

RAB Live Presentation

Radio Ad Forecast 2025: BIA's Latest Projections

Fresh data on local radio and opportunities that deserve your attention.

April 2025

Today's Discussion, Agenda & BIA Speakers

BIA's 2025 U.S. Local Ad Forecast, Issued March 2025

 BIA's forecast provides a nationwide perspective on ad spending across 16 media and 96 key business verticals.

Prepared just for RAB, this webinar examines the local advertising marketplace, focusing on local radio.

Topics we'll cover

- BIA's Local Ad Forecast Defined
- The Power of Local Radio
- BIA's 2025 Local Audio Forecast: Radio Digital, Radio OTA, Pure Plays
- Top Revenue Generators for Local Radio
- Verticals Growing Radio Digital Ad Spend
- Analysis: Wait and See/Tariff Economy
- What's Next How BIA Can Help



Celine
Matthiessen
VP Insights &
Analysis
BIA Advisory
Services



BIA Advisory
Services is the
trusted advisor for
local video, audio,
digital and publishing
companies.

We cover the local media advertising marketplace and technologies to deliver:

- Proprietary advertising forecasts
- Insights and analytics
- Strategic consulting
- Valuations



We combine EXPERTISE and DATA to give our clients actionable INSIGHTS and RECOMMENDATIONS to make grounded strategic and financial decisions.

About BIA's U.S. Local Advertising Forecast

- BIA Advisory Services continuously monitors the local media marketplace. We build a forecast that brings together these media for a holistic view of U.S. local advertising.
- This 2025 forecast update contains our estimates for all U.S. local ad spending for the 10-year period of 2019-2028. It captures ongoing developments and analytical assessments within the economy and local business marketplace.
- The forecast represents a nationwide roll-up of Ad Spending Targeting Local Audiences in all 210 TV markets and 243 radio markets across 16 media and 96 business verticals.
- This RAB presentation uses the full forecast along with the local audio portion to offer custom analysis for local radio.

Current forecast: 2025 U.S. Local Advertising Forecast, Issued Aug. 2024



BIA defines "local" as all media generating revenue by selling access to local audiences to all types of advertisers.

Local Audio Portion of the Overall Local Advertising Forecast

From BIA's U.S. Local Advertising Forecast, the local Audio estimate breaks out advertising revenue from these media:

Radio OTA

Money from commercials on regular radio broadcasts. Includes local and national ads but not network ads.

Radio Digital

All online income for radio stations - streaming, website ads, email marketing, and search ads. Includes both online radio and pure play revenue.

Online Radio

Money stations make from their websites and streaming services, including display ads and streaming revenue.

Pure Play

Revenue from streaming-only platforms like Pandora, when advertisers target local markets.

Plus, we'll cover opportunities for Radio with Connected TV (CTV) and Over-the-Top (OTT)

Targeted advertising delivered via IPbased video streaming to support local market targeting across the streaming video ecosystem.



How Our Forecasts are Used by Broadcasters



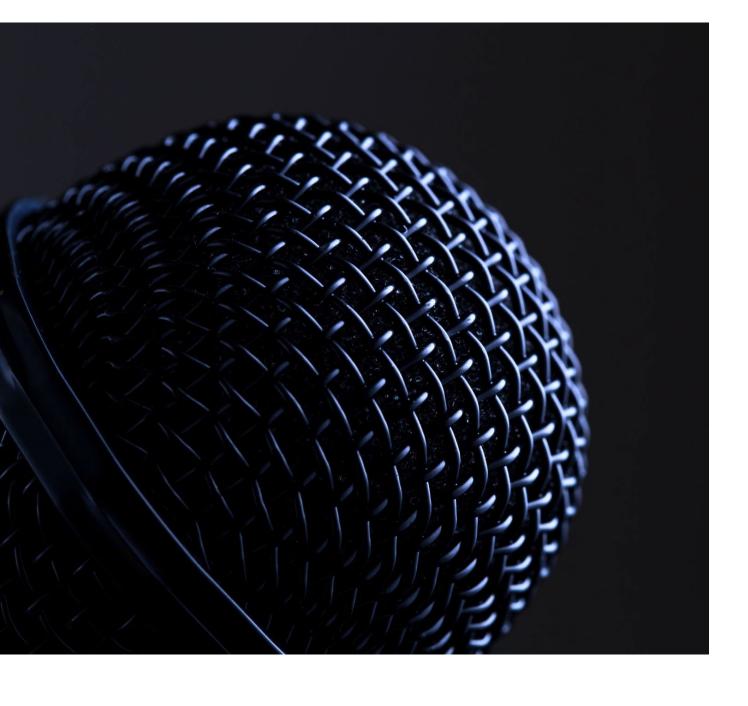
Scan the QR code to learn more about our forecast:



More on our website:

https://bit.ly/BIA-ForecastServices.





Let's Talk Radio's Power!

The Power of Local Radio!

Radio Listeners Lead as Top Influencers Across Finance, Retail, Food, and Healthcare

Radio listeners outpace other media consumers as influencers across multiple sectors. Compared to TV and social media users, they're more influential in

- Finance (+15% vs TV, +37% vs social)
- Food & Dining (+13% vs TV, +25% vs social)
- Retail (+27% vs TV, +2% social)
- Healthcare (+13% vs TV, +25% vs social)

Radio Hosts Foster Strong Connection with Listeners

- **Seven in 10 radio listeners*** said they interact online, offline, or in person with radio hosts.
- 18 to 34 listeners are the most engaged, taking advantage of radio-hosted contests, events, and following their favorite stations on social media.

