



RADIO ADVERTISING

Australia's listening



AUGUST 2010

COMMERCIAL
RADIO CAN
REACH MORE
THAN

16
million

PEOPLE EACH
WEEK.



Radio advertising – Australia's listening

» Busy, mobile Australians are particularly strong radio listeners because of its accessibility while they are on the go – at work, driving, relaxing at home or using the internet.

Commercial Radio

- » Commercial Radio can reach more than 16 million people each week.
- » Australians spend almost 17 hours of their weekly media time with commercial radio.
- » The majority of commercial radio listening occurred at home (49%) This is up 6% from 2008.
- » In car listening represents 32% of all commercial radio listening.
- » The remaining 17% of commercial radio listening occurs at work with an additional 2% designated as 'other'.

RADIO IS ACCESSIBLE.

RADIO HAS STRONG REACH.

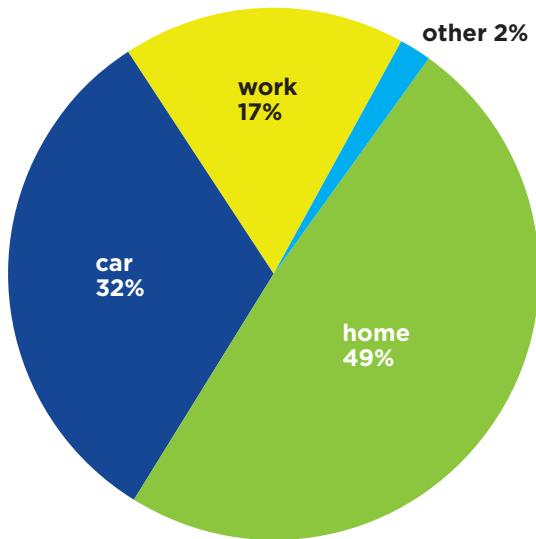
RADIO IS COST EFFECTIVE.

RADIO IS EVERYWHERE.

Source: Commercial Radio Australia, Radio Advertising – Economically Sound (2009) & Smart Marketers Use Radio (2010).

Source: Cume figs from Nielsen Radio Ratings, five metro markets Survey 3, 2010 plus surveys 1, 2010 of Newcastle, Gold Coast, Canberra and survey 1, 2009, Wollongong, all people, age 10yrs+.

WHERE PEOPLE LISTEN TO RADIO



Source: Nielsen Radio Ratings, Average of Five Capital Cities and surveyed Regional Markets, Monday – Sunday 5.30am-12mn, 2009-2010. All people 10yrs+ unless otherwise stated.

Advantages of using Radio Advertising

- » Radio's cost-efficiency allows advertisers to be heard every day and multiple times throughout the day.
- » This average frequency is critically important for delivering rapid advertising response, such as – web visits, store traffic, sales, brand recall and intent-to-purchase.
- » Radio has strong reach across Australia and each week attracts a large number of engaged listeners.
- » Busy, mobile Australians are particularly strong radio listeners because of its accessibility while they are on the go – at work, driving, walking, relaxing at home or using the internet.
- » Radio's reach provides advertisers' with cut through, campaign extension, frequency and message reinforcement.

RADIO IS UBIQUITOUS

Radio is everywhere:

- Free to air AM, FM and digital broadcast
- Live streaming
- Podcasting
- iPhone and smart phone applications
- iPods and MP3 players
- Social media channels
- Digital radio



Positive Growth for Radio Ad Revenue – Financial Year Figures

The commercial radio industry recorded growth in metropolitan advertising revenue of 2.25 % for the financial year ended June 2010 to a total of \$647.32 million.

Revenue grew in all five metropolitan markets for the financial year, with the strongest growth recorded in Melbourne with revenue of \$195.41 million for the financial year, up 3.3% compared to the same timeframe last year.

Adelaide grew 2.83% to a total of \$61.64 million; Sydney grew 2.21% to a total of \$202.49 million; Brisbane grew 1.3% to \$103.32 million and Perth grew 0.73% to \$84.46 million.

Source: Metro Commercial radio advertising revenue as sourced by Deloitte radio industry market movement figures 12 months Jul 2009 – Jun 2009.

Commercial Radio – A Dominant Media Choice!

- » Radio greatly extends reach and frequency.
- » Across 2009, around 95% of Australians listened to radio in an average week.
- » The frequency of radio ads reinforces the message.

Media consumers are demanding a unique and engaging experience through:

- tailored advertising, promotions, and relevant, valuable information.
- access and input into content and services.
- more choice of content.

- » Emerging technology and platforms are being used in conjunction with, and as a complement to, existing radio technology.

- » Radio is important to MP3 owners – they spend more time listening to commercial radio than to their MP3 devices.

