



SOUTHERN CALIFORNIA BROADCASTERS ASSOCIATION

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The SCBA Quarterly Market Guidance Report For Q4 2015

The Southern California Broadcasters Association is pleased to publish its **Quarterly Market Guidance Report covering the Southern California region for the fourth quarter of 2015.**

This report is for SCBA member use as well as an ongoing service for clients, advertising agencies, and media buying services that are planning to buy Southern California Radio advertising in **the fourth quarter of 2015**. The report looks primarily at the upcoming quarter and provides critical insight into the regional economy, Radio trends worth noting, competitive trends worth noting, advertising category trends, as well as additional market-driven insight from our member stations' management.

We have added additional Q4 insight into the growing technology sector of Southern California, expanded both our competitive media trends and economic growth by county, and now provide more in-depth analysis of Radio's largest ad categories and their anticipated growth patterns for Q4 2015 and beyond.

The Expanded Southern California Economic Overview

We begin the 2015 fourth quarter report with a deeper look at the region's economy and its impact on advertisers, consumers, and the business environment of Southern California over the next 90 day planning period beginning September 28 through December 31, 2015.

According to the Los Angeles Economic Development Corporation, California added 80,600 jobs in July, the largest growth rate of any state and well ahead of Texas and Florida which each added just over 30,000 jobs. That is a 3.2% increase vs. the national increase of 2.1%. All parts of Southern California added more jobs in yearly terms, the largest growth rate since March 2014.

Furthermore, 236,800 workers have joined the California labor force over the past 12 months.

Southern California's estimated gross domestic product will exceed \$1.3 trillion in 2015, making it the 16th largest economy in the world with Los Angeles County alone ranking 21st with a gross product of \$641 billion.

The economic powerhouse that is Southern California is fertile ground for Radio advertisers looking to grow revenue, build their brands and drive market share.

The following showcases the economic strengths of our major Southern California counties.

LA County: With a population of over 10.3 million, Los Angeles County has more residents than 43 states. Total personal income is expected to grow by 4.6% in 2015 and 5.9% in 2016. Unemployment rates for 2015 will fall to 7.1% and 6.6% by 2016. Housing sales will accelerate to 5% in 2015 with new homes sales over 9% YTD. The median price for a home was \$470,000 and is expected to climb higher in 2016. New, multi-family and rental units are expected to grow substantially in 2015 and again in 2016.

The unemployment rate fell from 9% a year earlier and was down to 6.6% as of June 2015. The county added 107,900 jobs in July, a **2.6% YTD growth rate** and the largest in over one year. Job gains are expected to increase in 2015 in these categories based on 2014 results: Health care and social assistance as the largest growth job category, followed by administrative, waste services and management of companies and enterprises. Other noteworthy gains will include Education, professional, scientific and technical services, and information, which includes motion picture and sound recording. The burgeoning international trade with Asia in 2015 will see heavy investments from both public and private entities and with new trade agreements now in place for numerous industries, the LA region will increase employment and generate new wealth.

Orange County: The unemployment rate in Orange County fell to 4.7% on an annual basis through July 2015, the lowest in Southern California and fourth lowest in the state.

The home of Disneyland, Orange County job growth mirrored LA County with health care, scientific and technical services leading the way in terms of jobs. Orange County's residential real estate market is improving with the stronger regional and national economy. The county is experiencing strong housing permits for new home construction and is projected to grow by a robust 14% in 2015. New master planned communities in Irvine Ranch, Great Park neighborhoods and Rancho Mission Viejo are all reporting strong sales.

Local commercial real estate is also improving. Institutional investors are pushing up sales prices in expectation of rental increases. This all indicates a solid and growing business environment. Tourism is one of Orange County's most important industries. According to the Orange County Visitor and Convention Bureau, over 44 million people visited Orange County in 2014 and spent in excess of \$9.5 billion. Disneyland, Fashion Island and local beaches will continue to attract international visitors, with China and the Middle East being the two largest tourist countries. Leisure and hospitality jobs are projected to increase to 200,000 in 2015.

