

Radio's Future II: The 2010 American Youth Study



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Recommendations to Radio from the 2000 "American Youth Study"

- Send stations after these demos or watch them fade away
- Co-opt Internet audio or lose it
 - Just like Cable TV to Broadcast
 - Explore co-branded side channels
- Consider industry advertising
 - a la "Got Milk"
- Recruit young people -- we can't just depend on them showing up any longer



How the 2010 Survey Was Conducted:

- A sequel to Edison Research's survey from 2000, "Radio's Future: Today's 12 to 24 year-olds"
- 1533 interviews nationwide
 - 875 interviews age 12-24 (demo)
 - 888 interviews age 22-34 (cohort)
- Online survey of respondents ages 12 to 34
 - employing "KnowledgePanel" from Knowledge Networks
- Interviews conducted 9/8 - 9/13, 2010
- Data matched to national age and sex demographics



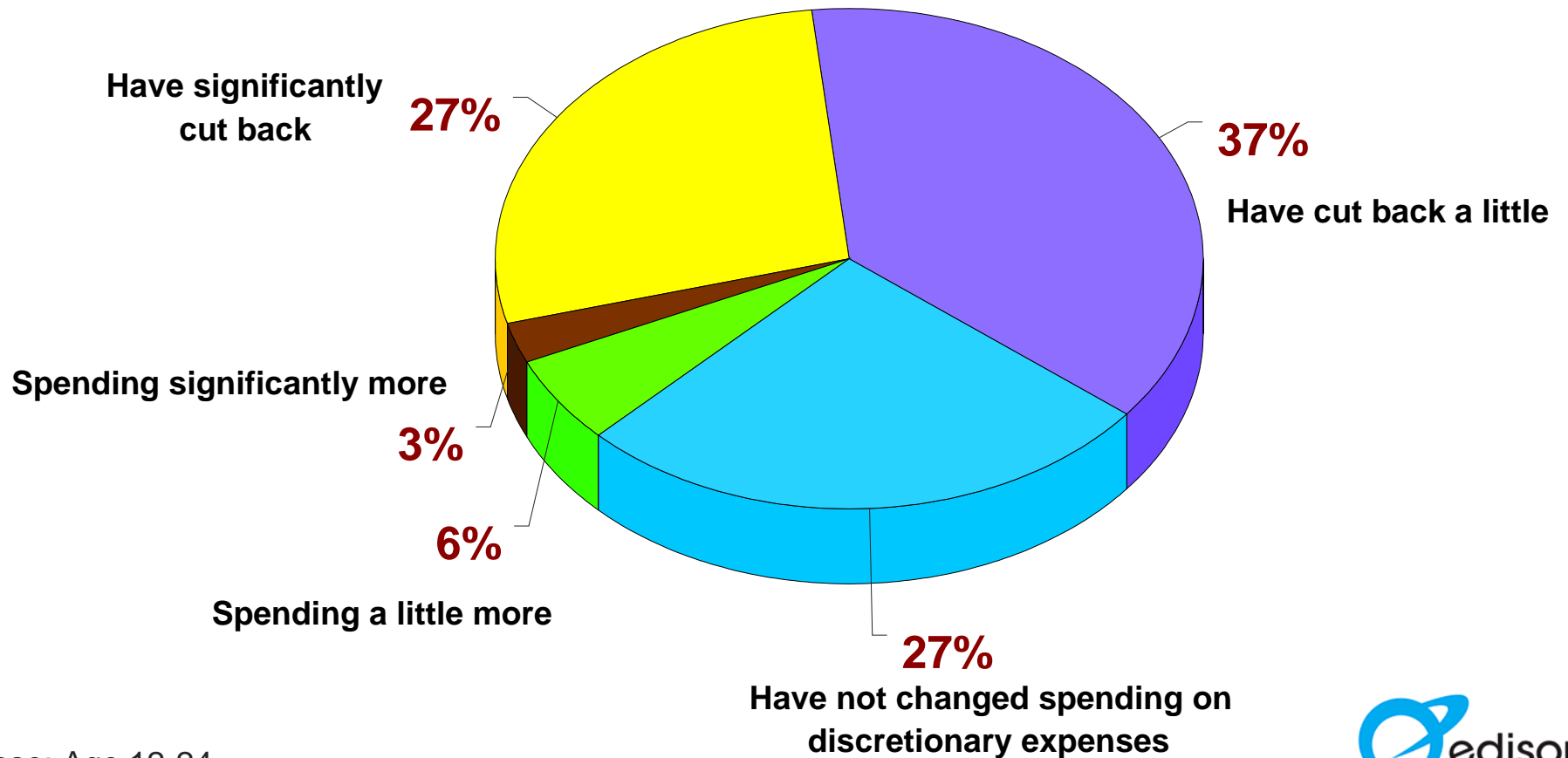
What you will see today:

- The impact of an incredible decade of media transformation
- The extraordinary resilience of radio
- And -- the challenges radio faces



Remember the halcyon days of the Internet Bubble leading into 2000? They aren't here anymore

"Which best describes your spending over the past twelve months on discretionary expenses, such as entertainment, recreation, or leisure items?"



Base: Age 12-24



The Cell Phone:

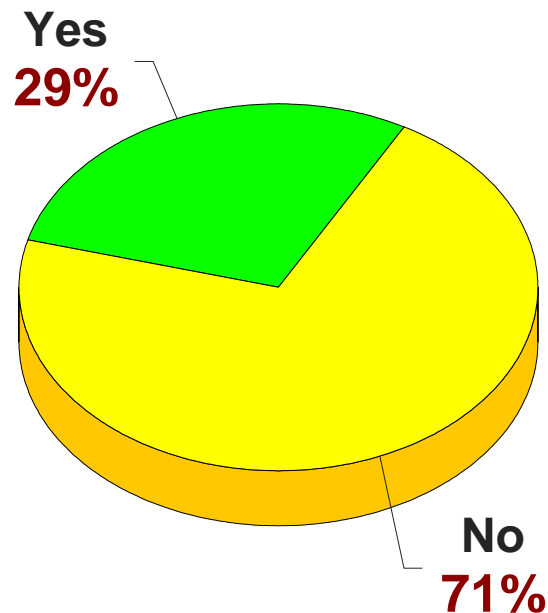
The most influential
driver of changed habits



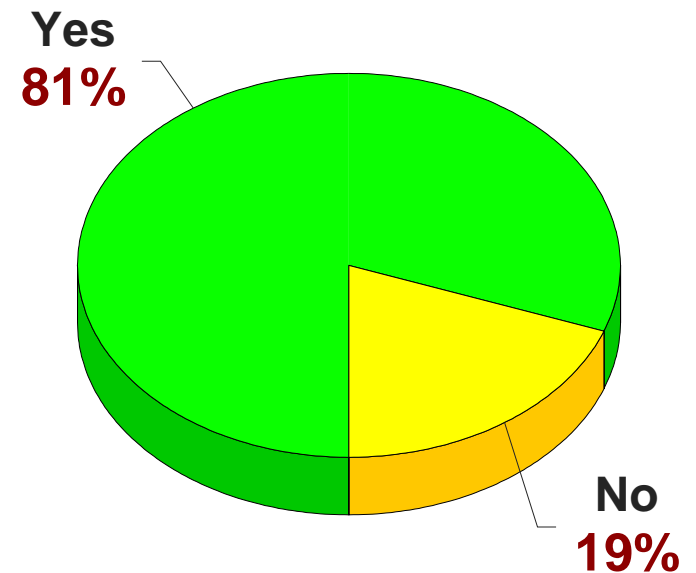
The cell phone goes from somewhat rare device to must-have among 12-24s in ten years time

"Do you have your own cell phone?"

2000: 12-24s



2010: 12-24s

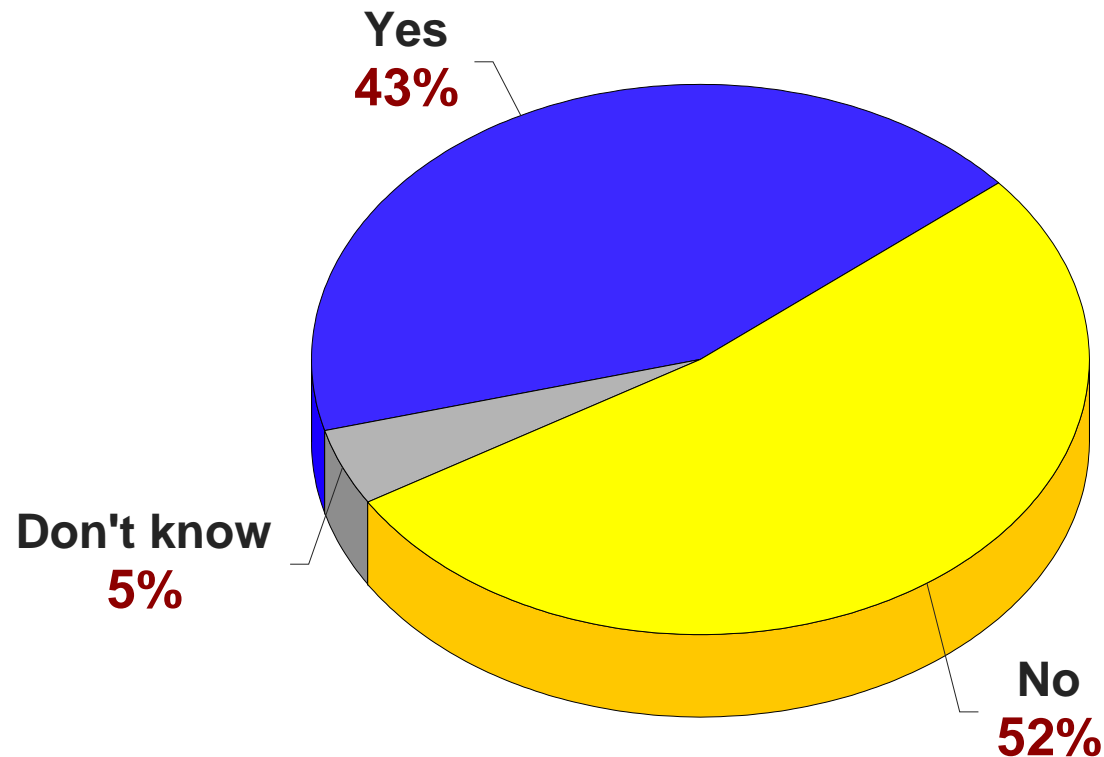




More than four-in-ten 12-24s who carry cell phones say theirs is a 'Smart Phone'

"Is your cell phone also a smart phone?"

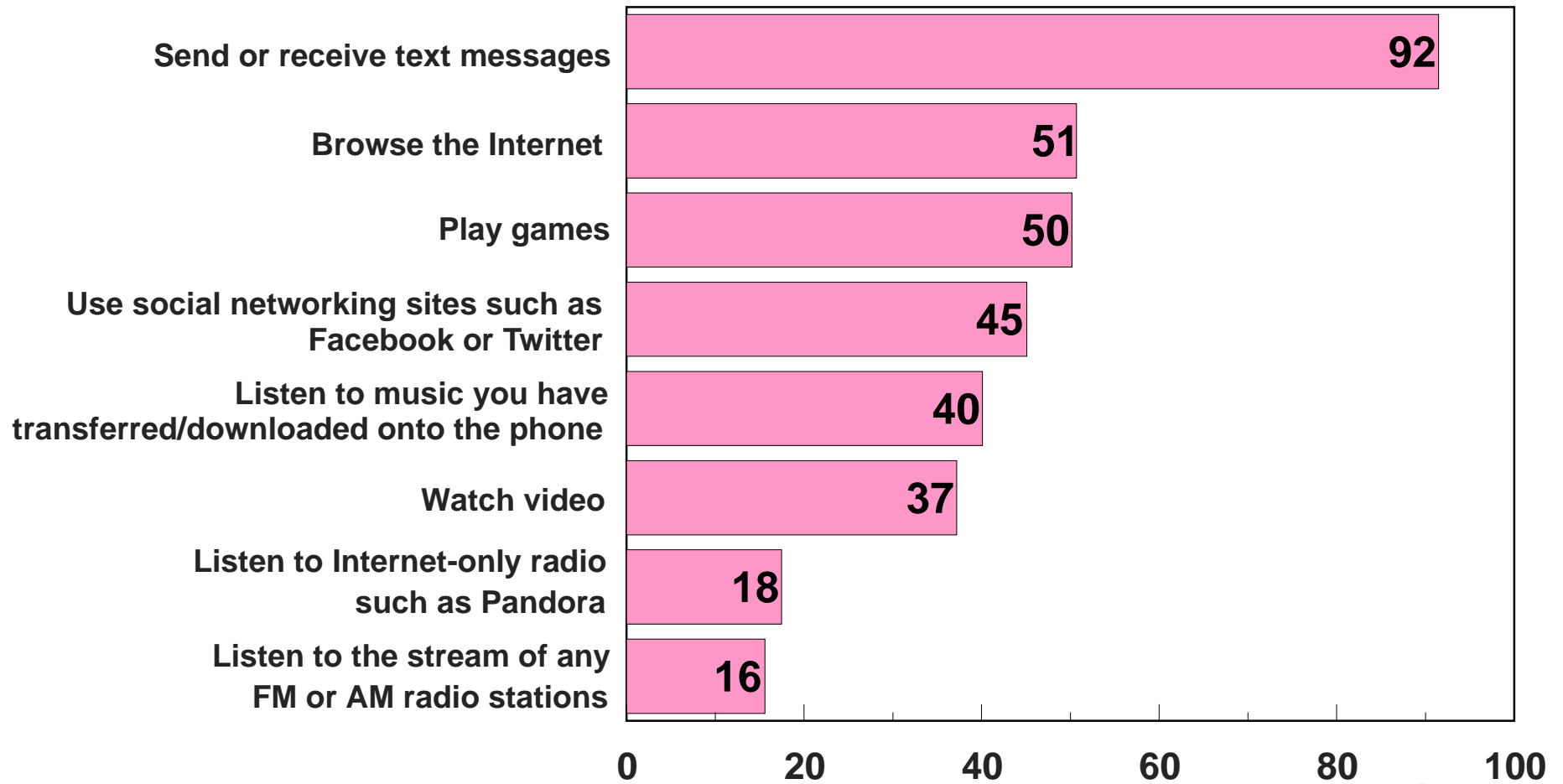
(It has advanced capabilities beyond a typical mobile phone — such as the ability to send and receive email, access the Internet, listen to audio and watch video, and download apps)"



Base: Age 12-24 and have own cell phone

12-24 year old cell users engage in a broad variety of behaviors on phones; 'Radio' streams narrowly trail Pandora

"Do you ever (item) on your cell phone?"



Base: Age 12-24 and have own cell phone

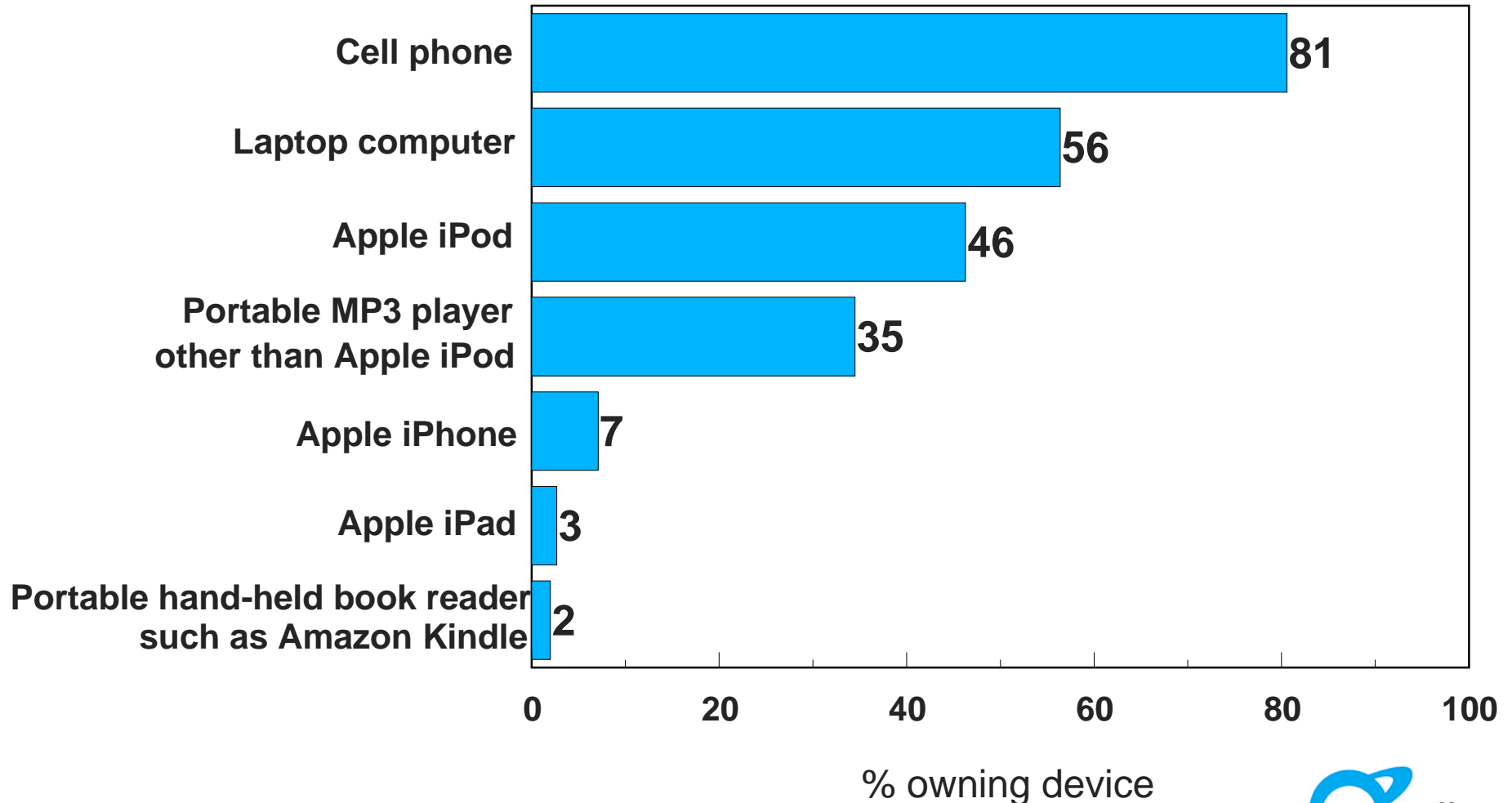
% ever doing each activity





Today's 12-24s own a broad variety of devices -- most of which did not even exist in 2000

"Do you have your own...?"

