



The Arbitron Airport Advertising Study

Exploring an Undiscovered Upscale Medium

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Table of Contents

Overview	4
Definition of Terms	5
How the Study Was Conducted.....	5
Significant Highlights.....	6
Key Findings	9
A. Airport Traffic.....	9
B. Airline Traveler Profile	11
C. The Lifestyle of Airline Travelers.....	14
D. Time Spent at the Airport.....	20
E. Airport Advertising and Shopping	21
F. Airline Travelers’ Media Exposure	24
G. Maximizing Outdoor Media Campaigns.....	27
Recommendations	28
Appendix A: Summary.....	30
Appendix B: Airport Advertising Reach.....	31
B-1. Profile of U.S. Airline Travelers.....	31
B-2. Media Habits of U.S. Airline Travelers	32
B-3. Travel Habits of U.S. Airline Travelers.....	33
Appendix C: Airport Advertising Frequency	34
C-1. Profile of U.S. Airline Travelers.....	34
C-2. Media Habits of U.S. Airline Travelers	35
C-3. Travel Habits of U.S. Airline Travelers.....	36
About Arbitron Inc.	37



Overview

The Arbitron Airport Advertising Study represents the first comprehensive analysis of the airport media audience and their consumer profile. This industry study is the fourth in a series examining the power and impact of out-of-home/outdoor advertising:

- 2001: *The Arbitron Outdoor Study*, a comprehensive examination of traditional outdoor advertising, the audience it impacts and its role in the media mix.
- 2003: *The Arbitron Cinema Advertising Study*, a profile of the youthful and affluent moviegoing audience.
- 2003: *The Arbitron National In-Car Study*, a detailed profile of the shopping habits of mobile Americans and their exposure to out-of-home media, including radio and outdoor.

All reports in the Arbitron Out-of-Home Media series can be found at www.arbitron.com.

This study explores the size, characteristics and behavior of airline travelers. Most specifically, the cream of the airport crop—Frequent Flyers. They are the affluent and upscale Americans who take four or more flights per year and account for almost 60% of all airport advertising impressions. We will examine these avid Airline Travelers and how best to market to them.

Our research shows that in this modern world of heightened security, Americans are spending more time at the airport each time they travel. While waiting at the airport, they often shop and read airport advertising.

A majority of airport advertising is currently targeted toward the business-to-business and technology sectors. These categories are well suited for the business traveler; however, this study indicates that the airport also provides an exceptional opportunity for luxury goods and entertainment services to reach upscale targets. This is why we feel airport advertising is an “undiscovered upscale medium.”

Frequent airline travelers are sophisticated consumers with varied tastes and the income to pursue their interests. Marketing to the careers of airline travelers is too limiting. Airport advertising should also market to their lifestyles. Frequent Flyers buy designer clothes, watches, perfume and personal digital devices far more often than business-to-business products or services.

This study shows that airport advertising can be an important complement to outdoor campaigns and should be part of the standard media mix. This is particularly true for advertisers targeting affluent, upscale males between the ages of 25 and 54 years old.

Airport advertising has an immense power to reach an elusive and upscale audience. We hope this study will help advance the premise of the airport as a compelling advertising medium. As with all Arbitron Industry Studies, this research can be found on our Web site (www.arbitron.com).

Definition of Terms

Throughout this summary we will refer to the following terms:

Airline Traveler¹:

An American who has taken at least one round-trip flight in the past 12 months.

Designated Market Area (DMA)[®]:

A geographic classification defined and updated annually by Nielsen Media Research, Inc., based on historical television viewing patterns. A county or split county is assigned exclusively to one DMA.

Frequent Flyer²:

An American who has taken four or more round-trip flights in the past 12 months.

Mega-Miler:

An American who has traveled 261+ miles in an automobile in the past week.

Power-Pedestrian:

An American who has walked five or more miles in a city or downtown area in the past week.

How the Study Was Conducted

A total of 2,005 people were interviewed in July 2003 to investigate America's airline travel habits, media exposure, Internet usage and interest in consumer goods and services. Telephone interviews were conducted with respondents age 12 and over chosen at random from a national sample of Arbitron's Spring 2003 survey diarykeepers. Additional studies of airline travel among adults 18+ were conducted in October 2003, January 2004 and March 2004 to allow for seasonal trending. Each of these studies consisted of a national representative sample of 1,000 respondents.

This report also contains information from Scarborough Research, the gold standard for consumer shopping behavior research. Scarborough interviews 200,000 consumers for its national survey covering more than 75 DMAs. In each local market, Scarborough asks which airport the consumer utilizes most often; as a result, Scarborough subscribers can analyze the local shopping and consumer profiles of specific airports.

¹ Scarborough Research defines an Airline Traveler as an American age 18+ who has taken at least one round-trip flight in the past 12 months.

² Scarborough Research defines a Frequent Flyer as an American age 18+ who has taken five or more round-trip flights in the past 12 months.



Significant Highlights

- Ninety-two million Americans have taken at least one round-trip airline flight in the past 12 months.** Thirty-nine percent of Americans ages 18+ say they have taken at least one round-trip airline flight in the past year. Twenty-one percent of Americans, or 50 million people, have flown within the past three months, and 11%, or 26 million people, have used air travel in the past month. These estimates are averages of travel that occurred across all four seasons.
- Airline Travelers are 80% more likely to have an annual household income of \$100,000 or more.** Eighteen percent of airline travelers have an annual household income of \$100,000 or more, compared with only 10% of average Americans. Fifty-one percent of airline travelers have a household income of \$50,000 or more per year; by contrast, only 37% of average American households reach that level.
- Airline Travelers are sophisticated shoppers.** Airline Travelers are more likely to have a propensity for designer clothes, luxury cars and cutting-edge personal digital devices. They also shop more often online and spend more when they do shop.
- Airline Travelers are avid moviegoers.** These who fly are far more likely to have seen a movie recently. They are also more likely to be avid DVD collectors.
- Frequent Flyers account for nearly 60% of all airport advertising impressions.** Seventeen million Americans are Frequent Flyers—having taken four or more round-trip flights in the past year. Even though this segment makes up just 18% of airline travelers, Frequent Flyers account for 58% of all trips taken—averaging nine round-trip flights per year—and a majority of the exposures to airport advertising.
- Frequent Flyers are over three times as likely to live in \$100,000+ households.** Frequent Flyers are the most affluent travelers, with 33% having an annual household income of \$100,000 or more. Sixty percent of Frequent Flyers live in households earning \$50,000 or more per year.
- Males 25-54 constitute the largest segment of Frequent Flyers.** Fifty-eight percent of Frequent Flyers are male, and 61% are between 25 and 54 years old—making the airport an excellent place to target this valuable demographic.
- Airline Travelers spend less time with television.** Airline Travelers spend around 2 hours and 41 minutes with TV per day, compared to average Americans, who spend closer to 3 hours and 8 minutes per day. Annualized, Airline Travelers spend 164 fewer hours per year with TV than an average American. Frequent Flyers watch television for only 2 hours and 33 minutes per day, making their annual time spent approximately 213 hours fewer than that of the average American.

