



Digital Strategies for Broadcasting:

Capitalizing on the Shift to Digital With Broadcaster's Local Assets



Today's Webinar Topics

1. **Local media five year focus**
2. **Trending toward digital media**
3. **Local Ad spend**
4. **Radio & TV Transactions**
5. **Addressing Challenges and Opportunities**
6. **Digital Strategies for Broadcasting (DSB) CAS Program**
7. **Special Offer to Attend DSB Conference**
8. **Q & A**

Today's Speakers

Neal Polachek
President
BIA/Kelsey



Mark Fratrik
Vice President
Research



Rick Ducey
Chief Strategy Officer
DSB Program Director

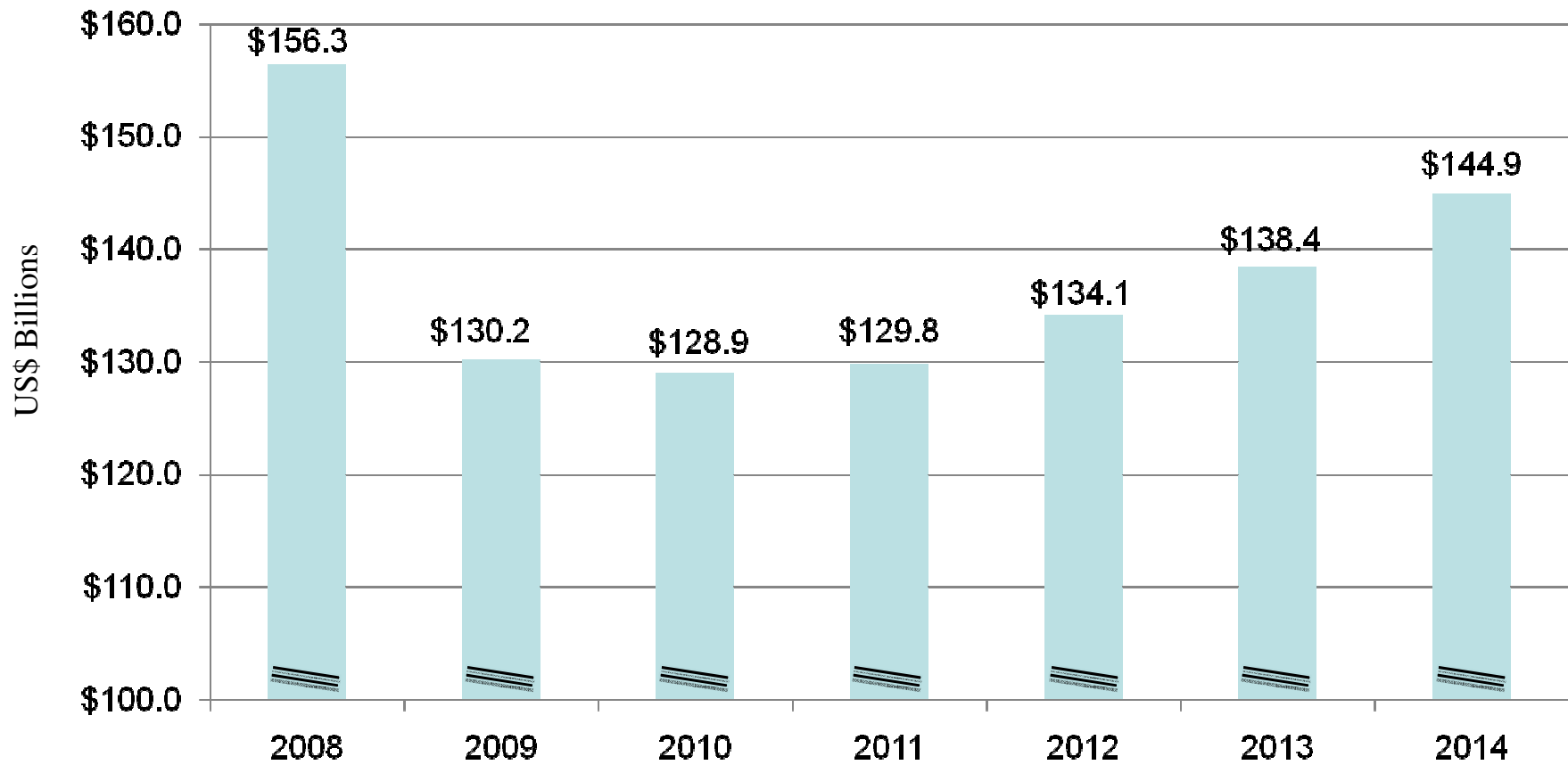
On the Launch Pad

- Transformational changes in media consumption by audiences and local media mix buying include a secular shift to digital media
- “Television” and “Radio” do not mean what they used to mean. Our view is that these words now refer more often to “services” that can be delivered over a variety of platforms rather than *local broadcast stations*
- Traditional media will provide the media mix foundation for ad spend - **however** advertisers are developing an increased sophistication when obtaining and evaluating ROI metrics cross-platform
- Campaigns will become increasingly integrated across platforms with fewer “silo buys”
- Local broadcasters can embrace these transformational changes in their local markets by extending their business models to capture both traditional and digital spending

