

2022 DIGITAL SALES APPROACH \$2B, DRIVING HALF OF RADIO'S GROWTH

SPECIAL REPORT FOR **RAB**

2022 DIGITAL SALES APPROACH \$2B, DRIVING HALF OF RADIO'S GROWTH



Acknowledgements

This report contains information intended to guide the industry, but the credit goes mostly to the hundreds of radio executives who generously share their data, strategies and insights. We'd also like to thank the RAB staff, who's never been afraid to embrace research that asks the tough questions. And special thanks to Marketron, a friend to the radio industry for more than five decades, for sponsoring this year's report.

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Marketron is pleased to partner with the RAB and Borrell on this benchmarking report for the third year in a row. Packed with insightful data, the report makes it clear that 2023 will be another challenging year as ad dollars shift from radio to digital.

As the leading provider of digital advertising technology for radio broadcasters, we understand the opportunity and challenges of digital revenue growth.

In many cases, our clients' growth is outpacing the benchmarks thanks to technology, training and strategic support. Our most successful clients leverage our team as if it were their own, use technology to scale, and deliver meaningful results with multichannel campaigns.

In the spirit of supporting your team, we've included access to **two of our most demanded resources**: the Digital Seller Series and Sales Meetings in a Box. With free access, you can level up your knowledge and your team.

As you look ahead, Marketron is here to be a resource and partner in your growth. Please reach out so we can support your digital revenue goals in 2023 and beyond.

Sincerely,

Bo Bandy
GM Digital
Marketron



Digital Seller Series

marketron.com/digital-seller-series



Sales Meetings in a Box

aspire.marketron.com/smiab

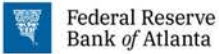


BorrellMiami2023
Local Advertising Conference

Featured Speakers

March 5th, 6th & 7th

Shari Bower
Regional Executive



Dave Morgan
Ad Tech Entrepreneur



Samir Janveja
Head of Channel Sales



Michelle Gauthier
Lifestyle Content Creator



Lina Renzina
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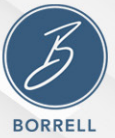
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Background & Methodology

This is our 21st year conducting surveys on local online operations and our 11th year compiling this report for RAB. This report analyzes data derived from four principal sources:

1. **MEDIA AD REVENUE:** Our database of ad revenue and expenses for more than 11,000 local online operations in the U.S. and Canada, including 3,753 radio stations, ¹ most of them part of one of 847 multi-station market clusters. Sixty-six of the stations (1.7% of the total) are in Canada.
2. **LOCAL BUSINESS ADVERTISING EXPENDITURES:** Our database of local ad-spending estimates for every U.S. Digital Marketing Region (DMR). ² A list of obtainable digital revenue in 2022 for each DMR appears in Appendix B. The methodology used to compile this data can be found at www.adspending.com.
3. **SURVEY OF RADIO BUYERS:** Our survey of 851 local radio advertisers, culled from a survey of 1,983 local businesses via crosstab of those who buy radio advertising; the survey, encompassing more than 40 questions, was conducted from September-November 2022. Details can be found on the "Survey" tab at borrellassociates.com.
4. **SURVEY OF RADIO MANAGERS:** An online survey conducted in December 2022 and January 2023 of 169 respondents representing approximately 1,800 radio stations; the survey asked about digital revenue sources, strategy, sales methods and other issues related to digital operations. They were offered an incentive in the form of a chance to win an Amazon Echo Show device or one of two free passes to Borrell's annual advertising conference in Miami in March 2023. Winners were drawn at random after the survey ended. Of the total respondents, 6% were owners, 58% were GMs or other senior-level executives, 28% were sales managers, 5% were sales reps and 2% were digital operations managers. We collectively call them "radio managers" in this report. Sixty-seven percent of respondents were reporting for a single market, and 18% were reporting for two to three markets.

For our ongoing surveys of media companies' digital revenues, we solicit participation by telephone and email and then we supplement information with phone or email interviews. Participation is voluntary and without incentives, except in cases where we offer a free benchmarking report and insights to a participating company. Participation is also confidential. We do not disclose participating companies, nor do we reveal market-specific data in such a way as to identify participants. We collect the data year-round and have been doing so since 2002.

¹ Not all points of analysis cover 3,753 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 market definitions, visit <https://compass.borrellassociates.com/standard-market-definitions>

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EXECUTIVE SUMMARY

It was yet another banner year for the radio industry's digital ad sales. Revenue expanded by 21% and hit \$1.8 billion, accounting for almost \$1 out of every \$5 for the average station. The industry also approached a tipping point. After three years of pandemic-fueled sales, digital initiatives will soon represent the radio industry's biggest driver of revenue growth.

By the end of this year, digital revenue will have more than doubled in four years, going from \$1 billion in 2019 to a forecast of \$2.1 billion in 2023. Sales are still heavily dependent on banner ads and streaming audio commercials, but video is quickly replacing streaming audio sales as the second-largest revenue driver. Eighty-nine percent of stations are selling OTT (over-the-top) placement and video production services. Virtually all those not doing so said they planned to start this year.

That leads to yet another odd tipping point: This year, radio stations will sell more streaming video than they will streaming audio.

In 2022, average digital revenue for radio stations ranged from \$85,064 in the smallest of markets to \$1.2 million in the largest. For market clusters, averages ranged from \$426,590 for the smallest markets to \$4,967,440. About 3% of market clusters made more than \$10 million in digital revenue.

There still seems to be significant upside for the radio industry. Despite consistent double-digit growth rates, more than two-thirds of the average station's radio customers are not yet buying digital advertising from that station. What's more remarkable is that businesses that purchase radio advertising are highly more likely than nonbuyers to purchase the types of digital products that stations sell.

What will continue to spur the industry's digital sales? Training remains the biggest need, but one-third of managers now say that adding more digital-only sales reps is the key.

For 2023, we're forecasting another robust year, with radio's digital revenue growing 17.5%. If that occurs, it would be double what it was in 2019.

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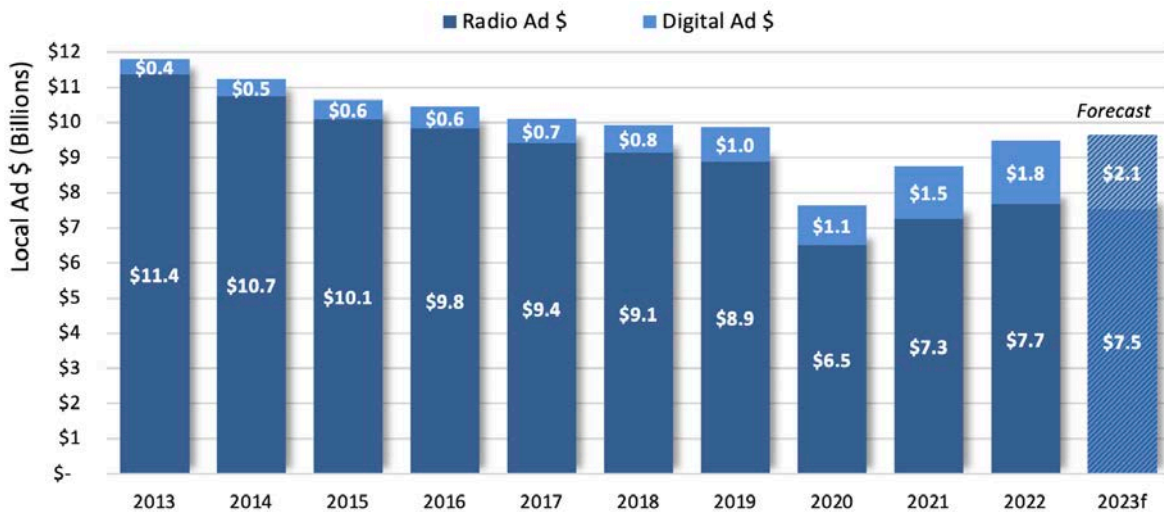


CHAPTER 1

Digital Will Break \$2 Billion Mark This Year

Digital sales at radio operations enjoyed strong growth again in 2022, expanding by 21.1% and totaling \$1.8 billion. For 2023, we're forecasting another robust year, growing 17.5%. If that occurs, digital revenue will reach \$2.1 billion, double what it was in 2019.

How Digital Sales Have Added to Radio's Core Local Revenue
\$ in Billions



Source: Borrell Associates Inc.
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Last year's growth capped a remarkable story of how the pandemic, which severely curtailed radio advertising two years ago, motivated sales reps to sell something their customers were still buying. Since 2019, year-over-year growth in radio's digital sales has bounced from 11.8% in 2020 to a 33.0% in 2021 to 21.1% last year. This three-year growth jag for resulted in a Compound Annual Growth Rate (CAGR) of 21.7%, beating the CAGR of overall digital advertising during that period, 9.1%.

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Radio's Digital Ad Revenue and YOY Growth Rate, 2016-2023
\$ in Billions



Source: Borrell Associates Inc.
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That high growth created a phenomenon in which digital sales will almost certainly be a bigger growth engine than core radio sales in 2023. It came close to the tipping point in 2022 as digital sales, while totaling 19% of total ad revenue, accounted for 43% of the industry's growth. For publicly held companies, digital sales accounted for an average of 16% of ad revenue but 48% of total advertising growth. The outlier was Townsquare, where digital sales accounted for 38% of ad revenue but 75% of the company's revenue growth.

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Digital Accounted for an Average of 16% of Ad Revenue
But 48% of Growth for 8 Publicly Held Radio Companies

COMPANY	Adv \$ Growth, 2022 vs. 2021*		Digital's Share of Growth	Share of Adv \$ from Digital Sales	
	RADIO	DIGITAL		2021	2022
Townsquare**	3.8%	21.3%	75.1%	35.0%	38.6%
UrbanOne**	10.6%	32.4%	50.5%	25.0%	28.5%
iHeart**	5.8%	28.4%	33.9%	24.2%	25.8%
Audacy	1.8%	11.9%	19.7%	21.0%	20.8%
Salem**	8.3%	2.3%	2.5%	17.9%	15.8%
Beasley	4.6%	30.4%	49.7%	13.1%	15.8%
Cumulus	0.9%	13.9%	13.7%	15.1%	14.9%
Saga	3.7%	32.6%	14.7%	6.2%	7.2%
TOTAL/AVG	4.6%	30.1%	48.6%	13.3%	16.0%

Source: SEC 10Q Reports, Dec. 2022

*Q1 through Q3 for each year

**Townsquare: excludes revenue from SAAS subscriptions

**UrbanOne: excludes revenue from cable/TV ops

**iHeart: about 1/3 of digital revenue is from podcast business

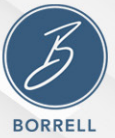
**Salem: excludes revenue from publishing ops

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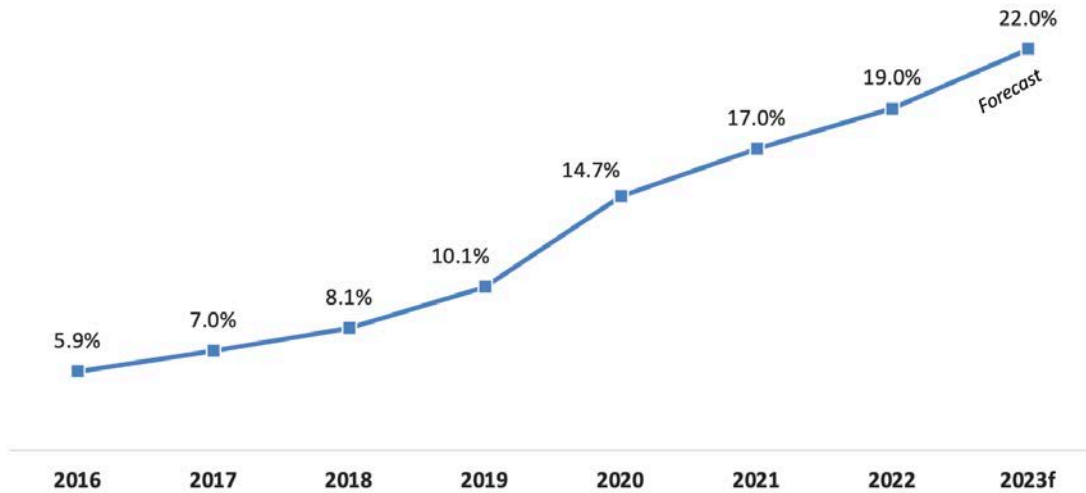
High growth was the norm across nearly all station groups. Through the third quarter of 2022, digital sales at Beasley, Urban One and Saga grew 30% or more, just as they had in the first three quarters of 2021.

A key metric that media companies use to determine their digital progress is the percentage of total ad revenue derived from digital sales. The radio industry saw that metric rise two points last year, to 19.0%. This year we're forecasting it will reach 22.0%, due to an anticipated decline in core radio revenue against another double-digit increase for digital.

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% Of Radio Industry's Ad Revenue Attributable to Digital Sales



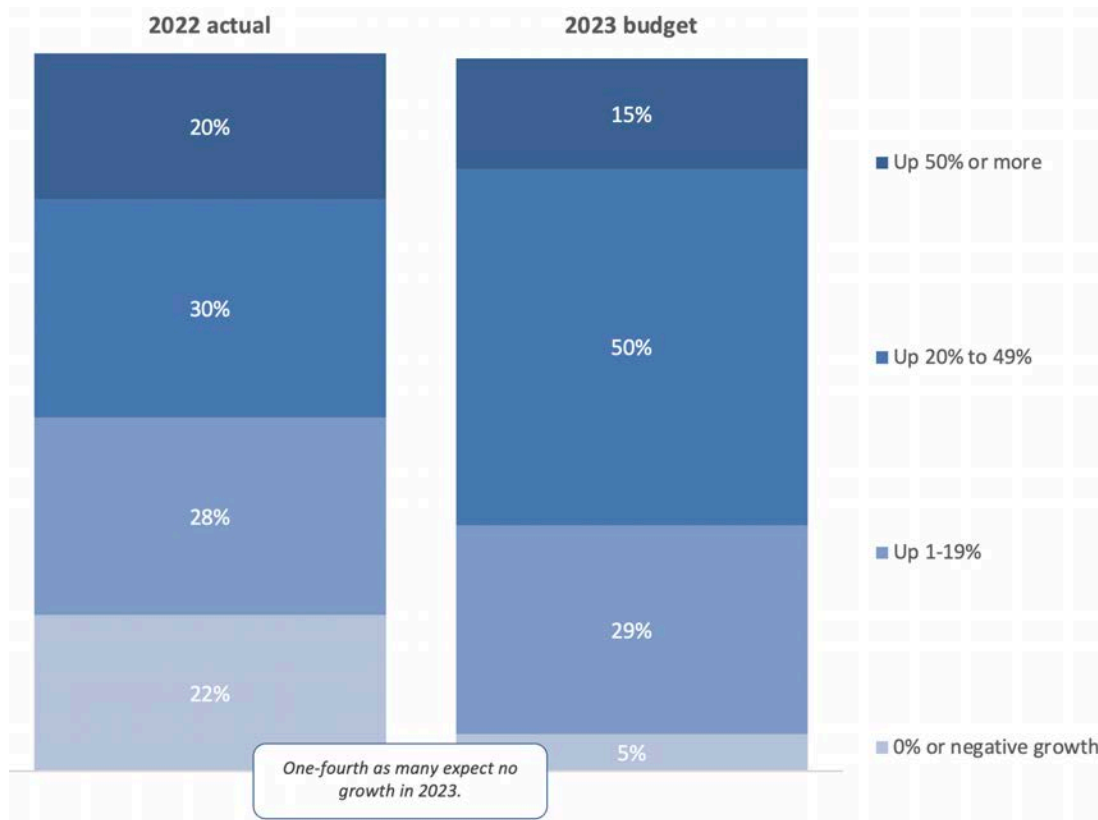
Source: Borrell Associates Inc.
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Looking ahead to 2023, our survey of radio managers oozed optimism for digital sales despite what many see as a gloomy economy. Half of the managers we surveyed in December 2022 and January 2023 said they were budgeting increases of 20% to 49% this year. Fifteen percent expected growth of 50% or more. Only 5% are expecting no growth in digital sales. That's a stark comparison to last year, when four times as many said they weren't budgeting for any growth in 2022. To be fair, last year's survey was taken at the peak of the COVID-19 lockdowns when no one was certain when it would end.