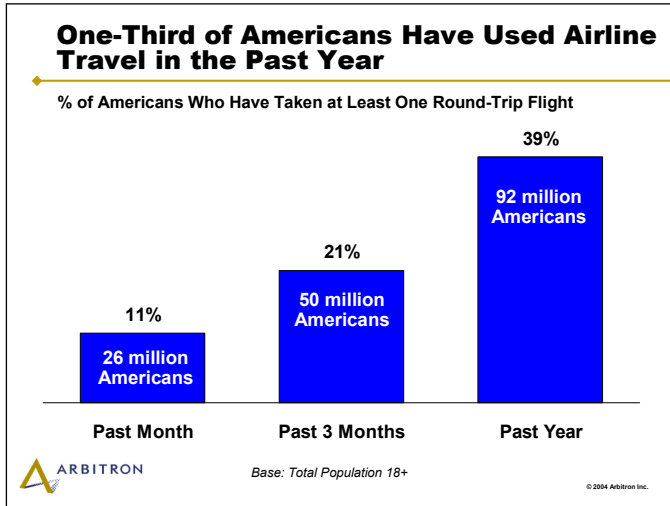
- **Twice as many Americans fly as read *Time* or *Newsweek* magazines.** According to Scarborough Research, 41% of Americans 18 years or older have used airline travel in the past year, compared to only 21% who have read *Time* or *Newsweek* in the past six months.
- **More than twice as many Males 18-34 in New York fly as read *Sports Illustrated*.** Fifty-four percent of males between the ages of 18 and 34 living in the New York DMA have flown in the past year; only 24% of them have read a copy of *Sports Illustrated* magazine in the past six months—according to Scarborough Research. This is an example of the surprising reach of airport advertising compared to traditional media.
- **Frequent Flyers are heavily exposed to traditional outdoor media.** Forty-five percent of Frequent Flyers are “Mega-Milers,” logging 261 or more miles per week in an automobile. Only 32% of average Americans clock that many miles per week. Thirty percent of Frequent Flyers walk five or more miles a week in a city or downtown area, compared to 21% of the general population. This makes the airport a natural extension of any outdoor campaign.
- **Airline travel remains remarkably consistent throughout the year.** The number of people using airline travel does not vary significantly from month to month or season to season. The monthly average remains steady at around 26 million Americans, and the three-month average hovers around 50 million. A slight peak occurs only during the holidays (November-January), when nearly one-quarter of Americans fly.
- **Forty-six percent of Airline Travelers are spending more time at the airport.** Nearly half of all Airline Travelers are spending more time at the airport now than they did two years ago. Fifty-one percent spend 30 minutes or more at the airport *before* going through security, and 68% spend an *additional* 30 minutes or more in the terminal while waiting to board their flight.
- **During longer airport waiting periods Airline Travelers take the time to read billboard advertisements.** Seventy-two percent of Airline Travelers who recall noticing airport billboards say they take the time to read them. Frequent Flyers don’t view these messages with a jaded eye either: 82% say they take the time to read airport billboard advertising.
- **Sixty-four percent of Airline Travelers make a purchase at an airport store or restaurant.** Airline Travelers are spending their extra time at the airport shopping and/or dining. Airport purchases rise to 75% among Frequent Flyers.
- **Airport advertising that runs for three months delivers double the reach of a one-month campaign.** Eleven percent of Americans fly during an average month, but 21% of Americans fly at least once during an average three-month period.

- **Eighty-one percent of Frequent Flyers can be reached at least once during a three-month airport advertising campaign.** Eighty-one percent of Frequent Flyers have taken at least one flight in the past three months. Fifty-one percent have used air travel in the past month.
- **Over one-third of Airline Travelers and nearly half of Frequent Flyers are concentrated in 10 DMAs.** Thirty-nine percent of all Americans who have used airline travel in the past year are concentrated in just 10 DMAs. Forty-six percent of Frequent Flyers are also centered in 10 markets. New York leads the pack, with over 9% of all Airline Travelers and Frequent Flyers calling it home.
- **Most Airline Travelers use multiple airports within their home DMA.** Airline Travelers in major cities use multiple airports for departure. A breakdown of airport usage for each of the top 75 DMAs is available through Scarborough Research.

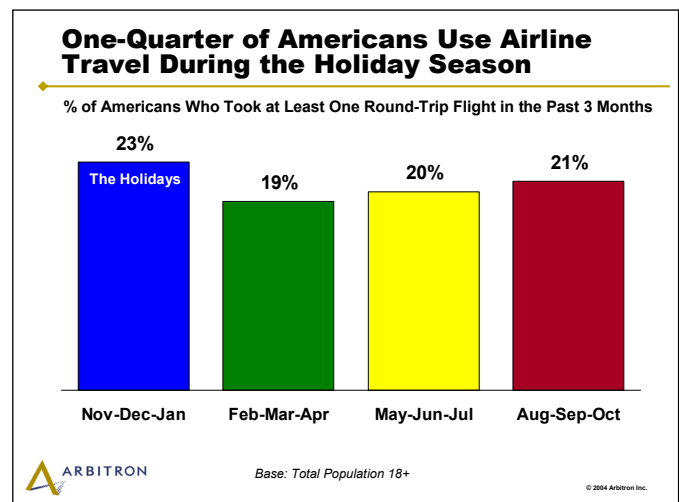
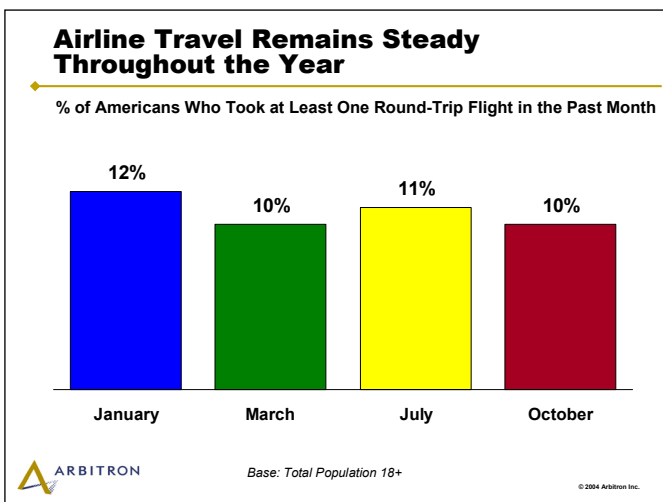
Key Findings

A. Airport Traffic

1. **An estimated 92 million Americans age 18+ have taken at least one round-trip airline flight in the past year.** Thirty-nine percent of Americans have taken at least one round-trip flight in the past year. Twenty-one percent of Americans, or 50 million people, have flown within the past three months. Eleven percent of Americans, or 26 million people, have flown in the past month. These estimates are averages of travel that occurred across all four seasons.



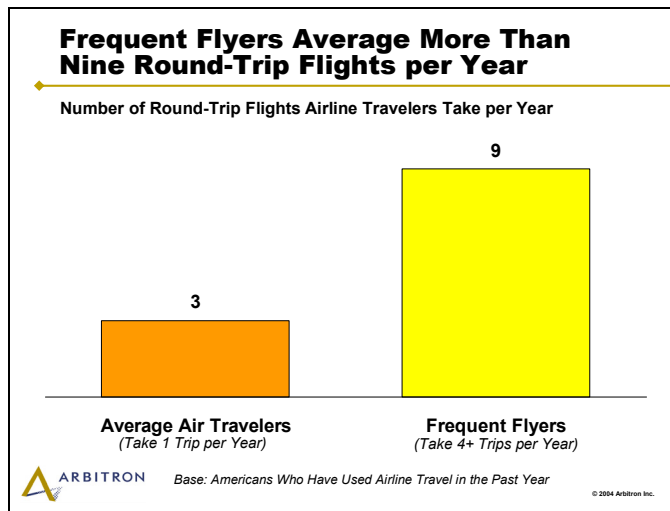
2. **Airline travel remains remarkably consistent throughout the year.** The number of people using airline travel does not vary significantly from month to month, making airport advertising an effective medium for reaching Americans year around. The number of people flying per month remains steady at around 11%, and the three-month average hovers around 21%. A slight peak occurs only during the holidays (November-January), when nearly one-quarter of Americans fly.



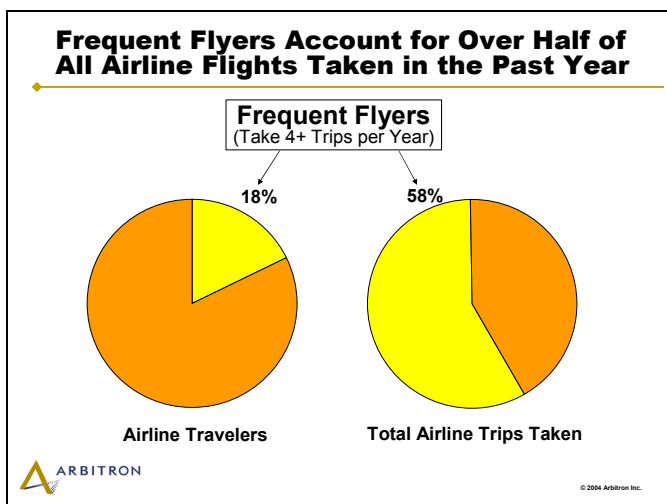
- 3. Half of all air travelers take two or more trips annually.** Thirty-three percent of air passengers are “moderate” travelers, taking two or three flights per year. Eighteen percent are Frequent Flyers, taking four or more trips annually.



- 4. The heaviest Airline Travelers—known as Frequent Flyers—average nine round trip flights per year.** Seventeen million Americans are classified as Frequent Flyers, meaning that they take at least four flights per year. The average number of flights taken by these avid airline passengers is more than nine round trips annually.



- Frequent Flyers account for nearly 60% of all airline flights taken in the past year.** Even though Frequent Flyers make up just 18% of Airline Travelers, they account for 58% of all trips taken in the past year and a majority of airport advertising impressions.