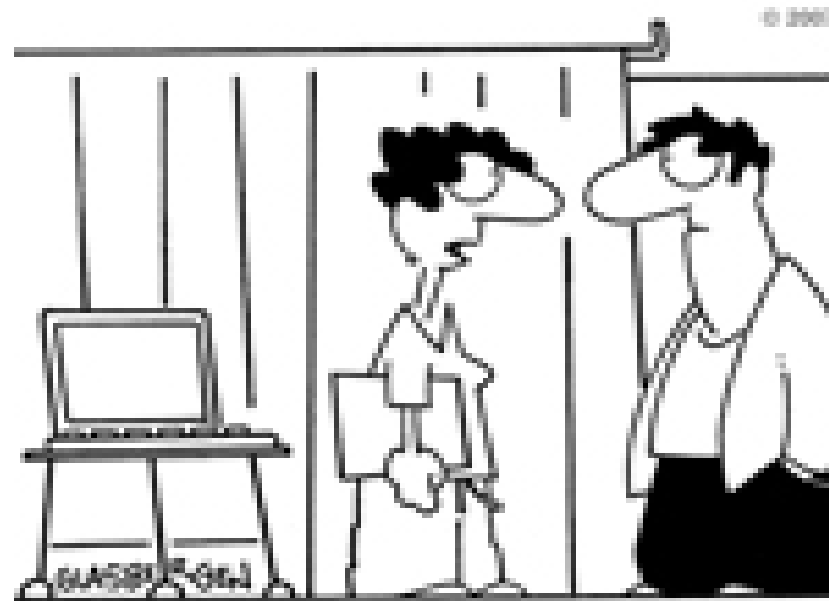


Base: Age 12-24



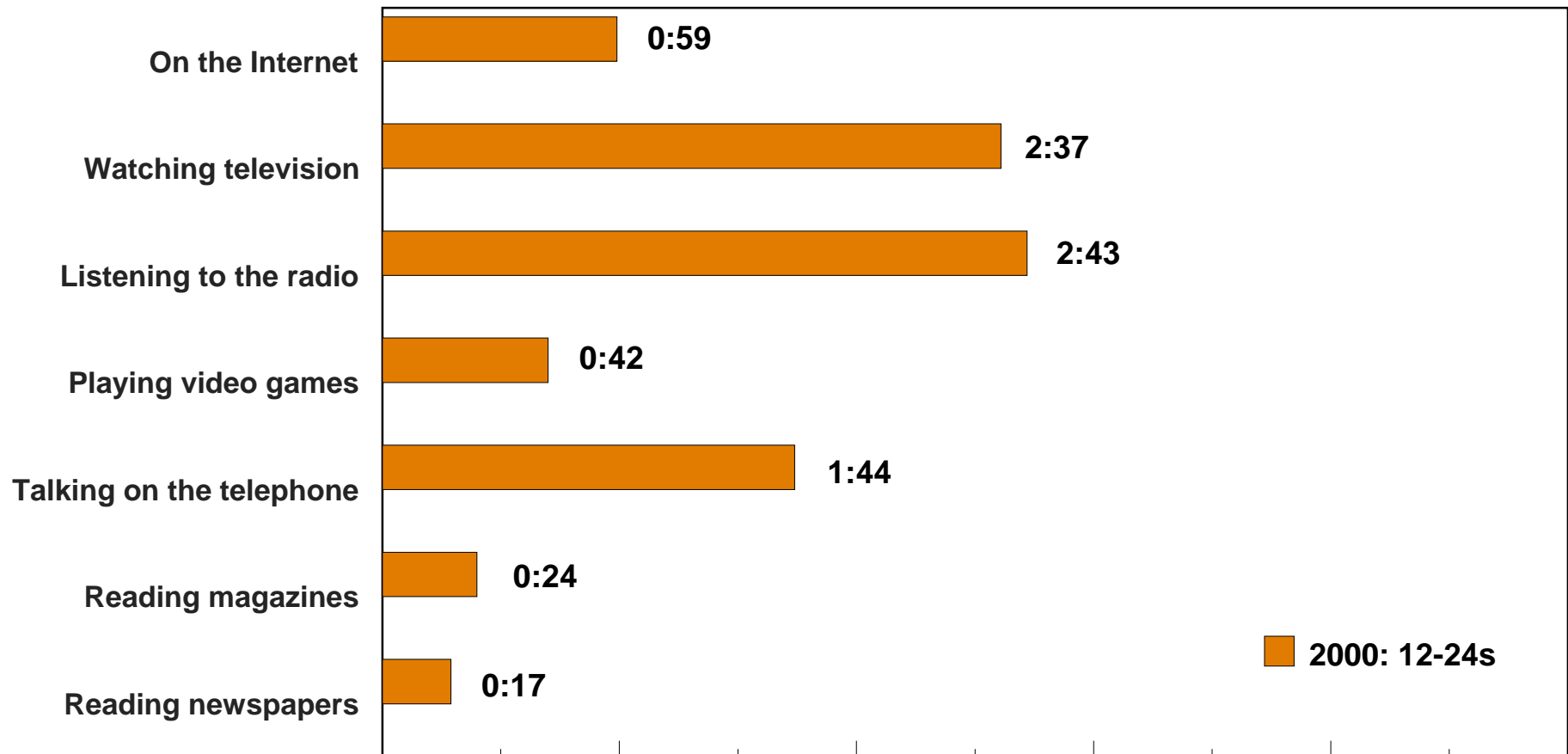
Radio:

Good News and Bad News



In 2000, 12-24s self-reported one hour per day on Internet; 2:43 on radio

"In the last 24 hours, approximately how much time did you spend...?"

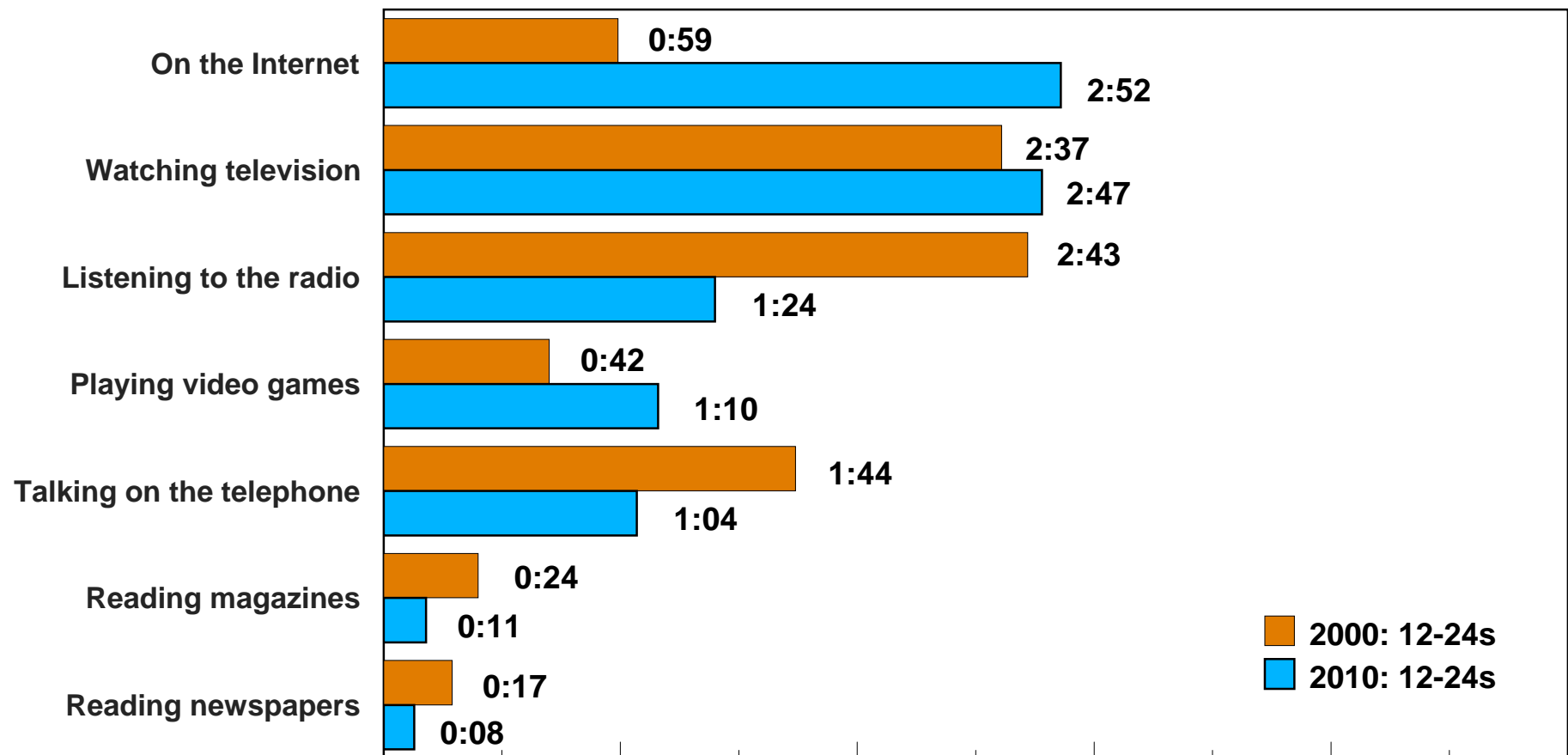


hours:minutes



Ten years later, teens and young adults report nearly three hours per day on Internet and much less radio

"In the last 24 hours, approximately how much time did you spend...?"

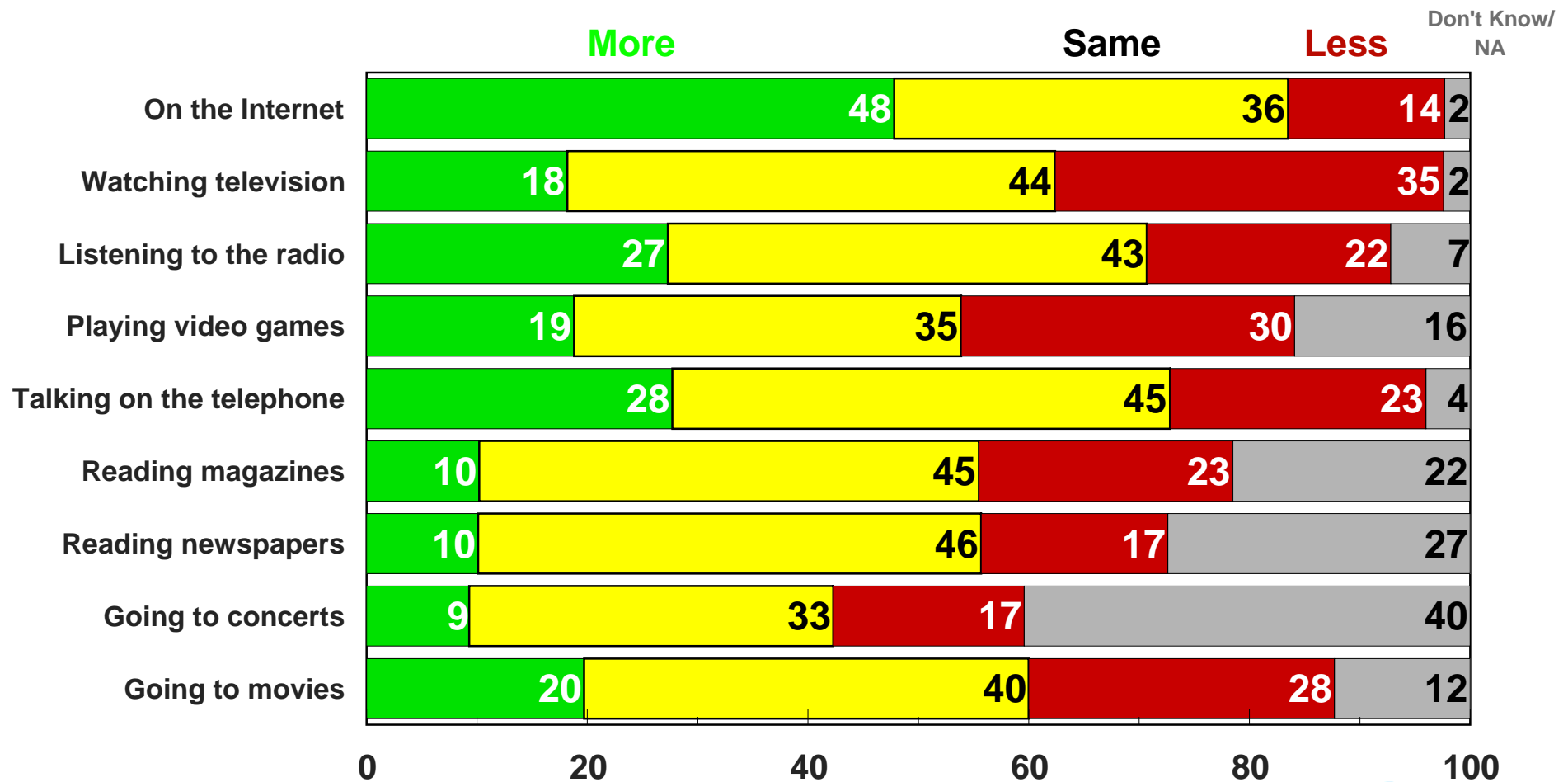


hours:minutes



Radio is one of only three options with a 'net more' among 12-24s; along with Internet and surprisingly, telephone

"Compared to one year ago, are you spending more, less or the same amount of time...?"

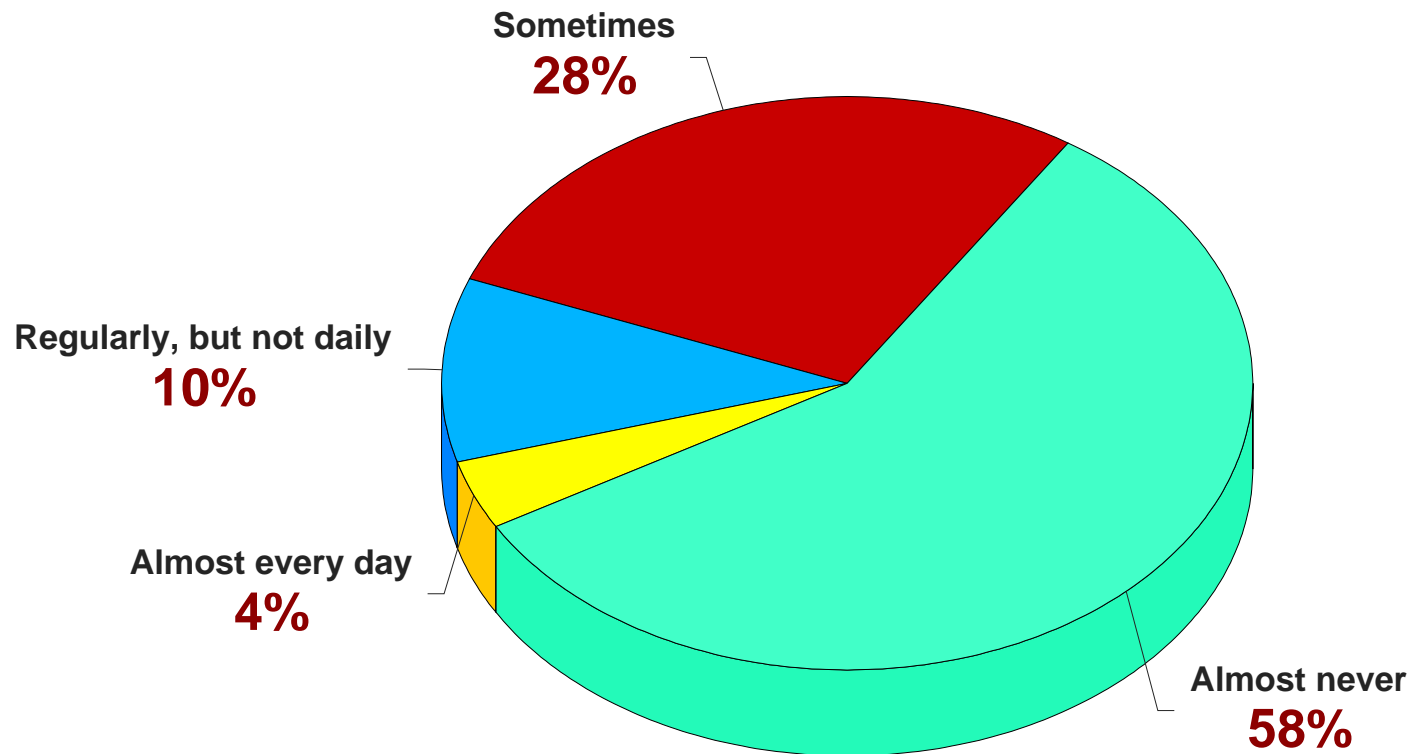


Base: Age 12-24



If 'Schadenfreude' helps: Hey, you could be working in the Newspaper Industry!

