

PART IV: RADIO

RADIO LISTENING

18.1 Overview

According to Nielsen (www.nielsen.com), radio reaches more than 243.8 million people ages 12 and older over the course of a typical week.

By age demographic, the radio listening audience is as follows:

- 12-to-17: 22.75 million
- 18-to-34: 66.31 million
- 35-to-49: 61.19 million
- 50 and older: 91.12 million

“Traditional AM/FM terrestrial radio still retains its undiminished appeal for listeners — 91% of Americans ages 12 and older had listened to this form of radio in the week before they were surveyed [by] Nielsen.”

State of the News Media 2016
Pew Research Center, 6/15/16

The diversity of radio formats attracts advertiser-coveted target demographics. According to Nielsen, 93% of African-Americans and 95% of Hispanic-Americans ages 12 and older tune into radio over the course of a week. Radio reaches 96% of adults ages 18-to-49 with a college education and a household income of more than \$75,000.

18.2 Top Genre

According to Nielsen, the following are the top formats for listeners in various age demographics:

18-to-24

- Pop Contemporary Hit Radio: 12.4%
- Country: 9.1%
- Rhythmic Contemporary Hit Radio: 7.3%
- Adult Contemporary: 6.3%
- Hot Adult Contemporary: 6.1%
- Mexican Regional: 5.6%
- Urban Contemporary: 5.3%
- Alternative: 5.0%
- News Talk Information: 3.7%
- Classic Rock: 3.6%

25-to-54

- Pop Contemporary Hit Radio: 8.7%
- Adult Contemporary: 7.5%
- Country: 7.5%
- News Talk Information: 6.8%
- Hot Adult Contemporary: 6.1%
- Urban Adult Contemporary: 4.9%
- All Sports: 4.9%
- Mexican Regional: 4.7%
- Classic Rock: 4.7%
- Classic Hits: 4.6%

18.3 Daypart Listening

According to International Demographics (www.themediiaaudit.com), adults earning \$150,000 or more in household income are 31% more likely than the general population to listen to radio during the afternoon drive time (i.e., between 3:00 p.m. and 7:00 p.m.). Fifty-four percent (54%) of adults with a household income of \$150,000 or more tune in to radio during the afternoon drive time on a typical day; among all adults that figure is 41%. Sixty percent (60%) of adults ages 21-to-34 with a college education and a technical, professional or managerial job listen to radio during afternoon drive time. Fifty-six percent (56%) of adults ages 45-to-64 with a household income of \$100,000 or more listen to radio during this time period.

The percentage of people listening to the radio between midnight and 5:00 a.m. increased 10% year-over-year; nearly half of listeners during this time are between the ages of 18 and 44.

18.4 Listening By Car Commuters

Share of the Ear (April 2016), by Edison Research (www.edisonresearch.com), reported that 90% of commuters listen to traditional AM/FM radio in their car on the way

to work.

Commuters spend an average of 87 minutes each day listening to audio in their cars. While most commute time is spent listening to radio, 54% listen to their own digital music files and 54% stream Internet radio some of the time. Given only one choice of audio media, 43% would choose traditional AM/FM radio. Among those who have ever listened to streaming internet radio during their commute, 28% would stream while 25% would listen to traditional AM/FM radio.

Among those who listen to an AM/FM station that plays commercials, 29% don't typically switch away, but 23% say they tune away immediately. Overall, 71% switch at some point during commercials – 23% tune away immediately, 25% say they listen to part of one commercial, and 23% listen to at least one commercial.

18.5 Public Radio

NPR and its family of 972 member stations deliver news and other content to local communities over the airwaves and through smartphones and computers. The weekly broadcast audience has been as follows (source: Nielsen)

• 2005:	25,300,000	• 2011:	26,800,000
• 2006:	25,500,000	• 2012:	26,000,000
• 2007:	25,500,000	• 2013:	27,300,000
• 2008:	26,400,000	• 2014:	26,200,000
• 2009:	26,400,000	• 2015:	26,000,000
• 2010:	27,200,000		

Public Media Futures Forum (<http://current.org/tag/public-media-futures/>) reports that the 125 largest public radio licensees were supported in 2015 by individual giving of \$317 million and \$189 million in underwriting.

