

Radio Tomorrow



Radio Tomorrow

What Do Today's Listener Attitudes and Behavior Tell Us About Radio's Future?

26,000 American Consumers Answers and Strong Clues to Questions Like....

What's the State of Radio Today?

Where Does it Fit – and How Does it Thrive – in the New World?

Does Radio Have a Youth Problem? What Can We Do About It?

Can Radio Compete with Customizable Streamers? How?

What Will Growing In-Car Internet Penetration Mean?

What's the Economy Going to Do Near-Term?

Plus....

How Ad Agency People Perceive Radio Differently vs. Consumers

And

Some Great Data to Show Radio's Advantages Over Other Media

(Show this to your prospects!)

Sample

Triton Digital National Consumer Database

25,000,000 Panelists

August & September 2012

All Ages, Genders and Format Fans

Total Polled = 41,252

Roughly in Line with 2010 Census

Heavily Caucasian

What Kind of Station do You Listen to Most?

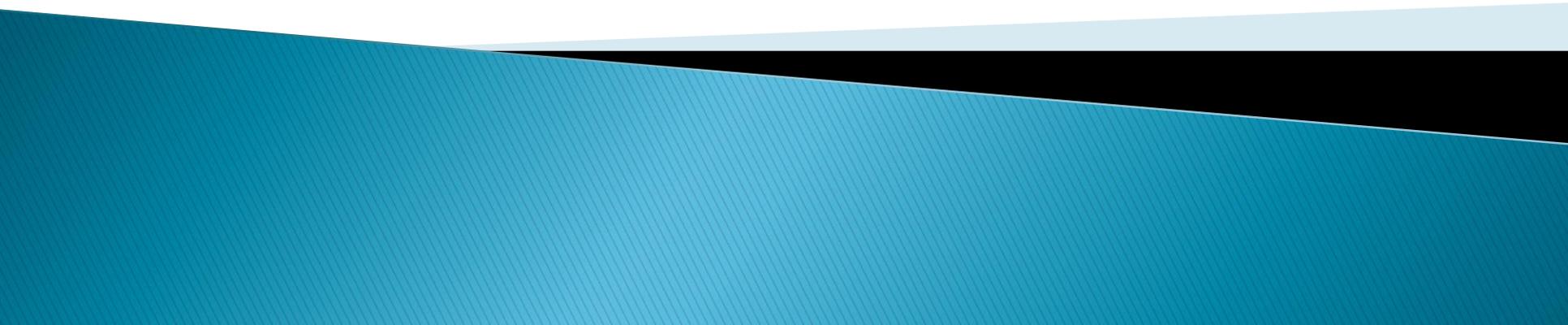
Music	74.2%
News/Talk	19.0%
Sports	12.8%

Sample Included....

Primary Shoppers = 18,403

Work for an Advertising Agency = 1,498

The State of Radio Today– Current Attitudes and Usage



Own or Have Access To

TV	92.7%
Home Computer (includes laptop/tablet)	88.9%
Radio at Home	86.6%
Smartphone	49.8%
Internet Access in Car	19.7%

Daily Media Usage

Use the Internet	84.7%
Watch TV	80.2%
Listen to AM/FM Radio	73.8%
Watch Local TV News	56.3%
Visit Facebook	52.0%
Get News on the Internet	50.7%
Read a Newspaper	35.9%
Listen to Customized Music Stream on the Internet	22.6%

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Where Radio Fits – Why People Use Radio

“What Medium or Service Best/Most....” (For you)

What Medium or Service....

For Sports Information

TV	32.6%
Internet	25.1%
None	18.0%
Radio	14.7%
Newspaper	9.8%

What Medium or Service....

For Weather

TV	37.5%
Internet	30.7%
Radio	18.8%
None	7.6%
Newspaper	5.4%

What Medium or Service....

To Find Out What Other People are Doing

Internet	48.5%
None	21.5%
TV	12.8%
Radio	11.3%
Newspaper	5.9%

What Medium or Service....

Helps You Connect with Friends

Internet	57.3%
None	21.3%
TV	9.3%
Radio	8.7%
Newspaper	3.4%

What Medium or Service....

Informs You

Internet	31.0%
TV	27.9%
Radio	19.5%
Newspaper	13.8%
None	7.9%

What Medium or Service....

Keeps You Company

Radio	36.6%
TV	30.3%
Internet	16.9%
None	12.0%
Newspaper	4.4%

What Medium or Service....

Comforts You

Radio	40.7%
TV	22.1%
None	20.6%
Internet	12.2%
Newspaper	4.6%

What Medium or Service....

