The Infinite Dial 2015

Executive Summary

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THE INFINITE DIAL 2015
Edison Research
Triton Digital – Sponsor

Tracking digital audio from its early days in 1998, "The Infinite Dial" has recorded the emergence of streaming radio, streaming music, satellite radio, podcasting and alternatives competing for consumers' media time. The takeaway from the 23rd edition is that digital audio is officially mainstream for Americans under age 55 while AM/FM Radio remains strong, especially in cars and for new music discovery.

2015's "Infinite Dial," released jointly by Edison Research and Triton Digital on March 4, reveals that a majority of people age 12 and older view technological changes over the past ten years as having a positive impact on society (57%), with another 25% seeing them as equally positive and negative.

Over half (54%) of persons 12+ cite the Internet as the medium most essential medium to daily life in general (compared to newspapers, radio and television). Television is the dominant source for breaking news among those four media (50% vs. 40% for the Internet) – but online news has grown 15 percentage points since 2010 while TV has declined 12. Respondents to this study now rank the Internet as their top source for learning about new music (44%, vs. 31% in 2010), displacing Radio (32%, vs. 39% in '10).

On the digital audio side, additional players are emerging and thriving, and it appears that growth of one channel is not coming at the expense any other, as services are used in different ways.

Smartphones are driving online audio consumption. Consumers crave mobile access of their entertainment sources and most don't allow data plan constraints to restrict their tune-in.

Young people under age 25 are the heaviest users of most digital audio, but use among the 25-54 age group posted big growth from 2014 survey results.

The following RAB Research summary of "The Infinite Dial 2015" highlights key data on Americans' use of audio media -- including traditional and digital. AM/FM Radio is still an important medium for consumers of all ages, but broadcasters must look at trends and adapt to this ever-changing competitive media environment if we are to prosper in the future.

ONLINE RADIO

- Monthly Listening
    1. Estimated 143 Million persons 12+ listened to any online radio in past month (53% of population – up from 47% in 2014, 27% in 2010, and 15% in 2005)

2. Generation gap in tech adoption evident in monthly usage:
    - 77% of 12-24s listened to online radio in past month (flat vs 2014)
    - 61% of 25-54s (up from 50% in 2014)
    - 26% of 55+ (up from 21% in 2014)

- Weekly Listening
  1. Estimated 119 Million persons 12+ listened to any online radio in past week (44% of population – up from 36% in 2014, 17% in 2010, and 8% in 2005)
  2. Generational differences again apparent – but majority of monthly users tune in weekly across all age groups
      - 69% of 12-24s listened to online radio in past week (up from 64% in '14)
      - 50% of 25-54s (up from 37% in 2014)
      - 18% of 55+ (up from 13% in 2014)
- Weekly Time Spent Listening Online
  1. Among 12+, declined 3% - from peak 13:19 minutes in 2014 to 12:53 in '15
  2. 2013 TSL averages 11:56
  3. 2012 TSL was 9:46
  4. 2008 TSL was 6:13 (first year measured)

IN-CAR

- The percentage of total cellular owners who have ever listened to in-car audio via their phones has grown from 6% in 2010 to 35% this year
  - The percentage for 25-54 year-old cellular owners is slightly above the average for all owners at 39%
  - 12-24 leaps to 59% from 43% last year
  - 55+ remains at 10%, flat from '14
- AM/FM Radio continues to enjoy a huge lead over any other audio option, but has lost some ground versus digital audio options over the past year:
  - 81% of Persons 18+ use AM/FM radio in car, down from 86% a year ago
  - Use of in-car CD players declined from 61% in 2014 to 55%
  - MP3 players/owned digital music access grew from 31% to 38% year to year
  - Online radio overtook satellite use; online radio now at 21% vs. 14% in 2014
  - Satellite radio access remained at 17% for second year in a row

AUDIO BRANDS

- Competition in the Online Audio space is intense in 2015 – many brands enjoy significant name recognition levels among the 12+ population. In rank order based on awareness levels:
  - Pandora @ 75% (70% in 2014)
  - iTunes Radio @ 62% (47% in '14)
  - iHeartRadio @ 59% (48% in '14)
  - Amazon Music (42%) (not listed in 2014)

- Rhapsody @ 41% (40% in ’14)
- Spotify @ 41% (28% in ’14)
- Google Play All Access @ 30% (24% in ’14)
- Beats Music @ 27% (not listed in 2014)
- Slacker @ 16% (14% in ’14)
- Radio.com @ 15% each (14% in ’14)
- TuneIn Radio @ 14% (8% in ’14)
- 8tracks @10%
- Rdio, Grooveshark, Live 365 all have 8% recognition
- Songza, AccuRadio show up at 6% each

- Among those 12+ who listened in the past month, the leading digital audio choices are:
  - Pandora @ 34%
  - iHeartRadio @ 11%
  - iTunes Radio @ 11%
  - Spotify @ 10%
- Use by age group varies widely among the top four services based on past week tune-in:

Service	12-24	25-54	55+
Pandora	45%	33%	08%
Spotify	17%	07%	01%
iTunes Radio	13%	07%	02%
iHeartRadio	08%	08%	03%

