

FEBRUARY 2018

BENCHMARKING: LOCAL RADIO STATIONS' ONLINE REVENUES

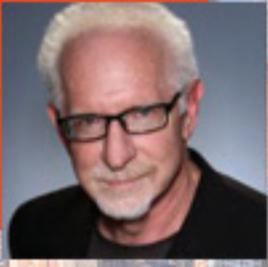
SPECIAL REPORT FOR **RAB** RADIO
ADVERTISING
BUREAU

#LOAC2018
9th Annual
March 12-13 - NYC

The Digital Marketing Event of the Year



Caroline Beasley
Beasley Media Group



Fred Jacobs
Jacobs Media Solutions



Rishad Tobaccowala
Publicis Groupe



Randall Rothenberg
IAB



Angela Caruolo
IBM Watson Advertising



Gian Fulgoni
comScore



Tim Murphy
Entercom



Kym Frank
Geopath



Steve Goldstein
Amplifi



Jim Moroney
A.H. Belo

DIGITAL SERVICES
RADIO'S BEST DIGITAL STRATEGY

VIDEO ADVERTISING
TAPPING POLITICAL ADVERTISING

GOOGLE HOME/ALEXA STRATEGIES
THE RE-CREATION OF OUTDOOR

DIGITAL AD FRAUD
THE RE-CREATION OF OUTDOOR

LOCAL ONLINE ADVERTISING CONFERENCE

RAB DISCOUNT
CODE: RAB200
SAVE \$200



loac2018.borrellassociates.com



Acknowledgements

As the radio industry approaches its centennial, we'd like to extend our thanks to the Radio Advertising Bureau for its ongoing support of such a vibrant, entertaining, informative, and useful medium. We hope that the research and analysis represented in this document – our sixth annual report for the RAB – brings useful insights as the industry faces a new and challenging era of digital distribution. Special thanks are due the RAB staff and the hundreds of radio executives who contribute data and insights to us throughout the year. Their willingness to share information has helped us – and the industry – better understand a rapidly changing media environment.

Borrell Associates Leadership Team:

Colby Atwood

CAtwood@borrelassociates.com

Gordon Borrell

GBorrell@borrelassociates.com

Jim Brown

JBrown@borrelassociates.com

Kip Cassino

KCassino@borrelassociates.com

Corey Elliott

CElliott@borrelassociates.com



Table of Contents

Background & Methodology	4
Executive Summary	5
Chapter 1: Digital's Growing Importance to Radio Budgets	6
Chapter 2: How Radio Advertisers See Digital Media	10-15
Chapter 3: Radio Managers' Survey	16-19
Chapter 4: Benchmarking Radio Stations' Digital Revenue	20-26
Conclusions	27
APPENDIX A: 2017 Addressable Digital Estimates Digital for 513 Markets	28-38



Background & Methodology

This is our 16th year conducting surveys on local online operations and our sixth year compiling this report for RAB. This report analyzes data derived from three principal sources:

- 1. MEDIA AD REVENUE:** Our database of ad revenue and expenses for 10,190 local online operations in the U.S. and Canada, including 3,085 local radio stations,¹ most of them part of one of the 694 multi-station market clusters in the database.
- 2. LOCAL BUSINESS AD SPENDING:** Our database of Local Ad Spending Report (LA\$R™) estimates for every U.S. Digital Marketing Region (DMR). A list of DMR² expenditure forecasts for 2017 appears in Appendix A, and a description of the methodology used to compile this data can be found in Appendix B and at www.adspending.com.
- 3. RADIO ADVERTISER SURVEY:** Our 44-question survey of 1,351 local radio advertisers, culled from a larger survey of 3,511 local businesses via crosstab of those who said they currently buy radio. The survey was conducted from April-July 2017. Details can be found at www.borrellassociates.com/promo/2017-survey-results.
- 4. RADIO MANAGER SURVEY:** An online survey conducted in December 2017 and January 2018 of 126 respondents representing more than 1,000 stations. The survey asked about digital revenue sources, strategy, sales methods, and other issues related to digital operations. Of the respondents, 10% were owners, 28% GMs, 43% sales managers, 4% were sales reps, 4% were directors of digital operations, and 11% held other titles. We collectively call them “radio managers” in this report.

For our media revenue surveys, we solicit participation by telephone and email and supplement information with phone or email interviews. Participation is voluntary and without incentives. It is also confidential. We do not furnish the names of participating media companies, nor do we reveal market-specific data in such a way as to identify participants.

By combining this information with Borrell's local ad-spending data estimates for each market (the methodology for which can be seen at www.adspending.com), we are able to assess the competition among TV, newspaper, radio, cable, yellow pages and pureplay internet companies for local online advertising dollars. A market-by-market list of local online ad spending in 2017, broken out by format, can be found in Appendix A. These estimates are what we use for advertising share analysis.

¹ Not all points of analysis cover 3,085 radio stations. Charts and tables display the “n = xxx” designation, whereby “xxx” refers to the number of stations included in that particular analysis.

² DMRs refer to a multi-county region where local advertisers tend to confine their digital advertising expenditures. There are 513 DMRs. For more information, visit www.borrellassociates.com/dmr.



EXECUTIVE SUMMARY

Despite wide concern by national advertisers of ad fraud and overspending on digital media, local businesses continue to plow more money into it. Local radio advertisers are especially enamored with digital marketing. In a recent survey, 70% of radio advertisers said they were planning to increase spending in digital.

Latching onto this trend, radio stations have been adding digital products and services to their offerings. More than twice as many stations are now selling products such as SEO, website design and social media management than two years ago. These products have become complements to the banner ads and audio streaming spots that most stations have been selling for years.

While digital remains a small supplement to over-the-air revenue, it continues to grow in importance. Last year digital revenue accounted for 7.5% of station revenues, on average. That's up from 6.3% a year ago. Local digital revenue hit \$700 million, with the average market cluster generating \$1.1 million.

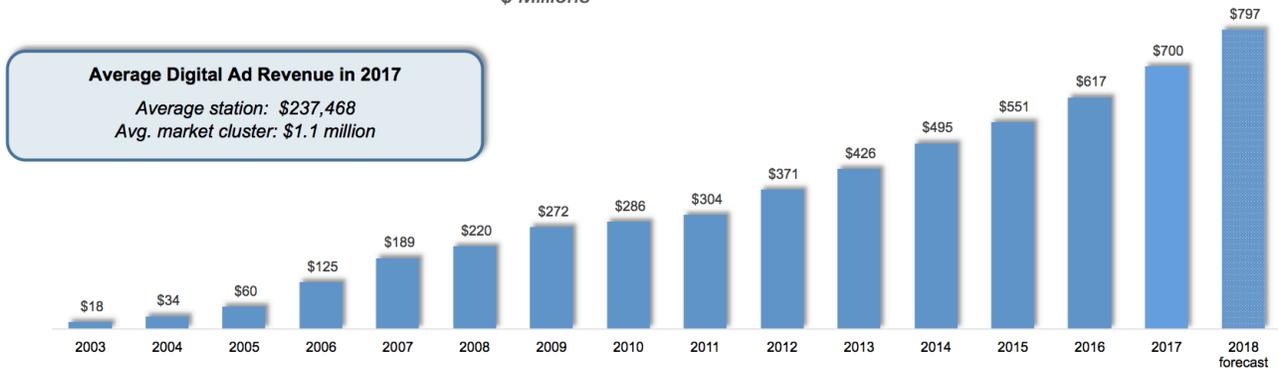
This report offers not only detailed benchmarking information to help stations gauge how well they're doing (or might do) in digital sales, but also a great deal of insights from a survey of more than 1,300 radio advertisers as to why digital marketing is so important, and how it fits in with radio.

CHAPTER 1

Digital's Growing Importance to Radio Budgets

Last year local stations generated \$700 million in digital ad revenue, 13.4% more than the previous year. We're forecasting slightly better growth for 2018 due to a spate of new digital products that many station groups are beginning to sell. These new products include high-demand digital services such as search engine optimization (SEO) and social media management. Our forecast is that digital revenue will approach \$800 million, 14.0% more than last year.

Digital Revenue, 2003-2018
for U.S. Local Radio Stations
\$ Millions



Source: Borrell Associates Inc. © 2018 Borrell

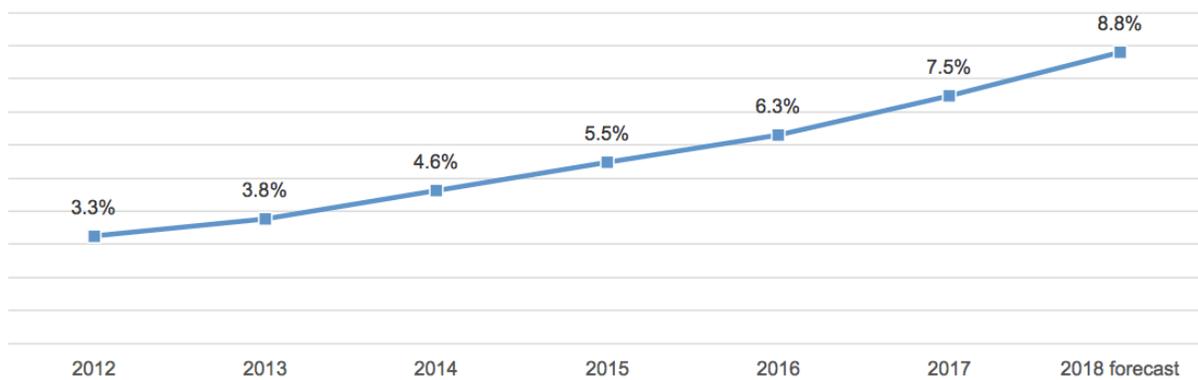
The average station brought in \$237,468 in digital revenue in 2017, and the average market cluster \$1.1 million.³ Averages being what they are, small-market stations were lucky to crack the \$50,000 mark. Some were still laboring to get a few thousand dollars in banner-ad sales or streaming-audio commercials. We found that underperforming stations tend to rely solely on banners and audio spots, while top performers have a greater mix of digital offerings that include video ads, email marketing, audience-extension programs, and digital marketing services.

³ These numbers are about the same as last year because we purged some stations from our database for "unverifiable" revenue estimates and added several hundred stations that provided their actual revenue data. Because all of those purges and additions were in smaller markets, it pulled the overall averages down slightly.



Digital revenue continues to be a minor supplement to over-the-air ad dollars, but a growing and increasingly important one nonetheless. Last year it comprised 7.5% of the average station's ad revenue. This year, as over-the-air revenue continues to remain compressed and digital sales grow at a double-digit clip, we're expecting the average to hit 8.8%. For some station groups, it's already above 10%.

Avg. % of Station Ad Revenue from Digital Sales



Source: Borrell Associates Inc. © 2018 Borrell

Throughout 2017 we heard stories of digital ad fraud and skepticism by national advertisers who believed they had overspent on digital media. The story, however, hasn't reached local advertisers - or if it has, they aren't fazed. Our survey of 3,511 local advertisers at midyear 2017 showed that 63% were planning to increase their digital spending. When we isolated responses from 1,351 participants who were buying radio advertising, we found that 70% were increasing digital budgets, while 17% were increasing radio budgets. (More results on how these 1,351 radio advertisers feel about digital can be found in Chapter 2.)

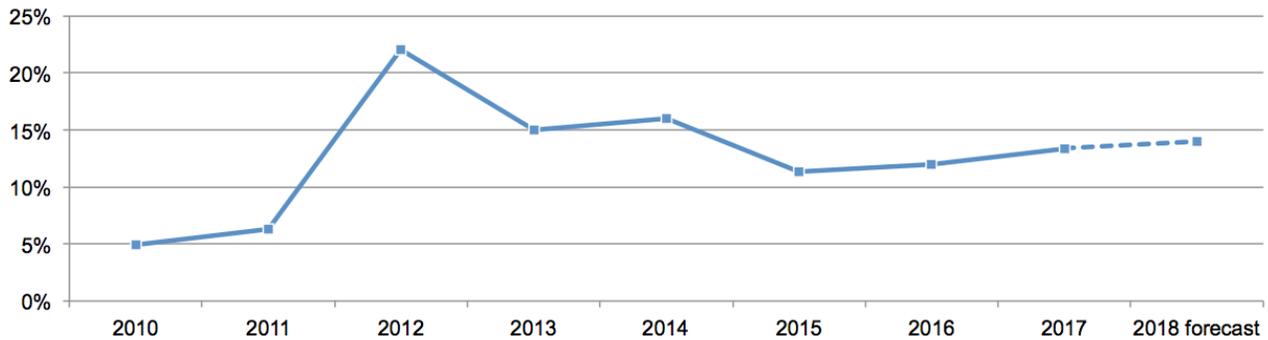
Why has digital media captivated local marketers so much? The answer is simple: It's easy to buy, and it comes with supporting data. Our monthly panel of local marketers told us in 2016 that they were increasing digital budgets because "There's more data available about who we're reaching," and "It's easy to buy, track, and understand."⁴

If there's any sign of a slowdown it's in the rate of increase. It's been abating since 2014, when growth in locally spent digital ad dollars peaked at 51.2% higher than the previous year, then started falling. We're forecasting that it will grow 12.7% in 2018, slowing to half that rate in 2019 and then basically going flat or slightly negative for the foreseeable future.