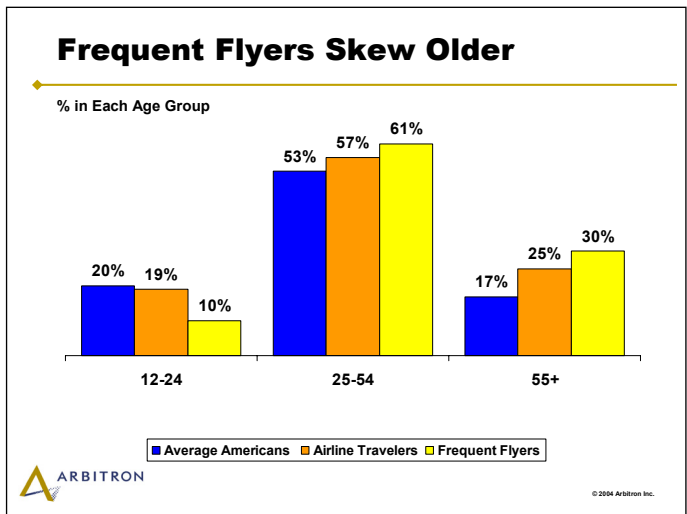
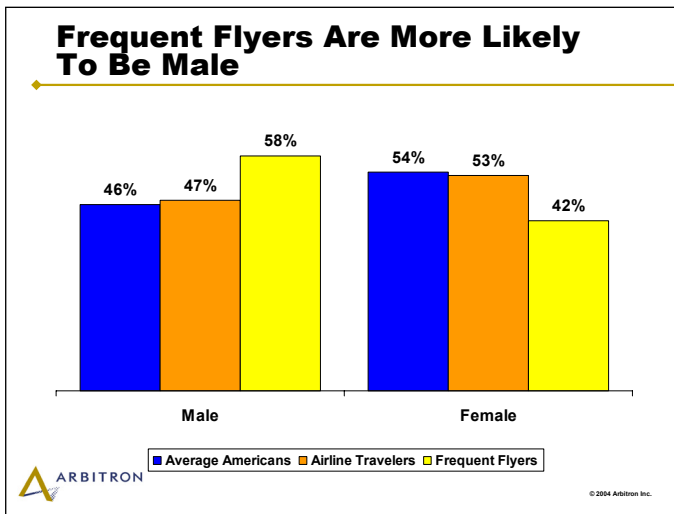
B. Airline Traveler Profile

- Airline Travelers are the cream of the crop.** Americans who fly, particularly those who take four or more flights per year, are a very special group of consumers. They are wealthy, highly educated and discerning shoppers.
- Airline Travelers are 80% more likely to have an annual household income of \$100,000 or more.** Eighteen percent of Airline Travelers have an annual household income of \$100,000 or more per year, compared with only 10% of average Americans.
- One-third of Frequent Flyers live in \$100,000+ households.** Frequent Flyers—those who take four or more airline trips per year—are the most affluent travelers, with 33% having an annual household income of \$100,000 or more. Forty-four percent live in a household making at least \$75,000 per year, compared to only 20% of average Americans.

9. Airline Travelers are highly educated and more likely to be employed. Over half of all Airline Travelers have a college or graduate school degree, compared with only 33% of average Americans. Among Frequent Flyers, the likelihood of higher education soars to 68%. Sixty-seven percent of Airline Travelers and a full three-quarters of Frequent Flyers are also employed, compared to the national average of only 58%.

	Average American <i>(Total U.S. Population)</i>	Airline Traveler <i>(In Past 12 Months)</i> <i>(37% of U.S. Population)</i>	Frequent Flyer <i>(4+ Round Trips in Past 12 Months)</i> <i>(7% of U.S. Population)</i>
\$100K+ annual household income	10%	18%	33%
College or graduate degree	33%	52%	68%
Employed full/part time	58%	67%	75%

10. Males 25 to 54 years old are the largest segment of Frequent Flyers. Fifty-eight percent of Frequent Flyers are male, and 61% are between 25 and 54 years old—making the airport an excellent place to target this valuable demographic.



11. Frequent Flyers call every U.S. region home. Frequent Airline Travelers can just as easily come home to an airport in the Northeast (22%), South (27%), Midwest (27%) or West (24%).

12. The Top 10 DMAs for Airline Travel are home to 39% of all passengers. The Top 10 DMAs that are home to the most Airline Travelers (listed below) account for 31% of the United States population but contain 39% of all airline passengers in the past year.

13. New York is the #1 home DMA for Airline Travelers in the past 12 months.

The New York DMA is home to the most Airline Travelers in the United States, with over eight million New Yorkers flying in the past year.

Top 10 Home DMAs for Airline Travel

	% Airline Travelers Who Live in DMA	# Airline Travelers Who Live in DMA	Total Population of DMA
1. New York	9.4%	8,321,575	15,570,905
2. Los Angeles	6.8%	5,982,555	12,197,945
3. Chicago	4.2%	3,675,380	6,922,935
4. San Francisco-Oakland-San Jose	3.7%	3,292,670	5,179,385
5. Boston	2.8%	2,481,130	4,739,485
6. Washington, DC	2.7%	2,350,590	4,363,910
7. Philadelphia	2.6%	2,333,475	5,730,290
8. Seattle-Tacoma	2.2%	1,968,680	3,278,955
9. Atlanta	2.1%	1,850,285	4,000,075
10. Dallas-Ft. Worth	2.1%	1,844,820	4,338,240
Totals	38.6%	34,101,160	66,322,125

Source: Scarborough USA+, Release 1, 2003, 12-month, Adults 18+

14. The Top 10 DMAs for Frequent Flyers are home to 46% of all Frequent Flyers. The DMAs that are home to the most Frequent Flyers (listed below) account for 30% of the United States population but contain 46% of all Frequent Flyers.

15. New York is the #1 home DMA for Frequent Flyers. The New York DMA is host to the most Frequent Flyers in the United States, with 974,000 of them calling New York home. Los Angeles follows, with over 700,000.

Top 10 Home DMAs for Frequent Flyers

	% Frequent Flyers Who Live in DMA	# Frequent Flyers Who Live in DMA	Total Population of DMA
1. New York	9.2%	974,000	15,570,905
2. Los Angeles	6.7%	705,005	12,197,945
3. Chicago	5.3%	560,310	6,922,935
4. San Francisco-Oakland-San Jose	5.0%	532,620	5,179,385
5. Atlanta	4.3%	451,945	4,000,075
6. Washington, DC	4.1%	437,265	4,363,910
7. Dallas-Ft. Worth	3.8%	397,850	4,338,240
8. Boston	3.0%	319,925	4,739,485
9. Houston	2.7%	290,000	3,716,880
10. Phoenix	2.3%	247,680	3,055,735
Totals	46.4%	4,916,600	64,085,495

Source: Scarborough USA+, Release 1, 2003, 12-month, Adults 18+

16. Most Frequent Flyers use more than one airport in their home DMA.

Airline Travelers in major cities use multiple airports for departure. A majority of Frequent Flyers in New York City depart from more than one airport per year. San Francisco residents also tend to use multiple airports each year. A breakdown of airport usage for each of the top 75 DMAs is available through Scarborough Research.

New York Airports <i>(Used for Departure in Past 12 Months)</i>	Airline Travelers (In New York DMA) <i>(At Least 1 Round-Trip Flight per Year)</i>		Frequent Flyers (in New York DMA) <i>(5+ Round-Trip Flights per Year)</i>	
	Percent	Amount	Percent	Amount
John F. Kennedy (JFK)	49%	3,944,880	67%	634,995
Newark Liberty (New Jersey)	43%	3,415,780	68%	643,860
LaGuardia	37%	2,968,180	64%	607,385
Other Airports	17%	1,381,745	26%	246,500

Source: Scarborough Release 2, 2003, New York DMA, Sep02-Aug03, Adults 18+.

Note: "Other Airports" include MacArthur (Long Island), Stewart International (Orange County), Westchester County and Bradley International, among others.

San Francisco Airports <i>(Used for Departure in Past 12 Months)</i>	Airline Travelers (in San Francisco DMA) <i>(At Least 1 Round-Trip Flight per Year)</i>		Frequent Flyers (in San Francisco DMA) <i>(5+ Round-Trip Flights per Year)</i>	
	Percent	Amount	Percent	Amount
San Francisco International	63%	2,074,935	82%	398,155
Oakland International	44%	1,463,835	60%	293,070
San Jose International	29%	950,110	40%	197,000
Other Airports	11%	357,410	12%	56,175

Source: Scarborough Release 2, 2003, San Francisco DMA, Aug02-Jul03, Adults 18+.

Note: "Other Airports" include Sacramento International and Sonoma County, among others.

C. The Lifestyle of Airline Travelers

Scarborough shows that Airline Travelers—particularly Frequent Flyers—are discerning shoppers. Scarborough Research, the gold standard for consumer shopping behavior research, tracks the exclusive behavior of Airline Travelers and Frequent Flyers in its national survey of 200,000 consumers. Scarborough defines an Airline Traveler as someone who takes at least one round-trip flight per year; Frequent Flyers take five or more round-trip flights annually. In each market, Scarborough asks which airport the consumer utilizes most often; as a result, Scarborough can analyze the local shopping and consumer profile of specific airports. Below we have included some highlights of the consumer shopping data from Scarborough, including a buying power index.

