



WARC | Media

The Big Picture: Radio

February 2024

Takeaways

01 Global radio ad investment will return to growth this year 2024.

Worldwide radio spend will reach \$29.4bn this year, up 2.2% year on year, according to WARC Media. However, global radio investment is still stuck below pre-pandemic levels.

03 US radio spend to finally exceed pre-COVID levels.

Investment with radio is forecast to reach \$3.7bn in Q4 2024, during which the Presidential Election will take place, up 5.1% on the same period 12 months previously.

05 UK commercial radio adds millions of listeners.

In stark contrast to linear TV and print media, UK radio consumption is in rude health. Adults will listen to an average of 78 minutes of radio content each day in 2024.

02 Political ad spend on radio stations set to soar in 2024.

Global radio spend by political organisations will reach \$870.7m in 2024, up 1452.1% year on year, driven in large part by the upcoming US Presidential Election.

04 China's radio ad market continues to wane.

Investment by Chinese advertisers in 2024 will drop 10.2% year on year to RMB 11.6bn (\$1.6bn), less than half of the RMB 23.8bn (\$3.3bn) brands spent on radio in 2018.

06 Radio has so far avoided major media cost inflation.

In Australia, radio CPMs hold steady at AUD9.00, the same cost as in 2019. In comparison, brands can await inflation in TV (+7.5%) and OOH (+4.7%) over the coming 12 months.

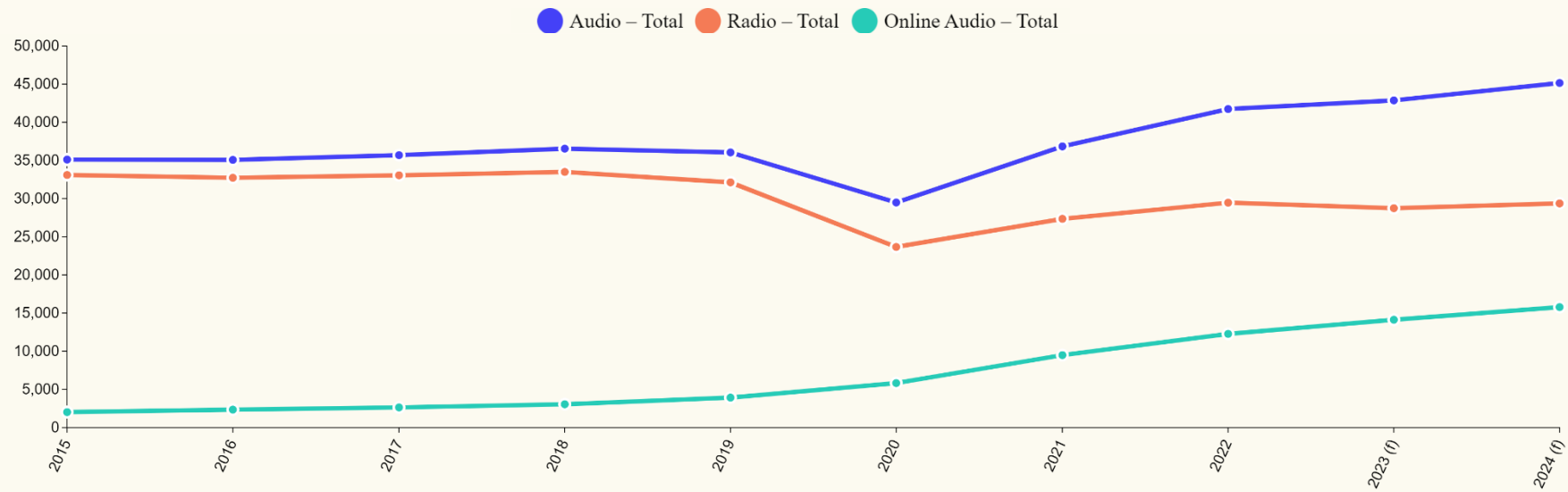
Radio ad spend returns to growth

Global radio advertising investment is forecast to return to growth in 2024, according to WARC Media. Worldwide radio spend will reach \$29.4bn this year, up 2.2% year on year.