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2022 Digital Growth vs. 2023 Expectations



Source: Radio Managers Survey, Dec. 2022-Jan. 2023; N=169 responses
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CHAPTER 2 The Pulse of Local Radio Buyers

When benchmarking the industry's digital progress, it's good to check the pulse of the businesses delivering most of a station's digital revenue: local radio advertisers. In this chapter, we checked in with 851 radio buyers via survey from mid-September to early November 2022 asking what they were buying, how much they were spending on it, how effective they thought it was and what they were planning for 2023. We also looked at the results of a quarterly SMB Business Barometer we conducted in early December, gauging how business managers felt about the economy and how it might affect their ad-spending habits this year.

For local businesses, last year was supposed to be the big rebound. Lockdowns and facemasks began to disappear by spring, and the economy felt healthy again. The euphoria didn't last. By early fall, gas prices rose by more than \$1 per gallon and inflation hit its highest level in 40 years. By December, at the peak of the holiday shopping season, Borrell's quarterly SMB Business Barometer showed that nearly two-thirds of panelists felt that it had become harder to sustain a small business (more than felt that way a year ago, amid the depth of the pandemic), and 17% said that they planned to spend less on advertising in the first half of 2023.

But that's only half the story. While SMBs may feel uncertain, more panelists (19%) actually said they expected to increase spending despite the uncertainty of 2023.

How this year will fare is anyone's guess. One thing, however, is certain: Ad buyers will continue advertising on the channels they believe work best, and digital forms of advertising continue to remain the most popular and most stable in terms of what's sellable. Paid Search/SEM and social media, which have led the pack in consistently high growth rates for more than a decade, continue to attract and retain ad buyers.

The table on the next page shows the types of marketing that radio buyers in our fall 2022 survey were using and how much they spent annually on each. Overall, 88% of all radio buyers are buying some form of digital media, with social media being the most-bought form. Event sponsorships ranked next-highest in popularity, rebounding to pre-pandemic participation levels of 63%.

Note that the largest annual advertising expenditures for radio advertisers were for those buying paid search and broadcast TV. It was the first time in our 15 years of conducting large-scale advertiser surveys that broadcast TV was not the largest expenditure.

3 Borrell conducts a quarterly SMB Business Barometer survey with approximately 200 panelists; the Q4 panel was fielded November-December 2022. See Inside Radio article <http://bit.ly/3CLpzOp>

4 Borrell's semi-annual survey of local ad buyers, Sept.-Nov. 2022; N=1,983 advertisers, of whom 851 (43%) purchased radio in 2022.

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What Radio Advertisers Bought in 2022, & What They Spent On It		
Media	% Buying	Avg. Annual Spending
Radio	100%	\$ 24,173
Any/All Types of Digital Media	88%	\$ 61,070
Social Media	69%	\$ 16,340
Events/Sponsorships	63%	\$ 23,725
Paid Search	48%	\$ 65,407
Online Banner/Display Ads	59%	\$ 21,552
Newspapers	62%	\$ 13,081
Direct Mail	43%	\$ 23,093
Magazines	45%	\$ 15,151
Other Printed Publications	39%	\$ 4,159
Out-of-Home	38%	\$ 19,274
Broadcast TV	41%	\$ 56,582
Streaming Video/OTT	26%	\$ 25,048
Online Directory Listings	24%	\$ 2,125
Cable TV	22%	\$ 35,777
Printed Directories	17%	\$ 1,522
Email Sponsorships	17%	\$ 4,296
Mobile In-App Ads	15%	\$ 3,006
Content Marketing	17%	\$ 7,527
Streaming Audio/Podcasting	19%	\$ 7,121
Mobile SMS/Text	14%	\$ 4,560

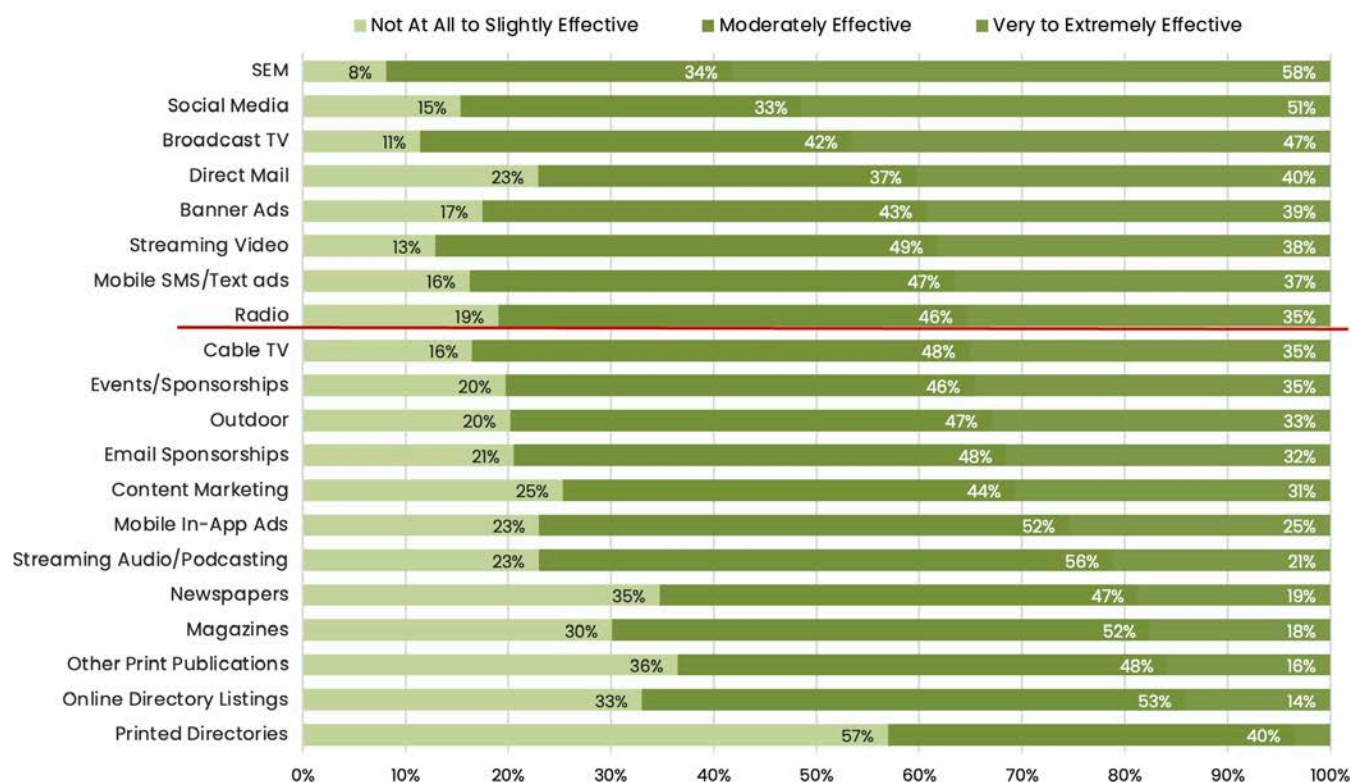
Source: Borrell's Local Advertiser Survey, Sept-Nov. 2022; N = 851 radio buyers
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In terms of effectiveness, paid search and social media continue to rank the highest, with slightly more than half of all radio buyers rating them very to extremely effective. Radio advertising ranked in the top third, with 35% deeming it to be very to extremely effective.

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Radio Buyers Rate Effectiveness of 20 Types of Advertising SEM, Social Media, & Broadcast TV rank highest



Source: Borrell's Local Advertiser Survey, Sept.-Nov. 2022; N = 851 radio buyers
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When we surveyed nearly 1,983 local ad buyers last fall and asked about their 2023 plans, we found that 21% of those who were buying radio advertising planned to either trim or eliminate it entirely. So, we decided to look at those 182 radio buyers to gain insights on what else they might be cutting – and more importantly, where some of those trimmed dollars might be going.

These “cutters” are also cutting eight other forms of advertising. Only one is digital. They are increasing 11, and all but two are digital. The biggest gainer is streaming audio, with radio cutters registering an 8.2-point gain. The other big gainers are mobile-based advertising (sponsored text messaging and in-app ads).

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Where Is Radio's Money Going? How 'Cutters' Plan to Change Media Usage in 2023

% of those who bought radio in 2022 but planned to cut it in 2023				
Type of Advertising	% of "Cutters" Who Purchased in 2022	% of "Cutters" Planning to Buy in 2023	% Point Difference	
Radio (AM/FM)	100.0%	83.5%	-16.5	Radio cutters are also trimming these
Direct Mail	44.0%	41.2%	-2.7	
Other Printed Publications	34.6%	31.9%	-2.7	
Magazines	42.3%	39.6%	-2.7	
Newspapers	52.7%	51.1%	-1.6	
Printed Directories	15.9%	14.8%	-1.1	
Broadcast TV	40.7%	39.6%	-1.1	
Online Directory Listings	23.6%	22.5%	-1.1	
Events/Sponsorships	63.7%	63.2%	-0.5	Radio cutters are increasing these
Streaming Audio	17.0%	25.3%	8.2	
Mobile SMS/Text Ads	13.7%	20.9%	7.1	
Mobile In-app Ads	13.7%	19.8%	6.0	
SEM	50.5%	55.5%	4.9	
Streaming Video	25.3%	30.2%	4.9	
Email Sponsorships	17.0%	22.0%	4.9	
Outdoor	32.4%	36.8%	4.4	
Social Media	70.3%	73.1%	2.7	
Banner Ads	60.4%	62.6%	2.2	
Content Marketing	18.7%	20.3%	1.6	
Cable TV	16.5%	17.6%	1.1	

Source: Borrell's Local Advertiser Survey, Sept.-Nov. 2022; N = 851 radio buyers, of whom 182 (21%) said they planned to trim or eliminate radio spending in 2023
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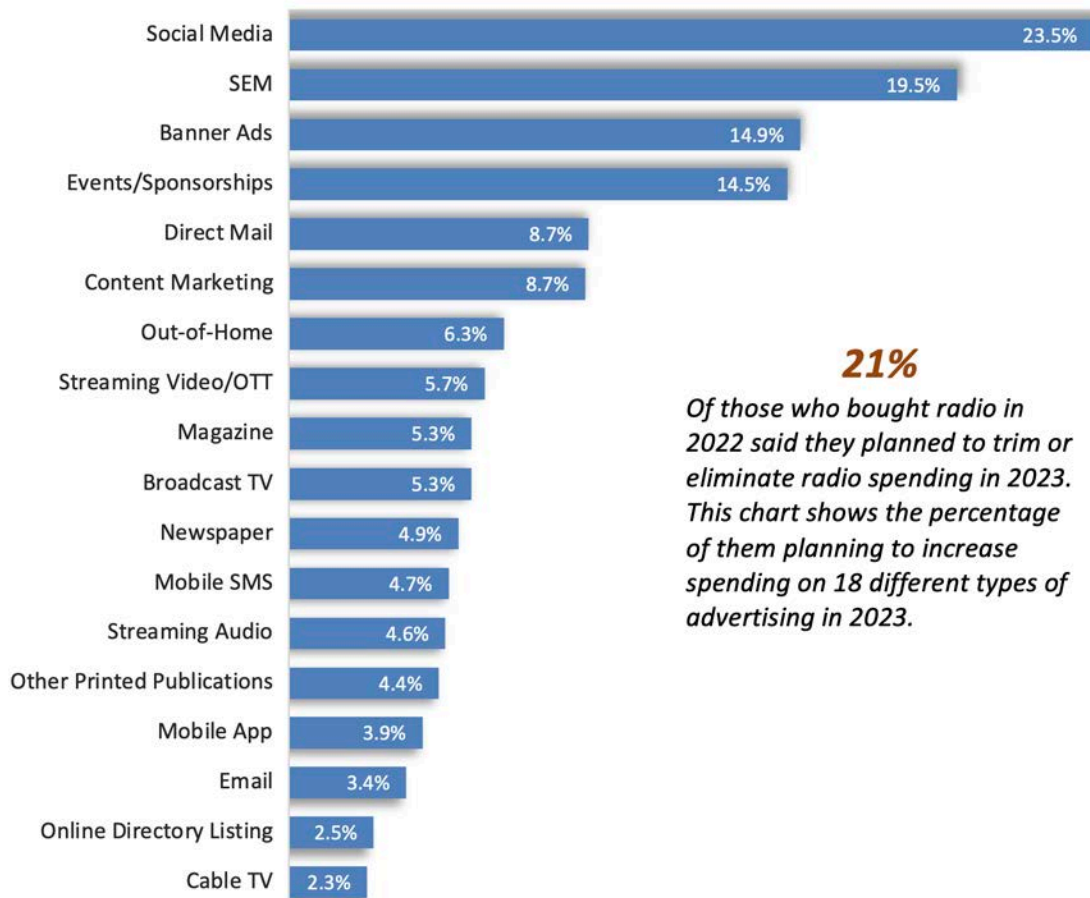
The migration of ad buyers from one medium to another tells only part of the story. High migration to streaming audio and mobile-based advertising may be occurring, but the dollars typically spent there are low. (See the table at the beginning of this chapter.)

The chart on the next page examines the percentage of radio cutters planning to not only use a particular type of advertising, but also increase spending on it. Topping the list are social media, where radio cutters spent an average of \$14,654 last year, and SEM, where they spent \$25,220.

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Where Is Radio's Money Going? Where 'Cutters' Plan to Spend More in 2023



Source: Borrell's Local Advertiser Survey, Sept.-Nov. 2022; N = 851 radio buyers, of whom 182 (21%) said they planned to trim or eliminate radio spending in 2023
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Finally, we looked overall at radio buyers and found them significantly more likely than nonbuyers to purchase six types of digital media. Not surprisingly, streaming audio topped the list, with radio advertisers 3.6 times more likely to buy it. Also high was streaming video. We continue to see radio buyers as the likely targets for OTT sales. In 2022, 25% of radio buyers were also buying streaming video/OTT advertising, spending an average of \$25,048 annually. Seventeen percent of them were planning to increase streaming video/OTT spending this year.

As we'll illustrate in Chapter 4, most radio stations are already selling streaming audio and video products – as well as email sponsorships, banner ads, social media and SEM. However, 77% of stations say less than one-third of their radio customers are buying digital advertising from them. This points to large upside potential for the radio industry.

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Radio Advertisers are Heavy Buyers of Digital, But Most Stations Sell to Only a Fraction of Their Customers

Radio Advertiser Survey

<i>Radio buyers are more likely than non-buyers to purchase . . .</i>	<i>by a factor of...</i>
Streaming Audio	3.6x
Streaming Video	3.2x
Email Sponsorships	1.9x
Banner Ads	1.7x
Social Media	1.4x
Search Engine Marketing	1.3x

Radio Manager Survey

Less than 1/3 of our
radio customers buy
digital from us

77%

Source: Borrell's Local Advertiser Survey, Sept.-Nov. 2022; N = 851 radio buyers and 1,132 nonbuyers of radio
© 2023 Borrell

Radio “Cutters” Are Still Viable Digital Customers

Radio buyers plan to make cuts in 2023, per responses from radio buyers. They're making other cuts, too, mainly in traditional media channels. That spending is shifting toward digital, and there is an opportunity. You still have a great shot at making up revenue by being their digital guru.



If your longtime radio advertisers are pulling back, they are still great targets for digital. You have a relationship with them and can offer them the tactics they want to increase spending, including social media advertising, SEM (search engine marketing) and digital display.

You don't want to abandon these local businesses. Instead, you can adapt to meet their current goals and spending strategies. It also doesn't mean they will completely eliminate radio spots or that they might increase spending next year. The important thing is to meet them where they are. So, how do you get them to buy with you?

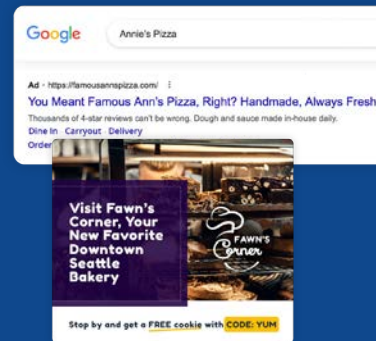
Modernizing your approach and representing yourself as a media salesperson is the first thing to consider. You don't have to live in the box of only selling radio. Instead, show that you and your organization are evolving to support advertisers as they reposition their advertising to reach their desired audiences.