The index compares buying and shopping patterns of airline passengers to those of the country overall. An index of 100 indicates that airline passengers show virtually the identical buying and shopping patterns as the country overall. An index above 100 indicates that airline passengers are more likely than the norm to buy the

product or service. As an example, Frequent Flyers have an index of 194 for using online banking. This indicates that those taking five or more round-trip flights per year are 94% *more likely* to bank online than the typical consumer.

17. Airline Travelers remain a strong target for business-to-business advertisers. Airline Travelers, particularly Frequent Flyers, tend to be corporate decision makers. A large portion of airport advertising is currently targeted toward these managers and executives—with good reason.

	Airline Traveler Index <i>(At Least 1 Round-Trip Flight per Year)</i>	Frequent Flyer Index <i>(5+ Round-Trip Flights per Year)</i>
Participated in purchasing decisions in company in the past year		
Business travel or convention arrangements	180	480
Computer hardware/software	151	273
Information technology (network/Internet)	159	358*
Overnight delivery services	148	296
Telephone and communication	137	235

***How to read:** Frequent Flyers are 258% (or two and a half times) more likely than a typical consumer to have participated in an information technology purchasing decision within their company in the past year.

Source: Scarborough USA+ Release 1, 2003, 12-month, Adults 18+.

18. Designer fashions and accessories are part of the Airline Traveler's personal style. Whether it is designer shoes, premium watches or a new perfume, Airline Travelers have the income and inclination to shop at some of our nation's most exclusive stores.

	Airline Traveler Index <i>(At Least 1 Round-Trip Flight per Year)</i>	Frequent Flyer Index <i>(5+ Round-Trip Flights per Year)</i>
Spent \$1,000 or more in the past year on:		
Men's business clothing	194	722
Men's casual clothing	178	672
Men's shoes	142	356
Women's business clothing	184	582
Women's casual clothing	177	437
Women's shoes	167	624
Jewelry or watches	162	348*
Skin care (including cosmetics and perfumes)	138	375

***How to read:** Frequent Flyers are 248% (or two and a half times) more likely than a typical consumer to spend \$1,000 or more on jewelry or watches in one year.

Source: Scarborough USA+, Release 2, 2002, 12-month, Adults 18+.

19. Luxury automobile enthusiasts congregate at the airports. Airline Travelers are the upscale car buyers in the United States.

	Airline Traveler Index <i>(At Least 1 Round-Trip Flight perYear)</i>	Frequent Flyer Index <i>(5+ Round-Trip Flights perYear)</i>
Household plans to buy/lease:		
New luxury vehicle	151	291*
New sport utility vehicle	124	195
Household plans to pay:		
\$35,000 or more for new vehicle next year	160	310

***How to read:** Frequent Flyers are 191% (or nearly two times) more likely than a typical consumer to buy or lease a new luxury vehicle.

Source: Scarborough USA+, Release 1, 2003, 12-month, Adults 18+.

20. Financial services are paramount for Airline Travelers. Airline Travelers are affluent and take an active role in planning their finances. Here are just a few banking services widely used by Airline Travelers.

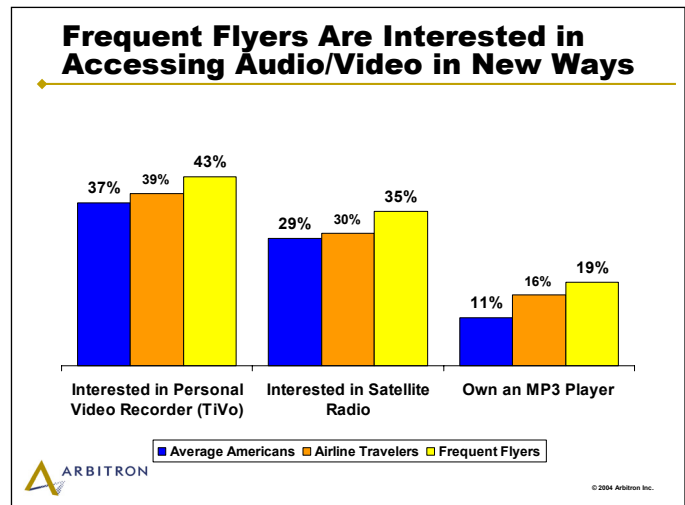
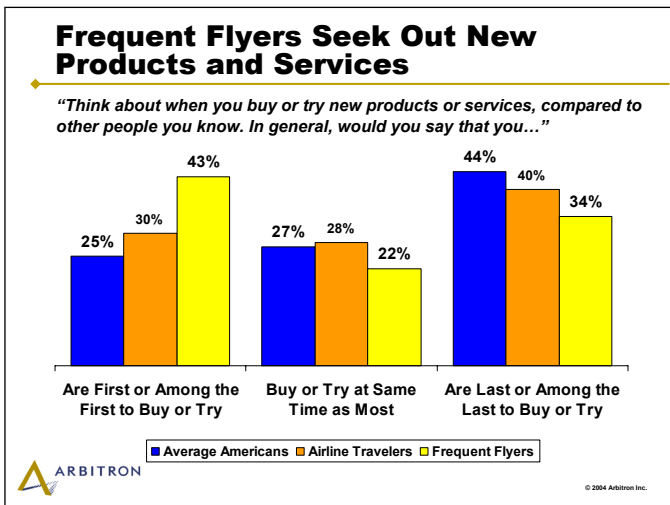
	Airline Traveler Index <i>(At Least 1 Round-Trip Flight per Year)</i>	Frequent Flyer Index <i>(5+ Round-Trip Flights per Year)</i>
Household has/uses:		
Keogh plan	159	385*
Money market account	142	203
Online banking	147	231
IRA (individual retirement account)	136	177
Home equity loan	129	154

***How to read:** Frequent Flyers are 285% (or almost three times) more likely than a typical consumer to have a Keogh plan.

Source: Scarborough USA+, Release 1, 2003, 12-month, Adults 18+.

21. Frequent Flyers are passionate about trying new products and services.

Frequent Flyers are trailblazers. Forty-three percent classify themselves as “early adopters”—meaning that they are the first or among the first of their family and friends to try a new product or service. Thirty percent of all Airline Travelers consider themselves this adventurous, compared to only 25% of average Americans. The manufacturers of new products such as high-definition televisions or new services such as satellite radio should target the airports.



22. Home electronic equipment is popular among Airline Travelers.

Manufacturers of high-end home entertainment devices can find their core consumers at the airport.

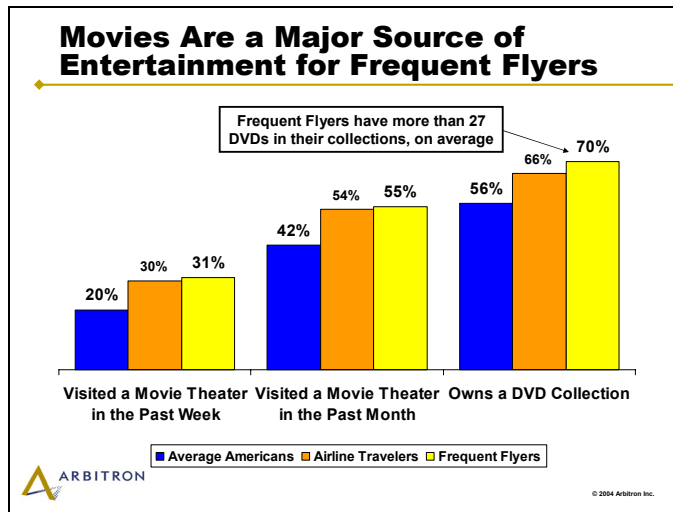
	Airline Traveler Index <i>(At Least 1 Round-Trip Flight per Year)</i>	Frequent Flyer Index <i>(5+ Round-Trip Flights per Year)</i>
Spent \$1,000 or more in the past year on:		
Television	130	164
Stereo (audio) system	139	321
Camera or accessories	165	377
Plan to buy in the next year:		
MP3 player	131	242*

***How to read:** Frequent Flyers are 142% (or almost one and a half times) more likely than a typical consumer to buy an MP3 player in the next year.

Source: Scarborough USA+, Release 2, 2002, 12-month, Adults 18+.

23. Movies are a major source of entertainment for Airline Travelers.

Thirty percent of all Airline Travelers watched a movie in the theater last week, compared to only 20% of the general population. Nearly a third of all Frequent Flyers have gone to the movies in the past week as well. Frequent Flyers are also more likely to have an extensive DVD collection. Movie studios have had major success with traditional outdoor media, and airport advertising appears to be a highly effective way to increase the frequency of their messages with core movie consumers.