However, radio investment is still stuck below pre-pandemic levels (\$32.1bn in 2019). All growth in audio media at a global level is being driven by digital formats such as streaming and podcasts, with online audio ad spend set for double-digit expansion in 2024. This suggests that marketers are prioritising the addressability offered by online formats.

Global, Audio advertising investment

USD millions



Note: Periods denoted with (f) are WARC forecasts.

Source: WARC Media

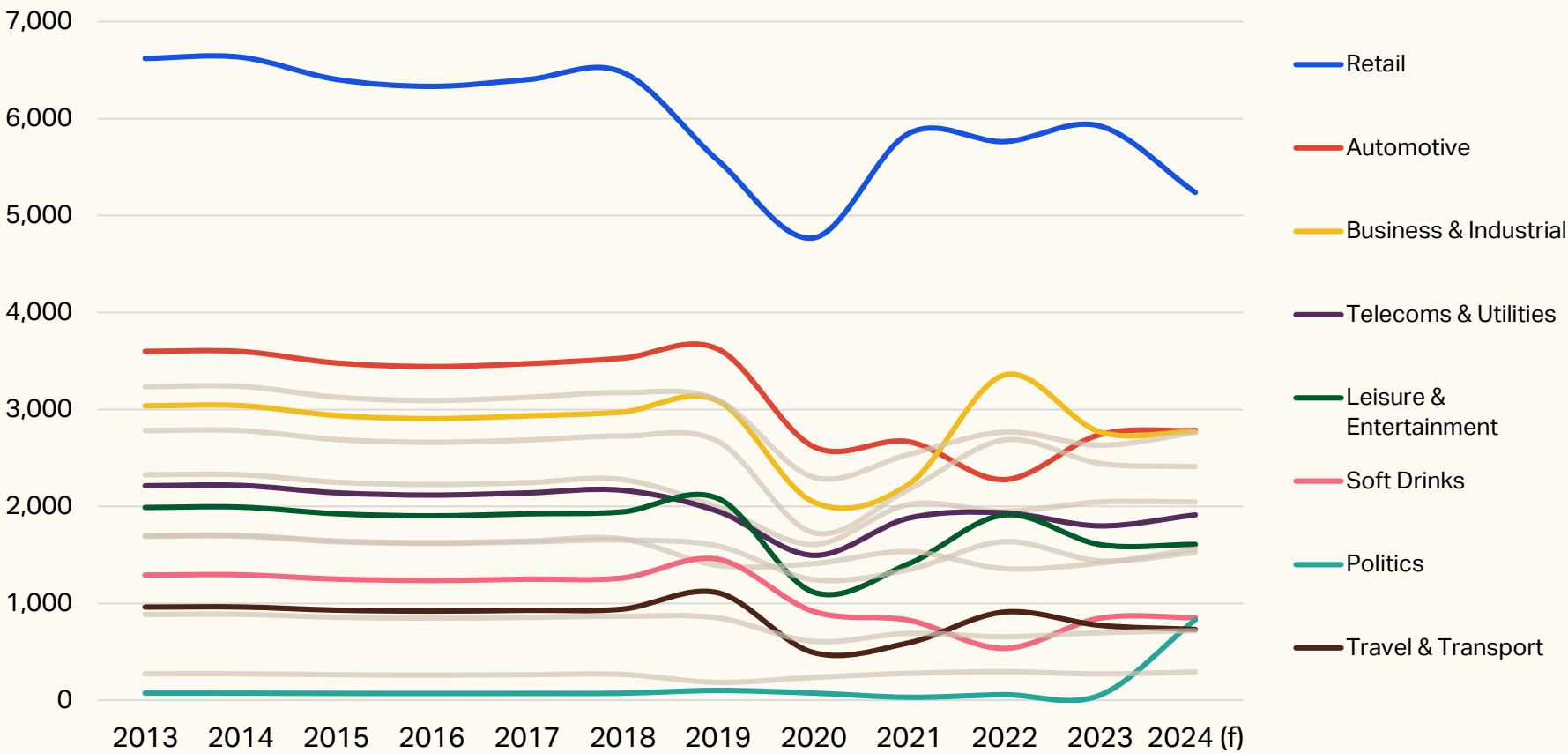
Political spend drives recovery

The decline in worldwide radio ad spend has been caused by attrition across brand category. Of the top 10 spending categories on radio, as measured by WARC Media, in each case investment levels in 2024 are forecast to be lower than they were a decade ago.

