
# The Infinite Dial 2011

*Navigating Digital Platforms*

Presentation Companion

For more information, contact:

Bill Rose
Senior Vice President of Marketing
Arbitron Inc.
575 Fifth Avenue, 22nd floor, Suite 2
New York, NY 10017
bill.rose@arbitron.com
Phone: (212) 887-1327

Tom Webster
Vice President, Strategy and Marketing
Edison Research
6 W. Cliff Street
Somerville, NJ 08876
twebster@edisonresearch.com
Phone: (908) 707-4707

**NOTE:** This summary is intended as a companion piece to *The Infinite Dial 2011: Navigating Digital Platforms*. **For detailed findings, please download the full presentation at either www.arbitron.com or www.edisonresearch.com.**

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# Introduction

Every year since 1998, Arbitron and Edison Research have conducted a nationally representative survey focusing on trends in digital platforms. In this report, we continue to explore the expanding digital media and communications landscape with new 2011 data trending usage levels among U.S. residents aged 12 and older.

## Survey Topics

| | | |
|---|---|---|
| Android™ Smartphones | iPad® | Online Video |
| Audio Podcasts | iPhone® | Pandora® |
| BlackBerry® | iPod® | SiriusXM™ Satellite Radio |
| Broadband Internet | LinkedIn | Smartphone |
| Cell Phones | Local AM/FM Radio | Television |
| Digital Video Recorders (DVR) | Location-Based Services | Twitter® |
| E-Readers | MP3 Players (Other Than iPod) | Video on Demand |
| Facebook® | MySpace® | Video Podcasts |
| Hulu® | Online Radio | YouTube® |

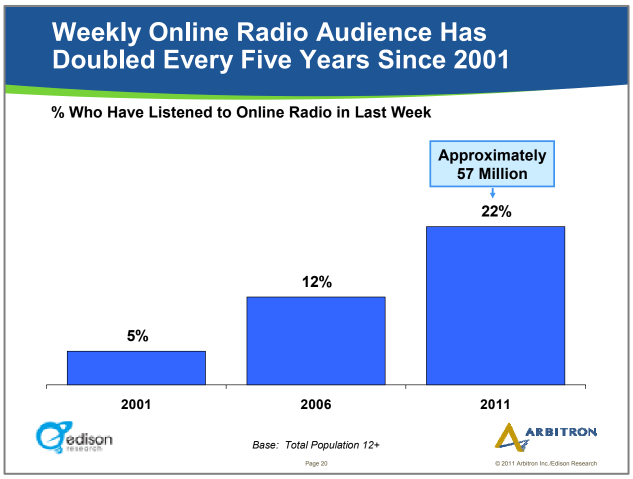
# Headlines

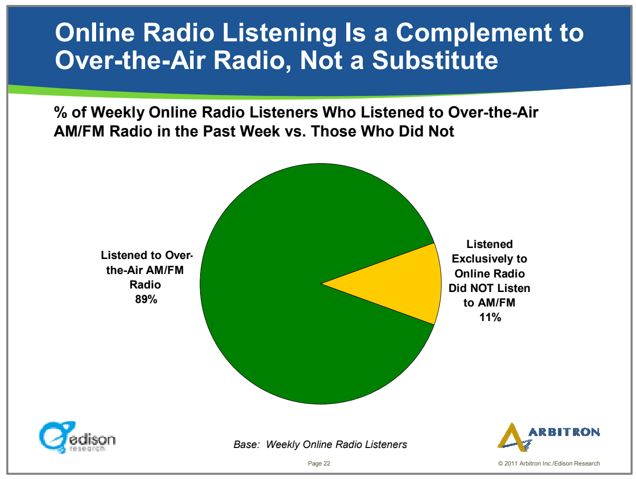
## Weekly Online Radio Audience Reaches an Estimated 57 Million People; Audience Doubled Every Five Years Since 2001

The weekly online Radio audience, which includes AM/FM streams and Internet-only streams, has doubled every five years since 2001, now reaching an estimated 57 million teens and adults each week. This represents 22% of Americans aged 12 and older, and a fourfold increase over the past 10 years.