"How often do you read a printed newspaper?"



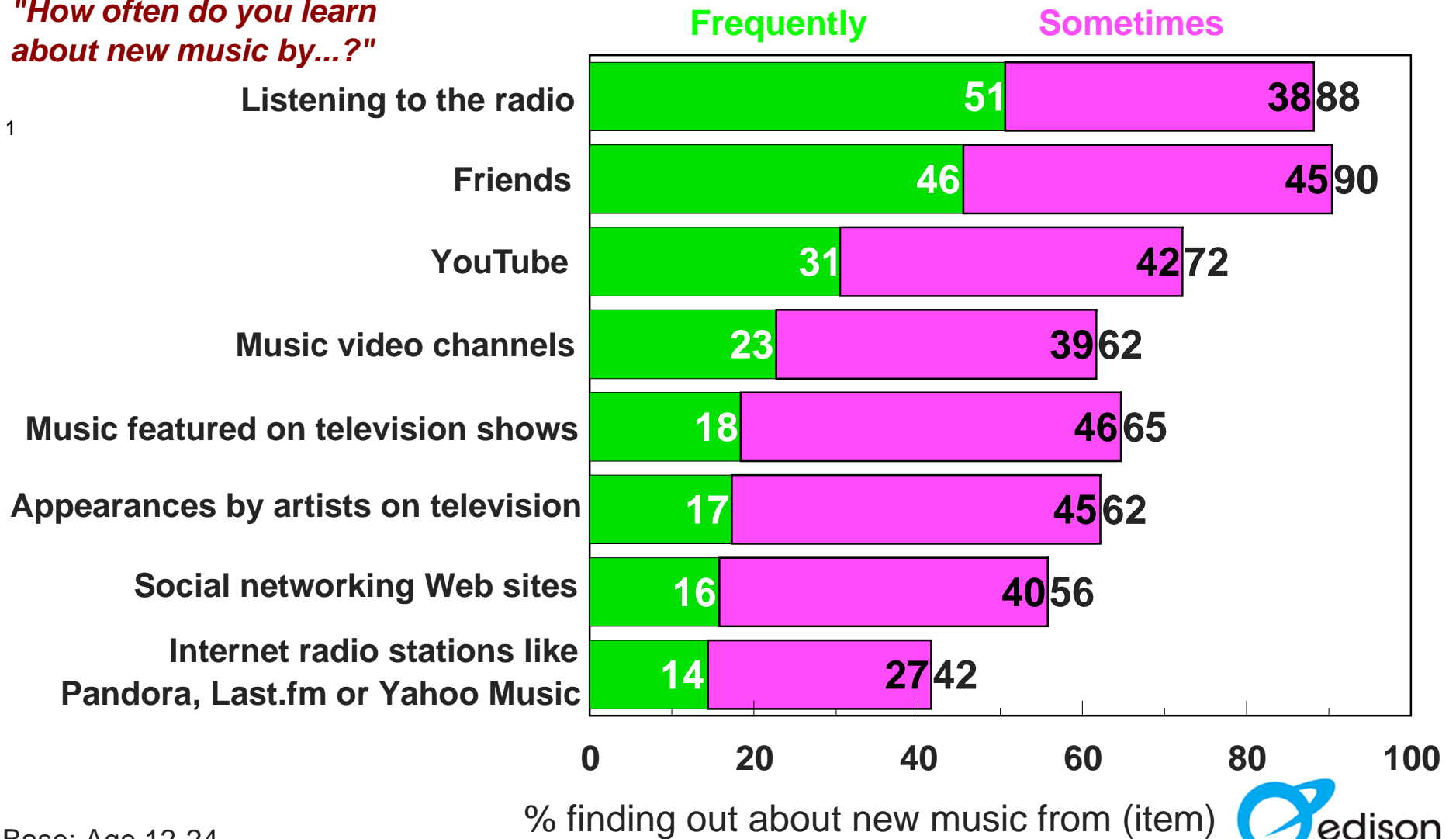
Base: Age 12-24



Radio remains the leading source for learning about new music

"How often do you learn about new music by...?"

page 1



Base: Age 12-24

% finding out about new music from (item)

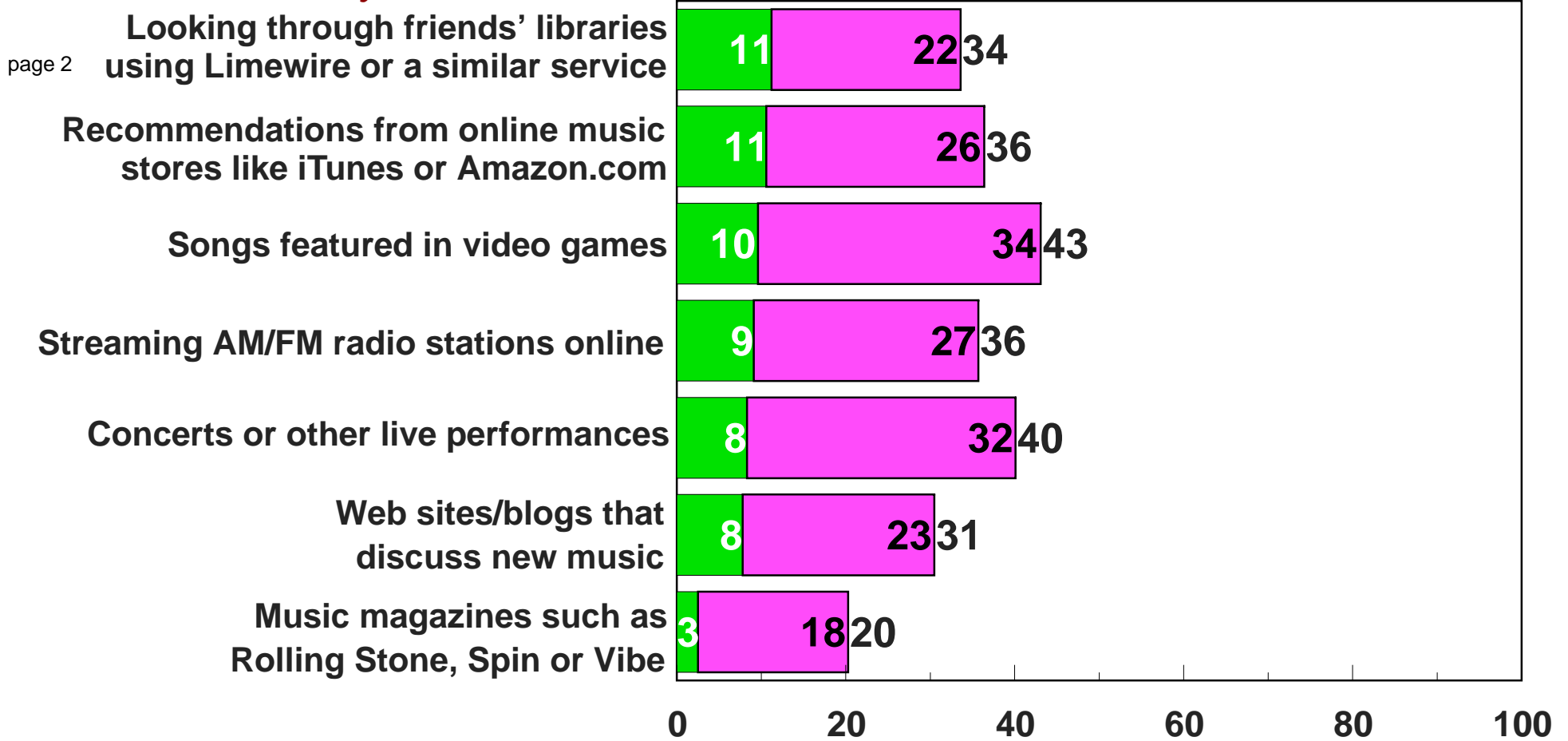


Radio streams are referenced by more than one-third of 12-24s as a source for new music



"How often do you learn about new music by...?"

Frequently Sometimes



Base: Age 12-24

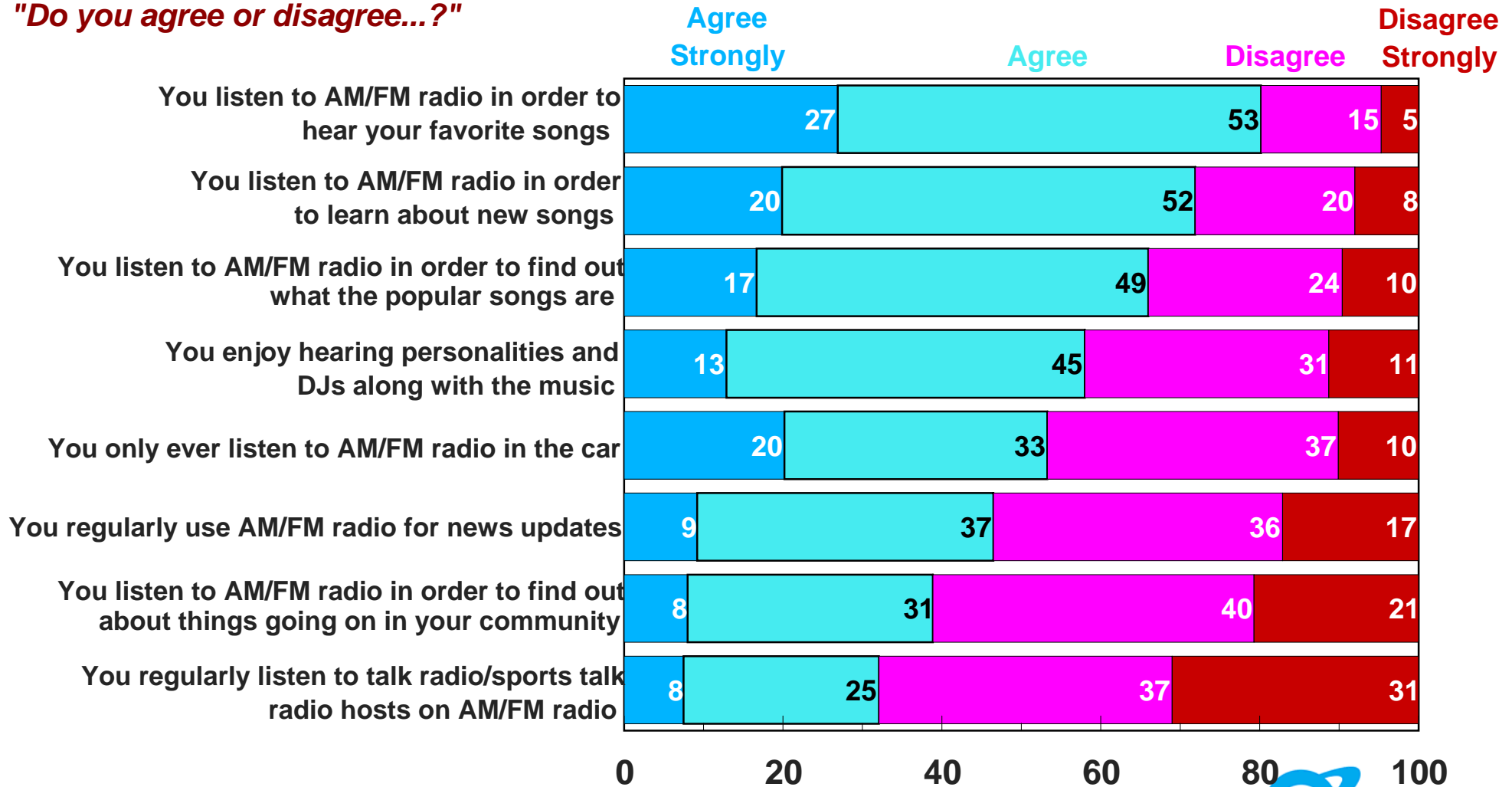
% finding out about new music from (item)





Radio's strengths: Hits, New Music, to know what's popular; and a majority do want personality

"Do you agree or disagree...?"



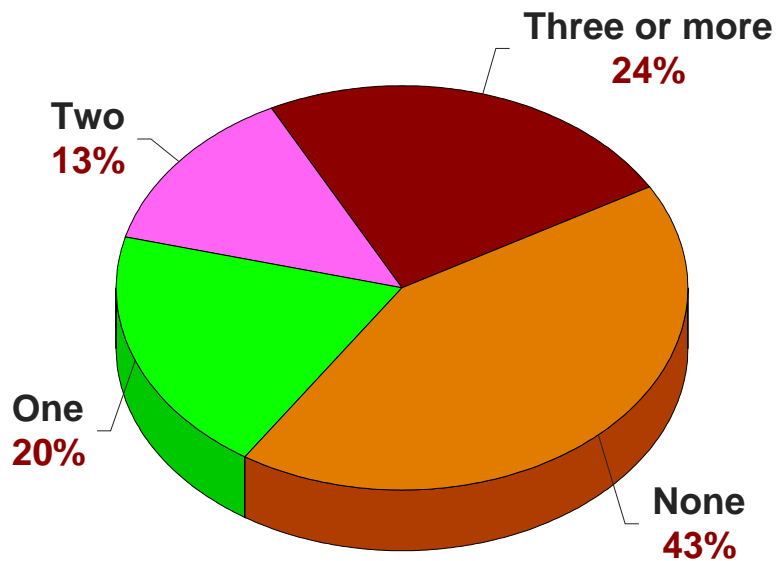
Base: Age 12-24 and ever listen to AM/FM radio



Also the concert industry -- once seen as the great hope of music -- has been whacked by the economy

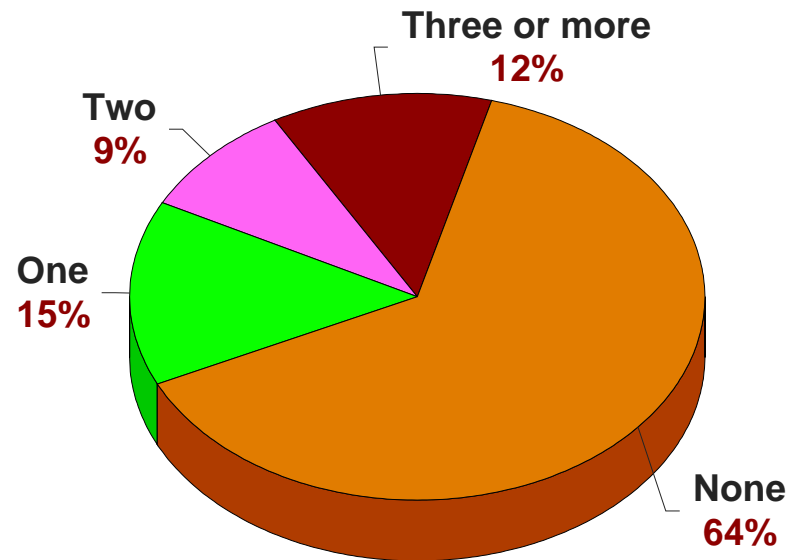
"Approximately how many concerts have you attended in the last year?"

2000: 12-24s



Mean: 2.1 concerts attended

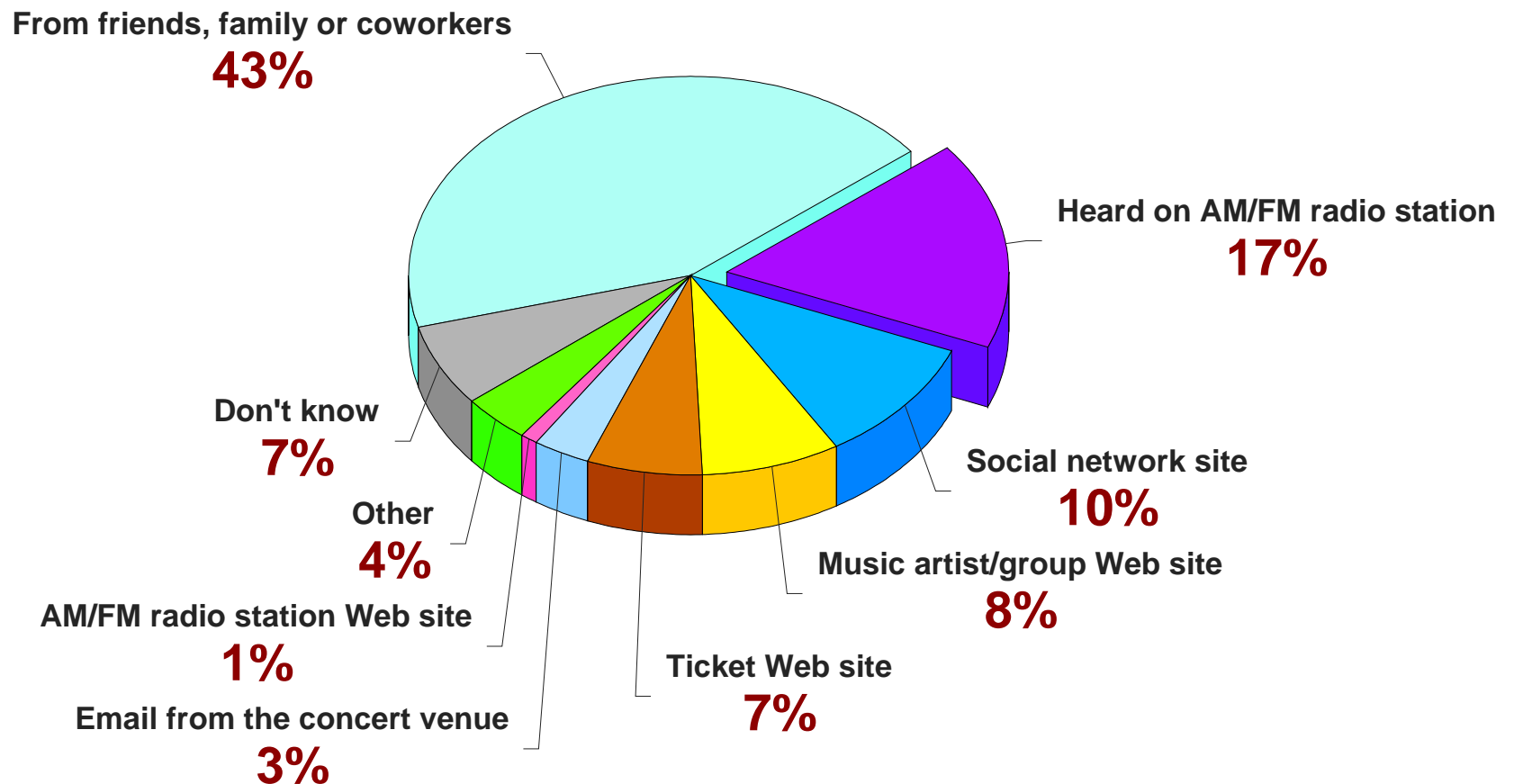
2010: 12-24s



Mean: 0.9 concerts attended

Radio tops social media as source for concert information

"Of those concerts you attended, where did you most often first hear about them?"