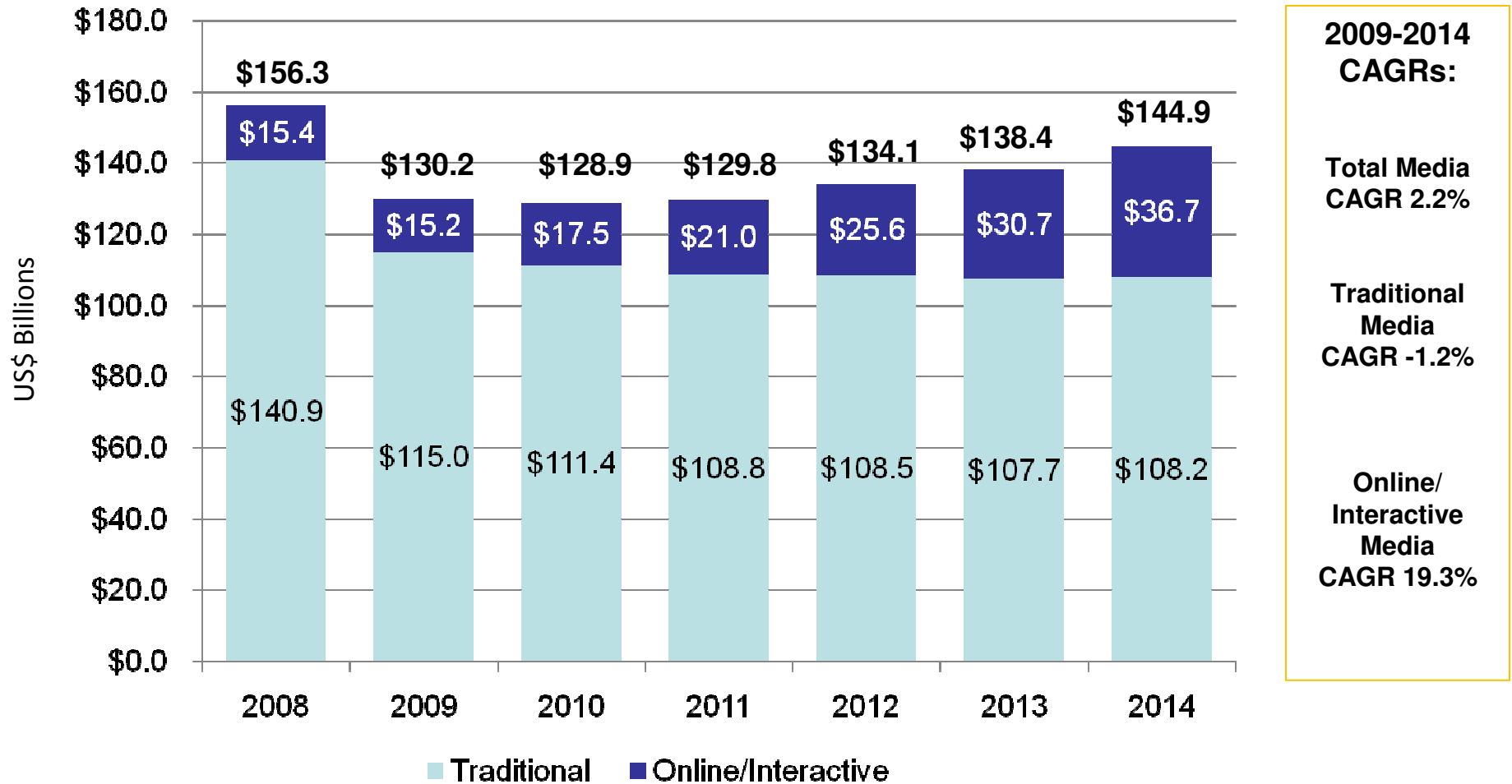


Local Media Five-Year Forecast

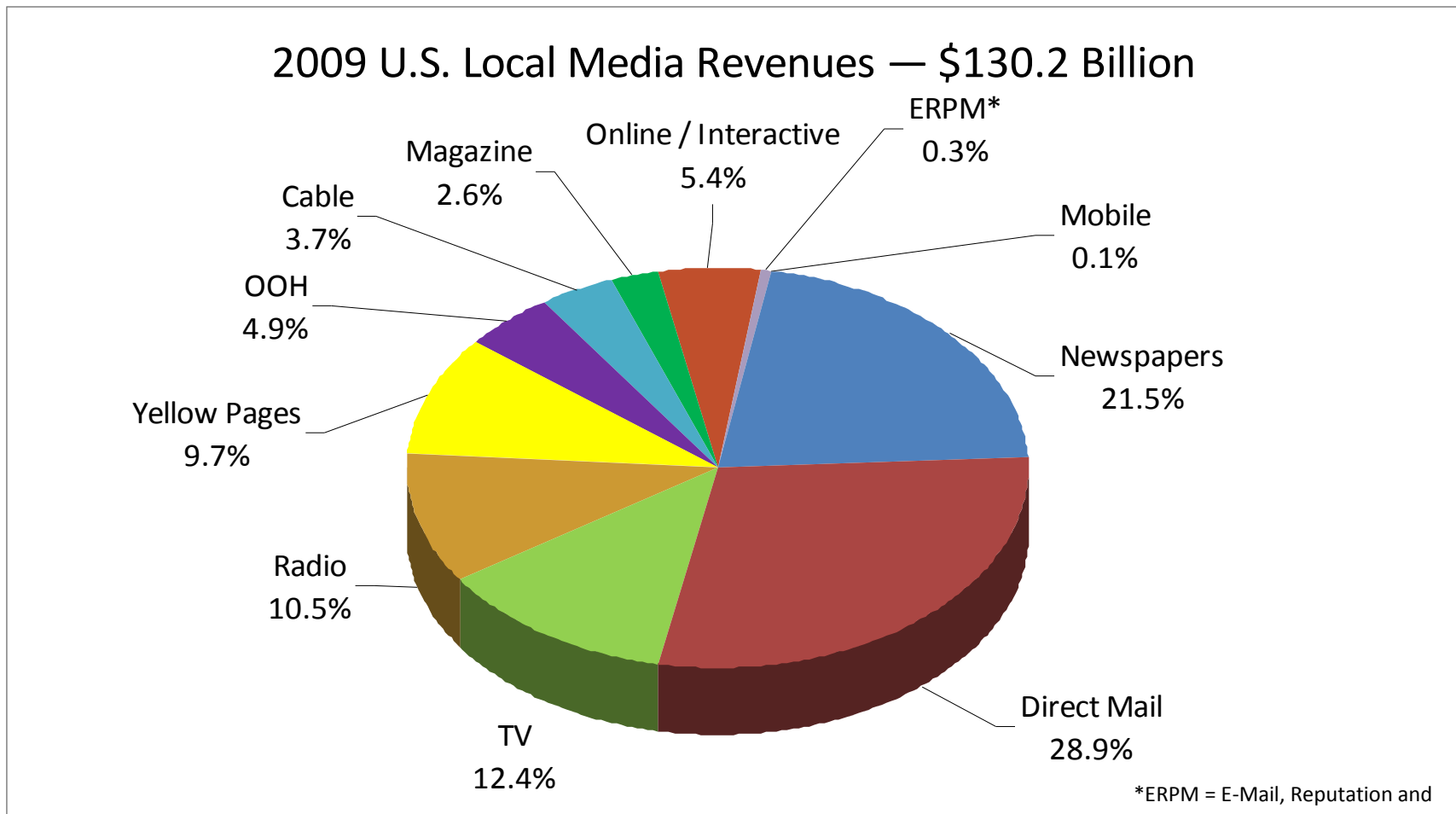
Total Local Ad Spend



Steady Shift Toward Digital Media



Local Ad Market Dominated by Traditional Media



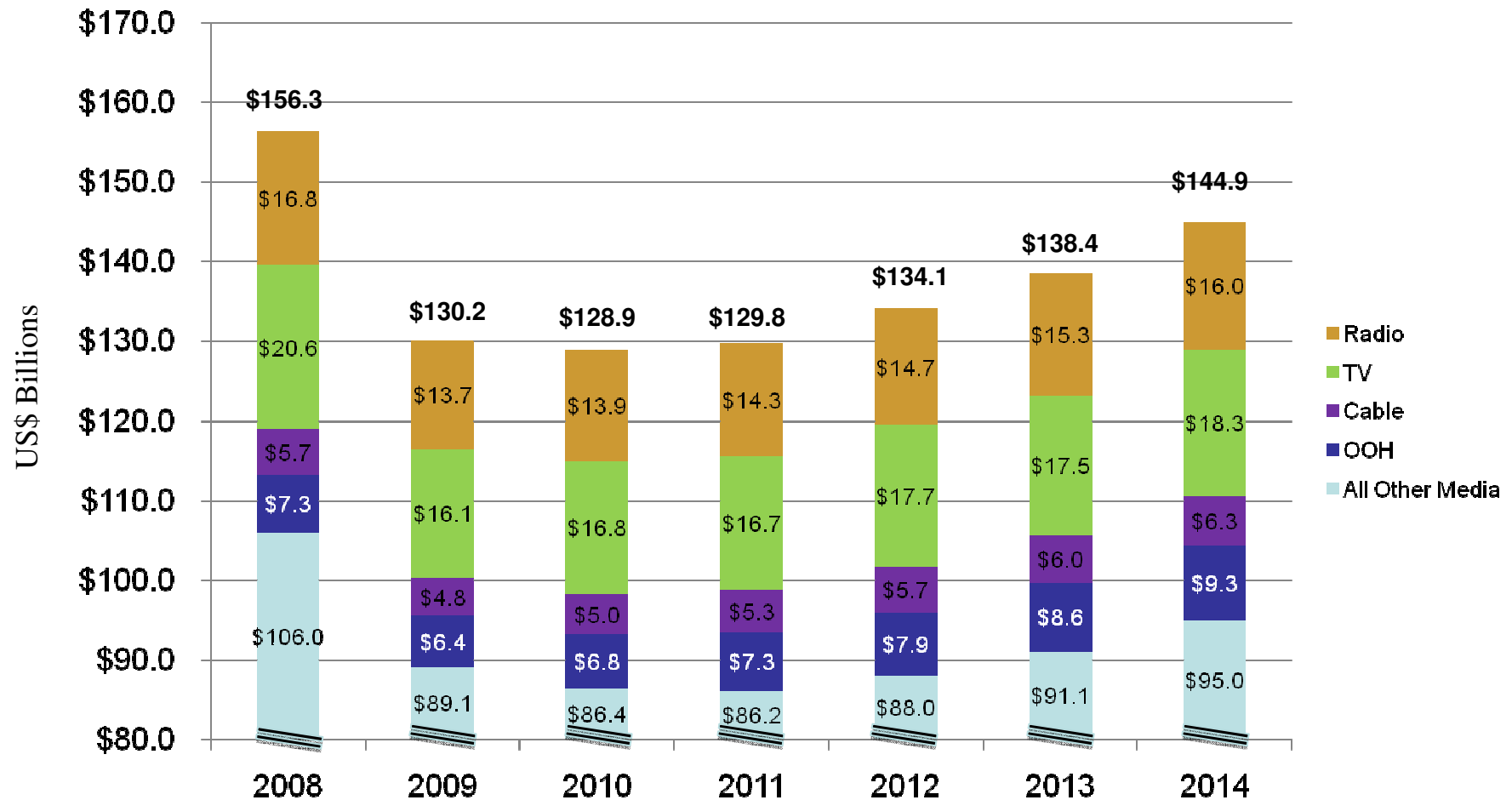
Digital revenues associated with traditional media (e.g., Web sites associated with local TV stations, local radio stations, newspapers and magazines) are included in the revenues for the traditional media. Revenues for Internet Yellow Pages that are associated with print Yellow Pages are included in the overall Yellow Pages media category.

Where is Local Radio and TV Today?