Even if these buyers have allocated a budget to specific tactics, they may need help executing them well. That's especially true for social media advertising. There are many platforms, and they have both unique and diverse options. So, if a radio advertiser says they want to cut that budget and invest in TikTok ads, you can be their guide, helping them define their objectives, create content and target effectively.

Other conversations may have advertisers saying they want to advertise on a specific social media platform, but you might have reason to believe they'd have better success elsewhere. With your role as a consultant (not a seller), you can bring up data and information to show them that their initial assumptions may need some fine-tuning.

The second tactic they want to spend more on is SEM. Local businesses depend on it to drive traffic and conversions. However, it can quickly spin out of control without some parameters and continuous optimization. Again, it's time to demonstrate your experience and expertise regarding SEM and how you can drive better results for them versus if they do it themselves or use agencies with high markups.

No matter how advertisers spend their budgets, you can be their go-to with the right position, expertise and support.



Want to learn how selling social media advertising and SEM is better with Marketron NXT? [Request a demo today.](#)

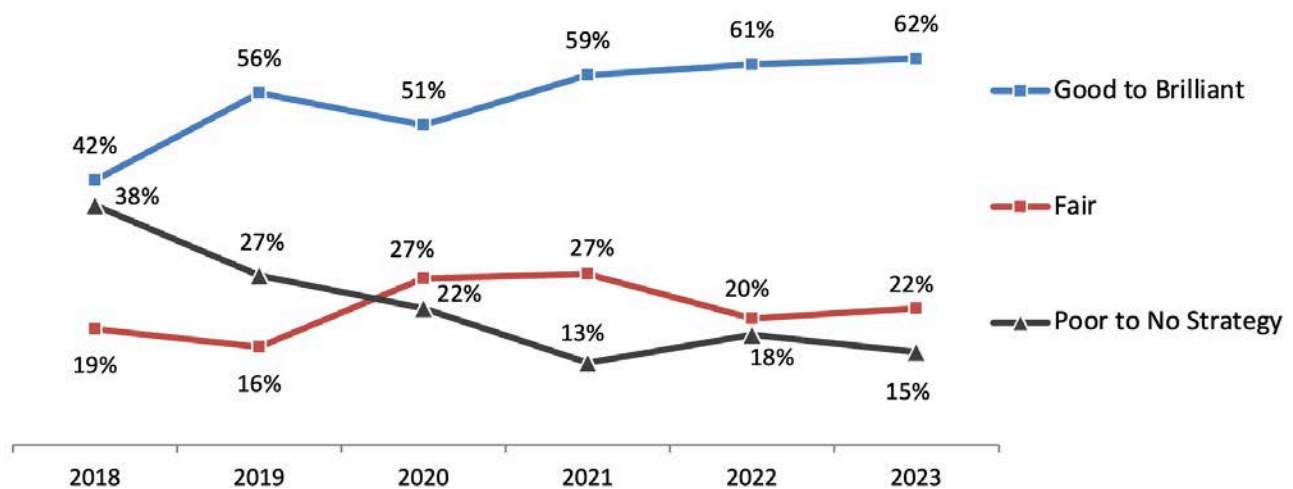
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CHAPTER 3 Insights from Station Managers

When it comes to digital strategies, station managers continue to feel good. With the pandemic likely being the trigger, three consistent years of digital growth bolstered the feeling that strategies were solid.

Opinions on Digital Strategy Continue to Improve How would you rate your station's digital strategy?



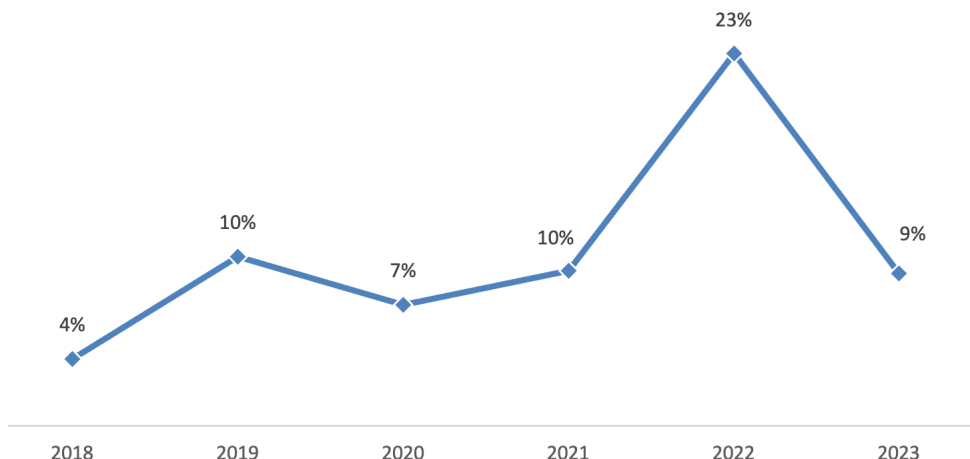
Source: Borrell/RAB surveys: N=126 for 2018; 132 for 2019; 188 for 2020; 220 for 2021; 227 for 2022; 169 for 2023
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However, we saw a big change in the percentage of managers who deemed their strategies to be brilliant, falling from 23% a year ago to 9% in our most recent survey. It's likely to be tied to growth rates. One year ago, stations were enjoying 33% average growth in digital revenue, with one in four managers reporting growth of 50% or more. This year, the forecast growth rate is half that, with one in seven managers expecting growth of 50% or more.

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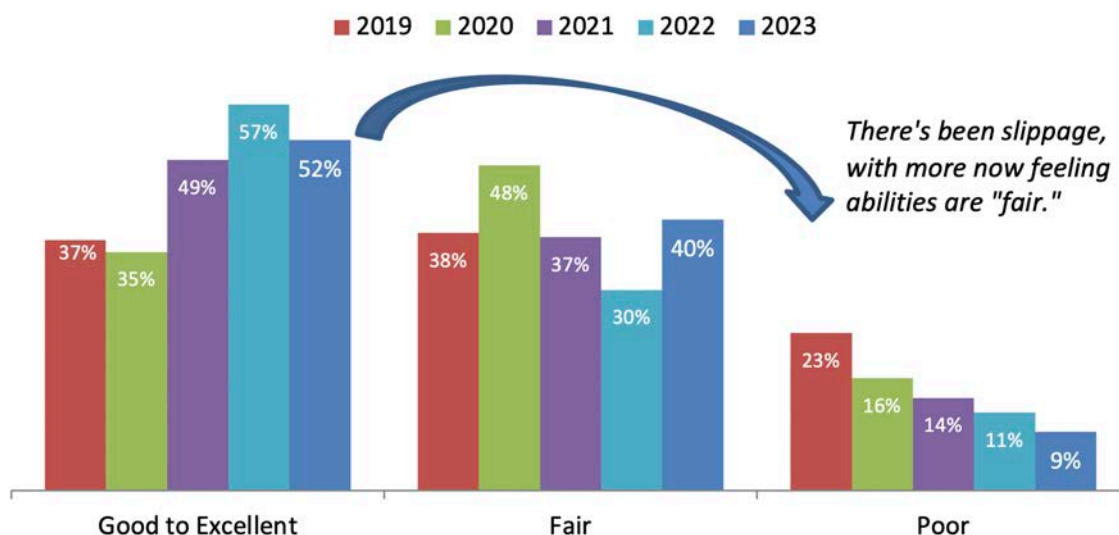
Strategy May Not Be as 'Brilliant' As Last Year % of radio managers deeming their digital strategy to be "brilliant"



Source: Borrell/RAB surveys: N=126 for 2018; 132 for 2019; 188 for 2020; 220 for 2021; 227 for 2022; 169 for 2023
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Looking deeper at how managers feel about their digital operations, we saw a drop in ratings for their sales teams' ability to sell digital. Those rating it good to excellent fell from 57% to 52%, and those rating it fair grew from 30% to 40%. Could the problem be in training? According to our survey, the number one way to improve digital sales flipped from training existing reps to hiring more digital-only reps.

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



Source: Borrell/RAB surveys: N= 95 responses in 2019; 186 in 2020; 218 in 2021; 227 in 2022; 169 in 2023
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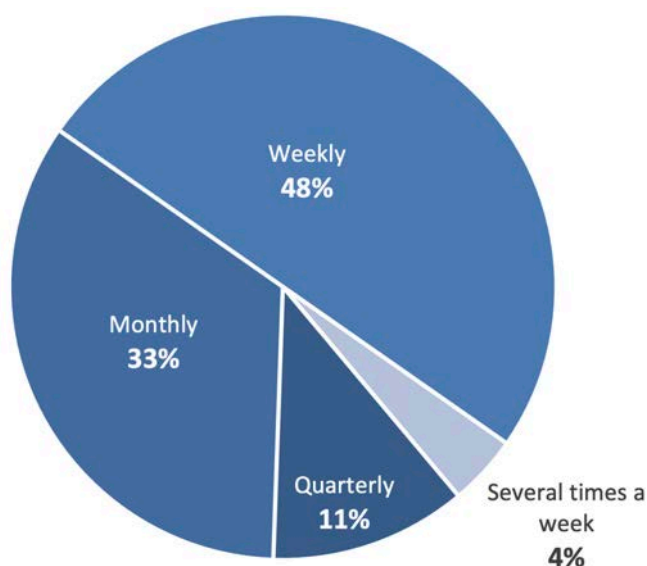
If you had only these four options, which would help THE MOST in driving digital sales higher for your station(s)?

Radio managers were asked to pick one	% responding				
	2019	2020	2021	2022	2023
Training existing sales reps	35%	48%	40%	52%	38%
Adding digital-only sales reps	29%	32%	17%	34%	45%
Having more/better digital products to sell	22%	11%	35%	6%	6%
Replacing existing sales reps with better ones	14%	9%	8%	8%	11%

Source: Borrell/RAB surveys: N= 95 responses in 2019; 186 in 2020; 218 in 2021; 227 in 2022; 169 in 2023
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We found evidence that the training issue may be in the process of being “solved.” Last year, 74% of managers said their teams were being trained at least once a month; in our most recent survey, 81% said training occurs at least that often.

How often does your sales team receive digital training?



Source: Borrell/RAB survey, Dec. 2022-Jan. 2023: N=169 responses
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Regarding compensation, there was not much change from last year. Half of sales reps are compensated on the net amount of a digital sale, while one-third get commissions on gross.



Seller Effectiveness: Training, Upskilling and Digital-Only Salespeople

There's no single answer to what drives success in terms of seller effectiveness. It's a combination of things. In this year's survey, one-third of sales managers suggested that digital-only salespeople were the best way to increase sales. The majority (52%) stated they were still training existing sellers.

Training and upskilling existing sellers can yield higher digital sales. This strategy isn't without issues; these people must be open to change and improve their digital acumen. Change is always challenging and requires commitment from the station and seller.

With pros and cons to each as an individual strategy, the better approach may incorporate both. You can hire a digital-only salesperson to be your point person, and they can be a resource and guide for those who need to elevate their digital selling skills. For all parties, there should be a continued commitment to training. Stations seem to be embracing that, as 81% said they hold training monthly, up 7% over last year.



The key to developing these sellers is offering the right training, and Marketron delivers all these things and more.

1/ Training That Focuses on Outcomes

Our delivery of practical and valuable training is outcome-focused and relevant. Through our specialized teams, content and courses, your sellers will hit their goals no matter where they are on the knowledge scale.

3/ Digital Gurus for Your Team with Our CDMs

Client development managers (CDMs) are assets that amplify your sellers' efforts. They deliver regular training, help with pitches and proposals, provide advice on digital ad mixes and supply endless ideas to win more business.

2/ Continuous Skill Development

We offer a mix of training, including digital tactics, sales best practices and tutorials on the software. Our Integrated Media Specialist (IMS) program elevates this further with dedicated digital experts embedded in your sales team.

4/ On-Demand, Always-On Training

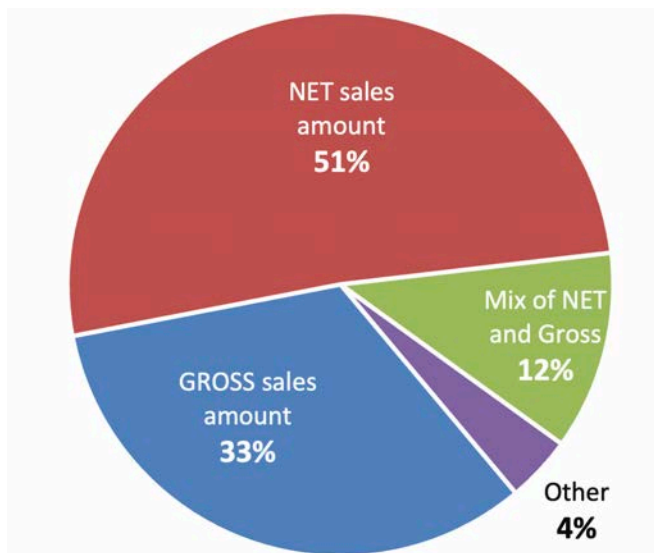
The Marketron Learning Center (MLC) is an always-on platform for guided training and on-demand resources. The library is robust, and we're regularly updating it with new material.

Training should be a constant for any sales team, no matter their level of digital knowledge. Managers should always keep this top of mind to drive results.

Want to learn about Marketron NXT and our training resources?
[Request a demo.](#)

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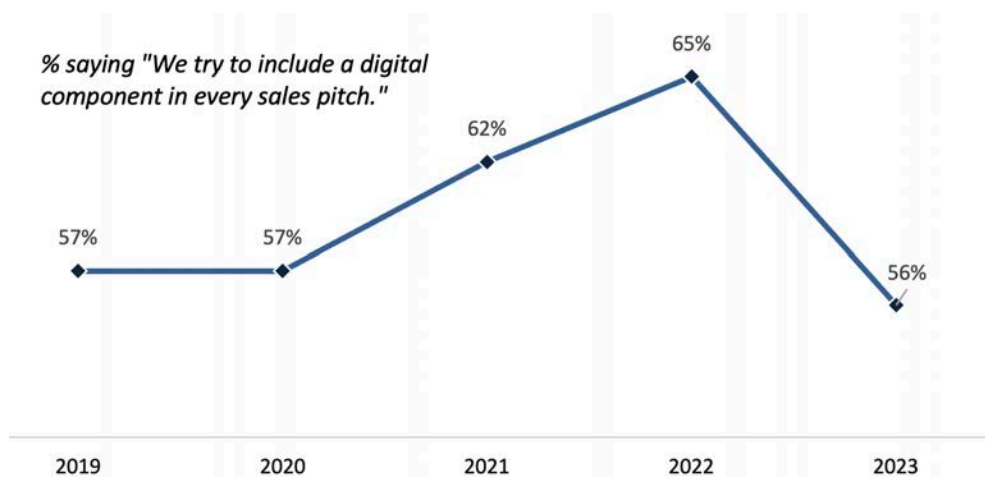
How Are Digital Sales Commissions Based?



Source: Borrell/RAB survey, Dec. 2022-Jan. 2023: N=169 responses
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Digital sales have been a stronger focus since the pandemic. Three years ago, in the survey taken just before the pandemic began, 57% of managers said their stations tried to include a digital component in every pitch. That went to 62% the following year and 65% last year. This year it dipped. Conversely, there was growth in those saying digital pitches are made “only where it makes sense.”

Easing Up on Forced Digital Sales



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<i>Thinking of radio advertising sales, which statement best applies to your station(s)?</i>					
	2019	2020	2021	2022	2023
We rarely or never include digital offerings in sales pitches	8%	7%	1%	4%	3%
It's solely at a sales rep's discretion whether to include digital	14%	8%	9%	10%	10%
We include a digital component only where it makes sense	21%	29%	28%	22%	31%
We try to include a digital component in every sales pitch	57%	57%	62%	65%	56%

Source: Borrell/RAB surveys; N=96 for 2019; 183 in 2020; 216 in 2021; 221 in 2022; 169 in 2023
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We also asked stations what type of innovative products they were offering. It turns out that nearly half were delivering marketing messages to smart speakers, one-third were delivering ads to the car dashboard and one-fifth were delivering geotargeted ads to outdoor advertising. While these may not be considered terribly innovative by some, note only 11% said they were participating in "other types of innovative, nontraditional" advertising and that 33% said they weren't participating in anything innovative.

