



Internet IV:

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”**

www.edisonresearch.com



www.arbitron.com

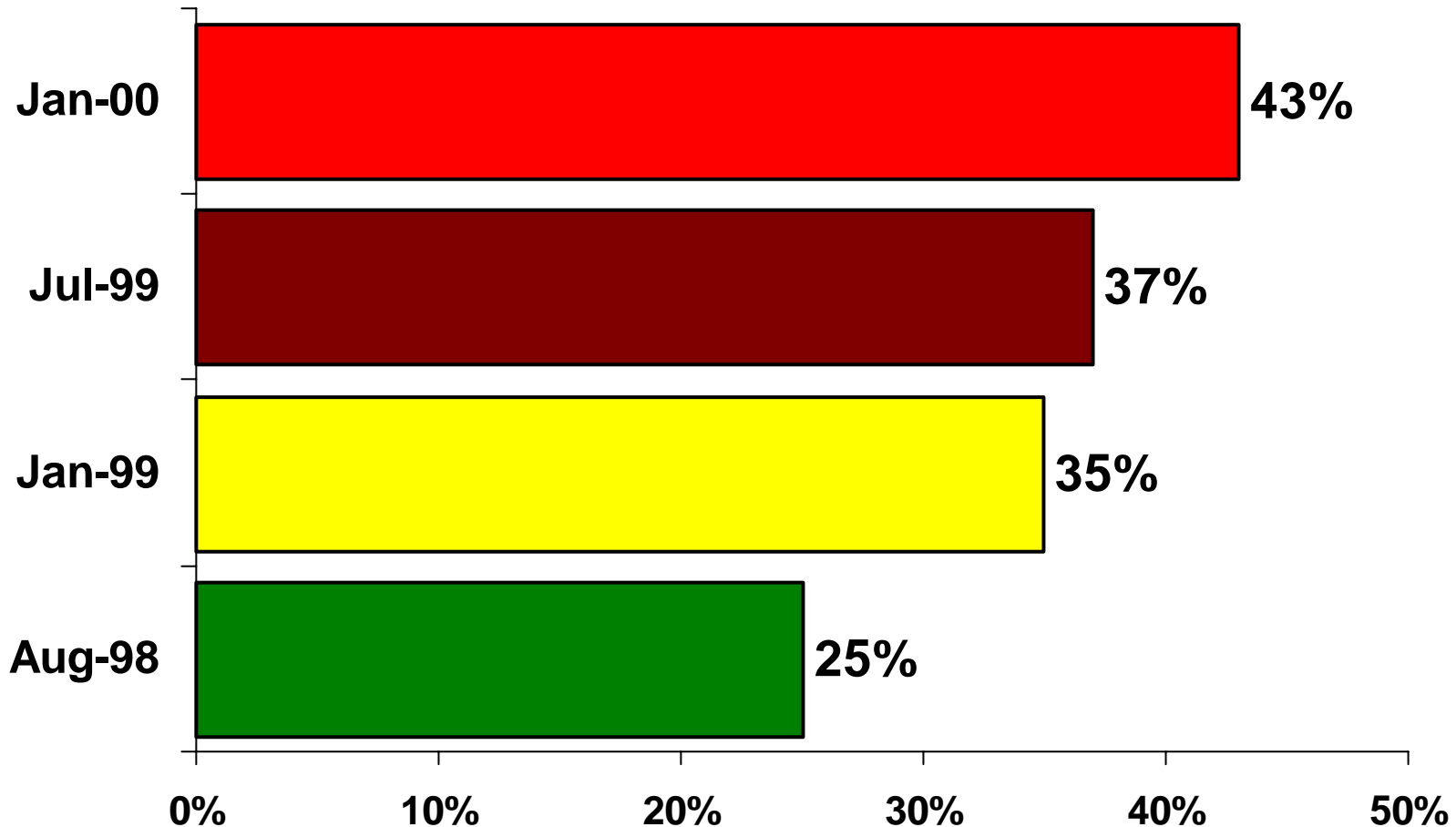
ARBITRON

How the Survey Was Conducted:

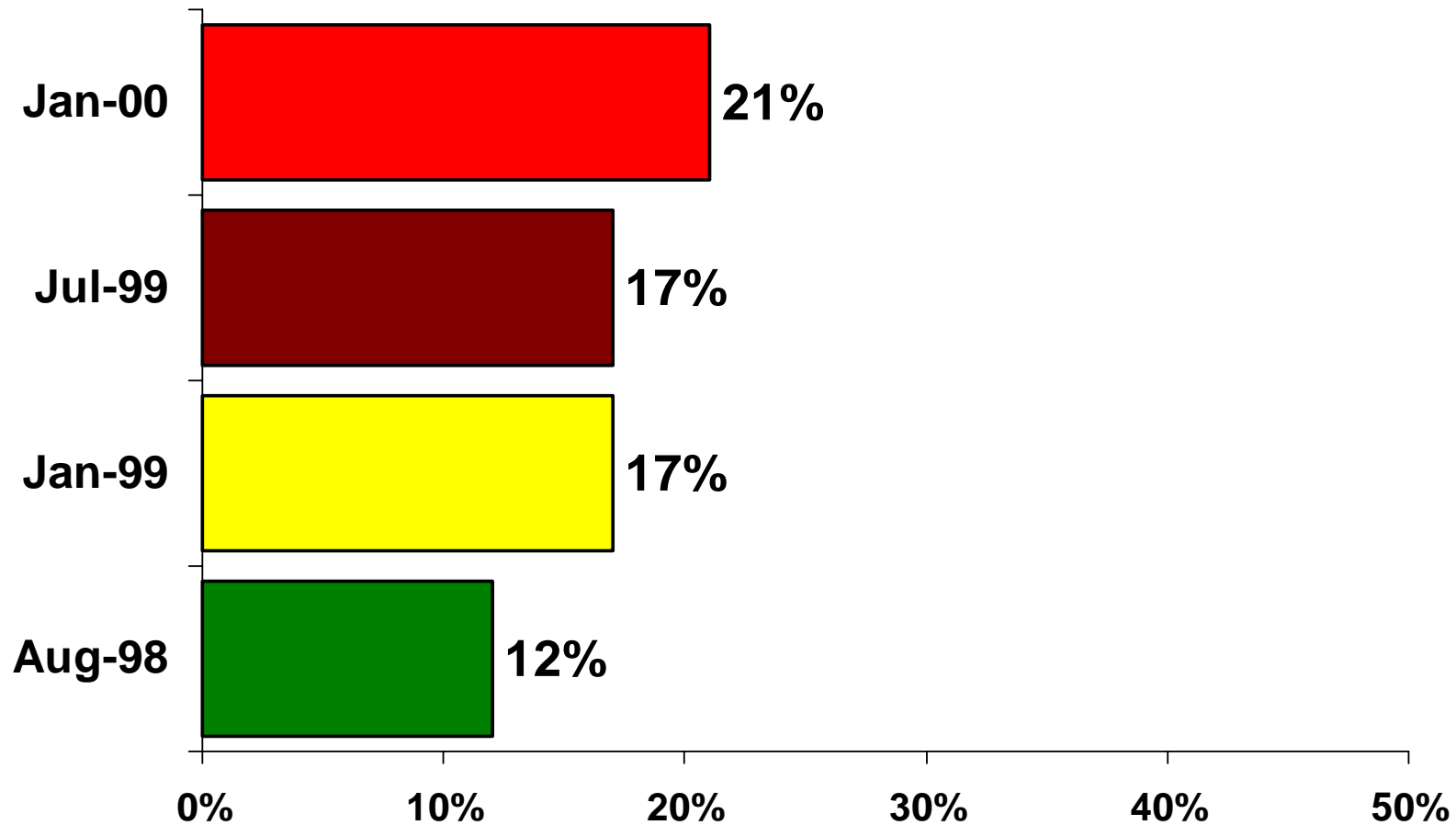
- **2,000** telephone interviews conducted in January 2000 with Fall 1999 diarykeepers
 - National random sample of diarykeepers 12+
 - Listening measures from diary