18.6 News Radio

According to BIA Kelsey (www.biakelsey.com), there were 31 all-news stations in June 2016, a number which has remained relatively unchanged in recent years. The stations are as follows:

- KCBS (AM; San Francisco, CA)
- KFRC (FM; San Francisco, CA)
- KGO (AM; San Francisco, CA)
- KLIV (AM; San Jose, CA)
- KNEZ (FM; Fernley, NV)
- KNX (AM; Los Angeles, CA)
- KOMO (AM; Seattle, WA)
- KOMO (FM; Oakville, WA)
- KPMI (AM; Bemidji, MN)
- KQV (AM; Pittsburgh, PA)
- KRFP (FM; Moscow, ID)
- KYW (AM; Philadelphia, PA)
- WAMT (AM; Pine Castle, FL)
- WBBM (AM; Chicago, IL)
- WBBR (AM; New York, NY)
- WCBS (AM; New York, NY)
- WCCO (AM; Minneapolis, MN)
- WCFS (FM; Elmwood Park, IL)
- WEMA (FM; Portland, OR)
- WINS (AM; New York, NY)

- WIXC (AM; Titusville, FL)
- WJDY (AM; Salisbury, MD)
- WMCD (FM; Claxton, GA)
- WOKV (FM; Atlantic Beach, FL)
- WOKV (AM; Jacksonville, FL)
- WRSW (AM; Warsaw, IN)
- WTLP (FM; Braddock Heights, MD)
- WTOP (FM; Washington, DC)
- WWJ (AM; Detroit, MI)
- WWNS (AM; Statesboro, GA)
- WWWT (FM; Manassas, VA)
- WYAY (FM; Gainesville, GA)

18.7 Digital Radio

Edison Research (www.edisonresearch.com) reports the percentage of people age 12 and older that listen to online radio at least once a month as follows:

- | | | | |
|---------|-----|---------|-----|
| • 2007: | 20% | • 2012: | 39% |
| • 2008: | 21% | • 2013: | 45% |
| • 2009: | 27% | • 2014: | 47% |
| • 2010: | 27% | • 2015: | 53% |
| • 2011: | 34% | • 2016: | 57% |

According to Accustream Research (www.accustreamresearch.com), the number of digital radio listening hours has been as follows:

- | | | | |
|---------|--------------|---------|--------------|
| • 2009: | 61 million | • 2013: | 3.00 billion |
| • 2010: | 86 million | • 2014: | 4.22 billion |
| • 2011: | 1.33 billion | • 2015: | 5.45 billion |
| • 2012: | 2.03 billion | • 2016: | 6.70 billion |

18.8 Market Resources

Edison Research, 6 West Cliff Street, Somerville, NJ 08876. (908) 707-4707. (www.edisonresearch.com)

International Demographics, 10333 Richmond Avenue, Suite 200, Houston, TX 77042. (713) 626-0333. (www.themediiaaudit.com)

Nielsen, 85 Broad Street, New York, NY 10004. (800) 864-1224. (www.nielsen.com)

State of the News Media 2016: Audio, Pew Research Center for Journalism and Media, June 2016. (www.journalism.org/2016/06/15/audio-fact-sheet/)

The Center for Radio Information, 18 Fair Street, Cold Spring, NY 10516. (800) 359-9898. (www.the-cri.com)

RADIO METROS

19.1 Top Radio Markets

Nielsen (www.nielsen.com) defines geographic areas for radio stations as Radio Metros. There are 274 Radio Metros in the United States.

The following is the Fall 2015 ranking, by population ages 12 and older, of Radio Metros (source: Nielsen):

1.	New York, NY:	16,278,300
2.	Los Angeles, CA:	11,419,500
3.	Chicago, IL:	7,974,700
4.	San Francisco, CA:	6,601,300
5.	Dallas-Ft. Worth, TX:	5,794,200
6.	Houston-Galveston, TX:	5,546,400
7.	Washington, DC:	4,850,900
8.	Atlanta, GA:	4,646,400
9.	Philadelphia, PA:	4,572,200
10.	Boston, MA:	4,238,000
11.	Miami-Ft. Lauderdale-Hollywood, FL:	3,968,900
12.	Detroit, MI:	3,807,600
13.	Seattle-Tacoma, WA:	3,704,200
14.	Phoenix, AZ:	3,504,100
15.	Puerto Rico:	3,029,200.
16.	Minneapolis-Saint Paul, MN:	2,910,700
17.	San Diego, CA:	2,809,900
18.	Tampa-St. Petersburg-Clearwater, FL:	2,501,200
19.	Denver-Boulder, CO:	2,486,500
20.	Nassau-Suffolk (Long Island), NY:	2,454,700
21.	Baltimore, MD:	2,373,000
22.	St. Louis, MO:	2,318,800
23.	Portland, OR:	2,182,400
24.	Charlotte-Gastonia, NC:	2,108,900
25.	Pittsburgh, PA:	2,008,400
26.	Riverside-San Bernardino, CA:	1,997,700
27.	Sacramento, CA:	1,913,000
28.	San Antonio, TX:	1,897,800
29.	Salt Lake City-Ogden-Provo, UT:	1,791,400
30.	Cincinnati, OH:	1,781,400

