



Momentous Change Ahead for Local Media in 2011

Tuesday, Jan. 11, 2011

Welcome to today's webinar. We will start soon.

**For Audio: You can either dial in or listen through your speakers.
Once you choose, please do not change settings.**

Agenda

- Setting the Context for 2011 and Beyond
 - Bobbi Loy-Luster
 - Mark Fratrik
- Analyst Roundtable and Discussion
 - Moderator, Bobbi Loy-Luster
 - Broadcast Media
 - Directional Media
 - Interactive Media
 - Vertical Media
 - Mobile Media
 - Social Media
- Gearing Up for 2011
 - All
- Q & A

Analyst Roundtable Discussion

Michael Boland
Senior Analyst and PD
Mobile Local Media



Rick Ducey
Chief Strategy Officer and PD
Broadcast Local Media

Jed Williams
Analyst and PD
Social Local Media



Moderator



Bobbi Loy-Luster
VP – Client Services



Mark Fratrik
VP, Research

Peter Krasilovsky
VP and PD
Vertical Local Media



Charles Laughlin
Senior VP and PD
The Kelsey Report®
Directional Local Media

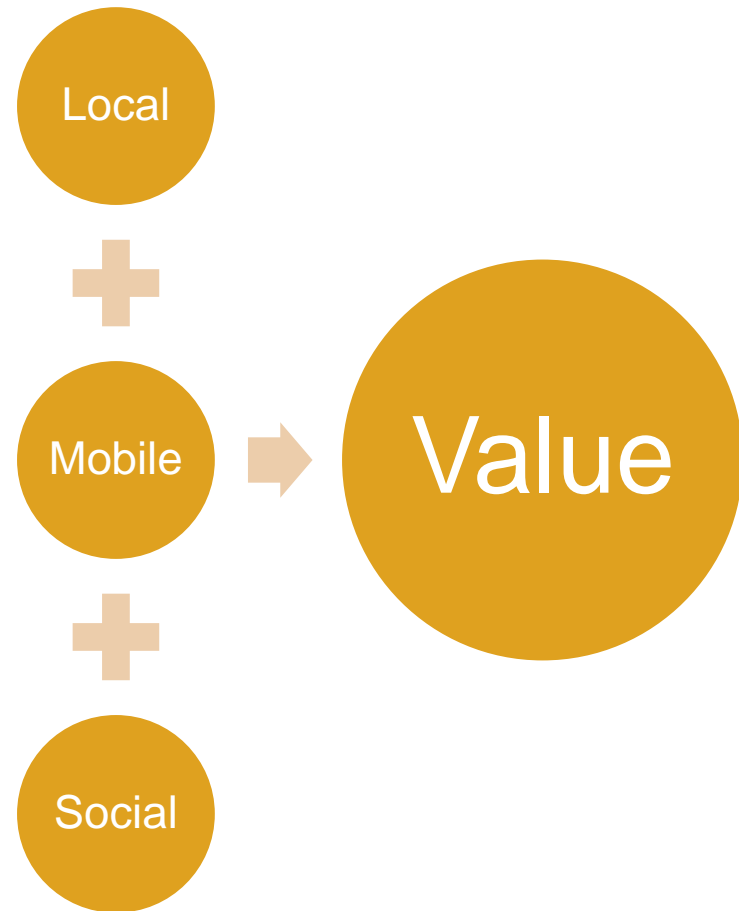


Matt Booth
Senior VP and PD
Interactive Local Media



Setting the context for success in 2011:

1. Local
2. Mobile
3. Social



Key Drivers in 2011

Where

- 54% of males are willing to share their location.

Now

- Google searches from mobile devices grew 130% year over year.

Share

- Facebook is the third-largest country in the world.