What's the cause? It may be that the experimentation has ended and that advertisers have begun to settle in on an appropriate mix of online and offline advertising for their campaigns. It's also possible that there's more churn between digital marketing channels (such as search advertising, banner ads, and social media) than there is from traditional media.

Meanwhile, radio's digital-sales growth rates continue a slow but steady climb, from 11% in 2015 to the forecast 14% this year.

Radio's Digital Sales Growth Rate Since 2010

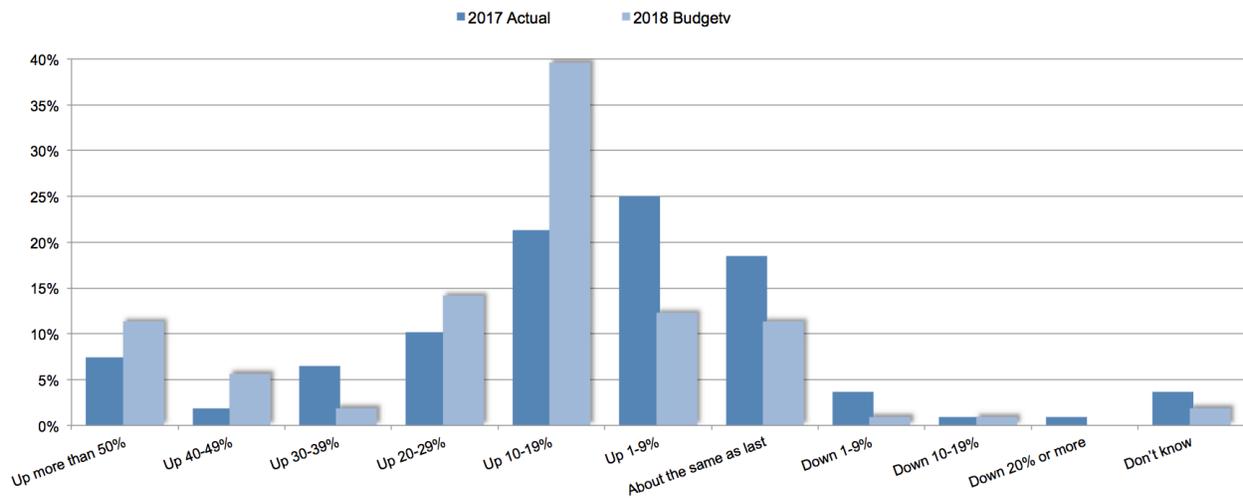


Source: Borrell Associates Inc. © 2018 Borrell

⁴ Borrell's monthly panel of local advertisers, July 2016. Responses for the question totaled 493. "Which best describes why you are increasing your digital advertising?" Responses: 57% said "more data available about who we're reaching" and 52% said "it's easy to buy, track, and understand." 35% said "it works better than other types of advertising we've used."

We base some of our conclusions on what radio managers told us in our December 2017-January 2018 survey. That survey shows significantly more optimism for growth in the 10% to 19% range this year. About one-third of respondents say they're budgeting growth of 20% or more. The chart below compares how radio managers said their stations performed in 2017 with what they're budgeting for 2018.

Stations' Digital Growth in 2017 vs. What's Budgeted in 2018



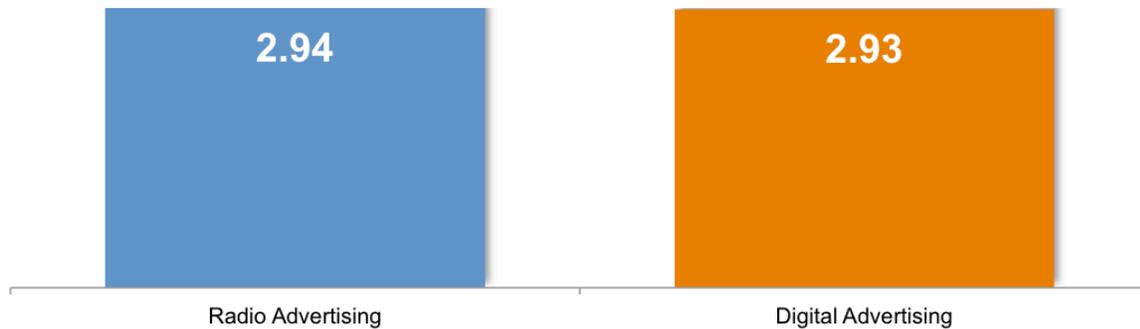
Source: Radio Managers Survey, Dec. 2017-Jan. 2018; N = 126 responses © 2018 Borrell

CHAPTER 2

How Radio Advertisers See Digital Media

This chapter examines the survey responses of 1,351 local businesses buying radio advertising in 2017. One of the key questions we asked was, On a scale of 1 to 5, how do you rate the effectiveness of each advertising medium you use? For radio advertisers who also bought digital advertising, they rated both equally. Another important finding: 75% of them said they buy digital and radio advertising together in campaigns.

Radio Advertisers Rate Effectiveness (Scale of 1 to 5)

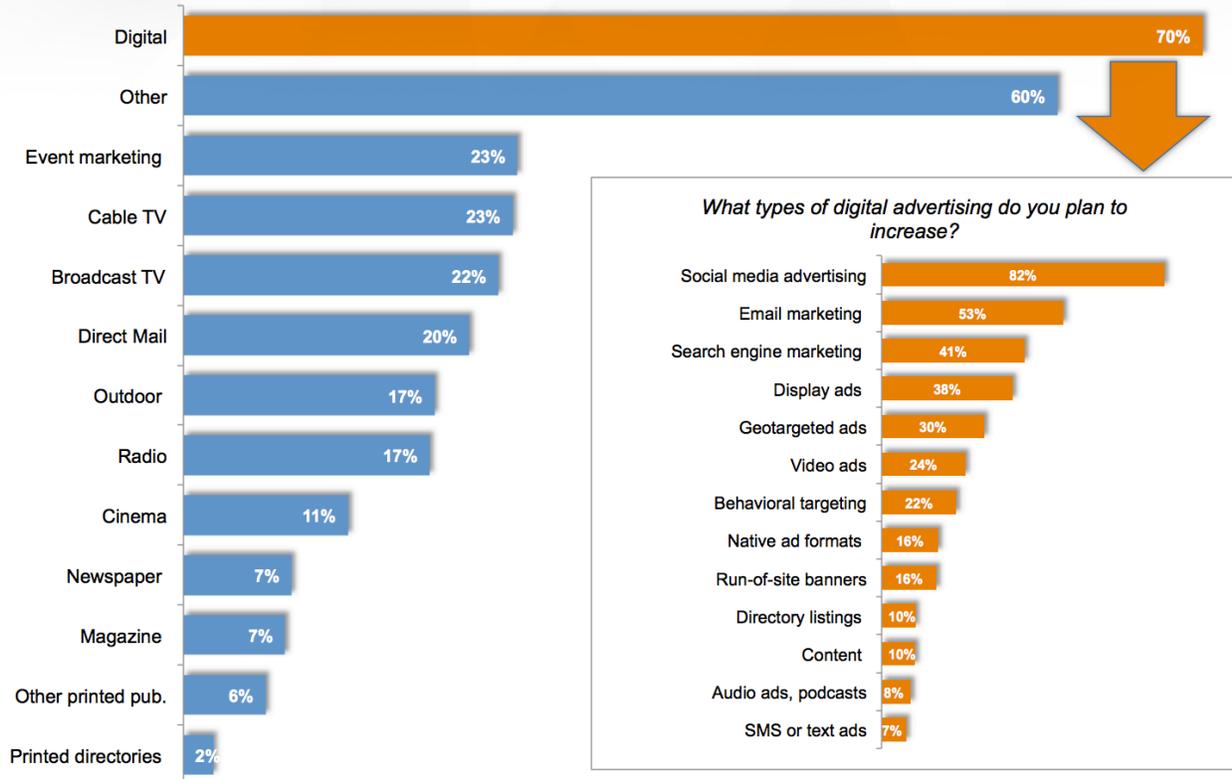


Source: Borrell's Local Advertiser Survey, April-July 2017; N = 1,351 radio advertisers and 1,144 radio advertisers who also buy digital advertising.
© 2018 Borrell

We also found that 70% of radio buyers planned to increase digital budgets in the coming 12 months⁵ and that the overwhelming type of digital advertising they planned to spend more on was social media. Email and search engine marketing were also favorites.

⁵ Responses were collected between April and late July 2017, so "coming 12 months" could mean the latter half of 2017 and into 2018.

Asked of Radio Advertisers: What Do You Plan to Increase?



Source: Borrell's Local Advertiser Survey, April-July 2017; N = 1,351 radio advertisers © 2018 Borrell

The meteoric rise of social media as a marketing tool is underscored by the fact that Facebook – the primary social channel for any advertiser – didn't effectively launch its simplified ad-placement program until three years ago. Today, 73% of radio advertisers are buying social media advertising. They are spending, on average, \$16,043 per year on it – about one-third of what they spend on radio advertising.



% of Radio Advertisers Buying Digital Marketing, And What They Spend on It

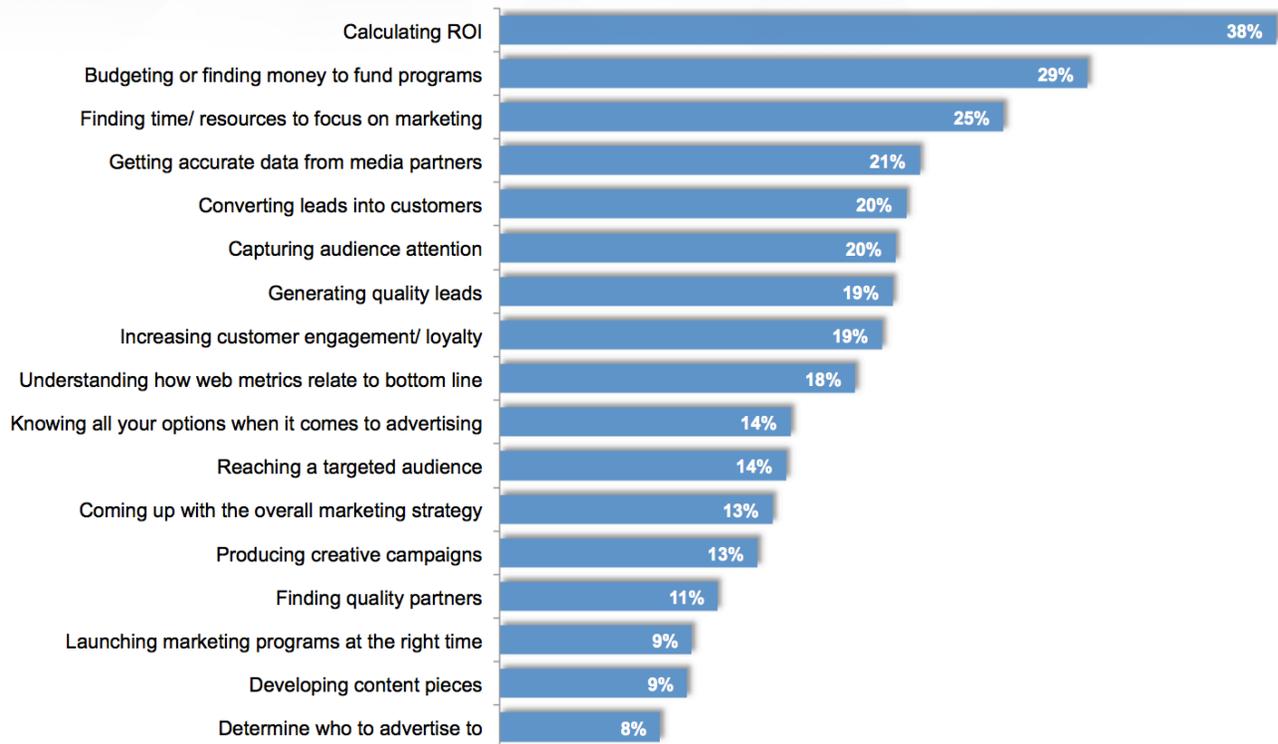
Marketing Method	% of Radio Advertisers Who Buy This	Avg. Annual Expenditure*
Search Engine Marketing	46%	\$63,154
Event Marketing	60%	\$52,329
Radio Advertising	100%	\$45,163
Streaming Audio Ads	11%	\$25,589
Outsourced Web Services	61%	\$23,831
Social Media Marketing	73%	\$16,073
Email Marketing	76%	\$7,632
SMS or Text Marketing	6%	\$4,767

* of those who buy it

Source: Borrell's Local Advertiser Survey, April-July 2017; N = 1,351 © 2018 Borrell

For clues as to why radio advertisers continue to adjust their dials in favor of digital media, we asked them about marketing pain points. When asked what's hardest to accomplish, it came down to ROI, time and money. Slightly more than one-third (the largest percentage) said calculating ROI was the biggest issue, while roughly one-fourth said that finding enough time and money were among the greatest problems. Note in the chart, however, that relatively small percentages of advertisers responded to each issue. That means marketing problems vary widely — though some may be more common than others.

