



Accelerating 4th Quarter Revenue Planning for 2021



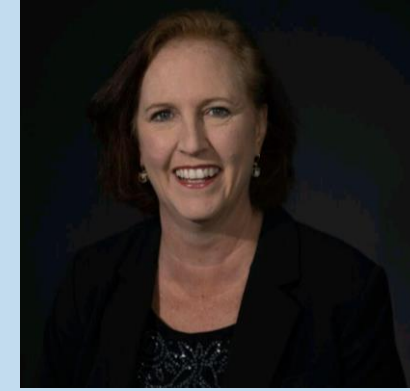
Welcome! Thank you for joining us.



**Tom Buono, CEO & Founder
BIA Advisory Services**



**C. Lee Smith, President
& CEO SalesFuel**



**HOST: Audrey Strong
VP Communications,
SalesFuel**

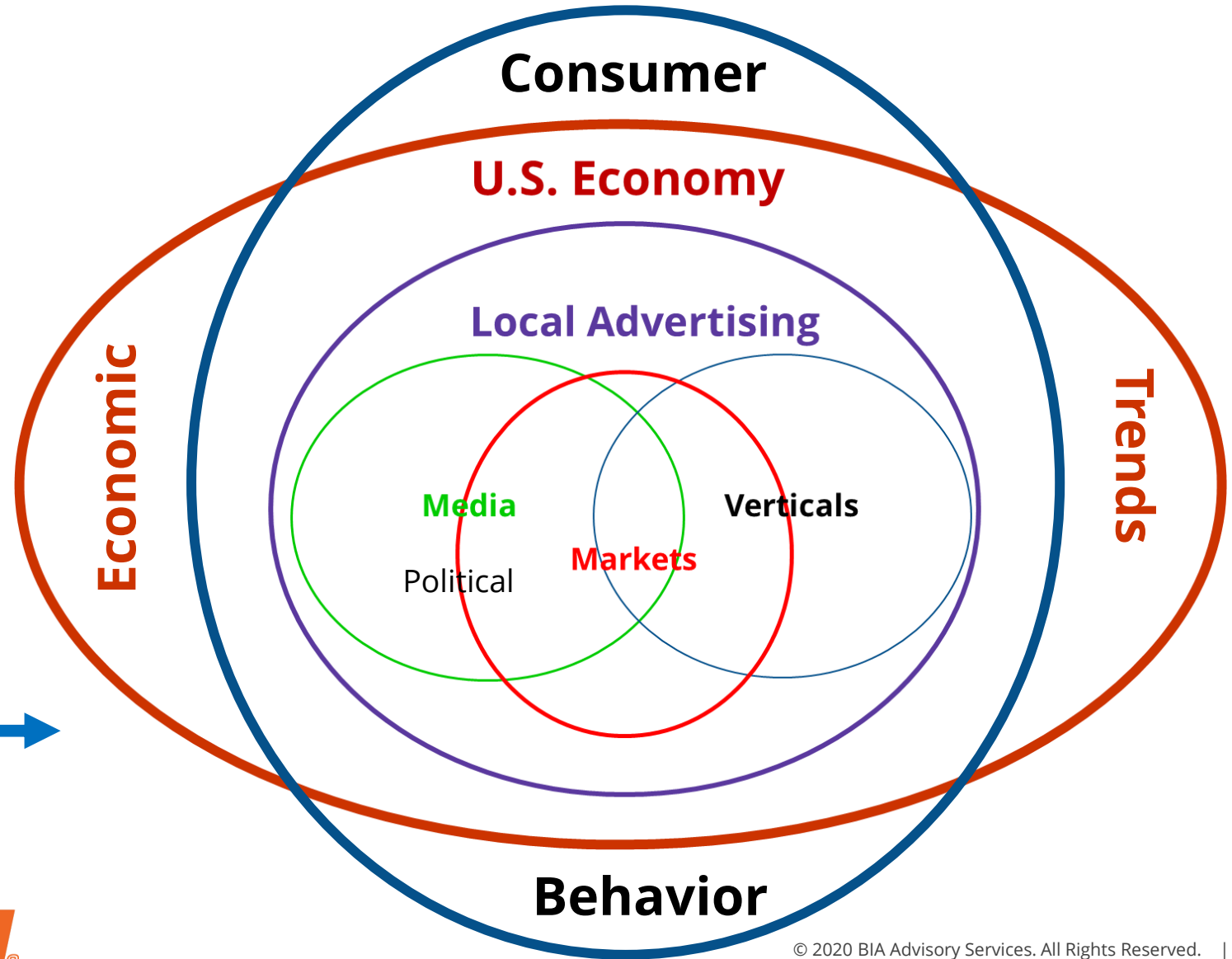
Our Plan for Today's Discussion

- **Provide assessment of economy, advertising and ad revenue potential**
- **Identify where the best opportunities lie (business vertical analysis)**
- **Steps to take now for Q4 and next year**

Various Factors to Consider to Assess Your Opportunity

- COVID-19 completely changed the economic environment and local advertising outlook for much of 2020.
- The recovery will vary significantly by market, by media and for different business verticals.
- A lot of uncertainty remains.

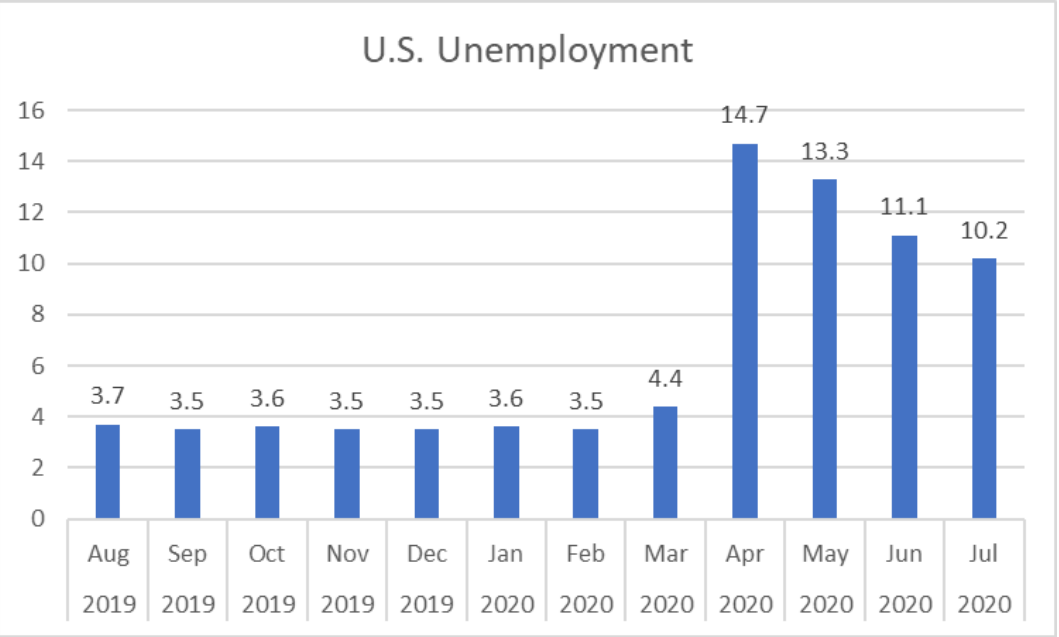
Let's discuss the factors you must consider in developing your sales strategies and budget planning.