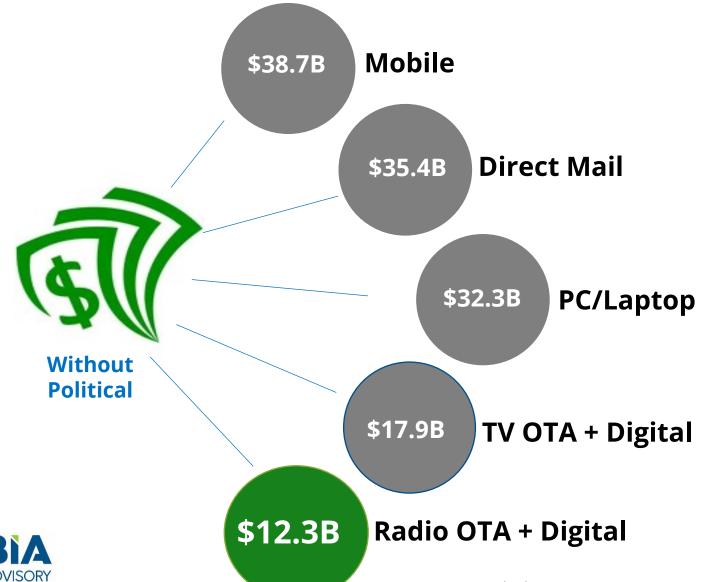






Local Audio Advertising Forecast 2025

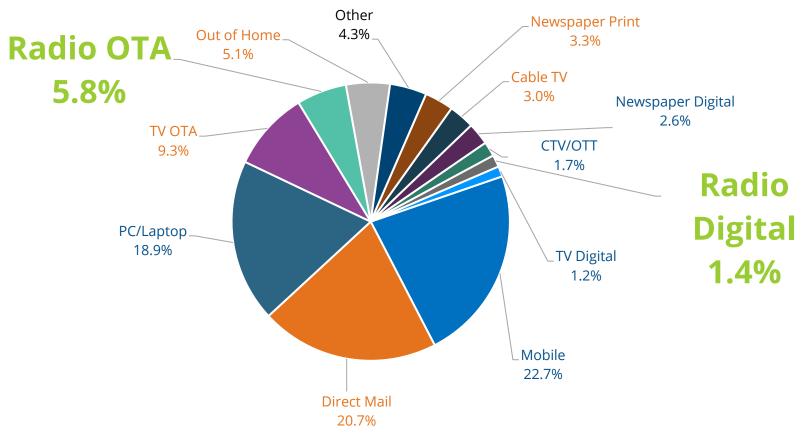
Radio: 5th Largest Ad Channel in 2025



- U.S. Total Local Advertising Forecasting for 2025: \$171B
- Growth in local radio is shifting towards digital channels.
- Local digital radio and pure play streaming services are expected to increase revenue from 2024 to 2025.
- Traditional radio continues to reach a significant portion of the U.S. population, particularly among adults aged 18 and older.
- Streaming services have gained considerable popularity, especially among younger demographics.

Local Radio's Ad Market Share Breakdown

2025 U.S. Local Spend \$171B March 2025 Estimate



Included in Other:

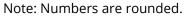
0.2% Magazines Print 0.1% Directories Print

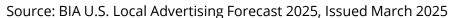
2.6% Email 0.8% Directories Digital 0.6% Magazines Digital

Color Code:

Traditional Media Digital Media

Media Definitions provided in Appendix A





Let's Examine the Local Audio Landscape

Local Audio* - \$12.3B (7.2% share of total local advertising \$171.4B)

Radio OTA (Over-the-Air) remains dominant in capturing local audio spending, expected to capture approximately 81% of local audio spending in 2025. *This media grouping includes the following:



Pure Play - \$0.6B (4.6% share of local audio)

Being able to hyper-target audiences with personalized Audio messages is essential for many advertisers.



Radio Online - \$1.8B (14.8% share of local audio)

With more work from home, Local Digital advertising spend is increasing.

Radio Digital (Pure Play + Radio Online)