Helps You Have a Good Time

Radio	41.0%
TV	21.1%
Internet	19.0%
None	15.0%
Newspaper	4.1%

What Medium or Service....

Helps You Relax

Radio	46.8%
TV	25.4%
Internet	12.4%
None	9.2%
Newspaper	6.3%

What Medium or Service....

Energizes You

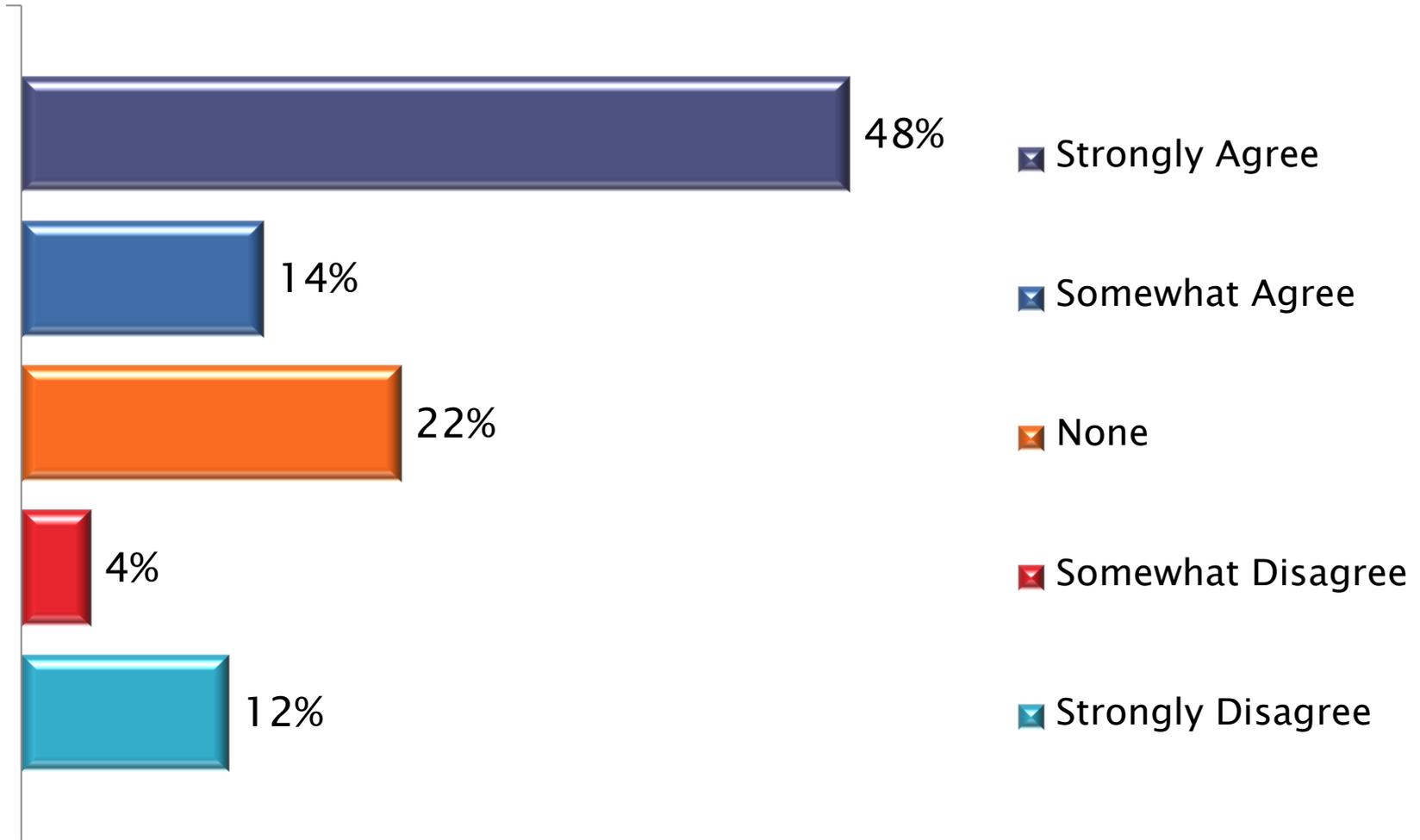
Radio	49.1%
None	23.6%
TV	12.3%
Internet	10.3%
Newspaper	4.7%

What Medium or Service....

Improves Your Mood

Radio	57.4%
TV	16.0%
None	11.4%
Internet	11.2%
Newspaper	4.1%

“I Would be Very Disappointed if My Favorite Radio Station Went Away”



Listening to Radio More, Less or the Same?

