

# The Infinite Dial 2009



## Radio's Digital Platforms AM/FM, Online, Satellite, HD Radio™ and Podcasting



# Overview

---

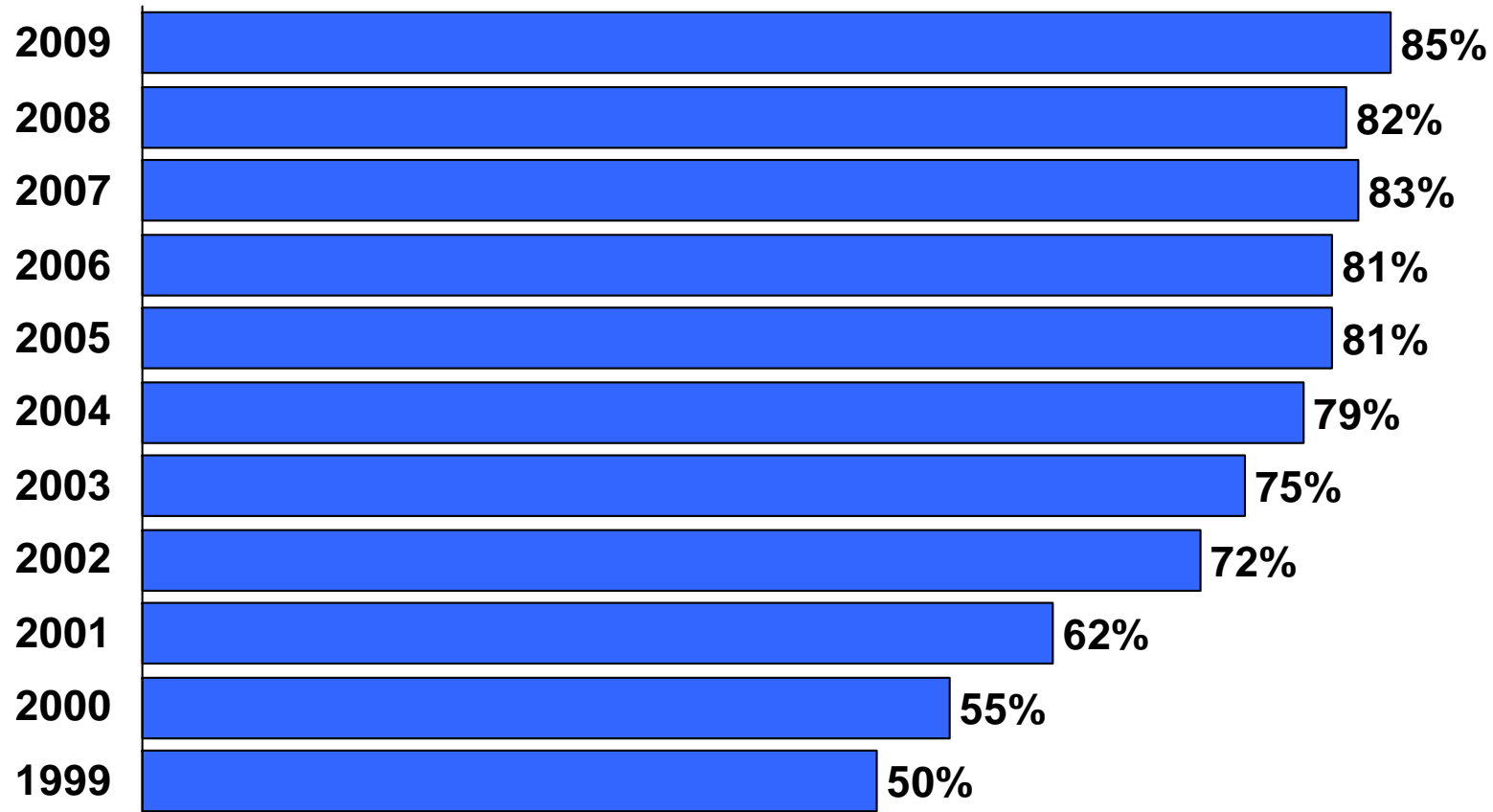
- **In January 2009, Arbitron and Edison Research conducted a national survey of 1,858 people aged 12+, exploring digital radio platforms:**
  - **Online Radio**
  - **Satellite Radio**
  - **HD Radio**
  - **Podcasting**
- **The 17<sup>th</sup> study in a series dating back to 1998**

# Internet Access Trends



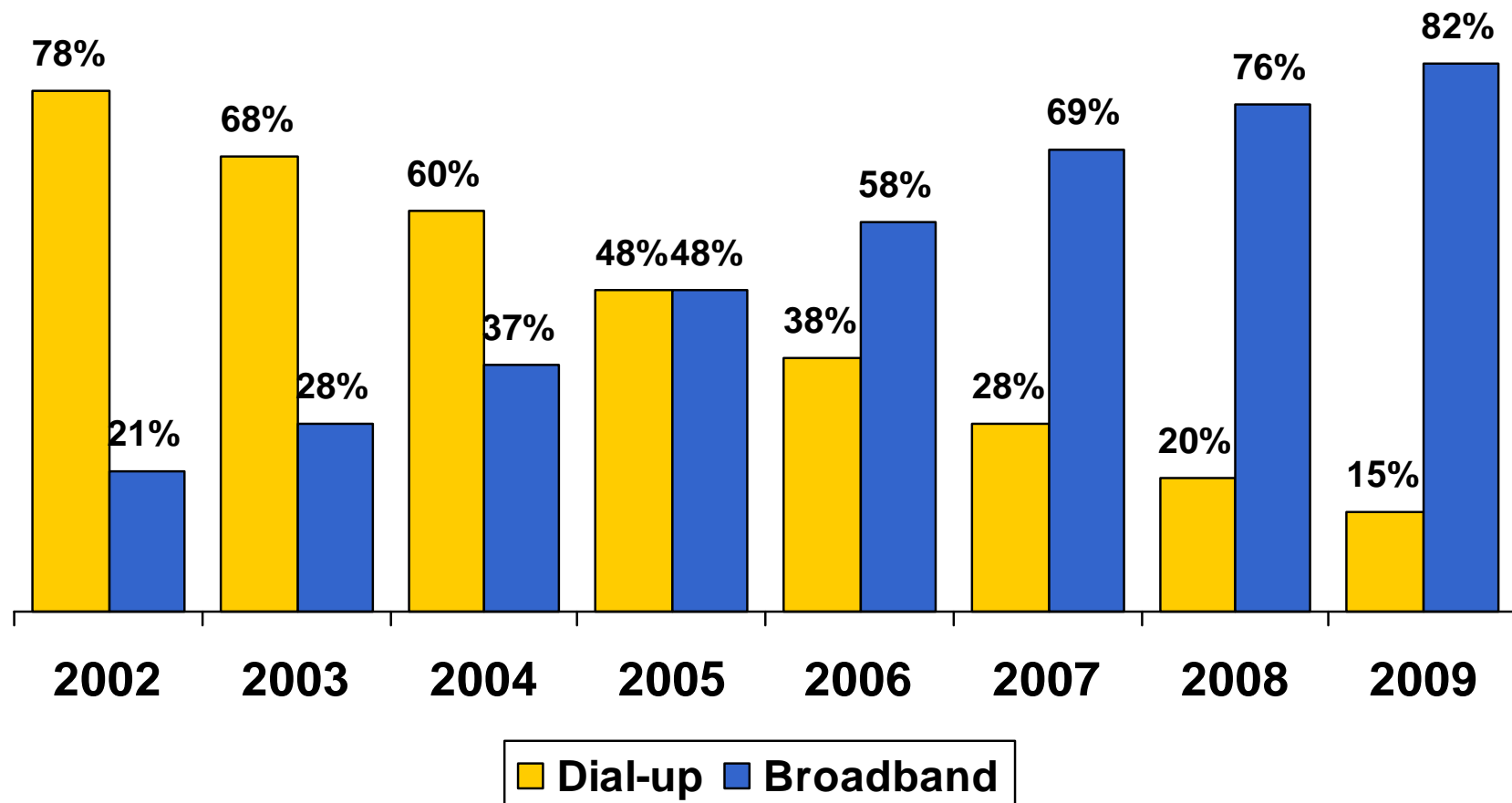
# Internet Access From any Location Approaching Nine in 10 Americans

**% with Internet Access From any Location**



# Residential Dial-Up Down to Less Than One in Six Homes With Internet Access

% Who Have Broadband/Dial-up Internet Access at Home

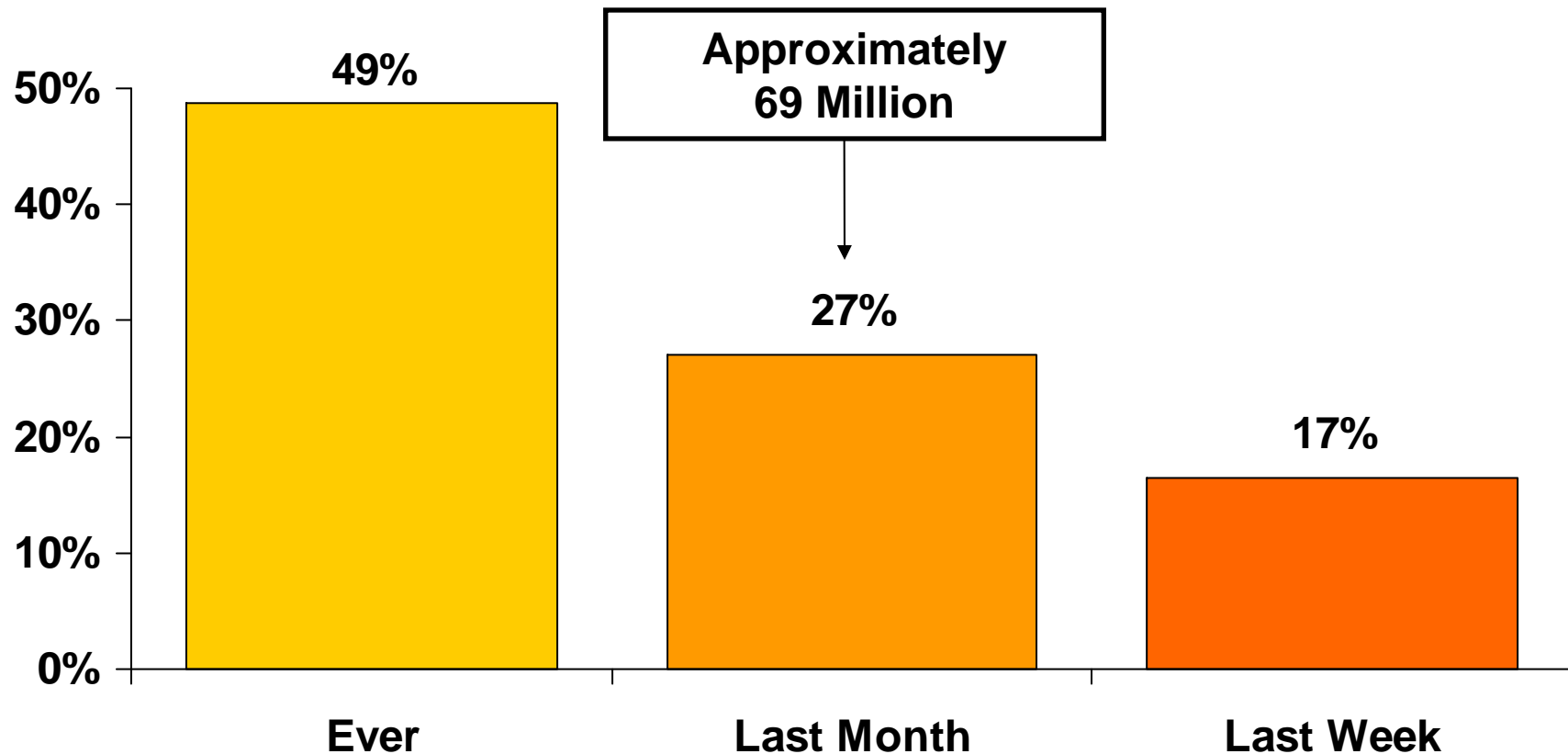


# Online Radio



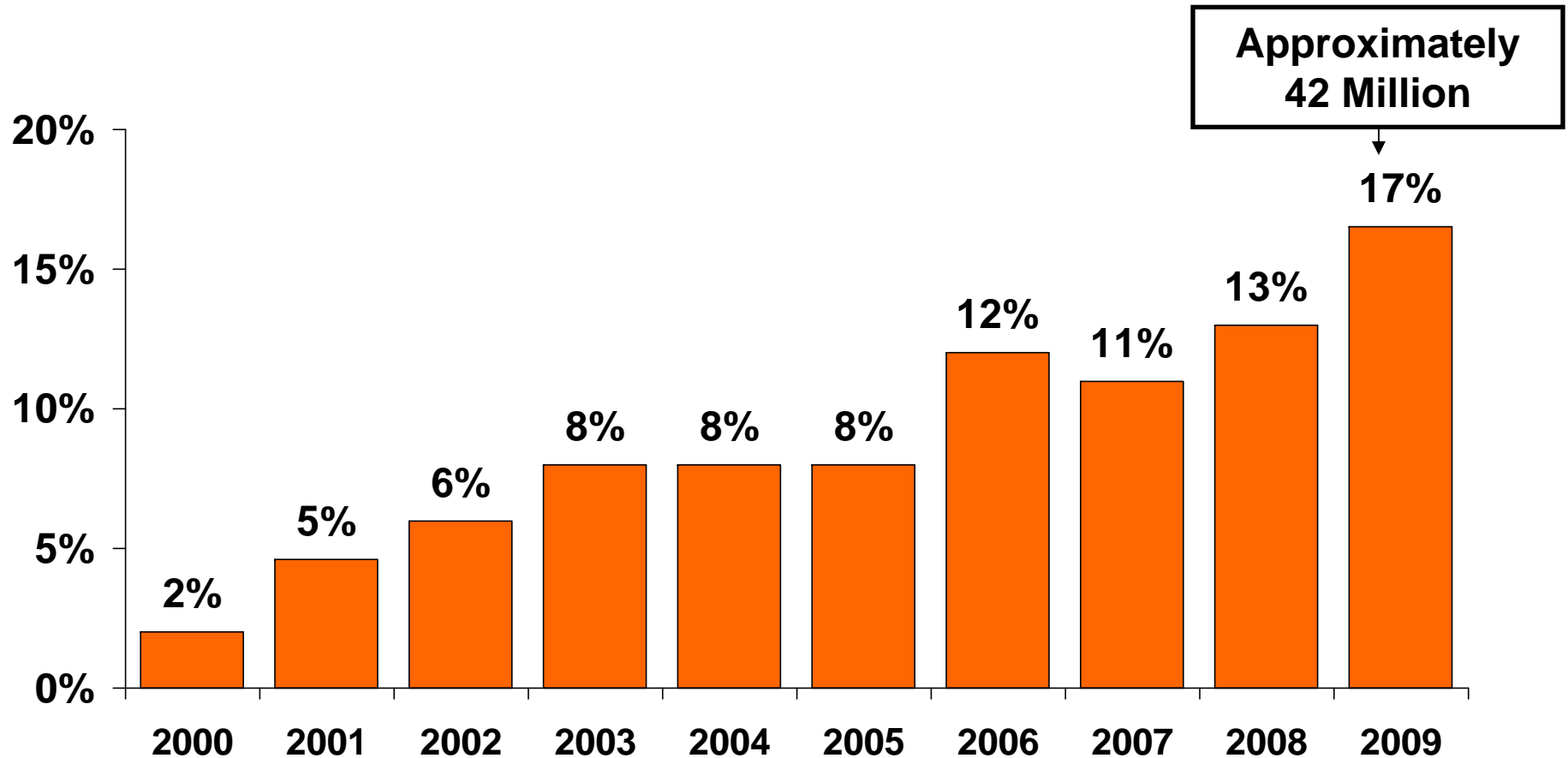
# An Estimated 69 Million Americans Listened to Online Radio in the Last Month