The one category set to buck that trend in a big way is politics, which is forecast to see a monumental 1,452.1% year-on-year increase in global radio ad investment. Spend by political organisations will reach \$870.7m in 2024, driven in large part by the upcoming US Presidential Election.

Global, Radio advertising investment by category

USD millions



Note: Periods denoted with (f) are WARC forecasts.

Source: WARC Media, Nielsen Ad Intel

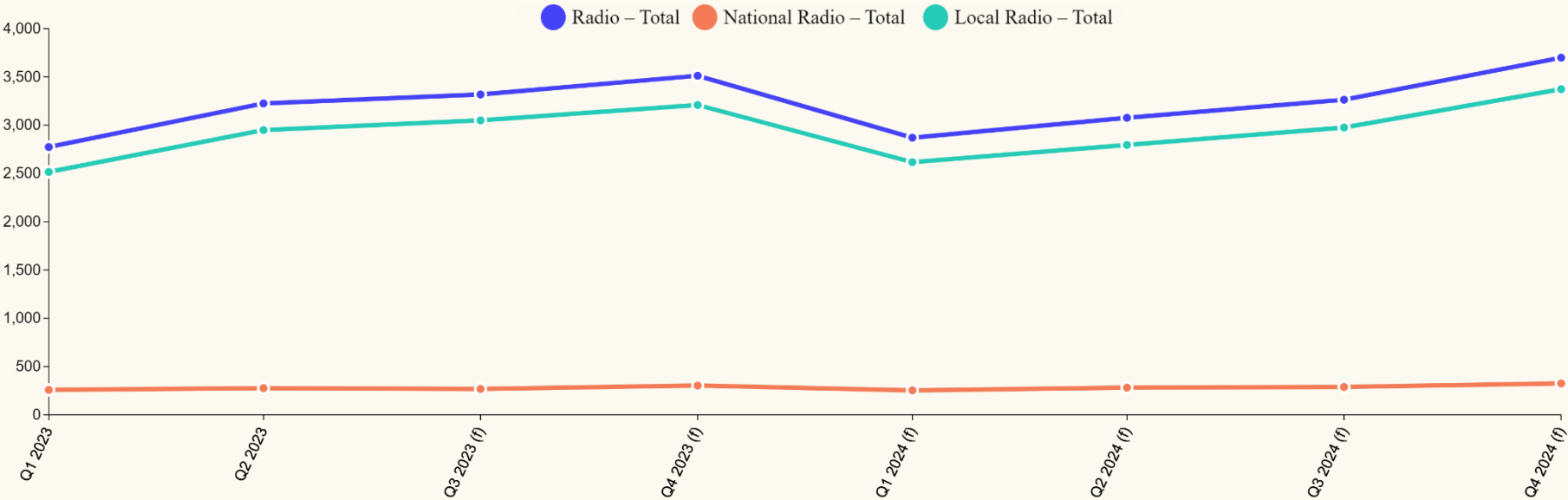
US radio spend to exceed 2019 levels

The impact of political ad spend on radio is most clear to see in the US, with spend finally inching up towards pre-pandemic levels. Investment with radio is forecast by WARC Media to reach \$3.7bn in the fourth quarter this year, during which the Presidential Election will take place, up 5.1% on the same period 12 months previously. It represents the highest quarterly investment in the US since 2018.

The bulk of radio spend in the US continues to go to local stations. Local radio investment is forecast to stand at \$11.8bn in 2024, representing 91.1% of total spend with the medium.

United States, Radio advertising investment

USD millions



Note: Periods denoted with (f) are WARC forecasts.