- \$2.4B
- 19.4.% share of local audio

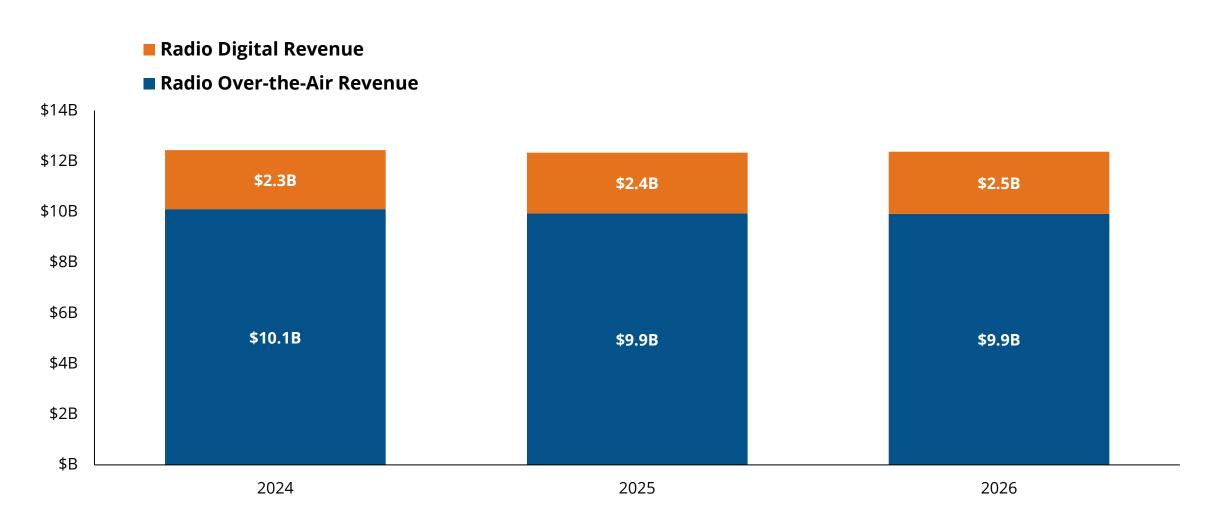


Radio OTA (Over-the-Air) - \$10.0B (80.6% share of local audio)

Remains a key audio platform to reach local audiences.

Note: Numbers are rounded.

Local Radio Digital Growing (w/o Political)

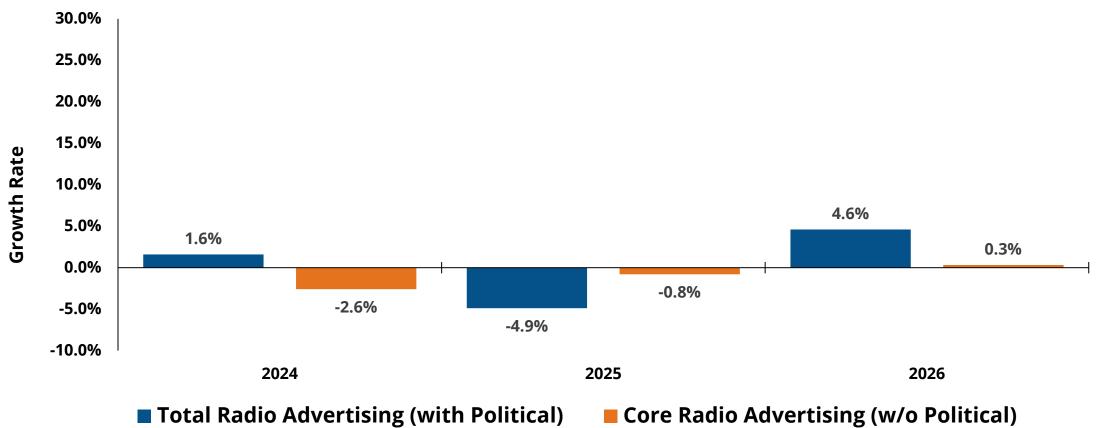




Note: Digital radio advertising includes local advertising sold by local stations (streaming, email advertising, O&O banners, SEM (not SEO), website advertisements) and pureplay streaming services except CTV/OTT. Includes the share retained by local radio stations after reselling other online platforms (e.g., Google AdWords).

Radio Core vs Radio Total Advertising Growth Rates

Total Radio Advertising = Radio OTA + Radio Digital



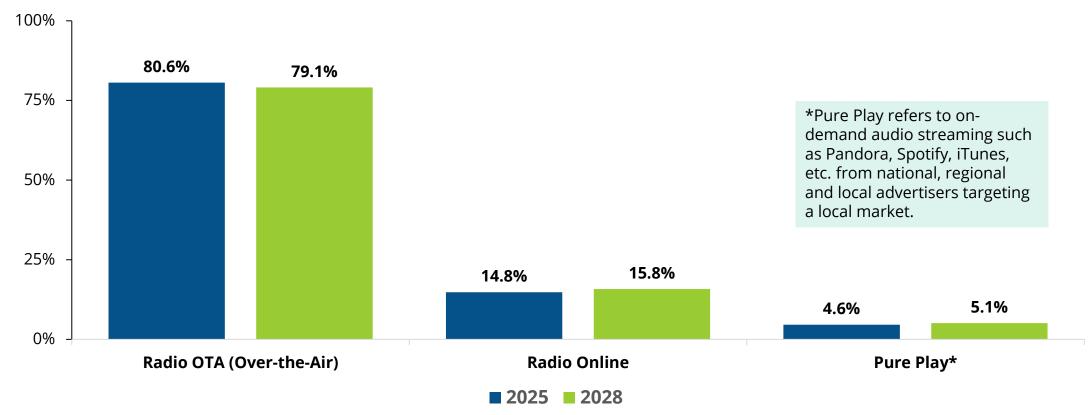


Note: Core estimate excludes political advertising.

2025 vs 2028 Core Local Audio Advertising Revenue

Local Radio OTA in slow Decline. Local Radio Online and Pure Plays* on the Rise.