The growth of this digital platform corresponded with the availability of broadband Internet access, but now mobile devices appear to be fueling new growth. Consumers are also going out of their way to tune to online Radio in the car despite some barriers; when it becomes easier, listenership may jump again.

The vast majority (89%) of weekly online Radio listeners also tuned to local AM/FM broadcast stations in the past week, demonstrating that listening to online Radio is a complement to, not a replacement of, their over-the-air listening. Additionally, time spent with Radio among weekly online Radio listeners is the same, not less than, the average population.

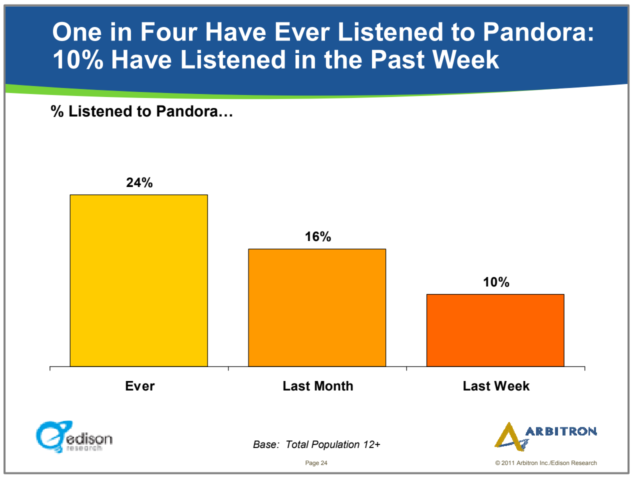


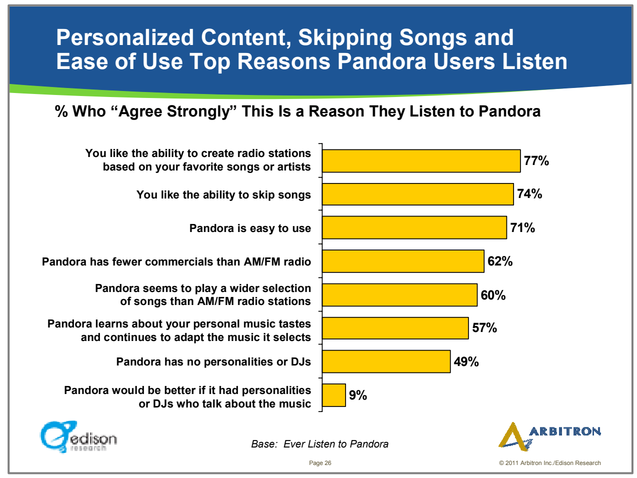



## Pandora Garnering Significant Listening

This latest study shows that Pandora has achieved significant momentum. While one in 10 of all Americans say they have used Pandora in the past week, nearly one in four (23%) 25- to-34-year-olds are using the service weekly.

The main drivers of Pandora's growth appear to be high name recognition and a strong value proposition, including personalized content, the ability to skip songs, few commercials and a wide selection of music.



## Facebook Achieves Majority; Twitter Usage Significantly Smaller

More than half of people aged 12 and older have a profile on Facebook. We have been tracking the growth of Facebook since 2008 and have watched the number of its users go from just 8% of U.S. residents three years ago to 51% today. Social networking sites also appear to have high levels of frequent usage, with nearly one in five (18%) Americans having visited social networking sites several times per day.

Twitter, on the other hand, has not achieved the same level of usage. The vast majority of Americans (92%) have heard of Twitter, but only 8% say they ever use the service. Twitter is undoubtedly a social phenomenon, but the extent of America's Twitter usage is very different from its Facebook usage.