More	30.0%
Same	55.1%
Less	20.5%
Net	+9.5%

Listening to Radio More, Less or the Same?

Total	+ 9.5%
Shoppers	+11.9%
Under 18	+18.0%
18-34	+ 8.5%
35-54	+12.5%
55+	+ 6.1%

In the Morning at Home

Turn on Radio	46.3%
Turn on TV	54.1%

Is There a Person or Show You Particularly Enjoy On Radio Between 5:38 and 8:00am?

Yes	56.9%
No	46.7%

Listening to Mp3s, CDs or Records...

More	19.0%
Same	45.9%
Less	40.8%
Net	-21.8%

Pandora

Aided Recall

69.1%

Most Recent Usage (Among Those Aware)

Past 24 Hours

10.8%

Past Week

15.1%

As % of Total

Past 24 Hours

3.5%

Past Week

4.9%

Using Any Music Source Less As Result of Pandora Listening?

Of Pandora Weekly Cume

No/Don't Know	52.4%
Radio Stations	28.4%
CDs, MP3, Records	27.9%
Other Sources	23.3%
YouTube	20.0%

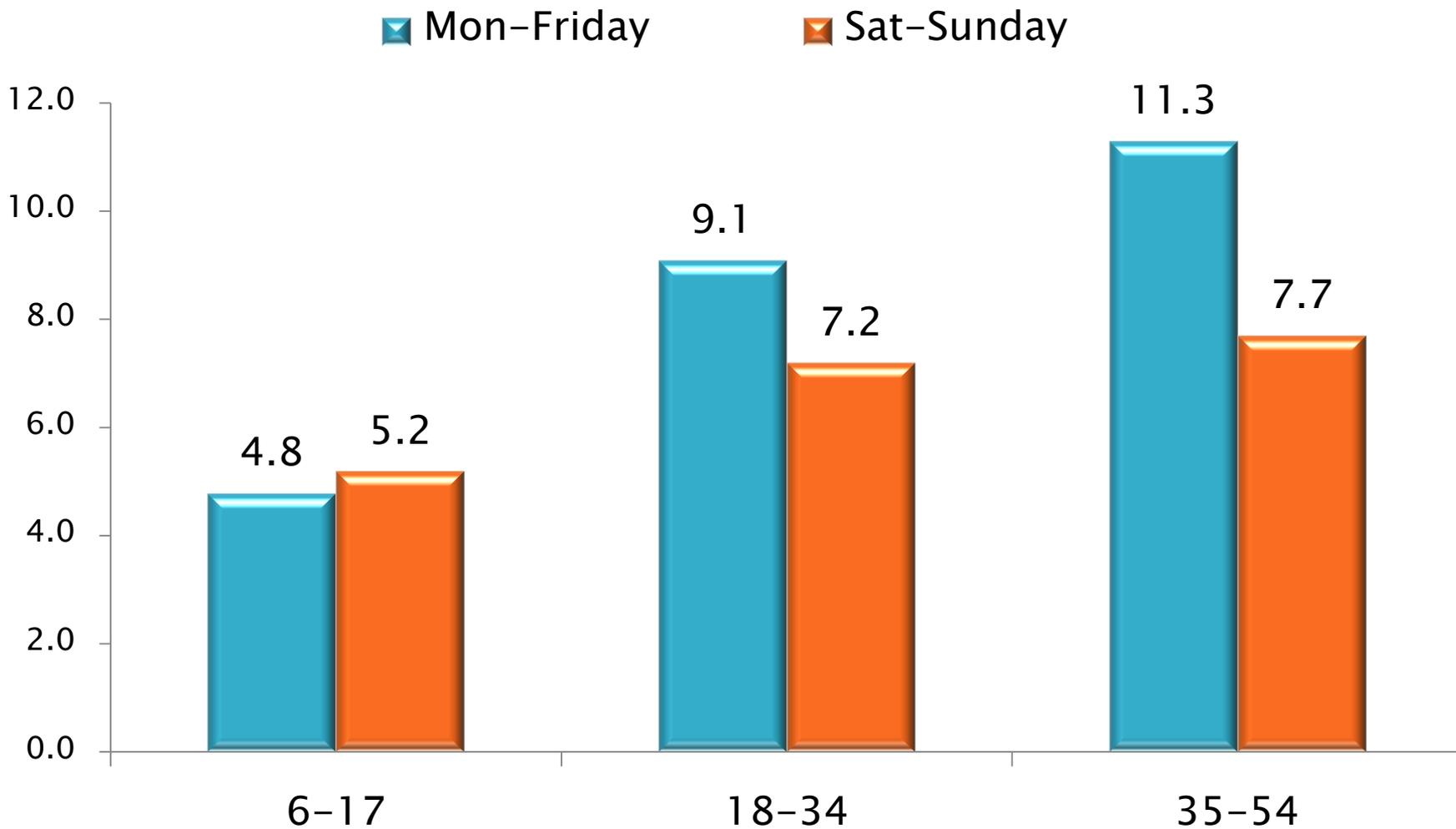
Radio's Demographic Challenge: Less Attachment Under 35

