



Internet V

*Startling New Insights About
the Internet and Streaming*

Arbitron/Edison Media Research

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Overview

Welcome to the fifth Arbitron/Edison Media Research Internet Study, the latest edition of the most comprehensive and insightful examination on the state of webcasting and Internet use. Over the last two years, our series of biannual studies has become one of the primary sources of information on e-commerce, advertising and consumer behavior on the Internet, and revenue models for webcasting. These studies have tracked the growth of the streaming media.

In this study, we will continue our focus on a powerful consumer group called “Streamies.” These are Internet consumers who either watch video webcasts or listen to audio webcasts. Streamies are highly interactive and involved with the Internet. They buy more online, and they spend more time online. Thus, we consider them to be the most highly valued target group of consumers online today. In addition, we will examine the latest trends in Internet use, as well as the opinions of thousands of people who have visited radio station Web sites.

This document, along with all of the findings from our prior studies, can be found free of charge at www.arbitron.com and www.edisonresearch.com. We will begin with a summary of highlights from the study. Then we will detail the key findings in a point-by-point manner and offer several recommendations.



Significant Highlights

- The number of Americans having listened to radio stations online has more than tripled in only two years (6 percent to 20 percent).
- The audience to Internet-only audio channels is growing, and approaching the size of the audience listening to radio stations online.
- Most people with Internet access are now aware that it is possible to view video content over the Internet. An estimated 34 million Americans have viewed video online. Movie trailers and music videos are some of the most viewed online video content.
- Internet access continues to grow among African-Americans and Hispanics, with 43 percent of African-Americans and more than one-third of Hispanics now having Internet access.
- Most people use Internet audio to accompany time at the computer. Less than one-in-five Internet audio users are engaging in noncomputer activities while listening to Internet audio.
- Watching or listening to webcasts is not an easy proposition. About one-third of webcasting consumers say it is a difficult process.
- “Streamies,” those who listen to or watch online webcasts, are significantly different from Internet users who do not consume webcasting. Streamies are more interactive and experienced Web users, spending twice as much time online as non-Streamies.
- Streamies are far more likely to pay attention to banner ads and are more likely to have ever clicked on a banner ad. While Streamies represent nearly half of those online, they represent two-thirds of those who have ever clicked on a banner ad. Streamies are also twice as likely as non-Streamies to engage in e-commerce and shop online.
- E-commerce is not dead. Compared to one year ago, 30 percent more Americans have purchased online. In July 1999, 34 percent had made an online purchase. This increased to 44 percent in July 2000.
- One-third of all Americans name the Internet as the medium that “allows you to make a quick purchase.” Six out of ten Streamies, nearly double, select the Web as the “quick purchase” medium.
- Despite decreases in click-through rates, the total number of people clicking on banner ads has actually risen substantially.
- Consumers say they pay more attention to video and audio webcast advertising than to banner ads.
- The vast majority of radio station Web site visitors are people who listen most to that station “over the air.”

- Sound and video make Web sites more compelling. The number one reason that people visit radio station Web sites is to listen to that station online, and these online listeners are much more likely to visit the radio station Web site frequently and to spend more time at the Web site each time they visit.
- Radio station Internet-only “side channels” have appeal, especially among those who listen to contemporary music. Radio stations have an opportunity to extend their brand on the Internet by providing different types of related audio programming on their Web sites.
- Young people 12-24 years old are the heaviest users of all things Internet, including online audio, online video, downloading MP3s, etc. Traditional radio needs to supply more Internet audio and other Web-based content if it wants to compete for the media and entertainment time of this age cohort.

How This Study Was Conducted

A total of 17,708 people were surveyed to probe America’s Internet usage, webcast activity, and interest in a variety of streaming media business models.

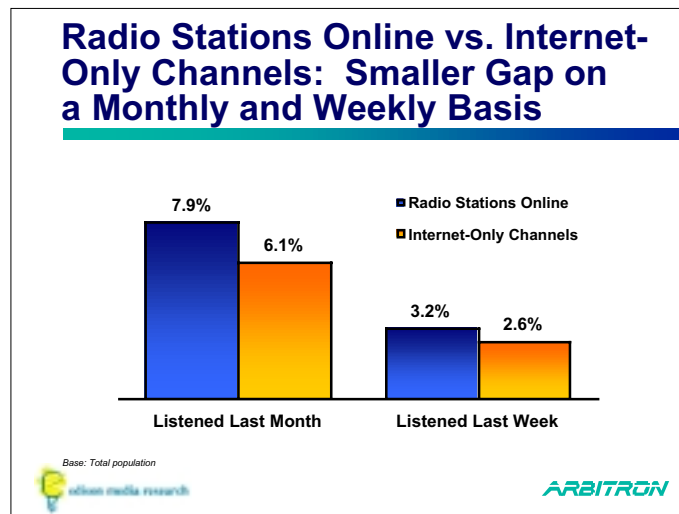
In July 2000, telephone interviews were conducted with 3,005 radio diarykeepers from Arbitron’s Spring 2000 survey. A national random sample of diarykeepers over the age of 12 was selected. Throughout this research, we will compare these findings with our four prior Internet studies conducted in August 1998, January 1999, July 1999 and January 2000.

