

# The Infinite Dial 2008



## Radio's Digital Platforms AM/FM, Online, Satellite, HD Radio and Podcasting



# Overview

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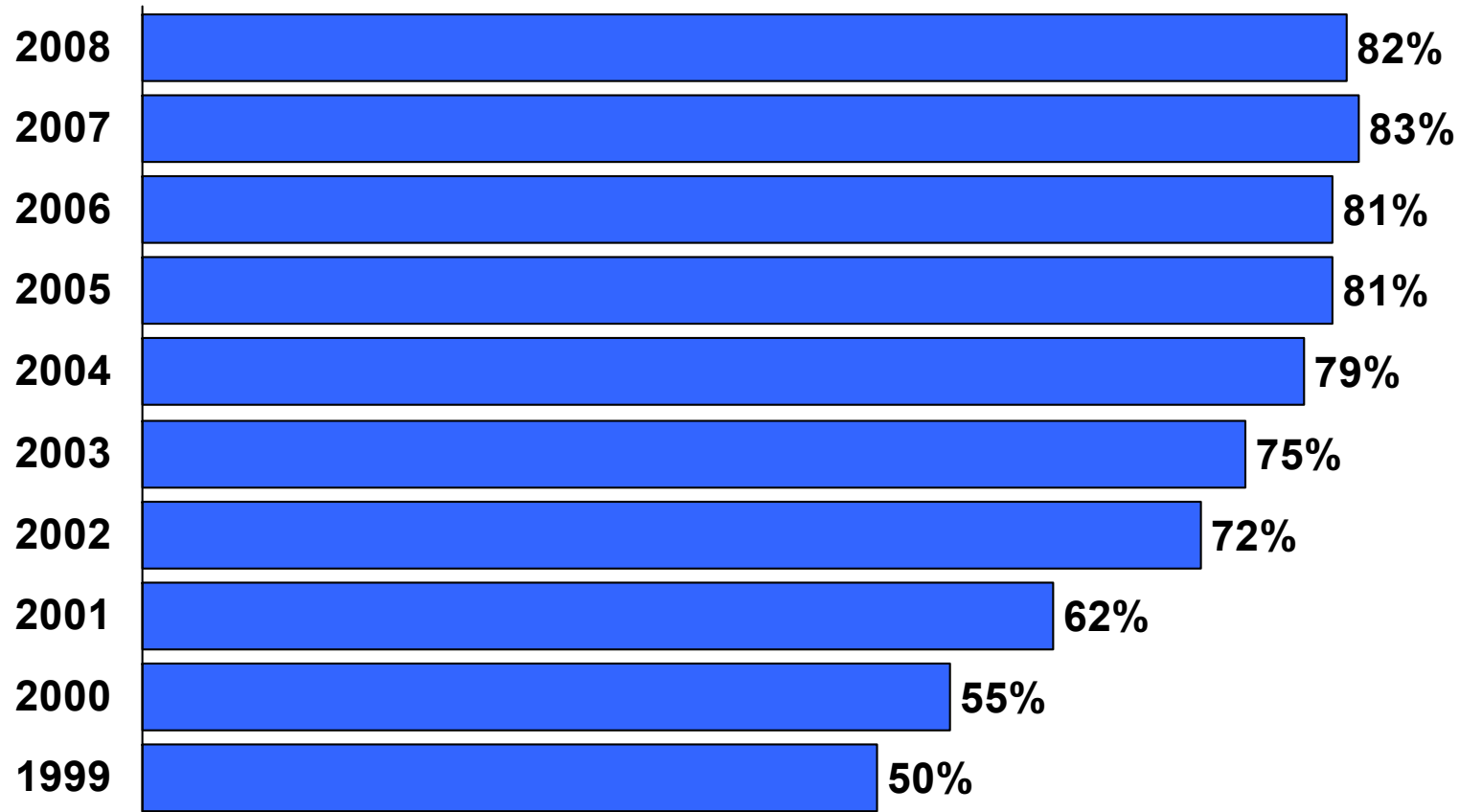
- **In January 2008, Arbitron and Edison Media Research conducted a national survey of 1,857 people aged 12+, exploring digital radio platforms:**
  - **Online Radio**
  - **Satellite Radio**
  - **HD Radio**
  - **Podcasting**
- **The 16th study in a series dating back to 1998**

# Internet Access Trends



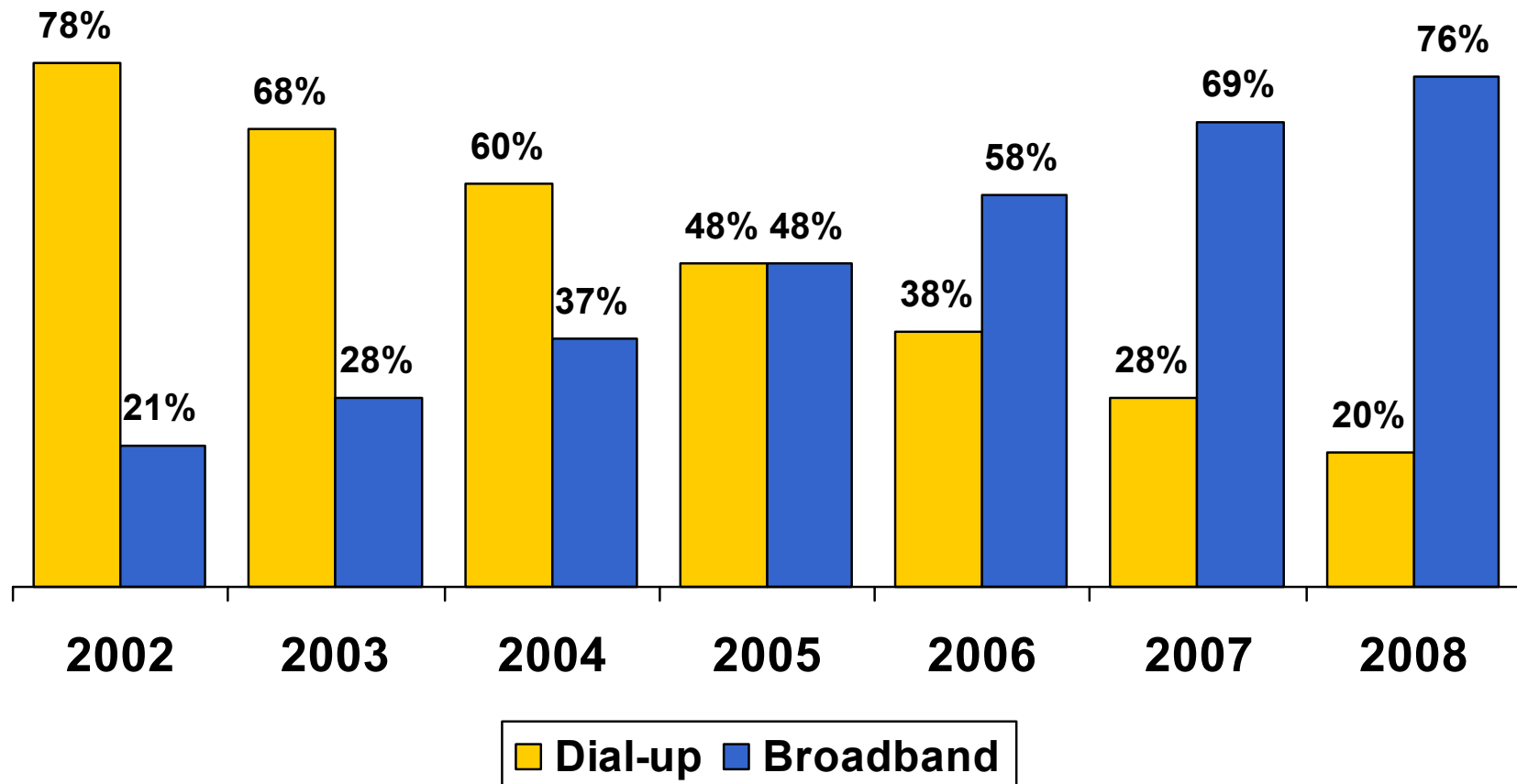
# Internet Access from Any Location Steady at Eight in Ten Americans

% with Internet Access from Any Location



# Residential Broadband Now Far Surpasses Dial-Up Internet Access

% Who Have Broadband/Dial-up Internet Access at Home



Base: Access the Internet from Home



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# Online Radio

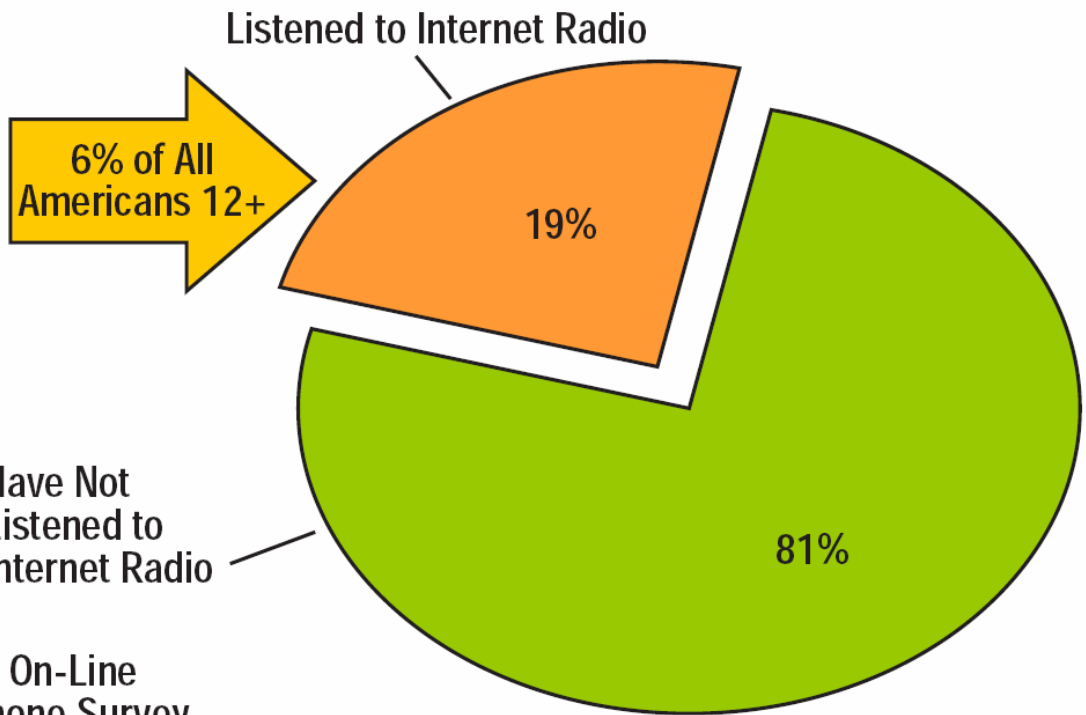




# Radio in the New Media World

## A Significant Fraction of People Have Listened to Internet Radio

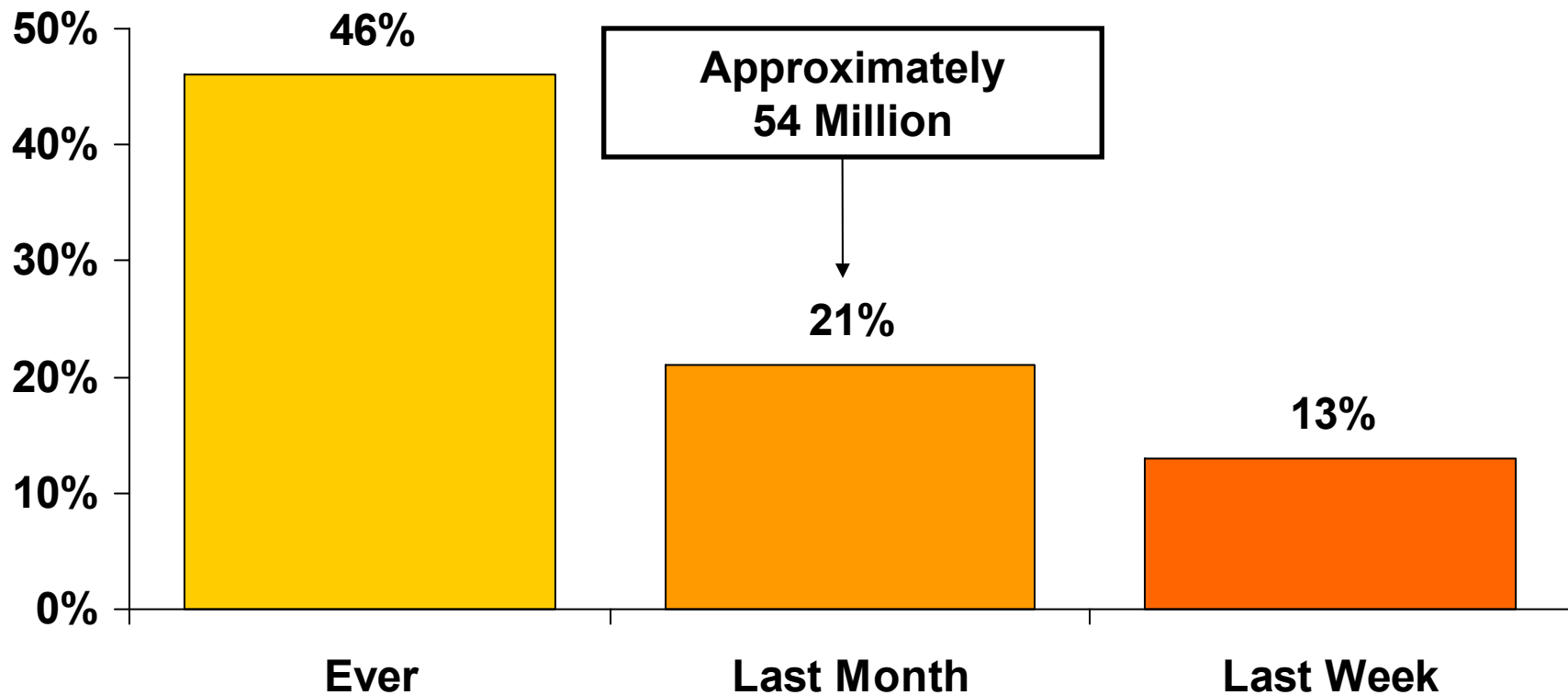
1998



Base: On-Line Telephone Survey

# An Estimated 54 Million Americans Listened to Online Radio in the Last Month

% Who Have Listened to Online Radio...



