

THE STATE OF THE MARKET

NYMIRAD
NEW YORK MARKET RADIO

Q1 2018



INTRODUCTION

Traditional media is often overlooked in today's digital marketplace; however Radio is a pertinent part of any brand's media plan. That is why it is important for companies and advertisers to stay abreast of traditional media (as well as digital media) advertising to get the best results. Toward this end, [New York Market Radio \(NYMRAD\)](#) commissions [Provoke Insights](#) to write The State of the Market Quarterly Guidance Report. The Q1 edition covers the New York region from January to March 2018.

This report will focus on the summer season (which includes outdoor activities, museum exhibition openings, sporting events, and vacations).

NEW YORK'S ECONOMY

As in 2017, the New York economy continues on its trajectory of growth. The increase in employment and expansion of industries in the metropolitan area are evidence of this prosperity, resulting in New York's population reaching a record high.

Population Growth

The population of New York has increased by 5.5% since the 2010 census. The city now has a population of 8,622,698. The Bronx saw the highest surge, increasing by 6.2%. Brooklyn had the highest growth in absolute numbers, with 144,071 moving to the borough, a 5.8% jump from 2010 to 2017. This is the first time that an average annual gain this high has been seen since the beginning of the 20th century.¹

Employment Growth

The economy of New York City increased from the first quarter of 2017 to the first quarter of 2018. It rose by 2% or by 77,400 jobs to 3,861,000 in January 2018.

The advances were most prevalent in the following areas:

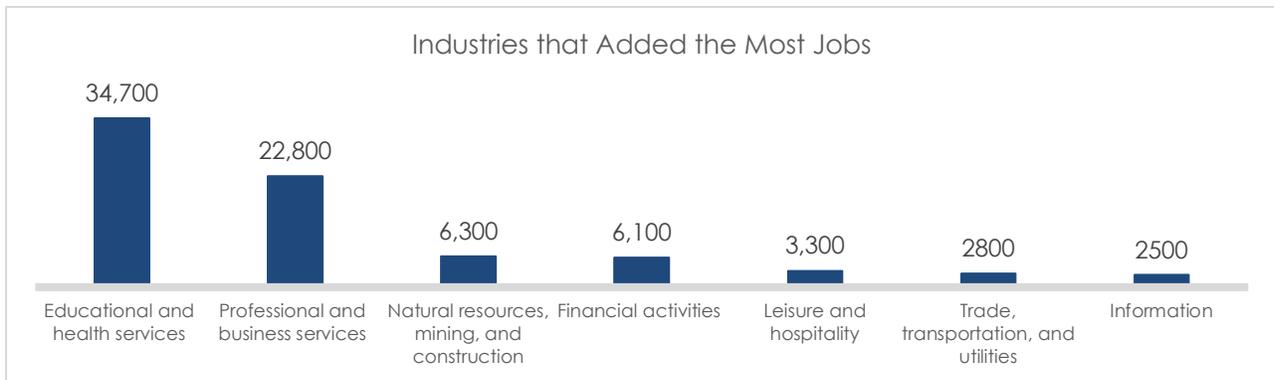
- Educational and health services (+34,700)
- Professional and business services (+22,800)
- Natural resources, mining, and construction (+6,300)
- Financial activities (+6,100)
- Leisure and hospitality (+3,300)
- Trade, transportation, and utilities (+2,800)
- Information (+2,500)²

The private sector job growth rate was higher than the state (+1.2%) and national rates (+1.7%).³

¹ Barron, J. "New York City's Population Hits a Record 8.6 Million," The New York Times. March 2018. <https://www.nytimes.com/2018/03/22/nyregion/new-york-city-population.html>

² "Labor Statistics for the New York City Region," New York State Department of Labor. March 2018. <https://labor.ny.gov/stats/nyc/index.shtm>

³ "Labor Statistics for the New York City Region," New York State Department of Labor. March 2018. <https://labor.ny.gov/stats/nyc/index.shtm>



How does this impact Radio advertising?

Job growth can be leveraged by advertisers. Radio advertisers can target booming industries such as educational and health, professional, and leisure and hospitality services.

INDUSTRY EXPANSION

Expansion announcements within the New York Metro area are another outcome of economic success.

Technology

Liberty Science Center celebrated its 25-year anniversary this quarter along with the addition of the Jennifer Chalsty Planetarium, a 300,000-square-foot science learning center. At a grand opening in Jersey City, the development of a \$200-million SciTech Scity was also announced.⁴

Alphabet (the parent company of Google) acquired Chelsea Market, the 1.2 million square-foot retail and office building, for \$2.4 billion. Google plans to expand further in the city and has proposed arrangements to expand at Pier 57 as well.