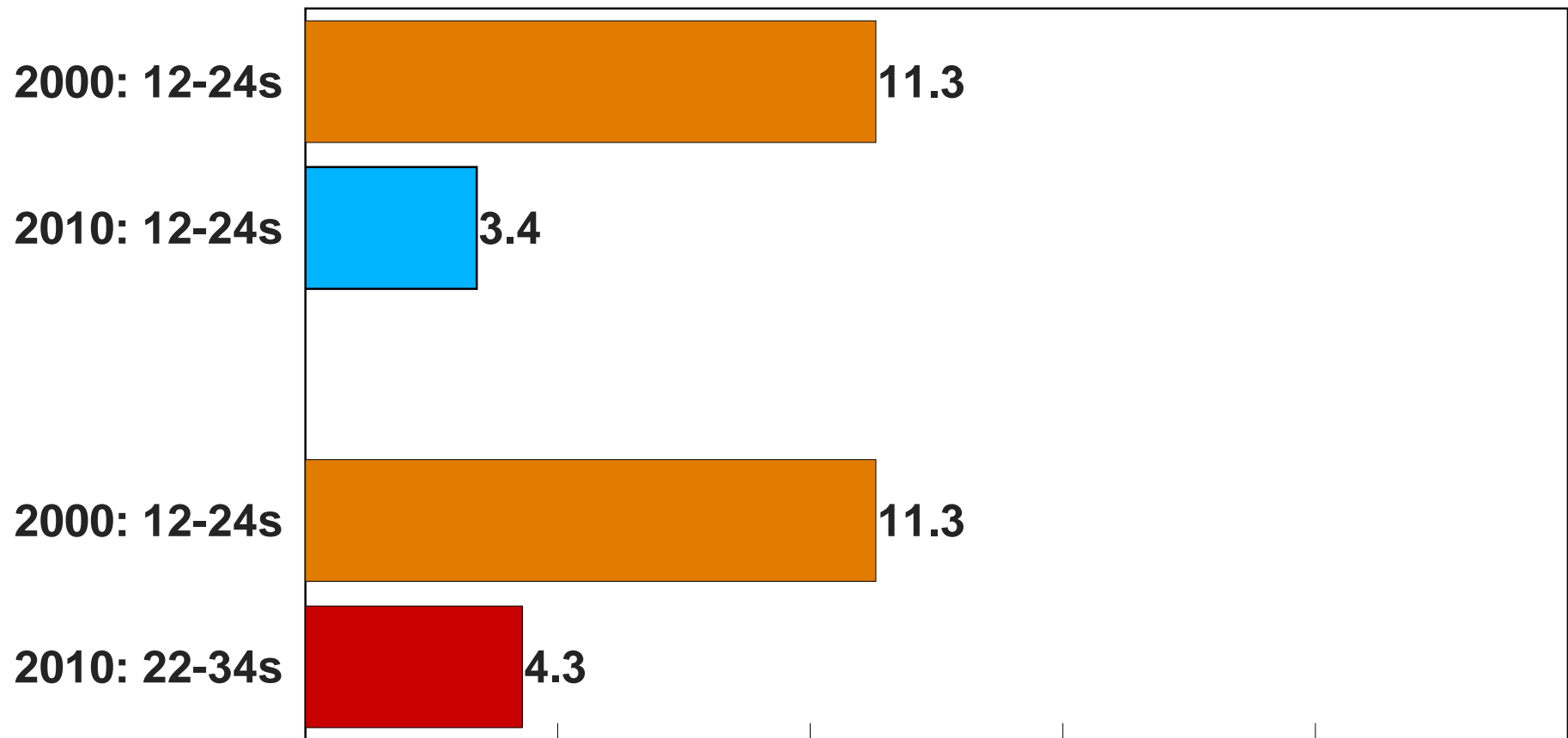


Base: Age 12-24 and have attended at least one concert in last year



12-24s report vastly fewer physical CDs purchased; even the 'cohort' members have dropped by 62%

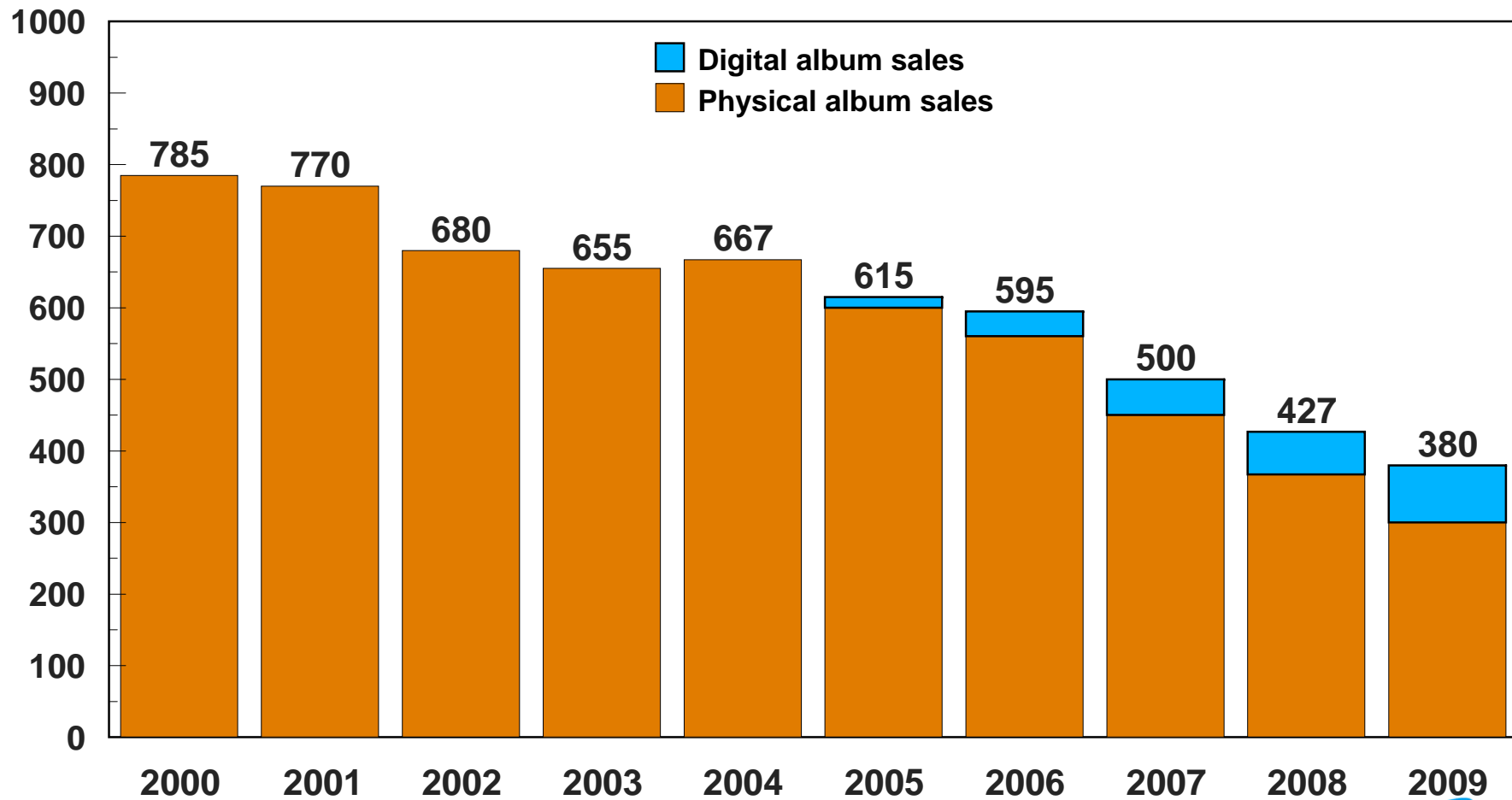
"Approximately how many music CDs have you bought in the last 12 months -- that is, the physical or packaged disk?"



Average number of music CDs purchased in last 12 months



Soundscan, tracking all ages, shows the dramatic drops in album sales



Source: Soundscan

Album sales in millions

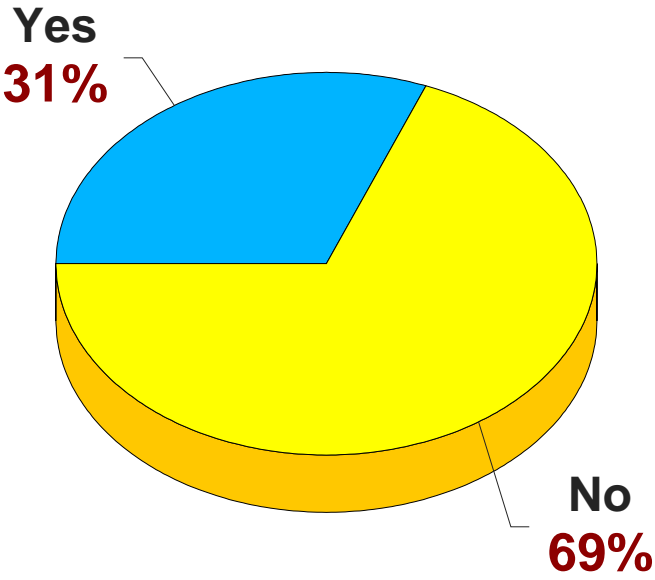




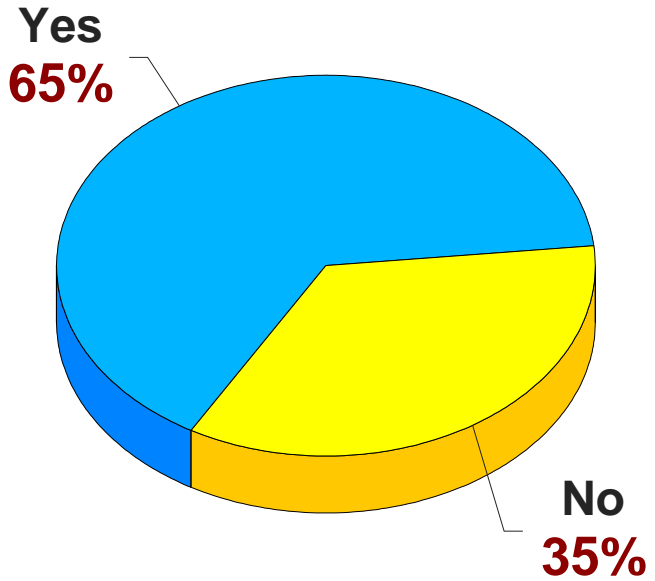
With the advent of devices, 'stores' and broadband, way more 12-24s now download music

"Have you ever downloaded MP3s or other digital music files from the Internet?"

2000: 12-24s

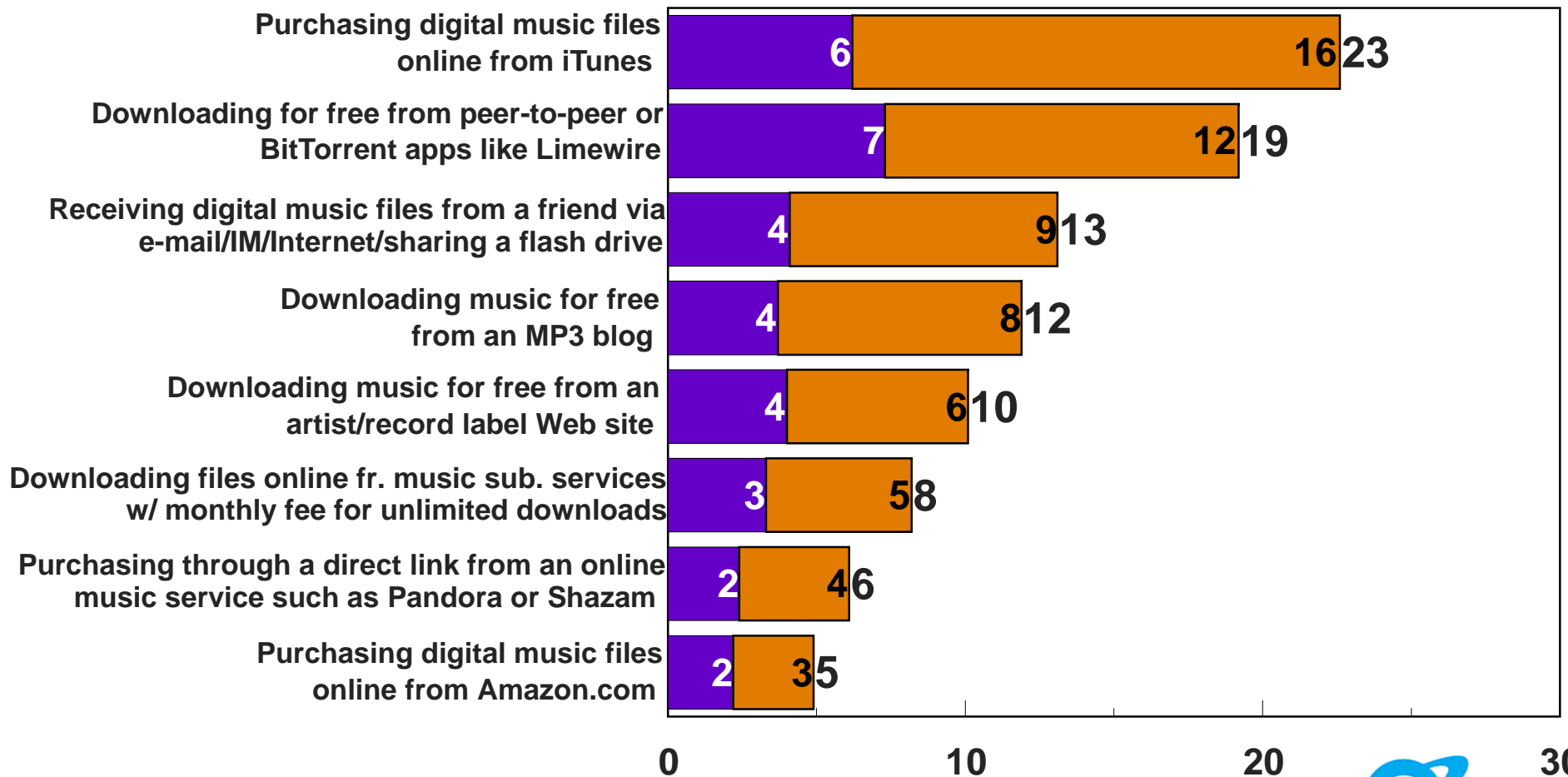


2010: 12-24s



Many of our young respondents were happy to report their 'illegal' downloads

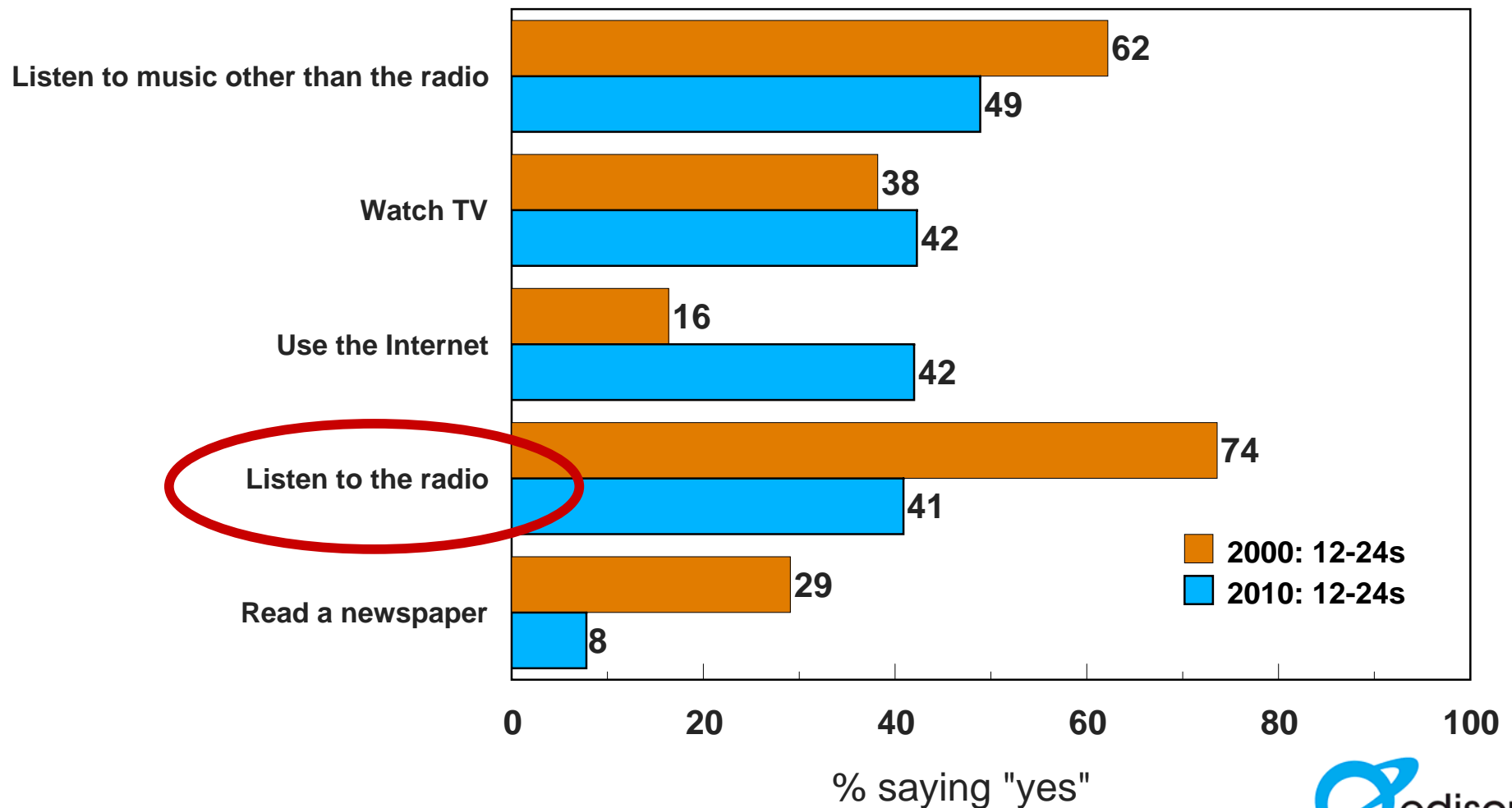
"How often do you obtain music by...?" **Once per week or more** **Once per month or more (but less than once per week)**