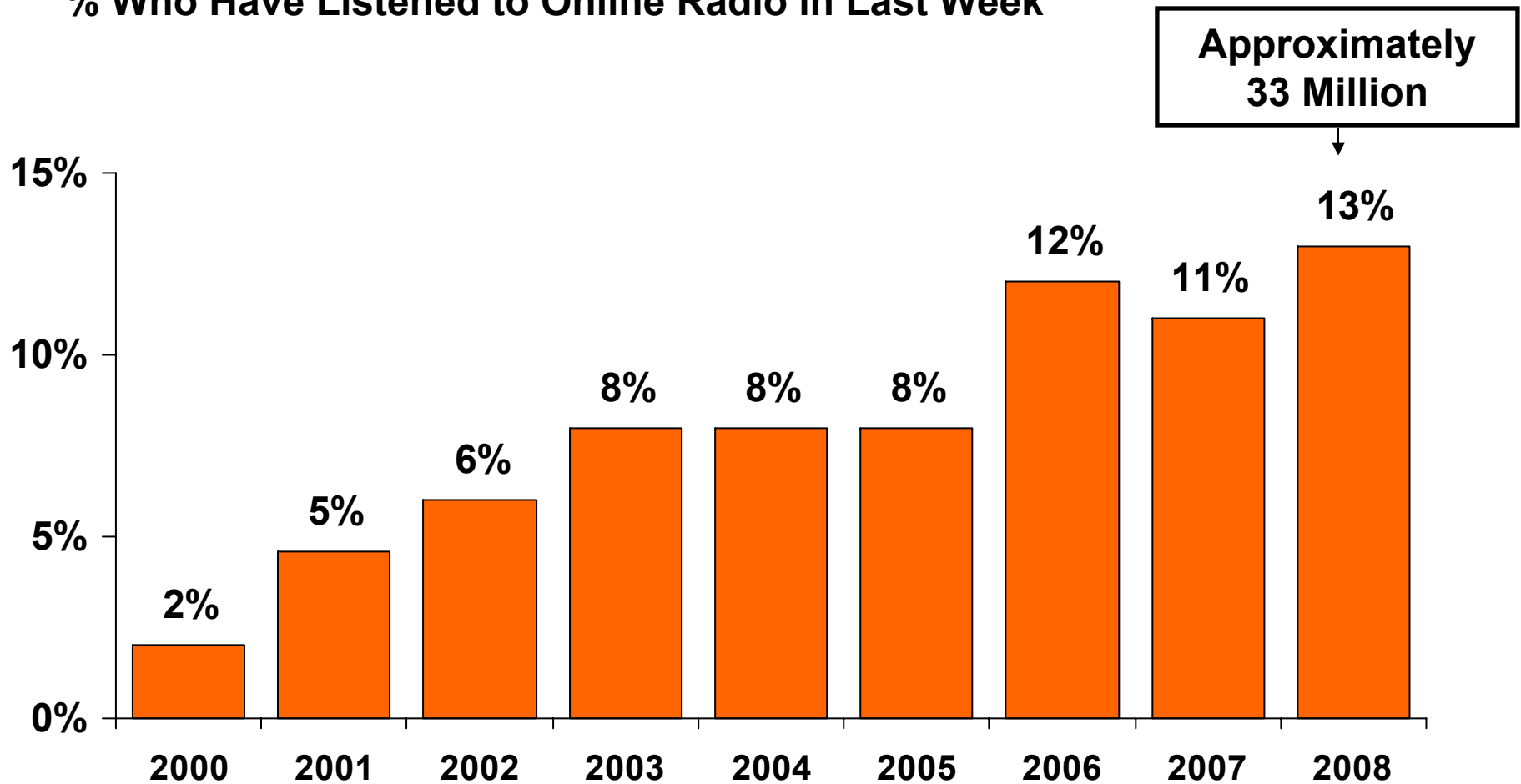
Base: Total Population 12+



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# Weekly Online Radio Audience At An All-Time High

% Who Have Listened to Online Radio in Last Week



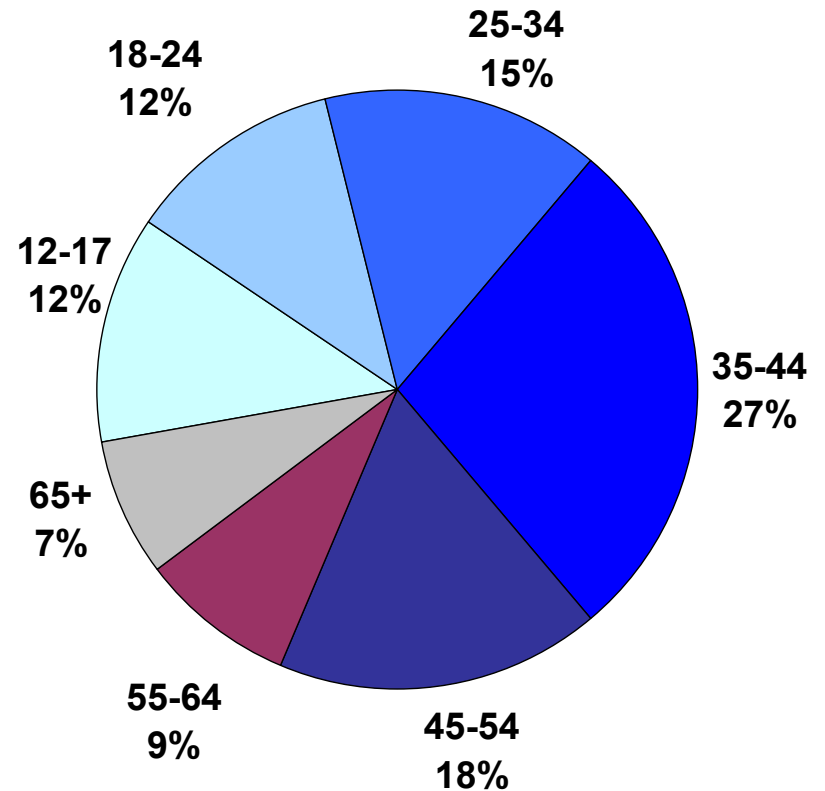
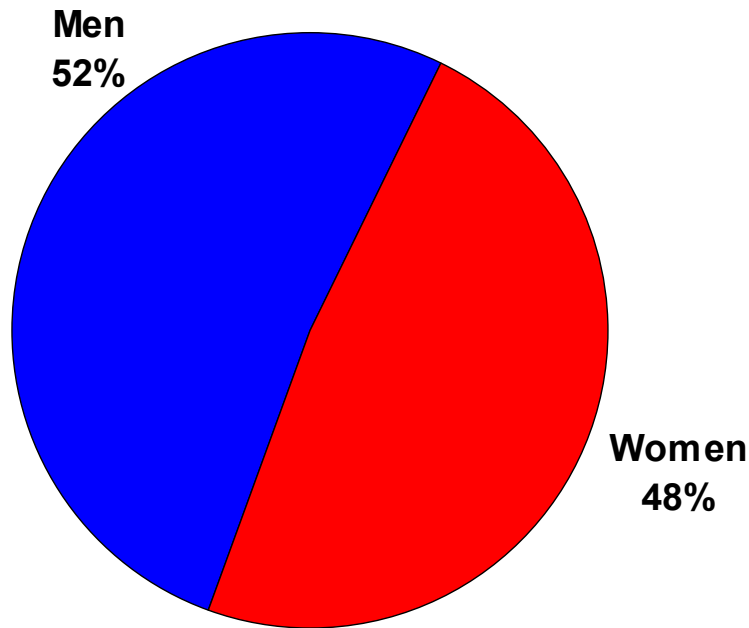
Base: Total Population 12+



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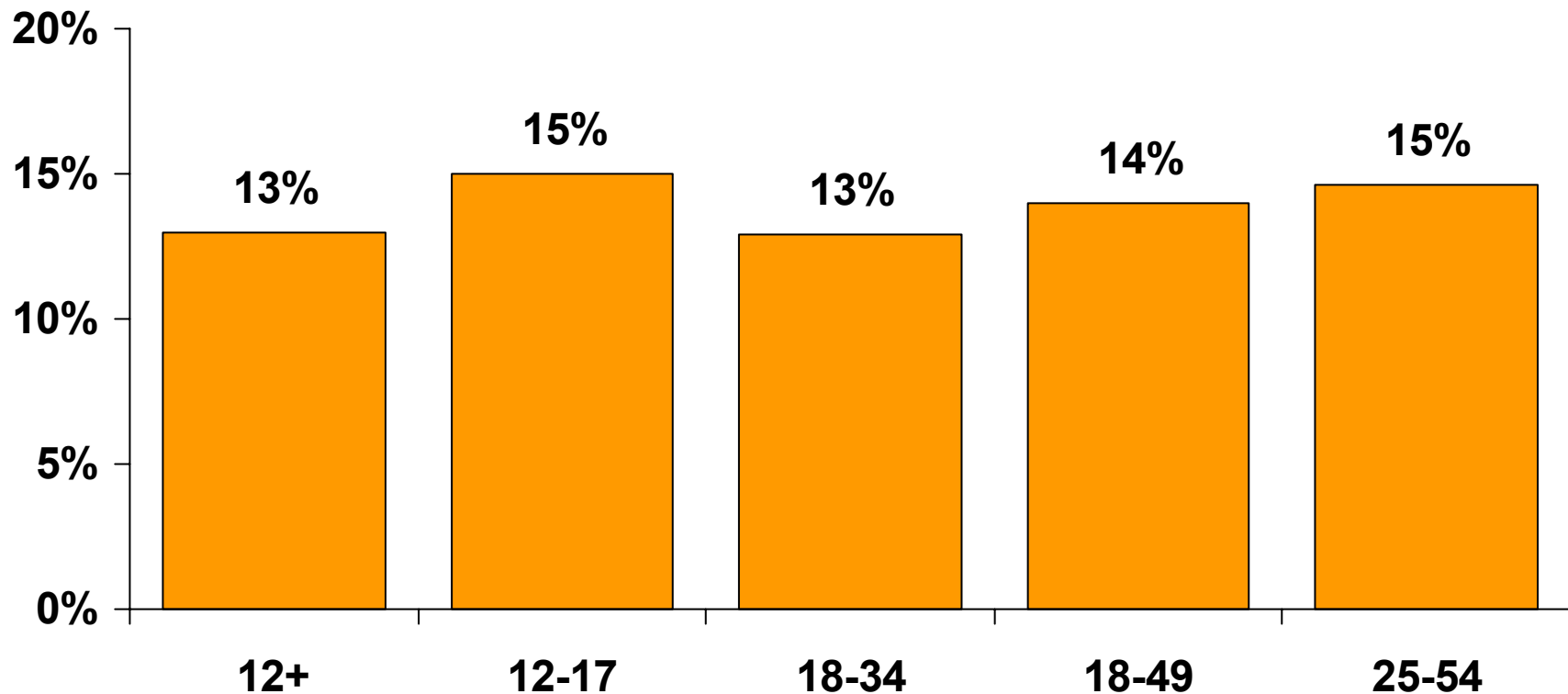
# Weekly Online Radio Listening Skews Male, Attracts Wide Range of Ages

## Weekly Online Radio Audience Composition



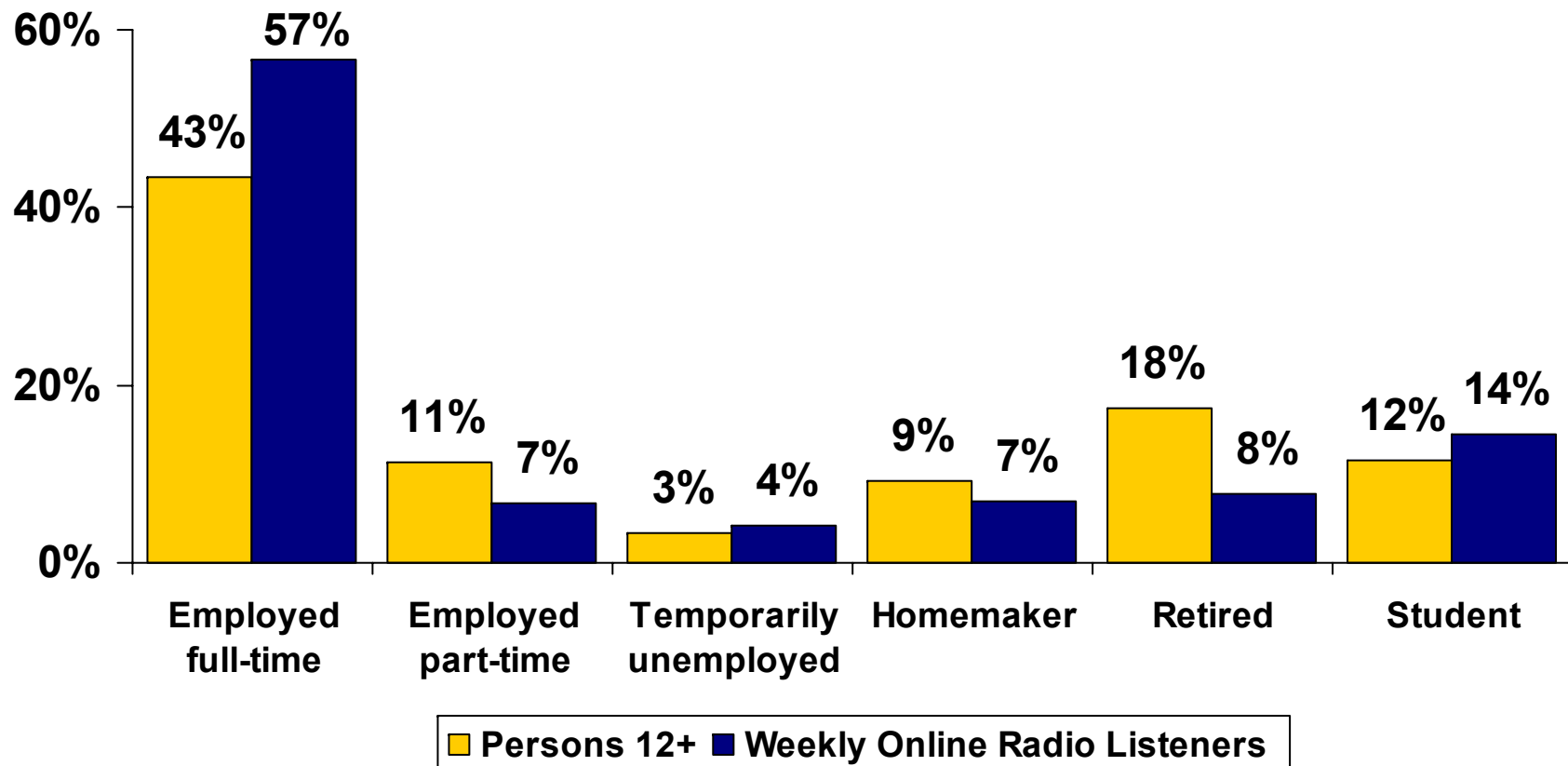
# Online Radio Reaches More than One in Seven 25-54-Year-Olds Per Week

% of Age Group Who Have Listened to Online Radio in Last Week



# Nearly Six in Ten Weekly Online Radio Listeners Are Employed Full-Time

## Employment Status



# **comScore Arbitron Online Radio Ratings**

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- **Two leaders in online and radio audience measurement**
- **Same metrics used to plan and buy national radio**
  - **Cume and Average Quarter Hour**
- **Complete range of traditional demographics and dayparts**
- **Passive measurement with a panel of more than 200,000 people**



# comScore Arbitron Client Networks Deliver Substantial Audience

- February 2008, Total Measured Networks, Mon-Sun 6a-Mid

	AQH	Cume
<b>Persons 12+</b>	479,600	5,646,700
<b>Persons 25-54</b>	383,900	4,065,400



# comScore Arbitron Client Networks Deliver Substantial Audience

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	AQH	Cume
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80% of AQH  
concentrated in 25-54  
demographic



