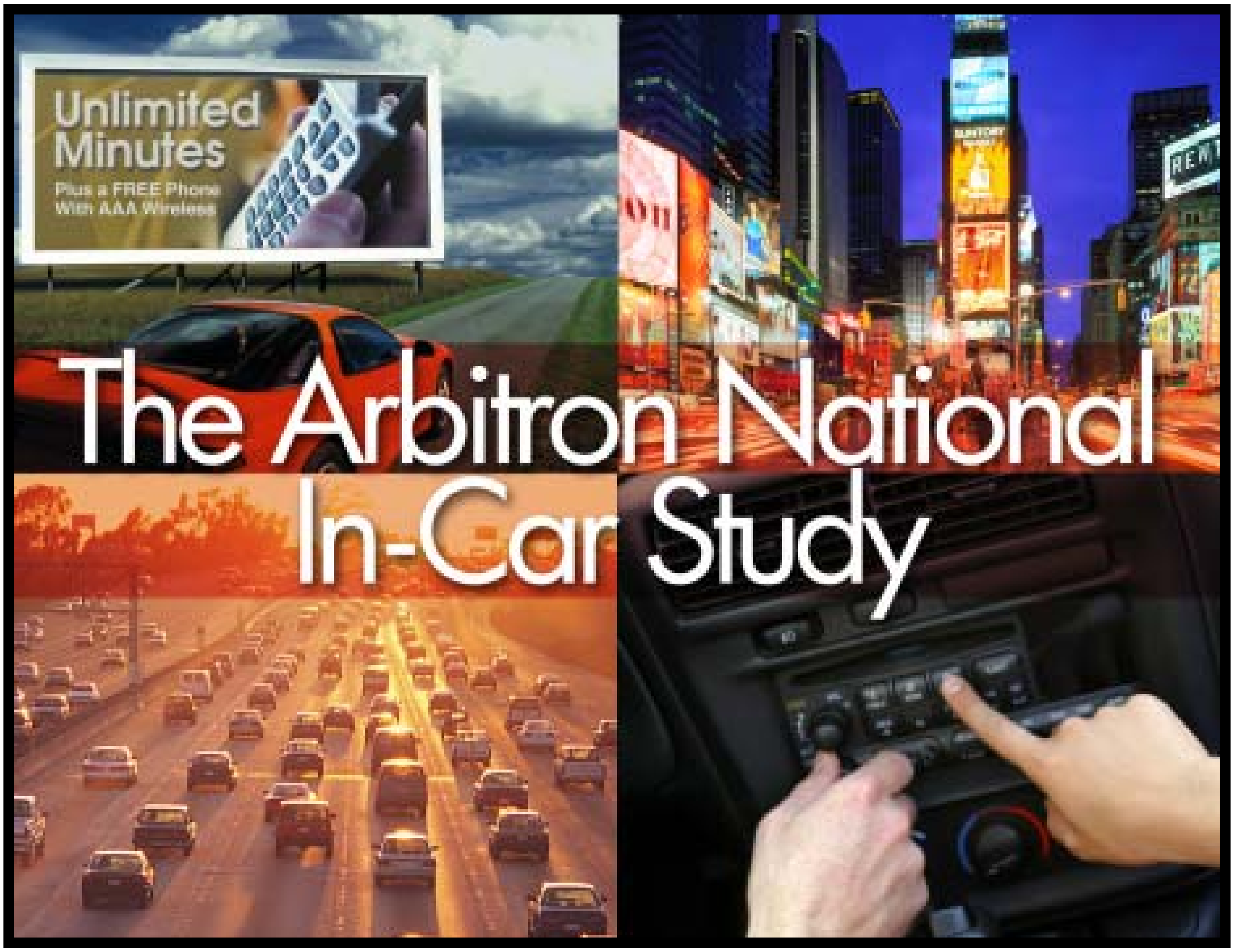

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ARBITRON

edison media research

Overview

Welcome to the Arbitron/Edison Media Research *National In-Car Study*. This study will provide a detailed examination of America's in-car media audience and their exposure to outdoor advertising, radio, and audio technologies. The study will also examine the shopping and purchase decisions of America's mobile consumers.

Over the last decade, Arbitron has conducted many insightful studies on topics such as Internet broadcasting, cinema advertising, outdoor advertising as well as radio listenership. Our first work in examining the mobile audience began in Los Angeles with a series of studies exploring the value of the in-car consumer. In 2002, we conducted the *Mexico: Radio on the Go* study, which profiled Mexican consumers in vehicles and at work. The *National In-Car Study* represents our first comprehensive national analysis of the behavior of Americans in-car, as well as a look at the increasing role out-of-home advertising media play in reaching the elusive and busy American consumer. A similar study of in-car consumers in the United Kingdom will be released under separate cover.

The study explodes the misperception that only large cities have significant in-car audiences; instead, we demonstrate how crucial the in-car audience is to U.S. markets of all sizes. In-car now represents the number one location of radio listening for most popular advertising demographics. For outdoor advertisers, miles traveled per week and time spent commuting are consistent by county size, indicating out-of-home is an important media vehicle in all sized markets.

A major area of our focus is shopping on the way home from work, which could be dubbed shopping "prime time." Disciples of the popular "recency" philosophy of media planning, espoused by noted media researcher Erwin Ephron, will find benefit in utilizing out-of-home media such as outdoor and radio to impact these purchase decisions and shopping behaviors.

As with all Arbitron and Edison Media Research industry reports, copies of the study can be obtained free of charge at www.arbitron.com and www.edisonresearch.com. Also on the Arbitron Web site is the Arbitron *Commuter Study*, detailing market-by-market commuting profiles for Arbitron's 287 measured markets. Significant findings from this study follow along with detailed point-by-point findings and recommendations.

How the Study Was Conducted

From July 17 to August 10, 2003, telephone interviews were conducted with 1,505 respondents age 12 and over chosen at random from a national sample of Arbitron's Spring 2003 survey diarykeepers. In addition, U.S. census commuting data were studied for Arbitron's 287 measured markets. In-car radio listening from Arbitron's markets was also examined.

Significant findings

- **Americans report spending an average of 15 hours a week in-car, either as driver or passenger, and perceive traffic is getting worse**. Commute times, from the recent Census, have increased 14% from 1990 to 2000.

- **By illuminating outdoor advertisings all night long, advertisers can increase audience impact by 16%.** Nationally, overnight (11PM- 6AM) car audiences reach 36.2 million and increase advertising impressions by 16%.

- **Young men 18-34, elusive to TV advertisers, have huge exposure to outdoor media.** With TV viewing levels dropping among young men, outdoor and out-of-home can supplement the media plan. The average consumer spends 15 hours a week in car while men 18-34 spend an astonishing 20 hours per week in car; a 33% increase. Men 18-34 clock 39% more miles each week (425 miles) versus the national average (306 miles).

- **In-car audiences are a vital advertising consideration in all-sized U.S. media markets.** Contrary to the perception that only people in large cities spend significant amounts of time in-car, consumers in small and medium-sized markets also show long commute times and time spent in vehicles.

- **A significant amount of shopping occurs on the way home from work.** Consumers report these purchases are contemplated during the day and on the way home. As such, out-of-home media such as outdoor advertising and radio are vital to impact shopping and purchasing on the way home from work.

- **The more miles Americans travel in-car each week, the less time they spend with television.** Mega-Milers—those who travel (as a driver or passenger) more than 260 miles per week in-car—are upscale, educated and far more likely to be employed full-time than the average American.

- **Outdoor and radio advertising are very complementary.** Not only are Mega-Milers heavily exposed to outdoor advertising, they also spend more time with radio overall and in-car. Outdoor and radio are the two media with the highest exposure just prior to consumers' purchases.

- **Since 1999, radio listening has decreased both at home and at work, while the in-car location has seen an increase in listenership.** In-car radio listening now represents the number one location of listening for popular advertising demographics such as Persons 18-34 and 25-54.

- **Transit advertising and street furniture are noticed by a large number of Americans in the past week:** buses (61%), bus stops (57%), and taxis (45%). Awareness of taxi advertising is especially strong among those with high incomes ($50K+).

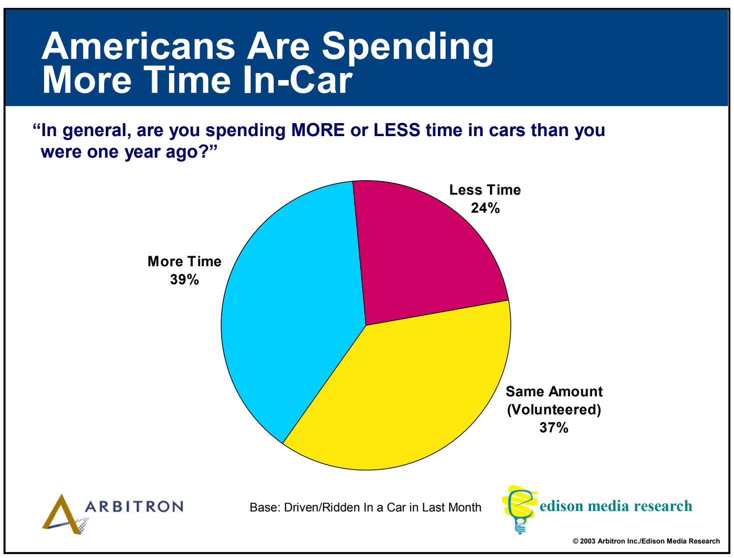
- **Outdoor advertising and radio commercials deliver immediate results for advertisers.** Twenty-nine percent say outdoor advertising caused them to visit a retail store within a week. Fifty-six percent say radio advertising caused them to visit a store in a week. The more time spent in car, the more likely that outdoor and radio advertising motivates consumers to visit a retail store.

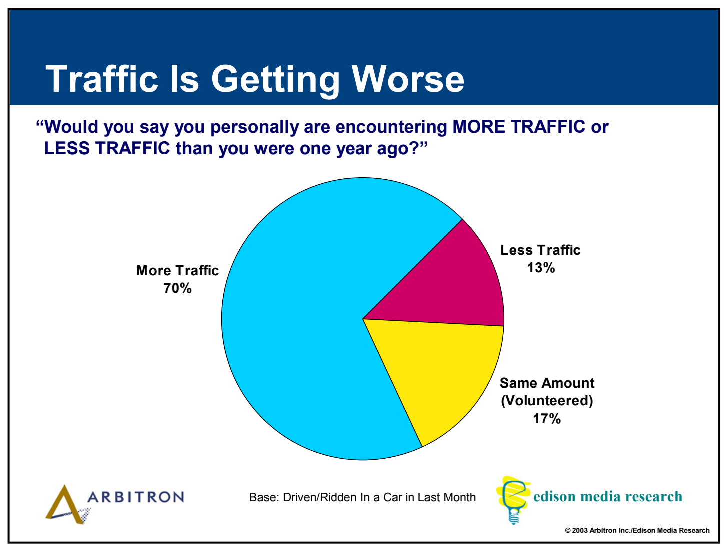
Key Findings

A. In-Car Trends

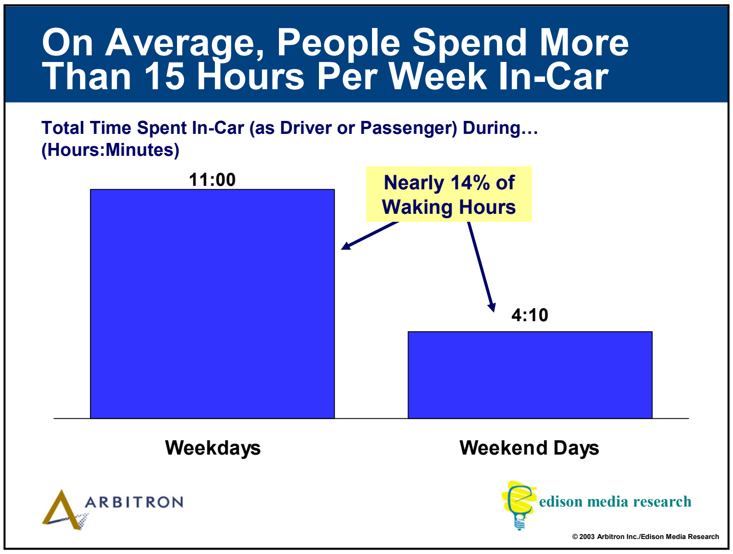
1. **Americans indicate they are spending more time in-car and believe they are encountering more traffic.** Thirty-nine percent of Americans say they are spending more time in-car versus one year ago, while 37% estimate they are spending about the same time. Less than one-quarter of Americans (24%) say they are spending less time in-car versus one year ago. A huge majority (70%) say traffic has gotten worse compared to a year ago. Only 13% say they are experiencing less traffic, while 17% say they are encountering the same amount.

According to the recently released Arbitron *Commuter Study*, average U.S. Census commute time has increased 14% from 1990 (45 minutes to 51 minutes round-trip). Every one of Arbitron's 287 markets has experienced an increase in time spent commuting. Not only has every market been affected, but the greatest percentage increase in time spent commuting is often found in the smaller and medium markets.

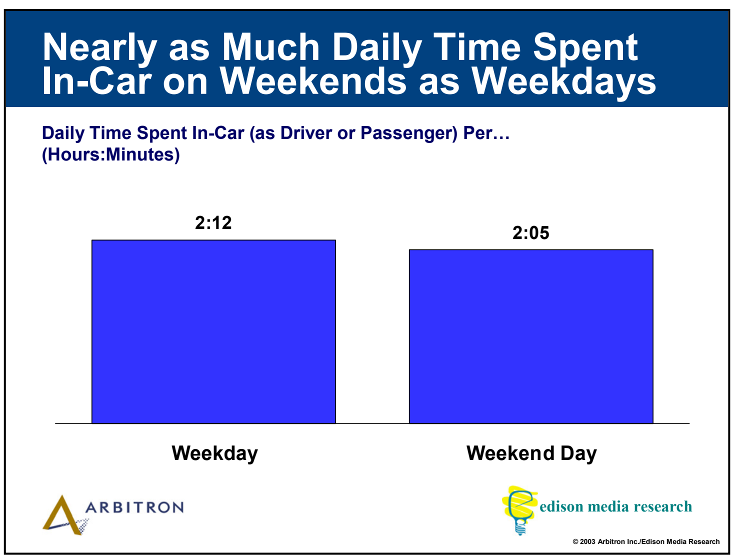




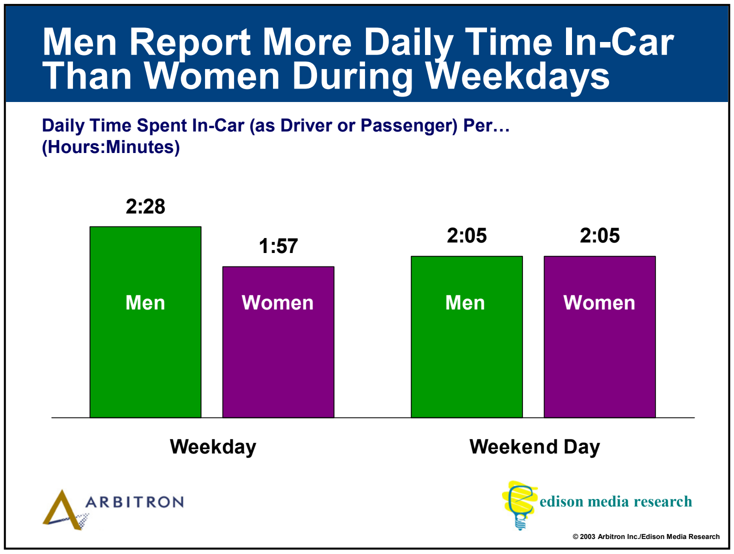
2. **An average of 15 hours per week is spent in-car, representing nearly 14% of waking hours.** During weekdays, Americans indicate they are spending 11 hours in-car and 4 hours 10 minutes in-car on the weekends.



