



DOTCOM \$

Getting more Internet Advertising
on your station

The buying *Power* of “Streamies”

Arbitron/Edison Internet Research

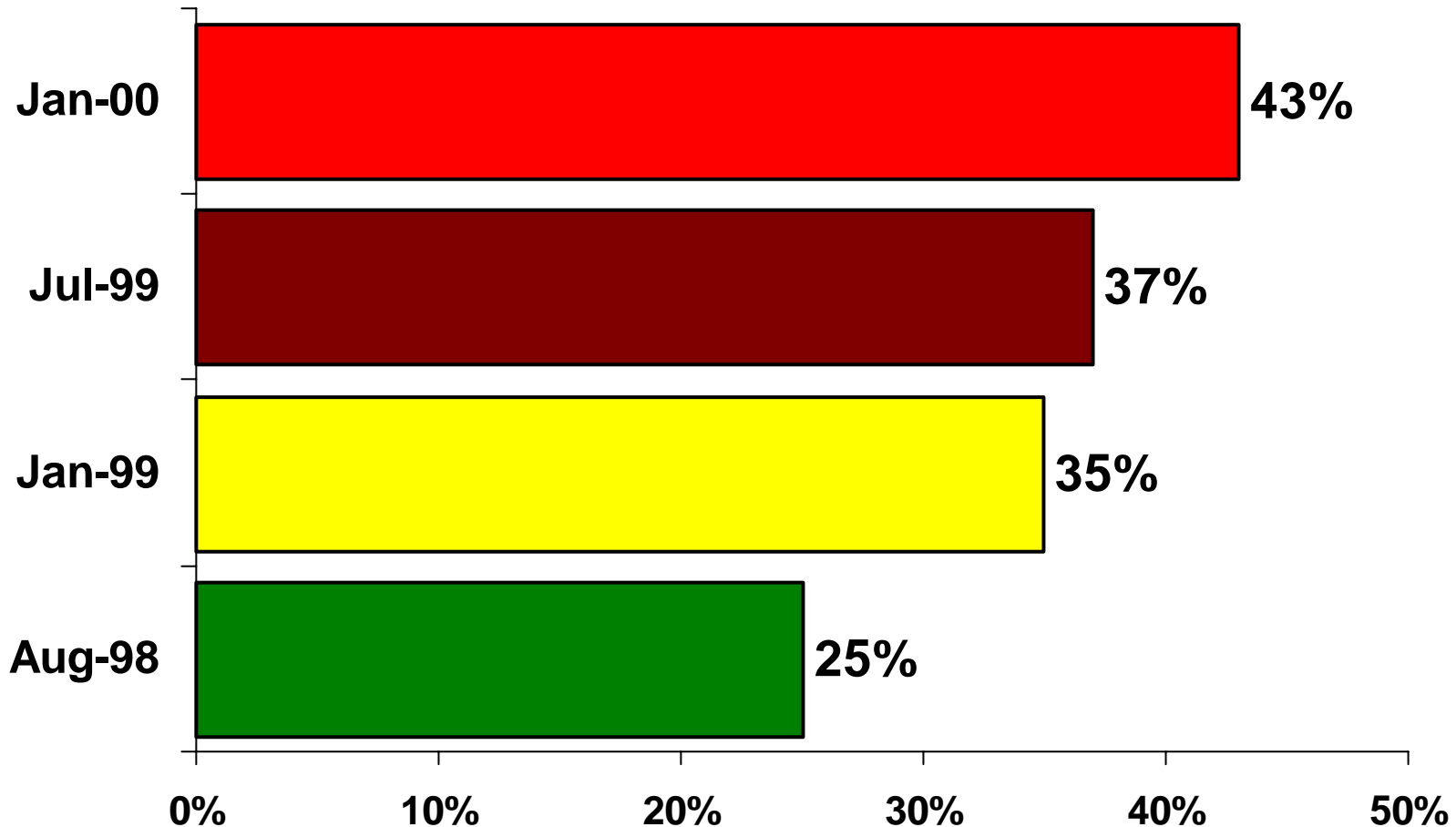
- **August 1998 - Internet I**
 - **“Radio in a New Media World”**
- **January 1999 - Internet II**
 - **“Radio & E-commerce”**
- **July 1999 - Internet III**
 - **“Broadcasters vs. Webcasters”**

How the Survey Was Conducted:

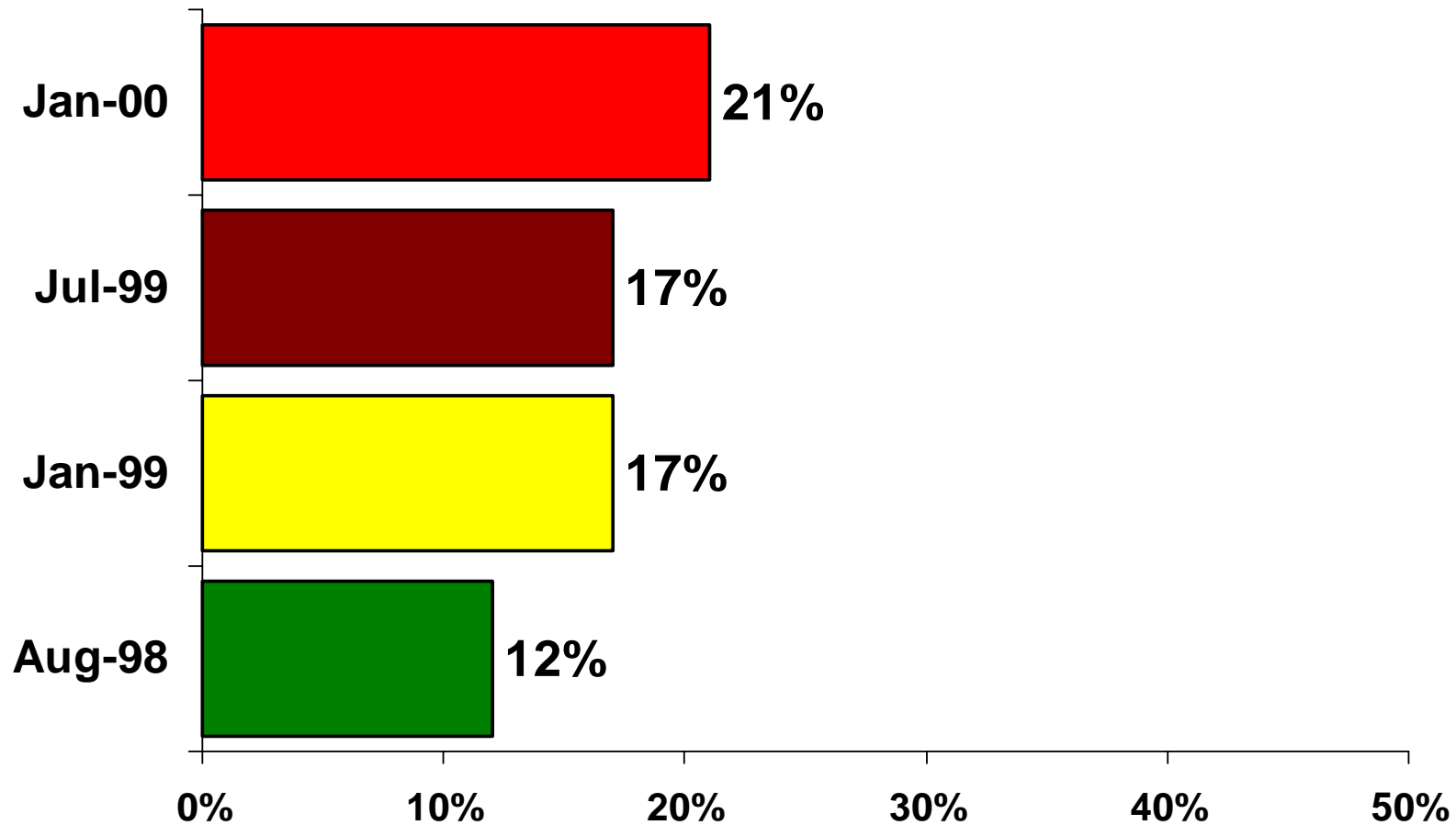
- **2,000** telephone interviews conducted in January 2000 with Fall 1999 diarykeepers
 - National random sample of diarykeepers 12+
 - Listening measures from diary

The Internet Boom Continues

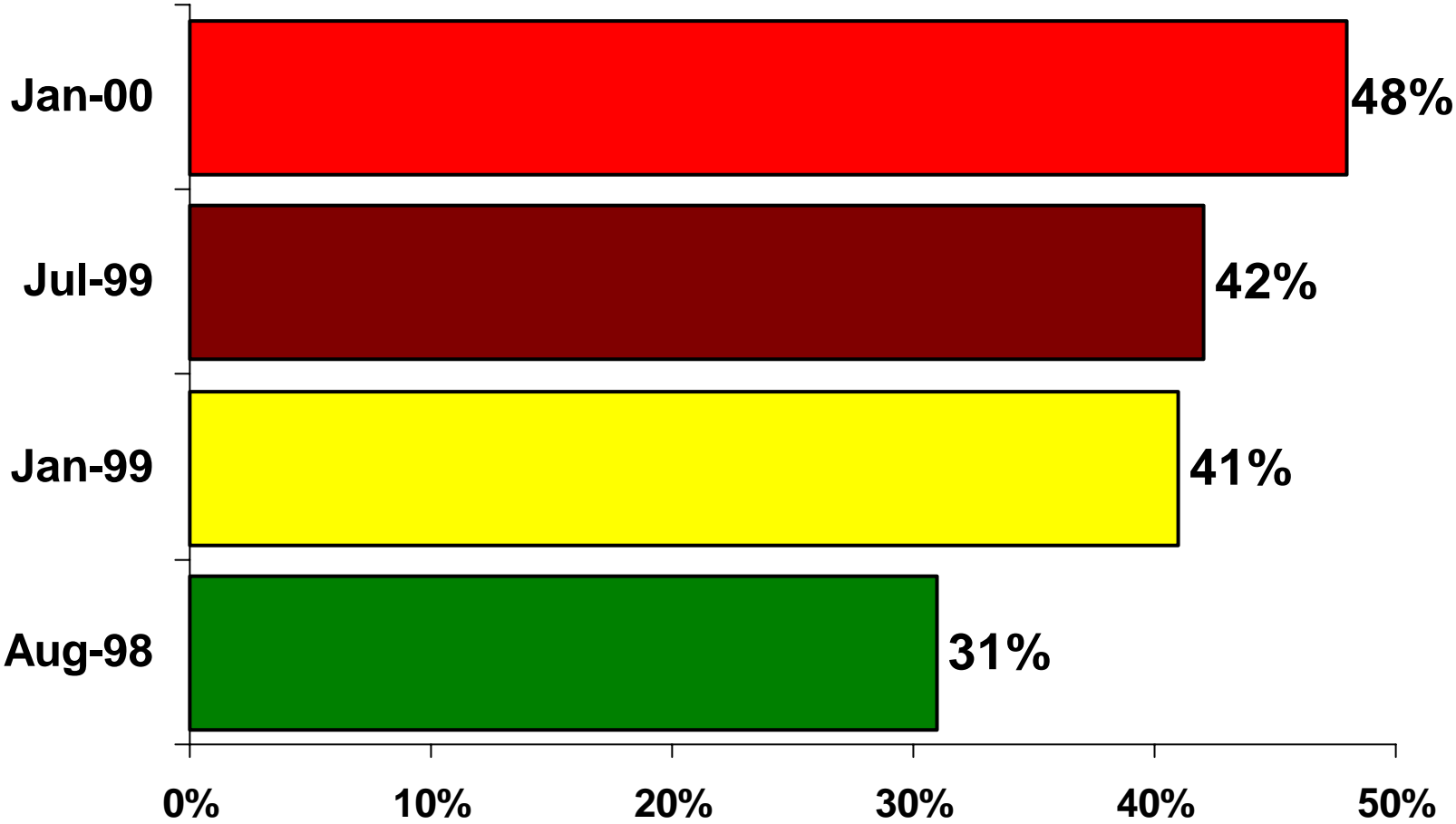
Home Internet access up to 43%



Work Internet access rose to 21%

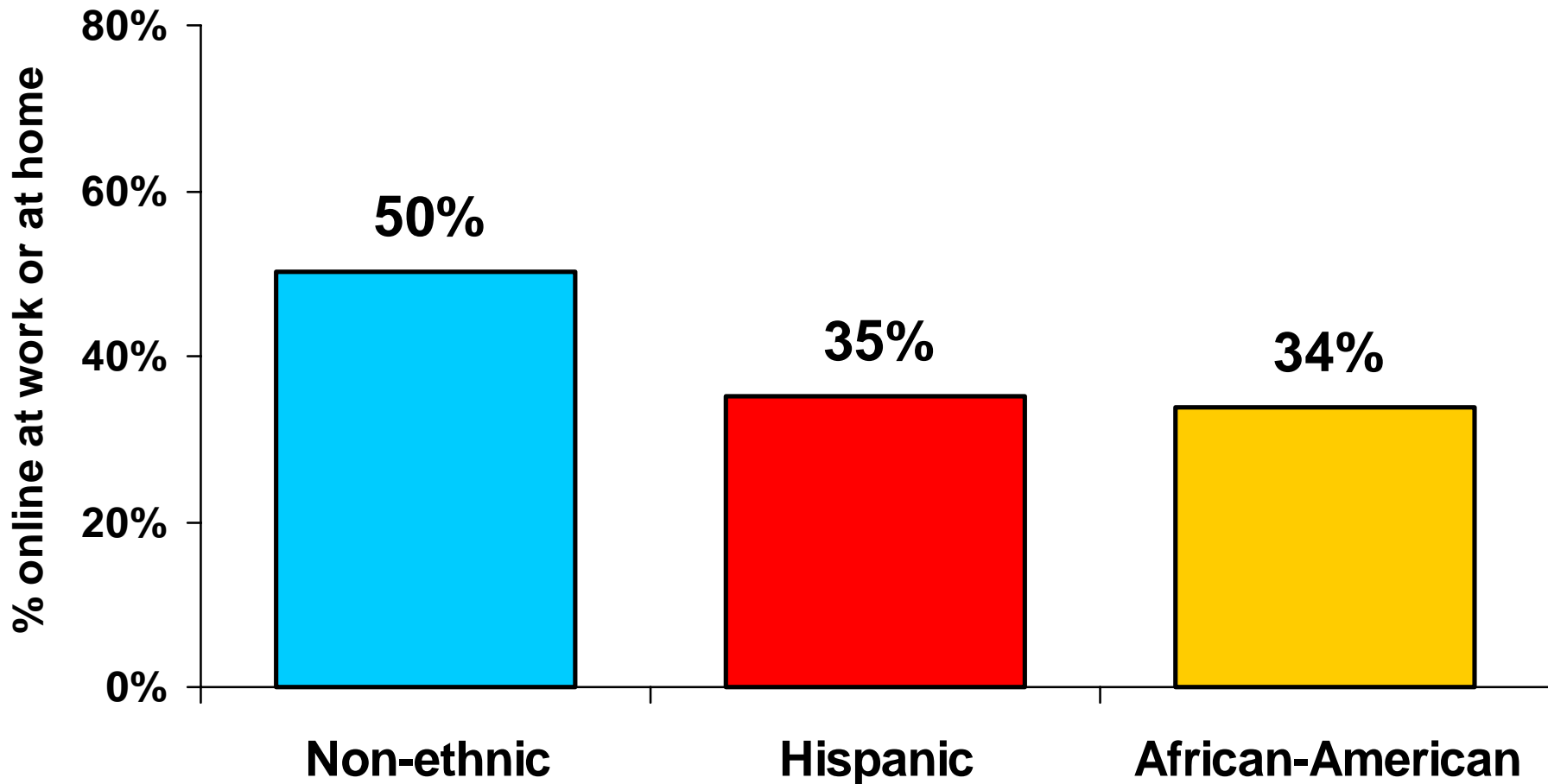


Home or work access to the Internet closes in on 50%

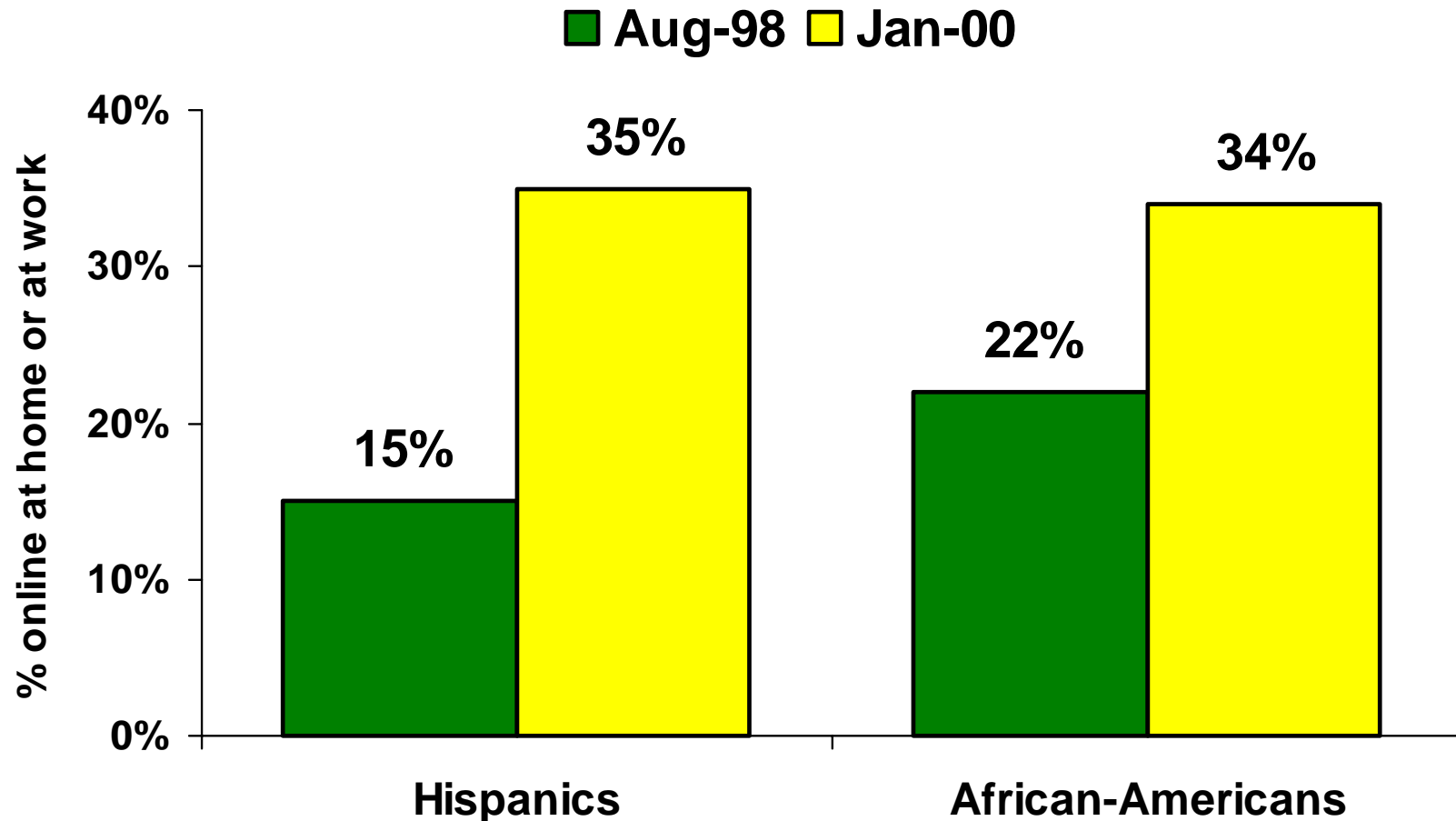


The Digital Divide

Hispanics and African-Americans are still much less likely to be online

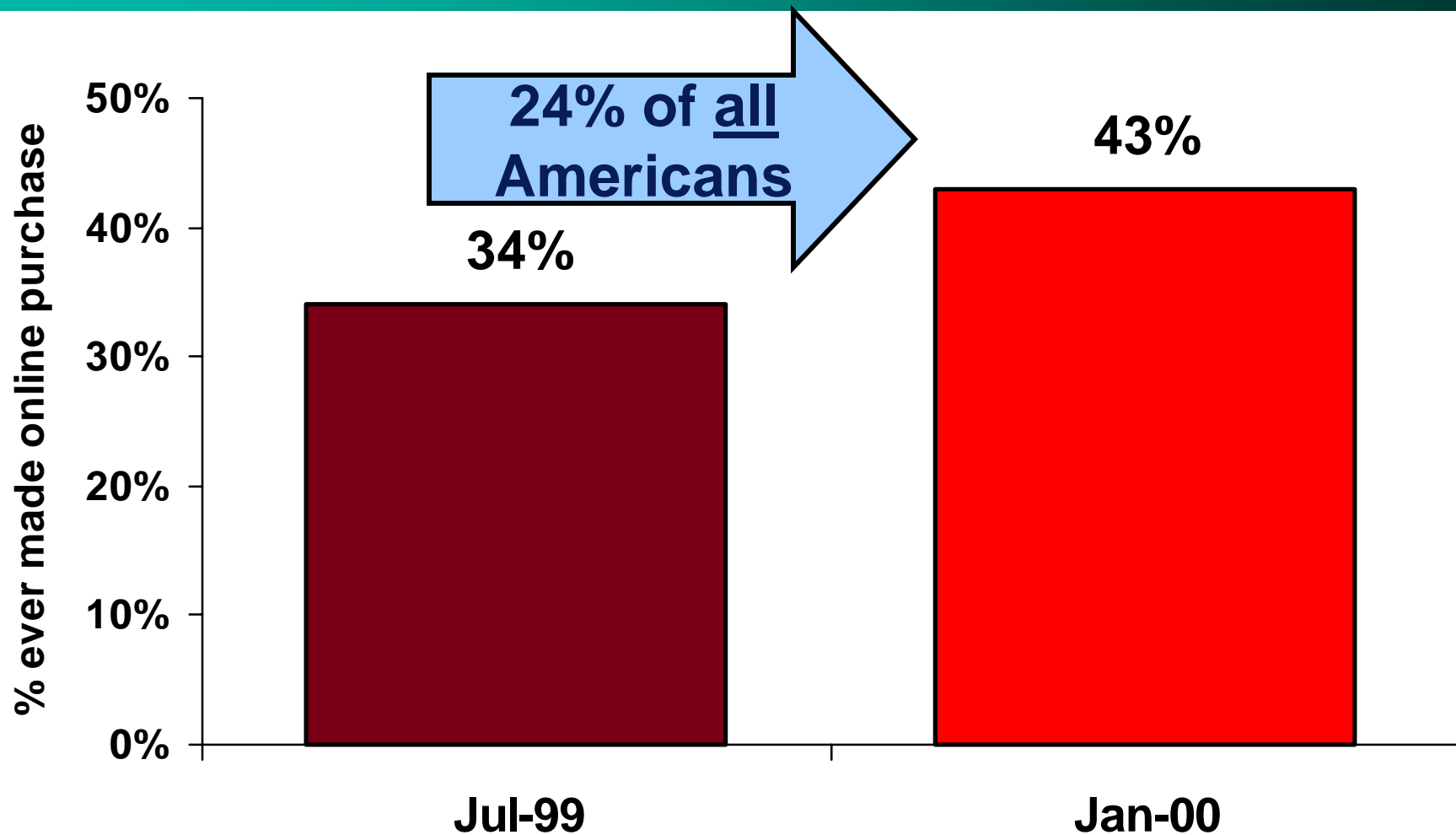


Internet Usage is growing dramatically among Hispanics and African-Americans

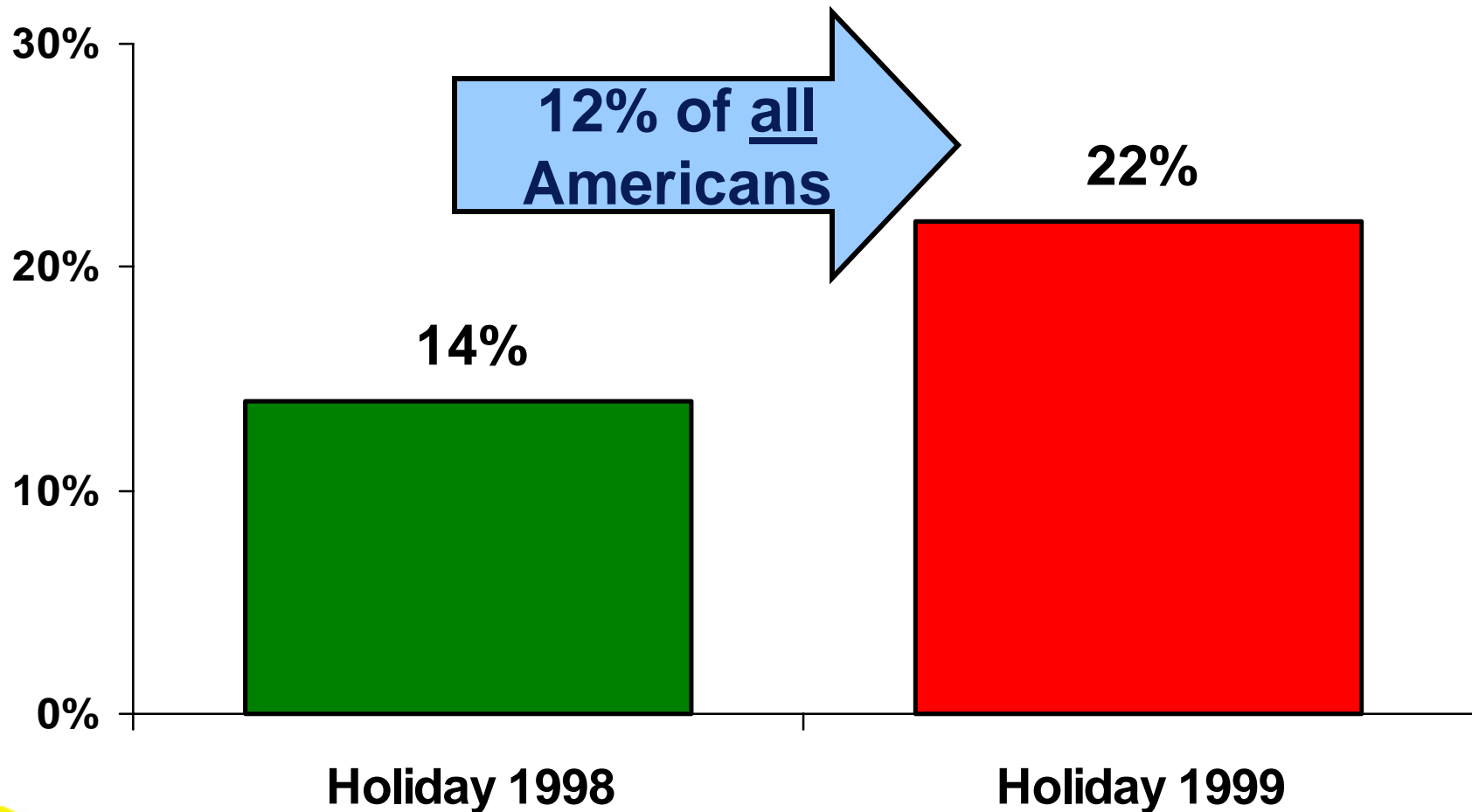


E-Commerce is Growing Strong

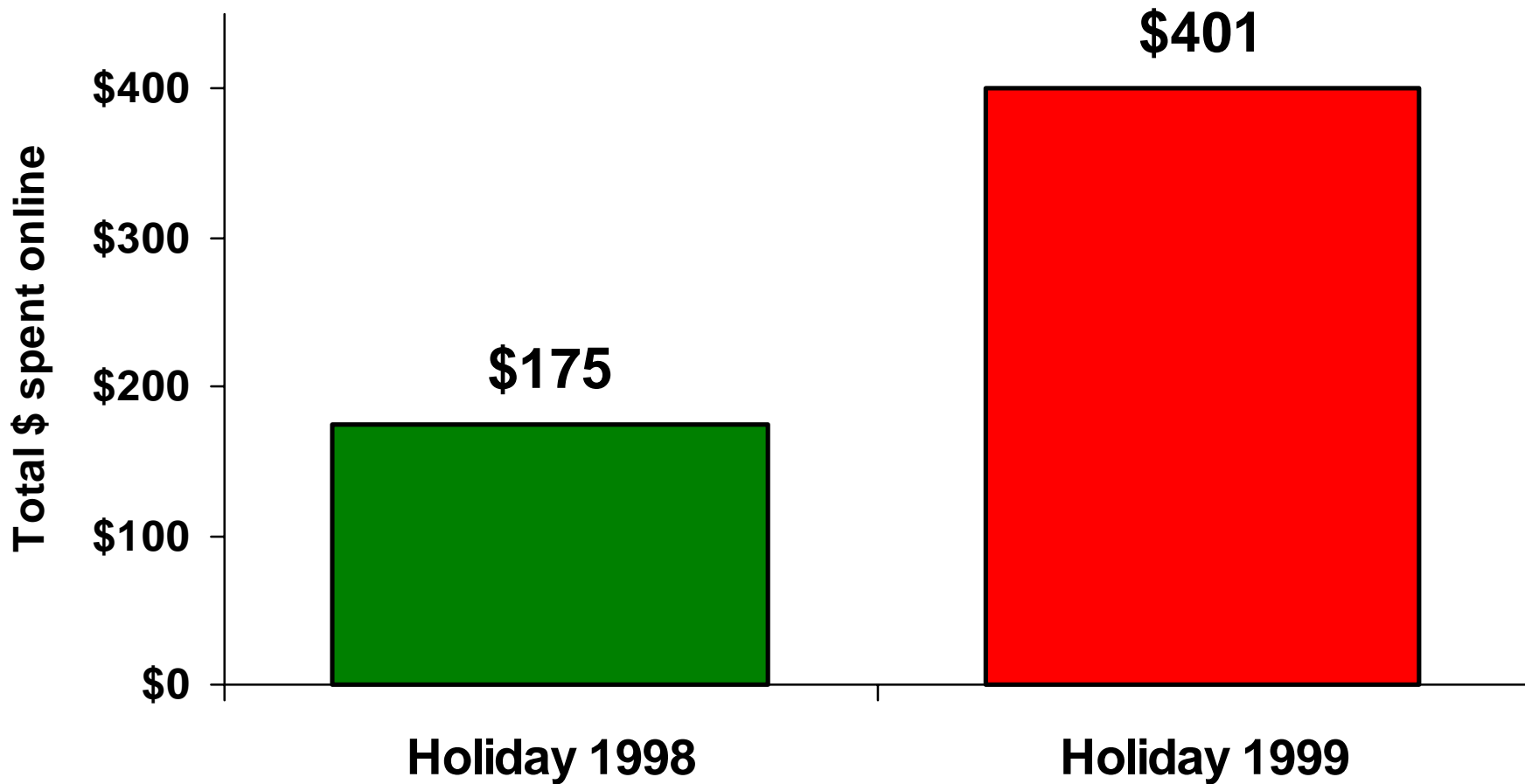
One quarter of US population has made a purchase from a Web site