**% Who Have Listened to Online Radio...**



# Weekly Online Radio Audience Up by Nearly One-Third in Last Year

**% Who Have Listened to Online Radio in Last Week**



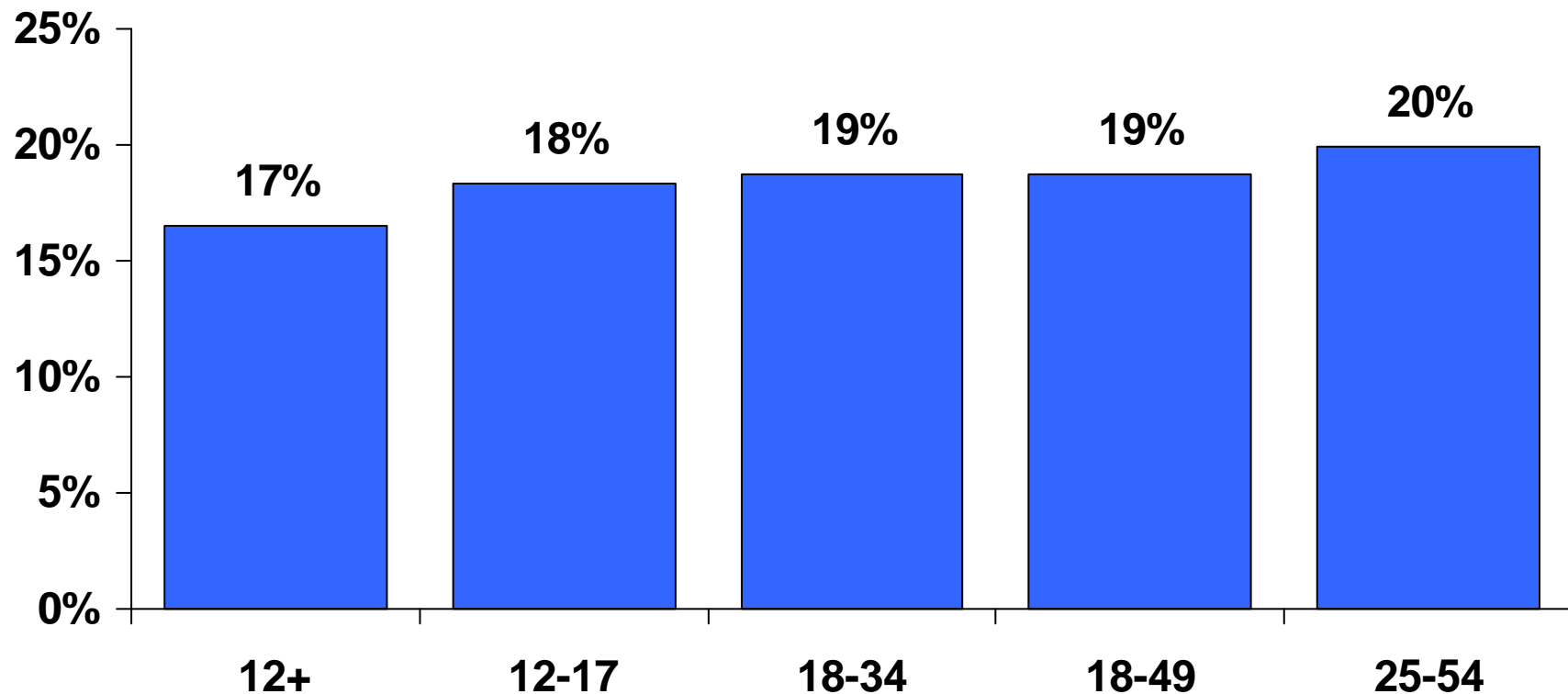
Base: Total Population 12+





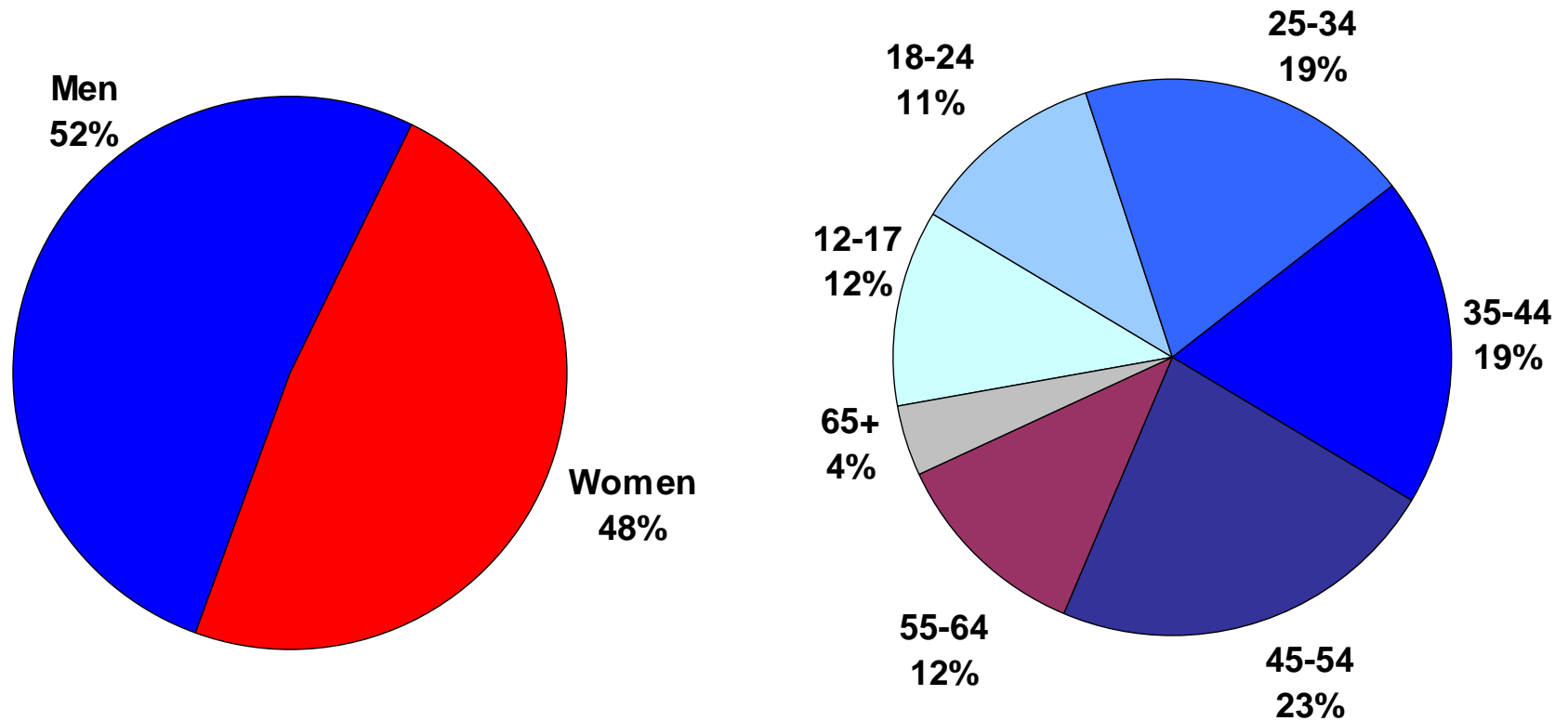
# Online Radio Reaches One in Five 25- to 54-Year-Olds per Week

**% by Age Group Who Have Listened to Online Radio in Last Week**



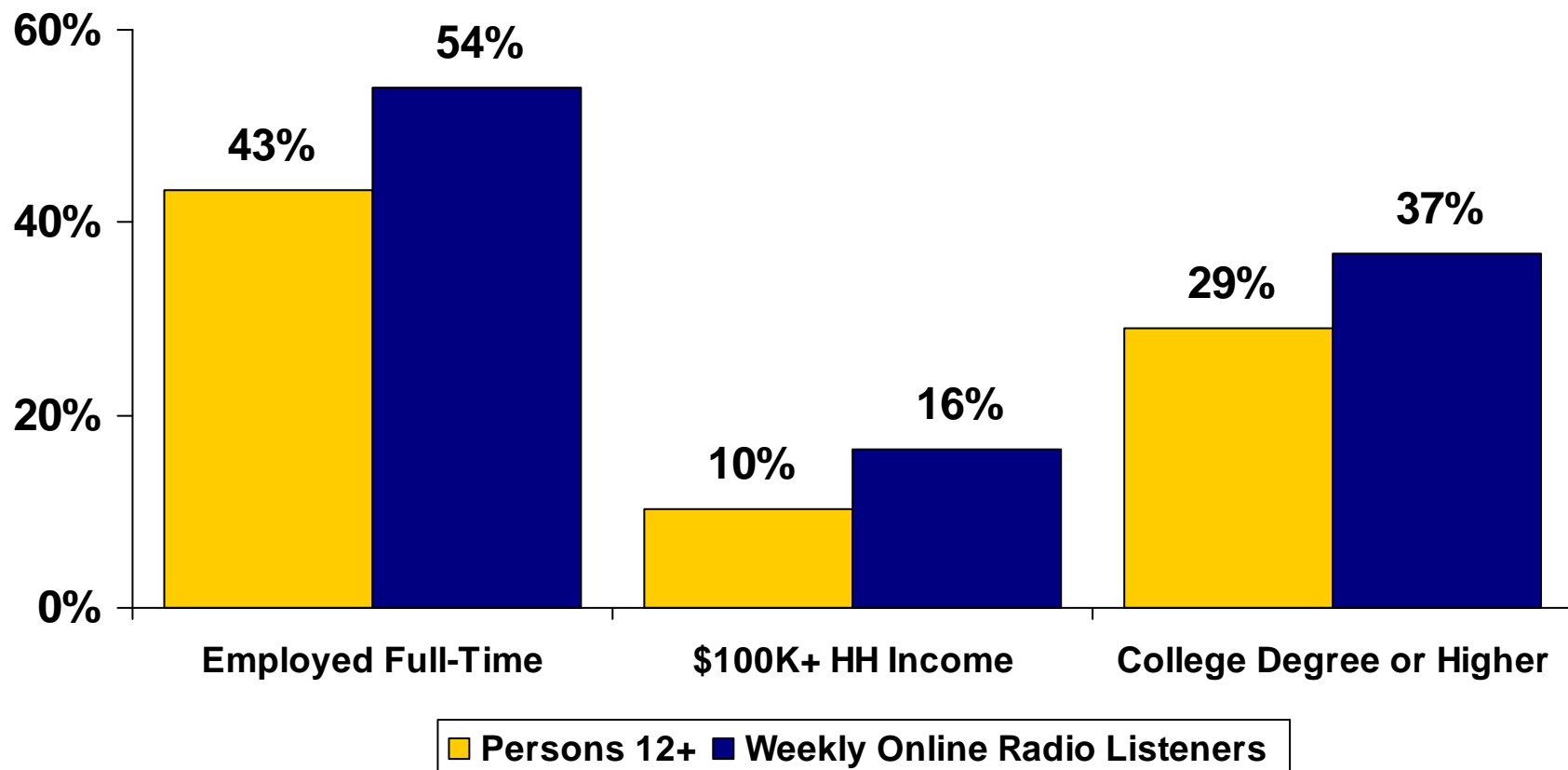
# Weekly Online Radio Listening Skews Male, Attracts Wide Range of Ages

## Weekly Online Radio Audience Composition



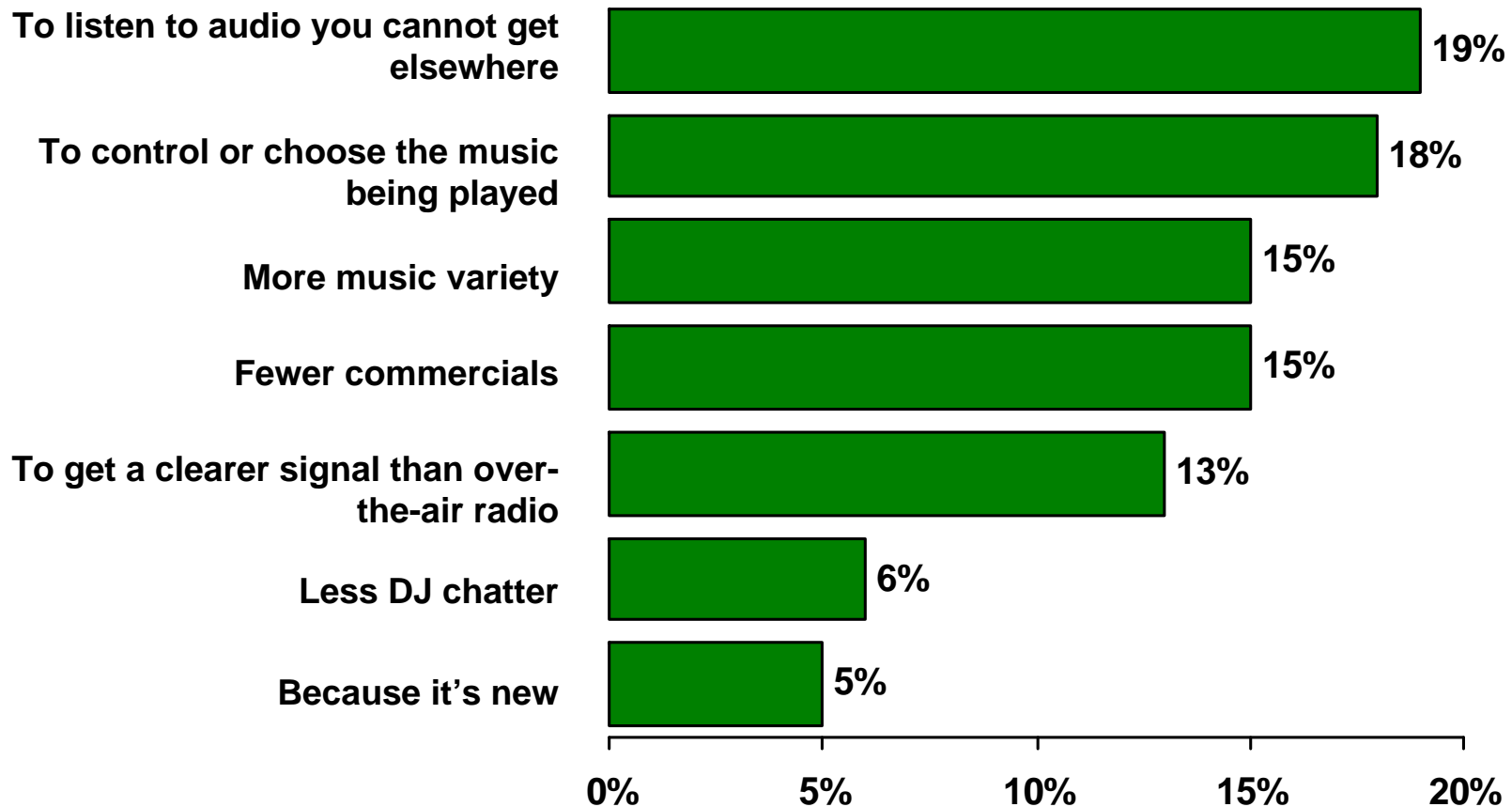
# Online Radio Attracts an Upscale, Well-Educated and Employed Audience

Composition of Weekly Online Radio Listeners vs. Total Population 12+



# “Variety” and “Control” Are Top Reasons for Listening to Online Radio

**“Of the following reasons you might listen to Internet radio, what is the ONE main reason you listen?”**

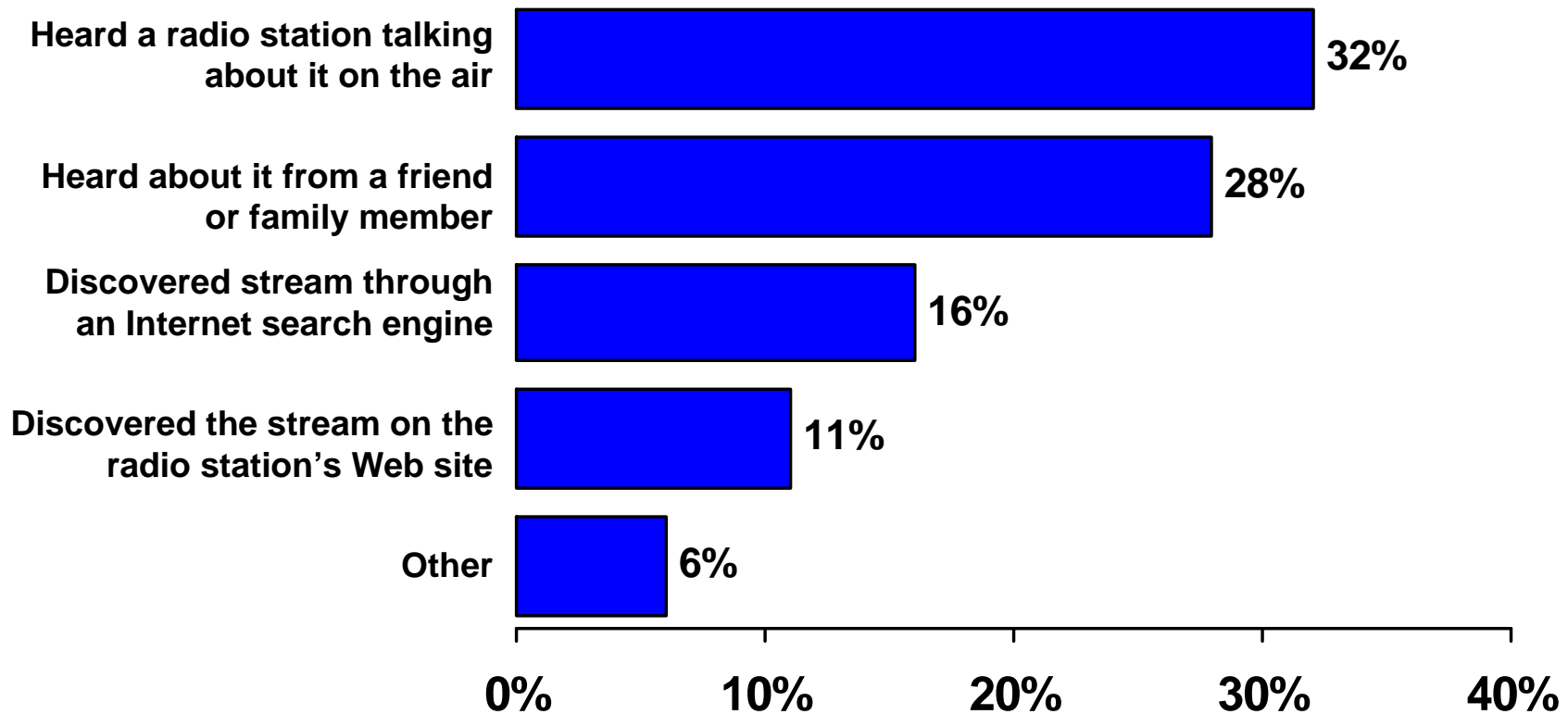


Base: Monthly Online Radio Listeners



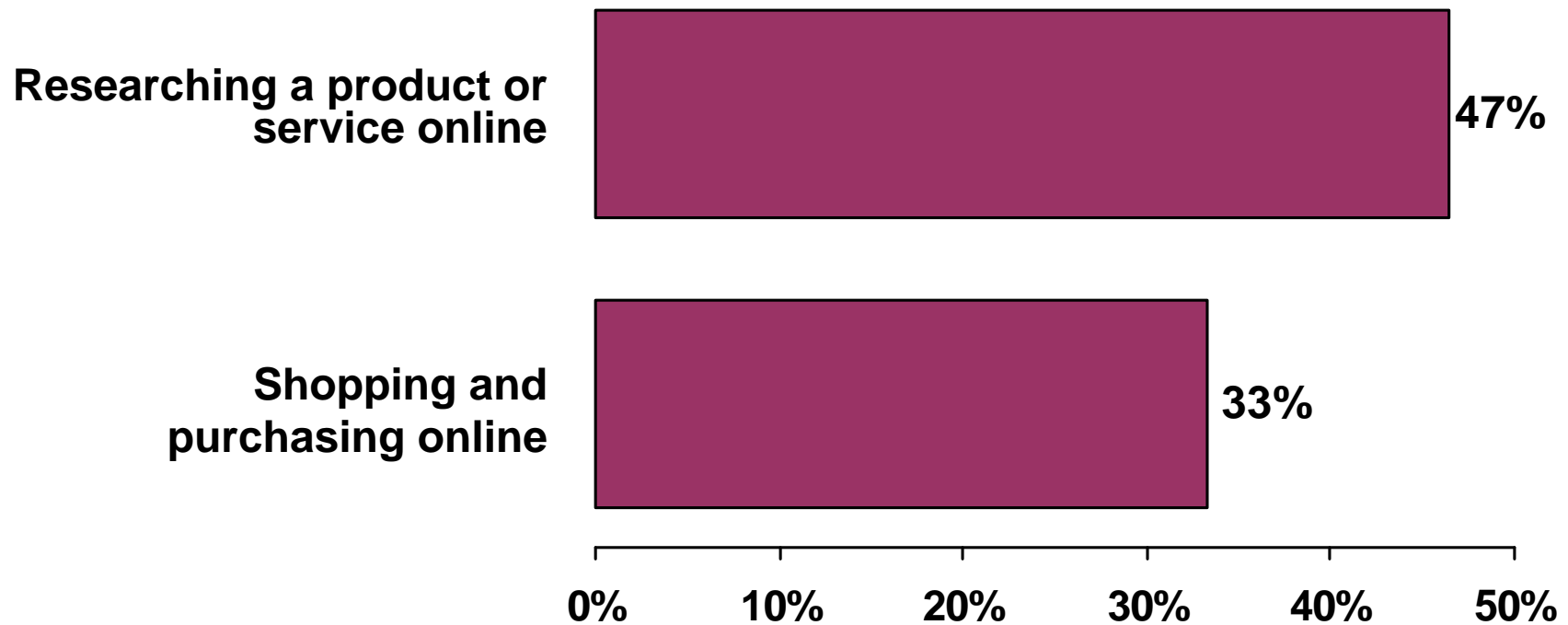
# Most Learn About P1 Online Station From AM/FM Radio and Friends