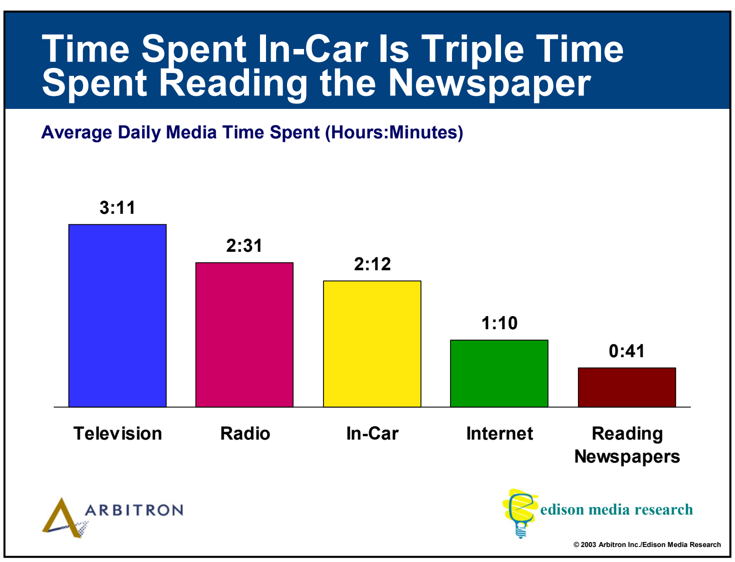
3. **Nearly as much time is spent in-car on weekend days as weekdays.** Daily time spent in-car is very similar during weekdays (2 hours 12 minutes) and weekends (2 hours 5 minutes). This is despite the fact that many Americans work and have an average round-trip work commute time of nearly one hour daily. It is clear that radio, outdoor and out-of-home advertising deliver consistent audiences seven days a week.



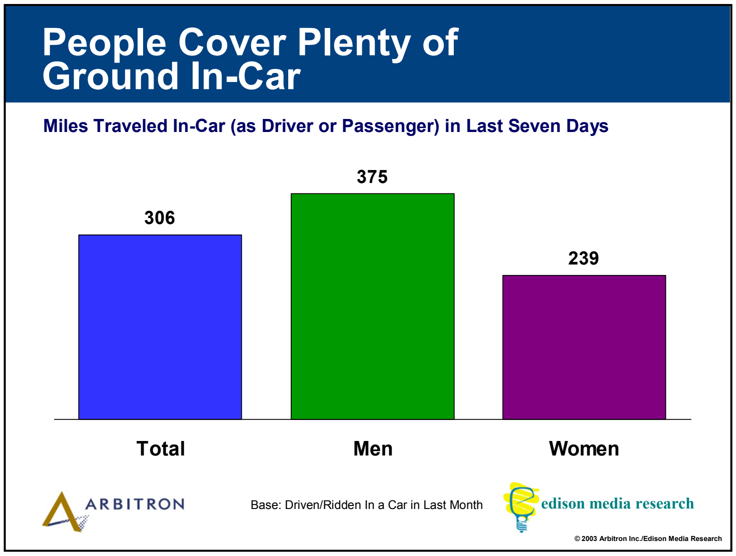
4. **During the week, men clock more time in-car than women, while both spend equal amounts of time in-car on the weekends.** In a typical weekday, American men report nearly 2 hours 28 minutes spent in-car versus 1 hour 57 minutes for women. On the weekends, both men and women report spending 2 hours 5 minutes per day in-car. Recently, media analysts have focused on the drop in TV viewing among men. These data suggest Television's "missing men" can be found via out of home media.



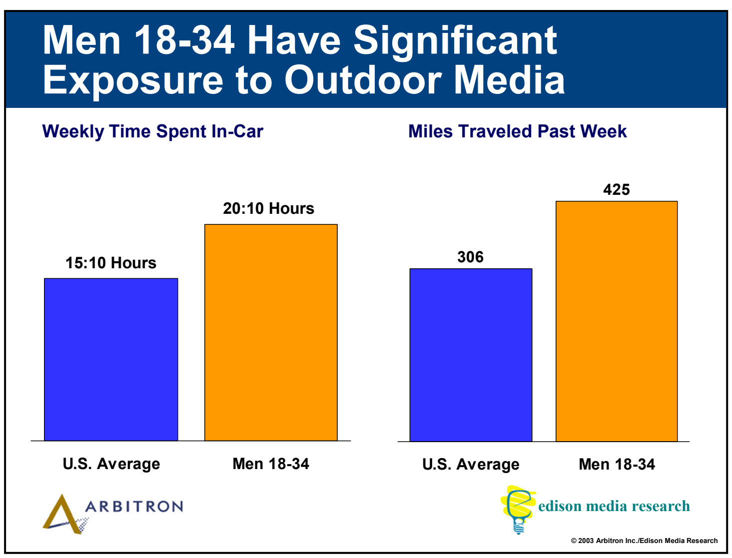
5. **Daily time spent in-car is triple the time spent reading the newspaper.** With an average weekday time spent in-car of 2 hours 12 minutes, Americans are spending almost three times as long in their cars as they do reading the newspaper (41 minutes per day). Only television has a greater average daily time spent at 3 hours 11 minutes. In a typical day, there is a strong opportunity to be exposed to radio and outdoor advertising.



6. **Consumers indicate they spend an average of 306 miles in-car in a typical week, with men outpacing women 375 weekly miles to 239 miles.** This finding is very consistent with Arbitron's 2001 *Outdoor Study,* which indicated that the average American clocked 302 miles as a passenger or driver in the previous week.



7. **Young men 18-34, harder to find via television, have huge exposure in-car.** Men 18-34 have significant exposure to out-of-home media. Young men 18-34 clock 33% more time in car and 39% more miles each week than the average. With TV viewing levels dropping among men 18-34, outdoor and out-of-home media can help supplement the media plan.



8. **"Mega-Milers" profile as more upscale, more male, highly educated and spend more time with radio.** One-third of Americans travel more than 260 miles per week in a vehicle. These Mega-Milers are upscale consumers who are heavily exposed to outdoor advertising and radio. As in *The Arbitron Outdoor Study* from 2001, the data show those traveling more miles per week are upscale, highly educated and more likely to have children. Mega-Milers spend less time with television and more time exposed to out-of-home, radio and outdoor media.

Who Is the Heavy In-Car Consumer?

Category	Index
$100K+ HH Income	142
In-Car Radio Listening (Quarter-Hours)	137
Male	131
Age 35-54	131
Four-Year Degree or Higher Education	112
TV Time Spent Viewing	92

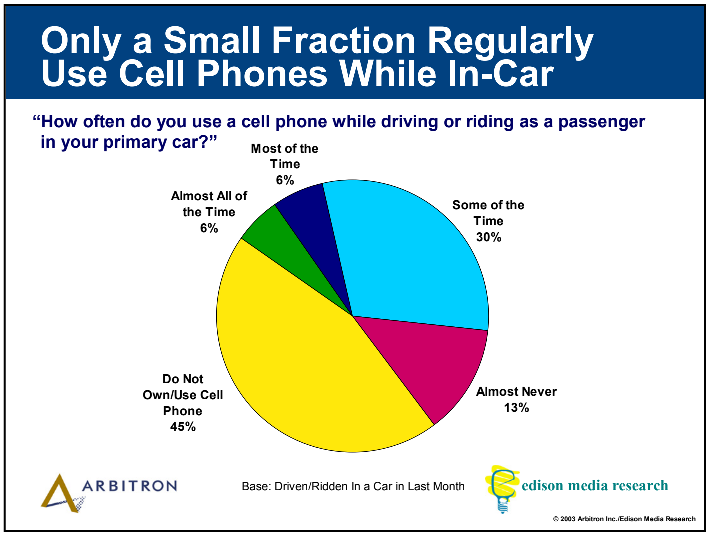
ARBITRON Base: Drive/Ride In-Car More than 260 Miles Per Week edison media research

9. **Time spent in-car, miles traveled per week and time spent listening to radio in-car differ little by size of county.** Marketers have classified U.S. counties in four categories ranging from counties in the largest Metro areas ("A") to the most rural counties ("D"). The lack of variation by county size is strong evidence that out-of-home advertising (including outdoor and radio) is crucial from the most metropolitan areas to the most rural. While miles per week sees some variation by county size, overall time spent per week in-car and in-car radio time spent are consistent in all sized counties.

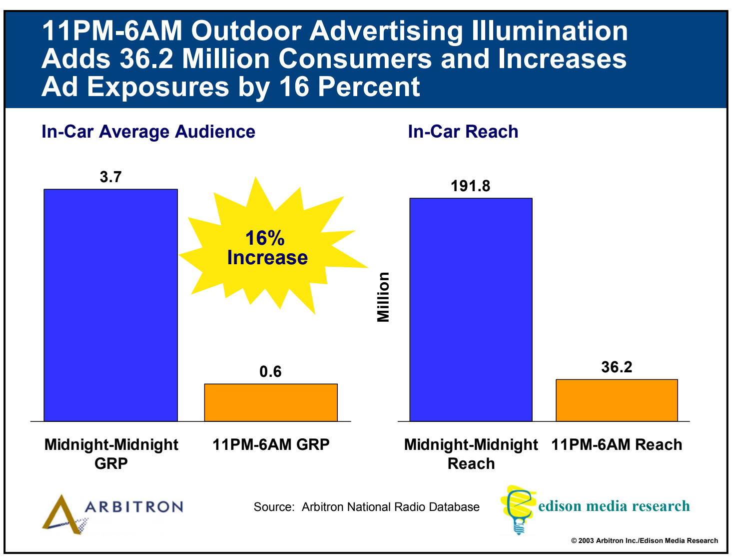
In-Car Audience Exposure by County Size

		Largest ------------------------- County Size ------------------------- Smallest			
	U.S. Average	A	B	C	D
Average Daily (Weekday) Time Spent In-Car	2:12	2:12	2:11	2:17	2:15
Miles Traveled Per Week	306 Miles	310 Miles	273 Miles	352 Miles	318 Miles
Weekly In-Car Radio Listening	7:00	6:45	7:30	7:15	6:45

10. Only a small fraction regularly use cell phones while in-car. Some have argued that the rise of cell phone use in-car impedes the effectiveness of outdoor and radio advertising. However, this study reveals few Americans are frequently using cell phones in-car.



11. Outdoor advertisers have the opportunity to grow reach and gross impressions by lighting their advertising all night long. Some outdoor advertising is illuminated at night from sunset to 11PM or midnight. An analysis of in-car radio listening indicates advertisers add both reach and exposure if billboards are illuminated all night long. Nationally, 36.2 million Americans are listening in-car 11PM through 6AM across the entire week. Overnight in-car audiences (11PM-6AM) increase advertising impressions by 16%.



B. In-Car Radio Listening

12. Defying the stereotype, radio time spent in-car is often stronger in America's medium and smaller markets than in its larger cities. Typically, large markets are assumed to have the highest time spent in-car and longest commutes. This study proves otherwise. As the chart below indicates, the markets with the highest in-car radio time spent listening defy the common assumption that the largest markets have the highest in-car listening. Many exurban markets, like Sussex, NJ, Fredericksburg, VA, and Manchester, NH, show especially high in-car radio listening.

Markets with Highest In-Car Radio Time Spent Listening

Market	In-Car Radio Time Spent Listening (Hours:Minutes per Week)
Sussex, NJ	9:15
Fredericksburg	9:15
Birmingham	8:45
Miami-Ft. Lauderdale-Hollywood	8:45
Atlanta	8:45
Frederick, MD	8:30
Worcester	8:30
Lakeland-Winter Haven	8:30
Houston-Galveston	8:30
Manchester	8:30
Florence, SC	8:30
Dallas-Ft. Worth	8:30
Columbia, SC	8:30
Panama City, FL	8:30
Orlando	8:15
Nashville	8:15
West Palm Beach-Boca Raton	8:15
Chattanooga	8:15
Newburgh-Middletown, NY (Mid Hudson Valley)	8:15
Baton Rouge	8:15
Abilene, TX	8:15
Portsmouth-Dover-Rochester	8:15
Jackson, MS	8:15
Riverside-San Bernardino	8:15
Monmouth-Ocean	8:15
Knoxville	8:15
Baltimore	8:15
Morristown, NJ	8:15
Monroe, LA	8:15
Charlotte-Gastonia-Rock Hill	8:15
Elizabeth City-Nags Head	8:15
Lafayette, LA	8:15
Augusta-Waterville, ME	8:15
Mobile	8:15
Ft. Pierce-Stuart-Vero Beach	8:15

Source: Arbitron Fall 2002 In-Car Listening for 287 measured markets.

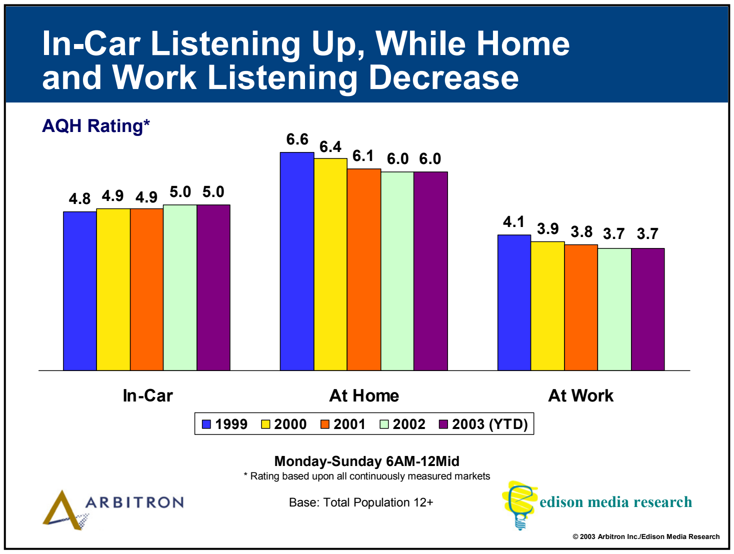
13. **The markets with the highest percentage of in-car radio listening also defy conventional wisdom**. When we rank markets based on the percent of in-car radio listening as a proportion of total radio listening, the markets ranking highest are surprising. A number of medium and smaller markets have the highest percentage of in-car listening. Los Angeles, commonly thought to be the market with the highest percentage of in-car radio listening, is far down the list of markets. In-car radio listening is crucial regardless of market size.