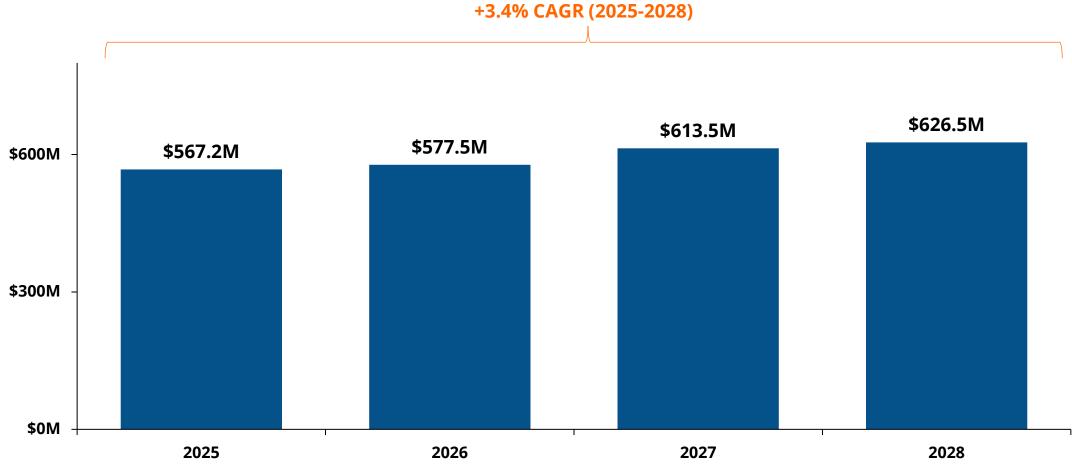
Local Share of Audio Advertising Revenue - 2025 vs 2028





Historic and Go Forward Forecast (w/o Political): Pure Plays

Pure Plays are increasing, with spend almost doubling from 2019 to 2028; but Pure Plays will still only account for 5.1% of all local audio spending in 2028.





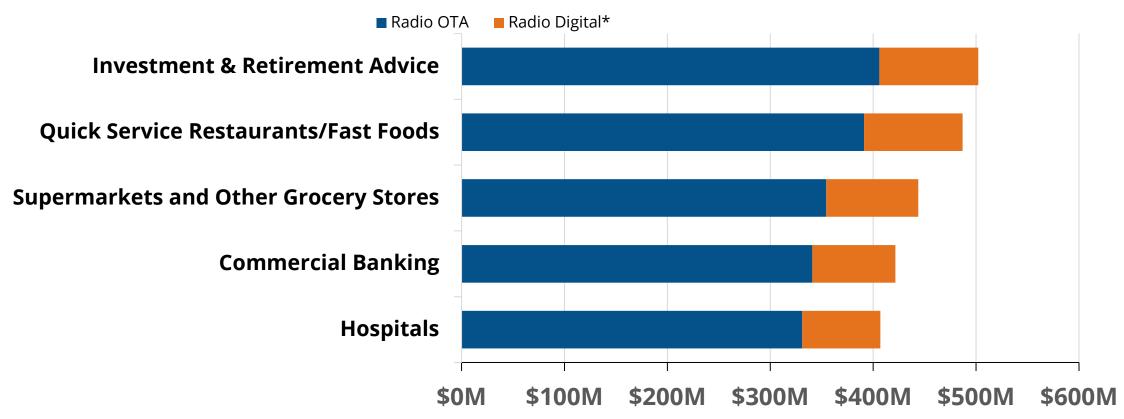
Note: Numbers are rounded.

Source: BIA U.S. Local Advertising Forecast 2025, Issued March 2025

Top 5 Verticals Expected to Power Local Audio in 2025

Radio OTA + Radio Digital significant investment for specific business categories.

2025 Vertical Spend





Source: BIA U.S. Local Advertising Forecast 2025, Issued March 2025



Top Verticals Increasing Radio Digital Ad Spend 2025

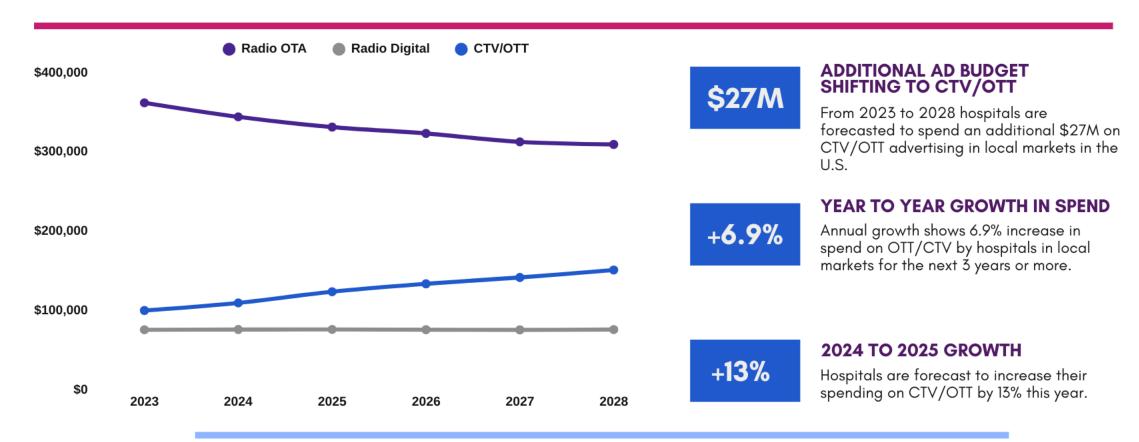
% Increasing 2024-2025

Real Estate Development	15.8%	
Full Service Restaurants & Bars	8.6%	
Mattress and Sleep Centers	7.2%	6
Quick Service Restaurants & Fast Foods	6.7%	
Clothing Stores	6.3%	
Direct Life Insurance Carriers	5.5%	
Supermarkets & Other Grocery Stores	5.5%	
Cable & Satellite Delivery	3.3%	
Tourism &Travel Services	2.7%	-
Tier 3 - New Car Dealers	2.7%	
Legal Services	1.3%	
Hospitals	0.1%	

BIA Local Media Forecast March 2025- Radio Digital includes Digital radio advertising includes local advertising sold by local stations (streaming, email advertising, O&O banners, SEM (not SEO), website advertisements) and pure play streaming services except CTV/OTT. Includes the share retained by local radio stations after reselling other online platforms (e.g., Google AdWords).

