

18 - Audio Streaming

In-stream audio advertising an untapped marketing opportunity: Forrester

By [Rebecca Borison](#)

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Marketers should look to sites such as Pandora for audio advertising

With many music-streaming services following freemium and ad-supported models, and the majority of United States adults unwilling to pay to access these services, marketers would be wise to take advantage of this market, according to a report by Forrester Research.

According to the study, 28 percent of U.S. online adults and 17 percent of European online adults stream music on their desktop or mobile phones. Only six percent of U.S. online adults are willing to pay to access streaming online radio services, and 5 percent are willing to pay to access streaming on-demand radio services.

“The advertising relationship for in-stream audio is permission-based,” said Anthony Mullen, analyst at [Forrester](#), New York. “Online display pretends like it is permission-based, but consumers have to jump through a lot of hoops to block in advertising in browsers.



“With audio platforms consumers sign up to a freemium or ad-supported model, and they can't avoid the advertising, it's also a guaranteed impression unlike the display world,” he said.

“Finally, from an interaction standpoint, audio advertisements are only played one at a time in serial unlike Web pages which present multiple messages in parallel which dilutes the awareness effect.”

Untapped opportunity

In traditional over-the-air radio, marketers can only roll out blanket campaigns that cannot target specific demographics. With online streaming, however, marketers can now measure and target ads in the audio domain.

The digital audio audience is fairly diverse, with a balanced gender split, half married, almost half with children, a little more than half owning homes and 22 percent earning an household income of \$100,000 or more.

Online streaming sites let users share or recommend via social networks.

Many online streaming sites use a freemium model, so consumers are aware that they will be receiving ads in exchange for not having to pay to listen to music.

Additionally, only one in-stream ad is played at a time, so marketers have the full attention of their audience.

There are currently around 500 licensed digital music services, which means there is plenty of room for advertising.

According to the study, 55 percent of respondents stream music on Pandora, with the runner up at 22 percent being their local radio station online.

Thirty-one percent of respondents stream Internet radio on a mobile phone, and ten percent stream on a tablet. Nineteen percent stream Internet music on demand on a mobile phone, and 11 percent on a tablet.



A Target ad on Pandora

Push mobile advertising problems

Traditional push advertising is having some difficulty connecting with consumers.

According to the report, 83 percent of U.S. online adults and 85 percent of European online adults mistrust ads on Web sites. Consumers often choose to block online advertising with tools such as Adblocker.

Consumers also may not like the clutter of ads on their Web sites.

In a Burst Media survey, 52.4 percent of respondents had a less-favorable opinion of an advertiser when an ad appeared on a cluttered Web page. Additionally, 29.9 percent said they would immediately leave a site if they thought it was cluttered.

On mobile, these issues are even more pronounced since the screens are smaller and ads take up more space. Consumers are also more likely to click on unwanted ads.

With in-stream audio ads, many of these problems are solved, according to Forrester. In-stream audio ads do not affect the device's screen since they are purely audio.

Additionally, users are more aware that they will be receiving ads in exchange for free streaming, so the ads come as less of a surprise.



iHeart Radio on a mobile device

According to Mr. Mullen, marketers should approach mobile in-stream audio advertising differently than desktop in-stream audio advertising.

“On mobile, consumers will typically not have a lot of real estate to play with and their streaming player may well be in the background while they do other things, running, walking, commuting et cetera, so their ability to respond to complementary display advertising will be lower than on desktop,” Mr. Mullen said.

“So, for mobile, brands should run with audio-only advertising to begin with, on desktop they could explore audio and complementary banners,” he said. “Some smarter solutions detect if the consumer is interacting with the device - i.e. transport controls of the player -

and only serve complementary display ads if they know the consumer is looking at the device.

“Finally, mobile users will have useful contextual data like location, so that can help narrow which ad is right to serve them.”

Final Take

Brands and bands: Advertisers partner with broadcasters on client-branded streams.

Moving beyond spot campaigns to integrate their message directly into the content, large national advertisers are increasingly working with broadcasters to launch client-branded online radio stations. Walmart, Macy's, Pepsi, Toyota, Wendy's and Supercuts are among the brands that have pressed play on custom streams. “Branded stations are becoming more popular and more requested,” says Clear Channel EVP of digital sales Rick Song. “When the marriage is right, they work really well.” So-called native advertising is regarded as premium real estate, often sold at a flat fee rather than on a cost-per-thousand impressions basis. Buyers like the exclusivity and the flexibility to experiment with different message lengths, copy points and the content itself. For instance, the music on Walmart's Songs of the Season station on iHeartRadio changes to coincide with the retailer's seasonal campaigns: love songs around Valentine's Day, holiday tunes around Christmas. “The value lies in the ability to customize for the advertisers so that they can have a relationship with the audience that's in that channel that's better than just being one of many on another channel,” says Maribeth Papuga, EVP & director of local investment and activation at ad agency MediaVest. Papuga says they're most effective as part of a larger campaign that touches consumers across other channels and platforms. As part of a larger “GreatLate” digital marketing campaign targeting young Millennial males, Wendy's partnered with Clear Channel on Wendy's Late Night, Great Night Radio. Playing music from emerging acts, the stream is tied into a streaming concert series, contesting and social media. “They wanted to use music to drive awareness not only of their late night menu but also of Wendy's association with music,” Song says

Don't like that song? Listeners to broadcast radio streams can now skip it. With most internet radio pureplays and even satellite radio letting listeners skip past songs they don't want to hear, song-skipping is becoming a fundamental expectation for many online radio users. Now the feature is making its way to broadcast radio streams. Federated Media hot AC WMEE, Fort Wayne, IN (97.3) is beta-testing a feature that allows people listening to its online stream on PCs to skip up to six songs an hour. The premise is that allowing a reasonable number of skips per hour will ultimately increase listening times and grow audiences by discouraging listeners from tuning out when a song comes on that they don't want to hear. For now, when a WMEE listener hits the skip button, the player randomly serves them a replacement song in its entirety from a separate library of about 100 songs that currently aren't in rotation. The Abacast-developed system buffers and synchronizes the stream so the listener receives a seamless broadcast-like experience with all non-music content intact. The last song going into a stopset is designated as non-skippable to make sure listeners rejoin the live stream in time for the break. “The player is simple, to focus just on skip functionality,” Abacast SVP of products and marketing Jim Kott says, adding that more sophisticated functions will come later. Eventually it will tie into the station's playlist, enabling artist and song separation capabilities. WMEE's regular stream is running 300 audio spots (with a companion banner ad) Monday-Friday and another 1,000 over the weekend promoting the feature. On-air promotion will be added later. Federated Media chief strategy officer James Derby says the station could separately monetize the skippable stream by reducing spotloads and offering it to advertisers at a premium.

Does song skipping disrupt radio's programming model? Or simply add an in-demand feature? A poll of over 41,000 Americans conducted last year by Alan Burns & Associates and Triton Digital found nearly two-thirds of listeners under the age of 35 said they'd listen to radio more if they could skip songs they don't like. Among the total sample, song-skipping functionality came in third (55%) among the things that would get survey participants to listen more, trailing the ability to control the music (56%) and fewer commercials (61%). But despite research validating the audience attraction of song skipping and its arrival as a standard feature on most web radio services, the concept rubs some programmers the wrong way. After all, it goes against the grain of broadcast radio, they say. Federated Media chief strategy officer James Derby believes the new feature provides listeners an alternative to switching to another stream. "In the car, when you hear a song that you're tired of, you hit another button in the dashboard," he says. "While that isn't as easy when listening on a desktop or mobile device, we're hoping that instead of hitting their second or third preference, listeners will stay with us." If it pans out, Derby says the feature will be added to other Federated Media station streams. Abacast senior VP of products and marketing Jim Kott says it's a feature whose time has come. "If you don't have the capability, you will lose audience over time," he declares. "We're hoping it will increase listening by a third or more." The goal isn't to turn radio into an interactive, lean-forward service. "That's not radio," he says. "Radio is a programmed, curated service but everyone occasionally wants to avoid a song they don't want to listen to." Rather than totally disrupting the programming model, it merely adds an in-demand feature, he says, while producing data on the songs listeners are skipping to aid in programming decisions.

Forrester tells marketers: in-stream audio is an "untapped opportunity." Advertisers, you don't know what you are missing. That's the message of a detailed report on the state of in-stream audio advertising prepared by the well-regarded Forrester Researcher. In a point by point review of the marketplace, analyst Anthony Mullen says in-stream audio advertising is becoming a more "sophisticated" medium and it's able to overcome a number of issues faced by marketers. Mullen says in-stream ads have so far been hurt by an inability by advertisers to put it into either the radio or digital bucket. But upon looking more closely, he points out it overcomes many of the problems that advertisers have with digital — most notably the clutter of visual media. **"An audio impression is never missed,"** he says. And on mobile phones, he says the small real estate of a smartphone screen doesn't change a web radio commercial. "Due to the direct connection of the medium with consumers and to strong targeting and measurability, audio advertising delivers strong ROI," Mullen concludes. He tells advertisers they're actually falling behind consumers, who are adopting streaming at a far greater rate around the world than at which marketers are committing dollars to the medium — while choosing ad-supported options over subscription services. As targeting for digital radio has moved beyond the basic format breakouts that once put truck ads on country stations, Mullen says audio ad targeting now has parity with other web-based technologies, thanks to more detailed demographic data that's allowing web networks to fine-tune who hears a spot. Real-time bidding and audio ad exchanges, like Triton Digital's a2x, are also making web radio more attract, Mullen says. "The growth of in-stream audio advertising has not kept pace with the growth of the streaming market," he concludes.

Digital: Like radio, only different. Forrester Research analyst Anthony Mullen says in-stream audio advertising is similar to traditional radio in many ways, but advertisers need to realize there are key differences that actually work in streaming's favor. "Transferring local radio online allows traditional over-the-air stations to move quite quickly from broad messaging to a more personalized advertising fueled by data and behaviors," he points out, telling advertisers that "deeper engagement" is good for their brands. He also notes there's less clutter in streaming audio in general, thanks largely to the pureplay companies that limit spots to 3 or 4 minutes per hour. There's also a way to make radio visual with synced banner ads. The Forrester report may not break any new ground in the minds of broadcasters. But as an objective research firm coming to many of the same conclusions as radio has presented to advertisers, it's sure to help convince some brands to take a second look at in-stream audio ad

New survey of ad agencies documents growing advertiser interest in online radio. On the heels of record-breaking digital revenue for the radio industry, a new survey compiled by STRATA suggests the largest growth is yet to come. Nearly six in ten (58%) media buyers who took part in the survey say they're more interested in streaming/online radio than a year ago. Close to nine in ten (86%) said their clients were interested in traditional radio at the same level or less than last year, representing the lowest rate of interest for radio seen in 19 quarters. Broadcast radio isn't the only traditional media where interest is shifting to digital platforms. Focus on television advertising has hit a three-year low as the gap between TV and digital narrowed to its closest point ever. TV advertising still remains the top advertising medium for 44% of buyers. Digital is the second most popular medium at 35%, the largest share of interest it has received in the quarterly survey's five-year history. Many of the non-traditional media continued to gain advertiser attention last quarter with three in ten saying they will have a greater spend in digital than traditional in 1-3 years while 27% say they don't ever anticipate a greater spend in digital. "Moving forward, we expect to see ad dollars split even more evenly between traditional media and the newer avenues that continue to gain market share, such as mobile and social media," STRATA's John Shelton say. The ad economy generally

Survey: Nearly half of public radio listeners are time-shift programming. Whether you call it audio-on-demand, podcasting or time-shifted programming, public radio listeners are doing it. A Jacobs Media survey finds nearly half (46%) of public radio users choose for themselves when to consume the programming. For many public outlets, it's validation of a strategy to create specialty on-demand programming targeting techies, foodies and even fans of Alec Baldwin, who hosts a podcast for New York Public Radio. Baby Boomers still make up the bulk of the public radio audience and so 83% of listening still goes to traditional FM/AM over-the-air signals. But Gen X and Millennial listeners are consuming public radio on their own schedule. Six-in-ten of those younger demos stream content at least once a week. Already 16% of public radio consumption is done online. It's also getting easier to do with six-in-ten public radio fans holding a smartphone and half owning a tablet. "Mobile and mobility continue to have steep upward trajectories while on-demand programming is becoming even more popular," Jacobs Media president Fred Jacobs says. The survey also finds that half of public radio listeners can now plug their smartphone or mp3 player into their dashboard. "This extremely well-educated radio audience is actively accessing information from a growing variety of media sources, and changing the way that media outlets provide their content," the report says. The results are based on an online survey conducted April 15-May 13 among listeners to 56 public radio stations.

Forecast: Web radio to reach half of America in 2014.

After years of consistent growth, internet radio is moving from niche to mass media. The combination of digital broadcasts of over-the-air radio stations and digital-only stations will reach roughly half of the overall population (49.9%) or 159 million monthly listeners next year, according to a new forecast.

By 2015 a majority of Americans will listen to online radio monthly — 52.4% of the population or about 168.4 million, new estimates from eMarketer show. Internet radio currently reaches 46.5% of the population each month or 147 million people. The current figure is slightly higher than the 45% estimate from Arbitron and Edison's Infinite Dial study earlier this year. Confirming earlier reports by broadcasters, web pureplays and Triton Digital, eMarketer shows online radio consumption is increasingly shifting to mobile devices. Nearly half of all digital radio listeners will likely listen to streaming music on their mobile phones this year, the digital marketing and media forecaster says, a practice helped along by the rise of smartphones.

Speaking to analysts yesterday on a conference call, Radio One CEO Alfred Liggins said the audience shift to digital isn't additive for broadcasters. "I look at it as essentially just a migration of our existing audience to a different platform," Liggins said. "I view it as unfortunately us having to spend extra technology costs just to follow where our audience is."

Emarketer finds a smaller but still sizable audience for listeners to streaming and download music services, such as Spotify and iTunes. More than one in five Americans will listen to such music services on their mobile phones this year according to estimates, after usage nearly doubled in 2012. Listening to digital music services on their phones is now a regular activity for more than 70 million people in the U.S., and double-digit growth is expected to continue through 2015, when well over a third of all mobile phone users will participate.

The digital forecaster bases its estimates on analysis of survey and traffic data from research firms and regulatory agencies, historical trends, company-specific data and demographic and socioeconomic factors.

- See more at: <http://www.insideradio.com/Article.asp?id=2687289&spid=32060#sthash.qwNikP23.dpuf>

Not So Gently Down The Stream

One of the hot topics in radio for several years – but reaching a fascinating apex at this point in time – revolves around streaming and whether stations are getting proper credit and compensation for their audience usage numbers.

As pure-plays continue to grow their reach, as radio grapples with single-line reporting, as the automotive world moves even faster to a Wi-Fi environment, and as consumers become even more comfortable with accessing audio via streams, we are witnessing major shifts in how content is consumed even among radio's biggest fans. Yes, FM tuners in smartphones will help broadcasters, especially as the concept expands to different carriers and handsets. But it won't stop the speeding bullet train that is streaming – something that AM/FM radio stations need to embrace, manage, market, and ultimately monetize.

In this blog, we have urged radio to “eat its own dog food” – monitor your stream to experience it just like consumers do. But beyond the CX – or customer experience – the stream’s contribution to a radio brand’s reach and image position is a big issue.

I was reminded of this the other day while reading **an article in the *Wall Street Journal***. Kevin Reilly, Fox TV’s head of entertainment, was speaking in front of a group of television critics, and noted that while conventional ratings are the key measure of winners and losers, this data is “becoming increasingly a sliver of the story.”

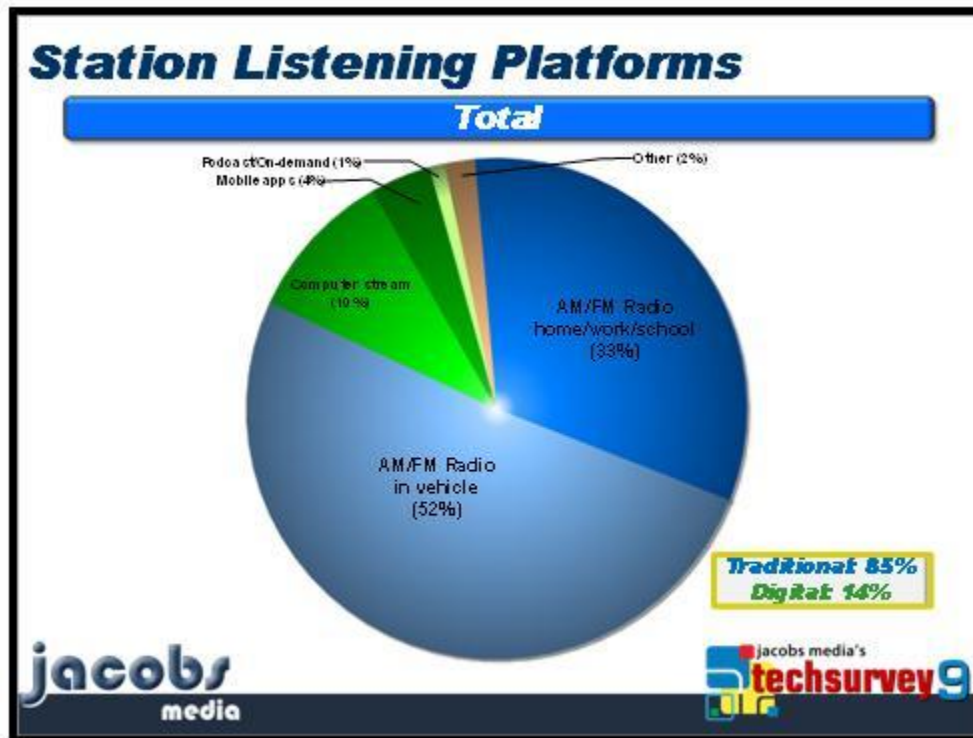
Reilly went on to note that TV is losing credit for viewership on DVRs, on-demand, and streaming video sites. Pointing to *The Following*, he noted that “the audiences are still enormous across multiple platforms.” But too many advertisers are just focused on traditional ratings.

Radio programmers and managers can relate, because in many cases, strong brands are attracting usage that goes well beyond listenership on traditional radios in cars, at work, at home, or at school. Of course, streaming is at the epicenter of additional listening. A **recent eMarketer study** reaffirms streaming growth, noting that by 2015, a majority of Americans will listen to Internet radio monthly.

And much of that consumption will take place on mobile devices – the other sea change facing radio brands. Over 70 million people stream audio on their smartphones in this country, a stat that should be very top-of-mind for broadcasters.

To get a better sense for how this impacts the radio business, we built a usage question into both **Techsurvey9** and its companion study for public radio, PRTS5. The idea was to have respondents think back to the previous week and how they consumed content from the station that sent them the survey. We provided a list of sources and participants assigned a percentage – totaling up to 100%.

Below is the chart from Techsurvey9, and while this is recall from the past week, we’re looking at core radio listeners, most of whom are members of radio station databases. The fact that an estimated 14% of their consumption to their favorite stations’ content offerings are on the digital side of the street is telling. And of course, it varies greatly by format, running considerably higher among fans of Sports Radio and Christian music stations.



So what are the implications here? First off, the toothpaste is out of the tube. Some of radio's biggest fans are accessing station content from computers, smartphones, and tablets – a trend that will only grow over time.

Secondly, radio needs to fully embrace the streaming platform as digital competitors actively seek out touch points, outlets, and channels.

And finally, there's this issue of the Three M's – the need to more accurately **measure** AM/FM streaming, **merge** it with usage data from broadcast radio in a format that is acceptable to agencies and buyers, and then **monetize** these bigger numbers. That's the Holy Grail of this rapidly integrating media world in which we live, where the need to bring ratings companies, streaming providers, agencies, and broadcasters together so that all can benefit from these changes is paramount.

Otherwise, guys like Reilly, Westin, Weatherly, and Farley are going to continue to whine about not getting proper credit for their grand brands.

And they'll be right.

When it comes to buying and consuming different forms of media, there is no one-size-fits-all preference. Some of us tend to be on the cutting edge of technological advances,

while others enjoy reading, watching and listening in more established ways. And consumer preferences have as much to do with spending power as they do with ethnic background.

According to Nielsen's recent [U.S. Consumer Entertainment Report](#), purchasing power affects the *type* of entertainment that consumers buy as well as the format that it comes in. Purchasing behavior also varies by ethnicity.

Take music for example. Physical CD buyers were least likely to be Asian-American, while streaming music buyers were most likely to be Asian-Americans.

What's more, Asian-American Internet users were also most likely to be at the point of sale when it came to buying movie and TV content, regardless of delivery. In fact, adult internet users who shelled out bucks for streaming services were 73 percent more likely than the average U.S. adult online to be Asian-American.

When it came to streaming service and digital music purchasers, Hispanic Internet users were more likely than the average Internet consumer. Adult internet users who purchased streaming services were 28 percent more likely to be Hispanic, and when it came to buying digital tunes, they were 5 percent more likely to be Hispanic

By [cmarcucci](#) on May, 14 2013 with [Comments 0](#)

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Stitcher.com, provider of mobile on demand news, entertainment, sports and talk radio, revealed the results of a nationwide survey demonstrating an overwhelming preference for on demand viewing/listening to radio, television and movies among younger Americans. The survey also found that 57% of American adults believe that in five years, Americans will primarily listen to streaming radio options vs. traditional AM/FM radio. The study surveyed 2,066 U.S. adults, and was conducted online by Harris Interactive on behalf of Stitcher in April.

The survey also found that students may be leading the shift to on demand and streaming media. More than 71% of U.S. adults who are students predict Americans will be primarily listening to streaming radio over AM/FM radio within five years. And, Americans aged 18-34 are far more likely to currently prefer to watch movies, television, and listen to music always or mostly on demand than their older counterparts.

Additional survey findings:

–52% of 18-34 year olds who watch movies, prefer to watch always or mostly on demand

—46% of 18-34 year olds who listen to music, prefer to listen always or mostly on demand; this demographic is more than twice as likely to listen to music on demand than 35-54 year olds (23%)

—41% of 18-34 year olds who watch television, prefer to watch always or mostly on demand; this demographic is nearly twice as likely to watch television on demand than those 55+ (21%)

—81% of U.S. adults who prefer to watch the listed entertainment types (movies, TV shows/programs, music, news, sports) always or mostly on demand do so in order to watch/listen at a later date or time that is more convenient

—68% of U.S. adults who prefer to watch the listed entertainment types always or mostly on demand do so because they can avoid commercials/advertising

RBR-TVBR observation: Well, these aren't necessarily facts, but opinions. But, let's face it. The radios consumers used to buy typically had a CD player or cassette deck. Those are almost hard to find now, buried in the back row of a display isle if you're lucky to find them. In five years, who knows where they'll be? HD Radios never took off because people who bought them often returned them—they just don't receive HD stations as well as analog and very few available are actually portable. Car radios still offer AM/FM, but are featuring dashboard options like SiriusXM, Slacker, Pandora and iHeart. Terrestrial AM/FM will likely stay in the car, but will not be needed as much with a full cellular internet connection to listen to radio stations. **Your favorite station will never fade out as you drive.** The audio stream listening of terrestrial stations is increasing to fill the void of terrestrial listening. Consumers want local news, information, entertainment and personalities—no matter what means delivers it. Again, our mantra: The smartphone is the new radio. Connect some battery-powered speakers (available everywhere) to it and you have a boombox. Technology evolves and the content—and ad dollars—move with it

The 8 Audio Apps That Will Slowly Destroy FM Radio

The fact that terrestrial radio endures in the era of Genius playlists and mobile apps is mind-blowing. Sure, we'll always need it for backup--in case one portentous BuzzFeed slideshow takes down the entire internet--but given our druthers, we'd rather use one of these eight apps.

