

NAVIGATING THE EVOLVING LANDSCAPE
**OF U.S. RADIO
AD SPEND**

About BIA Advisory Services

For over 40 years, BIA has empowered businesses to succeed in local media and advertising.

We provide trusted U.S. ad forecasts, industry data for broadcast media and publishing, and strategic insights to help you thrive. Our team of analysts, data scientists, economists, and financial analysts deliver impactful analysis and advisory services using our proprietary data and key inputs from our industry partners.



Let us help you maximize your radio business's revenue, gain a competitive edge, and navigate the evolving media landscape. As your trusted partner, together we can create a custom success plan.

Contact us at: <https://advantage.bia.com/login> or visit: www.bia.com

Overview

The radio advertising landscape is undeniably shifting, but amidst the changes, exciting opportunities are emerging. Consumer behavior is evolving, digital integration is on the rise and key business verticals are adapting their spending patterns. All the while, local radio remains an effective, resilient and powerful medium.

Since 2020, weekly broadcast radio listenership has stabilized, defying some predictions of its demise (**Pew Research Center**). In fact, radio is a daily companion for 55% of Gen Z in the U.S. and captures an average of 104 minutes of adults' attention per day (**Musical Pursuits**). Radio's enduring popularity has advertisers committed to the medium, with 57% planning to maintain their budgets and 14% intending to increase them in 2024 (**Marketron**).

Local radio stations are rising to the challenge, producing compelling, original content and embracing digital integration. These shifts present fresh opportunities for advertisers to forge meaningful connections with listeners. As we navigate the dynamic audio landscape of 2024 and beyond, radio's ability to adapt and innovate will be crucial to its ongoing success.

BIA's Total Local and Local Radio Revenue Forecast: 2024 & 2025

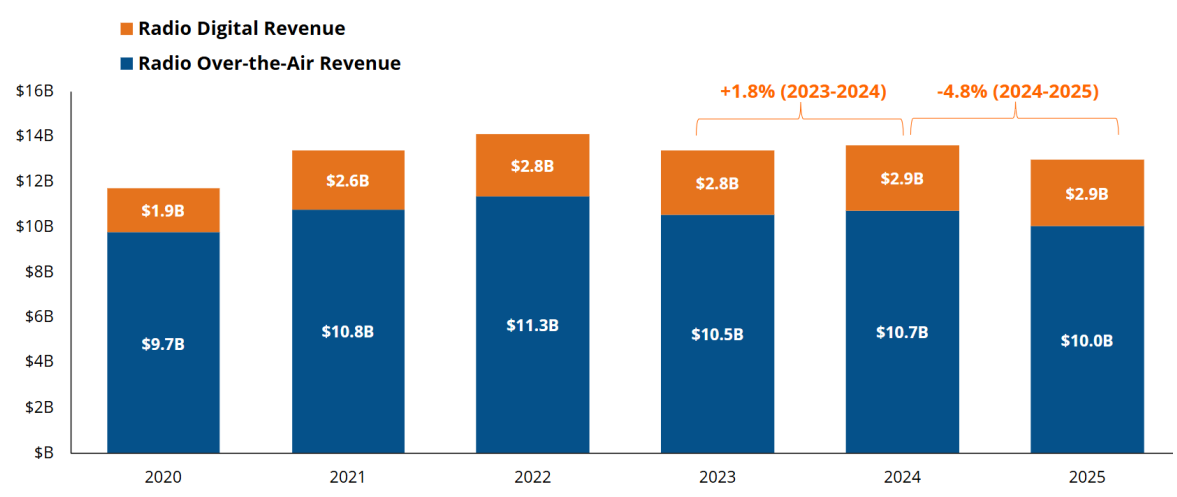
BIA projects the total local advertising marketplace will reach \$174 billion in 2024, with local radio the fifth largest advertising media. BIA's **U.S. Local Advertising Forecast** offers an optimistic outlook for radio.

For 2024, BIA believes local radio is poised for a resilient year, with ad revenue projected to reach \$13.6 billion (Radio OTA + Radio Digital¹), marking a 1.8 percent increase from 2023.

Looking to 2025, BIA estimates local radio will generate \$12.9 billion, with \$2.9 billion coming from radio digital.

