

The Need for Speed



Arbitron/Edison Media Research Internet Studies

- ◆
- Biannual studies from August 1998 to January 2001 focusing on the Internet and streaming
- “The Need for Speed”
 - 3,005 telephone interviews conducted in January 2001
- Free copies of “The Need for Speed” and all Arbitron/Edison Media Research studies are available online
 - www.arbitron.com
 - www.edisonresearch.com



Survey Goals/ What We Will Learn

- Growth of Internet Use
- Streaming Media
- The Impact of Broadband
- Streaming Content Today
- Measuring the New Media World

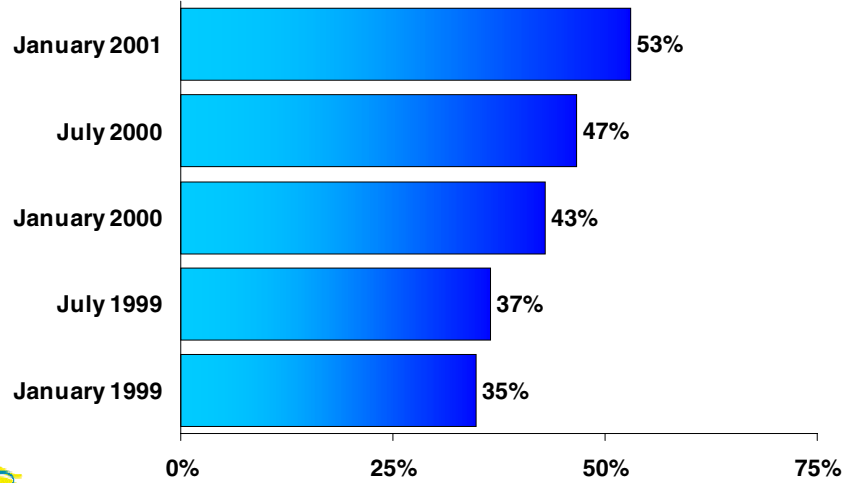


The State of Internet Growth



Home Internet Access Continues to Grow

% with Internet Access at Home



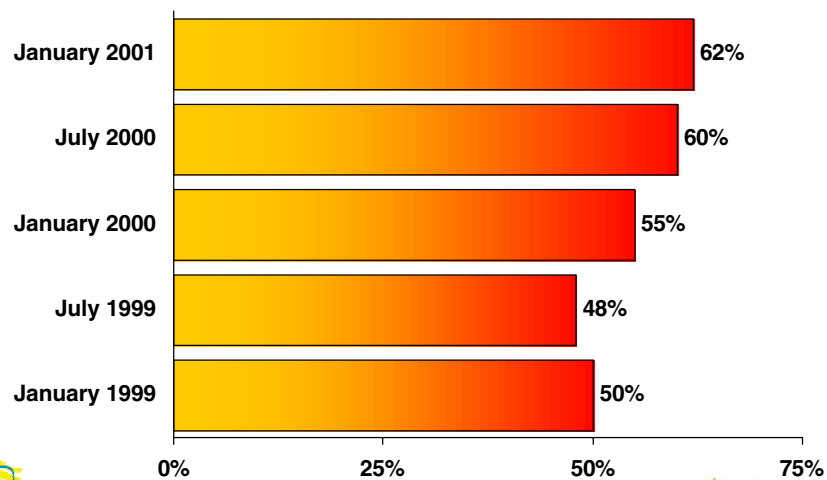
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Base: Total Population



Overall Internet Access Continues to Grow

% with Internet Access at Any Location



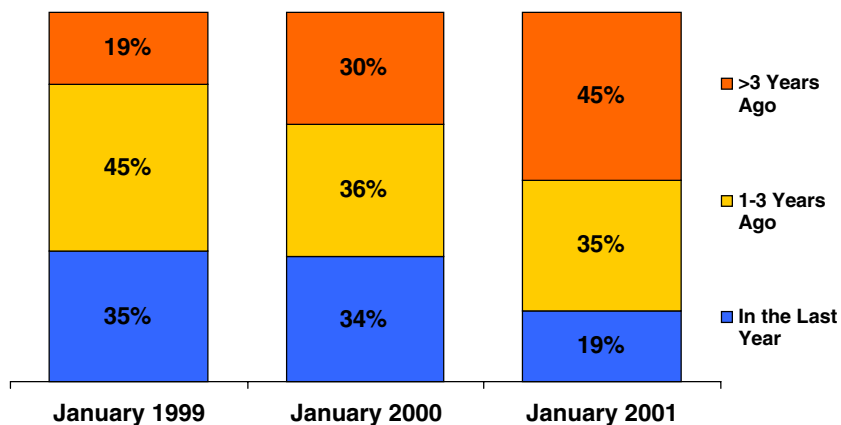
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Base: Total Population



Fewer “Newbies” Coming Online as the Internet Matures

“When did you first access the Internet?”



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Base: Currently Access the Internet



While Growth May Be Slowing, the Internet Is Becoming Vital to a Huge Percentage of Households



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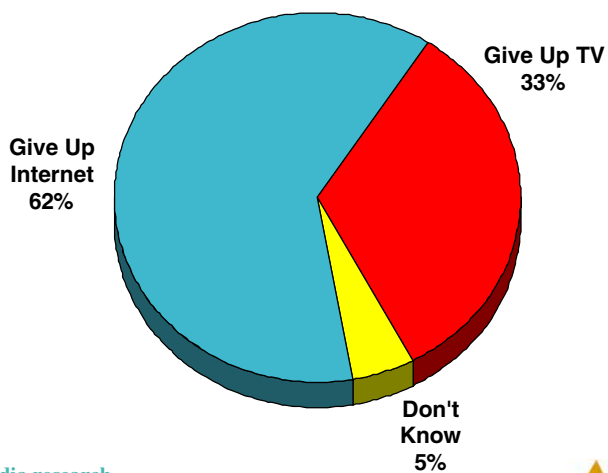
Question Asked Those with Home Internet Access

“If you had to choose between giving up all of the televisions in your home or giving up your Internet access at home, which would you rather give up first?”



