

THE STATE OF THE MARKET

NYMIRAD
NEW YORK MARKET RADIO



INTRODUCTION

2018 marked an exciting era for Radio. Audio is even more accessible; there are now multiple devices and platforms which engage the 16.5 million broadcast Radio listeners in the New York Metropolitan area.¹ As technology, trends, and the industry landscape are transforming at a rapid rate; it is pertinent to stay abreast with these changes.

New York Market Radio (NYMRAD) commissioned Provoke Insights to write The State of the Market Quarterly Guidance Report. The Q4 edition covers the New York region from October to December 2018. This quarter, the report will emphasize the Technology, Healthcare (includes health, healthcare, and fitness), and Arts & Entertainment sectors.

NEW YORK CITY'S ECONOMY

New York City's economy thrived in 2018. Private sector jobs in New York City hit a record high, and unemployment was at a historic low. The boom is expected to continue in 2019 due to high consumer confidence, corporate tax cuts, and the rollback of regulations.²

Employment Growth

In December 2018, the private sector grew by 1.8% (71,000 jobs) in New York City. The over-the-year growth rate for the private sector was above the over-the-year growth rate for the state (+1.5%). The unemployment rate remained low (4%) in December 2018, which is unchanged from November 2017.³

Over the 12 months, seven sectors added a significant number of jobs, while only two industries lost jobs. Jobs with the most significant growth were Education & Health Services, Leisure & Hospitality, and Professional & Business Services. Finance and Information were the two sectors that lost jobs over the last year (-1,000 and -2,100, respectively).⁴

¹ "Radio Market Survey Population, Rankings, & Information", Fall 2018. <https://www.nielsen.com/content/dam/corporate/us/en/docs/nielsen-audio/market-populations-and-rankings.pdf>

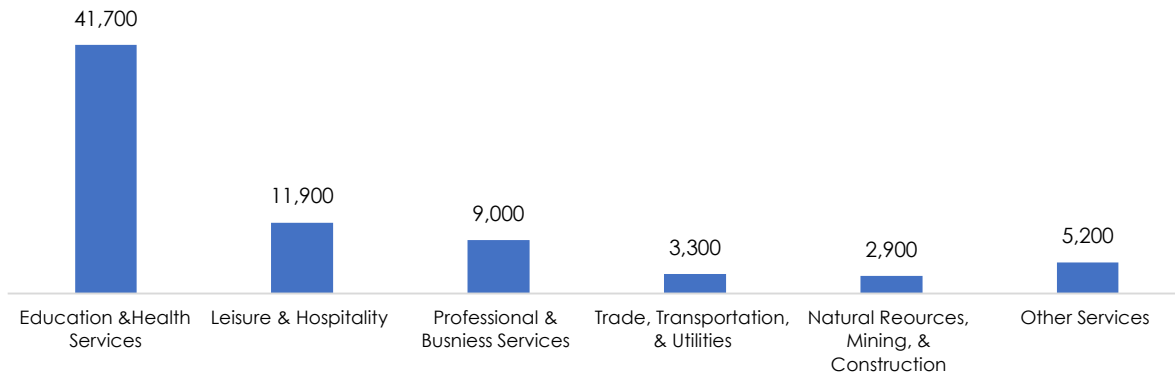
² "The state of the City's economy and finance," New York City Comptroller. December 14th, 2018. <https://comptroller.nyc.gov/wp-content/uploads/documents/The-State-of-the-Citys-Economy-and-Finances-2018.pdf>

³ "Labor and statistics for the New York City region," New York State Department of Labor. December 2018. <https://www.labor.ny.gov/stats/nyc/>

⁴ "Labor and statistics for the New York City region," New York State Department of Labor. December 2018. <https://www.labor.ny.gov/stats/nyc/>

NYC Job Growth

December 2017- December 2018



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How does this impact Radio advertising?

Job growth from December 2017 to December 2018 shows companies in New York City are thriving. Radio advertisements can be targeted to industries that have large growth such as Education & Health Services, Leisure & Hospitality, and Professional & Business Services.

INDUSTRY EXPANSION

New York metropolitan area has seen a number of expansion announcements in Q4 which are a result of the region's economic success.

