

Internet and Multimedia 12:

The Value of Internet Broadcast Advertising



How *Internet and Multimedia 12* Was Conducted

◆ **2,290 telephone interviews were
conducted in January 2004**

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

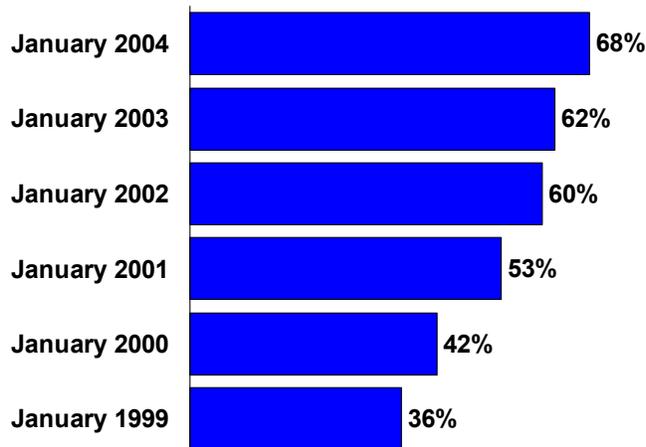


Internet Usage Trends



Access to the Internet at Home Nears Seven in 10 Americans

% with Internet Access at Home

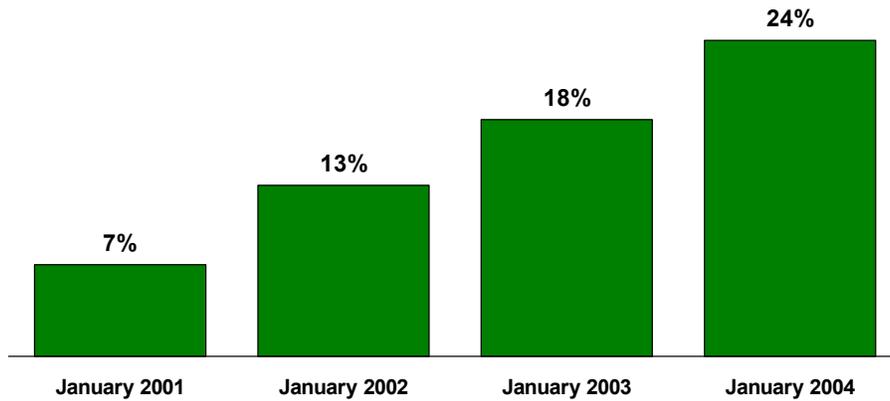


Base: Total Population 12+



Residential Broadband More Than Tripled in Three Years

% Who Have Broadband Internet Access at Home



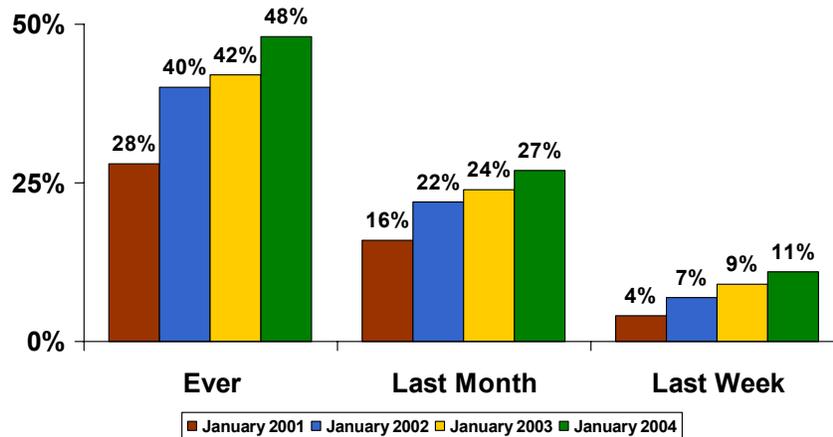
Base: Total Population 12+



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Buying Online Becoming More of a Regular Habit

% Who Have Purchased Online...