Stations' Participation in Innovative Products

<i>Is your station actively participating in any of the following?</i>	
Delivering ads/branding images to the automobile dashboard	33%
Delivering ads or marketing messages to smart speakers such as Google Home, Alexa, etc.	48%
Delivering geotargeted messages to outdoor display advertising	21%
Other type of innovative, nontraditional advertising/messaging*	11%
None of the above	33%

*Other included gas station & doctors' office; "scientific OTT"; text messaging; live video streaming of high school sports with commercials; and "solution for the dashboard."

Source: Borrell/RAB survey, Dec. 2022-Jan. 2023; N=169 responses

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To gauge the success of radio's digital sales pressure on both its existing radio customers and new, nonradio customers, we asked managers two questions: what percentage of radio customers buy digital products from them, and what percentage of their digital customers also buy radio.

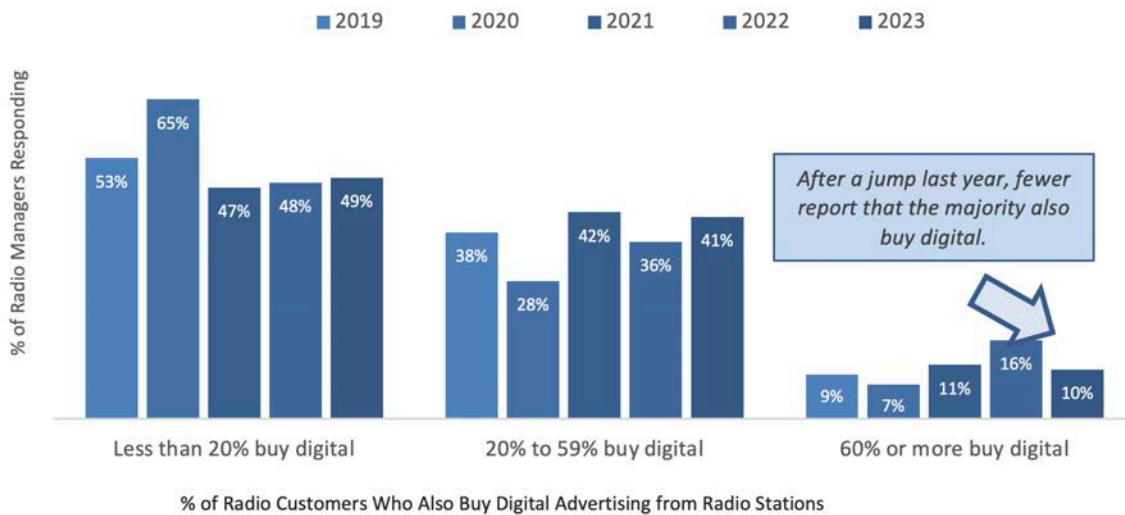
Looking at the percentage of radio customers who buy digital products, the average is less than one-third. That is, more than two-thirds aren't buying their digital products. There doesn't appear to be any significant change from previous years, which seems remarkable considering that digital revenue for the industry has grown 80% in the past three years. If stations are essentially selling the same number of customers as they did in 2019, that would indicate that they are merely selling more digital products to the same customers year after year.

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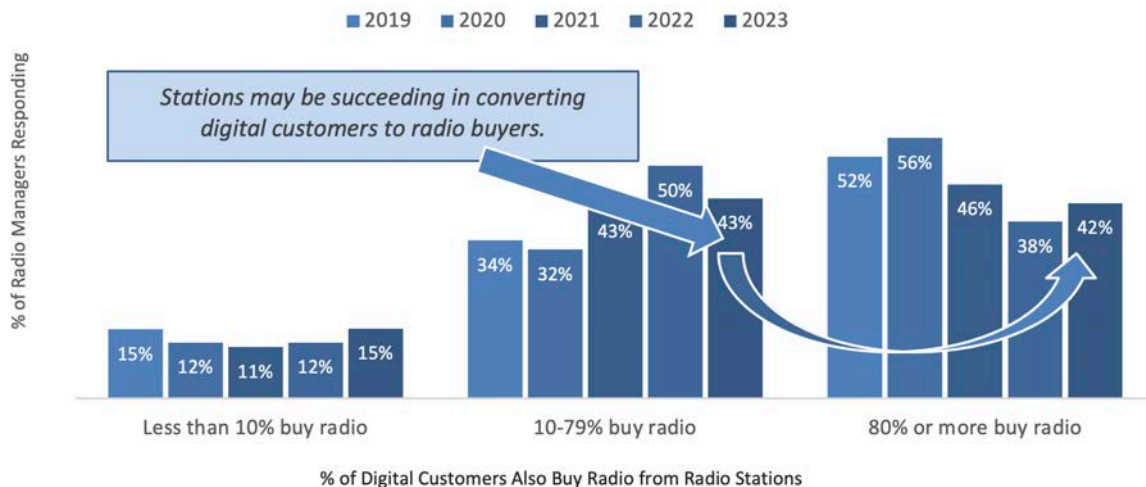
The answer may not be that simple. Stations may not be selling a big share of their radio customers into digital, but they may actually be successful in bringing digital-only customers on board and then selling them radio advertising. On average, 57% of a station's digital customers also buy radio advertising, which means 43% of digital customers only buy digital. That could be ripe ground for radio advertising sales.

What % of a Station's Radio Customers Buy Digital Products?



Source: Borrell/RAB surveys; N=for 2019; 183 in 2020; 216 in 2021; 221 in 2022; 169 for 2023
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What % of a Station's Digital Customers Also Buy Radio?



Source: Borrell/RAB surveys; N=96 for 2019; 183 in 2020; 216 in 2021; 221 in 2022; 169 for 2023
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Upselling Your Radio Advertisers

The survey results regarding who buys digital advertising from radio show a clear opportunity. Two-thirds of current radio advertisers aren't buying digital from radio stations. You can capitalize on this with the trust factor. If they trust you with one type of advertising, it can be easier to get them to increase their share of wallet. You'll never be able to capture all their radio ad dollars since most markets have multiple station owners. You can, however, get 100% of their digital budget.



The survey also revealed that those already buying radio are more likely to purchase digital from you than those who aren't. There could be many reasons why they aren't working with you. They may be unaware of your capabilities or are doing digital on their own. They may also work with an agency. They are buying digital, as the survey noted that 88% of radio advertisers do purchase digital advertising.

Here are some strategies to help you win digital business from radio advertisers:



Remind them you know the market:

Businesses are still targeting local when they buy digital in most cases. You have unique knowledge of the market — typically, something national agencies can't match. When talking about digital, emphasize this and your value.



Be specific about digital tactics: Once you know an advertiser's goals, lay out to them the types of digital ads that can help them achieve those goals. Define an integrated campaign that leverages many tactics to drive results.



Explain how you track performance:

Advertisers want to know what ad spending yields. It can be a complex conclusion, but you can deliver reporting that's transparent and easy to understand. Make that a point of your pitch.



Show them some proof: Talk to advertisers about successful campaigns you've launched for other advertisers. If you have case studies to share, this can be very impactful.



Tell them how you do digital differently:

Advertisers will have objections. They may have tried digital before with lackluster results. Build their confidence by demonstrating how you do digital better with specifics about how tactics are optimized for conversions.



Want more great selling tips? [Subscribe to Aspire](#), the blog that helps you prospect, pitch and sell smarter.

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CHAPTER 4 Benchmarking Radio Stations' Digital Revenue

The tables in this chapter show the ranges for revenue and market share according to peer groupings based on market size. All but 1% of radio stations reporting revenues for our surveys do so by market clusters, with the average cluster having five stations.

In 2022, the average station made \$420,375 in digital sales. Averages ranged from \$85,064 in the smallest of markets to \$1,214,566 in the largest. Growth rates for varied by market size, with large to medium-large markets seeing less growth than the smaller ones.

Average Per-Station Digital Revenue by Market Size, 2021 versus Prior Year (For market size rankings, see Appendix B)

			Average Revenue Per Station			
	DMR Size	Stations in Sample	2021	2022	Growth Rate	
(largest)	1 to 10	364	\$ 1,025,683	\$ 1,214,566	18.4%	
	11 to 20	286	\$ 813,798	\$ 967,823	18.9%	
	21 to 50	513	\$ 441,410	\$ 537,993	21.9%	
	51 to 100	738	\$ 278,711	\$ 346,858	24.5%	
	101 to 200	1,003	\$ 170,185	\$ 211,221	24.1%	
	201 to 300	447	\$ 105,182	\$ 131,129	24.7%	
(smallest)	301 to 513	336	\$ 68,714	\$ 85,064	23.8%	

Source: Borrell's Digital Revenue Database
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The average market clusters made \$1,934,986. It ranged from \$426,590 for small-market cluster to \$4,967,440 for large markets. The median continued to be roughly half of what the average was for each market ranking, as it has for many years now. This continues to indicate a greater spread between the haves and have-nots – the small percentage that are the highest market performers, and the rest.

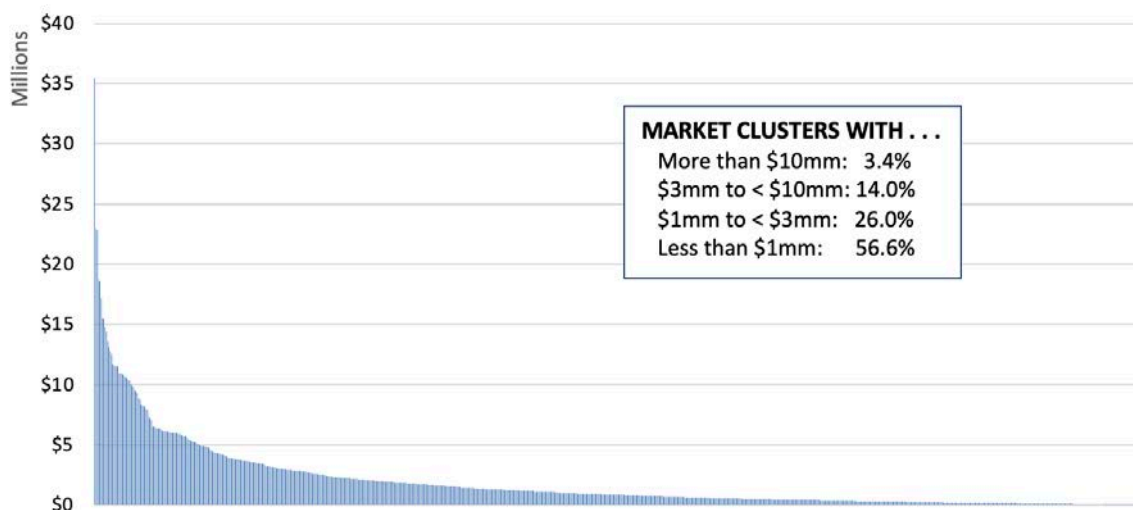
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Per-Cluster Digital Revenue by Market Size, 2022

DMR Size	Sample Size		Annual Digital Revenue Per Market Cluster				
	Stations	Clusters	Avg.	Median	Highest	Best Practice*	
1 to 10	364	89	\$ 4,967,440	\$ 2,255,792	\$ 35,400,000	\$ 21,969,260	
11 to 20	286	65	\$ 4,258,425	\$ 2,037,763	\$ 22,800,000	\$ 15,883,064	
21 to 50	513	121	\$ 2,280,916	\$ 1,152,092	\$ 11,600,000	\$ 10,689,022	
51 to 100	738	164	\$ 1,560,861	\$ 833,779	\$ 7,000,000	\$ 6,491,403	
101 to 200	1003	204	\$ 1,038,506	\$ 578,047	\$ 5,907,022	\$ 5,247,994	
201 to 300	447	91	\$ 644,119	\$ 340,976	\$ 2,864,733	\$ 2,178,736	
301 to 513	336	67	\$ 426,590	\$ 185,911	\$ 1,646,557	\$ 1,347,742	

*Average revenue of the top five clusters
Source: Borrell's Digital Revenue Database
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2022 Total Digital Revenue for 847 Market Clusters



Source: Borrell's Digital Revenue Database
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Radio's Share of "Obtainable" Digital Dollars

We measure a market cluster's digital success by the share of Obtainable Digital Revenue in its specific market. The term is defined as the total amount of digital advertising available to all competing media companies (not just radio) located in that specific market. It factors out dollars that go directly to out-of-market internet companies such as Google, Facebook, Pandora, Instagram, Yelp and digital advertising purchased directly from programmatic platforms. On average, 9.3% of all local advertising – representing 13.9% of all digital advertising – remains in the market, spent with locally based media companies. In 2022, this amounted to \$13.3 billion. (See Appendix B for a list of all markets and amounts spent.)

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Individual clusters average between 1.2% and 10.6% of the obtainable share. Higher market shares skewed toward smaller markets where there was little to no competition from TV stations and less competition overall. The highest share for a radio cluster was 50.6%, representing approximately \$1 million in digital revenue for that small-market cluster.

Our “best practice” shares in the table below offer a view of a market’s high-end potential. In 2022, these top five share-getters in each market ranking snared three to five times the market share of average radio performers. There was slight slippage in total radio share across most markets. This is attributable to equally aggressive efforts launched at TV stations, newspapers and especially local cable systems, all of whom are also racing after the same digital dollars as radio sellers.

Per-Cluster Share of Obtainable Digital Revenue, by Market Size, 2022

DMR Size	Sample Size		Share of In-Market Obtainable Digital Revenue			
	Stations	Clusters	Avg.	Median	Highest	Best Practice*
1 to 10	364	89	1.2%	0.6%	6.6%	5.2%
11 to 20	286	65	2.2%	1.0%	11.9%	9.7%
21 to 50	513	121	2.3%	1.2%	14.8%	11.1%
51 to 100	738	164	3.8%	2.1%	18.1%	15.9%
101 to 200	1,003	204	5.7%	3.4%	35.6%	33.1%
201 to 300	447	91	8.3%	4.8%	43.3%	35.8%
301 to 513	336	67	10.6%	4.8%	50.6%	44.3%

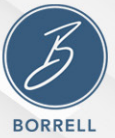
*Average market share for the five market clusters getting the largest shares

Source: Borrell's Digital Revenue Database

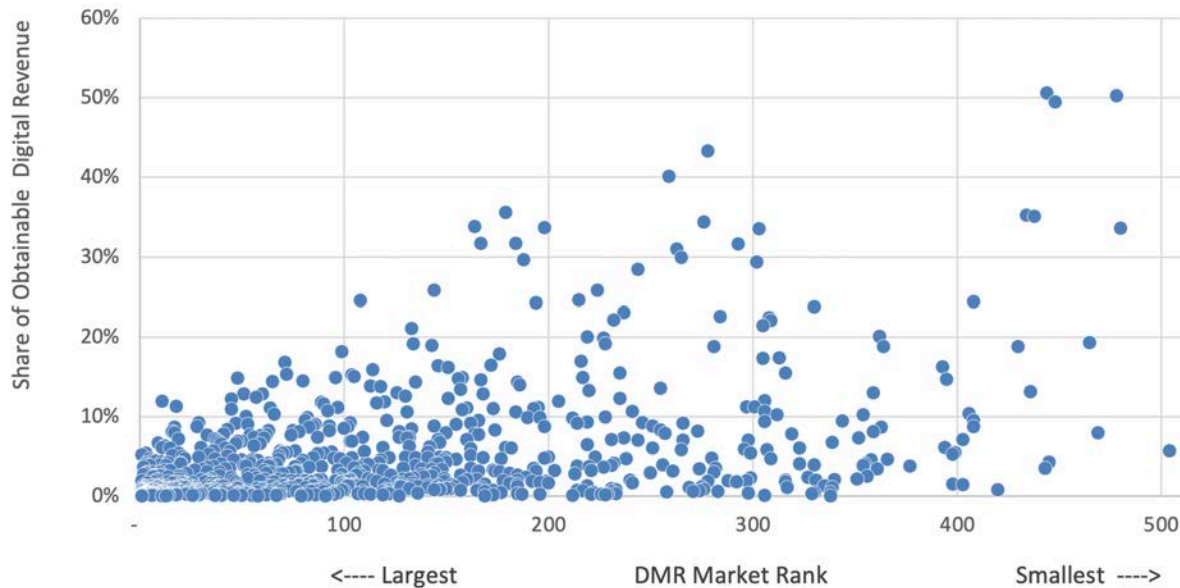
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The scattergram illustrates the skew toward smaller markets getting larger shares of obtainable digital revenue. More than two-thirds of radio clusters got less than 5% of obtainable digital revenue in their markets. The highest performers – those getting more than 20% – accounted for 4.4% of the total group. All of these are in small markets.

