Country P1 Consumer & New Media Study

Written & Presented by
Chris Ackerman
Vice President
Sam Milkman
Vice President

March 9, 2011

COLEMAN INSIGHTS
P.O. Box 13829
Research Triangle Park, North Carolina 27709
(919) 571-0000
www.ColemanInsights.com

For more information, contact ColemanInformation@ColemanInsights.com.

STUDY OVERVIEW

The Country Radio Broadcasters, Inc. (CRB), with sponsoring support from the Country Music Association (CMA), commissioned Coleman Insights to conduct this study. Its primary goals are to gain deeper insights into the attitudes and perceptions of Country radio partisans (P1 listeners) about the state of Country radio and Country music, as well as their adoption and engagement with new media and new technology.

The study consists of 5000 online interviews of 12- to 64-year-old Country radio P1 listeners recruited from the databases of 12 participating stations supplied by the CRB. The markets surveyed in this study include: Atlanta, Austin, Baltimore, Charlotte, Minneapolis, Philadelphia, Phoenix, Portland, Salt Lake City, Seattle, Tampa and Washington, D.C.

The sample for the study is weighted and balanced to mirror the composition of the net unduplicated Cume audiences of the participating stations according to Arbitron ratings data. Much of the study is trended with the last national Country P1 study commissioned by the CRB in March 2007.

In addition, we conducted a companion study to measure how the Country radio and Country music "industry" believes Country radio P1s feel about the state of Country radio and Country music as well as their attitudes and beliefs about new media. The goal of this companion study is to identify how well the industry actually knows its consumers and to help identify misperceptions or gaps in the industry's knowledge.

The industry study consists of 171 online interviews of CRB members solicited by email from the CRB membership database. Approximately two-thirds of the participants are Country radio programmers or managers, with the remaining one-third comprised of professionals from record label management, sales, A&R or promotions (11%), artists, songwriters or artist management (11%) or other miscellaneous industry functions, such as concert promotion, publicity, music publishing, production and engineering (12%).

KEY FINDINGS

This section contains the key findings of The Country P1 Consumer & New Media study completed for CRB. A subsequent section offers Coleman Insights' recommendations based on these findings.

COUNTRY VITAL SIGNS STRONG AND POSITIVE

From many angles, this study confirms the overall health and appeal of Country radio and Country music, even somewhat more so than in the 2007 study.

Country radio preference and usage by location and daypart remain high. Country P1s are very satisfied with what they hear on their favorite Country stations and Country P1s are happier than ever with the choices they have for Country radio.

Country radio listening momentum remains very strong, as 83% of Country P1s perceive they are "listening more" to Country radio than a year ago. This is consistent with momentum levels measured in 2007.

The main reasons Country P1s are "listening more" to Country radio are the perceptions that "Country music is better" (51%), they are "listening more to radio" in general (45%), Country radio is "more family-friendly" (33%) and their "Country station has gotten better" (32%).

The overwhelming majority of Country P1s (50%) believe the "Country music coming out today" is better than it was a few years ago by a five-to-one margin over those (10%) who think today's Country music "is worse."

The passion for and evaluation of the most popular artists is as high, if not a little higher, than in 2007.

The top ten most popular artists of those evaluated by consumers are Brad Paisley, Tim McGraw, Lady Antebellum, Kenny Chesney, Zac Brown Band, George Strait, Jason Aldean, Carrie Underwood, Alan Jackson and Blake Shelton. It is noteworthy that three of the top ten artists (Lady Antebellum, Zac Brown Band and Jason Aldean) are relatively new, affirming the health and vibrancy of the newer Country music from the past few years.

Artist evaluation trends indicate the appeal of the top-rated artists is stable, if not increased since 2007. Artists like Jason Aldean, Miranda Lambert and Billy Currington all show marked growth in their appeal scores and all three now rank among the top 20 most popular artists measured. Only a couple of artists exhibit a marked decline in popularity.

Interestingly, Taylor Swift ranks in the bottom tier of the most popular artists, suggesting her large fan base lies predominantly outside the Country radio P1 audience.

Country P1s most often name Lady Antebellum, Zac Brown Band, The Band Perry and Jason Aldean as artists they have “just learned about in the last year or two,” suggesting they are the most notable of the up and coming artists. These listeners are most likely to name George Straight, Kenny Chesney, Garth Brooks, Reba McEntire, Toby Keith as their “#1 all-time favorite.” While these all-time favorites track closely with those named in the 2007 study, we note that Brad Paisley has joined this exclusive category.

P1S MORE POSITIVE ABOUT COUNTRY THAN INDUSTRY THINKS

Country radio P1s think about Country radio and Country music more positively than those working in the Country industry do. Industry professionals believe Country radio P1s are only moderately satisfied with the choices they have for Country radio; the reality is that satisfaction rates are very high.

Furthermore, while the industry believes more than half of Country P1s are listening less to Country radio than a year ago due to increased media choices and lack of time, the reality is the overwhelming majority of Country P1s perceive they are "listening more" to Country radio and the impact of new media choices on Country radio usage appear relatively minor so far.

Moreover, while the industry believes Country P1s think today's Country music has achieved equilibrium and is no better or worse than it was a couple of years ago, the majority of Country P1s actually feel today's Country music is definitely better than a few years ago.

Perhaps the pessimism of the industry with regards to the perceptions of Country radio P1 is healthy in that it keeps the industry on its toes and striving to continuously improve the appeal and experience of Country radio and Country music. However, the industry can go forward confidently with the knowledge the appeal and satisfaction of its product among Country radio's core consumers is fundamentally sound.

COUNTRY P1S ENGAGED WITH NEW MEDIA AND NEW TECHNOLOGY

The study reveals that Country radio P1s are relatively engaged in new media and technology and a vast array of devices and services compete for their time and attention.

A brief sampling of the statistics on Country P1s indicates:

- Three-quarters own an Internet-connected PC or Mac
- Two-thirds own a game console
- Half own an iPod or mp3 player
- Nearly half own a smartphone
- Nearly two-thirds have watched Country music videos on YouTube
- Half are using Facebook
- More than one-third have used Pandora streaming Internet radio

Country P1s generally appear to be adopting and using many new media and new technologies at roughly the same rates as the general population.

The industry has pretty accurate perceptions of the adoption and usage of new media and technology by Country P1s, with a few exceptions. One noteworthy exception is how the industry overestimates the importance of radio relative to other devices. The industry believes Country P1s, if forced to choose only one electronic or entertainment device, would choose AM/FM radio as the most important device. In fact, radio ranks a distant third behind Internet-connected portable computers and smartphones. This underscores how critical it is for Country radio and Country music to have a significant Internet and mobile media presence.

The industry also believes that the overwhelming majority of Country P1s wake up to a clock radio. In reality, Country P1s are just as likely to wake up to a smartphone as a clock radio, suggesting radio is already engaged in a battle for the nightstand. This has tremendous implications for morning radio listening and immediately suggests an opportunity for Country radio to possibly preserve its wake-up utility by adapting to this phenomenon and creating wake-up apps that allow listeners to continue waking up to their favorite Country stations through their smartphones.

The study further reveals how the content Country radio stations and Country music artists post on Facebook and share on their websites is somewhat out of synch with the needs and desires of Country P1 consumers. This suggests the industry is missing an opportunity and not fully capitalizing on the potential of these tools.

The industry also has a few misperceptions about Pandora streaming Internet radio. More than one-third of Country P1s have used Pandora and they have been using it for a longer period of time and more frequently than the industry believes. A key finding is that Country P1s already using Pandora say they are highly "likely" to use it in the car as it becomes available there. When Pandora exists side-by-side with AM/FM radio on the dashboard, current Pandora users are almost equally as likely to prefer Pandora as AM/FM radio, with 25% undecided. This forecasts a looming challenge to Country radio from Pandora for in-car listening, a place that has long been radio's almost-exclusive domain.

Lastly, the industry greatly underestimates interest among Country P1s in apps that would allow them to listen to Country radio stations on their smartphones or tablet computers (iPad, etc.).

RADIO PROVIDES GREATEST "CONNECTION" TO COUNTRY MUSIC

The study also reveals, despite the explosion of new media and new technology, how Country radio is overwhelmingly perceived as the medium that most "connects" consumers to Country music. Country radio remains the predominant source for Country music consumption and new music discovery among its P1 listeners, reaffirming its ongoing, significant and vital role in the Country music industry.

CONCLUSIONS

Country radio and Country music have done a great job creating a strong, positive position with P1 consumers. The appeal, satisfaction and momentum of both Country radio and Country music appear as strong and positive as ever. That Country radio provides the greatest “connection” with the music and drives new music discovery testifies to its enduring strength and relevance. Thus, the industry is dealing from a position of perceived strength among Country radio P1s.

However, Country P1s are already engaging with new media and new technology and their usage is clearly growing. This presents both challenges and opportunities for Country radio and Country music. The challenges come from increased fragmentation and choice. However, given its current position of strength, the opportunity lies in the industry’s ability to proactively harness new media and technology for its own purposes.

With these key findings in mind, Coleman Insights offers its recommendations in the following section.

RECOMMENDATIONS

1. **Country radio and Country music should preserve its position of strength by investing in and improving the overall product experience.** This means the industry cannot rest on its laurels. It must continue to invest in the necessary research and development to deeply know and understand its consumers, their likes and dislikes and their evolving perceptions of both Country radio and Country music so as to successfully refine and improve its product. Country radio must continue to innovate and develop fresh content and artists to increase its entertainment value and the exclusivity of its content. Collectively, this will keep Country music dynamic and vibrant, and help Country radio remain engaging, exciting and interesting to the consumer.

2. **Country radio and Country music should assert its leadership position through aggressive advertising and promotion to maintain brand strength, visibility and relevance.** At a time when the "noise" level from increased new media and new technology choices is especially high, the Country industry should invest in advertising and promotion. Despite the uncertain economy and the significant financial difficulties faced by the music industry, this is not a time for Country radio and Country music to sit on their hands or stand silent, allowing other media choices and entertainment experiences an unfettered opportunity to woo its consumers away. Advertising and promotion is the only proactive way to engage and manage consumer perception and consumption, cut through the noise and

confusion, maintain the strength and vitality of its brands and stay visible and relevant.

3. **The Country industry should harness new media to deepen the connection with its brands.** The idea is to not be reactive to new media and technology and to be there just for the sake of being there. Instead, the industry must be proactive, using new media and new technology as part of a cohesive advertising, marketing and content distribution strategy that not only keeps its brands strong and visible but facilitates ongoing consumption of its content on a variety of platforms.

