

The Infinite Dial 2011: Navigating Digital Platforms



Methodology Overview

- » In January 2011, Arbitron and Edison Research conducted a national telephone survey (landline and cell phone) of 2,020 people aged 12 and older
- » This is the 19th study in our series dating to 1998
- » These studies have explored digital platforms and their impact on radio and other media

Headlines: Navigating Digital Platforms

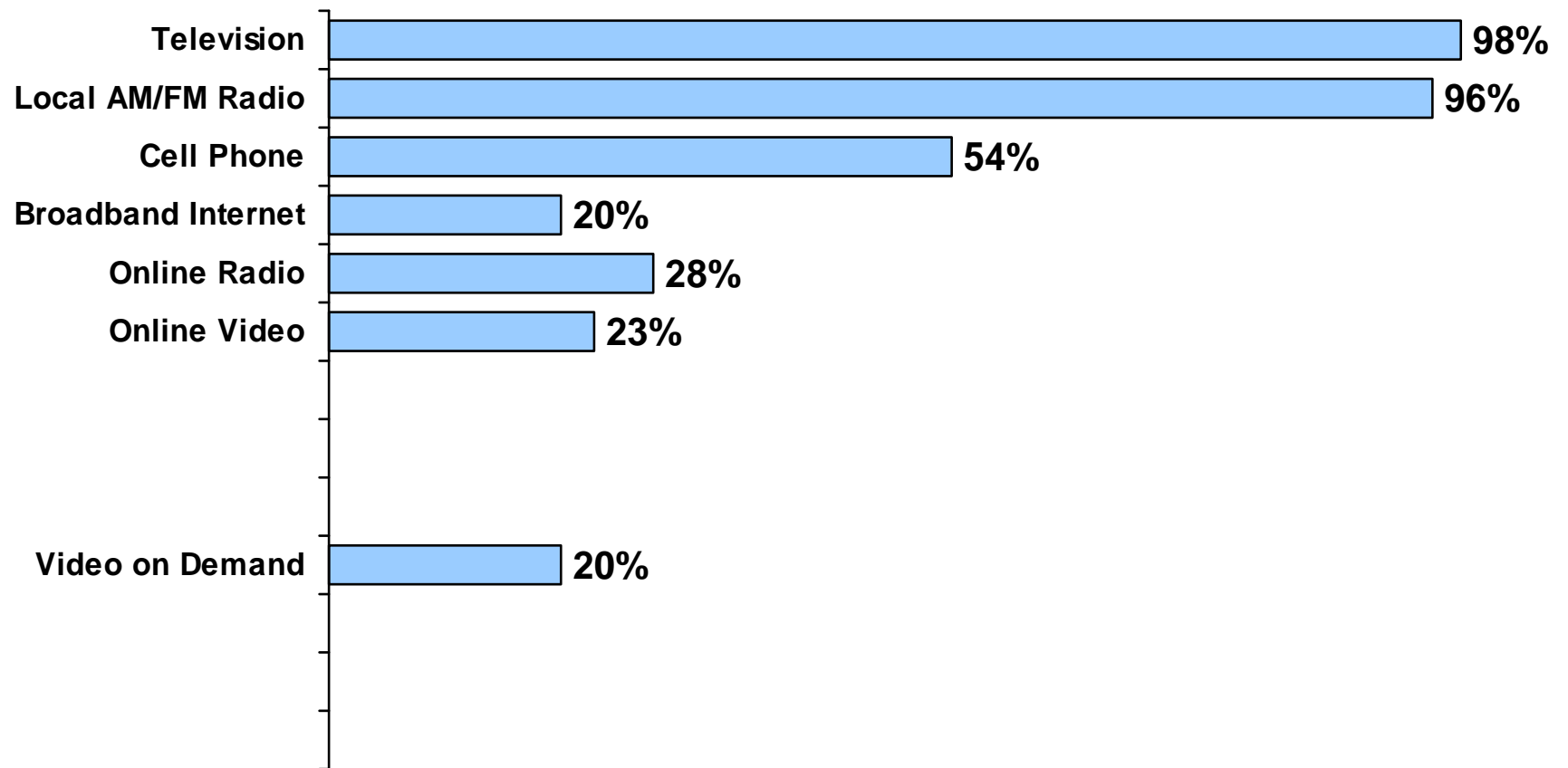
- » The Internet and digital platforms are practically ubiquitous
 - Nearly 90% of U.S. households have access to the Internet and most via broadband connections
 - Multi-computer households are growing rapidly
 - Two-thirds of homes with Internet access have Wi-Fi network
- » Social media continues to grow...
 - More than half of Americans 12+ now have a Facebook® page
 - Among 35-54s, Facebook use jumps 25% in one year
- » Smartphone ownership has tripled in two years
- » Weekly online radio usage crosses the 20% threshold
- » Ages of heavy radio users closest to population; heavy Internet users skew younger, heavy TV users lean older
- » Broadband, cell phones, TV and radio have the largest number of passionate users

Digital Platforms



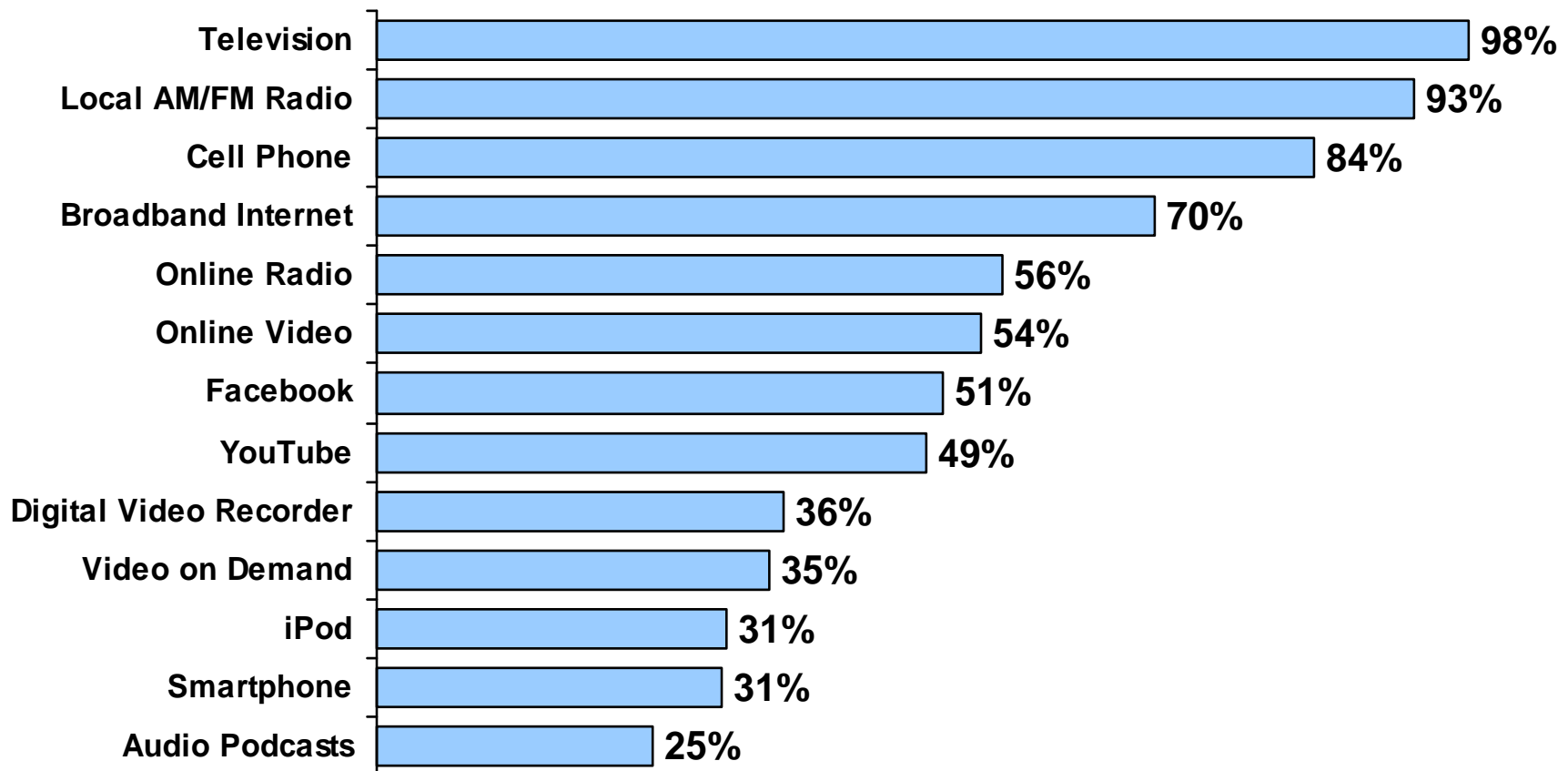
The Digital Platform Landscape in 2001

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



2011 Digital Platform Landscape

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

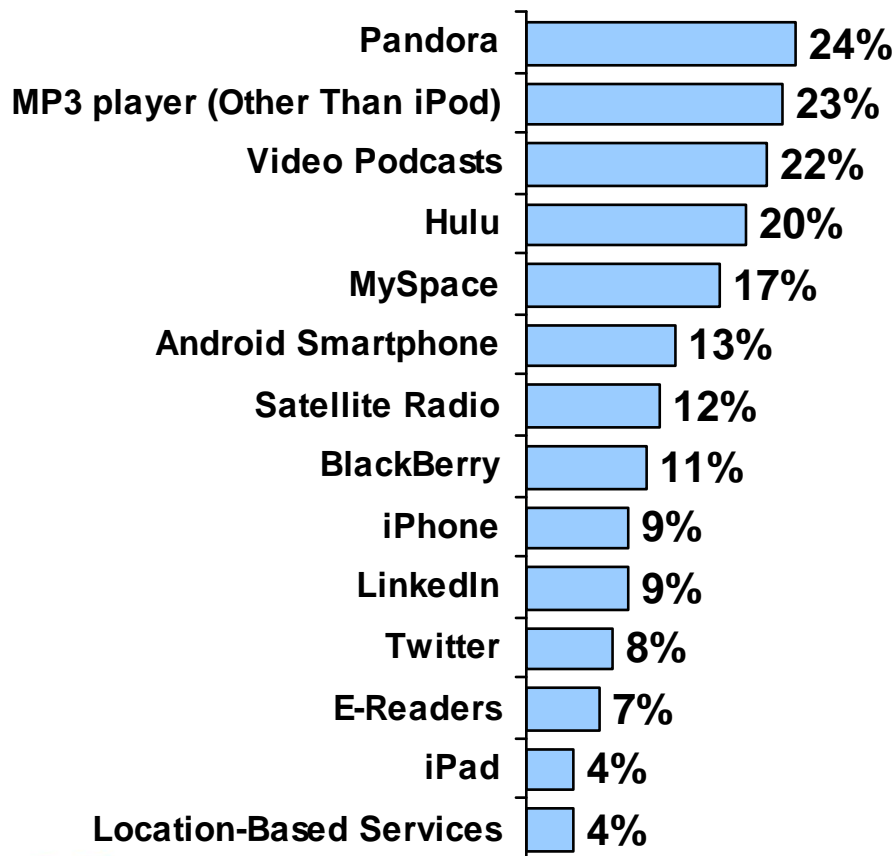


Source: TV HHs; Weekly AM/FM Radio audience; Own a cell phone; Have broadband access at home; Ever use online radio; Ever use online video; Have a Facebook profile; Ever use YouTube®; Own a DVR; Ever use Video on Demand; Own iPod®; Own smartphone; Ever use audio podcast



2011 Digital Platform Landscape (cont'd)

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



Source: Ever use Pandora®; Own MP3 player (other than iPod); Ever use video podcast; Ever use Hulu®; Ever use MySpace®; Own Android™ smartphone; Subscribe to satellite radio; Own BlackBerry®; Own iPhone®; Ever use LinkedIn; Ever use Twitter®; Own e-reader; Own iPad®; Ever use location-based services

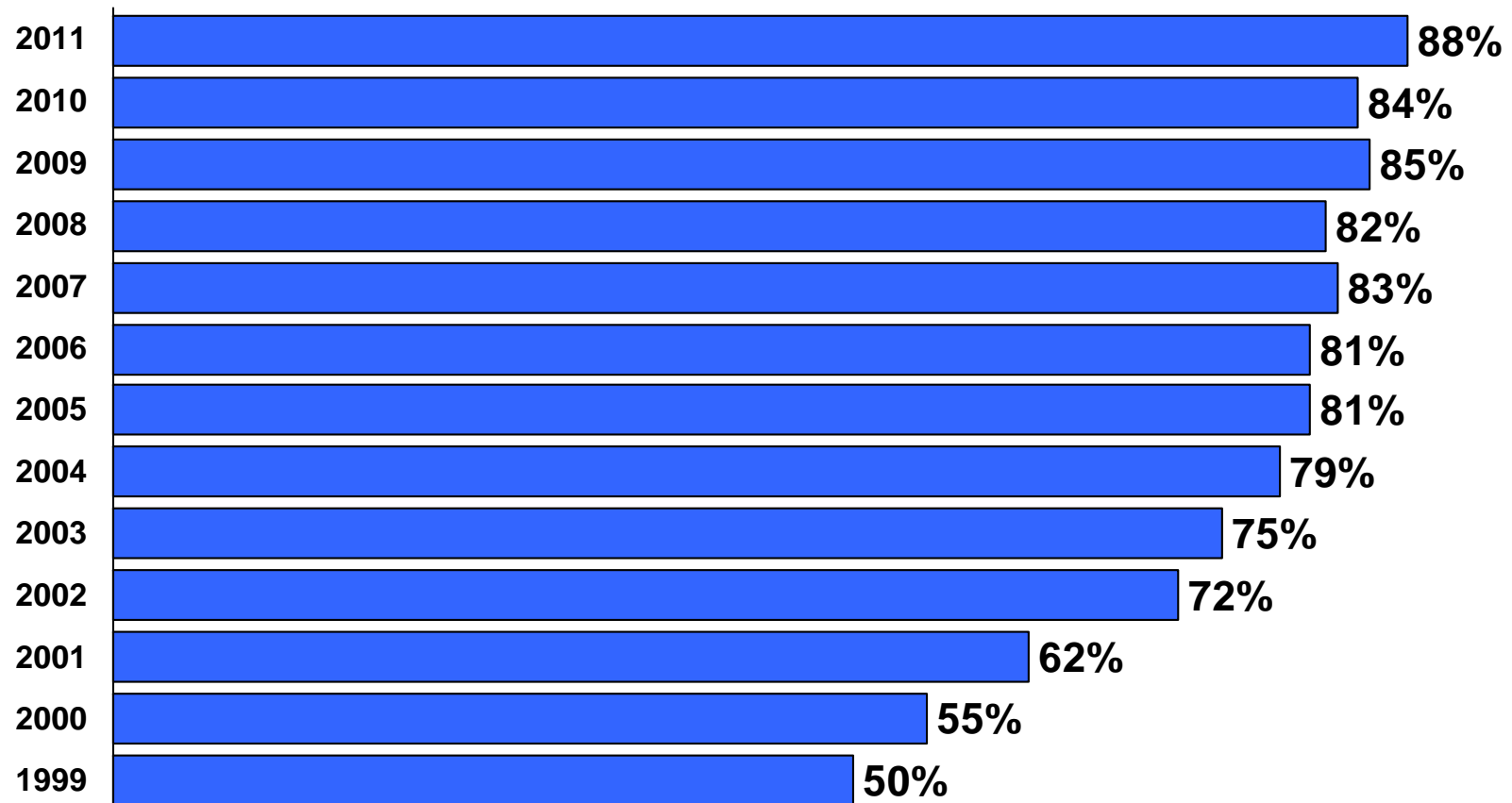


Internet Access and Digital Household Trends



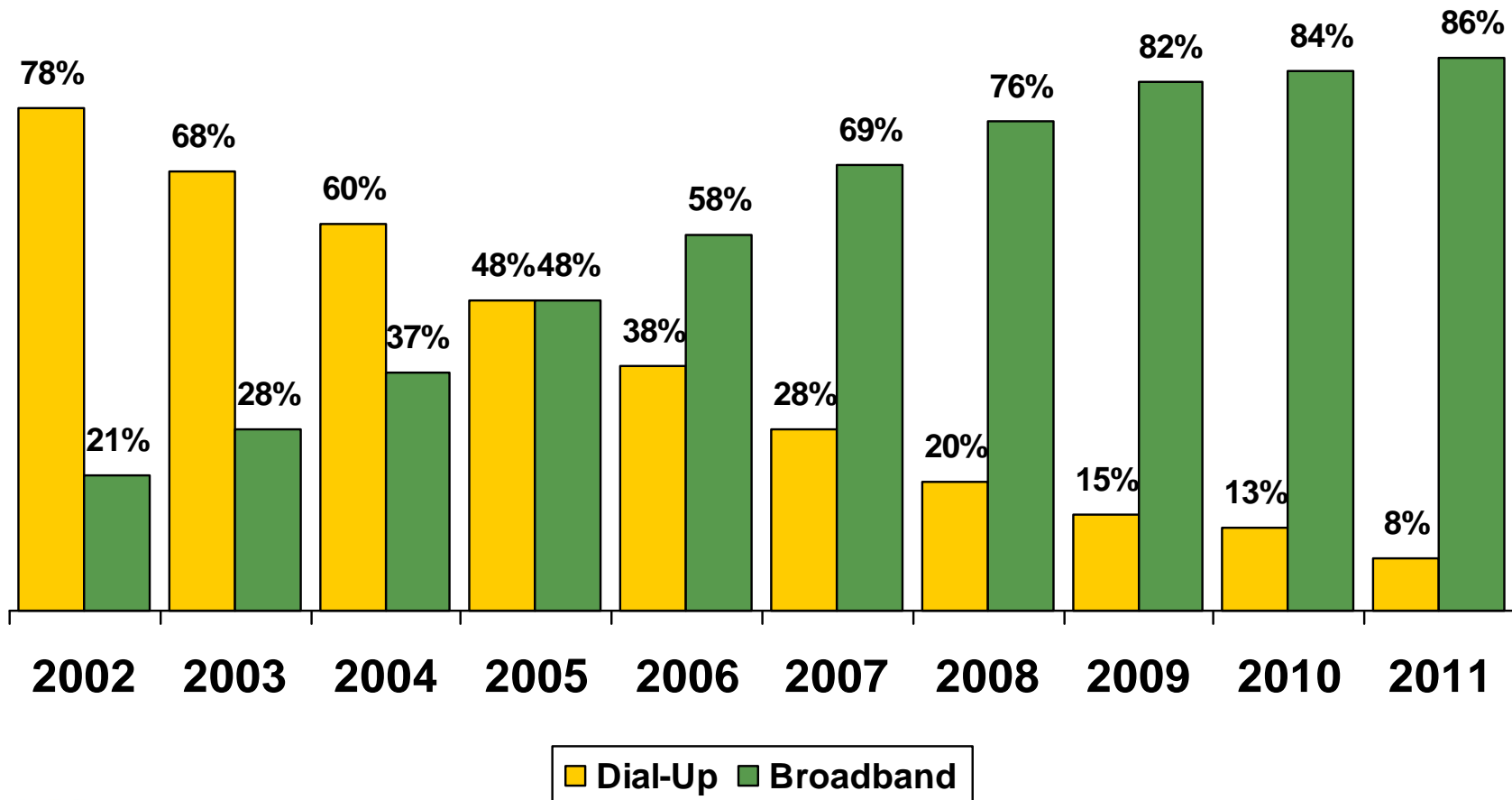
Internet Access Is Nearly Ubiquitous

% With Internet Access From Any Location



Most Homes With Internet Access Have High-Speed Broadband Connections

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

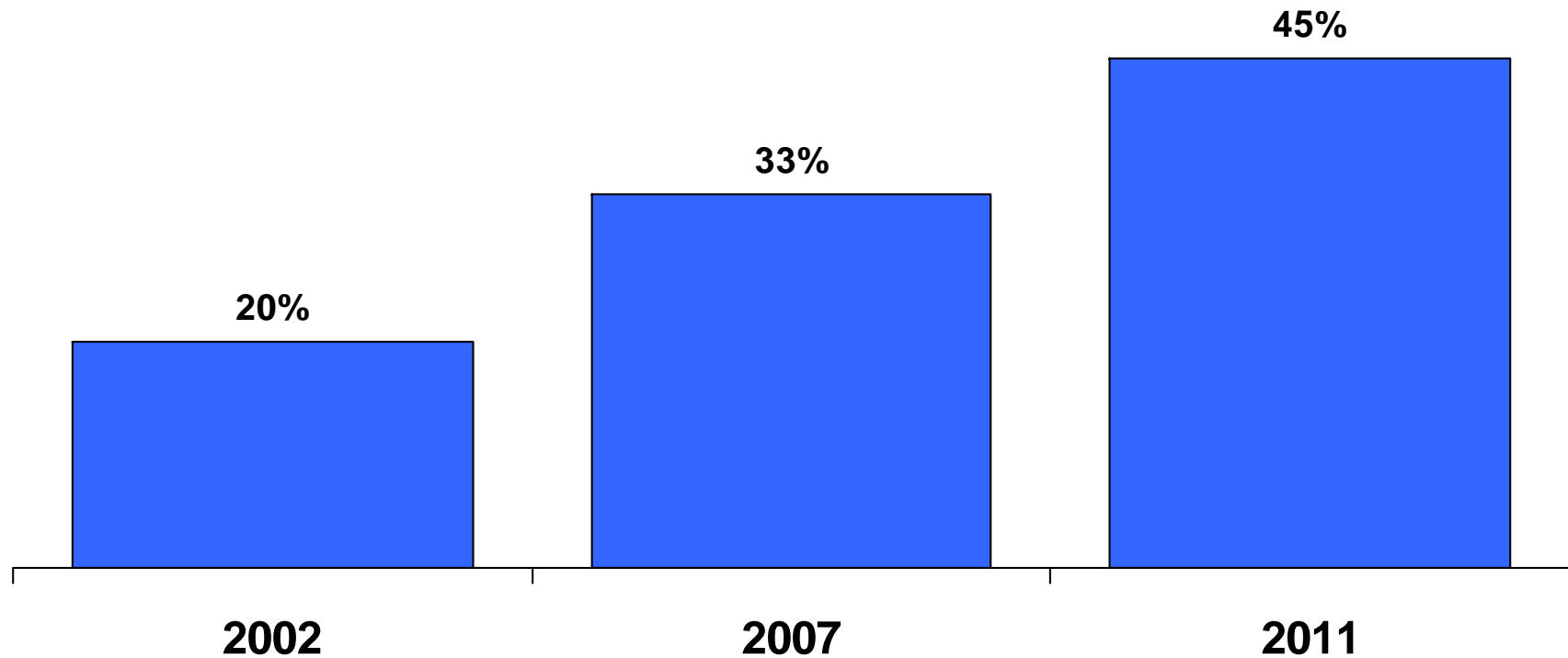


Base: Access the Internet From Home



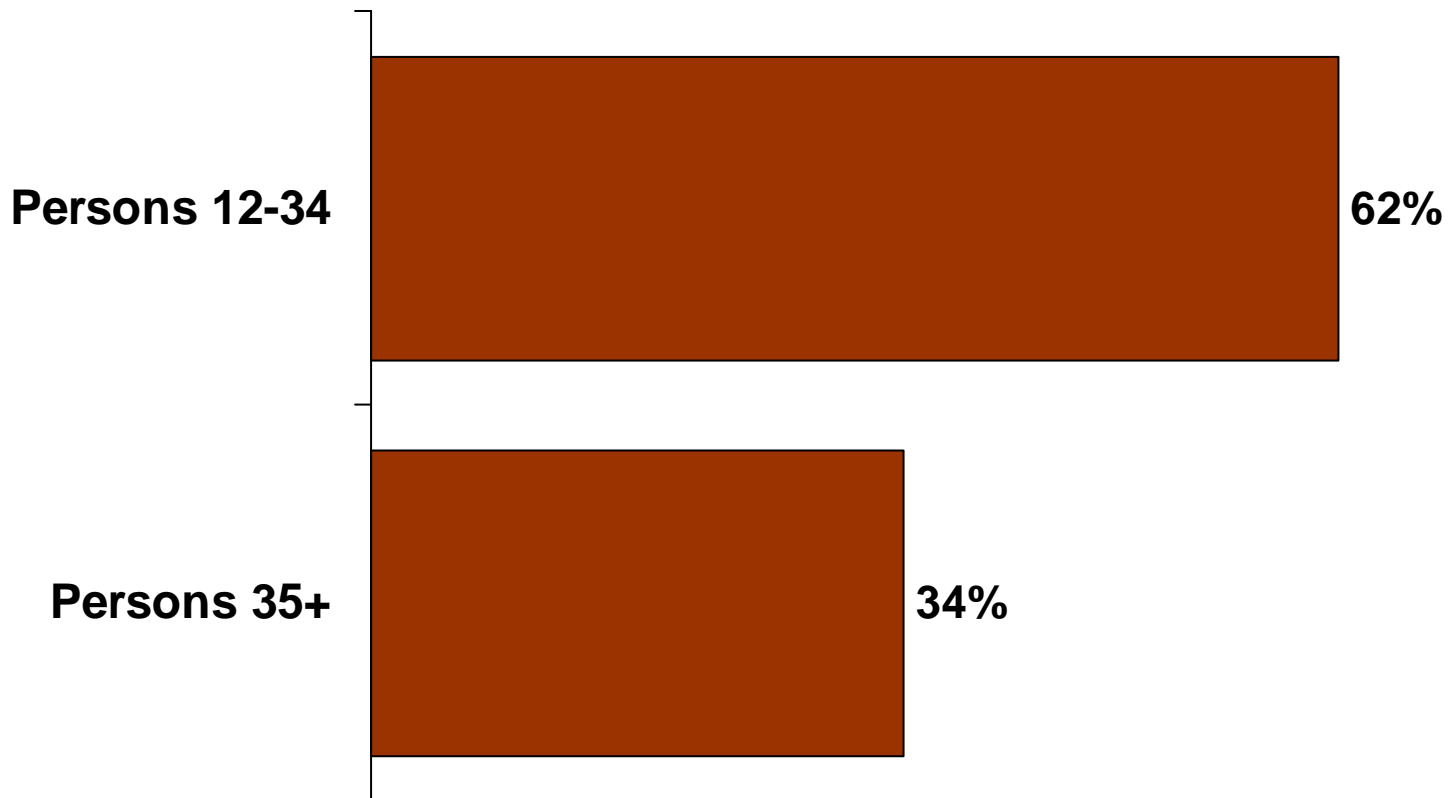
Nearly Half of Consumers Now Say the Internet Is Most Essential to Their Lives

% Saying the Internet Is the Most Essential Medium to Their Lives



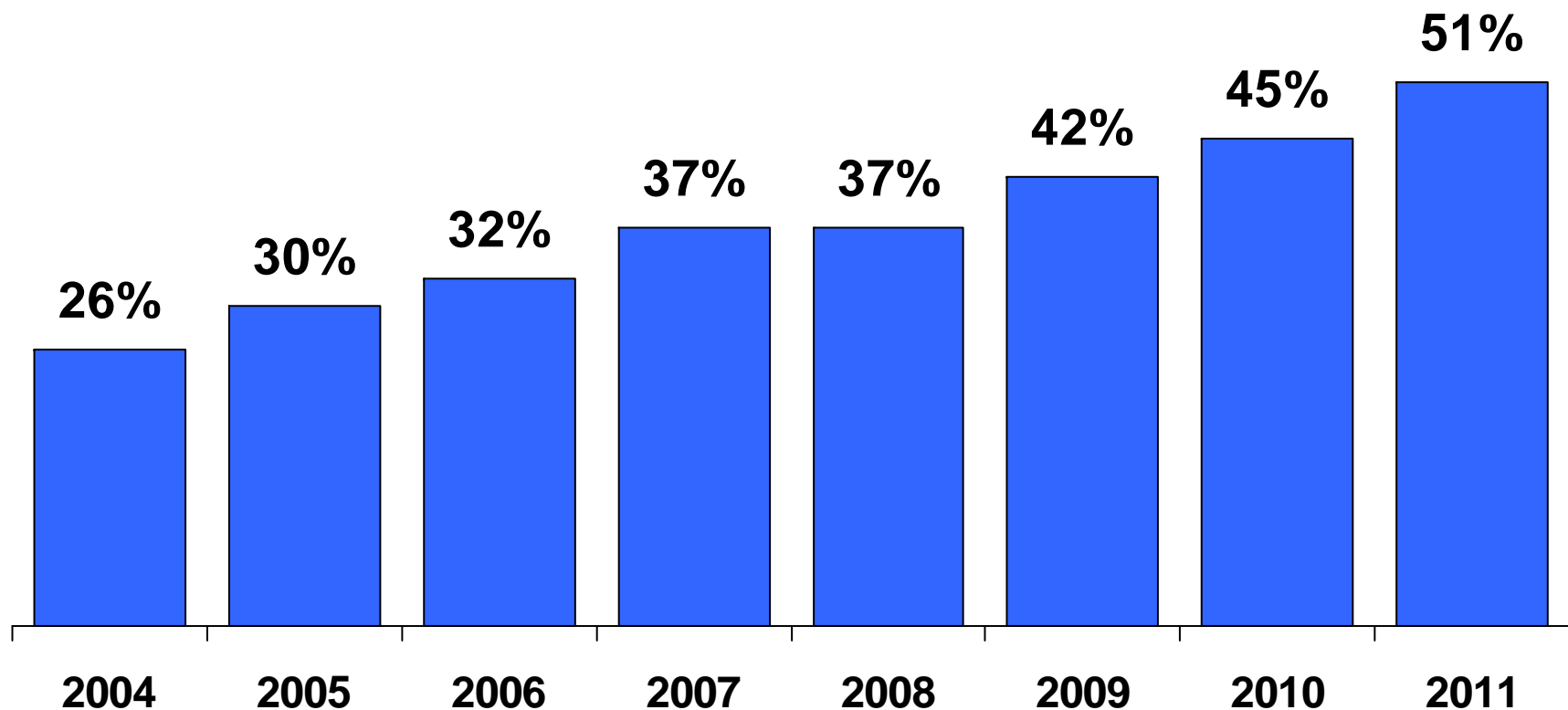
12-34s Far More Likely to Say the Internet Is Most Essential to Their Lives

% by Age Group Saying the Internet Is the Most Essential Medium to Their Lives



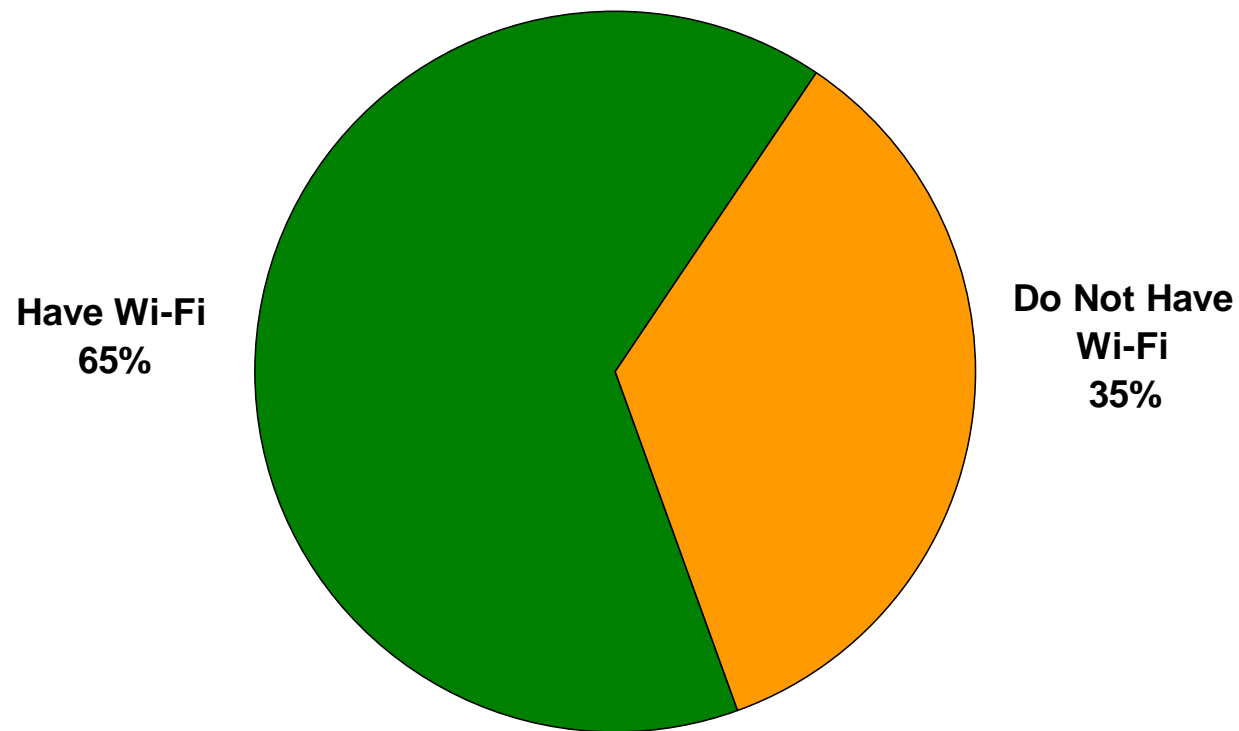
More than Half of Households Now Have Two or More Working Computers

% With Two or More Working Computers in Household



Two-Thirds of Homes With Internet Access Have a Wi-Fi Network

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



Online Radio



Online

Smartphone

Broadcast

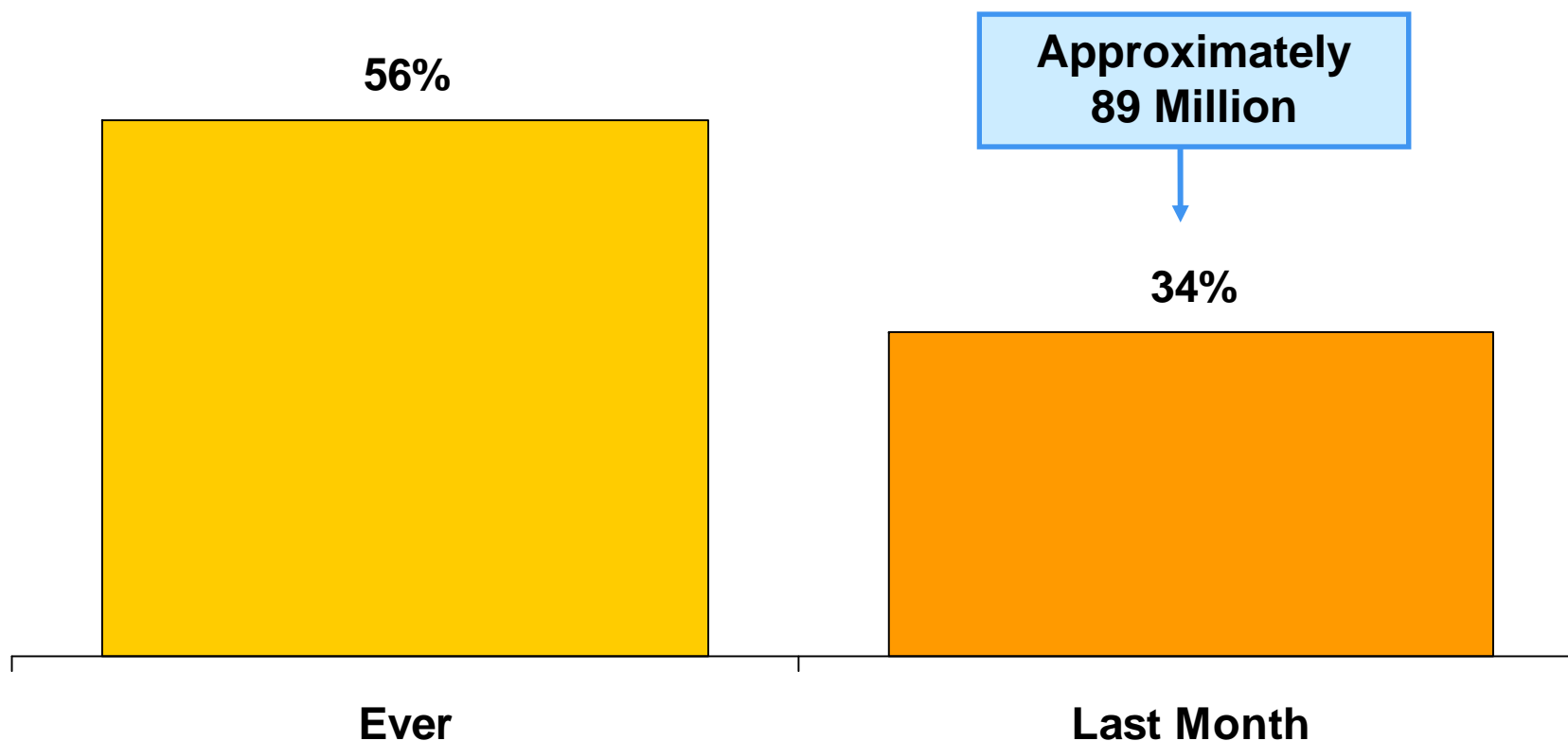
HD Radio

Podcasting



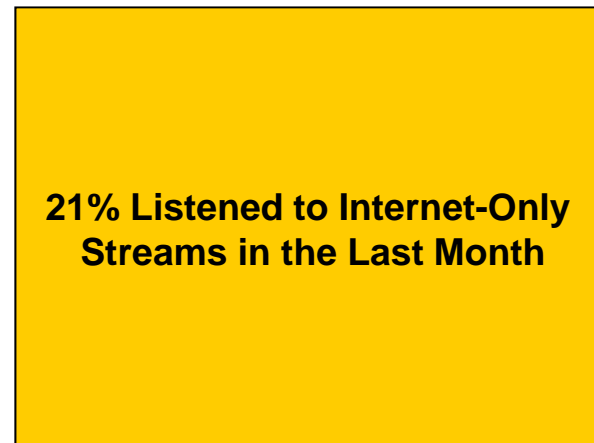
An Estimated 89 Million Americans Listened to Online Radio in the Last Month

**% Who Have Listened to Online Radio
(AM/FM Streams or Internet-Only Streams)**



AM/FM Streams, Internet-Only Streams Each Listened to by More Than 20% in the Last Month

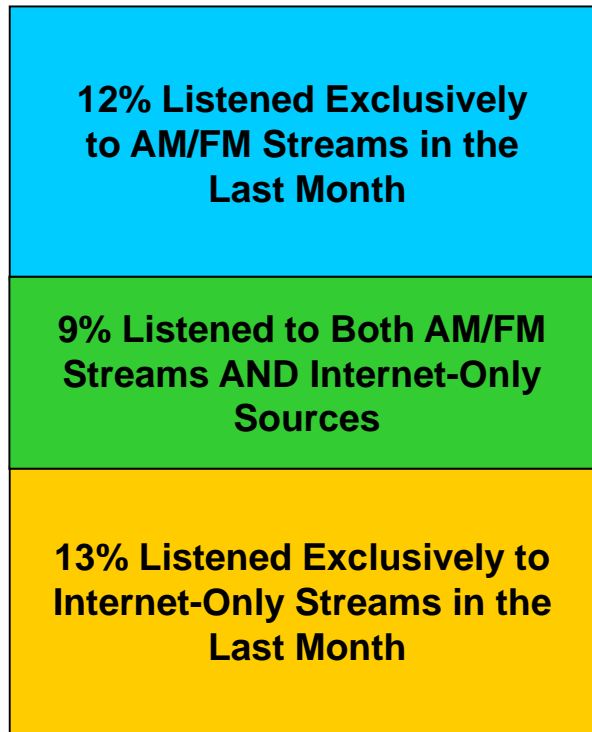
% Who Listened to Given Source of Online Radio in the Last Month



One in 10 Listened to Both AM/FM Streams AND Internet-Only Sources in the Last Month

% Who Listened to Given Source of Online Radio in the Last Month

**34% Listened to Online Radio
in the Last Month**

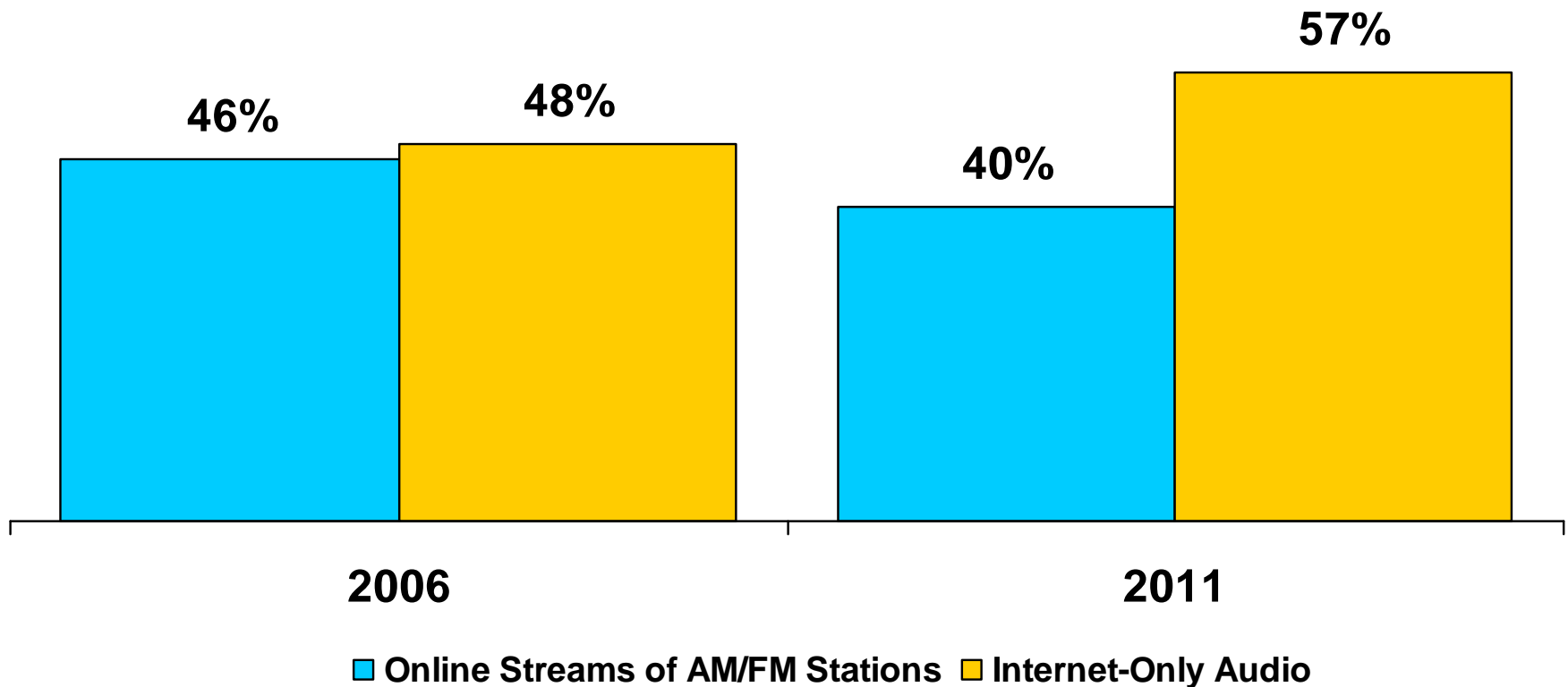


Base: Total Population 12+



More Monthly Online Listeners Say They Listen Most to Internet-Only Audio vs. Five Years Ago

% of Monthly Online Radio Listeners Who Listen to Both AM/FM Streams and Internet-Only Audio Who Listen Most to...

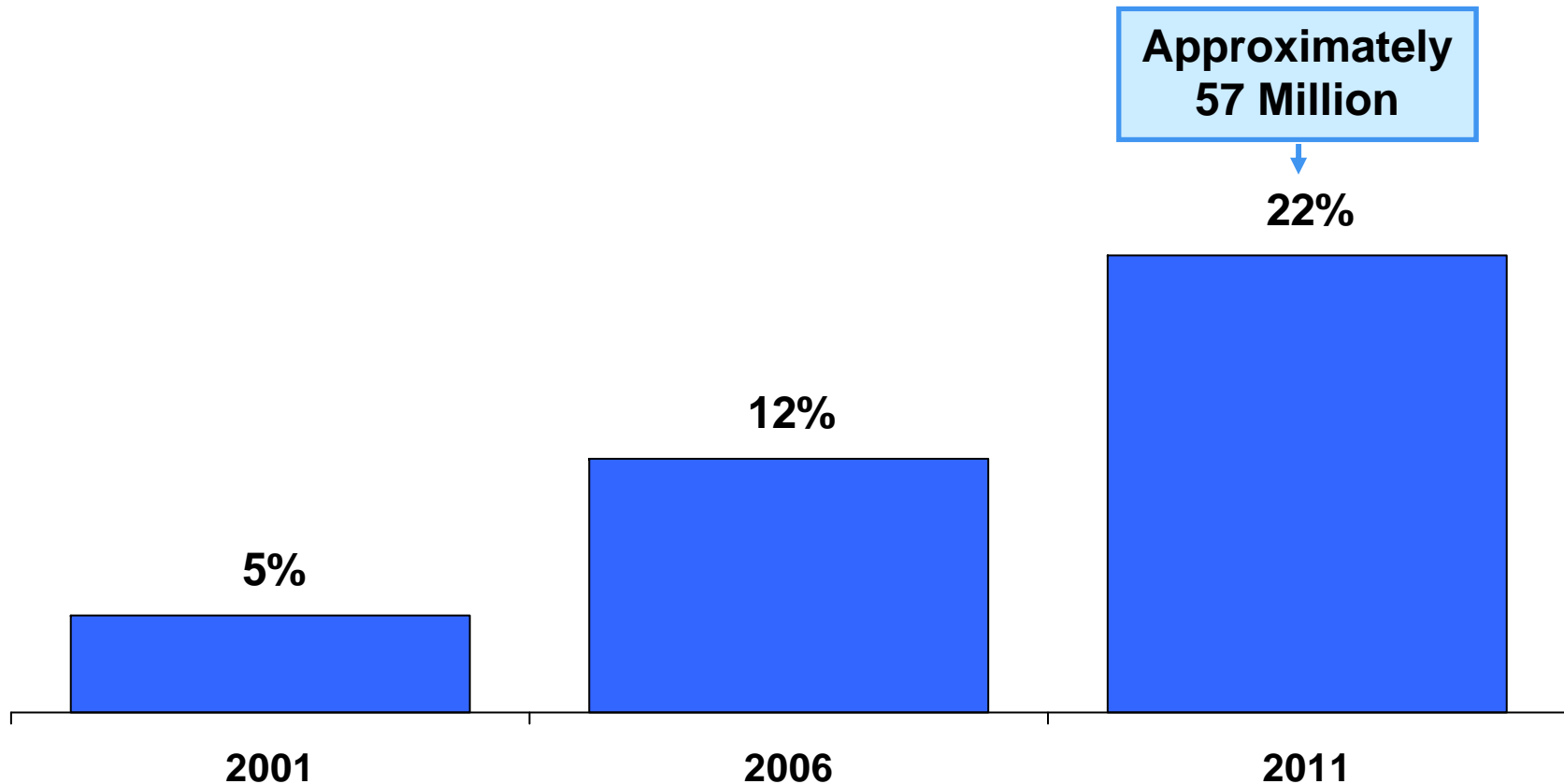


Base: Monthly Listeners to Both Online Streams of AM/FM Radio Stations AND Internet-Only Audio



Weekly Online Radio Audience Has Doubled Every Five Years Since 2001

% Who Have Listened to Online Radio in Last Week

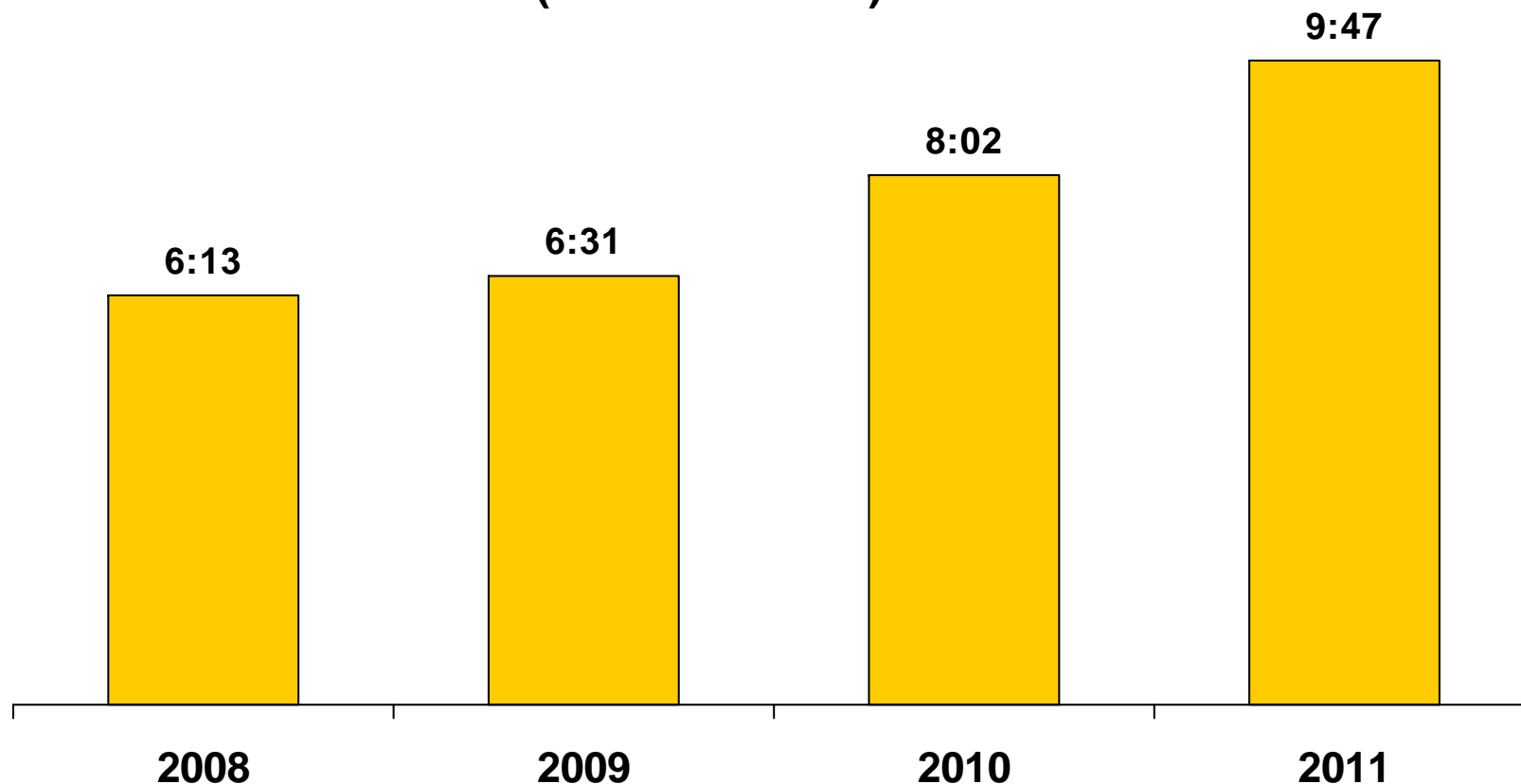


Base: Total Population 12+



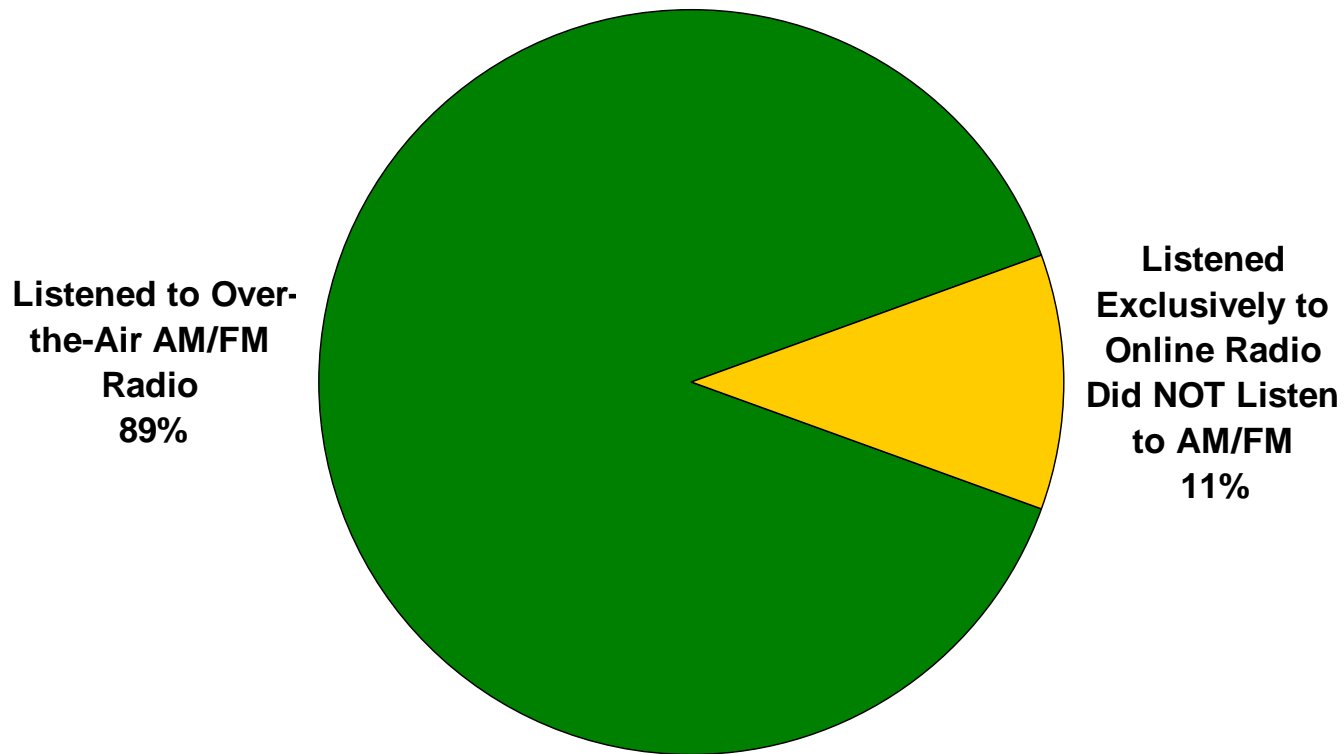
Time Spent With Online Radio Increased 49% Among Weekly Listeners in the Last Three Years

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



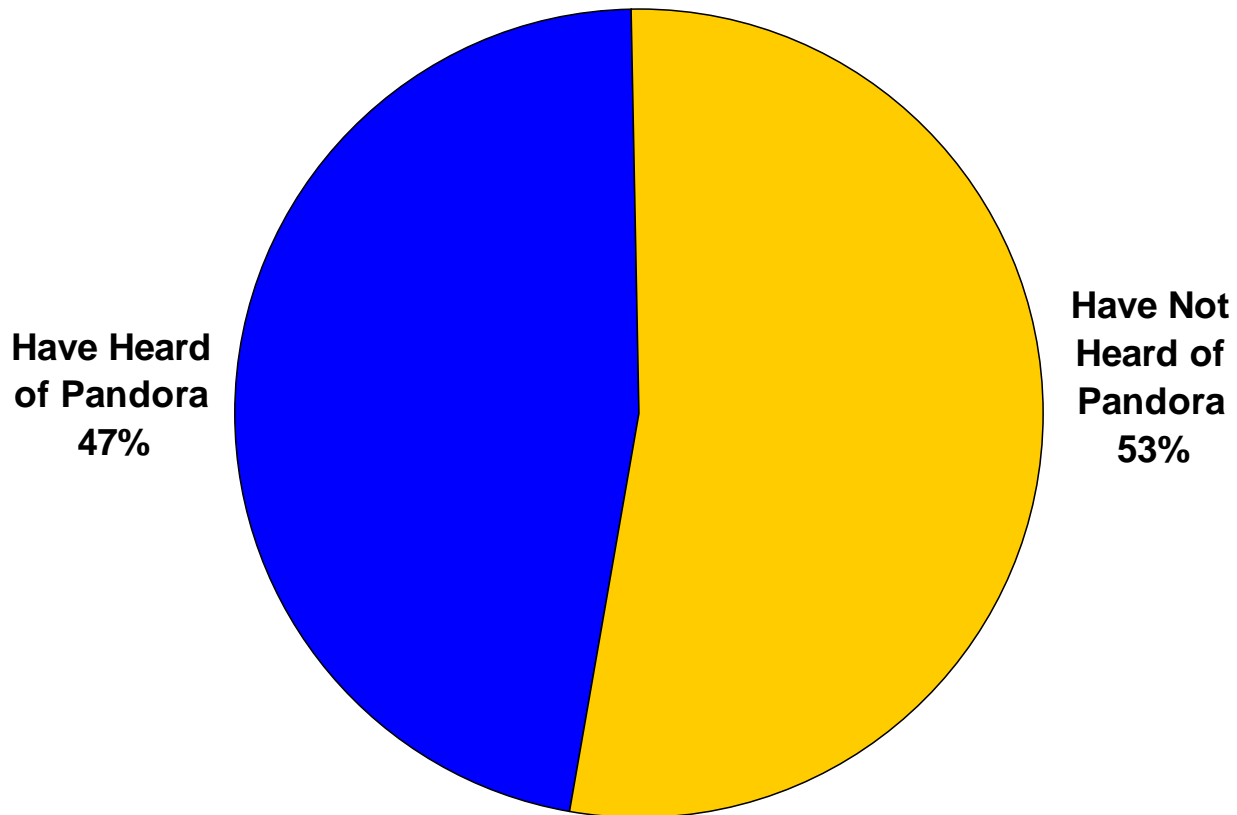
Online Radio Listening Is a Complement to Over-the-Air Radio, Not a Substitute

% of Weekly Online Radio Listeners Who Listened to Over-the-Air AM/FM Radio in the Past Week vs. Those Who Did Not



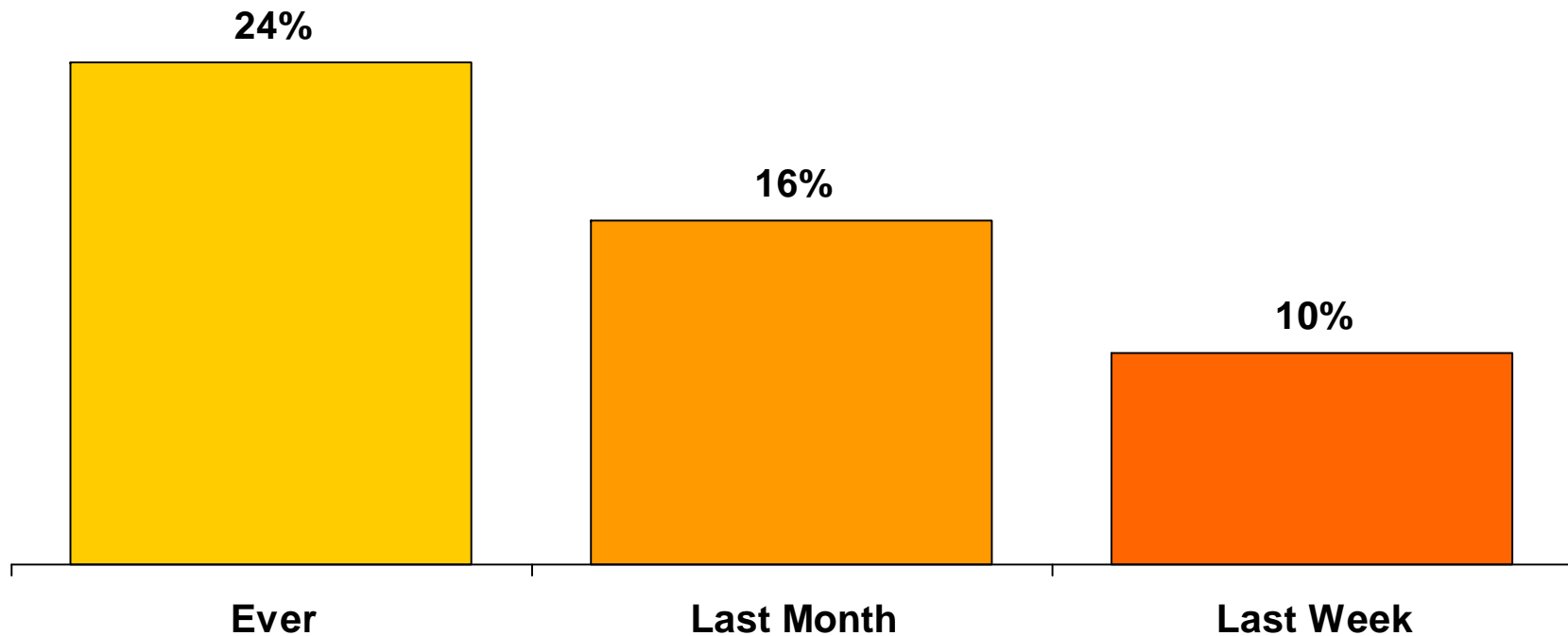
Nearly Half of Americans Have Heard of Pandora

“Have you ever heard of the Internet radio service called Pandora?”



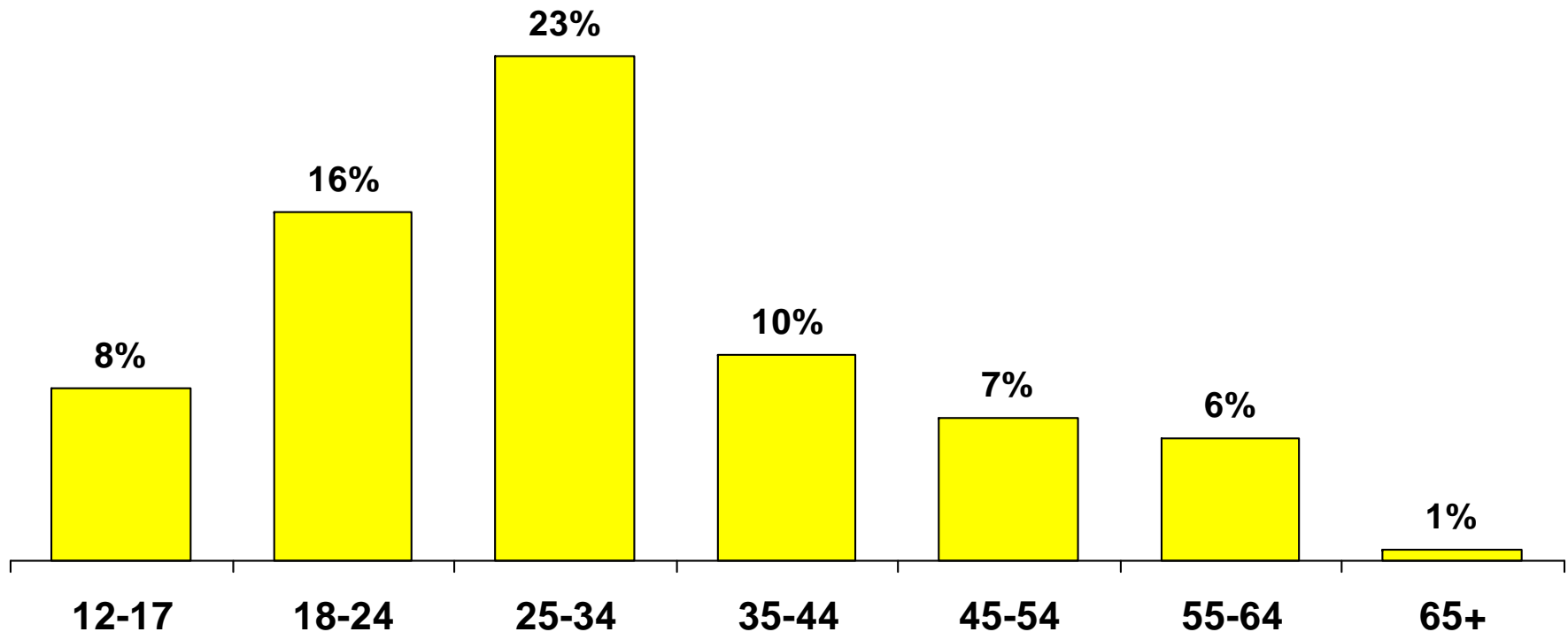
One in Four Have Ever Listened to Pandora: 10% Have Listened in the Past Week

% Listened to Pandora...



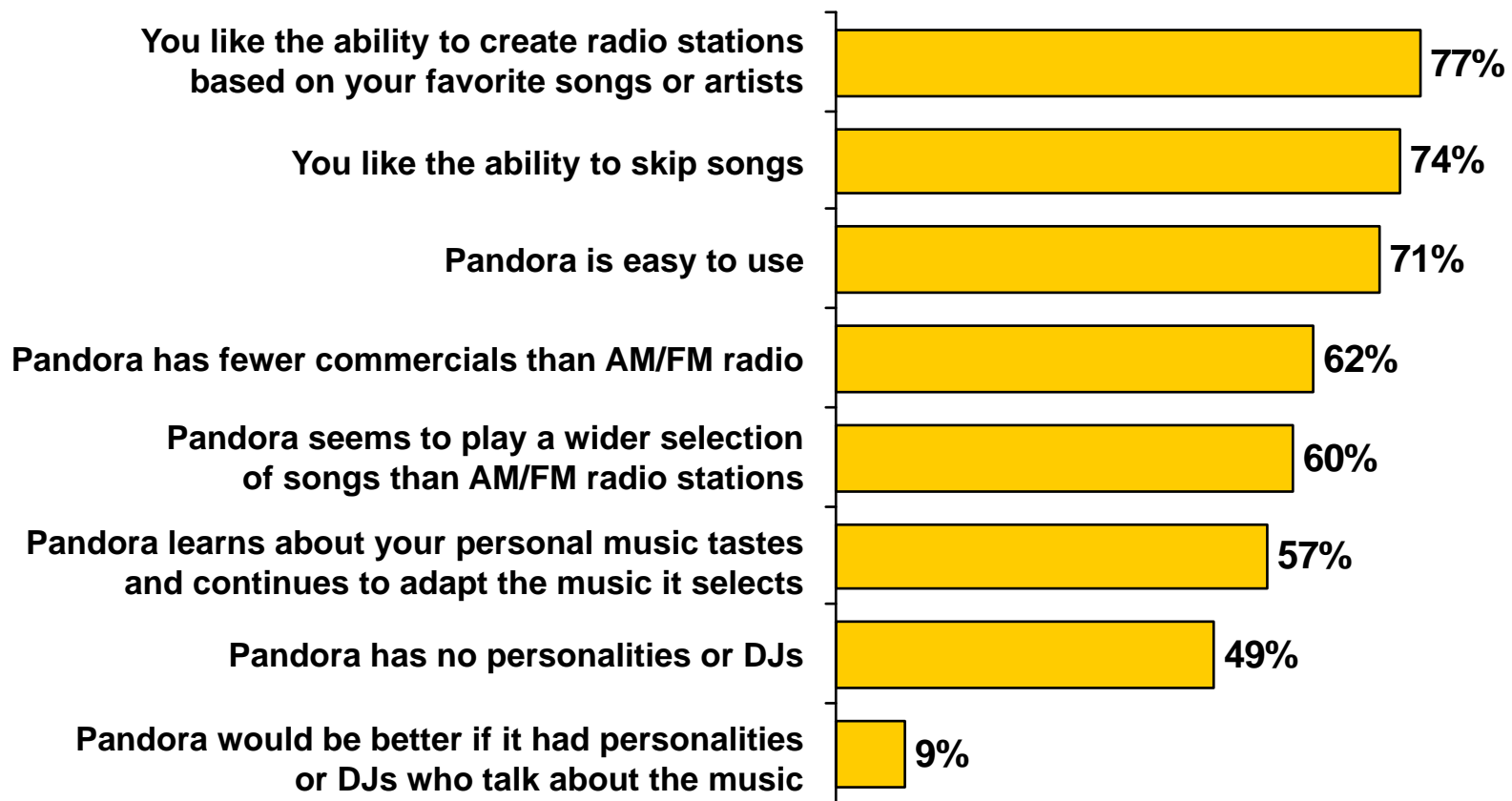
Weekly Pandora Usage Highest Among 18-34s

% by Age Group Who Have Listened to Pandora in Last Week



Personalized Content, Skipping Songs and Ease of Use Top Reasons Pandora Users Listen

% Who “Agree Strongly” This Is a Reason They Listen to Pandora

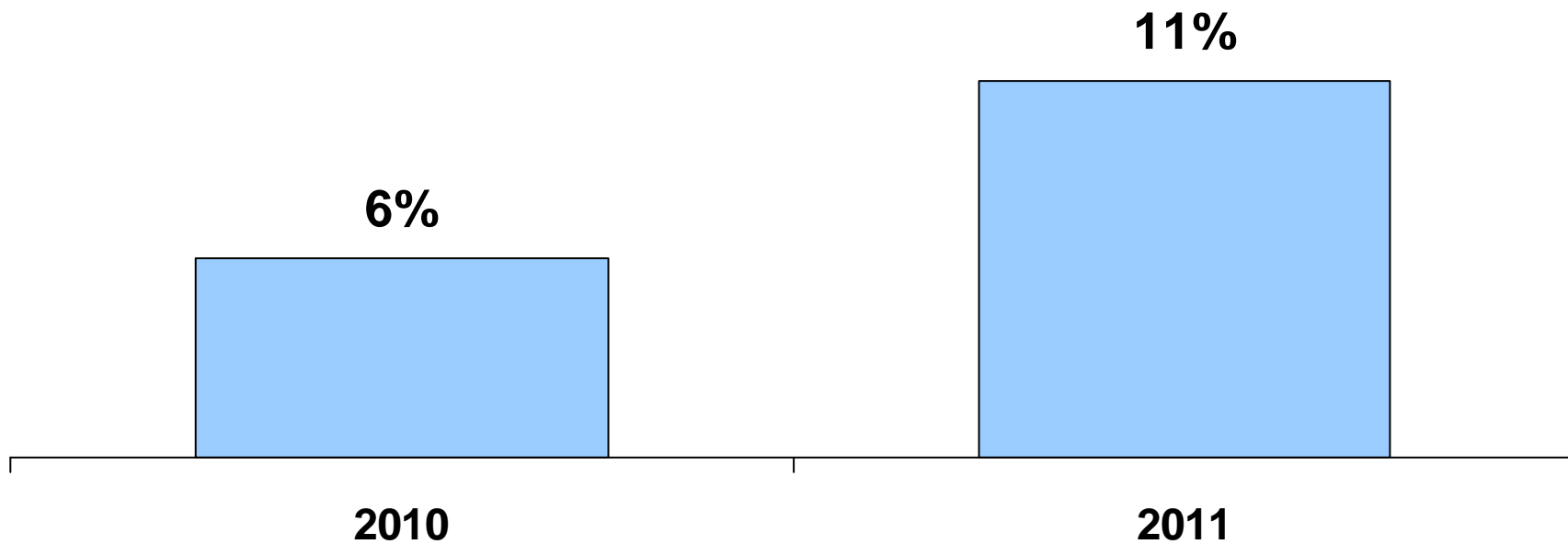


Base: Ever Listen to Pandora



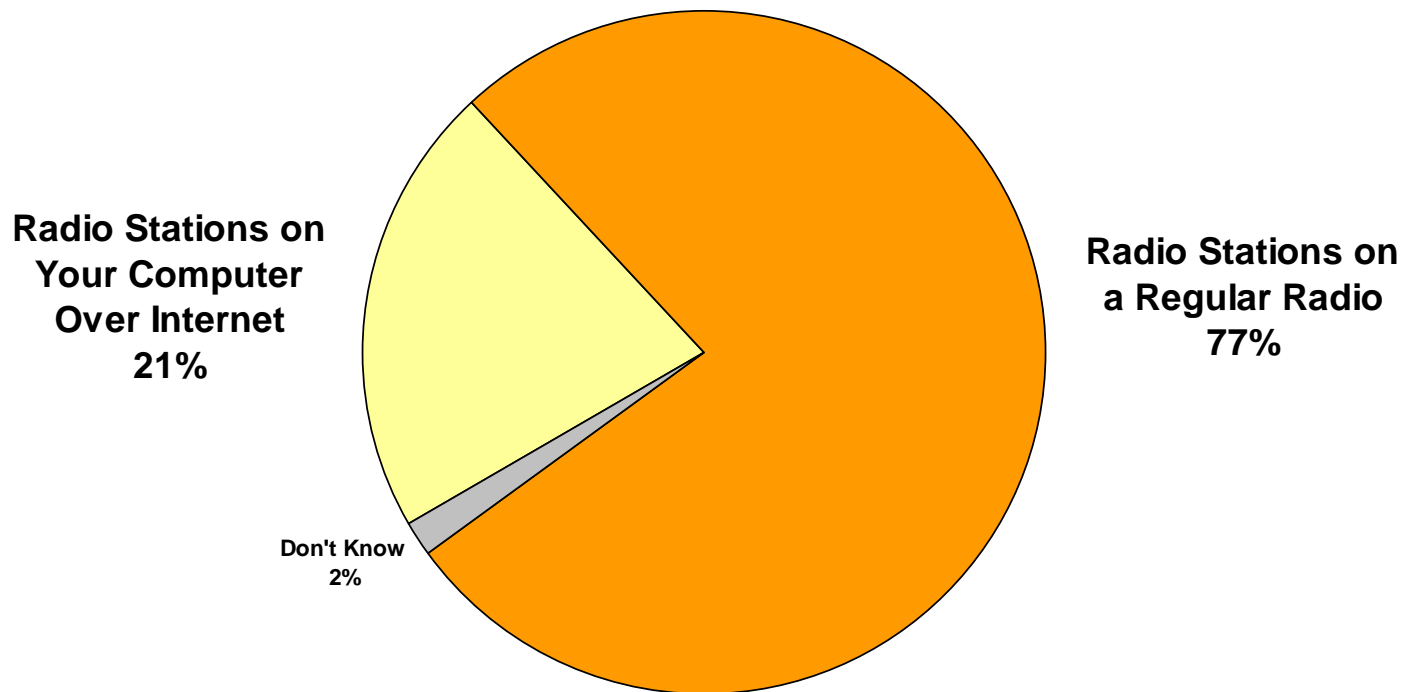
Significant Rise in Those Who Use Their Cell Phone to Listen to Online Radio in Their Cars

% 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

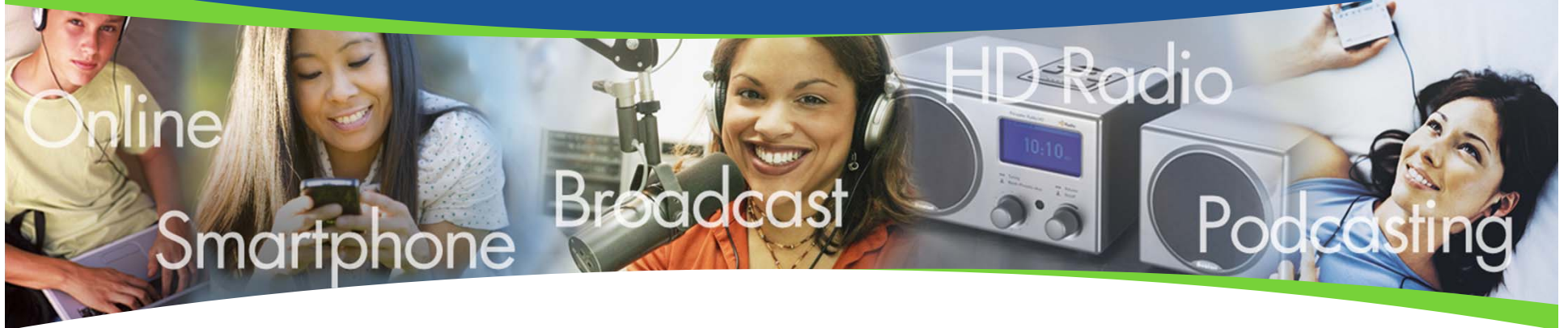


One in Five Who Listen to Radio While Working Tune In Most Often on Their Computers

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

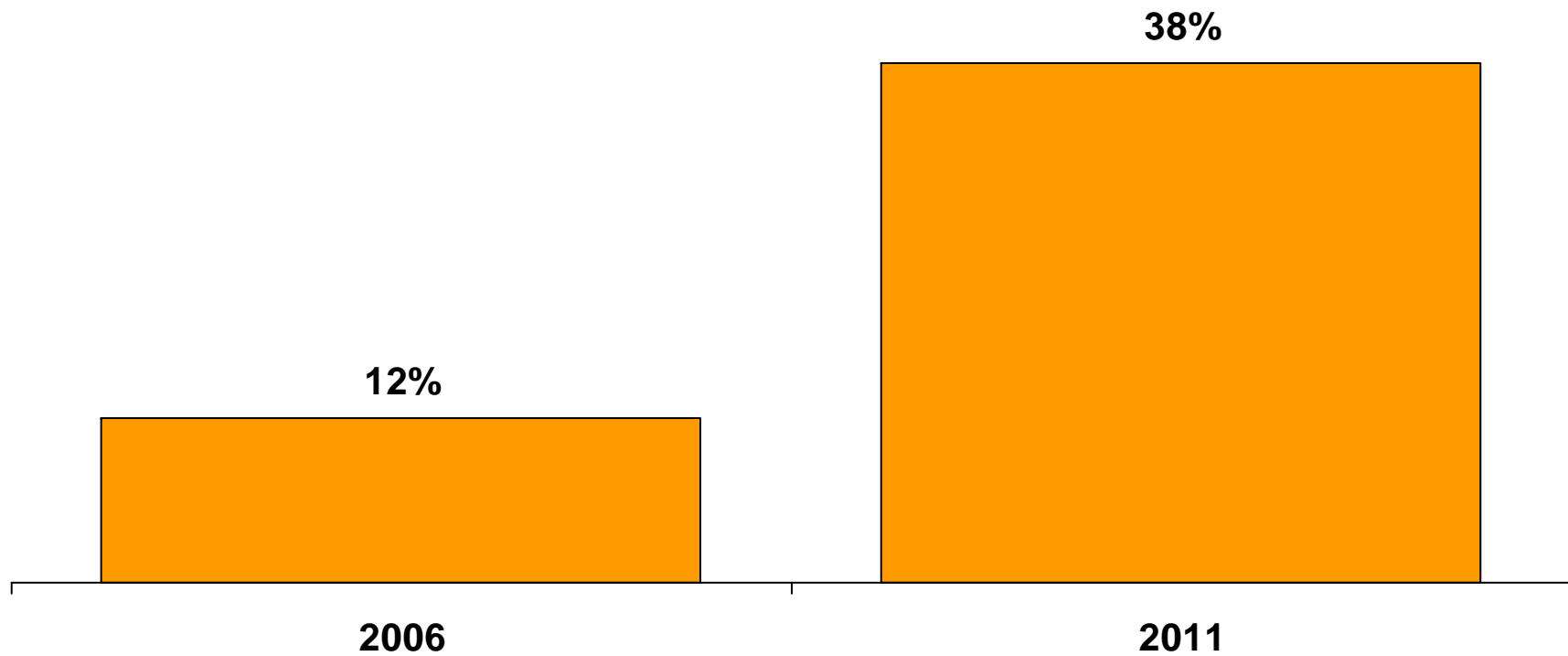


Online Video



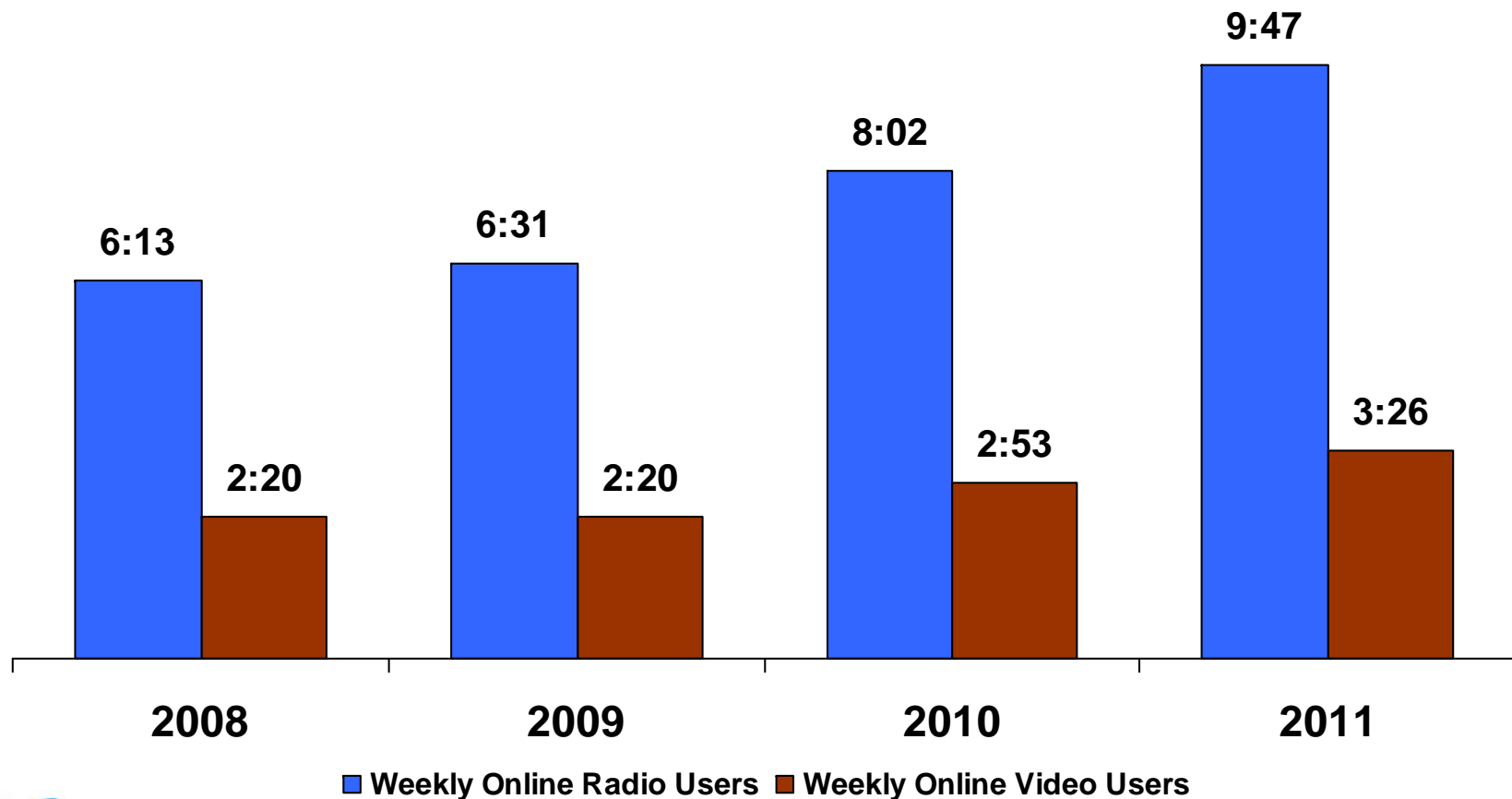
Weekly Audience for Online Video Has Tripled in the Past Five Years

% Who Have Watched Online Video in Last Week



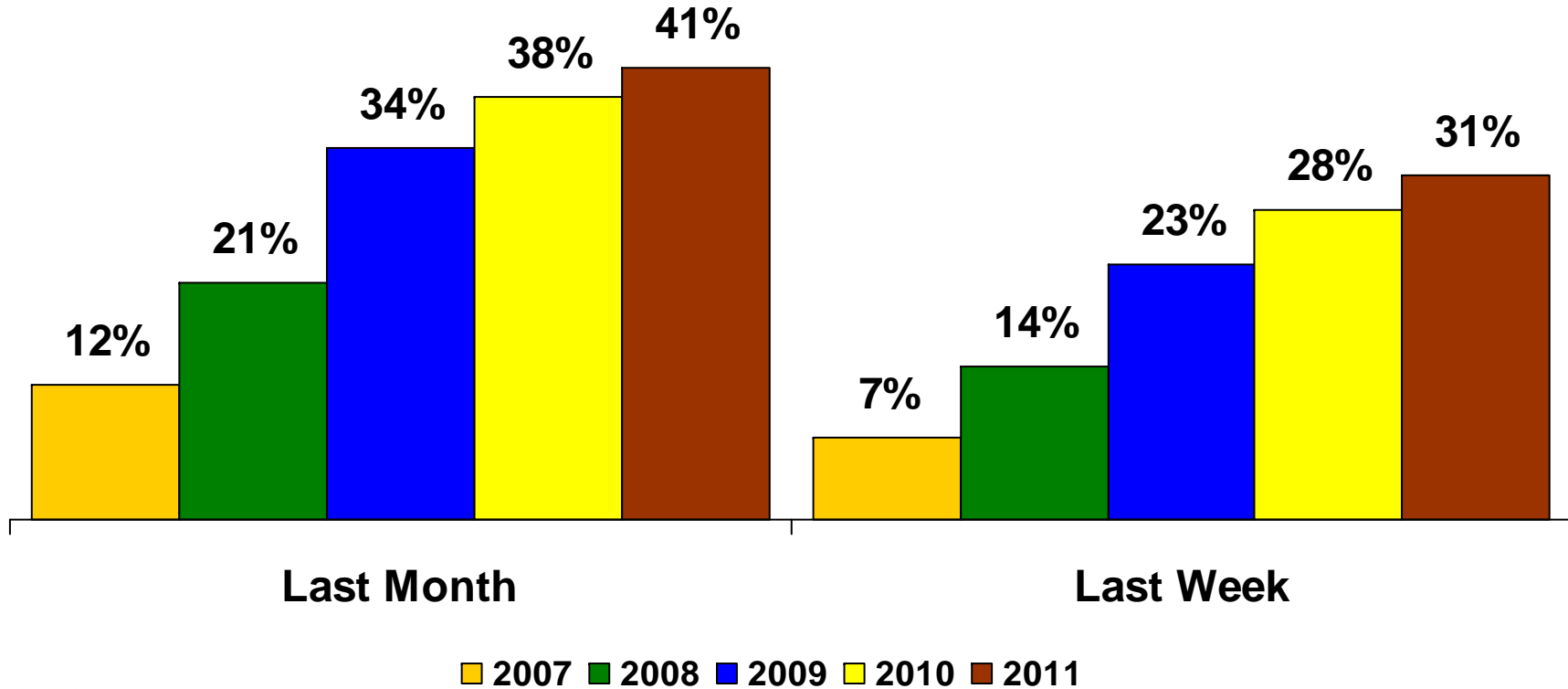
Time Spent per User With Online Radio Is Almost Triple Time Spent With Online Video

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



YouTube Growth Continues

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

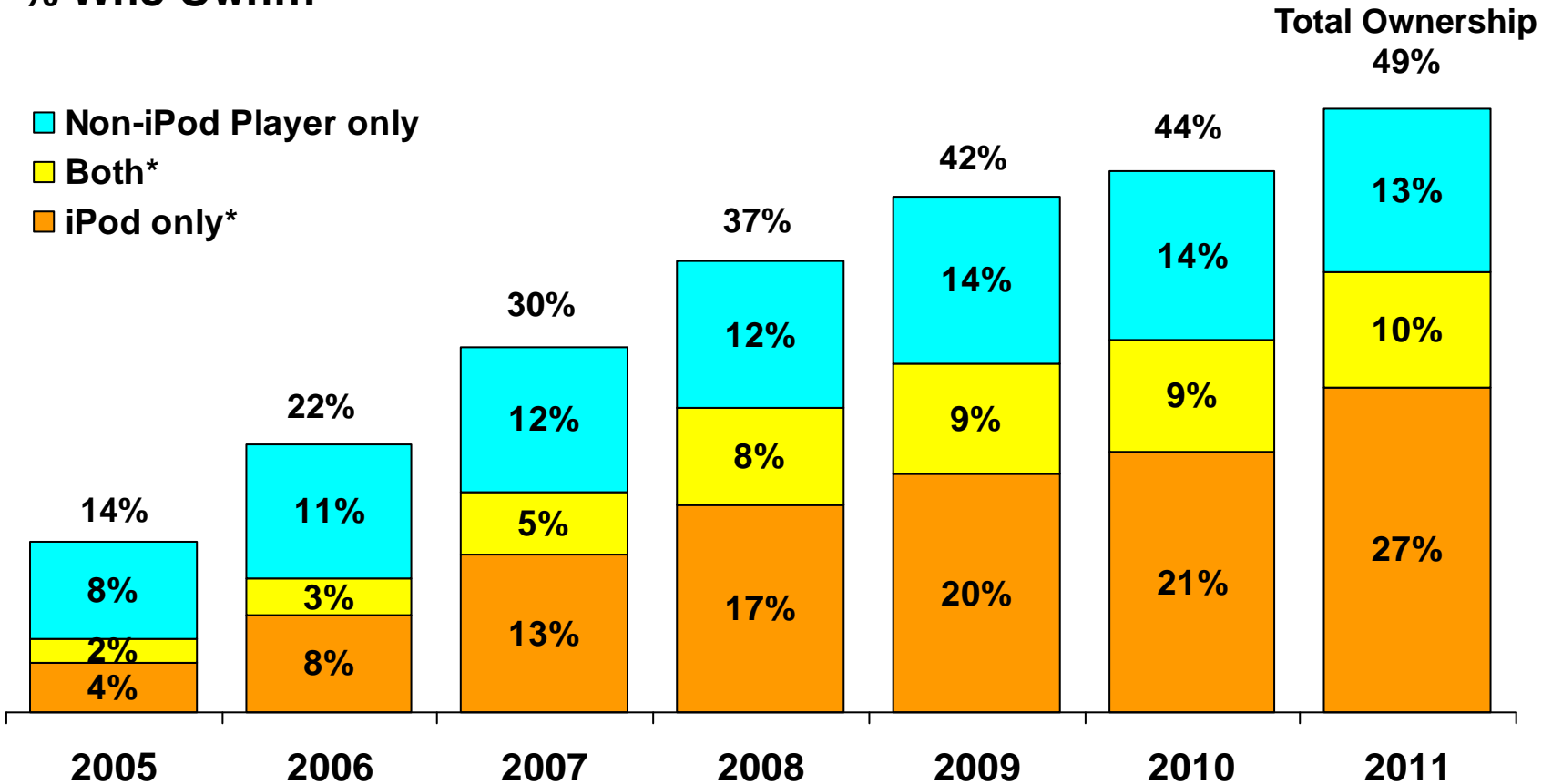


Digital Audio Players



Half Now Own an iPod/iPad/iPhone or Other Portable MP3 Player

% Who Own...



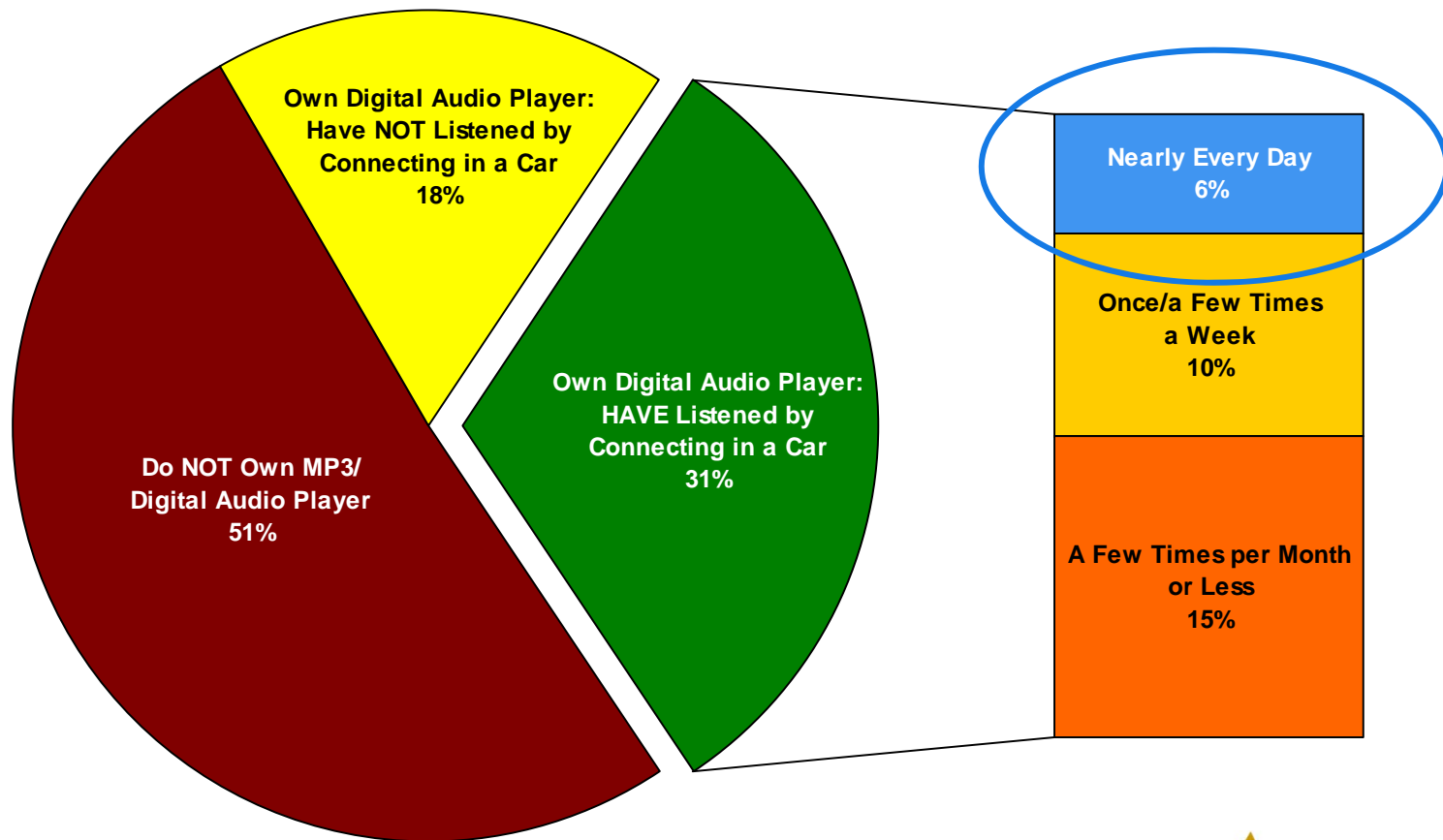
* 2008-2011 includes iPhone and 2011 includes iPad

Base: Total Population 12+



Three in 10 Listen to Digital Audio in Cars: 1 in 16 Do So Nearly Every Day

“How often do you listen to digital audio files in a car by connecting an iPod or other MP3 player to a car stereo?”

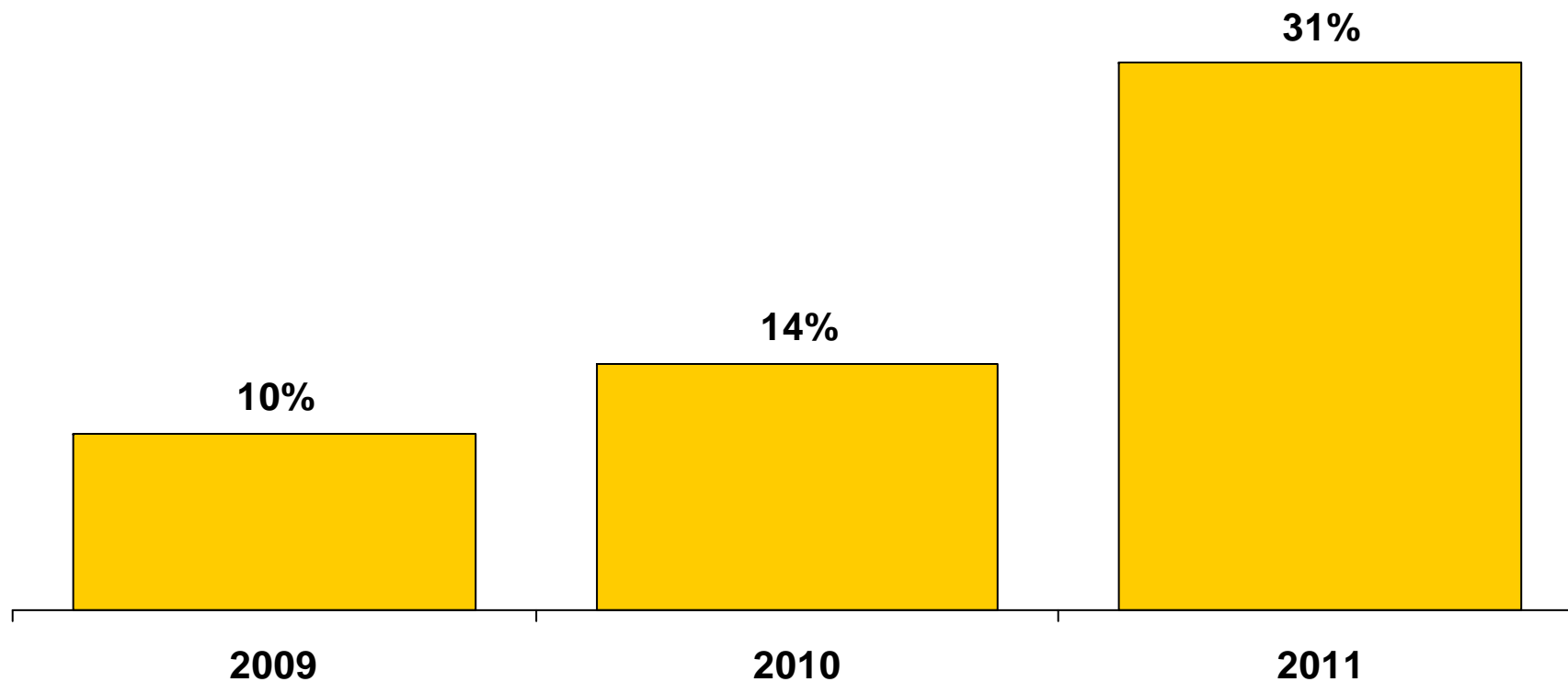


Mobile/Smartphones



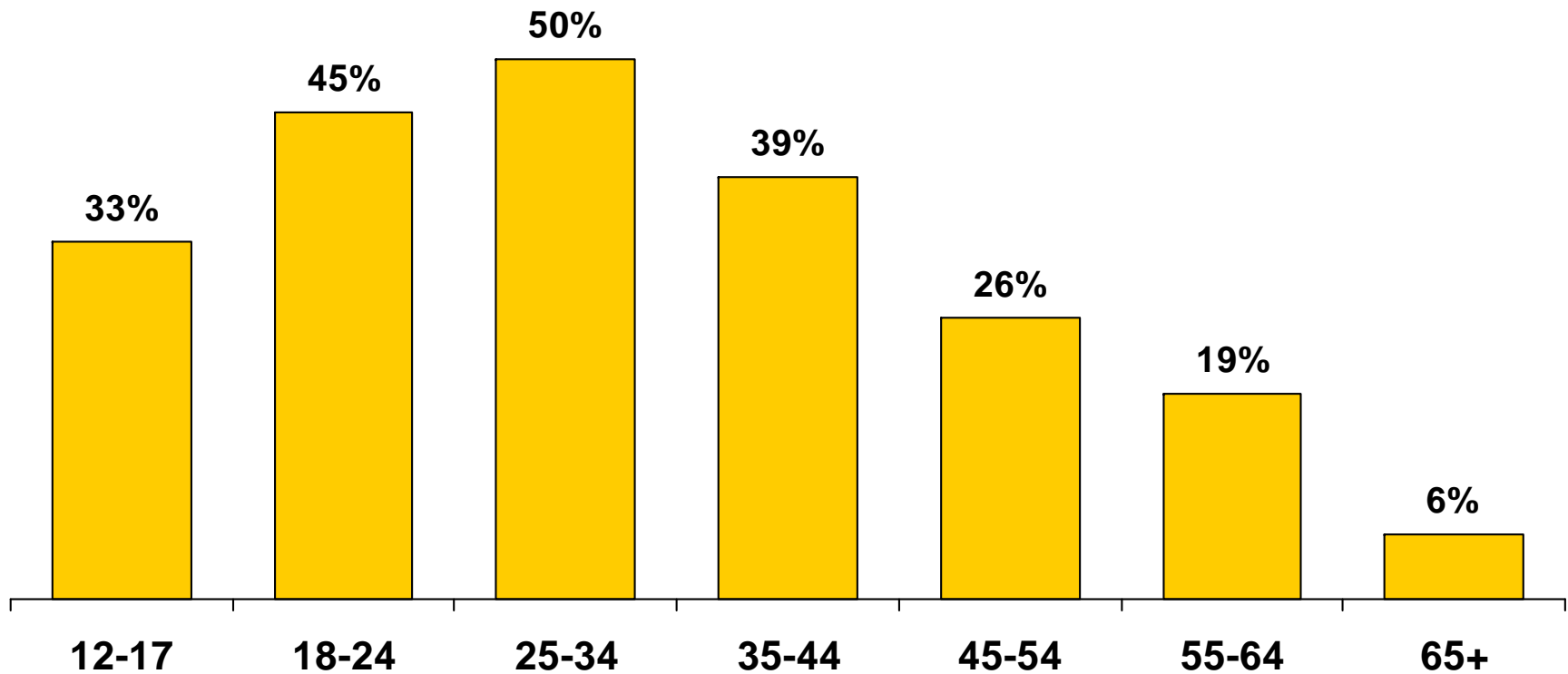
Smartphone Ownership Has Tripled Since 2009

% Who Have a Smartphone



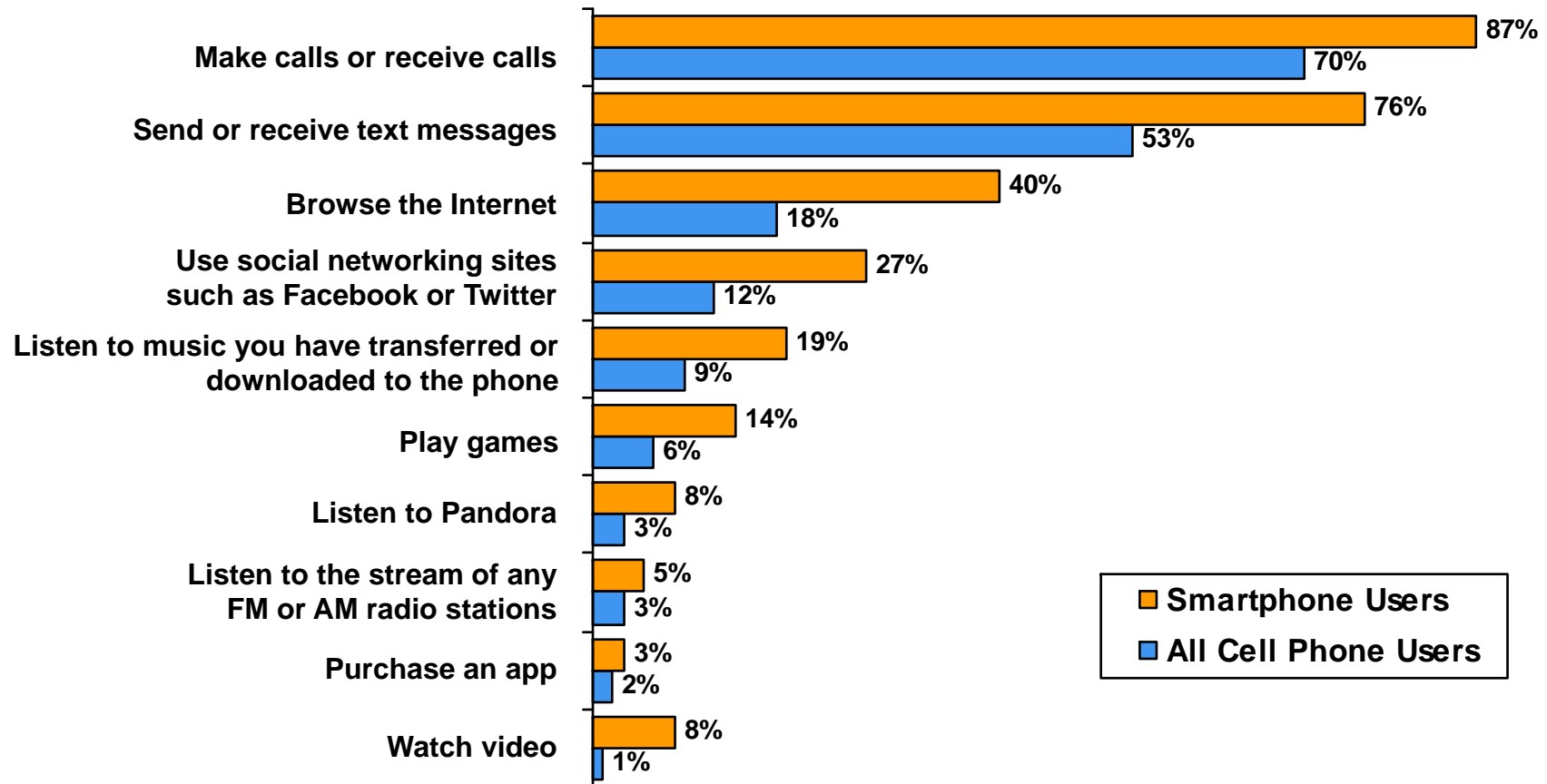
Nearly Half of 18-34s Have Smartphones

% by Age Group Who Own a Smartphone



Smartphone Owners Use Mobile Phone Functions More Frequently

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



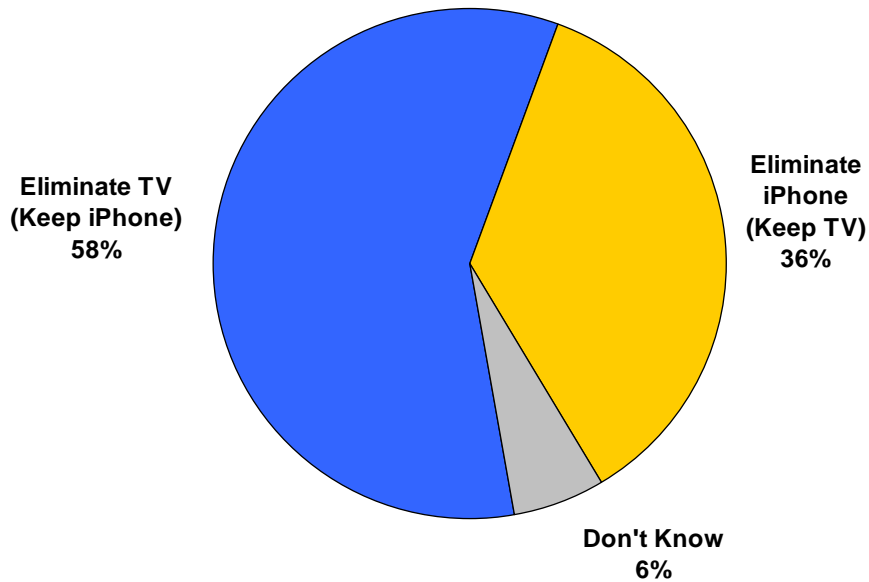
Base: Own a Cell Phone/Smartphone



Nearly Six in 10 Smartphone Owners Would Give Up TV Before Giving Up Their Smartphones

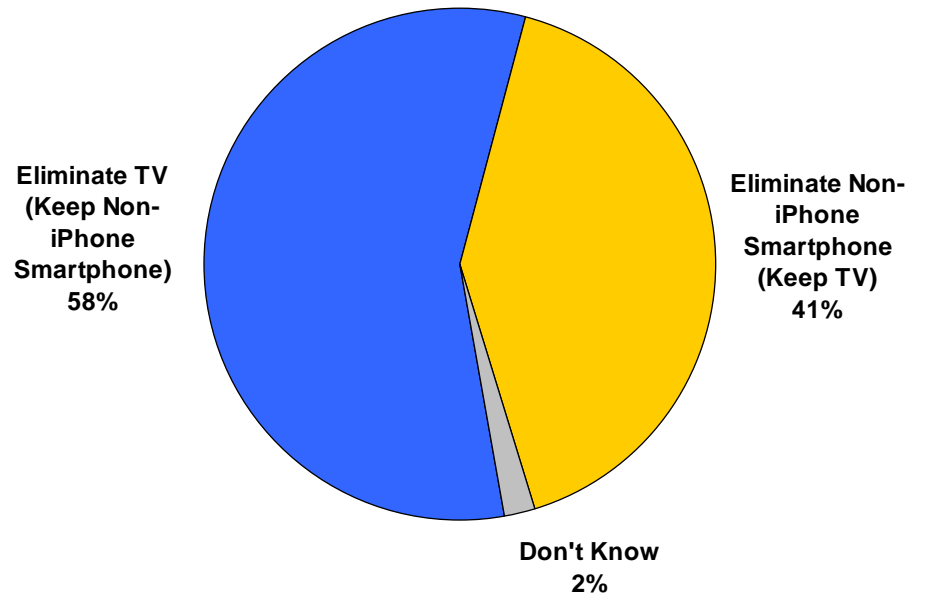
“Suppose you could never watch television again OR you could never use your Apple iPhone/Smartphone again. Which would you be more willing to eliminate from your life?”

Eliminate iPhone or TV



Base: Own Apple iPhone

Eliminate Non-iPhone Smartphone or TV



Base: Own Non-iPhone Smartphone

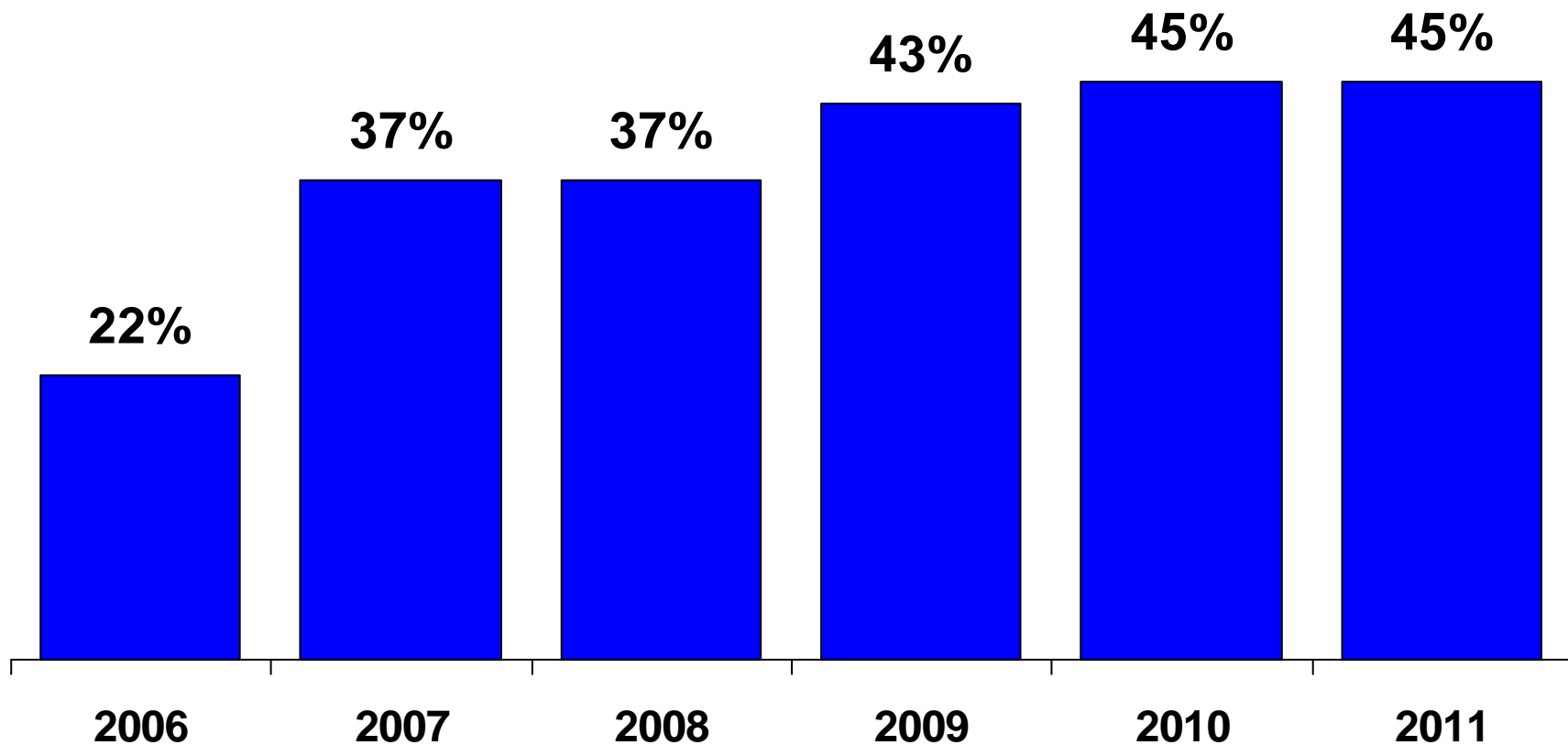


Podcasting



Awareness of Audio Podcasting Has Levelled Off

% Aware of Audio Podcasts

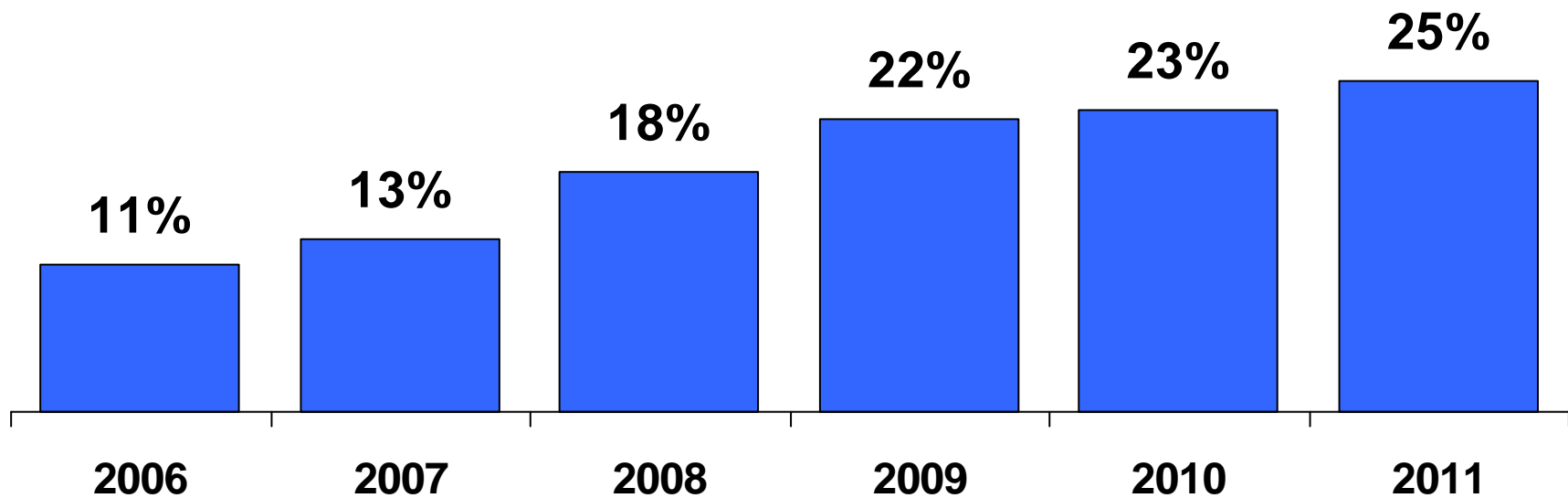


Base: Total Population 12+



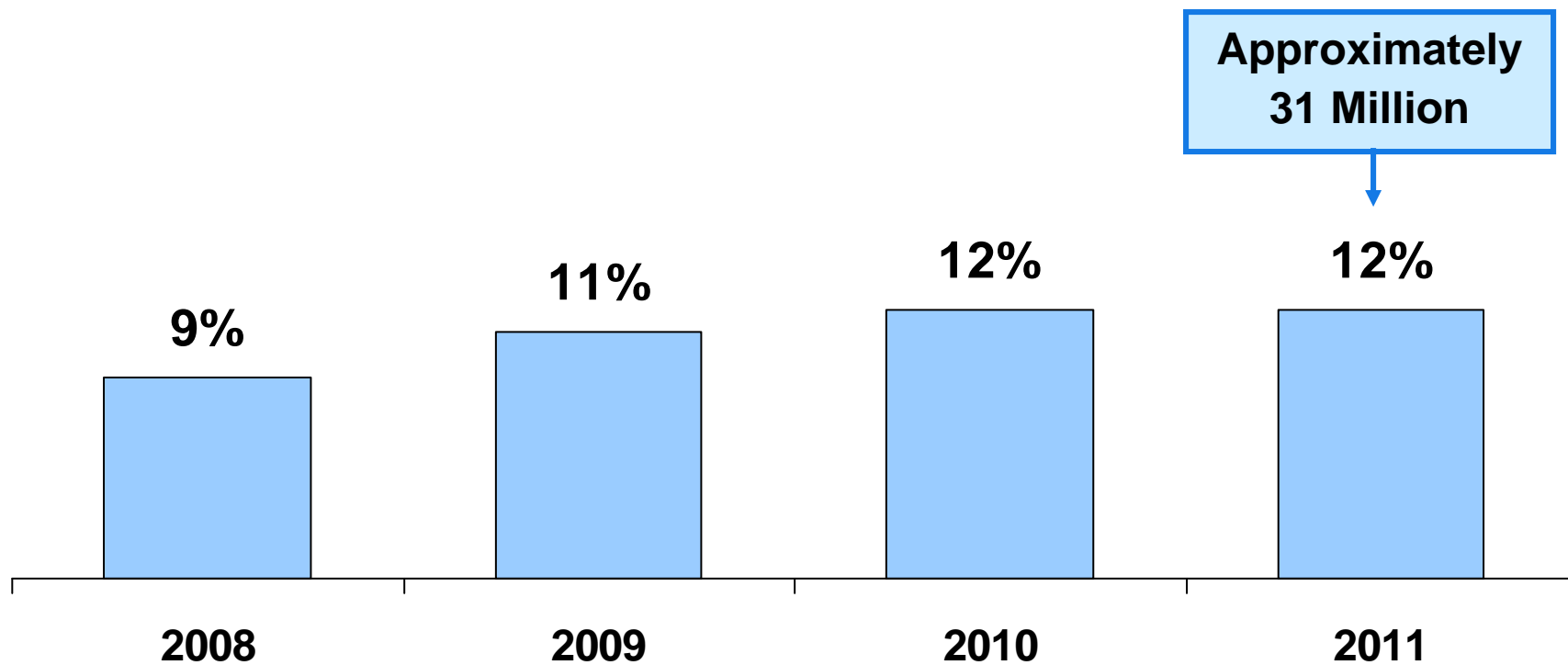
One in Four Americans Have Ever Listened to an Audio Podcast

% Who Have Ever Listened to an Audio Podcast



An Estimated 31 Million Americans Have Listened to a Podcast in the Past Month

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

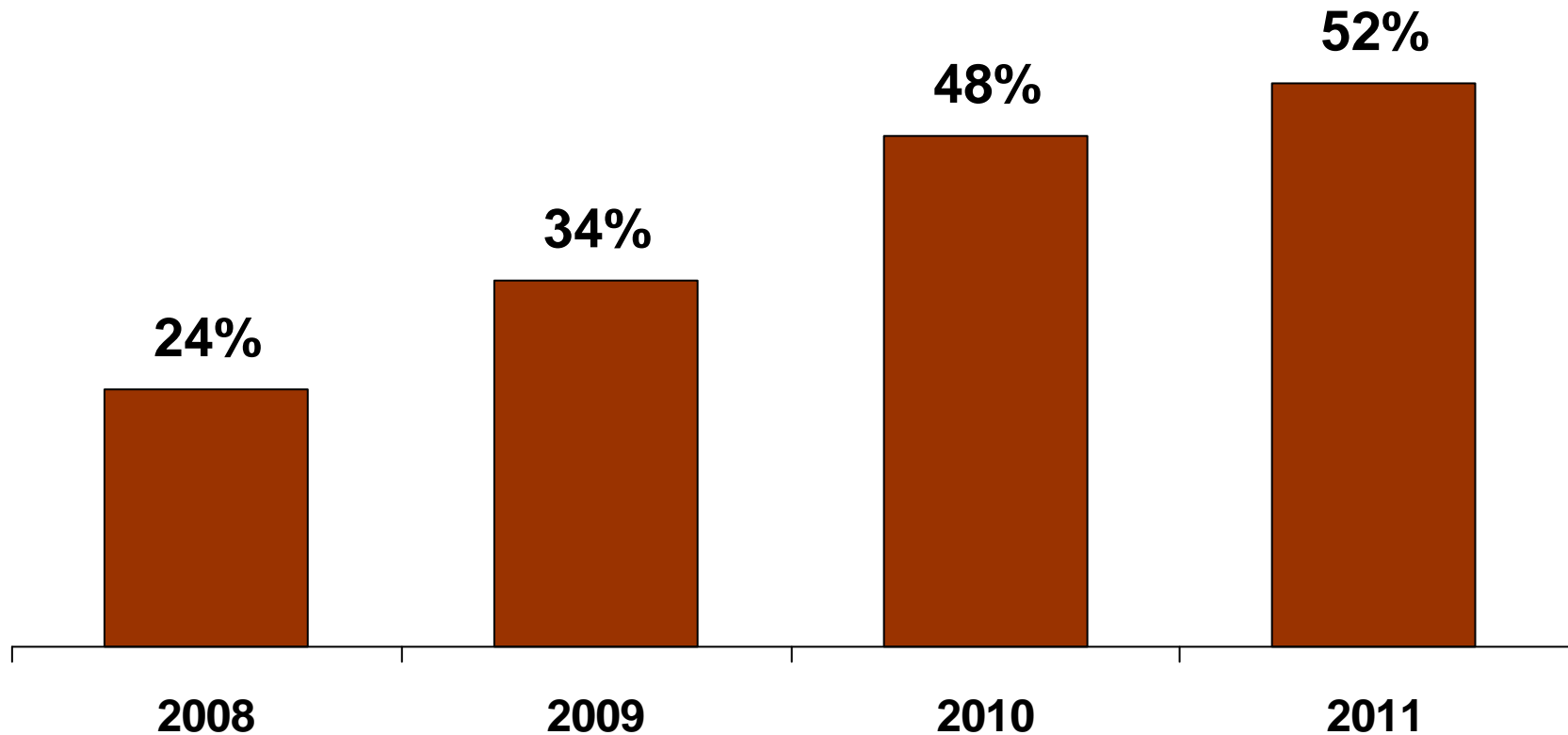


Social Networking



More Than Half of Americans Have a Profile on a Social Networking Site

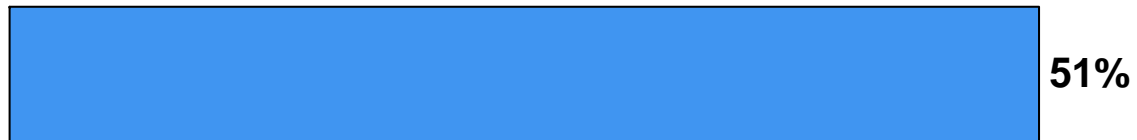
% Who Currently Have a Personal Profile Page on Facebook, MySpace®, LinkedIn or Any Other Social Networking Web Site



Facebook Is the Dominant Player in Social Networking

% Using Each Social Networking Site/Service

Facebook
(Have personal profile)



MySpace
(Have personal profile)



LinkedIn
(Have personal profile)

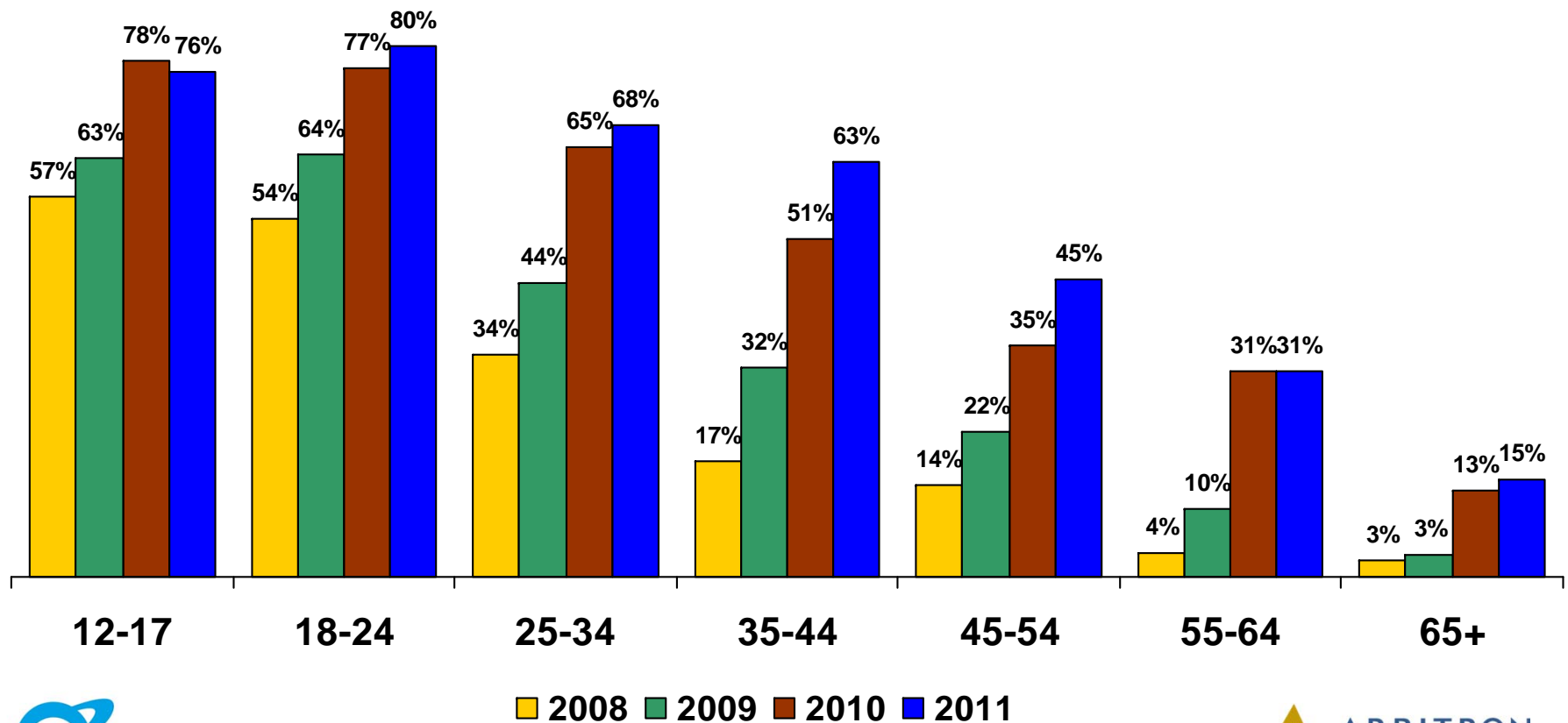


Twitter
(Ever use)