12% of Americans purchased from a Web site during the 1999 Holiday season



Online shoppers are spending much more

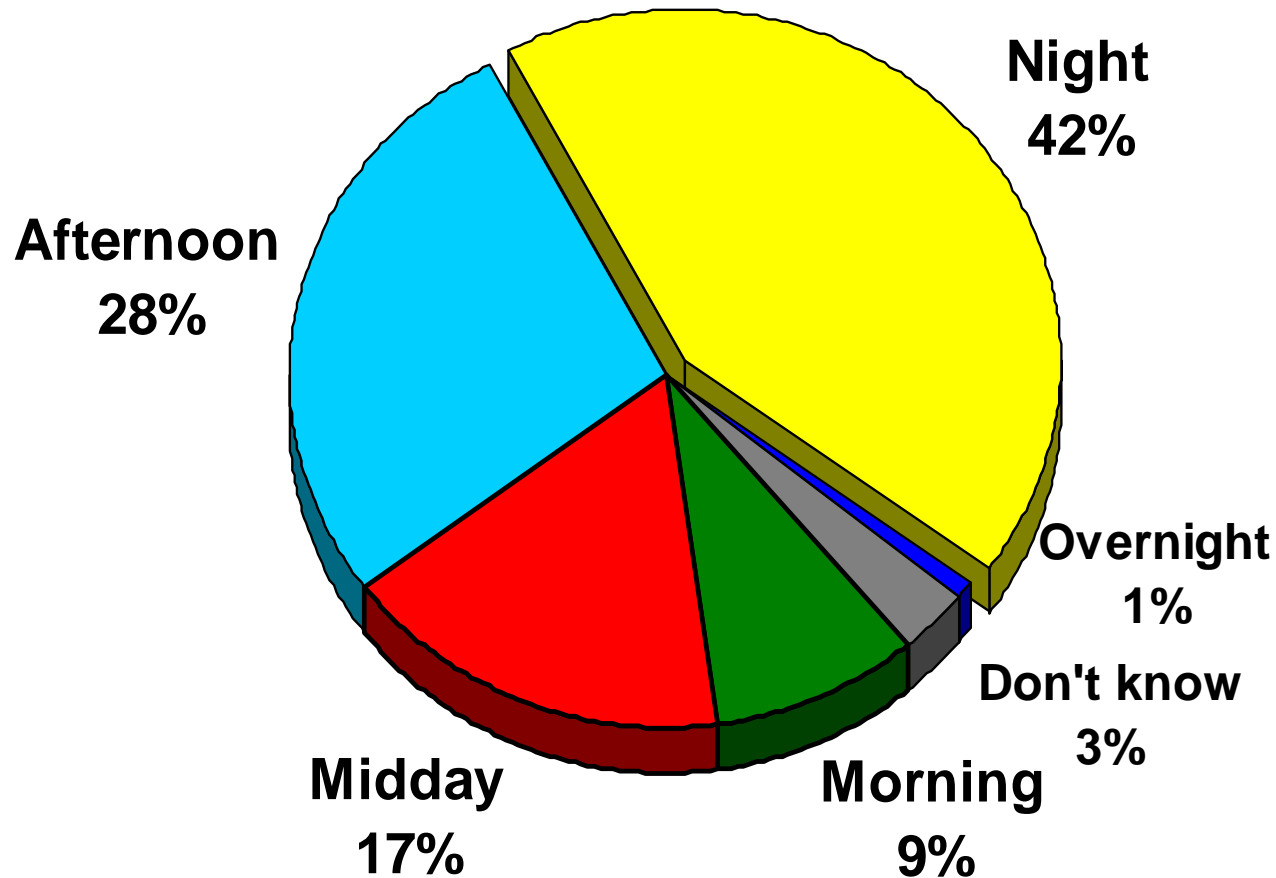


One third say they will spend more on the Web next year



Internet shoppers buy at night

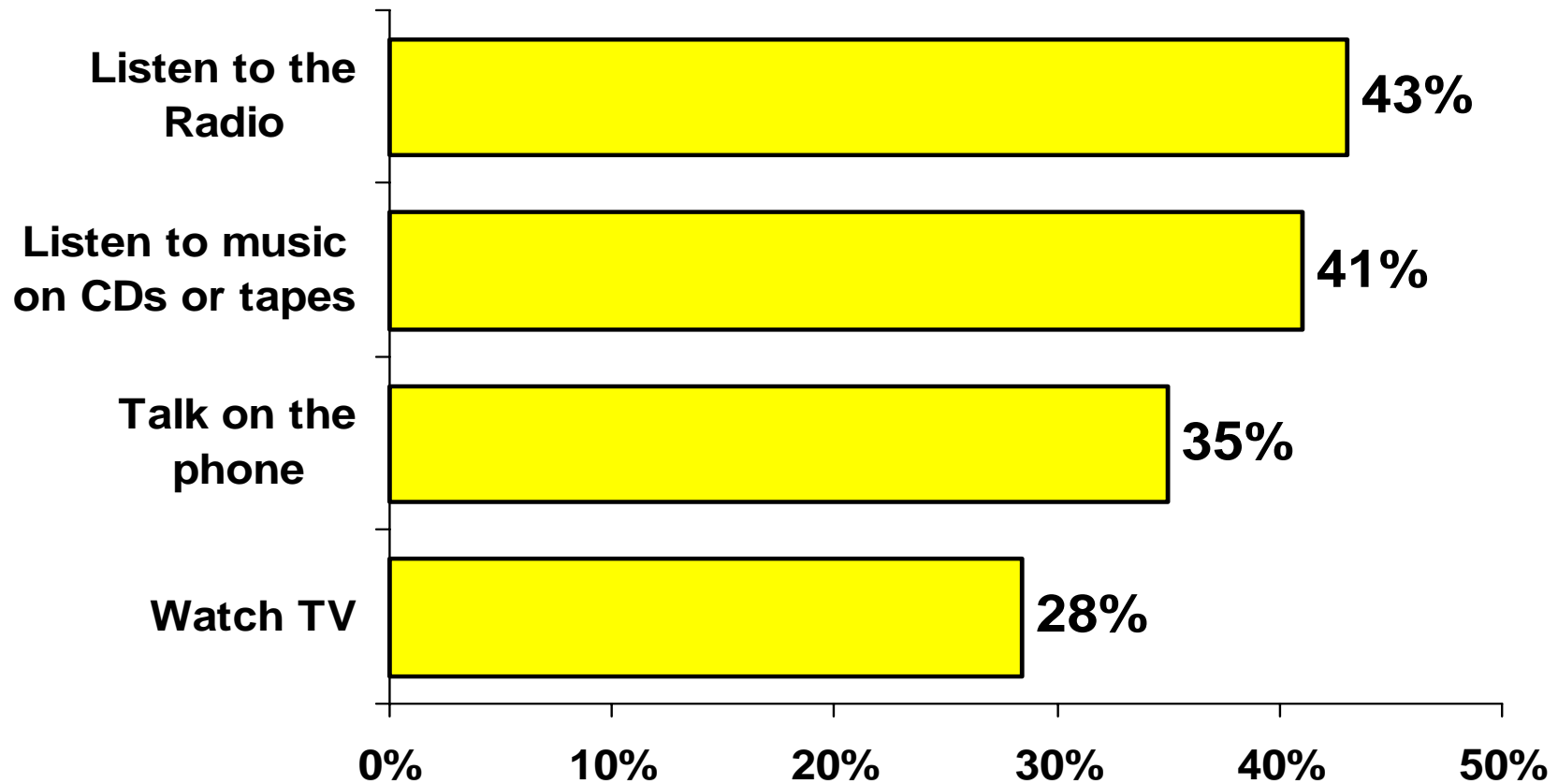
When do you purchase products on the Internet most often?



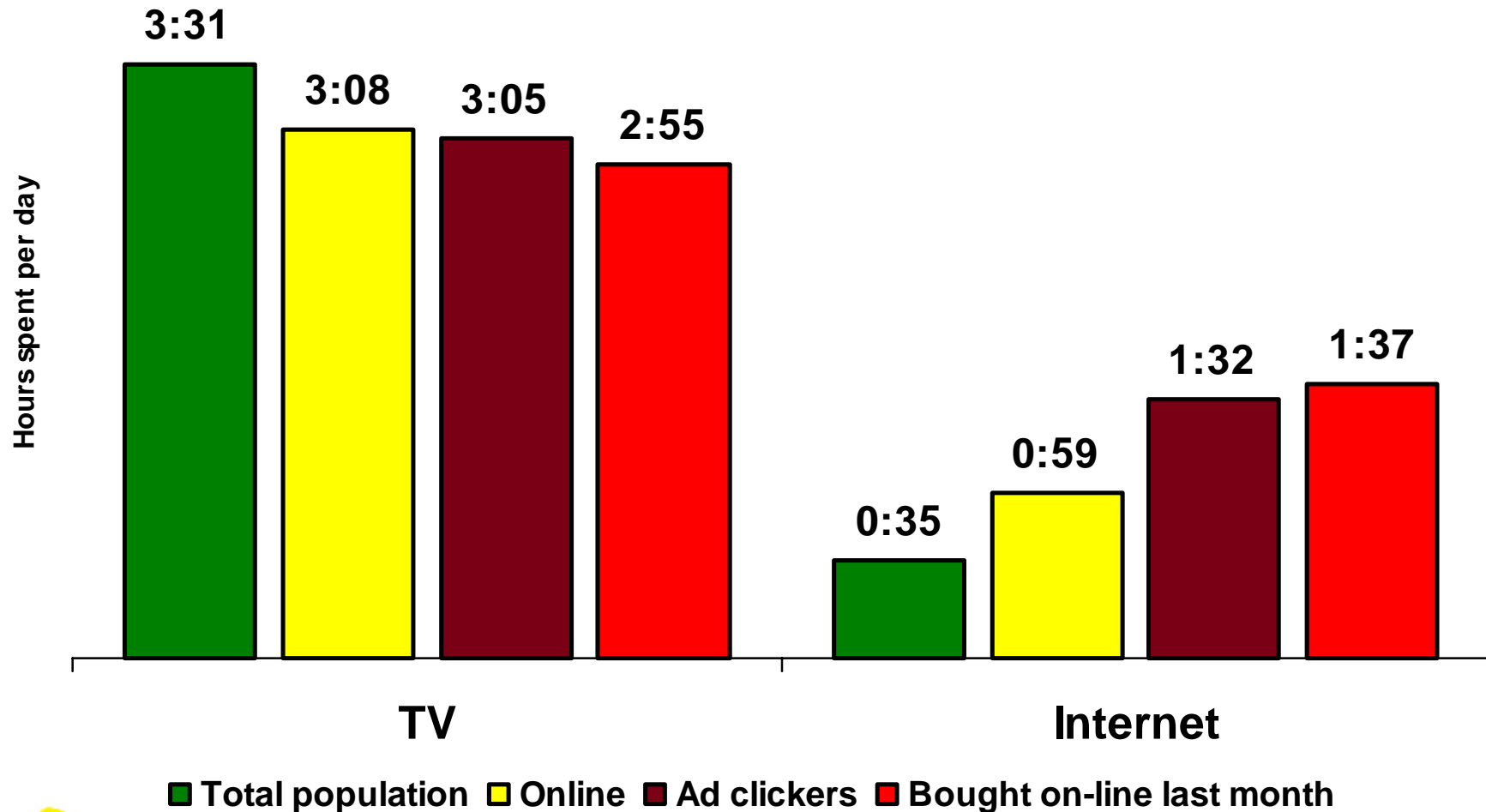
Radio Creates “dotcom” Results

Radio is the top companion to Web usage

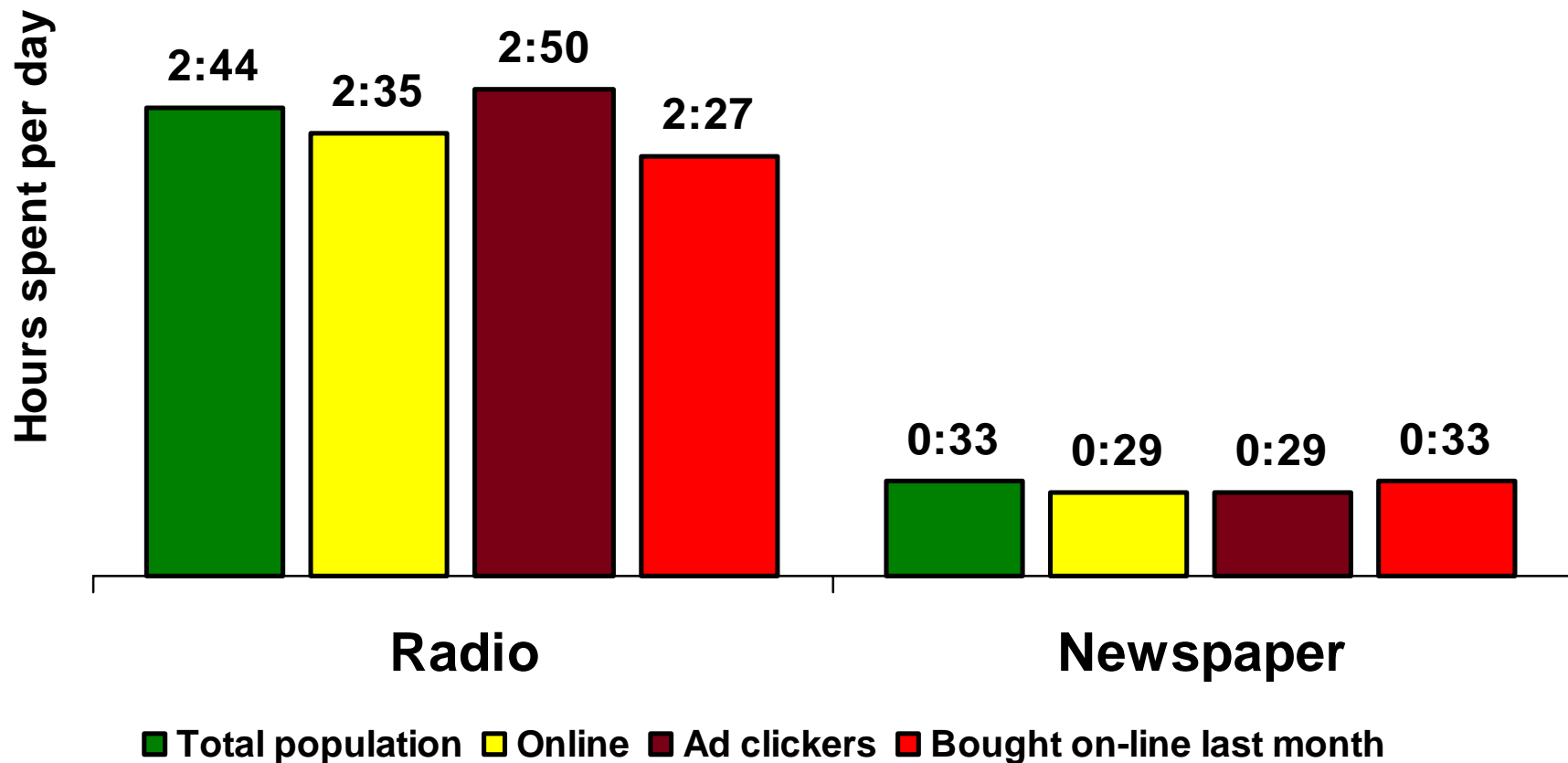
While accessing the Internet, do you frequently or sometimes...