*“Now think about the one Internet radio station you listen to most. How did you first learn about that station?”*



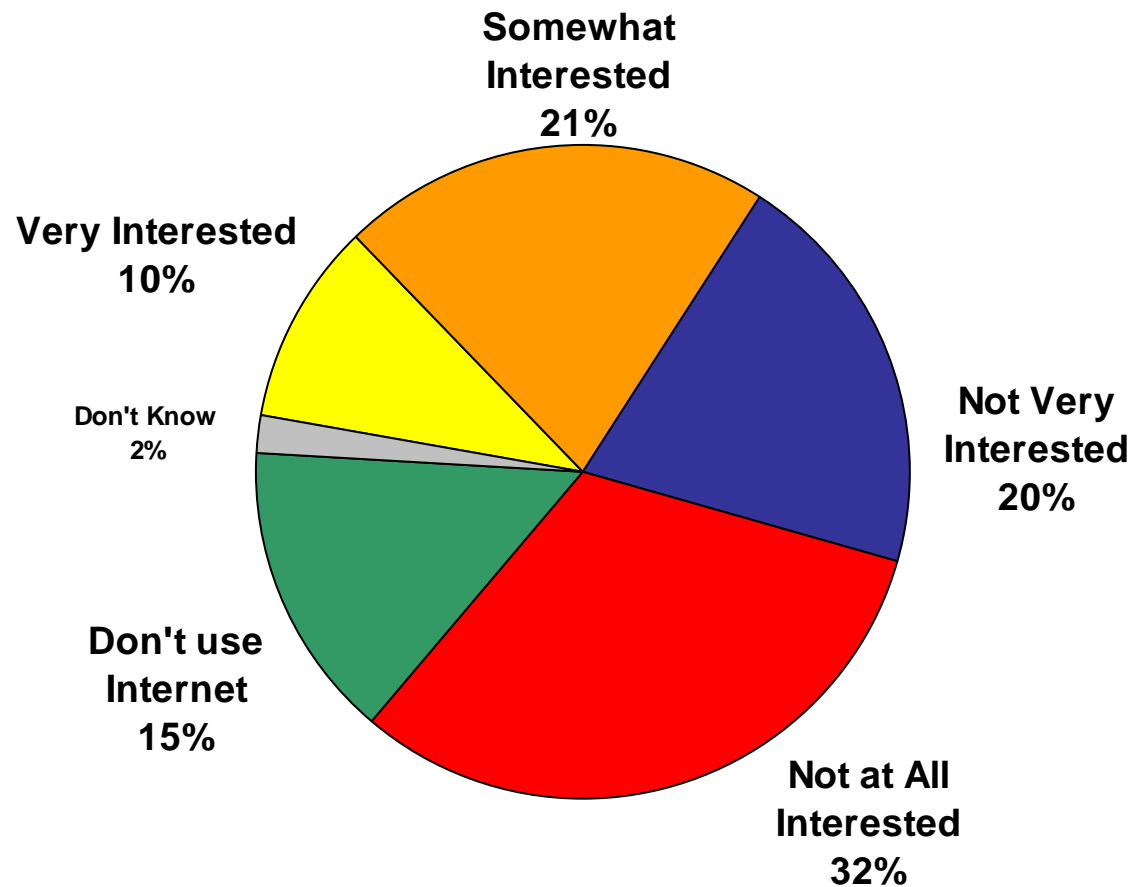
# Online Radio Is the Soundtrack for Research and Shopping on the Internet

*“Think about all of the time you spend listening to Internet radio. Do you ever listen to Internet radio while...?”*



# Nearly One in Three Interested in Listening to Online Radio In-Car

*“How interested would you be in listening to Internet Radio Programming in the car?”*



Base: Total Population 12+

# PPM™ and Internet Streaming AM/FM Radio Stations

---

- **Streams of AM/FM stations and HD are eligible to be encoded**
  - **Tuning reflects audience for encoded stations only**
  - **Not included (impact not quantifiable)**
    - Internet-only radio and Podcasts**
      - *Ex: Yahoo!® Music, Pandora® or Podcast of Car Talk*
    - Non-encoded stream of out-of-market radio stations**
- **Minimum reporting standard**
  - **.495 Weekly Cume Rating**



# Thirteen AM/FM Streams Reported in February 2009 PPM

Weekly Cume Rating and AQH share, Persons 6+, total week

	Cume Rating	AQH Share		Cume Rating	AQH Share
<b>Atlanta</b>			<b>Middlesex</b>		
WVEE-IF	0.5%	0.1%	WHTZ-IF	0.7%	0.1%
<b>Dallas</b>			WPLJ-IF	0.9%	0.8%
KDGE-IF	0.5%	0.5%	<b>Nassau-Suffolk</b>		
KHKS-IF	0.5%	0.1%	WKJY-IF	0.7%	0.3%
<b>Detroit</b>			<b>New York</b>		
WBBM-IF	0.5%	0.1%	WHTZ-IF	0.6%	0.1%
<b>Houston</b>			WLTW-IF	0.5%	0.1%
KRBE-IF	0.7%	0.1%	WWFS-IF	0.6%	0.5%
<b>Los Angeles</b>			<b>San Jose</b>		
KOST-IF	0.7%	0.8%	KSFO-IA	0.6%	0.9%

How to Read: In New York, the web stream of WHTZ-FM (WHTZ-IF) had a .6 weekly Cume Rating and .1 AQH Share

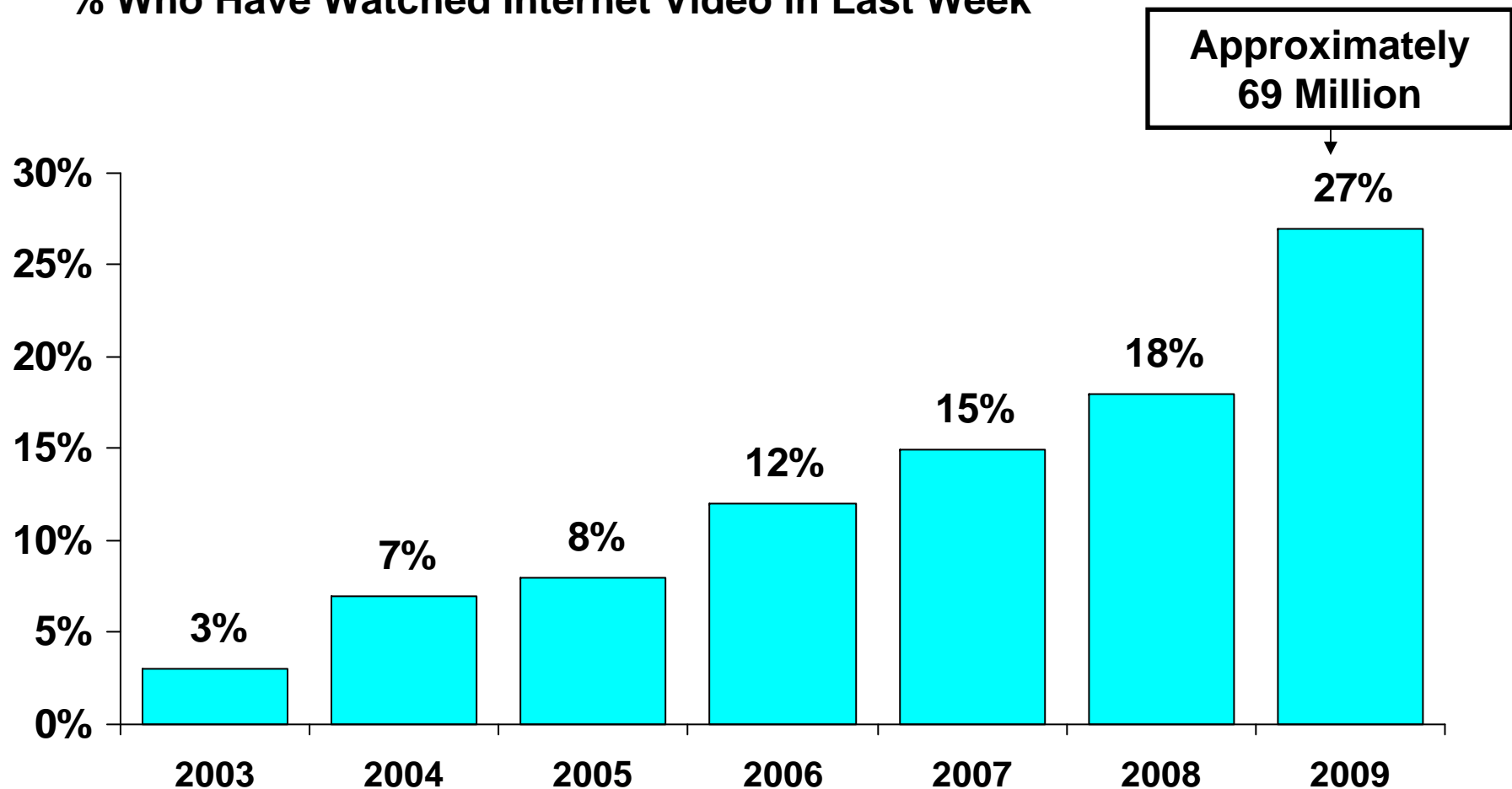


# Online Video



# Weekly Internet Video Audience Explodes in Last Year

% Who Have Watched Internet Video in Last Week

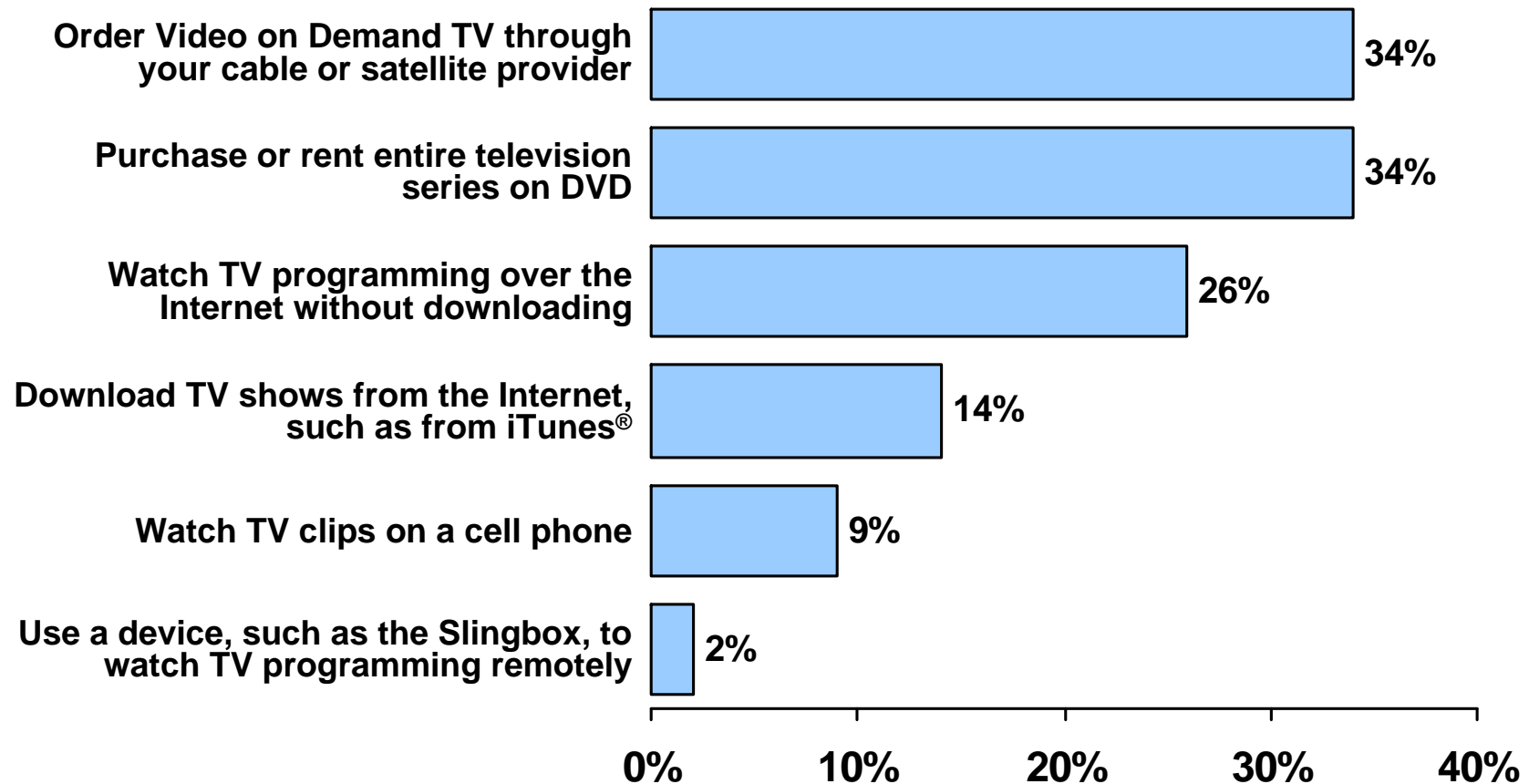


Base: Total Population 12+



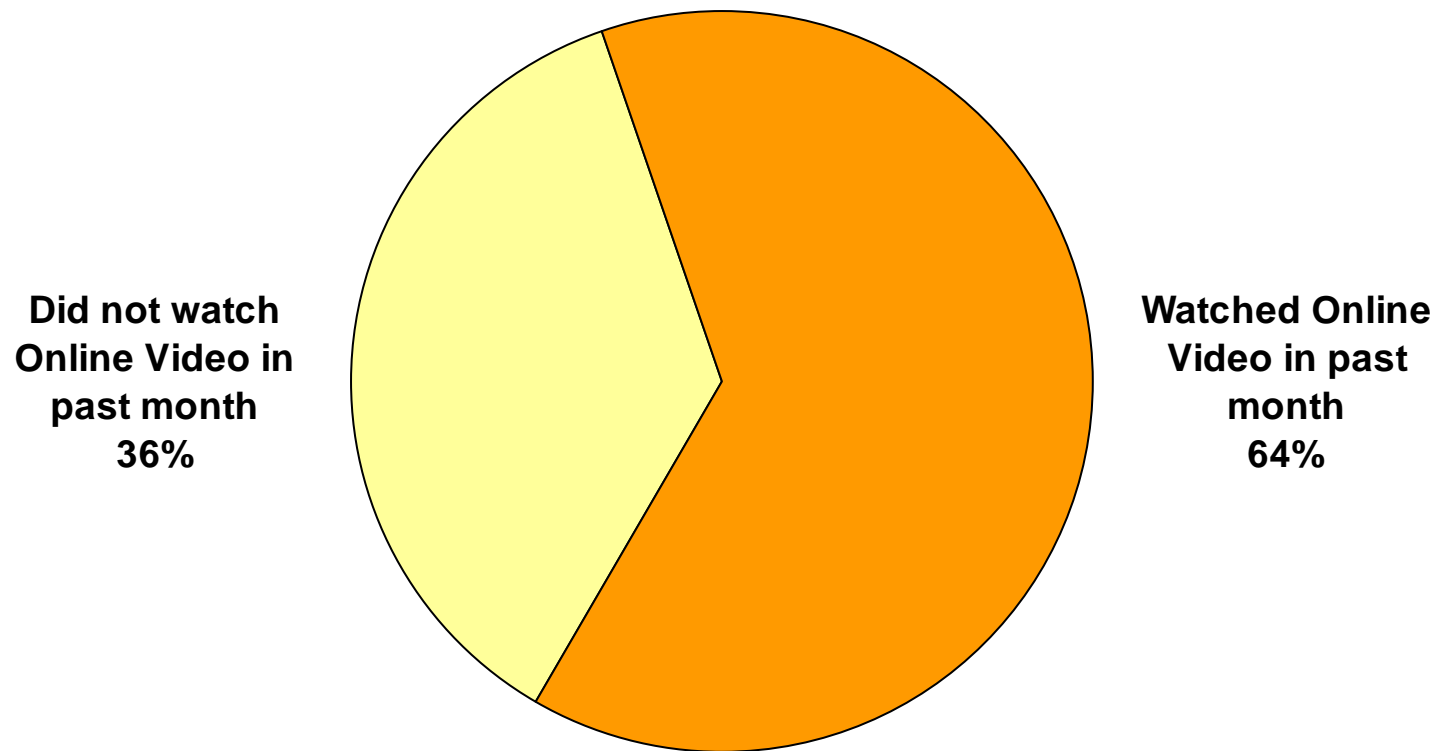
# Americans Looking "Outside the Box" for TV Programming

*"Have you ever watched TV programming in this manner?"*



# Nearly Two-Thirds of Monthly Online Radio Listeners Watched Online Video In Past Month

**% of Monthly Online Radio Listeners Who Have Watched Online Video in Past Month**

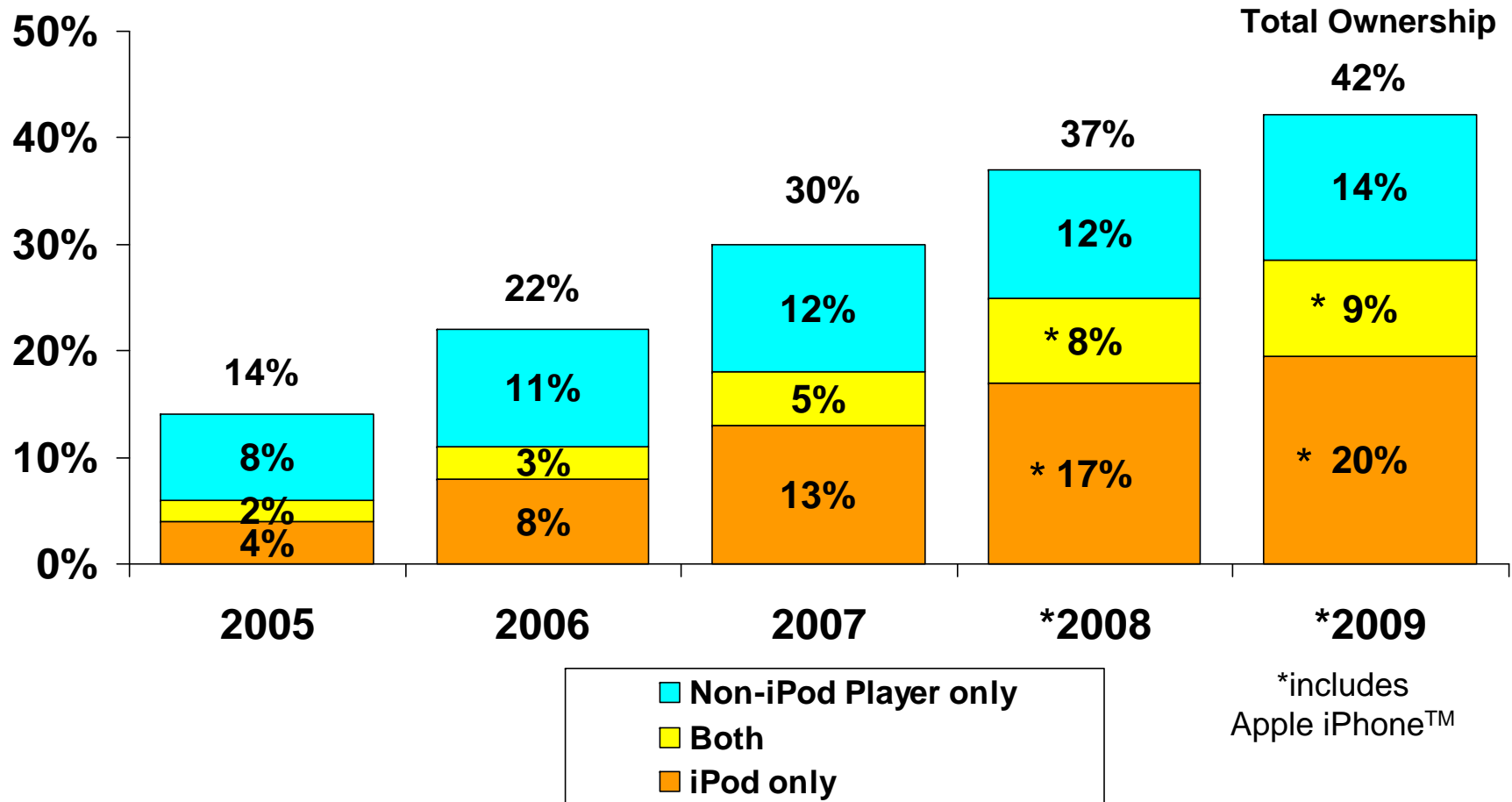


# Digital Audio Players



# More Than Four in 10 Now Own an iPod®/Portable MP3 Player

% Who Own...