The Economic Environment

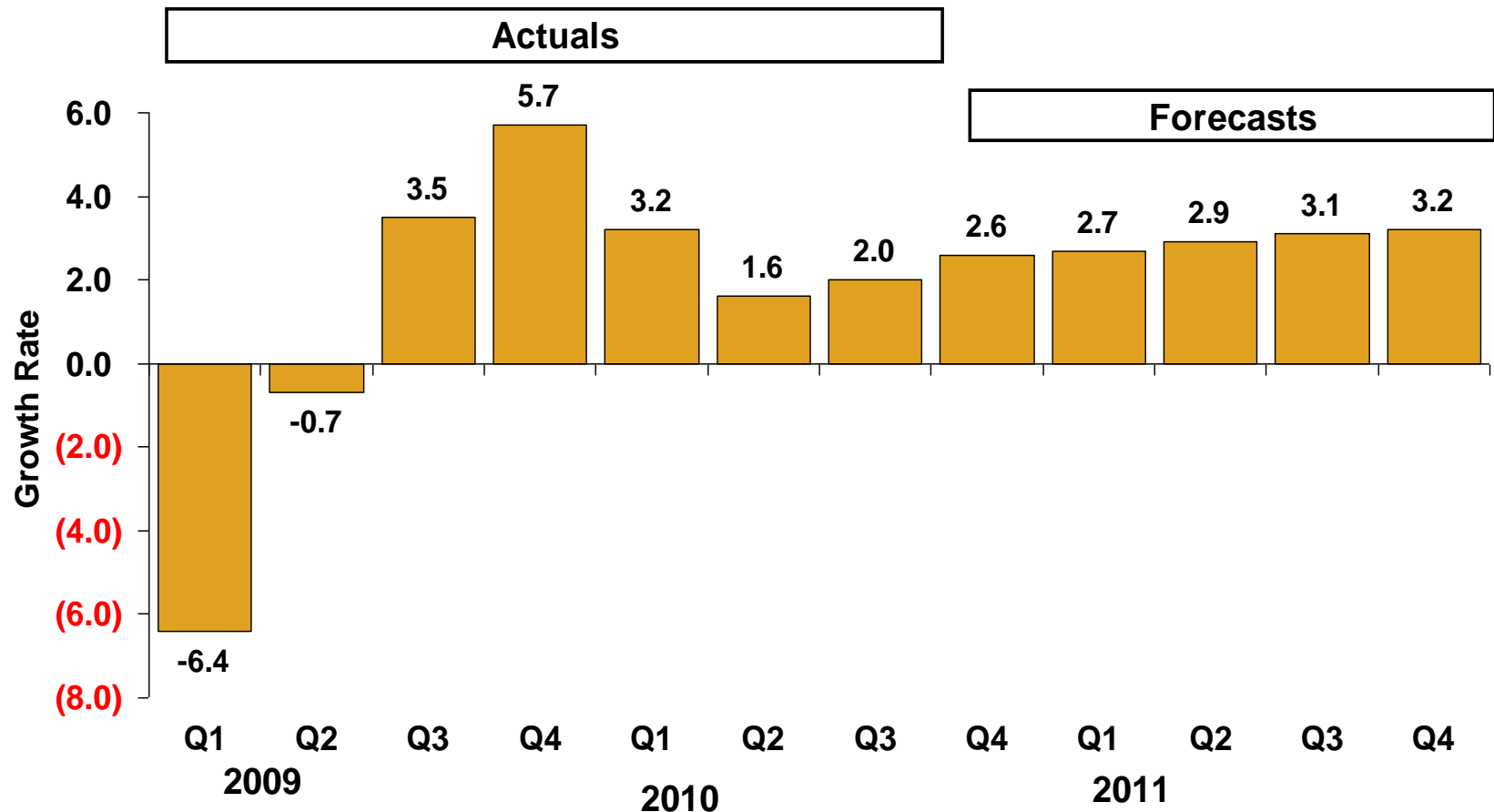


Mark Fratrik

- Continued growth in 2010 though with little improvement in unemployment
 - Businesses hesitant to expand
 - Consumers hesitant to spend
 - Advertisers apprehensive?
- Some signs of consumer spending increases in fourth quarter with some hope for advertising increasing
- Strong year for political advertising — especially for local television stations
- Expectations for 2011:
 - Continued growth with limited relief in unemployment
 - Consumers becoming more confident and spending more
 - Advertisers increasing their spending slowly over the next few years
- Movement of spending from some traditional media (e.g., newspapers) to interactive/digital media