By: John Paul Titlow

• 1 Notes

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Let's be honest: FM radio is not what it used to be. Of all the music, news, commentary, and other audio content available in the world, the FM dial only captures a tiny--and bland--percentage of it. If this wasn't obvious before, it's been made clear by the advent of podcasting and the explosion of smart, personalized audio apps available on computers, phones, and tablets. Why tune in to a commercial-packed parade of the same top 40 hits when you can listen to music based on your own tastes? Why bother with whoever happens to be rambling on talk radio right this very moment, when your favorite host is a tap away? The Internet is far better at delivering audio to people than radio waves are.

So why does FM radio persist? For one, it still makes money. It's also built into just about every car on the road. And as magical as the Internet is, FM radio waves are still more ubiquitous and reliable (you never hear about the radio going down).

But web-based music technology is improving quickly and everyone knows it's giving FM a run for its money. We have 4G mobile devices and new cars with audio apps built into the dashboard. A simple Bluetooth connection can paste your playback UI of choice from the tiny screen to the dashboard or the controls on the steering wheel.

Since cars are such a mainstay of FM radio, bridging the user experience gap between phones and automobiles is going to be a crucial part of overhauling what we today know as "radio." It'll be a while before FM is rendered unrecognizable, but a handful of today's most innovative players seem especially well-positioned to help forge that future. Here they are.



Stitcher Radio

What most makes Stitcher Radio feel like a viable replacement for the FM dial isn't the app's personalized radio stations. Nor is it the smart discovery features built in throughout the interface. Those things are great, but what makes it feel like radio is something far simpler: The audio is infinite.

Once you load Stitcher with the podcasts and non-commercial FM streams of your choice, it starts to learn what you love. You can build out "stations" of programs (I have stations for tech, world news, and music commentary, for instance). As you listen and tap the Pandora-style thumbs up/down buttons, it gets even smarter. Using this knowledge, it builds out a customized station of recommended programs, fueling the discovery of new audio shows.

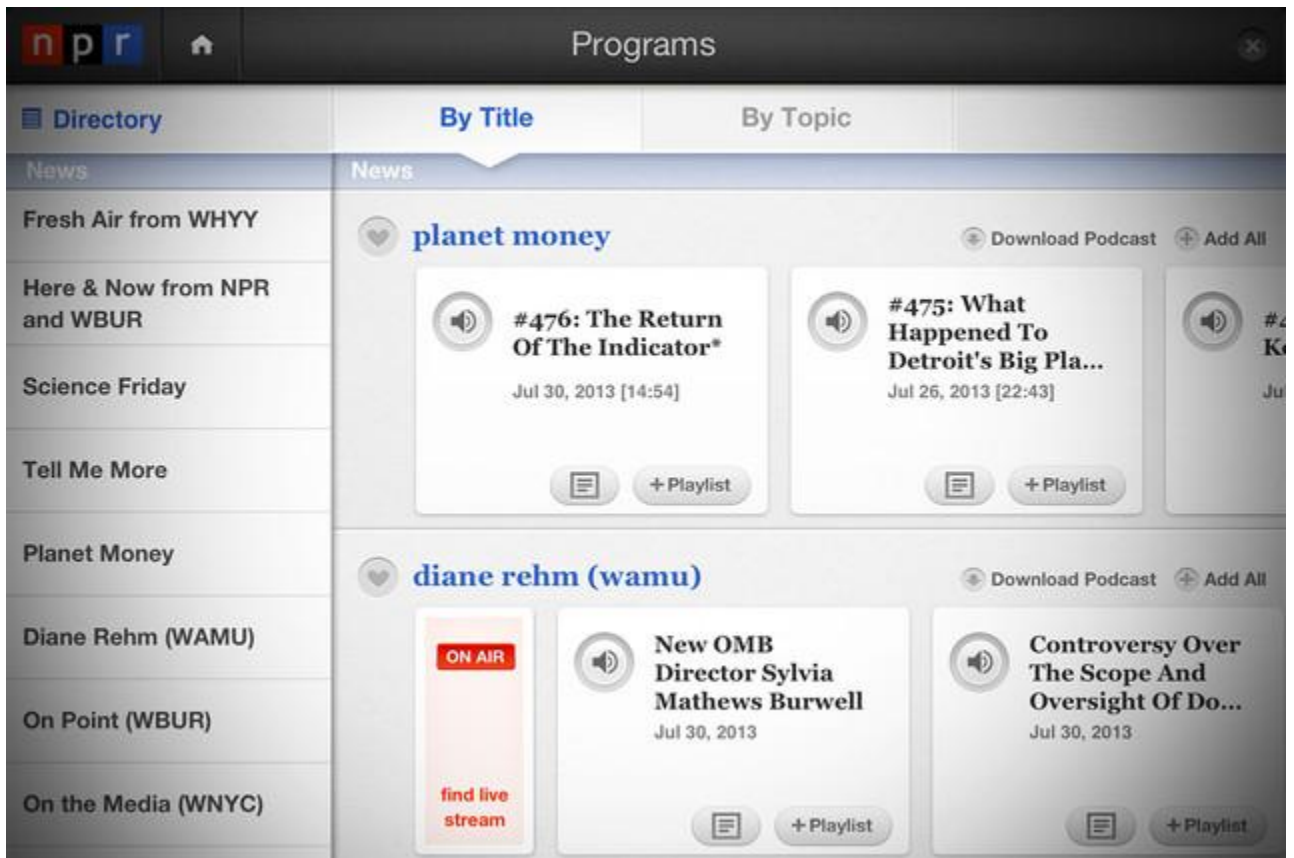
Most crucially of all, listening to Stitcher is a "lean back" experience. When one program or segment is finished, it jumps to the next one automatically. This simple feature (along with the FM streams) is what sets it apart from other podcasting apps. It's also what saves you from careening to your tragic and untimely demise while you're listening in the car. It even has a "Car Mode" to simplify the controls should you need to access them.



Swell

One of the biggest obstacles apps face in their quest to replace FM radio is their own interfaces. In order to compete with radio, apps need to be pleasant and safe to use while driving. In the car, more so than any other context, simplicity is key.

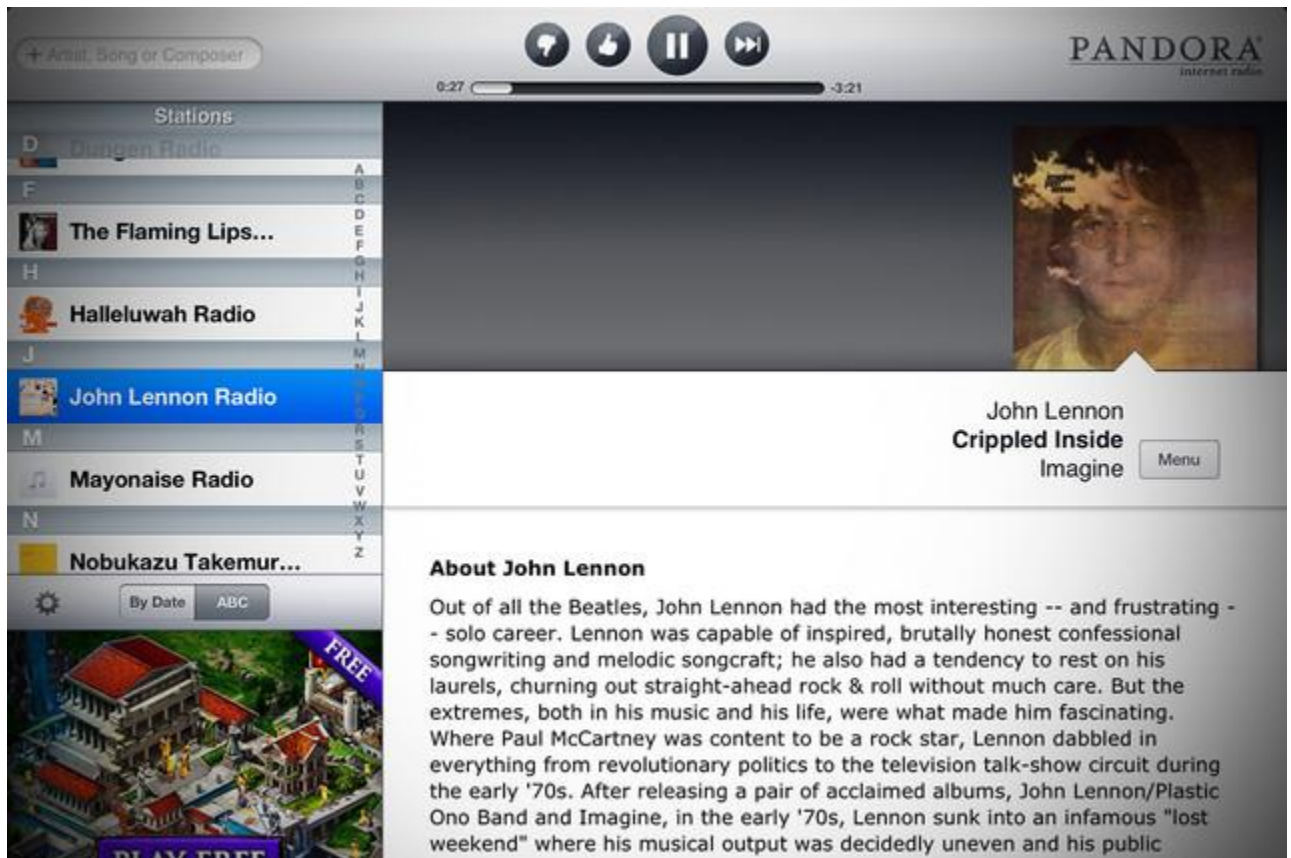
Swell takes this mantra to an extreme, stripping out much of the functionality one expects to see in a mobile audio app and giving the user very little opportunity to stare down at a screen and make decisions. Billing itself as a sort of "Pandora for news," Swell lets users select broad topic areas like "technology" or "music" and then auto-generates a playlist of public radio and podcast audio content that cycles through itself without user intervention. The only audio controls the user has are to listen, pause, swipe to skip, or jump 30 seconds forward or backward. Over time, Swell learns what you like and hones its playlists accordingly. Think Stitcher, but more serendipitous.



NPR

You don't have to be a VC-funded tech startup to master mobile digital radio. The folks at NPR have long been forward-thinking about new platforms and technologies, and the smartphone revolution did not catch them off guard. [The organization's mobile apps](#) sport the perfect blend between live public radio streams and on-demand NPR shows. This combo single-handedly eliminates the need to touch the FM dial to hear what's on now, while simultaneously serving up an archive of your favorite shows on demand. The app's playlist builder encourages hands-free, lean-back playback wherever the user may be.

It's not just about phones and tablets, though. NPR's digital team has been very proactive about ensuring the organization's content is available on as many platforms as possible. That, of course, means offering a variety of apps for iOS, Android, and other prominent mobile platforms. But it also means integrations with smart TV platforms and, most importantly, teaming up with car manufacturers. Old media, my eye.



Pandora

The notion that Pandora could disrupt terrestrial radio isn't exactly a new one. On the surface, it's almost too obvious to mention. But Pandora's position at the forefront of Internet radio should not be taken for granted. The company faces fierce competition from huge players like Google and Apple and its struggle to reduce onerous music licensing costs has won it more bad press than progress.

Still, Pandora has two huge advantages. For one, its music recommendation and playlist generation technology--fueled both by machines and the human expertise of trained musicians--is still superior to that of its competitors. Some are gaining ground, but there's still something to be said for hiring real-life musicians to feed the algorithms (and eight solid years of data generated by millions of listeners doesn't hurt either). Pandora's other key asset is its strategic focus on cross-platform availability. The company is partnering with more and more car manufacturers to ensure that its smart music discovery engine is effortlessly available where most people do their radio listening.

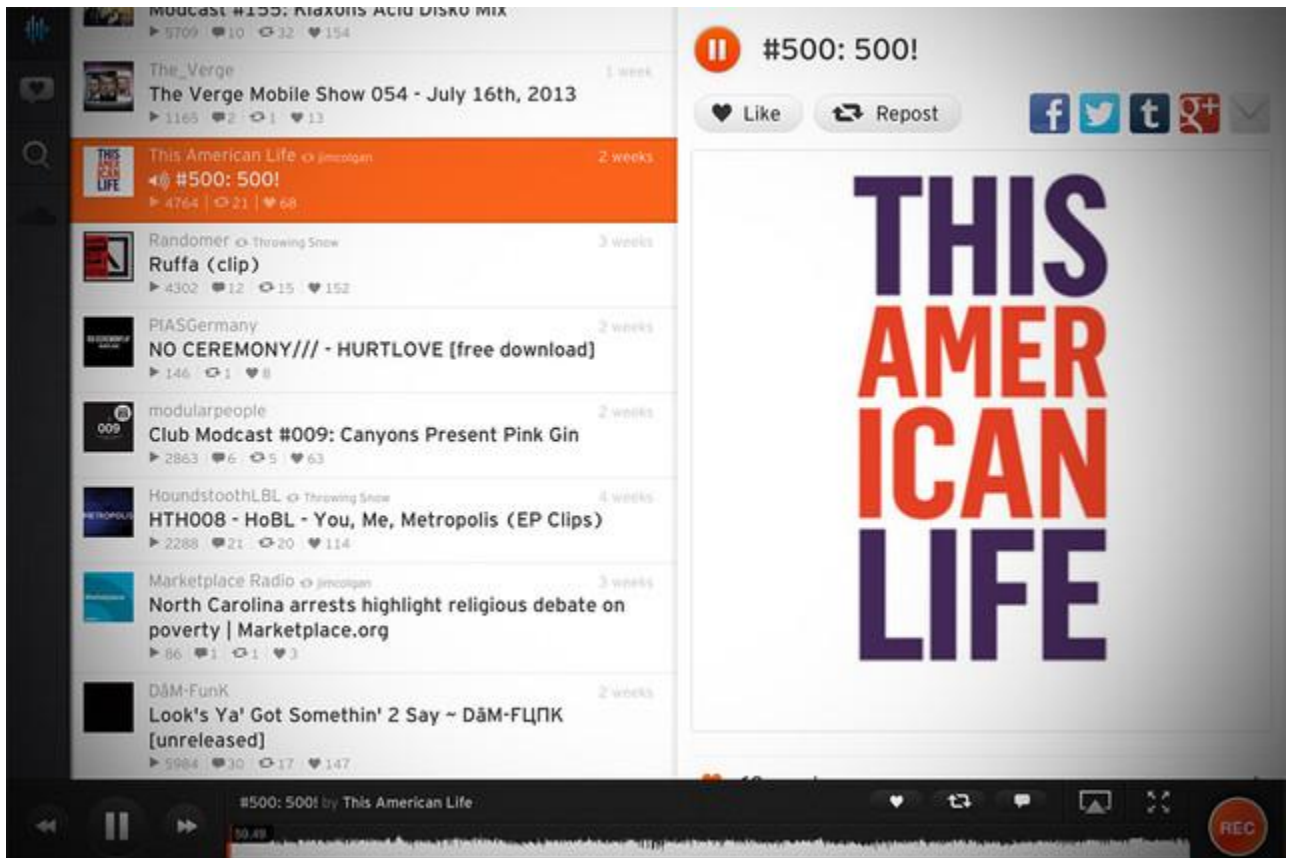


Spotify

The obvious one: Spotify. At its core, it's not an Internet radio service. But the preeminent all-you-can-stream music subscription service has bolted on its own Pandora-like radio product of its own and its new "Discover" tab is very, very good at surfacing music you either already love or are bound to enjoy. Crucially, both features are available on Spotify's mobile apps, which makes them a Bluetooth connection or audio cable away from supplanting whatever top 40 fluff is blaring through the fuzz of FM.

By combining on-demand music with Pandora-style Internet radio, Spotify offers the best of both worlds. You can curate your own listening experience like an iPod with unlimited capacity or you can let the algorithms pick songs for you. In this case, that automated curation is powered by the Echo Nest, a music intelligence engine that deserves a nod of its own. The service also fuels Rdio's radio feature, iHeartRadio, and a long list of Internet radio apps out there.

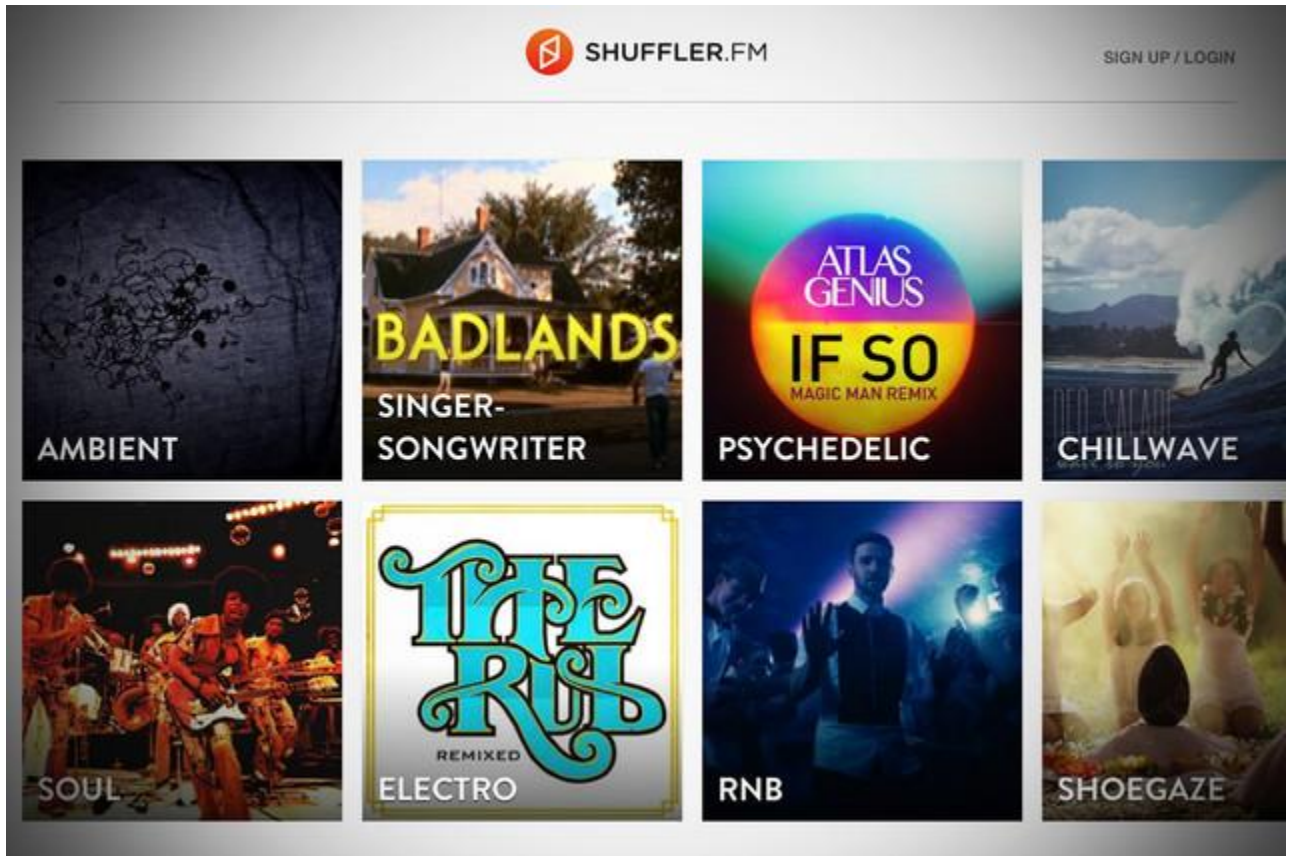
What gives Spotify the radio crown is its combination of personalized stations, top-notch curated discovery, and on-demand streaming of albums and songs galore. Spotify's radio and playlists make for a more hands-free, and thus safer experience for drivers. With the liberty to browse your favorite subset of Spotify's 20 million songs (not to mention your own library, which you can sync with Spotify's mobile apps), there's even less of a reason to tune in to the commercially motivated whims of some deejay.



SoundCloud

One doesn't usually associate SoundCloud with Internet radio. Unlike the likes of Spotify, iTunes, and Google Play, SoundCloud doesn't even have a feature with "radio" in its name. They're not trying to compete with Pandora. But in its quest to become the YouTube of audio, the growing social audio service is unwittingly building out an experience that could soon rival radio.

SoundCloud started as a repository for bedroom demos, fan-made remixes, and tracks from independent artists. It has since blossomed into something utilized by labels big and small and that established artists use to float new material. The amount of music available on SoundCloud (much of which is absent from Spotify and other streaming services) is staggering. To top it all off, the Berlin-headquartered company has been actively courting podcasters, public radio outlets, and known radio personalities, encouraging them to use SoundCloud as a supplementary publishing platform. The result is a hyper-varied selection of audio content that makes terrestrial stations feel staler than ever.



Shuffler.fm

It doesn't get anywhere near as much attention as these other apps, but Shuffler.fm deserves a nod for its crack at music curation. Rather than relying on algorithms or even its own team of music experts, the service turns prominent music bloggers collectively into deejays. The service mines some of the hottest music blogs, crawls them for audio and video and aggregates it all by genre, effectively creating crowd-curated radio stations and turning the modern variety of music tastemakers--bloggers, that is--into something more analogous to disc jockeys of yesteryear. But there's a twist: Instead of playlists generated by the traditional methods of radio programming, with a crowdsourced, blogosphere-fueled twist.

Touting itself as a "Flipboard for music," the iOS app and its browser-based counterpart do an excellent job of digging up the gems making the rounds on more under-the-radar music blogs. And the genres go beyond the broad and expected. If terms like "shoegaze," "chillwave," and "future garage" mean anything to you, you'll appreciate what Shuffler.fm is doing.



iHeartRadio

For all the wonder of algorithms and APIs, there's still something to be said for the old-fashioned way of curating music, if it's done right. If the future features a hybrid of the old and new, then Clear Channel's iHeartRadio will undoubtedly play a central role in forging it.

On the surface, iHeartRadio feels more like a defensive reaction than a bold act of innovation. But by merging terrestrial FM streams with Echo Nest-powered, personalized Internet radio stations, the delightfully cross-platform app stakes out the middle ground between what was and what's next. You've got to give Clear Channel credit. This is more forward-thinking than anything the newspaper industry tried when it was poised to be gutted by technological change. Sometimes, rather than waiting around, it makes more sense to try and disrupt yourself

Rdio Style

There it was on RAIN last week (pointed out snarkily by consultant James Cridland on Twitter, I should add) **in an article about a new Rdio feature called "Stations"** which is all about creating "radio-style listening" on a pure-play platform.



Rdio is yet another company hacking away at trying to create a new and different version of radio in the streaming space.