Employment Trends
Retail Sales Trends
GDP Trends & Outlook

Let's look at Economic Trends

U.S. Unemployment Improving, Large Variances by State



Source: U.S. Bureau of Labor Statistics

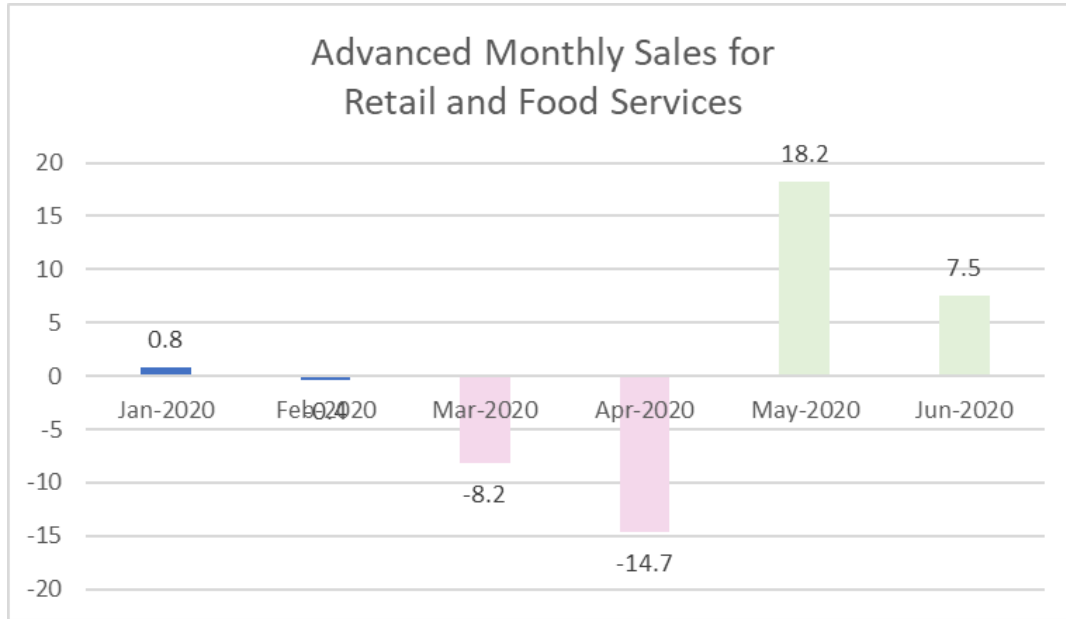
20.5 million jobs lost in April,
 2.5 million jobs added in May,
 4.8 million jobs added in June,
 1.8 million jobs added in July.

BIA Observation:

Rebounding from a deep employment hole, still a long way to go, especially in some key states.

Lowest Rate States		Highest Rate States	
1 Kentucky	4.3 %	51 Massachusetts	17.4 %
2 Utah	5.1 %	50 New Jersey	16.6 %
3 Idaho	5.6 %	49 New York	15.7 %
4 North Dakota	6.1 %	48 Nevada	15.0 %
5 Maine	6.6 %	47 California	14.9 %
6 Oklahoma	6.6 %	46 Michigan	14.8 %
7 Nebraska	6.7 %	45 Illinois	14.6 %
8 Montana	7.1 %	44 Hawaii	13.9 %
9 South Dakota	7.2 %	43 Pennsylvania	13.0 %
10 Alabama	7.5 %	42 Delaware	12.5 %
		22 District of Columbia	8.6%

U.S. Retail Sales Improving, Certain Businesses Rebounding



- July 16, 2020 — The U.S. Census Bureau, adjusted for seasonal variation and holiday and trading-day differences, but not for price changes. Includes restaurants, auto, supermarkets and Ecommerce.

BIA Observation:

Tough sledding in March and April, nice rebound in May and June. Some of hardest hit categories rebounding due to pent-up demand. Retail sales key for advertising.

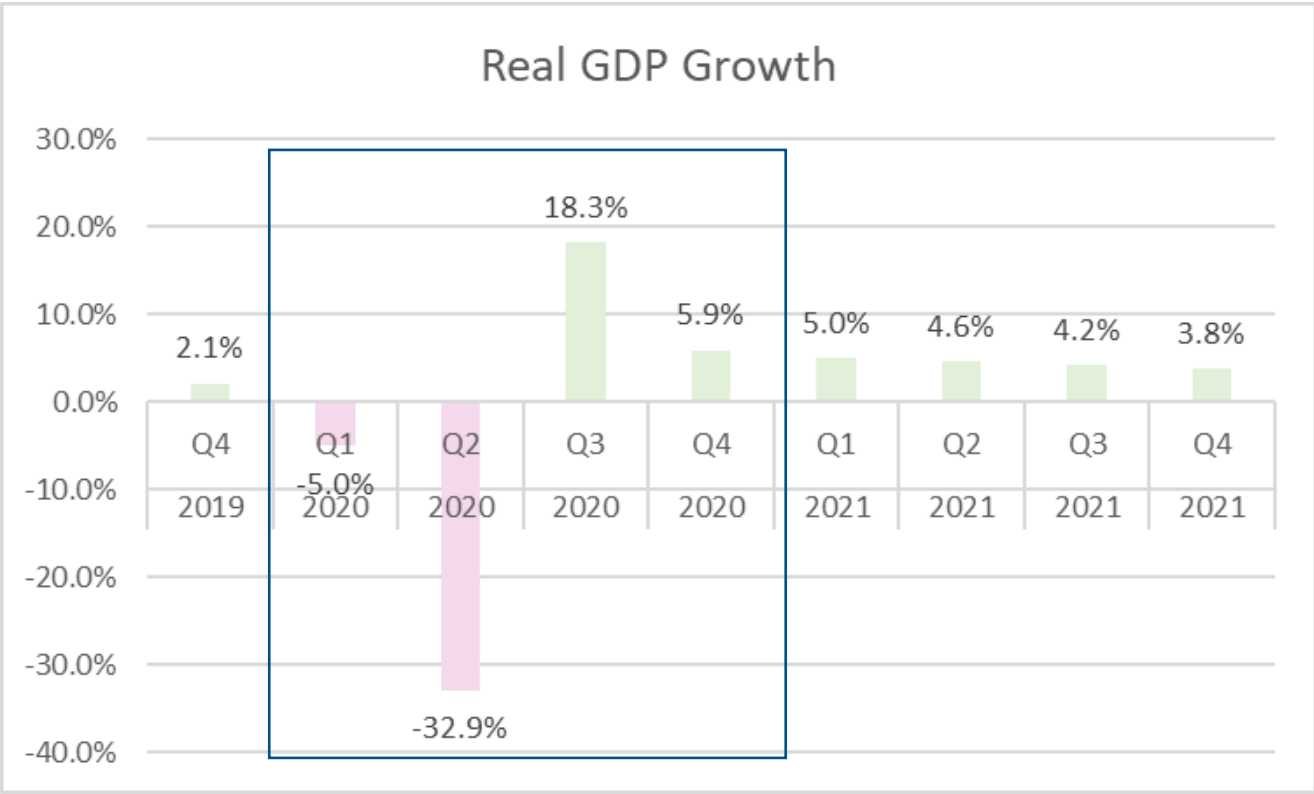
Estimated Monthly Sales for Retail and Food Services
(Total sales estimates \$ millions)

	6 Month 2020	% Chg. 2019	% Chg. May-June
Clothing & clothing accessories stores	73,665	-39.3 %	105.1 %
Electronics & appliance stores	35,784	-19.2 %	37.4 %
Furniture & home furn. stores	46,751	-16.4 %	32.5 %
Sporting goods, hobby, musical, book stores	34,164	-6.1 %	26.5 %
Food services & drinking places	291,027	-22.8 %	20.0 %
Department stores	48,978	-19.5 %	19.8 %
Gasoline stations	202,152	-17.2 %	15.3 %
Motor vehicle & parts dealers	566,826	-6.4 %	8.2 %
Health & personal care stores	173,065	-2.2 %	3.5 %
General merchandise stores	344,580	2.3 %	2.7 %
Building matl & garden eq. & supplies dealers	210,422	9.9 %	(0.3) %
Food & beverage stores	420,975	12.8 %	(1.2) %
Nonstore retailers	433,327	18.4 %	(2.4) %
Retail & food services,	2,891,507	-3.4 %	7.5 %

(a) Advance estimate (p) Preliminary estimate

Source: U.S. Census Bureau, Advance Monthly Retail Trade Survey, July 16, 2020.

Nationwide Economic Outlook in August



Source: WSJ Economic Forecasting Survey, August 13, 2020

BIA Observation:

The U.S. Economy experienced a record downturn in April and started to recover in May and June.

