

The Road Ahead

Media and Entertainment in the Car



How The Road Ahead Was Conducted

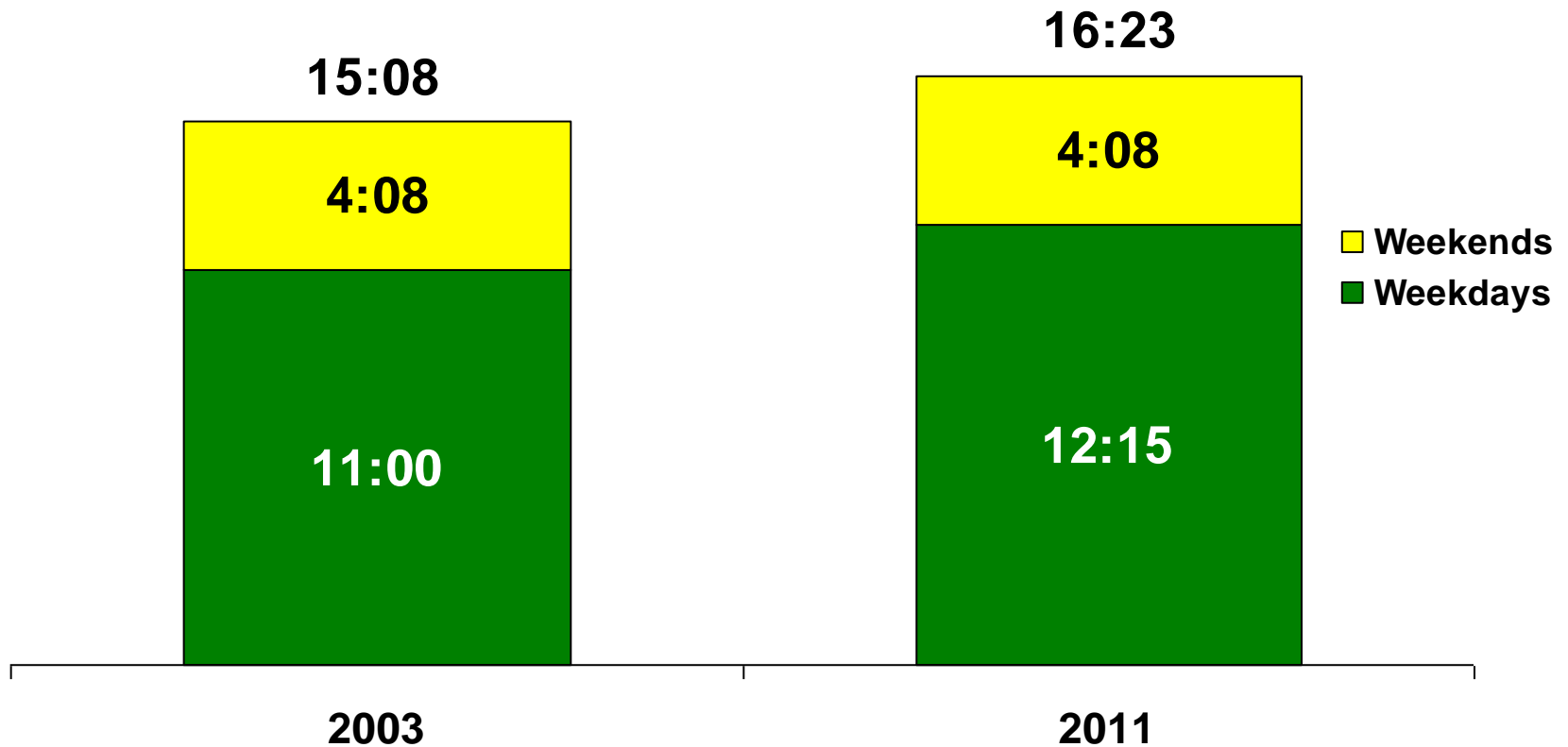
- » 1,505 telephone interviews were conducted in July 2011
- » Nationally projectable sample of Scarborough respondents age 18+
- » Data tracked with Arbitron/Edison 2003 National In-Car study
- » 96.5% of the sample had driven or ridden as a passenger in non-public transportation vehicles (car/truck/van, etc.) in the last month

The In-Car Media and Entertainment Landscape



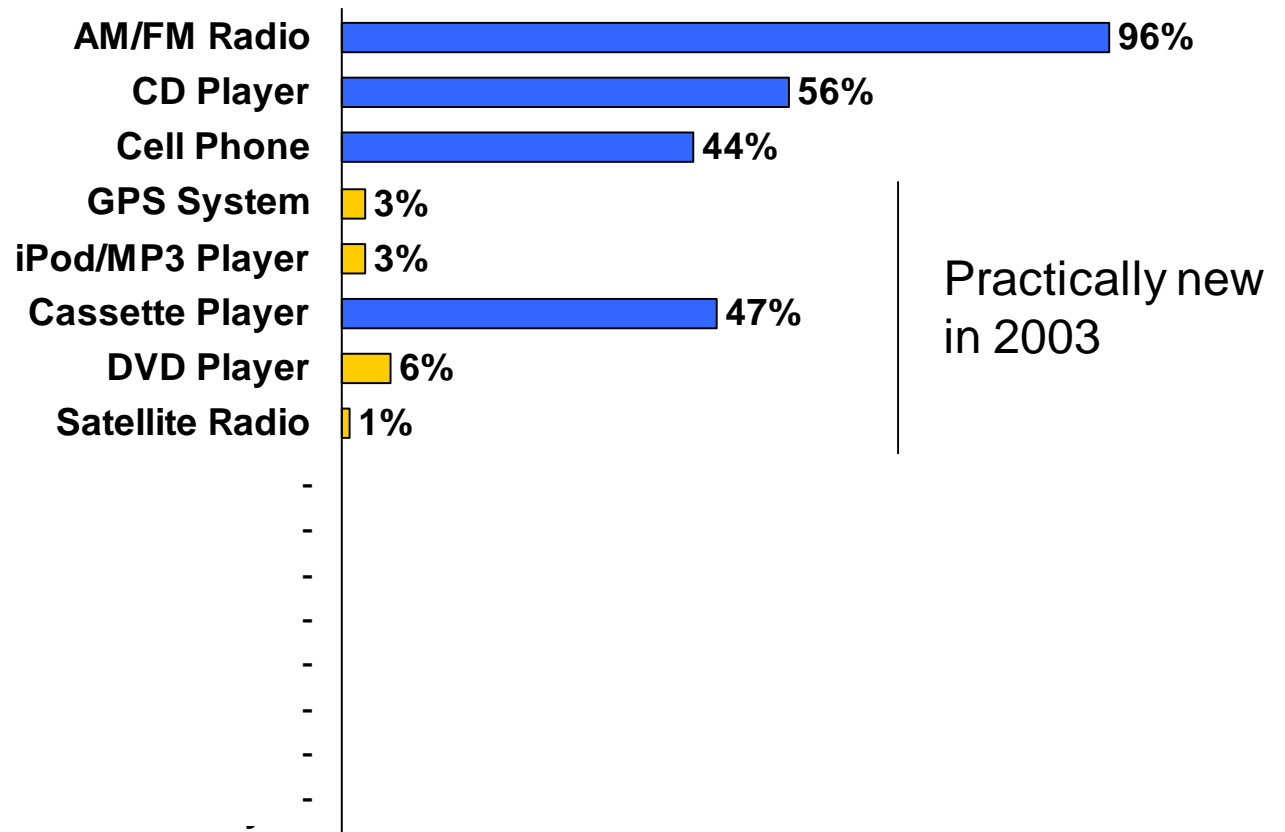
More Time Reported Spent In-Car Than in 2003

Average Reported Time Spent In-Car (as Driver or Passenger)
(Hours:Minutes)



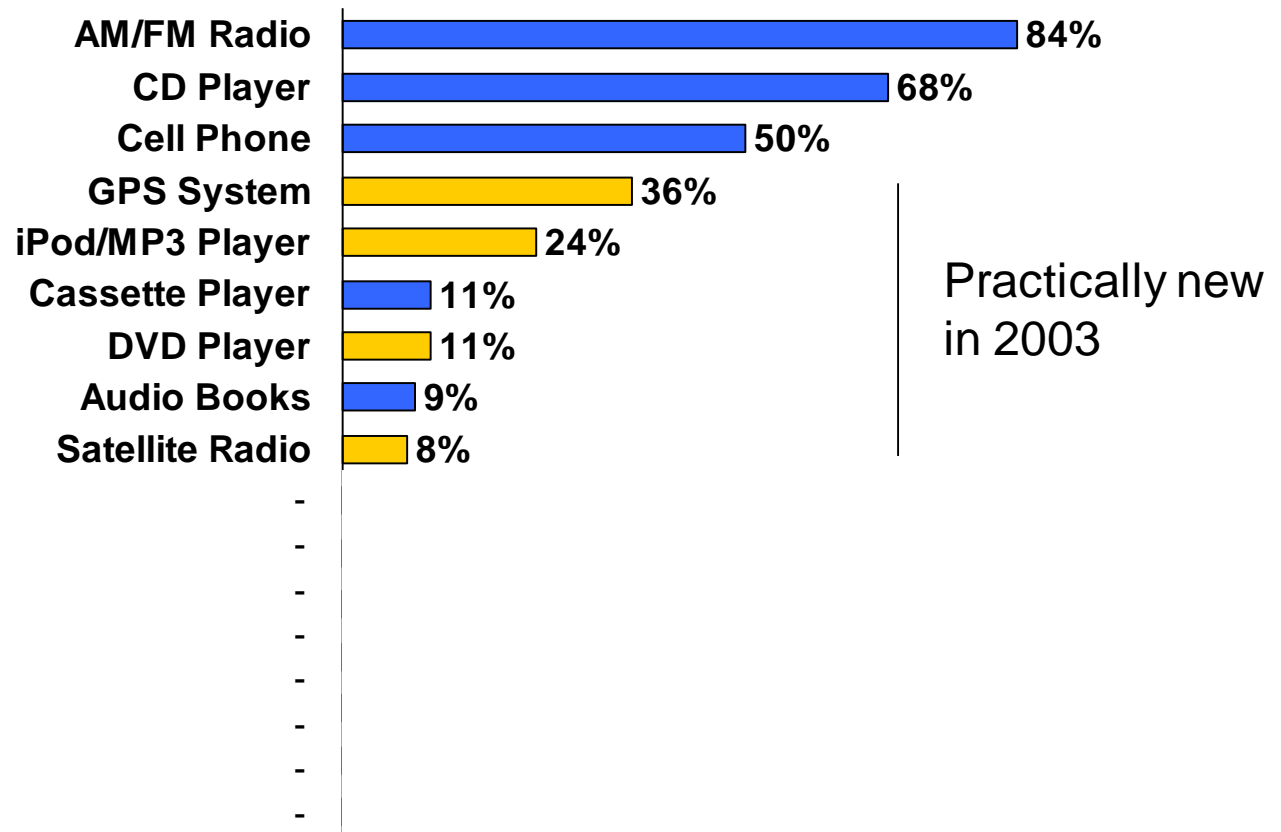
Radio Dominated a Simpler In-Car Landscape in 2003