One in four (25%) social network users follow a company or brand through Facebook.

| **Ranked by Media & Device "Reach"** | |
|---|---|
| **Media Platform Usage** | **Use/Own** |
| Watching television | 98% |
| Listening to local AM/FM radio | 93% |
| Listening to online radio | 56% |
| Watching online video | 54% |
| Using Facebook | 51% |
| Watching YouTube | 49% |
| Watching Video on Demand | 35% |
| Listening to audio podcasts | 25% |
| Listening to Pandora | 24% |
| Watching video podcasts | 22% |
| Watching Hulu | 20% |
| Using MySpace | 17% |
| Listening to satellite radio | 12% |
| Using LinkedIn | 9% |
| Using Twitter | 8% |
| Using location-based services | 4% |
| **Device Ownership** | |
| Cell phone (all) | 84% |
| Broadband Internet | 70% |
| Digital Video Record (DVR) | 36% |
| Apple iPod | 31% |
| Smartphone | 31% |
| MP3 audio player (other than an iPod) | 23% |
| Android smartphone | 13% |
| BlackBerry | 11% |
| Apple iPhone | 9% |
| E-Reader | 7% |
| Apple iPad | 4% |

## Apple Devices Inspire High Passion, As Do Many Digital Audio Platforms

We measured affinity for dozens of products and services, and the Apple iPhone was the clear leader with 66% of its users saying they "love it" (on a scale of 1 to 5 where 1 is "hate it" and 5 is "love it"). The next highest platform was the Apple iPad, with 53% saying they "love" their device.

When looking at those who "like" or "love" a given media platform (combined), SiriusXM satellite radio and Pandora ranked one and two, with traditional media (TV, AM/FM radio) following closely behind.

**Ranked by Media & Device Percent Who "Love It"**

| Media Platform | "Like" | "Love" | "Like" or "Love" |
|---|---|---|---|
| Listening to **satellite radio** | 36% | **39%** | 75% |
| Listening to **Pandora** | 43% | **32%** | 75% |
| Using **Facebook** | 39% | **27%** | 66% |
| Watching **television** | 47% | **26%** | 73% |
| Watching **YouTube** | 44% | **24%** | 68% |
| Watching **Video on Demand** | 43% | **23%** | 66% |
| Listening to **local AM/FM radio** | 47% | **22%** | 69% |
| Watching **Hulu** | 43% | **19%** | 62% |
| Watching **online video** | 44% | **18%** | 62% |
| Using **Twitter** | 25% | **18%** | 42% |
| Listening to **online radio** | 39% | **14%** | 53% |
| Using **location-based services** | 30% | **14%** | 44% |
| Listening to **audio podcasts** | 32% | **9%** | 41% |
| Watching **video podcasts** | 29% | **7%** | 36% |
| Using **MySpace** | 17% | **7%** | 23% |
| Using **LinkedIn** | 30% | **7%** | 37% |
| **Device** | | | |
| Using an Apple **iPhone** | 19% | **66%** | 85% |
| Using an Apple **iPad** | 30% | **53%** | 83% |
| Using an **Android** smartphone | 24% | **49%** | 73% |
| Using a **Digital Video Recorder (DVR)** | 29% | **48%** | 76% |
| Using a **smartphone** | 33% | **48%** | 81% |
| Using **broadband Internet** | 34% | **46%** | 80% |
| Using an Apple **iPod** | 38% | **46%** | 84% |
| Using an **E-Reader** | 33% | **45%** | 78% |
| Using a **BlackBerry** | 33% | **36%** | 69% |
| Using your **cell phone** (all) | 32% | **28%** | 59% |
| **(other than an iPod)** | 40% | **23%** | 63% |

## The Number of Passionate Users Is High for TV and AM/FM Radio

In order to judge the overall number of passionate users of new and established media and devices, we determined the number of "passionate users," which incorporates both the number of users who "love" the medium/device and usage across the U.S. population.

Among the media platforms, TV and AM/FM Radio are the leaders with almost ubiquitous reach and general good will.

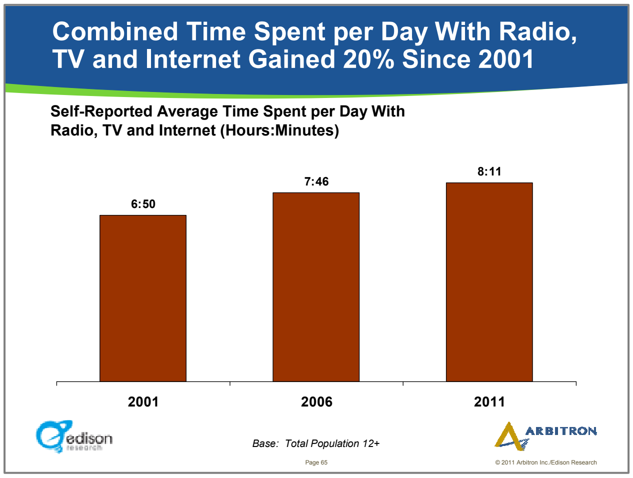
On the device front, communication is king, with broadband Internet access and cell phones inspiring the most passion, followed by devices that allow the user to better control their TV and music/audio choices.

| Ranked by Media & Device "Passion" Score | | | | |
|---|---|---|---|---|
| **Media Platform** | Use/Own | | "Love" | **Passionate Users** |
| Watching **television** | 98% | x | 26% | **26%** |
| Local **AM/FM radio** | 93% | x | 22% | **21%** |
| Using **Facebook** | 51% | x | 27% | **14%** |
| Watching **YouTube** | 49% | x | 24% | **12%** |
| Watching **Online video** | 54% | x | 18% | **10%** |
| Watching **Video on Demand** | 35% | x | 23% | **8%** |
| Listening to **online radio** | 56% | x | 14% | **8%** |
| Listening to **Pandora** | 24% | x | 32% | **8%** |
| Listening to **satellite radio** | 12% | x | 39% | **5%** |
| Watching **Hulu** | 20% | x | 19% | **4%** |
| Listening to **audio podcasts** | 25% | x | 9% | **2%** |
| Watching **video podcasts** | 22% | x | 7% | **1%** |
| Using **Twitter** | 8% | x | 18% | **1%** |
| Using **MySpace** | 17% | x | 7% | **1%** |
| Using **LinkedIn** | 9% | x | 7% | **1%** |
| Using **location-based services** | 4% | x | 14% | **1%** |
| **Device** | | | | |
| Using **broadband Internet** | 70% | x | 46% | **32%** |
| Using your **cell phone** (all) | 84% | x | 28% | **24%** |
| Using a **digital video recorder (DVR)** | 36% | x | 48% | **17%** |
| Using your **smartphone** | 31% | x | 48% | **15%** |
| Using an Apple **iPod** | 31% | x | 46% | **14%** |
| Using an **Android** smartphone | 13% | x | 49% | **7%** |
| Using an Apple **iPhone** | 9% | x | 66% | **6%** |
| Using an **MP3 audio player (other than an iPod)** | 23% | x | 23% | **5%** |
| Using a **BlackBerry** | 11% | x | 36% | **4%** |
| Using an **E-Reader** | 7% | x | 45% | **3%** |
| Using an Apple **iPad** | 4% | x | 53% | **2%** |

**("Use/Own" multiplied by "Love" factor equals "Passionate Users")**

## Consumers Report Increased Daily Time Spent with Radio, TV and Internet

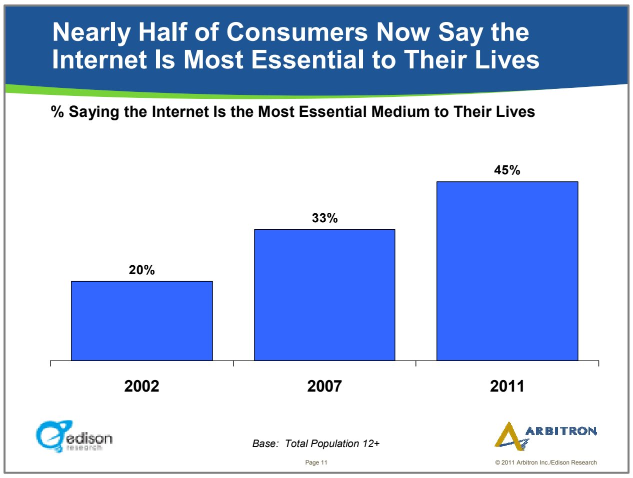
Consumers are making more time for media. Daily time spent with Radio, TV and the Internet combined has increased by 20% in the last 10 years, with self-reported daily usage now at 8 hours 11 minutes compared to 6 hours 50 minutes in 2001.