The Internet Boom Continues

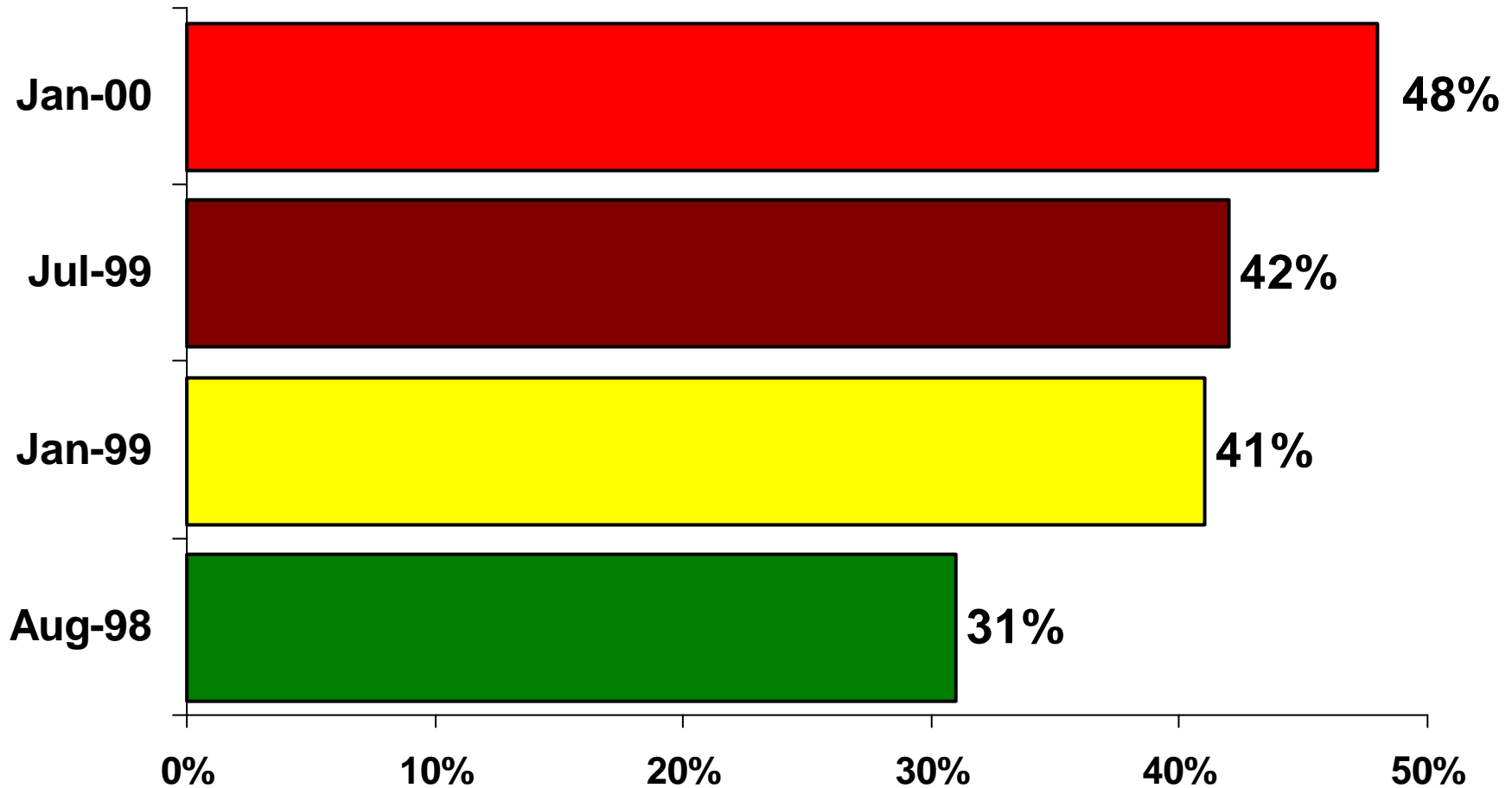
Home Internet access up to 43%



Work Internet access rose to 21%

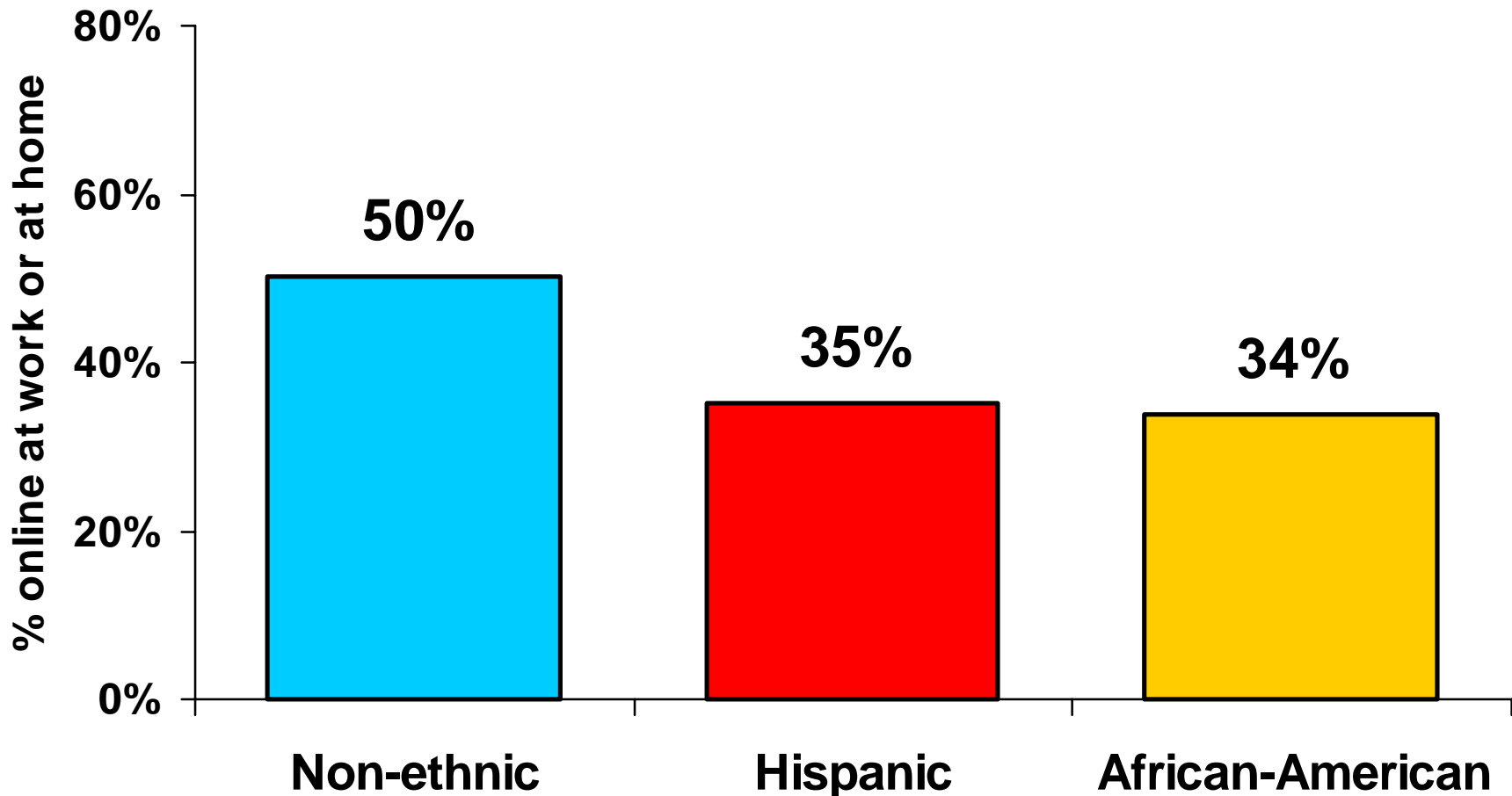


Home or work access to the Internet closes in on 50%

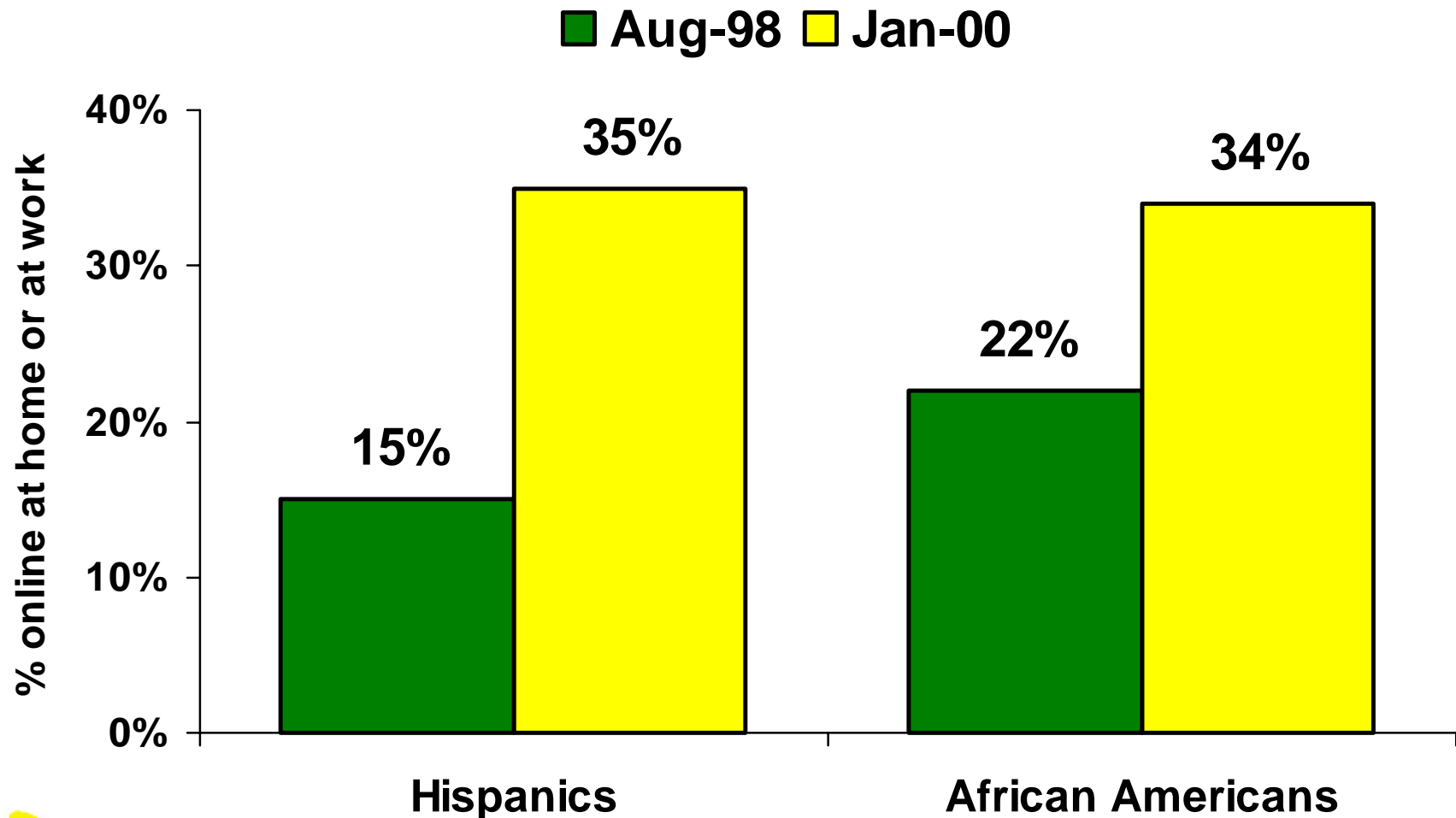


The Digital Divide

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

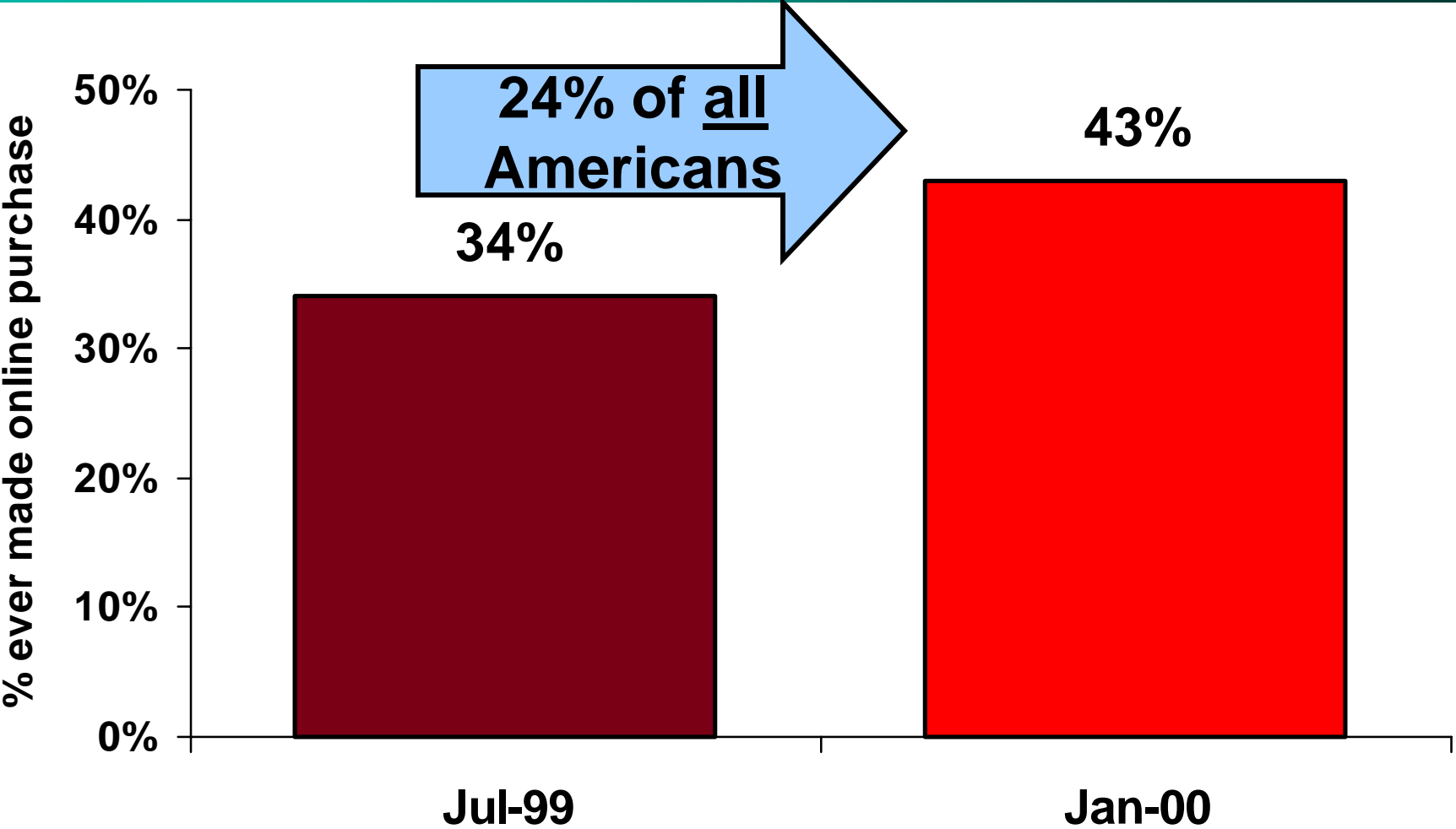


Internet Usage is growing dramatically among Hispanics and African Americans

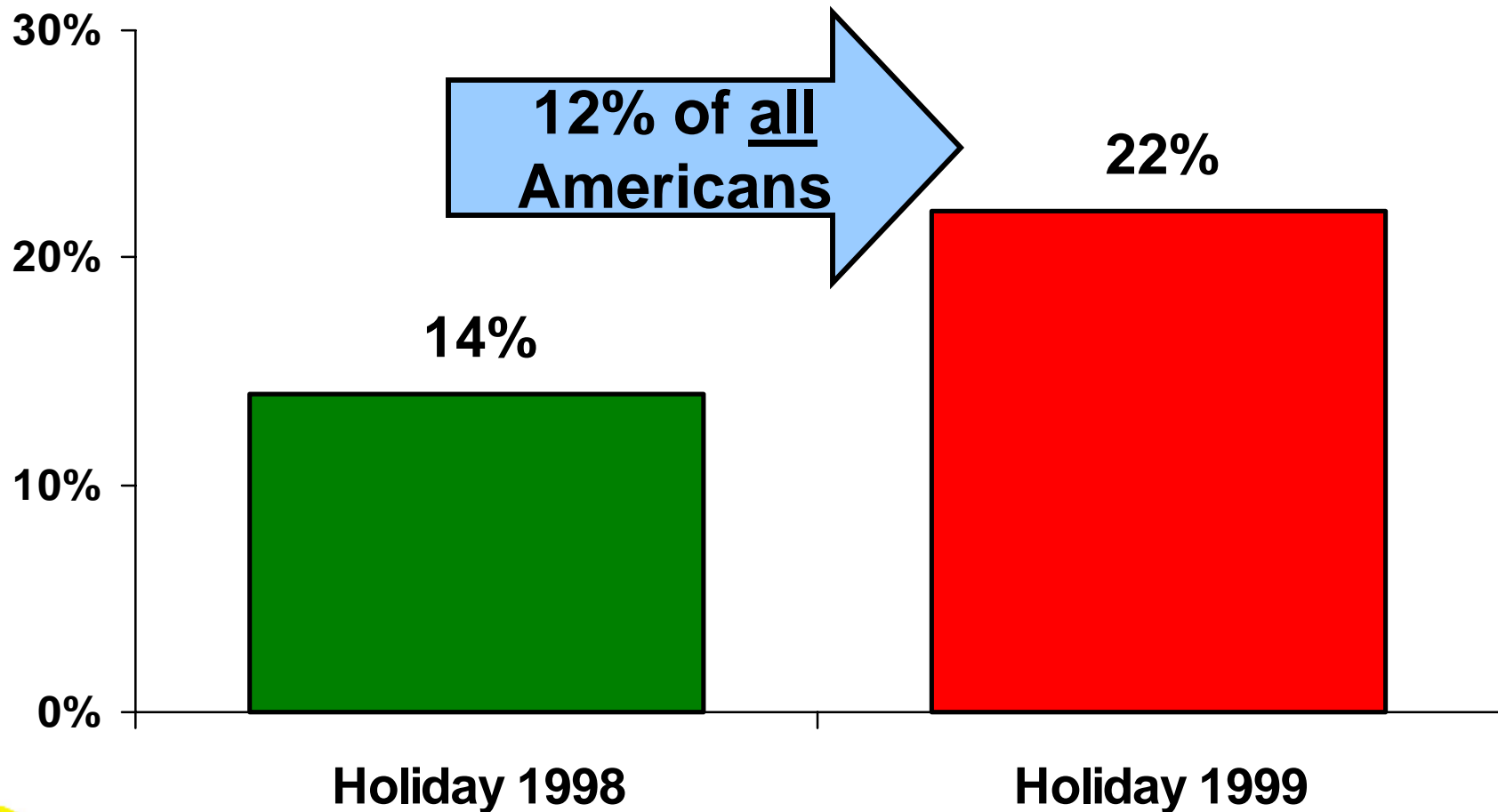


E-Commerce is Going Strong

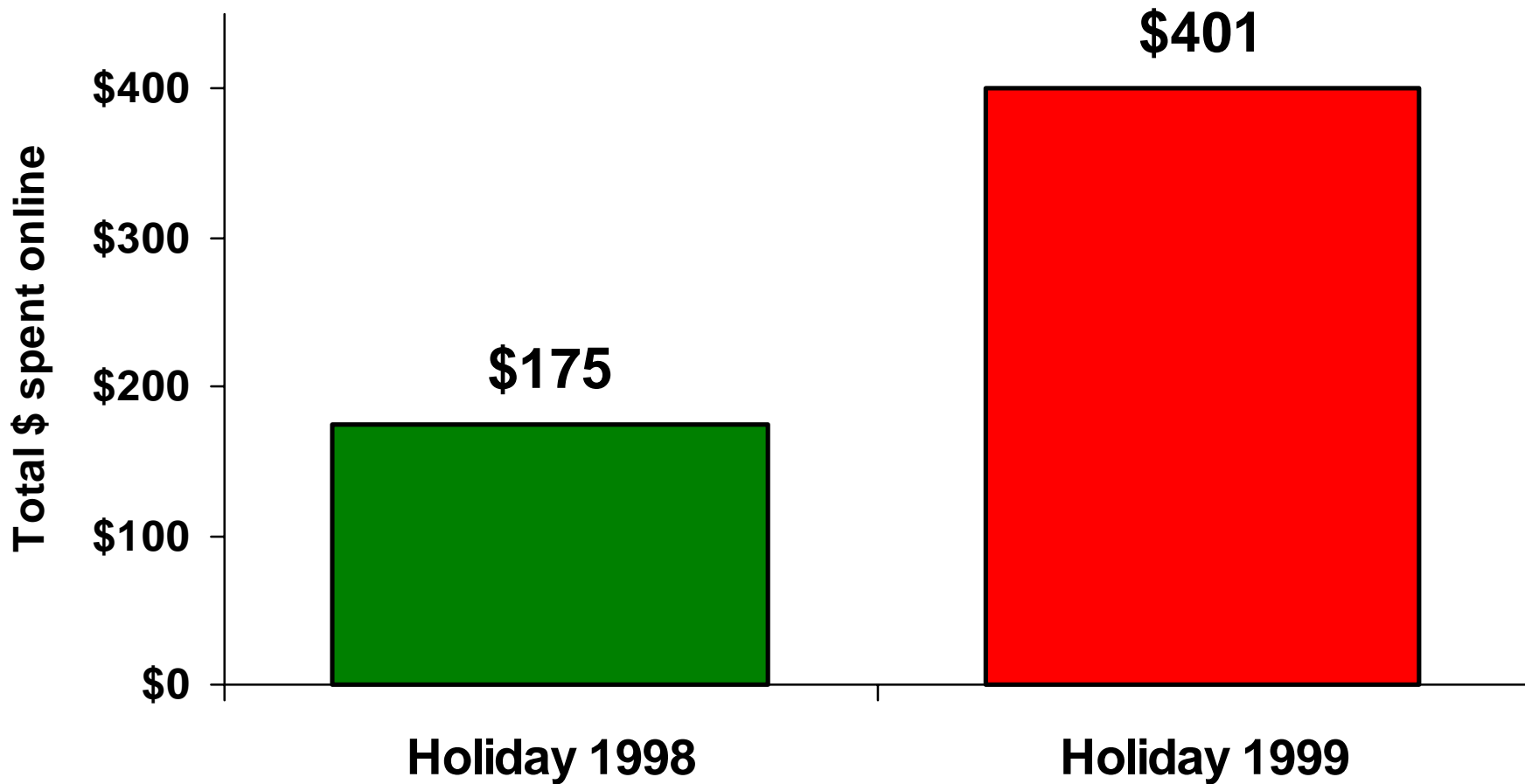
Purchase from a Web site jumps to one quarter of US population



Purchase from a Web site during the holiday season jumps to 12% of Americans

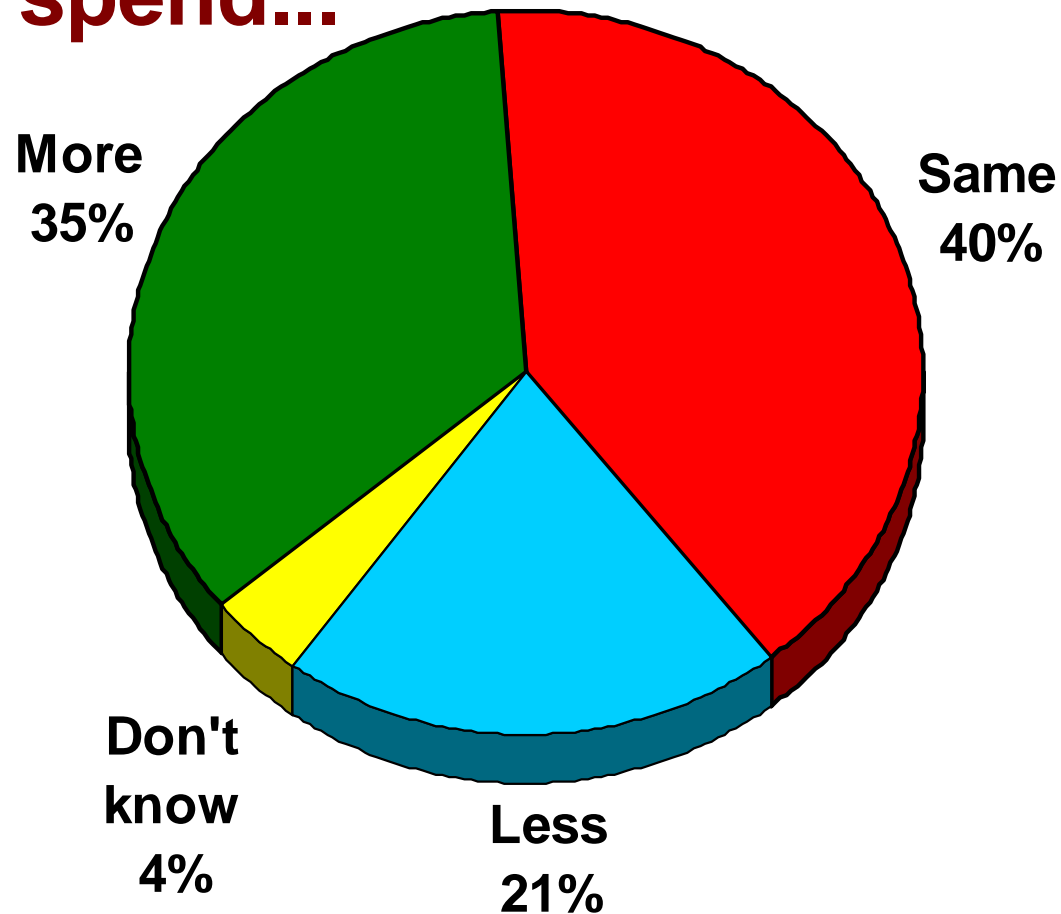


Online shoppers are spending much more



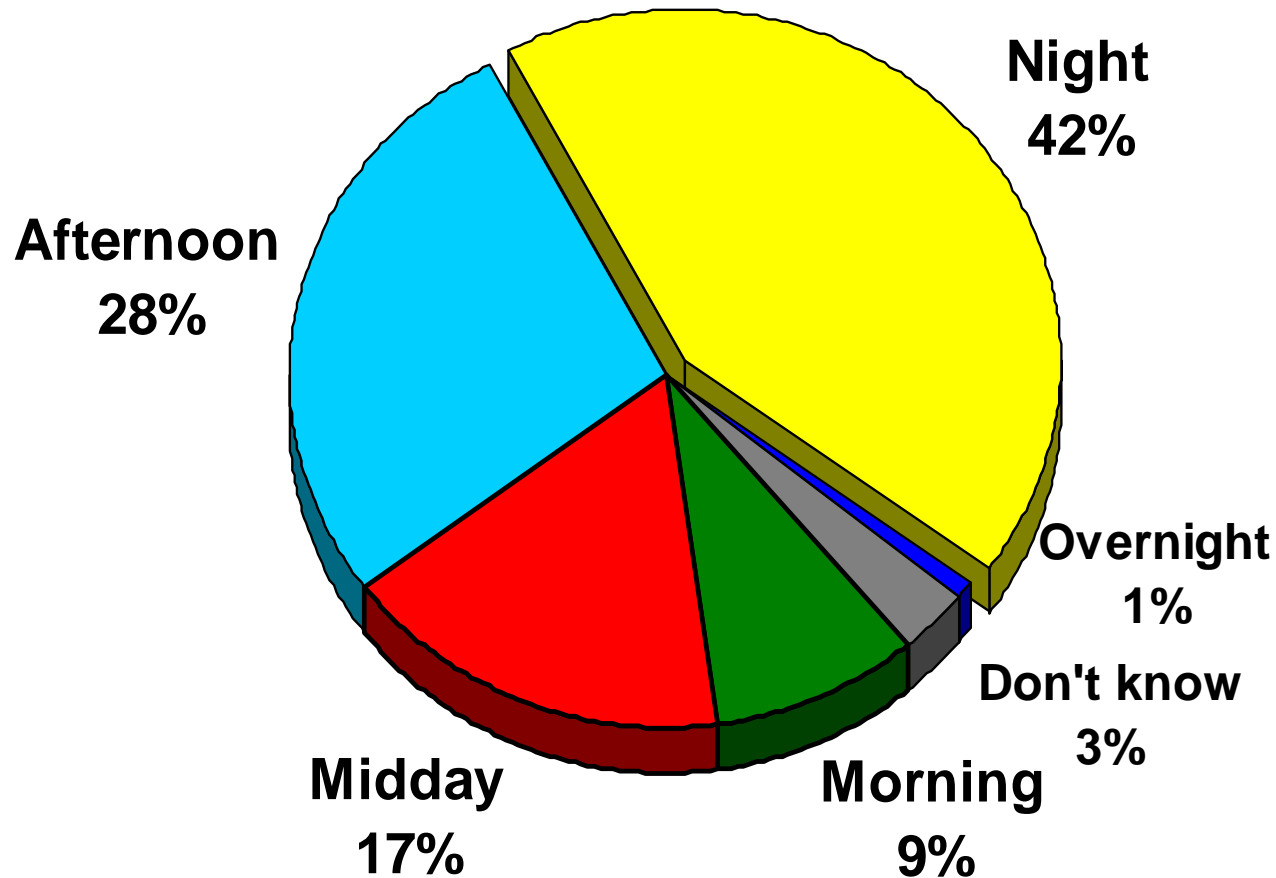
One third say they will spend more on the Web next year

Expect to spend...



Internet shoppers buy at night

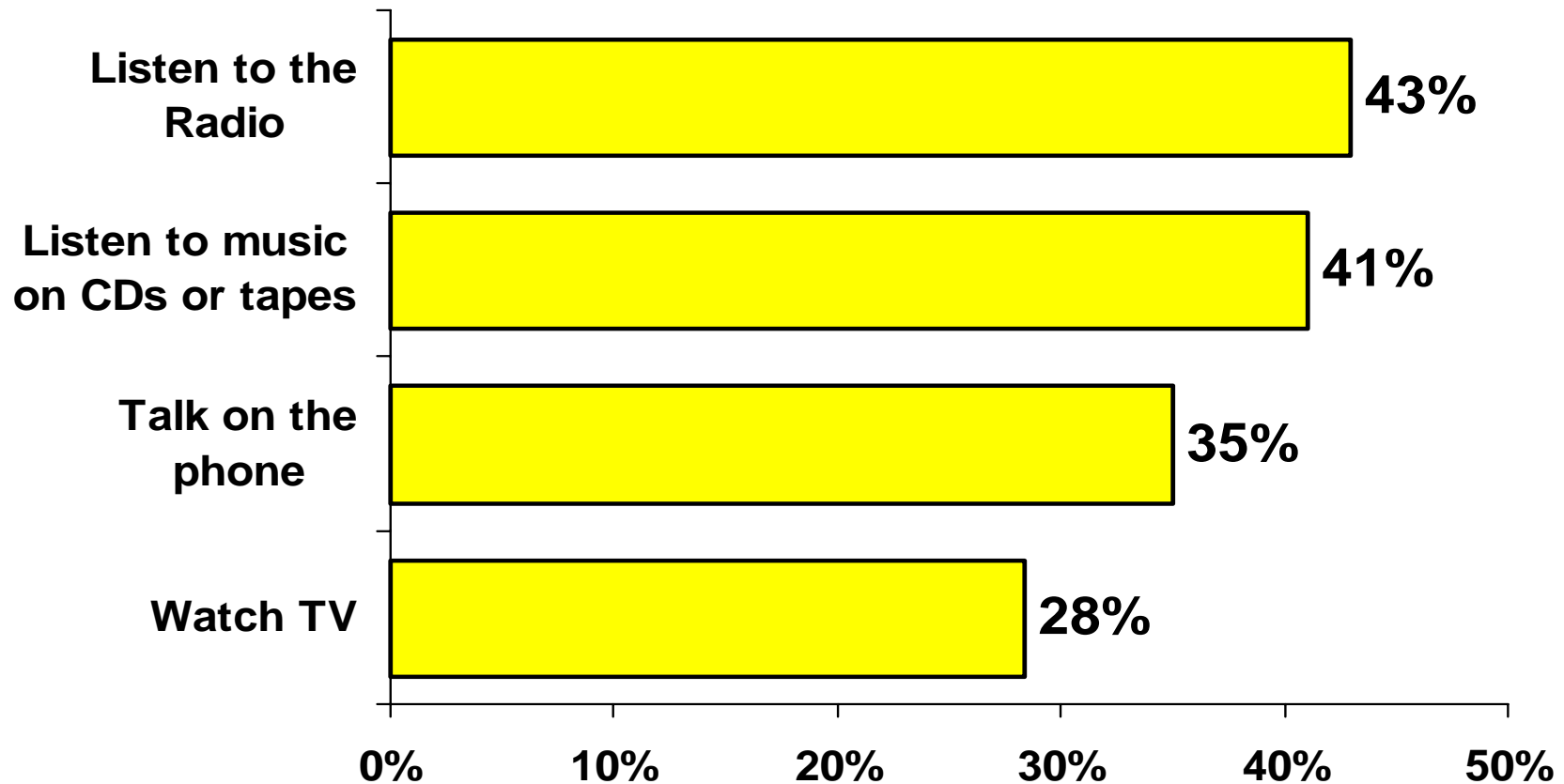
When do you purchase products on the Internet most often?