24. Live music, theater and resorts are also staples of the Frequent Flyer's lifestyle. Concert tour operators and resort package providers should make a greater promotional effort at the airports.

	Airline Traveler Index <i>(At Least 1 Round-Trip Flight per Year)</i>	Frequent Flyer Index <i>(5+ Round-Trip Flights per Year)</i>
Personally attended/visited in the past year:		
Symphony concert or opera	163	254*
Live theater	148	196
Rock concert	136	185
Disney World (Orlando)	167	206
Universal Studios (Orlando)	161	193

***How to read:** Frequent Flyers are 154% (or one and a half times) more likely than a typical consumer to have attended the symphony or opera in one year.

Source: Scarborough USA+, Release 1, 2003, 12-month, Adults 18+.

25. Sports—both watching and participating—is a favorite of Airline Travelers. The professional sports leagues and equipment manufacturers can reach their fan base at the airport.

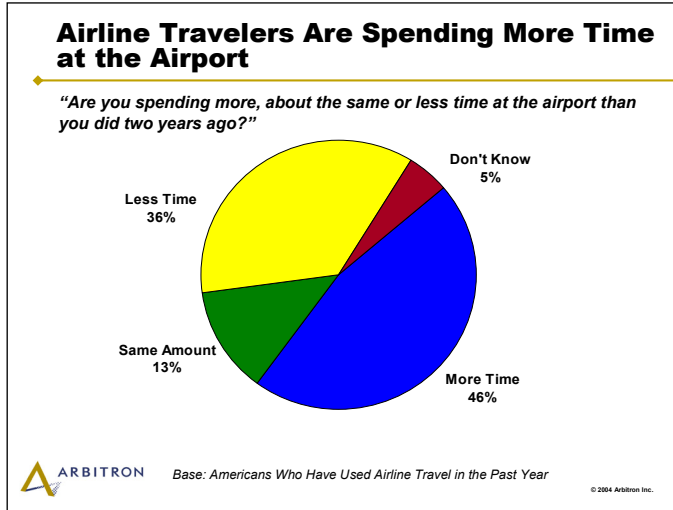
	Airline Traveler Index <i>(At Least 1 Round-Trip Flight per Year)</i>	Frequent Flyer Index <i>(5+ Round-Trip Flights per Year)</i>
Personally attended/visited in the past year:		
National Basketball Association game	158	274
College football game	130	186
Major-league baseball game	149	222
National football game	141	225
Participated in:		
Snow skiing	170	304*
Golf	142	219
Backpacking/hiking	139	206
Extreme sports (rock climbing, bungee jumping, etc.)	138	173
Bicycling	128	176

***How to read:** Frequent Flyers are 204% (or two times) more likely than a typical consumer to be snow skiers.

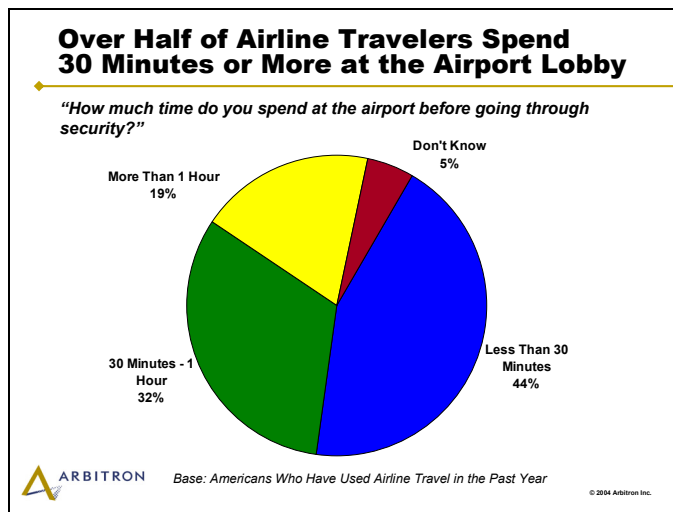
Source: Scarborough USA+, Release 1, 2003, 12-month, Adults 18+.

D. Time Spent at the Airport

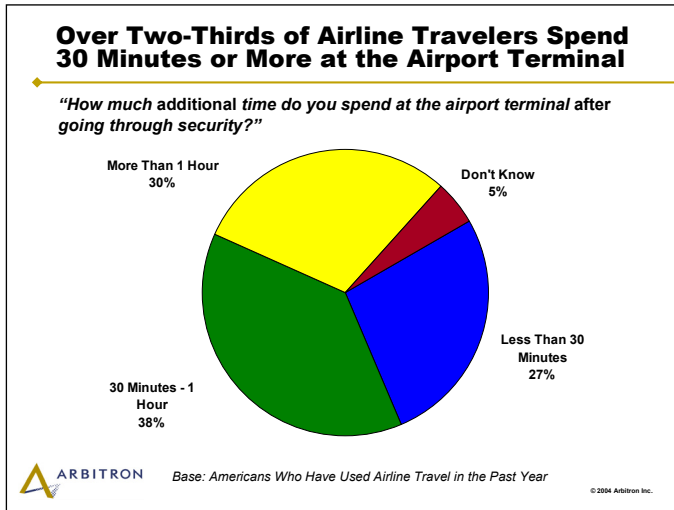
26. Americans are spending more time at the airport. Forty-six percent of all Airline Travelers say they are spending more time at the airport now than they did two years ago.



27. Airline Travelers are getting to the airport earlier than ever and are spending more time in the pre-security areas. Fifty-one percent of Airline Travelers say they spend 30 minutes or more in the airport lobby *before* going through security.

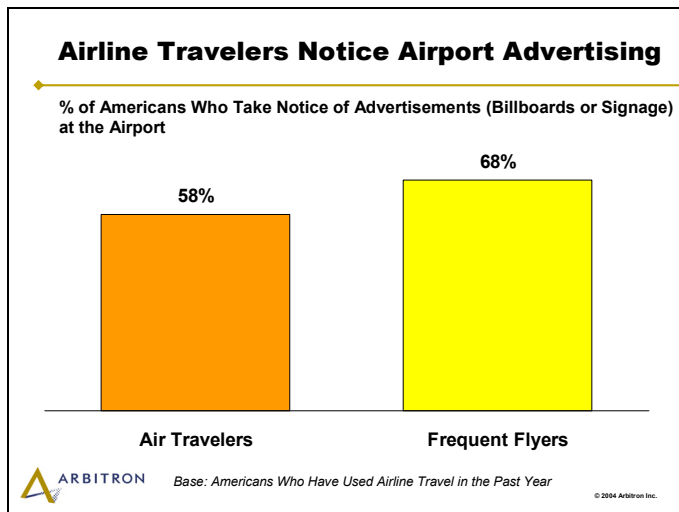


28. After going through security, Airline Travelers are spending more time in the terminal area before they board their flight. Sixty-eight percent of Airline Travelers say they spend an *additional* 30 minutes or more in the terminal before their flight boards.

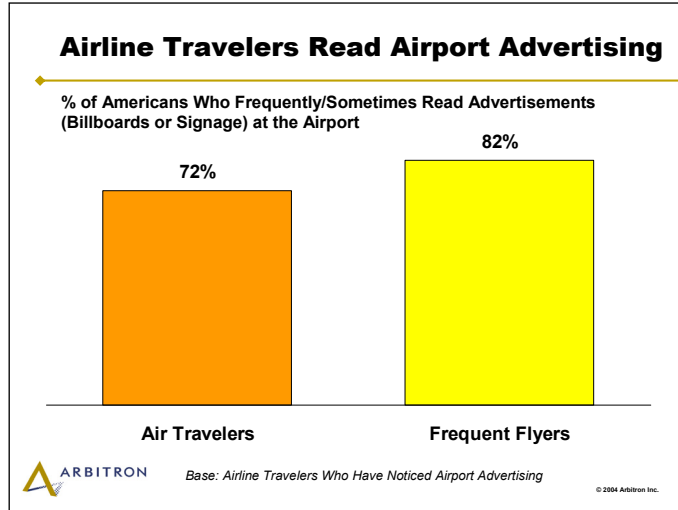


E. Airport Advertising and Shopping

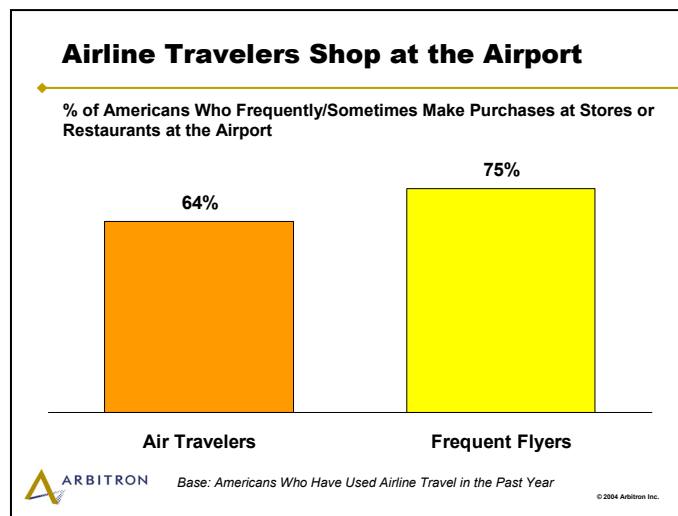
29. Airline Travelers take notice of airport signs and billboards. Fifty-eight percent of Airline Travelers who have flown in the past year recall noticing a billboard advertisement at the airport. The awareness factor jumps to 68% for Frequent Flyers.