New York City has ambitions to be the country's cyber security hub – Jerusalem Venture Partners, D-ID and Intezer, all Israeli companies, are either opening or reopening offices in New York. They're joining Team 8 and Bay Dynamics, which recently opened hubs in the city.⁵

The engineering and manufacturing company, Siemens, is opening an office in 1 Penn Plaza. It has reached an agreement to sign a lease for a 35,000-square-foot space that includes an option for later expansion.

⁴ "Liberty Science Center Celebrates 25th Anniversary," New Jersey Business, p.14. March 2018.

http://digital.njmagazine.com/publication/?i=477987&ver=html5&p=4#%22{\%22page\%22:16,\%22issue_id\%22:477987%22

⁵ "New York City Region, Expansions and Contractions," New York Department of Labor. March 2018. <https://labor.ny.gov/stats/nyc/nyccec.shtm>

Estée Lauder Cosmetics is moving to a new office in Long Island City. This will be in a new technology hub specializing in IT and research and development that will be opening in July.

Hospitality

The Pod Hotels are continuing to expand their presence in New York City. They opened a 28-story flagship location in Times Square in January that also contains 45 apartments. Hilton is opening an Embassy Suites in Midtown, Manhattan.

Carl's Jr. opened in Manhattan and in Coney Island last quarter. Of its more than 1,300 restaurants, fewer than ten are on the East Coast, and two of these are in New York.⁶

Retail

T.J. Maxx has extended its lease at 250 W 57th Street until 2030 and will expand from 27,400 to 46,400 square feet.⁷ The current Niketown New York store on E 57th will close this spring to make room for the new Nike flagship store, which will cover a 69,000-square-foot space at 650 Fifth Avenue.⁸

How does this impact Radio advertising?

Expansions are a good sign for advertisers, as these companies will be providing new employment and often may want to increase their spending power.

SUMMER SEASON OVERVIEW

The summer season is an important time for advertisers. The population of the New York Metro area is gearing up for vacation-planning mode. This offers many opportunities for advertisers to showcase their brands, whether they are hotels, travel agents, museums, or sporting events. The lead-up to summer is the time to put ideas in consumers' minds so that they can be prepared.

New York City was recently declared the most expensive vacation destination in the world. It costs tourists, on average, \$489 per night⁹ – all the more reason for New Yorkers to get away during the summer.

Another is the \$34-million investment in the rebranded New York International at Stewart Field; the airport now offers transatlantic flights with Norwegian Airlines and an express

⁶ "New York City Region, Expansions and Contractions," New York Department of Labor. March 2018. <https://labor.ny.gov/stats/nyc/nycec.shtm>

⁷ "New York City Region, Expansions and Contractions," New York Department of Labor. March 2018. <https://labor.ny.gov/stats/nyc/nycec.shtm>

⁸ "What's New in NYC," NYCgo. <https://business.nycgo.com/press-and-media/resources/whats-new-in-nyc/>

⁹ "The Most Expensive (and Cheapest!) Holiday Destinations in the World: 2018," Hoppa. January 2018. <https://www.hoppa.com/en/discover/most-expensive-and-cheapest-holiday-destinations-in-the-world-2018>

bus service to Port Authority. Construction is tentatively scheduled to be complete by Q3, 2018.¹⁰

Development at the South Street Seaport District is underway and will include restaurants, retail, entertainment, and cultural experiences over seven blocks spanning more than 400,000 square feet. Deemed to be an iconic entertainment destination that will include a 1.5 acre rooftop, it is attracting restaurant groups such as the Momofuku Group and Jean-Georges Vongerichten, which are the first to announce their presence at the year-round amenity.

Experiences

Recently opened Spyscape, in Midtown Manhattan, will be the largest interactive spy museum in the world. It allows visitors to test hacking and code breaking and learn espionage skills.

Joan Weill Center for Dance expanded at the end of Q4 2017. The dance center had a 10,000-square-foot expansion and will be New York City's largest building dedicated to dance.¹¹

In celebration of the 75-year anniversary of The Intrepid Sea, Air & Space Museum Complex, the venue will be presenting cultural and educational programs all year, including pop-up exhibitions and a residency for playwrights in NYC.