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Share of In-Market Obtainable Digital Revenue in 2022 for 815 Radio Market Clusters



Source: Borrell's Digital Revenue Database
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To determine your cluster's market share and the appropriate ranking for your market, see Appendix B. 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 <https://compass.borrellassociates.com/standardmarketdefinitions>

Key Sources of Digital Revenue for Radio Stations

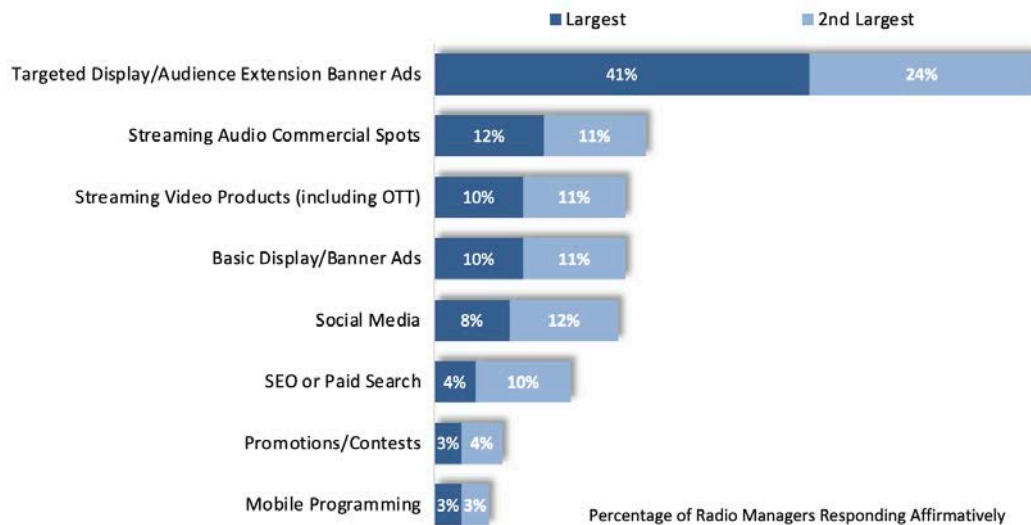
Targeted banners continue to dominate as the leading source of revenue, with 41% of managers saying it was their top source in 2022 and 24% saying it was their number two source of revenue. This is slightly more than last year, indicating targeted banners continue to be the leading source of revenue for two-thirds of stations. This is concerning, since the vast majority of that revenue relies on third-party cookies, something that is being phased out. We will address that issue more specifically at the end of this chapter.

While streaming audio commercials are also a strong source, the sudden presence of streaming video/OTT should be noted. It's probable that video will replace audio this year as the second-largest source of digital revenue. Stated differently (and for effect), when it comes to digital sales, radio companies will sell more video advertising than they will audio.

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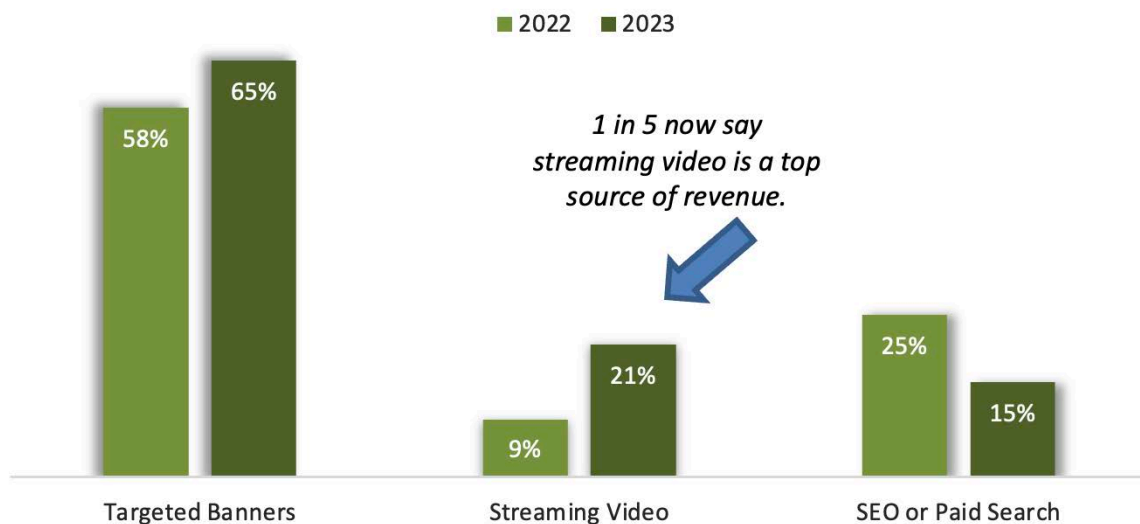


Largest Sources of Digital Revenue for Radio Stations



Source: Borrell/RAB Survey; N= 169
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Digital Revenue on the Move % of managers listing each as largest or second largest source of revenue



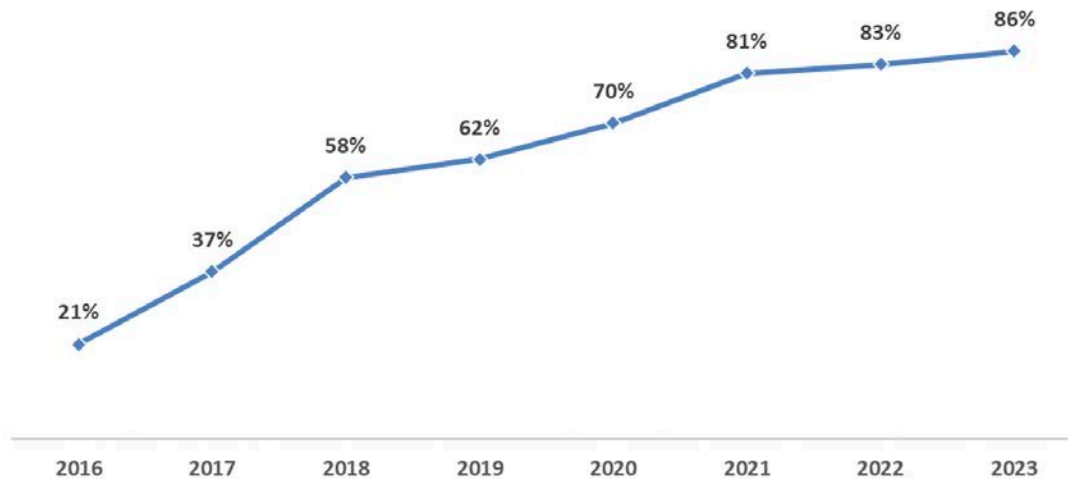
Source: Borrell/RAB Survey; N=169
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The percentage of stations selling digital services continues to grow as stations realize that technology has inexorably tied sale of digital advertising to the ability to create, place and monitor its performance.

Popularity of Selling Digital Services Continues to Grow % of stations selling digital services



Source: Borrell/RAB surveys; N= 206 responses in 2016; 190 responses in 2017; 126 responses in 2018; 101 responses in 2019; 188 in 2020; 222 in 2021; 228 in 2022; 169 in 2023
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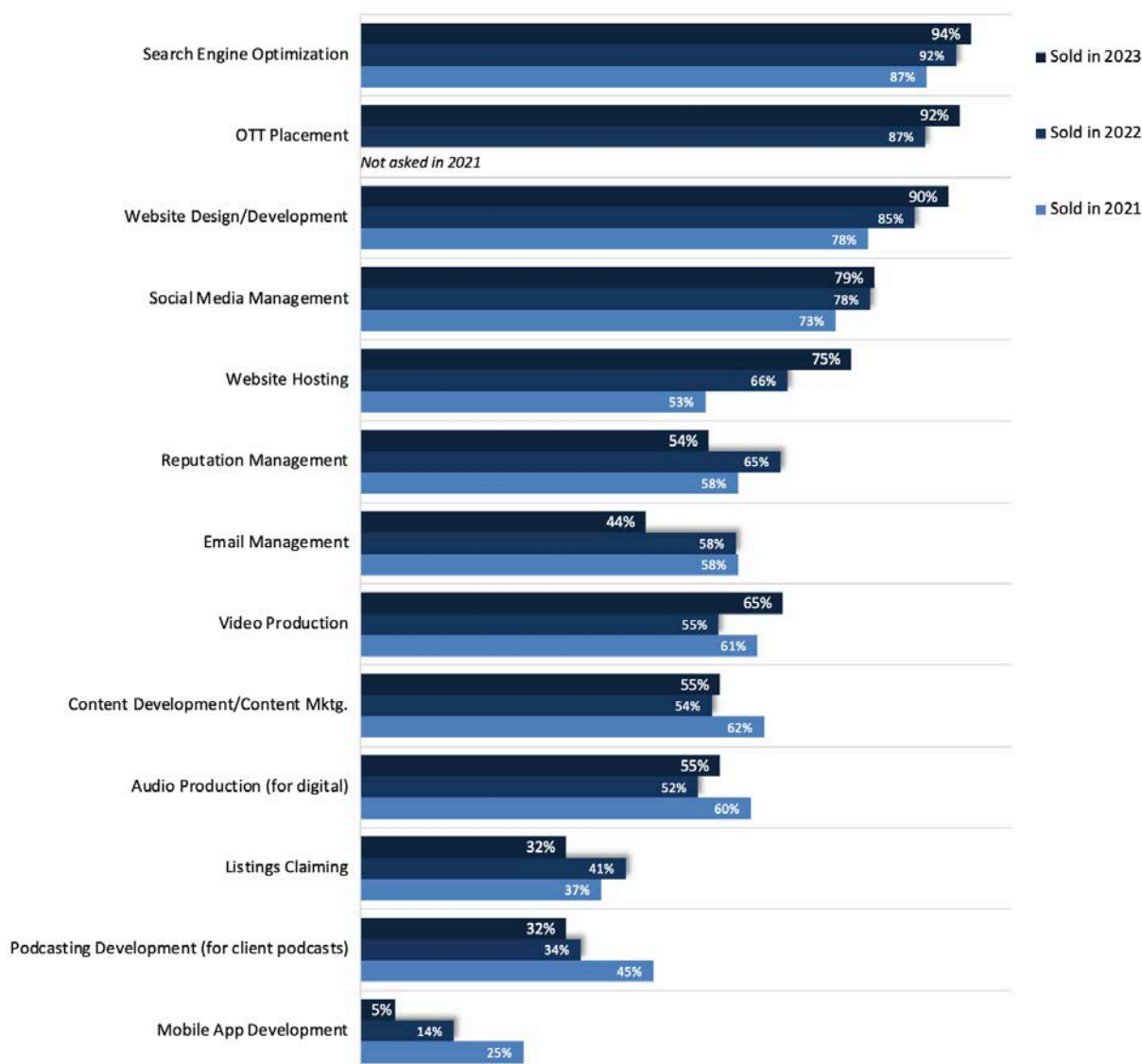
Search Engine Optimization continues to lead the list of services sold. Last year we added “OTT placement” to the list and found that 87% of stations that are selling digital services (or 72% of all stations) were selling it. This year, it's 92% of those selling services and 79% of all stations. In addition, 65% of them are selling video production services, up 10 points from last year.

A few seem to be declining in popularity. Among them the sale of reputation management services, email management, listings claiming, podcast production and mobile app development.

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Types of Digital Services That Stations Sell % of respondents who say their stations sell . . .



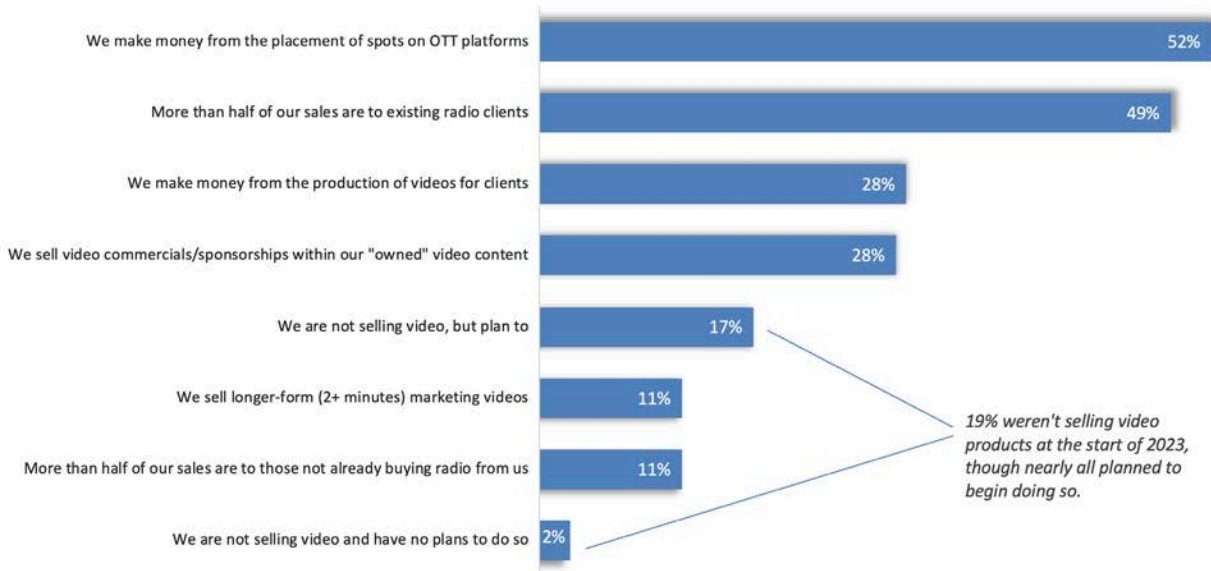
Source: Borrell/RAB survey; N= 132 responses in 2021; 189 in 2022; 169 in 2023
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Streaming video is becoming increasingly important to stations, so this year we added a question to understand how stations are making money. We found that 19% weren't selling video products yet, but that nearly all of them planned to do so this year.

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Insights on Stations' Streaming Video & OTT Sales



Source: Borrell/RAB survey; N=169
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Returning to the issue of the largest single source of digital revenue for stations: Targeted banner ads. These ads generally rely on third-party cookies, which are gradually being phased out. As we noted in a report for the National Association of Broadcasters in fall 2022, the radio industry stood to lose \$750 million, or 42% of its current digital revenue. In 2024, when Google's complete phase-out is planned, that figure will be \$1 billion.

When we surveyed radio and TV executives last fall, we found that 45% felt that the cookie-phase out was urgent and 13% felt it was extremely urgent. Further, 59% said advertising dependent on third-party cookies accounted for up to half of their digital revenue.

While broadcasters are aware of this issue, 96% in our NAB survey of executives said they were at least somewhat familiar, and 88% of radio managers in our most recent RAB survey said they were aware of the issue, less than one-third of stations said they had a group that were addressing it and more (37%) said they were relying on their tech vendors to provide guidance.

Video Advertising Is a Significant Growth Segment: How to Sell It with Confidence



No one has any apprehension that video is one of the most engaging types of ads. Consumption of video content continues to rise for consumers. Advertisers are aware of this and want to be where audiences are. As a result, more stations are selling OTT (over-the-top) placements, with 87% doing so in 2022 and 92% expected to do so in 2023.

Stations understand the revenue opportunity. Local OTT is seriously underutilized, with a lot of inventory available. A record-breaking political advertising year in 2022 further cemented OTT as a great way to reach locals who may also be cord-cutters.

So, how can you capitalize on OTT?

Solving the Content Objection

Local advertisers typically have a first objection to OTT because they don't have content. They have misconceptions that they need to invest a lot of capital into making a video ad. However, video production has never been more accessible. You can support them by:

- Finding a local production company partner
- Introducing them to online platforms that are easy to use and have lots of stock videos
- Asking them about repurposing content they already have
- Proposing they shoot a video on their own

OTT Is Part of a Compelling Integrated Campaign

OTT doesn't have to be in a silo. In fact, it shouldn't be. Instead, you can suggest it as part of an integrated campaign that can include other digital tactics and radio. OTT provides a way to target and reach captive audiences. When advertisers launch an initiative that pairs OTT with other media, they get exceptional reach and targeting. For businesses with visual products or great stories to tell, OTT should be part of the plan.