Markets with the Highest Percent of Total Radio Listening Occurring In-Car

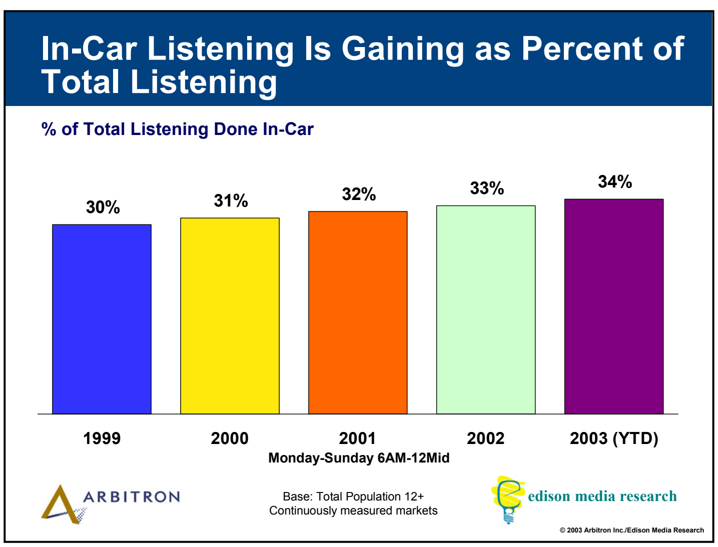
1.	Sussex, NJ	45%
2.	Fredericksburg	45%
3.	Frederick, MD	43%
4.	Nashville	42%
5.	Panama City, FL	42%
6.	Elizabeth City-Nags Head	42%
7.	Albany, GA	42%
8.	Danbury, CT	42%
9.	Ft. Smith, AR	41%
10.	Jackson, TN	41%
11.	Raleigh-Durham	41%
12.	Florence, SC	41%
13.	Lawton, OK	41%
14.	Morristown, NJ	41%
15.	Fayetteville (North West Arkansas)	40%
16.	Chattanooga	40%
17.	Lakeland-Winter Haven	40%
18.	Augusta-Waterville, ME	40%
19.	Tallahassee	40%
20.	Greenville-Spartanburg, SC	40%
21.	Abilene, TX	40%
22.	Macon	40%
23.	Portsmouth-Dover-Rochester	40%
24.	Austin	40%
25.	Columbia, SC	40%
26.	Ft. Walton Beach, FL	40%
27.	Bangor	40%
28.	Fayetteville, NC	40%
251.	Los Angeles	30%

Source: Arbitron Fall 2002

14. **In-car radio listening levels are up, while work and home levels erode.** Radio listening levels at work and at home have dropped slowly over the past few years, perhaps due to the emergence of new media and entertainment options such as the Internet and video games. In terms of an average quarter-hour rating, in-car radio listening levels are up from 4.8% in 1998 to 5% in 2003.



15. **Over the last five years, in-car listening, as a proportion of total radio listening, has increased.** When Arbitron and Edison Media Research conducted *The At-Work Study* in 1997, at-work radio listening had seen strong growth throughout the 1990s. Since then, however, in-car listening has steadily gained ground as a proportion of total time spent listening to radio, increasing from 30% in 1998 to 34% in Spring 2003.



16. **Five years ago, radio listening for Persons 18-34 and 25-54 was equally distributed by home, car and work locations; now in-car listening has edged ahead.** In 1998, at-work listening among Persons 18-34 edged out car and home as the number one location of radio listening. Today, in-car listening has emerged as the number one radio listening location among 18- to 34-year-olds. Five years ago, listening among Persons 25-54 was equally distributed among the three locations. Today, in-car has increased to the number one location for radio among 25- to 54-year-olds.

Percent of Average Quarter-Hour Location of Listening, Persons 18-34

Continuously Measured Markets		
	Fall 1998	**Spring 2003**
Car	32%	34%
Home	32%	31%
Work	34%	31%

Percent of Average Quarter-Hour Location of Listening, Persons 25-54

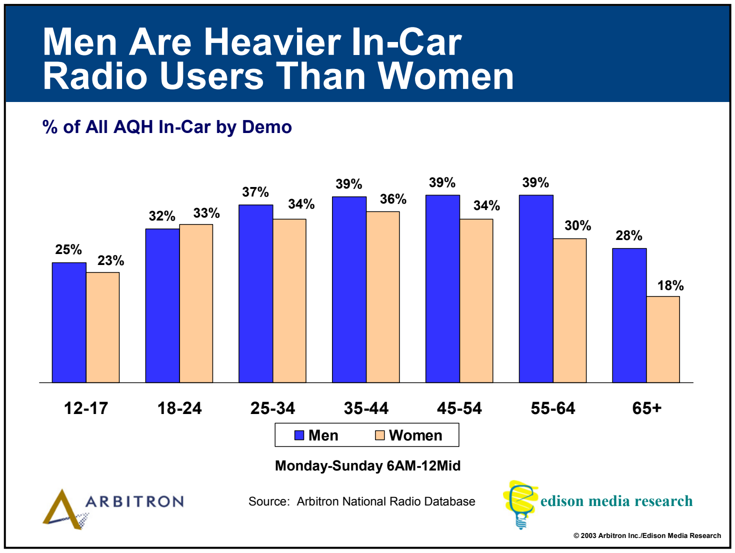
Continuously Measured Markets		
	Fall 1998	**Spring 2003**
Car	34%	37%
Home	32%	31%
Work	33%	31%

17. **Men tend to generate a higher proportion of their radio listening in-car (36%) compared to women (31%).** When we examine all listening for those age 12 and older, at-home (40%) still represents the strongest location of listening, followed by in-car (34%) and at-work (24%). However, when we take out the very young and the very old, who tend to not commute, the proportion of radio listening in-car is even higher.

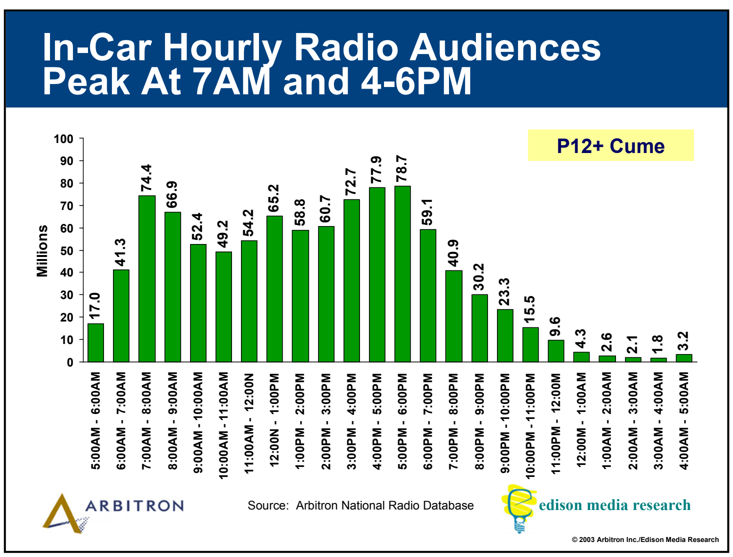
Composition of Radio Listening by Location

Spring 2003 Continuously Measured Markets			
	Persons 12+	Men 18+	Women 18+
Car	34%	36%	31%
Home	40%	33%	44%
Work	24%	29%	23%

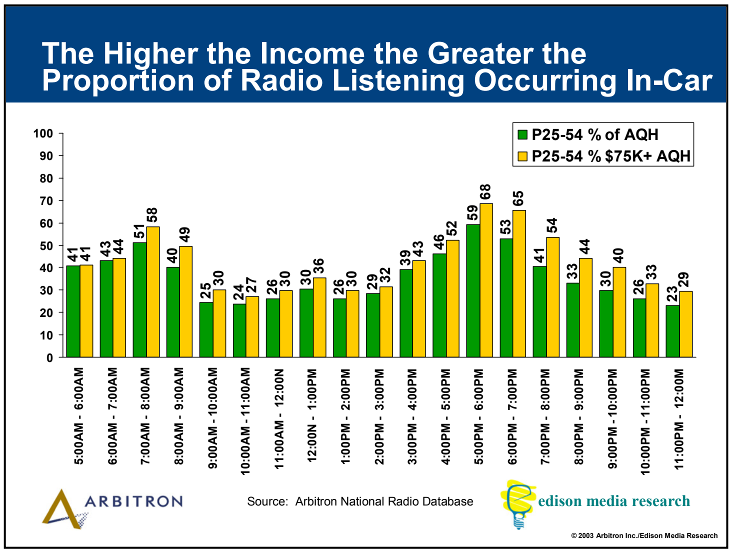
18. **Men and listeners aged 25-64 have the highest in-car audience composition.** Beginning at the age of 25, in-car listenership for each age demographic is several points higher for men versus women. Among women, the highest proportion of in-car listening is for those aged 18-54. For men, in-car listening is highest among those 25-64.



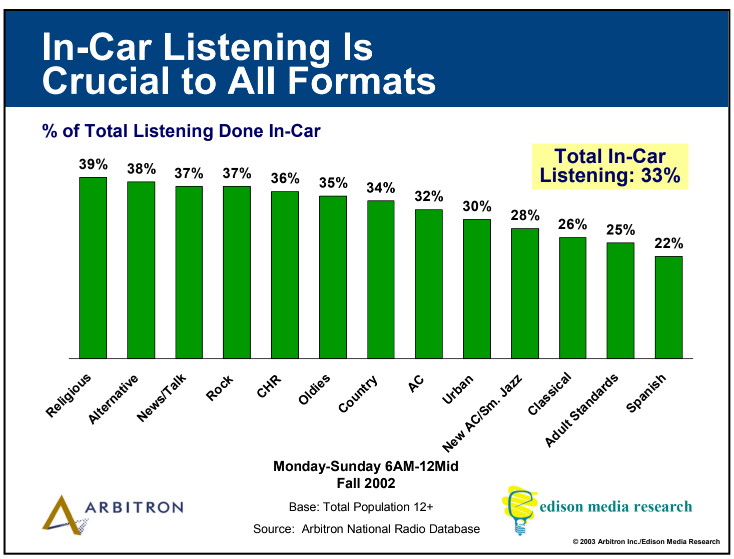
19. **In-car hourly radio audiences peak at 7AM and 4-6PM, yet audience levels are strong all day long.** At 7AM radio's national cumulative audience is 74.4 million. In-car cumulative hourly audiences are fairly consistent across the day, averaging about 58 million persons. In-car audiences peak again at 4-6PM, with nearly 80 million hourly listeners.



20. The higher the income the greater the proportion of radio listening occurring in-car. Among Adults 25-54, the amount of radio listening occurring in-car is about 10-20% higher among households with an income over $75K.

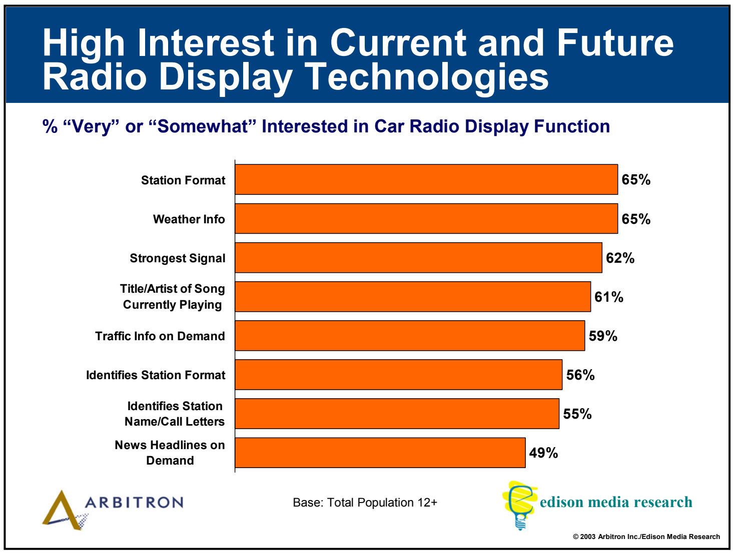


21. Radio formats with the highest composition of in-car listening are Religious, Alternative Rock, News/Talk, Rock and Contemporary Hit Radio. Formats with lower composition of in-car listening tend to be geared toward ethnic groups or older demographics.



C. Interest in Radio Display Technologies

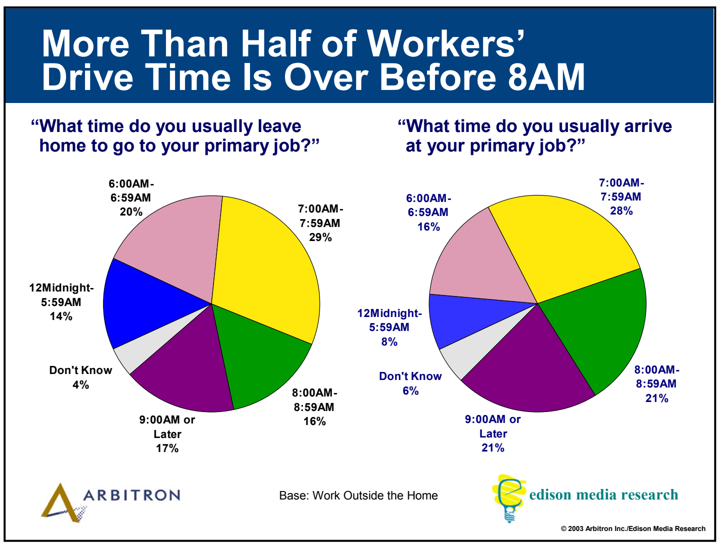
22. There is a high interest in current and future radio display technologies. Between one-half and two-thirds of Americans say they are "very" or "somewhat" interested in enhanced car radio displays, such as those displaying radio station format; weather and traffic information; signal strength; and the title and artist of songs being played. Much of this functionality is available to consumers on new "HD Radio" sets offered by traditional AM/FM stations using the Ibiquity technology or via satellite radio such as XM and Sirius.