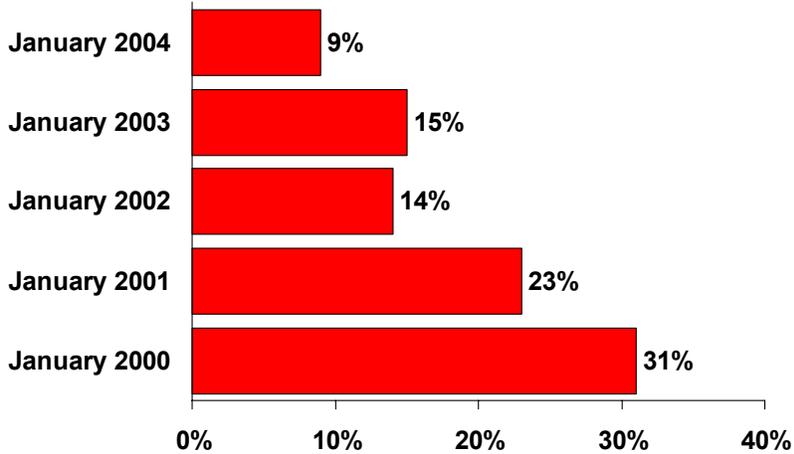
Base: Total Population 12+



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Clicking on Banner Ads Continues to Decline

% Online Who Have Clicked on Banner Ads in Last Month



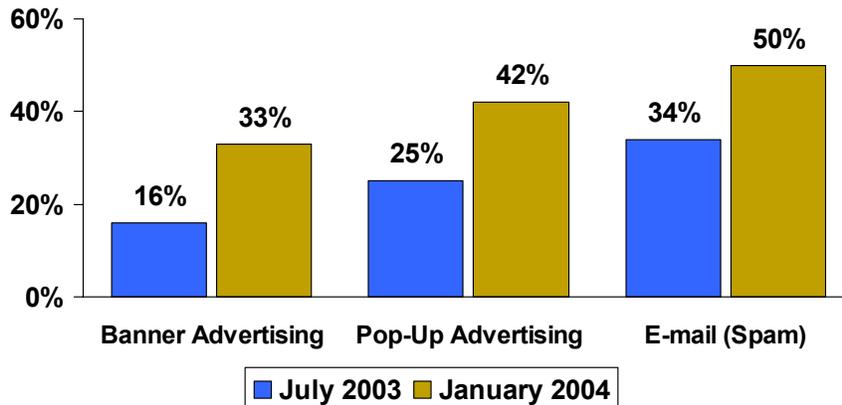
Base: Currently Access the Internet



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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



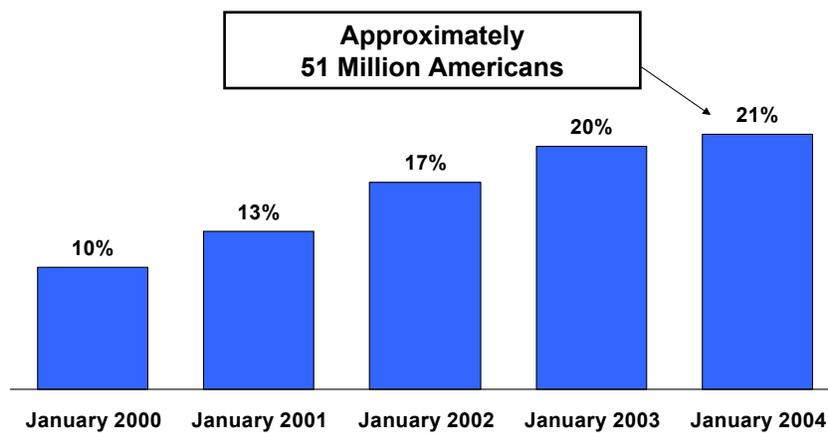
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Internet Broadcast Trends