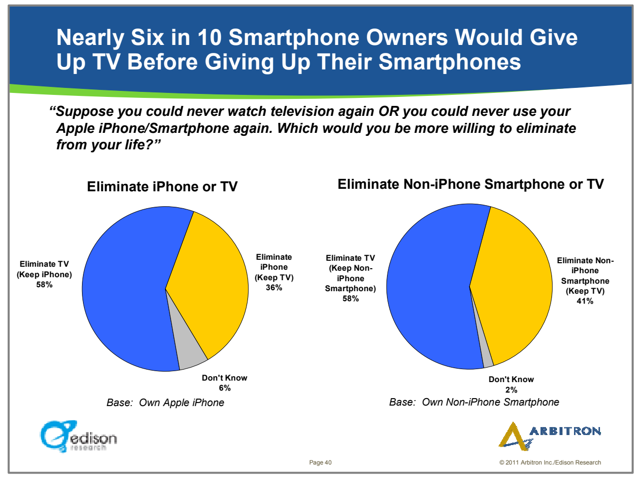


## Internet Even More Essential to Americans' Lives; Well Over Half of Smartphone Owners Would Rather Live Without TV Than Give Up Their Smartphones

Forty-five percent of all Americans aged 12 and older now say the Internet is the medium which is "most essential to your life" compared with 20% in 2002. Among young adults aged 18 to 34, 60% say the Internet is their most essential medium.

When given the choice between having to theoretically give up their non-iPhone smartphone or give up TV, nearly six in 10 (58%) non-iPhone smartphone owners would rather eliminate TV from their lives.

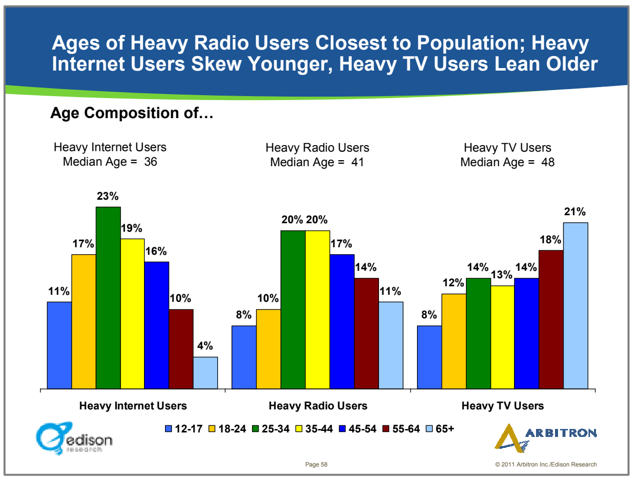


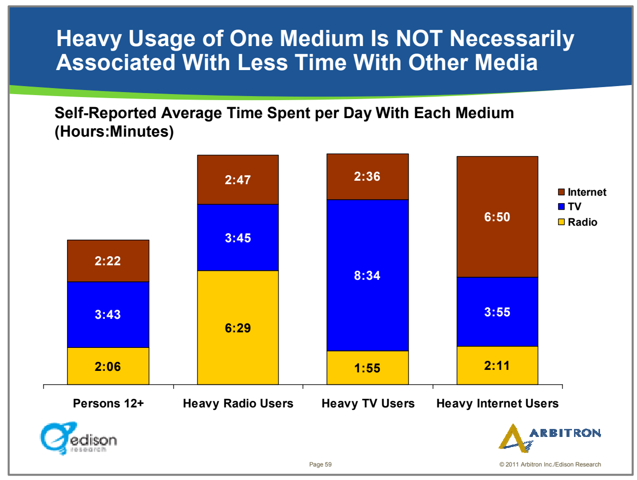



## Ages of Heavy Radio Users Closest to Population; Heavy Internet Users Skew Younger, Heavy TV Users Lean Older

The age profile of the group who reports the most Radio usage mirrors the overall population aged 12 and older, while heavy users of the Internet skew younger and heavy TV users lean older. The median age of heavy users of Radio (41 years old) nearly matches that of the 12+ population; the median age of heavy Internet users is 36 years old, with heavy TV users having a median age of 48.