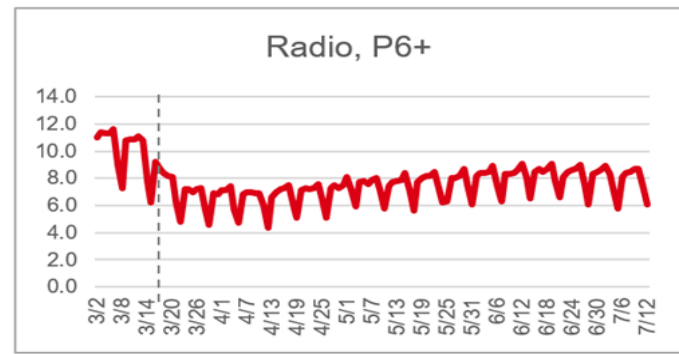
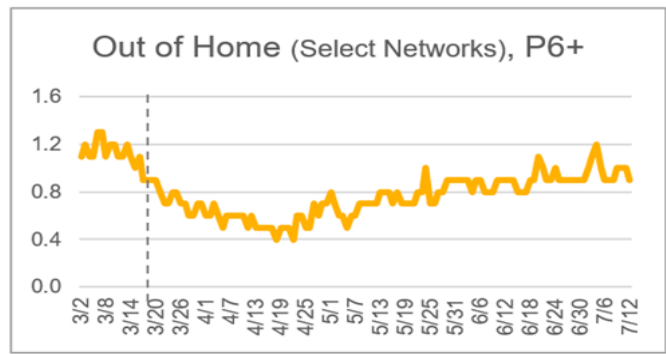
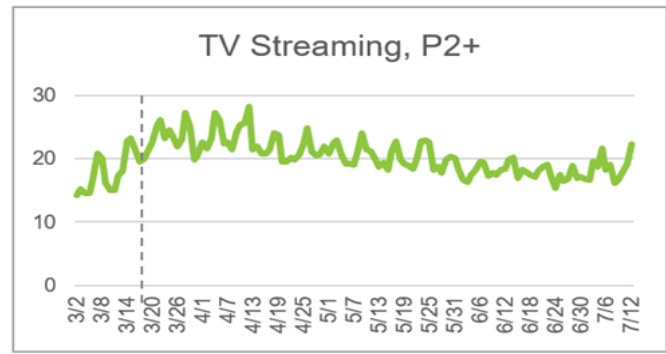
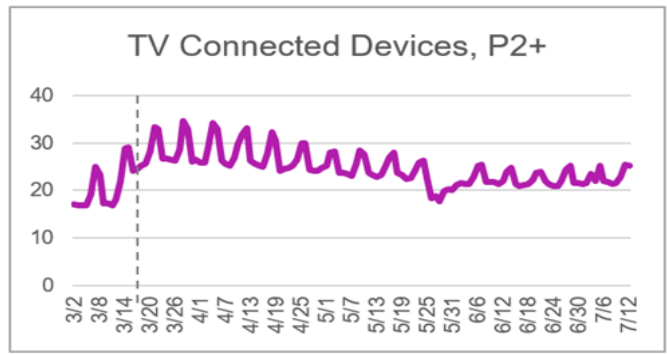
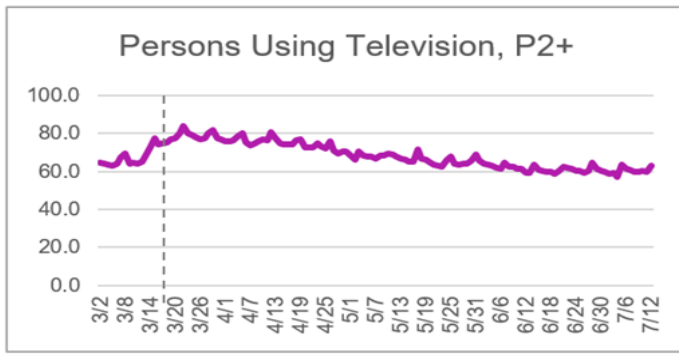
Experts see a strong 3rd Quarter recovery and solid economic growth thru 2021. A lot of uncertainty remains related to the spread and control of the pandemic nationally and by market. The timing and impact of a vaccine is tough to anticipate, but progress being made.

Working from
Home
Radio Listening
TV Viewing
OTT Viewing
Cable News
Out of Home
Mobile
Digital

Let's look at Media Usage Trends

Nielsen's Assessment: Media Indicators Point to a Return to "Normalcy"

Daily Trend in Billions of Total Day Minutes



BIA Observation:

Nielsen's tracking indicates that TV usage holding steady,

OTT viewing way up, OOH and Radio AQH still off by meaningful amount (Cume back to 95% of March).

Sports events on TV having great numbers due to consumer demand.

Source: Nielsen's National TV Panel: PUT, TV Connected Device, Streaming Meter Panel, OOH, Radio: Audio PPM, Markets Smartphone: Connectivity Panel,
Note that charts are on different scales.

How is Other Media Consumption Changing?

MVPDs

Fox News, CNN and MSNBC recorded double-digit gains over the same period in 2nd quarter in total viewers and adults 25-54.

All three also delivered their biggest viewer tallies ever in both total-day averages and Prime.

OOH

eMarketer revised their 2020 US total OOH ad spending down from an increase of 3.3% in March to a decline of 4.6% in June. They estimate that 1/3 of OOH adds will be digital.

Radio

Radio's Cume back to 95% of March's level.

June marked the third month in a row where listening is on the upswing, according to updated metrics from Nielsen.

Mobile

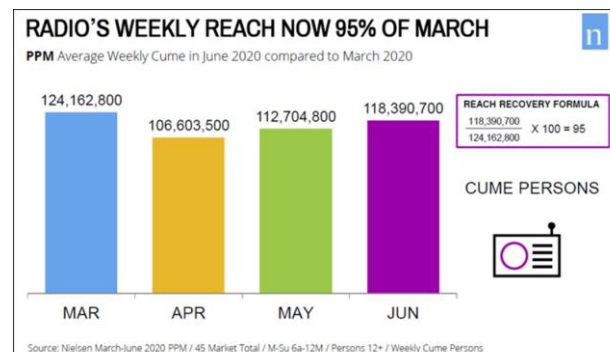
According to a June revised eMarketer forecast, 2020 US mobile ad spending will increase 4.8%. This is a significant revision downward from their March projection of 20% growth for the year.

Digital

According to IAB, buyers expect digital ad spend to grow 13% in 2H vs 2019. A revised eMarketer forecast has digital advertising in the US increasing 1.7% in 2020.

OTT

BIA projects OTT advertising to approach \$1.0 Billion in 2020.



Podcasts

Podcast listening is soaring and eMarketer projects advertising to top \$1 Billion in 2021.

Working from Home
Shopping
Communications
School
Clothing
Requirements
Home Repairs
Home Buying
Technology Needs
Office Needs
Pent up Demand

Let's look at Consumer Trends

Q4 2020

Retail Sales Have the Potential to be Normal Except for Travel, Events and Restaurants*