¹ Radio Digital advertising includes local advertising sold by local stations (streaming, email advertising, O&O banners, SEM (not SEO), website advertisements) and pure play streaming services except CTV/OTT. Includes the share retained by local radio stations after reselling other online platforms (e.g., Google AdWords). Radio Digital is the sum of Radio Online and Pure Play.

Local Radio Advertising Revenue (with Political)



Note: Digital radio advertising includes local advertising sold by local stations (streaming, email advertising, O&O banners, SEM (not SEO), website advertisements) and pure-play streaming services except CTV/OTT. Includes the share retained by local radio stations after reselling other online platforms (e.g., Google AdWords).

Source: BIA U.S. Local Advertising Forecast 2025, Issued August 2024.

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Vertical Ad Spending Estimates for Local Radio

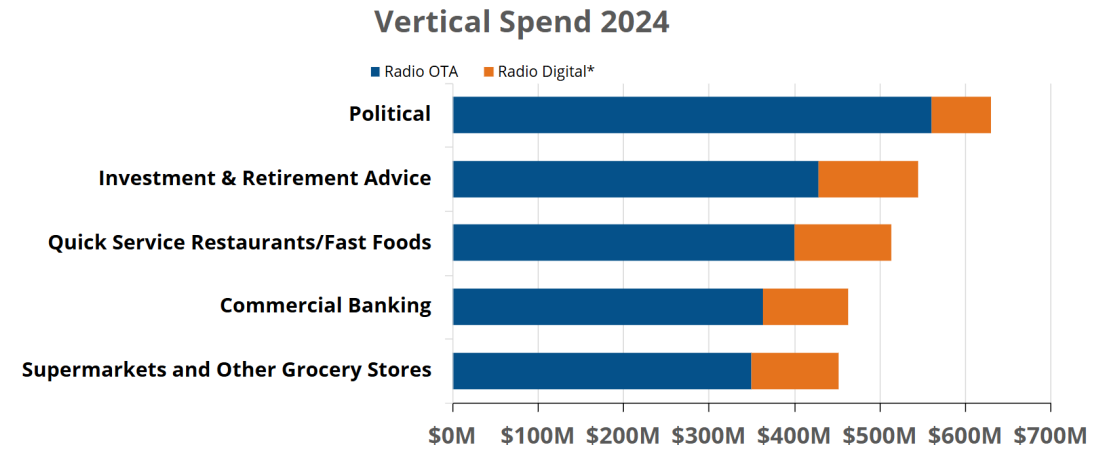
BIA's U.S. Local Advertising Forecast examines the spending trends of 96 business verticals across major media like Radio Over-the-Air (OTA) and Radio Digital.

For 2024, an election year like no other, unsurprisingly political advertising will lead local radio ad spending in 2024 with just over \$631 million. This is an increase over the 2020 political ad spending in radio, which was \$517.9 million. For Radio OTA, Political is the number one spending category at \$561.2 million.

Other traditionally radio-focused verticals round out the top five in 2024, including Investment & Retirement Advice, Quick Service Restaurants (QSRs), Commercial Banking and Supermarkets.

Top 5 Verticals Investing Big in Local Audio in 2024

Radio OTA + Radio Digital significant investment for specific business categories.