Source: WARC Media

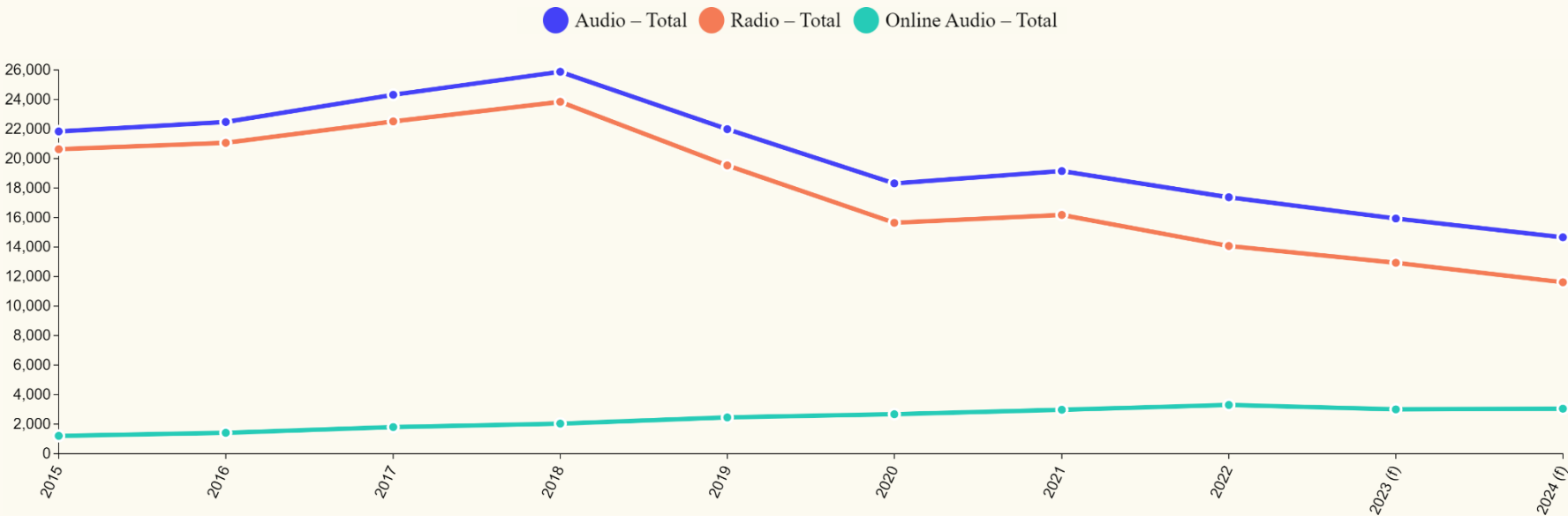
China’s radio ad decline continues

As America’s radio ad market begins to tick upwards, spend in China continues to tumble. Investment in 2024 will drop 10.2% year on year to RMB 11.6bn (\$1.6bn), less than half of the RMB 23.8bn (\$3.3bn) Chinese brands spent on radio in 2018.

Unlike markets in the West, where audio investment is switching from broadcast radio to digital formats, the growth in online audio spend in China has been minor to date. WARC Media forecasts growth of only 1.6% for online audio in China, following a 9.1% decline in 2023. A similar trend can be seen in Asian markets such as Japan and Korea.

China, Audio advertising investment

RMB millions



Note: Periods denoted with (f) are WARC forecasts.

