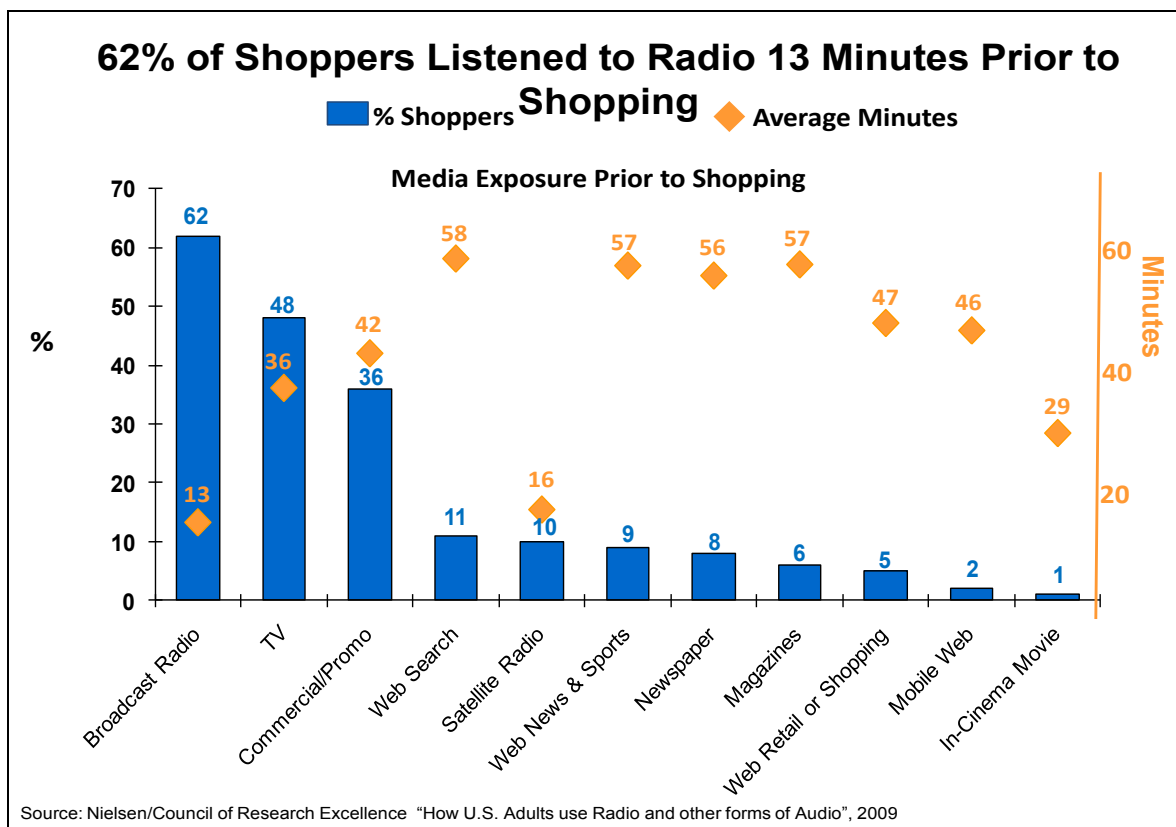


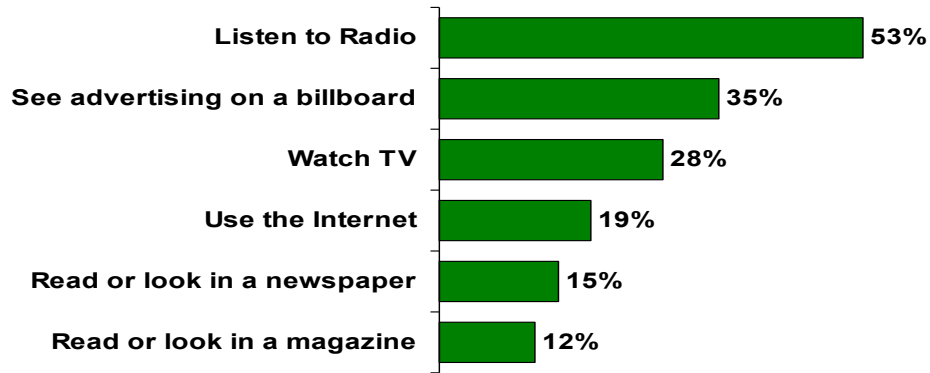
Radio's Proximity to the Purchase

Per Nielsen 2009 CRE



Radio Reaches the Most Consumers Right Before They Buy

% Who Used Medium Within 30 Minutes of Last Purchase



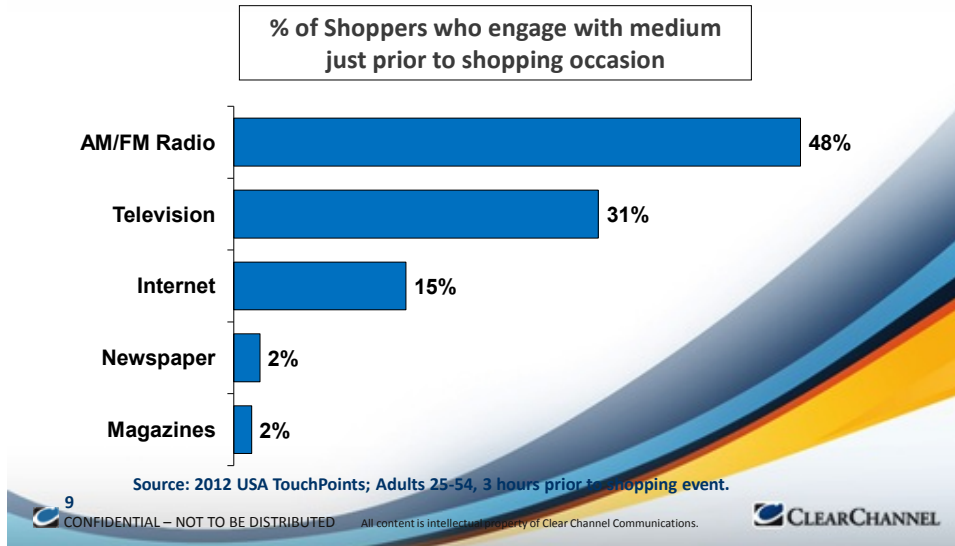
© 2011 Arbitron Inc./Edison Research/Scarborough Research
Slide 27

Base: Bought something at supermarket, department store, or any other type of store in past 24 hours



COMMENT: RADIO ENJOYS TWO KEY COMPETITIVE ADVANTAGES- TARGETING-IN-TIME AND NEARNESS TO PURCHASE OR PROPINQUITY. THE SLIDE BELOW CONFIRMS THE 2010 CRE INFORMATION WHICH SHOWS THAT RADIO EXCELS AT BOTH. A PERFECT STORM OF MESSAGE DELIVERY)

Leading into the purchase occasion, Radio reaches more shoppers than any other media

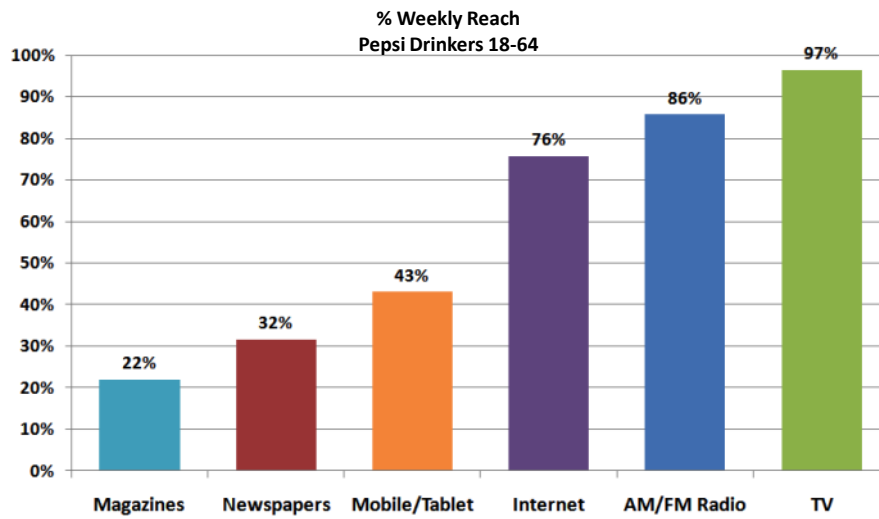


The following slides were derived from USA Touchpoints that confirms that Radio's usage coincides with Pepsi shoppers much more so than TV:

The Internet does not include email, but includes internet activity via any platform – pc, mobile, tablet.

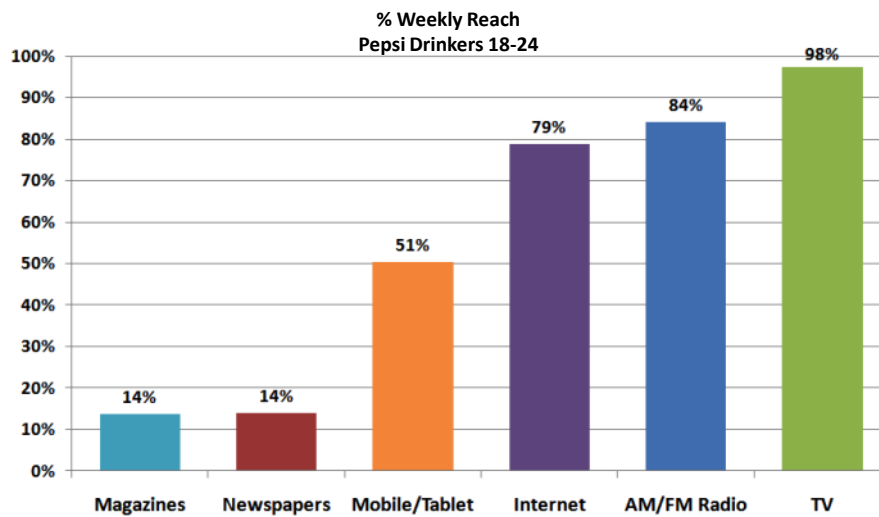
Mobile/Tablet includes internet/apps via the mobile device – not talking/texting.