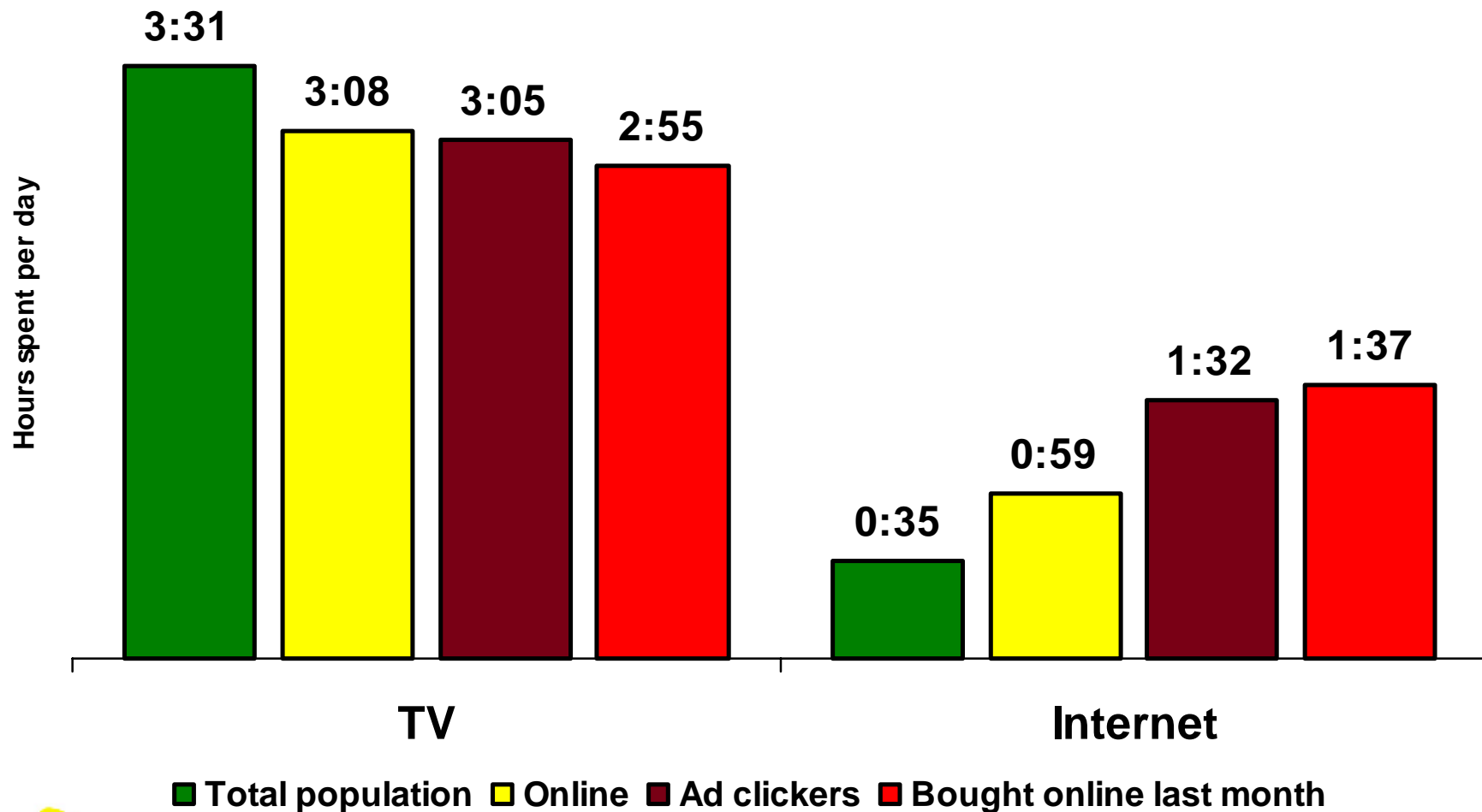
Radio Creates “dotcom” Results

Radio is the top companion to Web usage

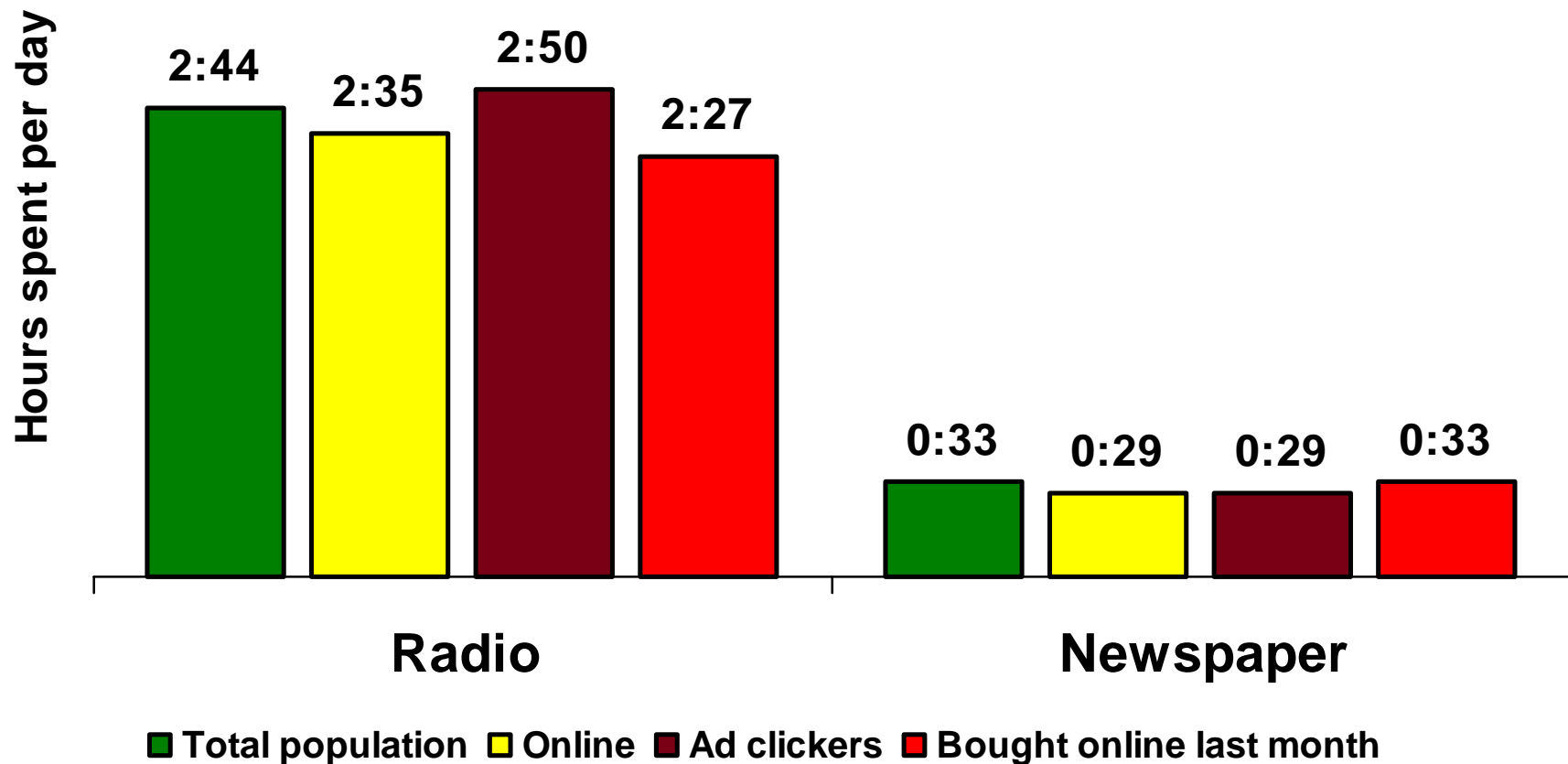
While accessing the Internet, do you frequently or sometimes...