And in fact, a look at other pure-plays reveals the same use of traditional radio language to describe their products – stations, formats, playlists. These services may be new, trying to create a unique niche in the Internet space, but they’re all trying to create the *radio experience*. Is it any wonder that most of their programming and sales hires are also former radio broadcasting pros, who are working hard to create a better version of products they’ve been connected with their entire careers?

It’s a similar situation when you focus on “connected car” technologies, whether it’s the kinds that automotive companies are creating (Uconnect, Entune, CUE, etc.) or brands like Panasonic, Pioneer, and other Tier 1’s rushing to create technologies and aftermarket products. They are all designed to mimic radio technology, its appearance, and the customer experience. It’s why the knobs are returning on many new vehicle “center stacks.” Consumers are most comfortable with the simple, clean radio interface they’ve used since they first sat in the passenger seat when they were adolescents.

All of these companies – hardware and software – are in a race to try to improve the radio experience – coming up with ostensibly better ways to make audio more entertaining, personal, and compelling to consumers.

So, two suggestions:

For consumers: If you’re looking for a true “radio-style” experience, try listening to the radio. It is the real deal, with DJs, commercials, and true curation – you never know exactly what’s coming next.

And for radio companies: All this activity should tell us – once again – that many companies, much funding, and armies of smart people are working hard to try and create a better of what you do every day. Who better than traditional radio companies to play quarterback? The radio broadcasting industry should be leading that charge to innovate a better, more customized, engaging experience.

Radio has historically lacked a **CX focus** – for decades. It has been about making radio that gets ratings and revenue. No problem with those goals, but now it’s the consumer’s

turn at the controls. Radio would do well to turn its energies, resources, and people toward bettering an already amazing product that has stood the test of time and continues to be central to most audio entertainment menus, as well as consumers' lives.

The competition is coming at radio with guns ablazing. It's time to go back to the Marketing 101 playbook and start acting like there's a war going on. No group is better suited to create a better "radio-style" experience than radio people

7/17/13: Will broadcasters relinquish radio to Apple and Pandora?

AccuRadio COO Gehron exhorts b'dcasters to stake their claim to streaming

Posted by: [Paul Maloney](#)

This week in RAIN we're featuring contributions from various industry executives, journalists, and experts on the state and future of Internet radio.

BY JOHN GEHRON

Think back to the early days of FM radio in the United States. Think about how different it could have turned out.

What if AM broadcasters hadn't applied for FM licenses? What if the FCC hadn't limited simulcasting and required all radios to be built as AM/FM? What if all broadcasters had followed the Westinghouse lead, and simply gave up on their FM licenses?

What if non-broadcasters had ended up **controlling the FM band**?

This "alternate reality" may in fact be taking shape today as many broadcasters remain reluctant to embrace Internet radio. Among major radio groups, only Clear Channel has made a major effort to carve out a position in streaming radio.

Just as in the early days of FM, when simulcasts of AM signals attracted little audience interest, simulcast streams of on-air content show little additive value to radio's listenership -- they only represent about 3% of the typical broadcast station's listening.

Remember what ignited FM's growth? **Separate programming and identity.** Programming that offered more music variety and lower commercial load. Successful FMs offered an identity separate from that of their AM sister stations, offering a fresh new listening experience for an audience weary of AM programming.

Internet radio can offer certain clear programming advantages over broadcast radio, representing a shift as radical as FM was to AM. Streaming services offer **lower commercial loads** and **more variety of content** -- practically infinite variety, in fact, because there's no "scarcity of frequency." Internet radio can offer "the long tail."

The big attraction is personalization. Broadcast radio is a "push" model, while the Internet is all about "pulling" the information you want, when you want it. Listeners don't have to wait for their favorite songs. **This is the same reason music videos will never return to MTV: Why wait when you can see it instantly on YouTube?** Internet radio is the YouTube for audio.

Apple's jump into Internet radio accelerates the **trend of non-broadcasters dominating this space.**

In the late 90s broadcasters had a chance to be a part of satellite radio and, interestingly, only Clear Channel invested. Today, satellite radio has 25 million subscribers and a \$30 billion dollar market cap. Now broadcasters run the risk of being left out of Internet radio too. Major players are carving out their positions while broadcasters watch from the sidelines. Pandora already has over 71 million registered users and a market cap of \$3 billion.



FM licenses.

Other than Clear Channel, it's as if non-broadcasters had bought up all the

I think traditional radio companies need to be in this space. Many broadcasters are not convinced there is a workable business model, but I believe the current streaming players will be in a position to influence and change realities that today are holding back the industry.

The FCC spurred FM growth by limiting simulcasting and by requiring all radios be AM/FM-capable. I think Congress, the Copyright Royalty Board, record labels, artists, and Internet radio companies will find a solution to royalty cost issues.

Part of it is the issue of "parity" with other media. But more importantly, a proper dialogue will help all to recognize that an equitable deal can help the music business expose far more music to consumers than ever before. Pandora's offer to talk with labels and artists is an example of **working in a positive direction**, as opposed to just threatening action for royalty fairness.

And revenue is in play as well. **Media buying is evolving** across the board, and real-time bidding for highly targeted consumer-clusters will increasingly become the norm for all advertising, including broadcast. Radio-only companies will continue to see AQH and CPPs erode.

Twenty years ago you could get music in two places: record stores, and the radio. Today the music consumer has so many more choices, and is even more demanding. Most record stores are gone. Will radio be next, or will radio embrace the new consumer model and thrive?

John Gehron is a well-known and experienced broadcast radio programming and management executive. He's currently COO of webcaster AccuRadio, a sister company of RAIN.

How many ads are right for station apps? Study links in-app ads to smartphone battery drain. As unlimited data plans give way to data metering, smartphone owners who spend an inordinate amount of time listening to online radio could see their monthly mobile bill go up. They also could see their battery life go down. **A new report from Microsoft Research in association with UC Berkeley looked at the energy consumption of popular apps on Android and Windows phones. The researchers found that a typical mobile app refreshes its ads every 12-120 seconds, which forces the phone's network to be constantly re-awakened, after which the app will keep its 3G connection open for another 25 seconds. This period, known as "tail time," results in the high-energy overhead incurred by ads.** The report is being circulated by Adblock, a company whose tool allows users to block advertising considered to be intrusive. "The use of in-app advertising has enabled an ecosystem of free apps for many people's enjoyment, but we have to consider the impact this is having on battery drain," Adblock managing director Till Faida says. "Smartphones are advancing every day; unfortunately their batteries are not developing as fast."

Selling advertisers on the connected car is still in the slow lane. **The opportunity to flash an advertisement to a driver as they pass a store or restaurant is one of the great marketing upsides of a connected dashboard.** But the focus for now is largely on building a technology backbone and an audience. As Pandora works to build scale, drivers will continue to receive it commercial-free through at least January 2014, director of auto business development Geoff Snyder told a CE Week audience yesterday in New York. But the webcaster is thinking about how to sell ads against those users. **Snyder said the current plan is to use the ZIP codes**

provided by those who register, not GPS-specific data. Pandora's focus in the meantime is snatching local ad dollars from broadcast radio. "That's a huge opportunity for us to really attack that radio paradigm," he said. TuneIn VP Carl Rohling sees geo-location as the sweet spot for web radio in the car. "It opens up a whole slew of advertising opportunities if you know where someone is based and what type of device they're on — it becomes a lot more valuable for ad targeting," he points out. TuneIn has disclosed little about its advertising plans, but it apparently includes ad insertion. Rohling said the online audio aggregator plans to start serving local ads to listeners tuning into an out-of-market station. "We're capable of doing it today," he said, but added it will hold off until it has more in-car users to attract marketers' attention. "With radio advertising it's all about scale [so] there needs to be growth before you can go out and get radio buys on a local basis," Rohling said.

GroupM Study shows web listeners are curious about iTunes Radio. One-third (34%) of internet radio users say they'd be open to switching from their current web radio service to Apple's forthcoming iTunes Radio. That's according to a GroupM Next survey of 1,000 web radio listeners. GroupM Next director of consumer insights Jesse Wolfersberger says it could "cut deeply" into other webcast audiences. The results were fairly consistent across the various options that already exist. The survey found 46% of Pandora users would consider defecting. It's the same for iHeartRadio, while 47% of Spotify users say they'd contemplate a switch. "If these early insights are a glimpse of reality, Apple's entry into this market could completely shift the landscape," Wolfersberger says. Slacker users were slightly less loyal, with 54% of them open to converting. And 66% of AOL Radio users said they would switch to Apple. Among heavy web radio users — those who spend at least 20%

- of their radio listening time digitally — the survey found 70% would be interested in iTunes Radio and 49% said they would switch from their current favorite product. But Clear Channel CEO Bob Pittman doesn't seem all that worried about Apple however, saying the new radio feature will help make iTunes "a little sexier and zippier." He told the Wall Street Journal that could help keep people buying songs rather than just subscribing to services like Spotify. Wolfersberger thinks the launch of an Apple product will be an "absolute game-changer in the digital audio market" and predicts it will be "another big win" for Apple. Wolfersberger also says the tech giant can thank music apps like iHeartRadio and Pandora for getting people into the habit of listening to music streamed online.

• PANDORA REPORTS RADIO LISTENING DOWN AGAIN

• TALK) THE FUTURE OF THE SPOKEN WORD



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- 6-10-2013
- The question I hear most frequently from reporters, broadcasters, and those I consult is about the future of the radio industry. Where is the industry going? What should we be paying attention to? It's natural for people to want to know what's next. Like many of you, I have my opinions about where things are going — and that includes the adoption of radio into a digital environment.

- For well over a decade, I've predicted the world's move to digital and have told radio stations they need to make sure they are streaming their signals, establishing their brands online, and not assuming that transmitters will always be the only means of distribution. And for decades, some have called me a heretic for not blindly believing that "Radio will always be fine."
- Clearly we're seeing the beginnings of digital's real impact. Even though radio remains very strong, the Pandoras of the world are fierce competitors — Pandora has at times said it ranks number one in listening in several major cities, though there's no way to verify that claim.
- Right now, much of the focus in online radio is on music stations. But the entire basis of online radio was established by Mark Cuban and AudioNet, which later became Broadcast.com — the early streaming service that made Cuban a billionaire when it was acquired by Yahoo! And all Cuban and partner Todd Wagner wanted to do was listen to their home sports teams' broadcasts online.
- The unfortunate elephant in the room for online music radio is the high cost of operations due to the price of music licensing. The radio industry can't gain its typically high margins when paying what amounts to a tax per listener hour. I believe that is the primary driver preventing radio from adopting streaming more broadly and pushing for a more digital world (though the investment in transmission infrastructure is another compelling reason).
- There is, however, no such elephant in the room for spoken word radio. Talk radio, Sports radio, News/Talk and other forms of talk, not saddled with the high costs of music licensing, will become the great opportunity for the radio industry online, and will become the first streaming opportunity to be genuinely embraced by broadcasters. Spoken word programming offers a unique, defensible position, whereas music stations owned by broadcast companies have a hard time competing with the almost commercial-free environment of many of the online services.
- Though anyone can create a podcast, and there are some highly successful podcasts making incredible profits, it's difficult for most to emulate the strength and experience of radio broadcasters in spoken word formats. Music programming is easy to knock off, but talk presents a unique, defensible position.
- There is no motivation better than the need to reinvent. We know the power of the spoken word. And we also know the highly polarizing nature of political Talk radio in a politically correct environment is making it more difficult for some in the Talk sector to find advertisers willing to support those who, in their opinion, cross the line. I believe there is a digital frontier for new spoken word formats, beyond the political, that are yet to be invented.
- Change provides opportunity, and the changing distribution model for radio will force us all to reinvent. No one knows what these new, not-yet-thought-of spoken word formword formats will sound like. But it's certain they will play off our greatest strengths as an industry.
- B. Eric Rhoads is the publisher of Radio Ink. He can be reached via the following: bericrhoads@gmail.com, Facebook.com/eric.rhoads, Twitter: @ericrhoads

Study: Online radio listeners more receptive to advertising. Data shows revenue has yet to catch up with fast-growing web radio audiences. But the tide may be turning. GroupM Next, the division of ad giant WPP charged with analyzing digital trends, has been studying radio and digital and concludes web radio listeners are less likely to skip ads and more likely to buy advertised products. The agency's survey of 1,000 radio listeners uncovered a "desirable audience" by any brand's standards. Internet radio listeners are more engaged with their

services and more receptive to advertising, making the platforms much more valuable to marketers," the report concludes. The data shows that most people not only prefer an ad-supported service, but one-third of users said they actually didn't mind the advertising. GroupM Next says online radio listeners are also less likely to try to avoid commercials, with only 17% reporting they take avoidance steps like switching stations or closing a browser. Insights manager Steve Sherfy characterizes them as "the very definition of low-hanging fruit." Even more noteworthy: streaming audio advertising is working. The agency's research shows big users of internet radio — defined as those who spend 21% of their listening time with streaming radio — are twice as likely to buy a product they've heard advertised on web radio in the past month compared to those who've only listened to FM/AM radio.

A ubiquitous earbud generation ready for targeting. Big users of web radio are younger: 34 years old on average, compared to heavy FM/AM radio listeners, whose average age is 47. That's probably not all that surprising. Neither is GroupM Next's finding that streaming listeners tend to skew slightly more male. But it was the ubiquity of usage that took the agency researchers by surprise. GroupM Next says it discovered that people who listen to streaming radio services seem to listen to it "everywhere." The biggest percentage tune-in at home (91%) but more than 40% said they also listen at every location listed in the study, including at work, in the car, at the gym, and while running errands. The data shows big internet radio listeners are almost twice as likely to tune in web radio at the gym compared to broadcast radio users listening to FM/AM radio there. "The workplace and the gym are new 'earbud markets' where advertisers can target consumers with audio ads at a higher rate than ever before," the report says. GroupM Next forecasts these trends will accelerate as more drivers have a digital dashboard. The agency tells clients it sees the "greatest opportunities" in Pandora and iHeartRadio. That's because they have a growing user base, a growing list of dev

How would radio and webcasters fare when Google and Apple barrel into streaming?

Posted by: [Paul Maloney](#)

Make way for the big boys.

"Companies like Google, Apple and Facebook are eyeing the **streaming and on-demand music business** now dominated by smaller niche companies such as Pandora and Spotify. When they do -- and most analysts agree it's really just a matter of time -- they could give nearly everyone the ability to listen to whatever they want, whenever they want -- and mostly for free," wrote *San Jose Mercury News'* Heather Somerville yesterday.

If true, this brings up a whole host of issues, some of which Somerville explores, like the impact on artists, consumers' relationship with music, and others. But where does it leave Internet radio: both pureplays like Pandora, and music broadcasters who'll rely more and more on digital efforts to grow? Smaller companies will have to become even more creative and agile to offer a value proposition the larger companies can't -- a sort of "boutique" existence, catering to niche and local audiences.

"There is no doubt that when companies this large enter into the field, it will be disruptive," Jonathan Handel, a media and entertainment attorney, told the paper.

WSJ: ESPN CONSIDERS PAYING CARRIERS TO KEEP CUSTOMERS MOBILE

The Wall Street Journal is reporting that ESPN is considering a plan to pay wireless carriers for the mobile content used by subscribers. When users reach their data limit, they log off to avoid overage charges. That also means they will no longer see mobile ads being served up by companies like ESPN. The Journal says ESPN is discussing, with at least one carrier, subsidizing connectivity on behalf of users.

The company would pay a carrier to guarantee that people viewing ESPN mobile content wouldn't have that usage counted toward their monthly data caps. According to the Journal report, ESPN has received feedback from at least one big carrier that significant numbers of its mobile users reach their monthly cap before the end of the month, after which their usage drops off.

The ESPN digital brand is huge. According to the Journal, ESPN now has 45 million digital users, including about 16 million that access ESPN content exclusively from mobile devices. The mobile offerings include a website with news and streaming video, and a host of mobile apps, including WatchESPN which streams the live signals from ESPN's TV channels over the Web. ScoreCenter, its top mobile app, has been downloaded more than 40 million times. Over the last three years, ESPN's average users per day on mobile Web and apps has more than tripled, from 3.2 million in 2010 to more than 10.3 million so far this year.

New FM-enabled smartphones expected within 60 days. New smartphones equipped with FM radio receivers could be available as soon as this summer. "We believe that we'll have phones in the market probably in the next 60 days," Emmis CEO Jeff Smulyan said yesterday on a conference call in response to a question about when the Emmis-engineered NextRadio app would launch. Smulyan didn't mention Sprint by name and an Emmis spokesperson said later that the company has a non-disclosure agreement with the wireless provider. The radio industry in January committed \$45 million in advertising inventory to Sprint over three years to get FM on 30 million Android and Windows smartphones. Brokered by Smulyan, the deal revolves around the NextRadio app which will allow listeners to access and interact with FM broadcasts. Smulyan is optimistic that consumers will embrace the new technology. "If the American public responds as we hope they will, and they see radio can perform in a whole new light on a device they carry with them, we think it's a game changer for the industry," he said. Smulyan said it will increase radio listening and could create "a tremendous amount of new revenue" for the industry through enhanced ads enabled by the app's IP-connection. "Radio needs a shot in the arm," he said, suggesting that it will change both the trajectory and perception of the industry. "Most of my peers in the industry feel the same way," he said, adding that the initiative has received "near unanimous support

Online radio crosses mobile threshold. New Triton Digital listening data confirms it's a mobile world for online radio. More than half of internet radio listening (56%) occurred on mobile devices in March, up from 46% one year earlier. Mobile consumption was the fastest growing online audio segment in March. But pureplays are growing mobile audiences faster than broadcasters. Mobile listening to pureplays during the Monday-Sunday, 6am-midnight daypart leapt 23% from February to March while broadcast streams had a 5% increase. In January, Triton showed broadcast radio

streams with an 80/20 split in favor of listening on desktops, while pureplay publishers tracked in the opposite direction with a 70/30 split in favor of mobile listening.

Video streaming consumes at least 7x the bandwidth as audio streaming

Hispanics listen to online radio more

By cmarcucci on Apr, 22 2013 with Comments 0

Findings from a top ten market study reveal that 32.7% of all Hispanics have logged on in the past month to an Internet radio website such as Pandora, iHeartRadio, Radio.com or Slacker.com. The figure represents 4.2 million Hispanic Internet radio listeners in The Media Audit's top ten markets. Top ten markets for the Media Audit study include New York City, Los Angeles, Chicago, San Francisco, Dallas, Houston, Boston, Philadelphia, Washington, D.C. and Atlanta.

Among all adults in the same top ten markets, 22.8% reported having listened to Internet radio within the past week, making Hispanics 35% more likely to be listening to Internet radio when compared to the general population.

Among Hispanics in the top ten markets, 28.7% reported having logged on in the past month to Pandora Radio, while 8.4% logged on to iHeartRadio.com, and 1.9% logged on to Radio.com.

Additionally, 29.8% of Hispanics listened to Internet radio in the past week, suggesting nearly the same amount are logging on weekly as they are in a typical 30 day period.

While some terrestrial radio stations do better than others in terms of converting weekly listeners to loyal frequent listeners, it would appear that Internet radio is headed in a positive direction, says the report. With 91% of Hispanic monthly Internet radio visitors listening on a weekly basis, the preliminary data suggests that many Hispanics are becoming loyal to Internet radio listening.

The findings reflect the growing importance of this segment, as Hispanics now total 50.5 million or 16% of the total U.S. population who are of Hispanic or Latino descent, according to the most recent 2010 Census data. The data is also significant because Hispanic Internet radio listeners in those markets represent slightly more than half of the estimated 8.2

million total Hispanic Internet radio listeners across the 69 markets in which Internet radio data has been measured and reported.

The numbers show dramatic change in Hispanic Internet radio listening behavior from a year ago, when only 13.5% of Hispanics listened to Pandora Radio. As a result, the year over year growth rate is 142% for Hispanics accessing Pandora Radio. Furthermore, only 3.9% of Hispanics accessed iHeartRadio in 2011, resulting in a 182% increase in monthly visits year-over-year, while access to Radio.com increased 52% during the same period.

The study also found that among top Hispanic radio markets, Pandora and iHeartRadio remain competitive when compared to Hispanic-programmed local radio stations that heavily focus on the Hispanic market. In LA, 25.9% of the metro area's 3.9 million Hispanics reported having listened to Pandora Radio within the past week, a figure that represents more than 1 million weekly listeners and topping weekly listening of all Hispanic-programmed stations or radio clusters.

In the NYC metro area, Pandora reaches 34% of the metro area's 3.2 million Hispanics weekly, followed by 17.1% who listened to iHeartRadio within the past week. The weekly figures represent more than 1.1 million weekly listeners for Pandora, and 560,000 weekly listeners for iHeartRadio.

Among Miami's 1.7 million Hispanics, nearly one in four listened to Pandora Radio within the past week, again ranking the service number one among all Hispanic-programmed stations or radio clusters.

Combined with the fact that more than half of Hispanic consumers are now accessing web content via a smart phone or a connected device such as an iPad, the findings suggest a narrowing digital divide between Hispanics and Caucasian consumers, thus making them more attractive to mobile and digital marketers. According to Pandora Radio, more than 75% of Pandora's listening occurs on a mobile or other connected device.

It is estimated that by 2050, the number of Hispanics in the U.S. will grow to 132.8 million, strengthening the group's collective purchasing power which is estimated to reach \$1.4 trillion in 2013.

According to The Media Audit, areas in which Hispanics will have a strong economic impact include groceries, automotive, furniture, and clothing.

Findings:

–One in four U.S. consumers planning to buy a home in the next two years are Hispanic

–19.2% of all U.S. consumers planning to buy a new or used vehicle in the next 12 months are Hispanic

–Nearly half of all Hispanics spend \$150 or more per week on groceries, a figure that is 18% higher when compared to the general population

As a result of typically having larger families, Hispanics in the U.S. are 34% more –likely than the general population to frequently purchase children’s clothing

21% of Hispanics plan to buy furniture within the next 12 months, while 19.4% plan to remodel their home.

A Fourth of Americans Age 6 to 34 Are Hispanic

According to a new report from Experian Marketing Services, the largest racial/ethnic minority group in the United States, the Hispanic population, is only growing larger. In 2012, 16% of Americans age six and older identified as Hispanic or Latino, up from 14% in 2006. While the Hispanic population is increasing in share across all age cohorts, the fact that Hispanics already represent a much larger share of younger cohorts foretells even greater growth and influence in the years to come. Nearly a quarter of Americans age 6 to 34 today are Hispanic compared with less than 10% among those age 50 and older.

Hispanic households account for 10% of all discretionary spending in the United States, with annual expenditures of \$164.2 billion on non-essentials in 2012, up from \$143.9 billion in 2011. In fact, discretionary spending of Hispanic households grew 14% in the past year while spending among non-Hispanic households remained relatively flat.

Regionally, Hispanic households in the South and West control a much larger share of the region’s total expenditures on non-essentials than in the Northeast and Midwest.

Hispanic Internet Radio Listening Survey

As the percent of Hispanics who use mobile devices continues to climb, even more impressive is Internet radio's reach with the growing Hispanic market. Findings from a top-10 market study reveal that 32.7% of all Hispanics have logged on in the past month to an Internet radio website such as PANDORA RADIO, iHEARTRADIO, RADIO.COM or SLACKER.COM. The figure represents 4.2 million Hispanic Internet radio listeners in THE MEDIA AUDIT's top-10 markets.