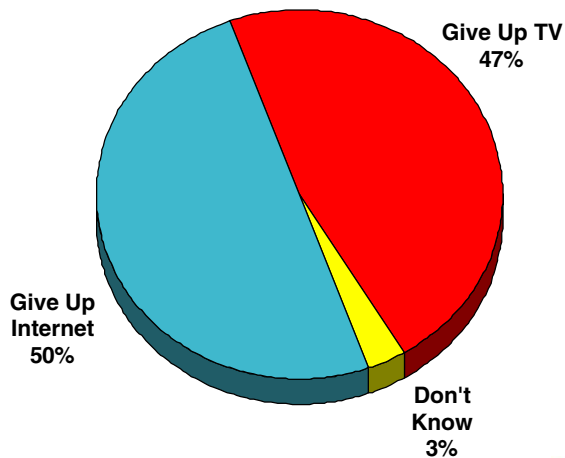
The Internet Is *Vital* to a Significant Segment

Age 12+ with Home Internet Access



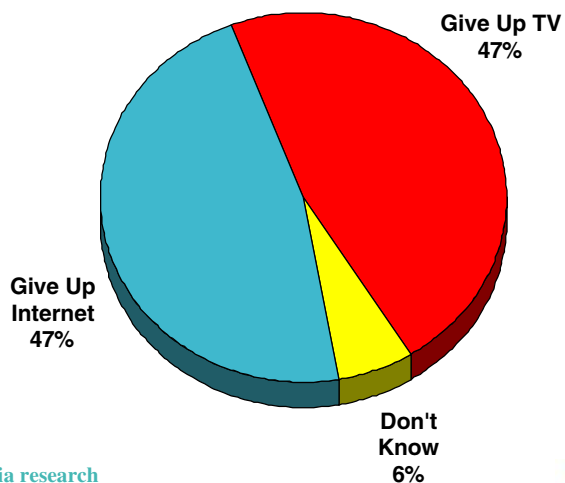
Internet Is Equally as Important as TV Among Youngest Groups

◆ Age 12-24 with Home Internet Access

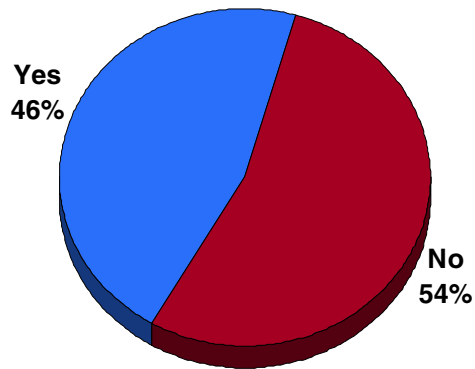


Those Most Active Online Are as Willing to Give Up TV as Internet

◆ Those Who Have Used Streaming Audio/Video in Last Week



Ever Watch TV and Use the Internet at the Same Time?



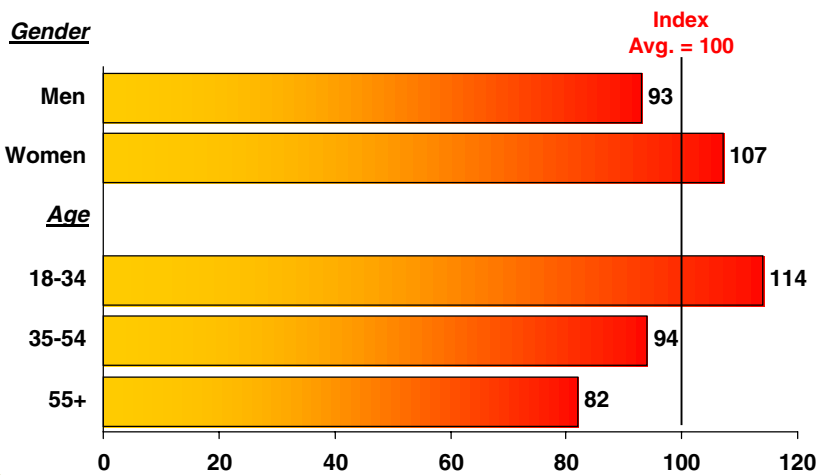
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Source: Scarborough 2000 National Internet Study (n=2132)
Base: Total Internet Users



Who Is Surfing While Watching TV at the Same Time?

Target: "Always/Often" Watch TV & Use Internet Simultaneously



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Source: Scarborough 2000 National Internet Study (n=2132)
Base: Total Internet Users



“Streamies”



“Streamies”

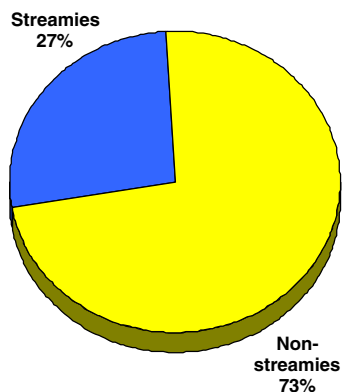
◆ **Definition:** those who consume streaming media over the Internet

- **Audio streamies:** those having ever listened to streaming audio over the Internet
- **Video streamies:** those having ever viewed streaming video over the Internet
- **Active streamies:** those having consumed streaming media in the last week or last month