   A few things the industry might consider include:

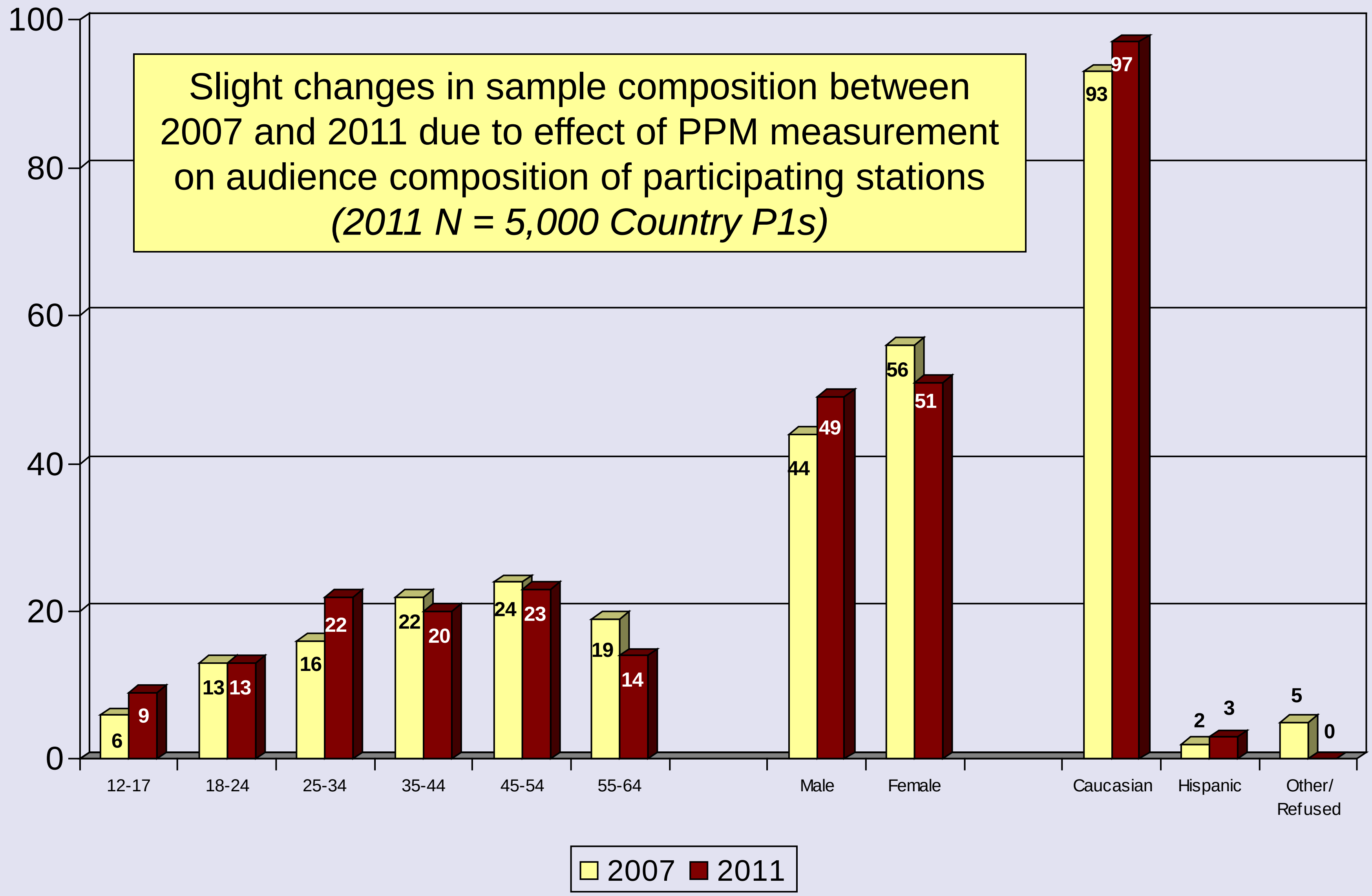
   - **Smartphone app development:** Country P1s own smartphones and are using smartphone apps. Smartphones are already a more important device than radio and are challenging radio's presence for both the wake-up and in-car utilities. The industry needs to be where the consumer is and smartphone apps, particularly a wake-up app, give the industry a presence in the rapidly growing mobile media space.

   - **Social media and website content enhancement:** To better leverage these tools, the industry needs to do a better job of focusing its social media and website content more on what Country P1 consumers really want and less on its mistaken notions of what it thinks they want.

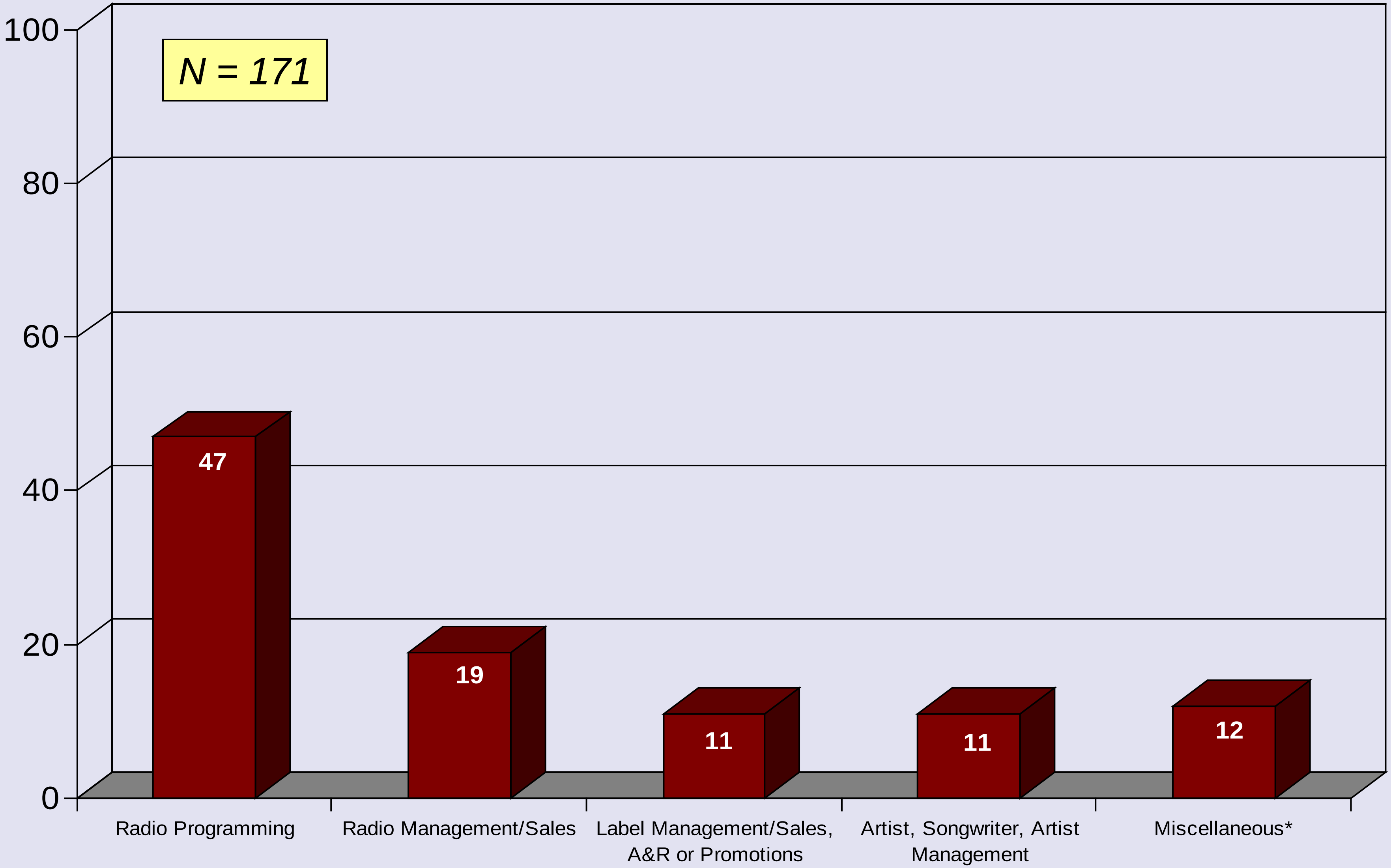
- **Alignment of streaming offerings to combat Pandora:** Pandora is an emerging threat, especially in cars and on smartphones as more ubiquitous broadband access becomes reality. The key elements of Pandora's appeal are customization, ease of use and fewer commercials. Therefore, to blunt the uniqueness of Pandora and turn its current points of differentiation into strategic points of parity, the Country industry should create streaming offerings accordingly.

The Sample

Consumer Sample Composition



Industry Sample Composition

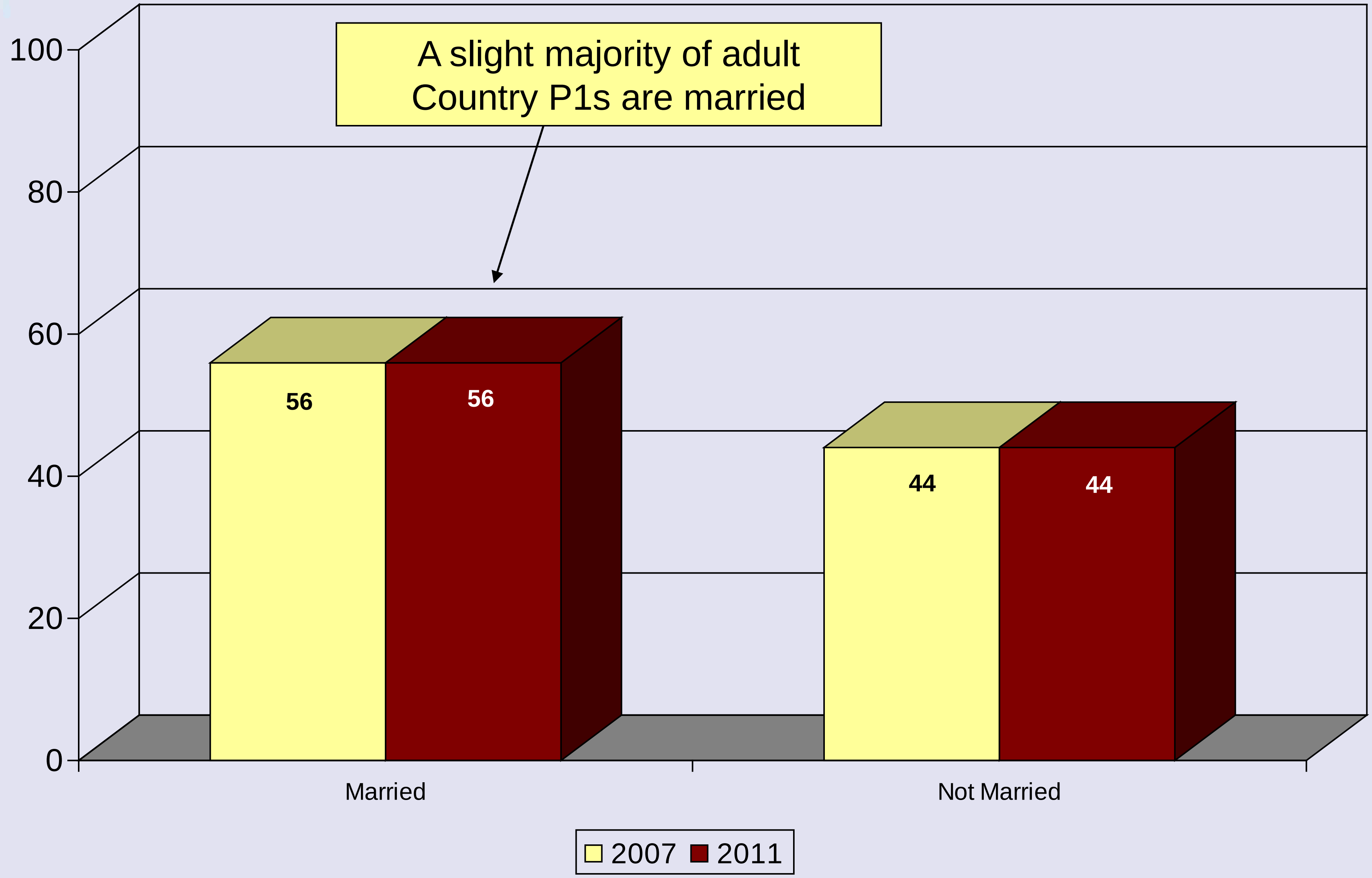


* Includes Concert Promotion, Publicist, Publisher, Producer/ Engineer, etc.)