Additionally, a survey of radio station Web site visitors was conducted, with 14,703 Web site visitors queried via online “pop-up” surveys about their experience and evaluation of radio station Web site content. The visitors to Web sites of 33 leading stations around the country, representing every major format, were surveyed in August 2000. Further, an extensive content analysis was conducted of 412 radio station Web sites to determine the availability of 39 categories of content.

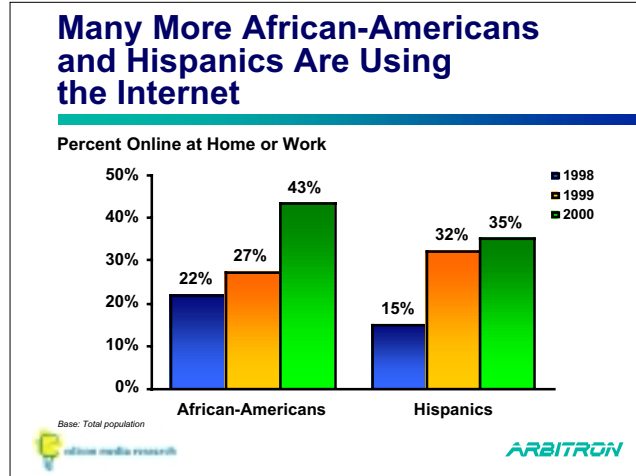


Key Findings

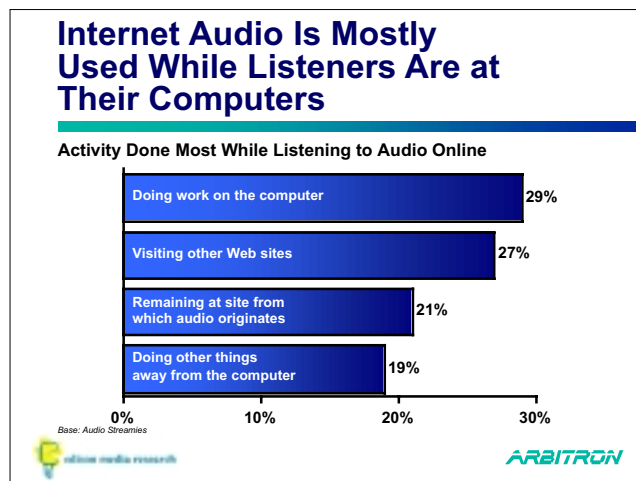
- 1. The number of Americans who have listened to radio stations online has more than tripled in only two years.** In August of 1998, only 6 percent of Americans had listened to radio stations online, increasing to 14 percent in July 1999 and 20 percent in July 2000. This projects to a total of 45 million Americans having listened to radio stations online. Twenty-five percent of all Americans have listened to either radio stations online or Internet-only audio.
- 2. Monthly and weekly online radio listening continues to grow.** In the three studies from July 1999, January 2000 and July 2000, monthly listening to radio stations online increased among all Americans (4.9 percent to 5.3 percent to 7.9 percent). This latest number translates to nearly 18 million Americans listening to radio stations online in the last month. The number of Americans listening over the past week grew from 1.8 percent to 2.1 percent to 3.2 percent, translating to approximately seven million Americans listening to radio stations online in the last week.
- 3. Internet-only audio sources have seen a very sharp increase in audience as the race is on between traditional radio stations and Internet-only audio.** In one year, the proportion of Americans that have ever listened to online audio from Internet-only sources jumped from 5 percent in July 1999 to 13 percent in July 2000. Approximately 30 million Americans have listened to Internet-only audio, with 14 million having done so during the past month. In the last month, 6 percent of all Americans have listened to audio from Internet-only sources, compared to 8 percent who have listened to radio stations over the Internet in the last month.



- 4. Internet access has grown dramatically among African-Americans and Hispanics.** The proportion of African-Americans and Hispanics with Internet access has doubled in the last two years. From August 1998 to July 2000, Internet access at home or at work among African-Americans increased from 22 percent to 43 percent while Internet usage among Hispanics grew from 15 percent to 35 percent.



