Methodology Overview

» In January/February 2012, Arbitron and Edison Research conducted a national telephone survey offered in both English and Spanish language (landline and cell phone) of 2,020 people aged 12 and older

» Data were weighted to national 12+ population figures

» This is the 20th study in our series dating to 1998

» These studies provide estimates of emerging digital platforms and their impact on the media landscape
The 30% year-over-year jump in the weekly online radio audience shows that radio is more relevant than ever, spanning broadcast, video, mobile, social media, and online.

Smartphone ownership has tripled in two years.

The majority of Americans own a portable digital media device.

Social media grows most year over year among age 45+.
Digital and Media Landscape
Media Landscape Before the Digital World

Audio

Radio

Video

TV
Media Landscape 2002

- Own a Cell Phone: 54%
- Have Home Broadband: 13%
- Access Internet: 72%
- Radio: ~94% (who listen per week)
- TV: ~97% (living in TV HHs)

Source: Infinite Dial 2002, TVB- “TV Basics,” Arbitron Inc., and RADAR Base P12+ (except TV base = # TV HHs)
Media Landscape 2012

Access Internet any location 85%

Radio ~93% % who listen per week

TV ~97% % living in TV HHs

Source: Infinite Dial 2012, TVB- “TV Basics,” Arbitron Inc., and RADAR
Base P12+ (except TV base = # TV HHs)
Media Landscape 2012

Have Home Broadband 70%

Radio ~93%
% who listen per week

TV ~97%
% living in TV HHs

Source: Infinite Dial 2012, TVB- “TV Basics,” Arbitron Inc., and RADAR
Base P12+ (except TV base = # TV HHs)
Media Landscape 2012

Internet 85%

Own Smart Phone 44%

Radio ~93%
% who listen per week

TV ~97%
% living in TV HHs

Source: Infinite Dial 2012, TVB- “TV Basics,” Arbitron Inc., and RADAR
Base P12+ (except TV base = # TV HHs)
Media Landscape 2012

Internet
224 Mil. users

Radio
~241 Mil.
Listeners per week

Smart Phone
116 mil.
owners

TV
~257 Mil.
People in TV HHs

Source: Infinite Dial 2012, TVB- "TV Basics," Arbitron Inc., and RADAR
Base P12+
Combined Time Spent per Day With Radio, TV, and Internet Gained More Than an Hour Since 2002

Self-Reported Average Time Spent per Day With Today’s Three Biggest Media: Radio, TV, Internet (Hours:Minutes)

Base: Total Population 12+
Seven in Ten Persons Have Broadband Internet Access at Home

Home Internet Access by Connection Type

- Have Broadband Internet at Home: 70%
- Have Dial-Up Internet at Home: 6%
- Do Not Have Internet Access at Home: 21%
- Don't Know: 3%

Base: Total Population 12+
Nearly Half of Consumers Now Say the Internet Is Most Essential to Their Lives

% Saying the Internet Is the Most Essential Medium to Their Lives Among TV, Radio, Newspapers, and Internet

2002: 20%
2007: 33%
2012: 46%

Base: Total Population 12+
12-34s Far More Likely to Say the Internet Is Most Essential to Their Lives

% by Age Group Saying the Internet Is the Most Essential Medium to Their Lives Among TV, Radio, Newspapers, and Internet

- Persons 12-34: 68%
- Persons 35+: 33%
Households Now Averaging Nearly Two Working Computers

Average Number of Working Computers in Household

- **2002**: 1.2
- **2007**: 1.4
- **2012**: 1.8

Base: Total Population 12+
Three-Quarters With Home Internet Access Have a Wi-Fi Network

% of Homes With Internet Access and a Wi-Fi Network Setup

Have Wi-Fi 76%

Do Not Have Wi-Fi 22%

Don’t Know 2%

Base: Access the Internet From Home
Online Radio
Monthly Online Radio Audience Reaches Four in Ten Americans