Overall

Manhattan is set to see its first Ikea store opening by spring, 2019. The first city center location will be located in Midtown East on 999 Third Avenue. October saw the opening of Trader Joe's at its new Lower East Side location.⁶

Compass, a fast-growing residential real estate firm, is opening an office in Downtown Brooklyn. The office will be home to about 100 employees and is set to open next year.⁷

Woolrich, an outdoor clothing brand, will soon open a location in SoHo that will be nearly 8,000-square-foot, next-door to their current location.⁸

Technology

By 2022, Google has plans to open a new campus in New York, making the company as the second major technology company after Amazon to expand in New York. Google will invest more than \$1 billion in the campus which, it is hoped, will create thousands of jobs.⁹

New York City will see triple the number of available Citi Bikes in the next five years thanks to a \$100 million investment from Lyft Inc.¹⁰ This investment will give the program the ability to double its area of coverage, in the next few years the program expects to

⁵ "Labor statistics," New York State Department of Labor. January 2019. <https://www.labor.ny.gov/stats/>

⁶ "New York City region, expansions and contractions," New York State Department of Labor. January 2019. <https://www.labor.ny.gov/stats/nyc/nycec.shtm>

⁷ "New York City region, expansions and contractions," New York State Department of Labor. January 2019. <https://www.labor.ny.gov/stats/nyc/nycec.shtm>

⁸ "New York City region, expansions and contractions," New York State Department of Labor. January 2019. <https://www.labor.ny.gov/stats/nyc/nycec.shtm>

⁹ "New York City region, expansions and contractions," New York State Department of Labor. January 2019. <https://www.labor.ny.gov/stats/nyc/nycec.shtm>

¹⁰ "New York City region, expansions and contractions," New York State Department of Labor. January 2019. <https://www.labor.ny.gov/stats/nyc/nycec.shtm>

expand its geographic area by 35 miles.¹¹ Since 2014 there has been a steady increase of bike sharing in New York, Citi Bike is now present in three of the five boroughs with upwards of 50,000 daily riders. Pedal-assist electric bikes were launched in the Summer, which proved very popular among riders.¹²

CB Insights, a machine learning company, has signed a direct 11-year lease at 498 Seventh Ave. The firm decided to expand their space due to a tripling revenue since 2016 and more than doubling the number of employees.¹³

Healthcare

NYC Health + Hospital launched an “Epic EHR (Electronic Health Record) Rollout” which gives patients digital access to their medical records. NYC Health + Hospital has announced 10 new community health centers and neighborhood clinics in Brooklyn, which means there are now four hospital and 25 community-based ambulatory care sites, with 14,000 active users on the EHR system.¹⁴

The first ExpressCare Clinic in the Bronx was opened by the public health system in November.¹⁵

Fitness is also an important part of New Yorker’s healthcare. Manhattan Community Squash Center is scheduled to open a new squash center in early 2019 at 25 West 39th Street. Amateur training and recreational play for adults will be offered at the location, as well as programs for teenagers and children.¹⁶

New Yorkers are increasingly using fitness classes as a means to stay healthy. ClassPass is a monthly subscription service which provides access to a large network of fitness studios and gyms. In 2018, New Yorkers took the top spot of ‘most class reservations’ on the app. Strength training was reported to be the most popular class in NYC in 2018. Eighteen percent of Radio listeners participated in group fitness classes.¹⁷

Arts & Entertainment

NYC Media and Entertainment announced that, across the five boroughs, the nightlife industry supports 299,000 jobs. With over 25,000 establishments the nightlife industry accounts for \$35.1 billion in total economic output in New York.

¹¹ “Citi Bike will get \$100M from Lyft for ‘dramatic’ expansion,” Curbed New York. NYC Transportation. November 2018. <https://ny.curbed.com/2018/11/29/18117960/citi-bike-new-york-lyft-expansion-motivate>

¹² “Lyft buys Motivate, Citi Bike’s parent company,” Curbed New York. NYC Transportation. July 2018. <https://ny.curbed.com/2018/7/2/17527324/lyft-citi-bike-motivate-acquisition-transportation>

¹³ “New York City region, expansions and contractions,” New York State Department of Labor. January 2019. <https://www.labor.ny.gov/stats/nyc/nvcec.shtm>

¹⁴ “Timeline of NYC Health + Hospitals’ \$1 billion Epic EHR rollout,” Health Care IT News. November 2018. <https://www.healthcareitnews.com/news/timeline-nyc-health-hospitals-1-billion-epic-ehr-rollout>

¹⁵ “NYC Health + Hospitals/Lincoln Officially Opens Its ExpressCare Clinic,” NYC Health + Hospitals. November 2018.