The more involved with the Internet, the less Time Spent watching TV

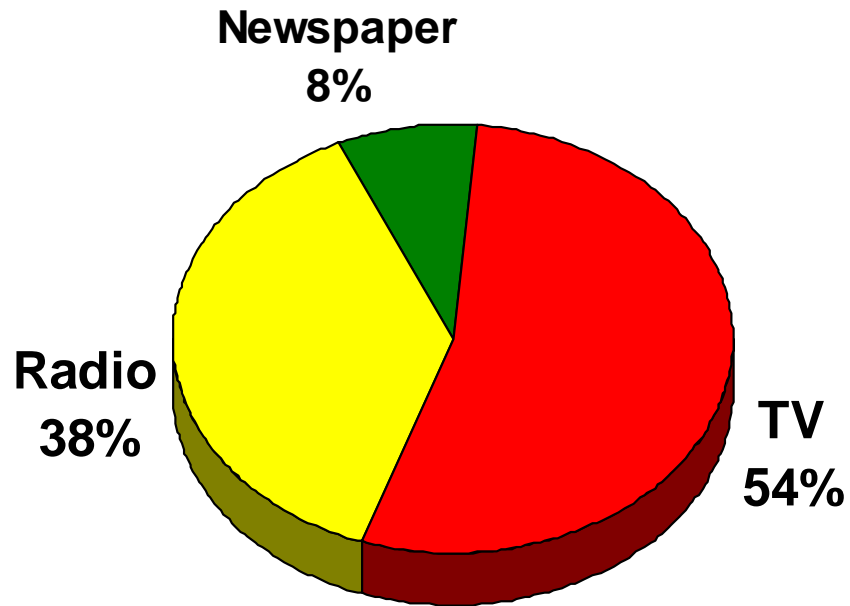


More involved with the Internet does not appear to impact radio or newspaper

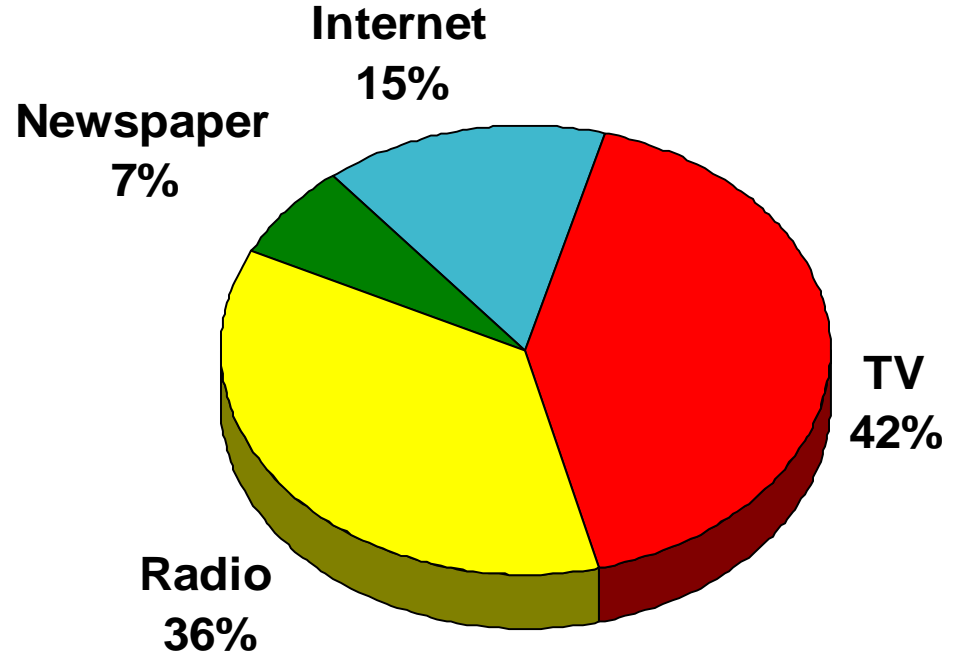


Time Spent with Media

Not online

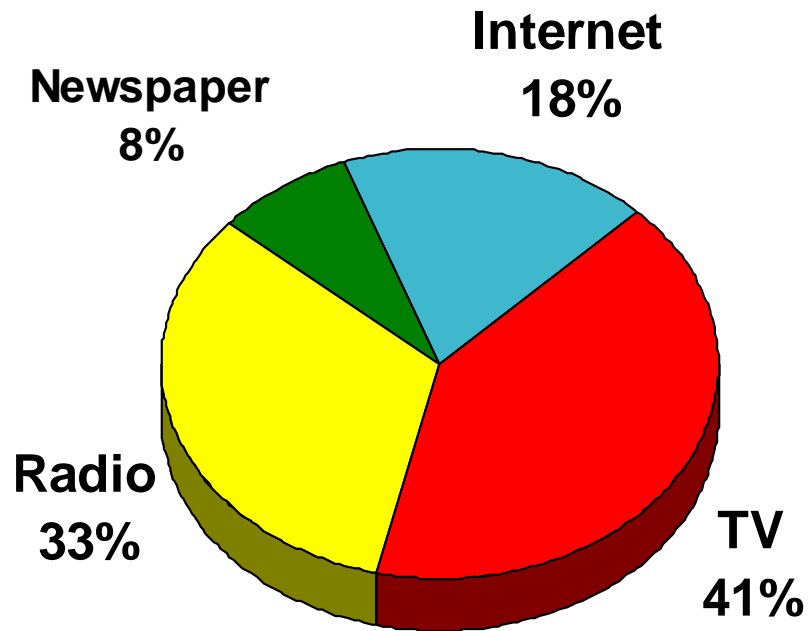


Online

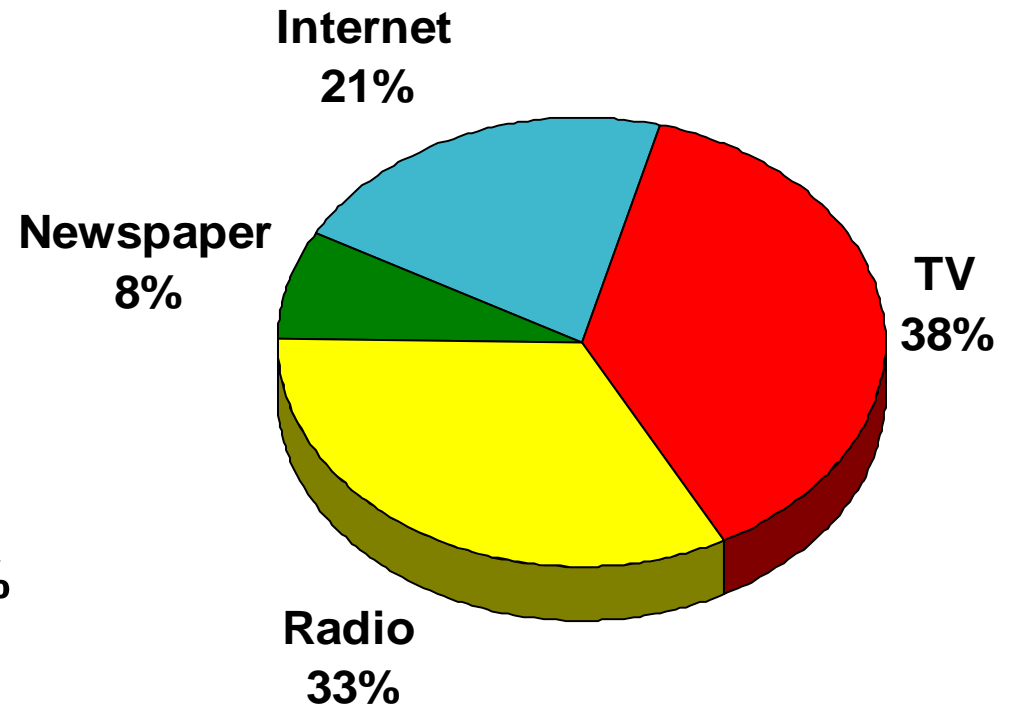


Time Spent with Media

Streamies

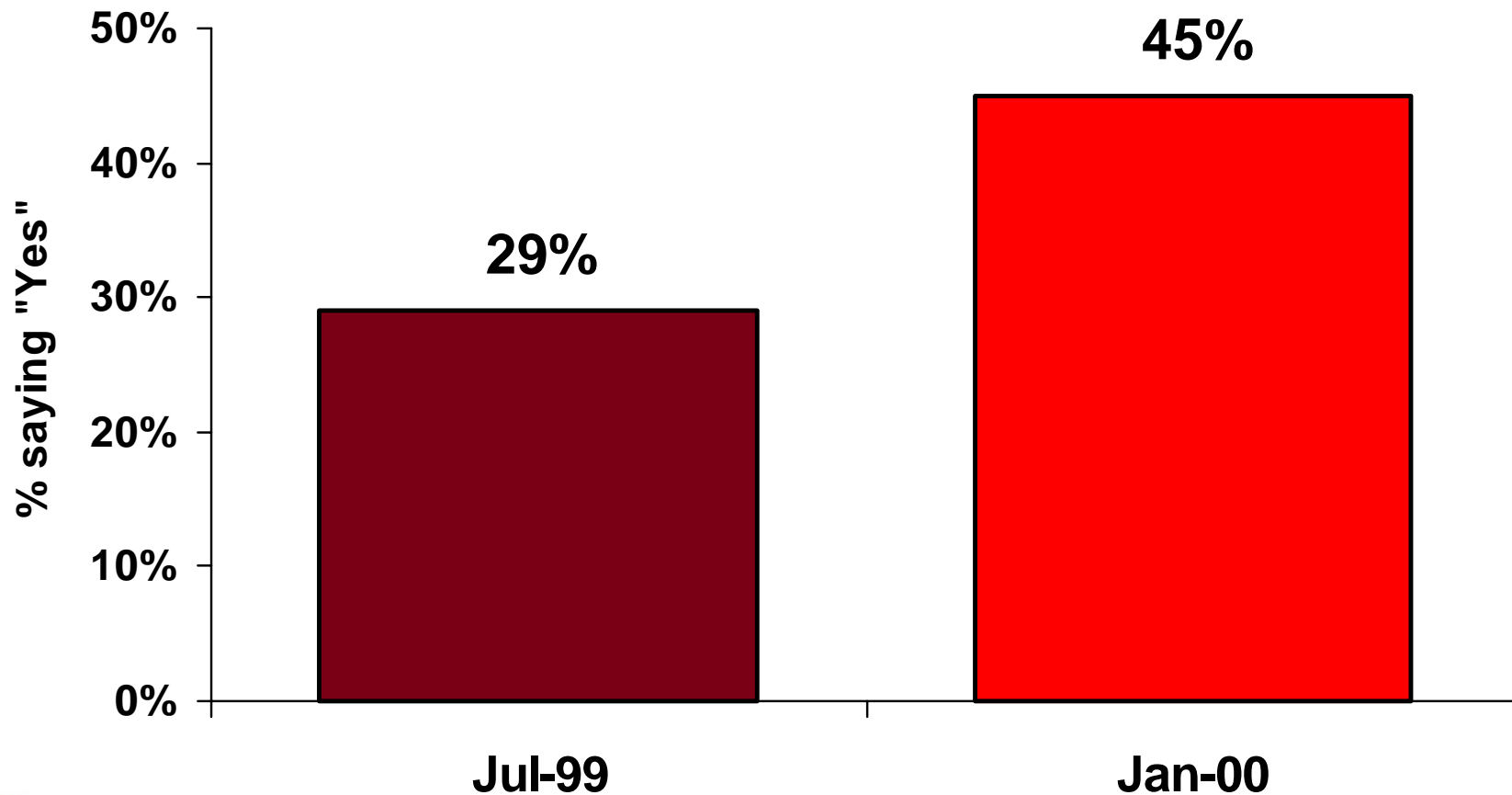


Bought online in last month



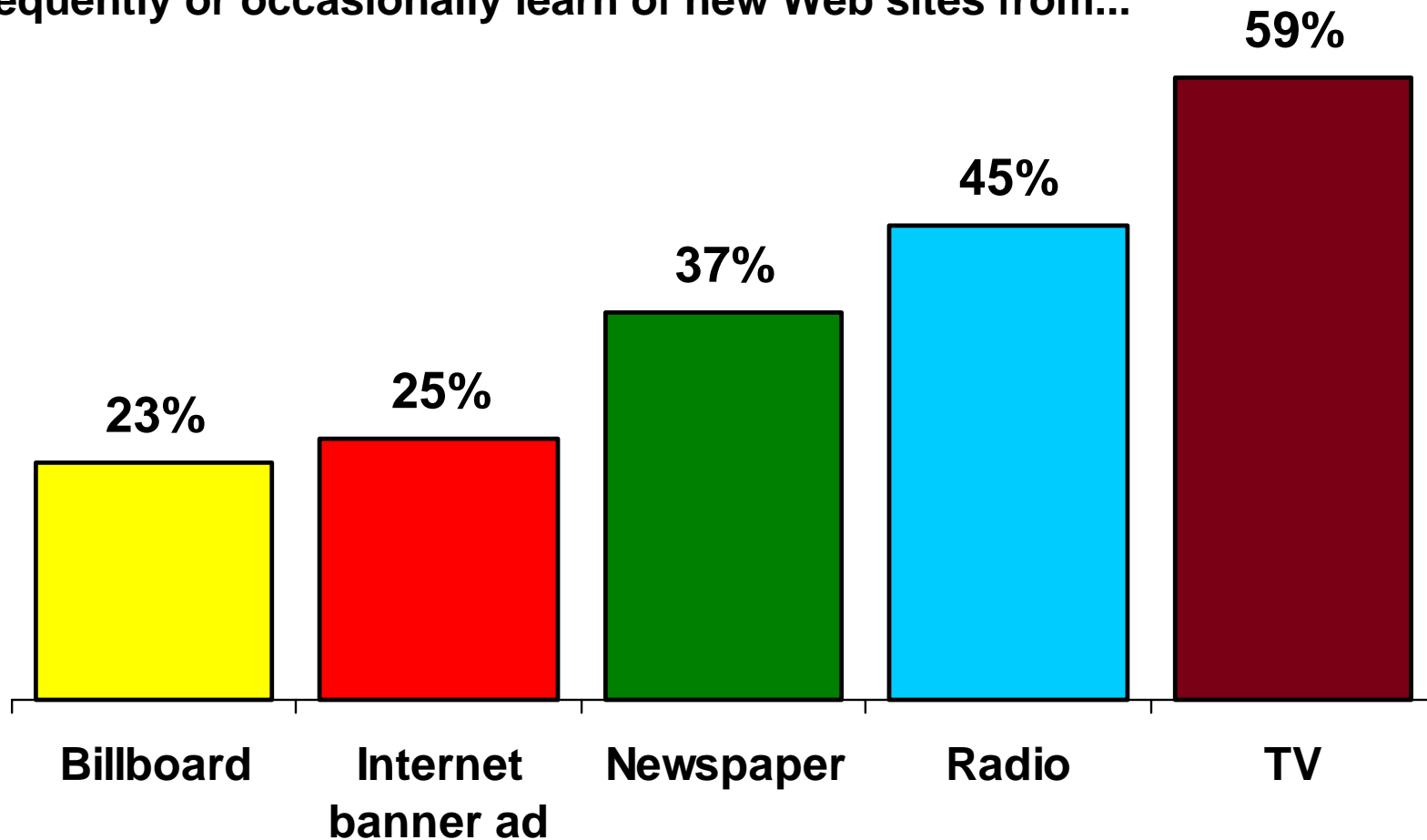
Radio drives “dotcom” results

“Ever visited a Web site you heard advertised on radio?”

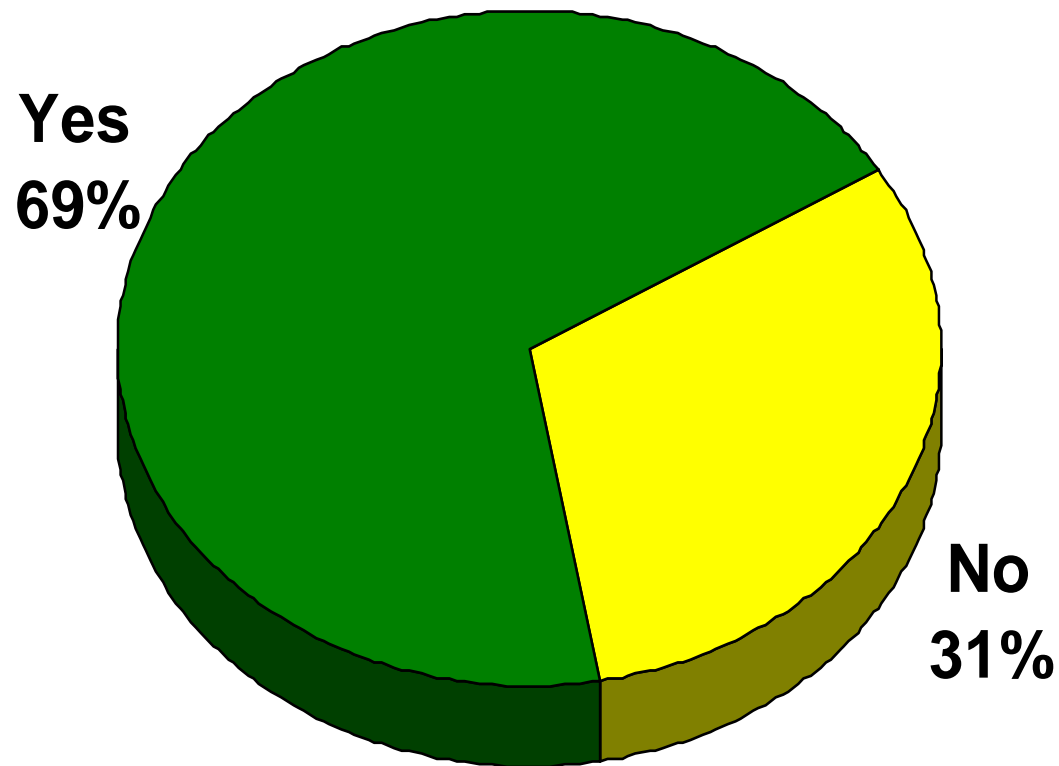


Where people learn about new Web sites

Frequently or occasionally learn of new Web sites from...

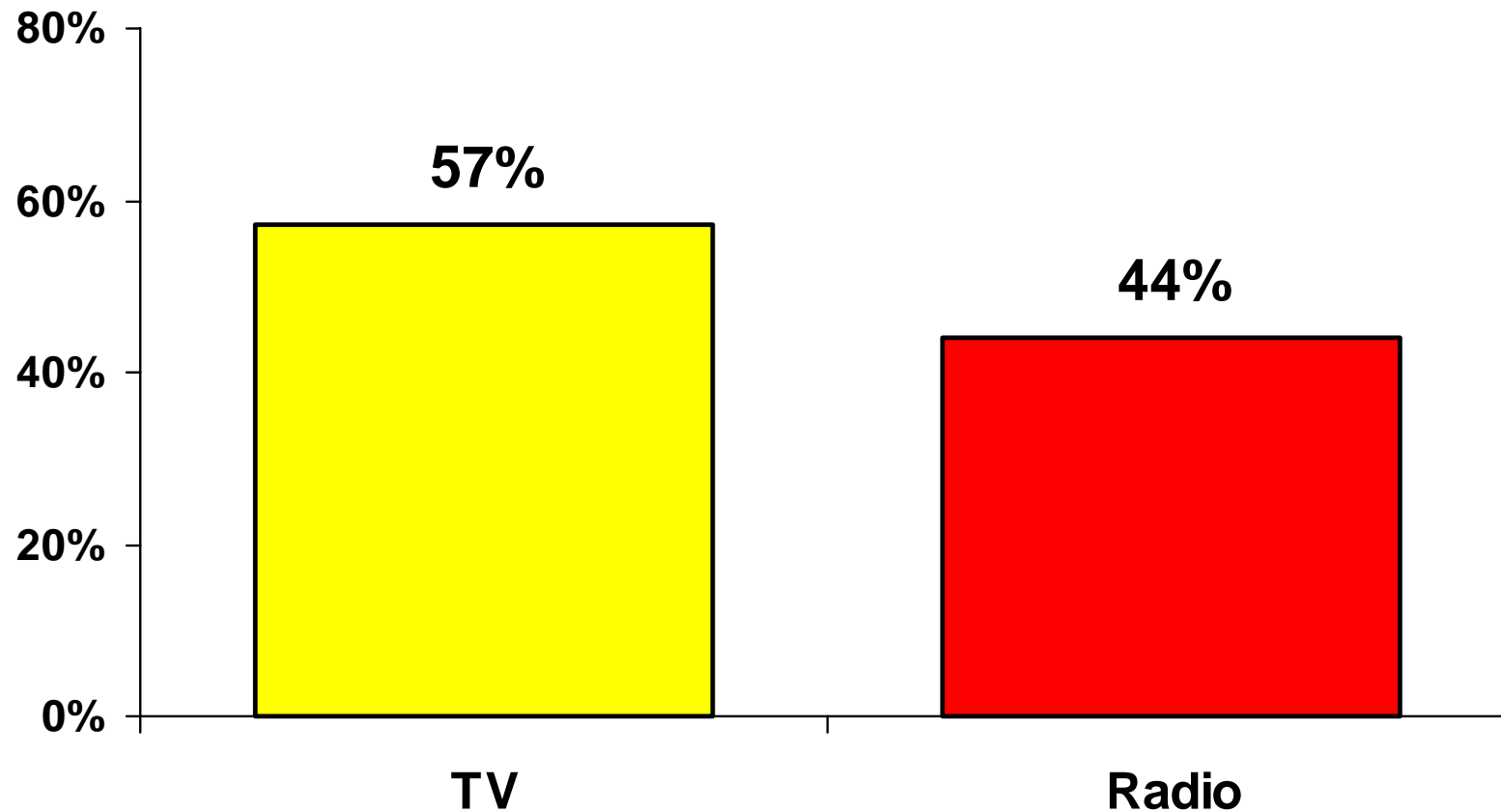


Likely to visit Web site of company that advertises on your favorite radio station?



Ability to recall Web addresses from TV and Radio ads

Always or sometimes easy to remember advertised Web address

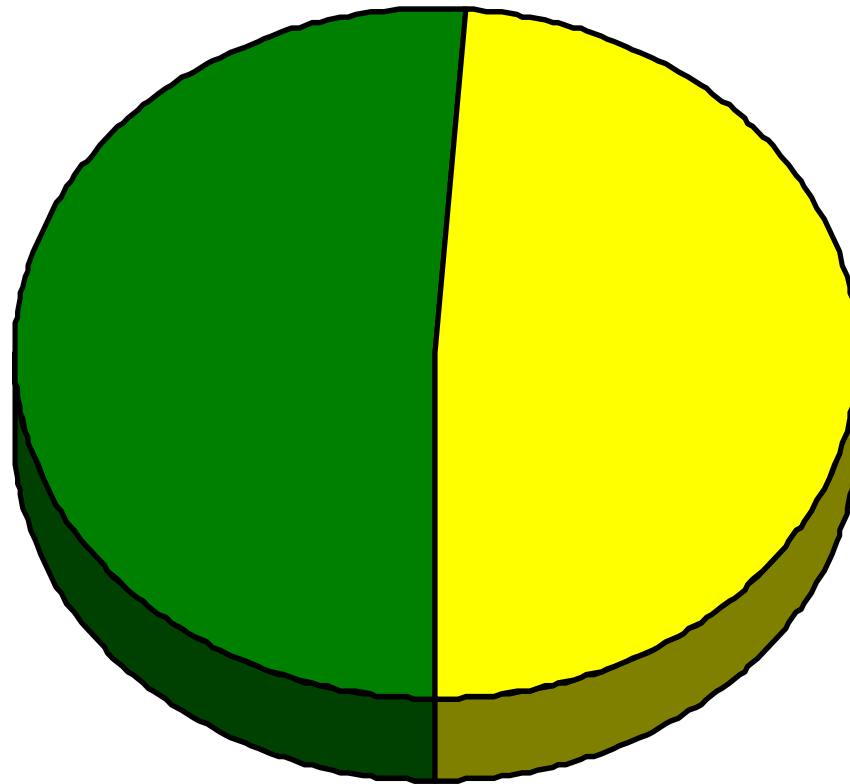


Dotcom Advertisers are Missing Smaller Markets

Population in Arbitron markets

93.6 million

**Top 25
markets
51%**

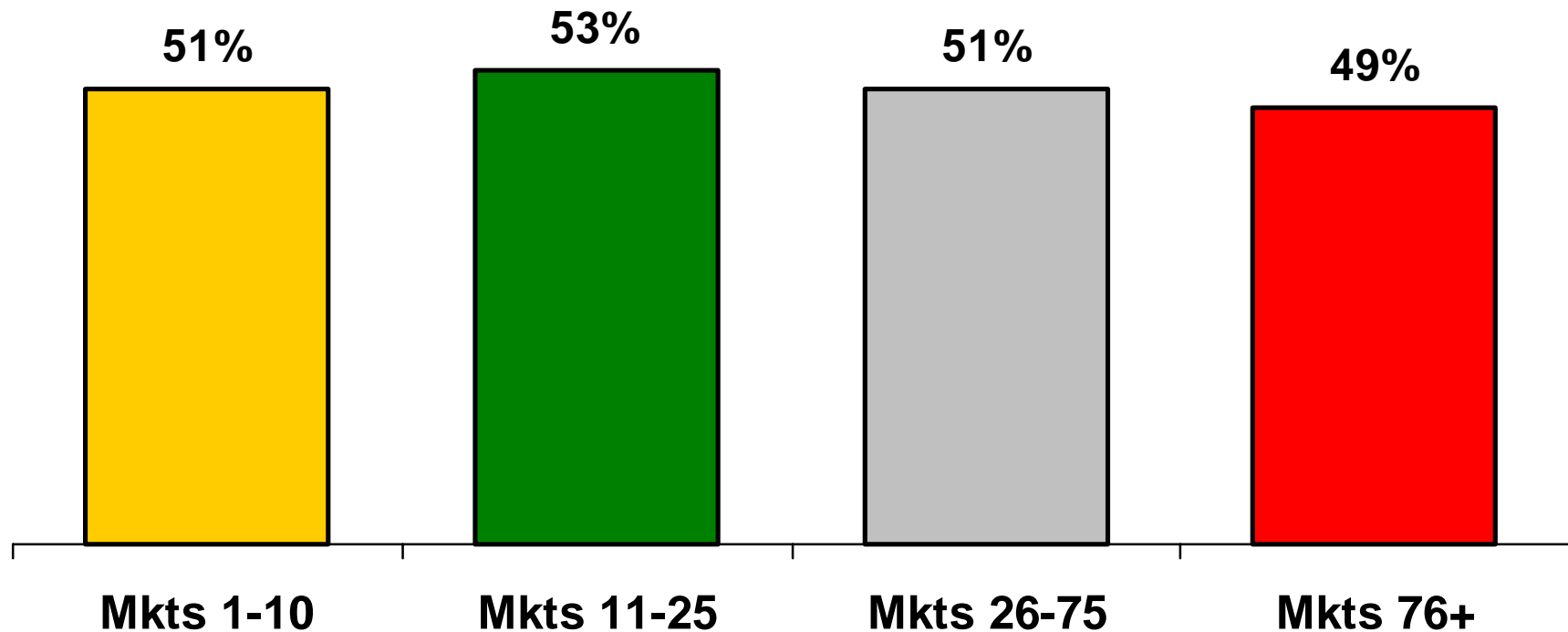


88.6 Million

**Market
rank 26+
49%**

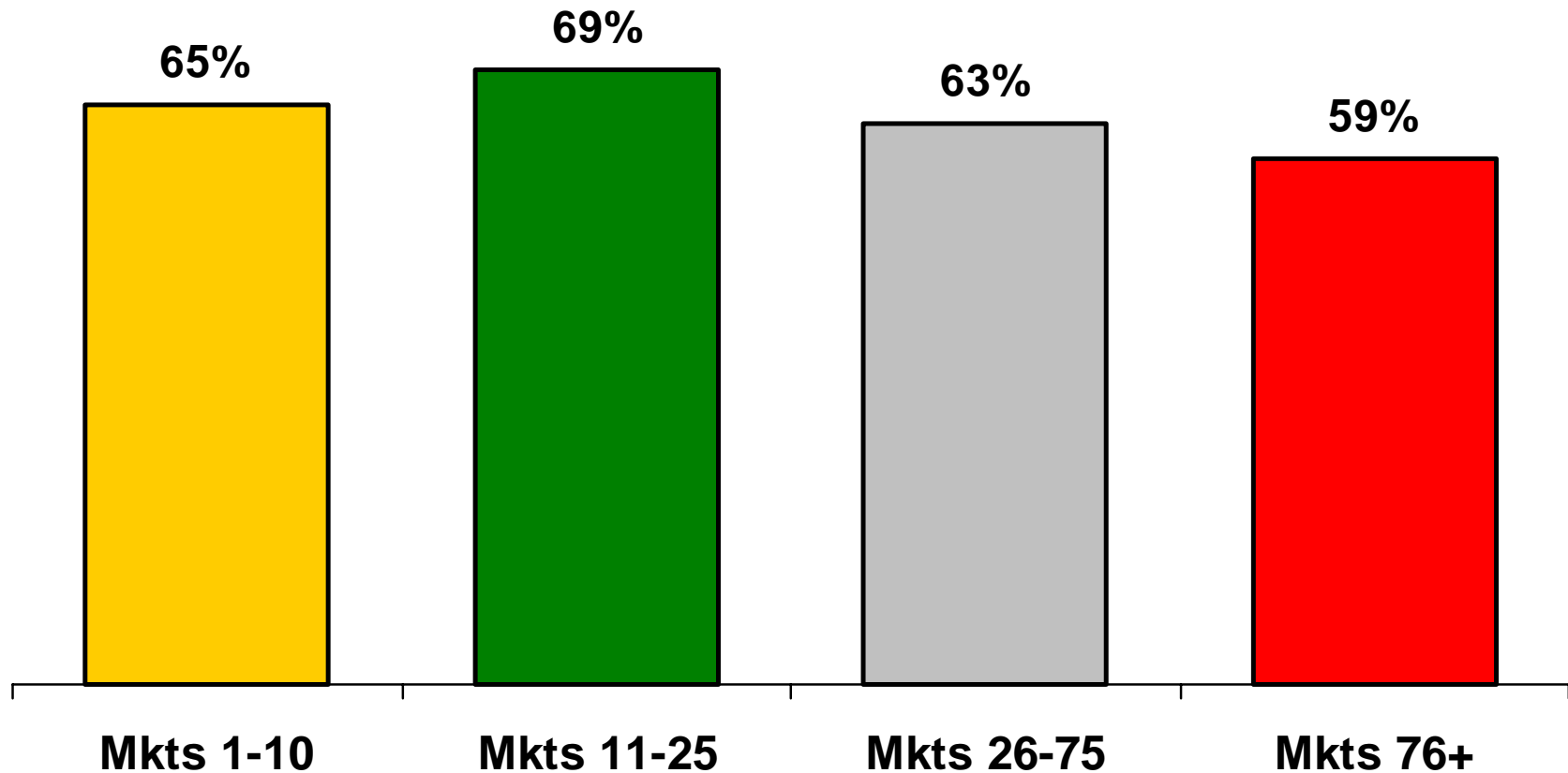
Being online is not correlated with market size

% accessing the Web at home or work



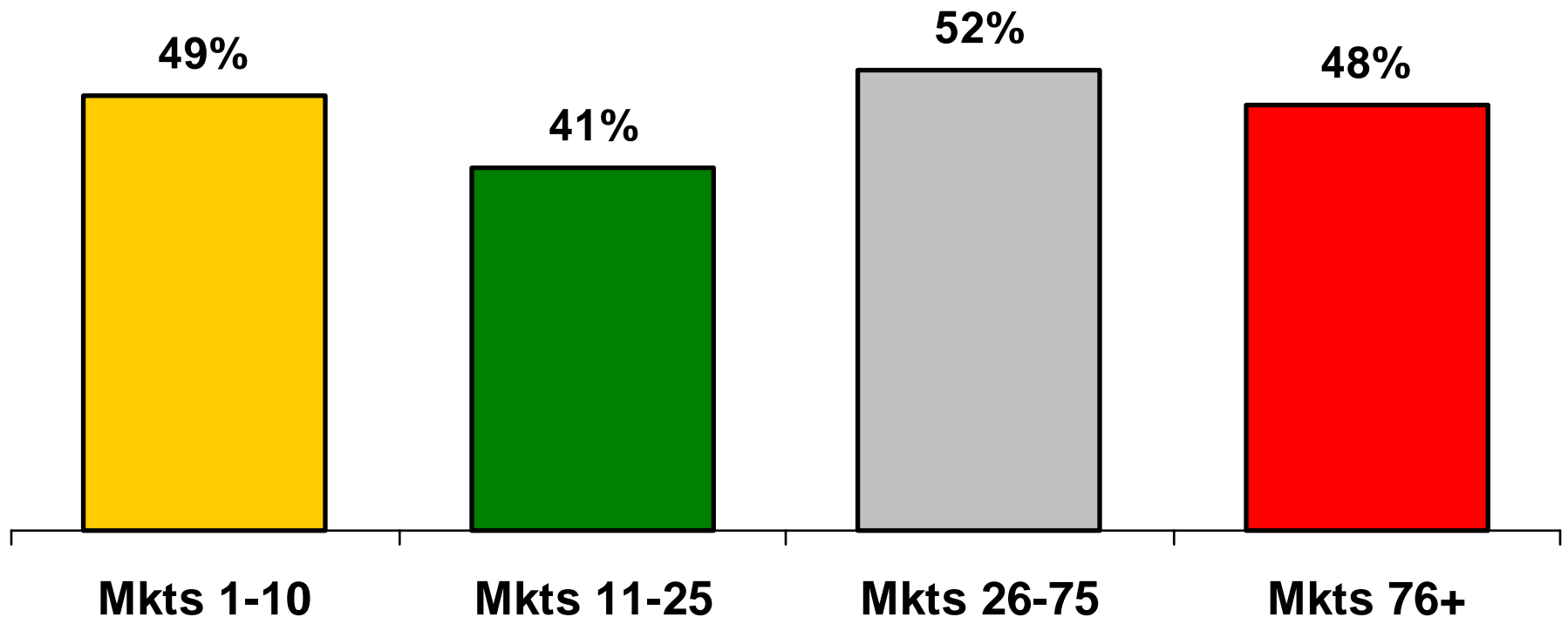
Buying online is not correlated with market size