Additionally, THE MEDIA AUDIT found 29.8% of Hispanics listened to Internet radio in the past week, suggesting nearly the same amount are logging on weekly as they are in a typical 30-day period. While some terrestrial radio stations do better than others in terms of converting weekly listeners to loyal frequent listeners, it would appear that Internet radio is headed in a positive direction. With 91% of Hispanic monthly Internet radio visitors listening on a weekly basis, the preliminary data suggests that many Hispanics are becoming loyal to Internet radio listening.

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Top Internet Radio Stations

Among Hispanics in the top-10 markets, 28.7% reported having logged on in the past month to PANDORA, while 8.4% logged on to iHEARTRADIO and 1.9% logged on to RADIO.COM. The preliminary findings reflect the growing importance of this segment, as Hispanics now total 50.5 million or 16% of the total U.S. population who are of Hispanic or Latino descent, according to the most recent 2010 Census data. The data from THE MEDIA AUDIT's top-10 markets is significant because Hispanic Internet radio listeners in those markets represent slightly more than half of the estimated 8.2 million total Hispanic Internet radio listeners across the 69 markets in which Internet radio data has been measured and reported.

Year-Over-Year Growth in Internet Radio

The figures represent a dramatic change in Hispanic Internet radio listening behavior from a year ago, when only 13.5% of Hispanics listened to PANDORA. As a result, the year-over-year growth rate is 142% for Hispanics accessing PANDORA. Furthermore, only 3.9% of Hispanics

accessed iHEARTRADIO in 2011, resulting in a 182% increase in monthly visits year-over-year, while access to RADIO.COM increased 52% during the same period.

Commenting on the findings, NANCY HAYNES, principal at CHARLOTTE-based COLLINS, HAYNES AND LULLY advertising agency said "I am pleased to learn that Internet radio is increasing so rapidly for Hispanic listeners, though it's not surprising considering the enormous amount of advertising done by Smartphone providers. My agency has been testing PANDORA in this first quarter of 2013, with very high response according to GOOGLE. This new TMA data encourages me to consider a Spanish-language version of our client's message, going forward."

Internet Radio Competitive In Top Hispanic Markets

The study further found that among top Hispanic radio markets, PANDORA and iHEARTRADIO remain competitive when compared to Hispanic-programmed local radio stations that heavily focus on the Hispanic market. In LOS ANGELES, 25.9% of the metro area's 3.9 million Hispanics reported having listened to PANDORA within the past week, a figure that represents more than 1 million weekly listeners and topping weekly listening of all Hispanic-programmed stations or radio clusters.

In the NEW YORK CITY metro area, PANDORA reaches 34% of the metro area's 3.2 million Hispanics weekly, followed by 17.1% who listened to iHEARTRADIO within the past week. The weekly figures represent more than 1.1 million weekly listeners for PANDORA, and 560,000 weekly listeners for iHEARTRADIO.

Among MIAMI's 1.7 million Hispanics, nearly one in four listened to PANDORA within the past week, again ranking the webcaster #1 among all Hispanic-programmed stations or radio clusters.

Combined with the fact that more than half of Hispanic consumers are now accessing web content via a smart phone or a connected device such as an iPad, the findings suggest a narrowing digital divide between Hispanics and Caucasian consumers, thus making them more attractive to mobile and digital marketers. According to PANDORA RADIO, more than 75% of PANDORA's listening occurs on a mobile or other connected device.

It is estimated that by 2050, the number of Hispanics in the U.S. will grow to 132.8 million, thus strengthening the group's collective purchasing power, which is estimated to reach \$1.4 trillion in 2013.

Katz pegs Pandora audience as much smaller than what webcaster claims. Pandora says it had 8.05% of total U.S. radio listening in March from 69.5 million active users. That's an increase from 5.73% a year ago. But Katz Radio Group has run its own analysis of the ratings data, and says those numbers appear to be inflated. By Katz analysis, digital listening represents only 7.6% of audio consumption — and Pandora's share is closer to 4.4%. Pandora has repeatedly declined to reveal the formula for how it comes up with its monthly statistics. Katz says it used a combination of Arbitron and Triton Digital data. While that's not ideal, EVP Mary Beth Garber says it's meant to be a "reality check" against some of what the webcast pureplay has been feeding to investors and advertisers. "What they've been putting out is smoke and mirrors at best," she says. Pandora hasn't been subtle in its positioning. As the company announced its year-end earnings last month, former CEO Joe Kennedy said it was the "number one radio station in virtually all local markets." He didn't say how he calculated such a figure. Katz says the numbers show 92.4% of all listening is done to FM/AM broadcasts. "Digital is great, it's growing and we intend to keep it growing," Garber says. "But there's not much out there that measures digital, and what there is shows this is what is true."

TargetSpot Delivers Audio Ads For Xbox Music

by [Erik Sass](#), Yesterday, 5:26 PM

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[advertising](#), [internet](#), [radio](#), [xbox](#)

TargetSpot has added Xbox Music to the list of affiliates for its digital audio advertising network, the company just announced. The partnership gives TargetSpot advertisers access to streaming audio inventory delivered via Microsoft Xbox consoles as well as Windows 8 and Windows RT tablet computers and PCs, and Windows Phone 8 mobile devices.

According to the Digital Audio Benchmark and Trend Study conducted by Parks Associates, over one-third of people who listen to Internet radio also tune in via a connected TV device, including Xbox console setups. Some 42% of U.S. households with broadband access listen to Internet radio, and 22% of these have a household income over \$100,000.

Overall, the size of the U.S. Internet radio audience is expected to increase from 147.3 million in 2013 to 176.5 million in 2016, according to separate data from eMarketer, representing an increase from 46.1% to 53.7% of the total U.S. population.

On the advertising front, 58% of online radio listeners can recall having seen or heard an online radio ad in the last 30 days. The TargetSpot network allows advertisers to target listeners using a variety of factors, including geography (to the ZIP code level), time of day and listening preferences.

In addition to the Xbox Music service, the TargetSpot digital audio network currently counts over 85 online partners, including broadcast radio groups and pure-play digital audio platforms like CBS Radio, ABC News Radio, Univision, Entercom, Live 365, and Slacker. In February, TargetSpot announced that it had added six new pure-play partners: Songza, Radionomy, just hear !t, Thefuture.fm, Soundtracker and HulkShare.

Back in November, Xbox announced that Triton will serve audio advertising for Xbox Music, as well as provide measurement, campaign management and ad insertion technology to allow delivery of contextually appropriate ads.

In June 2012 Microsoft announced a deal to offer the Slacker Radio app for free via the Xbox Live Marketplace for Gold subscribers. Back in 2011, Clear Channel struck a deal with Microsoft that brought its iHeartRadio application to the Xbox Network.

By [cmarcucci](#) on Apr, 8 2013 with [Comments 0](#)

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Aha by HARMAN and CBS Radio News announced a partnership that streams audio versions of the network's most popular news programming and top podcasts to people in cars. Drivers can safely listen to the CBS Evening News, 60 Minutes, Face the Nation, World News Roundup and more from CBS News, never missing out on their program because they are stuck in traffic or on the go. In addition, users can now also get the latest news whenever they need it, just by navigating to the CBS Radio News 24/7 stream, which incorporates all the latest news with a variety of fascinating feature content.

Here's how it works: After downloading the free Aha app for iPhone or Android, users can search, select and organize their top stations from more than 30,000 choices. When Aha is connected to a compatible in-vehicle entertainment system, the users' favorite Aha stations become radio preset buttons, so drivers can put down the phone and browse stations just like traditional radio. When they exit the car, users can seamlessly continue enjoying their content with their smartphone.

"Millions of CBS fans spend significant time every day in the car or commuting to work; Aha allows CBS News to be wherever they are, delivering high quality programming on any device, even in the car," said Harvey Nagler, Vice President of CBS Radio News. "Smartphones have shattered content boundaries and forever shifted consumer expectations toward an "always on" lifestyle. With Aha, CBS is on the cutting edge to deliver some of the world's most loved programming wherever our viewers go."

Top CBS Radio News podcasts such as What's In the News, CBS News Weekend Roundup and Reporters Notebook are also available as streaming audio stations with Aha. These programs are instantly available on demand to anyone with Aha's free app for iOS and Android.

Acura, Chrysler, Dodge, Ford, Honda, Jeep, Scion, Subaru and Porsche are the first brands to launch vehicles with Aha-compatible stereo systems this year. Alpine, Kenwood and Pioneer sell Aha-enabled aftermarket car stereos, as well as the Griffin iTrip Auto.

Younger Listeners Ditching AM/FM For Internet Radio (Study)

- [News](#)

By [Glenn Peoples](#), Nashville | April 02, 2013 8:55 PM EDT

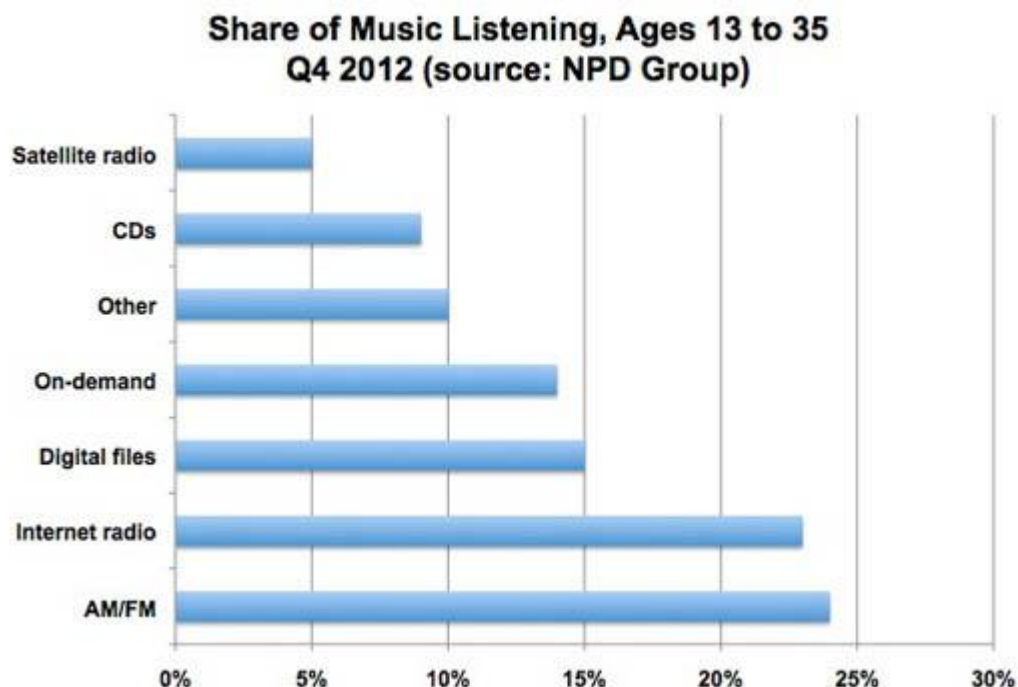
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Internet radio and streaming services accounted for nearly four out of 10 minutes heard by young listeners in the fourth quarter, according to [new figures](#) released by the NPD Group.

Internet radio services like Pandora and iHeartRadio accounted for 23% of listening time for consumers between the ages of 13 and 35, up six percentage points from 17% a year earlier. Digital files took up 15% of listening time, while on-demand services such as Spotify accounted for 14% of listening time.



Mobile is a key part of Internet radio engagement. NPD found that more than half of Pandora and iHeartRadio listeners used their mobile phones to access those services. Time spent on mobile is another issue, however. In its "Infinite Dial 2013" study, Arbitron found that 18% of smartphone owners use the devices for Internet radio on a daily basis compared to 32% who use them daily to listen to downloaded music.

Listeners over 35 had different habits than the younger demographic, according to NPD. AM/FM radio accounted for 41% of listening. Internet radio accounted for just 13% of the older group's listening. AM/FM radio is indeed a format for the middle-aged. According to Arbitron, the heavy radio user has a median age of 42 and spends a self-

reported six hours and 23 minutes per day listening to AM/FM radio.

NPD found that Pandora is used by 39% of listeners from ages 13 to 35 and has a big lead over other streaming services. iHeartRadio is second with 11%. The free version of Spotify is third with 9%. All others are in the low single-digits: Grooveshark at 3% and Slacker, Pandora One (the paid subscription service), TuneIn, Last.fm and Xbox Music each at 2%. Arbitron also found that Pandora has a wide lead over its competitors. The "Infinite Dial 2013" study found that 47% of smartphone owners had downloaded the Pandora app, while 15% had downloaded iHeartRadio and 6% had downloaded Spotify

Are You Still Getting Your Music From AM/FM Radio?

by [Kecia Lynn](#)

April 2, 2013, 3:00 PM



What's the Latest Development?

A survey of 7,600 Americans aged 13 and over by the market research group NPD revealed that, during the fourth quarter of 2012, 23 percent of the average weekly music listening time among teens and young adults (ages 13-35) was spent listening to Internet radio, up 17 percent from the previous year. Meanwhile, among the same group and during the same period, traditional AM/FM radio fell two points, to 24 percent of

listening time. Among older adults, AM/FM is still strong, accounting for 41 percent of listening time compared to 13 percent spent listening to Internet radio.

What's the Big Idea?

Advertising

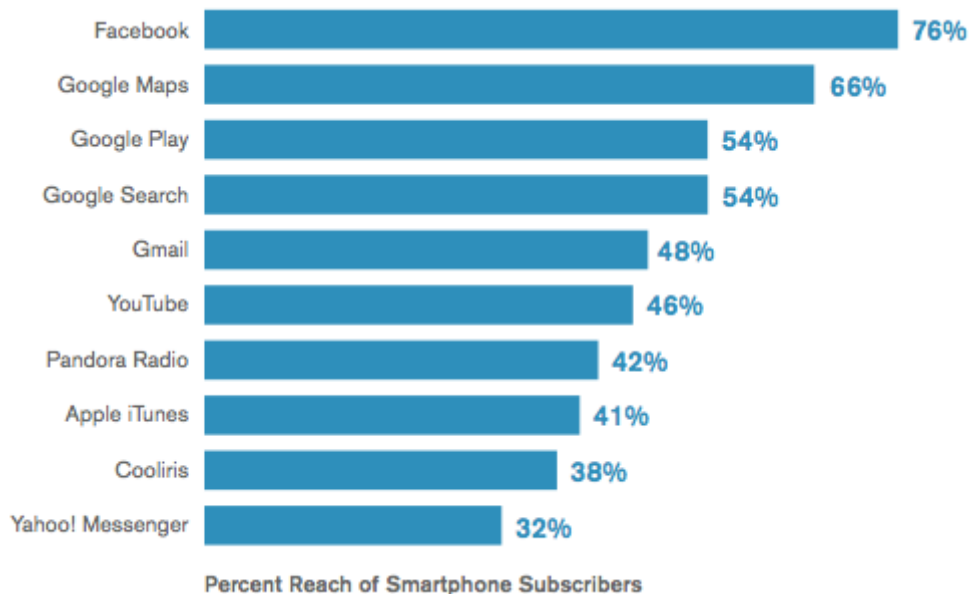
It may be too soon to sound the death knell for traditional radio, at least when it comes to audience numbers, but the impact of the Internet and mobile technology is undeniable, says NPD vice president Russ Crupnick. One service in particular, Pandora, enjoys 39 percent of total Internet radio listenership among teens and young adults. Other forms of music delivery, such as CDs and digital files, are decreasing in popularity. The survey also reports that 51 percent of teens and young adults most often listen to music in their cars, which Crupnick says points to the role of music -- regardless of its source -- "in the American driving and commuting experience."

The weekly internet radio audience now numbers 86 million. Fueled by the rise of smartphones, the online radio audience has been growing steadily since 2010. One in three Americans aged 12 and older now listen to some form of online radio on a weekly basis, an estimated 86 million people. But the vast majority of online radio listeners (8 in 10) also listen weekly to AM/FM radio while 2 in 10 (or 15.5 million) do not. Like Triton Digital's server-side listening data, the new Arbitron-Edison Research Infinite Dial survey shows Pandora continuing on an upward trajectory: one in five Americans said they listened to the web pureplay last week, up from 16% one year earlier. But the survey also shows iHeartRadio catching up — at least in terms of awareness. Clear Channel's all-in-one web radio service showed a significant year-over-year increase in awareness, growing from one-third of Americans last year to 45% this year, putting it closer to Pandora's awareness level (69%). There's a larger gap between the two in app downloads: nearly half of smartphone owners have downloaded the Pandora app versus 15% for iHeart, 9% for an AM/FM station app and 6% for Spotify. "Online radio is on a roll, and it's attracting new competitors in addition to new listeners," Arbitron SVP of marketing Bill Rose says. "It's crucial to have a strategy to cut through the clutter and make it easy for the audience to find you online." In addition to promoting their digital platforms on-air, Rose says broadcasters may want to consider cross-promoting their digital content on commonly-owned stations, such as sister stations in a market cluster.

NPD Group: Internet radio neck-and-neck with AM/FM among younger listeners. Arbitron and Edison Research didn't break out web radio listening by age groups in their new survey but a new study by NPD Group shines a light on the demographics of streaming audio listening. Free and subscription-based internet radio services accounted for 23% of the average weekly music listening time for consumers aged 13-35 in the fourth quarter, the market research firm reports. That's up from a market share of 17% the previous year. AM/FM radio maintained a razor-thin lead in the demo, grabbing 24% of music-listening time, down by 2 percentage points. Broadcast radio occupies a more dominant position in the 36+ demo with a 41% share versus 13% for internet radio. "Driven by mobility and connectivity, music-streaming services are rapidly growing their share of the music listening experience for teens and young adults, at the expense of traditional music listening methods," NPD SVP of industry analysis Russ Crupnick says. So who's winning the web radio war so far? Four in ten respondents aged 13-35 report using Pandora, compared to one in ten for iHeartRadio and one in ten for the free version of Spotify.

Smartphone users like to use the devices to listen to music, and that's a trend that is on the upswing, according to new information from [NPD Group](#). 56% of smartphone users listen to music on their devices, with 39% of them doing that daily. Of those, they mostly listen to Internet radio (65%), but also stream on demand services like [Spotify](#) or [Rhapsody](#) (30%) and listen to their own music (it's not clear whether it's on the device or streamed from a cloud service) as well.

Music listening on mobile devices extends to tablets as well, with 40% of tablet users listening to music on those devices.



LAUNCHPAD AND EDISON TO MEASURE PODCASTS

2-13-2013

Norm Pattiz's company, Launchpad Digital Media, has hired Edison Research to create standard metrics to measure podcasts. Edison will collect and audit data from all Launchpad podcasts and generate monthly figures. Pattiz, who is a keynote at Convergence next month, said, "We formed Launchpad to apply proven, successful monetization methods to the expanding world of on-demand digital media. To do that you need to speak the advertisers' language. These new metrics will put the sizable podcast audience in terms advertisers can understand and utilize effectively."

Edison Research President Larry Rosin said, "We are excited to begin this new relationship with Launchpad Digital Media. The metrics Edison will be providing will further help legitimize podcasting for advertisers and help emphasize its growing prominence as a platform for listeners to consume and control their content."

Launchpad is a division of Norm Pattiz's Courtside Entertainment Group and currently represents on-demand and streaming podcast programming, which delivers over 90 million downloads every month.

Internet radio trumps on-demand services among smartphone users. Mobile devices are increasingly being used as portable music players but it's free internet radio services like Pandora and iHeartRadio that are seeing the most action. Six-in-ten smartphone users say they use the device for music listening. Within that group, two-thirds report using free internet radio — more than double those using their smartphone for on-demand services like Spotify. More than half say they're using the device more for music compared to a year ago. Tablets, too, are being used as portable music players more often. NPD director of industry analysis Ben Arnold credits "the app ecosystem" for making it easy for portable device users to connect to internet radio. Smartphones and tablets have freed web radio listening from a fixed position like a desktop to anywhere there's a 3G or 4G connection. That's turning web radio into a portable soundtrack for everyday activities. Services like iHeartRadio have jumped on the trend by offering web-only stations designed to accompany a specific activity. Consumers are also matching the device to their listening activity or environment, such as using a small MP3 player at the gym, a smartphone while walking around the mall, or a tablet while computing at Starbucks. "We have more opportunities to listen to music and different devices fit those opportunities better than they used to," Arnold says.

Radio faces a new TSL reality. Though radio's cume remains remarkably steady at 92% of the U.S. population, time spent listening among persons 12+ dropped by 3.2% from April 2010–March 2012, according to Arbitron RADAR data. The decline may be slightly inflated since 15 of the 240 markets measured by RADAR were transitioning to PPM in 2010. The data shows TSL declines appear to be larger among younger demos. That may sound alarming, but CBS Radio SVP of programming Greg Strassell doesn't believe it's a universal problem. "The big brands that do it well are holding TSL," he says pointing to young adult L.A. powerhouses like KROQ, KIIS and KPWR, where year-over-year TSL is holding steady or growing. To remain relevant to younger listeners, Strassell says radio must not just reflect the buzz but help create it. Radio is hardly alone in confronting digital disruption. In the past year, three of the big four broadcast TV networks experienced audience drops ranging from 2% to 8%, according to Nielsen. And the percent of U.S. adults who say they read a newspaper yesterday (print or online) has declined steadily to 43%, according to Scarborough. More fragmentation is a virtual certainty. "You will see satellite, Pandora and Spotify decline as more entertainment becomes available," Entercom SVP of programming Pat Paxton says. Emmis CEO Jeff Smulyan believes some listening has shifted over to radio's digital platforms. "We live in a fragmented world and people have more choices," he says.

More digital choices are expanding the radio landscape. Radio's first inclination may be to wave the finger of blame for TSL declines at internet radio, and there's evidence it is a factor. Web radio has exploded during the past four years, experiencing a 243% increase in domestic Average Active Sessions from 2009 - 2012, according to Triton Digital data. With smartphone penetration gaining critical mass, internet radio hit a dramatic inflection point in late-2011 as listening sessions skyrocketed 60% from third quarter 2011 to fourth quarter 2012 (see chart). The issue may not be whether listening to streaming is cannibalizing broadcast radio but rather how much it is increasing listening to broadcast radio brands. "Overall audio listening is increasing as more options are available to the listener," DTE Research CEO Dr. Tom Evans says. "It does not mean that a listener decides to switch to one device over another as much as new options make for easier listening." For example, a sports fan may listen to his local ESPN Radio affiliate when he's in town but tune to ESPN Radio on satellite radio when he can no longer

pick up the local station on his car radio. A KIIIS-FM, Los Angeles listener may tune to the station in the car but listen to the station stream on her smartphone or desktop computer at work. In both cases the brand is increasing its listening but may not receive full credit for it in Arbitron ratings.