Base: Age 12-24

In the last decade, Radio has lost its edge as the most prevalent activity in the morning for young people

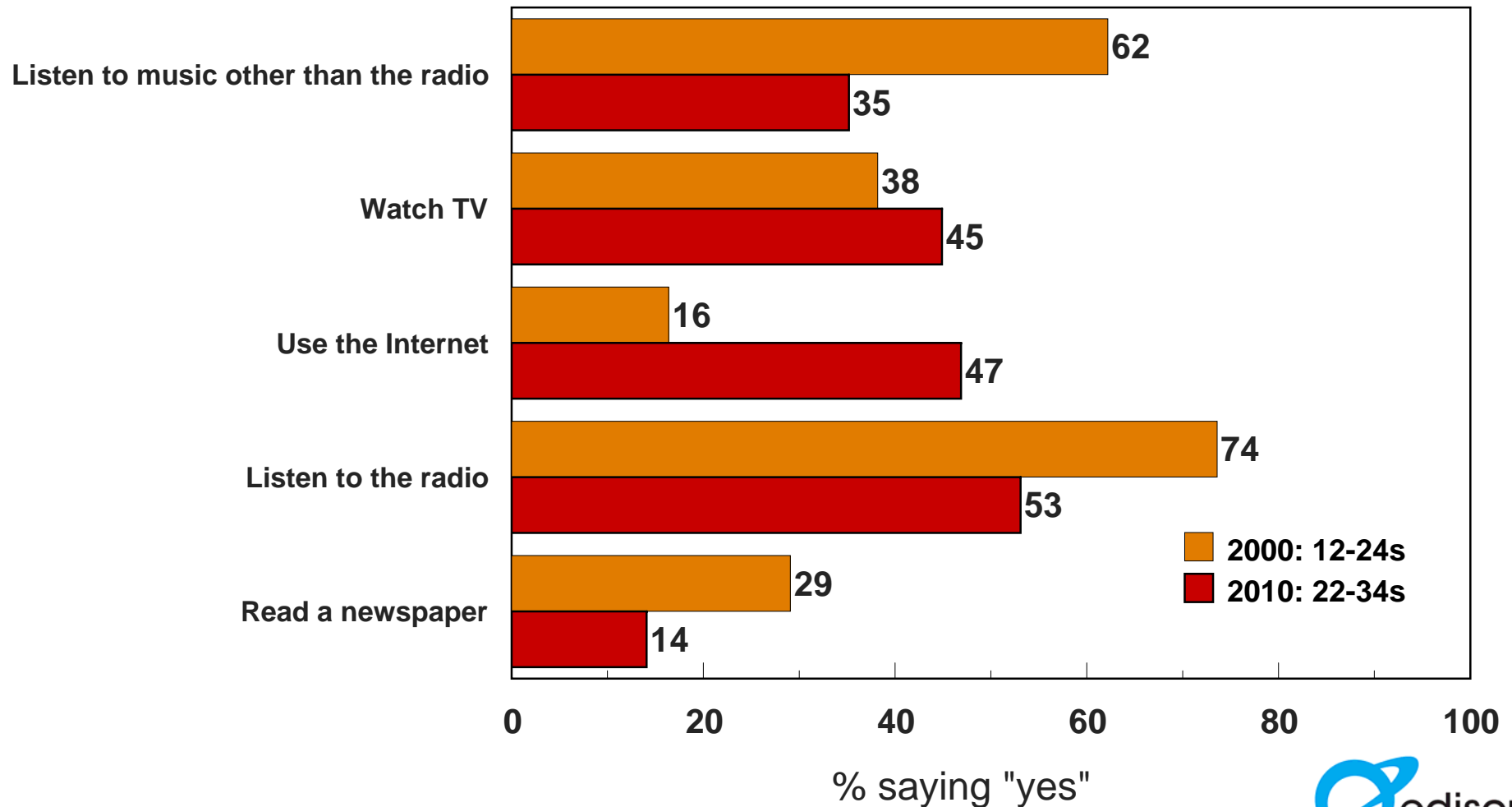
"In the morning, do you regularly...?"





Radio remains the top choice for 22-34s, but Internet and TV have nearly eliminated the gap

"In the morning, do you regularly...?"



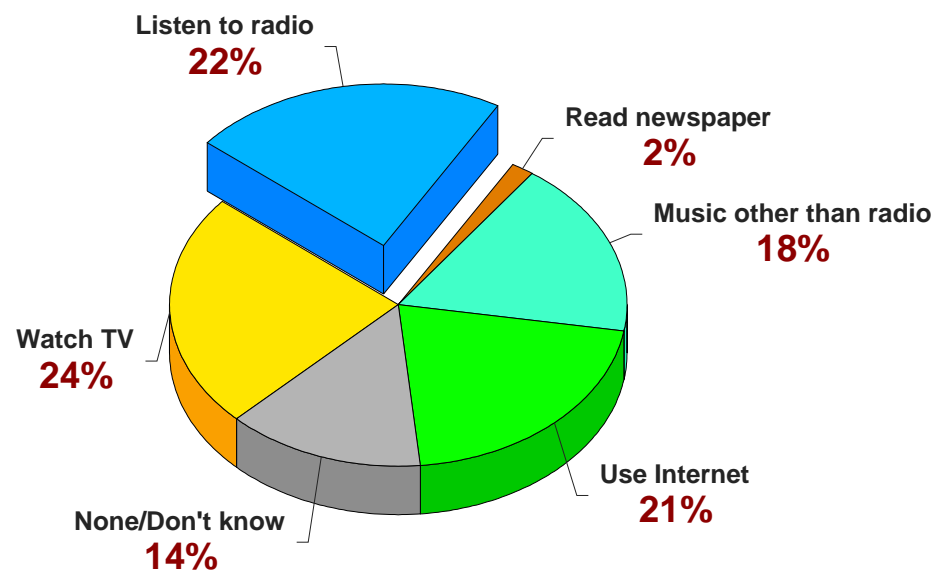
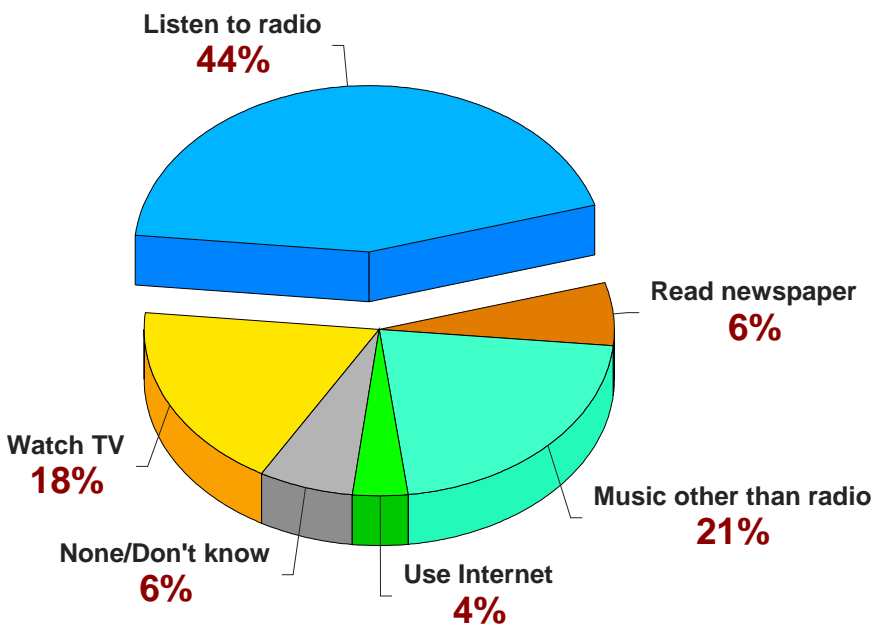


Television has passed Radio as the 'most used' in the morning among 12-24s

"Which do you do most in the morning?"

2000: 12-24s

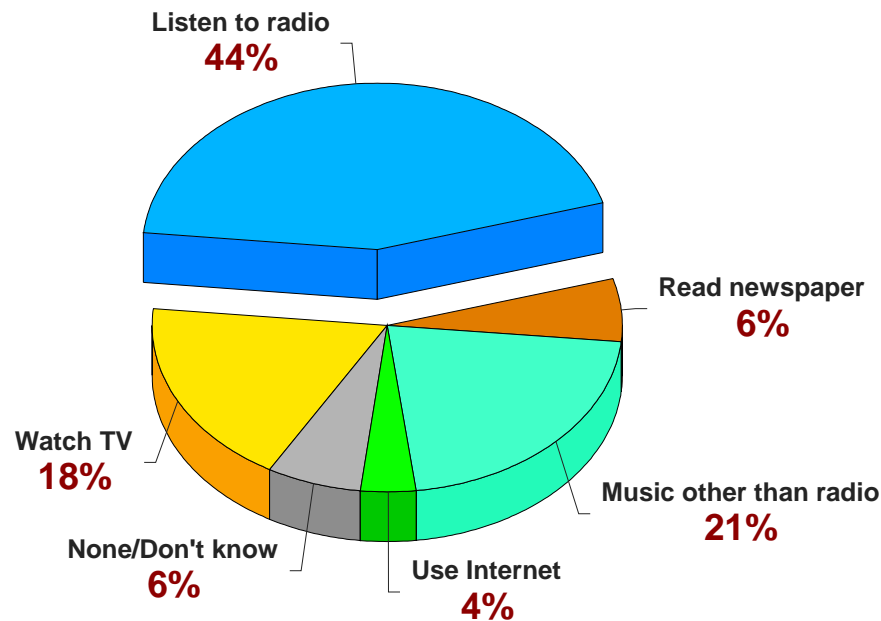
2010: 12-24s



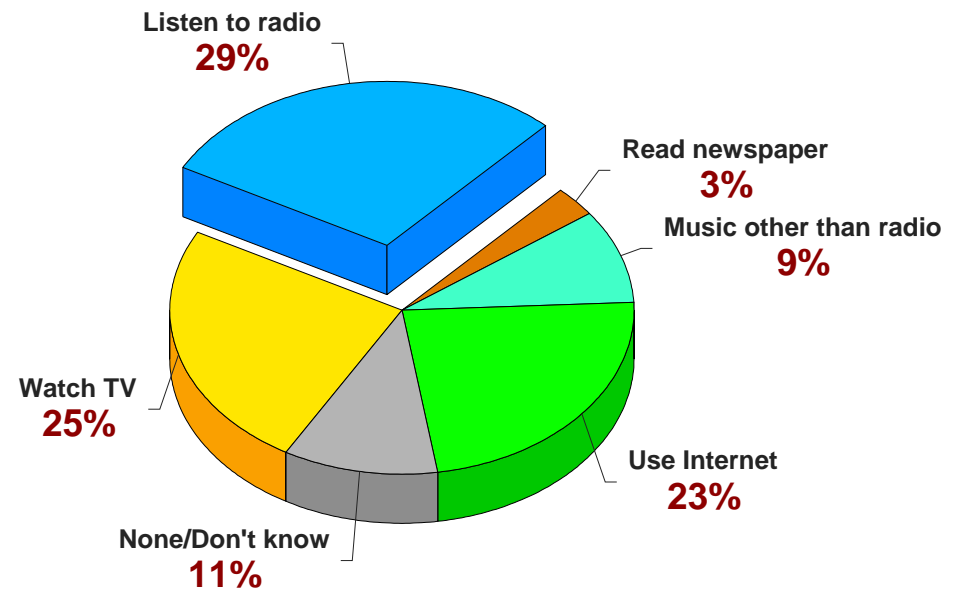
Over ten years, this cohort still uses Radio most in the mornings but Internet and TV grow

"Which do you do most in the morning?"

2000: 12-24s



2010: 22-34s

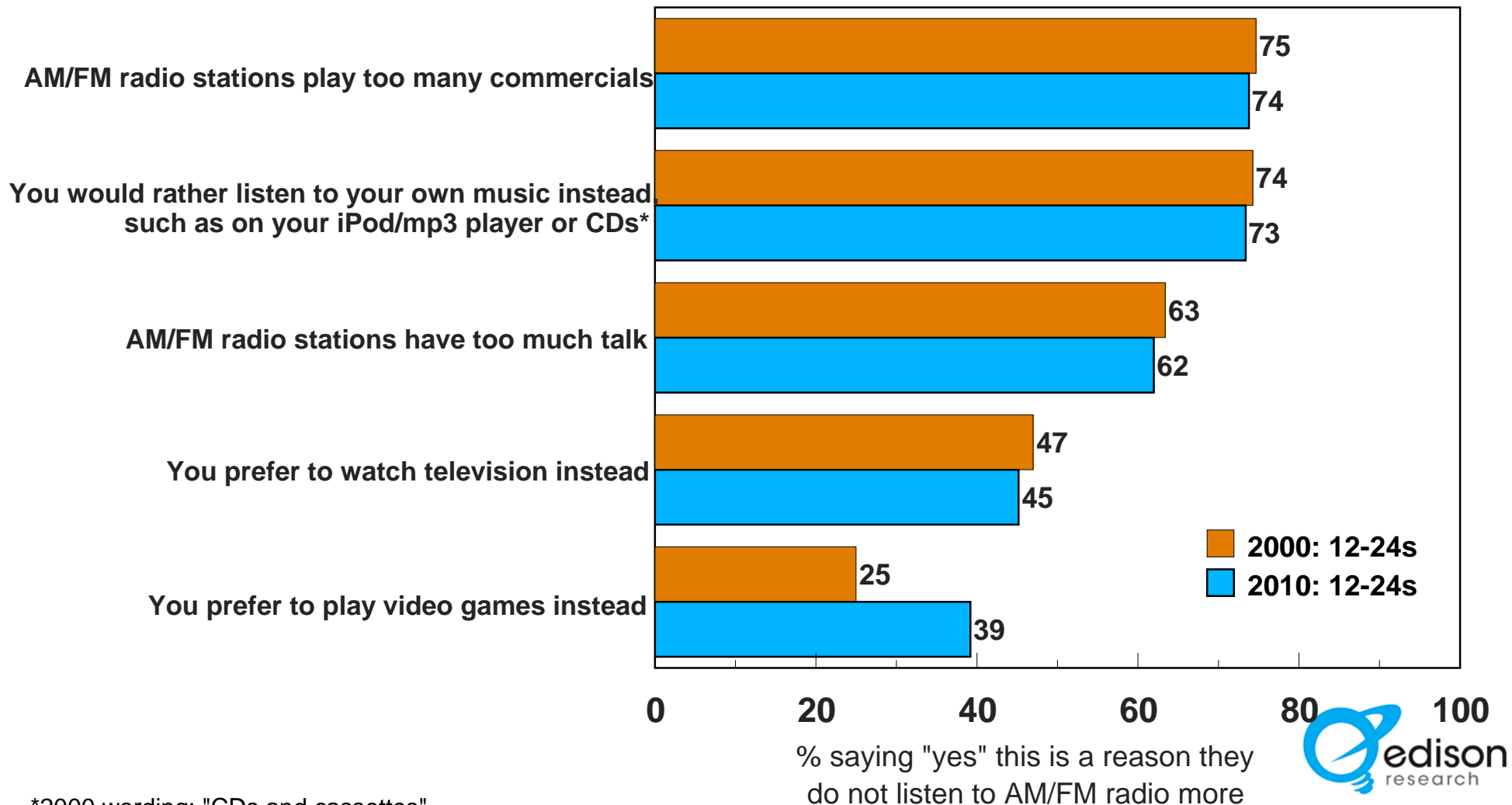




Biggest reason they don't listen more hasn't changed one bit: Too Many Commercials

"Do you not listen to AM/FM radio more because...?"

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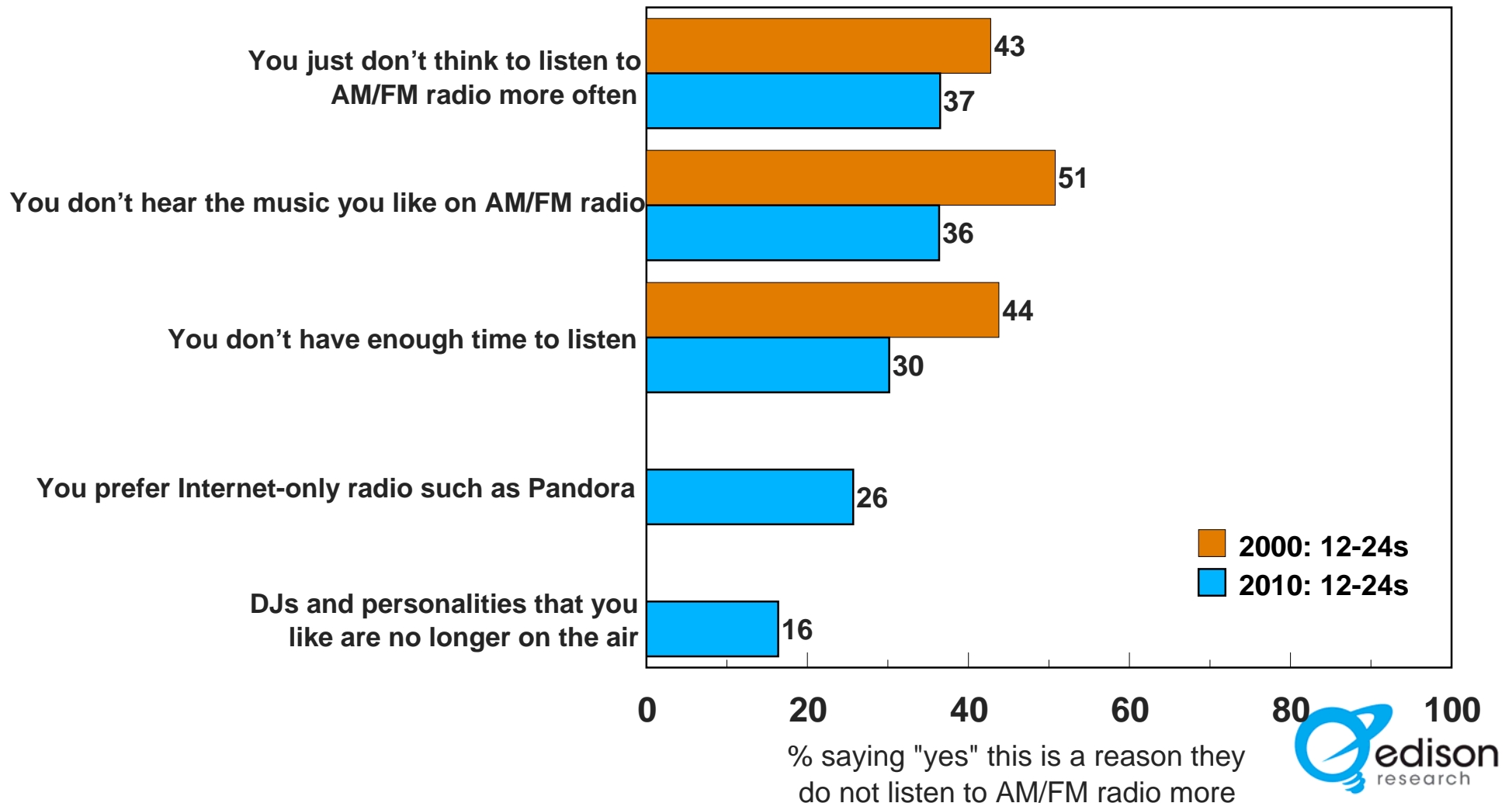


*2000 wording: "CDs and cassettes"

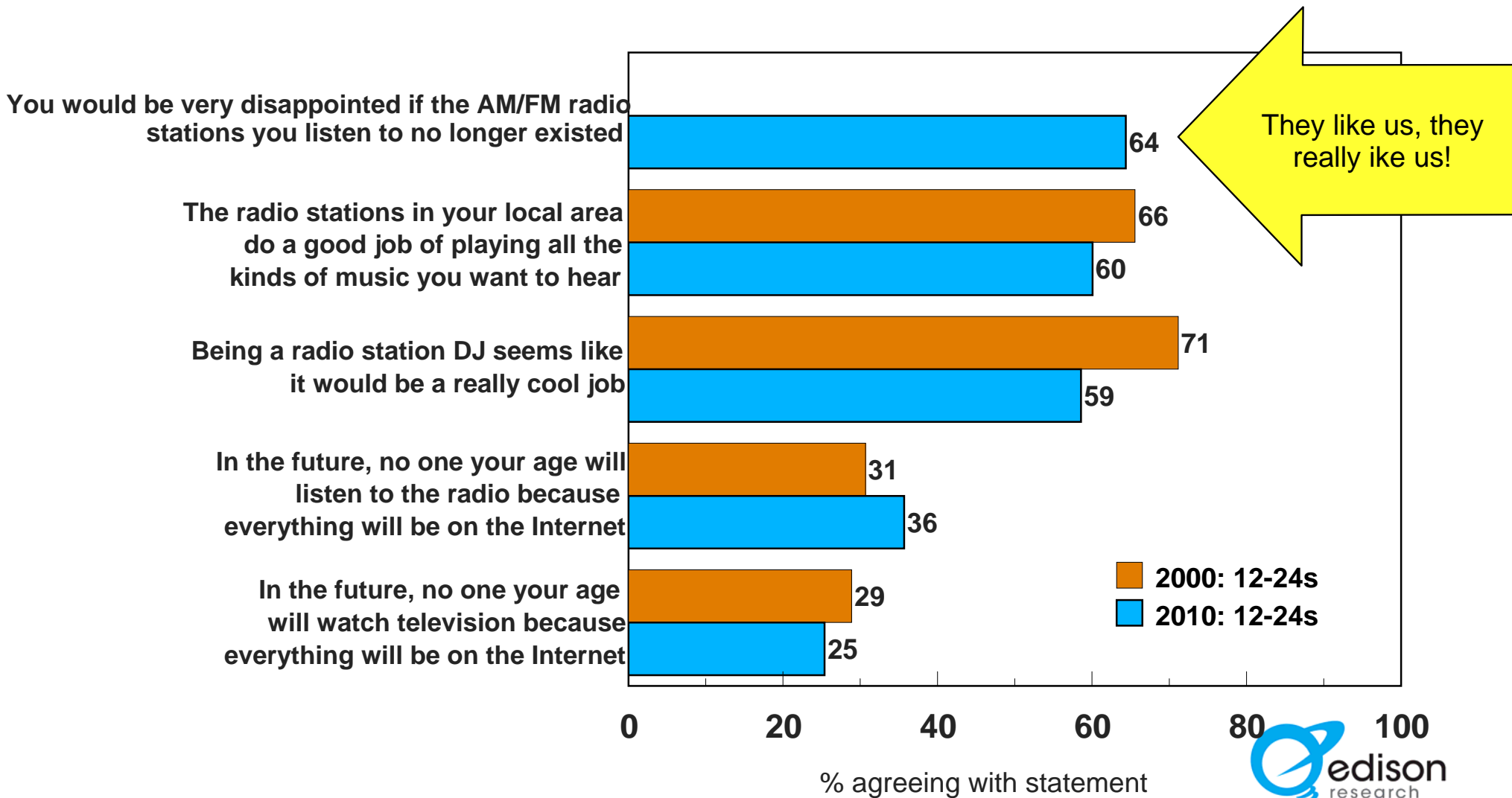
Interestingly, today's 12-24s are *less* likely to say that they aren't hearing the music they like on the radio

"Do you not listen to AM/FM radio more because...?"

page 2



In these job-challenged days -- why do so few young people think Radio DJ sounds like a cool job?

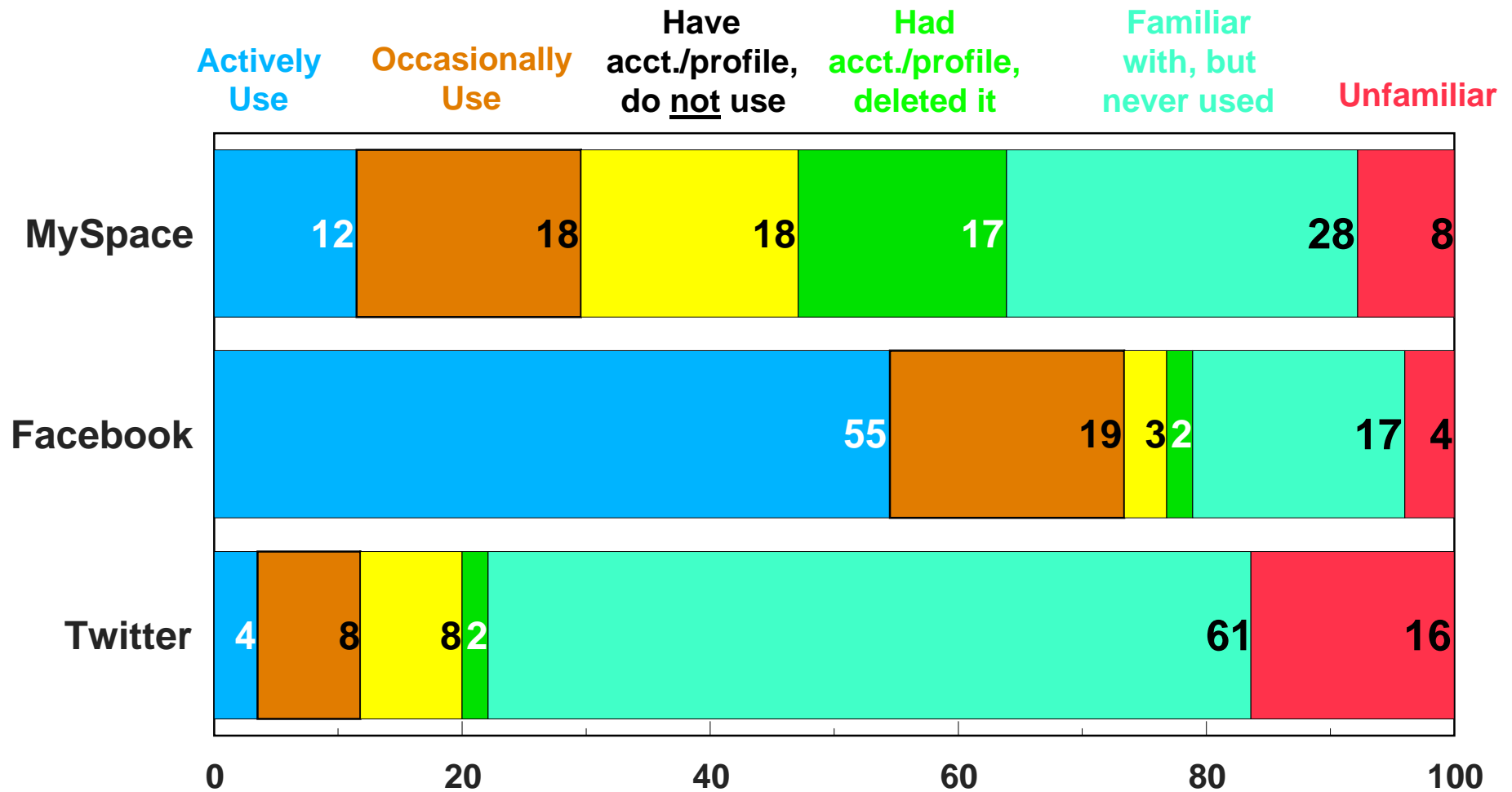




Social Networking:

An Entire New Form
of Media Emerges

Three-quarters of 12-24s use Facebook at least occasionally; MySpace struggles

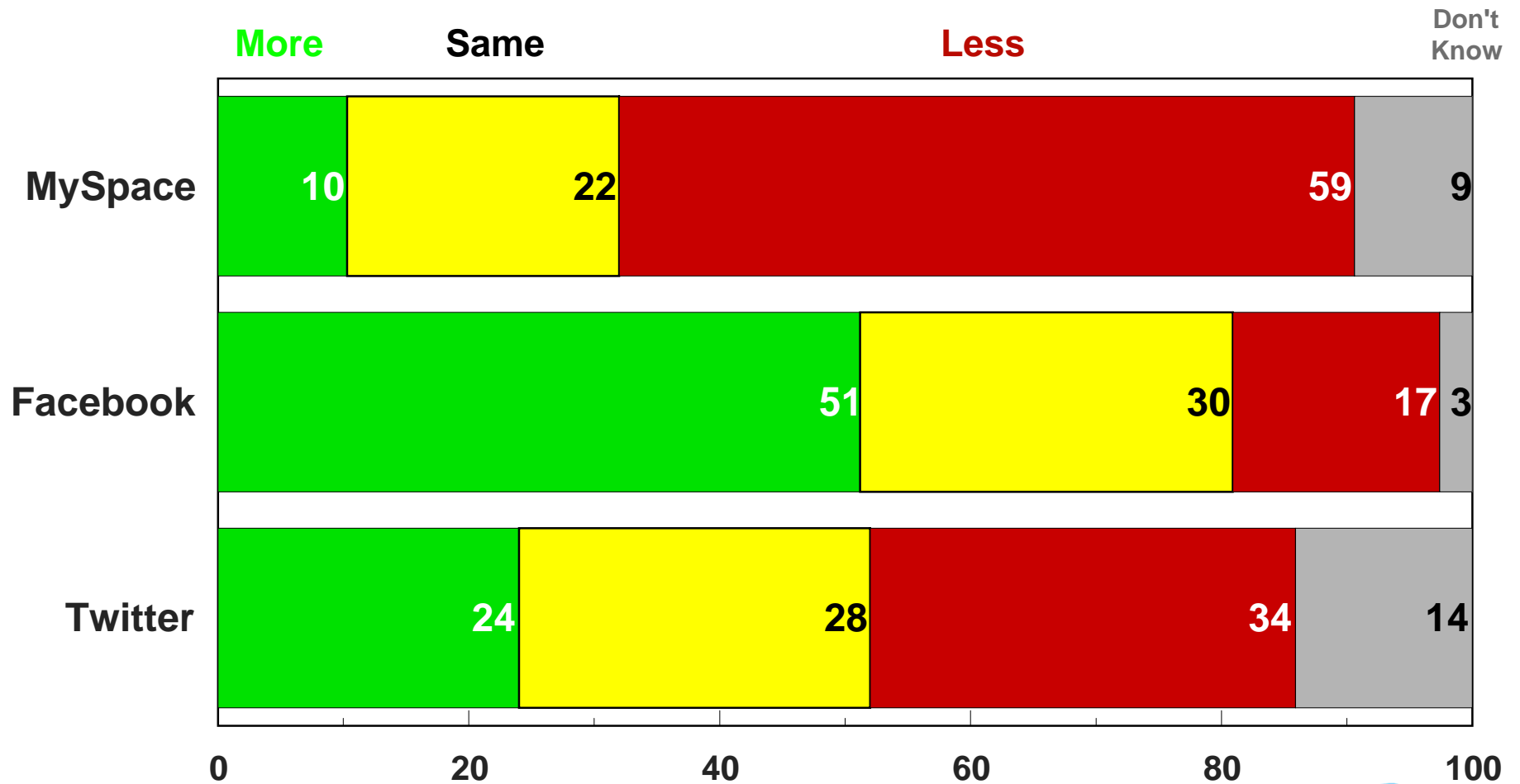


Base: Age 12-24



Facebook appears unstoppable

"Compared to one year ago, are you spending more, less or the same amount of time using...?"



