

PART IV: RADIO

RADIO LISTENING

20.1 Overview

According to *Audio State of the Media 2017*, by Nielsen (www.nielsen.com), radio reaches more than 270 million Americans over the course of a typical week.

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

- 17 and under: 56.5 million
- 18-to-34: 67.8 million
- 35-to-49: 57.6 million
- 50 and older: 88.1 million

The diversity of radio formats attracts advertiser-coveted target demographics. According to Nielsen, the monthly reach of radio in 2017 was as follows:

Generation

- Generation Z (teens): 94%
- Millennials: 95%
- Generation Xers: 97%
- Baby Boomers: 98%

Race/Ethnicity

- African-Americans: 98%
- Caucasians: 97%
- Hispanic-Americans: 96%

Radio reaches 96% of adults ages 18-to-49 with a college education and a household income of more than \$75,000.

“U.S. adults spend much more time with non-digital radio than they do with social networks.”

eMarketer, 1/8/18

20.2 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%

20.3 Daypart Listening

According to The Media Audit (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.

20.4 Listening By Car Commuters

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.

20.5 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 is 26 million, according to Nielsen.

Public Media Futures Forum (<http://current.org/tag/public-media-futures/>) reports that the 125 largest public radio licensees are supported each year by individual giving of \$320 million and \$190 million in underwriting.

20.6 News Radio

According to BIA Kelsey (www.biakelsey.com), there are 31 all-news stations, 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)

20.7 Digital Radio

Edison Research reports that 57% of people age 12 and older listen to online radio at least once a month.

According to Accustream Research (www.accustreamresearch.com), people age 12 and older spent 6.7 billion hours listening to digital radio in 2017.

20.8 Market Resources

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

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

State of the News Media 2018: Audio, Pew Research Center for Journalism and Media, June 2018. (www.journalism.org)

RADIO METROS

21.1 Top Radio Markets

Nielsen (www.nielsen.com) defines geographic areas for radio stations as Radio Metros. There are 268 Radio Metros in the United States.

The following is the Fall 2017 ranking, by population ages 12 and older, of Radio Metros (source: Nielsen):

1.	New York, NY:	16,285,500
2.	Los Angeles, CA:	11,465,400
3.	Chicago, IL:	7,945,800
4.	San Francisco, CA:	6,710,000
5.	Dallas-Ft. Worth, TX:	6,063,100
6.	Houston-Galveston, TX:	5,822,000
7.	Washington, DC:	4,921,100
8.	Atlanta, GA:	4,823,200
9.	Philadelphia, PA:	4,593,500
10.	Boston, MA:	4,294,800
11.	Miami-Ft. Lauderdale-Hollywood, FL:	4,070,400
12.	Seattle-Tacoma, WA:	3,863,400
13.	Detroit, MI:	3,813,700
14.	Phoenix, AZ:	3,662,700
15.	Minneapolis-Saint Paul, MN:	2,957,900
16.	Puerto Rico:	2,922,100
17.	San Diego, CA:	2,853,400
18.	Denver-Boulder, CO:	2,720,200
19.	Tampa-St. Petersburg-Clearwater, FL:	2,704,100
20.	Nassau-Suffolk-Long Island, NY:	2,470,900
21.	Baltimore, MD:	2,406,400
22.	Portland, OR:	2,354,100
23.	St. Louis, MO:	2,341,600
24.	Charlotte-Gastonia, NC:	2,304,300
25.	Riverside-San Bernardino, CA:	2,092,600
26.	San Antonio, TX:	2,084,000
27.	Sacramento, CA:	2,012,900
28.	Pittsburgh, PA:	1,987,200
29.	Salt Lake City-Ogden-Provo, UT:	1,930,900
30.	Las Vegas, NV:	1,878,600

