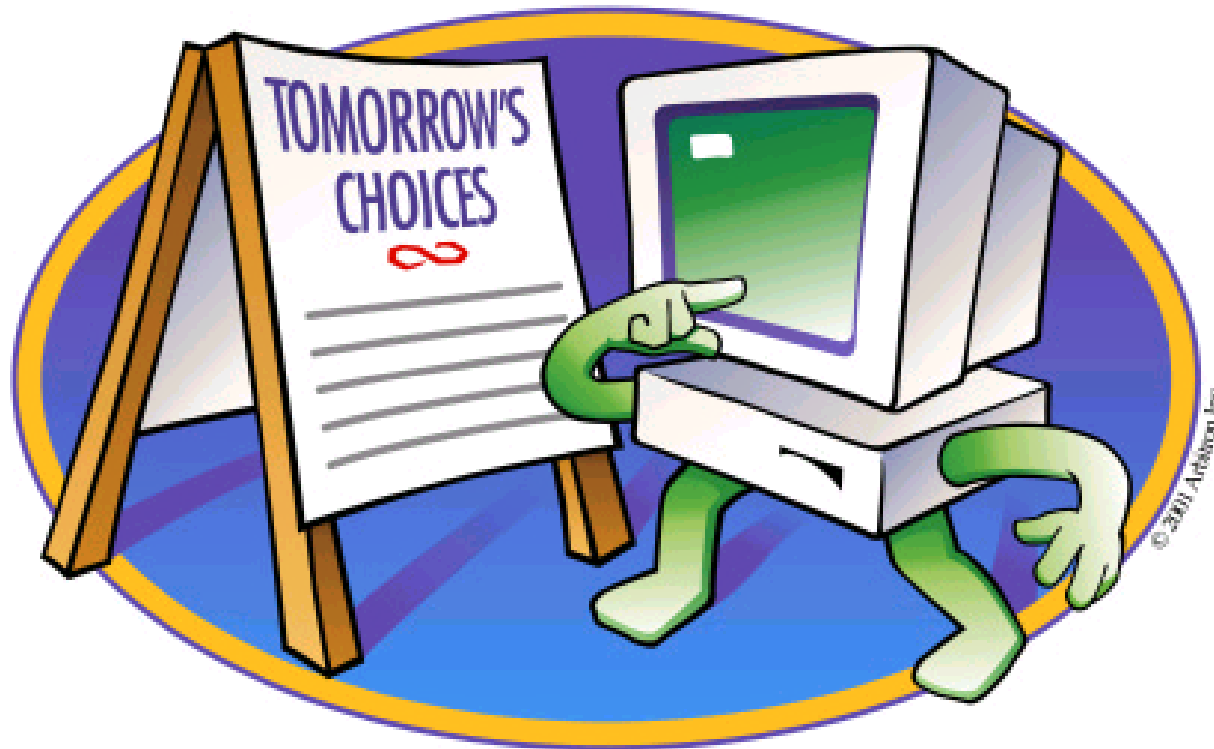


# Internet VII

## *The Internet & Streaming: What Consumers Want Next*



# Arbitron/Edison Media Research Internet Studies

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- **8/98 - Internet I**
  - Radio in the New Media World
- **1/99 - Internet II**
  - Radio & E-Commerce
- **7/99 - Internet III**
  - Broadcasters vs. Webcasters
- **1/00 - Internet IV**
  - The Buying Power of Streamies
- **7/00 - Internet V**
  - 20 Insights About the Internet & Streaming
- **1/01 - Internet VI**
  - Streaming at a Crossroads

# How Internet VII Was Conducted:

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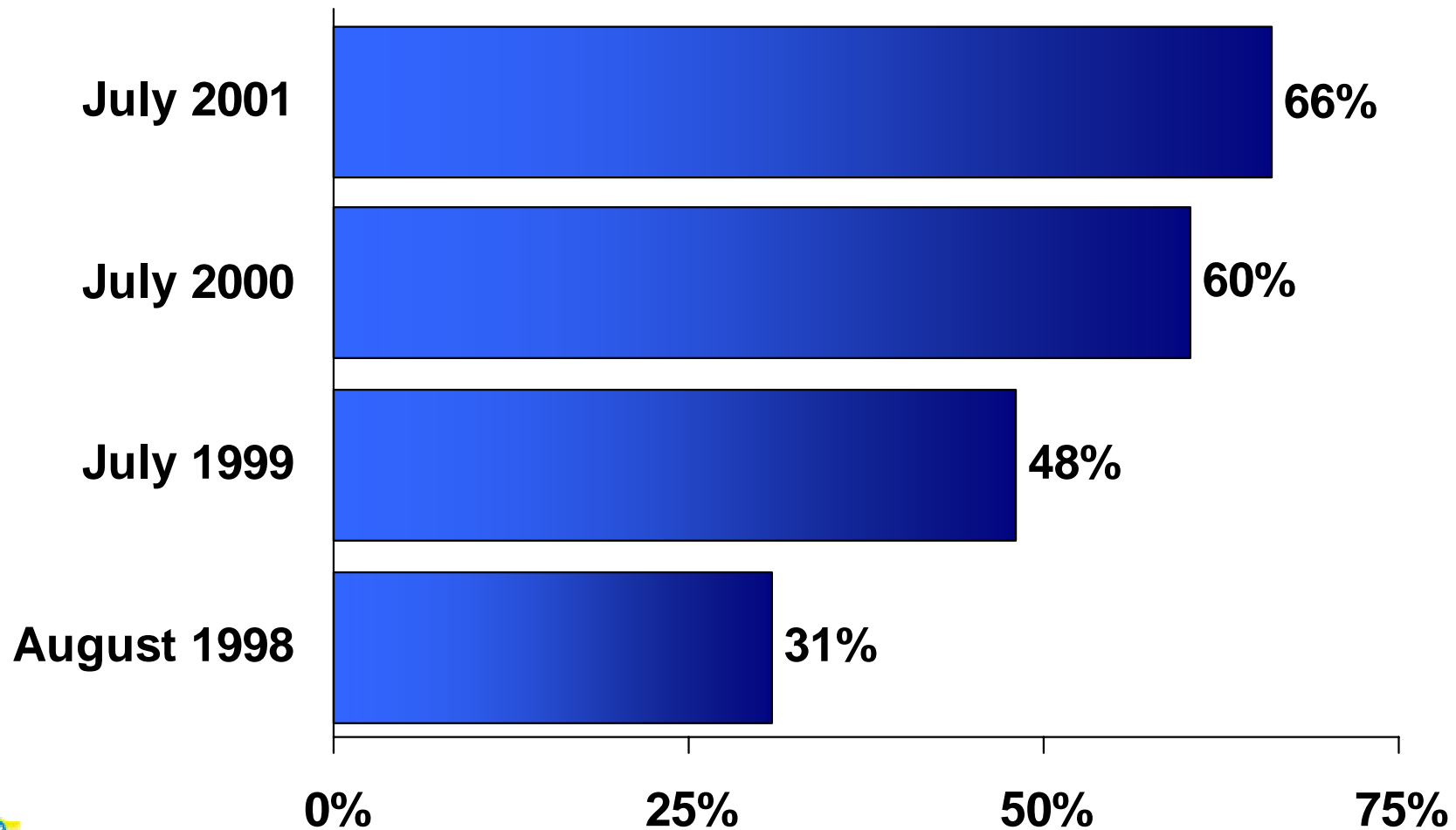
- **2,507 telephone interviews conducted in July 2001**
  - National random sample
  - Spring 2001 Arbitron diarykeepers age 12+
- **All Arbitron / Edison Media Research studies available for free**
  - [www.arbitron.com](http://www.arbitron.com)
  - [www.edisonresearch.com](http://www.edisonresearch.com)

# Current State of Internet Use and Streaming



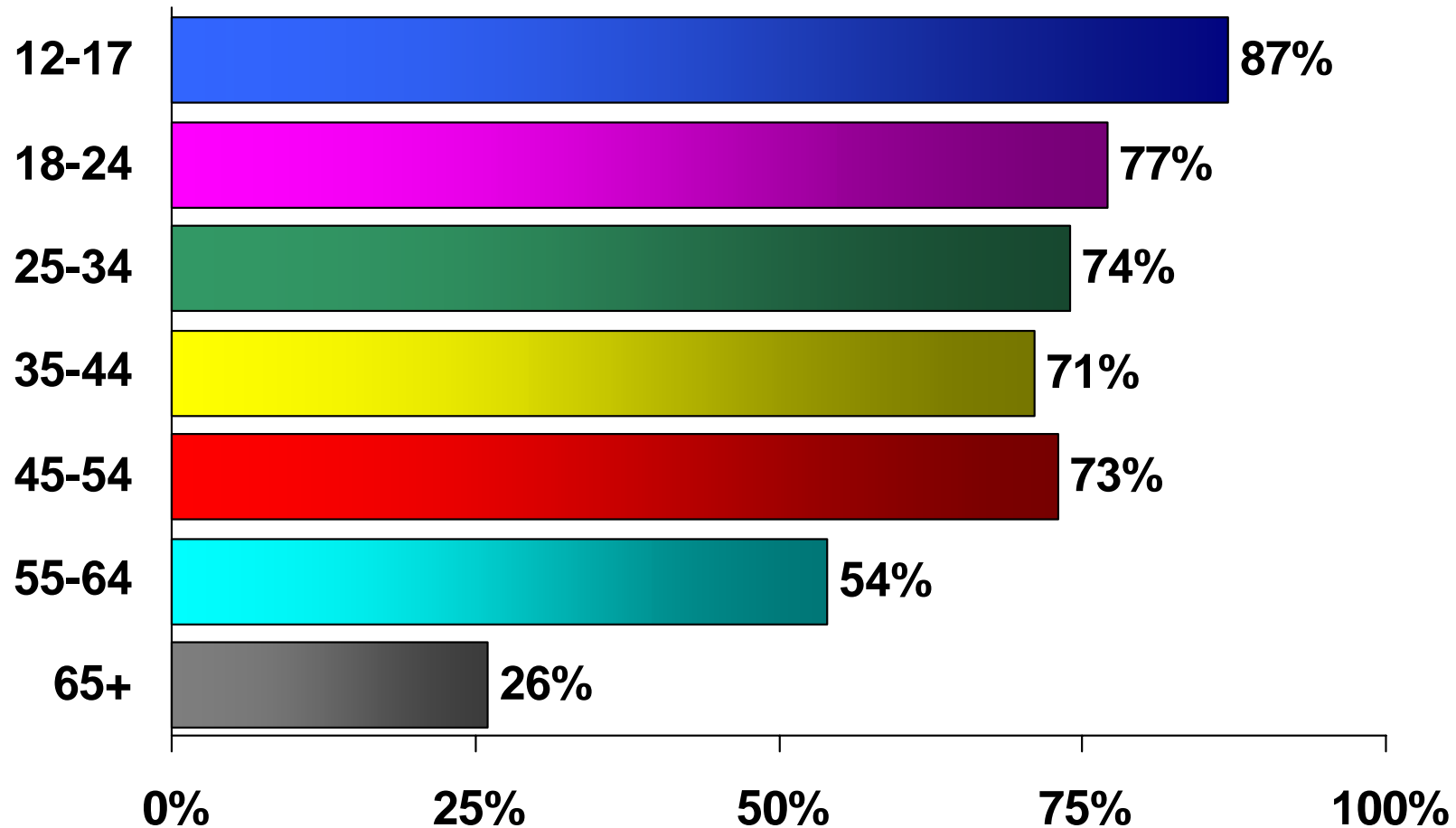
# Two-Thirds of Americans Now Have Access to the Internet

% with Internet Access at Any Location



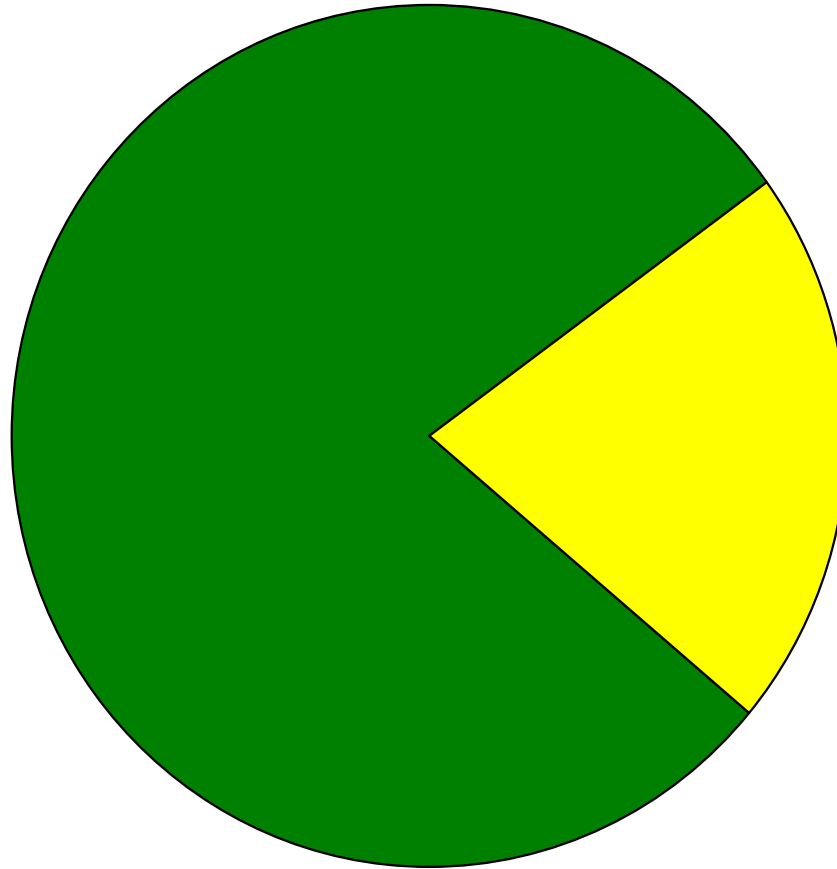
# Three-Quarters of Those Age 12 to 54 Have Internet Access

% with Internet Access at Any Location



# Nearly 80% of Those with Internet Access Use the Web Every Week

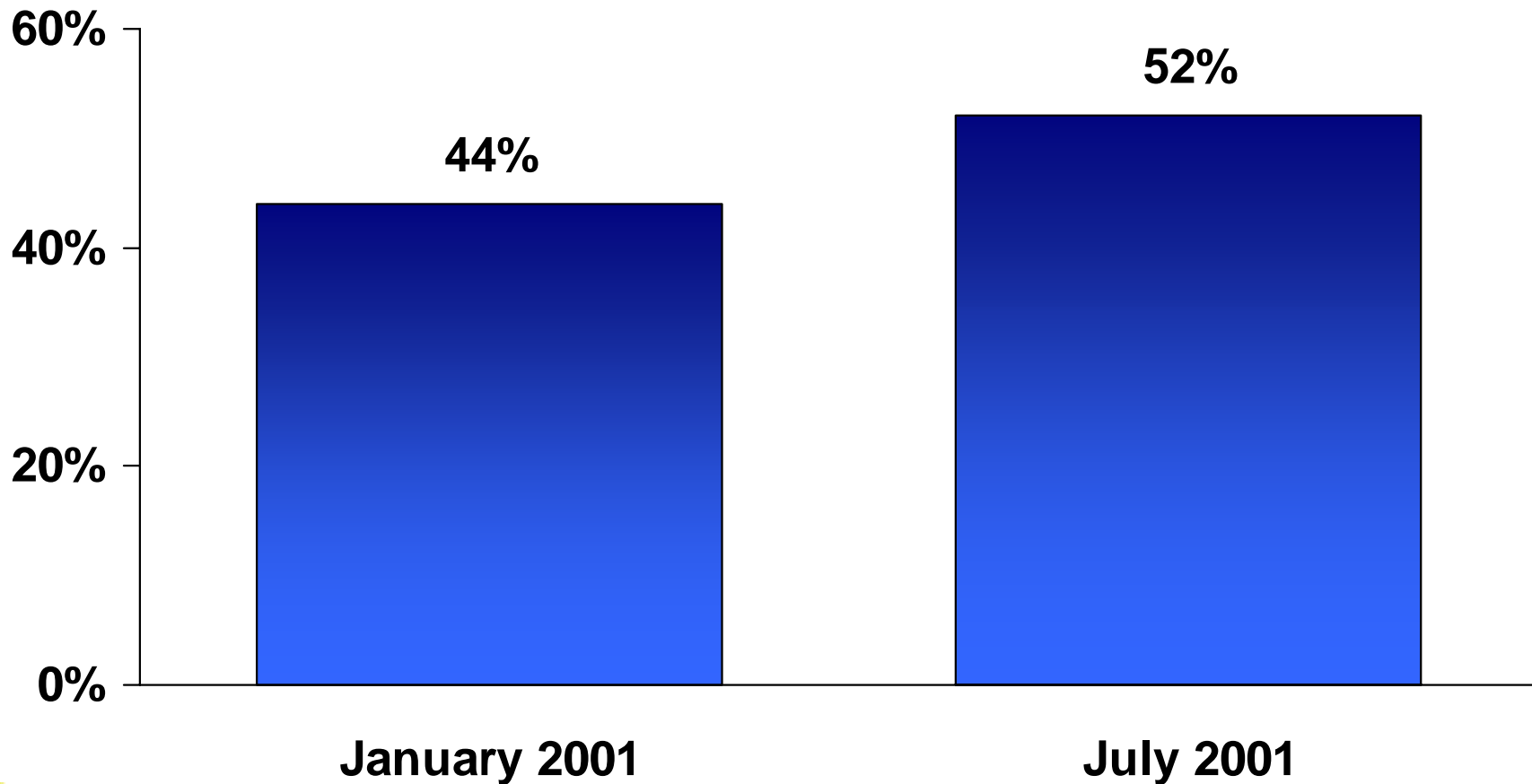
**Used the  
Internet in  
Last Week  
79%**



**Did Not  
Use the  
Internet in  
Last Week  
21%**

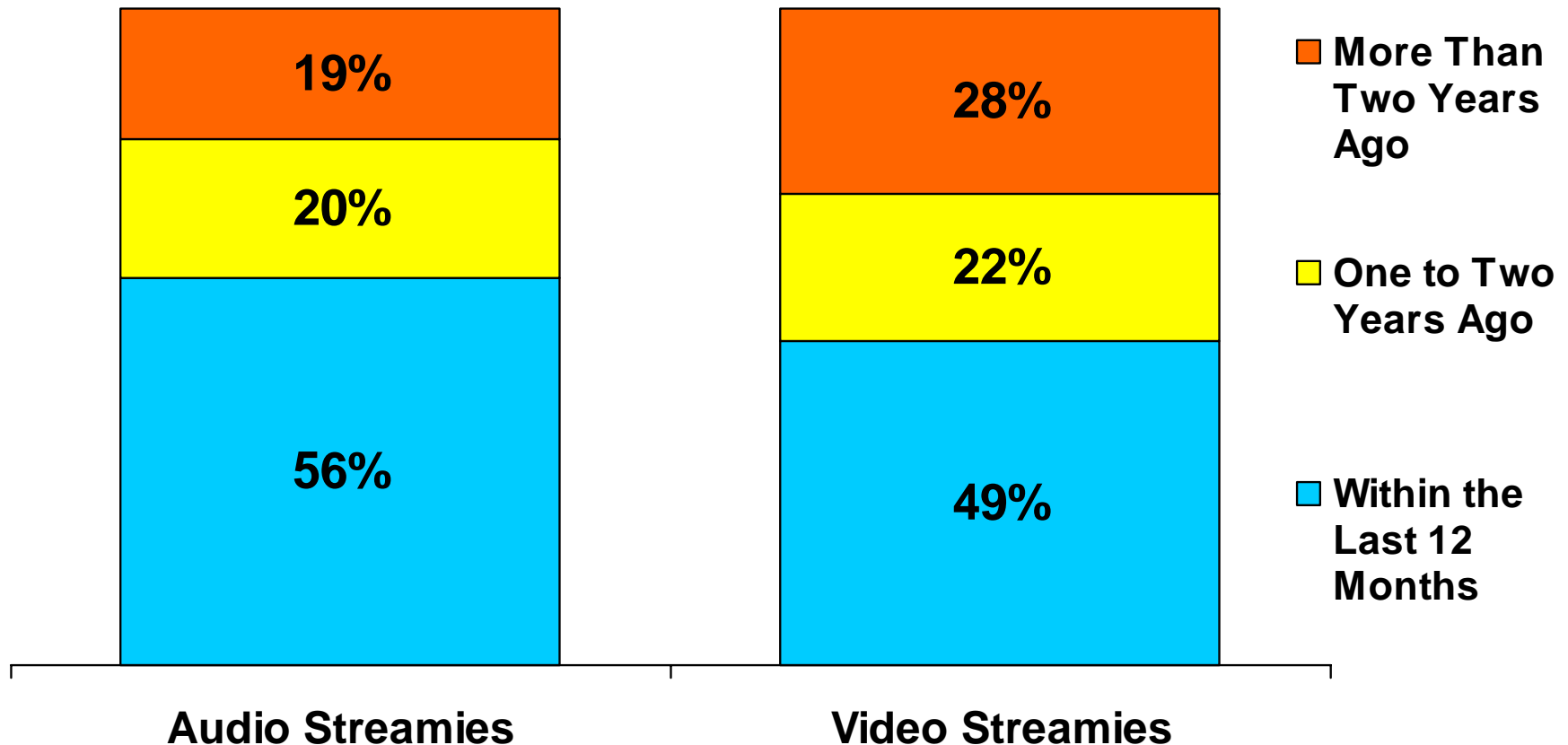
# More Than 50% of Internet Users Have Tried Streaming Media

