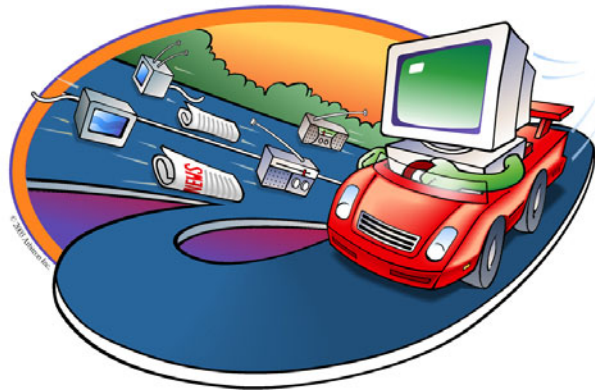


Internet and Multimedia 11: *New Media Enters the Mainstream*



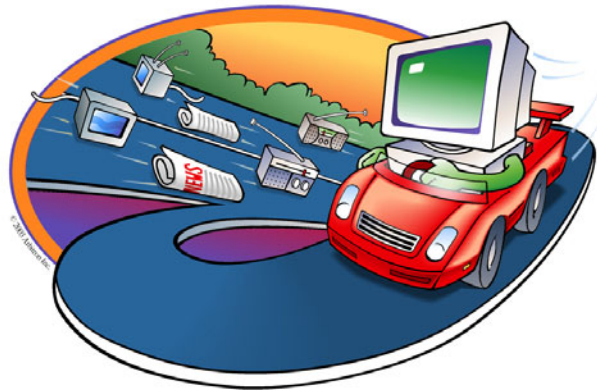
How *Internet and Multimedia 11* Was Conducted

◆ **2,005 telephone interviews were
conducted in July 2003**

- National random sample
- Spring 2003 Arbitron diarykeepers age 12+

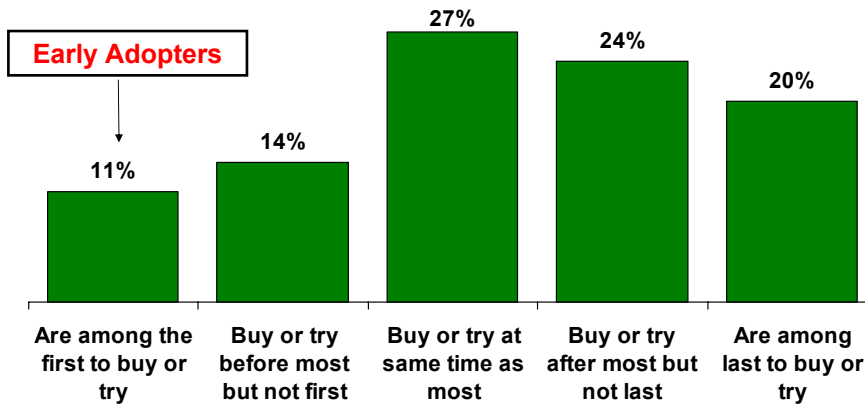


Consumer Adoption Scale



The Consumer Product/Service Adoption Scale

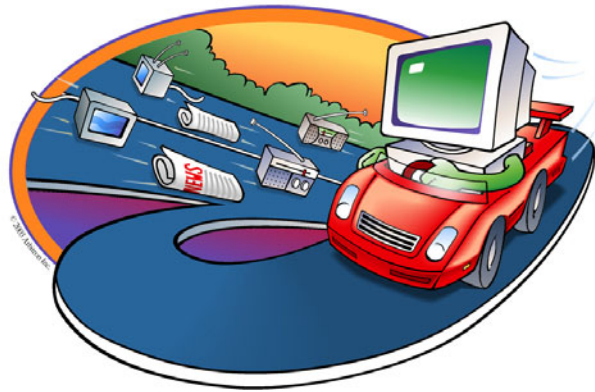
“Think about when you buy or try new products or services, compared to other people you know. In general, would you say that you...”



Base: Total Population 12+

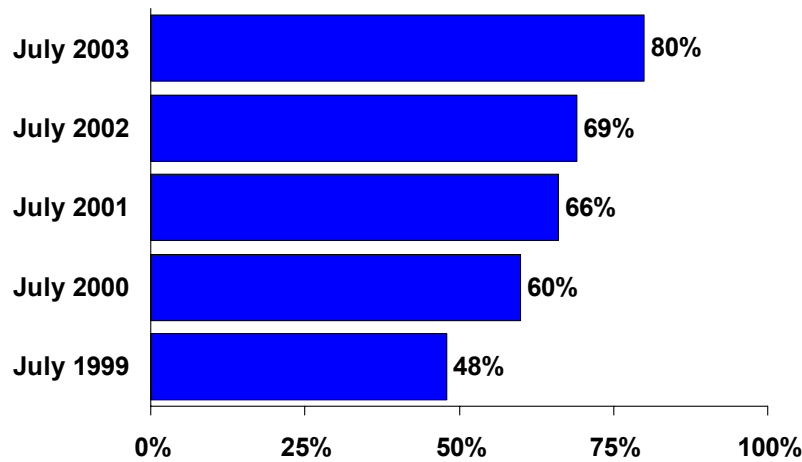


Internet Usage Trends



Eight in Ten Americans Now Have Access to the Internet

% with Internet Access at Any Location

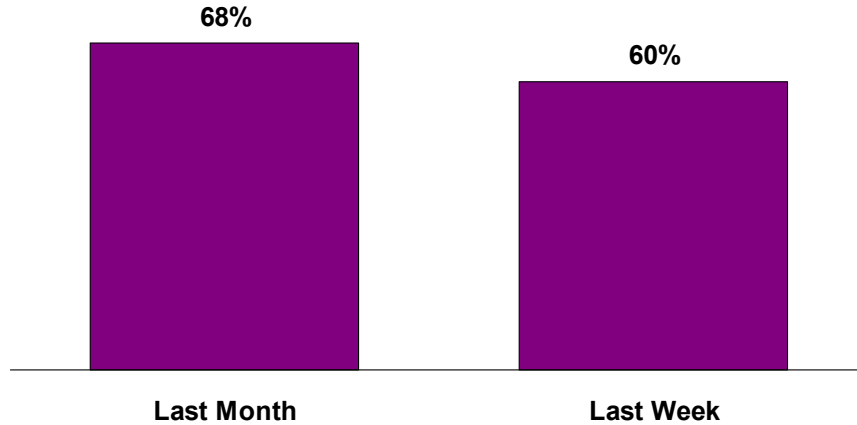


Base: Total Population 12+



The Internet is Mainstream

% Who Have Used the Internet...