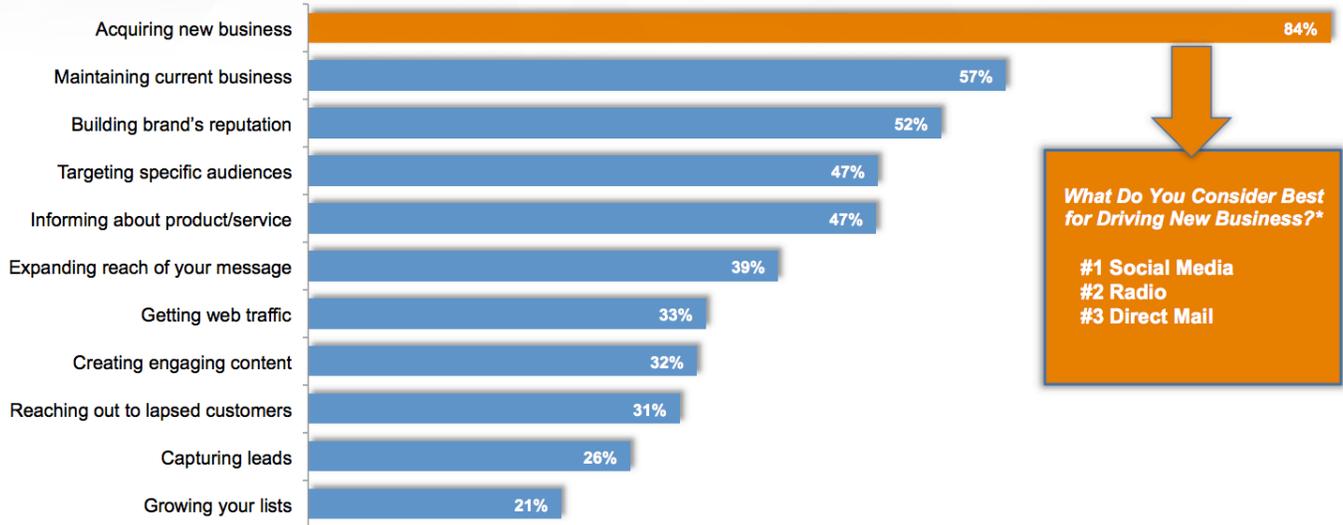
What Radio Advertisers Say is Hardest to Accomplish



Source: Borrell's Local Advertiser Survey, April-July 2017; N = 1,351 © 2018 Borrell

Radio advertisers' top marketing goal is acquiring new business. (Our survey shows that this is true for all other advertisers as well, so it's not exclusive to radio.) Their No. 2 and 3 goals are maintaining current business and building brand reputation. We took those three goals and matched them up against what radio advertisers said were the best types of media to achieve those goals, and found social media in the No. 1 spot for each. Radio ranked second for acquiring new business and maintaining current business, and ranked third (behind TV for building brand reputation).

Radio Advertisers' Top Marketing Goals



* Asked of radio advertisers who chose "acquiring new business" as a top goal
Source: Borrell's Local Advertiser Survey, April-July 2017; N = 1,136 © 2018 Borrell

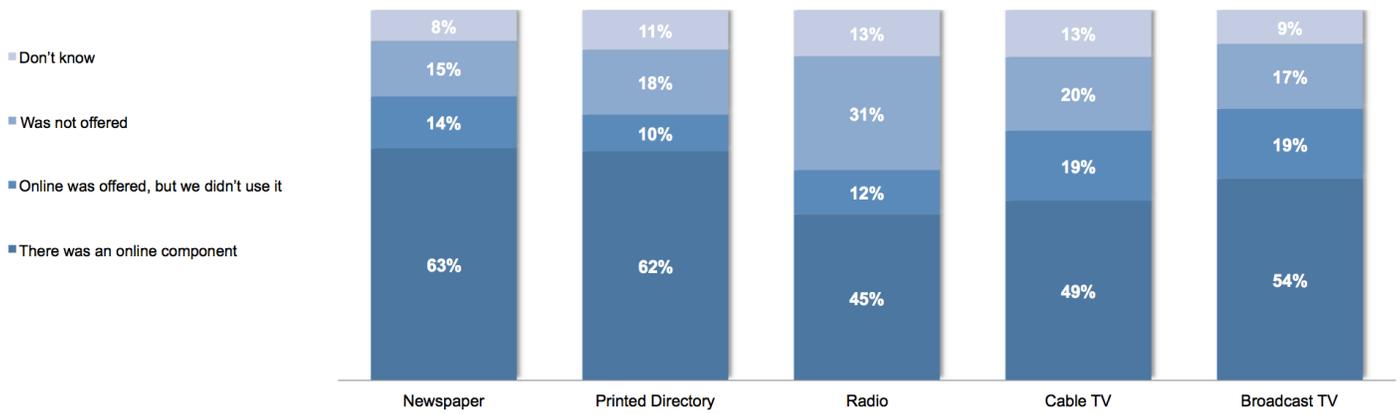
With all of this attention toward digital media and especially social media – and the fact that 74% of radio advertisers say they purchase radio and digital advertising for their marketing campaigns – we wanted to know whether radio sales professionals were offering them digital packages. We found that to be the case in 57% of the presentations, according to the radio advertisers we surveyed. When digital is offered, 79% of the advertisers buy it. That's pretty amazing, though we should note that respondents did not say they bought a digital add-on every time it was offered.

A large percentage of these same radio advertisers are also buying newspaper, yellow pages, cable, and broadcast TV– and likely getting digital pitches as well. So we wanted to know whether radio advertisers were buying digital products from the competition. Turns out they are – in larger numbers. On average, 72% of radio advertisers are hearing pitches for digital advertising from their newspaper, yellow pages, TV, or cable advertising reps, while 57% of them get pitches from their radio sellers.



Assessing the Competition: Who Else Pitches Digital, and Who's Buying?

Asked of Radio Advertisers: "When your business used <media type>, did it include an online element?"*



* Asked of radio advertisers who were buying each type of competitive media

Source: Borrell's Local Advertiser Survey, April-July 2017; Base sample of 1,136 radio buyers, of whom 1,022 also bought newspaper ads, 439 bought yellow page ads, 516 bought cable, and 535 bought TV.

© 2018 Borrell

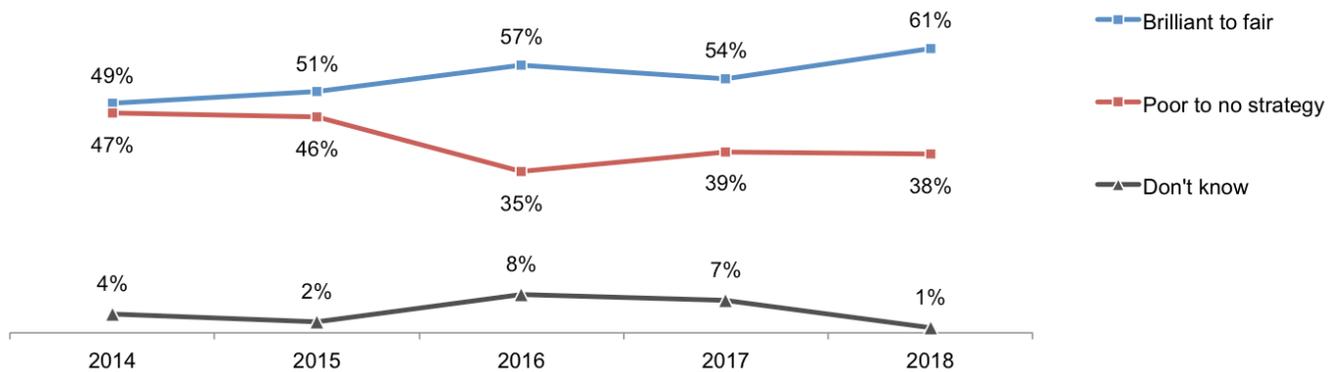
CHAPTER 3

Radio Managers' Survey

This chapter gauges how radio managers feel about their stations' digital efforts. We asked how they felt about their stations' digital strategy, their sales teams' ability to sell digital advertising, growth rates for digital sales, and various aspects of their customers' digital activities.

Their opinion on strategy is improving. The most recent survey showed 61% rating their digital strategy "brilliant to fair," up from 49% four years ago. More than one-third of the managers, however, believe their station has a poor digital strategy or none at all.

Opinions on Station's Digital Strategy is Improving



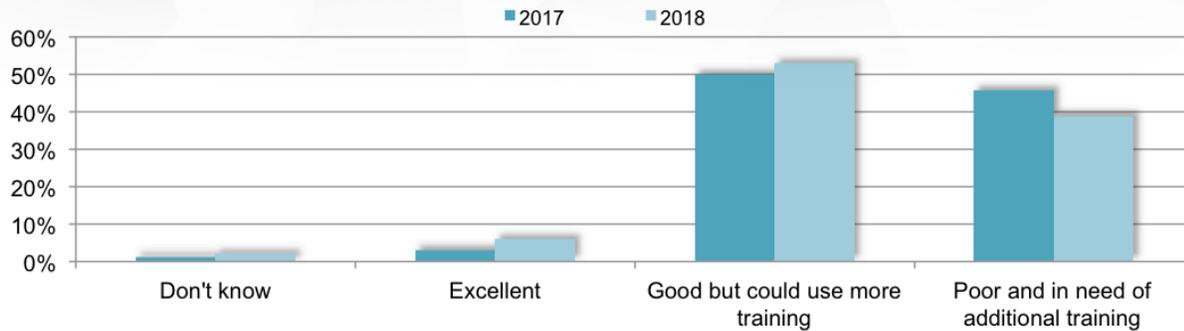
Source: Borrell/RAB surveys; N= 150 responses for 2014; 169 for 2015; 206 for 2016; 190 for 2017; 126 for 2018.

© 2018 Borrell

Digital sales ability also shows improvement. Our most recent survey showed that 59% of the managers rated their team's abilities good to excellent, compared with last year's 53%. There was also slight improvement in the "excellent" rating.

Digital Sales Ability: Improving

How would you rate your sales team's ability to sell digital advertising?