% Who Have Listened to Online Radio in Last Month

<table>
<thead>
<tr>
<th>Year</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>12%</td>
</tr>
<tr>
<td>2003</td>
<td>17%</td>
</tr>
<tr>
<td>2004</td>
<td>16%</td>
</tr>
<tr>
<td>2005</td>
<td>15%</td>
</tr>
<tr>
<td>2006</td>
<td>21%</td>
</tr>
<tr>
<td>2007</td>
<td>20%</td>
</tr>
<tr>
<td>2008</td>
<td>21%</td>
</tr>
<tr>
<td>2009</td>
<td>27%</td>
</tr>
<tr>
<td>2010</td>
<td>27%</td>
</tr>
<tr>
<td>2011</td>
<td>34%</td>
</tr>
<tr>
<td>2012</td>
<td>39%</td>
</tr>
</tbody>
</table>

Estimated 103 Million

Base: Total Population 12+
Weekly Online Radio Audience Jumps Dramatically Year Over Year

% Who Have Listened to Online Radio in Last Week

Base: Total Population 12+

Estimated 76 Million
Weekly Online Radio Listeners Report
Listening for Nearly Ten Hours Per Week

Self-Reported Average Time Spent per Week With All Sources of Online Radio (Hours:Minutes)

<table>
<thead>
<tr>
<th>Year</th>
<th>Average Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>6:13</td>
</tr>
<tr>
<td>2009</td>
<td>6:31</td>
</tr>
<tr>
<td>2010</td>
<td>8:02</td>
</tr>
<tr>
<td>2011</td>
<td>9:17</td>
</tr>
<tr>
<td>2012</td>
<td>9:46</td>
</tr>
</tbody>
</table>

Base: Weekly Online Radio Listeners
Vast Majority of Online Radio Listeners Also Listen to Over-the-Air Radio

% of Weekly Online Radio Listeners Who…

- Listened to Over-the-Air AM/FM Radio in the Last Week: 87%
- Listened Exclusively to Online Radio (Did NOT Listen to AM/FM): 13%

Base: Weekly Online Radio Listeners
Pandora Shows Year-Over-Year Growth

% Listened to Pandora…

Base: Total Population 12+
Continued Rise in Those Who Use Their Cell Phone to Listen to Online Radio in Their Cars

% of Cell Phone Owners Who Have Ever Listened to Online Radio in a Car by Listening to the Stream From a Cell Phone Connected to a Car Stereo

- 2010: 6%
- 2011: 11%
- 2012: 17%

Base: Own a Cell Phone
One in Three At-Work Radio Listeners Listen On a Computer or Mobile Device

“Think about how you listen to the radio while at work. Do you most often listen to...?”

- Radio Stations on Your Computer Over Internet: 18%
- Radio Stations on a Regular Radio: 68%
- On a Mobile Device Such as a Smartphone: 13%
- Don’t Know: 1%

Base: Persons 18+ Employed Full-Time or Part-Time and Listen to the Radio While Working (27% of Total 18+ Population)
More Than Four in Ten Have Viewed Online Video in the Last Week

% Who Have Watched Online Video in Last Month / Last Week

- **Last Month**: 50%
- **Last Week**: 43%

Approximately 112 Million

*Base: Total Population 12+*
YouTube Growth Continues

% Who Have Watched Internet Video Programming From YouTube…

Base: Total Population 12+
Time Spent per User With Online Radio More than Double Time Spent With Online Video

Self-Reported Average Time Spent per Week per User (Hours:Minutes)
Nontraditional Television Viewing
Almost Half Have a DVR; Nearly Doubling in Five Years

% Who Have a Digital Video Recorder

25% 2007

45% 2012

Base: Total Population 12+
More Than 80% of Active DVR Owners Skip Commercials Almost Every Time

“How often do you fast-forward or skip through the commercials when you watch time-shifted programming recorded from your DVR?”

- Almost every time commercials come on: 81%
- Most of the times: 9%
- Some of the times: 6%
- Usually watch the commercials: 4%

Base: Have a digital video recorder and watch time-shifted TV at least half the times TV is watched
More Than a Quarter Have Streamed/Downloaded TV Shows in the Last Month

% Who Have Watched TV in the Last Month by Streaming or Downloading Shows to be Viewed on a Television, Cell Phone, Desktop, Laptop, or Tablet

- Persons 12+: 27%
- Persons 12-34: 41%
- Persons 35+: 19%
Smartphones and Other Mobile Devices
Nearly Nine in Ten Americans Own a Cell Phone

% Who Own a Cell Phone

Base: Total Population 12+
More Than Four in Ten Now Own a Smartphone

% Who Own a Smartphone

- **2009**: 10%
- **2010**: 14%
- **2011**: 31%
- **2012**: 44%

Smartphone Owners represent half of those who own cell phones

*2009-2011: “Is your cell phone a smartphone?”
**2012: Own an Apple iPhone, Android smartphone, BlackBerry, or Windows smartphone

Base: Total Population 12+
Nearly Two-Thirds of 18-34s Own a Smartphone

% by Age Group Who Own a Smartphone

- 12-17: 54%
- 18-24: 66%
- 25-34: 64%
- 35-44: 54%
- 45-54: 41%
- 55-64: 27%
- 65+: 11%
Six in Ten Own a Portable Digital Media Device

% Who Own a Portable Digital Media Device
(Apple iPod/iPhone/iPad, MP3 Player, Tablet, Android/Windows/BlackBerry Smartphone)

Own a Portable Digital Media Device
61%

Do Not Own a Portable Digital Media Device
39%

40% of all Americans own an iPod, iPhone, and/or iPad

Base: Total Population 12+
Smartphone Owners Use Mobile Phone Functions Much More Frequently

% Who (Item) on a (Non-Smartphone Cell Phone/Smartphone) “Several Times per Day” or More

<table>
<thead>
<tr>
<th>Function</th>
<th>Smartphone Users</th>
<th>Non-Smartphone Cell Phone Users</th>
</tr>
</thead>
<tbody>
<tr>
<td>Make Calls or Receive Calls</td>
<td>86%</td>
<td>59%</td>
</tr>
<tr>
<td>Send or Receive Text Messages</td>
<td>78%</td>
<td>34%</td>
</tr>
<tr>
<td>Browse the Internet</td>
<td>46%</td>
<td>5%</td>
</tr>
<tr>
<td>Use Social Networking Sites</td>
<td>34%</td>
<td>4%</td>
</tr>
<tr>
<td>Take Pictures With Phone’s Camera</td>
<td>23%</td>
<td>6%</td>
</tr>
<tr>
<td>Listen to Downloaded Music</td>
<td>25%</td>
<td>3%</td>
</tr>
<tr>
<td>Play Games</td>
<td>21%</td>
<td>2%</td>
</tr>
<tr>
<td>Listen to Online Radio</td>
<td>12%</td>
<td>1%</td>
</tr>
<tr>
<td>Watch Video</td>
<td>11%</td>
<td>1%</td>
</tr>
<tr>
<td>Purchase an App</td>
<td>4%</td>
<td>1%</td>
</tr>
<tr>
<td>Download Coupons From Retailers</td>
<td>2%</td>
<td>0%</td>
</tr>
</tbody>
</table>

Base: Own a Cell Phone/Smartphone

© 2012 Arbitron Inc. and Edison Research
Texting Is the Form of Communication 12-24s Use Most When Not In Person

“When not in person, which ONE of the following ways do you communicate with your friends and family MOST often?”

<table>
<thead>
<tr>
<th>Communication Method</th>
<th>Persons 12+</th>
<th>Persons 12-24</th>
</tr>
</thead>
<tbody>
<tr>
<td>Talk on Phone</td>
<td>64%</td>
<td>39%</td>
</tr>
<tr>
<td>Text Message</td>
<td>21%</td>
<td>44%</td>
</tr>
<tr>
<td>Email</td>
<td>6%</td>
<td>0%</td>
</tr>
<tr>
<td>Facebook</td>
<td>6%</td>
<td>14%</td>
</tr>
</tbody>
</table>
More Than Half of Cell Phone Owners Always Have Their Phone Within Arm’s Length

“How often is your cell phone with you or nearby; that is, when it is within arm’s length?”

- Always: 52%
- Most of the Time: 32%
- Sometimes: 11%
- Rarely: 4%
- Almost Never: 2%

Base: Own a Cell Phone
More Smartphone Owners Always Have Their Phone Nearby

“How often is your cell phone with you or nearby; that is, when it is within arm’s length?”