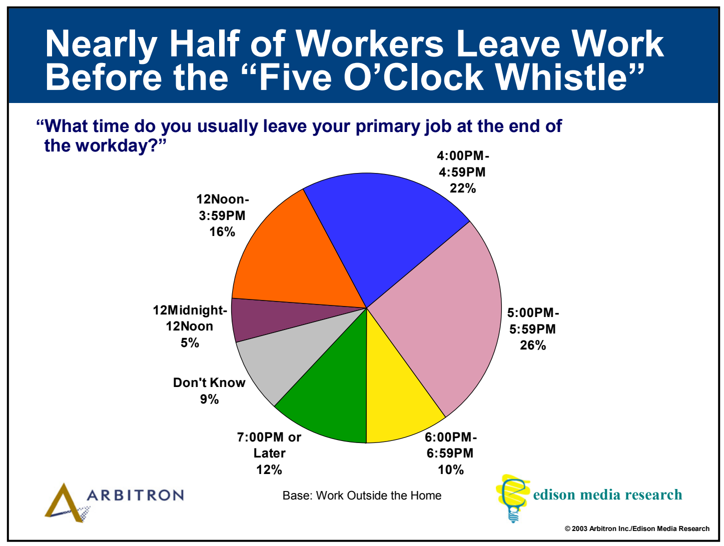


D. Commuting

23. More than half of workers' drive time is over by 8AM, and half leave work before 5PM. The classic perception is that drive times are highest in the 8AM - 9AM hour. However, this study and U.S. Census data indicate more than one-third of workers leave home before 7AM. For half of America's commuters, the drive time is essentially over before 8AM. In addition, 43% leave their jobs before 5PM.

To look up the commute patterns for any of Arbitron's 287 markets, please visit the Arbitron Web site (www.arbitron.com) and look for the Arbitron Commuter Study. A useful Web application will generate an easy-to-read, one-page Time Spent Commuting profile for each of Arbitron's measured markets. A new study, *"The Arbitron Commuter Study: The Road to Reaching America's Increasingly Mobile Consumers,"* can be downloaded at www.arbitron.com.





24. The Census indicates the average national round-trip work commute time has increased nearly 14% over the past decade. In 1990, American consumers spent a round trip average of 45 minutes traveling to and from work, compared to 51 minutes in 2000.

25. Markets with the longest commutes consist of a variety of small, medium and large markets. Arbitron analysis of Census 2000 reveals residents of Sussex, NJ, have the longest commute in the U.S., with full-time employees averaging 1 hour 16 minutes round-trip. Residents of Fredericksburg, VA, come in a close second, spending 1 hour 12 minutes per day traveling to and from work. It is interesting to note that the markets with the longest commute times (Sussex and Fredericksburg) are also highest in radio in-car listening. New Yorkers, who are commonly thought to have the nation's longest commute, take third place, averaging 1 hour 10 minutes round-trip. About half of the Top 40 "Longest-Commute" markets can be found in the Northeast Corridor.

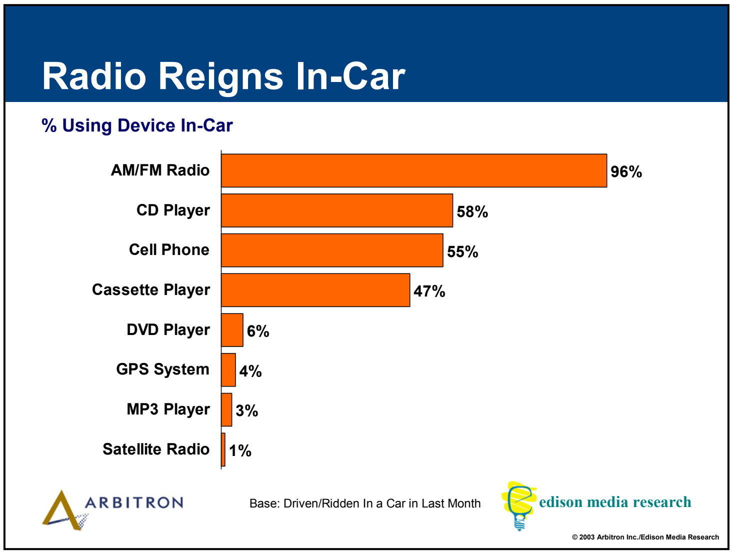
Worst-Commute Markets

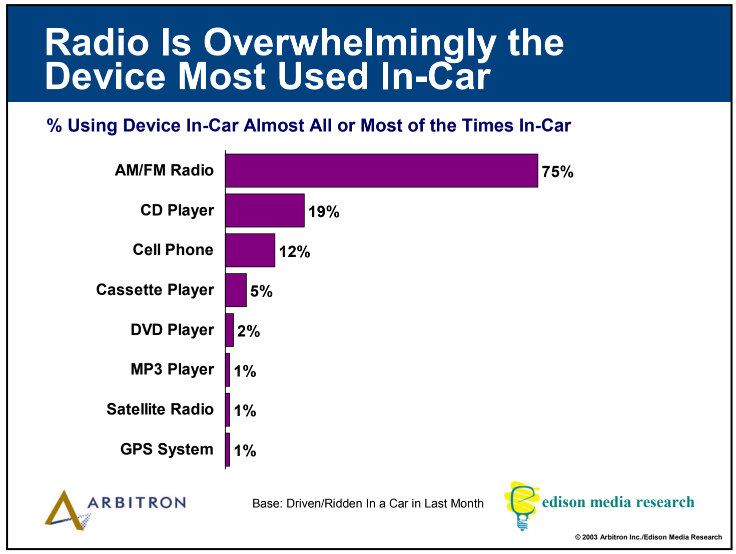
Market	Daily Time Spent Commuting Round-Trip (In Minutes)
Sussex, NJ	76
Fredericksburg	72
New York	70
Monmouth-Ocean	68
Nassau-Suffolk (Long Island)	66
Newburgh-Middletown, NY (Mid-Hudson Valley)	66
Washington, DC	66
Westchester	66
Frederick, MD	64
Riverside-San Bernardino	64
Victor Valley, CA	64
Atlanta	62
Chicago	62
Baltimore	60
Danbury, CT	60
Middlesex-Somerset-Union	60
Poughkeepsie, NY	60
Houston-Galveston	58
Los Angeles	58
Miami-Ft. Lauderdale-Hollywood	58
Morristown, NJ	58
Philadelphia	58
Puerto Rico	58
San Francisco	58
Stamford-Norwalk, CT	58
Stockton	58
Winchester, VA	58
Boston	56
Seattle-Tacoma	56
Birmingham	54
Dallas-Ft. Worth	54
Detroit	54
Honolulu	54
Jacksonville	54
Merced, CA	54
Modesto	54
New Orleans	54
Orlando	54
Portsmouth-Dover-Rochester	54

Source: Arbitron analysis of Census 2000

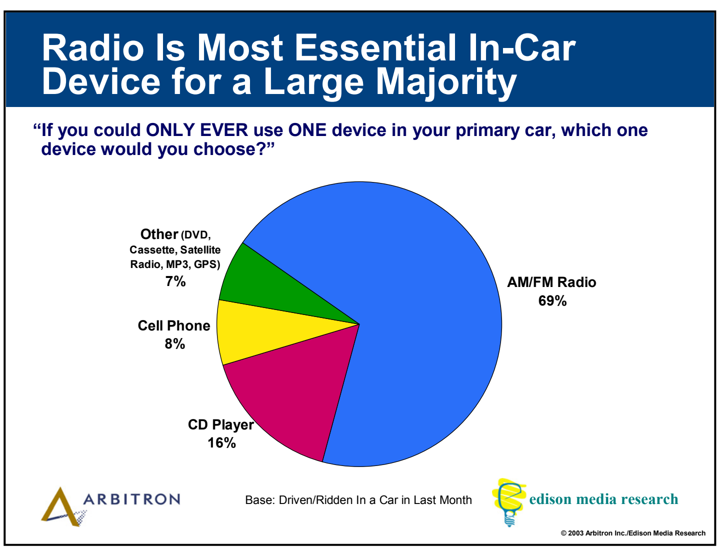
E. Radio Usage In-Car

26. Virtually all Americans use radio in the car, and three-quarters indicate radio is the device they use most. Ninety-six percent of those who have driven or ridden in a car in the past month say they use the radio. Nearly six in 10 report they use a CD player (58%) or cell phone (55%), and approximately half (47%) say they use a cassette player. After this tier, the usage of other types of digital devices falls off dramatically. When asked which one device they use most in-car, the vast majority say they use AM/FM radio (75%), followed distantly by CD player (19%) and cell phone (12%).



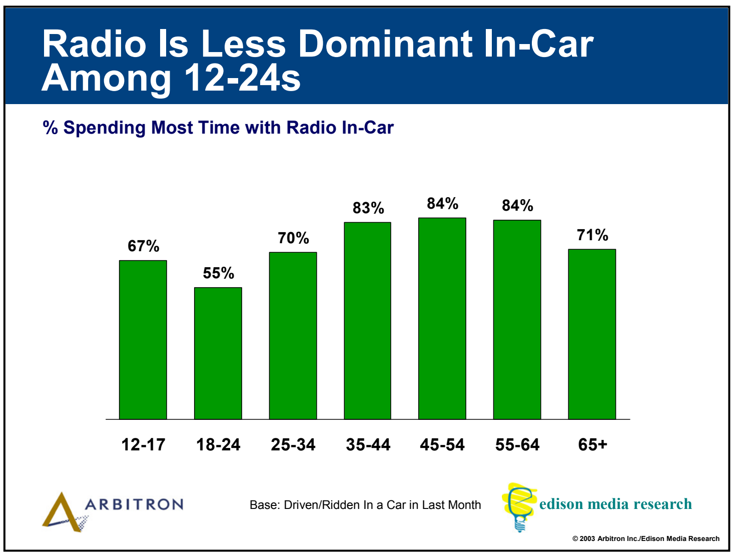


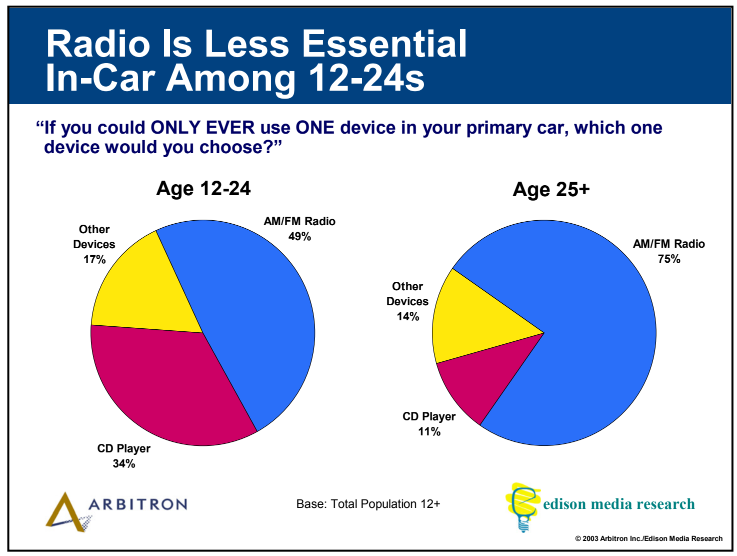
27. Given the choice of using only one device in-car, approximately seven in 10 Americans would select the AM/FM radio. Forced to choose only one device, 16% would choose the CD player, followed by 8% for the cell phone and 7% for all other devices (combined total).



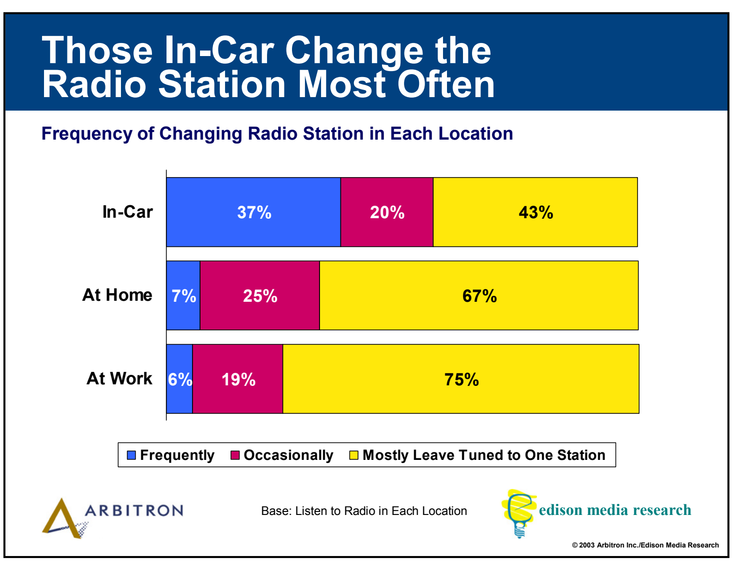
28. Radio is less dominant among 12- to 24-year-olds, who show strong preference for CD players. While more than 80% of 35- to 64-year-olds indicate they spend most of their time in-car with radio, this number drops among teenagers (67%), Persons 18-24 (55%) and Persons 25-34 (70%). Just over one-third of Persons 12-24 indicate they spend most of their time with CD players.

Prior studies conducted by Edison Media Research indicate that Persons 12-24 do not believe that traditional AM/FM radio is satisfying all of their music needs. The majority of Americans age 25 and over (75%) say they would pick radio as the one device if they could only choose one. However, less than half of those 12-24 (49%) would choose the AM/FM radio if they could only have one device in the car. One-third of those 12-24 would select the CD player.



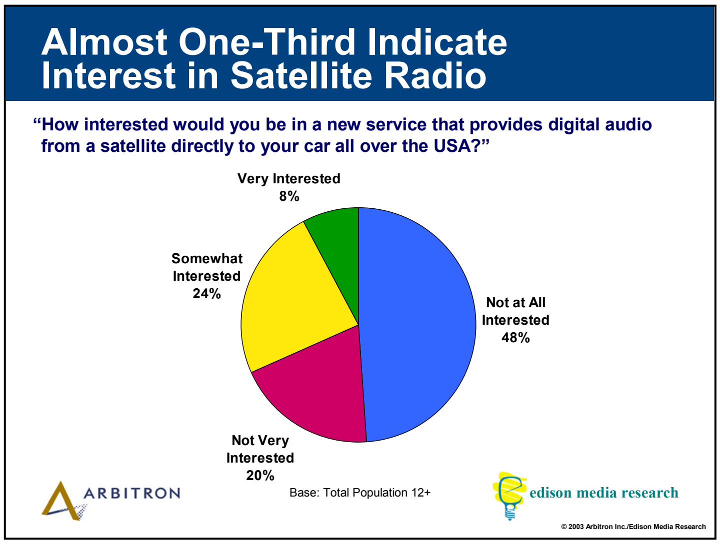


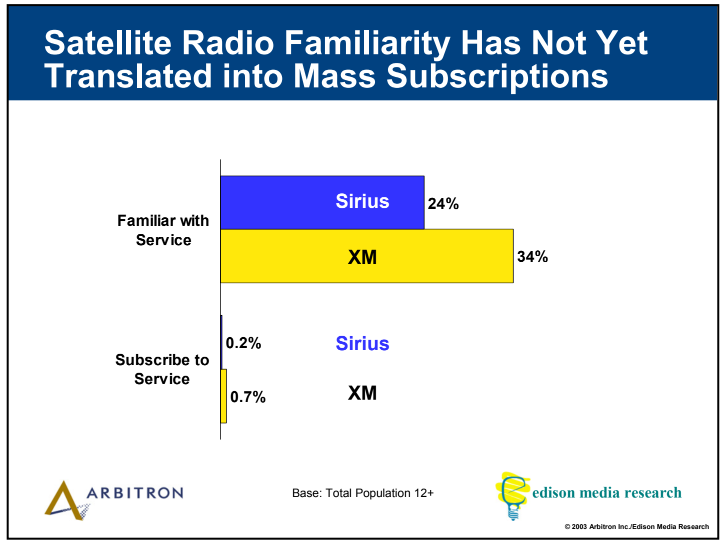
29. While people change stations more often in-car than at home or work, 43% still indicate that while in-car, they mostly leave the radio tuned to one station. Radio is truly an accompaniment medium at home and at work. In other words, the radio provides the "soundtrack" to people's home and work activities. Most Americans listening to radio at work or at home indicate they leave their radios mostly tuned to one station. In-car, 43% say they leave the radio tuned to one station, while 37% say they frequently change stations.