- 5. One out of five online audio listeners remain at the Web site at which the audio originates, and more than 75 percent stay at their computers.** Twenty-one percent of those who listen to Internet audio say they most often stay at the Web site from where the audio is originating. By contrast, 29 percent do work on their computer while listening, while 27 percent visit other Web sites. Research has shown that most traditional radio listening is done while one is engaging in other activities. To date this study shows that only 19 percent of those listening to Internet audio are engaging in activities away from their computer. While it appears that people use Internet audio in the same way that they use traditional radio, as an accompaniment to other activities, generally these activities are computer-based. This may change as wireless Internet audio devices find their way into homes, cars and offices.



6. Most Americans with Internet access are aware of audio and video webcasts but ease of use is still an issue. Three-quarters (75 percent) of those online are aware it is possible to listen to radio stations over the Internet, and even more (80 percent) say they are aware it is possible to view video over the Internet. Twenty percent of all Americans have listened to radio stations online, and 15 percent have watched video online. Of those who have attempted to listen to radio stations online, approximately nine out of ten are successful. A smaller number (84 percent) report they were able to successfully view video online. More than one-third (36 percent) report it is difficult to listen to radio stations over the Internet, and 38 percent say it is difficult to view video over the Internet. There has been little perception of improvement in webcasting ease of use over the last several years.

7. Streamies are “worth their weight in gold” to Internet advertisers. Streamies are far more interactive and have a hugely valuable qualitative profile for advertisers. The table below depicts the contrast between those who have viewed and/or listened to webcasts (Streamies) and Internet users who have not (Non-Streamies).

Online Access/Time Spent:	Streamies	Non-Streamies
First accessed Internet in last year	27%	41%
Online for 3 or more years	42%	27%
Total time spent with all media per day (in hours)	8:02	6:44
% of daily media time spent on the Internet	19%	9%
Time spent online per day	1:32	0:37

Advertising Images:	Streamies	Non-Streamies
“Advertising that allows you to quickly make a purchase” (% saying “Internet”)	57%	37%
“Ads for things you’re thinking of buying” (% saying “Internet”)	23%	9%
“Ads that produce best sale information” (% saying “Internet”)	22%	10%

Audience Composition:	Streamies	Non-Streamies
% male/% female	55%/45%	39%/61%
Age 12 to 24	35%	21%
Age 25 to 44	40%	39%
Age 45 and older	25%	40%

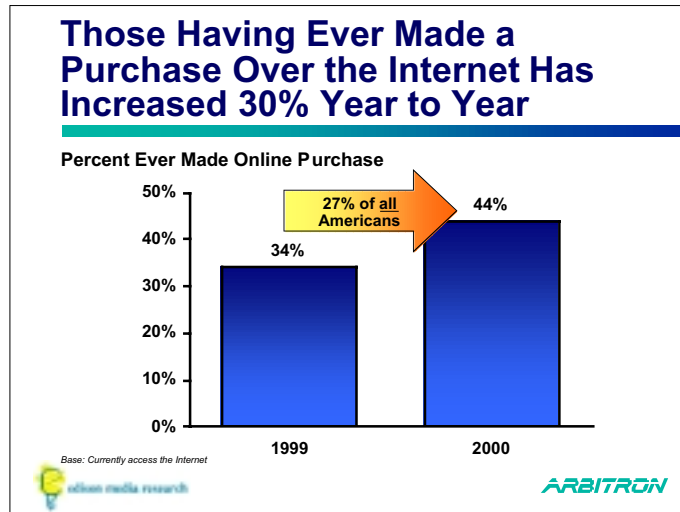
Banner Ads:	Streamies	Non-Streamies
“Frequently” learn about a new Web site from a banner ad	24%	8%
How often would you say you pay attention to banner ads? (% saying “frequently/sometimes”)	50%	30%
Ever clicked on any Web advertising?	68%	34%
Clicked on Web advertising in the last month?	44%	16%



Streamies are “worth their weight in gold” to Internet advertisers. (continued)

E-commerce:	Streamies	Non-Streamies
Ever made a purchase from a Web site?	56%	33%
Made a purchase online in the last month?	27%	14%
Mean number of Web sites purchased from	6.6	3.5
Mean amount of money spent online in past year	\$768	\$598

8. E-commerce is not dead. Despite the well-publicized woes of numerous e-commerce ventures, the number of Americans buying and shopping online continues to grow. From July 1999 to July 2000, the percentage of online Americans who have made a purchase online grew from 34 percent to 44 percent. Expressed as a proportion of all Americans, 27 percent have now purchased online. Spending is up too. The average amount spent online, in the 12 months prior to each survey, increased from \$650 in January 2000 to \$700 in July 2000. Thirty percent of those who have made an online purchase said they intend to spend more in the coming year.



