £7.70 revenue ROI for every pound spent – second only to TV overall and higher in several product categories including retail, finance, travel and automotive.



Using Radio With Other Media

Radio utilises these and plays a highly effective role for an advertiser on its own but placing this alongside other media can create huge impact for your brand, enhancing an overall campaign performance.

The most obvious combination is radio and television. Both mediums are widely consumed on a daily basis making it the most powerful and much used media combination, accounting for a high share of the average consumer's media day. Probably the second most utilised media combination is radio and online. According to a study taken by Touchpoints in 2017, 16% of time listened to the radio is accompanied by being online.



Consistent Advertising

Historically, it is assumed that to make a big impact consistently you will need a big budget.

Wrong.

Mediums like out of home have, for a while, delivered low cost audience per thousand.

According to Ebiquity, radio advertising delivers an average CPT (cost per thousand listeners) of £1.54. Out of home delivered an average CPT of £3.03.



Context is Key

According to research conducted by Differentology, brands like McDonalds, Heinz and Deliveroo saw a sales uplift of 51% when they focused on targeting their customers when they were engaged in a relevant activity.

A good advertiser will ensure that your message is reaching the right people at key times of the day by putting them in the context of the consumer. Will your key consumer be listening to radio at work? Will they be doing the school run? A brand will know their audience and what they will be doing, therefore making sure the advert hits at the correct touchpoint.



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How Do I Target My Campaign To Get The Most For My Money?

When it comes to advertising, targeting an audience is the most important aspect of your campaign. It is important to get your targeting right and when radio advertising is planned correctly it can be a very powerful communication tool.

Geographically

One of the most important factors for many advertisers is selecting stations that focus on specific geographic locations. With a range of national, regional, and local stations covering most of the UK, radio is hugely flexible geographically – providing opportunities for all kinds of advertisers to precisely target locations efficiently.



Demographically

Commercial radio consists of a wide range of stations with a variety of content and playlists attracting different types of audiences. RAJAR data allows advertisers to analyse which stations are best for reaching their specific audience.



Time of The Day

Radio is a predominantly a live and linear medium, meaning that radio ads play out in real time. This allows advertisers to time their advertising to reach people on specific day of the week and/ or specific times of the day to enhance relevance and efficiency of certain messages, where appropriate.



Addressability

With more radio listening starting to take place through connected devices, some radio stations are now able to offer individualised personal data-led targeting of listeners to their streamed content. While still relatively limited in scale this is an important and growing element of the commercial radio offering.

Whatever your objective, radio advertising can play an important role in growing your business. With 36 million listeners per week, let us help your brand be heard amongst the noise.



Consumer Context

Reaching people at relevant times can help enhance effectiveness and cut through of a campaign. As radio is available on a wide range of devices and doesn't need primary attention, listeners often use radio to accompany a range of tasks and activities, from the school run, to working, right through to childcare, allowing advertisers to target audiences in very specific contexts.



**Think you're ready to start your
campaign?**

Or just want a chat about radio?

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