% who bought online in the last 30 days



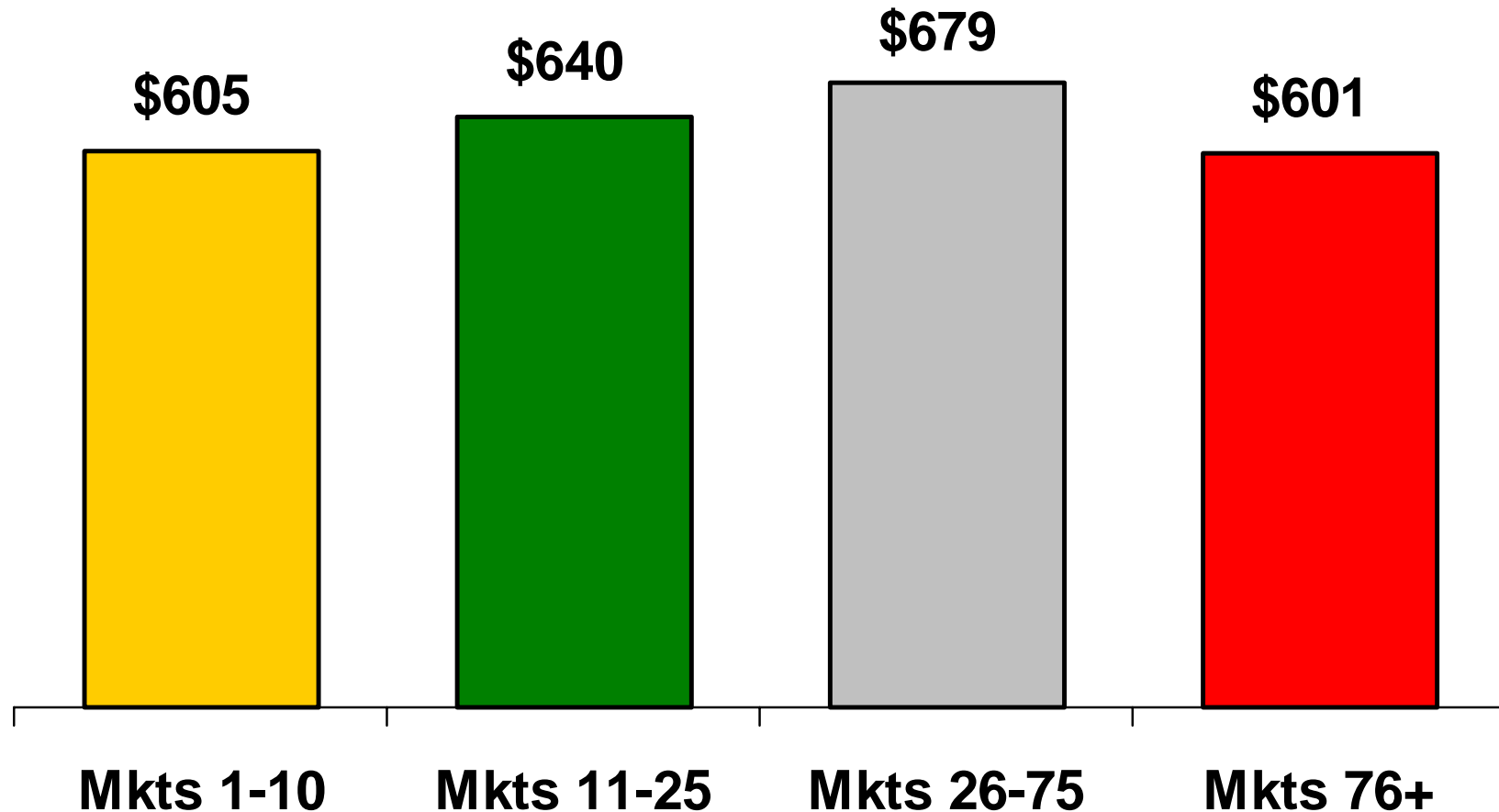
Clicking on banner ads is not correlated with market size

% ever clicked on a banner ad



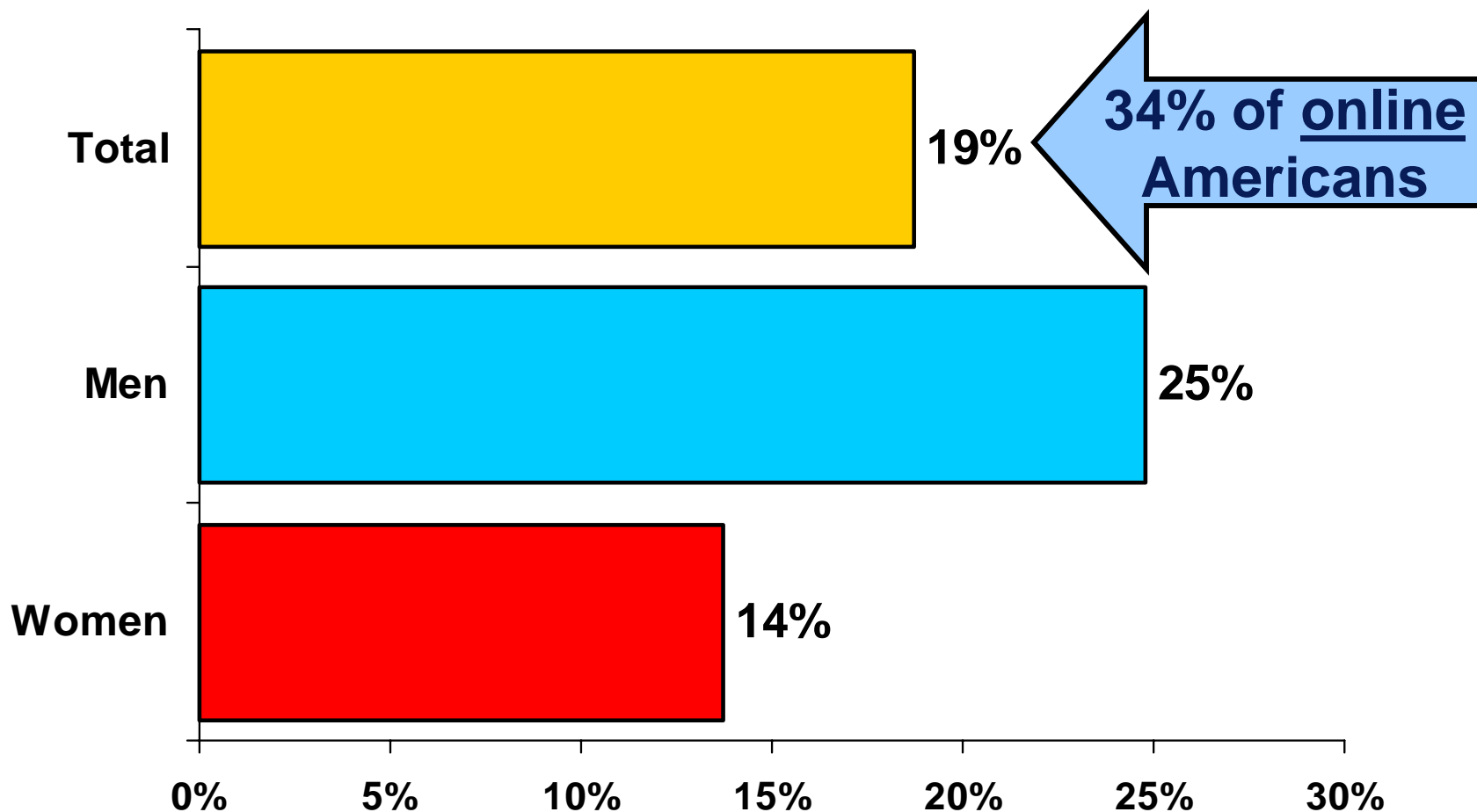
Spending online is not correlated with market size

Average amount spent online last year

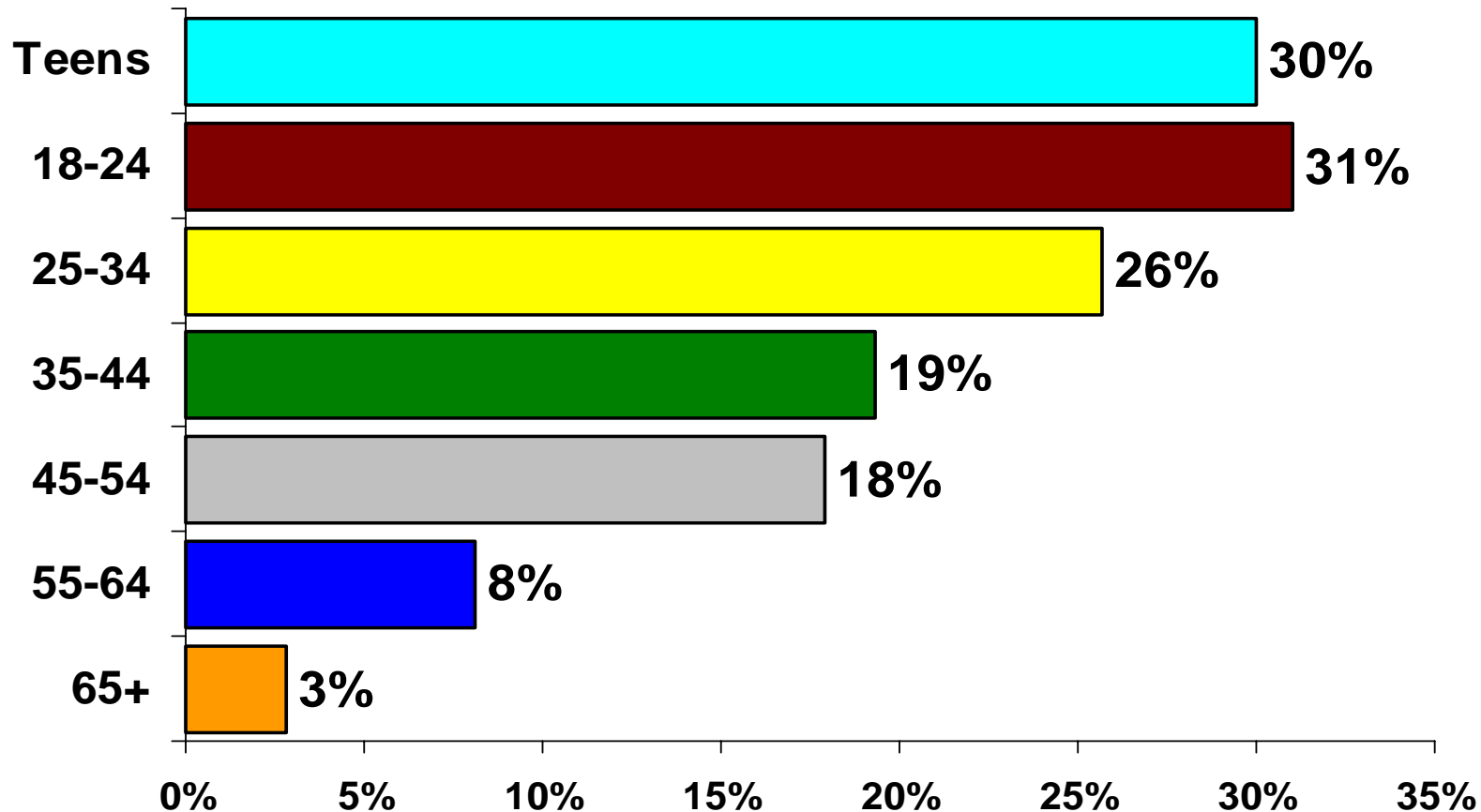


Online listeners

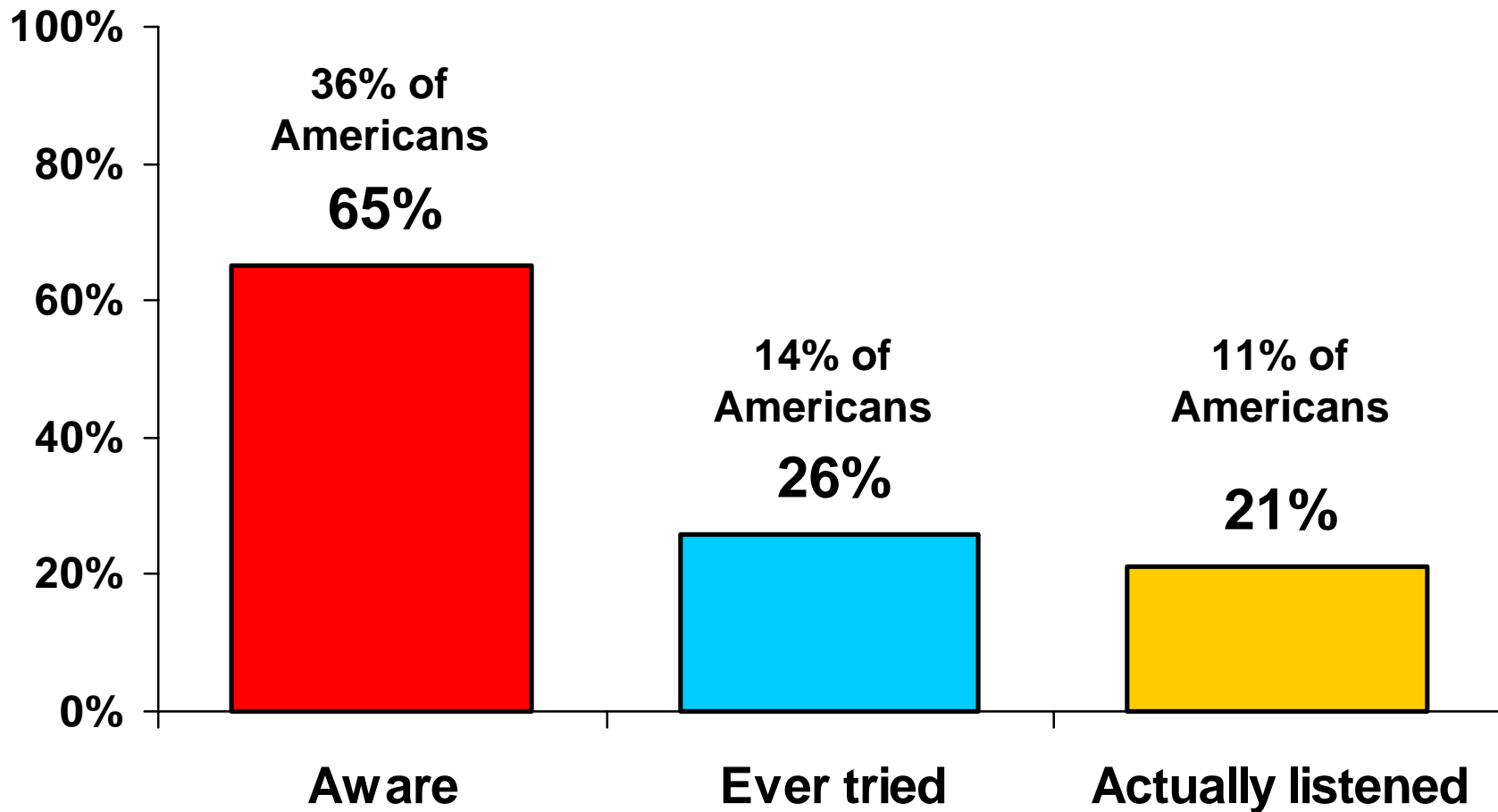
Listened to radio stations/Internet audio channels over the Internet? (by gender)



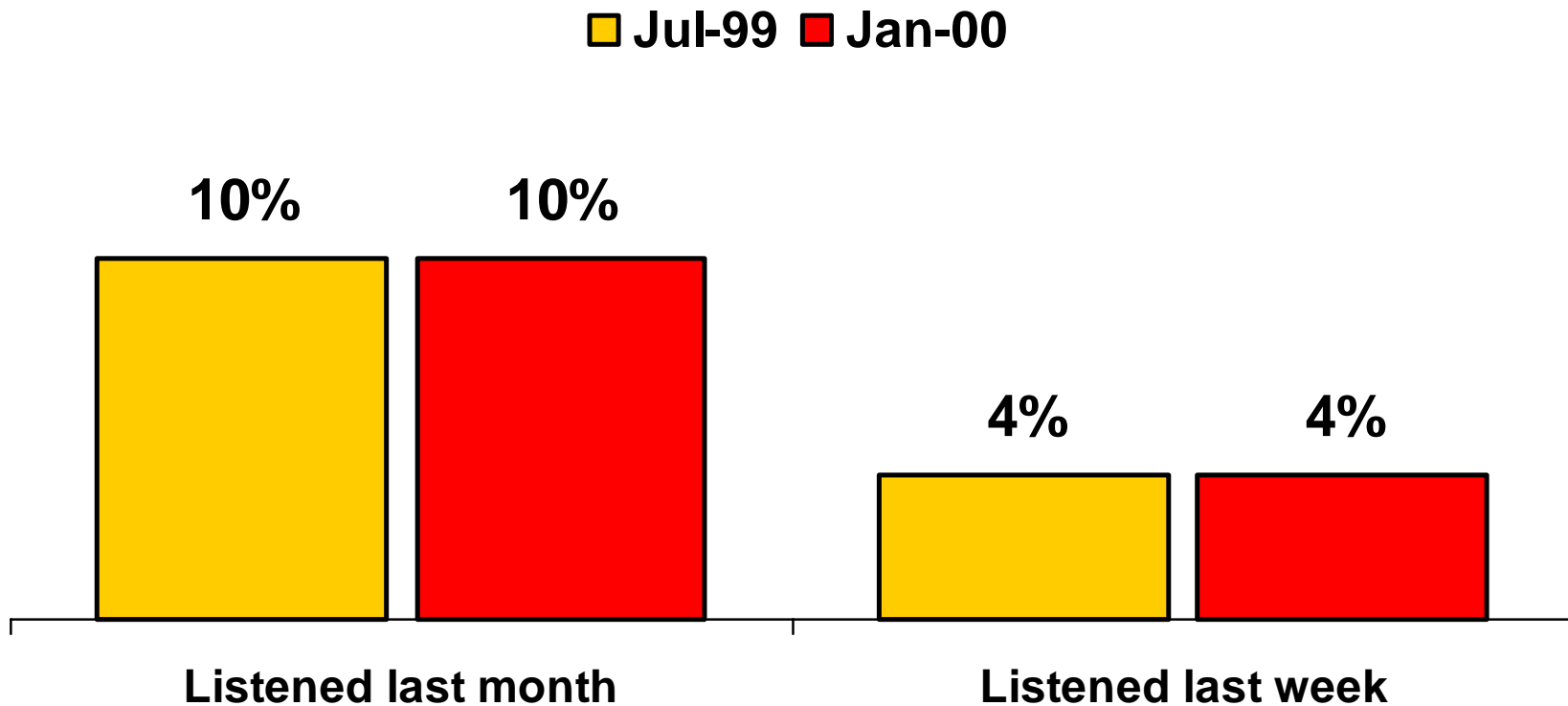
Listened to radio stations/Internet audio channels over the Internet? (By Age)



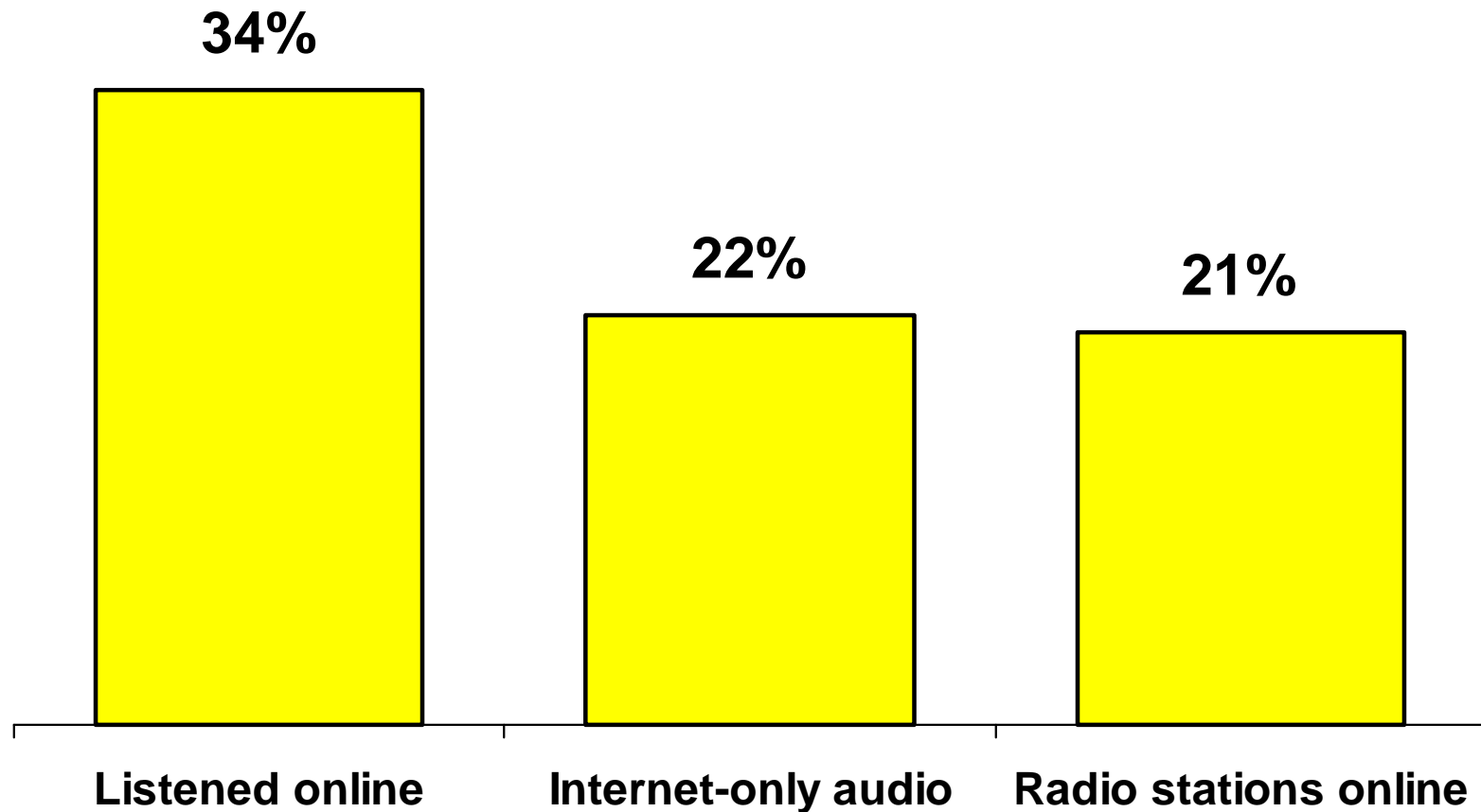
Internet Radio Station listening:



Monthly and weekly listening to radio stations online is stable

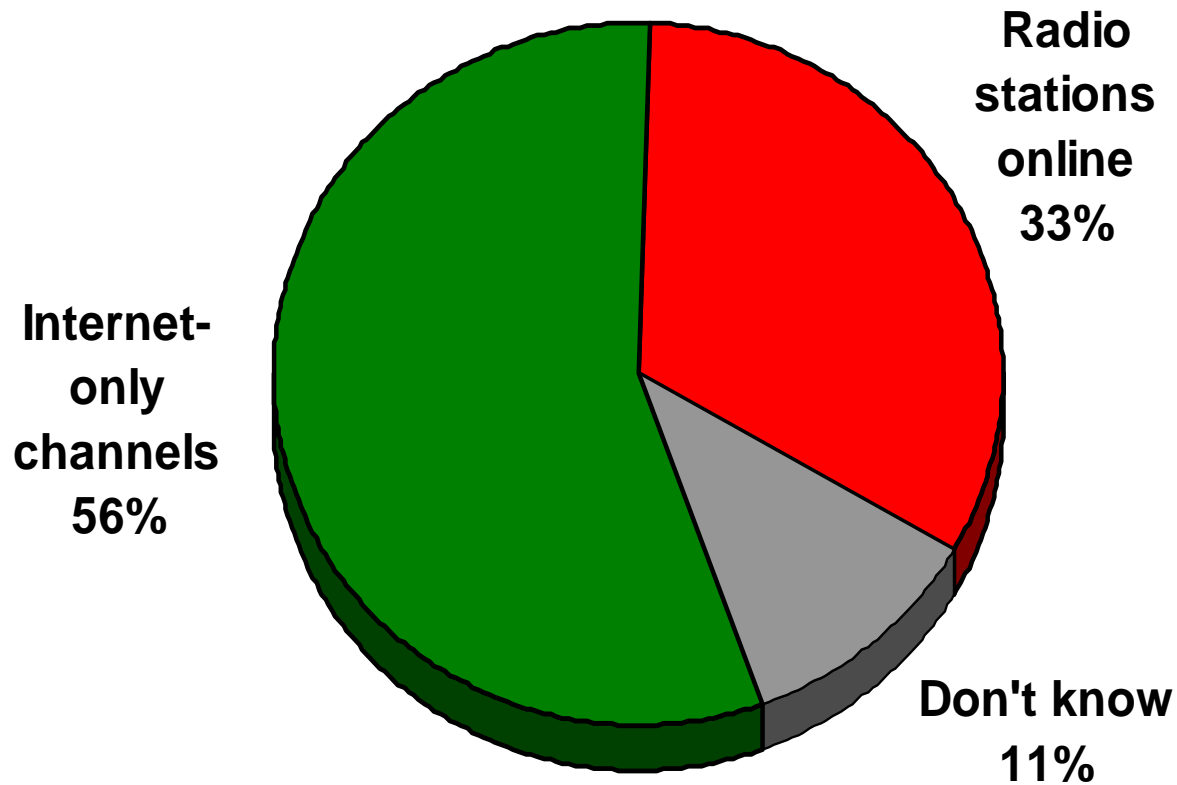


Internet-only audio channels are as popular as streamed radio stations



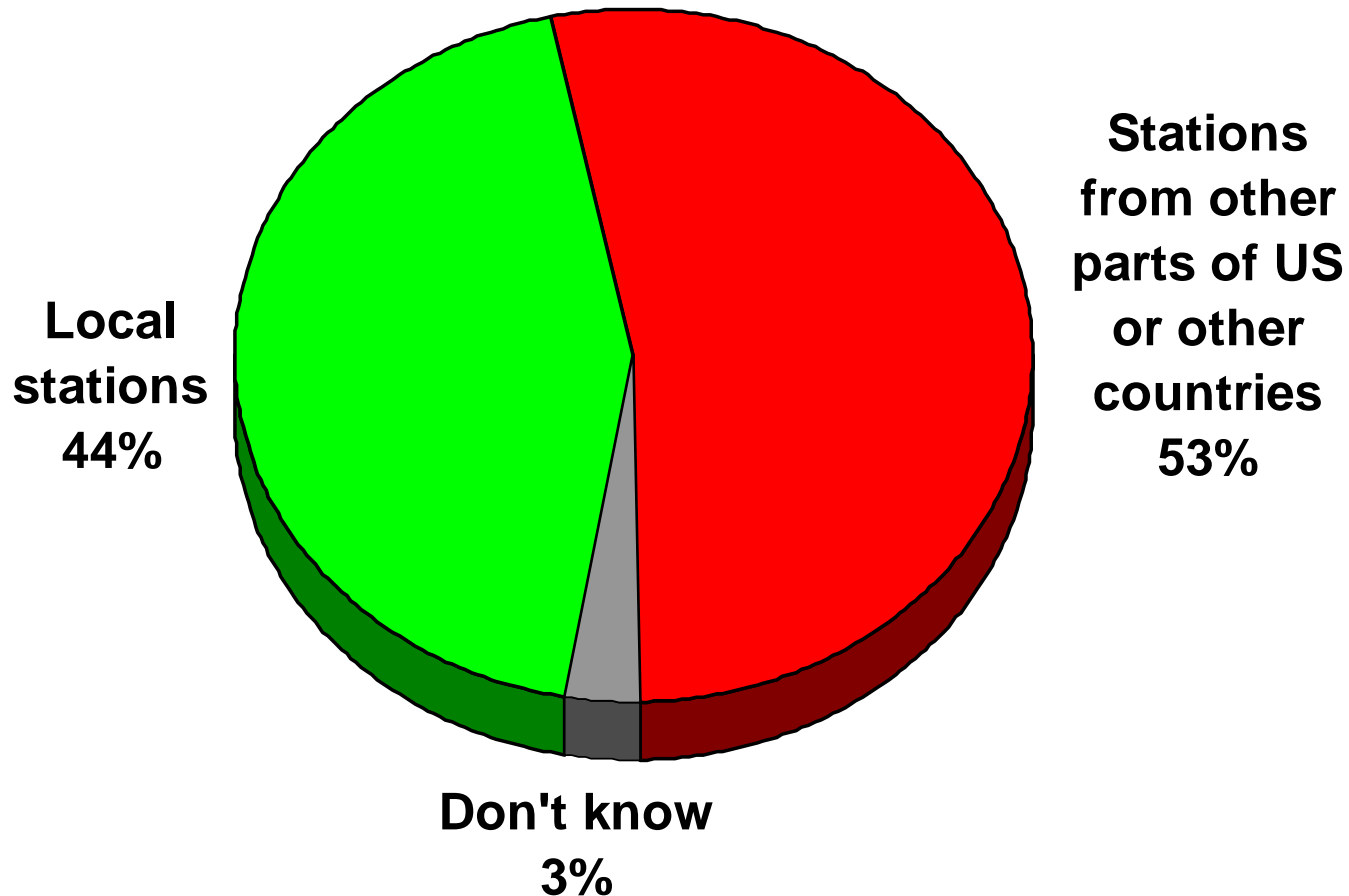
Radio stations online vs. Internet-only channels

“Which do you listen to more?”

