

edison media research

Internet Study II “Radio & E-commerce”



Edison & Arbitron's Industry Research

- **1996 - Newspaper Advertisers**
- **1997 - At-Work Listening**
- **1998 - Internet I**
 - **“Radio in a New Media World”**
- **1999 - Internet II**
 - **“Radio & E-commerce”**

How the Survey Was Conducted:

- **1350 telephone interviews (January 1999) with Fall 1998 diarykeepers**
- **Random national sample of diarykeepers 12+**
- **Listening measures from diary**
- **Data tracked from August 1998**

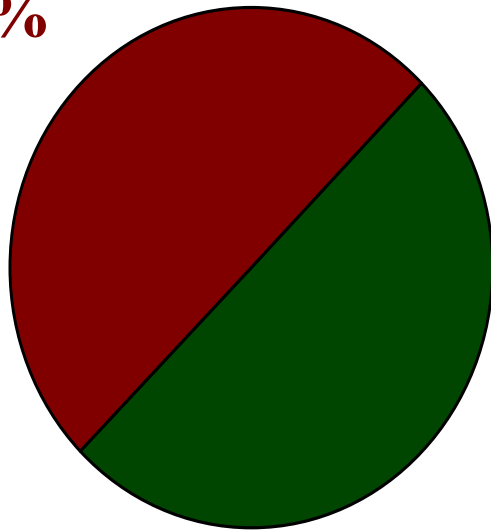


More than half of all households have a computer in use

1998

Have a computer at home

50%

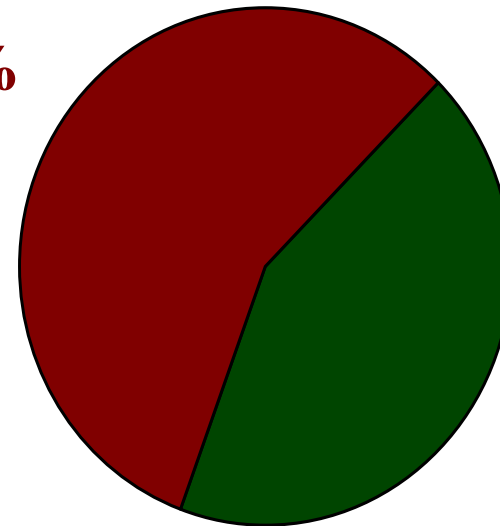


Do not have a computer at home 50%

1999

Have a computer at home

57%

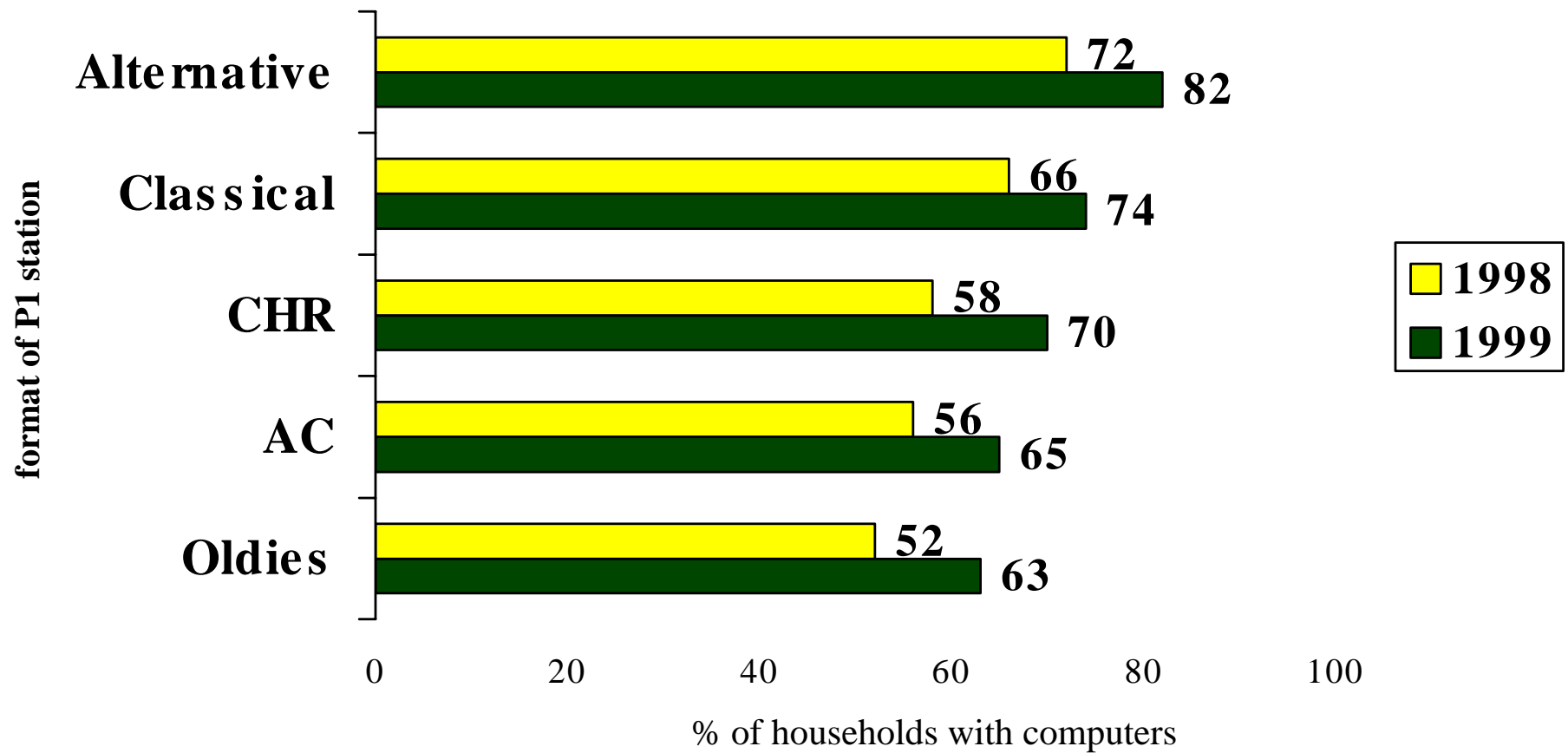


Do not have a computer at home 43%

Base: Total Sample

Household computer penetration varies widely by format

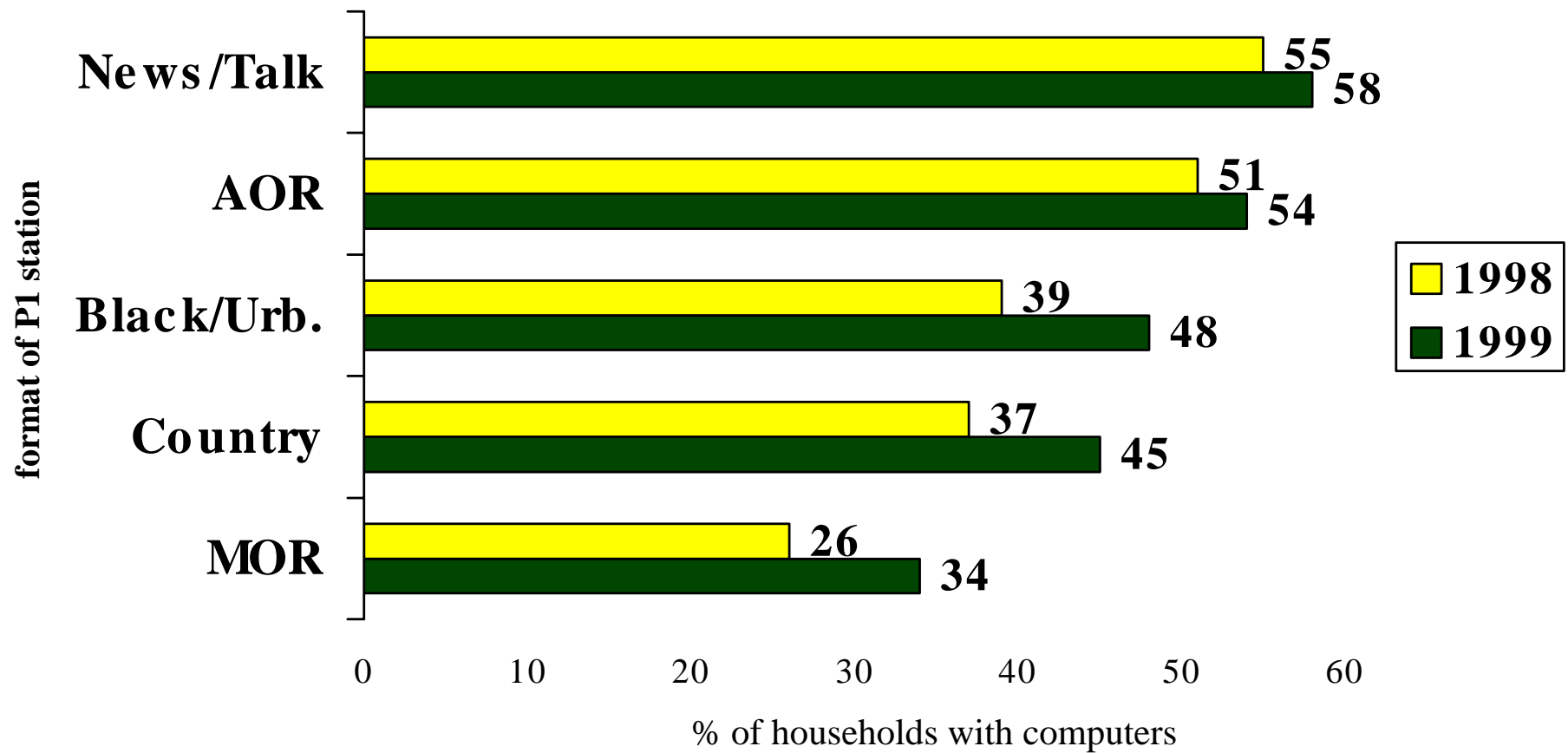
Page 1



Base: Total Sample

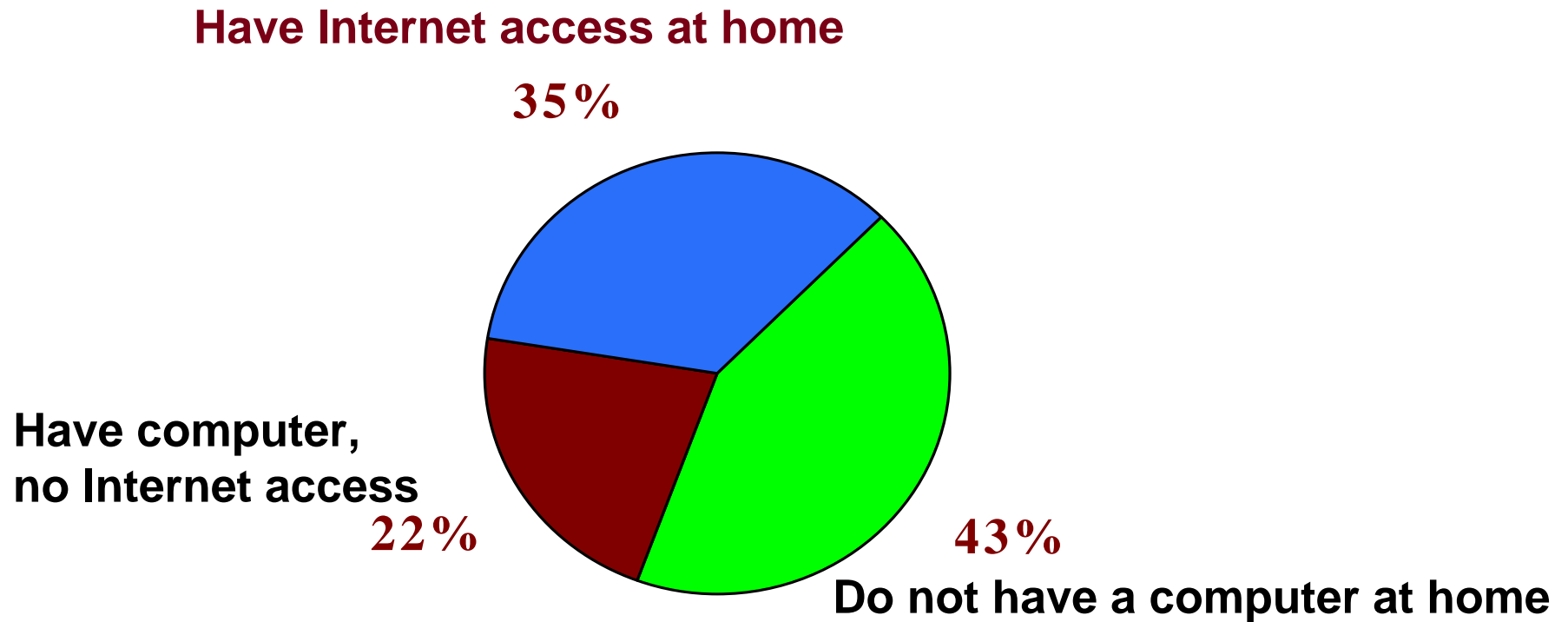
Household computer penetration varies widely by format

Page 2



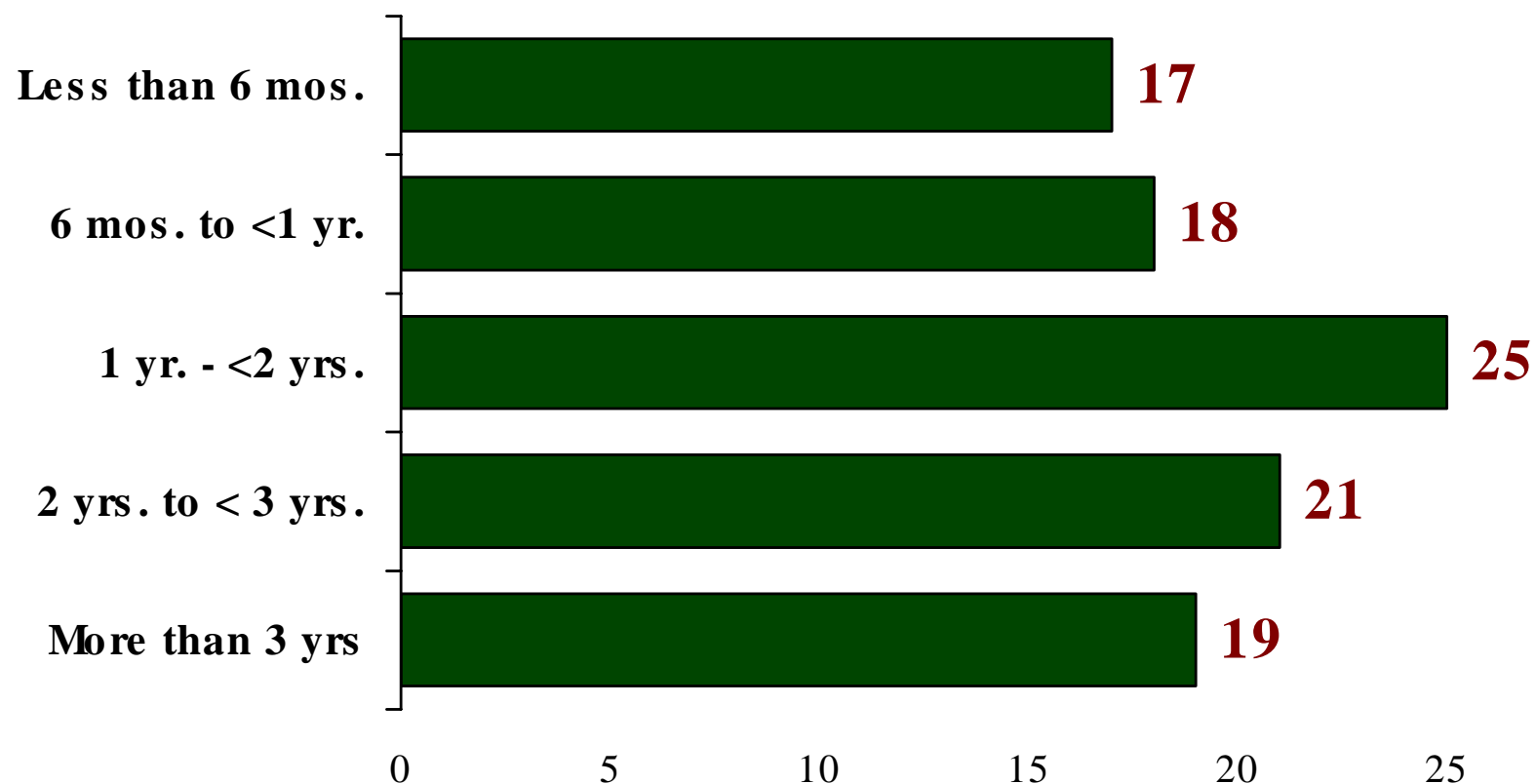
Base: Total Sample

More than one-third of all households have Internet access



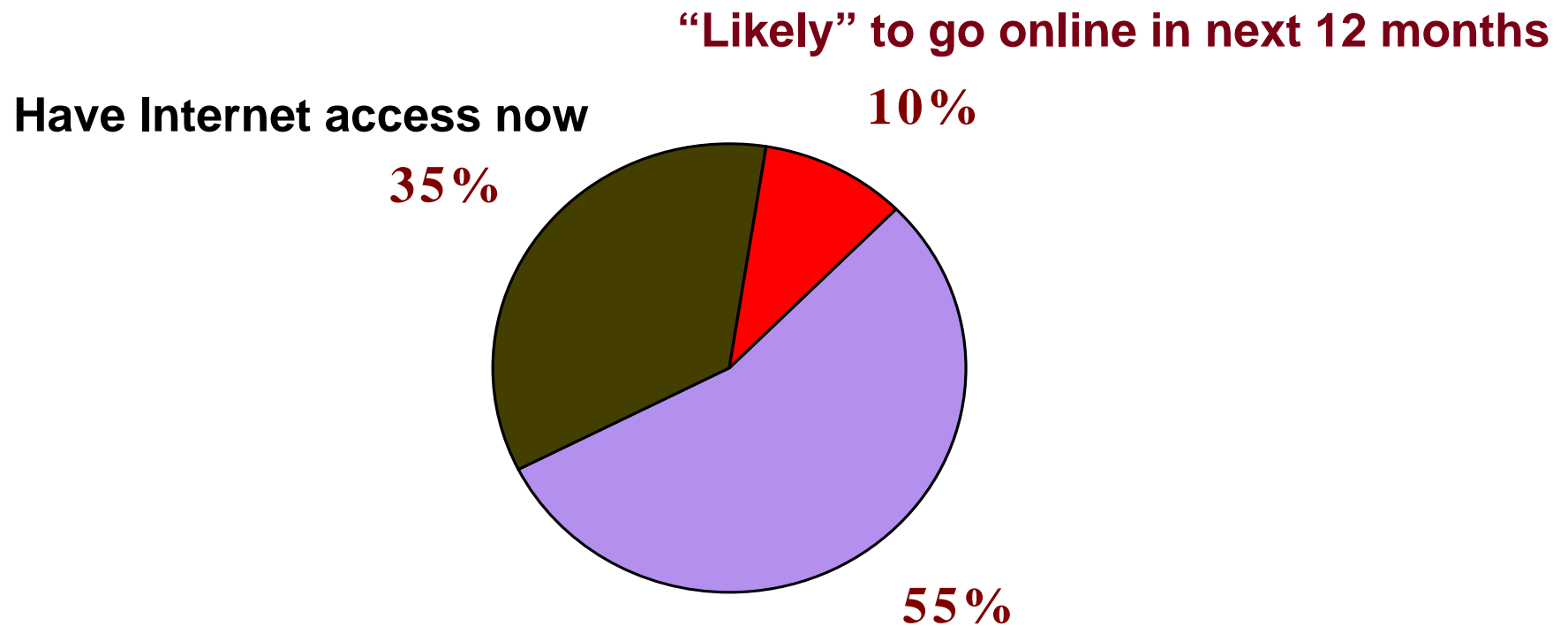
Household Internet access is growing rapidly **(35% started last year)**

“When did you get Internet access at home?”



