



Radio’s Q3 Spending Up 1%
Communications/Cellular Posts Stellar Uptick in Spot
Digital Upward Trend Stays

New York, New York – November 22, 2013 – Radio’s overall Q3 result was the best this year, up 1% compared to flat delivery in Q1 and Q2. Year to date performance remains on par with 2012.

The 3rd Quarter uptick was based on a 1% gain in the Spot sector, which represents the largest portion of Radio’s revenue base. Digital continues to show robust gains -- up nearly 1/5 -- while Off-Air was up 3%. Network posted a decline of 11% against last year’s sales. Year to date, Spot revenue is flat; Digital, Off-Air and Network are +15%, +3% and -7% respectively.

Digital continues its reign as Radio’s fastest growing sector. Off-Air activity also remains steadfast, increasing every quarter in 2013. Combined, Digital and Off-Air represent 13% of Radio’s total revenue.

Revenue Comparisons - 2013 vs. 2012				
(In Millions)				
Revenue	\$Q3 '13	% Chg	\$YTD '13	% Chg
Spot	3,684	+1%	10,428	Flat
Network	275	-11%	828	-7%
Digital	244	+19%	645	+15%
Off-Air	401	+3%	1,146	+3%
Grand Total	4,604	+1%	13,047	Flat

Source: Miller Kaplan Arase LLP*

“The momentum we saw building at the end of Q2 has definitely translated into a positive Q3 for Radio in many of our Top 10 advertiser categories, led by Communications/Cellular with a healthy 24% increase,” noted Erica Farber, RAB President and CEO. “Among key categories, Automotive, Professional Services, Health Care, Home Furnishings, all showed substantial increases, as well. Increases from these diverse ad categories illustrate Radio’s cross-platform strength to drive traffic and sales – for large corporations to Main Street businesses.”

“Automotive regained the top category ranking in Q3 but Communications remains as a strong #2 in the field,” noted Farber. “We’re looking for the holiday season and year-end selling efforts to provide additional momentum to end the year on a positive track.”

Radio's Q3 Growth Categories

Category	Spending Rank	% Change '13 vs. '12
Automotive	1	+2%
Communications/Cellular	2	+24%
Grocery/Convenience Stores	7	+4%
Dept. /Discount Stores	9	+2%
Concerts/Theater/Movies	10	+40%
Casinos/Lottery	11	+29%
Home Furnishings/Floor Coverings	12	+11%
Professional Services	13	+29%
Health Care	14	+10%

Radio's Top 10 in Q3

Following are the advertisers contributing the most to Radio's bottom line in Third Quarter 2013, in rank order by expenditure; seven of the ten increased their spending this year:

Rank	% Change Q3 '13 - '12
1. Comcast Xfinity Cable Service	+7%
2. AT&T	+56%
3. T-Mobile	+62%
4. McDonald's	-7%
5. GEICO	+11%
6. Verizon	-10%
7. Safeway	+10%
8. Ford Dealer Association	+14%
9. Toyota Dealer Association	-11%
10. Walmart	+6%

*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.

Advertiser Category Analysis

Q3 2013 and Year to Date 2013

Auto Dealers/Dealer Groups/Manufacturers

With the industry poised to record its fifth consecutive year of growth for only the second time since WWII and a target of 16M vehicle sales for the first time in six years, top nameplates filled up on Radio in Q3 to move 2013 inventory off their lots and intro new 2014 models.

Just a slight increase in Q3 spending propelled the category back into the #1 category ranking for the quarter and YTD. Here's how Q3 spending among the category's advertisers stacks up against 2012 comps:

Auto Dealers/Dealer Groups/Manufacturers			
2013 vs. 2012 Spot Radio			
Advertiser	Category Rank Q3 2013	Category Rank Q3 2012	% Change '13 vs. '12
Ford Dealer Assn.	1	2	+14%
Toyota Dealer Assn.	2	1	-11%
Honda Dealer Assn.	3	7	+65%
Nissan Dealer Assn.	4	4	+4%
Chevrolet Dealer Assn.	5	5	-1%
Ford Motor Corp.	6	10	+54%
Nissan Motor Corp.	7	13	+45%

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.)