- Audiences and advertisers have made dramatic shifts toward greater use of digital, connected and mobile media platforms
- Major brands are in or facing defaults, share prices are at historical lows, mergers and acquisitions have nearly halted as valuations plummet
- TV stations are reducing or eliminating news
- Growing trend particularly among the younger demos to opt out of cable services in favor of “over the top” video services such as Hulu, Netflix or Veoh



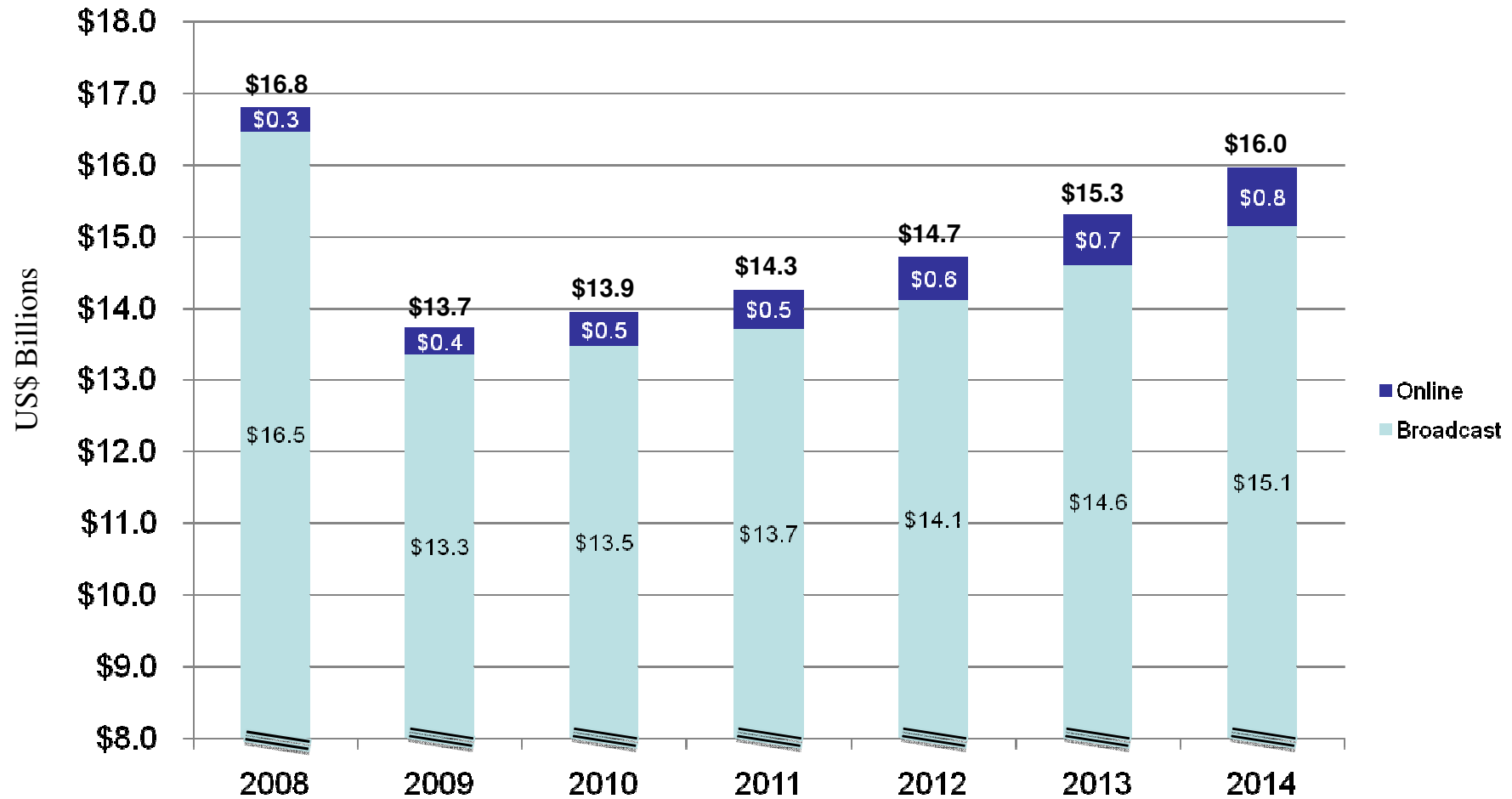
Local Ad Spend: Five-Year Forecast



Digital revenues associated with traditional media (e.g., the Web sites of local TV and radio stations) are included in the revenues for the respective media above.
 Note: Numbers are rounded.

