

Listen Up: Americans Tune Into Radio Online

by Erik Sass, Thursday, Apr 10, 2008 7:30 AM ET



Americans are tuning into online radio in increasing numbers, according to a new survey of over 1,000 adults from American Media Services. Thirty-three percent of respondents said they had listened to Internet radio at least once before, and 53% of this cohort--about 17.5% of the total survey group --had tuned in at some point during the previous month. Recently, a separate study by Arbitron Edison Research found that 13% of Americans over the age of 12 had listened to online radio in the last week--up from 11% this time last year.

This was just some of the good news for radio in the AMS survey, which also found that 61% of the respondents said they listen to the radio (either traditional or online) every day. This seems to jibe with a recent finding from Arbitron that AM/FM radio reaches about 94% of the American adult population on a weekly basis.

Furthermore, 73% of the AMS survey respondents said they usually turn on the radio when they get in the car. And in a positive finding for the rollout of HD radio, 12% said they had listened to an HD digital broadcast--up from the low single digits around this time last year.

Internet radio proved to be more popular among younger Internet users, with roughly 45% of 18- to-24-year-olds saying they had listened to radio online at least once before. That figure falls to around 40% for 25- to-49-year-olds, and just 6.6% for adults over the age of 65. Across all age groups, the most popular method for listening was via a home computer (83%) followed by a work computer (43%). Some 38% used a mobile device, and a remarkable 22% were able to access Internet radio in their cars.

This good news comes close on the heels of some bad news delivered by BIA Financial Network, which sees the slide in radio revenue continuing in 2008--dropping 3.1% compared to 2007, to just under \$17.6 billion. That would make 2008 the second year of declining revenue after a 2.3% decrease in 2007, when radio ended the year at \$18.1 billion.

On the bright side, BIA also forecasts a return to revenue growth in 2009, thanks to a rebounding economy and new digital revenue streams.