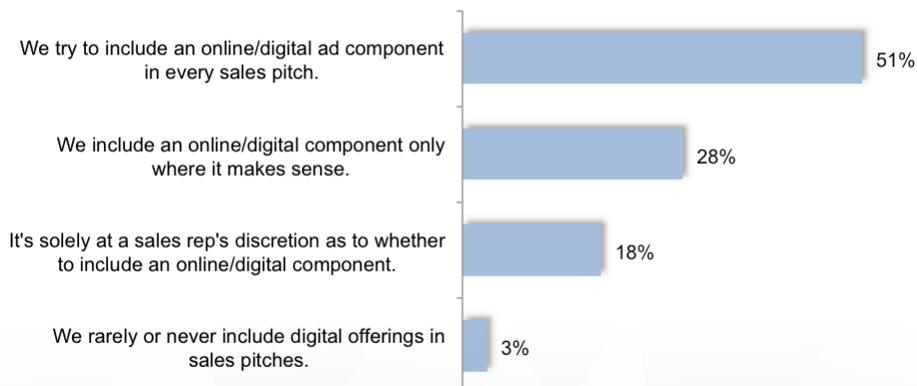
Source: Borrell/RAB surveys; N= 206 responses for 2016; 126 for 2017.

© 2018 Borrell

In the previous chapter we showed that 57% of radio advertisers said their radio sellers were offering digital products in their presentations. The following two charts show that radio managers have a somewhat different perception.

When we asked radio managers a similar question, 51% said their station tries to include digital with every presentation. That's slightly lower than what advertisers told us. But when we asked what percentage of their advertisers also bought digital products from their stations, the vast majority said less than one-third. This is in sharp contrast to the 45% of radio advertisers who said they were buying digital products from their radio sellers. (Because the radio advertisers included a larger sample (1,350) than the radio managers (126), we suspect that there's more reliability in the advertiser results.)

Half of Stations Include Digital With Every Pitch

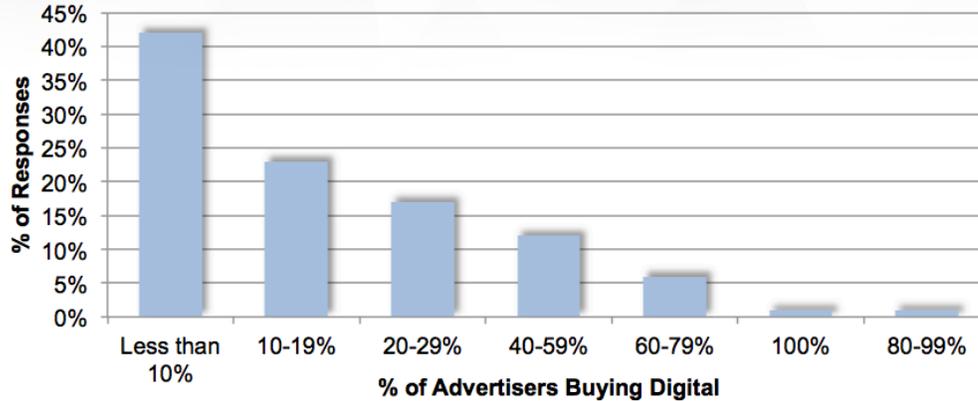


Source: Borrell/RAB surveys; N= 126

© 2017 Borrell

82% Say Fewer Than 1 in 3 Radio Advertisers Buy Digital from Their Station

What percent of your RADIO advertising customers have also bought digital advertising from you in the past 12 months?

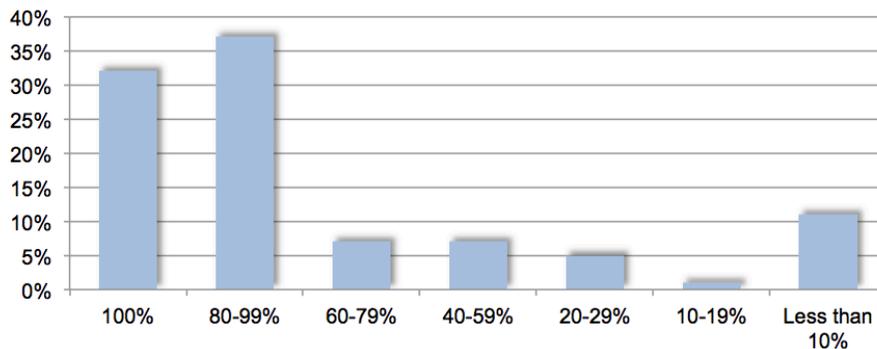


Source: Borrell/RAB surveys; N= 126 © 2018 Borrell

Flipping the question around, we discovered huge overlap in those buying digital advertising who are also buying radio advertising. This gives more credence to the theory that the radio industry isn't using digital products to create a new business so much as it is to retain existing radio customers or perhaps draw new ones in.

69% Say 4 out of 5 of their DIGITAL Customers Buy Radio Spots from their Station

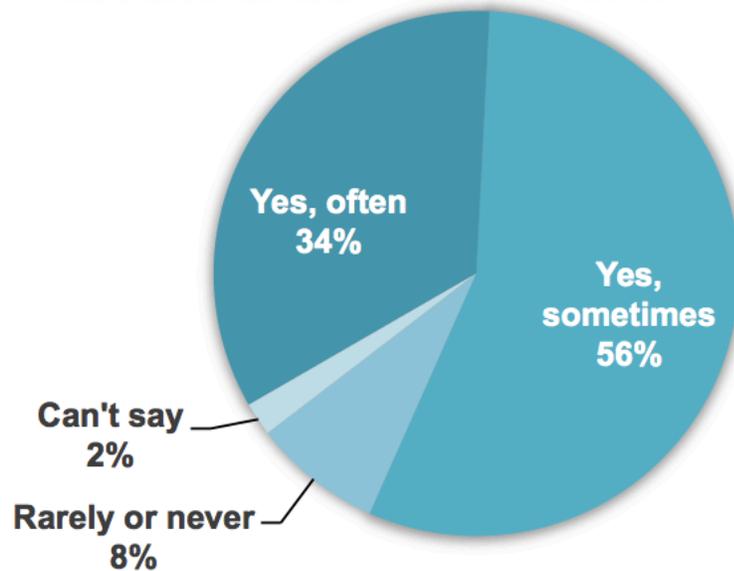
What percent of your DIGITAL advertising customers also bought over-the-air radio advertising from you in the past 12 months?



Source: Borrell/RAB surveys; N= 126 © 2018 Borrell

Finally, given the enormous popularity of social media, we wanted to know whether radio sellers were discussing it with clients, and how clients seemed to feel about social media. We found that 90% of the managers surveyed said their sellers have had the discussion. Moreover, one-third of them have it often.

Have your sellers discussed social media advertising with your radio advertisers?



Source: Borrell/RAB surveys; N= 126 © 2018 Borrell

When managers were asked whether they believed their advertisers liked social media, 69% said most of them seemed to like it and 8% said most seemed to “love” it. They’re right: Our survey of 1,136 radio advertisers showed that, of 30 different types of media they were asked about, Social Media ranked the highest in terms of effectiveness, displacing all other forms of traditional and digital media.



CHAPTER 4

Benchmarking Radio Stations' Digital Revenue

This chapter helps stations and market clusters compare how they're doing against peers and gauge their digital revenue potential. There have been changes in our dataset since last year that have adjusted the market averages slightly downward for smaller markets. That's because we purged data from a number of stations that we felt had become unreliable, and added actual revenue data from nearly 200 new stations. The changes affect only smaller markets.

The tables on the following pages display the ranges for revenue and market share, by market size. We should note that 98% of those reporting revenues to us do so by market clusters. The remaining 2% are individual stations. Per-station revenues in the chart below were calculated by dividing the total digital revenues reported by the number of stations reporting.

Average revenues per station ranged from \$39,179 in the smallest of markets to \$593,050 in the largest. Growth rates for 2017 varied by market size, with large-market stations seeing slower growth than smaller-market stations.

Per-Station Digital Revenue by Market Size, 2017 vs. Prior Year

	DMR Size	Stations in Sample	Average Revenue Per Station		
			2016	2017	Growth Rate
(largest)	1 to 20	556	\$ 593,050	\$ 646,373	9.0%
	21 to 50	466	\$ 257,467	\$ 290,246	12.7%
	51 to 100	638	\$ 137,924	\$ 158,081	14.6%
	101 to 200	813	\$ 90,992	\$ 106,135	16.6%
	201 to 300	343	\$ 61,671	\$ 71,748	16.3%
(smallest)	301 to 513	219	\$ 39,179	\$ 44,842	14.5%

Source: Borrell's Digital Revenue Database © 2018 Borrell

For market clusters, the average ranged from \$192,555 for small-market stations to \$2,681,959 for large markets. We include median and highest revenue for each market size to underscore the danger of averages. For instance, average revenue tends to be 1.7 times larger than the median, and the top performer tends to get 5 times more than the average. It illustrates the fact that digital revenue is still a nascent, supplemental revenue stream for many stations that have chosen not to focus a lot of sales resources on it right now.

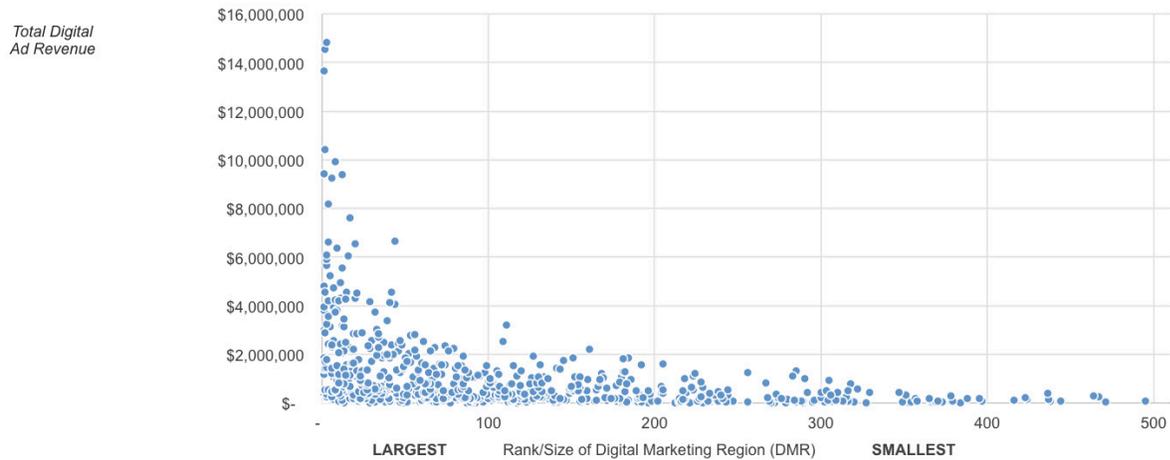


Per-Cluster Digital Revenue by Market Size, 2017

	DMR Size	Sample Size		Total Online Revenue		
		Stations	Clusters	Avg.	Median	Highest
(largest)	1 to 20	556	134	\$ 2,681,959	\$ 1,457,000	\$ 14,800,000
	21 to 50	466	109	\$ 1,249,868	\$ 700,200	\$ 6,600,000
	51 to 100	638	139	\$ 725,259	\$ 443,000	\$ 2,800,000
	101 to 200	813	166	\$ 519,808	\$ 328,000	\$ 3,200,000
	201 to 300	343	71	\$ 346,612	\$ 181,000	\$ 1,600,000
(smallest)	301 to 513	219	51	\$ 192,555	\$ 117,500	\$ 927,874

Source: Borrell's Digital Revenue Database © 2018 Borrell

2017 Total Digital Ad Revenue for 670 Radio Clusters, by Market Size



Source: Borrell's Digital Revenue Database © 2018 Borrell

An Important Change in Determining Market Share

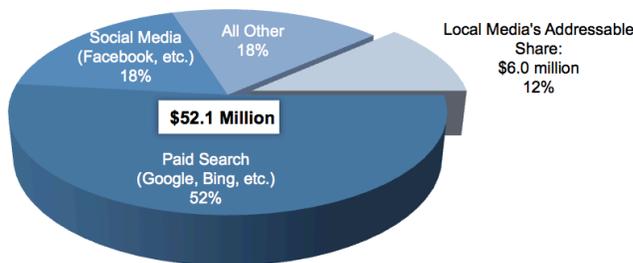
For market share, we're offering a different view than we have in the previous five years for our RAB reports. We're shifting from estimating share of all locally spent digital advertising within a cluster's geographic market, to its share of "addressable digital revenue." The addressable market factors out dollars that are spent directly with out-of-town Internet companies and looks specifically at digital revenue being collected by in-market media companies. These in-market companies encompass all local media entities that employ on-the-ground people selling digital products to local businesses. Included are newspapers, yellow pages, radio stations, TV stations, cable systems, direct mail companies, and local magazines.