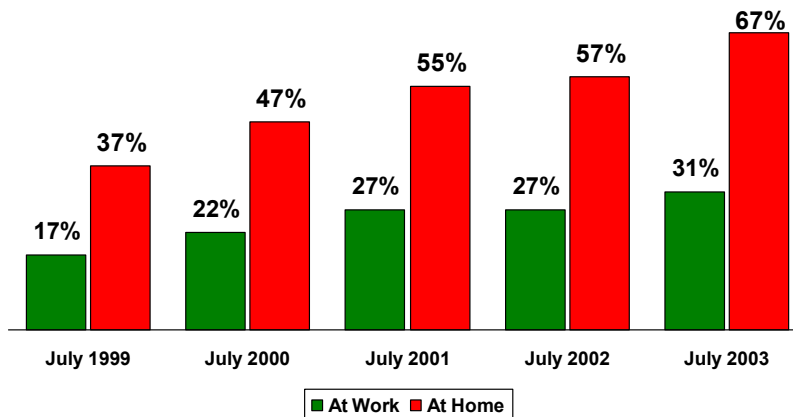


Base: Total Population 12+



Internet Access Continues to Climb at Work and Home

% with Internet Access at Work/Home

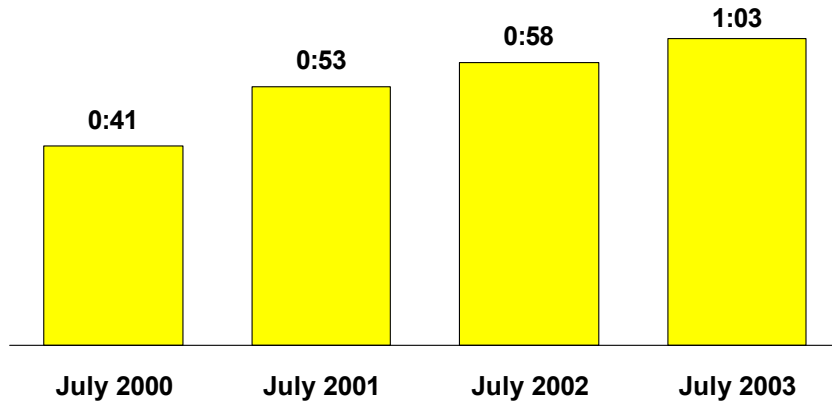


Base: Total Population 12+



Average Daily Time Spent Online Increased 50% in Three Years

Average Time Spent Online in the Past 24 Hours (Hours:Minutes)

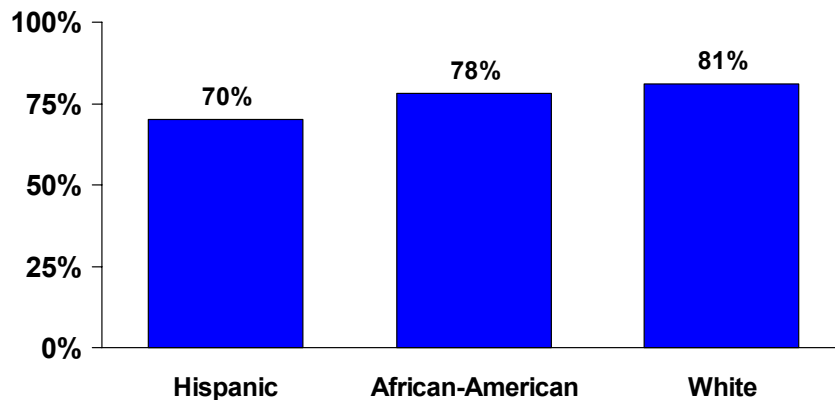


Base: Total Population 12+



Overall, the “Digital Divide” Is Narrow but...

% with Internet Access at Any Location (Home/Work/Library/School)

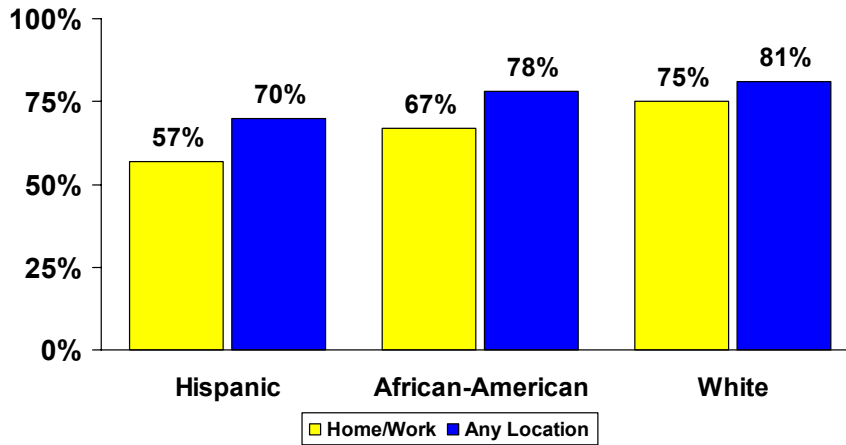


Base: Total Population 12+



...a Gap Remains in Access at Home or at Work

% with Internet Access...