The Economic Environment

Quarterly Real GDP Growth



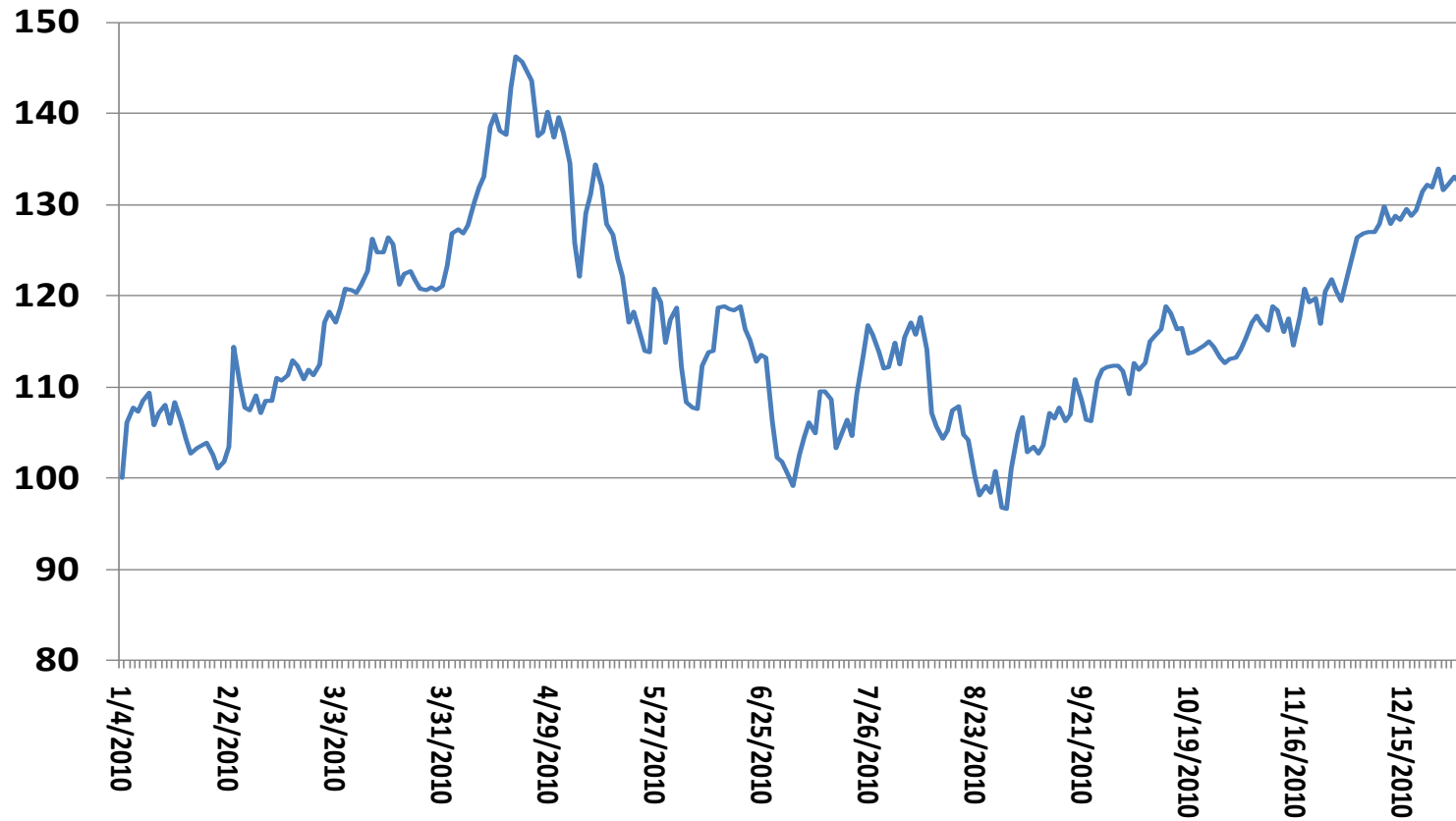
The BIA/Kelsey Media Indices

BIA/Kelsey – Radio Market Cap Index



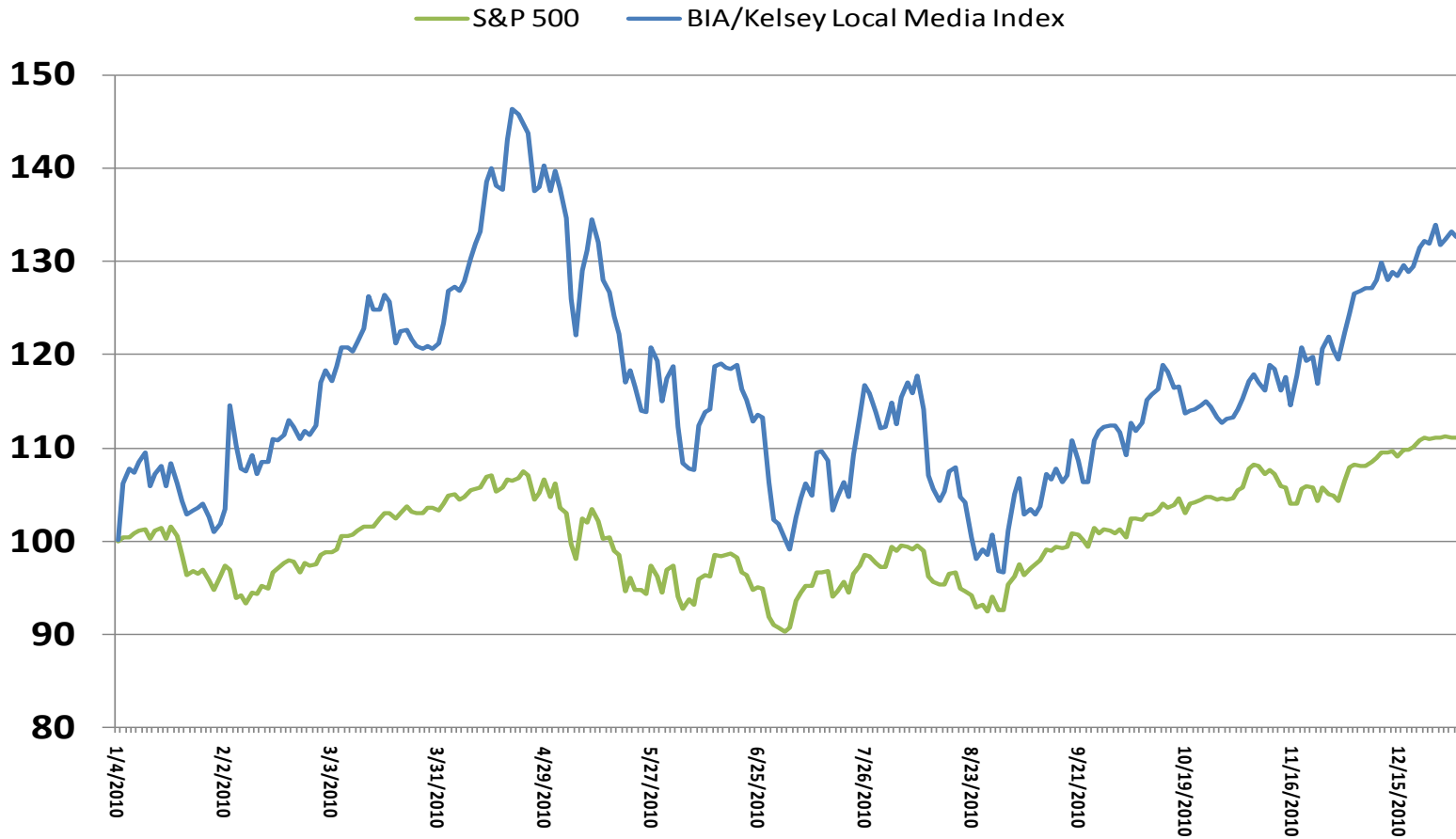
The BIA/Kelsey Media Indices

BIA/Kelsey Local Media Stock Index



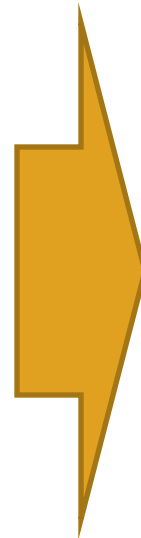
The BIA/Kelsey Media Indices

BIA/Kelsey - Local Media Stock Index vs. S&P 500





- Mobile DTV Rolls Out Nationally
- Cable Cord Cutters Pass Along the Scissors
- HD Radio Finds Its Groove
- Content Trumps Technology
- The Internet Learns How to Scale



- Mobile DTV Arrives
- Cutting the Cord on Cable
- Content Regains the Crown

Broadcast Media — 2011



Mobile DTV Arrives

Broadcast Media — 2011



Cutting the Cord on Cable

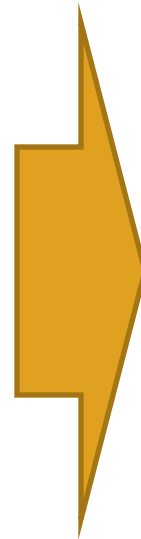
Broadcast Media — 2011



Content Regains the Crown



- Debt Drives Consolidation
- Debt Drives Divestment
- Directory Revenues Stabilize
- YPG (CA) Makes a U.S. Play
- Publisher Focus on Web Site Opportunity
- Directory Pubs' Deal-a-Day Efforts Falter



- Consolidation
- Revenues Stabilize
- Publisher Focus on Web Site Opportunity

Directional Media — 2011



Consolidation

DOSMB Co.