Radio's inherent strengths hold key to winning against new competitors. Digital platforms have made it easier for listeners to spend more time with radio while swinging the door wide open to new competitors. In December web pureplays accounted for 78% of all U.S. web radio listening measured by Triton Digital, compared to 22% for broadcast streams. That's practically an inverse from three years ago

Although it launched in 2006, today is the first time Slacker has focused on a concentrated effort to market the company, rather than its offering. Jim Cady, its CEO, says that over the years, it has been quietly building a scalable business that now has more than 500,000 paying subscribers and over 4 million monthly average users. He believes that 2013 will be a "blockbuster" year as it seeks to finally ramp up its marketing initiatives and expand its audience

[Cloud Based Ad Insertion Enhances Targeting for Streaming Broadcasters](#)

Posted: 21 Feb 2013 05:24 AM PST

Abacast has announced a new cloud based [ad insertion](#) technology that offers significant enhancements to streaming broadcasters. Generally, broadcasters deliver their online audio product in a single stream where all listeners are hearing the same thing at the same time. This is different than the technology that more interactive services like [Pandora](#) use, where each listener is hearing a personalized stream. The single stream approach, while cost efficient, has offered limited targetability of ads. With Abacast's patent pending cloud-based ad insertion, each listener can receive individualized in-stream audio ads.

ESPN's Digital Audio division will use the system to enhance the targetability of audio ads across its platform, "targeting listeners by device, location, age and gender in real time across live national broadcasts." Abacast's targeting capabilities make it possible to choose options that, for example, include "all smartphone listeners," "all listeners in the top 20 DMAs that are on [iPhones](#)," "all male listeners in the 25-34 age range in a group of zip codes," "all listeners listening on the [TuneIn](#) player," and more, according to Rob Green, Abacast CEO. Abacast's cloud-based ad insertion is specifically designed for all broadcaster sizes and is deployed on the Abacast streaming network as well as on **Akamai** and **Amazon**.

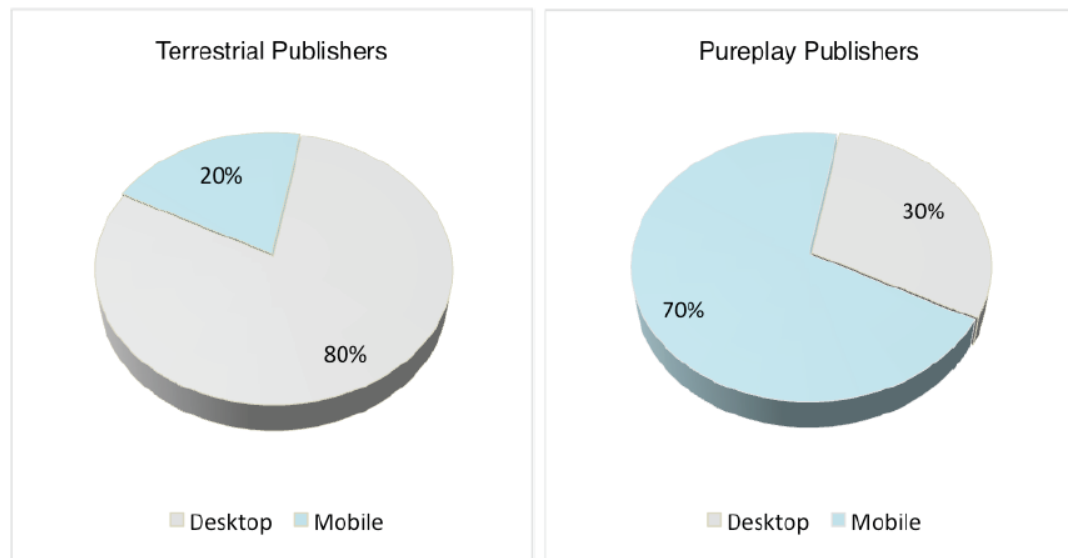
"This was a huge hole in the radio industry," **ESPN Digital Audio senior manager Blair Cullen** told [Adweek](#). "Before, it was one stream to thousands of people, and it didn't make sense that we were targeting women with a lot of the ads that were running. Now, hundreds of thousands of people are going to get different ad breaks. You could be in the same car as your friend wearing different headsets, and you'll still be served a different ad than that person," he said.

This is impressive news from Abacast that has game changing potential for single stream broadcasters with large, geographically or demographically diverse audiences. More targeted ad delivery nets higher cpms, and positions those services to better compete for digital dollars.

Arbitron pegs radio's digital web come at more than 5 million. While it continues to have a long, drawn-out dialogue with its customers about measuring listening across platforms, Arbitron for the first time has broken out digital listening data from its national network radio ratings service. **Data from the new RADAR 116 report shows HD Radio multicasts reach 3.6 million persons aged 12+ and that the online streams of AM, FM and HD stations pull in 5.4 million 12+ listeners during an average week.** Adults aged 18-49 make up the majority of the streaming audience, numbering 3.5 million people in an average week. The streaming estimate is dramatically lower than the 76 million weekly online radio listeners that Arbitron and Edison reported one year ago in their annual Infinite Dial study but that larger number reflected both pureplays and broadcast streamers. Methodological differences could also be at play. The Infinite Dial study is specifically intended to probe listening on emerging digital platforms and involved a telephone survey of 2,020 people. The new RADAR data is culled from Arbitron's syndicated measurement service and involves a roughly 50-50 mix of PPM and diary survey data from 395,844 persons aged 12+ over a one-year period.

Insight & Trends

The January 2013 Ranker followed the listening trends of 2012 in terms of device consumption. Terrestrial publishers showed an 80/20 split in favor of listening on desktops, while pureplay publishers tracked in the opposite direction with a 70/30 split in favor of mobile listening.



However, terrestrial publishers did see an 18% increase in mobile listening in January, which was the fastest growing sector of the month. Pureplay desktop and mobile listening remained relatively consistent at a 2% and 3% gain respectively.

[Live-stream Song Skipping Explained](#)

[radioinfo](#) | March 5, 2013

By Jim Kott
Senior VP, Products and Marketing
Abacast, Inc.

(When Abacast announced its upcoming song-skipping feature for live radio streams several weeks ago, RadiInfo publisher Michael Harrison had originally criticized the concept in a short article as detouring from radio's traditional role as a programmed, one-to-many service. We reached out to him to clear up some misunderstandings and explained how we view this feature as benefiting not just the listener but the broadcaster. He then invited us to write this article to explain the feature and our thinking on it in more detail.)



VANCOUVER, WA — In mid-February we were excited to announce the upcoming beta release of our new song-skipping feature for live radio streams. **This feature will enable listeners to skip songs that they don't want to hear when listening to live radio online.** The announcement generated a fair amount of publicity as well as some questions as to how it works and what the ramifications are for the radio industry, the program director, the audience, and more. In this article I'll explain why we think this feature will be beneficial to the radio industry, how it works under the covers, the controls we are providing PDs around this feature, and how we view it being used.

What's Great About Radio

As we all know, competition to broadcast radio has proliferated recently with playlist services like Pandora and Slacker. Today, consumers have more options for listening to the music they love and discovering new music than they ever had in the past. The ability to have some control over the music—emphasizing music that they like and avoiding music that they don't—has proven to be a very appealing feature to audiences, and as a result Pandora and its peers have built up sizable audiences.

However, when we talk to consumers about what they like about traditional radio, there are key differentiators that radio has over the playlist services. Listeners like the live aspect and immediacy of radio. They like local content relevant to them and their community. Finally they like the on-air personalities and the narrative they create and information they relay about the music and the happenings in the community and world. These three things – live, local content woven together by on-air personalities—are the core differentiators that traditional radio has over today's playlist services.

Digital Provides New Capabilities

The great thing about digital delivery of radio is that it enables radio to maintain its differentiators over playlist services, yet it provides additional capabilities that radio can take advantage of. With an eye towards enabling traditional radio to do what it does best yet capitalize on new capabilities in digital (and give consumers what they're asking for), we developed our live stream song-skipping technology.

Hammer Time

In short, **our live-stream song skipping technology** (admittedly a mouthful and thus code-named Hammer) gives listeners the ability to skip songs that they don't want to listen to. Hammer works on top of Abacast's patent pending Cloud Insertion and Personalized Live Radio technologies. When a listener chooses to skip a song that is currently being played, **another song from the station's playlist will be played immediately and in its entirety for that listener.** Hammer's individualized buffering and insertion functionality ensures that the rest of the stream, including songs, DJs, and commercials, is played seamlessly and in its entirety as well.



Benefits to Broadcasters and Advertisers

When listeners have the ability to skip songs that they don't want to hear, we believe that broadcasters will benefit from increased listening times as well as audience growth. One could argue that there has always been song skipping technology – just change the channel! However, that is one less listener for that broadcaster. With Hammer they'll instead be able to skip the song but remain on the station. Consumers have indicated that they love the ability to skip certain songs, and we think they'll favor services that offer this capability. We plan on releasing detailed listening time and audience size metrics at or shortly after we release this feature in Q2 2012.

As part of this feature we'll offer some new advertising opportunities that should appeal to advertisers. For example, if someone chooses to skip a song, you know that they are engaged with the player and that they may be a candidate for a visual ad or a visual branding experience.

Benefits to Listeners

Consumers for the most part don't want to constantly fiddle with their content—they want to just lean back and enjoy it. In today's digital world however, they also expect some level of control. We see live-stream song-skipping technology as giving consumers a level of control. Not to constantly fiddle with the content, but to just skip a song every once in a while that they're tired of hearing, is by an artist they don't care for or just don't want to listen to for whatever reason.

What About the "Radio Experience"

When we announced our song skipping technology, we heard from some in the industry that this feature just wasn't what radio traditionally is—a one-to-many model programmed for mass audiences. Giving people the ability to selectively skip songs from a well thought-out playlist is a departure from the way things have been done in the past.

We heard from other people that this feature de-emphasizes and marginalizes the job of the program director. Since the PD takes a lot of time programming the songs why are we enabling listeners to just skip them?

We realize that this feature is a departure from traditional one-to-many broadcast radio. We are thus building controls into the system to allow broadcasters to experiment with it to see how it works best for them. Song-skipping can be day-parted so that it is only available during certain days or hours. This allows broadcasters to get comfortable with it and get audience feedback at their own pace.

Also, certain songs can be designated by the PD as non-skip able. We call these “sticky” songs, and they can be power songs that the PD wants everyone to hear or artists that promotions are being built around.

A key benefit for PDs will also be the data that we’ll capture for them from the service. This will be real data, not surveys, that shows what songs are being skipped by audiences and at what frequency. This can only make their programming better.

We believe that stations will start out with tight controls as they get used to this capability. They’ll probably start out with tight day-parts to see how it’s used and designate many songs as sticky (non-skip able) until they get comfortable with it. Ultimately however, we feel that as they see consumers using this feature (as they do on other digital audio services) and listening times increase, they’ll open up the feature to broad use.

What About Royalties?

Because performance royalties must be paid any time any portion of a song is heard, the question we’ve gotten is “won’t royalties be higher as a result of this feature?” Yes, royalties must be paid if any part of a song is heard. Because of this we will limit the number of skips in a session or in an hour. We are thinking the number will be somewhere between three and six skips an hour but will be doing extensive testing on this during our Q2 beta. We can also choose to play an ad on a skip event after the first few skips to organically reduce the number of skips. We believe that a policy of allowing a reasonable number of skips per hour will ultimately be the thing to do to increase listening times, attract and grow audiences, and ultimately lead to more digital profits.

Contributing to Radio’s Success in a Digital World

Abacast is focused on helping radio stations to compete and thrive in a digital world. In short, we think that live-stream song skipping is a revolutionary enhancement in the history and progression of radio. It enables radio stations to preserve their differentiators over playlist services – namely live, local content with engaging personalities – yet give the audience a measure of control that they are expecting nowadays. We look forward to our release in Q2 2012 and welcome any feedback or input on this service

CBS Radio turns to digital ad exchange to monetize streaming ad inventory. With some radio companies choosing a simulcast model to monetize their streams, CBS Radio is heading in the opposite direction. The company has become the first broadcaster to join Triton Digital’s a2x ad exchange, which allows advertisers to buy inventory through real-time bidding and uses behavioral targeting. CBS has 127 broadcast radio stations and another roughly 200 online-only streams. The a2x ad exchange sells audio ads similar to how most web display and video advertising is transacted. When CBS or another audio publisher puts inventory up for bid, the purchase price for an ad impression is determined via a real-time auction rather than a predetermined fixed rate. The technology establishes a minimum price at which the impression can be sold for. It also relies on behavioral targeting — enabled by tracking cookies used by webcasters to collect information on the web activities, systems and devices used by their listeners — to deliver the most relevant ad to listeners, regardless of the content they’re listening to. The goal is higher CPMs (cost per thousand impressions) for sellers and a more targeted buy with less waste for buyers. CBS Local Digital Media president Ezra Kucharz says the company will continue to sell digital audio ads through traditional sales means. Joining the exchange will “create additional demand” and allow it to “participate in a new revenue stream targeting mobile

and digital budgets,” he says. Triton Digital COO Mike Agovino says a beta phase of the ad exchange “is nearly complete” and additional advertisers are using it every week.

Why Sprint's Adding Radio On Smartphones Matters

A message from Radio Ink Publisher Eric Rhoads



Yesterday while I was sitting at my desk, my cell phone made an alert noise (even though the volume was turned down) and an Amber Alert flashed on the screen. That reminded me of the need to put radio on mobile phones, not only so radio can entertain, but so alerts can go out to phones even when cell towers are down or not functioning, as during Hurricane Sandy.

Coincidentally, Ed Ryan yesterday [broke the story](#) that Sprint had announced that several models of Android and Windows smartphones will be enabled over the next few years with FM radio chips and the NextRadio platform, developed by Emmis Communications.

Though Sprint has already had offered some phones with FM chips in the past (I had it on my HTC Evo two years ago), this is the first time FM will be offered on a wide variety of devices.

Why is this a big deal? As I have [written in the past](#), radio transmitters work when the power is down and when cell phone towers are not working. An FM chip can send emergency messages to all enabled phones during a storm, a power outage, or a national emergency. The cell companies can't do that without placing expensive generator plants at all cell tower locations, a virtual impossibility.

Additionally, some claim the carriers cannot possibly keep up with ever-growing bandwidth consumption, and this will allow radio listening on a phone without the need for streaming. Phones may soon be able to

transparently switch between streaming and a local radio signal, saving both bandwidth and battery life.

Radio's big win here is that now we have expanded our potential reach. We're in 100 percent of cars and now on more smartphones. Though it's only Sprint so far among the major carriers **and won't include Apple devices**, this sends a giant pro-radio signal to the marketplace, offering Sprint a competitive advantage until others catch up. After all, radio listening remains strong, and we will see increases in listening with the convenience of a radio in the pocket.

Will others follow? Hard to tell, but this is great news and a giant leap for radio, thanks to the leadership of Emmis CEO Jeff Smulyan, who has made this his top mission for the industry.

Last year *Radio Ink* and Dick Orkin's Radio Ranch made radio spots available to put pressure on wireless providers and consumer electronics manufacturers to offer radio in cell phones. Many stations are still running these spots, and they continue to be available [here](#).

Though the battle to be on all mobile phones continues to be a lofty goal, congratulations are in order to Jeff Smulyan and his team.

Eric Rhoads

SMULYAN CONVINCES SPRINT THE FM CHIP IS COOL

2

1-8-2013

The press release came from Sprint but the heavy lifting was done by Emmis CEO Jeff Smulyan. **With a target date of May, Sprint customers will be able to listen to local radio stations without having to download an individual station app or use up valuable and expensive data.**

Emmis and the NAB have been developing a tuner called **NextRadio**, which is expected to be available later this year. The tuner will be the "app" on the face of select Android and Windows smartphones that will allow consumers to listen to their favorite local radio stations. It will also enable the radio industry and Sprint to generate additional ad revenue.

Behavioral ad targeting comes to audio streaming. In a deal that could give broadcasters a better path to monetizing their station streams, **Triton Digital has partnered with data management provider eXelate to integrate behavioral data into its ad-targeting platform.** Triton says it will announce several broadcast and pureplay clients for the service in the coming weeks, along with participating agencies and advertisers. Efforts to monetize station streams have been

hampered by a lack of data on the streaming audience — beyond just simple listener counts — due to reluctance among most broadcasters to require listeners to provide basic information about themselves through a registration process. Triton says its alliance with eXelate gets around that. Participating broadcasters and pureplays would use a tracking cookie to collect data about listeners. That info would be matched (in a privacy-compliant way) with data collected by eXelate and its data partners, then segmented across behaviors, demographics and online purchase intent. The result would allow the type of ad-targeting used in most online display and video advertising. Exelate data partners include Nielsen, Nielsen Catalina, MasterCard Advisors, Autobytel and Bizo, among others. Triton CEO Mike Agovino says the deal will be a game changer for how streaming audio ads are sold — and at what price. Moving away from the current broadcast radio sales model used by Triton and other ad networks to a targetable digital model will allow streamers to tap into digital agency ad budgets. That, he says, will cause current streaming Cost Per Thousand (CPM) rates to at least double from their current \$2-\$4 CPM range. “We’ve already prescreened the partners that we will be announcing in the coming weeks and have put deals in place that will validate the value of this inventory,” Agovino says. “The technology will not enable purchase through this channel at less than a certain minimum bar.”

Satisfying 80 Years of Consumer Desire

For Consumers - Live Radio Song Skipping

Listeners have wanted to skip songs ever since the dawn of radio. Let’s face it, sometimes you’re not in the mood to hear the current “it” pop song for the sixth time today. With Abacast’s live stream song skipping, listeners can skip past songs they don’t want to hear, finally giving them control of their live radio experience.

For Broadcasters - Longer Listening Times

Instead of listeners changing the channel when they don’t want to hear a song, they’ll now be able to simply skip past it. The key is that they’ll remain on your station, lengthening average listening times.

Built on Abacast Patent Pending Cloud Insertion Technology

When a listener chooses to skip a song that is currently being played, another song from the station’s playlist will be played immediately and in its entirety for that listener. Abacast’s patent pending Cloud Insertion Technology provides individualized stream buffering and insertion functionality, ensuring that the rest of the stream, including songs, DJ’s, and commercials, is played seamlessly and in its entirety as well.

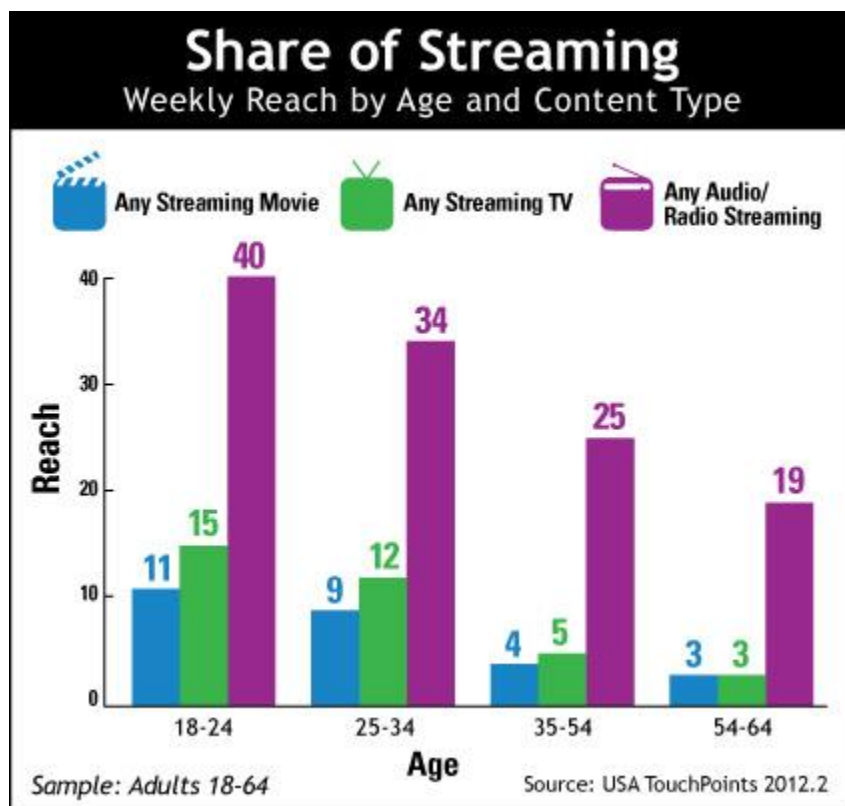
“We are excited to participate in the beta release of live stream song skipping. With consumers having more choices than ever today, we feel that song skipping will differentiate us from our competitors and more importantly provide our customers and clients a better listening experience. “

James Derby, Chief Strategy Officer at Federated Media

Song-skipping comes to broadcast radio streams. The ability to skip songs is one feature listeners like most about internet radio yet it remains MIA on most broadcast streams. **Federated Media intends to change that by beta-testing a song-skipping technology on some of its station streams.** The backbone comes from streaming services provider **Abacast**. When a listener hits the skip button on a broadcast radio stream, the system will immediately substitute another song from the station's playlist. Abacast says buffering and insertion functionality will ensure that the rest of the stream — including songs, DJ's, and commercials — plays in its entirety. Skips will initially be limited to about six per hour. With rampant consumer choice for streaming audio, Federated Media chief strategy officer James Derby says the feature will "differentiate us from our competitors and more importantly provide our customers and clients a better listening experience." A poll of over 41,000 Americans conducted by Alan Burns & Associates and Triton Digital found nearly two-thirds of listeners aged 34 and younger said they'd listen to radio more if they could skip songs. Abacast SVP Jim Kott expects the technology to "lengthen listening times and grow audiences." He says the company will release average listening time and audience growth metrics after the skip feature is formally released in the second quarter.

The Whole Story: Behind The Buzz On Streaming Media

by [Mike Bloxham](#), Feb 7, 2013, 7:30 AM



Streaming video has gained significant attention in recent times as the market continues to grow. This USA TouchPoints analysis looks at the extent to which TV, Movie and Radio/Audio content is streamed in the average week by different age cohorts.

Interestingly, the results clearly show that while the majority of industry buzz is around

streaming video, in all age groups analyzed, TV and Movies (individually and combined) were outstripped by the total reach of streaming Radio / Audio.

While this may seem counterintuitive to some, a possible explanation may be a plus of audio content -- it does not require fixed attention or even for the individual to remain in place. Also, Radio and any other kind of streaming can be done on the computer while working on the same device -- whether for the purpose of providing background music, sports commentary or other forms of talk-based content.

Services such as Pandora will also account for some of this sector.

The difference between streaming TV Movies was never more than 4% (in the 18-24 cohort) and that difference diminished steadily until both TV and Movies attained the same reach (3%) among the 54-64 year-olds.

Across all three types of content, we see the expectation that younger cohorts will engage more in these sorts of behaviors. The result is that reach among the 18-24 year-olds is highest -- 11%, 15% and 40% weekly reach for Movies, TV and Radio/Audio, respectively. Then, the decline in reach is steady and consistent as we look at increasingly older age groups, with hierarchy of reach remaining constant throughout.