# Work Hours = Prime Time for Online Radio

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- February 2008, comScore Arbitron, Total Measured Networks, Mon-Sun 6a-Mid

	AQH
Mon-Sun 6A-Mid	479,600
Mon-Fri 6-10A	452,300
<b>Mon-Fri 10A-3P</b>	<b>1,247,000</b>
Mon-Fri 3-7P	670,600
Mon-Fri 7P-Mid	129,100
Sat/Sun	120,600

# PPM™ and Encoding for Streams

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- Reporting begins with the July '08 survey
  - Stations must meet Minimum Reporting Standards
- AM/FM streaming counts (Houston through Dallas)
  - Eligible to encode: 174
  - Ready for reporting: 67

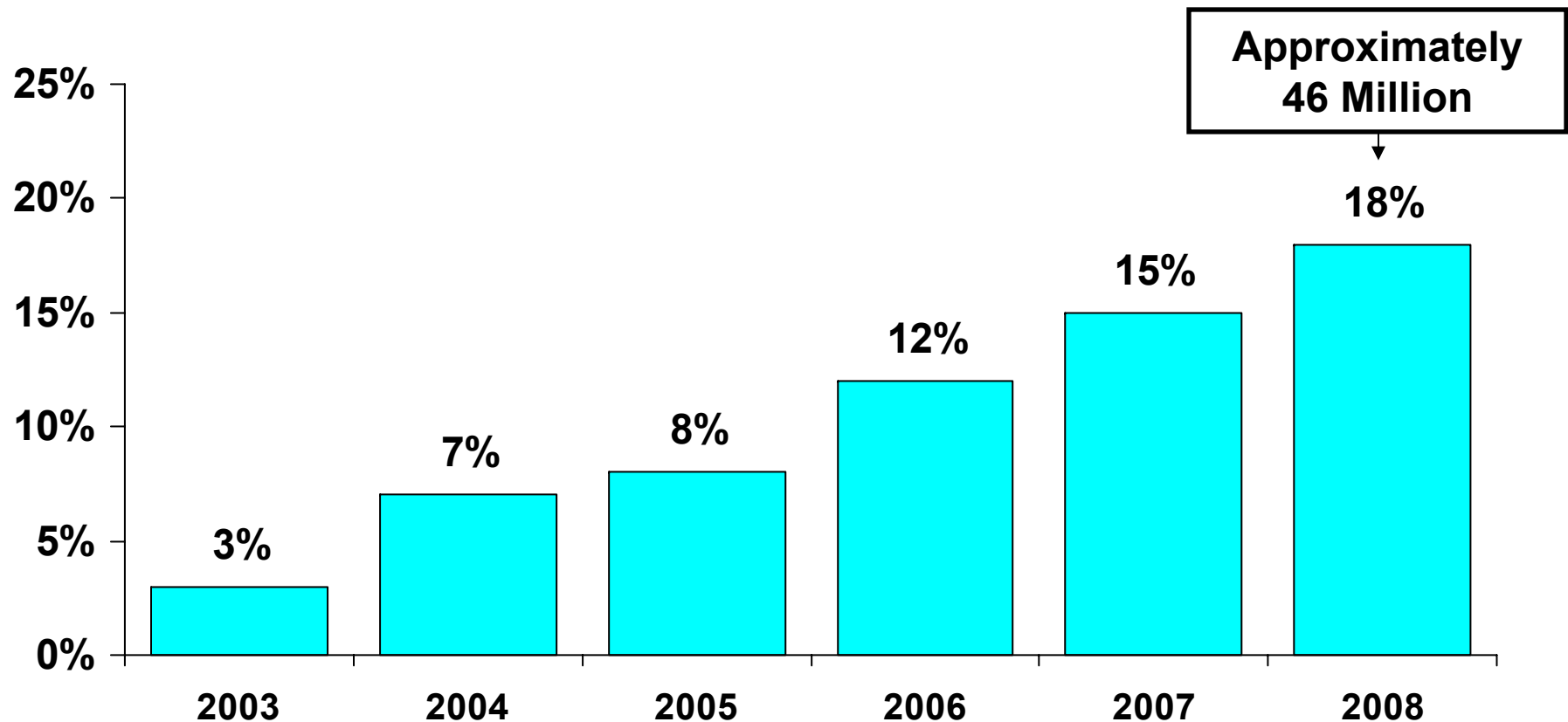


# Online Video



# Weekly Internet Video Audience At An All-Time High

% Who Have Watched Internet Video in Last Week



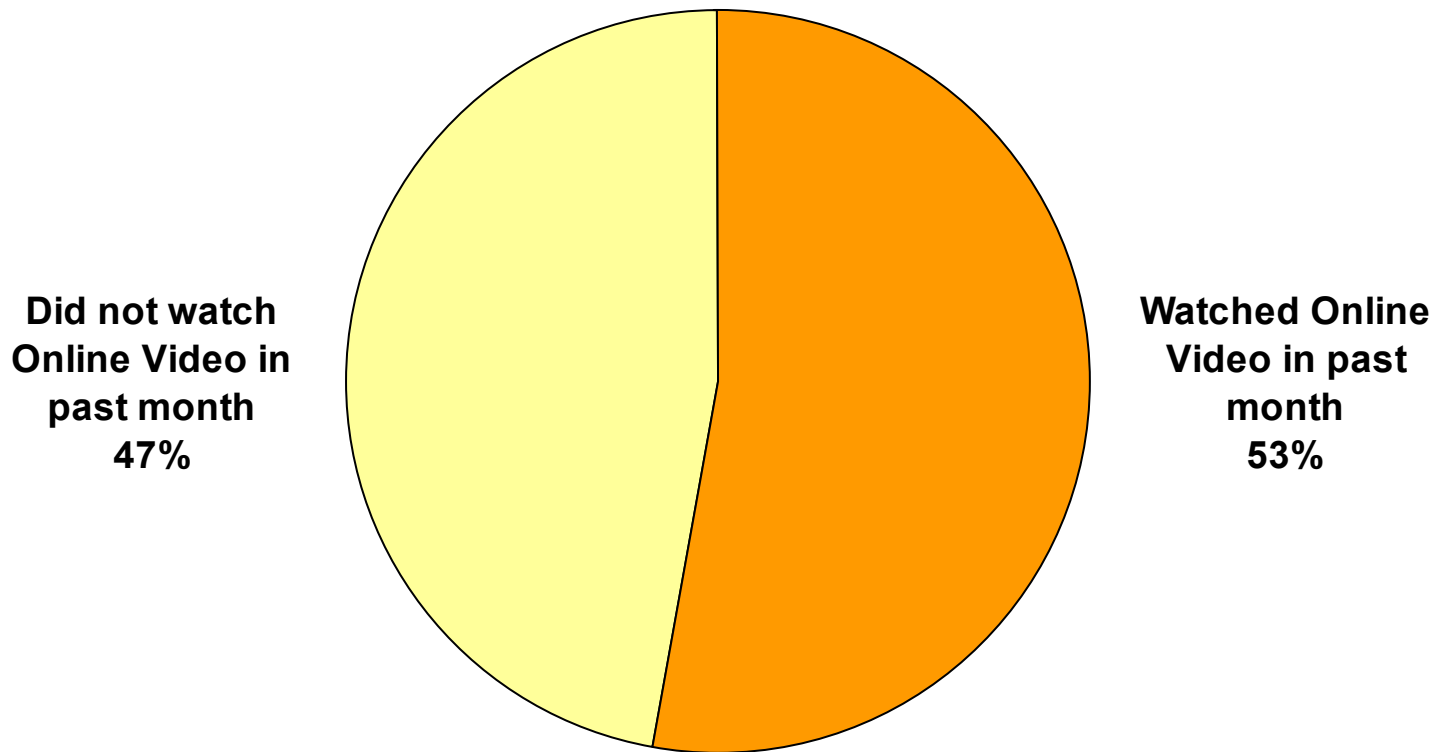
Base: Total Population 12+



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# Over Half Of Monthly Online Radio Listeners Watched Online Video In Past Month

% of Monthly Online Radio Listeners Who Have Watched Online Video in Past Month

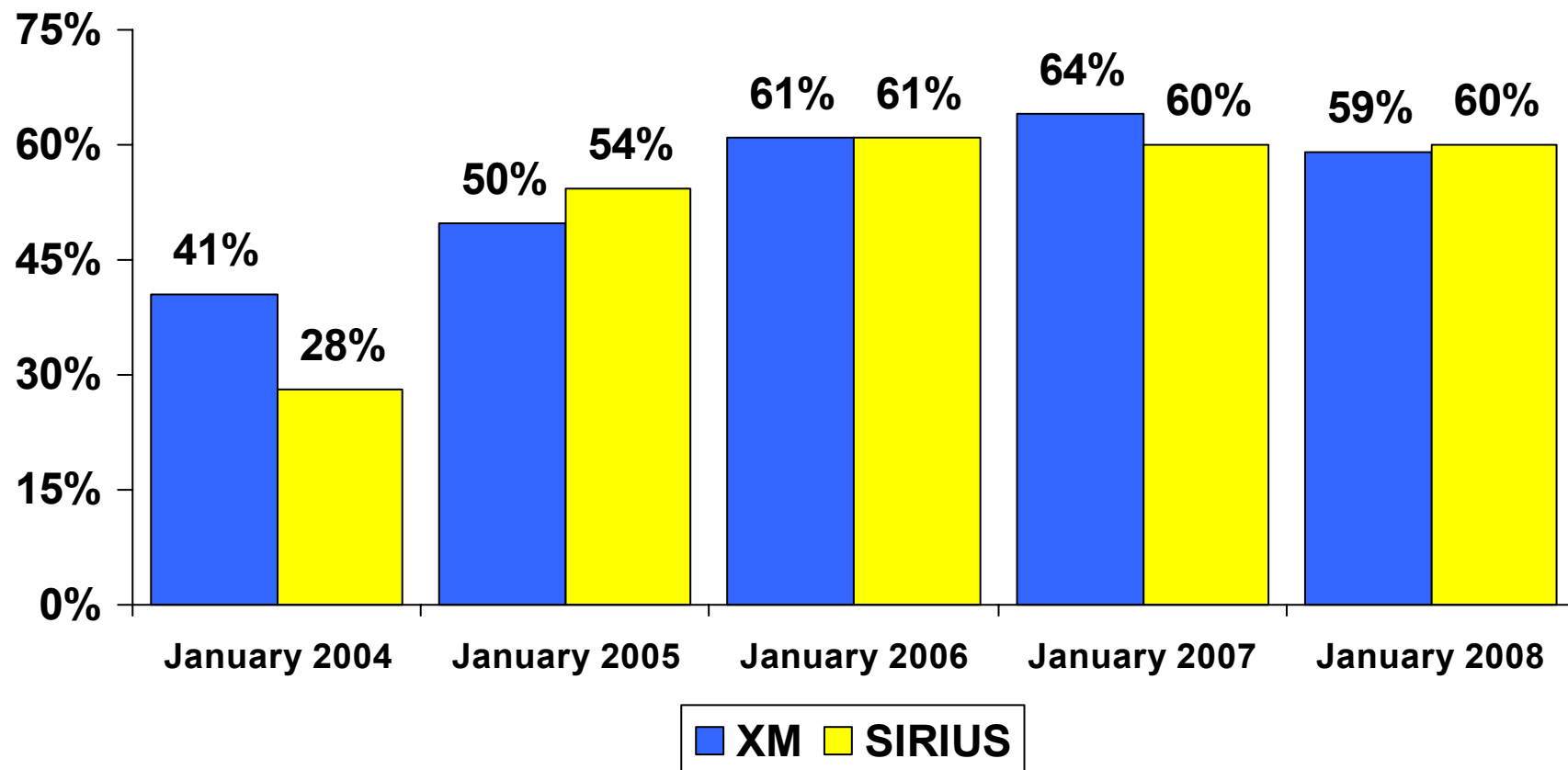


# Satellite Radio



# Satellite Radio Awareness Remains Mostly Flat for a Third Straight Year

*“Have you ever heard of a satellite radio service called...?”*



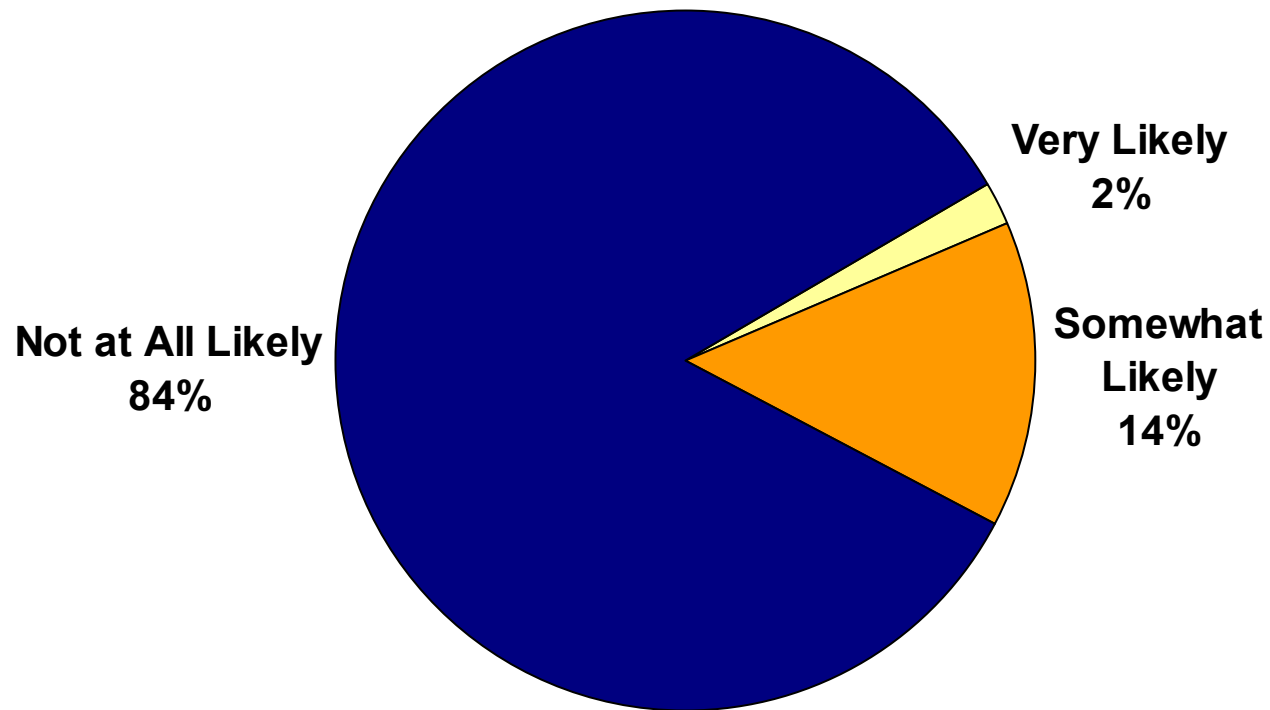
Base: Total Population 12+



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# Nearly One in Six Nonsubscribers Are Very/Somewhat Likely to Sign Up for Satellite Radio In Next Year

% Who Say They Are Likely to Subscribe to Satellite Radio Services in Next 12 Months



