

Communications Tops for Radio Again in Q2, Up 27%
Retail, Professional Services Post Strong Gains

Digital Sector Continues to Shine

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New York, New York – August 16, 2013 – Radio’s Second Quarter 2013 revenue registered “no change” from 2012, at \$4.66B. First-Half comps were similarly flat, at \$8.44B. Digital provided a bright note, up 16% for the Quarter and 13% for the Half. Network was down 4% for both periods.

“First-Half activity yielded a mixed-bag of results,” stated Erica Farber, President & CEO of the RAB. “While the Second Quarter was flat, activity was gaining as the months progressed, an encouraging sign for growth in the latter half of 2013.”

Revenue Comparisons - 2013 vs. 2012 (In Millions)				
Revenue	\$Q2 '13	% Chg	\$FH '13	% Chg
Spot	3,742	Flat	6,744	-1%
Network	285	-4%	553	-4%
Digital	222	16%	401	13%
Off-Air	407	Flat	745	2%
Grand Total	4,656	Flat	8,443	Flat

Source: Miller Kaplan Arase LLP.*

“When we analyze results for the year thus far,” Farber continued, “we see a clear commitment to advertising and Radio on the part of the most successful companies within their respective categories.”

“Not only does this affirm the impact of maintaining an advertising presence through all economic climates, it underscores the fact that these marketers know the intrinsic value that Radio – both on-air and digital – brings to their brands.”

The Communications/Cellular category increased Spot spending by over ¼ versus Q2 '12, solidifying their hold on the top rank for the quarter and for the year thus far. An overview of Spot activity among the categories that contribute the most to Radio’s bottom line indicates increased spending by advertisers at the mid-tier level:

Top 10 Category Trends*
2013 vs. 2012 Spot Radio

Category	Q2 2013		Q2 2012		FH 2013		FH 2012	
	Rank	% Chg	Rank	% Chg	Rank	% Chg	Rank	% Chg
Communications/Cellular	1	+27%	2	-5%	1	+28%	4	-14%
Auto Dlrs/Dlr Groups/Mfrs	2	-11%	1	+17%	2	-14%	1	+9%
Restaurants	3	-3%	3	-3%	3	-3%	3	-3%
TV/Networks/Cable	4	-11%	4	-4%	4	-7%	2	-3%
Beverages	5	-15%	5	-2%	8	-14%	8	-10%
Financial Services	6	-7%	6	-21%	5	+1%	5	-16%
Grocery/Convenience Stores	7	-8%	7	-3%	6	-4%	6	+2%
Insurance Companies	8	-8%	8	+10%	7	-7%	7	+4%
Dept./Discount Stores	9	+33%	11	-27%	10	+42%	14	-18%
Concerts/Theater/Movies	10	+7%	9	+9%	13	Flat	13	-1%

*Based on Q2 2013 dollar volume rank

Source: Miller Kaplan Arase LLP: X-Ray Markets

(Revenue growth rates based on the 40 market X-Ray pool may not be fully indicative of the industry results as a whole.)

*Spot Radio, Digital and Off-Air revenues are based on a pool of more than 100 markets as reported by the accounting firm of Miller Kaplan Arase LLP and extrapolated to the entire U.S. Digital Revenue is comprised from activity generated by websites, Internet/web streaming and HD Radio including HD2 and HD3 stations. Network Revenue includes seven major Radio network companies. Revenue data has been randomly verified since 2002.

The lineup of markets/stations may vary from year to year. Percent change is calculated on revenue adjusted to current year reporting.

The Radio Advertising Bureau serves more than 6,000 member Radio stations in the U.S. and over 1,000 member networks, representative firms, broadcast vendors, and international organizations. RAB leads and participates in educational, research, sales, and advocacy programs that promote and advance Radio as a primary advertising medium.

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2013 Growth Leaders Analysis

Radio's Top 10 in Q2

Radio's "Top 10" for Q2 comprises advertisers from seven different categories. With Communications/Cellular leading spending in the Quarter, advertisers from this group dominate the list in the #1, #3, #5 and #8 spots; and all four increased their commitments to Spot Radio significantly over Q2 2012.

Among the “Top 10” only three spent less this Quarter than they did last year.

<u>Rank</u>	<u>% Change - Q2 '13 - '12</u>
1) AT&T	+ 61%
2) Comcast XFINITY Cable Service	+ 8%
3) T-Mobile	+ 67%
4) McDonald’s	- 8%
5) Verizon Wireless	+ 16%
6) PepsiCo	- 12%
7) Safeway	- 4%
8) Sprint	+153%
9) Walmart	+ 40%
10) GEICO Insurance	+ 16%

Advertiser Category Analysis

Q2 2013 and First-Half 2013

Auto Dealers/Dealer Groups/Manufacturers

After setting the pace for spending throughout 2012, this category has slowed a bit this year. With spending levels down 11% for the Quarter and 14% for the Half, Automotive has been passed by Communications/Cellular for #1 but holds strong in second thus far YTD.