86% of adult Pepsi drinkers listen to Radio each week



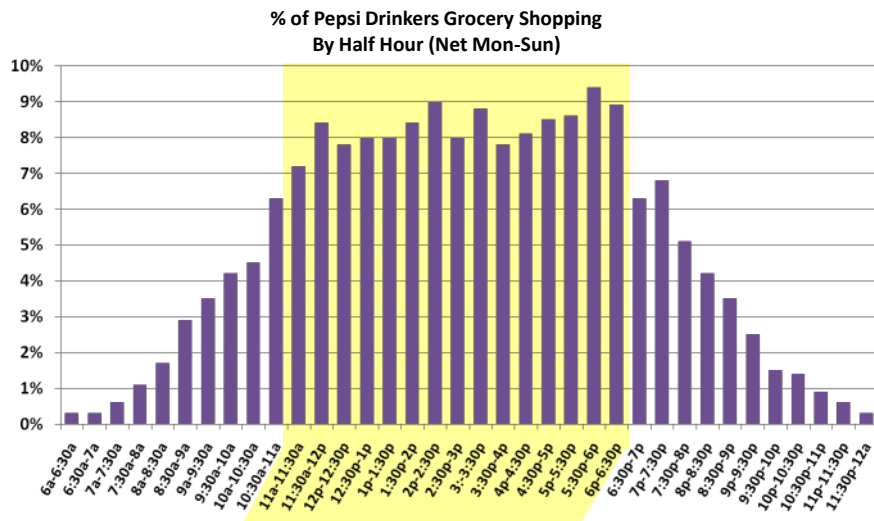
Source: 2012 USA TouchPoints

Even among younger Pepsi drinkers, Radio is the 2nd highest reaching medium



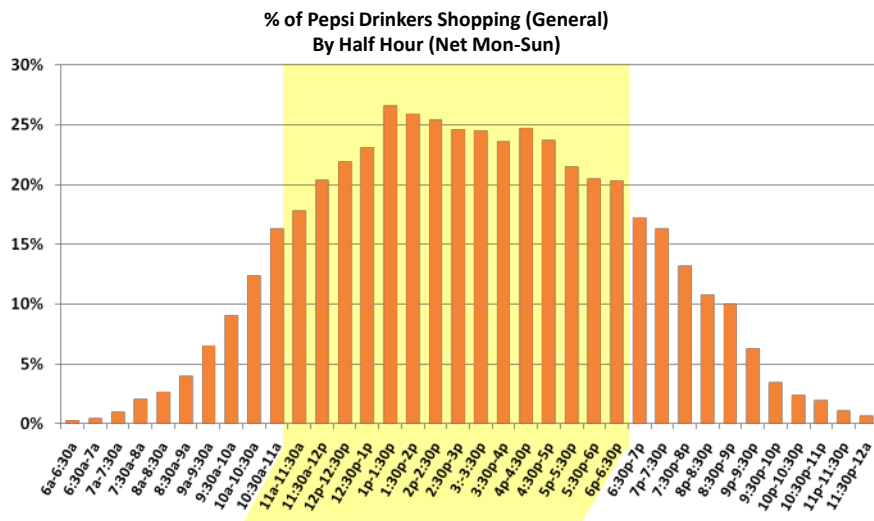
Source: 2012 USA TouchPoints

Key grocery shopping times for Pepsi drinkers



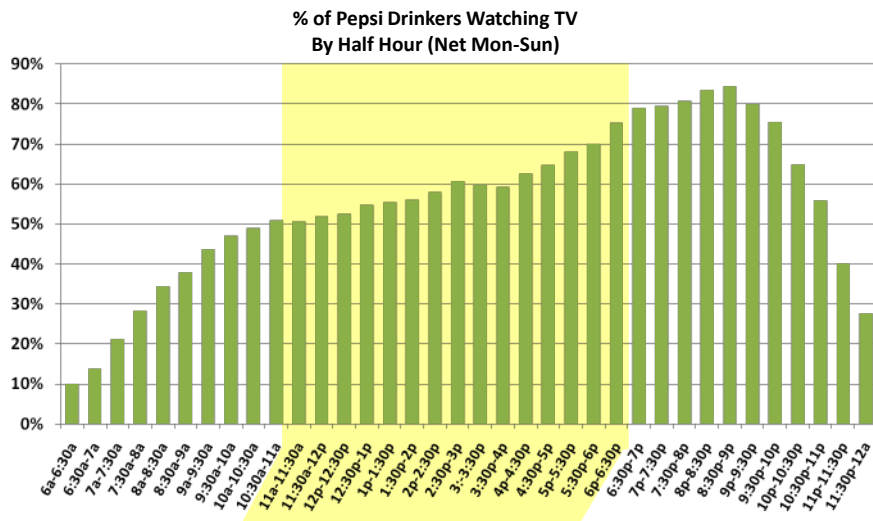
Source: 2012 USA TouchPoints

Pattern of “general” shopping among Pepsi drinkers



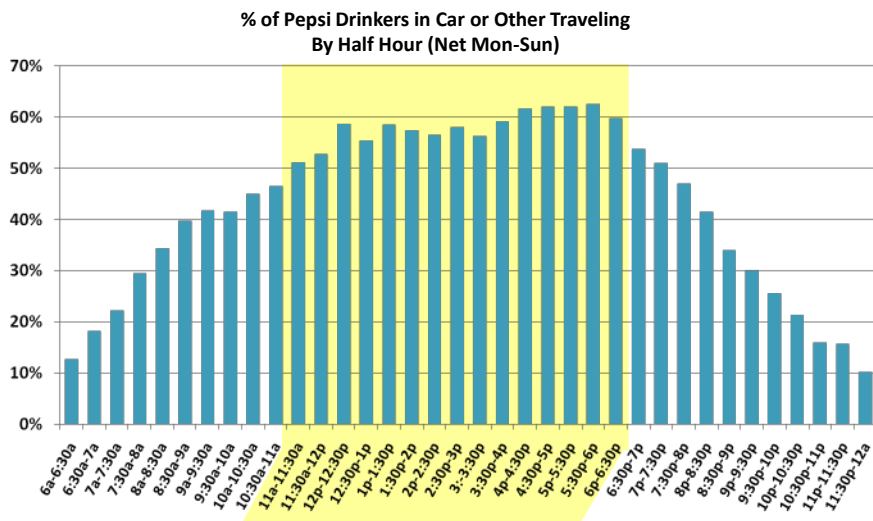
Source: 2012 USA TouchPoints

TV's usage profile is skewed much toward the evening when shopping is less prevalent



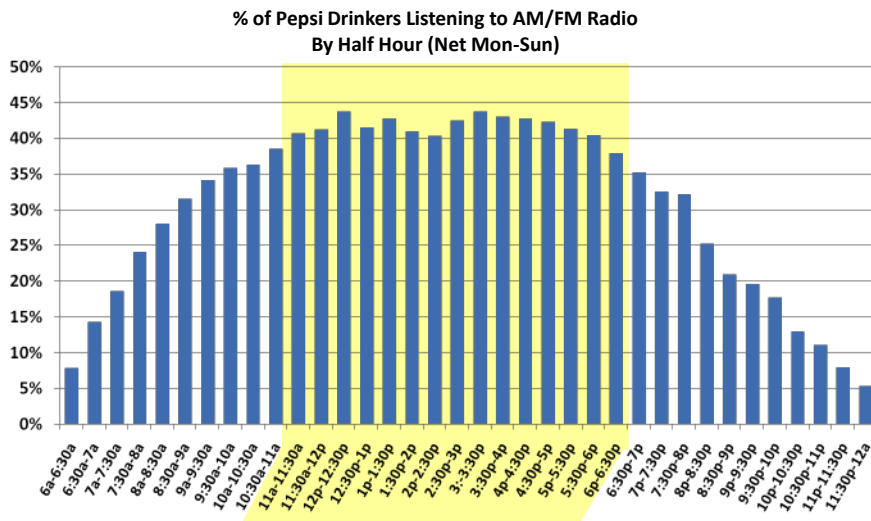
Source: 2012 USA TouchPoints

Automobile usage among Pepsi drinkers peaks during prime shopping hours



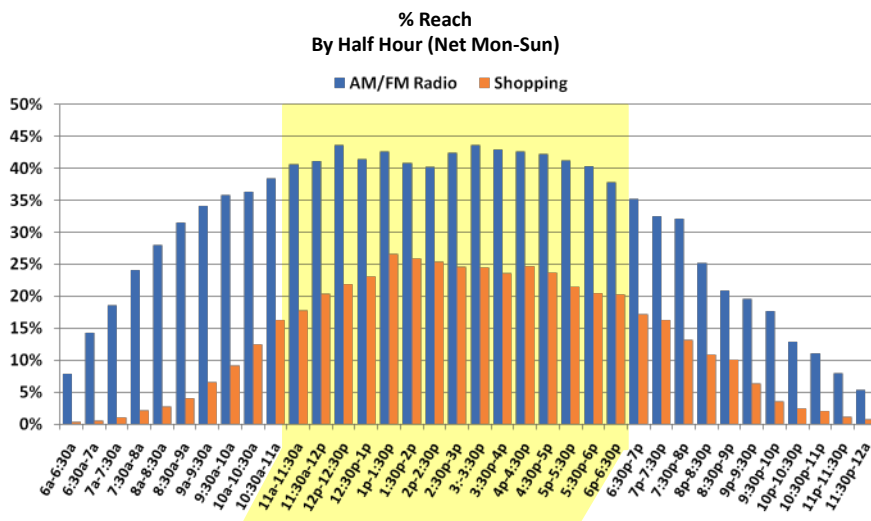
Source: 2012 USA TouchPoints

Radio usage among Pepsi drinkers also peaks during prime shopping hours



Source: 2012 USA TouchPoints

Pepsi drinkers' radio usage matches their shopping pattern ...potential to influence shoppers close to point of purchase



Source: 2012 USA TouchPoints

Marketing Evolution conducted a test for McDonald's flatbread chicken sandwich campaign measuring how different ads at different times of the day generated as much as 40% higher impact around lunch and dinner meal times versus when the exact same ads ran at different times when people were not as receptive to a chicken