Source: WARC Media

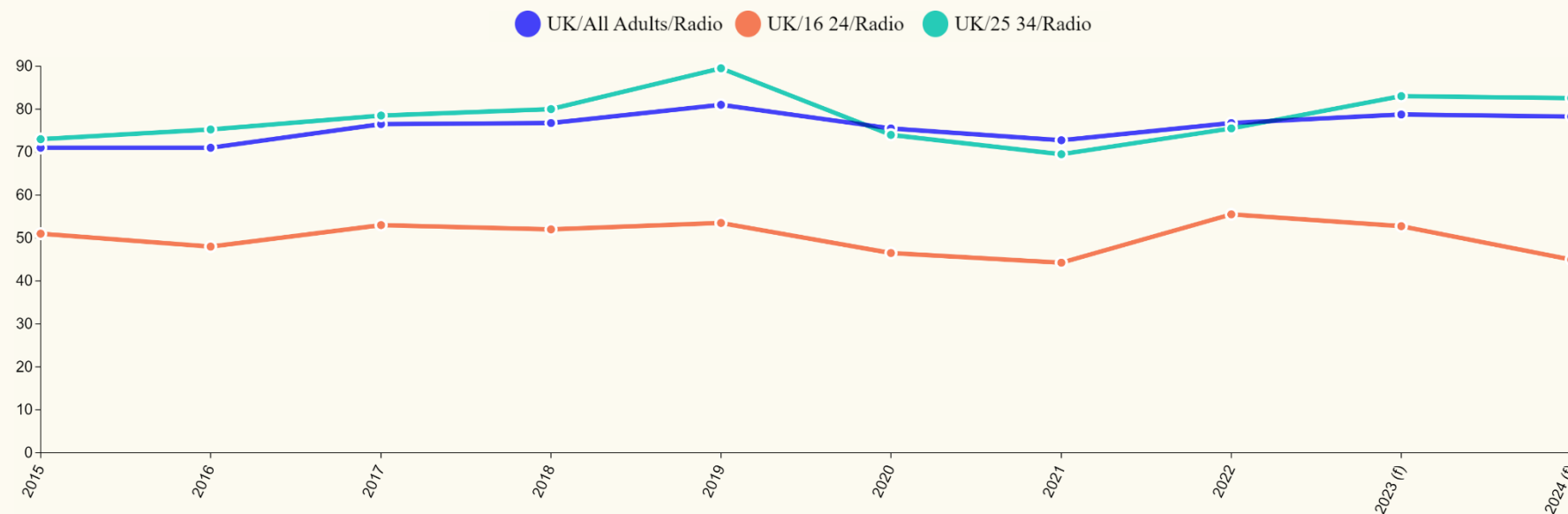
UK commercial radio holds firm

In stark contrast to linear TV and print media, radio consumption appears to be in rude health in the UK. According to [GWI](#), adults will listen to an average of 78 minutes of radio content each day – up from 71 minutes in 2015.

[RAJAR figures](#) show that listening is increasingly going to ad-funded stations (as opposed to the ad-free BBC), with commercial radio attracting 3.5 million more listeners than five years ago. The combined weekly audience for all BBC and commercial radio in the UK stands at 49.5 million, representing 88% of the adult population.

United Kingdom, Radio media consumption

Average daily consumption, minutes



Note: Periods denoted with (f) are forecasts.

Source: WARC Media, [GWI](#)