Recall and response to streaming audio advertising up sharply study shows. As broadcasters strive to convert digital dimes into dollars, they can tout new research demonstrating a dramatic improvement in a pair of metrics important to advertisers: ad recall and response. Nearly six in ten internet radio listeners (58%) recall having seen or heard a web radio ad in the last 30 days, up 12% from last year. Of those who remembered an ad, 44% responded to it in some way, up 10% from a year ago. The findings are from newly released results of a TargetSpot-commissioned study by Parks Associates of 1,000 adult U.S. internet radio listeners in broadband households in January. While the most common ad response was visiting the advertiser's website (20%), responses went beyond the click to include searching online for more information about the advertised product or service (17%) or becoming a fan or clicking "like" (12%). "Traditionally, terrestrial radio has always been a high-engagement medium," Internet Advertising Bureau (IAB) VP Michael Theodore says. "Digital audio cranks up the volume of engagement, so to speak, and as a result the audience becomes even more involved and engaged. And when content is customized and advertising is targeted, consumer attitudes and behaviors can change dramatically." When it comes to getting listeners to respond to web radio advertising, relevance is the name of the game, the study finds. More than half of listeners who don't normally click on ads (52%) say a relevant ad might lead them to visit an advertiser's website later. And more than one-third (35%) of consumers who responded to a digital audio ad believe they were personally targeted. A majority of internet radio listeners don't mind ads if they think they'll get back something in return, the study finds. Six in ten (59%) like to get coupons, special offers or discounts (59%) while more than half (55%) don't mind ads as long as they have free access to favorite stations. Nearly four in ten (37%) are willing to "like" an ad in order to receive discounts or special promotions for the product/service. Synchronized display advertising is another big response driver: three in ten (30%) are more likely to respond to an audio ad if there is an accompanying display ad on the web page.

Streaming equivalent of “button punchers” more likely to respond to ads. One of the raps against internet radio is that listeners minimize the player after tuning in, making all those synched banner ads and rich media content akin to that proverbial falling tree in the forest that nobody hears. But a Parks Associates-TargetSpot study debunks that myth: **six in ten web radio listeners (61%) don't keep the player minimized** and 67% indicate they often check the player to see the name of a song or artist. The act of changing stations frequently results in listeners seeing a new ad message and that appears to be helping improve both ad recall and ad response for webcasters. Listeners who use more than one internet radio site are 14% more likely to recall seeing an ad and 18% more likely to respond to an ad in some way than single-site listeners. They're also far more likely to feel ads are specifically speaking to them: Nearly 39% of respondents to internet radio ads who listen to multiple stations daily believe they are being targeted by ads, versus 21% of those who listen to only one internet radio station. With streaming consumption out-pacing monetization, the study could help webcasters turn their upside down business model around. It makes the case that the online audio audience is in the purchasing funnel: 57% say they buy products online while listening and 56% research products for future purchase. And that they create a ripple effect by sharing with their friends: six in ten visits social networking sites while listening. While privacy concerns have made digital advertising tricky for some companies, the survey finds consumers are less worried when it comes to internet radio. Two-thirds of web radio users say they're comfortable receiving ads based on their personal profiles. Seven-in-ten say they're okay with getting ads based on what they've listened to. **The study offers a first peek into how listeners feel about sponsor-branded stations, such as iHeartRadio channels for Verizon, NBC and Supercuts. Not only do listeners say they're happy to receive branded stations and playlists from advertisers because they value the content, one-third (34%) said they're more likely to remember an advertiser if the media player has the advertiser's logo or design, 30% said that branded stations improved their perception of the sponsoring advertiser and 27% said they were more inclined to buy products from the sponsoring brand.** *Read the full survey report [HERE](#).*

By [Carl Marcucci](#) on Oct, 22 2012 with [Comments 0](#)

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TargetSpot, the largest digital audio advertising network, announced the results of its new study, conducted by Parks Associates. It unveils key, **new insights about what drives response and engagement in digital audio advertising**, and further illustrates the increasing effectiveness of the platform for reaching and interacting with consumers.

Key findings include the importance of perceived value for the listener, proper targeting and customized messaging in order to maximize advertising recall and response.

RBR-TVBR asked TargetSpot CEO Eyal Goldwerger: As companies like Google and Facebook are having issues monetizing mobile, how do the results of this study contrast with the problems they're having and show that what you're offering on mobile will be more appealing to agencies and advertisers?

“For many forms of advertising, we're moving from a large-screen, desktop environment to a small real estate on a small screen. It does not take a rocket scientist to realize that a large banner or video on a full screen will be more impactful. At the same time, audio is

absolutely uniquely primed for huge success in audio. In audio advertising, the user experience is identical—whether listening on a large computer or a smartphone—in-car, walking—you’re still listening with the same pair of ears. Add to that captive user attention, geo-targeting, etc., and that is a very exciting proposition to our market.”

He adds, “While people are listening on mobile phones, putting an ad in front of them is not very effective, because the listener also is mobile and usually not looking at the screen.”

So it’s true—small screens are not as effective with visual ads as the laptop or PC. With audio, it makes no difference what the size of the device is.

Back to the study:

Digital Audio listeners already derive additional value from their listening experience through the interactive elements that the medium provides. The same expectation applies to Digital Audio advertising: the majority of listeners don’t mind ads if they think they will receive something in return. 59% of Digital Audio listeners like to get coupons, special offers or discounts; 55% don’t mind ads as long as they have free access to favorite stations, and 37% are willing to “like” an ad in order to receive discounts or special promotions for the product/service.

Digital Audio’s Advertising Trifecta – Consumer behaviors while listening:



Listeners are also happy to receive branded stations and playlists from advertisers because they value the content. In fact, 34% said they are more likely to remember an advertiser if the media player has the advertiser’s logo or design, 30% said that branded stations improved their perception of the sponsoring advertiser and 27% said they were more inclined to buy products from the sponsoring brand.

Mobile devices provide another platform for advertisers to reach a receptive and ever-increasing Digital Audio audience. 27% of Digital Audio listeners do not mind getting ads on their mobile device for products/services they are interested in and the same percentage does not mind being targeted based on their physical location.

Advertising to the interested

Digital Audio listeners are highly accepting of targeted advertising: 65% are comfortable receiving ads based on their personal profiles and 70% are comfortable receiving ads based on their Internet Radio usage and/or content preference. Additionally, listeners to multiple Internet Radio stations are 65% more comfortable being targeted based on their profile and 52% more comfortable being targeted based on their usage and content preferences than are single-site listeners.

Among listeners who responded to an Internet Radio ad, key demographic groups are more likely to believe ads were specifically targeted to them:



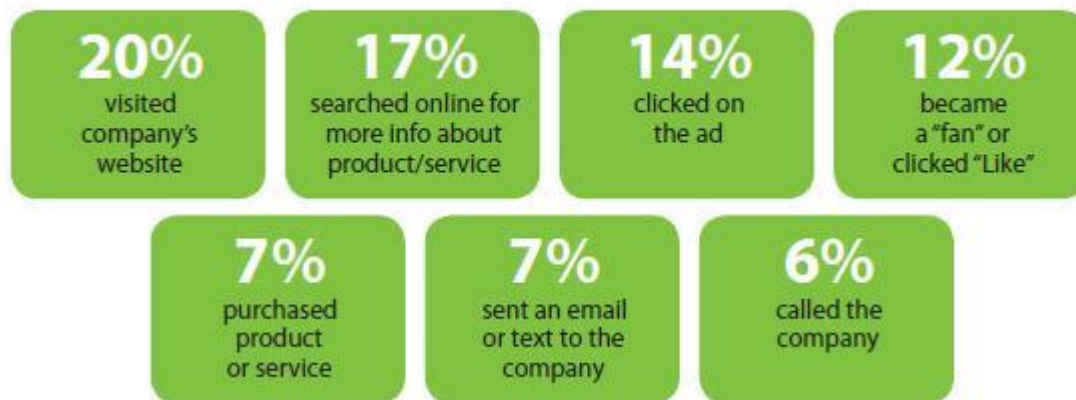
Targeted advertising content resonates with Digital Audio listeners because it speaks directly to specific audiences and appeals to their individual interests. Correctly targeting the listener is critical, as is the creative messaging, since 35% of consumers who responded to a Digital Audio ad believe they were personally targeted. Additionally, Internet Radio listeners who listen across multiple Internet Radio sites are even more likely to feel ads are specifically speaking to them compared to single-site listeners. Nearly 39% of respondents to Internet Radio ads who listen to multiple stations daily believe they are being targeted by ads, versus 21% of those who listen to only one Internet Radio station.

Digital Audio advertising effectiveness metrics indicate that recall and response are high and increasing year over year. 58% of Internet Radio listeners recall having seen or heard an Internet Radio ad in the last 30 days, up 12% from last year. Of those who recalled an Internet Radio ad, 44% responded to it in some way, up 10% from last year.

And, since one way Digital Audio users maintain a connection to their listening experience is by changing stations, it correlates that multi-site listeners are even more responsive to advertising: 66% recall seeing or hearing an Internet Radio ad, and of these, 52% responded to it in some way — 18% more than single-site listeners.

Relevance and proximity are key drivers of response. 52% of listeners who do not normally click on ads say that a relevant ad might lead them to visit an advertiser's web site later. 30% are more likely to respond to an audio ad if there is an accompanying display ad on the web page.

Responses span well beyond the click:



Personally relevant ads appeal to digital audio listeners and drive high response rates. However, even when digital audio listeners do not perceive ads to be particularly pertinent to them, they are more accepting of them and less likely to stop listening than are listeners to traditional Broadcast AM/FM Radio. 26% of Broadcast AM/FM listeners stopped listening because they did not find an ad personally relevant, compared to only 20% of Internet Radio listeners.

(COMMENT: THERE ARE SEVERAL FACTORS THAT MAKE THIS RESEARCH SUSPECT BEYOND THE COMPANY THAT FUNDED IT. FIRST ONLY BROADBAND HOMES COULD PARTICIPATE. SECOND, IT WAS AN ONLINE SURVEY, THOSE WHO WERE NOT ONLINE COULDN'T PARTICIPATE. THIRD WAS THE IN-TAB-ONLY 250)

Internet Radio Ads Drive 14% of Hispanic Listeners to Purchase

August 17, 2012

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[Tweet](#)

Hispanic internet radio listeners show significant response rates to digital audio ads, [according to](#) [pdf] an August 2012 study from TargetSpot, conducted by Parks

Associates. 14% of Hispanic listeners responded to an ad by making a purchase, while 26% visited a company's website and 22% searched online for more information about a product or service. Other actions taken include: clicking on an ad (18%), becoming a fan or friend (17%), and visiting a retail location (12%).

Overall, Hispanics demonstrate higher response rates to digital audio ads when compared with the general population listening sample. 61% of Hispanic listeners recalled seeing or hearing an internet radio ad in the previous 30 days, and 61% responded to the ad in some way as well, compared to 58% recall and 44% response from the general population.

A July 2012 study from Terra, conducted by comScore, also revealed that [Hispanics are more responsive to digital advertising](#) than the general population. According to that report, they are 80% more likely to say that they usually remember the brands they see advertised online, across all devices (20% vs. 16%), and 73% more likely to report having been motivated by an online ad to visit a retail store for the product or service advertised.

Hispanic Listeners Put Their Mobiles to Use

Data from “TargetSpot Digital Audio Benchmark and Trend Study, 2012: Hispanic Insights” indicates that Hispanic internet radio listeners are slightly more likely than the general population sample to listen on tablets (75% vs. 73%), and about 10% more likely to do so on in-car devices (95% vs. 86%). They are particularly more open than the general population sample to listening over mobile phones, at 70% and 55%, respectively.

Hispanics also are more likely than [African American internet radio listeners](#) to tune in via tablets, mobile phones, and in-car devices.

78% of Hispanic internet radio listeners report spending between 1 and 3 hours a day listening to internet radio, and, their time spent listening by device has increased significantly over the prior 12 months. 40% report spending more time listening on a computer than over the previous year, 37% spend more time listening on a smartphone, and 50% spend more time listening on a tablet.

Hispanics have more time to spend on internet radio, as the Terra and comScore report revealed they spend less time on a weekly basis than non-Hispanics watching TV (8.3 hours vs. 10.9 hours), but more time on mobiles (4.1 hours vs. 3.6 hours). They also spend more time on the internet across all screens than watching TV (8.7 hours vs. 8.3 hours).

Hispanic Listeners Research, Shop While Tuned In

The TargetSpot study also finds that Hispanic radio listeners provide a fertile environment for advertisers: 62% research a product for future purchase while they listen

to internet radio, and 58% also shop. Other popular activities include emailing (73%), searching (68%), reading (60%), and playing games (59%).

Radio advertisers can also leverage Hispanics' use of social media while listening to internet radio. 7 in 10 listeners reported visiting a social network while listening, and these listeners are more likely than the general sample to engage in a variety of social network activities including sharing stations, bands, or artists (47% vs. 37%) and looking at what others are listening to (44% vs. 36%).

Other Findings:

- 55% of Hispanic internet radio listeners are male, 44% are married, and 46% own a home.
- 93% own a computer, 66% own a smartphone and 33% own a tablet - generally in line with the general population - but more than twice as many own an in-car device as do radio listeners overall (37% vs. 14%).

About The Data: The TargetSpot research is based on an online survey of US internet radio listeners, and was fielded January 7, 2012 through January 17, 2012. The sample population included 1,000 listeners aged 18+ in broadband households that listen to the medium once a month to daily, and included an oversample of Hispanic listeners (n=250).

(COMMENT: THE FIGURES IN THE TARGETSPOT RESEARCH ARE WAY TOO HIGH IN RELATIONSHIP TO OTHER RESEARCH THAT HAS FOCUSED ON ONLINE LISTENING. NEED TO CONSIDER THE SOURCE- TARGETSPOT FUNDED THE RESEARCH AND HAS A VESTED INTEREST IN HOW IT TURNS OUT. MOST AGENCIES TAKE THIS TYPE OF RESEARCH WITH A HUGE GRAIN OF SALT.)

By [Carl Marcucci](#) on Aug, 15 2012 with [Comments 0](#)

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TargetSpot, the largest digital audio advertising network, released results of the industry's first multicultural Digital Audio studies. Conducted by Parks Associates, the reports unveil key insights about the Hispanic and African American audiences and their interaction with Internet Radio. Highlights include the growing role of connected devices in facilitating listening, the increase in social interactions while listening, and extremely high advertising recall and response rates, well beyond the click.

With Digital Audio listenership spanning to 42% of the US population, audience make-up is now quite established — the majority of listeners are married and own their own homes, many have children, and this audience also has significant purchasing power. The Hispanic and African American Digital Audio listeners are highly desirable. The African American audience is 56% male and 44% female; 43% own their own home; 31% are married and 43% are households with kids. The Hispanic audience is 55% male and 45% female; 46% own their own home; 44% are married and 54% are households with kids.

The study showed that African American and Hispanic Digital Audio listeners are more mobile and connected than the general population. Specifically, African Americans and Hispanics listen more on tablets than the general population – among owners of these devices, 85% of African Americans and 75% of Hispanics listen on tablets as compared to 73% of the general population. The same is true when it comes to mobile phone and in-car listening. 70% of Hispanic and 60% of African American listeners tune in via mobile phones compared to 55% of the general population. And, 95% of African Americans and 91% of Hispanics tune in digitally in their vehicles, versus 86% of the general population.

Hispanic and African American Digital Audio consumption is significant and consistent with that of the general population. Nearly 80% of Hispanics listen to Internet Radio 1-3 hours per day, and this audience's listening day is in keeping with that of the general population, spanning between 10 a.m. – 10 p.m. The vast majority of African Americans also listen for 1-3 hours a day, but this audience's peak listening occurs between 10 a.m. – 7 p.m.

Compared to 2011, Hispanics report spending 50% more time listening to Internet Radio on a tablet, 40% more time listening on a computer, and 37% more time listening on a mobile phone; while 41% of African American listeners report spending more time listening to Internet Radio on a computer, 34% more time listening on a mobile phone, and 27% more time listening on a Tablet.

Increased connectivity has been a catalyst to drive digital listening across all audiences. This is evidenced by the fact that Digital Audio use among both African Americans and Hispanics has surpassed Broadcast Radio listening both at home and at work. 80% of African Americans listen to Digital Audio at home and 58% listen at work, while 46% listen to Broadcast Radio at home and 16% at work. The comparison is similar for Hispanics with 75% listening to Digital Audio at home and 62% at work, as compared to Broadcast Radio listening rates of 45% at home and 18% at work. The study reveals that both audiences often look at the player to see the name of a song or artist, are highly engaged with their content experience, changing stations on the same Internet Radio website and changing Internet Radio websites at least once per day, and do not keep their players minimized throughout their listening session, another telling indicator of engagement.

Social media is extremely intertwined with both the Hispanic and African American Internet Radio experience. Both of these audiences are even more engaged in social

media while listening than the general population, with 63% of African Americans and 70% of Hispanics visiting social networking sites while listening, compared to 60% of the general population. Additionally, while a strong 35% of the general population links an Internet Radio profile to a social network, 44% of Hispanics and 53% of African Americans are sharing this information with their friends.

Hispanic and African American advertising recall and response rates exceed the already extraordinary rates of the general population. 61% of Hispanics and 59% of African Americans recall having seen or heard an Internet Radio ad within the last 30 days. Of those listeners, 61% of Hispanics and 56% of African Americans responded to an Internet Radio ad in one way or another. This is compared to 58% recall and 44% response rates among the general population.

Similar to the general population, while more African American and Hispanic consumers listen to Digital Audio than ever before, they are not paying for this content. In fact, 81% of African American Internet Radio listeners and 78% of Hispanic Internet Radio listeners do not pay a fee for access to premium Digital Audio services. This means the vast majority of listeners prefer free ad-supported services, and are choosing to receive ads.

RAIN 7/5: App usage surpasses mobile web browsing; mobile music listening growth outpaces both

Research from comScore finds 27% of mobile subscribers have listened to music on their devices

Posted by: [Michael Schmitt](#)

Mobile Content Usage 3 Month Avg. Ending May 2012 vs. 3 Month Avg. Ending Feb. 2012 Total U.S. Mobile Subscribers (Smartphone & Non-Smartphone) Ages 13+ Source: comScore MobiLens			
	Share (%) of Mobile Subscribers		
	Feb-12	May-12	Point Change
Total Mobile Subscribers	100.0%	100.0%	N/A
Sent text message to another phone	74.8%	74.8%	0.0
Used downloaded apps	49.5%	51.1%	1.6
Used browser	49.2%	49.8%	0.6
Accessed social networking site or blog	36.1%	36.7%	0.6
Played Games	32.2%	33.5%	1.3
Listened to music on mobile phone	24.8%	27.0%	2.2

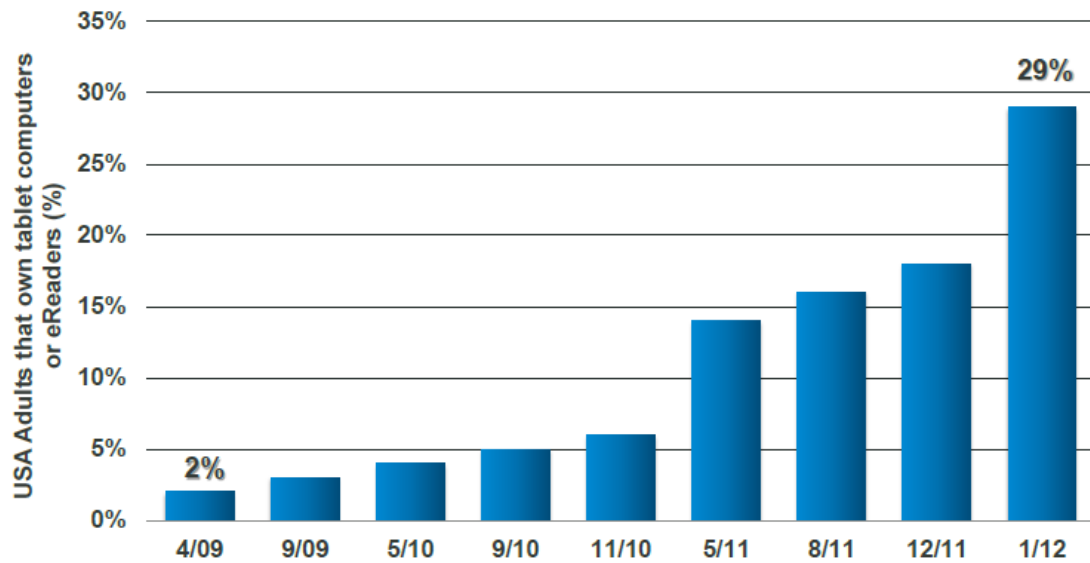
Smartphone-wielding folks now use apps more than mobile web browsers. So found comScore in a new study, which also discovered that growth in mobile music listening **outpaced other activities** like playing games or using apps in general.

More than half of mobile subscribers (51.1%) said they used apps, compared to 49.8% who said they used the web browser, according to comScore. App usage grew **1.6%** from the three month period ending February 2012 to the three month period ending May 2012.

That growth was surpassed by the usage of **music services** on mobile devices, which increased **2.2%** over the same time period. Now **27%** of mobile subscribers say they've listened to music on their device.

The continued penetration of the tablet will continue to encourage audio streaming. The penetration of the tablet far exceeds the iphone and ipod:

% of USA Adults Who Own Tablet Computers or eReaders, 4/09 – 1/12

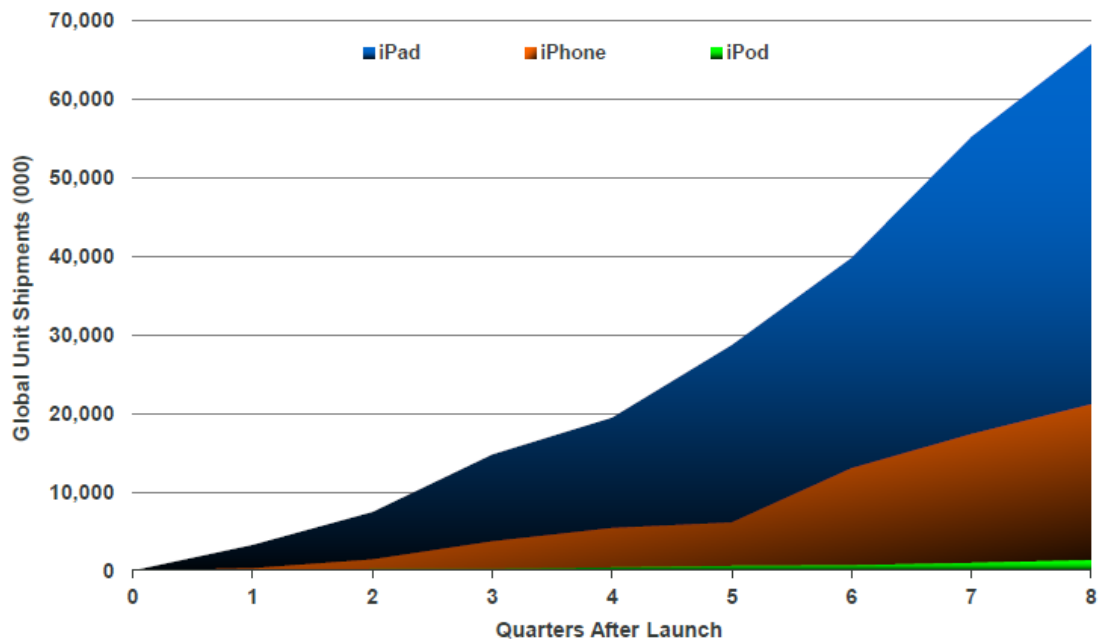


KPCB

Source: Pew Research Center, 1/12.