Radio is the medium that best/most....

	Total	< 18	18-34	35-54	55+
Energizes You	49.2%	49.2%	51.5%	53.6%	40.5%
Improves Your Mood	57.4%	48.1%	50.6%	61.9%	57.8%
Helps You Relax	46.8%	43.7%	41.0%	49.2%	48.7%
Comforts You	40.7%	37.0%	36.1%	43.1%	41.4%
Keeps You Company	36.6%	26.9%	28.1%	39.5%	40.9%
Informs You	19.5%	17.3%	16.4%	21.2%	20.0%

PPM AQH Ratings

Six-month Average of Multiple Markets East, West, Midwest



Platforms

Streaming Music Usage on Smartphones Growing

Listening to All Music Sources – Radio streams, Pandora, Etc.

Weekly	39.3%
Daily	25.4%
1+Hour Daily	16.5%

AM/FM Radio on Other Platforms

	<u>Daily</u>	<u>Hour or More</u>
On Computer (incl laptop/tablet)	46.4%	36.2%
On Smartphone * of Smartphone owners	23.0%*	18.1%

Smartphone Owners – Ever Downloaded....

Any App	75.2%
Specific Radio Station App	21.9%
iHeart Radio App	20.7%
TuneIn Radio App	7.9%
Unduplicated Radio App Downloaders	39.1%

Awareness and Weekly Cume

Among Those Aware	Total Awareness	Cume				
		Total	< 18	18-34	35-54	55+
Pandora	69.1%	25.9%	50.5%	43.0%	20.7%	14.5%
iHeart	47.7%	17.0%	26.3%	22.0%	16.3%	11.8%
HD Radio	34.8%	8.6%	16.9%	10.8%	7.6%	6.8%
TuneIn	12.7%	8.4%	12.2%	10.2%	7.5%	7.6%

Would Listen to Radio More If....

Absolutely + Very Likely	Total	< 18	18-34	35-54	55+
It Had Fewer Commercials	61.4%				
You Can Skip Songs You Don't Like	54.6%	64.1%	65.1%	54.7%	43.8%
You Can Control the Music	56.1%	61.5%	63.9%	56.5%	47.8%
Watch Videos of Songs as They Played	33.5%				
Favorite Personality Was on Longer/More Often	34.7%				
There was more/better News and Information	35.5%				
If You Could Rewind Commercials	21.0%				

There IS Demand for a Radio Chip

	Total	< 18	18-34	35-54	55+
I would be more likely to buy a specific cell phone if it had a radio receive in it	37.8%	43.9%	42.2%	39.7%	29.6%

Internet in the Car

19.7% Have Internet Access in Car Owned or Ridden in Most

What Can Their Behavior Tell Us About the Future?

In-Car Internet Impact

Have Internet Access in Car: What Do You Listen to Most?

AM/FM on the Radio	70.3%
Local AM/FM Stream	4.6%
Distant AM/FM Stream	4.0%
Other – CDs, MP3, etc.	12.6%
Personalized Music Stream	8.5%