F. Satellite Radio

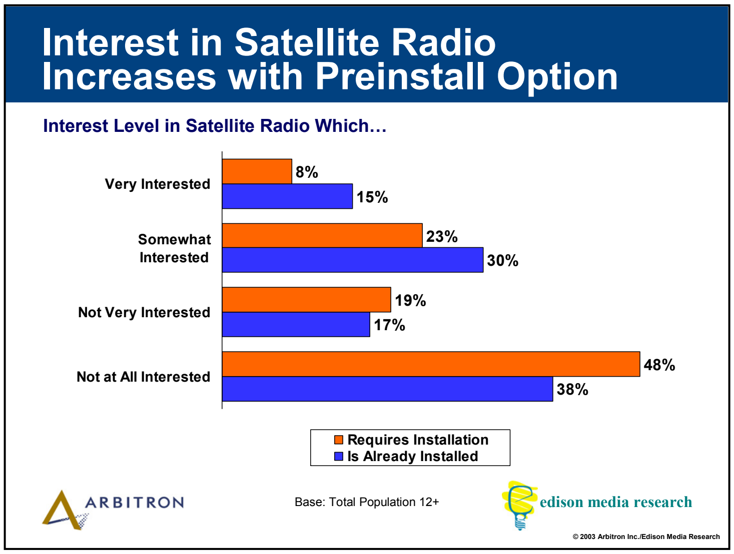
30. Overall, 8% of Americans say they are "very interested" in the concept of satellite radio. Over the last several years, our studies have depicted that a consistent 8% of Americans, or about 19 million consumers, indicate high interest in the concept of satellite radio. At the same time, awareness of the two satellite providers, XM and Sirius, has grown. Currently, XM has an aided awareness of 34% to Sirius' 24%. Early in its growth curve, satellite radio awareness has not necessarily translated into mass subscription, as only approximately 1% of Americans indicate they subscribe to either service. However, as availability of the service in new cars grows, subscription rates could accelerate.

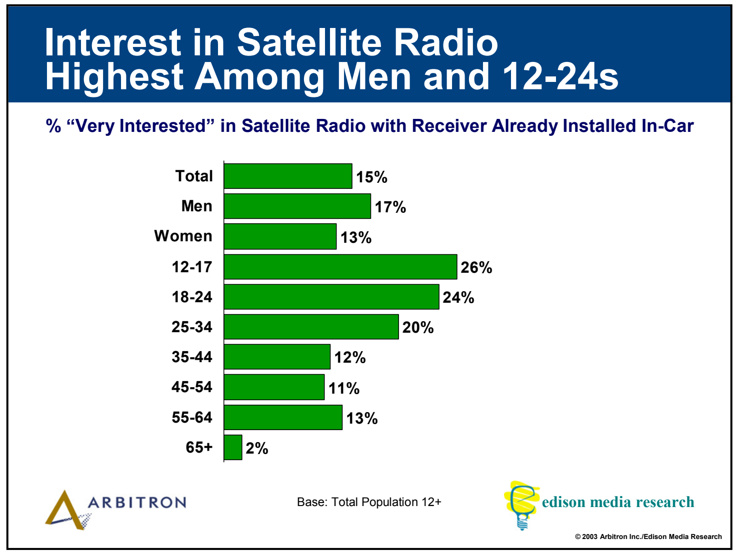


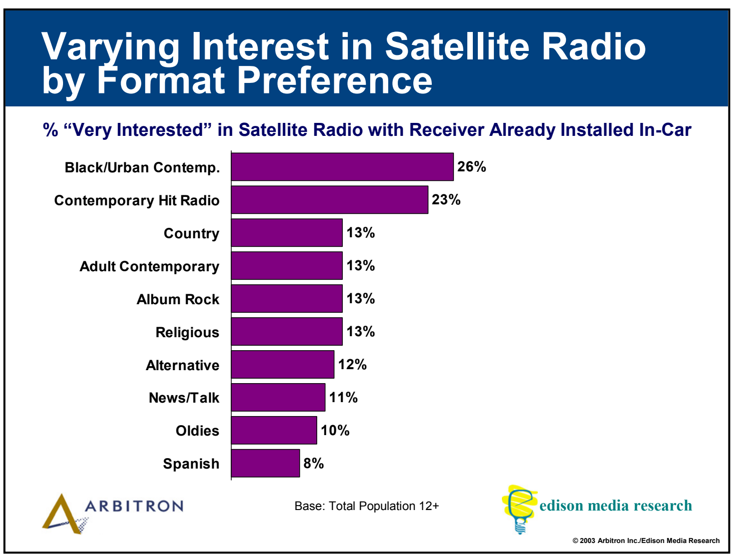


31. Those "very interested" in satellite radio skew younger, male and are more likely to be African-American. Of the American consumers who say they are "very interested" in satellite radio, nearly two-thirds are men (64%). One-third are 12-17, with the rest evenly spread out among other age groups: 18-24 (14%), 25-34 (15%), 35-44 (16%) and 45-54 (14%). While African-Americans represent 9% of the 12+ U.S. population overall, 17% of those saying they are "very interested" in satellite radio are African-American.

32. More express interest in satellite radio when it is already installed in a vehicle. Nearly twice as many Americans (15%) say they are “very interested” in satellite radio that is already installed in the vehicle versus those who say they are “very interested” in a device requiring installation (8%). Interest in satellite radio is highest among men and 12- to 24-year-olds. Among partisans of radio formats, it is the listeners to Black/Urban Contemporary (26%) and Top 40/Contemporary Hit Radio (23%) who show the highest degree of interest in satellite radio with a receiver already installed in the car.

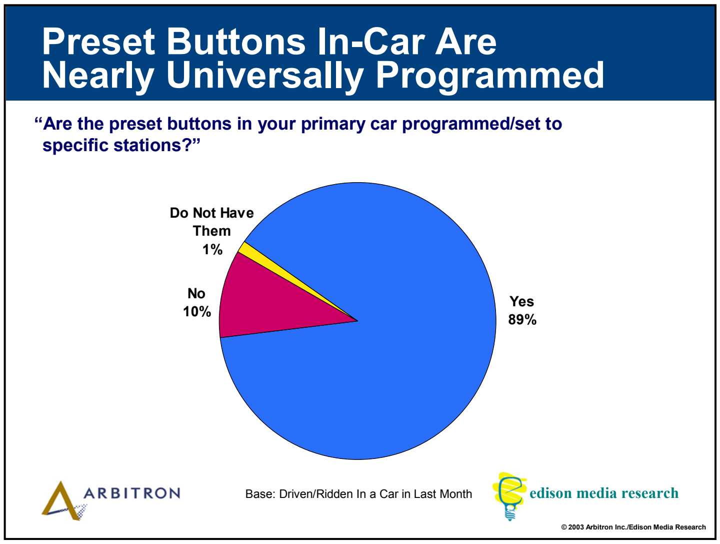


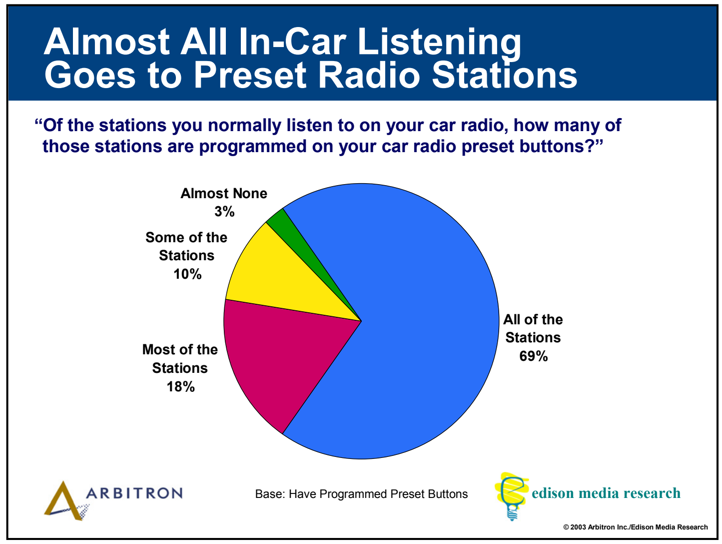




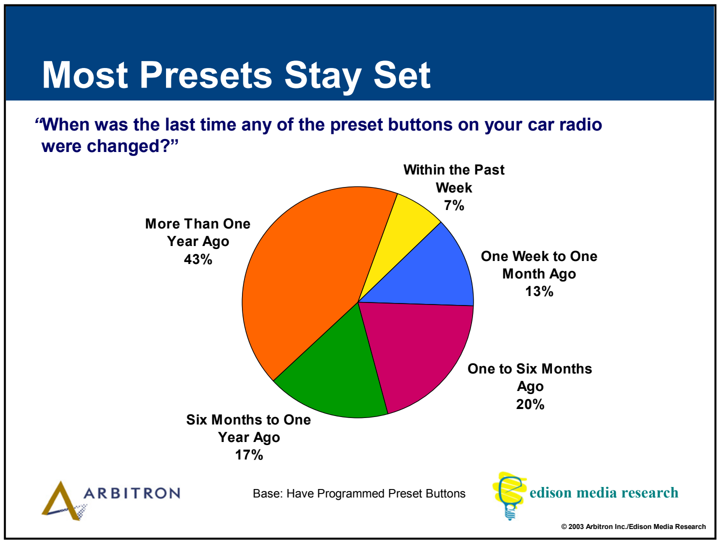
G. Radio Preset Buttons

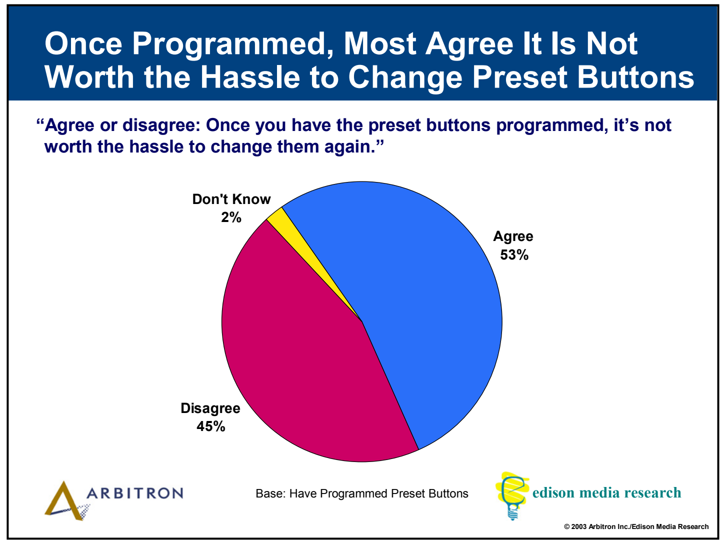
33. Most Americans say their car radio presets are utilized, and most listening goes to these stations. Nine in 10 Americans say the radio preset buttons in their primary car are programmed. Of this group, nearly nine in 10 (87%) indicate that all or most of the stations they normally listen to are programmed on the car radio presets. Virtually every person (98%) says the one station they listen to the most (known as "First Preference," or "P1," listeners by radio programmers) is programmed as a preset station. Thus, to get listenership in-car, a radio station must be one of a consumer's car radio presets.





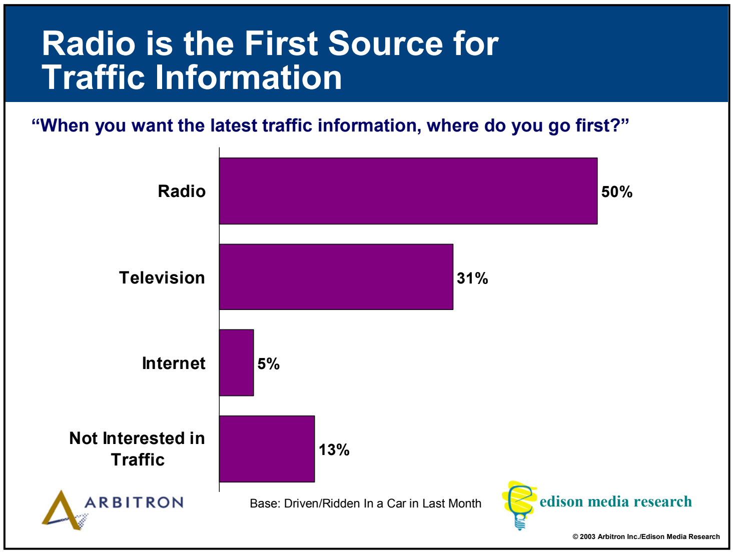
34. Once set, most presets stay set, and many agree it's not worth the hassle to change them. Consumers are equally split on the degree of difficulty and bother in changing preset buttons. Fifty-three percent agree with the statement that "once you have the preset buttons programmed, it's not worth the hassle to change them again." Most of the radio stations on Americans' car radios have been preset for some time: 43% say it was more than one year ago the last time any of the preset buttons on their car radio were changed. Only 20% indicate that their presets were changed within the past month. A radio station with a new format or sound might have to wait years to become an in-car radio preset.