% of Those Online Who Have Ever Watched or Listened to Streaming Media



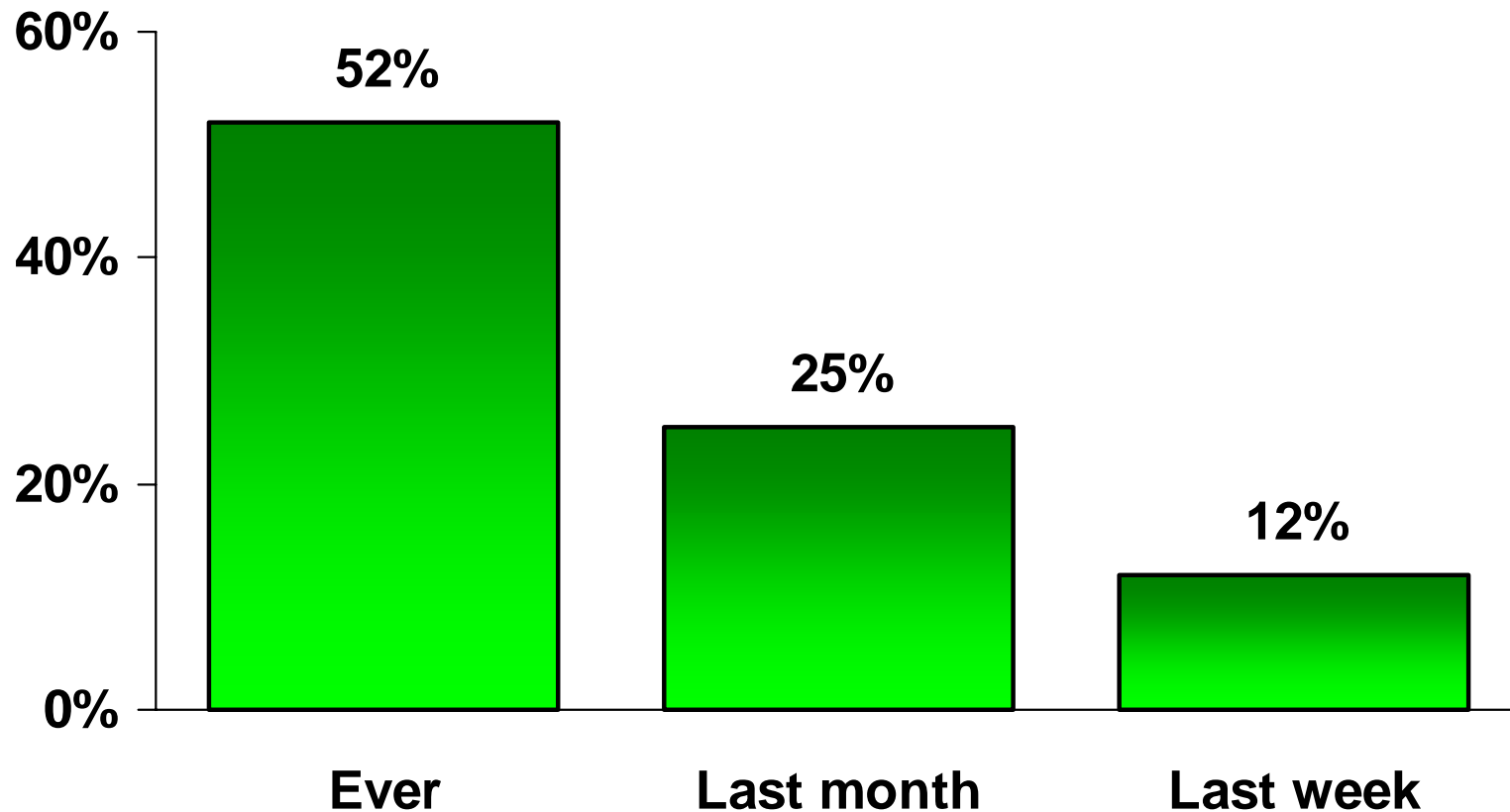
# Most Streamies First Experienced Webcasting Within the Last Year

*“Thinking back to when you first listened/watched online, was it...”*



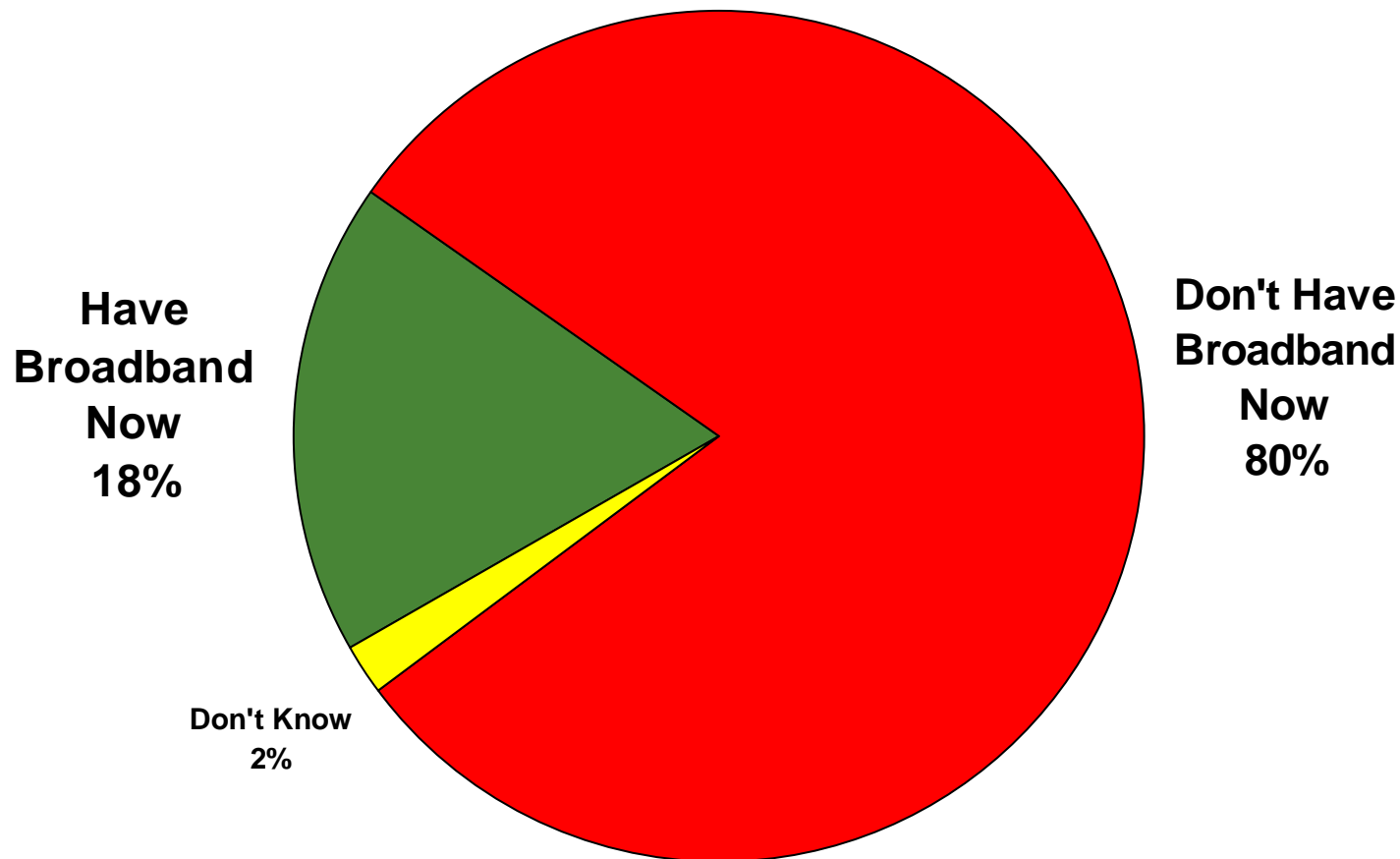
# Of Those Online, One-in-Eight Have Used Streaming Media Last Week

% of Those Online Who Have Watched or Listened to Streaming Media...



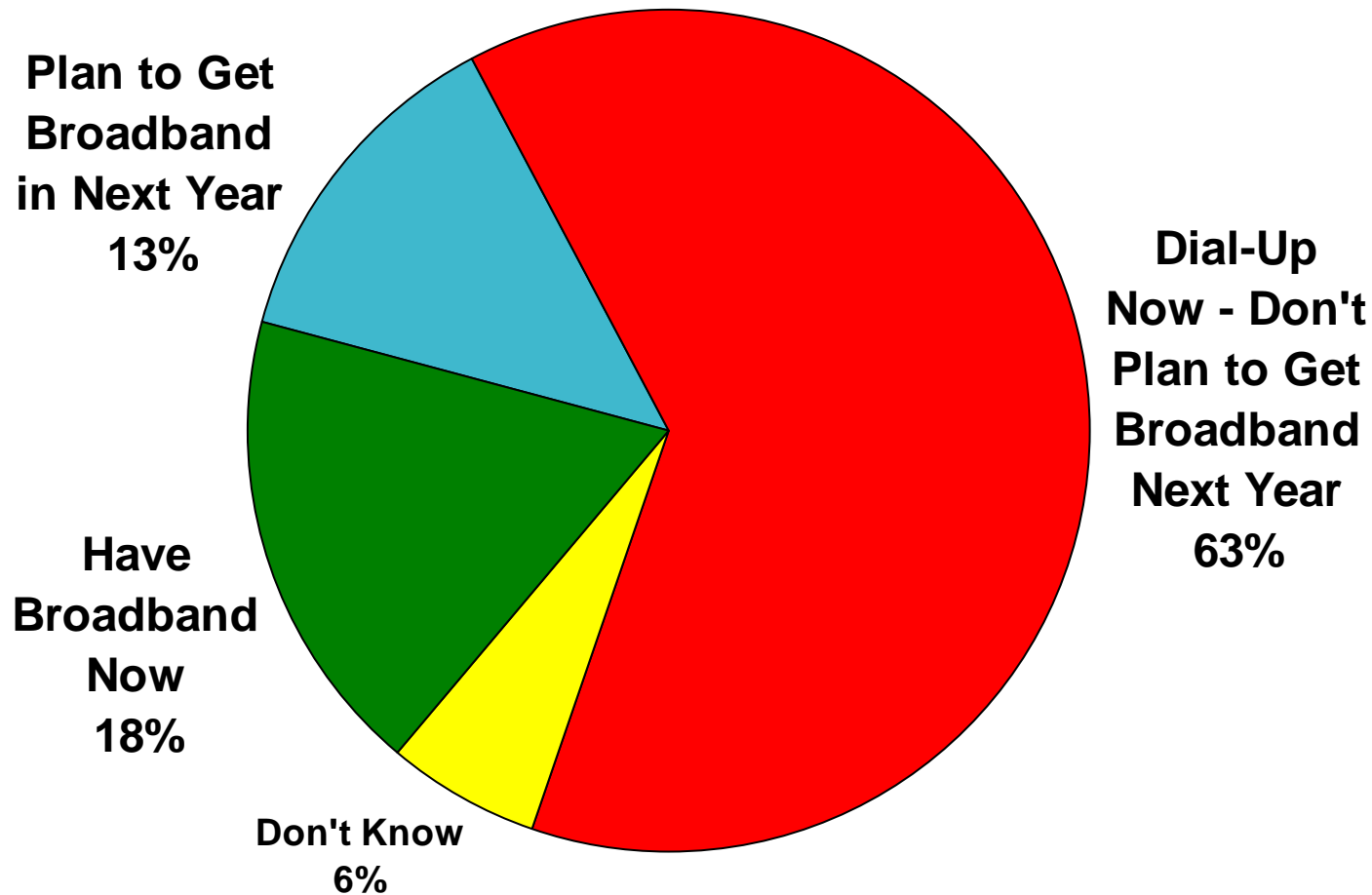
# More Than One in Six Households Have Broadband Internet Access...

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



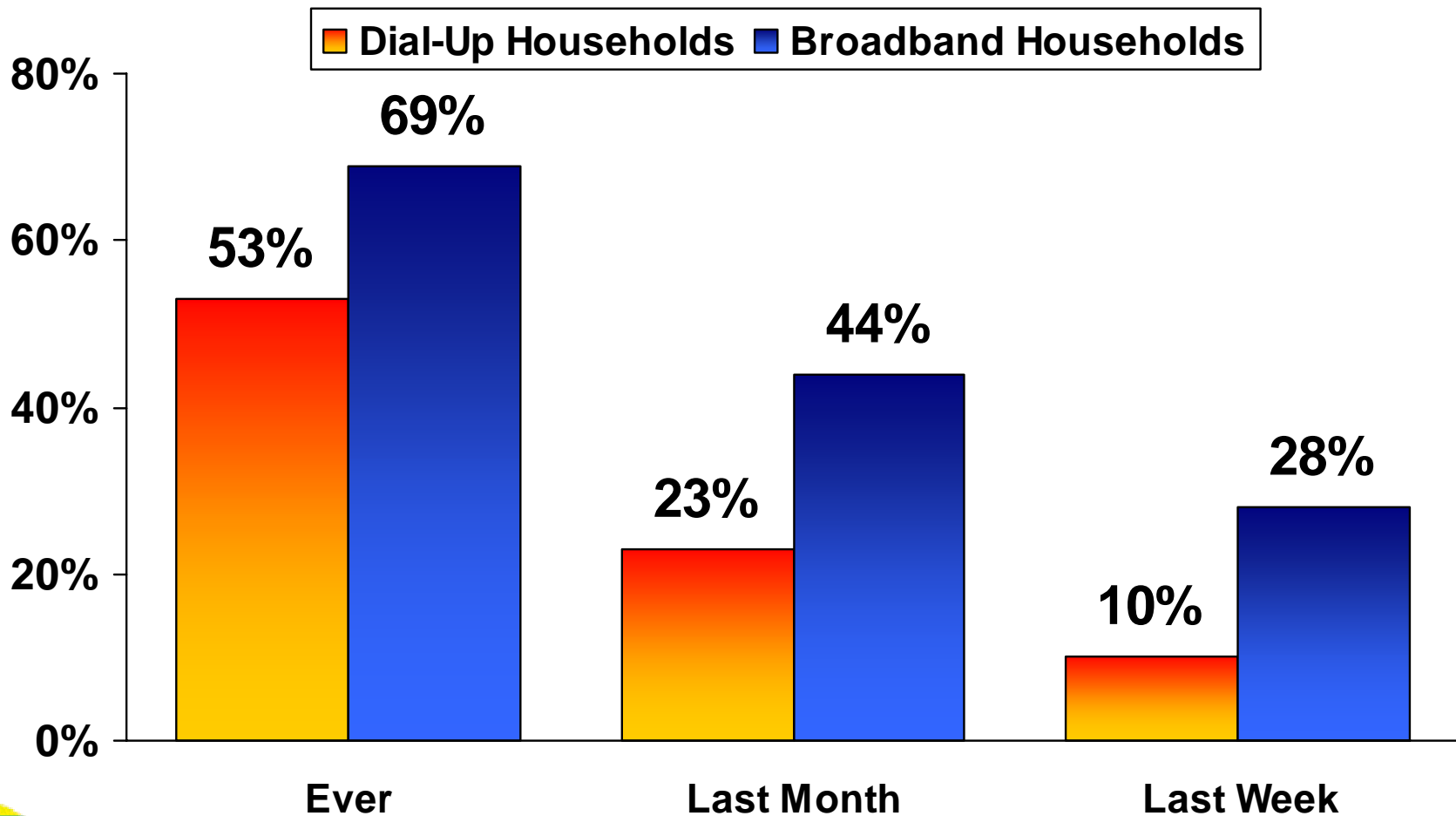
# ...And Broadband Access Should Continue Its Rapid Increase

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

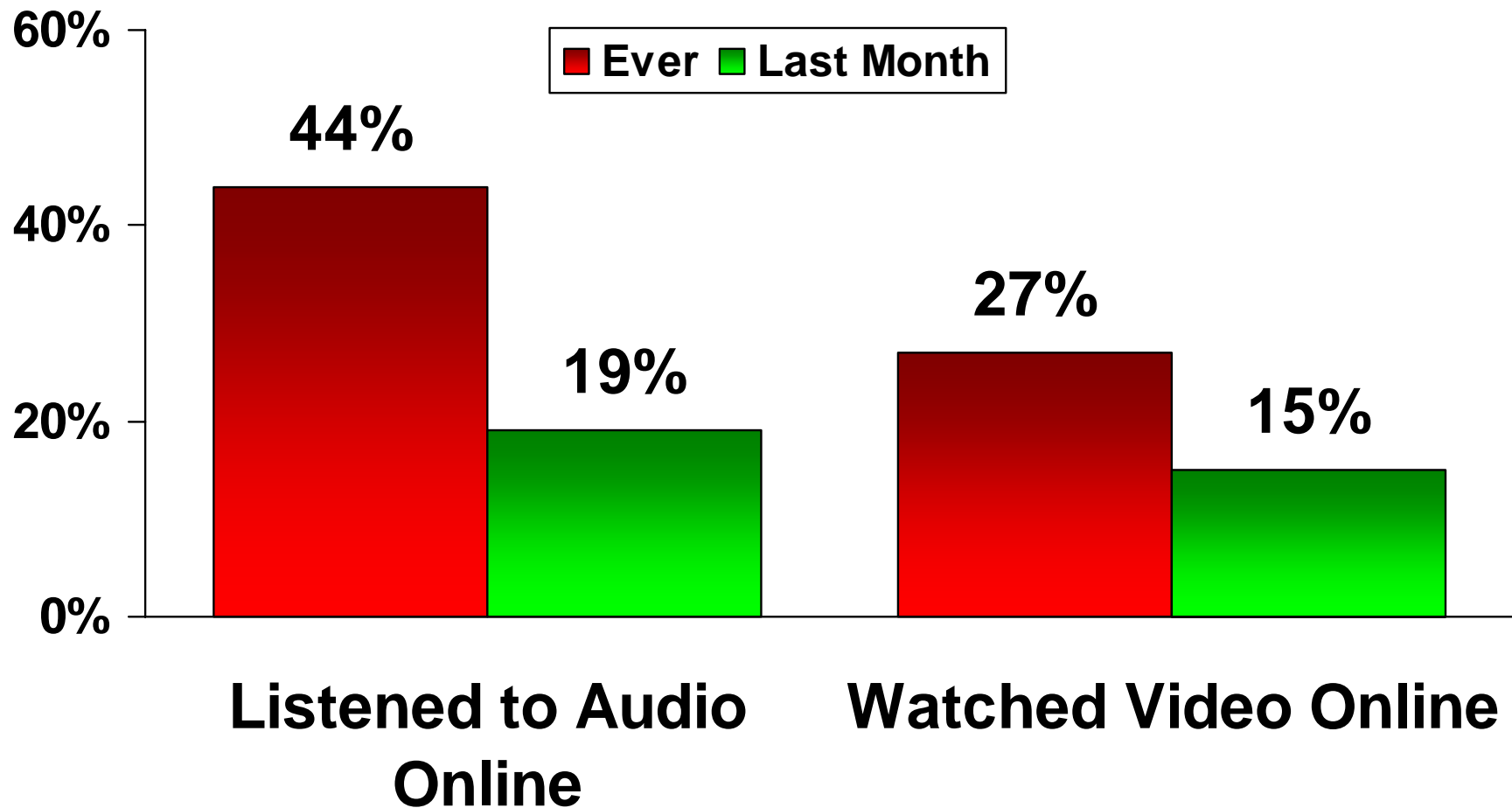


# Broadband Accelerates Use of Streaming Media

% of Those Online Who Have Watched or Listened to Streaming Media...