% Using Device In Primary Car (2003)



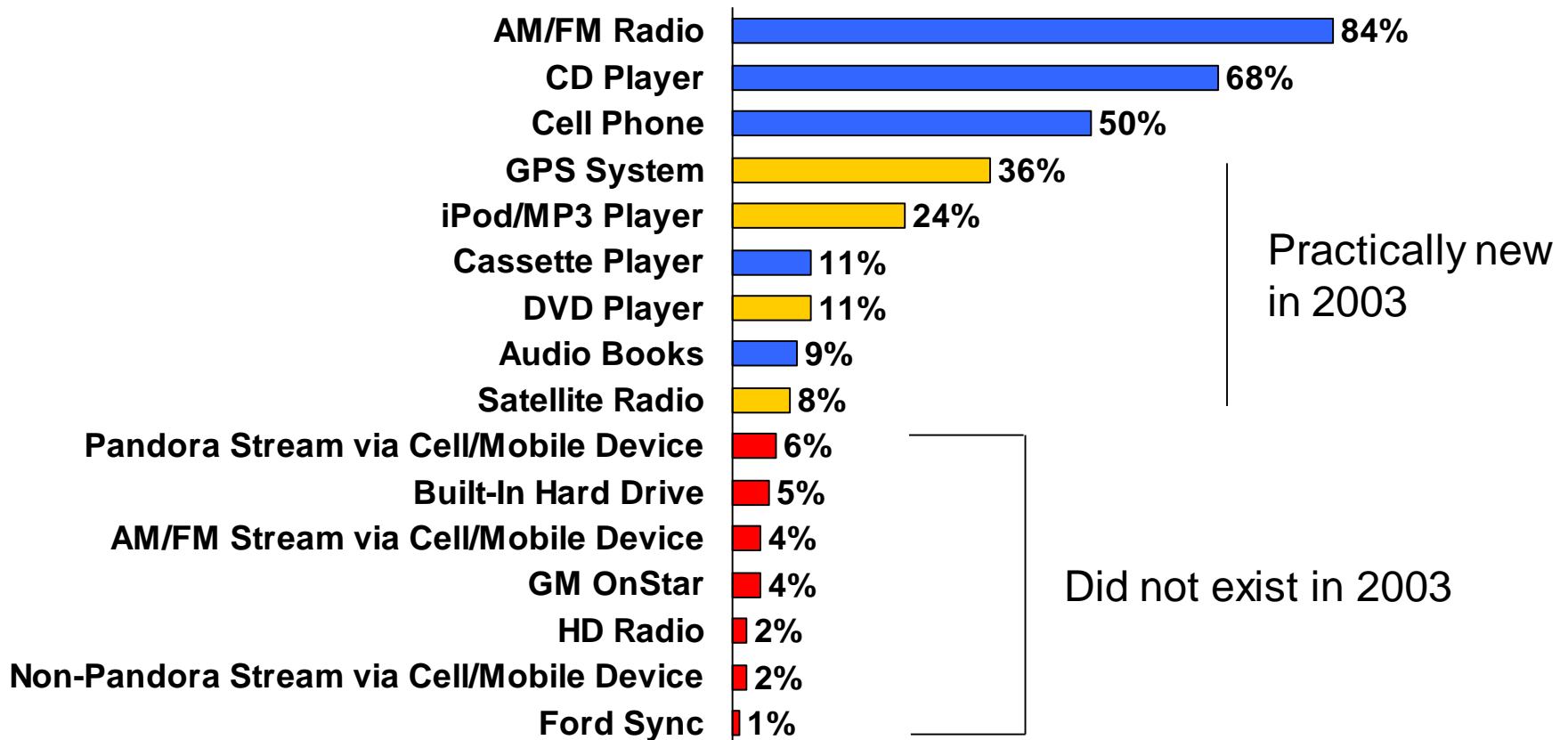
Radio Remains the King of In-Car Media in 2011

% Using Device In Primary Car (2011)



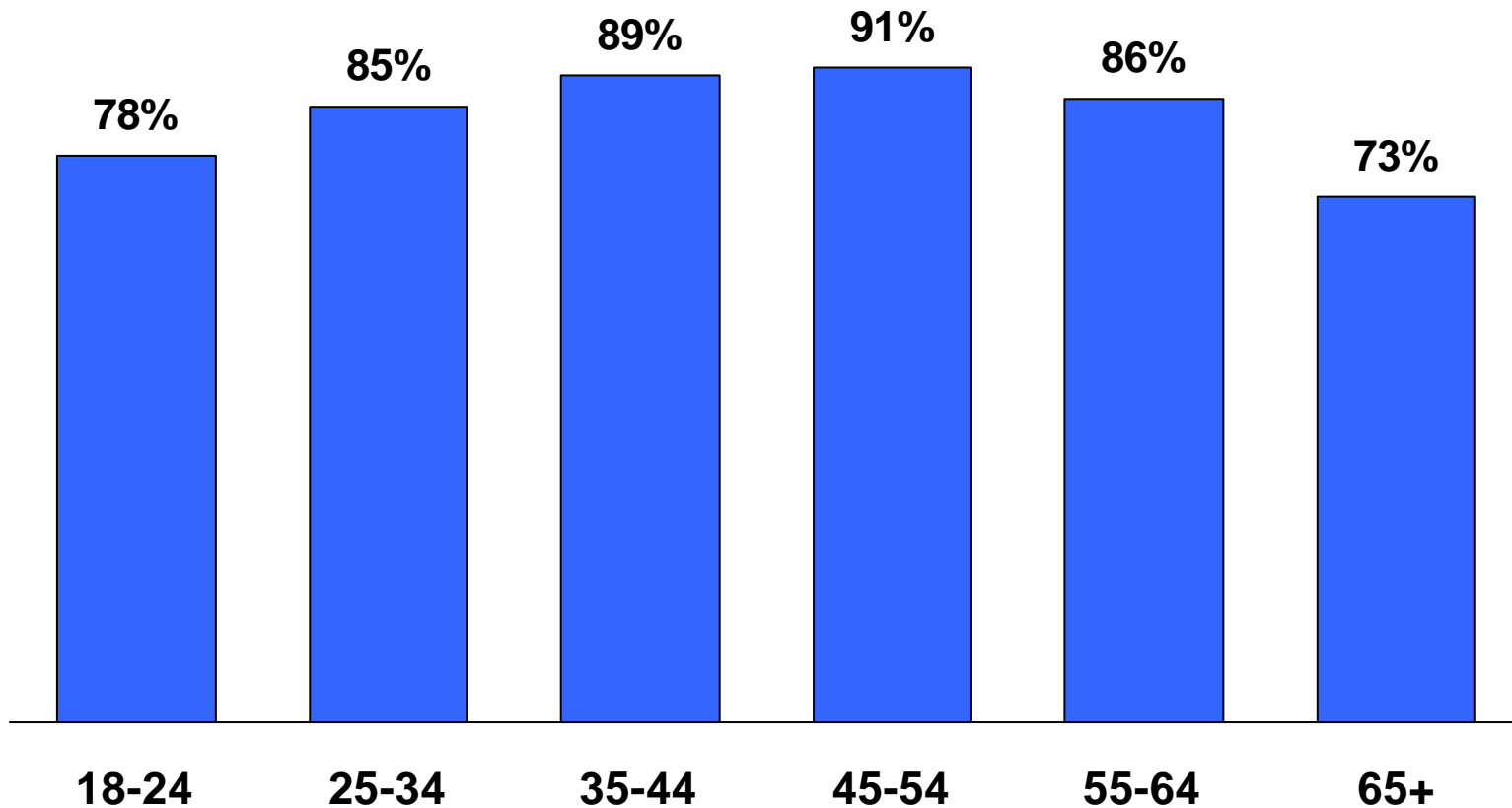
Radio Remains the King of In-Car Media in 2011

% Using Device In Primary Car (2011)



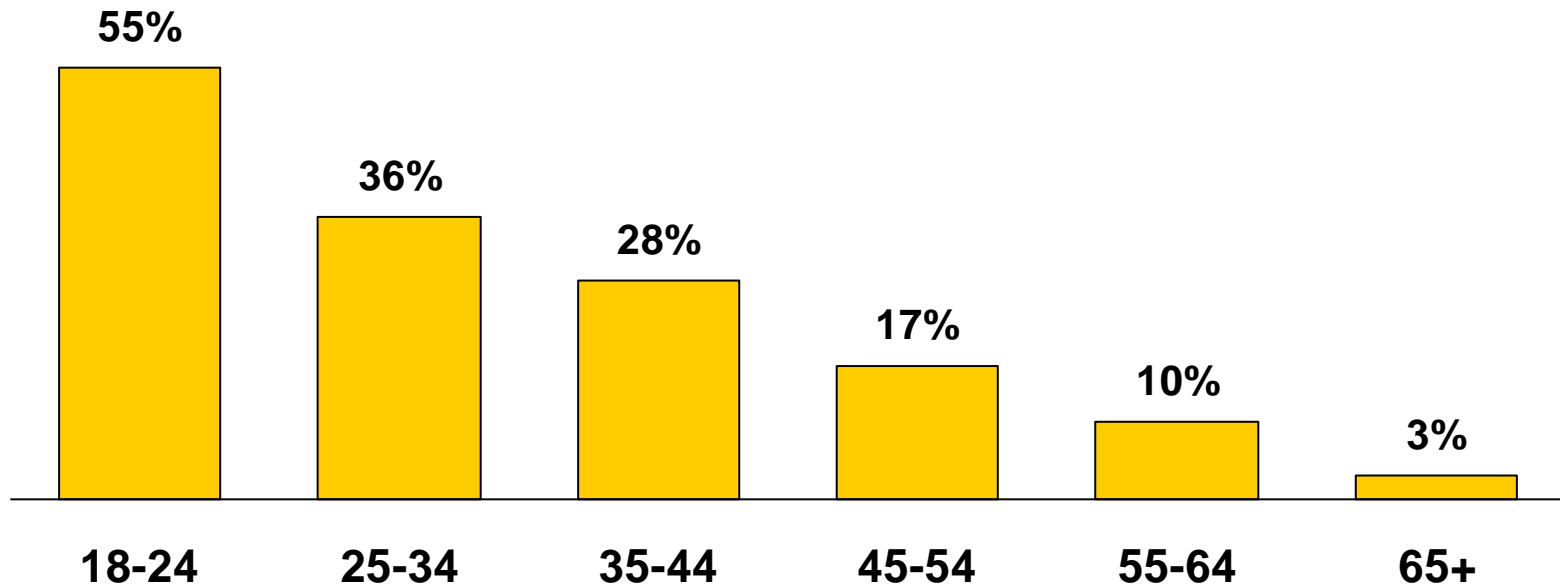
In-Car AM/FM Radio Usage is Strongest in Key Buying Demos it Has Long Targeted