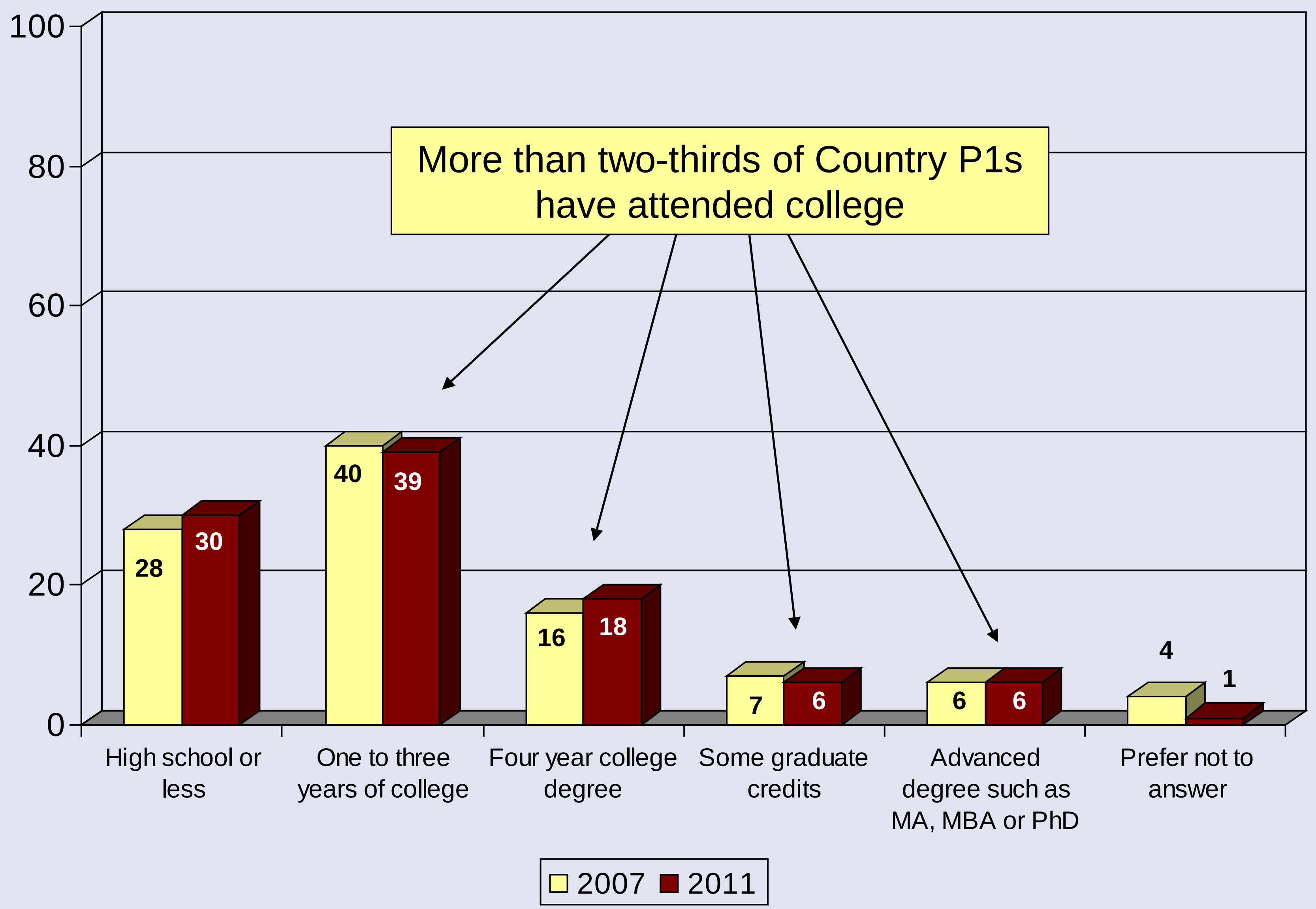
The Audience

Marital Status

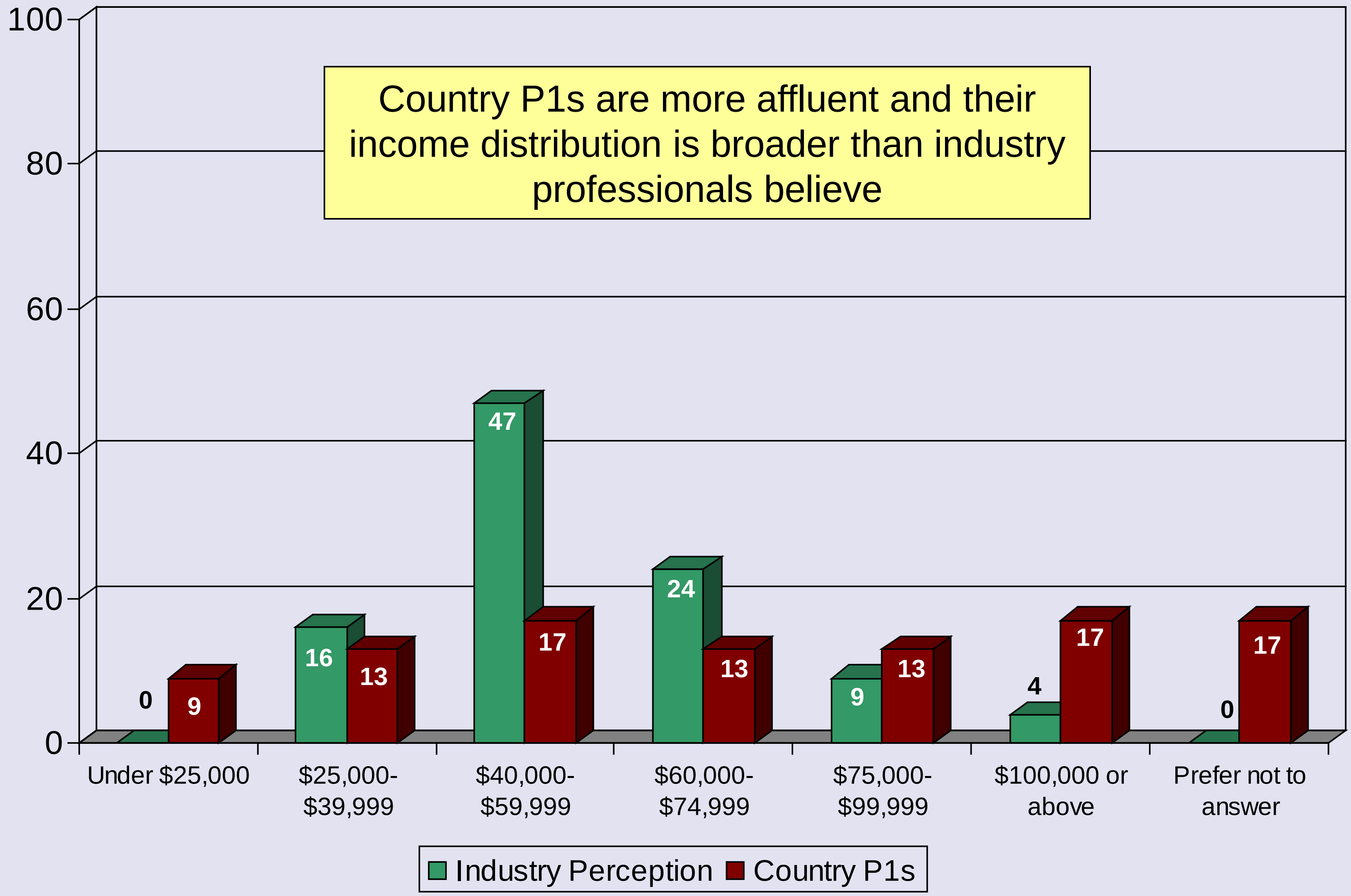
Among 18- to 64-Year-Olds



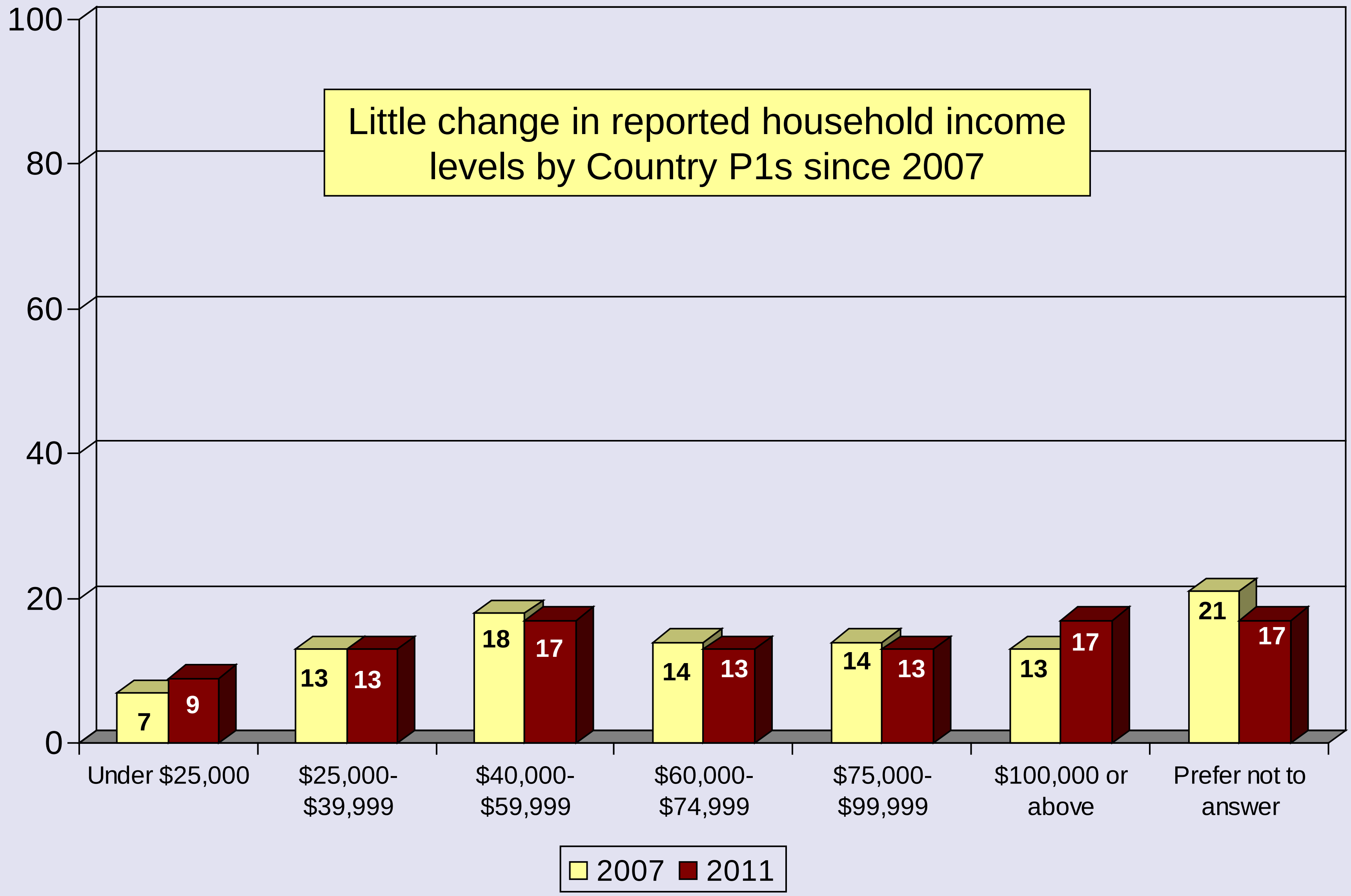
Education Levels



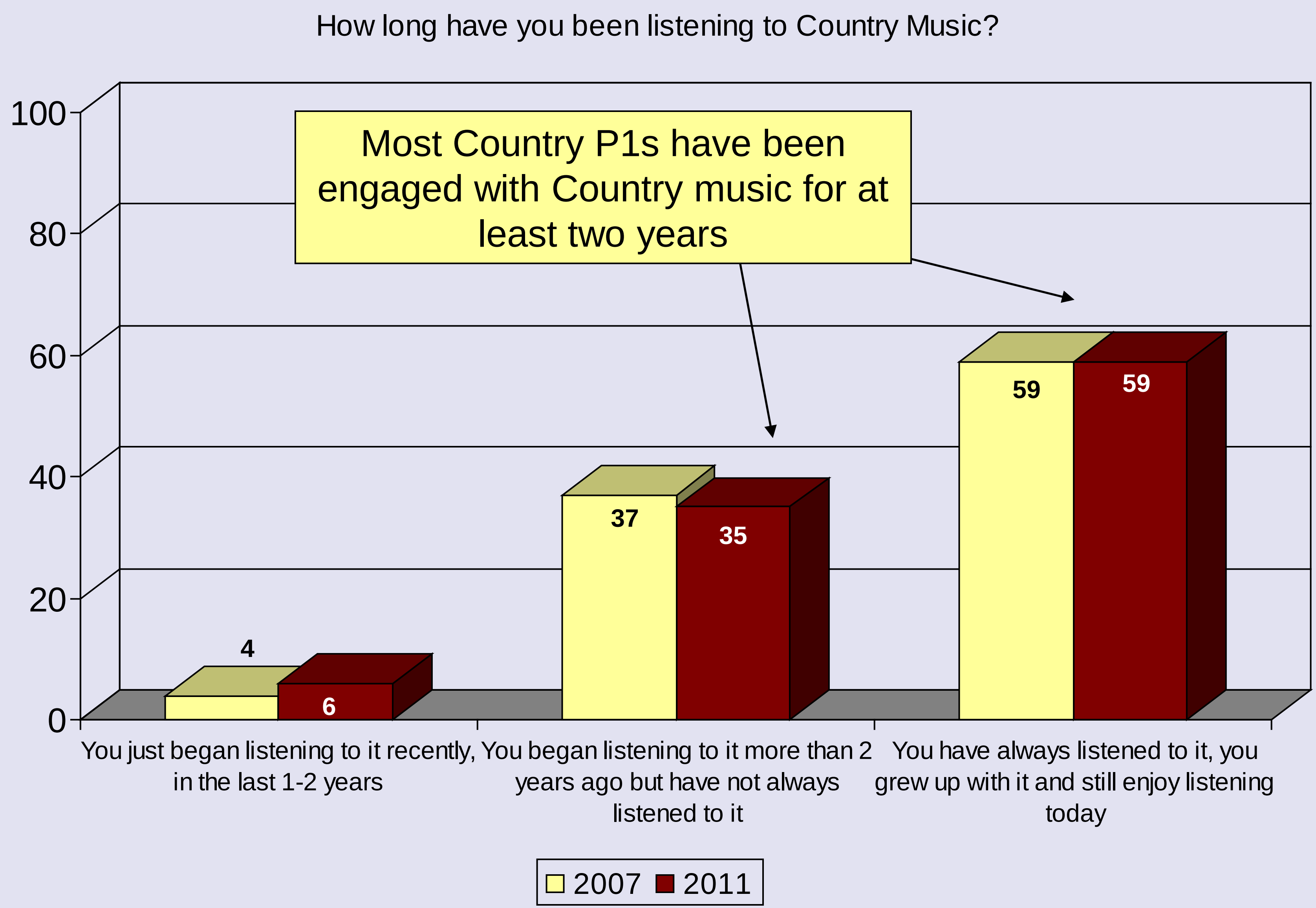
Household Income



