



LISTENING STUDY



edison media research

**1998 Internet Survey
"Radio in the New Media World"**

ARBITRON

Edison & Arbitron's Industry Research

- Newspaper Advertisers (1996)
- At-Work Listening (1997)
- Internet/New Media (1998)

The Edge of a New Competitive Era

- Radio from Satellites
- Radio from the Internet

Challenges to Radio

- Those who are currently online listen to radio less
 - Internet usage rapidly increasing
 - Will new Internet users also listen to radio less?
- A lot of people express interest in Satellite-to-car radio

Challenges to Radio

- Signal strength may cease to be an issue
- One-in-three radio listeners would switch to an out-of-town station if they could
- Local, over-the-air radio will almost certainly see erosion at the hands of New Media

Opportunities for Radio

- Webcasting could boost at-work listenership
- Stations can maintain or grow P1 listening through Internet radio
- Radio is effectively driving people to its Web sites and advertiser Web sites
- What listeners tell us they want from your Web site can make you money

How the Survey Was Conducted:

Telephone Study

- 1580 Spring 1998 diarykeepers
- Random national sample of diarykeepers 12+
- 18 minute interview (August 1998)
- Listening measures from diary

How the Survey Was Conducted:

Internet Study

- 1309 Interviews of current Internet audio users performed over the Internet (August 1998)
 - 494 from Northstar Database
 - 815 from link off the Broadcast.com website

Arbitron/Edison Internet Study
"Radio in the New Media World"

3000 Interviews

- ✓ **Up-to-date**
- ✓ **Comprehensive**

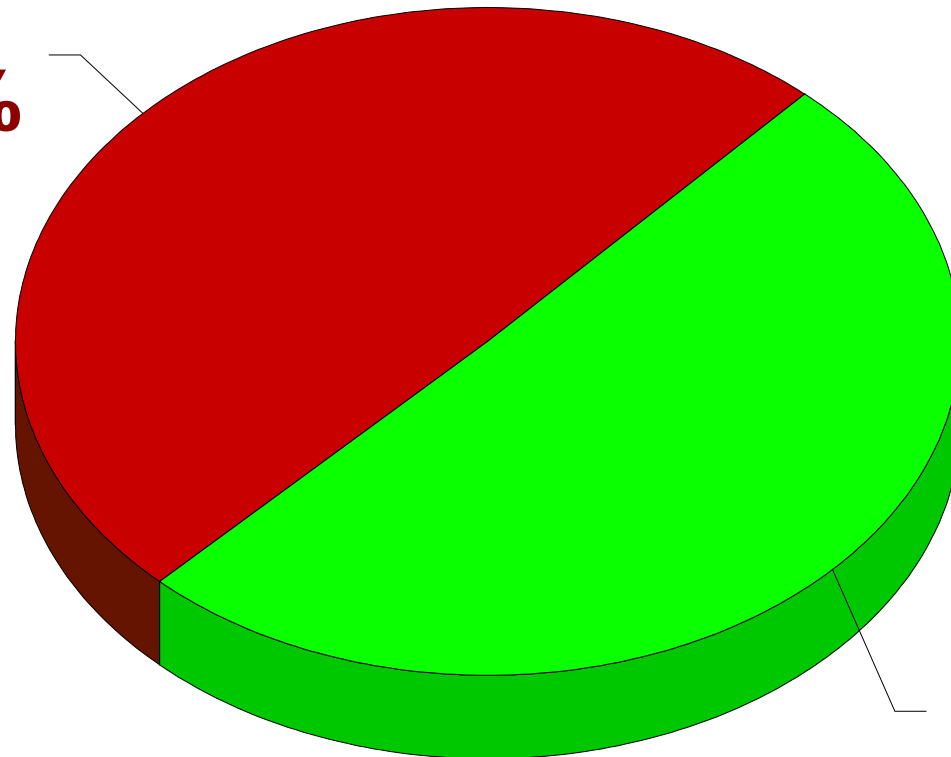


Half of all households have a computer in use

Telephone Survey

Have a computer at home

49.5%

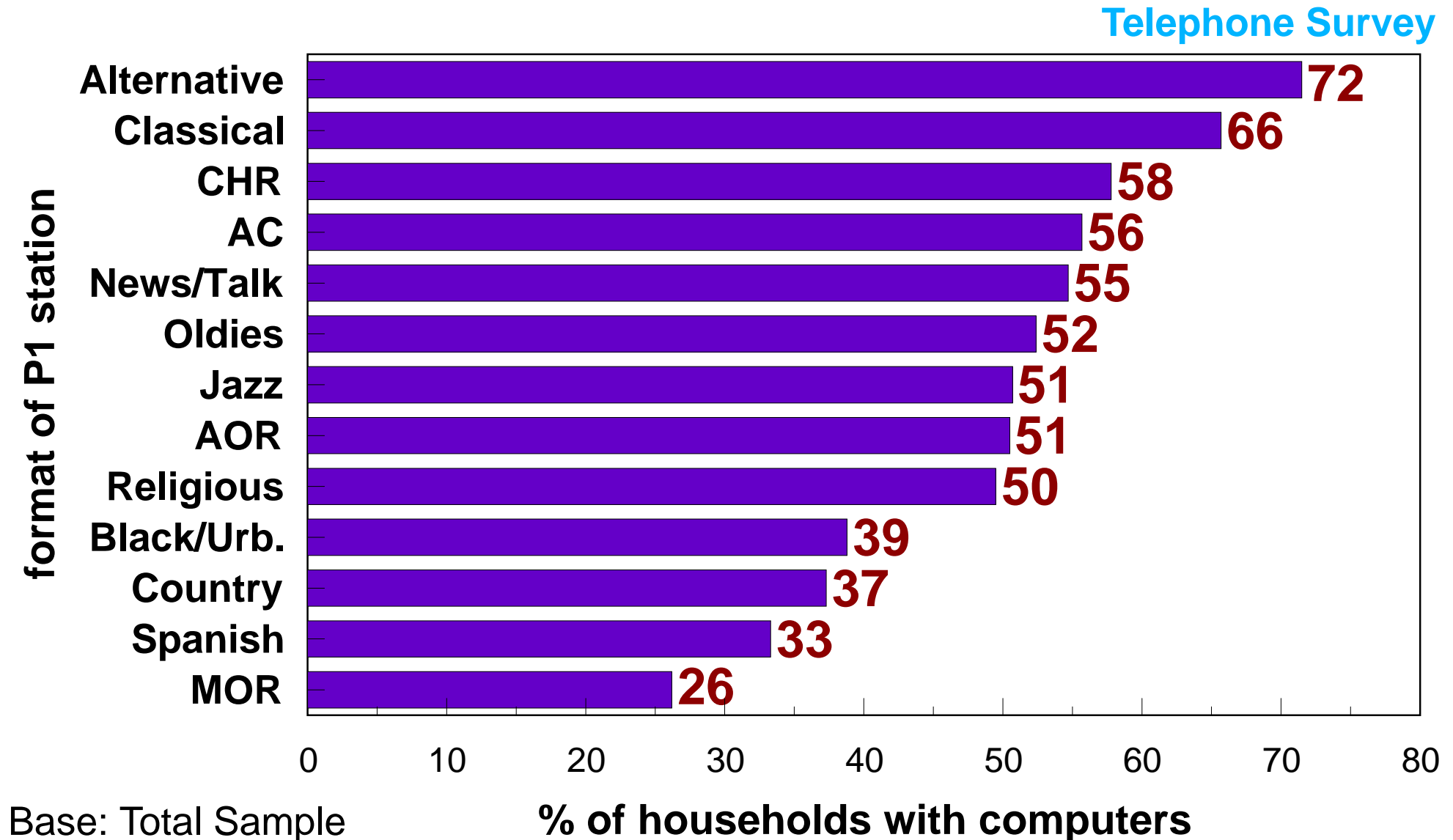


50.5%

Do not have a computer at home

Base: Total Sample

Household computer penetration varies widely by format



One-quarter of all households have Internet Access

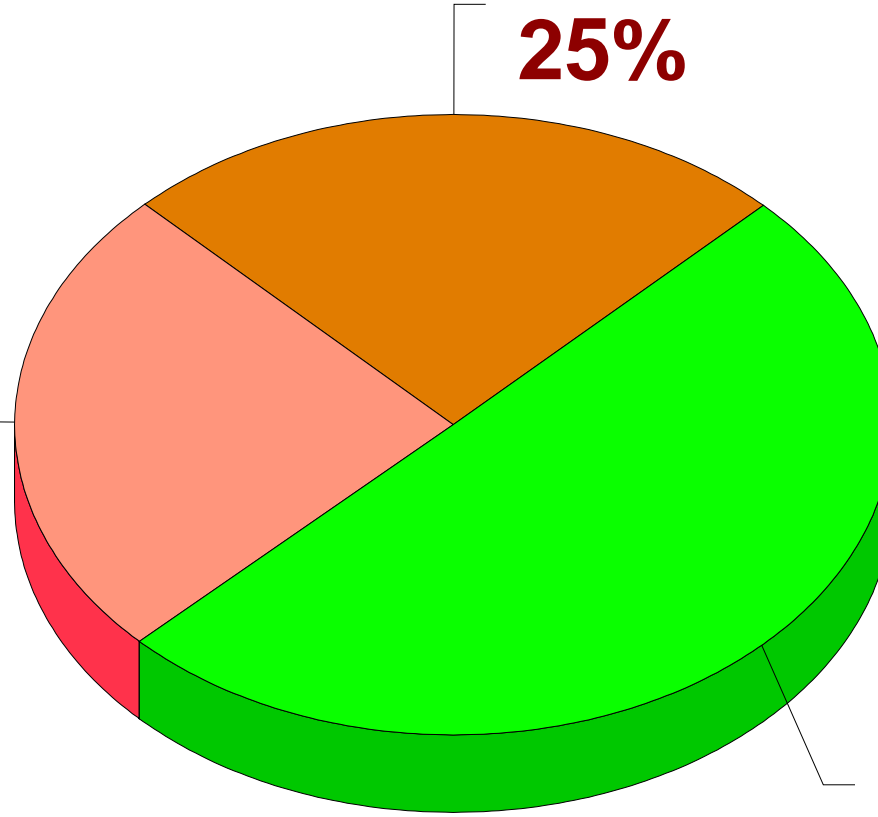
Telephone Survey

Have Internet access at home

25%

Have computer,
no Internet access

25%

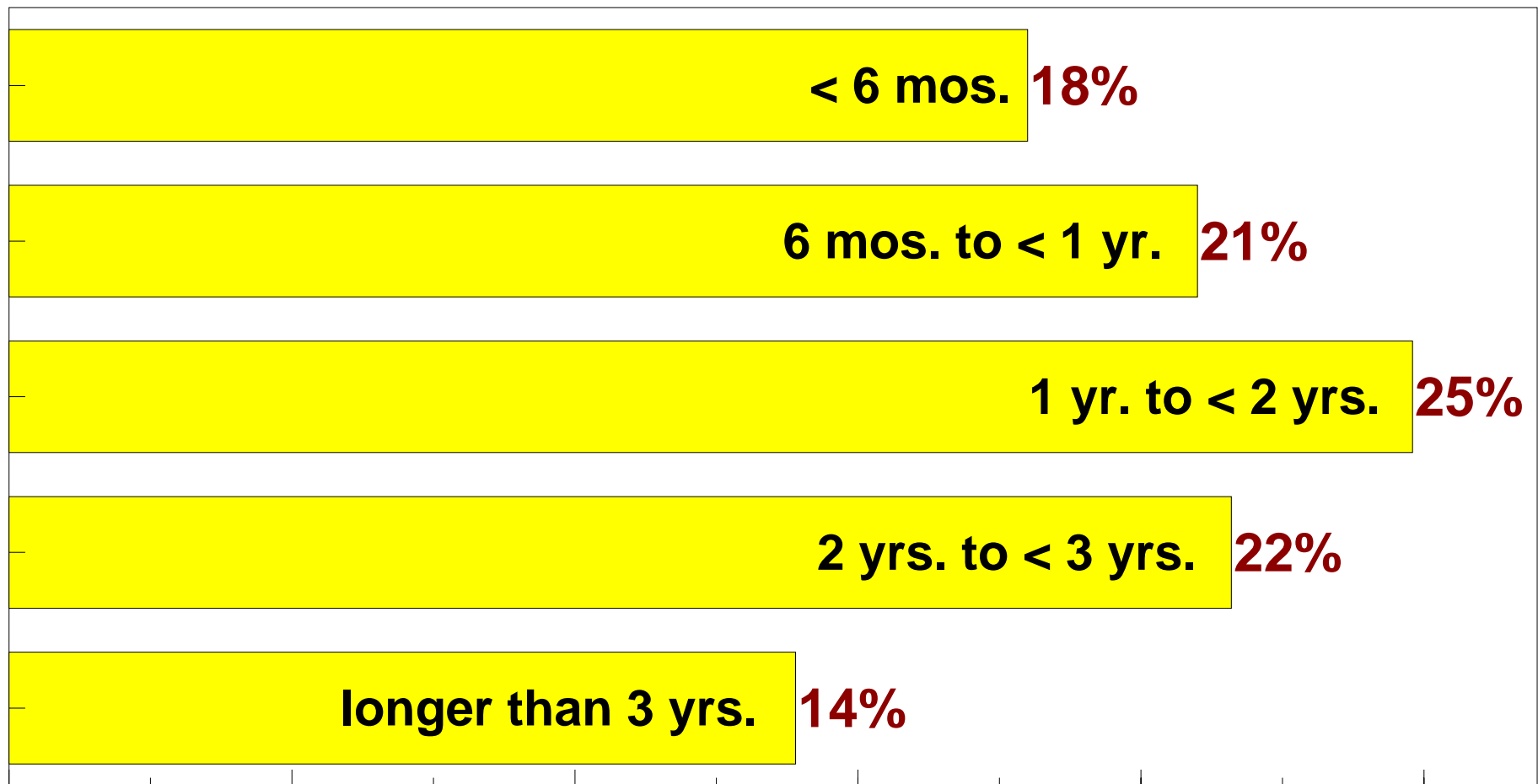


50%

Do not have a computer at home

Household Internet access is growing rapidly (40% started in last year)

When did you get Internet access at home?

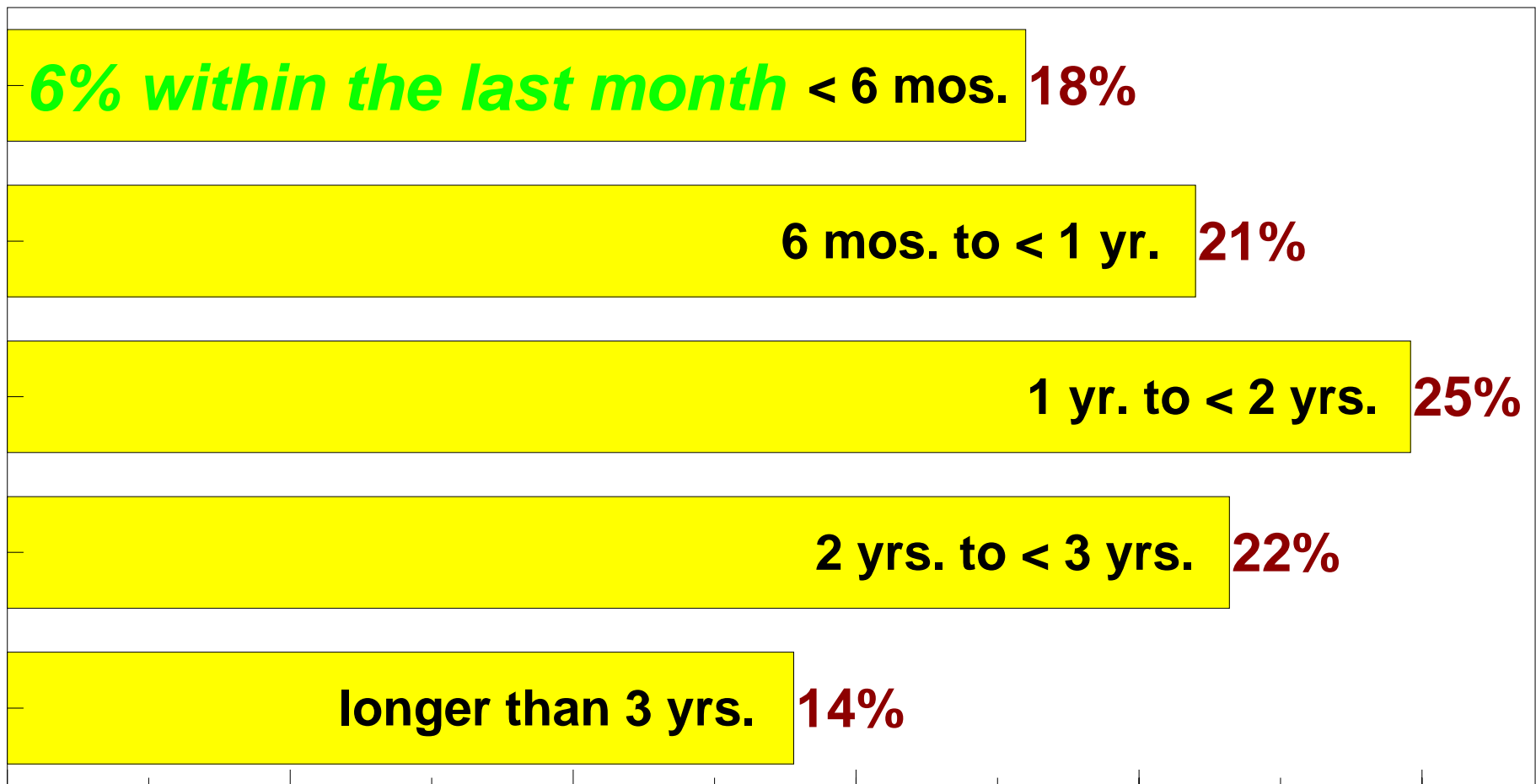


Base: Online at home

Telephone Survey

Household Internet access is growing rapidly (40% started in last year)

When did you get Internet access at home?



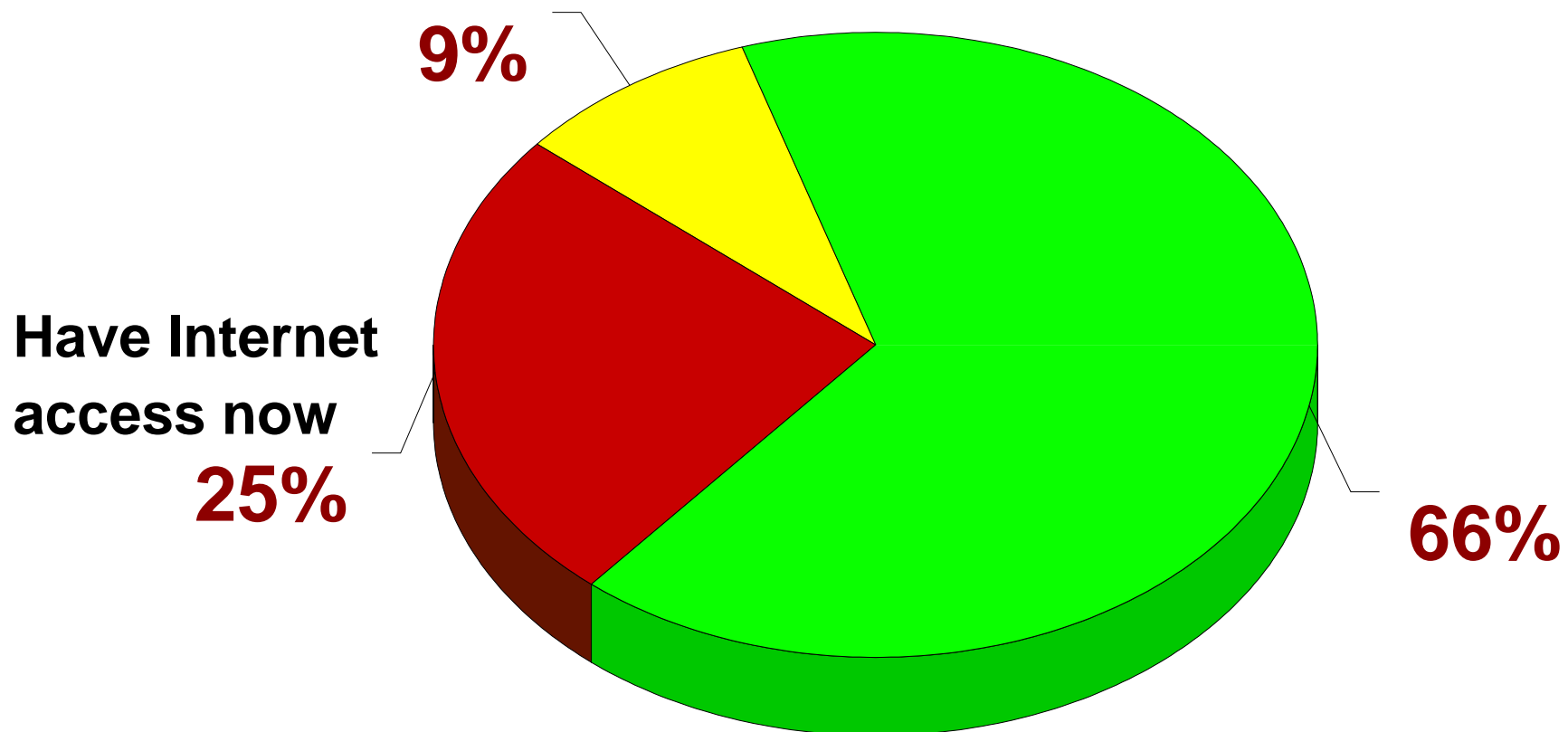
Base: Online at home

Telephone Survey

More people plan to go online at home in the next year

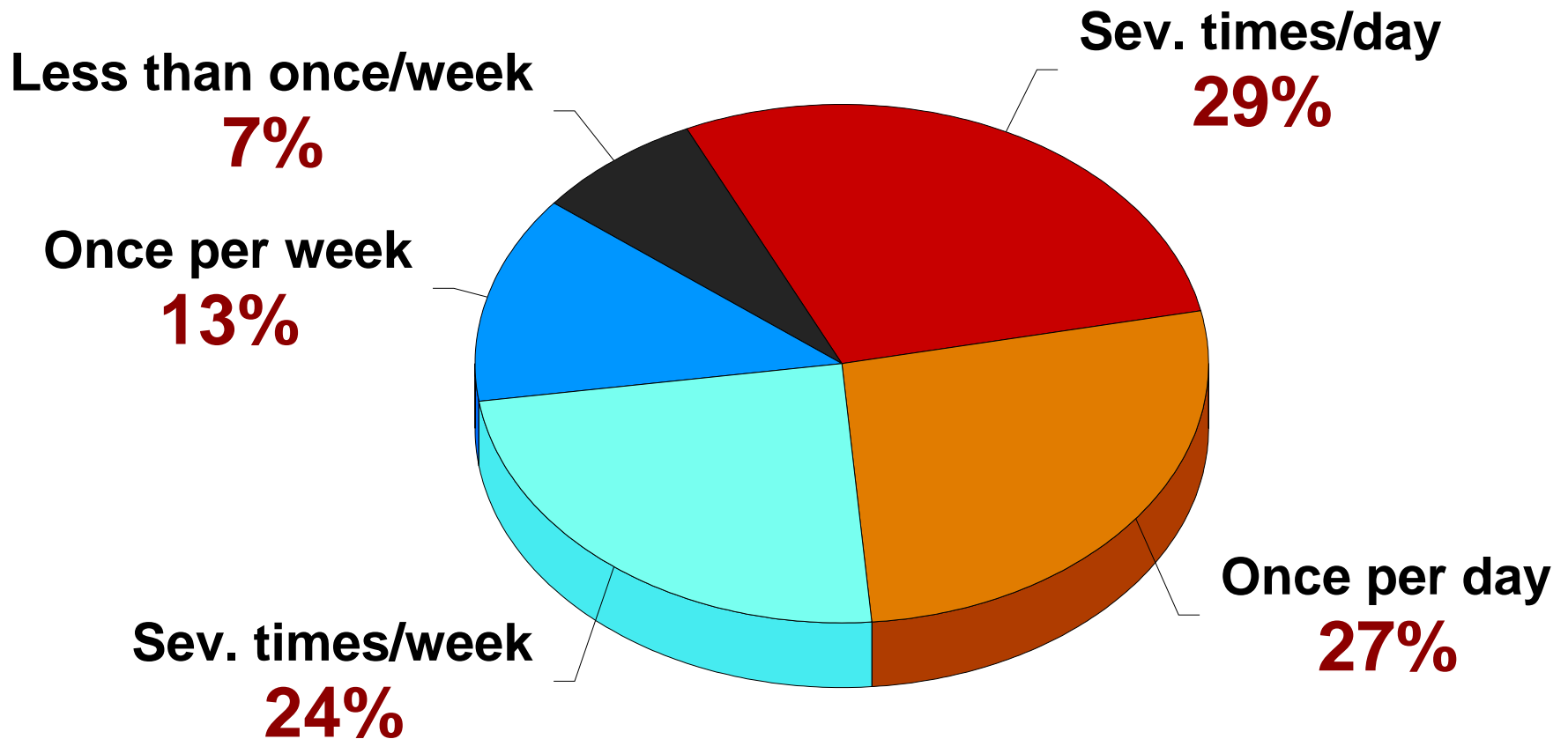
Telephone Survey

"Very Likely" to go online in next 12 months



People who are online use it a lot

How frequently do you go online at home?