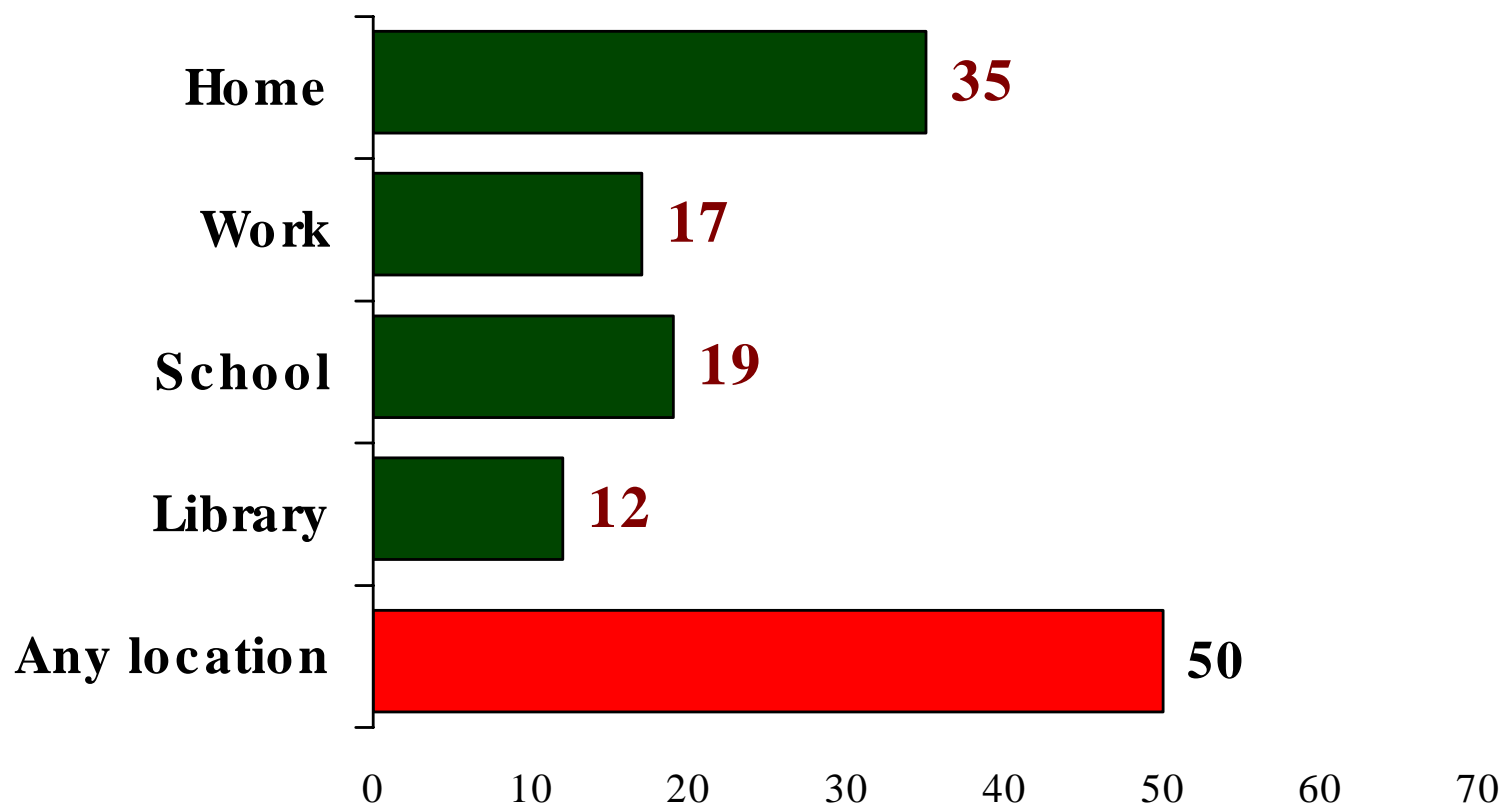
Base: Online at home

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



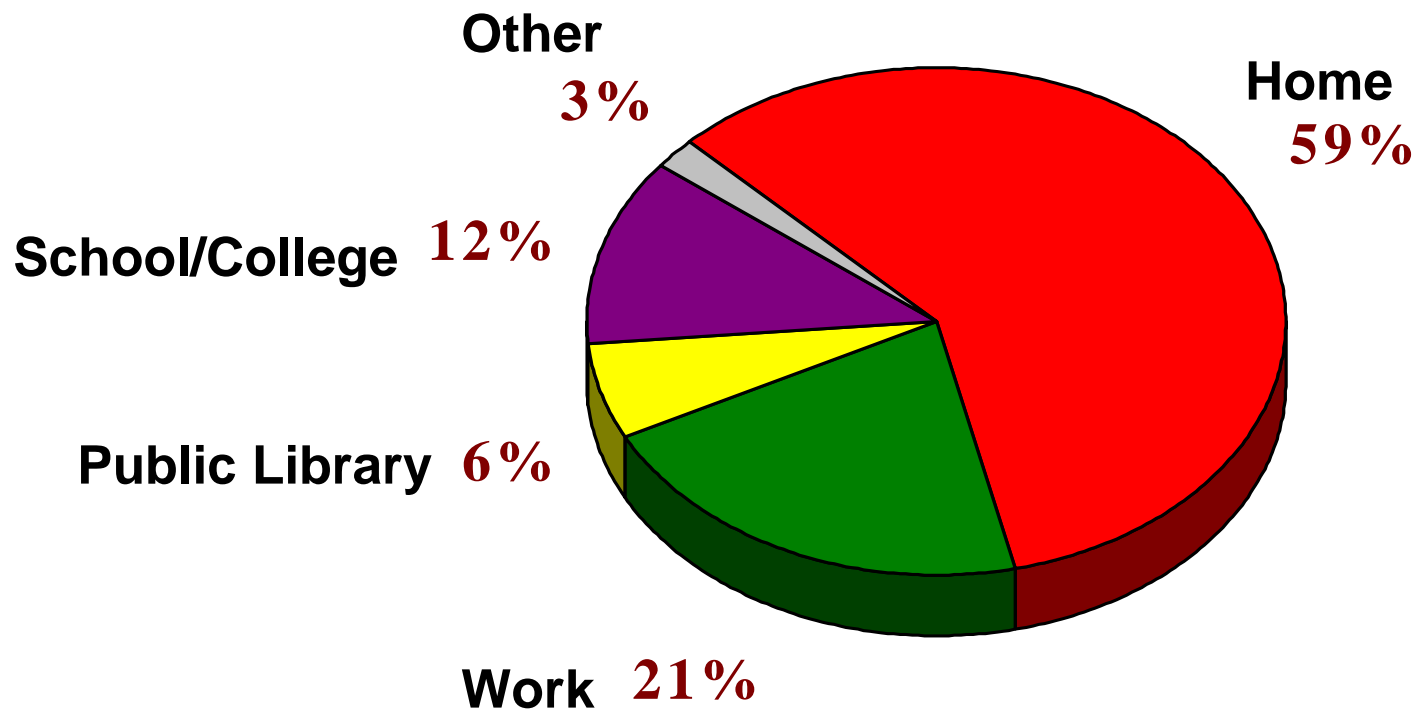
Half of all Americans are currently online

“Do you currently access the Internet at...”



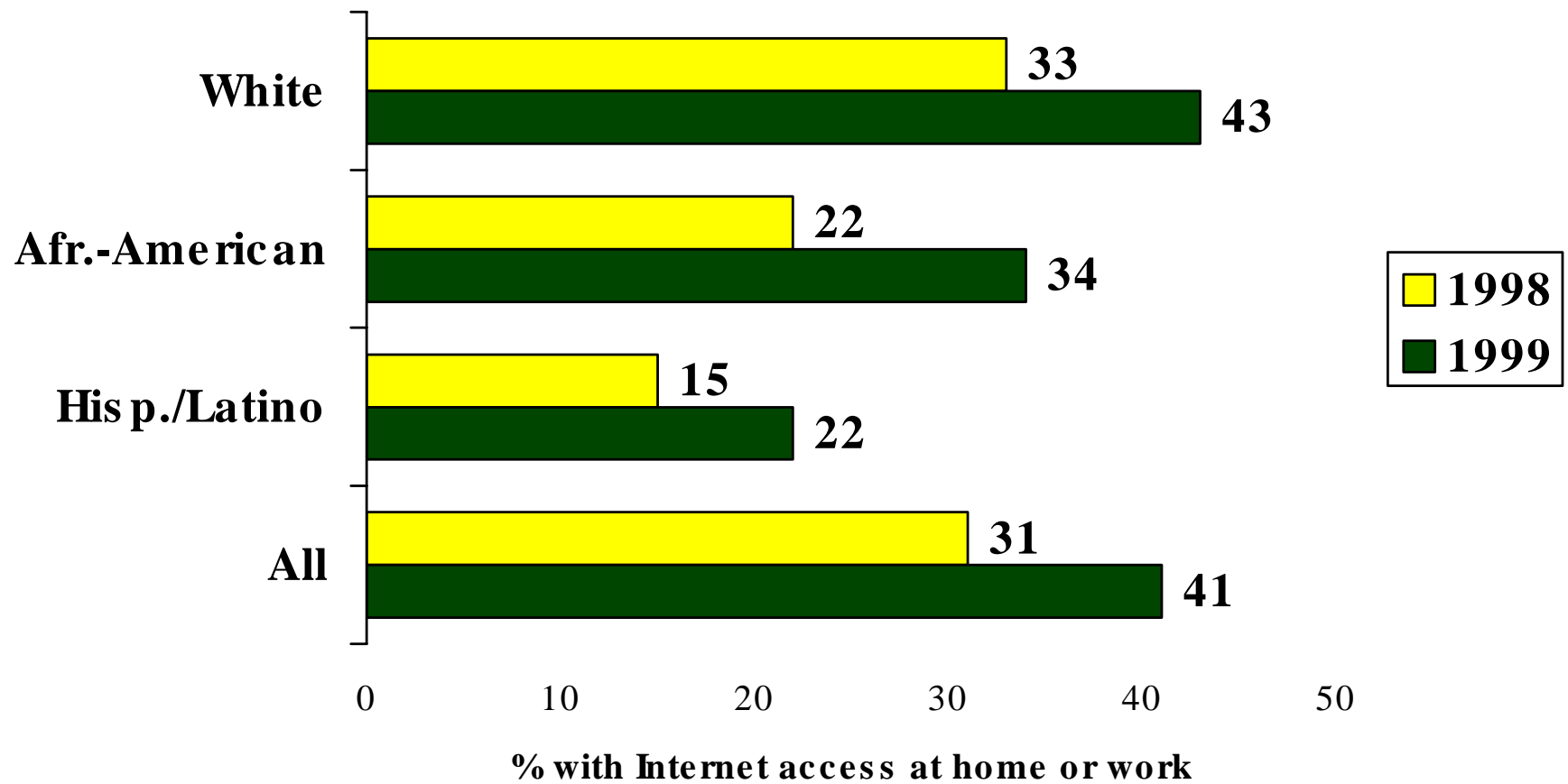
Base: Total Sample

Where do you access the Internet the most?



Base: Access Internet at any location

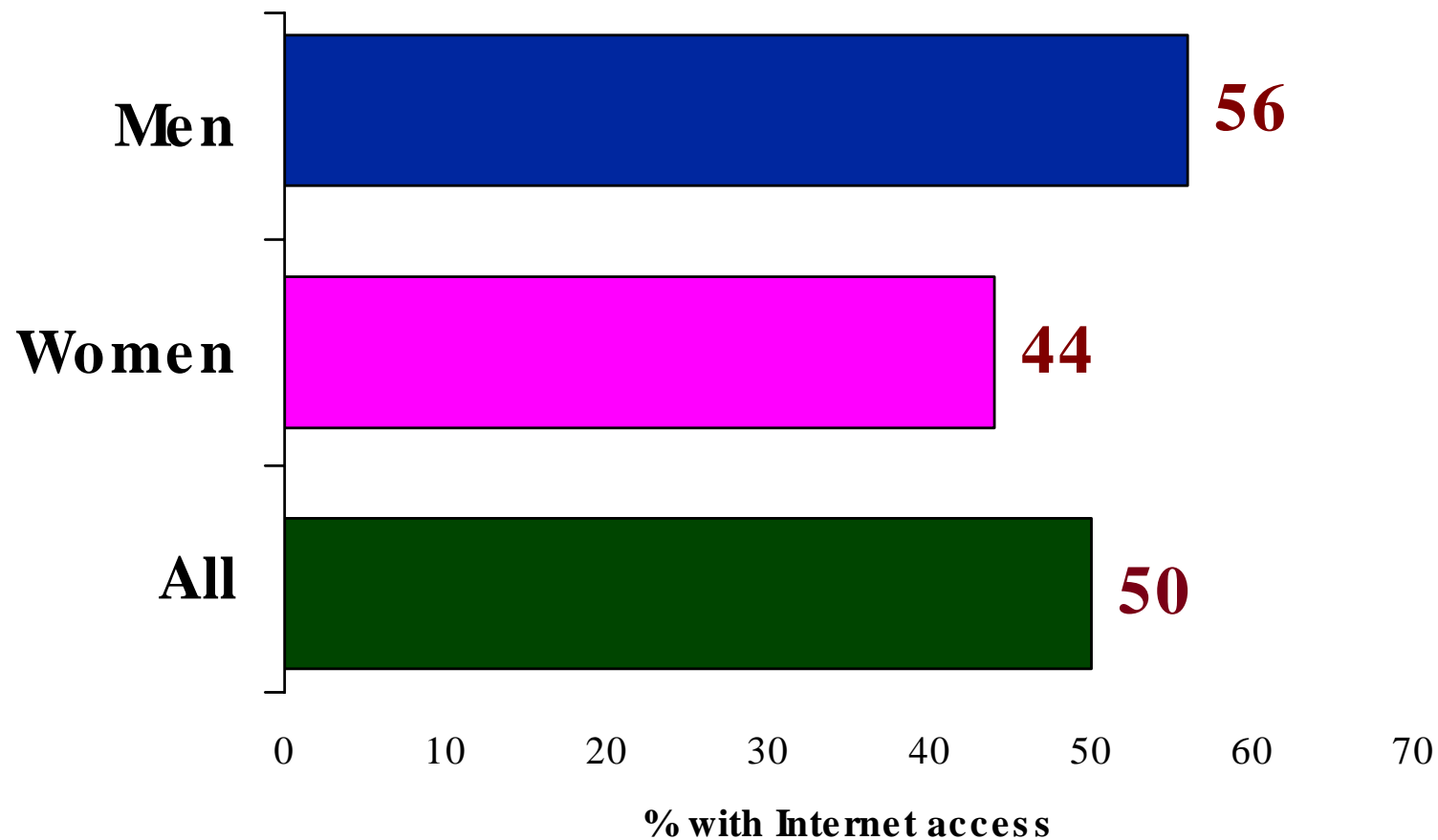
Internet access is growing among all ethnic groups