On average, 18% of everything that's spent on digital advertising by businesses located inside a market goes to a locally based media company. The remaining 82% goes to Google, Facebook, Yelp, Homes.com, Autotrader.com, and a bevy of other Internet companies. We've provided examples of how locally spend digital advertising is split up in St. Cloud, Roanoke, and Oklahoma City. The addressable share of locally spend digital advertising ranges from 12% in St. Cloud to 26% in Roanoke. In each case, radio stations operating within those markets receive a share of that addressable market. All radio stations operating within a market get a combined 6% share of the addressable spending, on average.

How Much Digital Advertising Is 'Addressable' by Local Sellers?

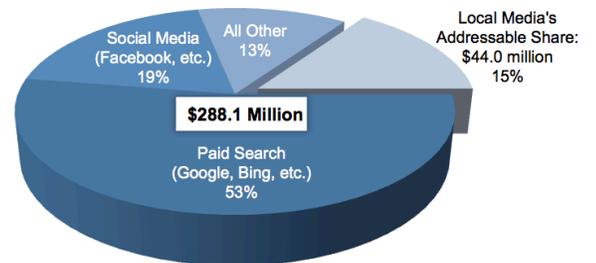
St. Cloud, MN - Market #184

2017 Local Digital Advertising Expenditures



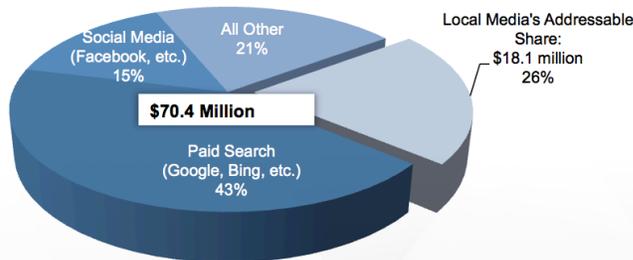
Oklahoma City, OK - Market #50

2017 Local Digital Advertising Expenditures



Roanoke, VA - Market #152

2017 Local Digital Advertising Expenditures



Source: Borrell's Compass database/adspending.com © 2018 Borrell

An individual cluster averages between 1% and nearly 7% of the addressable share. We found instances in smaller markets where stations were getting 30% or more of the market share. These high shares are isolated to smaller markets, where print and television competitors aren't as dominant.

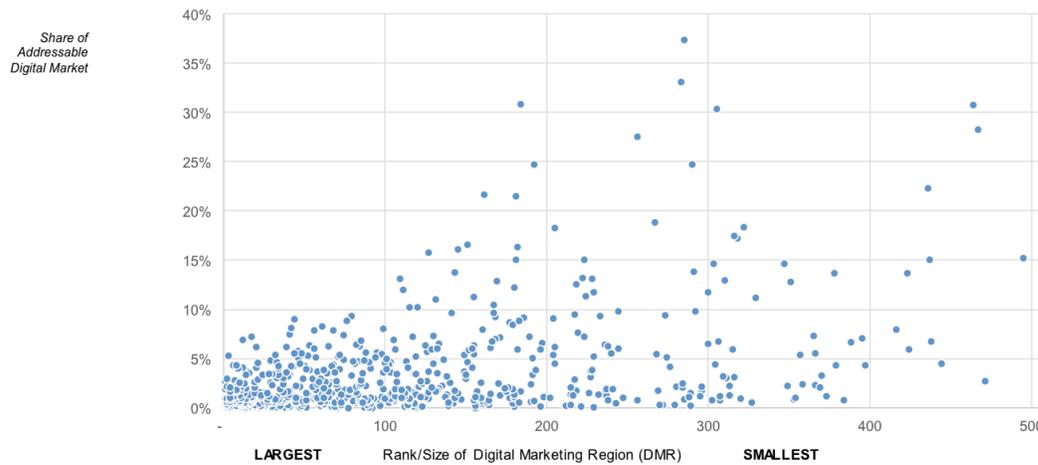
Per-Cluster Share of Addressable Digital Market, by Market Size, 2017

PER CLUSTER AVERAGES

	Sample Size		Share of Addressable Digital Market			
	DMR Size	Stations	Clusters	Avg.	Median	Highest
(largest)	1 to 20	556	134	1.11%	0.75%	7.21%
	21 to 50	466	109	1.76%	1.07%	9.02%
	51 to 100	638	139	2.32%	1.53%	9.33%
	101 to 200	813	166	3.82%	2.11%	30.82%
	201 to 300	343	71	5.99%	3.76%	37.35%
(smallest)	301 to 513	219	51	6.82%	5.37%	30.72%

Source: Borrell's Digital Revenue Database © 2018 Borrell

2017 Share of Addressable Digital Ad Market for 670 Radio Clusters, by Market Size



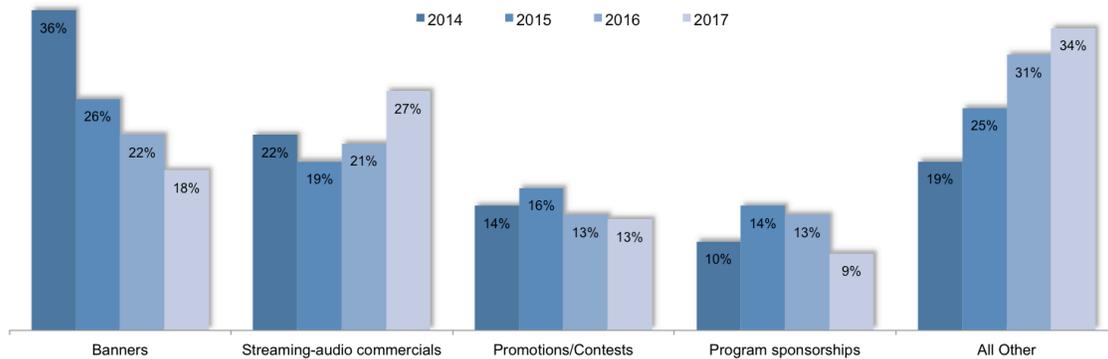
Source: Borrell's Digital Revenue Database © 2018 Borrell

To determine your cluster's market share and the appropriate ranking for your market, see Appendix A. "DMR" stands for Digital Marketing Region, a designation that encompasses 513 geographic markets where digital advertising tends to be concentrated. For the methodology behind determining DMRs and to see which counties are included in each DMR, visit www.borrellassociates.com/dmr

Key Sources of Digital Revenue for Radio Stations

While the main sources of revenue vary for stations, there are some basic truths: Banners and streaming audio remain the staples. One big change we've noticed is a jump in the percentage of digital revenue coming from streaming audio commercials. Combined with the decline in dependence on banner ads, it means that audio spots are now the largest single source of digital revenue for 27% of the stations. The more interesting trend, however, is the variety of digital products that play a significant role in digital sales. Note that one-third of station managers – the largest percentage of all – said that some other type of digital product not listed was their No. 1 source of revenue. Those selecting “other” responded that mobile programming, social media, streaming video commercials, or paid search were their largest revenue sources.

Largest Single Source of Digital Revenue

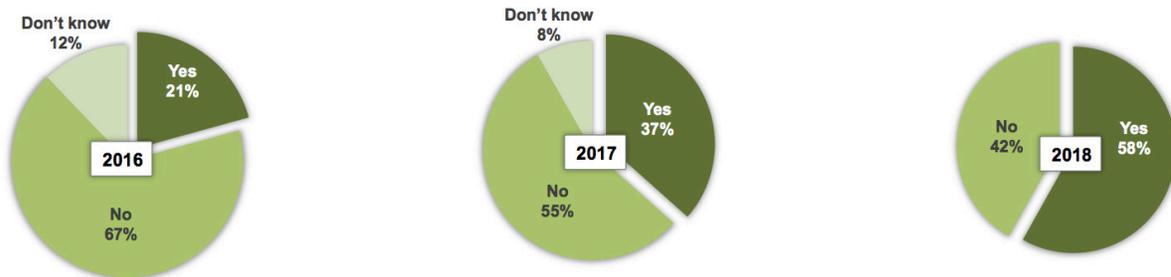


Source: Borrell/RAB surveys; N= 126 © 2017 Borrell

The number of stations now selling digital services in addition to advertising jumped from 37% last year to 58% in our current survey. That's because many station groups either launched or expanded their offerings. Cumulus jumped into the game last year when it launched its digital services unit, dubbed C-Suite, joining Entercom's Smart Reach Digital, Hubbard's 2060 Digital, and Townsquare Interactive, to name a few.

Most Stations Now Sell Digital 'Services'

In addition to digital advertising, is your station also selling digital services?



Source: Source: Borrell/RAB surveys; N= 206 responses for 2016; 190 for 2017; and 126 for 2018 © 2018 Borrell

The most prevalent service product is SEO, sold by 89% of the stations in our managers' survey. Website development, "responsive design" (allowing web pages to render appropriately on mobile devices), and social media management were also popular products, offered by three-fourths of the stations that sell digital services.

Types of Digital Services Stations Are Selling

Types of digital services stations are selling	
Product	% saying they offer it
Search Engine Optimization (SEO)	89%
Website design/development/responsive design	76%
Social Media Management	74%
Reputation Management	52%
Website hosting	50%
Video production	41%
Email Management	39%
Audio production (exclusively for digital)	33%
Listings claiming	28%
Mobile app development	22%

Source: Source: Borrell/RAB surveys; N= 126 responses © 2018 Borrell

Emerging Audio Platforms

Finally, with so much talk about podcasts and voicebots such as Google Home and Alexa, we thought we'd ask managers the burning question: Is there any money in it?

To our surprise, we found that half of the stations that offer podcasts were selling advertising within that programming. (Still, that amounts to 22% of all stations, since only 44% of them said they are actually producing podcasts.)

Regarding voicebots, only a small percentage of stations were providing content specifically for Alexa or Google Home, and a likewise small percentage (12%) planned to start an offering in 2018. Given the hype around these devices and growth in device sales, we expect these numbers to change significantly by our next survey.

Podcasts, Recorded Audio, Voicebots

Does your station(s) produce regular podcasts?



Does your station(s) sell advertising on podcasts?



Does your station(s) provide its own audio content on voicebots such as Amazon's Echo/Alexa or Google Home?

We provide recorded content (traffic, weather, music, sports, etc.)	14%
We work independently to provide our own live content (live streaming of station)	23%
We use iHeart Radio, TuneIn, or other service to provide live streaming on voicebots	30%
We don't currently provide content, but plan to in 2018	12%
We have no plans at the moment to provide content	21%

Source: Borrell/RAB surveys; N= 126 responses © 2018 Borrell



CONCLUSIONS

There's certainly a lot of food for thought in this report. It offers, for the first time, a more realistic look at the digital dollars in play – the “addressable share” for local media companies. Knowing what you're chasing in terms of dollars is a vital bit of information when determining how much to invest in product, platforms, and sales effort.

Paring this year's report down to the biggest revelations, three things grabbed our attention:

- The Social Media conversation is an important one. The topic is front and center with radio advertisers, and it's a good thing that 90% of station managers surveyed say their sellers are discussing it with customers. Our worry is that those conversations might be negative – as in “Social media? That stuff doesn't work!” Radio advertisers are experiencing otherwise. Social ranks No. 1 in terms of meeting their three most important marketing goals: acquiring new business, maintaining current business, and building brand reputation. Thus, it's the No. 1 type of advertising they plan to spend more on. We'd recommend checking with salespeople to see exactly what they're saying in those conversations – and getting everyone on the same page.
- Offer digital to radio advertisers, and 78% will buy. Trouble is, at least one-third of advertisers said their radio sellers are not offering it, and TV and print competitors are offering digital products more often and more successfully to radio advertisers. Spend some time with the chart at the end of Chapter 2...and note that it pertains only to radio advertisers.
- There's something wrong. The vast majority (82%) of station managers told us that only 1 in 3 of their radio customers are buying digital advertising from them. Yet 85% of the 1,500 radio advertisers we surveyed said they're buying some sort of digital media. Radio often has the exact same digital offerings as print and TV competitors. So the problem may be in the sales pitch.