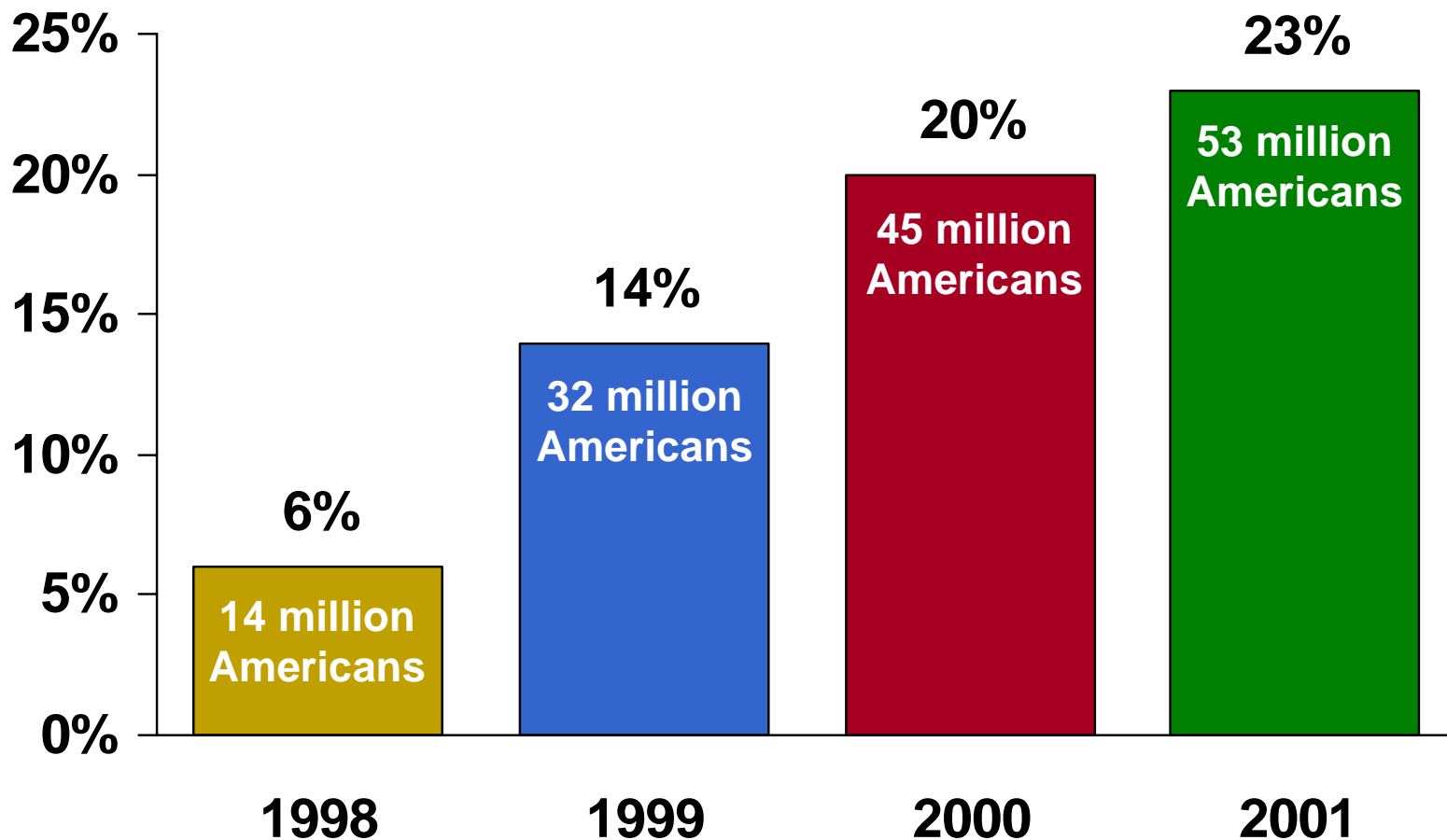


# Nearly as Many Have Watched Online as Listened Online in the Last Month



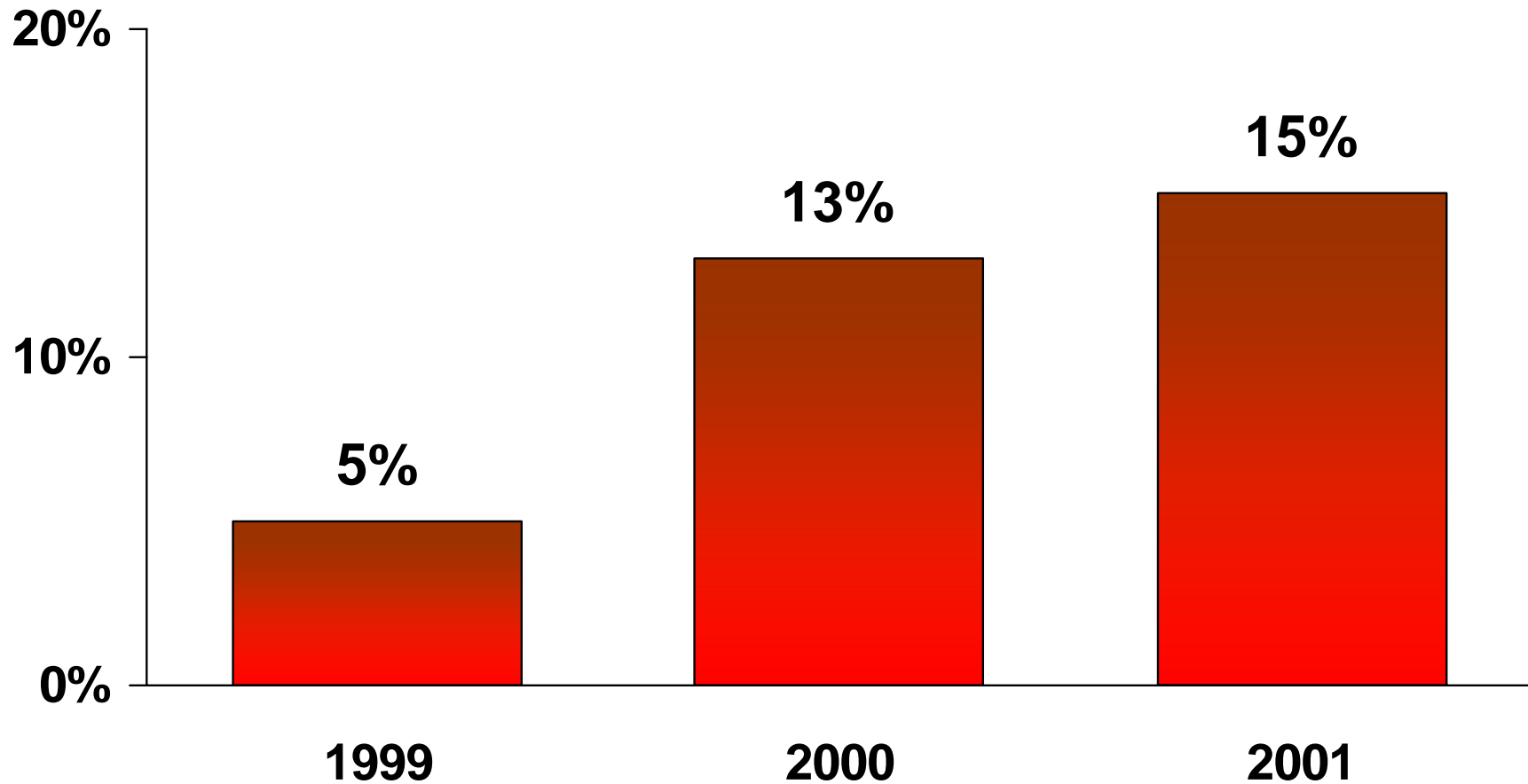
# Listening to Radio Online Has Quadrupled in 3 Years

% Who Have Listened to a Radio Station Over the Internet



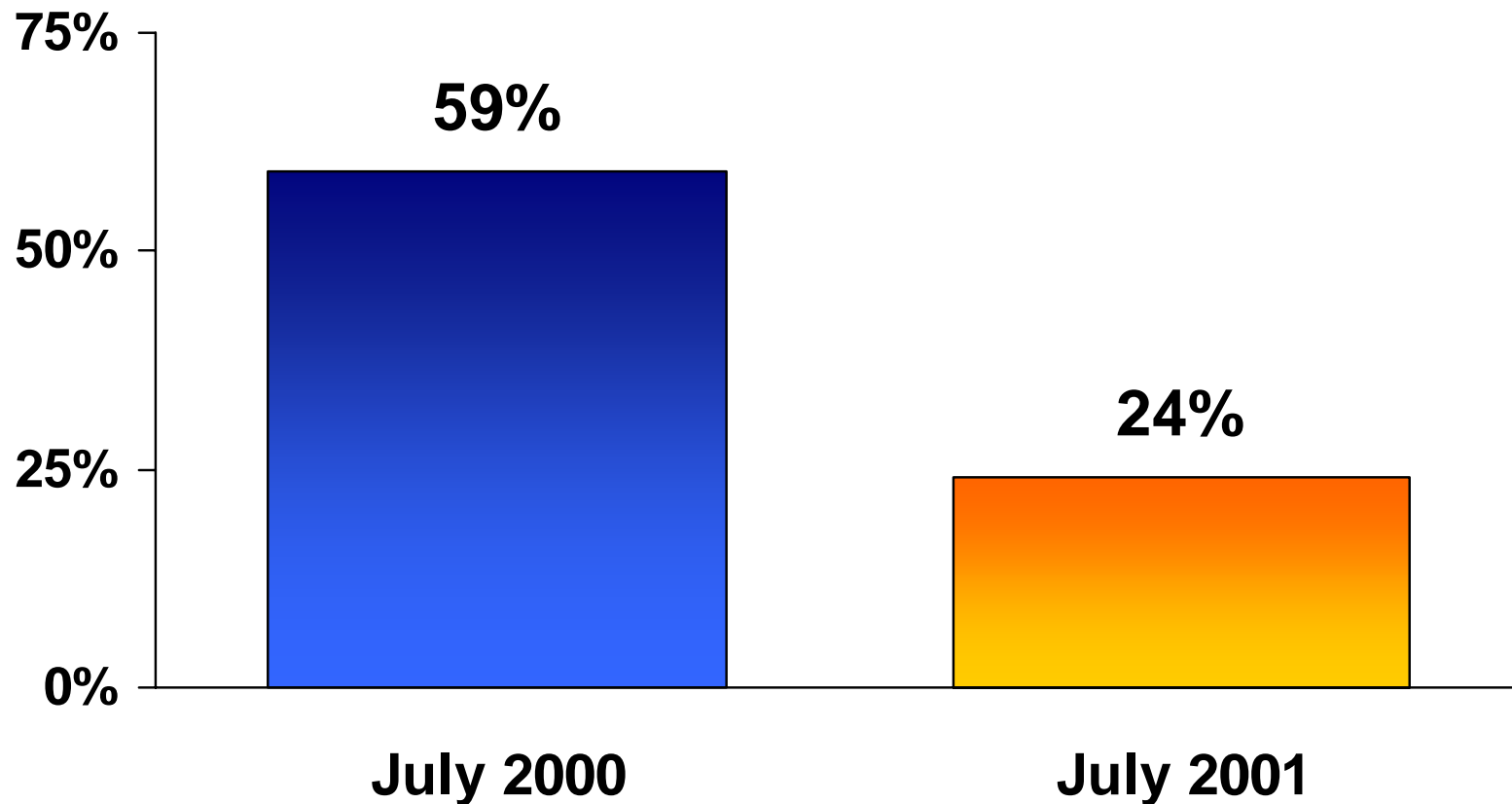
# Listening to Internet-Only Audio Has Tripled in Two Years

% of Americans Who Have Ever Listened to Internet-Only Sources of Audio



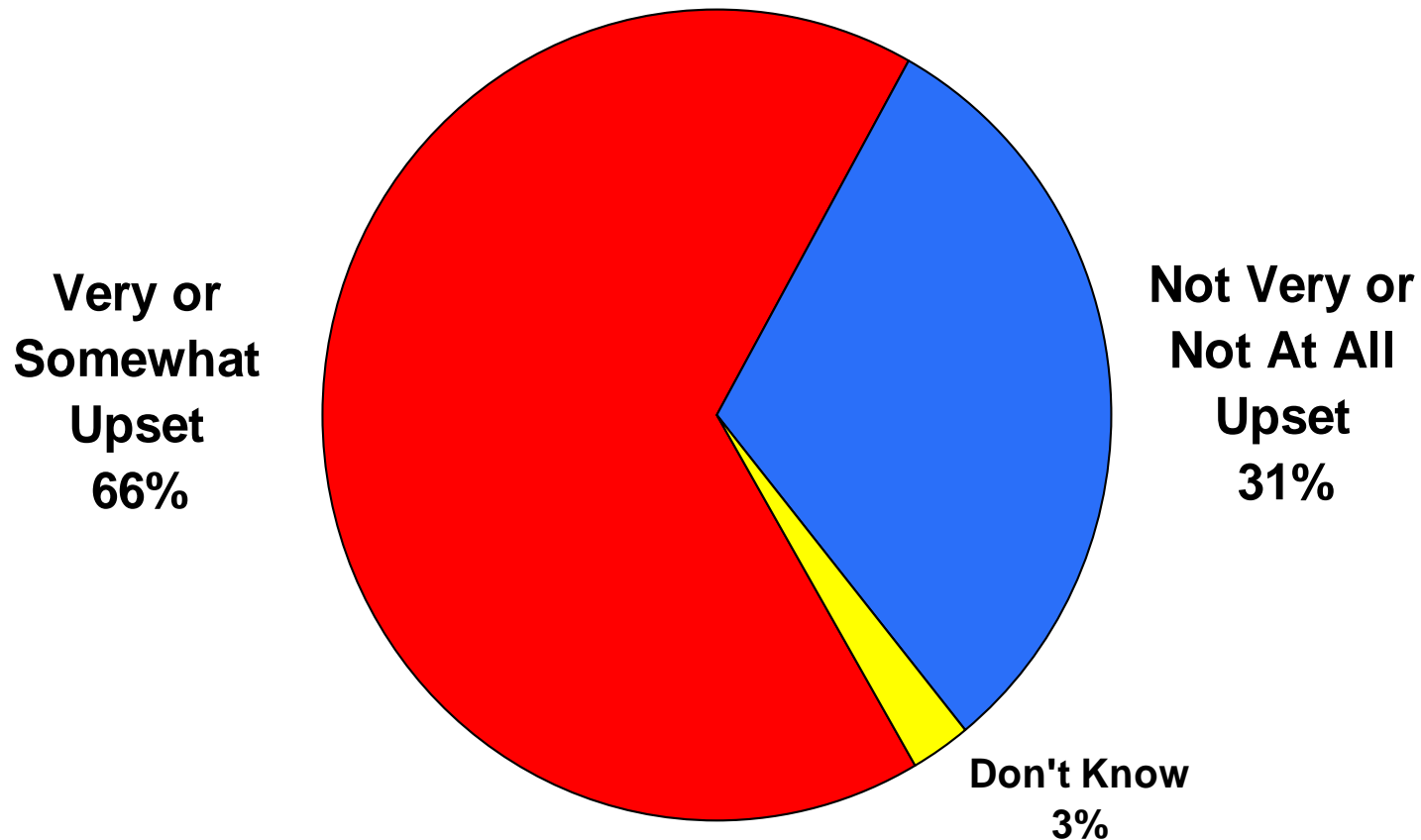
# Many Radio Stations Discontinued Their Webcasts in Past Year

**% of Radio Stations That Stream Their Over-the-Air Audio on the Internet**



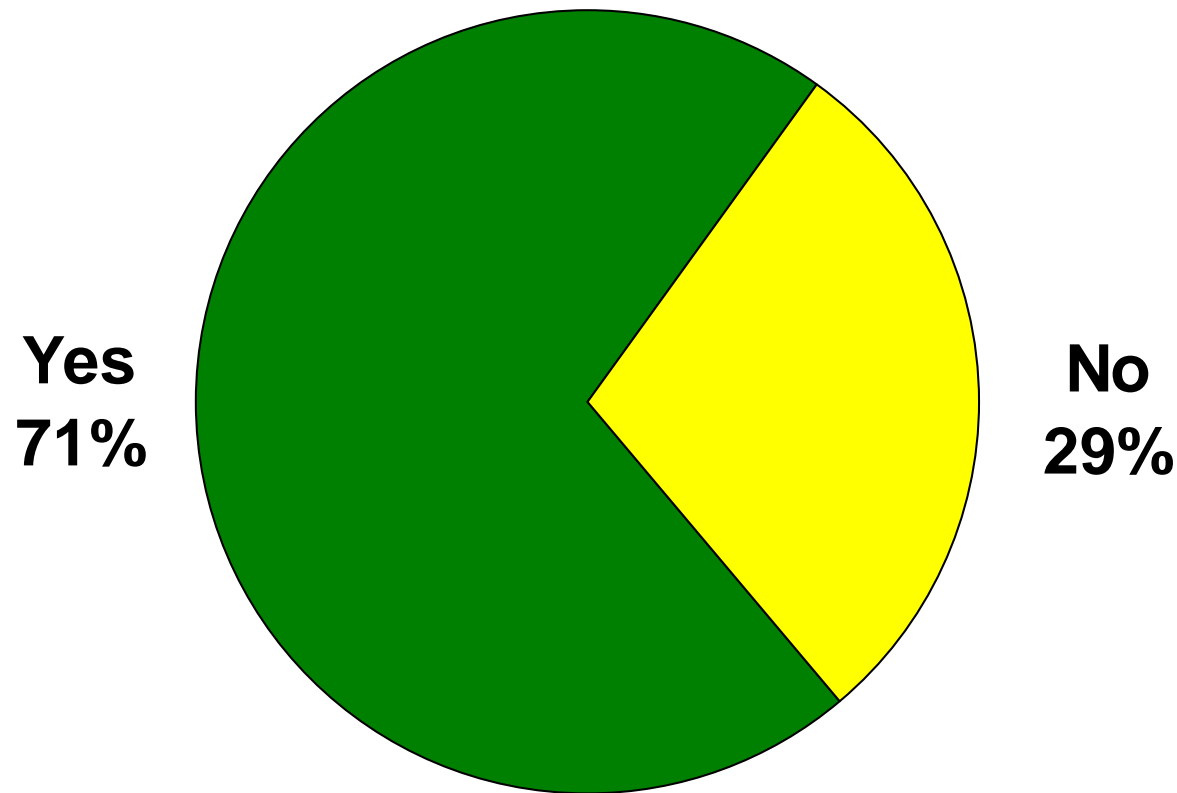
# Audio Streamies Are Upset About Discontinued Radio Webcasts

*“How upset are you that those stations you listen to online no longer offer the ability to listen over the Internet?”*