% by Age Group Using AM/FM Radio In Primary Car



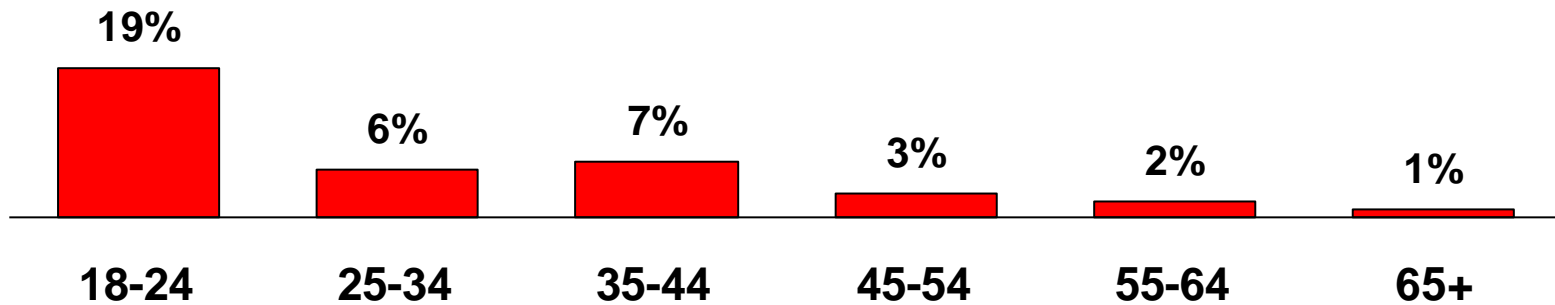
More than Half of 18-24s Use iPod/MP3 Players In-Car

% by Age Group Using iPod/MP3 Player In Primary Car



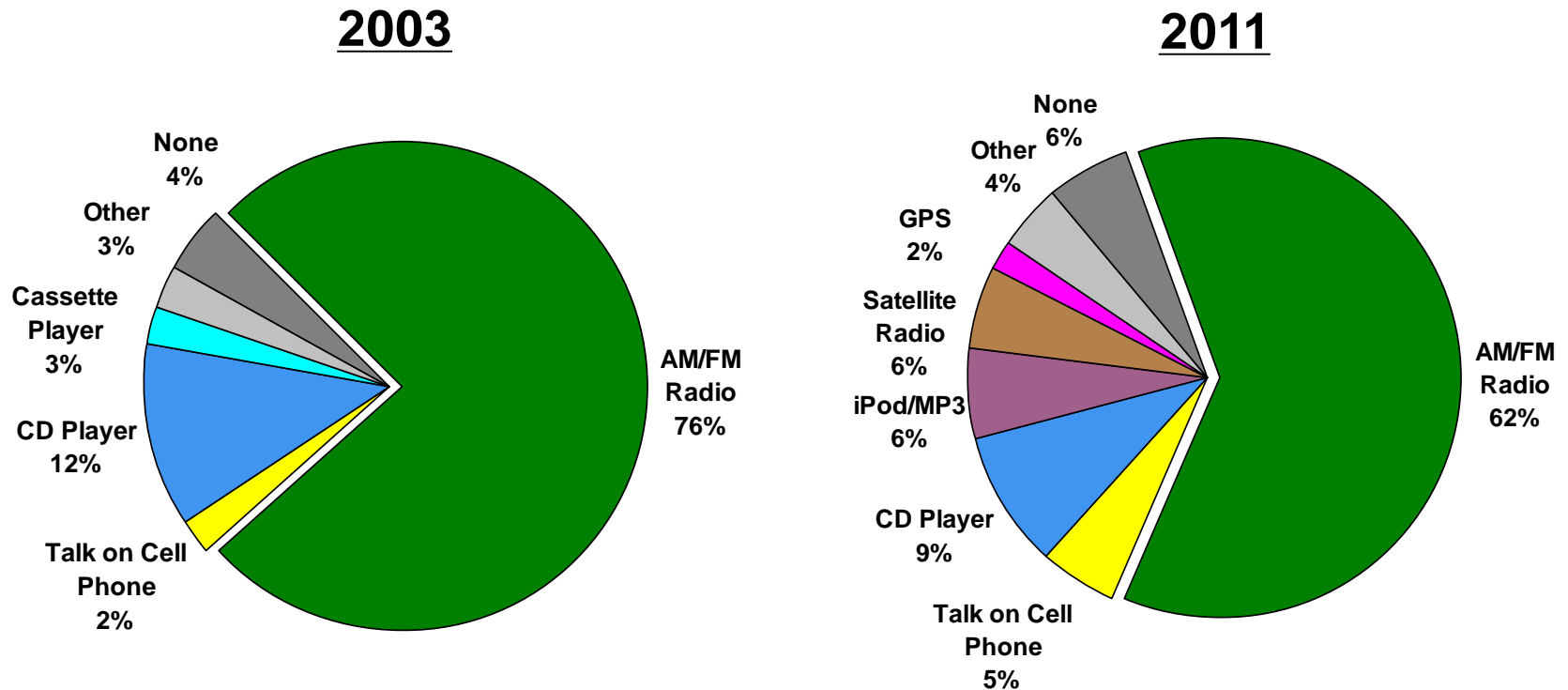
Usage of Pandora In-Car Approaches One in Five Among 18-24s

% by Age Group Using Pandora Stream via Cell/Mobile In Primary Car



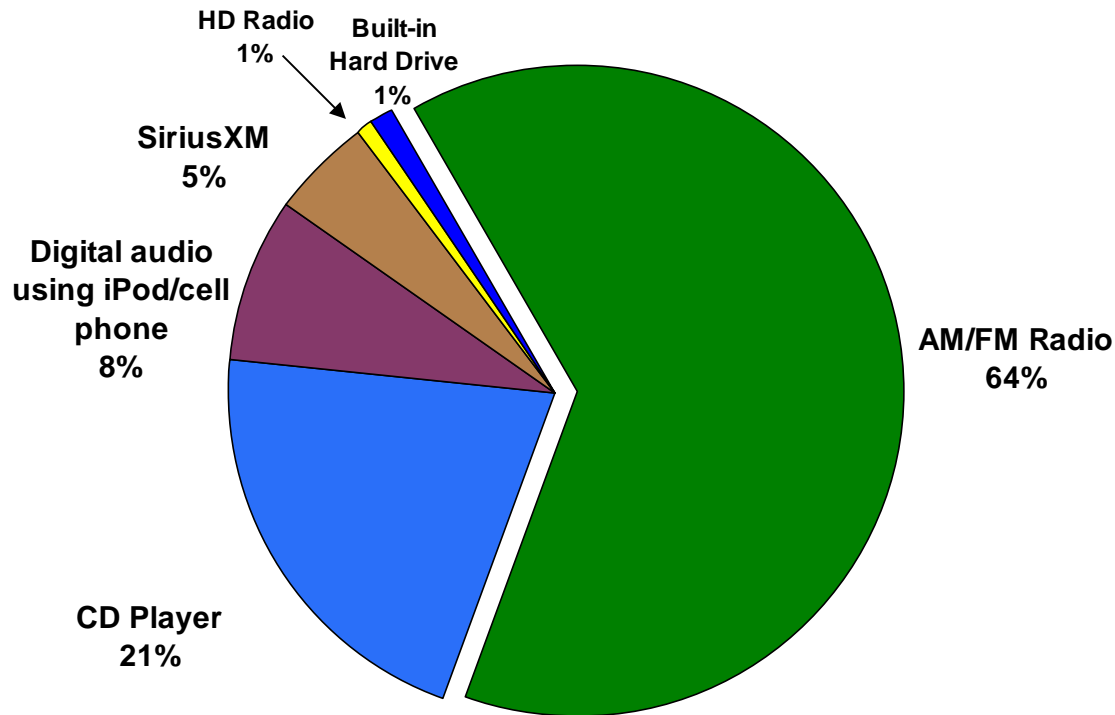
AM/FM Radio Continues to Command the Most Time Spent In-Car

% Spending Most Time with Device/Platform In-Car



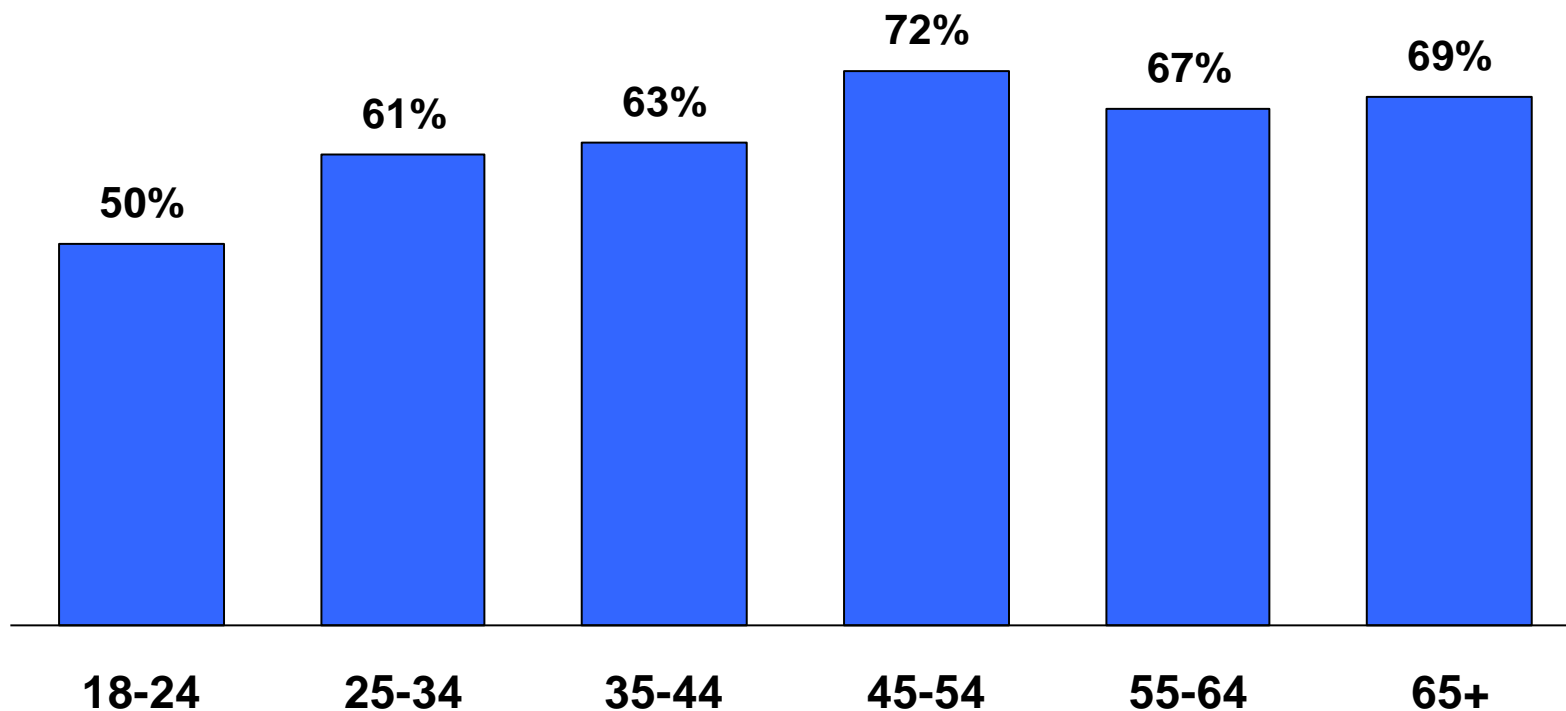
In-Car Listeners Spend Nearly Twice the Time With Radio vs. Other Audio Devices Combined