APPENDIX A

2017 "Addressable" Digital Advertising Estimates

Digital Marketing Region (DMR)	Market Rank	Amount of Locally Spent Digital Advertising Received by In-Market Local Media Cos.	Local Media's Share of All Local Digital Advertising Spent in This Market
ALASKA			
Anchorage	118	\$ 14,011,914	13.9%
Fairbanks	263	\$ 4,776,558	15.3%
Juneau	383	\$ 2,063,847	15.8%
Ketchikan Gateway	496	\$ 689,979	19.4%
ALABAMA			
Anchorage	272	\$ 4,741,415	16.4%
Fairbanks	58	\$ 36,820,310	14.6%
Juneau	194	\$ 6,112,760	12.9%
Ketchikan Gateway	294	\$ 3,580,899	14.4%
Hamilton	452	\$ 812,463	11.5%
Huntsville	87	\$ 21,754,138	14.4%
Mobile	120	\$ 13,028,610	13.2%
Mongtomery	137	\$ 12,347,485	15.3%
Monroeville	476	\$ 814,454	14.5%
Selma	450	\$ 1,146,431	15.4%
ARKANSAS			
Bentonville	195	\$ 6,488,672	13.7%
Bluff City	455	\$ 917,310	13.7%
El Dorado	404	\$ 1,717,374	15.3%
Fayetteville	217	\$ 5,345,348	13.1%
Fort Smith	227	\$ 5,016,137	12.9%
Hope	490	\$ 1,006,015	25.8%
Hot Springs	337	\$ 2,971,386	16.2%
Jonesboro	296	\$ 4,726,445	19.1%
Little Rock	83	\$ 21,131,034	13.5%
Mountain Home	429	\$ 1,546,834	16.8%
Paragould	440	\$ 1,617,111	19.6%
Pine Bluff	395	\$ 2,388,889	20.0%
Russelville	401	\$ 3,275,612	28.5%
ARIZONA			
Phoenix	12	\$ 135,869,826	15.2%
Tucson	76	\$ 24,301,893	13.6%
CALIFORNIA			
Bakersfield	97	\$ 17,570,005	12.9%
Chico	245	\$ 6,577,998	18.5%
Eureka	342	\$ 3,450,320	19.5%
Fresno	91	\$ 26,256,024	18.0%
Lake Tahoe	96	\$ 21,481,586	15.5%
Los Angeles	2	\$ 489,218,453	16.4%
Modesto	119	\$ 13,537,985	13.7%
Oakland	26	\$ 83,189,392	15.8%
Redding	254	\$ 5,548,579	16.7%
Riverside	23	\$ 86,894,684	15.2%
Sacramento	34	\$ 67,600,633	15.5%
Salinas	107	\$ 19,277,163	15.4%
San Diego	17	\$ 105,789,402	15.4%
San Francisco	20	\$ 105,726,123	16.3%
San Jose	35	\$ 58,584,527	13.7%
Santa Rosa	92	\$ 20,515,336	14.1%
Yuba City	321	\$ 3,498,956	17.2%



2017 "Addressable" Digital Advertising Estimates

Digital Marketing Region (DMR)	Market Rank	Amount of Locally Spent Digital Advertising Received by In-Market Local Media Cos.	Local Media's Share of All Local Digital Advertising Spent in This Market
COLORADO			
Alamosa	473	\$ 658,511	11.3%
Colorado Springs	78	\$ 24,137,978	14.0%
Columbine	422	\$ 2,611,522	26.4%
Denver	15	\$ 122,570,743	15.6%
Durango	216	\$ 6,580,204	16.1%
Fort Collins	151	\$ 11,133,438	15.8%
Greeley	206	\$ 5,915,421	13.3%
Hugo	500	\$ 541,432	16.5%
Montrose	196	\$ 8,448,172	17.8%
Rio Blanco	258	\$ 7,382,826	23.0%
Vail	367	\$ 2,133,416	14.6%
CONNECTICUT			
Hartford	53	\$ 43,679,169	16.1%
New Haven	27	\$ 89,513,463	17.3%
New London	153	\$ 10,692,471	15.3%
DISTRICT OF COLUMBIA			
Washington D.C.	5	\$ 227,481,478	15.8%
DELAWARE			
Wilmington	57	\$ 37,970,877	14.8%
FLORIDA			
Cape Coral	55	\$ 36,965,250	14.1%
Daytona Beach	70	\$ 28,342,726	13.8%
Fort Walton Beach	172	\$ 10,972,263	18.3%
Gainesville	145	\$ 10,857,745	14.5%
Jacksonville	47	\$ 57,219,637	18.6%
Miami	10	\$ 164,114,618	14.9%
Ocala	185	\$ 6,953,892	13.5%
Orlando	14	\$ 126,365,499	15.7%
Panama City	219	\$ 5,619,452	13.9%
Pensacola	135	\$ 12,537,700	15.0%
Sarasota	81	\$ 23,678,932	14.7%
Tallahassee	122	\$ 13,063,278	13.5%
Tampa	21	\$ 99,309,350	15.5%
West Palm Beach	28	\$ 69,360,529	14.3%
GEORGIA			
Albany	307	\$ 6,433,637	27.5%
Americus	443	\$ 1,623,398	19.9%
Athens	226	\$ 6,273,340	16.0%
Atlanta	6	\$ 213,800,245	15.4%
Augusta	130	\$ 14,840,886	16.6%
Brunswick	275	\$ 4,116,827	14.6%
Columbus	169	\$ 8,061,698	13.3%
Dublin	346	\$ 2,370,196	14.1%
Hazelhurst	460	\$ 1,131,254	17.3%
Hilton Head Island	236	\$ 5,256,080	14.2%
LaGrange	360	\$ 2,510,937	16.4%
Macon	165	\$ 8,719,705	13.4%
Mountain City	410	\$ 1,660,438	15.7%
Opelika	278	\$ 3,688,362	13.2%
Savannah	143	\$ 10,071,306	13.0%
Sparta	406	\$ 1,567,771	14.1%
Statesboro	344	\$ 2,323,331	13.6%
Tifton	325	\$ 2,538,659	12.8%
Valdosta	260	\$ 5,550,592	17.4%
Washington	472	\$ 871,413	14.5%
Waycross	396	\$ 2,626,636	22.1%



2017 "Addressable" Digital Advertising Estimates

Digital Marketing Region (DMR)	Market Rank	Amount of Locally Spent Digital Advertising Received by In-Market Local Media Cos.	Local Media's Share of All Local Digital Advertising Spent in This Market
HAWAII			
Honolulu	52	\$ 38,420,525	14.0%
IOWA			
Bedford	456	\$ 969,319	14.6%
Burlington	359	\$ 1,704,447	11.1%
Cedar Rapids	106	\$ 19,756,392	15.4%
Cresco	405	\$ 2,026,161	18.2%
Davenport	181	\$ 8,427,938	15.6%
Des Moines	67	\$ 33,232,158	15.1%
Dickinson	423	\$ 1,505,031	15.4%
Dubuque	228	\$ 6,406,189	16.4%
Fort Dodge	313	\$ 3,764,582	16.9%
Keokuk	474	\$ 1,212,934	21.0%
Lancaster	330	\$ 2,837,521	14.6%
Mason City	366	\$ 2,202,431	14.9%
Ottumwa	353	\$ 2,328,574	14.8%
Sheldeon	411	\$ 2,000,216	18.9%
Sioux City	234	\$ 5,822,431	15.6%
IDAHO			
Boise	115	\$ 15,053,199	13.9%
Coeur d'Alene	242	\$ 5,029,959	14.0%
Idaho Falls	221	\$ 5,684,375	14.3%
Moscow	343	\$ 2,756,478	16.0%
Nampa	265	\$ 4,443,167	14.4%
Pocatello	362	\$ 2,192,483	14.4%
Twin Falls	318	\$ 4,627,480	21.8%
ILLINOIS			
Bloomington-Normal	204	\$ 7,542,601	16.7%
Carbondale	341	\$ 2,760,025	15.5%
Champaign	176	\$ 8,721,264	15.0%
Charleston	398	\$ 2,409,005	20.6%
Chicago	3	\$ 279,566,824	16.2%
Harrisburg	304	\$ 2,810,764	11.7%
Moline	207	\$ 6,345,126	14.3%
Mount Vernon	425	\$ 1,891,676	19.6%
Newton	502	\$ 546,025	18.1%
Peoria	149	\$ 10,702,781	14.5%
Quincy	351	\$ 2,437,017	15.2%
Rockford	69	\$ 33,219,352	15.5%
Springfield	140	\$ 11,160,288	14.2%
Vandalia	357	\$ 3,304,263	21.4%
Vincennes	493	\$ 694,508	18.8%
INDIANA			
Bloomington	225	\$ 6,418,841	16.3%
Elkhart	209	\$ 6,061,343	14.1%
Fort Wayne	105	\$ 19,237,733	14.9%
Gary	116	\$ 14,671,947	13.8%
Indianapolis	38	\$ 58,426,644	14.6%
Jasper	243	\$ 6,083,060	17.0%
Kokomo	322	\$ 3,039,503	15.2%
Lafayette	197	\$ 5,545,378	11.8%
Muncie	174	\$ 9,586,461	16.1%
Richmond	298	\$ 2,608,913	10.8%
South Bend	132	\$ 13,497,285	15.3%
Terre Haute	300	\$ 3,531,814	14.6%



2017 "Addressable" Digital Advertising Estimates

Digital Marketing Region (DMR)	Market Rank	Amount of Locally Spent Digital Advertising Received by In-Market Local Media Cos.	Local Media's Share of All Local Digital Advertising Spent in This Market
KANSAS			
Dodge City	453	\$ 1,376,047	19.6%
Emporia	457	\$ 1,053,833	15.9%
Fort Scott	421	\$ 2,142,836	21.7%
Garden City	431	\$ 1,372,242	15.2%
Grinnell	503	\$ 540,560	21.3%
Independence	374	\$ 2,790,251	19.9%
Lamed	478	\$ 1,089,860	19.7%
Liberal	484	\$ 735,993	17.1%
Manhattan	301	\$ 3,957,865	16.5%
Salina	327	\$ 3,138,721	15.9%
Seldon	510	\$ 266,531	16.2%
Stockton	403	\$ 1,815,530	15.8%
Wichita	103	\$ 17,883,668	13.7%
KENTUCKY			
Bowling Green	208	\$ 7,422,751	16.8%
Columbia	442	\$ 921,945	11.3%
Danville	419	\$ 1,739,906	17.5%
Evansville	161	\$ 10,260,734	15.2%
Frankfort	384	\$ 2,051,173	15.8%
Greenville	463	\$ 1,283,900	20.3%
Hazard	449	\$ 879,778	11.5%
Hopkinsville	356	\$ 2,930,028	18.7%
Lexington	98	\$ 23,100,979	16.9%
Louisville	48	\$ 43,683,099	14.3%
Monticello	397	\$ 1,803,692	15.2%
Owensboro	340	\$ 3,046,907	17.0%
Paducah	293	\$ 3,857,053	15.5%
Paintsville	433	\$ 1,321,591	15.0%
Sandy Hook	328	\$ 3,435,642	17.5%
Williamsburg	386	\$ 2,197,088	17.1%
LOUISIANA			
Alexandria	248	\$ 5,821,758	16.8%
Baton Rouge	84	\$ 24,697,158	16.0%
Houma	259	\$ 4,078,625	12.8%
La Place	364	\$ 1,953,916	13.1%
Lafayette	111	\$ 26,643,344	22.7%
Lake Charles	183	\$ 9,048,633	16.9%
Monroe	178	\$ 7,672,796	13.5%
Natchitoches	389	\$ 1,944,475	15.3%
New Orleans	74	\$ 31,789,830	17.2%
Shreveport	127	\$ 12,209,068	13.2%
St. Joseph	501	\$ 380,866	12.2%
MASSACHUSETTS			
Boston	4	\$ 256,281,329	17.6%
Springfield	114	\$ 19,030,113	16.6%
Worcester	88	\$ 22,087,846	14.6%
MARYLAND			
Baltimore	33	\$ 64,735,000	14.5%
Hagerstown	59	\$ 35,393,964	14.4%
Salisbury	244	\$ 5,352,108	15.0%
MAINE			
Aroostook	436	\$ 1,710,658	20.2%
Bangor	218	\$ 8,040,635	19.7%
Portland	85	\$ 28,253,588	18.5%