30. During these longer waiting periods Airline Travelers take the time to read billboard advertisements. Seventy-two percent of Airline Travelers who recall noticing airport billboards say they take the time to read them. Frequent Flyers don't view these messages with a jaded eye either: 82% say they take the time to read airport billboard advertising.

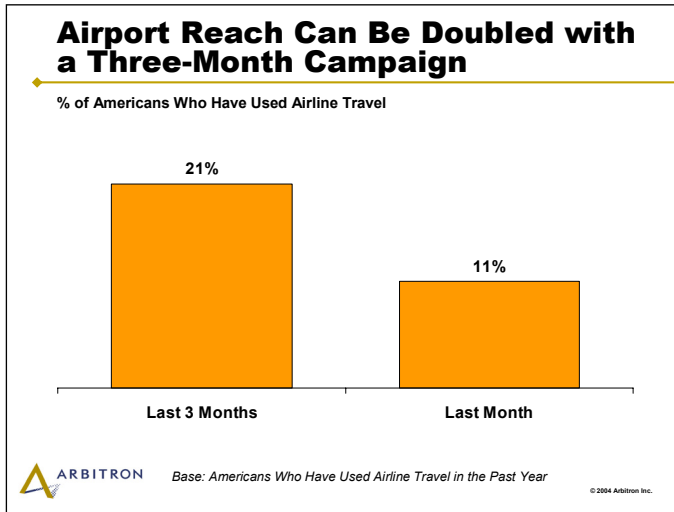


31. Shopping has become another important pastime at the airport. Sixty-four percent of Airline consumers who traveled in the past 12 months have made a purchase at an airport store or restaurant. Incidences of airport shopping increase to 75% among Frequent Flyers.

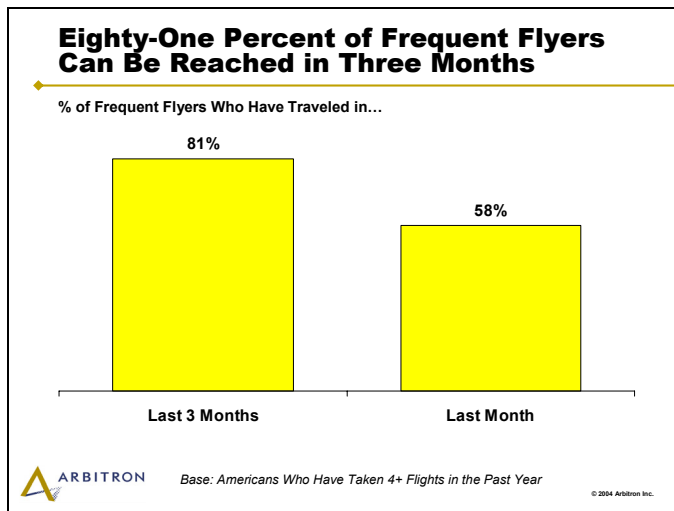


32. Airport shops and restaurants should post signs directing passengers to their location. Directional signs, very popular with outdoor advertisers, are rare in airport advertising. Few stores and restaurants use airport advertising to promote their location. This is a huge missed opportunity. Seventy-five percent of air travelers indicate they would be interested in advertising signs that would direct them to airport shops and restaurants.

33. Airport advertising that runs for three months delivers double the reach of a one-month campaign. Eleven percent of Americans fly during an average month, but 21% of Americans fly at least once during an average three-month period.



34. Eighty-one percent of Frequent Flyers can be reached at least once during a three-month airport advertising campaign. Fifty-eight percent of Frequent Flyers have used air travel in the past month, but 81% have taken at least one flight in the past three months. Longer campaigns increase frequency to this select group of consumers.

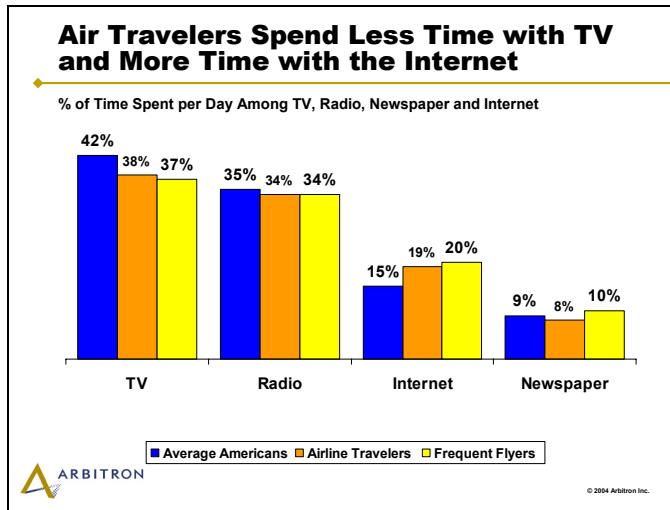


F. Airline Travelers' Media Exposure

35. Airline Travelers spend less time with television. Airline Travelers spend 38% of their weekly media time with television, compared to 42 percent for average Americans.

Translated into real time, Airline Travelers spend roughly 2 hours and 41 minutes with TV per day, compared to the average American, who spends closer to 3 hours and 8 minutes per day.

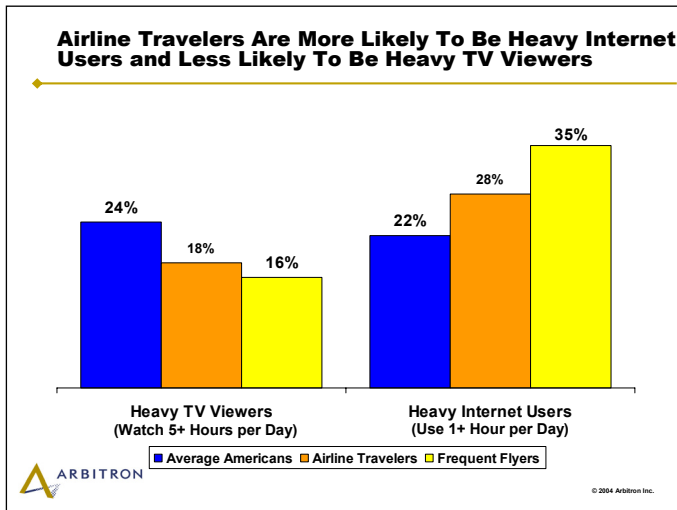
Annualized, Airline Travelers spend 164 fewer hours per year with TV than an average American. Frequent Flyers only spend 2 hours and 33 minutes watching TV per day, making their annual time spent approximately 213 hours fewer than the average American. Airline Travelers are also less likely to be heavy TV viewers.



36. Airline Travelers spend more time online. On the other hand, time spent with the Internet consumes 19% of the Airline Traveler’s daily media time, compared with only 15% for the general population.

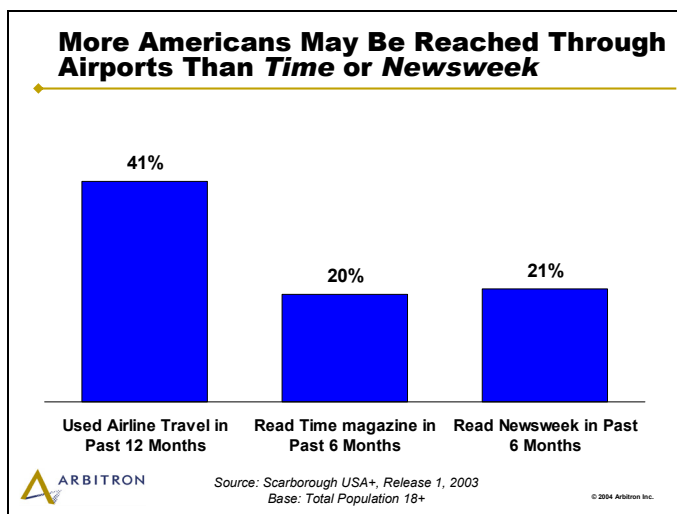
Translated into real time, Airline Travelers spend approximately 1 hour and 22 minutes online per day, compared to the average American, who spends only 1 hour and 6 minutes per day.