In-Car Internet Impact

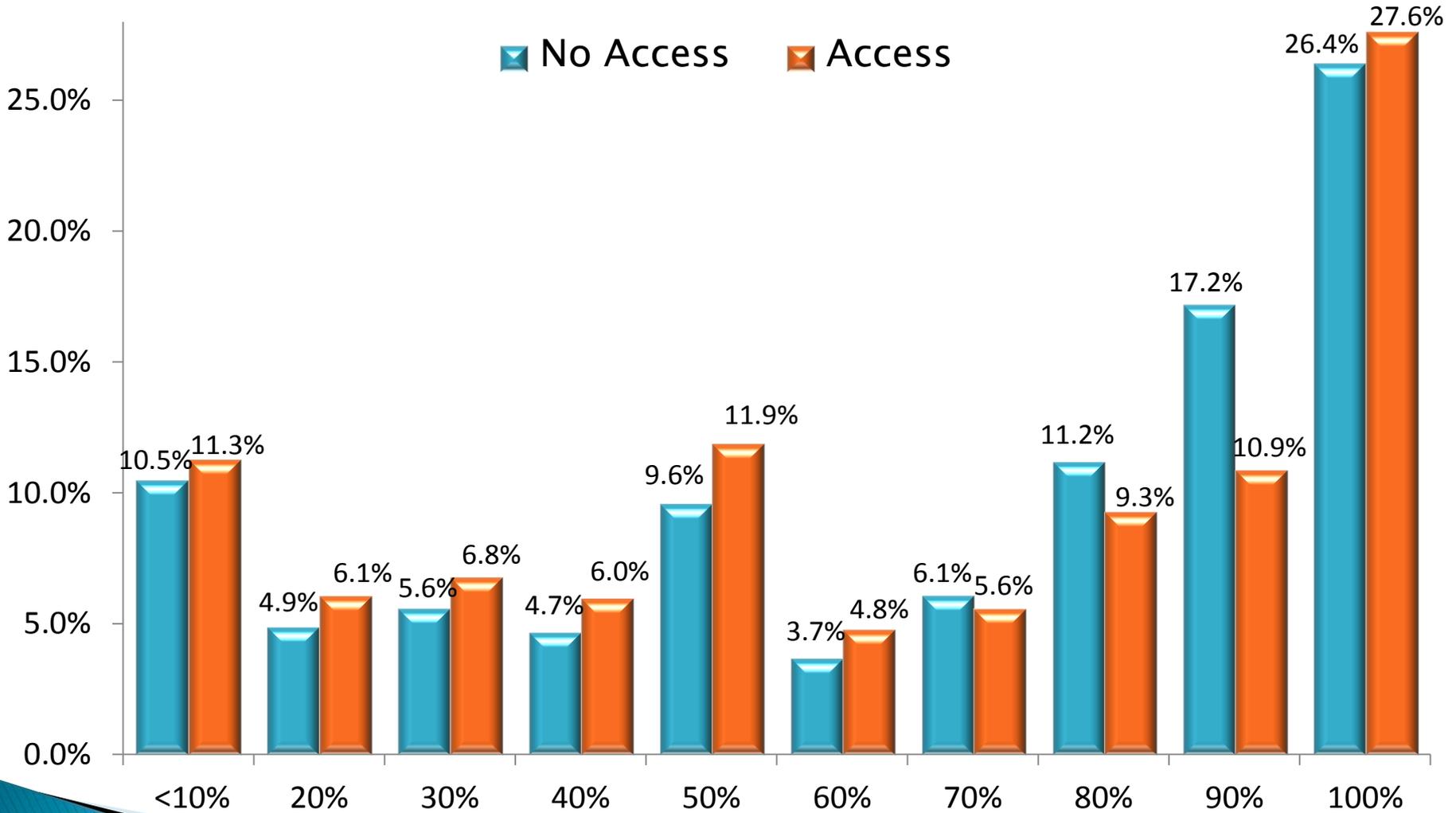
What do You Most Listen to in Your Car?

	<u>Internet in Car?</u>	
	<u>No</u>	<u>Yes</u>
AM/FM Radio	77.7%	70.3%
<u>AM/FM Local Stream</u>	-	<u>4.6%</u>
Total Radio	77.7%	74.6%

How Much of Your Time in the Car is Spent Listening to AM/FM Radio?

In Car: Internet Access vs. Not

■ No Access ■ Access



Spends 80% or More of In-Car Time With AM/FM

Those With In-Car Internet	47.8%
Those Without	<u>54.8%</u>
	-7.0%

Smartphone Usage – Do You Have an Unlimited Data Plan?