Chrysler Motor Corporation, Dodge Motor Corporation, and Chrysler Dealer Association round out the Q3 2013 top 10 auto spender list in rank order; their spending was down 33%, 4% and 43% respectively against last year.

Also worth noting, the U.S.'s largest auto dealer, AutoNation, more than doubled its Radio ad spend in the quarter (+118%) to move into 13th category ranking – up for 20th.

Beverages

Top spending advertisers Pepsico and Coca-Cola continued to dominate the top two positions for both the quarter and year to date. Both of these advertisers increased their Q3 spending by double digits – up 19% and 87% respectively.

Despite a decrease in overall category spending, there were also some advertisers that have significantly amped up their Q3 and YTD 2013 activity compared to close to none same time periods last year. Tampico, a juice drink concentrate and global brand, is a relatively new advertiser to Spot Radio and is now one of the top 15 category advertisers.

Other advertisers with increases for both the quarter and the nine month period:

Beverages		
2013 vs. 2012 Spot Radio (% Change)		
Advertiser	Q3 '13	YTD '13
California Milk Advisory Board	+141%	+25%
Red Bull	+200%	+54%
Canada Dry	+12%	+1%

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.)

This category now comes in fifth position for the quarter and eighth at the nine month period ending September.

Casinos & Lottery

This category continues to provide Radio with a solid revenue stream. A 22% category increase for the quarter offset the dip in Q1 spending. Combined, Hotels & Casinos were up 20% in Q3 spending while State Lotteries registered a 25% uptick. At the end of the nine month period, the Casinos & Lottery category saw a 1% uptick.

Harrah's Hotel and Casino reigns as the top spending casino advertiser for the 2013 three quarter period. Harrah's upped its Q3 over the air presence by 12%.

Specific Hotels and Casinos with increased Radio activity (ranked by Q3 spending):

Casinos		
2013 vs. 2012 Spot Radio (% Change)		
Advertiser	Q3 '13	YTD '13
Morongo Casino Resort & Spa	+14%	+1%
Hollywood Casino	+2%	+35%
Revel Resorts & Casino	+228%	+117%
Mohegan Sun Casino & Hotel	+68%	+51%

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.)

Communications/Cellular

How does the highly competitive Communications industry tout their ever-increasing array of new products and services to consumers? They call on Radio!

Communications held the top spot for Radio ad spending through the first half of 2013 and were just edged out of that ranking by Automotive in Q3 despite a 24% spending surge.

Just a narrow bandwidth apart in the #1 and #2 category rank positions again in Q3, AT&T and

T-Mobile upped their Q3 spending 56% and 62% respectively versus same time last year. Radio experienced some signal loss from Verizon Wireless in the quarter -- off 10% -- now spending slightly more than half of AT&T and T-Mobile on Radio. Sprint was basically flat (-2%) and #5 MetroPCS grew its expenditure by an impressive 75%.

Concerts/Theaters/Movies

Advertisers within this category used Radio to inform listeners of blockbuster movies and events during the key summer period. Continuing an upward trend from second quarter, this category raised their Spot volume 40% in the Third Quarter, leading to a 13% increase year to date.

Four of the five top category spenders increased their Q3 activity. Live Nation continues to dominate the top spot as the spend leader, amplified spending to the tune of 4% over Q3 2012. Remaining top four and their percent change are:

- Universal Pictures, 70%
- Sony Pictures, 29%
- 20th Century Fox, 69%
- AEG Live, -10%

Collectively, these five advertisers upped their spending 47% for the quarter and 10% through the end of the nine month period.

Financial Services

Spending in the Financial category was down 10% for Q3 but is nearly flat (-2%) for year to date.

Bottom line was impacted by sizable Q3 cutbacks among most major banks; Bank of America was a major exception, supporting its revitalized mortgage/home loans program with a huge increase over the same quarter in 2012.