In Q2, Ford Dealer Association (spending up 18%) and Toyota Dealer Association (-17%) virtually dead heated as top Automotive Spot advertisers, with Toyota coming out ahead by a bumper sticker. Those two each spent 45% more than #3 Honda Dealer Association (+7%). Other top spenders, in rank order, include: Chevrolet Dealer Association (-11%), Nissan Dealer Association (-8%), Chrysler LLC (-14%), Ford Motor Corporation (+70%), and Mercedes-Benz Dealer Association (+11%). Rankings among the top spenders were identical for First-Half.

While not among Q2’s top advertisers in the category, several luxury nameplates grew their Radio presence: Mercedes-Benz Motor Corporation (+76%); BMW Motor Corporation (+11%); and Lincoln Dealer Association (up over fourfold).

America’s largest dealer group, AutoNation USA, pulled into the #8 spot this Quarter – up from 19th for the period last year – with a 130% spending increase.

Beverages

While this category experienced declines in both the Quarter (-15%) and First-Half (-14%), there was some advertiser spending that bubbled up significantly.

Diageo North America poured additional dollars into Spot Radio in Q2 (+72%) versus same time period 2012, as they did in Q1; by mid-year their spending has nearly doubled (+98%, FH '13).

Other advertisers serving up an increase were (ranked in order of spending):

Beverages		
2013 vs. 2012 Spot Radio (% Change)		
Advertiser	Q2 '13	FH '13
Heineken USA	22%	13%
Dr Pepper Seven Up	23%	20%

Source: Miller Kaplan Arase LLP: X-Ray Markets
(Revenue growth rates based on the 40 market X-Ray pool may not be fully indicative of the industry results as a whole.)

PepsiCo and Coca-Cola remain the category's top-spending advertisers even with decreased spending: #1 PepsiCo was down 11% for the Quarter and the First-Half, and #2 Coca-Cola was off 49% for both periods.

For the first time, Beverages captured the #5 rank this Quarter, ending the First-Half in the eighth spot.

Casinos & Lottery

This continues to be a winning category for Spot Radio, up 4% in Q2. The increase was largely due to the combined State Lotteries — the category's dominant revenue source — boosting their spending by 2%, combined with major increases by casino advertisers ranked #3 and #5 within the category.

Casinos		
2013 vs. 2012 Spot Radio (% Change)		
Advertiser	Q2 '13	FH '13
State Lotteries	2%	-10%
Harrah's Hotel & Casino	-31%	-17%
Hollywood Casino	52%	60%
Morongo Casino Resort & Spa	-4%	-5%
Empire City Casino	79%	71%

Source: Miller Kaplan Arase LLP: X-Ray Markets
(Revenue growth rates based on the 40 market X-Ray pool may not be fully indicative of the industry results as a whole.)

Despite the 4% increase for the Quarter, the category experienced a 4.7% decrease at the end of the first six months of 2013.

Communications/Cellular

Advertisers in this competitive arena have called heavily on Spot Radio to message consumers regarding new product introductions and plan options in 2013 — the category is up 27% based on

Q2 comps and up 28% through First-Half. Here's an overview of category spending by individual carrier:

Communications/Cellular					
2013 vs. 2012 Spot Radio					
Advertiser	% Change	Category Rank	% Change	Category Rank	
	Q2 '13	'13/'12	FH '13	'13/'12	
AT&T	61%	1/1	85%	1/1	
T-Mobile	67%	2/3	50%	2/3	
Verizon Wireless	16%	3/2	2%	3/2	
Sprint	153%	4/6	436%	4/6	
MetroPCS	-36%	5/4	-1%	5/4	
Tracfone Wireless	109%	6/10	148%	6/9	
Cricket Communications	-42%	7/5	-51%	7/5	
Boost Mobile	82%	8/9	33%	8/12	

Source: Miller Kaplan Arase LLP: X-Ray Markets
(Revenue growth rates based on the 40 market X-Ray pool may not be fully indicative of the industry results as a whole.)

Concerts/Theaters/Movies

A 7% increase for the Quarter was just the ticket to get this category into the black for First-Half 2013.

Contributing to 2nd Quarter's significant increase, Universal Pictures, Paramount Pictures, Sony Pictures and 20th Century Fox Films collectively increased their Spot Radio presence 36% versus same time period 2012.