Household Income

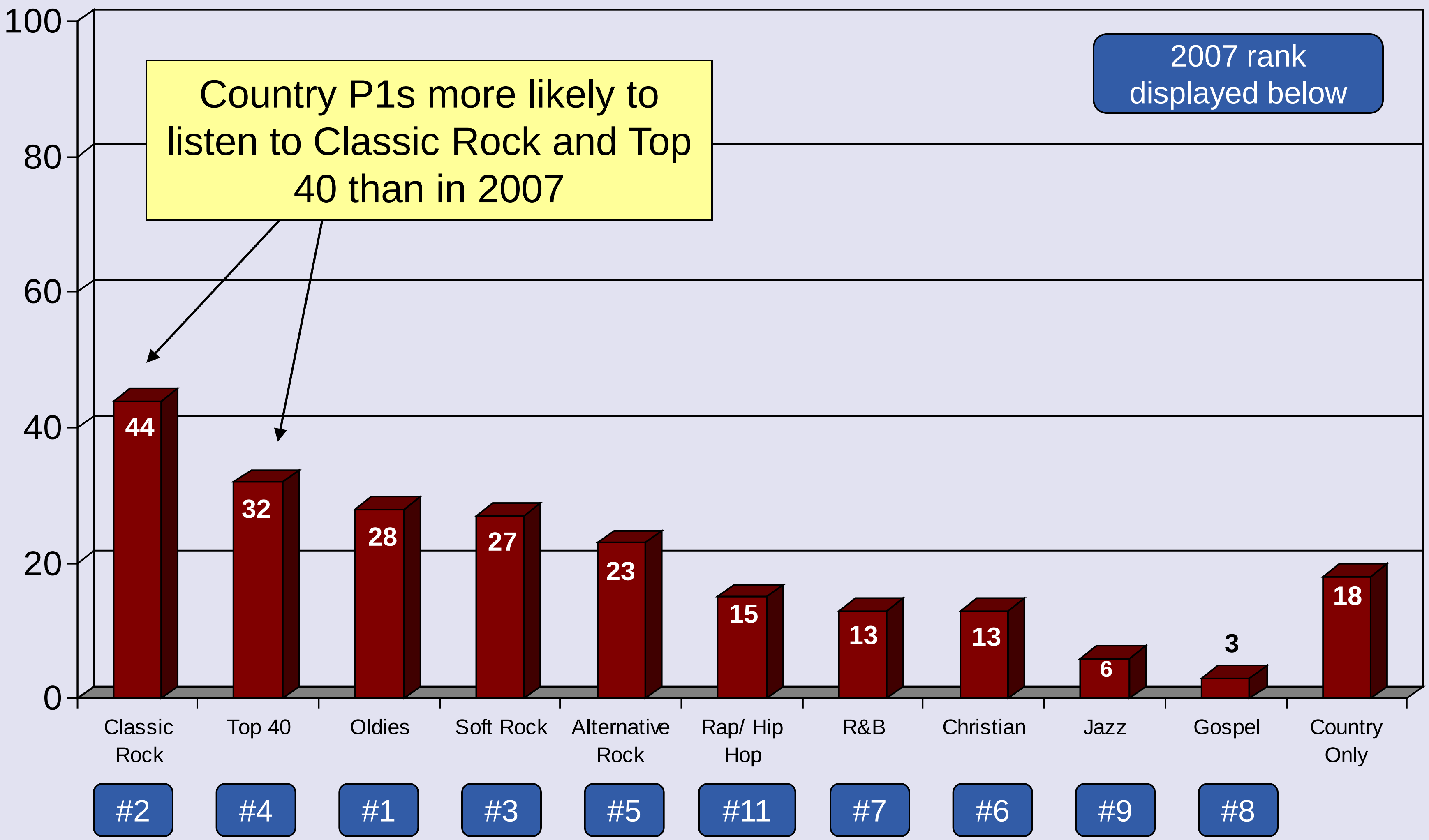


Length Listened to Country Music



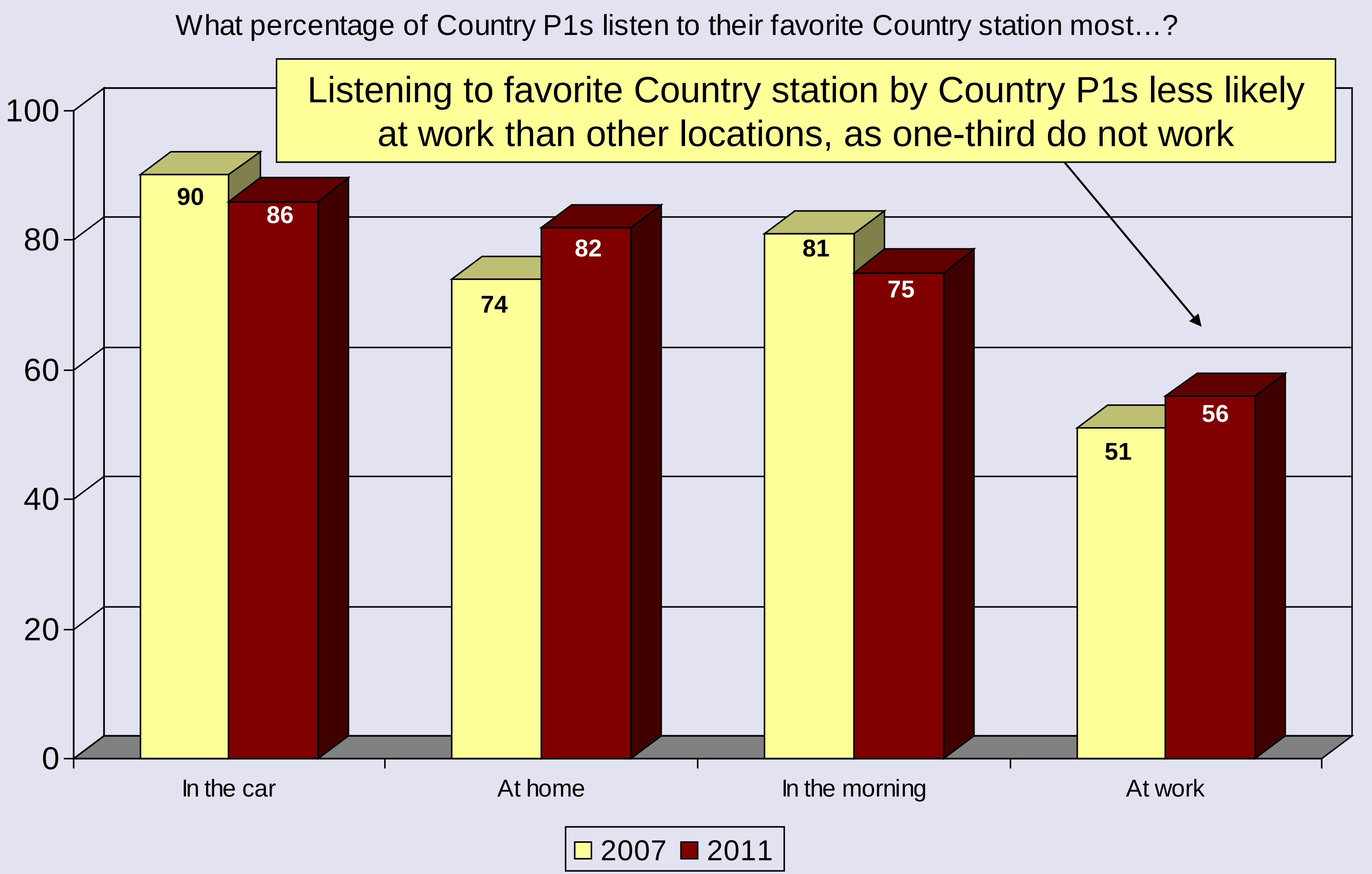
Non-Country Radio Listening

Outside of Country radio, what other types of radio stations do you listen to on a regular basis?