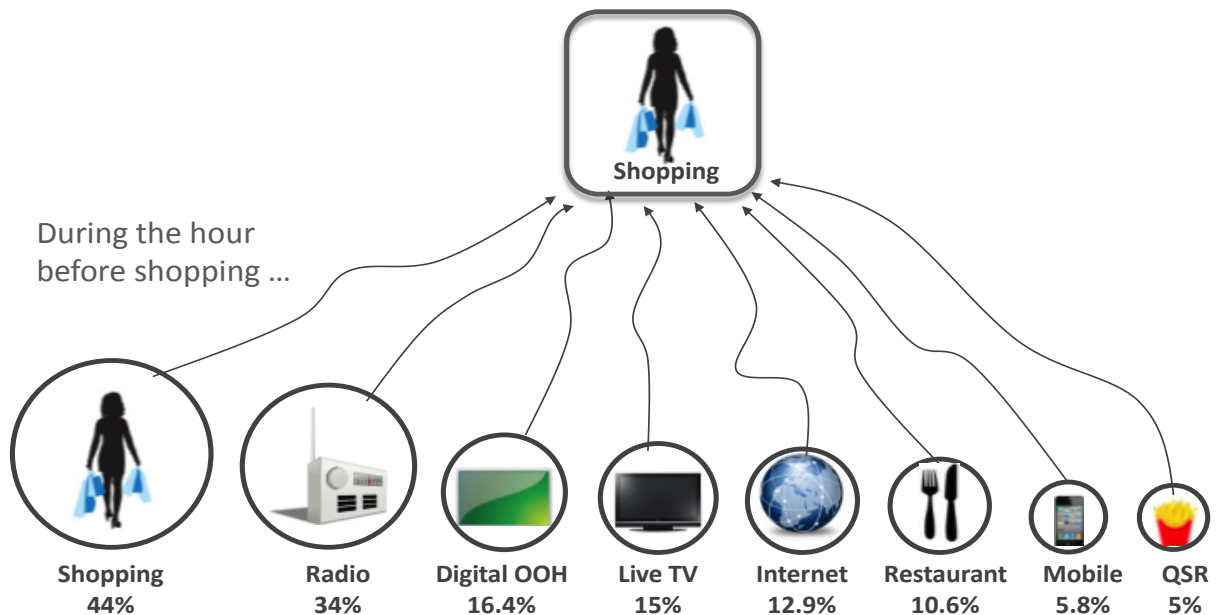
sandwich. (Editorial: there is no mass medium that is as effective as radio when an advertiser wants to target-in-time)

The information below is taken from USA Touchpoints 2011 Pilot data. Radio is the #1 medium enabling an advertiser to target-in-time and to deliver a message when it can be acted upon.

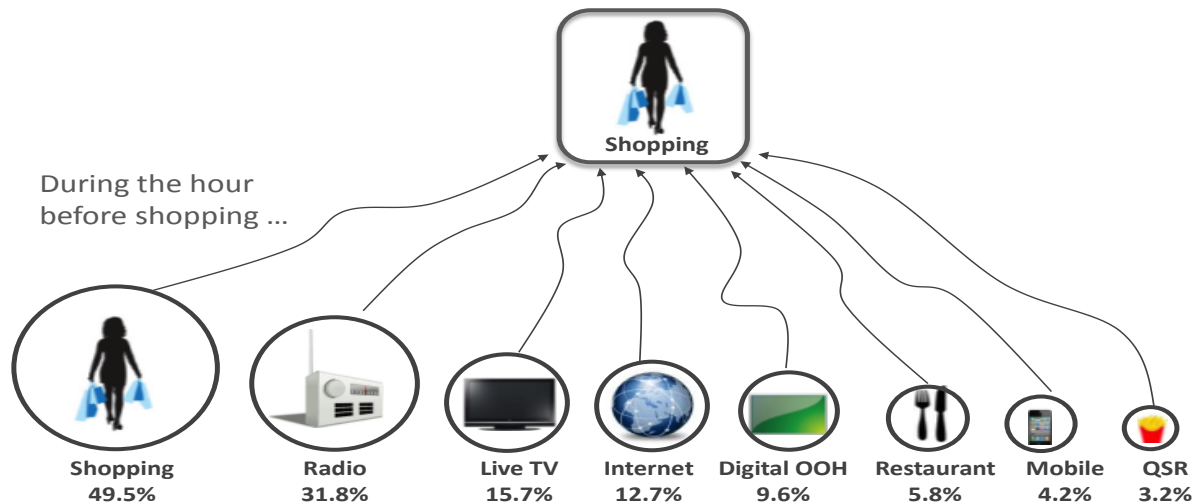
Path-to-Purchase from USA TouchPoints

May 2012

The Early Afternoon Paths to Purchase



The Late Afternoon Paths to Purchase



Radio excels in reaching people on the go. The Council of Research Excellence published data extracted from the 2009 Video Consumer Mapping Study noting that 62% of shoppers are exposed to radio 13 minutes or less before walking into a store.

Advertising and the creative influences brand preference, but it's a **medium's job to deliver that message in the key window of opportunity** -- radio does this more effectively than any other medium. It can also deliver commercial messaging in different contexts at different moments of receptivity and to places other media simply don't go, i.e. the automobile.

2011 USA Touchpoints confirms radio's dominance to "target-in-time". 42% of the customers who visited McDonald's between 8A-9A were listening to radio 30 minutes or less prior to going there. 24% were listening to radio 30 minutes or less prior to going to McDonald's between 11:30A- 1:30P.

McDonald's Past 6 months				
At QSR between	Radio 1/2 hr before	Internet 1/2 hr before	Mobile 1/2 hr before	TV 1/2 hr before
8a-8:30a	60.6	11.9	0.0	23.3
8:30a-9a	23.4	4.4	0.0	18.4
8a-9a Avg	42.0	8.2	0.0	20.9
11:30a-12n	25.9	12.1	0.0	6.0
12n-12:30p	27.3	9.3	1.9	5.6
12:30p-1p	19.3	3.8	4.9	5.3
1p-1:30p	23.3	8.1	1.5	1.5
11:30a-1:30p Avg	24.0	8.3	2.1	4.6
5p-5:30p	23.3	5.9	8.2	8.6
5:30p-6p	11.8	5.7	3.1	11.1
6p-6:30p	36.1	2.2	8.1	7.0
5p-6:30p Avg	23.7	4.6	6.5	8.9

Case Study Background

Business challenge:

- Although many fast food brands do use radio in their marketing plans, it is usually a secondary medium when compared to the ad spend in other major media, particularly TV.

Research goal:

- To provide QSR advertisers and their respective planning agencies evidence that the Radio medium absolutely be a primary medium on plans.

USA Touchpoints application:

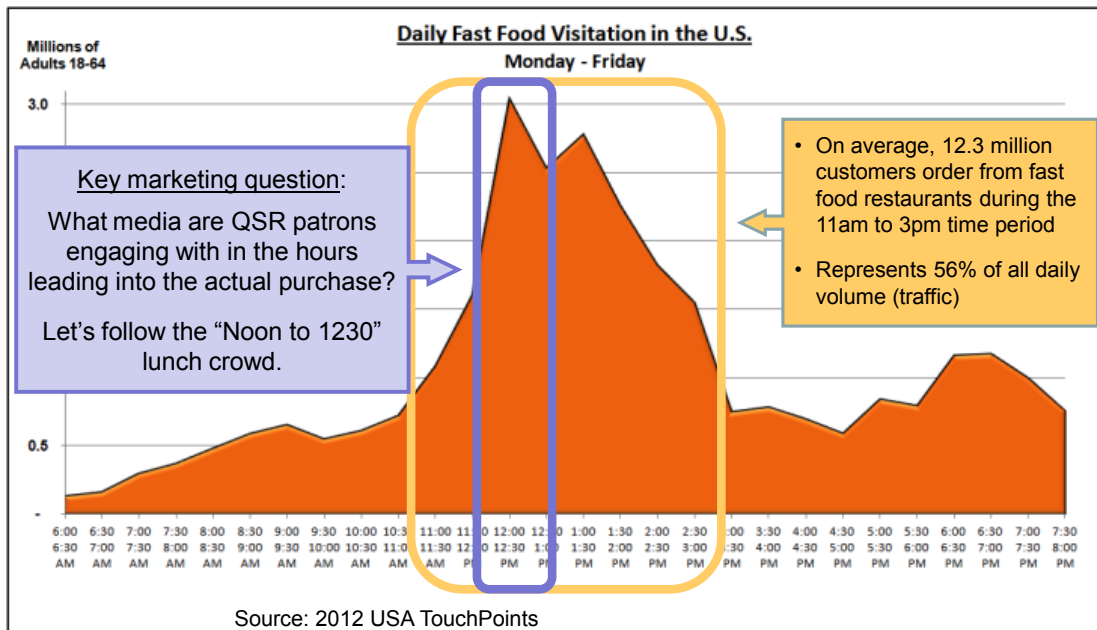
- USA Touchpoints has enabled Katz to identify which medium fast food customers are exposed to prior to entering to purchase
- Results:
- Katz has produced an analysis that will provides a concrete rationale as to why QSR marketers should have radio become a more important part of their media and marketing plans.
 - We will produce similar “media build up” analyses for other product categories such as grocery, retail, restaurants and travel.