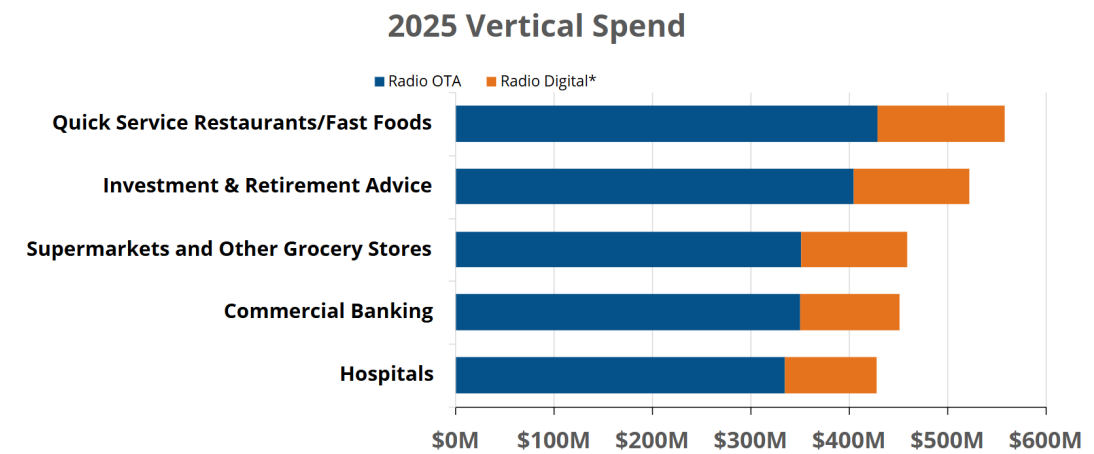


Source: BIA U.S. Local Advertising Forecast 2025, Issued August 2024
 *Note: Radio Digital = Radio Online + Pure Plays (ex. Pandora). Digital revenue associated with Local Radio includes revenue that a local station has on its website and mobile apps.
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However, the landscape shifts in 2025, especially being a nonpolitical year. Quick Service Restaurants (QSRs) emerge as the top spender at \$558 million. Investment & Retirement Advice, Supermarkets, Commercial Banking and Hospitals round out the top five spending verticals.

Top 5 Verticals Expected to Power Local Audio in 2025

Radio OTA + Radio Digital significant investment for specific business categories.



Source: BIA U.S. Local Advertising Forecast 2025, Issued August 2024
 *Note: Radio Digital = Radio Online + Pure Plays (ex. Pandora). Digital revenue associated with Local Radio includes revenue that a local station has on its website and mobile apps.
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When examining Radio Digital, some interesting trends appear. It's a growth medium for key local verticals in 2025.

When examining the top 12 business categories in BIA’s forecast, Finance/Insurance spends the most on Radio Digital with \$586 million in local ad spend. Investment & Retirement Advice, Commercial Banking and Direct Health and Medical Insurance Carriers are the top three vertical spenders in this category, estimated to spend a combined \$301 million on Radio Digital in 2025. Other top spenders on Radio Digital include Retail (\$466.6M), Restaurants (\$330.5 million), Auto (\$299.1 million) and Technology (\$228.1 million).

Vertical Categories Going All-In on Radio OTA & Digital in 2025

Radio OTA

1. Finance/Insurance **\$2.0B**
2. Retail **\$1.5B**
3. Restaurants **\$1.1B**
4. Automotive **\$1.0B**
5. Healthcare **\$824.4M**



Radio Digital

1. Finance/Insurance **\$585.7M**
2. Retail **\$466.6M**
3. Restaurants **\$330.5M**
4. Automotive **\$299.1M**
5. Technology **\$228.1M**



Source: BIA U.S. Local Advertising Forecast 2025, Issued August 2024.

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BIA’s forecast also highlights specific sub-verticals that will significantly increase their spend in Radio Digital in 2025 including QSRs (+13.3 percent), Supermarkets & Other Grocery Stores (+5.9 percent) and Tier 3 – New Car Dealers (+3.0 percent).

Tune In: Sub-Verticals Powering Radio Digital's Growth

Quick Service Restaurants/Fast Food Radio Ad Spend 2025

\$558 M

\$429.5M Broadcast Radio
 \$128.4M on Radio Digital
+13.3%
 Radio Digital Spend

Supermarket & Other Grocery Stores Radio Ad Spend 2025

\$459 M

\$351.3M Broadcast Radio
 \$108.1M on Radio Digital
+5.9%
 Radio Digital Spend

Tier 3 - New Car Dealers Radio Ad Spend 2025

\$404 M

\$311.4M Broadcast Radio
 \$92.6M on Radio Digital
+3.0%
 Radio Digital Spend



Source: BIA U.S. Local Advertising Forecast 2025, Issued August 2024.

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Looking Ahead, Key Forces to Watch in Audio Advertising

BIA's analyst team offers the following insights on what's coming and watch to watch:

- Licensed FM Stations are now experimenting with recently FCC-approved over-the-air geotargeting with content-originating boosters.
- Personalized, data-driven digital marketing has enabled advertisers to craft personalized audio ads that resonate deeply without interrupting the user experience. Programmatic ad buys are catching on with Radio Digital, especially streaming and podcasting.
- Radio and streaming audio are turning to CTV and video ads to offset spot ads – advertisers that buy ads from radio stations also purchase CTV from them. It was a top pick for their 2024 buying plan according to a 2024 RAB study.
- Interactive audio ads are revolutionizing audience engagement. Through smart speakers, mobile streaming and in-vehicle systems, these ads use natural language processes to offer a futuristic experience. They're not just heard – they prompt responses, offering helpful info or promo codes and letting users accept or decline.