HOSPITALS CTV AD SPEND 2023 AND BEYOND

BIA predicts nearly 7% annual growth in spend on OTT/CTV by hospitals through 2028. Below is a look at key trends in spend from BIA's ADVantage local leading advertising intelligence platform.



CTV/OTT Over The Top (OTT): OTT advertising is local targeted advertising included on streaming video delivered to TV sets via Internet connections and includes both IP set top boxes that receive signals from digital video ad servers (and widgets on them) as well as USB and HDMI multimedia devices.

Radio's Money Makers in 2025: Top Verticals in Top Markets

Total Radio Ad Spend = Radio OTA + Radio Digital*

New York (\$515.4M)

- 1) Legal Services \$25.7M
- 2) Investment & Retirement Advice - \$21.7M
- 3) Clothing Stores \$19.2M
- 4) Supermarkets & Other Grocery Stores - \$18.8M
- 5) Direct Life Insurance Carriers-\$18.5M

Los Angeles (\$565.6M)

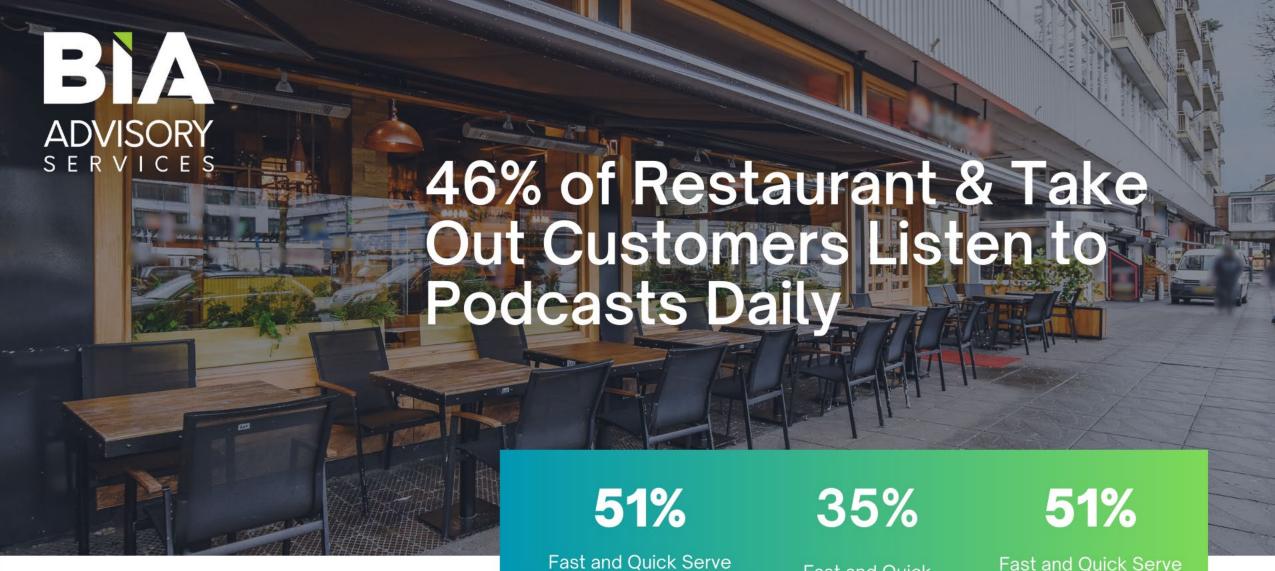
- Investment & Retirement Advice -\$41.9M
- Legal Services \$41.4M
- 3) Supermarkets & Other Grocery Stores - \$41.0M
- Quick Service Restaurants/Fast Food - \$40.2M
- Tier 3 New Car Dealers \$36.8M

Chicago (\$416.4M)

- Quick Service Restaurants/Fast Food - \$42.4M
- Investment & Retirement Advice - \$42.2M
- 3) Supermarkets & Other Grocery Stores - \$38.8M
- Commercial Banking \$35.4M
- Tier 3 New Car Dealers \$32.2M



Source: BIA U.S. Local Advertising Forecast 2025, Issued March 2025





Fast and Quick Serve
Eaters heard a radio ad and
took action by ordering,
clicking, visiting in person
or online in the past year.

Fast and Quick Serve Eaters check reviews before taking action. Fast and Quick Serve
Eaters listen to music
and sports on thier local
AM/FM station in the
past year.





New Car / Truck Shoppers that responded to streaming TV ads in the past year.

SUV Shoppers favor Classic Rock over other types with 80's-90's Hits next at 40% New Car / Truck Shoppers that have reponded to a Radio Ad (streaming or broadcst) in the past year.



"I suppose I'll be the one to mention the elephant in the room."