Yes	45.5%
No	17.5%
Don't Know	40.3%

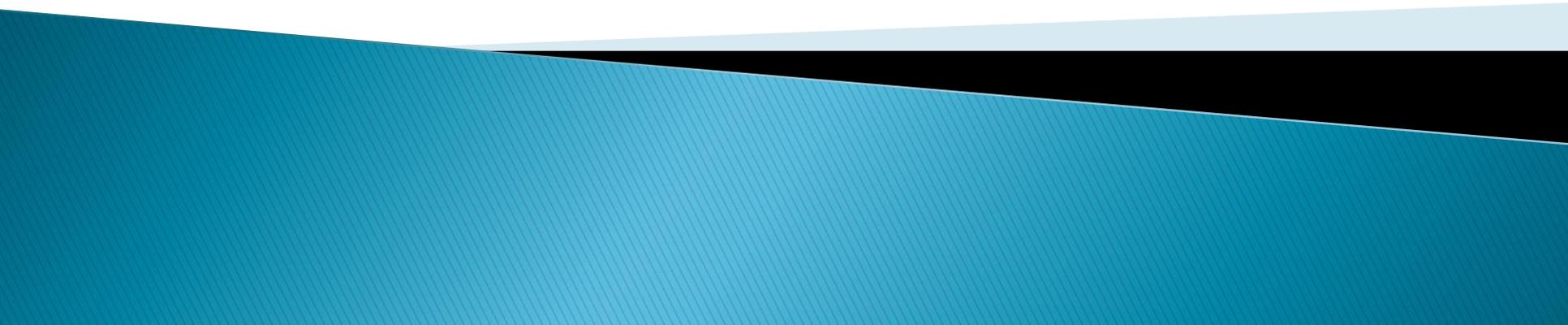
The End of Unlimited Data Plans Means.....

“As a result of (losing unlimited data plans), do you think you will listen to music streamed to your phone....”

Less	50.5%
No Change	49.5%

.... which improves the value proposition for over-the-air radio.

Business Clues for 2013



Consumers' State of Mind

Compared to a Year Ago, You/Your Family Are.....

	<u>Total</u>	<u>18-34</u>	<u>35-64</u>
Better Off	12%	17%	11%
Worse Off	40%	32%	42%
About the Same	40%	49%	45%

Note: N= 14,803

Sept 12-20, 2012

They Plan to Vote For...

September 12-20, 2012

	<u>Total</u>	<u>18-34</u>	<u>35-64</u>
President Obama	38%	52%	37%
Mitt Romney	35%	26%	36%
Other/Undecided	25%	21%	26%

President Obama's Lead Widened After Conventions

	<u>N</u>	<u>Lead</u>
August	(26,449)	1.7%
September	(14,803)	3.0%

In 2013 The Economy Will.....

Get Better.....

Business

	<u>Total Sample</u>	<u>Owners & Managers*</u>
Regardless of who wins	20.6%	21.0%
if Obama wins	20.4%	18.9%
if Romney wins	22.4%	27.5%
Not Get Better Regardless Who Wins	36.9%	32.6%

*N=6,286

Less Than Half Think Economy Will Improve in 2013

	<u>Total Sample</u>	Business <u>Owners & Managers*</u>
If Obama		
Doesn't Matter Who Wins	20.6%	21.0%
If Obama Wins	<u>20.4%</u>	<u>18.9%</u>
Total	41.0%	38.9%
If Romney		
Doesn't Matter Who Wins	20.6%	21.0%
If Romney Wins	<u>22.4%</u>	<u>27.5%</u>
Total	43.0%	48.5%

*N=6,286

This Holiday Season Will You Spend More, Less or About the Same as Last Year?

	<u>Total</u>
More	10%
Less	42%
Same	47%

N= 14,803 Sept 12-20, 2012

Advertising Agencies

Advertising Agencies

Attitudes and Perceptions Among

1,498

Advertising Agency Employees

Compared to

Primary Shoppers

(people who do most of the shopping for their household)

Advertising Agencies

What Advertising Professionals Think.....

Good News, Bad News, Useful News

Agency People Don't See/Hear Radio as Consumers Do

Comparing Agency Employees to Primary Household Shoppers:

The medium that most...

Agency Compared to Shoppers

	<u>Shoppers</u>	<u>Radio</u>	<u>TV</u>
Improves Your Mood	60.5%	-19%	+24%
Energizes You	51.9%	-14%	+48%
Has Annoying Ads	16.9%	+30%	-13%

How to Read: Agency employees are 19% less likely than shoppers to cite Radio as the medium that most improves their mood

More Agency/Shopper Differences...

Agency Compared to Shoppers

Cume Daily Radio	-22%
Cume Customized Music Stream Internet Daily	+33%
Skips Commercials on DVR Most of the Time	-24%
Likes a Specific Morning Show or Person	-26%

How to Read: Agency employees are 22% less likely than shoppers to cume radio on a daily basis.

“I Would be Very Disappointed if My Favorite Radio Station Went Away”

Agency Compared to Shoppers

Strongly Agree	- 28%
Strongly Disagree	+101%

How to Read: Agency employees are 101% more likely than shoppers to strongly disagree with the statement “I would be very disappointed if my favorite radio station went away”

The Good News

Radio Ranks #1 with Agency Folks for....

