

TECHNOLOGY IS NOW HELPING BROADCAST RADIO

While online music streaming has notoriously led to a decline in the radio industry over the past 20 years, technology is now amplifying the industry.

Broadcast radio fits into a larger audio ecosystem, one where audio content, such as music, entertainment, news/talk and sports, is being distributed across digital, live and broadcast formats. To access audio content, some listeners pay a subscription fee, but more often audio content is ad-supported similar to the traditional radio model.

Since the mass adoption of digital streaming, radio operators have undergone major consolidation as well as adaptation to new formats. Today, the largest broadcast radio operators offer on-demand content through digital platforms, podcast hosting infrastructure and top-rated podcast content, programmatic advertising, and even broad digital marketing solutions. And while there isn't much room left for radio

operators to acquire more radio stations, due in large part to the Federal Communications Commission's broadcast ownership rules, there is still growth to be had from expanding on and refining solutions offered to advertisers.

In the omni-channel audio ecosystem, long-term success will come from investments in the next wave of technology. In the short-term, broadcast radio is a mature, cash flowing business with several bright spots that can help maintain a healthy balance sheet while preparing for the future.

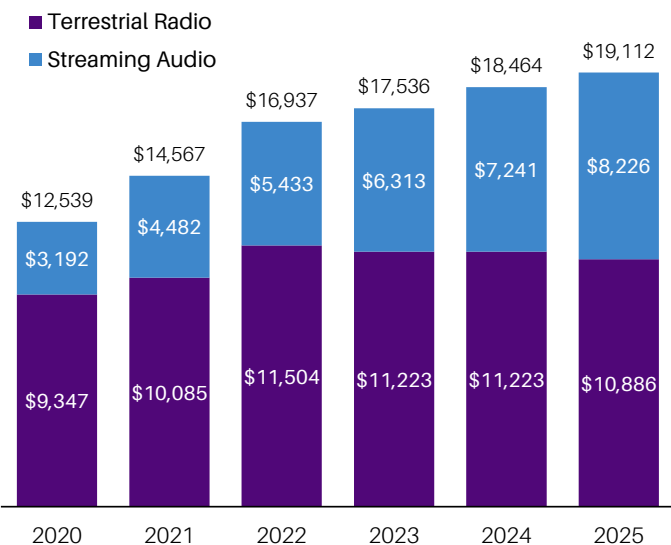
Radio has a massive local influence in niche markets not targeted by other digital mediums. Radio represents the original social influencer, commanding authority and building trust with listeners, followers and entire local communities. 93% of Americans 18+ are reached monthly by AM / FM radio⁽¹⁾, and terrestrial radio spend is projected by Wall Street research to stay constant around \$10 billion annually.

After Apple upended digital advertising in 2021 with the release of new privacy settings, advertisers are increasingly looking for ways to reach their targeted audience. Audio ads, whether via broadcast radio or through an audio streaming app, cannot be blocked and are designed to seamlessly blend with the content. Additionally, audio streaming methods allow for effective measurement and data analytics.

While many feared streaming would 'kill' the radio industry, it appears the steep decline is over, and many broadcast radio operators came out the other side with technology to make radio advertising more efficient than before.

1. "Share of Ear" study. Nielsen (Spring 2021); Nationwide Survey; Adults 18+.
2. Wall Street research.

U.S. PROJECTED ADVERTISING BUDGET⁽²⁾ (\$ in millions)



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Analyst

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Analyst

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Analyst

Veronica Podolny
Analyst