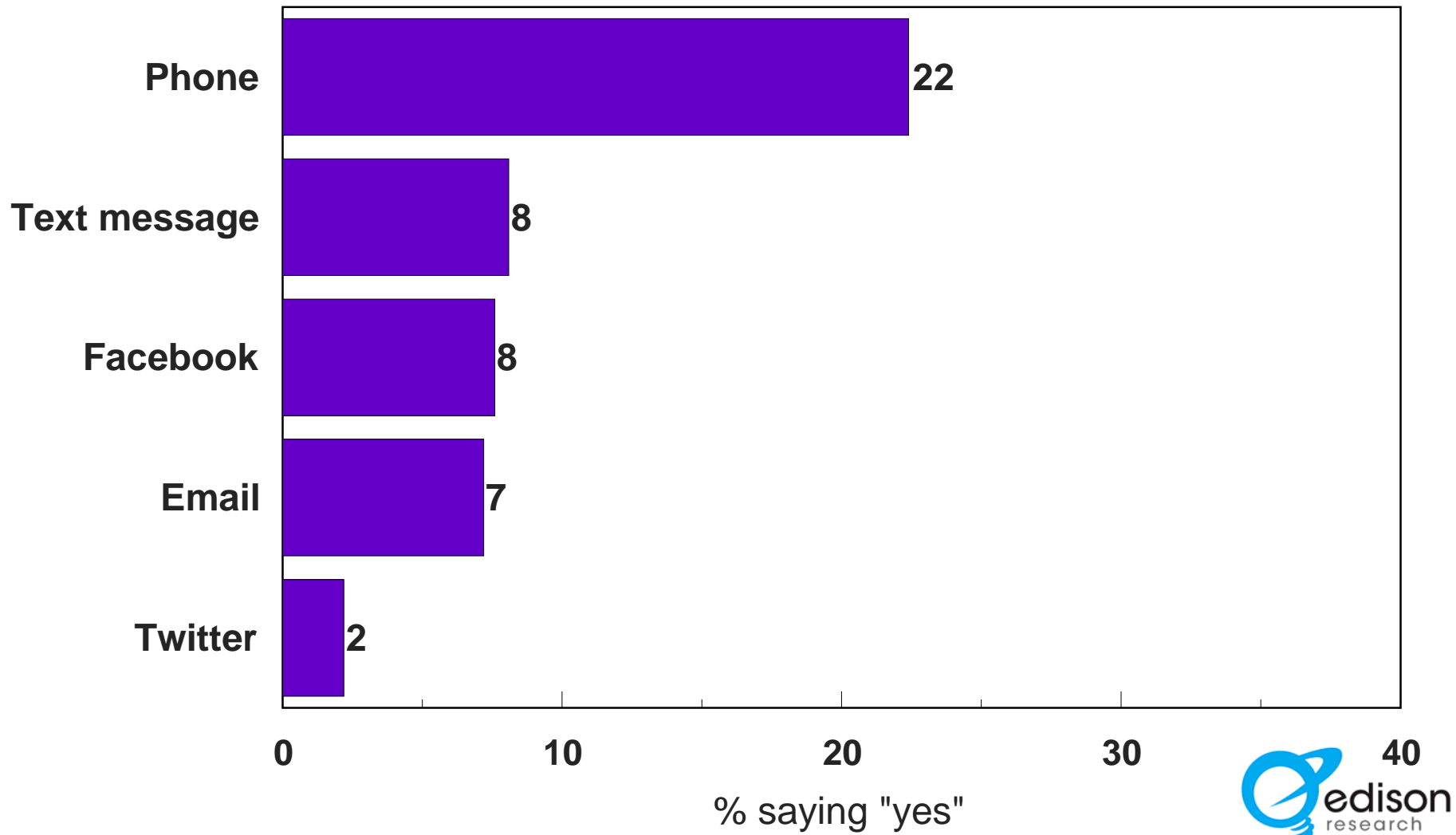
Base: Age 12-24 and have ever used (social network)





Communication between listener and radio station via modern means is still in development stage

"Have you ever communicated with an AM/FM radio station or one of its DJs or personalities by...?"



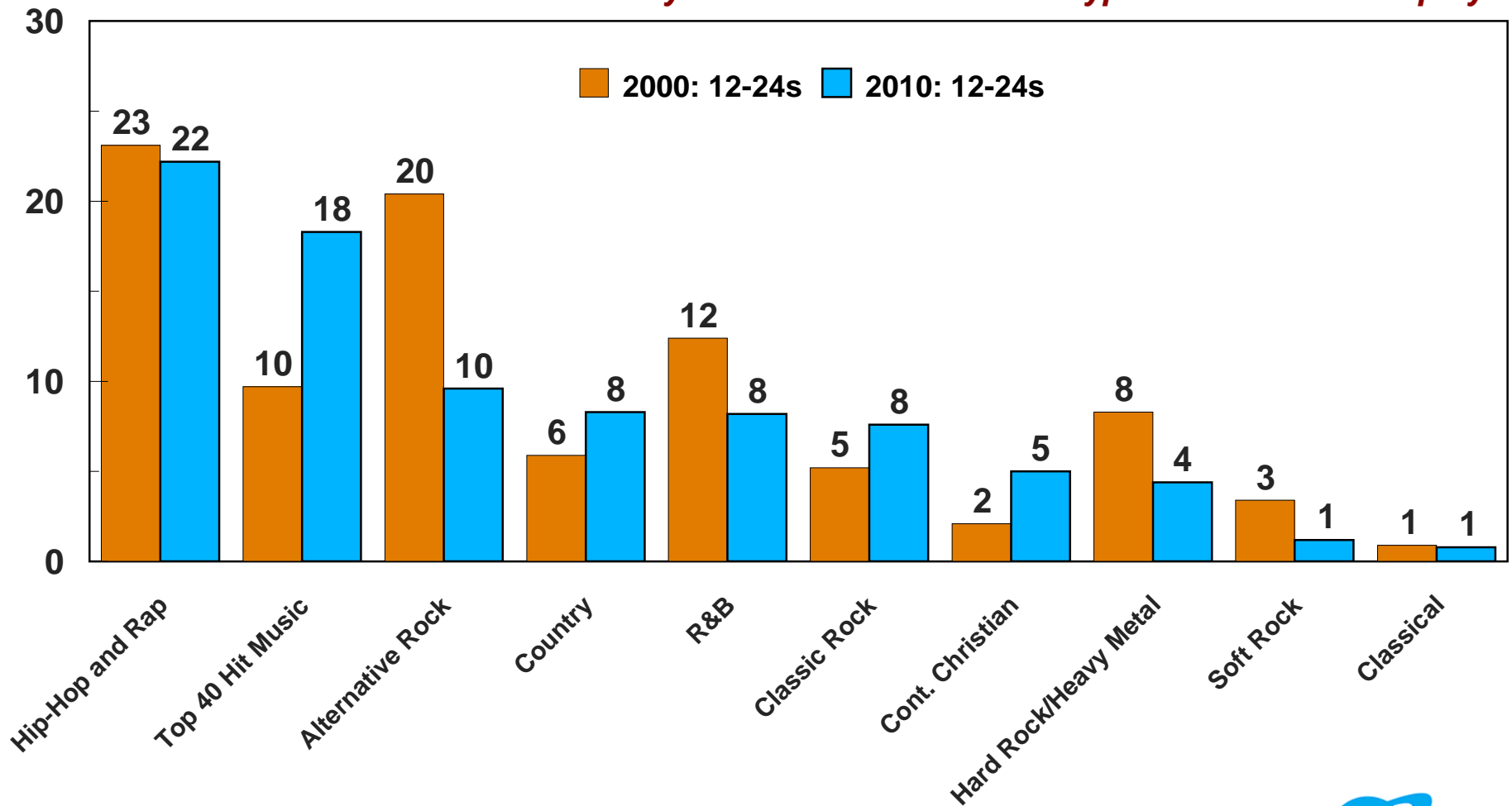


Music Trends:

Some things change;
One thing stays exactly
the same

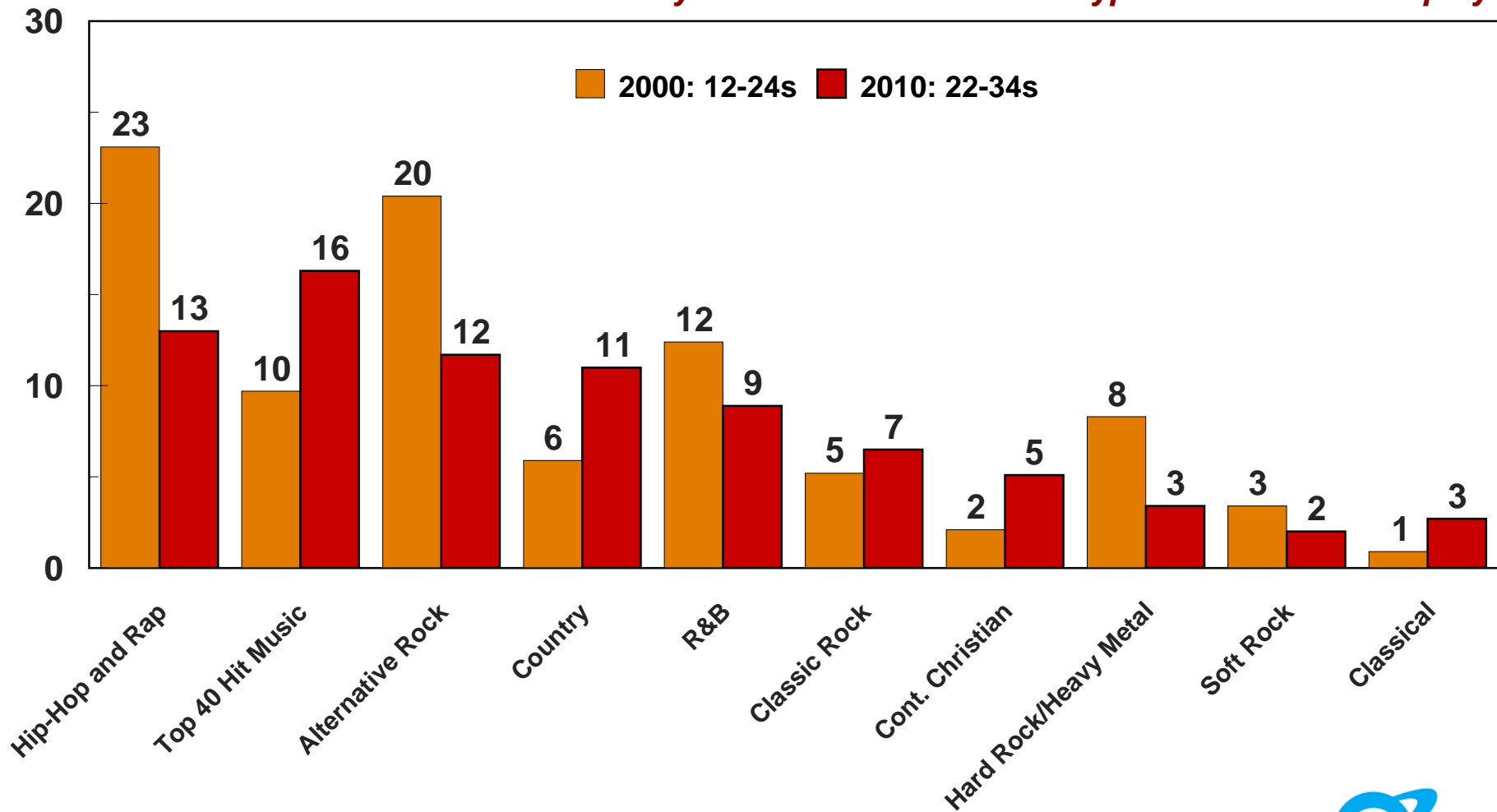
Top 40 is ascendent in the last decade while both Contemporary Rock formats are halved

"Think about the radio station you listen to most. What type of music does it play?"



Today's 22-34s have grown away from Rap and Rock; into Top 40, Country and Christian

"Think about the radio station you listen to most. What type of music does it play?"





What are your five favorite musical artists or group? (most mentions)

2000

1. **Eminem**
2. 'N Sync
3. Limp Bizkit
4. Britney Spears
5. Korn
6. Backstreet Boys
7. DMX
8. Dr. Dre
9. Metallica
10. Blink-182

2010

1. **Eminem**
2. Lady Gaga
3. Lil Wayne
4. Taylor Swift
5. Drake
6. Rihanna
7. Beatles
8. Katy Perry
9. T.I.
10. Green Day



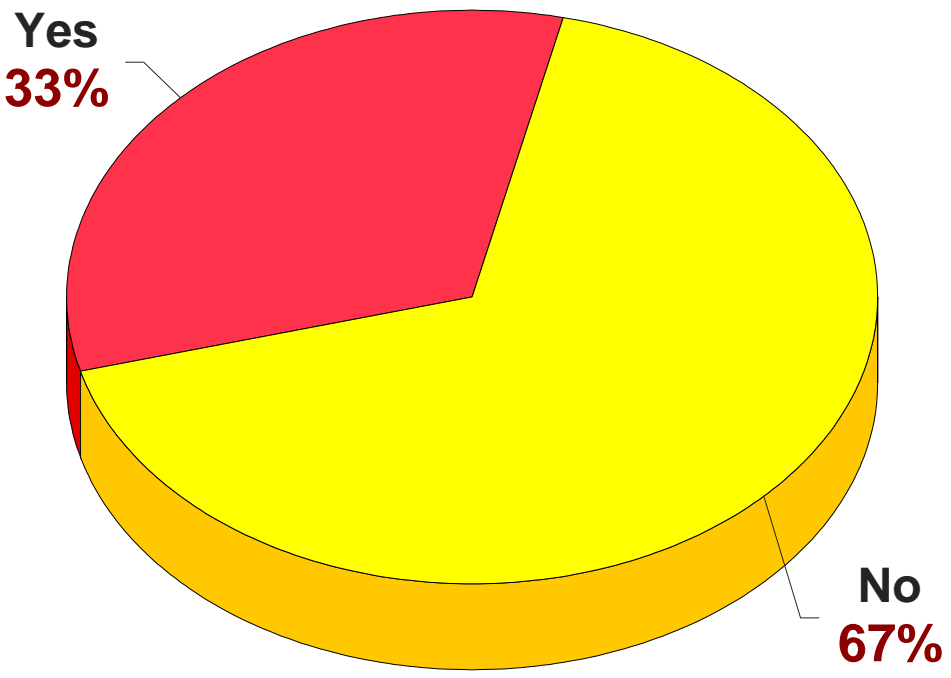
The Big Threat:





One-in-three 12-24s have tried Pandora

"Have you ever listened to the Internet-only radio station called Pandora?"

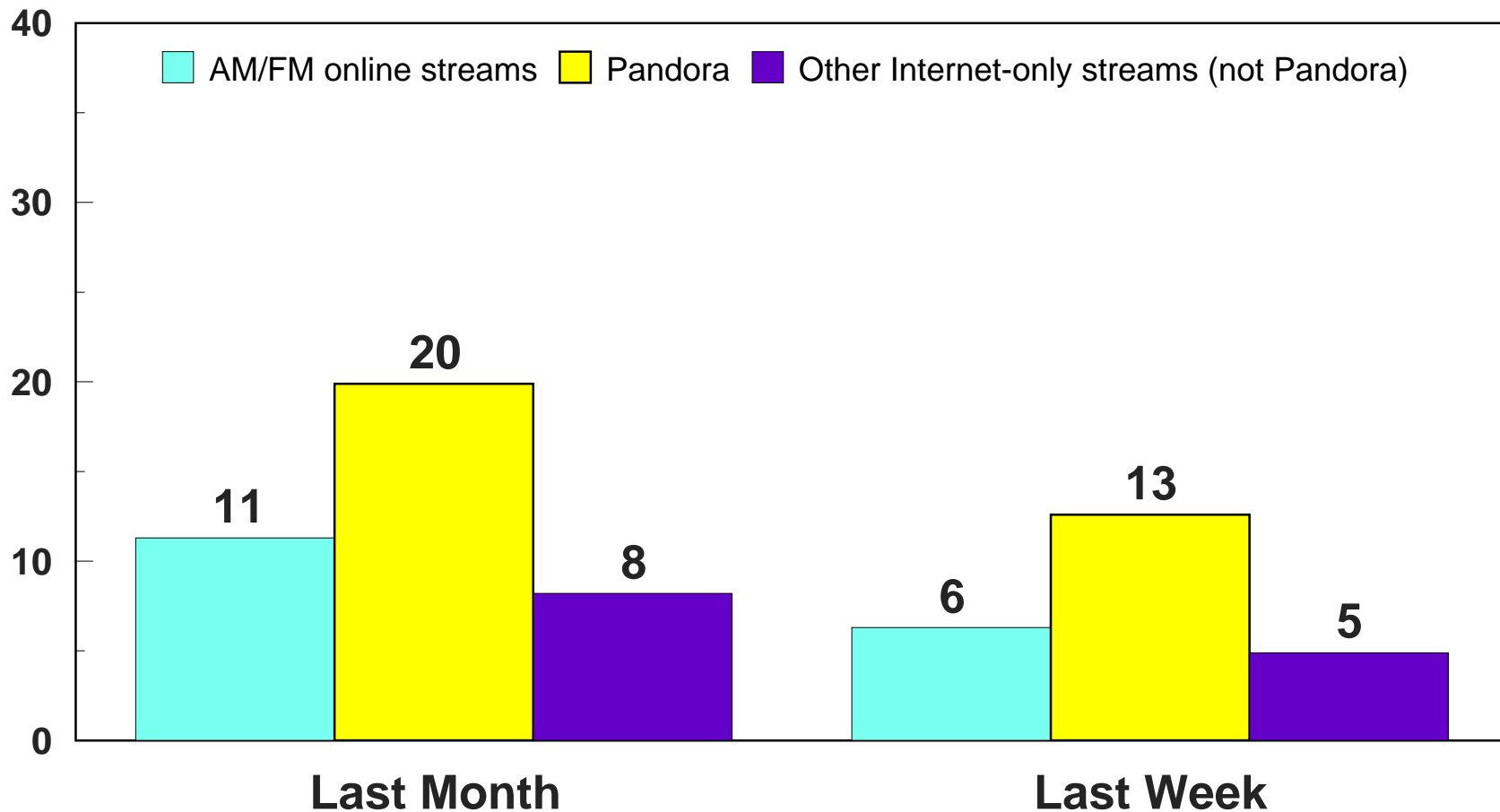


Base: Age 12-24





Pandora has a self-reported 13% weekly cume, more than all other Internet and AM/FM streams combined