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

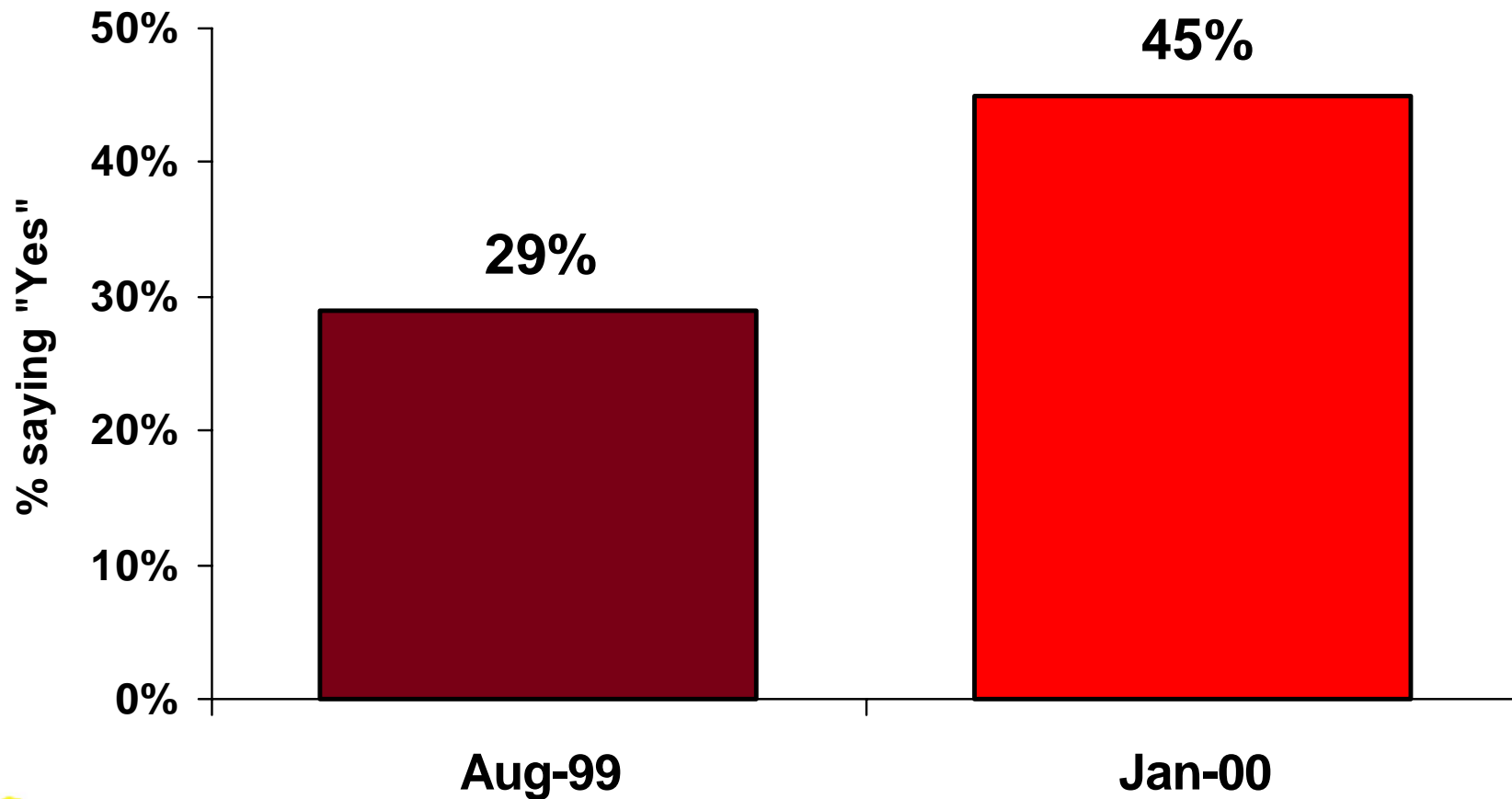


More involved with the Internet does not appear to impact radio or newspaper



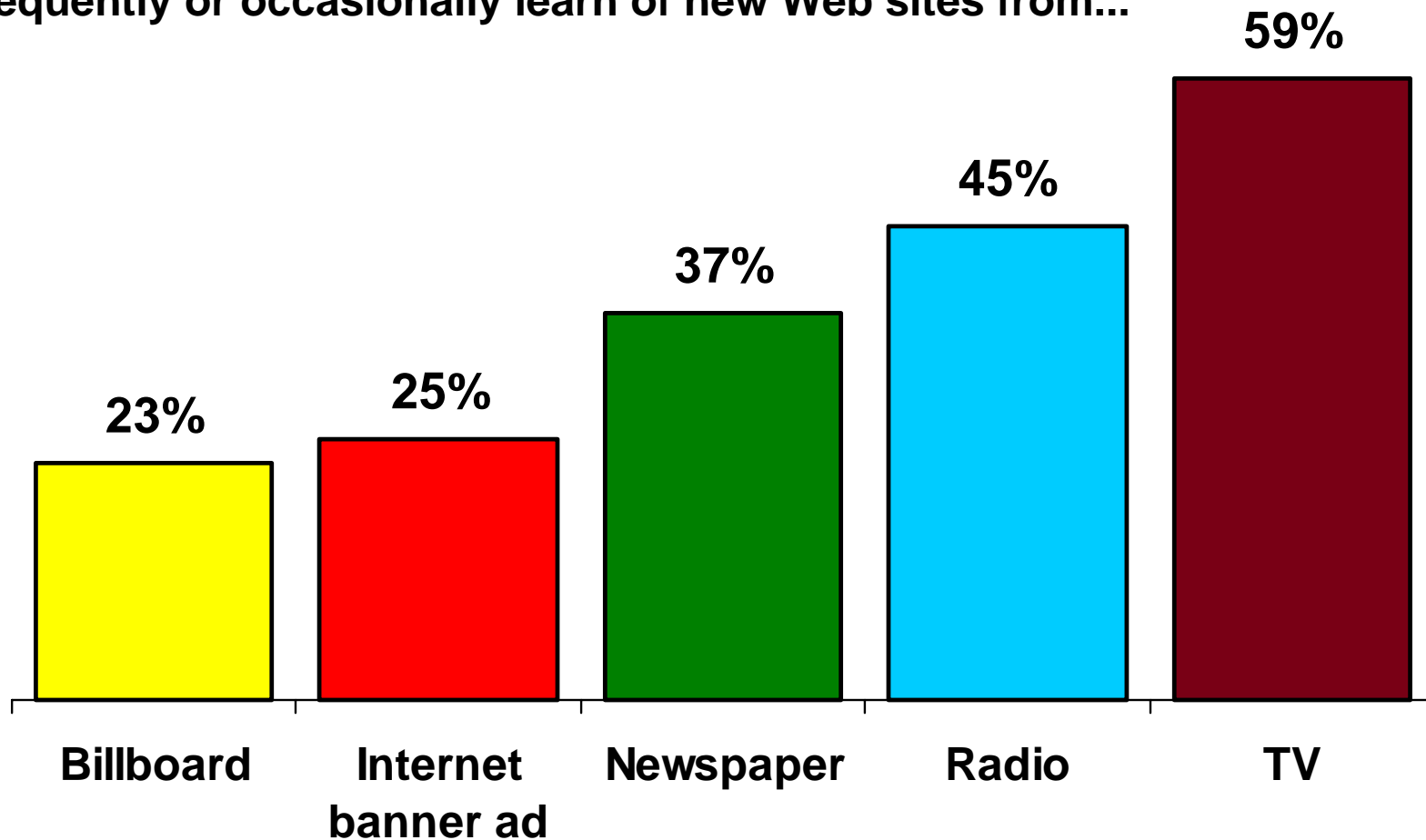
Radio drives “dotcom” results

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

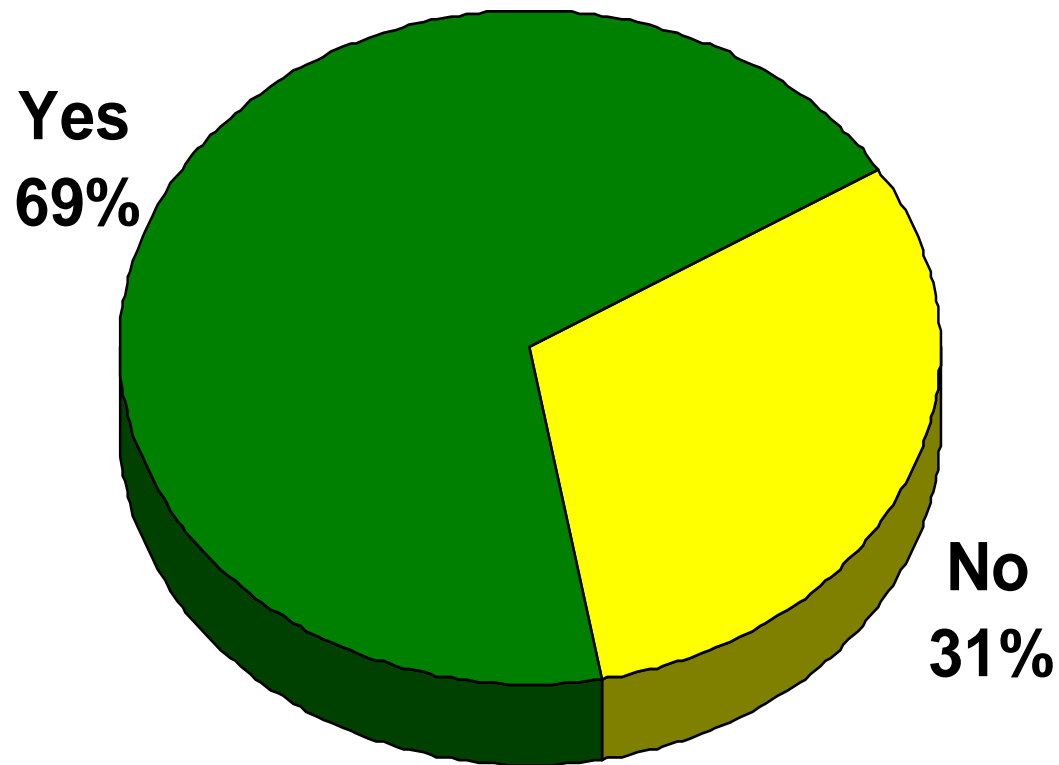


People remember hearing dotcom ads on the radio

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



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

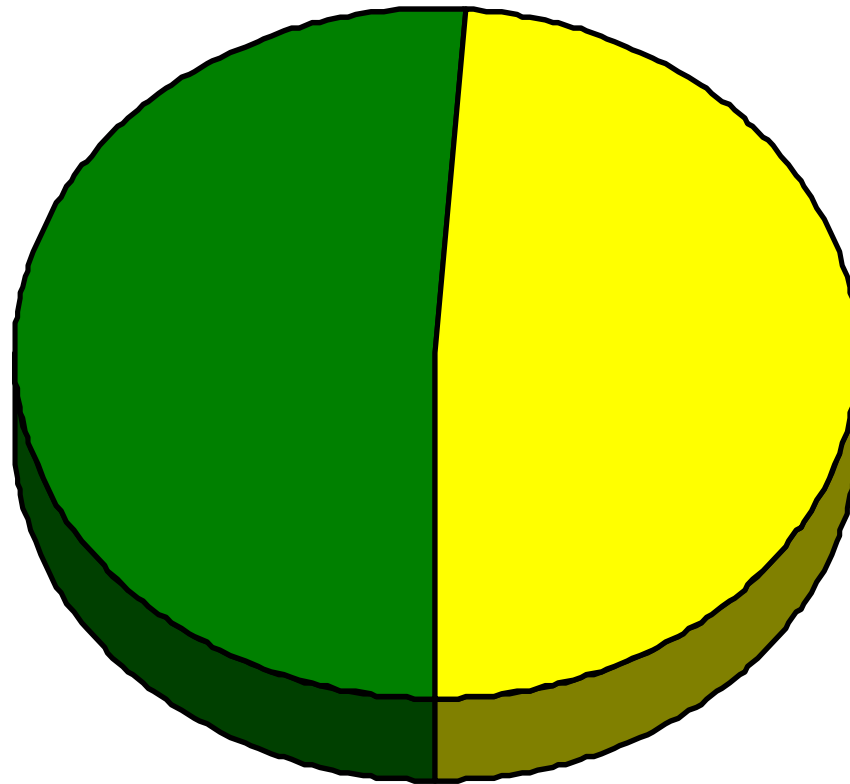


Dotcom Advertisers are Missing Smaller Markets

Population in Arbitron markets

93.6 million

**Top 25
markets
51%**

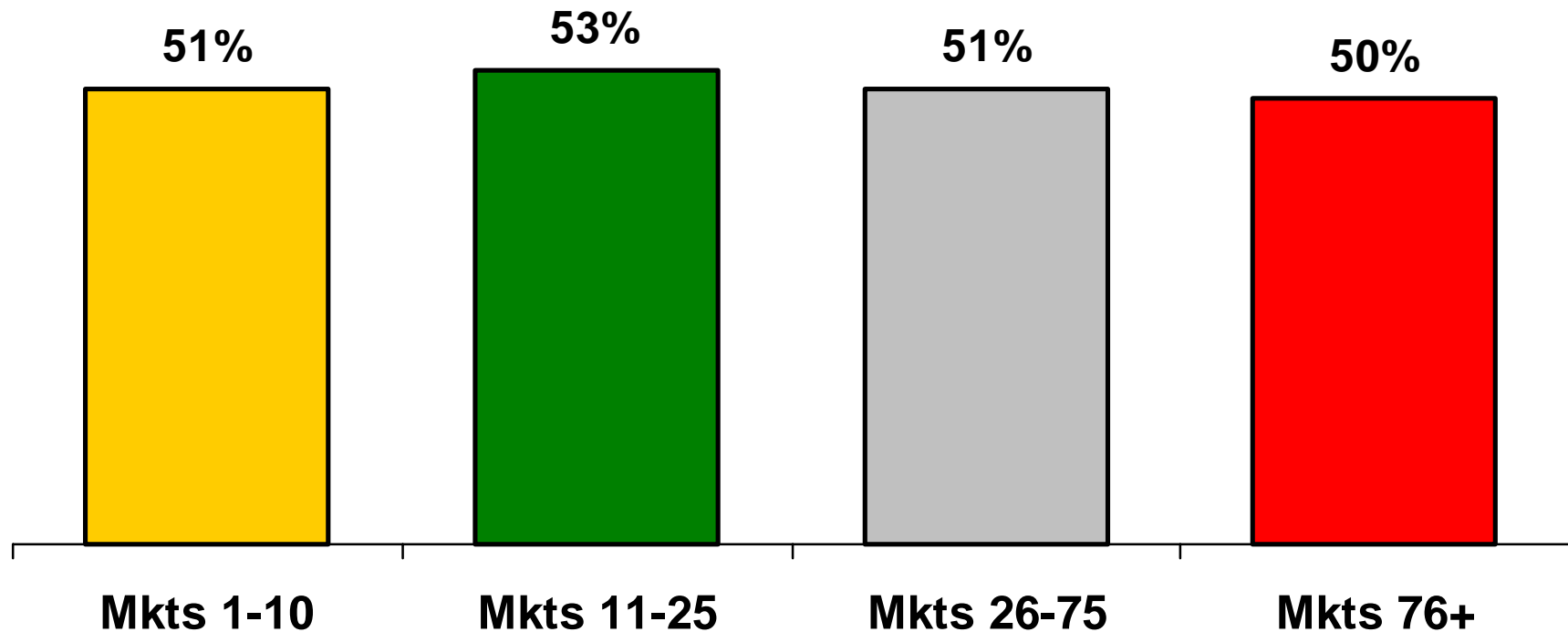


88.6 Million

**Market
rank 26+
49%**

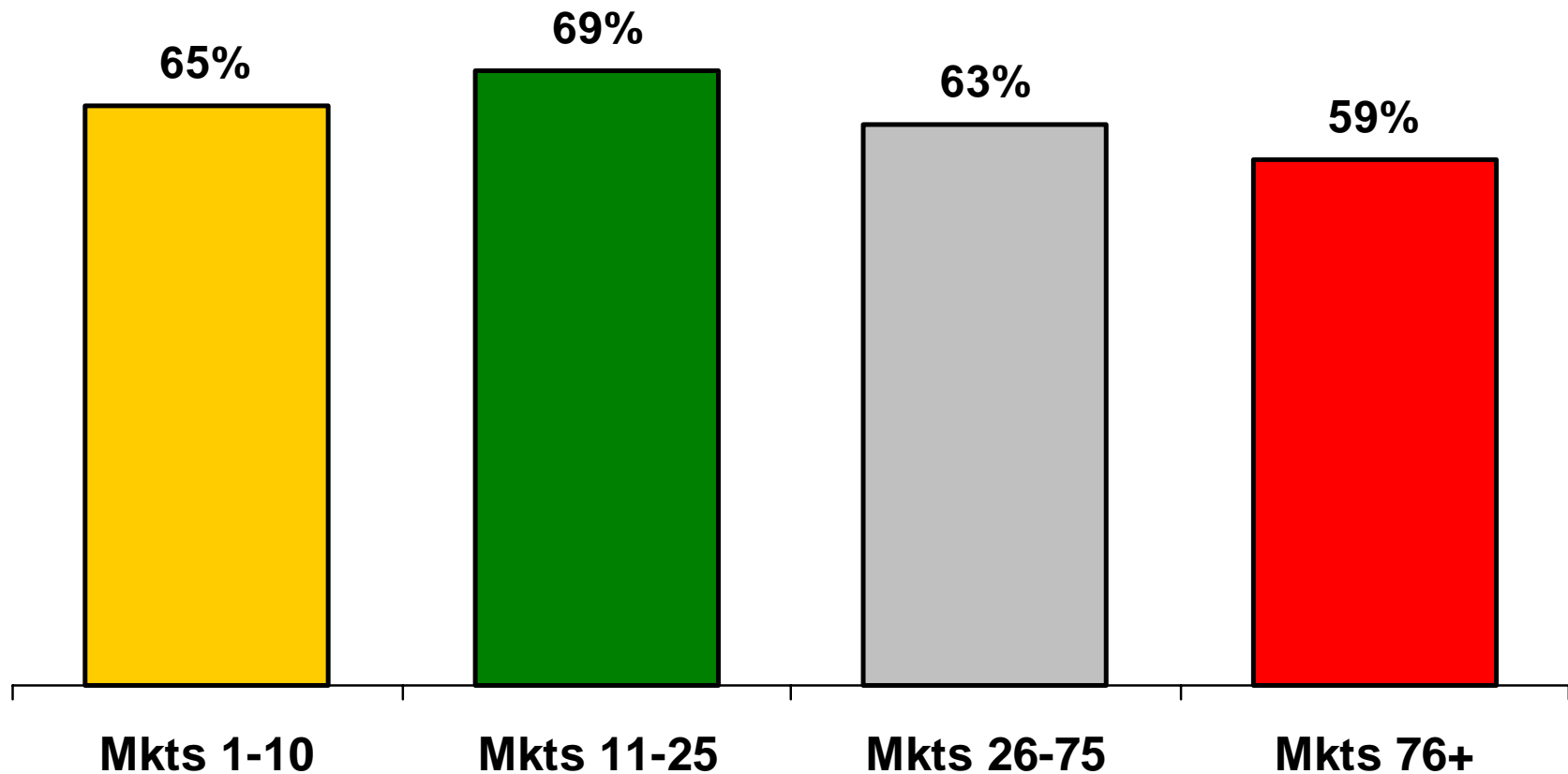
Being online is not correlated with market size

% accessing the Web at home or work



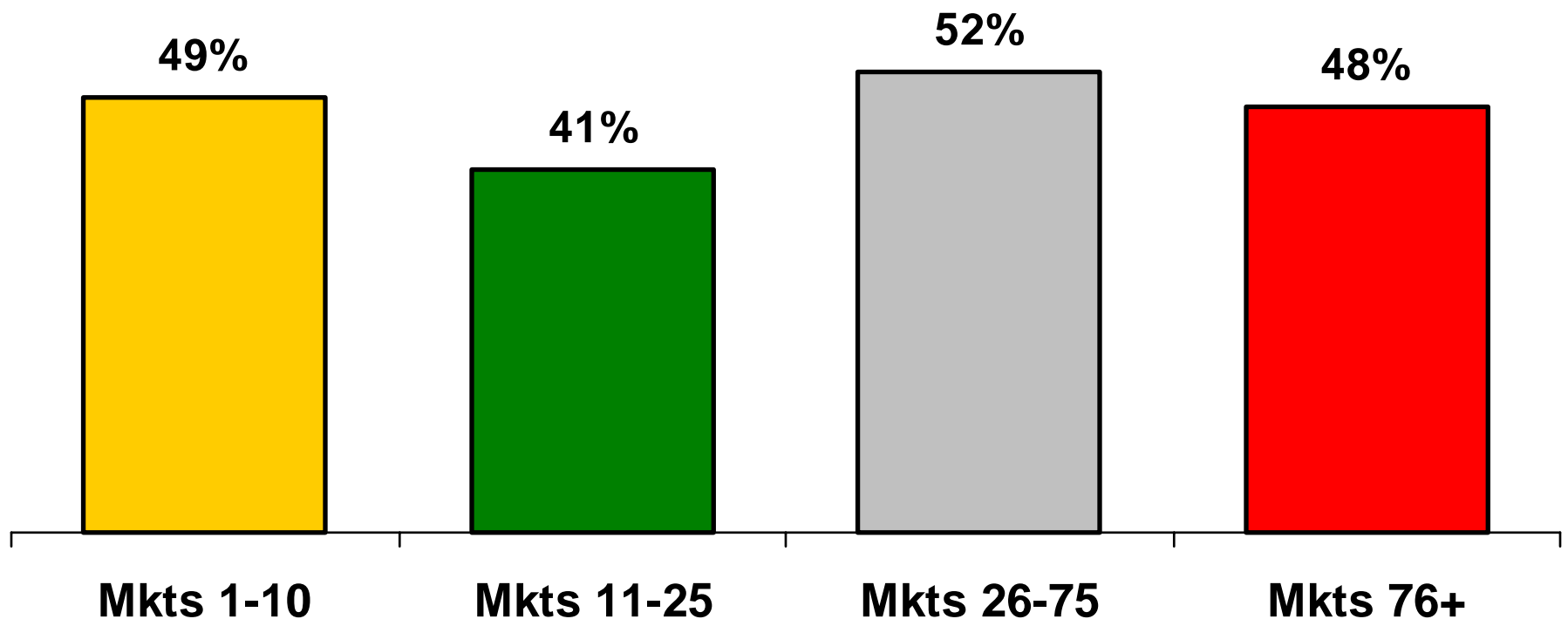
Buying online is not correlated with market size

% who bought online in the last 30 days



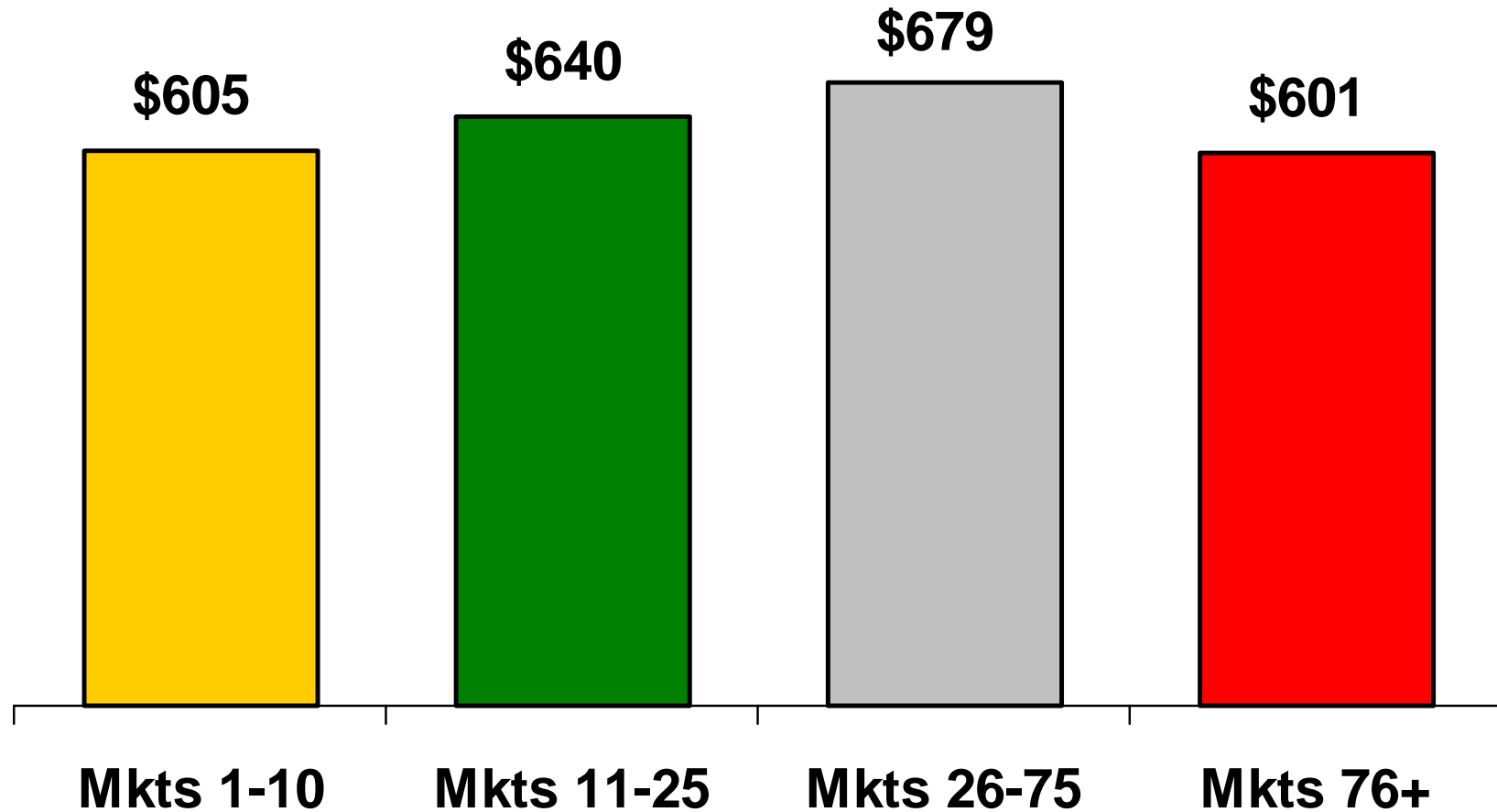
Clicking on banner ads is not correlated with market size

% Ever Clicked on a Web Site Ad



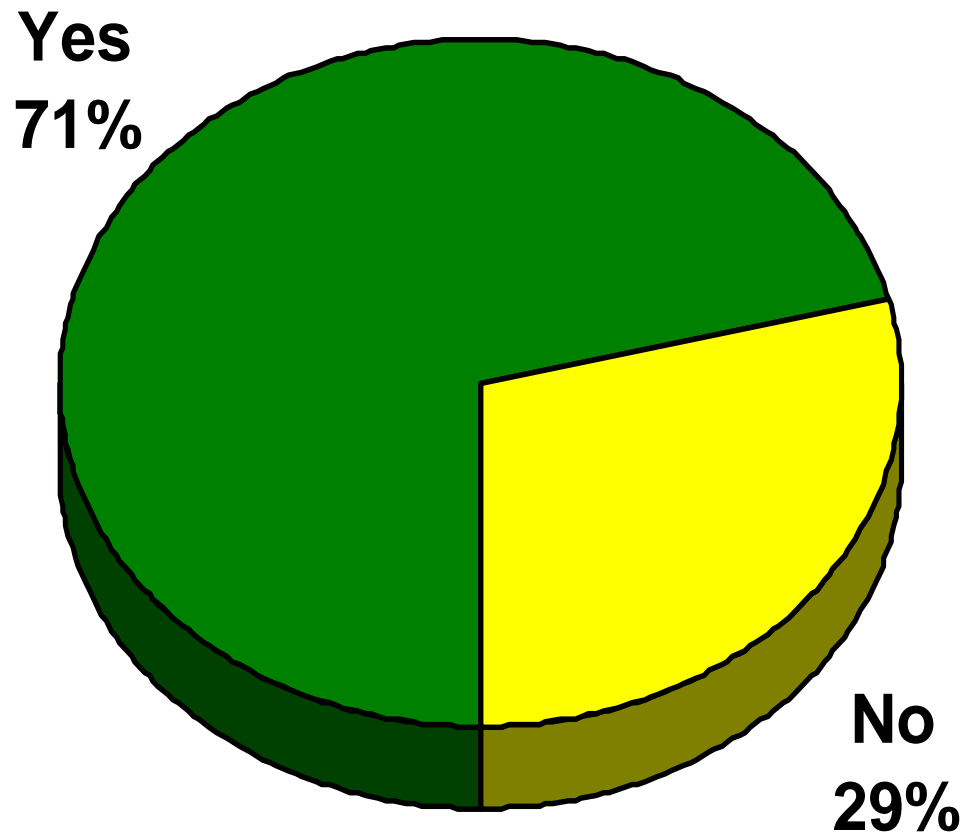
Spending online is not correlated with market size

Amount spent online last year

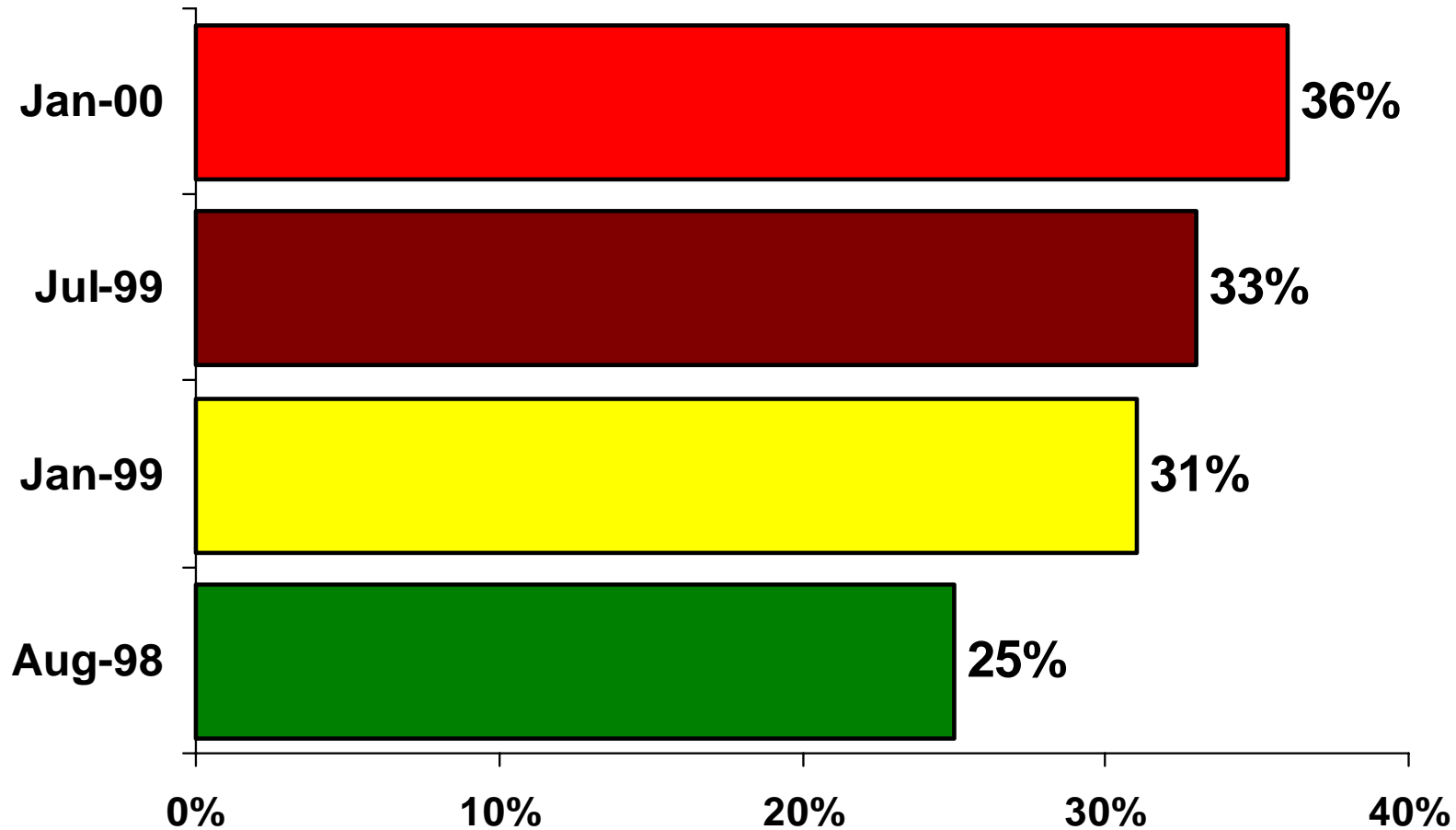


**Keep 'em coming back
to your station's
Web site**

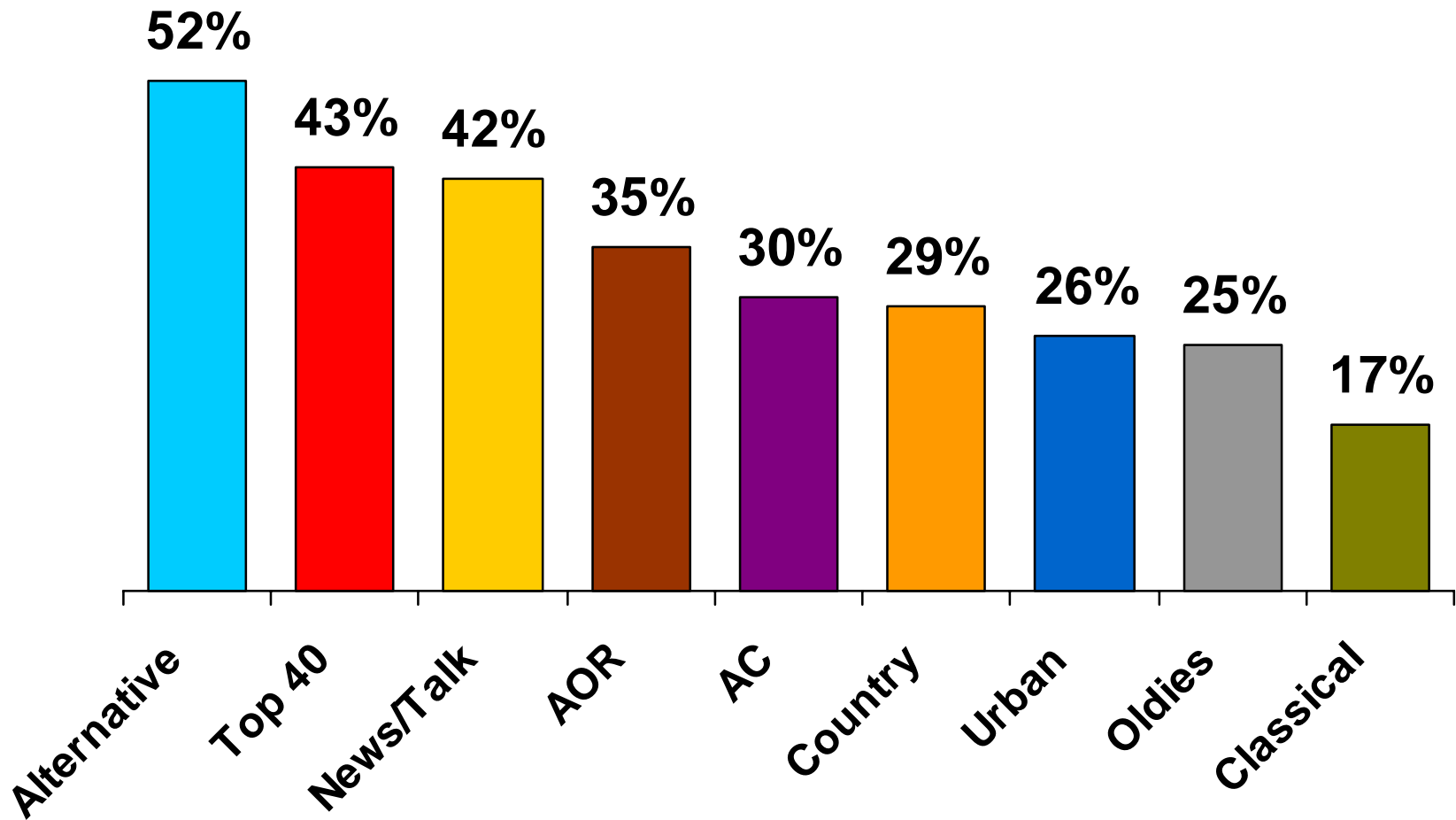
Ever heard a radio station talking about its Web site on the air?