Opry City Stage also opened, a country music and Southern-culture-dedicated space bringing the Grand Ole Opry in Nashville to New York City.¹²

Governor's Island, for the first time ever, will offer overnight accommodations during its open season (May to October). Collective Retreats has announced it will provide its signature luxury tent-style accommodations; the retreat has already sold out for May.¹³

Arts & Culture

"David Bowie Is" is showing at the Brooklyn Museum from March 2nd until July 15th. The exhibition has been traveling the world on loan from Victoria & Albert Museum in London; its last stop is New York.¹⁴

10 "What's New in NYC," NYCgo. <https://business.nycgo.com/press-and-media/resources/whats-new-in-nyc/>

11 "What's New in NYC," NYCgo. <https://business.nycgo.com/press-and-media/resources/whats-new-in-nyc/>

12 "What's New in NYC," NYCgo. <https://business.nycgo.com/press-and-media/resources/whats-new-in-nyc/>

13 "First-Ever Overnight Retreat Coming to Governors Island this Season," Governors Island. February 2018. <https://govisland.com/blog/first-ever-overnight-camping-retreat-coming-to-governors-island-this-season>

14 "David Bowie Is," Brooklyn Museum. March 2018. <https://www.brooklynmuseum.org/exhibitions/davidbowieis>

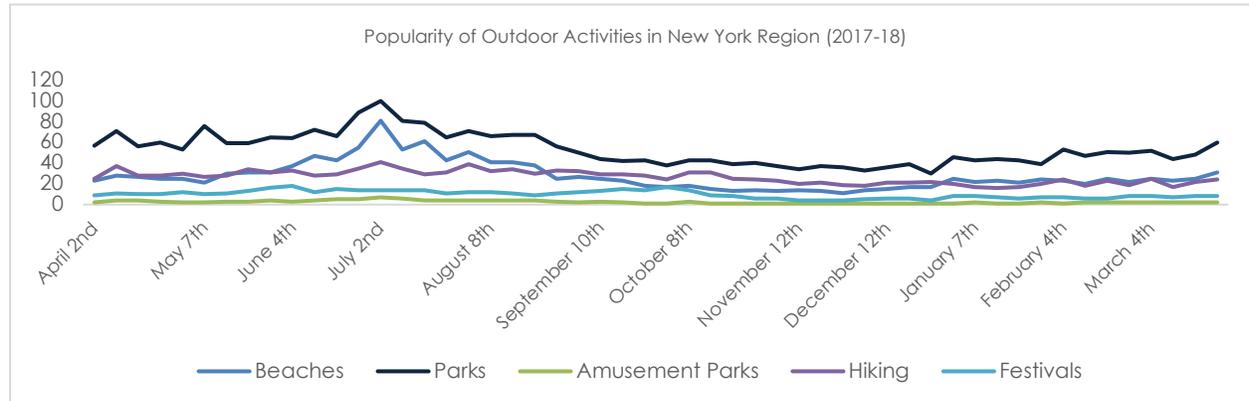
“Summer: The Donna Summer Musical” began previews last quarter and it is scheduled for an open-ended run on Broadway.¹⁵ In addition, Bruce Springsteen’s Broadway hit, “Springsteen on Broadway” will be extended through December 2018.¹⁶

From March 1st, The Metropolitan Museum of Art will honor full-price admissions of \$25 for 3 days, allowing visitors to take full advantage of the museum’s three locations.¹⁷ The Met Fifth Avenue is launching its Visitors to Versailles museum from April until July.¹⁸ The Met Fifth Avenue and the Met Cloisters will be exhibiting Heavenly Bodies: Fashion and the Catholic Imagination from May until October.¹⁹

The only Sri Lankan museum in the world outside of Sri Lanka is relocating from Staten Island to the Lower East Side. Proceeds are donated to schools and children in Sri Lanka through The Lakruwana Foundation.²⁰

SUMMER SEASON AND ADVERTISING

Experiential advertising seems to be the trend in summer advertising this year. NFL Experience Times Square opened at the end of last quarter. It is a first-of-its-kind attraction that brings professional football to life via 4D films of exclusive footage and interactive activities that allow visitors to dive into the NFL training regimen and level up against pros.²¹ The Sugar Factory will open the first Museum of Candy in New York City this summer.²²



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15 “Donna Summer Musical Sets Sail on Broadway,” NY Tix. March 2018. <https://www.nytx.com/news/17333/summer-the-donna-summer-musical-begins>