*“Think about the time you spend in your primary car.
What percent of the time would you say you listen to...”*



AM/FM Radio Commands Most Time Spent With In-Car Media Among All Age Groups

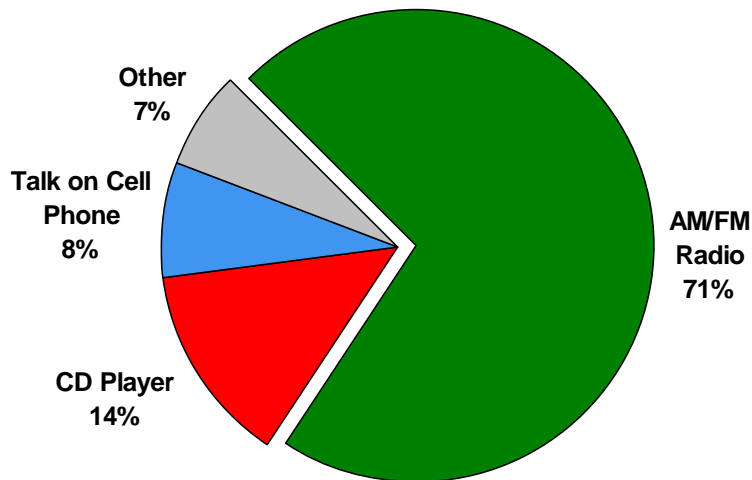
Average Self Reported Share of Time Spent In-Car with AM/FM Radio By Age Group



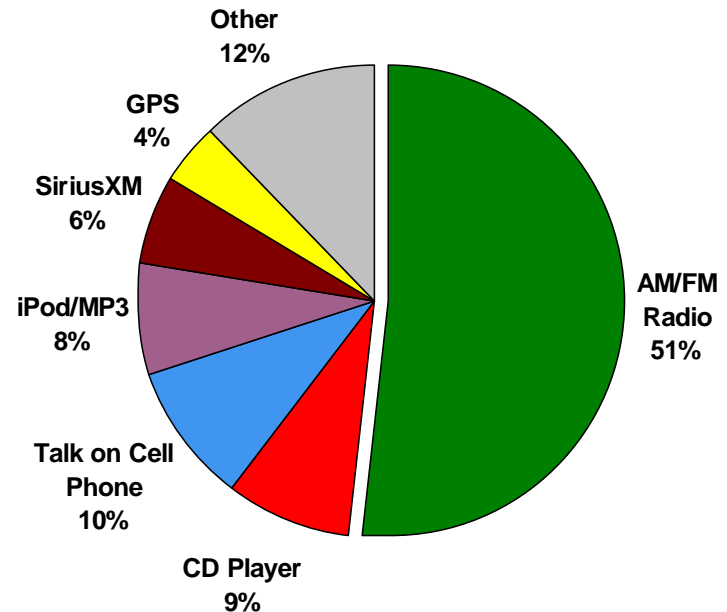
AM/FM Radio Is Still the Most Essential In-Car Device

“If you could ONLY EVER use ONE device in your primary car, which one device would you choose?”

2003



2011

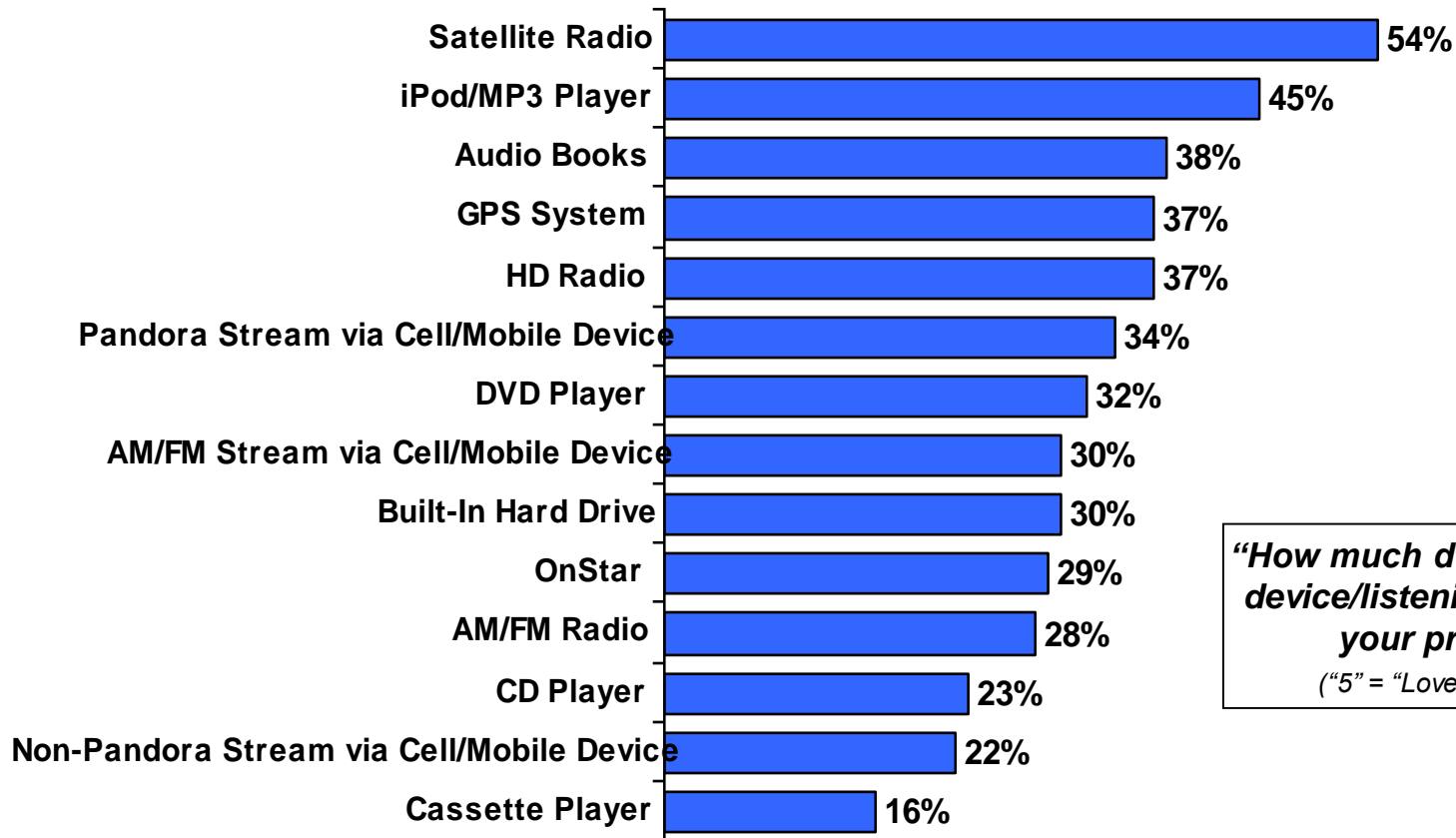


Passion for In-Car Media and Entertainment



Satellite Radio and iPod/MP3 Player Have the Highest “Love” Scores

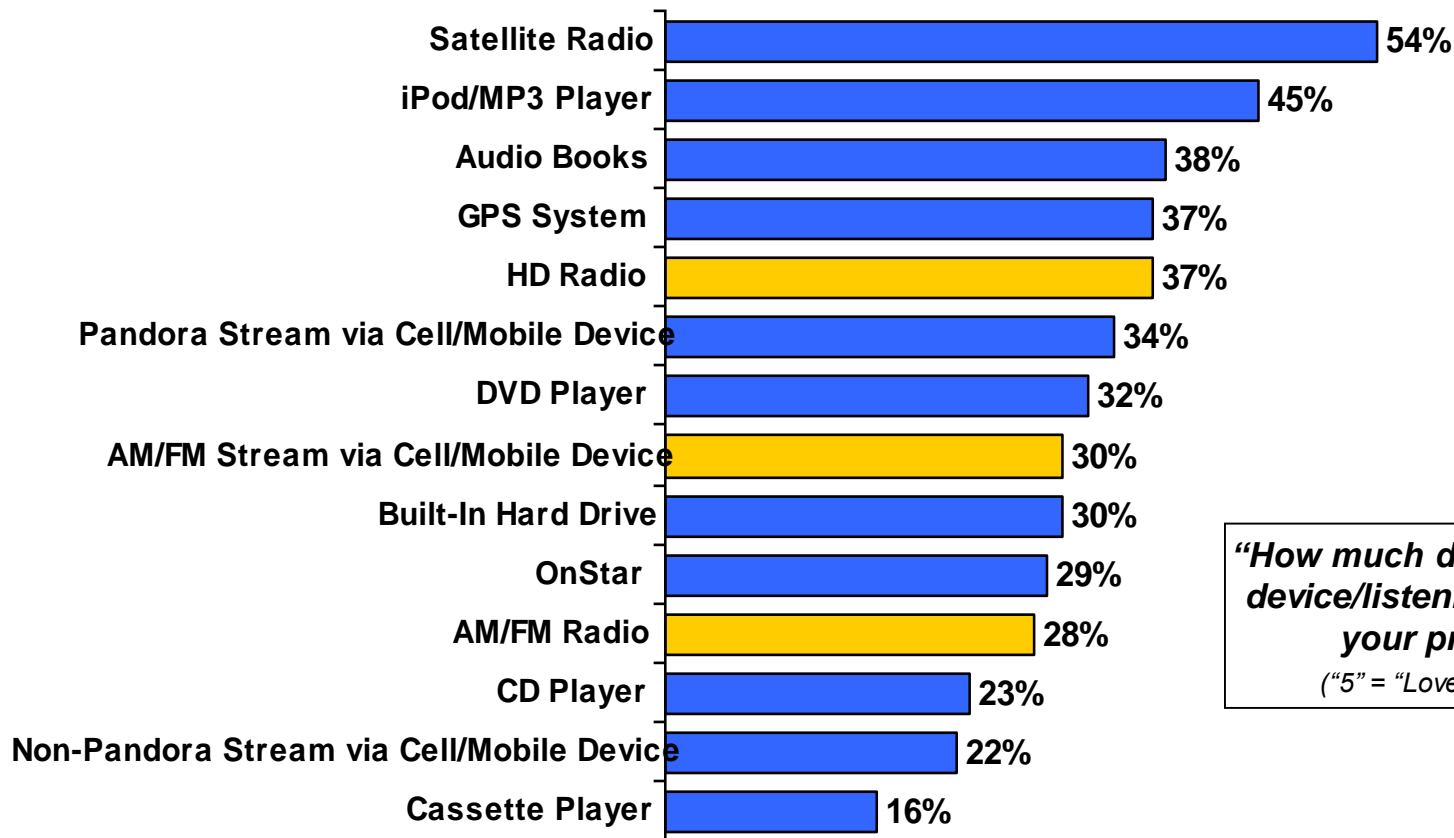
% of Users of Each Device Who “Love” Using Device/Platform In-Car