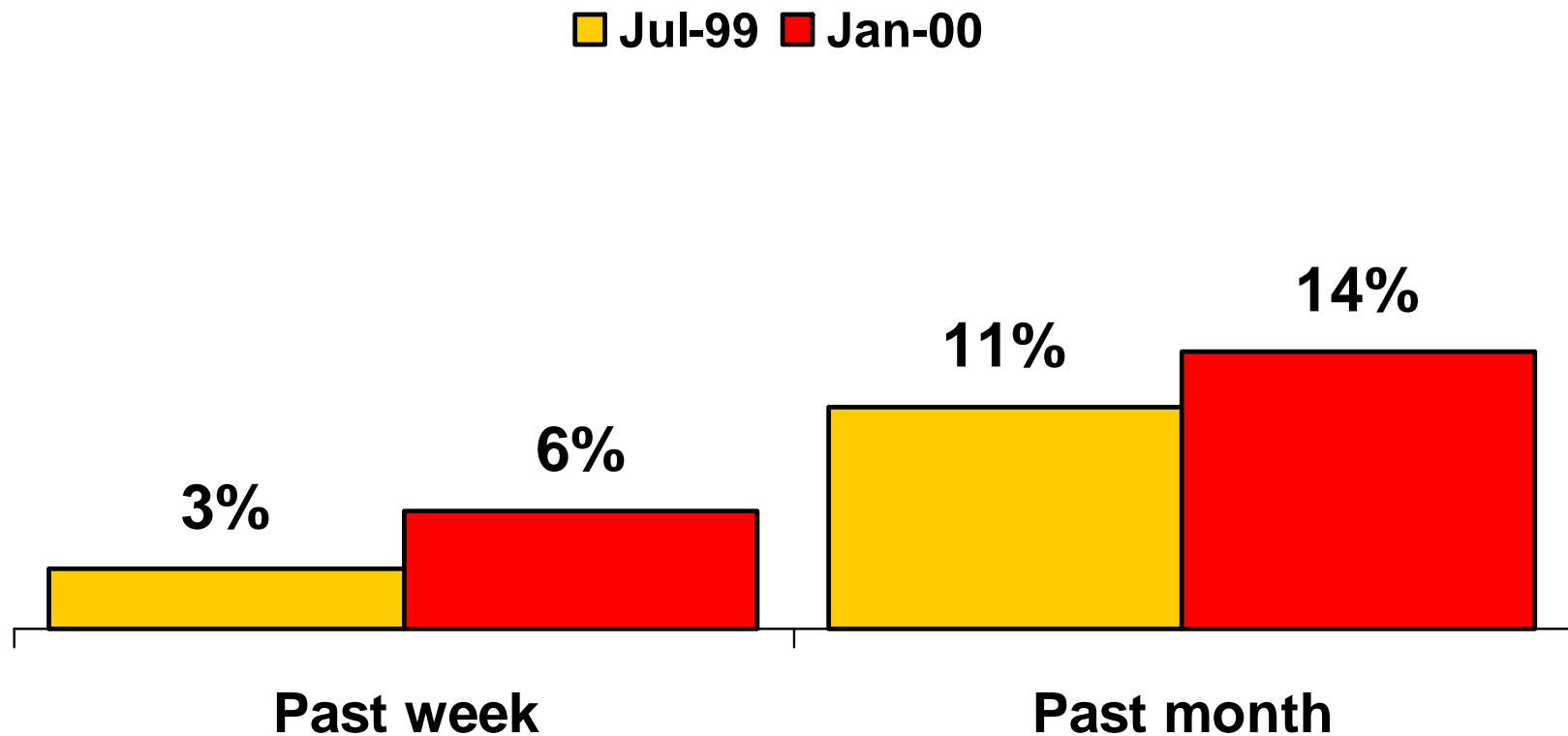
Ever visited a radio station Web site?



Ever visited a radio station Web site? (By Format)



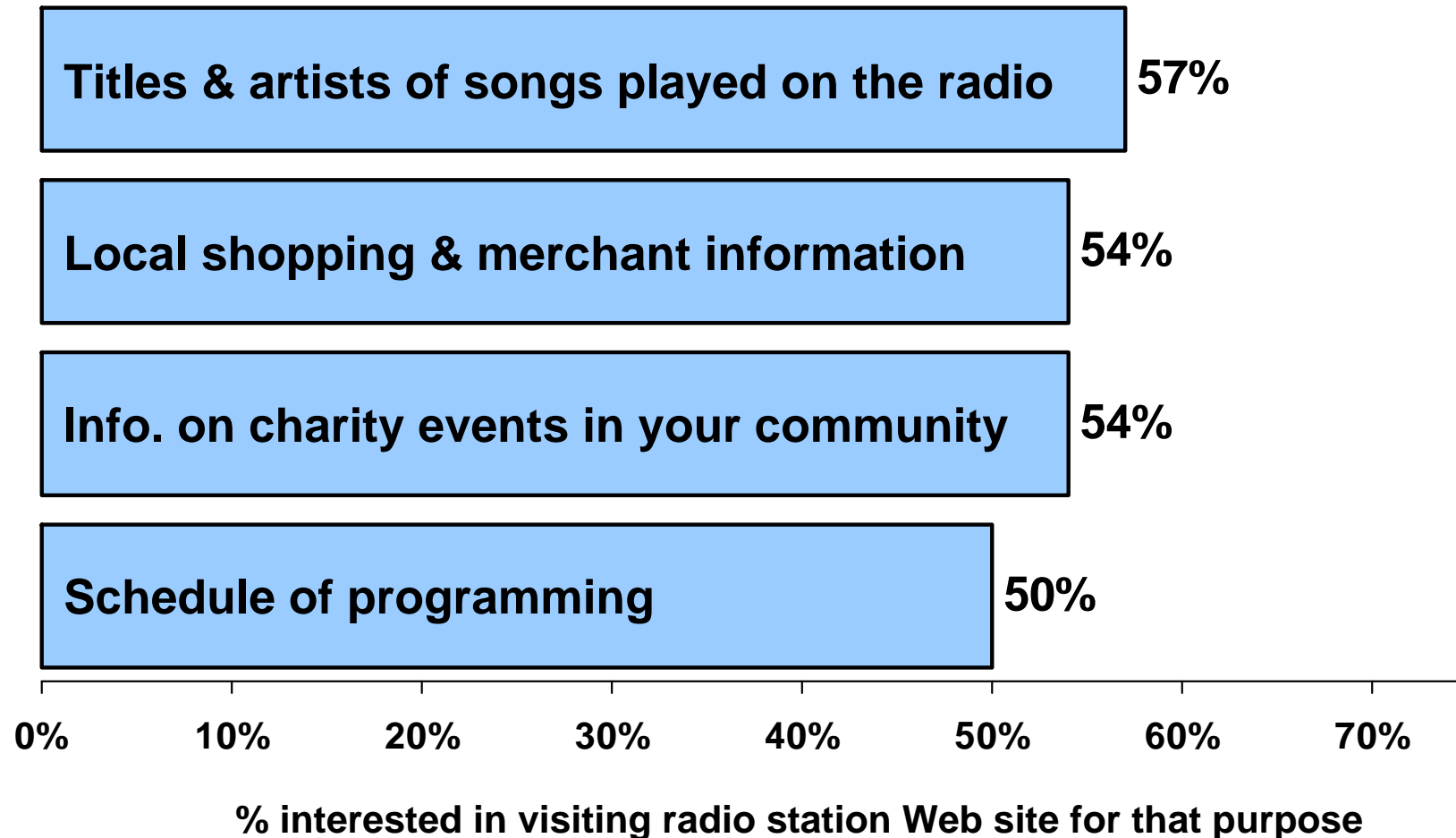
Visits to radio station Web sites



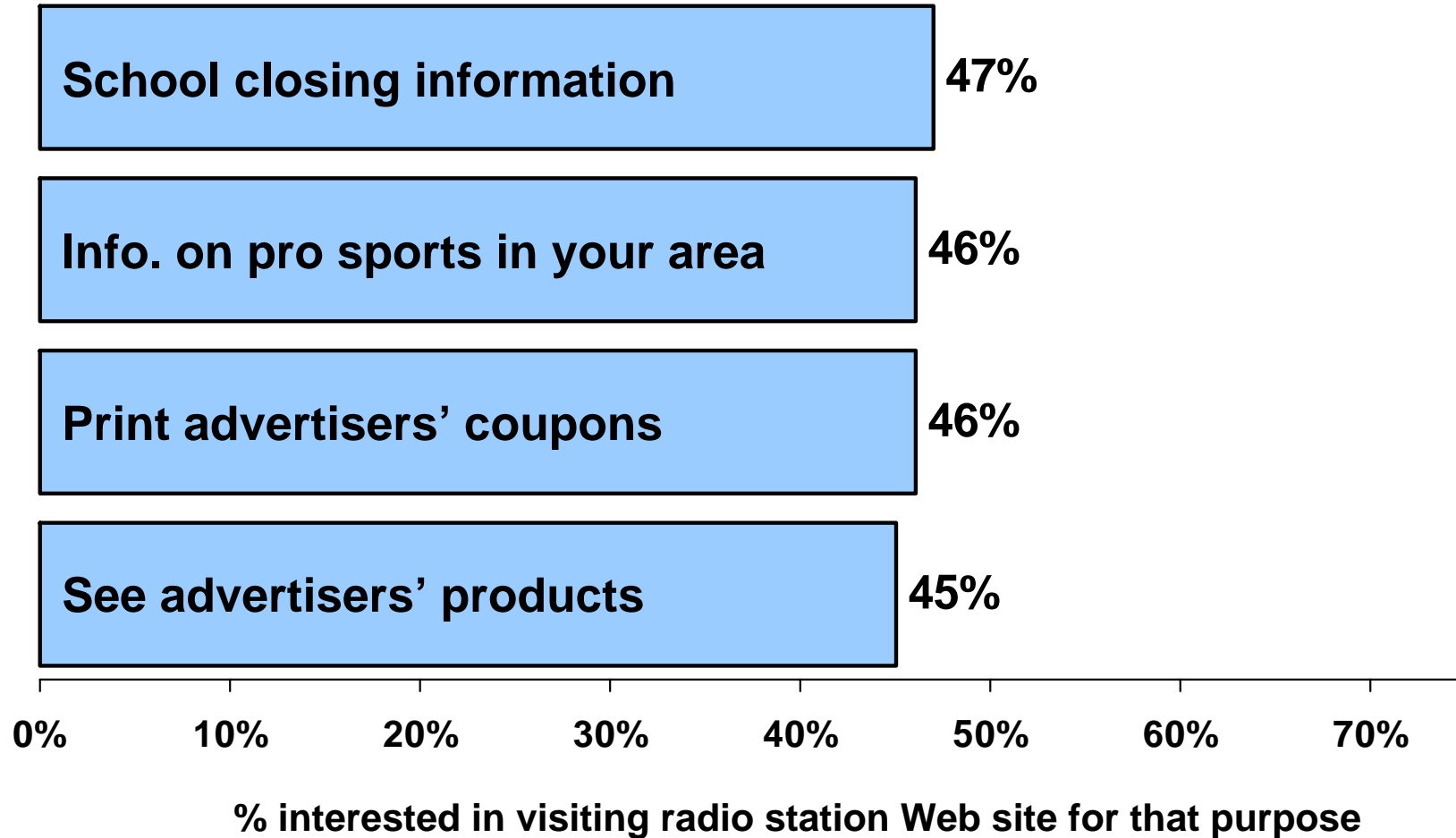
Interest in visiting a radio station Web site for...



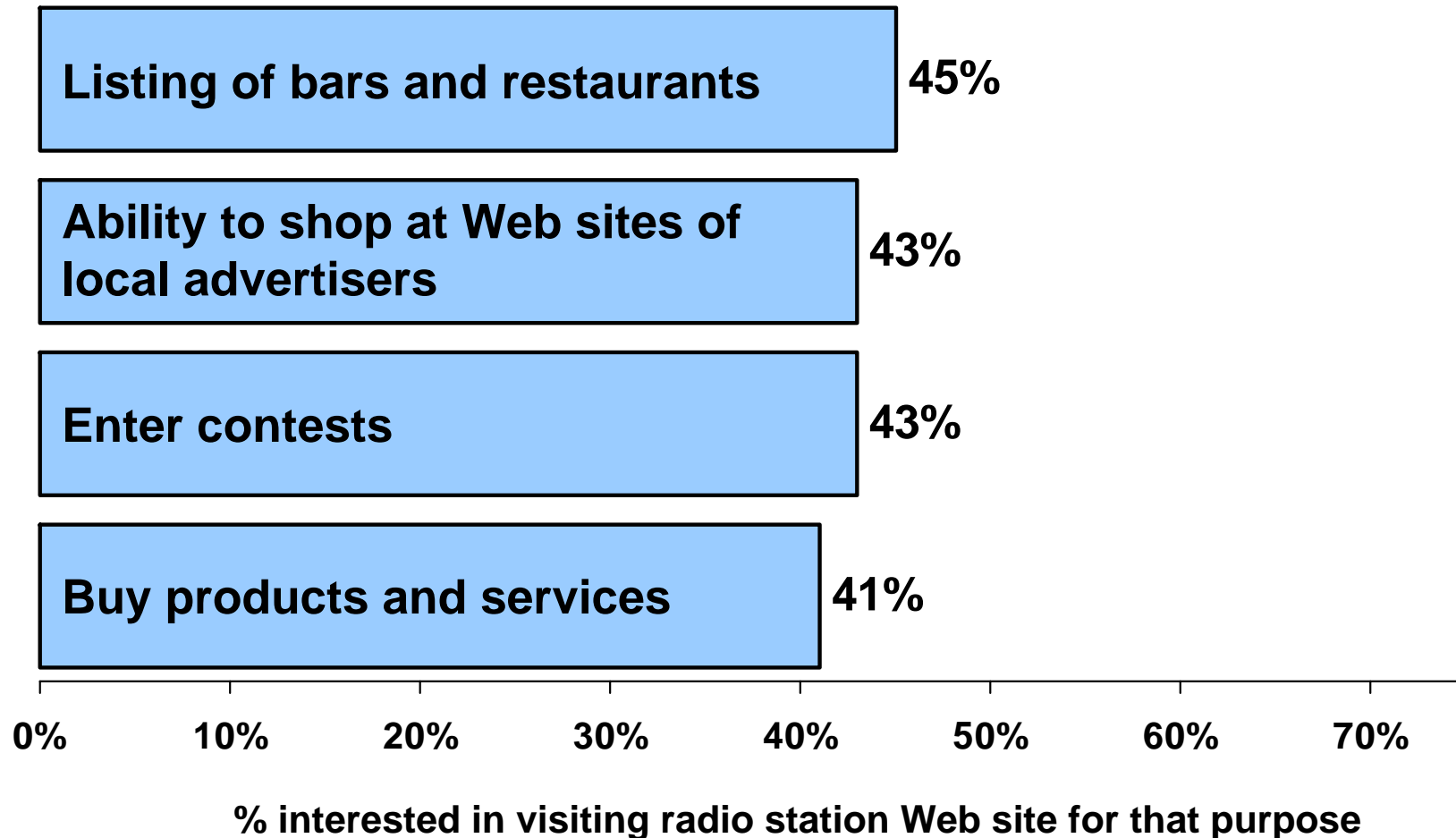
Interest in visiting a radio station Web site for...



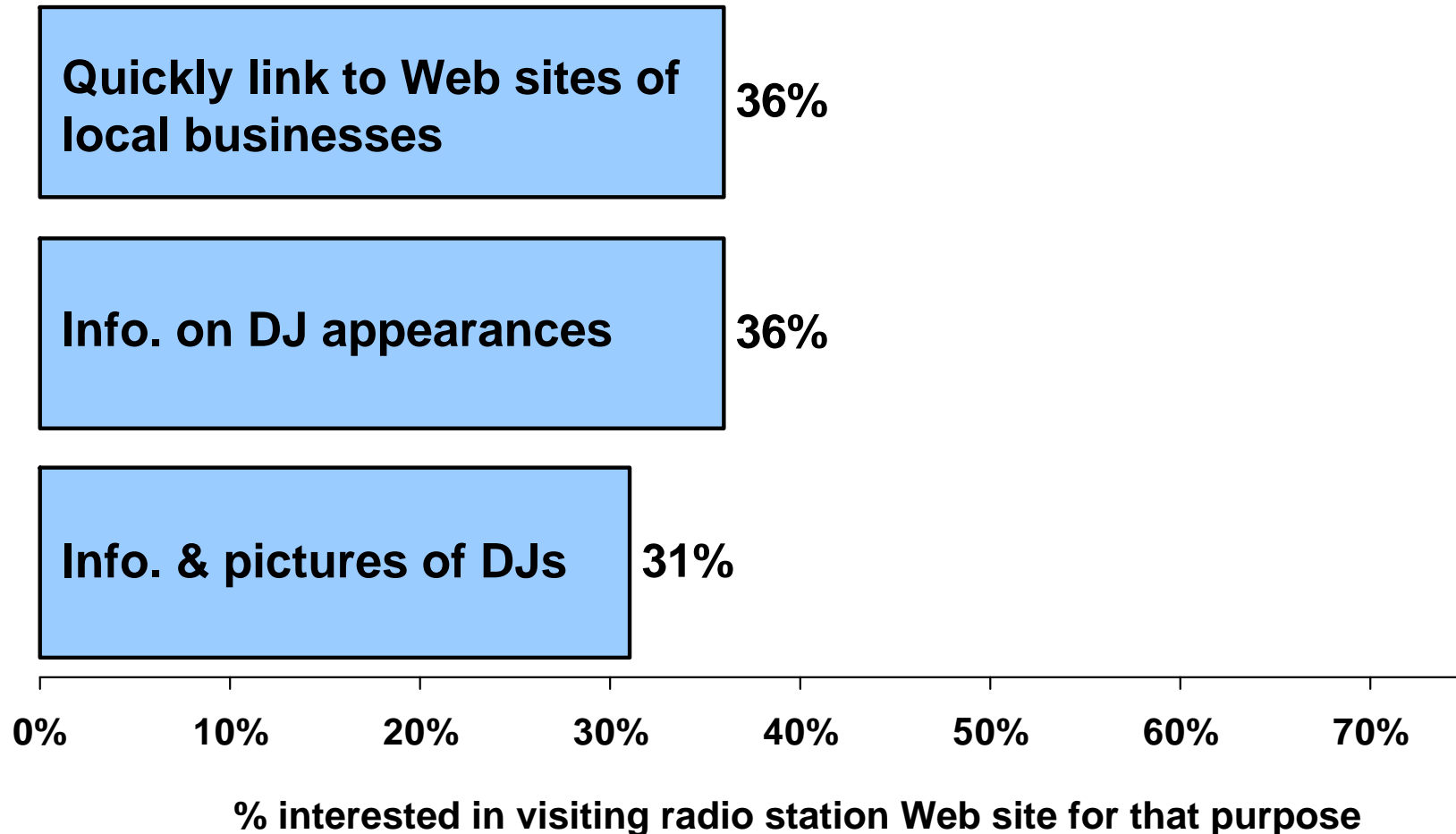
Interest in visiting a radio station Web site for...