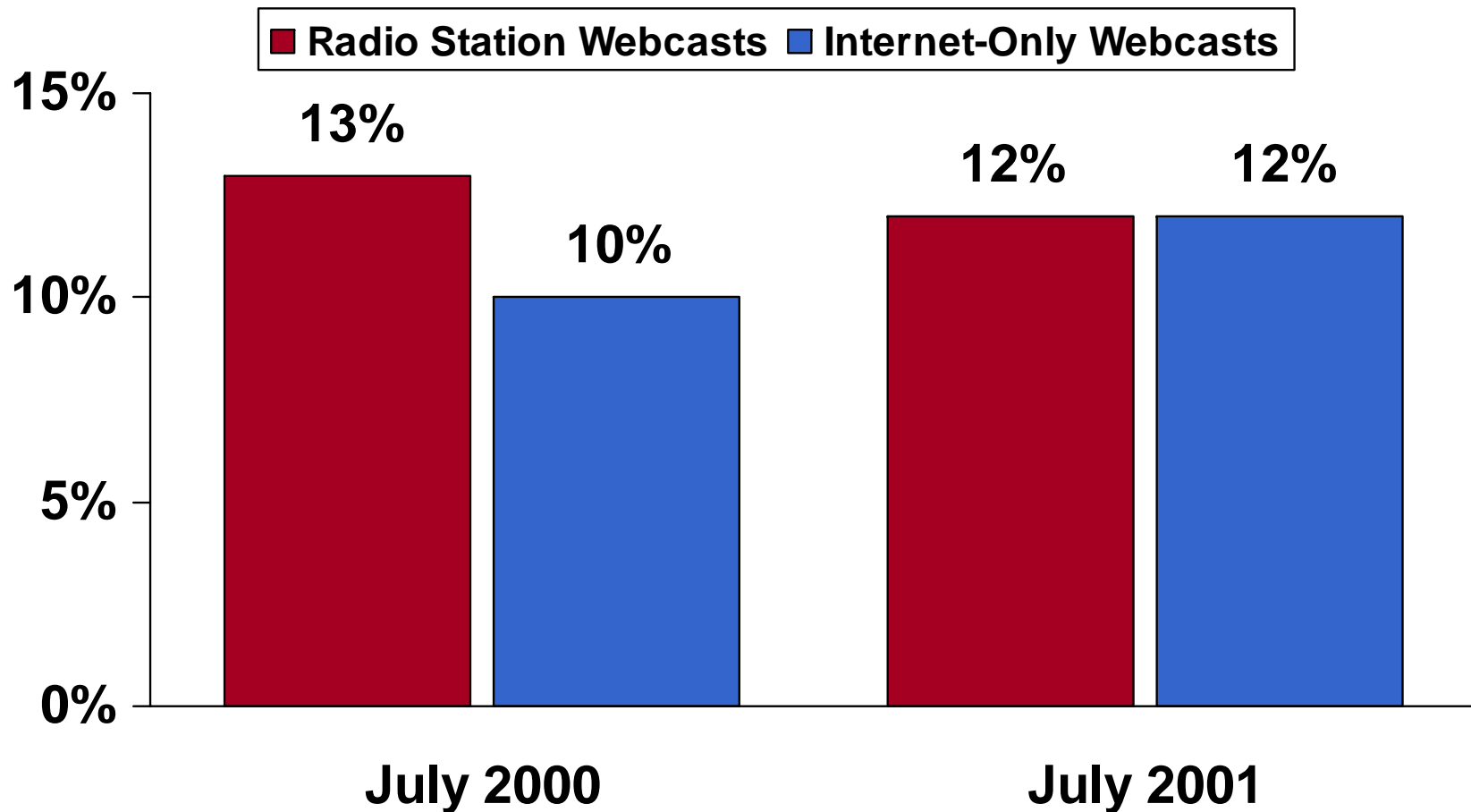
# Stations That Stop Their Webcasts Risk Losing Active Online Listeners

*“If the stations you listen to over the Internet were no longer available, would you search for other types of Internet audio to listen to in its place?”*



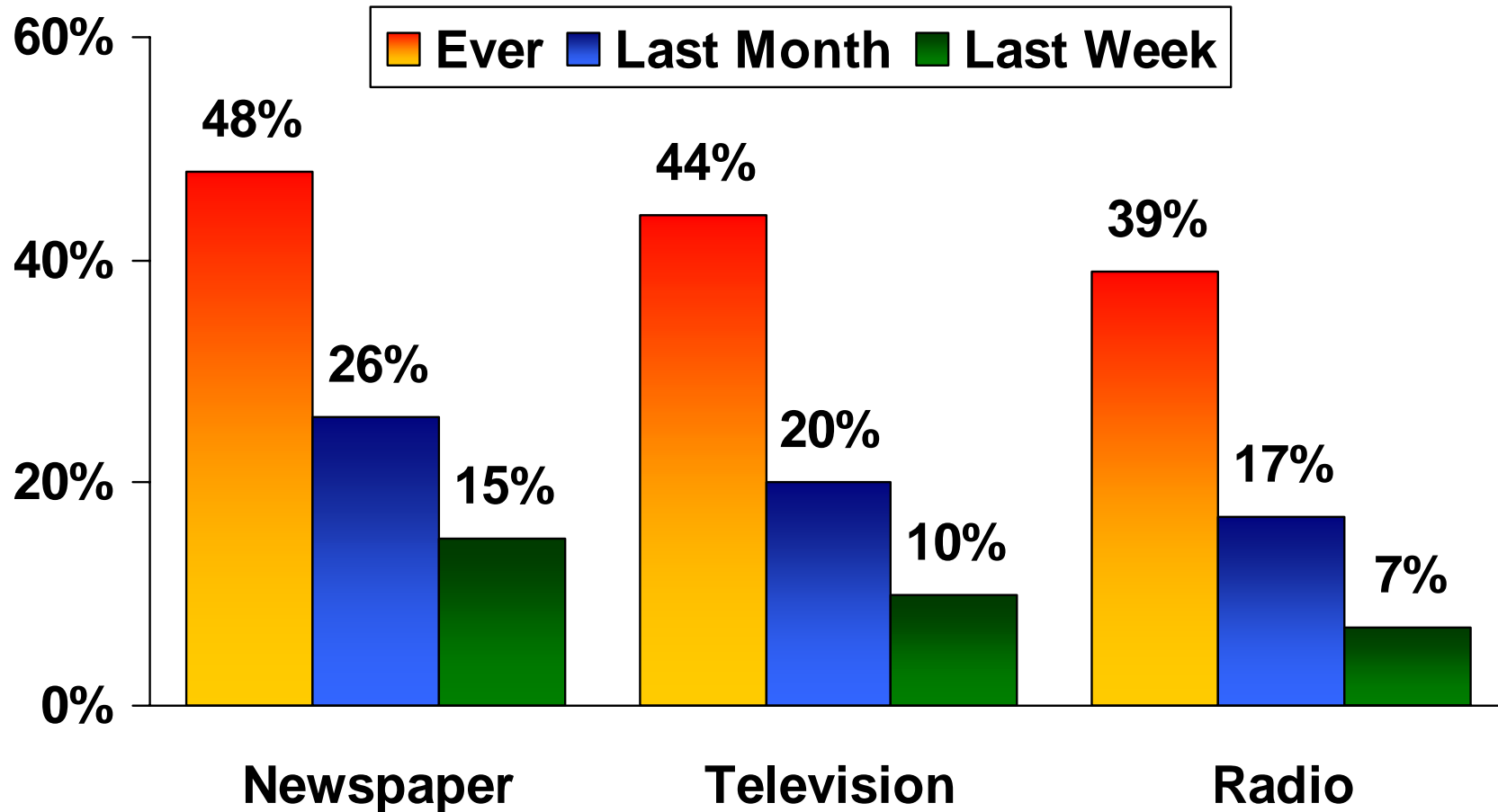
# Monthly Audience to Internet-Only Audio Now Equals Radio Webcasts

% Who Have Ever Listened in the Last Month



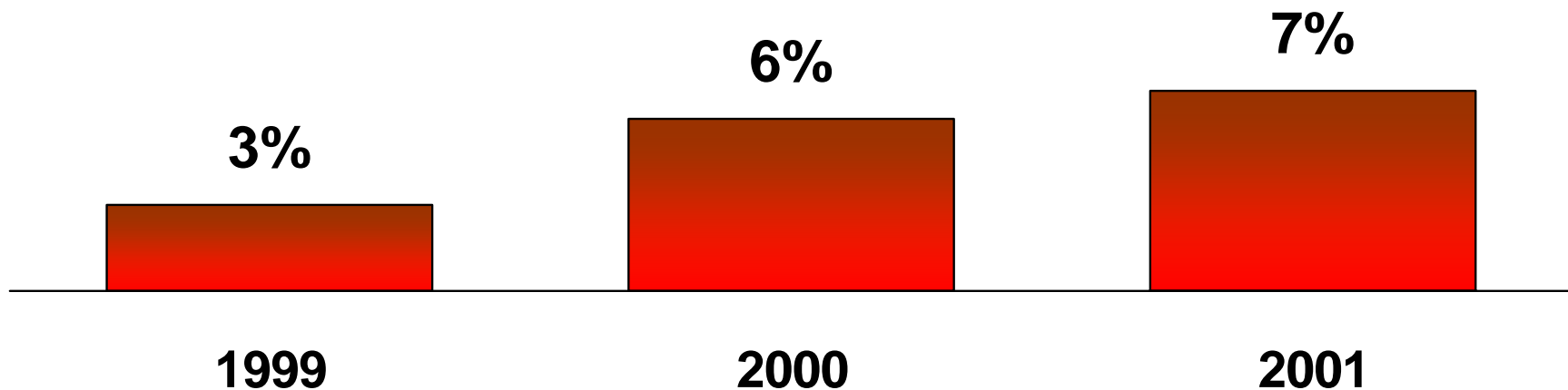
# Radio Lags Newspaper and TV in Web Site Visitation

% Who Have Visited Sites From...

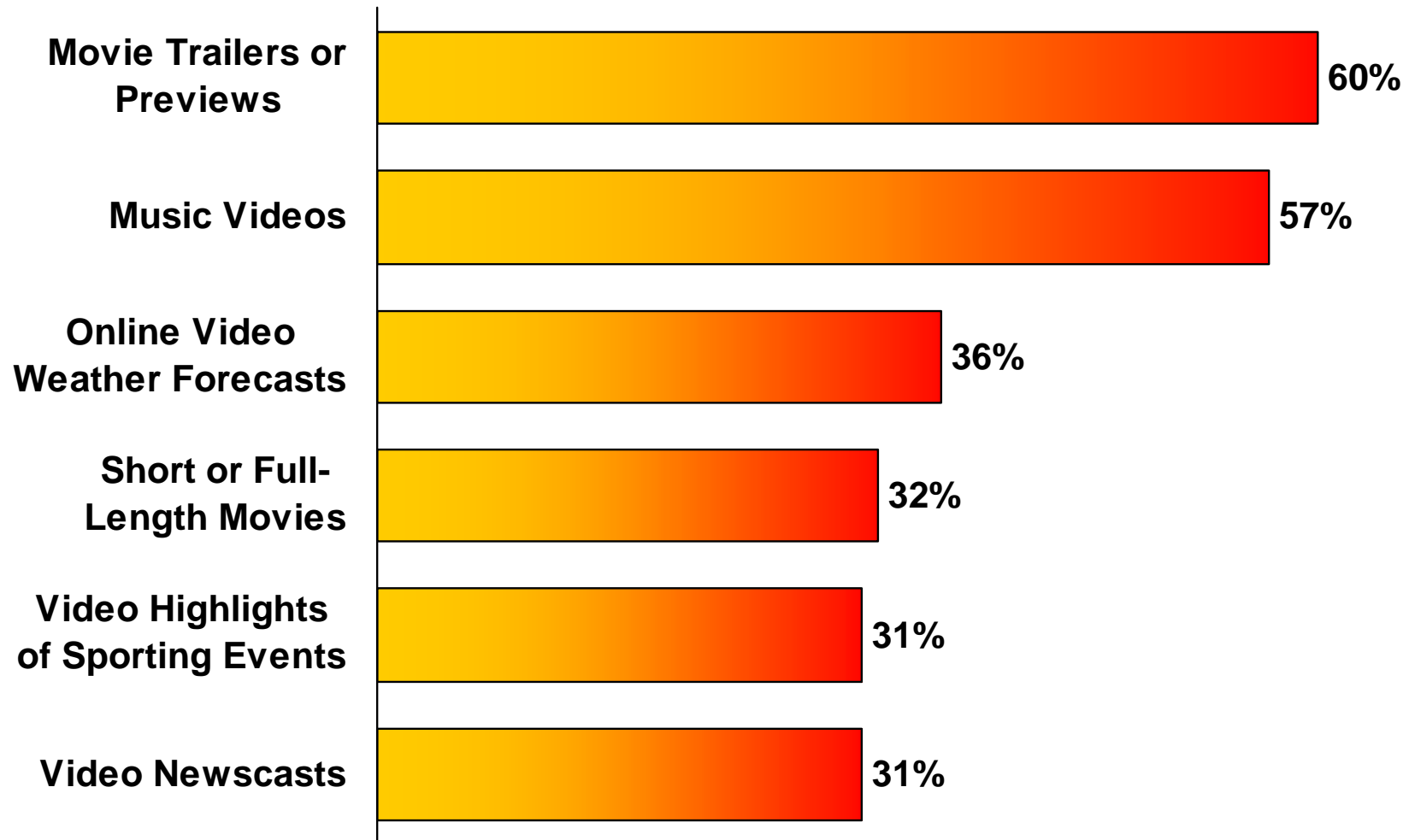


# Slow Growth in Weekly Radio Station Web Site Visitation

**% Who Have Visited a Radio Station Web Site in the Last Week**



# Types of Programming Streamies Watch Online

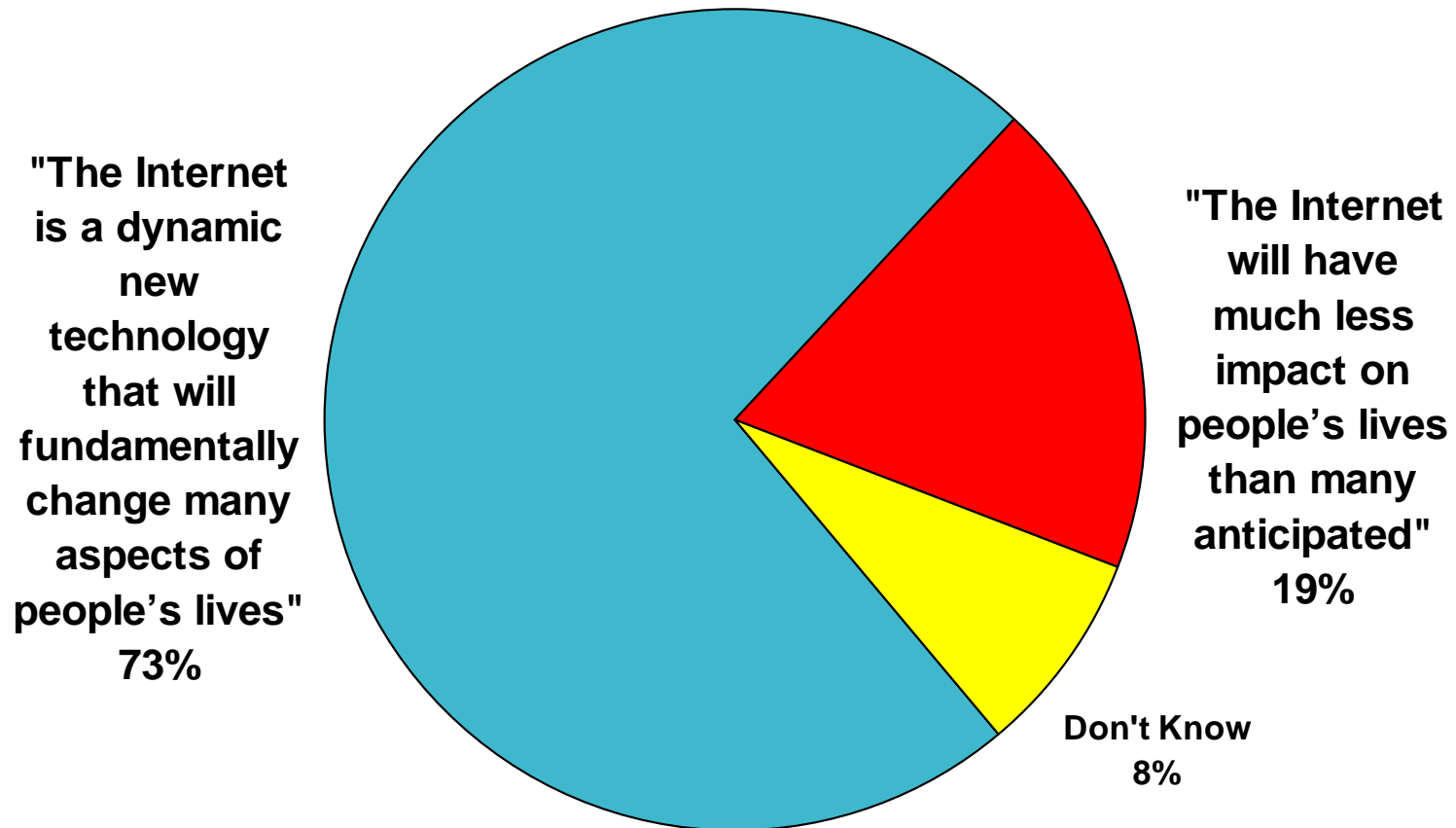


# Countering Popular Misconceptions About Consumers' Internet Use



# Americans Say the Internet Will Fundamentally Change People's Lives

*"Which statement do you agree with more about the Internet?"*



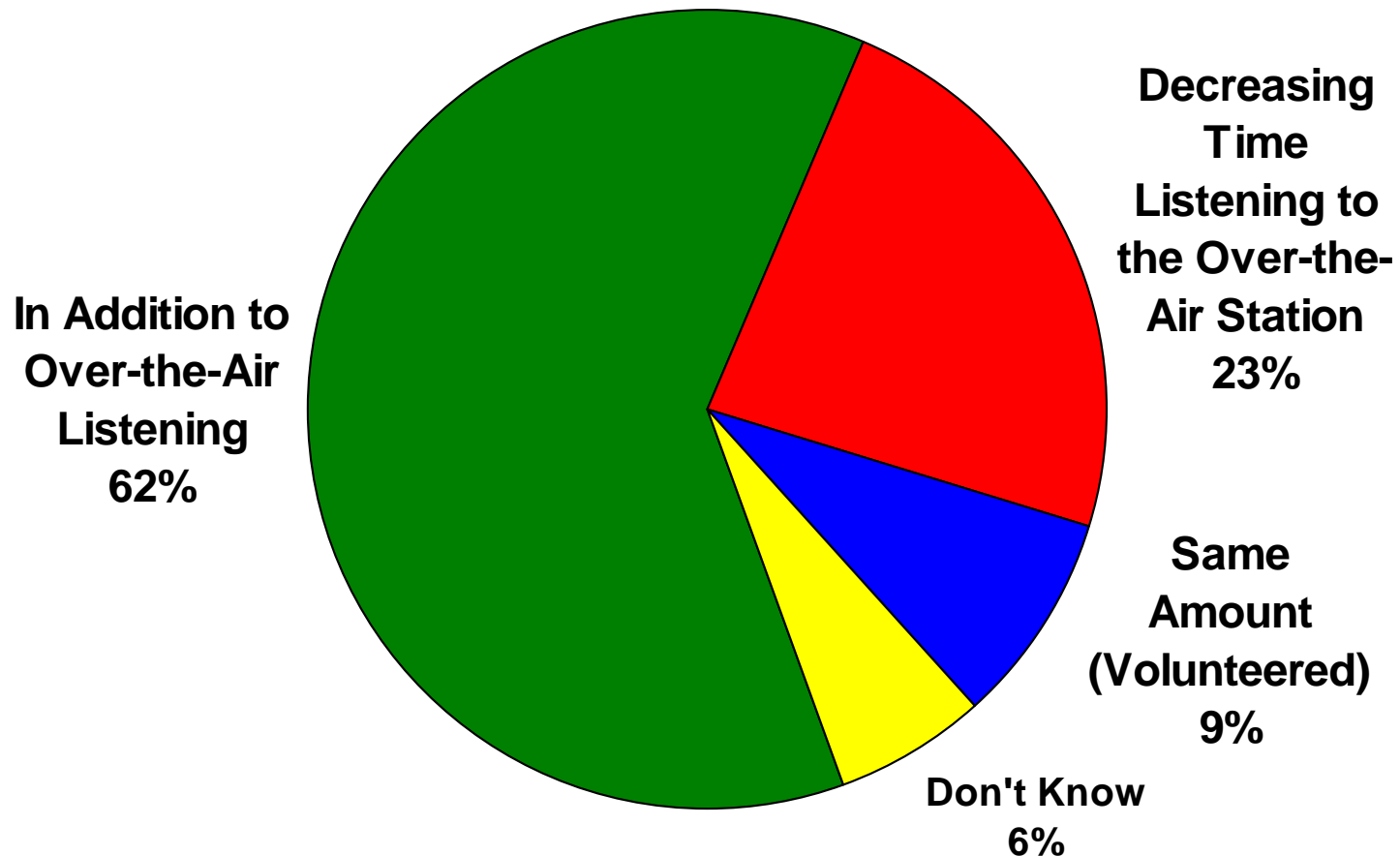
# Half of Audio Streamies Cannot Name Any Internet Audio Streaming Brands