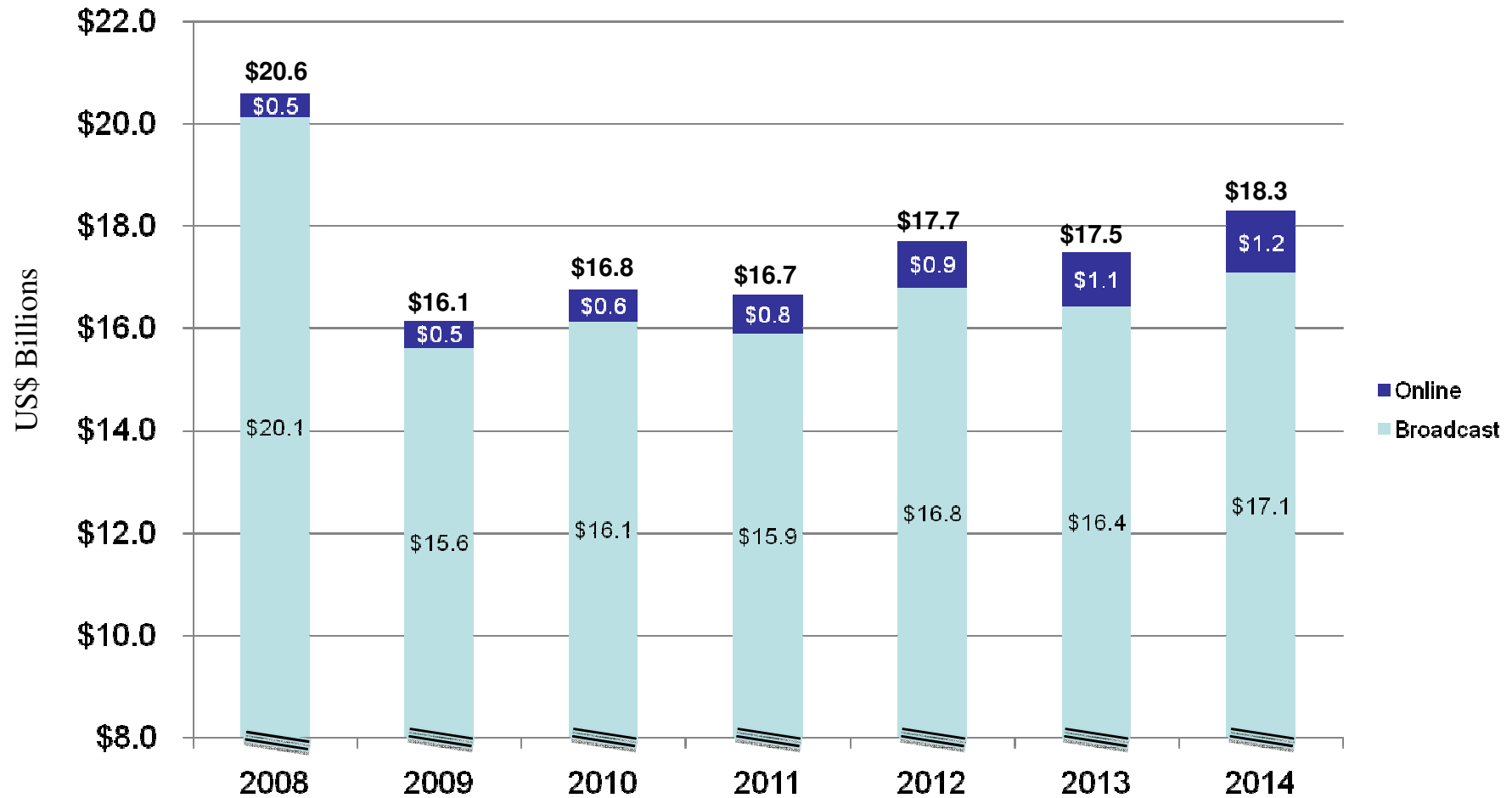
Digital Strategies for Broadcasting 

Radio: Five-Year Forecast



Note: Numbers are rounded.

TV: Five-Year Forecast



Note: Numbers are rounded.

Radio

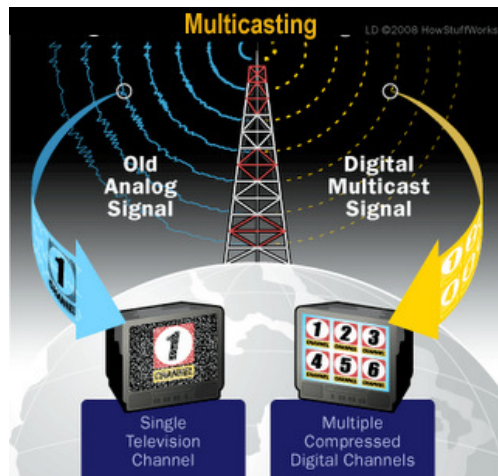
- Given the short turnaround time for placing radio advertisements, any increase in economic activity could quickly lead to some pickup in radio revenues.
- Audiences are generally holding steady with the recent Nielsen radio measurements showing strong listenership levels, even among teens and younger adults.
- Political races will be more competitive than previously thought, and while radio does not get a large share, it should benefit a little from this increased activity in 2010.
- Certain radio groups are “getting it” by expanding into developing their Web sites and positioning themselves as more than just over-the-air broadcasters selling spots.

Television

- TV industry took such a large hit in 2009 that the comparable monthly totals in many markets will be “easier to hit” in 2010.
- We expect political advertising in 2010, 2012 and 2014 to be stronger than originally expected for two key reasons:
 - Political races are apparently more competitive in more states
 - The recent Supreme Court decision removing limits to corporate campaign spending
- Audiences are generally holding steady with the recent Nielsen measurements showing continued viewership, except for NBC affiliates that were losing audiences (to other OTA stations and cable networks) because of Jay Leno.
 - Recent Super Bowl record audience showed potential for big events.

