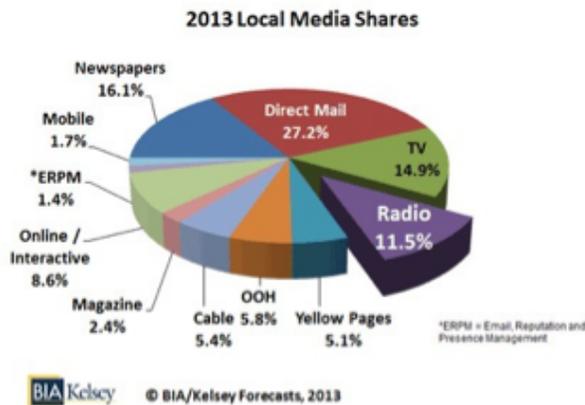


Radio and Broadcast Television Maintain Competitive Positions in Local Market Ad Spending

New State-of-the-Industry Report Shows Local Radio Stations with Fourth Largest Share of Local Ad Revenues, Behind Direct Mail, Newspapers and TV, with Third Largest Share



Based on this definition of local advertising, **local radio stations receive 11.5 percent** of all advertising revenue being spent in local markets, radio is **fourth** amongst all local media segments, behind direct mail (27.2 percent), newspapers (16.1 percent). **TV is in third with 14.9 percent.**

The local radio market is growing, albeit at a more moderate pace than it once did, by expanding its offerings to off-air platforms, providing a wider range of listener experiences and advertiser opportunities, according to BIA/Kelsey's new state-of-the-industry report.

"Local Radio Stations Profiles and Trends for 2014 and Beyond" provides a comprehensive view of the industry based on the long-term research and analysis conducted by BIA/Kelsey for its clients and the industry.

Defining the local media marketplace as all local media/services that provide access to local audiences, BIA/Kelsey estimates total local media spending for 2013 to be \$132.7 billion. This marketplace includes all of the media that local radio stations compete against for national and local advertising spending in their markets.

"As we move toward 2014, it's clear the radio industry has adapted to incredible competition from all sides, with streaming and other audio competitors taking audiences," said Mark Fratrick, chief economist and report author, BIA/Kelsey. "Yet local radio is surviving, and in some instances, thriving, and poised to compete well in the new marketplace. Radio is also beginning to deliver other compelling digital services that help its local advertisers navigate promotional opportunities. With the right attitude towards the new reality of increased competition and strategic planning, local radio stations can prosper."

As local radio works to keep pace with digital innovation, the landscape of radio advertisers reveals an attractive and diverse group. Local radio generates over 10 percent of its advertising from five different groups of advertisers: **retail** (18.0 percent of total radio industry revenue), **financial/insurance** (17.0 percent), **restaurants** (14.5 percent), **automotive** (14.0 percent) and **technology** (10.0 percent).

Nationally, BIA/Kelsey's Media Ad View Plus forecast reveals local radio stations receive 14.3 percent of all

advertising spent by finance and insurance companies and 12.1 percent of all advertising spending by restaurants. This diversity of advertisers, along with the strong market share with those advertisers, indicates radio remains an important part of the advertising mix for several groups of national and local advertisers.

Another indication of the success of the radio industry's performance is the recent increase in values of publicly traded radio companies. Like other local media companies, values of public radio companies have increased by 68.2 percent through the first three quarters of 2013, easily beating the performance of the overall stock market. But as competition for audience share continues to cut into audience share for radio stations, the industry needs to be on its toes to remain competitively viable.

(Source: BIA/Kelsey, 11/11/13. The 65-page report is bundled with a companion presentation that summarizes the top findings for \$995, after \$100 discount for RAB Members. Details about BIA/Kelsey's Media Ad View forecast can be found [here](#).)