Individual Second Quarter increases, ranked in order of spending:

- Universal Pictures, up 19%
- Paramount Pictures, up 32%
- Sony Pictures, up 32%
- 20th Century Fox, up 151%

Top spending category advertiser Live Nation decreased spending 6% in the Quarter and by 2% mid-2013 versus same time periods last year.

Financial Services

Financial Services spot spending for 2013 First-Half was up 1%, despite a deficit of 7% in Q2 comps.

Highlights in this category: JPMorgan Chase moves back into the #1 rank for the Quarter and the Half based on increases of 208% and 200%. CashCall takes over the #2 spot with a 102% increase for the Quarter, 126% for First-Half. Capital One's spending surged by 284% in Q2, catapulting them to #4 behind Wells Fargo (-9%).

Grocery/Convenience Stores

Belt-tightening by some major spenders within this category resulted in declines of 8% and 4% compared to Q2 and First-Half 2012 respectively.

Safeway retained its top-shelf ranking by a wide margin while cutting spot spending by 4% for the Quarter and 7% for the Half. #2 Kroger was off 20% and 11% -- while #3 Publix was up an impressive 41% and 71% for those same comps. Aldi Food Store put an additional 23% more into Radio in Q2 but came in a bit short at the Half (-2%).

Home Furnishings

Delivering a third consecutive quarterly increase, Home Furnishings (ranked #12 among Radio's top 15 advertiser categories) increased its Q2 2013 presence 8% compared to Q2 2012 across Spot Radio's airwaves and ended the first six months of 2013 up 4%.

Select Comfort secured its top category position by increasing its year-over-year activity 45% in Q2 and 41% for mid-year 2013. Three of the remaining top five category spenders also increased their Spot Radio presence when compared to same time period 2013.

Home Furnishings 2013 vs. 2012 Spot Radio (% Change)		
Advertiser	Q2 '13	FH '13
Select Comfort	45%	41%
Mattress Firm	Flat	3%
Mattress Discounters	5%	7%
Sleep Train Mattress Center	12%	6%

Source: Miller Kaplan Arase LLP: X-Ray Markets
(Revenue growth rates based on the 40 market X-Ray pool may not be fully indicative of the industry results as a whole.)

Insurance Companies

Insurance's top three Spot spenders all registered healthy increases against Q2 '12 comps – #1 GEICO, +16%; #2 Allstate, +9%; and #3 State Farm, +32% – but that was not enough to counter coverage cuts among the majority of other insurers: Overall, the category was off 8% for the quarter.

GEICO and State Farm were both up 20% in First-Half against an overall category decline of 7% Year to Date.

Professional Services

This category was up 28% for the Quarter and 13% for the Half. Consisting of a diverse group of advertisers ranging from cleaning services to hair cutters to spas and even singles travel clubs, it is one of Spot Radio's emerging bright spots.

Relatively new to Spot Radio, ServiceMaster Clean (a company offering cleaning and restoration services for homes and businesses) swept the category as the advertiser with the highest percentage increase for the Quarter and the Half – up 714% and 481%, respectively.

1-800-Got-Junk?, another advertiser in the “cleaning” arena, boosted their spending in Q2 by 27% which piled up to a 43% increase by First-Half.

Other category advertisers with significant percentage increases, ranked by Q2 spending:

Professional Services		
2013 vs. 2012 Spot Radio (% Change)		
Advertiser	Q2 '13	FH '13
Events & Adventures	6%	6%
Great Clips	21%	11%
Zerorez (carpet cleaning)	15%	13%
Supercuts	95%	205%
Sport Clips	23%	27%

Source: Miller Kaplan Arase LLP: X-Ray Markets
(Revenue growth rates based on the 40 market X-Ray pool may not be fully indicative of the industry results as a whole.)

Restaurants

Spot spending in this category has been relatively flat, dipping 3% for both the Quarter and the Half. Sizable increases by numerous chains have done well to offset cutbacks by current leading spenders McDonald’s, Subway, and Dunkin Donuts. Taco Bell, which had been 3rd in the category through the First-Half of 2012, has been nearly out of Radio thus far this year; they’ve recently announced a new breakfast rollout that includes Radio, so spending should look better moving forward. Comparisons based on Q2 spending rank are:

Restaurants					
2013 vs. 2012 Spot Radio					
Advertiser	% Change	Category Rank	% Change	Category Rank	
	Q2 '13	'13/'12	FH '13	'13/'12	
McDonald’s	-8%	1/1	-5%	1/1	
Subway	-10%	2/2	-7%	2/2	
Burger King	35%	3/6	103%	5/6	
Dunkin Donuts	-11%	4/4	-8%	3/4	
Wendy’s	12%	5/5	34%	4/5	
White Castle	128%	6/14	130%	6/17	
IHOP	13%	7/8	8%	8/11	

Source: Miller Kaplan Arase LLP: X-Ray Markets
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Steak ‘N Shake, the #8 spender in Q2 '13 and #13 YTD, had no Radio spending in First-Half 2012; and Chipotle Mexican Grill takes over the #9 ranking for the Quarter and Half after a minimal commitment last year. Their competitor Qdoba Mexican Grill moves to 10th in Q2 (up 49%, from

13th). Firehouse Subs continues to add Radio volume, up 22% in Q2 and moving up the ladder to #13 (from #17); now in the #10 rank for First-Half (also up 22%, from #12 last year).