12

First 8 Quarters Cumulative Unit Shipments, iPod vs. iPhone vs. iPad



KPCB

Source: Apple, as of CQ1:12 (8 quarters post iPad launch).

9

A new forecast from eMarketer predicts the number of U.S. tablet users will more than double this year from 33.7 million to nearly 70 million, or about 29% of the country's Internet users. Responsible for most of that growth is the iPad, which remains the dominant tablet model, with more than three-quarters of the market in 2012.

The latest tablet findings were released Monday, as Apple launched the latest version of its iOS operating system for iPhones, iPads and iPod Touches.

The eMarketer report projects the number of iPad users will grow 90% this year to 53.2 million, down from 144% last year. That growth rate is expected to continue declining to 12% in 2015, when the number of iPad users will have reached 90.8 million. Likewise, the Apple tablet's market share will gradually decline from a peak of 88% in 2010 to 68% in 2015 as competing devices gain some ground.

In terms of the total U.S. population, 16.8% are expected to use an iPad at least once per month this year, up from 8.9% in 2011. Among Internet users, that translates to 22.2% penetration, up from 12.1% last year. By 2015, more than a third (35.3%) of Internet users will have an iPad.

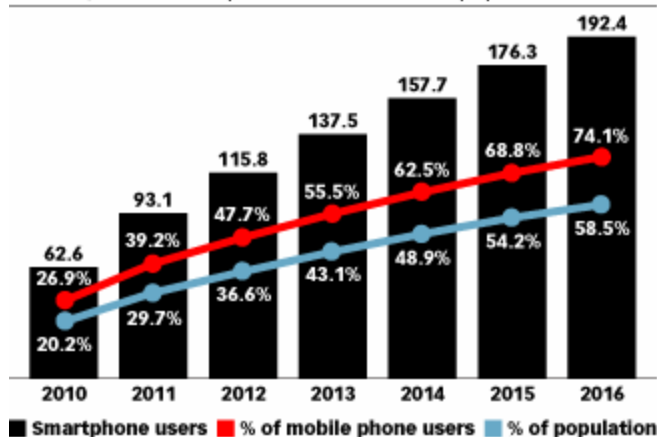
More than half (51.9%) of Internet users -- or 133.5 million Americans -- will have a tablet of some kind by then, eMarketer predicts. The 29% penetration the research firm projects this year would more than double last year's 14.5% reach.

eMarketer estimates more than half of tablet users this year to be men (54%), but the gender split is expected to be roughly even in three years. With 26.2% penetration in 2012, Asians are the most likely racial or ethnic group to use a tablet, followed by Hispanics (24%), whites (21.4%) and blacks (21.5%).

Audio Streaming on Smart phones will continue to increase:

US Smartphone Users and Penetration, 2010-2016

millions, % of mobile phone users and % of population



Note: individuals of any age who own at least one smartphone and use the smartphone(s) at least once per month
Source: eMarketer, April 2012

138189

www.eMarketer.com

6/12 More than a quarter of mobile subscribers listened to music on their phones in April, according to new data from [comScore](#). 25.8% of US mobile subscribers used their mobile device to listen to music, a number that is up 1.3% from the first quarter stat. Texting is the most popular activity at 74.1%.

Mobile Content Usage			
3 Month Avg. Ending Apr. 2012 vs. 3 Month Avg. Ending Jan. 2012			
Total U.S. Mobile Subscribers (Smartphone & Non-Smartphone) Ages 13+			
Source: comScore MobiLens			
	Share (%) of Mobile Subscribers		
	Jan-12	Apr-12	Point Change
Total Mobile Subscribers	100.0%	100.0%	N/A
Sent text message to another phone	74.6%	74.1%	-0.5
Used downloaded apps	48.6%	50.2%	1.6
Used browser	48.5%	49.0%	0.5
Accessed social networking site or blog	35.7%	36.0%	0.3
Played Games	31.8%	33.1%	1.3
Listened to music on mobile phone	24.5%	25.8%	1.3

5/12 Web radio guidelines for the car expected in spring 2013.

Nearly one-in-five (17%) people say they've plugged their smartphone into the dashboard to hear web radio, up by 55% compared to a year ago according to Arbitron-Edison Research data. With that as a backdrop, the Internet Media Device Alliance (IMDA) recently released its draft report dealing with topics such as a universal dial, station metadata, car-specific device profiles and encoding guidelines. IMDA chairman Harry Johnson says the group will gather feedback over the next year from all the players with a goal of issuing a final set of guidelines next spring. IMDA is currently dominated by European broadcasters, although NPR and the National Association of Broadcasters have been involved. There's

little time to waste since automakers begin selling cars equipped with web radio effective with 2014 and 2015 models. When that happens, drivers will no longer be required to plug in their smartphone for connectivity and dashboards will be similar to the Ford Sync with the apps on the receiver — not on the phone. Audi is already selling some cars with such capabilities in Europe. Johnson believes the timing is critical since once carmakers commit to a specific technology, it's extremely difficult to get them to make changes. It's also a lot easier to ask for features like iTunes tagging or iBiquity's Artist Experience visual capabilities to be integrated from the onset rather than lobbying for changes in future updates.

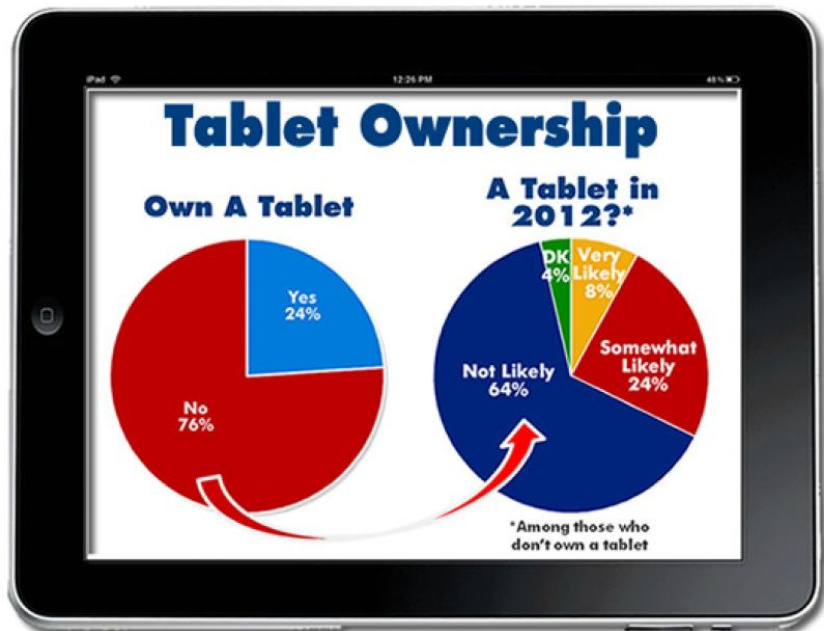
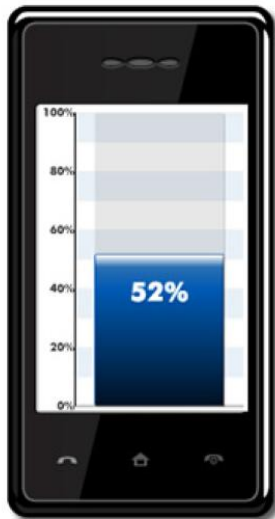
5/12 Device proliferation is triggering an increase in internet radio listening survey finds. Growing adoption of connected devices, such as tablets and smartphones, is leading to increased internet radio listening, according to a new study conducted by Parks Associates for web radio network TargetSpot. The online survey shows an 87% year-over-year increase in tablet ownership and a 22% jump in ownership of smartphones among web radio listeners. Conversely, computer ownership remained flat and basic mobile phone ownership declined among web radio listeners. The study portrays listeners to broadcast streams and web pureplays as device agnostic, wanting access via the most convenient delivery option. That's driven usage up by 8% from last year with more than four in ten (42%) of Americans 18+ now listening. Dialing in via connected TVs and in-car internet radio players is also on the rise with more than one-third of streaming audio listeners regularly tuning in on a connected TV device and 14% listening on an in-car internet radio player(**Edison has the figure at 17%**). Among those who have in-car web radio access, more than half (54%) use an internet radio player built into the car's audio system and one-third use a portable internet radio player with apps built into the device. **Another 15% manually plug a smartphone or tablet into the car's device outlet.** "The proliferation of devices and subsequent access to digital audio content will only further accelerate adoption," TargetSpot CEO Eyal Goldwerger says. The survey, fielded from January 7-January 17, shows internet radio listeners are more socially engaged with the medium than they were a year ago. Six in ten say they visit a social networking site while listening, 39% chat with friends while listening,

37% recommend or share streaming stations or websites and 32% like to see songs and websites others are listening to on social network sites. The study included 1,000 adult U.S. internet radio listeners in broadband households who listen to the medium once a month to daily

5/12 Study shows internet radio listeners are interacting more with media players. As consuming radio online becomes a more habitual activity, listeners are more frequently interacting with their web radio players and connecting with content, according to a forthcoming Parks Associates study commissioned by TargetSpot. Six-in-ten web radio listeners say they don't keep the player minimized through the listening session and two-thirds (67%) say they often look at the player to see the name of a song or artist. That's up from 46% one year ago. Three quarters (76%) change internet radio stations at least once a day while 64% change from one internet radio service to another at least once a day. The study portrays the online radio audience as the crème de la crème of listeners: 22% have a household income of \$100,000 or greater, up 29% from last year, while 64% own their own home. "As more and more people flock into this and it becomes more mainstream, the purchasing power is really growing very rapidly," TargetSpot CEO Eyal Goldwerger says. *The study also shows listening to broadcast radio streams is more about **habit and comfort** while listening to pureplays is more about **content and experience**.* The top reasons listeners cited for choosing broadcast radio streams were: convenience (38%), it's part of their daily habit (32%), they're longtime listeners (30%) or to hear **air personalities (26%)**. The top reasons listeners cited for choosing pureplay streams were: "music I want" (42%), fewer commercials (34%), better music selection (33%) and more control (27%).

Jacobs Tech Poll #8 study results confirms growth of tablets and smartphones which are both becoming the equivalent of this generation transistor radio.

Smartphone Ownership



N = 57,358

170 stations across the U.S and Canada

Survey dates: January-February, 2012

All responses were collected online and solicited via email or social media channels

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Per Jacobs Tech Poll 8 study many of those surveyed stream their favorite radio station. Size of lettering connotes popularity—similar findings in previous Tech studies:

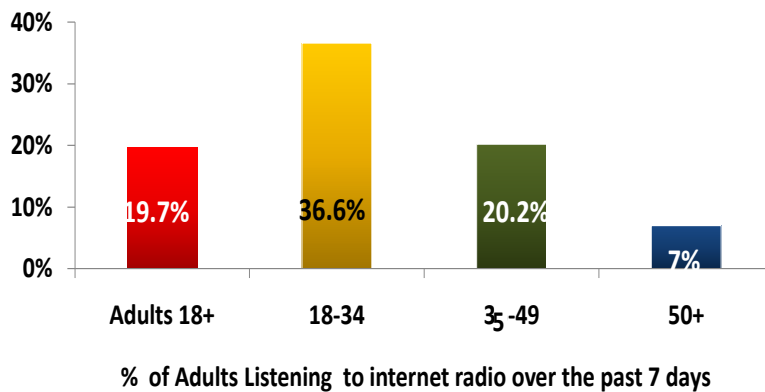


4/12 The Media Audit also confirms the growth in streaming:



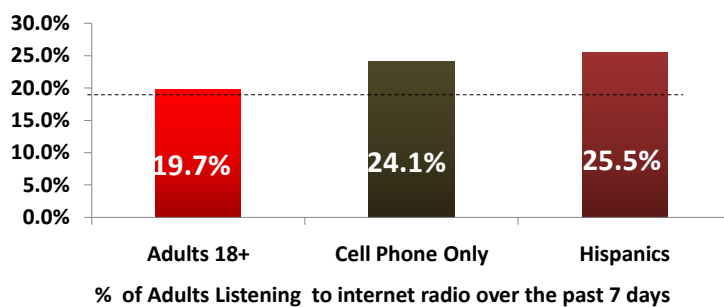
The Media Audit Fast Facts on Internet Radio

7% of adults 50 listen to internet radio over the past 7 days.



Fast Growing Demographics

25% One in 4 of the two fastest growing demos listened to internet radio sometime over the past 7 days.



Internet Radio's ...Strongest Local Markets

Tend to be mid to large markets

% of Adults Listening to Internet Radio	
Charleston SC	29.3%
Atlanta	27.2%
Salt Lake City	27.0%
Boston	26.0%
Southern New Hampshire	25.1%
San Diego	24.6%
Raleigh	24.1%
Riverside-San Bernadino	24.1%
Allentown	23.9%
Phoenix	23.1%
Orlando	22.6%
Los Angeles	22.2%
Miami	21.8%
Houston	21.7%
Syracuse	21.5%

Internet Radio in The Top 10 Markets

The majority of the Top 10 markets have a higher penetration of internet radio than the 61 market average.

% of Adults Listening to Internet Radio		
1	Atlanta	27.2%
2	Boston	26.0%
3	Los Angeles	22.2%
4	Houston	21.7%
5	New York	21.3%
6	Philadelphia	20.6%
7	San Francisco	20.1%
	61 Market Average	19.7%
8	Dallas	18.3%
9	Chicago	16.4%
10	Washington	15.4%

If internet radio were a radio cluster in New York it



would be the third largest cluster reaching 1 in 5 adults. Radio websites would rank 6th.

		% of Market
Rank	Media	Total
1	CBS RADIO	31.3%
2	CLEAR CHANNEL RADIO	29.3%
3	Internet Radio	21.3%
4	EMMIS RADIO	14.1%
5	CUMULUS MEDIA RADIO	12.5%
6	Visited a radio website	10.3%
7	INNER CITY RADIO	6.2%
8	SPANISH BRCSTG.RADIO	5.6%
9	UNIVISION/BMP RADIO	3.9%

Of internet users in New York, internet radio is the third



largest radio cluster reaching 1 in 4 adults. **Radio websites reach 1 in 5 of adult internet users.**

Rank	Media	% of Market	
		Total	Internet
1	CBS RADIO	31.3%	33.9%
2	CLEAR CHANNEL RADIO	29.3%	33.5%
3	Internet Radio	21.3%	26.1%
4	EMMIS RADIO	14.1%	15.4%
5	CUMULUS MEDIA RADIO	12.5%	13.9%
6	Visited a radio website	10.3%	20.9%
7	INNER CITY RADIO	6.2%	6.2%
8	SPANISH BRCSTG.RADIO	5.6%	5.6%
9	UNIVISION/BMP RADIO	3.9%	4.0%

If internet radio was a radio cluster in the largest radio market, LA, it would be the third largest cluster reaching better than 1 in 5 adults.



Los Angeles

% of Market

Rank	Media	Total
1	CBS RADIO	39.0%
2	CLEAR CHANNEL RADIO	35.8%
3	Listen to Internet Radio	22.2%
4	Visit Radio websites	17.8%
5	CUMULUS MEDIA RADIO	9.8%
6	EMMIS RADIO	9.0%
7	UNIVISION/BMP RADIO	7.9%
8	SALEM RADIO	5.8%
9	SPANISH BRCSTG.RADIO	4.7%
10	MOUNT WILSON FM	4.0%
11	LIBERMAN RADIO	3.6%
12	ENTRAVISION RADIO	2.4%
13	LOTUS RADIO	1.3%

Of LA internet users, internet radio is the third ranked cluster reaching nearly 1 in 3 adults.



Los Angeles

Radio websites rank 4th reaching nearly 1 in 4 adults.

Rank	Media	% of Market	
		Total	Internet
1	CBS RADIO	39.0%	46.2%
2	CLEAR CHANNEL RADIO	35.8%	40.8%
3	Listen to Internet Radio	22.2%	28.9%
4	Visit Radio websites	17.8%	23.2%
5	CUMULUS MEDIA RADIO	9.8%	11.2%
6	EMMIS RADIO	9.0%	9.3%
7	UNIVISION/BMP RADIO	7.9%	5.8%
8	SALEM RADIO	5.8%	6.5%
9	SPANISH BRCSTG.RADIO	4.7%	3.2%
10	MOUNT WILSON FM	4.0%	4.9%
11	LIBERMAN RADIO	3.6%	3.3%
12	ENTRAVISION RADIO	2.4%	2.4%
13	LOTUS RADIO	1.3%	1.4%

If internet radio were a cluster in Chicago it would rank

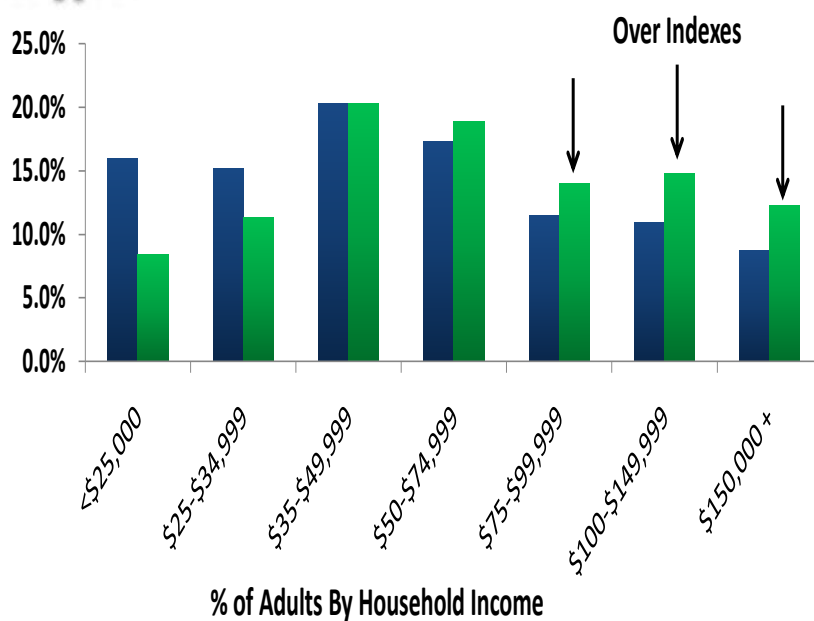


5th reaching 1 in 6 adults. **Radio websites** would tie for third reaching nearly 1 in 5

		% of Market
Rank	Media	Total
1	CBS RADIO	39.7%
2	CLEAR CHANNEL RADIO	26.6%
3	HUBBARD BRCSTG. RAD.	18.4%
4	Visit Radio Website	18.2%
5	Listen to Internet Radio	16.4%
6	CUMULUS MEDIA RADIO	11.1%
7	MERLIN MEDIA RADIO	9.8%
8	NEXTMEDIA RADIO	8.3%
9	UNIVISION/BMP RADIO	5.5%

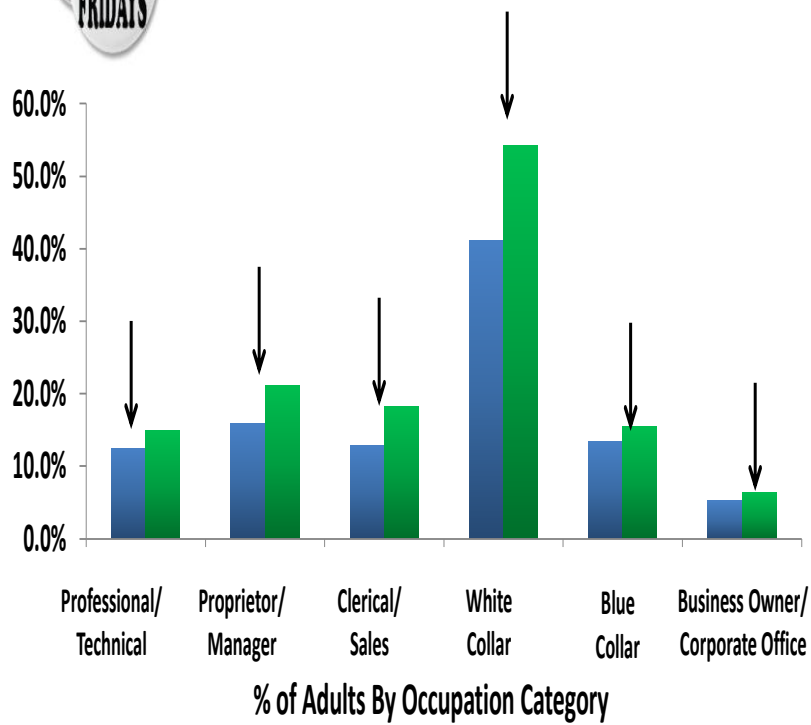


Internet radio (green bars) tends to over deliver in the upper income demographics





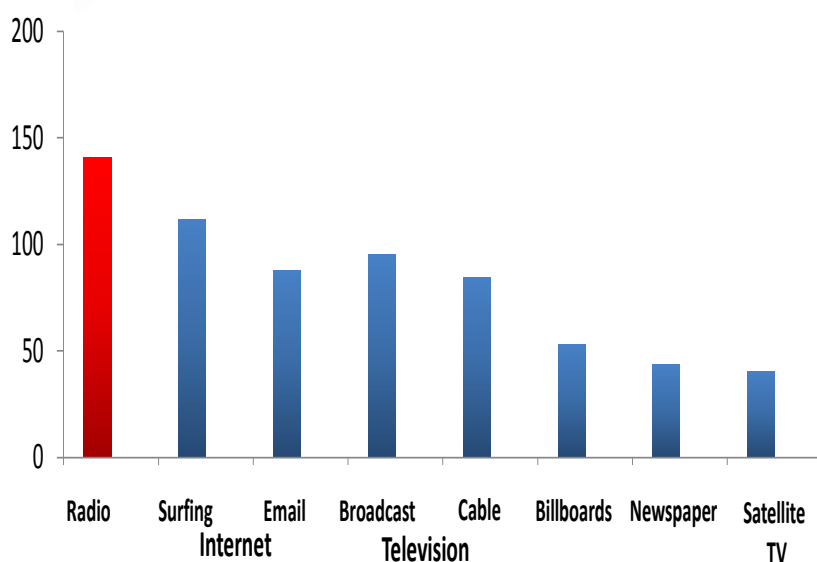
Internet radio (green bars) over delivers in people who work...from blue to white collar.





The Media Day

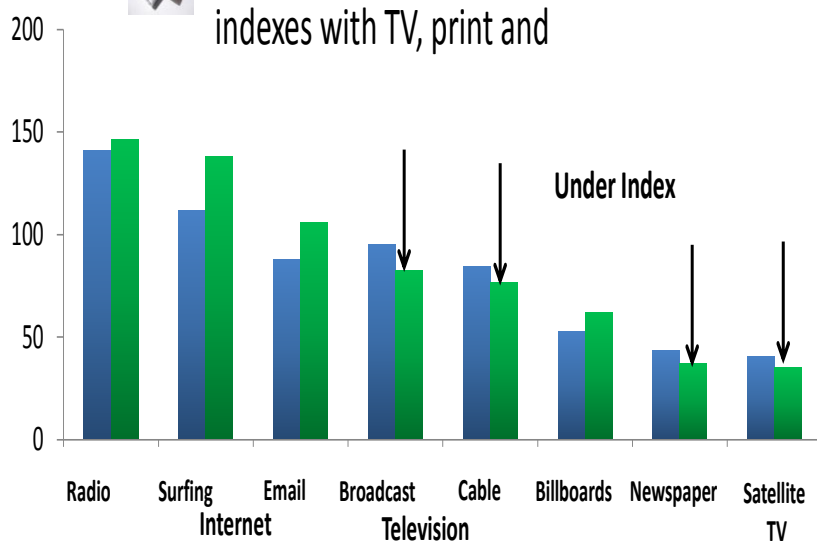
Adults spend more time with radio than any other medium.