16 “Bruce Springsteen Signs Up for More Time on Broadway,” New York Times. March 2018. <https://www.nytimes.com/2018/03/21/theater/bruce-springsteen-broadway-extension.html>

17 “What’s New in NYC,” NYCgo. <https://business.nycgo.com/press-and-media/resources/whats-new-in-nyc/>

18 “Visitors to Versailles,” Met Museum. March 2018. <https://www.metmuseum.org/exhibitions/listings/2018/visitors-to-versailles>

19 “Heavenly Bodies: Fashion and the Catholic Imagination,” March 2018. <https://www.metmuseum.org/exhibitions/listings/2018/heavenly-bodies>

20 “What’s New in NYC,” NYCgo. <https://business.nycgo.com/press-and-media/resources/whats-new-in-nyc/>

21 “What’s New in NYC,” NYCgo. <https://business.nycgo.com/press-and-media/resources/whats-new-in-nyc/>

22 “A New Candy Museum Will Rival Willy Wonka’s Chocolate Factory,” Refinery 29. February 2018. <https://www.refinery29.com/2018/02/190756/museum-of-candy-sugar-factory>

23 “Beaches,” “Parks,” “Amusement Parks,” “Hiking,” “Festivals,” Google Trends. March 2018. <https://trends.google.com/trends/explore?geo=US-NY&q=beaches,parks,amusement%20parks,hiking,festivals>

Interest in outdoor activities skyrockets during the summer months. People will be commuting by car more often to travel to parks and beaches, which makes this season the perfect time to use Radio advertising to promote summer activities.

How does this impact Radio advertising?

As summer approaches, New Yorkers are looking for summer activities. Radio is an ideal channel to reach these people. As we will discuss in the following sections, 82% listen to AM/FM Radio while in a car; therefore summer is the perfect time to target those driving to beaches, parks, amusement parks, hiking spots, and festivals.

NATIONAL RADIO USAGE

The value of Radio has increased in the last year. In 2016, Radio transactions increased in value by 6; by the end of 2017, transactions valued \$3.3 billion.²⁴ While other players such as Pandora and Spotify continue to disrupt the way we listen to audio, Radio still has the furthest reach. Radio reaches 93% of the population each day, while Pandora and Spotify only reach 15% and 5%, respectively. Ninety-five percent of the population have access to Radio, while only 25% have access to Pandora and 31% to Spotify.²⁵

Despite other entertainment options entering the market, Radio still dominates in-car entertainment. Amazon Alexa and Google Home are both used to listen to local and national Radio.²⁶

Of those who have been in a car within the last month, 82% listened to AM/FM Radio, and 28% listened to online Radio (an increase of 2% since 2017).²⁷

Radio listeners are more involved in their local radio stations. Sixty percent of people say they are more likely to enter a local radio contest, while only 36% say they are more likely to enter a national Radio contest with a larger prize. Contests are a proven strategy to boost ratings.²⁸

Radio listeners' tastes in genres are changing. The adult contemporary format was at an all-time high this January for all age groups. It was highest among 18-34 year olds, increasing from 7.2% in January 2017 to 8% this year. The News cycle is still of interest and while not as high as in the post-election period of January 2017, it is still higher than previous years at 7.6% among 25-54 year olds, compared to 6.7% in 2016.²⁹ Pop is one of

²⁴ "One Big Radio Deal and a Continuous TV Deals Defined 2017. Now, Trending Factors for 2018," BIA Kelsey. January 2018.

<http://blog.biakelsey.com/index.php/2018/01/19/one-big-radio-deal-and-a-continuous-tv-deals-defined-2017-now-trending-factors-for-2018/>

²⁵ Milner, R. "Radio vs. TV Take the Ring," August 2017. <http://info.zimmercommunications.com/blog/infographic-radio-vs.-tv-take-the-ring>

²⁶ "Infinite Dial" Edison Research. March 2018. <https://www.slideshare.net/webby2001/infinite-dial-2018>

²⁷ "Infinite Dial," Edison Research. March 2018. <https://www.slideshare.net/webby2001/infinite-dial-2018>

²⁸ "Survey: Listeners Prefer Local Over National Contests," InsideRadio. February 2018. http://www.insideradio.com/free/survey-listeners-prefer-local-over-national-contests/article_385b564e-0b0f-11e8-b928-fb165c6b9f15.html

²⁹ "New Radio Trends and New Momentum for the New Year," Nielsen. March 2018. <http://www.nielsen.com/us/en/insights/news/2018/new-radio-trends-and-new-momentum-for-the-new-year.print.html>

America's largest formats and has the highest number of weekly listeners. However, its audience share is down this year. It remains steady among 25-54 year olds, but has decreased slightly among younger listeners.³⁰ Some of the top-ten most-popular genres in New York are adult contemporary, contemporary hits, classic hits, news, classic rock, urban contemporary, and Spanish tropical.³¹

How does this impact Radio advertising?