Fast Food Facts per USA Touchpoints

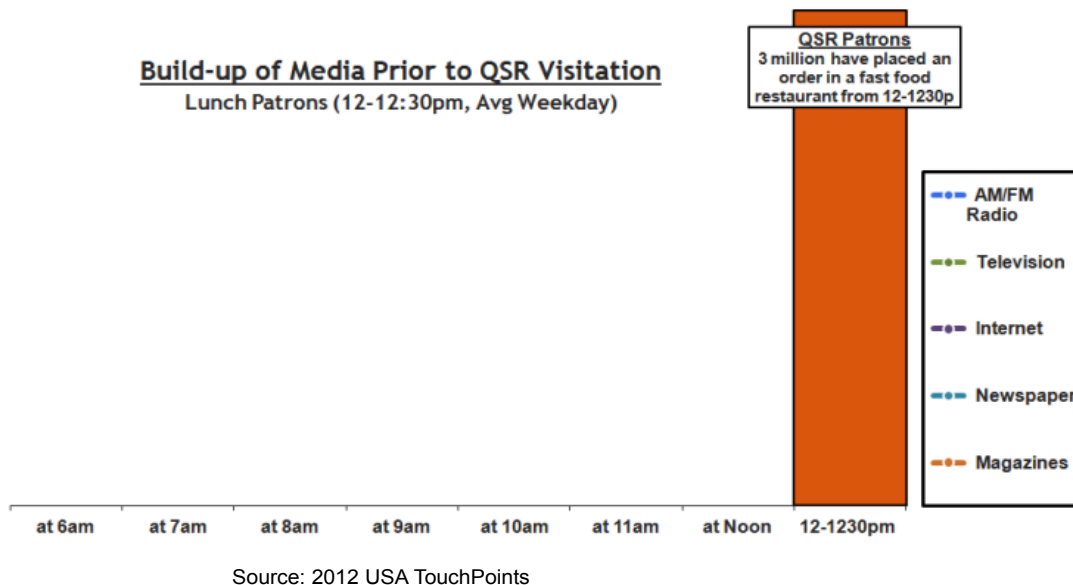
The latest estimates from USA TouchPoints

- 47% of Americans eat at fast food restaurants in the average week
 - 13% during the typical weekday
- Top 5 QSRs: (% of adults who visit in the avg week)
 - McDonalds (33%)
 - Subway (13%)
 - Burger King (12%)
 - Wendys (11%)
 - Taco Bell (10%)
- 56% of QSR volume occurs during lunchtime hours (11am to 3pm)
- QSR visitation peaks from 12 to 1230pm on weekdays

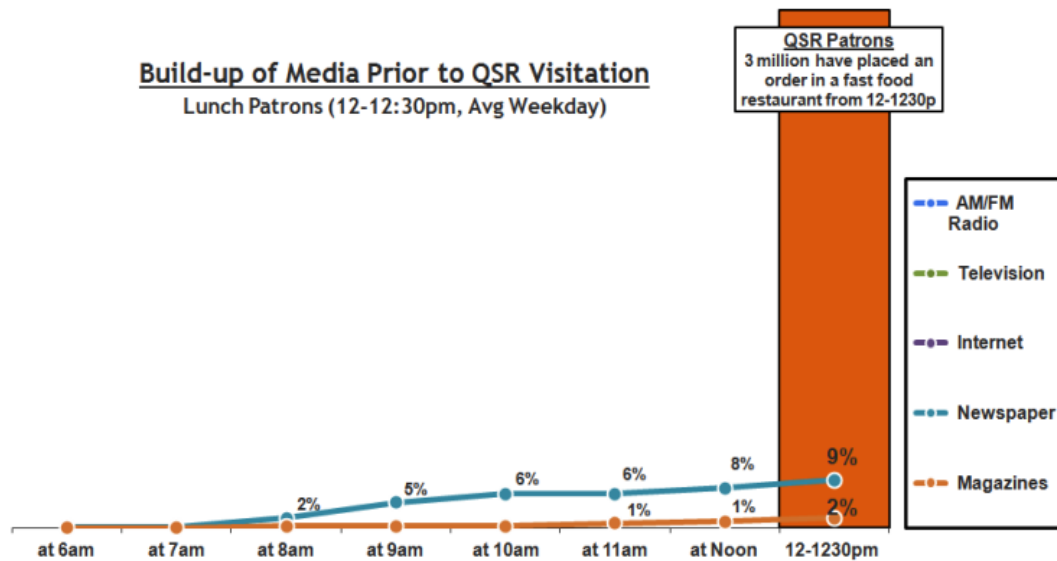
“Lunchtime is Primetime” for QSRs
56% of daily traffic occurs from 11am to 3pm
....while peaking at 12:30pm



What media have Lunchtime QSR Patrons engaged with prior to their visit?

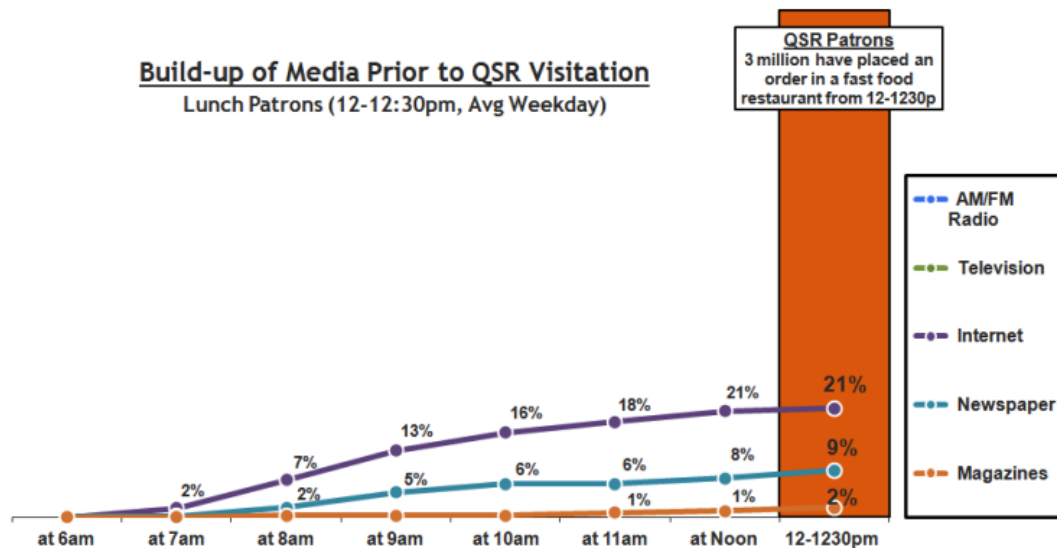


Only 9% of these QSR Patrons read any Newspapers prior to their lunch purchase



Source: 2012 USA TouchPoints

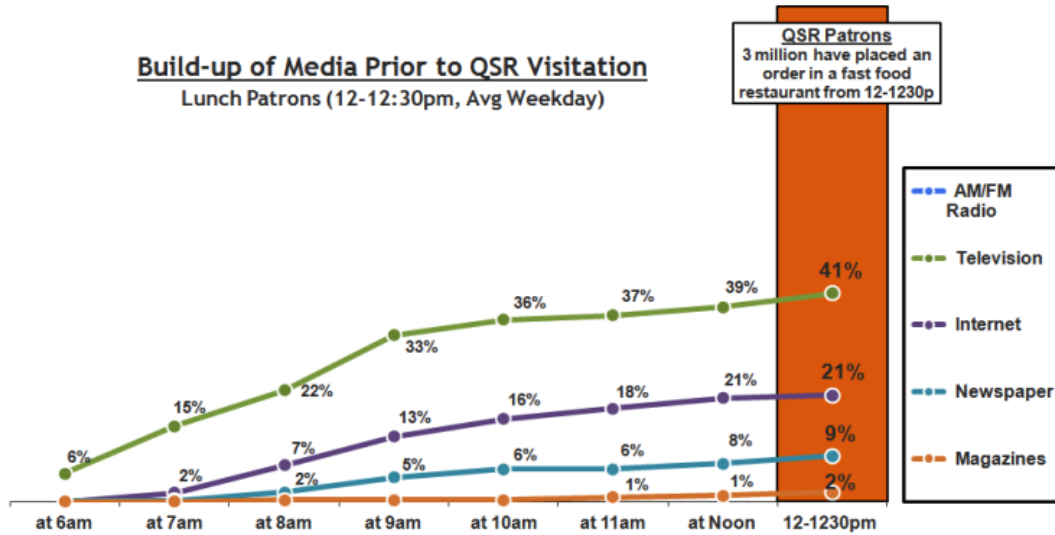
21% of these QSR Patrons will use the Internet in the hours leading into their 12:30 lunch purchase



Source: 2012 USA TouchPoints

The majority of QSR patrons do not watch Television prior to their lunch purchase that day

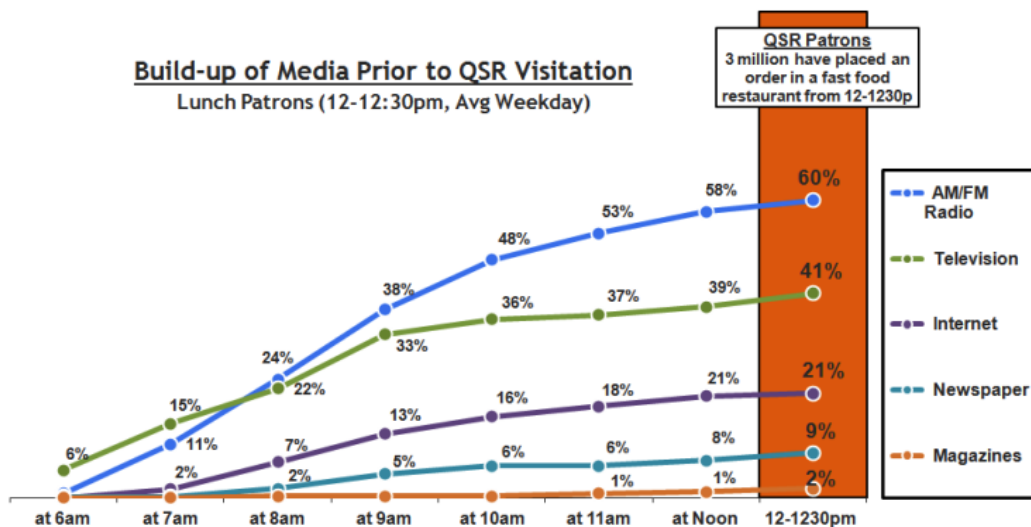
...of the 41% that do watch TV, most do so before 9am



Source: 2012 USA TouchPoints

Proximity to the Purchase!