9. In very little time, the Internet has achieved a powerful image as the “quick purchase” medium. Thirty-three percent of all Americans named the Internet on an unaided basis as the medium with “advertisements that allow you to quickly make a purchase.” Among those who are online, the Internet’s image as the “quick purchase” medium soars to 47 percent, with newspaper (20 percent) and TV (20 percent) tied for a distant second place. Considering that the Internet has only recently become a significant presence in the consciousness of Americans, such a strong image is quite impressive. The Internet’s image as the medium with advertisements that “allow you to quickly make a purchase” soars among those who consume audio or video webcasts (57 percent) and those who have listened to or watched webcasts online in the last month (64 percent). The Internet’s other advertising images are: “obnoxious advertising” (11 percent), ads with the “best information on sales” (11 percent) and the medium with “advertisements for things you’re thinking of buying” (10 percent).

Newspapers’ most significant advertising images are for the medium that has the “best information on sales” (50 percent), “more local area advertisements” (44 percent), “advertising you trust the most” (41 percent) and ads for “things you’re thinking of buying” (39 percent).

Radio is most associated with “personalities that appear at special events at the advertiser’s location” (37 percent) and “more local area advertisements” (33 percent).

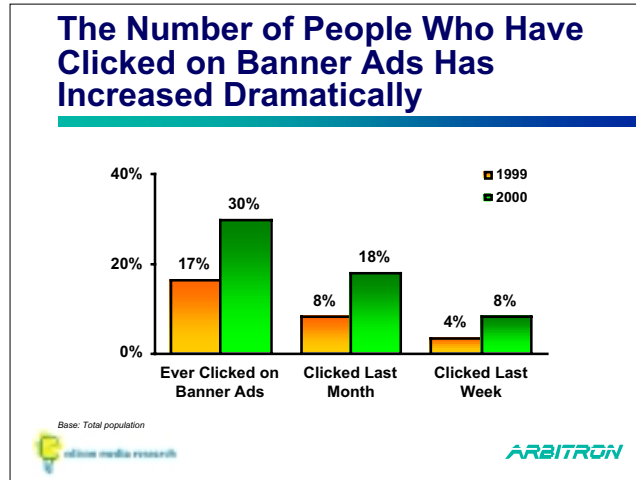
Television’s top images relate to creative attributes such as “funny and entertaining commercials” (68 percent), “ads that catch your attention” (62 percent), “ads you hear people talking about the most” (60 percent) and “most obnoxious ads” (54 percent).

10. A majority of Internet users says webcast commercials and banner ads are a fair price to pay for the free content they get from Web sites. Two-thirds of Streamies say listening or watching commercials over the Internet is a fair price to pay for the free content from a Web site. Also 63 percent agree that banner ads are a fair trade-off for content.

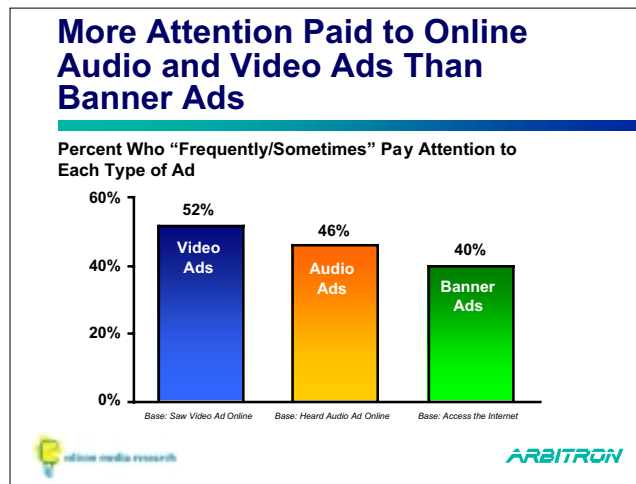
11. The Internet is not a local advertising medium – at least not yet. When asked to name the one medium with “more local area advertisements,” Americans first say newspapers (44 percent), followed by radio (33 percent), and TV (18 percent). Only two percent name the Internet as the medium for local advertising. While ad insertion technologies permit localization of banner ads and streamed commercials, consumers don’t yet perceive the Internet as a source for local advertising.