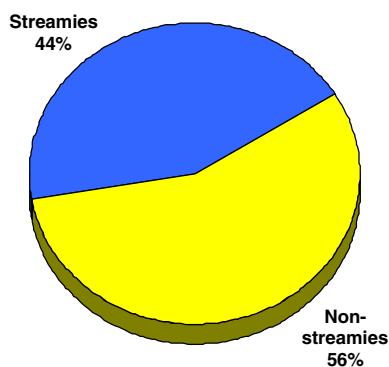


More Than One in Four Americans Are Streamies

Among Americans 12+

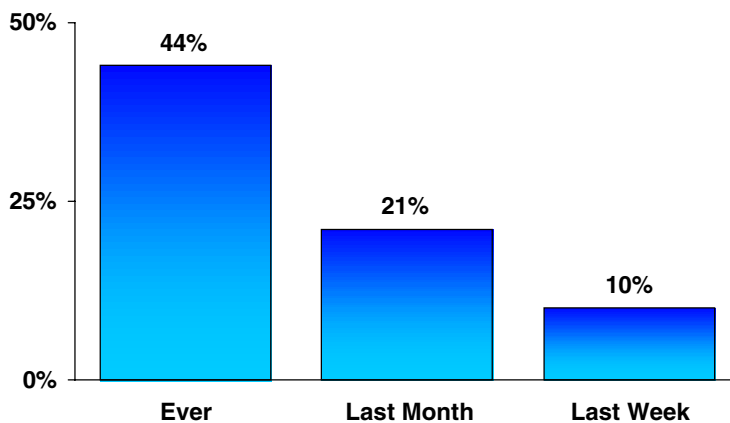


Among Those Online



Of Those Online, One in Five Have Used Streaming Media in Last Month

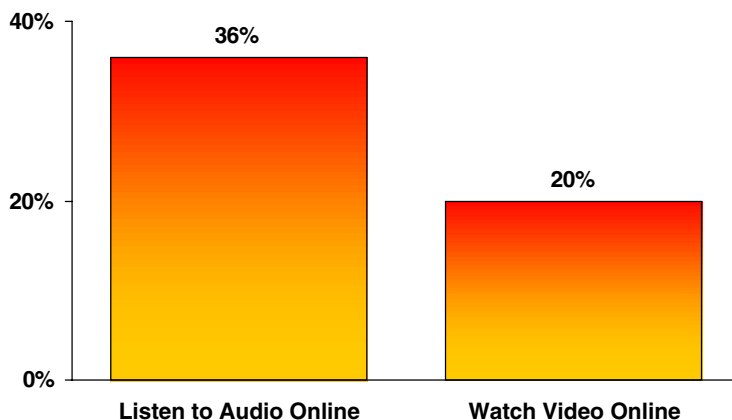
% of Those Online Who Have Used Internet Audio or Internet Video



Base: Currently Access the Internet



More Americans Listen Than Watch Online



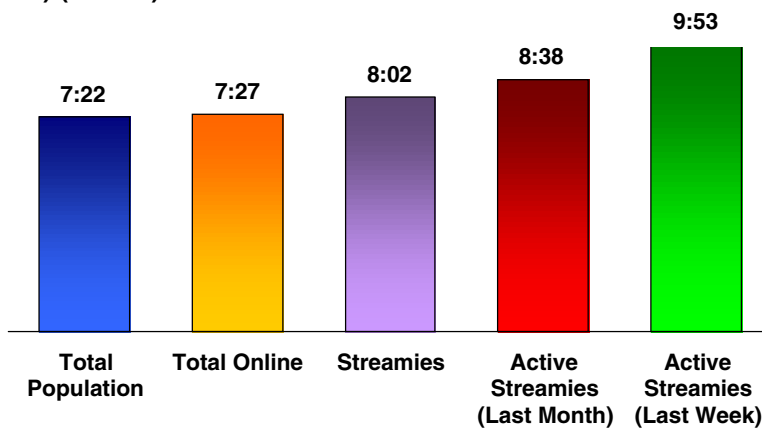
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Base: Currently Access the Internet



Streamies Are Media Junkies

Amount of Daily Time Spent with Media (TV, Radio, Newspapers, Internet) (hr:min)



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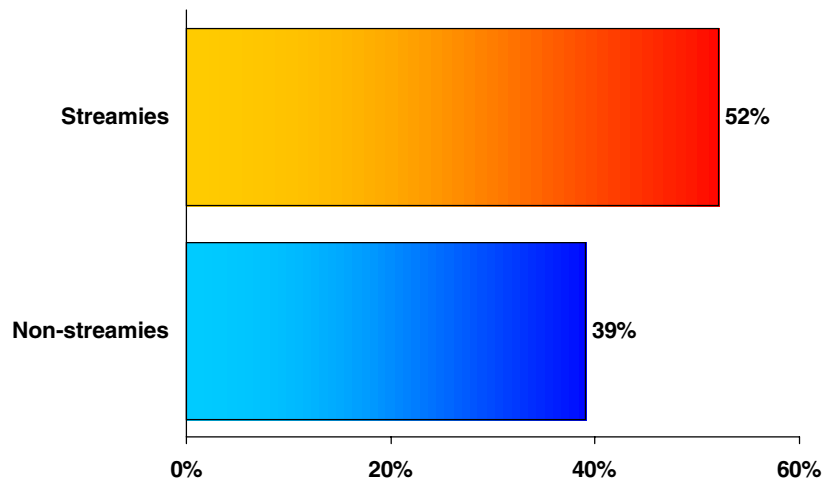