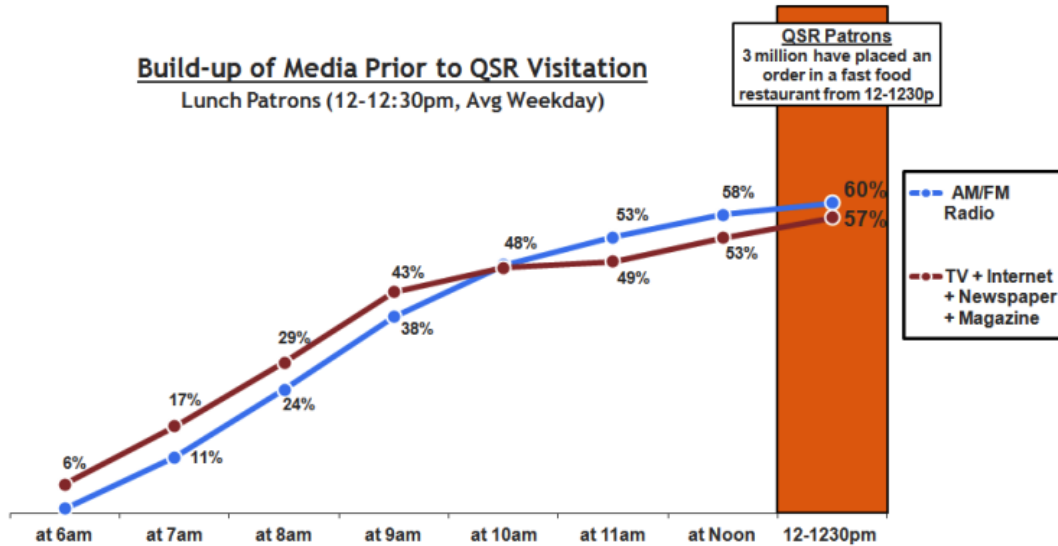
60% of Lunchtime QSR Patrons have been engaging with AM/FM Radio prior to their visit!



Source: 2012 USA TouchPoints

Proximity to the Purchase!

In fact, more QSR patrons engage with AM/FM Radio before lunch than the other 4 media combined



Source: 2012 USA TouchPoints

Media Definitions

AM/FM Radio

- Does not include Streaming

Television

- Watching live or DVR
- Network TV
- Cable TV
- Premium Channels

Newspapers

- Via print copy
- Via PC
- Via mobile
- Via tablet
- Via eReader

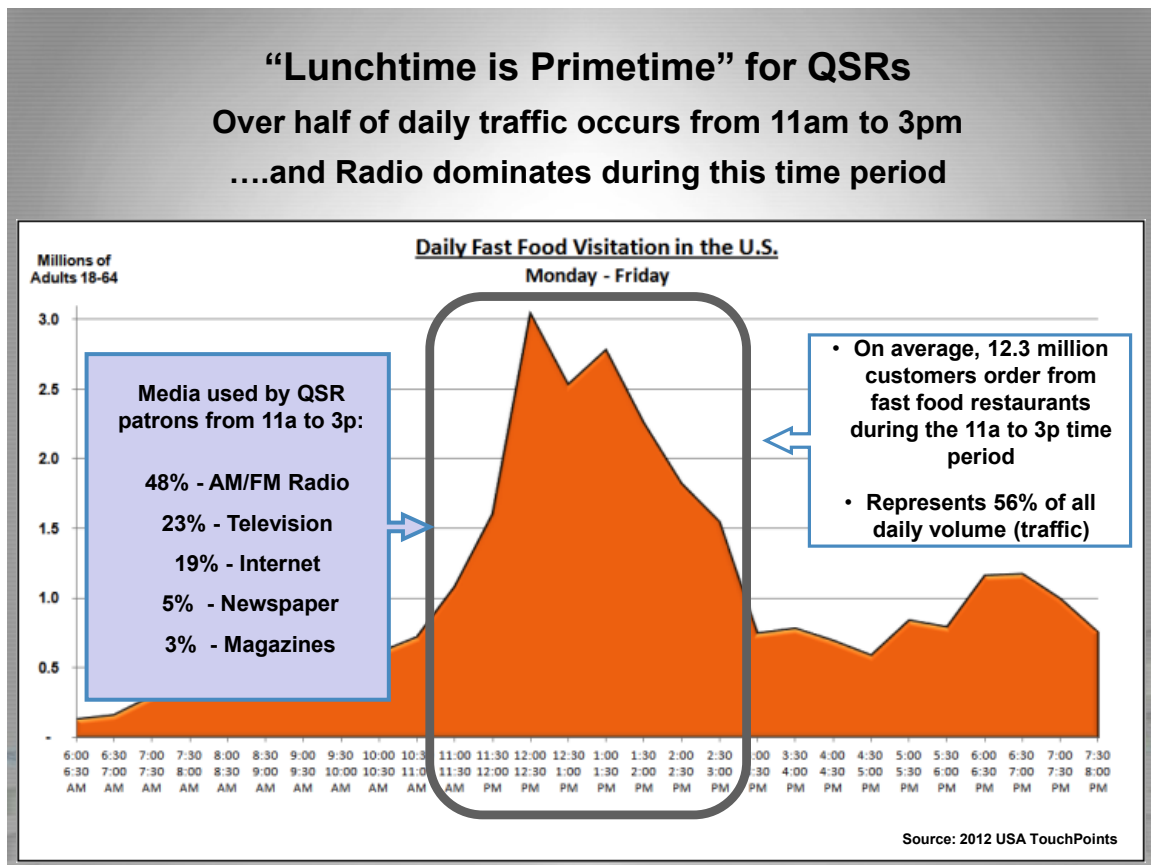
Magazines

- Via print copy
- Via PC
- Via mobile
- Via tablet
- Via eReader

Internet (does not include email, apps or software programs)

- | • Via PC | • Via Mobile | • Via Tablet |
|---|-----------------------------------|-------------------------------------|
| • Apparel and beauty | • Auction (e.g., eBay) | • Automotive |
| • Banking (e.g., paying bills online) | • Chatting | • Computer and consumer electronics |
| • Coupons and rewards | • Face-to-face chat or Skype | • Investments and insurance |
| • Food and cooking | • Online games | • Health, fitness and nutrition |
| • Home and garden | • Kids, games and toys | • Hobbies |
| • Music, radio or podcasts | • News | • Maps and travel information |
| • Reading books, newspapers or magazines online | • Portals (e.g., AOL, Yahoo!) | |
| • Social networking | • Search | • Shopping |
| • Sports event | • Sports information | • Travel planning |
| • Watching full TV episodes | • Watching movies (e.g., Netflix) | • Watching short video clips |
| • Weather | • Adult entertainment | |

Close to 60% of people who visited a fast food restaurant between the hours of 11AM-3PM when 56% of the daily fast food business is done were exposed to radio during that period, thus giving an advertiser the opportunity to influence choice of restaurant. Compare this to only 23% for TV and 19% for the internet. **In fact, Radio reaches more fast food customers than all other media combined during this crucial period.**



“The Right Place at the Right Time” – A Real Benefit for Advertisers

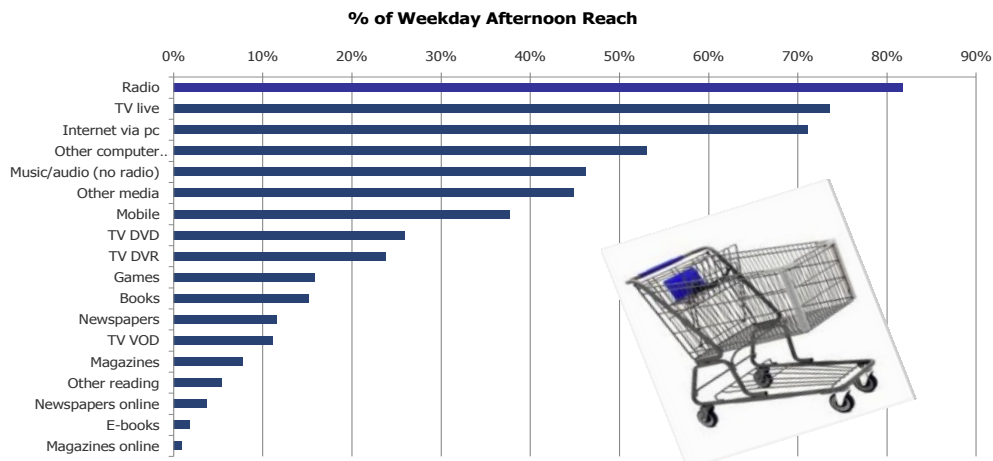
- **90%** of purchasing decisions are made the day of the purchase, **70%** just prior to the purchase
- **82%** of all shopping trips are unplanned shopping – no one knows what’s for dinner until they’re on the way home
- **72%** of drivers frequently or sometimes shop on their way home from work
- **95%** of *working people* listen to the radio during the day and/or in their cars on the way home each week
- More people are likely to be exposed to radio prior to shopping than to any other medium
- Radio is the highest ranking out-of-home medium

**Radio gets your message across when the timing is right –
just before people decide what to buy or where to shop.**

Source: Nielsen nVideo Consumer Mapping Study, Council for Research Excellence, with Ball State U. June 2010. Arbitron In Car Study October 2009; Domino's Pizza Consumer Study 2006; Source: The Nielsen Company e: <http://blog.nielsen.com/nielsenwire> Jan 2011; RADAR 110, Sept 2011; Arbitron/Edison "The Road Ahead" Oct 2011; "Radio in the context of daily life" – MBI August 2011, Adults 18-49

KATZ | RADIO GROUP

Radio Is There When People Are Most Likely To Go Shopping



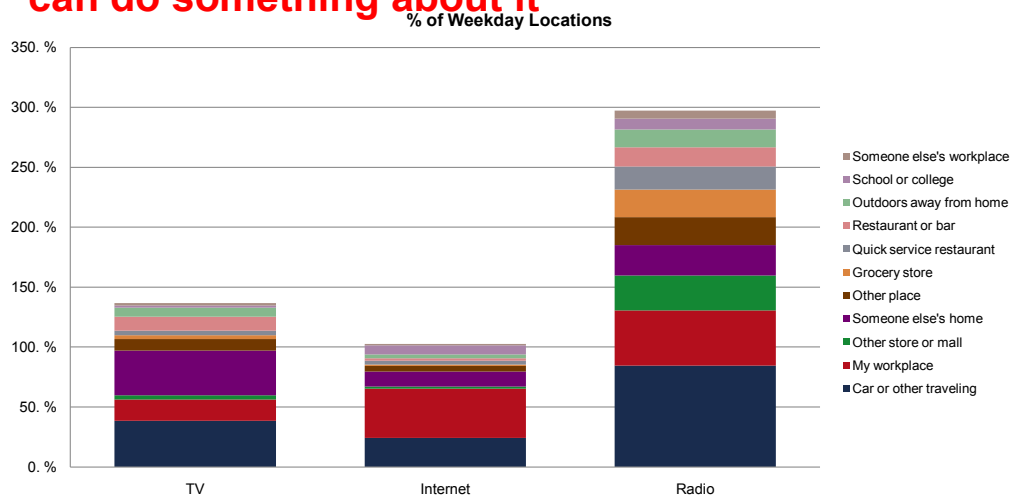
A18-49

Source: Media Behavior Institute: USA TouchPoints 2011

KATZ | RADIO GROUP

Reaches people when and where decisions are being made. 2011 CIMM data collaborates- reaches more people in more locations outside the home:

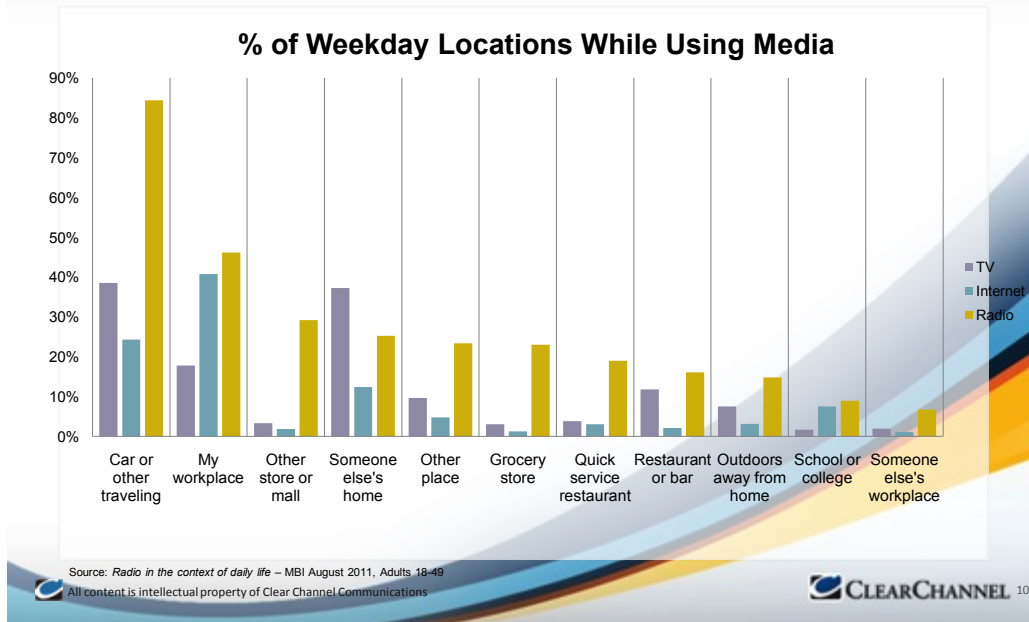
Radio Reaches More Consumers In More Locations **Huge Radio Advantage- exposure when they can do something about it**



A18-49

Media Behavior Institute USA TouchPoints 4

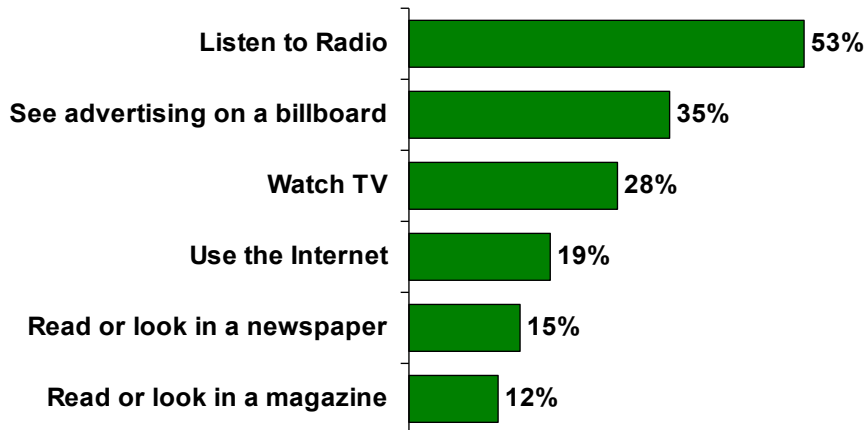
Radio Is The Highest Ranking Out Of Home Medium



This is also confirmed by Arbitron's 2011 In-Car study:

Radio Reaches the Most Consumers Right Before They Buy

% Who Used Medium Within 30 Minutes of Last Purchase



© 2011 Arbitron Inc./Edison Research/Scarborough Research
Slide 27

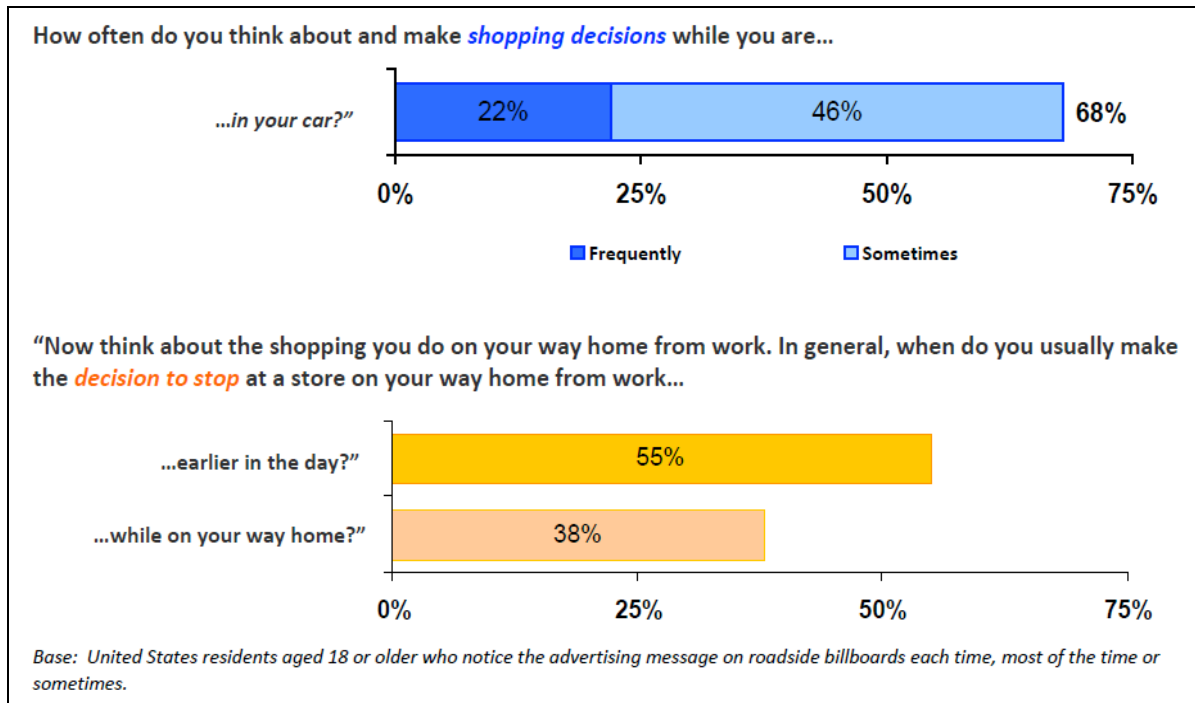
Base: Bought something at supermarket, department store, or any other type of store in past 24 hours

ARBITRON

edison
RESEARCH

SCARBOROUGH
RESEARCH

The 2009 Arbitron In-Car Study also illustrated that purchase decisions are made while people are utilizing their automobiles. 68% of consumers say they frequently or sometimes make shopping decisions while driving. Radio reaches the consumer when they are not only receptive to messaging but also when they have the ability to immediately act upon that messaging.



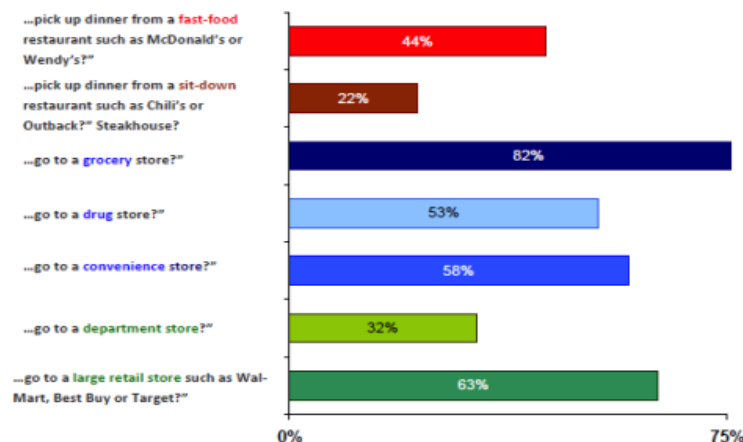
Source: Arbitron In-Car Study, 2009.

Radio reaches people in the car when purchasing decisions are being made

Radio is the next best thing to in-store advertising for last chance opportunity to reach consumers

Where Consumers Shop on Their Way Home From Work

"IN THE PAST MONTH have you stopped on your way home from work to..."