We looked at the time heavy users of Internet, TV and Radio spend with each medium per day and found that heavy users of TV and Internet spend essentially the same time with Radio as the total population. Heavy users of TV also spend practically the same amount of time with Radio and the Internet per day as the total population.




* Heavy users for each medium were defined by self-reported daily time spent, representing approximately the top quartile of all respondents.

# Implications

1. **Homes Are Fully Digital and Fully Networked**

   The rapidly expanding use of three enabling technologies (broadband, multiple computers, Wi-Fi) in American households means new opportunities and rising expectations for interaction and interconnectivity. Mobile and in-car are the next frontiers, but it is crucial to have a winning digital strategy for the home today.

   While the "convergence device" may be the mobile phone, content providers must not overlook the fact that over half of American households have multiple computers and nearly two-thirds of domestic Internet is accessible over wireless networks. A mobile strategy is important, but rich experiences in-home are still a very attractive aspiration for media properties.

2. **Online Radio Is on a Roll**

   More people are tuning to online Radio (streams of AM/FM broadcasts or Internet-only audio sources) each week for longer periods of time. However, continued growth in overall usage alone is not enough to assure success. It is crucial to define how your online strategy will be differentiated so listeners know “why” they should tune to your service among an almost limitless variety of options.

3. **Consumers Show Interest in In-Car Online Radio**

   Consumers are going out of their way to tune to online Radio in the car despite some barriers. Considering that more than 10% of all consumers are already listening in-car, there appears to be latent demand. When it becomes easier and more people own cars with online Radio pre-installed in the dashboard, the number of in-car users is likely to jump.

4. **Pandora Is Changing Consumer Expectations of Online Radio**

   Strong name recognition and value propositions of personalized content, skipping songs, few commercials and variety have driven 10% of the total population to listen to Pandora weekly. The question is “what’s next?” Whose online Radio offering will break-out in car dashboards and the mobile arena? Can Pandora maintain the momentum and translate that into numbers that rival broadcast Radio? Will broadcast Radio maximize the power of their over-the-air bully pulpit to promote their platforms?

   Personalities are less important to Pandora listeners, but this should not be viewed as a license for over-the-air broadcasters to do away with between-the-record elements (sometimes called “stationality”) and the impact of talent—to do so would diminish much of broadcast Radio’s strengths in favor of an imitation of pure-play Internet Radio.

5. **Growth in Smartphones Requires a Reevaluation of Customer Relationships**

   It seems that most smartphone strategies begin with the “app” and making sure to have a real-estate presence on the phone. Considering the proliferation of apps, it may be easy for yours to get lost on the smartphone. For this reason, a smartphone strategy should be more than just an app—use the smartphone to connect your user to your clients.

   The growth in mobile social network updating and location-based social networking apps and services presents a unique opportunity for local media to engage more fully with out-of-home consumers and find ways to drive listeners to advertisers—while they are in transit—with the help of audio.

6. **Facebook Is on a Trajectory to Become a Mainstream Media Platform**
   With half of Americans now using Facebook, it has become the homepage of the Internet for many consumers. Most year-over-year growth comes from those aged 35 to 54, making Facebook far more than a youth phenomenon. For now at least, social networking appears to be mostly about Facebook, so media companies should make sure they have plans in place to make Facebook work for them.

7. **Social Media Proficiency Should Become a Primary Skill Set**
   It is time for media companies to have a cohesive and forward-looking staffing strategy to deal with the impact of social media. Media properties cannot have a social "strategy" unless they have "social-network fluent" employees. Talent looking to make an impact in media would be well-served to enhance and demonstrate their digital and social media proficiency.

   Facebook's EdgeRank, and its sorting of news feeds by interest and relevance, makes it extremely difficult to get your station's "fan page" content at the top of the news feeds. Content from friends, or content that is actively engaged with, is what gets to the top of the feed. It is more important than ever for talent—online and off—to actively engage as people, not as "broadcasters," on social media.