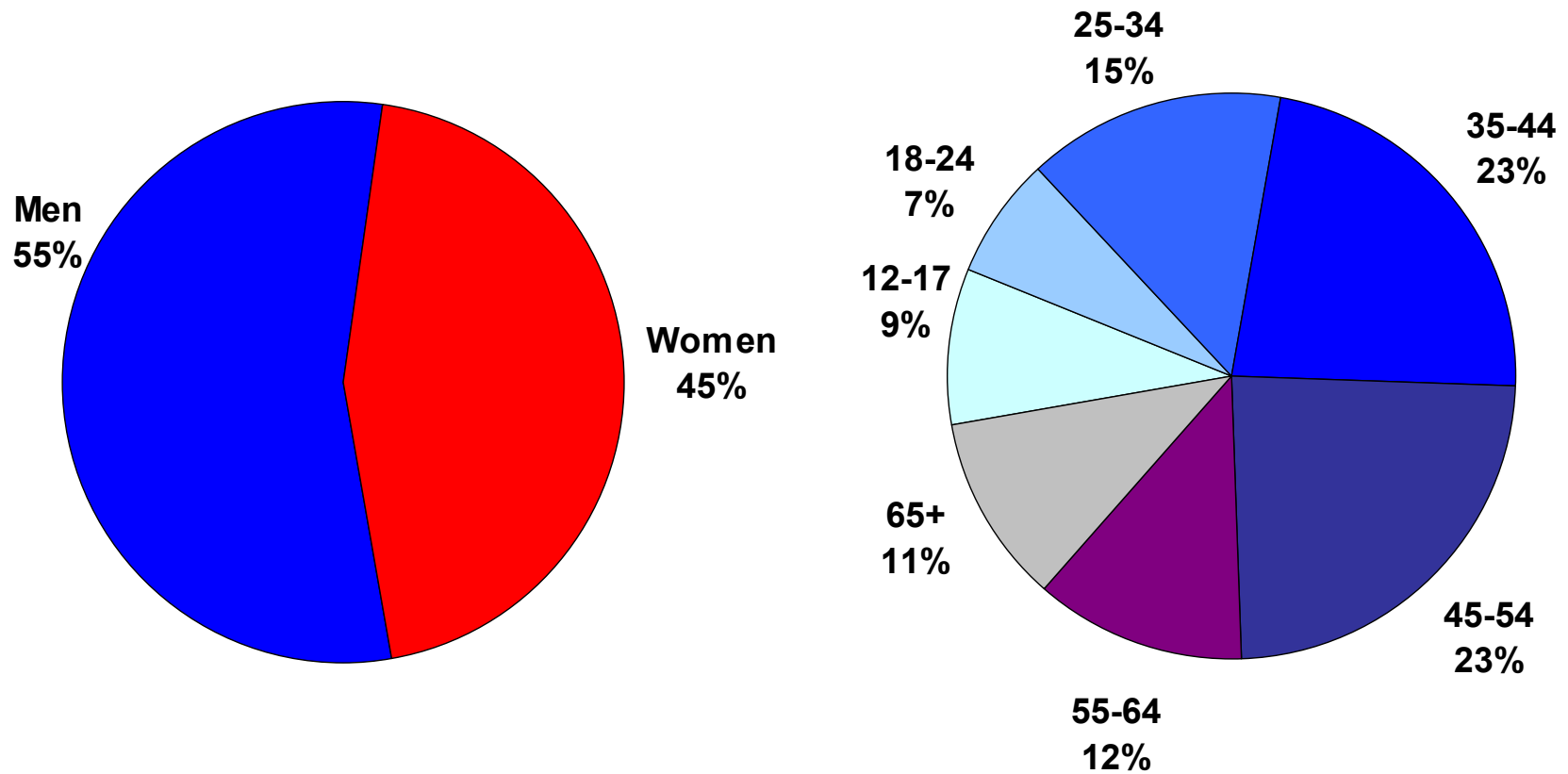
Base: Do Not Subscribe to Satellite Radio (XM or Sirius)



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# Satellite Radio Attracts a Broad Audience Profile

## Satellite Radio Subscriber Audience Composition



# Satellite Radio Audience

- Arbitron Fall 2007 National Satellite Report
  - Persons 12+, Mon-Sun 6A-Mid\*

	Cume	AQH
XM	10,486,300	793,200
SIRIUS	7,016,400	636,400



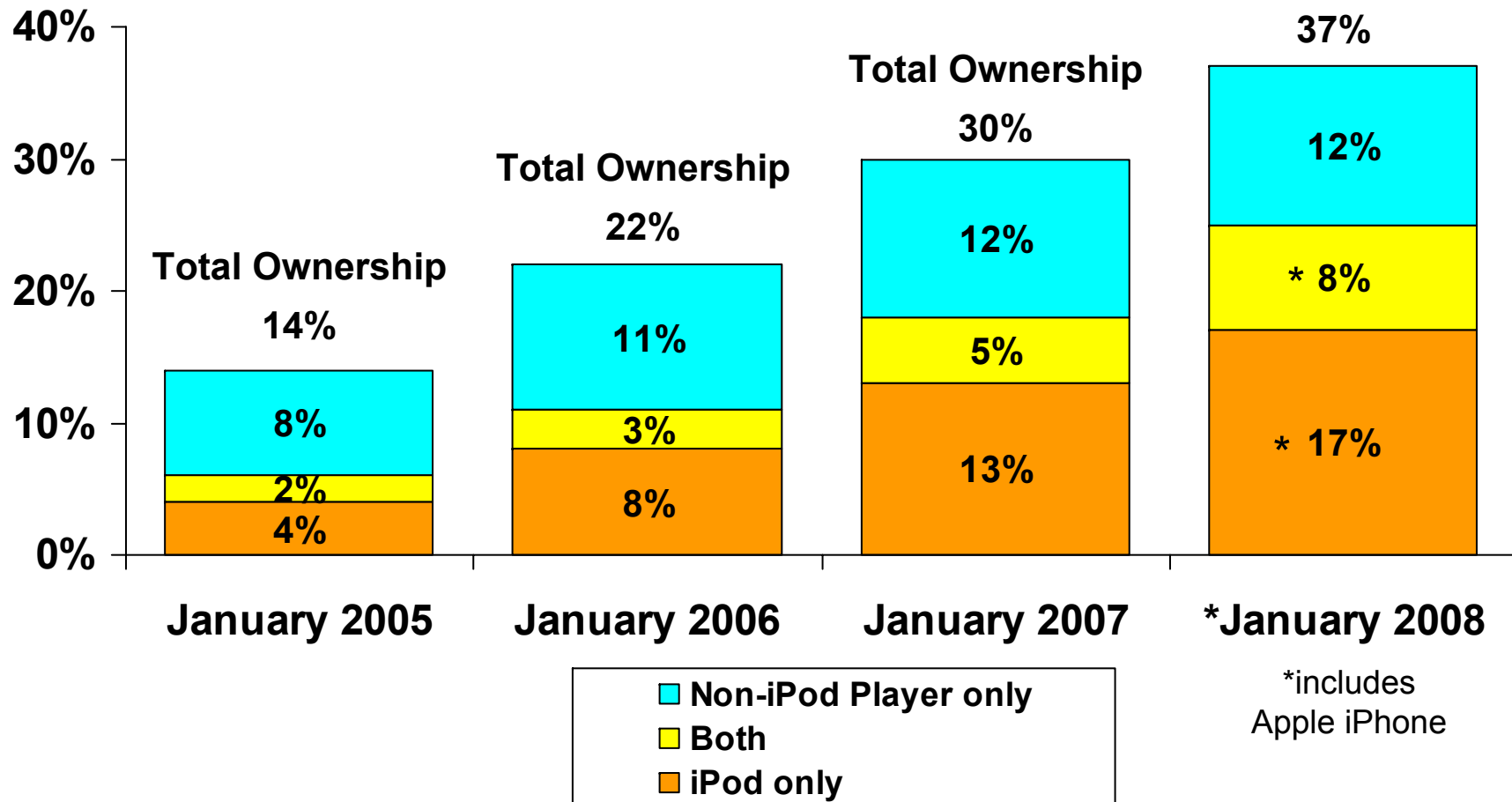
\* Excludes Philadelphia and Houston PPM markets

# Digital Audio Players



# Nearly Four in Ten Own an iPod/Portable MP3 Player

% Who Own...



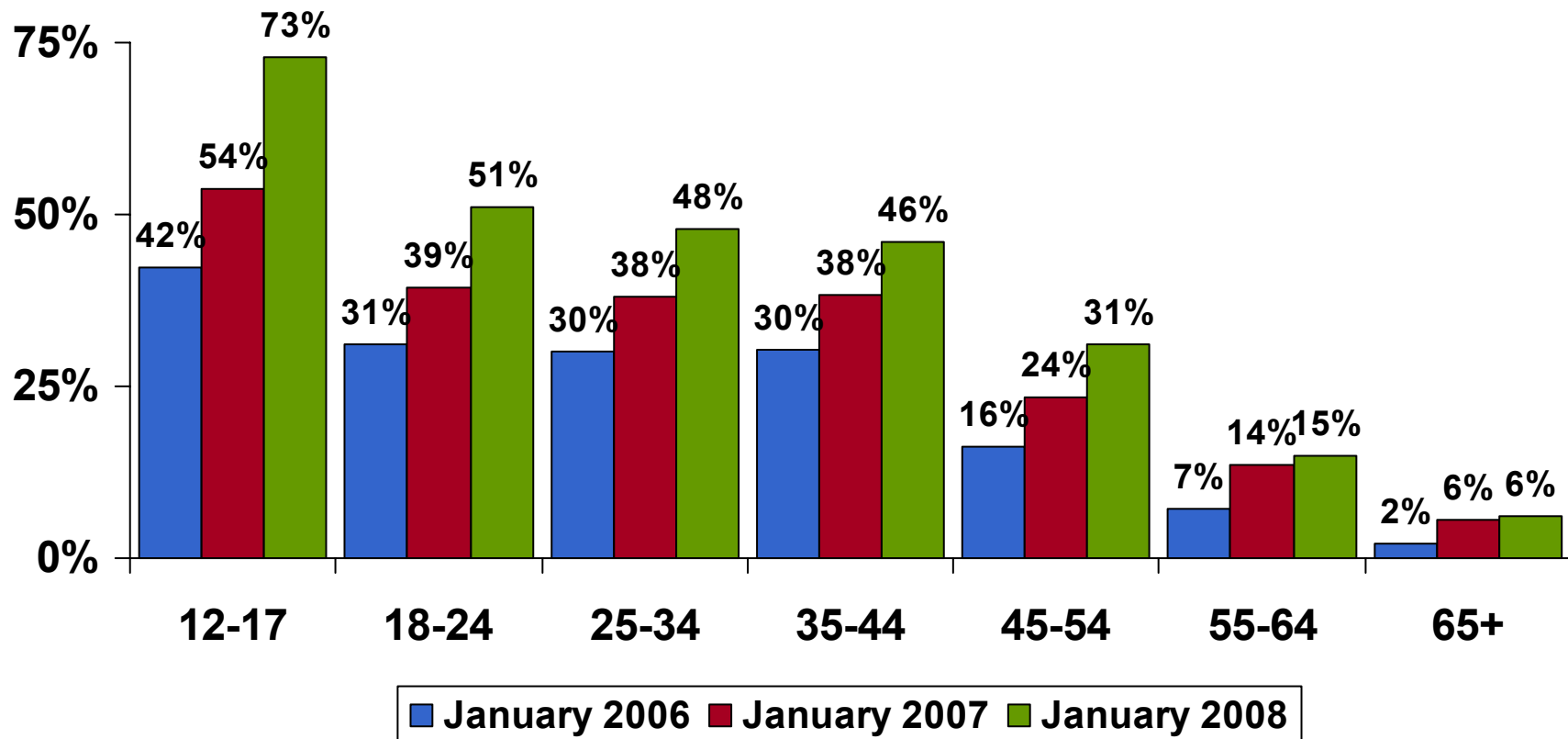
Base: Total Population 12+



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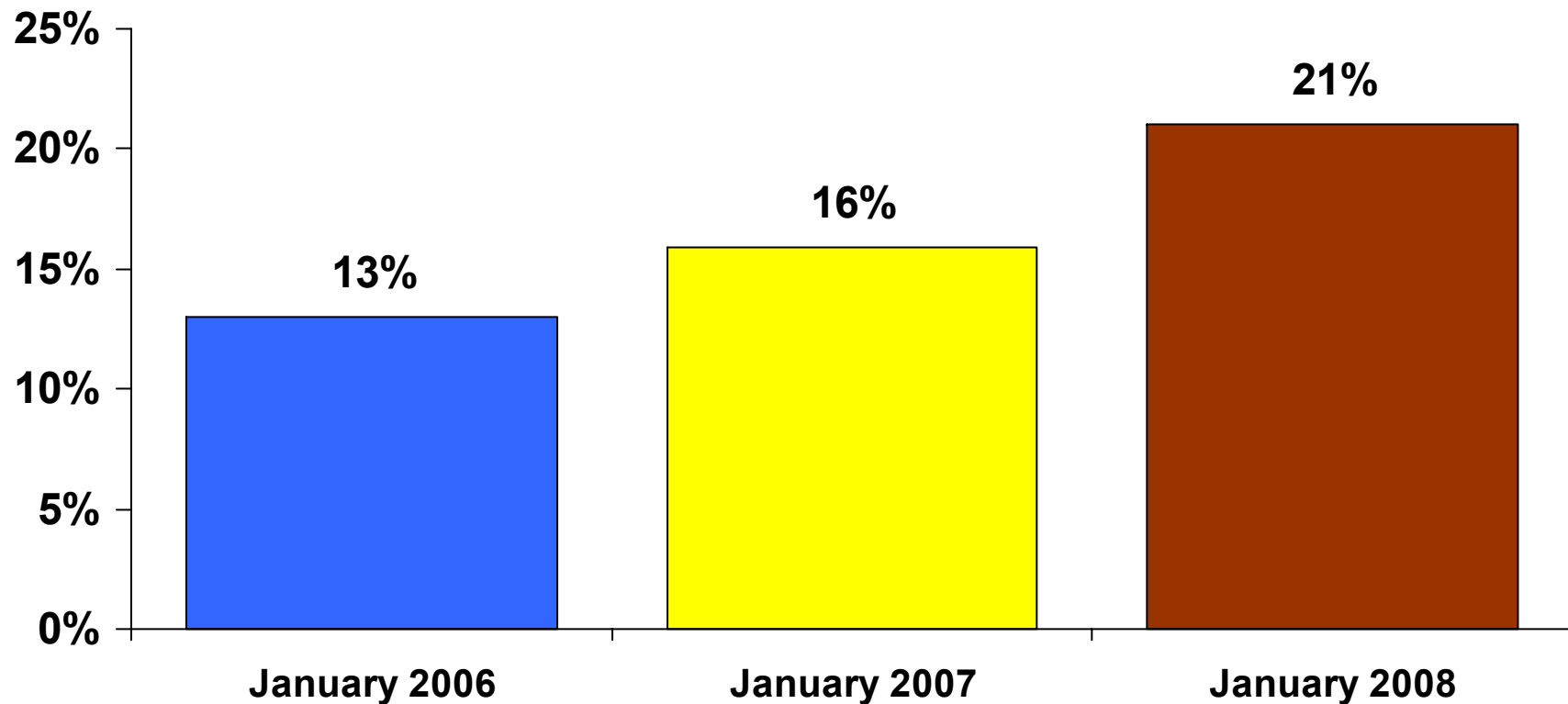
# iPod/Portable MP3 Player Now a 'Must Have' Among Teens