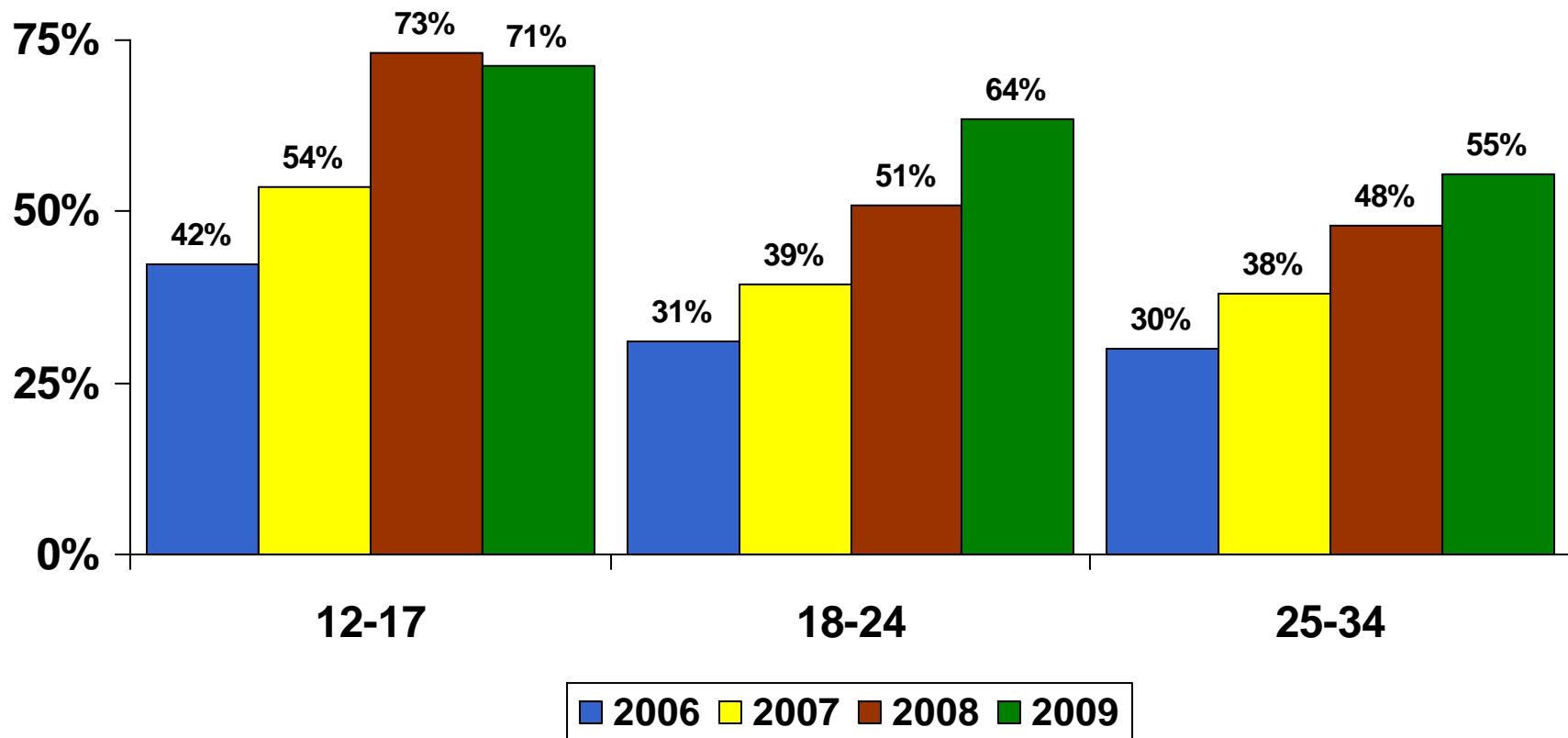


Base: Total Population 12+



# Most 12-34s Now Own an iPod/Portable MP3 Player

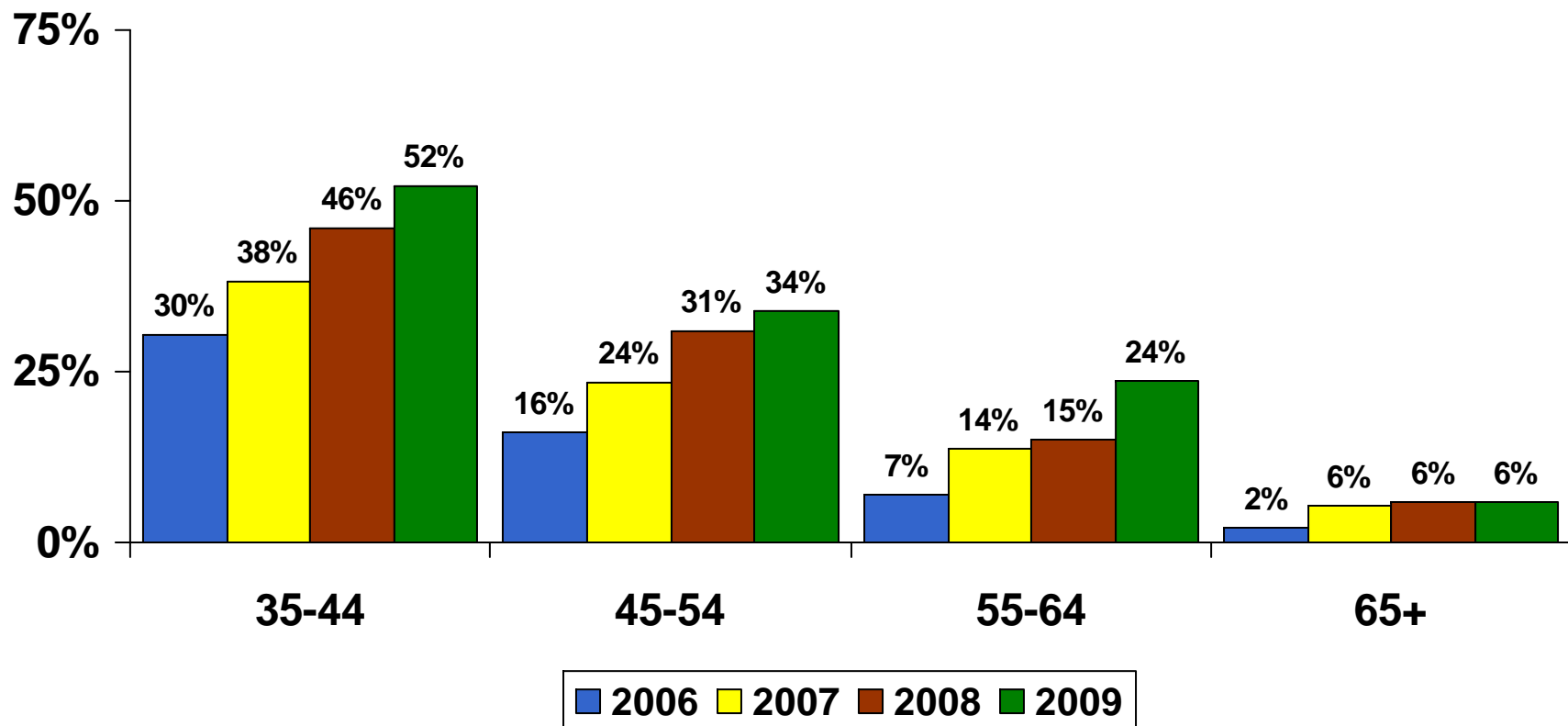
% by Age Group Who Own an iPod or Other Portable MP3 Player





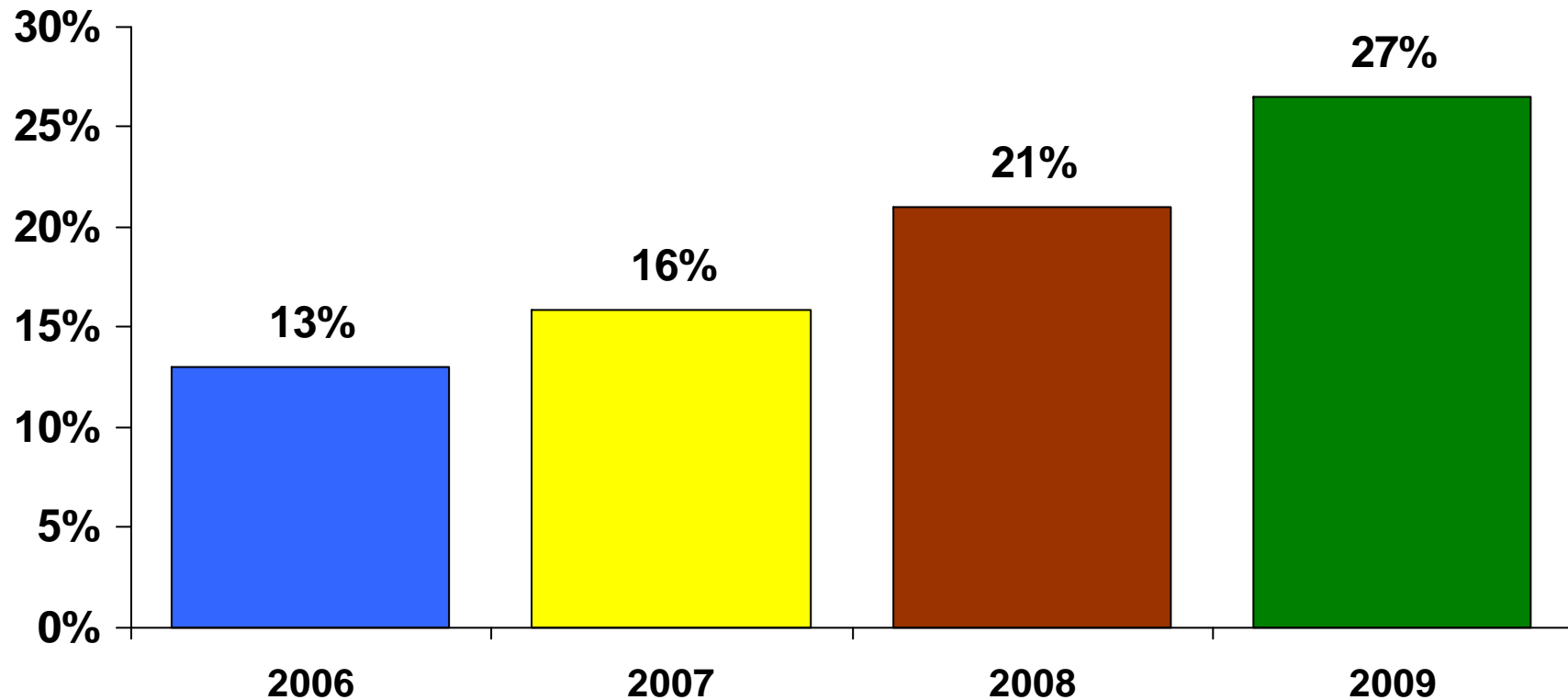
# Growth of iPod/Portable MP3 Ownership Continues Among 35-64s

**% by Age Group Who Own an iPod or Other Portable MP3 Player**



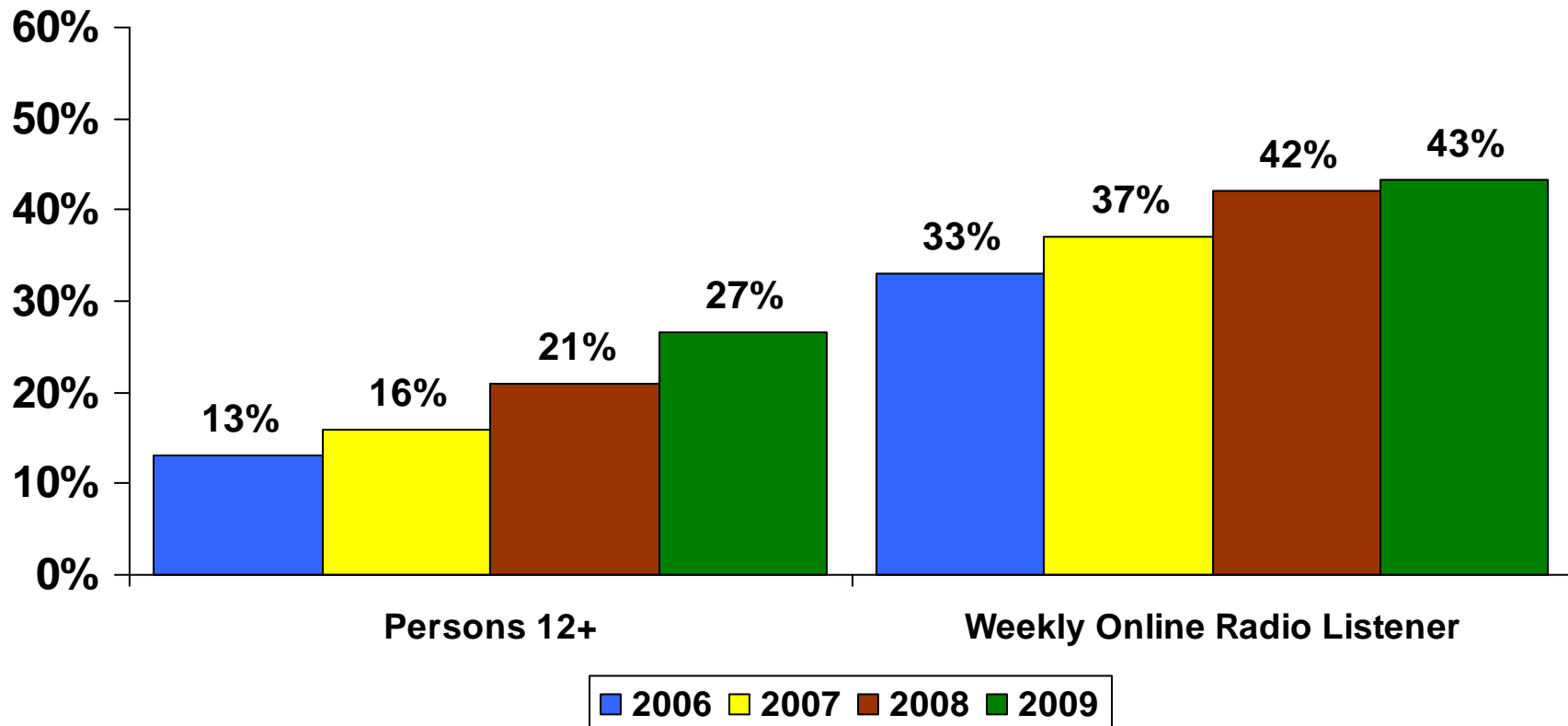
# More Than One in Four Have Purchased Digital Audio Online

**% Having Purchased MP3s or Other Digital Audio From an Online Download Service**



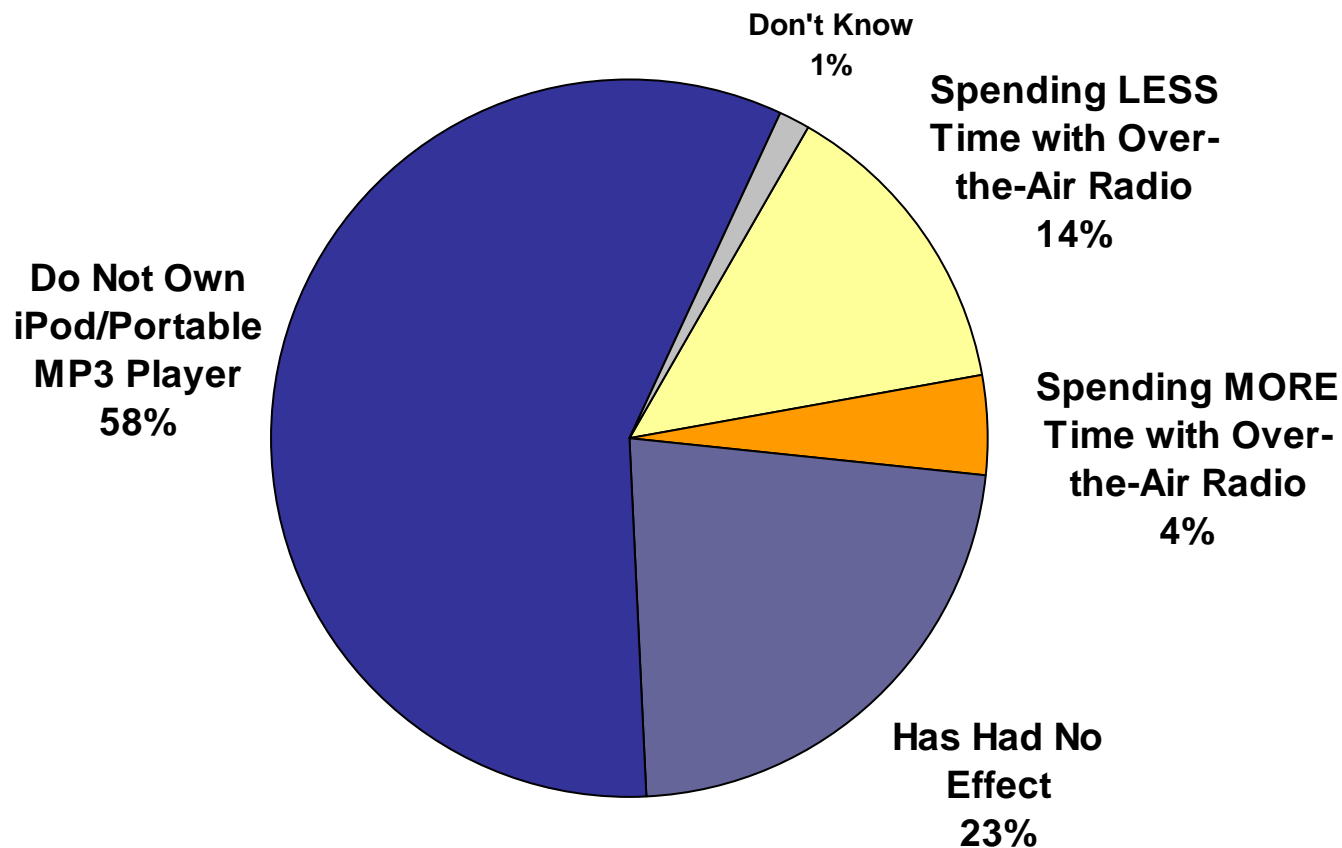
# Online Radio Listeners More Likely to Have Purchased Digital Audio Online