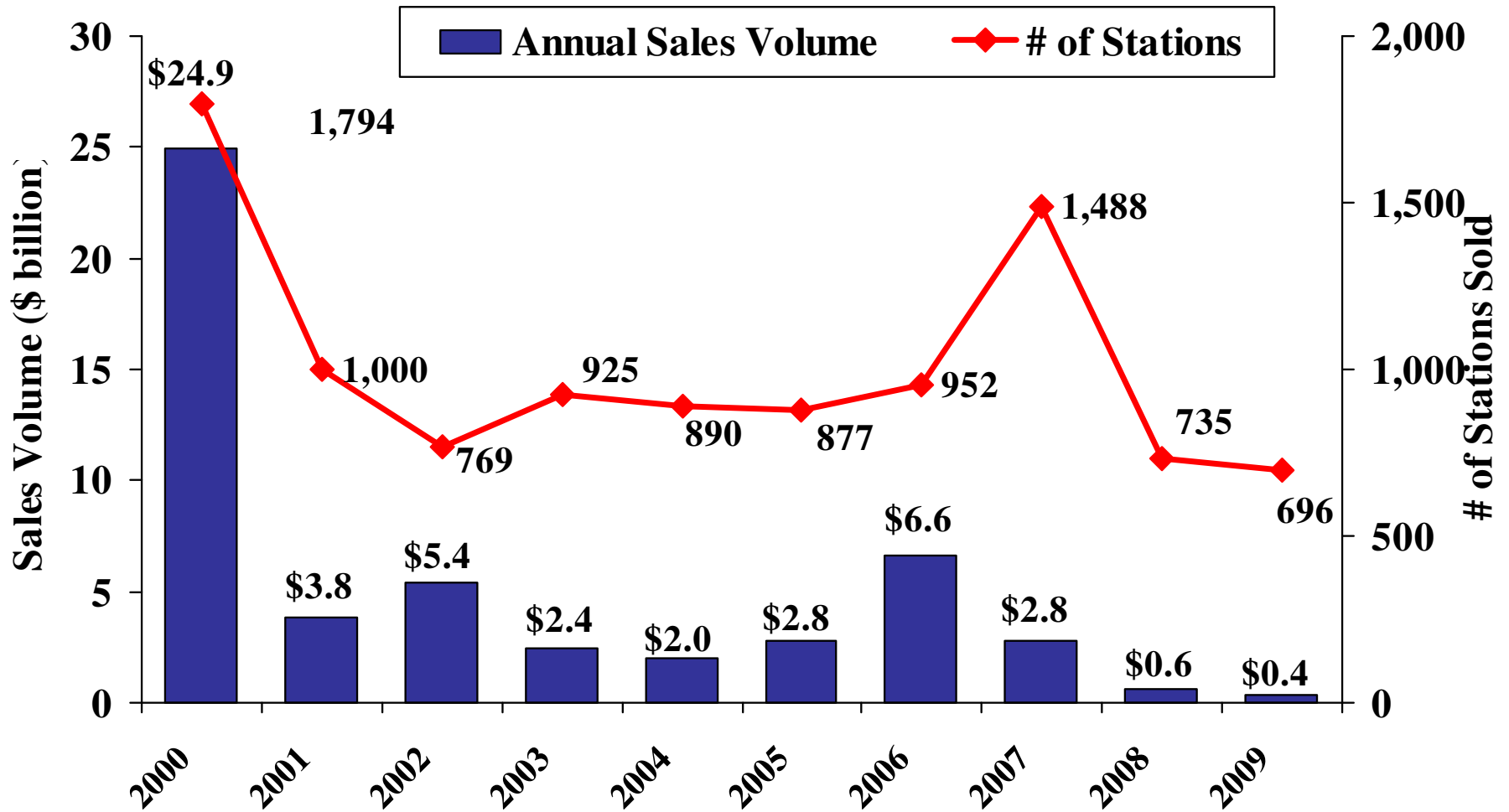
Television

- Multicasting by television stations has exploded, and while these additional programming streams do not necessarily attract huge audiences, there generally is little cost for that programming.



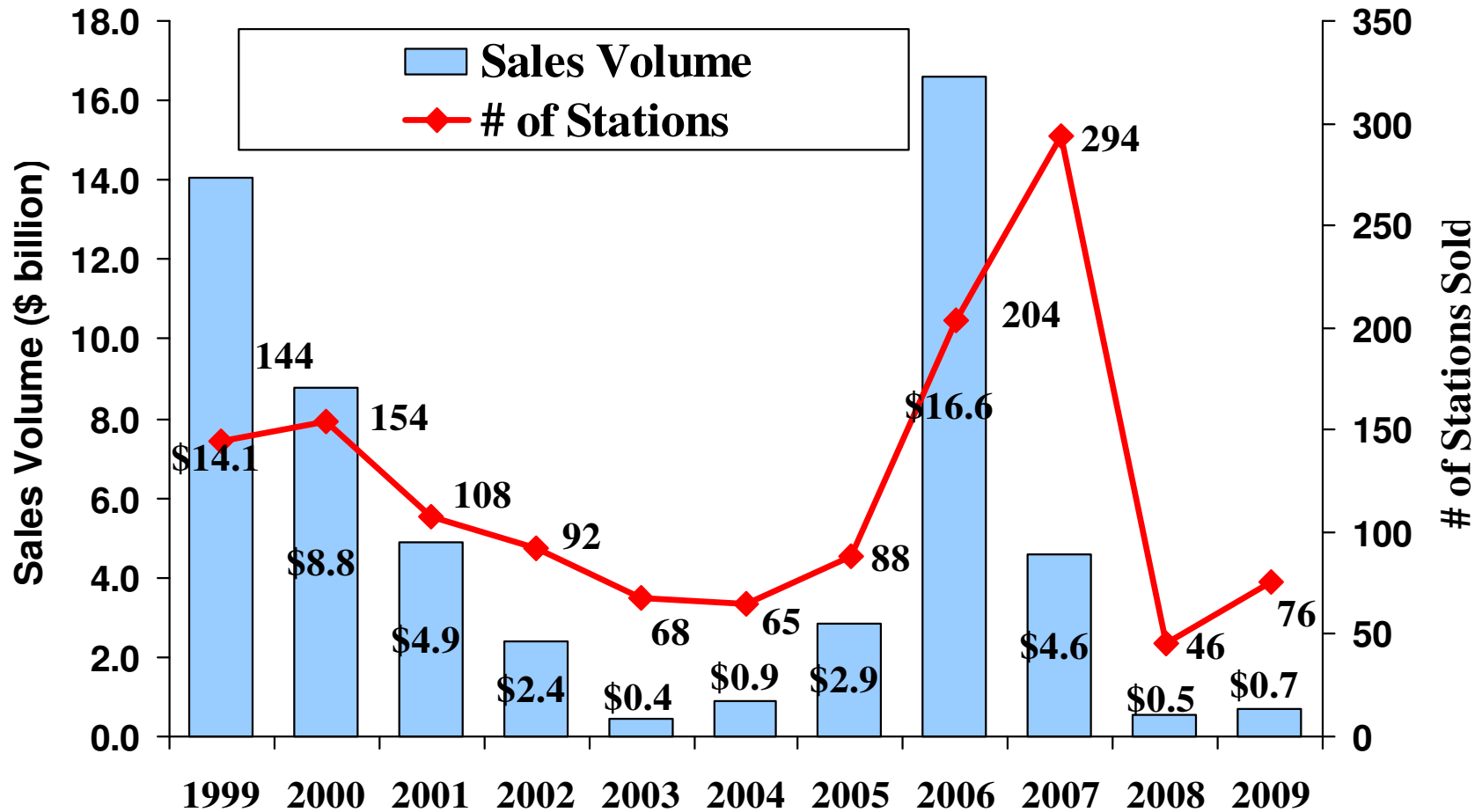
- Mobile service is still in the testing phase, but the potential is strong for attracting audiences and expanding the revenues.