Toolkit One-Pagers

Download and use the BIA one-pagers on Radio OTA and Radio Digital to show your prospects and clients the value of Radio as advised through a trusted third-party source: BIA. Want more like this? Let us know by emailing advantage@bia.com

A Proven Platform for Advertisers: **Radio OTA**

Over-the-air Radio delivers a powerful, reliable and proven approach to help advertisers reach consumers.

It's free, easy to access, and caters to diverse audiences.

With 91% of Americans 18+ listening monthly, Radio OTA's popularity highlights its lasting value in building loyal communities through engaging content.

Advertisers notice and are spending!



What's the secret to **Radio OTA's** success in 2025? Hint: It starts with an R.



RETAIL
 \$1.5 billion in Radio OTA

Mattress and Sleep Centers
+2.6% increase in Radio OTA in 2025



RESTAURANTS
 \$1.1 billion in Radio OTA

QSRs/Full-Service Restaurants
+6.3% increase in Radio OTA in 2025



REAL ESTATE
 \$83 million in Radio OTA

Real Estate Development
+10.9% increase in Radio OTA in 2025

For more vertical advertising insights:

Source: BIA's 2025 U.S. Local Advertising Forecast, Issued Aug. 2024



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Business Verticals Capitalizing on Radio Digital in 2025

In a local media landscape where advertisers need to be targeted and engaging, Radio Digital is seamlessly merging the reach of radio with the precision of digital.

It's the **secret sauce** that lets businesses tap into radio's vast reach and digital's pinpoint precision.

Smart business verticals see the opportunity and are spending!



Top Spending Vertical Categories on Radio Digital - 2025



FINANCE/INSURANCE

\$585.7 million

Direct Health and Medical Insurance Carriers increasing Radio Digital ad spend by 4.8% YoY.



RESTAURANTS & FOOD

\$330.5 million

Quick Service Restaurants increasing Radio Digital ad spend by 13% YoY.



RETAIL

\$466.6 million

Mattress and Sleep Centers increasing Radio Digital ad spend by 8.3% YoY.



AUTOMOTIVE

\$299.1 million

Tier 3 - New Car Dealers increasing Radio Digital ad spend by 3% YoY.

Source: BIA's 2025 U.S. Local Advertising Forecast, Issued Aug. 2024

For more vertical advertising insights:



www.bia.com



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Conclusions

As radio continues to evolve, its ability to adapt and offer innovative opportunities for advertisers will be key. BIA always advises broadcast media companies to look beyond their own medium. Examine the full local advertising marketplace to track shifts and opportunities that can be seized and capitalized on.

By understanding the shifting spending patterns of business verticals and embracing digital integration, radio can remain a powerful force in the advertising landscape.

Unlock the Power of Local Radio with BIA

In the media landscape, local radio remains a potent force for advertisers. At BIA, we're dedicated to helping you harness every potential.

Our comprehensive **U.S. Local Advertising Forecast** provides unparalleled clarity on where ad dollars are being spent and identifies opportunities to gain a share of wallet.

But we don't just stop at data. Our team of experts analyzes opportunities, crafts selling strategies and maps out your next best moves in the ever-evolving local radio landscape.

Imagine having a trusted guide who is always one step ahead, outmaneuvering the competition and supercharging your 2025 budget planning. That's BIA.



Elevate your local initiatives with a **BIA ADVantage** subscription.

A BIA ADVantage subscription gives you instant access to local radio market forecasts, insights, and revenue estimates. Make confident, informed decisions and fuel your initiatives with BIA's insights and sales strategies to stay ahead.

And the best part? **RAB members receive a special annual subscription rate** that will pay for itself with just one sale. Plus, barter options are available to fit your needs.



A subscription to our **Media Access Pro™ database** for detailed, up-to-date broadcasting industry and station information, including key contacts. Check out our newest MAPro service, MAPro Breeze, which makes quick research and searching faster than ever.

Got a specific request for data? We can do **custom data pulls** that allow us to extract exactly the data and insights you want.

Ready to Elevate Your Station's Revenue?

Don't settle for the status quo. Partner with BIA and transform your local radio strategies. Contact us today at: advantage@bia.com to set up a discussion and demo.

To learn more:



