

The Infinite Dial 2013

Navigating Digital Platforms



Methodology Overview

- » In January/February 2013, Arbitron and Edison Research conducted a national telephone survey offered in both English and Spanish language (landline and cell phone) of 2,021 people aged 12 and older.
- » Data were weighted to national 12+ population figures.
- » This is the 21st study in our series dating to 1998.
- » These studies provide estimates of emerging digital platforms and their impact on the media landscape based on self-reported consumer behaviors and attitudes.

Headlines: Navigating Digital Platforms

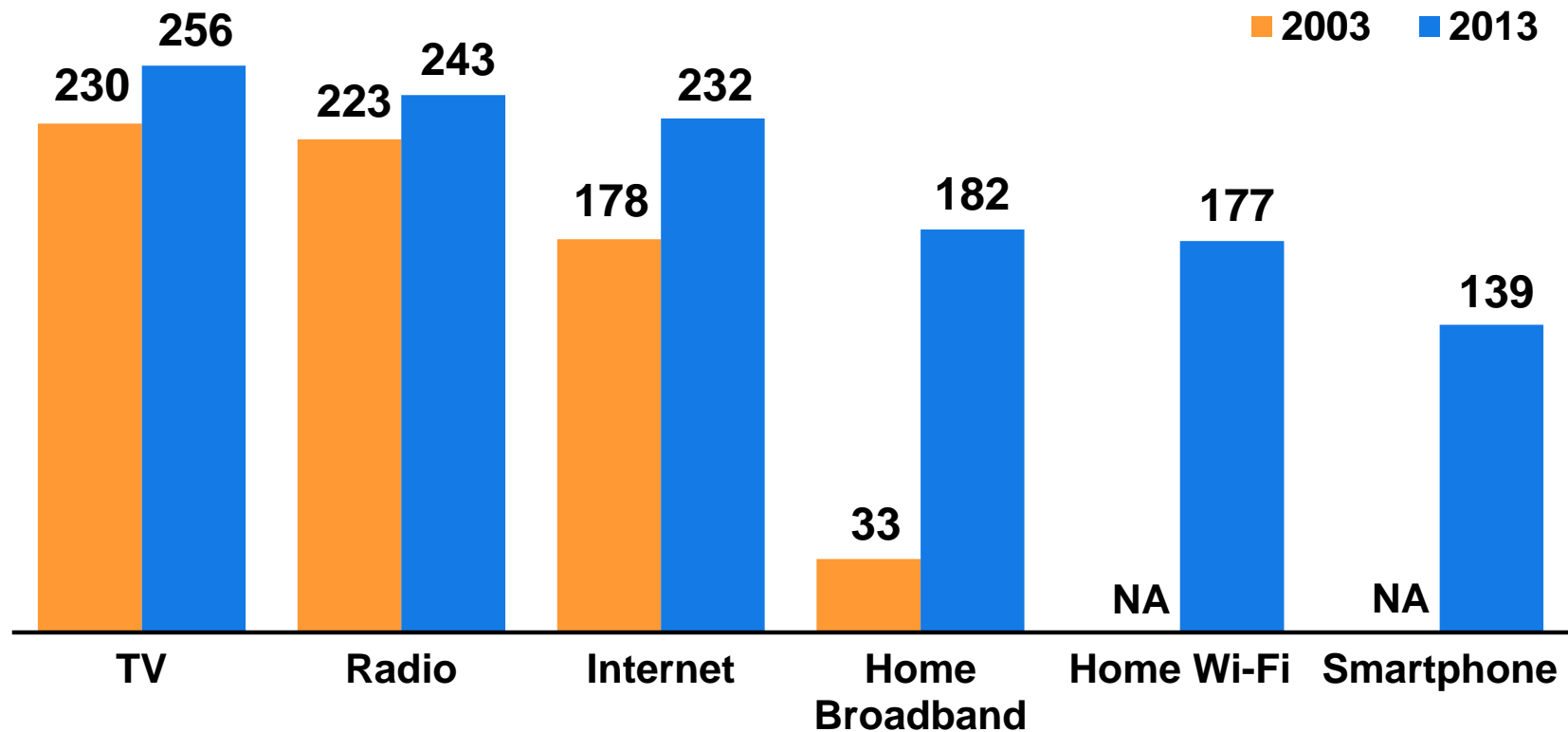
- » Mobile device growth continues: more than half now own a smartphone; tablet ownership is up significantly in past year.
- » Habitual use of social media reaches an estimated 71 million Americans.
- » Online Radio continues its growth trajectory reaching new highs for weekly usage and time spent listening in the past four years.¹
- » During the same span of time, AM/FM Radio has grown to 243 million weekly listeners and time spent listening has remained approximately two hours a day.²
- » AM/FM Radio “Rules the Road” with far more frequent users than all other in-car audio options.
- » AM/FM Radio delivers far more consumers than other media during the half hour before they arrive to shop.

Digital and Media Landscape



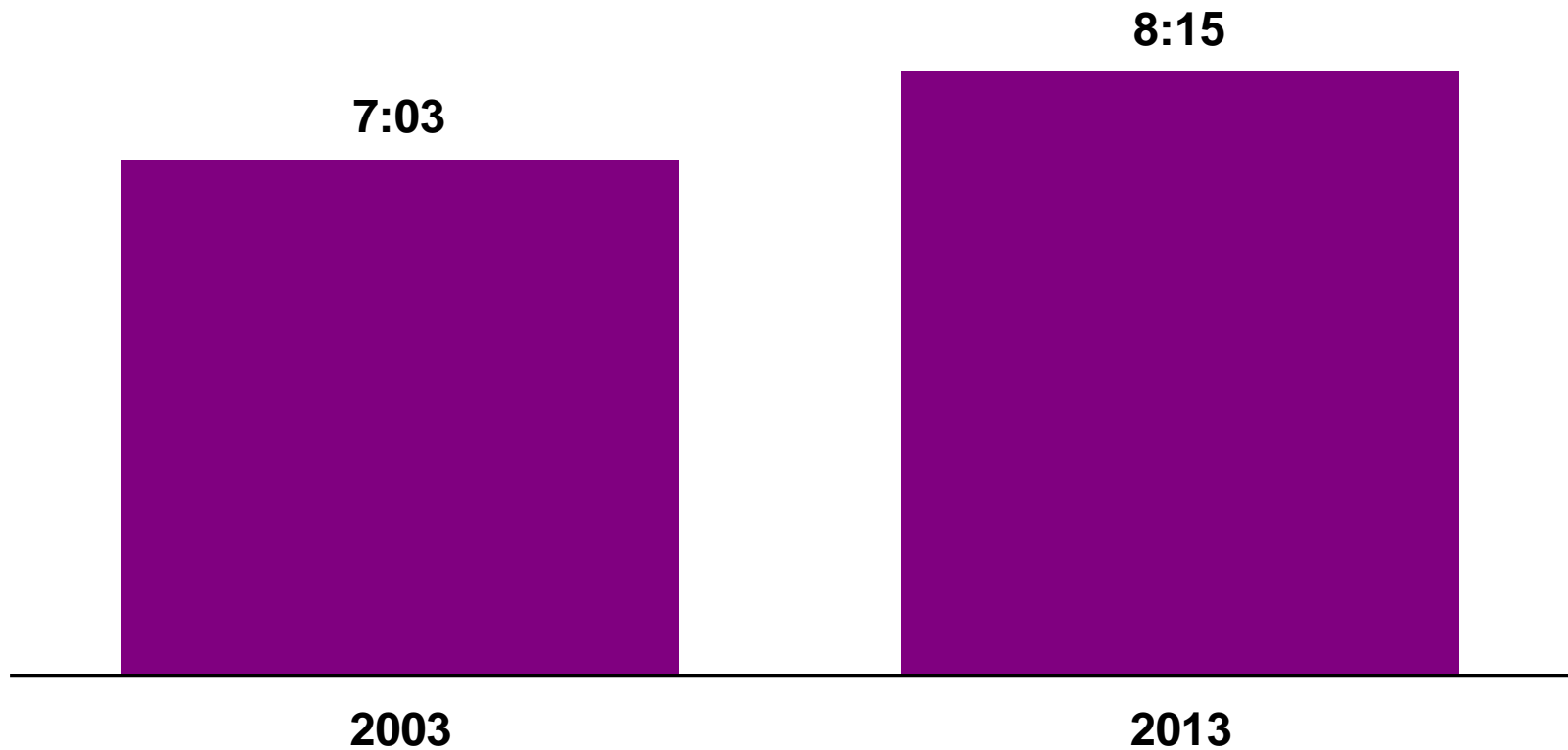
Media/Digital Platforms 2003 vs. 2013

Millions of Users



Combined Time Spent per Day With Radio, TV, and Internet Gained More Than an Hour Since 2003

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

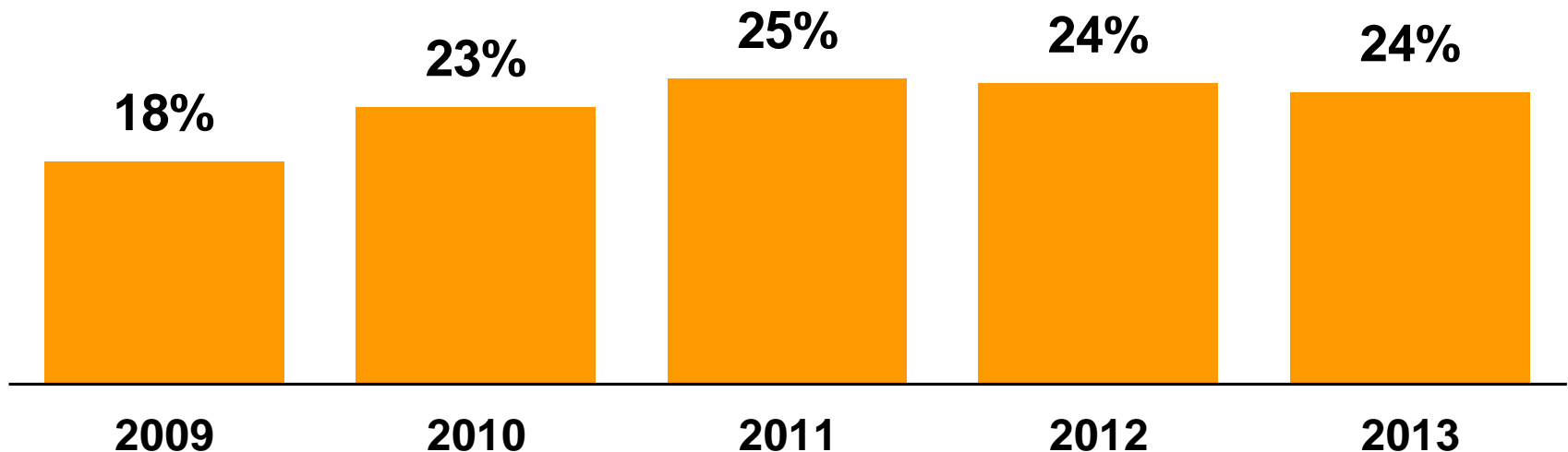


Internet Access and Digital Household Trends



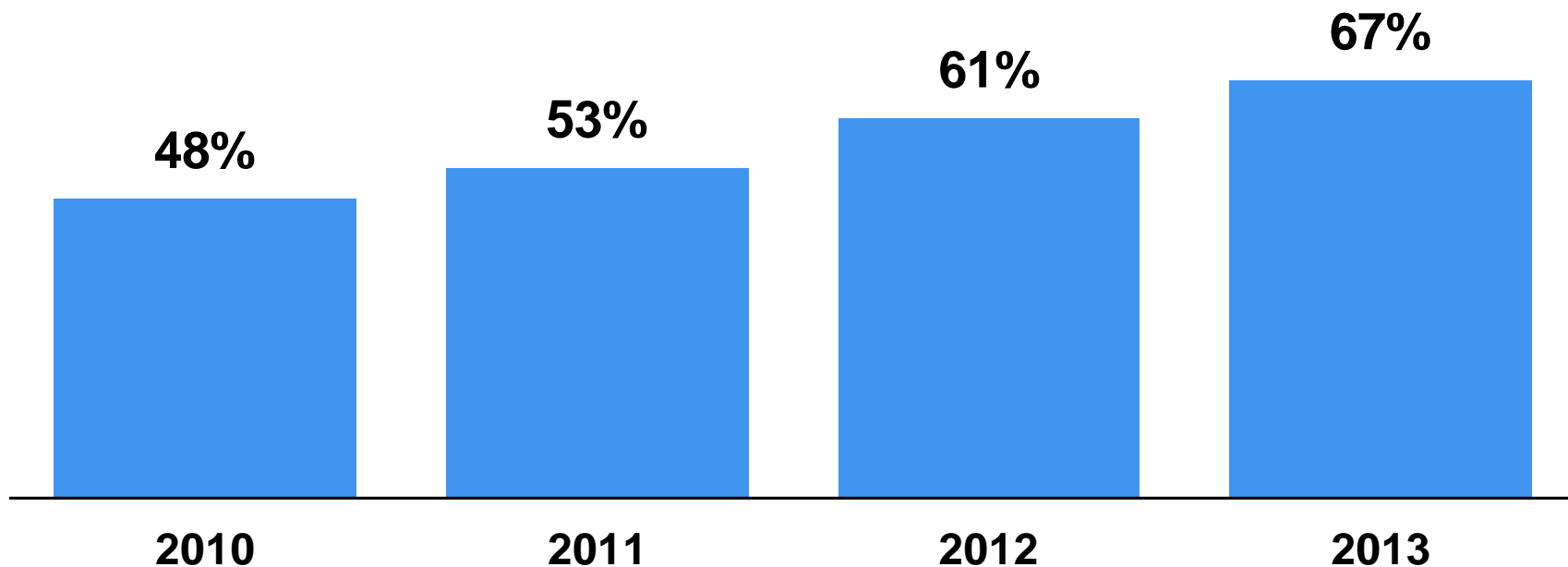
Those With Three or More Computers at Home Remains Stable at One in Four

% of People in Homes With Three or More Working Computers



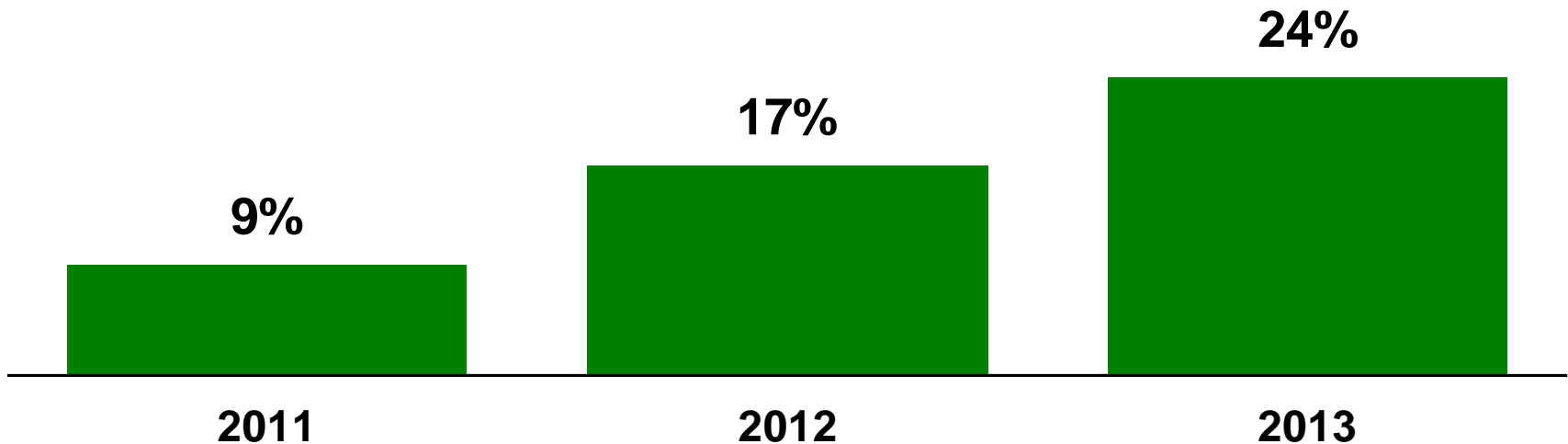
In Home Wi-Fi Usage Reaches Two in Three People

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



One in Four Live in Homes With Five or More Devices Connected to Wi-Fi

% With Five or More Devices Connected to Wi-Fi Network Setup in Home



Online Radio

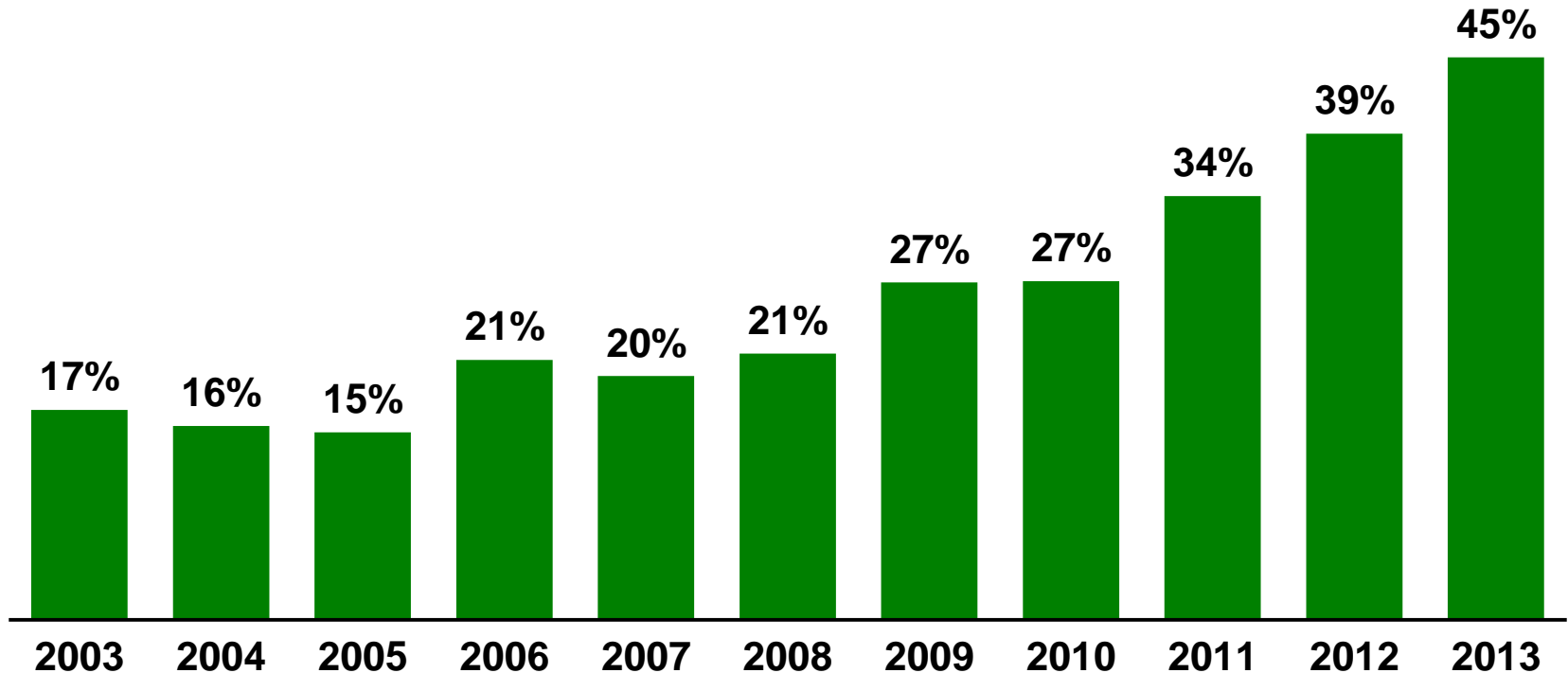


Monthly Online Radio* Audience Reaches Approximately 120 Million Americans

% Who Have Listened to Online Radio in Last Month

* Online Radio = Listening to AM/FM radio stations online and/or listening to audio content available only on the Internet

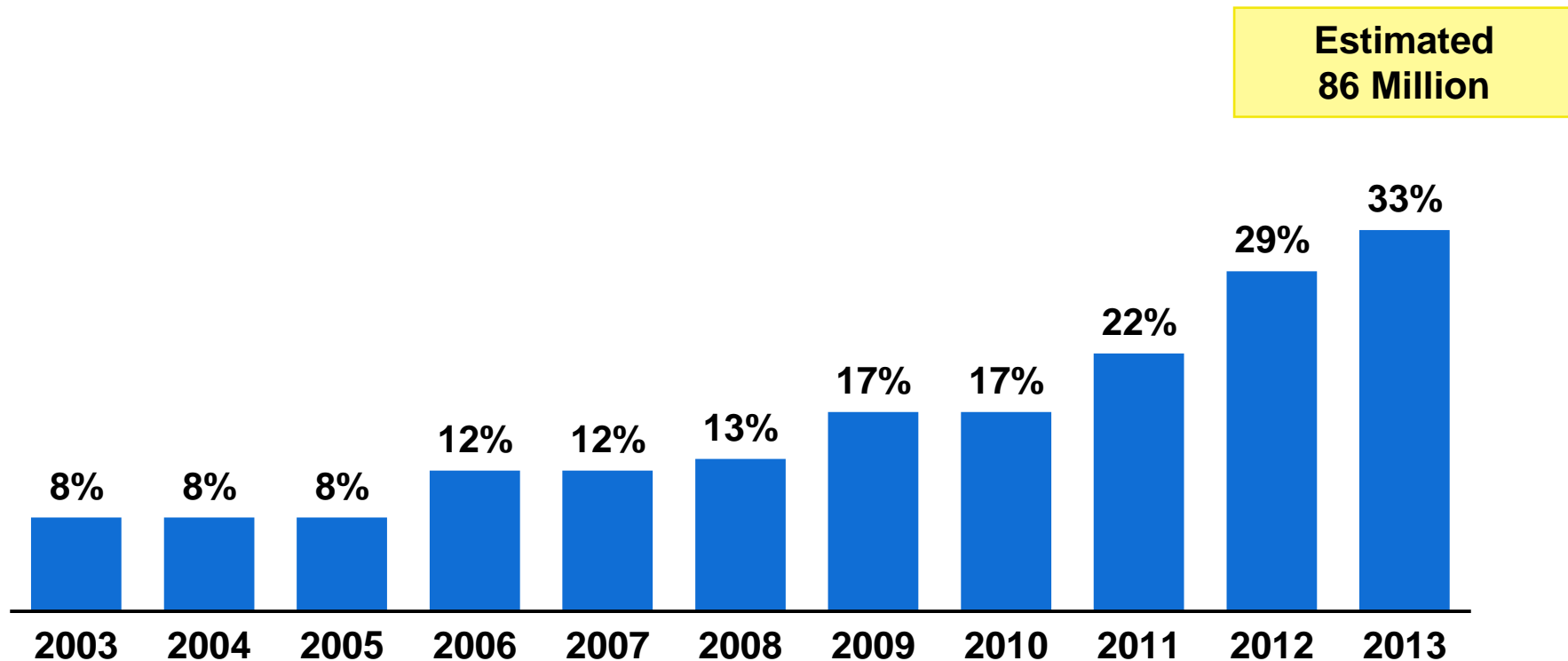
Estimated
120 Million



Weekly Online Radio* Audience Reaches One in Three

% Who Have Listened to Online Radio in Last Week

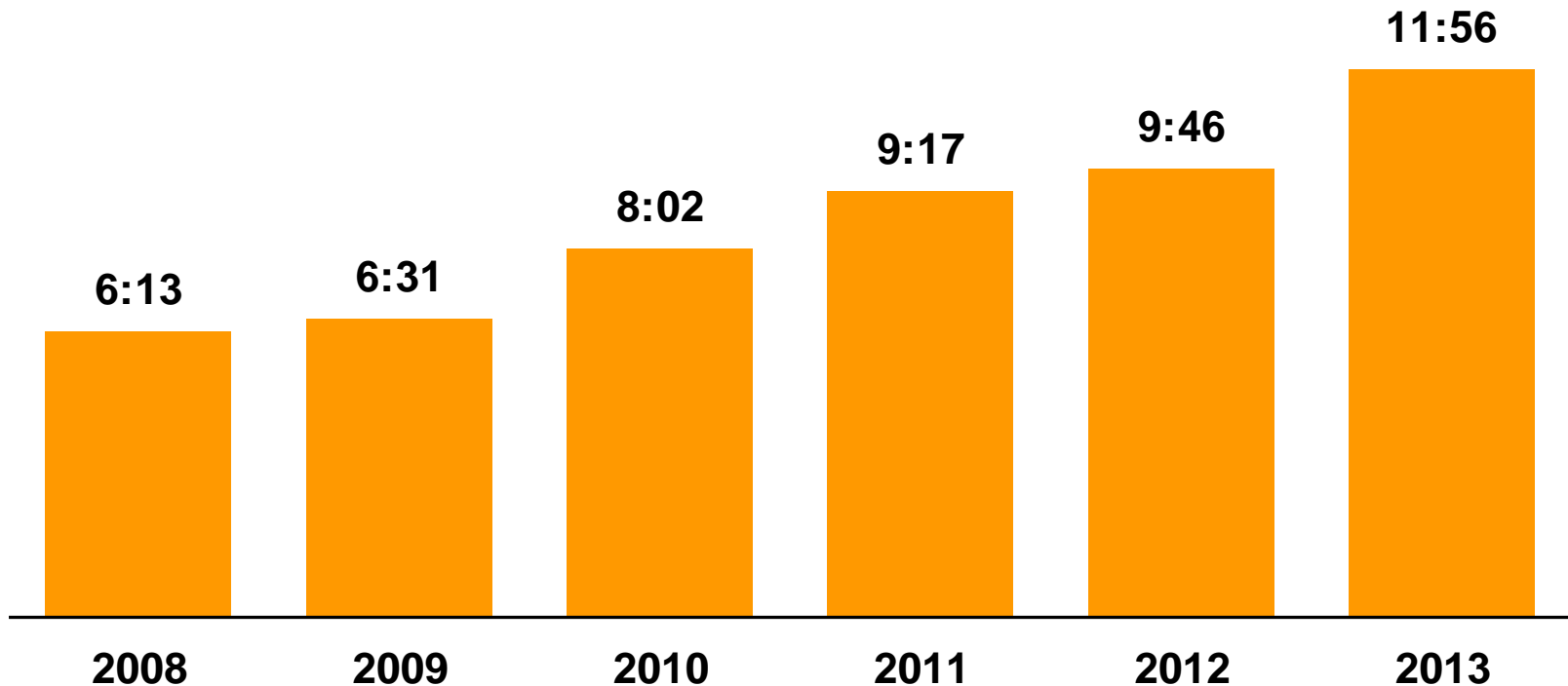
* Online Radio = Listening to AM/FM radio stations online and/or listening to audio content available only on the Internet



Weekly Online Radio* Listeners Report Listening For an Average of Nearly 12 Hours per Week

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

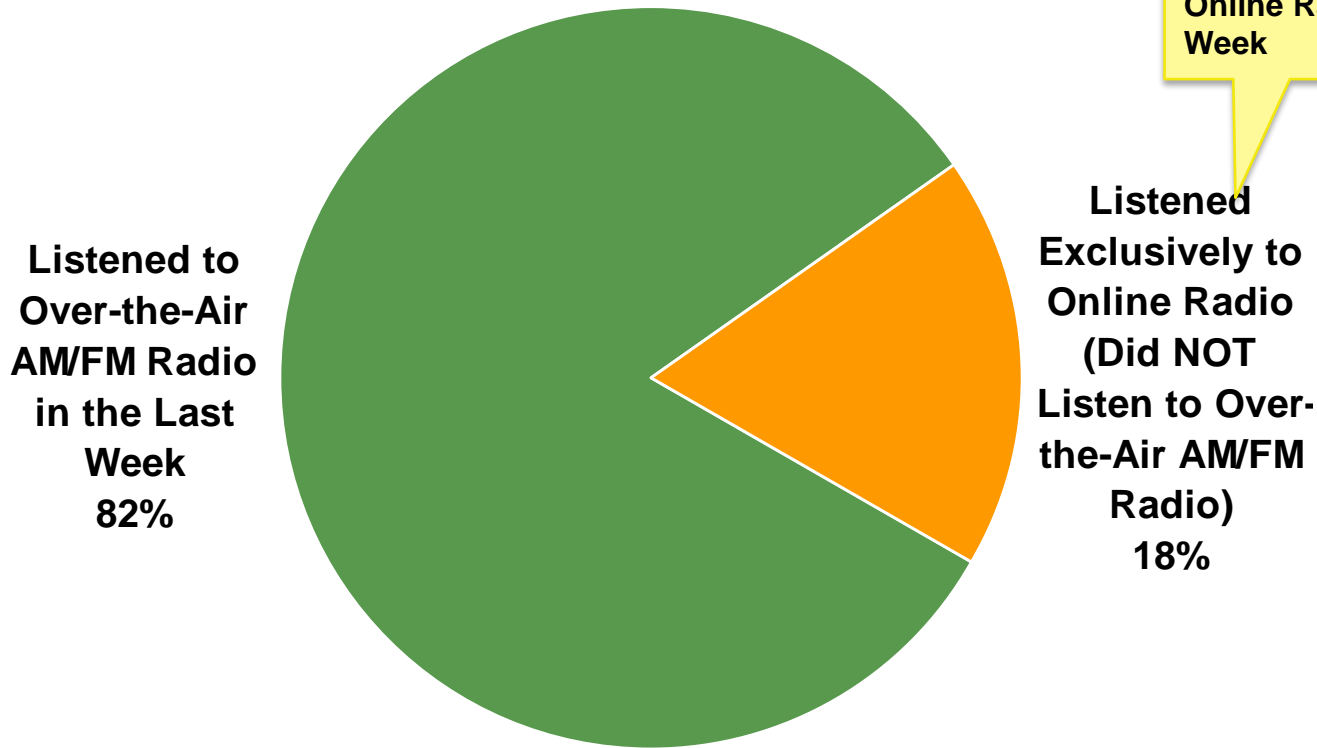
* Online Radio = Listening to AM/FM radio stations online and/or listening to audio content available only on the Internet



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

% of Weekly Online Radio Listeners Who...

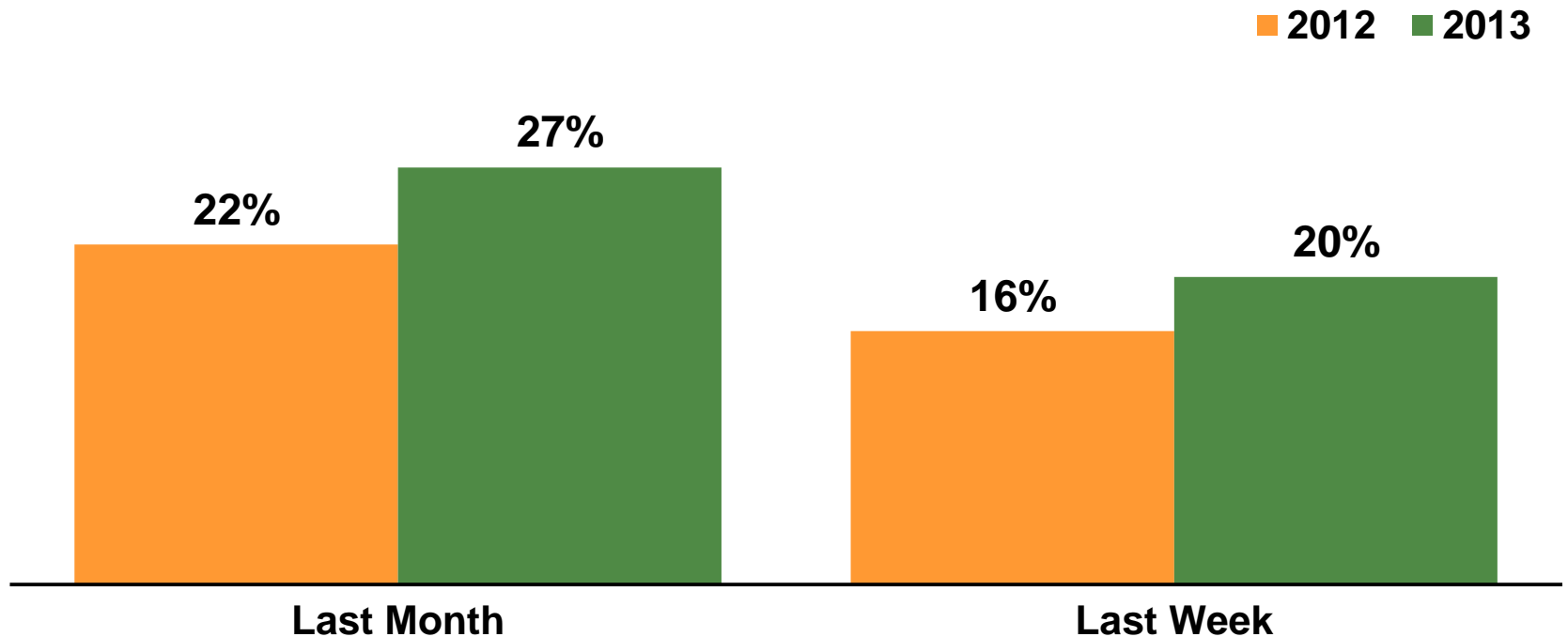
* Online Radio = Listening to AM/FM radio stations online and/or listening to audio content available only on the Internet



6% of All Persons 12+ Listened Exclusively to Online Radio in the Past Week

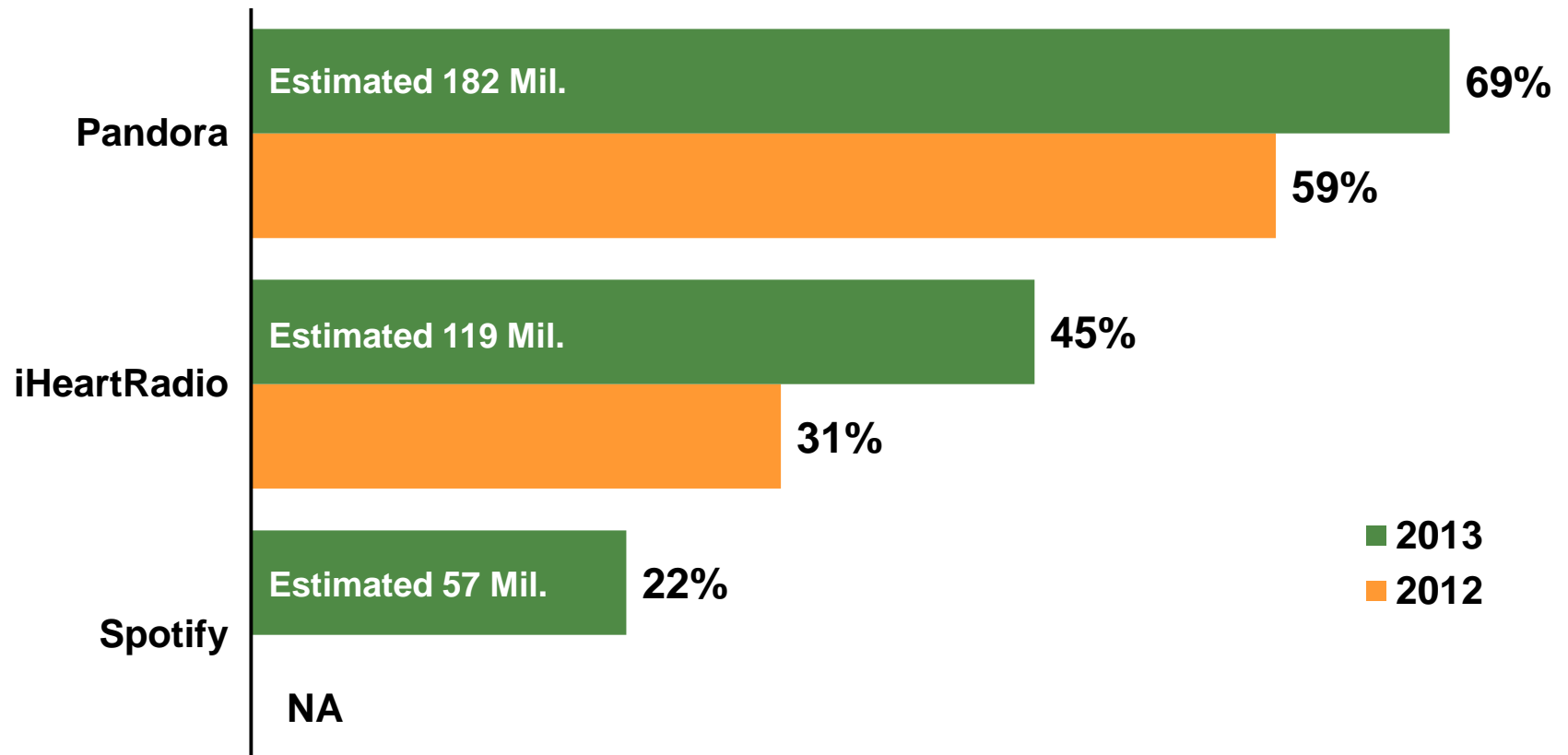
Year-Over-Year Growth Continues for Pandora

% Listened to Pandora...



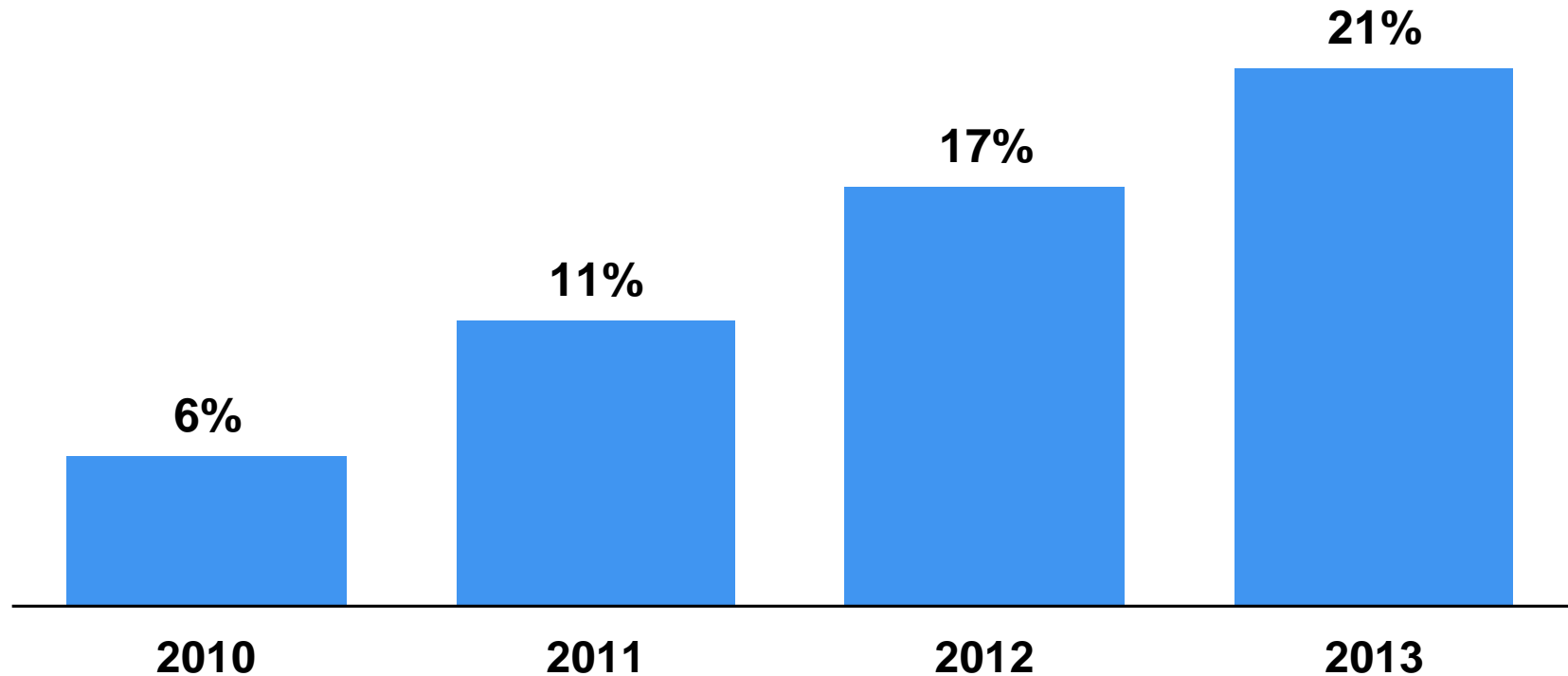
More Familiar With Pandora but iHeartRadio Is Gaining Ground in Awareness

% Aware of...



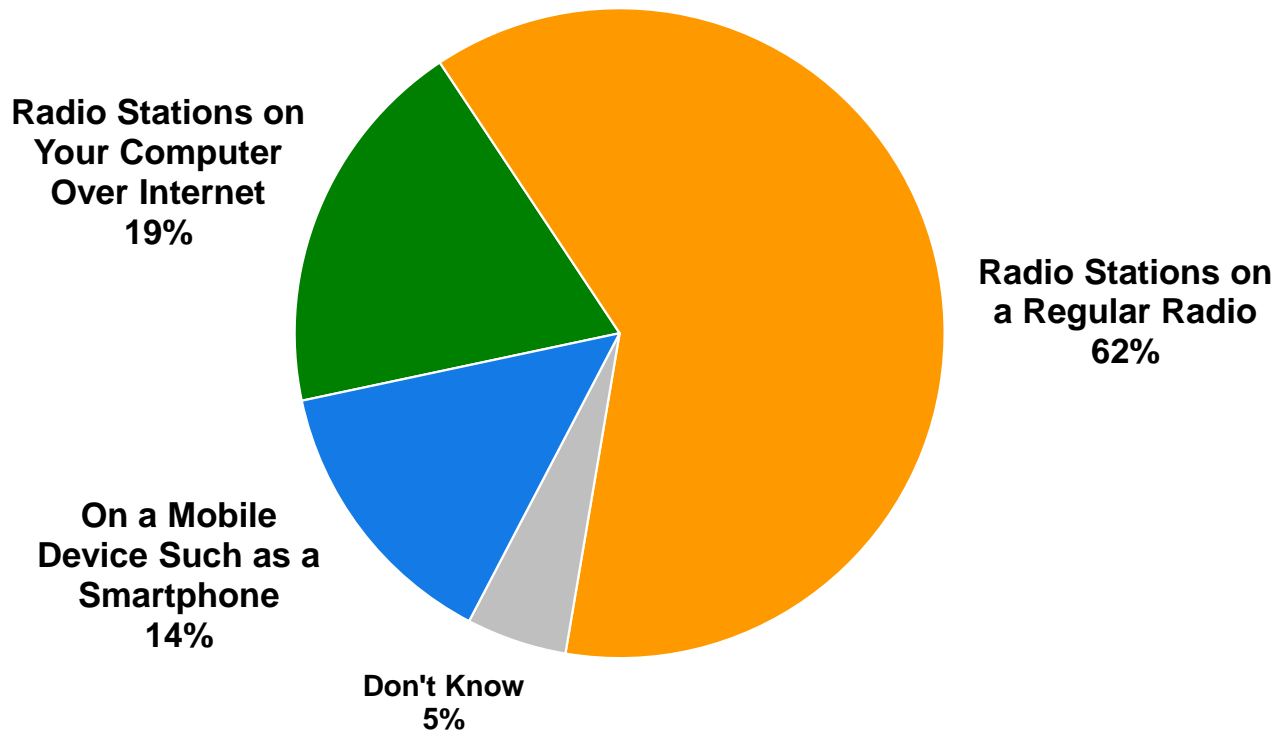
One in Five Have Used Their Cell Phone to Listen to Online Radio in a Car

% 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



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...?”

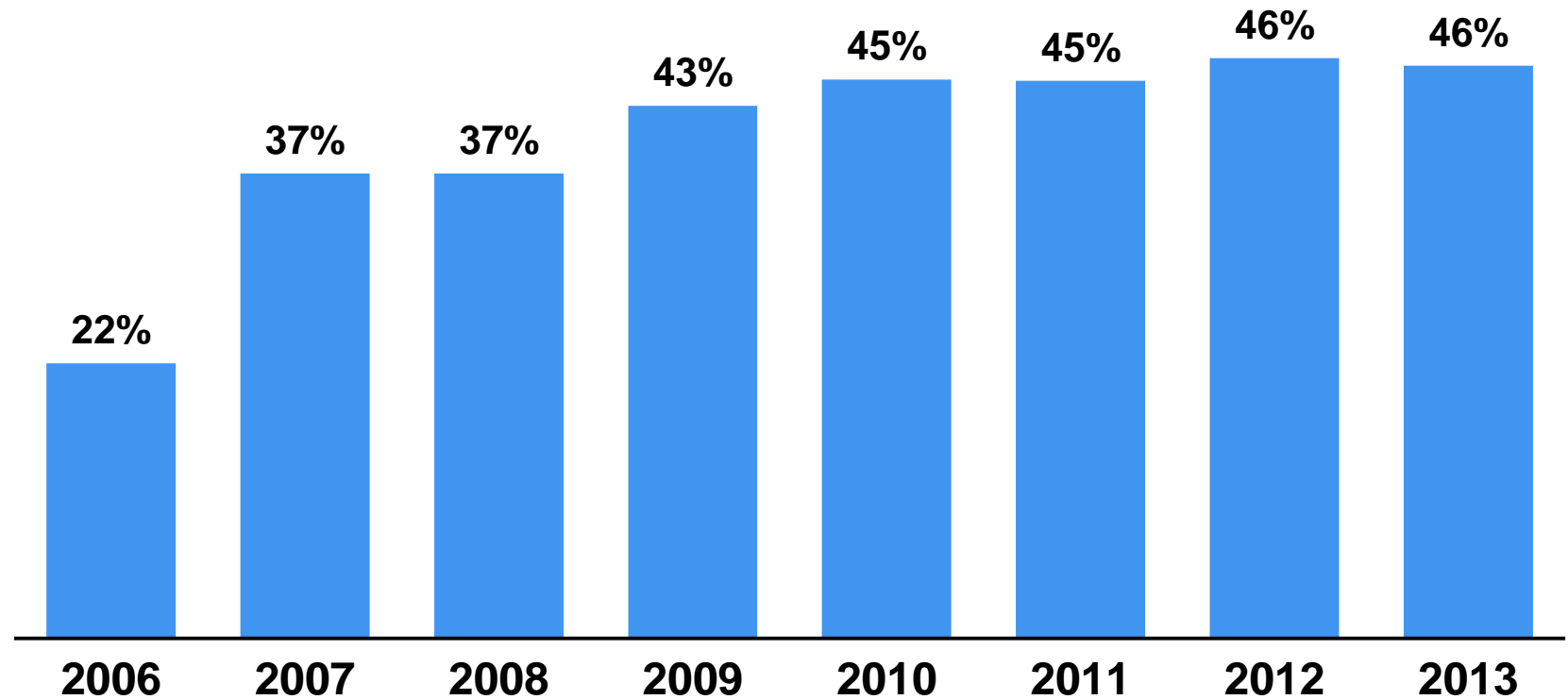


Podcasting



Familiarity With the Term “Podcasting” Remains at Nearly Half

% Aware of the Term “Podcasting”



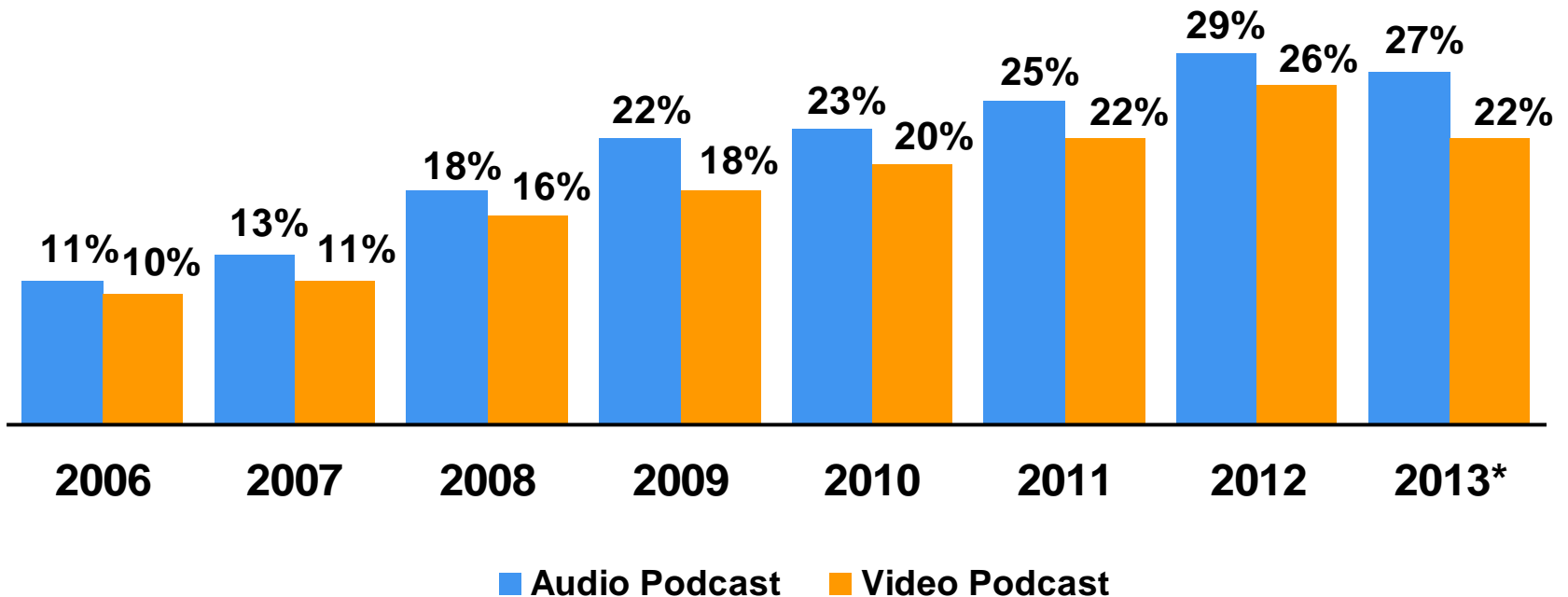
Understanding Podcasting

New Description of Podcasting in 2013

One definition of Podcasting is downloading various types of online audio and video programs or shows, in the form of digital files you can listen to or view at any time you choose. Some examples of Podcasting might include a talk show or a hosted music program. Podcasting does NOT refer to the downloading of individual MP3s or songs or movies.

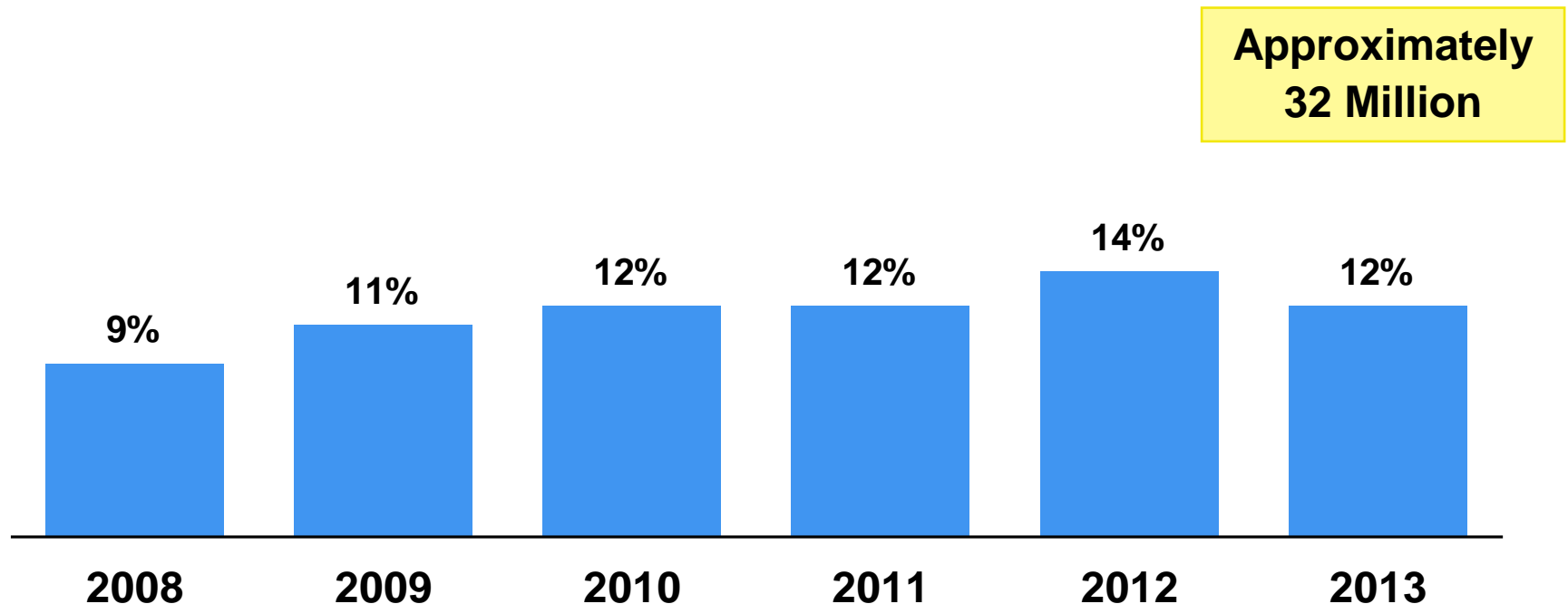
Use of Podcasting Has Levelled Off

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



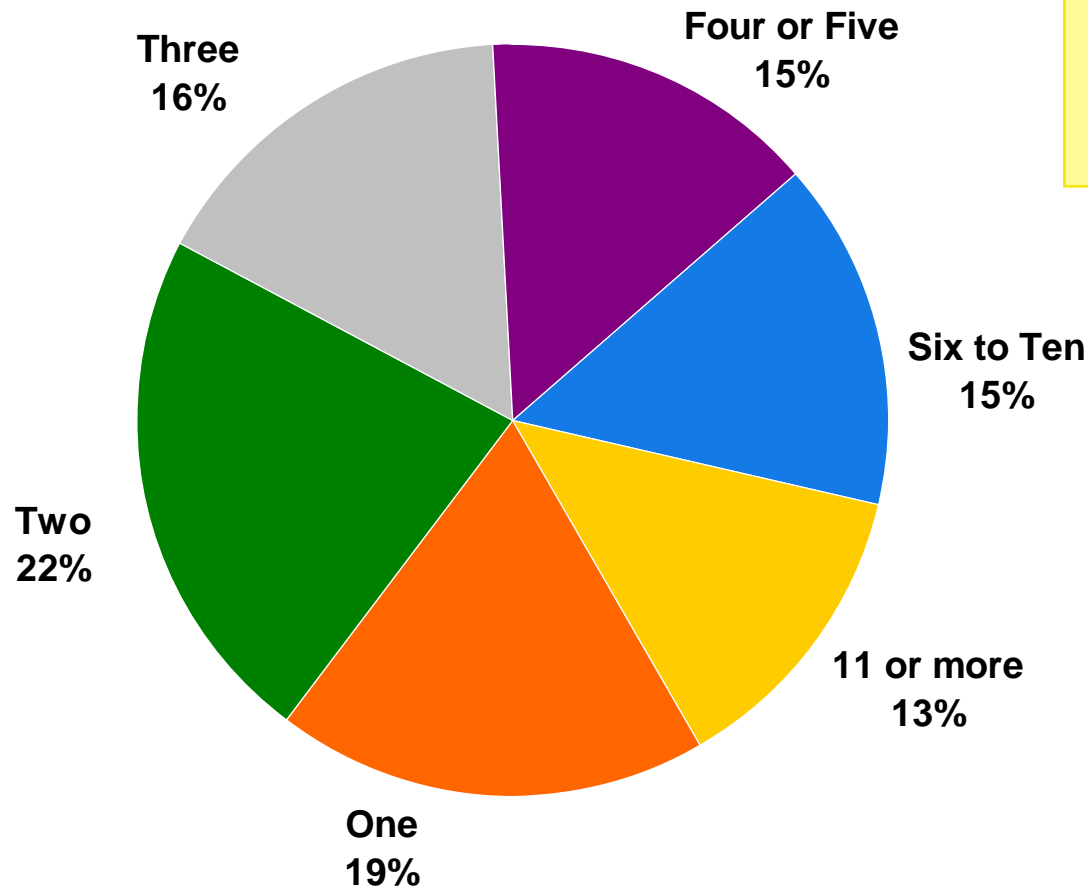
An Estimated 32 Million Americans Have Listened to a Podcast in the Past Month

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



More Than a Quarter of Weekly Podcast Users Consume Six or More Podcasts a Week

Number of Podcasts Consumed in the Past Week



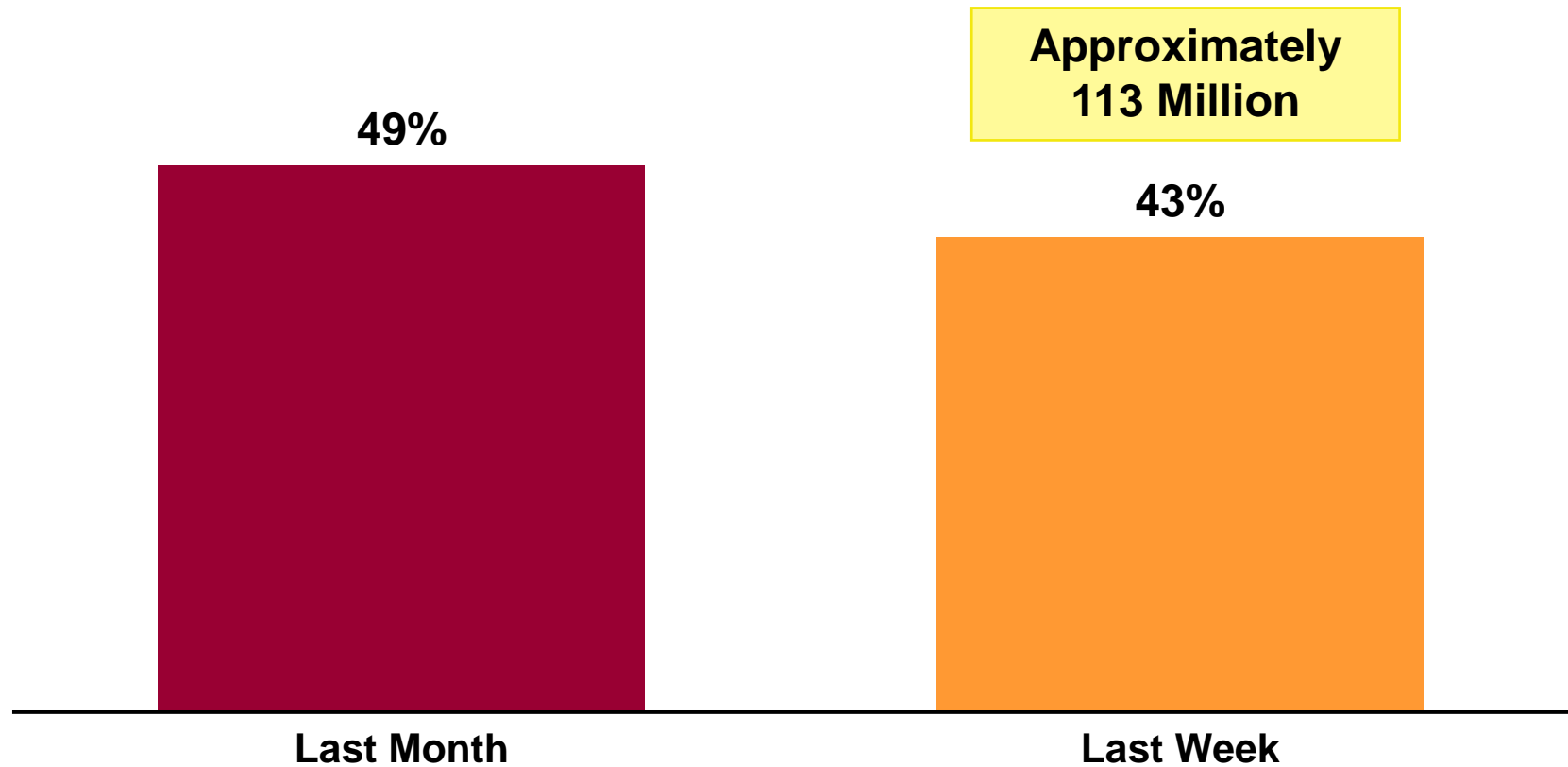
**Average of
Six Podcasts
Consumed
per Week**

Online Video



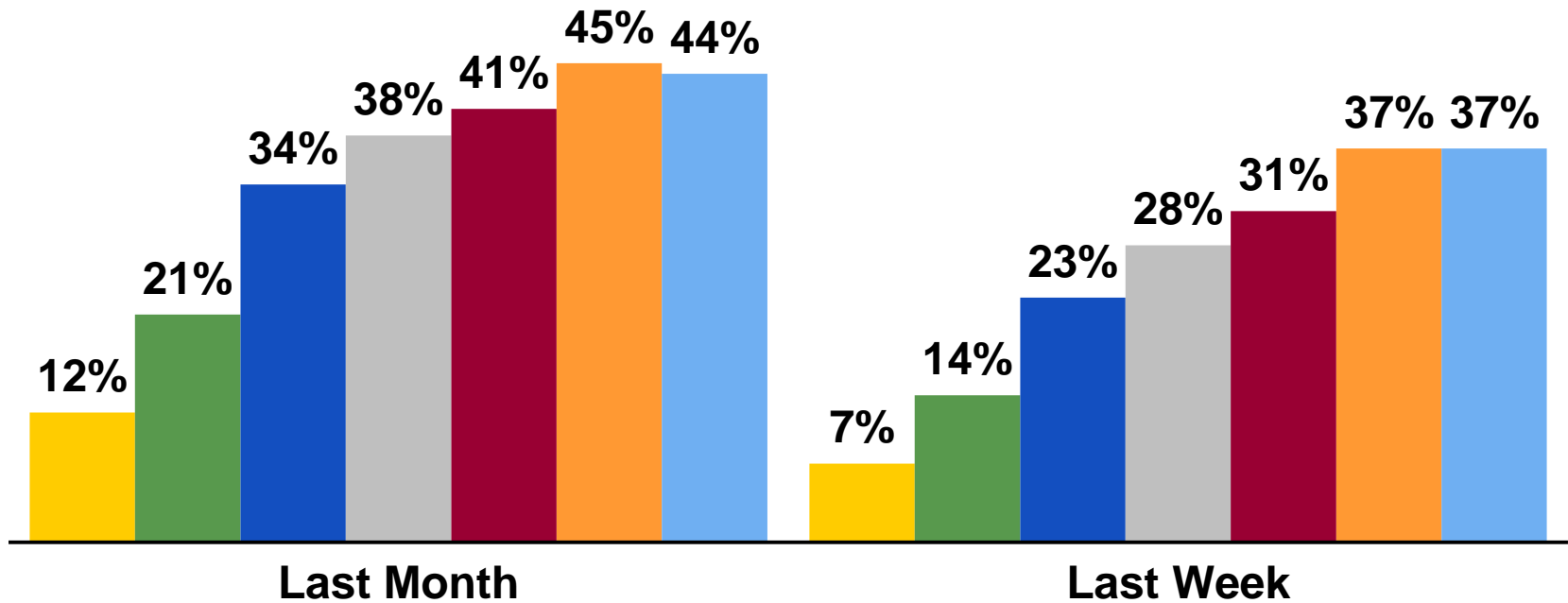
More Than Four in Ten Have Viewed Online Video in the Last Week

% Who Have Watched Online Video...



YouTube Growth Leveling Off

% Who Have Watched Internet Video Programming From YouTube...



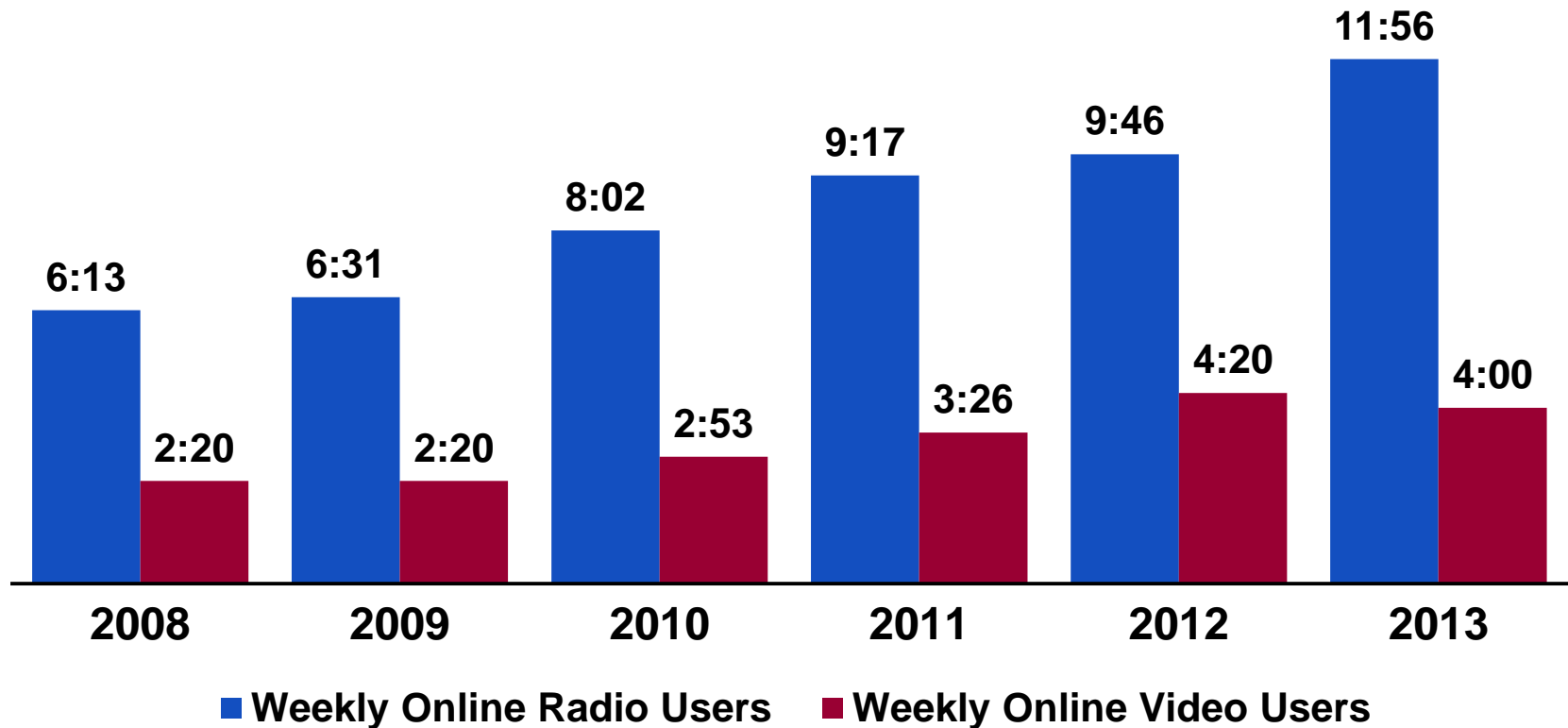
2007 2008 2009 2010 2011 2012 2013



Base: Total Population 12+

Average Time Spent per User With Online Radio Nearly Triple Time Spent With Online Video

Average Self-Reported Time Spent per Week per User (Hours:Minutes)



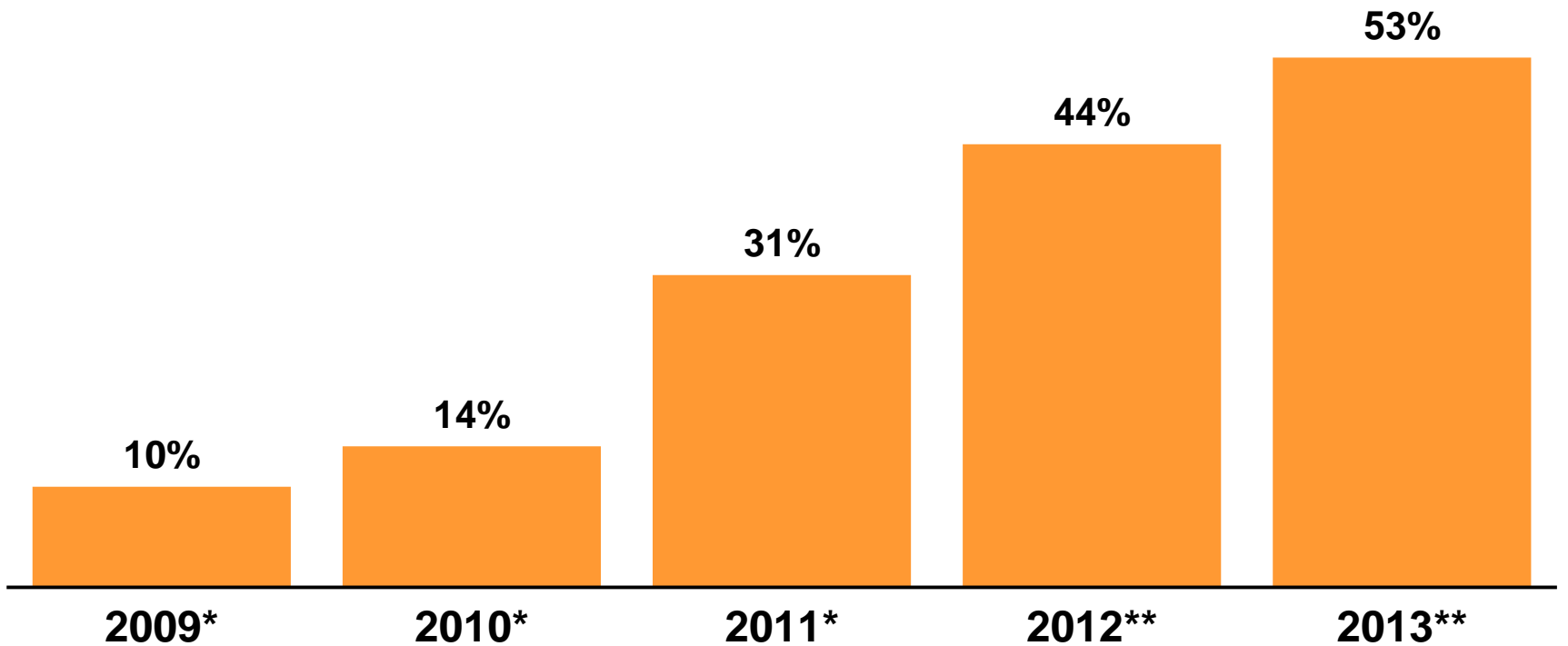
Smartphones and Other Mobile Devices



More Than Half Now Own a Smartphone

% Who Own a Smartphone

Estimated
139 Million



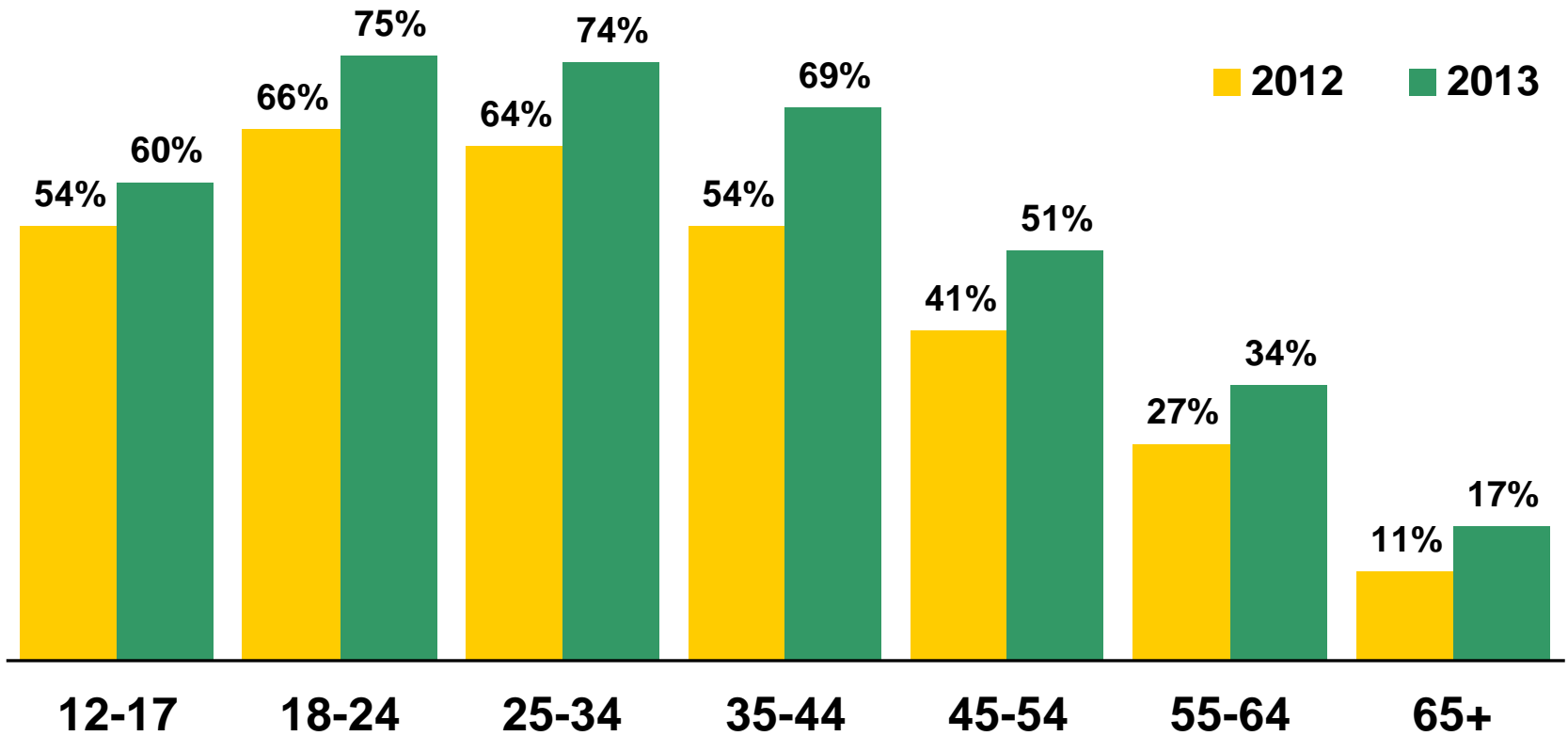
*2009-2011: "Is your cell phone a smartphone?"
**2012-2013: Own an Apple iPhone, Android smartphone, BlackBerry, or Windows smartphone



Base: Total Population 12+

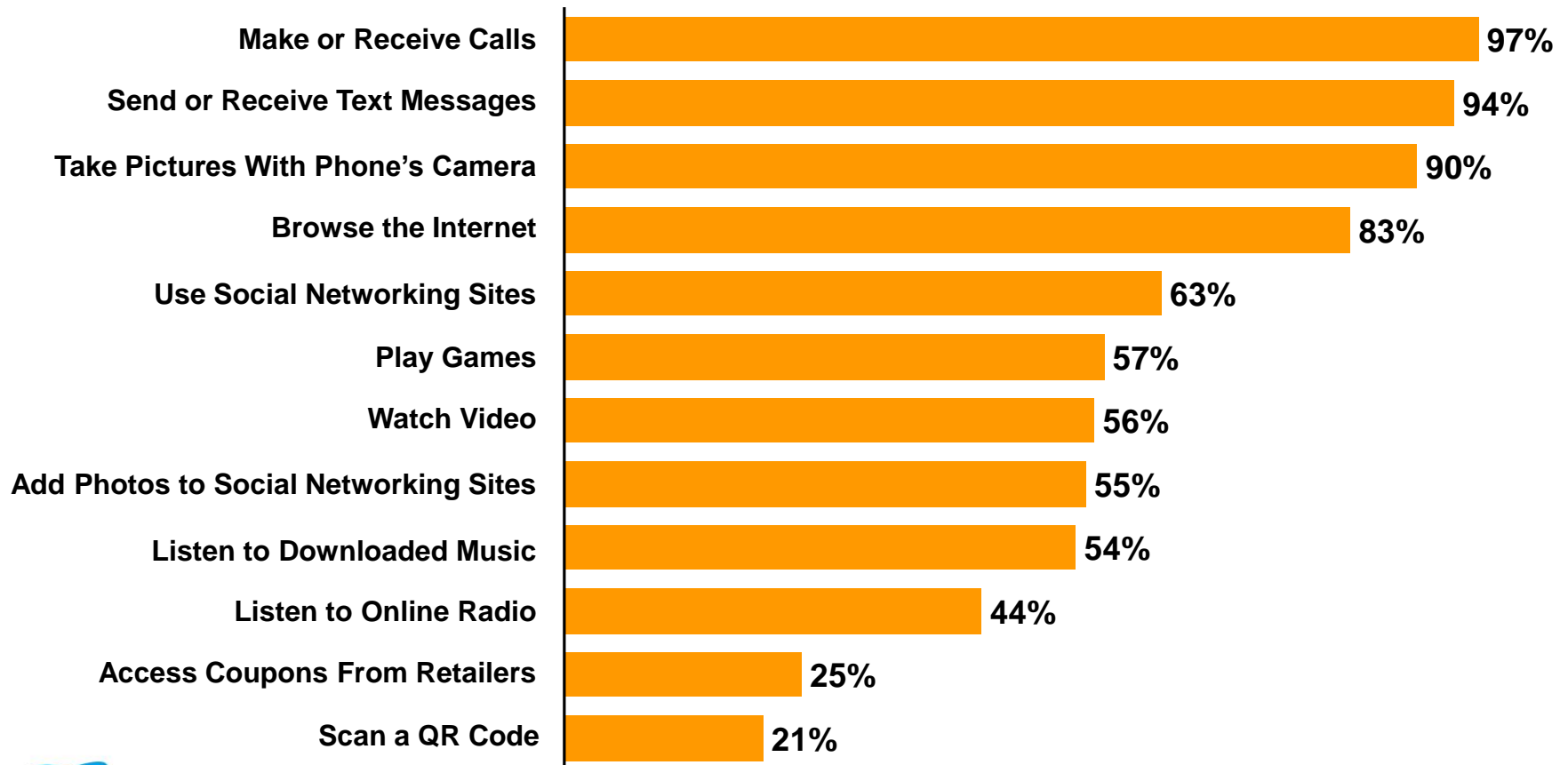
Three-Quarters of 18-34s Own a Smartphone

% by Age Group Who Own a Smartphone



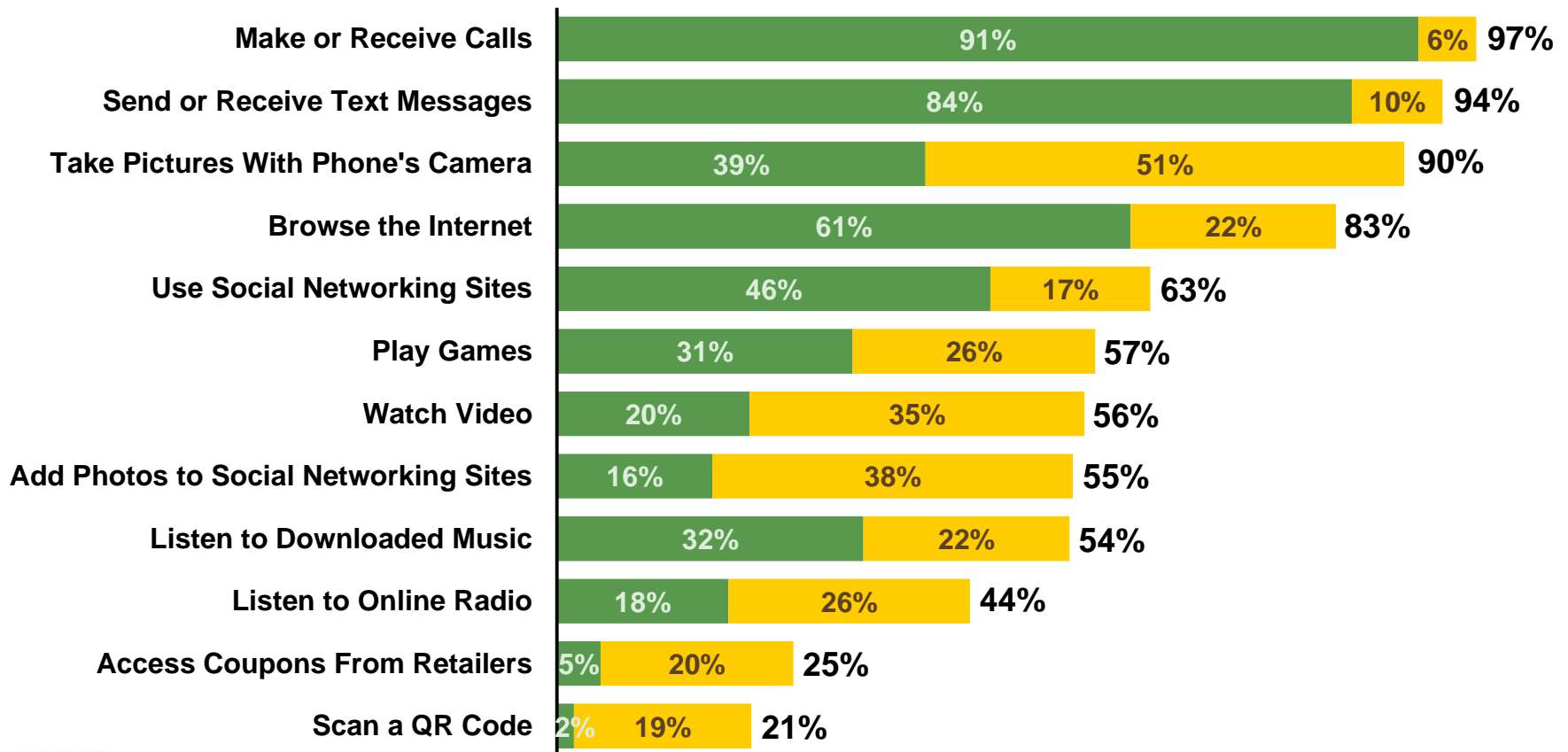
Smartphone Owners Use a Wide Variety of Functions

% of Smartphone Owners Who Ever (Activity) On Their Smartphone



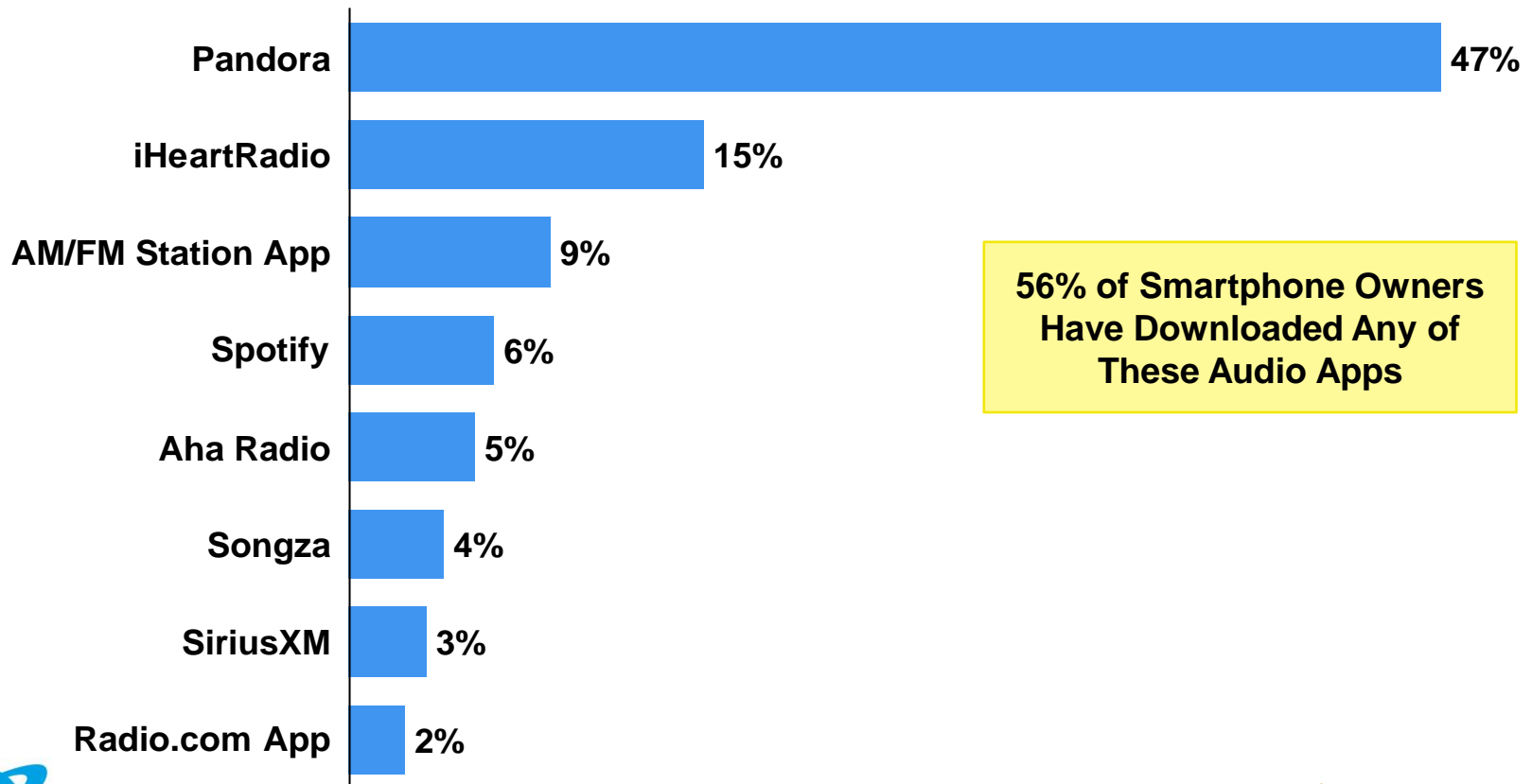
Three Functions Used Daily by the Majority of Smartphone Owners

% of Smartphone Owners Who (*Activity*) Daily or Less Than Once a Day



Nearly Half of Smartphone Owners Have Downloaded the Pandora App

% of Smartphone Owners Who Have Downloaded Each App to Their Smartphone

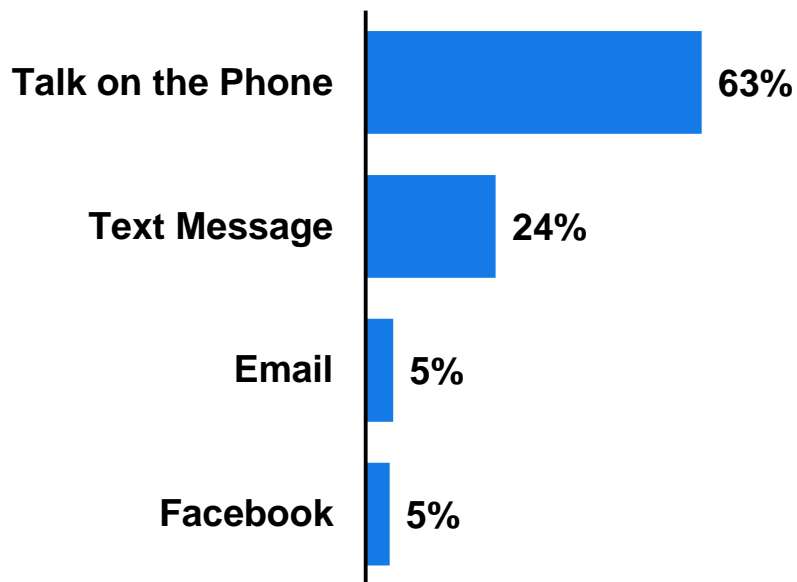


56% of Smartphone Owners Have Downloaded Any of These Audio Apps

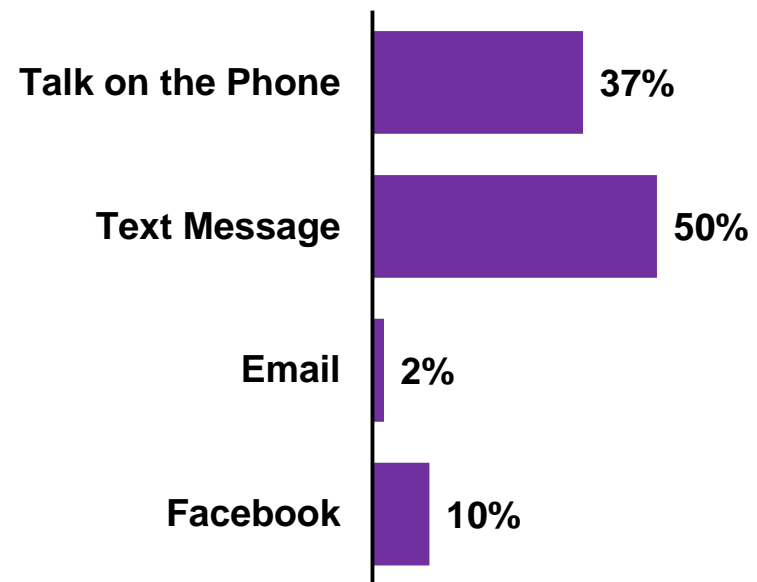
Texting Is the Form of Communication 12-24s Use Most When Not in Person

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

Persons 12+

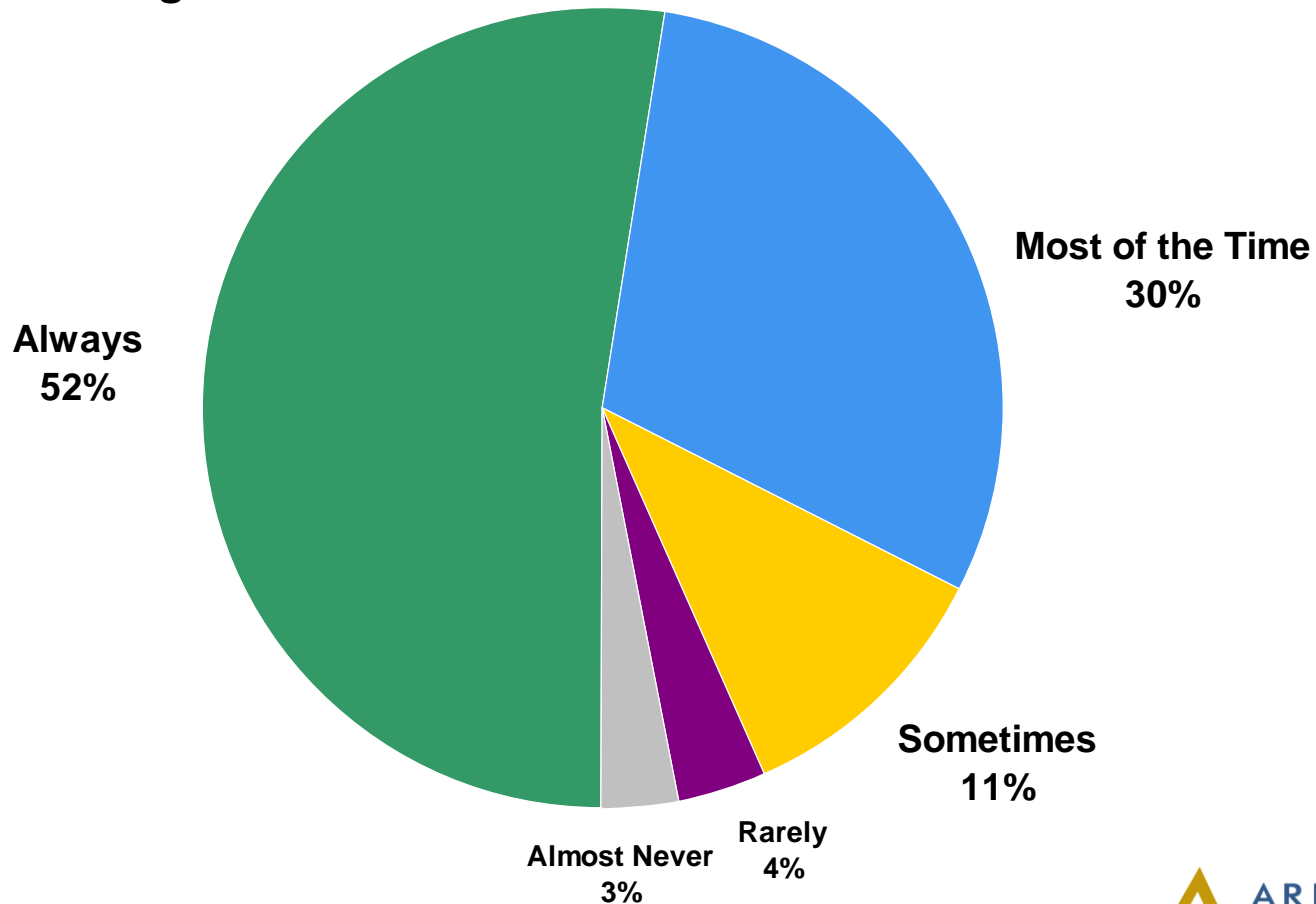


Persons 12-24



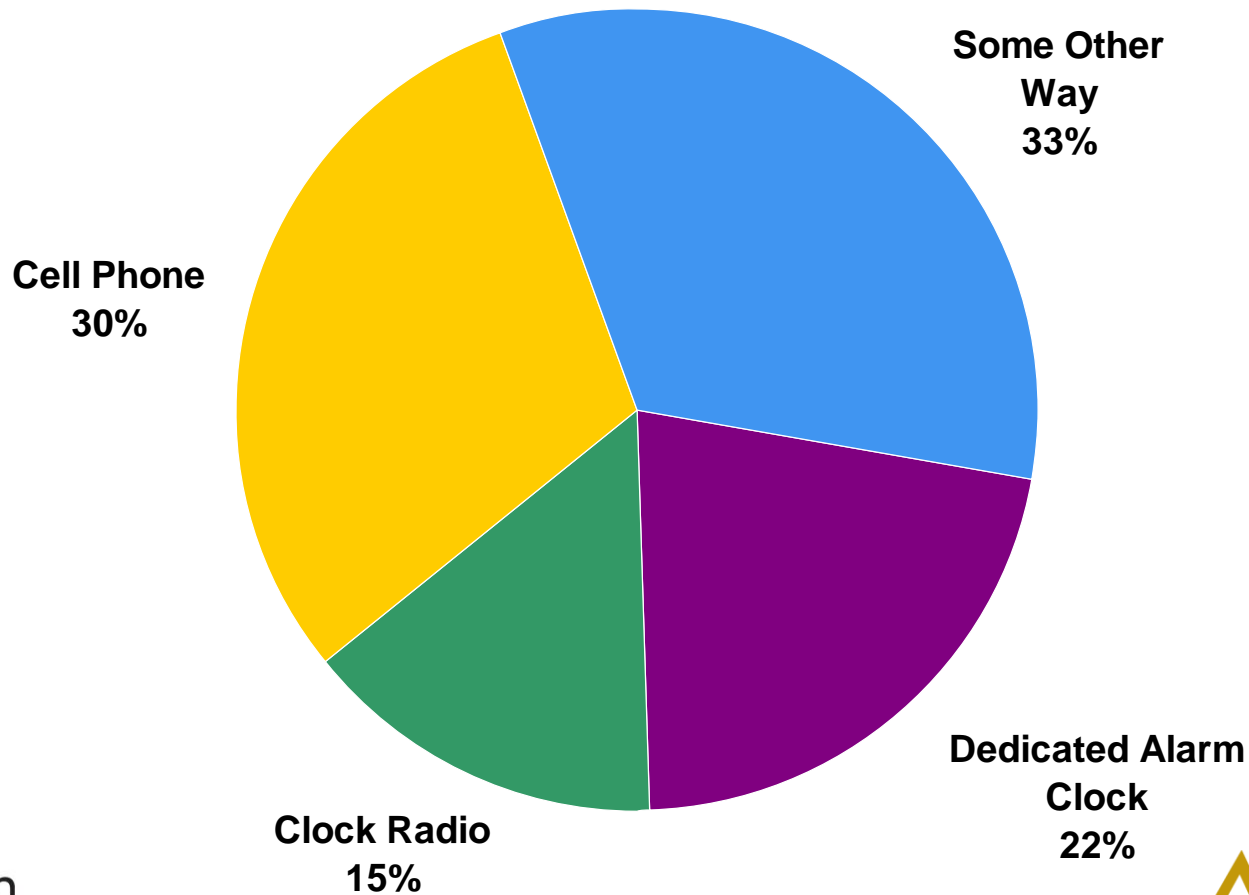
More Than Half of Cell Phone Owners Always Have Their Phone Within Arm's Length

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



Three in Ten Wake Up in the Morning to a Cell Phone

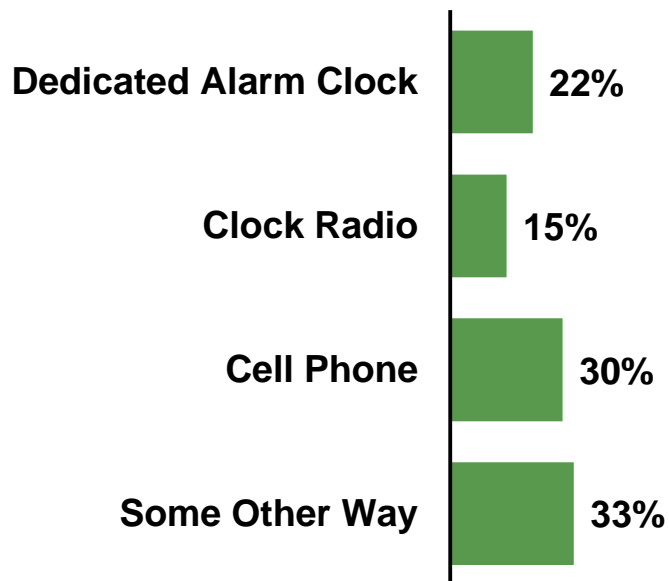
“Which one of the following do you use most often to wake up in the morning?”



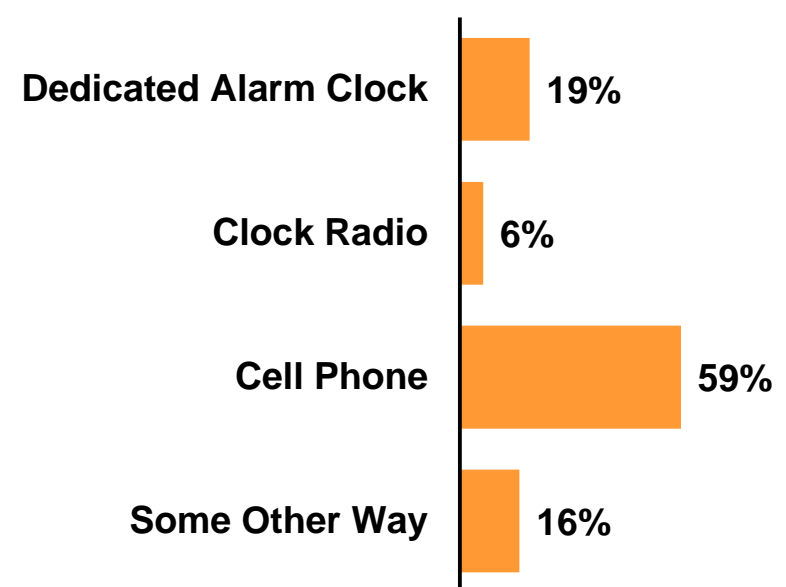
Majority of 18-34s Use a Cell Phone to Wake Up in the Morning

“Which one of the following do you use most often to wake up in the morning?”

Persons 12+

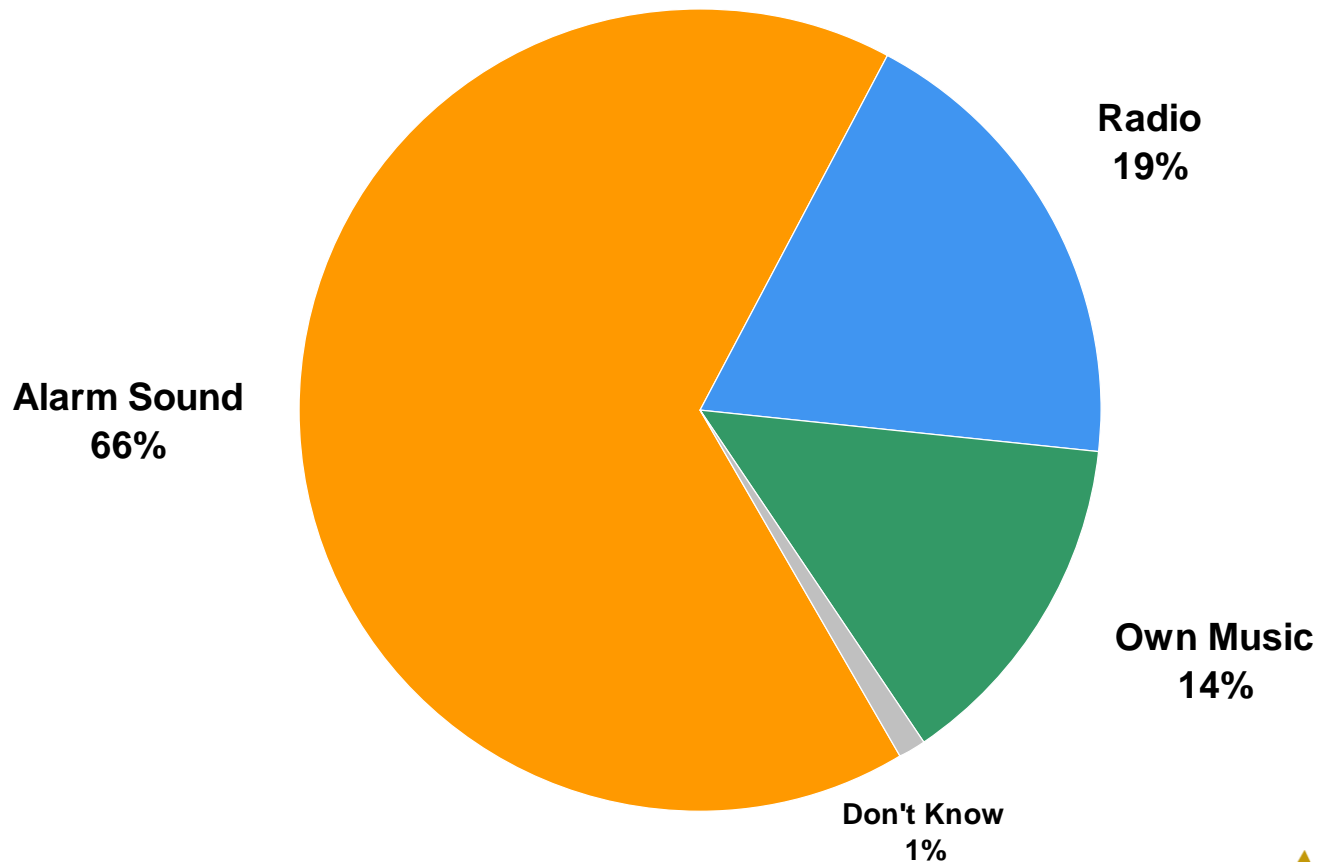


Persons 18-34



Two-Thirds Who Awaken With a Clock Radio, Alarm, or Cell Phone Do So to an Alarm Sound

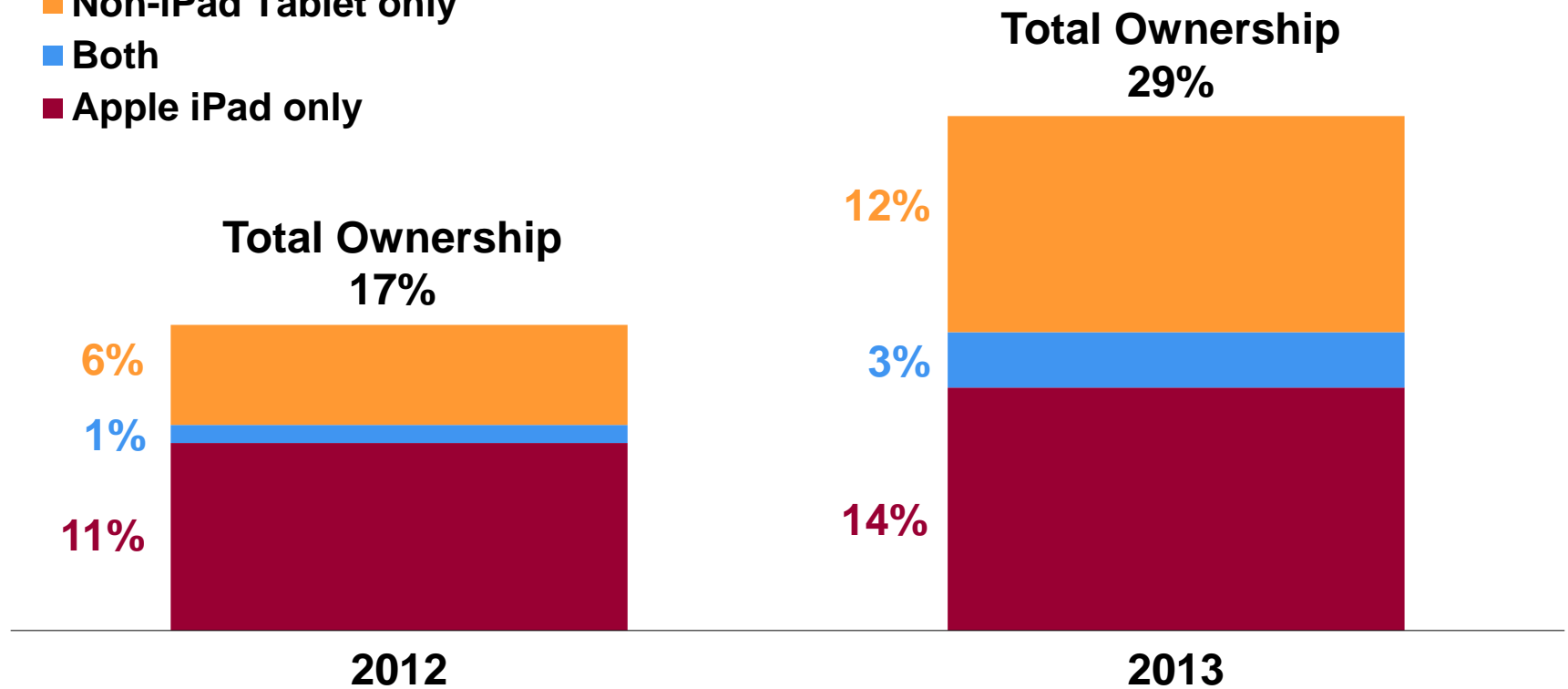
“What do you hear most often when you wake up in the morning?”



Tablet Ownership Reaches Three in Ten; Up More Than 70% Year Over Year

% Who Own...

- Non-iPad Tablet only
- Both
- Apple iPad only

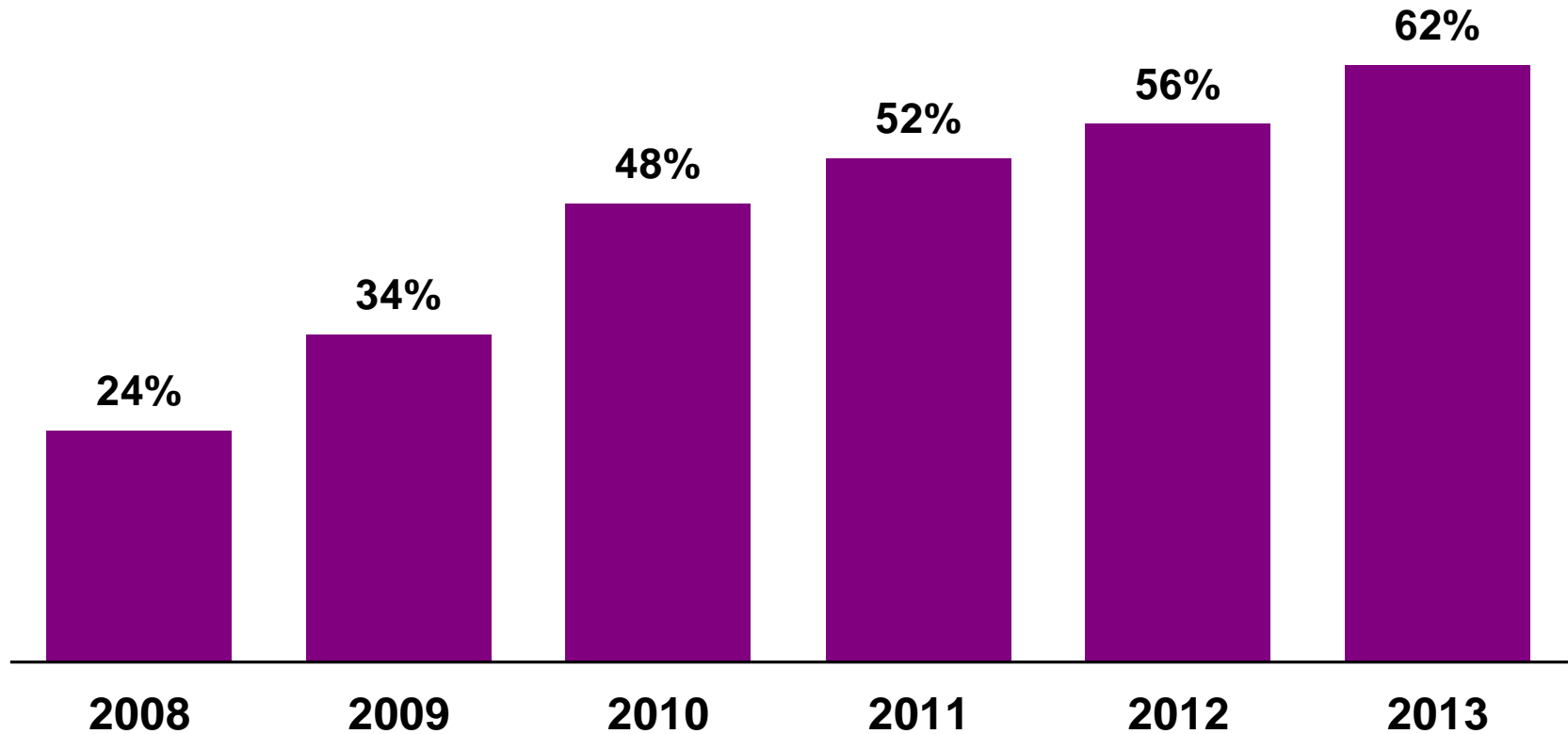


Social Networking



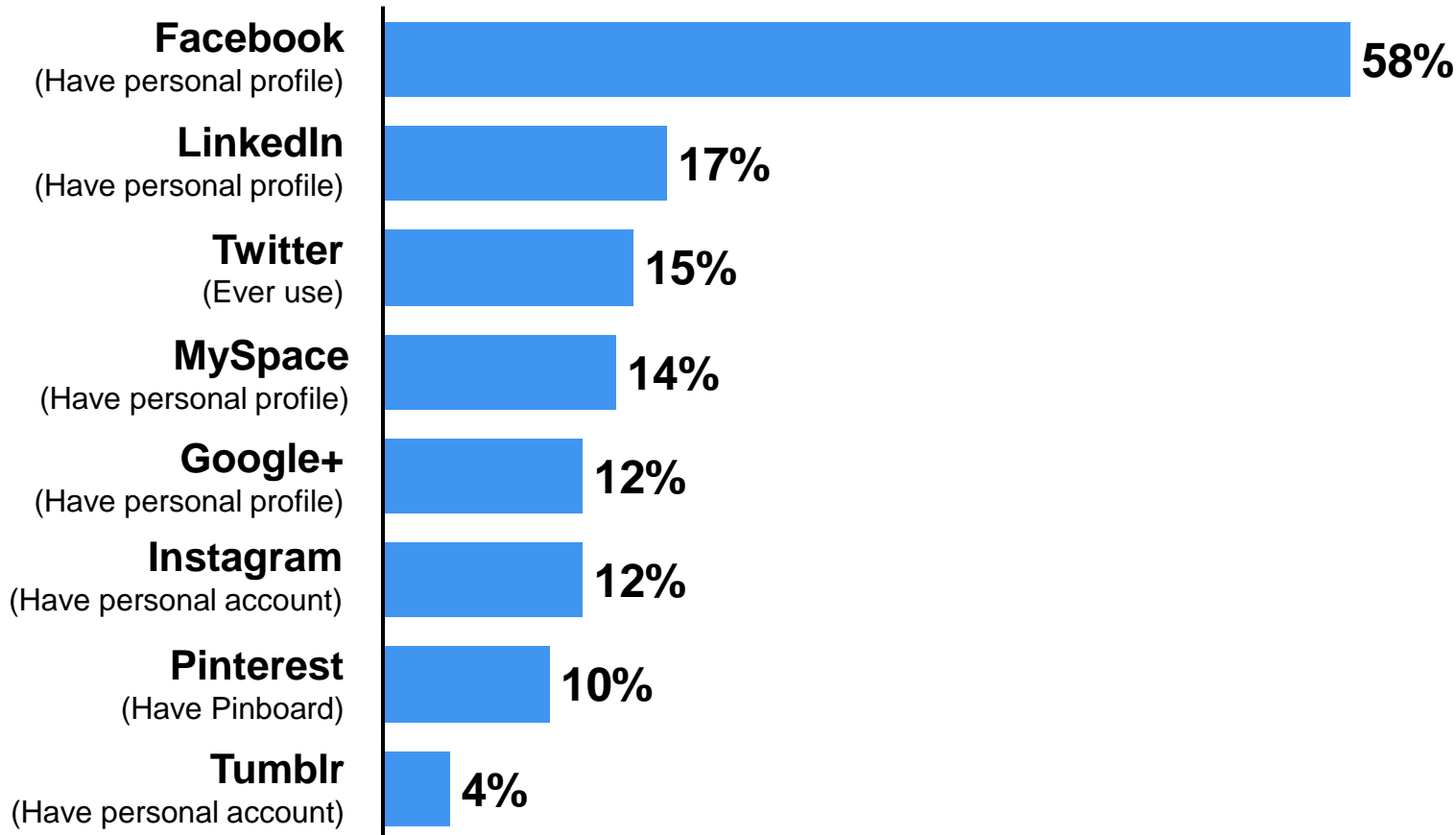
Six in Ten Americans Have a Profile on a Social Networking Site

% Who Currently Have a Profile on Any Social Network



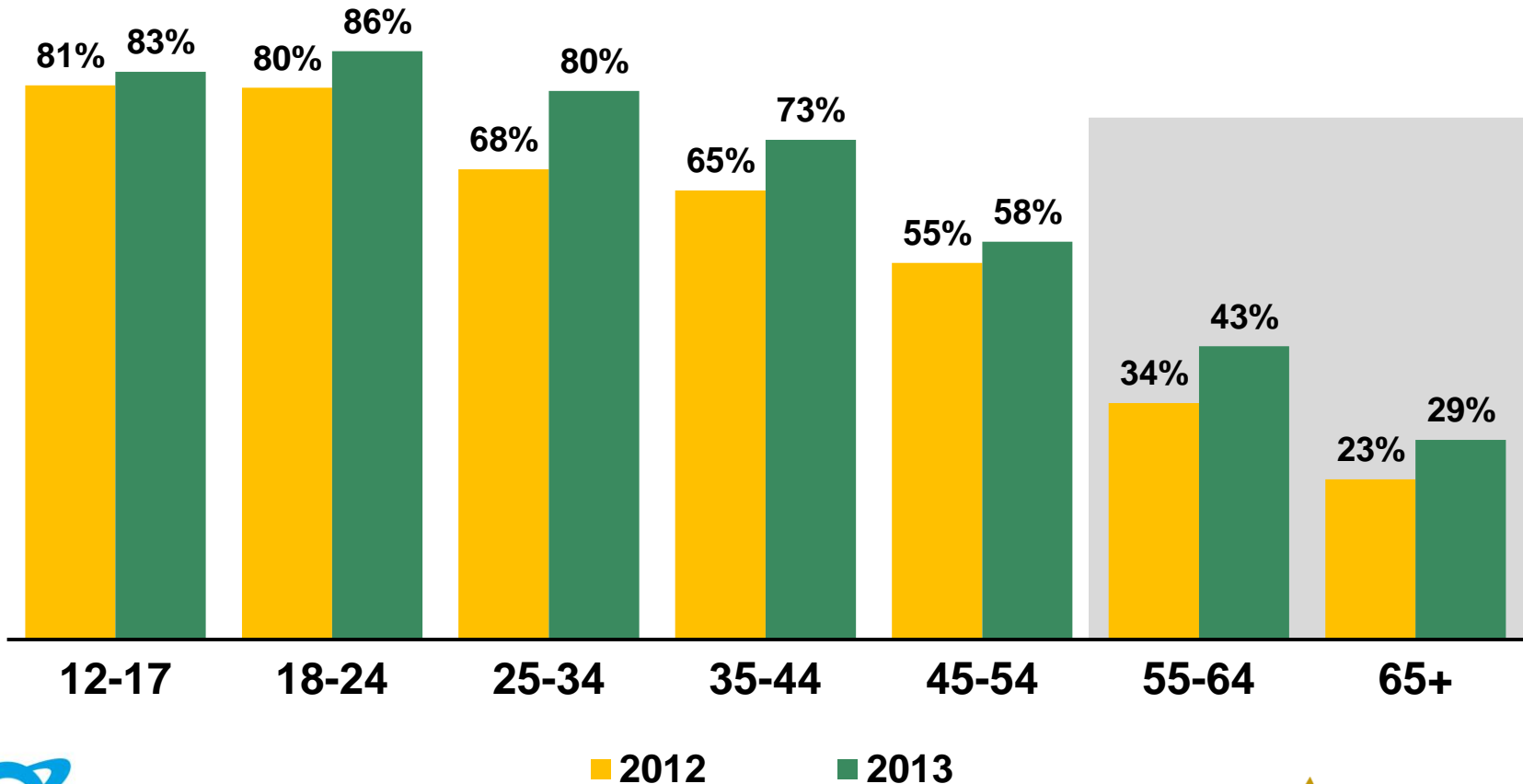
Facebook Is the Dominant Player in Social Networking

% Using Each Social Networking Site/Service



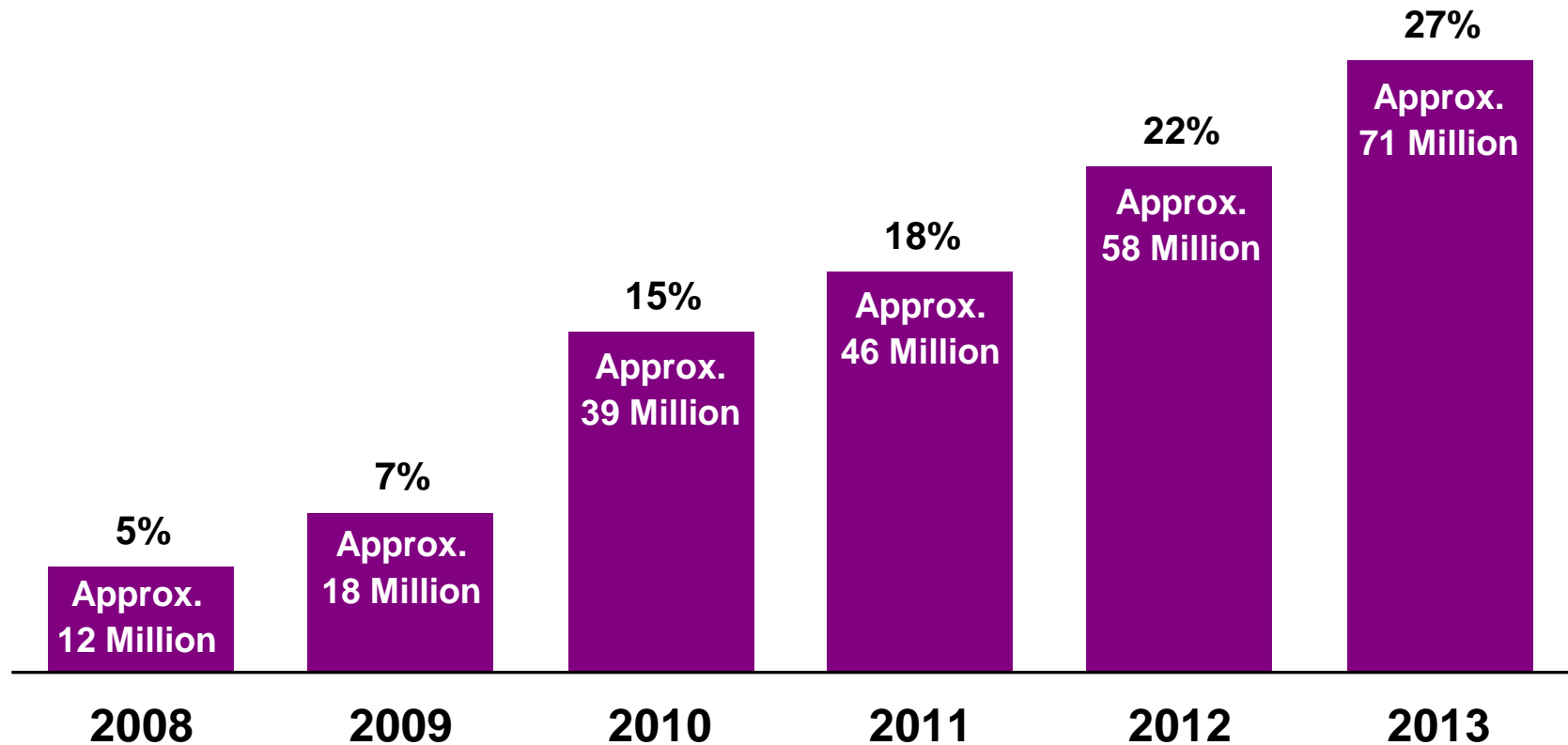
Year-Over-Year Growth in Social Networking Greatest Among People Age 55 and Older

% by Age Group Who Currently Have a Profile on Any Social Network



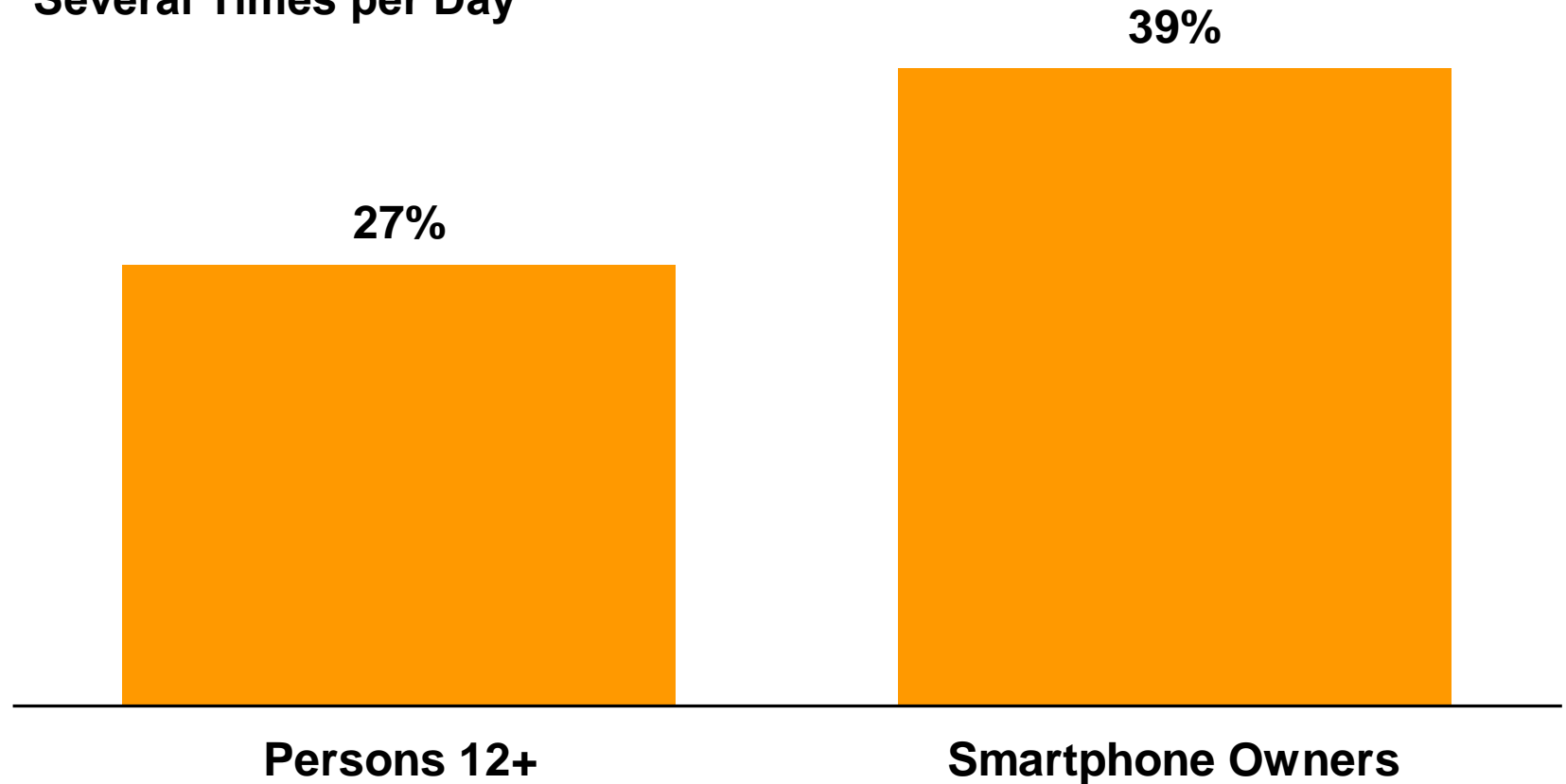
An Estimated 71 Million Americans Check Their Social Network Several Times per Day

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



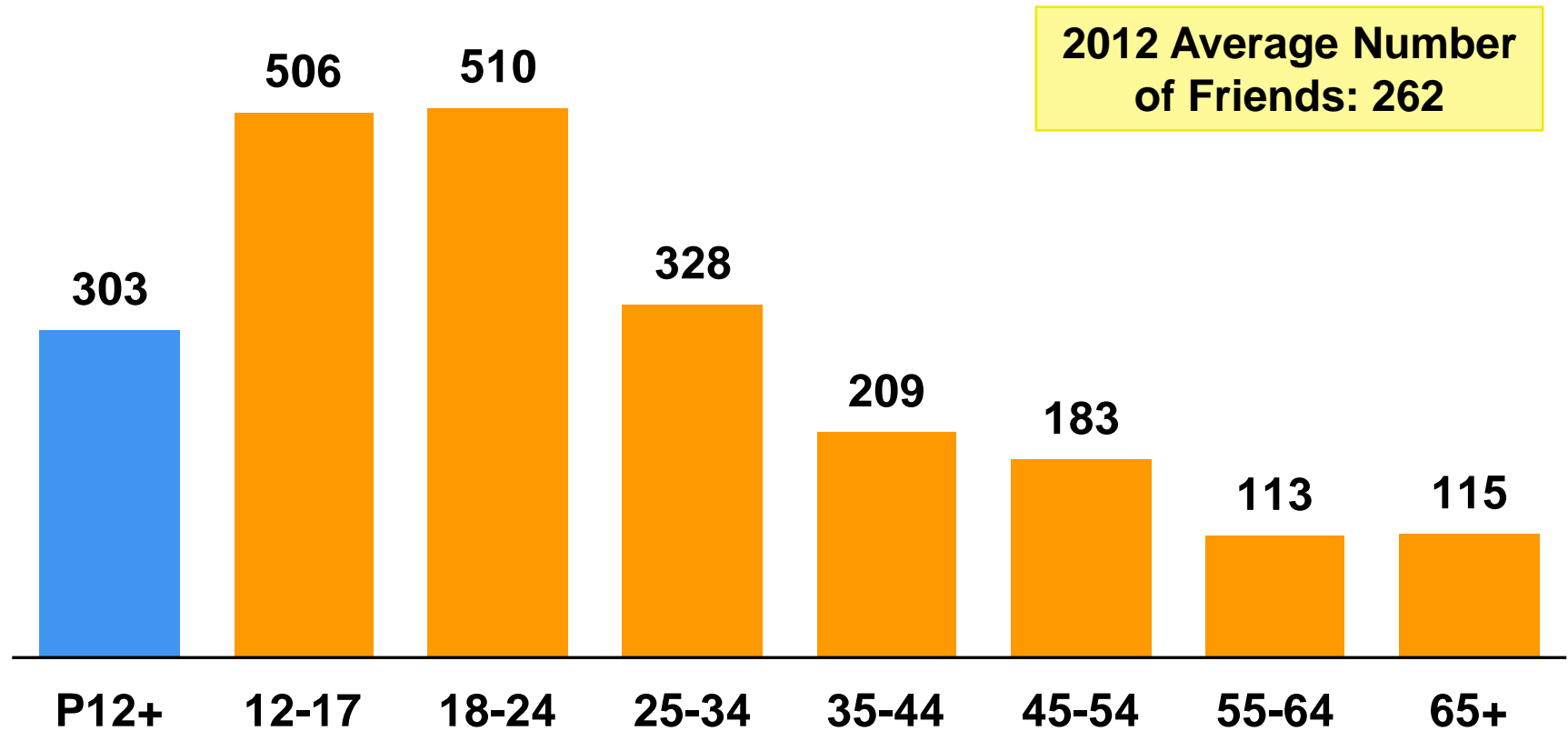
Four in Ten Smartphone Owners Are Habitual Social Network Users

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



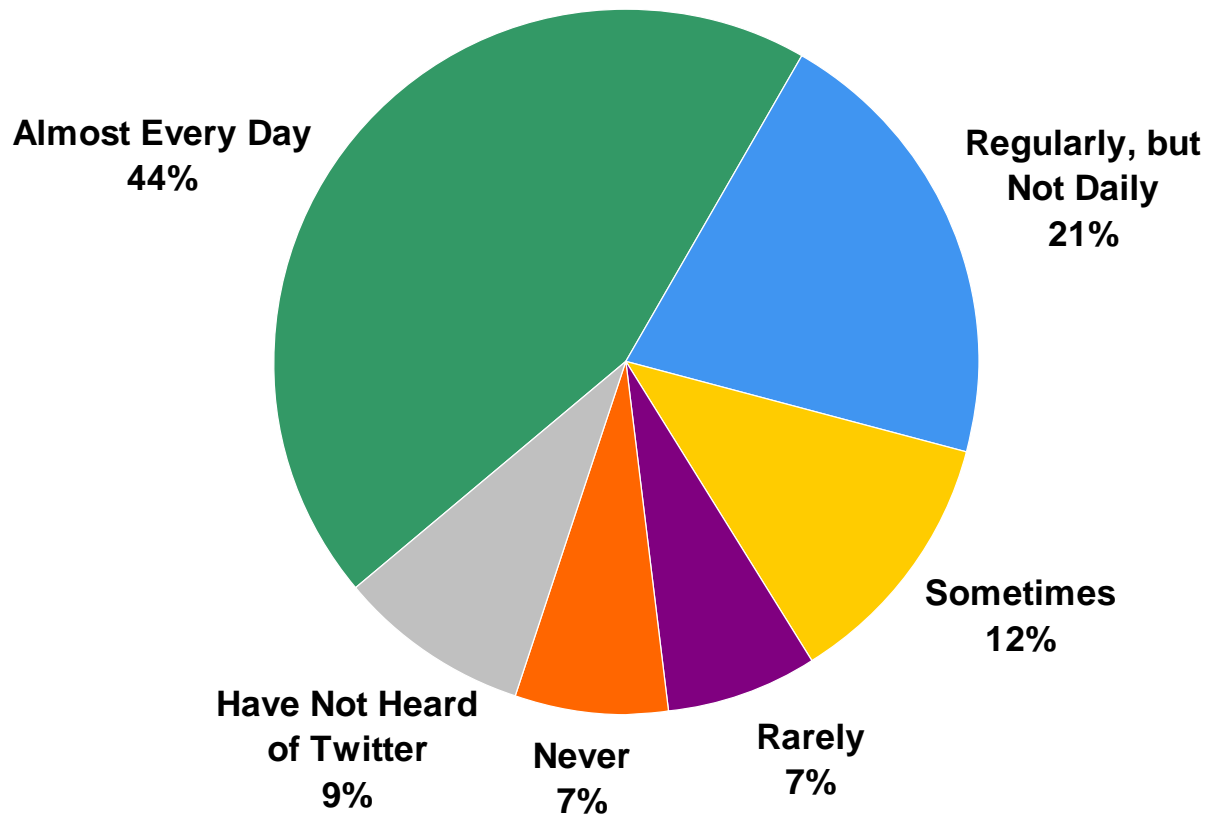
Young Facebook Users Have Lots of “Friends”

Average Number of Facebook Friends by Age Group



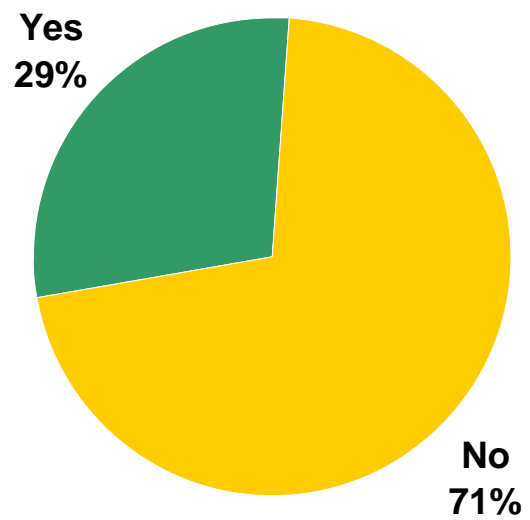
More Than Four in Ten Americans Hear or Read About Tweets Almost Every Day in the Media

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

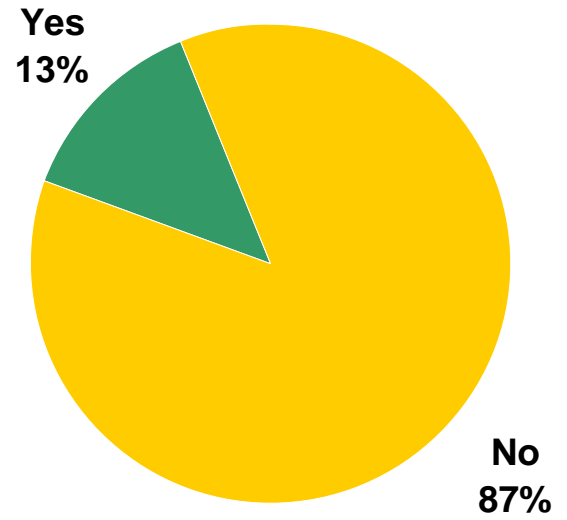


Many Express Political Views on Facebook; Some Have Unfriended People Due to Political Views

“Do you ever express your political views on Facebook through posts or links to articles?”

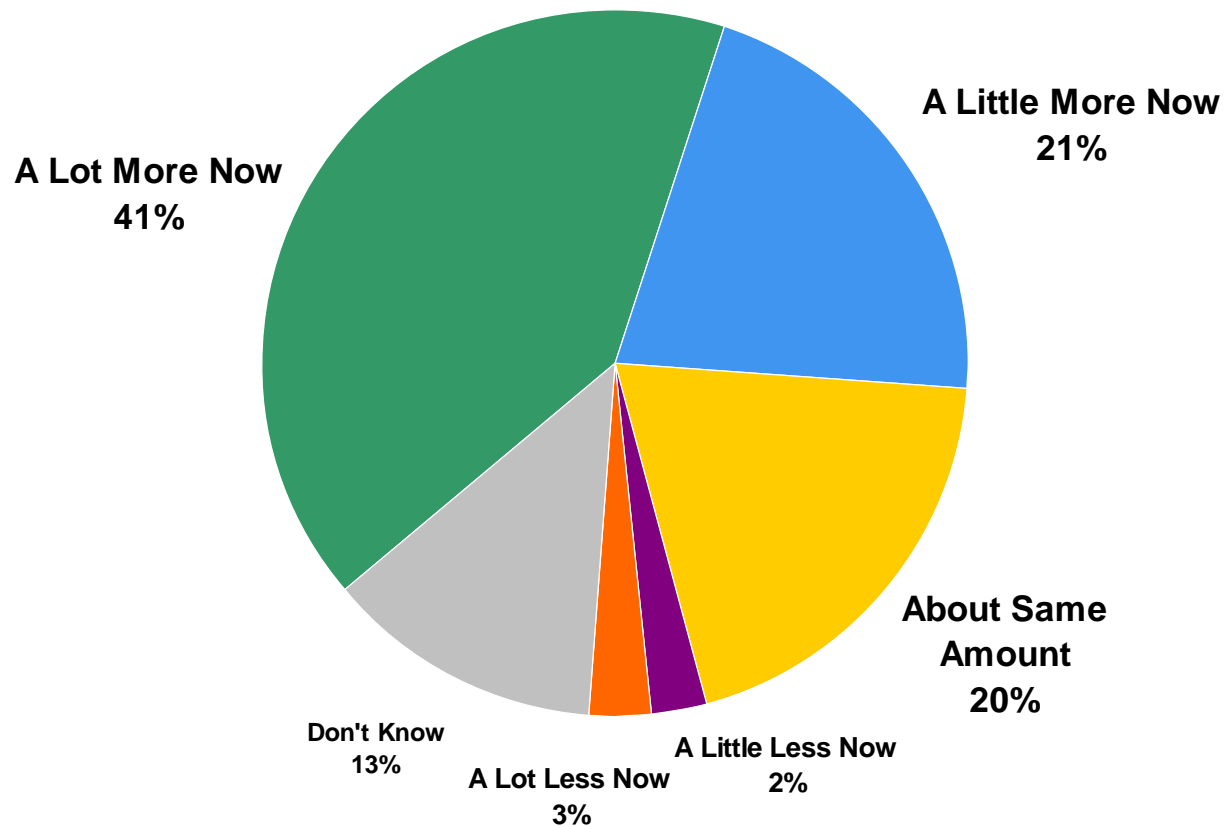


“Have you ever unfriended anyone on Facebook because of his or her political views?”



Four In Ten Notice a Lot More Company and Brand Content in News Feeds Compared With a Year Ago

“How much company, brand, or product-related content do you see in your Facebook news feed now compared to one year ago?”

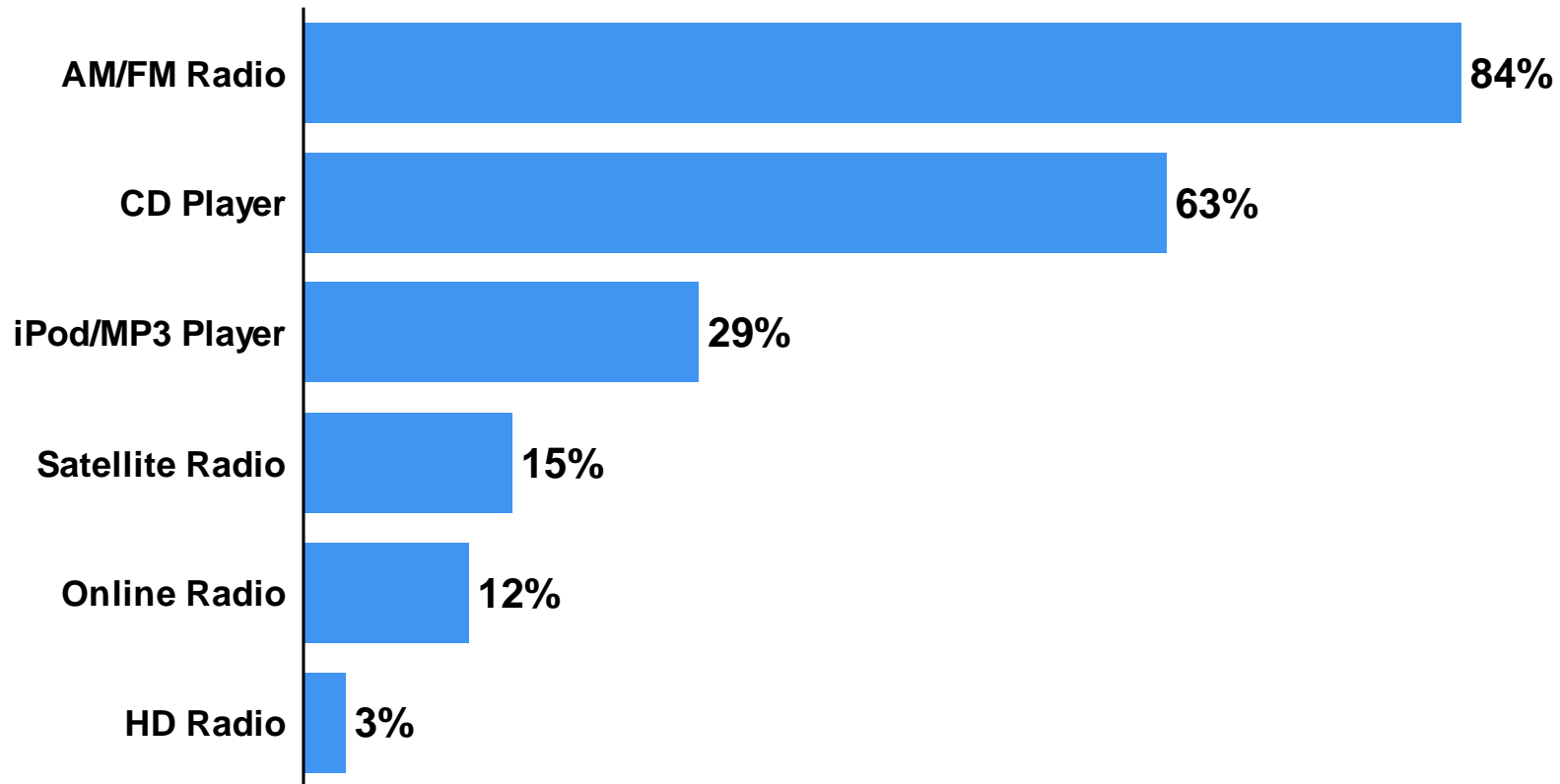


In-Car Media



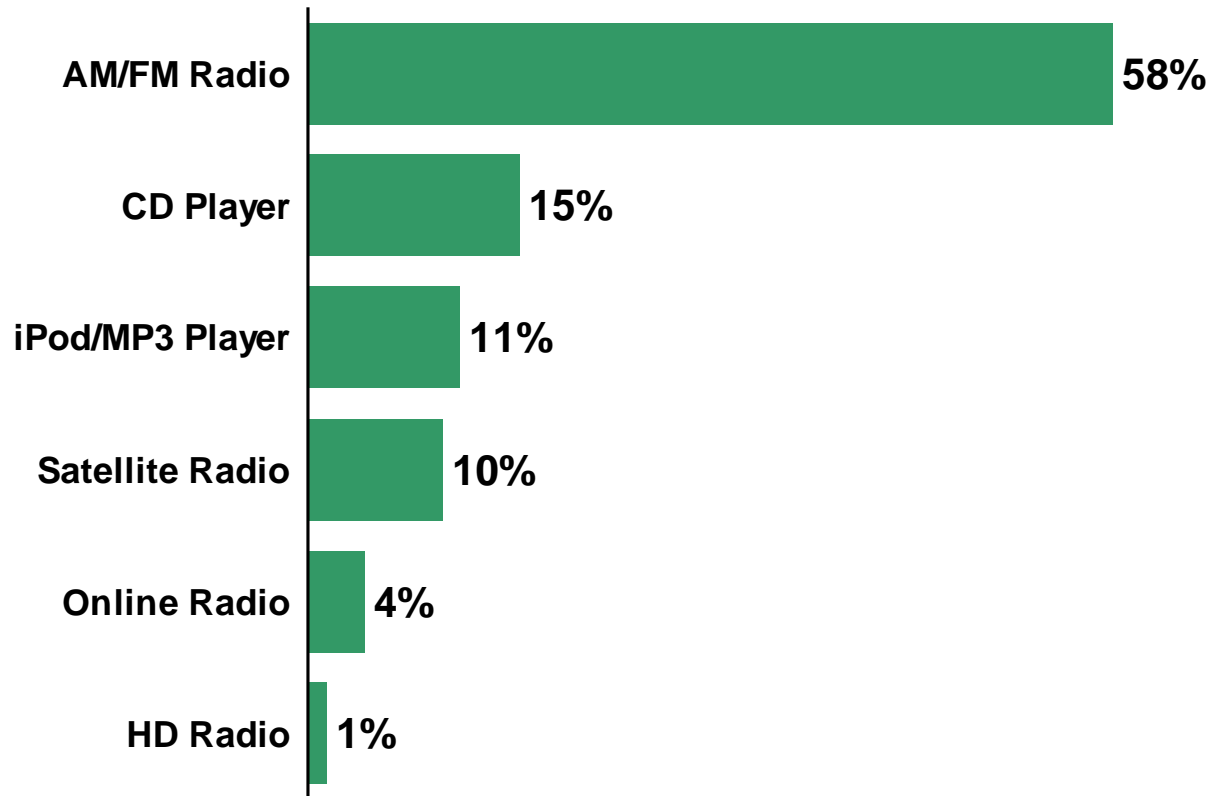
AM/FM Radio Is the King of In-Car Media

% Who Currently Ever Use in Primary Car



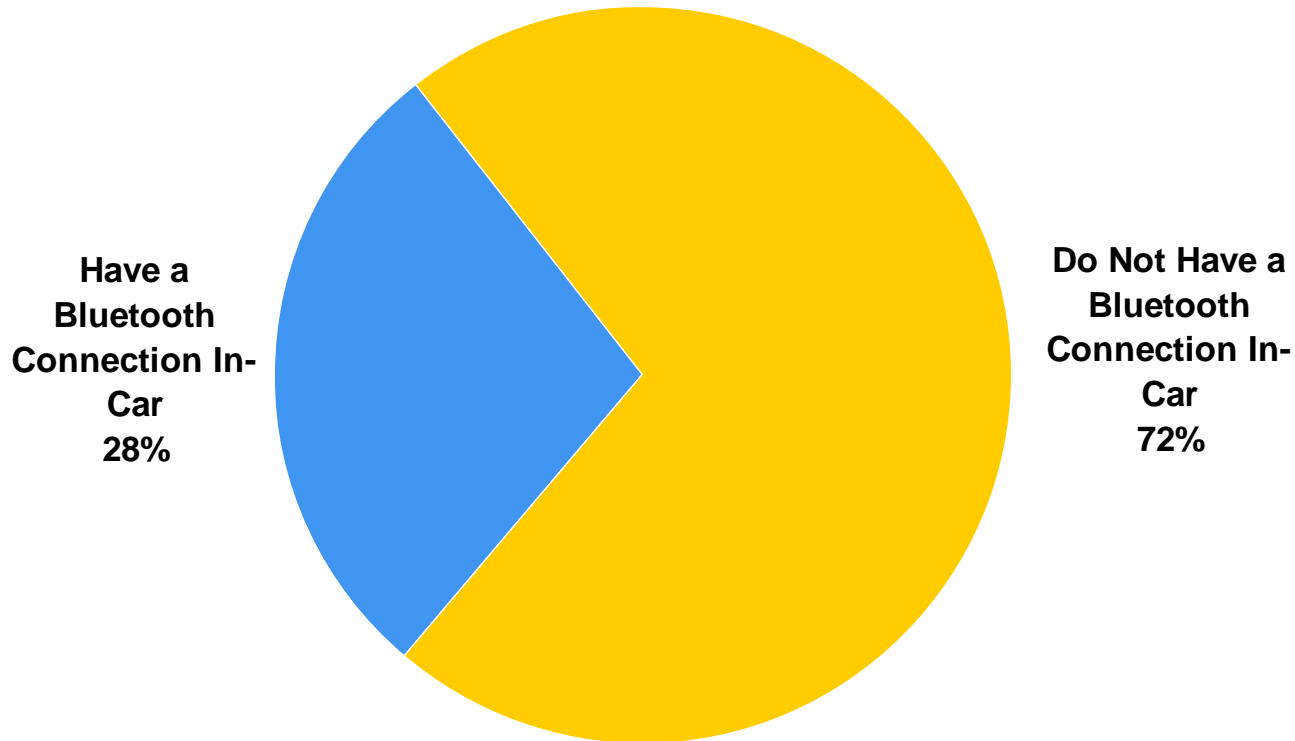
AM/FM Radio Has Far More Frequent Users Than Other In-Car Audio Options

% Using “Almost All of the Times” or “Most of the Times” in the Car



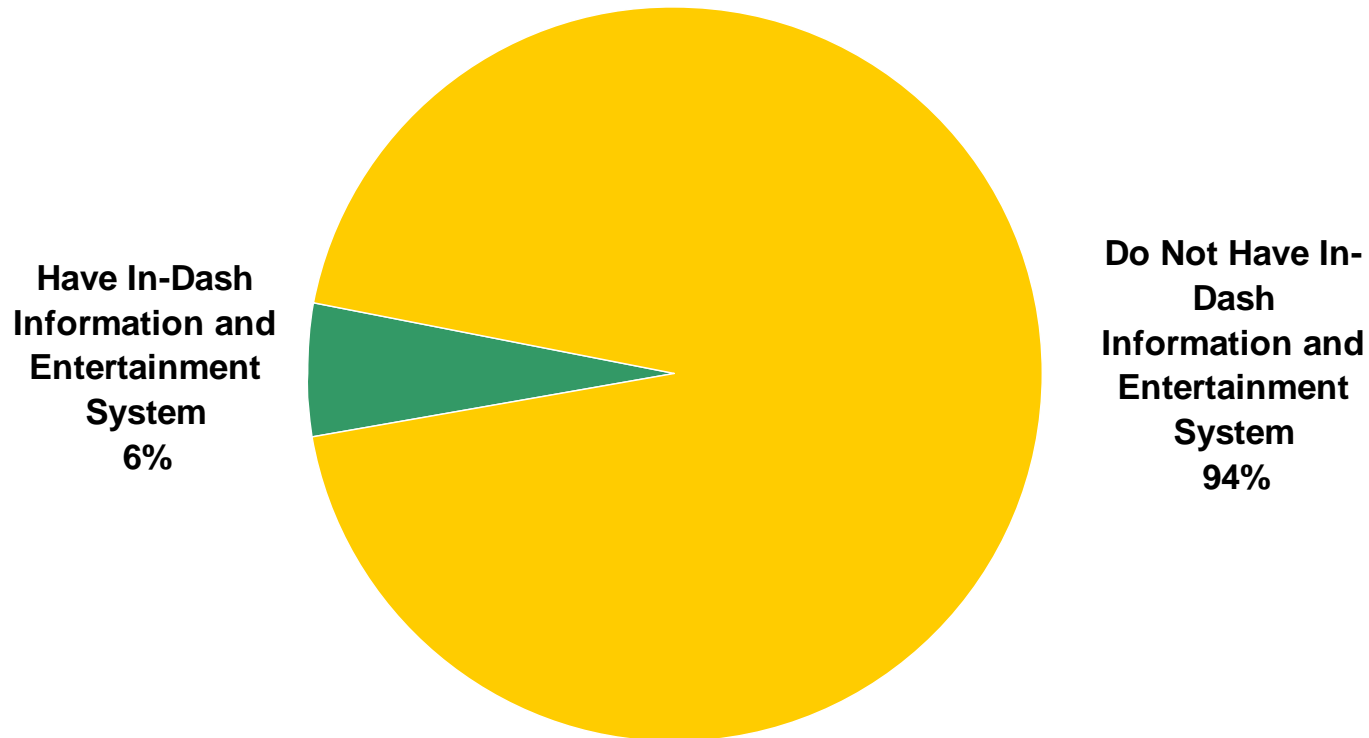
Nearly Three in Ten Have an In-Car Bluetooth Connection

% With a Bluetooth Connection in Primary Car



In-Dash Information and Entertainment Systems Still in Their Infancy

% With an In-Dash Information/Entertainment System in Primary Car

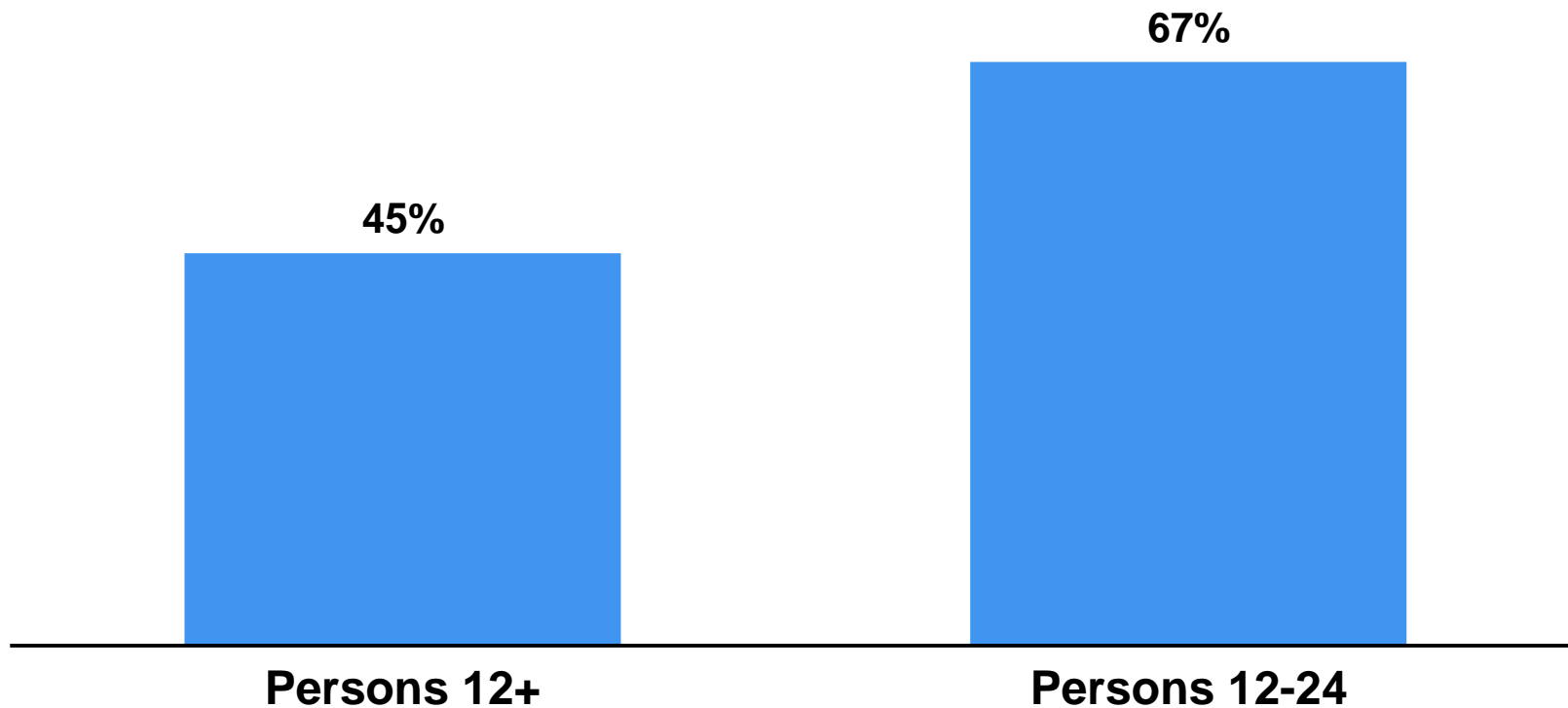


New Music



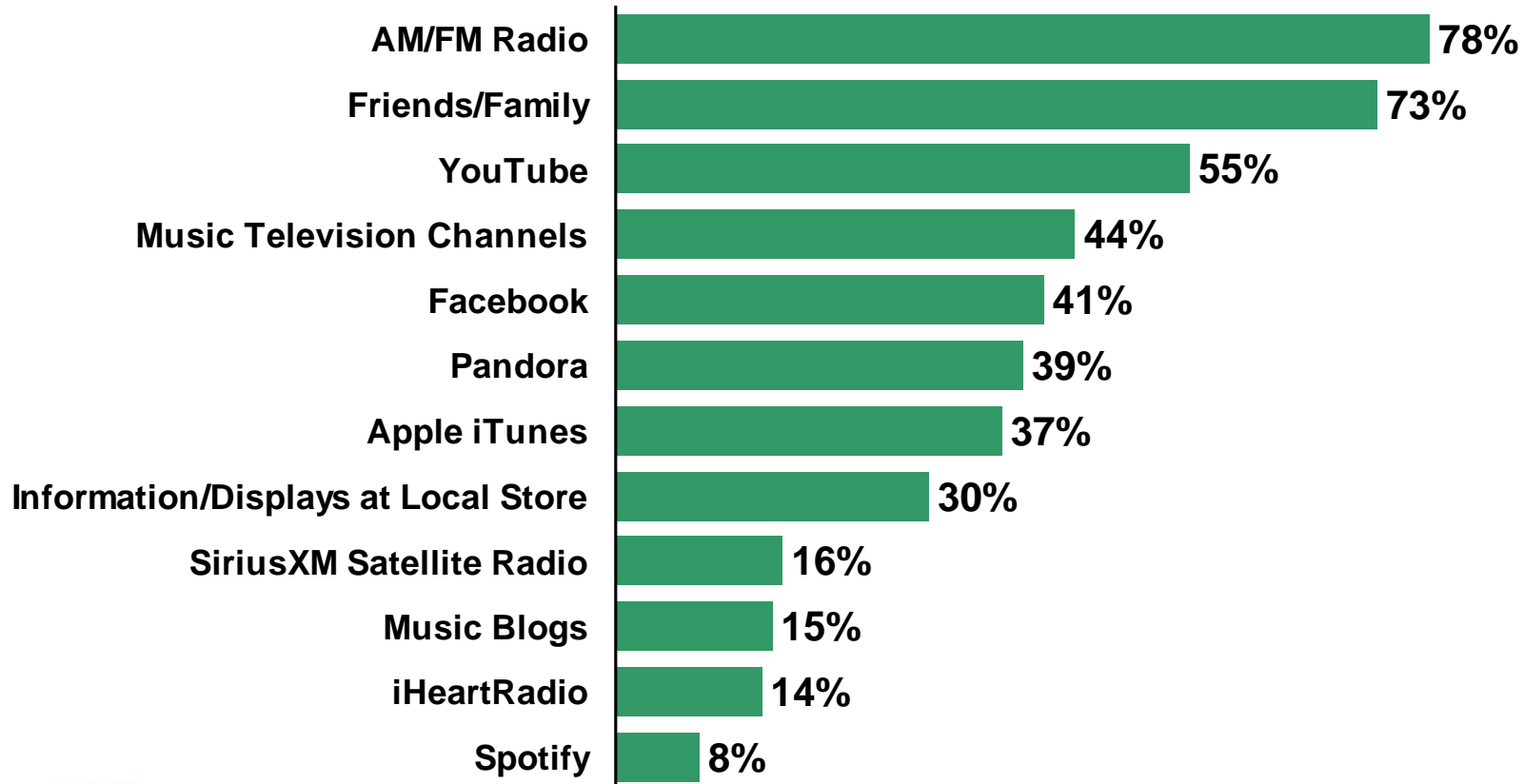
Learning About and Keeping Up-to-Date with New Music Is More Important to 12-24s

% Saying It Is “Very Important” or “Somewhat Important” to Learn About and Keep Up-to-Date With New Music



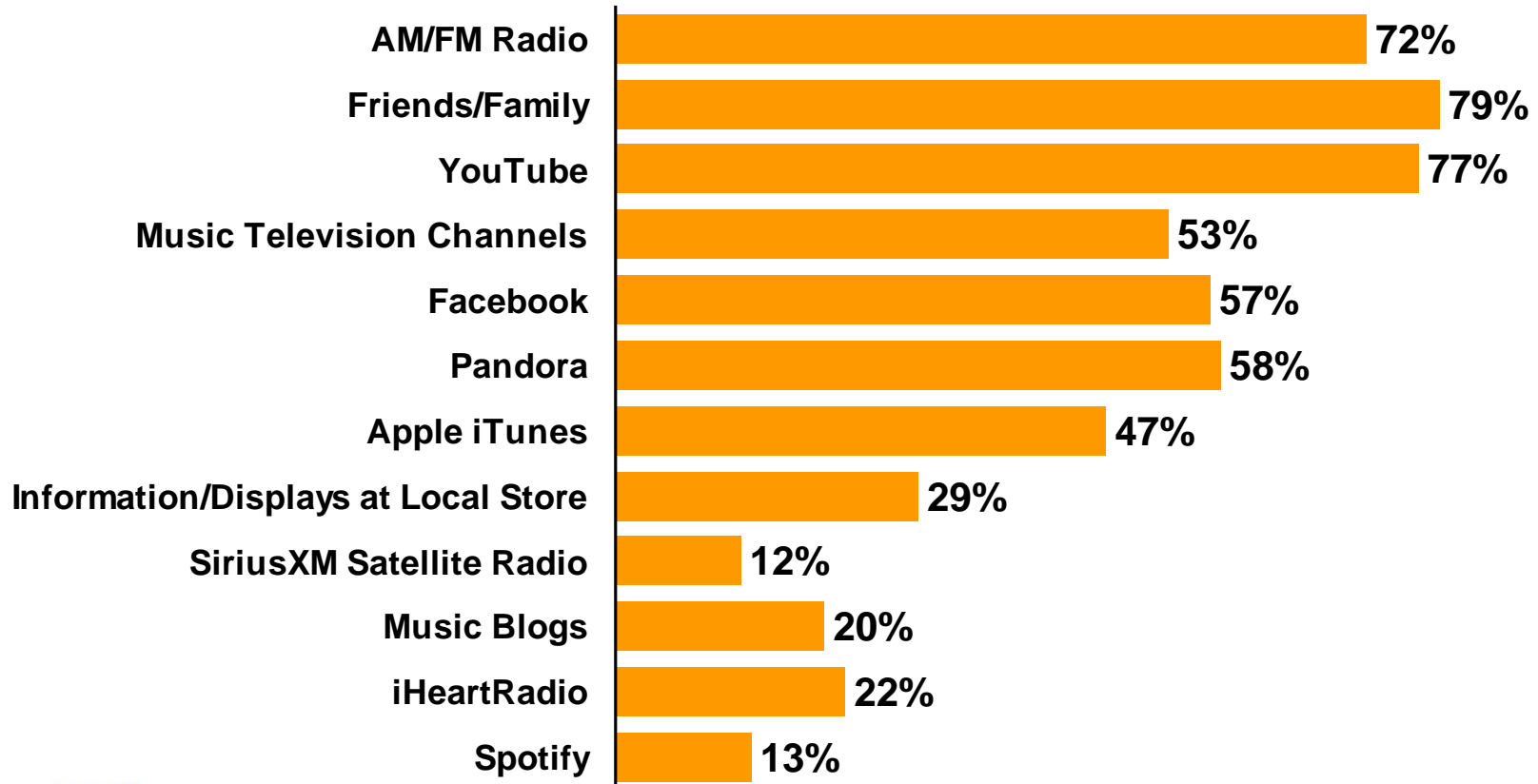
AM/FM Radio Is the Top Source For Those Seeking to Learn About New Music

% Who Ever Use Each Source to Learn About and Keep Up-to-Date With New Music



More Than Seven in Ten 12-24s Learn About New Music From AM/FM Radio

% of 12-24s Who Ever Use Each Source to Learn About and Keep Up-to-Date With New Music



Heavy Users of Radio, TV, and Internet



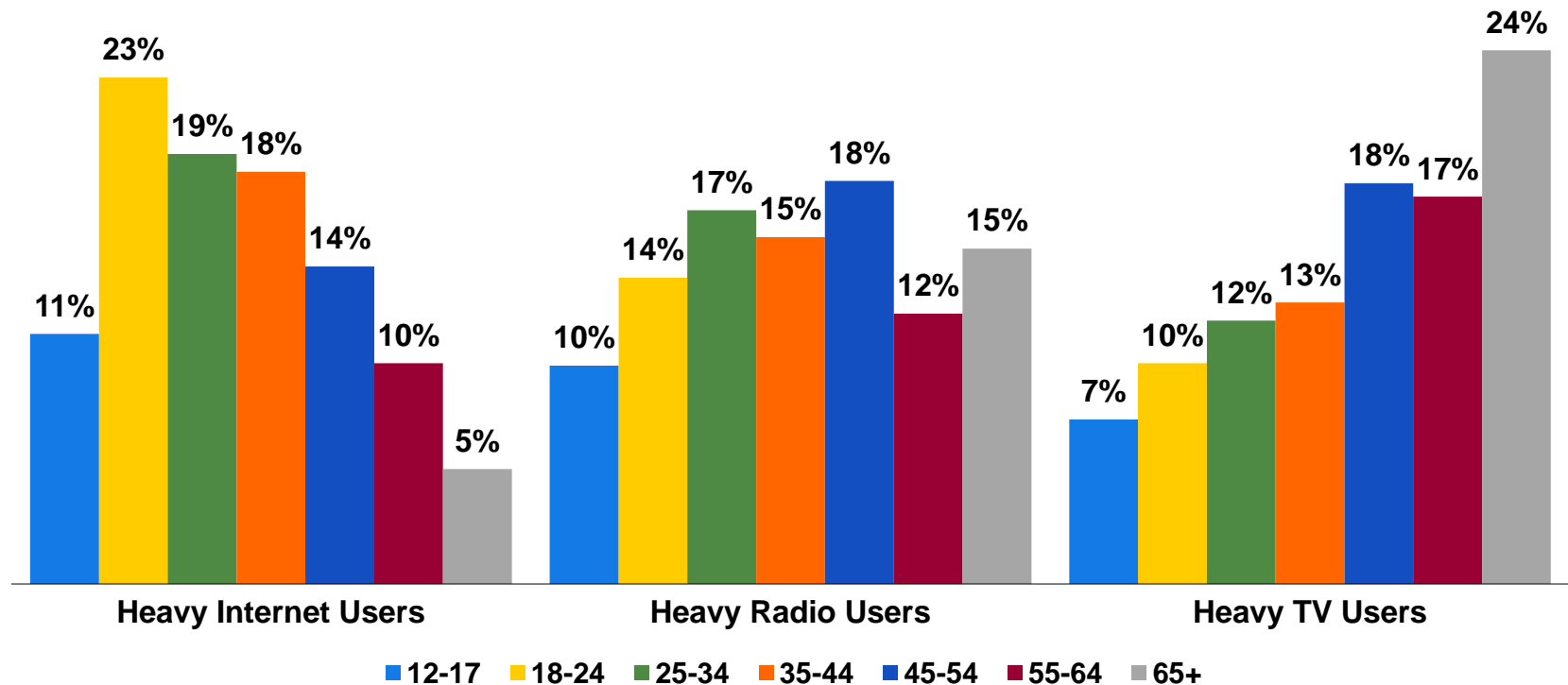
Ages of Heavy Radio Users Closest to Population; Heavy Internet Users Skew Younger, Heavy TV Users Lean Older

Age Composition of...

Heavy Internet Users
Median Age = 33

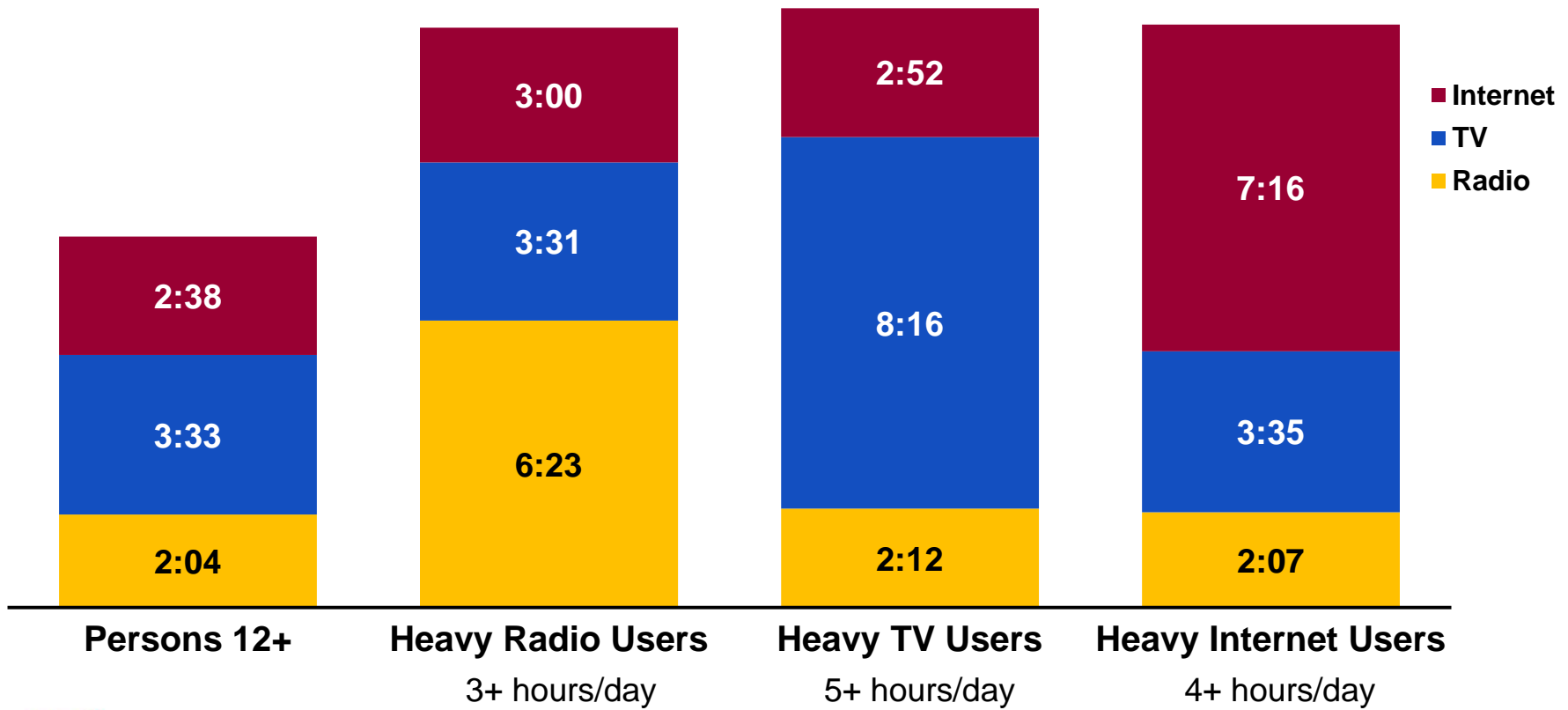
Heavy Radio Users
Median Age = 42

Heavy TV Users
Median Age = 50



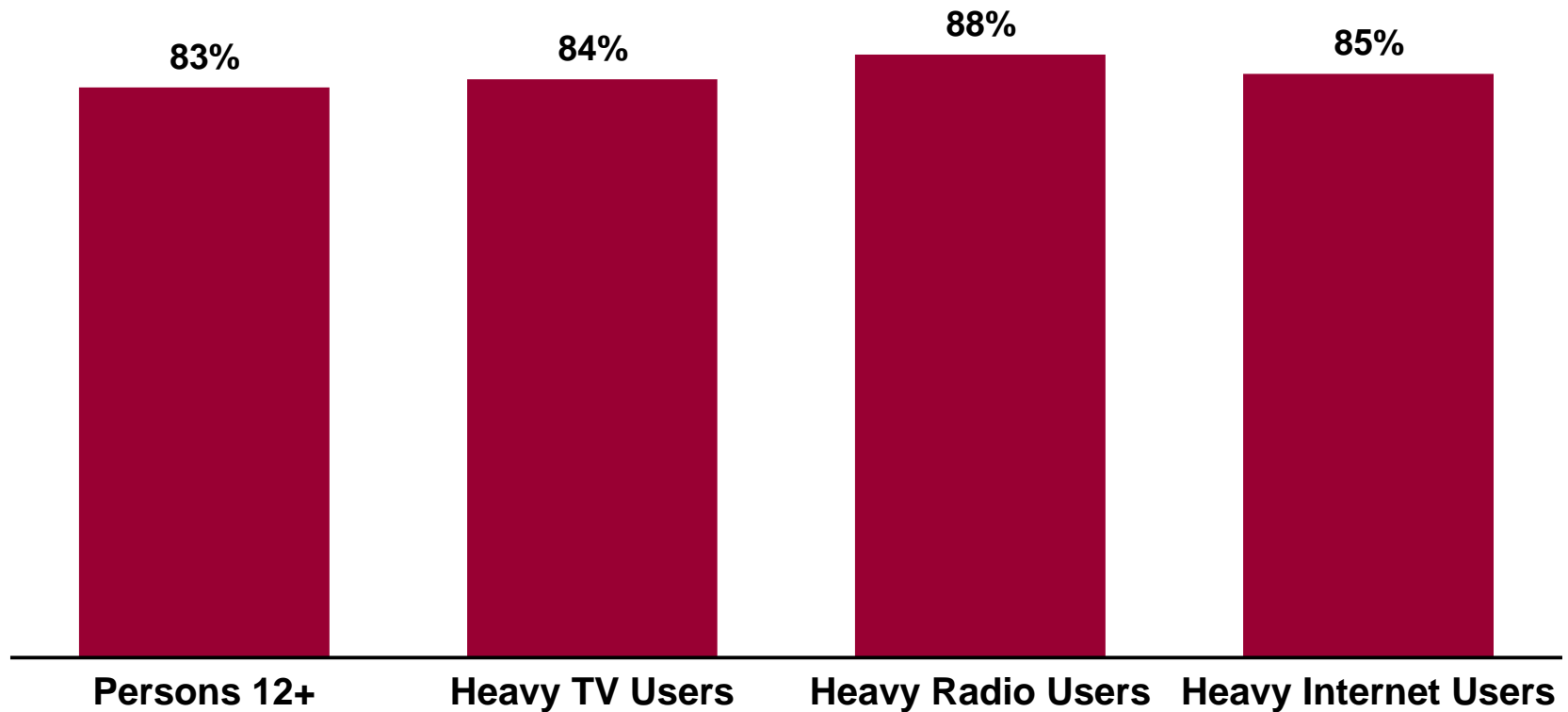
Heavy Usage of One Medium Is NOT Necessarily Associated With Less Time With Other Media

