PLAYING TO WIN:
BUILDING A MULTIPLATFORM, INTERACTIVE LOCAL SALES STRATEGY

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Welcome & Introduction

- Thank you for joining us
- We are going to do a rapid fire discussion to accomplish the following:
  - Showcase a proven method for driving Local Sales
  - Share our most compelling new data as it relates to national and local forecasts, ad revenue, advertiser trends, consumer trends
- When you leave, we want you to have a solid idea of how we can help you build a strategic and tactical roadmap that will drive a new level of success
Radio Today

- It’s a multiplatform world that serves up all forms of content to consumers *whenever*, *wherever* and *however* they want it.

- To win, radio companies need an all-inclusive sales strategy that's built on reliable market forecasts, strategies, trend analysis and competitive intelligence.

Evolving Media World

- Multiplatform
- Interactive
- Targeted
- Measurable
- Real-time
We Know the Radio Industry

- This month marks 30 years of proudly serving radio
- Our goal is to help you leverage opportunities of digital, mobile and social to put yourself in the best possible position to compete
- Our Sales Driver Practice™ combines
  - Market insights
  - Ad revenue forecasts
  - Competitive assessments
  - Advertiser trends
  - Consumer usage
  - Industry research
Media companies are **driving revenue following the Sales Driver Practice** because it helps them do critical tasks successfully:

- Develop and implement sales plans
- Determine product strategies
- Build deeper and broader engagement with customers across traditional and digital presence platforms
- Set realistic, achievable budgets
- Mobilize sales teams with factual data

Let’s walk through the steps and examine data highlights
Seven Steps of the Practice

- **Step 1:** Acquire reliable view of the local media landscape
- **Step 2:** Size the current and future local market
- **Step 3:** Profile the competition
- **Step 4:** Track advertiser trends
- **Step 5:** Understand the changing consumer
- **Step 6:** Operate with reliable, actionable market insights
- **Step 7:** Create a concise strategic roadmap
What’s the Truth About the State of the Industry?

- **Step 1:** Acquire reliable view of the local media landscape
  
  - Step 2: Size the current and future local media market
  
  - Step 3: Profile the competition
  
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  - Step 7: Create a concise strategic roadmap

To compete, you must start with a thorough understanding of the current market situation and the key areas driving the industry forward.
Step 1: Acquire a Reliable View of the Local Media Landscape

To compete, you must have a thorough understanding of the current market situation, as well as the key areas driving the industry forward.

- BIA/Kelsey continually monitors the local media marketplace.
- Twice annually, we build a U.S. Local Media forecast that brings together projections for each media segment.
- The forecast offers a holistic view of the U.S. local advertising picture.
Local Media Five-Year Forecast

Note: Numbers are rounded.
Steady Shift Toward Digital Media

2011-2016 CAGRs:
- Total Media CAGR 2.3%
- Traditional Media CAGR -0.3%
- Online/Digital Media CAGR 12.3%

Note: Numbers are rounded.
Radio: Five-Year Forecast

Note: Numbers are rounded.

US$ Billions

- **Broadcast Radio**
  - 2012: $14.3
  - 2013: $14.7
  - 2014: $15.0
  - 2015: $15.4
  - 2016: $15.8
  - 2017: $16.2

- **Online**
  - 2012: $0.5
  - 2013: $0.6
  - 2014: $0.6
  - 2015: $0.7
  - 2016: $0.7
  - 2017: $0.8

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FORECASTING 2014 DIGITAL GROWTH TRAJECTORIES IN RADIO

Local radio broadcasting is evolving into a multiplatform industry as stations serve audiences and advertisers not only over the airwaves but also via live streaming to mobile, tablet and desktop players. Hear new consumer and business research findings and learn how local radio operators can develop and implement digital strategies to build and maintain successful operations.

INFO & REGISTER:

www.nab.org/events/schedule.asp?id=2783
What is Driving Local Market Ad Dollars?

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With an objective 5-year market outlook from the U.S. Local Media Forecast, the next area to examine is your local market.
Step 2: Size the Current & Future Local Market

The local marketplace is packed with traditional and digital media companies competing for advertiser budgets.

While traditional media companies hold a dominant position, digital and mobile alternatives continue to attract more ad dollars.