% by Age Group Who Own an iPod or Other Portable MP3 Player



# Over One in Five Have Ever Purchased Digital Audio Online

% Having Purchased MP3s or Other Digital Audio from an Online Download Service



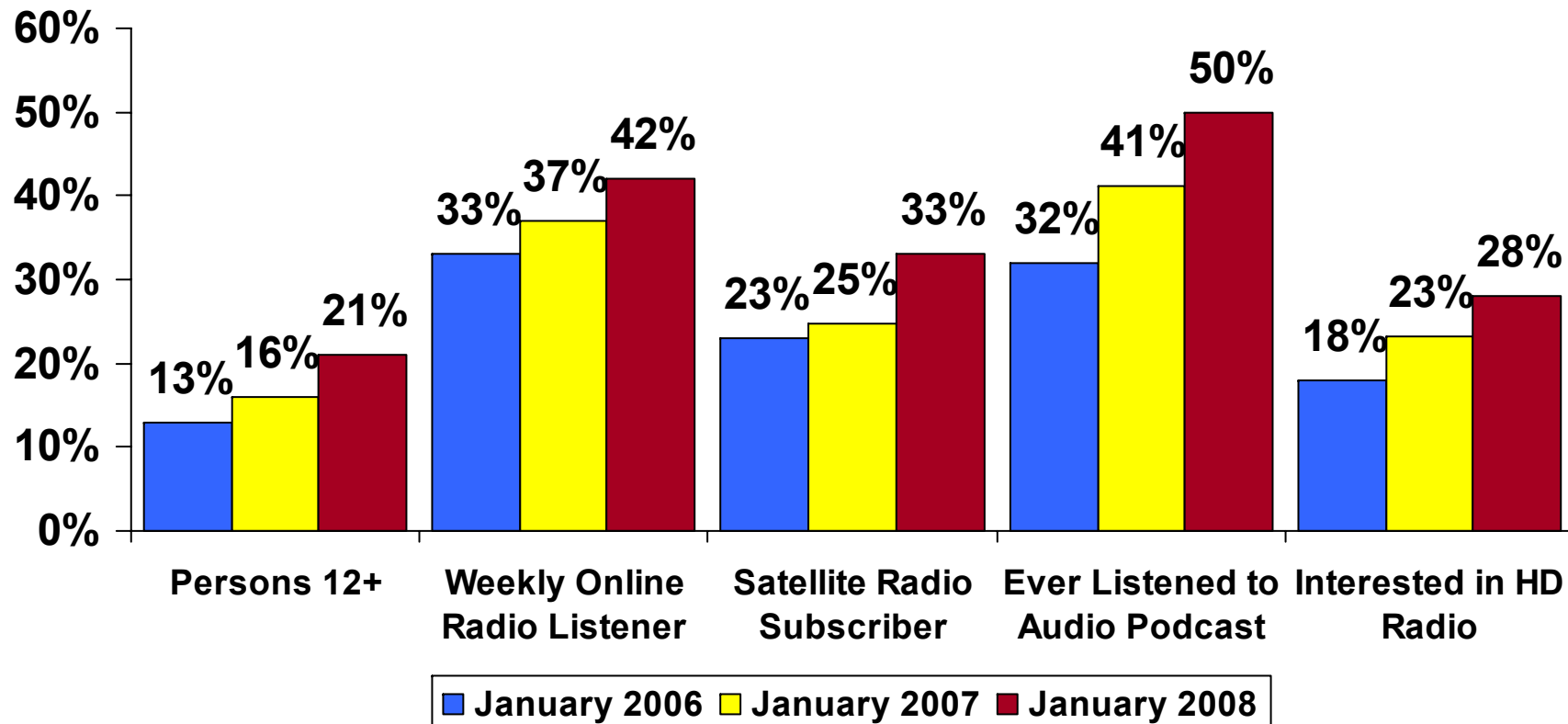
Base: Total Population 12+



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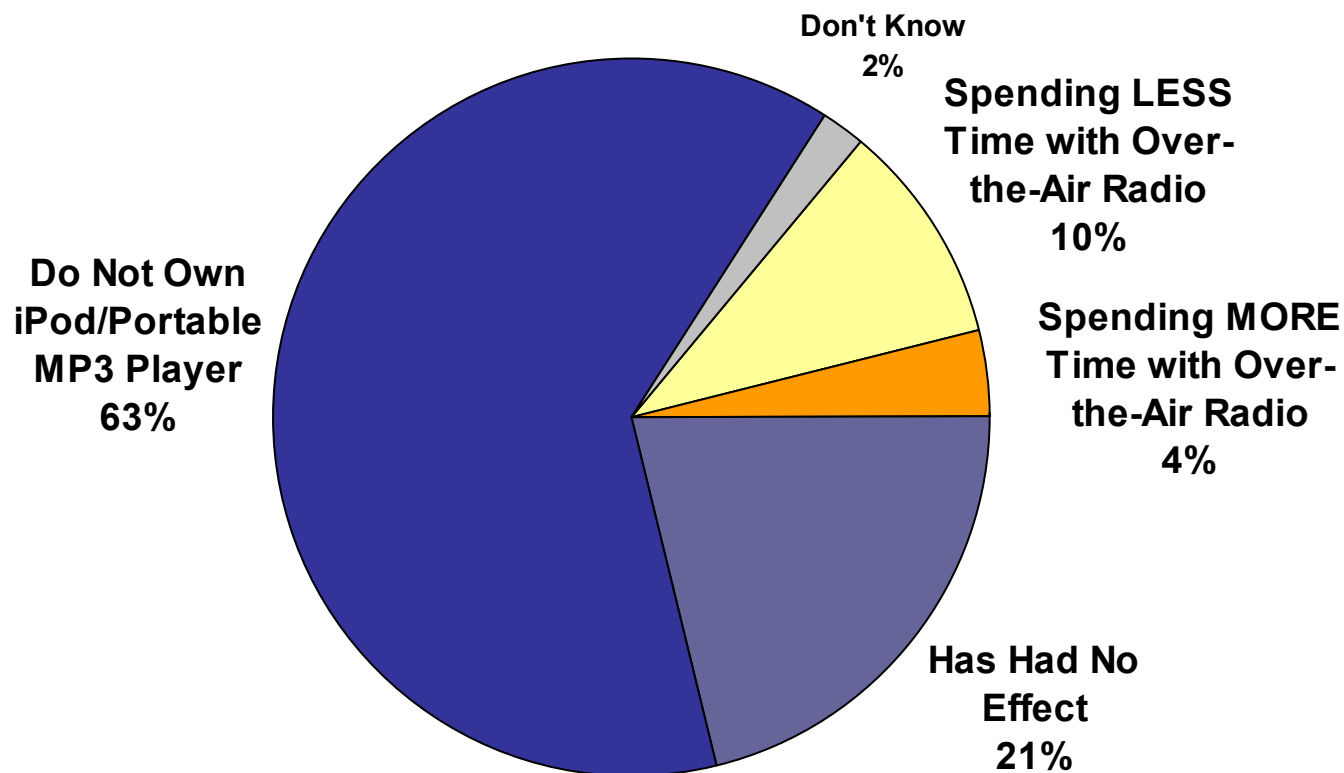
# Online Radio and Podcast Listeners More Likely to Have Bought Digital Audio Online

% Having Purchased MP3s or Other Digital Audio from an Online Download Service



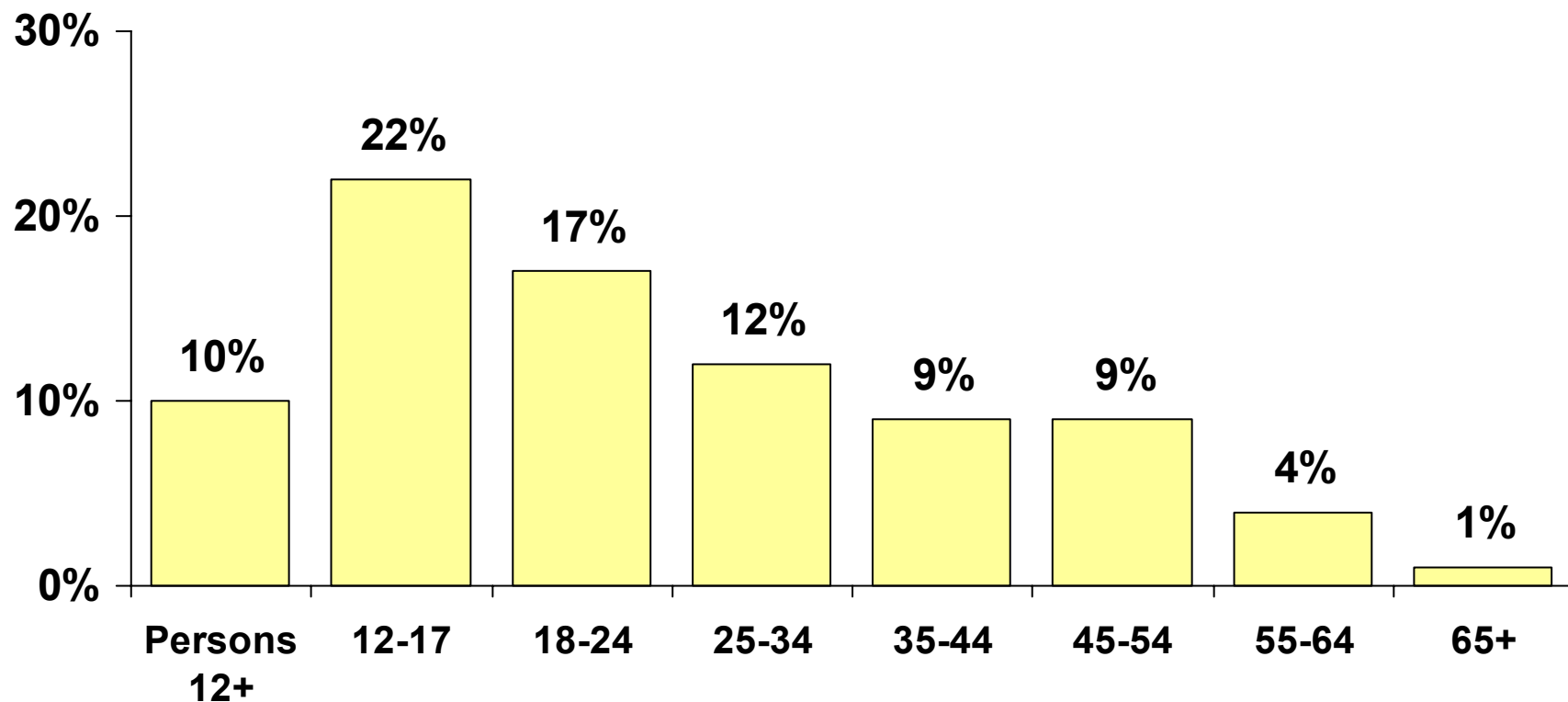
# Only 10% Report Less Radio Listening Due to Time Spent with iPod/MP3 Player

*“How has the time you spend with your iPod or other MP3 player specifically impacted the time you spend listening to over-the-air radio?”*



# Ipod/MP3 Player Has Greater Impact On Radio Among 12-24-Year-Olds

% By Age Group Who Are Spending Less Time with Over-the-Air Radio Specifically Due to Time Spent with iPod/Other Portable MP3 Player



# Podcasting



# Understanding Podcasting

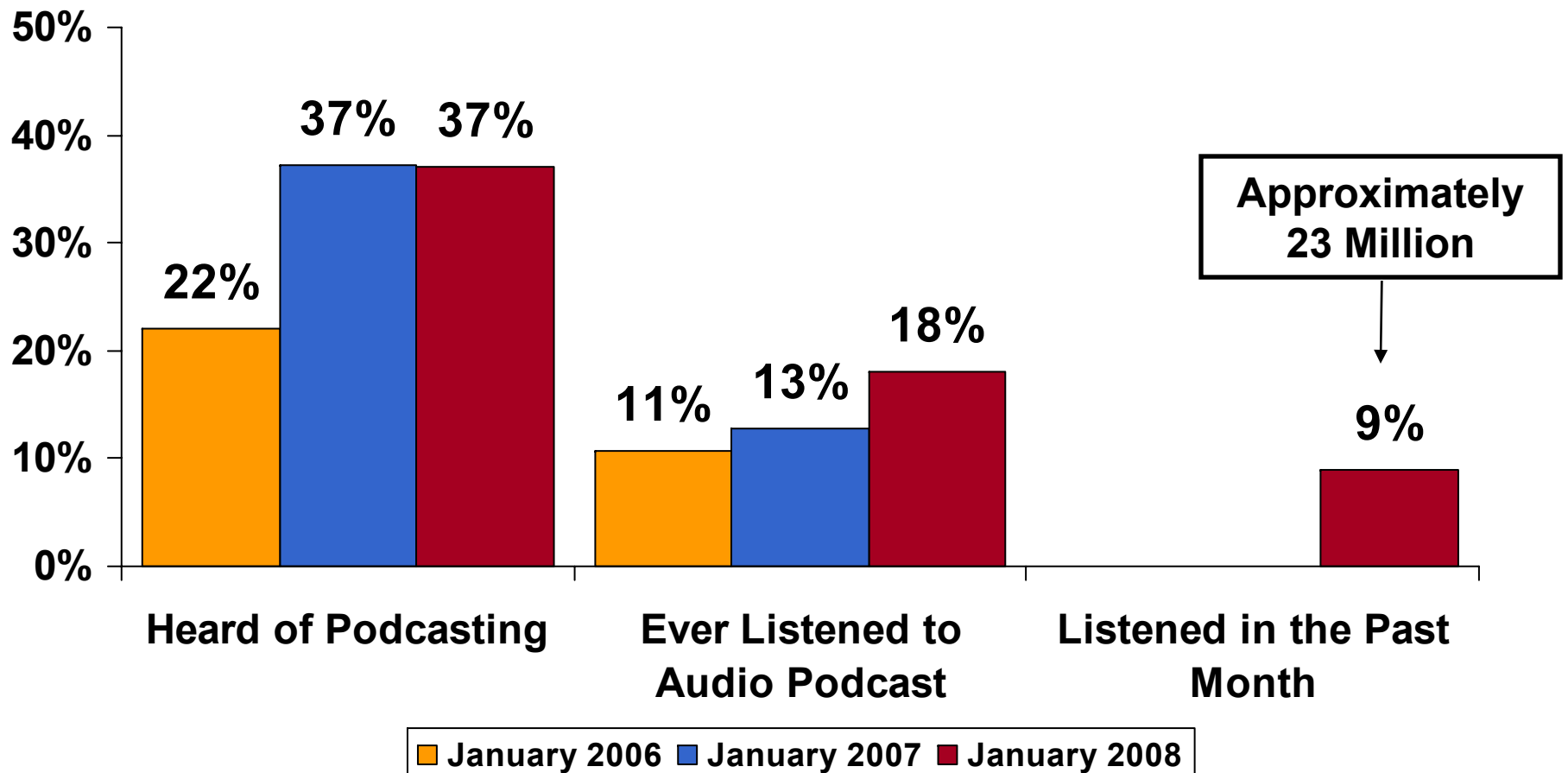
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“Audio podcasting is the concept of downloading various types of longer-form online audio programs, in the form of digital files you can listen to at any time you choose.