8. **Digital Platforms Are Helping Americans Consume More of All Forms of Media**
   Media consumption on digital platforms is an extension of traditional platforms, not a replacement. The proliferation of digital platforms means people are finding more time in their day to consume media, and they are finding new places do so.

   While all digital platforms are on the rise, their growth makes the media landscape increasingly complex for advertisers, content providers and consumers. Ease of use and clarity of purpose become paramount in a world of practically infinite choices.

9. **Radio Is Relevant and Resilient**
   Few (if any) digital platforms have Radio's scale or ability to drive its over-the-air users to their online digital platforms and those of their advertisers. In addition, Radio offers a wide variety of digital options for consumers, including mobile, social, streaming, podcasts and Web sites, enabling advertisers to reach users of audio information and entertainment to reach consumers wherever and however they use it.

# Presentation Summary

Each bullet point below corresponds to a slide available in the full presentation.

**Section 1: Digital Platforms How Many Have/Use What**

- The Digital Platform Landscape in 2001
- 2011 Digital Platform Landscape
- 2011 Digital Platform Landscape (cont'd)

**Section 2: Internet Access and Digital Household Trends**

- Internet Access Is Nearly Ubiquitous
- Most Homes With Internet Access Have High-Speed Broadband Connections
- Nearly Half of Consumers Now Say the Internet Is Most Essential to Their Lives
- 12-34s Far More Likely to Say the Internet Is Most Essential to Their Lives
- More than Half of Households Now Have Two or More Working Computers
- Two-Thirds of Homes With Internet Access Have a Wi-Fi Network

**Section 3: Online Radio**

- An Estimated 89 Million Americans Listened to Online Radio in the Last Month
- AM/FM Streams, Internet-Only Streams Each Listened to by More Than 20% in the Last Month
- One in 10 Listened to Both AM/FM Streams AND Internet-Only Sources in the Last Month
- More Monthly Online Listeners Say They Listen Most to Internet-Only Audio vs. Five Years Ago
- Weekly Online Radio Audience Has Doubled Every Five Years Since 2001
- Time Spent With Online Radio Increased 49% Among Weekly Listeners in the Last Three Years
- Online Radio Listening Is a Complement to Over-the-Air Radio, Not a Substitute
- Nearly Half of Americans Have Heard of Pandora
- One in Four Have Ever Listened to Pandora; 10% Have Listened in the Past Week
- Weekly Pandora Usage Highest Among 18-34s
- Personalized Content, Skipping Songs and Ease of Use Top Reasons Pandora Users Listen
- Significant Rise in Those Who Use Their Cell Phone to Listen to Online Radio in Their Cars
- One in Five Who Listen to Radio While Working Tune In Most Often on Their Computers

**Section 4: Online Video**

- Weekly Audience for Online Video Has Tripled in the Past Five Years
- Time Spent per User With Online Radio Is Almost Triple Time Spent with Online Video
- YouTube Growth Continues

**Section 5: Digital Audio Players**

- Half Now Own an iPod/iPad/iPhone or Other Portable MP3 Player
- Three in 10 Listen to Digital Audio in Cars: 1 in 16 Do So Nearly Every Day

**Section 6: Mobile/Smartphones**

- Smartphone Ownership Has Tripled Since 2009
- Nearly Half of 18-34s Have Smartphones
- Smartphone Owners Use Mobile Phone Functions More Frequently
- Nearly Six in 10 Smartphone Owners Would Give Up TV Before Giving Up Their Smartphones

**Section 7: Podcasting**

- Awareness of Audio Podcasting Has Leveled Off
- One in Four Americans Have Ever Listened to an Audio Podcast
- An Estimated 31 Million Americans Have Listened to a Podcast in the Past Month

**Section 8: Social Networking**

- More than Half of Americans Have a Profile on a Social Networking Site
- Facebook Is the Dominant Player in Social Networking
- Year-Over-Year Growth in Social Networking Greatest Among People Aged 35 to 54
- Frequent Usage of Social Networking Sites Increases Fourfold in Three Years
- Those Accessing Social Networking on Mobile Phones Jumps 34% Year Over Year
- One in Four Social Network Users Follow Companies or Brands on Social Sites