Streamies Are an Attractive Target for Advertisers



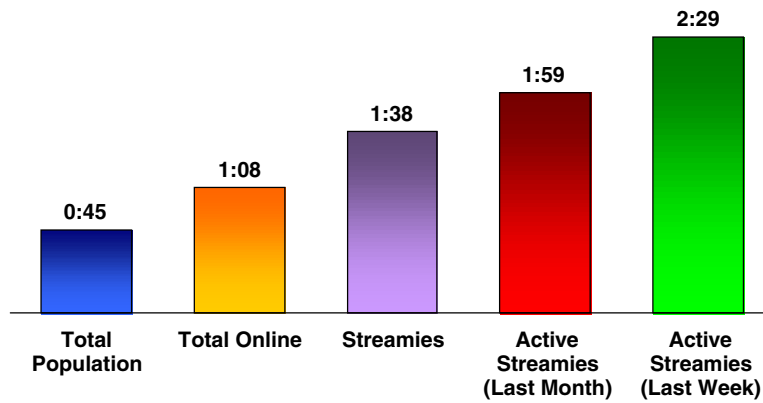
Streamies Are Online Veterans

◆ % Online for Three or More Years



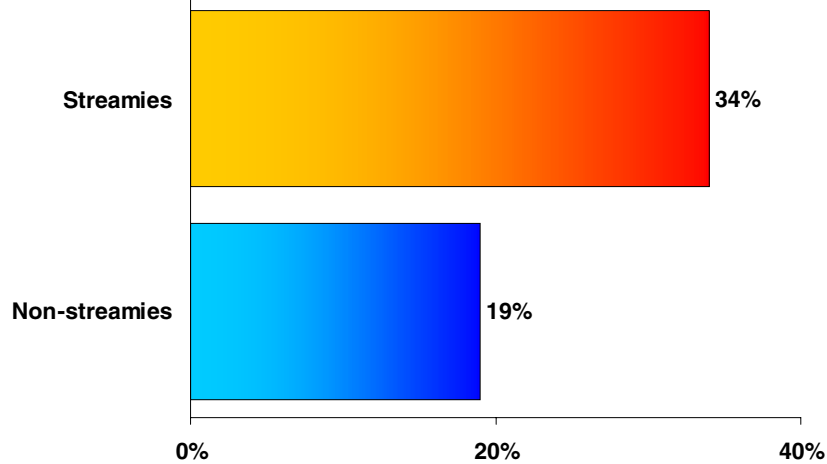
Streamies Are Online Fanatics

Time Spent Online per Day (hr:min)



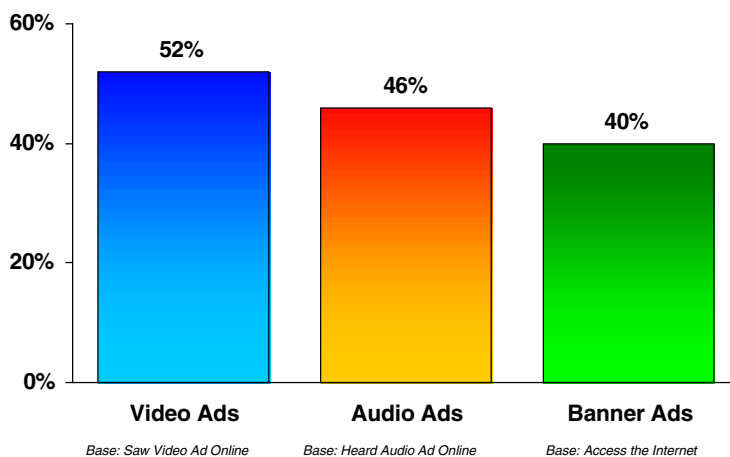
Streamies Are Much More Likely to Purchase Online

% Who Purchased Online in the Last Month



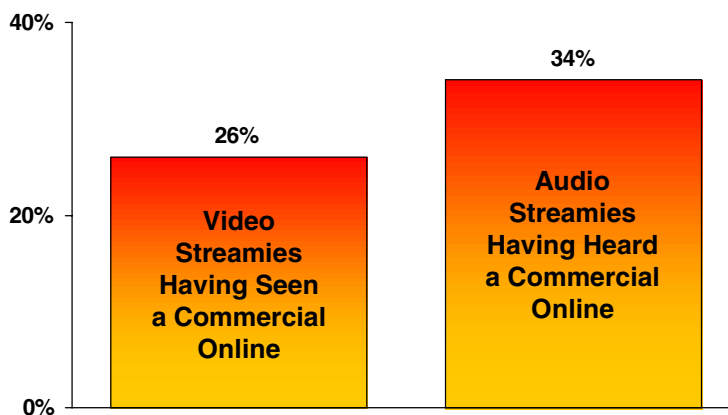
Streamies Pay More Attention to Online Audio and Video Ads