- To track local ad dollars, BIA/Kelsey’s Media Ad View Plus examines what businesses are spending in every local market and breaks down the ad spend into estimates for 94 different advertiser categories.
Tracking Local Market Level Ad Spending

Austin, TX

2013 - $886 Million

- Direct Mail: 28.2%
- TV: 12.6%
- Cable TV: 5.7%
- Newspapers: 16.7%
- Online: 8.9%
- Internet YP: 1.9%
- Mobile: 1.8%
- Magazines: 2.9%
- ERPM: 1.5%
- Out-Of-Home: 6.0%
- Print YP: 3.5%
- RADIO: 10.5%

2017 - $1,050 Million

- Direct Mail: 26.3%
- TV: 11.2%
- Online: 12.5%
- Newspapers: 12.5%
- Mobile: 6.4%
- Print YP: 1.6%
- Internet YP: 2.3%
- Cable TV: 5.8%
- ERPM: 2.1%
- Out-Of-Home: 6.3%
- RADIO: 10.6%

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Drilling Into Business Spending

Austin, TX 2013 - $87.0 Million

- Television: 26.5%
- Direct Mail: 15.5%
- Cable TV: 7.5%
- Internet YP: 0.8%
- ERPM: 0.7%
- Magazines: 2.4%
- Mobile: 1.1%
- Newspaper: 21.1%
- Radio: 12.4%
- Online: 8.7%
- Print YP: 1.2%
- OOH: 2.3%

Automobile Dealer Advertising – Austin, TX vs. Nationwide

- Television: 30.6%
- Direct Mail: 14.4%
- Cable TV: 6.8%
- Internet YP: 0.7%
- ERPM: 0.6%
- Magazines: 1.9%
- Mobile: 1.0%
- Newspaper: 19.7%
- Online: 8.1%
- Print YP: 1.1%
- OOH: 2.1%

U.S. 2013 - $12.51 Billion

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Local Radio Compared to Other Media

Local **RADIO** advertising is diverse, generating over 10% of its advertising from five different verticals: Retail (18%), Financial/Insurance (17%), Restaurants (14.5%), Automotive (14%) and Technology (10%)

- VS -

**DIRECT MAIL** dominates ad spend by local retail advertising, garnering over 43% of total retail advertising in 2012

Despite declines in **NEWSPAPER** circulation, local advertising on Newspaper was $22.5 billion in 2012, representing 17.1% of total advertising and second only to Direct Mail

**TELEVISION** still dominates the local Automotive advertising vertical, as well as the local Government/Political/Religion ("GPR") vertical
ONLINE local advertising will exceed $1 billion in 2013 for six different advertising categories. Top two:

- TECHNOLOGY ($2.1B)
- RETAIL ($1.8B)

ONLINE and MOBILE are the top growing ad channels. By 2017:

- REAL ESTATE will increase its online ad spend to 40.8%
- AUTOMOTIVE dealers will focus on video, spending 11.4% of their $2.4 billion online ad budget on video display
- Quick service RESTAURANT category (subset of restaurants) will increase its online spending from $434.4 million to $618.6 million
Who’s Biting at Your Ankles?

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Now that you have a thorough picture of your market’s landscape, it's critical to identify and drill into competitive threats.
Online solutions continue to emerge, from pure play online providers and from traditional media companies.

This crowded environment makes it necessary—yet difficult—to be aware of all the competitors splitting the ad pie.

- BIA/Kelsey’s **Competitive Intelligence** service follows a formal process to examine traditional and online competition, their competitive offers, pricing, strengths and weaknesses.
Competitive Intelligence Matrix

- To gain a competitive position, it’s critical to understand your competitors to decide the best choice of action.
- We help companies with:
  - Competitive company reviews and product research
  - Market landscape sizing and description
  - Market entry and exits
  - Pricing strategies and tactics
  - Analysis and insight generation to drive Innovation
  - Sales training outsourcing
  - CI employee and team training
So, What Are Advertisers Really Buying?

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After developing the best competitive strategy for your business, it’s time to focus on the purchasing behaviors of your advertisers so you can deliver compelling advertising opportunities.
Step 4: Track Advertiser Trends

- BIA/Kelsey’s Local Commerce Monitor (LCM) offers deep insights into how the actions and intentions of advertisers have changed significantly in recent years.

How are advertisers using media and adapting to new technologies?

