

**GREATER  
PUBLIC**



# **Underwriting Category Study**

## **2013**

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## Table of Contents

<b>GOALS</b>	<b>3</b>
<b>METHODOLOGY</b>	<b>3</b>
<b>DEFINITIONS</b>	<b>4</b>
<b>RESULTS</b>	<b>5</b>
<b>FORMAT</b>	<b>5</b>
ALL STATIONS, BROADCAST & ONLINE	5
AAA STATIONS, BROADCAST	5
NEWS & INFO STATIONS, BROADCAST	6
NEWS & MUSIC STATIONS, BROADCAST	6
CLASSICAL STATIONS, BROADCAST	6
<b>TIERS</b>	<b>6</b>
TIER 1 STATIONS, MARKETS 1-10	7
TIER 2 STATIONS, MARKETS 11-50	7
TIER 3 STATIONS, MARKETS 51+	7
<b>AVERAGE ACCOUNT SIZES</b>	<b>7</b>
HIGHEST AVERAGE ACCOUNT SIZES	8
LOWEST AVERAGE ACCOUNT SIZES	8
<b>ONLINE CATEGORIES</b>	<b>8</b>
<b>WHAT WE LEARNED: TOPINE FINDINGS</b>	<b>9</b>
<b>HOW TO APPLY LEARNING: OPPORTUNITIES</b>	<b>9</b>
<b>TOOLS TO HELP</b>	<b>9</b>
<b>QUESTIONS &amp; MORE INFORMATION</b>	<b>10</b>
<b>APPENDIX</b>	<b>10</b>
MASTER LIST OF PARTICIPATING STATIONS	10
PARTICIPATING STATIONS BY FORMAT	10
PARTICIPATING STATIONS BY TIER	11
PARTICIPATING STATIONS BY REGION	11

## GOALS

In early 2013, and as a follow-up to a [2010 study of the same name](#), Greater Public engaged in an analysis of public radio underwriting categories. The goals of the study were to uncover insights that could help Greater Public member stations answer the following questions:

- Have there been any changes in public radio's top underwriting category list?
- What categories offer the most potential for stations?
- Is there any difference among formats, tiers or regions?
- Are online categories different?
- Where should underwriting professionals be spending their time?

## METHODOLOGY

In an effort to learn from stations doing the best work, only those stations identified by [Greater Public Benchmarks](#) as strong performers in the area of corporate underwriting were invited to participate in the study. We defined strong performer as being above the median in the Greater Public Benchmarks measures of net revenue per listener hour or conversion ratio. In order to participate, these stations were required to submit reports from their traffic systems that showed underwriting revenue by category from November 2011 – October 2012, with revenue defined as net revenue, excluding trade, and including any revenue from National Public Media (NPM) or other agencies. Stations submitted broadcast revenue (radio only in the case of joint licensees) as well as online revenue in some cases (typically larger market stations). Categories were then scored based on % of total station revenue.

Sufficient data to be included in the study was submitted by 39 stations, roughly 56% of all invited stations. Collectively these stations billed over \$100 million during the period studied in broadcast and digital revenue combined. Greater Public aggregated results for all stations, as well as segmented results by station format, market size and geographic region for further analysis. A full list of participating stations is available in this report's [Appendix](#), but the top-level breakdown of the 39 stations is as follows:

Format	Tier (market size)	Region
<ul style="list-style-type: none"><li>• News &amp; Info: 23 stations</li><li>• Classical: 7 stations</li><li>• AAA: 3 stations</li></ul>	<ul style="list-style-type: none"><li>• Tier 1 (1-10): 12 stations</li><li>• Tier 2 (11- 50): 16 stations</li></ul>	<ul style="list-style-type: none"><li>• Northeast: 5 stations</li><li>• Mid Atlantic: 4 stations</li><li>• Southwest: 6</li></ul>

<ul style="list-style-type: none"> <li>• News &amp; Music: 6 stations</li> </ul>	<ul style="list-style-type: none"> <li>• Tier 3 (51+): 11 stations</li> </ul>	stations <ul style="list-style-type: none"> <li>• South: 5 stations</li> <li>• Midwest: 7 stations</li> <li>• West: 12 stations</li> </ul>
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## DEFINITIONS

With close to 40 different stations participating, and no one traffic system or internal tracking process in common, Greater Public made some executive decisions about category make-up in an effort to standardize definitions across stations. Those categories—with some clarifications –are as follows:

- |   |   |
|---|---|
| 1. Automotive   | 14. Home Services (includes Landscape, Heating/Air, Carpeting, Cleaning)                                  |
| 2. Biotech  | 15. Insurance (includes Health, Financial Insurance)  |
| 3. Business Consulting/Services (includes Employment/Temps, Professional Business Services) | 16. Legal (includes Law Offices, Legal Services)  |
| 4. Computer/Technology (includes Internet companies)  | 17. Manufacturing (includes companies using labor/machines to produce goods, [3M etc.])                   |
| 5. Construction/Contractor (includes Architects)  | 18. Media (includes TV, Radio, PR)  |
| 6. Financial Services (includes Banks, Investment, Asset Management, Creditor Services)     | 19. Movies  |
| 7. Food/Beverage (includes Food & Beverage Products, Alcohol/Liquor)                        | 20. Museum/Art Gallery (includes Historical Societies)  |
| 8. Education (includes Secondary + Higher Ed, Continuing Education)                         | 21. Nonprofit/Foundation (includes Nonprofits Orgs, Foundations, Trade/Member Associations [AARP etc.])   |
| 9. Energy (includes Fuel, Energy Sources)   | 22. Performing Arts (includes traditional Performing Arts nonprofits: Theatre, Dance, Music, Choral etc.) |
| 10. Entertainment (includes Venues, Trade Shows, Fairs, Presenters, Casinos)                | 23. Personal Services (includes Beauty/Wellness, Spa, Funeral Homes)                                      |
| 11. Environmental (includes Sustainability, Green Businesses)                               | 24. Publishing (includes Newspapers, Magazines, Publications)   |
| 12. Government  | 25. Real Estate   |
| 13. Healthcare (includes Hospitals, Facilities, Dental, Retirement & Assisted Living)       | 26. Recreation (includes Parks, Boats, Family Sports)   |
|   | 27. Religious Organizations   |

- |  |   |
|--|---|
| 28. Restaurant/Catering  | 31. Transportation (includes Car Services, Trucking)                                    |
| 29. Retail (includes Bookstores, Pharmacies, Clothing, Home Goods/Furnishings, Pet Supplies, Jewelry, Gift Shops, Craft and Hobby Shops, Musical Instruments etc.) | 32. Travel (includes Airlines, Tourism, Hotel)  |
| 30. Telecommunications   | 33. Utilities (includes Public Utilities)   |
|  | 34. Other/Misc (includes Animal Hospitals, Advocacy Groups, Agriculture/Farm Equipment) |

Note: Where stations mapped NPM or agency revenue to the specific business category of the client, it was considered in that category.

## RESULTS

The top categories by rank are as follows for all stations and by format and tier (there were no significant differences by region). Where available, 2010 data is included for trending purposes. Those 2013 categories **in bold** represent categories with significantly higher scores than the others listed, suggesting some tiering within the top categories. When more than 5 categories are listed, the bottom categories tied from a scoring perspective.

### Format

#### All Stations, Broadcast & Online

2013	2010
1. <b>Education</b>	1.Education
2. <b>Healthcare</b>	2.Performing Arts
3. <b>Performing Arts</b>	3.Healthcare
4.Entertainment	4.Financial Services
5.Retail	5.Retail

Note: Financial Services has dropped off since 2010. This could be impacted by a cleaner distinction made between Performing Arts and Entertainment in the 2013 study, compared to 2010 methodology.

#### AAA Stations, Broadcast

2013	2010
1. <b>Education</b>	1. Performing Arts
2. <b>Entertainment</b>	2. Education
3.Performing Arts	3. Automotive
4.Automotive	4. Retail
5.Retail	5. Entertainment

Note: AAA categories have stayed virtually the same.

### News & Info Stations, Broadcast

2013	2010
1. <b>Education</b>	1. Education
2. <b>Healthcare</b>	2. Healthcare
3. Financial Services	3. Performing Arts
4. Performing Arts	4. Retail
5. Entertainment	5. Financial Services

Note: While Financial Services has slipped for stations in aggregate, it is still important for News & Information stations, even moving up the list since 2010.

### News & Music Stations, Broadcast

2013	2010
1. <b>Healthcare</b>	1. <i>Education</i>
2. Retail	2. <i>Performing Arts</i>
3. Performing Arts	3. <i>Healthcare</i>
4. Education	4. <i>Nonprofit Organizations</i>
5. Legal	5. <i>Energy &amp; Utilities</i>

Note: It is difficult to draw conclusions in this segment, as sample size is small and station formats truly mixed and varied. News & Information results may be a better guide.

### Classical Stations, Broadcast

2013	2010
1. <b>Performing Arts</b>	1. Performing Arts
2. <b>Entertainment</b>	2. Healthcare
3. <b>Education</b>	3. Education
4. <b>Healthcare</b>	4. Retail
5. Retail	5. Financial Services

Note: Financial Services slips here, but again, this could be due to a cleaner distinction made between Performing Arts and Entertainment in the 2013 study.

### Tiers

Ideally Greater Public would have broken results down by more tiers to mirror the Greater Public Benchmarks methodology, but there were not

enough stations participating in the study to produce substantive data for more tiers than the 3 tiers listed.

