

Why The Westwood ROI Guarantee Is Brilliant

By **Radio Ink** - October 26, 2017



(By Eric Rhoads) Yesterday Suzanne Grimes, EVP of corporate marketing for Cumulus Media and President of Westwood One, announced that radio advertising on Westwood One will provide an ROI guarantee to clients.

This is absolutely brilliant. Though this is something I encouraged the industry to do in an editorial more than 10 years ago, Grimes is, to my knowledge, the first to actually do it.

Why is it brilliant?

First, it sends shockwaves across the media world because Westwood is so confident that ROI will be strong, it's willing to offer a guarantee.

Secondly, not only does this exude confidence and create buzz, it takes all the risk out of investing in radio. Anyone on the fence about radio has absolutely nothing to lose.

Grimes smartly says the client will have to agree to certain criteria to make sure the campaign works. The company release says "the commercial creative will be pre-tested and benchmarked against industry audio creative test norms to ensure consumer impact and resonance."

And the client needs to agree that Nielsen will measure the return on advertising spend on behalf of the radio campaign, which includes all media that run across the entire broadcast radio landscape, as well as Westwood One, "by matching Media Monitors ad occurrences with Portable People Meter listening, Nielsen credit card data, and in-store CPG purchase data from Nielsen Catalina Solutions."

That lends credibility to the campaign.

The one thing I would add is a requirement for a certain size schedule for a certain length of time, with a specified frequency. Radio's failure is usually a result of not enough frequency over not enough time ... and poor creative.

Though the guarantee is gutsy, it's not entirely risk-free, and that is the one thing I think could make this program fail.

For instance, Westwood One says that if ROI is not positive, it will run "no-cost supplemental media weight sufficient to deliver the guaranteed ROI."

Though that's great, if the first campaign failed, the second campaign probably will too. So what it's really saying is that if a campaign doesn't work, you get another campaign; if it's an equivalent campaign, you're really paying 50 cents on the dollar.

Grimes has not truly removed all the risk by just offering to supplement or repeat the campaign. It's not going to work as well as if Westwood One were confident enough to offer a 100 percent money-back guarantee.

A money-back guarantee would say Westwood is so confident that you cannot lose. If your investment in radio fails, you get all your money back. That would get even more attention from those who are otherwise unsure about risking money in radio.

Of course, Westwood One's people are smart, and they won't let anyone fail. If I were doing this, I'd work extra hard to make it work by running bonus inventory whenever possible. Because once you convince a client you can give them an excellent

ROI, they will be back. Clients will then talk it up and Westwood will have headlines in *Ad Age* and *AdWeek* about its success. Wouldn't that be refreshing?

Suzanne Grimes may have done the most innovative thing offered in the radio industry in 20 years. She gets my applause.

What happens next?

Though Westwood One is first, others on that scale will have no choice but to offer the same or better guarantee. Everyone will be watching to see if they have the same level of guts. The benefit will be substantial new business for radio.

Grimes is demonstrating tremendous innovation, industry leadership, and guts by doing this. As Jay Abraham (a speaker at our upcoming Forecast conference), says, "Every sales opportunity should remove all the risk."

Could you do this at your stations?

You could, and you should. Why not?

The key to guarantees is controlling the guarantee agreement. I would never offer it unless I approved the creative (and testing it is even better) and I approved the frequency and length of the campaign.

You can also gain better control of whether ad campaigns work. If radio has a bad reputation with advertisers for not working, it's because we wimp out and accept puny schedules and poor frequency that can't succeed, or we let advertisers run weak commercials with no call to action and no compelling offer.

If you get people to agree to a special campaign program meant only for special guarantee customers, you can't lose ... that is, if you believe in your ability to make products move off the shelf. I know I can make a campaign successful on any station, no matter what its reach, if I have the right frequency and creative.

If every radio station in America developed a no-risk, money-back guarantee and based it on very reasonable criteria so you know the campaign will work, radio would see revenues soar. The RAB should jump on this and offer special training on how to do this immediately. Because of the publicity Grimes will generate, clients will be asking. You need to be ready.

I own a substantial multi-million dollar direct-marketing business where we have learned that if the guarantee is weak or does not take away 100 percent of the customer risk or customer fears, the offer will fail.

Why not have something on your rate card that says, "Ask me about our 100% ROI Money-Back Guarantee Program"? Run those clients through a special presentation and revenues will increase, you'll bring in new clients, and you'll prove your value to anyone who is unconvinced of radio's power. Everyone who sees it will feel your confidence.

Don't believe me? Pick 10 fence-sitters who have not done radio, or 10 who say radio does not work, and present a program that will work. Remove the risk. You may only sell a couple in the beginning, but once you get proof, testimonials, and video (part of your agreement), you'll get more the next time around.

Don't put this in the hands of a rookie. This is a management-level approval process.

Try it and watch radio soar.

In a recent editorial, I mentioned that most innovation does not occur inside of an industry, but comes from the outside. Some whined because Grimes didn't come from radio, yet now she has made one of the most innovative and potentially successful moves anyone in radio has made in years. She deserves applause from this industry.

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