13th Annual Benchmarking Report

Digital Sales Grow 10%, Breaking $2 Billion

February 19, 2025

BORRELL

RAB

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PHOENIX, AZ

March 9, 10, 11

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Townsquare Media

Since 2001 we've analyzed digital revenue for:

- 10,000+ local online operations
- Covering print, radio, TV, cable, & other ops
- U.S. and Canada
- For our 2025 RAB report, our research involved
  - 3,743 radio stations in 852 market clusters
  - Survey of 221 radio managers
  - Survey of 338 local radio advertisers

The Basis of Our Analysis

We have been collecting and analyzing digital revenue data from thousands of media companies since 2001. The benchmarks used in this analysis were taken from our 2025 RAB Report, published in February 2025. Information on how we collect the data, who participates, and how we determine market share can be found in the report.

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FEBRUARY 2025 13TH ANNUAL BENCHMARKING REPORT
RADIO'S DIGITAL REVENUES
AND WHAT'S AHEAD IN 2025

APPENDIX A
Obtainable Digital Revenue in 2024 for 513 U.S. Markets

2024 Obtainable Digital Advertising E

Digital Marketing Region	Market Rank	Obtainable Digital Revenue
ALASKA		
Anchorage	117	$29,058,668
Fairbanks	264	$6,582,916
Juneau	399	$3,247,349
Ketchikan Gateway	491	$1,062,370
ALABAMA		
Anniston	268	$7,597,533
Birmingham	55	$72,203,735
Dothan	195	$13,255,828
Florence	292	$6,325,278
Hamilton	451	$1,638,720
Huntsville	85	$40,811,458
Mobile	118	$41,827,579
Montgomery	139	$19,987,497
Monroeville	473	$1,486,215
Selma	440	$2,039,330
ARKANSAS		
Bentonville	179	$12,498,209
Bluff City	462	$1,682,381
El Dorado	413	$2,837,034
Fayetteville	212	$9,285,866
Fort Smith	222	$11,445,766
Hope	495	$1,327,032
Hot Springs	346	$5,470,050
Jonesboro	311	$6,362,309
Little Rock	49	$75,383,352
Mountain Home	438	$2,559,962
Paragould	442	$2,695,698
Pine Bluff	420	$3,404,502
Russellville	415	$4,036,730
ARIZONA		
Phoenix	11	$242,160,985
Tucson	65	$42,968,403

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2024 Obtainable Digital Advertising Esti

Digital Marketing Region	Market Rank	Obtainable Digital Revenue
CALIFORNIA		
Bakersfield	96	$30,807,182
Chico	261	$8,037,456
Eureka	345	$4,768,932
Fresno	87	$46,035,492
Lake Tahoe	91	$37,710,876
Los Angeles	1	$808,769,545
Modesto	125	$20,707,538
Oakland	27	$104,490,801
Redding	252	$8,567,949
Riverside	22	$133,728,819
Sacramento	32	$115,336,944
Salinas	110	$30,778,897
San Diego	15	$175,661,215
San Francisco	20	$161,296,330
San Jose	35	$82,548,124
Santa Rosa	94	$34,297,091
Yuba City	305	$3,983,353
COLORADO		
Alamosa	471	$904,050
Colorado Springs	70	$53,076,476
Columbine	392	$4,837,264
Denver	12	$208,474,107
Durango	208	$11,425,299
Fort Collins	135	$19,009,414
Greeley	174	$12,768,811
Hugo	485	$1,199,000
Montrose	182	$17,293,253
Rio Blanco	237	$10,150,794
Vail	340	$5,768,189
CONNECTICUT		
Hartford	54	$62,357,836
New Haven	30	$128,388,346
New London	167	$20,961,542

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2024 Obtainable Digital Adve

Digital Marketing Region	Market Rank	Obtainable Digital Revenue
ILLINOIS		
Bloomington-Normal	226	$14,814,043
Carbondale	347	$4,824,694
Champaign	181	$14,211,842
Charleston	417	$3,332,220
Chicago	3	$361,244,065
Harrisburg	314	$5,051,248
Moline	228	$12,781,645
Mount Vernon	426	$2,728,384
Newton	502	$1,087,795
Peoria	164	$20,650,045
Quincy	373	$4,618,157
Rockford	75	$55,871,287
Springfield	147	$25,919,635
Vandalia	368	$5,798,872
Vincennes	501	$1,331,018
INDIANA		
Bloomington	234	$9,140,150
Elkhart	216	$7,789,407
Evansville	156	$19,337,821
Fort Wayne	105	$36,769,053
Gary	119	$24,298,449
Indianapolis	36	$91,756,008
Jasper	231	$13,855,739
Kokomo	326	$5,348,527
Lafayette	206	$7,593,416
Muncie	177	$14,478,318
Richmond	301	$5,816,433
South Bend	136	$25,691,217
Terre Haute	315	$6,326,450

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RADIO'S DIGITAL REVENUES
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2024 Obtainable Digital Advertising Estimates

Digital Marketing Region	Market Rank	Obtainable Digital Revenue	"Obtainable" as % of All Local Digital Advertising in Market
LOUISIANA			
Alexandria	256	$7,872,711	14.4%
Baton Rouge	81	$53,529,055	18.2%
Houma	262	$8,851,245	16.9%
La Place	348	$3,284,461	11.9%
Lafayette	109	$39,778,906	18.9%
Lake Charles	197	$15,379,958	18.3%
Monroe	170	$14,285,268	13.9%
Natchitoches	388	$4,461,764	20.3%
New Orleans	79	$53,423,980	17.4%
Shreveport	133	$20,407,447	14.5%
St. Joseph	499	$740,139	13.2%
MASSACHUSETTS			
Boston	7	$394,613,931	17.8%
Springfield	128	$25,100,777	15.8%
Worcester	102	$31,561,885	14.4%
MARYLAND			
Baltimore	50	$68,628,548	13.3%
Hagerstown	57	$64,574,752	15.6%
Salisbury	255	$13,134,877	24.0%
MAINE			
Aroostook	450	$2,563,457	20.2%
Bangor	235	$12,048,721	18.4%
Portland	90	$51,029,231	20.7%
MICHIGAN			
Alpena	477	$1,780,889	19.6%
Battle Creek	257	$6,226,018	11.4%
Bay City	248	$10,486,883	18.5%
Benton Harbor	254	$10,282,551	18.7%
Cheboygan	395	$3,800,890	18.1%
Detroit	13	$276,975,851	18.7%
Flint	142	$25,211,047	19.1%
Grand Rapids	63	$66,369,721	17.3%
Houghton	453	$1,673,341	13.6%
Kalamazoo	200	$19,024,325	23.6%

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What's "Obtainable"?

Appendix A contains a list of 513 U.S. markets showing the amount of digital advertising that local businesses spent in each market <u>with a locally based media company</u>.

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TODAY'S AGENDA

1. **Industry Overview**
   Digital's affect on total industry revenue
2. **The Pulse of Radio Buyers**
   How their ad budgets are changing
3. **Station Managers Weigh In**
   Attitudes, observations, & recommendations
4. **Benchmarking Insights**
   Sources of revenue, share, growth
5. **Your Questions**
   Q&A opportunity