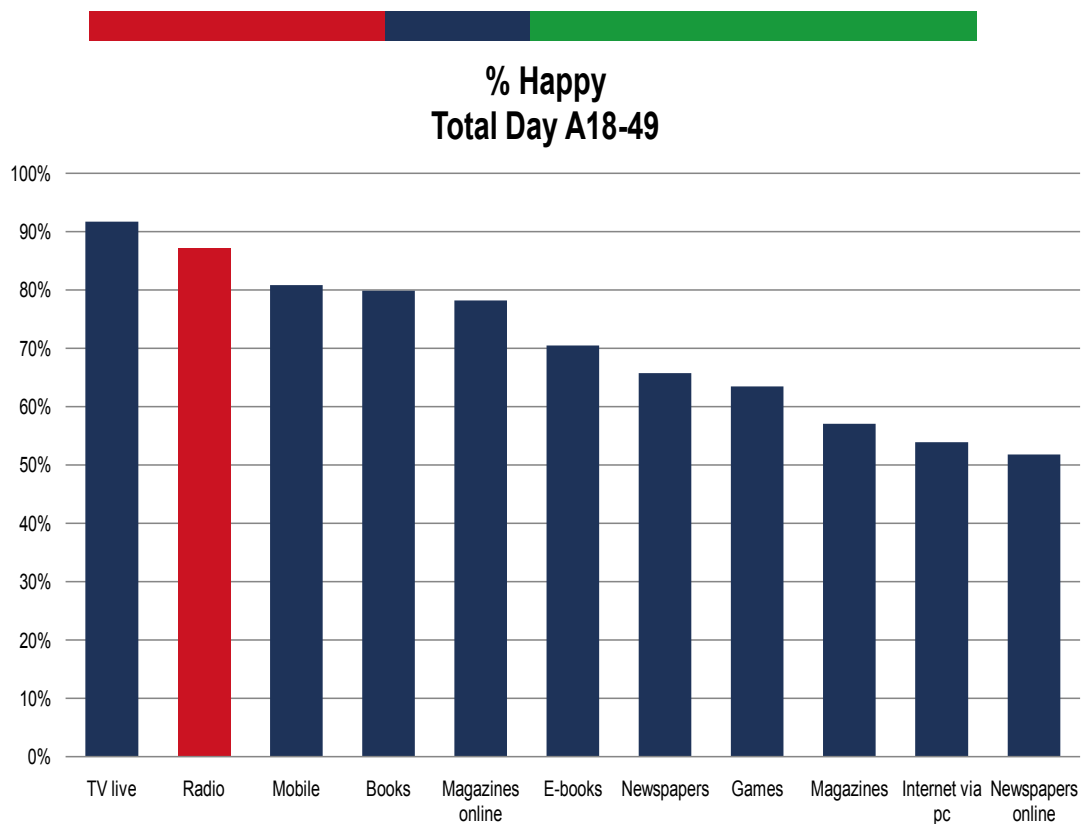


Base: United States residents aged 18 or older who travel to work and notice the advertising messages on roadside billboards each time, most of the time or sometimes.

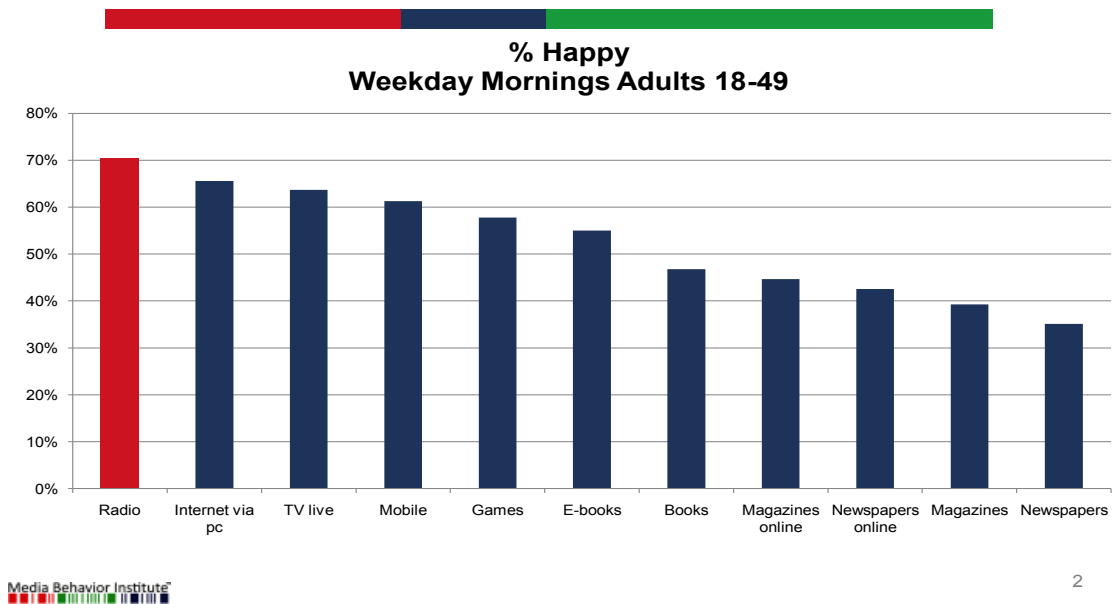
Source: Arbitron In-Car Study, 2009.

A consumer's mindset at the time of exposure is key to the message's effectiveness. Radio does a better job of providing a receptive mindset than any other medium. People are more receptive to advertising when they are in the proper frame of mind and the latest CIMM information confirms that radio is among the most effective mediums reaching people when they are most receptive to advertising. When people are relaxed and in a good mood and not task oriented, they are more open to commercial messages and being influenced.