*pending no major setbacks with COVID-19

 **SalesFuel**



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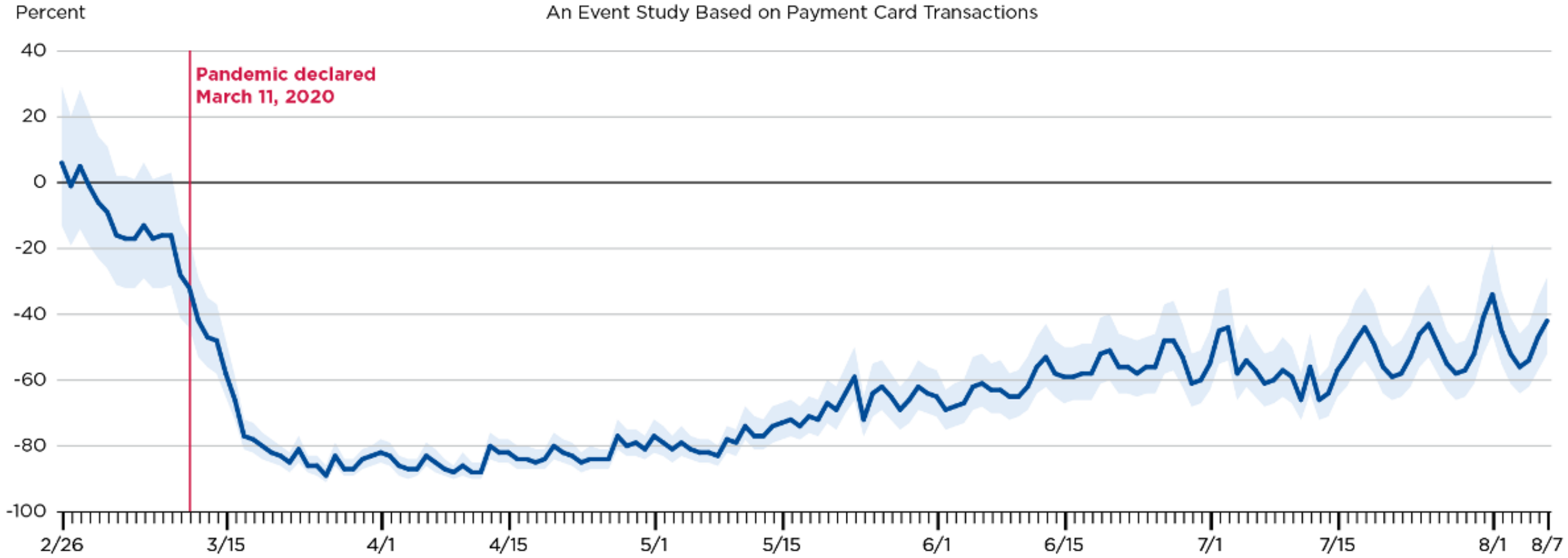
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Spending on Accommodation

An Event Study Based on Payment Card Transactions



**Pandemic declared
March 11, 2020**

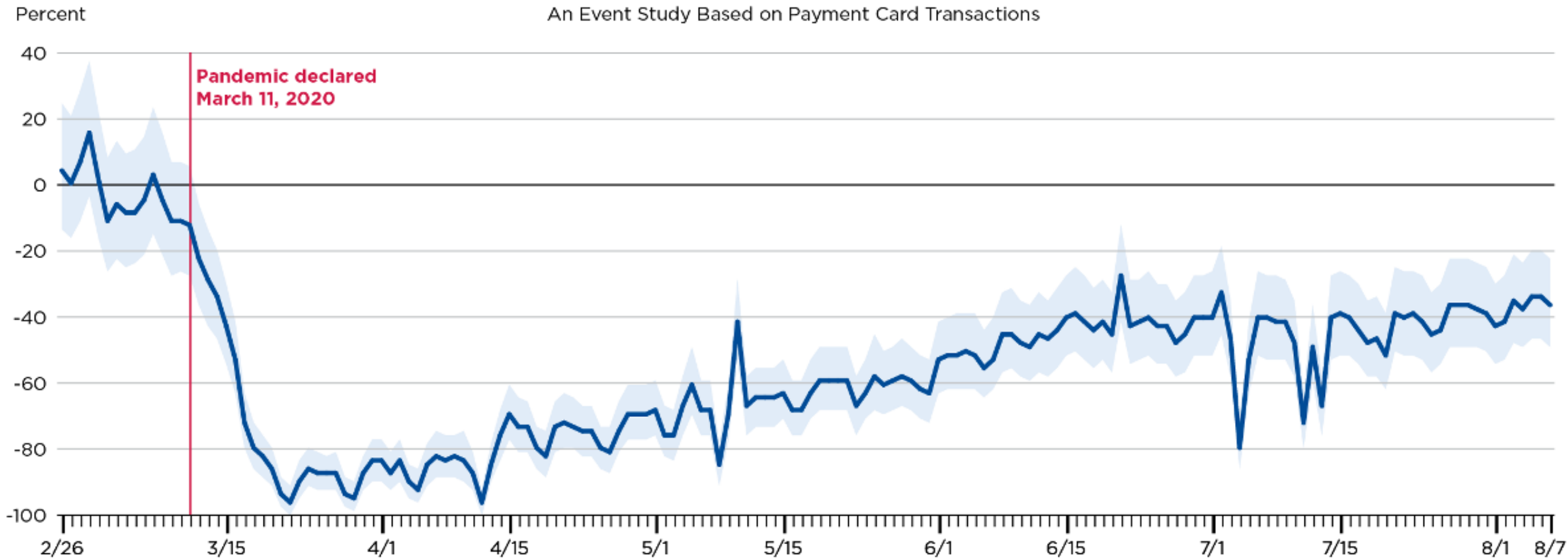
Note: Chart shows the difference from the typical level of spending without COVID-19-related changes in the economy. The typical level corresponds to a value of 0. The shaded area represents 95 percent confidence interval bands.

U.S. Bureau of Economic Analysis



Spending on Food Services and Drinking Places

An Event Study Based on Payment Card Transactions



Note: Chart shows the difference from the typical level of spending without COVID-19-related changes in the economy. The typical level corresponds to a value of 0. The shaded area represents 95 percent confidence interval bands.

U.S. Bureau of Economic Analysis

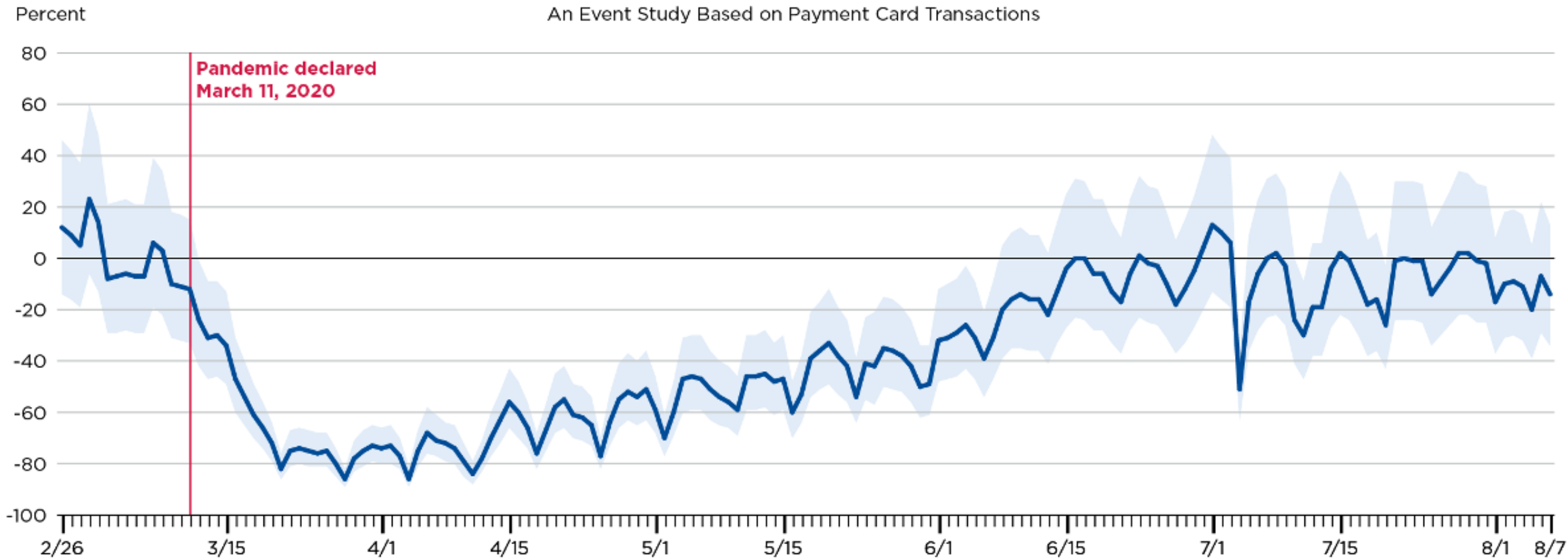




- **AdMall® Local Account Intelligence Reports** (440 business categories for all US media markets)
- **AudienceSCAN® consumer profiles** (1,380 profiles of lifestyle interests, media usage, purchase intent, political prefs + more)
- **Market demographics, consumer spending and health care** data to the zip code level
- **Numerous U.S. government sources**
- Learn more at admall.com

Spending at Clothing and Clothing Accessories Stores

An Event Study Based on Payment Card Transactions



**Pandemic declared
March 11, 2020**

Note: Chart shows the difference from the typical level of spending without COVID-19-related changes in the economy. The typical level corresponds to a value of 0. The shaded area represents 95 percent confidence interval bands.