Comforts You	38.1%
Energizes You	44.6%
Helps You Have a Good Time	39.8%
Helps You Relax	43.0%
Improves Your Mood	49.0%
Keeps You Company	34.5%
Targeted Ads	23.4%

Why Advertisers Will Continue to Use Radio...

... and Why They Should Use it More

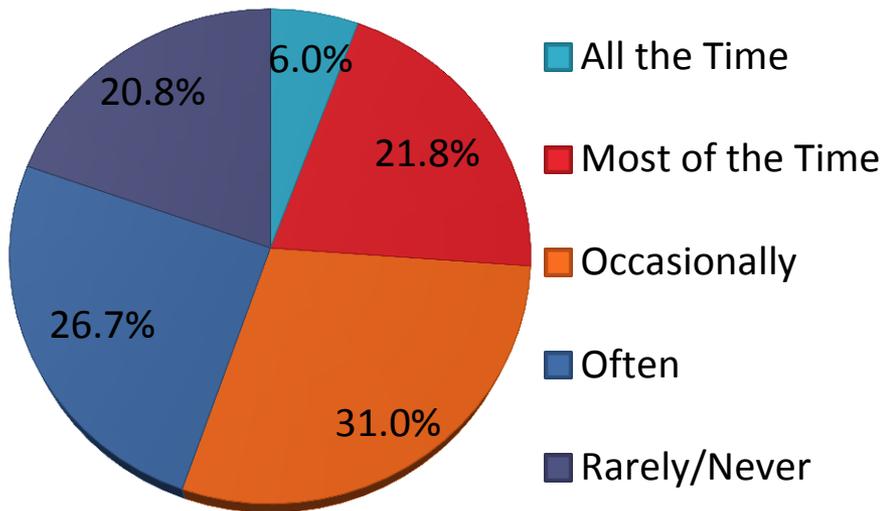
Show Them This Stuff!

Do You Own/Use a DVR?

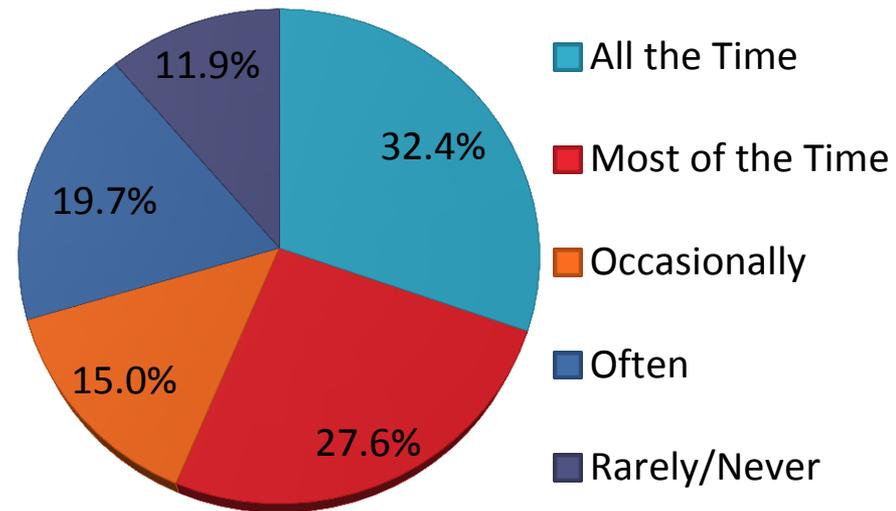
Yes

53.8%

How Often Do You Watch TV in Real Time ?



When not in Real Time How Often Do You Skip Commercials?



Which Are Important Parts of Your Community?

TV Stations	78.7%
Radio Stations	78.6%
Newspaper	67.6%
Internet Sites	59.3%

Anyone on _____ You Don't Know Personally But Who Feels Like a Friend?

	<u>Yes %</u>
Radio	46.8%
TV	35.6%
Internet	24.3%
Newspaper	12.2%

Is There a Medium That Feels Like One of Your Friends?

	<u>Yes %</u>
Radio Station	50.3%
TV Station	31.8%
Website	26.5%

How Much Would You Trust Information About a Product or Service From...

(10 Point Scale)

A Friend	7.9
A Radio Station	5.7
Newspaper Ad	5.0
An Internet Site	4.7
Famous Person on TV	4.4

Where Do You Hear About New Products, New Services or New Stores?