12. Despite the decreases in click-through rates, more people are clicking on banner ads. Over the last few years, the number of banner advertisements served has exploded. This increase in inventory has been accompanied by a plunge in click-through rates. As a result, many have come to believe that banner ads are an ineffective advertising vehicle. However, our study shows that the number of people clicking on banners has increased dramatically. A two-year trend shows that clicking on Web site advertising has grown from 19 percent in January 1999 to 31 percent in July 2000. In the last year, the proportion of those who have clicked on Web site

advertising “in the past month” grew from 8 percent to 18 percent. The number of Americans clicking on Web site advertising “in the past week” doubled (four percent to eight percent). In sum, click-through rates may be down, but the total amount of clicking is actually up substantially.



13. Webcast listeners say they pay more attention to streamed online commercials than to banner ads. Fifty-two percent of those who have seen commercials while viewing online video say they frequently or sometimes pay attention, compared to 46 percent for online audio commercials and 40 percent for banner ads. As was discussed earlier, most Streamies remain at their computer while they are listening to audio or viewing video on the Internet. This means that they are available to consume streamed online commercials.

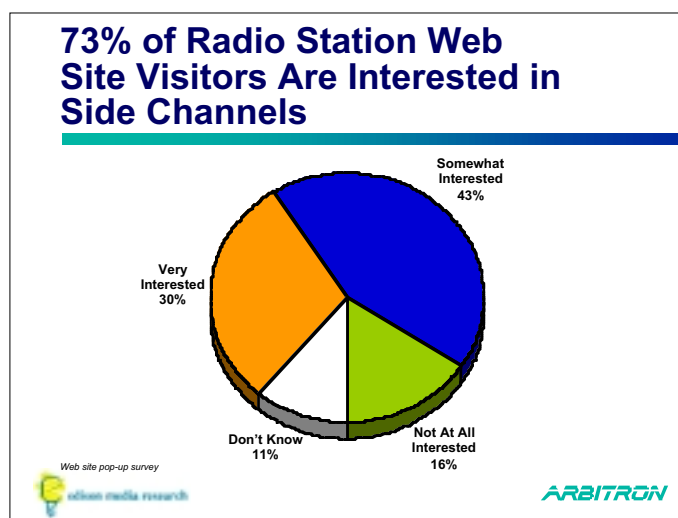


- 14. Sound and video make Web sites more compelling.** Seven out of ten online Americans say Web sites would be more enjoyable if sound and video were included more often. More than three out of four of those who have visited radio station Web sites (76 percent) agree with the statement that “a radio station Web site is more enjoyable and entertaining if you can also listen to the station through the site.”
- 15. In general, radio station Web site visitors are people who listen most to that station.** First preference listeners, or P1s, are listeners who generally represent 37 percent of a typical radio station’s total audience but generate 70 percent of the total time spent listening to that radio station. Our study of nearly 15,000 total radio station Web site visitors reveals 90 percent have listened to the station “over the air” and 76 percent indicate the station is the one they listen to most. Radio programmers must understand that most visitors to their Web site are the audience they cherish most, P1 listeners who generate most of their listening.
- 16. Radio station Web sites lack sufficiently gripping content for daily visitation.** Among our sample of 14,703 radio station Web site visitors, only 23 percent said that they visit that site every day. This finding is amplified by the fact that fully 60 percent of visitors to these sites have them bookmarked! In other words, less than one-third of the people who have the station on their “Favorites” list go there every day. The key to success for a radio station Web site is to be visited every day.
- Why aren’t people going there every day? There is strong evidence that it is because radio station sites are too static and don’t provide compelling content that forces frequent visits. Only 32 percent of those in our pop-up sample agreed strongly with the statement “This site makes me want to visit often.”
- 17. Radio station Web sites are lacking in revenue-generating content.** One of the biggest reasons radio managers aren’t putting the kind of budget behind their sites that would make them more compelling for visitation is that Web sites remain a station cost that lacks attendant income.

The only solution to this “chicken-and-egg” problem is to establish more revenue-generating content on the site. Our analysis of 412 radio station Web sites showed that their content has largely remained the same – they basically serve as “brochures” about the station. While most sites do have some amount of advertising, very, very few have anything that looks close to a program that can lead to profitability.

Radio station Web sites will hit their stride when they are treated not as a stepchild of the radio station, but as a separate medium of its own. News, weather, traffic, informational listings, and concert calendars will be sponsored. On-air advertisers will pay more for links through high-traffic radio station sites. Finally, people who listen to the station’s Internet stream will be sold separately with ads inserted just for Streamies.