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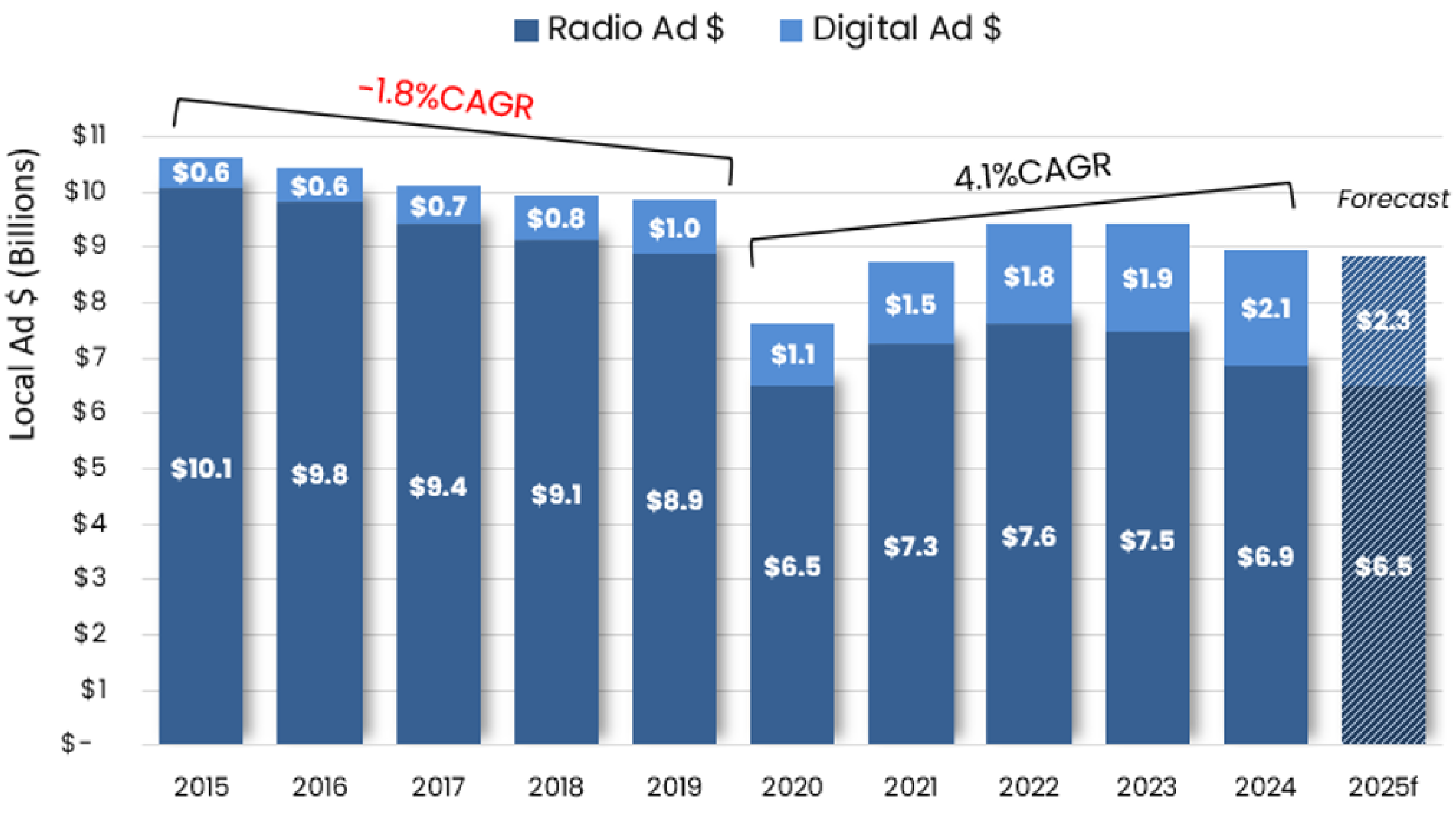
How Digital Sales Have Added to Radio's Core Local Revenue

Find this chart on Page 8



BENCHMARK:

Core + Digital Ad Revenue

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Radio's Digital Ad Revenue and YOY Growth Rate, 2017–2025

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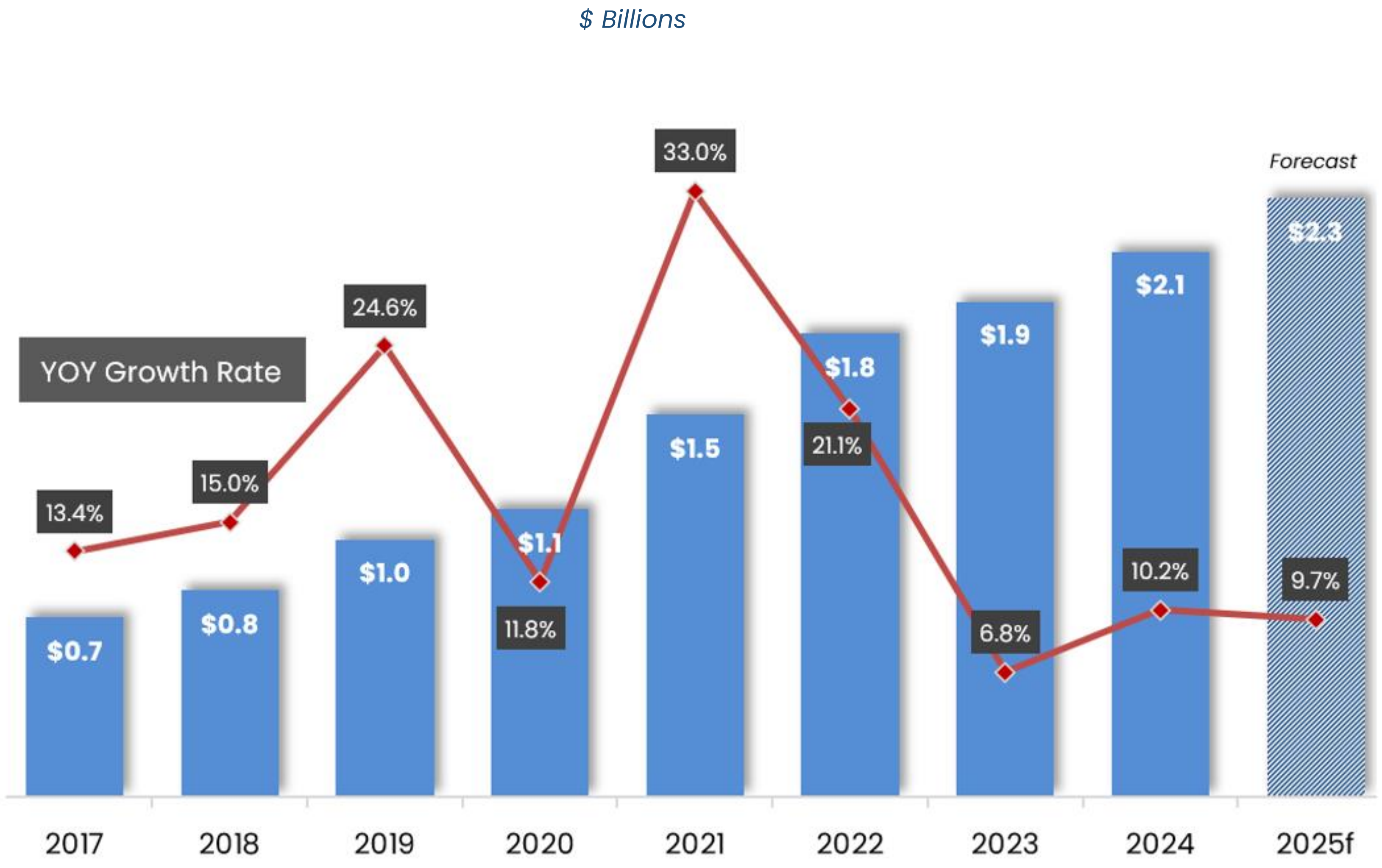

BENCHMARK:

Digital Ad Revenue Growth

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Find this chart on Page 9

Digital Growth Averaged 8.1% For 7 Publicly Held Radio Companies

	2024 AD REVENUE GROWTH**		SHARE OF AD REVENUE FROM DIGITAL SALES			
COMPANY	RADIO	DIGITAL	2021	2022	2023	2024
Townsquare*	-0.3%	2.4%	33.0%	38.6%	42.5%	43.2%
UrbanOne*	-0.3%	-7.5%	25.0%	28.5%	28.6%	26.5%
iHeart*	-3.5%	9.9%	24.1%	27.9%	30.0%	32.8%
Audacy*	-7.5%	11.0%	19.3%	20.8%	24.0%	26.5%
Beasley	-5.8%	6.2%	12.9%	15.8%	18.6%	20.5%
Cumulus	-5.9%	6.6%	15.2%	14.9%	19.5%	21.5%
Saga	-5.2%	20.3%	5.8%	7.2%	9.3%	11.5%
TOTAL/AVG	**-4.2%**	**8.1%**	**21.3%**	**25.3%**	**27.2%**	**30.2%**

Source: SEC 10Q Reports, Dec. 2024

**Jan-September for each year, growth over prior nine-month period
*Townsquare: excludes revenue from SaaS subscriptions; Urban One: excludes cable/TV revenue; iHeartMedia: includes podcast business, representing 37% of digital revenue; Audacy: through Q2 2004 only, compared with prior six-month period

BENCHMARK:

How Publicly Held Radio Cos. Are Performing

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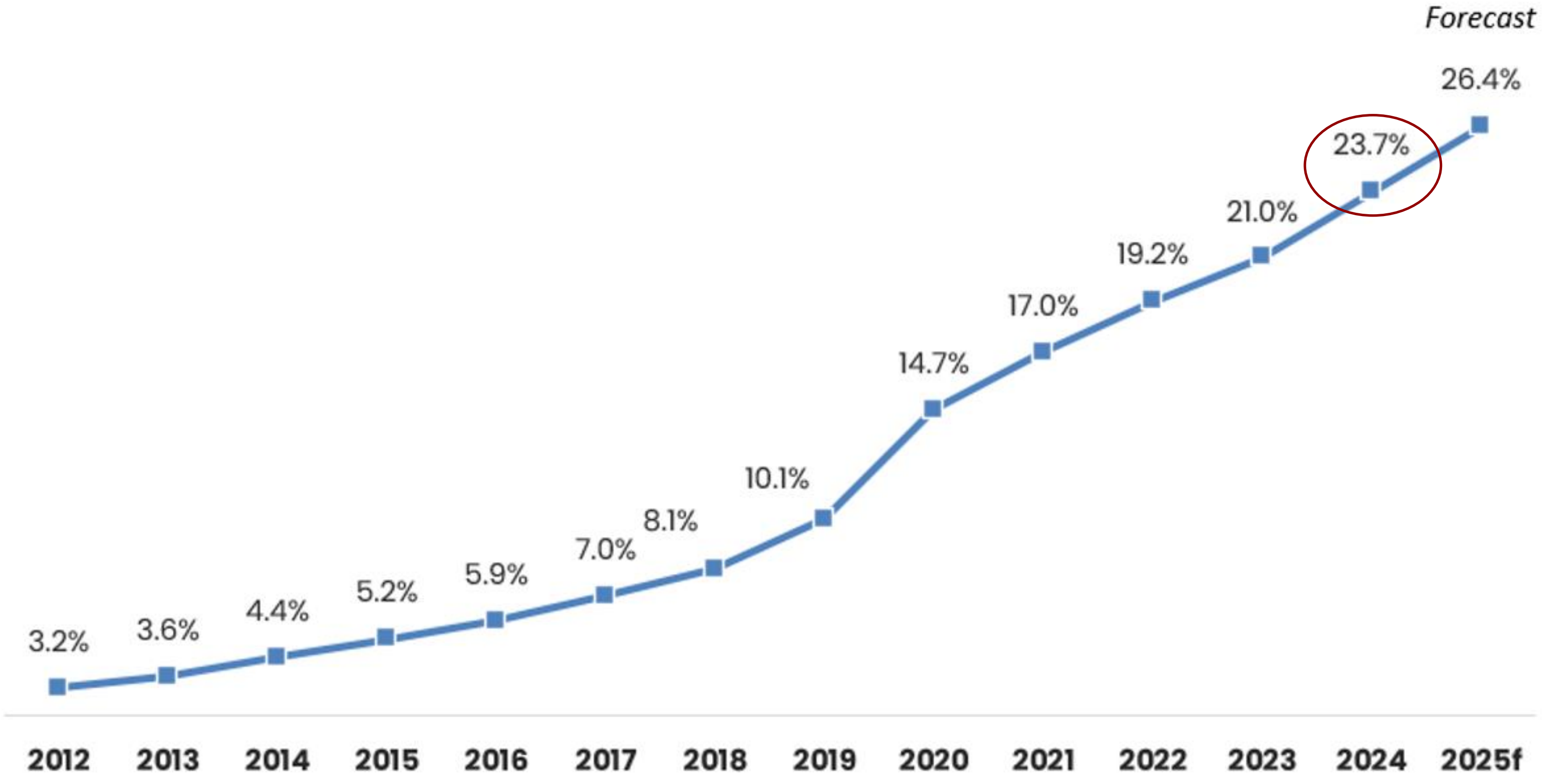
Find this chart on Page 10

Radio Industry's Share of Total Ad Revenue From Digital Sales



BENCHMARK:

Share of Ad Revenue From Digital Sales

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Where Radio Buyers & Nonbuyers Plan to Invest More This Year

Find this chart on **Page 14**

BENCHMARK

The Pulse of Radio Buyers

	Those who buy radio advertising	Those who don't buy radio advertising
Net: Planning to Increase Something	**58%**	**39%**
Social Media	32%	16%
SEM	19%	13%
Website Ads	18%	9%
Events/Sponsorships	14%	12%
Radio (AM/FM)	11%	0%
Streaming Video/CTV/OTT	11%	2%
Direct Mail	7%	6%
Streaming Audio	6%	1%
Mobile SMS/Text	4%	3%
Content Marketing	4%	6%
Broadcast TV	4%	2%
Out-of-Home/Outdoor	4%	2%
Email Sponsorships	3%	2%
Magazines	3%	5%
Mobile In-app Ads	2%	2%
Newspapers	2%	2%
Other Printed Publications	2%	2%
Online Directory Listings	2%	1%
Cable TV	1%	1%
Printed Directories	0%	1%

58% of radio buyers plan to spend more on some forms of advertising this year

39% of nonbuyers plan to spend more

SOURCE: Borrell's Q4 2024 Local Advertiser Survey; n=388 radio buyers and 742 non-buyers of radio.

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Find this chart on Page 14

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The Pulse of Radio Buyers

Where Radio Buyers & Nonbuyers Plan to Increase Spending This Year

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Events/Sponsorships	14%	12%
Radio (AM/FM)	11%	0%
Streaming Video/CTV/OTT	11%	2%
Direct Mail	7%	6%
Streaming Audio	6%	1%
Mobile SMS/Text	4%	3%
Content Marketing	4%	6%
Broadcast TV	4%	2%
Out-of-Home/Outdoor	4%	2%
Email Sponsorships	3%	2%
Magazines	3%	5%
Mobile In-app Ads	2%	2%
Newspapers	2%	2%
Other Printed Publications	2%	2%
Online Directory Listings	2%	1%
Cable TV	1%	1%
Printed Directories	0%	1%

Radio buyers are 2x as likely to be increasing budgets for social media and banner ads . . .

. . . and almost 6x as likely to be spending more on digital video and digital audio ads

SOURCE: Borrell's Q4 2024 Local Advertiser Survey; n=388 radio buyers and 742 non-buyers of radio.

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Sizing the Opportunity Among Advertisers Who Are Increasing Spending

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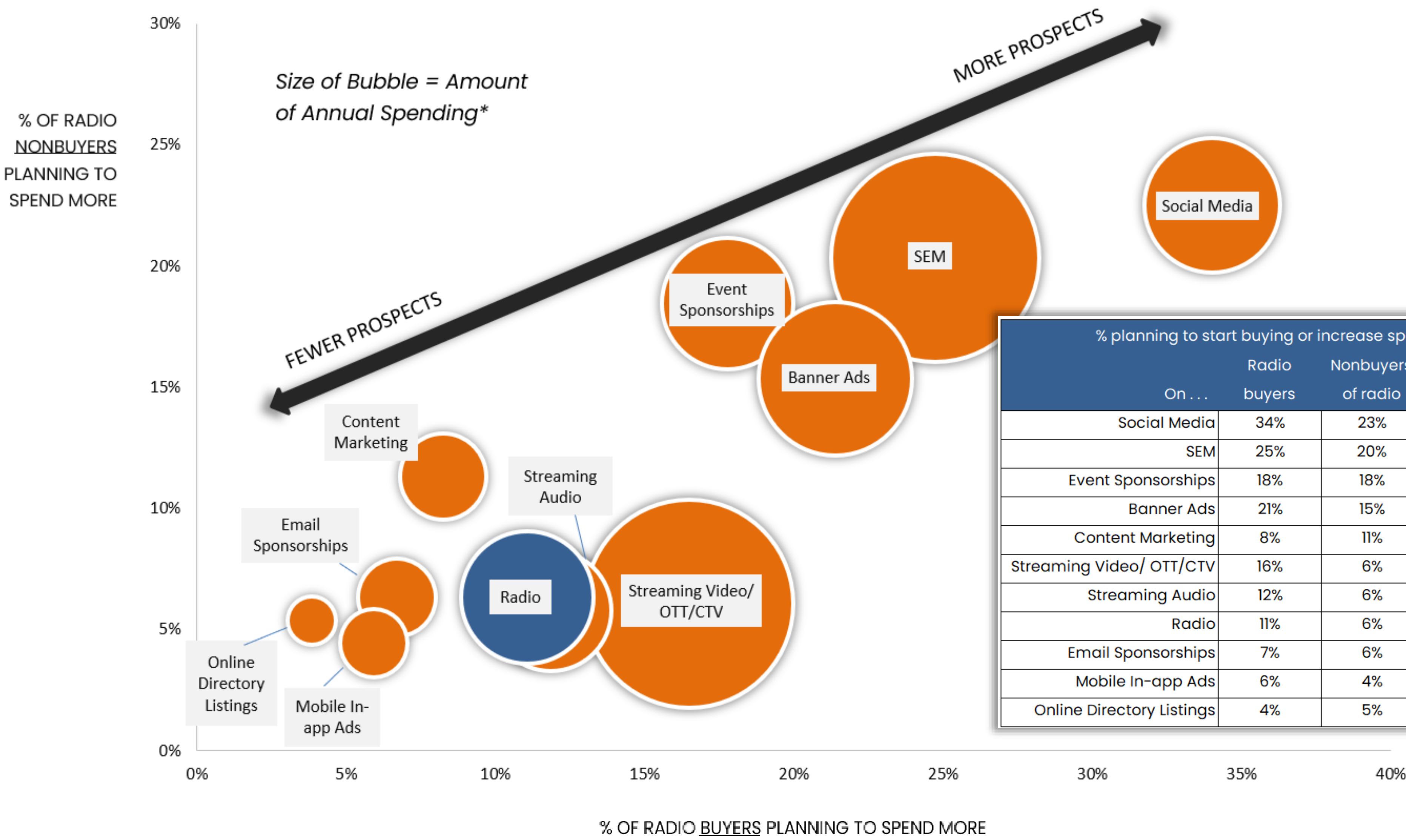

% planning to start buying or increase spending			
On . . .	Radio buyers	Nonbuyers of radio	Avg. annual budget for it*
Social Media	34%	23%	$18,795
SEM	25%	20%	$44,135
Event Sponsorships	18%	18%	$17,678
Banner Ads	21%	15%	$24,173
Content Marketing	8%	11%	$7,781
Streaming Video/ OTT/CTV	16%	6%	$44,596
Streaming Audio	12%	6%	$15,030
Radio	11%	6%	$18,060
Email Sponsorships	7%	6%	$6,487
Mobile In-app Ads	6%	4%	$4,867
Online Directory Listings	4%	5%	$2,544

SOURCE: Borrell's Q4 2024 Local Advertiser Survey; n=388 radio buyers and 742 non-buyers of radio.