Health care is a significant part of the Orange County economy. 11% of all wages and salary jobs are in this sector. More than 1 million square feet of new health care-related leases were signed in commercial real estate in 2014-2015. Look for higher paychecks in Orange County in 2015 from health care, high tech, and the growing biomed industries for the highly skilled workers in this sector.

Riverside and San Bernardino Counties: Job growth in the "Inland Empire" grew by 3.9% in July 2015, outperforming the state growth of 3.2%. In 2015, this region has regained all of the jobs it lost during the recession. Notable job growth came from the health care, leisure and hospitality, warehousing, and retail sectors. Another leading employment sector is the goods-movement industry which includes transportation and warehousing along with wholesaling. The industry employed 140,000 workers in this growing segment of Riverside and San Bernardino. Based on huge port activity, this category of jobs will grow by 4.7% in 2015. This region's housing rebound has been remarkable since it was hit the hardest during the housing crisis of 2008. Higher prices per existing homes are expected in Q2 and beyond for this dynamic and growing region.

Ventura County: The unemployment rate in July was down to 5.9%, and has greatly improved over the 7% posted a year ago. Total job growth was 3,100 over a year ago. With 43 miles of coastline and close proximity to one of the largest wine growing regions in the world, Ventura County attracts large numbers of tourists every year. Non-farm employment is projected to grow by nearly 2.0% in 2015. Total personal income is expected to rise by 5.1% in 2015. To underscore this county's growth potential, 1 out of 5 jobs will be in construction in 2015 and beyond.

San Diego County: The San Diego market recovered all of the jobs it had lost during the great recession. Total non-farm jobs will exceed 1.3 million in 2015. With 3.2 million people, San Diego County is the second most populated county in California after Los Angeles County. The projected 2015 unemployment rate will be at its lowest, down to 5.4%, and its best percentage since 2008. San Diego County has a wide and dynamic variety of industries. Ship building and aerospace is a jobs driver with heavy ties to the local defense sector. With traditional defense spending down, other defense projects and related technical jobs have increased. These areas of growth include cyber security, intelligence surveillance, defense related electronics and software, and unmanned aerial systems. Biotechnology and health care jobs are surging, with San Diego County ranked 8th in the U.S. in the total amount of biotechnology venture capital invested. San Diego County added more jobs than any other Southern California county for the past three years. It will grow further in 2015 and beyond as a leader in telecommunications, medical devices, life sciences, and high-tech manufacturing. San Diego County is also investing heavily in its infrastructure that will improve long-term growth prospects, including upgrades to Lindberg Field and border crossing projects. San Diego County is also a popular travel destination which, along with the U.S. Navy and Marine Corps presence, makes this region dynamic and growing.

Notable Regional Economic News:

- Following the **national Retail sales trends for July 2015**, Americans spent more on new cars, clothing, and eating out in July 2015, pushing U.S. retail sales up by 0.6% over the month. Sectors reporting an increase included; Motor Vehicles up 1.4%, furniture/Home furnishings up 0.8%, home improvement centers up 0.7%, gas stations and apparel retailers, both up by 0.4%.
- **More jobs in LA:** The Kyser Center for Economic Research projects an additional 150,000 payroll jobs for the LA region in 2015. It also predicts a 6.6% unemployment rate by 2016, its lowest rate in eight years.
- German discount grocer **Aldi** plans to open 45 stores in Southern California by March 2016. Analysts are predicting an intense and long lasting price war among grocery competitors. Through a family trust, the owners of Aldi's, the Albrecht family, also own Monrovia-based Trader Joe's.
- The City of Los Angeles has won the right to bid on the **2024 Summer Olympic Games**.
- West LA luxury cruise line **Crystal Cruises** is expanding its operations with new ships, new routes, and its own deluxe Boeing 787 Dreamliner aircraft.
- A new W hotel is headed to downtown LA across from the Staples Center and will replace the luxe hotel as part of a \$700 million mixed use development built by China's Shenzhen Hazens Real Estate Group Company. The new development opens in 2019.
- SoCal's **Preferred Bank**, which focuses on Chinese-American businesses, has just acquired United International Bank in Flushing New York.
- **Los Angeles tourism breaks record.** More than 43 million tourists visited the region in 2014, according to City officials with 2015 on pace to exceed 44 million tourists. This will be the fifth year in a row that the region has broken its own tourism record.