Audio podcasting does NOT refer to the downloading of individual MP3s or songs.

Audio podcasting does refer to the download of program-oriented online audio (such as a talk show or a hosted music program), usually as an automatic download that can be listened to at the user’s convenience.”

# More Americans Are Trying Audio Podcasts



Base: Total Population 12+



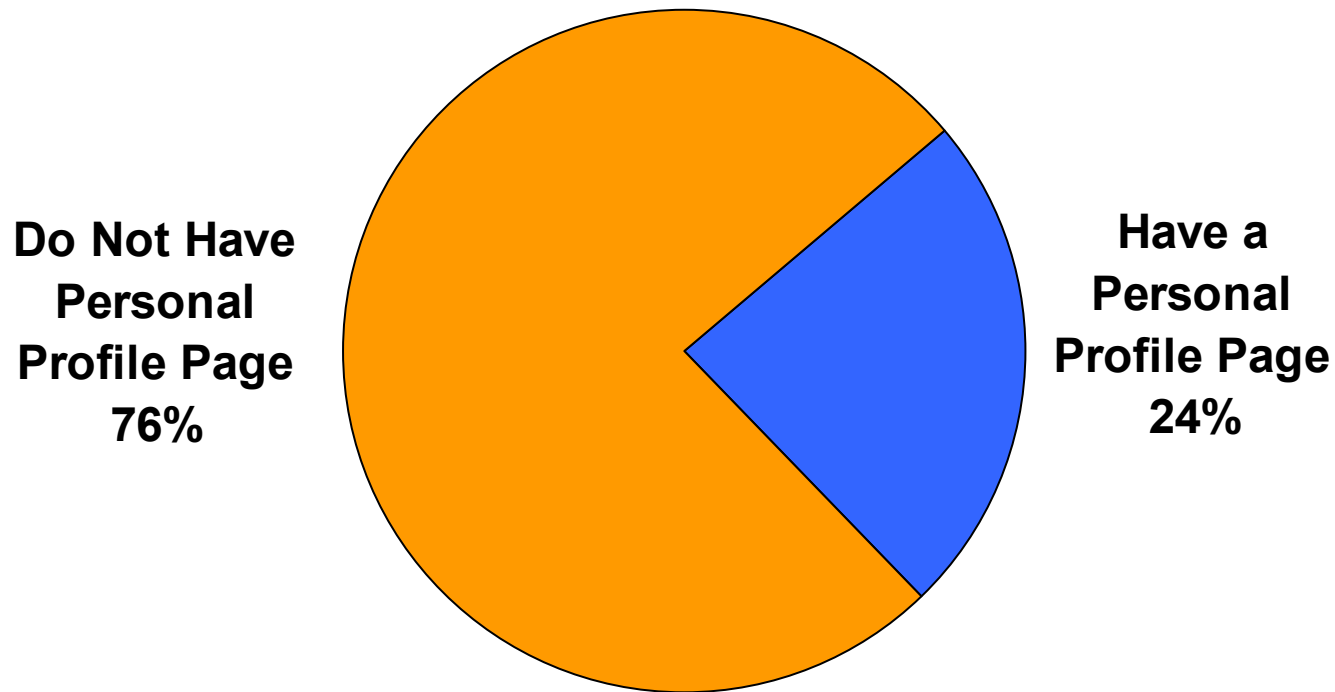
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# Social Networking



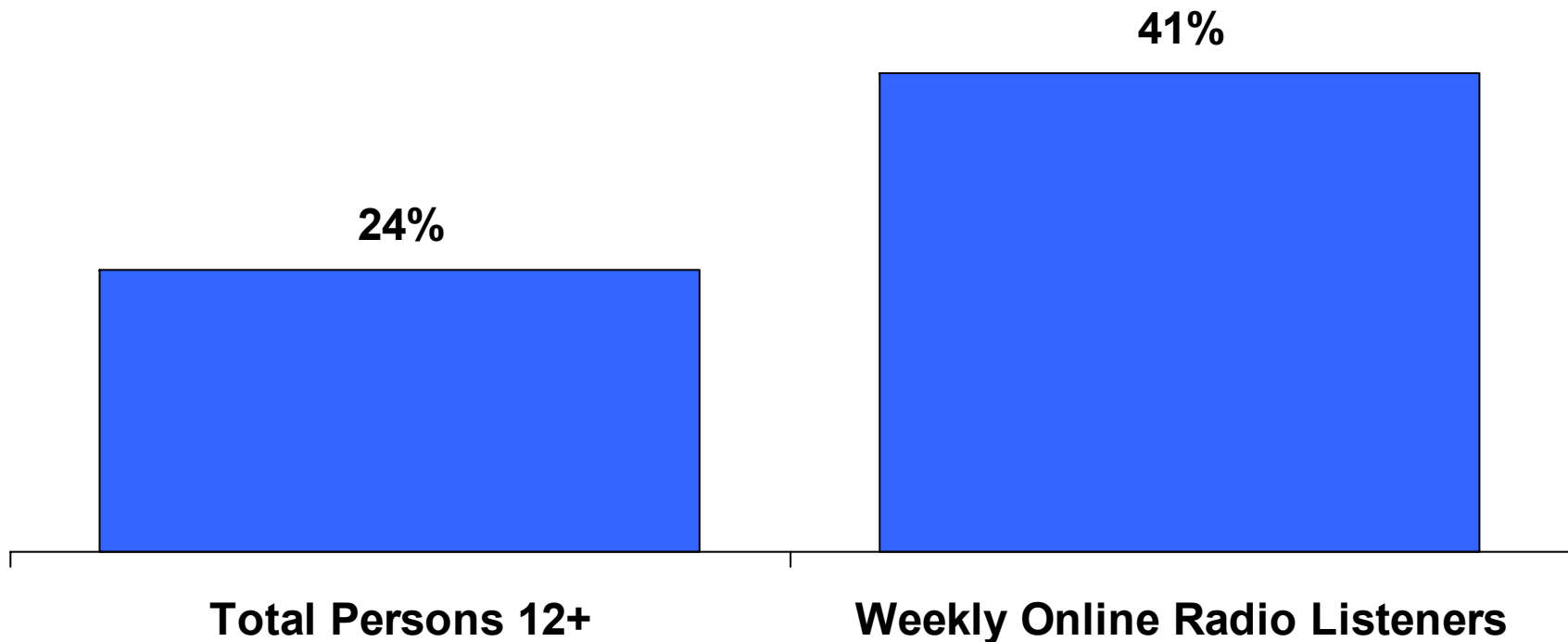
# Nearly One In Four Americans Have A Profile On A Social Networking Web Site

% Who Currently Have a Personal Profile Page on Facebook, MySpace, LinkedIn, or Any Other Social Networking Web Site



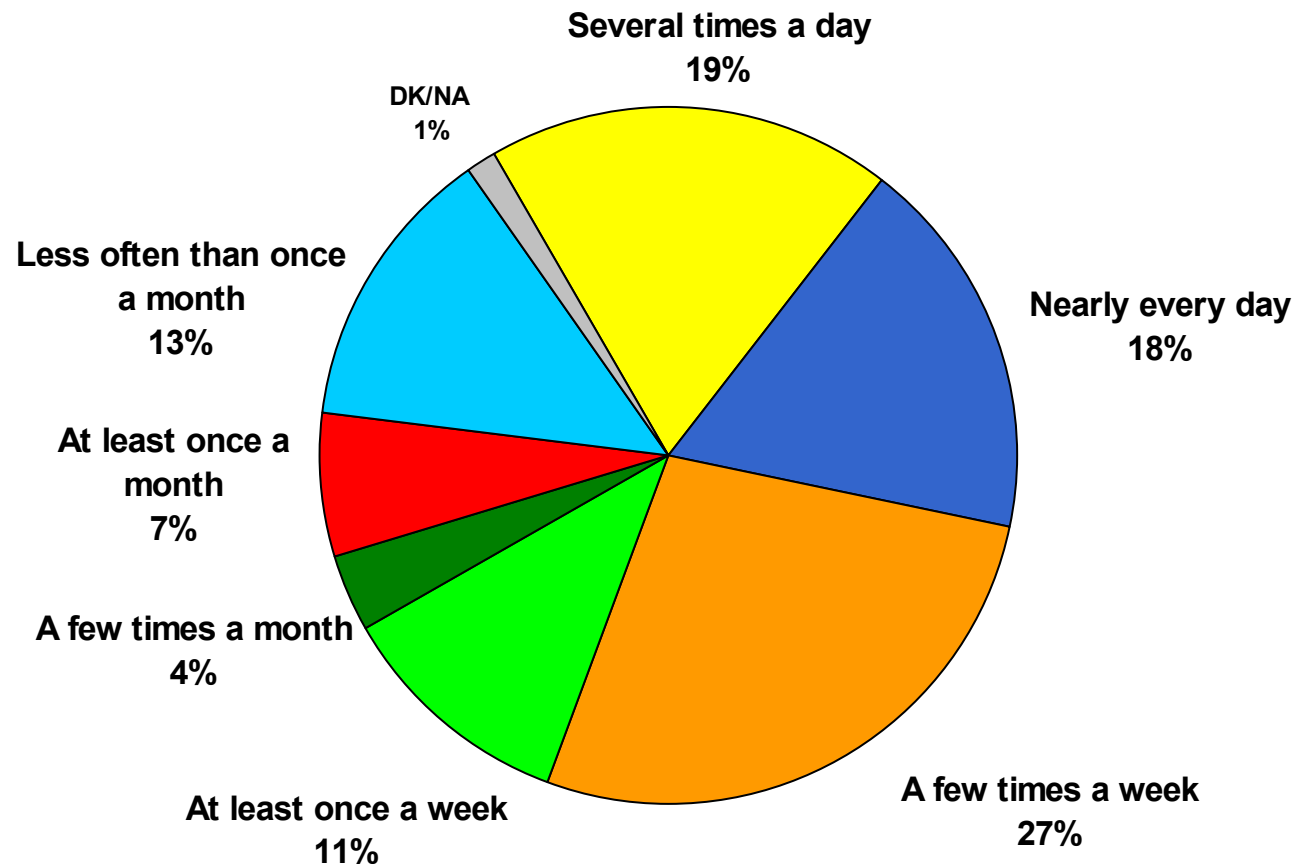
# Weekly Online Radio Listeners Much More Likely to Have a Profile Page on Social Networking Sites

% Who Currently Have a Personal Profile Page on Facebook, MySpace, LinkedIn, or Any Other Social Networking Web Site



# Nearly Four in Ten Weekly Online Radio Users With a Social Network Profile Page Visit About Once a Day or More

*“How often do you use social networking Web sites?”*



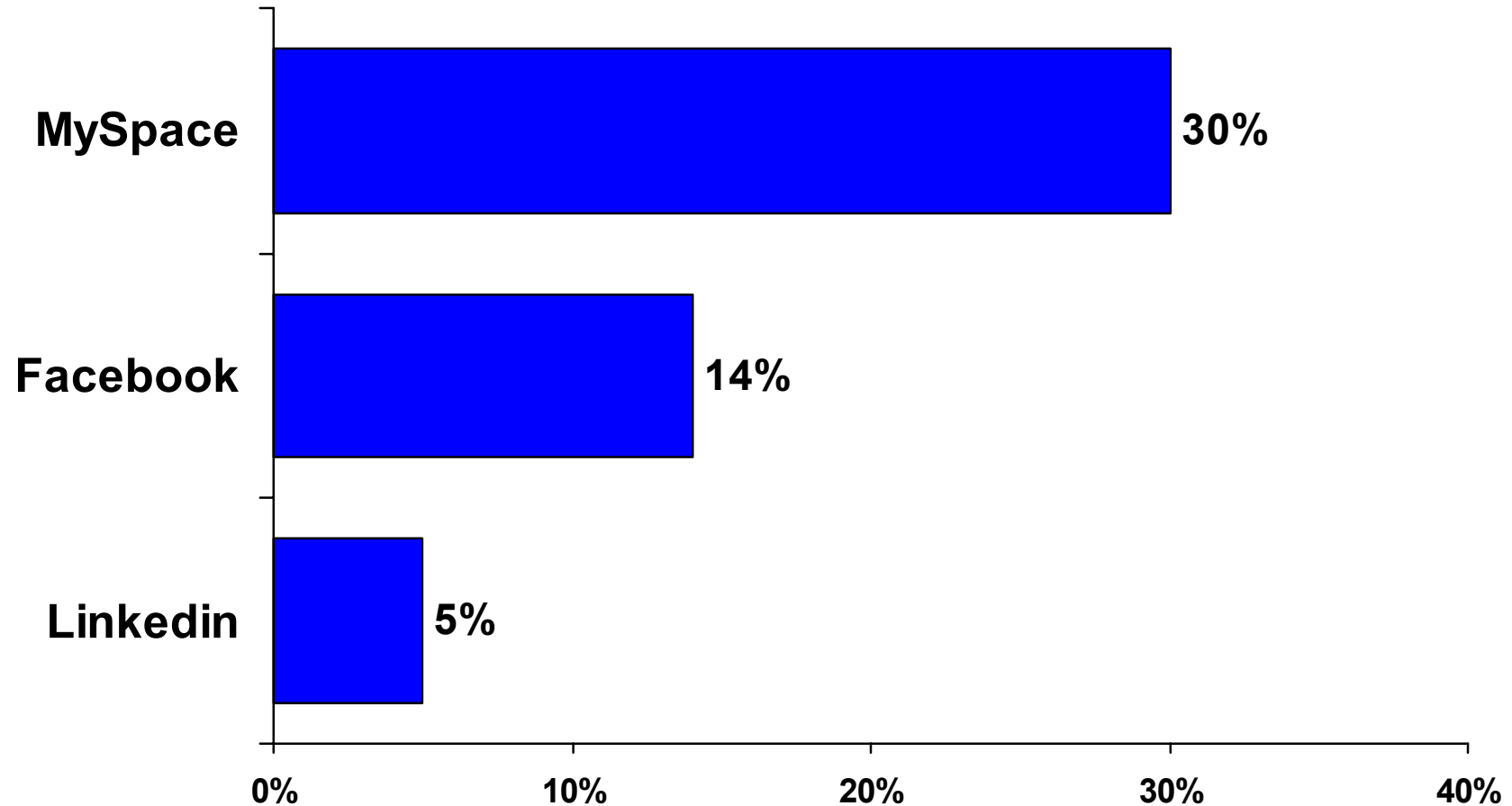
Base: Weekly Online Radio Users  
With a Personal Profile Page on  
Social Networking Web Site



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# MySpace is Social Networking Web Site With Highest Usage Among Weekly Online Radio Users

% of Online Radio Users Who Currently Have a Personal Profile Page On...