More Than 50 Million Americans Used Online Audio or Video in the Past Month

% of Americans Who Have Used Internet Audio or Video in Past Month

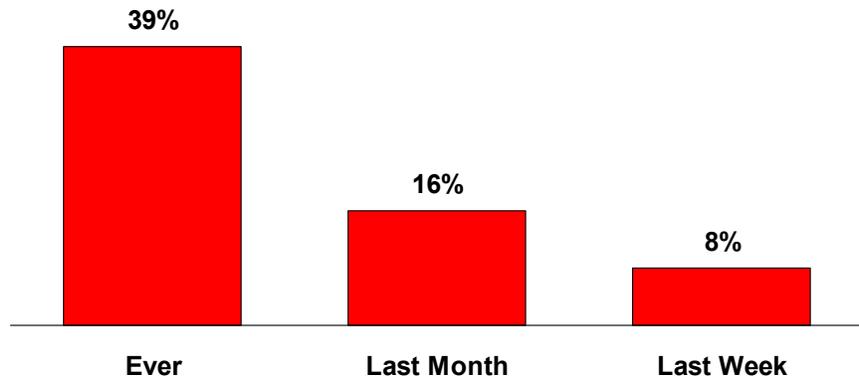


Base: Total Population 12+



Four in 10 Americans Have Listened to Internet Radio

% Who Have Listened to Radio Stations over the Internet or Internet-Only Radio...

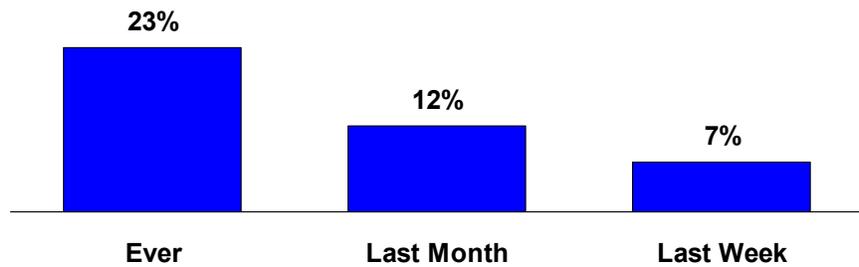


Base: Total Population 12+



Nearly One in Four Americans Have Ever Viewed Internet Video

% Who Have Viewed Internet Video...



Base: Total Population 12+

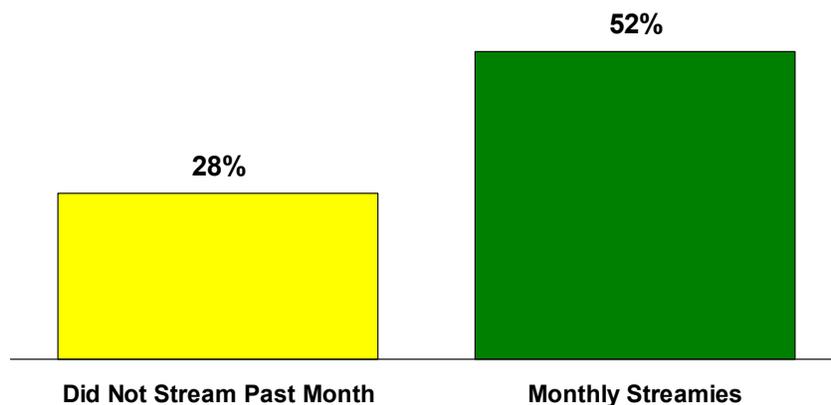


The Value of Internet Broadcast Advertising



More Than Half of Monthly Streamies Made Online Purchase in Past Month

% Who Have Purchased Online in the Past Month



Base: Currently Access the Internet



Monthly Streamies Spend More Money Online

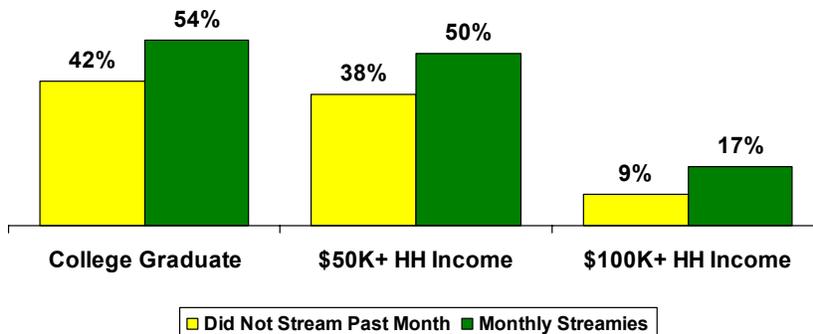
Average Amount Spent Online in the Past Year



Base: Currently Access the Internet



Monthly Streamies More Educated and Upscale

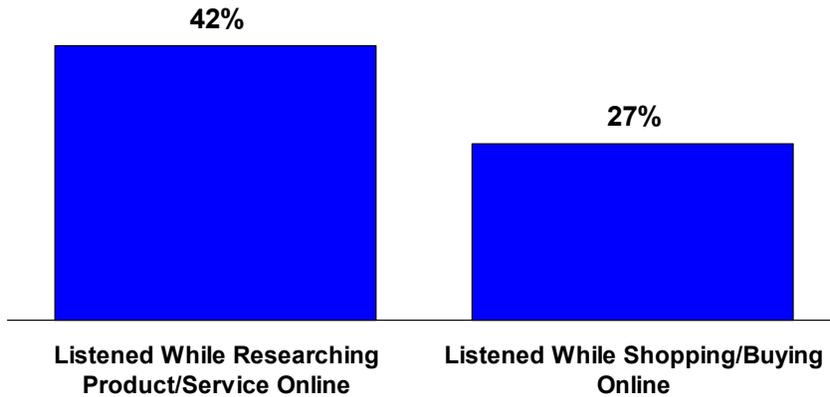


Base: Currently Access the Internet



Internet Radio Is the Soundtrack for Online Shopping and Buying

% of Internet Radio Listeners Who Have Ever...

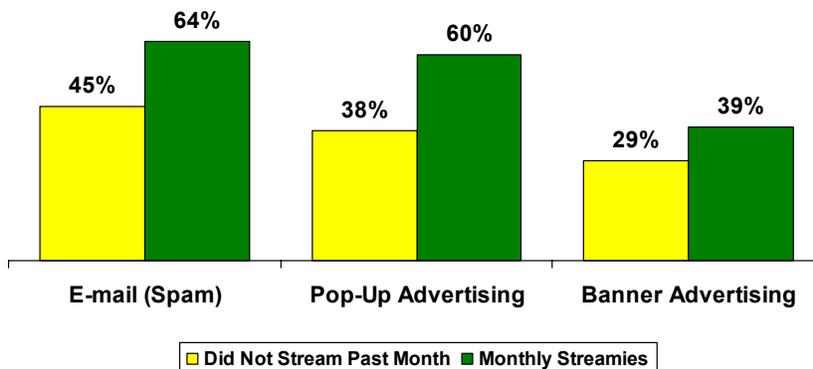


Base: Ever Listened to Internet Radio



Monthly Streamies More Likely to Block Ordinary Internet Advertising

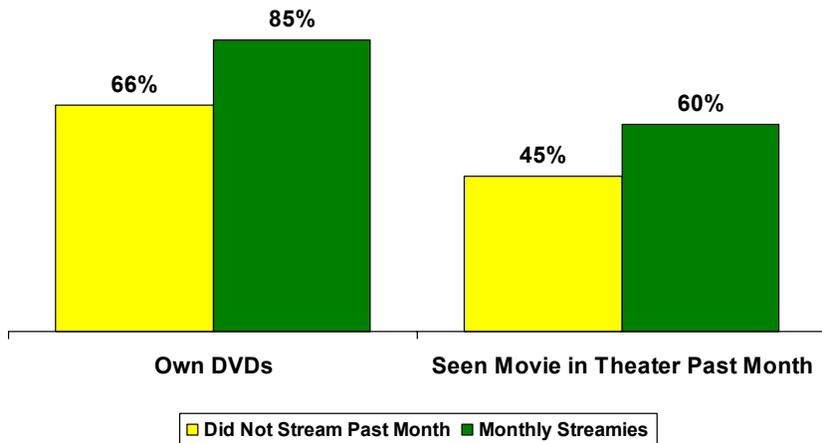
% Using Software on Home or Work Computer to Eliminate...



Base: Currently Access the Internet



Monthly Streamies Buy More DVDs and See Movies More Often



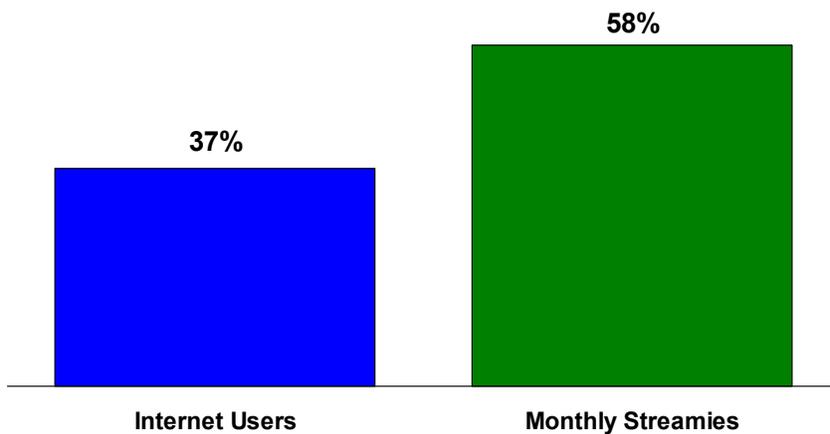
Base: Currently Access the Internet



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Monthly Streamies More Likely to Have Residential Broadband

% Who Have Broadband Internet Access at Home



Base: Currently Access the Internet

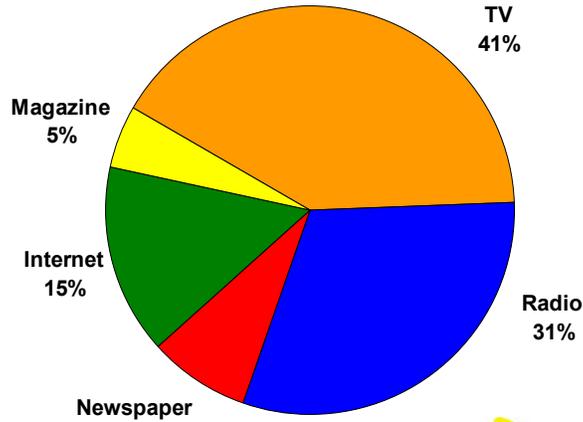


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TV and Radio Dominate Time Spent Among Those People Who Didn't Stream Last Month