<https://www.nychealthandhospitals.org/pressrelease/first-expresscare-clinic-in-the-bronx-opens/>

¹⁶ “New York City region, expansions and contractions,” New York State Department of Labor. January 2019. <https://www.labor.ny.gov/stats/nyc/nvcec.shtm>

¹⁷ “ClassPass Shares Breakdown of 2018 U.S. Fitness Trends,” ClassPass. December 2018.

<https://classpass.com/press-room/newsroom/classpass-shares-breakdown-of-2018-us-fitness-trends/>

With nightlife comes a need for food services, there are 19,400 food establishments which cater to New York's nightlife, creating 141,000 jobs. 18,300 jobs are held in the Arts and Culture subsector of nightlife, this equals a \$3.1 billion economic output.¹⁸

Two new Broadway shows are opening this season. In February, Be More Chill, Ain't Too Proud – The Life and Times of the Temptations will open and King Lear to open in April 2019.¹⁹

New York City is well accustomed to new restaurant openings. This year, February 4th saw the opening of The Dining Room, with John Fraser, Michelin-starred chef in the kitchen.²⁰ Other smaller openings include Sonnyboy opening its doors in East Village for brunch, with dinner to come in the near future. West Village saw the opening of North Fork, which focuses on locally sourced food and wine. Meanwhile, Blue Ribbon opened its 16th NYC restaurant in Times Square.²¹

How does this impact Radio advertising?

Industry expansion benefits both national and local advertisers. These expansions, which in Q4 include technology, healthcare, and arts & entertainment, will provide employment opportunities. Expansions will also increase spending power of the New York population. In addition, brands such as Ikea and Trader Joe's need advertising to help promote the success of their openings.

TECHNOLOGY OVERVIEW

Technology has allowed Radio to become increasingly accessible for consumers through smartphones and other smart devices which enable them to connect to Radio. Smart home devices have become increasingly popular in recent years, Alexa and Google Home are two smart devices which can be used to play Radio. It is reported that 53 million U.S. adults now own at least one smart speaker.²² By 2022 it is estimated that more than half US households will own a smart speaker. The data collected from smart speakers is invaluable for companies looking for effective marketing strategies as they will gain insight into consumer behavior from this data.²³

HEALTHCARE OVERVIEW

There are 63 acute care hospitals in New York City alone and therefore the sector is always evolving.²⁴ The \$100 million project, NYC Care, is expected to launch in the Bronx this summer and will be available in the other four boroughs in 2021. A very important factor of this healthcare is that there will not be any tax hikes to fund the

¹⁸ Mayor's Office of Media and Entertainment Announces Results of First-Ever Economic Impact Study of NYC Nightlife," NYC Mayor's Office for Media and Entertainment. January 2019. <https://www1.nyc.gov/site/mome/news/01242019-nightlife-study.page>

¹⁹ "Schedule of Upcoming and Announced Broadway Shows," Playbill. January 2019. <http://www.playbill.com/article/schedule-of-upcoming-and-announced-broadway-shows-com-113677>

²⁰ "Acclaimed Chef John Fraser Jumps into the Met's Restaurant on the UES," Eater, New York. February 2019. <https://ny.eater.com/2019/2/4/18210916/the-met-the-dining-room-john-fraser-menu>

²¹ "West Village Gains a Rustic New Seasonal Restaurant — and More Openings," Eater, New York. February 2019. <https://ny.eater.com/2019/1/2/18165343/winter-spring-recent-nyc-restaurant-openings-2019>

²² "Fifty-three million U.S. adults now own at least one smart speaker," Edison Research. January 2019. <https://www.edisonresearch.com/blog/>

²³ "AdAge's 2019 Industry Predictions," January 2019. <https://adage.com/article/cmo-strategy/ad-age-s-2019-industry-predictions/316142/>

²⁴ "New York City List and Map of Hospitals", December 2018. <https://www.newyorkled.com/nyc-hospitals-map-and-list/>

program according to the Mayor's office. New Yorkers will access the program through the website or by calling 311. These call lines will help people make appointments.²⁵

ARTS & ENTERTAINMENTS OVERVIEW

Broadway has always been the beating heart of NYC's performing arts scene. It is a major attraction for both tourists and residents. Reports show approximately 38% attendances were by people from the New York City metropolitan area between the 2017 and 2018 season. Shows become a very popular past time over holiday periods. Broadway pulled in a massive \$57million for the week ending 12-30-18, which saw almost 400,000 theatergoers attending a show. ²⁶ Broadway advertising is seen everywhere, from subway advertisements to billboards in Time Square. Broadway shows spend about 10 percent of a production's weekly potential gross each week on advertising.