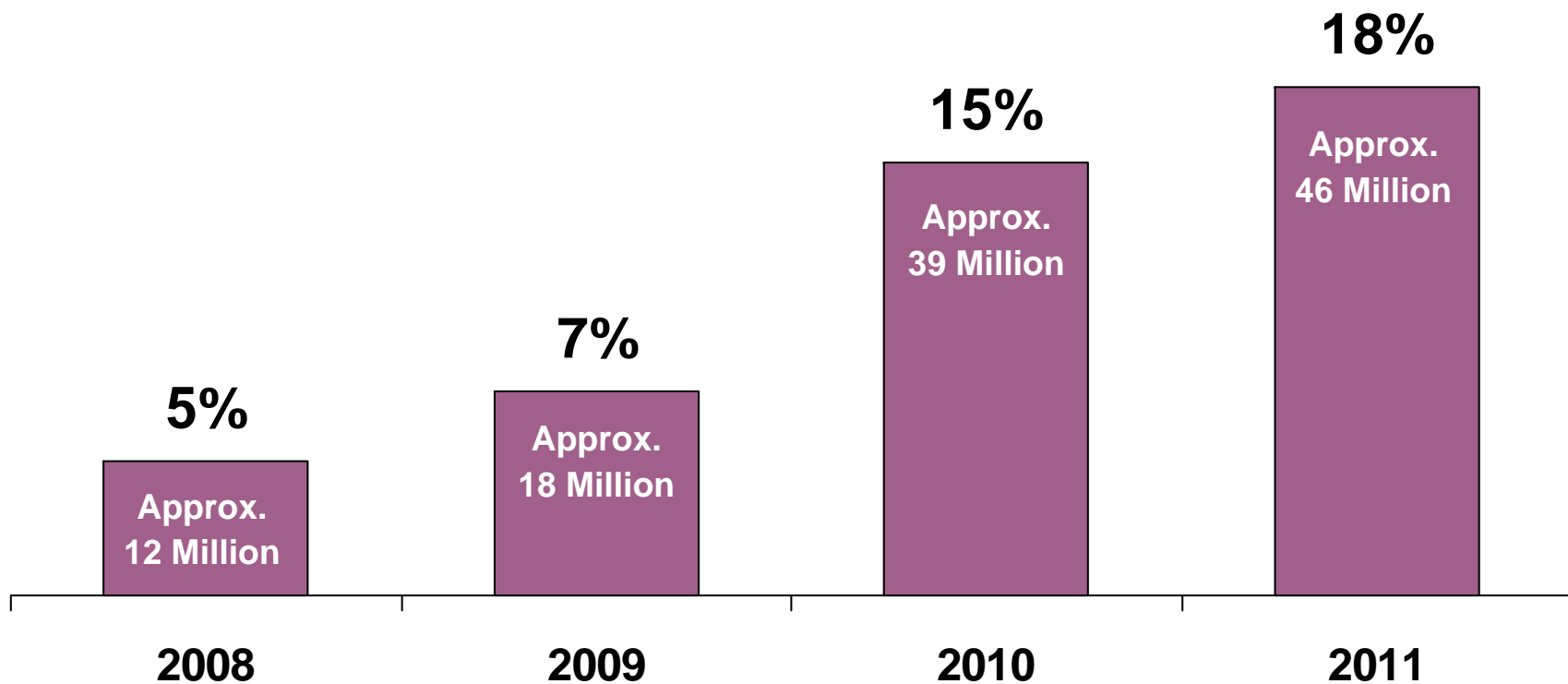
Year-Over-Year Growth in Social Networking Greatest Among People Aged 35 to 54

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



Frequent Usage of Social Networking Sites Increases Fourfold in Three Years

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

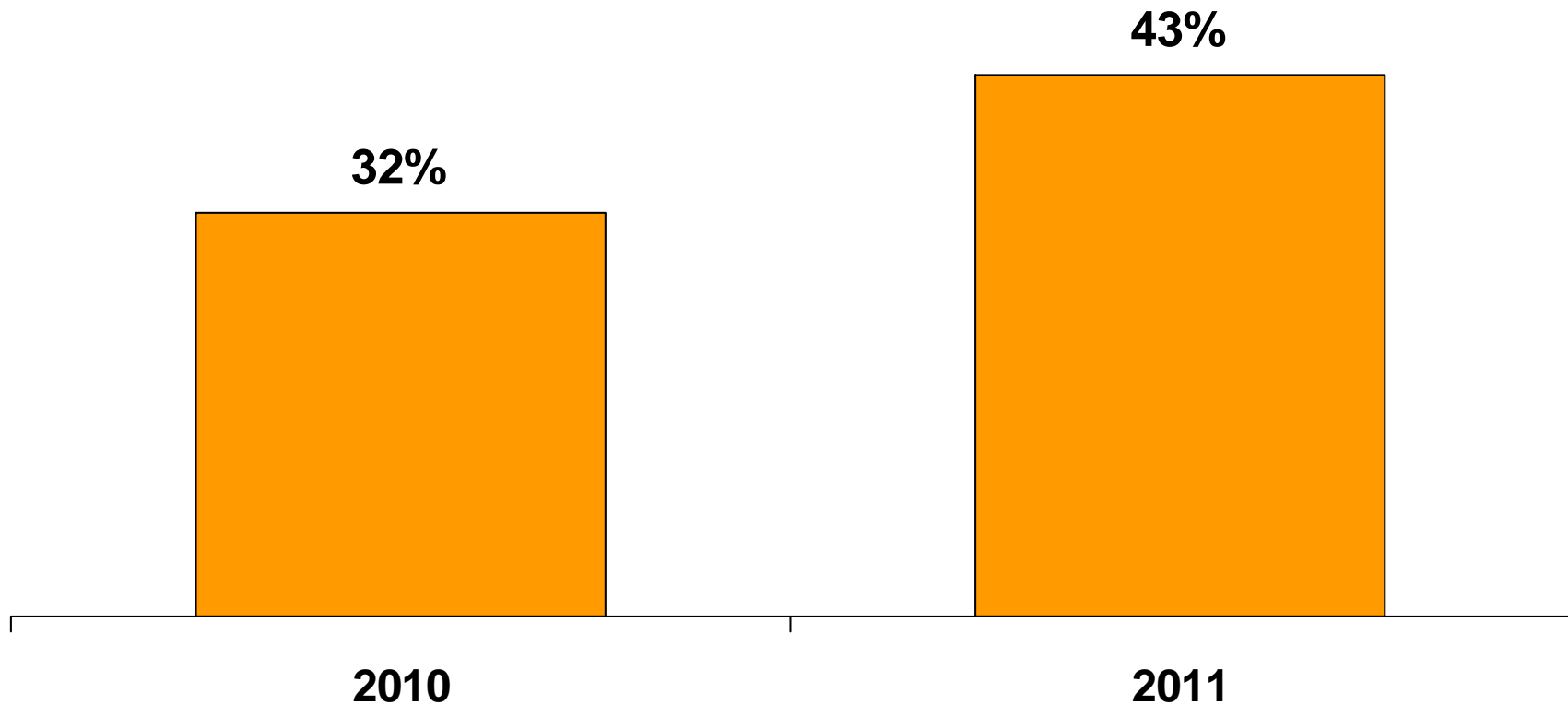


Base: Total Population 12+



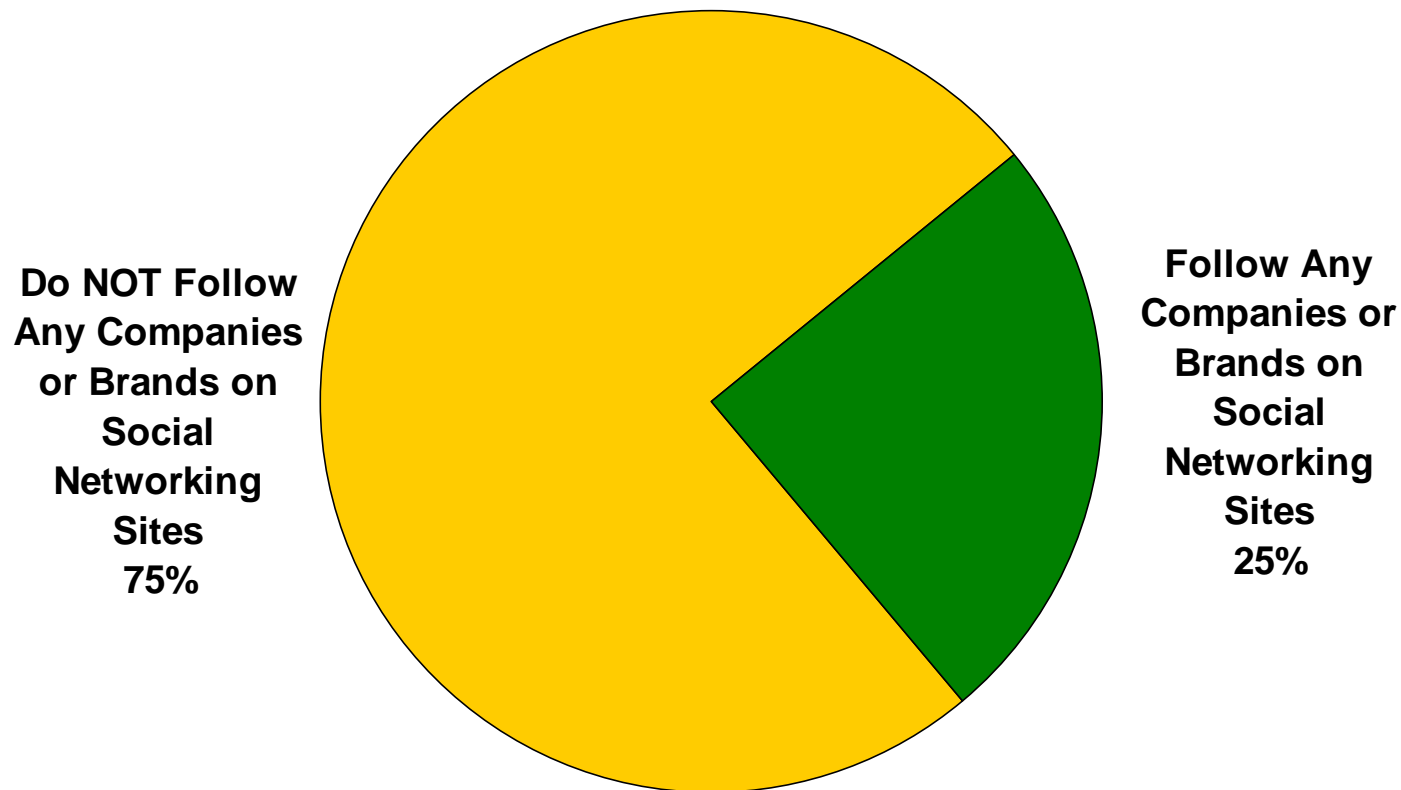
Those Accessing Social Networking on Mobile Phones Jumps 34% Year Over Year

% Who Ever Access Social Networking Sites or Services Using a Cell Phone

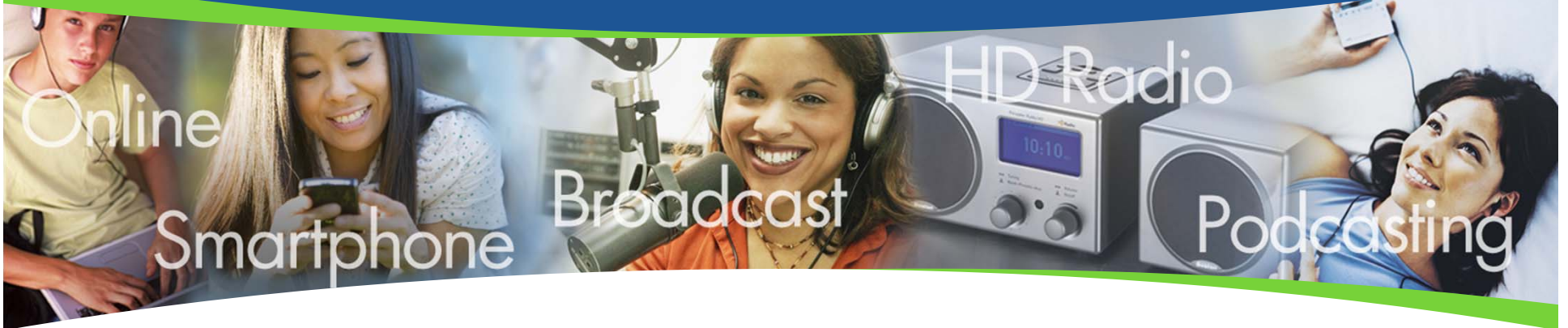


One in Four Social Network Users Follow Companies or Brands on Social Sites

“Do you follow any companies or brands on any social networking sites?”

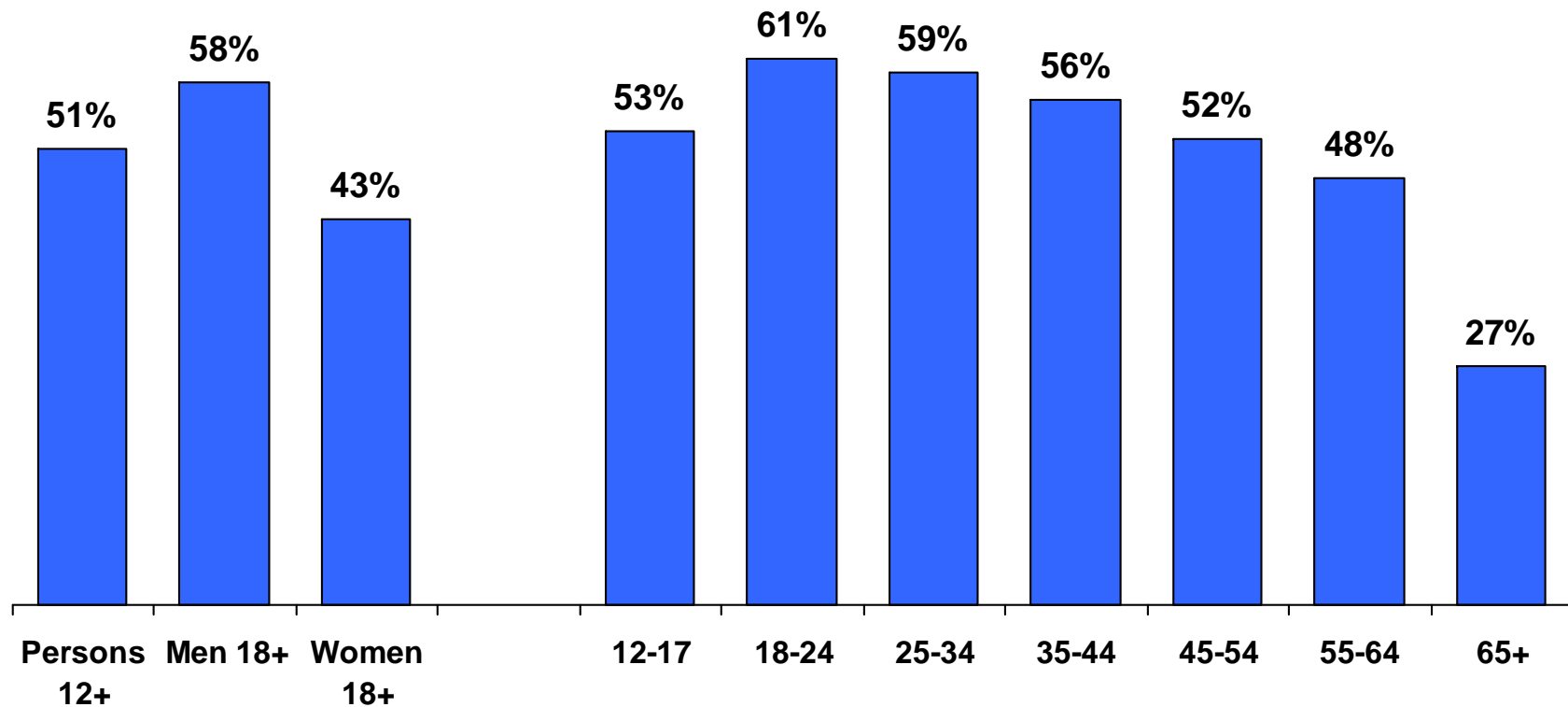


AM/FM Radio



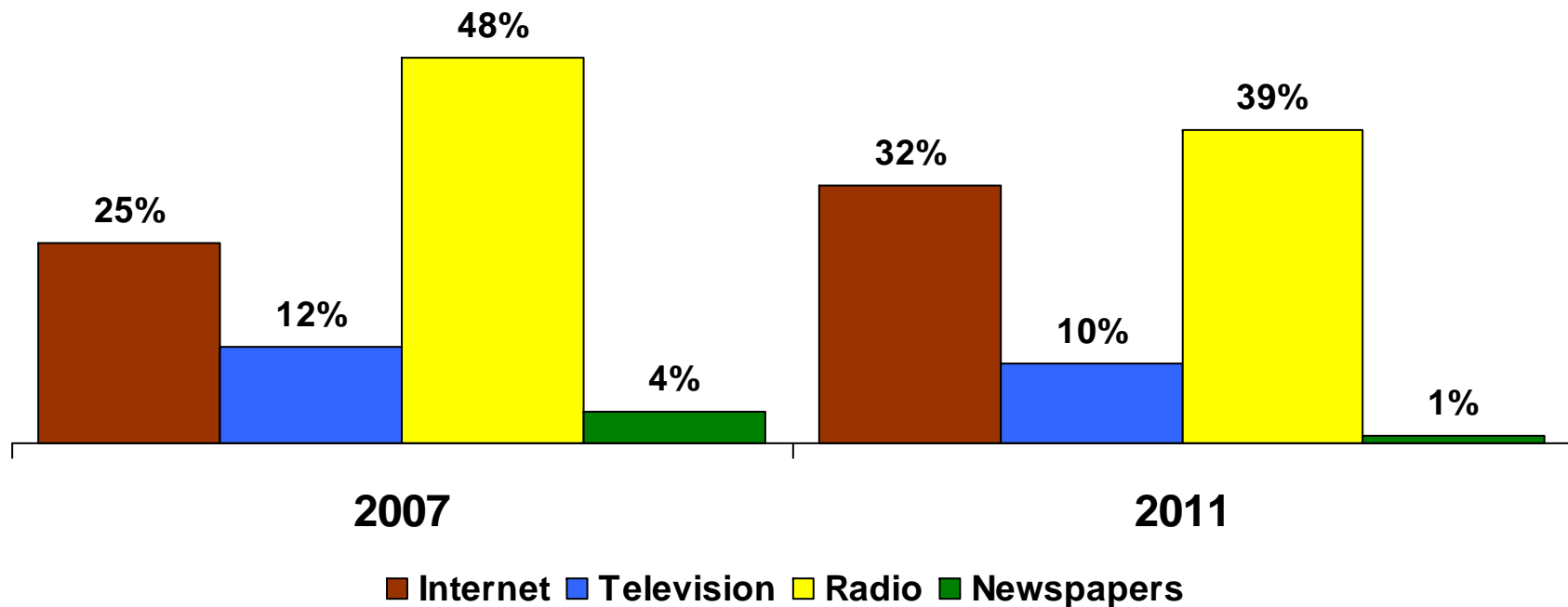
More than Half of Persons 12+ Aware of HD Radio®: Awareness Among Men Greater Than Women

% by Age Group Who Have Ever Heard of HD Radio



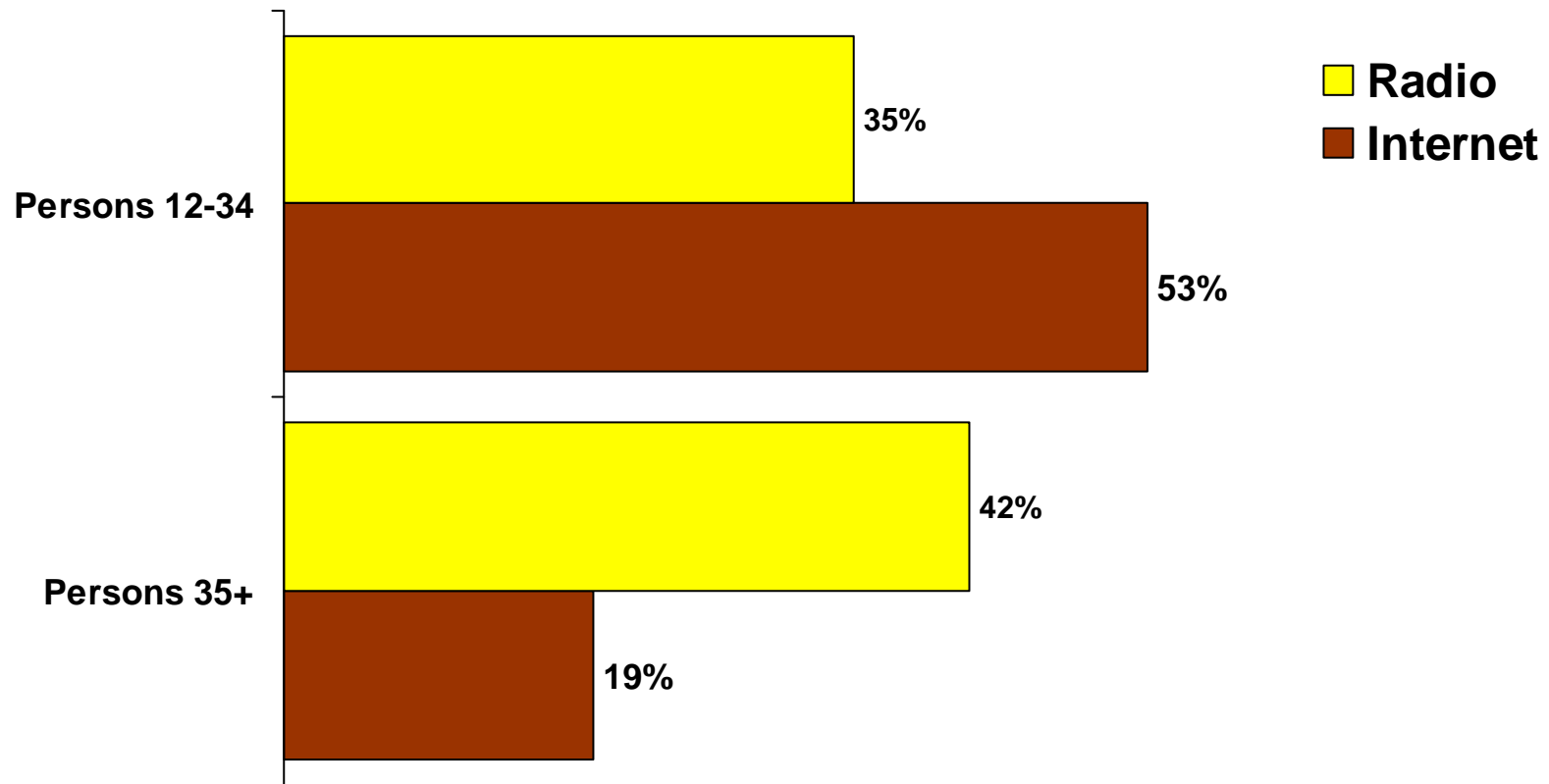
Radio Remains the Leader for Learning About New Music, but the Internet Is Gaining

“Among Internet, television, radio and newspapers, which do you turn to first to learn about new music?”



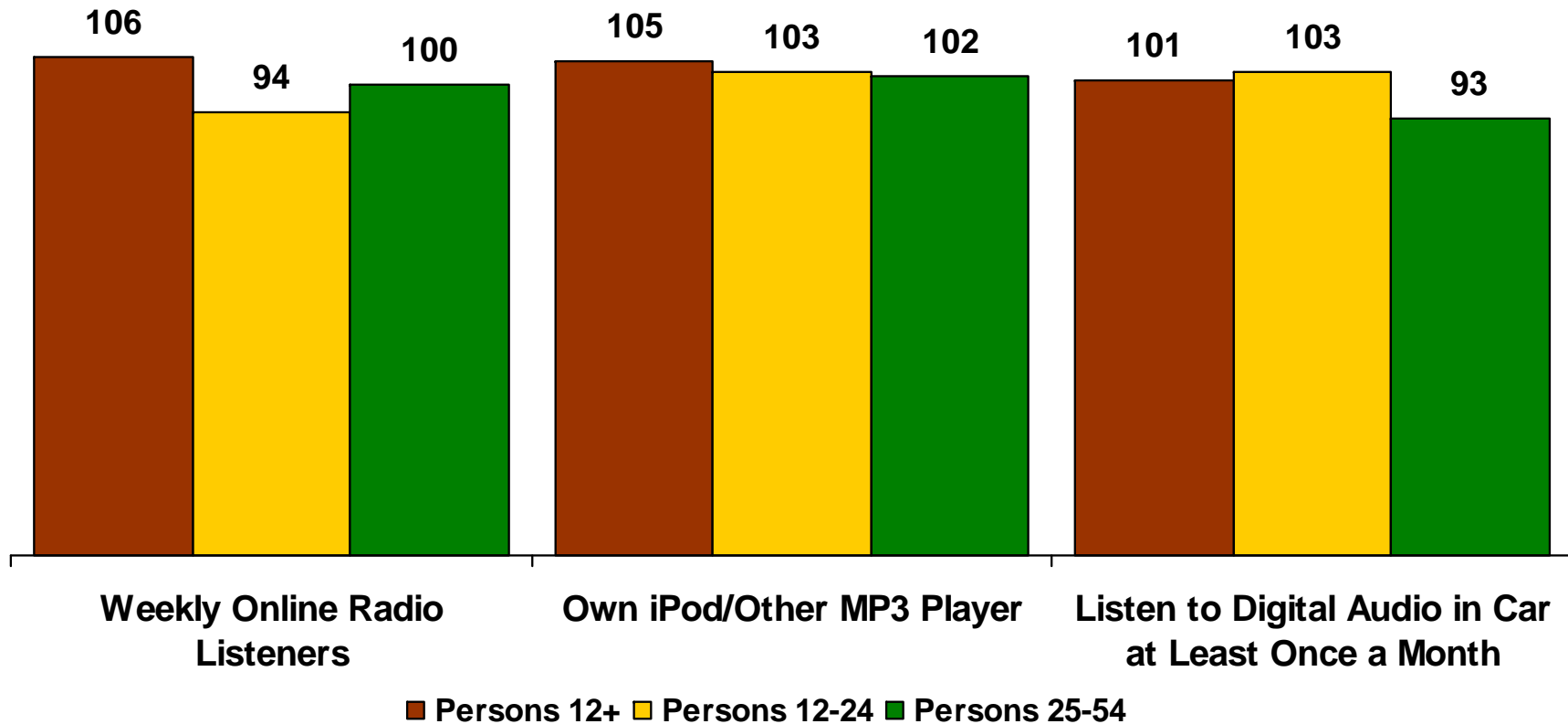
12-34s Turn to the Internet First for Music Discovery, While Radio Leads Among P35+

% Choosing Internet/Radio as Medium They Turn to First to Learn About New Music



Digital Audio Users Spend As Much Time With Radio As the Average (Not Less)

Index of Self-Reported Time Spent Listening to Radio per Day



Heavy Users of Radio, TV and Internet



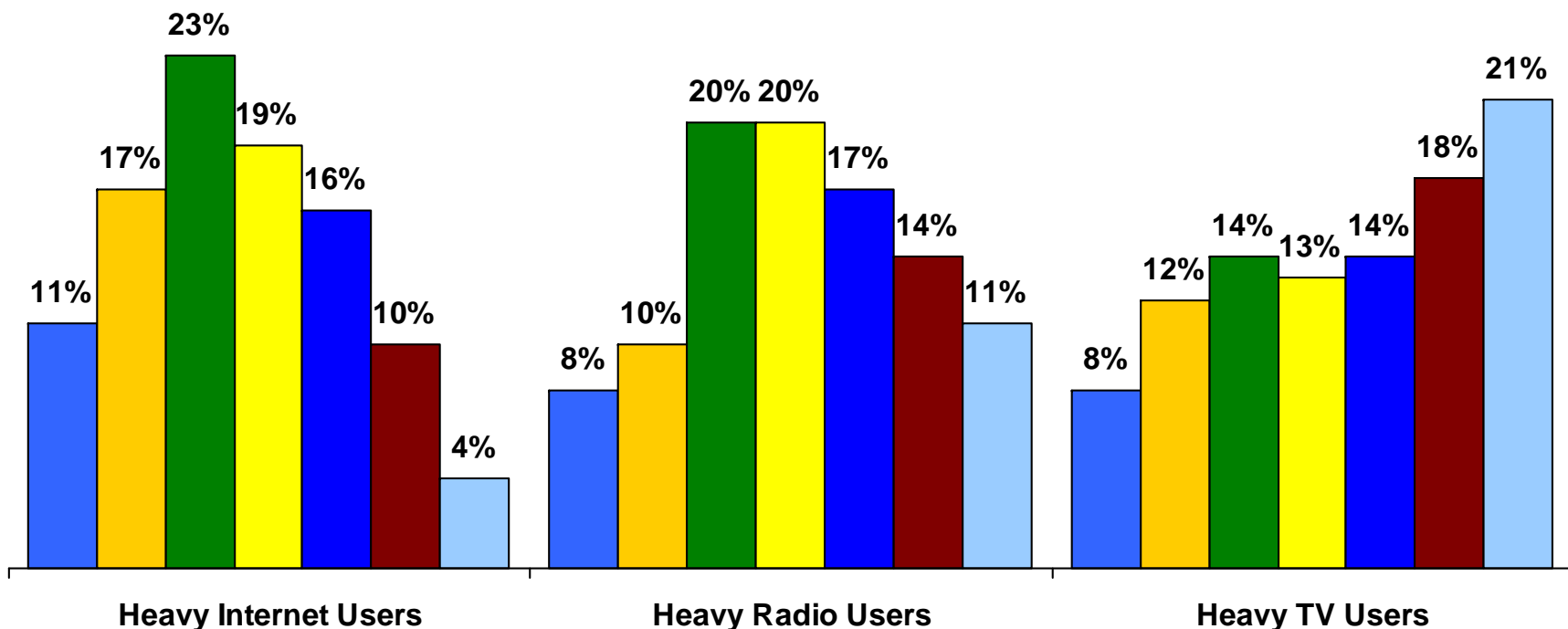
Ages of Heavy Radio Users Closest to Population; Heavy Internet Users Skew Younger, Heavy TV Users Lean Older

Age Composition of...

Heavy Internet Users
Median Age = 36

Heavy Radio Users
Median Age = 41

Heavy TV Users
Median Age = 48

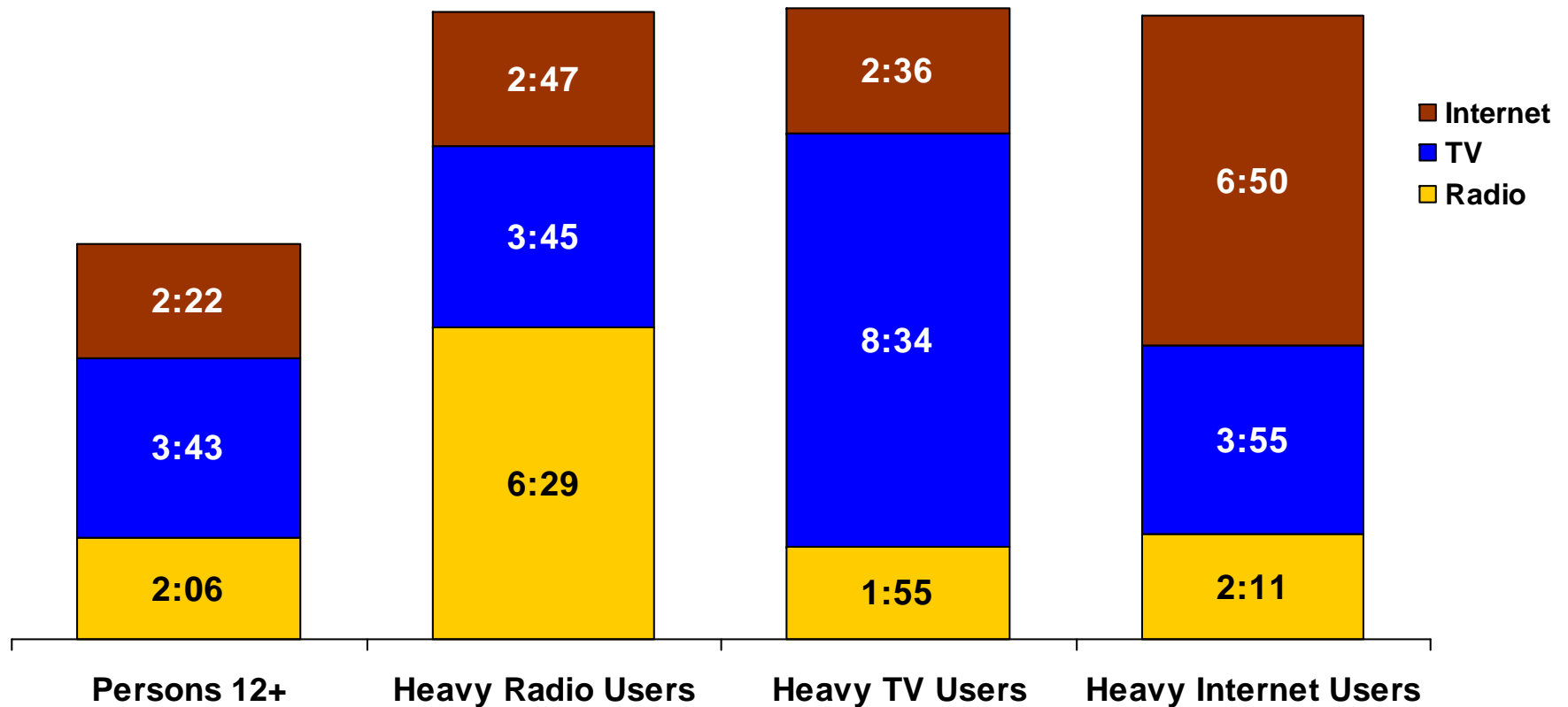


■ 12-17 ■ 18-24 ■ 25-34 ■ 35-44 ■ 45-54 ■ 55-64 ■ 65+



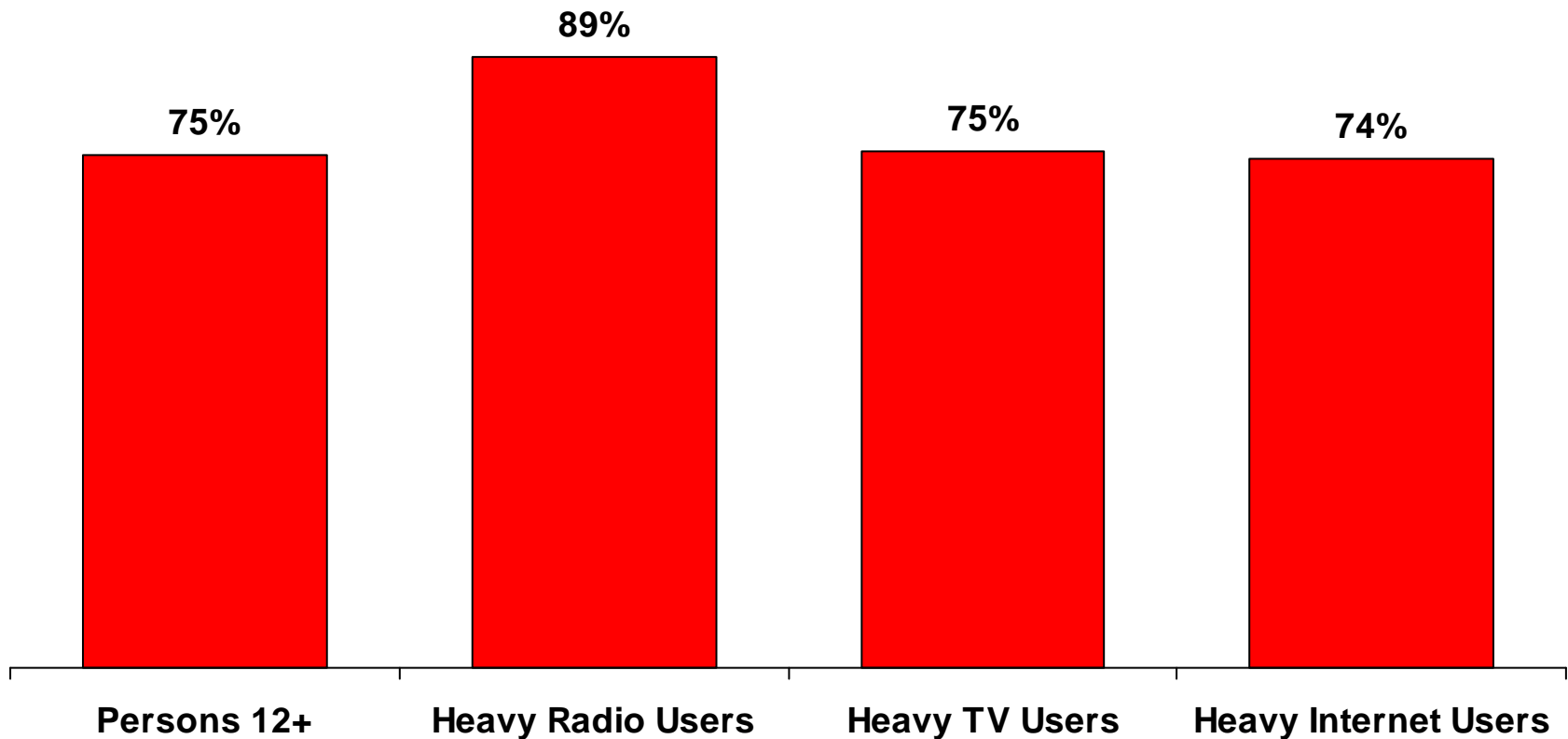
Heavy Usage of One Medium Is NOT Necessarily Associated With Less Time With Other Media

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



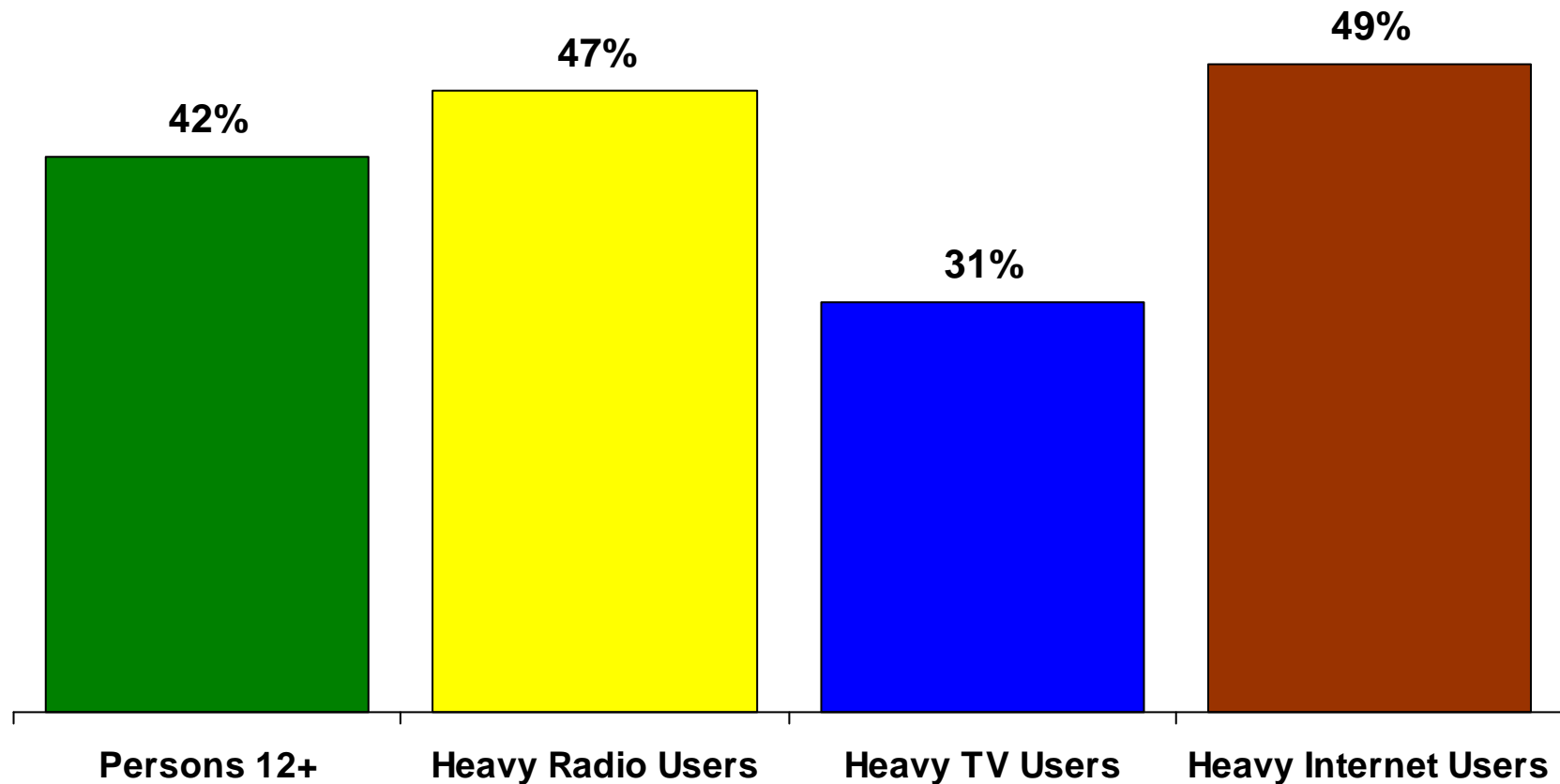
75% Would Be “Very”/“Somewhat” Disappointed If the Radio Station They Listen to Most Were Not On-Air

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

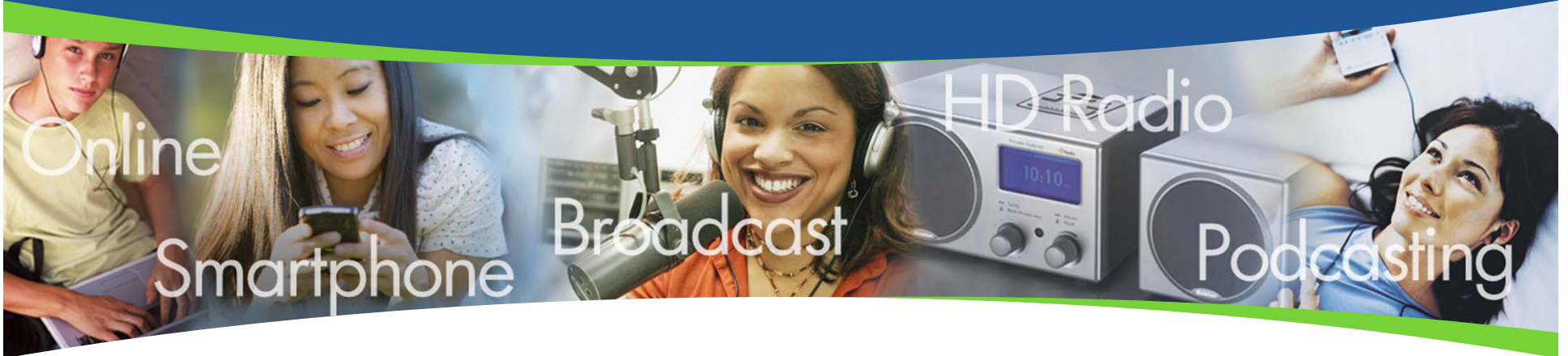


Heavy Users of Radio and Internet More Likely to Be Employed Full-Time

% Employed Full-Time

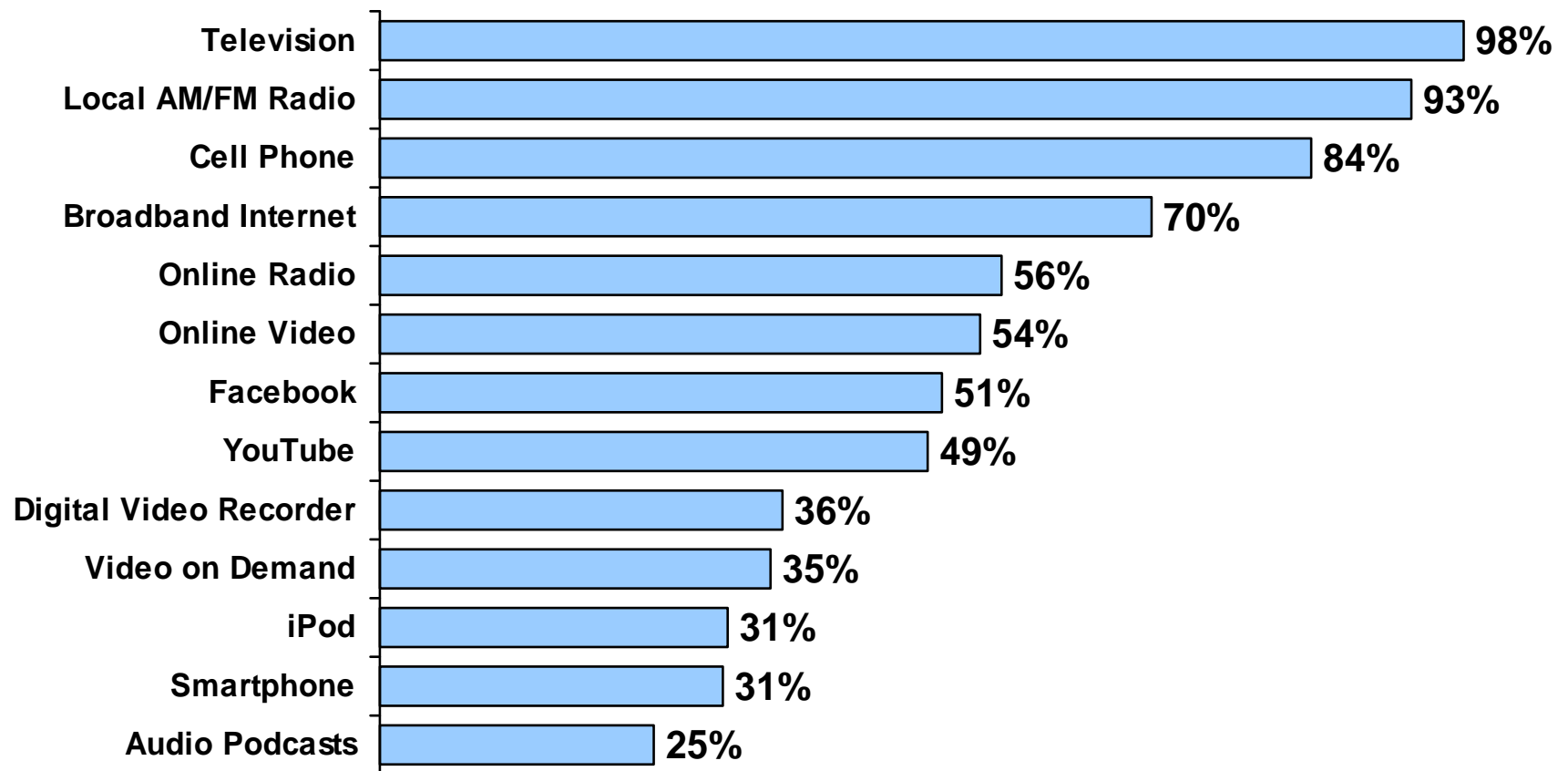


Digital Platforms/Devices



Television, AM/FM Radio and Cell Phones Have Most Widespread Usage

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

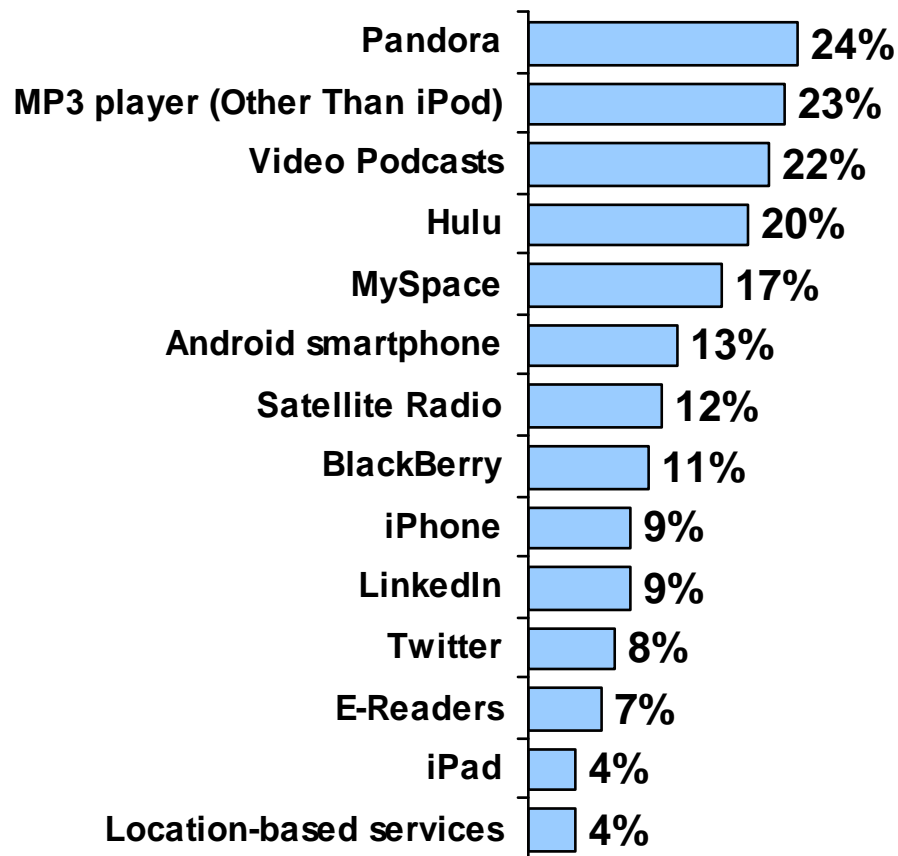


Source: TV HHs; Weekly AM/FM radio audience; Own a cell phone; Have broadband access at home; Ever use online radio; Ever use online video; Have a Facebook profile; Ever use YouTube; Own a DVR; Ever use Video on Demand; Own iPod; Own smartphone; Ever use audio podcast



iPhone, LinkedIn and Twitter Approaching Double-Digit Usage

% of Americans Aged 12 and Older Who Use/Own Platform/Device (cont'd)