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

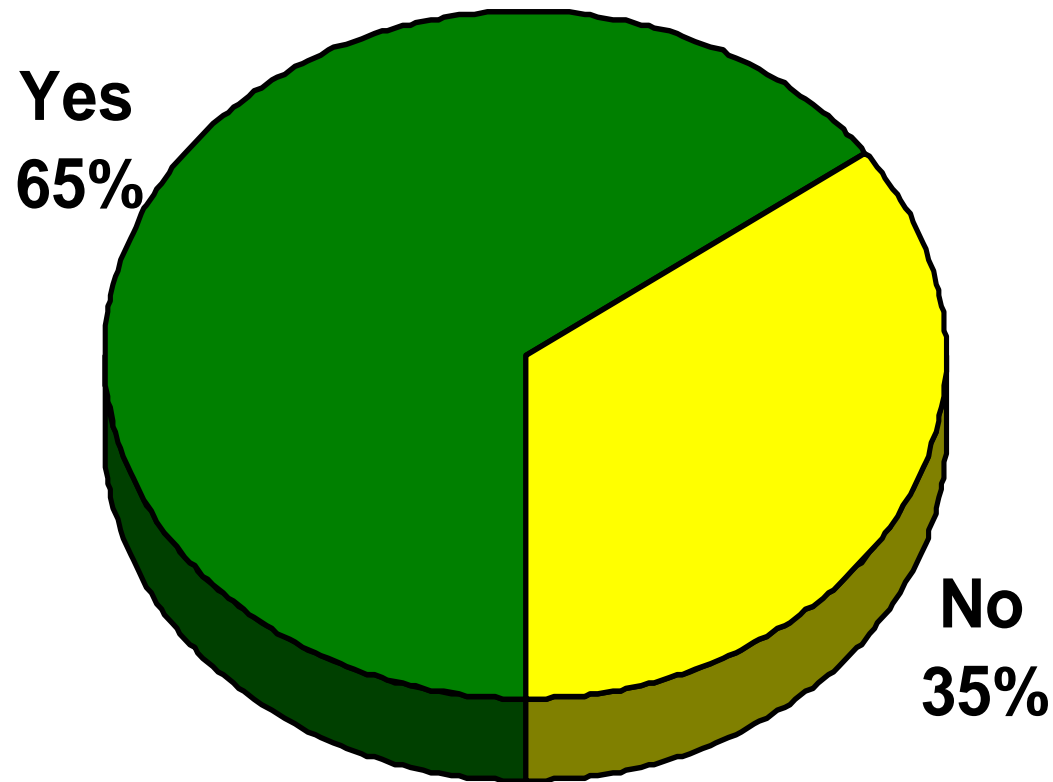


Interest in visiting a radio station Web site for...

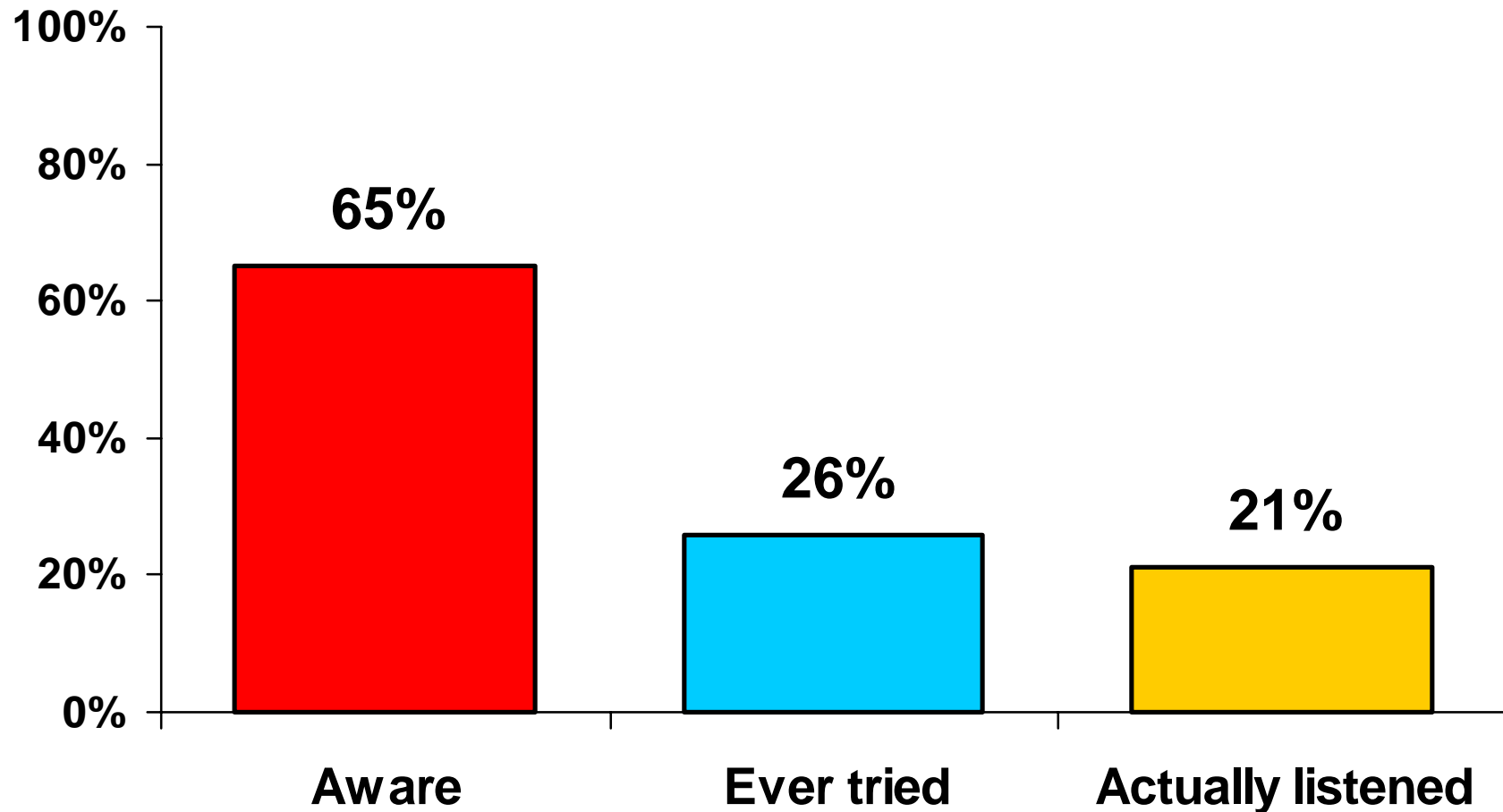


Online listeners

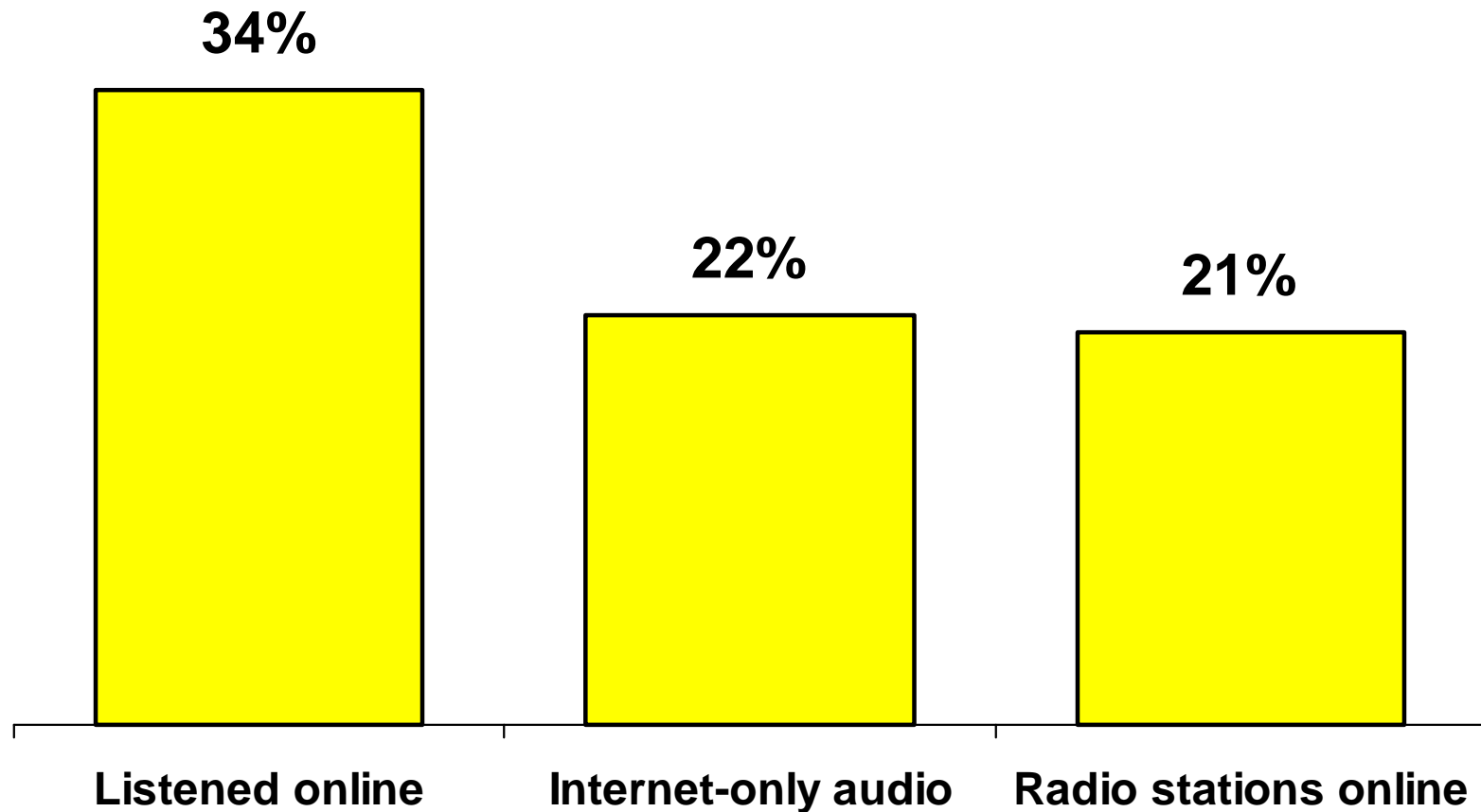
Are you aware you can listen to radio stations over the Internet?



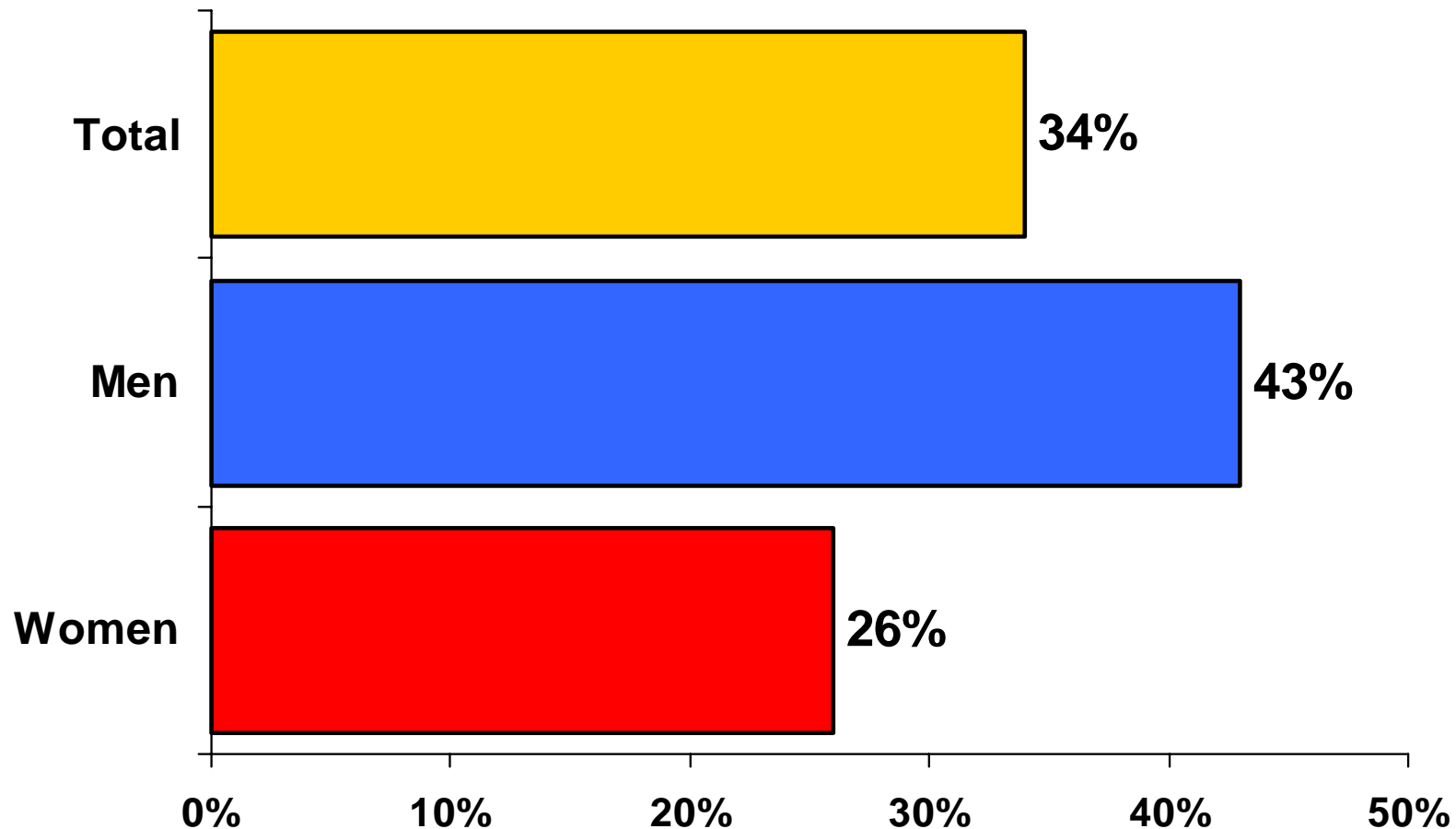
Internet Radio Station listening:



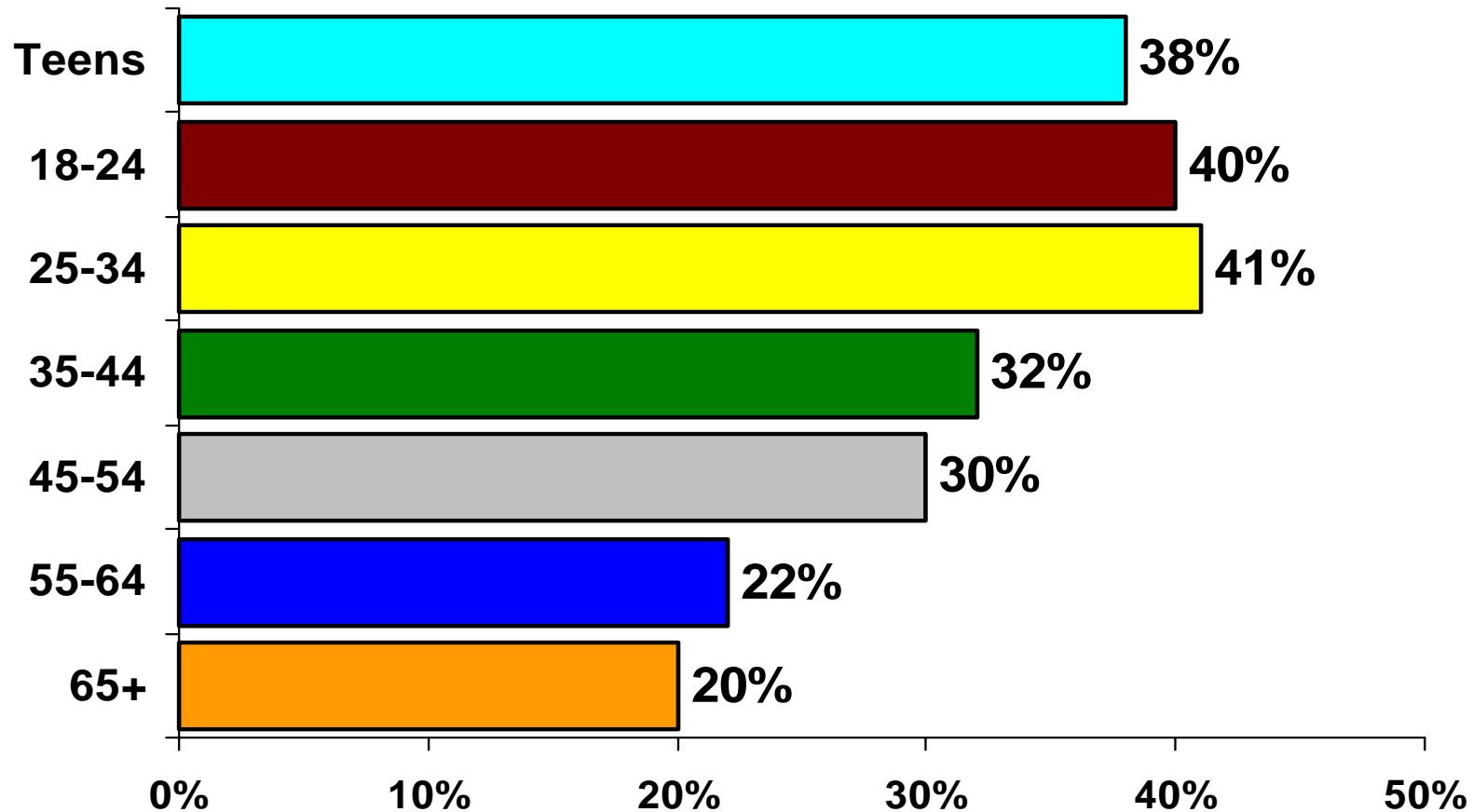
Internet-only audio channels are as popular as streamed radio stations



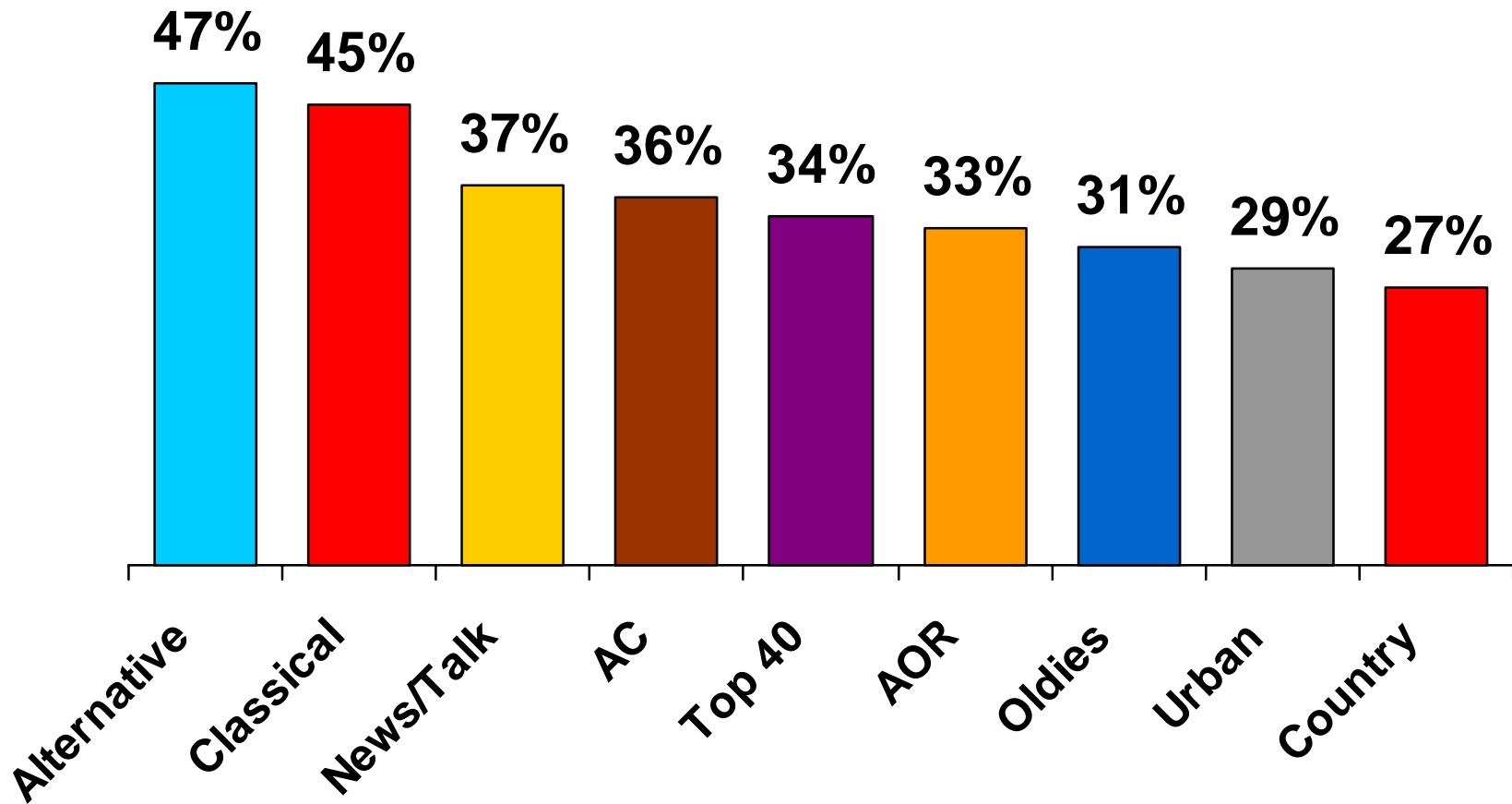
Listened to radio stations/Internet audio channels over the Internet? (By Gender)