Base: Age 12-24

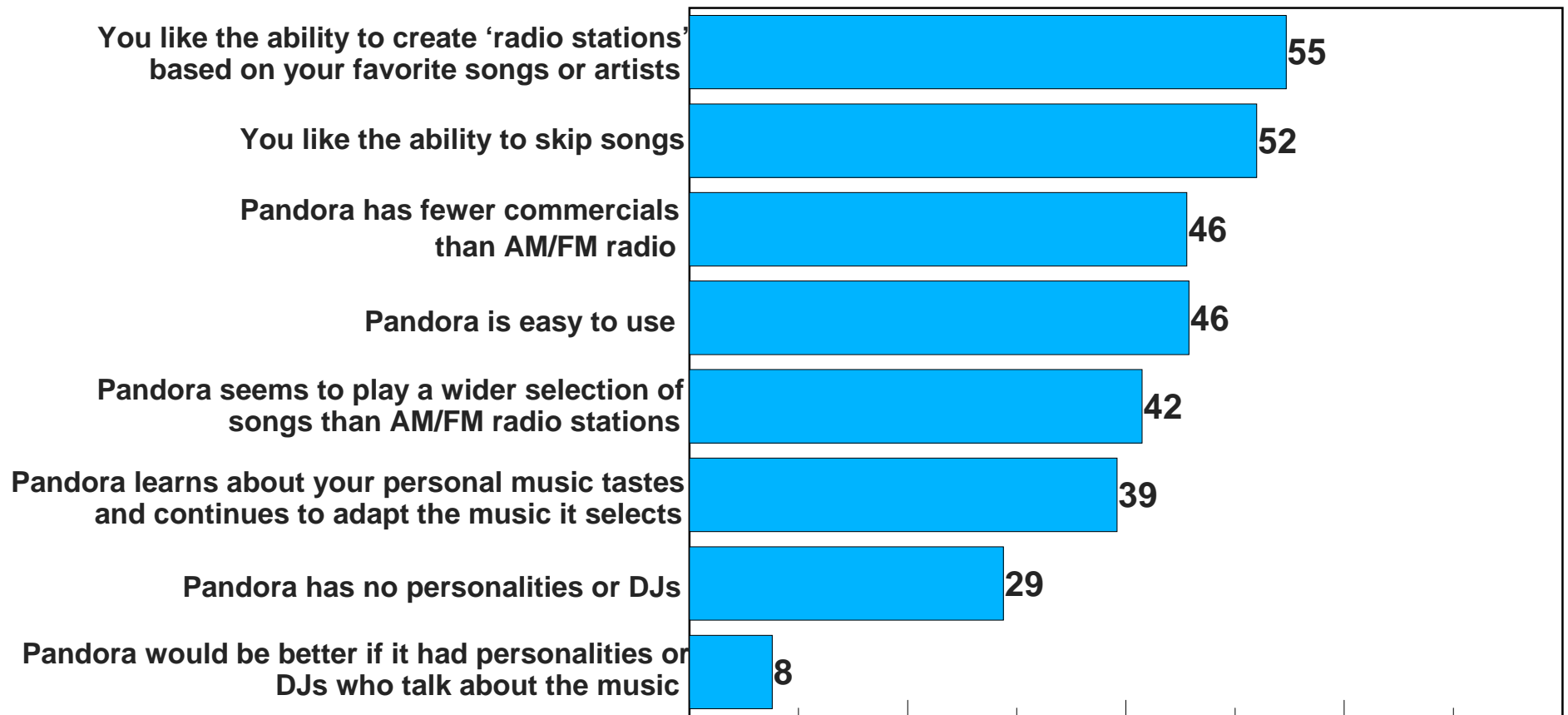
% listening to each type of online radio





Pandora's most 'non-radio' aspects (create stations and skip songs) are its most 'killer apps'

"Do you agree or disagree you listen to Pandora because...?"



Base: Age 12-24 and ever listen to Pandora

% agreeing "strongly"





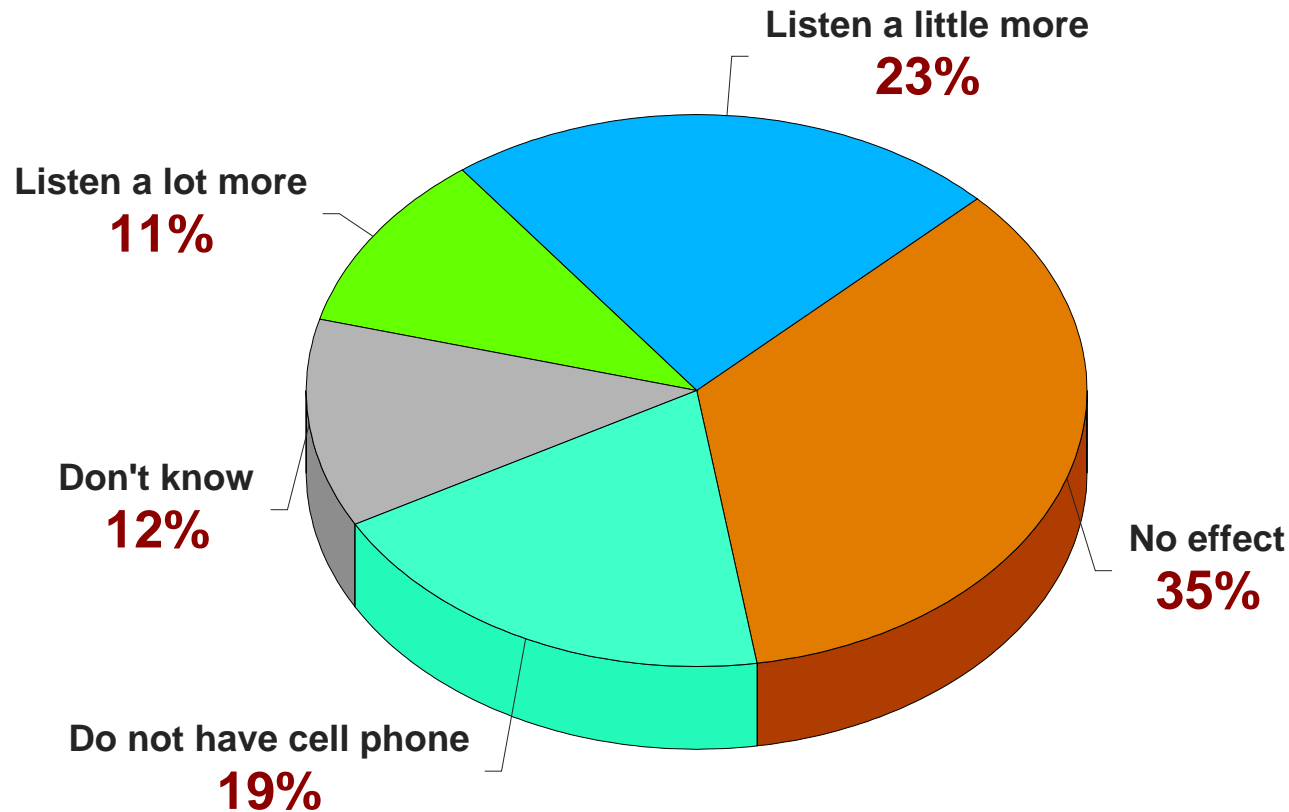
Our Next Steps:

Radio Innovations



One-third of 12-24s say that putting an FM tuner on their cell phones would lead to more listening

"If your cell phone had an FM radio tuner, would it lead you to listen to FM radio a lot more than you do now, a little more than you do now or would it have no effect on your radio listening?"

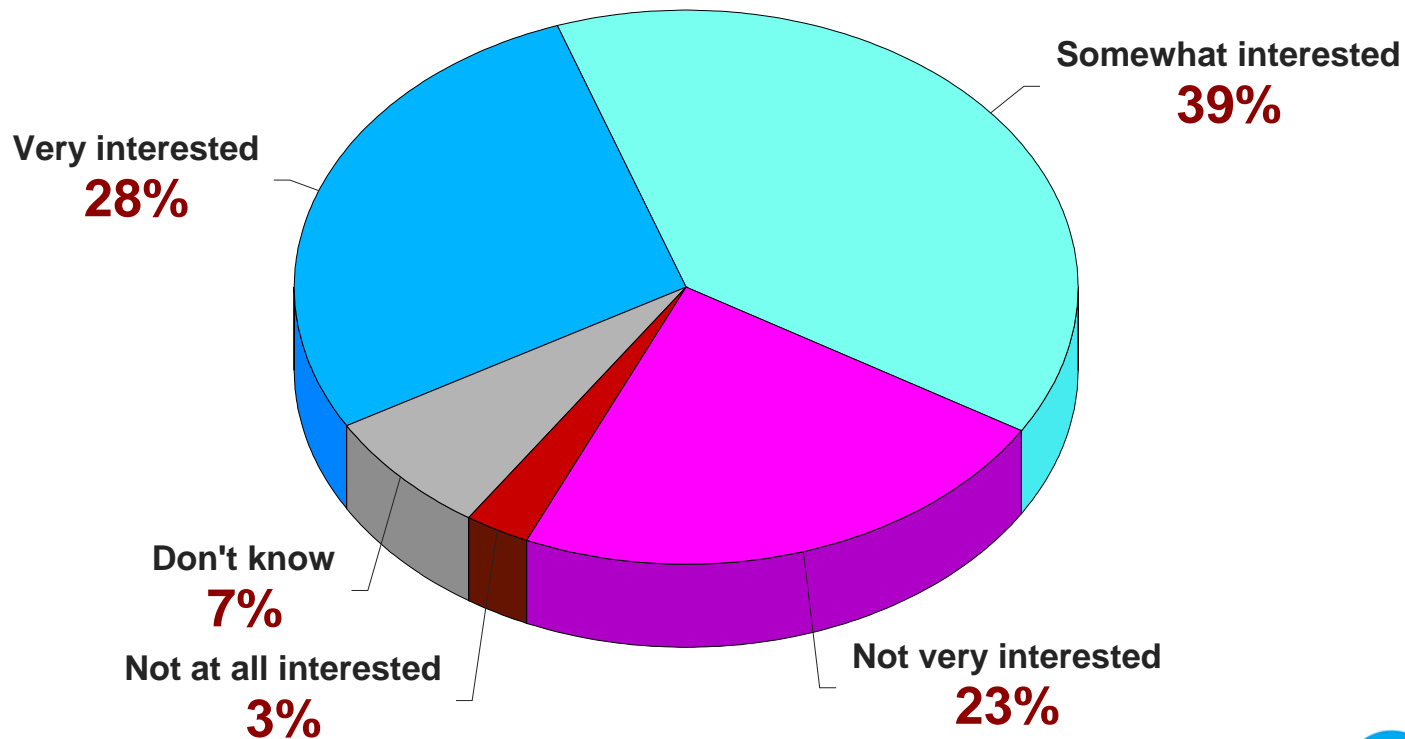


Base: Age 12-24



There is significant interest in a Radio TiVo type of radio application

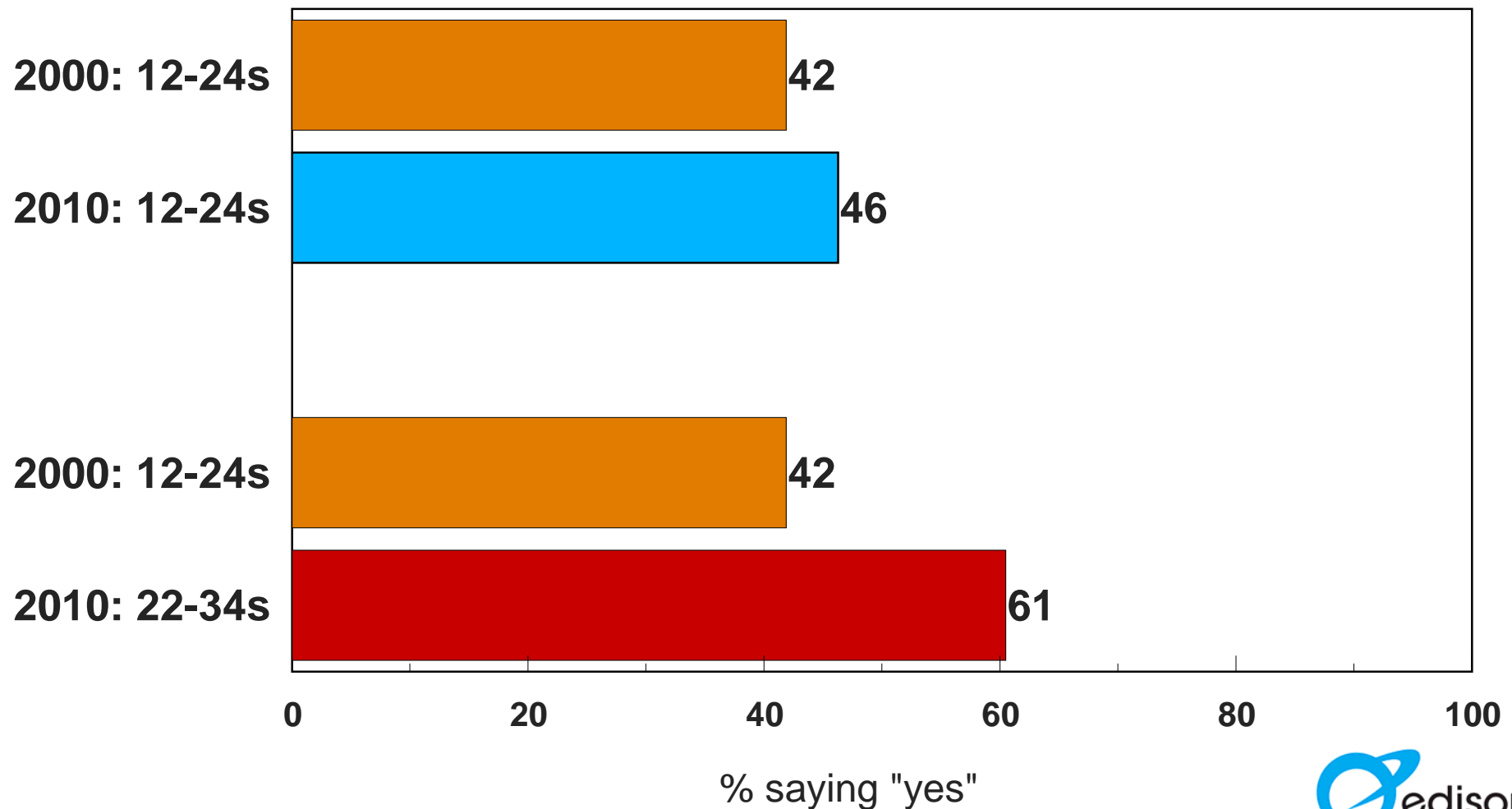
"Suppose the vehicle you are in the most had a radio with the ability to pause, rewind and fast forward live AM/FM broadcasts, similar to a television DVR. It would also be able to record AM/FM shows on demand. How interested would you be in your vehicle having a radio with these features?"



Base: Age 12-24

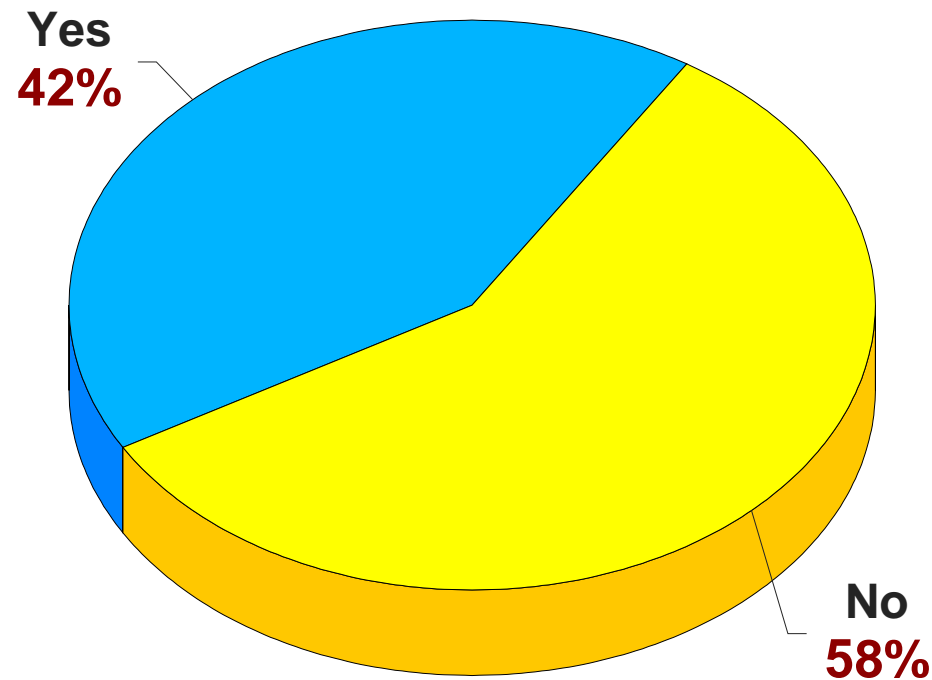
Today's 12-24s are only slightly more likely to have visited a Radio Station site; the 'cohort' does show increased usage

"Have you ever visited a radio station's Web site?"



After all these years and all the radio commercials, only four-in-ten 12-24s have even heard of HD Radio

"Have you ever heard of HD Radio?"



Base: Age 12-24



Recommendations to Radio from the 2010 "American Youth Study"

- Send *more* stations after these demos or watch them fade away -- the consumer and the advertisers *still* see radio as a youth medium -- why don't the owners?
- **Claim** Internet audio or lose it
 - It can't just be your over-the-air product
 - Must be a font of innovation -- learn from what is driving Pandora
- Find ways to work together as an industry
 - ▶ Standardization and co-ordination can create multiplier effects
- Recruit young people -- Radio's biggest challenges are HR challenges



How you know.SM