Smartphone Owners

- Always: 60%
- Most of the Time: 31%
- Sometimes: 7%
- Rarely: 1%
- Almost Never: 1%

Non-Smartphone Cell Phone Owners

- Always: 44%
- Most of the Time: 33%
- Sometimes: 15%
- Rarely: 5%
- Almost Never: 3%
Ownership of Tablets and Dedicated Ebook Readers

% Who Own a…

- Tablet: 17%
- Dedicated Ebook Reader: 14%

Ownership of Apple iPad tripled from 4% in 2011 to 12% in 2012

Base: Total Population 12+
Digital Device Users Slightly More Likely to Listen to AM/FM Radio in the Last Week

Index of Weekly Listening to AM/FM Radio

- Smartphone Owners: 103
- Portable MP3 Player Owners: 104
- Tablet Owners: 105
Over Half of 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 Website

<table>
<thead>
<tr>
<th>Year</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>24%</td>
</tr>
<tr>
<td>2009</td>
<td>34%</td>
</tr>
<tr>
<td>2010</td>
<td>48%</td>
</tr>
<tr>
<td>2011</td>
<td>52%</td>
</tr>
<tr>
<td>2012</td>
<td>56%</td>
</tr>
</tbody>
</table>

Base: Total Population 12+
Facebook Is the Dominant Player in Social Networking

% Using Each Social Networking Site/Service

Facebook
(Have personal profile) 54%
LinkedIn
(Have personal profile) 13%
MySpace
(Have personal profile) 12%
Twitter
(Ever use) 10%
Google+
(Have personal profile) 8%
Year-Over-Year Growth in Social Networking Greatest Among People Age 45 and Older

% by Age Group Who Currently Have a Personal Profile Page on Facebook, MySpace, LinkedIn, Google+, or Any Other Social Networking Website

- **12-17**: 76% (2011) to 81% (2012)
- **18-24**: 80% (2011) to 80% (2012)
- **25-34**: 68% (2011) to 68% (2012)
- **35-44**: 63% (2011) to 65% (2012)
- **45-54**: 45% (2011) to 55% (2012)
- **55-64**: 31% (2011) to 34% (2012)
- **65+**: 15% (2011) to 23% (2012)
More Than One in Five Americans Check Their Social Network Several Times per Day

% Who Use Social Networking Websites/Services “Several Times per Day”

- **2008**
  - 5%
  - Approx. 12 Million

- **2009**
  - 7%
  - Approx. 18 Million

- **2010**
  - 15%
  - Approx. 39 Million

- **2011**
  - 18%
  - Approx. 46 Million

- **2012**
  - 22%
  - Approx. 58 Million

*Base: Total Population 12+*
Young Facebook Users Have Lots of “Friends”

Average Number of Facebook Friends by Age Group

- P12+: 262
- 12-17: 396
- 18-24: 429
- 25-34: 273
- 35-44: 220
- 45-54: 163
- 55-64: 96
- 65+: 71

Base: Have a Facebook Profile Page
More Than Four in Ten Americans Hear or Read About Tweets Almost Every Day in the Media

“How often do you hear about Twitter feeds, commonly called tweets, through media such as TV, radio, newspapers, or websites other than Twitter?”

- Almost Every Day: 44%
- Regularly, but Not Daily: 16%
- Sometimes: 13%
- Rarely: 8%
- Have Not Heard of Twitter: 11%
- Never: 9%

Base: Total Population 12+
Over One in Seven Are Daily Deals Users

“Are you a registered user of any ‘daily deals’ sites or services such as Groupon or LivingSocial?”

Registered User of Daily Deals Site/Service 15%

Not a User of Daily Deals Site/Service 85%

Base: Total Population 12+
Daily Deals Services Spark Trial Usage by a Majority of Registered Users

"Which of the following best describes your experience with ‘daily deals’ services?"