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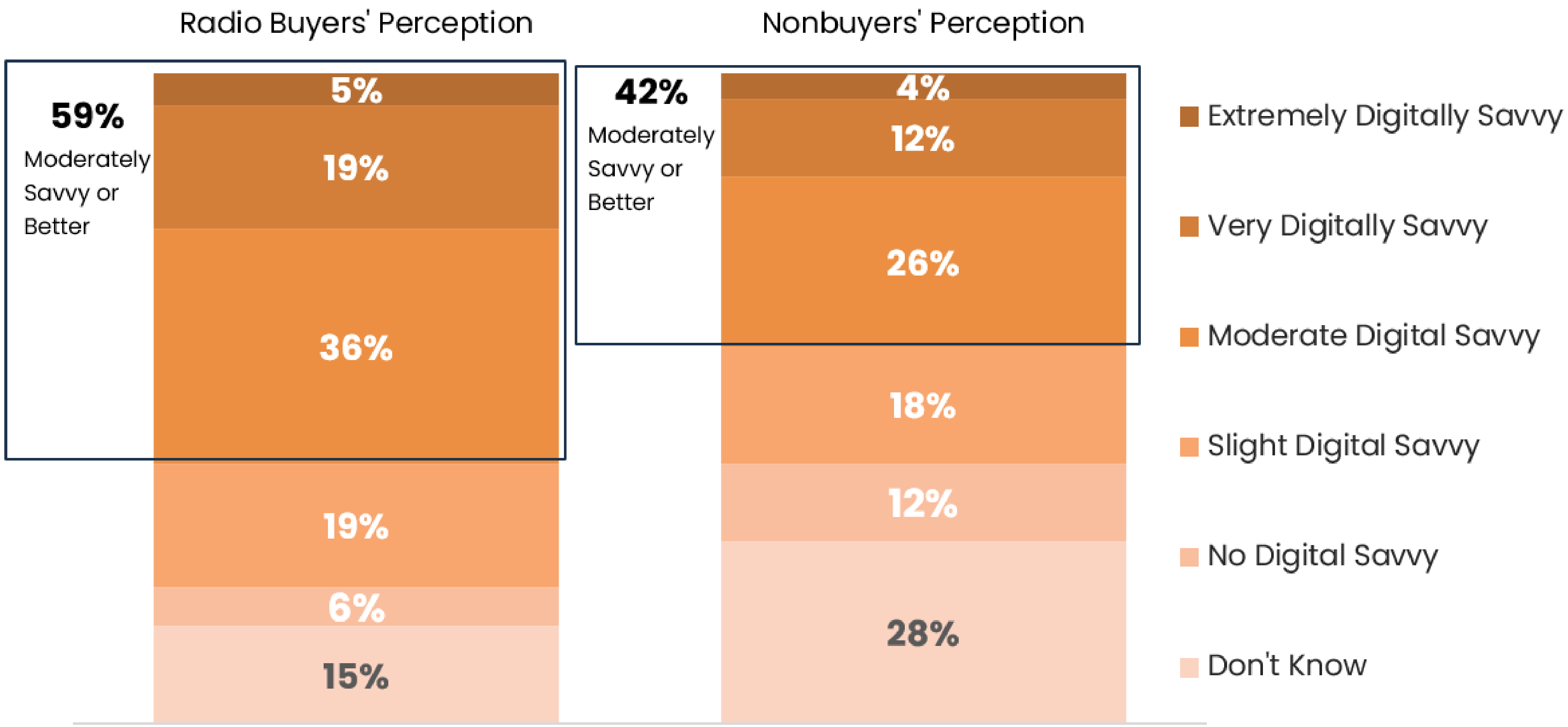
BENCHMARKS

The Pulse of Radio Buyers

Advertisers See Radio Reps as Digitally Savvy

% of respondents rating the digital savvy of radio sales reps



SOURCE: Borrell's Q4 2024 Local Advertiser Survey; n=388 radio buyers and 742 non-buyers of radio.

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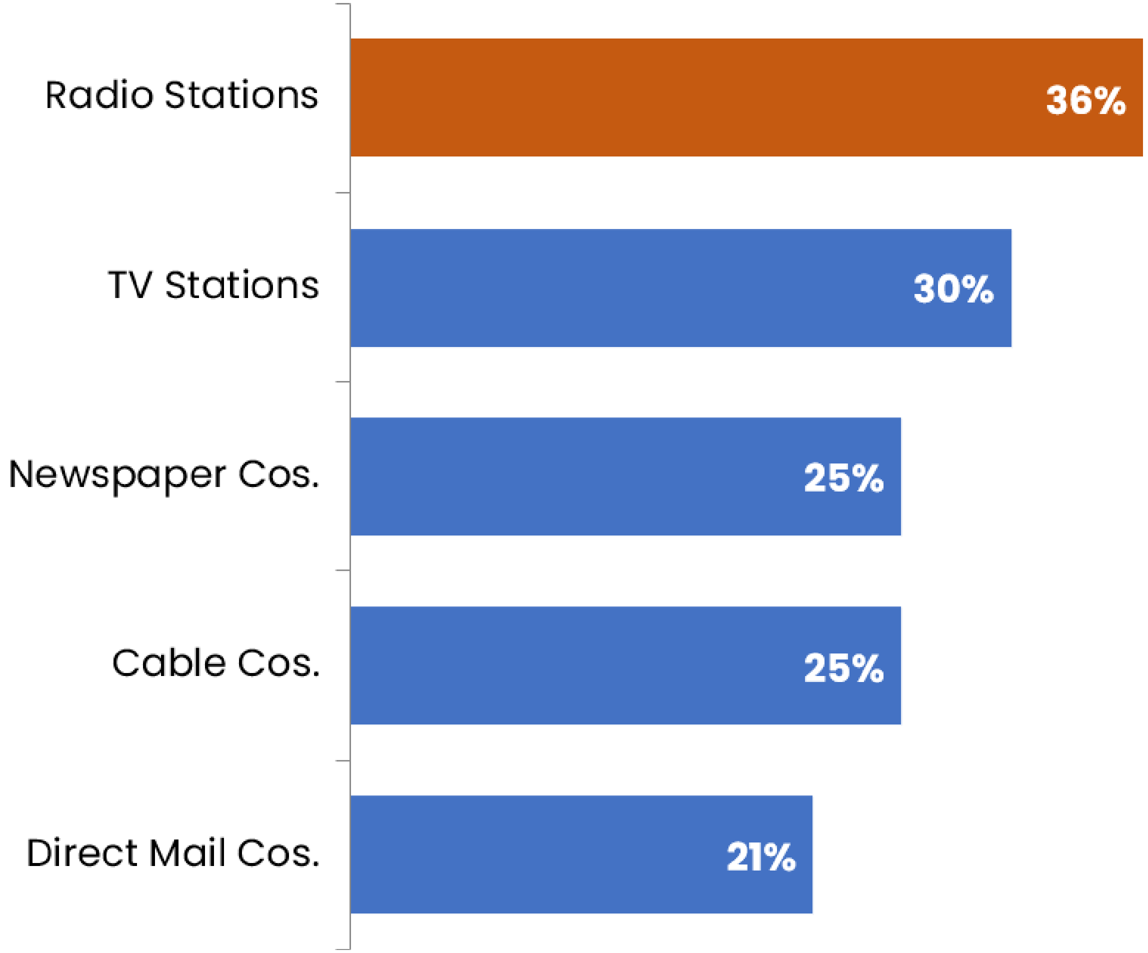
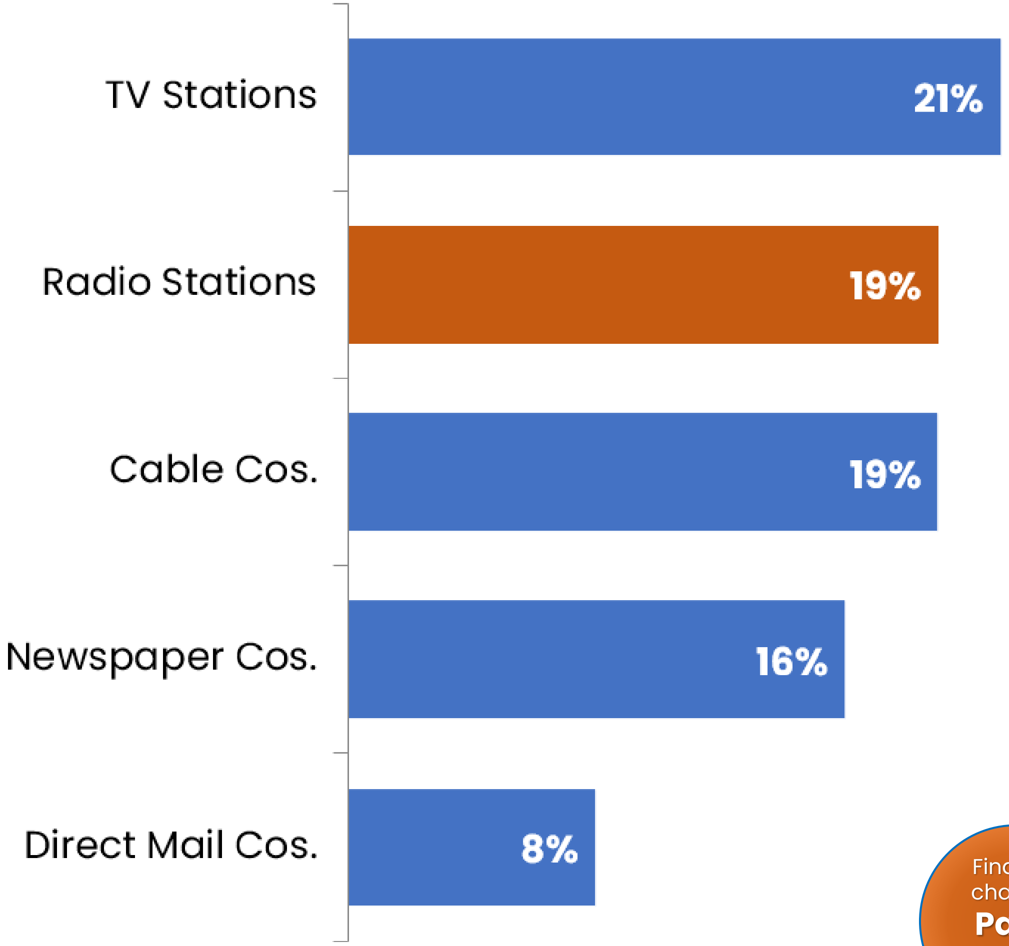
% Who Believe Their Reps Are Exceptionally Savvy