31.	Cleveland, OH:	1,763,800
32.	Las Vegas, NV:	1,700,200
33.	Orlando, FL:	1,676,600
34.	Kansas City, KS-MO:	1,668,100
35.	Austin, TX:	1,586,300
36.	San Jose, CA:	1,574,200
37.	Columbus, OH:	1,567,700
38.	Milwaukee-Racine, WI:	1,489,100
39.	Hudson Valley, NY:	1,487,300
40.	Indianapolis, IN:	1,468,300
41.	Middlesex-Somerset-Union, NJ:	1,454,800
42.	Raleigh-Durham, NC:	1,430,100
43.	Norfolk-Virginia Beach-Newport News, VA:	1,390,200
44.	Providence, RI:	1,388,700
45.	Nashville, TN:	1,339,200
46.	Greensboro-Winston-Salem-High Point, NC:	1,239,100
47.	New Orleans, LA:	1,222,200
48.	West Palm Beach-Boca Raton, FL:	1,200,300
49.	Oklahoma City, OK:	1,194,300
50.	Jacksonville, FL:	1,184,500
51.	Memphis, TN:	1,122,600
52.	Hartford-New Britain, CT:	1,077,600
53.	Monmouth-Ocean, NJ:	1,032,700
54.	Louisville, KY:	1,009,400
55.	Richmond, VA:	1,003,700
56.	Buffalo-Niagara Falls, NY:	983,900
57.	McAllen-Brownsville, TX:	965,300
58.	Rochester, NY:	959,500
59.	Greenville-Spartanburg, SC:	913,300
60.	Birmingham, AL:	908,100
61.	Ft. Myers-Naples-Marco Island, FL:	879,600
62.	Tucson, AZ:	850,200
63.	Honolulu, HI:	843,500
64.	Dayton, OH:	836,300
65.	Albany-Schenectady-Troy, NY:	805,200
66.	Tulsa, OK:	787,800
67.	Fresno, CA:	777,200
68.	Albuquerque, NM:	749,900
69.	Grand Rapids, MI:	745,200
70.	Allentown-Bethlehem, PA:	714,800
71.	Knoxville, TN:	699,000
72.	Wilkes Barre-Scranton, PA:	696,900
73.	Des Moines, IA:	682,600
74.	El Paso, TX:	681,400

75.	Omaha-Council Bluffs, NE:	677,000
76.	Sarasota-Bradenton, FL:	652,100
77.	Bakersfield, CA:	630,200
78.	Wilmington, DE:	613,000
79.	Charleston, SC:	606,500
80.	Akron, OH:	605,700
81.	Baton Rouge, LA:	604,400
82.	Harrisburg-Lebanon-Carlisle, PA:	595,500
83.	Monterey-Salinas, CA:	589,800
84.	Little Rock, AR:	586,800
85.	Greenville-New Bern, NC:	585,200
86.	Stockton, CA:	580,700
87.	Columbia, SC:	573,200
88.	Gainesville-Ocala, FL:	569,500
89.	Syracuse, NY:	567,000
90.	Colorado Springs, CO:	550,200
91.	Portland, ME:	546,700
92.	Springfield, MA:	544,100
93.	Daytona Beach, FL:	532,400
94.	Spokane, WA:	532,100
95.	Lakeland-Winter Haven, FL:	528,800
96.	Toledo, OH:	516,100
97.	Mobile, AL:	515,600
98.	Ft. Pierce-Stuart, FL:	508,700
99.	Madison, WI:	508,500
100.	Boise, ID:	506,300
101.	Wichita, KS:	499,700
102.	Lexington-Fayette, KY:	492,600
103.	Melbourne-Titusville-Cocoa, FL:	487,800
104.	Visalia-Tulare-Hanford, CA:	487,000
105.	Huntsville, AL:	476,100
106.	Johnson City-Kingsport, NC-TN-VA:	471,400
107.	Chattanooga, TN:	466,700
108.	Lafayette, LA:	466,700
109.	Augusta, GA:	466,000
110.	Corpus Christi, TX:	465,600
111.	York, PA:	463,000
112.	Lancaster, PA:	445,700
113.	Ft. Wayne, IN:	445,400
114.	Victor Valley, CA:	442,200
115.	Roanoke-Lynchburg, VA:	440,200
116.	Worcester, MA:	438,400
117.	Fort Collins-Greeley, CO:	438,400
117.	New Haven, CT:	437,600