Outline How It Works to Eliminate Confusion

While advertisers are aware of OTT and likely use a streaming service with ads, they may not know how it works. You can unlock this "black box" for them by reviewing targeting options and how the ads get served to audiences. You can also discuss performance reporting for the tactic, giving them more confidence to purchase more of this type of advertising.

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Are Stations Prepared for Phase-Out of Cookies?

Stations' Awareness of Third-Party Cookie Issues	
We have a team of people addressing this	31%
We have discussed this, but only informally	20%
We're relying on our vendors to provide guidance	37%
We have not discussed this internally	13%
We are generally unaware of this issue	12%

Source: Borrell/RAB survey; N=169
© 2023 Borrell

Looking ahead, we wondered in our survey what the biggest threats might be for digital sales. What might thwart stations from attaining another double-digit growth year and surpassing that \$2 billion industry milestone in 2023?

We asked for “two or three biggest threats” to digital sales in 2023, and the floodgates burst. We received 183 suggestions. The biggest concerns related to competition, mostly in pricing against bigger players such as pureplay companies and big programmatic networks. Another big concern was related to training and education – not just for their own sales reps, but more prevalently for advertisers themselves. Many advertisers are as confused as sales reps about the constant rush of new terminology, new products and new platforms.

A full list of those concerns can be found in Appendix A.

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CONCLUSIONS

In last year's benchmarking report, we concluded that radio seemed "to have found its digital mojo." That revelation stemmed from a remarkable 33% growth in digital sales. The percentage of managers deeming their digital strategies to be "brilliant" in 2020 shot skyward, and all seemed right with a world that was beginning to climb out of an otherwise tortuous pandemic.

The past three years have delivered the bounty that the industry's digital cognoscenti have long promised. Radio staffs appear far less resistant to selling digital products. Owners' show-me-the-money demand has been replaced with a willingness to invest in further development of strategies, products and training.

So, where are things today? They're still rosy. Those two tipping points – whereby digital revenue will become a bigger growth driver than core radio sales and where stations will sell more streaming video than streaming audio – are certainly headline-makers, but we see three issues:

1. Hiring digital-only reps seems a good strategic move, but the industry has long resisted.

A full one-third of managers – more than ever – say the single most important thing that would drive digital sales higher is adding digital-only reps. If that suggestion continues to be ignored (very few stations have a single digital-only sales rep), it begs a question: If stations have firmly decided that existing radio reps are the best at selling digital, why are fewer than one-third of a stations' radio customers buying their digital products?

2. Streaming video and OTT are exciting products, but is there enough profit?

Very few stations have their own video inventory in which to insert commercials. That means the main source of video revenue is from lower-margin services like reselling spots onto OTT platforms or one-time services such as the production of video for customers' websites and other "owned" channels. Very few stations have their own video inventory in which to insert commercials.

3. The phase-out of third-party cookies may deflate the balloon.

Forty-two percent of radio's digital revenue relies on the presence of something that may disappear in 2024. Yet the industry doesn't seem quite prepared. While nearly everyone is aware of the issue, two-thirds of stations don't appear to be formally preparing for it, and one-third of stations are relying on vendors to lead the way. That seems efficient but risky.

4. Radio may not be adding digital content at a fast-enough pace.

To be fair, we have no empirical evidence to say whether stations are adding new and differentiated content to their website, apps, social sites or email newsletters. But given the industry's heavy reliance on selling digital banners and video spots into other people's inventory, we imagine it's because radio – unlike TV, newspapers and magazines – doesn't have the depth of content in local news and local sports. This will become a bigger issue with the phase-out of cookies and the rush toward first-party data. (Obtaining registration information from site visitors.)

Despite these concerns, the industry is solidly on the path for another year of strong growth. If digital revenue grows at the forecast rate of 17.5%, it will surpass \$2.1 billion and represent 22% of total ad revenue. And that, in and of itself, should move the industry toward addressing the issues that may endanger what's quickly becoming a vital base of financial support.

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APPENDIX A

Biggest Threats to Digital Sales (open-ended comments)

QUESTION:

"Disregarding uncertainty about the economy, what are two or three biggest threats your station(s) faces with regard to digital sales in 2023?"

- Competition, Businesses hiring people to do it internally, Agencies taking over local businesses and the Digital portion and doing that in house.
- In-market competition
- Fulfillment errors
- Lack of follow-up
- We have to replace our DSS in our region. The company has a good strategy- need to follow it.
- Rep engagement
- Client needs to invest enough to make it work
- Making sure our sales team presents digital in EVERY proposal
- Overcoming being a "radio" company
- Competition and our pricing.
- Not showing up and asking.
- Digital partner uncertainty
- Scalability. Demand exceeds our ability to provide a quality product.
- Google cookies issue
- Salesreps that cease presenting it to their clients.
- Lack of customer understanding of digital advertising
- Lack of sales reps and management understanding of digital product suite
- Lack of follow-through on campaign success reporting
- Sheer amount of information/training up needed to sell effectively.
- Proliferation of local shops already selling it (we are late to the game).
- Ability to be price competitive and nimble.
- "Elevating awareness to clients of varied digital resources we offer.
- Continued training-emphasis on digital w/ our team."
- Continued training -- emphasis on digital w/ our team
- Advertising agencies with high markups on digital services that don't know what they are doing and spending dollars without results
- Other media sellers that are talking to clients and sweeping money off the table.
- Not enough attention to digital.
- Not pitching it regular
- Competitors are less expensive
- Privacy laws
- Some products simply over promise and under deliver results.
- Veteran radio reps not understanding and utilizing a blended advertising strategy to benefit the client and help them achieve long-term goals
- Many competitors offer similar products
- AE confidence in our ability to executive what they sell
- Small fulfillment team
- Unrealistic margins that prevent us from competing for pure digital programs
- The cookies issue with Google and the loss of targeting
- The need to create more custom content for our advertisers that they cannot create on their own or from other marketers
- Continued barrage of marketing to small businesses from Facebook that they are the key to marketing success
- Competition and pricing
- Staff training and ability to sell. Recruiting reps and hiring sellers with vast digital sales experience.
- The increase in competition selling digital products.
- Lack of presenting a digital solution by our current sellers
- Many small local businesses have their own comfort level with purchasing their own digital.
- Cookies going away
- Budgets
- There are a seemingly increasing number of digital sellers and vendors available to the local business community.
- Because there is unlimited inventory - the price is cheap, cheap cheap and the work is mighty, mighty, mighty.
- Continuing shrinking margins on digital products.

2022 DIGITAL SALES APPROACH \$2B, DRIVING HALF OF RADIO'S GROWTH

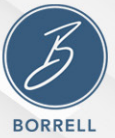


QUESTION:

“Disregarding uncertainty about the economy, what are two or three biggest threats your station(s) faces with regard to digital sales in 2023?”

- The boutique agencies selling digital by tactic and by price but not by incorporating strategy.
- Businesses not valuing full-funnel marketing and the customer value journey
- Undercut rates for inexpensive digital ad placement
- Google
- Facebook
- Out of Market TV
- Lack of qualified staff
- Turnover of qualified staff
- Cur competition is better at digital sales
- Competition, rates
- 3rd-party data
- Need to move fast with video to reroute those dollars before someone else does
- Decline in 3rd party cookies has had the biggest impact.
- Supply chain issues mainly still remaining for the auto industry.
- Not out servicing competition.
- Not providing timely and complete statistics for clients.
- Staying on top of campaigns.
- Budget cuts from local clients
- Labor and time-consuming nature of digital sales and service
- Accounts with biggest digital potential are already roadblocked by agencies that are territorial
- Maintaining focus on digital
- AE turnover
- Having intelligent conversations with advertisers; learning and believing in the products; implementing them
- Lack of knowledge or interest by local advertisers. Our area seems to always run behind current trends.
- Issues with 3rd-party vendors
- Production hurdles
- Implementation challenges
- Educating the current clients
- Not adapting enough to digital, and failing to realize that digital can be a resourceful way of maintaining a client's activity, regardless of the client's commitment to radio
- Companies up and running with video creation beating us to the punch with potential clients.
- New digital products that we do not have
- Cookies
- Lower CPMs for digital
- Poor performing sales reps
- Sales team's initiative to sell digital
- The time suck of digital sales operations
- Changing digital products make it hard to stay ahead of the curve
- Lack of internal effort with existing clients
- Ease of execution
- Motivation to sell products which are more rigid than traditional radio sales
- Focus
- Advertisers doing it on their own
- Advertisers being required to use specific vendors.
- Staffing. Keeping our staff motivated and trained to sell new & existing products. We need to add digital “focused” integrated sellers.
- Need a better digital-only cannabis strategy in states where it is legal that does not affect our FCC licenses to tap into that thriving vertical.
- Need inside sales team to sell low-margin, geo-agnostic web services to clients who don't have larger marketing potential so as to not shift focus from top sellers.
- Due to shrinking dollars and more competition from companies who all sell similar services.
- Aging sales staff and a major difficulty in recruiting new sellers.
- Being undercut by price
- Not enough proprietary (O&O) content to sell.
- Not enough sellers
- Competition. Making sure it does not become a commodity sale...what makes us different is important.
- Pricing vs competitors
- Competition with more products
- Competition is outpricing us
- Competition
- Market competition
- Competitive pricing
- Even more competition
- Competitive pricing
- Competitive pricing (because we use 3rd-party vendors)

2022 DIGITAL SALES APPROACH \$2B, DRIVING HALF OF RADIO'S GROWTH



QUESTION:

“Disregarding uncertainty about the economy, what are two or three biggest threats your station(s) faces with regard to digital sales in 2023?”

- Competition
- Extremely strong competition in selling digital marketing assets to clients.
- Various industry-focused competitors that offer highly cost effective cookie-cutter digital solutions
- Having enough sellers
- Small sales staff
- COGS/Margin
- Apathy
- Lack of results
- Management buy-in
- Digital only options (agencies, Etc..)
- A flooded market (everyone is “selling digital.”) and fulfillment.
- Lack of product growth
- Getting more of our team to feel as confident selling it as they do radio.
- Needing more support to keep up with the demand as we grow our digital business
- Need to retain/motivate sellers
- Knowledge
- Need selling tools
- Educate our core customer base to the benefits of any advertising
- Knowledge
- Changing google landscape
- Flood of digital competition
- Staying ahead of changing products
- Changing capabilities due to 3rd party vendors
- Larger media competitors with more inventory at a lower cost
- Needing additional sales people
- Market competition overall & low (really low) CPM's to go up against.
- More competition
- Lack of a big-enough staff to handle the job.
- We need to be better at educating our clients and prospects about digital.
- Changing opportunities
- Advertiser lack of trust
- Losing revenue
- Our ability to keep up with the constant state of flux that surrounds all things 'digital'
- Staff and perhaps most importantly ADVERTISER burnout and 'buy in' is also a serious issue.
- Digital is overwhelming for the average client.
- Lack of sales knowledge about digital, shrinking budgets, and digital replacing radio revenue.
- Being able to deliver what we sell. Being undercut by lower cost as we are a start up.
- Lack of sales training. Competing digital only companies
- Poor execution by competitors degrading the space
- We're small market. No need to sell digital. We do well with podcasting.
- Digital-knowledgeable account executives
- Inventory availability
- Content management
- My boss doesn't understand digital, so we are limited with what we have to sell.
- Reps not taking to training/lack of knowledge/inability to have intelligent business conversations with prospects
- Highly competitive market.
- Not making digital a focal point, every day
- Need more sellers
- Shrinking advertising budgets
- Execution of campaigns
- Not being good enough at selling it, along with not prioritizing it from a rep's perspective.
- Category-Specific Digital Agencies
- Clients holding off making digital changes due to economy
- Hiring the right sales people.
- Staff size, inexperience, lack of training
- Competition, lack of understanding
- Aggressive competitive pricing
- Client dissatisfaction with digital performance
- Client digital fatigue (over saturation of Social media feeds)
- Budgets declining
- Methods of delivery and results. Increased competition.

2022 DIGITAL SALES APPROACH \$2B, DRIVING HALF OF RADIO'S GROWTH



QUESTION:

“Disregarding uncertainty about the economy, what are two or three biggest threats your station(s) faces with regard to digital sales in 2023?”

- Prospecting - Business Development
- Our reps making all our clients aware of our digital offerings & our reps actually presenting digital
- “There’s a HUGE potential for growth BUT we need more training. (We need more simplified training so we can convey that to small businesses!)
- New, younger generations do not want to sell. They want to be coddled. That is where efforts need to be. There isn’t a “next generation” ready to take us to the future. “
- RADIO SUCKS AT SELLING DIGITAL BECAUSE THERE ARE WAY TOO MANY PRODUCTS.
- The FCC, PRO, streaming, and every other fee going up. DIGITAL IS NOT THE ANSWER my friends, it’s a drop in the bucket of the larger issue. Digital sales are another bandaid in the list of items that Radio refuses to acknowledge where it’s falling behind. It’s been almost 20 years and we are still taking the same surveys, watching the same seminars and saying the SAME THING about “digital sales”... maybe it’s time we change the narrative on Radio and not what we sell? Stop spending thousands on these surveys.
- The biggest threat to RADIO is if we don’t stop thinking that we aren’t in need of a change, then we will all be out of business. The OLD owners who refuse to try new things and the large, transactional companies who are running WAY TOO MANY COMMERCIALS.
- “White labels! I’d honestly say- let them burn! (And to answer your question of “he must have had a bad experience, no, I have had many and it all comes back to the same thing that they are liars”
- The individual perception by market (from local direct advertisers) as digital marketers and not “ad sellers”. Meaning we don’t have a convincing argument in the sales process that clearly connects digital and traditional over-the-air radio. The analytics bear minimal visual connection between the two mediums allowing for “digital experts” to compete for separate budgets. As an industry (radio) we need to better visually enumerate digital ROI with over-the-air advertising.
- Traditional radio sellers unable to make transition to digital selling. No clear playbook or collateral materials for selling digital. We have no information/story about what makes our digital products unique or better than our competitors - just told to go sell more.
- We need to develop a video production strategy. Right now we are relying on clients who already have 15 or 30 second tv ads. If we could produce our own for clients I believe we could really knock it out of the park on that front.
- We have a solid strategy for the clients we target and sell. In a perfect world, our seasoned radio sellers would be bringing up digital in every pitch. We don’t ask them to sell the product, only to set up a meeting with our digital specialist who comes in and identifies a strategy with the client. Just are not enough of those meetings happening.
- Social media remains a concern and google and Apple with their privacy laws regarding location data has severely impacted geofencing. I would say two years ago geofencing was our most sold product but has been replaced and is probably behind OTT.
- We choose to participate in the growing digital market as it will make up north of 35% of our revenue in 2023. Radio is just generally threatened as the market isn’t growing. So, selling sponsorships, Direct and direct new business as well as digital are essential to our growth. In order to achieve success in this market all tides must rise- Digital sales, shares of transactional business and new business development are a must.
- Not having enough Digital sellers. Need pure digital sellers that we can teach Radio instead of Radio sellers who refuse or have no interest in Learning digital. We need radio Sellers as well as that is our Flagship. But I feel if we could get a 100% digital seller we could increase our sales drastically.