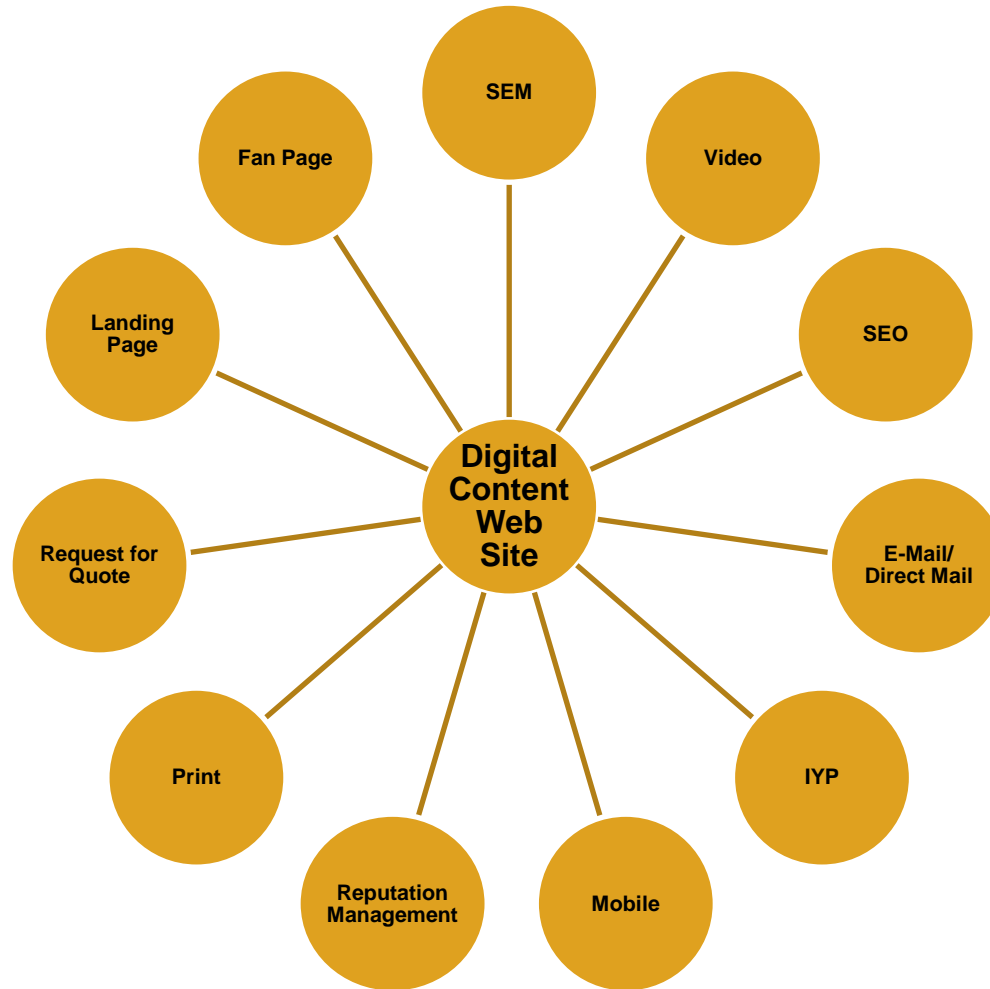


Directional Media — 2011



Revenues Stabilize

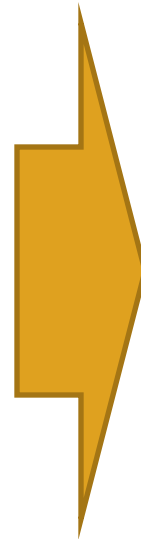
Directional Media — 2011



**Publishers
Focus on
Web Site
Opportunity**



- Google Launches Direct Local Sales Force
- U.S. Business Listings Become Free, With Strings
- Social Messaging Takes Off
- Screening and Identity Companies Make a Play in Local and Search
- Long-Tail Question-and-Answer Content Grows in Importance
- IYP and Local Search Platforms Get Squeezed From Two Sides
- Is It the Late '90s All Over Again?
- A Bigger Audio Ad Network Appears
- LinkedIn: the Sleeping Giant



- IYP and Local Search Squeeze
- Listings Are Free
- Google Goes Pavement

Interactive Media — 2011



IYP & Local Search Squeeze

Interactive Media — 2011



Listings Are Free

Interactive Media — 2011



Google Goes Pavement



- Morphing of Group Buying & General SMB Services
- National Retail Gets Involved in Group Buying
- \$25/month Key SMB Entry Point
- Widespread Use of Integrated Online Shopping Portals
- Facebook Marketplaces a Breakout Hit
- LBS Check-Ins Become Part of Marketplaces Offering
- Retail SMBs Track Online Inventory
- Real Traction for New Verticals



- National Retail Gets Into Group Buying
- Retail SMBs Track Online Inventory
- Real Traction for New Verticals