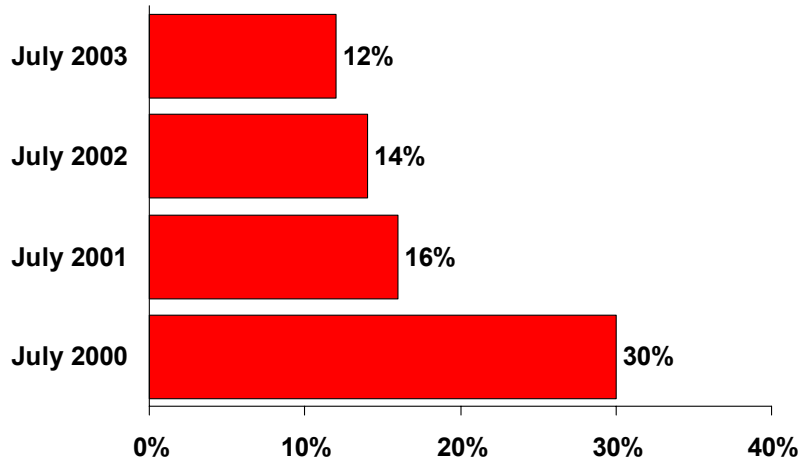


Base: Total Population 12+



Clicking on Banner Ads Continues to Decline

% Online Who Have Clicked on Banner Ads in Last Month

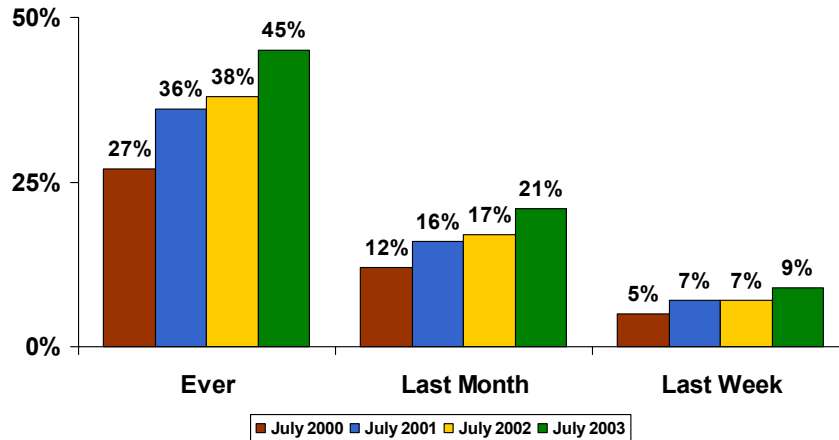


Base: Currently Access the Internet



Buying Online Becoming More of a Regular Habit

% Who Have Purchased Online...

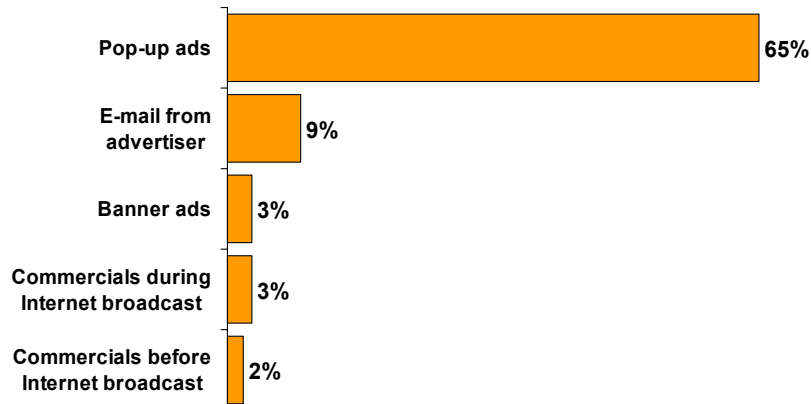


Base: Total Population 12+



Two-Thirds Say Pop-Ups Are the Most Annoying Type of Online Advertising

"Among pop-up ads, e-mail, banner ads, commercials before and during Internet audio and video, which ONE is most annoying?"

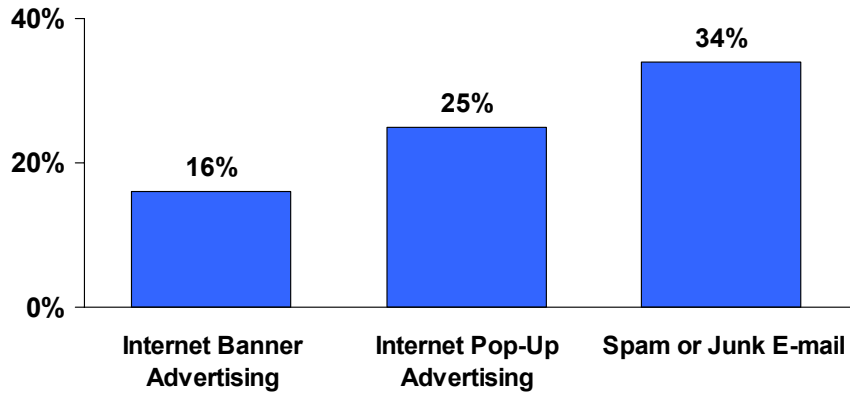


Base: Currently Access the Internet



Americans Are Equipping Themselves to Block Online Intrusions

“Do you currently use a program on your HOME computer to block...?”

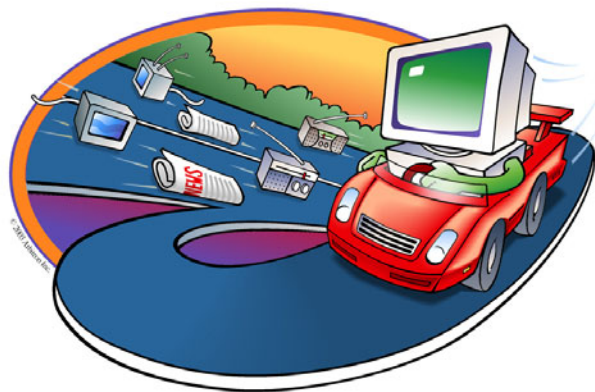


Base: Access the Internet from Home



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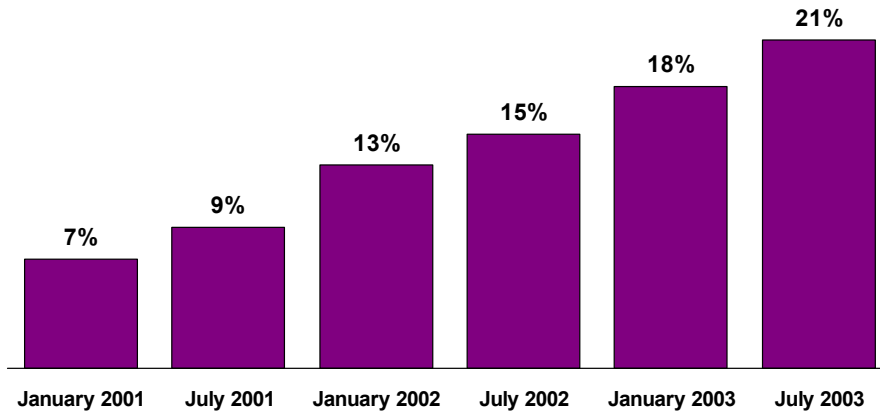
Broadband



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Residential Broadband Has Tripled Since January 2001

% Who Have Broadband Internet Access at Home

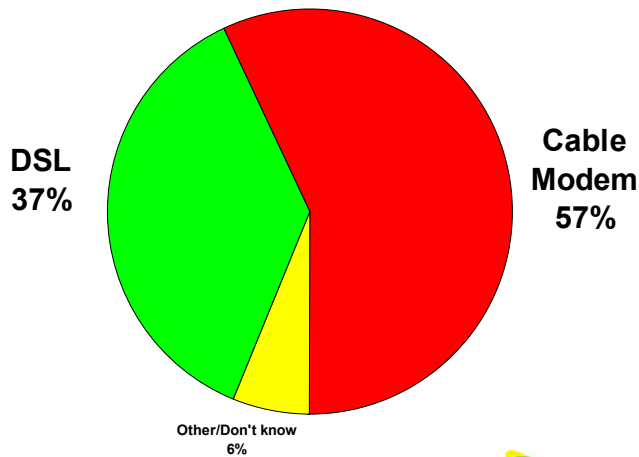


Base: Total Population 12+



More Consumers Have Broadband via Cable Modem Than DSL

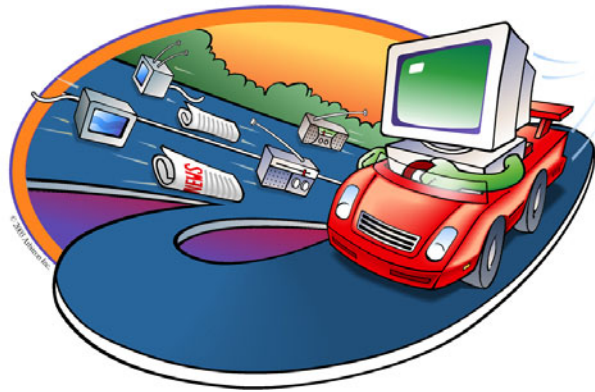
Type of Residential Broadband Connection



Base: Broadband Internet Access at Home

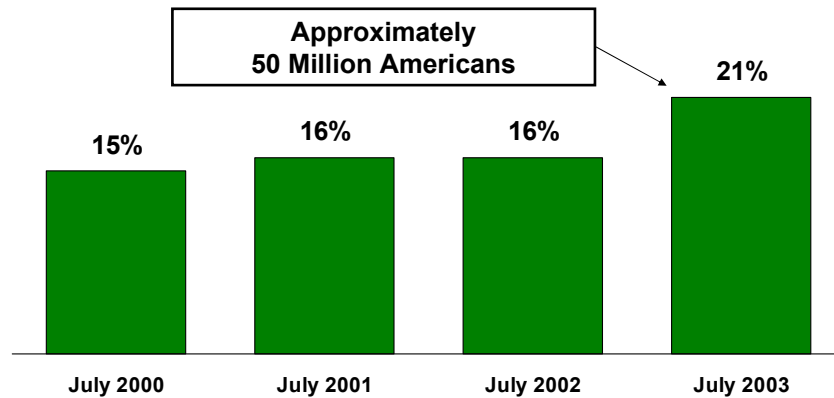


Internet Broadcasting



Fifty Million Americans Used Online Audio or Video in the Past Month

% Who Have Used Internet Audio or Video in Last Month

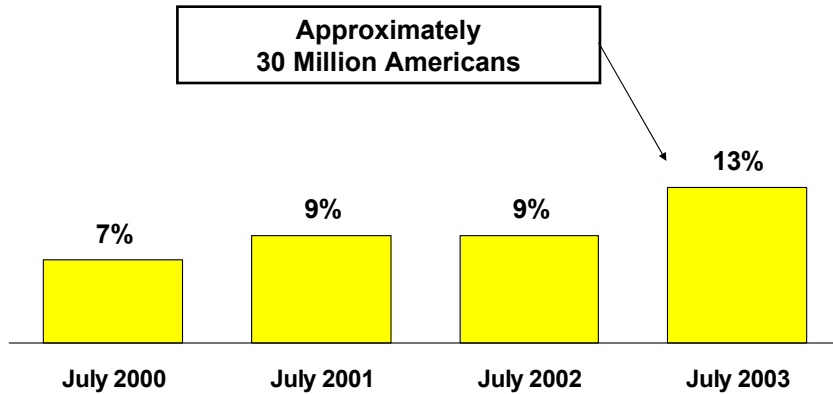


Base: Total Population 12+



The Weekly Internet Broadcast Audience Has Grown to 30 Million

% Who Have Used Internet Audio or Video in Last Week

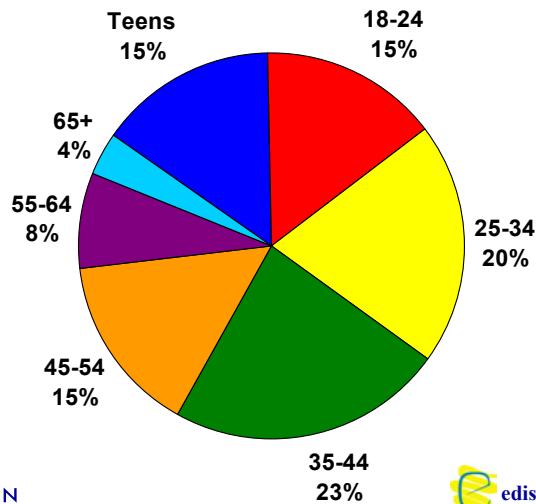


Base: Total Population 12+



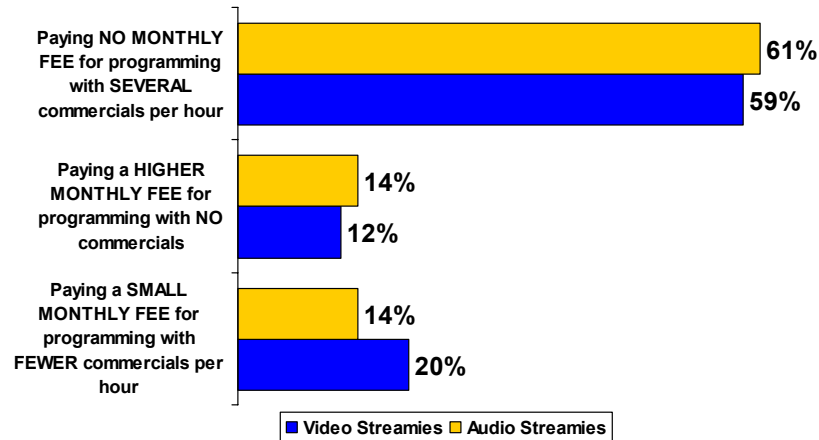
Monthly Streamies Are Spread Across a Wide Demographic Spectrum

Demographic Composition of Monthly Internet Broadcast Users

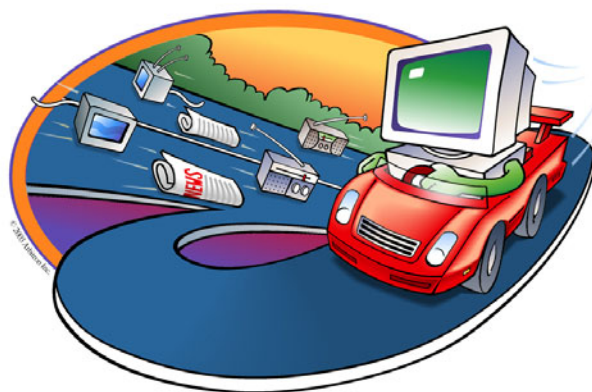


Streamies Say They Prefer Advertising to Subscription Models

"Thinking about the online station you listen to/watch most... which appeals to you most?"

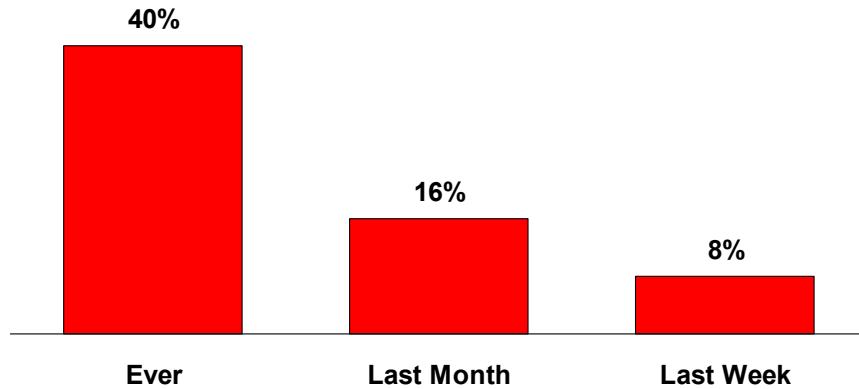


Internet Audio



Four in Ten Americans Have Listened to Internet Audio

% Who Have Listened to Internet Audio...