Minutes Spent With Media In Average Day



Internet radio (green bars) over indexes in time spent with radio and the internet and under indexes with TV, print and



Minutes Spent With Media In Average Day

Internet radio can add reach to TV and newspaper campaigns as it over indexes in those who do not watch TV or read newspapers

Index of Media Exposure

Medium	Build Frequency		Build Reach	
	Heavy	Medium	Light	None
Radio	116	111	109	77
TV	76	94	115	111
Newspaper	61	84	96	112

Internet radio can add frequency to outdoor, direct mail and internet campaigns as it over indexes in medium to heavy exposure to these media

Index of Media Exposure

Medium	Build Frequency		Build Reach	
	Heavy	Medium	Light	None
Radio	116	111	109	77
TV	76	94	115	111
Newspaper	61	84	96	112
Outdoor	122	100	87	46
Direct Mail	97	113	100	91
Internet	156	114	67	5

Internet radio can add reach and frequency to a radio campaign as internet radio over indexes in 3 of the 5 categories.

Medium	Build Frequency		Build Reach	
	Heavy	Medium	Light	None
Radio	116	111	109	77
TV	76	94	115	111
Newspaper	61	84	96	112
Outdoor	122	100	87	46
Direct Mail	97	113	100	91
Internet	156	114	67	5



The top 8 Chicago radio stations in planning to purchase a vehicle in the next 12 months delivers 65% of planned purchasers before there is a significant diminishing return

Report: AD CAMPAIGN PLANNER
Market: CHICAGO, IL for SEP-OCT 2011
Bases: ADULTS AGE 18+
Target: PLAN BUY--CAR/VAN/TRUCK/SUV

Base Population: 7,076,446

Media	Cume Rating	Net Cume Reach	0	33	67
WBBM-FM	26.6	26.6			
WKSC-FM	24.8	34.4			
WBBM-AM/WCFS-FM	23.8	52.5			
WGCI-FM	13.9	53.1			
WGN-AM	12.4	57.6			
WPWX-FM	11.9	59.8			
WSCR-AM	11.2	64.1			
WWWN-FM	10.7	64.8			



Add internet radio to these top 8 radio stations, and the reach potential of planned vehicle purchasers increases to 71%.

Media	Cume Rating	Net Cume Reach	0	33	67
WBBM-FM	26.6	26.6	<div></div>		
WKSC-FM	24.8	34.4	<div></div>		
WBBM-AM/WCFS-FM	23.8	52.5	<div></div>		
WGCI-FM	13.9	53.1	<div></div>		
WGN-AM	12.4	57.6	<div></div>		
WPWX-FM	11.9	59.8	<div></div>		
WSCR-AM	11.2	64.1	<div></div>		
WWWN-FM	10.7	64.8	<div></div>		
Radio	64.8	64.8	<div></div>		
Internet Radio	42.1	42.1	<div></div>		
NET UNDUPLICATED ...		71.4	<div></div>		

In Summary

Today internet radio...

- Reaches 1 in 5 adults with particular strength (nearly 40%) in the 18-34 demo
- Reaches 1 in 4 of the fast growing demographics of
 - Cell phone only adults
 - Hispanics
- Strongly over indexes with well educated, upper income, single adults who have money to spend
- Reaches 10% of people who don't listen to over-the-air radio and thus can add reach to a radio campaign
- Over indexes in heavy listeners to radio thus it can add frequency to a radio buy
- Adds reach to newspaper and TV buys by reaching light viewers to these traditional media.

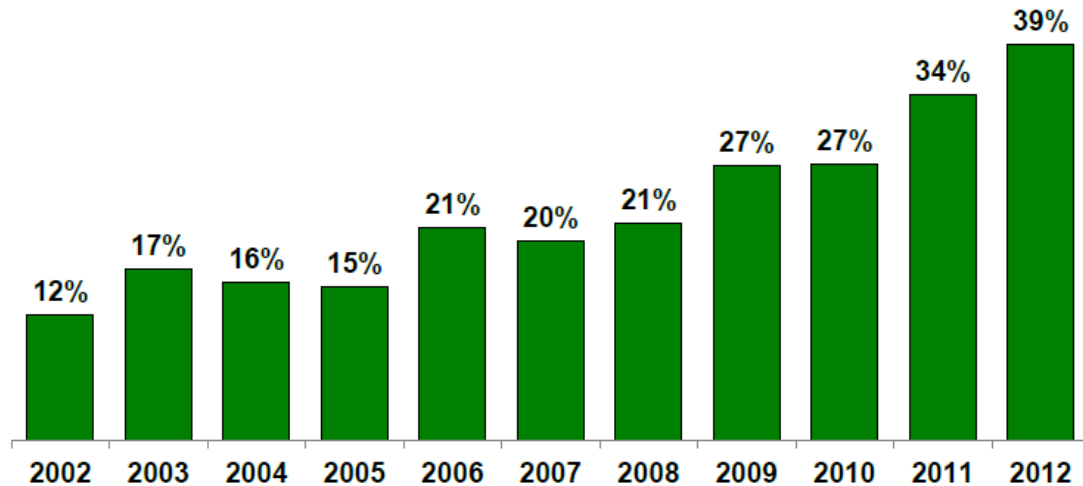
4/12 eMarketer estimates the population of mobile music listeners will *nearly triple* in the US between 2011 and 2016, rising from 30.9 million to 81.3 million.

Audio streaming continues to grow:

Monthly Online Radio Audience Reaches Four in Ten Americans

% Who Have Listened to Online Radio in Last Month

**Estimated
103 Million**



Base: Total Population 12+

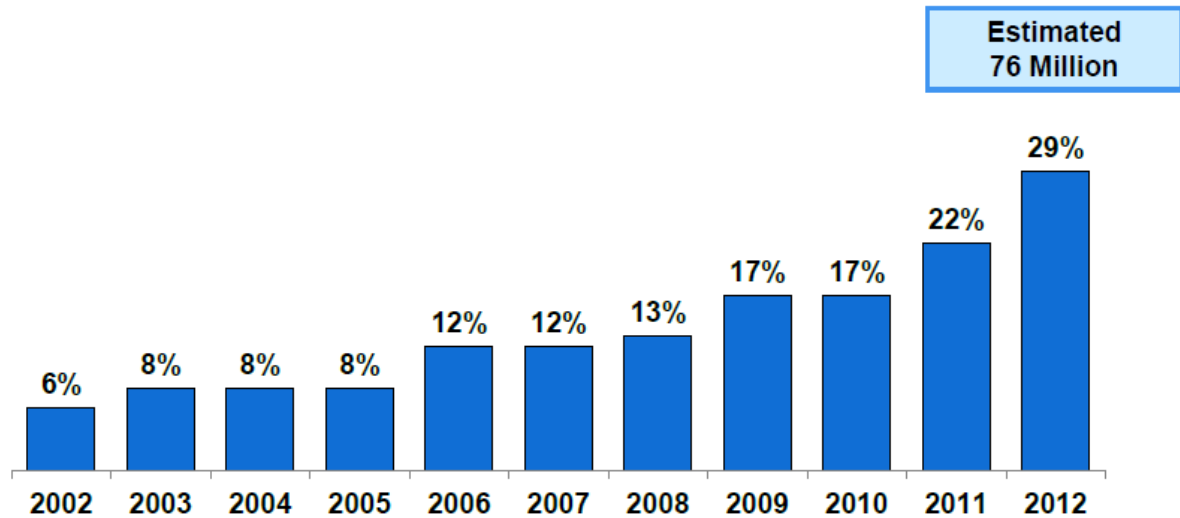


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The Media Audit projected that 19% listened to Internet radio each week. The 2012 ARB Edison study projects it at 29% (below)

Weekly Online Radio Audience Jumps Dramatically Year Over Year

% Who Have Listened to Online Radio in Last Week



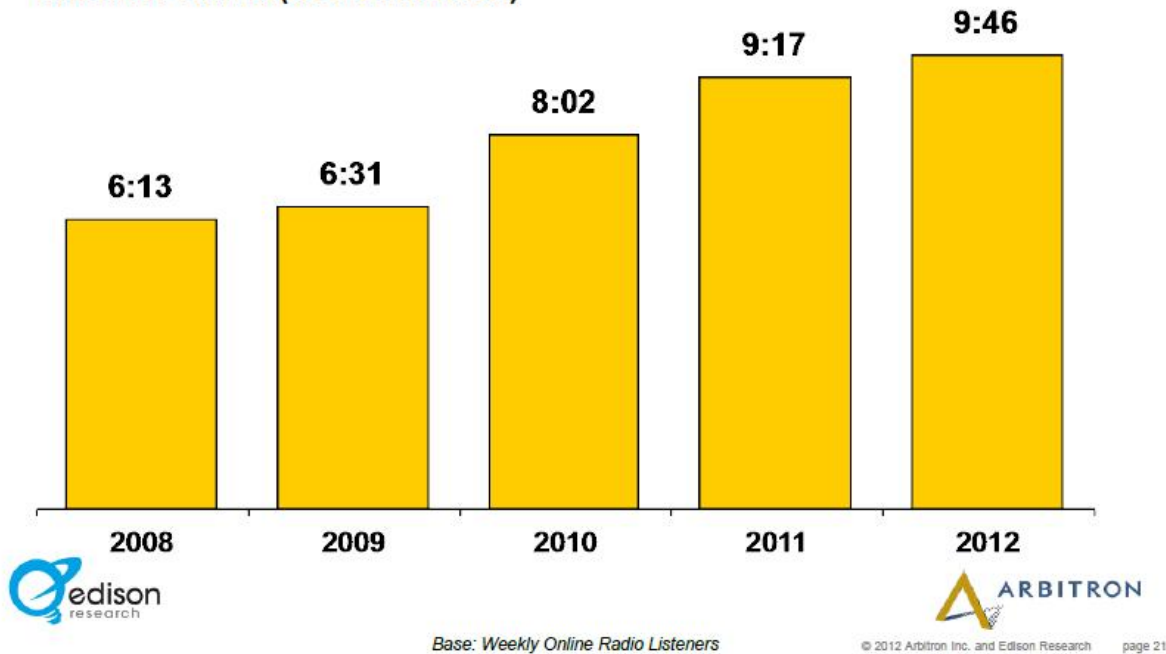
Base: Total Population 12+



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Weekly Online Radio Listeners Report Listening for Nearly Ten Hours Per Week

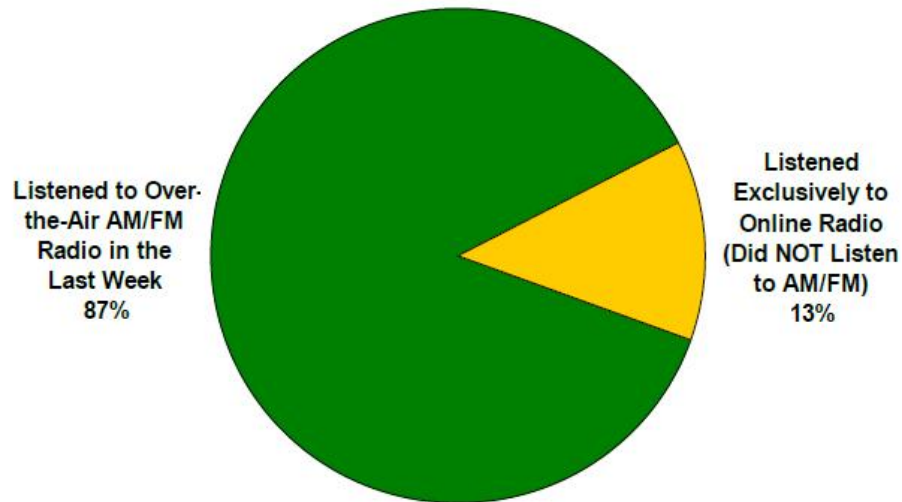
Self-Reported Average Time Spent per Week With All Sources of Online Radio (Hours:Minutes)



Is not an “either/or” situation for those who stream. They still listen to AM/FM each week!

Vast Majority of Online Radio Listeners Also Listen to Over-the-Air Radio

% of Weekly Online Radio Listeners Who...



Base: Weekly Online Radio Listeners



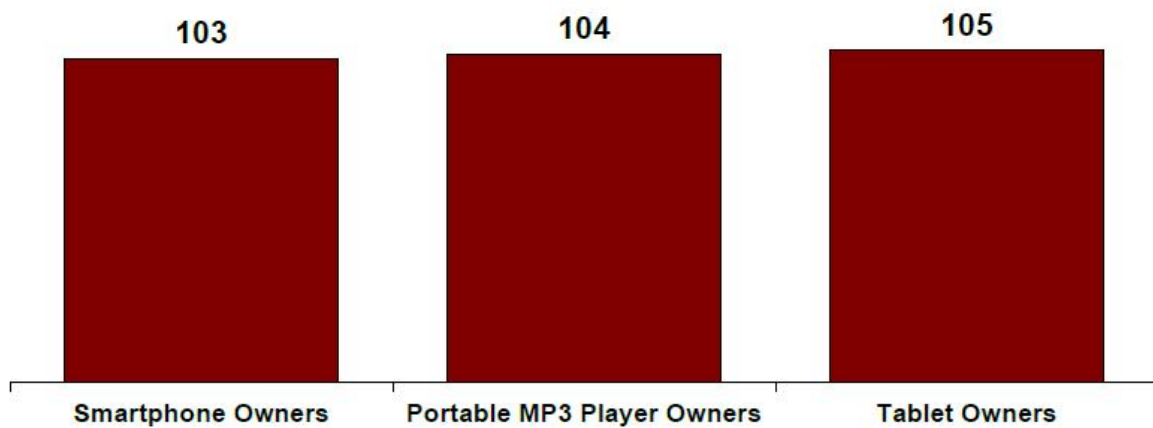
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This equates to less than 4% of population being *exclusive* to internet radio to the exclusion of AM/FM: $(29\% \text{ (\% who stream weekly)}) \times .13 \text{ (those who stream but don't listen to AM/FM)} = 3.8\% \text{ exclusive to internet radio}$

Those that use other digital audio alternatives tend to consume more AM/FM programming:

Digital Device Users Slightly More Likely to Listen to AM/FM Radio in the Last Week

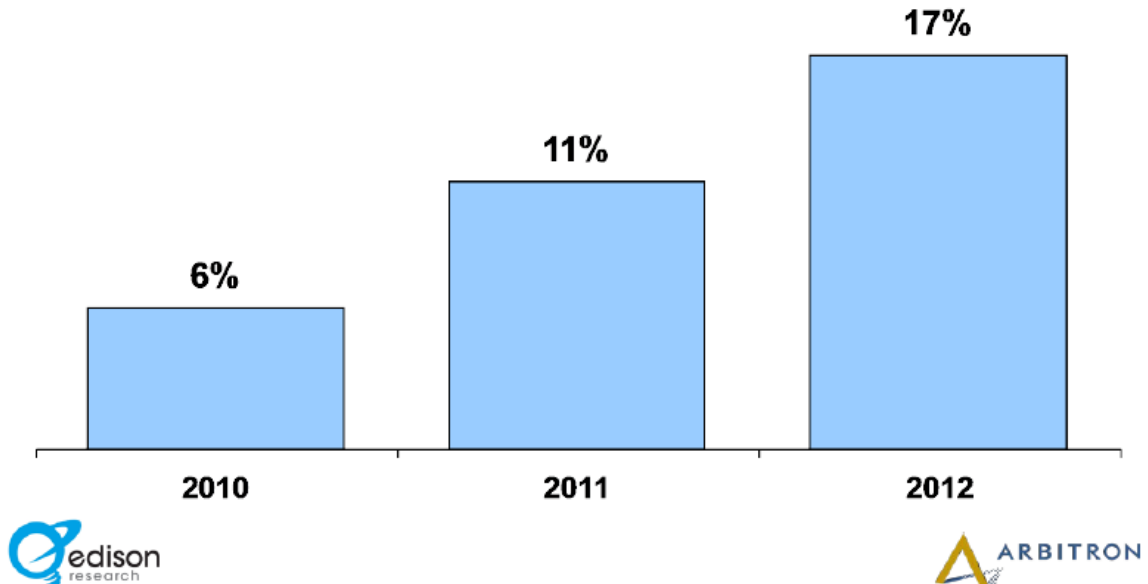
Index of Weekly Listening to AM/FM Radio



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Continued Rise in Those Who Use Their Cell Phone to Listen to Online Radio in Their Cars

% of Cell Phone Owners Who Have Ever Listened to Online Radio in a Car by Listening to the Stream From a Cell Phone Connected to a Car Stereo

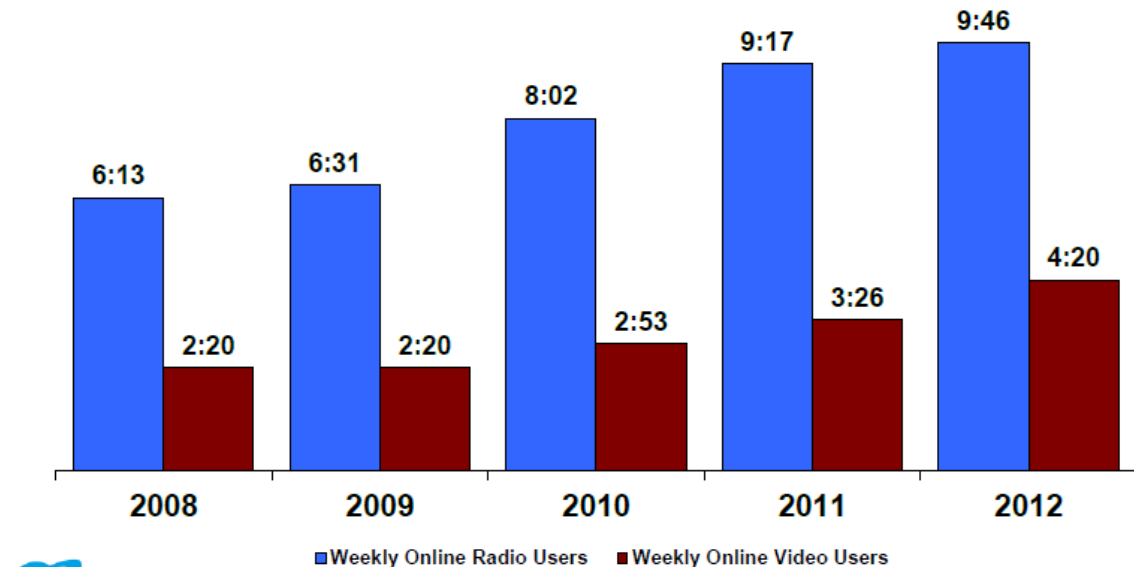


Base: Own a Cell Phone

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Time Spent per User With Online Radio More than Double Time Spent With Online Video

Self-Reported Average Time Spent per Week per User (Hours:Minutes)



■ Weekly Online Radio Users ■ Weekly Online Video Users

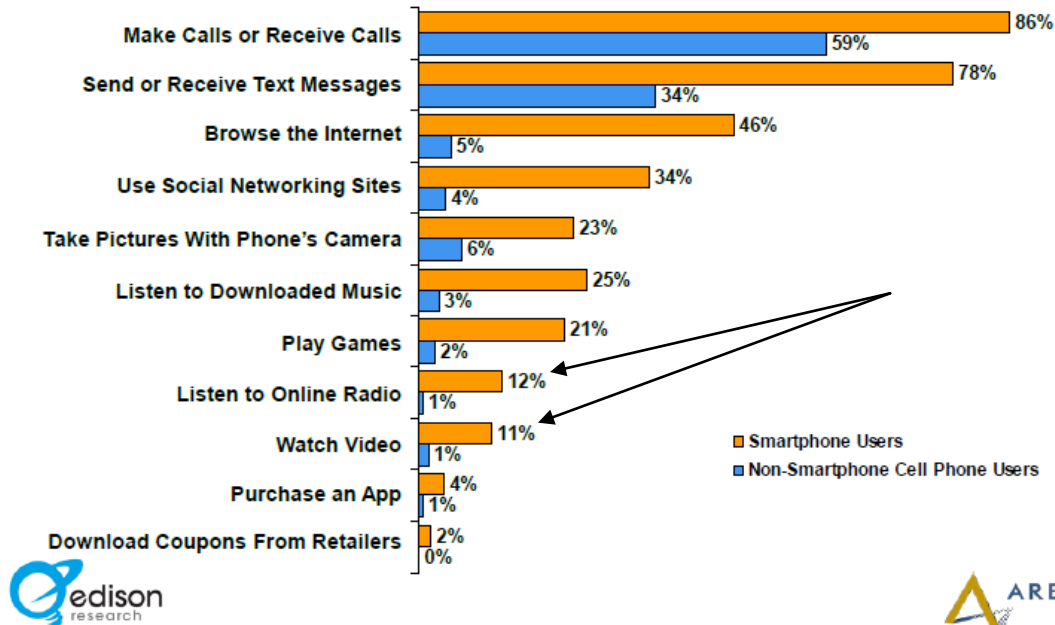


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Only a small % of smart phone users use the phone for music multiple times/day

Smartphone Owners Use Mobile Phone Functions Much More Frequently

% Who (Item) on a (Non-Smartphone Cell Phone/Smartphone)
 “Several Times per Day” or More



Base: Own a Cell Phone/Smartphone

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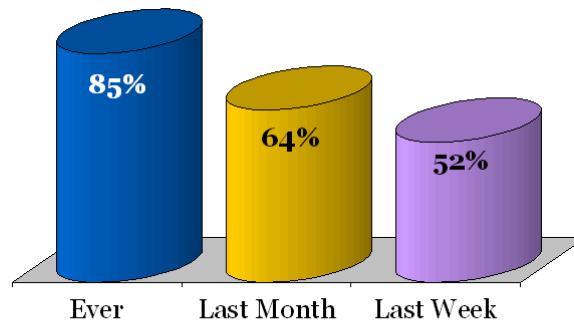
Listening to “downloaded music” in slide above several times/day is 2x that of those that listen to online radio several times/day

Among the 34% of P12+ who use online radio every month, over 2/3 listen to streams of traditional AM/FM radio stations.

2/3 of Persons 12+ Who Have Listened to *Online Radio*, have listened to online stream of AM/FM stations in **past month**

Among Persons 12+ who have listened to *online radio*, % who have listened to online stream of traditional AM/FM radio station...

Base: Persons 12+ Who Have Ever Listened to Online Radio



Those who listen to the online streams of AM/FM radio comprise a **bigger audience** than those who listen to internet-only radio stations.

Source: Arbitron/Edison Research, The Infinite Dial 2011: Navigating Digital Platforms.

Used with permission from Arbitron SVP, Bill Rose, April 7, 2011.



As penetration of smartphones increases, the amount of listening being done on smartphones will continue to increase. Smartphones in fact account for more than 70% of Pandora's monthly AAS.