### **Tier 1 Stations, Markets 1-10**

2013

1. **Education**
2. **Performing Arts**
3. Entertainment
4. Healthcare
5. Financial Services

Note: Dominant categories were strong across the board.

### **Tier 2 Stations, Markets 11-50**

2013

1. **Healthcare**
2. **Education**
3. **Entertainment**
4. Performing Arts
5. Retail

Note: Performing Arts slips here, most likely due to smaller and/or fewer arts organizations in these markets and their corresponding smaller budgets. Healthcare is more important in this Tier.

### **Tier 3 Stations, Markets 51+**

2013

1. Healthcare
2. Retail
3. Education
4. Financial Services
5. Performing Arts
6. Legal

Note: Performing Arts is less important in this tier, while Retail is more so, and Legal also makes an appearance. Healthcare is important for this tier, as the top category, like in Tier 2.

## **AVERAGE ACCOUNT SIZES**

Greater Public analyzed the average account sizes for top categories across stations in an effort to assess which categories yield larger accounts and to indicate the time and preparation needed to get the business for top public

radio categories. For instance, does a lower average account size mean you shouldn't spend time on that category? Of course not, but it is important to understand you will need more of these accounts to meet your goals. Similarly, what is the appropriate level of preparation for higher value accounts?

## Highest Average Account Sizes

1. Biotech: \$46,943	9. Environmental \$13,686
2. Insurance: \$23,879	10. Healthcare \$12,651
3. Energy: \$23,089	11. Publishing \$11,785
4. Financial Services: \$19,784	12. Legal \$11,745
5. Computer/Technology: \$19,062	13. Government/Public Sector \$11,248
6. Transportation: \$17,870	14. Manufacturing \$10,500
7. Telecommunications: \$15,169	15. Utilities \$10,275
8. Automotive: \$14,323	

## Lowest Average Account Sizes

1. Home Services: \$8,386	8. Retail: \$6,450
2. Business/Professional Services: \$7,869	9. Other \$6,397
3. Construction/Contracting: \$7,475	10. Personal Services \$6,050
4. Travel: \$7,153	11. Non Profits/Foundations \$5,984
5. Museum/Art Gallery: \$6,957	12. Recreation \$5,560
6. Real Estate: \$6,884	13. Restaurant/Catering \$5,115
7. Performing Arts: \$6,570	14. Entertainment \$4,422
	15. Religious Organization \$1,916

## ONLINE CATEGORIES

Some combination of the following categories serves as the primary driver of online sponsorship revenue for those stations reporting this information (approximately 20% of participating stations provided online numbers). Many of the top online categories are the same as the top broadcast categories, however there are some differences. Those categories in bold below represent categories considered "top" for online but not necessarily for broadcast. It's not that they are "online only" categories per say, as we see these categories generating broadcast revenue as well, but these categories account for a greater % of total online revenue than the % of total on-air revenue they represent.

- |                              |                                  |
|------------------------------|----------------------------------|
| • Education                  | • Entertainment                  |
| • <b>Computer/Technology</b> | • <b>Nonprofit Organizations</b> |
| • <b>Food/Beverage</b>       | • <b>Museum/Art Gallery</b>      |
| • Healthcare                 | • Retail                         |
| • Performing Arts            |                                  |



Overall, online revenue accounts for roughly 3% of total underwriting revenue, while some individual stations (mostly from larger markets) see online revenue account for as much as 10% of the station's total underwriting revenue. More learning and experimentation is warranted in this area.

## WHAT WE LEARNED: TOPINE FINDINGS

- Many of the same categories remain strong since 2010, with some minor variances
- “Boomer” categories are notable (i.e, retirement living, pharmacies, personal wellness, travel, online education, private schools, home furnishings, AARP, Osher Lifelong Learning Institutes)
- No significant differences by region; market and format are drivers
- Online categories same as broadcast for the most part, with some variances in “top” categories

## HOW TO APPLY LEARNING: OPPORTUNITIES

- Consider top categories for your format and market size; adjust your focus as necessary.
- Understand average account sizes. Make a plan to maximize your time based on the potential of each account within a particular category.
- Approach high value accounts with the appropriate level of preparation.
- Approach low value accounts with turnkey packages. (i.e. do you have an events package ready to go for Performing Arts? A Retailer program? )
- Online categories can be slightly different. How can you think slightly differently about online? Experiment!

## TOOLS TO HELP

- Greater Public Webinars: archived category Webinars and more to come in 2013!
- PMDMC Category Speakers. Watch this space and register now!
- Greater Public's [Credit Copy Central](#): language, tutorials & templates to help you stay within FCC guidelines. *Searchable by category*
- Greater Public's [Online Sponsorship Toolkit](#): industry information re online categories and station examples.