**% Having Purchased MP3s or Other Digital Audio From an Online Download Service**



# One in Seven Report Less Radio Listening Due to Time Spent With iPod/MP3 Player

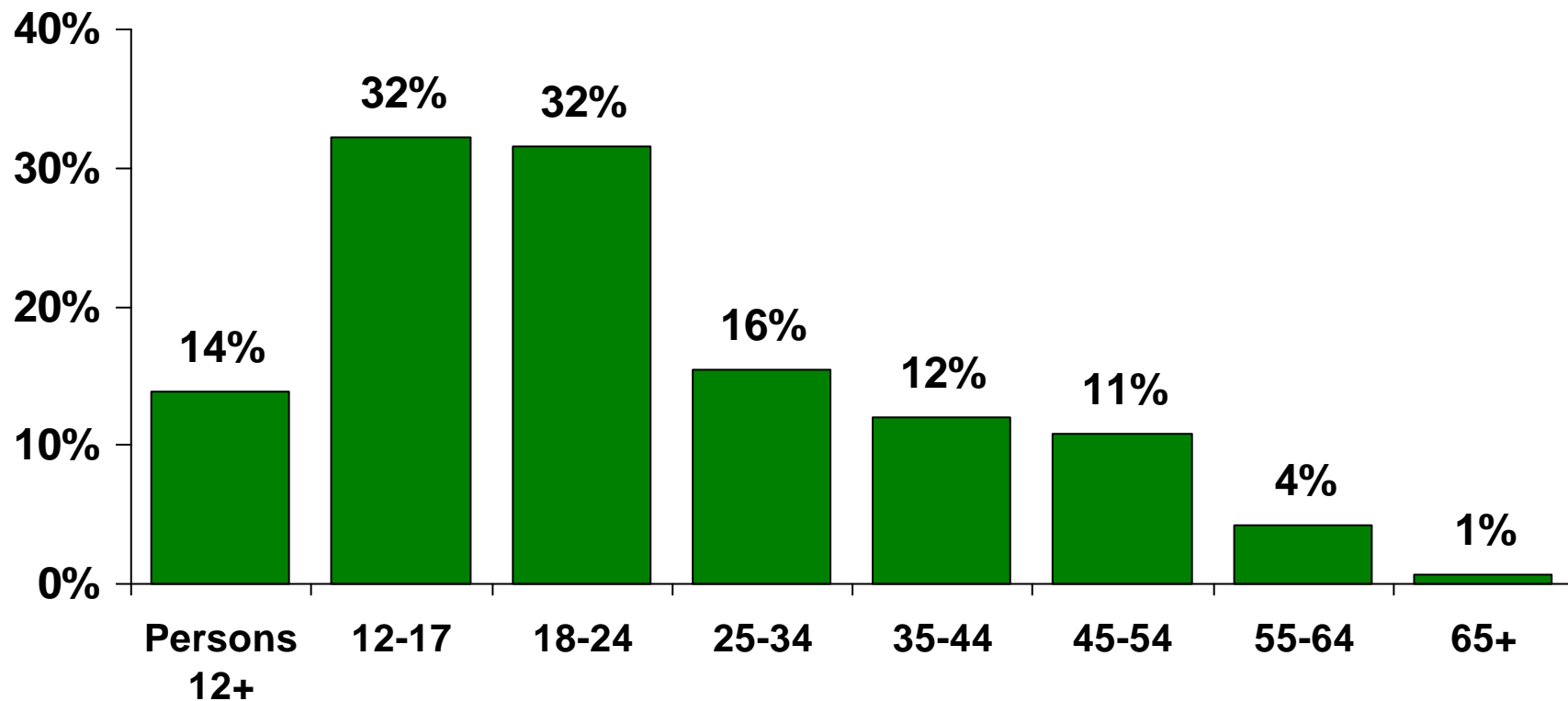
*“How has the time you spend with your iPod or other MP3 player specifically impacted the time you spend listening to over-the-air radio?”*



Base: Total Population 12+

# iPod/MP3 Player Has Greater Impact On Radio Among 12- to 24-Year-Olds

**% by Age Group Who Are Spending Less Time With Over-the-Air Radio Specifically Due to Time Spent with iPod/Other Portable MP3 Player**



# Podcasting



# Understanding Podcasting

---

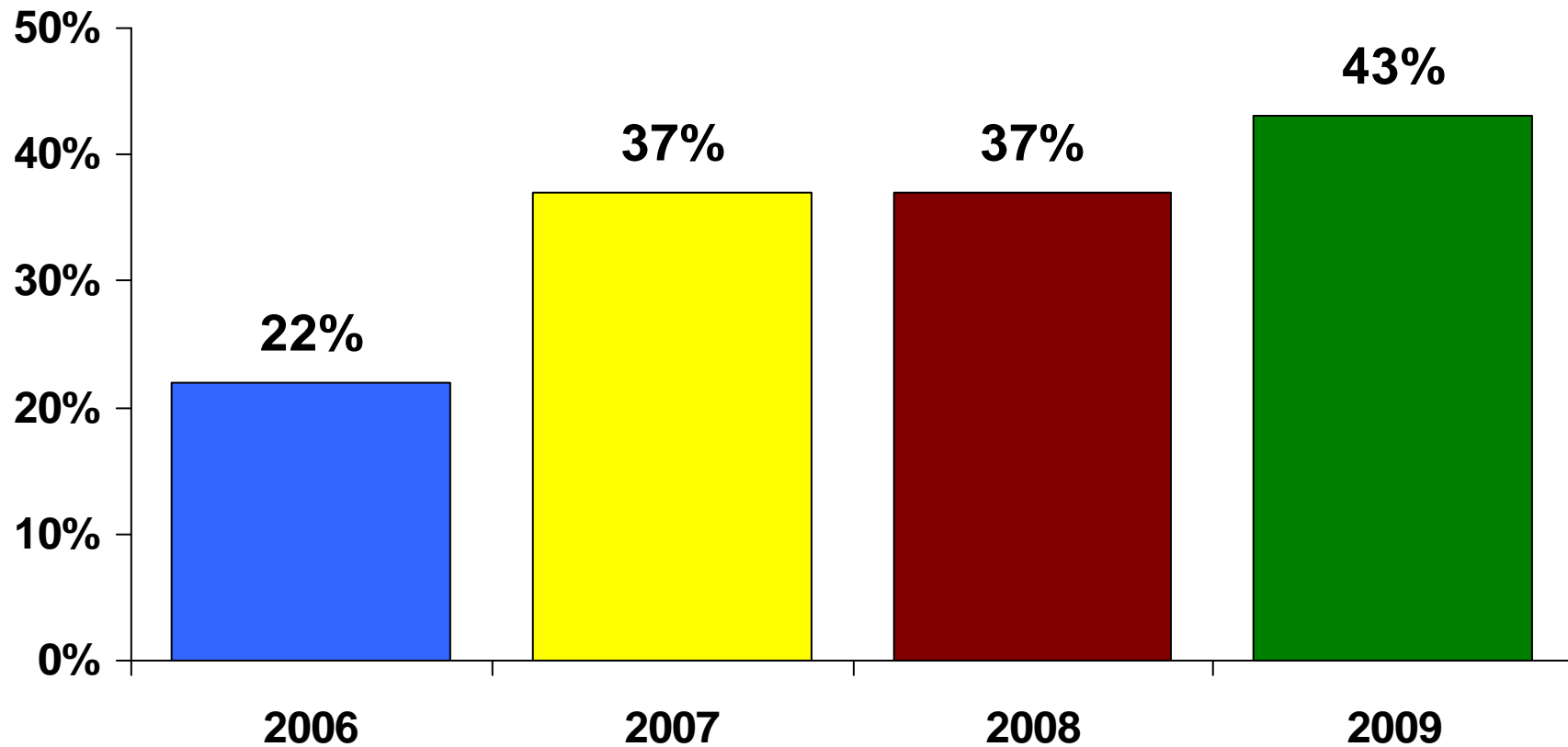
“Audio podcasting is the concept of downloading various types of longer-form online audio programs, in the form of digital files you can listen to at any time you choose.

Audio podcasting does NOT refer to the downloading of individual MP3s or songs.

Audio podcasting does refer to the download of program-oriented online audio (such as a talk show or a hosted music program), usually as an automatic download that can be listened to at the user’s convenience.”