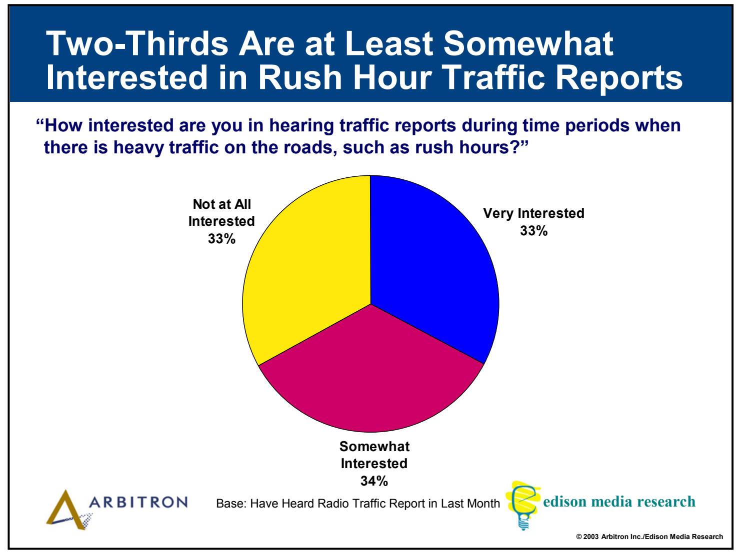


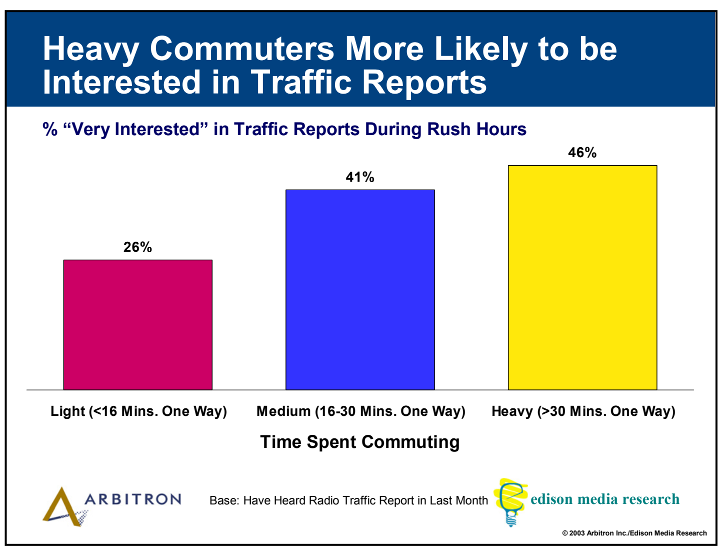


H. Traffic Reports

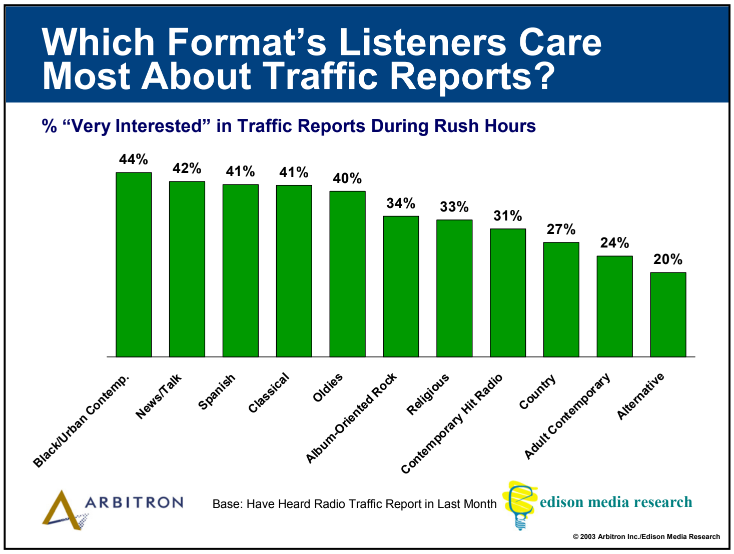
35. When consumers want the latest traffic information, 50% go first to radio, followed by television (31%) and the Internet (5%). Three-quarters of Americans indicate they have heard a traffic report on the radio in the last month. Of those, two-thirds say they are "very" or "somewhat" interested in hearing traffic reports during times when there is heavy traffic on the road such as during rush hours. Not surprisingly, the longer the commute, the greater the degree of interest in rush hour traffic reports.



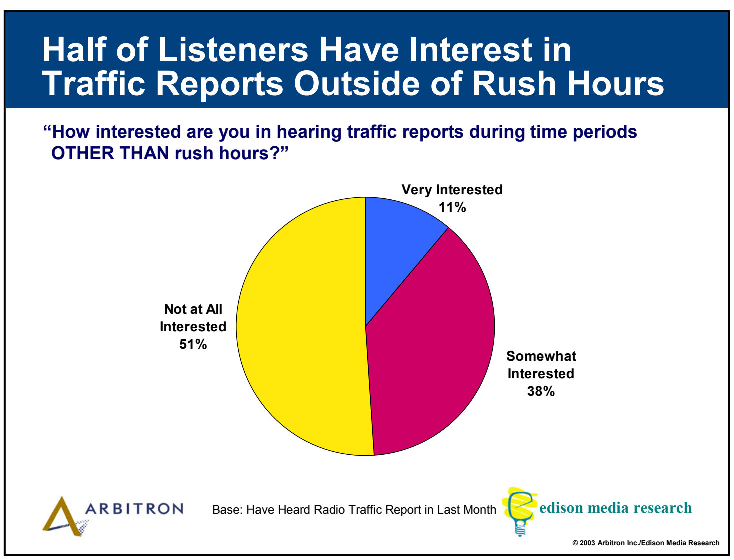




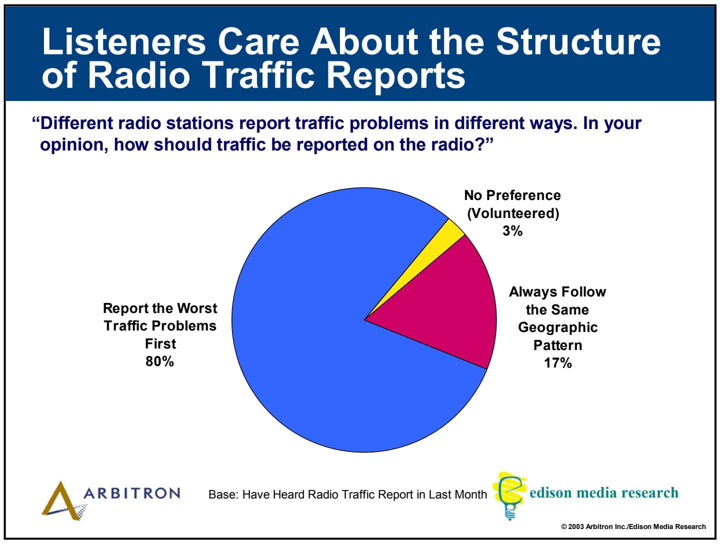
36. Format partisans of Black/Urban Contemporary, News/Talk, Spanish, Classical and Oldies show the strongest degree of interest in rush hour traffic reports. Black/Urban Contemporary format partisans show the highest interest in traffic reports (44%), followed by four out of 10 listeners to News/Talk, Spanish, Classical and Oldies. Approximately one-third of listeners to Contemporary Hit Radio/Top 40, Religious and Album Rock say they are "very interested" in traffic reports. About one-quarter of format partisans who listen to most Alternative Rock, Adult Contemporary and Country say they are "very interested" in traffic reports.

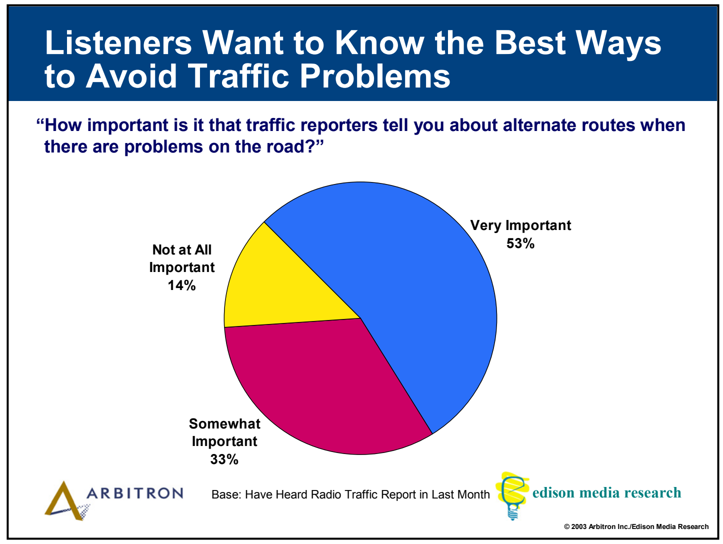


37. Half say they are interested in traffic reports outside of rush hours. Analysis of Arbitron in-car listenership and data from the study reveals Americans are on the road virtually every hour of the day. It is not surprising that about half indicate interest in hearing traffic reports around the clock, not just during rush hours.



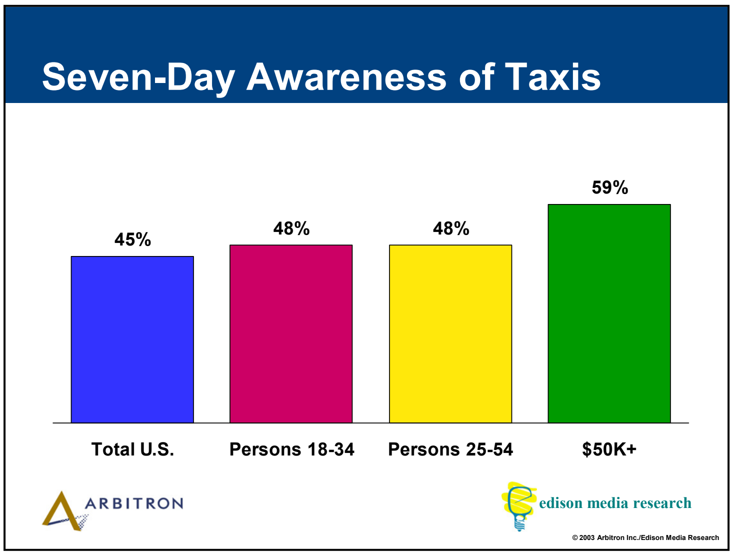
38. Listeners prefer to hear the worst traffic problems first and want to hear suggested alternate routes. Eighty percent of those who have heard a radio traffic report in the last month want to hear about the worst traffic problems first in the traffic report. A large majority want the traffic report to include suggestions for alternate routes to avoid traffic problems.

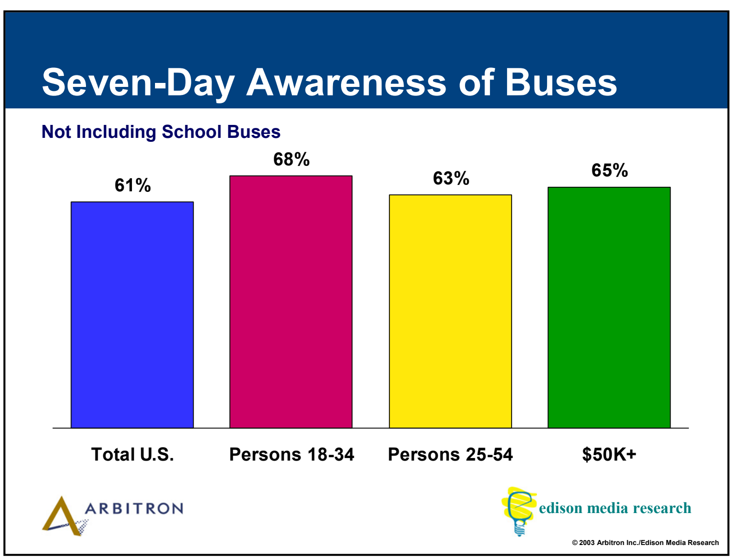


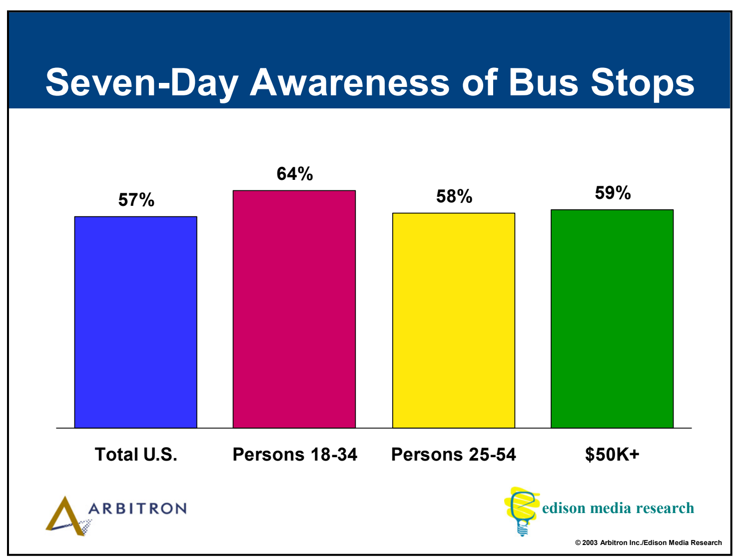


I. Street Furniture and Transit Advertising

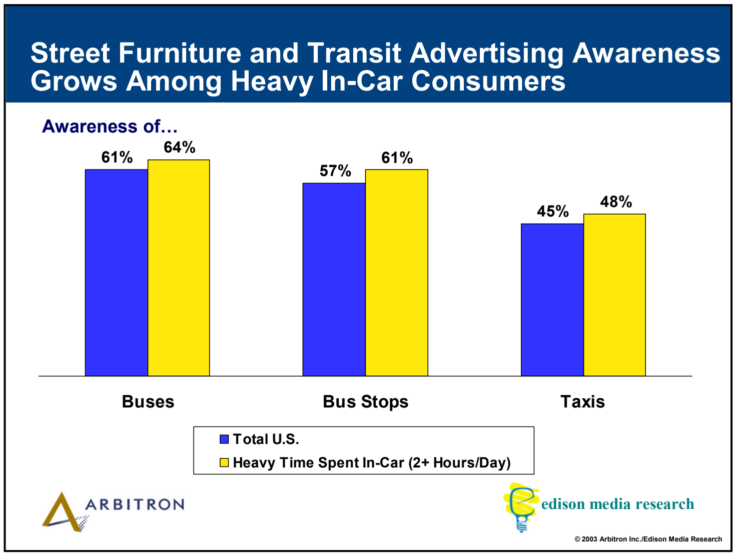
39. Transit advertising and street furniture, growing segments of outdoor advertising, are noticed by a large number of Americans in the past week: buses (61%), bus stops (57%) and taxis (45%). Seven-day awareness for these transit ads and street furniture grows among popular advertising demographics such as Persons 18-34 and 25-54, and among those from households with incomes over $50,000. Awareness of taxis, buses and bus stops is especially high among $50,000+ high-income households.







40. The heaviest in-car travelers are more likely to notice street furniture and transit outdoor advertising. The more time spent in-car, the more likely consumers are to notice street furniture (outdoor advertising structures such as bus stops) and transit advertising (buses and taxis). Thus, those who have the greatest opportunity to see billboards and posters on vehicular routes indicate higher seven-day recall of buses, bus stops and taxis.



41. Buses, bus stops and taxis have strong seven-day recall in all but the most rural counties. America's counties are categorized into four groupings, with the largest and most urban counties labeled as "A" to the most rural, called "D." The chart below depicts seven-day reach for three media types. Street furniture and transit advertising show high recall on all but America's most rural "D" counties.