Vertical Media — 2011



Meets



Vertical Media — 2011



Retail SMBs Track Online Inventory

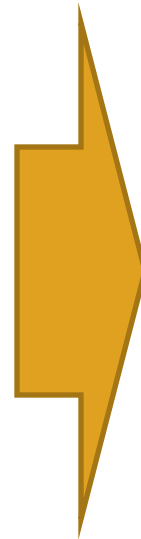
Vertical Media — 2011



Real Traction for New Verticals

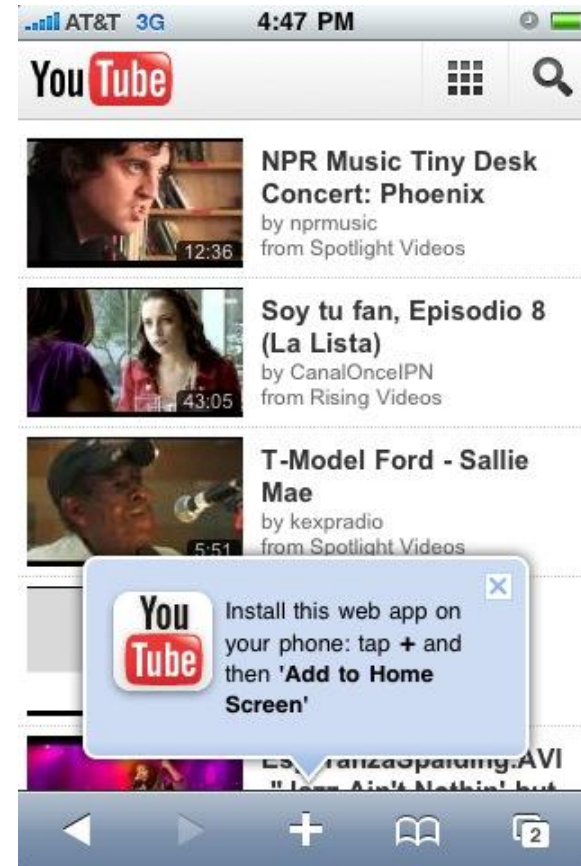


- Mobile, by the Numbers
- Platform Wars Rage On