Wait and See / Tariff Economy

BIA Analysis: The Current Tariff Situation and Resilient Verticals

How Recession Worries Effect Consumer Behavior



In 2022...

Steps Americans are taking to prepare for a possible recession

Delaying major purchases like home or car 34% Paying down debt 29% Planning to reduce holiday spending 28% Allocating more income to savings 24% Staying in a job they don't enjoy 14% BMO Financial Group Survey 2022



Understanding Tariff Impact on Local Advertising:

Business Vertical Analysis

- Our forecast was updated in Q1, before the announcement of the tariffs on April 2. The sweeping tariffs across countries is a situation we are monitoring.
- The implementation of tariffs doesn't just affect product prices it creates a complex ripple effect throughout local economies, shifting how businesses allocate their marketing resources.
- To anticipate shifting decisions, we are examining how recent tariff policies may reshape advertising spending patterns across various business verticals in local markets.
- For radio, let's look at Furniture, building off a recent article in your Radio Matters blog, and Restaurants & QSRS.



Local Furniture Stores: Why Radio is Your Best Bet



RADIO MATTERS BLOC

about broadcast radio growth brought to yo rsation in our blog! To learn m about all that's happening in radio, head to

Sign up for the free Radio Matters Blo



Furniture Imports: Rising Tariffs and Industry Challenges

- 30-40% of U.S. furniture sales come from foreign manufacturers.
- Primary furniture exporters to the U.S.:
 - China (29% of imports)
 - Vietnam (26.5% of imports)
- Total U.S. furniture imports reached \$32.4 billion in 2023.
- Supply chain factors:
 - 50% of raw materials are imported (wood, fabrics, hardware)
 - Proposed USTR container fees would increase shipping costs by 25%
 - This would add \$30 billion in annual costs
- Historical impact:
 - o Trump's 10% tariffs (2018-2019) led to 2.3% furniture price increases.
- Key concern: Small and medium retailers face the greatest risk due to:
 - Limited resources to absorb extra costs
 - Pressure to raise prices
 - o Challenges maintaining competitiveness in price-sensitive market

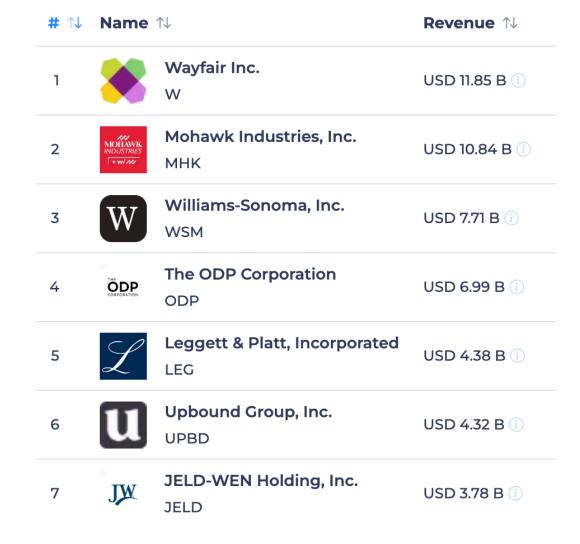
Between 2018 and 2019, Trump's 10% tariffs on certain goods contributed to a 2.3% rise in furniture prices, as reported by the Home Furnishings Association using **Consumer Price Index** data.

Tariffs could be particularly harmful now as the home goods sector is struggling to absorb costs due to pandemic-era purchasing, high interest rates, and a sluggish housing market.



Top U.S. Furniture Brands by Revenue

"Tariffs make it more difficult for us to maintain the low prices and be affordable for many people, which in the end is our goal. We have never experienced a period of benefit when we had high tariffs, but it's beyond our control. We will need to understand and adapt." **IKEA's Ingka Group CEO Jesper Brodin**





Restaurants: Rising Tariffs and Industry Challenges

- Average middle-income families face an estimated \$2,600 annual cost increase due to tariffs, with low-income families experiencing even higher impacts.
 - The National Restaurant Association estimates a negative impact of \$12B.
 - SMBs could see 30% profit losses.
 - Supply chain will increase the 30% restaurants spend on food and packaging.
- Key trade relationships for food are impacted.
 - o Korea maintained a \$66B trade surplus with the US in 2024
 - The UK serves as a major goods supplier
 - o China provides approximately \$2B in annual seafood/fish products to the US
- Multiple sectors face tariff impacts:
 - Restaurants
 - Grocery stores
 - Convenience stores
 - Specialty beverage retailers

Chipotle said in its most recent earnings call that the company sources 50% of its avocado supply from Mexico, and the tariffs would impact "60 basis points on the cost of sales."



Potential Ad Spend Cuts & What You Could Do Next

IAB Insights Engine and Attest February 2025 Survey Most advertisers (60%) expect a 6% to 10% decline in their ad budgets due to tariff-related pressures.

To address financial constraints, advertisers plan to:

- Reduce overall ad spend (45%)
- Increase focus on performance-based campaigns (35%)
- Shift to digital channels with better measurement (29%)
- Adjust campaign messaging (28%)
- Negotiate for more flexibility (21%)



Methodology: Data is from the March 2025 Interactive Advertising Bureau (IAB) article titled "94% of Advertisers Concerned About Tariff Impact on Ad Budgets." 100 US buy-side advertising decision-makers who manage or oversee ad budgets of at least \$250K annually were surveyed online during February 13–28, 2025. The respondents included brands and agencies, with additional representation from MarComm/PR agencies and consultancies. The survey collected data on expected budget reductions, strategic media shifts, and industries most impacted by tariffs. Respondents provided insights into planned adjustments, including increased focus on performance marketing, changes in campaign messaging, and negotiations for greater flexibility in media buys.