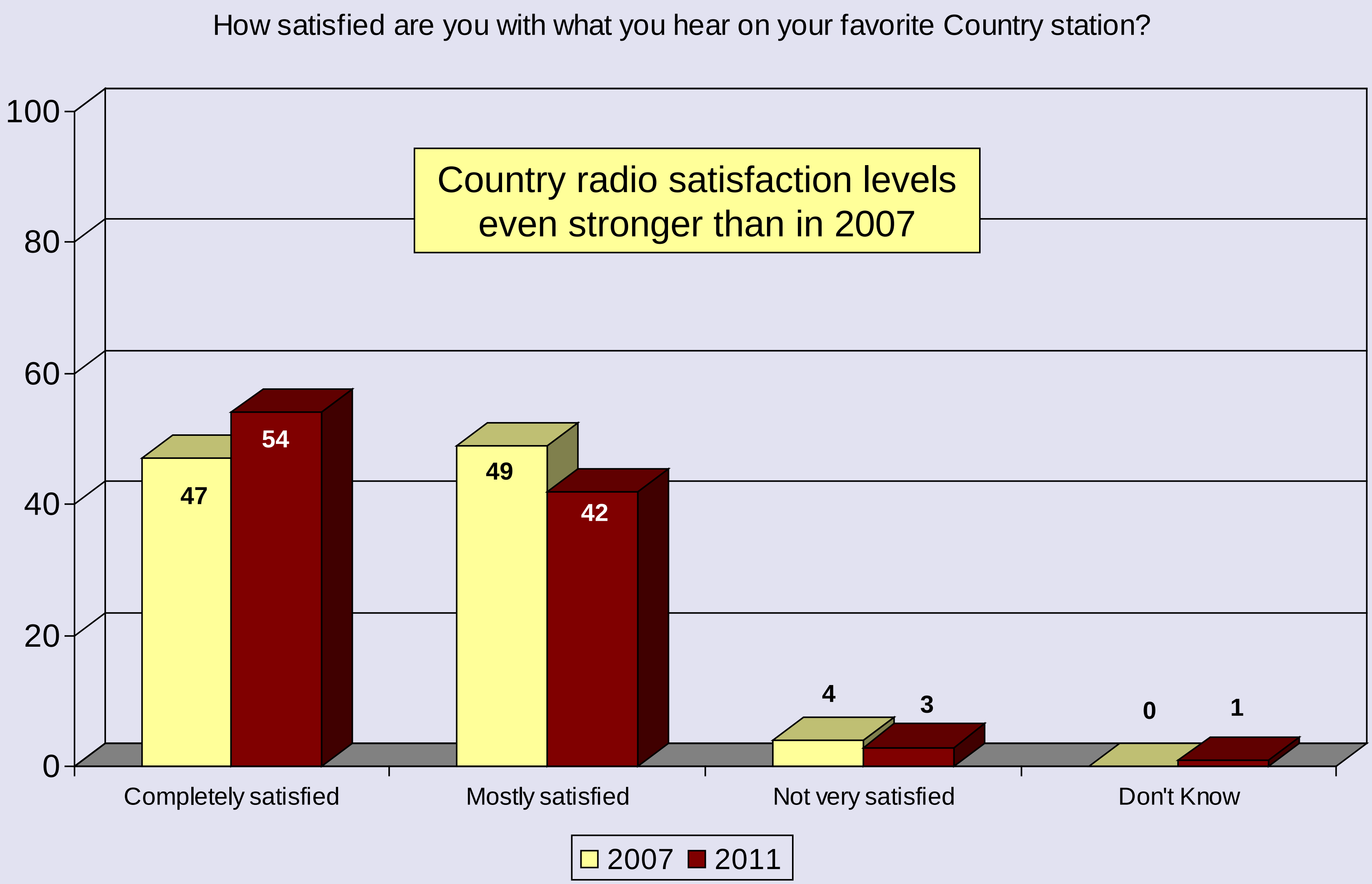


Country Radio

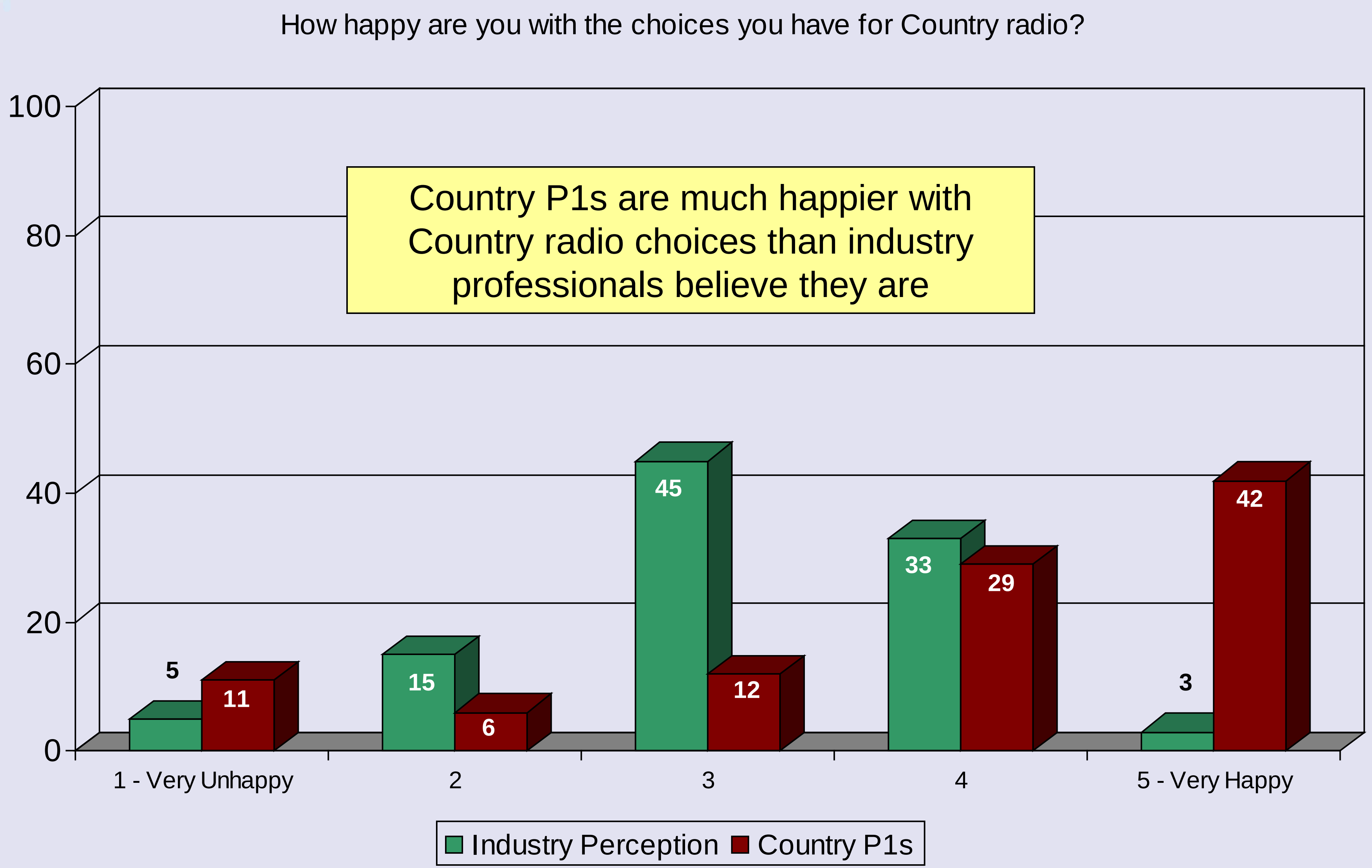
Country Radio Preference



Country P1 Satisfaction



Satisfaction with Country Radio Choices



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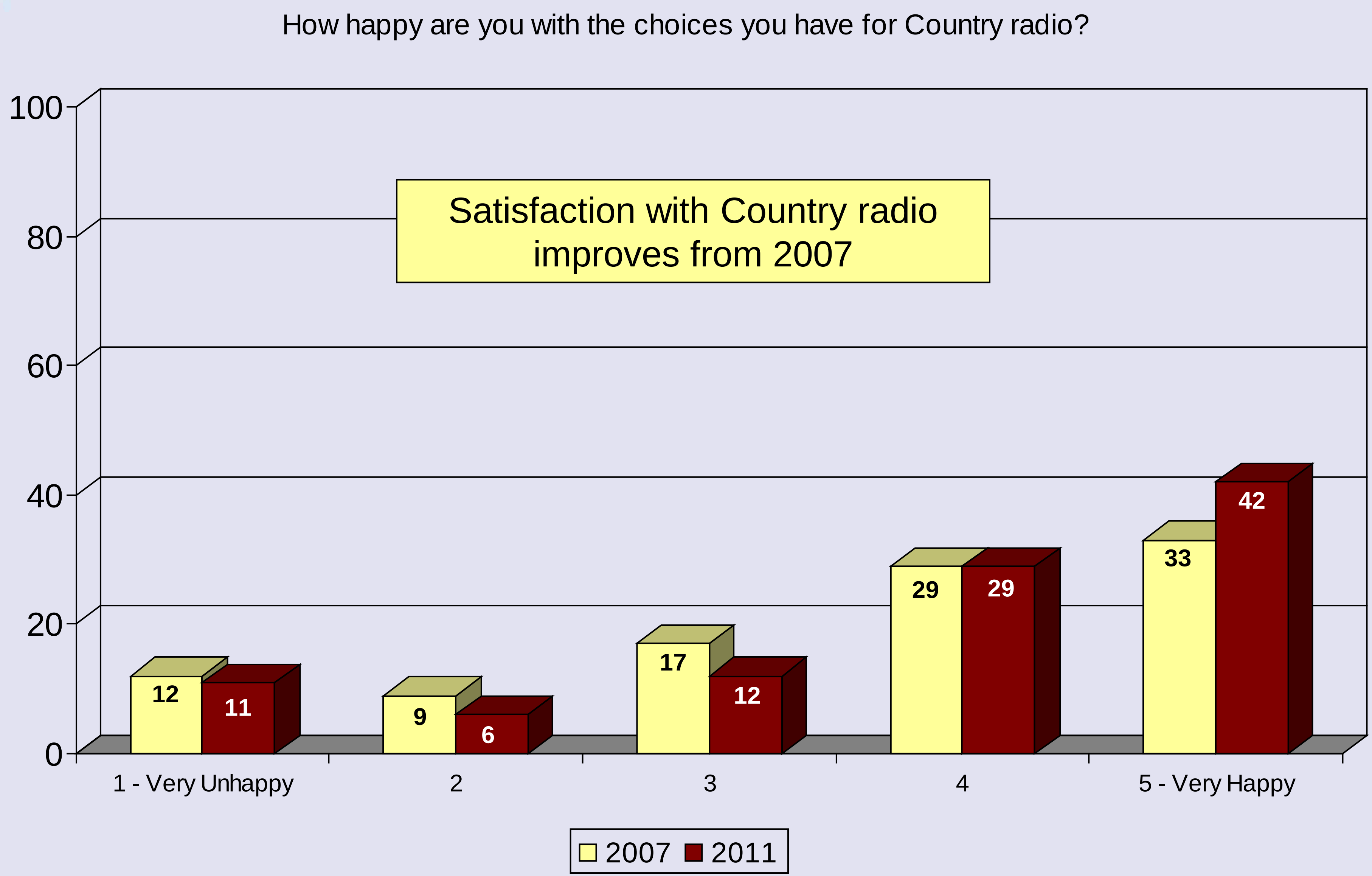
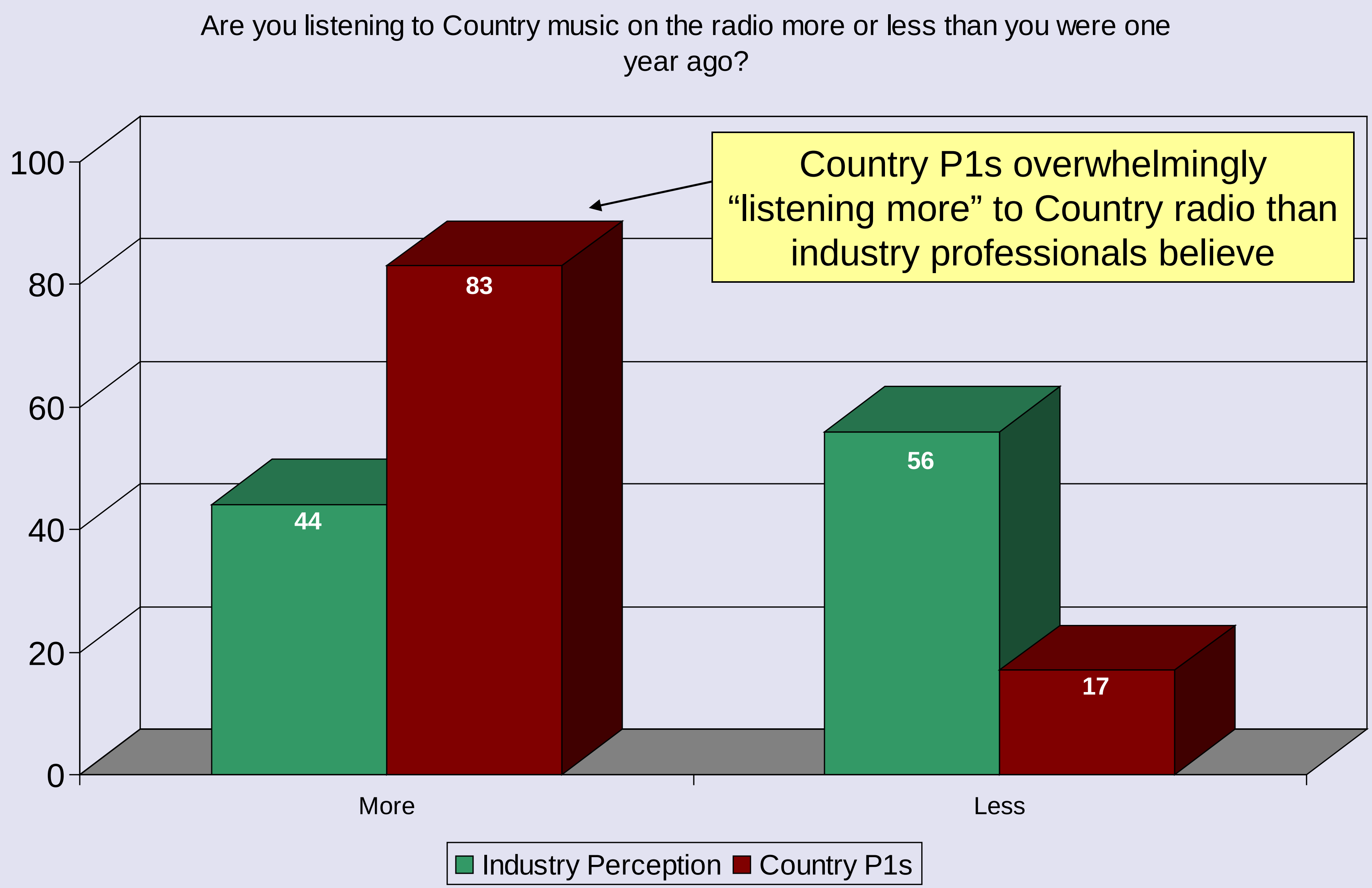
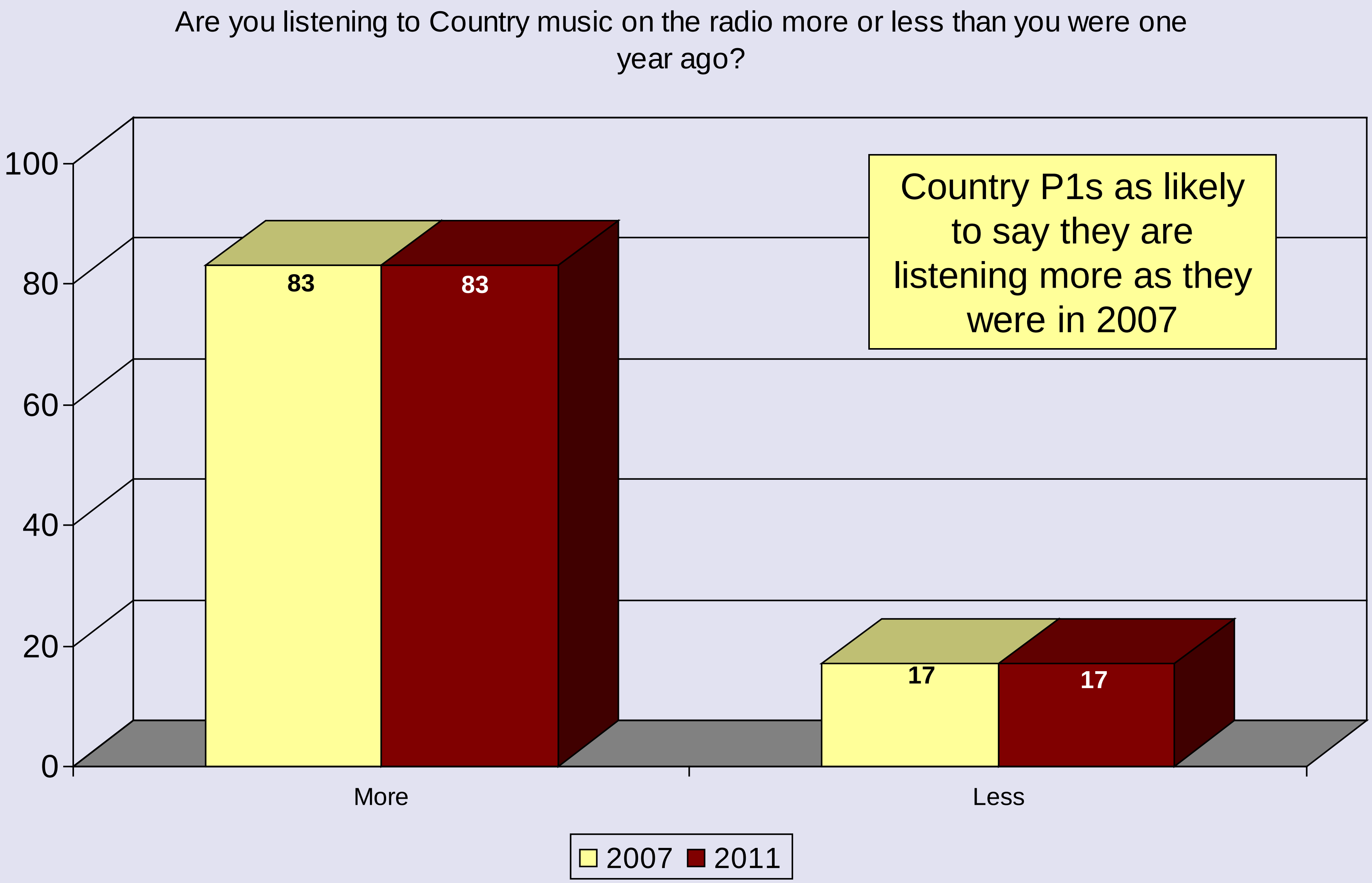


Country Radio Momentum

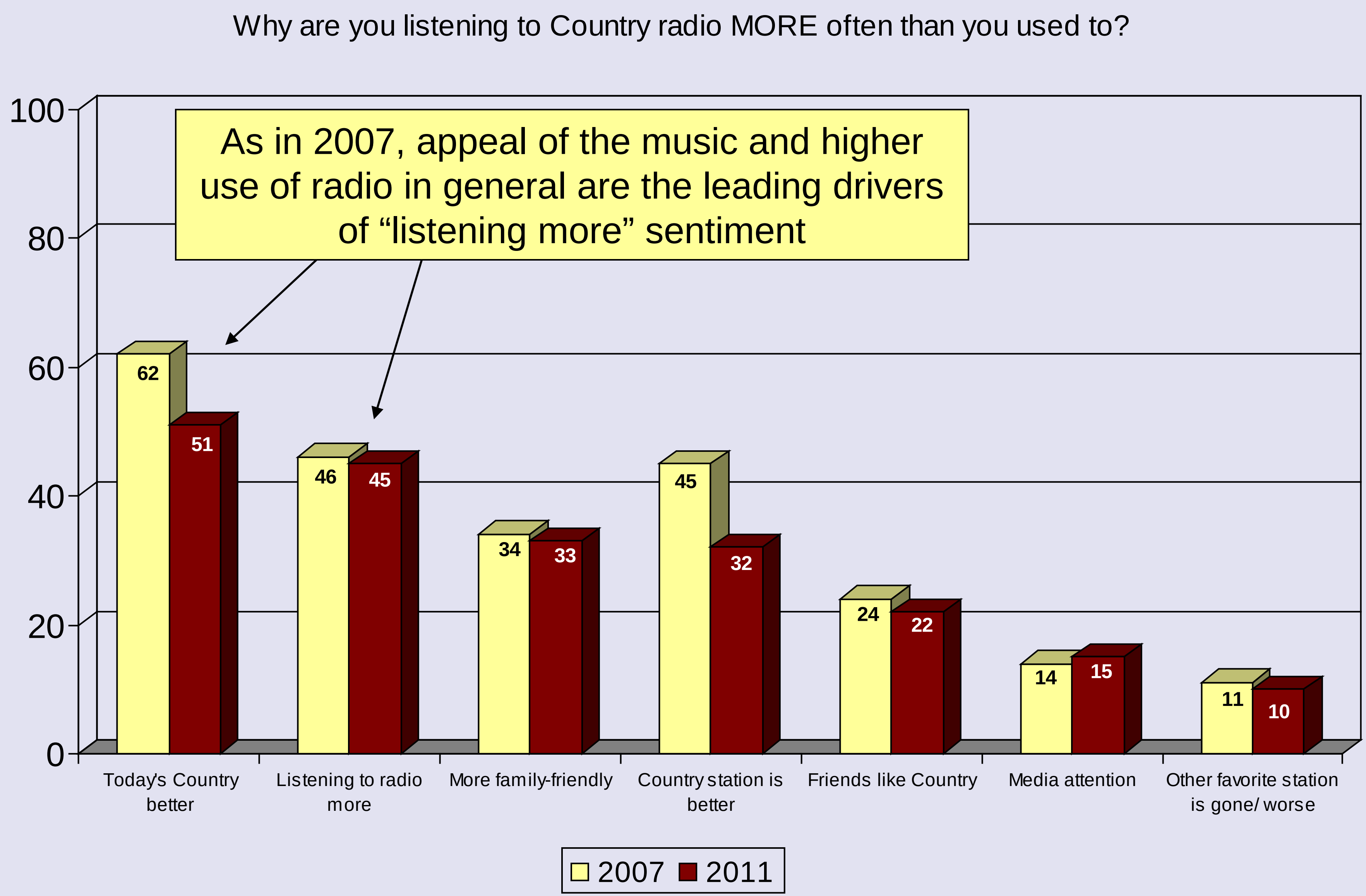


Country Radio Momentum



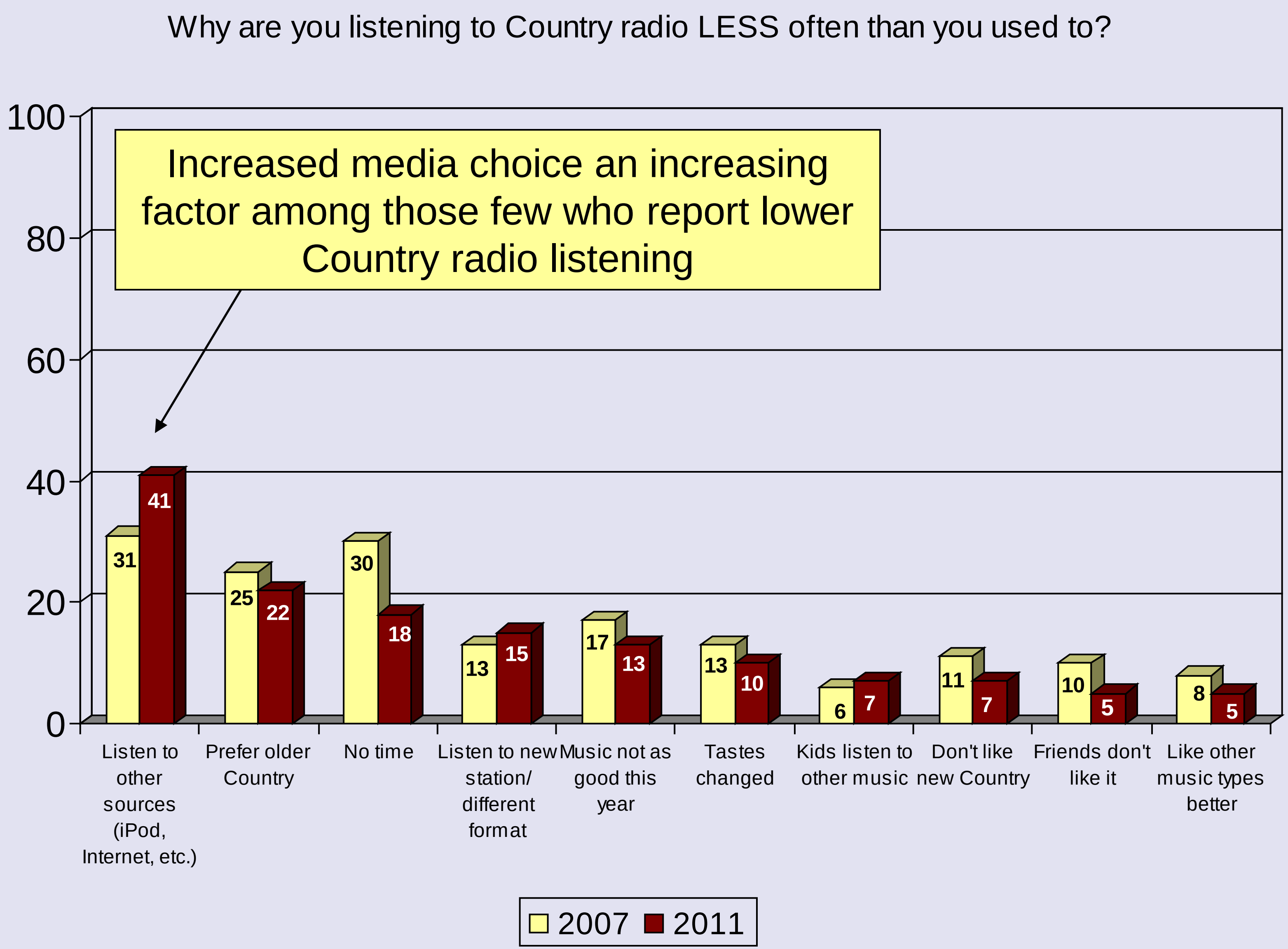
Why Listening More?