- Smartphones Dominate
- Apps vs. Mobile Web
- Check-Ins/LBS
- Mobile Shopping Lifts Off
- Mobile Discovery
- Voice & Visual Search
- Smaller & Better Ads
- Tab Forward



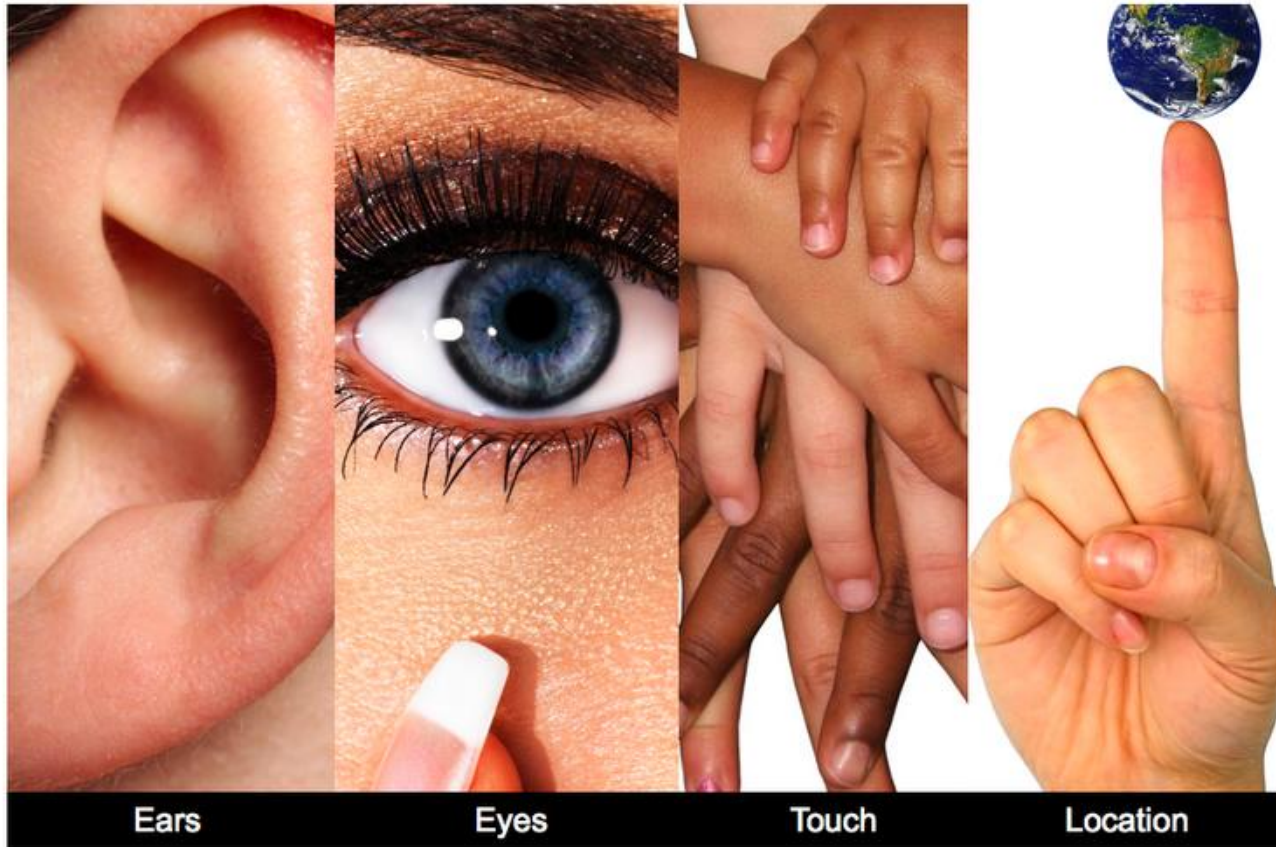
- Apps vs. Mobile Web
- Voice & Visual Search
- Mobile Shopping