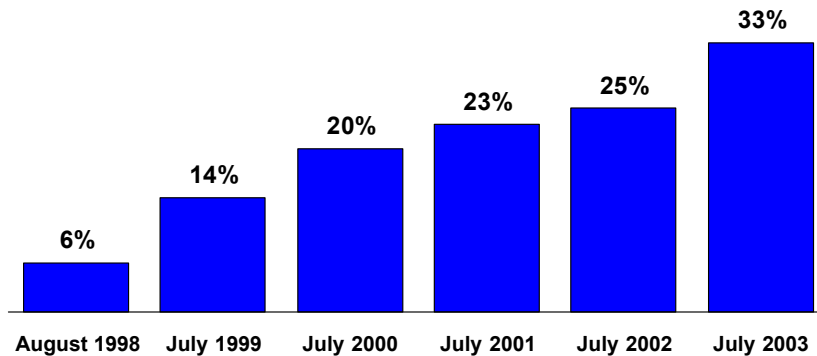


Base: Total Population 12+



Listening to Radio Stations Online Has Increased Fivefold in Five Years

% Who Have Listened to a Radio Station Over the Internet

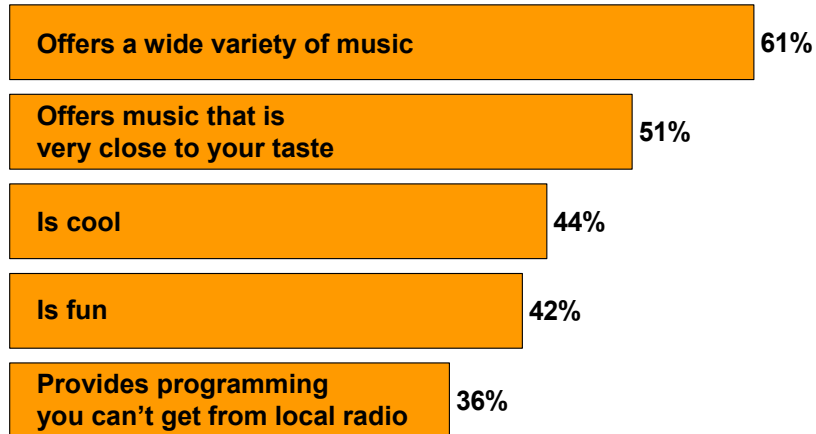


Base: Total Population 12+

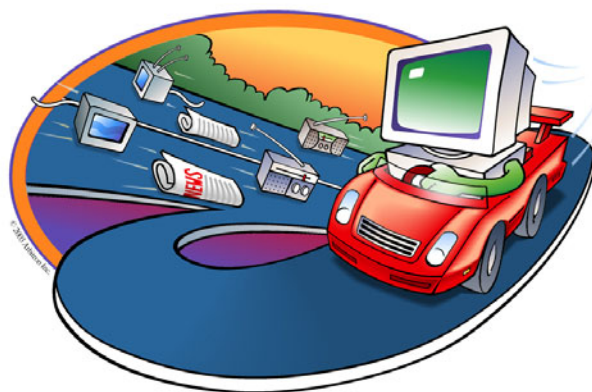


“Variety” and “Music Close to Your Taste” Are Leading Images of Internet Radio

% of Audio Streamers Who Agree Strongly that Internet Radio...

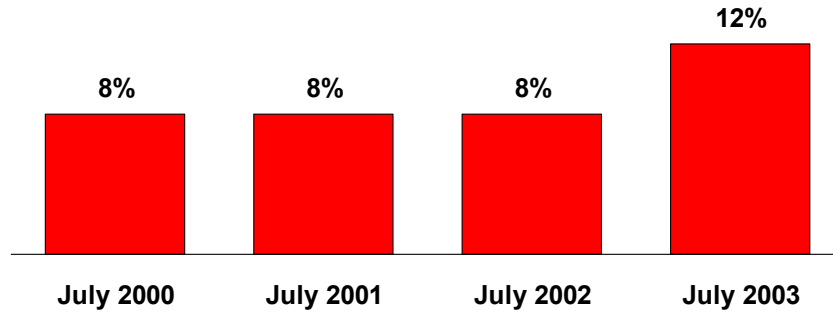


Internet Video



Significant Gains in Internet Video Usage in 2003

% Who Have Used Internet Video in the Last Month

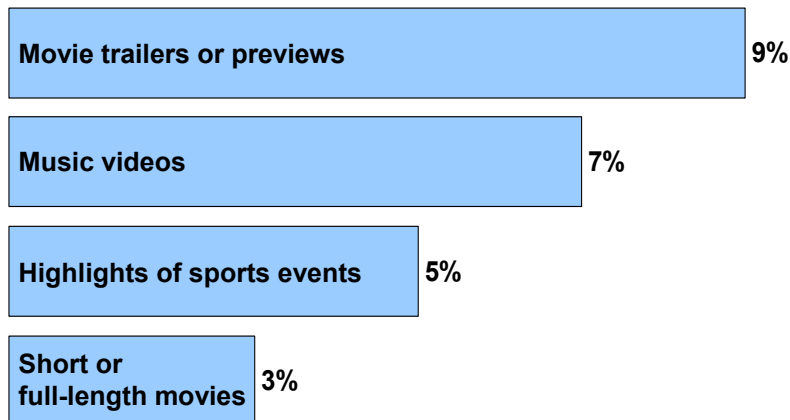


Base: Total Population 12+

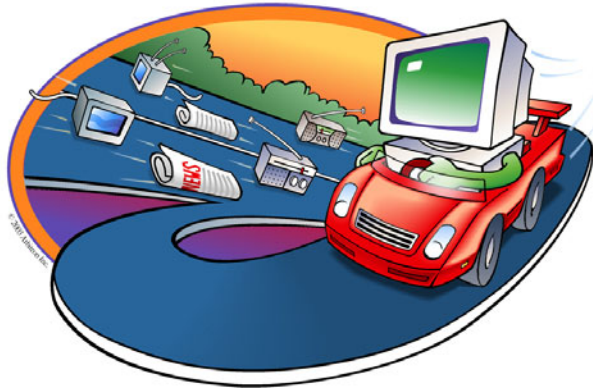


Movie Trailers and Music Videos Are the Most Watched Online Video Programming

% of Those Online Who Have Watched Each Type of Internet Video Programming in the Last Month

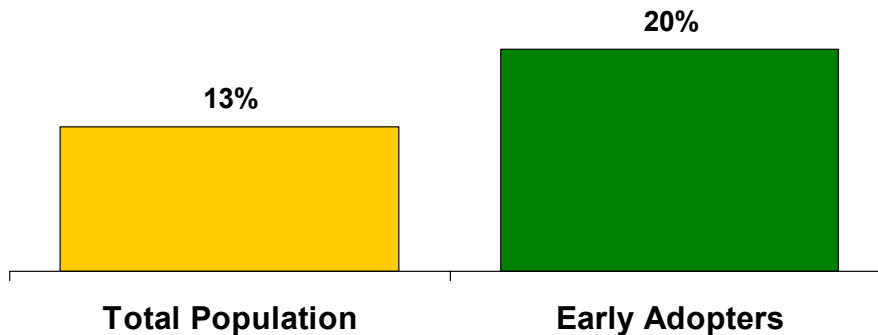


The Buying Power of the Internet Broadcast Audience



Early Adopters are Frequent Users of Internet Broadcasts

% Who Tuned to Internet Broadcasts In The Past Week...