% Who "Frequently/Sometimes" Pay Attention to Each Type of Ad

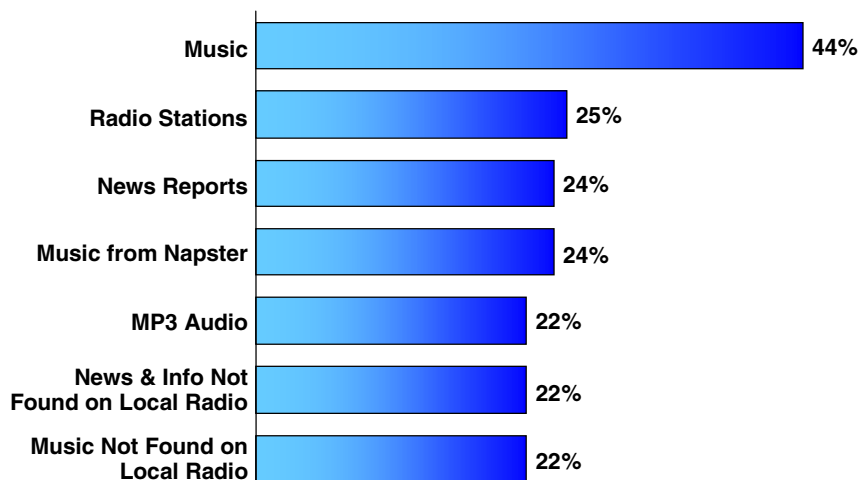


Most Streamies Have Not Heard or Seen Commercials Online

% Who Have Seen Video or Heard Ads Online



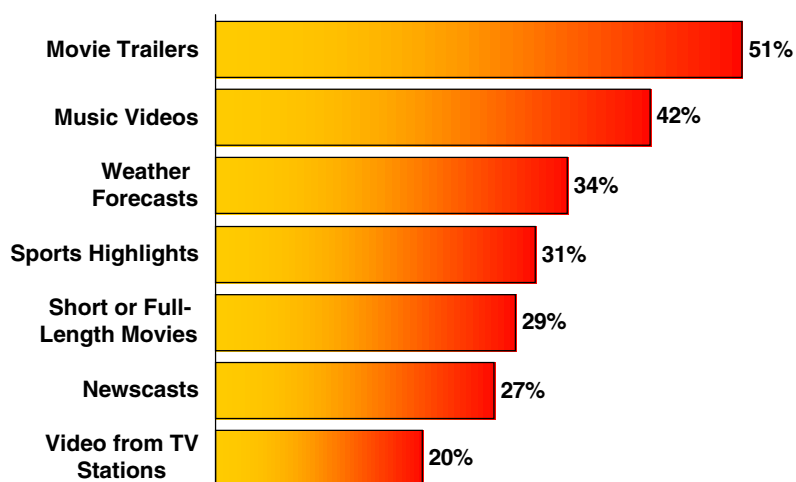
Types of Programming Audio Streamies Listen To



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Types of Programming Video Streamies Watch



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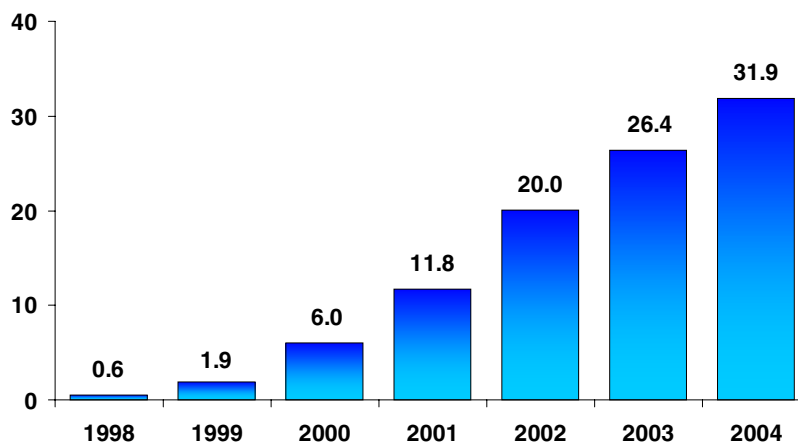


The Impact of Broadband



32 Million Homes to Have Broadband by 2004

Millions of HH with DSL or Cable Modems

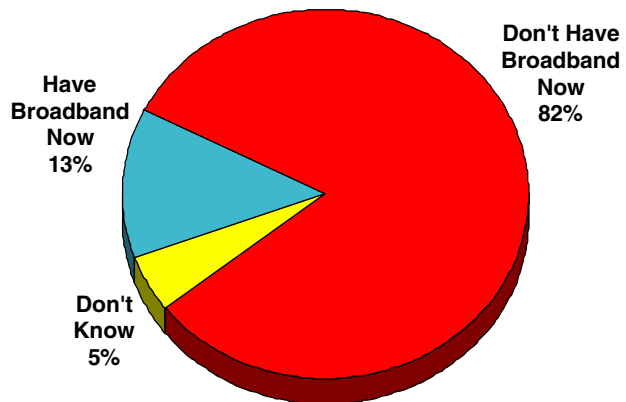


Source: Paul Kagan & Associates



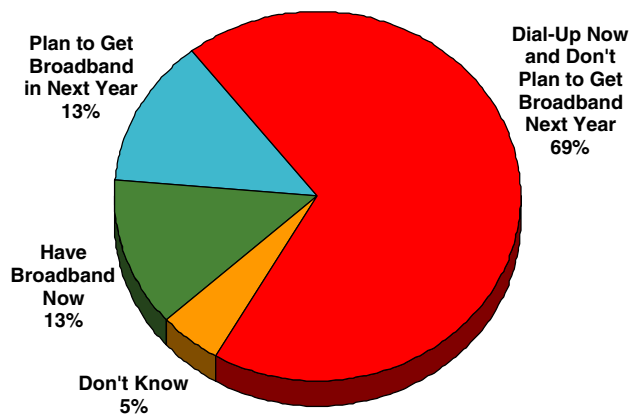
Few Internet Households Have Broadband Access...

Broadband vs. Dial-Up in Homes with Access to the Internet



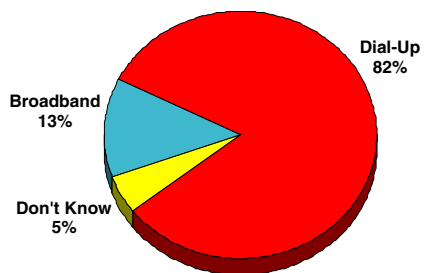
...However, Broadband Access May Double in Next Year