% of Time Spent Per Day Among TV, Radio, Newspaper, the Internet and Magazines

People Who Did Not Stream in Past Month



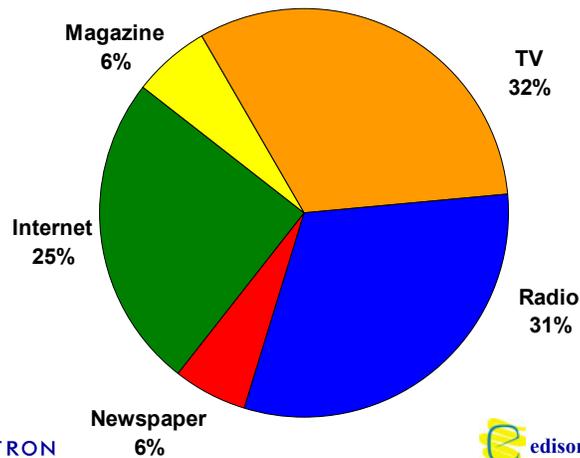
Base: Currently Access the Internet



Monthly Streamies Spend Nearly Equal Time with TV, Radio and the Internet

% of Time Spent Per Day Among TV, Radio, Newspaper, the Internet and Magazines

People Who Streamed in Past Month

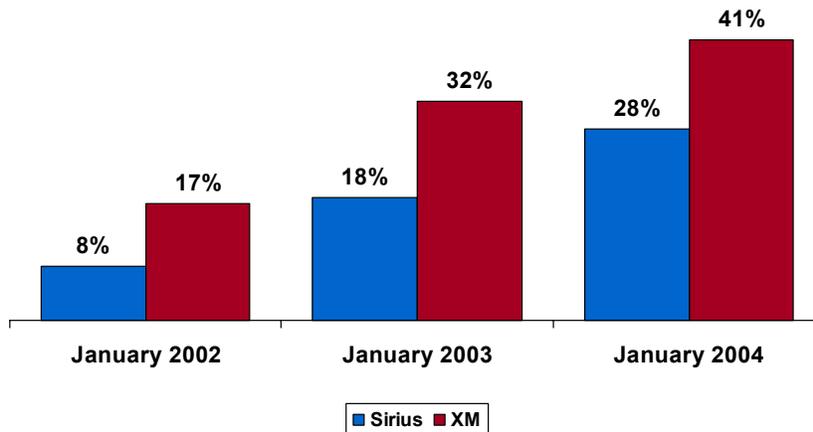


New Media Technologies and New Views on Traditional Media



Awareness of Satellite Radio Continues to Rise

% Aware of Satellite Radio Brands

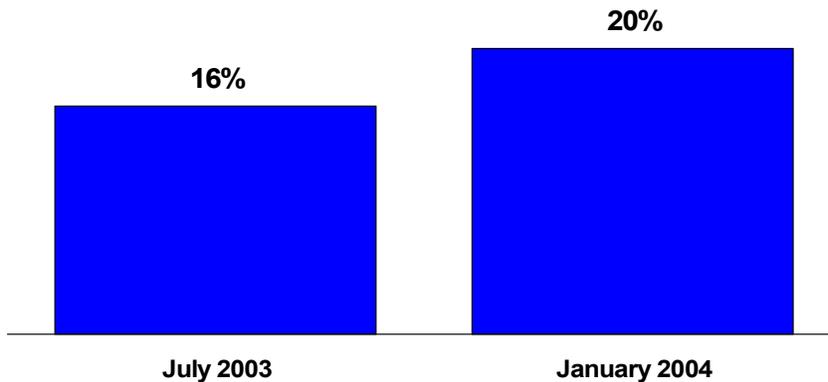


Base: Total Population 12+



One in Five Americans Own More Than 20 DVDs

% Owning More Than 20 DVDs

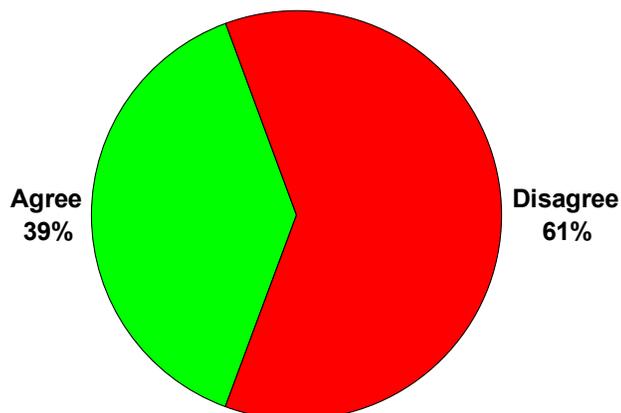


Base: Total Population 12+



Nearly Four Out of 10 Envision a Future When People Will Use Only Cell Phones

“Do you AGREE or DISAGREE that in the future there will be NO more landline telephones because everyone will be using a cell phone only?”