Source: Nielsen Panorama, Media Consumption (All people 14yrs+), 2010.

- » While downloading podcasts remains a niche activity it is yet another way for listeners to consume their favourite radio content.

- » Australian commercial radio stations use their online presence to complement and enrich broadcast services.
- » Using radio to drive listeners to a website allows the advertiser to reinforce its brand name on-air in addition to being able to measure responses to a radio campaign call-to-action.

DID YOU KNOW?

Commercial radio listening midnight to dawn shows that:

- 13.8% of Australians listen each week 12-5:30am.
- 9.2% of people 10-17yrs listen.
- 11.1% of people 18-24yrs listen.
- 15% of listeners are over 25yrs+.

Source: Nielsen Radio Ratings, Survey 4, 2010. All people 10yrs+, Monday-Sunday Midnight to Dawn.

Radio in a Digital World

THE INTERNET

- » Radio and the Internet can be consumed simultaneously.
- » Radio delivers up-to-date messages and entertainment without making any demands on the consumer.
- » Radio is the best medium to drive people to websites for more detailed information.
- » As the primary 'at work' medium, radio is ideal for reaching Internet users in the work place.
- » Radio adds a strong emotional element to an Internet message.
- » Radio is complementary to other media. Radio extends the reach of a campaign, adds to the frequency and focuses, enhances or reinforces a message.
- » The effectiveness of the partnership between radio and online continues to be extended and consolidated and this, together with digital radio, will create new opportunities for advertisers.

Source: PriceWaterhouse Coopers: Outlook, Australian Entertainment and Media 2008-2012.

DIGITAL RADIO

Digital radio is a new, exciting and involving way for listeners to listen to and engage with their favourite radio stations.

Offering high sound and signal quality, digital radio offers a range of exciting features to enhance the listening experience.

Clearer sound and improved reception.

Extra features such as additional channels, pause and rewind radio, downloadable music, more details about the advertised product, slideshows, scrolling text, updated news, sports and racing information.

New, additional channels can double the number of commercial stations.

Tuning by station name, not frequency, makes it easy to find favourite and new stations.

More programs allow new and niche audiences to be targeted.

DIGITAL RADIO LISTENING

The DAB+ digital radio platform only became widely available to metropolitan listeners in August 2009.

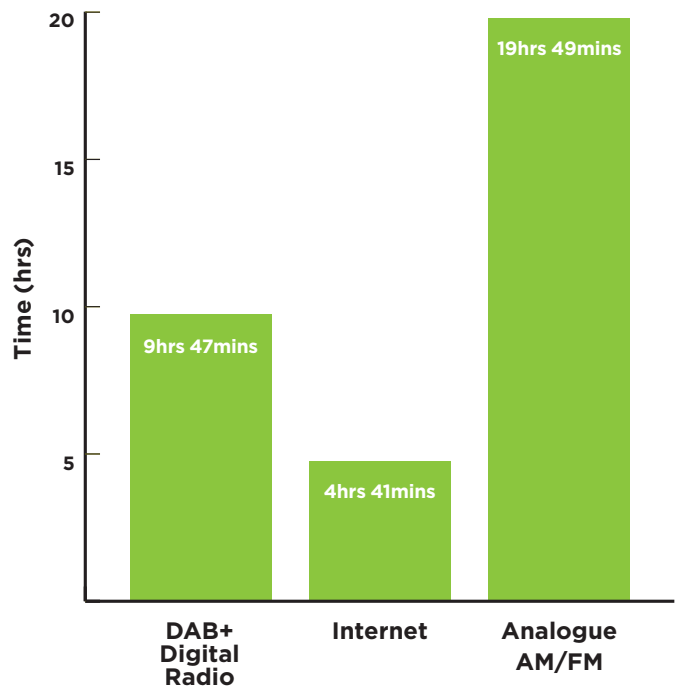
The internet on the other hand has been available as an alternate way to listen to broadcast radio for many years.

In spite of this, and in a very short space of time, the DAB+ platform has attracted nearly as many listeners as the internet.

| Platform | Reach | Reach (%) |
|--------------------|------------|-----------|
| Analogue | 11,444,000 | 94.3 |
| DAB+ Digital Radio | 523,000 | 4.3 |
| Internet | 595,000 | 4.9 |

Time spent listening using the DAB+ platform has already significantly outstripped time spent listening using the internet as a platform.

TIME SPENT LISTENING BY PLATFORM



Source: Digital Radio Industry Report 2010; Nielsen Radio Ratings, Average of 5 Metro Cities, Survey 4, 2010, Monday-Sunday 12am-12am, all people 10yrs+ unless otherwise stated.

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