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P&G, A Top 5 Radio User, Just Had Its Best Sales Growth In A Decade.

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Procter & Gamble

Even as it cut back on overall ad spending, Procter & Gamble has become a voracious radio user, nearly tripling its radio ad volume from first quarter to fourth quarter last year, according to data from Media Monitors. The marketing strategy appears to be working. On Tuesday the consumer packaged goods giant reported its best quarterly and fiscal-year sales growth in a decade.

Net sales rose 4% to \$1.71 billion in the company's fiscal year 2019 fourth quarter. Organic sales increased 7%, excluding the impacts of foreign exchange, acquisitions and divestitures. For fiscal year 2019, net sales increased 1% to \$67.7 as organic sales increased 5% after removing the impacts of foreign exchange, acquisitions and divestitures.

The world's largest advertiser has been decreasing ad spending – both in absolute terms and as a share of sales – according to Ad Age. But as **Inside Radio** has been chronicling for some time, its radio usage has grown, making it radio's fifth largest advertiser of 2018, based on spot count.

Media Monitors CEO Philippe Generali earlier predicted the CPG behemoth could be the top radio advertiser in 2019. "The CPG company is already the No. 1 advertiser on broadcast TV and cable and is clearly looking to also become a dominant player in the radio advertising world," Generali said in a Westwood One blog post. "No doubt P&G loves the additional unmatched reach across the U.S. population that radio can provide to them when they are maxed out on TV and cable."

In a media conference call, P&G Chief Financial Officer and Co-Chairman Jon Moeller said he expects last quarter's ad spending trends to continue in the new fiscal year – in light of its recent sales strength. "The strength of our program is up vs. a year ago," Moeller said, as reported by Ad Age, as P&G cut out excess frequency of ads targeting the same people while increasing reach. "You can see the effect of the program obviously in the top-line growth," Moeller said. "And you can expect that trend to continue into next year."

P&G has been a big network radio user since 2017, using it as a low cost vehicle to provide tonnage on a national scale. But as network inventories have tightened and as the CPG giant looks to heavy up in specific markets, it is now using national spot radio. After shifting some of its TV budget to radio, P&G

is "seeing that they will exceed most of their sales goals," Ed Whitman, VP & Director of Sales at Katz Tri-State Radio, said during a panel at the New Jersey Broadcasters Association convention in Atlantic City, NJ in June. "We just did a recent campaign with them for Crest which was very well received."

One of the nation's most data-driven advertisers, P&G recently built a data and analytics learning lab based on anonymous audience data and retail purchase information. "We're moving from generic, demographic targets like women ages 18 to 49 to more than 350 smart audiences like first-time moms, millennial young professionals, first time washing machine owners to reach the right people at the right place at the right time," Moeller explained June 13 at the dbAccess Global Consumer Conference.

To plan and buy radio, the company has been using Nielsen Media Impact, the media planning tool that recently added radio data to the media it tracks.

At the dbAccess conference, Moeller also spoke about the importance of creative in P&G's marketing strategy. "We strive to communicate product and packaging benefits with superior brand messaging, advertising that makes you think, talk, laugh, cry, smile, act and of course buy," Moeller said.

"Advertising that drives growth for categories and brands, advertising that clears the highest bar for creative brilliance, sparking conversations, affecting attitudes, change in behaviors and sometimes even defining popular culture."