MARKETING EXPERTISE



DIGITAL EXPERTISE



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BENCHMARKS

The Pulse of Radio Buyers

. . . But It's Not a Time to Rest on Laurels

% who said reps possessed ***NO*** *marketing expertise*

Newspapers	24%
Direct Mail	23%
Cable TV	19%
Radio	17%
Broadcast TV	17%

% who said reps possessed ***NO digital*** *expertise*

Direct Mail	44%
Newspapers	36%
Radio	28%
Cable TV	24%
Broadcast TV	24%

Image by master1305 on Freepik

SOURCE: Borrell's Q4 2024 Local Advertiser Survey; n=1,188

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Q&A opportunity

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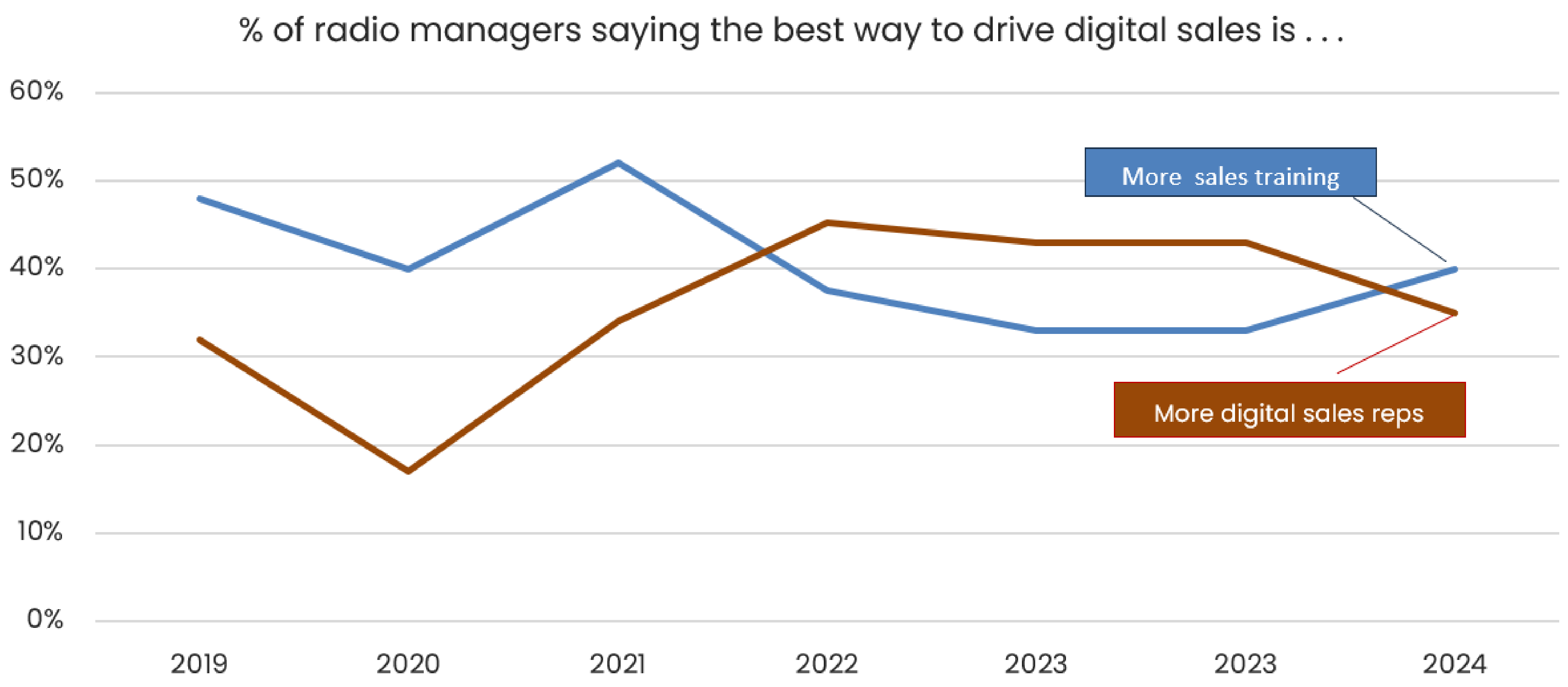
BENCHMARKS

Managers Weigh In

Managers Signal Greater Need for Training



Source: Borrell/RAB radio manager surveys: n=186 in 2019; 218 in 2020; 227 in 2021; 169 in 2022; 181 in 2023; 221 in 2024.

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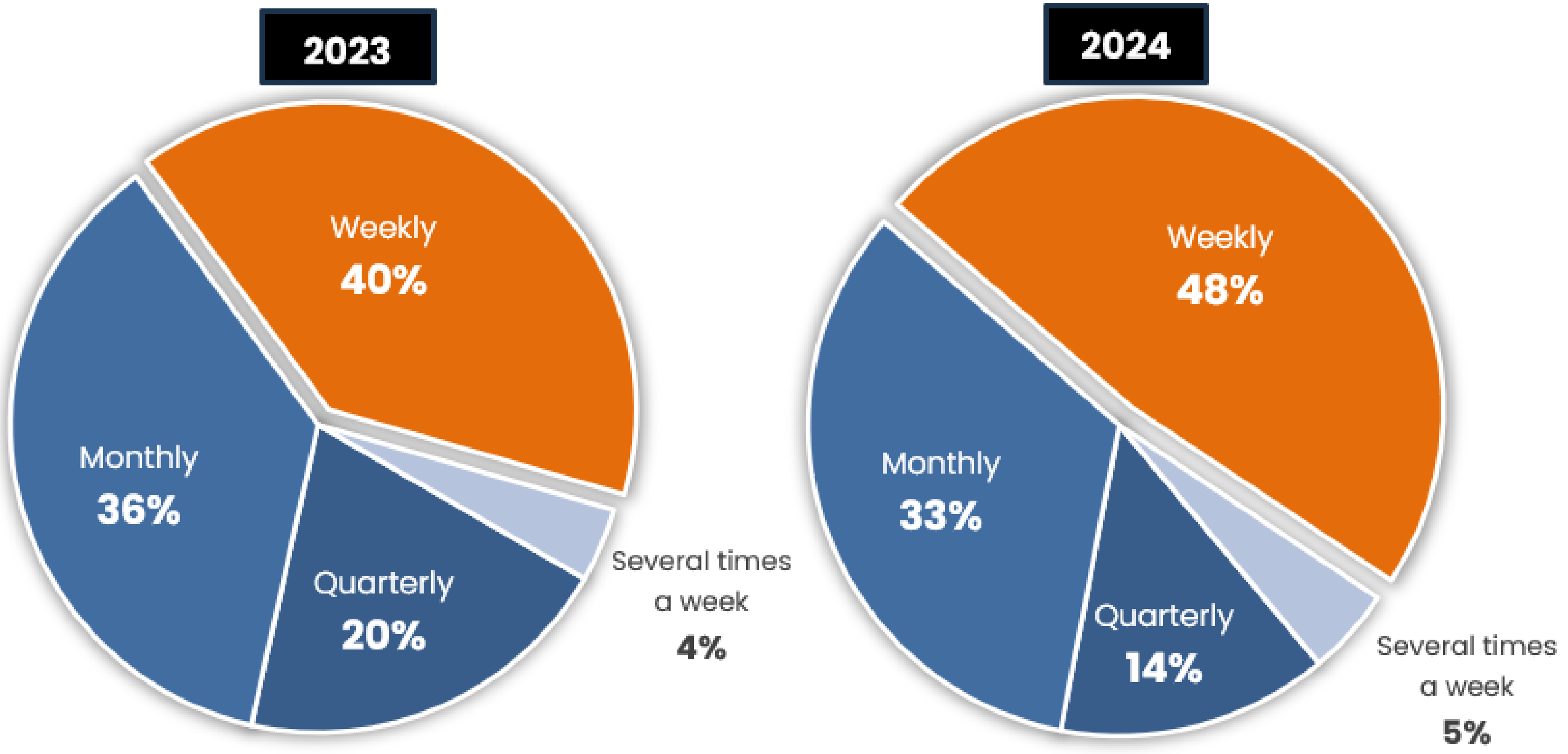
BENCHMARKS
Managers Weigh In