“How much do you enjoy (using device/listening to platform) in your primary car?”
(“5” = “Love It”, “1” = “Hate It”)

Higher "Love" Scores for AM/FM Content Distributed on New In-Car Technologies

% of Users of Each Device Who "Love" Using Device/Platform In-Car



"How much do you enjoy (using device/listening to platform) in your primary car?"
(*"5" = "Love It", "1" = "Hate It"*)

Number of Passionate Users: In-Car Devices/Digital Platforms

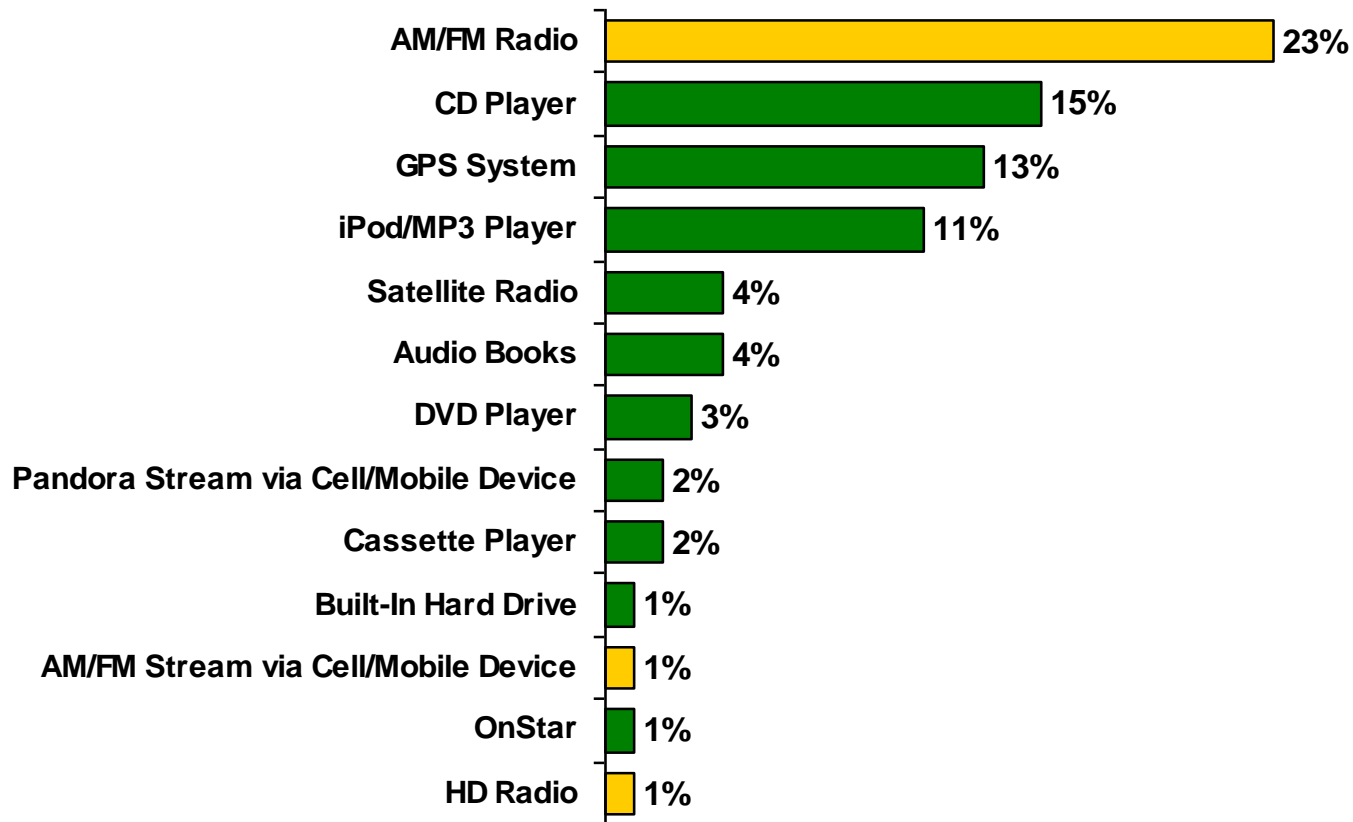
(Percent of Users) x (Percent Who “Love it”)

=

Number of Passionate Users

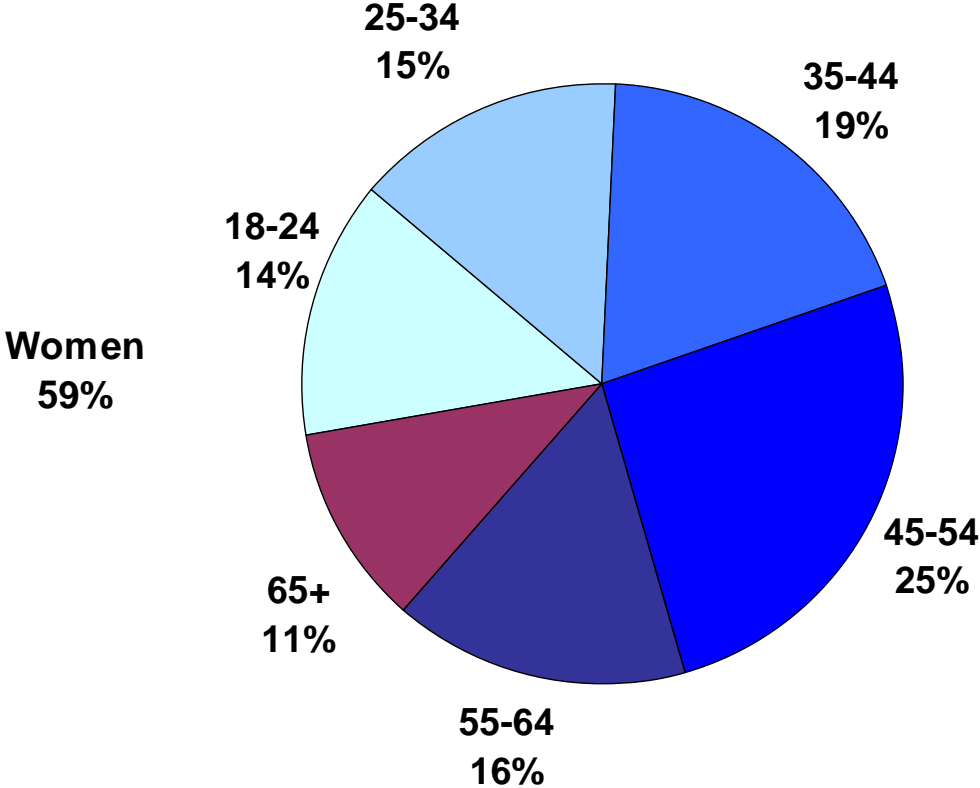
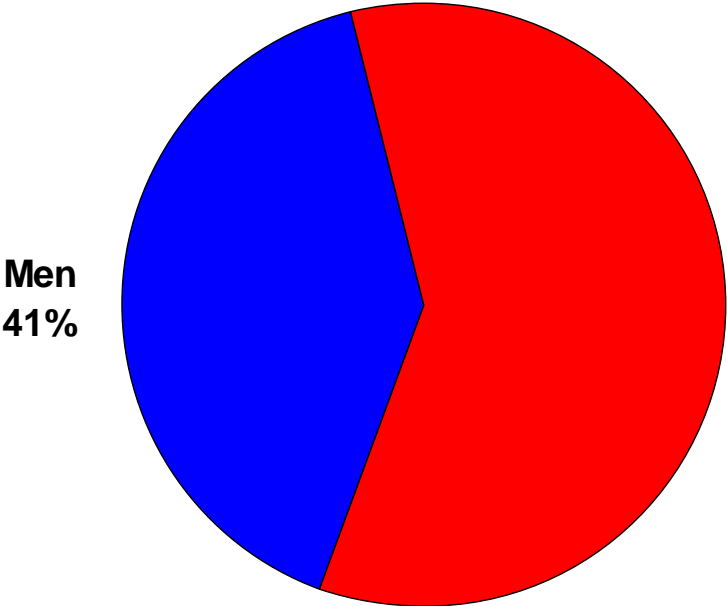
AM/FM Radio Has the Highest Number of Passionate Users Among In-Car Media

Passionate Users = (% Who Use In-Car) x (% "Love")