Let's examine the verticals that consistently demonstrate resilience and growth potential.

Recession-Resistant Advertising





- Legal Deserts: Major opportunity in 52 lawyerfree counties and 182 counties with just 1-2 attorneys
- IP Litigation Growth: Digital business expansion driving increased demand
- Reviews Matter: Over 80% of legal consumers rely on reviews and referrals for decisions
- Al Advantage: Legal sector embracing Al for service expansion and smarter marketing

Radio's Value:

- Reaches 86% of adults who have used legal services in the past year
- Particularly effective for reaching older demographics
- Part of broader marketing strategies alongside digital channels

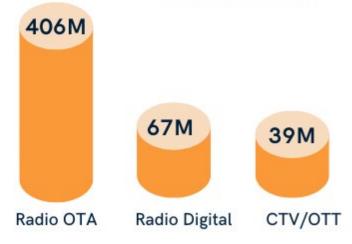


Services that Thrive During Difficult Periods









BIA Local Media Forecast March 2025

- Hard Market: Volatility plus tax/social security shifts affecting Boomers
- Gen Z/Y Outlook: Retirement age concerns driving investment interest
- Advisor Evolution: Moving from cold calls to digital lead generation
- Wealth Transfer: Next gen prioritizing experiential spending over saving

Radio's value:

- Studies show radio listeners are more engaged with financial content than TV viewers
- Offers sponsored segments (like market updates or financial tips)
- Leveraging trusted radio personalities for endorsements



Advertising that Stays Strong in Any Economy





- Rural Focus: Telehealth expansion driving hospital growth
- Staffing Crisis: Aggressive recruitment marketing intensifies
- Price Transparency: Hospitals compete on cost clarity
- Digital Authority: SEO-optimized health content captures patients

Radio's value:

- Targets specific geographic service areas
- Promotes community health events
- Addresses local health concerns
- Builds community trust and presence



Tap into CTV as a Key Part of Your Digital Offers

Top 5 **Growth** Verticals for CTV/OTT in 2025

Real Estate Development



Full-Service Restaurant and Bars



Cable and

Satellite

Delivery

Mattress and **Sleep Centers**



Clothing Stores



+28.3%

CTV/OTT Total Spend: \$5.3M

+20.7%

CTV/OTT Total Spend: \$40.1M

+20.2%

CTV/OTT Total Spend: \$16.7M

+18.9%

CTV/OTT Total Spend: \$18.4M

+18.2%

CTV/OTT Total Spend: \$27.4M





Now what?

Ways to Engage BIA!

Proactively Monitor Your Standing Against Competitive Media

- How is Radio OTA doing compared to other media? BIA's Media Index Report shows how Radio OTA or **Radio Digital performs** compared to other media. (The index ranks spending in 16 key media channels across 96 business verticals.)
- See where Radio OTA is ranking well and where it could increase efforts against competitive media, such as mobile, PC/laptop, TV OTA, and direct mail.

2025 Media Ranks

Vertical	Radio OTA Rank	Competitive Media Ranks
Investment and Retirement Advice	4	Mobile 1, Direct Mail 2, PC/Laptop 3
Tier 3 – New Car Dealers	4	PC/Laptop 1, Mobile 2, TV OTA 3
Mattress and Sleep Centers	5	Direct Mail 1, TV OTA 2, PC/Laptop 3
Tourism and Travel Services	7	Mobile 1, PC/Laptop 2, TV OTA 3
Legal Services	9	Mobile 1, Direct Mail 2, TV OTA 3

BIA Media Index also available for Radio Digital. Send us an email for details: advantage@bia.com.



Purchase our Local Audio Forecast or Media Ranker



Scan the code or visit https://shop.bia.com to browse these forecast reports and others.

Use code RAB15 to save 15% on any item.



Vertical	Radio OTA Rank	Competitive Media Ranks
Investment and Retirement Advice	4	Mobile 1, Direct Mail 2, PC/Laptop 3
Tier 3 – New Car Dealers	4	PC/Laptop 1, Mobile 2, TV OTA 3
Mattress and Sleep Centers	5	Direct Mail 1, TV OTA 2, PC/Laptop 3
Tourism and Travel Services	7	Mobile 1, PC/Laptop 2, TV OTA 3
Legal Services	9	Mobile 1, Direct Mail 2, TV OTA 3

Order a Media Ranker for your local market.