Broadband vs. Dial-Up in Homes with Access to the Internet

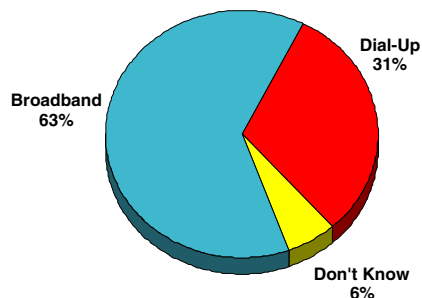


Broadband Has Penetrated the Workplace Far More Than the Home

Among Households with Internet Access

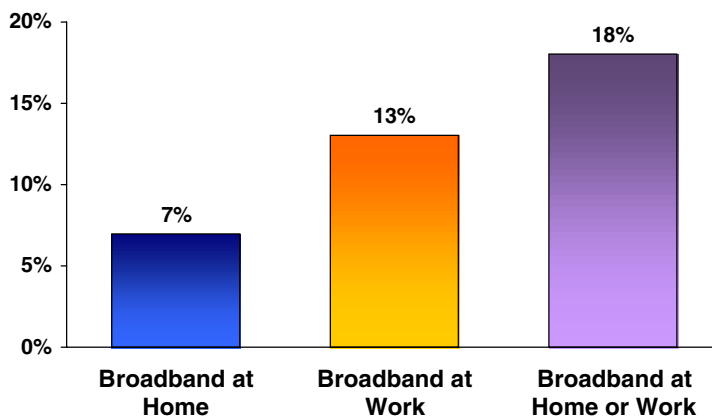


Among Workers with Internet Access

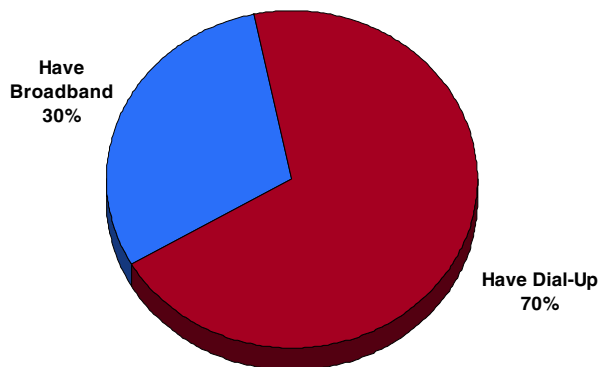


Nearly One in Five Americans 12+ Currently Have Broadband Access

% with Broadband Internet Access in Each Location



Three Out of Ten Home or Work Internet Users Have Broadband



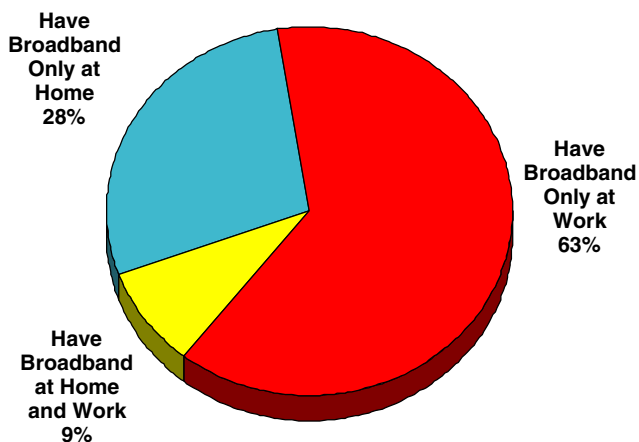
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Base: Have Internet Access at Home or Work



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There Is Little Overlap Between Broadband Use at Home and at Work



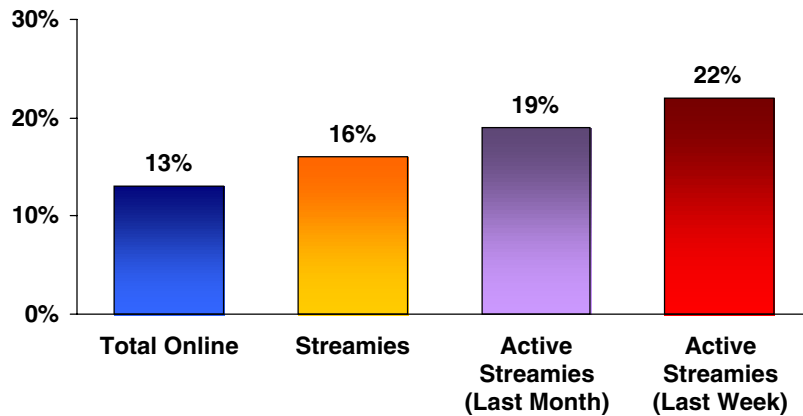
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Streamies Are More Likely to Have Broadband Access at Home

% with Broadband Internet Access at Home

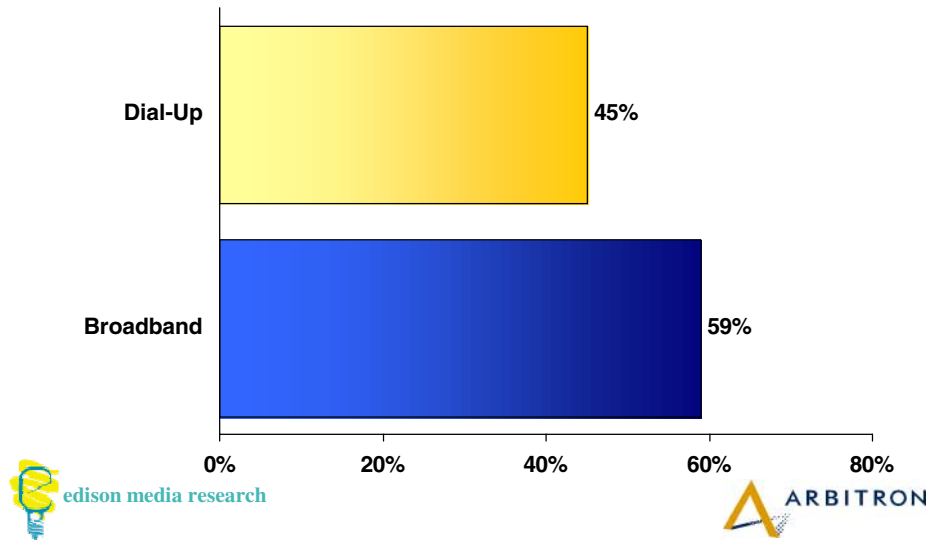


Compared to Those with Dial-Up Internet Access, People in Broadband Homes...