118. Modesto, CA:	433,300
119. Morristown, NJ:	431,500
120. Oxnard-Ventura, CA:	430,700
121. New Haven, CT:	429,200
122. Santa Rosa, CA:	428,000
123. Portsmouth-Dover, NH:	418,800
124. Bridgeport, CT:	417,500
125. Reno, NV:	416,500
126. Jackson, MS:	414,400
127. Lansing-East Lansing, MI:	402,800
128. Pensacola, FL:	401,000
129. Fayetteville, AR:	387,600
130. Fayetteville, NC:	384,800
131. Youngstown-Warren, OH:	379,500
132. Macon, GA:	370,600
133. Shreveport, LA:	353,400
134. Reading, PA:	353,300
135. Flint, MI:	349,100
136. Canton, OH:	346,400
137. Springfield, MO:	341,400
138. Palm Springs, CA:	341,000
139. Appleton-Oshkosh, WI:	339,800
140. Salisbury-Ocean City, MD:	335,400
141. Killeen-Temple, TX:	332,800
142. Beaumont-Port Arthur, TX:	327,300
143. Burlington-Plattsburgh, VT:	326,300
144. Tyler-Longview, TX:	325,200
145. Biloxi-Gulfport-Pascagoula, MS:	322,200
146. Atlantic City-Cape May, NJ:	320,700
147. Stamford-Norwalk, CT:	318,300
148. Fredericksburg, VA:	318,200
149. Trenton, NJ:	317,000
150. Eugene-Springfield, OR:	313,000
151. Davenport-Rock Island-Moline, IA-IL:	311,700
152. Savannah, GA:	311,100
153. Ann Arbor, MI:	308,800
154. Montgomery, AL:	308,700
155. Flagstaff-Prescott, AZ:	306,200
156. Peoria, IL:	306,200
157. Myrtle Beach, SC:	304,700
158. Asheville, NC:	289,300
159. Rockford, IL:	288,100
160. Ft. Smith, AR:	281,600
161. Tallahassee, FL:	278,200

162. Huntington-Ashland, WV-KY:	269,500
163. Evansville, IN:	266,900
164. Poughkeepsie, NY:	258,600
165. Hagerstown-Chambersburg-Waynesboro, MD-PA:	257,100
166. Utica-Rome, NY:	256,500
167. Amarillo, TX:	251,200
168. Lincoln, NE:	250,800
169. Anchorage, AK:	250,600
170. Odessa-Midland, TX:	246,800
171. Morgantown-Clarksburg-Fairmont, WV:	245,300
172. San Luis Obispo, CA:	244,000
173. Lubbock, TX:	241,400
174. Erie, PA:	240,300
175. Wausau-Stevens Point, WI:	239,000
176. Concord (Lakes Region), NH:	238,300
177. New London, CT:	238,100
178. Columbus, GA:	232,300
179. Merced, CA:	229,800
180. New Bedford-Fall River, MA:	228,000
181. South Bend, IN:	223,900
182. Richland-Kennewick-Pasco, WA:	222,900
183. Kalamazoo, MI:	220,100
184. Fort Walton Beach, FL:	219,100
185. Binghamton, NY:	214,700
186. Green Bay, WI:	214,700
187. Charleston, WV:	214,600
188. Dothan, AL:	212,600
189. Salina-Manhattan, KS:	209,400
190. Tupelo, MS:	206,700
191. Laredo, TX:	206,300
192. Frederick, MD:	206,200
193. Bryan-College Station, TX:	203,700
194. Waco, TX:	200,400
195. Yakima, WA:	200,400
196. Danbury, CT:	198,500
197. Traverse City-Petoskey, MI:	198,500
198. Manchester, NH:	198,300
199. Topeka, KS:	196,500
200. Chico, CA:	194,000
201. Cape Cod, MA:	193,100
202. Santa Maria-Lompoc, CA:	191,100
203. Fargo-Moorhead, ND:	188,100
204. Cedar Rapids, IA:	182,900
205. Duluth-Superior, MN:	179,400