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



83% Would Be Very/Somewhat Disappointed if the Radio Station They Listen to Most Were Not On-Air

% Who Would Be “Very” or “Somewhat” Disappointed if the AM or FM Radio Station They Listen to Most Were No Longer On-Air

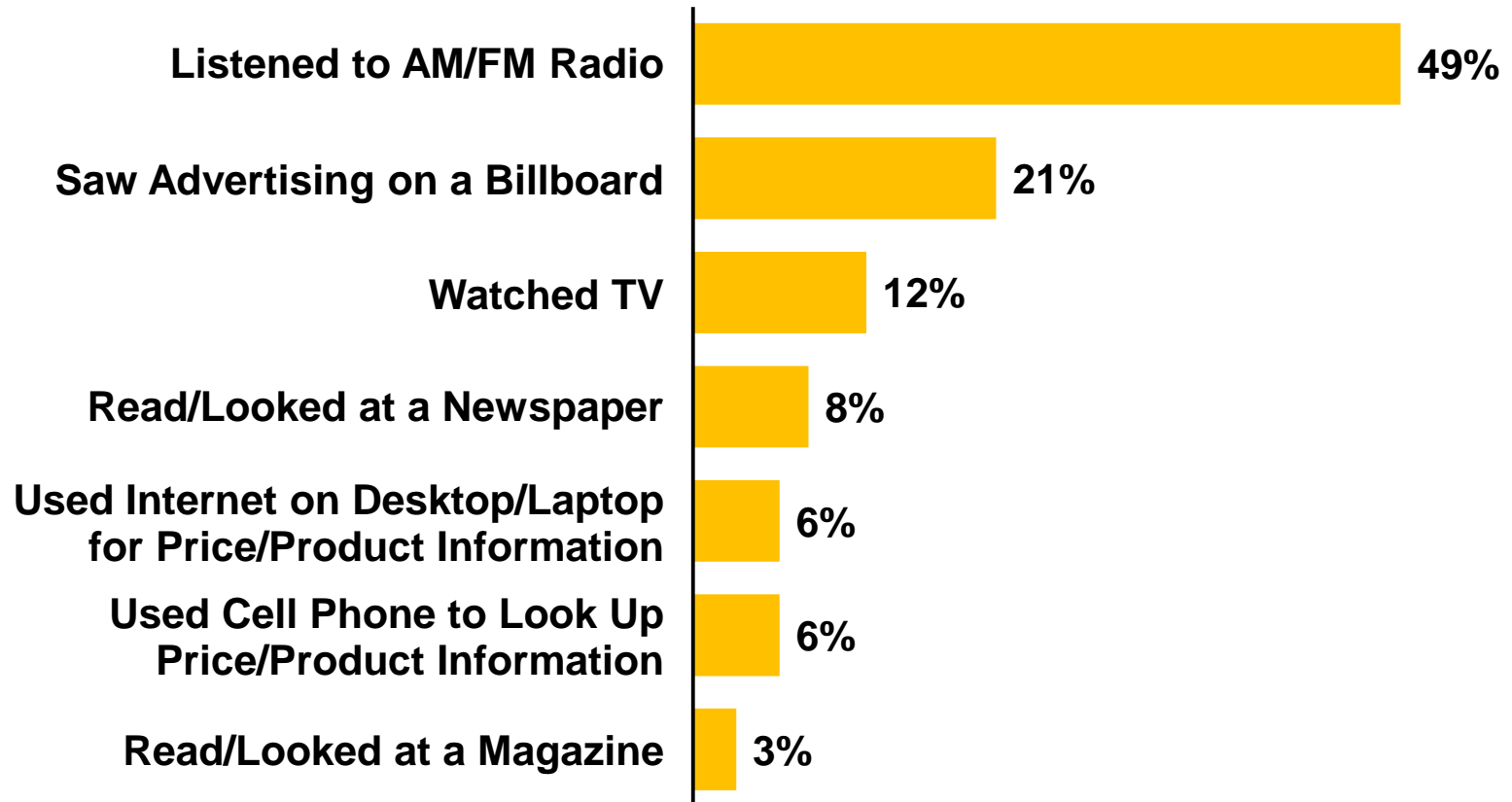


Recency and Consumer Response



Radio Is the Top Medium By Far During the Half Hour Before People Arrive to Shop

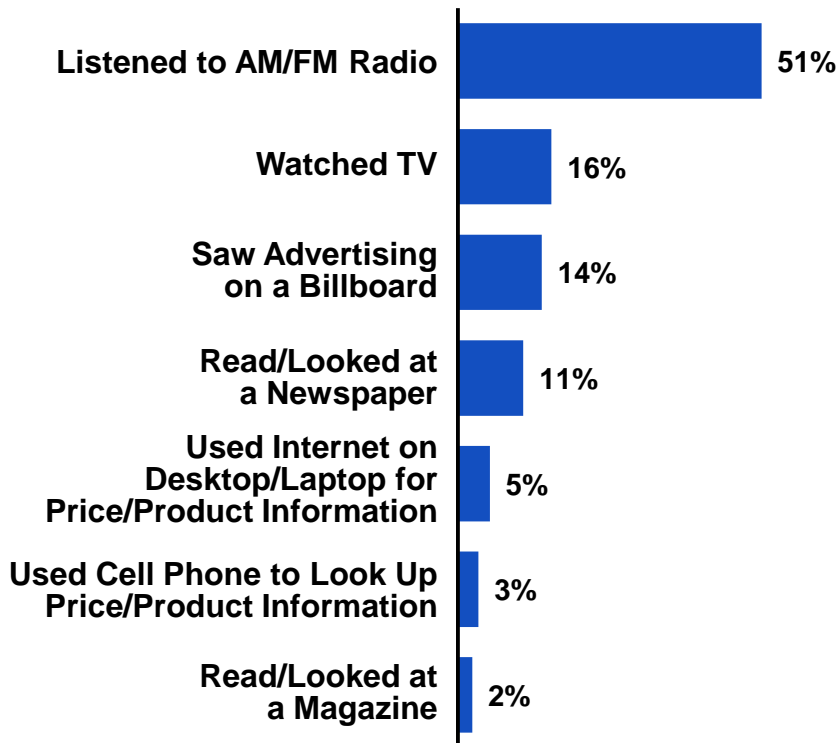
% Who (Item) Just Before Arriving at Store of Last Shopping Visit



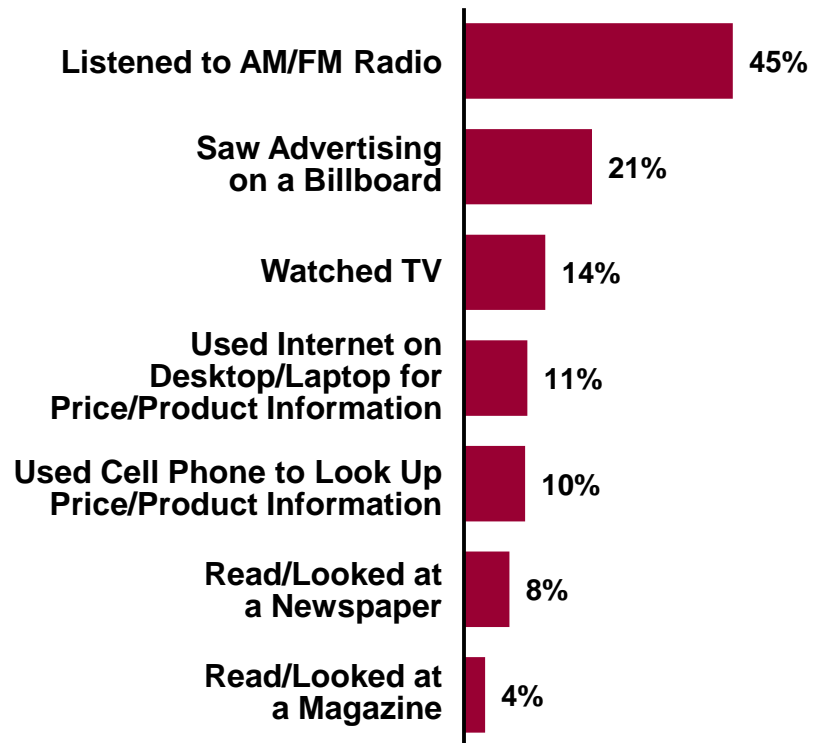
Radio Top Medium Before People Shop Even Among Heavy TV and Internet Users

% Who (Item) Just Before Arriving at Store of Last Shopping Visit

Heavy TV Users



Heavy Internet Users

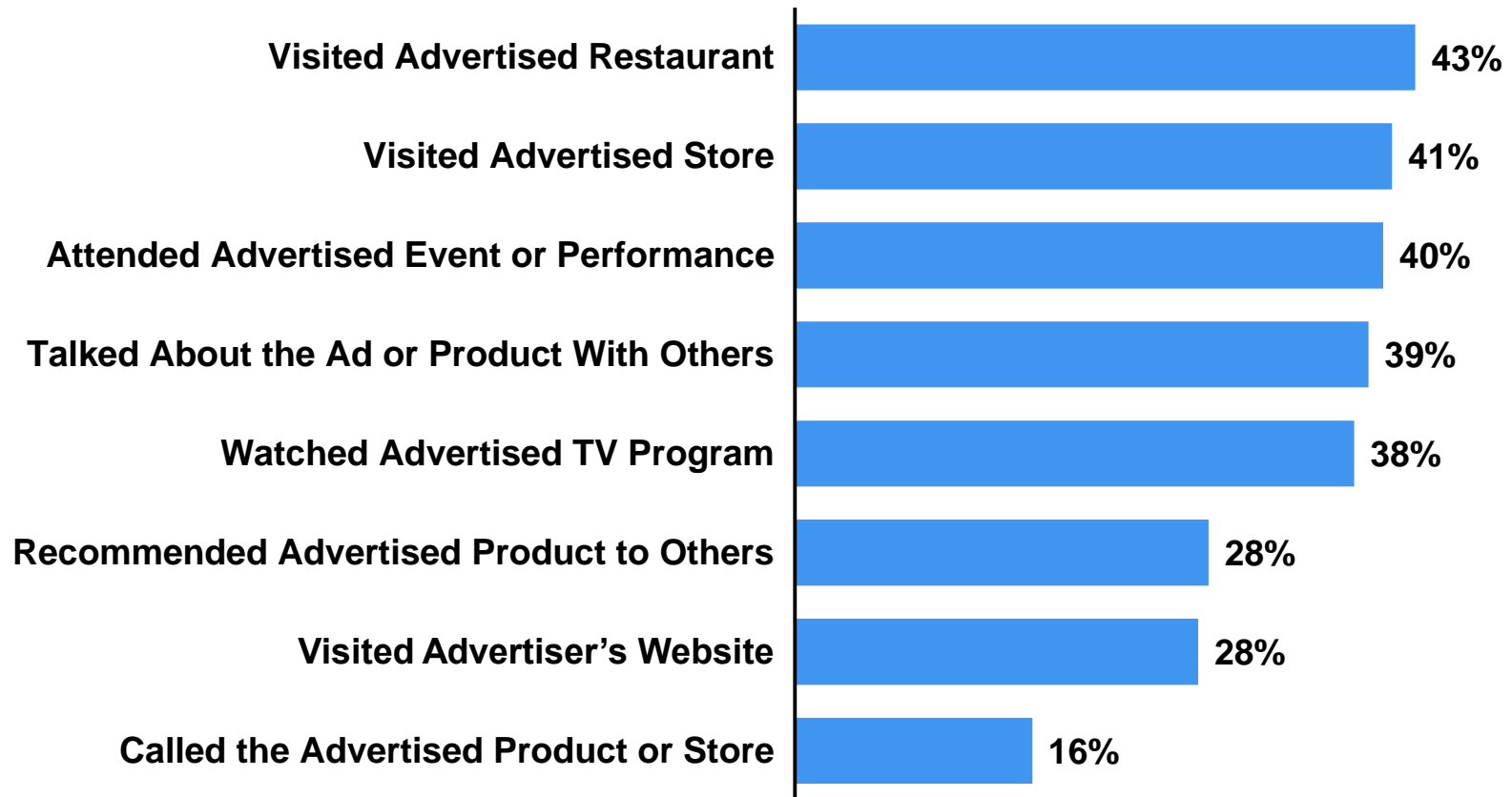


Base: Visited a Supermarket, Department Store, Retail Shop or Restaurant in Past 24 Hours



Ads on AM/FM Radio Prompt Consumer Response

% Who Have Ever Done the Following After Hearing an Ad on AM/FM Radio

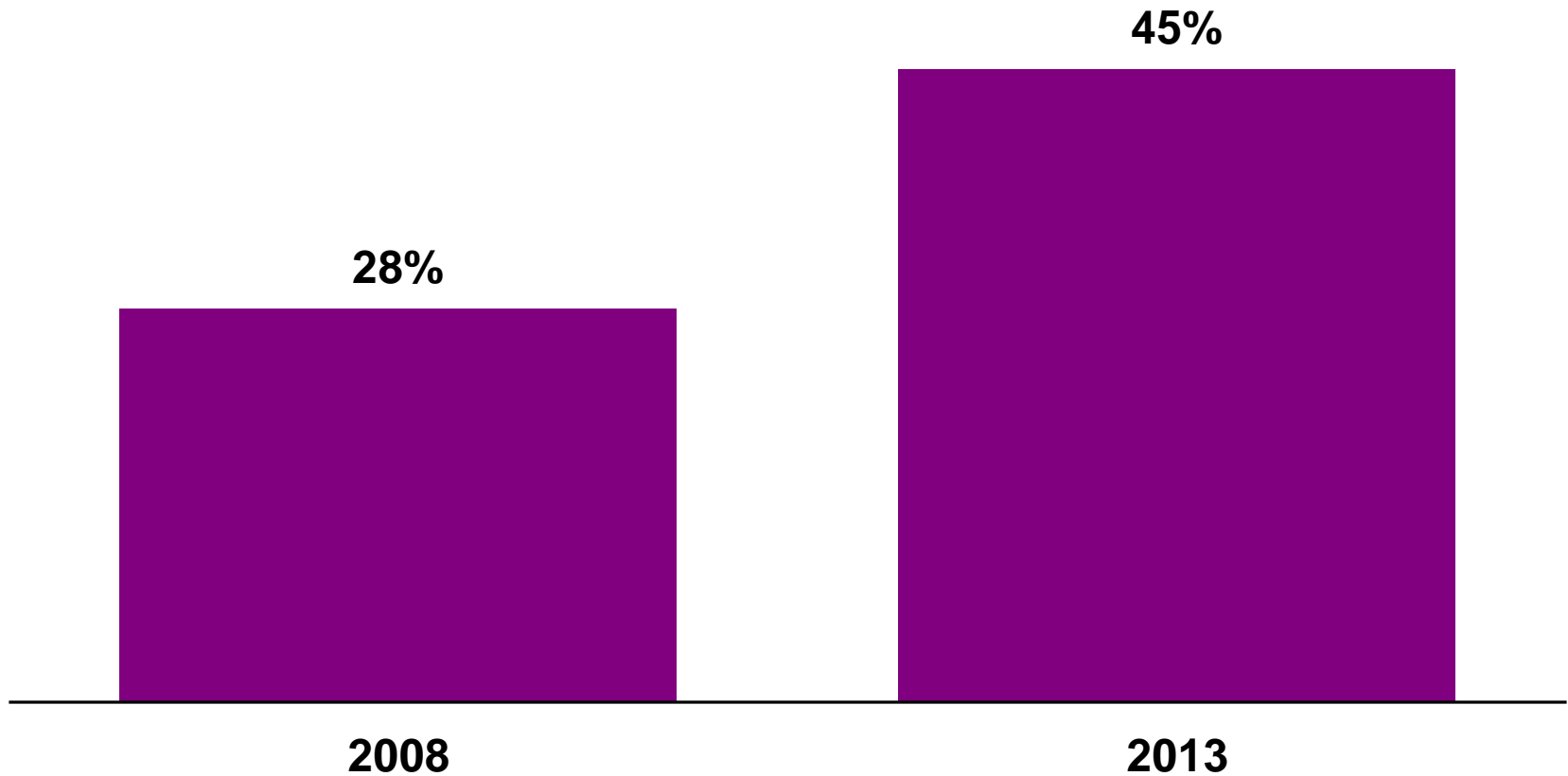


Consumer-Controlled Television Viewing



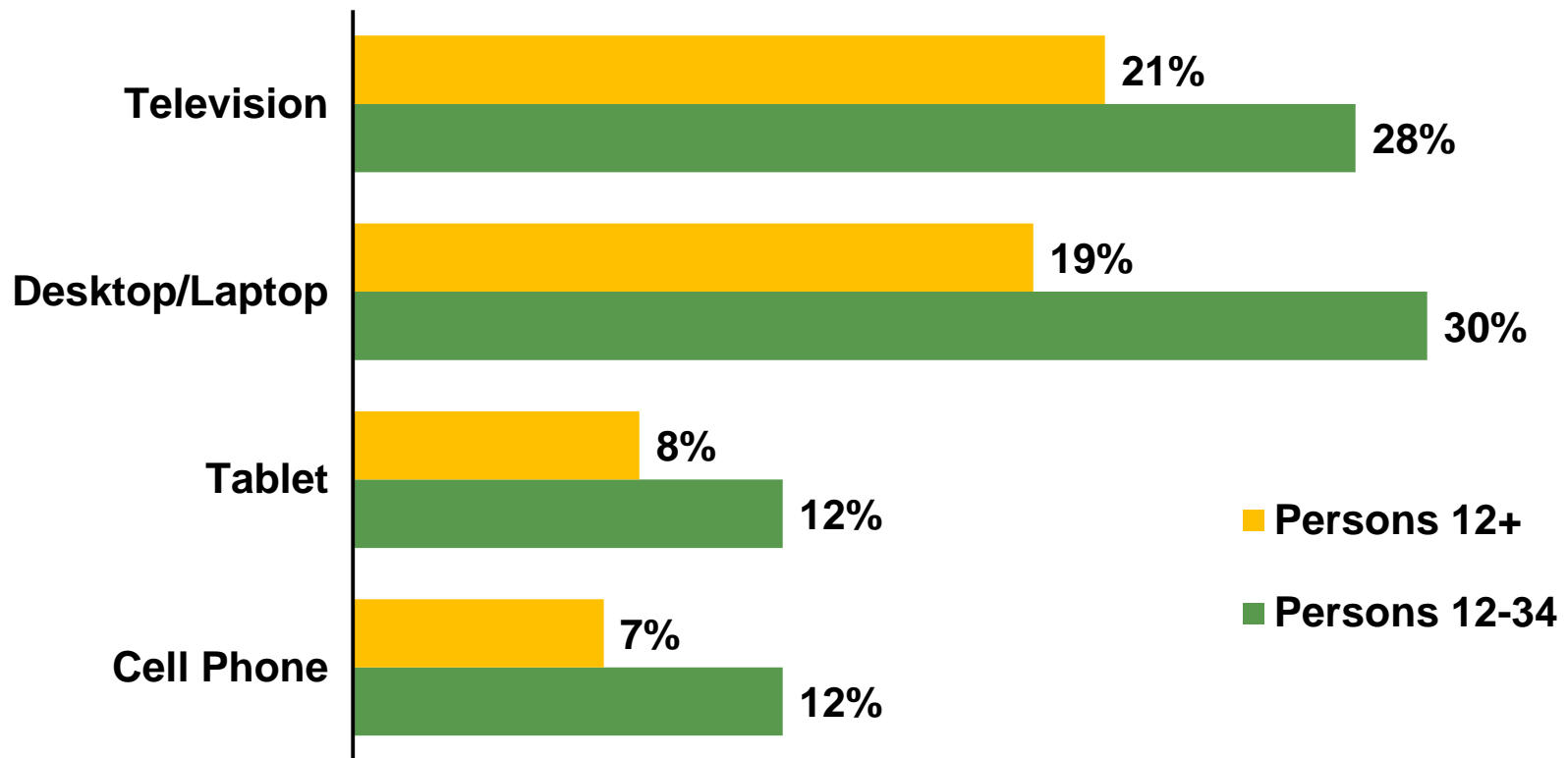
Almost Half Now Have a DVR; 60% Growth in Five Years

% Who Have a Digital Video Recorder



Persons 12-34 Much More Likely to Watch TV by Streaming or Downloading Shows

% Who Have Watched TV in the Last Month by Streaming or Downloading Shows to be Viewed on a...



Observations



Observation #1

Media consumption is not a zero sum game.

Digital platforms do not replace media usage... they enhance it.

Observation #2

Now that the majority of Americans have smartphones, they have a “two-way” radio in their pocket.

Find ways to engage an audience that is tuning-in and responding on the same device.

Observation #3

**“Location, location, location.”
Prime real estate is crucial
on the smartphone.**

**A clear app strategy can help
ensure your brand doesn’t get lost.**

Observation #4

Facebook is on top of the social media world, but Twitter is getting hot.

Content providers, especially those focused on 12-24s, should engage Twitter users differently than Facebook.

Observation #5

Social networking sites like Instagram and Pinterest are becoming popular.

Increase your visual marketing efforts with social media.

Observation #6

Online Radio reaches 86 million a week for an average of nearly 12 hours.

With so many choices, it's vital to have a strategy to cut through the clutter.

Observation #7

While the uptake of Podcasting has slowed, DVR usage has soared.

Radio may want to re-launch Podcasts to a wider audience and claim ownership of “time-shifted radio.”

Observation #8

Radio's morning challenge and opportunity... the smartphone.

Encourage your P1s to wake up to your station on their smartphone.

Observation #9

AM/FM radio “rules the road” of in-car entertainment, but challengers want their slice.

Now is the time to define your in-car entertainment strategy.

Observation #10

Broadcast radio is strongest medium in the half hour before consumers arrive to shop.

This is the “moment of truth” when advertising can reinforce a buyer’s decision or help change his or her mind.

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