53% Now Offer Digital Training at Least Weekly

How often does your sales team receive digital training?



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It May Be Time to Revisit the Strategy

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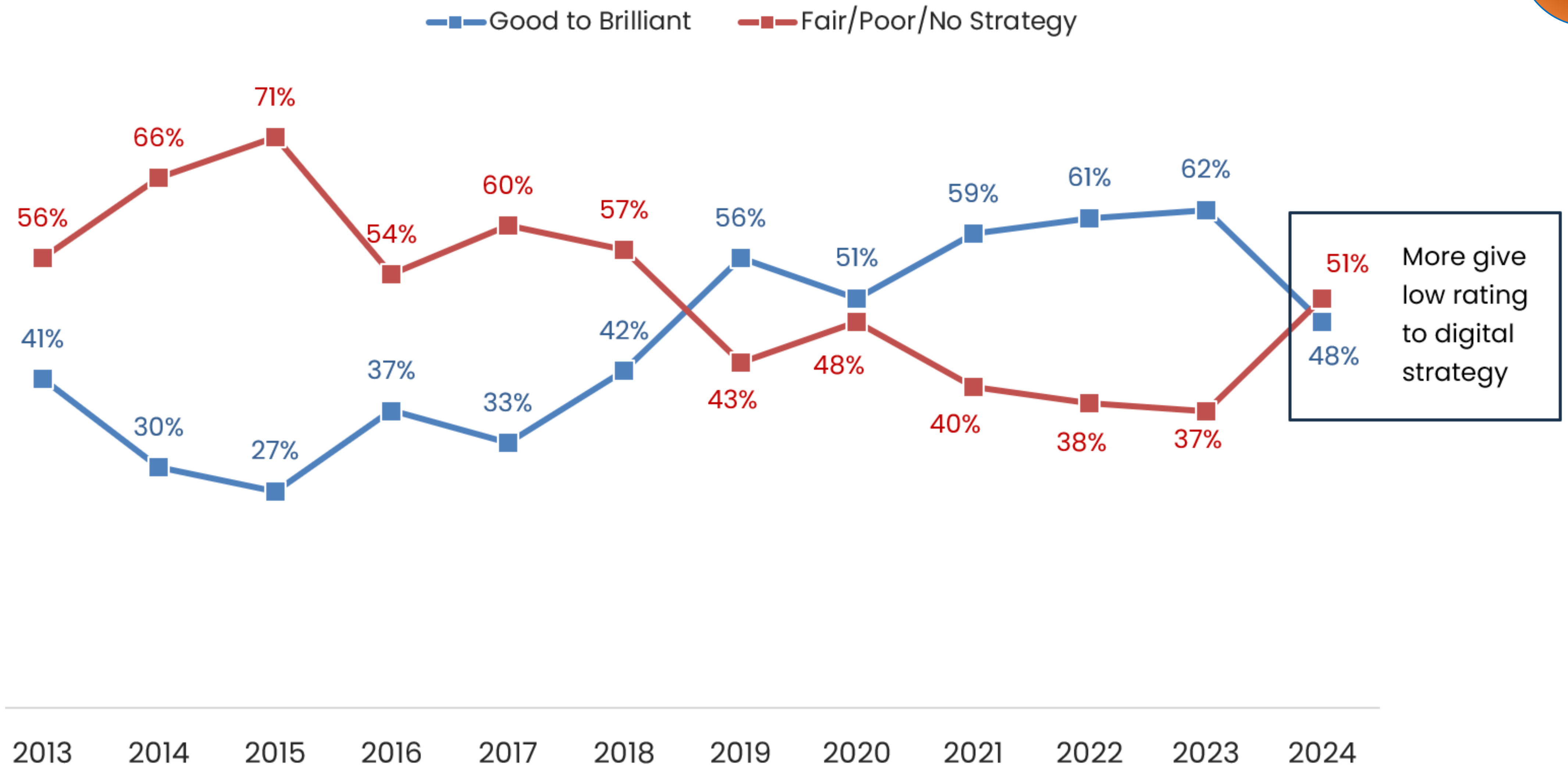

SOURCE: Borrell/RAB radio manager surveys: annual response rates ranged from 169 to 221

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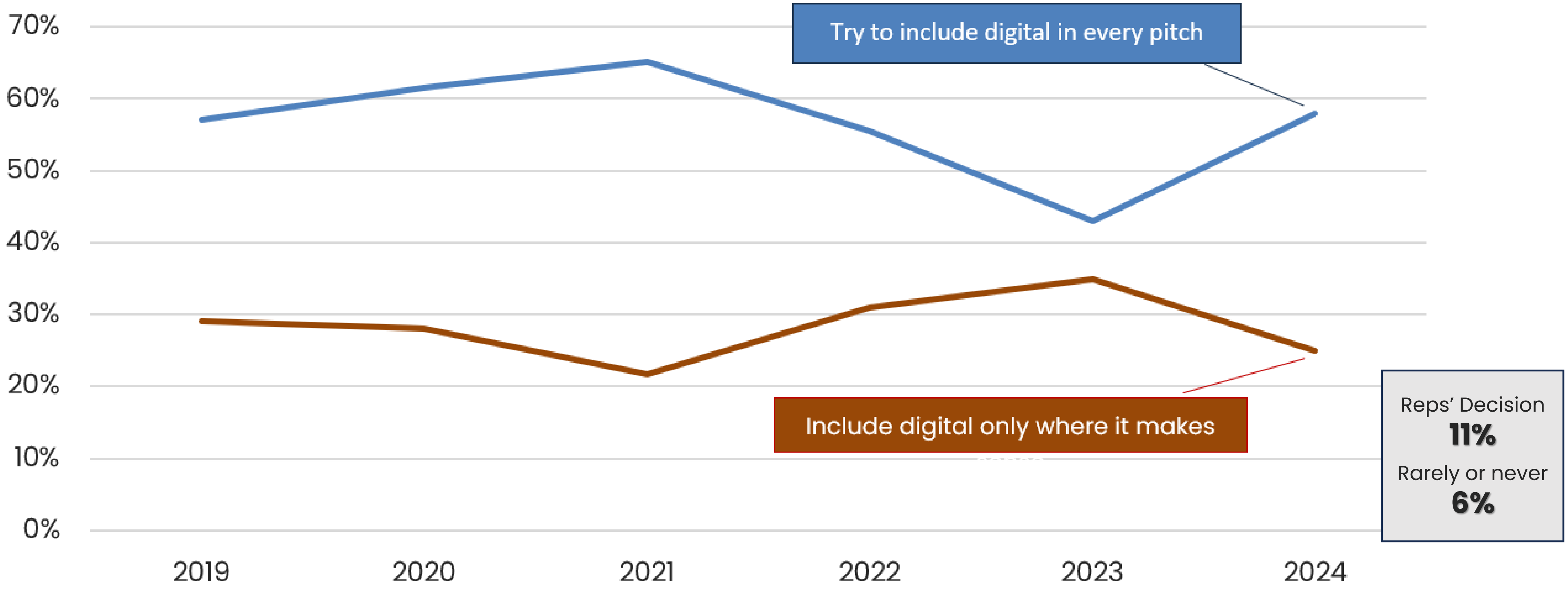
58% of Stations Include Digital in Every Pitch

Find this chart on Page 28

% of radio managers saying their sales teams . . .