# More Americans Are Aware of Audio Podcasts

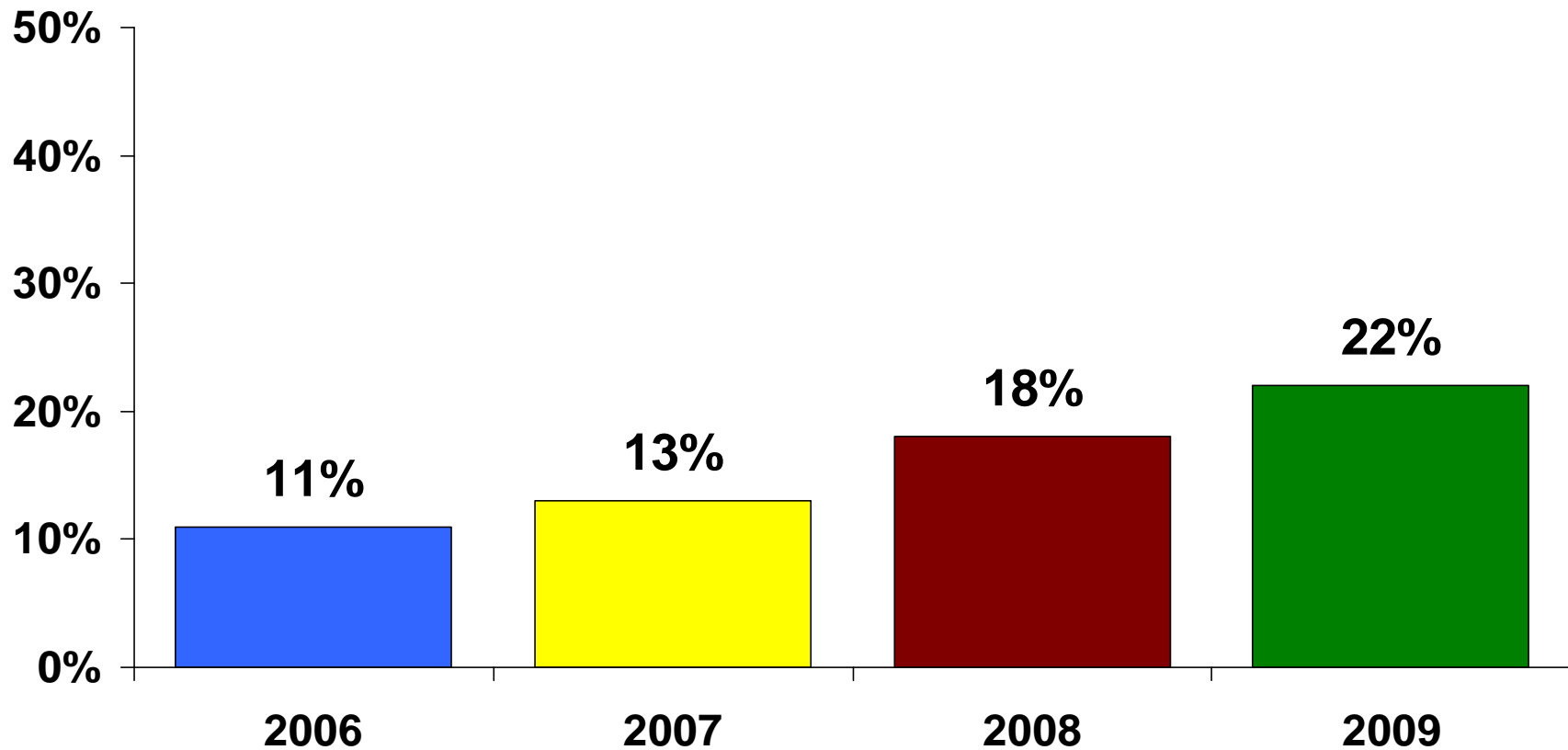
**% Aware of Audio Podcasts**





# One in Five Americans Have Ever Listened to an Audio Podcast

**% Who Have Ever Listened to a Podcast**

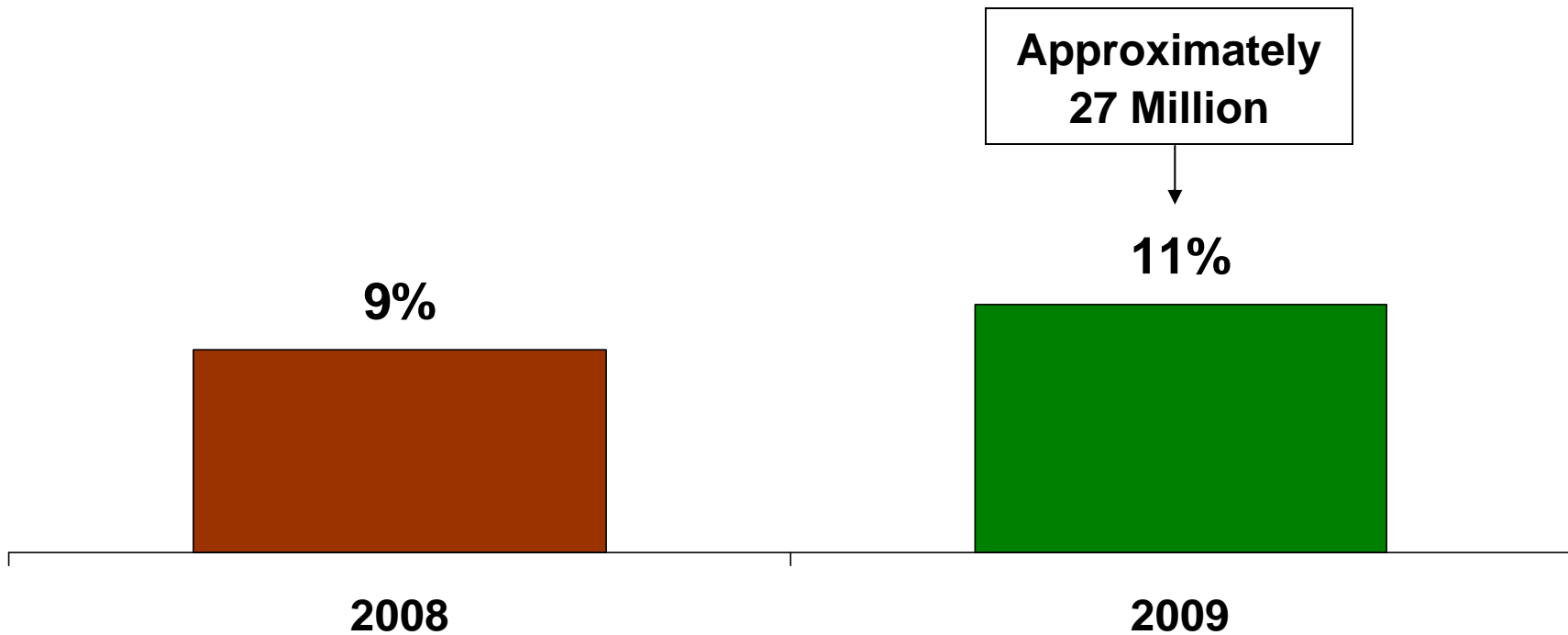


*Base: Total Population 12+*



# An Estimated 27 Million Americans Have Listened to a Podcast in the Last Month

**% Who Have Listened to a Podcast in the Last Month**

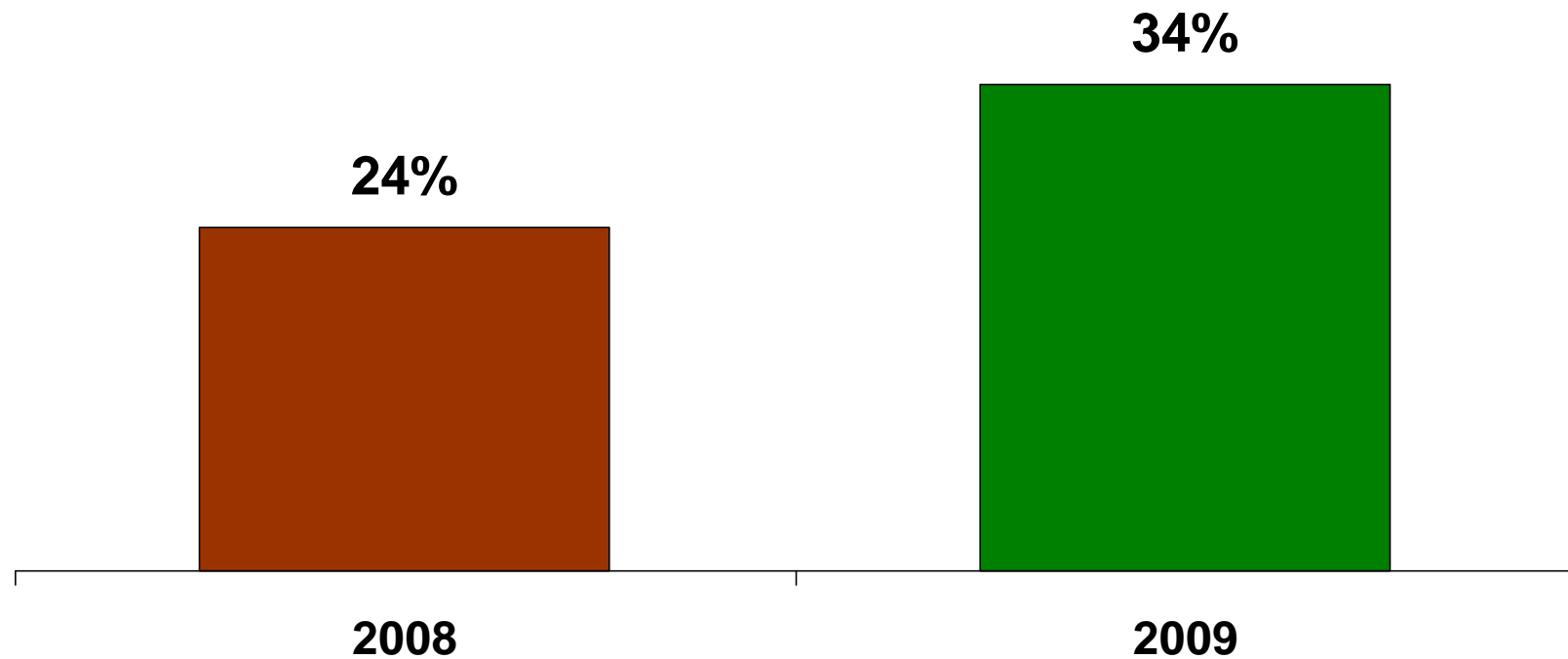


# Social Networking



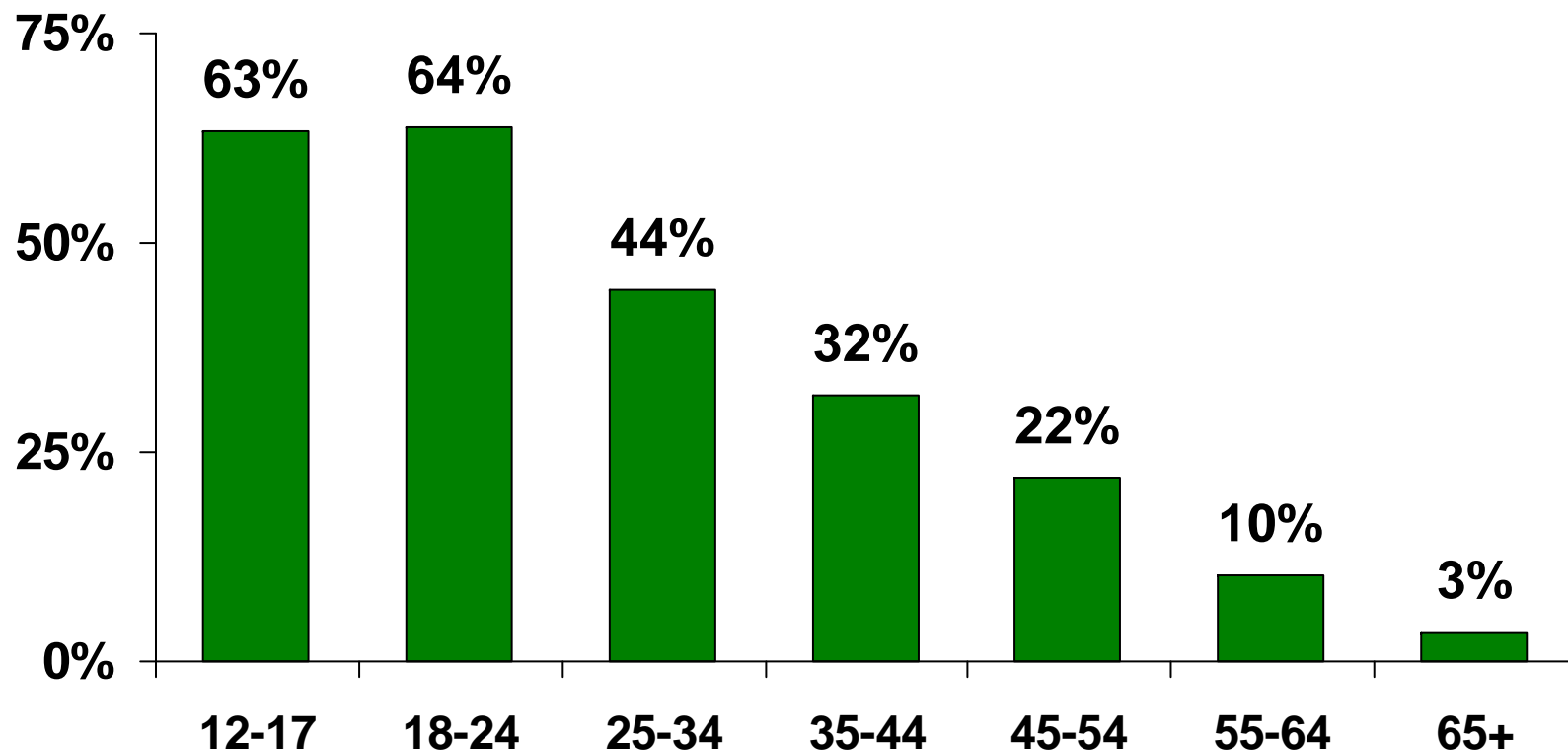
# One in Three Americans Have a Profile on a Social Networking Site

**% Who Currently Have a Personal Profile Page on Facebook, MySpace, LinkedIn or Any Other Social Networking Web Site**



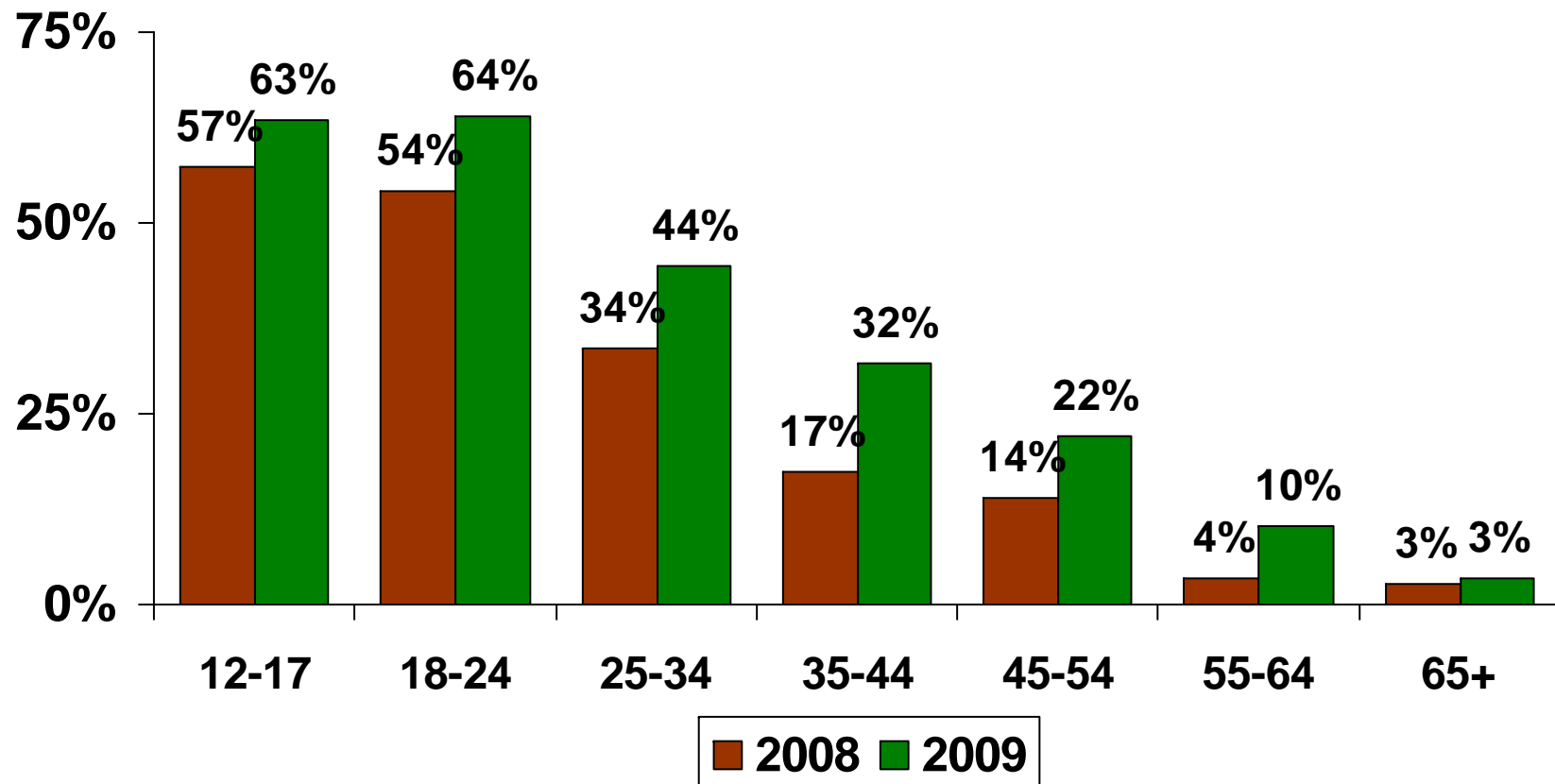
# Nearly Two-Thirds of Teens and 18-24s Have a Social Networking Profile

**% by Age Group Who Currently Have a Personal Profile Page on Facebook, MySpace, LinkedIn or Any Other Social Networking Web Site**



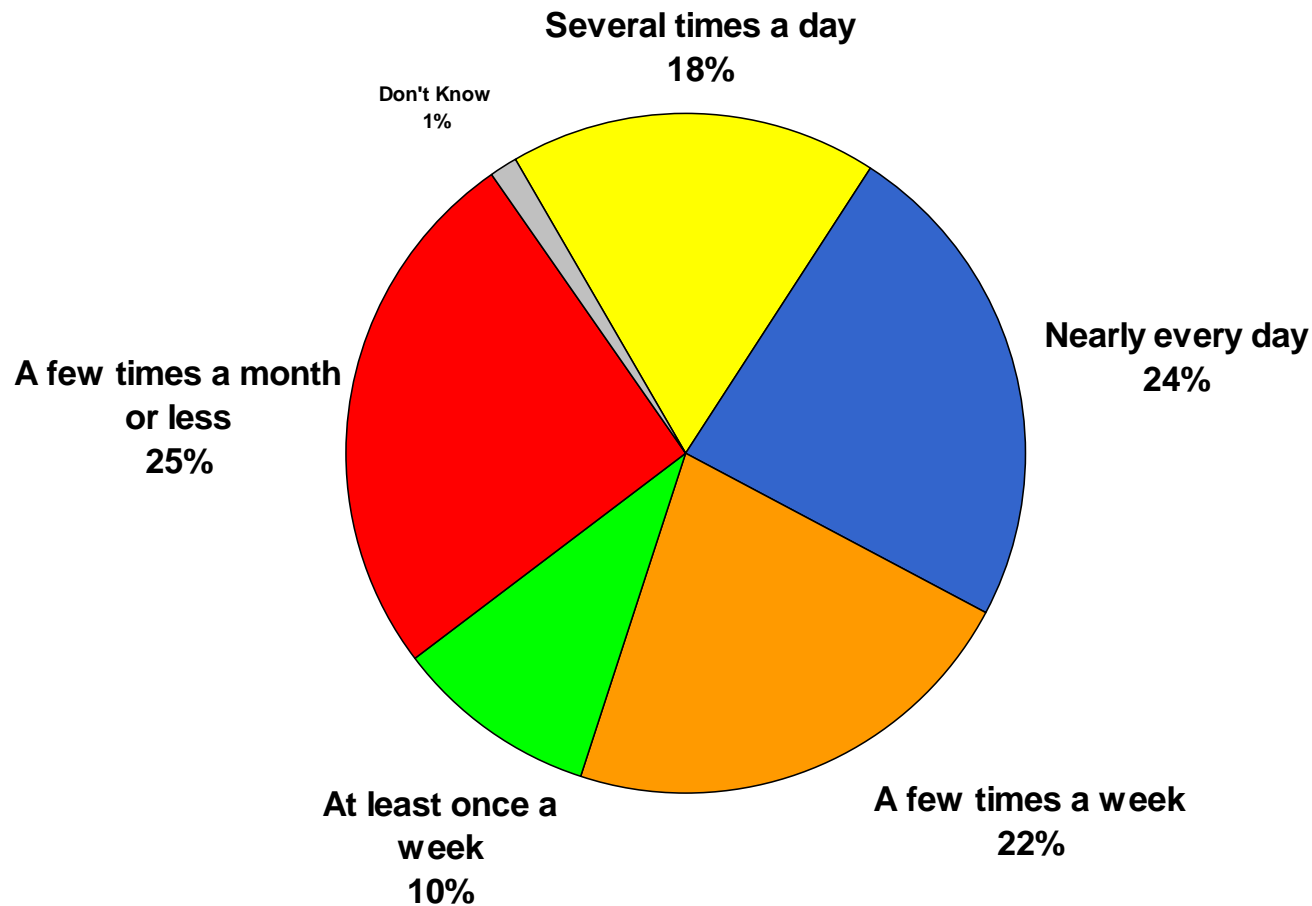
# Nearly Two-Thirds of Teens and 18-24s Have a Social Networking Profile

**% by Age Group Who Currently Have a Personal Profile Page on Facebook, MySpace, LinkedIn or Any Other Social Networking Web Site**



# More Than Four in 10 With a Social Network Profile Visit Those Sites Nearly Every Day or More

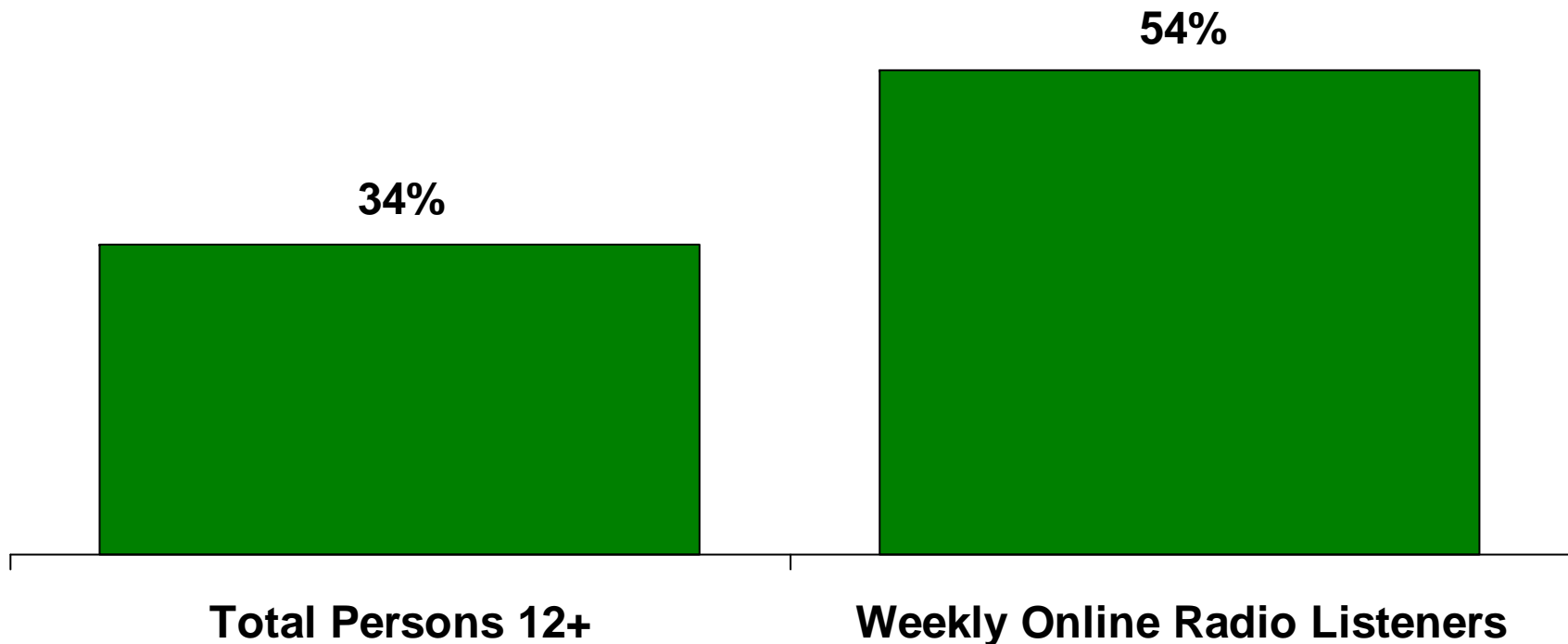
***“How often do you use social networking Web sites?”***