2017 "Addressable" Digital Advertising Estimates

Digital Marketing Region (DMR)	Market Rank	Amount of Locally Spent Digital Advertising Received by In-Market Local Media Cos.	Local Media's Share of All Local Digital Advertising Spent in This Market
MICHIGAN			
Alpena	467	\$ 843,495	13.7%
Battle Creek	233	\$ 4,331,397	11.6%
Bay City	230	\$ 6,010,272	15.9%
Benton Harbor	250	\$ 5,484,533	15.9%
Cheboygan	382	\$ 1,832,780	14.0%
Detroit	11	\$ 232,376,109	24.2%
Flint	131	\$ 14,339,963	16.2%
Grand Rapids	65	\$ 34,088,354	15.2%
Houghton	454	\$ 1,000,571	14.6%
Kalamazoo	186	\$ 10,655,573	20.7%
Lansing	94	\$ 22,053,894	15.7%
Marquette	338	\$ 2,505,903	13.7%
Mount Pleasant	331	\$ 2,456,395	12.7%
Roscommon	432	\$ 1,326,348	14.8%
Saginaw	240	\$ 5,992,807	16.6%
Sault Ste. Marie	324	\$ 3,275,199	16.5%
Traverse City	190	\$ 7,333,066	14.8%
MINNESOTA			
Brainerd	319	\$ 5,325,148	25.2%
Detroit Lakes	350	\$ 2,453,878	15.2%
Duluth	154	\$ 12,579,773	18.0%
Fairmont	495	\$ 549,844	15.1%
Faribault	329	\$ 3,997,217	20.4%
Jackson	289	\$ 5,215,361	20.8%
Marshall	369	\$ 2,066,044	14.2%
Minneapolis-Saint Paul	16	\$ 170,388,764	22.0%
Mission Creek	339	\$ 3,183,149	17.5%
Owatonna	361	\$ 2,248,434	14.8%
Ponemah	400	\$ 2,424,805	21.1%
Rochester	179	\$ 10,320,273	18.2%
St. Cloud	184	\$ 5,992,843	11.5%
Willmar	247	\$ 6,416,802	18.1%
Woodbury	299	\$ 4,748,694	19.6%
MISSOURI			
Albany	486	\$ 613,649	14.5%
Cape Girardeau	264	\$ 6,916,733	22.2%
Columbia	198	\$ 6,858,339	14.7%
Forsyth	212	\$ 5,631,536	13.3%
Jefferson City	269	\$ 5,124,280	17.3%
Joplin	308	\$ 3,320,032	14.2%
Kansas City	22	\$ 113,841,559	19.7%
Kennett	481	\$ 812,505	16.4%
Mountain View	470	\$ 1,092,613	18.1%
New London	446	\$ 1,738,549	22.3%
Poplar Bluff	418	\$ 1,954,652	19.5%
Rolla	306	\$ 4,635,886	19.6%
Roubidoux	435	\$ 1,221,488	14.1%
Springfield	133	\$ 16,416,682	19.5%
St. Louis	19	\$ 106,884,281	16.3%
Warsaw	494	\$ 588,245	16.2%
Wildwood	358	\$ 3,072,296	20.0%



2017 "Addressable" Digital Advertising Estimates

Digital Marketing Region (DMR)	Market Rank	Amount of Locally Spent Digital Advertising Received by In-Market Local Media Cos.	Local Media's Share of All Local Digital Advertising Spent in This Market
MISSISSIPPI			
Biloxi	159	\$ 18,928,697	27.8%
Clarksdale	266	\$ 3,939,469	12.8%
Columbus	284	\$ 4,633,077	17.7%
Greenville	334	\$ 2,515,388	13.5%
Greenwood	385	\$ 1,973,992	15.3%
Hattiesburg	232	\$ 5,819,671	15.4%
Jackson	102	\$ 18,902,669	14.2%
Meridian	320	\$ 2,651,579	13.0%
Tupelo	251	\$ 6,323,670	18.4%
Tylertown	134	\$ 15,688,635	18.8%
Water Valley	281	\$ 3,748,418	14.1%
Woodville	428	\$ 1,398,980	15.2%
MONTANA			
Billings	223	\$ 7,295,803	18.4%
Bozeman	267	\$ 4,299,428	14.1%
Butte	416	\$ 1,483,767	14.5%
Glasgow	497	\$ 776,996	22.0%
Glendive	458	\$ 1,255,617	19.0%
Great Falls	239	\$ 7,163,137	19.7%
Hinsdale	511	\$ 211,437	13.1%
Missoula	224	\$ 10,537,293	26.7%
Redstone	465	\$ 954,826	15.3%
Sundance	314	\$ 4,472,118	20.6%
NORTH CAROLINA			
Ahoskie	488	\$ 526,168	13.4%
Asheville	126	\$ 17,953,438	19.4%
Boone	187	\$ 9,070,017	17.8%
Charlotte	40	\$ 61,799,596	16.1%
Cheoah	498	\$ 922,957	26.7%
Fayetteville	150	\$ 19,918,391	27.2%
Franklin	376	\$ 2,583,350	18.5%
Greensboro	45	\$ 60,700,264	18.1%
Greenville	202	\$ 6,541,508	14.2%
Havelock-New Bern	347	\$ 2,940,976	18.0%
Henderson	441	\$ 1,626,746	19.9%
Hickory	213	\$ 7,044,705	16.7%
Jacksonville	257	\$ 4,308,733	13.3%
Kinston	231	\$ 7,737,086	20.4%
Monroe	246	\$ 6,706,320	18.9%
Raleigh-Durham	43	\$ 47,419,333	13.2%
Rocky Mount	333	\$ 2,735,325	14.6%
Sanford	271	\$ 4,088,462	13.9%
Statesville	199	\$ 6,558,355	14.1%
Wilmington	147	\$ 11,504,937	15.5%
NORTH DAKOTA			
Bismarck	229	\$ 5,529,575	14.5%
Fargo	171	\$ 8,373,908	14.0%
Grand Forks	237	\$ 5,137,432	13.9%
Medina	477	\$ 654,849	11.8%
Minot	349	\$ 2,465,386	15.2%
Rolette	504	\$ 341,215	13.5%



2017 "Addressable" Digital Advertising Estimates

Digital Marketing Region (DMR)	Market Rank	Amount of Locally Spent Digital Advertising Received by In-Market Local Media Cos.	Local Media's Share of All Local Digital Advertising Spent in This Market
NEBRASKA			
Columbus	444	\$ 1,445,079	17.9%
Grand Island	381	\$ 2,611,062	19.8%
Hastings	430	\$ 1,770,651	19.4%
Kearney	388	\$ 2,650,120	20.7%
Lincoln	138	\$ 15,840,358	19.8%
Norfolk	402	\$ 1,729,740	15.1%
North Platte	379	\$ 1,490,380	11.0%
Omaha	62	\$ 40,841,008	17.7%
Oxford	505	\$ 361,776	15.0%
Scottsbluff	420	\$ 1,777,507	18.0%
Sidney	466	\$ 1,147,603	18.5%
Stuart	507	\$ 347,275	15.8%
NEW HAMPSHIRE			
Keene	288	\$ 6,897,529	27.1%
Manchester	73	\$ 36,699,810	19.2%
Portsmouth	101	\$ 20,592,018	15.4%
NEW JERSEY			
Atlantic City	39	\$ 55,002,922	14.2%
Edison	54	\$ 40,517,013	15.0%
Newark	25	\$ 71,627,566	13.6%
Trenton	109	\$ 19,363,408	16.0%
NEW MEXICO			
Albuquerque	77	\$ 26,095,048	14.8%
Clovis	390	\$ 1,072,337	8.4%
Roswell	445	\$ 2,248,163	28.7%
Santa Fe	205	\$ 8,809,354	19.6%
NEVADA			
Elko	375	\$ 2,839,775	20.3%
Las Vegas	18	\$ 147,161,304	21.7%
Reno	89	\$ 21,973,618	14.7%
NEW YORK			
Albany	68	\$ 28,873,890	13.5%
Binghamton	129	\$ 13,743,622	15.4%
Buffalo	56	\$ 35,717,036	13.8%
Kingston	214	\$ 5,896,885	14.1%
Lake Placid	297	\$ 3,757,023	15.4%
Massena	393	\$ 1,904,462	15.4%
Middletown	158	\$ 18,700,509	27.4%
New York	1	\$ 503,731,031	15.7%
Ostego	378	\$ 2,225,461	16.4%
Poughkeepsie	168	\$ 13,027,790	21.0%
Rochester	71	\$ 31,009,087	15.1%
Saratoga Springs	144	\$ 15,440,114	20.3%
Syracuse	90	\$ 22,786,343	15.3%
Utica	182	\$ 7,895,229	14.7%
Watertown	279	\$ 3,883,901	14.2%



2017 "Addressable" Digital Advertising Estimates

Digital Marketing Region (DMR)	Market Rank	Amount of Locally Spent Digital Advertising Received by In-Market Local Media Cos.	Local Media's Share of All Local Digital Advertising Spent in This Market
OHIO			
Athens	363	\$ 2,284,350	15.3%
Canton	104	\$ 21,538,373	16.5%
Chillicothe	365	\$ 2,307,470	15.5%
Cincinnati	44	\$ 73,661,555	21.0%
Cleveland	24	\$ 85,569,804	15.7%
Columbus	32	\$ 69,990,197	15.6%
Dayton	79	\$ 23,881,588	13.9%
Findley	295	\$ 3,419,573	13.8%
Hamilton	124	\$ 13,693,908	14.7%
Lima	241	\$ 8,696,631	24.2%
Mansfield	274	\$ 4,001,689	14.1%
Portsmouth	412	\$ 1,994,017	19.0%
Sidney	392	\$ 2,499,456	20.1%
Toledo	86	\$ 38,548,723	25.4%
Youngstown	125	\$ 12,192,097	13.2%
OKLAHOMA			
Altus	475	\$ 774,765	13.5%
Alva	479	\$ 1,023,518	20.0%
Ardmore	372	\$ 3,119,019	22.0%
Broken Bow	480	\$ 765,388	15.3%
Cheyenne	434	\$ 1,938,170	22.1%
Enid	414	\$ 1,328,660	12.7%
Lawton	310	\$ 3,345,030	14.5%
McAlester	439	\$ 1,590,089	19.0%
Oklahoma City	50	\$ 43,982,368	15.3%
Tulsa	63	\$ 31,381,303	13.8%
OREGON			
Bend	211	\$ 5,780,511	13.6%
Corvallis	312	\$ 3,569,812	15.8%
Eugene	139	\$ 23,104,035	29.3%
Medford	163	\$ 11,205,272	17.0%
Moro	427	\$ 1,428,641	15.2%
Pendleton	345	\$ 3,279,941	19.3%
Portland	37	\$ 82,745,987	20.4%
Roseburg	311	\$ 4,789,851	21.2%
Salem	146	\$ 11,035,587	14.7%
PENNSYLVANIA			
Altoona	253	\$ 4,945,794	14.8%
Erie	160	\$ 12,131,672	17.9%
Harrisburg	99	\$ 19,115,757	14.1%
Johnstown	287	\$ 5,760,227	22.4%
Lebanon	112	\$ 24,593,115	21.4%
Philadelphia	8	\$ 229,132,632	19.3%
Pittsburgh	30	\$ 74,793,335	16.0%
State College	148	\$ 10,319,733	13.9%
Warren	407	\$ 1,501,961	13.9%
Wilkes Barre	49	\$ 50,975,743	17.4%
Williamsport	309	\$ 3,544,317	15.4%
York	121	\$ 17,011,323	17.3%
RHODE ISLAND			
Providence	72	\$ 29,682,905	15.2%
SOUTH CAROLINA			
Charleston	95	\$ 19,902,133	14.4%
Columbia	80	\$ 30,397,337	18.0%
Florence	280	\$ 6,945,638	25.9%
Greenville-Spartanburg	64	\$ 35,361,017	15.7%
Myrtle Beach	157	\$ 9,052,167	13.2%
Rock Hill	200	\$ 6,770,422	14.6%