Base: Total Population 12+



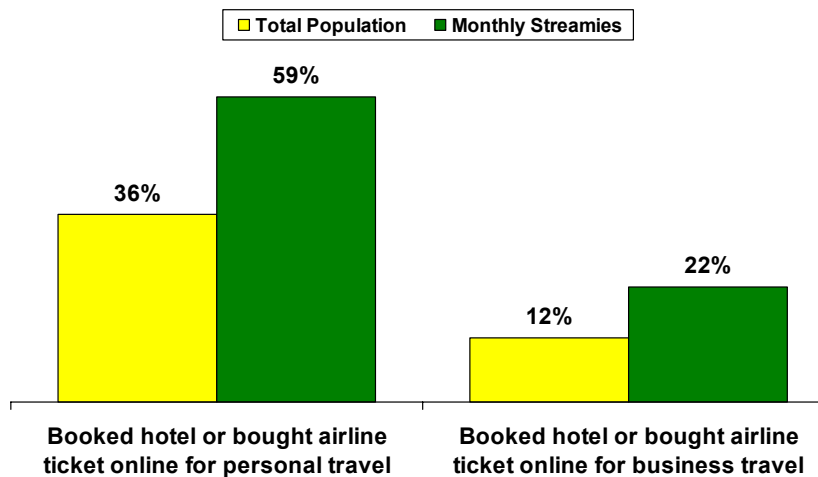
Internet Broadcast Consumers Have Considerable Buying Power

Category	Buying Power Index
Bought computer hardware on the Internet in the past year	360
Household plans to upgrade PC hardware (CPU, monitor, etc.) in next year	234
Shopped Amazon.com for books/book items in past 3 months	231
Took 10+ business round-trips by air in continental U.S. in past year	218
Household has/uses home computer banking	216

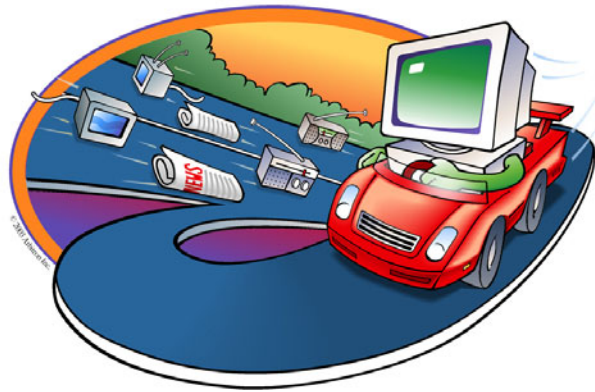
Source: Scarborough Profile of Selected Categories, Monthly Internet Broadcast Users, Scarborough USA Plus, Release 2, 2002 (12-month)



Monthly Streamies Are Highly Likely to Book Hotels and Airline Tickets Online

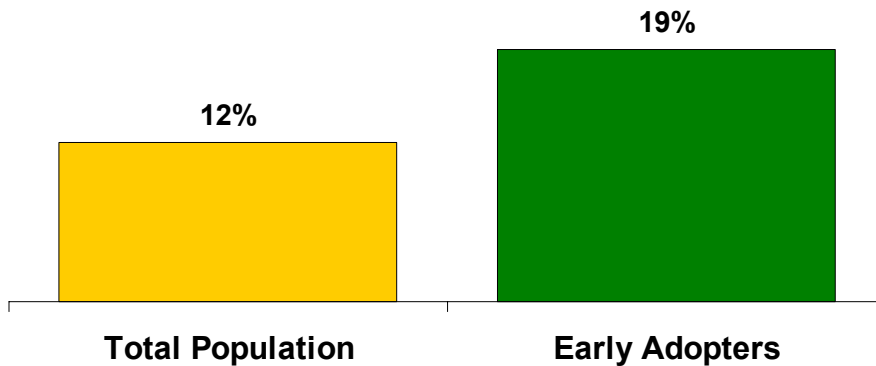


New Digital Devices and New Media Technologies



One in Five Early Adopters “Very Interested” in Personal Video Recorders

◆ % “Very Interested” in Personal Video Recorders

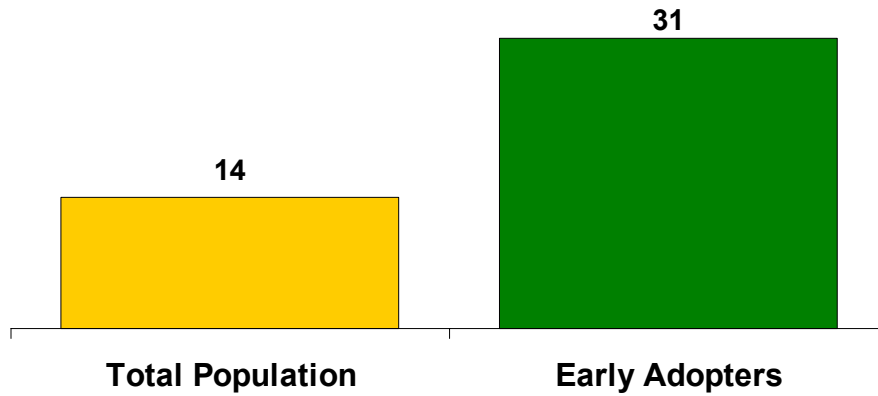


Base: Total Population 12+



Early Adopters Own Far More DVDs Than the General Population

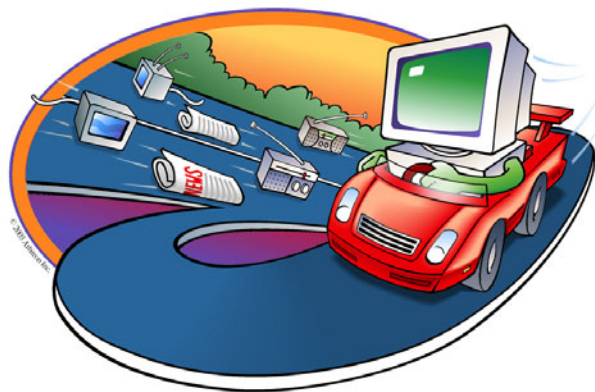
Average Number of DVDs Owned Among...