2022 DIGITAL SALES APPROACH \$2B, DRIVING HALF OF RADIO'S GROWTH



APPENDIX B

2022 Obtainable Digital Revenue Estimates Digital for 513 Markets

2022 Obtainable Digital Advertising Estimates			
Digital Marketing Region	Market Rank	Obtainable Digital Revenue	"Obtainable" as % of All Local Digital Advertising in Market
ALASKA			
Anchorage	119	\$21,212,735	13.3%
Fairbanks	252	\$5,181,357	10.5%
Juneau	383	\$2,747,370	13.6%
Ketchikan Gateway	493	\$724,960	12.6%
ALABAMA			
Anniston	276	\$4,771,311	11.4%
Birmingham	59	\$53,006,271	14.0%
Dothan	204	\$8,482,184	12.4%
Florence	304	\$3,980,292	11.3%
Hamilton	451	\$1,079,180	10.0%
Huntsville	82	\$28,724,553	11.7%
Mobile	126	\$27,808,406	19.0%
Montgomery	142	\$14,369,504	12.3%
Monroeville	470	\$1,152,316	13.5%
Selma	442	\$1,373,513	11.9%
ARKANSAS			
Bentonville	234	\$7,126,140	12.2%
Bluff City	464	\$1,454,089	16.0%
El Dorado	415	\$1,966,661	12.9%
Fayetteville	237	\$5,973,413	10.9%
Fort Smith	231	\$7,348,829	12.4%
Hope	496	\$899,455	16.8%
Hot Springs	381	\$2,829,390	13.7%
Jonesboro	323	\$4,582,771	15.3%
Little Rock	97	\$24,408,975	11.5%
Mountain Home	452	\$1,509,504	14.3%
Paragould	446	\$1,716,812	15.2%
Pine Bluff	430	\$2,356,779	17.7%
Russellville	418	\$2,820,251	19.0%
ARIZONA			
Phoenix	11	\$191,975,423	12.6%
Tucson	71	\$34,717,314	11.4%
CALIFORNIA			
Bakersfield	95	\$25,708,800	11.8%
Chico	248	\$6,925,520	13.6%
Eureka	348	\$3,688,176	14.6%
Fresno	87	\$38,623,557	16.5%
Lake Tahoe	88	\$29,031,270	12.6%

2022 DIGITAL SALES APPROACH \$2B, DRIVING HALF OF RADIO'S GROWTH



2022 Obtainable Digital Advertising Estimates

Digital Marketing Region	Market Rank	Obtainable Digital Revenue	"Obtainable" as % of All Local Digital Advertising in Market
Los Angeles	1	\$688,566,901	14.4%
Modesto	127	\$15,950,014	11.0%
Oakland	25	\$102,205,467	12.2%
Redding	242	\$6,378,072	12.3%
Riverside	23	\$107,192,524	12.1%
Sacramento	33	\$94,604,586	14.0%
Salinas	110	\$24,392,533	13.1%
San Diego	18	\$165,087,672	14.1%
San Francisco	19	\$153,346,273	14.1%
San Jose	31	\$90,283,905	12.2%
Santa Rosa	91	\$28,798,439	12.8%
Yuba City	311	\$3,152,039	9.5%
COLORADO			
Alamosa	479	\$619,576	8.3%
Colorado Springs	77	\$37,812,234	12.9%
Columbine	390	\$3,679,813	19.4%
Denver	12	\$183,537,889	12.9%
Durango	221	\$7,377,623	11.9%
Fort Collins	133	\$16,755,689	12.6%
Greeley	171	\$10,626,540	11.6%
Hugo	483	\$927,174	13.9%
Montrose	196	\$12,124,564	16.5%
Rio Blanco	247	\$7,107,837	13.9%
Vail	326	\$5,423,507	18.6%
CONNECTICUT			
Hartford	51	\$54,665,883	12.5%
New Haven	27	\$126,578,233	15.9%
New London	152	\$18,934,136	17.5%
DISTRICT OF COLUMBIA			
Washington D.C.	5	\$333,281,758	14.8%
DELAWARE			
Wilmington	54	\$45,163,550	11.5%
FLORIDA			
Cape Coral	44	\$52,794,657	9.6%
Daytona Beach	58	\$41,460,273	10.9%
Fort Walton Beach	148	\$17,429,450	15.8%
Gainesville	128	\$15,731,402	11.2%
Jacksonville	40	\$99,282,863	16.6%

2022 DIGITAL SALES APPROACH \$2B, DRIVING HALF OF RADIO'S GROWTH



2022 Obtainable Digital Advertising Estimates

Digital Marketing Region	Market Rank	Obtainable Digital Revenue	"Obtainable" as % of All Local Digital Advertising in Market
Miami	6	\$242,891,732	11.0%
Ocala	175	\$7,933,596	9.0%
Orlando	15	\$180,046,323	13.7%
Panama City	205	\$9,965,632	14.6%
Pensacola	139	\$13,816,464	11.5%
Sarasota	75	\$35,264,361	12.0%
Tallahassee	117	\$17,698,736	10.9%
Tampa	17	\$133,798,217	11.3%
West Palm Beach	22	\$128,551,520	14.4%
GEORGIA			
Albany	292	\$7,392,328	19.9%
Americus	440	\$2,013,730	17.1%
Athens	216	\$11,563,756	18.1%
Atlanta	4	\$367,123,892	15.5%
Augusta	131	\$24,485,725	17.8%
Brunswick	287	\$5,056,644	13.1%
Columbus	188	\$9,460,266	12.6%
Dublin	342	\$2,925,670	11.3%
Hazelhurst	463	\$1,395,215	15.2%
Hilton Head Island	217	\$6,063,428	9.5%
LaGrange	369	\$2,930,641	13.2%
Macon	168	\$11,223,138	11.7%
Mountain City	410	\$1,774,070	10.9%
Opelika	272	\$4,824,031	11.4%
Savannah	134	\$19,632,695	15.2%
Sparta	389	\$2,224,303	11.6%
Statesboro	373	\$2,749,592	12.6%
Tifton	320	\$3,139,797	10.3%
Valdosta	279	\$4,418,386	11.2%
Washington	459	\$1,166,225	12.2%
Waycross	367	\$3,989,987	17.6%
HAWAII			
Honolulu	60	\$43,110,261	11.4%
IOWA			
Bedford	454	\$1,203,805	11.5%
Burlington	336	\$1,978,742	7.3%
Cedar Rapids	99	\$36,066,037	17.4%
Cresco	384	\$2,783,710	14.1%
Davenport	167	\$15,485,646	16.0%

2022 DIGITAL SALES APPROACH \$2B, DRIVING HALF OF RADIO'S GROWTH



2022 Obtainable Digital Advertising Estimates

Digital Marketing Region	Market Rank	Obtainable Digital Revenue	"Obtainable" as % of All Local Digital Advertising in Market
Des Moines	53	\$42,851,400	10.8%
Dickinson	406	\$2,072,893	11.9%
Dubuque	227	\$9,467,079	15.6%
Fort Dodge	316	\$6,117,429	19.0%
Keokuk	462	\$1,704,817	18.5%
Lancaster	325	\$3,152,736	10.7%
Mason City	354	\$3,307,468	13.6%
Ottumwa	335	\$3,802,818	14.0%
Sheldon	396	\$2,968,516	16.2%
Sioux City	213	\$7,940,089	12.4%
IDAHO			
Boise	105	\$24,481,452	12.4%
Coeur d'Alene	218	\$7,933,518	12.5%
Idaho Falls	187	\$8,924,323	11.8%
Moscow	333	\$2,820,720	10.3%
Nampa	236	\$5,686,838	10.0%
Pocatello	350	\$2,469,762	9.8%
Twin Falls	302	\$5,423,464	15.4%
ILLINOIS			
Bloomington-Normal	219	\$10,151,693	16.1%
Carbondale	347	\$3,514,063	13.8%
Champaign	181	\$10,554,769	13.0%
Charleston	411	\$2,540,931	16.2%
Chicago	3	\$348,643,478	13.0%
Harrisburg	312	\$3,348,723	10.2%
Moline	211	\$10,193,710	15.7%
Mount Vernon	424	\$1,769,580	12.8%
Newton	498	\$830,790	16.4%
Peoria	162	\$15,794,835	15.8%
Quincy	362	\$3,331,732	14.2%
Rockford	67	\$48,310,830	15.0%
Springfield	141	\$20,600,075	17.4%
Vandalia	366	\$3,982,496	17.4%
Vincennes	504	\$852,345	20.0%
INDIANA			
Bloomington	222	\$8,617,312	13.9%
Elkhart	209	\$6,301,482	9.5%
Fort Wayne	102	\$27,607,011	13.7%
Gary	115	\$20,525,140	12.3%
Indianapolis	38	\$75,520,034	11.8%

2022 DIGITAL SALES APPROACH \$2B, DRIVING HALF OF RADIO'S GROWTH



2022 Obtainable Digital Advertising Estimates

Digital Marketing Region	Market Rank	Obtainable Digital Revenue	"Obtainable" as % of All Local Digital Advertising in Market
Jasper	233	\$9,044,136	15.4%
Kokomo	331	\$3,610,165	12.9%
Lafayette	195	\$6,295,978	8.5%
Muncie	177	\$10,792,440	12.3%
Richmond	300	\$3,357,629	9.5%
South Bend	132	\$20,179,850	15.1%
Terre Haute	306	\$5,171,650	14.9%
KANSAS			
Dodge City	449	\$1,812,558	16.4%
Emporia	456	\$1,323,860	13.4%
Fort Scott	435	\$2,253,137	17.9%
Garden City	433	\$1,663,761	12.6%
Grinnell	506	\$534,055	15.7%
Independence	385	\$3,266,897	16.7%
Lamed	465	\$1,748,098	19.3%
Liberal	488	\$926,024	14.8%
Manhattan	319	\$3,968,185	12.9%
Salina	339	\$4,036,402	15.1%
Seldon	509	\$334,792	12.7%
Stockton	395	\$2,564,669	13.9%
Wichita	103	\$24,462,112	12.2%
KENTUCKY			
Bowling Green	230	\$7,693,109	12.9%
Columbia	445	\$1,145,758	10.1%
Danville	422	\$2,035,194	14.6%
Evansville	164	\$14,216,600	14.5%
Frankfort	398	\$3,125,956	17.2%
Greenville	468	\$1,534,746	17.4%
Hazard	476	\$815,903	10.2%
Hopkinsville	356	\$3,910,682	16.4%
Lexington	92	\$31,947,695	14.5%
Louisville	57	\$49,208,244	12.8%
Monticello	403	\$3,054,115	17.4%
Owensboro	343	\$3,670,473	14.3%
Paducah	314	\$5,366,233	16.5%
Paintsville	443	\$1,397,954	12.2%
Sandy Hook	315	\$4,532,708	14.0%
Williamsburg	407	\$1,968,957	11.3%

2022 DIGITAL SALES APPROACH \$2B, DRIVING HALF OF RADIO'S GROWTH



2022 Obtainable Digital Advertising Estimates

Digital Marketing Region	Market Rank	Obtainable Digital Revenue	"Obtainable" as % of All Local Digital Advertising in Market
LOUISIANA			
Alexandria	267	\$5,488,158	12.3%
Baton Rouge	89	\$35,541,199	15.5%
Houma	270	\$4,165,972	9.7%
La Place	365	\$2,142,079	9.2%
Lafayette	114	\$27,352,852	16.2%
Lake Charles	193	\$11,209,623	15.0%
Monroe	180	\$9,514,198	11.5%
Natchitoches	405	\$2,921,458	16.7%
New Orleans	80	\$44,056,460	16.5%
Shreveport	144	\$14,188,839	12.4%
St. Joseph	503	\$478,856	11.2%
MASSACHUSETTS			
Boston	7	\$349,114,999	16.3%
Springfield	121	\$22,318,934	14.1%
Worcester	98	\$28,836,601	13.6%
MARYLAND			
Baltimore	47	\$57,961,904	11.8%
Hagerstown	55	\$56,364,870	14.3%
Salisbury	251	\$10,083,855	20.3%
MAINE			
Aroostook	444	\$1,884,564	16.5%
Bangor	232	\$9,376,448	16.0%
Portland	90	\$39,032,746	17.0%
MICHIGAN			
Alpena	478	\$1,229,963	15.8%
Battle Creek	259	\$4,150,676	8.6%
Bay City	264	\$7,150,500	15.7%
Benton Harbor	257	\$7,578,682	15.5%
Cheboygan	391	\$2,787,020	14.7%
Detroit	14	\$260,945,463	19.9%
Flint	143	\$18,726,740	16.2%
Grand Rapids	64	\$51,989,232	15.0%
Houghton	450	\$1,265,403	11.8%
Kalamazoo	182	\$16,779,107	20.7%
Lansing	109	\$25,520,301	13.6%
Marquette	328	\$5,689,025	19.6%
Mount Pleasant	329	\$3,043,612	10.5%

2022 DIGITAL SALES APPROACH \$2B, DRIVING HALF OF RADIO'S GROWTH



2022 Obtainable Digital Advertising Estimates

Digital Marketing Region	Market Rank	Obtainable Digital Revenue	"Obtainable" as % of All Local Digital Advertising in Market
Roscommon	431	\$1,615,319	12.2%
Saginaw	266	\$9,263,262	20.4%
Sault Ste. Marie	349	\$4,935,496	19.5%
Traverse City	200	\$9,547,252	13.3%
MINNESOTA			
Brainerd	327	\$6,166,958	21.1%
Detroit Lakes	338	\$3,337,320	12.5%
Duluth	166	\$18,123,354	18.5%
Fairmont	491	\$1,076,582	18.5%
Faribault	313	\$5,974,578	18.3%
Jackson	274	\$5,827,515	13.9%
Marshall	361	\$3,206,358	13.7%
Minneapolis-Saint Paul	16	\$182,084,132	14.8%
Mission Creek	324	\$4,158,468	13.9%
Owatonna	374	\$2,965,759	13.7%
Ponemah	397	\$3,658,679	20.1%
Rochester	173	\$16,692,203	18.6%
St. Cloud	179	\$8,775,123	10.3%
Willmar	240	\$8,816,659	16.9%
Woodbury	295	\$4,574,426	12.6%
MISSOURI			
Albany	484	\$989,584	15.0%
Cape Girardeau	245	\$10,005,948	19.5%
Columbia	199	\$10,185,543	14.1%
Forsyth	317	\$3,337,493	10.4%
Jefferson City	253	\$7,583,535	15.3%
Joplin	290	\$4,523,261	12.1%
Kansas City	26	\$131,135,289	16.4%
Kennett	486	\$950,646	15.1%
Mountain View	460	\$1,421,845	15.3%
New London	412	\$2,992,516	19.2%
Poplar Bluff	413	\$2,472,758	16.1%
Rolla	297	\$7,051,862	19.7%
Roubidoux	421	\$1,703,227	12.0%
Springfield	135	\$20,164,458	16.0%
St. Louis	20	\$149,741,642	15.0%
Warsaw	490	\$861,080	13.8%
Wildwood	358	\$4,086,569	17.3%

2022 DIGITAL SALES APPROACH \$2B, DRIVING HALF OF RADIO'S GROWTH



2022 Obtainable Digital Advertising Estimates

Digital Marketing Region	Market Rank	Obtainable Digital Revenue	"Obtainable" as % of All Local Digital Advertising in Market
MISSISSIPPI			
Biloxi	174	\$15,912,046	17.8%
Clarksdale	334	\$3,164,910	11.6%
Columbus	299	\$5,770,253	16.3%
Greenville	357	\$2,665,447	11.2%
Greenwood	404	\$2,497,515	14.3%
Hattiesburg	256	\$5,632,054	11.5%
Jackson	116	\$19,361,138	11.8%
Meridian	340	\$3,365,776	12.6%
Tupelo	239	\$6,276,909	11.7%
Tylertown	140	\$17,743,864	14.9%
Water Valley	285	\$4,939,254	12.8%
Woodville	441	\$1,549,575	13.3%
MONTANA			
Billings	235	\$12,706,854	22.1%
Bozeman	224	\$7,642,237	12.4%
Butte	408	\$3,727,007	21.5%
Glasgow	497	\$760,366	14.6%
Glendive	455	\$1,599,370	15.5%
Great Falls	203	\$10,220,810	14.7%
Hinsdale	510	\$266,880	11.5%
Missoula	220	\$13,415,382	21.5%
Redstone	434	\$1,464,333	11.6%
Sundance	283	\$6,509,216	16.8%
NORTH CAROLINA			
Ahoskie	489	\$726,658	11.7%
Asheville	120	\$23,495,892	14.8%
Boone	229	\$8,716,223	14.6%
Charlotte	36	\$94,235,380	14.4%
Cheoah	453	\$1,055,828	10.1%
Fayetteville	155	\$18,392,281	17.8%
Franklin	360	\$3,677,963	15.7%
Greensboro	46	\$81,103,545	16.1%
Greenville	192	\$9,180,762	12.3%
Havelock-New Bern	330	\$3,718,938	13.2%
Henderson	428	\$1,917,647	14.3%
Hickory	201	\$8,926,477	12.7%