- **Pasadena's Caltech ranks as World's Best Research University.** For four years in a row, Caltech was rated the best in the world by The Times Higher Education magazine of Great Britain. UCLA also made the list, coming in 12th.

Southern California Commuter Traffic Congestion Increases (once again)

With 66% of Southern California Radio listenership being done away from home, it's important to note that traffic congestion has grown substantially in our region with the improving economy. According to census data and the Texas Transportation Institute at Texas A&M University, average commuter time spent while driving is on **the increase again**. The institute's new 2015 study shows that motorists in LA and Orange Counties experience **80 hours of delay annually**.

Those 80 hours of delays is almost double the national average of 42 hours.

With the country's second largest traffic congestion, heavy traffic and its inherent Radio listenership trends are on the **increase** in Southern California once again.

SCBA recommends: Please see the highlights of this study created by the SCBA under the Traffic and Commuting tab in the Market Research section entitled; "[Listening to Radio in SoCal's Traffic Jams.](#)"

In addition to all of the growing traffic congestion that is faced in Southern California, there is new concern that traffic will become much worse under the new proposed Mobility Plan 2035, a major effort by the LA City Council to get people to take the bus and/or bike to local neighborhood events.

The Larger View for Broadcast Radio

Q4 2015 begins with very encouraging signs for Broadcast Radio and we begin with listenership:

- Nielsen Audio states that Broadcast Radio has set a new weekly **cume high with 245 million listeners to Radio**. This is the largest weekly cume number for Radio ever recorded.
- A new report from JD Power found 20% of new-vehicle owners said they never used 16 of 33 in-car tech features and nearly 33% indicated they never used in-vehicle apps.
- ZenithOptimedia still projects \$182.5 billion in advertising expenditures for 2015. Of that, Digital spending will rise by 18%, with TV down by 5%, Newspapers down by 8% and Magazines down by 1%. Radio is projected to increase by 1% with Cable up by 3%.
- According to ad buying service Strata, their new quarterly survey of ad agency buyers reveals that **Radio is the media their clients are most interested in**. This is a 2 year high for the survey in terms of Radio interest. The survey also reveals an optimistic outlook for the marketplace overall in terms of advertising budgets for 2016.
- Americans spend an average of **4 hours and 5 minutes a day consuming audio**. A cross-media analysis by Edison Research finds that **more than half (52.1%)** of that time

is spent with over the air AM/FM Radio. 20.3% is spent with owned music, another 11.6% with Internet Radio and Satellite Radio at 7.7% of the daily listening time.

Southern California Radio Industry Growth Trends:

SCBA Recommendation: Please read our latest Media blog post about Radio's real strength: It's called: "[Pushing Back on DERP](#)"

Southern California Radio is in the midst of an impressive 3 year listener growth trend:

According to Nielsen Audio's NRD, Southern California Radio's total weekly cume listenership for Persons 12+, Monday-Sunday from 6:00AM-12Midnight **continues to grow** for Southern California Radio. Over the past 3 years, listenership has been solid and stable. Spring 2012: 14.6 million listeners, Spring 2013: 14.8 million listeners, and Spring 2014: 14.9 million listeners. That's 300,000 more in Radio cume listening in the past three years!

Southern California Radio's growth is even more impressive when one looks at all the varied audio competition that is available to our listeners.

Now let's take a closer look at the steady and impressive growth in Radio listenership for the LA metro alone according to Nielsen Audio, 12+, Monday-Sunday, 6:00-12:00Midnight.

Spring 2012	Spring 2013	Spring 2014	Spring 2015	change 2012 vs. 2015
10,241,500	10,437,900	10,547,800	10,537,000	2.9%
				295,500

The SCBA views this continued listening growth rate for Southern California Radio and the LA metro as further proof that Broadcast Radio remains a **consistently growing and popular medium**. We recommend reviewing the complete Nielsen study, which can be found at <http://images.radcity.net/5335/5167548.pdf>

Southern California Radio's inherent ability to attract new advertisers to the many targeted formats that only Radio can offer is underscored by the July Miller Kaplan Arase reports of new advertisers in the first 7 months of 2015.