Radio Station Transaction Volume 2000 – 2009



Source: BIAfn's MEDIA Access Pro™

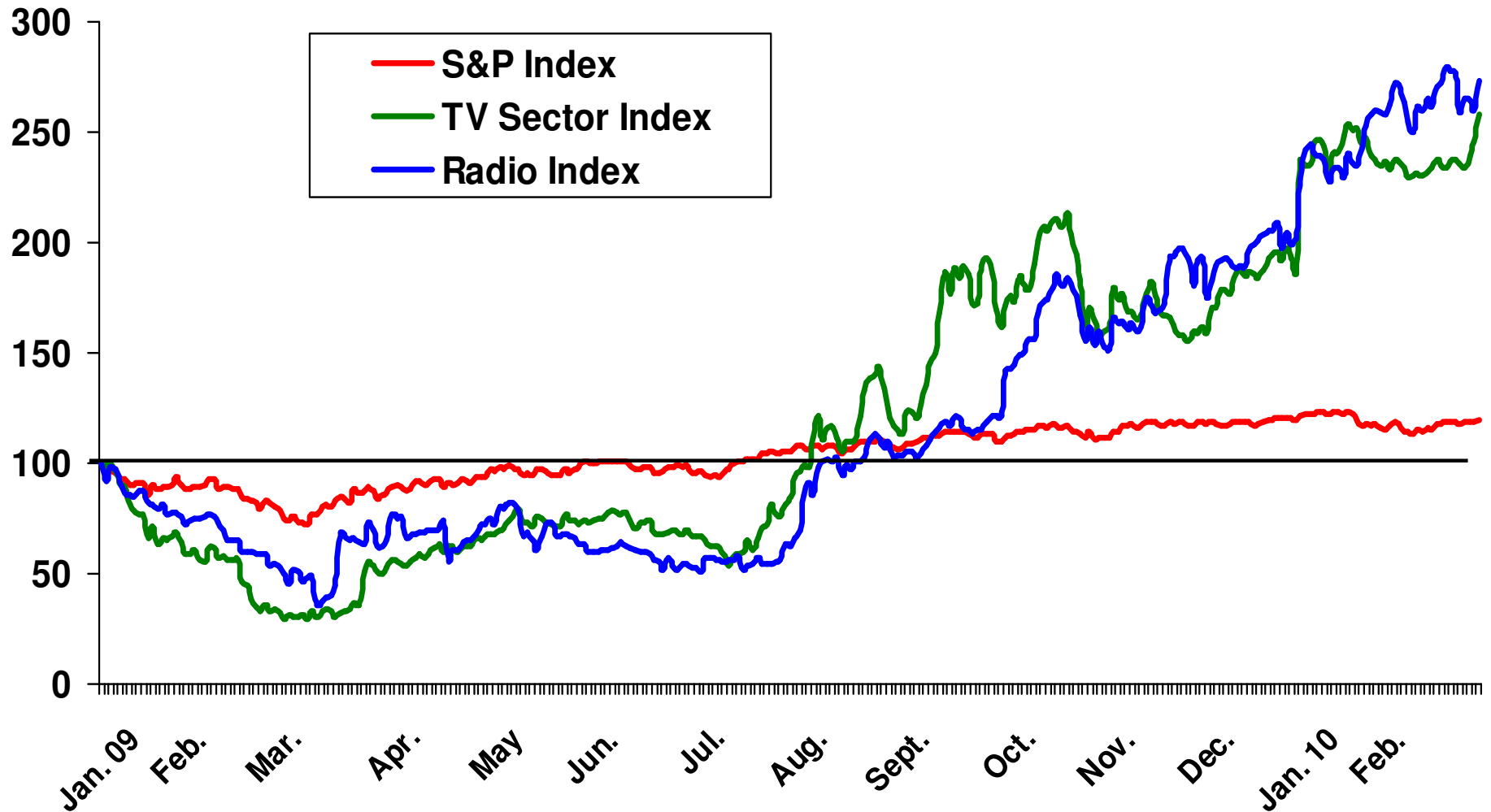
Full-Power Television Station Transaction Volume: 2000 – 2009



Source: BIAfn's MEDIA Access Pro™



TV and Radio Station Public Companies vs. S&P Index



Source: Financial Data provided by Capital IQ

Where does all this leave broadcasters today?

- Local station “digital” job description indicates intense digital focus

EXAMPLES OF DUTIES PERFORMED: This list of duties is not exhaustive, and duties may be added, deleted or changed at any time, without notice.

- Responsible for oversight of digital sales products including but not limited to online and mobile initiatives.
- Develop Internet revenues from both traditional and non-traditional advertisers.
- Strategic implementation and training for all new digital products.
- Work hand-in-hand with the Sales staff in developing strategies to achieve team and individual all online and mobile budgets
- Work with Sales staff to create web based content that is sellable.
- Call on national and local Internet advertising customers to identify opportunities, qualify prospects, and work through the stages of the sales cycle to close accounts.
- Work with Sales Managers and Sales staff to provide web-advertising opportunities for current and future broadcast customers.
- Develop business plan to meet and exceed digital sales goals.
- Perform other duties as needed, and as directed by the General Sales Manager.

How Do Broadcasters and Partners Get There?

- Traditional media outlets must evolve to participate in more areas of the media ecosystem
- This change will require
 - New workflows
 - New/expanded partnerships
 - Refined business models
 - Resources
 - As well as strategy, creativity, market intelligence and competitive assessments
- Introducing →
 - **Digital Strategies for Broadcasting (DSB), a continuous advisory service (CAS) focused on evolving local radio and TV**



**Identifying the Opportunities with
Critical Market Intelligence with
Digital Strategies for Broadcasting (DSB)
*Transforming Local TV and Radio***

BIA/Kelsey's Digital Strategies for Broadcasting

- DSB provides **strategic guidance and market intelligence** on how the changing local media landscape will affect the broadcasting community, its supporting network of vendors and technology providers and its competitors
- DSB assists the broadcasting community and their ecosystem of suppliers and partners:
 - By analyzing and advising about the transition to more sophisticated online and digital media offerings to drive incremental growth from local audiences and advertisers
 - By identifying multiplatform, multiple revenue strategies that result in revenue generation
 - By identifying new partnerships across traditional and non-traditional media boundaries

DSB Client Value

- Local broadcasting and advertiser research
- Insiders' views of what makes a smart local broadcast property acquisition or investment.
- Broad view of converging media to provide creative insights on profitable trends and business opportunities

- Access to top broadcast and digital media analysts
- Valuable networking with top digital media executives from all types of companies in the local media ecosystem
- Comprehensive local media viewpoint across 12 local media advertising platforms

Vital Market Intelligence and Data

- DSB fills market intelligence void for **broadcast companies pursuing digital strategies** and **traditional and new media companies wanting to partner with broadcasters**
- DSB will utilize our proprietary research and data, including:
 - **Local Media Forecast**, BIA/Kelsey's research-backed expert assessment of the future of the industry
 - **Local Commerce Monitor**, an ongoing quantitative research study for understanding and anticipating the attitudes and behaviors of small and medium-sized businesses
 - **User View**, our proprietary user behavior tracking study, which focuses on how U.S. consumers are evolving their use of traditional and digital information sources to find and local local serving businesses
 - **Custom Research**, utilizing our years of collecting financial and ownership data in radio, television and newspaper we offer **historical perspective** and **deep insights** into what is going on in the radio and