Base: Total Sample

Men are more likely than women to use the Internet

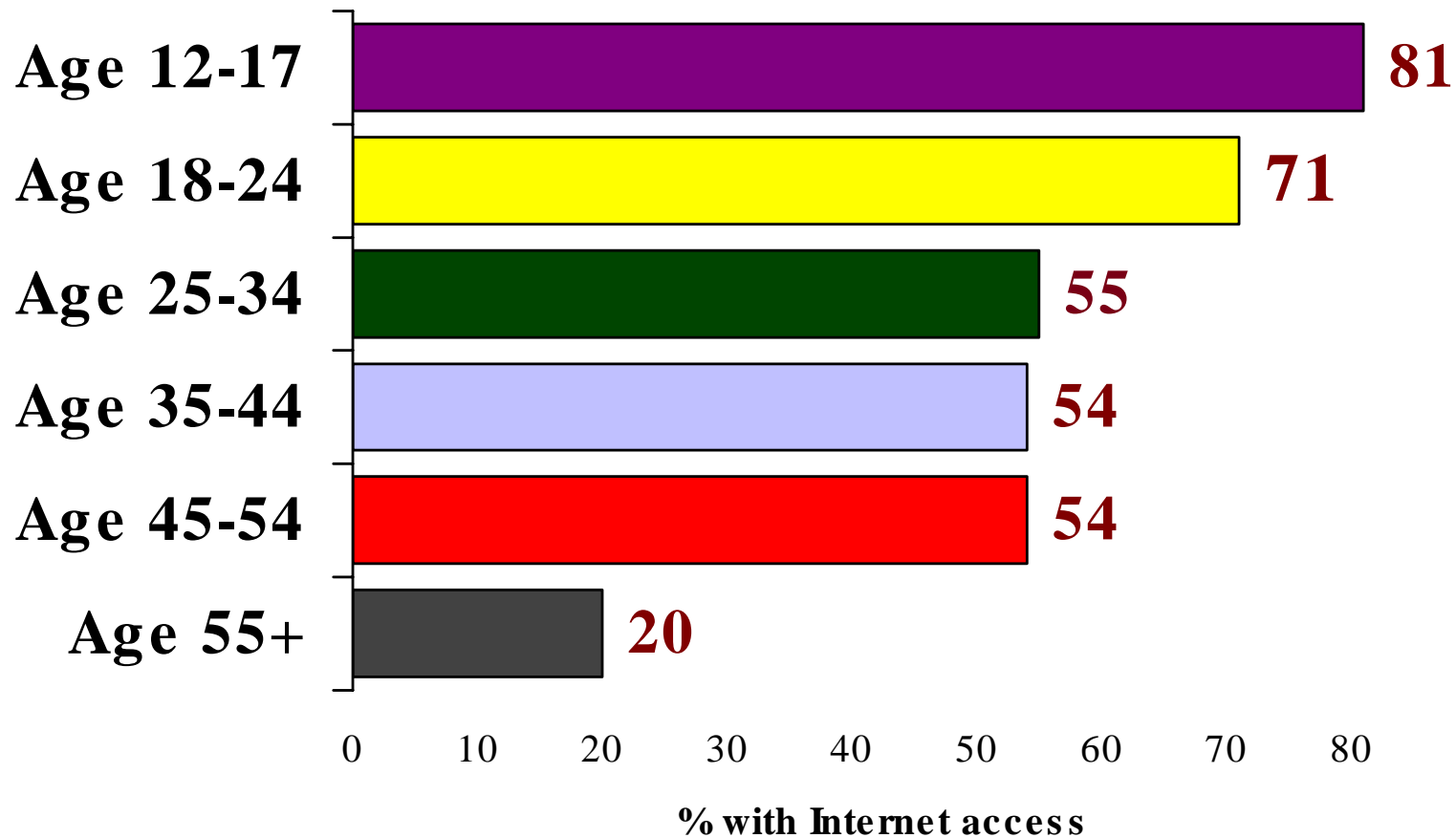
Currently access the Internet at any location



Base: Total Sample

Young people are nearly universally online

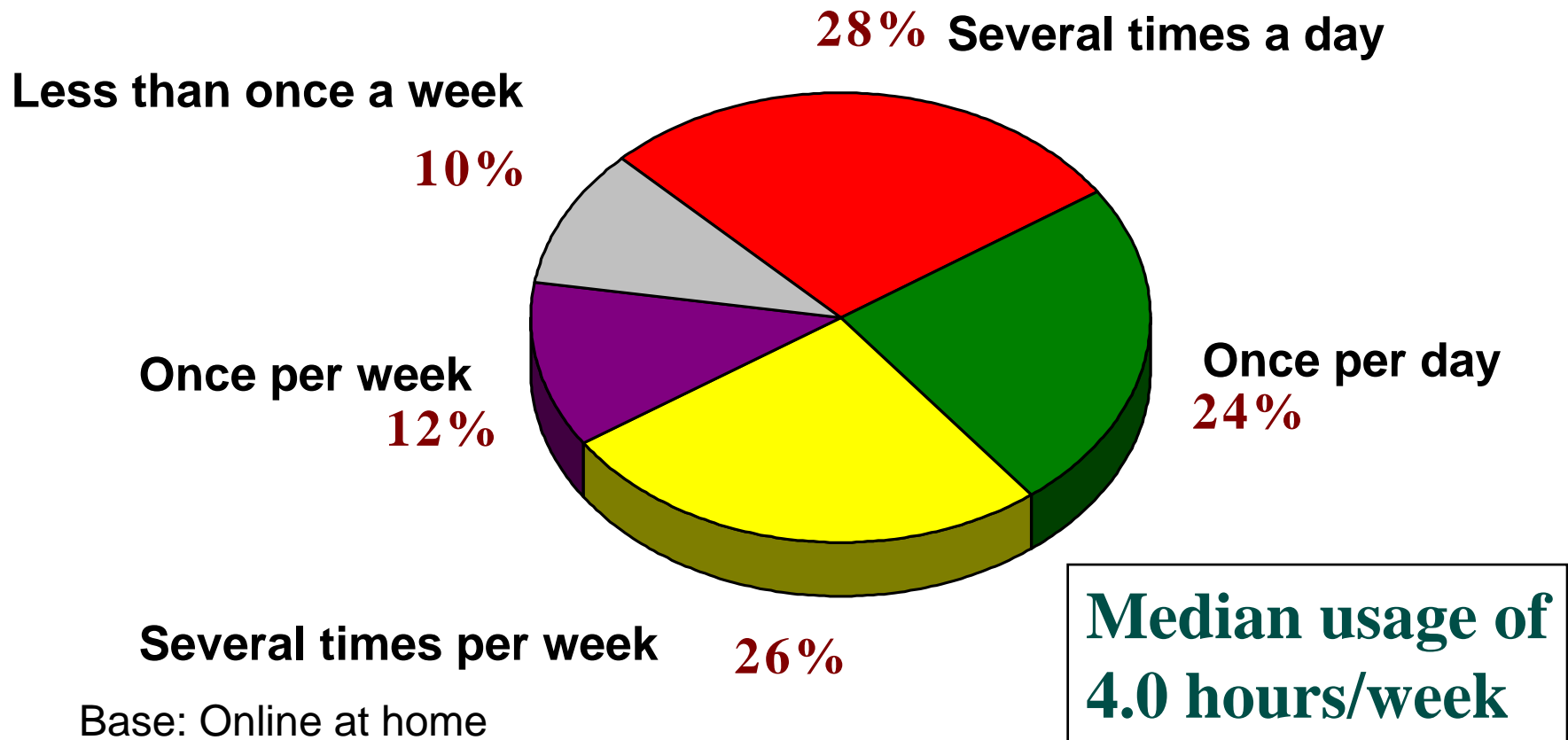
Currently access the Internet at any location



Base: Total Sample

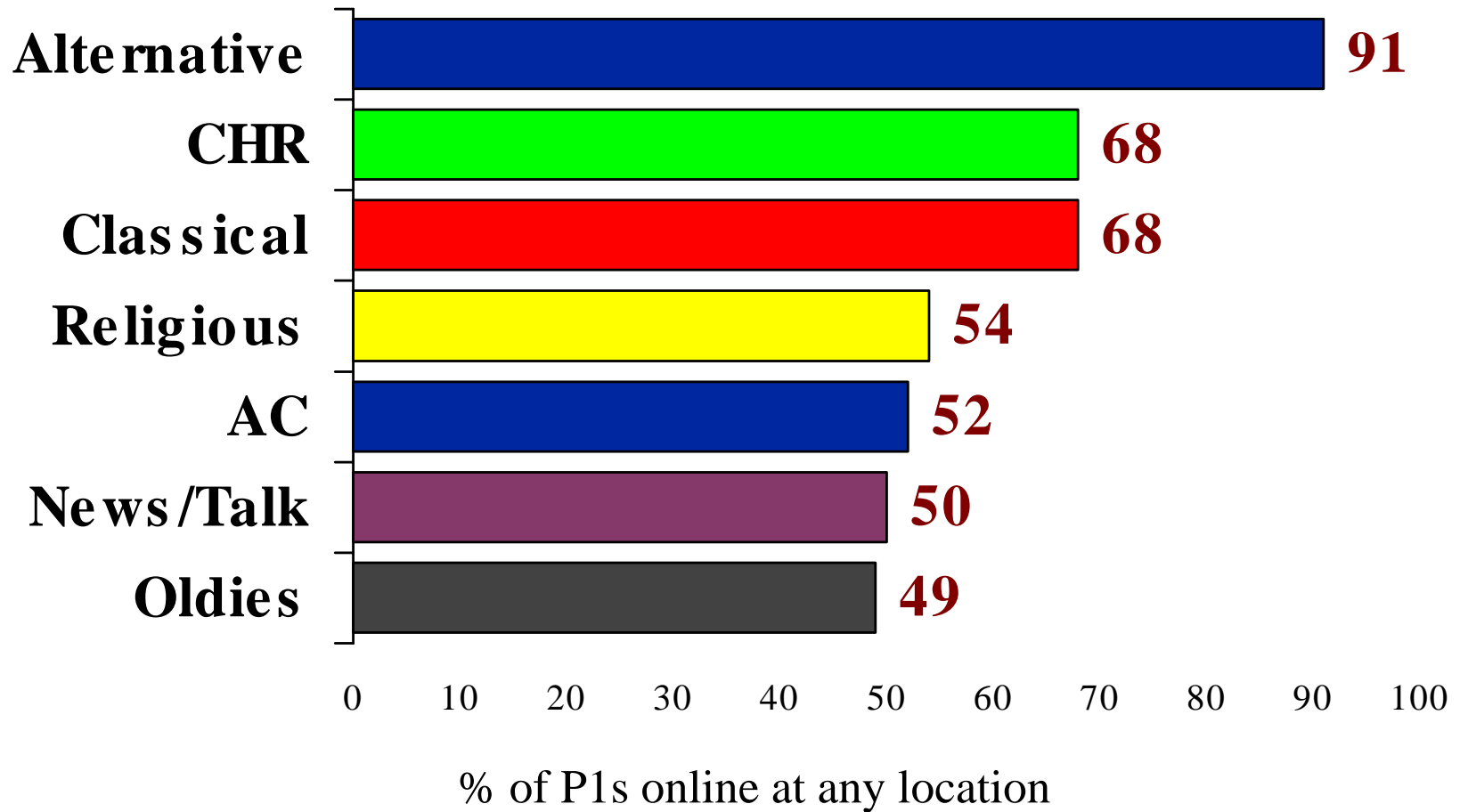
People who are online use it a lot

“How frequently do you go online at home?”



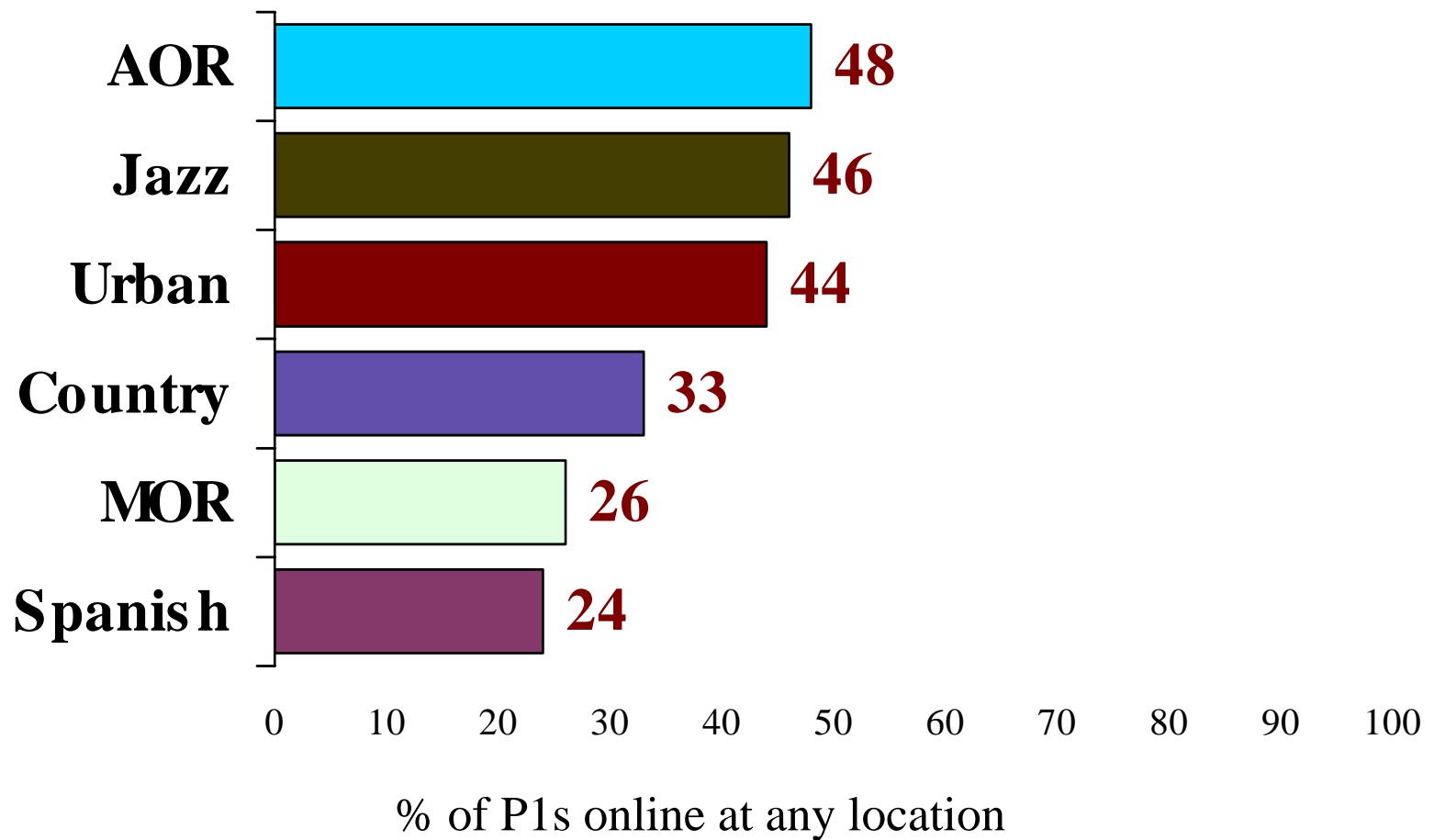
Internet access by Format:

Page 1



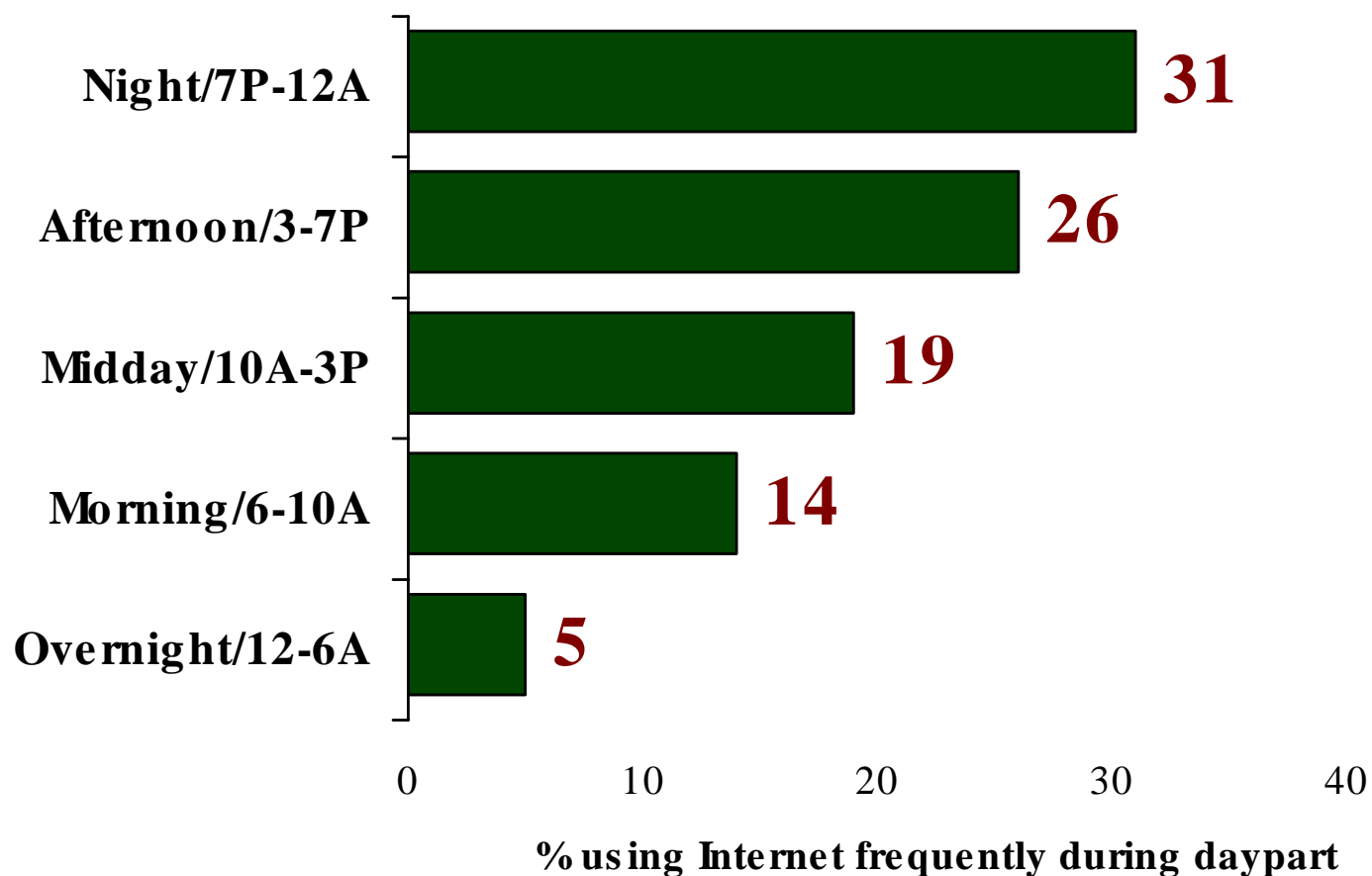
Internet access by Format:

Page 2



Nights are “prime-time” for Internet Usage

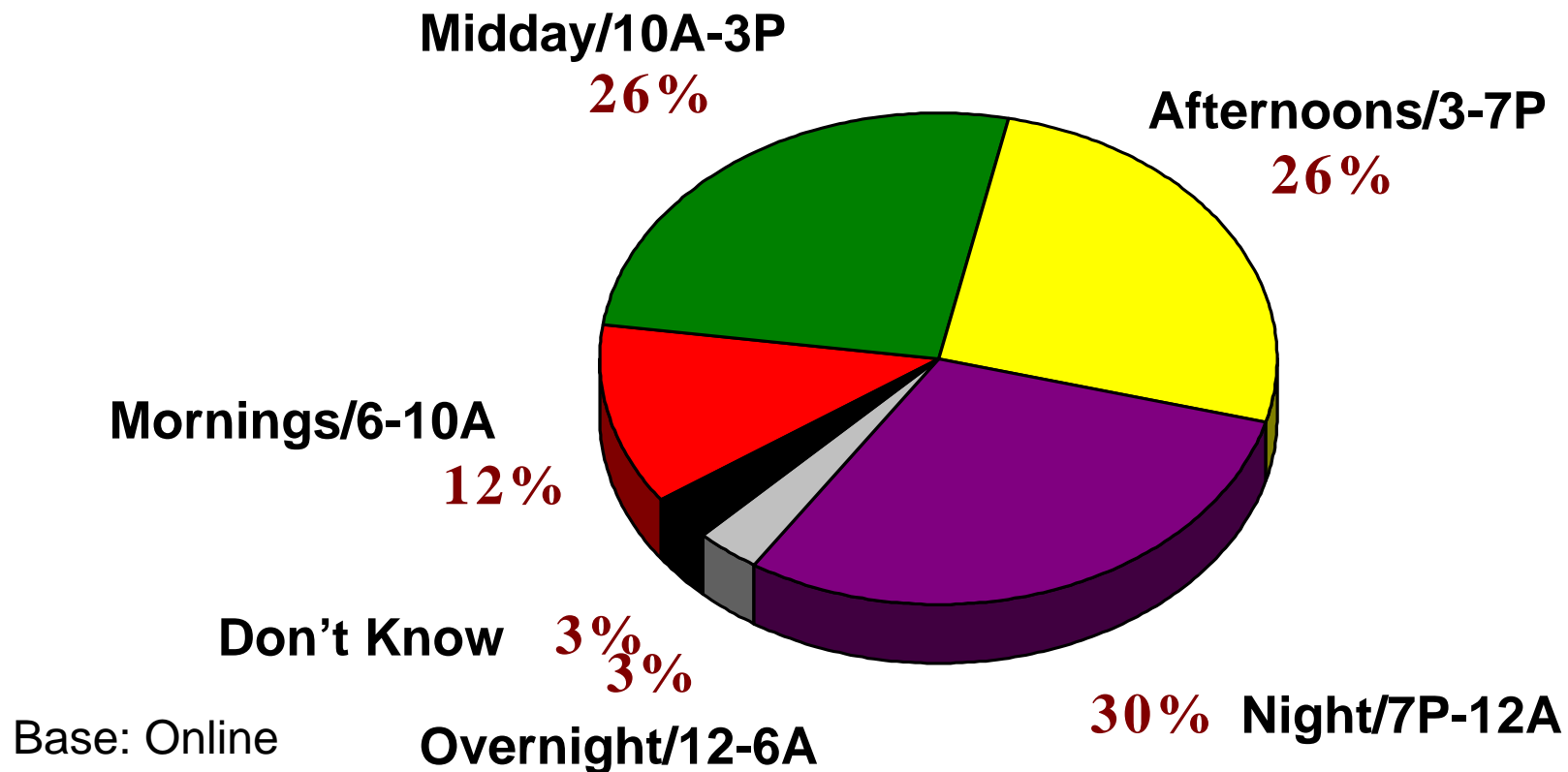
“How often do you use the Internet during each time period?”



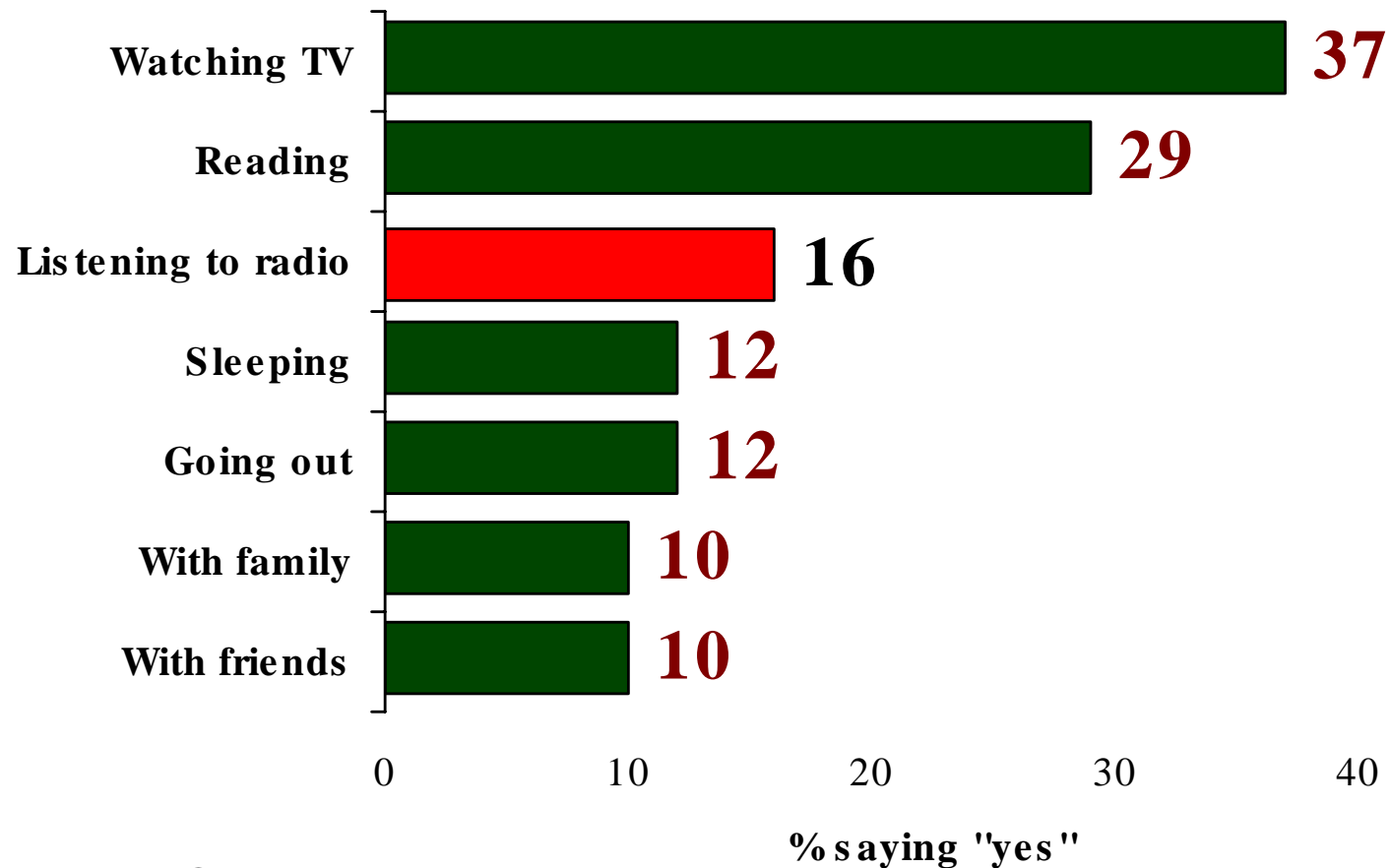
Base: Online

Nights are “prime-time” for Internet Usage

“In what time period do you go online the most?”



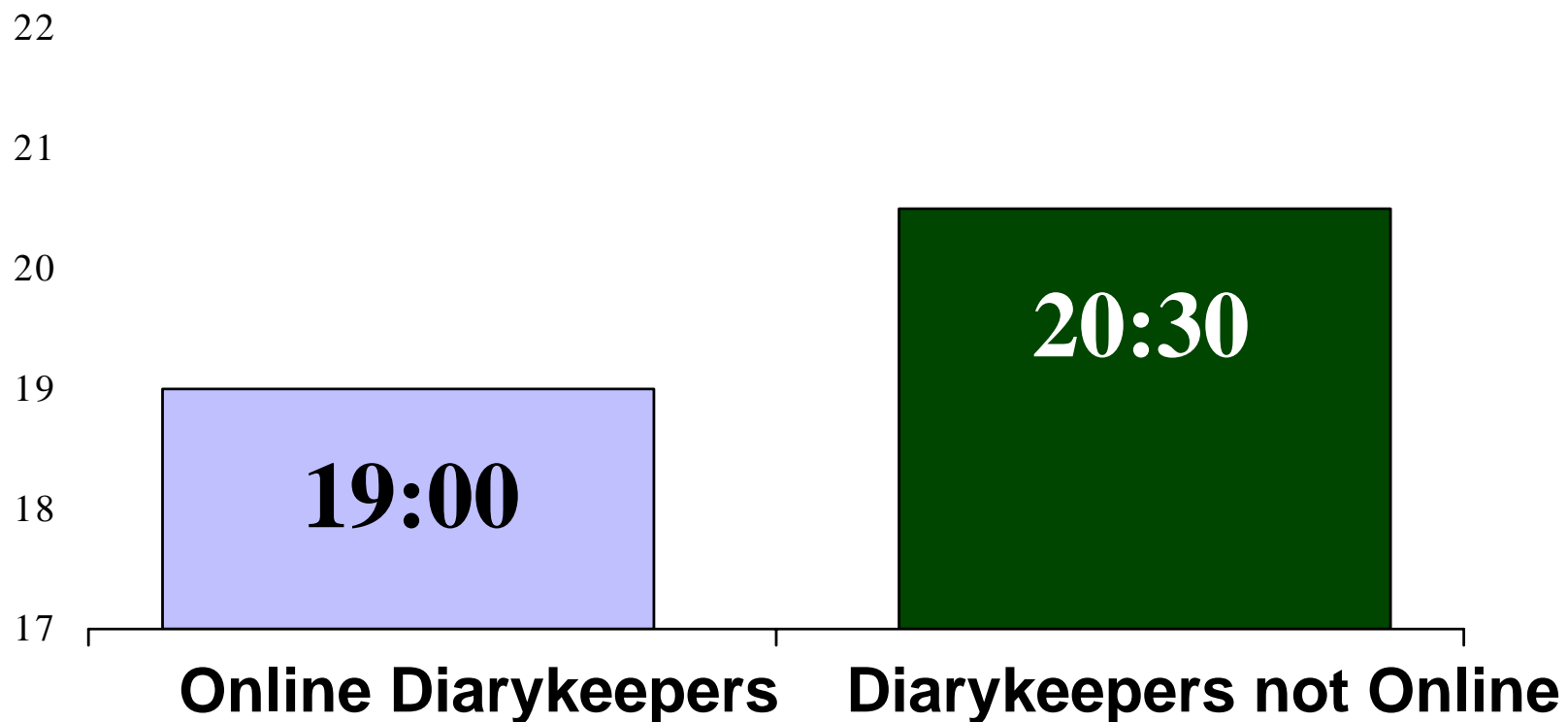
Because of the time you spend online, are you spending less time...