31.	Orlando, FL:	1,859,100
32.	Cincinnati, OH:	1,830,200
33.	Austin, TX:	1,786,400
34.	Cleveland, OH:	1,769,200
35.	Kansas City, KS-MO:	1,739,300
36.	Columbus, OH:	1,662,500
37.	San Jose, CA:	1,654,900
38.	Raleigh-Durham, NC:	1,582,600
39.	Indianapolis, IN:	1,542,800
40.	Hudson Valley, NY:	1,517,300
41.	Milwaukee-Racine, WI:	1,498,300
42.	Middlesex-Somerset-Union, NJ:	1,484,800
43.	Nashville, TN:	1,465,700
44.	Providence-Warwick-Pawtucket, RI:	1,412,300
45.	Norfolk-Virginia Beach-Newport News, VA:	1,408,300
46.	Jacksonville, FL:	1,296,100
47.	Greensboro-Winston-Salem-High Point, NC:	1,286,200
48.	West Palm Beach-Boca Raton, FL:	1,285,700
49.	New Orleans, LA:	1,263,000
50.	Oklahoma City, OK:	1,261,000
51.	Memphis, TN:	1,118,500
52.	Hartford-New Britain-Middletown, CT:	1,076,300
53.	Richmond, VA:	1,047,400
54.	Monmouth-Ocean, NJ:	1,044,100
55.	Louisville, KY:	1,041,300
56.	McAllen-Brownsville-Harlingen, TX:	1,017,400
57.	Ft. Myers-Naples, FL:	984,300
58.	Buffalo-Niagara Falls, NY:	983,500
59.	Greenville-Spartanburg, NC:	971,300
60.	Rochester, NY:	962,700
61.	Birmingham, NY:	921,700
62.	Tucson, AZ:	880,100
63.	Honolulu, HI:	847,900
64.	Dayton, OH:	835,500
65.	Tulsa, OK:	822,700
66.	Albany-Schenectady-Troy, NY:	813,000
67.	Fresno, CA:	803,600
68.	Grand Rapids, IA:	785,600
69.	Albuquerque, NM:	765,700
70.	Des Moines, IA:	733,900
71.	Allentown-Bethlehem, PA:	728,100
72.	Knoxville, TN:	724,800
73.	Sarasota-Bradenton, FL:	721,800
74.	Omaha-Council Bluffs, NE:	712,000

75.	Baton Rouge, LA:	702,200
76.	El Paso, TX:	689,100
77.	Wilkes Barre-Scranton, PA:	687,900
78.	Charleston, SC:	668,300
79.	Bakersfield, CA:	649,100
80.	Wilmington, DE:	623,200
81.	Stockton, CA:	616,400
82.	Harrisburg-Lebanon-Carlisle, PA:	612,100
83.	Akron, OH:	608,700
84.	Columbia, SC:	605,300
85.	Monterey-Salinas-Santa Cruz, CA:	603,800
86.	Little Rock, AR:	600,200
87.	Gainesville-Ocala, FL:	598,500
88.	Chattanooga, TN:	596,000
89.	Colorado Springs, CO:	589,600
90.	Greenville-New Bern-Jacksonville, NC:	587,000
91.	Lakeland-Winter Haven, FL:	585,000
92.	Daytona Beach, FL:	578,700
93.	Spokane, WA:	569,400
94.	Syracuse, NY:	564,900
95.	Boise, ID:	562,800
96.	Portland, ME:	560,100
97.	Reno, NV:	555,800
98.	Ft. Pierce-Stuart-Vero Beach, FL:	554,800
99.	Springfield, MA:	550,400
100.	Mobile, AL:	535,800
101.	Madison, WI:	535,500
102.	Melbourne-Titusville-Cocoa, FL:	523,700
103.	Lexington-Fayette, KY:	518,000
104.	Toledo, OH:	515,100
105.	Wichita, KS:	510,900
106.	Huntsville, AL:	493,200
107.	Visalia-Tulare-Hanford, CA:	491,100
108.	Ft. Collins-Greeley, CO:	490,200
109.	Augusta, GA:	484,500
110.	Lafayette, LA:	483,300
111.	Corpus Christi, TX:	479,200
112.	York, PA:	472,300
113.	Johnson City-Kingsport-Bristol, TN-VA:	469,900
114.	Victor Valley, CA:	468,900
115.	Ft. Wayne, IN:	457,800
116.	Lancaster, PA:	456,700
117.	Modesto, CA:	453,000
118.	Worcester, MA:	449,900