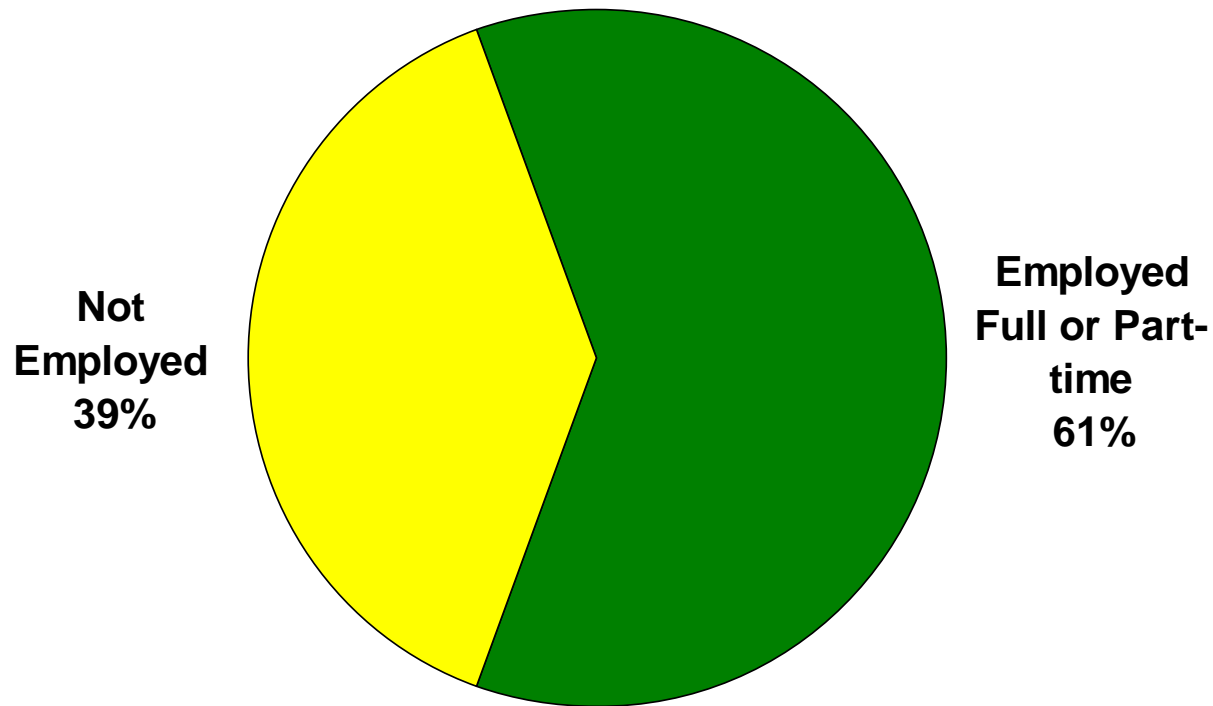
In-Car AM/FM Radio Lovers More Likely to be Women and in Prime 25-54 Buying Demo

Composition of People who “Love” In-Car AM/FM Radio



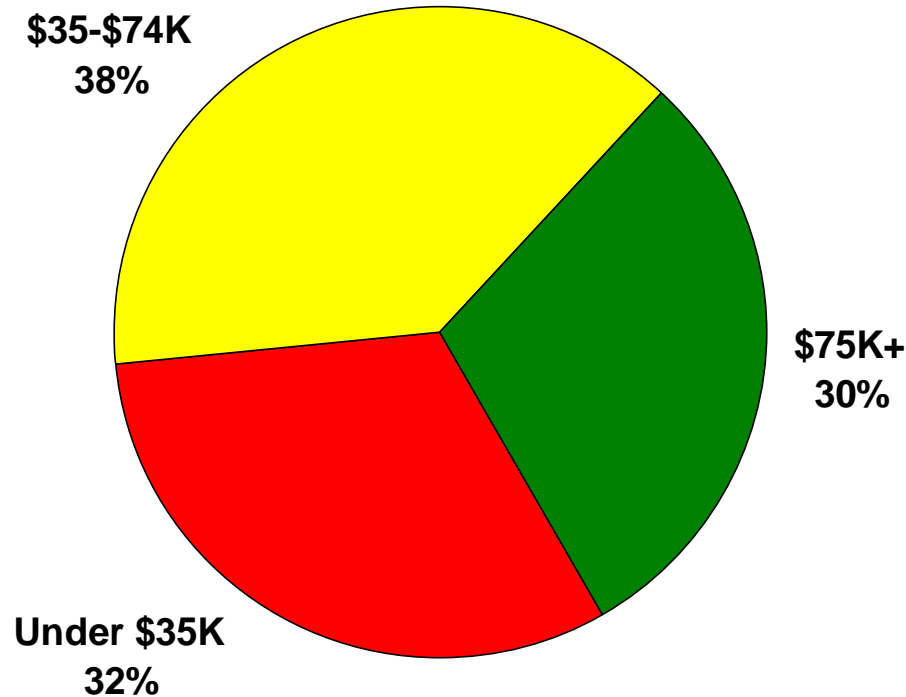
Six in 10 In-Car AM/FM Radio Lovers are Employed

Employment Status of Those Who “Love” Listening to AM/FM Radio In-Car



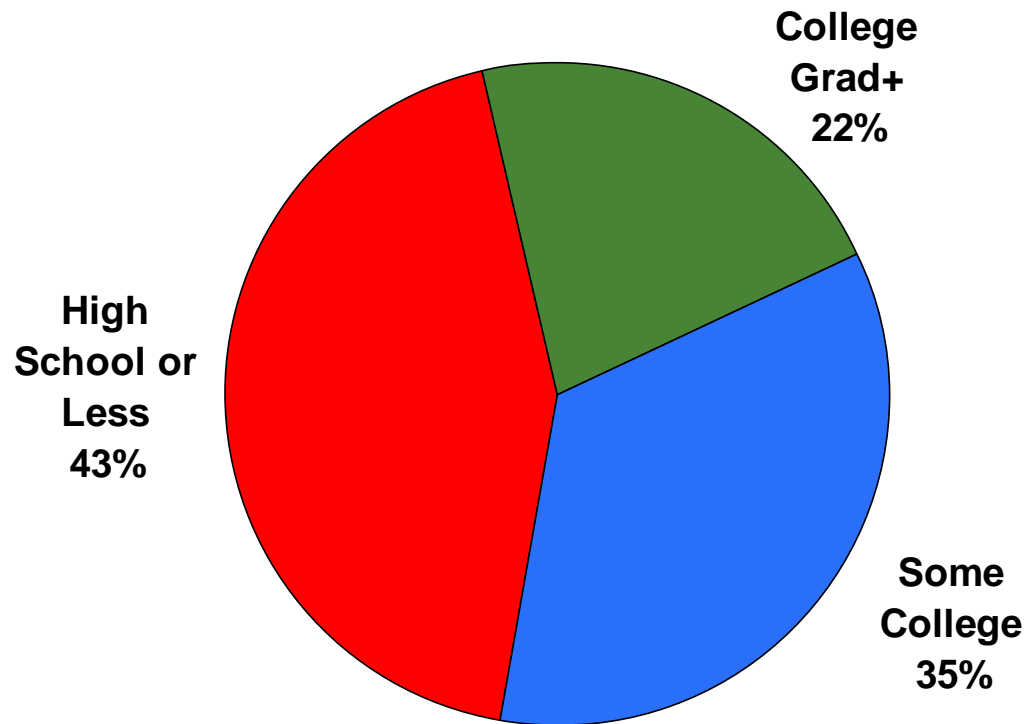
About One in Three In-Car AM/FM Radio Lovers Have Household Incomes of \$75k+

Annual Household Income of Those Who “Love” Listening to AM/FM Radio In-Car



More than One in Five In-Car AM/FM Radio Lovers Are College Graduates

Education Level of Those Who “Love” Listening to AM/FM Radio In-Car

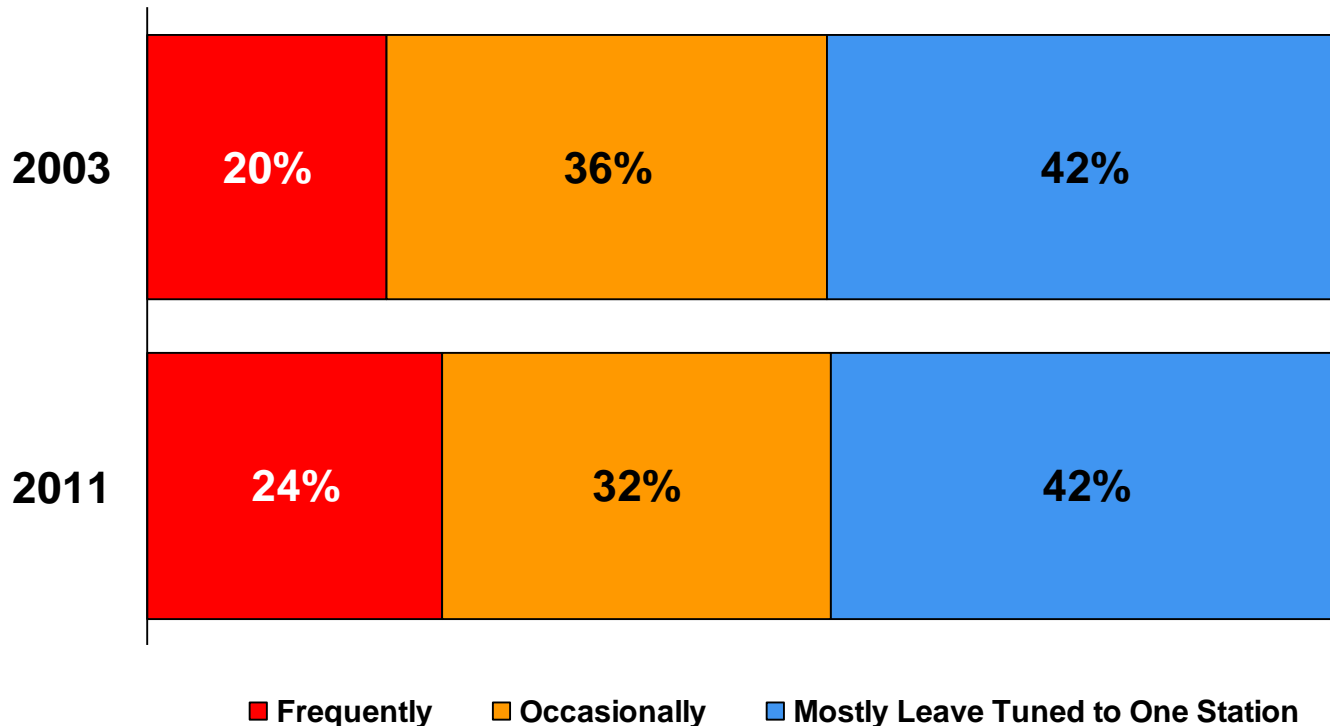


AM/FM Radio In-Car



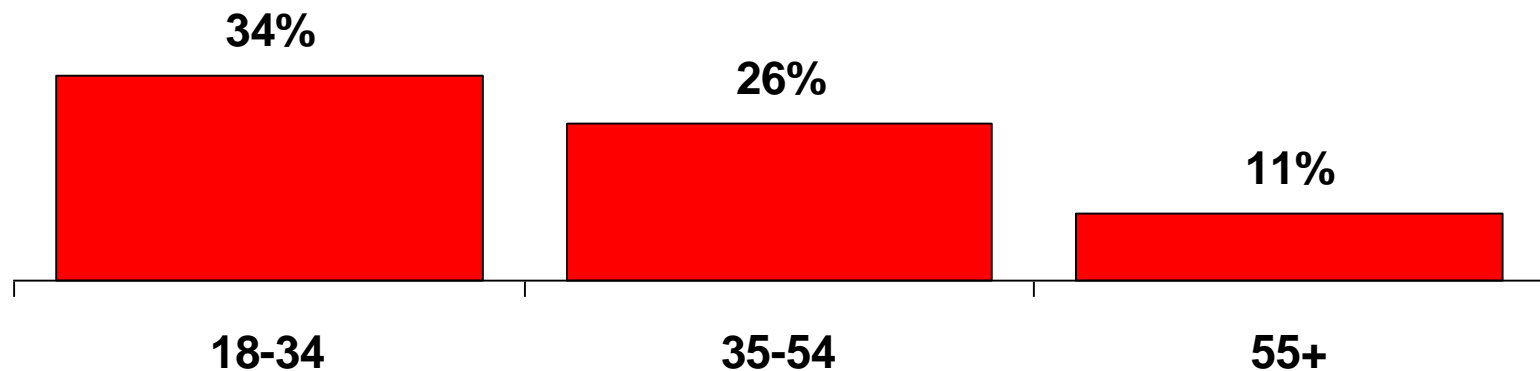
Few Radio Listeners Frequently Change Stations While in Their Car

“Think about the radio listening you do while you are in your primary car, how often would you say you change the station?”