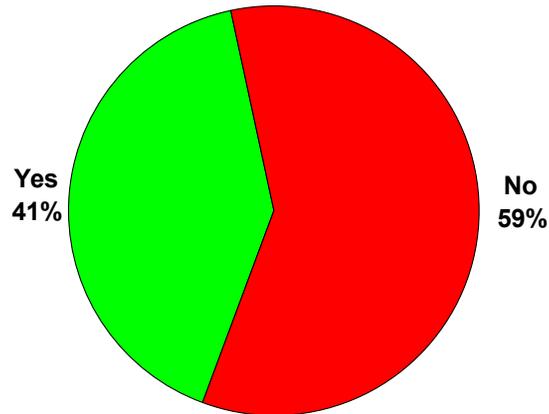


Base: Total Population 12+



Four Out of 10 Already Know Someone Who Uses Only a Cell Phone

“Do you know anyone who ONLY uses a cell phone and does NOT use wired ‘landline’ telephone service?”

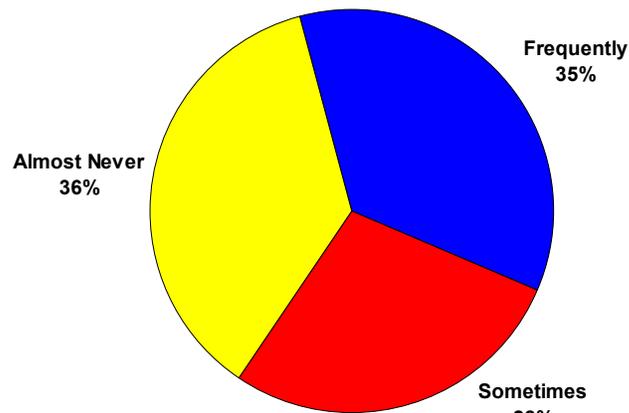


Base: Total Population 12+



“Media Multitasking”: A Significant New Fact of Media Life

“How often do you use the Internet AND watch TV in the same room and at the same time?”

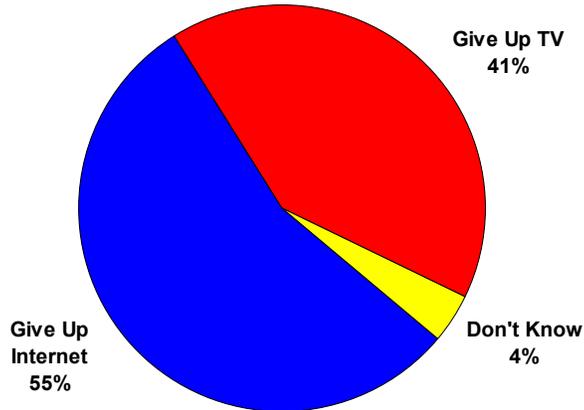


Base: Have Internet Access and TV in the Same Room



More Than Four in 10 Online Americans Would Give Up Television to Keep Internet Access

“Suppose you could never watch television again OR you could never access the Internet again. Which would you be more willing to eliminate from your life?”

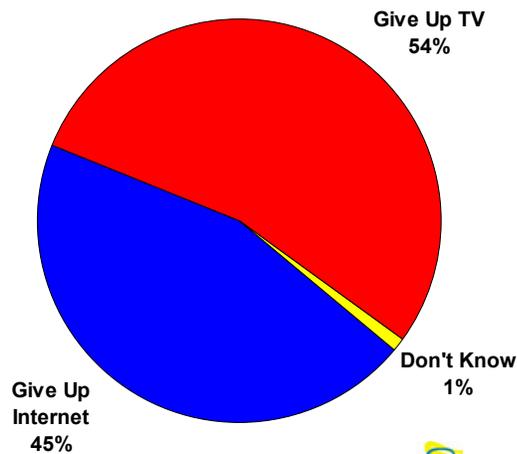


Base: Access the Internet from Any Location



Nearly Half of 12- to 24-Year-Olds Would Give Up Television to Keep Internet Access

“Suppose you could never watch television again OR you could never access the Internet again. Which would you be more willing to eliminate from your life?”