119. Roanoke-Lynchburg, VA:	446,800
120. Oxnard-Ventura, CA:	439,200
121. Morristown, NJ:	433,900
122. Portsmouth-Dover-Rochester, NH:	432,300
123. Fayetteville, AK:	430,200
124. New Haven, CT:	428,900
125. Pensacola, FL:	426,700
126. Bridgeport, CT:	420,500
127. Jackson, MS:	419,300
128. Lansing-East Lansing, MI:	414,600
129. Fayetteville, NC:	381,000
130. Macon, GA:	372,400
131. Youngstown-Warren, OH:	372,100
132. Palm Springs, CA:	365,400
133. Reading, PA:	355,400
134. Salisbury-Ocean City, MD:	355,000
135. Springfield, MO:	354,000
136. Myrtle Beach, SC:	350,700
137. Appleton-Oshkosh, WI:	346,900
138. Flint, MI:	345,600
139. Canton, OH:	345,400
140. Shreveport, LA:	344,200
141. Killeen-Temple, TX:	343,200
142. Tyler-Longview, TX:	337,600
143. Fredericksburg, VA:	337,300
144. Biloxi-Gulfport-Pascagoula, MS:	333,900
145. Beaumont-Port Arthur, TX:	333,100
146. Savannah, GA:	330,400
147. Eugene-Springfield, OR:	329,800
148. Burlington-Plattsburgh, NY-VT:	329,400
149. Saginaw-Bay City-Midland, MI:	326,800
150. Ann Arbor, MI:	324,000
151. Stamford-Norwalk, CT:	322,400
152. Trenton, NJ:	319,800
153. Newburgh-Middletown, NY:	319,700
154. Atlantic City-Cape May, NJ:	313,600
155. Quad Cities (Davenport-Rock Island-Moline), IA-IL:	310,500
156. Montgomery, AL:	307,500
157. Asheville, NC:	302,300
158. Peoria, IL:	301,200
159. Traverse City-Petoskey-Cadillac, MI:	298,100
160. Rockford, IL:	286,500
161. Ft. Smith, AR:	284,900
162. Tallahassee, FL:	284,800

163. Evansville, IN:	269,900
164. Odessa-Midland, TX:	266,200
165. Lincoln, NE:	266,000
166. Huntington-Ashland, OH-WV:	263,900
167. Hagerstown-Chambersburg-Waynesboro, MD-PA:	261,200
168. Lubbock, TX:	258,900
169. Poughkeepsie, NY:	258,600
170. Amarillo, TX:	256,500
171. Utica-Rome, NY:	251,600
172. San Luis Obispo, CA:	250,400
173. Bowling Green, KY:	248,700
174. Anchorage, AK:	248,200
175. Morgantown-Clarksburg-Fairmont, WV:	245,700
176. Concord, NH:	241,400
177. Wausau-Stevens Point, WI:	240,100
178. Erie, PA:	235,800
179. Tri-Cities (Richland-Kennewick-Pasco), WA:	235,400
180. Merced, CA:	235,300
181. New London, CT:	234,700
182. New Bedford-Fall River, MA:	232,500
183. Ft. Walton Beach-Destin, FL:	231,700
184. South Bend, IN:	228,000
185. Kalamazoo, MI:	226,200
186. Bryan-College Station, TX:	225,700
187. Green Bay, WI:	221,300
188. Sioux Falls, SD:	221,000
189. Columbus, GA:	219,200
190. Laredo, TX:	215,500
191. Frederick, MD:	213,900
192. Dothan, AL:	211,700
193. Waco, TX:	211,500
194. Binghamton, NY:	211,200
195. Cape Cod, MA:	208,700
196. Charleston, WV:	208,200
197. Fargo-Moorhead, ND:	206,000
198. Yakima, WA:	203,000
199. Bend, OR:	202,000
200. Manchester, NH:	201,800
201. Danbury, CT:	200,200
202. Santa Maria-Lompoc, CA:	199,600
203. Chico, CA:	198,100
204. Topeka, KS:	196,300
205. Salina-Manhattan, KS:	196,000
206. Cedar Rapids, IA:	190,000