Annualized, Airline Travelers spend 97 hours more online than an average American. Airline Travelers are also more likely to be heavy Internet users.

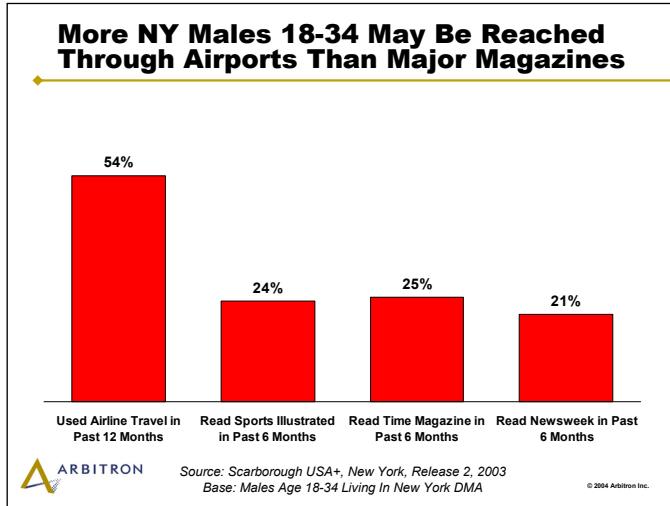


37. Twice as many Americans fly as read *Time* or *Newsweek* magazines.

According to Scarborough Research, 41% of Americans 18 years or older have used airline travel in the past year, compared to only 20% or 21%, respectively, who have read *Time* or *Newsweek* magazines in the past six months.



38. More than twice as many Males 18-34 in New York fly as read *Sports Illustrated*. Fifty-four percent of males between the ages of 18 and 34 living in the New York DMA have flown in the past year; only 24% of them have read a copy of *Sports Illustrated* magazine in the past six months—according to Scarborough Research. This is an example of the surprising reach of airport advertising compared to traditional media and is typical of other markets.



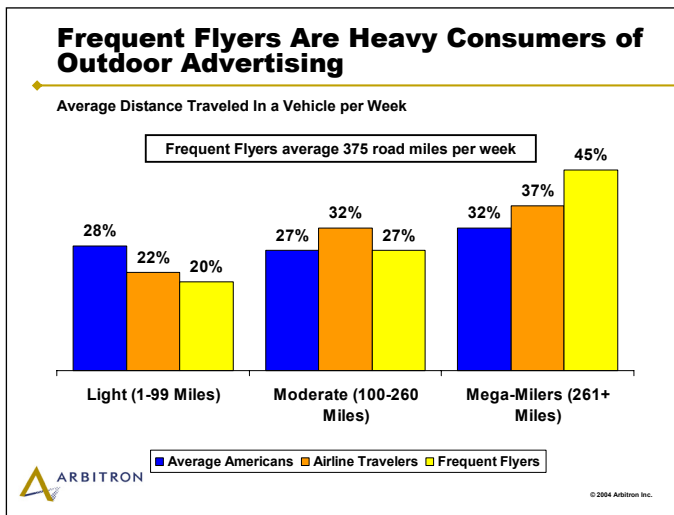
39. Frequent Flyers are Internet junkies—very likely to have home broadband connections and shop online. Airline Travelers, especially Frequent Flyers, shop more often online and spend more money when they do. This makes Airline Travelers a natural target for Internet retailers.

	Average American (Total U.S. Population)	Airline Traveler (In past 12 Months) (37% of U.S. Population)	Frequent Flyer (4 or More Round Trips per Year) (7% of U.S. Population)
Internet access at home/work	72%	86%	93%
Broadband home Internet access	31%	38%	48%
Purchased online in the past month	27%	34%	55%
Amount spent online	\$635	\$680	\$1,019
Booked airline travel online in the past year:			
for personal travel	36%	60%	71%
for business travel	12%	24%	44%
Number of bookings made online	2	2	5

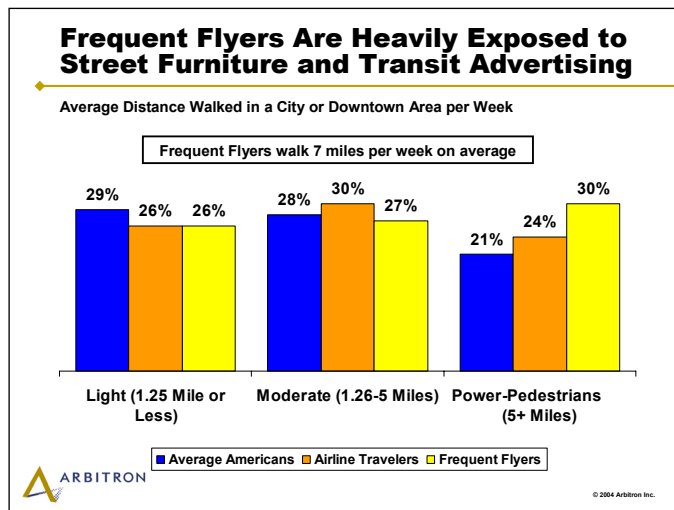
G. Maximizing Outdoor Media Campaigns

40. Airport advertising complements a traditional outdoor campaign. Thirty-seven percent of Airline Travelers are “Mega-Milers,” logging 261 or more miles on the road each week, compared to 32% of average Americans. Frequent Flyers are even more likely to be on the road, with 45% belonging to the Mega-Milers club. Not surprisingly, Frequent Flyers have a profile similar to that of the desirable Mega-Milers. Advertisers that have had success targeting motorists can extend that success at the airport.

If you want to learn more about automotive travel and traditional outdoor media, get a free copy of *The Arbitron Outdoor Study*, available at www.arbitron.com.



41. Outdoor campaigns targeting pedestrians can also be extended to the airport. Airline Travelers are “Power Pedestrians” too. Twenty-four percent of Airline Travelers walk five or more miles in a city or downtown area per week, compared to 21% of average Americans. Frequent Flyers also “walk the walk,” with 30% covering five or more miles in a city or downtown area per week. Successful pedestrian campaigns can increase frequency among upscale consumers by utilizing airport advertising.





Recommendations

1. **Advertisers can increase their exposure to upscale Americans via airport advertising.** Airline Travelers, particularly Frequent Flyers, are a refined segment of America with varied interests and significant expendable income. Current airport advertising is predominately targeted toward the business-to-business or technology sectors. This study indicates that airport terminal advertising is also a logical medium for a wide range of luxury and entertainment goods.
2. **The airport offers a rare opportunity to catch the attention of Americans that may be harder to reach through other media.** Frequent Flyers spend more than 213 fewer hours per year with television than the average American. On the other hand, Frequent Flyers account for almost 60% of all airport advertising impressions. This makes airport advertising a strong complement in a media plan.
3. **Upscale retailers should take advantage of the sophisticated and affluent crowds congregating at the airports.** Advertisers of high-end clothes, shoes, jewelry and grooming products should market directly to this audience. Premium retail chains should also pursue this audience, both for in-store and online purchases.
4. **Successful outdoor campaigns should include an airport component.** Airline Travelers log a lot of vehicle miles on the road and walking in a city or downtown area. Thus, Airline Travelers are heavy outdoor advertising consumers. Campaigns that currently market to these individuals can have the same success at the airport. The airport offers advertising space that reaches an affluent, upscale and captive audience.
5. **Airport retailers should post billboards and signs directing travelers to their stores.** Few airport retailers and restaurants utilize airport advertising to direct consumers to their location. Our research shows that Airline Travelers want the convenience of signs directing them to stores.
6. **Advertisers shouldn't underestimate the billboard inventory in the airport lobby.** People are spending more time at the airport *before* going through security. There is an opportunity to maximize the available space in this underutilized but valuable area. Many Americans are spending almost as much time in the airport lobby as they are in the terminal.
7. **Airport advertising campaigns that run for three months or more maximize their reach and frequency impact.** A majority of Frequent Flyers go to the airport at least once every three months, but longer campaigns can greatly increase frequency to these coveted consumers. If an even greater reach is desired, rotate the creative to keep frequent travelers interested and engaged.

8. Advertisers should place creative in all major airports within a DMA.

Airline Travelers in major cities use multiple airports for departures. If an advertiser wants to reach the most travelers with maximum frequency, advertisements should be placed in all major airports serving a market. A breakdown of airport usage for each of the top 75 DMAs is available through Scarborough Research.

9. Technology companies marketing personal or consumer entertainment devices should have a strong presence at the airport. Frequent Flyers are early adopters who are interested in cutting-edge technology and hold influence with their friends and family. Marketing at the airport can go a long way toward reaching these influential consumers and starting a lucrative word-of-mouth campaign.