SOURCE: Borrell/RAB radio manager surveys: annual response rates ranged from 169 to 221

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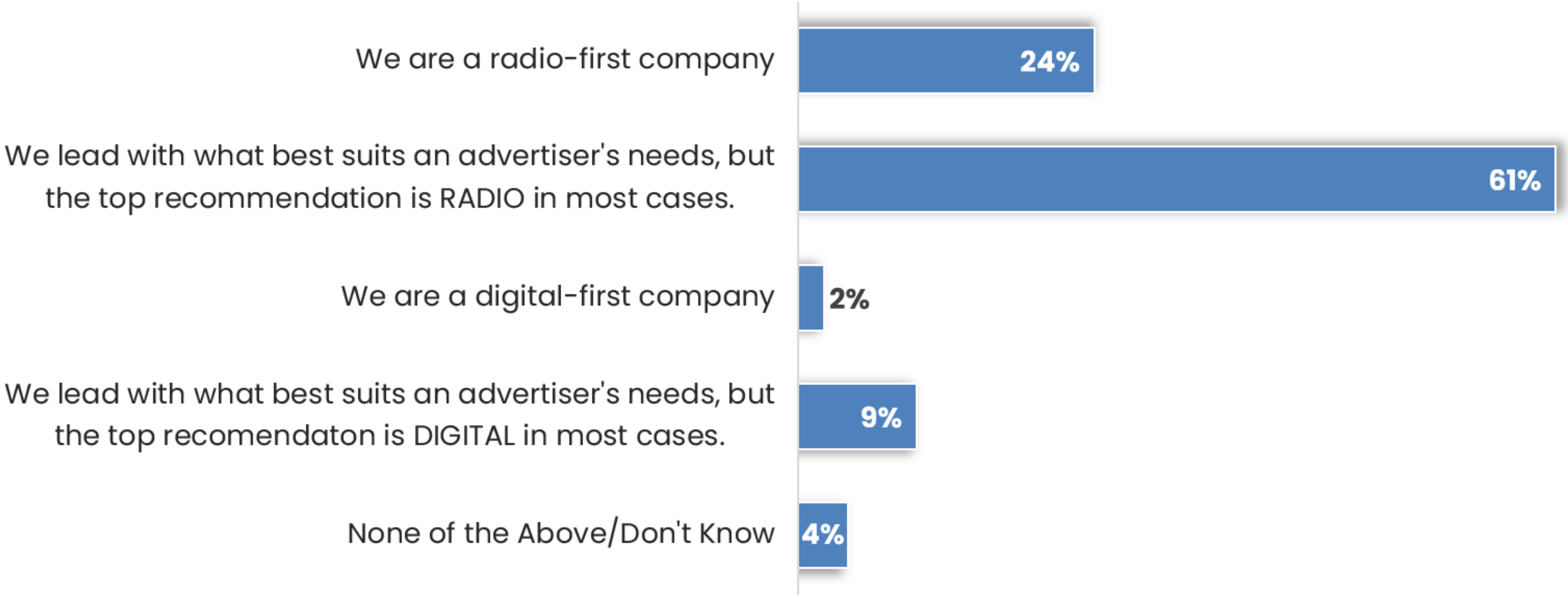
BENCHMARKS
Managers Weigh In

Find this chart on Page 29

Are You a Digital-First or Radio-First Company?

Q: Which statement applies to the overall sales approach of your station?



SOURCE: Q4 2024 Borrell/RAB survey of radio managers: n=221

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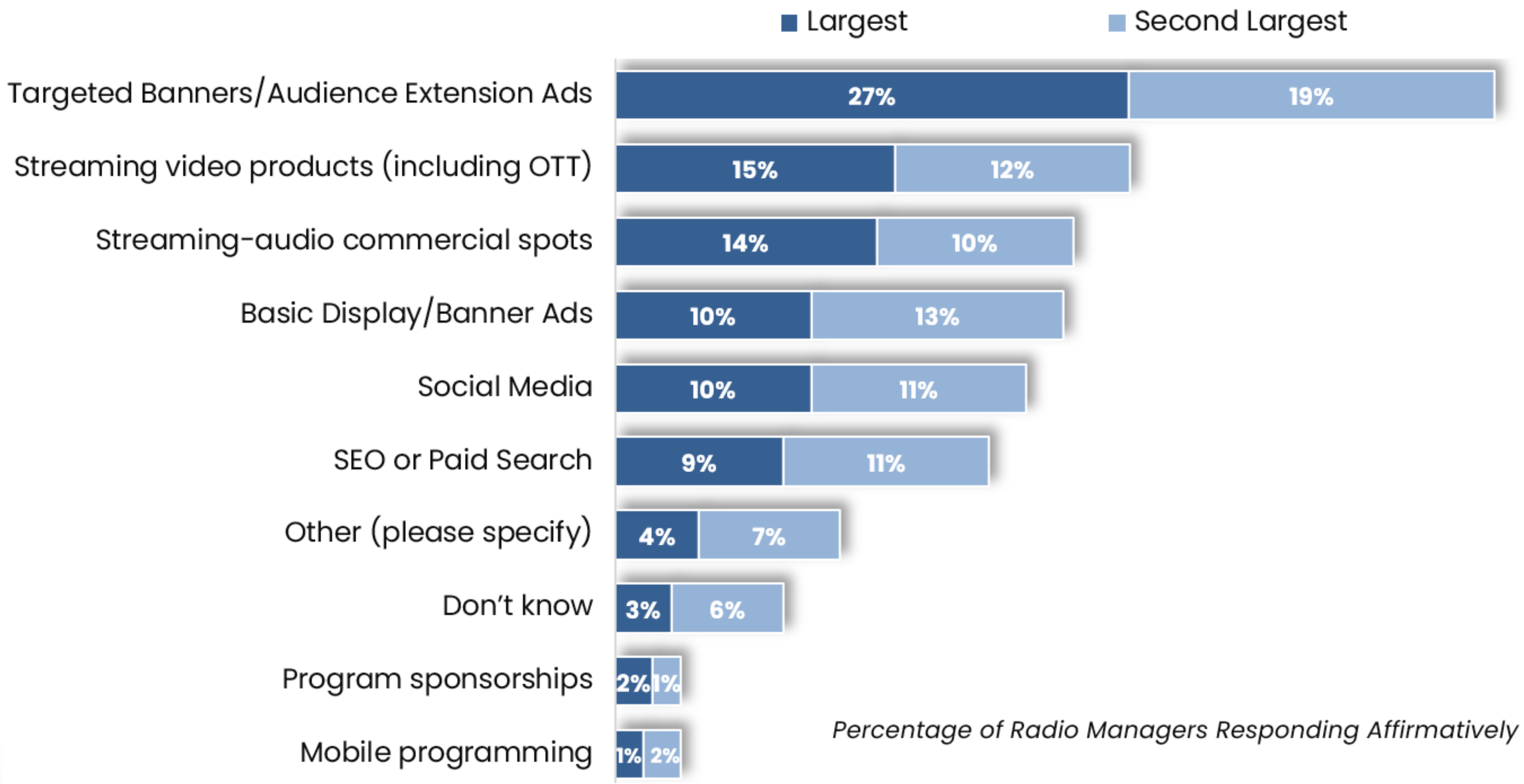
BENCHMARK

Radio's Digital Market Share

Largest Sources of Digital Revenue



SOURCE: Q4 2024 Borrell/RAB survey of radio managers: n=221

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BENCHMARK

Radio's Digital Market Share

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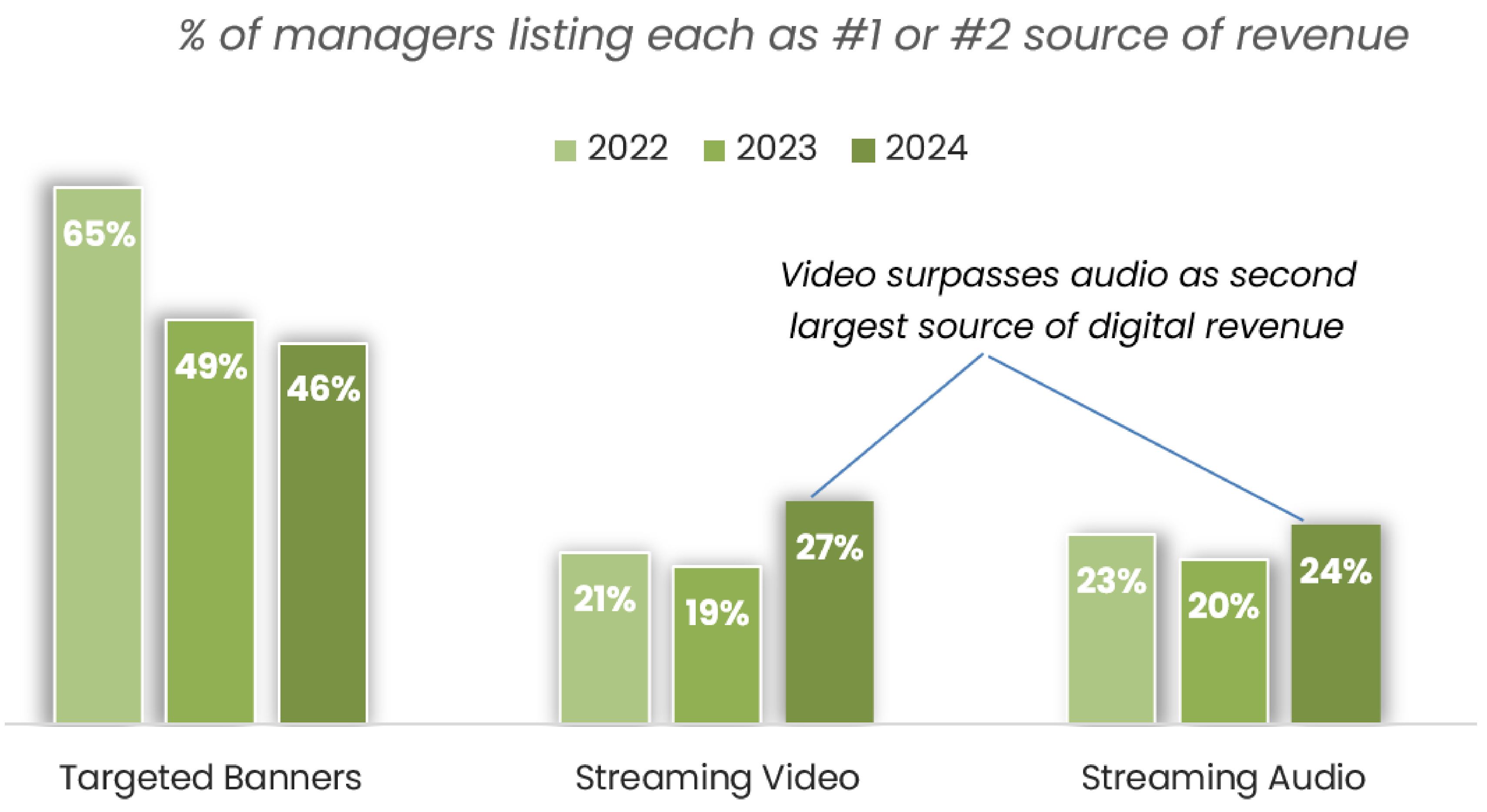
Trends in Largest Sources of Revenue