Our media's real economic health is revealed in its robust **new business development growth** for YTD July in 2015.

July 2015 YTD:

433 New advertisers totaling \$27,069,617

If Radio's real strength is local, then this impressive new business fact **speaks loudly** about the new partnerships that local and regional businesses have developed with Southern California Radio.

While new business development for Radio advertisers will continue its torrid pace for Q4, as well as achieving its largest cume audience ever, there is still a nagging perception issue regarding the value and strength of Broadcast Radio.

Perception vs. the Reality for Broadcast Radio

"As a marketer, I've always found Radio to be a medium that effectively and efficiently delivers reach over an extended period of time, while driving ROI within the total communications plan," said Mark A Kaline, a former head of media at Ford Motor Company and Kimberly-Clark, who now heads his own consultancy. "But Radio has been too low profile with brands..." Radio needs to be more aggressively marketing their story as the leading mass reach media."

We couldn't agree more!

A recent survey commissioned by the Radio industry had the company, Advertiser Perceptions, survey advertisers and agencies in the U.S. about Radio's audience and that of its digital audio rivals. Conducted from May 11-14, 2015, results from the study of 327 advertising decision-makers underscored **Radio's perception problem versus the reality of Radio's reach**.

Advertisers surveyed estimated that 64% of Americans are reached by AM/FM Radio. Nielsen clearly shows that Radio's actual reach is **93%**. Another perception issue rose when advertising executives were asked about the share of audio time spent with Radio and streaming music services. They perceived the time spent with Pandora and Spotify to be the same as AM/FM Radio. However, the reality is that AM/FM Radio's share of audio time is **9 times greater** than Pandora and **17 times greater** than Spotify, according to Edison Research's Share of Ear study.

Adding even more to the misconception of Radio, those surveyed said they believed that Pandora and Spotify reach 27% and 20% of Americans, respectively. The reality is that Pandora's reach is only 15% of Americans and Spotify even less at 5%, all according to the Edison study.

SCBA Recommendation: If your team or client (s) would like a no obligation consultation on the real facts and value of Broadcast Radio, please contact the SCBA to arrange a meeting. Please contact tcallahan@scba.com for more information or visit us at www.scba.com.

An informed client is in everyone's best interest. Please get the facts about Southern California Radio at www.scba.com today.

Southern California Radio Category Trends and Data

The SCBA follows a number of key advertising categories and industries, supplementing that data with both local Radio management input and client feedback to offer the following overview of the region's advertisers and how it may affect advertising decisions regarding Southern California Radio and its digital platforms. We offer this overview of the Radio advertising climate

for Q4 2015 by comparing Q4 2014 activity with market Intel for Q4 2015 observations and beyond by category and current economic conditions.

The SCBA is providing a special focus on the automotive category in this report which includes auto dealers, dealer groups, and the manufacturers. Early indicators suggest an equally strong Q4 2015 as was Q4 2014 for both SoCal dealers and groups. Comparing Q4 2014 expenditures, with a record 34 new models being introduced in 2015, continued low interest rates for financing, attractive year end lease offers, and seasonally lower gas prices, we look to a 5.4% growth rate for Q4 2015.

Within the next 75 days, all new vehicle models will be competing for Southern California new vehicle buyers and the competition in Radio's largest category will be intense among manufacturers and their dealers. The new critically important new models include:

- Chevrolet Malibu and Cruze - Its new flagship mid-size and compact models must succeed for Chevy in the coming 6-9 months.
- Jeep Compass Replacement - will compete directly with Ford's Escape for 2015-2016.
- Ford GT - New style cues for the new Ford super car. Look for new technology and lightweight materials in this soon to be heavily promoted sports car.
- Honda Civic - A new model that represents improved market share is vital to Honda.
- Nissan Altima - The Altima mid-size has been one of the best sellers in the USA. Lots of pressure with a brand new model debuting 10/1.
- New Toyota Prius - The best-selling Hybrid in the world must maintain its lead as stronger competition also coming from Chevy Volt, all electric Nissan Leaf and BMW i3.
- Lincoln Continental - is all new for 2016; it aims to target Audi A6, BMW 5 series, and Cadillac CTS.
- Mercedes-Benz E-class - The E-class luxury sedan will showcase Mercedes' latest safety and driver assistance systems. The first almost fully autonomous vehicle yet made by a manufacturer.