206. Santa Barbara, CA:	179,100
207. Las Cruces, NM:	179,000
208. Medford-Ashland, OR:	178,700
209. Terre Haute, IN:	178,100
210. Champaign, IL:	177,800
211. Bend, OR:	176,500
212. Winchester, VA:	174,500
213. Florence, SC:	174,000
214. Tuscaloosa, AL:	172,800
215. Muncie-Marion, IN:	172,000
216. Laurel-Hattiesburg, MS:	171,600
217. Bangor, ME:	168,300
218. St. Cloud, MN:	167,900
219. La Crosse, WI:	164,200
220. Alexandria, LA:	163,700
221. Lake Charles, LA:	162,900
222. Olean, NY:	161,200
223. Elmira-Corning, NY:	161,100
224. Rochester, MN:	158,400
225. Lebanon-Rutland-White River Junction, NH-VT:	157,900
226. Jonesboro, AR:	156,000
227. Redding, CA:	155,100
228. Lima, OH:	154,900
229. Lafayette, IN:	154,800
230. Twin Falls-Sun Valley, ID:	151,700
231. Bloomington, IL:	148,500
232. Panama City, FL:	148,500
233. Columbia, MO:	148,100
234. Joplin, MO:	142,900
235. Muskegon, MI:	142,800
236. Eau Claire, WI:	141,400
237. Abilene, TX:	140,800
238. Pueblo, CO:	136,700
239. Lufkin-Nacogdoches, TX:	136,300
240. Albany, GA:	136,200
241. Billings, MT:	130,200
242. LaSalle-Peru, IL:	130,100
243. Monroe, LA:	129,500
244. Parkersburg-Marietta, WV-OH:	127,900
245. Wheeling, WV:	127,200
246. Florence-Muscle Shoals, AL:	126,900
247. Sussex, NJ:	126,700
248. Grand Junction, CO:	125,700
249. Valdosta, GA:	122,600

250. Wichita Falls, TX:	119,000
251. Grand Island-Kearney, NE:	117,300
252. Texarkana, TX-AR:	115,600
253. Battle Creek, MI:	113,900
254. Harrisonburg, VA:	113,200
255. Rapid City, SD:	111,000
256. Altoona, PA:	109,600
257. Montpelier-Barre-St. Johnsbury, VT:	107,700
258. Augusta-Waterville, ME:	106,300
259. Lawton, OK:	105,700
260. Williamsport, PA:	102,200
261. Watertown, NY:	101,400
262. Sioux City, IA:	100,700
263. Bismarck, ND:	99,700
264. Sheboygan, WI:	97,600
265. San Angelo, TX:	96,700
266. Decatur, IL:	93,200
267. Bluefield, WV:	92,500
268. Grand Forks, ND-MN:	85,500
269. Hot Springs, AR:	84,200
270. Jackson, TN:	83,400
271. Cheyenne, WY:	80,800
272. Brunswick, GA:	69,000
273. Casper, WY:	68,100
274. Beckley, WV:	67,800

19.2 Market Resources

Nielsen, 85 Broad Street, New York, NY 10004. (800) 864-1224. (www.nielsen.com)

RADIO STATIONS

20.1 Station Count

According to Inside Radio (www.insideradio.com), as of June 2016 there were 18,783 radio stations operating in the United States, distributed as follows:

- FM: 11,464
- AM: 4,846
- Low-powered FM: 2,473

20.2 Market Assessment

According to BIA/Kelsey (www.biakelsey.com), over-the-air radio station revenues have been, and are projected, as follows:

- 2008: \$16.5 billion
- 2009: \$13.3 billion
- 2010: \$14.1 billion
- 2011: \$14.1 billion
- 2012: \$14.3 billion
- 2013: \$14.3 billion
- 2014: \$14.5 billion
- 2015: \$14.8 billion
- 2016: \$15.1 billion
- 2017: \$15.4 billion
- 2018: \$15.8 billion

20.3 Largest Station Groups

The following are publically traded radio station operators ranked by market cap (June 2016):

	Ticker	Market Cap
• Walt Disney Co. (www.disney.com)*:	DIS	\$161.5 billion
• CBS Corp (www.cbs.com)*:	CBS	\$ 22.4 billion
• Entravision Communications (www.entravision.com):	EVC	\$ 437 million
• Entercom Communications (www.entercom.com):	ETM	\$ 452 million
• Saga Communications (www.sagacom.com):	SGA	\$ 221 million
• Salem Communications (www.salem.cc):	SALM	\$ 121 million