January 21st to February 8th saw restaurant week in New York City. Restaurant week aims to celebrate dining out. Over 380 of the top restaurants in NYC set prefix menus in order for people to enjoy NYC's culinary culture at an affordable cost. The program of restaurant week has been running since 1992, growing tremendously in the last 26 years. Restaurants do major marketing and advertising around restaurant week to ensure a sellout. ²⁷

February marks Black History Month; the Schomburg Center for Research in Black Culture will have a range of different events to celebrate the month which will include an in-depth Martin Luther King Jr. photography exhibit running from January 15th through April 6th.²⁸

The Mayor's Office of Media and Entertainment are saving the legendary 'Drama Book Shop'. The store could not keep up with the increased rent. Therefore, the Mayor's office has stepped in to open a new store located in the theater district. ²⁹

November 2018 saw the opening of 'Mickey: The True Original Exhibition'. The exhibition will celebrate how influential Mickey Mouse has been on the art and pop culture in the last 90 years. It features historical and contemporary work from renowned artists and will be open until February 10th in Chelsea.³⁰

NATIONAL RADIO & ADVERTISING

National AM/FM Radio audience is up almost 8 million listeners from 2010 to 2018. Radio penetration of the 12+ demographic is 90%.³¹ While national brands continue to invest heavily in national advertising to build brand awareness and favorability, they're increasingly taking their marketing programs to the local level to drive engagement.

²⁵ NYC Mayor Guarantees Comprehensive Health Care for All in Historic Surprise Announcement. NBC New York. January 2019.

<https://www.nbcnewyork.com/news/local/NYC-Health-Care-Guarantee-Mayor-de-Blasio-504046171.html>

²⁶ "The Demographics of the Broadway Audience 2017-2018 Season," Research Reports. The Broadway League. January 2019.

<https://www.broadwayleague.com/research/research-reports/>

²⁷ About NYC restaurant week," Restaurants. NYC The Official Guide. January 2019. <https://www.nycgo.com/restaurant-week-about>

²⁸ "Black History Month at the Schomburg Center for Research in Black Culture," NYC The Official Guide. Events/Arts & Culture. January 2019.

<https://www.nycgo.com/events/black-history-month-schomburg-center>

²⁹ Mayor's Office of Media & Entertainment Teams Up with Lin-Manuel Miranda, Thomas Kail to Save 'The Drama Book Shop'." NYC Mayor's Office for Media and Entertainment. January 2019. <https://www1.nyc.gov/site/mome/news/01082019-drama-book-shop.page>

³⁰ 'Mickey: The True Original Exhibition,' January 2019. <https://partners.disney.com/mickey-the-true-original-exhibition>

³¹ "Radio's Cume Audience," Why Radio. January 2019. <http://www.rab.com/whyRadio/WRnew/faq/faq.cfm>

In 2019, national brands are expected to spend \$62.7 billion to target local consumers. To build brand awareness and favorability national brands will continue to heavily invest in national advertising but 2019 will increasingly see brands marketing to local consumers to drive sales.³²

Radio is pertinent when it comes to local reach, a tenth of all local ad spend is allocated to Radio. Radio's share of local advertisements will total 10% this year. Over-the-air Radio captures almost 9% of the local market. Online Radio will also hold a share of 1% in the market. It is estimated that by 2023 the total local advertising market will grow to \$161 billion.³³

How does this impact Radio advertising?

Advertisers recognize the importance and the reach of Radio. It is the largest platform to reach consumers in the United States. As we see in this report, multi-million-dollar companies are pouring their advertising resources into Radio. Therefore, we can only assume other companies will follow these footsteps.