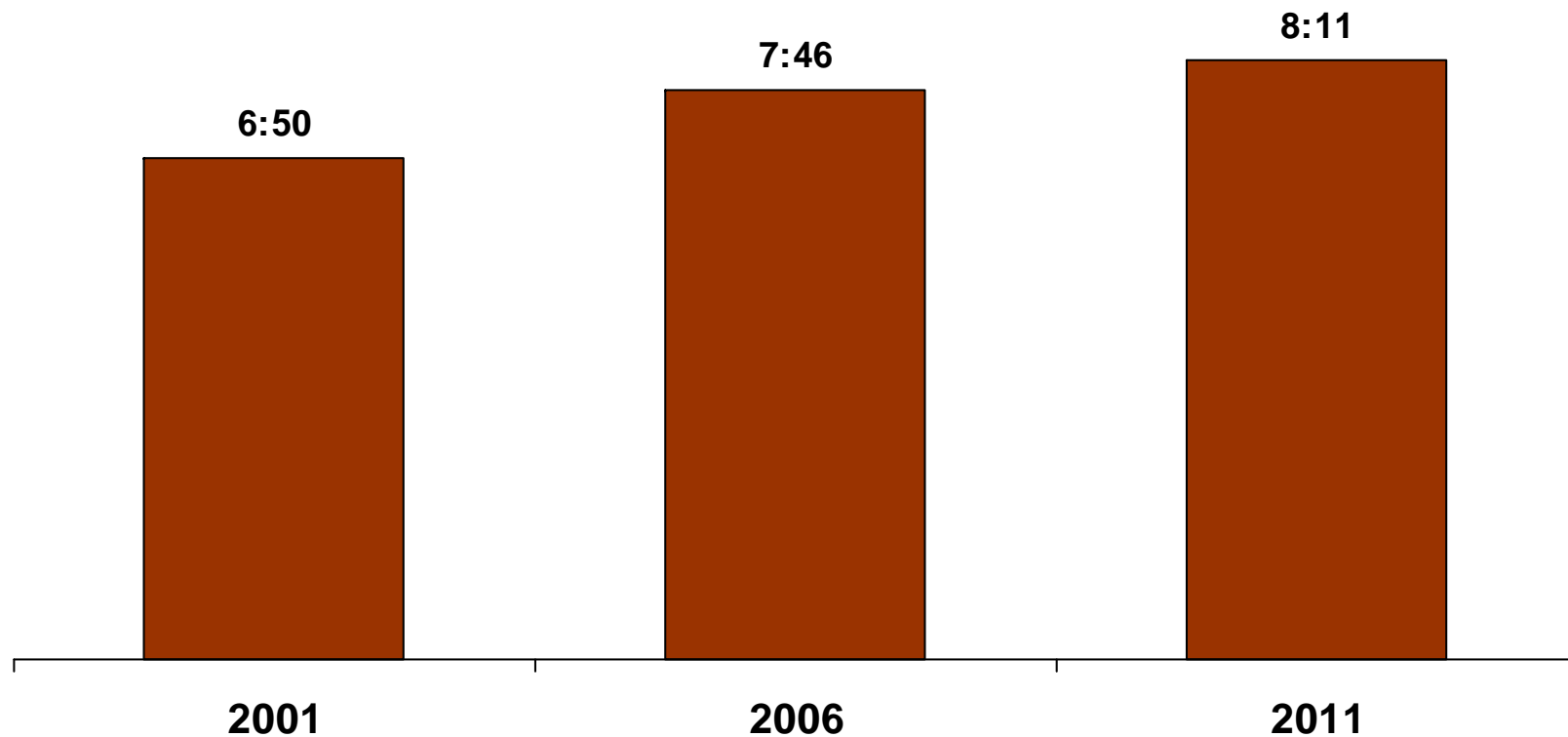


Source: Ever use Pandora; Own MP3 player (other than iPod); Ever use Video podcast; Ever use Hulu; Own Android smartphone; Subscribe to satellite radio; Own BlackBerry; Own iPhone; Ever use LinkedIn; Ever use Twitter; Own e-reader; Own iPad; Ever use location-based services



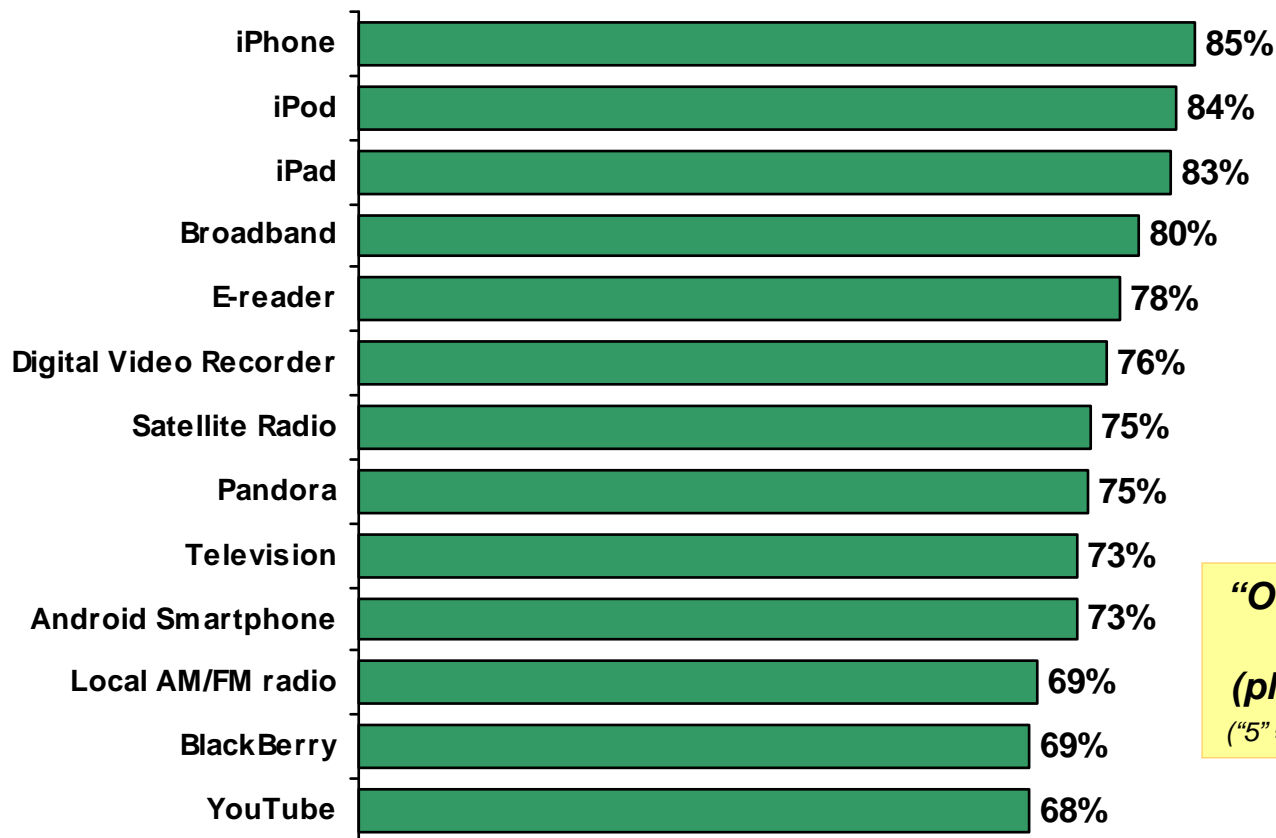
Combined Time Spent per Day With Radio, TV and Internet Gained 20% Since 2001

Self-Reported Average Time Spent per Day With Radio, TV and Internet (Hours:Minutes)



iPhone, iPod and iPad Have the Highest “Likeability” Among Their Users

% Who “Like” or “Love” Platform/Device



“Overall, how much do you enjoy (platform/device)?”
 (“5” = “Love It”; “1” = “Hate It”)

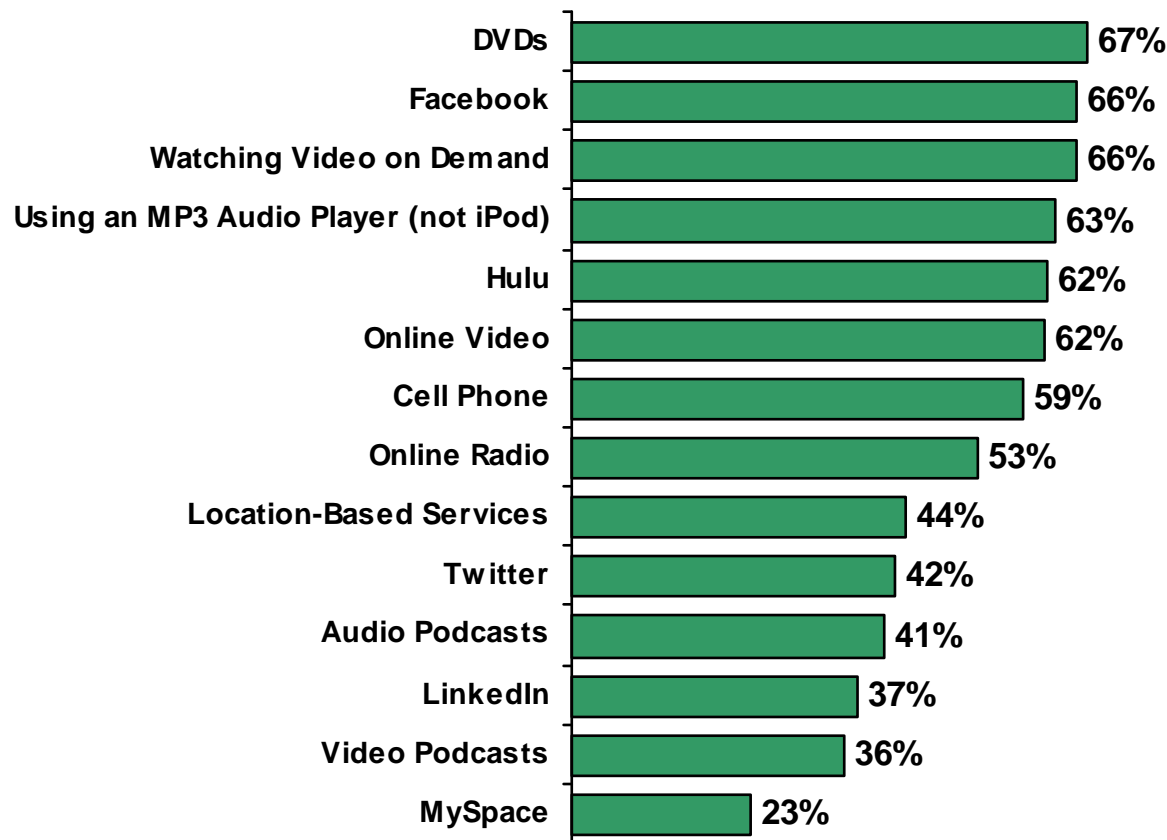


Base: Use Platform/Device



MySpace, Video Podcasts and LinkedIn Have the Lowest “Likeability” Among Their Users

% Who “Like” or “Love” Platform/Device (cont’d)



“Overall, how much do you enjoy (platform/device)?”

(“5” = “Love It”; “1” = “Hate It”)

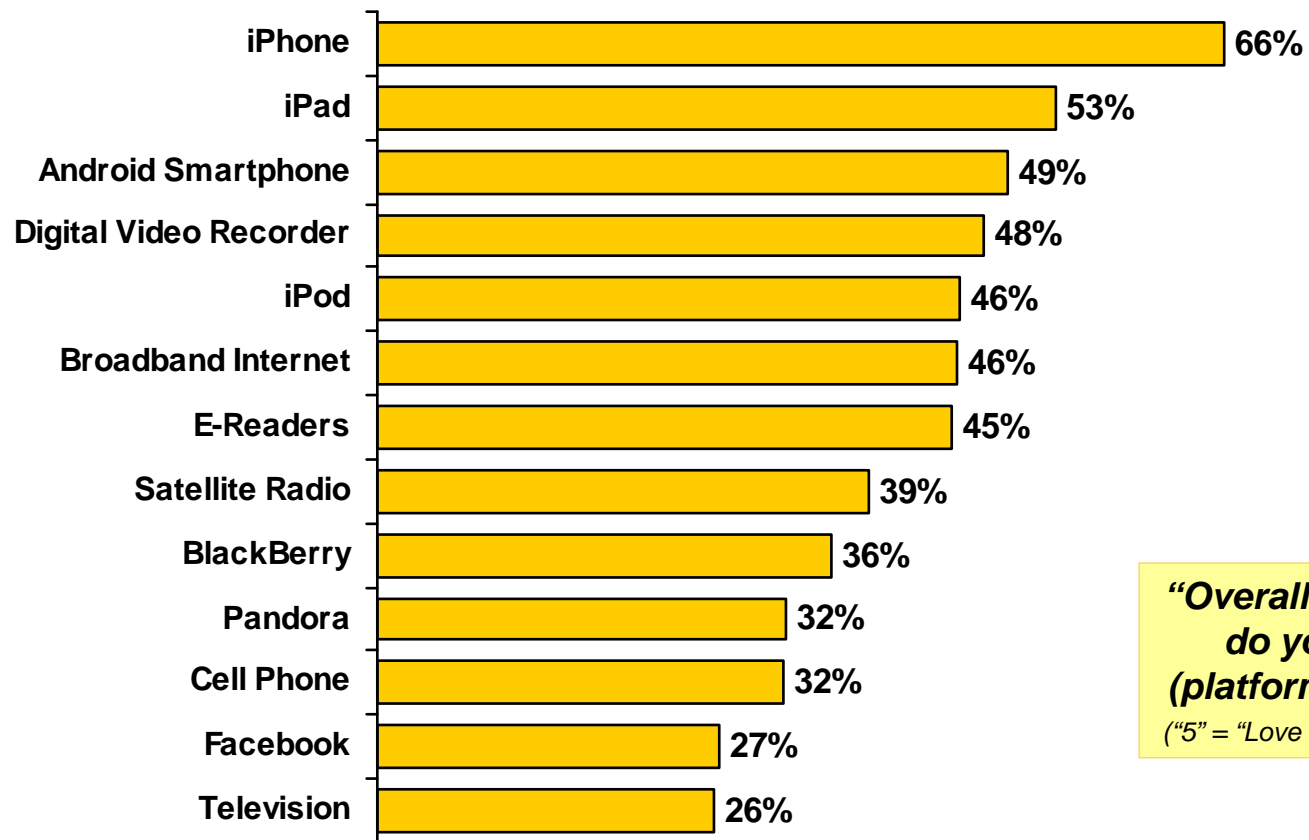


Base: Use Platform/Device



Apple Users Exhibit the Most Passion

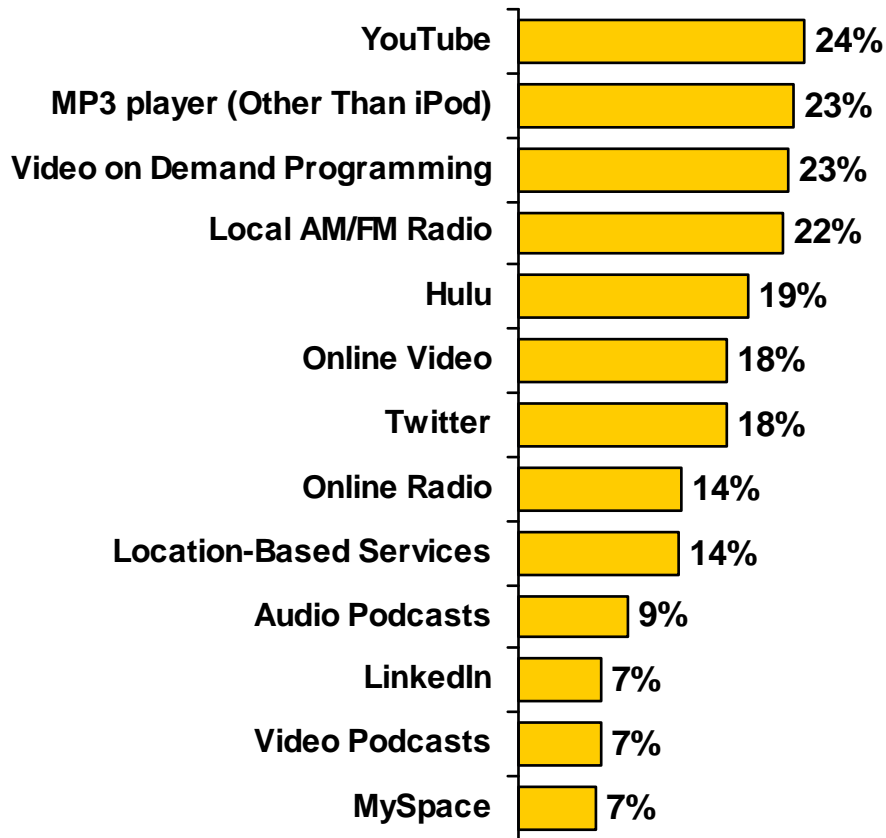
% Who “Love” Platform/Device



“Overall, how much do you enjoy (platform/device)?”
 (“5” = “Love It”; “1” = “Hate It”)

MySpace, Video Podcast and LinkedIn Users Have the Least Passion

% Who “Love” Platform/Device (cont’d)



“Overall, how much do you enjoy (platform/device)?”

(“5” = “Love It”; “1” = “Hate It”)

Number of Passionate Users: Digital Platforms/Devices

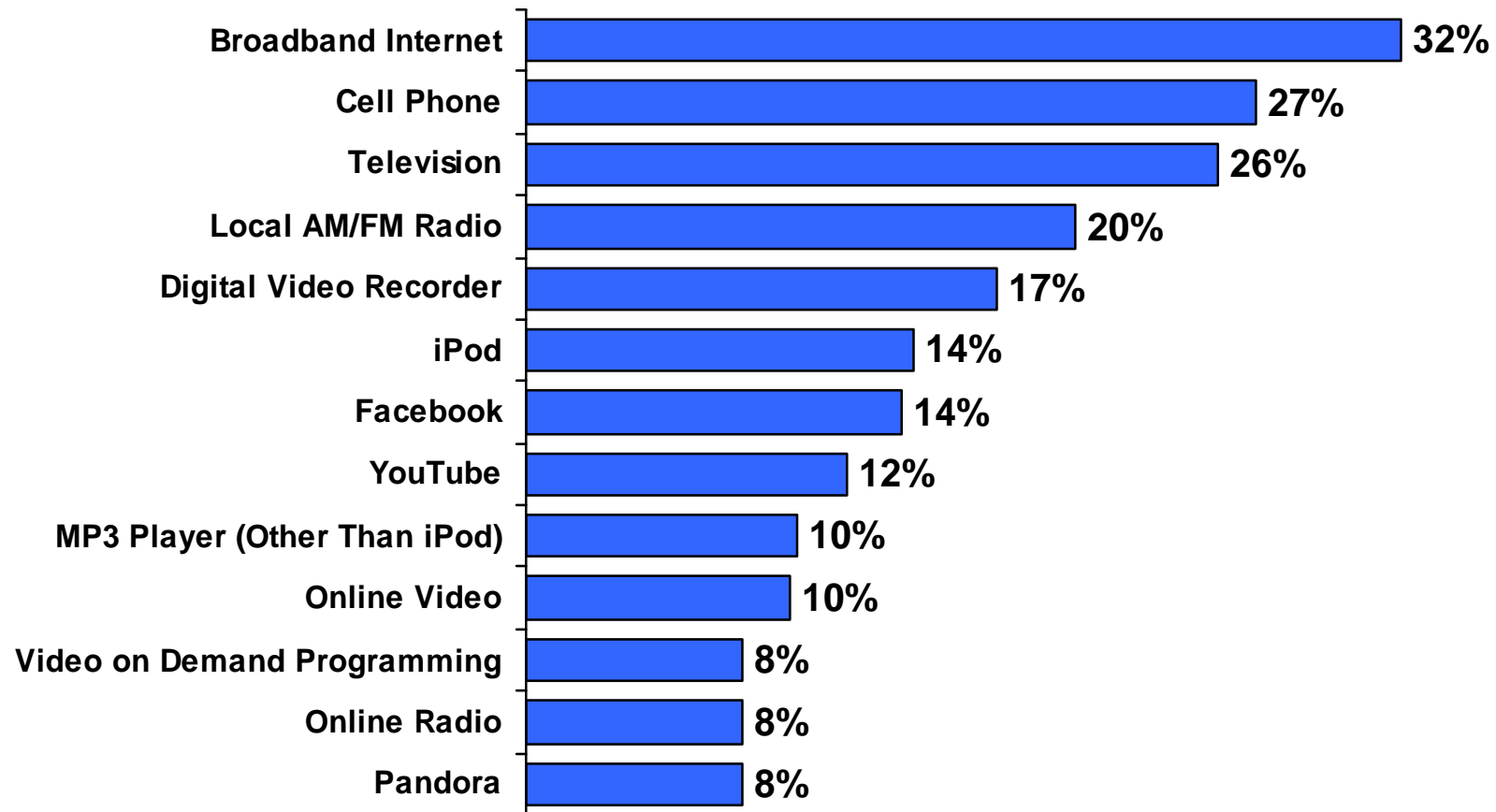
(Percent of Users) x (Percent Who “Love it”)

=

Number of Passionate Users

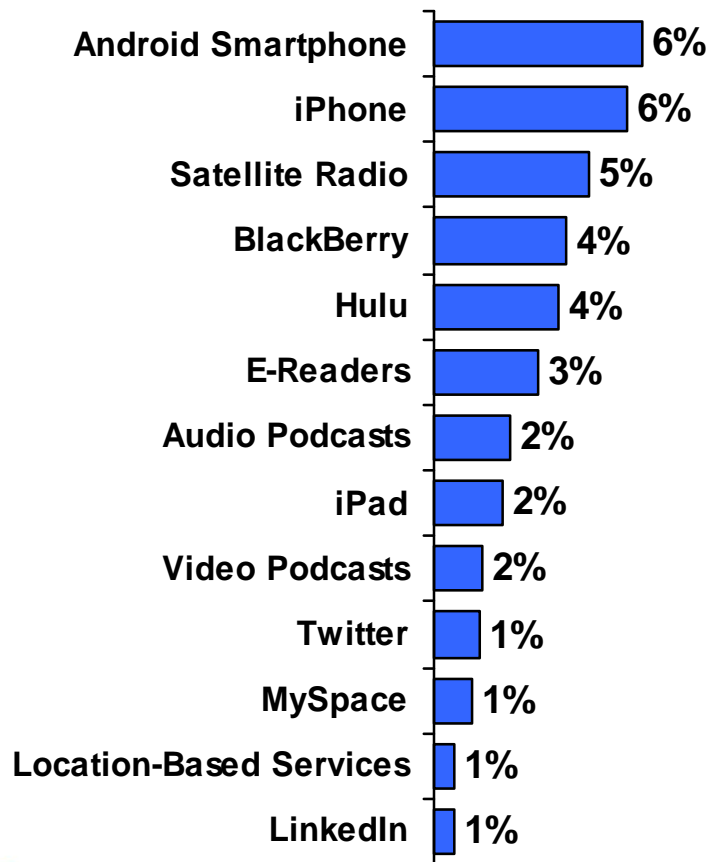
Broadband, Cell Phones, TV And Radio Have the Highest Number of Passionate Users

Passionate Users = (% Who Use/Own) x (% “Love”)

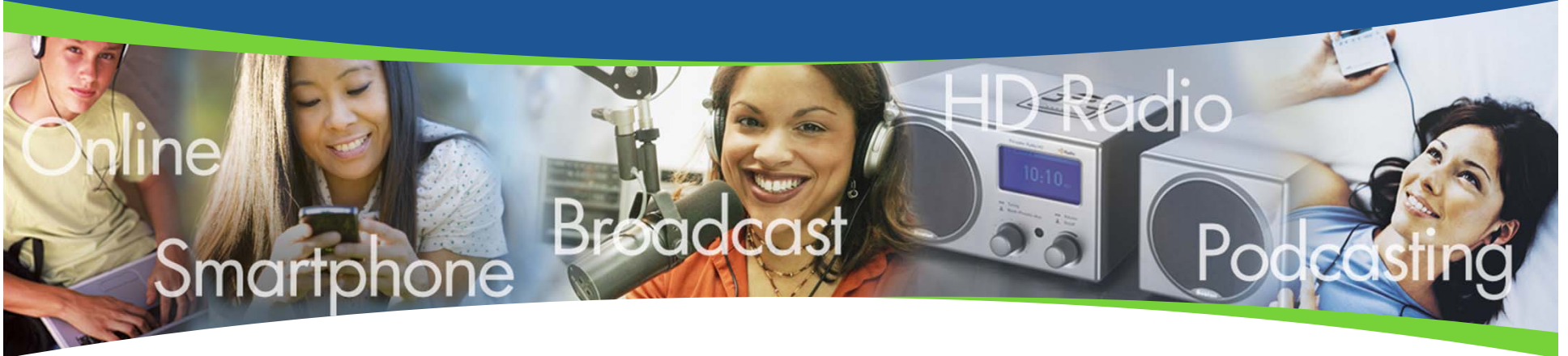


Twitter, MySpace, Location-Based Services and LinkedIn Have Few Passionate Users

Passionate Users = (% Who Use/Own) x (% “Love”) cont’d



Implications



Implication # 1

**Homes are fully digital and
fully networked**

Implication # 2

Online Radio is on a roll

Implication # 3

**Consumers show interest in
in-car online radio**

Implication # 4

**Pandora is changing
consumer expectations of
online radio**

Implication # 5

**Growth in smartphones
requires a re-evaluation of
customer relationships**

Implication # 6

**Facebook is on a trajectory
to become a mainstream
media platform**

Implication # 7

**Social media proficiency
should become a
primary skill set**

Implication # 8

**Digital platforms are helping
Americans consume more of
all forms of media**

Implication # 9

**Radio is
relevant and resilient**

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