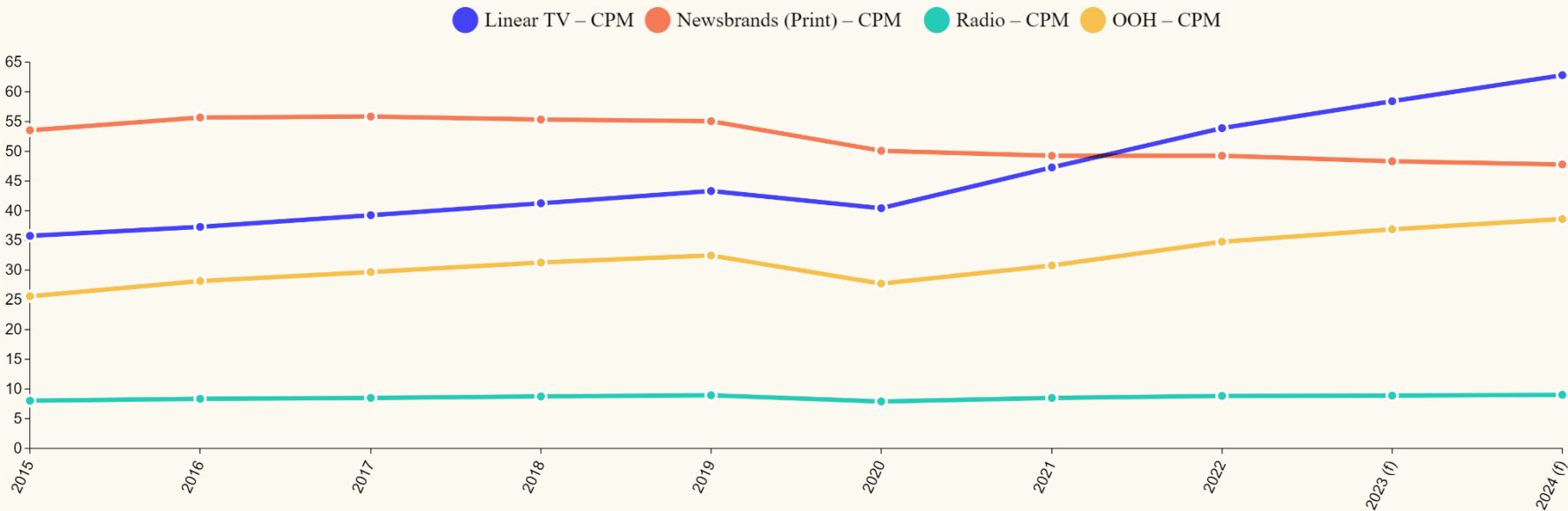
Radio avoids TV-style inflation

Digital media has benefited from a perception of providing cheap reach – certainly in comparison with channels like TV and print, which have seen ad costs tick upwards in recent years.

In contrast, radio remains a relative bargain. In Australia, for example, radio CPMs will hold steady at AUD9.00 in 2024, per WARC Media, the same cost recorded in 2019. In comparison, brands in Australia are braced for further inflation in TV (+7.5%) and OOH (+4.7%) over the coming 12 months, as advertisers strive to maintain reach in a fragmenting marketplace.

Australia, Radio media costs

AUD



Note: Periods denoted with (f) are forecasts.

Source: WARC Media, World Federation of Advertisers

What it means for brands

1 Radio still matters, even to the young

In many markets, the rise of on-demand audio formats like music streaming and podcasts do not appear to have diminished the appetite for live radio.

It appears that Millennial consumers are adopting the older generations' audio behaviours, and listening to increasing quantities of radio as they enter their fourth decade. This suggests situational benefits to radio listening, for instance in the context of car ownership.

2 AI can assist cross-device radio planning

Radio listening is increasingly splintered across devices. For instance, smart speakers account for 17% of all commercial radio hours in the UK, adding complexity to campaign planning.

Radio media owner Global is using AI modelling to help brands to target previously "untargetable" audiences. It analyses audio consumption from identifiable users and looks for similar habits in their unidentifiable counterparts.

3 Positivity key to radio creative impact

Audio ads that make listeners feel more positive can "dramatically" impact consumer behaviour and deliver longer-lasting brand effects, a new study by System1 and Radiocentre has found.

Radio campaigns that create more positive and less negative emotion saw large increases in word of mouth and uplifts in social sharing, and audio ads, that make listeners feel more positive, dramatically change consumer behaviour.

More from WARC

More from WARC Media

- [The Future of Media 2024](#)
- [The Big Picture: Music streaming](#)
- [The Big Picture: Podcasts](#)
- [Radio ad investment suffers as local stations fail to recover from COVID-19](#)
- [Streaming and podcasts most popular audio media formats](#)

More from WARC Strategy

- [What we know about radio and audio audiences](#)
- [What we know about radio and audio effectiveness](#)
- [What we know about using music in advertising](#)
- [How making smart speaker targeting smarter created an opportunity for brands](#)

Case studies

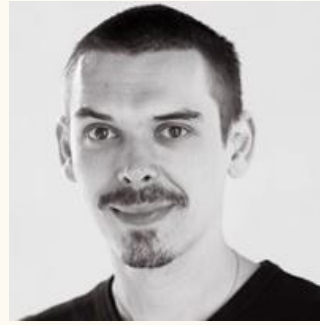
- [Babyshop: Frequencies of peace](#)
- [Radiocentre: Radio Planning Optimiser](#)
- [Mazda Southern Africa: One With the Drive](#)
- [Domino's UK: Yodel – The mighty call for pizza, resounding in mountainous sales](#)
- [Slovak Telekom: Unlimited Summer](#)

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