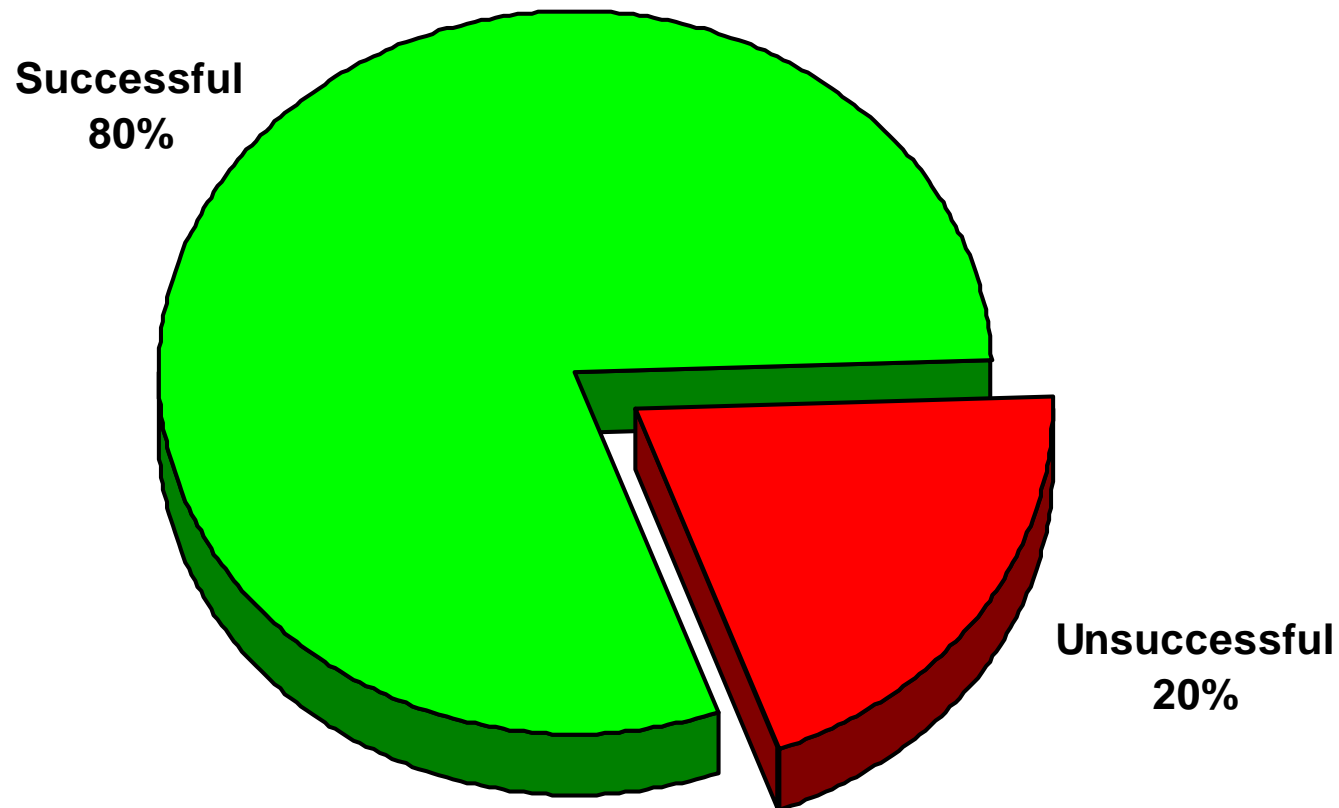


Internet makes signal strength irrelevant

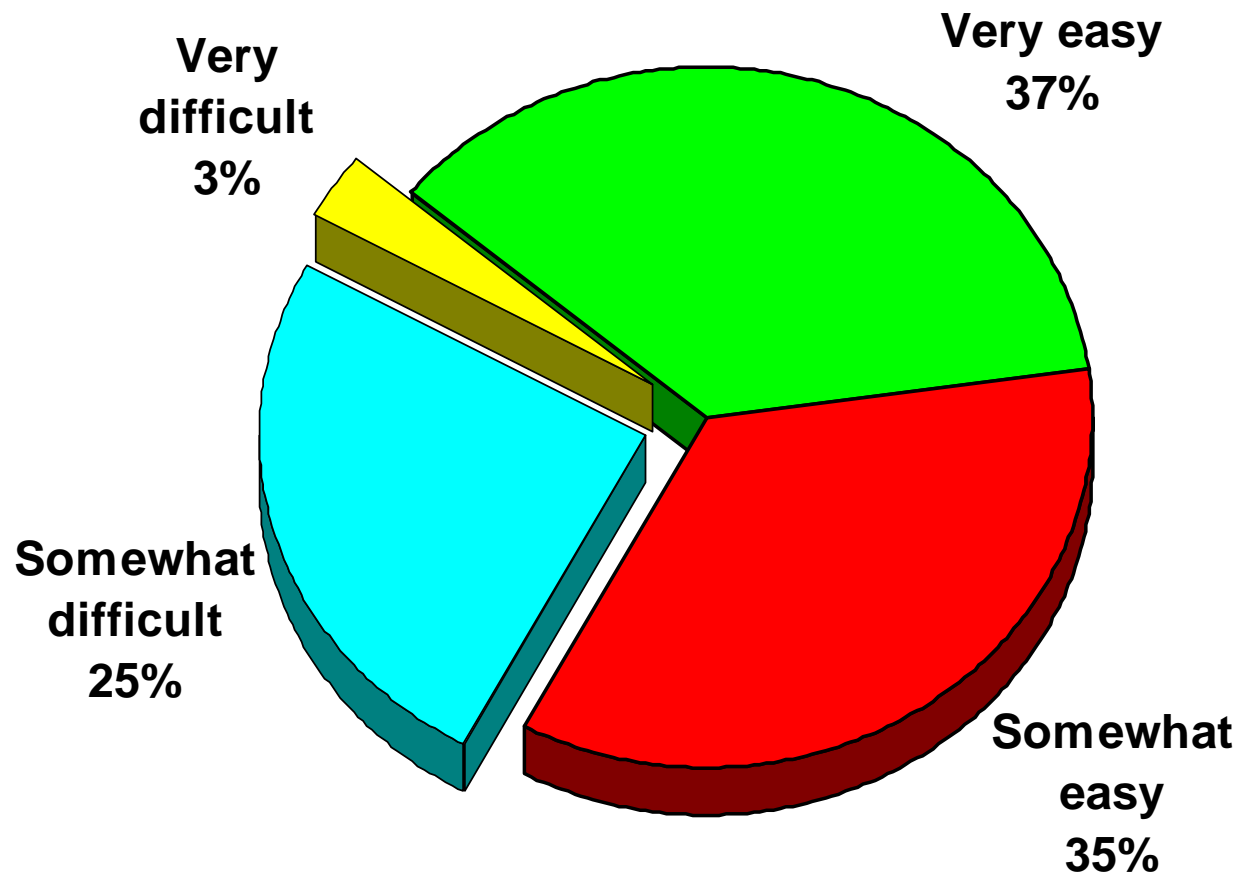
“Which do you listen to most often?”



1 in 5 were not successful when they tried to tune in to radio over the Internet



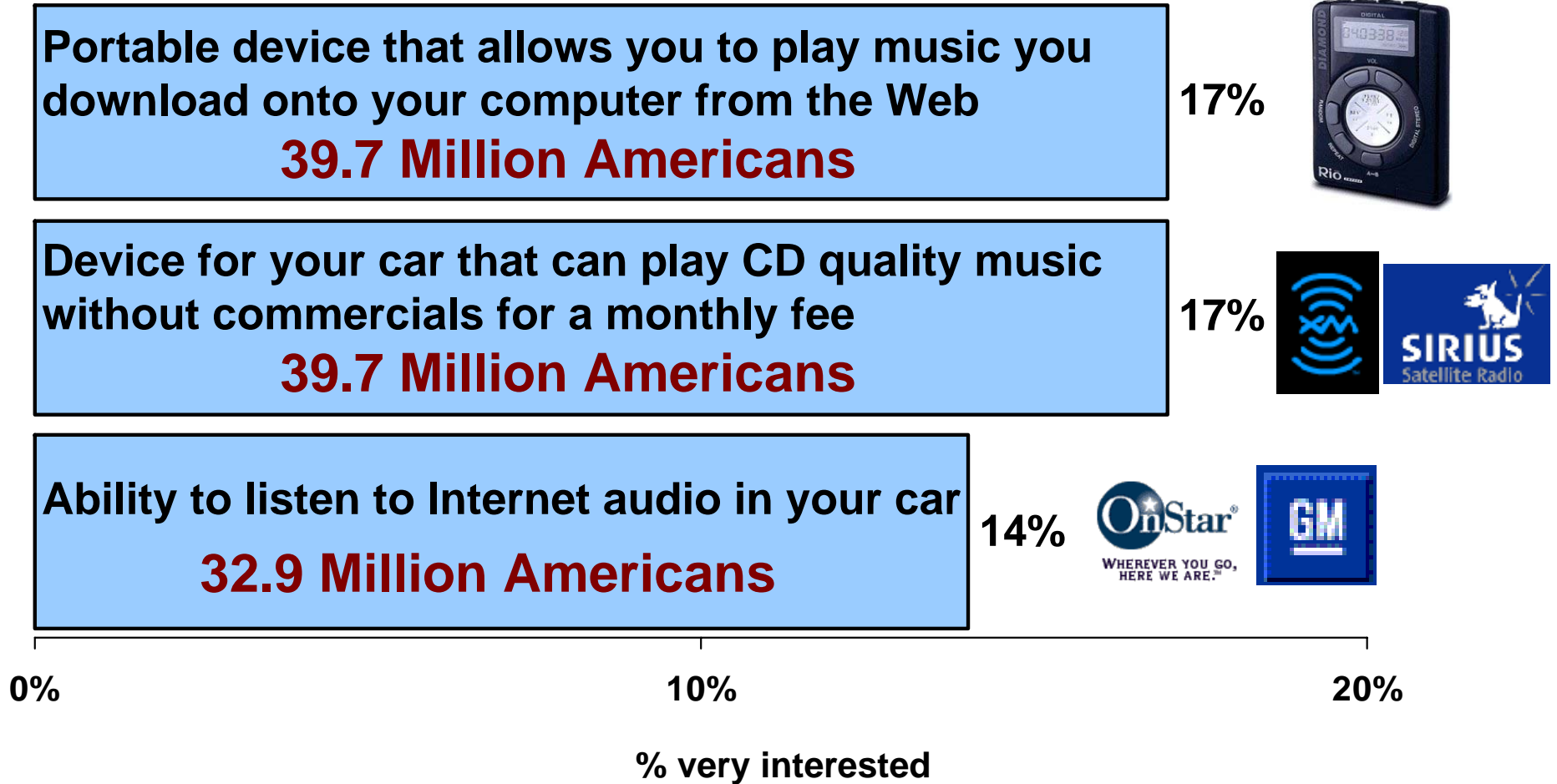
Nearly 1 in 3 say listening to radio over the Internet is difficult



Interest in new devices: Make it easy!

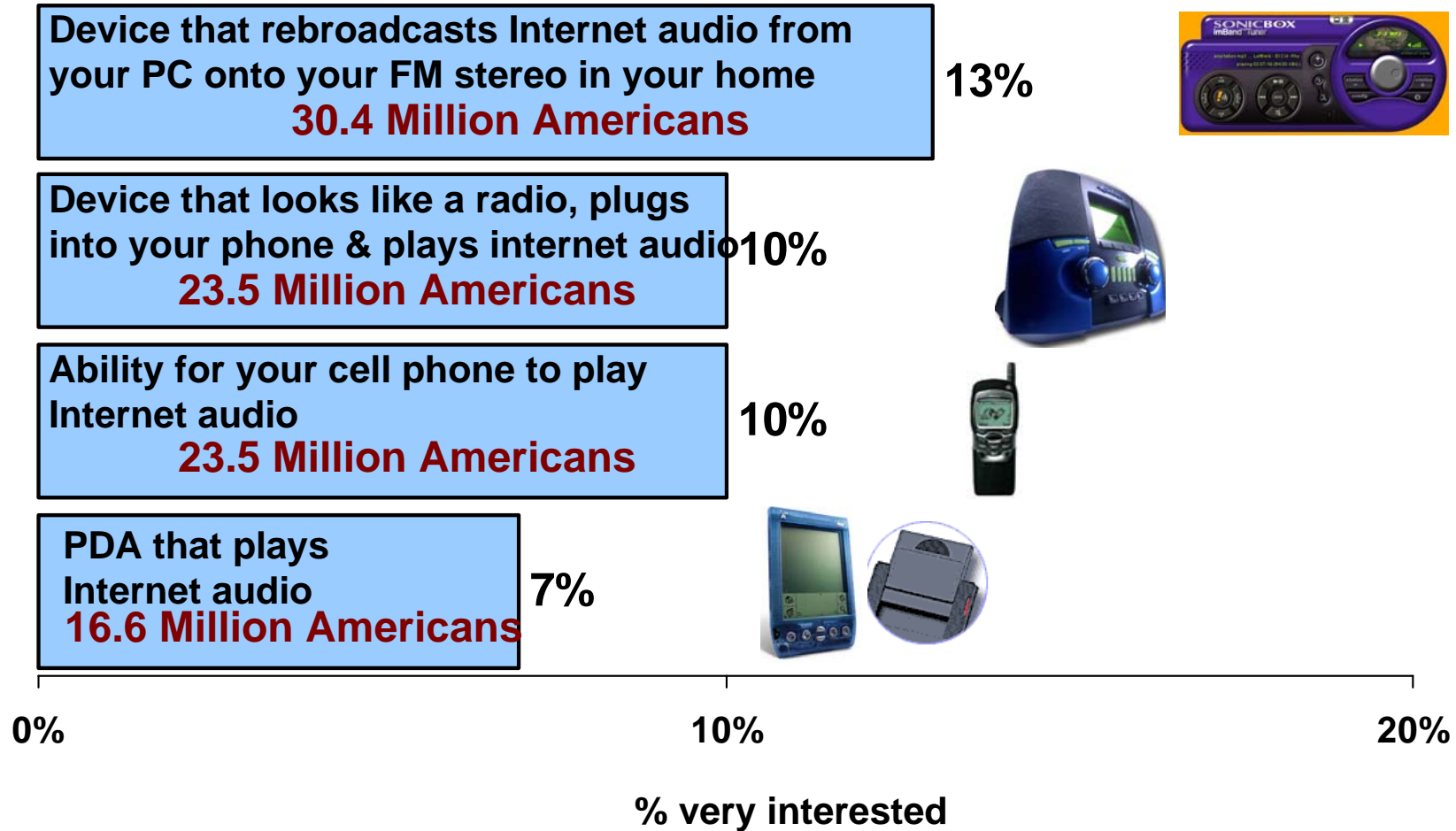
New Devices:

% “Very interested” in...



New Devices:

% “Very interested” in...



Advertising agency perception of Webcasting

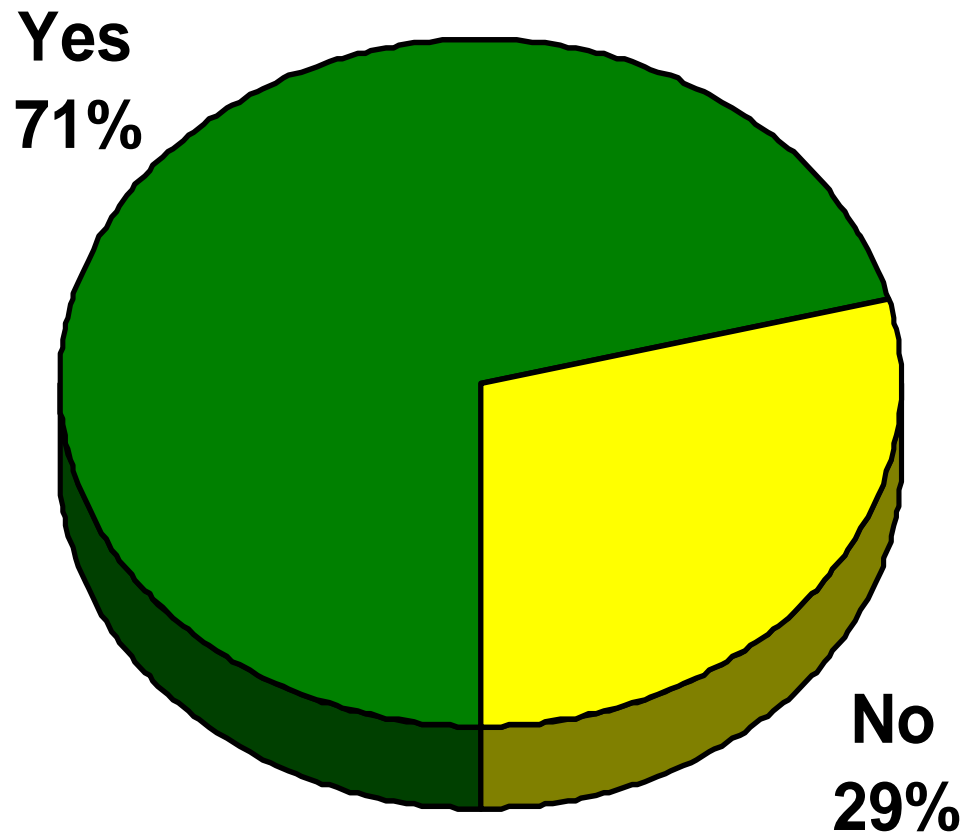
Executive Interviews

Executive Agency Interviews

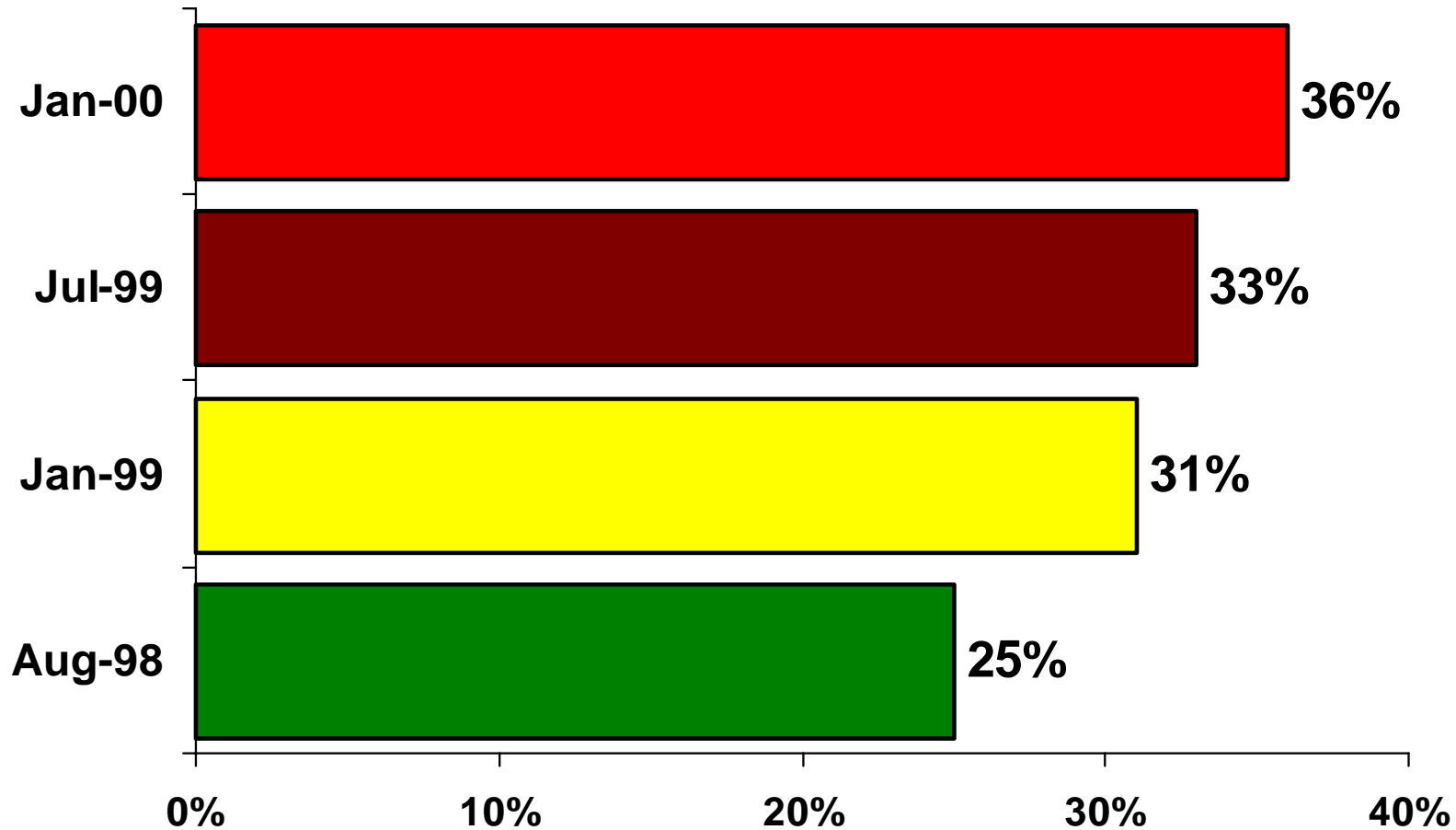
- **54 Interviews with senior executives**
 - ✓ **81% advertise on the Internet**
 - ✓ **24% of those advertising on the Internet have spent budget on Webcasting**
 - ✓ **49% have not been approached by Webcasters trying to sell advertising time**
 - ✓ **80% agree that Webcasting will get a significantly larger share of ad spending in the next 3 years**

**Keep 'em coming back
to your station's
Web site**

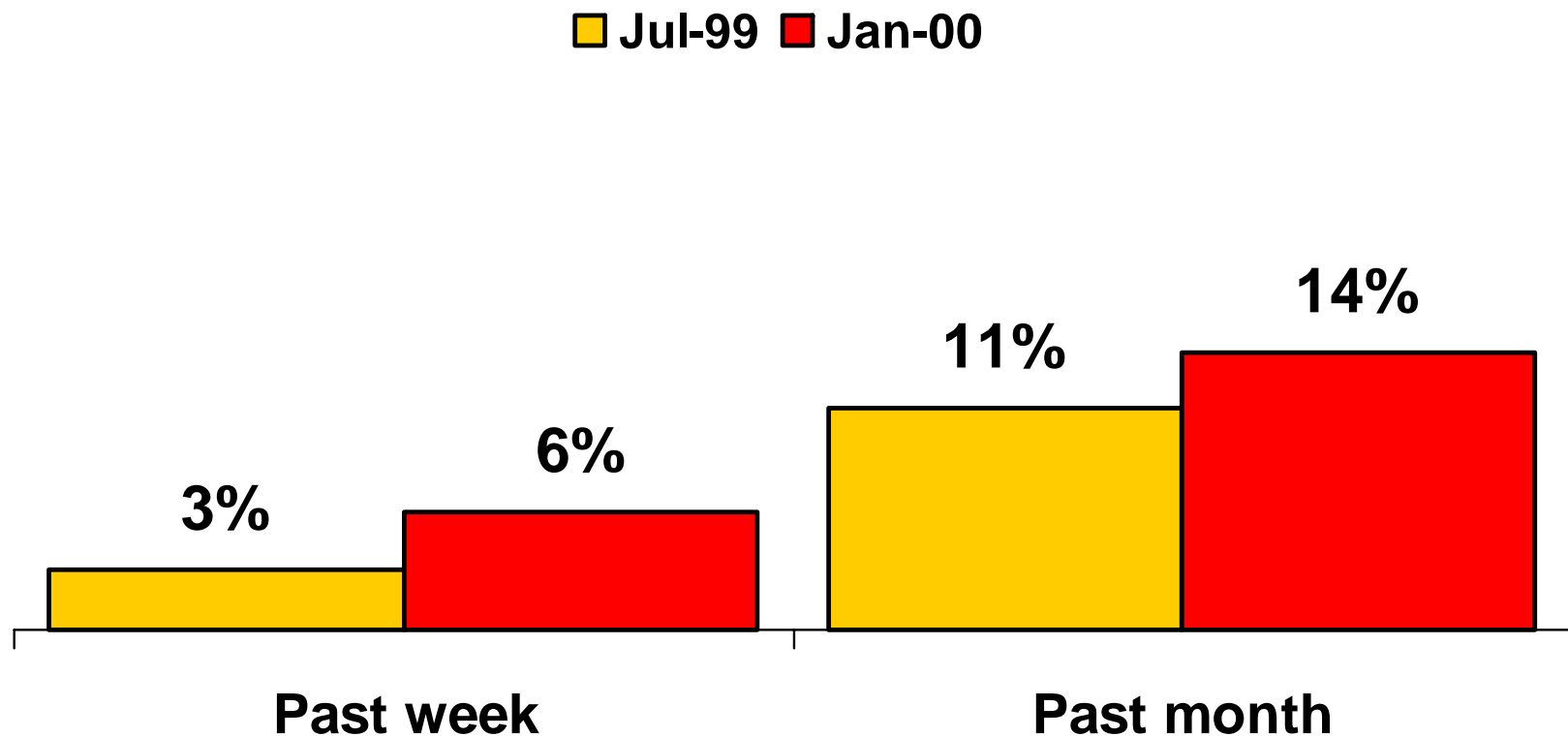
Ever heard a radio station talking about its Website on the air?