“Happy” audiences flock to Radio

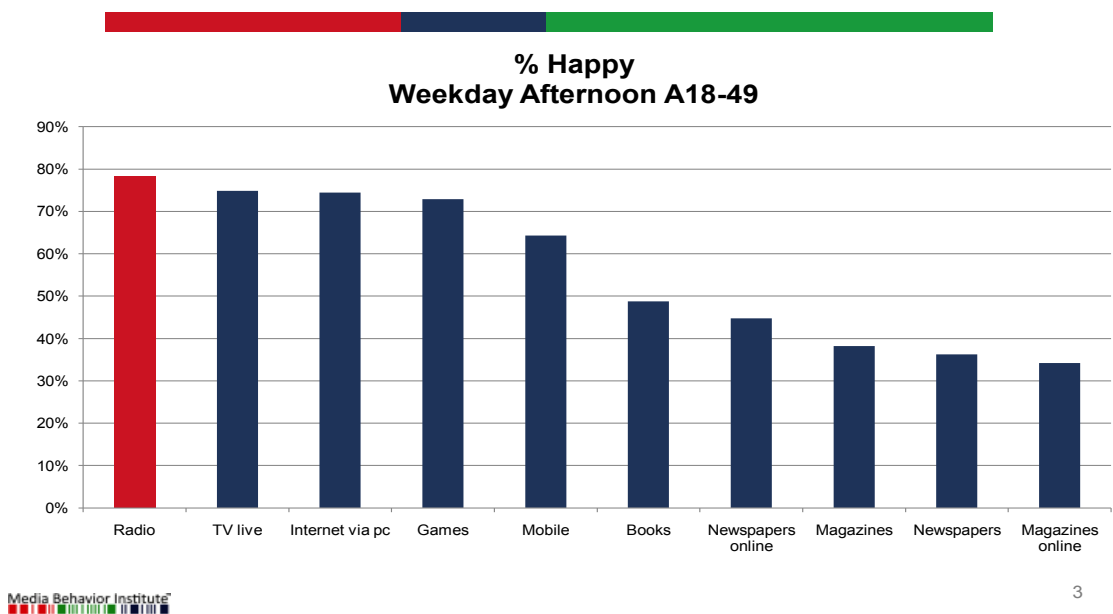


Audiences start their days “Happy” with Radio



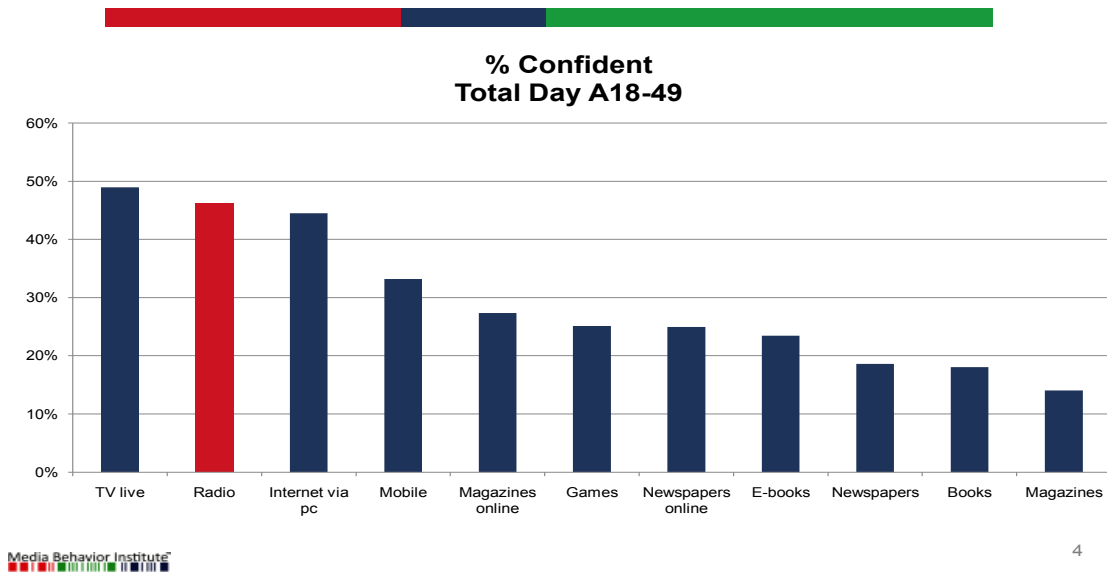
2

Radio keeps “Happy” audiences throughout the afternoons



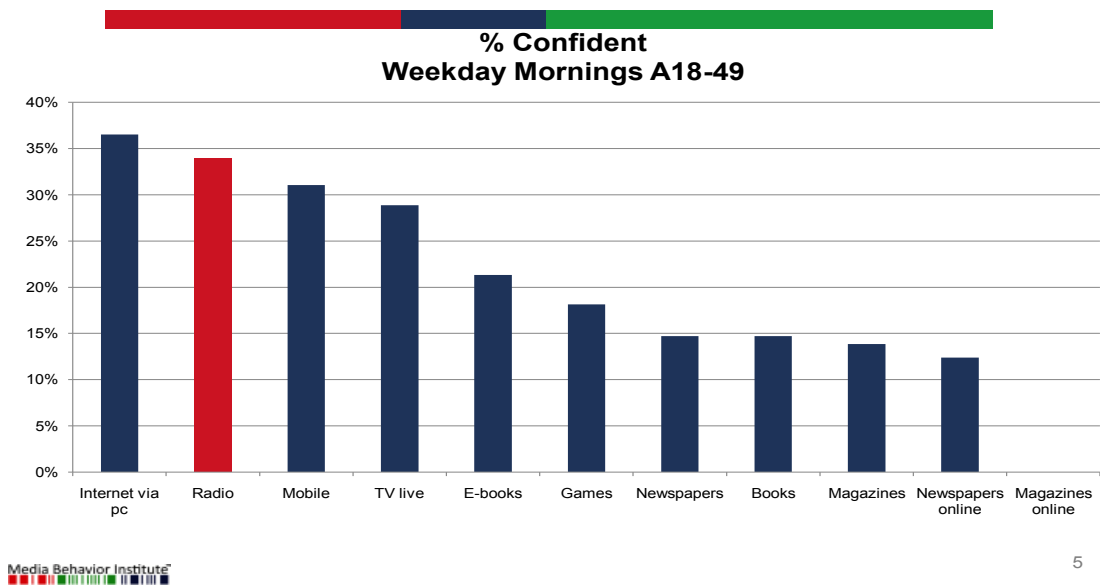
3

Audiences are “Confident” while listening to Radio



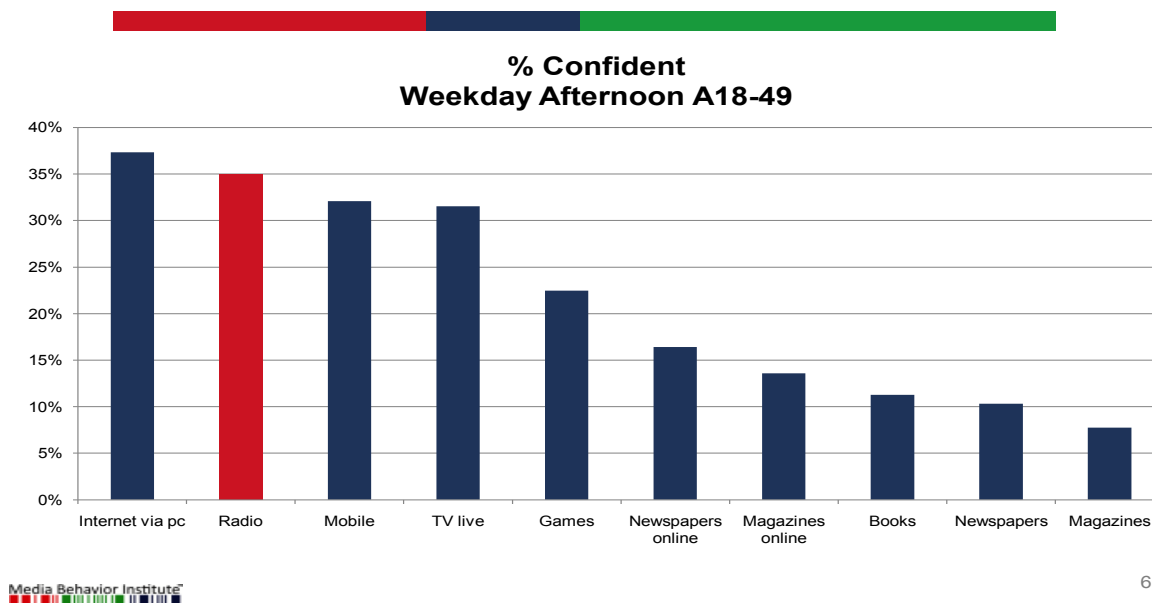
4

Weekday mornings the “Confident” turn to Radio



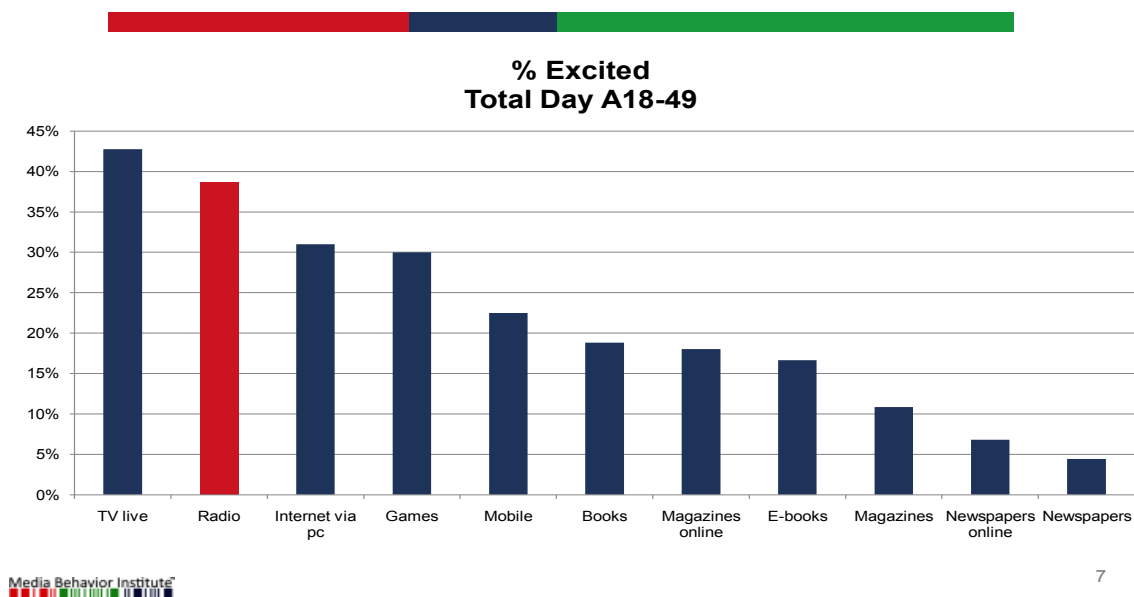
5

“Confident” audiences stick with Radio in the afternoons



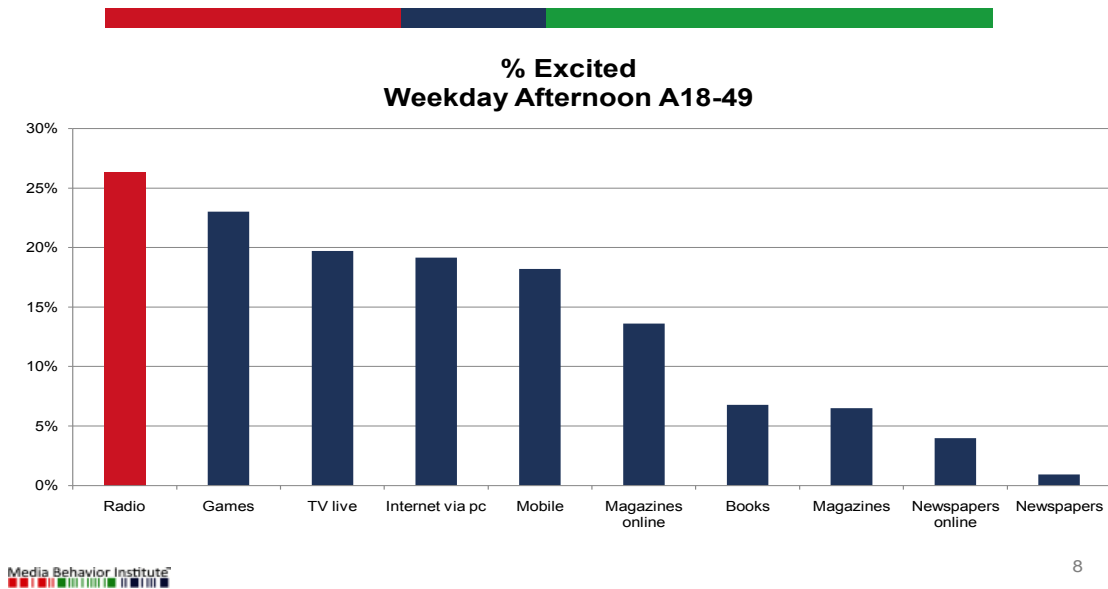
6

Radio attracts “Excited” audiences



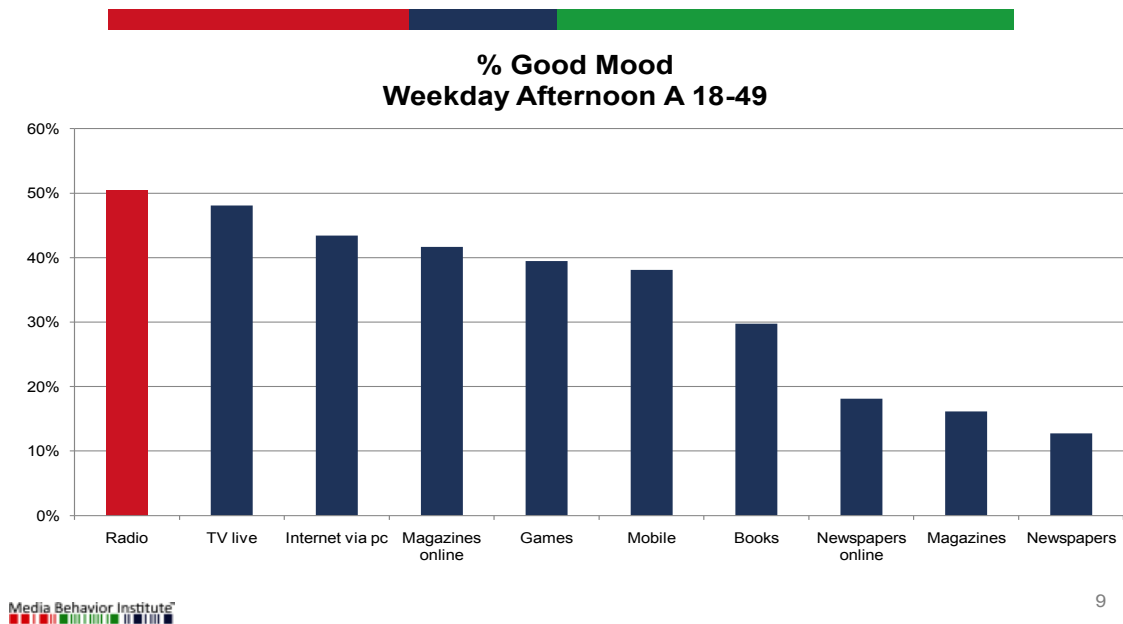
7

“Excited” audiences look to Radio for afternoon doldrums days



8

Overall weekday afternoon Radio listeners are in a “Good Mood”



9