• Cumulus Media (www.cumulus.com):	CMLS	\$	71 million
• Emmis Communications (www.emmis.com):	EMMS	\$	37 million
• Beasley Broadcast Group (www.bbgi.com):	BBGI	\$	31 million
• Spanish Broadcasting System (www.spanishbroadcasting.com):	SBSA	\$	16 million

* Media conglomerate; valuation includes operations other than radio

20.4 Station Assessment By Genre

According to Inside Radio, the formats of the 15,433 radio stations operating in the United States as of June 2016 were as follows:

• Adult contemporary (AC):	615
• Adult standards:	214
• Alternative rock:	490
• Black gospel:	248
• Classic hits:	825
• Classic rock:	503
• Classical:	260
• Contemporary Christian:	1,142
• Country:	2,145
• Easy listening:	27
• Ethnic:	195
• Gospel:	21
• Hot AC:	476
• Jazz:	99
• Modern AC:	11
• Modern rock:	129
• News/talk:	2,092
• Oldies:	467
• Pre-teen:	16
• R&B:	167
• R&B adult/oldies:	76
• Religion (teaching, variety):	1,839
• Rhythmic AC:	21
• Rock:	316
• Soft adult contemporary:	124
• Southern gospel:	263
• Spanish:	1,108
• Sports:	790
• Top 40:	611
• Urban AC:	170
• Variety:	927
• Format not available:	86

20.5 HD Radio

HD radio gives AM stations FM quality sound and it gives FM stations CD quality sound. In addition, it gives FM stations the platform to multi-cast their signals by using the same band spectrum to deliver the equivalent of two or three new stations. Instead of having to drop a music format for a sports broadcast, for example, the station can air the game and have music on an additional channel.

Consumer adoption of HD radio in the United States has been less than anticipated. Holding back the market for many is cost. To listen to HD radio consumers have to buy HD radio-compatible receivers, which average about \$200. Manufacturers have to pay license fees of between \$1 and \$6 for each system sold to iBiquity Digital (www.ibiquitydigital.com), which holds an intellectual property patent on the technology. Programming has held back market expansion as well. Because of the slow take-up rates, broadcasters are reticent about putting their marquee programming on their HD feeds. That leaves the newest of technologies, ironically, airing some of the less popular programming formats, like channels devoted to a decade of music from the 1970s or 1980s.

ABI Research (www.abiresearch.com) forecasts that after a gradual start HD digital radio is poised for rapid growth over the next few years, with much of the increase coming from abroad, especially from Europe, where various governments have established HD radio as the standard. Growth will also be driven by the inclusion of digital receivers in smartphones. ABI forecasts the installed base of HD radio receivers to reach 200 million globally in 2015, a cumulative annual growth rate of over 60% and a tenfold increase in just five years.

20.6 Market Resources

ABI Research, 249 South Street, Oyster Bay, NY 11771. (516) 624-2500.
(www.abiresearch.com)

BIA/Kelsey, 15120 Enterprise Court, Chantilly, VA 20151. (703) 818-2425.
(www.biakelsey.com)

Inside Radio, P.O. Box 567925, Atlanta, GA 31156. (800) 248-4242.
(www.insideradio.com)

DIGITAL RADIO

21.1 Audience Assessment

According to eMarketer (www.emarketer.com), monthly listeners to digital radio, or Internet radio, have been, and are projected as follows:

- 2013: 147.8 million
- 2014: 160.2 million
- 2015: 169.9 million
- 2016: 176.7 million
- 2017: 181.2 million
- 2018: 184.8 million
- 2019: 191.6 million

“Digital radio has evolved into a viable, robust digital channel that complements social media, video sites and other mainstream venues. Audio streaming services are aggressively growing their user bases, advertising revenues and integration with technology platforms ranging from game consoles and connected TVs to automobiles and wearables. Virtually any device that can deliver music is fair game for streaming apps, and for many users, these apps are the main conduit to their listening experiences.”

eMarketer, 2/20/16

Surveys conducted by International Demographics ([www.themediiaudit.com](http://www.themediiaaudit.com)) found 20% of adults in the 61 largest metropolitan areas had listened to Internet radio.

Higher percentages of teens and younger adults make up the listening audience, with 75% of Americans ages 12-to-24 listening to Internet radio over a given month compared to 50% of those ages 25-to-54.

21.2 Top Internet Radio Markets

According to International Demographics, the following are the metropolitan areas where the highest percentage of adults have listened to Internet radio each week:

- Charleston, SC: 29.3%
- Atlanta, GA: 27.2%
- Salt Lake City, UT: 27.0%
- Boston, MA: 26.0%
- Southern New Hampshire: 25.1%

21.3 Internet Radio Stations

The Wall Street Journal estimates there are approximately 30,000 Internet radio stations in the U.S.