Mobile Media — 2011



Apps vs. Mobile Web

Mobile Media — 2011



Voice & Visual Search

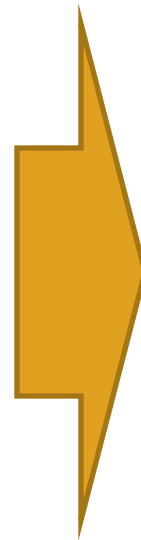
Mobile Media — 2011



Mobile Shopping



- SMB Social Adoption Mainstreams
- Facebook's Next Frontier: Transactions
- Twitter Inches Forward with Locals
- Shopping Gets (More) Socialized
- Check-Ins Become Value Exchanges
- SMBs Demand Differentiation With ERPM



- SMBs Go Social
- Local Tweet
- Check-In for Value

Social Media — 2011

48%

SMBs Go Social

Social Media — 2011



Local Tweet

Social Media — 2011



Check In for Value

Getting Ready for 2011

What	Why
Invest in new media initiatives	More transformation in 2011 than in previous three years; don't be left on the platform
Test, test, test	Continuous testing drives product design
All media is mobile	Smartphone penetration continues — Verizon gets the iPhone
Drive for bundles	Bundles of solutions are better for retention
Shift from traditional to digital will continue	Transition continues — SMBs shifted considerable dollars to digital

Upcoming Event -



March 21-23, 2011
Boston Marriott Copley Place
Boston, Massachusetts



New Local Marketplaces: *search, mobile, deals*

On the agenda:

- BIA/Kelsey's Rundown on the Local Online and Mobile Economy
- The Financial/Venture View of "Local"
- Local Sales Leaders
- The Vertical Revolution
- Advertisers Talk!
- The Next Wave of Local Leaders in Verticals
- Location Based Service Leaders
- Local Retail Solution Leaders
- Local Search and Mobile Local Media
- SuperForum: The Next Steps for Group Buying
- National Advertisers Go Local



Register early for best price

BIA/Kelsey's Continuous Advisory Services



- **Covering all local media:**
 - Interactive, mobile, verticals, broadcasting, directories
- **Giving clients ongoing direct access to BIA/Kelsey's:**
 - Current research
 - Expert analysis
 - Strategic insights
 - *Unbiased advice and consultation*
- **Clients refer to our CAS services as their very own *in-house* research and competitive intelligence team to support business activities:**
 - Sales transformation, audience aggregation, traffic monetization, market sizing, product development and segmentation, M&A activities, etc.

For more information and to request a free report, contact Steve Passwaiter at spasswaiter@bia.com or (703) 818-2425.

Question-and-Answer Session

Q&As

To submit a question, please use the control panel on your screen.

On-Demand Webinar

All attendees will receive a follow up e-mail within 24 hours with a link to an on-demand version of this webinar.

For More Information and Conference Registration

Please visit us at: www.bia.com or www.kelseygroup.com.

Contact Us

To contact us about our programs, please e-mail Steve Passwaiter at spasswaiter@bia.com.



Thank you.