Among Those Who Say They Listen More



Why Listening Less?

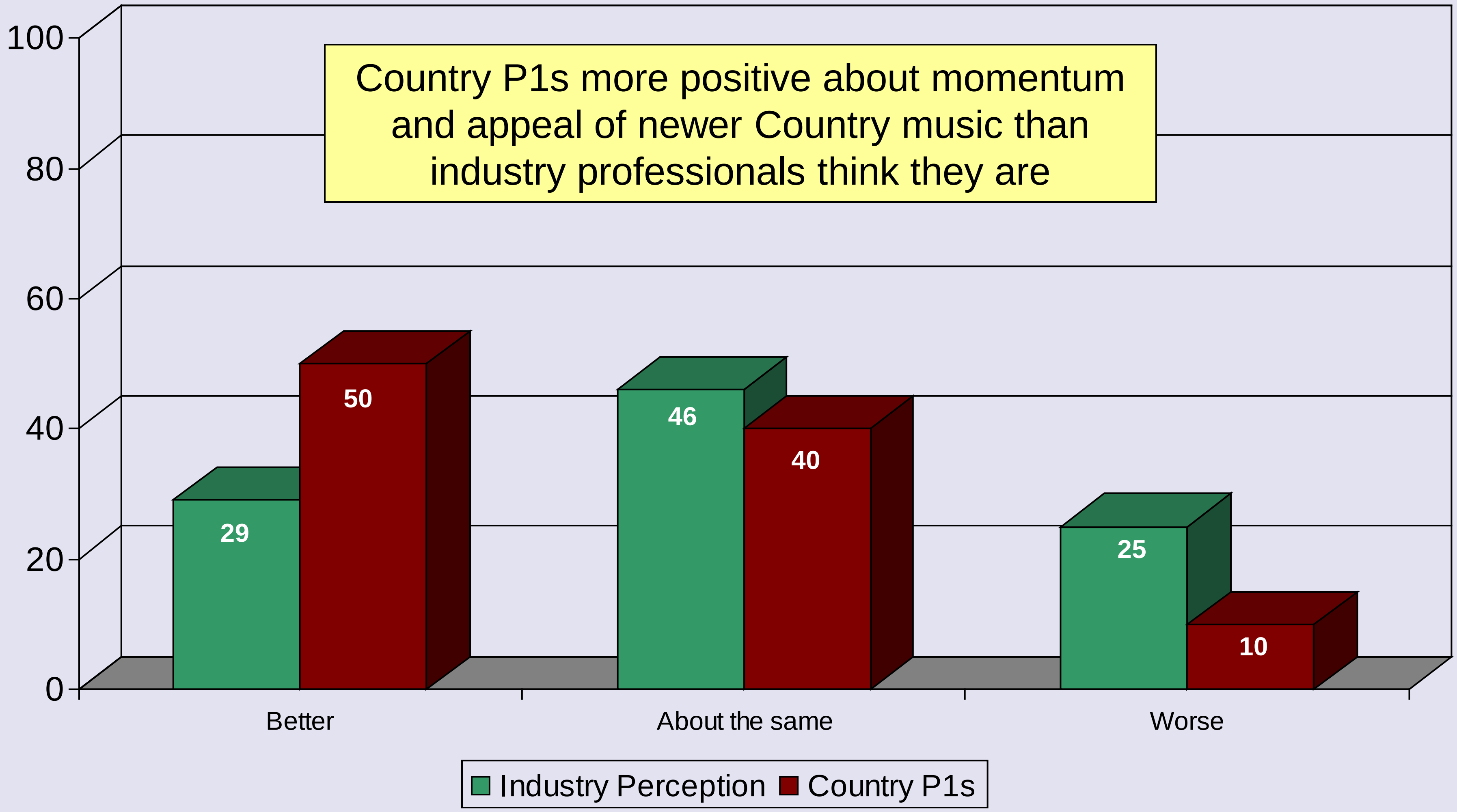
Among Those Who Say They Listen Less



Country Music

Country Music Momentum

In general, do you think that the current Country music coming out today is BETTER than it was a few years ago, WORSE than it was a few years ago, OR about the SAME?



Country Music Momentum

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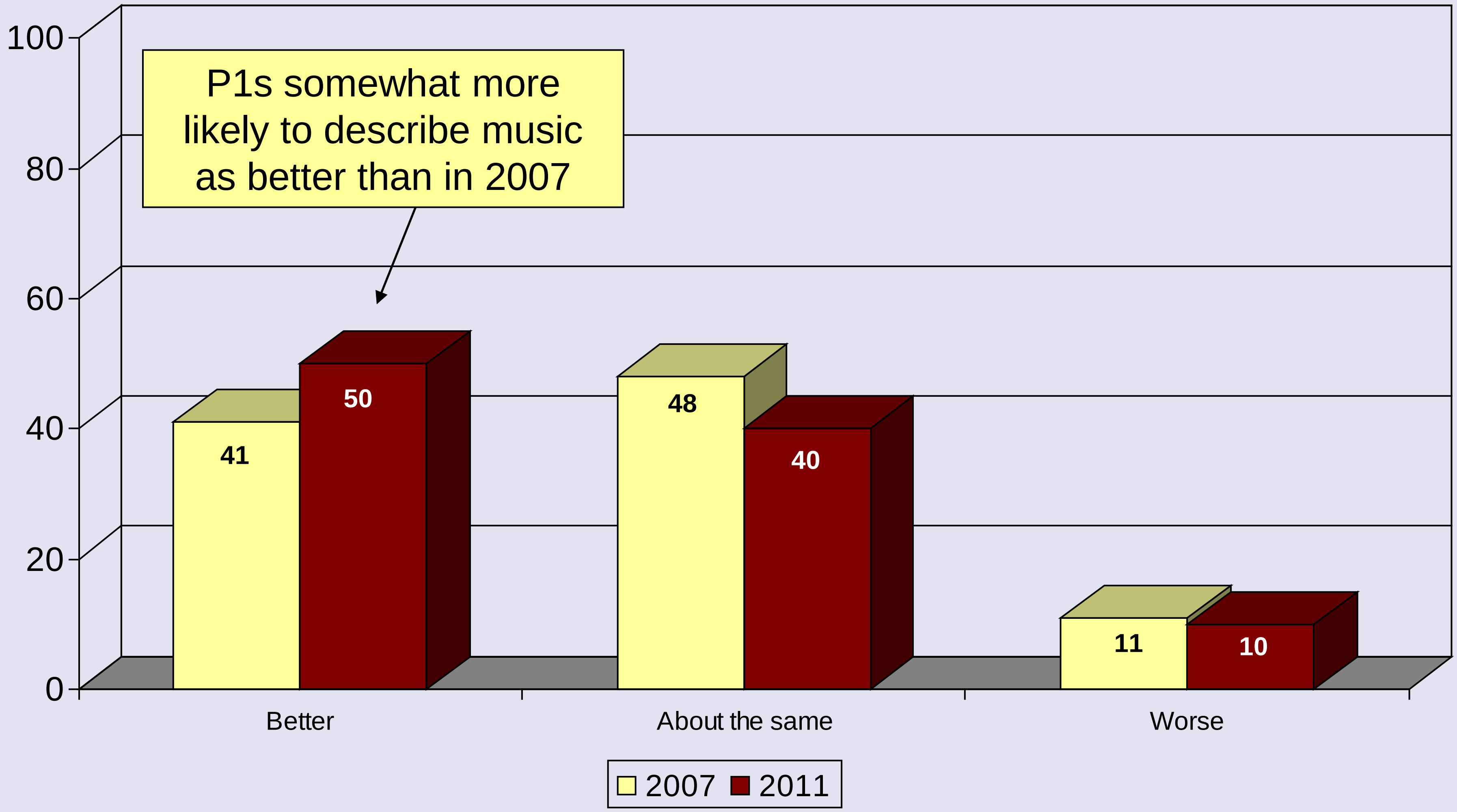
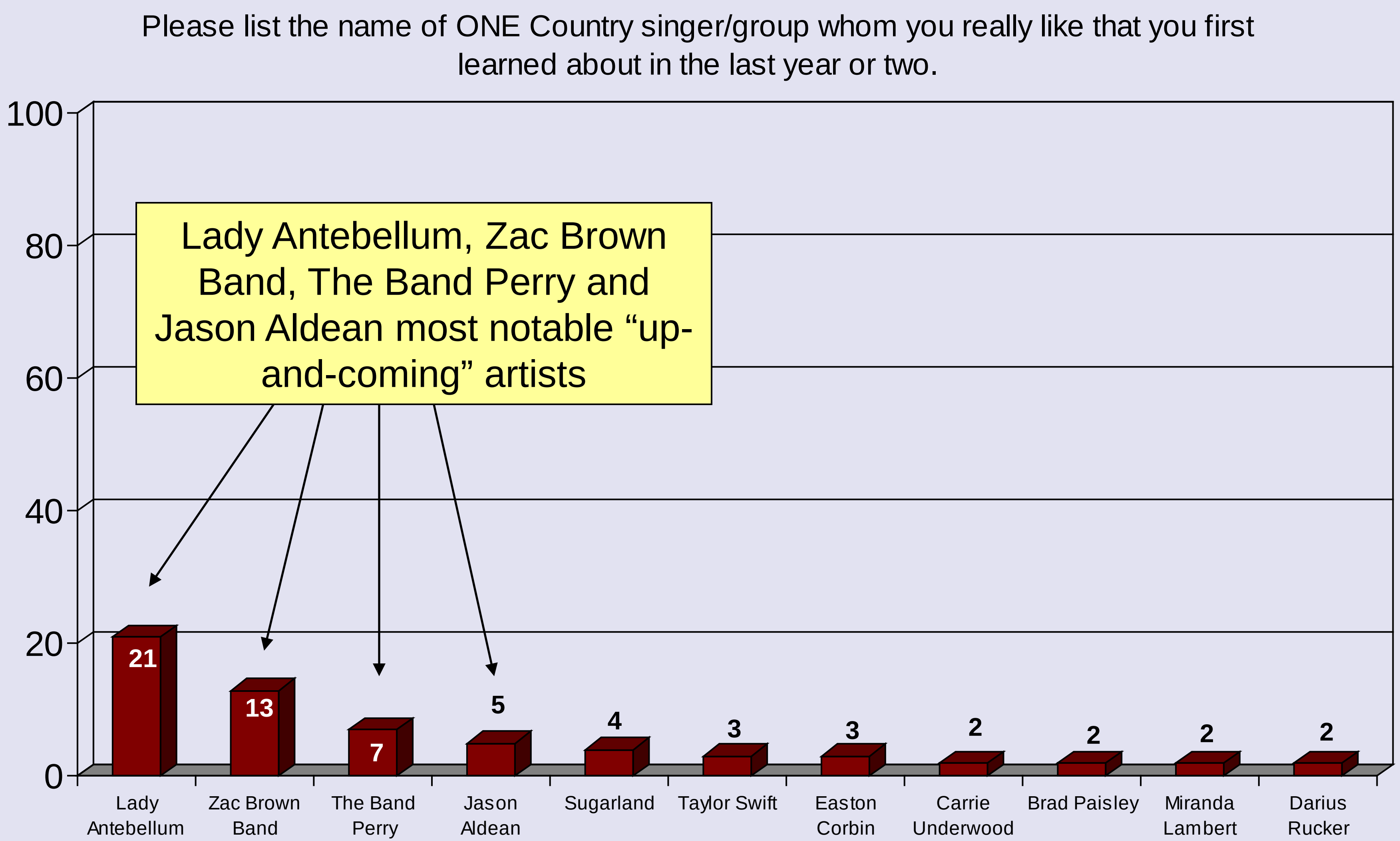
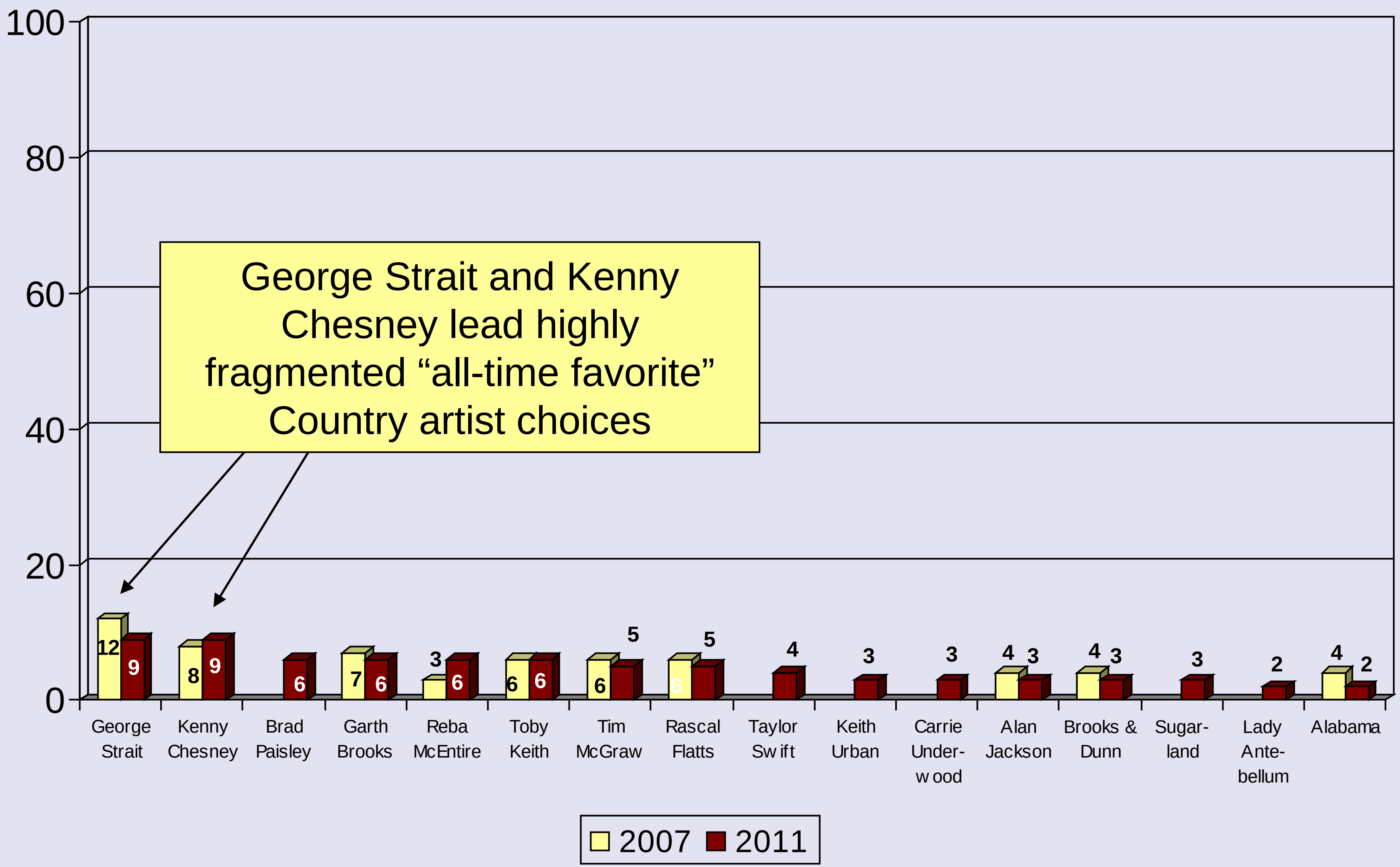