Seven-Day Recall

	Largest -------------------------- County Size -------------------------- Smallest			
	A	B	C	D
Bus	72%	68%	52%	30%
Bus Stop	67%	63%	46%	25%
Taxi	54%	43%	46%	26%

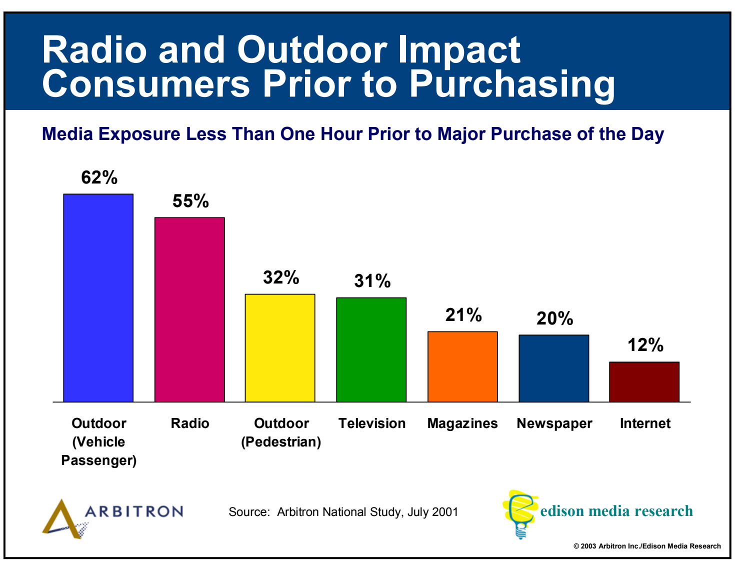
J. Shopping and Buying Decisions

42. Reaching America's consumers in-car as they contemplate and make purchases unleashes the power of recency media planning. Noted media researcher Erwin Ephron has popularized the concept of recency media planning. According to Ephron, recency "*is the idea that the advertising media 'sell' those consumers that are ready to buy the product. It is as if there is a window of opportunity for the ad messages preceding each purchase. Advertising's job is to influence the purchase; media's job is to put that message in that window*."

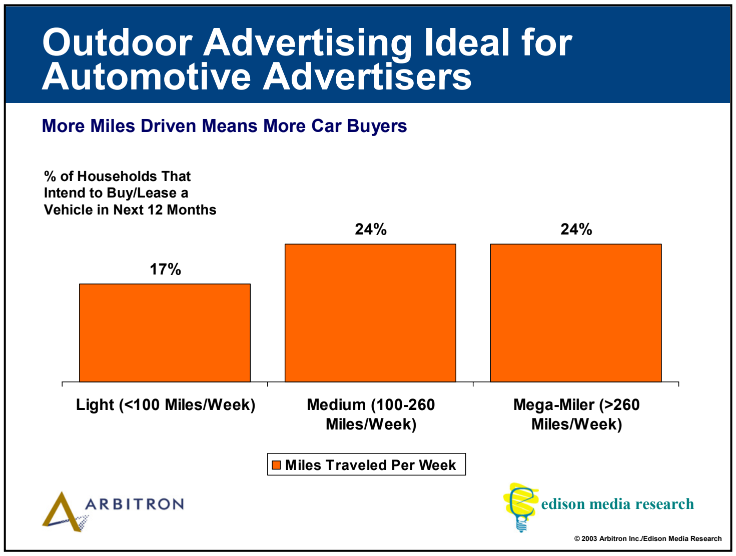
Ephron indicates that the three dimensions of recency media planning are "*receptivity" (advertising is most effective when a person is in the market to buy a product) and "propinquity*" *(advertising messages have their greatest effect when they are received close to the purchase)*. The third element in recency is "continuity," since these are people in the market constantly. *"This works well for outdoor which has a continuing presence via the 30-day showing."* Throughout this research, we see a very strong connection between purchase consideration, actual purchases and the time consumers spend in a vehicle.

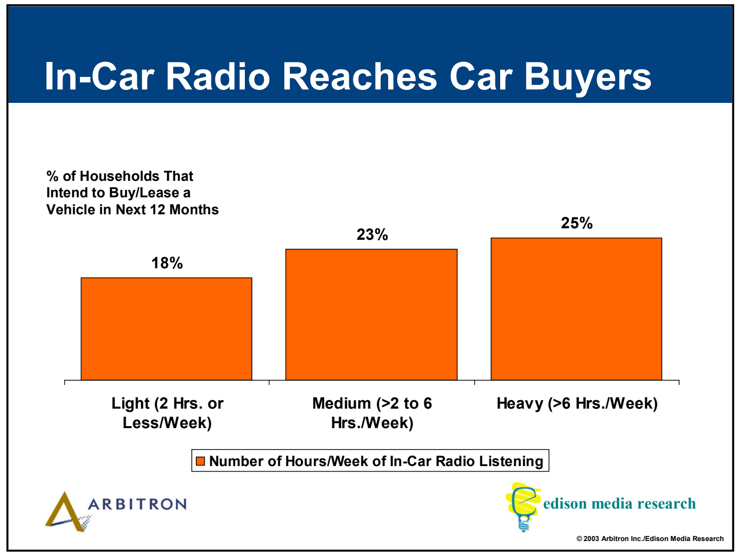
The recency concept can be applied both to media selection and the scheduling of advertising. The advertising and media industries might debate the concentration and method of scheduling advertising messages. However, as Americans spend more time away from home, it becomes important to utilize media that can put the advertising messages in the "*window of opportunity preceding each purchase*."

43. Outdoor and radio are the two media that consumers are exposed to just prior to their purchases. When we examine the major purchase of the day, it is not surprising to find that most consumers were in-car being exposed to outdoor advertising and radio in the hour prior to their major purchases. It is clear that out-of-home media such as radio and outdoor get the "last word in" prior to consumer purchases.



44. Outdoor and radio are well positioned for automotive advertisers. Overall, 22% of Americans say they or someone in their household intends to buy or lease a car in the coming year. A higher proportion (24%) of Mega-Milers (Americans who clock more than 260 miles per week) say their household will be buying/leasing a vehicle in the next 12 months. Also, 25% of the heaviest in-car radio listeners say their household intends to buy/lease a vehicle—14% more likely than the national norm.





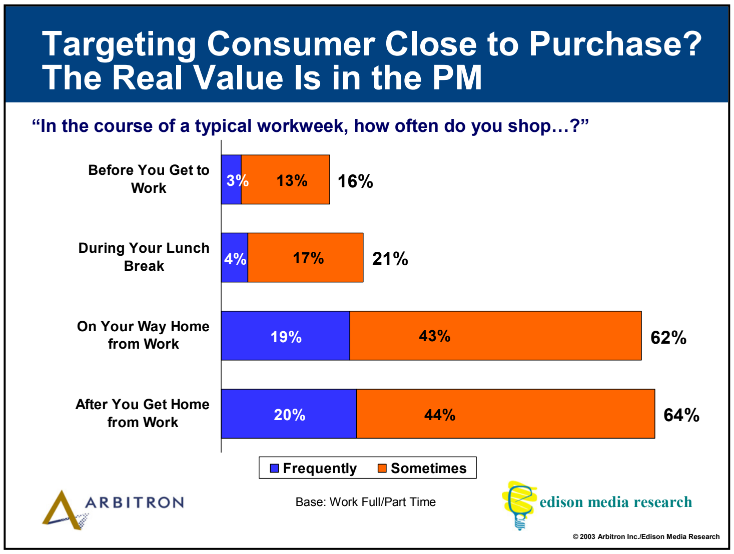
45. The greater the time spent in-car and on the road, the more likely consumers will try new products and services. Overall, about 30% of all Americans indicate they "like to try new products and services." Those who spend the most amount of time in-car weekdays are 13% more likely to want to try new products and services (34%). Advertisers wishing to reach consumers who are more oriented to trying new products and services will find a more ready audience with out-of-home media.

Out-of-Home Media Audiences More Likely to Try New Products and Services

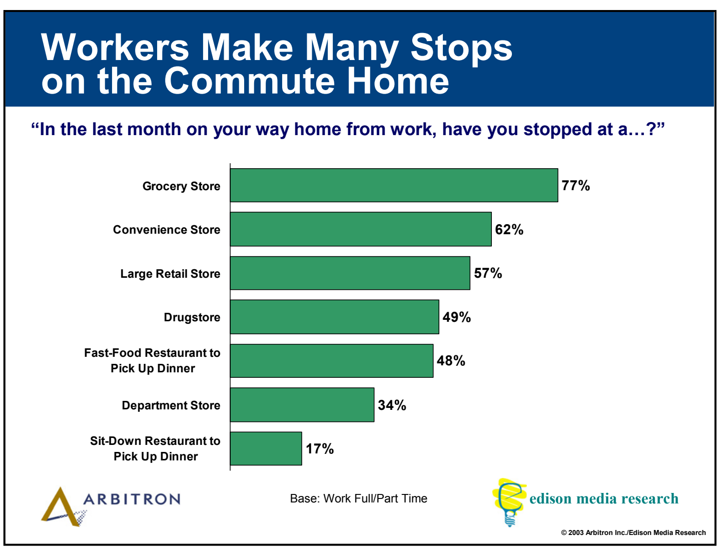
U.S. Shopping Profile			
Prefer to…	**U.S.**	**Heavy In-Car Audience***	**Index**
Stay with products/services you know	38%	36%	95
Wait and see before trying products/services	30%	28%	93
Try new products/services	30%	34%	113

* More than two hours a day in-car weekdays
How to read: The heavy in-car audience is 13% more likely to try new products and services compared to the national norm.

46. Afternoon/early evening is prime time to target consumers close to their purchases. Nearly two-thirds of American workers say they "frequently" or "sometimes" shop either on the way home from work or after they get home from work.

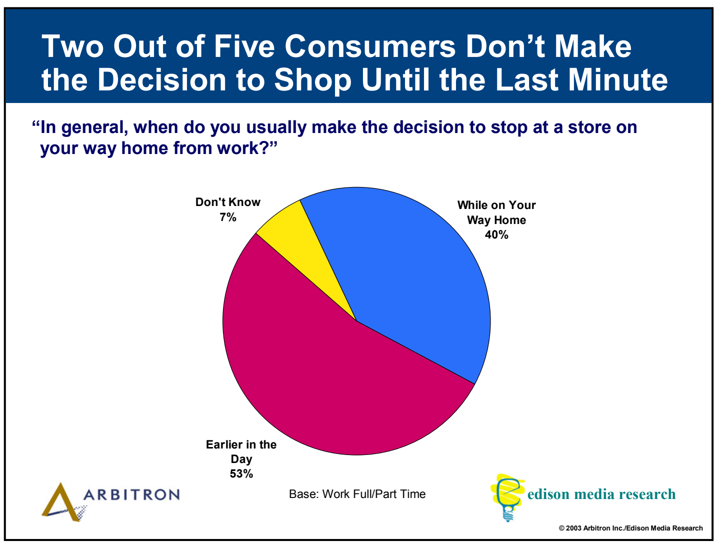


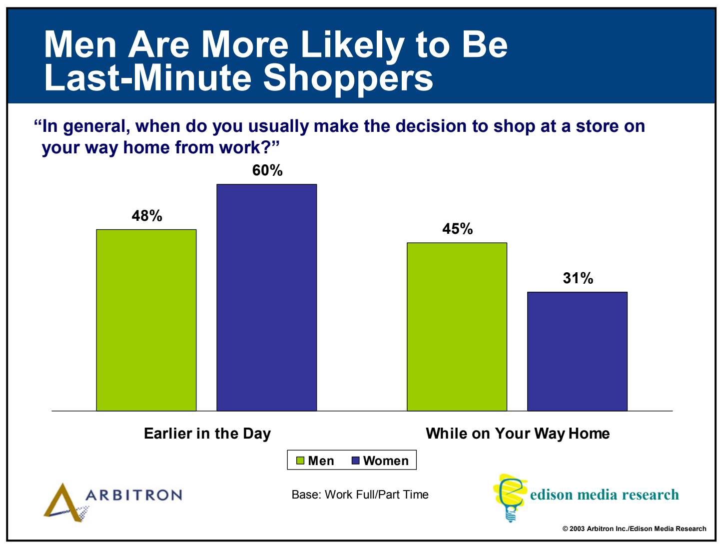
47. Grocery stores, convenience stores and large retail stores top the list of shopping trip destinations during the commute home. Three-quarters of consumers say they have stopped on the way home from work to go to a grocery store in the past month; 62% say they have been to a convenience store. It is clear that food shopping is a key priority for those traveling home from work.



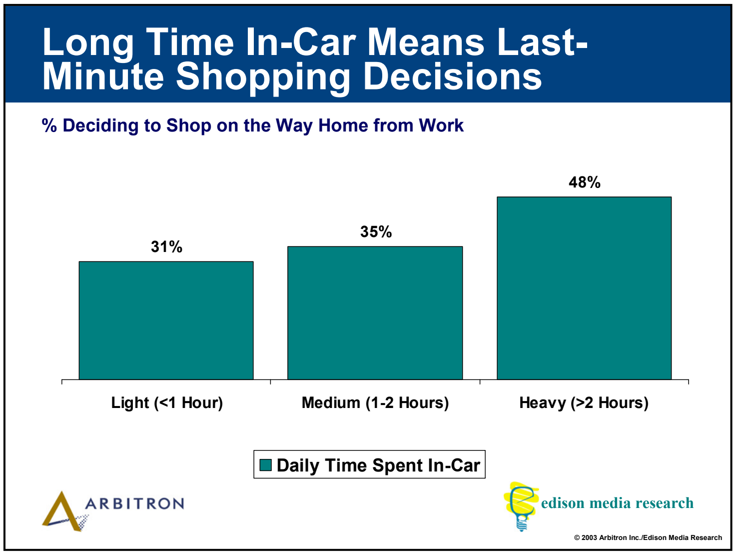
A greater proportion of the overall American food budget is being spent away from home at restaurants—fast food and takeout. Recently, the U.S. Federal Department of Agriculture indicated that from 1950 to 2000, the amount of the American food dollar spent away from home has surged from 24% to 46%. Nearly half of each food dollar in the U.S. is spent away from home, and this large increase can be attributed in part to dual-working-parent families and the vast amount of prepared food available through restaurants, fast-food chains, grocery stores, etc. A strong case can be made for utilizing out-of-home media to impact these food purchasing decisions.

48. Two out of five consumers report they decide to shop while on the way home. Forty percent say they usually make their decision to stop while on the way home from work, while 53% say they make the decision earlier in the day. Women are more likely to plan ahead: 60% say they decide to shop at a store earlier in the day, compared to 31% who decide while on the way home from work. Men are more equally divided and more likely to be last-minute shoppers. Forty-eight percent of men say their shopping decisions occurred during the day, and 45% decided while on their way home. Out of home media are crucial to impact consumer decision making during the day and on the way home.