*Base: Have a Personal Profile Page on Social Networking Web Site*

# Weekly Online Radio Listeners Much More Likely to Have a Profile Page on Social Networking Sites

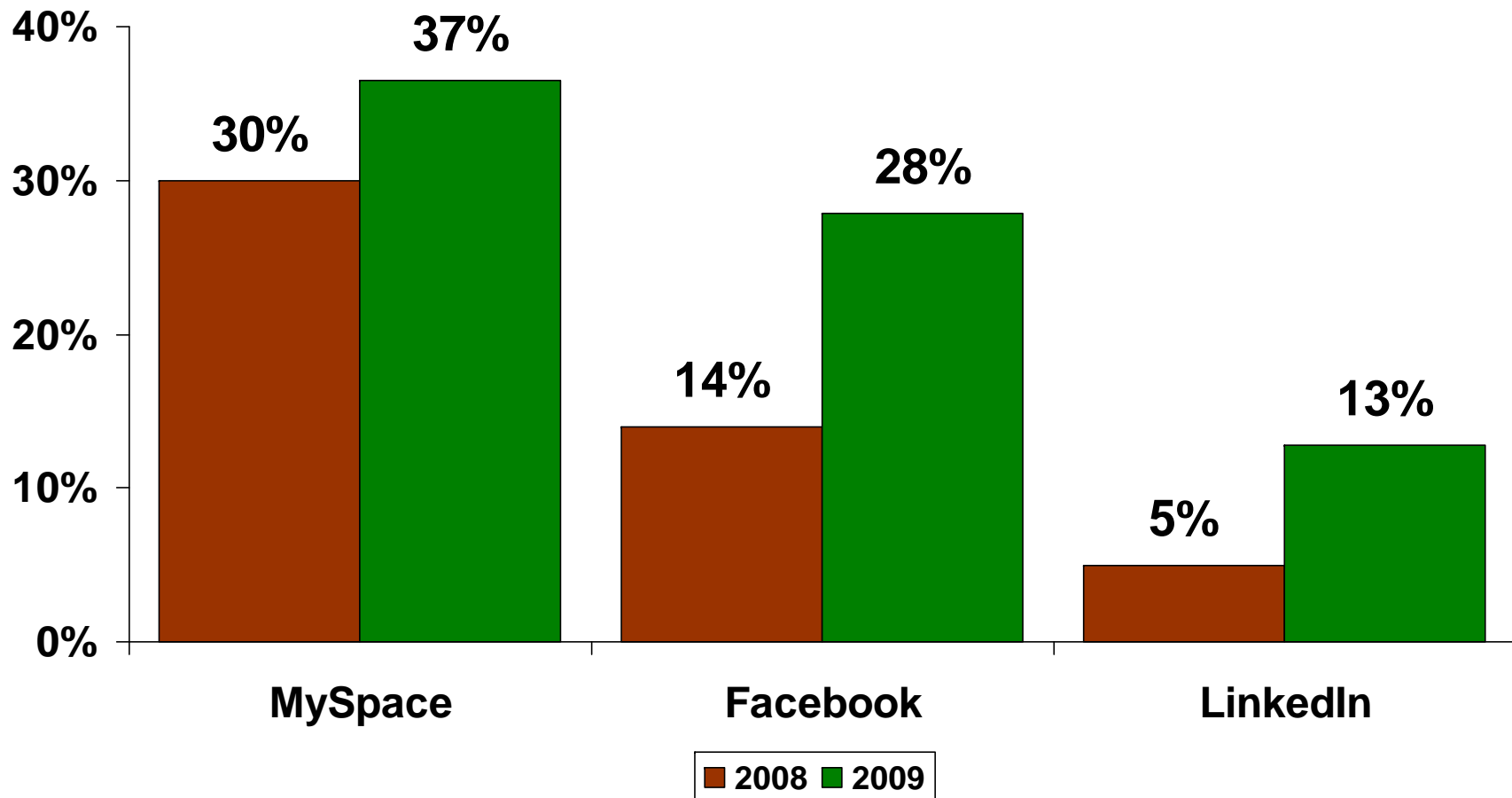
**% Who Currently Have a Personal Profile Page on Facebook, MySpace, LinkedIn or Any Other Social Networking Web Site**





# Major Social Networking Web Sites All Show Huge Gains for Usage Among Weekly Online Radio Users

**% of Online Radio Users Who Currently Have a Personal Profile Page On...**

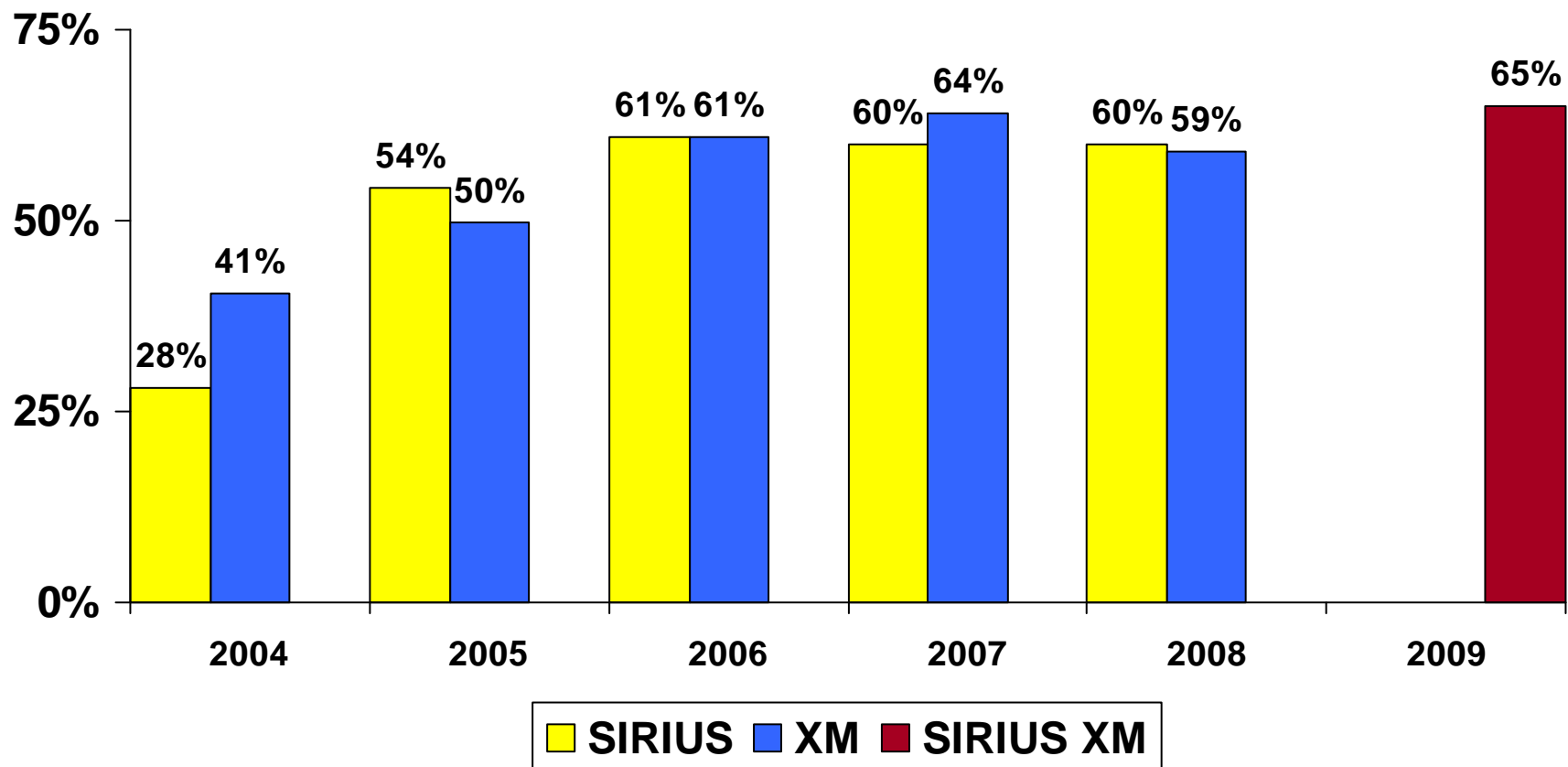


# Satellite Radio



# Nearly Two-Thirds Aware of the Merged SIRIUS XM

*“Have you ever heard of a satellite radio service called...?”*

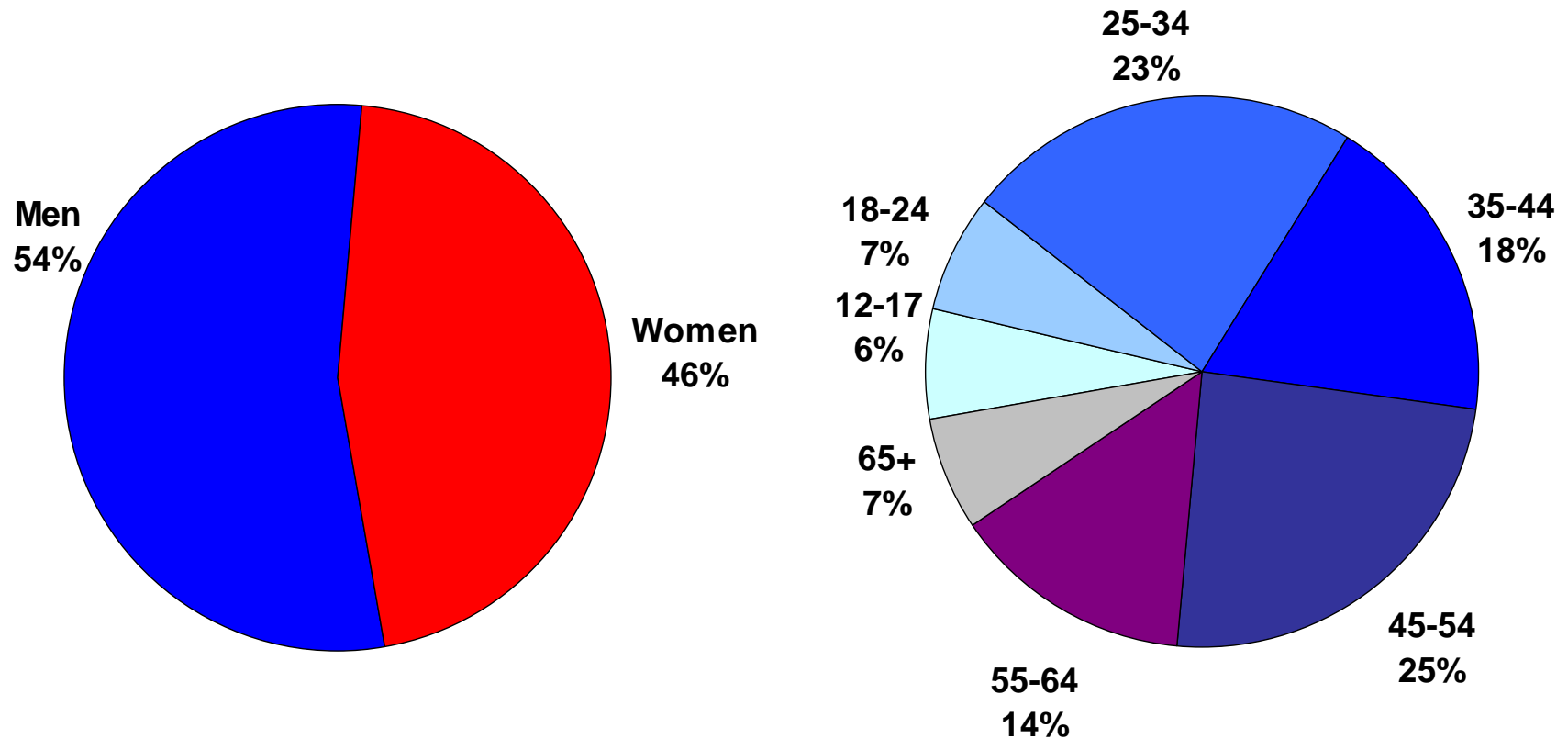


Base: Total Population 12+



# Satellite Radio Attracts a Broad Audience Profile

## Satellite Radio Subscriber Audience Composition



# HD Radio



# Understanding HD Radio

---

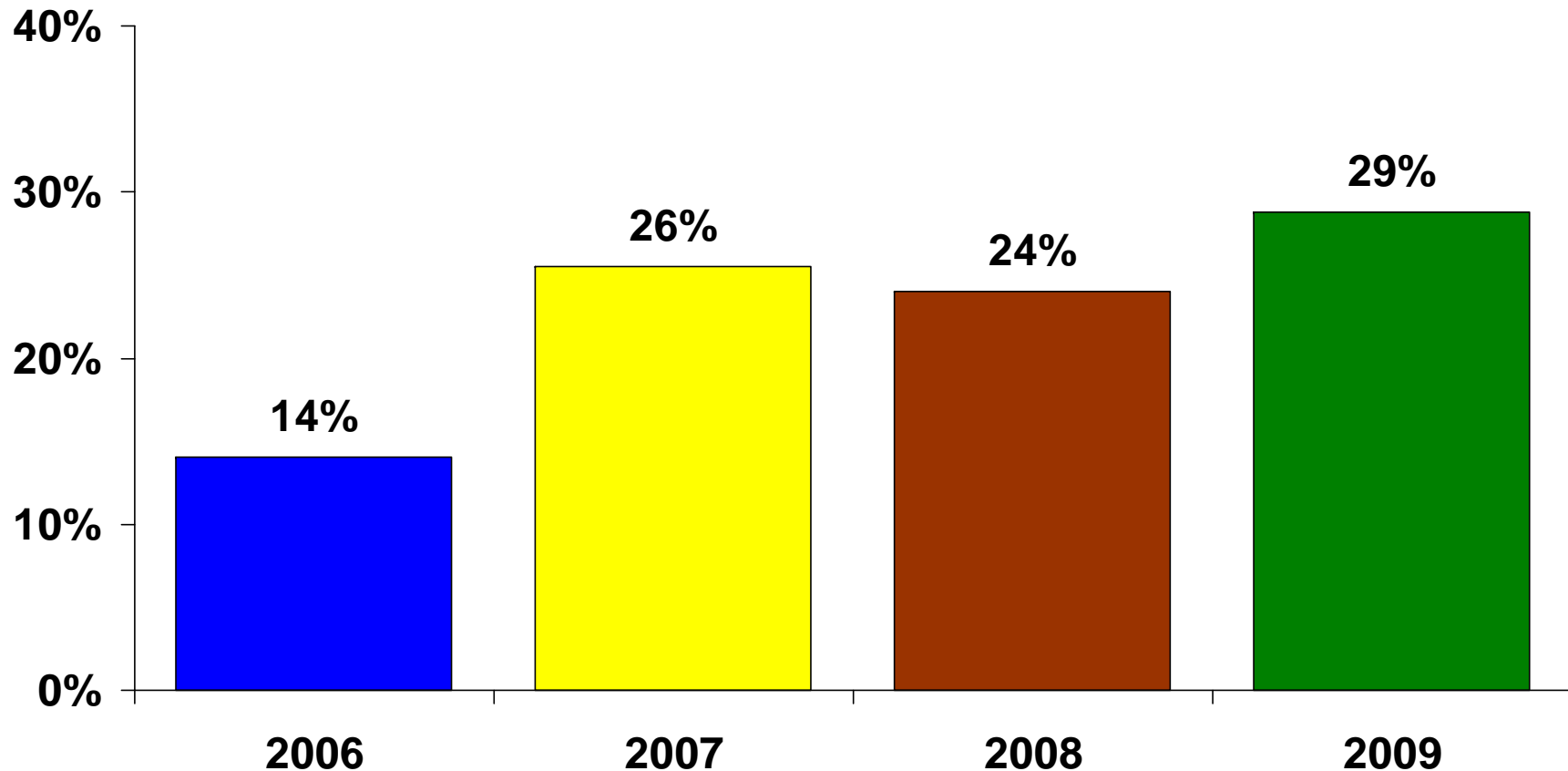
“HD Digital Radio is a new technology that enables AM and FM radio stations to broadcast their signals digitally, providing listeners with vastly improved audio quality.

In addition, HD Radio features new radio formats that may not be currently available on regular AM/FM radio in your area.

HD Radio also allows for a digital display with song information, weather reports and traffic alerts.”