## APPENDIX

### Master List of Participating Stations

•KERA Dallas	•CPR (3 stations) Colorado statewide	•KUSP Santa Cruz
•KXT Dallas	•KBAQ Phoenix	•MPBN Maine statewide
•KPCC Los Angeles	•KJZZ Phoenix	•VPR (2 stations) Vermont statewide
•KQED San Francisco	•KCUR Kansas City	•WBHM Birmingham
•KUHA Houston	•KING Seattle	•WCMU Central Michigan
•KUHF Houston	•KPBS San Diego	•WCQS Asheville
•WABE Atlanta	•KPLU Seattle	•WEMC Harrisonburg
•WAMU Wash DC	•KUOW Seattle	•NHPR New Hampshire statewide
•WBEZ Chicago	•KUT Austin	•WMRA Harrisonburg
•WBUR Boston	•KWMU St. Louis	•WPLN Nashville
•WNYC New York City	•MPR (3 stations) Minnesota statewide	
•WQXR New York City	•WYPR Baltimore	

### Participating Stations By Format

#### News & Information

•KERA Dallas	•KPBS San Diego	•WBEZ Chicago
•Colorado Public Radio	•MPBN Maine statewide	•WBUR Boston
•KCUR Kansas City	•KWMU St. Louis	•WBHM Birmingham
•KJZZ Phoenix	•Minnesota Public Radio	•New Hampshire Public Radio
•KQED San Francisco	•Vermont Public Radio	•WMRA Harrisonburg
•KPCC Los Angeles	•WABE Atlanta	•WNYC New York City
•KUHF Houston	•WAMU Wash DC	•WYPR Baltimore
•KUOW Seattle		
•KUSP Santa Cruz		

#### Classical

•Colorado Public Radio	•WQXR New York City	•Minnesota Public Radio
•KING Seattle	•KUHA Houston	•Vermont Public Radio
•KBAQ Phoenix		

#### AAA

•Colorado Public  
Radio

•Minnesota Public  
Radio

•KXT Dallas

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**News & Music**

•KPLU Seattle  
•KUT Austin

•WCMU Central  
Michigan  
•WCQS Asheville

•WEMC Harrisonburg  
•WPLN Nashville

## Participating Stations By Tier

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**Tier 1 (Markets 1-10)**

•KERA Dallas  
•KXT Dallas  
•KPCC Los Angeles  
•KQED San Francisco  
•KUHA Houston

•KUHF Houston  
•WABE Atlanta  
•WAMU Wash DC  
•WBEZ Chicago  
•WBUR Boston

•WNYC New York  
City  
•WQXR New York  
City

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**Tier 2 (Markets 11-50)**

•CPR (3 stations)  
Colorado statewide  
•KBAQ Phoenix  
•KJZZ Phoenix  
•KCUR Kansas City

•KING Seattle  
•KPBS San Diego  
•KPLU Seattle  
•KUOW Seattle  
•KUT Austin

•KWMU St. Louis  
•MPR (3 stations)  
Minnesota statewide  
•WYPR Baltimore

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**Tier 3 (Markets 51+)**

•KUSP Santa Cruz  
•MPBN Maine  
statewide  
•VPR (2 stations)  
Vermont statewide

•WBHM Birmingham  
•WCMU Central  
Michigan  
•WCQS Asheville  
•WEMC Harrisonburg

•NHPR New  
Hampshire statewide  
•WMRA Harrisonburg  
•WPLN Nashville

## Participating Stations By Region

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**Northeast**

•WBUR Boston  
•MPBN Maine  
statewide

•VPR (2 stations)  
•NHPR New  
Hampshire statewide

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**Mid Atlantic**

•WAMU Wash DC  
•WYPR Baltimore

•WNYC New York  
City

•WQXR New York  
City

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**Southwest**

•KERA Dallas  
•KXT Dallas

•KUT Austin  
•KUHF Houston

•KUHA Houston  
•WPLN Nashville

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**South**

- 
- |                  |                    |                    |
|------------------|--------------------|--------------------|
| •WABE Atlanta    | •WCQS Asheville    | •WMRA Harrisonburg |
| •WBHM Birmingham | •WEMC Harrisonburg |                    |

**Midwest**

- 
- |                 |                     |               |
|-----------------|---------------------|---------------|
| •WBEZ Chicago   | •MPR (3 stations)   | •WCMU Central |
| •KWMU St. Louis | Minnesota statewide | Michigan      |
|                 | •KCUR Kansas City   |               |

**West**

- 
- |                     |                 |                  |
|---------------------|-----------------|------------------|
| •KPCC Los Angeles   | •KBAQ Phoenix   | •KPLU Seattle    |
| •KQED San Francisco | •KJZZ Phoenix   | •KUOW Seattle    |
| •CPR (3 stations)   | •KING Seattle   | •KUSP Santa Cruz |
| Colorado statewide  | •KPBS San Diego |                  |