SCBA Recommendation: For automotive clients and dealer groups that are heavily invested in TV over Radio, we urge you to meet with us to discuss our **SCBA Auto Focus Report**, which is an in-depth review of current TV to Radio ad spending by dealership and/or association for Southern California. The trend lines of Radio's growth vs. local TV's viewership erosion are compelling data that need your immediate attention for current and future spending levels. To read the full SCBA White Paper study and its findings, which should bring more value and consideration for SoCal Radio, please visit us at <http://www.scba.com/Article.asp?id=2819766> under the report entitled "Traditional Appointment Television's Technology and Viewership Crisis."

The SCBA has analyzed the following key advertiser segments and projects potential spending trends for Q4 2015 from these categories for Southern California Radio:

- The **Financial Services** category has shown impressive growth of 50.3% from July 2014 to July 2015. We expect this hot category to continue well into Q4 with another 25% increase.
- After many months of industry turmoil over 2 year consumer plans, the **communications/cellular category** has rebounded nicely on a July basis, rising by 7.2%. With the release of the new iPhone 6S, we see an even stronger competitive battle for new customers among the big cellular carriers in Q4 of at least 10% growth.

- **Insurance Companies** maintained a solid 10% July increase in Radio spending and we see that pace continuing into Q4 driven by increased home buying and apartment rentals as well as the burgeoning auto coverage sector of this business. Insurers looking to expand market share in SoCal continue to offer new services in a wider variety of categories and target groups. In addition to the traditional coverage of home, auto, and life insurance, these companies are targeting renter insurance, ACA open enrollment, Covered California participants, Medicare Part B & D candidates, and long term health coverage, as well as a full list of options that will need exposure and more advertising for Q4. We see a big Q4 in insurance spending for Radio with a **20% increase** projected.
- **Professional Services** which consist largely of attorney services has been a consistent and reliable growth category with an 11.7% growth rate in July. With holiday travel and accidents higher in Q4, we see this rate increasing to 16% in Q4.
- **Restaurants** gained on a July growth rate of 6.4%. With heavy Q4 dining habits continuing from 2014, this category should expand by 10% in Q4.
- **Home Improvement** advertisers increased their Radio budgets by **9.0% for July 2015**. With SoCal's continued tight housing inventory and affordability issues, home owners are staying put and are looking to enhance their homes rather than sell. We see that national and regional trend continuing well into Q4 and beyond. Projecting a conservative 15% **increase for Q4 2015**.
- **The Foods** category which includes new consumer offerings grew by 46.2% on a July basis. With more holiday and family dining events planned for Q4, we see this category continuing its growth at 46% for Q4.
- **Casinos/Lotteries** remained a favorite Radio buying category with a 19.7% July growth factor. The SoCal casinos competitive environment keeps getting more intense with weekend packages and added entertainment features adding to its attendance overall. We see holiday spending and year end celebration packages increasing to 25% for Q4.
- Seasonally adjusted lower spending came from the **Education sector**, down 17.8% in July. However, the busy fall and January MBA programs and continuing education enrollment from our regional schools and colleges should bounce back for Q4 with a 15% increase for 2015.
- The same can be said for the **Television/Networks/Cable Providers** category which also slipped by 57.9% from July 2014. Massive changing viewership habits and a move away from appointment Television and home cable makes the future of this category and the TV industry in general, somewhat difficult to project positive growth at this time.
- **With over 17.5 million registered vehicles in Southern California, the auto parts and service category** remains a solid Radio advertiser segment. With a 20.9% growth rate in July, we see this growth rate growing to 25% in Q4 as more vehicle owners hold on to their cars and trucks longer.