U.S. Bureau of Economic Analysis



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Casual+Athletic Apparel

- ❑ **Casual Clothing Stores: 23%** of annual sales are made Nov-Dec
- ❑ **Activewear sales** have been surging since April 2020
- ❑ Consumers continue to dress down as the work from home trend continues
- ❑ Activewear Shoppers respond most to **digital marketing, OTT, social media**

Source: AdMall® Local Account Intelligence Reports (Aug 2020), admall.com



Casual+Athletic Apparel

- **Athletic Footwear/Apparel: 20%** of annual sales are made Nov-Dec
- **19.5%** of U.S. adults plan to purchase athletic footwear within the next year
- **8.3%** of U.S. adults now have apparel, accessories delivered to their homes via **subscription service**

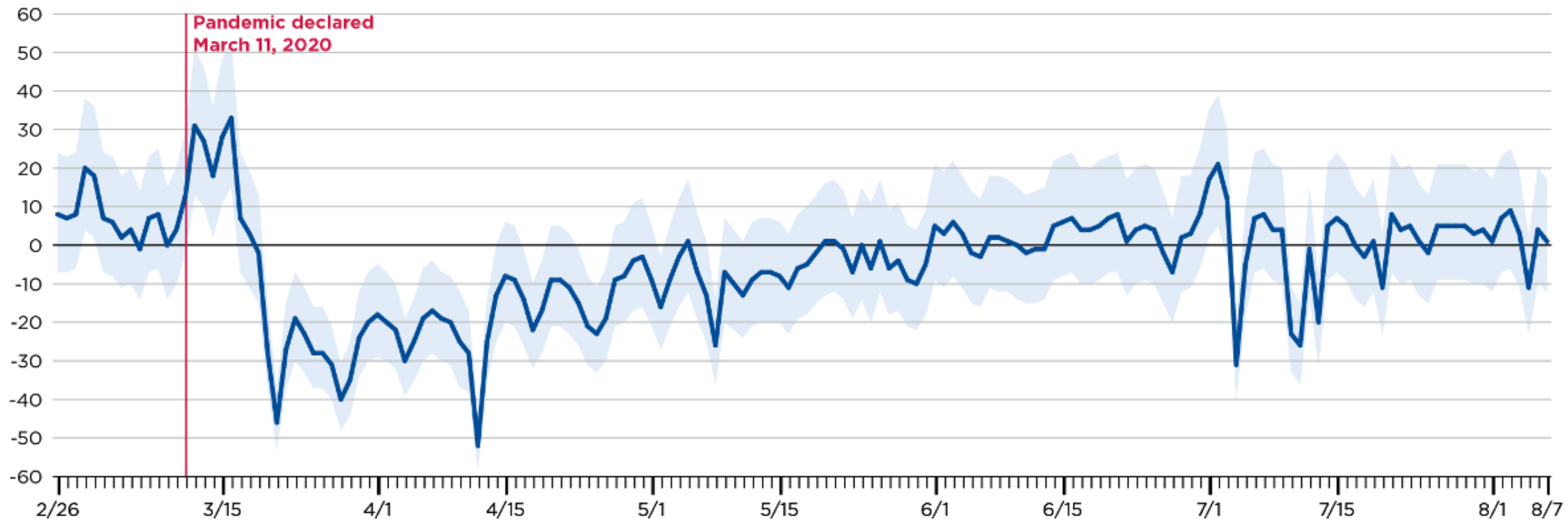


Sources: AdMall® Local Account Intelligence Reports (Aug 2020); 11th Annual SalesFuel® AudienceSCAN® Study (Apr 2020)

Spending on Retail and Food Service (Excluding Nonstore Retailers)

An Event Study Based on Payment Card Transactions

Percent



Note: Chart shows the difference from the typical level of spending without COVID-19-related changes in the economy. The typical level corresponds to a value of 0. The shaded area represents 95 percent confidence interval bands.

U.S. Bureau of Economic Analysis



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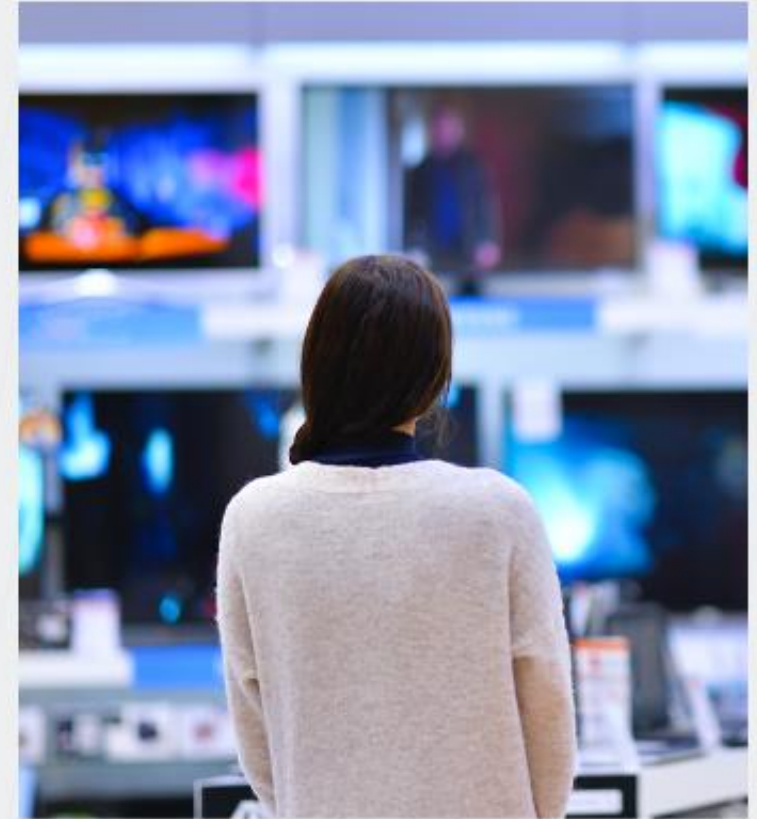
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Electronics Retailers+Shoppers

- ❑ **23%** of annual sales in Nov and Dec
- ❑ Electronics/Appliance sales already **+21%** vs normal/pre-COVID-19
- ❑ Purchase intent up for **video games, drones, VR devices, home security, smart TV**
- ❑ **5G, small appliances, refurbished electronics** will also be popular in Q4
- ❑ Shoppers more likely to respond to **TV, radio, SEM, OTT, pre/post-roll video**



Sources: AdMall® Local Account Intelligence Reports (Aug 2020); 11th Annual SalesFuel® AudienceSCAN® Study (Apr 2020)

Other Notable Q4 Targets

- Jewelry Stores** (Nov-Dec: **28%**)
- Wine Shops** (Nov-Dec: **20%**)
- Toy/Hobby Shops** (Nov-Dec: **26%**)
- Bookstores** (Dec is 3rd biggest month)
- HVAC Dealers** in the Northern U.S.

Cyber Monday Retailers+Shoppers

- Week of Thanksgiving, Black Friday, Cyber Monday accounted for **34% of holiday revenue** for many retailers
- **Will there be Black Friday crowds?**
- **Top holiday gifts:** gift cards, clothing, wine/food, toys/hobbies, electronics, home and kitchen, subscription services
- **134%** increase in **SMS sends** during Cyber Week 2019; **14%** increase in Thanksgiving Day **email sends**
- In addition to **digital marketing**, more likely to respond to **OTT, television** ads



Sources: AdMall® Local Account Intelligence Reports (Aug 2020); Salesforce 2020 Holiday Insights; Deloitte 2019 Holiday Survey; 11th Annual SalesFuel® AudienceSCAN® Study (Apr 2020)

Although non-essential businesses can't magically become essential for their customers, they still can ensure business continuity by enabling digital access and advertising intelligently.