207. Medford-Ashland, OR:	189,900
208. Charlottesville, VA:	187,700
209. Santa Barbara, CA:	183,400
210. Winchester, VA:	180,000
211. Tuscaloosa, AL:	179,900
212. Duluth-Superior, MN:	179,600
213. Terre Haute, IN:	175,300
214. Florence, SC:	174,700
215. Laurel-Hattiesburg, MS:	171,900
216. Sunbury-Selinsgrove-Lewisburg, PA:	171,900
217. Lake Charles, LA:	169,900
218. Muncie-Marion, IN:	168,100
219. Bangor, ME:	168,000
220. La Crosse, WI:	167,000
221. Rochester, MN:	164,600
222. Lafayette, AL:	164,400
223. Hilton Head, SC:	163,400
224. Panama City, FL:	159,300
225. Lebanon-Hanover-WRJ, NH-VT:	157,800
226. Olean, NY:	157,300
227. Elmira-Corning, NY:	156,000
228. Lima, OH:	154,900
229. Columbia, MO:	154,500
230. Redding, CA:	154,100
231. Joplin, MO:	149,600
232. Muskegon, MI:	148,000
233. Bloomington, IN:	147,300
234. Abilene, TX:	144,700
235. Eau Claire, WI:	144,300
236. Pueblo, CO:	142,400
237. Billings, MT:	135,700
238. Waterloo-Cedar Falls, IA:	134,800
239. Albany, GA:	131,200
240. Monroe, LA:	131,100
241. Grand Junction, CO:	129,000
242. Texarkana, TX-AR:	128,300
243. LaSalle-Peru, IL:	128,300
244. Florence-Muscle Shoals, AL:	127,100
245. Parkersburg-Marietta, WV-OH:	126,000
246. Wheeling, WV:	124,000
247. Sussex, NJ:	123,900
248. Twin Falls-Sun Valley, ID:	123,400
249. Valdosta, GA:	121,100
250. Grand Island-Kearney-Hastings, NE:	119,700

251. Wichita Falls, TX:	119,400
252. Harrisonburg, VA:	117,700
253. Rapid City, SD:	116,800
254. Battle Creek, MI:	114,100
255. Bismarck, ND:	108,600
256. Montpelier-Barre-St. Johnsbury, VT:	106,500
257. Augusta-Waterville, ME:	105,600
258. San Angelo, TX:	101,600
259. Sioux City, IA:	101,300
260. Sheboygan, WI:	99,400
261. Williamsport, PA:	99,200
262. Watertown, NY:	91,400
263. Brunswick, GA:	88,700
264. Bluefield, WV:	88,000
265. Hot Springs, AR:	84,700
266. Cheyenne, WY:	83,900
267. Jackson, TN:	82,400
268. Grand Forks, ND-MN:	79,600

21.2 Market Resources

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

RADIO STATIONS

22.1 Station Count

According to StationIntel (www.stationintel.com), as of June 2018 there were 18,522 radio stations operating in the United States, distributed as follows:

- FM: 11,421
- AM: 4,792
- Low-powered FM: 2,309

22.2 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

22.3 Largest Station Groups

According to Inside Radio (www.insideradio.com), the following are radio station operators ranked by number of stations (June 2018):

- iHeartMedia, Inc.: 853
- Cumulus Media, Inc.: 441
- Townsquare Media: 317
- Entercom: 237
- Salem Media Group: 118
- Saga Communications, Inc.: 108
- Midwest Communications, Inc.: 75

- Forever Media, Inc.: 69
- Beasley Media Group: 63
- Bell Media Radio: 61
- Univision Radio: 58
- Cox Media Group: 56
- Radio One: 54
- Bicoastal Media, LLC: 50
- Entravision Communications Corp.: 49
- Hubbard Broadcasting, Inc.: 48
- Cherry Creek Radio, LLC: 43
- Mid-West Family Broadcasting: 42
- Mapleton Communications: 41
- Lazer Broadcasting Corp.: 40
- NRG Media, LLC: 40