Base: Online

Those online spend less time with radio

Time spent listening to radio
Hours/Minutes per week



Telephone Survey/Arbitron Diaries



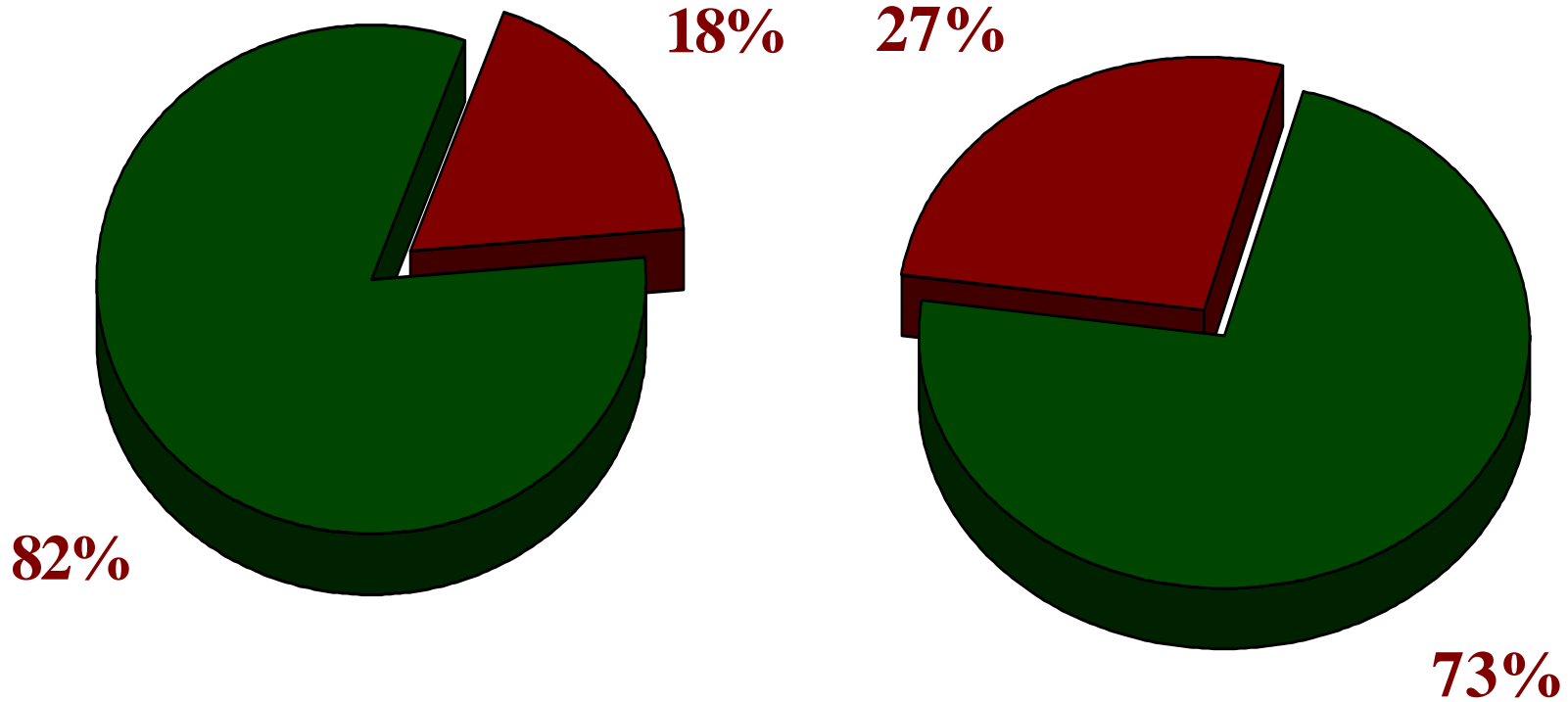
Internet Radio Listening

More than one quarter of those online have listened to Internet radio

Have listened to Internet radio

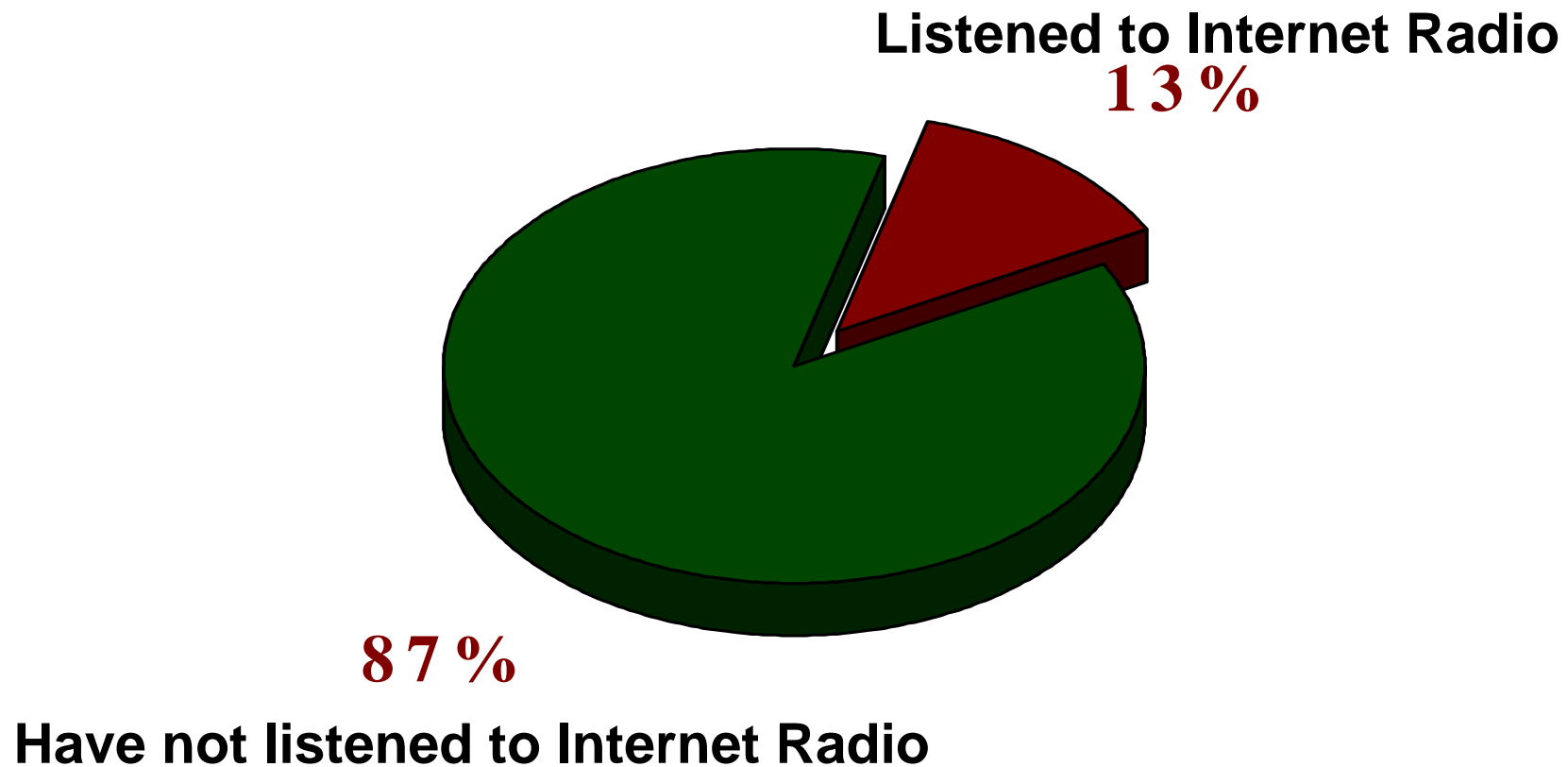
1998

1999



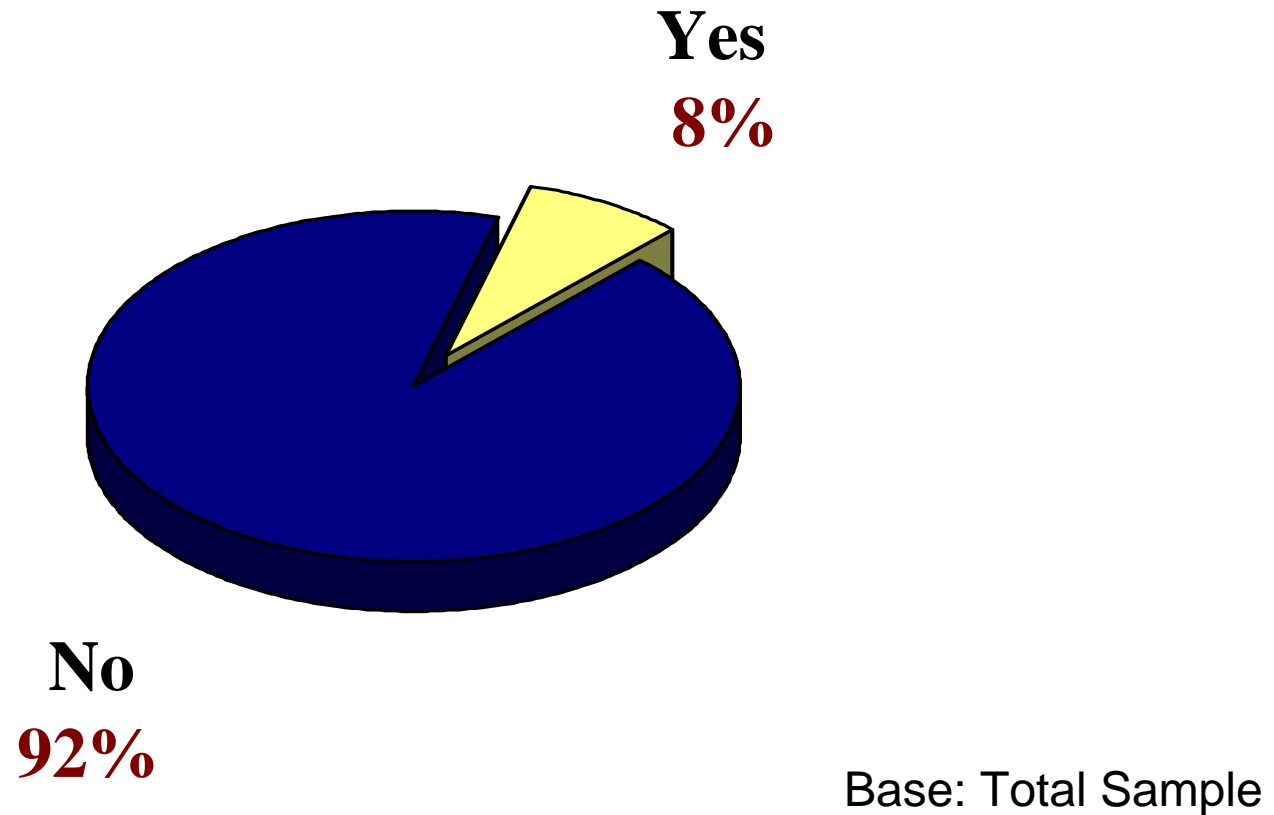
Base: Online

13% of all Americans have listened to Internet Radio



Base: Total Sample

During this past Holiday season, did you purchase any gifts through the Internet?

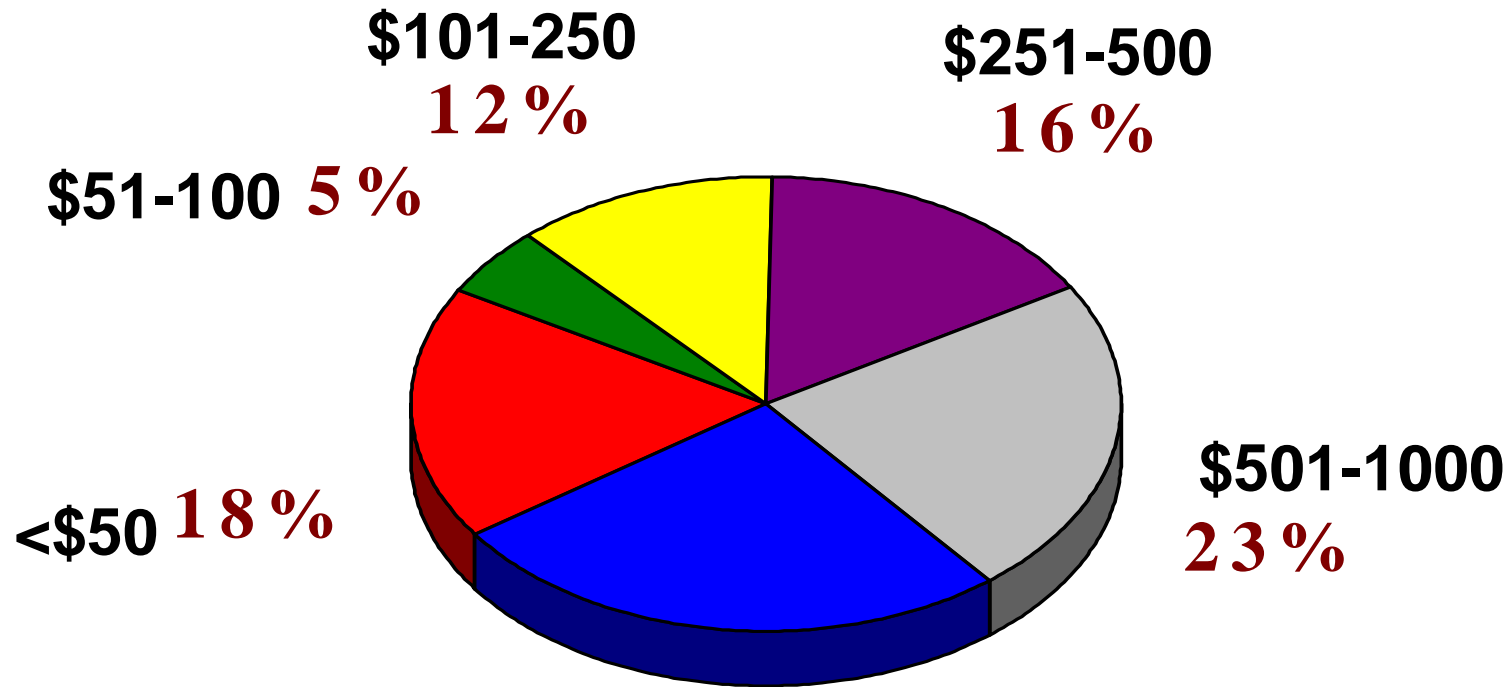




e-commerce

How much money did you spend on Holiday shopping this year?

Median: \$480

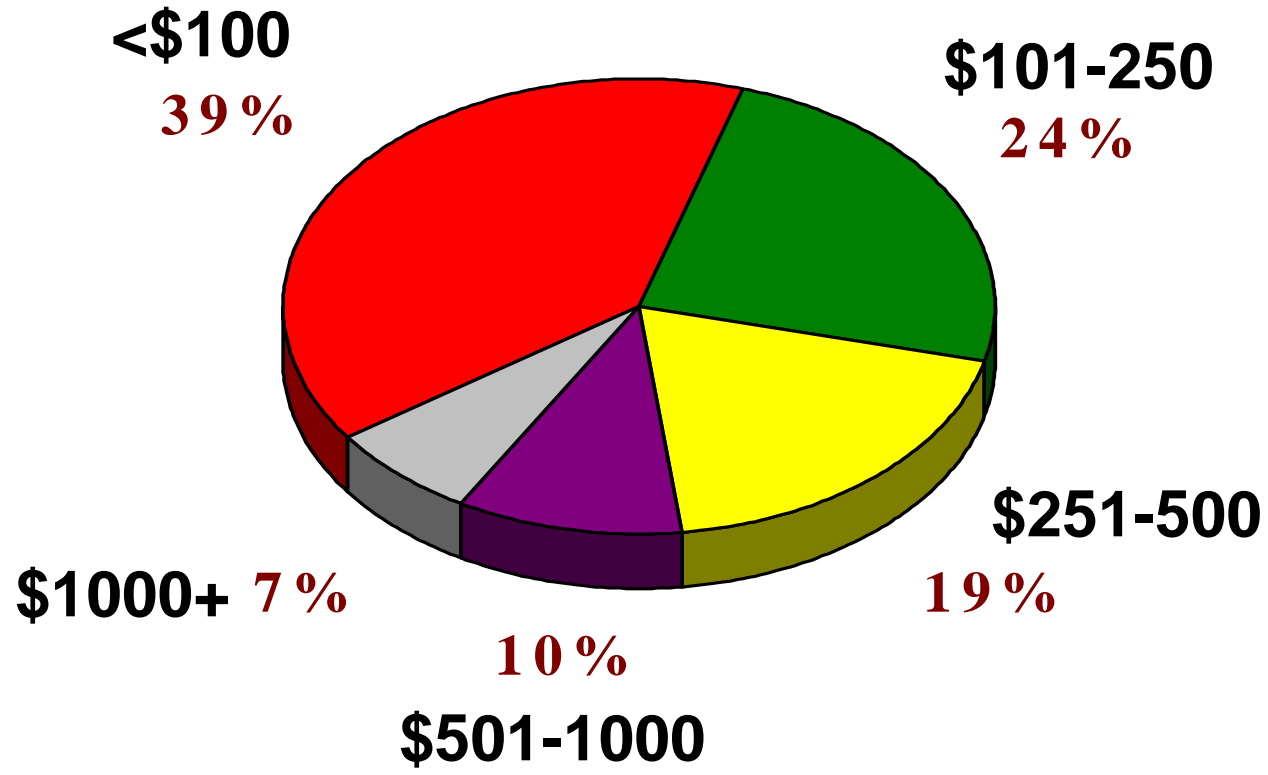


Base: Total Sample

\$1000+ 26%

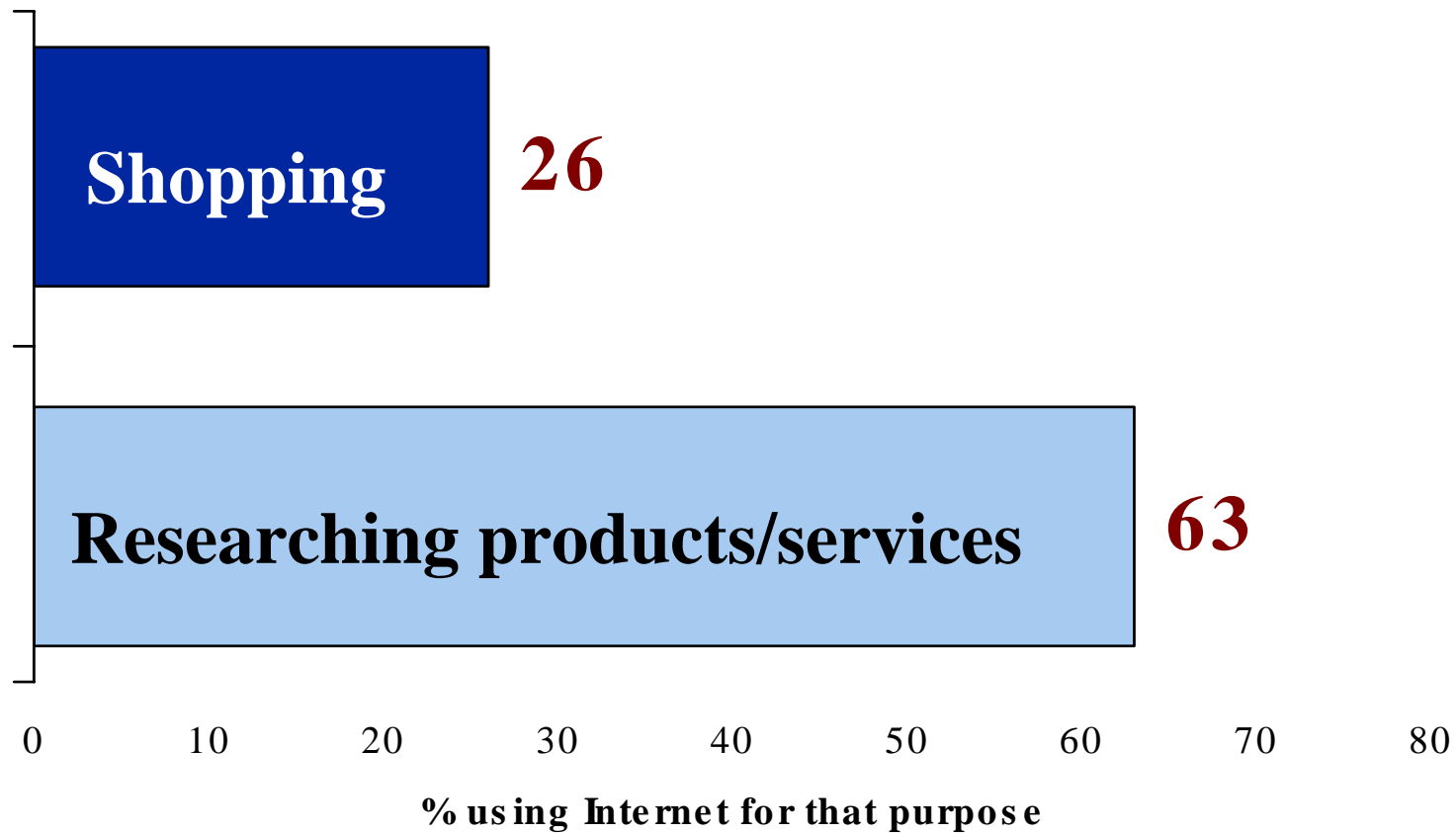
How much did you spend on Holiday shopping over the *Internet* this year?

Median: \$175



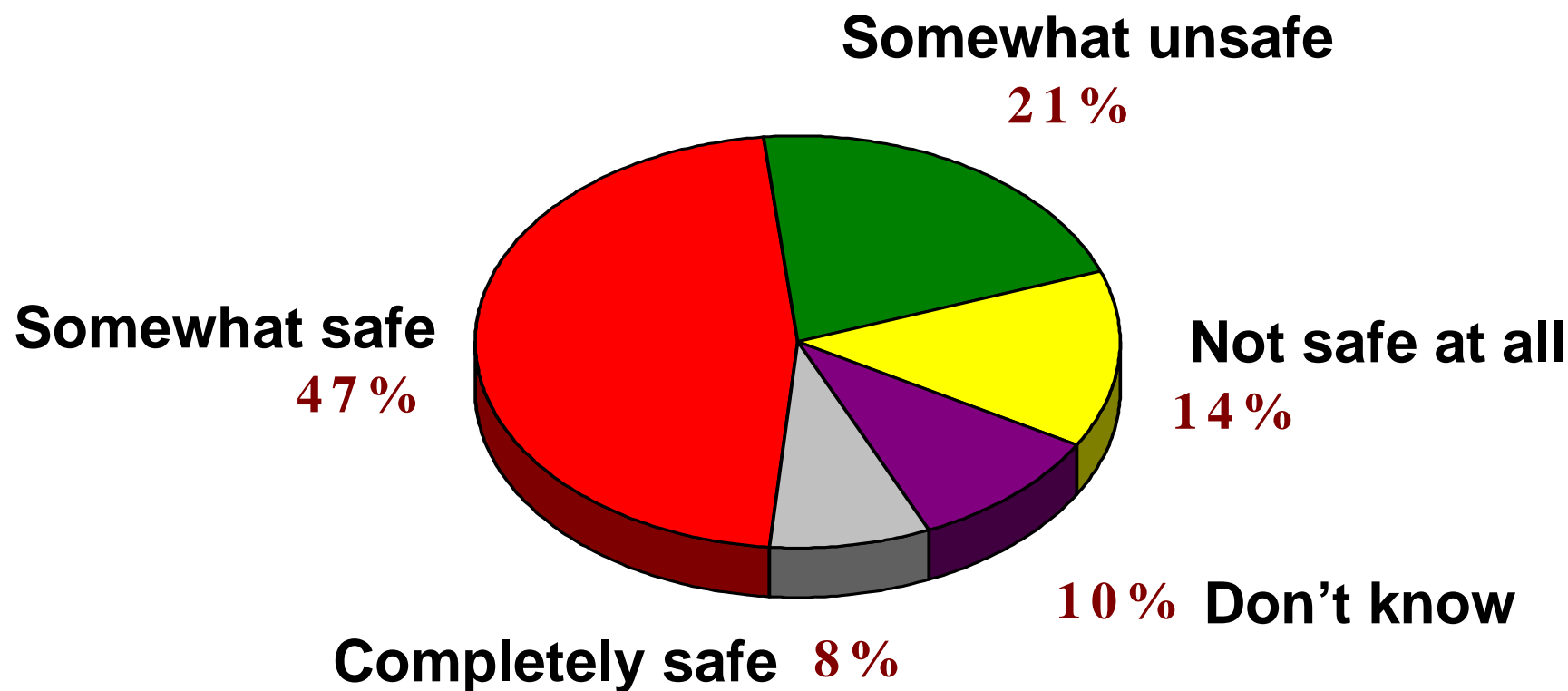
Base: Purchased Holiday gifts through the Internet this year

Do you use the Internet for...



Base: Online

How safe is shopping over the Internet?

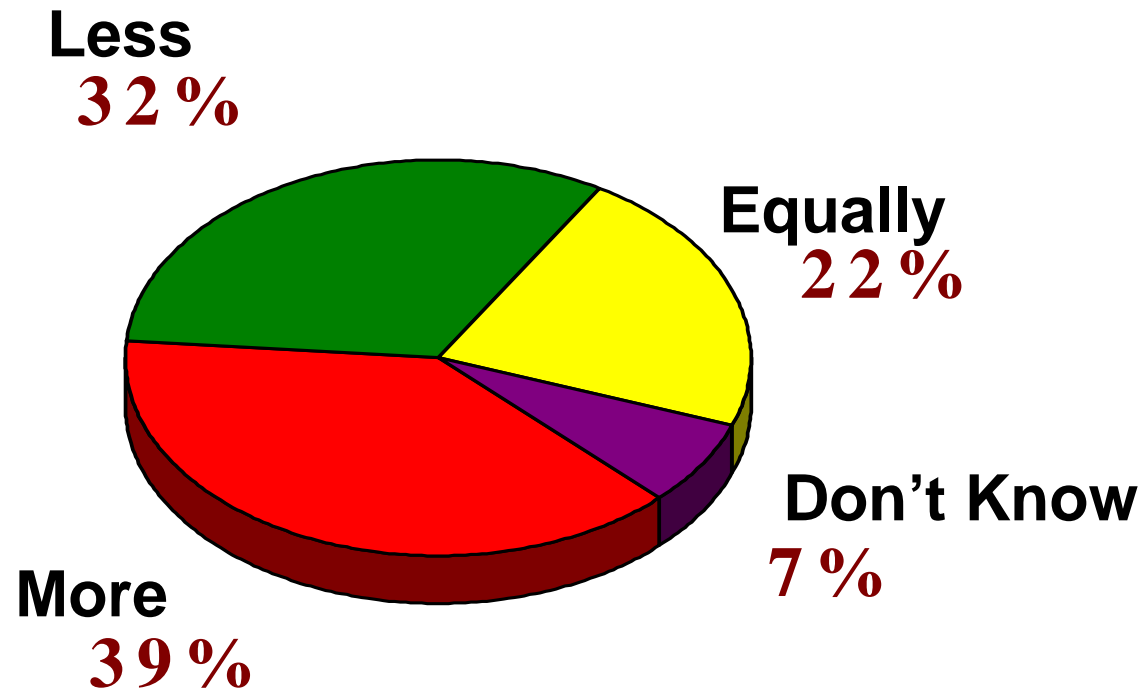


Base: Online

Do you use the Internet for shopping?



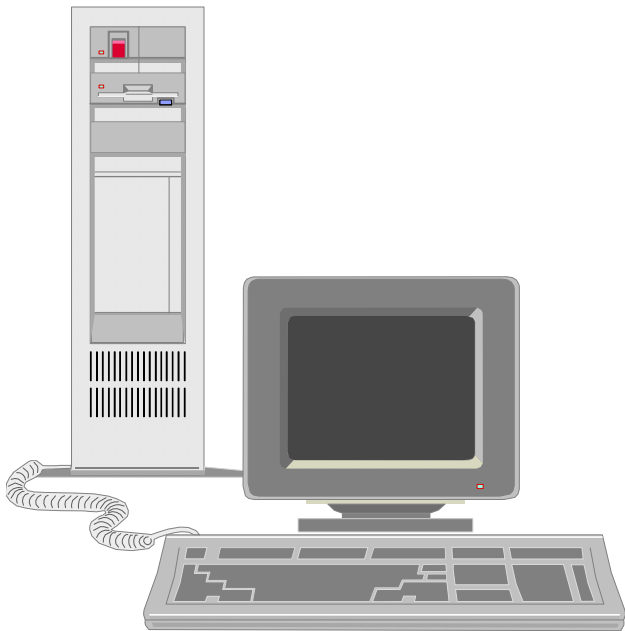
Compared to traditional shopping, are you more or less satisfied w/Internet shopping?



Base: Have shopped over the Internet



Using the Internet to Generate Revenues



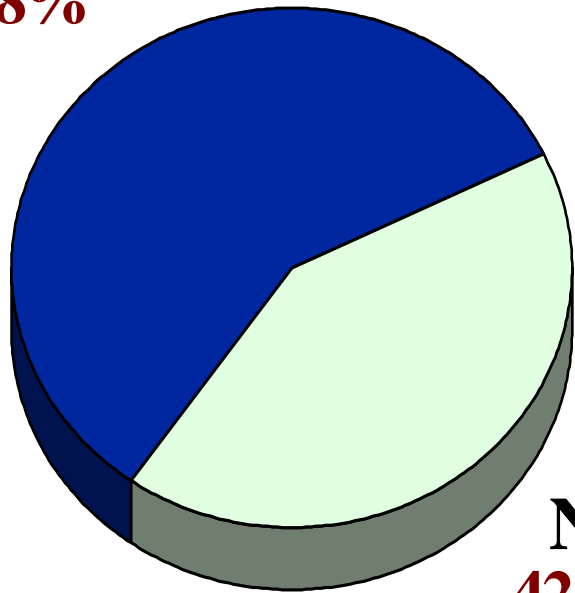


**Radio
Station
Web Sites**

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

1998

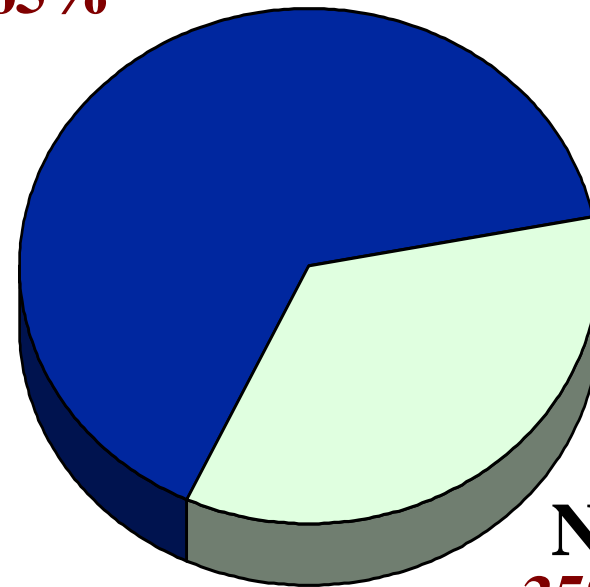
Yes
58%



No
42%

1999

Yes
65%



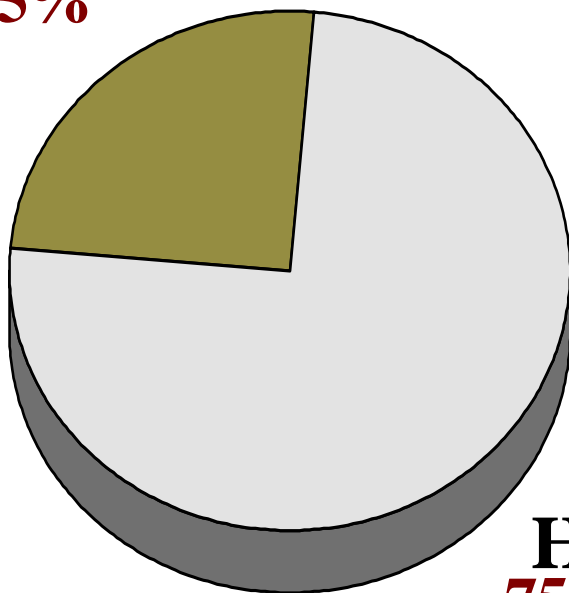
No
35%

Base: Online

Ever visited a radio station Web site?

1998

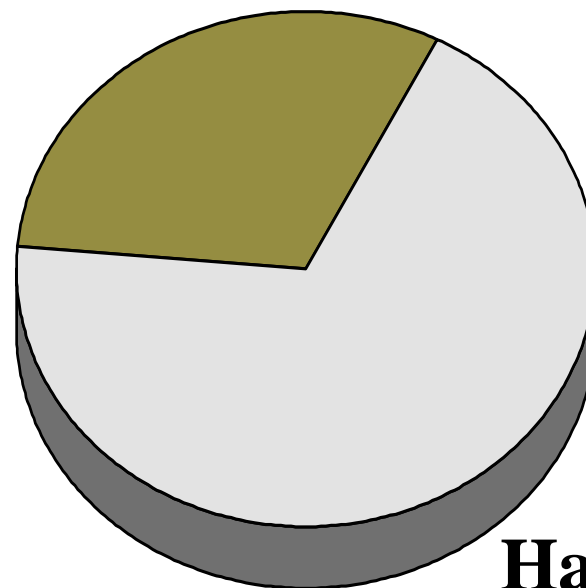
Have Visited
25%



Haven't
75%

1999

Have Visited
31%



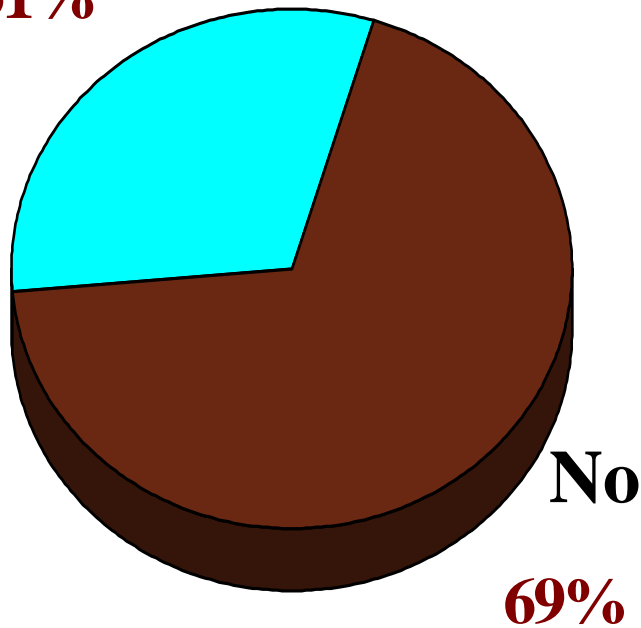
Haven't
69%

Base: Online

Radio stations are not delivering regular usage of their Web sites

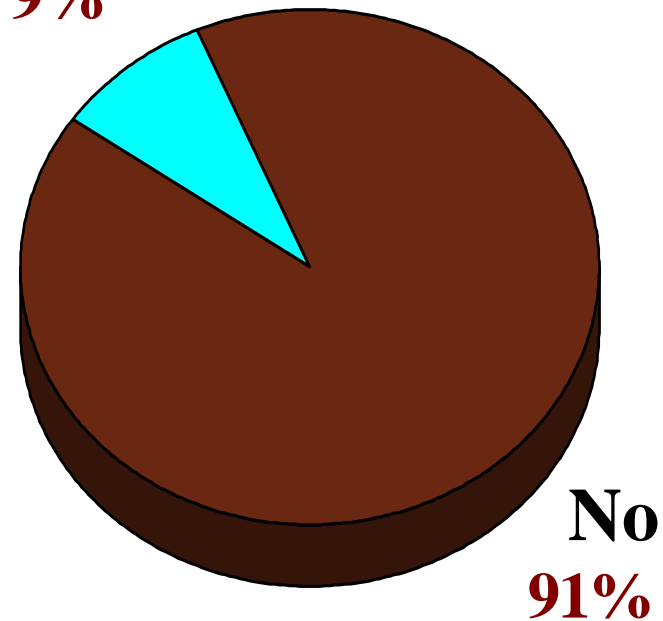
Ever visited the Web site of any radio station?

Yes
31%



Visited any radio station Web site **in the last month**?

Yes
9%

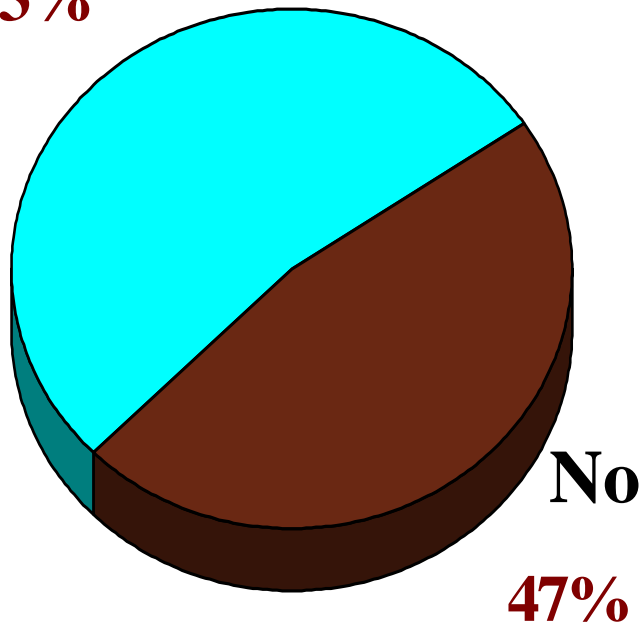


Base: Online

Radio must get more consumers to bookmark their Web sites

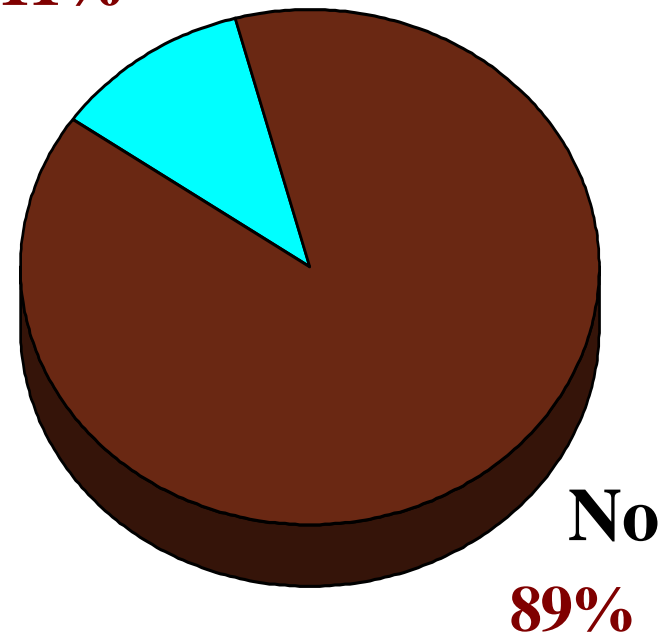
Ever bookmarked **any** Internet Web site?

Yes
53%



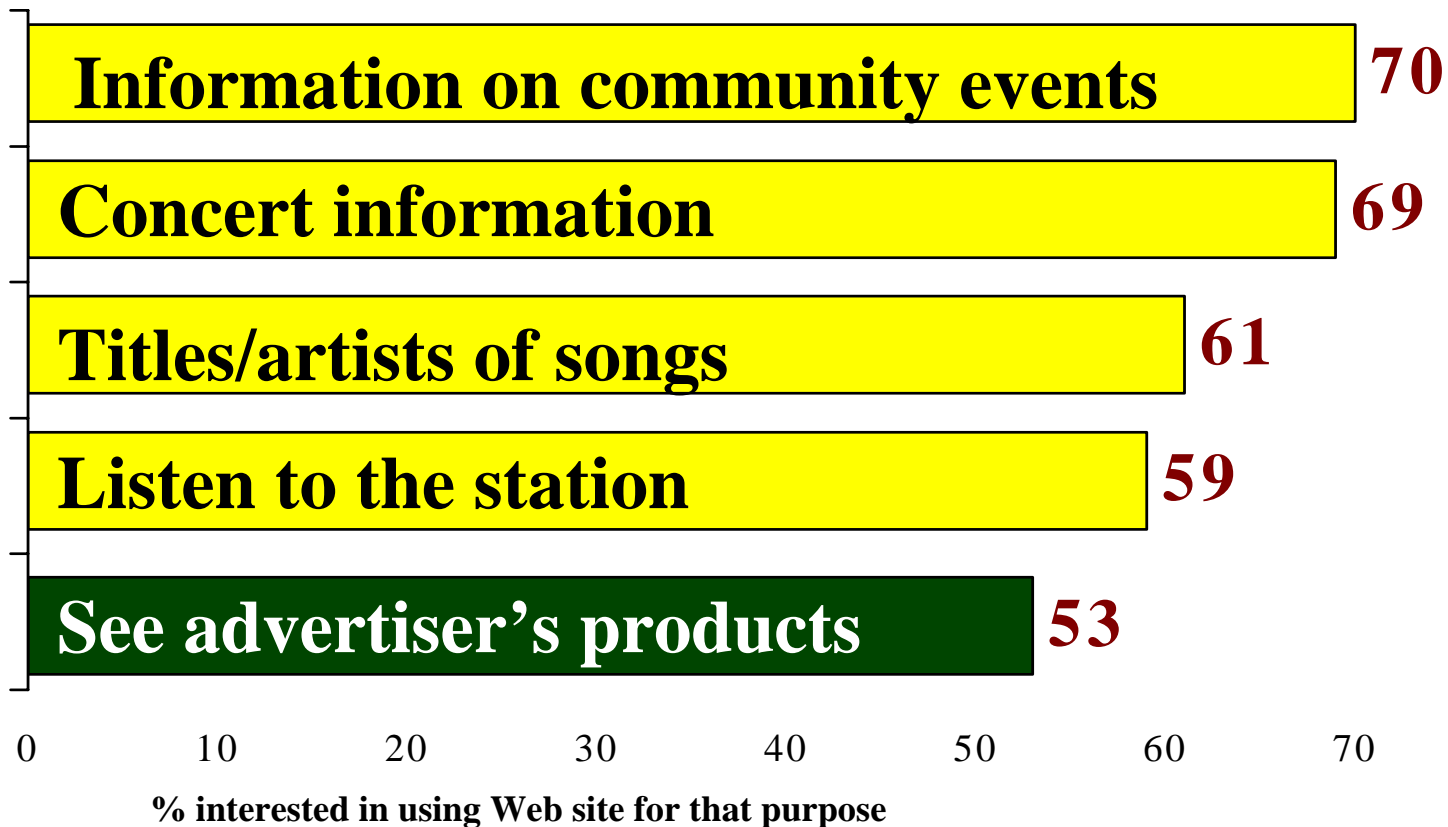
Have any **radio station** Web site bookmarked?

Yes
11%



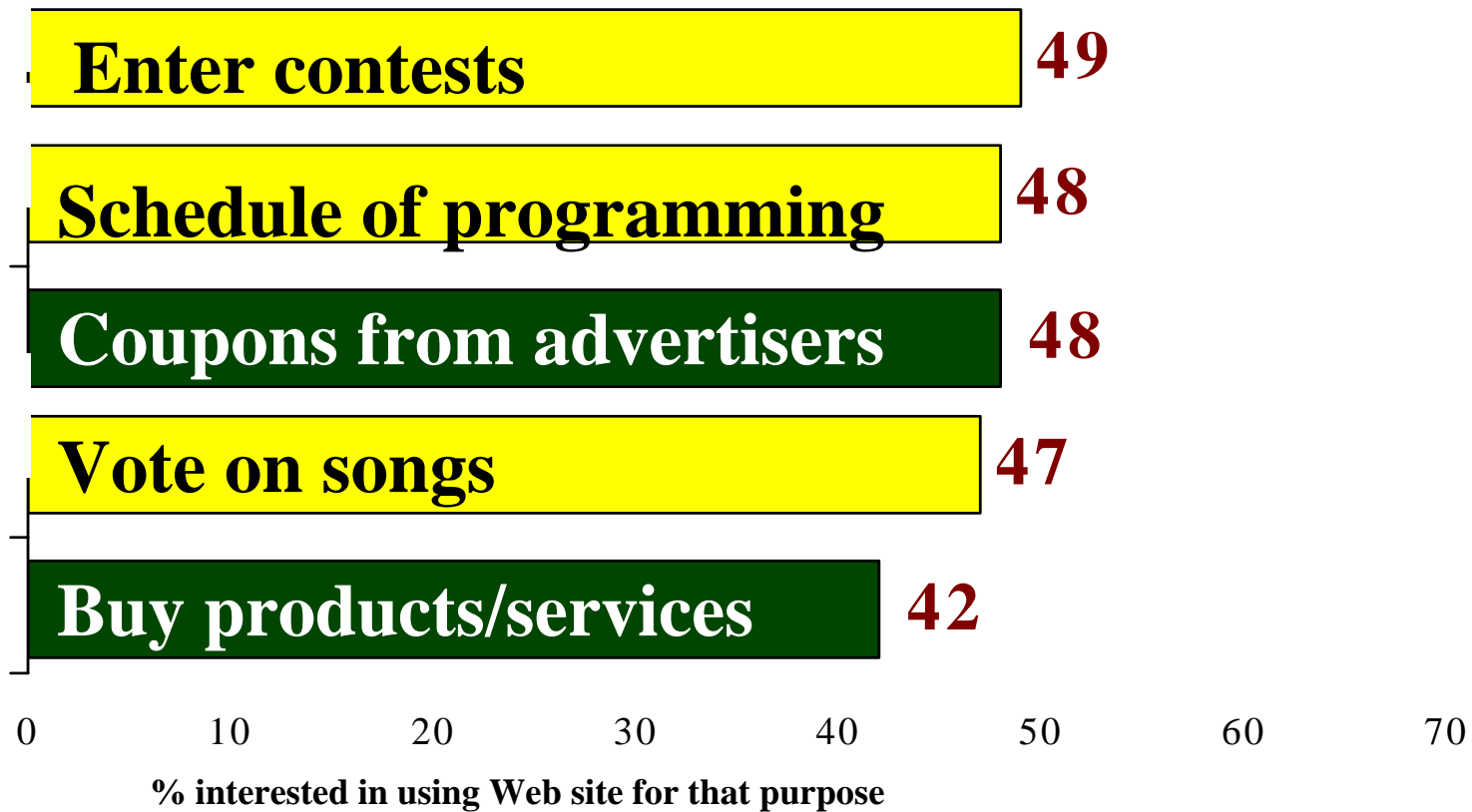
Base: Online

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



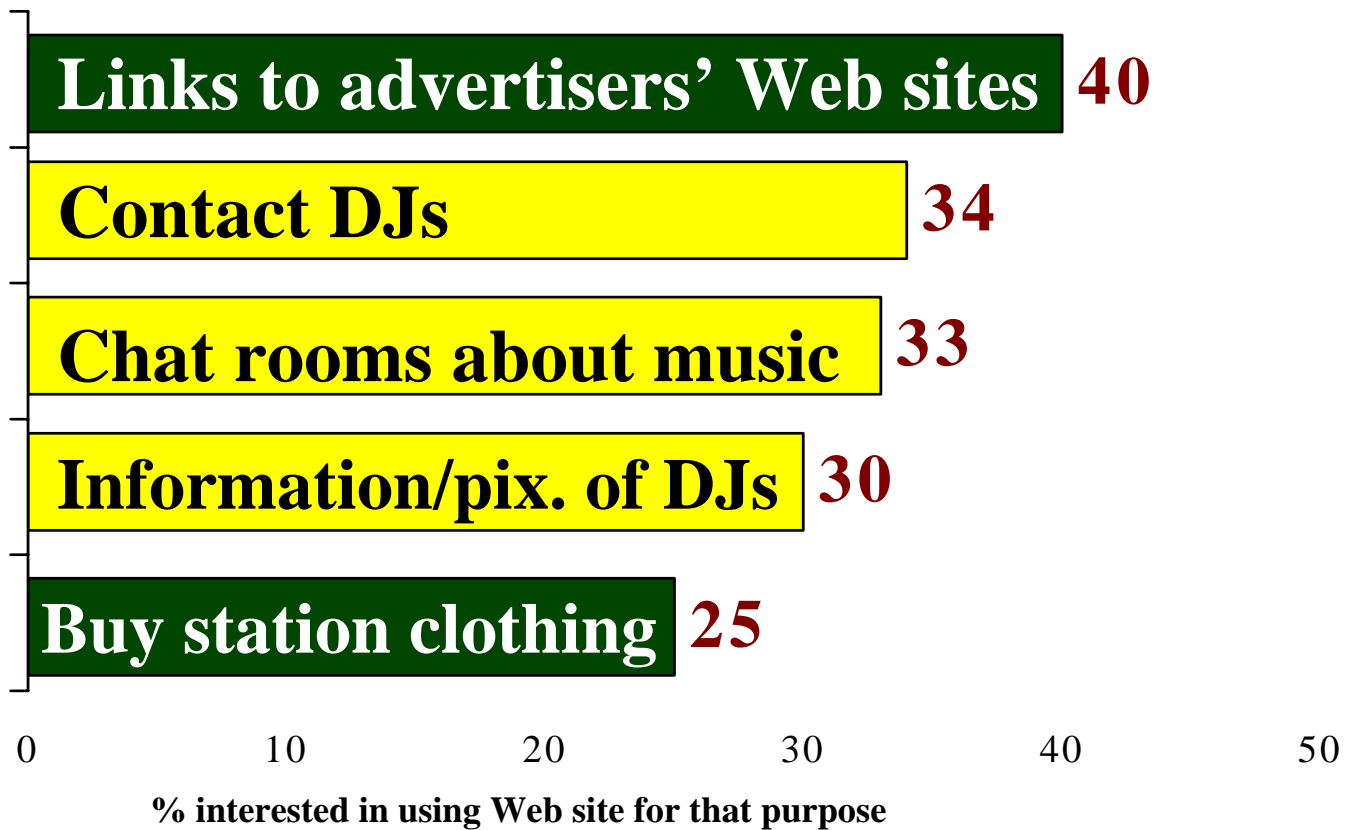
Base: Online

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



Base: Online

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

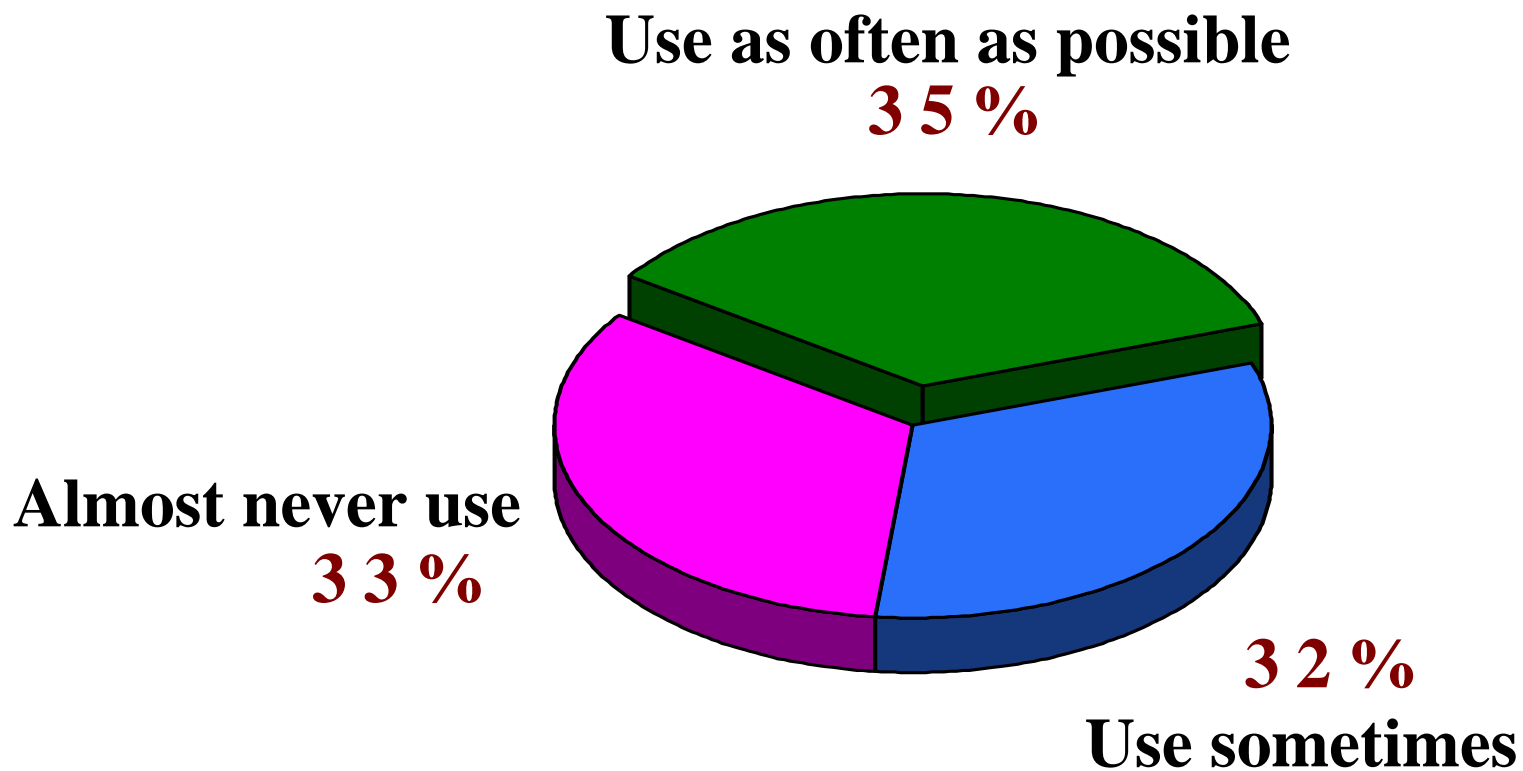


Base: Online

Four Negatives against Radio Advertising

- **Not a Visual Medium**
- **No opportunity for Couponing**
- **Cannot give a lot of product/service detail**
- **Measurement of results is difficult**

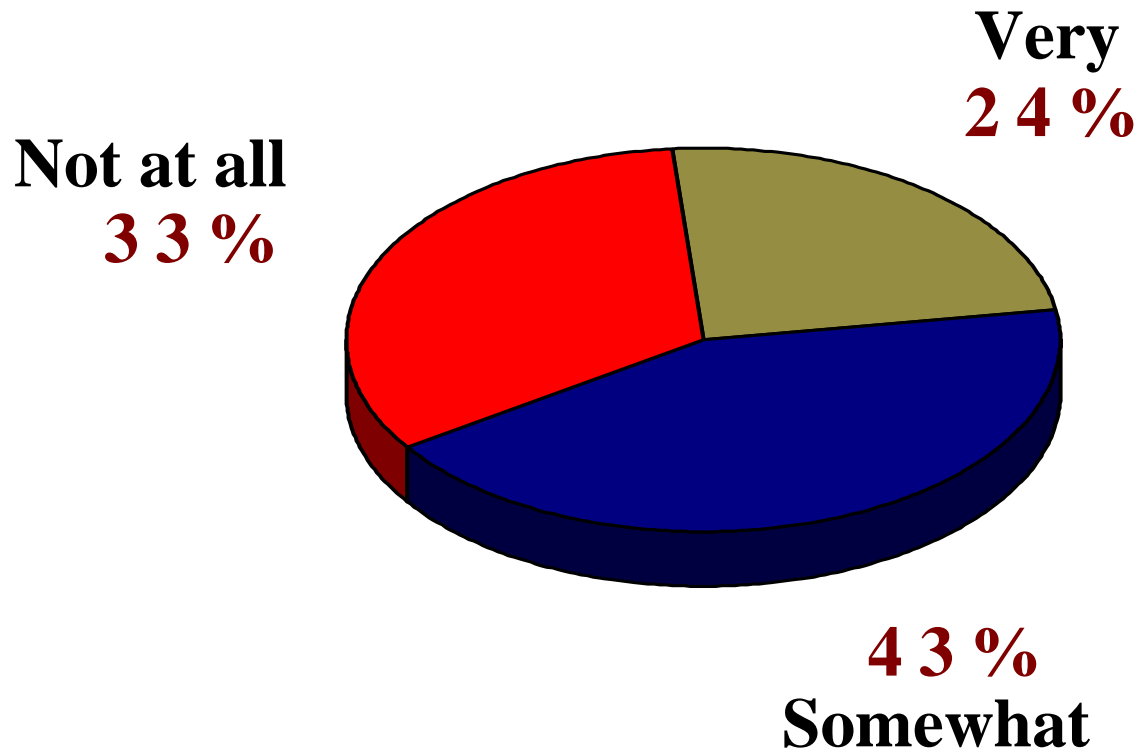
Consumer use of coupons:



Base: Total Sample

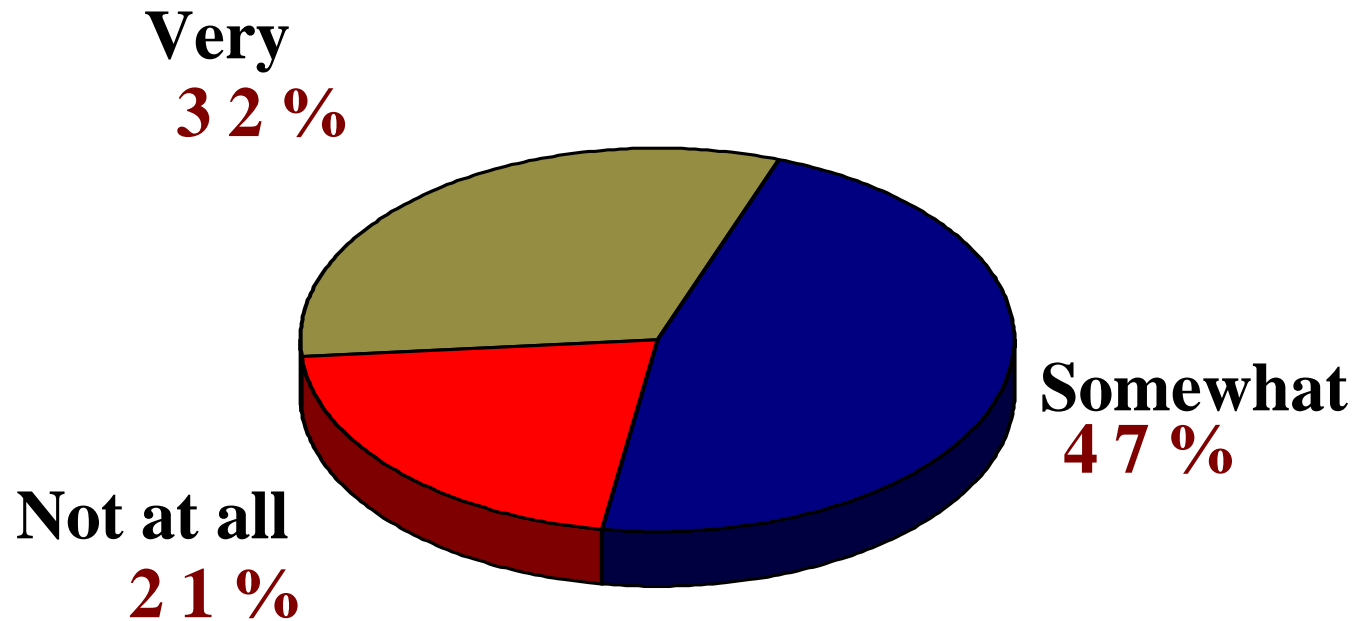
“Coupon Clippers” will go to your Web site

“How interested are you in visiting a radio station Web site to print out coupons from advertisers?”



Base: Use coupons as often as possible

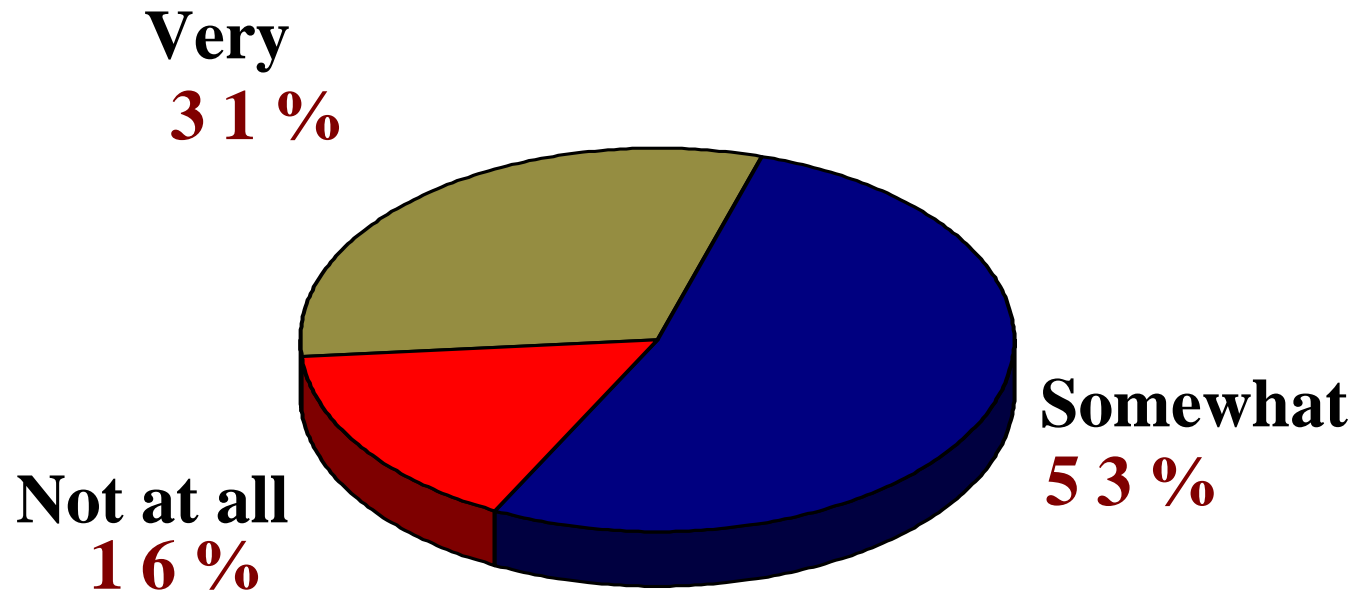
Interest in visiting a Web site that lists information on local shopping



Base: Online

Listeners will go to your Web site for detailed information

“How likely would you be to go to a radio station’s Web site for more info on a product you heard advertised?”



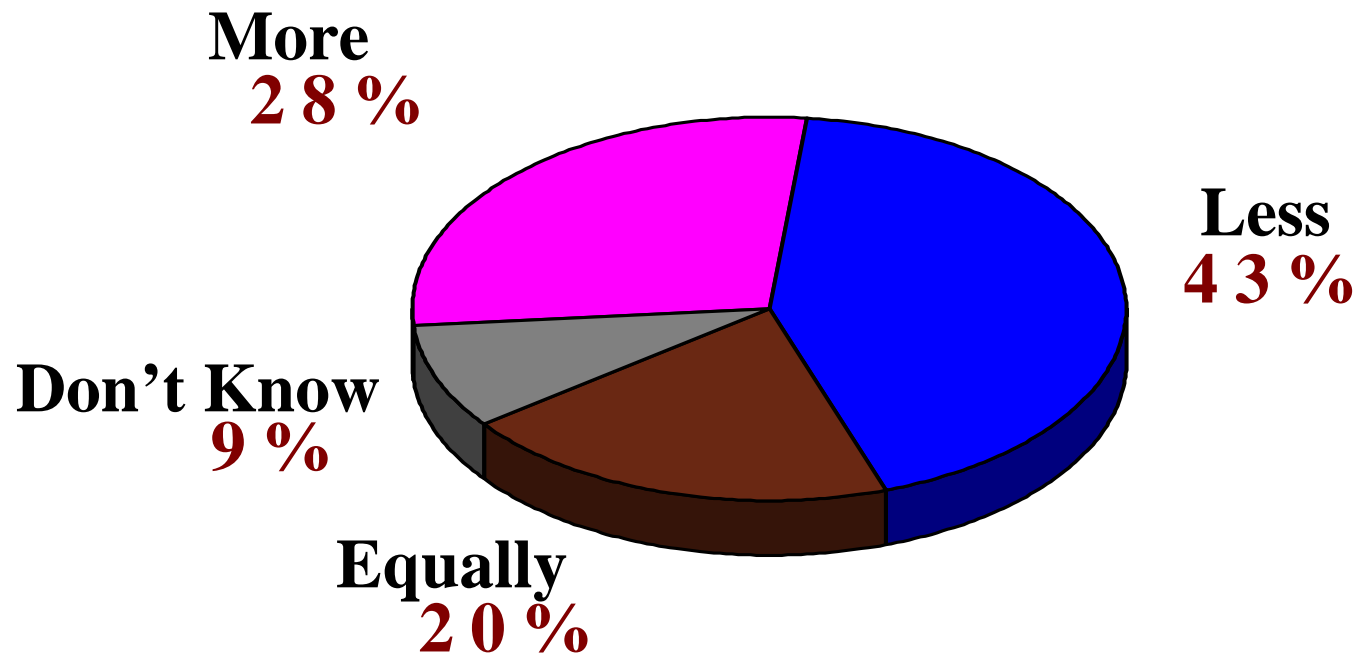
Base: Online



Radio's Credibility Gap

Radio must increase its credibility in order to fully realize its e-commerce potential

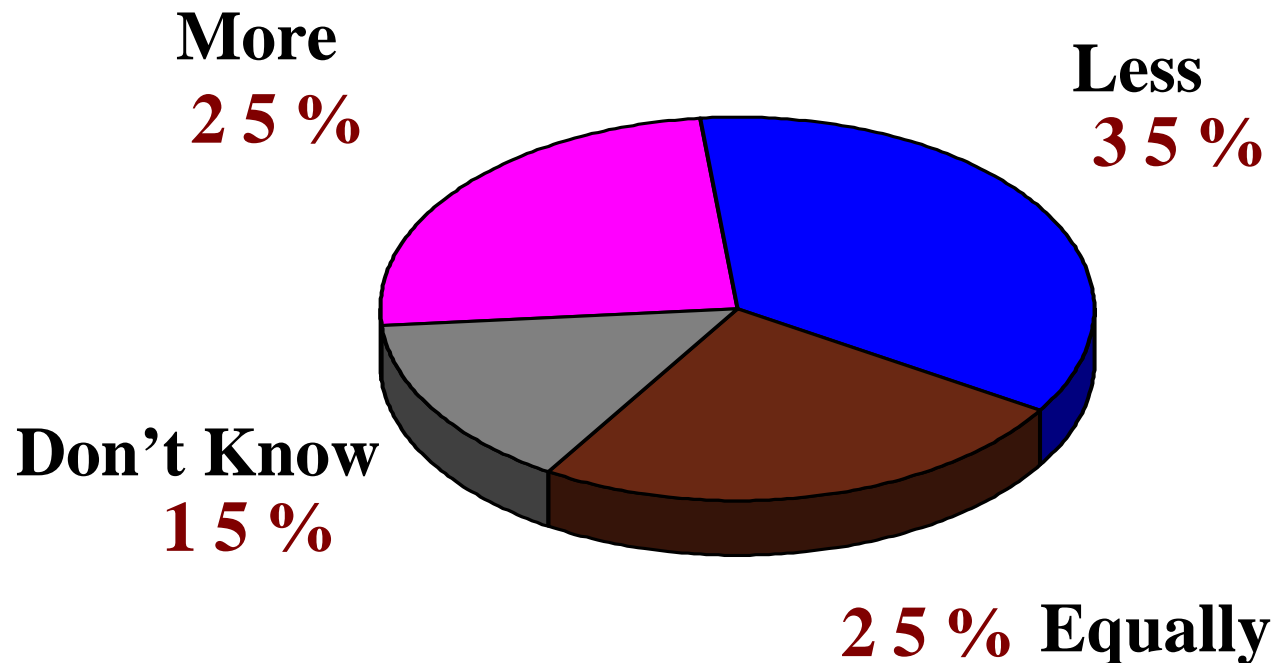
“Would you be MORE or LESS likely to click on advertising from radio station Web sites”



Base: Online

Radio must increase its credibility in order to fully realize its e-commerce potential

*“Would you feel **MORE** or **LESS** safe making a purchase from a radio station Web site?”*



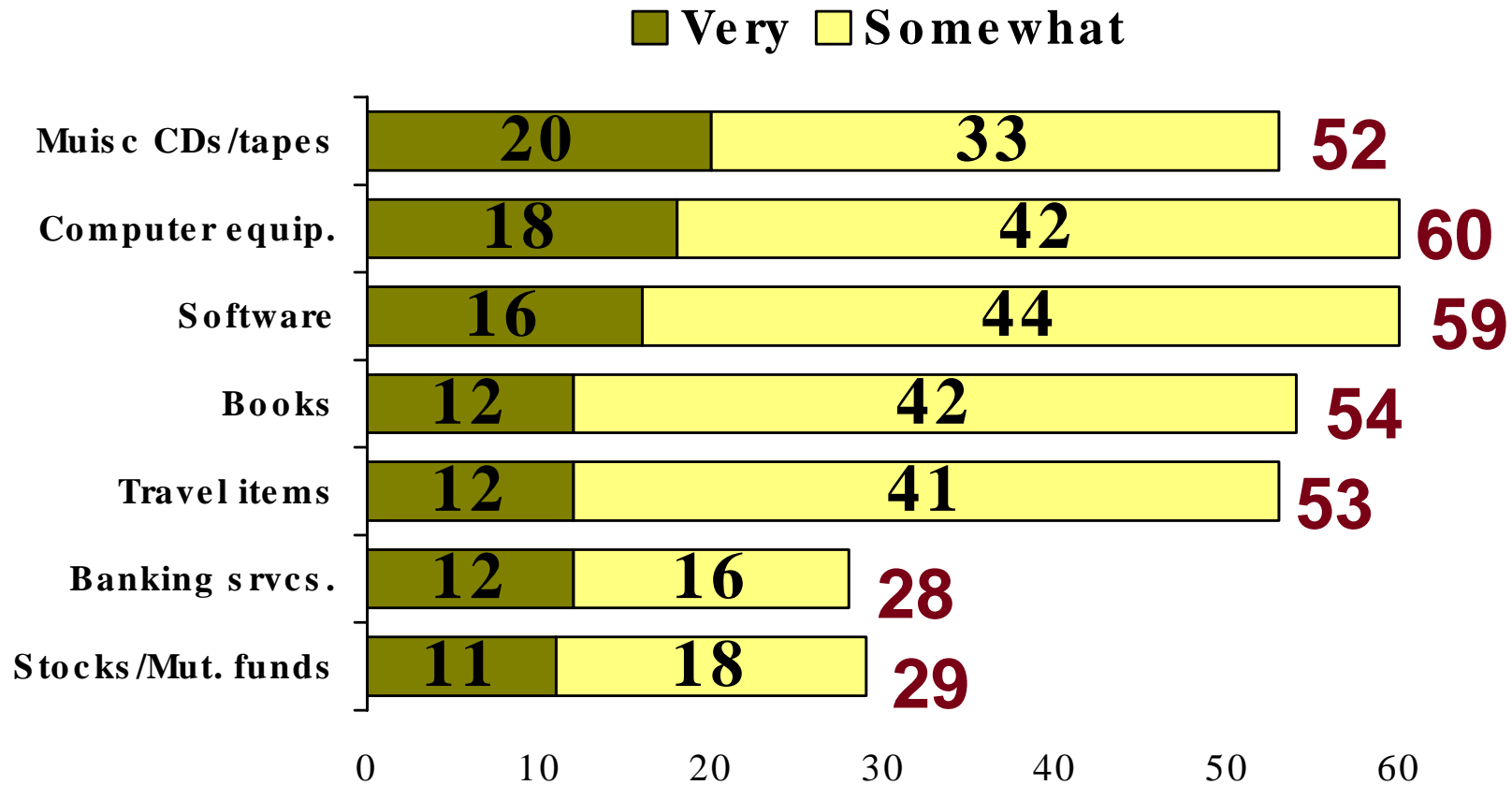
Base: Online



Music

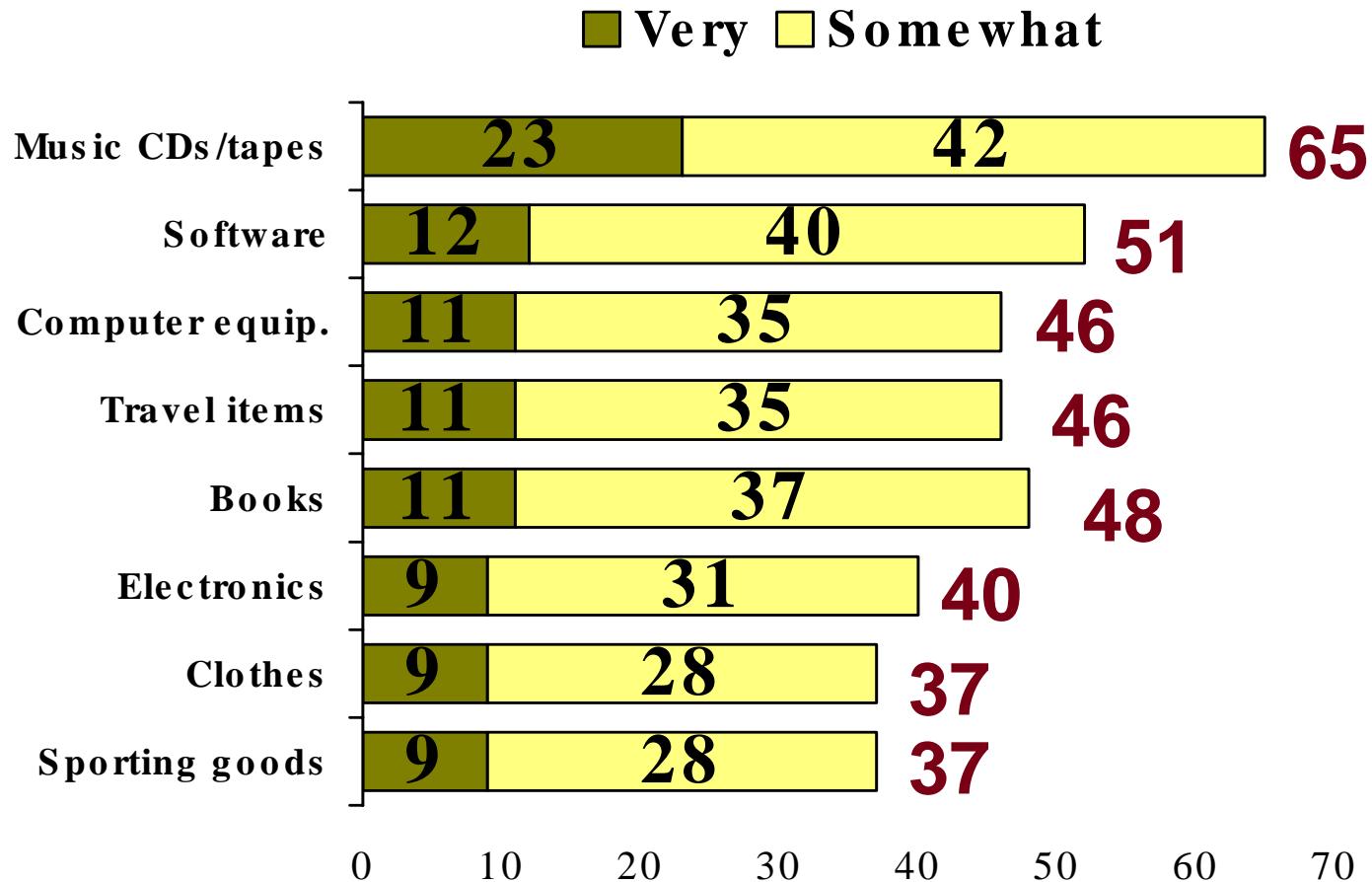
Radio's e-commerce
Opportunity

How often do you shop over the Internet for...



Base: Have shopped over the Internet

Through a *radio station Web site*, how interested would you be in shopping for...



Base: Online

Arbitron's Next Steps

- **Introduction of InfoStream measurement plan**
- **Expand streaming industry measurement coalition**
- **Test addition of Internet and Satellite Radio to the diary**
- **Enhance Internet measures in Scarborough qualitative service**
- **1999: Pathfinder New Media Study**



Seven ways for radio stations to make money from the Internet

Recommendations for the Radio Industry

- 1. Make your Web site a compelling place to visit every day**

Recommendations for the Radio Industry

2. “Program” your Web site according to listener needs

Recommendations for the Radio Industry

3. Use your marketing power to drive awareness, cume and time spent on your Web site

Recommendations for the Radio Industry

- 4. Explore different radio e-commerce models and put people specifically in charge of e-commerce**

Recommendations for the Radio Industry

5. Invest in a new Internet organization:

- Internet Program Director**
- Internet Sales Manager**
- Internet Marketing Director**

Recommendations for the Radio Industry

6. Develop an e-commerce model to sell music through your Web site

Recommendations for the Radio Industry

7. Use audio in your online marketing