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- ***“What’s the first name that comes to mind when you think of Internet audio providers?”***
  - 48% were unable to name any Internet audio streaming brand names
  - Of the 52% who were able to respond, most named well-known Internet brands
    - Napster, RealPlayer, Windows Media Player, and AOL
  - Only a handful named Internet audio streaming brands
    - Spinner, SonicNet, Launch or radio station webcast

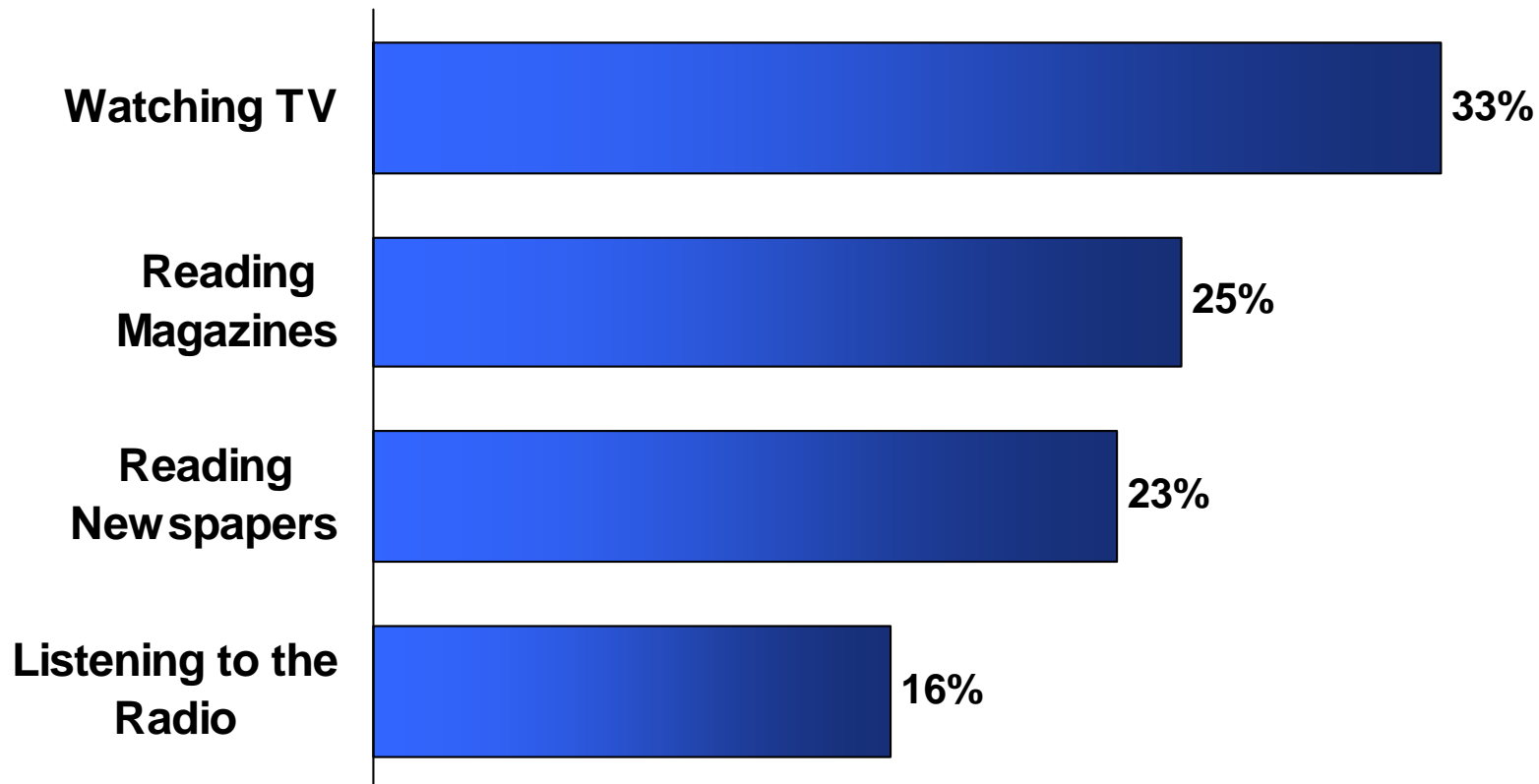
# Time Spent with Radio Webcasts Is in Addition to Over-the-Air Listening

*“Is the time you spend with your favorite broadcast station online...”*



# Americans Spend Less Time with Traditional Media Due to the Internet

Media That Consumers Say They Are Spending Less Time with Because of the Time They Spend Online



% Spending Less Time with Each Medium

# Those with Internet Access Were Asked...

---

**“Suppose from this moment on you were given  
the following two choices...**

**Either you could never  
watch television again**

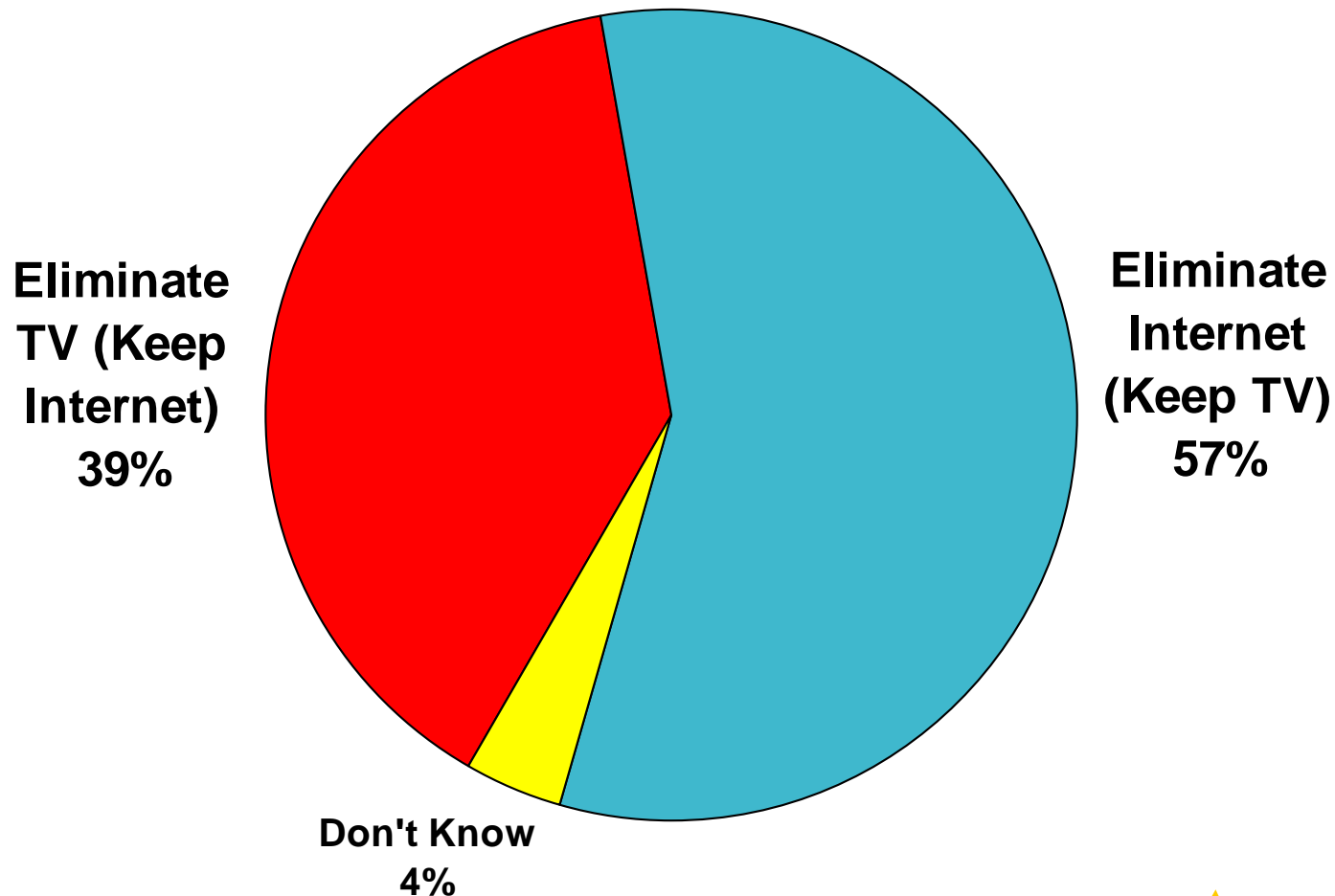
**OR**

**You could never access the Internet again**

**Which would you be more willing  
to eliminate from your life?”**

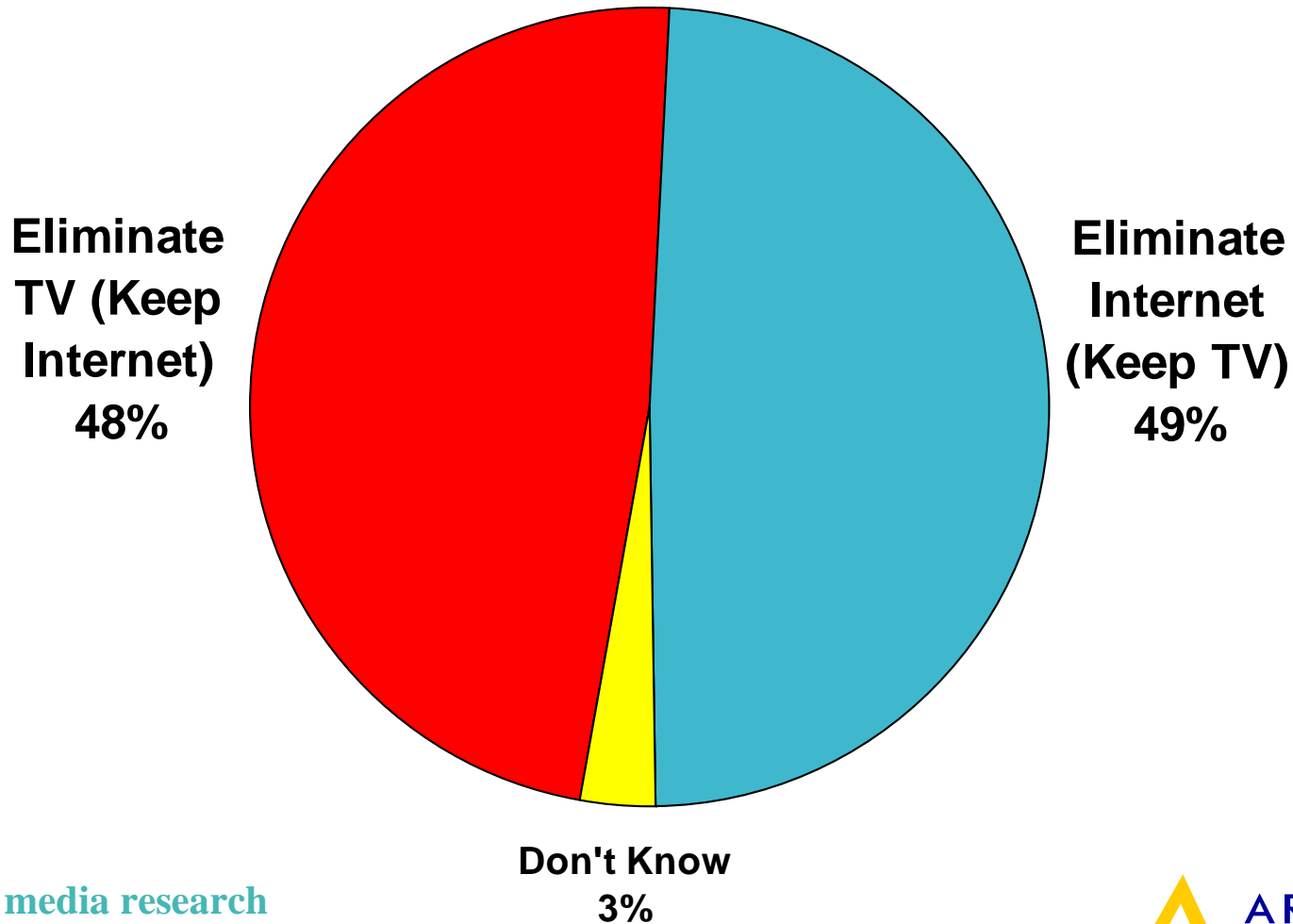
# Nearly Four in Ten Would Be More Willing to Eliminate Television

Age 12+ with Internet Access at Any Location



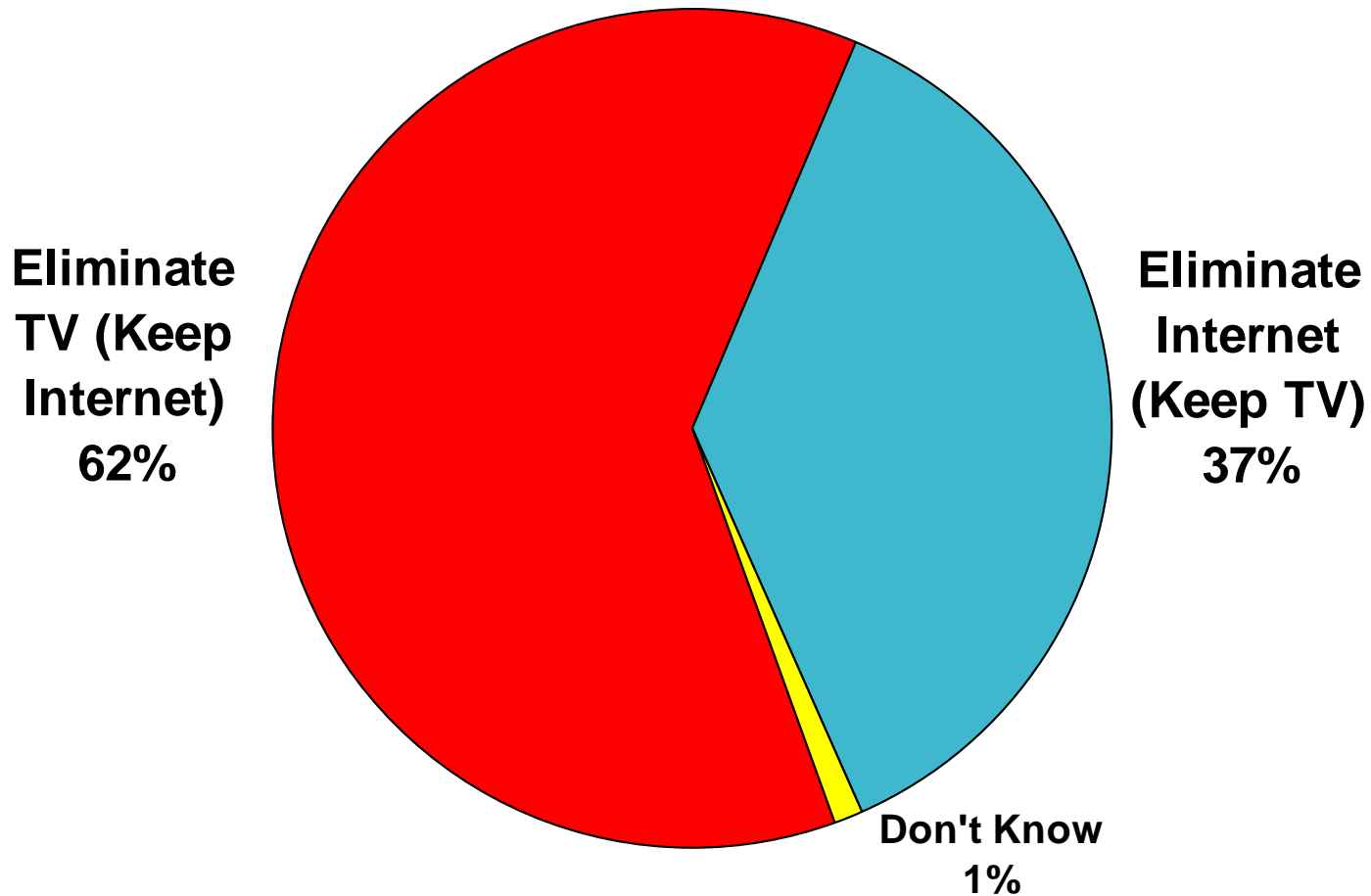
# The Internet and TV Are Equally Important Among Youngest Groups