22.4 Station Assessment By Genre

According to Inside Radio, the formats of the radio stations operating in the United States as of June 2018 were as follows:

- Adult contemporary: 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 AC: 124
- Southern gospel: 263
- Spanish: 1,108
- Sports: 790
- Top 40: 611
- Urban AC: 170
- Variety: 927
- Format not available: 86

22.5 Market Resources

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

23.1 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

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.

23.2 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
- 2017: \$820 million

23.3 Top Digital Radio Companies

eMarketer (June 2017) ranked the top digital radio stations by average active sessions as follows:

1. Pandora
2. Spotify
3. iHeartRadio
4. National Public Radio member stations
5. Cumulus Streaming Network
6. CBS Radio
7. Entercom Communications
8. Univision
9. AccuRadio
10. ESPN Radio
11. Beasley Broadcasting Group
12. EMF Broadcasting
13. Salem Communications
14. Hubbard Broadcasting
15. New York Public Radio
16. Townsquare Media
17. Emmis Communications
18. Radio One
19. Bonneville International
20. Prista Radio

23.4 Top Internet Radio Groups

According to The Media Audit (www.themediiaudit.com), 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%

23.5 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.

23.6 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: \$ 650 million (28.1%)
- 2011: \$ 710 million (15.3%)
- 2012: \$ 850 million (20.1%)
- 2013: \$ 970 million (13.3%)
- 2014: \$1.10 billion (13.5%)
- 2015: \$1.19 billion (8.7%)
- 2016: \$1.31 billion (10.1%)
- 2017: \$1.44 billion (9.8%)

RADIO ADVERTISING

24.1 Market Assessment

According to Zenith Media (www.zenithmedia.com), radio advertising spending has been as follows (change from prior year in parenthesis):

- 2016: \$17.6 billion (no change)
- 2017: \$17.6 billion (no change)
- 2018: \$17.6 billion (no change)

Radio advertising spending has accounted for marketshare of total advertising spending as follows (source: Zenith Media):

- | | |
|---------------|---------------|
| • 2000: 13.3% | • 2009: 11.1% |
| • 2001: 12.8% | • 2010: 10.5% |
| • 2002: 13.0% | • 2011: 10.6% |
| • 2003: 12.9% | • 2012: 10.3% |
| • 2004: 12.6% | • 2013: 10.2% |
| • 2005: 12.4% | • 2014: 9.9% |
| • 2006: 12.0% | • 2015: 9.6% |
| • 2007: 11.9% | • 2016: 9.2% |
| • 2008: 11.3% | • 2017: 8.9% |

24.2 Top Radio Advertisers

According to *Advertising Age* (June 2018), the top radio advertisers, ranked by 2017 spending, were as follows:

- | | |
|----------------------------|---------------|
| • T-Mobile US: | \$189 million |
| • Comcast: | \$185 million |
| • Home Depot: | \$112 million |
| • AT&T: | \$104 million |
| • Berkshire Hathaway: | \$ 97 million |
| • Sprint: | \$ 94 million |
| • Steinhoff International: | \$ 89 million |
| • Fiat-Chrysler: | \$ 81 million |
| • Macy's: | \$ 56 million |
| • McDonald's: | \$ 56 million |

24.3 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%

24.4 Radio ROI

According to 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

24.5 Market Resources

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

SATELLITE RADIO

25.1 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.

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.

25.2 SiriusXM Radio

The number of SiriusXM U.S. subscribers has been as follows:

- 2011: 21.89 million
- 2012: 23.90 million
- 2013: 25.60 million
- 2014: 27.31 million
- 2015: 29.59 million
- 2016: 31.35 million
- 2017: 32.74 million

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
- 2016: \$5.02 billion \$1.41 billion
- 2017: \$5.42 billion \$1.60 billion

Market capitalization as of June 2018 was \$32.2 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