What Clients Get with a CAS Subscription

- Annual engagement enables clients to benefit from ongoing and direct access to BIA/Kelsey resources.
 - Client-only access to Advisories which offer analyses, proprietary research, market intelligence, trend analysis, industry news commentary, company profiles, critical management resources
 - Proprietary Research
 - Annual Forecast –ad revenue forecast with additional drill down analyses
 - Financial Analysis and Local Broadcast Forecasts
 - Broad Local Media Viewpoint
 - Local Broadcasting and Advertiser Research
 - Individual and client centric access to media analysts
 - Attendance at the annual DSB Conference
 - Networking in the local interactive media community

Editorial Calendar – Clients Only

- Upcoming content includes:
 - Media Spending by Vertical
 - Over The Top (OTT) Video
 - Building Cross-platform Audiences and Revenues
 - Broadcasters Finding Success in Hyperlocal
 - Radio on Mobile Devices - What Are the Business Models?
- Access via client only website



Digital Strategies for Broadcasting

[BIA/Kelsey's Annual U.S. Local Media Forecast, 2009-2014](#) [2/19/2010]
By Rick Ducey

[Mobile Web Trends: A 40,000-Foot View](#) [2/12/2010]
By Michael Boland

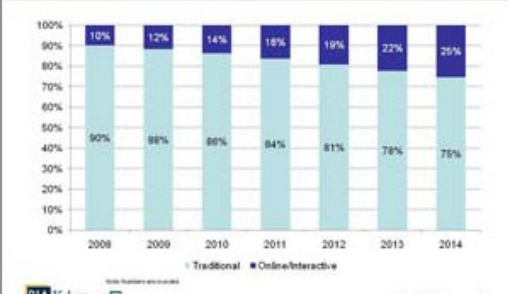
[Digital Strategies for Broadcasting Analyst Picks and Predictions for 2010](#) [1/20/2010]
By Rick Ducey

[Digital Strategies for Broadcasting Archive](#)

[Forecasts](#) | [Archive](#)
[BIA/Kelsey's Annual U.S. Local Media Forecast, 2009-2014](#) [2/19/2010] By Rick Ducey

[Proprietary Research](#) | [Archive](#)
[Webinar Replay](#) | [Archive](#)
[How Can Media Companies Tackle the Mobile Opportunity and Extend Their Brands to the Mobile Market?](#) [8/6/2009] By Michael Boland

Steady Shift Toward Digital Media



Year	Traditional (%)	Online/Interactive (%)
2008	90%	10%
2009	88%	12%
2010	86%	14%
2011	84%	16%
2012	81%	19%
2013	78%	22%
2014	75%	25%

BIA Kelsey



Join us for DSB in May

KEYNOTE SPEAKERS



Colleen Brown
President and CEO
Fisher Communications



Marci Ryvicker
VP, Equity Research
Wachovia Capital Markets



Neal Schore
President and CEO
Triton Media Group



Jeff Smulyan
CEO
Emmis Communications

Lisa Bishop, VP, Internet Operations and New Media, Gray Television Group

Adam Broitman, Partner and Ringleader, Circ.us

Colleen Brown, President and CEO, Fisher Communications

Lynda Clarizio, CEO, Invision Inc.

David Dague, VP of Marketing, Localeze

Thomas Davis, President, Davis Media LLC/The Tide Radio

Michael Goodman, Senior Director, Research and Analytics, Mercury Media

Erik Hellum, President, GapWest Broadcasting

Dave Kennedy, CEO, Flycast

Satbir Khanuja, CEO, Datasphere

John Kuendig, Group President, Ryan Partnership Wilton

Bill Livek, CEO, Rentrak

Sam Matheny, GM, News Over Wireless

Diaz Nesamoney, President and CEO, Jivox

Kerry Oslund, Corporate VP, Digital Media, Schurz Communications

Maribeth Papuga, Executive VP, Director Local Investment and Activation, Mediavest Worldwide

Skip Pizzi, Media Technology Consultant

Tim Reynolds, Director, Interactive Media, Local Media Group, Meredith Corp.

Marci Ryvicker, VP, Equity Research, Wachovia Capital Markets

Neal Schore, President and CEO, Triton Media Group

Jeff Smulyan, CEO, Emmis Communications





- Over-the-top (OTT) video — fad or future? Should stations participate?
- State and direction of HD radio
- Consumer and social trends most affecting the media business
- Staffing in a multi-platform world
- The new DTV networks seeking distribution and the models and programming that are working
- Generate new revenues, old revenues, more revenues
- Credit markets, rising stock prices, impairment and M&A
- Local station valuation trends
- The economy, Internet and a shifting ad pie
- TV “Apps” — how to get yours in the new app stores
- Following the audience: Just how much will mobile grow in the next 12 months? What are the most important platforms right now?
- Emerging technologies affecting broadcasting: home networking, 3D-TV, media DVRs, interactive TV, Internet radio
- The impact of consumer electronics on local broadcasters

Visit <http://www.kelseygroup.com/dsb2010/> for more information. Today’s webinar attendees can attend for special rate. Enter promo code **DSBWebinar** when registering.