McDonald's continues to super serve Radio, with individual Q2 and First-Half spending nearly equal to the next four advertisers combined.

Retail – Including Department & Discount Stores and Home Improvement

With consumer confidence showing a slight uptick by May, the Department & Discount Stores subcategory was injected with a 37% Spot increase in Q2 2013 and ended the six month period of 2013 up 42% (each versus 2012 comps).

Ranked at #9 in terms of spending, Department & Discount Stores was another of the bright spots for both Q2 and First-Half 2013. Collectively, the top five Second Quarter spenders increased their Spot Radio presence 74% (Q2 2013) and 80% (January - June 2013).

Department & Discount Stores		
2013 vs. 2012 Spot Radio (% Change)		
Advertiser	Q2 '13	FH '13
Walmart	40%	60%
Target	46%	58%
Macys	48%	23%
TJ Maxx	Over 211-fold	Over 239-fold
Kmart	275%	245%

Source: Miller Kaplan Arase LLP: X-Ray Markets
(Revenue growth rates based on the 40 market X-Ray pool may not be fully indicative of the industry results as a whole.)

Second Quarter 2013 marks the sixth consecutive Quarter that Walmart holds the top spending slot among Department & Discount Stores advertisers.

While the Home Improvement subcategory did not experience increases (-8% in Q2; -21% in FH), there were many bright spots among regional and national advertisers.

Menards, ranked #3 within the subcategory for the Quarter and First-Half, increased spending 5% and 4% respectively. Other advertisers with significant spikes were, ranked in order of spending:

Home Improvement		
2013 vs. 2012 Spot Radio (% Change)		
Advertiser	Q2 '13	FH '13
Benjamin Moore Paints	752%	767%
Rhino Shield	43%	56%
Valspar Paint	119%	119%

Source: Miller Kaplan Arase LLP: X-Ray Markets
(Revenue growth rates based on the 40 market X-Ray pool may not be fully indicative of the industry results as a whole.)

Clockwork Home Services, parent company of home services companies like Mister Sparky, Benjamin Franklin Plumbing, and One Hour Heating & Air Conditioning, made major use of Spot Radio in Q2 2013 compared to almost no activity in Q2 2012 – boosting this advertiser to the #5 spot First-Half 2013 from the 18th position last year.

Home Depot and Lowe's continue to dominate the number one and two ranked slots for both the Quarter and First-Half despite double digit decreases for both advertisers.

Specialty Retail

Although the category's Second Quarter activity diminished by 32%, it dropped only 8% for the six month period ending June 2013.

Ranked at #2 within the category, Plato's Closet increased its Q2 Spot Radio presence by 11%. This increase, combined with its Q1 lift (+28%), secured Plato's Closet position at the end of the six month period – up 19%.

Upping its Spot Radio presence, Provide Commerce infused Q2 2013 activity 75% versus same time period last year. This uptick helped to catapult it to the #3 spot (+104%) from the #7 slot in First-Half 2013. This advertiser continually increases its activity.

GAP also increased its Second Quarter activity by 12% (ranked #3) versus comps and ended the mid-year point up a whopping 64% (ranked at #4).

Seated at the #1 category position for the First-Half of 2013 was Old Navy. A 184% increase in Q2 helped to keep Old Navy on top (+194%, FH 2013).

Television/Networks/Cable Providers

Category leader Comcast Xfinity Cable service continues to add Spot Radio dollars, upping spending 8% in Q2 and 12% YTD. Charter Communications Cable is up 37% for the Quarter and 12% for the Half, and Cox Communications is up 17% and 14% for those same periods. The four major broadcast nets (ABC, CBS, FOX, and NBC) all curtailed spending in the Quarter. Overall, the category posted declines of 11% and 7% versus Q2 and First-Half 2012 comps respectively.

Spot Radio Advertiser Category analysis is based on data from Miller Kaplan Arase LLP X-Ray Market Reports. X-Ray Market Reports are compiled from advertiser expenditure data direct from station billing in 40 markets. X-Ray Markets represent approximately 80% of the dollars from the total pool of over 100 markets.

The lineup of markets/stations may vary from year to year. Percent change is calculated on revenue adjusted to current year reporting.