TV	69.2%
Friends	56.6%
Radio	51.9%
Online	51.4%
Newspaper	32.1%
Magazines	29.1%

Ever Purchased an Item or Shopped at a Location You Heard About First on...

	<u>Yes %</u>
TV	69.2%
Radio	58.8%
Website	49.0%
Newspaper	45.6%
Facebook	22.2%

What Medium or Service....

Has Ads That are Honest and Believable

Radio	23.3%
TV	18.9%
Newspaper	15.1%
Internet	9.5%
(None	33.2%)

What Medium or Service....

Has Ads Intended Specifically for People Like You

Internet	24.3%
Radio	23.3%
TV	18.6%
Newspaper	9.4%
(None	24.4%)

What Medium or Service....

Has Ads That are Annoying

TV	37.0%
Internet	26.7%
Radio	17.0%
Newspaper	5.2%
(None	11.2%)

Summary: What Each Medium Wins

Radio

Improve Your Mood	57.4%
Energize You	49.1%
Comfort You	40.7%
Help You Have a Good Time	41.0%
Help You Relax	46.8%
Keep You Company	36.6%
Has Ads That are Honest & Believable	23.3%

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Sports Information	32.6%
Weather Information	37.5%
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Summary: What Each Medium Wins

Internet

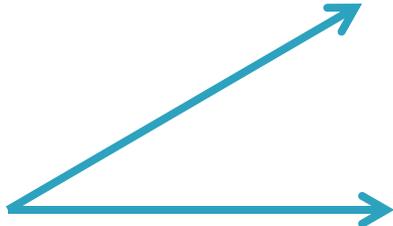
Find Out What Other People are Doing 48.5%

Helps You Connect With Friends 57.3%

Informs You 31.0%

Has Ads Intended Specifically
For People Like You 24.3%

Radio 23.3%



Summary: What Each Medium Wins

Newspaper

None

Media “Best For” Summary....

Internet – Other People (connecting to, keeping up with)

Television – Annoying, skippable ads

Radio – the trusted source that makes you feel better

Show This to Your Agencies!

Total Agreement with the Statement	Total	<18	18-34	35-54	55+
I would be very disappointed if my <u>favorite radio station</u> went away	61.6%	60.0%	62.0%	62.7%	59.6%
I would be very disappointed if Facebook went away	44.7%	53.3%	54.2%	44.7%	33.9%

Summary

Predictions

Recommendations

Summary

Radio AQH may be nibbled at by other media but consumers don't sense themselves using it less

Summary

Radio is less loved by those under 35. Their usage may decline unless radio acts effectively.

People – especially people under 35 – tell us they want to be able to control the music.

Summary

Less than half of consumers turn on Radio before leaving home in the morning.

Summary

Radio listening on other platforms becoming significant.

Is it all being captured?

Summary

Consumers with in-car Internet access are not using radio significantly less – perhaps 7% less.

Out of market Radio listening will add 4-5% more fragmentation.

Summary

The end of unlimited data plans will bolster the value proposition of free over the air radio.

Summary

Consumers are pessimistic about the 2013 economy, and expect to spend less this holiday season.

Summary

Advertising agency personnel tend to use and think of radio less favorably than the consumers their agencies – and our stations - target.

Summary

Consumers like radio.

They have personal relationships with personalities and stations.

They trust radio more than other media.

They are generally in a good mood when listening.

They find radio ads less annoying than those on TV or the Internet.

Predicting Radio's Future

Short-term:

Continue to be strong with consumers

Struggle economically along with the consumers

Suffering unnecessarily at some agencies

Predicting Radio's Future

Longer Term:

Issues are

Remaining the Personal Medium

Agency Perceptions

Younger Listeners

Digital Relevance

Recommendations

Remaining the Personal Medium

Short Term/Long Term

PPM Conundrum – shut up now/where are your friends later?

Saving \$ on Talent Development

Recommendations

Agency Perceptions

Show them the facts

Sell Radio. Industry leaders should be devoting more resources to that

PR genius

Recommendations

Younger Listeners

Actual young people need to be represented on the air

And they need to talk to young people about young people issues

Be more responsive to their expectations

Which leads to digital relevance....

Recommendations

Digital Relevance

Best of All Worlds

Big but Personal Brands

Big Megaphone

Recommendations

Two Very Different Products and Capabilities

Start: fill stopsets with listenable material

Then: make radio streams skippable/customizable

Then: move into video

The Crystal Ball

Radio's Future

Pandora

Apple

Others

Consumers

You

Questions?



alan@burnsradio.com



michael.fischer@tritondigital.com

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