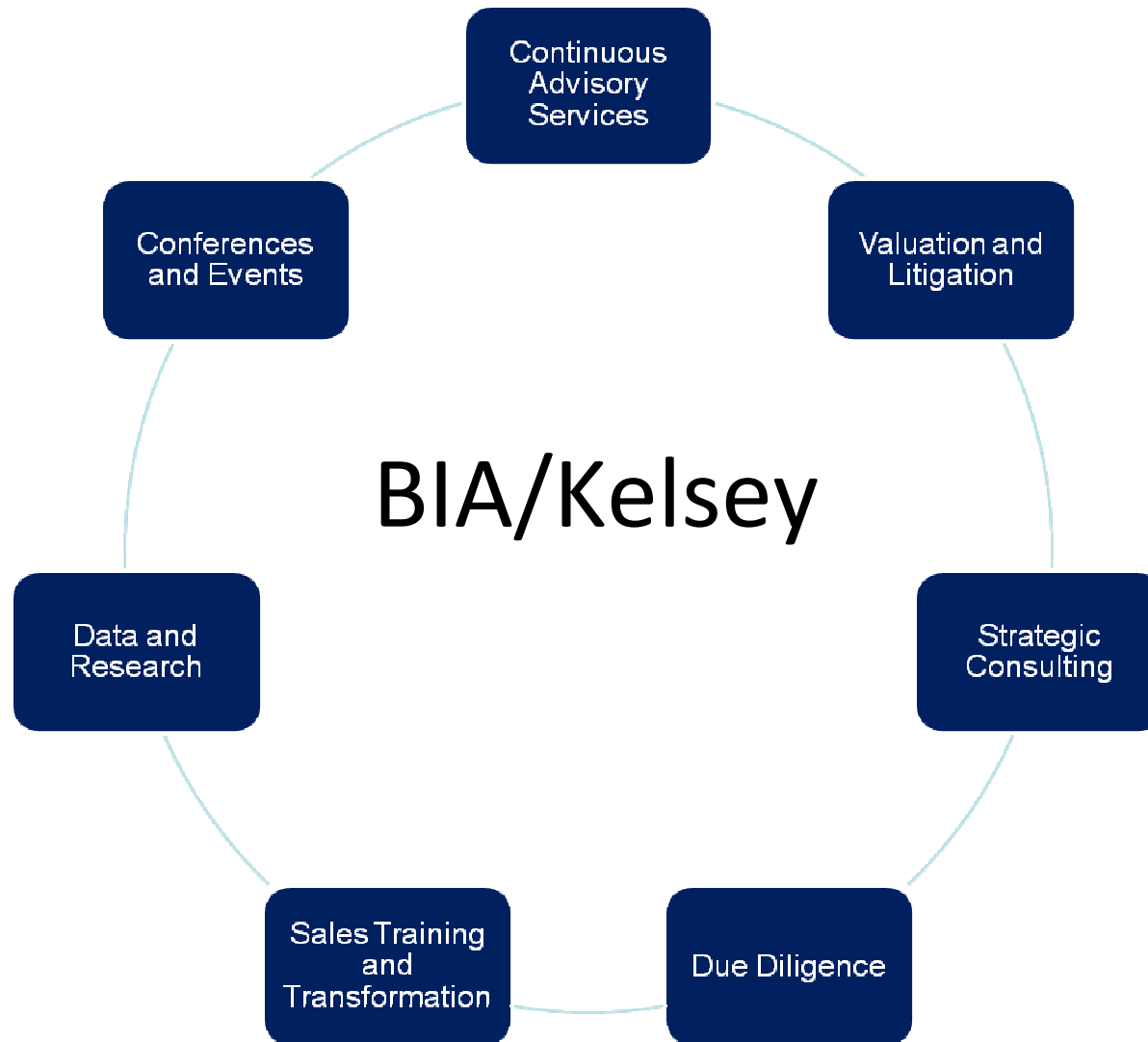
CAS Business Model

- CAS – Continuous Advisory Service?
- Annual engagement that enables clients to benefit from ongoing and direct access to BIA/Kelsey resources
 - Current research
 - Expert analysis of emerging trends
 - Evaluation of quantitative and qualitative data
 - Analyst access
- Value derived through your access to our analysts, recognized and trusted subject matter experts, who will:
 - Guide you in applying relevant data to your business
 - Offer insights regarding your specific business strategy
 - Provide you with introductions to key players that align with your business strategy
 - Offer financial expertise and identify or facilitate funding opportunities

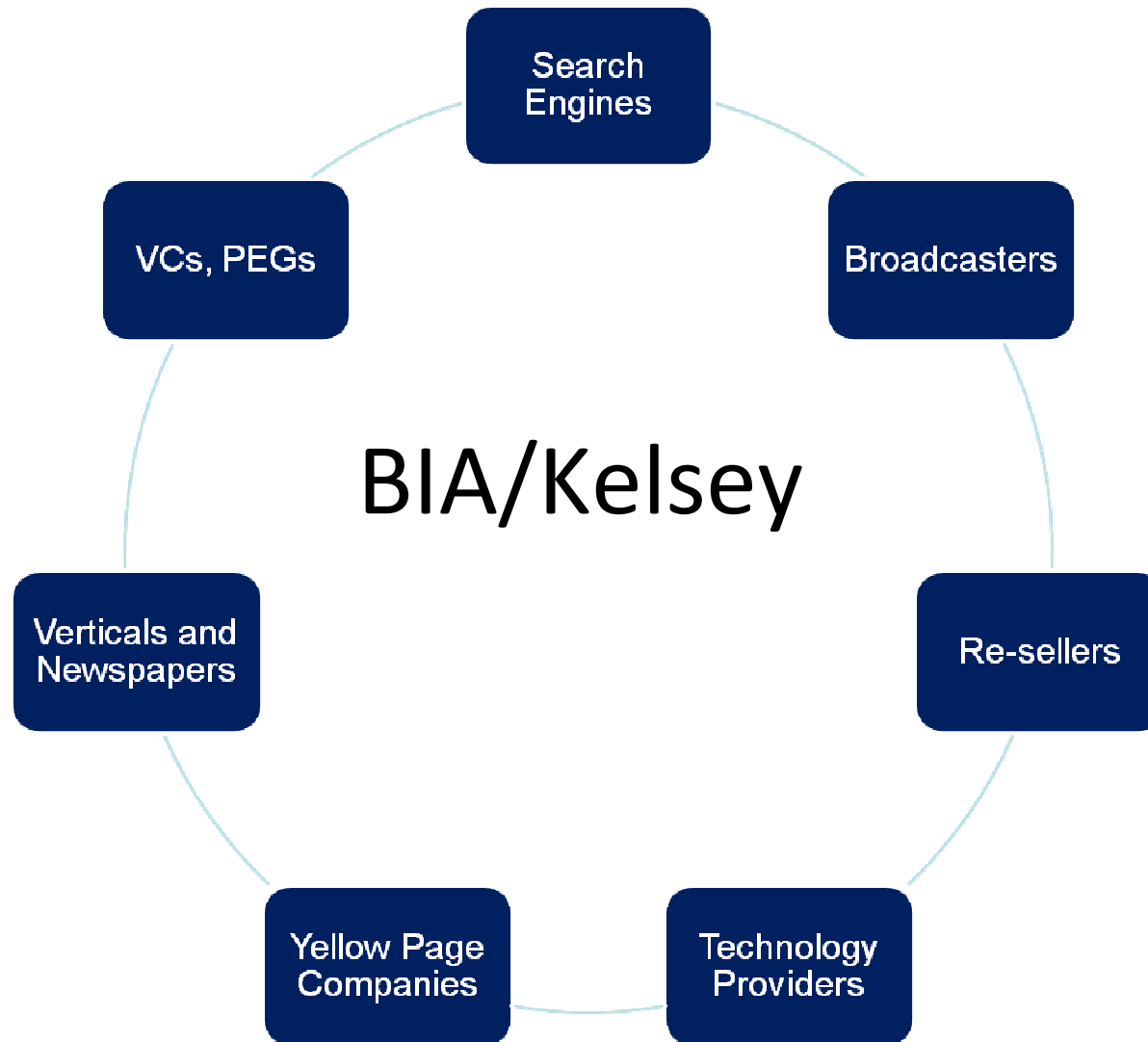
Why Be a BIA/Kelsey Client?

- Extension of a company's strategic staff and planning
- Benchmarking of existing businesses
- Insights regarding your specific business strategy
- Guidance in applying relevant data to your business
- Business and monetization models
- Direct contact with key analysts
- Introductions to key players that align with your business strategy
- **Access to *Proprietary Forecasts and Research***
 - BIA/Kelsey's Annual Forecast: U.S. Local Media
 - BIA/Kelsey's Annual Forecast: Broadcast Media

How BIA/Kelsey Helps Media Companies Navigate the Future



Who BIA/Kelsey Helps to Navigate the Future



Questions and Answers

**Thank you for attending today's event.
We will now take questions from the audience.**

For more information about DSB, please contact: Steve
Passwaiter – **spasswaiter@bia.com**

Digital Strategies for Broadcasting:
<http://www.kelseygroup.com/services/DSB.asp>

Please use the GoToWebinar control panel to submit
questions.

For all other inquiries, please email us at:
webinars@bia.com