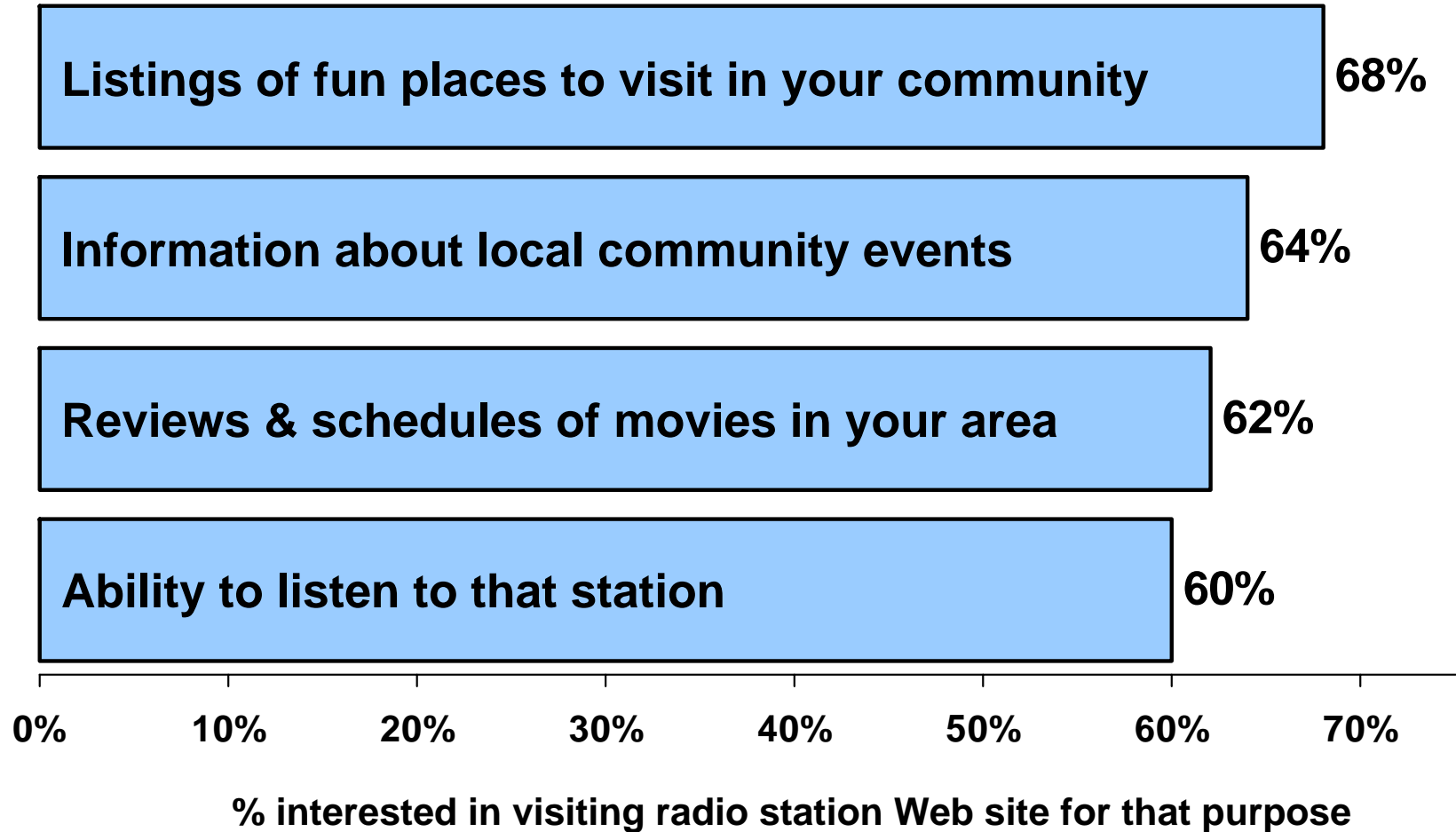
Ever visited a radio station Web site?



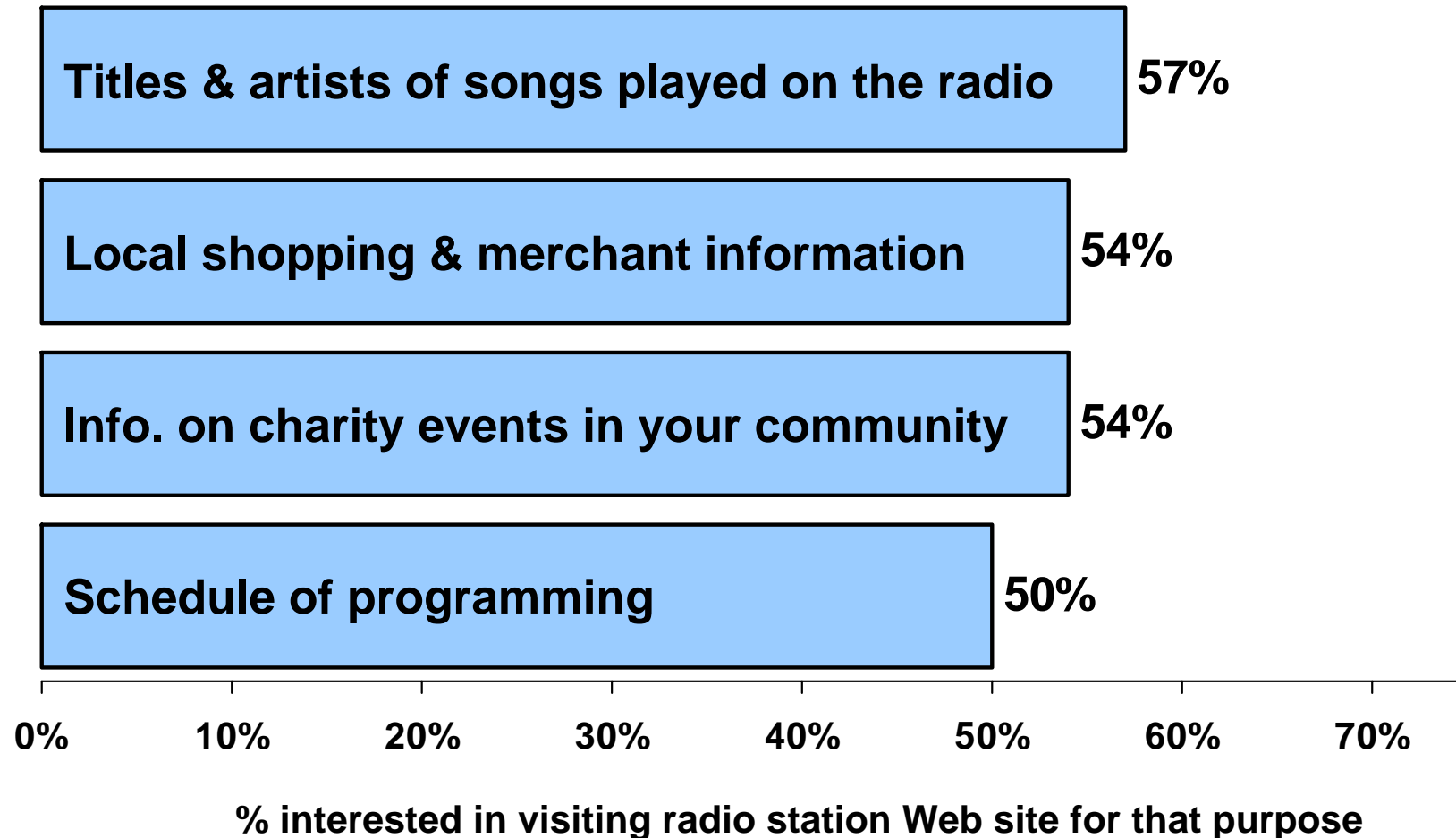
Visits to radio station Web sites



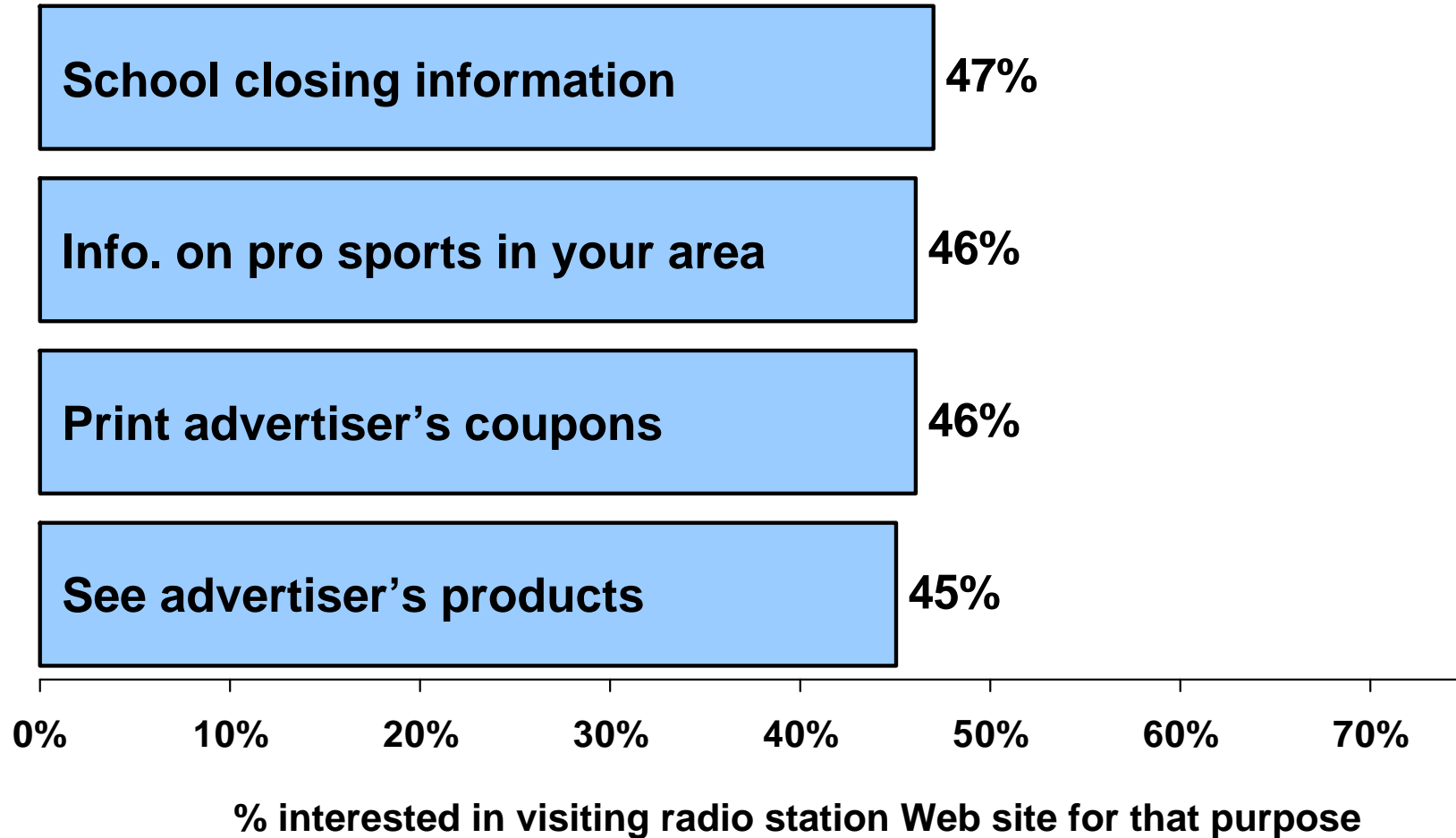
Interest in visiting a radio station Web site for...



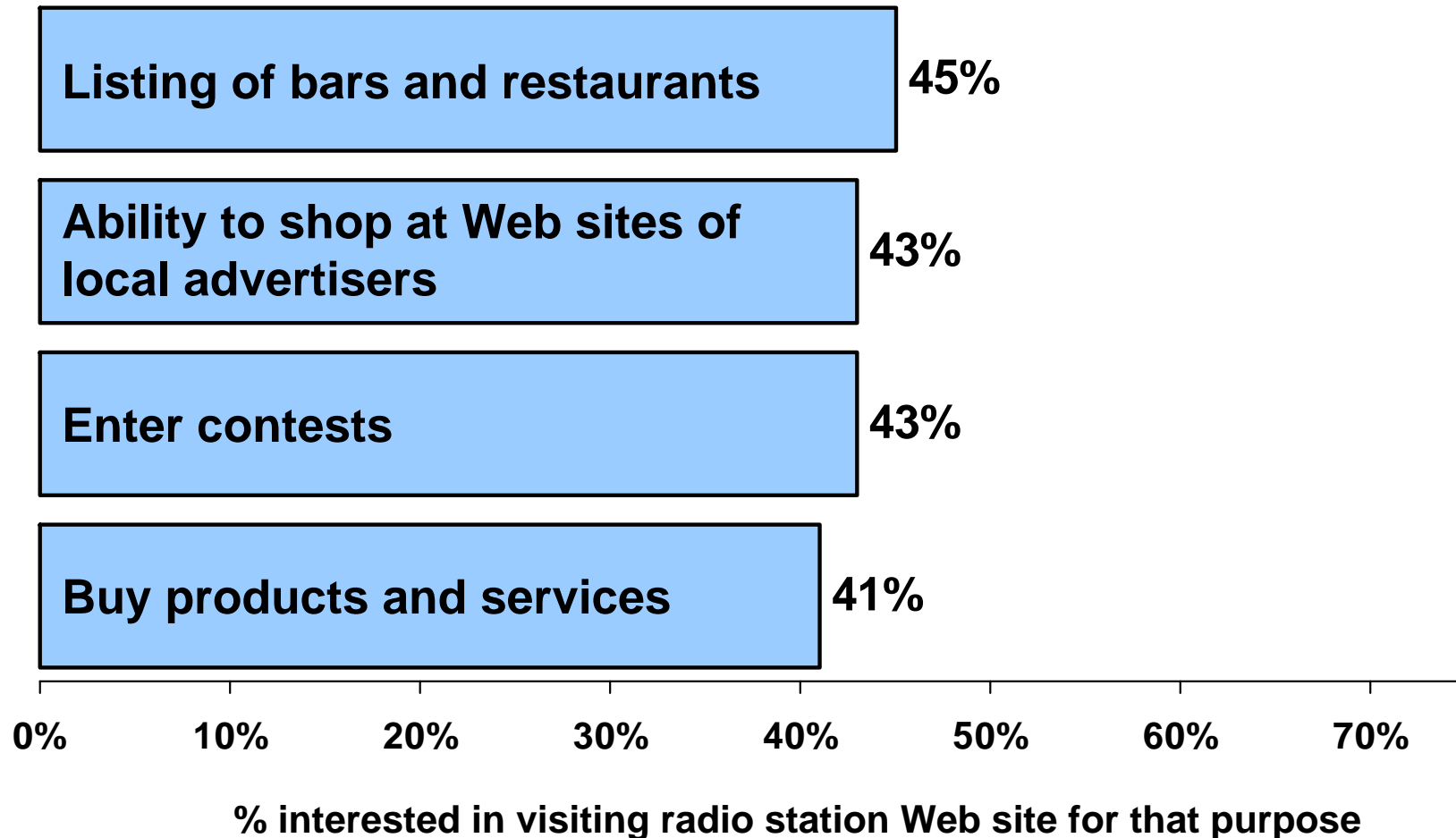
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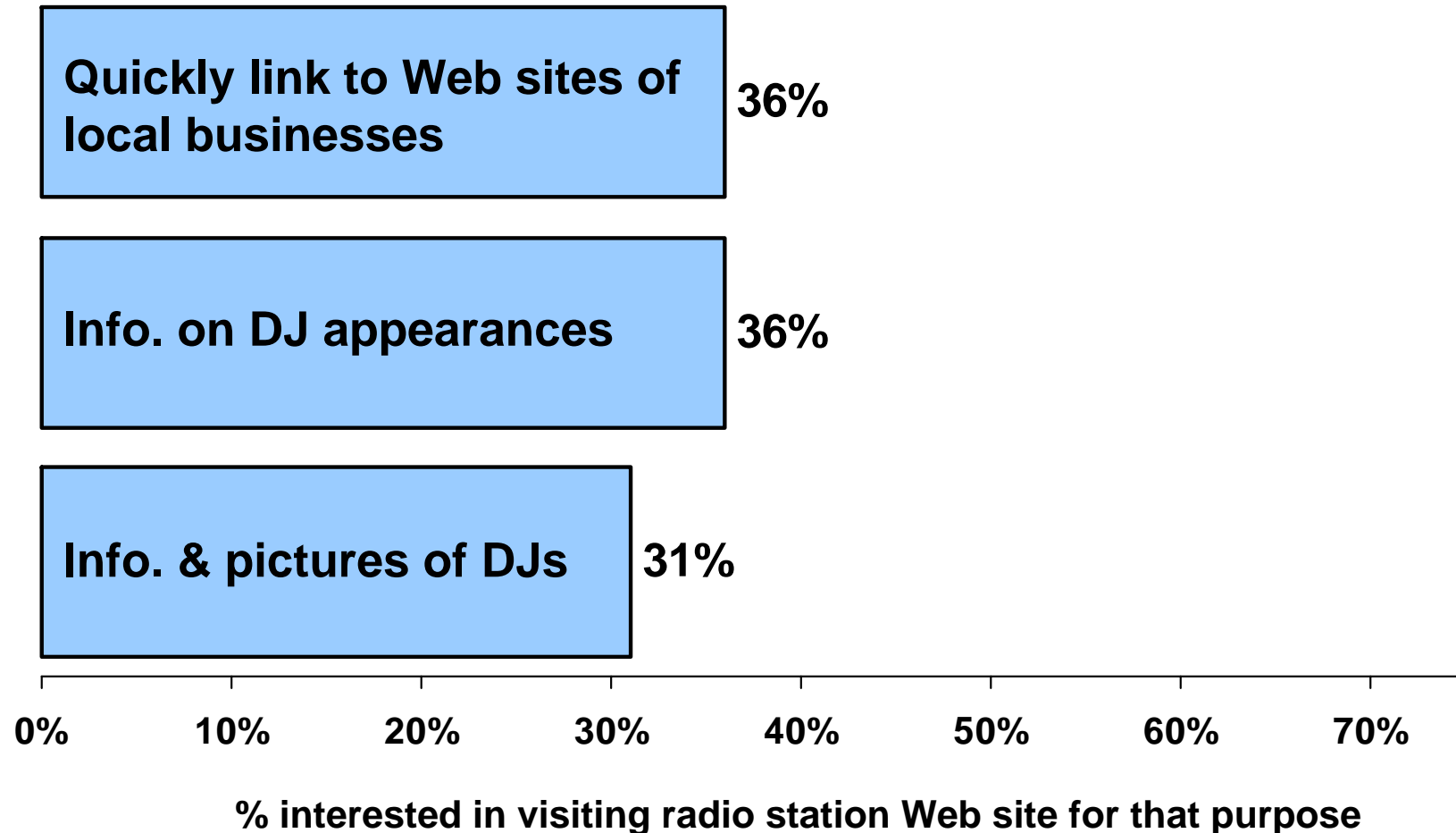
Interest in visiting a radio station Web site for...



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



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

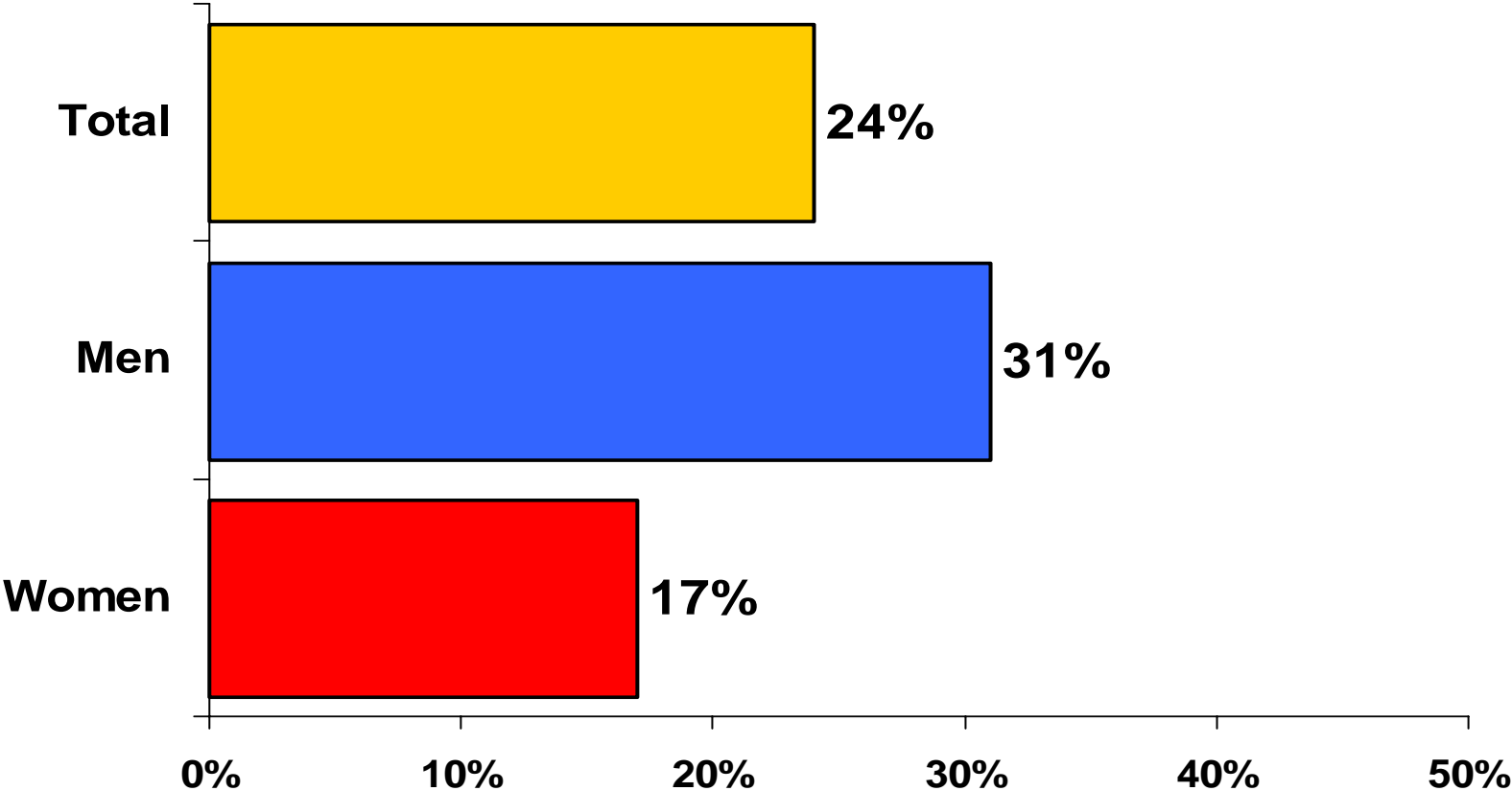


The buying *Power* of “Streamies”