Although 29% of Americans don't have a physical Radio in their home, they are listening to the Radio in their cars.³² They also have new devices for listening to Radio, such as Amazon Alexa and Google Home, which many people use to listen to local and online Radio.

NATIONAL RADIO ADVERTISING

Advertising on Radio is seen as informative. Thirty-nine percent of those over 16 years old say Radio advertising is helpful.³³ Radio builds recognition and causes action faster than any other advertising platform. People need to see a print ad 7 times, a digital ad 9 times, and out-of-home advertising 12 times before the message resonates with them. However, being exposed to a Radio ad only 3 times enables listeners to recognize a brand and inspires action.³⁴

The top ten Radio advertisers in the country, as of March 2018, are as follows:

- | | |
|-------------------|---|
| 1. iHeartRadio | 6. Lowe's |
| 2. GEICO | 7. Macy's |
| 3. JCPenney | 8. US Department of Transportation |
| 4. The Home Depot | 9. Sprint |
| 5. Indeed | 10. L'Oréal Hair Products ³⁵ |

It is predicted that U.S. political ad spending on Radio this year will be over \$564 million.³⁶

A case study revealed that an AM/FM radio campaign for a men's personal care brand (run from March 2017 – September 2018) created a \$1.23 return for every \$1 invested in Radio. The most significant finding of the study was that the parent brand of the men's personal care product saw an \$11.96 return for every dollar spent on their Radio advertising spend among all households. The parent brand also witnessed a 8%

³⁰ "New Radio Trends and New Momentum for the New Year," Nielsen. March 2018. <http://www.nielsen.com/us/en/insights/news/2018/new-radio-trends-and-new-momentum-for-the-new-year.print.html>

³¹ "Leading Radio Stations in New York, by Ratings," Statista. February 2018. <https://www.statista.com/statistics/597626/popular-radio-statitions-new-york/>

³² "Infinite Dial" Edison Research. March 2018. <https://www.slideshare.net/webby2001/infinite-dial-2018>

³³ "Share of Consumers Who Found Radio Advertising to be Helpful in the United States as of May 2017," Statista. May 2017.

³⁴ "How to Leverage the Frequency of Three Principal in Radio Advertising," Media Space Solutions. November 2017. <http://www.mediaspacesolutions.com/blog/how-to-leverage-the-frequency-of-three-principle-in-radio-advertising>

³⁵ "Spot Ten Radio," Media Montiors. March 2018. <http://www.mediamonitors.com/company/news>

³⁶ "Radio to Get \$564 Million in 2018 Political Ad Spending," December 2017. http://www.insideradio.com/free/radio-to-get-million-in-political-ad-spending/article_80e3e7ba-d661-11e7-89df-fffd45f05adf.html

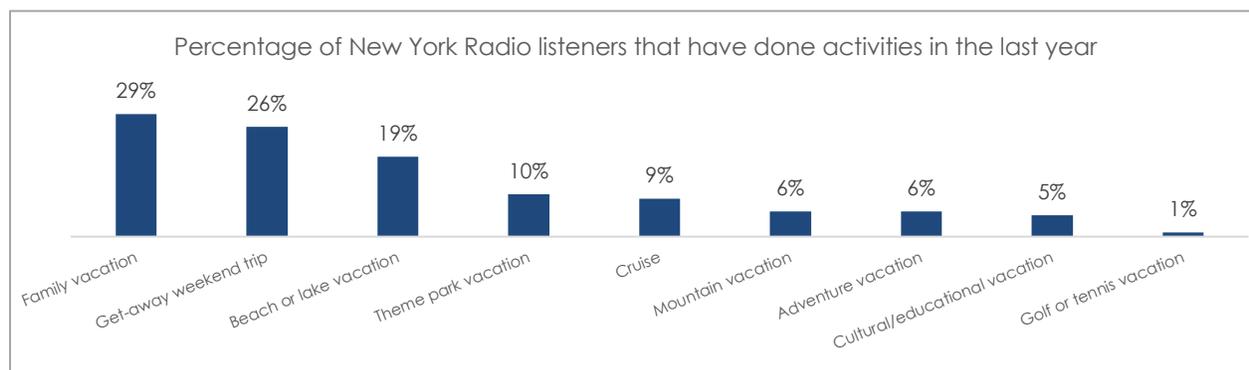
sales lift among male AM/FM listening households and a market share growth of 0.8% in the category.³⁷

How does this impact Radio advertising?