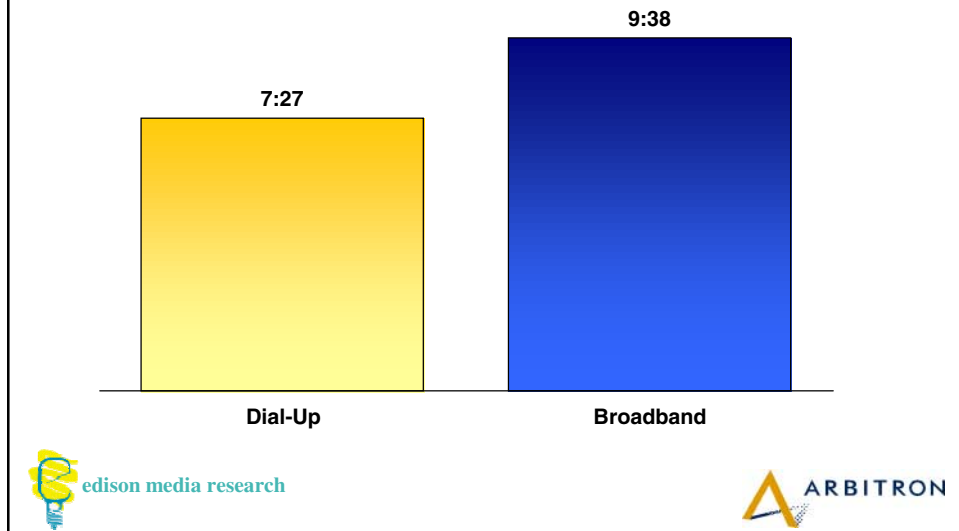
...Are Online Veterans

% Online for Three or More Years



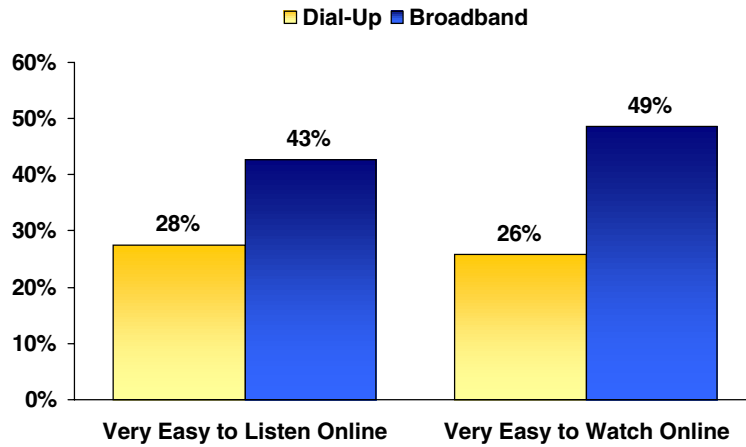
...Spend More Time Online

Amount of Time Spent Online Per Week (hr:min)



...Have an Easier Time Streaming

% Saying Streaming Is "Very Easy"

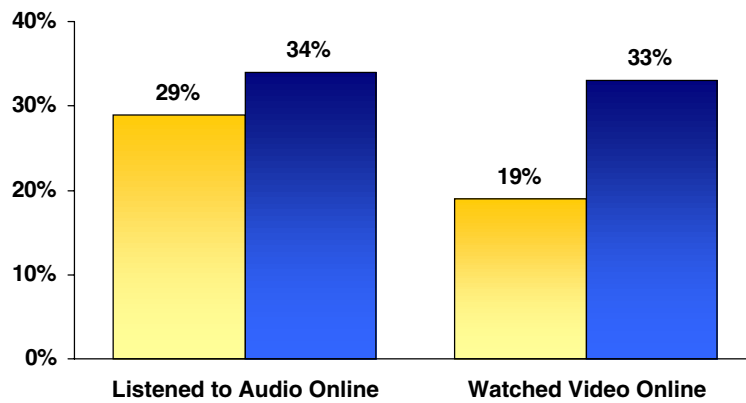


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...Are More Likely to Use Streaming Media

% Saying Streaming Is "Very Easy"

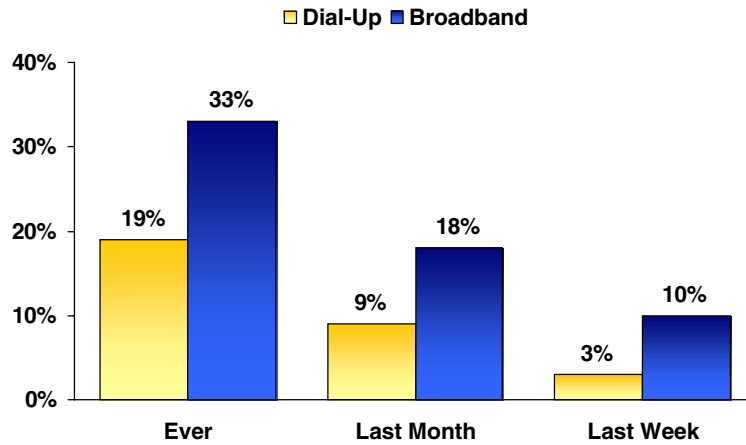


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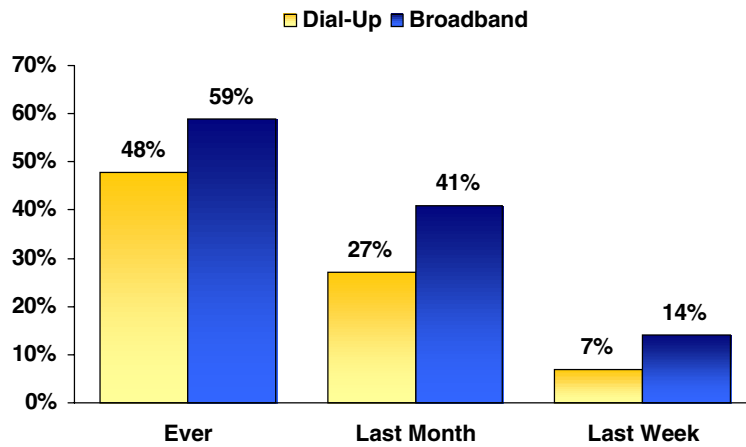
...Are More Active Video Streamies