**Those who listen to radio stations online,
listen to Internet only audio channels or
watch video on the Web**

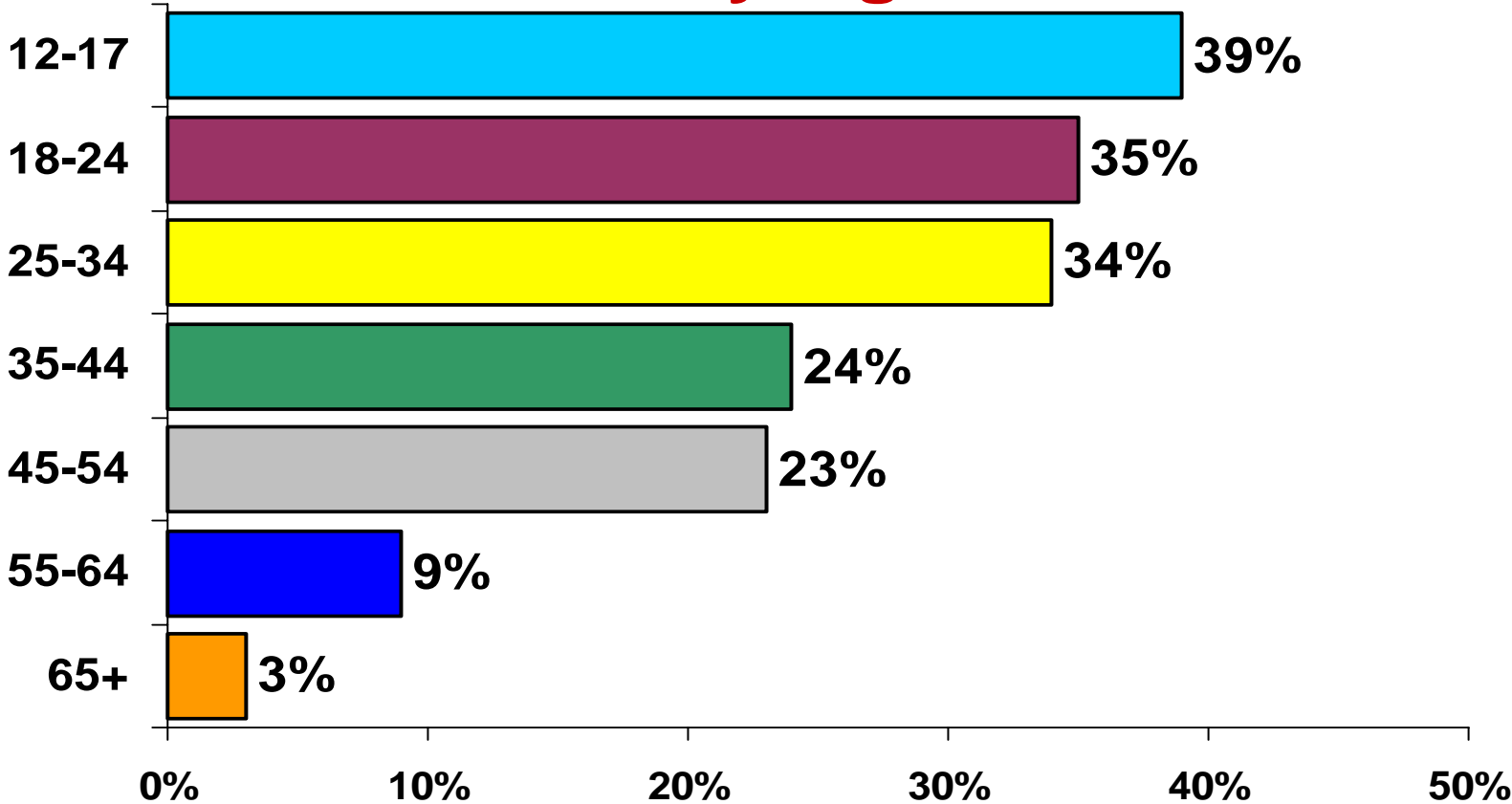
Viewed or Listened to Webcasts

By Gender



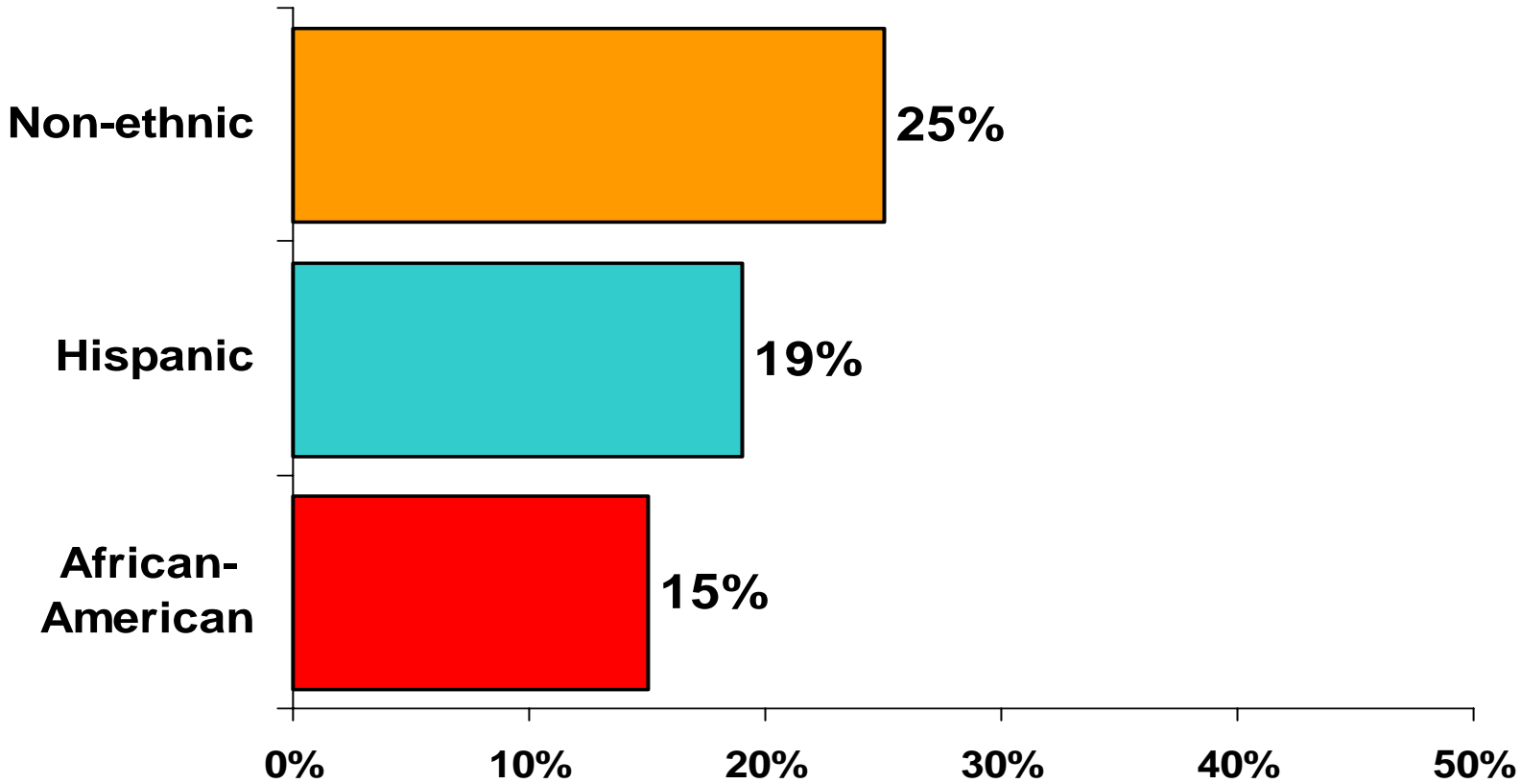
Viewed or Listened to Webcasts

By Age

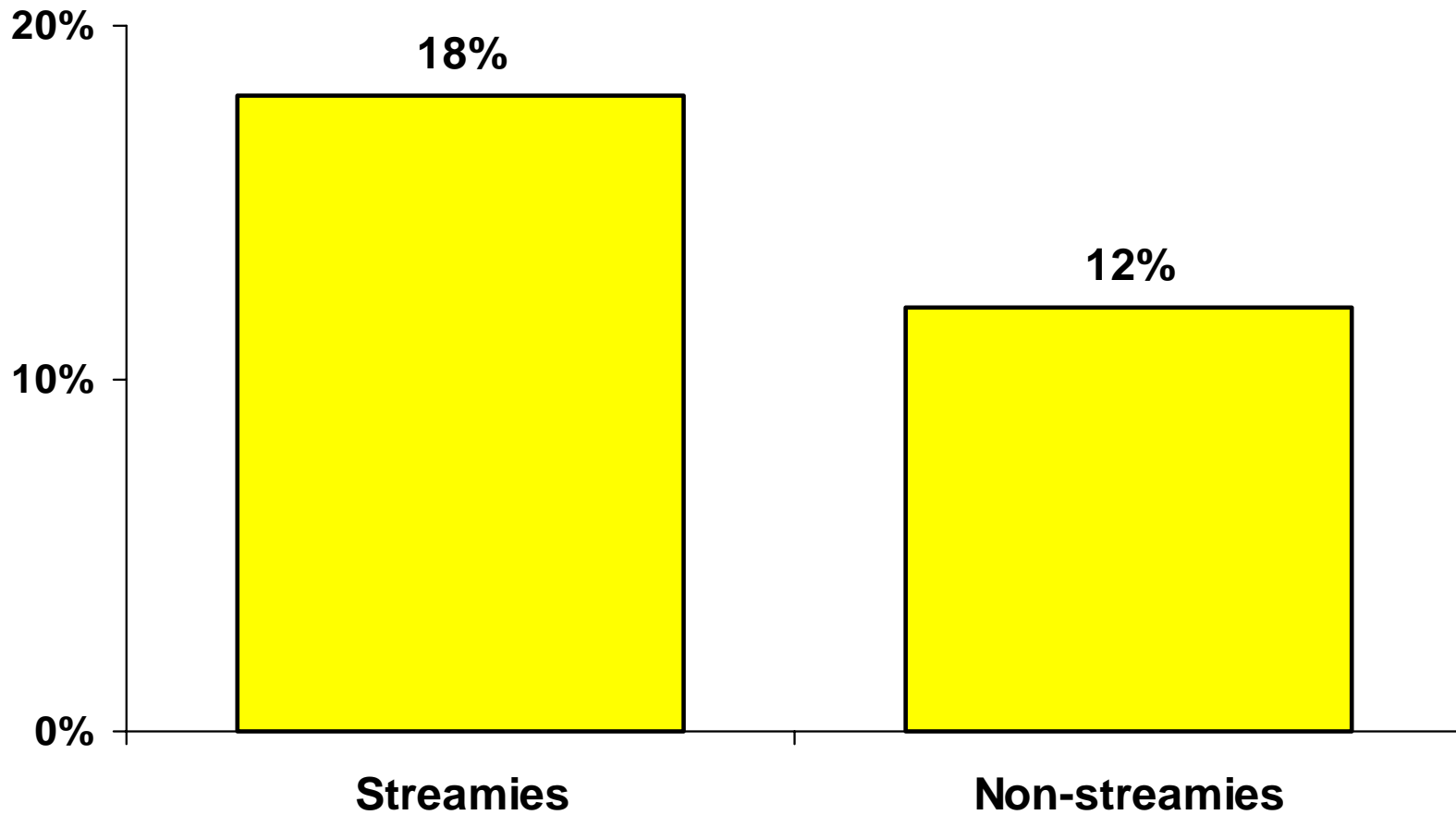


Viewed or Listened to Webcasts

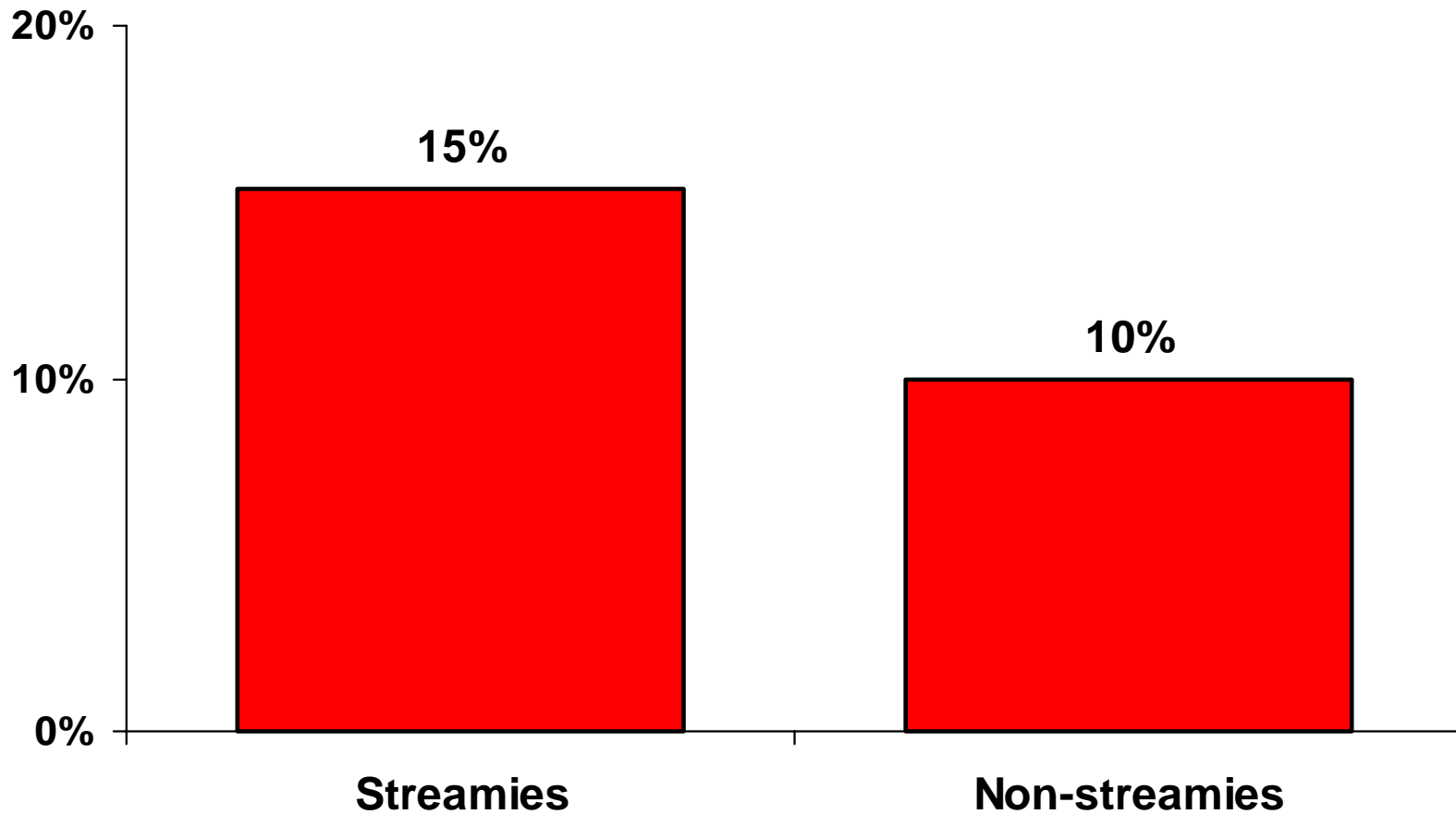
By Race



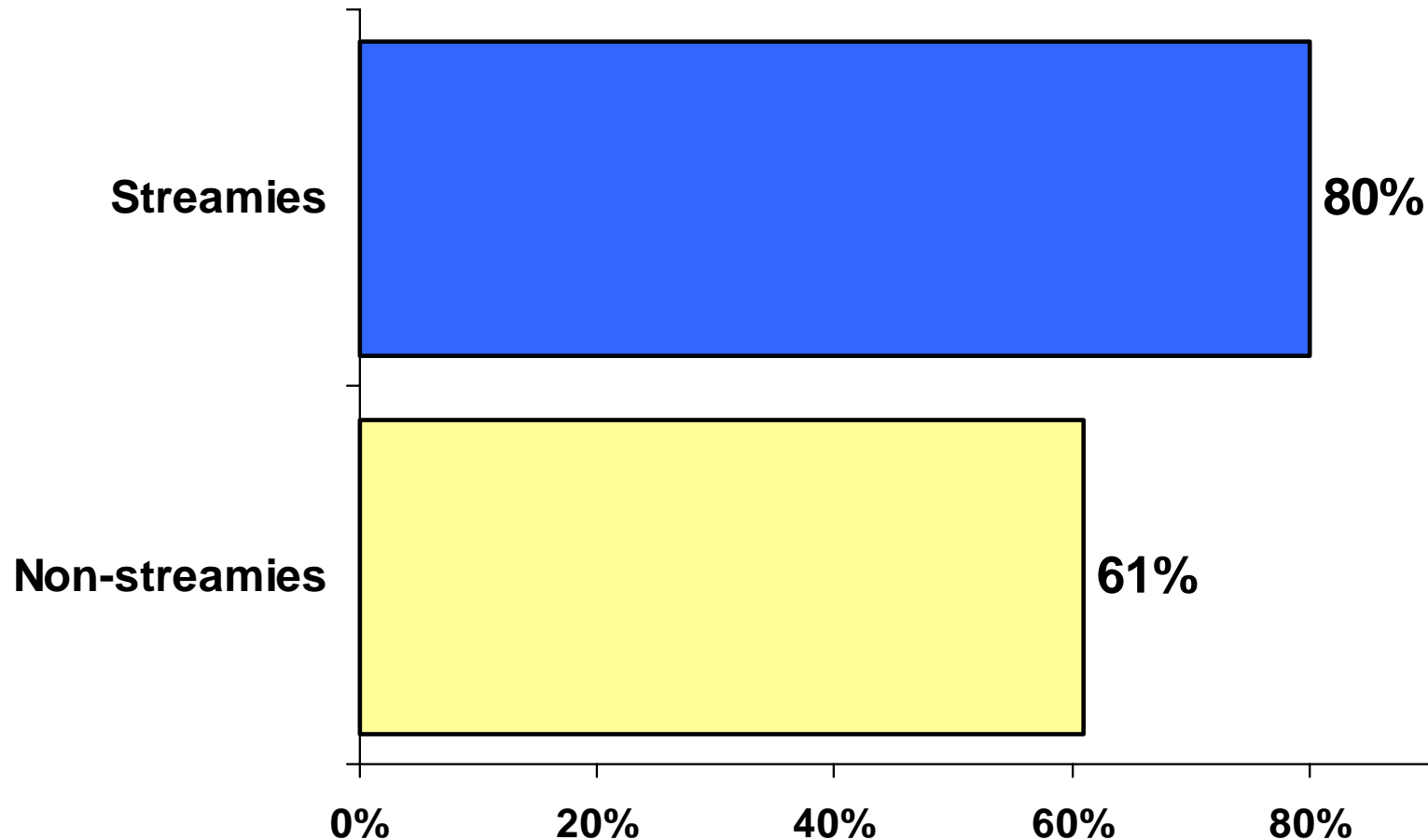
Streamies are 50% more likely to have annual income over \$100K



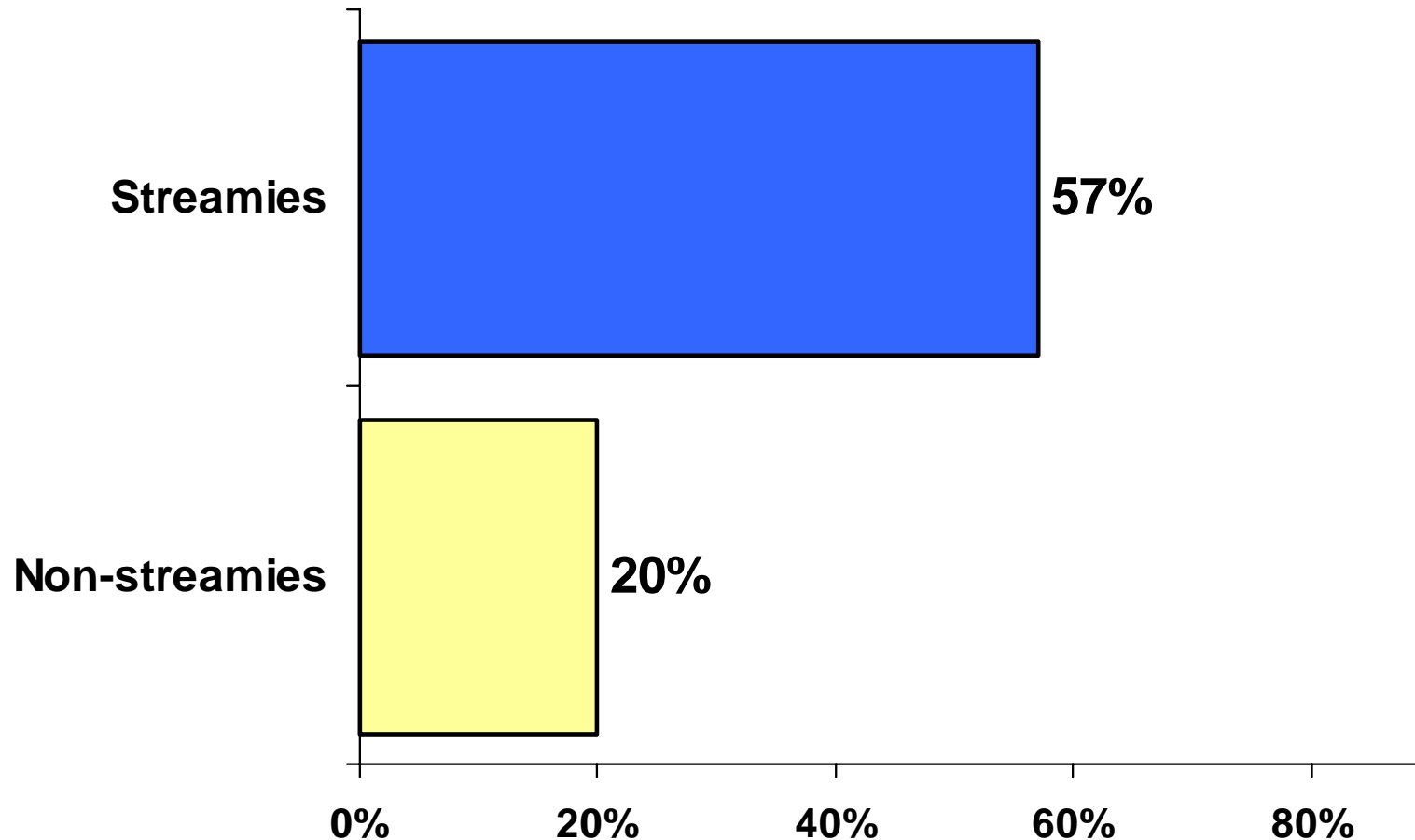
Streamies are 50% more likely to have attended Graduate school



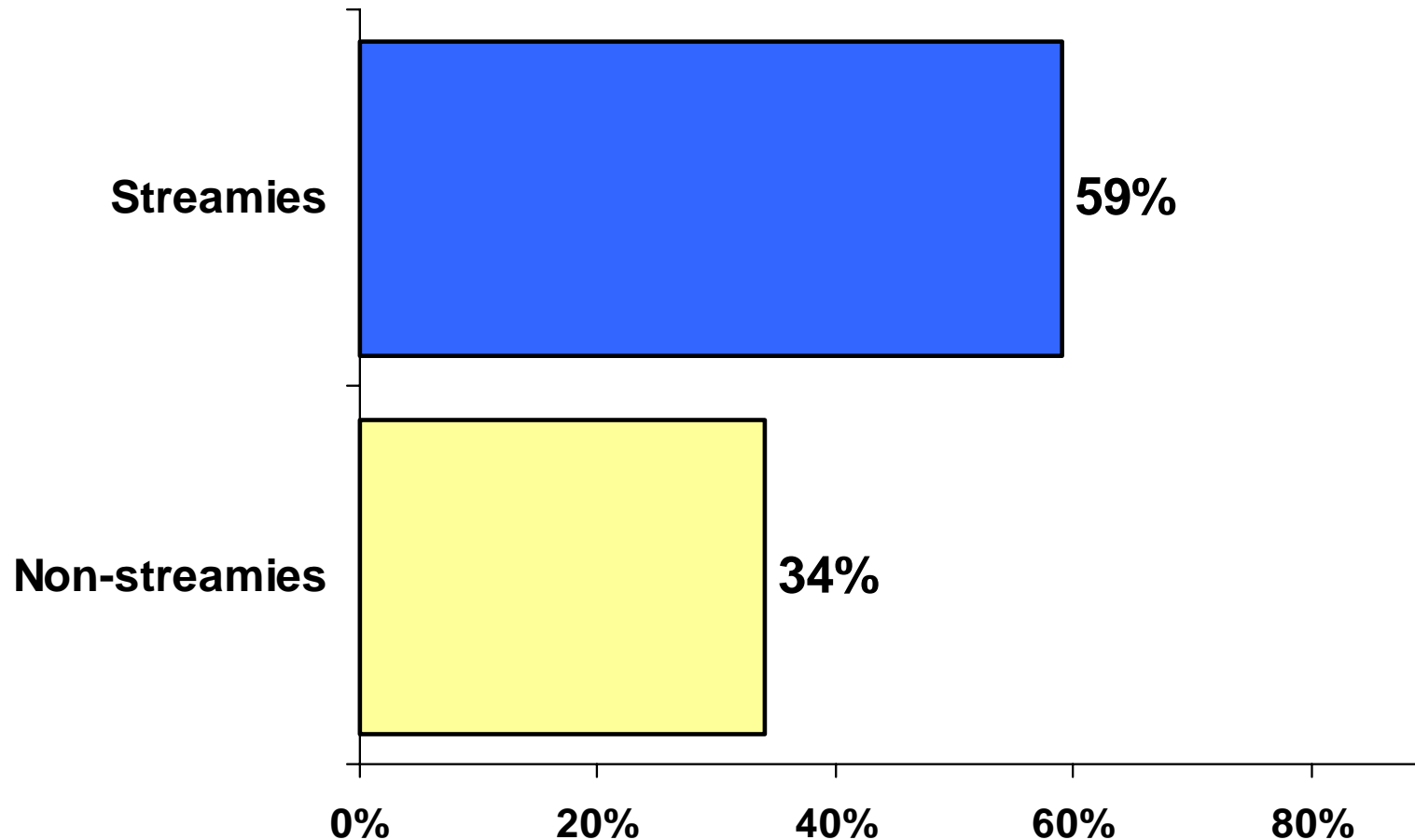
Streamies are more likely to visit the Web site of advertisers on their favorite radio station



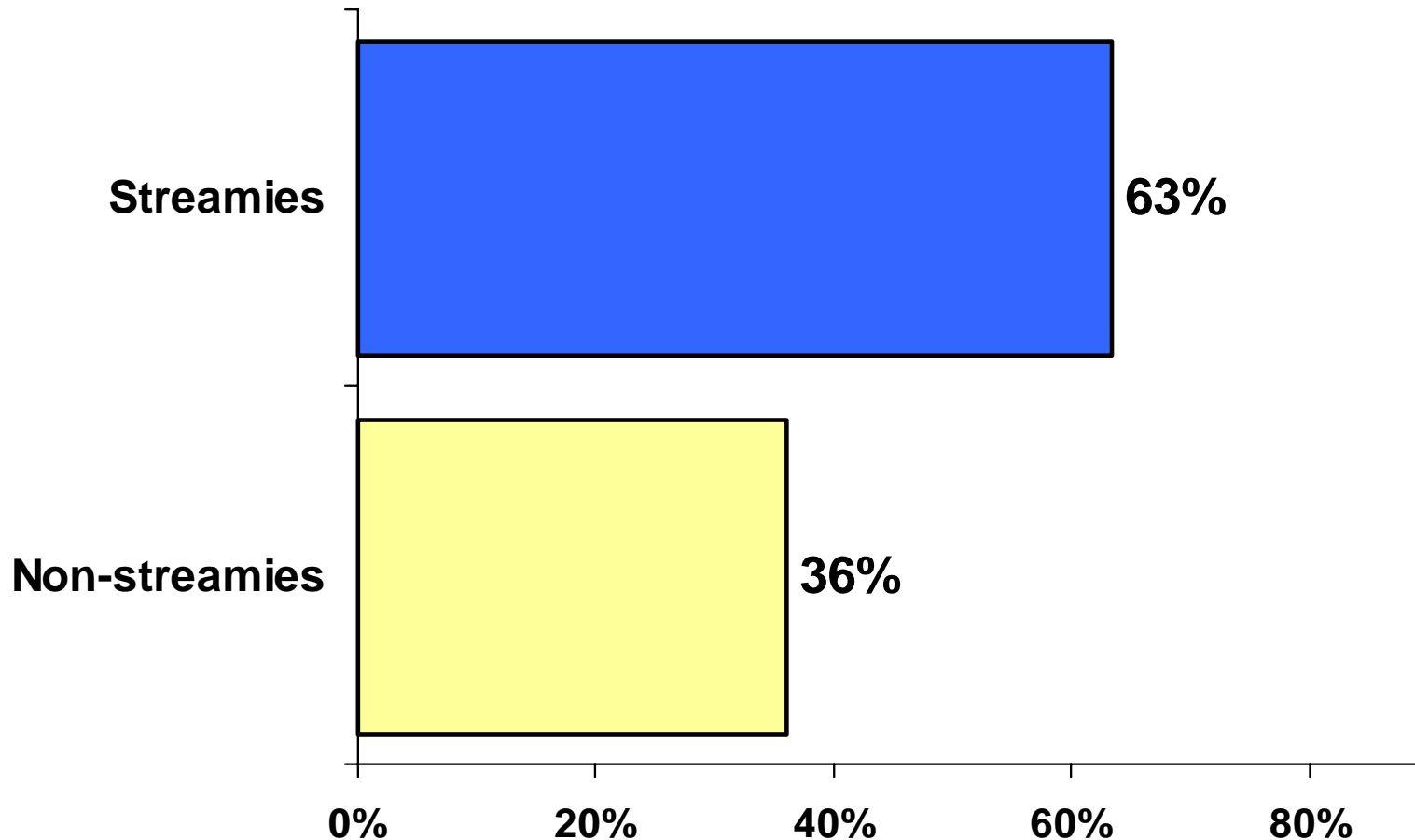
Streamies are much more likely to have visited a radio station Web site