- You’ve tried businesses for the first time because of the deal, but generally haven’t returned: 30%
- You were already a customer of the businesses whose deals you used: 28%
- You’ve tried businesses for the first time because of the deal, and have continued to visit that business without the deal: 23%
- Registered but never bought anything (Volunteered): 15%

Base: Registered Users of Daily Deals Services
Podcasting
Nearly Half Are Familiar With the Term “Podcasting”

% Aware (aided) of the Term Podcasting

- 37% in 2007
- 46% in 2012

Base: Total Population 12+
Nearly One in Three Americans Have Ever Listened to an Audio Podcast

% Who Have Ever Listened to an Audio Podcast
% Who Have Ever Watched a Video Podcast

Base: Total Population 12+
An Estimated 36 Million Americans Have Listened to a Podcast in the Past Month

% Who Have Listened to an Audio Podcast in the Past Month

Approximately 36 Million

Base: Total Population 12+
Heavy Users of Radio, TV, and Internet
Ages of Heavy Radio Users Closest to Population; Heavy Internet Users Skew Younger, Heavy TV Users Lean Older

Age Composition of...

Heavy Internet Users
Median Age = 36

Heavy Radio Users
Median Age = 42

Heavy TV Users
Median Age = 47
Heavy Usage of One Medium Is NOT Necessarily Associated With Less Time With Other Media

Self-Reported Average Time Spent per Day With Each Medium (Hours:Minutes)

- Persons 12+
  - Internet: 2:25
  - TV: 3:46
  - Radio: 2:07

- Heavy Radio Users (3+ hours/day)
  - Internet: 2:46
  - TV: 3:37
  - Radio: 6:16

- Heavy TV Users (5+ hours/day)
  - Internet: 2:43
  - TV: 8:10
  - Radio: 1:56

- Heavy Internet Users (4+ hours/day)
  - Internet: 7:08
  - TV: 4:07
  - Radio: 2:14
Heavy Users of Radio and Internet More Likely to Be Employed Full Time

% Employed Full Time

- Persons 12+: 43%
- Heavy Radio Users: 49%
- Heavy TV Users: 33%
- Heavy Internet Users: 52%

Base: Total Population 18+
Impact of Digital Platforms/Devices
Smartphones Are the Digital Device/Platform With the Biggest Impact on People’s Lives

% of Users Who Said Platform/Device Has a Big Impact On Their Life

<table>
<thead>
<tr>
<th>Device</th>
<th>% of Users</th>
</tr>
</thead>
<tbody>
<tr>
<td>Apple iPhone</td>
<td>53%</td>
</tr>
<tr>
<td>Android Smartphone</td>
<td>50%</td>
</tr>
<tr>
<td>Broadband Internet Access</td>
<td>43%</td>
</tr>
<tr>
<td>BlackBerry</td>
<td>37%</td>
</tr>
<tr>
<td>Cell Phone (not Smartphone)</td>
<td>35%</td>
</tr>
<tr>
<td>Digital Video Recorder</td>
<td>27%</td>
</tr>
<tr>
<td>Apple iPad</td>
<td>27%</td>
</tr>
<tr>
<td>Apple iPod</td>
<td>23%</td>
</tr>
<tr>
<td>Android Tablet</td>
<td>22%</td>
</tr>
<tr>
<td>Windows Smartphone</td>
<td>19%</td>
</tr>
<tr>
<td>Ebook Readers</td>
<td>15%</td>
</tr>
<tr>
<td>Non-Apple MP3 player</td>
<td>14%</td>
</tr>
</tbody>
</table>

“How much of an impact on your life has (item) had?”
(“5” = “Big Impact”; “1” = “No Impact”)

Base: Use Platform/Device
Observations
Observation # 1

Digital platforms have made cross-platform strategies crucial to satisfy today’s connected consumer.
Observation # 2

Digital platforms enable all forms of media to be consumed at any place at any time.
Observation # 3

Smartphones are having a profound impact on media and entertainment.
Social media is now used by the majority of Americans, changing how people and brands interact.
Observation # 5

Facebook in particular has changed the way Americans filter information.
Observation # 6

Daily deals sites are about trial usage, not loyalty.
Online radio continues its upward trajectory.
Observation # 8

Radio remains at the core of consumers’ media consumption and digital continues to be an expansion opportunity for radio.