Age 12-24 with Internet Access at Any Location



# Nearly Two of Three Weekly Streamies More Willing to Give Up TV

Those Who Have Used Streaming Audio/Video in Last Week



# Those with Internet Access Were Asked...

---

**“Suppose from this moment on you were given  
the following two choices...**

**Either you could never  
*listen to radio again***

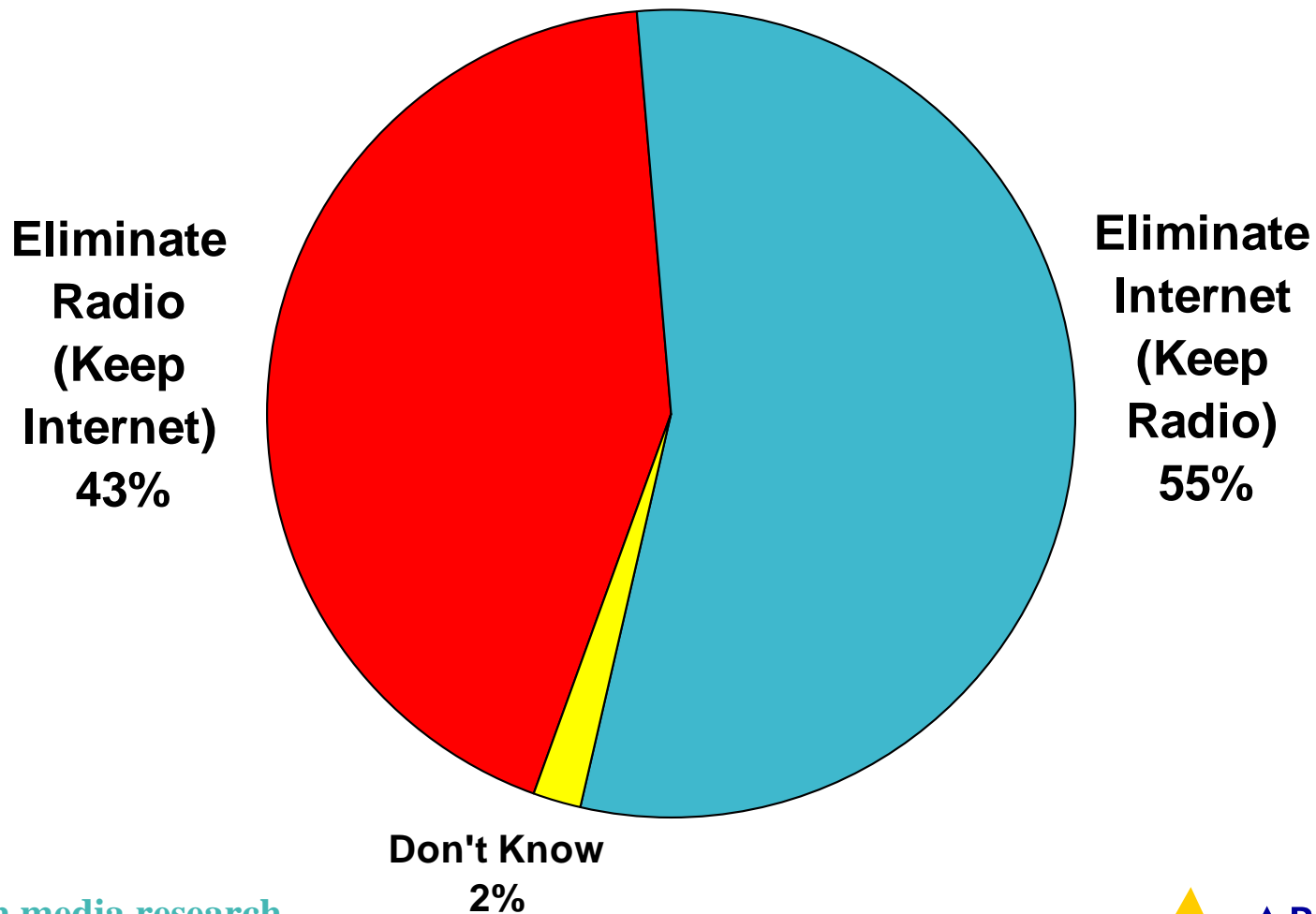
**OR**

**You could never access the Internet again**

**Which would you be more willing  
to eliminate from your life?”**

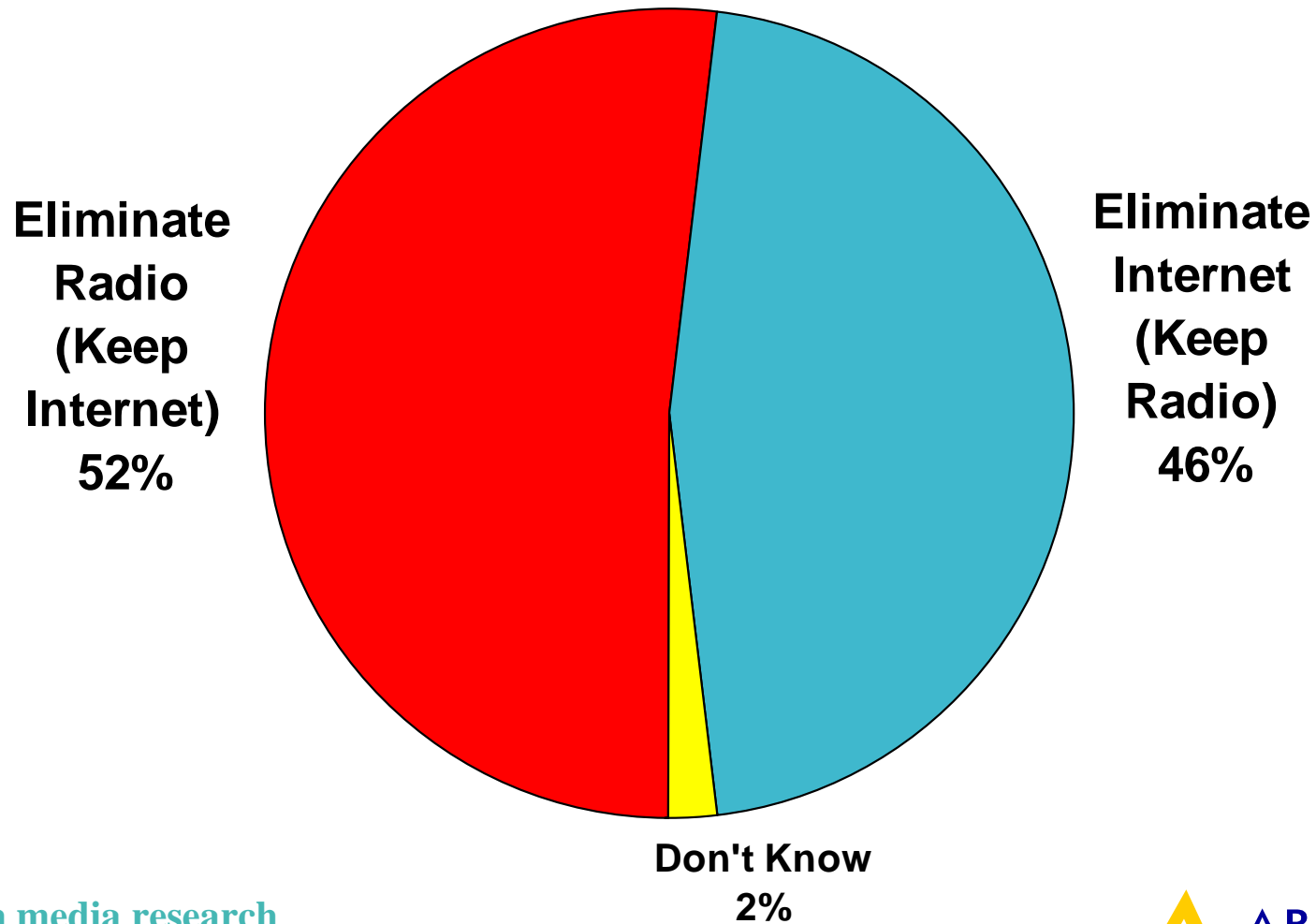
# More Than Four in Ten Would Be More Willing to Eliminate Radio

Age 12+ with Internet Access at Any Location



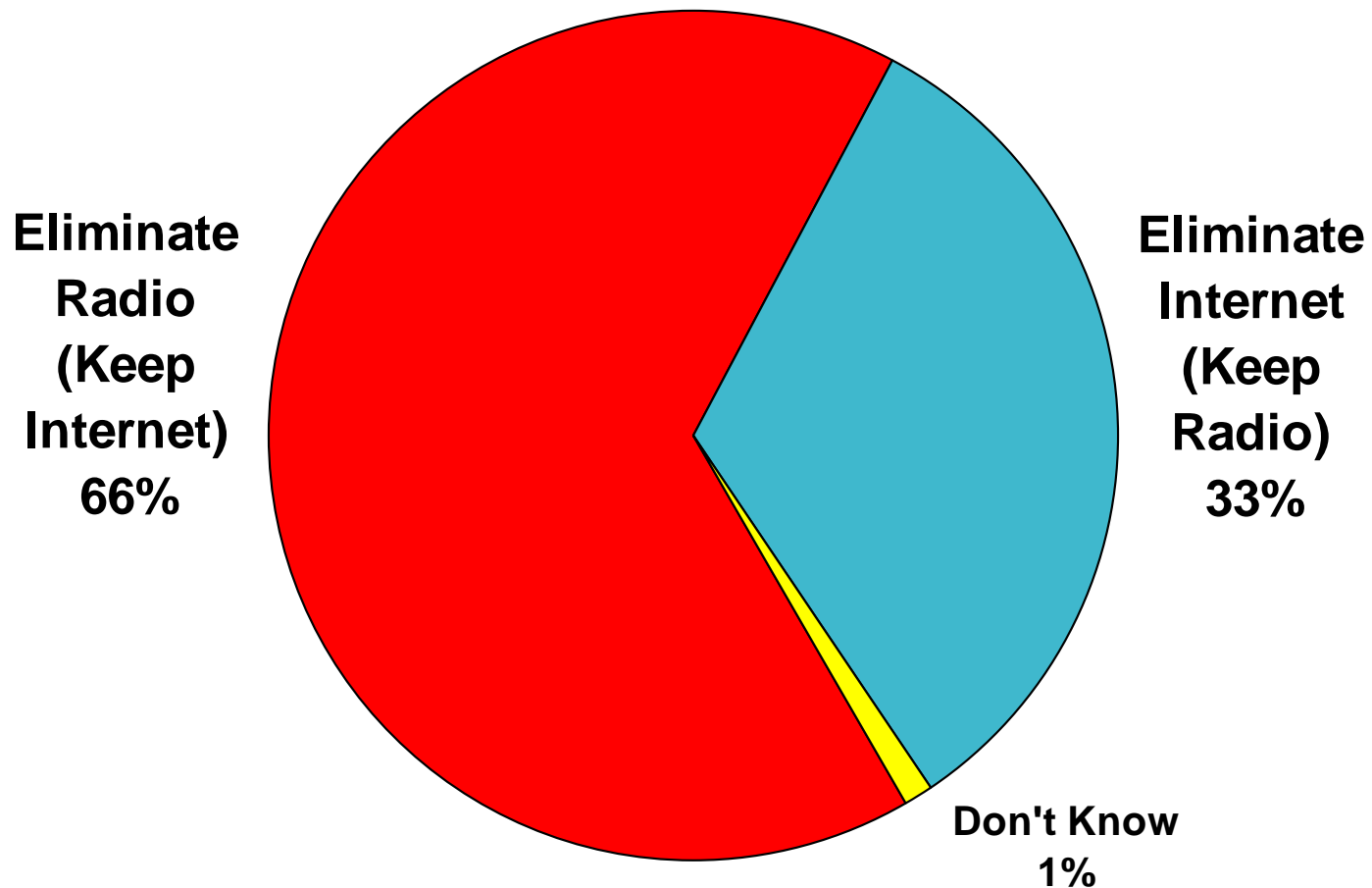
# The Internet Is More Important Than Radio Among Youngest Groups

Age 12-24 with Internet Access at Any Location



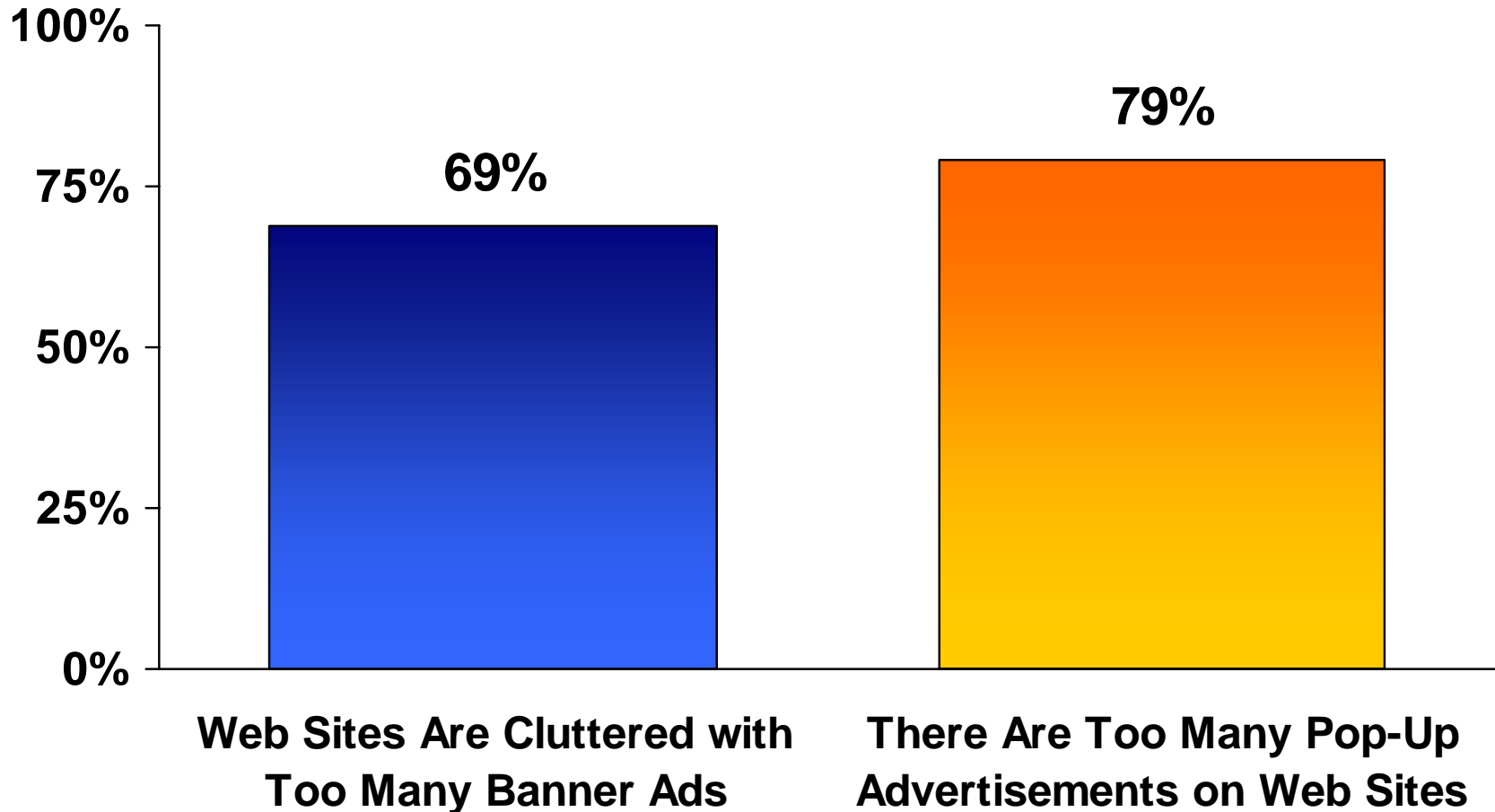
# Only One of Three Weekly Streamies More Willing to Keep Radio

Those Who Have Used Streaming Audio/Video in Last Week



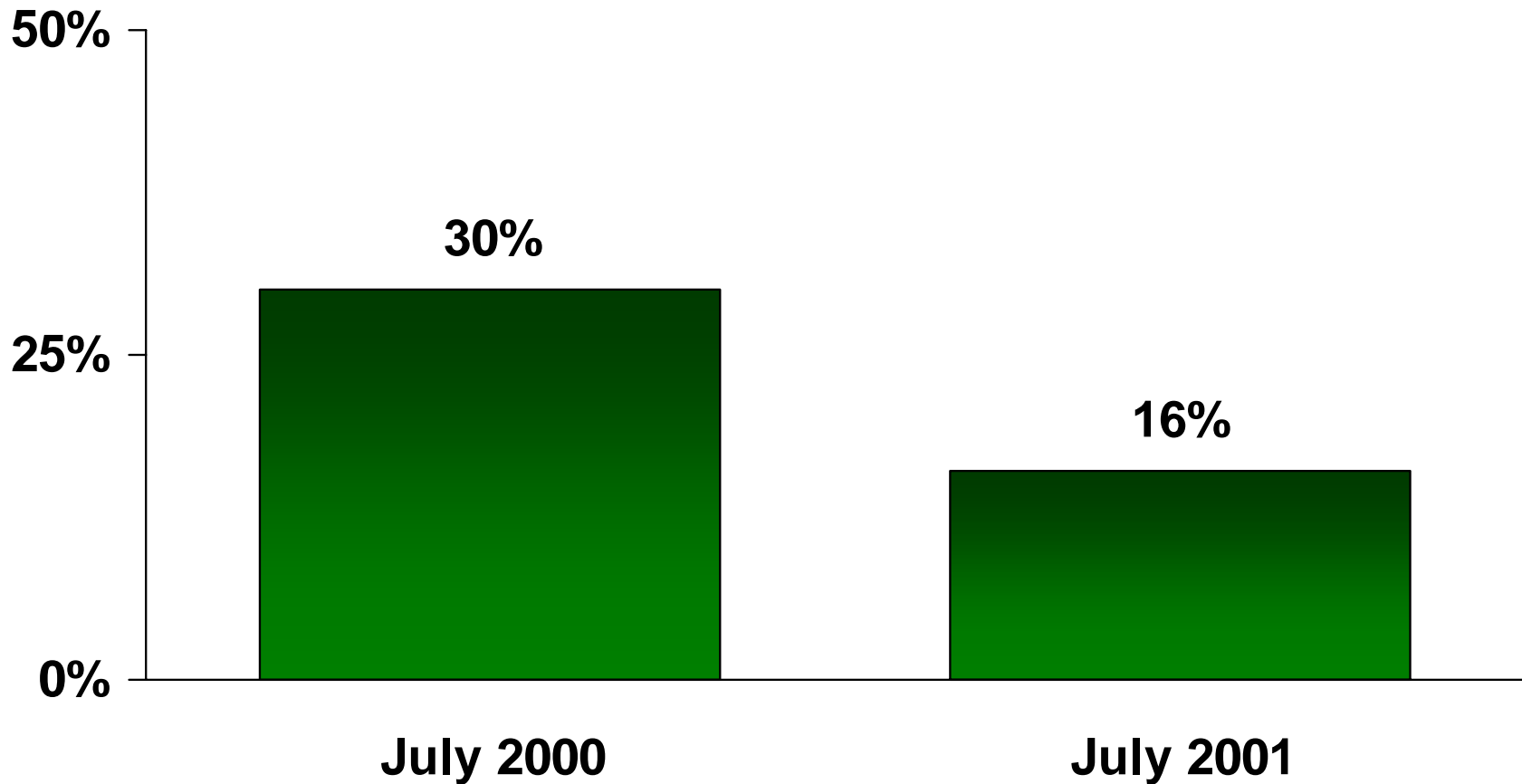
# Internet Users Say There Are Too Many Banner Ads and Pop-Up Ads

% of Internet Users Who Agree That...



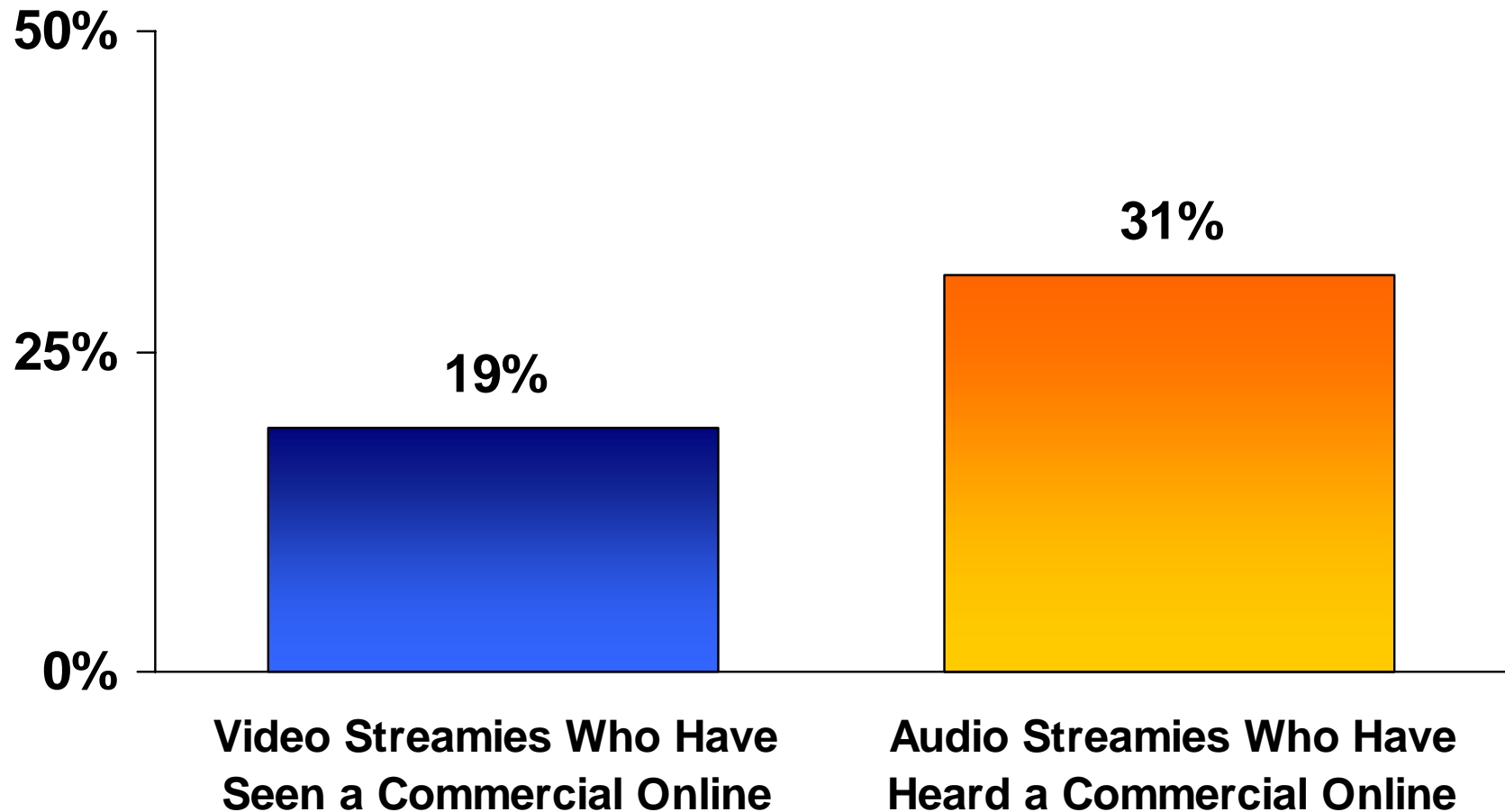
# ...And Fewer Americans Say They Have Clicked on Banner Ads