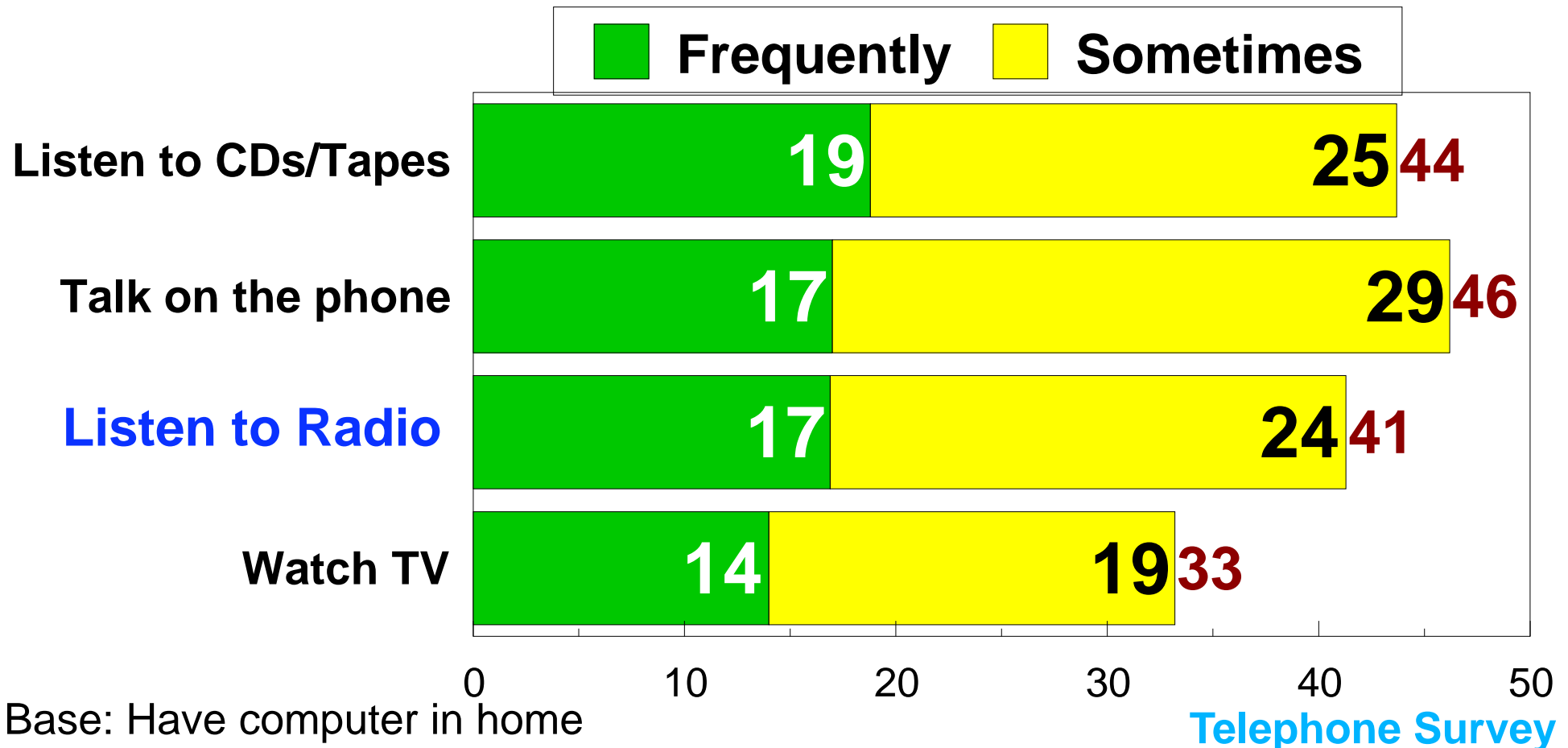
On average, usage of 8.5 hours/week

Base: Online at home

Telephone Survey

Many people listen to radio while they are online

How often do you do each activity while at your Home computer?



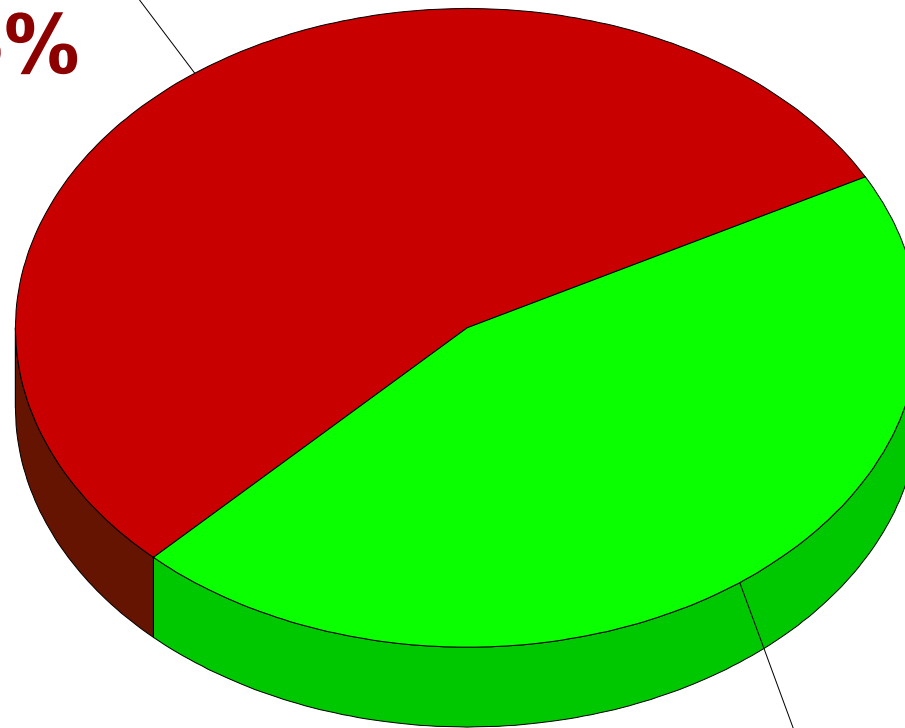


More than half of all workers use a computer at-work

Telephone Survey

Use a computer at work

55%



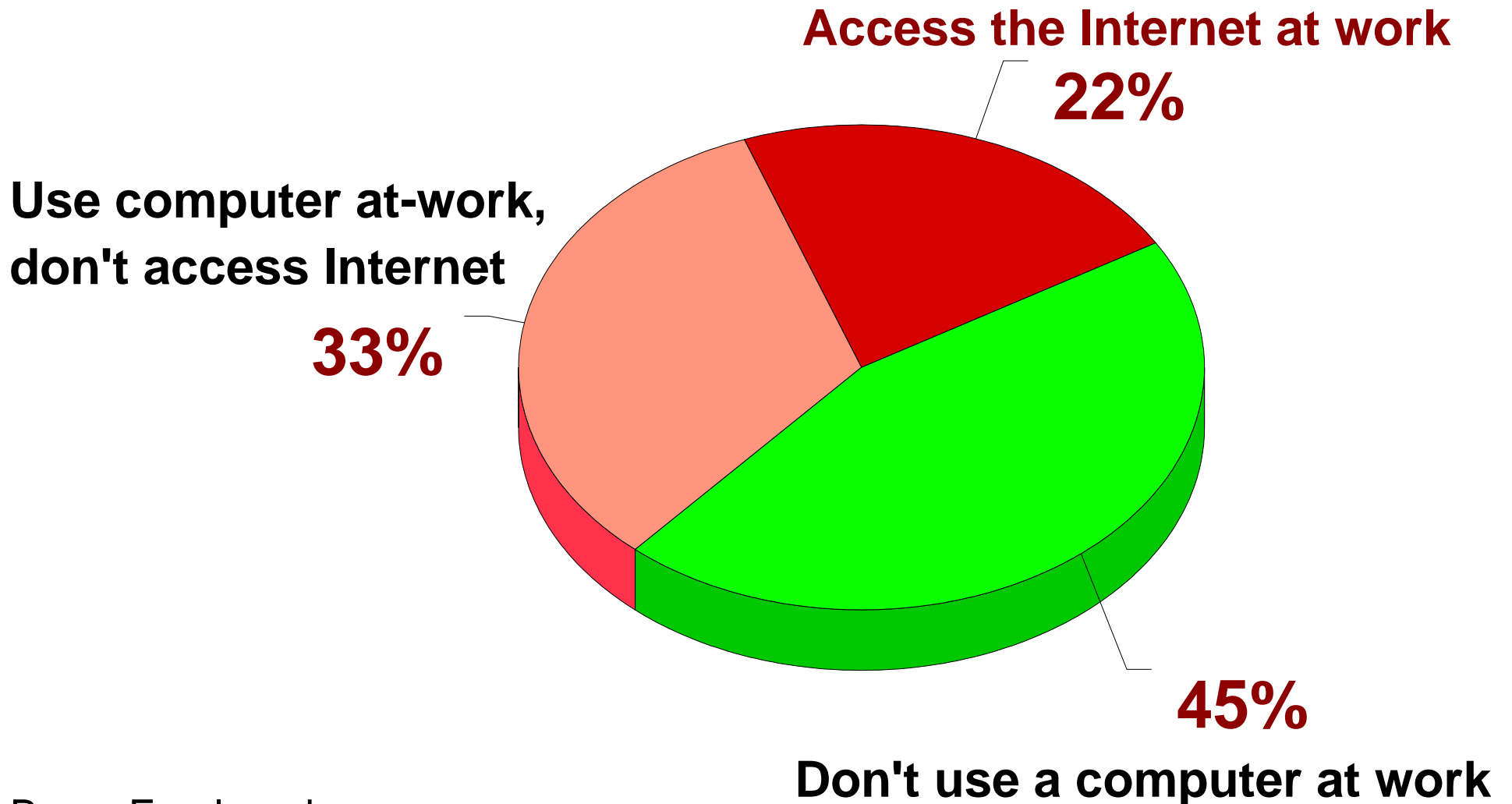
45%

Don't use a computer at work

Base: Employed

More than one-fifth of workers use the Internet at work

Telephone Survey

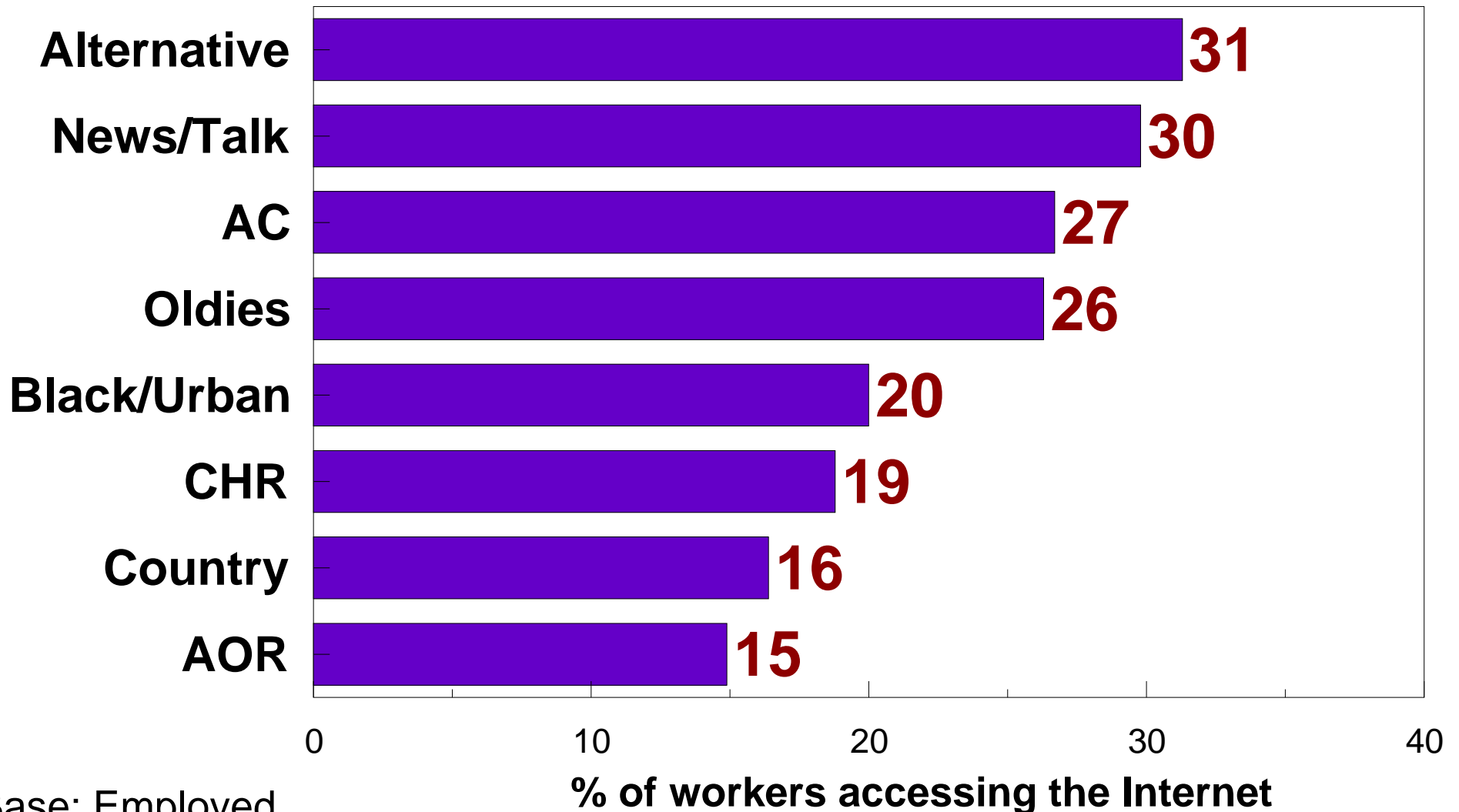


Base: Employed

Accessing the Internet at work varies widely by format

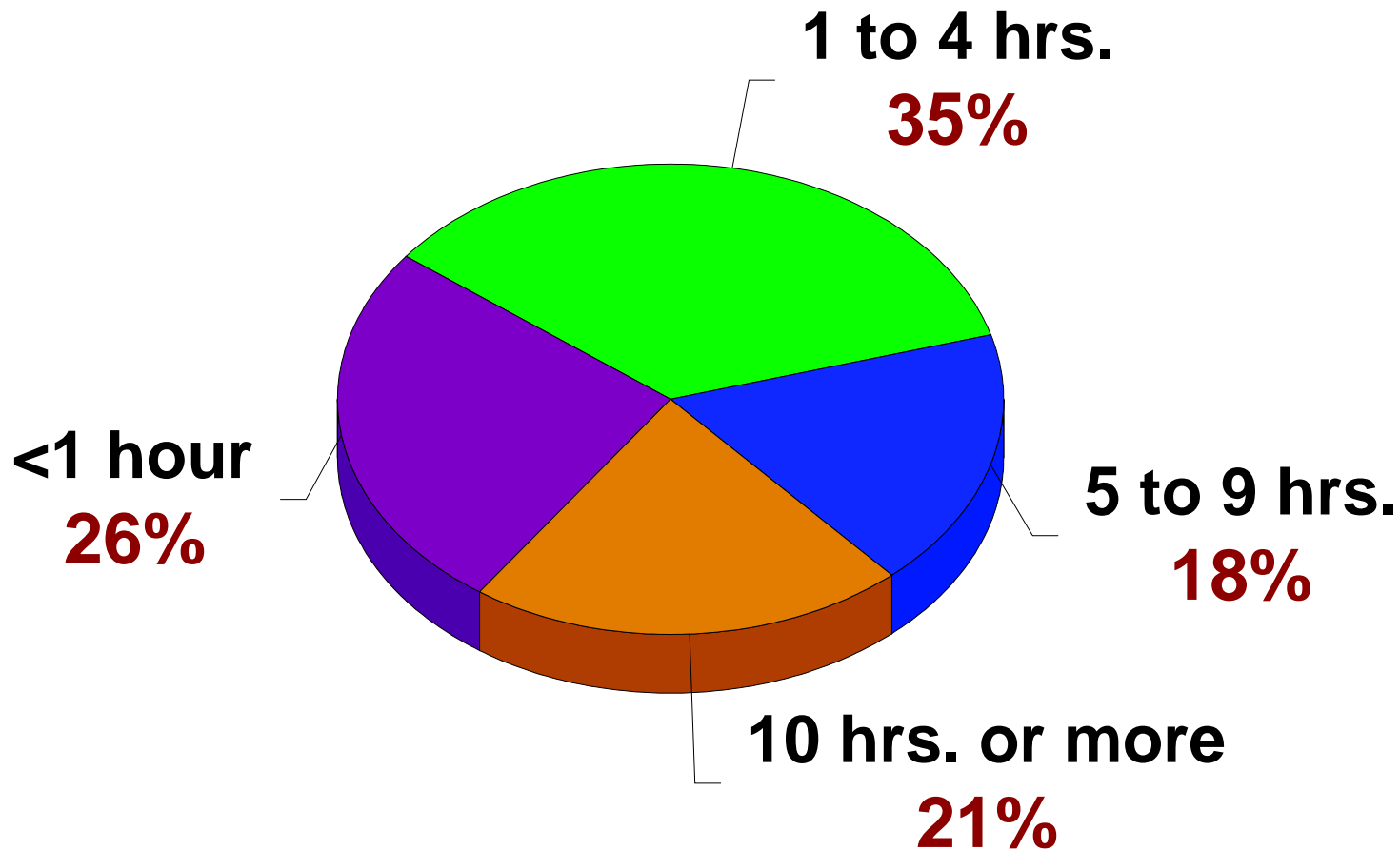
format of P1 station

Telephone Survey



How much time do you spend on the Internet at **Work** per week?

Those online at work spend **9.2 hours/week**

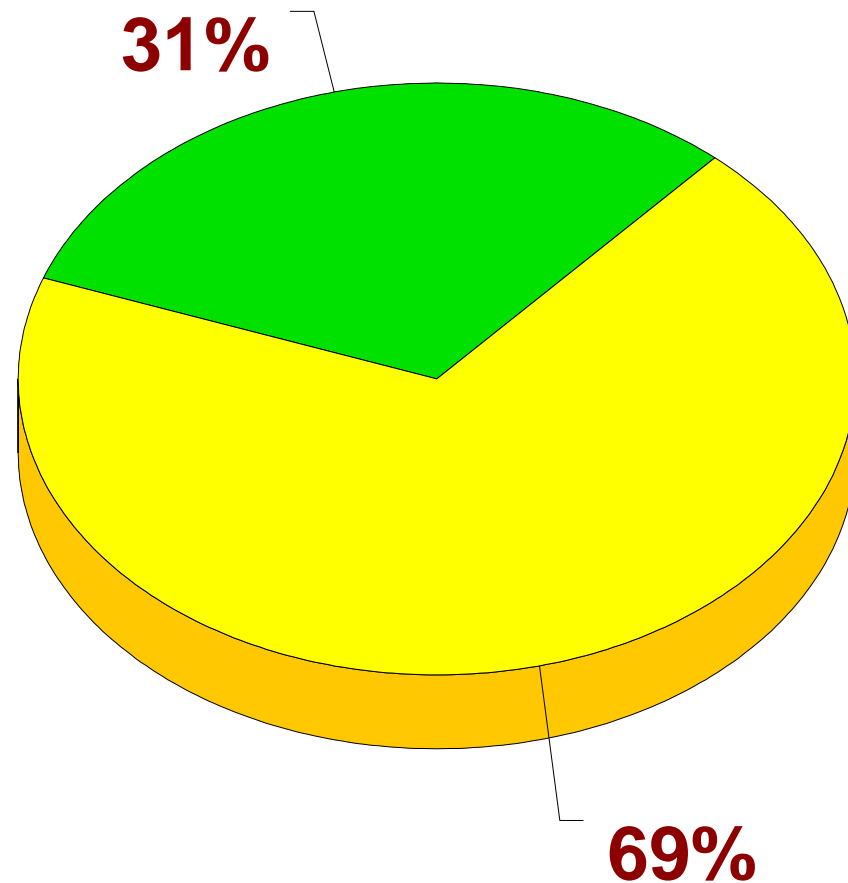


Base: Access Internet at work

Telephone Survey

More than 30% of Americans are online at work or at home

Currently have Internet access at home or work



Telephone Survey

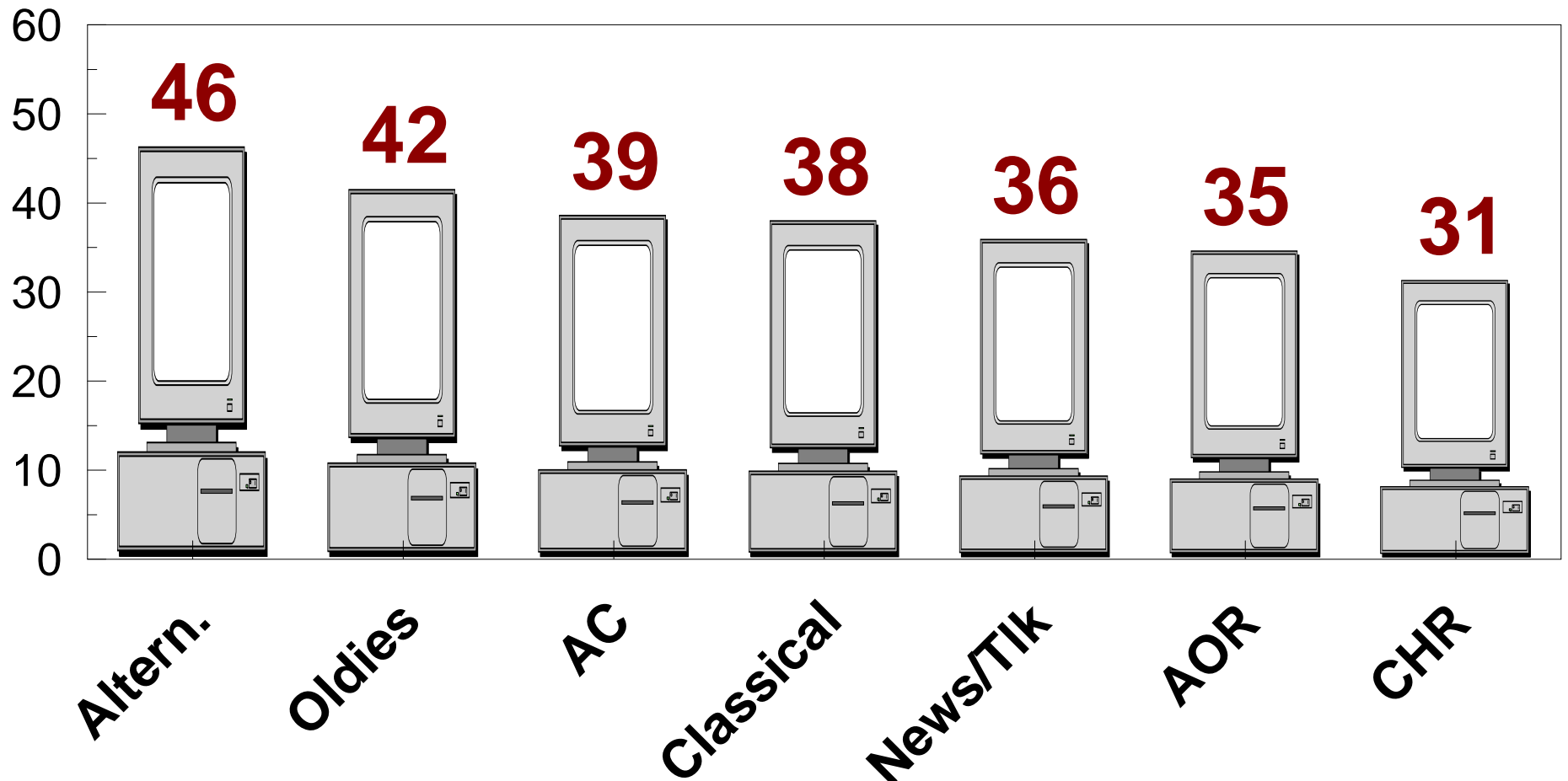
Who is Online?

- More Male
 - Men are more likely to be "heavy users"
 - Women are nearly as likely as men to live in households with Internet access
- Teens, 18-24s accessing through school/libraries
- Blacks, Hispanics less likely to be online
- Very high correlation with Income, Education
- Households with children much more likely to have Internet at home

Alternative & Oldies Listeners are most likely to be online

% of P1s online

Page 1

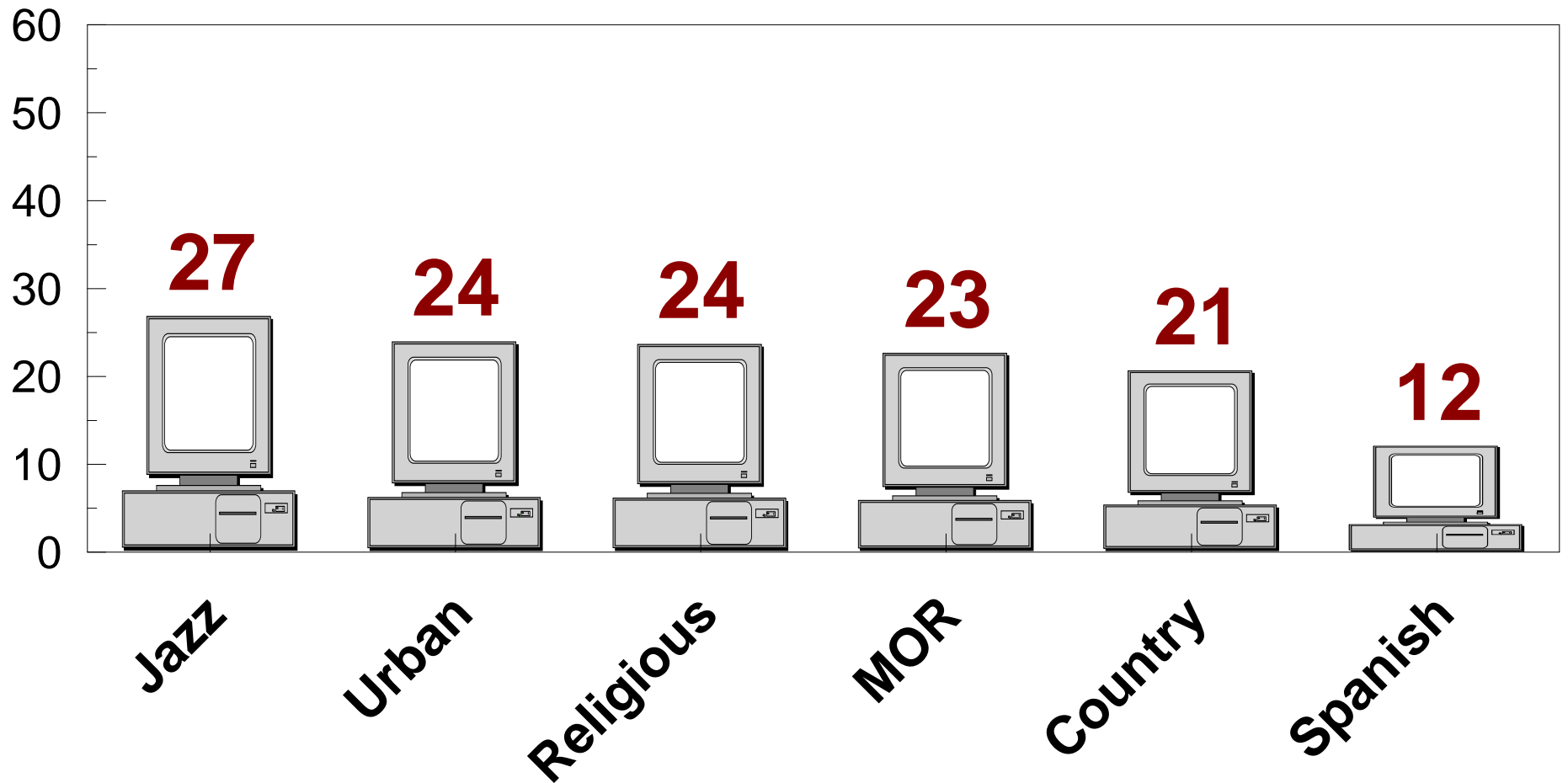


Telephone Survey

Country, Spanish listeners least likely to be online

% of P1s online

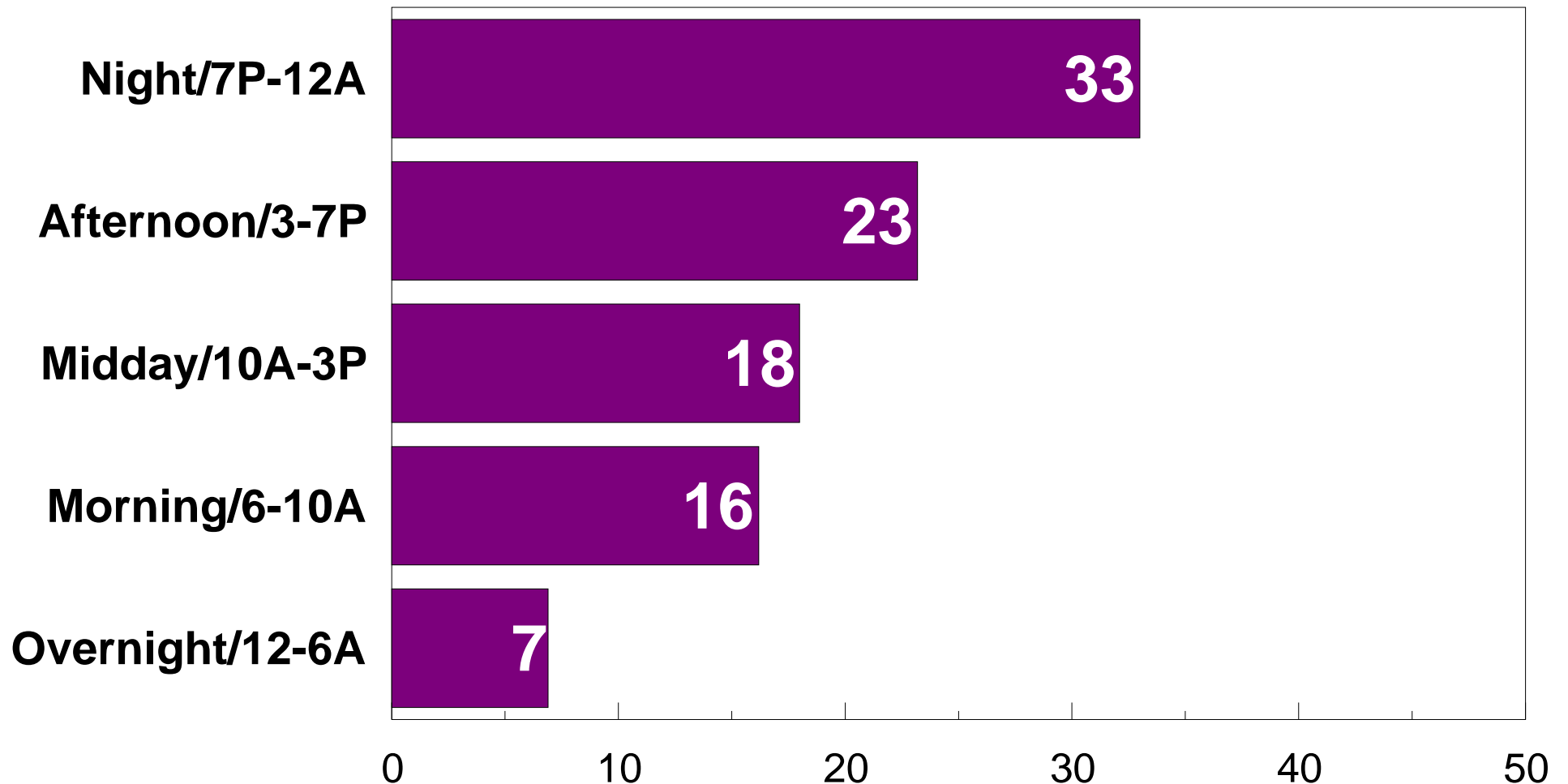
Page 2



Telephone Survey

Nights are "prime-time" for Internet Usage

How often do you use the Internet during each daypart?



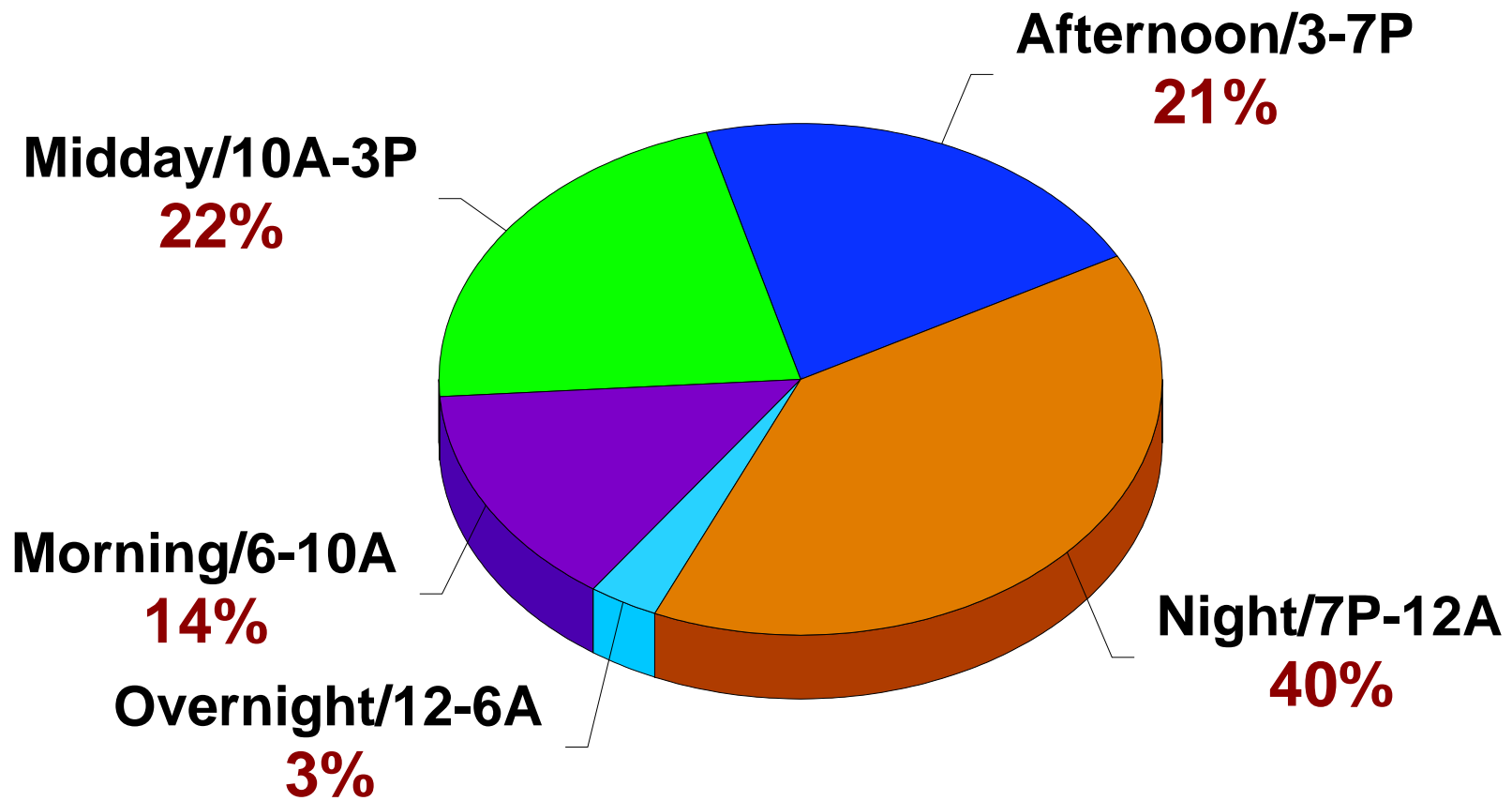
Base: Online

% using internet frequently during daypart

Telephone Survey

Nights are "prime-time" for Internet Usage

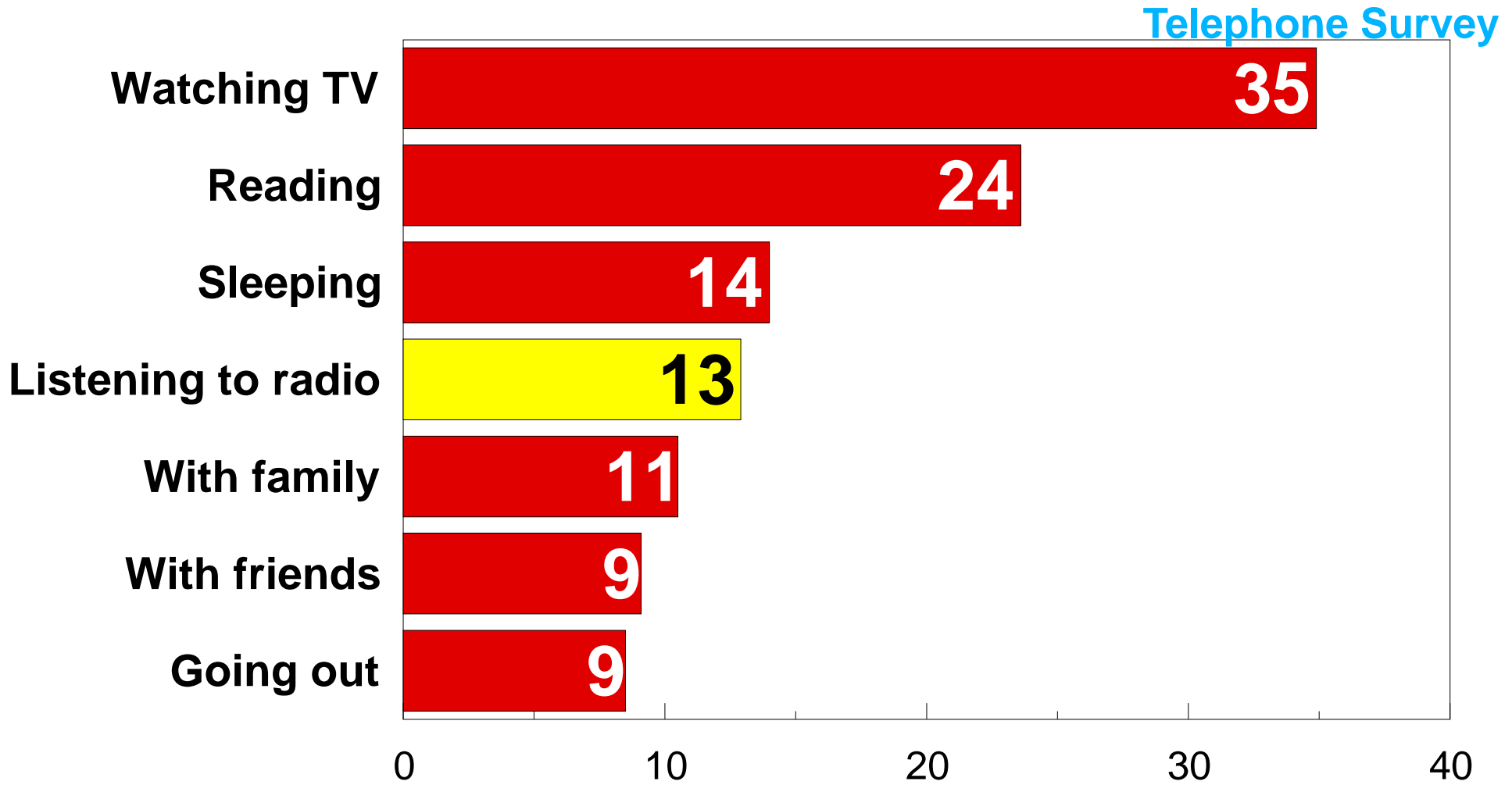
In what daypart do you go online the most?



Base: Online

Telephone Survey

Because of the time you spend online, are you spending less time...



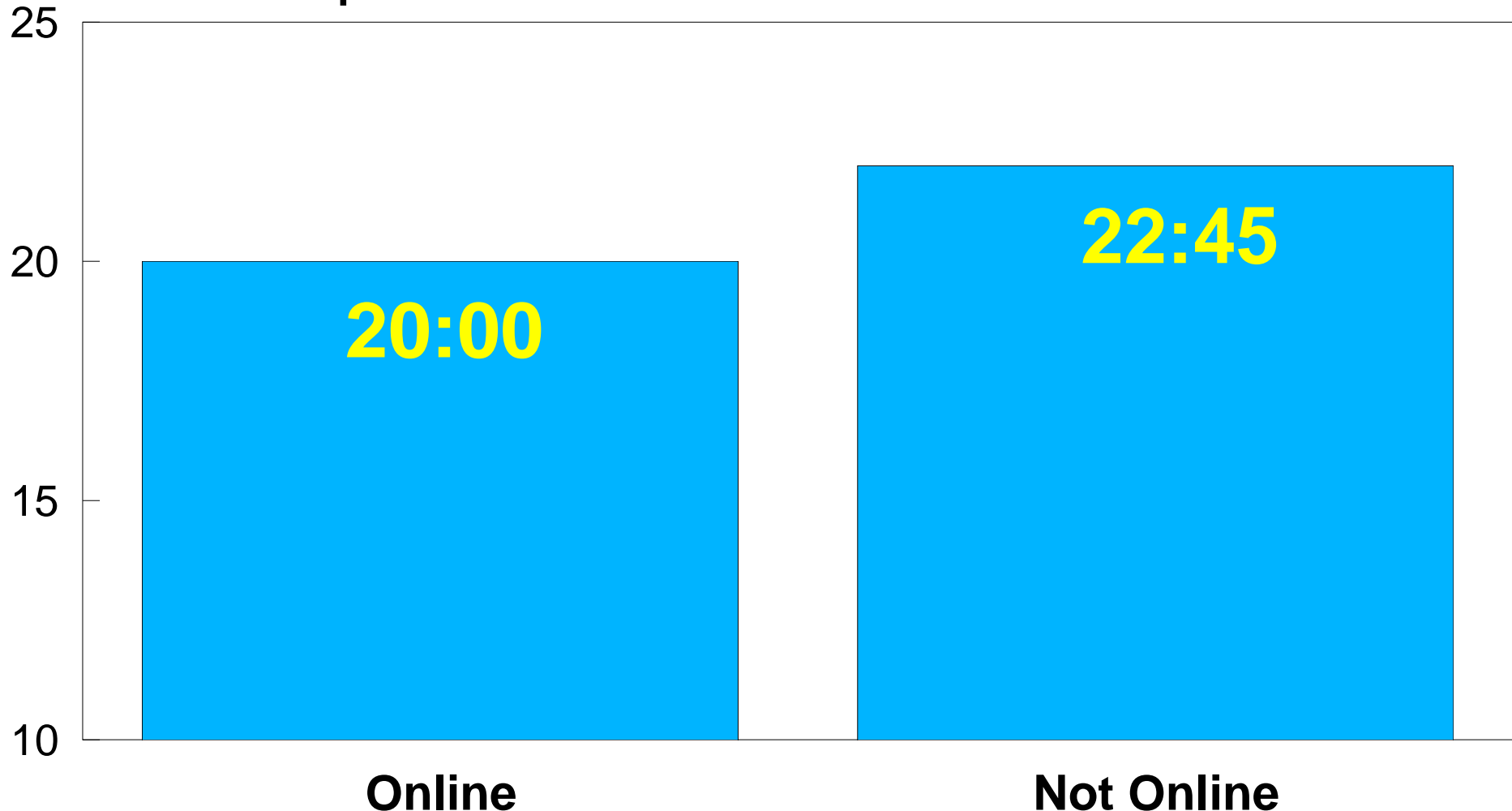
Base: Online

% saying "Yes"

Being online means listening to radio **12%** less

Time spent listening to radio
Hours/Minutes per week

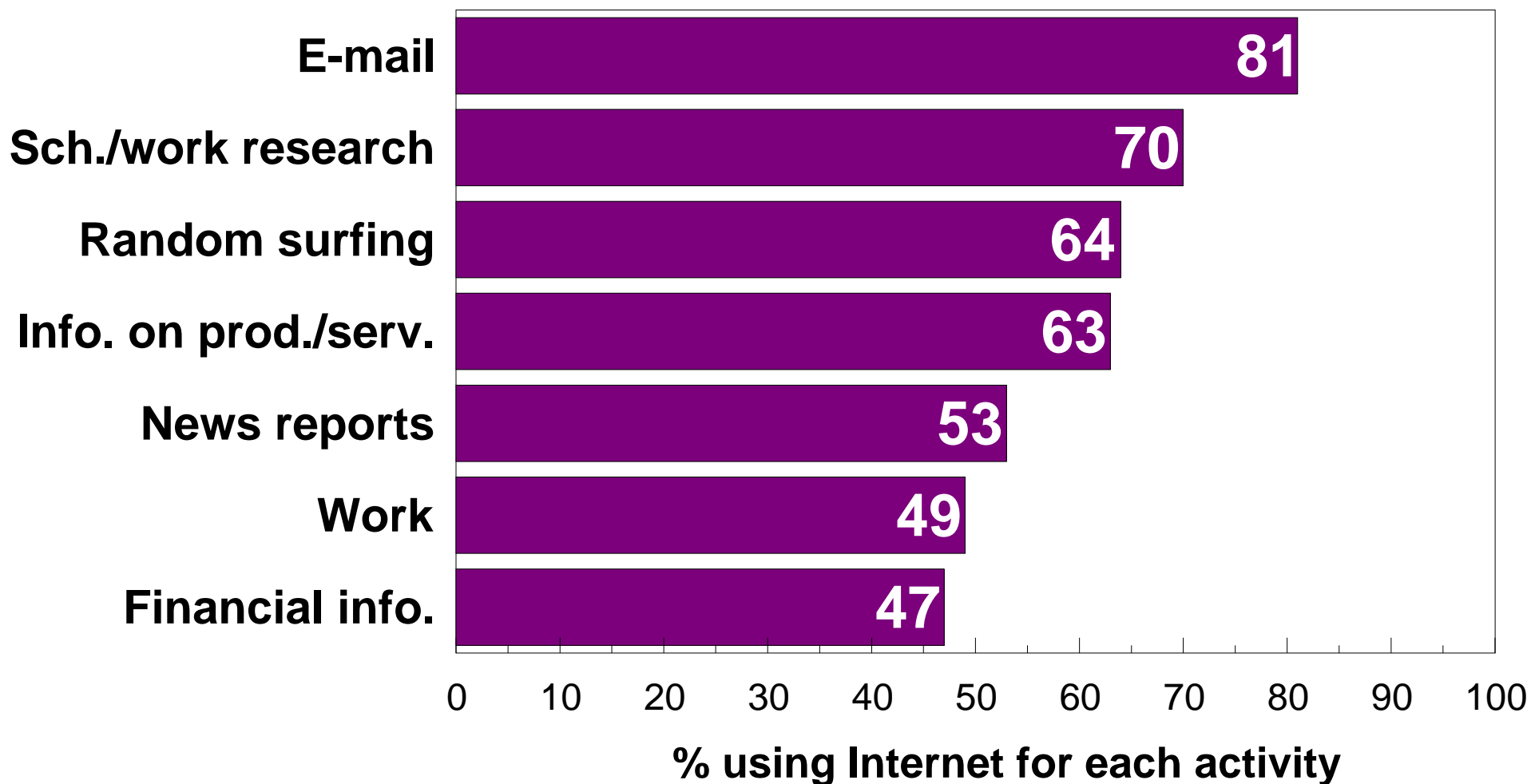
Telephone Survey/Arbitron Diaries



Information drives Internet Usage

Telephone Survey

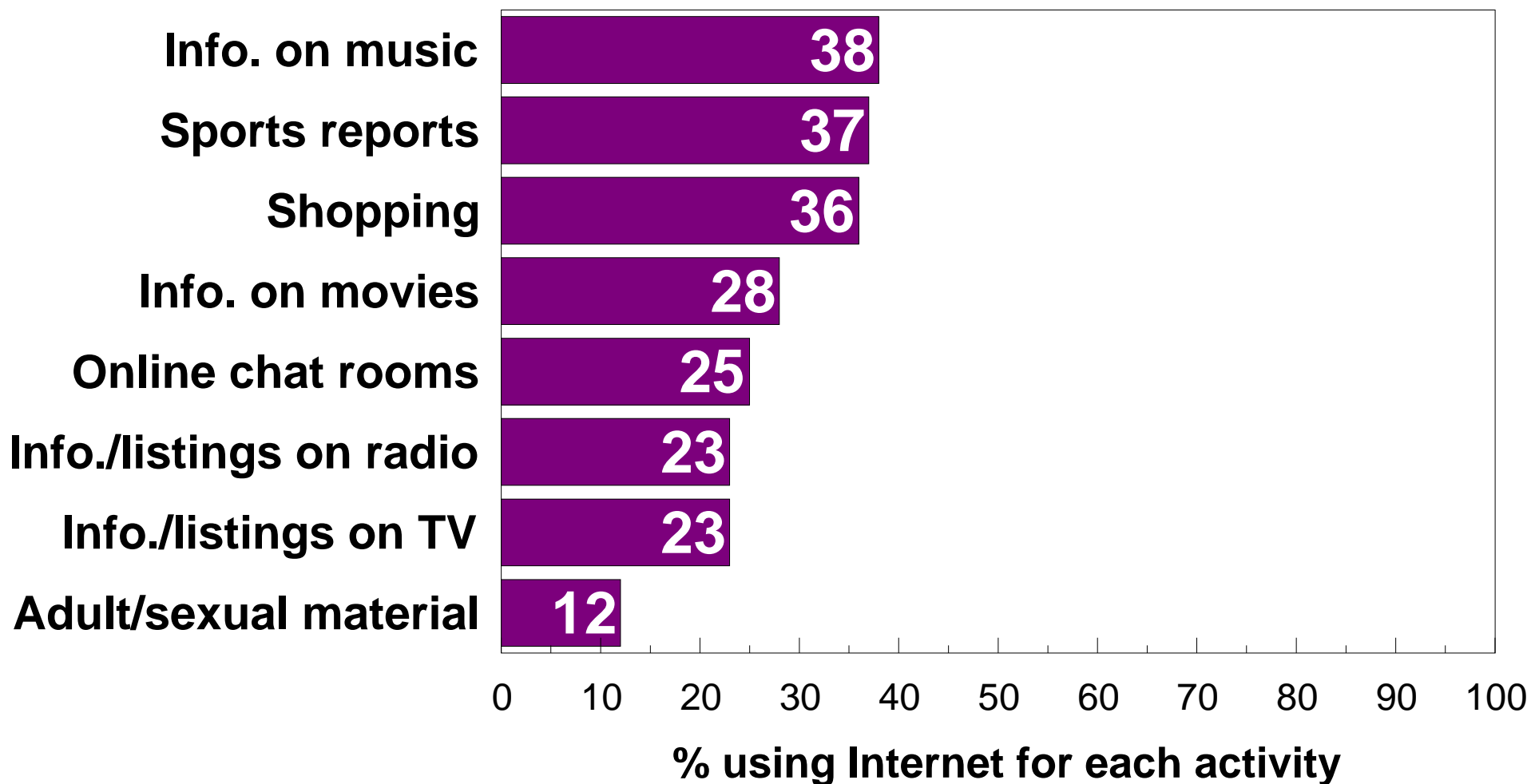
Use Internet for...



Information drives Internet Usage

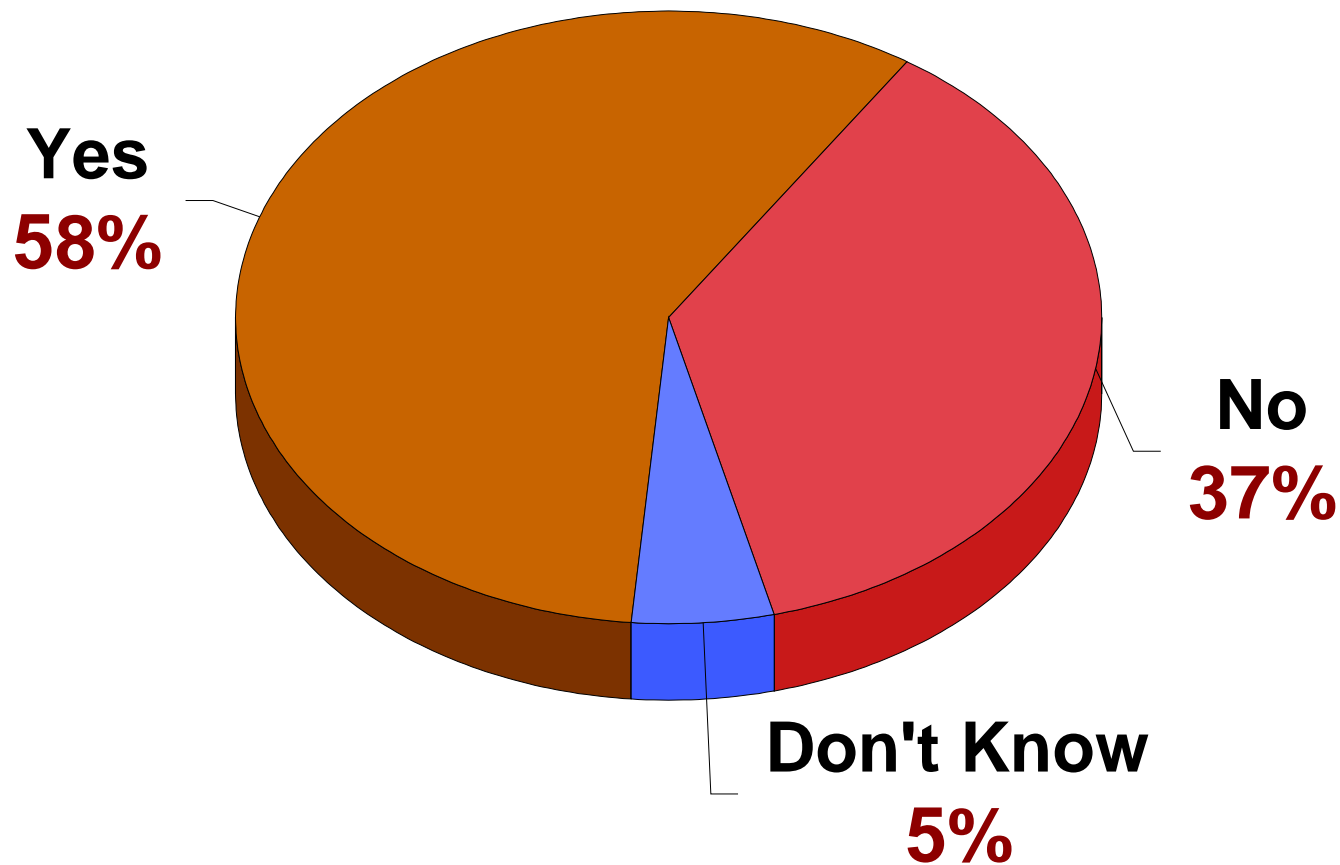
Telephone Survey

Use Internet for...





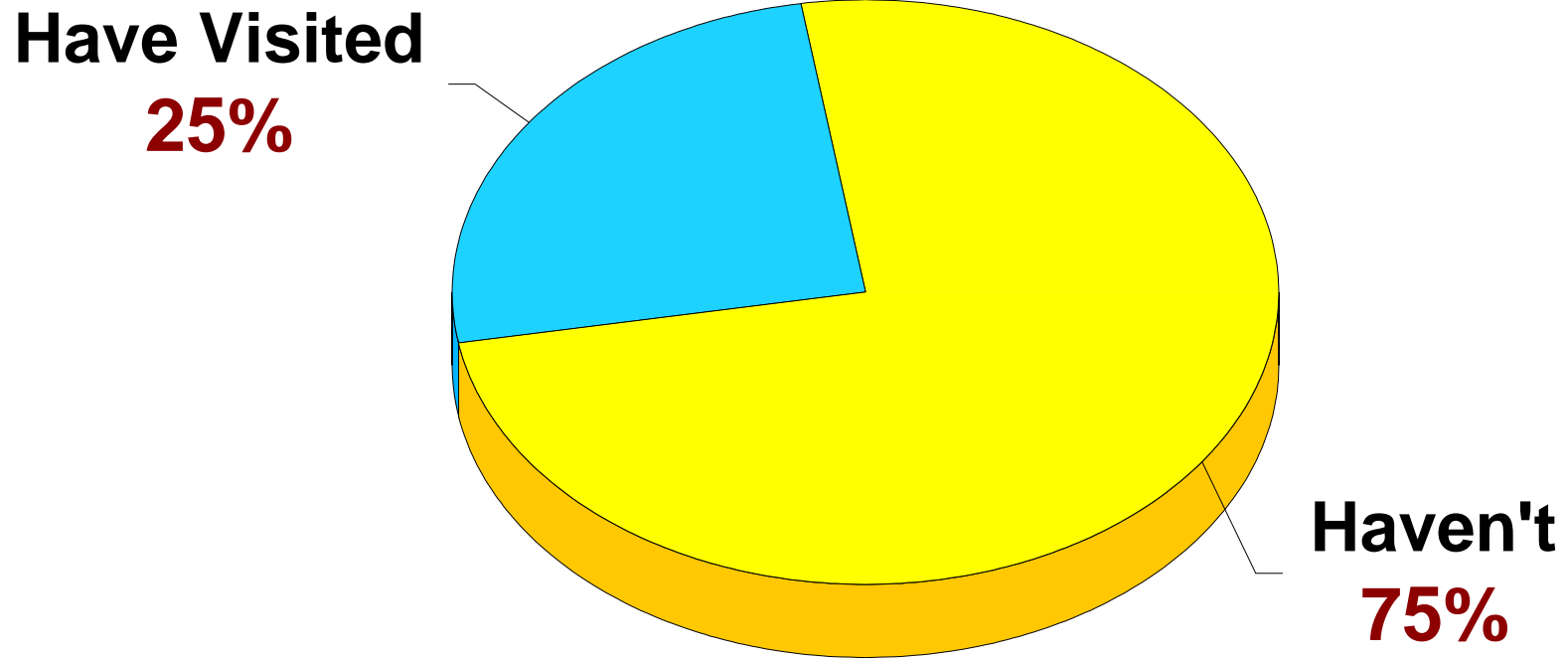
Ever heard a radio station talking about its Web site on the air?



Base: Online

Telephone Survey

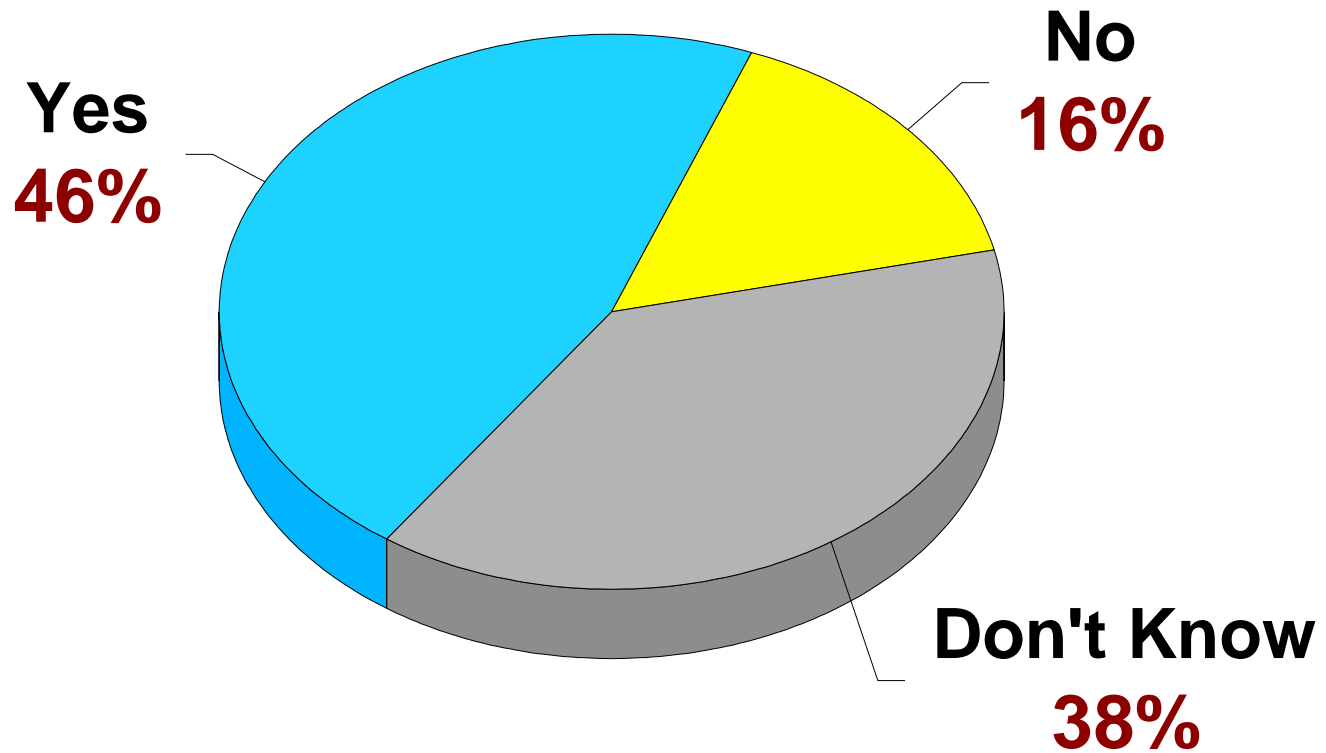
One-fourth of those online have visited a radio station Web site



Base: Online

Telephone Survey

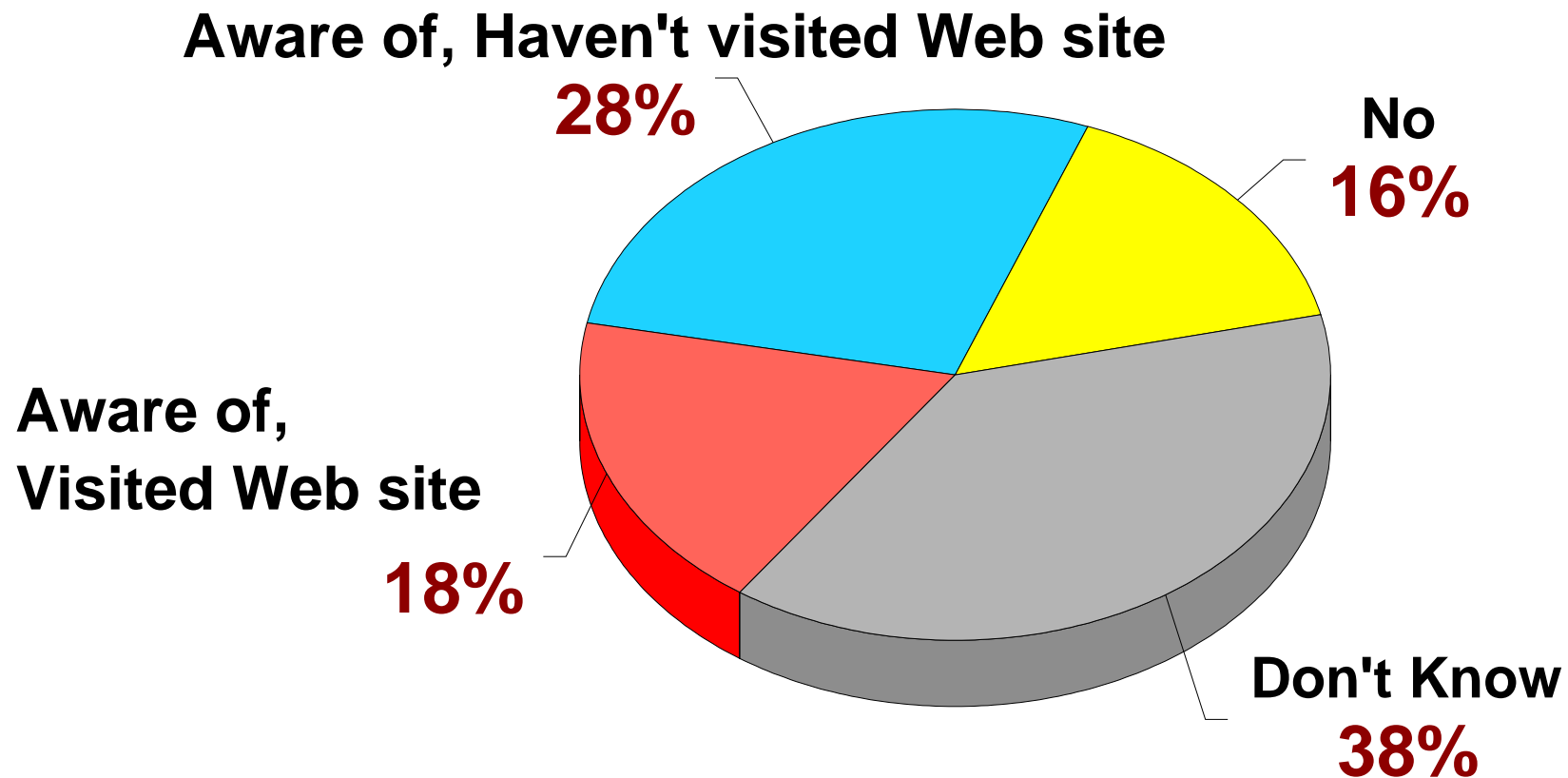
Does the radio station you listen to most have a Web site?



Base: Online

Telephone Survey

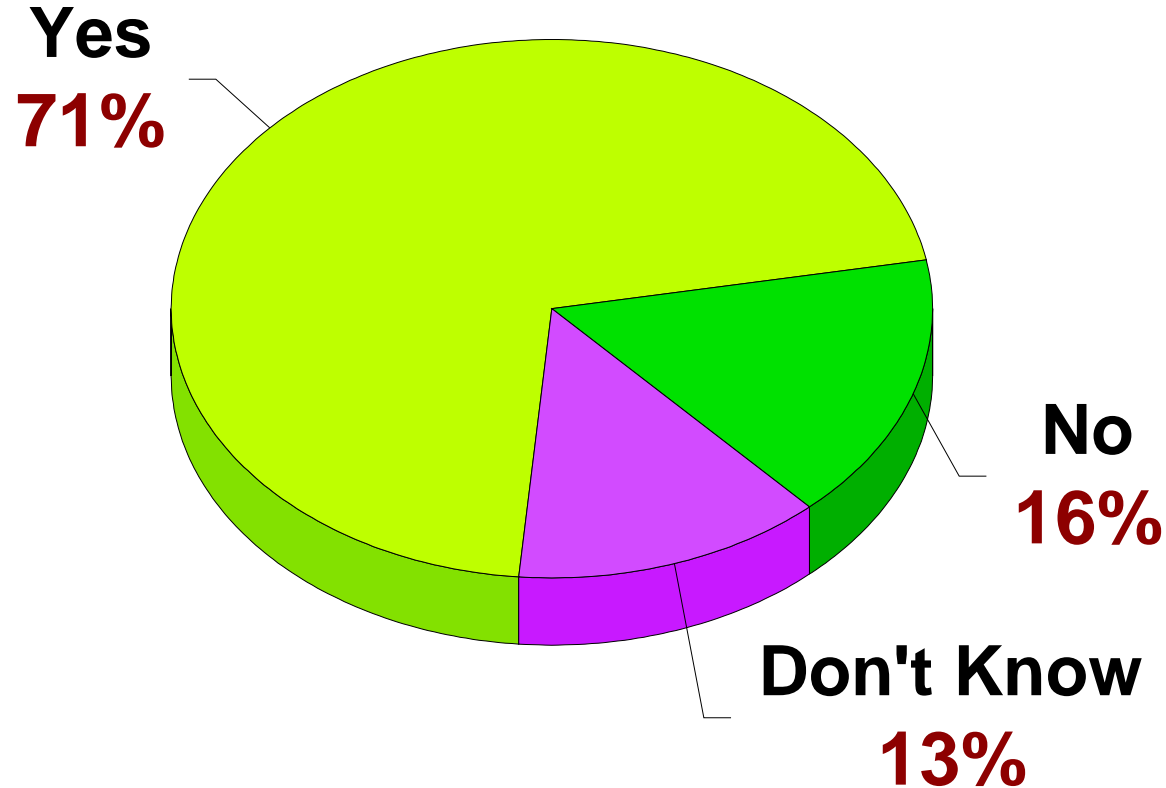
Less than half of those who are aware have visited their P1 station's Web site



Base: Online

Telephone Survey

Visited Web site more than once?

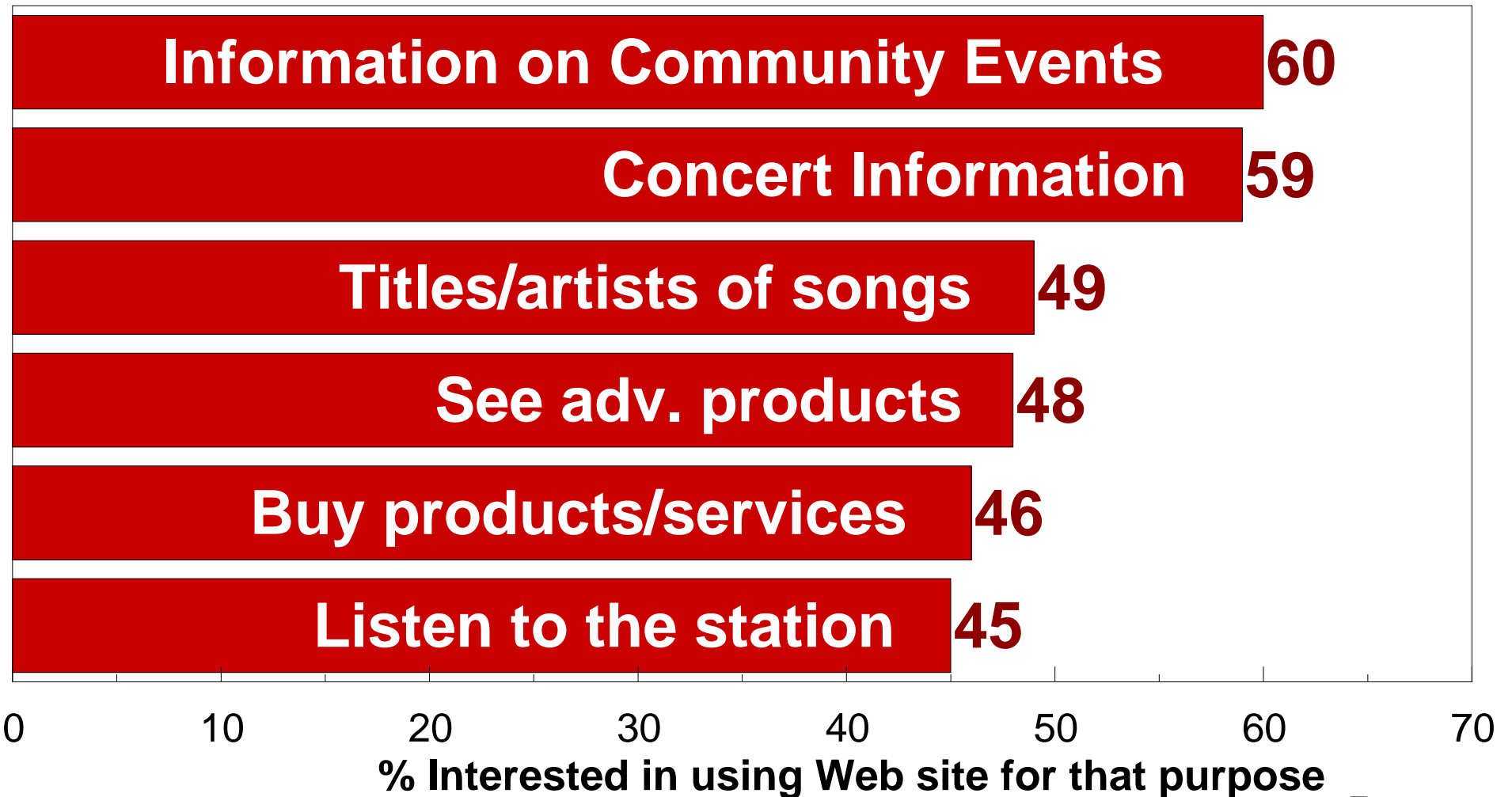


Base: Visited Web site of P1 station

Telephone Survey

Interest in visiting a radio station Web site for...

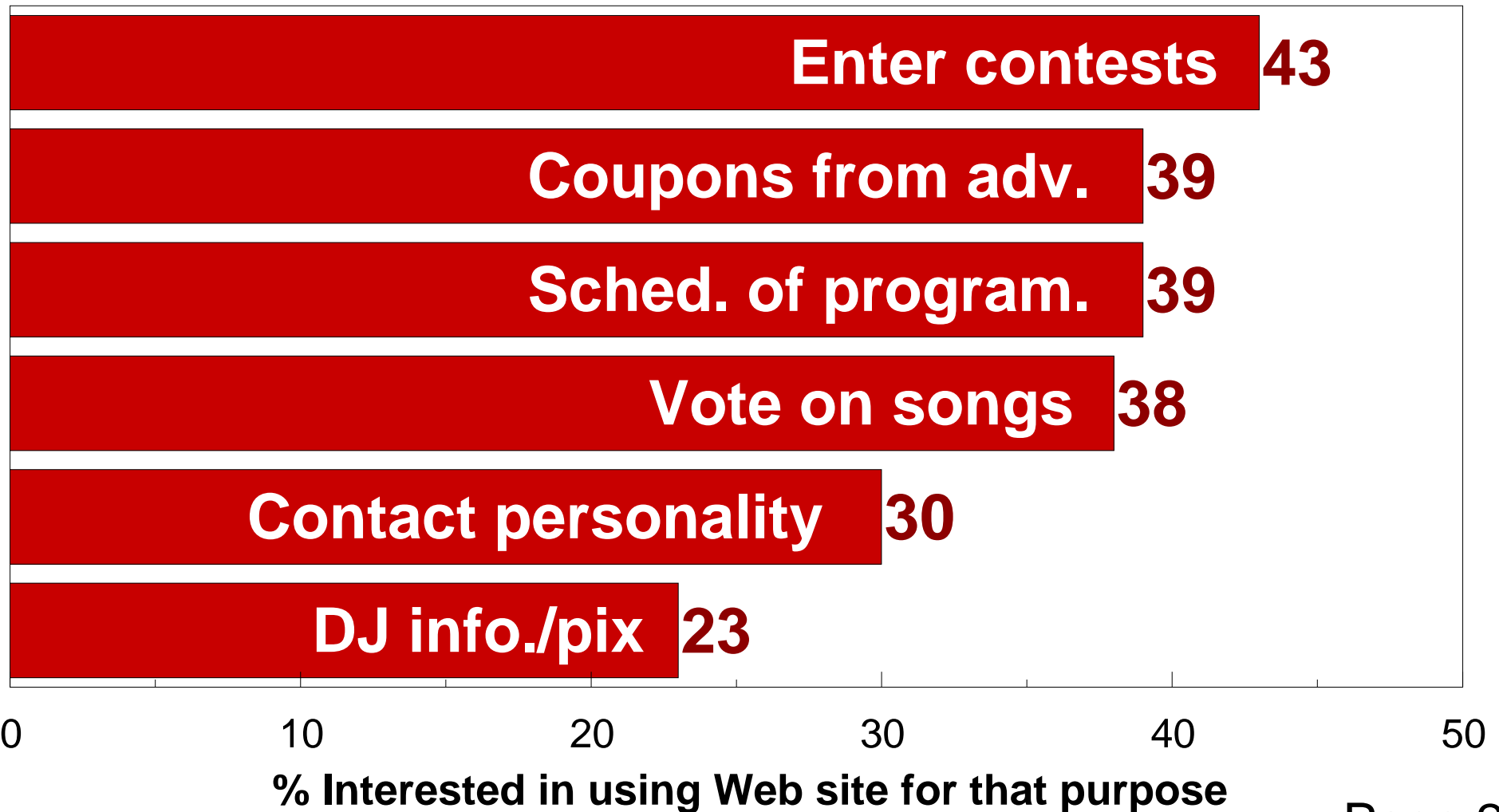
Telephone Survey



Base: Online

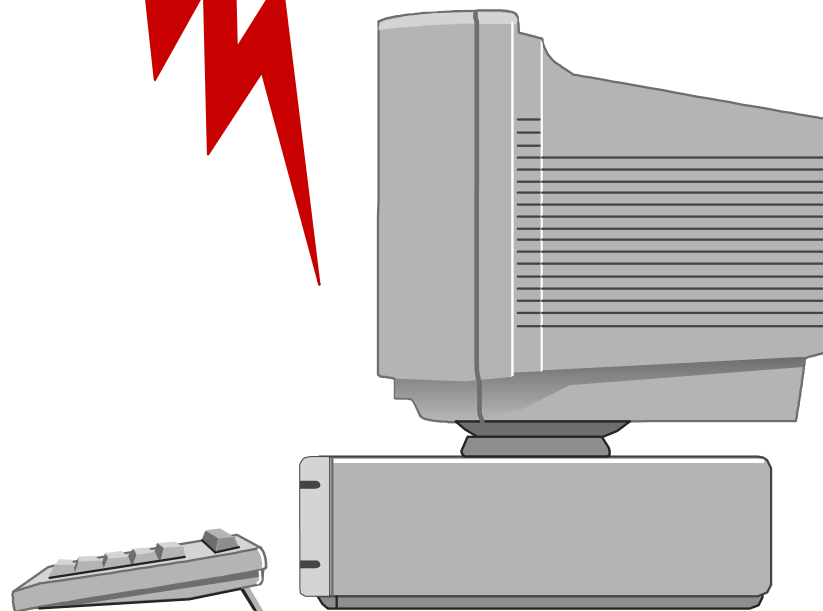
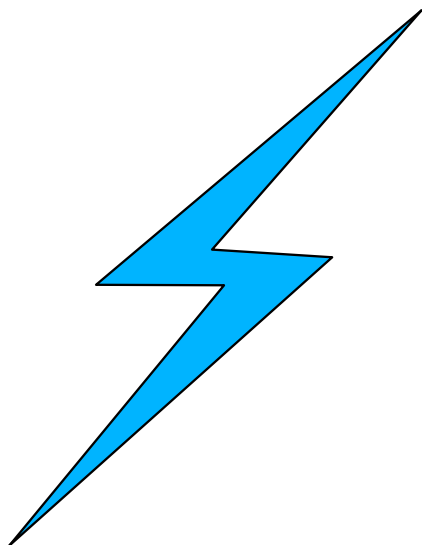
Interest in visiting a radio station Web site for...

Telephone Survey

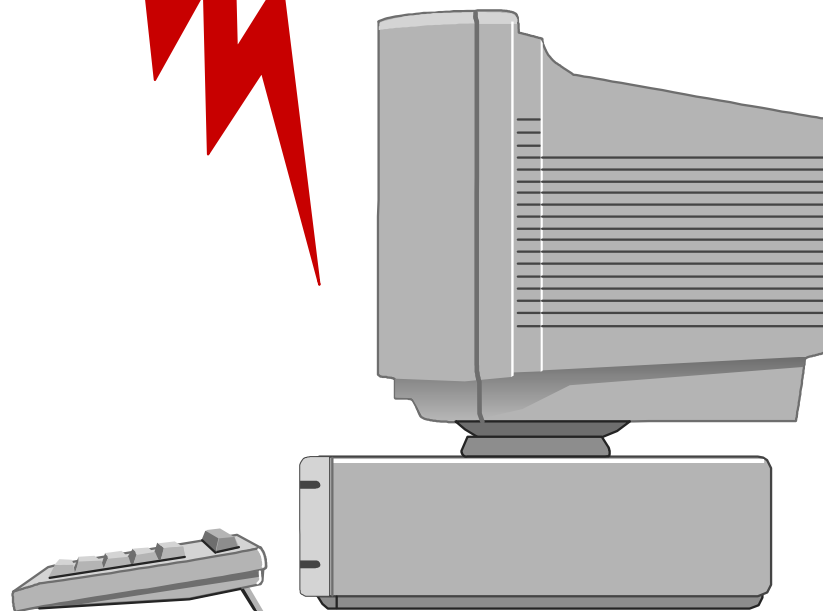
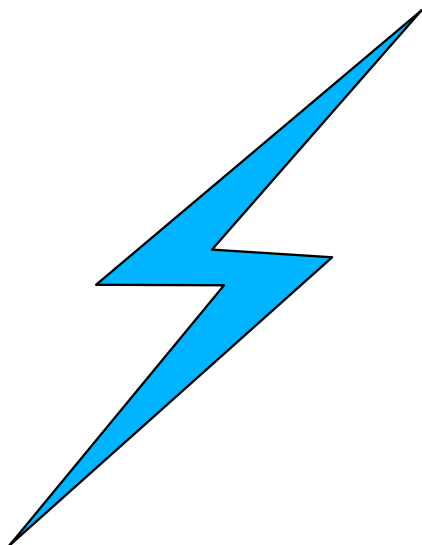


Base: Online

New Media Threats to Radio

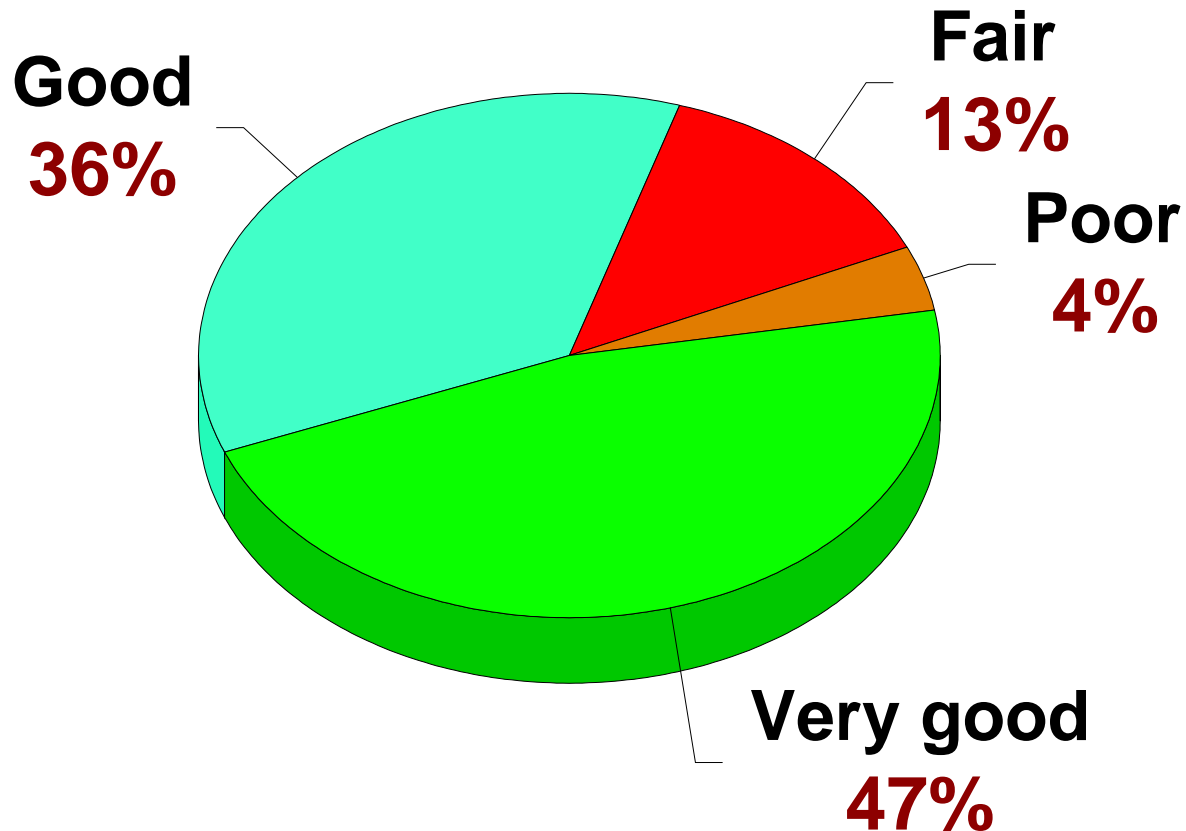


New Media Threats to Radio



17% say local radio doesn't play the music they like

"How good a job do radio stations you can hear do of playing music you like?"

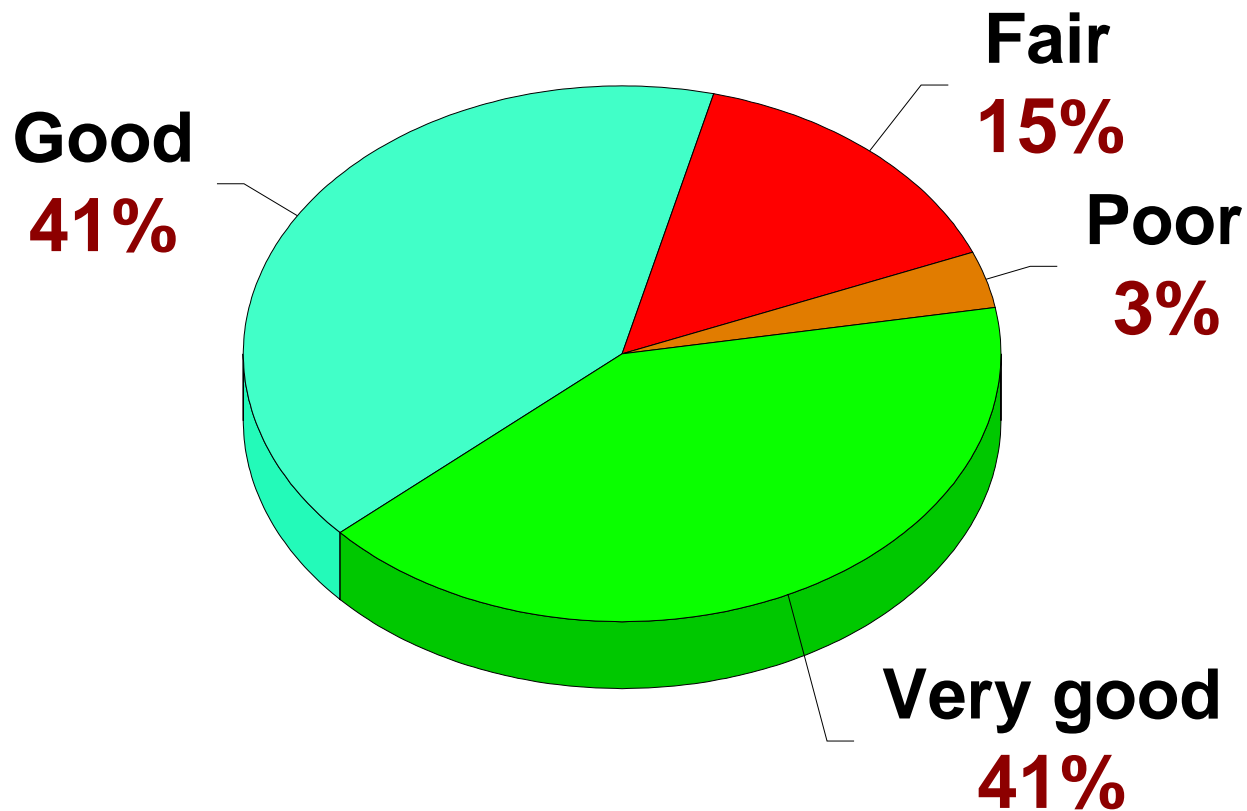


Base: Total Sample

Telephone Survey

18% are unsatisfied with the news & information from local radio

"How good a job do radio stations you can hear do of providing news and information?"



Base: Total Sample

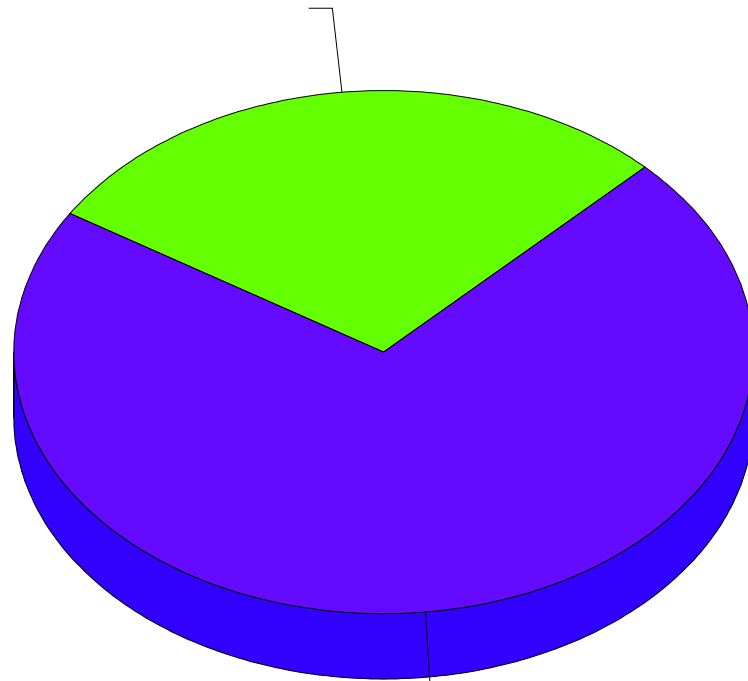
Telephone Survey

Nearly one-third want to listen to out-of-town stations

"If you could choose, would you listen more to **local stations** or stations from **beyond your home area**?"

Stns. fr. beyond home area

29%



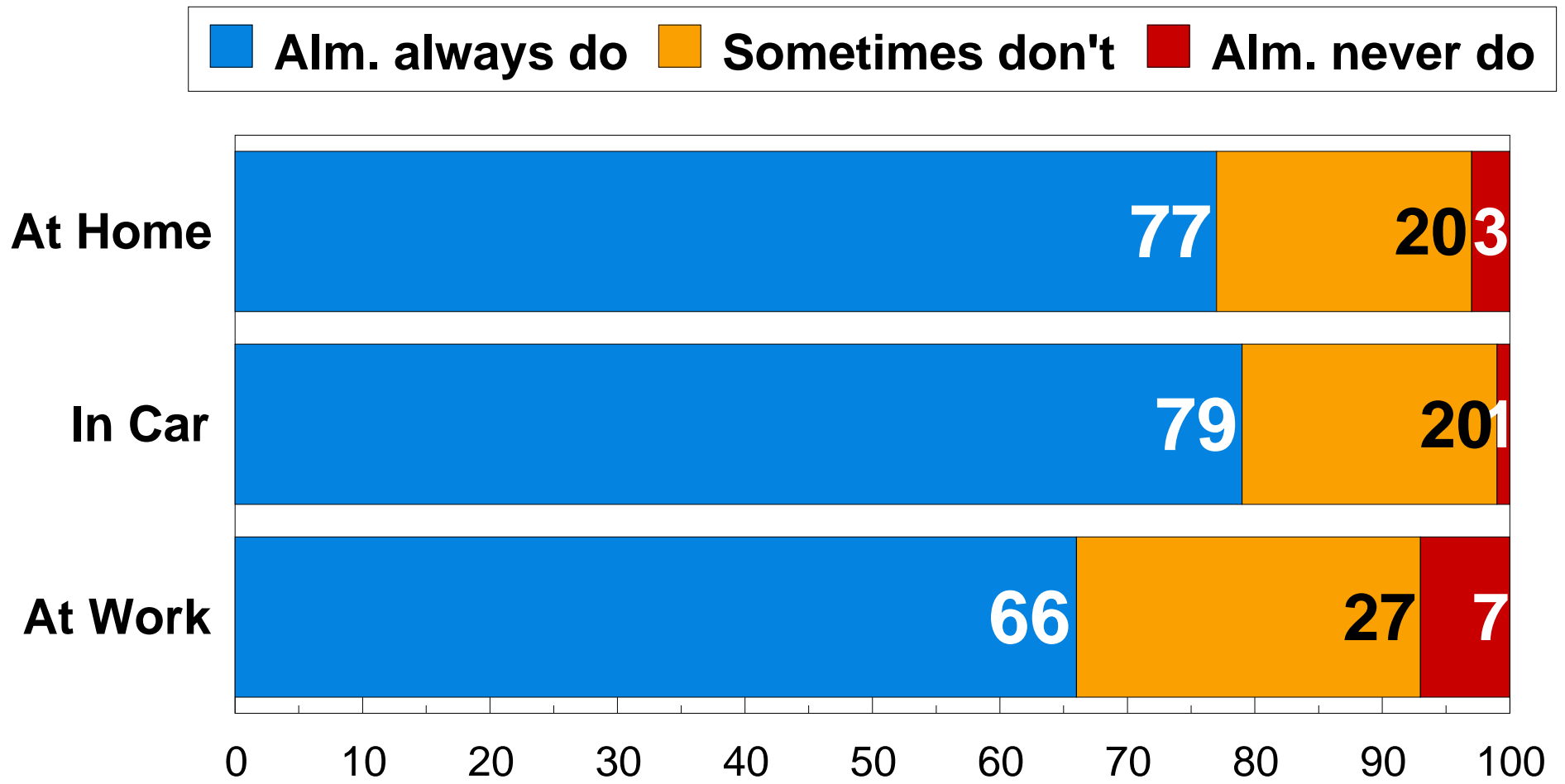
Local stations

71%

Base: Total Sample

Telephone Survey

How often do radio stations you want to listen to come in clearly?

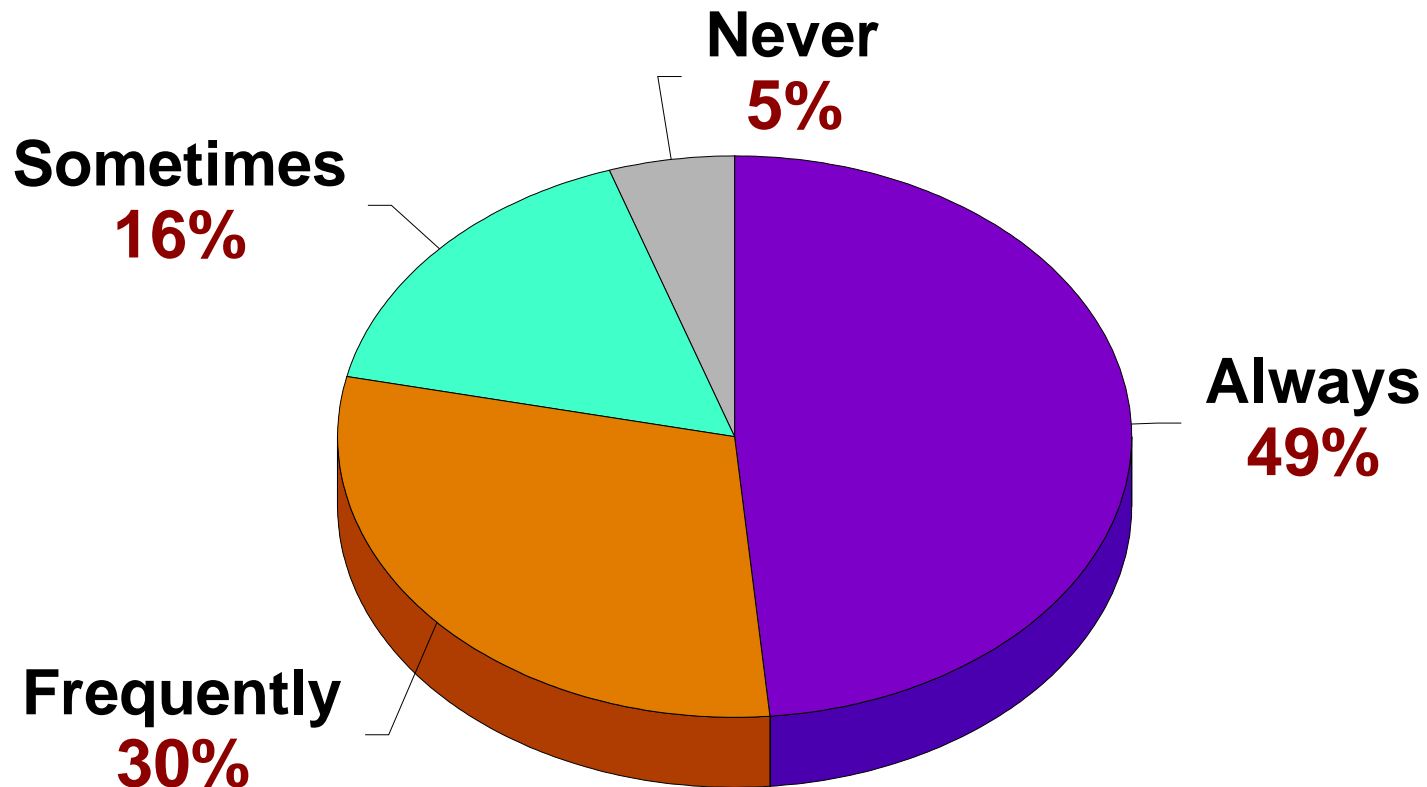


Base: Total Sample

Telephone Survey

Listeners want to hear the name and artist of most every song

"How often would you like the DJ to tell the name and artist of the songs played?"

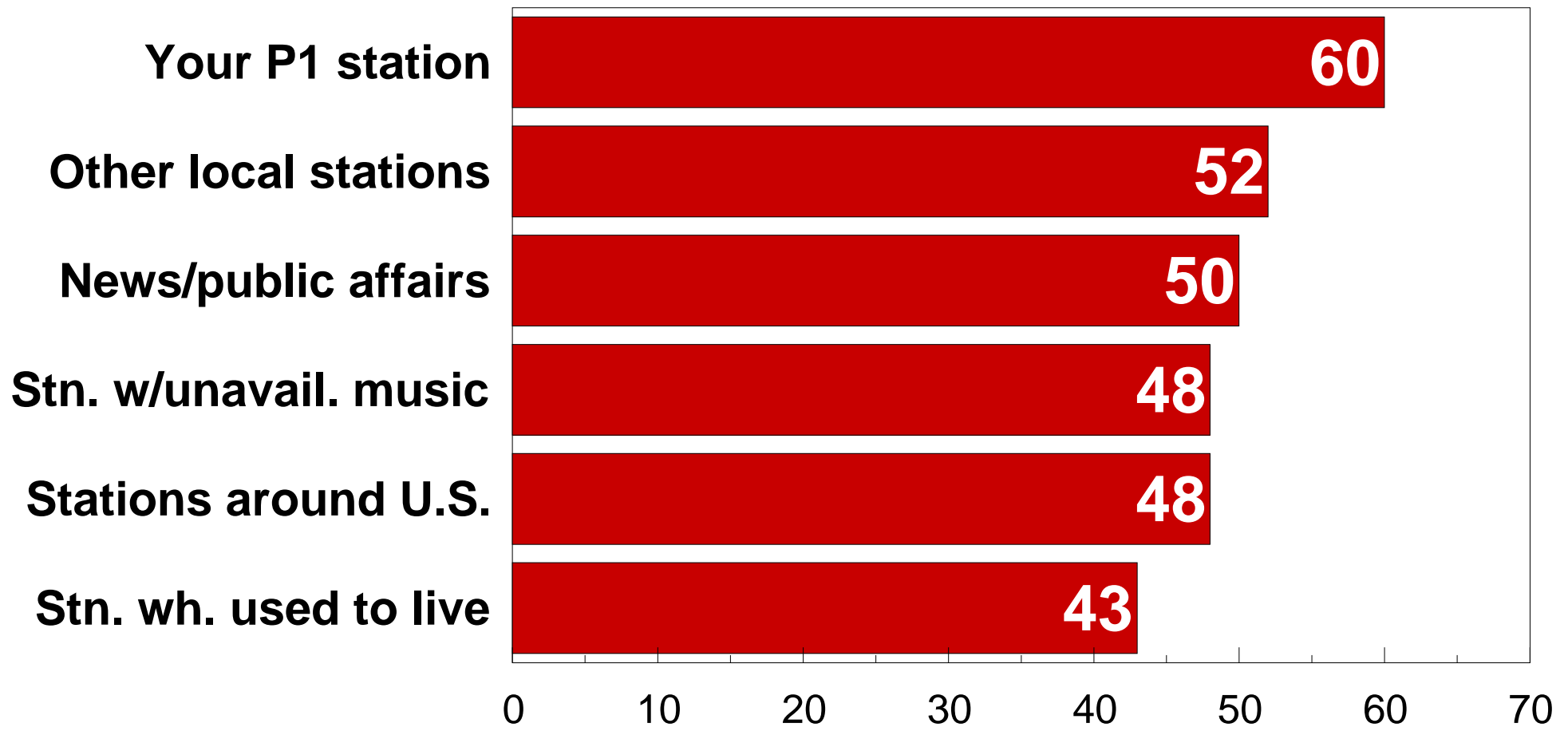


Base: Total Sample

Telephone Survey

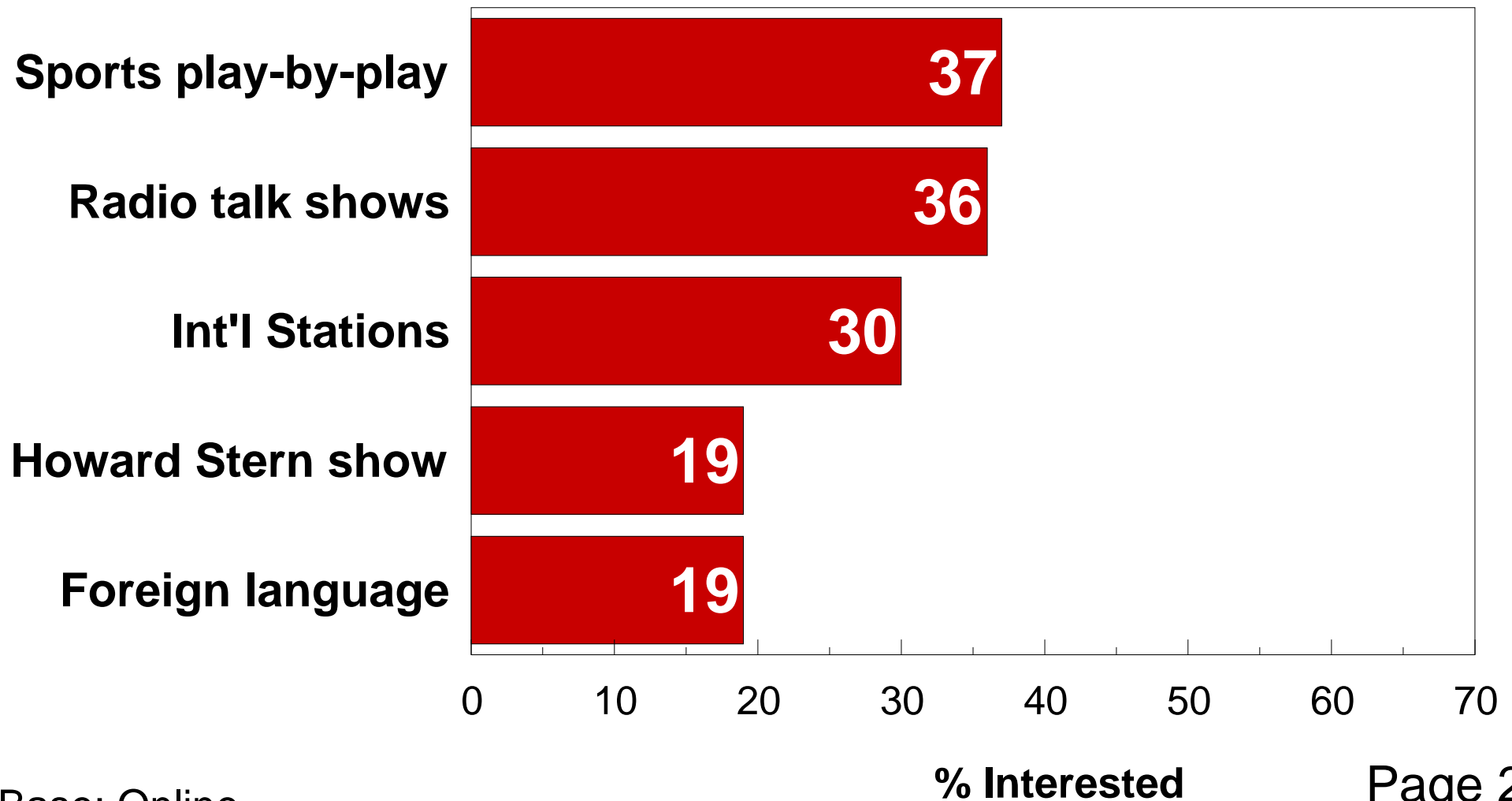
Interest in listening to each type of audio through the Internet:

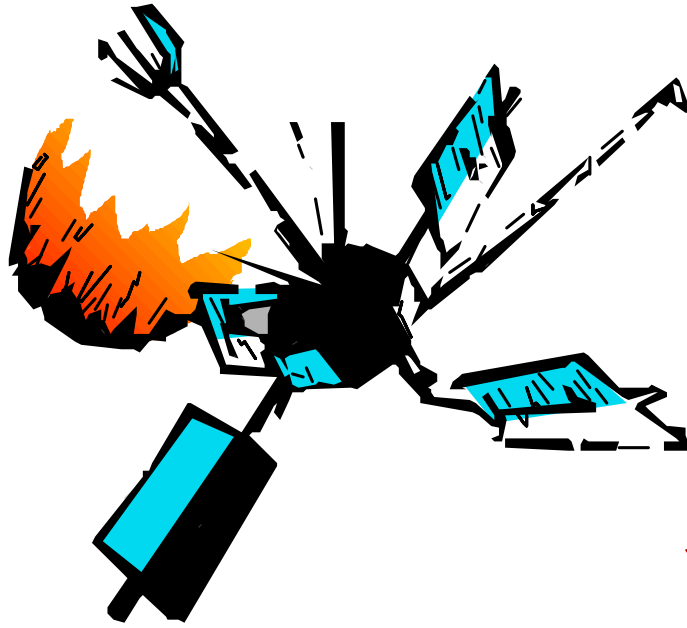
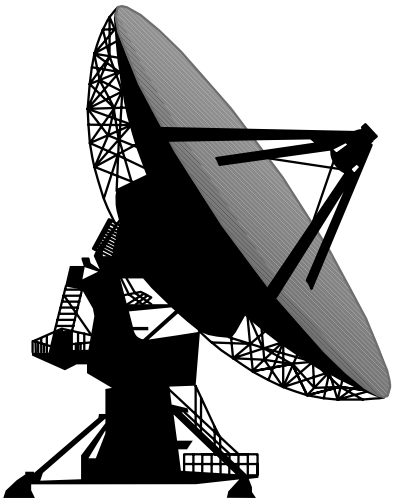
Telephone Survey



Interest in listening to each type of audio through the Internet:

Telephone Survey

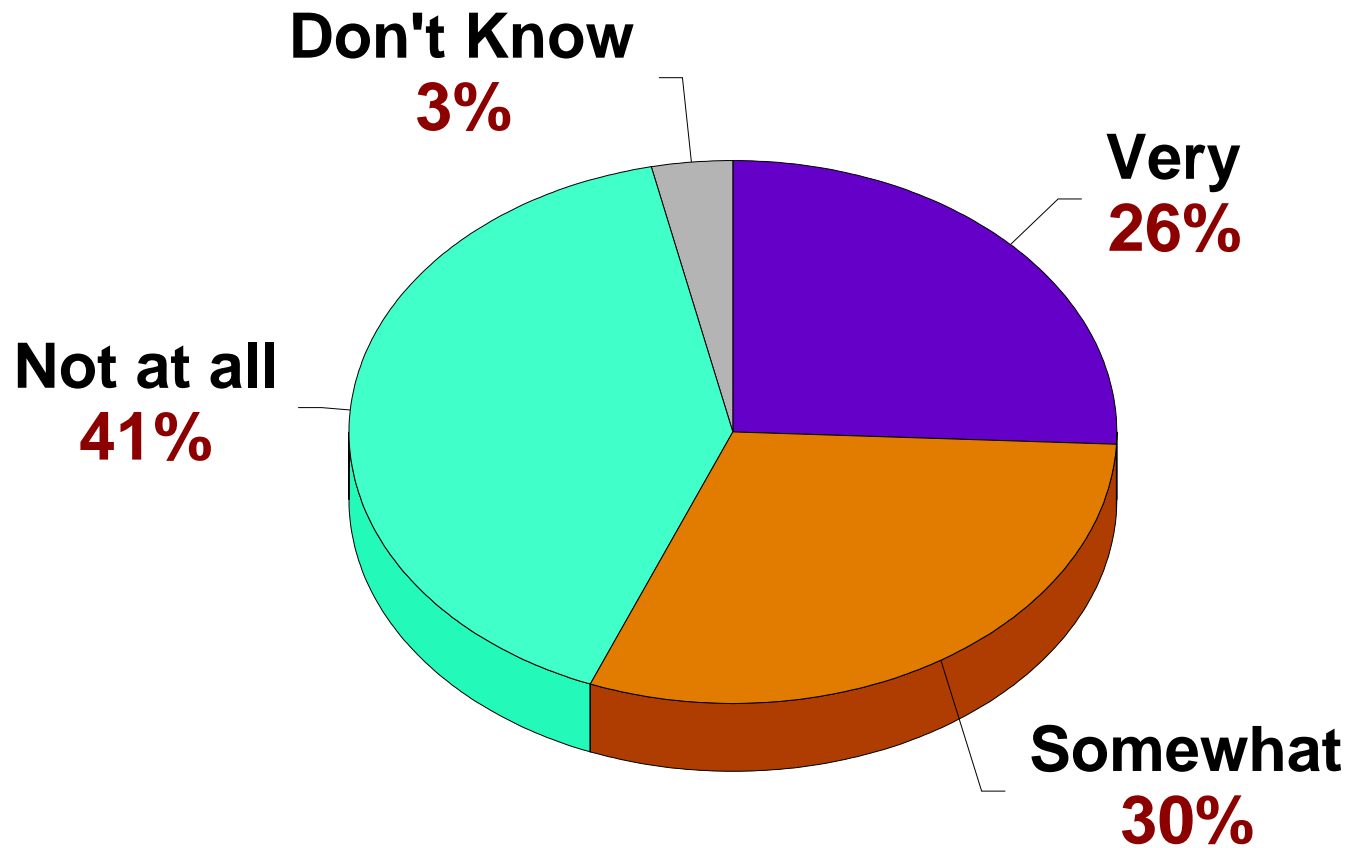




Satellite
to
Car
Broadcasting



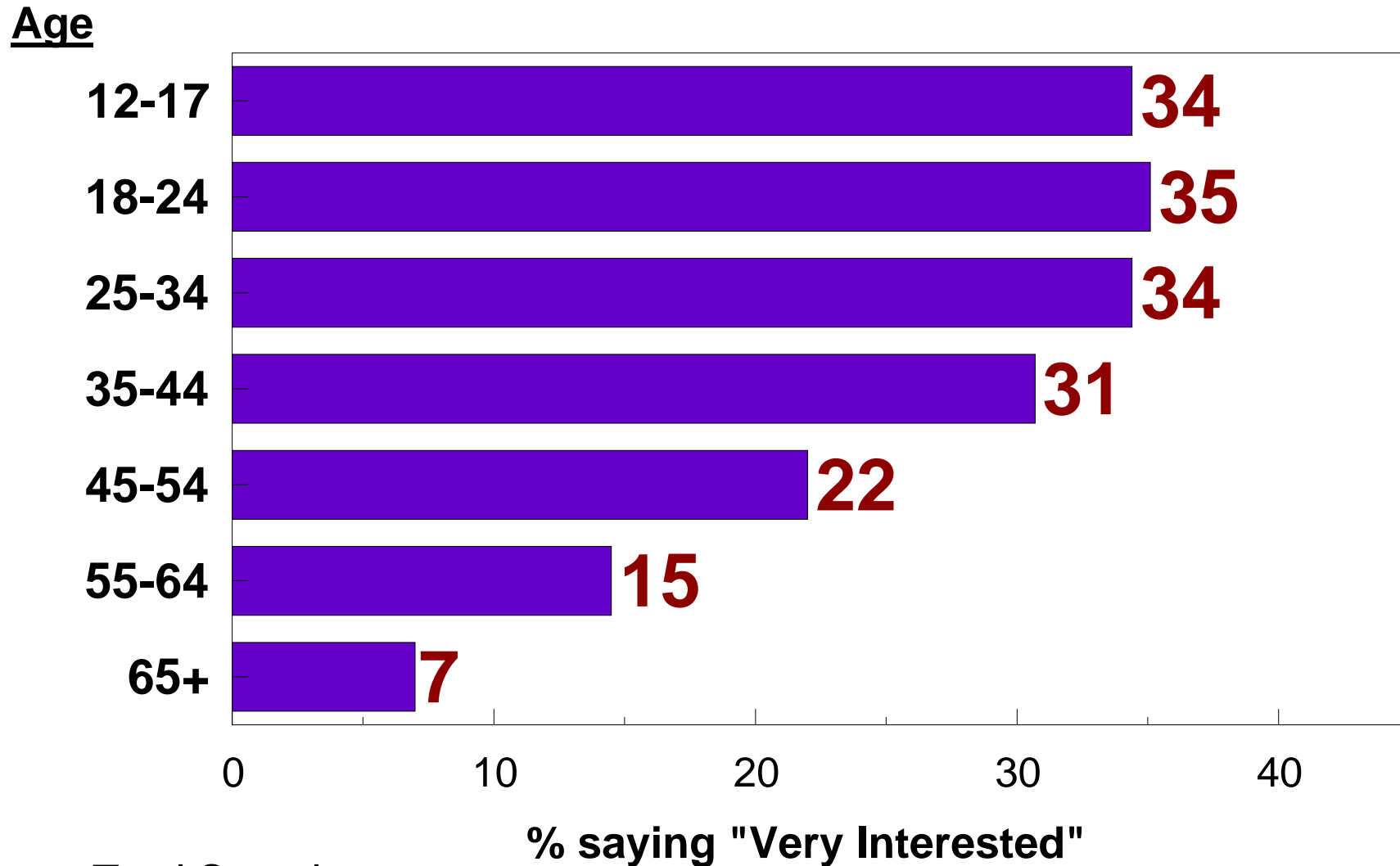
Interest in satellite-to-car digital audio programming:



Base: Total Sample

Telephone Survey

Interest in satellite-to-car digital audio programming (by age):

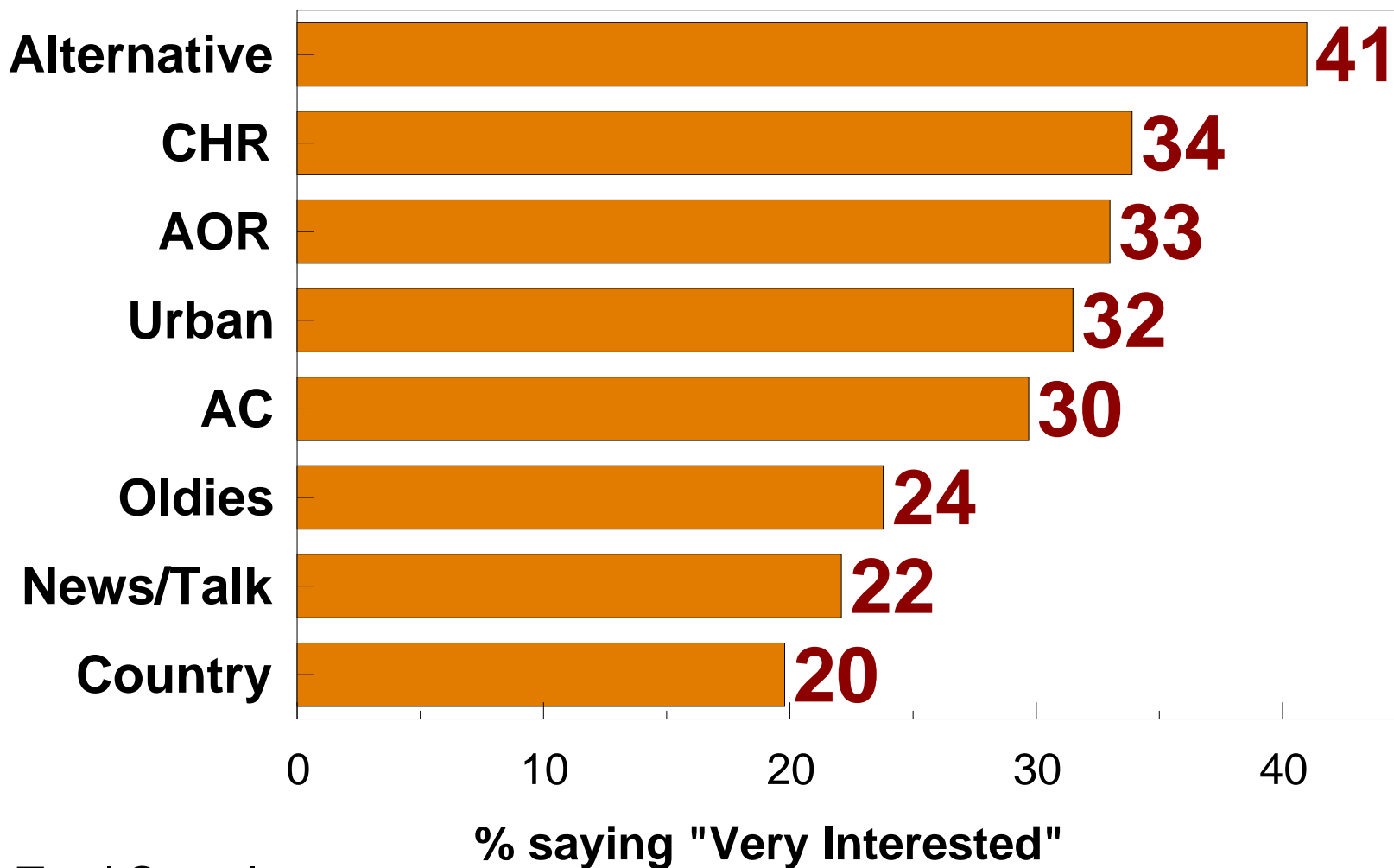


Base: Total Sample

Telephone Survey

Interest in satellite-to-car digital audio programming (by P1 format):

P1 Format

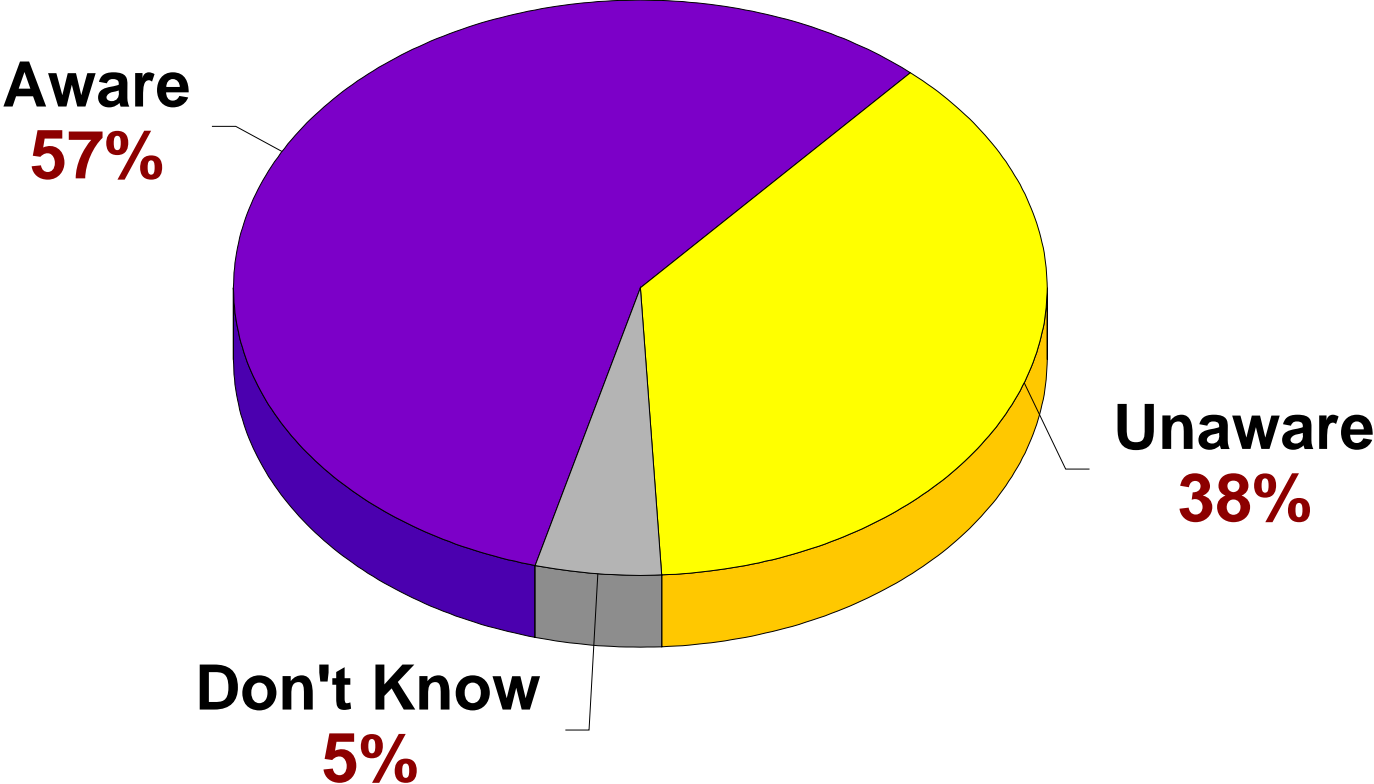


Base: Total Sample

Telephone Survey

Who is already listening
to Internet radio?

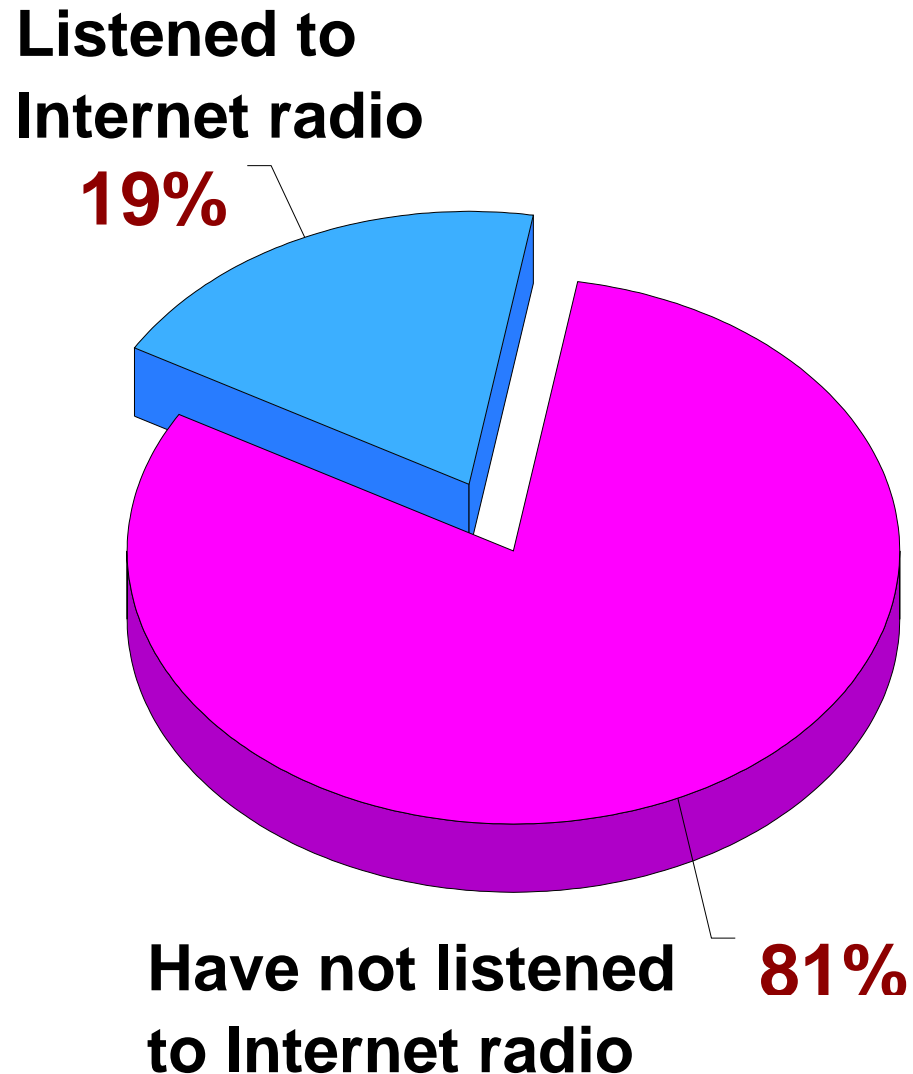
A majority of those online are aware they can listen to radio via Internet



Base: Online

Telephone Survey

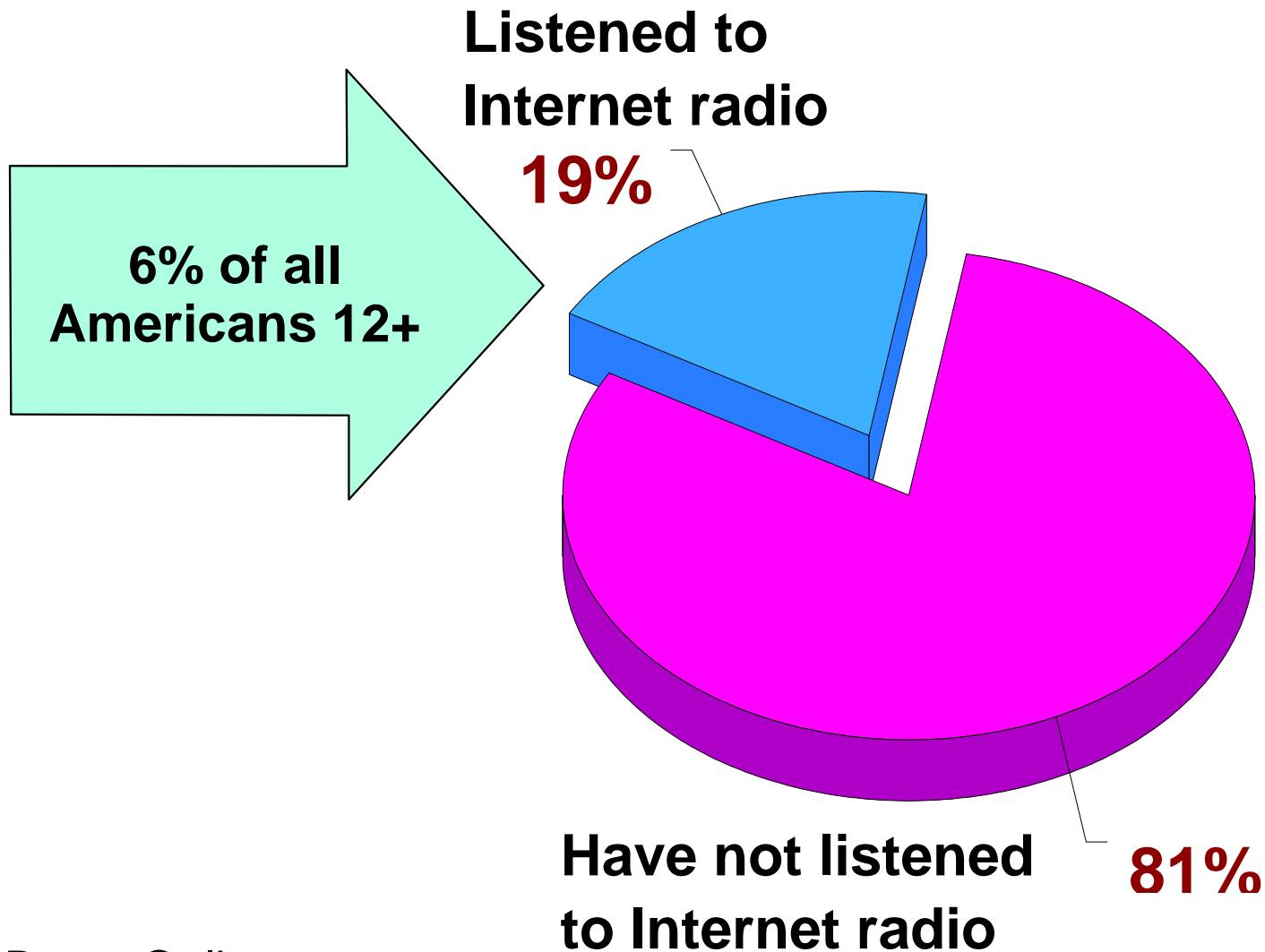
A significant number of people have listened to Internet Radio



Base: Online

Telephone Survey

A significant number of people have listened to Internet Radio



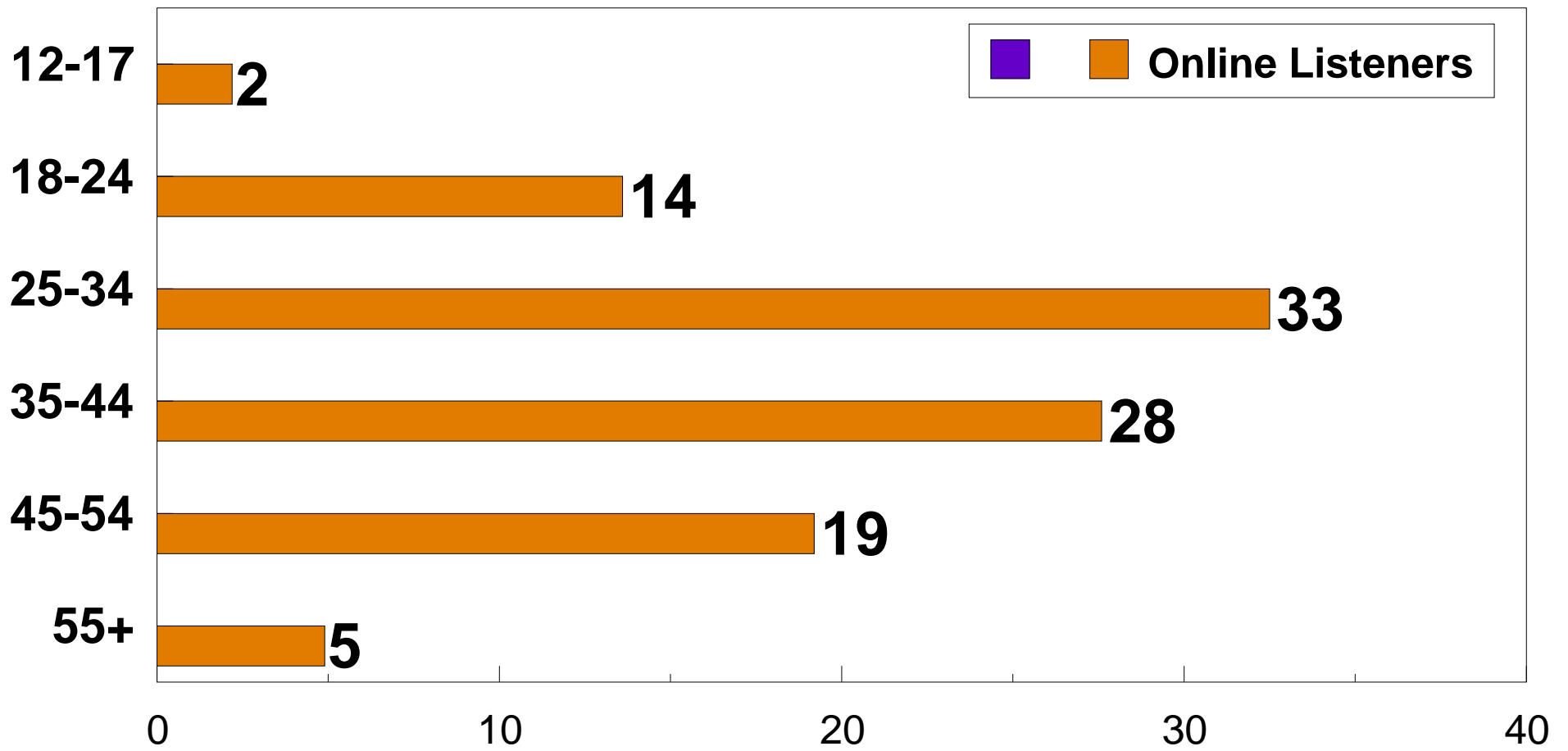
Base: Online

Telephone Survey

The Online Survey:

1309 total interviews conducted
over the Internet

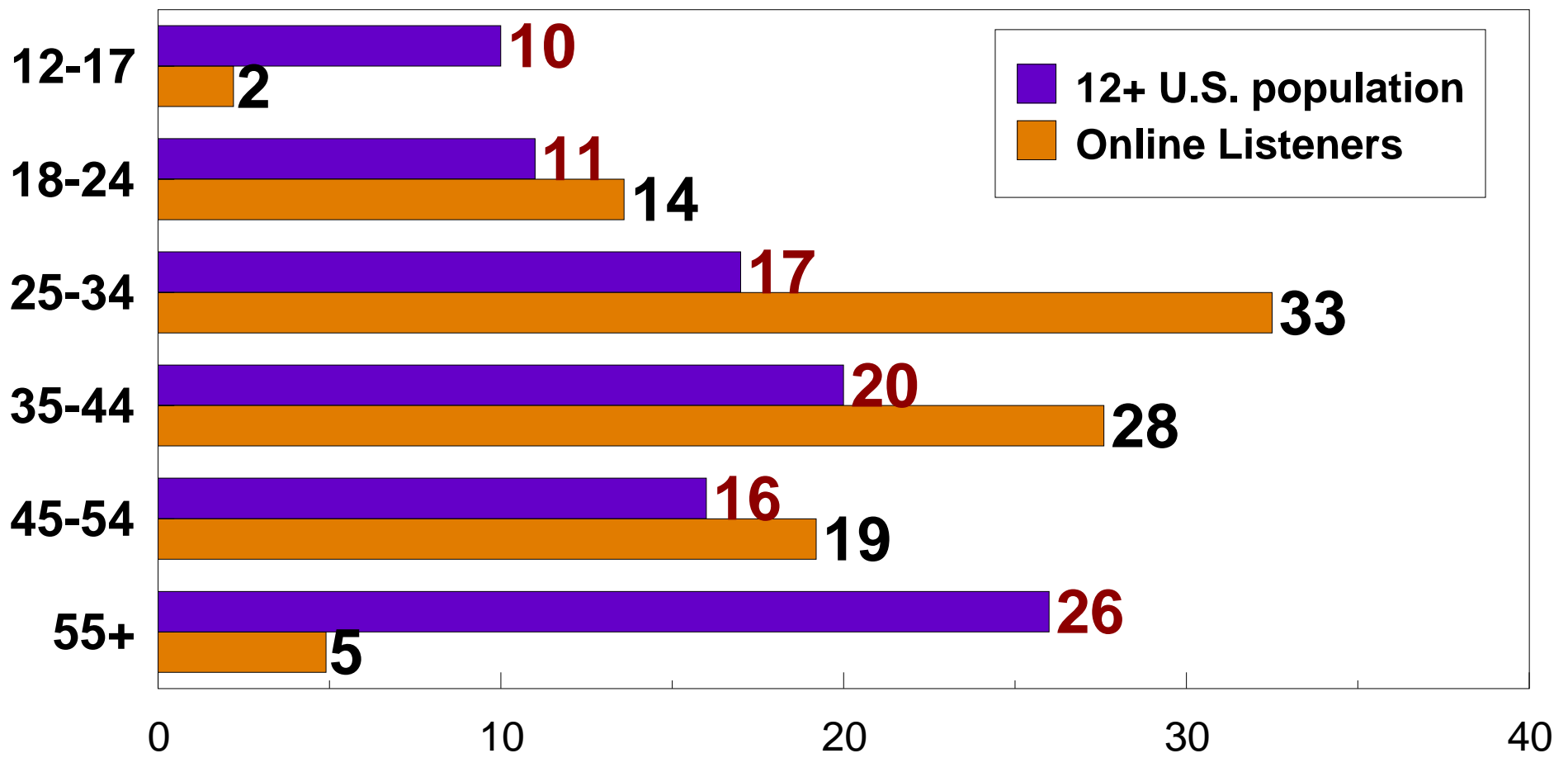
Online Listeners are 25 to 44



Online Survey

% of population

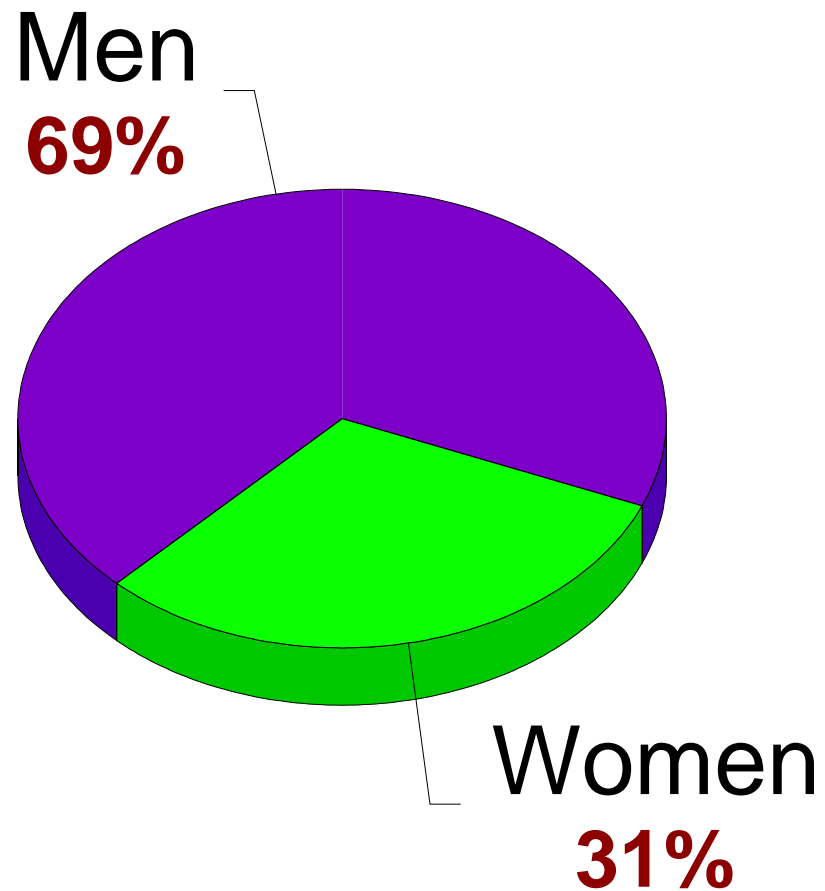
Online Listeners are 25 to 44



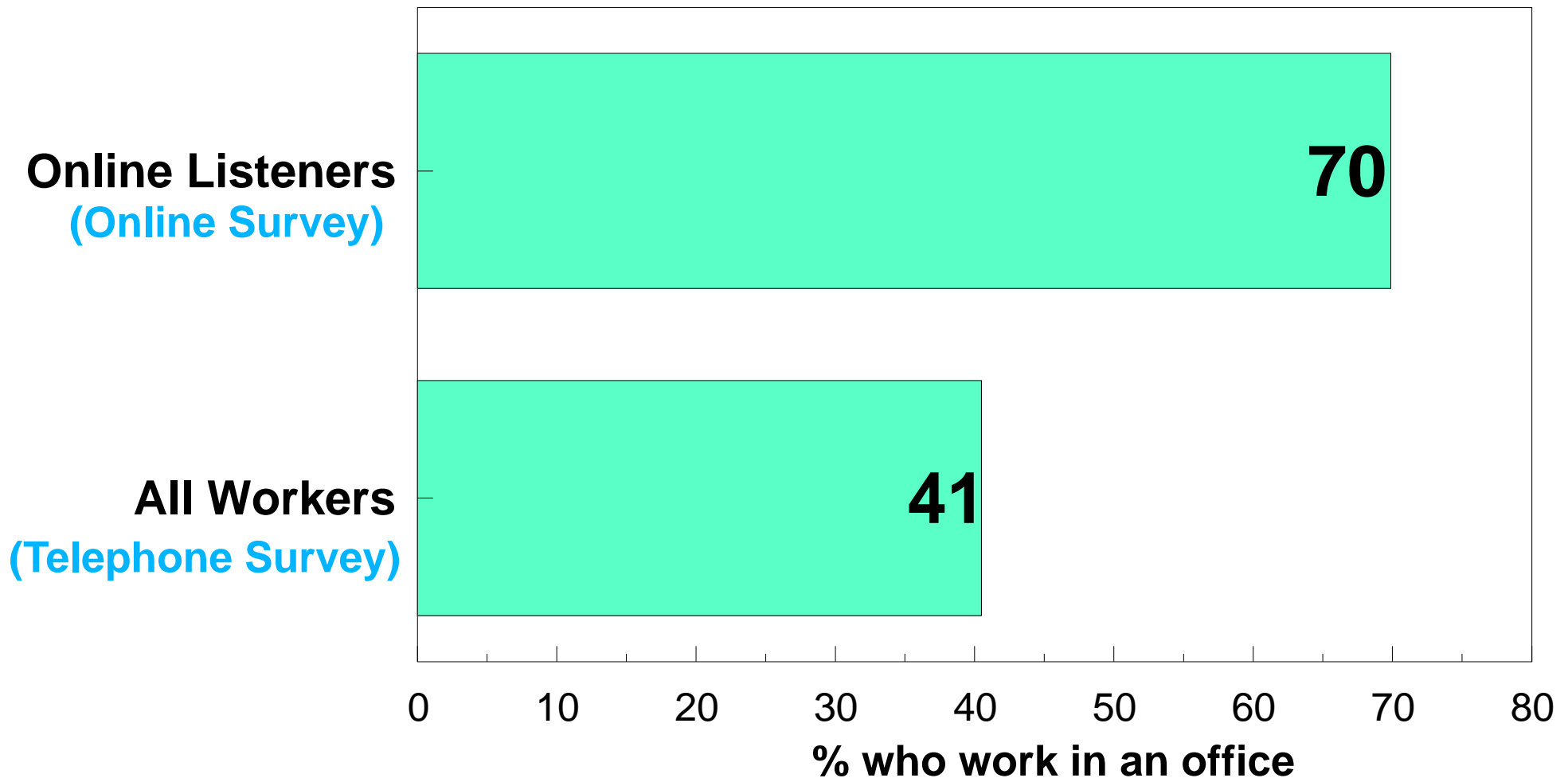
1998 Census Estimate/Online Survey

% of population

Who is listening online?

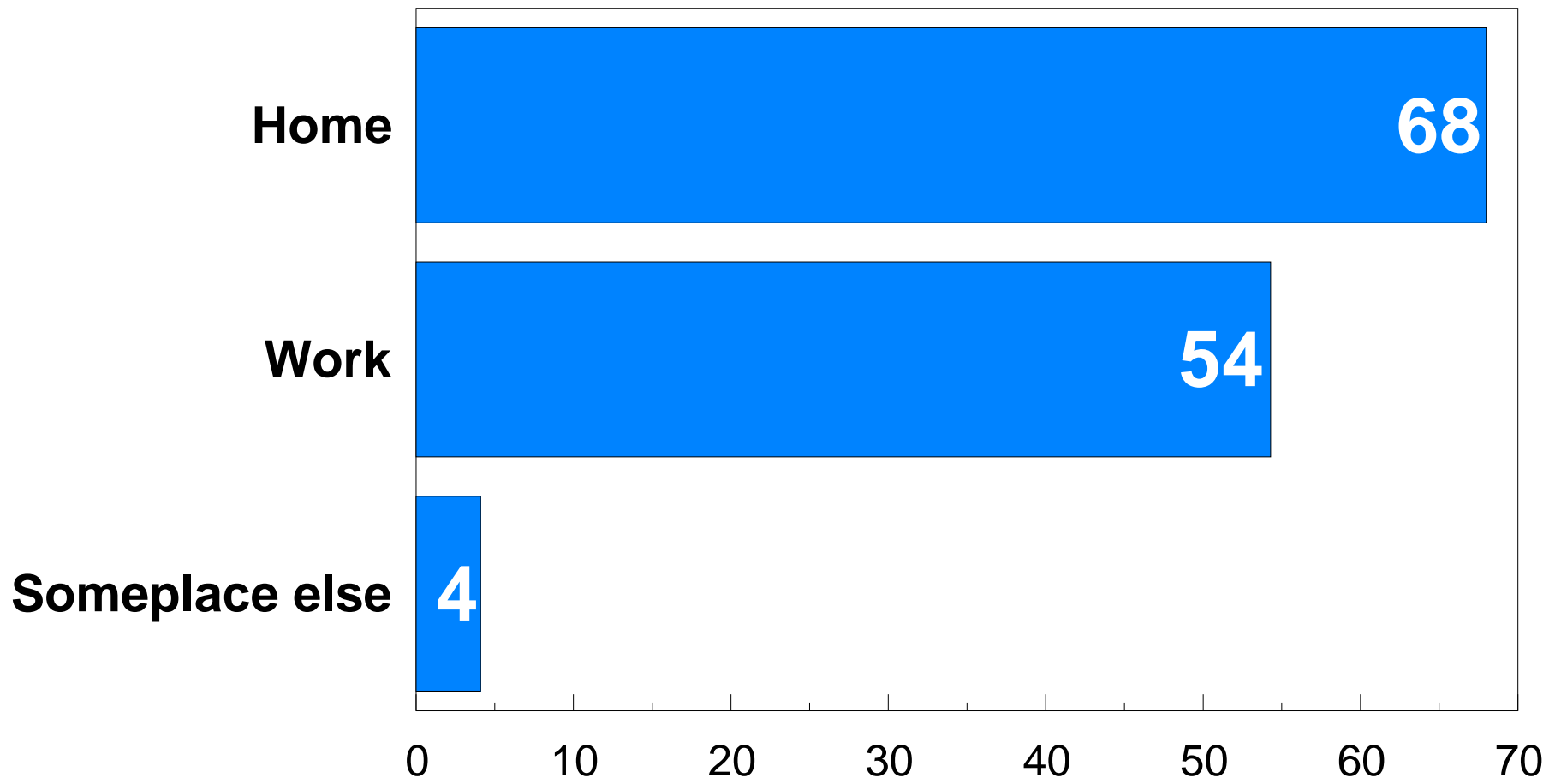


Internet Radio users are *much* more likely to work in an office

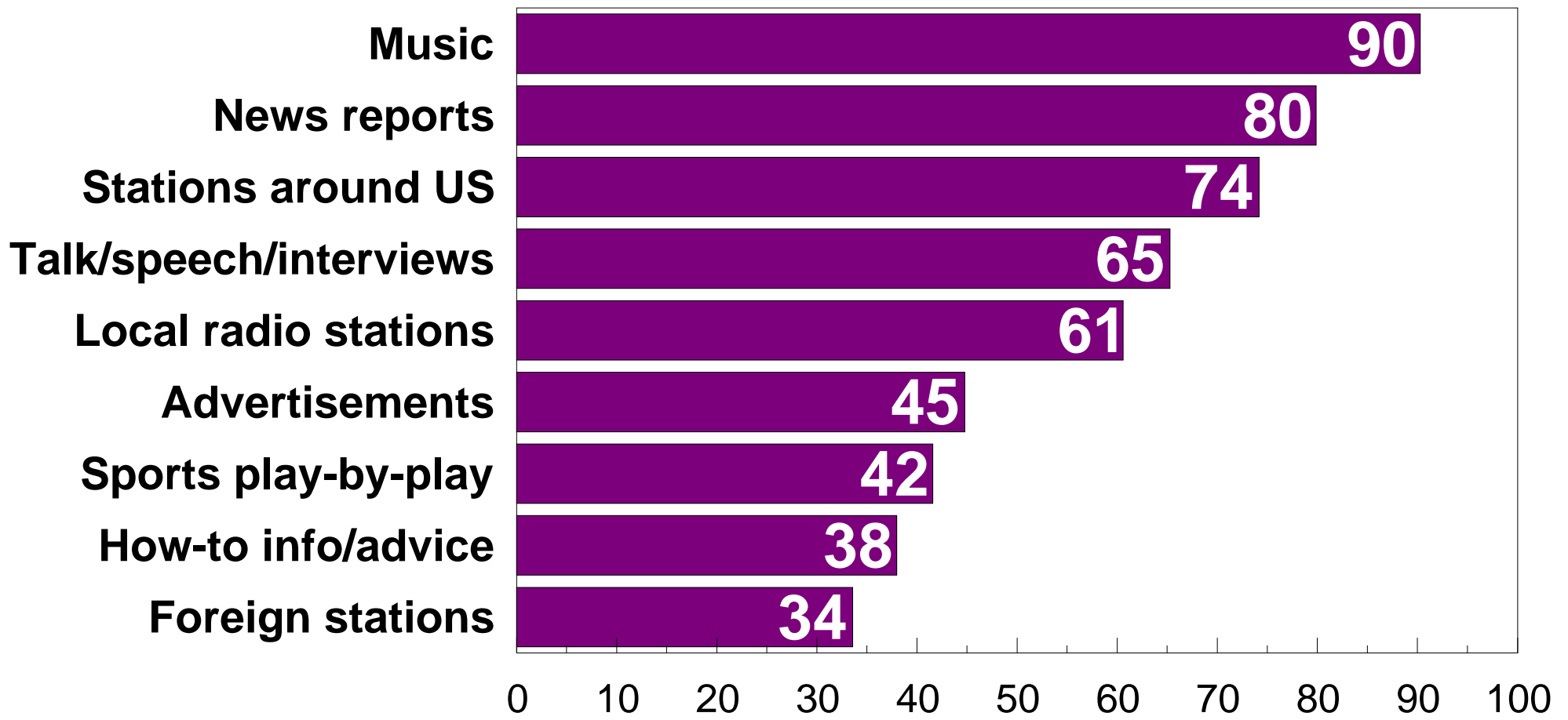


Base: Employed Full-time or Part-time

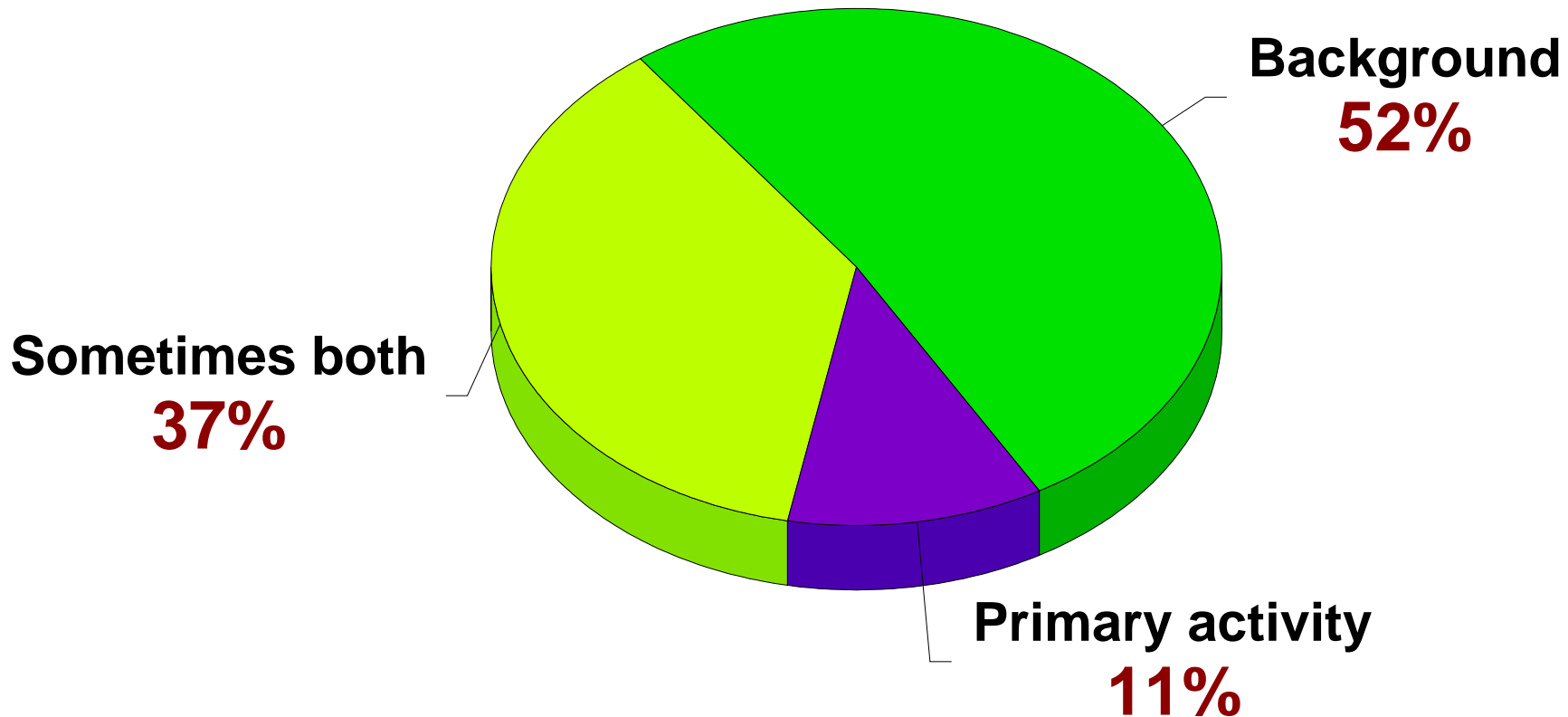
Where are people listening to audio over the Internet?