- YouTube has emerged as a key player in the online audio spectrum
  - 63% of the 12+ population have ever used YouTube to watch music videos or listen to music (52% in the past month, 41% in the past week)
  - 90% of youth (12-24) have done so (83% in past month, 75% in past week)
  - 70% of Adults 25-54 have done so (57% in past month, 44% in past week)
- About a third (34%) of YouTube users say they listen to the music without watching videos “all or most of the time,” and 39% say they do so “some of the time”

ONLINE LISTENING DEVICES

- Smartphones have soared as the most-used devices for online listening over the past year, followed by desktop/laptop use --73% and 61% respectively, versus 66% and 64% respectively in 2014
- Tablet usage for online access declined from 34% in 2014 to 32% and TV connected to Internet is 12% followed by Internet connected audio systems (2%)
  - Internet-connected TV saw a 50% growth spurt – currently at 18% compared to 12% last year

SMARTPHONES AND OTHER DEVICES

Smartphone ownership is reaching critical mass, with an estimated 192 Million P12+ currently possessing the devices

- This translates to 71% of the persons 12+ population, versus 14% in 2010 (first year measured)

- Smartphone penetration is highest among 12-24 year-olds (86%), closely followed by 25-54 (81%) and 55+ a 45%.
- Digital audio apps most downloaded on smartphones or other devices are
    - Pandora @ 50%
    - iHeartRadio @ 17%
    - Spotify @ 15%
    - Any AM/FM Station App @11%
    - ESPN Radio @ 8%

PODCASTING

Approximately 89 Million Persons 12+ have reported ever listening to a podcast as of 2015 – representing a third of the population base

- Monthly podcast listening surged to 46 Million 12+ this year, up 39 Million a year ago
- 17% monthly tune in is up from 15% last year and 9% in 2008 (first year measured)
- Weekly listening is about 27 Million 12+ (10% of the population) -- a 25% increase from 2014 (8%)
- An average of six podcasts are consumed every week
- The podcast audience tends to be upscale
    - 45% of those with a college degree have ever listened to a podcast, compared to 33% of the total 12+ population
    - 52% of those with $100K HHI have ever listened, versus 24% of HH with incomes under $50K and 34% of those in the $50K-$100K range

SOCIAL NETWORKING

Social Networks have traction as an important part of American's lives

- Persons 12+ who have a personal profile on any social network site:
    - Estimated at 197 Million – nearly ¾ (73%) of the population base
    - In a short span, grew from 24% in 2008 and 48% in 2010; up from 67% last year
- Virtually all persons over age 12 are aware of leading Social brands. Ranked on awareness:
    - 92% know Facebook
    - 84% know Twitter
    - 77% know Instagram
    - 60% know Snapchat
    - 56% know Google+ and Pinterest
    - 49% know LinkedIn
    - 44% know Tumblr
    - 39% know Vine
    - 26% know WhatsApp

- Among persons 12 and older who use Social networking sites
    - Facebook is dominant and has seen its use increase to 62% of the 12+ market following a flat 2013-2014 showing (58%)
    - Instagram @ 24%
    - Pinterest @ 21%
    - Twitter, Google+, LinkedIn all @ 18%
    - Snapchat @ 17%
    - In 2015 LinkedIn experienced a percentage point increase to 19%
    - Instagram's increase was more substantial – up five percentage points to 24%
    - Snapchat, tied at #5 in 2014, grew by 10 percentage points to 17%
- The Social usage picture changes among younger users 12-24, with Facebook slightly less dominant
    - 74% use Facebook
    - 59% use Instagram
    - 57% use Snapchat
    - 32% use Twitter
    - 30% use Vine
    - 26% use Google+
    - 20% use Pinterest
    - 15% use Tumblr
    - 11% use WhatsApp
    - 7% use LinkedIn
- No matter what Social site they use, most Americans 12 or older report checking in multiple times per day

MUSIC DISCOVERY
Most Americans believe that keeping current with new music is somewhat to very important

- 49% of 12+ population
- 60% of the 12-24 demographic group

Among Persons 12+, friends and family are cited as the #1 source of information about new tunes (70%)

- Radio is the top electronic medium for new music discovery @ 69%
- YouTube is next @ 61%
- Pandora @ 51%
- Facebook @ 40%
- Music TV channels @ 39%

The picture changes radically when checking with 12-24 year-olds

- YouTube is #1 @ 83%
- Friends and family comes in at 77%
- Pandora @ 70%
- AM/FM Radio @ 57%
- Facebook @ 49%

- Music TV channels @ 43%
- Apple iTunes @ 41%
- Spotify @ 37%, tied with information or displays at a local store

Survey Methodology:

- *Survey conducted January/February 2015*
- *2,002 respondents age 12 and older – included English and Spanish language*
- *Random digital dial, landlines and cellular phones included*
- *Online Radio defined as AM/FM radio stations online and/or listening to streamed audio content available only on the Internet (pureplay)*
- *23rd continuous year since 1998 – in cooperation with Arbitron through 2013, with Triton Digital thereafter*
- *All research conducted by Edison Research; Triton Digital is the financial sponsor of the project*