**% Who Have Clicked on a Banner Ad in the Last Month**



# Most Streamies Have Not Heard or Seen Commercials Online

**% Who Have Seen Video Ads or Heard Audio Ads Online**

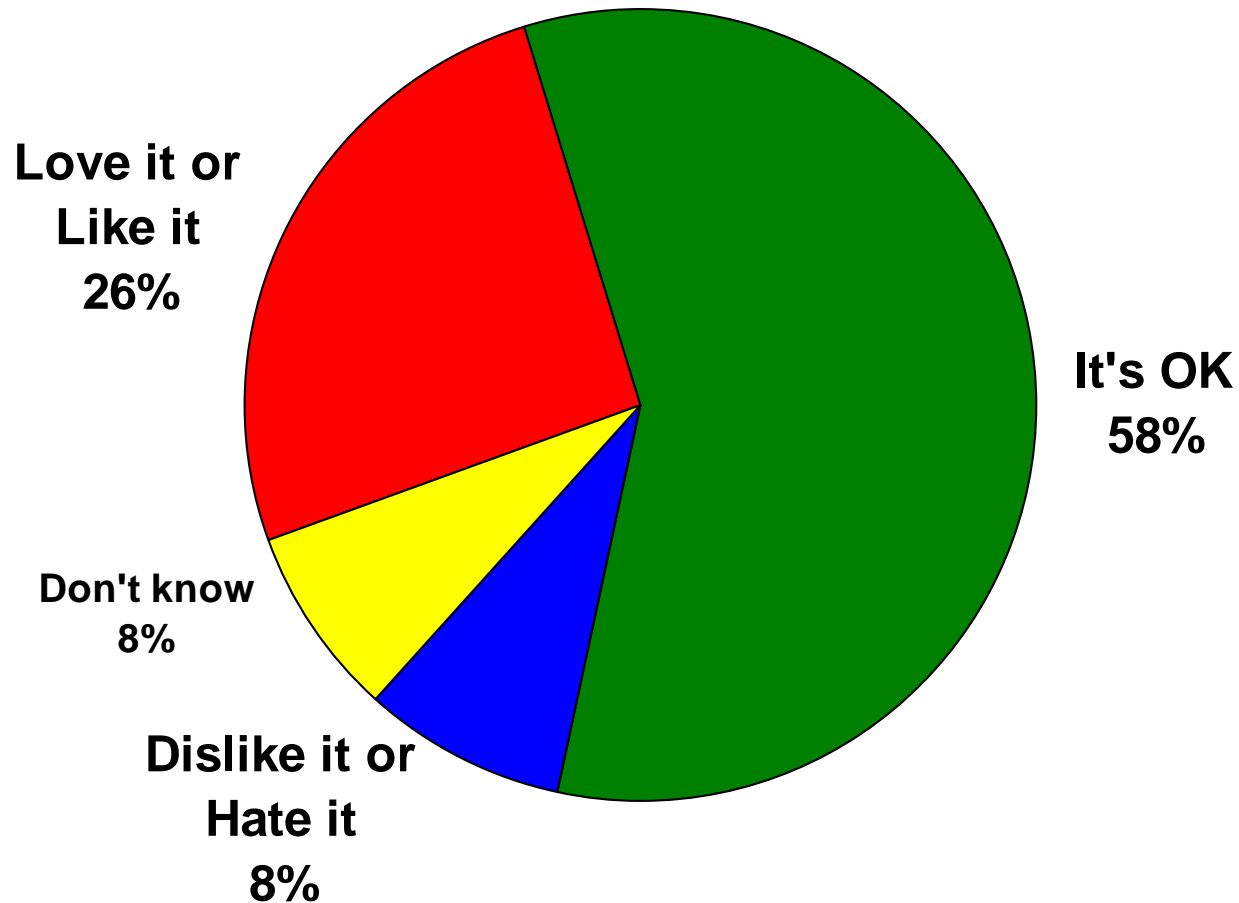


# What Consumers Want Next



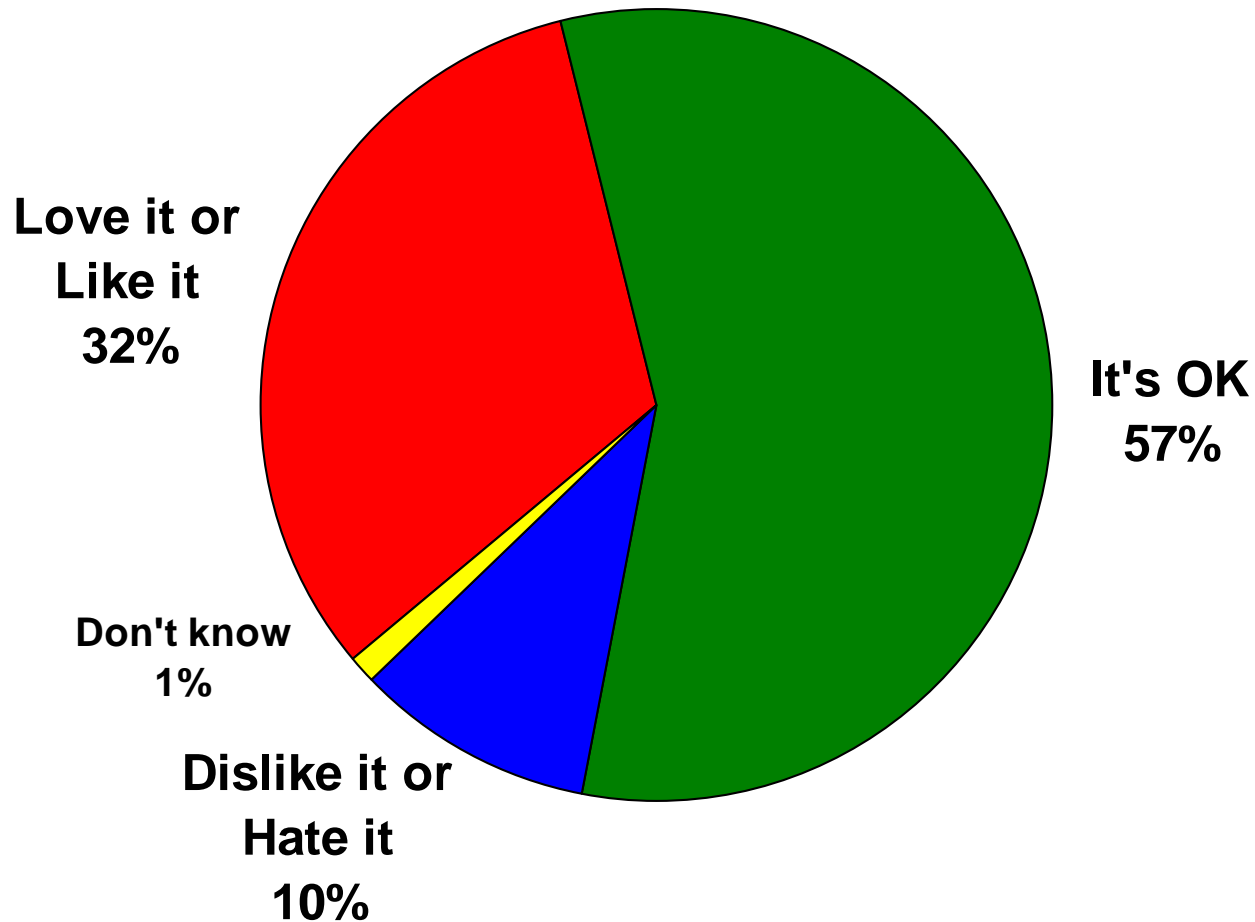
# Limited Passion for the Experience of Listening Online

*“Overall, how much do you enjoy listening to streaming audio?”*



# Limited Passion for the Experience of *Watching* Online

*“Overall, how much do you enjoy watching streaming video?”*



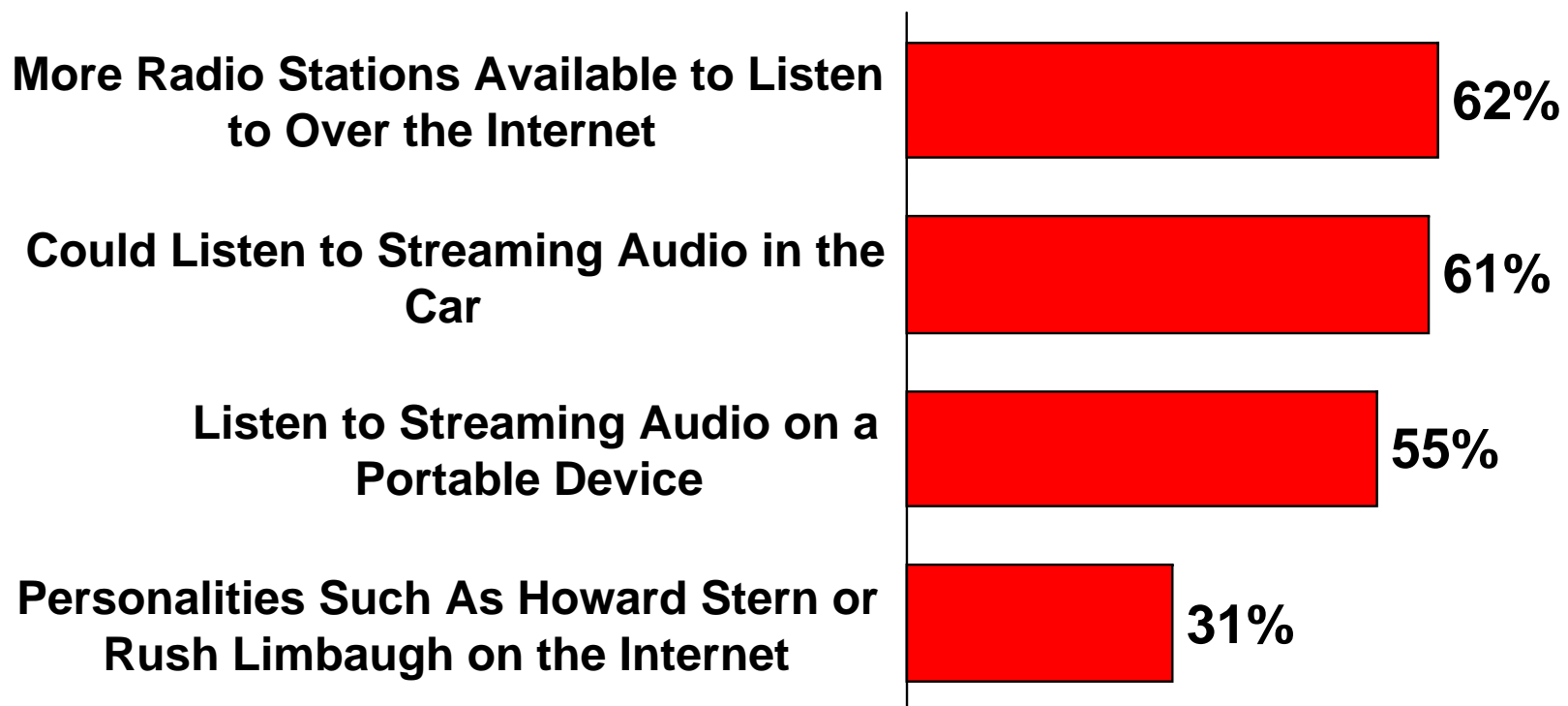
# Things That Would Cause Audio Streamies to Listen More

% of Audio Streamies Who Said They Would Listen More If...



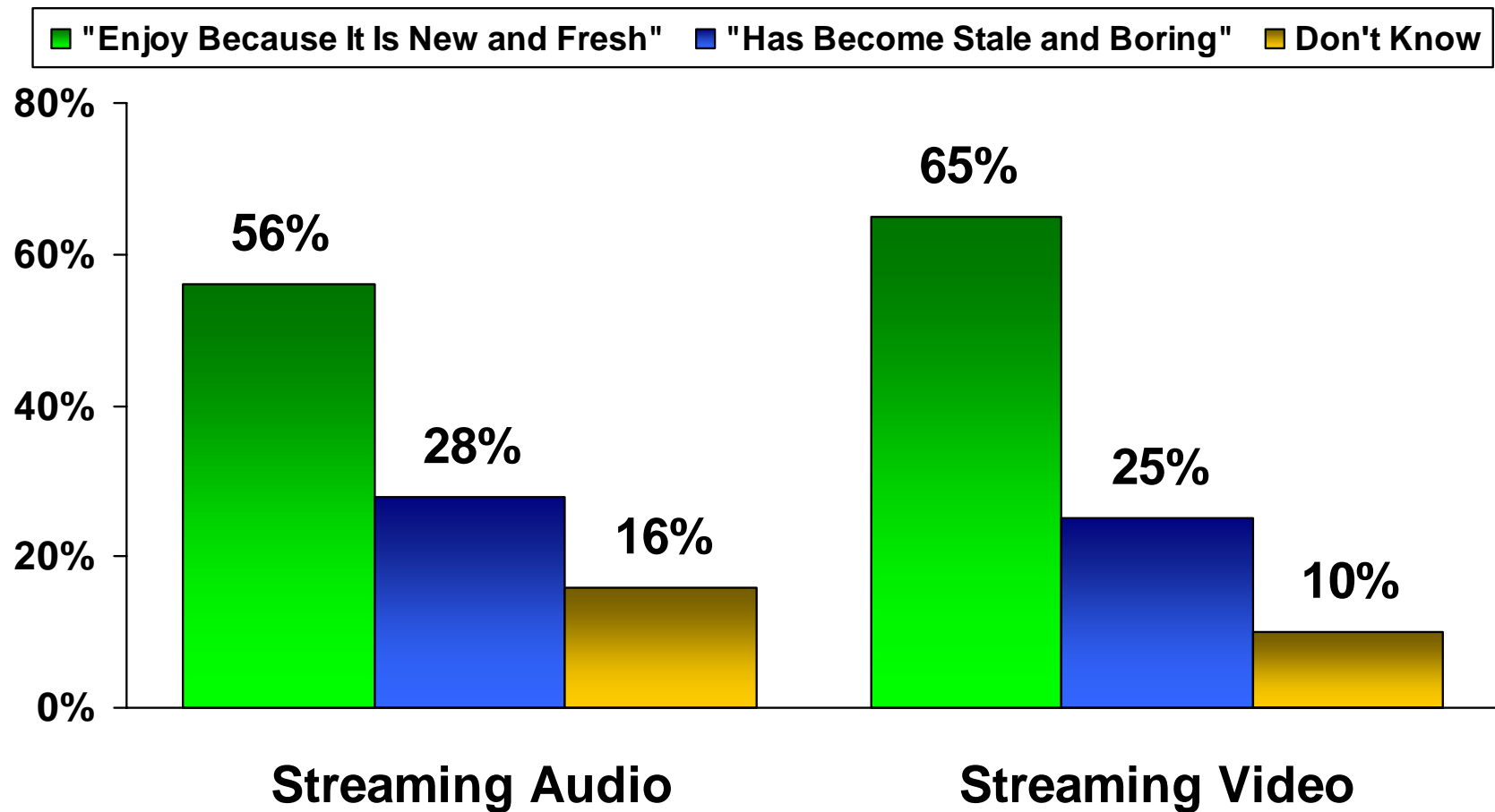
# Things That Would Cause Audio Streamies to Listen More (cont'd.)

% of Audio Streamies Who Said They Would Listen More If...



# Streamies Rate Streaming Experience As "New and Fresh"

*"Which do you agree with more about Internet audio/video?"*



# What Do Streamies Like Most About Internet Audio/Video?

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**#1: Convenient to use while doing other things (online, computer, work)**

***“I like the convenience. I can have it playing in the background while surfing or working.”***

# What Do Streamies Like Most About Internet Audio/Video?

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## #2: Wide variety of choices

***“I can get music that I can’t get where I live... like Louisiana Zydeco music...Russian, Oriental, and international music.”***



edison media research



# What Do Streamies Like Most About Internet Audio/Video?

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**#3: Choosing what you want, when you want it**

***“To find your desired programming, at your desired time.”***

# What Do Streamies Like Most About Internet Audio/Video?

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**#4: Clear reception, no static**

***“Where I work it's hard to pull the station in. It's easier to pull it up over the Internet.”***

# What Do Streamies **Dislike** Most About Internet Audio/Video?

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## #1: **Quality, quality, quality**

*“Sometimes it’s choppy and it breaks up because of my dial-up connection.”*

*“Every now and then the Web station kinda gets kicked off and the station has to re-buffer.”*

*“The small size of the picture and sometimes there’s a delayed reaction so it’s not up to speed like you would normally see on the TV.”*

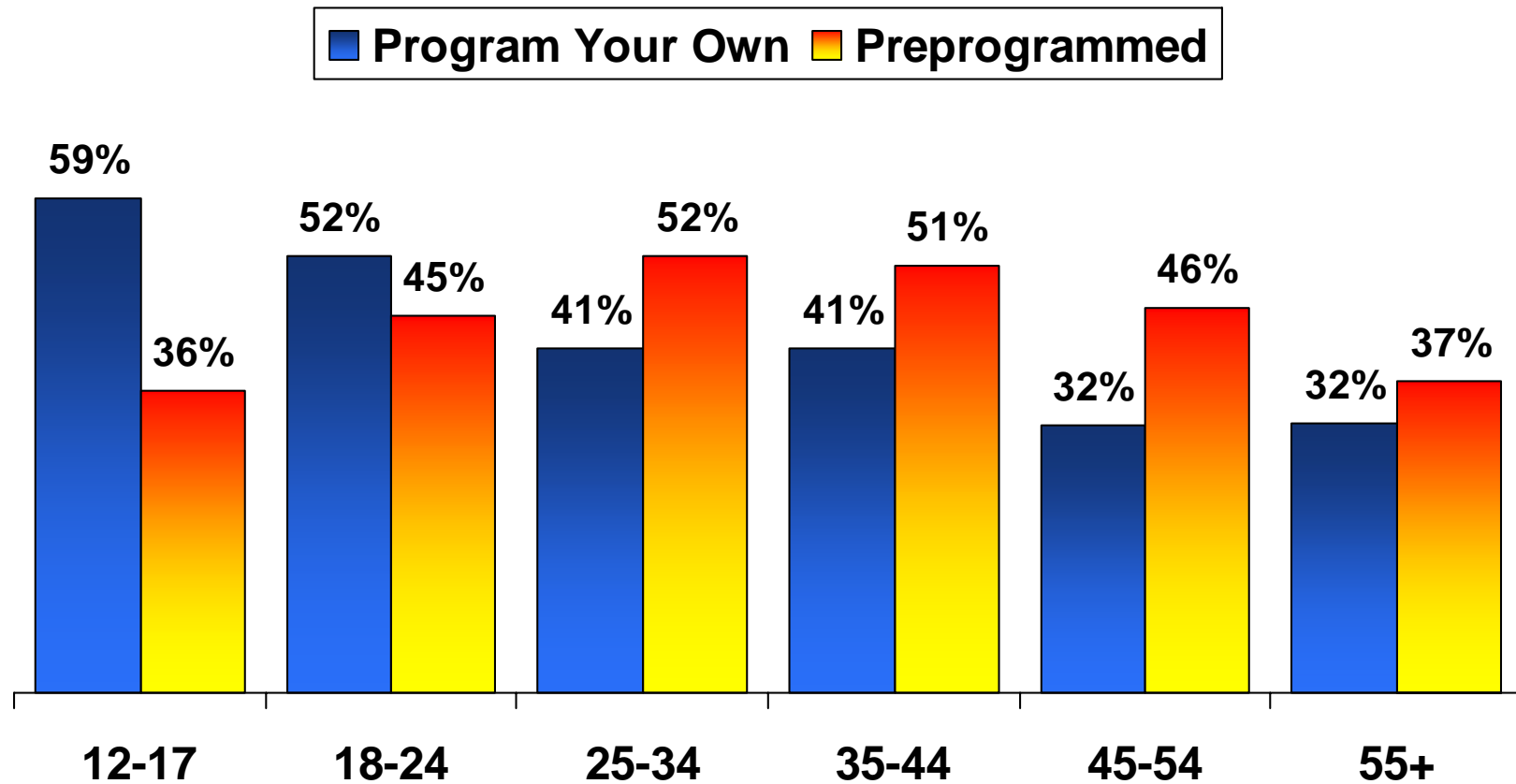


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# “Program Your Own” Channels Appeal More to Younger Streamies