# Awareness of HD Radio Experiences Modest Growth Despite Heavy Promotion

**% Who Have Heard/Read Anything Recently About HD Radio**

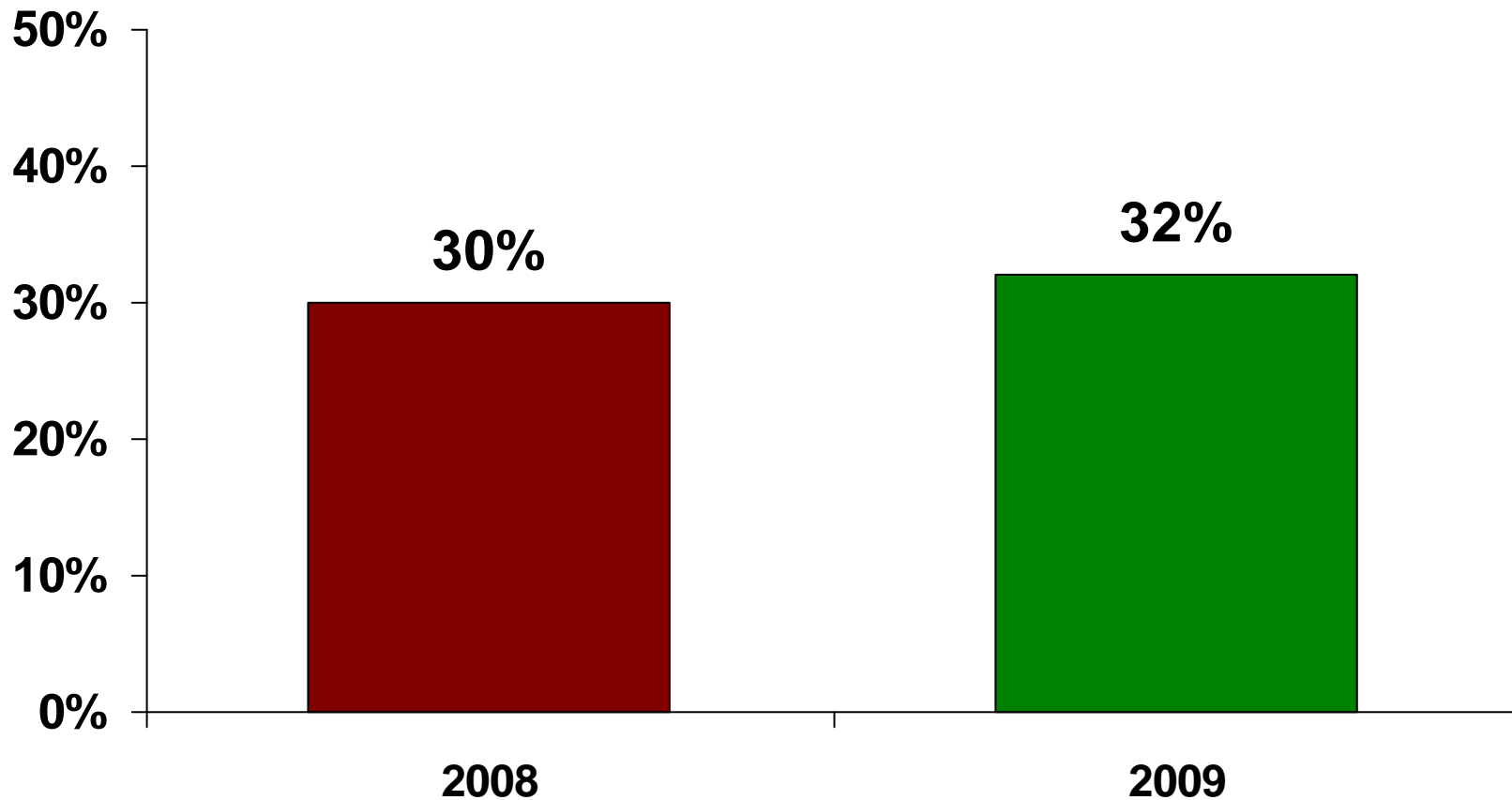


Base: Total Population 12+



# Nearly One-Third of Consumers Are Interested in HD Radio

% “Very” or “Somewhat” Interested in HD Radio Based on Description



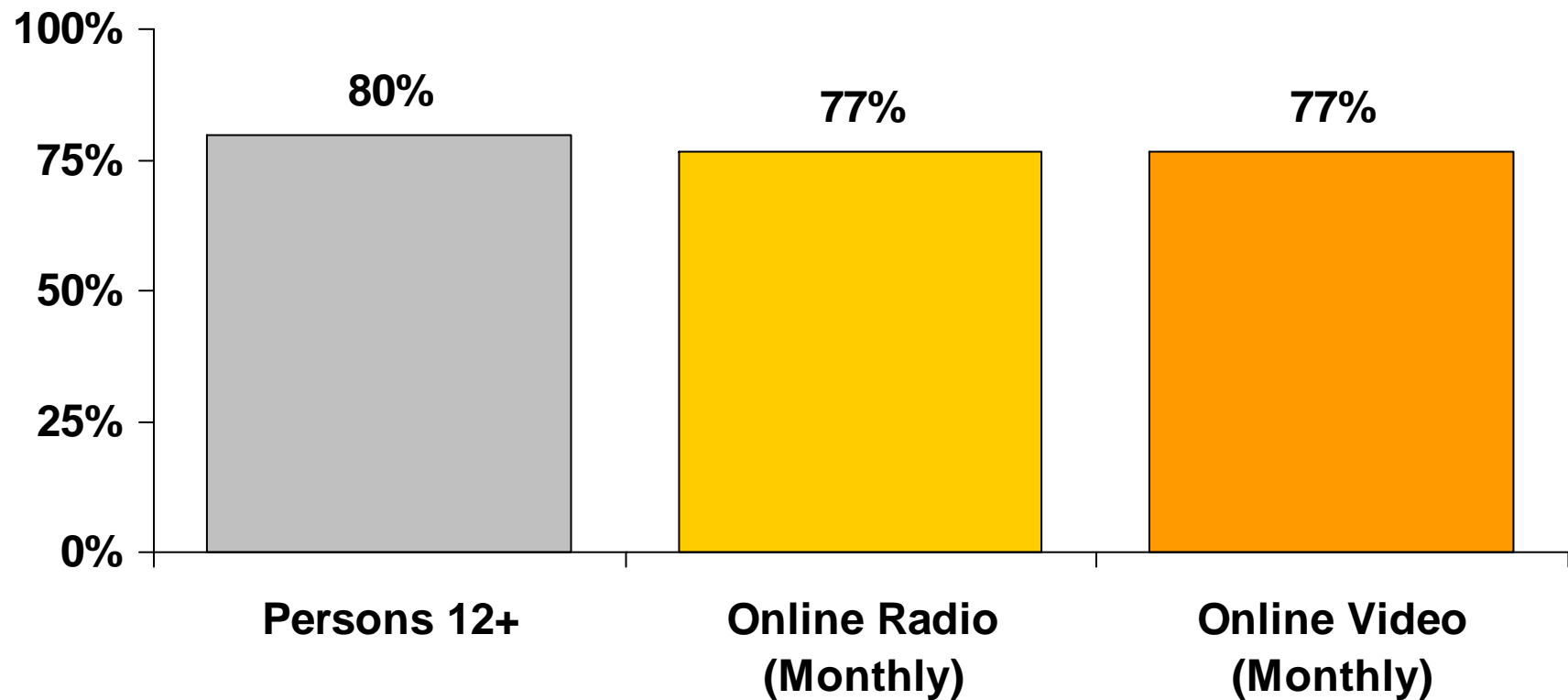


# AM/FM Radio



# Majority of "Digital Radio" Audience Expect to Listen Same Amount to AM/FM Radio in Future

**% Agreeing: "In the future, you will continue to listen to AM/FM radio as much as you do now, despite increasing advancements in technology?"**



# Online Radio Users Do Not Report Spending Less Time With Radio

Index of Time Spent Listening to Radio per Day

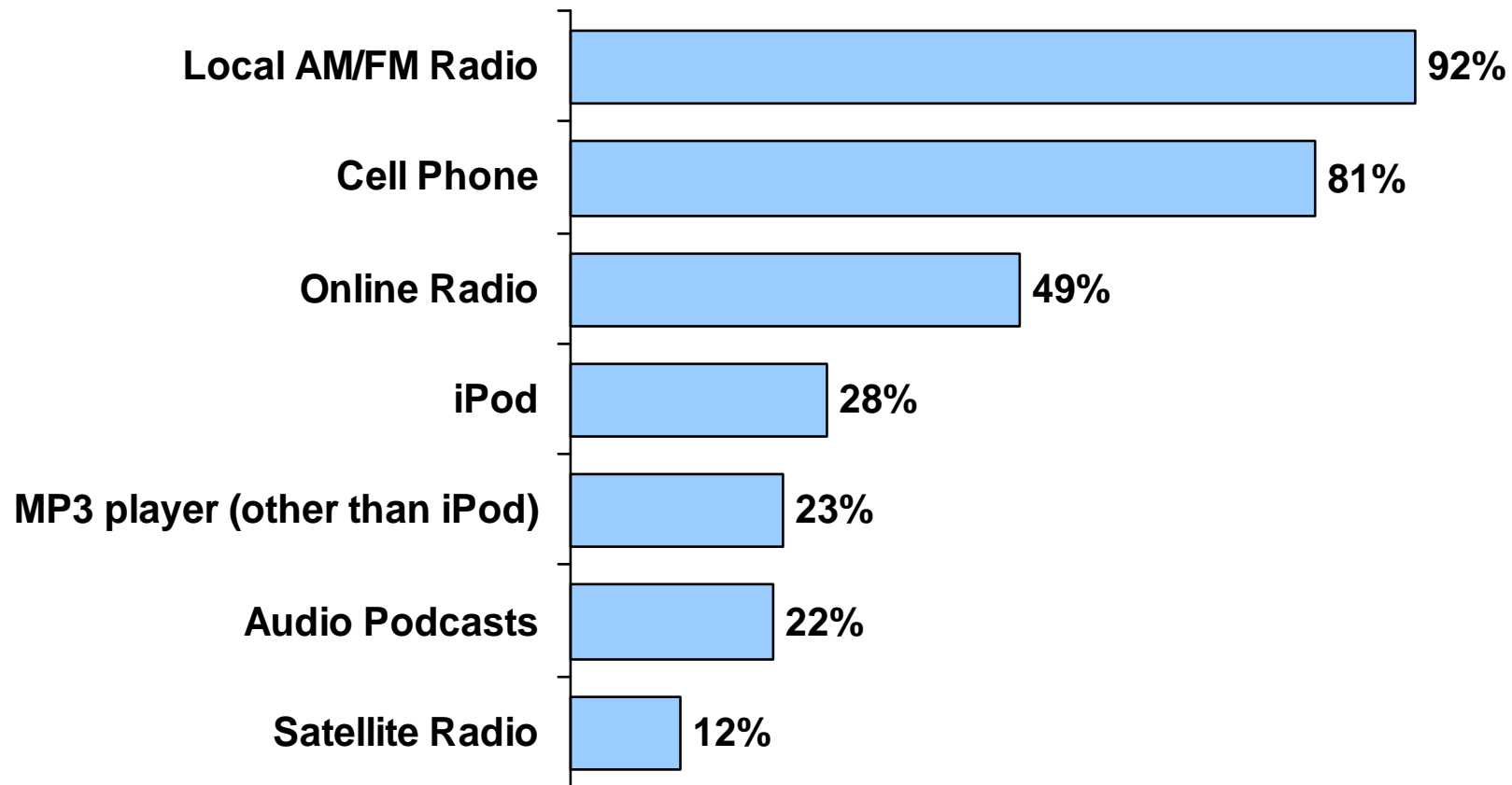


# Audio Device/Platform



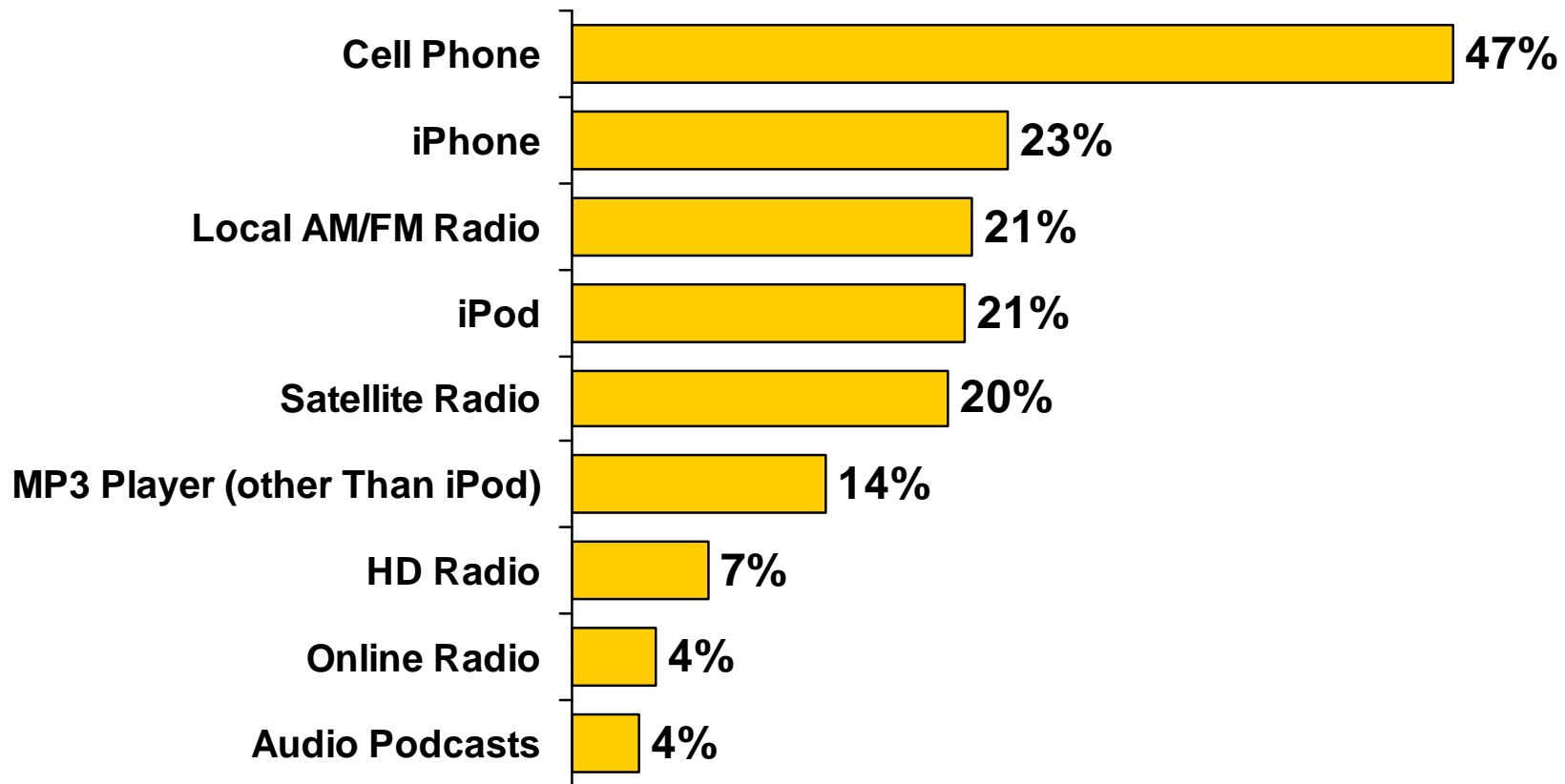
# Cell Phones and AM/FM Radio Have Most Far-Reaching Usage

**% of Americans Aged 12 and Older Who Use/Own Platform/Device**



# Users of AM/FM Radio and iPod/iPhone Users Have Similar Enthusiasm for Respective Media/Devices

% of Owners/Users Who Say Platform/Device Has a “Big Impact” on Their Lives

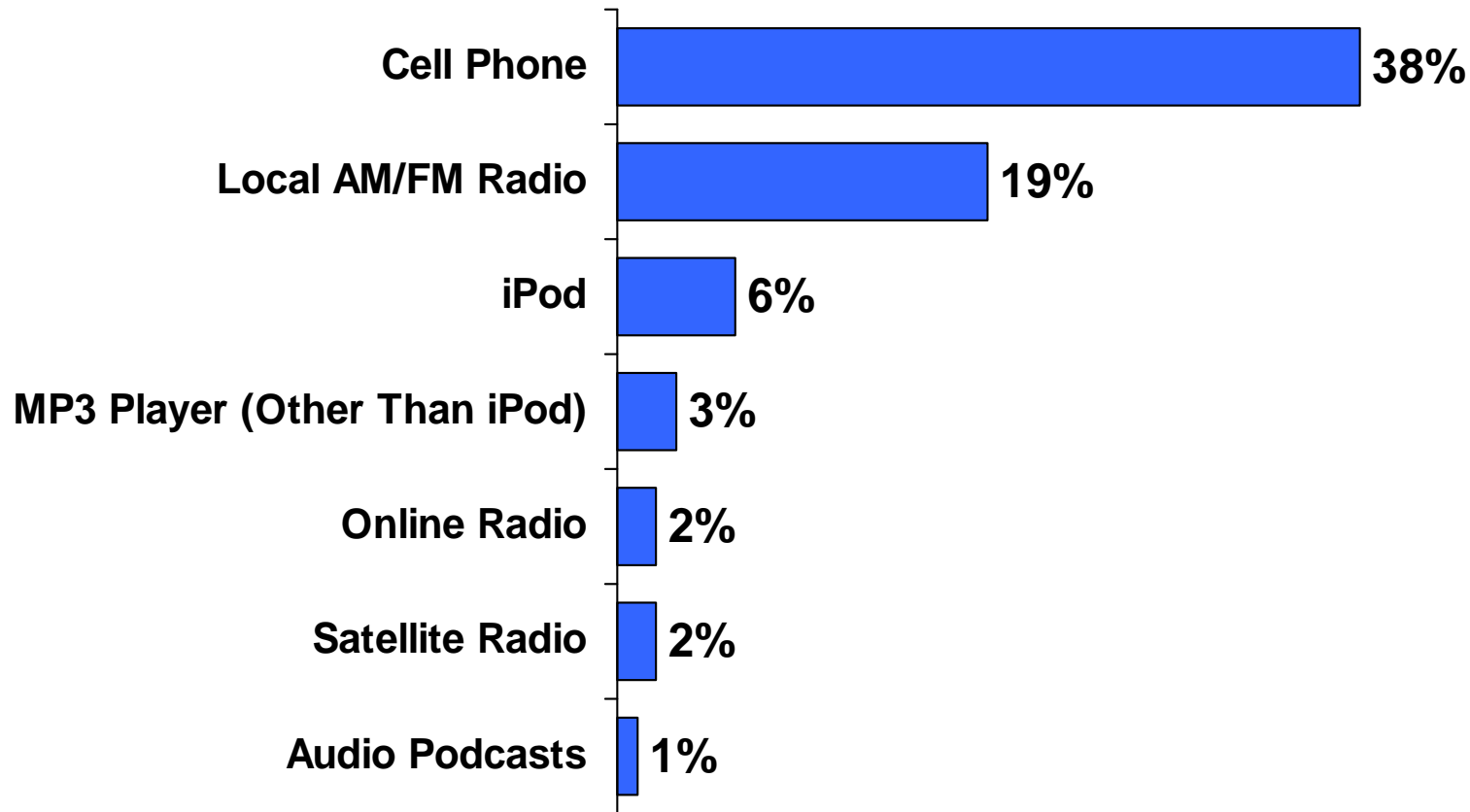


***“How much of an impact on your life has (platform/device) had?”***  
 (“5” = “Big Impact”; “1” = “No Impact at All”)



# Cell Phones and AM/FM Radio Have Greatest Total Impact

**Total Impact = % Big Impact on Life x % Who Use/Own**



***“How much of an impact on your life has (platform/device) had?”***  
*(“5” = “Big Impact”; “1” = “No Impact at All”)*



# Implications





# AM/FM Radio Has Broad Impact in the New Digital World

---

- **92% of Americans aged 12+ use AM/FM Radio each week**
- **One in five say AM/FM Radio has a big impact on their lives**
- **Radio's "Total Impact" is second only to cell phones among audio devices/media**
- **Eight in 10 Americans say they will continue to listen to AM/FM radio as much as they do now despite increasing advancements in technology**
- **Online radio users spend more time with radio overall, not less**

# Recent Growth in Online Radio Usage Is Promising

---

- **An estimated 42 million tune to online radio on a weekly basis, which is more than twice the number from 2005**
- **The key radio demographic of 35- to 54-year-olds are becoming more frequent online radio listeners**

## Radio's Digital Platforms Provide Advertisers With New Touch Points to Reach Desirable Targets

---

- **Radio's digital platform users are a highly attractive segment**
- **Online radio users are well-educated, upper income, full-time employed and digitally savvy consumers**
- **Broadcasters are providing an increasingly wide variety of digital options for advertisers and new methods to connect ROI with media spend**

# Americans Are Exercising More Control Over Their Use of Media

---

- **Americans are increasingly enhancing their use of traditional media with new ways to control how, when and where they consume information and entertainment**
  - **Use of online radio, online video, podcasting, and iPod/MP3 players are on the rise**
  - **Consumers say flexibility, control and variety drive their use of online and portable media options**

# Consumers Expect to Find Their Content Online

---

- **Broadband access is now the norm, and weekly online audio and online video usage have reached critical mass**
- **Media not meeting consumer expectations will suffer as their brand-loyal users will find other options far more easily**
- **Pulling digital audio streams will accelerate adoption of alternative choices**

# Consumers Want Expanded Media Options While in Their Cars

---

- **One-third of Americans say they are interested in online radio in their cars**
- **Satellite radio continues adding subscribers**
- **iPod/MP3 player ownership and podcast usage continues to grow while more car radios have auxiliary jacks**

# Audio Content Providers Should Not Ignore the Explosion of Online Video

---

- **Radio station Web sites must embrace online video, and not just online audio**
- **Use of online video exceeds online radio**
- **Two-thirds of monthly online radio users also watched online video in the past month**

# Media Should Accelerate Efforts to Get Their Content On Mobile Phones

---

- **Broad usage and impact of mobile phones suggests that they are the next frontier for media opportunities**
- **Content providers who have not done so already should consider finding ways to extend their content to mobile phones**



# Little Evidence to Date of Significant Interest or Uptake for HD Radio

---

- **Awareness of HD Radio marketing or “buzz” has not changed substantially in the past three years and interest remains flat**
- **HD Radio’s value proposition still may not be clear to consumers**

# Social Networking Is Now Mainstream

---

- **One in three Americans aged 12+ and two-thirds of teens and 18-24s now have a profile on a social networking site**
- **Social networking is a vital communication channel for consumers; content providers should find ways to tap the power of this new digital platform**

Free Copies of All Arbitron/  
Edison Research Studies

---

[www.edisonresearch.com](http://www.edisonresearch.com)

[www.arbitron.com](http://www.arbitron.com)



# The Infinite Dial 2009



## Radio's Digital Platforms AM/FM, Online, Satellite, HD Radio and Podcasting