- If there is a particular industry not listed that you would like additional insight on, please contact us at tcallahan@scba.com

Radio Trends worth Watching

- In its latest White Paper, the SCBA reveals independent research about Broadcast Radio's awareness and retention among consumers and the substantial advantage it holds over digital and social media. See the complete paper at <http://www.scba.com/Article.asp?id=2819766> under "**Consumer Response to Broadcast Radio Commercials vs. Digital and Social Media.**"
- Radio's massive reach recorded an all-time high of 245 million listeners, making it a larger reach media than television.
- With 2 hours and 44 minutes of daily usage, **Radio remained** the second most used medium tracked by Nielsen. Broadcast Radio outperforms Smartphones, Internet access from a computer, time-shifted TV, game consoles, DVD/Blu-ray devices, and multimedia devices.
- According to a report from Millennial Media and ComScore Research, **79% of streaming Radio listening now takes place on Smartphones**, 16% on tablets and 5% on desktops and laptops.
- Radio content is now everywhere; in the car, on mobile phones, and all on a 24/7 anywhere-our-listeners-go basis.
- **Southern California Radio's weekly reach** of Persons 12+ is larger than any other media including TV, Newspaper, Facebook, Twitter, Pandora, Sirius/XM **and** all other media outlets in our region.
- Please visit us at www.scba.com for updated Radio research information on a variety of categories, latest trends, and an updated "Value of Radio" overview.

Competitive Media Trends worth Watching

- According to Nielsen's Q3 2015 media report, total year over year TV viewership, which includes LIVE TV and time-shifting, **fell substantially by 4%** in Q3, twice as fast as the 2nd quarter's 2% decline. The falloff was especially severe among young adults 18-49.
- TV's erosion is also attributed to the proliferation of streaming TV devices as well as the growth of DVRs and online streaming competition from Netflix, Google, and **now** Amazon.
- Please visit us at <http://scba.com/Article.asp?id=2819766> for more on TV's erosion from our recently published SCBA White paper entitled "**Traditional Appointment Television's Technology and Viewership Erosion Crisis.**"

- **Pandora and other new media reaching limits to growth.** They were the all-digital, online media darlings – that being Pandora and Twitter. Pandora stock is down 54% (28% decline through July 2015) and Twitter stock value has eroded by 56% by end of January 2015. Why? The short answer is investors see both companies with much lower audience potential than earlier in 2015.

The SCBA Urges Caution regarding non-Radio Digital Advertising

While Radio has always welcomed competition from other media, the growing trend of some advertisers to spend their budgets in non-Radio digital platforms is, from our perspective, very concerning. In our “**Thought Leaders**” media post, the SCBA urges caution for any advertiser investing in digital platforms based on misleading gross impressions. The reality of deceptive digital advertising today and exactly who or what is seeing or hearing digital ads is highly questionable. We strongly recommend that advertisers read our post, “A Responsibility to the Truth” at www.scba.com before investing in search engines, third party networks, mobile ad networks, and/or websites that are misleading and dishonest. Please click the link below.
<http://scbaradio.com/2014/07/01/a-responsibility-to-the-truth/>

Also, please read the latest article on **fraudulent digital ad clicks** from the NY Times below:

<http://www.nytimes.com/2014/12/10/business/media/study-puts-a-price-tag-on-digital-ad-click-fraud-.html?smid=nytcore-ipad-share&smprod=nytcore-ipad>

The SCBA's focus on technology as a new Radio advertising category is expanding with this report. Research and recent activity now indicates that new apps, new tech based services, and a large number of startups in Southern California have begun to consider Southern California Radio to garner market share and brand awareness for their new consumer on-demand services.