RADIO & NEW YORK METRO

Local advertising spend in New York City was expected to exceed \$11.5 billion in 2018. This spend was across TV, cable TV, direct mail, radio, mobile and 9 other media platforms. Radio (over-the-air) would account for \$769.7million. In New York City more than 30% of Ad revenue is represented by the five leading market categories which are automotive, education, financial/insurance, general services, and government/ political/ religious.³⁴ Twenty-five stations in the NYC region reported over \$35.5 million in ad sales in December. The year ended with \$420,696,196 in total Radio ad sales among these stations.³⁵

Radio is the most commonly used channel with 86% of millennials listening to Radio weekly. Cable TV and Facebook are tied at 74% as the second most used medium.³⁶



³² "National Brands to Spend \$62.7B Targeting Local Consumers in 2019. According to New BIA Report Available from Vya," BIA Advisory Service. January 8, 2019. <http://www.biakelsey.com/national-brands-spend-62-7b-targeting-local-consumers-2019-according-new-bia-report-available-vya/>

³³ "BIA: Double Digit Growth For Online Radio In 2019," BIA Advisory Services. November 2018. http://www.insideRadio.com/free/bia-double-digit-growth-for-online-radio-in/article_da046f7e-e9c3-11e8-b14e-3b3464cbbcd9.html

³⁴ "New York City Local Advertising Spending Forecast to Top \$11.5B in 2018; Leading Categories Include Automotive, Education, and Financial/Insurance, According to BIA Advisory Services," BIA Advisory Services. September 2018. <http://www.biakelsey.com/new-york-city-local-advertising-spending-forecast-top-11-5b-2018-leading-categories-include-automotive-retail-financialinsurance-according-bia-advisory-services/>

³⁵ "Shares Query", Miller Kaplan, December 2018.

³⁶ "Nielsen Audio," New York Metro, Scarborough R2, 2018.

Technology

Technology companies are the leading category advertising on New York Radio. T-Mobile and Google are the highest spenders. Amazon.com follows behind spending \$180,234 in December.³⁸

Healthcare

New York Radio listeners are actively maintaining their health. Throughout the New York City Metro area \$146 billion was spent on health, healthcare, and fitness services in 2018. Visiting the dentist came in as the most popular healthcare activity by listeners, with almost 8.5 million taking a trip, spending \$7 billion in dentist offices.³⁹

Fitness centers took in a massive \$3 billion in 2018 from NYC Radio listeners. In addition, 36% of Radio listeners used home exercise equipment in 2018.⁴⁰

The most accessed hospitals by New York Radio listeners are New York-Presbyterian Hospital, Mount Sinai Health System, and Montefiore Medical Center.⁴¹ New York Radio listeners spent \$1.5 billion in emergency rooms in 2018.

The New York State Department of Health is the largest advertiser in the Health category on New York Radio, spending \$368,360 in December. Planet Fitness follows the department spending \$173,870.⁴²

Arts & Entertainment

Arts & Entertainment is as popular as ever in the New York Metro Area. The top activities that New York Radio listeners took part in in 2018 were professional sport events (37%), live theatre (32%), and theme parks (32%). Visiting museums continues to be a common past time for New Yorkers. Twenty-one percent of New York Radio listeners visited an art museum in 2018.⁴³

In the arts and entertainments category, the highest spenders on New York Radio advertising were Warner Brother Pictures (spending \$230,542), Walt Disney Pictures (spending \$209,775), SONY Pictures (spending \$208,290), and New York Jets (spending \$187,429) in December 2018.⁴⁴

³⁷ "Shares Query", Miller Kaplan, December 2018.

³⁸ "Shares Query", Miller Kaplan, December 2018.

³⁹ "Nielsen Audio," New York Metro, Scarborough R2, 2018.

⁴⁰ "Nielsen Audio," New York Metro, Scarborough R2, 2018.

⁴¹ "Nielsen Audio, New York City Metro", Jan18-Hol18, Mon-Sun 6a-12a, P18+.

⁴² "Shares Query", Miller Kaplan, December 2018.

⁴³ "Nielsen Audio," New York Metro, Scarborough R2, 2018.

⁴⁴ "Shares Query", Miller Kaplan, December 2018.

Helpful Links:

- <https://Radioink.com/2018/10/12/forecast-2019-goes-inside-advertising/>
- <http://www.biakelsey.com/bia-releases-first-Radio-version-local-market-intelligence-platform-bia-advantage/>
- <https://www.bloomberg.com/news/articles/2019-01-29/nyc-s-healthcare-for-all-collides-with-hospitals-bleeding-cash>
- http://www.insideRadio.com/free/bia-double-digit-growth-for-online-Radio-in/article_da046f7e-e9c3-11e8-b14e-3b3464cbbed9.html
- <https://www.edisonresearch.com/blog/>
- <https://www.nycgo.com>
- <https://www.broadwayleague.com/home/>
- <https://www.labor.ny.gov/stats/nyc/index.shtm>