This quarter has led to two significant findings for Radio advertisers: First, listeners need less exposure to Radio ads to recognize a brand or take action. Second, Radio ads also have the potential to provide large returns on investment for parent brands.

NEW YORK RADIO ADVERTISING

New York Radio listeners are active during the summer months. In the next year, 29% of listeners plan to go on a family vacation; 26% will go on a get-away weekend trip; 19% are planning a beach or lake vacation; 9% plan to go on a cruise; 6% plan to go on a mountain; 6% are planning an adventure vacation (such as hiking, diving, etc.); 5% will go on a cultural/education vacation; and 1% intend to go on a golf or tennis vacation.³⁸



In the past year, 37% of New York Radio listeners have gone to a professional sports event. Baseball games are a popular summer sport; 13% of New York Radio listeners attended a New York Yankees baseball game in 2017, and 12% attended a Mets game.

Activities Done In Past Year	New York Radio Listeners	% Of Total Audience
Any professional sports event	5,529,794	37%
Live theater	5,473,334	37%
Any theme park	4,609,165	31%
Live theater on Broadway	4,033,587	27%
Zoo	3,635,133	24%
Other museum	3,469,701	23%
Any paid ticket music concert	2,644,158	18%
Other live theater	2,077,519	14%
Live theater Off-Broadway	1,956,578	13%

³⁷ "Groundbreaking Research Proves AM/FM Radio Delivers Strong ROI for Personal Care Brand," Westwood One. March 2018.

<https://www.westwoodone.com/2018/03/06/groundbreaking-research-proves-fm-radio-delivers-strong-roi-personal-care-brand/>

³⁸ "Scarborough R2 2017: Metro Adults 18+," Nielsen Audio. April 2018.

New York Yankees baseball game	1,932,860	13%
New York Mets baseball game	1,771,263	12%
Barclays Center event	1,765,639	12%
Yankee Stadium event	1,706,908	11%
Six Flags Great Adventure	1,582,539	11%
Citi Field event	1,542,564	10%

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New York Radio listeners are active all summer in outdoor activities such as grilling, gardening, and boating. This is compelling, since it confirms the interests of New York Radio listeners and the choice of activities they enjoy during the summer months.

Activities Done In Past Year	New York Radio Listeners	% of Total Audience
Grilling - outdoor cooking	6,842,390	46%
Swimming	5,002,839	34%
Gardening (flowers or vegetables)	4,728,962	32%
Bicycling	4,070,272	27%
Lawn care	3,654,493	25%
Hiking - backpacking	2,110,091	14%
Basketball	1,987,537	13%
Boating	1,662,157	11%
Fishing	1,489,616	10%
Other boating	1,467,318	10%
Camping	1,182,811	8%
Soccer	1,184,931	8%
Sailboating	356,585	2%
Surfing	126,489	1%

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How does this impact Radio advertising?

This information about New York Radio listeners is vital for advertisers, who need to know their likes and interests and where they will be during the summer months.

Helpful Links:

- <https://www.slideshare.net/webby2001/infinite-dial-2018>
- <http://www.mediamonitors.com/company/news>
- <http://www.nielsen.com/us/en/insights/news/2018/new-radio-trends-and-new-momentum-for-the-new-year.print.html>
- <https://www.westwoodone.com/2018/03/06/groundbreaking-research-proves-fm-radio-delivers-strong-roi-personal-care-brand/>
- https://res.cloudinary.com/simpleview/image/upload/v1/clients/newyorkcity/2017_2018annualsummary_02_MR_017d3826-f55d-45a6-b10e-b52e84c06334.pdf

NYMRAD commissioned [Provoke Insights](#), a market research and strategy firm, to conduct a meta-data analysis to understand the Radio advertising landscape. If a particular industry that you would like additional insight on is not listed, please contact Debbie Beagan at DB@NYMRAD.org

39 "Scarborough R2 2017: Metro Adults 18+;" Nielsen Audio. April 2018.

40 "Scarborough R2 2017: Metro Adults 18+;" Nielsen Audio. April 2018.