Forbes Agency Council (August 13, 2020)

Advertiser's View
Political
Verticals

Let's look at Advertising Trends

Downward Revision Due to COVID Impact in 1st Half of 2020

Estimated 2020 Local Advertising for Selected Media

	(Amounts in \$ Billions)		
	Pre-COVID 1/	Post-COVID 2/	% Change
Direct Mail	\$ 36.7	\$ 32.1	-12.5%
Mobile	26.8	24.3	-9.3%
Online	21.8	20.6	-5.5%
TV OTA	17.9	16.7	-6.3%
Radio OTA	12.8	11.2	-11.9%
OOH	8.9	6.7	-25.0%
Print Newspaper	8.5	7.2	-14.4%
Cable	6.4	5.6	-12.7%
Local Advertising	\$ 156.9	\$ 140.4	-10.5%
	1/ February BIA Estimate.	2/ August BIA Estimate.	

BIA Observation:

Much of the impact of the pandemic on local advertising was felt in the 2nd quarter.

Advertisers have innovated and shifted budgets, looking for a rebound. Still uncertain about a second wave of the virus.

Political Advertising will Lessen the Downturn

POLITICAL AD FORECAST UPDATE 2020

OVERALL SPEND UP FROM
\$7.1B TO \$7.3B



Top 5 Markets by Political Ad Spend

Los Angeles, CA	401,177
Phoenix, AZ	309,499
Philadelphia, PA	297,884
New York, NY	254,679
Denver, CO	209,338

Top 5 Markets by Political Digital Ad Spend

Los Angeles, CA	86,683
Phoenix, AZ	66,211
Philadelphia, PA	65,322
New York, NY	62,478
Boston, MA	43,113

Top 5 Markets by Political Radio OTA Spend

Los Angeles, CA	18,190
New York, NY	15,880
Chicago, IL	10,170
Houston, TX	10,090
Dallas-Ft. Worth, TX	9,170

Top 5 Markets by Political TV OTA Spend

Los Angeles, CA	180,000
Phoenix, AZ	172,541
Philadelphia, PA	156,395
Denver, CO	125,000
Boston, MA	94,000

How Advertisers are Planning Going Forward

New survey from **Advertiser Perceptions** reveals important details

- Advertisers have consistently pointed to Q3 as start of lengthy recovery
- Most advertisers are still finalizing post COVID-19 strategies and planning has been reduced to less than 3 months out
- Many advertisers added budget to CTV/OTT during pandemic and see streaming services continuing to grow in popularity
- Advertisers see data and insights as a must going forward
- Flexibility will be a focus and regional challenges will lead to shifting plans

*Source: Advertiser Perceptions July 23, 2020
From Paralysis to Scenario Planning*

Unemployment
Key Industries
Shuttered in
Place
Political Unrest
Spikes
Recovery

Let's look at Markets

Market-Specific Factors will Lead to Wide Variances

Unemployment

Massachusetts
New Jersey
New York
Nevada
California
Michigan
Illinois
...

Corona Virus

New York City +
California
Washington
Florida
New Orleans
Detroit
...

Political Unrest

Portland
Seattle
Minneapolis
Louisville
Chicago
New York
...

Tourism Markets

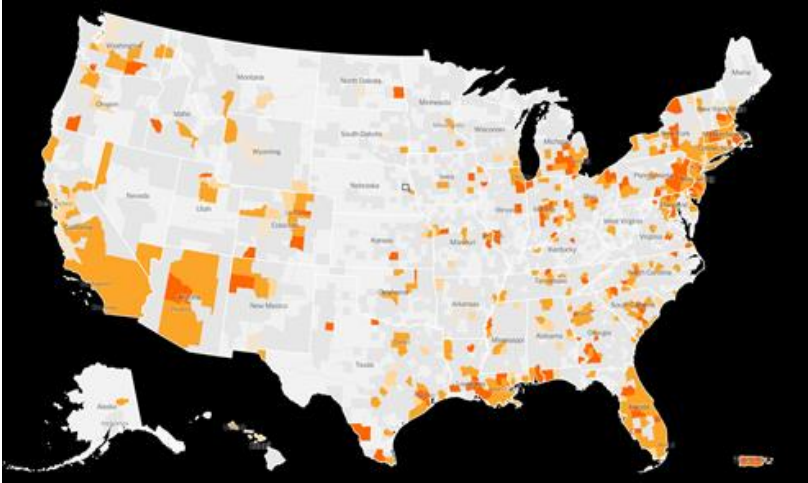
New York
Chicago
Nashville
Savannah
Charleston
Orlando
San Francisco
Phoenix
New Orleans
Los Angeles
...

Oil Markets

Texas
North Dakota
New Mexico
Oklahoma
Colorado
Alaska
...

Political Markets

Houston
Los Angeles
Washington, DC
Dallas-Ft. Worth
New York
Boston
San Francisco-Oakland
Austin
Salt Lake City
San Antonio





94 CATEGORIES

12 SUPER VERTICALS

Automotive
Education
Financial/Insurance
General Services
Gov't/Pol/Rel'g
Health
Leisure/Recreation
Media
Real Estate
Restaurants/Food
Retail
Technology

Let's Look at Three Vertical Opportunities

Vertical Analysis

\$24.2B RETAIL SPEND IN LOCAL VERTICALS IN RETAIL

Warehouse Clubs and Supercenters
Clothing Stores
Home Centers
Discount Department Stores
Department Stores
Furniture Stores
Sporting Goods Stores
All Other General Merchandise Stores
Lawn and Garden Equipment and Supplies Stores
Jewelry, Luggage, and Leather Goods Stores
Other Home Furnishings Stores
Shoe Stores
Electronic Stores
Mattress and Sleep Centers
Floor Covering Stores
Hardware Stores
Office Supplies and Stationery Stores
Hobby, Toy, and Game Stores
Gift, Novelty, and Souvenir Stores
Household Appliance Stores
Book Stores
Paint and Wallpaper Stores
Pet Supplies Stores

The Retail Vertical

The Retail Vertical

Largest vertical with 28 business categories and 13.2% decline in ad spending in 2020.

Direct Mail, Mobile and Online get the largest share this year.



Opportunities:
Direct Mail, Out of Home and TV OTA
 show the *largest increase for traditional ad spend.*

Mobile, Online, and Newspapers online
 show the *largest increase for digital ad spend.*

	2020 Market Share	2020-21 % Change Ad Spend	20-21 \$000s Change Ad Spend
Direct Mail	42.2%	6.7%	\$ 687,468
Out of home	2.7%	26.7%	\$ 177,035
TV OTA	5.6%	8.8%	\$ 118,685
Radio OTA	8.1%	4.3%	\$ 84,237
Newspapers Print	6.4%	2.9%	\$ 46,052
Cable TV	2.1%	2.1%	\$ 10,999
Directories	0.3%	-2.0%	\$ (1,381)
Magazines Print	0.3%	-2.0%	\$ (1,507)
Traditional	67.8%	6.8%	\$ 1,121,588
Mobile	11.5%	14.0%	\$ 389,026
Online	12.9%	9.4%	\$ 293,958
Newspapers Online	3.9%	11.8%	\$ 110,750
Email	1.9%	24.1%	\$ 110,444
Radio Online	0.9%	20.9%	\$ 46,547
OTT	0.4%	25.2%	\$ 23,686
TV Online	0.5%	11.0%	\$ 13,850
Magazines Online	0.2%	16.9%	\$ 6,825
Digital	32.2%	12.8%	\$ 995,086



\$14.2B RESTAURANT & FOOD SPEND IN LOCAL

VERTICALS IN RESTAURANT & FOOD

Beer and Wine, and Liquor Stores

Convenience Stores

Full Service Restaurants and Bars

Quick Service Restaurants/Fast Food

Special Restaurants

Food & Beverage Stores

Supermarkets and Other Grocery

The Restaurant Vertical

The Restaurant & Food Vertical

Restaurants & Food will see a modest 8.9% growth from 2020-21.