SOURCE: Q4 2024 Borrell/RAB survey of radio managers: n=221

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What Made High-Growth Stations Different

	% of responses from radio managers who . . .	
	reported NO revenue growth in 2024	reported HIGH revenue growth in 2024
Our top source of digital sales 2024 sales was banner ads	34%	36%
Our top source of 2024 digital sales was OTT/CTV	15%	20%
Less than 10% of our radio customers also buy digital	50%	17%
We have no digital-only customers	28%	8%
We sell digital services	74%	86%
Our digital strategy is unclear or nonexistant	40%	6%
Our digital strategy is pretty good to brilliant	36%	57%
Our sales team's ability to sell digital is poor	40%	10%
We don't offer digital sales training, or I don't know if we do	21%	6%
Our sales reps get digital training at least once a month	60%	84%
Ths best remedy to drive digital sales is . . .	Adding sales reps	Training sales reps
We try to include digital component in every pitch	33%	62%
We rarely put digital in pitches, or we let the rep decide	38%	10%
For sales, we consider ourselves a radio-first company	35%	20%
We lead with what's best for customer, but it's usually radio	58%	56%
We are expecting digital revenue to grow in 2025	77%	94%
We expect digital revenue to grow less than 20% in 2025	50%	27%
We are budgeting for 2025 digital sales to be flat	20%	2%

SOURCE: Q4 2024 Borrell/RAB survey of radio managers: n=221

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Assessing The Top Performers

What Makes High-Growth Stations Different

- ✓ They do a better job selling digital products to radio customers
- ✓ They do a better job acquiring digital-only customers
- ✓ They have a clearer digital strategy.
- ✓ They train reps more and have a higher opinion of their capabilities.
- ✓ They’re more likely to include digital in every sales pitch.
- ✓ They’re more likely to expect digital sales to grow in 2025.

SOURCE: Q4 2024 Borrell/RAB survey of radio managers: n=221

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Find this chart on Page 37

BENCHMARK:

Share of Obtainable Digital Revenue

Per-Cluster Share of Obtainable Digital Revenue by Market Size, 2023

	Sample Size		Share of In-Market Obtainable Digital Revenue		
	Stations	Clusters	Avg.	Median	Best
1 to 10	360	89	1.2%	0.8%	5.3%
11 to 20	286	67	2.2%	1.2%	9.9%
21 to 50	519	121	2.3%	1.2%	10.0%
51 to 100	759	170	3.5%	1.3%	14.5%
101 to 150	545	118	4.5%	2.3%	21.5%
151 too 200	420	84	6.5%	1.4%	27.6%
201 to 250	267	57	7.1%	3.9%	24.4%
251 to 300	214	43	7.9%	6.0%	26.5%
301 to 513	307	74	7.7%	5.6%	26.3%

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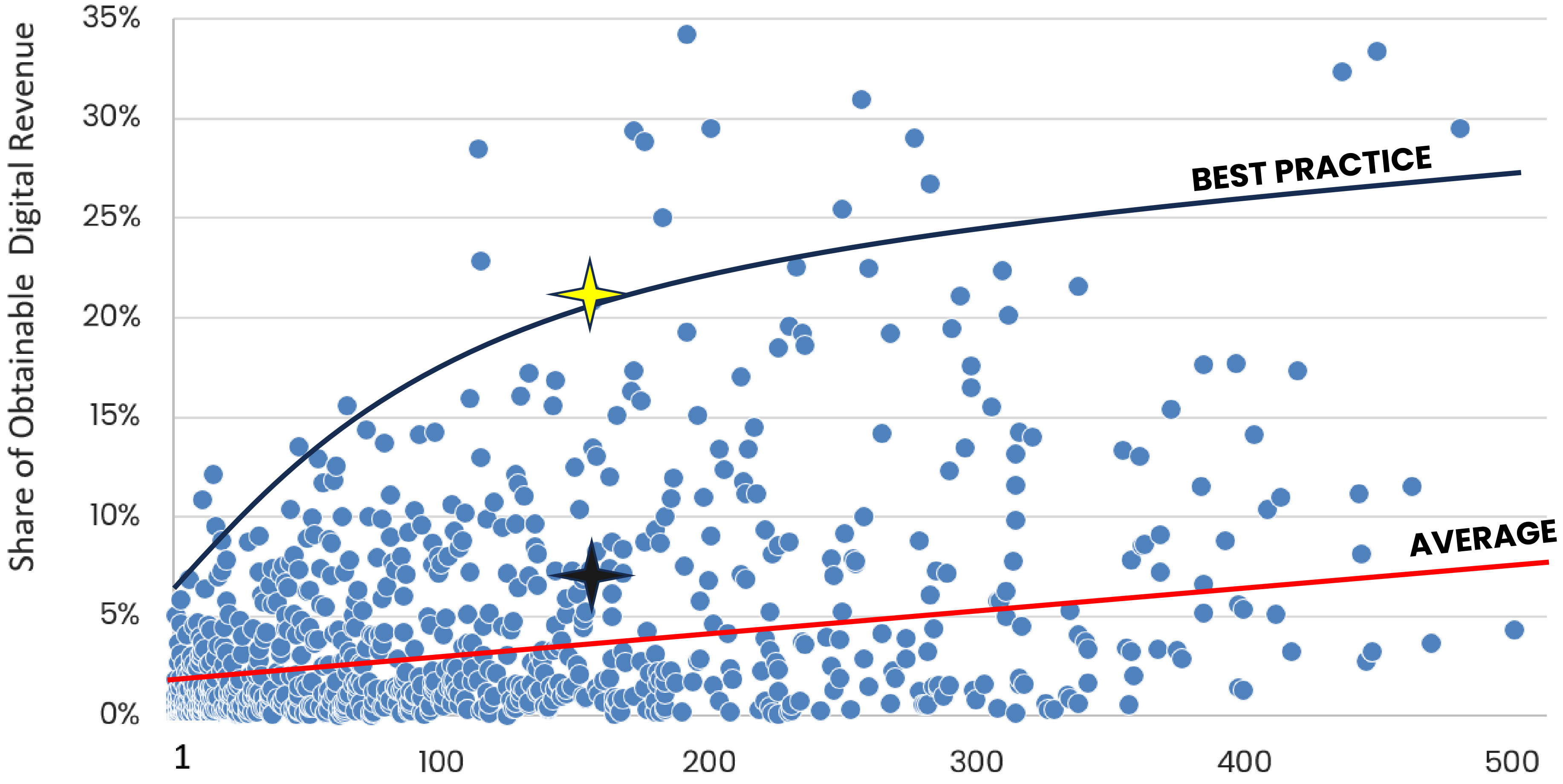
Radio's Digital Market Share

Share of 2024 In-Market Obtainable Digital Revenue for 823 Radio Market Clusters

Find this chart on Page 37



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Conclusions & Observations

- Pandemic-driven reformation of digital initiatives is crusty.
- Overall strategies (not just digital) may need to be revisited.
- Training sales reps is becoming a key focus for most.
- Problem exists in being “consultative” but pushing one product.
- Digital growth will continue, but in single-digit % for many.
- **Few realize that exponential growth is still possible.**

Thank You!

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