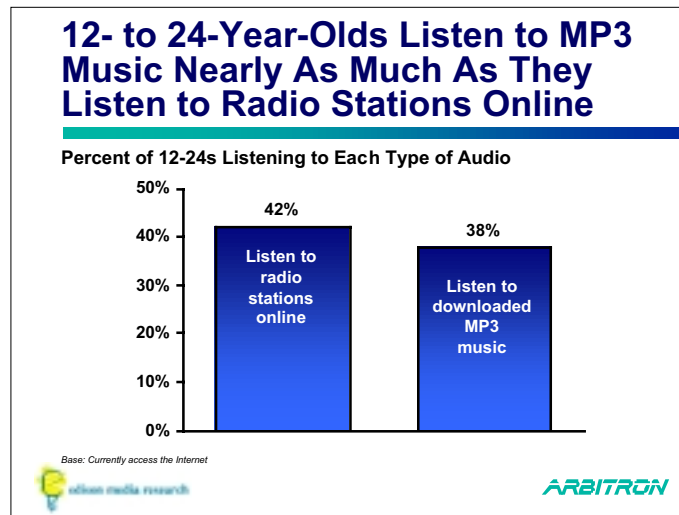
- 18. Streaming makes a radio station Web site “super-sticky.”** People who listen to a radio station online spend more time on that station’s Web site and visit that site more often. Daily radio station Web site visitation is much higher among those who listen to that station online (34 percent) compared to those who do not listen online (13 percent). More than 30 percent of Web listeners say they spend more than one hour at the station’s Web site each time they visit, compared to only six percent of nonlisteners.
- 19. Radio station Internet-only “side channels” have appeal, especially among format partisans of contemporary stations.** “Side channels” are Internet-based extensions of a station’s “over-the-air” programming. For instance, a Rock station can create an Internet-only channel to play music that rocks harder than the music it plays over the air.



Fifty-four percent of Americans say they are “interested” in listening to different types of related audio programming on the Web site of the radio station they listen to most. Not surprisingly, the appeal of side channels among Audio Streamies is particularly strong with 81 percent “interested” and among visitors to radio station Web sites 73 percent are “interested.” If we examine the “very interested” response among radio format partisans, Urban listeners show the highest degree of interest (32 percent “very interested”), followed by listeners to Alternative Rock (27 percent), Contemporary Hit Radio (25 percent), Spanish (23 percent), and Rock (20 percent).

- 20. Every point made in this survey about Internet usage is much more dramatic among 12- to 24-year-olds.** One reason many radio stations remain guarded about the Internet is that so few target the demographic group that is truly using the Internet already: 12-24s. Every single measure is higher among 12-24s than among the older groups: They are much more likely to be online, to be Streamies, to download MP3s, etc. No matter which way you look at it, traditional radio is at far more risk among young people, and Internet solutions have much more opportunity within this group.

Traditional radio has to decide if it cares about the rising group of Internet-savvy 12-24s. If so, radio must begin to supply more Internet audio and other Web-based content.



- 21. Due to the relative silence of the online experience, many Americans use other media to accompany their Internet usage.** While accessing the Internet, Americans are most likely to listen to music from CDs or tapes (55 percent), closely followed by listening to the radio (49 percent). To a lesser degree, Americans multitask with more involved activities such as talking on the telephone (36 percent) and watching television (32 percent).
- 22. There are stark differences between “Streamies” (those who consume webcasting) and “non-Streamies” (Internet users who do not consume webcasting).** In a typical day, the average American spends seven hours and 12 minutes overall with media, with the most of this time devoted to television (44 percent) and radio (39 percent), distantly followed by newspaper (eight percent) and the Internet (nine percent). However, among those who listen to or watch webcasting (Streamies), overall media time spent increases as well as the proportion of time spent on the Internet. The more involved one is with the Internet, the less time spent with television. Internet use does not appear to impact radio or newspaper. Among those who have watched or listened to webcasts in the past month, total media time spent increases to 8.5 hours a day, and the proportion of media time spent on the Internet increases to 24 percent.
- 23. Visitation to radio station Web sites is comparable to that of Web sites of TV and newspapers. Compared to those of radio, newspaper and TV sites do a better job of converting Web site trial into habitual usage.** Among those online, 41 percent visit newspaper sites, followed by radio station sites (37 percent) and TV sites (35 percent). When we examine the proportion of those online that have visited a media Web site in the past month, 23 percent visited newspaper sites, followed by TV sites (18 percent) and radio station sites (16 percent).

Newspaper and TV do a better job of converting trial into a monthly habit. Thus, 56 percent of those who have ever been to a newspaper site say they have visited in the last month, and 51 percent of those that have visited TV sites have visited in the last month. Only 43 percent of those that have ever visited a radio station Web site have done so in the past month.