Direct Mail, Mobile and Online get the largest share this year.



Opportunities:
Direct Mail, Out of Home and TV OTA show the *largest increase for traditional ad spend.*

Mobile, Online, and email show the *largest increase for digital ad spend.*

	2020 Market Share	2020-21 % Change Ad Spend	20-21 \$000s Change Ad Spend
Direct Mail	25.0%	4.9%	\$ 174,375
Out of Home	4.4%	17.1%	\$ 106,526
TV OTA	11.8%	5.5%	\$ 92,686
Cable TV	4.0%	14.7%	\$ 83,752
Radio OTA	9.1%	5.6%	\$ 71,484
Newspaper Print	3.3%	5.9%	\$ 27,756
Magazines Print	0.6%	6.7%	\$ 5,624
Directories	0.6%	-2.2%	\$ (1,785)
Traditional	58.8%	6.7%	\$ 560,418
Mobile	16.7%	12.8%	\$ 302,541
Online	15.1%	8.9%	\$ 191,247
Email	3.7%	21.1%	\$ 110,903
Radio Online	1.1%	19.0%	\$ 29,648
OTT	0.8%	21.6%	\$ 24,944
Newspaper Online	2.4%	5.2%	\$ 17,703
TV Online	1.1%	7.8%	\$ 12,221
Magazines Online	0.3%	23.0%	\$ 11,108
Digital	41.2%	12.0%	\$ 700,315

\$13.6B AUTOMOTIVE SPEND IN LOCAL

VERTICALS IN AUTOMOTIVE

Tier 1- Automotive Manufacturers

Tier 2- Automobile Dealers Assoc.

Tier 3- New Car Dealers

Tier3- Used Car Dealers

Other Motor Vehicle Dealers

Automotive Repair Services

Gas Stations & Petroleum

The Automobile Vertical

The Automobile Vertical

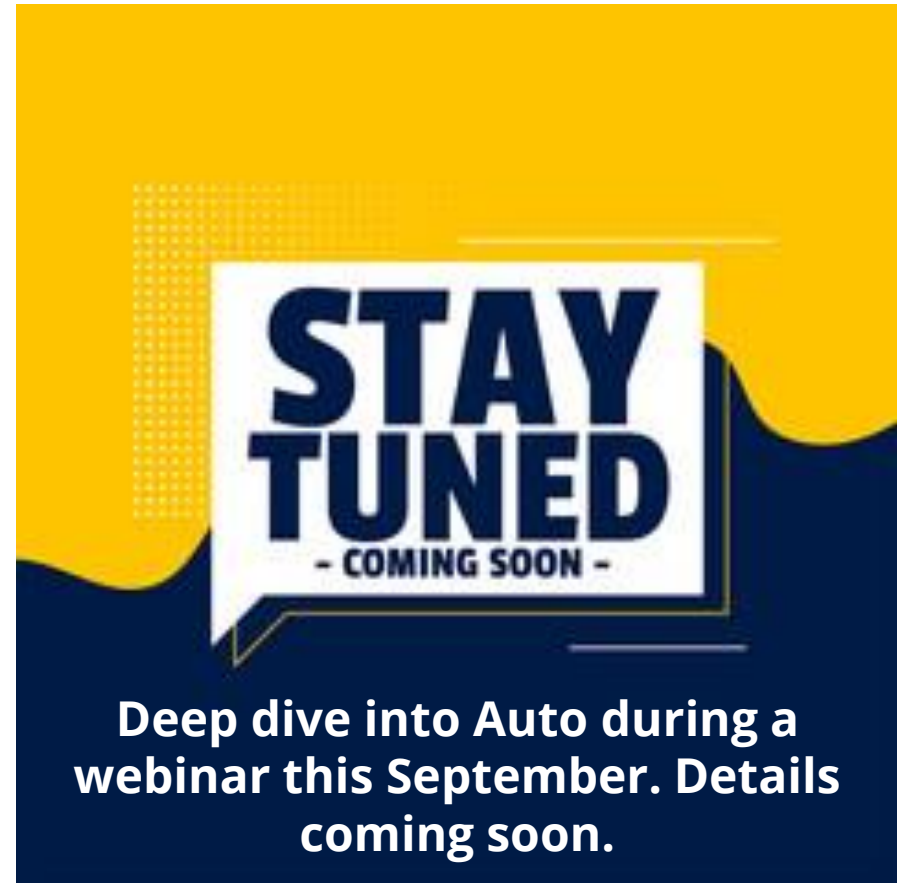
Auto vertical will see a 10.0% decline in ad spending in 2020.

TV OTA, Mobile and Online get the largest share this year.



Opportunities:
TV OTA, Radio OTA, and Newspapers show the *largest increase for traditional ad spend.*

Mobile, Online, and Newspapers Online show the *largest increase for digital ad spend.*



Summary of Observations

Market Signals	BIA Insights	BIA Forecast
<p>Q3. Economists call for rebound but it will vary by sector & geography.</p> <p>Earnings reports showing early support, some optimism.</p>	<ul style="list-style-type: none"> National brands moving to more local activation with different creative, targeting geos and sectors where business is more open. Federal and state programs (PPP, unemployment, etc.) attenuates downsides. Planning and activation windows shorter. 	<p>BIA revises down its U.S. local ad revenue estimate for 2020 from \$156B to \$140B</p> <p>In the handouts area, download our report, <i>Advertising Revenue in an Uncertain COVID-19 Environment: August 2020</i></p>
<p>Q4. Growing consensus rebound will hold, some fears of second wave for COVID-19.</p>	<ul style="list-style-type: none"> Some permanent damage to economy, loss of restaurants, other SMBs that couldn't weather the storm. More ecommerce, DTC business. Consumer uptake of virtual meetings, more media. Ad spend coming back across many verticals. Travel, hospitality, restaurants, others face strong headwinds. 	<p>Look for September 2020 update from BIA.</p> <p>We'll expect to see more growth in OTT, Digital, and Traditional starting to come back Q4 into 1Q2021.</p>
<p>2021. Expectation of a vaccine and return to more normal economic growth</p>	<ul style="list-style-type: none"> Brands & advertisers return to more normal planning and have implemented new approaches and innovation. Keep eye on platforms experiencing strong growth like OTT to offer what advertisers want. 	<p>Current forecast expects 6.6% growth in local advertising in 2021, with shift to digital continuing.</p>

Selling to Local Accounts Q4 2020

- ❑ **Target advertisers with the most to gain (and lose) during Q4**
- ❑ **Promote COVID-19 safety** (curbside pickup, delivery options, private appointments, etc.)
- ❑ **Help them take full advantage of Cyber Week**
- ❑ **Bring them new ideas**
- ❑ **Use traditional media to generate interest in digital offerings**
- ❑ **Reduce risk and make every dollar count** (use co-op \$)



Questions? Q&A Time

Realize Local Advertising with BIA ADVantage

Like the insights from this webinar?

Get predictive analytics into the local media marketplace with the **BIA ADVantage service**.

BIA ADVantage will help you do 3 very important things:

1. Defend your business
2. Identify where there's new or incremental revenue
3. Lead with benefit-oriented insights to bolster local selling with your advertisers.