According to BIA/Kelsey (www.biakelsey.com), Internet radio station revenues have been as follows:

- 2010: \$410 million
- 2011: \$420 million
- 2012: \$440 million
- 2013: \$570 million
- 2014: \$630 million
- 2015: \$700 million
- 2016: \$770 million

21.4 Top Internet Radio Groups

According to International Demographics, the top local Internet radio groups, ranked by reach, are as follows:

- Clear Channel (Cincinnati, OH): 9.1%
- Entercom Radio (Buffalo, NY): 8.5%
- Clear Channel (Lexington, KY): 8.2%
- Clear Channel (Tampa-St. Petersburg, FL): 7.7%
- Clear Channel (Houston, TX): 7.6%
- Clear Channel (Pittsburgh, PA): 7.5%
- Entercom Radio (Seattle-Tacoma, WA): 7.5%
- Clear Channel (Albuquerque, NM): 6.9%
- Wilks Broadcasting (Columbus, OH): 6.7%

21.5 Connected Radio

One of the growth areas for radio is connected radio, where users connect through the Internet (wired or wireless) to radio stations or audio streams throughout the world. Content aggregators let users choose from hundreds of music and talk categories.

One site offering the service is RadioTime.com, which provides access to more than 100,000 radio stations and shows. Another site, Reciva.com, is like an electronic TV guide for online audio streams and offers more than 60 genres. Both of these companies generate revenue from a license fee they charge each radio manufacturer carrying their playlists.

Connected technology also includes devices that access Internet content. Livio Connect (www.livioradio.com), for example, has contracted to stream select content to these devices. In a venture with National Public Radio, Livio developed the NPR Radio, which retails for \$200 and features more than 800 NPR stations. A Pandora Livio Radio is available and provides users with automatic music selections from 20,000 Internet radio streams from around the world and without subscriptions or monthly fees.

21.6 Advertising Costs

According to Alexis van de Wyer, president of AdsWizz (www.adswizz.com), Internet radio CPM (i.e., cost per thousand) is in the range of \$3 to \$6 for non-targeted ads and higher for geo-targeted ads. For comparison, video ads are in the \$20 per CPM range; banner ads are much lower.

Costs to local advertisers for spot ads range from a couple hundred dollars in small markets to \$5,000 to \$10,000 per week in a large market such as New York City.

Pandora garners a RPM (i.e., revenue per 1,000 listening hours) of \$60 to \$70 for its desktop Internet business and \$20 RPM for mobile listeners, according to Steven Kritzman, senior vice president of advertising sales. About 70% of Pandora's audience listen on a mobile device.

According to eMarketer, ad spending for Internet radio has been as follows (change from previous year in parenthesis):

- 2010: \$ 65 million (28.1%)
- 2011: \$ 71 million (15.3%)
- 2012: \$ 85 million (20.1%)
- 2013: \$ 97 million (13.3%)
- 2014: \$1.10 billion (13.5%)
- 2015: \$1.19 billion (8.7%)
- 2016: \$1.31 billion (10.1%)

RADIO ADVERTISING

22.1 Market Assessment

According to the Radio Advertising Bureau (www.rab.com), radio advertising spending has been as follows:

	Network	Spot	Digital	Off-Air	Total
• 2007:	\$1.15 billion	\$18.48 billion	n/a	\$1.68 billion	\$21.31 billion
• 2008:	\$1.15 billion	\$16.54 billion	n/a	\$1.79 billion	\$19.48 billion
• 2009:	\$1.05 billion	\$13.20 billion	\$ 480 million	\$1.30 billion	\$16.03 billion
• 2010:	\$1.10 billion	\$14.18 billion	\$ 615 million	\$1.39 billion	\$17.29 billion
• 2011:	\$1.14 billion	\$14.06 billion	\$ 709 million	\$1.49 billion	\$17.40 billion
• 2012:	\$1.16 billion	\$14.21 billion	\$ 767 million	\$1.51 billion	\$17.65 billion
• 2013:	\$1.12 billion	\$14.05 billion	\$ 889 million	\$1.58 billion	\$17.65 billion
• 2014:	\$1.07 billion	\$13.63 billion	\$ 973 million	\$1.58 billion	\$17.65 billion
• 2015:	\$1.09 billion	\$13.23 billion	\$1.02 billion	\$1.58 billion	\$17.65 billion