10. Movie studios should also promote their films at the airport. Airline Travelers are avid movie fans. They go to the theater to see films more often than average, and they pay again to own them on DVD. The film industry is an aggressive user of outdoor advertising on the roads and streets but is missing a significant opportunity at the airports.

11. Internet businesses should market to the online-savvy airport audience. Online retailers of clothes, electronics and entertainment should market directly to consumers at the airport. Airline Travelers, particularly Frequent Flyers, shop more often online and spend more money when they do shop. These are busy people on the move, and they need to learn about quick and convenient ways to shop for the things they want.

Appendix A: Summary

Airline Travelers and Airport Advertising

*July 2003 through April 2004**

Those who have used airline travel in the past year

- 92 million Americans
- 39% of U.S. population 18+
- 3.01 average number of flights per year

Those who have used airline travel in the last 3 months

- 50 million Americans
- 21% of U.S. population 18+
- 4.11 average number of flights per year

Those who have used airline travel in the last month

- 26 million Americans
- 11% of U.S. population 18+
- 5.23 average number of flights per year

Frequent Flyers (4 or more round-trip flights in the past year)

- 17 million Americans
 - 7% of U.S. population 18+
 - 9.12 average number of flights per year
-

*These data reflect an average of four studies conducted in July 2003, October 2003, January 2004 and April 2004.

Appendix B: Airport Advertising Reach

B-1. Profile of U.S. Airline Travelers

	U.S. Population	Traveled in the Past Year <i>(39% of U.S. Population)</i>	Traveled in the Past 3 Months <i>(21% of U.S. Population)</i>	Traveled in the Past Month <i>(11% of U.S. Population)</i>
Demographics				
Men	46%*	47%*	45%	46%
Women	54%	53%	55%	54%
12–17	10%	9%	8%	9%
18–24	10%	10%	8%	6%
25–34	16%	17%	16%	17%
35–44	19%	20%	20%	21%
45–54	18%	20%	20%	23%
55–64	13%	14%	17%	14%
65+	14%	11%	11%	10%
Employed part/full time	58%	67%	66%	67%
Retired	16%	12%	12%	11%
Student	12%	11%	11%	11%
Homemaker	8%	6%	5%	6%
Unemployed	5%	3%	3%	3%
\$100K+ household income	10%	18%	20%	21%
White	75%	78%	78%	80%
African-American	10%	7%	8%	7%
Hispanic/Latino	9%	6%	6%	6%
Home geography (region)				
Northeast	19%	21%	21%	22%
South	35%	30%	28%	25%
Midwest	26%	24%	25%	27%
West	19%	24%	23%	23%

***How to read:** Forty-six percent (46%) of the U.S. population age 12 and older are male vs. 47% of those who used airline travel in the past year.

Appendix B: Airport Advertising Reach *(continued)*

B-2. Media Habits of U.S. Airline Travelers

	U.S. Population	Traveled in the Past Year <i>(39% of U.S. Population)</i>	Traveled in the Past 3 Months <i>(21% of U.S. Population)</i>	Traveled in the Past Month <i>(11% of U.S. Population)</i>
Media time spent per day				
TV	3:08	2:41	2:33	2:26
Radio	2:36	2:27	2:21	2:31
Newspaper	0:39	0:36	0:40	0:46
Internet	1:06	1:22	1:17	1:12
Total	7:29	7:06	6:51	6:55
Percentage of media time spent				
TV	42%	38%	37%	35%
Radio	35%	34%	34%	36%
Newspaper	9%	8%	10%	11%
Internet	15%	19%	19%	17%
Movie theater habits—most recent visit				
Last week	20%	29%	28%	30%
Last month	42%	53%	53%	55%
Last 3 months	55%	66%	66%	70%
Saw 4 or more movies in the theater in past 3 months	18%	26%	26%	29%
New product and service adoption scale				
First or among the first to buy	25%	30%	31%	33%
Buy same time as most	27%	28%	31%	32%
After most or last to buy	44%	40%	36%	34%
Online spending				
Purchased online in the past month	27%	34%	37%	43%
Average amount spent in last 12 months	\$635	\$680	\$736	\$851

Appendix B: Airport Advertising Reach *(continued)*

B-3. Travel Habits of U.S. Airline Travelers

	U.S. Population	Traveled in the Past Year <i>(39% of U.S. Population)</i>	Traveled in the Past 3 Months <i>(21% of U.S. Population)</i>	Traveled in the Past Month <i>(11% of U.S. Population)</i>
Airline travel				
Number of Americans	237 million	92 million	50 million	26 million
Average number of flights per year	1.06	3.01	4.11	5.23
Automobile travel (car, van, truck, bus)				
Light (1-99 miles)	28%	22%	31%	23%
Moderate (100-260 miles)	27%	32%	25%	26%
“Mega-Milers” (261+ miles)	32%	37%	39%	40%
Pedestrian travel				
Light (1.25 mile or less)	29%	26%	30%	24%
Moderate (1.26-5 miles)	28%	30%	31%	34%
“Power-Pedestrians” (5 miles or more)	21%	24%	22%	30%

Appendix C: Airport Advertising Frequency

C-1. Profile of U.S. Airline Travelers

	U.S. Population	Light Users (1 Flight per Year) <i>(16% of U.S. Population)</i>	Medium Users (2-3 Flights per Year) <i>(12% of U.S. Population)</i>	Frequent Flyers (4+ Flights per Year) <i>(7% of U.S. Population)</i>
Demographics				
Men	46%	44%	45%	58%
Women	54%	56%	55%	42%
12–17	10%	13%	7%	2%
18–24	10%	11%	8%	8%
25–34	16%	15%	18%	19%
35–44	19%	18%	22%	21%
45–54	18%	19%	21%	21%
55–64	13%	12%	14%	20%
65+	14%	11%	11%	10%
Employed part/full time	58%	65%	68%	75%
Retired	16%	11%	12%	10%
Student	12%	14%	10%	6%
Homemaker	8%	6%	6%	4%
Unemployed	5%	2%	3%	4%
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White	75%	78%	75%	83%
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Northeast	19%	23%	19%	22%
South	35%	31%	29%	27%
Midwest	26%	24%	24%	27%
West	19%	21%	27%	24%

Appendix C: Airport Advertising Frequency *(continued)*

C-2. Media Habits of U.S. Airline Travelers

	U.S. Population	Light Users (1 Flight per Year) <i>(16% of U.S. Population)</i>	Medium Users (2-3 Flights per Year) <i>(12% of U.S. Population)</i>	Frequent Flyers (4+ Flights per Year) <i>(7% of U.S. Population)</i>
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First or among the first to buy	25%	23%	33%	43%
Buy same time as most	27%	29%	29%	22%
After most or last to buy	44%	47%	36%	34%
Online spending				
Purchased online in the past month	27%	22%	38%	55%
Average amount spent in last 12 months	\$635	\$494	\$667	\$1,019

Appendix C: Airport Advertising Frequency *(continued)*

C-3. Travel Habits of U.S. Airline Travelers

	U.S. Population	Light Users (1 Flight per Year) <i>(16% of U.S. Population)</i>	Medium Users (2-3 Flights per Year) <i>(12% of U.S. Population)</i>	Frequent Flyers (4+ Flights per Year) <i>(7% of U.S. Population)</i>
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About Arbitron Inc.

Arbitron Inc. (NYSE: ARB) is an international media and marketing research firm serving radio broadcasters, cable companies, advertisers, advertising agencies and outdoor advertising companies in the United States, Mexico and Europe. Arbitron's core businesses are measuring network and local market radio audiences across the United States; surveying the retail, media and product patterns of local market consumers; and providing application software used for analyzing media audience and marketing information data. The Company is developing the Portable People Meter, a new technology for radio, broadcast television and cable ratings.

Arbitron's marketing and business units are supported by a world-renowned research and technology organization located in Columbia, Maryland. Arbitron has approximately 900 full-time employees; its executive offices are located in New York City.

Through its Scarborough Research joint venture with VNU, Inc., Arbitron also provides media and marketing research services to the broadcast television, magazine, newspaper, outdoor and online industries.

Arbitron's Outdoor division provides training, consumer shopping data and audience profiles for out-of-home and outdoor media. Currently, more than 100 outdoor plants, place-based media and thousands of agencies and advertisers utilize Arbitron Outdoor consumer shopping data and software. The company is currently working with the industry to develop an outdoor audience ratings service.

Credible third-party measurement helps advertisers justify their investment in the medium. The company's 50+ years of audience measurement experience help sellers focus on selling the value of their advertising rather than justifying the credibility of their measurement. Arbitron research studies about cinema advertising, the outdoor industry and traditional and nontraditional media can be found on the company's Web site at www.arbitron.com and can be downloaded free of charge.

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