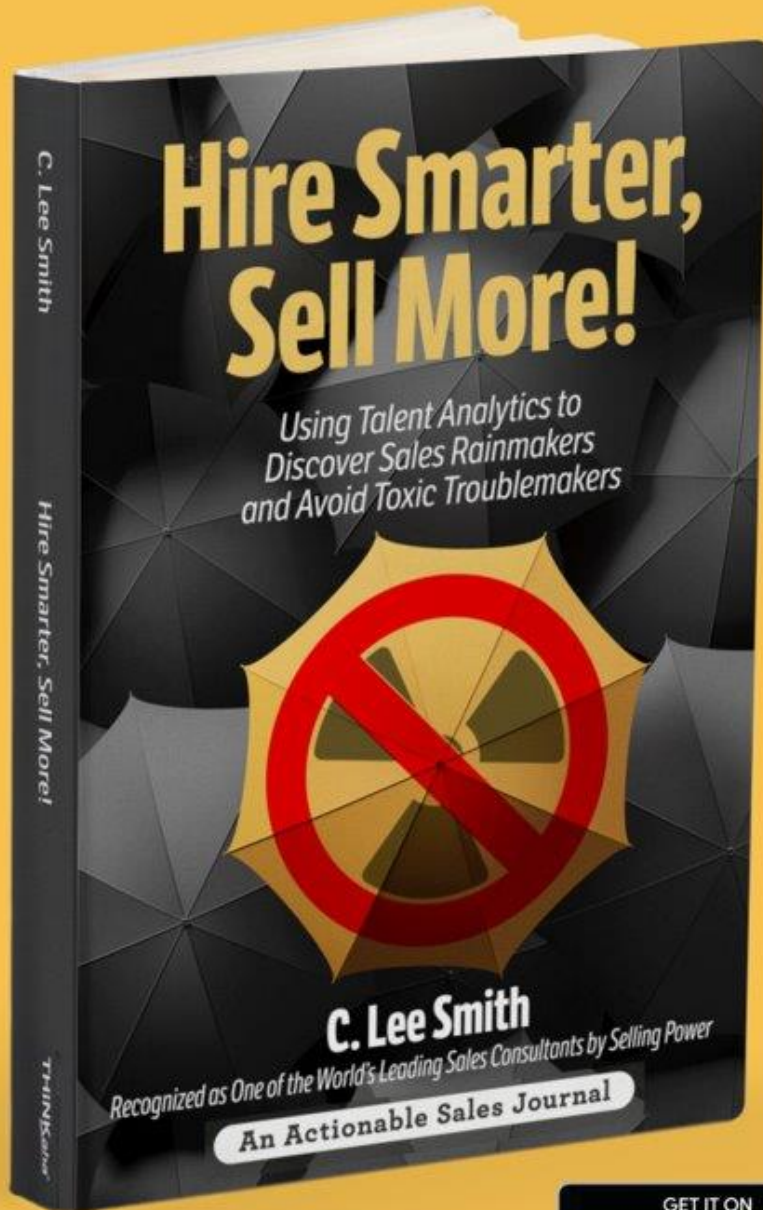


BIA ADVantage delivers:

Local Radio Market Forecasts, Digital Analysis, Vertical Ad Reports, Local Market Profiles, Weekly Analysis, Custom Market Research, Expert Client Services

Learn more here: <http://bit.ly/BIA-ADVantage>
Clients login here: <https://advantage.bia.com/>
Subscription info: advantage@bia.com





Hire Smarter, Sell More!

*Using Talent Analytics to Discover Sales Rainmakers
and Avoid Toxic Troublemakers*

by **C. Lee Smith**

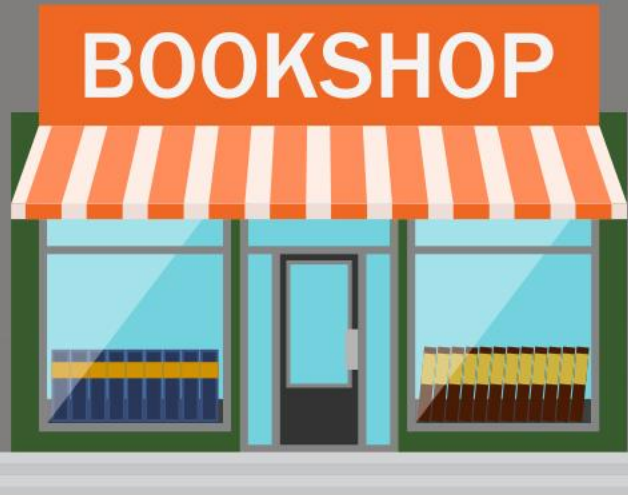
President / CEO, SalesFuel

PRE-SALE NOW



cleesmith.com

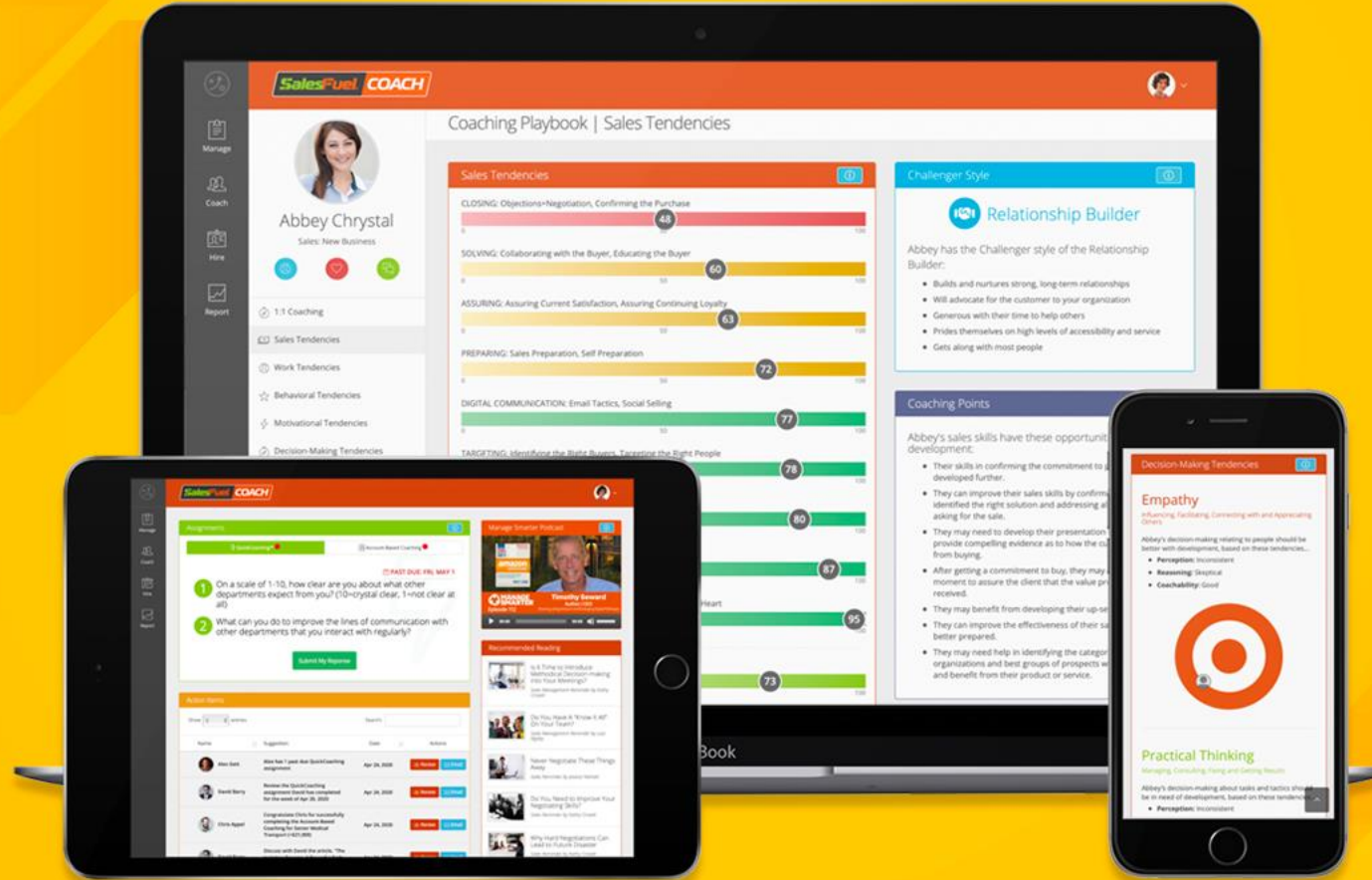
2020 CYBER WEEK SHOPPING TRENDS



Sunday, November 29th – Saturday, December 5th

SalesFuel® COACH

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QUESTIONS?

Contact Audrey Strong

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