- 24. Visits to radio station Web sites have gradually increased.** Compared to one year ago, the proportion of those online who have visited a radio station Web site in the past week has increased from three percent to six percent, and those who have done so in the past month increased 11 percent to 16 percent. On average, 28 percent of those online say they have visited the Web site of the one radio station they listen to the most. Younger-targeted stations seem to do a better job of attracting Web site visitation. The number of format fans that have visited the site of the one station they listen to the most is led by Alternative Rock stations (40 percent), followed by Contemporary Hit Radio (25 percent) and Rock (24 percent). Among News/Talk partisans, 19 percent say they have visited the Web site of the radio station they listen to most.
- 25. People who have listened to radio stations online prefer local radio stations online.** Fifty-six percent of those who have listened to radio stations online say they listen most to stations originating in their local area, compared to 34 percent saying they listen most to stations from other parts of the U.S. Some six percent say they listen most to radio stations originating in other countries. Women tend to favor local radio stations (60 percent) slightly more than men (52 percent).
- 26. One out of five are very interested in a Web site that allows you to “program your own radio station.”** Twenty-one percent of all respondents say they are “very interested,” and 32 percent say they are “somewhat interested” in a site where users indicate the types of music and artists that they like and the site plays music according to their musical tastes.
- 27. The Internet usage boom continues as home access closes in on 50 percent and home or work access crosses the 50 percent threshold.** In two years, the percentage of Americans with home Internet access increased from 35 percent in August 1998 to 47 percent in July 2000. Also, 22 percent of Americans now have Internet access at work. The number of Americans who have either home or work Internet access has increased from 31 percent in August 1998 to 52 percent in July 2000. The number of women online at home or work has surpassed that of men (52 percent to 48 percent). Among those online, 23 percent indicate they first began accessing the Web in the past six months. Americans estimate they spend approximately one hour per day online.
- 28. Nighttime is the right time for buying, shopping and webcasting.** One out of two said nights are the one time of day when they do most of their online shopping. Similar portions also listen most to audio and view webcasts most at night.

29. Format partisans show unique characteristics in Internet and streaming media behavior. Contemporary formats, such as Alternative Rock, Rock, Contemporary Hit Radio and Urban, show the most significant Internet activity in terms of surfing radio station Web sites and streaming media behavior.

Web Behavior Among Format P1s

	AC	Alternative	CHR	Classical	Country	Jazz	MOR
% online	64	80	75	60	50	63	34
% who ever visited a Web site of any radio station	18	44	29	12	15	27	7
% who have visited the Web site of the one station they listen to most	12	40	25	12	13	15	5
% who have listened to radio stations online	20	32	27	10	12	22	9
% who have listened to Internet-only audio online	12	30	18	8	7	11	2
% who have ever listened to Internet audio or watched Internet video	30	45	41	21	20	34	12
% who have listened/watched online in the last month	14	31	21	8	10	17	4
% "very interested" in special audio channels offered by your favorite station over the Internet	15	27	25	9	10	18	10

	News/Talk	Oldies	Religious	Rock	Spanish	Urban
% online	64	55	50	67	41	64
% who ever visited a Web site of any radio station	27	13	19	33	6	21
% who have visited the Web site of the one station they listen to most	19	10	17	24	6	16
% who have listened to radio stations online	24	14	14	28	16	24
% who have listened to Internet-only audio online	16	6	9	18	5	12
% who have ever listened to Internet audio or watched Internet video	35	18	21	39	22	31
% who have watched/listened online in the last month	18	7	13	22	9	14
% "very interested" in special audio channels offered by your favorite station over the Internet	10	11	17	20	23	32

Recommendations

- 1. CPMs (cost per thousand) for banner ads on streaming media sites should quadruple.** The strong evidence from the study indicates that Streamies respond to banner ads to a far greater degree than the Internet user who does not consume streamed media. Streamies are significantly more likely to click on banner ads and are far more likely to participate in e-commerce than non-Streamies. Therefore, banner ads within the streamed-media environment are far more valuable and actionable than ads on nonstreamed sites.
- 2. CPMs for streamed media advertising should be significantly higher than CPMs for banner ads.** Attentiveness scores for audio- and video-streamed commercials are much higher than for banner ads. Additionally, there is overwhelming evidence that the Streamies are an exceptionally desirable consumer target. Streamies are far more likely to click on advertising, pay attention to copy, and interact with the medium. Since Streamies spend twice as much time online than non-Streamies, they are the ideal online consumer target.
- 3. Significant progress must be made to improve ease of use of the webcasting user experience.** A key finding in each of our five studies conducted over the past two years is that consuming streamed media is not getting any easier. Approximately one-third say trying to get either audio or video online is problematic. The success rate of the first-time attempt on streamed audio is 90 percent and for video it is only around 80 percent. In order to convert the trial into frequent use, new solutions are needed to improve the consumer experience with streamed media.
- 4. Advertisers and webcasters should begin using webcast advertising.** Arbitron's recent study of 100 top advertiser/agency decision makers indicated a tremendous amount of interest in webcast advertising. In fact, half of the senior decision makers indicated that despite their interest, no webcaster had put forward any type of proposition. Webcasters should move ahead with online commercials, since consumers say that advertising is a fair price to pay for free content. As with any new medium, new concepts and approaches must be put forward in terms of spot placement, creative and scheduling.
- 5. Broadcasters should consider the "side channel" programming scenarios.** Core listeners of radio stations favoring current formats, such as Urban, Alternative Rock, Album Rock, Spanish, Contemporary Hit Radio, etc., show greatest interest in the so-called "side channels" which represent additional Internet-only programming channels offered under the brand umbrella of the radio station. Create strategies to sell advertising on these side channels.
- 6. Don't write off e-commerce and banner ads.** More people are buying online, and more people are clicking on banner ads than ever before. Therefore, the right strategy can lead to success despite the crowded and competitive environment.