% Online Who Have Viewed Streaming Video



...Are More Likely to Make Online Purchases

% Having Made a Purchase Online

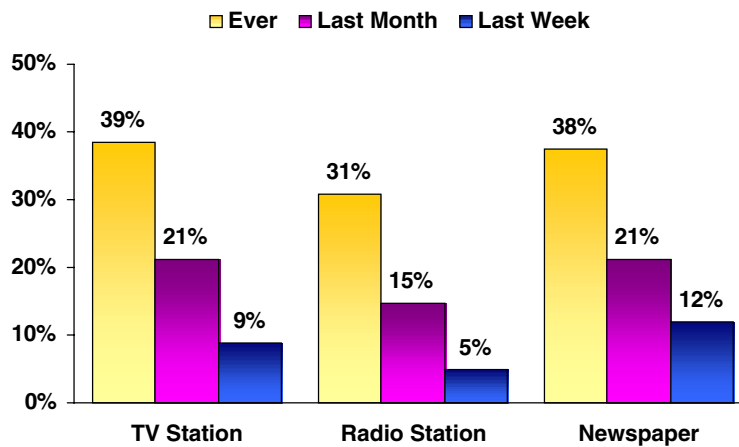


Media Web Sites



Few Regularly Visit Media Web Sites

% Online Who Have Visited Web Site of Medium



Base: Currently Access the Internet



Interest in Streaming Devices



There Is Considerable Interest in Devices That Make Streaming Easier

◆ % of Streamies “Very” or “Somewhat” Interested

58%
MP3 Player



49%
Internet Audio
in Your Car



47%
Satellite in-Car Audio



45%
Internet Radio



41%
Internet Audio on PDA



41%
Play Internet Audio
on Any Home Stereo



29%
Internet Audio
on Cell Phone



“Small, Portable Device for Playing Audio Downloaded from the Internet”

◆ % of Streamies “Very” or “Somewhat” Interested

58%
MP3 Player



“Device Enabling You to Listen to Internet Audio in Your Car”

◆ % of Streamies “Very” or “Somewhat” Interested

49%
**Internet Audio
in Your Car**



“Satellite Radio Device for Car with CD-Quality Music for a Monthly Fee”

◆ % of Streamies “Very” or “Somewhat” Interested

47%
**Satellite in-Car
Audio**



“A Radio-Like Device That Plays Internet Audio”

◆ % of Streamies “Very” or “Somewhat” Interested

45%
Internet Radio



“Ability to Listen to Internet Audio on Your Personal Digital Assistant”

◆ % of Streamies “Very” or “Somewhat” Interested

41%
Internet Audio
on Handheld/PDA



“Device That Rebroadcasts Internet Audio from Computer to Home Stereo”

◆ % of Streamies “Very” or “Somewhat” Interested

41%
Play Internet Audio
on Home Stereo



“Ability to Listen to Internet Audio on Your Cell Phone”

◆ % of Streamies “Very” or “Somewhat” Interested

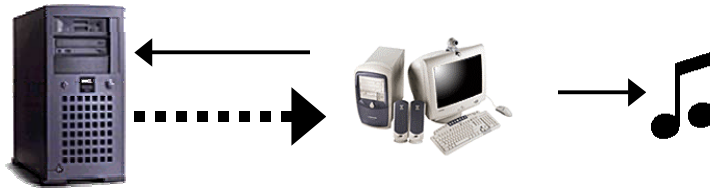
29%
Internet Audio
on Cell Phone



Measuring the New Media World



Arbitron Webcast Ratings



- Collects streaming data directly from webcast servers for near census measurement
- Collects both audio and video streaming



Measuring the New Media World

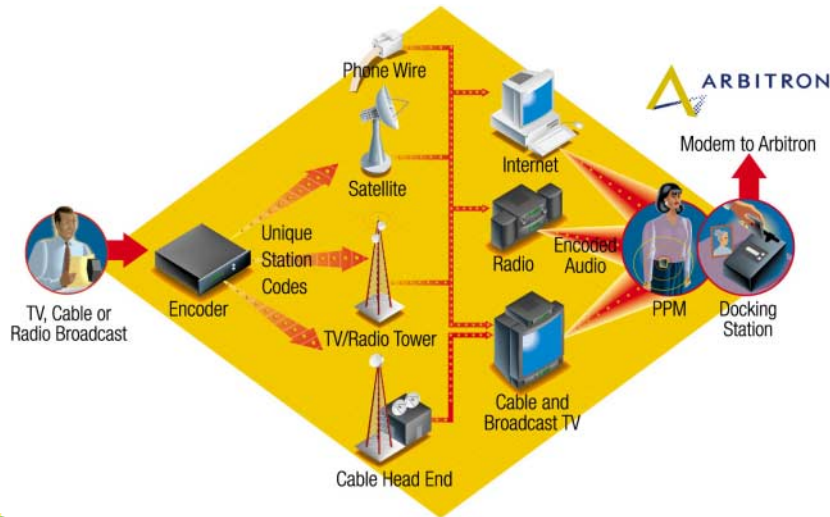
The Portable People Meter



The PPM Hardware (ver. 2.0)



The PPM System in Action



Issues to Consider



Issues to Consider

- ◆ **1. Create dual dial-up and broadband strategies**
 - Broadband could be as much as 25% of Internet users by the end of 2002



Issues to Consider

2. Think about streaming in different ways

- “TiVo Streaming” -- On-demand availability of shorter entertainment/information segments in addition to continuous streams



Issues to Consider

3. Monetizing streamed content

- Start with the advertiser: sponsored feature segments achieving advertiser objective and compelling to the consumer
 - *Example:* Using your station’s popular personalities to create advertiser infomercials
 - *Example:* Create contesting opportunities consisting of sponsored streamed content
- All advertiser supported media can utilize these concepts



Issues to Consider



4. Breaking into the at-work “walled garden”

- Technical solutions are needed to increase enterprise streaming capacity
- Advertiser sponsored content could subsidize company infrastructure upgrade



Issues to Consider



5. Life after AFTRA: *Ad Insertion*

- Evaluation of current solutions to build revenue and ensure compliance



Free Copies of All Arbitron/ Edison Media Research Studies

www.edisonresearch.com

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The Need for Speed