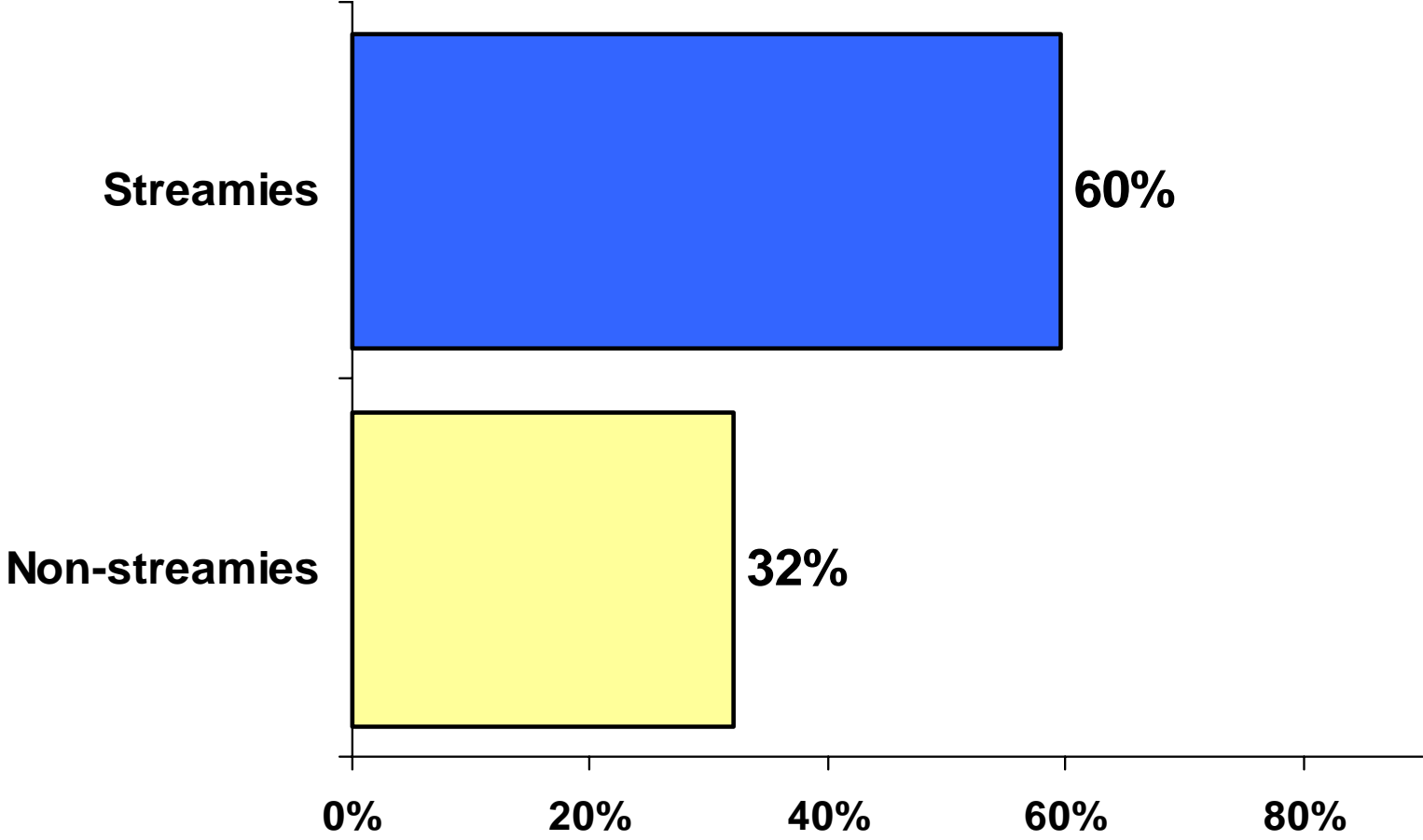
Streamies are much more likely to have visited a Web site they learned about from radio



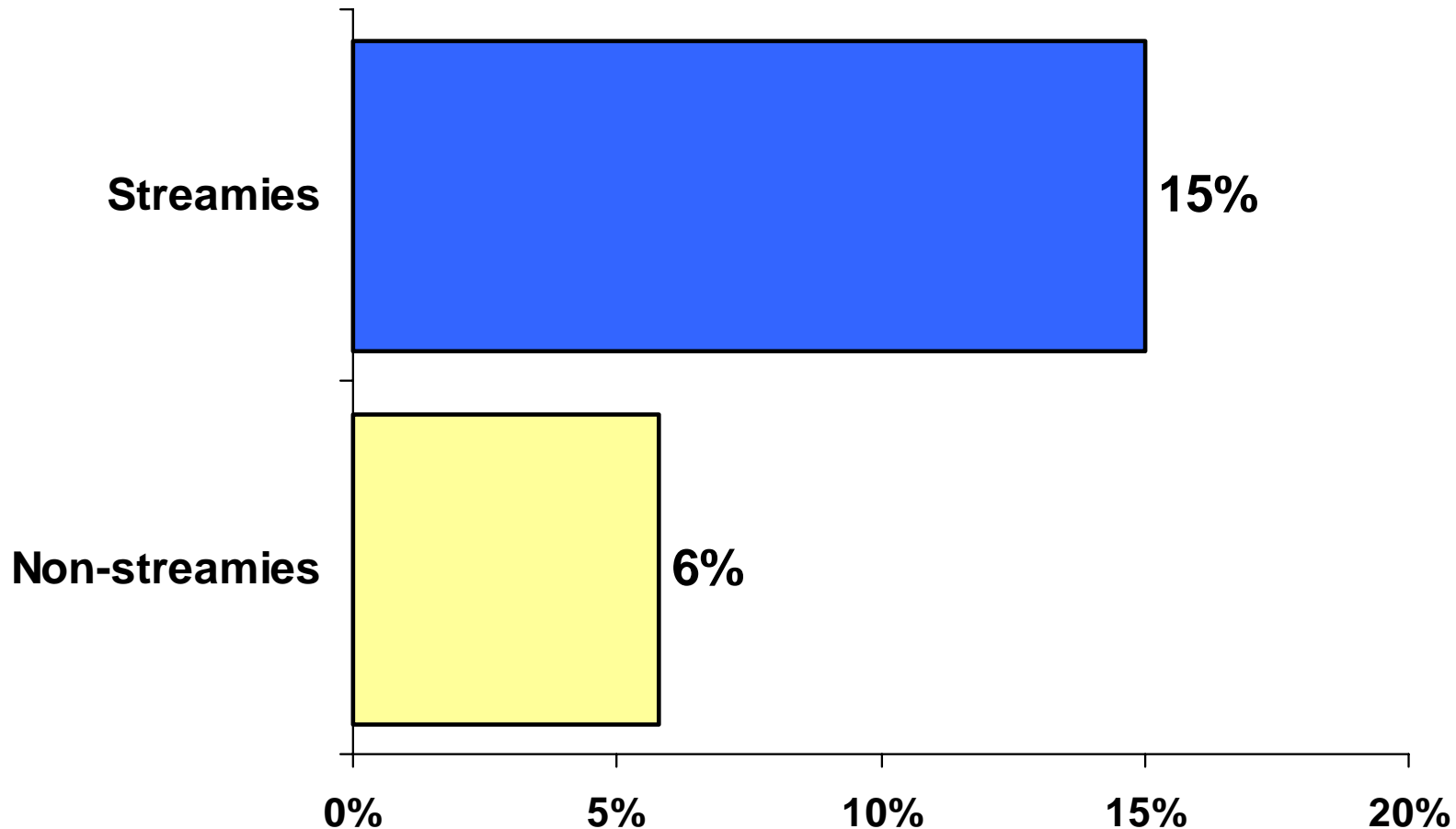
Streamies are much more likely to have clicked on Web site advertising



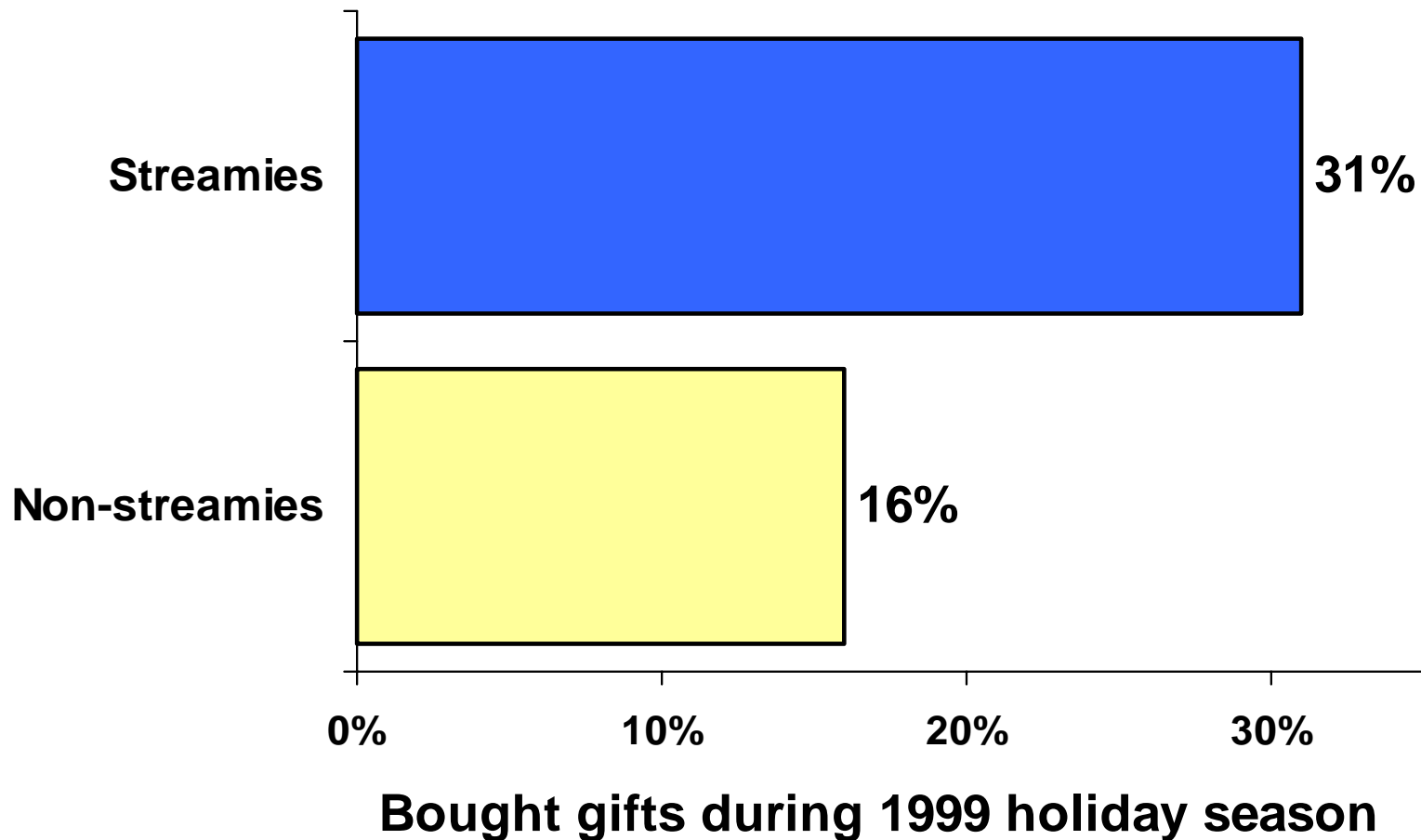
Streamies are much more likely to have purchased from an Internet Web site



Streamies are much more likely to feel “Completely safe” about shopping online



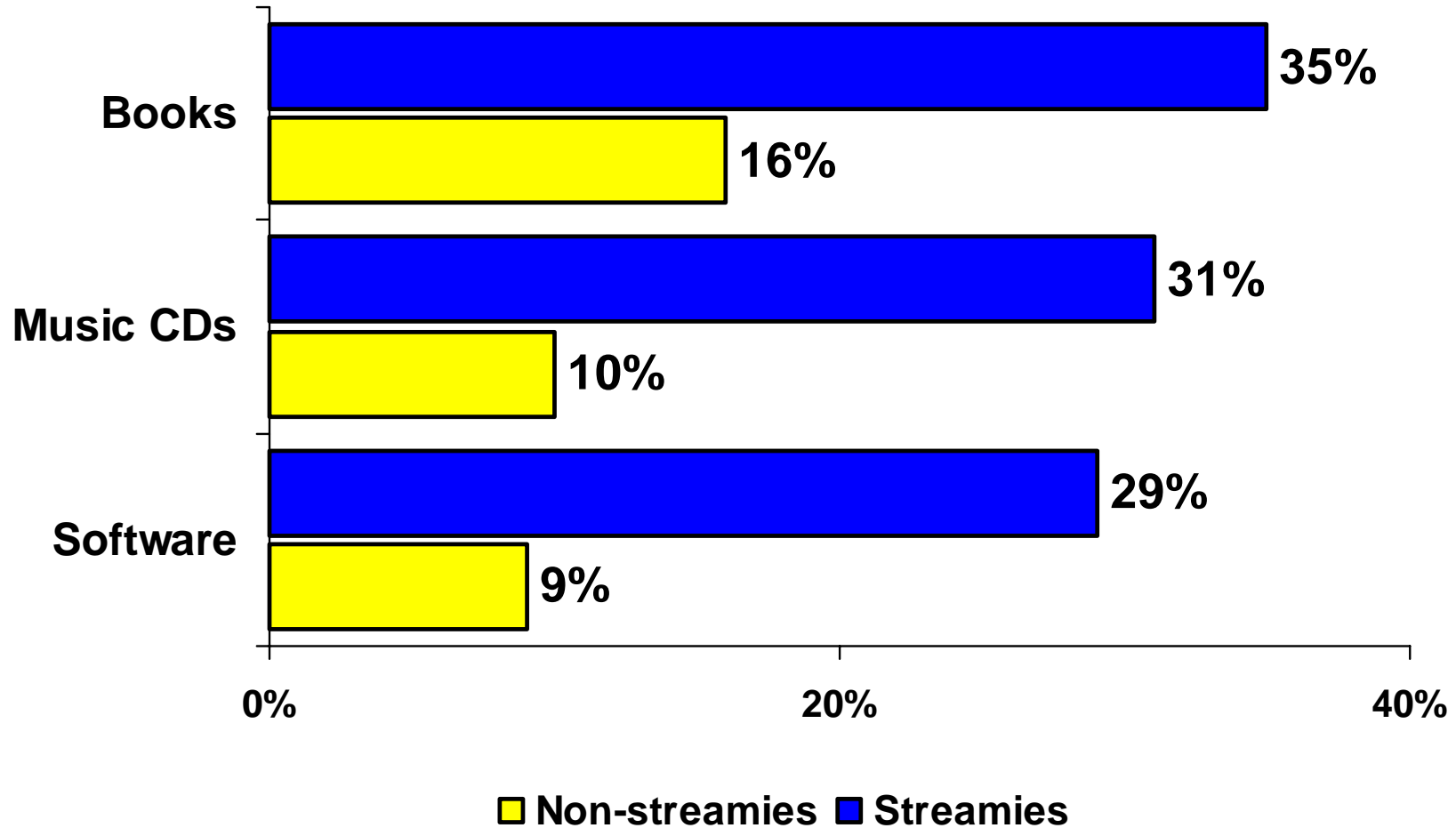
Streamies are much more likely to have purchased holiday gifts on the Internet



Top 10 items bought on the Internet:

“Streamies” vs. “non-streamies”

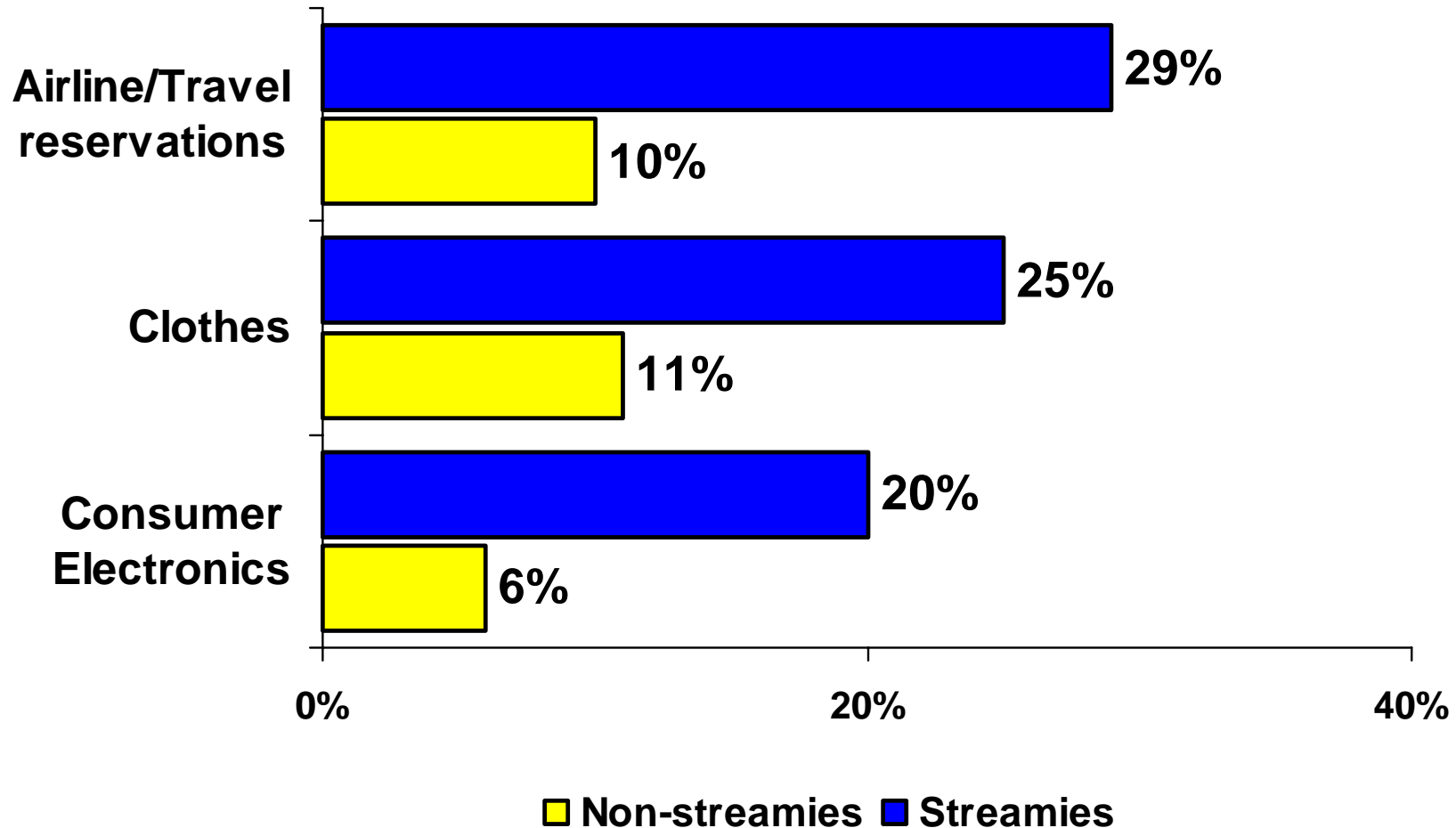
Page 1



Top 10 items bought on the Internet:

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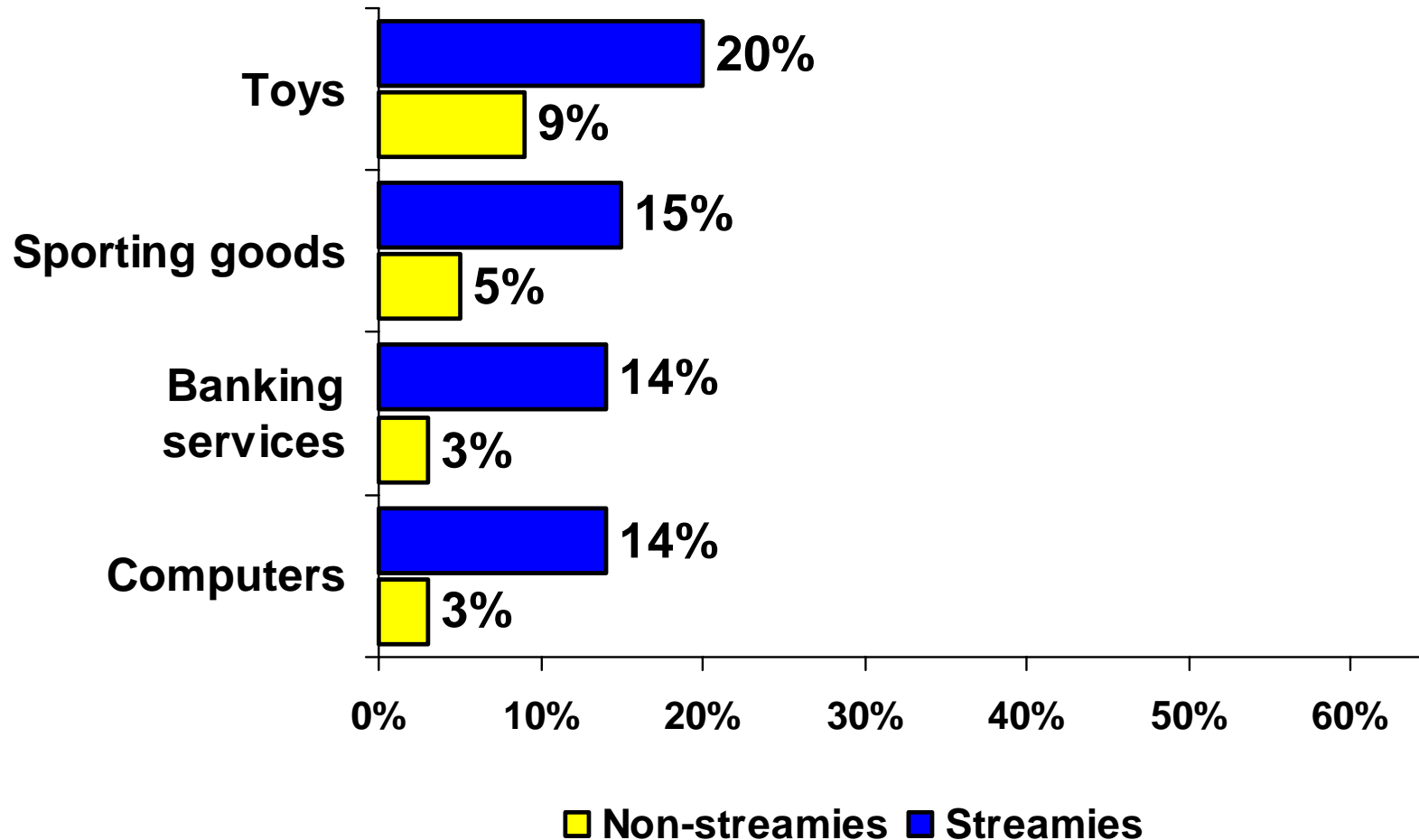
Page 2



Top 10 items bought on the Internet:

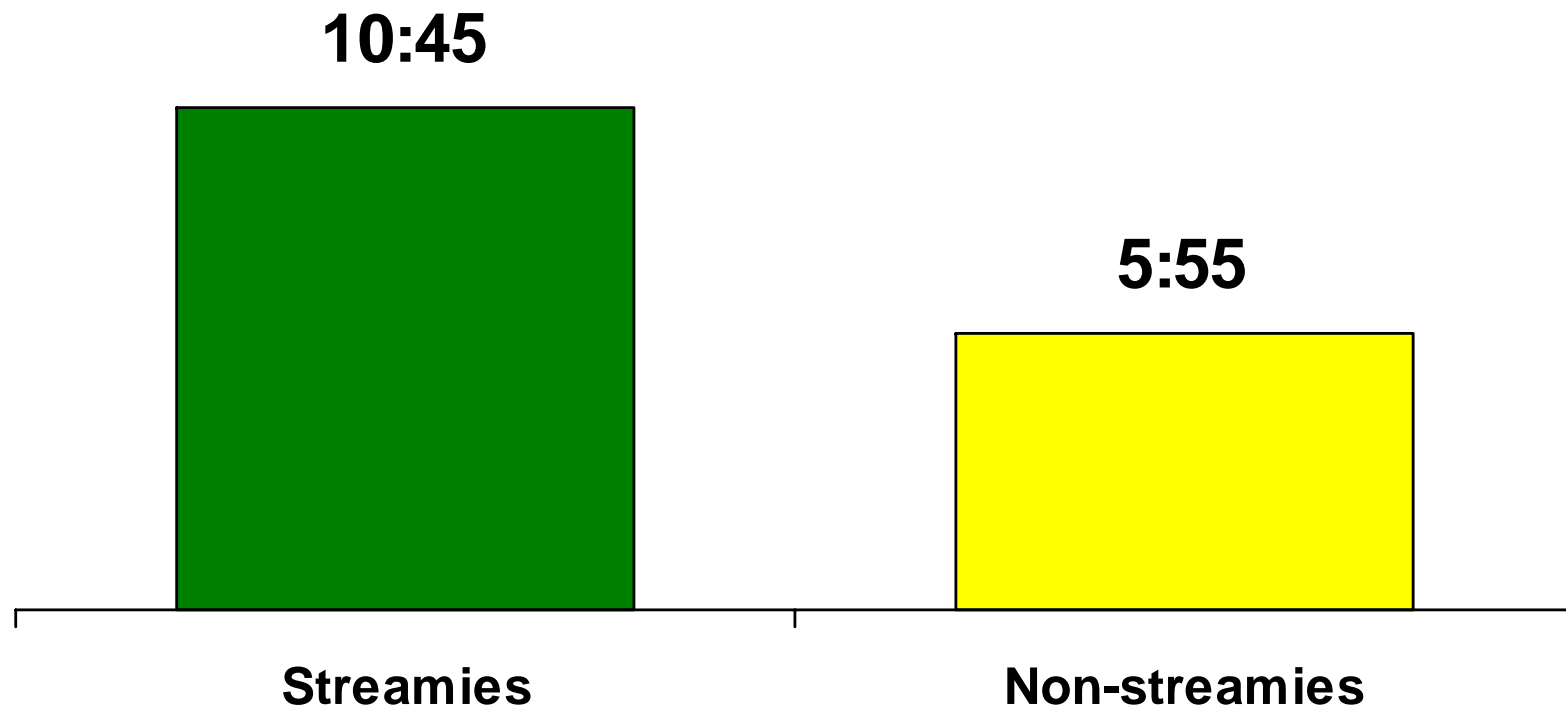
“Streamies” vs. “non-streamies”

Page 3



Streamies spend 80% more time online

Hours Spent Online Per Week



Radio's sales pitch to dotcom advertisers

Radio's sales pitch to dotcom advertisers

- **Drive users to your Web site while they are browsing: radio is the top companion for Web usage**
- **45% of online Americans have visited Web sites because of ads they heard on the radio**
- **70% of online Americans are likely to visit Web site of advertisers on their favorite radio station**

Radio's sales pitch to dotcom advertisers

- **Smaller markets deliver as many Web users, online buyers, and Web ad clickers as the top 25 markets**
- **Online shoppers buy at night when radio delivers the best dollar value**
- **Ethnic radio stations represent outstanding opportunity to catch the next wave of “newbies.”**

Six recommendations for broadcasters and Internet-only audio channels

Recommendations

1) Sell the value of Streamies: They are worth their weight in gold

- ✓ Streamies are more Web savvy, they buy more online, and they have more discretionary income
- ✓ Streamed content makes Web sites more compelling

2) Ad insertion (a la cable) is a key to making money for traditional radio stations on the Web

Recommendations

- 3) Webcasters must close the gap between awareness and habitual usage by making it easier to listen online and by providing compelling and unique content**
- 4) Streamers have to make it simple because the failure rate is too high.**
 - ✓ Listeners and viewers to Radio and TV don't fail when they try to tune in!**

Recommendations

5) Broadcasters have the talent and skills to create Internet channels to complement their traditional properties.

✓ If broadcasters don't jump in, a new “Ted Turner of the Webcasting world” will.

6) “80% of success is just showing up”

✓ Webcasters need to sell and get greater share of mind among advertising agencies



DOTCOM \$

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on your station

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