2017 "Addressable" Digital Advertising Estimates

Digital Marketing Region (DMR)	Market Rank	Amount of Locally Spent Digital Advertising Received by In-Market Local Media Cos.	Local Media's Share of All Local Digital Advertising Spent in This Market
SOUTH DAKOTA			
Aberdeen	391	\$ 1,911,039	15.2%
Brookings	373	\$ 2,030,991	14.5%
Carlock	512	\$ 262,244	20.8%
Dupree	508	\$ 388,127	18.5%
Mitchell	471	\$ 1,220,976	20.3%
Pierre	459	\$ 1,375,537	21.0%
Rapid City	215	\$ 8,777,933	21.4%
Rosebud	506	\$ 376,154	15.6%
Sioux Falls	141	\$ 14,604,673	18.7%
Watertown	509	\$ 214,890	13.0%
Wesington Springs	489	\$ 891,322	22.8%
Yankton	424	\$ 2,216,127	22.8%
TENNESSEE			
Bristol	156	\$ 14,653,622	21.4%
Chattanooga	100	\$ 18,999,989	14.1%
Clarksville	290	\$ 3,987,448	15.9%
Cookeville	270	\$ 4,893,313	16.5%
Jackson	166	\$ 10,110,665	15.9%
Knoxville	75	\$ 25,371,846	13.8%
Memphis	61	\$ 30,448,847	13.1%
Morristown	332	\$ 2,698,048	14.2%
Nashville	42	\$ 56,086,850	15.5%
Union City	415	\$ 1,689,290	16.2%
TEXAS			
Abilene	238	\$ 7,321,066	20.0%
Amarillo	180	\$ 8,910,911	16.3%
Austin	46	\$ 42,476,356	12.9%
Beaumont	177	\$ 8,266,474	14.5%
Bryan	193	\$ 5,970,325	12.4%
Copperas Cove	448	\$ 1,105,817	14.4%
Corpus Christi	136	\$ 20,136,730	24.5%
Dallas	7	\$ 169,318,542	13.6%
El Paso	82	\$ 24,040,001	15.1%
Fort Worth	31	\$ 76,896,628	16.8%
Houston	9	\$ 159,615,878	13.7%
Laredo	210	\$ 6,135,819	14.3%
Llano	491	\$ 468,097	12.2%
Longview	261	\$ 8,583,470	27.0%
Lubbock	155	\$ 9,411,388	13.6%
Lufkin	305	\$ 3,045,664	12.8%
Marshall	417	\$ 1,317,504	13.1%
Matador	513	\$ 198,204	18.3%
McAllen	110	\$ 26,954,668	22.8%
Midland	262	\$ 3,867,621	12.3%
Mount Pleasant	464	\$ 909,169	14.4%
Nacogdoches	394	\$ 1,951,040	15.9%
Odessa	303	\$ 3,464,058	14.5%
Palestine	336	\$ 2,319,113	12.6%
Pampa	462	\$ 787,824	12.4%
Paris	447	\$ 1,150,272	14.9%
San Angelo	315	\$ 4,548,481	21.2%
San Antonio	36	\$ 55,692,390	13.7%
Sanderson	426	\$ 1,273,479	13.5%
Temple	113	\$ 15,561,047	13.5%
Texarkana	283	\$ 3,377,620	12.8%
Tyler	192	\$ 6,412,006	13.1%
Uvalde	492	\$ 513,379	13.6%
Victoria	292	\$ 4,238,042	17.1%
Waco	189	\$ 6,878,472	13.8%
Wichita Falls	273	\$ 3,924,105	13.6%



2017 "Addressable" Digital Advertising Estimates

Digital Marketing Region (DMR)	Market Rank	Amount of Locally Spent Digital Advertising Received by In-Market Local Media Cos.	Local Media's Share of All Local Digital Advertising Spent in This Market
UTAH			
Ogden	173	\$ 8,048,481	13.5%
Richfield	409	\$ 1,733,887	16.3%
Salt Lake City	29	\$ 87,397,709	18.6%
St. George	249	\$ 4,990,849	14.4%
VIRGINIA			
Blacksburg	268	\$ 4,250,138	14.1%
Charlottesville	191	\$ 6,093,364	12.3%
Covington	499	\$ 449,175	13.7%
Danville	326	\$ 3,412,156	17.3%
Fredericksburg	175	\$ 9,740,650	16.5%
Galax	461	\$ 808,688	12.6%
Gloucester	408	\$ 1,971,809	18.3%
Harrisonburg	277	\$ 4,195,833	14.9%
Lancaster	469	\$ 1,081,727	17.8%
Lynchburg	282	\$ 4,754,278	18.0%
Manassas	108	\$ 18,712,403	15.2%
Marion	377	\$ 1,731,205	12.6%
Martinsville	413	\$ 1,367,699	13.0%
Newport News	162	\$ 13,264,800	19.8%
Norfolk	66	\$ 38,246,782	17.3%
Norton City	387	\$ 3,164,982	24.7%
Petersburg	335	\$ 3,197,612	17.2%
Richmond	51	\$ 43,348,414	15.1%
Roanoke	152	\$ 18,071,597	25.7%
Staunton	323	\$ 2,817,597	14.1%
Suffolk	286	\$ 3,628,077	14.0%
Williamsburg	220	\$ 5,903,533	14.8%
Winchester	222	\$ 4,819,454	12.1%
VERMONT			
Bennington	354	\$ 2,338,926	14.9%
Burlington	123	\$ 15,706,864	16.7%
Rutland	317	\$ 4,795,712	22.5%
WASHINGTON			
Bainbridge Island	235	\$ 7,274,534	19.6%
Bellingham	170	\$ 8,272,225	13.7%
Okanogan	483	\$ 632,955	14.1%
Olympia	164	\$ 9,254,425	14.2%
Port Angeles	368	\$ 1,967,090	13.5%
Pullman	348	\$ 3,637,967	22.3%
Seattle	13	\$ 141,088,845	17.3%
Spokane	117	\$ 15,502,987	14.9%
Vancouver	128	\$ 11,647,450	12.7%
Walla Walla	399	\$ 1,491,134	12.9%
Yakima	167	\$ 9,243,198	14.7%
WISCONSIN			
Eau Claire	201	\$ 5,846,042	12.7%
Florence	487	\$ 610,832	15.3%
Green Bay	93	\$ 23,865,613	16.5%
Iron Belt	451	\$ 1,144,083	15.4%
La Crosse	203	\$ 9,356,986	20.4%
Ladysmith	370	\$ 2,329,763	16.1%
Madison	60	\$ 55,666,920	22.9%
Milwaukee	41	\$ 55,619,514	15.3%
Oshkosh	188	\$ 8,501,688	16.8%
Steven's Point	255	\$ 5,491,008	16.7%
Wausau	256	\$ 4,513,719	13.8%



2017 "Addressable" Digital Advertising Estimates

Digital Marketing Region (DMR)	Market Rank	Amount of Locally Spent Digital Advertising Received by In-Market Local Media Cos.	Local Media's Share of All Local Digital Advertising Spent in This Market
WEST VIRGINIA			
Bluefield	438	\$ 1,260,914	15.0%
Charleston	142	\$ 9,839,396	12.6%
Clarksburg	352	\$ 1,923,207	12.1%
Huntington	291	\$ 3,133,596	12.6%
Lewisburg	485	\$ 630,782	14.7%
Morgantown	252	\$ 5,232,384	15.5%
Parkersburg	302	\$ 3,141,416	13.1%
Parsons	482	\$ 595,470	12.9%
Weirton	355	\$ 2,200,772	14.1%
Wheeling	276	\$ 4,033,829	14.4%
WYOMING			
Casper	285	\$ 3,490,145	13.5%
Cheyenne	316	\$ 2,935,883	13.7%
Cody	468	\$ 909,863	14.8%
Gillette	371	\$ 2,114,595	14.8%
Jackson	380	\$ 1,811,271	13.7%
Laramie	437	\$ 1,005,213	12.0%

Company Profile



BORRELL

Tomorrow's Media Understood Today

As a data-driven company, we are experts in **local advertising**. We are the leaders in tracking and forecasting local ad spending across any market in the U.S., Canada or the U.K., down to the county or province level. We help clients gauge the levels of advertising and marketing expenditures in their markets by any type of business. We help media companies increase their market share and marketers adjust their budgets by providing detailed data and insights.

Methodology & Model

Our unique and disruptive methodology of tracking advertising was first developed in 1990 as a holistic way to gauge spending in traditional media. Since the late 1990s it has continuously progressed to include deep levels of data that monitor online advertising. Now used by more than 7,000 companies, our ad-spending estimates are derived from a blend of bottom-up and top-down data, as well as a continuous flow of our own market surveying.

Unlike most other companies, our approach starts at the bottom with local business expenditures, instead of at the top — media companies receipts. This is based on our belief that the media world has become so complex and fragmented that it's impossible to deliver an accurate assessment via only the traditional top-down approach of tallying receipts of the largest media companies.

Our model is designed with a powerful and unwavering local focus. This model of collecting expenditure *and* receipt data enables us to measure ad spending that is generated and spent in any given market, directed to a market from elsewhere, and generated in a market but spent elsewhere. For more detail on our methodology, visit www.adspending.com.



Industry Papers and Subscriptions

We release a variety of analysis-rich industry papers and memoranda throughout the year. These papers are typically published every 30 days and include dozens of charts and tables, as well as appendices packed with market-level data. They cover topical issues in both online and mobile advertising, often in the framework of how those trends affect traditional media. Annual reports include:

- SMB Spending on Digital marketing
- Real Estate Advertising Outlook
- Automotive Advertising Outlook
- Local Advertising Forecasts
- Benchmarking Local Online Media
- Political Advertising Outlook
- Recruitment Advertising Outlook

Local Advertiser & Consumer Surveys

Our local market survey programs deliver powerful insights. Ongoing SMB surveys are offered in waves (standardized questions); other surveys can be customized to fit a client's needs. How well do you know your local market? How are advertisers thinking about their radio, newspaper or yellow pages budgets today? What are they planning to do with interactive marketing in the coming year? How are consumers thinking about your website or mobile app? Where do they go to get local news or information on local shopping? All these questions and more can be answered with our surveys.

Interactive Revenue-Acceleration Program (IRAP)

Our Interactive Revenue Acceleration Program is offered exclusively to Compass subscribers. It puts media companies on the fast track to driving significant growth in their digital sales efforts. This turn-key program brings a Borrell expert to the client's market to offer a higher level of training on using the data, as well as seminars to educate local advertisers about the benefits of digital marketing. Clients routinely see an ROI of 300% or more from this program.

Market Data

Our market data is remarkably deep, offering ad-spending assessments across each of the 12 media types (newspaper, online, TV, radio, direct mail, etc.) and for any of 100 business categories (furniture stores, car dealers, hospitals, telecommunications, etc.). It now includes mobile and promotions data and offers backcasts and forecasts up to five years. Under the umbrella of our Local Ad Spending Report (LA\$R™) data set, our data subscription product — The Compass — offers an interactive tool that media managers, analysts and sales professionals use to manipulate the data to uncover enlightening facts.

The richest data surrounds the levels of spending on digital media. For instance, The Compass offers guidance on how much a mid-size auto dealer in Albuquerque might spend on search engine advertising, search engine optimization, or online video ads. We are continuously improving the offerings to meet our clients' needs and offer monthly user group webinars with Compass subscribers. For a preview or to schedule a test drive, visit www.adspending.com



An Annual Subscription is the best way to stay informed on the most important industry trends. Subscribers receive:

- At least 12 industry papers per year
- Access to all archived papers
- Access to interactive webinars with lead analysts discussing report findings
- Downloadable PowerPoint with all report charts and tables
- Client memoranda as issued on pertinent topics

Revenue Survey

Since 2001, we've been collecting data on interactive revenues and expenses from local media companies. The data encompasses more than 11,000 companies, giving us an accurate picture of online advertising sales across the U.S. and Canada. We conduct private benchmarking reports for local media companies and compile an annual summary of the data in our "Benchmarking Local Online Media" report each spring. The data allows us to study the best-practice companies and how they're able to achieve as much as 10 times the average market share.

Conferences & Company Presentations

Our annual conferences, Advantage: GeoMarketing, in San Francisco, and Local Online Advertising Conference, in New York, are first class events. Held each fall, AdGeo brings together hundreds of local digital media executives. LOAC, held each spring, brings together the largest group of local interactive media executives of any conference. Eighty percent of the attendees of each conference are company executives, most of whom are in charge of digital strategy. In addition, we speak at nearly 100 company meetings and conferences each year. Excellent presentation skills are a core competency at Borrell.

Webinars

We host or participate in dozens of webinars throughout the year. Our topic list is extensive. We develop custom presentations specifically for companies, trade associations or other groups. We do not conduct sponsored webinars.