LOCAL COMMERCE MONITOR (LCM)
Percentage of Radio Advertisers’ Budgets Going to Digital/Online

Source: Local Commerce Monitor” (LCM – Wave 17), BIA/Kelsey’s ongoing study of the advertising behaviors of small and medium-sized businesses (SMBs)
Mobile Payments: Valid Option

ADVERTISERS

40% SMBs accept payments at the point of sale with a mobile credit card reader attached to a smartphone or tablet

16% SMBs plan to add this capability within the next 12 months

Source: Local Commerce Monitor” (LCM – Wave 17), BIA/Kelsey’s ongoing study of the advertising behaviors of small and medium-sized businesses (SMBs)
ADVERTISERS

72% SMBs use social media to promote their businesses

25% SMBs have a Google+ Local page for their business

52% SMBs have a Facebook page for their business

66% SMBs say they are “extremely engaged” or “very engaged” with customers on social media

Source: Local Commerce Monitor” (LCM – Wave 17), BIA/Kelsey’s ongoing study of the advertising behaviors of small and medium-sized businesses (SMBs)
Will the Campaigns of Advertisers Net ROI?

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Equally important to understanding the buying behaviors of your advertisers, it's critical to know how consumers are evolving their use of media sources.
Step 5: Understand the Changing Consumer

The rapid growth of smartphones and tablets is having a significant impact on the way consumers are making purchase decisions.

Critical to servicing any advertiser is understanding the thought process of customers.

- BIA/Kelsey’s Consumer Commerce Monitor (CCM) provides insights on how U.S. consumers are evolving their use of traditional and online information sources to find and locate local serving businesses.
How Are Users Consuming Media?

- **SOME RECENT FINDINGS:**
  - Consumers use a wide variety of both traditional and digital media to find and shop for local services and products.
  - This behavior parallels the fragmentation seen in use of media by small businesses.
  - Consumers are making more appointments online for services like auto, beauty, and healthcare.
What’s the Meaningful Story Behind the Research and Data?

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Building on our forecasts, competitive intelligence and advertiser and consumer research, BIA/Kelsey offers forward-thinking market insights that provide a 360-degree view into how your business can grow.
Step 6: Operate with Reliable, Actionable Market Insights

BIA/Kelsey packages its forecasts, research, reports and analyst team to give you direct access to the information most valuable for your business.

We offer deep intelligence about the market's direction and viable economic opportunities.

- We work with every client to determine the data and analysis they need to propel their business forward. Use us as your catalyst for success.
Key Coverage Areas

- **ONLINE SEARCH/MARKETING** – Marketing intelligence on local online and mobile search, as well as email, reputation and presence management (ERPM).

- **MOBILE** – Research and analysis of the geolocal advertising opportunity.

- **SOCIAL** – Directional analysis of the growing and dynamic social media ecosystem.

- **LOYALTY & TRANSACTIONS** – Examination of the emerging loyalty and transaction marketing solutions sector.

- **VIDEO** – Intelligence on leveraging video media assets and inventory in local markets.

- **YELLOW PAGES** – Analysis and strategic resources for global print and Internet Yellow Pages.

- **SALES FORCE TRANSFORMATION** – Analysis and case study examinations of the rapid changes in digital media sales.
A Look at Our Industry Analysts

JED WILLIAMS
Sr. Analyst and VP, Consulting

RICK DUCEY
Managing Director

MARK FRATRIK
VP, Research and Chief Economist

PETER KRASILOVSKY
VP Conferences and Sr. Analyst

STEVE MARSHALL
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Director of Insights and Analytics

SUZANNE ACKLEY
Senior Research Analyst

MICHAEL BOLAND
Sr. Analyst and VP, Content

JEANNE DIXON DATILLO
Sr. Analyst, Media Valuations
What’s the Win-Win for a Business?

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Data is great and research is interesting – but unless it drives value for your business, it’s essentially meaningless. How can you put it all together to create a strategic roadmap that drives your business?
Step 7: Create a Concise Strategic Roadmap

- It’s your business – you need a plan designed for you. That’s what we do.
- As the leading expert in cross-platform local advertising, BIA/Kelsey can help design a business strategy that drives new levels of success for radio companies.

Building a Multi-Platform Product & Sales Strategy
Market research and sales transformation

Due Diligence & Strategy for Entering a New Market
Competitive intelligence and due diligence

Transforming Mobile Platforms Into Revenue Centers
Product development, mobile advertising, sales strategy
Services That Drive Growth and Revenue

- BIA/Kelsey’s local media & advertising expertise helps clients:
  - Understand the dynamics of your local marketplace
  - Identify, analyze and manage the competition
  - Base decisions on reliable, actionable market insights
  - Align resources efficiently to drive operations
  - Make investments in newly identified growth opportunities

RESULT:

Accelerating our client’s business growth and financial bottom line
Questions?