Base: Total Population 12+

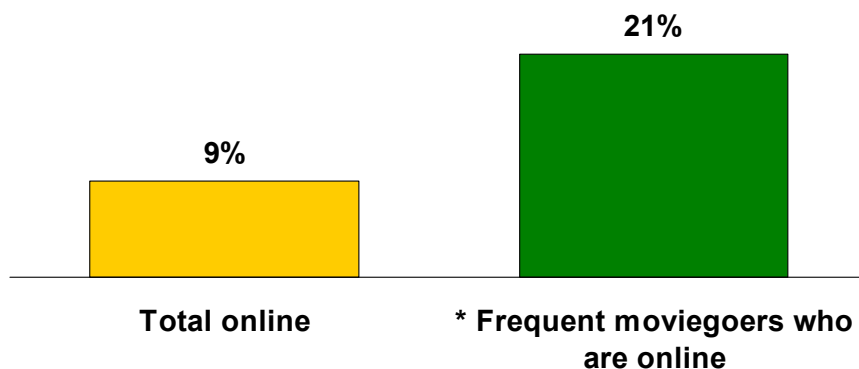


Moviegoing and the Internet



Frequent Moviegoers Much More Likely To Watch Online Movie Trailers

% Who Have Watched Movie Trailers Online in Past Month



ARBITRON

* Seen Five or More Movies in a Theater in Past Three Months

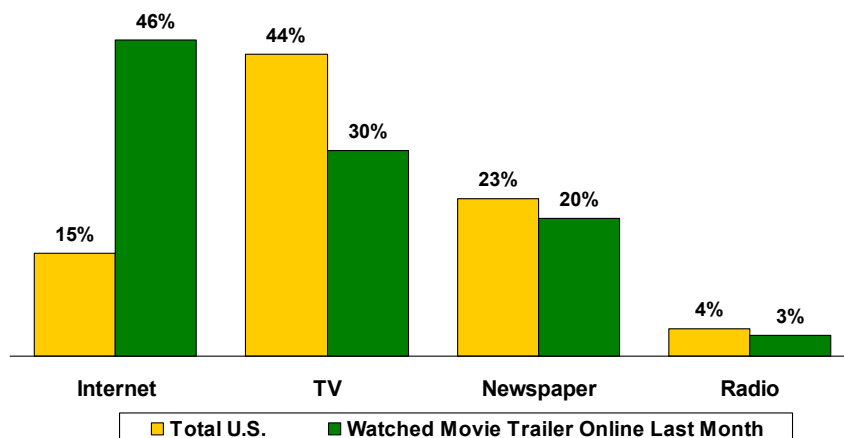


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Those Who Watch Movie Trailers Online Turn to Internet First to Learn About New Movies

"Which do you turn to first to learn about new movies?"



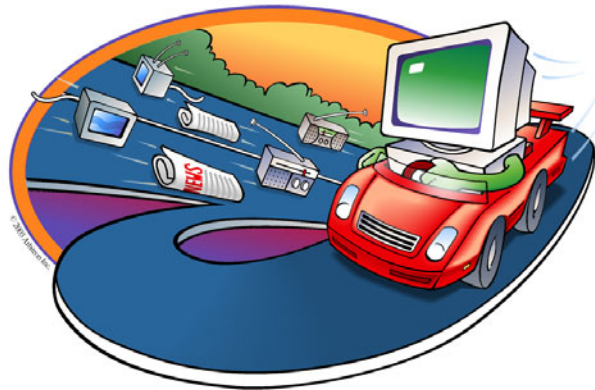
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Recommendations



Recommendations

- 1. Internet broadcasting is entering the mainstream, and the industry needs to renew its commitment to ad sales.**

Internet broadcasters need to get in front of advertisers and agencies with a professional sales effort that promotes the value of their audience.



Recommendations

2. **Advertisers should use Internet broadcasting to reach upscale and technology-savvy consumers.**

Companies seeking to drive consumers to their Web sites (such as Expedia, Travelocity, NetFlix) and those looking to sell digital devices or computers (Dell Computer, Nikon, and CompUSA) benefit from Internet broadcast advertising.



Recommendations

3. **Advertisers should use Internet broadcasting to get their messages noticed online without annoying the customers they are trying to influence.**

Consumers are irritated by pop-up ads, banner ads and spam. Internet broadcast commercials are not affected by ad-blocking software.



Recommendations

4. **Advertisers should use Internet broadcasting to reach early adopters.**

Early adopters are a valuable, trend-setting target audience. They are influential opinion leaders. Internet broadcast users are significantly more likely to be these important early adopters.



Recommendations

5. **Movie studios should adjust their media plans to place more emphasis on the Internet.**

Frequent moviegoers turn first to the Internet for information about the movies.



Recommendations

6. Advertisers should place commercials before movie trailers.

Most video Streamies say they “wouldn’t mind” seeing a brief commercial before watching a movie trailer.



Recommendations

7. Internet audio broadcasters should not position themselves as the “anti-radio.”

Consumers tell us that Internet audio is another form of radio rather than something completely new or different. Contrary to the opinions of a vocal few, consumers are not dissatisfied with radio.



Recommendations

- 8. Internet radio should promote its strongest images of “variety” and “music close to your tastes.”

In addition, the industry needs to consider enhancing the “stationality” of its programming...the distinctive sound of a station.



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