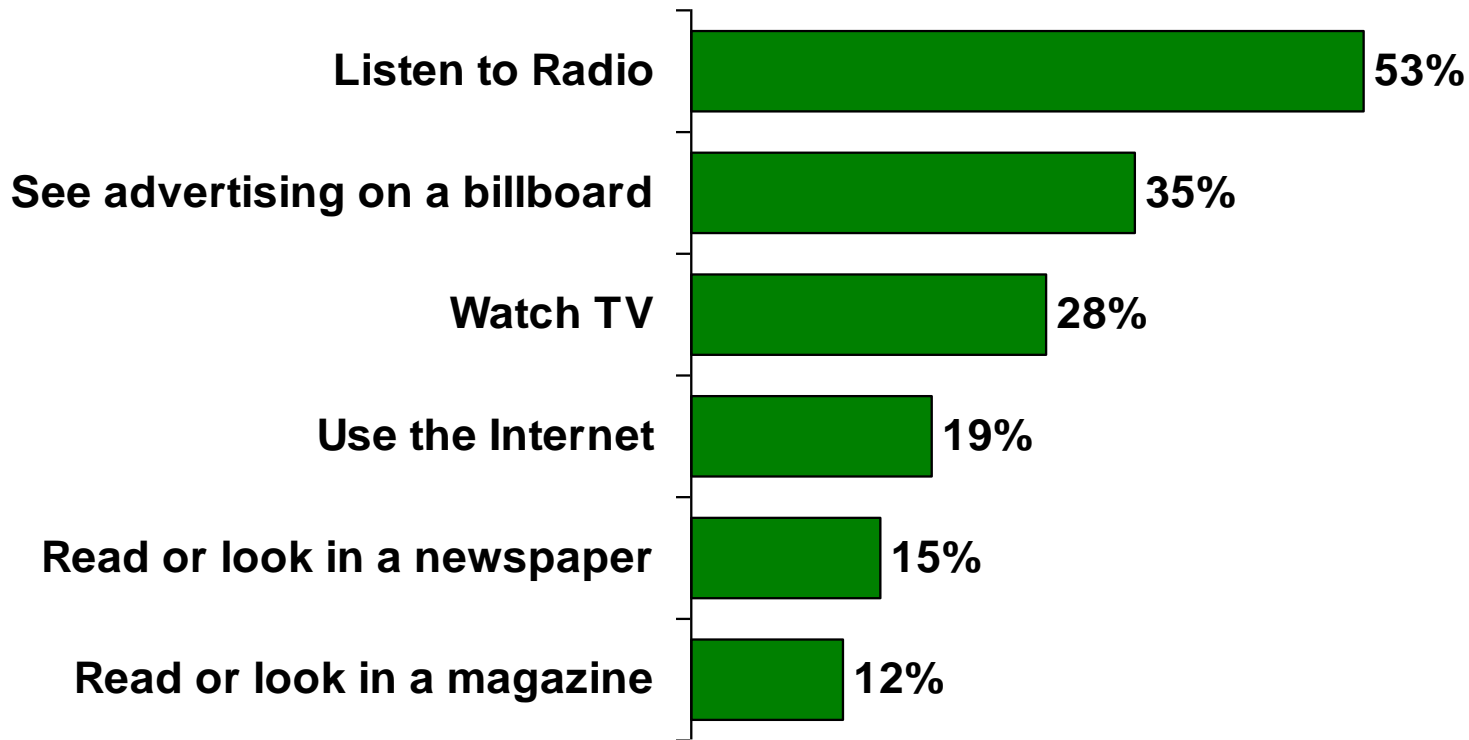
18-34s More Likely to Change Stations Frequently While In-Car

% Who Frequently Change Stations While in Their Primary Car



Radio Reaches the Most Consumers Right Before They Buy

% Who Used Medium Within 30 Minutes of Last Purchase

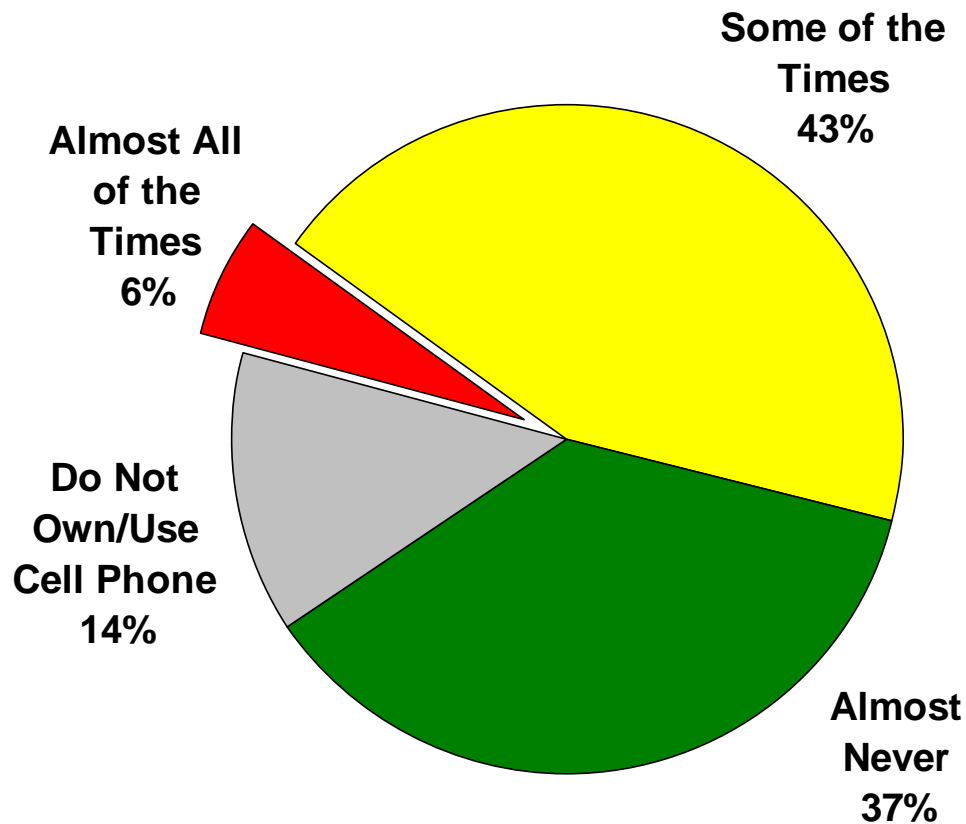


Cell Phone Use In-Car



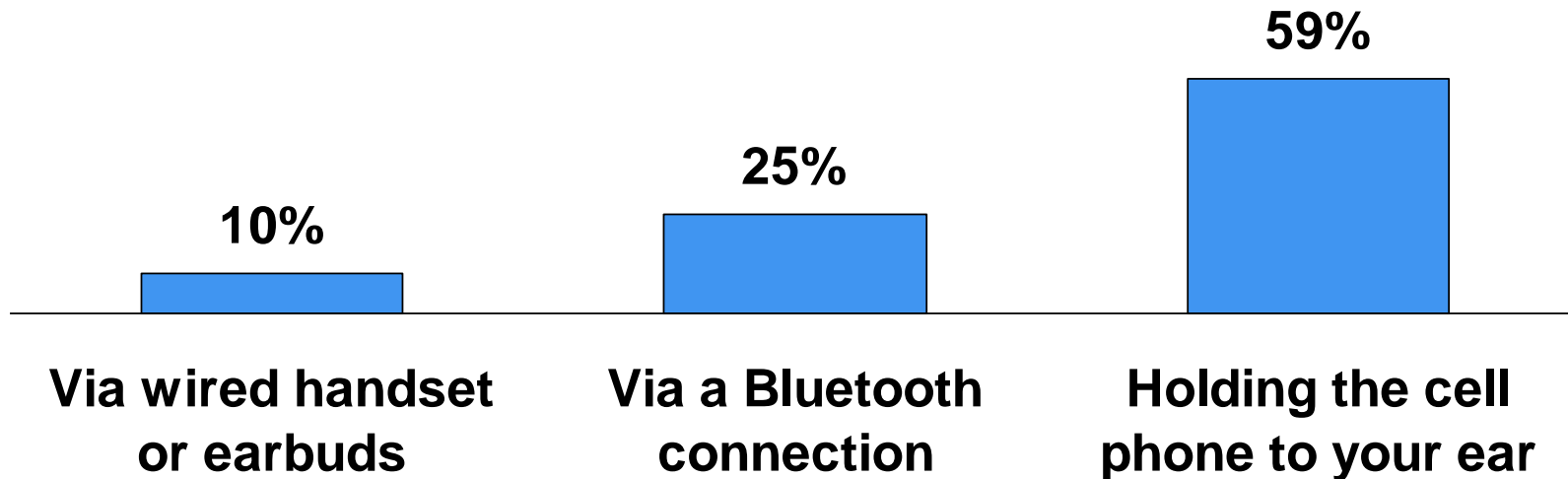
Only a Small Fraction Use their Cell Phone to Frequently Make Calls While In-Car

% of Total Times In a Car Using Cell Phone to Make Phone Calls



Most Still Hold the Cell Phone To Their Ear When Making Calls In-Car

“Which of the following ways do you most often make calls on your cell phone in your primary car?”