22.2 Top Radio Advertisers

According to *Advertising Age* (June 2016), the top radio advertisers, ranked by 2015 spending, are as follows (change from previous year in parenthesis):

• Comcast:	\$209.8 million (20.8%)
• T-Mobile US:	\$173.5 million (16.3%)
• Berkshire Hathaway:	\$126.0 million (-6.8%)
• AT&T:	\$113.1 million (-20.2%)
• Home Depot:	\$102.8 million (-10.9%)
• Sprint:	\$102.0 million (55.5%)
• Verizon Communications:	\$ 92.6 million (-4.0%)
• Fiat-Chrysler:	\$ 79.0 million (10.6%)
• Macy's:	\$ 61.0 million (1.0%)
• U.S. Government:	\$ 59.6 million (5.4%)

22.3 Measured Ad Spending by Sector

By sector, the Top 5 categories for radio advertising spending were as follows (percentage of total spending of top category; source: RAB):

• Automotive:	29%
• Communications:	22%

- TV/Networks/Cable: 17%
- Restaurants: 16%
- Financial: 16%

The following categories posted the highest gains year-over-year:

- Professional services: 23%
- Communications: 18%
- Concerts/Theater/Movies: 12%
- Department/Discount Stores/Shopping Centers: 7%
- Home Furnishings/Floor Coverings: 5%

22.4 Radio ROI

According to a January 2016 report by Nielsen (www.nielsen.com), the payback per dollar spent on radio advertising is as follows:

- Department stores: \$17.00
- Mass merchandisers: \$16.37
- Home improvement: \$ 9.48
- Quick-service restaurants: \$ 3.01

“According to a Nielsen study examining radio’s return on ad spend in four retail categories, every dollar spent in radio advertising could generate up to \$17 of revenue from listeners exposed to ads from department stores, home improvement stores, mass merchandisers and quick-service restaurants. The study found that, while new digital formats are capturing headlines, traditional formats, specifically radio, gives advertisers the returns they want.”

Center for Media Intelligence, 1/20/16

22.5 Market Resources

Radio Advertising Bureau, 125 West 55th Street, 21st Floor, New York, NY 10019.
(212) 681-7200. (www.rab.com)

SATELLITE RADIO

23.1 Overview

Satellite radio is relayed through systems of satellites in North America and Europe. The 2.3 GHz S band is used for satellite radio in North America and is strong enough that it requires no satellite dish to receive the signal.

SiriusXM Radio (SiriusXM, www.siriusxm.com) is the only satellite operator in the United States. The company was formed in July 2008 when regulators approved the merger of XM Satellite Radio Holdings Inc. and Sirius Satellite Radio.

The footprint of SiriusXM includes the entire continental United States, Canada, the upper third of Mexico, and 200 miles offshore. In 2011, SiriusXM was granted permission to expand service to Alaska and Hawaii, although service to these states has not yet been launched.

In Europe, there are several subscription-based digital packages of numerous satellite radio channels that do not broadcast terrestrially. Additionally, many FM radio stations provide an unencrypted satellite feed.

23.2 SiriusXM Radio

SiriusXM had 29.6 million subscribers at year-end 2015, an increase from 27.3 million a year prior.

Revenue and operating income for SiriusXM Radio, a publically traded company (stock symbol: SIRI), have been as follows:

	Revenue	Operating Income
• 2007:	\$ 918 million	<\$ 513 million>
• 2008:	\$1.65 billion	<\$5.14 billion>
• 2009:	\$2.47 billion	<\$ 39 million>
• 2010:	\$2.82 billion	\$ 345 million
• 2011:	\$3.02 billion	\$ 669 million
• 2012:	\$3.40 billion	\$ 739 million
• 2013:	\$3.80 billion	\$ 854 million
• 2014:	\$4.18 billion	\$1.12 billion
• 2015:	\$4.57 billion	\$1.18 billion

Market capitalization as of June 2016 was \$19.4 billion.

SiriusXM is available in vehicles from every major car company in the U.S., from retailers nationwide, and online at siriusxm.com. SiriusXM programming is also

available through the SiriusXM Internet Radio App for Android, Apple, and BlackBerry smartphones and other connected devices. SiriusXM broadcasts over 150 full-time channels, distributed by genre as follows:

- Commercial-free music: 72
- Talk and entertainment: 22
- News and issues: 15
- Latin: 14
- Sports talk and play-by-play: 11+
- Traffic and weather: 9
- Comedy: 9
- Other/various: 12