How often do you listen to each type of audio through the Internet?

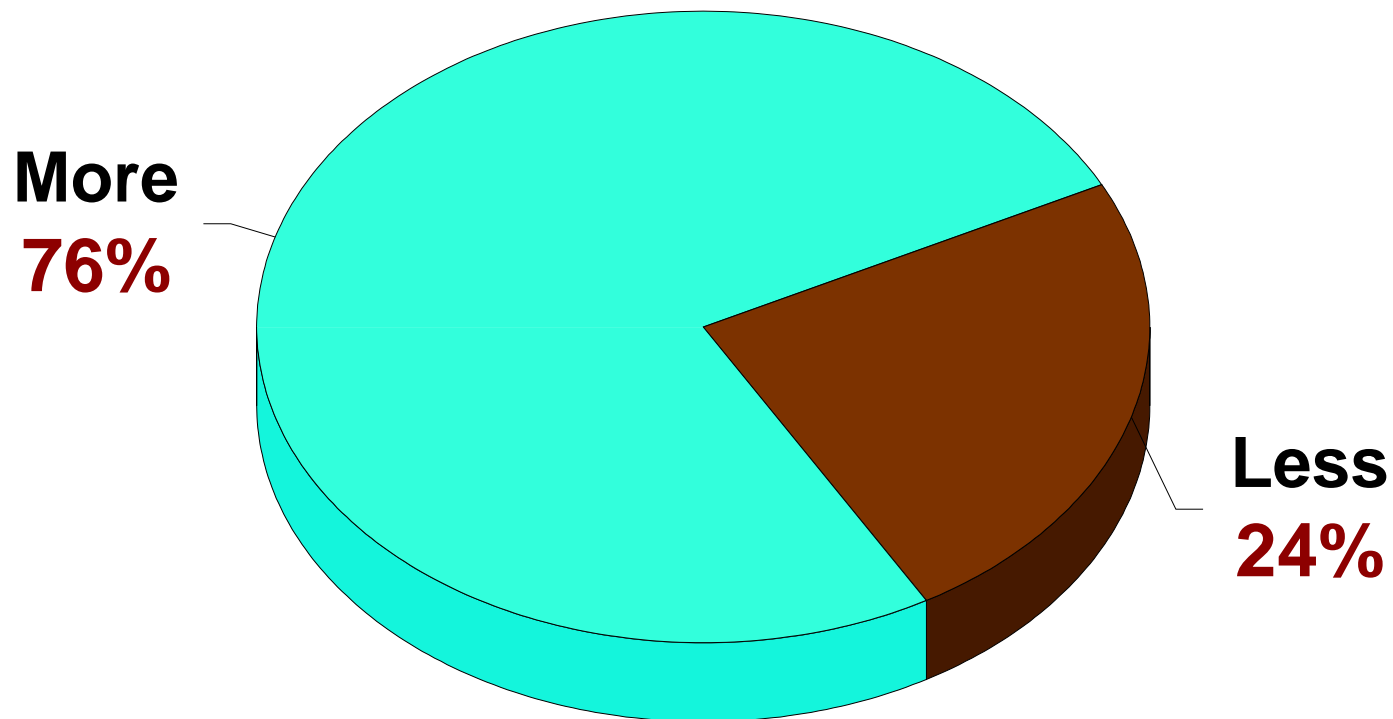


Is listening to audio your **primary activity** or do you listen in **background**?



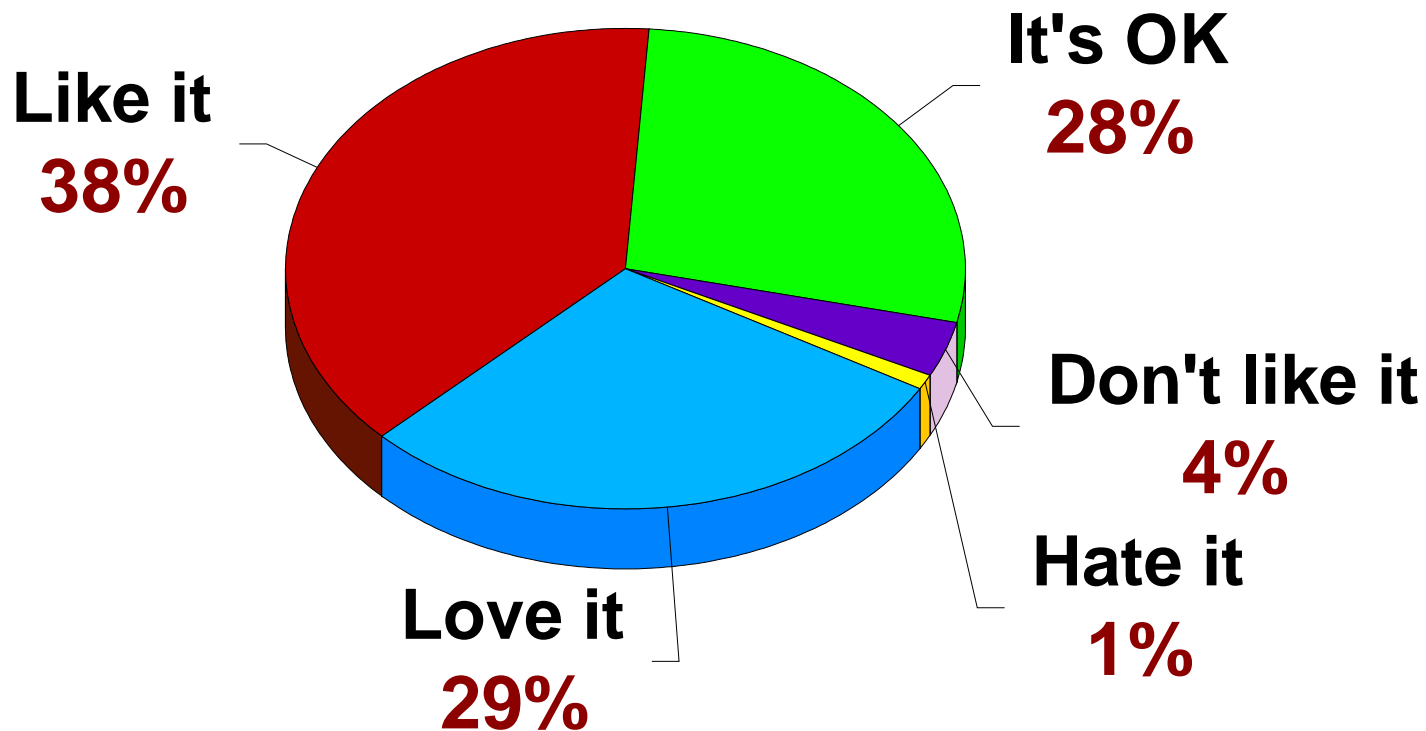
Internet Audio users are increasing their listening

During the past 6 mos., are you listening to audio over the Internet **More** or **Less**?



Internet Radio listeners seem to really enjoy the experience

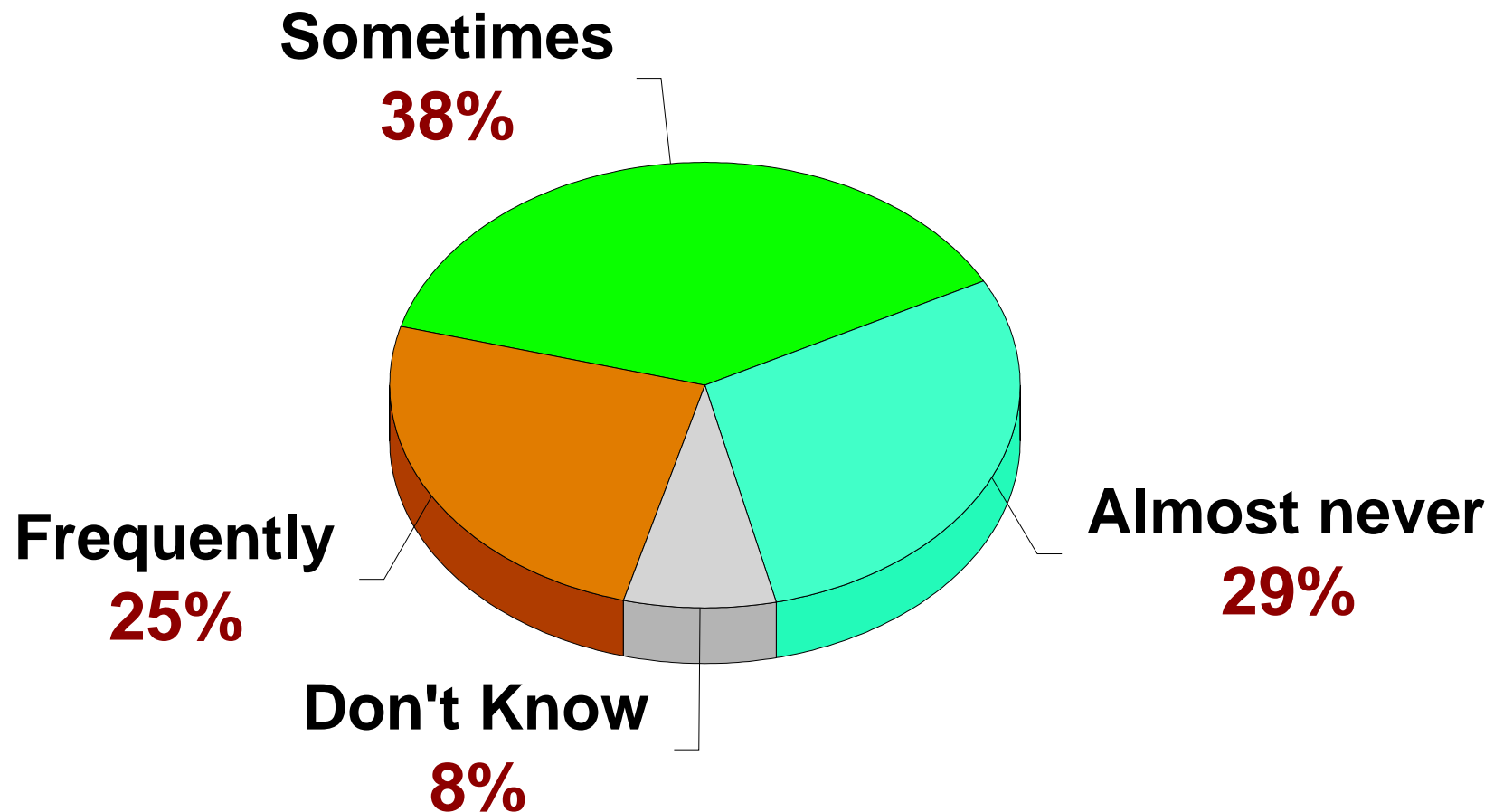
"How much do you like listening to radio stations over the Internet?"



Using the
Internet
to generate
revenues



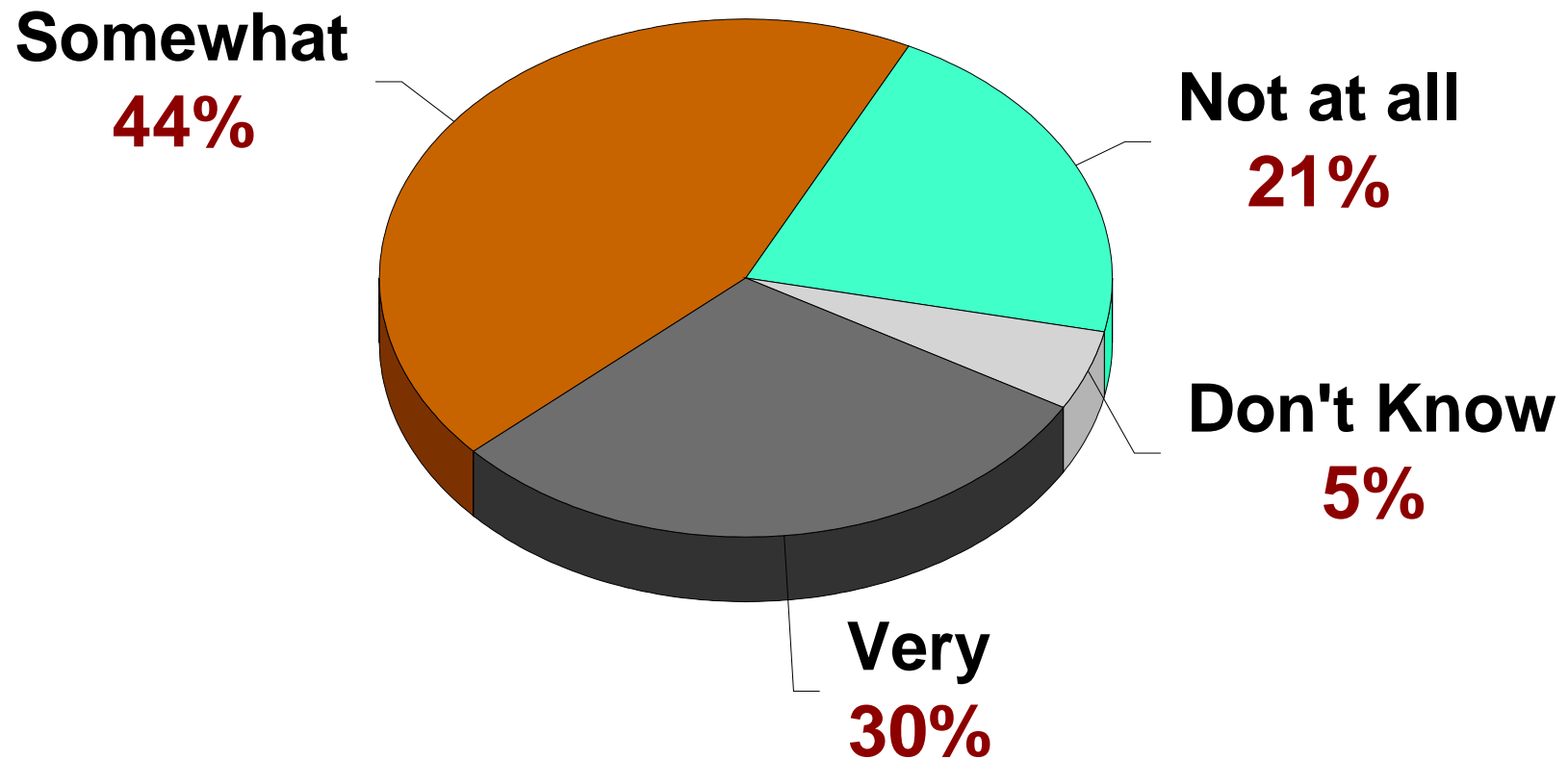
How often is it hard to remember info. on products/services heard on radio?



Base: Total Sample

Telephone Survey

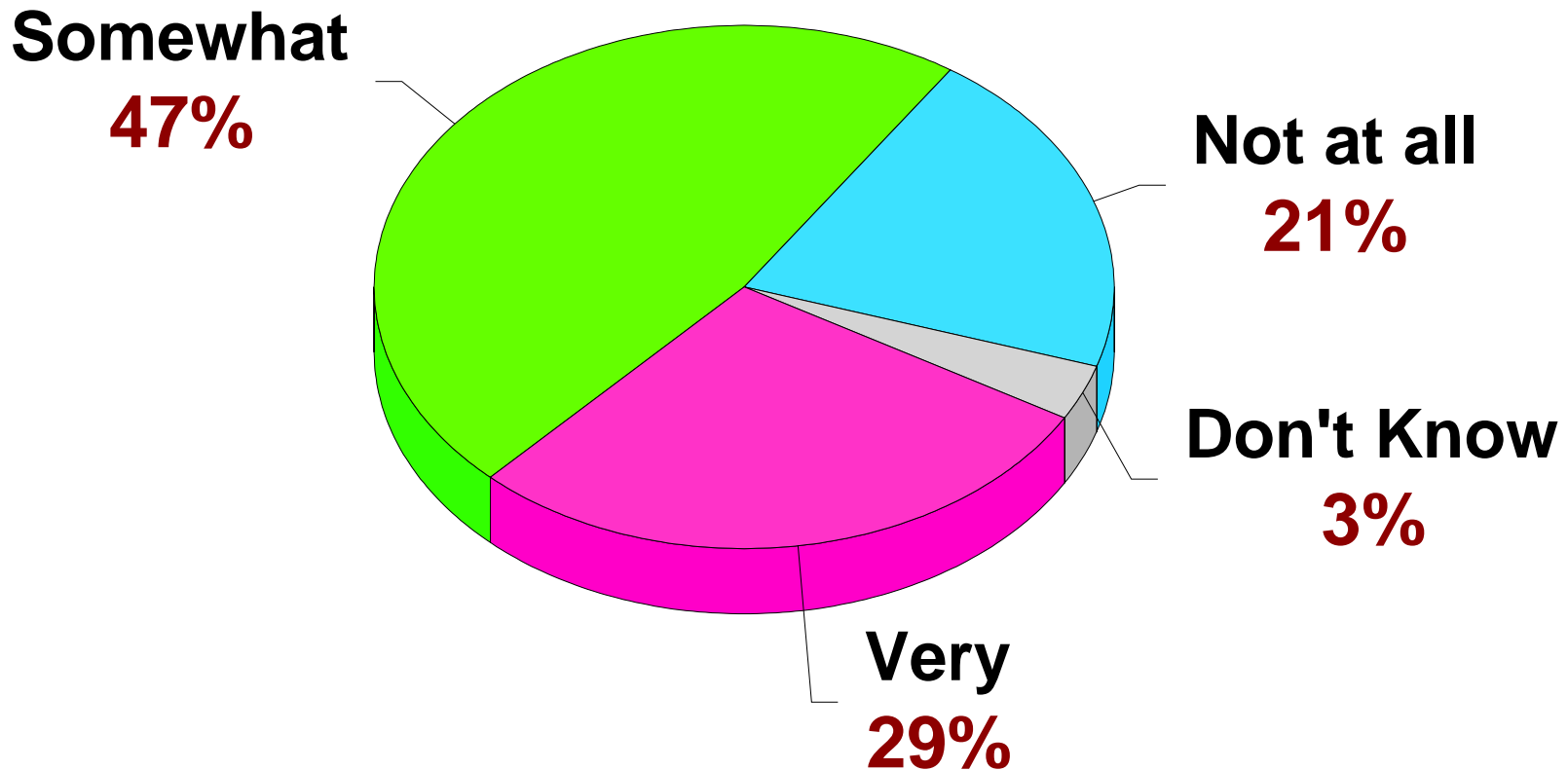
Interest in visiting a Web site that lists information on local shopping:



Base: Online

Telephone Survey

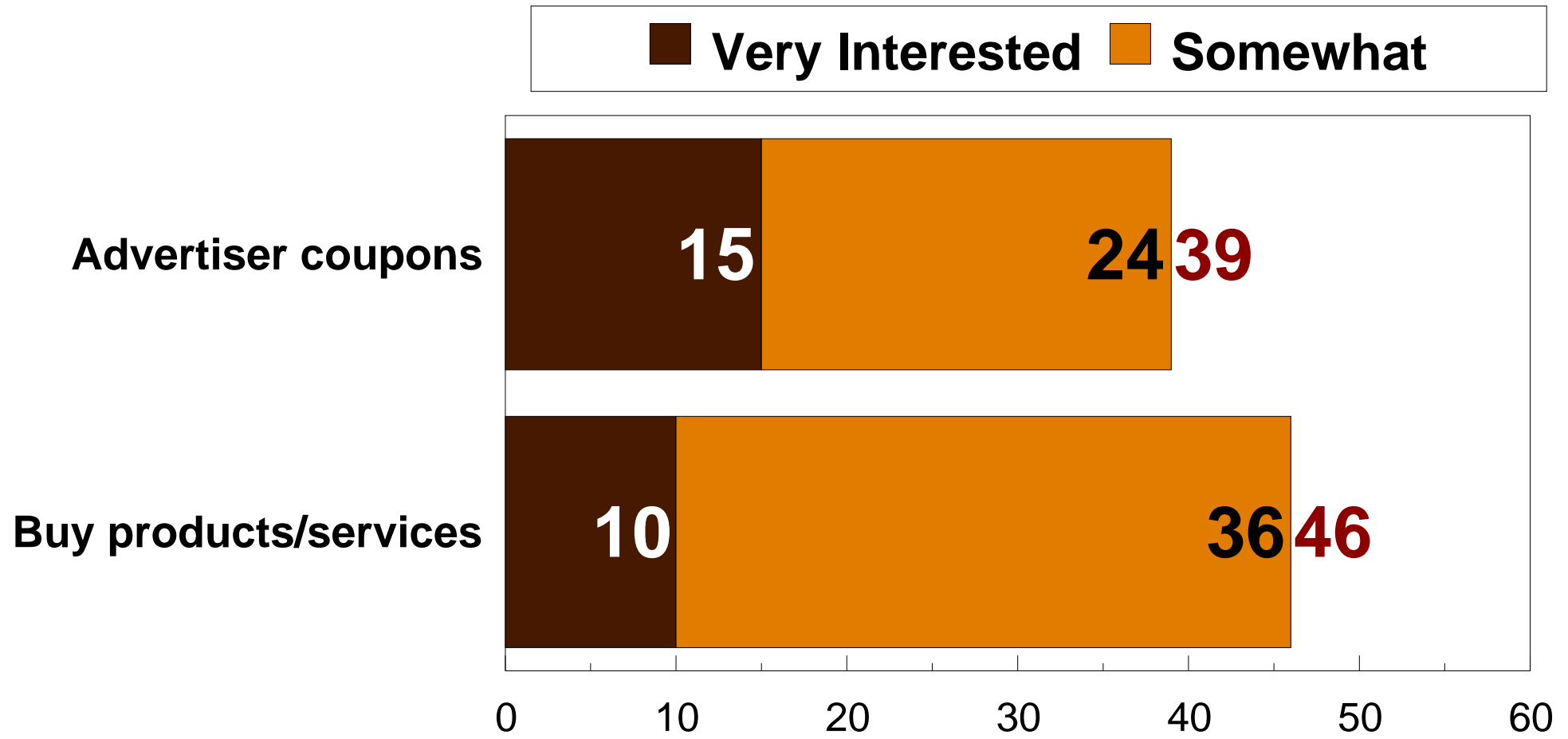
Likelihood to go to radio station's Web site for info. on products/services:



Base: Online

Telephone Survey

Interest in visiting a radio station Web site for...



Base: Online

Telephone Survey

**Radio's ability
to drive listeners
to advertiser
and station Web sites**

Vermont Teddy Bear success story

- No success with Web banners
- Radio drove nearly \$500K to their Web page during two week campaign

**Eight strategic
questions for
the Radio Industry**

Strategic Questions for the Radio Industry

1. What local attributes of my radio station will distinguish it from hundreds of new stations playing the same format?

Strategic Questions for the Radio Industry

2. What is the state of my
radio station's local
brand equity?

Strategic Questions for the Radio Industry

3. Are you satisfied with
the level of commitment
to your radio station's
Web site?

Strategic Questions for the Radio Industry

4. Should your company consider a revenue-generating marketing strategy for your Web site?

Strategic Questions for the Radio Industry

5. What is your company's strategy for attracting Internet advertisers?

Strategic Questions for the Radio Industry

6. What is your company's position on putting its programming on the Internet? Can Webcasting enhance at-work listenership?

Strategic Questions for the Radio Industry

7. Should your company create online formats to serve uncovered format niches in your marketplace?

Strategic Questions for the Radio Industry

8. Should growing radio companies consider purchasing Internet radio broadcasters?

Arbitron's Next Steps

- Test addition of Internet and Satellite Radio to the diary
- Enhance Internet measures in Scarborough qualitative service
- 1999: Pathfinder New Media Study

Arbitron's Next Steps

- Arbitron's Internet audio measurement plan
- Radiowave.com online measurement
- Creation of streaming industry measurement coalition

Any Questions





edison media research

ARBITRON