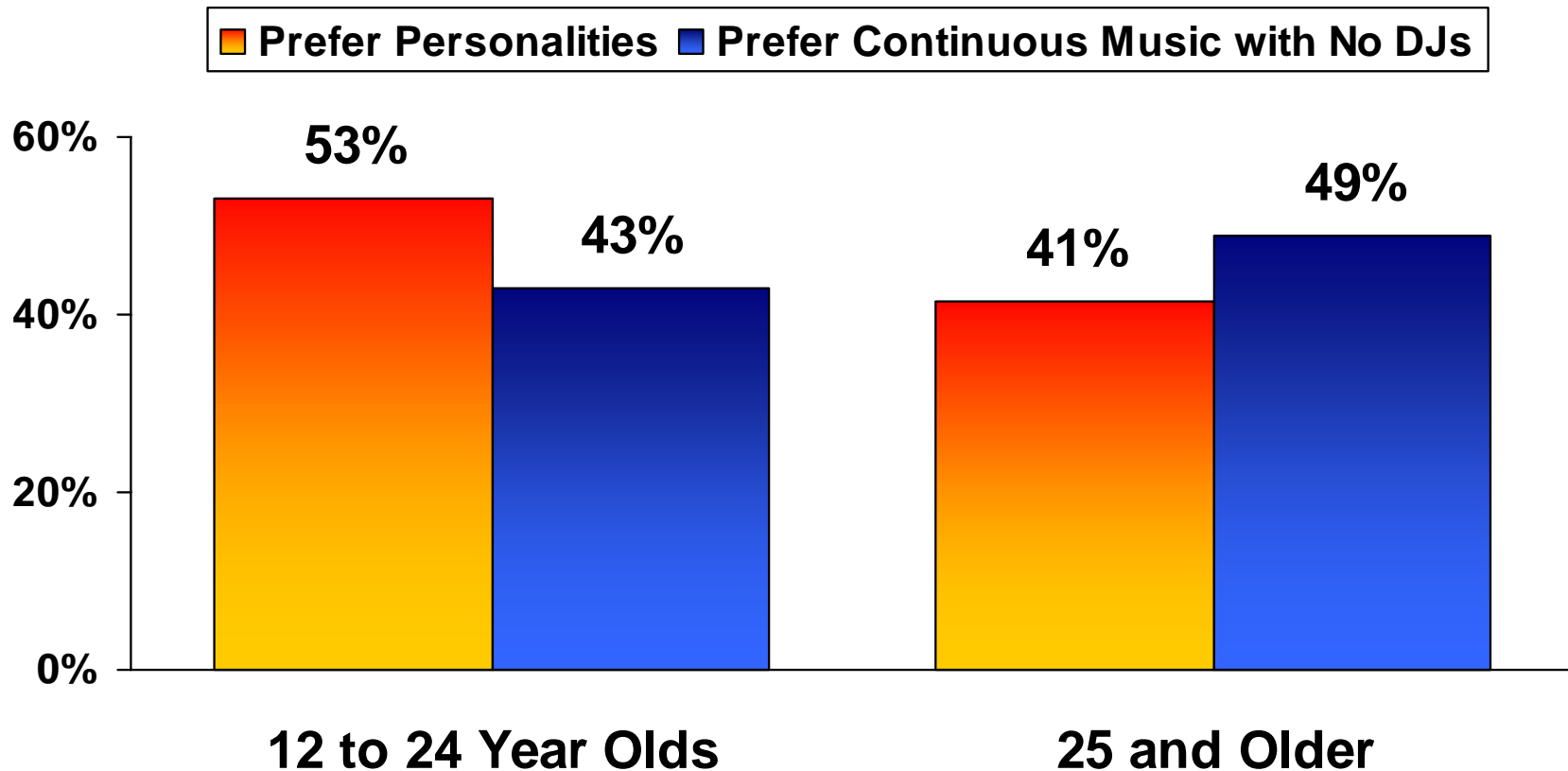
“Which appeals to you more... ‘Program your own’ OR ‘Preprogrammed audio?’”



Audio Streamies (By Age)

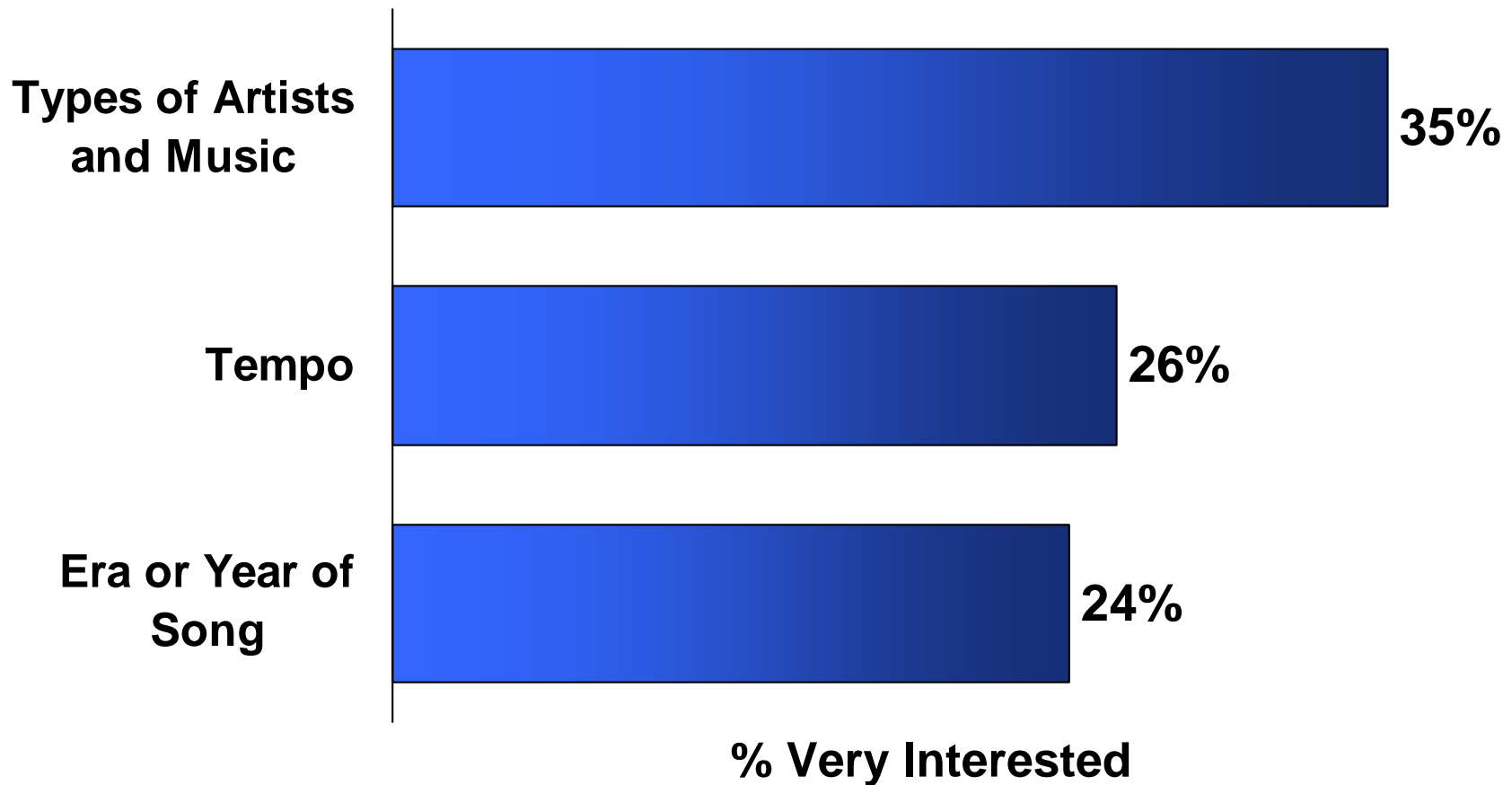
# 12 to 24 Year Olds Prefer Online DJs More Than Those 25 and Older

*“Which appeals to you more... Personalities to announce songs and provide information & entertainment OR Continuous music with no DJs or personalities?”*



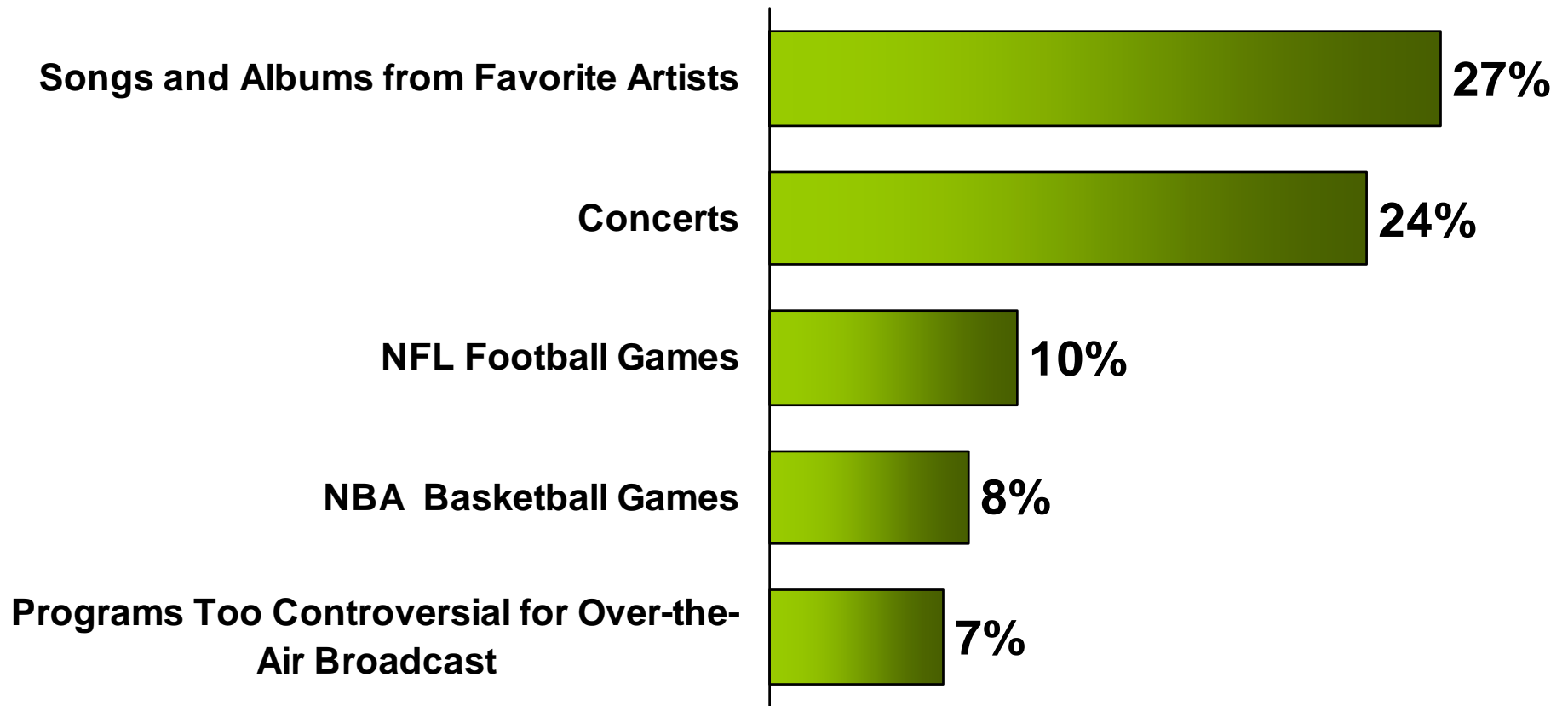
# Audio Streamies Most Interested in Selecting Music by Genres and Artists

% “Very Interested” in Listening to a Streaming Audio Site That Plays Music Based on Indicated Preference For...



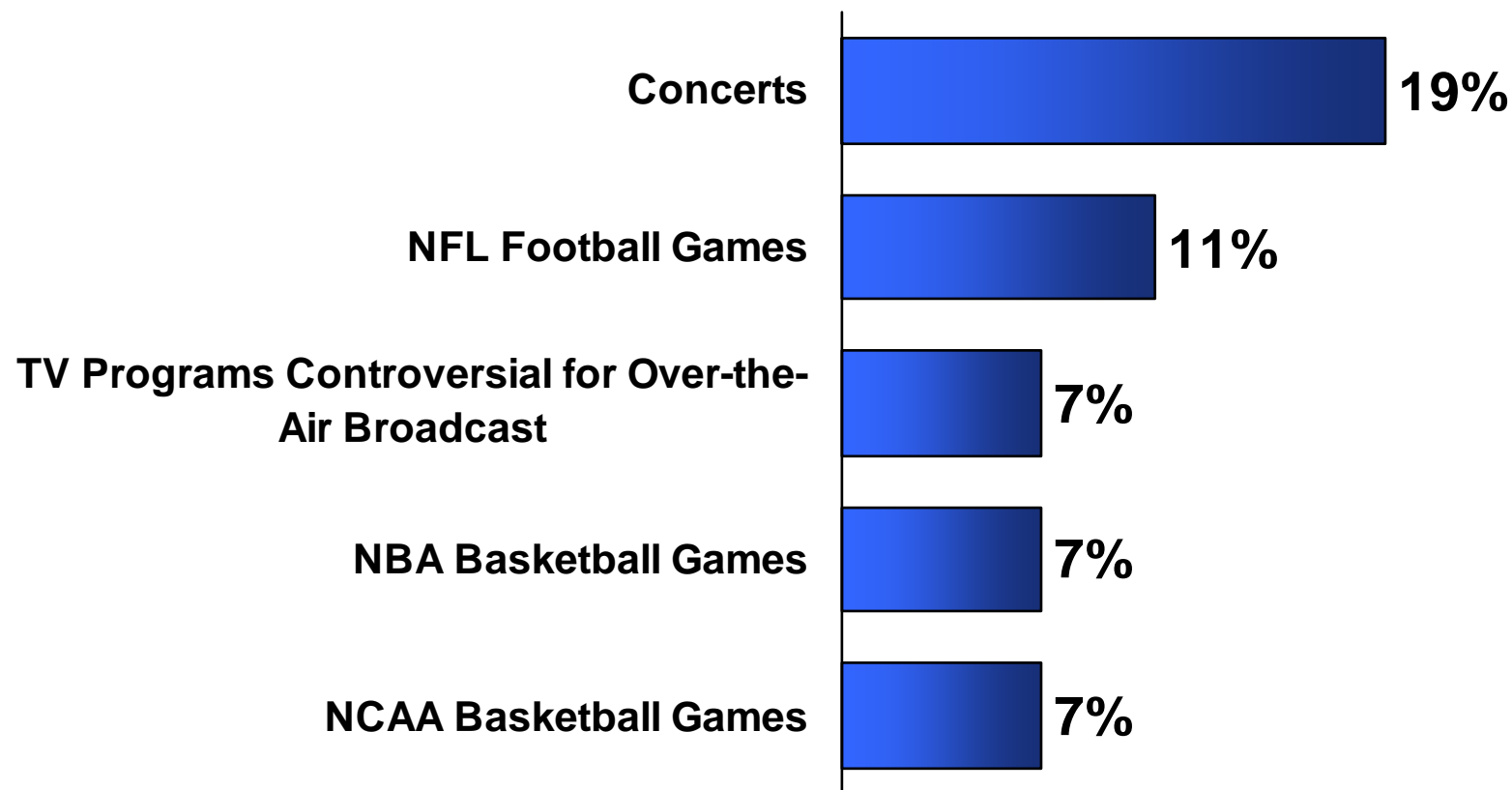
# Substantial Interest in Several Audio Streaming Subscription Choices

% “Very Interested” in Paying a Small Subscription Fee For...



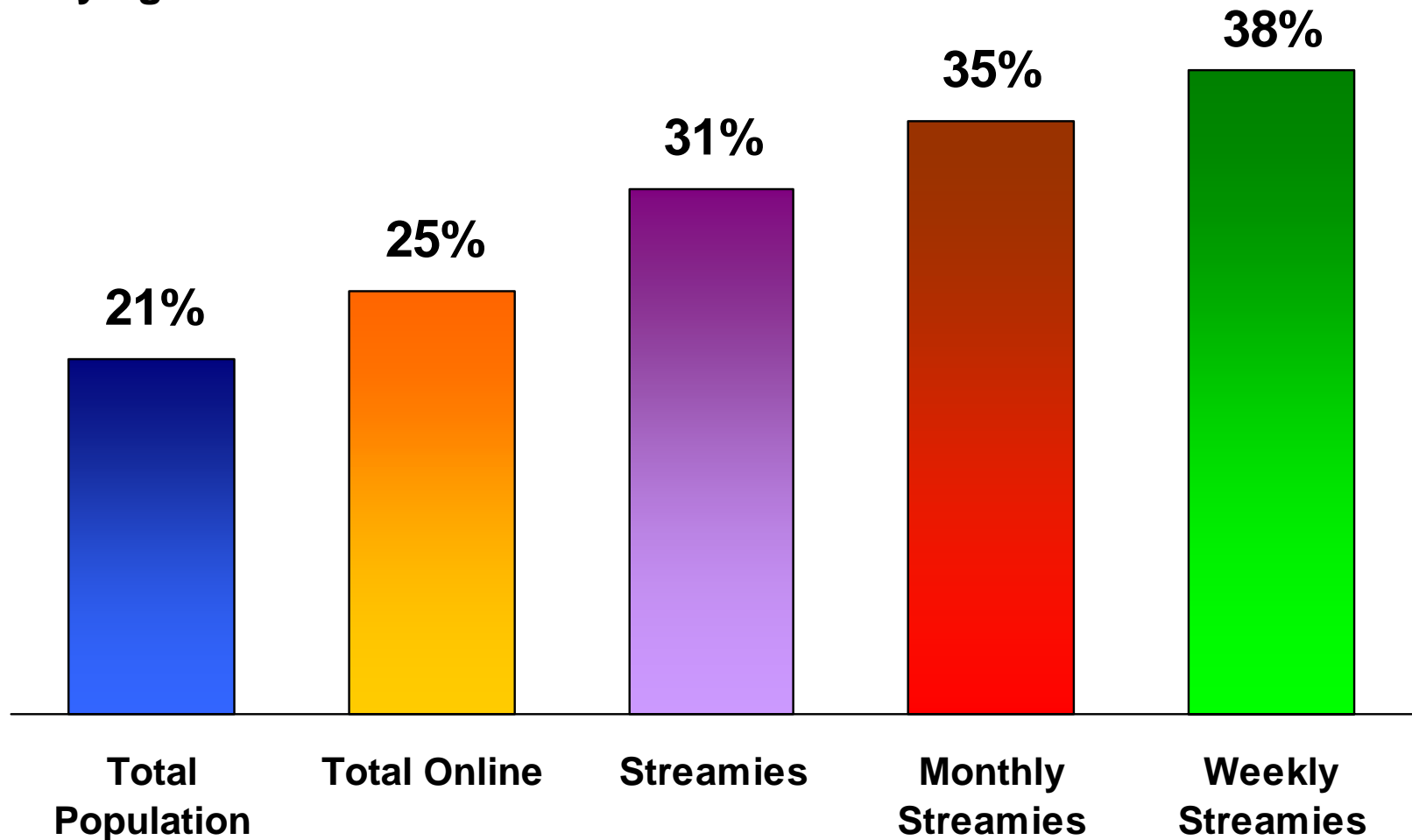
# Substantial Interest in Several Video Streaming Subscription Choices

% “Very Interested” in Paying a Small Subscription Fee For...



# Active Streaming Media Users Are More Likely to Be Video Gamers

% Playing Video Games One or More Times a Week



# Recommendations for Broadcasters and Webcasters



# Recommendations

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- 1 Develop and deliver compelling entertainment good enough to cause consumers to “get the streaming habit”

# Recommendations

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- 2 Promote the benefits of streaming media to consumers

# Recommendations

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- ③ Advertisers and agencies should begin advertising with streaming media outlets

# Recommendations

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## ④ Traditional broadcasters should...

- Resume streaming
- Promote their online brands
- Convert trial visits into habitual use of their Web sites

# Recommendations

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- 5 Media companies should track broadband adoption and plan accordingly

# Recommendations

---

- ⑥ Webcasters should use both video and audio

# Recommendations

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- 7 Webcasters should explore the “customization” vs. the “sit back” entertainment models

# Recommendations

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- ⑧ The streaming sector should explore a mix of both subscription and ad-supported models

# Recommendations

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## ⑨ Give consumers what they want to increase their use of streaming media

- On-demand functionality
- Variety of choices
- Simple to find content
- Devices as easy to use as radios

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)***



# Internet VII

## *The Internet & Streaming: What Consumers Want Next*