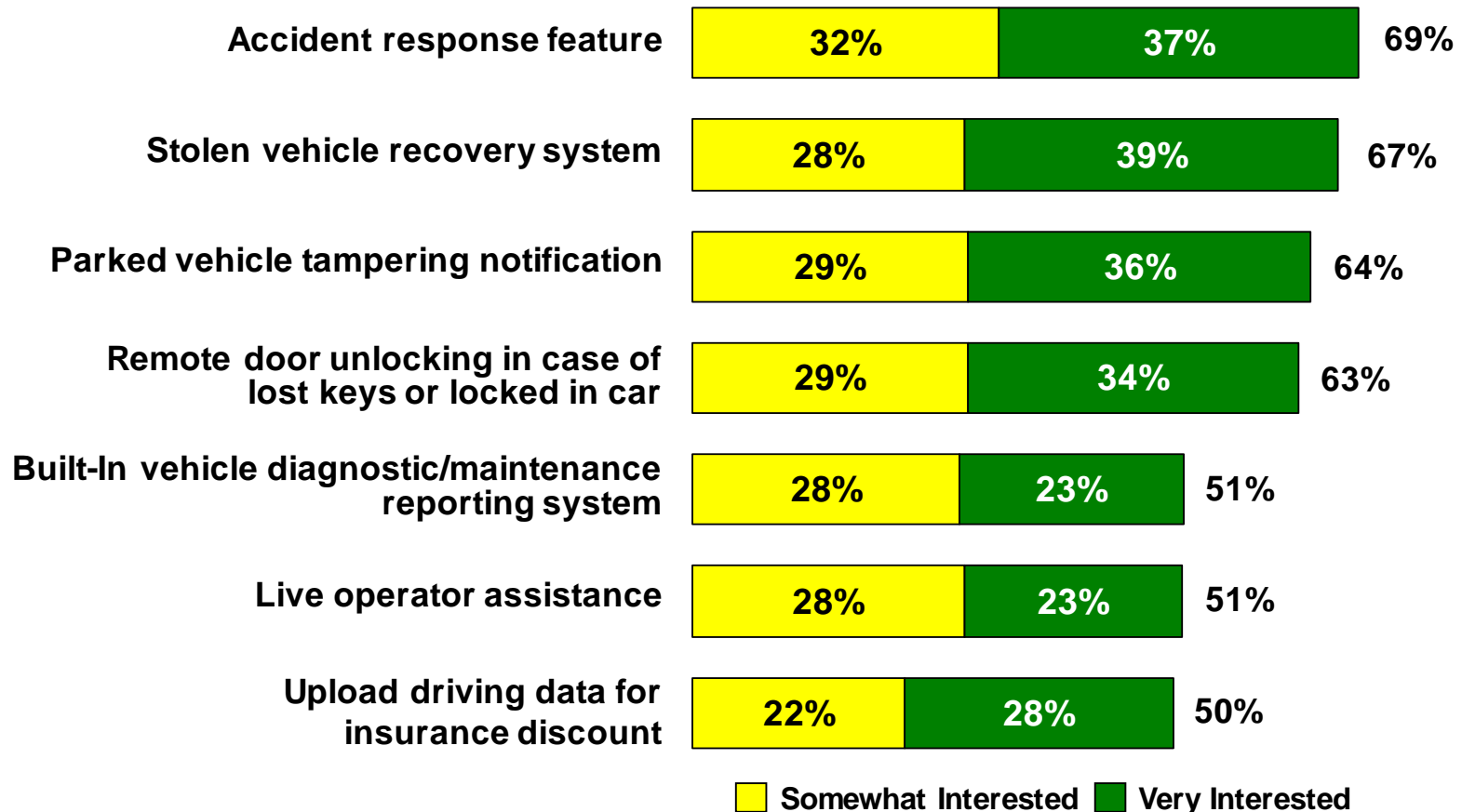
Interest in New In-Car Technologies



Majority Interested In Many In-Car “Telematics” Features

% “Somewhat” or “Very” Interested in New In-Car Features

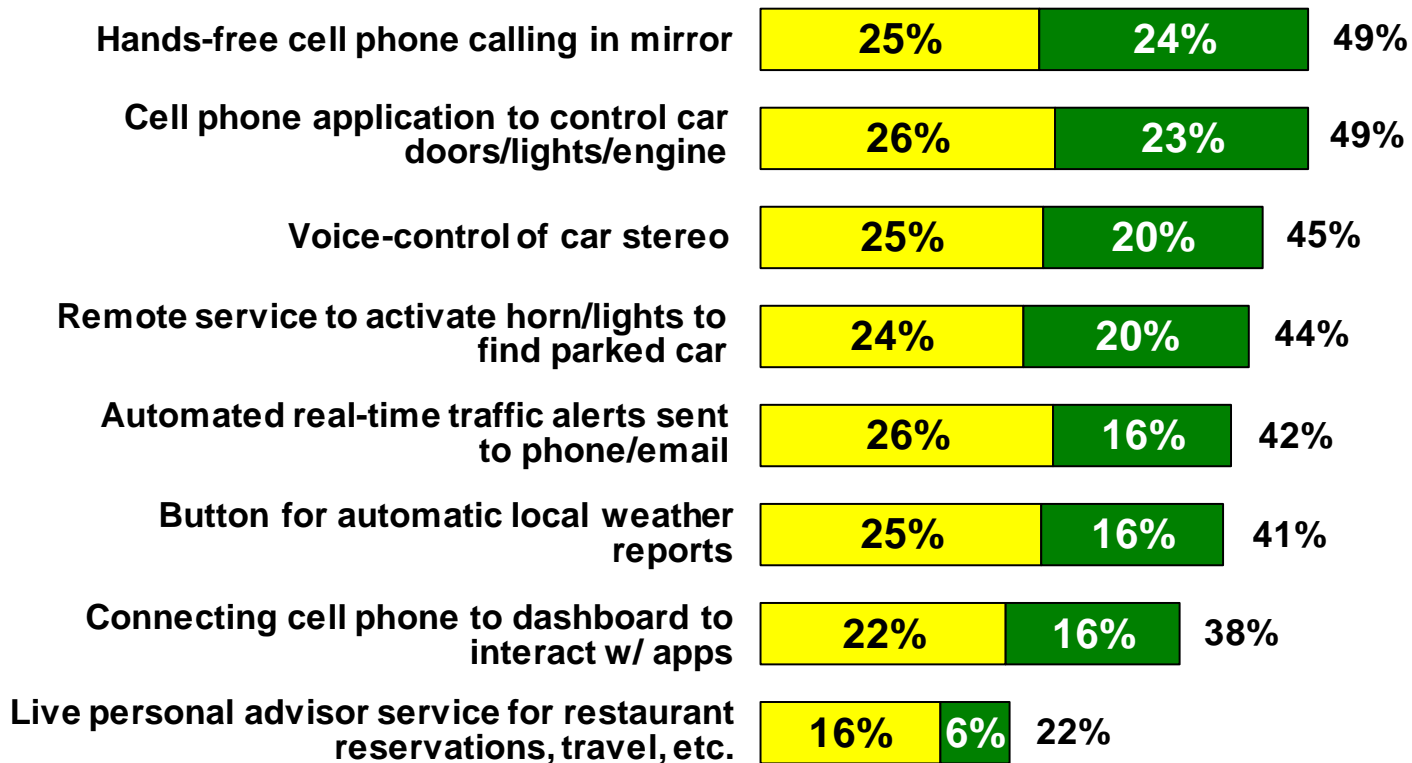
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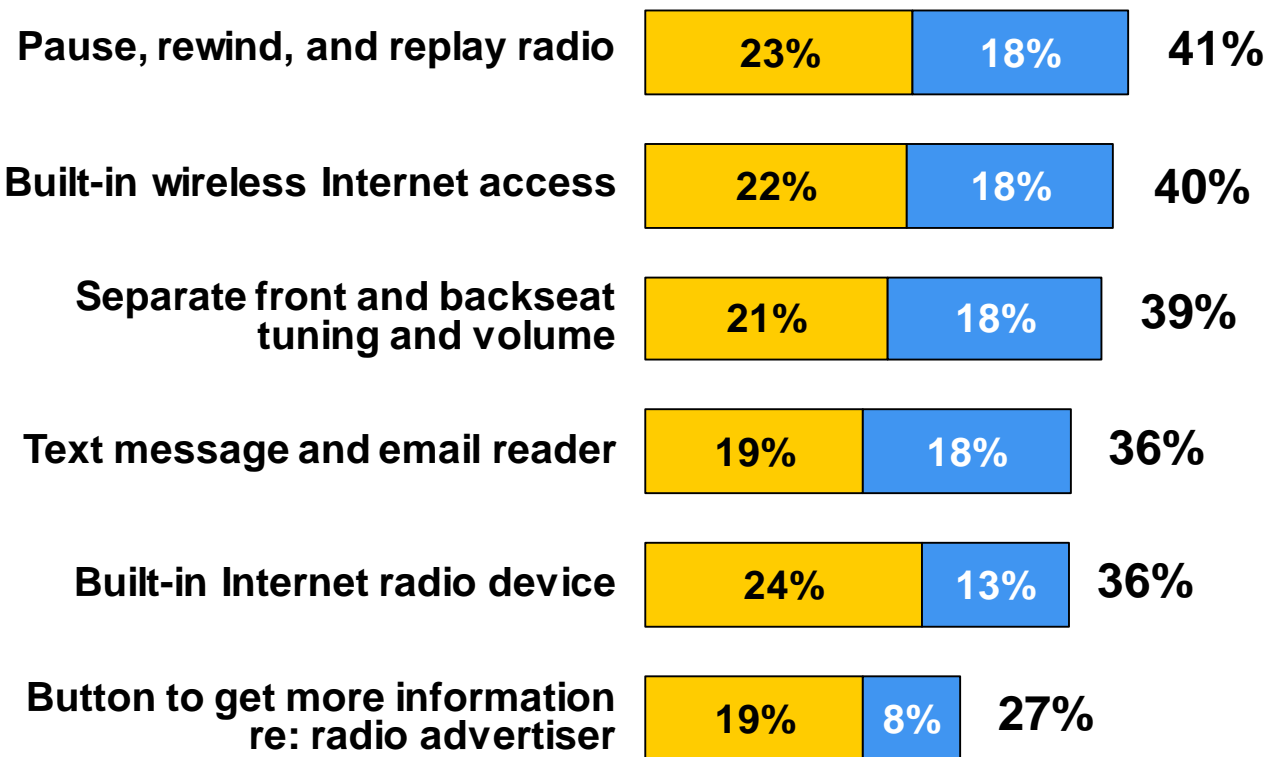
page 2



■ Somewhat Interested
 ■ Very Interested

Significant Interest in Many New In-Car Media and Entertainment Choices

% “Somewhat” or “Very” Interested in New In-Car Features



■ Somewhat Interested ■ Very Interested

Takeaways



Takeaways

As was the case in 2003, the in-car landscape is once again becoming far more complex with a myriad of new technologies and devices being launched

Takeaways

Current users of in-car digital technologies exhibit significant passion for these products

Takeaways

Radio remains the king of all in-car media despite proliferation of new technology

- AM/FM Radio's ongoing strength in-car is not a "license" to be complacent
- Digital platforms are crucial to protecting radio's in-car franchise
- HD Radio retains the potential to provide the "wow" factor for AM/FM in-car Radio

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