Reflecting the on-going dichotomy in the U.S. economy, both major credit cards charged up their Radio presence: MasterCard (+81%) now ranks 4th within its category and Visa (+710%) come in at #14, up from 38th this time last year. At the same time, emergency lenders also spent more on Radio: CashCall (+35%, #6), Ace Cash Express (+1%), and 1-800-LOAN-MART (+34%); and Fortune Builders targeted those looking to make money on the rebounding real estate market (+53%).

Grocery/Convenience Stores

Radio bagged 4% more from supermarkets and other food stores in Q3, bringing year to date performance to within 2% of last year's level.

Perennial top category spenders Safeway and Kroger added 10% and 16% in Q3 spending, while Publix Supermarkets and Albertsons were up 86% and 30% respectively to move into the #3 and #4 Spots (compared to 6th and 4th last year).

Health Care

Comprised of various health and wellness advertisers, this category received a 10% boost to the bottom line in the quarter but ended year to date down 6%.

Ranking at the top spot for the category, Ideal Image, a national laser hair removal center, grew by 46% in Q3 and 37% for the nine months of 2013. This is the third consecutive quarter at #1 for this advertiser.

Kaiser Permanente, ranked at #2, increased their Spot Radio presence for the quarter and year to date – up 35% and 14%, respectively.

Further category growth came from various local and regional hospitals and treatment centers: Children’s Hospital, Cancer Treatment Centers, Children’s Medical Centers, and Low T Centers. Collectively, these advertisers increased spending 95% in Q3 and 85% year to date.

Home Furnishings

Rising home sales across the U.S. added to consumers’ demand for new furnishings. Retailers within this category bolstered their Radio spend 11% in Q3, resulting in a 4% gain for the year to date.

Increases by top and mid-tier advertisers helped to support category increases. The top five category advertisers collectively increased the spending 11% in Q3 and 8% for the nine month period. They are (ranked by Q3 spending):

- Mattress Firm: Q3, -2%; YTD, +1%
- Select Comfort: Q3, +6%; YTD, +27%
- Mattress Discounters: Q3, Flat; YTD, +4%
- Sleepy’s Mattress Store: Q3, -3%; YTD, -3%
- Sleep Train Mattress Center: Q3, +5%; YTD, +6%

These advertisers have been the consistent top five since Q1 2011.

Additional regional and national advertisers upping their spend:

Home Furnishings		
2013 vs. 2012 Spot Radio (% Change)		
Advertiser	Q3 '13	YTD '13
Sleep Experts	+3%	+17%
Art Van Furniture Store	+2%	+15%
IKEA	+84%	+109%
Rooms to Go	+16%	+18%

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

This category was essentially flat (-1%) for the quarter, down 7% YTD – perhaps the result of some health insurers holding back spending in conjunction with the rollout of the Affordable Care Act and the Medicare open enrollment period beginning in October.

Category toppers GEICO and Allstate held to their policy of dominating their category on Radio: GEICO's Q3 spend was up 11%; Allstate's, 7%.

Political

Various races including mayoral and congressional along with various Issue and PAC ads infused Spot with revenue to help boost the quarter.

Professional Services

Comprised of a potpourri of advertisers providing various services, this category has been a bright spot, providing Radio's bottom line with a 29% lift for the quarter and 20% year to date versus 2012 comps.

Professional Services 2013 vs. 2012 Spot Radio (% Change)		
Advertiser	Q3 '13	YTD '13
Events & Adventures	+4%	+5%
Zerorez (carpet cleaning)	+15%	+13%
Great Clips	+10%	+11%
1-800-GOT-JUNK	+60%	+49%
Supercuts	+81%	+142%
Sono Bello	+18%	+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.)

Restaurants

Third Quarter spending in Radio's #4 category YTD reflects the challenges fast-food and casual dining spots are facing as options for grabbing a bite proliferate. The category slipped 21% for the quarter, 9% YTD as the majority of leading chains cut back their customary high levels of Radio.

Three Q3 standouts from the crowd are brands that have recently discovered Radio's drawing power:

- Chipotle Mexican Grill increased its spending nearly five-fold in Q3 (+465%) and moved up to #6 in the category (from #33 in Q3 2012).
- Firehouse Subs continues to pour more dollars onto the airwaves (+21%) to climb to #8 (from 16th).
- Del Taco now ranks 12th, up from 27th, based on a 159% increase.