49. The more time spent in-car, the more likely it is that shopping decisions occur at the last minute. There is a direct correlation between the amount of time workers spend in-car and the decision to make purchases on the way home. Those with smaller amounts of time spent in-car are more likely to plan ahead. As time spent in-car increases, consumers are more likely to make shopping decisions on their way home. Outdoor and radio are ideal to reach the heavy in-car consumer who is deciding their shopping at the last minute on the way home from work.



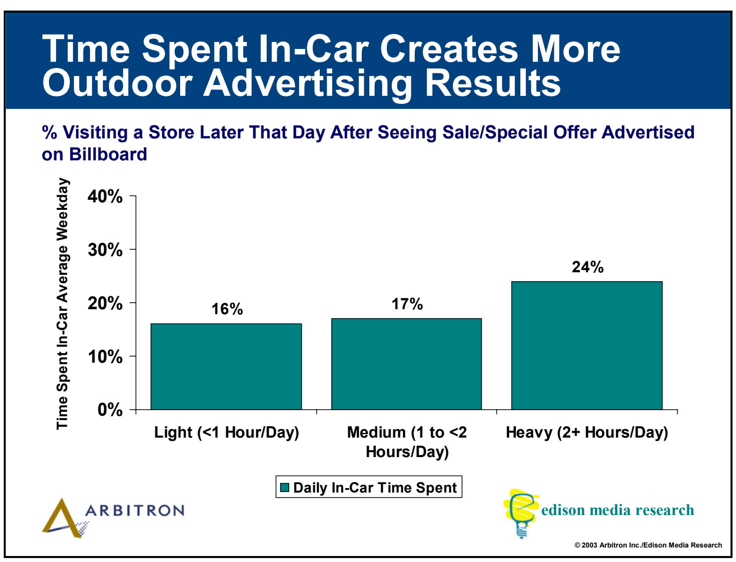
K. Awareness and Impact of Outdoor and Radio Advertising

50. Consumers indicate that outdoor and radio advertising has caused them to visit a store and recall advertiser information. In-car audiences indicate that both media impact their awareness of advertisers and have led to shopping trips.

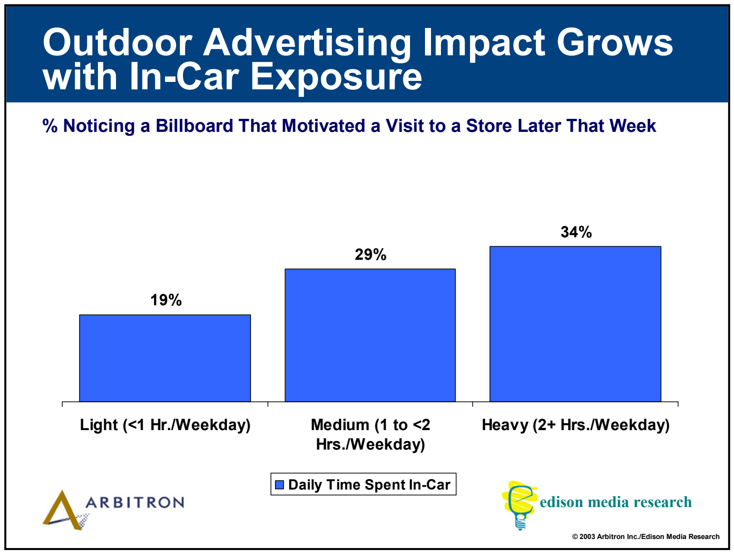
Have you ever…	From Radio In-Car	From Billboard
Heard/seen something funny that you talked about with others that day?	81%	55%
Learned about an event you were interested in?	75%	61%
Learned about a store that you later visited?	59%	53%
Learned about a restaurant you later visited?	53%	52%
Noted a phone number?	43%	34%
Noted a Web address?	39%	29%
Learned about or been reminded to listen to a radio station?	-	47%

51. Outdoor advertising and radio commercials heard in-car can deliver immediate results for an advertiser. Large numbers of Americans indicate that exposure to outdoor and radio advertising for a sale or special offer motivated them to visit a certain store later that day or week. One in five (20%) say they have ever noticed a billboard advertising a sale or special that motivated them to visit a store later that day, and nearly one in three (29%) say that billboard advertising caused them to visit a retail store later that week. Nearly half (48%) indicate that a radio commercial promoting a sale or special motivated them to visit a store later that day, while 56% say radio advertising caused them to visit the store that week.

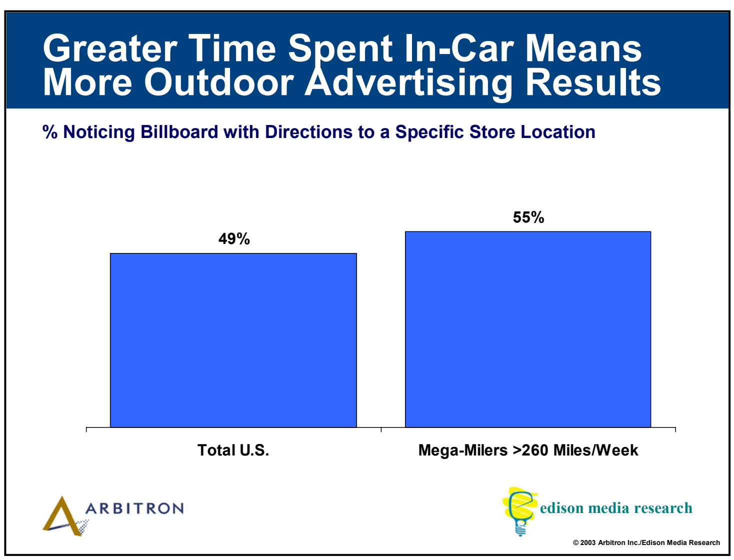
52. The greater the time spent in a vehicle, the more likely that a consumer has immediately visited, that day, a store because of a billboard. Those who spend two or more hours in a vehicle on a typical weekday are much more likely to have visited a store due to outdoor advertising.



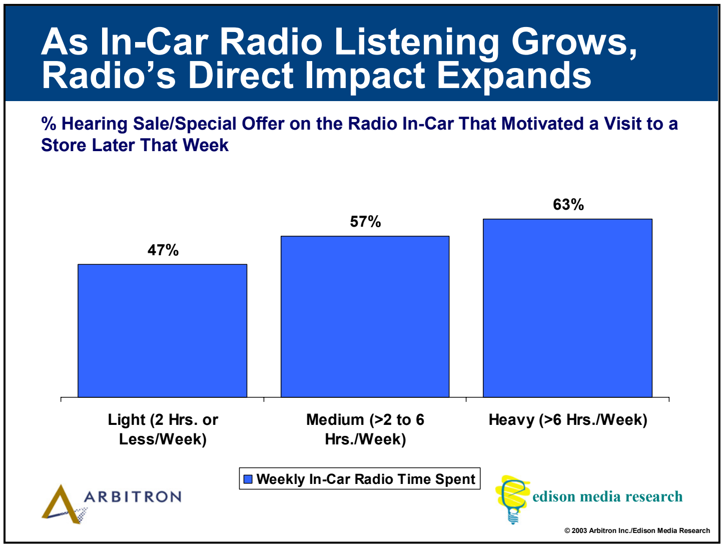
53. One-third of heavy in-car consumers visited a store within a week based upon billboard advertising. Thirty-four percent say they visited a store in the past week based upon a billboard advertising a sale or special offer. The greater the time spent in-car, the greater the results of outdoor advertising



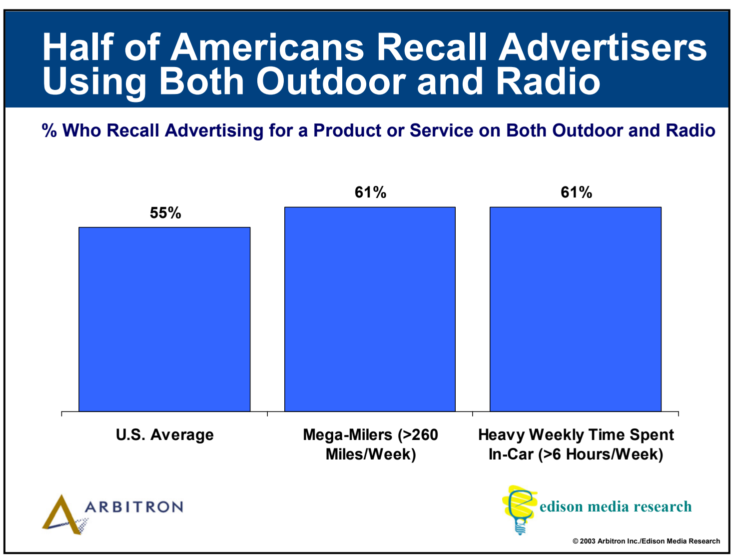
54. One in two Americans report they have noticed a billboard providing directions to specific store locations. Forty-nine percent say they have ever noticed a billboard providing directions to a specific retail store. Mega-Milers are 12% more likely to have noticed signage giving specific directions to a store location.



55. Radio advertising impact grows with increased in-car radio listening. Those who spend the most time listening to radio in-car (more than six hours per week) are much more likely to visit a store later that week based on a sale or special offer heard on the radio.



56. More than half of consumers (55%) can recall advertisers that use both outdoor advertising and radio. The greater weekly time spent in-car and the more miles traveled per week, the greater the recall of advertisers that use both radio and outdoor.



Recommendations and Issues to Consider

For Advertisers and Agencies:

Media plans should include out-of-home, outdoor and radio in markets of all sizes. This study indicates in-car listening and outdoor media audiences are strong in markets of all sizes. The notion that in-car audiences are only significant in large markets is a myth. In fact, some of the smaller and medium markets have the highest proportion of in-car radio listening. Miles traveled per week and daily time spent in-car are consistent in the largest to the smallest markets. Thus, out-of-home, radio and outdoor media can be crucial elements in the media plan for markets of all sizes.

Advertisers should utilize out-of-home, radio and outdoor media more aggressively to capture the increasingly mobile American consumer. Americans are spending more time away from home in their cars. U.S. Census data indicate commute times are up in every U.S. market by an average of 14%. With over two hours of daily time spent in-car, the media plan impact of out-of-home and radio advertising can be significant.

Shopping at the end of the workday represents a significant opportunity for advertisers. This study highlights the large amount of shopping that occurs on the way home from work and at the end of the day. Many consumers make their shopping and purchase decisions while in-car. Out-of-home, radio and outdoor media offer advertisers tremendous opportunity to influence these purchases and decision making. Advertisers can incorporate these findings into creative execution and copy points to capture away-from-home decision makers during the afternoon and early evening "shopping prime time."

For Out-of-Home/Outdoor Media:

All-night billboard illumination could boost outdoor national reach by 38 million and increase impressions by 16%. An analysis of Arbitron's national radio database reveals there are 38 million Americans reached in-car between 11PM and 6AM weekly. Overnight time spent in-car results in a 16% increase in gross rating points and gross impressions compared to total week in-car delivery. This increase occurs in markets of all sizes. Illuminating outdoor advertising all night long can provide advertisers with a 16% lift in advertising impressions.

Advertisers now have new evidence on the value of transit advertising and street furniture in the out-of-home media plan. Street furniture and outdoor advertising shows strong seven-day recall. With the exception of the most rural counties, buses, bus stops and taxis show seven-day recall in the 50% to 60% range. Among upper-income target groups, seven-day awareness grows. For example, seven-day recall of taxis grows from 45% of all Americans to 59% in $50,000+ income households. Additionally, this study reveals that the greater the time spent in a vehicle, the greater the seven-day recall for transit advertising and street furniture. Thus, a media schedule with posters and bulletins will be complemented by exposure to street furniture and transit advertising.

For Radio Stations:

With in-car listening on the rise, broadcasters should consider the impact on programming and sales strategy. The proportion of total radio listening occurring in-car has grown steadily over the past five years. Broadcasters should contemplate the ramifications of the growing importance of in-car listening upon programming, marketing and sales strategies.

Station strategies for the growing in-car audiences should be based on station-specific in-car data. Utilizing the Arbitron Maximi$er® software, a complete analysis of individual radio stations' in-car audiences can be conducted. For example, based upon Maximi$er analysis, broadcasters might reconsider their approach to traffic reports. This study reveals half of Americans feel there is merit to traffic reports throughout the day and not just during rush hours. During periods of high in-car listening, stations might assess their current approach to music sweeps and commercial breaks.

Stations should consider strategies for car radio presets as part of their overall marketing plans. For the most part, radio station marketing strategies ignore the importance of being one of the car radio presets. This study reveals most in-car listening occurs to stations already preset. Listeners admit they seldom update or change their presets. Stations should consider methods to convince listeners to provide a car radio preset, especially after a format shift or programming change.

Radio should accelerate digital rollout to meet consumer demand. This research reveals significant interest among consumers in enhanced car radio displays to indicate information such as title and artist of song, station format, etc. These technologies address one of radio listeners' longstanding complaints that stations rarely indicate the title and artist of songs played. The Ibiquity digital radio technology facilitates many of these consumer desires. A speedy rollout of these capabilities will increase radio listener satisfaction.

Radio should consider strategies to retain and expand appeal to 12- to 24-year-olds. Radio continues to be the dominant electronic device in the car among those over the age of 25. However, among 12- to 24-year-olds, the power of personal music choice via the CD player is significant. A third of 12- to 24-year-olds indicate that the CD player is the most vital device in their car. Strategies to maintain radio's relevancy among these young demographics is crucial as the 12- to 24-year-olds of today become tomorrow's 25- to 54-year-old prime advertising demographic.

About Arbitron

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. Arbitron Internet Broadcast Services measures the audiences of audio and video content on the Internet, commonly known as webcasts. The Company is developing the Portable People Meter, a new technology for radio, 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 825 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.

About Edison Media Research

Edison Media Research conducts survey research and provides strategic information to radio stations, television stations, newspapers, cable networks, record labels, Internet companies and other media organizations. Edison Media Research has been cited by *Advertising Age* as the fastest growing company among their list of Top 100 market research companies in their past five annual listings. Edison Media Research works with many of the largest American radio ownership groups, including Entercom, ABC Radio, Infinity, Bonneville, Emmis Communications and Westwood One, and also conducts strategic and perceptual research for a broad array of companies including AOL/Time Warner, Yahoo!, Universal Music Group, Sony Music, Princeton University, Northwestern University, Time-Life Music and the Voice of America. Edison Media Research also conducts research for successful radio stations in South America, Africa, Asia, Canada and Europe. Edison Media Research designed and operated the CNN RealVote election projection system in 2002, and conducts all exit polls and election projections for the six major news organizations—ABC, CBS, CNN, Fox, NBC and the Associated Press. All of Edison Media Research's industry studies can be found on the company's Web site at www.edisonresearch.com and can be downloaded free of charge.

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