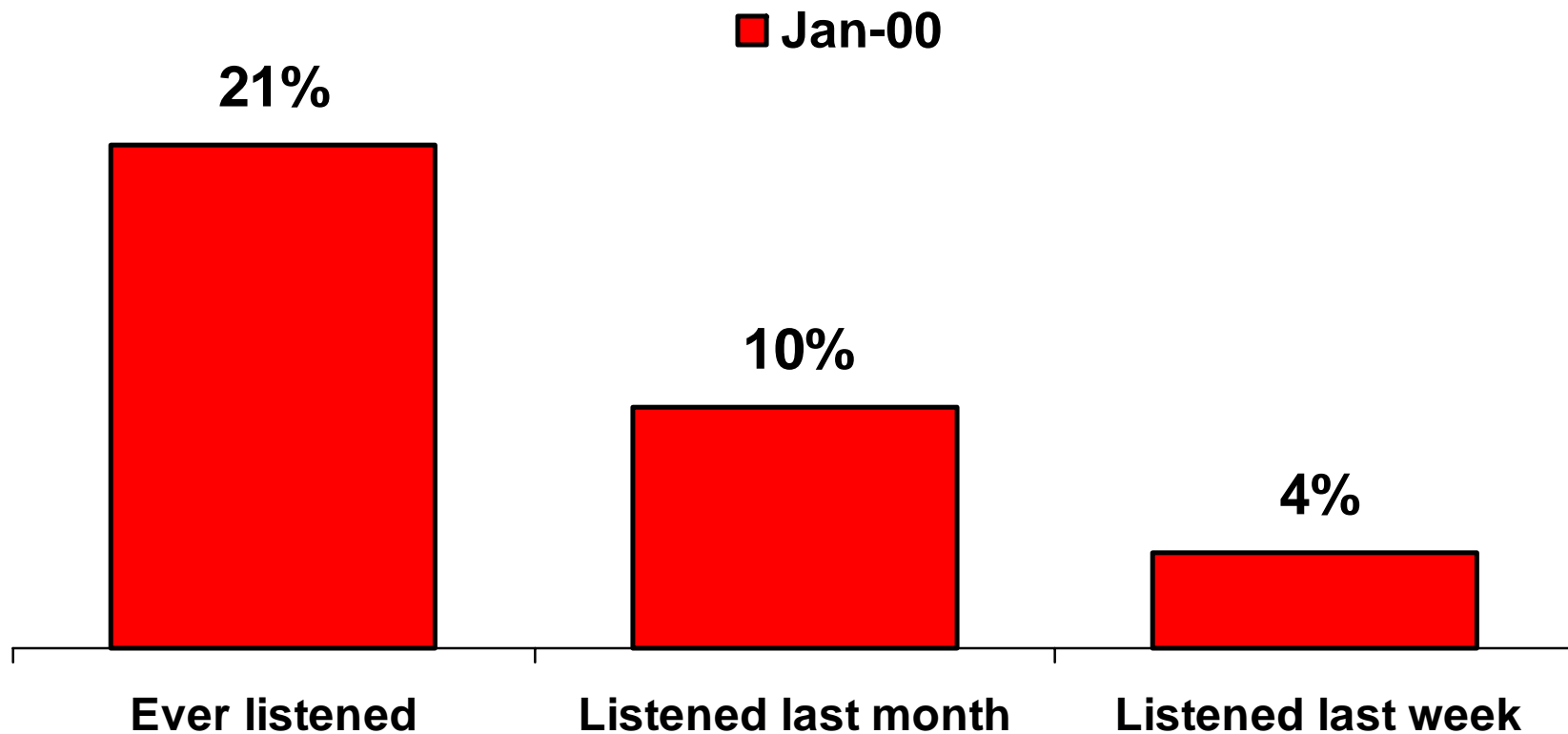
Listened to radio stations/Internet audio channels over the Internet? (By Age)



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

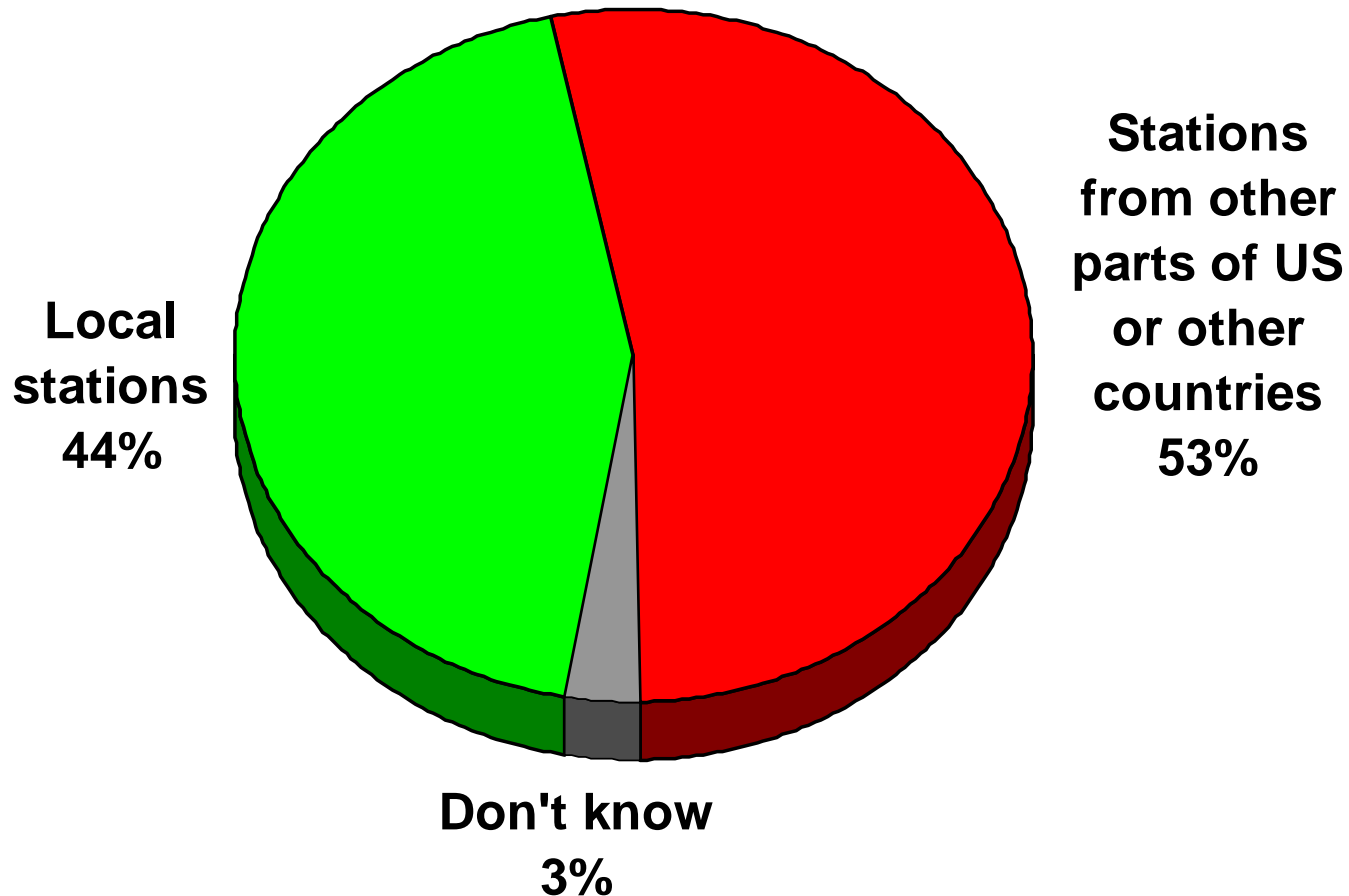


Internet Radio Listening is not yet habitual

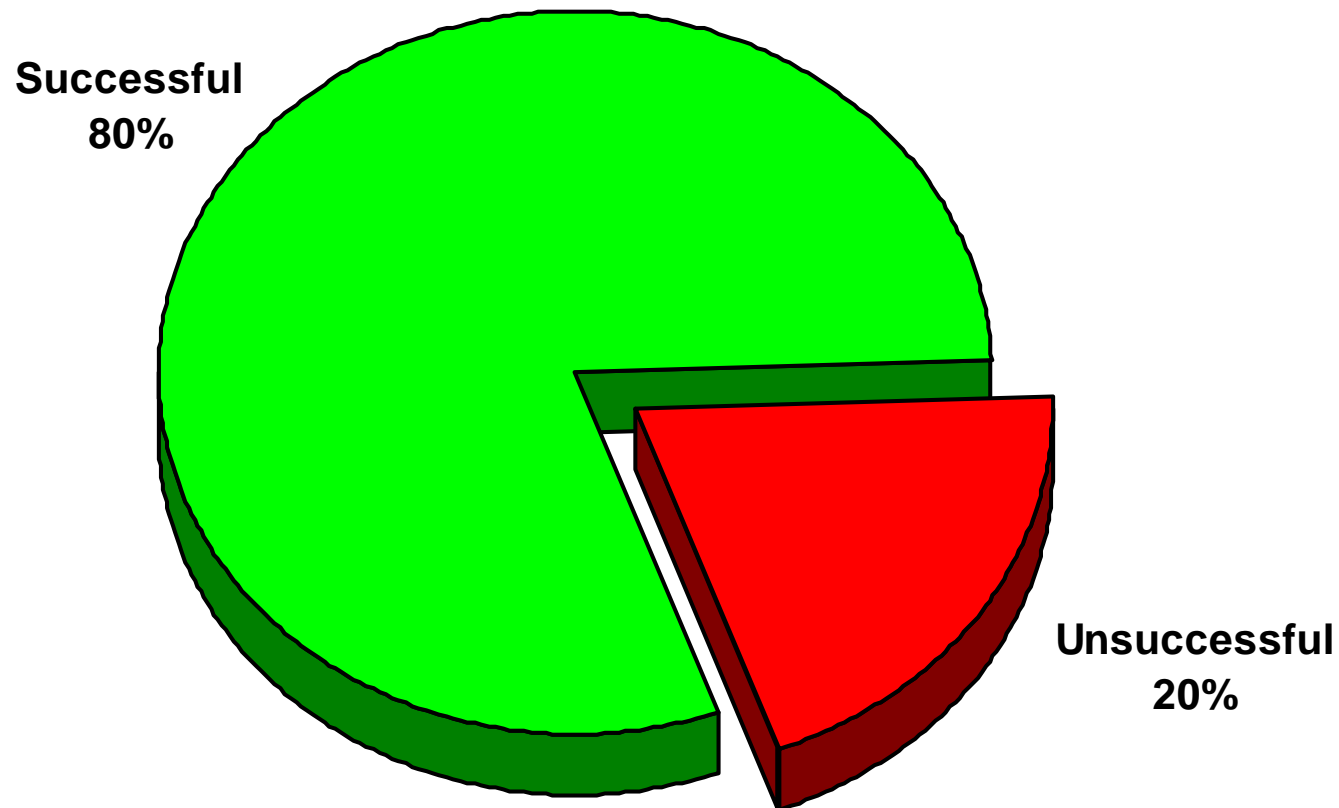


Internet makes signal strength irrelevant

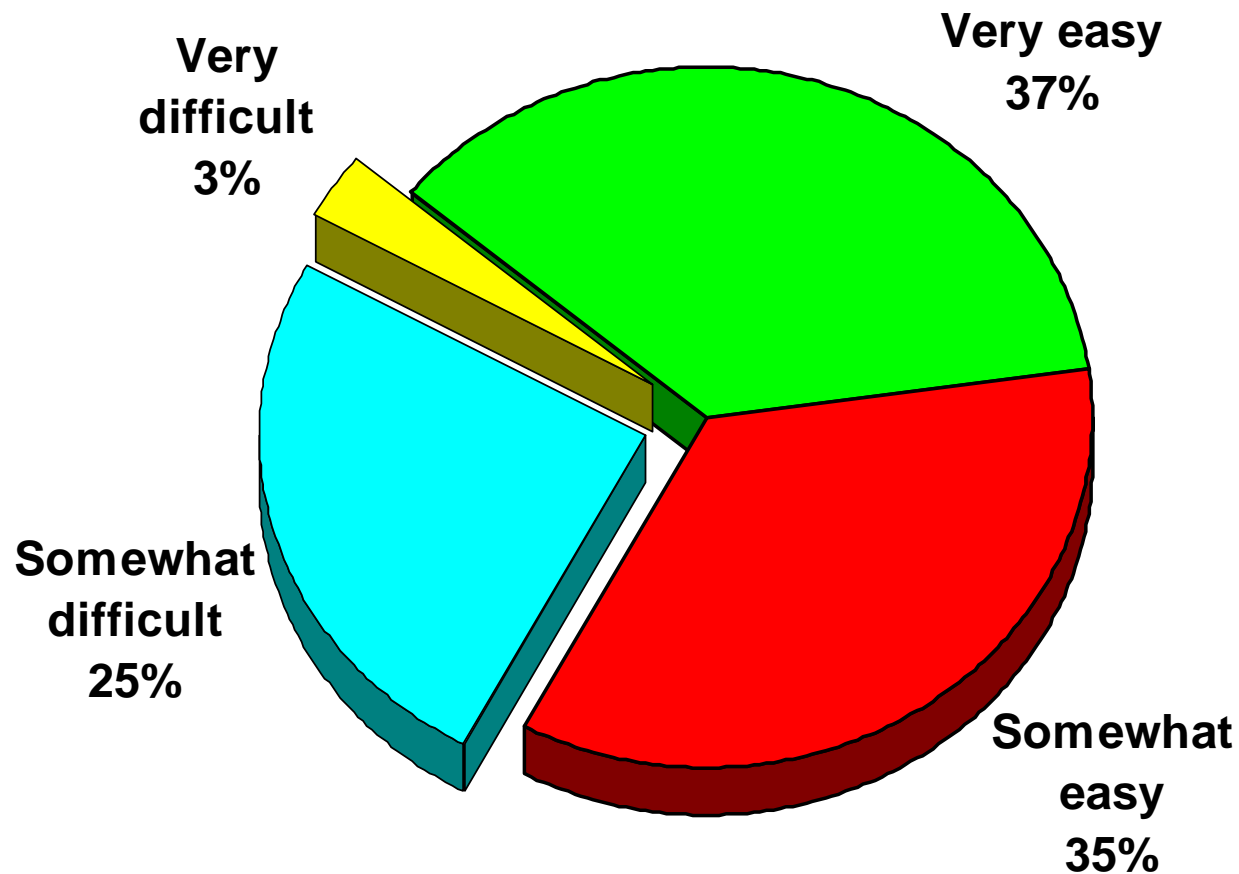
“Which do you listen to most often?”



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...

**Portable device that allows you to
play music you download onto
your computer from the Web**



New Devices: % “Very interested” in...

Portable device that allows you to play music you download onto your computer from the Web

39.7 Million Americans

17%



0%

10%

20%

% very interested



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Base: Total population

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New Devices:

% “Very interested” in...

**Device for your car that can play
CD quality music without
commercials for a monthly fee**



New Devices:

% “Very interested” in...

Portable device that allows you to play music you download onto your computer from the Web

39.7 Million Americans

17%



Device for your car that can play CD quality music without commercials for a monthly fee

39.7 Million Americans

17%



0%

10%

20%

% very interested



Base: Total population

ARBITRON

New Devices:

% “Very interested” in...

Ability to listen to Internet audio in your car



New Devices:

% “Very interested” in...

Portable device that allows you to play music you download onto your computer from the Web

39.7 Million Americans

17%



Device for your car that can play CD quality music without commercials for a monthly fee

39.7 Million Americans

17%



Ability to listen to Internet audio in your car

32.9 Million Americans

14%



0%

10%

20%

% very interested

New Devices:

% “Very interested” in...

**Device that rebroadcasts
Internet audio from your PC
onto your FM stereo in your
home**



New Devices: % “Very interested” in...

Device that rebroadcasts Internet audio from your PC onto your FM stereo in your home
30.4 Million Americans

13%



% very interested



Base: Total population



New Devices:

% “Very interested” in...

**Device that looks like a radio,
plugs into your phone & plays
Internet audio**



New Devices: % “Very interested” in...

Device that rebroadcasts Internet audio from your PC onto your FM stereo in your home

30.4 Million Americans

13%



Device that looks like a radio, plugs into your phone & plays Internet audio

23.5 Million Americans

10%



0%

5%

10%

15%

% very interested



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Base: Total population

ARBITRON

New Devices:

% “Very interested” in...

Ability for your cell phone to play Internet audio



New Devices: % “Very interested” in...

Device that rebroadcasts Internet audio from your PC onto your FM stereo in your home
30.4 Million Americans

13%



Device that looks like a radio, plugs into your phone & plays Internet audio
23.5 Million Americans

10%



Ability for your cell phone to play Internet audio
23.5 Million Americans

10%



0%

5%

10%

15%

% very interested

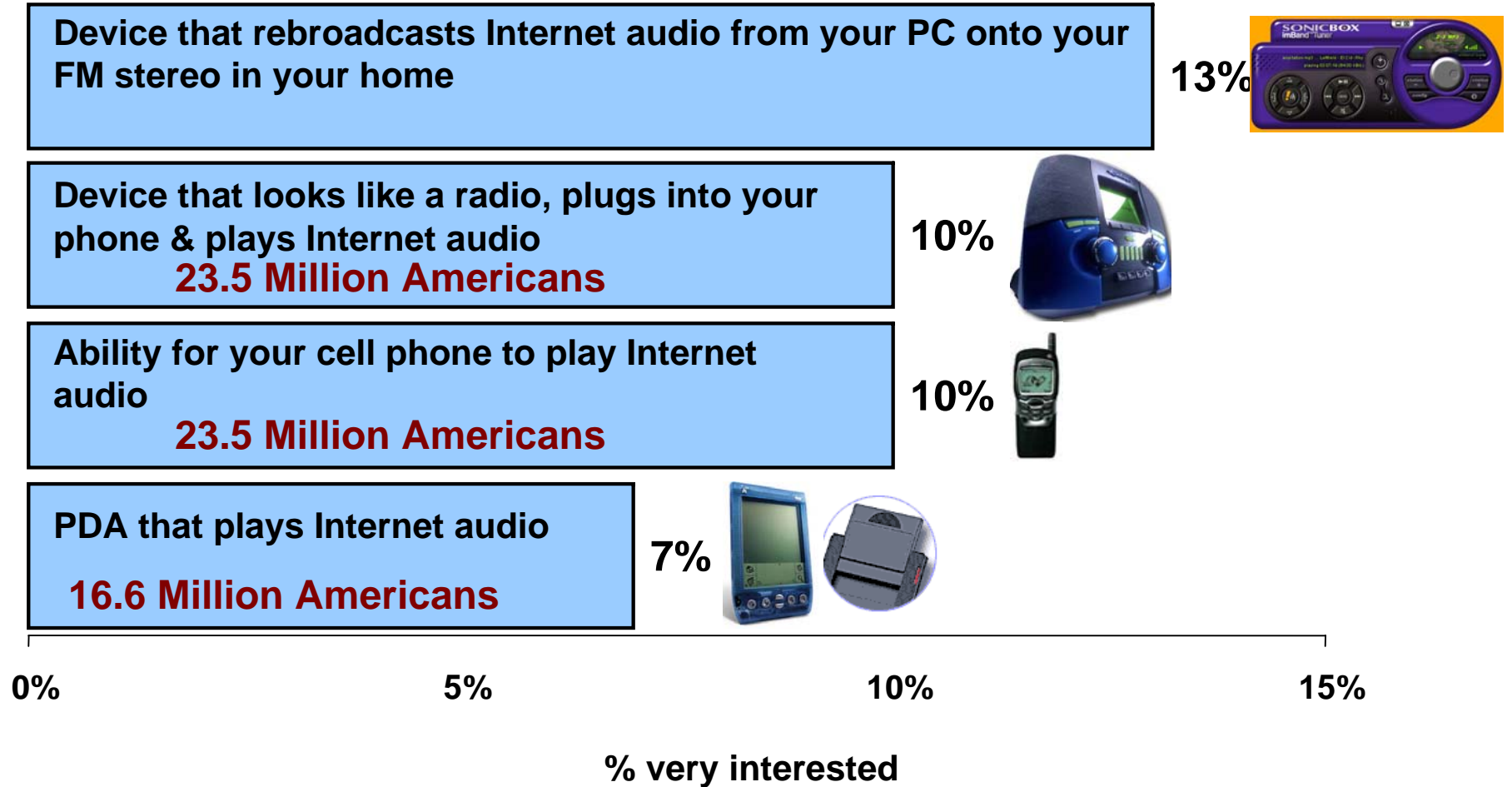
New Devices:

% “Very interested” in...

PDA that plays Internet audio



New Devices: % “Very interested” in...