2022 DIGITAL SALES APPROACH \$2B, DRIVING HALF OF RADIO'S GROWTH



2022 Obtainable Digital Advertising Estimates

Digital Marketing Region	Market Rank	Obtainable Digital Revenue	"Obtainable" as % of All Local Digital Advertising in Market
Jacksonville	243	\$5,638,691	10.9%
Kinston	226	\$8,087,746	13.2%
Monroe	208	\$10,154,885	15.2%
Raleigh-Durham	37	\$75,137,092	11.5%
Rocky Mount	322	\$3,346,700	11.1%
Sanford	262	\$5,218,047	11.4%
Statesville	210	\$7,355,586	11.3%
Wilmington	138	\$15,485,751	12.7%
NORTH DAKOTA			
Bismarck	228	\$8,048,021	13.3%
Fargo	160	\$14,294,337	14.2%
Grand Forks	250	\$6,228,324	12.4%
Medina	477	\$926,454	11.7%
Minot	355	\$3,738,451	15.6%
Rolette	502	\$508,193	11.8%
NEBRASKA			
Columbus	399	\$3,055,023	17.0%
Grand Island	372	\$3,324,940	15.2%
Hastings	353	\$2,555,108	10.5%
Kearney	344	\$4,423,198	17.3%
Lincoln	129	\$27,843,594	20.1%
Norfolk	371	\$2,386,351	10.9%
North Platte	359	\$2,201,176	9.3%
Omaha	61	\$58,259,789	15.9%
Oxford	500	\$546,190	11.6%
Scottsbluff	393	\$2,230,547	12.0%
Sidney	207	\$1,398,152	2.1%
Stuart	501	\$580,936	12.9%
NEW HAMPSHIRE			
Keene	269	\$5,653,814	12.8%
Manchester	73	\$46,002,212	15.3%
Portsmouth	93	\$33,422,497	15.2%
NEW JERSEY			
Atlantic City	43	\$68,913,176	12.1%
Edison	49	\$52,658,657	11.2%
Newark	24	\$85,333,464	10.0%
Trenton	108	\$24,122,077	12.8%

2022 DIGITAL SALES APPROACH \$2B, DRIVING HALF OF RADIO'S GROWTH



2022 Obtainable Digital Advertising Estimates

Digital Marketing Region	Market Rank	Obtainable Digital Revenue	"Obtainable" as % of All Local Digital Advertising in Market
NEW MEXICO			
Albuquerque	79	\$36,010,870	13.1%
Clovis	388	\$1,290,604	6.7%
Roswell	437	\$2,087,386	17.0%
Santa Fe	198	\$12,970,337	17.8%
NEVADA			
Elko	392	\$3,196,530	17.0%
Las Vegas	35	\$146,256,935	22.0%
Reno	84	\$27,971,162	11.6%
NEW YORK			
Albany	72	\$40,141,080	13.2%
Binghamton	150	\$16,272,333	14.9%
Buffalo	56	\$48,469,271	12.5%
Kingston	197	\$8,605,733	11.8%
Lake Placid	277	\$5,080,379	12.5%
Massena	380	\$2,777,701	13.1%
Middletown	161	\$23,511,096	23.4%
New York	2	\$641,838,867	13.4%
Ostego	363	\$3,234,379	13.8%
Poughkeepsie	151	\$20,153,986	18.5%
Rochester	66	\$42,514,714	13.1%
Saratoga Springs	159	\$16,751,136	16.5%
Syracuse	86	\$31,956,516	13.6%
Utica	184	\$12,123,593	15.8%
Watertown	258	\$5,860,138	12.1%
OHIO			
Athens	346	\$2,538,536	9.9%
Canton	106	\$34,969,063	18.0%
Chillicothe	364	\$2,481,343	10.6%
Cincinnati	45	\$95,012,466	17.6%
Cleveland	21	\$147,046,591	14.9%
Columbus	28	\$108,705,921	13.9%
Dayton	78	\$39,279,673	14.3%
Findley	288	\$6,028,015	16.0%
Hamilton	125	\$24,883,549	16.2%
Lima	238	\$9,810,223	18.0%
Mansfield	261	\$4,705,866	10.2%
Portsmouth	401	\$2,770,861	15.6%
Sidney	382	\$3,378,962	16.5%
Toledo	96	\$24,862,916	11.6%
Youngstown	130	\$16,778,129	12.2%

2022 DIGITAL SALES APPROACH \$2B, DRIVING HALF OF RADIO'S GROWTH



2022 Obtainable Digital Advertising Estimates

Digital Marketing Region	Market Rank	Obtainable Digital Revenue	"Obtainable" as % of All Local Digital Advertising in Market
OKLAHOMA			
Altus	473	\$995,466	12.2%
Alva	471	\$1,157,290	13.8%
Ardmore	379	\$4,016,150	18.9%
Broken Bow	475	\$1,082,214	13.6%
Cheyenne	432	\$2,141,669	16.2%
Enid	414	\$1,597,497	10.4%
Lawton	301	\$5,298,801	15.0%
McAlester	427	\$1,955,215	14.5%
Oklahoma City	52	\$50,381,488	11.9%
Tulsa	70	\$41,066,812	13.2%
OREGON			
Bend	206	\$7,210,452	10.6%
Corvallis	294	\$4,155,082	11.2%
Eugene	136	\$26,035,236	20.9%
Medford	154	\$16,300,507	15.5%
Moro	425	\$1,814,361	13.3%
Pendleton	368	\$3,594,896	16.1%
Portland	34	\$122,402,014	18.2%
Roseburg	296	\$6,612,936	18.2%
Salem	137	\$14,749,866	11.9%
PENNSYLVANIA			
Altoona	289	\$5,979,602	15.9%
Erie	157	\$21,215,574	20.7%
Harrisburg	104	\$27,331,493	13.8%
Johnstown	291	\$6,297,803	17.0%
Lebanon	107	\$27,484,073	14.4%
Philadelphia	10	\$323,127,429	16.9%
Pittsburgh	30	\$106,961,306	14.2%
State College	147	\$13,861,064	12.5%
Warren	419	\$1,442,551	10.0%
Wilkes-Barre	50	\$56,917,253	12.4%
Williamsport	298	\$4,509,874	12.7%
York	123	\$20,506,134	13.2%
RHODE ISLAND			
Providence	63	\$52,242,312	14.7%

2022 DIGITAL SALES APPROACH \$2B, DRIVING HALF OF RADIO'S GROWTH



2022 Obtainable Digital Advertising Estimates

Digital Marketing Region	Market Rank	Obtainable Digital Revenue	"Obtainable" as % of All Local Digital Advertising in Market
SOUTH CAROLINA			
Charleston	83	\$34,826,366	14.3%
Columbia	81	\$40,760,705	15.4%
Florence	282	\$7,487,316	19.2%
Greenville-Spartanburg	74	\$43,645,081	14.7%
Myrtle Beach	149	\$13,260,731	12.0%
Rock Hill	183	\$9,128,915	11.6%
SOUTH DAKOTA			
Aberdeen	378	\$3,046,103	14.2%
Brookings	351	\$2,713,893	10.8%
Carlock	512	\$311,206	16.1%
Dupree	507	\$366,343	11.1%
Mitchell	469	\$1,046,645	12.1%
Pierre	461	\$1,540,242	16.6%
Rapid City	214	\$10,343,936	16.1%
Rosebud	505	\$396,368	10.8%
Sioux Falls	118	\$22,473,842	14.1%
Watertown	508	\$350,452	11.8%
Wessington Springs	495	\$881,149	16.3%
Yankton	280	\$3,611,152	9.2%
TENNESSEE			
Bristol	169	\$15,050,870	15.8%
Chattanooga	100	\$27,792,496	13.5%
Clarksville	263	\$5,068,490	11.1%
Cookeville	271	\$7,109,731	16.7%
Jackson	172	\$12,428,096	13.8%
Knoxville	76	\$36,886,919	12.6%
Memphis	65	\$44,509,985	13.0%
Morristown	332	\$3,533,147	12.7%
Nashville	41	\$77,917,041	13.1%
Union City	423	\$1,895,652	13.7%

2022 DIGITAL SALES APPROACH \$2B, DRIVING HALF OF RADIO'S GROWTH



2022 Obtainable Digital Advertising Estimates

Digital Marketing Region	Market Rank	Obtainable Digital Revenue	"Obtainable" as % of All Local Digital Advertising in Market
TEXAS			
Abilene	241	\$8,350,985	16.0%
Amarillo	185	\$12,821,345	16.8%
Austin	42	\$96,676,901	16.7%
Beaumont	176	\$10,944,122	12.5%
Bryan	190	\$6,334,475	8.5%
Copperas Cove	439	\$1,356,936	11.3%
Corpus Christi	156	\$18,239,331	17.7%
Dallas	8	\$228,374,775	11.1%
El Paso	85	\$29,458,136	12.5%
Fort Worth	32	\$97,330,523	13.6%
Houston	9	\$234,015,059	11.8%
Laredo	202	\$9,095,394	13.1%
Llano	485	\$572,947	9.0%
Longview	254	\$8,664,149	17.6%
Lubbock	146	\$14,309,426	12.7%
Lufkin	303	\$4,916,724	13.9%
Marshall	416	\$1,786,018	11.9%
Matador	513	\$116,465	14.0%
McAllen	112	\$34,222,231	19.4%
Midland	249	\$5,980,842	11.8%
Mount Pleasant	448	\$1,439,691	12.9%
Nacogdoches	387	\$2,130,013	11.0%
Odessa	284	\$5,737,564	14.8%
Palestine	345	\$2,641,058	10.3%
Pampa	467	\$998,942	11.3%
Paris	447	\$1,358,859	12.1%
San Angelo	352	\$4,011,883	16.4%
San Antonio	39	\$74,731,960	12.3%
Sanderson	429	\$1,323,406	9.9%
Temple	94	\$27,249,719	12.4%
Texarkana	293	\$4,618,727	12.5%
Tyler	194	\$8,237,460	11.0%
Uvalde	499	\$588,057	11.8%
Victoria	308	\$5,036,093	14.7%
Waco	186	\$9,720,771	12.8%
Wichita Falls	281	\$5,110,500	13.0%
UTAH			
Ogden	163	\$10,776,702	11.0%
Richfield	400	\$2,525,425	14.2%
Salt Lake City	29	\$126,010,425	16.2%
St. George	223	\$6,541,122	10.6%

2022 DIGITAL SALES APPROACH \$2B, DRIVING HALF OF RADIO'S GROWTH



2022 Obtainable Digital Advertising Estimates

Digital Marketing Region	Market Rank	Obtainable Digital Revenue	"Obtainable" as % of All Local Digital Advertising in Market
VIRGINIA			
Blacksburg	260	\$5,102,224	10.6%
Charlottesville	255	\$6,247,166	12.7%
Covington	511	\$257,065	12.6%
Danville	472	\$1,102,881	13.2%
Fredericksburg	178	\$12,168,259	14.1%
Galax	494	\$696,719	12.2%
Gloucester	409	\$2,360,241	14.0%
Harrisonburg	394	\$2,995,815	16.2%
Lancaster	458	\$1,272,346	13.2%
Lynchburg	426	\$1,944,239	14.3%
Manassas	111	\$21,088,080	11.6%
Marion	386	\$2,022,547	10.4%
Martinsville	481	\$975,649	14.4%
Newport News	318	\$5,697,326	18.0%
Norfolk	69	\$43,701,011	14.0%
Norton City	420	\$2,485,752	17.2%
Petersburg	417	\$2,419,548	16.1%
Richmond	68	\$38,742,993	12.3%
Roanoke	215	\$11,672,607	18.3%
Staunton	466	\$1,241,517	13.9%
Suffolk	286	\$5,059,524	13.1%
Williamsburg	170	\$12,528,294	13.4%
Winchester	265	\$5,761,829	12.7%
VERMONT			
Bennington	337	\$2,880,614	10.6%
Burlington	122	\$22,510,554	14.2%
Rutland	310	\$5,865,243	17.6%
WASHINGTON			
Bainbridge Island	225	\$10,137,676	16.5%
Bellingham	153	\$10,710,964	10.1%
Okanogan	487	\$780,572	12.4%
Olympia	165	\$9,770,170	10.0%
Port Angeles	376	\$2,547,346	11.8%
Pullman	321	\$3,905,012	12.9%
Seattle	13	\$209,899,985	15.8%
Spokane	113	\$22,000,081	12.9%
Vancouver	124	\$14,550,892	9.4%
Walla Walla	402	\$1,972,756	11.1%
Yakima	158	\$12,799,296	12.6%

2022 DIGITAL SALES APPROACH \$2B, DRIVING HALF OF RADIO'S GROWTH



2022 Obtainable Digital Advertising Estimates

Digital Marketing Region	Market Rank	Obtainable Digital Revenue	"Obtainable" as % of All Local Digital Advertising in Market
WISCONSIN			
Eau Claire	189	\$11,068,262	14.8%
Florence	492	\$679,790	11.8%
Green Bay	101	\$28,480,673	14.0%
Iron Belt	457	\$1,328,099	13.7%
La Crosse	212	\$12,599,583	19.4%
Ladysmith	377	\$2,358,971	11.0%
Madison	62	\$56,935,386	15.7%
Milwaukee	48	\$71,129,482	14.6%
Oshkosh	191	\$11,669,424	15.6%
Steven's Point	268	\$5,074,924	11.4%
Wausau	244	\$6,012,853	11.7%
WEST VIRGINIA			
Bluefield	436	\$1,641,808	13.3%
Charleston	145	\$10,512,568	9.2%
Clarksburg	341	\$2,821,892	10.8%
Huntington	305	\$5,559,490	15.9%
Lewisburg	482	\$792,823	11.8%
Morgantown	246	\$6,409,452	12.5%
Parkersburg	275	\$5,994,400	14.3%
Parsons	480	\$849,659	11.9%
Weirton	370	\$3,002,271	13.7%
Wheeling	273	\$5,657,021	13.4%
WYOMING			
Casper	278	\$4,399,355	11.1%
Cheyenne	309	\$5,369,327	16.0%
Cody	474	\$929,644	11.4%
Gillette	307	\$3,667,894	10.6%
Jackson	375	\$2,623,689	12.1%
Laramie	438	\$1,457,789	12.0%



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. and Canada, down to the county level.

We help clients gauge the levels of advertising, promotion, 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 ad-spending data, fact-based consultation and training. 📊

ABOUT BORRELL

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 1,000 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.

Market Data

Our market data is remarkably deep, offering ad-spending assessments across each of the 12 media types (newspapers, online, TV, radio, direct mail, etc.) and for any of 100 business categories (furniture stores, car dealers, hospitals, telecommunications, etc.). It now includes promotions data and offers backcasts and forecasts up to five years. 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, targeted display, 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.



Local Advertiser Surveys

Each year, Borrell Associates conducts the largest survey of local advertisers in the U.S. This is done with the help of local media organizations throughout the country. Last year, more than 3,000 local advertisers completed the survey.

The survey consists of 25-45 questions (depending on how the recipient answers) about advertising, marketing, and digital services. It takes 20 minutes to complete. In addition to general questions regarding business size and type, the survey covers:

- What % of budget spent on each medium (newspapers, TV, radio, etc.). More than 30 categories are measured.
- Plans to change (increase, keep the same, or decrease) spending this year on the following media (newspapers, broadcast TV, radio, online, direct mail, etc.)
- Social media use and effectiveness.
- Details on video advertising
- Separate thread for ad agencies to take



Industry Papers and Subscriptions

We release a variety of analysis-rich industry papers and memoranda throughout the year. These papers are published several times a year 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.

Examples of reports include:

- SMB Spending on Digital Marketing
- Real Estate Advertising Outlook
- Automotive Advertising Outlook
- Local Advertising Forecasts
- Benchmarking Local Online Media
- Digital Marketing Services Outlook
- Political Ad Spending Forecast

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 10,000 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.



Conference & Company Presentations

Our annual Local Online Advertising Conference is a first-class event. Held each spring in New York, the event brings together the largest group of local interactive media executives of any conference. The speaker list represents a Who's Who among local media. Eighty percent of the attendees are company executives, most of whom are in charge of interactive strategies. 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.