- **Los Angeles has more high-tech jobs than any other metro region in the country,** including Silicon Valley, according to the Los Angeles Economic Development Corp.
- **LA County employed 368,500** people in its high tech sector in 2014, defined as businesses with a large proportion of technology oriented jobs.
- **Hubbard Radio** takes a 30% stake in PodcastOne of Beverly Hills just as E.W. Scripps bought Hollywood podcasting network Midroll Media. Despite a few breakout hits, podcast audiences remain small and slow-growing. 17% of Americans listening to Podcasts since January, according to Edison Research.
- LA based **Snapchat** is seeking a new round of funding which would value the company at as much as \$19 billion, making it the 3rd most valuable venture backed company in the world. Saudi Arabia to become a key investor. Snapchat will also be including live sports broadcasts in its app, starting with the NCAA Basketball tournament in late March.
- **BeMyDD**, an online and phone service that lets its customers request designated drivers to take them home, has just moved to Beverly Hills from Cleveland.

- **ParkMe**, which provides real-time parking information through its mobile app, has expanded service to Venice and Hollywood.
- **Nielsen will now measure Netflix.** Nielsen will begin measuring the viewership of Netflix, Amazon Prime, and other streaming video providers. Audience measurement will begin in January 2016.
- **Research confirms that Netflix** and others are upending the TV business model. The steady rise in online streaming is causing the rapid deterioration of traditional TV audiences and related ad revenue. Netflix, Hulu, Google TV, Amazon TV and others are greatly reshaping how people watch TV, as well as the broader economics of the TV business. In December 2014, WPP's GroupM advertising firm released a forecast predicting that traditional Television's share of the total ad market would fall for the first time in 2015. Todd Juenger, a media analyst with Bernstein Research said, "The ratings have just disappeared. You have audiences leaving ad-supported Television for non-ad-supported Television, and I don't think they will be coming back."

- **New SCBA Service for clients and agencies:**

In Q1 2016, the SCBA will introduce a **new service** for clients and ad agencies in Southern California who would like to learn more about Broadcast Radio and its varied digital platforms. Our new seminar is designed as a Primer to Southern California Radio for new media staffers including creative teams, media planners, buyers, and clients who may be new to the advertising business and would like to learn more in a "non-selling" environment.

The seminar is entitled, "**Understanding Broadcast Radio in 2016 and beyond.**" Dates and locations for the seminar will be announced shortly. For more information, please contact tcallahan@scba.com.

- **The SCBA/Nielsen Audio Radio Research Event** which was held on October 30, 2014, was Nielsen's groundbreaking new research on Radio's powerful Return on Investment for Radio advertisers. If you would like to learn more about this new definitive research and would like to discuss any of the research presented, please contact us at tcallahan@scba.com for details.

SCBA Market Guidance for the Fourth Quarter of 2015

We are projecting Q4 Southern California Radio advertising activity to be very active in the categories documented in this report as well as the noteworthy new business development pace for our SCBA member stations. While caution is still the prevailing mood with some client categories, others will continue enjoying record months through the important Q4 consumer period.

If building your brand and increasing sales and market share are crucial in your marketing plans, we urge you to contact us at tcallahan@scba.com to learn more about the ubiquitous reach and commercial environment your message will be heard in as only the value of Radio advertising can consistently deliver.

If you have any questions about the **SCBA Quarterly Market Guidance Report** for the fourth quarter, or if you would like to schedule an in-depth discussion about your advertising plans

using Southern California Radio and its many business solutions for Q4 and beyond, please contact us directly at [323-930-5597](tel:323-930-5597) or at tcallahan@scba.com.

For Advertisers, the media landscape can be a confusing and contradictory world. The SCBA is here to clearly and factually describe the value of Broadcast Radio and its considerable digital platforms, all of which are extensions of its core brands.

We look forward to providing our clients and agencies with any additional pertinent information as needed in your decision making process.

Sincerely,

Thom Callahan
President
Southern California Broadcasters Association
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Los Angeles, California

September 9, 2015

Sources:

NY Times, LA Times, LA Business Journal, Nielsen Audio, LAEDC, Comscore Research, Los Angeles Board of Tourism, The Wall Street Journal, Miller Kaplan Arase, LLC, Employment Development Department of Southern California, UCLA Anderson Forecast, Inside Radio, Automotive News, CNN, The Department of Transportation. Scarborough Data, SCBA Member Stations, California Association of Realtors. Kyser Center for Economic Research. Bloomberg News.