Retail – Including Department & Discount Stores and Home Improvement

Department & Discount Store advertisers took to Radio's airwaves to promote Independence Day, Labor Day and back to school specials. Ranked at #9 for the quarter and #11 year to date, this subcategory augmented comps by 2% and 23%, respectively.

Category spend leader Walmart increased its over the air presence by 6% in Q3, ending the nine month period up 35%. Third quarter marks the seventh consecutive quarter with Walmart ranked at #1 in the category. Walmart is also one of Radio's top 10 spenders.

With level spending for the quarter, Macy's, ranked #4 for the quarter and #3 year to date, rang up a 13% increase for the nine month period.

National retailer JC Penney upped their third quarter Spot Radio presence compared to nearly no activity in the first two quarters of 2013. This boost helped JC Penney jump from the #11 spot in Q2 2013 to #6 in Q3 2013, now within the top 10 Department & Discount Stores advertisers (up 33%, year to date).

Additional retailers increasing their spend:

Department & Discount Stores		
2013 vs. 2012 Spot Radio (% Change)		
Advertiser	Q3 '13	YTD '13
TJ Maxx	+191%	+888%
Dillard's	+19%	+17%
Simon Malls	+33%	+10%
Marshalls	+1%	+300%

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.)

A number of advertisers within the **Home Improvement** subcategory geared up their Radio spending even as the category dipped – down 19% in Q3 and -16% YTD.

Regional home improvement center retailer Menards is securing its foundation as top subcategory spender. Ranked at #3 in Q2 and First-Half, Menards ranked #1 in Q3 with a 8% increase – which helped to secure its #3 position at the end of the nine months of 2013 (up 5%).

Other advertisers within the subcategory building their Radio presence were:

Home Improvement		
2013 vs. 2012 Spot Radio (% Change)		
Advertiser	Q3 '13	YTD '13
Lumber Liquidators	+138%	+46%
84 Lumber	+21%	+9%
Rhino Shield	+14%	+38%
Benjamin Moore Paints	+164%	+384%

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.)

Home Depot and Lowe's continued to hold the top two positions for year to date spending.

Specialty Retail

While there were significant increases among many national advertisers, it was not enough to offset a decrease in category spending.

Plato's Closet, ranked at #1, continued to increase its Radio presence with a 1% increase for the quarter to close the nine month period up 10% versus comps. Old Navy (ranked at #3 for Q3) infused the quarter by 72%, which drove a 144% increase for the nine months.

Other advertisers with upticks for the quarter and year to date:

- Toys 'R' Us: Q3, up 805%; YTD, up 414%
- Foot Locker: Q3, up 258%; YTD, up 521%
- Michaels: Q3, up 133%; YTD, up 187%

Television/Networks/Cable Providers

Third in the rankings for Radio spending for Q3 and 2013 thus far despite slight decreases (-5% in Q3, -9% YTD), this group holds Radio's #1 leading spender overall for the quarter.

Here's how these media and entertainment companies are utilizing the power of Radio to promote their programming and services:

Communications/Cellular 2013 vs. 2012 Spot Radio			
Advertiser	Category Rank Q3 2013	Category Rank Q3 2012	% Change '13 vs. '12
Comcast Xfinity Cable Service	1	1	+7%
Fox TV Network	2	3	+47%
CBS TV Network	3	4	+6%
Charter Communications Cable	4	8	+128%
ABC TV Network	5	6	+22%
Time Warner Cable	6	7	+35%
NBC TV Network	7	2	-68%
Cox Communications Cable	8	13	+25%
Mundo Fox	9	21	+137%
ESPN	10	10	-14%
BET Black Entertainment TV	11	19	+104%

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.)

In addition, Cablevision made a huge commitment to Radio in Q3 (up over 19-fold) to move into the 12 rank spot for the period. Al Jazeera America also relied heavily on Radio for the rollout of their new cable network, debuting at #13 for Q3.

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.