- 7. Local media should protect their local advertising image and take advantage of the Internet's newly created ad image.** Local is still the domain of the traditional media. However, several Internet companies have plans in place to “localize” Internet advertising and content. Therefore, the traditional media must work on protecting this important advertising image. Also, the Internet gave birth to a new advertising image: “Ads that allow you to quickly make a purchase.” This is the core strength of Internet advertising. Internet players should work to highlight and showcase this advertising image, while traditional media should look for ways to incorporate the Internet to make sure they are not left out of the media plans for products and services seeking to emphasize “quick purchase.”
- 8. Take Internet-only channels and listening to MP3 audio seriously.** Radio has 80 years of brand equity with American consumers. However, in only two short years Internet-only channels have reached nearly as many listeners online as radio stations that webcast. The window of opportunity is open briefly for radio stations online and Internet-only channels. The next year or 18 months will define who becomes “first in mind” for Internet audio among consumers. One of radio’s core strengths has been its ability to reach young listeners. Radio continues to ignore 12-24s, the heaviest users of these media, at its peril.
- 9. Radio station Web sites must align their content with the interests of their P1 listeners.** Time spent online with other Web sites is time spent not listening to radio stations or visiting radio station Web sites. Radio broadcasters must find out what their P1s want from their Web sites and align their online content accordingly. Also, radio station Web sites have not yet embraced features that enable them to drive revenue. Additionally, listeners want to tune in to your station online through your radio station Web site. If your station is not streaming, your listeners will find their Internet audio elsewhere.
- 10. Online listening is growing rapidly. Solidify your plans to take advantage of it and defend against it.** Listeners have an incredible amount of choices now and will have far more in the near future. According to www.brsmedia.com consumers have a choice of over 4,000 online audio sources as of August 2000. It is crucial to make sure that your company has a clear strategy to maximize established brands. High broadband adoption and wireless Internet access are rapidly approaching, and these technologies will remove most barriers to online listening. Be ready!

About Arbitron's Webcast Ratings

Arbitron is the leading provider of ratings for streaming media. The company debuted the world's first Webcast Ratings in October 1999. In the summer of 2000, Arbitron and Lariat Software formed a strategic alliance that combines Lariat's market-leading data collection and reporting solutions with Arbitron's expertise in compiling and marketing of credible third-party ratings. Arbitron Webcast Ratings, powered by Lariat Software, is designed to provide the third-party measurement, analysis and reporting that advertising agencies need to make informed media planning and buying decisions and webcasters need to demonstrate the size and value of their audience.

Arbitron also conducts regular industry studies to help webcasters, advertisers and agencies understand the Internet and streaming media. In addition to twice-yearly Internet studies with Edison Media Research, Arbitron publishes periodic research studies such as its landmark findings on how key decision makers at agencies perceive webcasting ("Advertising Agencies Speak Out on Webcasting"). All of Arbitron's industry studies can be found on the company's Web site at www.arbitron.com and can be downloaded free.

About Edison Media Research

Edison Media 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 Media Research is the fastest growing market research company in America over the past five years according to *Advertising Age*. Edison Media Research works with many of the largest radio ownership groups and also conducts strategic and perceptual research for a broad array of companies including AOL, Yahoo!, CBS, CNN, Entertainment Weekly, The Golf Channel, Court TV, Island Records, Maverick Records, The Cleveland Cavaliers, The Orlando Magic, Princeton University, Sony Music, The Blackstone Group and Time-Life Music. Edison Media Research also conducts research for successful radio stations in South America, Canada and Europe. All of Edison Media Research's industry studies can be found on the company's Web site at www.edisonresearch.com and can be downloaded free.