Advertising agency perception of Webcasting

Executive Interviews

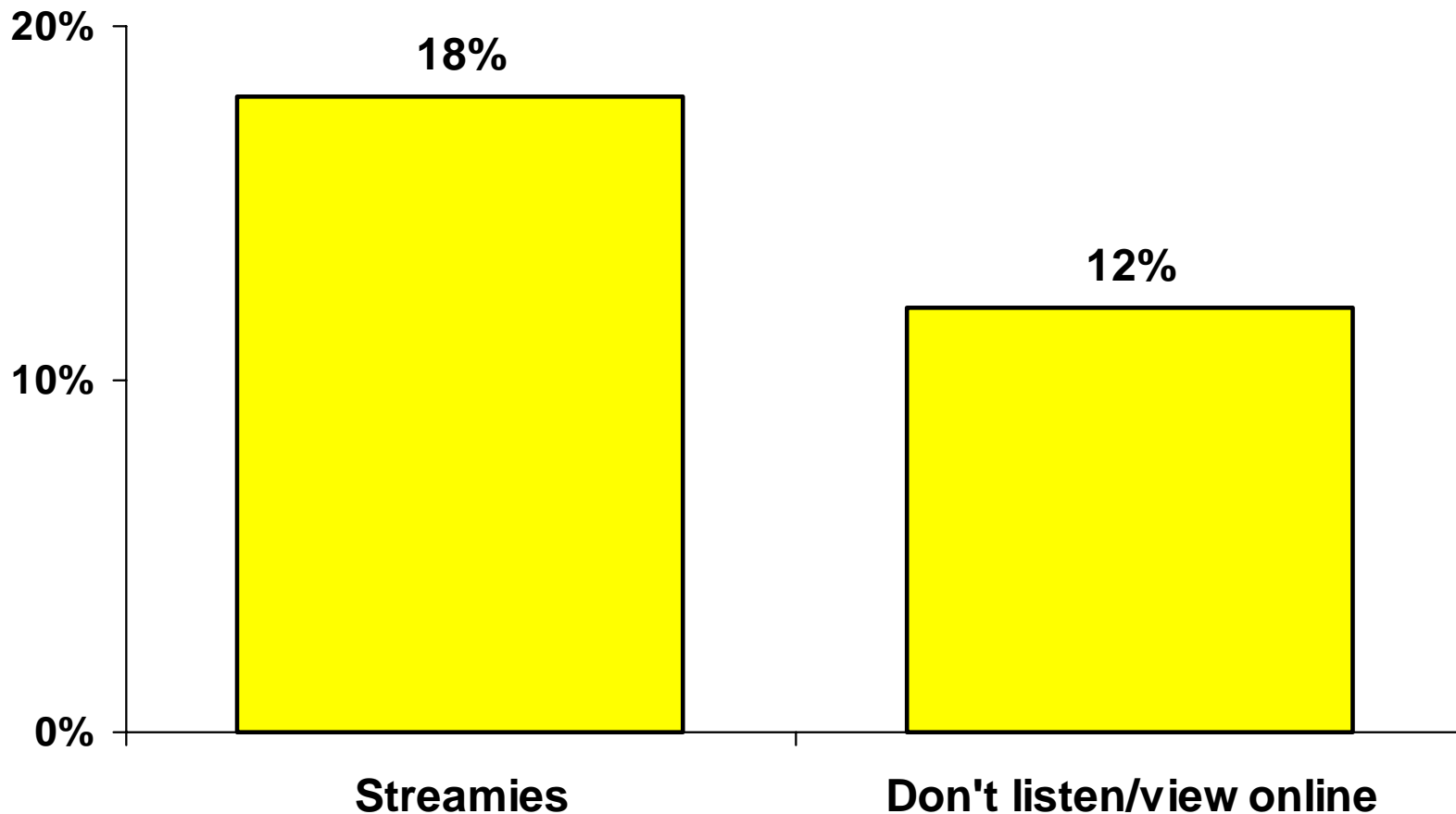
Executive Agency Interviews

- **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**

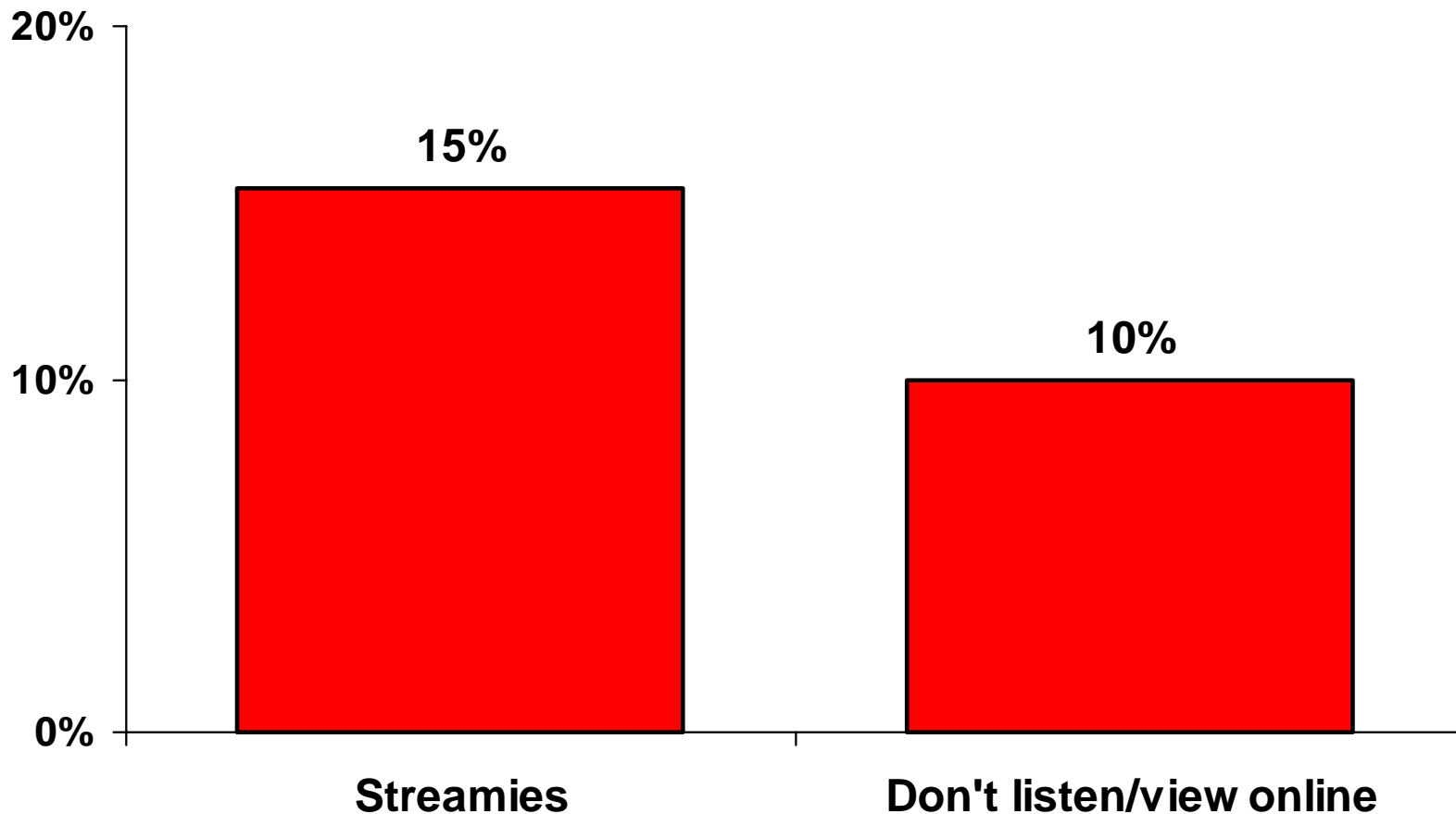
The buying *Power* of “Streamies”

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

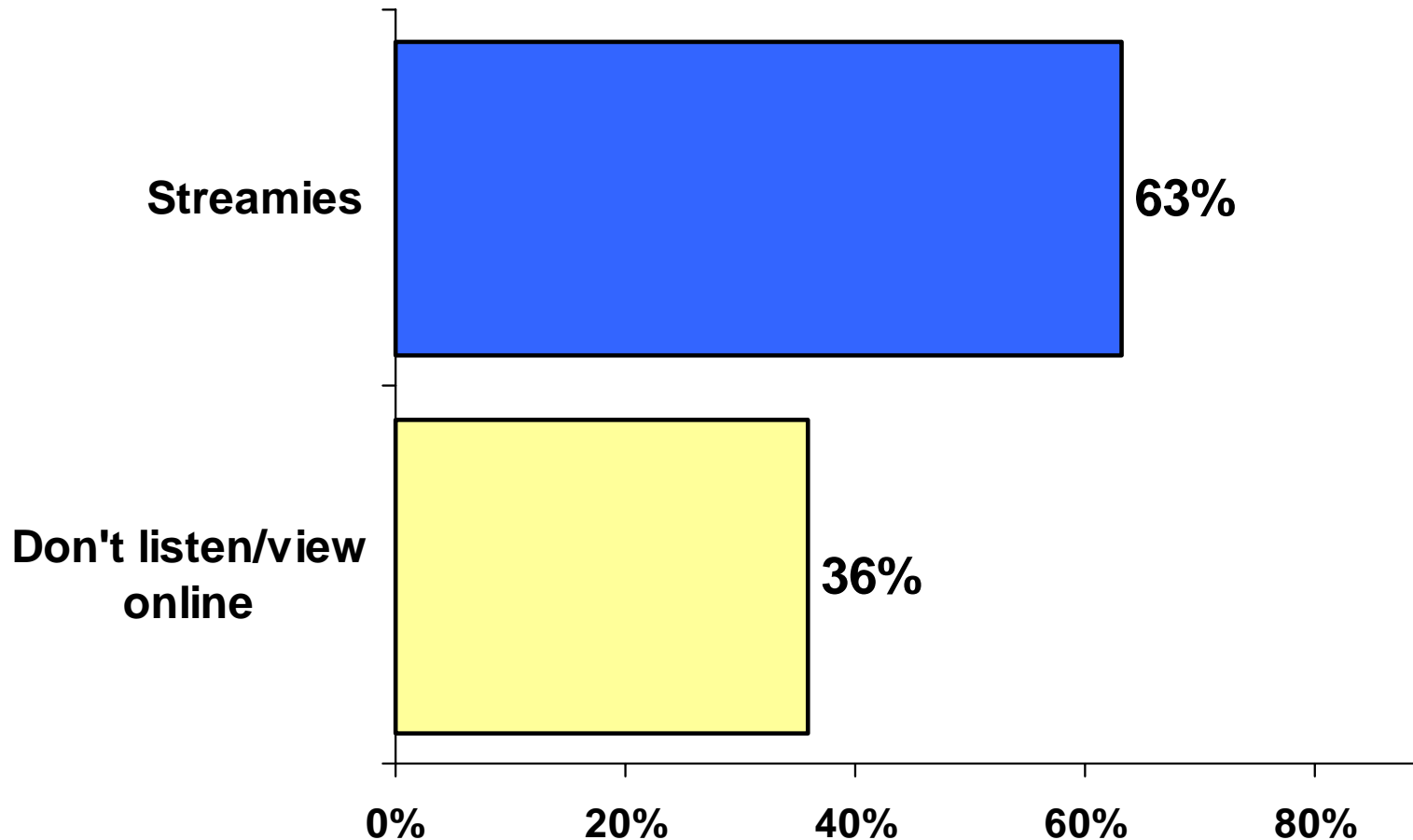
Streamies are 50% more likely to have annual income over \$100K



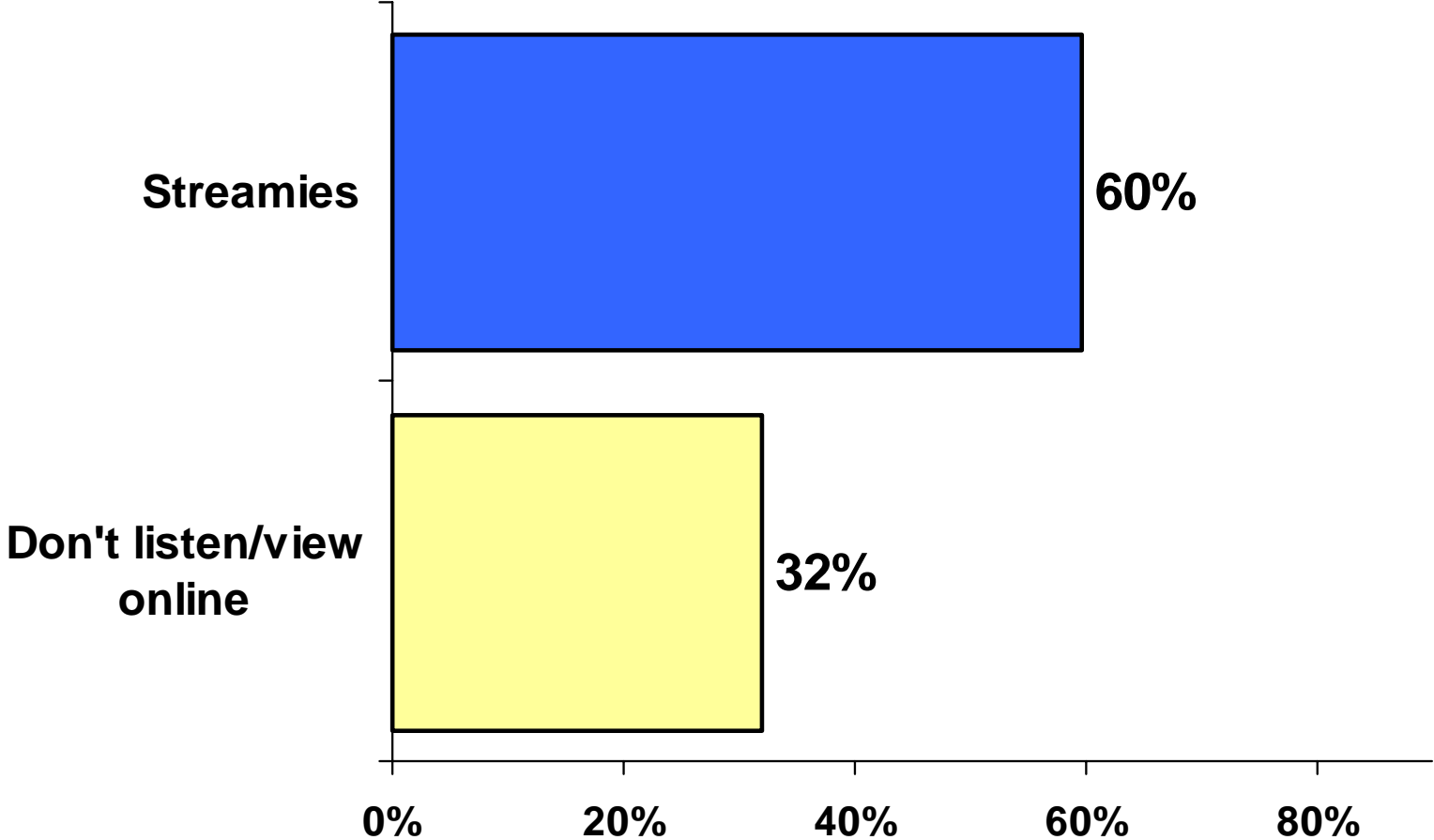
Streamies are 50% more likely to have attended Graduate school



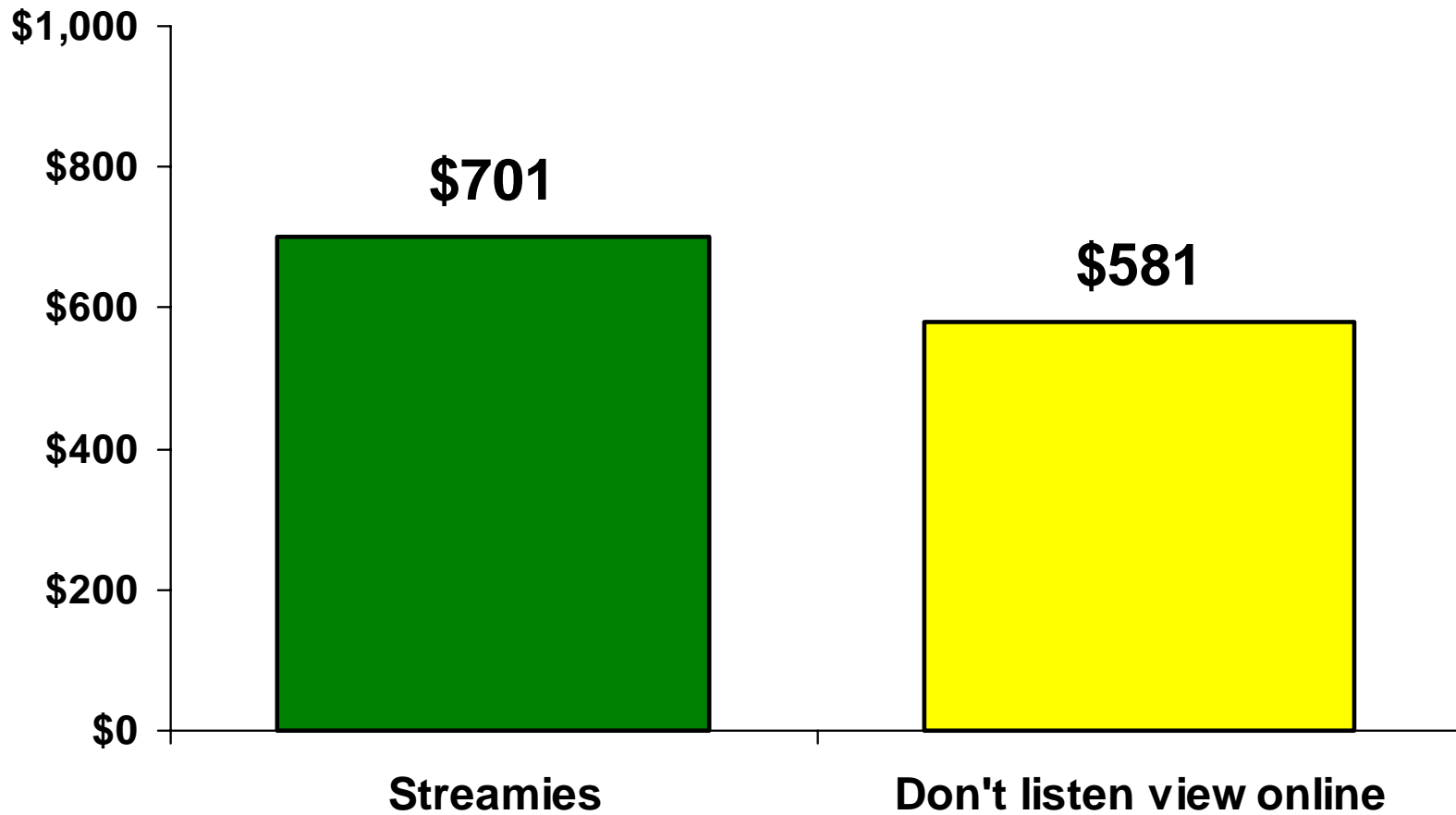
Streamies are much more likely to have clicked on Web site advertising



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

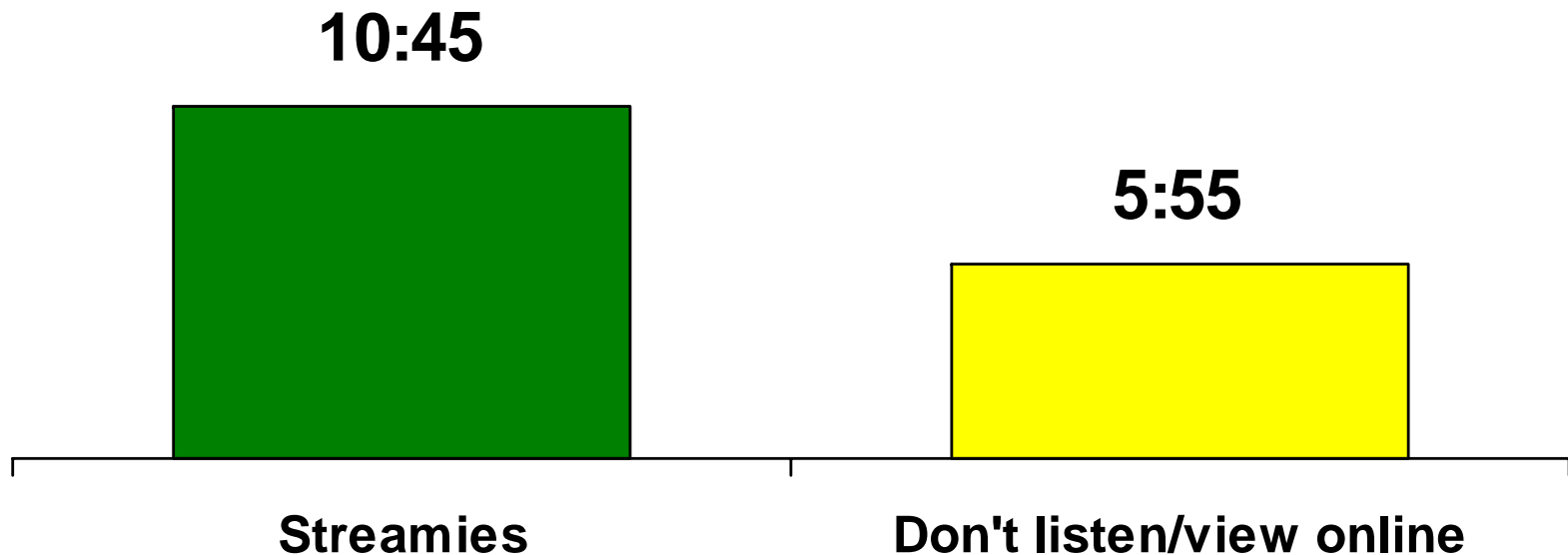


Streamies spent much more on-line in the last year



Streamies spend 80% more time online

Hours Spent Online Per Week



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 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 showing up”

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



Internet IV:

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