**Section 9: AM/FM Radio**

- More than Half of Persons 12+ Aware of HD Radio®; Awareness Among Men Greater Than Women
- Radio Remains the Leader for Learning About New Music, but the Internet Is Gaining
- 12-34s Turn to the Internet First for Music Discovery, While Radio Leads Among P35+
- Digital Audio Users Spend As Much Time With Radio As the Average (Not Less)

**Section 10: 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
- Heavy Usage of One Medium Is NOT Necessarily Associated With Less Time With Other Media
- 75% Would Be “Very”/“Somewhat” Disappointed If the Radio Station They Use Most Were Not On-Air
- Heavy Users of Radio and Internet More Likely to Be Employed Full-Time

**Section 11: Digital Platforms/Devices**

- Television, AM/FM Radio and Cell Phones Have Most Widespread Usage
- iPhone, LinkedIn and Twitter Approaching Double-Digit Usage
- Combined Time Spent per Day With Radio, TV and Internet Gained 20% Since 2001
- iPhone, iPod and iPad Have the Highest “Likeability” Among Their Users
- MySpace, Video Podcasts and LinkedIn Have the Lowest “Likeability” Among Their Users
- Apple Users Exhibit the Most Passion
- MySpace, Video Podcast and LinkedIn Users Have the Least Passion
- Number of Passionate Users: Digital Platforms/Devices
- Broadband, Cell Phones, TV And Radio Have the Highest Number of Passionate Users
- Twitter, MySpace, Location-Based Services and LinkedIn Have Few Passionate Users

# Description of Methodology

This is the 19th in a series of studies Arbitron and Edison Research have conducted since 1998 on topics relating to digital media. A total of 2,020 persons were interviewed to investigate Americans' use of digital platforms and new media. From January 4 to February 2, 2011, telephone interviews were conducted with respondents aged 12 and older chosen at random from a national sample of Arbitron's Fall 2010 survey diarykeepers and through random digit dialing (RDD) sampling in geographic areas where Arbitron diarykeepers were not available for the survey. Diarykeepers represent 46% of the completed interviews and RDD sampled respondents represent 54% of the completed interviews. The study includes a total of 480 cell phone interviews. The complete presentation can be downloaded at www.arbitron.com and www.edisonresearch.com.

# About Arbitron Inc.

Arbitron Inc. (NYSE: ARB) is a media and marketing research firm serving the media—radio, television, cable, online radio and out-of-home—as well as advertisers and advertising agencies. Arbitron's core businesses are measuring network and local market radio audiences across the United States; surveying the retail, media and product patterns of local market consumers; and providing application software used for analyzing media audience and marketing information data. The company has developed the Portable People Meter™ and PPM 360™, new technologies for media and marketing research.

# About Edison Research

Edison Research conducts survey research and provides strategic information to radio stations, television stations, newspapers, cable networks, record labels, Internet companies and other media organizations. Edison Research is also the sole provider of election exit poll data for the six major news organizations: ABC, CBS, CNN, Fox, NBC and the Associated Press. Edison Research works with many of the largest American radio ownership groups, including Entercom, Clear Channel, Citadel, CBS Radio, Bonneville and Westwood One; and also conducts strategic and opinion research for a broad array of companies including Time Warner, Google, Yahoo!, Sony Music, the Voice of America, See Saw Networks and Zenithmedia. Edison Research has a seventeen year history of thought-leadership in media research, and has provided services to successful media properties in South America, Africa, Asia, Canada and Europe.

**See the full *Infinite Dial* presentation and webinar replay on the Arbitron and Edison Research Web sites:**

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ARBITRON

**Headquarters**
(410) 312-8000

**Atlanta**
(888) 880-7810

**Chicago**
(888) 880-7810

**Dallas**
(972) 385-5388

**Los Angeles**
(888) 880-7810

**New York**
(888) 880-7810
(212) 887-1300

**www.arbitron.com**