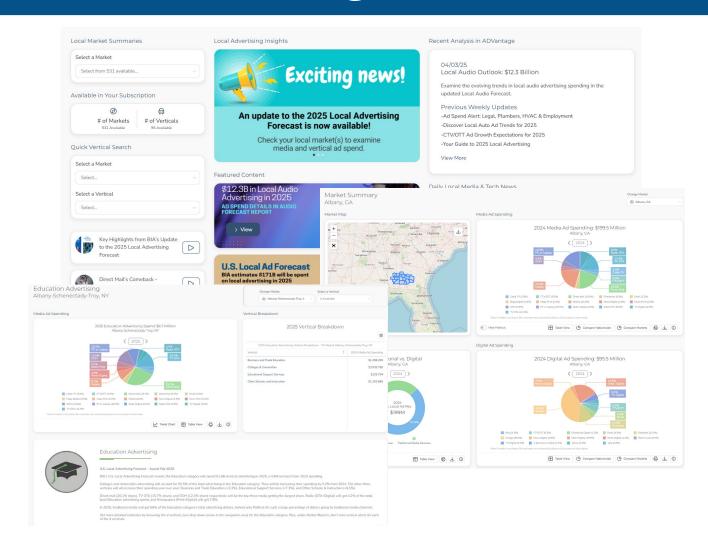
Email Celine for details: cmatthiessen@bia.com

Price \$75



Unlock Local Sales Success with BIA ADVantage

- **BIA ADVantage turns complex advertising** forecasts into actionable insights.
- Track local market trends, visualize multi-year forecasts, and analyze ad spending across media channels and industries—all in one place.
- See where ad dollars are flowing, spot emerging trends, and make smarter decisions.
- It's a good time to become a client!
 - Get more analysis about the effect of tariffs on local advertising
 - Get our sensitivity analysis to examine different economic potentials.









Contact Us

Celine Matthiessen

VP Insights & Analysis

cmatthiessen@bia.com





BIA delivers continuous insights, analytics, advertising forecasts, report, and custom consulting services for the local advertising marketplace. Connect with us on our social platforms, podcast, daily newsletter and more.

MAIN CONTACT

info@bia.com sales@bia.com pubs@bia.com clientinfo@bia.com



TWITTER HANDLE

twitter.com/BIAAdvisorySvcs

LEADING LOCAL INSIGHTS PODCAST https://bit.ly/LeadingLocalInsights-BIA





YOUTUBE www.youtube.com/user/BIAmediacenter

Win a leading position in the local advertising marketplace with BIA Advisory Services.

BIA's Local Ad Forecast Methodology Media Definitions, Verticals Covered, Forecast Methodology & Data Sources

Definitions of Traditional Media Platforms

- Cable Television: All revenues generated by local cable systems for sale of time to either national or local advertisers on all of their aired networks. Does not include any advertising sold by national cable networks.
- **Direct Mail**: All revenue spent (including postage and production) by direct mail local and direct mail national advertisers in promoting their products/services through printed mailings and catalogs. The average split of national/local is 90/10.
- Magazines Print: All revenues generated by local market magazines from either national or local advertisers from their print editions. Does not include any advertising generated by magazines with a national subscriber base.
- **Newspaper Print:** All revenues generated by local daily and weekly newspapers from national and local advertisers from their print editions. Does not include any revenue generated from subscriptions.
- Out-Of-Home (OOH): All revenues generated from sale of advertising in locations outside of homes. Includes traditional billboards, digital billboards, digital signage, taxi cabs, and digital cinema.
- Radio Over-the-Air (OTA): All revenues generated by local radio stations for sale of time to either national or local advertisers from their over-the-air broadcasts. Does not include any advertising sold by the national radio networks.
- Television Over-the-Air (OTA): All revenues generated by local television stations for sale of time to either national or local advertisers. Does not include any advertising sold by the over-the-air national networks, nor any retransmission consent revenues generated by these local television stations.

Definitions of Digital Media Platforms

- Directories: All revenues generated by local directory companies for their printed and digital/online listings.
- **E-Mail**: All revenues spent by national and local advertisers in e-mail solicitation.
- Magazines Digital: All revenues generated by local market magazines from either national or local advertisers from their digital activities. Includes the share retained by local magazines after reselling other online platforms (e.g., Google AdWords). Does not include any advertising generated by magazines with a national subscriber base.
- **Mobile**: All revenues generated from advertising on mobile devices and targeted devices are Phones, tablets. This includes in-app advertising as well as mobile web and messaging advertising. Formats include display, search, SMS, video and native social advertising (i.e. Facebook news feed ads).
- Newspaper Digital: All revenues generated by local daily and weekly newspapers from national and local advertisers from their online editions. Includes the share retained by local newspapers after reselling other online platforms (e.g., Google AdWords). Does not include revenues generated from subscriptions.
- Over The Top (OTT): OTT advertising is local targeted advertising included on streaming video delivered to TV sets via Internet connections and includes both IP set top boxes that receive signals from digital video ad servers (and widgets on them) as well as USB and HDMI multimedia devices.



Definitions of Digital Media Platforms

- **PC/Laptop**: All revenues generated by online companies selling locally targeted advertisements to be displayed on a PC/laptop. These advertisements could be sold by local pure-play online companies, or national companies selling geotargeted advertising. Includes search, display and classified/vertical advertising. Search includes dollars spent on online local inquiries with search engine sites (such as Google, Microsoft, Facebook, Yahoo, Ask, AOL).
- Radio Digital: Digital radio advertising includes local advertising sold by local stations (streaming, email advertising, O&O banners, SEM (not SEO), website advertisements) and pure play streaming services except CTV/OTT. Includes the share retained by local radio stations after reselling other online platforms (e.g., Google AdWords).
- Television Digital: TV digital advertising includes local advertising sold by local broadcast stations (owned and operated) streaming and website advertisements). Includes the share retained by local television stations after reselling other online platforms and products (Not owned and operated e.g., Google AdWords, targeted display, social media advertising).