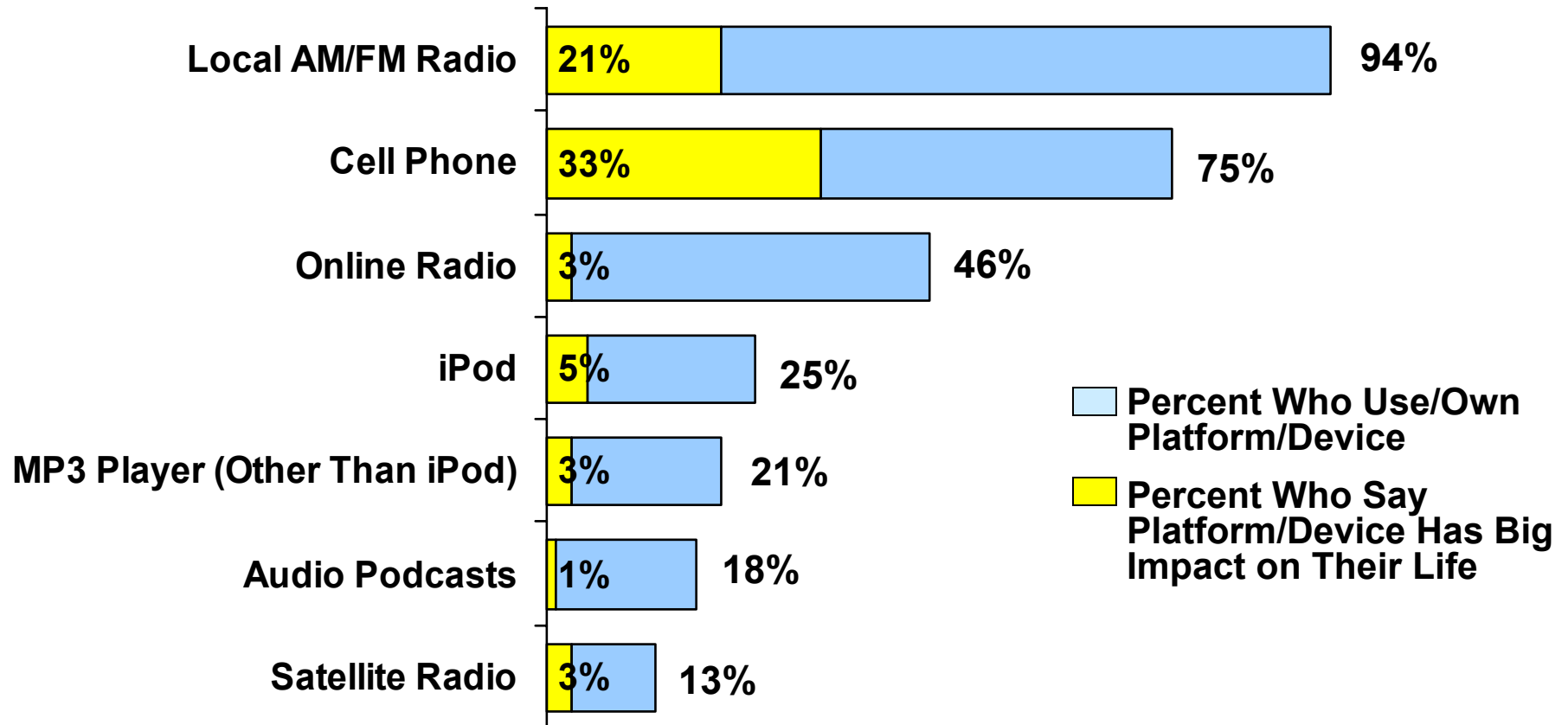


# Audio Device/Platform



# Cell Phones and AM/FM Radio Have Most Far-Reaching Impact

% of Americans Age 12 and Older Who Use/Own Platform/Device

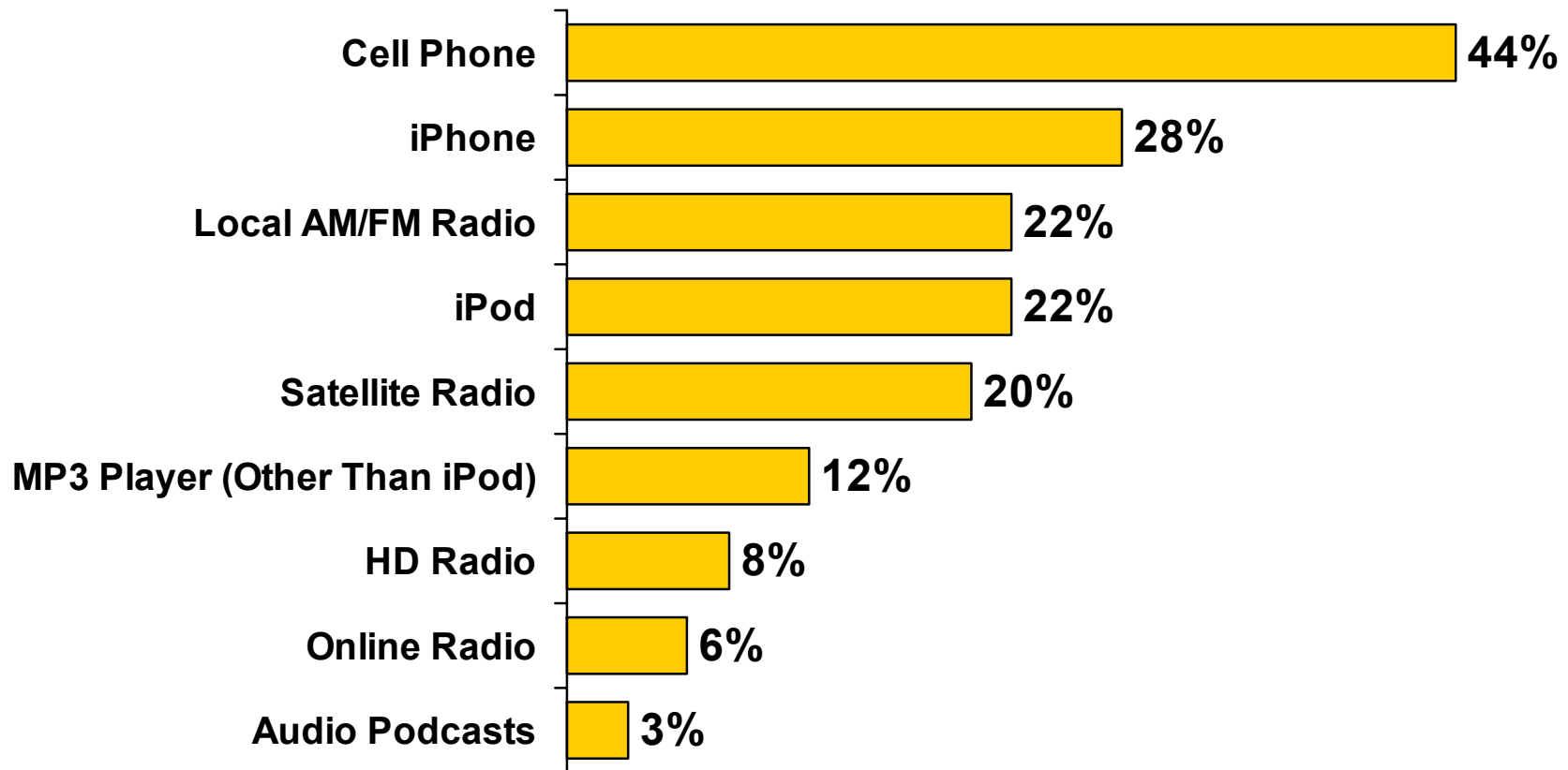


*“How much of an impact on your life has (platform/device) had?  
 (“5” = “Big Impact”, “1” = “No Impact at All”)*



# AM/FM Radio Listeners and iPod Users Report Similar Enthusiasm For Respective Media/Devices

% of Owners/Users Who Say Platform/Device Has a “Big Impact” on Their Lives



*“How much of an impact on your life has (platform/device) had?”*

*(“5” = “Big Impact”, “1” = “No Impact at All”)*



# HD Radio



# Understanding HD Radio

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“HD Digital Radio is a new technology that enables AM and FM radio stations to broadcast their signals digitally, providing listeners with vastly improved audio quality.

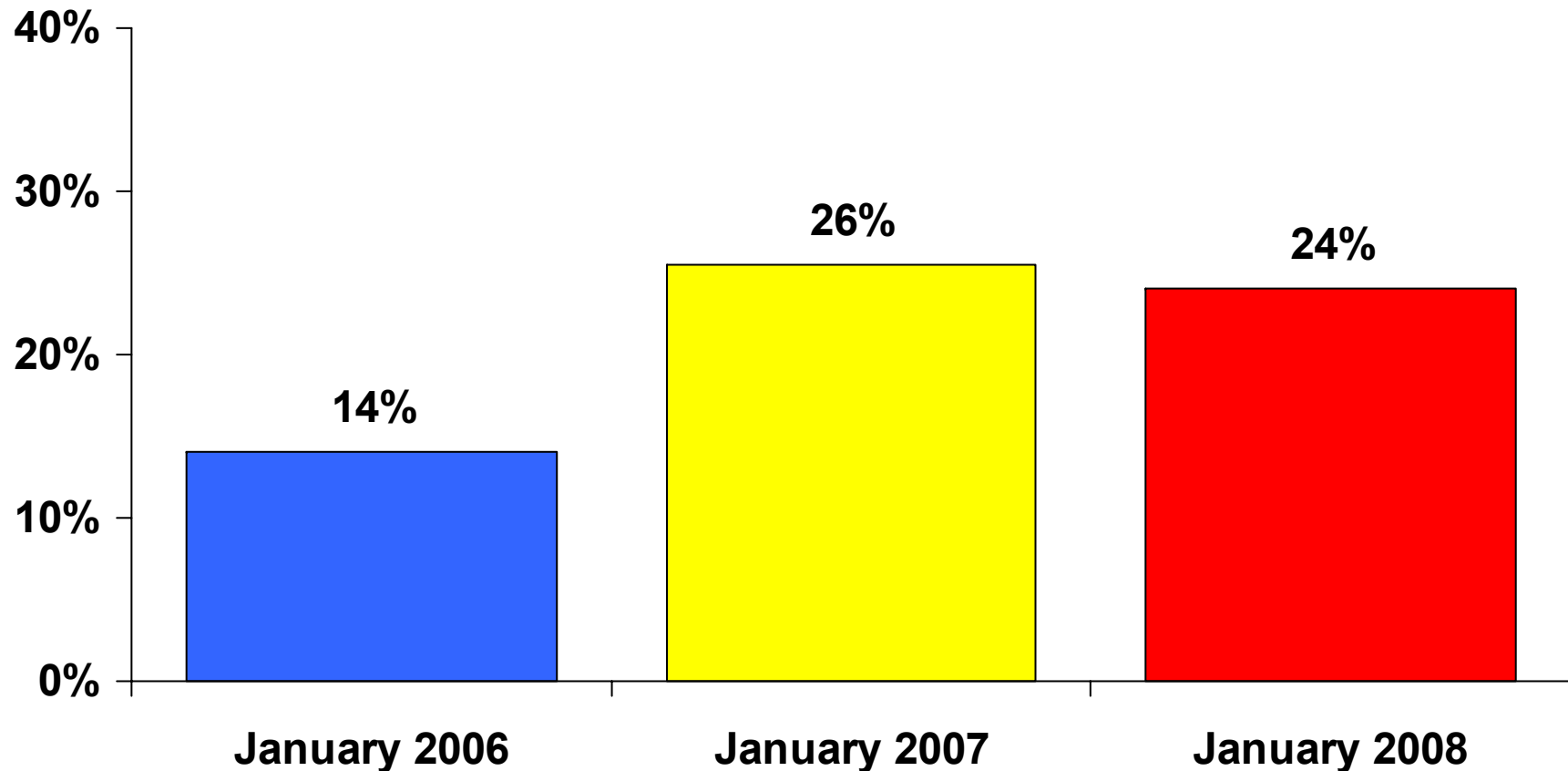
In addition, HD Radio features new radio formats that may not be currently available on regular AM/FM radio in your area.

HD Radio also allows for a digital display with song information, weather reports and traffic alerts.”



# No Growth in Awareness of HD Radio in the Past Year

% Who Have Heard/Read Anything Recently About HD Radio



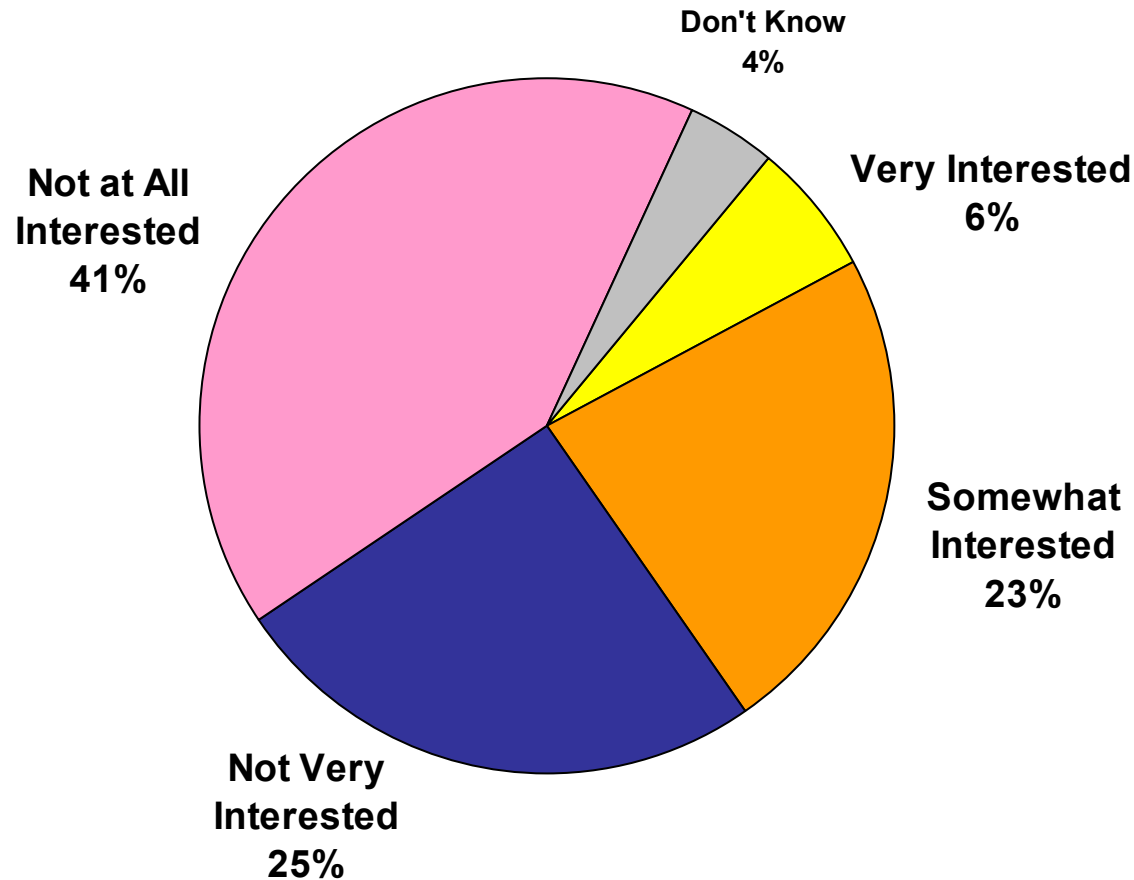
Base: Total Population 12+



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# Nearly Three in Ten Consumers Are Interested (Very or Somewhat) in HD Radio

