

**2017  
UPDATE**

# **BENCHMARKING LOCAL MEDIA'S DIGITAL REVENUES**

**EXECUTIVE SUMMARY VERSION**



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**ANNUAL  
BENCHMARKING  
REPORT FOR  
NEWSPAPERS, RADIO,  
TV, CABLE, YELLOW  
PAGES AND INTERNET  
PUREPLAY COMPANIES,  
INCLUDING LOCAL  
ADDRESSABLE DIGITAL  
AD MARKET ESTIMATES  
FOR ALL 513 U.S.  
DIGITAL MARKETING  
REGIONS (DMRS)**

**PRICE: \$995**



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## BACKGROUND AND METHODOLOGY

1,029  
dailies

751  
weeklies

884  
TV stations

3,359  
radio stations

2,608  
yellow page  
directories

182  
cable systems

1,890  
internet  
pureplay sites

85  
other entities

This is our 15<sup>th</sup> year publishing an annual report that sizes and analyzes digital revenue at local online operations. The analysis in this report is derived from four principal information sources:

- 1. MEDIA COMPANY AD REVENUE:** Our database of ad revenue and expenses for 10,788 local online operations in the U.S. and Canada. These entities include 1,029 daily newspapers and 751 weeklies; 884 local TV stations; 800+ radio market clusters encompassing 3,359 local radio stations; 2,608 yellow page directories; 182 local cable systems; 1,890 local internet pureplay sites; and 85 other local entities.<sup>1</sup> We solicit participation by telephone and email and supplement information with additional phone or email interviews. Participation is confidential, voluntary and without incentives.
- 2. LOCAL BUSINESS AD SPENDING:** Our database of local advertising expenditures for every U.S. Digital Marketing Region (DMR).<sup>2</sup> A list of DMR expenditure forecasts for 2017 appears in Appendix A, and a description of the methodology used to compile this data can be found in About Us and at [www.adspending.com](http://www.adspending.com).
- 3. ONGOING SURVEYS OF LOCAL ADVERTISERS:** Our monthly surveys of our panel of 1,000 local advertisers and an annual survey of approximately 7,000 local advertisers, the largest SMB survey in the nation. Details can be found at [www.borrellassociates.com/surveys](http://www.borrellassociates.com/surveys).
- 4. SEC DOCUMENTS AND COMPANY STATEMENTS:** Information culled from Securities and Exchange Commission (SEC) documents, public presentations and analyst calls, and other statements and disclosures made by media, marketing and advertising companies.

By combining this information with Borrell's local ad-spending data estimates for each market (the methodology for which can be seen at [adspending.com](http://adspending.com)), we are able to assess the competition among TV, newspaper, radio, cable, yellow pages and pureplay internet companies for local online advertising dollars.

<sup>1</sup>Not all entities are included in some analyses. Charts and tables display the "n = xxx" designation, whereby "xxx" refers to the number of entities included in that particular analysis.

<sup>2</sup>DMRs refer to a multi-county region where local advertisers tend to confine their digital advertising expenditures. There are 513 DMRs. For more information, visit [www.borrellassociates.com/dmr](http://www.borrellassociates.com/dmr).

## EXECUTIVE SUMMARY

This report represents our annual inventory of local media companies' digital revenue. We've been measuring the growth for 15 years and have witnessed a fascinating evolution. In more stable times (pre-2008), digital ventures were considered little more than revenue-producing R&D sidelines that rarely got mentioned in financial filings or presentations. Today, they're showcased as proof of a company's survival skills in a multi platform media world.

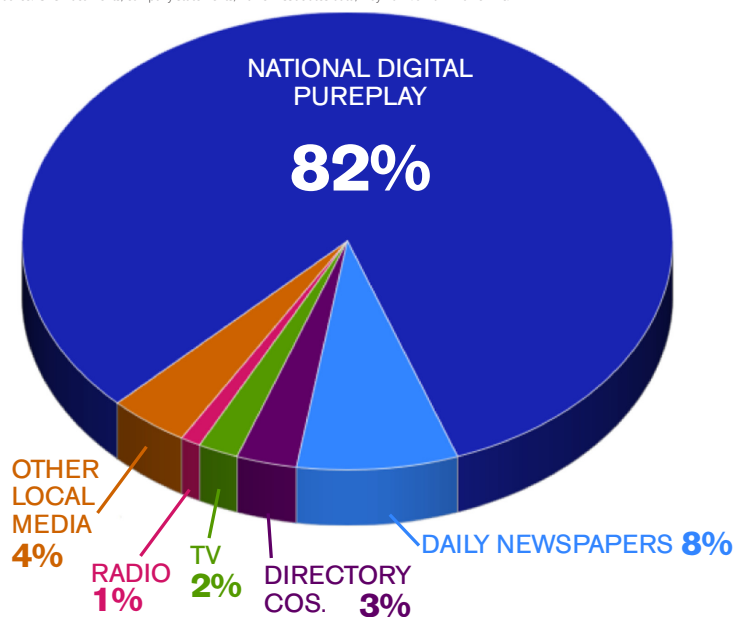
The biggest change we've noticed, particularly this past year, is control of digital dollars. When we conducted our first assessment in 2002, local media companies accounted for 75% of all the digital advertising sold in local markets. It was mostly just banner advertising on newspaper and TV websites. Today, it's 18%. Fortunes have reversed, with search and social media advertising sold directly by pureplay internet companies accounting for 82% of all locally spent digital advertising. Google and Facebook alone account for 77%.

Local media's 18%, however, represents a not-too-shabby \$12 billion. It's become an important revenue stream for many community-based media companies, especially those in the directory and newspaper businesses.

This year's assessment shows print media at the top of the list in terms of transition, getting one-fourth or more of their ad revenue from digital sales. The Washington Post tops the list with 79%, and several directory companies getting roughly half their ad revenue from digital. For the first time, we're publishing estimates for local media's "Local Addressable Digital Ad Market" across each U.S. market. These figures utilize a database of digital revenues for more than 10,000 local media entities to gauge what's available – out of the reach of Google, Facebook, and others – to community-based media companies plying their markets for digital dollars. In so doing, we also found something remarkable: While the average share any one company might get of those addressable dollars is 3%, there's typically a dominant player in a market that gets, on average, 18% of what's available. One is getting 53% of all available dollars.

### WHO GETS WHAT: HOW DIGITAL AD REVENUE IS SHARED

Source: SEC Documents, company statements, Borrell Associates data; May 2017. © 2017 Borrell Inc.



This report tracks the progress of media companies and offers detailed benchmarking by type of media (daily and weekly newspapers, TV and radio stations, cable systems, and yellow page directories). An appendix lists Local Addressable Digital Ad Market estimates for digital advertising in 513 U.S. Digital Marketing Regions (DMRs).

## INTERESTED IN SEEING MORE?

You can buy this report on our website, or you can subscribe today and get instant access to it and to all our previous and upcoming reports. We publish insights throughout the year, offering unique research and insights on local advertising. Each report comes with access to a 30-minute interactive webinar with the principal author. Select from a subscription plan below.

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	 Save at least \$100 per person for groups of four or more	 Save at least \$150 per person for groups of four or more	 Save at least \$200 per person for groups of four or more
<b>\$3,150</b> / year	<b>\$4,750</b> / year	<b>\$6,300</b> / year	<b>\$7,900</b> / year

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