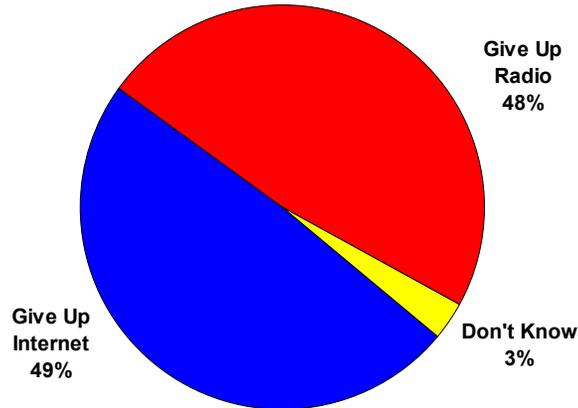


Base: 12- to 24-Year-Olds Who Access the Internet from Any Location



Nearly Equal Amount Would Give Up Radio As Would Give Up Internet Access

“Suppose you could never listen to radio again OR you could never access the Internet again. Which would you be more willing to eliminate from your life?”

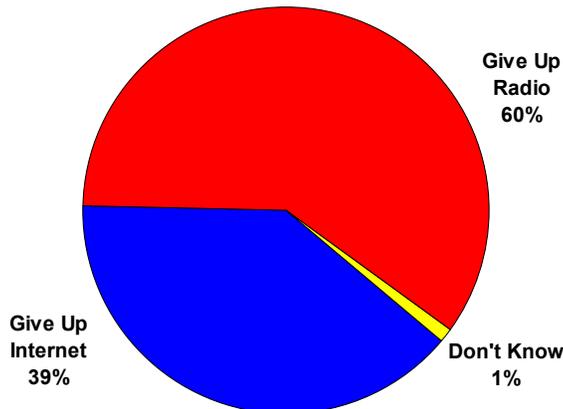


Base: Access the Internet from Any Location



Six in Ten 12- to 24-Year-Olds Would Give Up Radio to Keep Internet Access

“Suppose you could never listen to radio again OR you could never access the Internet again. Which would you be more willing to eliminate from your life?”



Base: 12- to 24-Year-Olds Who Access the Internet from Any Location



Recommendations



Recommendations

- 1. Advertisers should run audio and video commercials to reach those shopping or researching products online.**

The Internet broadcast audience is a very special, highly focused group of consumers. Commercials inserted into online programming will get their attention just as the purchase decision is forming.



Recommendations

◆

2. Use Internet broadcasting to reach the hard-to-reach young male audience.

In a world of TiVo, pop-up/banner blockers, video games and DVDs, Internet broadcasting may be a highly effective way to reach (or increase frequency) with males 18-34.



Recommendations

◆

3. Internet broadcasters need to generate publicity for their industry and promote the quality of their audience.

Now that the Internet broadcast audience is here, broadcasters need to let advertisers and agencies know about it.



Recommendations

- 4. Movie studios in particular should promote their new movies using Internet broadcasting.**

Online movie trailers are an exceptionally compelling advertising vehicle because the people who have watched online trailers see far more movies and buy more DVDs than the average consumer.



Recommendations

- 5. Cellular service providers have a timely opportunity to target consumers who plan to take advantage of “number portability” in the coming year.**

Advertising on Internet broadcasts is an efficient and timely strategy to reach those currently considering switching cell phone providers.



Recommendations

6. **Advertisers should use Internet broadcasting to reach those who buy and try new products and services first.**

There is a strong correlation between Internet broadcast consumption and the tendency to be on the cutting edge of trying and buying new products and services. “Early Adopters” are valuable opinion leaders who often influence others.



Recommendations

7. **Advertisers should use Internet broadcasting to reach online consumers who are increasingly using software to block pop-ups, banner ads and spam.**

Internet broadcasting is the antidote for reaching the growing number of consumers who use software to block unwanted Internet advertising. Online commercials can be heard whether or not consumers use this type of software.



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