Interest in HD Radio Based on Description



Base: Total Population 12+



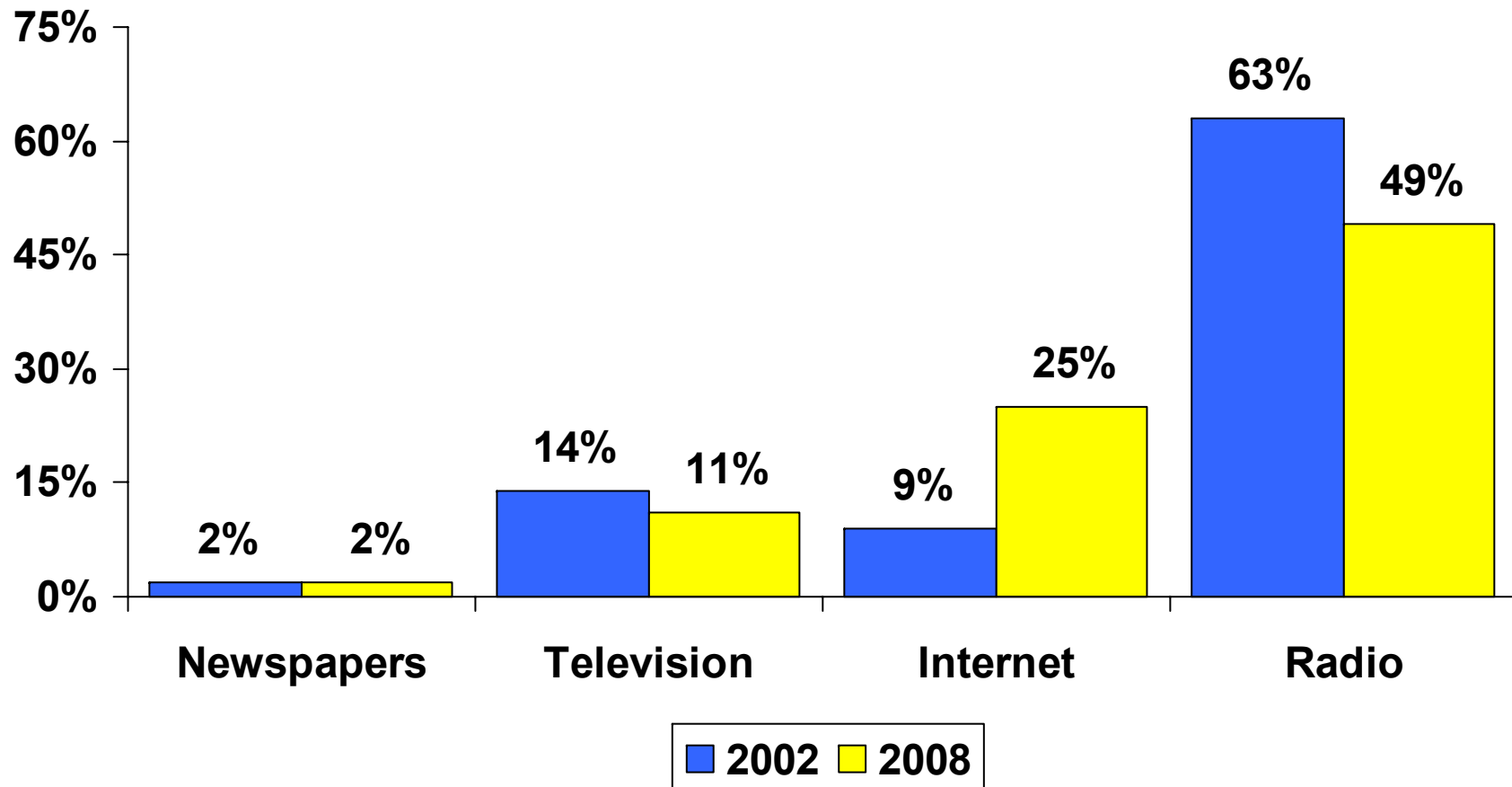
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# AM/FM Radio



# Radio Remains the Leader For Learning About New Music... But Internet Gains

*“Among Internet, newspapers, radio and television, which one... do you turn to first to learn about new music?”*



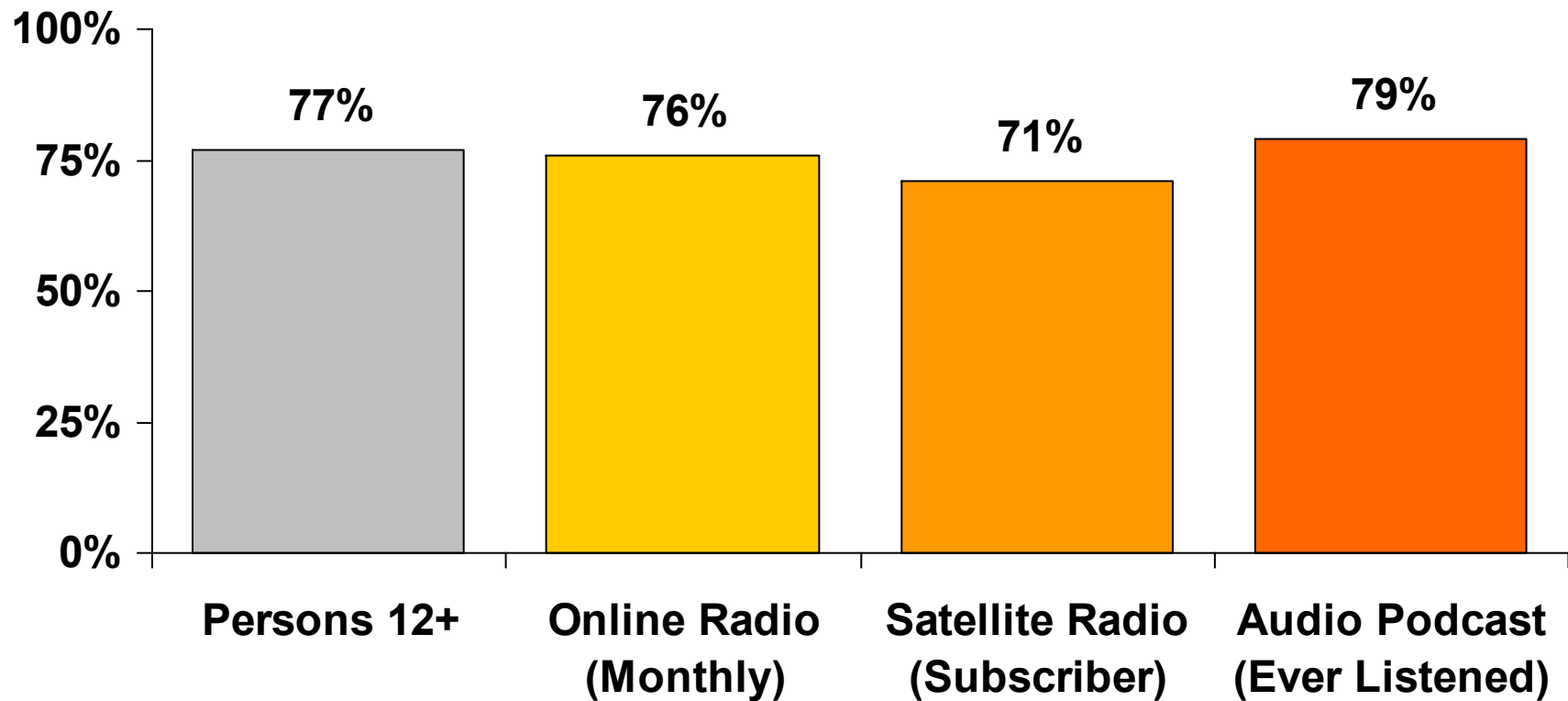
Base: Total Population 12+



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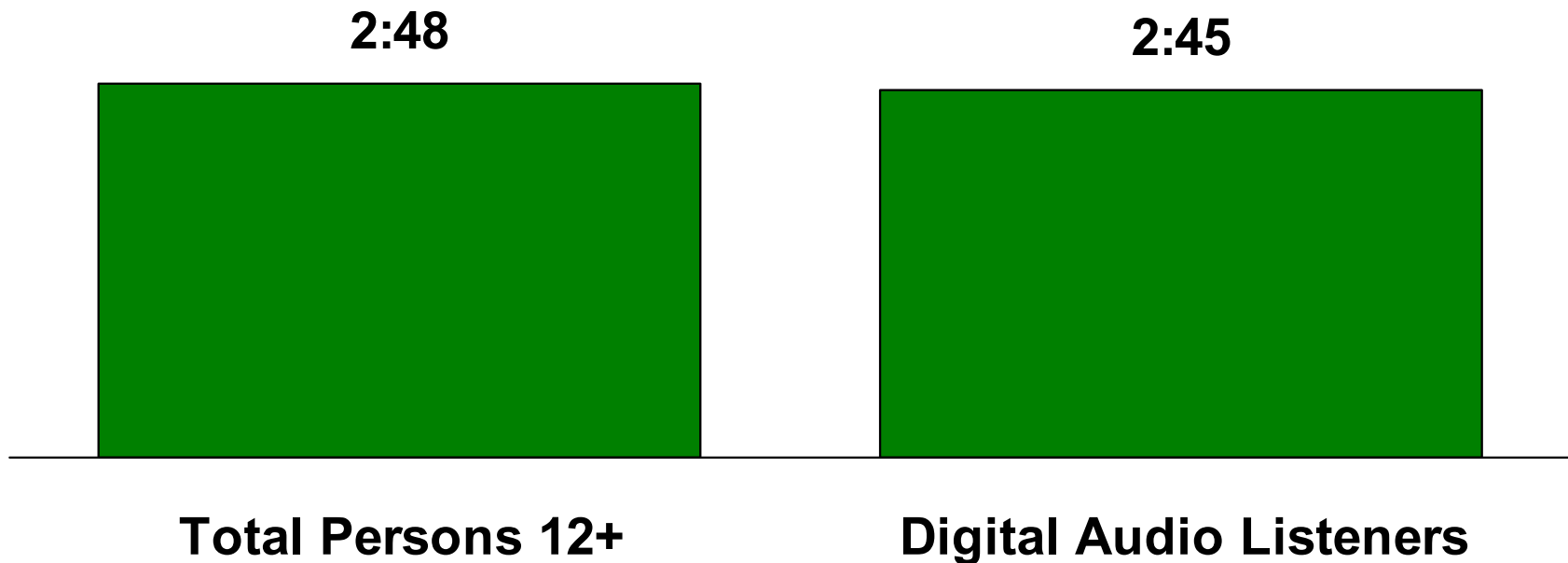
# Majority of “Digital Radio” Audience Expects to Listen Same Amount to AM/FM Radio in Future

*% Agreeing: “In the future, you will continue to listen to AM/FM radio as much as you do now, despite increasing advancements in technology?”*



# Digital Radio Users Do Not Spend Less Time With AM/FM Radio

Time Spent Listening to Radio Per Day (hours:minutes)



Ever listened to audio podcast or subscribe to satellite radio or listened to Online radio in past month

# Implications



# **Online Radio is the Biggest and Most Developed Digital Platform**

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**An estimated 33 million tune to online radio on a weekly basis and approximately 54 million listen monthly. This usage is significantly greater than other digital radio platforms.**

**Online radio also has the most developed measurement (comScore-Arbitron Online Radio Ratings and PPM) to make the medium more accountable and easier to plan and buy.**



# **New iPod models Continue To Fuel Growth of Portable MP3 Players**

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**The introduction of the iPhone and new iPod models continue to propel growth. Nearly four in ten Americans now own an iPod or other portable MP3 player.**

**Continued growth and ubiquity means media companies need to have a podcast and iPod/MP3 player strategy.**

# **Satellite Radio Awareness and Intent to Subscribe Have Levelled Off**

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**The absence of big programming announcements, ongoing stories about consolidation and the passage of time since the launch of the services appear to have slowed the growth of awareness and intent to subscribe to satellite radio.**

# **Take Advantage of Connections To Social Networking Web Sites**

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**Social networking Web sites are where younger music fans are now going to discover music and to interact with one another.**

**Those who listen to online radio are much more likely to participate in social networks. Offline radio, as well as Internet-only radio, need to realize they are now part of an even broader world of online options and respond accordingly.**

# **Provide Video As Well As Audio Content**

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**Broadband has fueled remarkable growth of online video in addition to online audio.**

**Digital consumers can easily fill their video fix on YouTube and thousands of other sites.**

**It is important to provide compelling video options in addition to audio to hold your audience longer.**

# **Radio Has To Reinvigorate Its Image as a Destination to Discover New Music**

---

**In 2002, radio dominated the Internet for the image of the medium “you turn to for discovering new music.”**

**Today, radio still leads the Internet but its advantage has been cut in half. Among teens, the Internet now leads radio for music discovery.**

**Young people are unlikely to turn back to over-the-air radio itself for discovering new music but they may try Internet options provided by radio brands.**

**Why aren't the best music discovery sites coming from AM/FM radio?**

# **HD Radio Needs New Ways To Attract Consumers**

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**HD Radio does not appear to be attracting substantial numbers of consumers.**

**Less than one-quarter of the sample can recall seeing or hearing anything recently about HD Radio (down slightly from 2007) and only 6% of consumers say they are “very interested” in the concept when it was described to them.**

**Those involved with HD Radio should find new ways to present the concept to consumers to trigger more response.**

# **Broadband And Cell Phones Have Big Impact On Their Users... Plan Now for When They Merge**

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**We asked users about the impact of a variety of media/devices on their lives. The two with the greatest impact are broadband and the cell phone.**

**Cell phones functioning with broadband speed would be a very powerful combination for consumers and a potential game-changing proposition.**

**Media providers need to plan now for their long-term cell phone strategy and advertisers should start learning by experimenting now.**

# **Advertisers Should Continue To Support Digital Radio In All Its Forms**

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**Users of digital radio are early-adopters who represent a broad variety of attractive qualitative attributes.**

**Advertisers who want to go where the trend is leading should get more involved with new forms of 'audio media' while they expand.**

**Consumers will respond to the advertisers who meet them on these new frontiers.**

# AM/FM Radio Remains Important With The Rise of New Digital Platforms

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- **AM/FM radio remains vital with consumers.**
  - **Three quarters say they will continue to listen to AM/FM radio as much as they do now, despite increasing advancements in technology.**
  - **One in five say AM/FM radio has a big impact on their lives, second only to cell phones**
  - **Many may overestimate the impact of digital platforms on AM/FM listening. Digital platform users spend as much time (not less) with over-the-air radio compared with the average.**
- **The broadcast industry should promote and reinforce its virtues.**

# Free Copies of All Arbitron/ Edison Media Research Studies

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[www.edisonresearch.com](http://www.edisonresearch.com)

[www.arbitron.com](http://www.arbitron.com)



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# The Infinite Dial 2008



## Radio's Digital Platforms AM/FM, Online, Satellite, HD Radio and Podcasting