Country Artist Learned About Recently

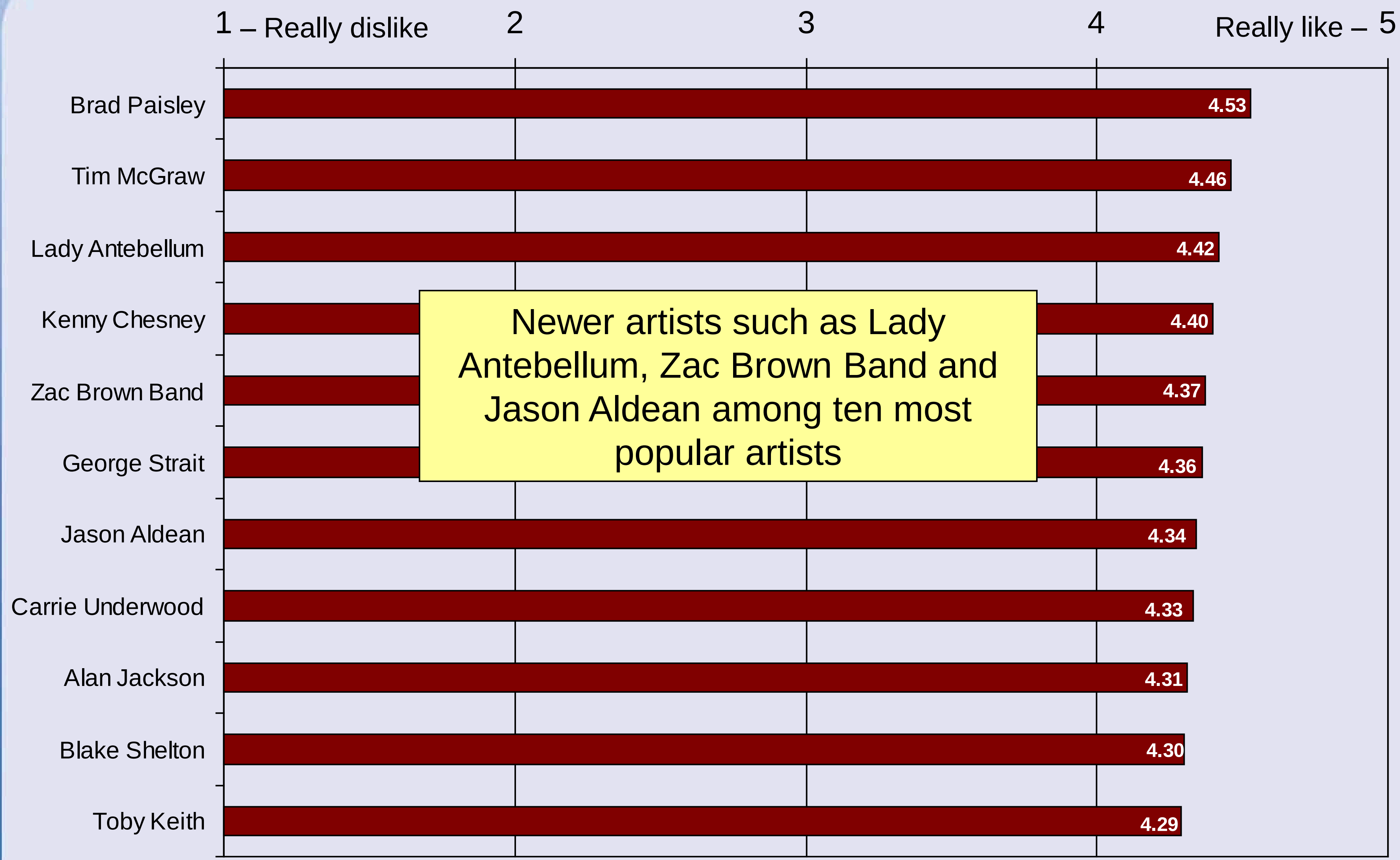


Favorite Country Artist

Please list the name of ONE Country singer/group who is your #1 all-time favorite.

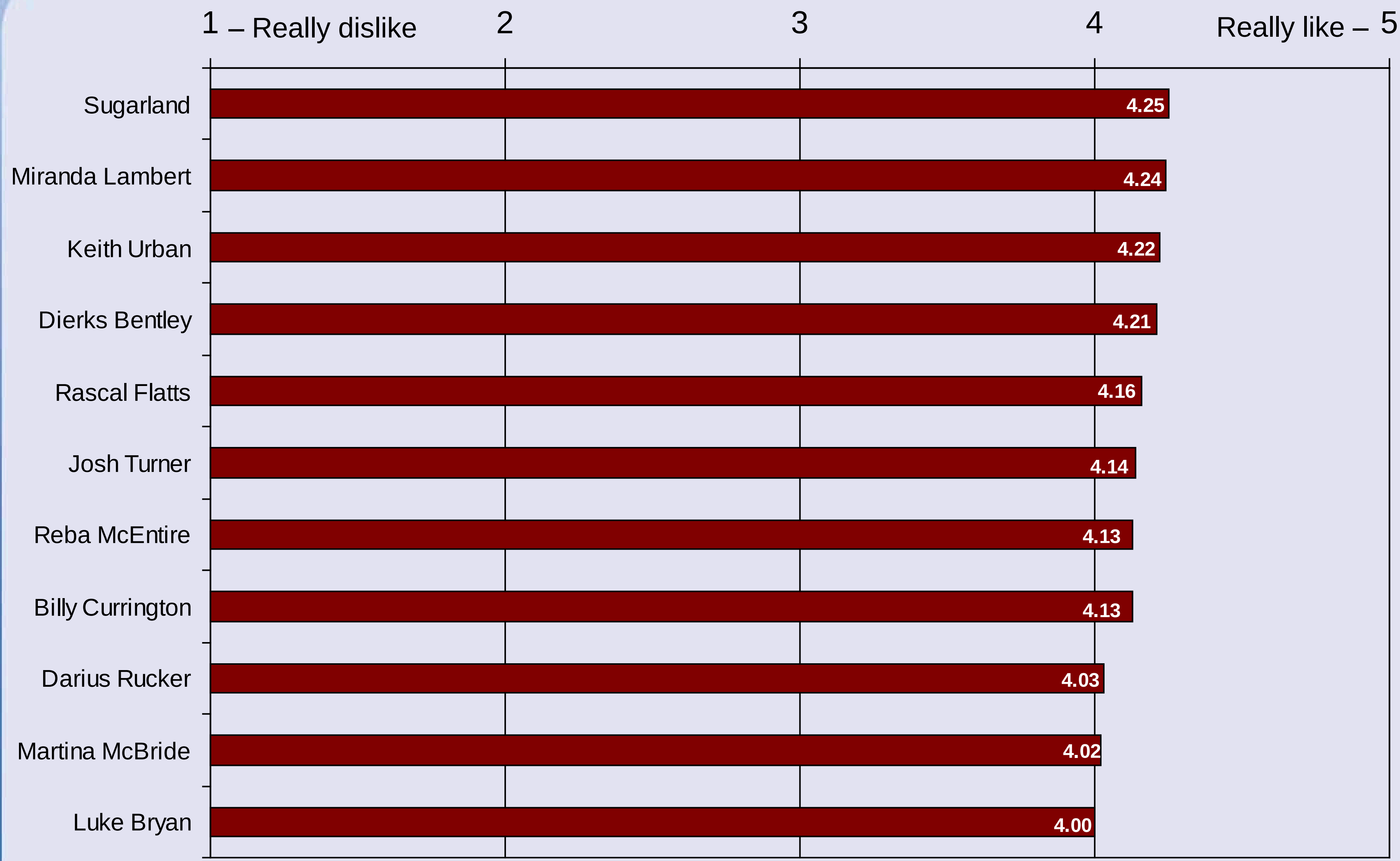


Artist Evaluation
Evaluation Average

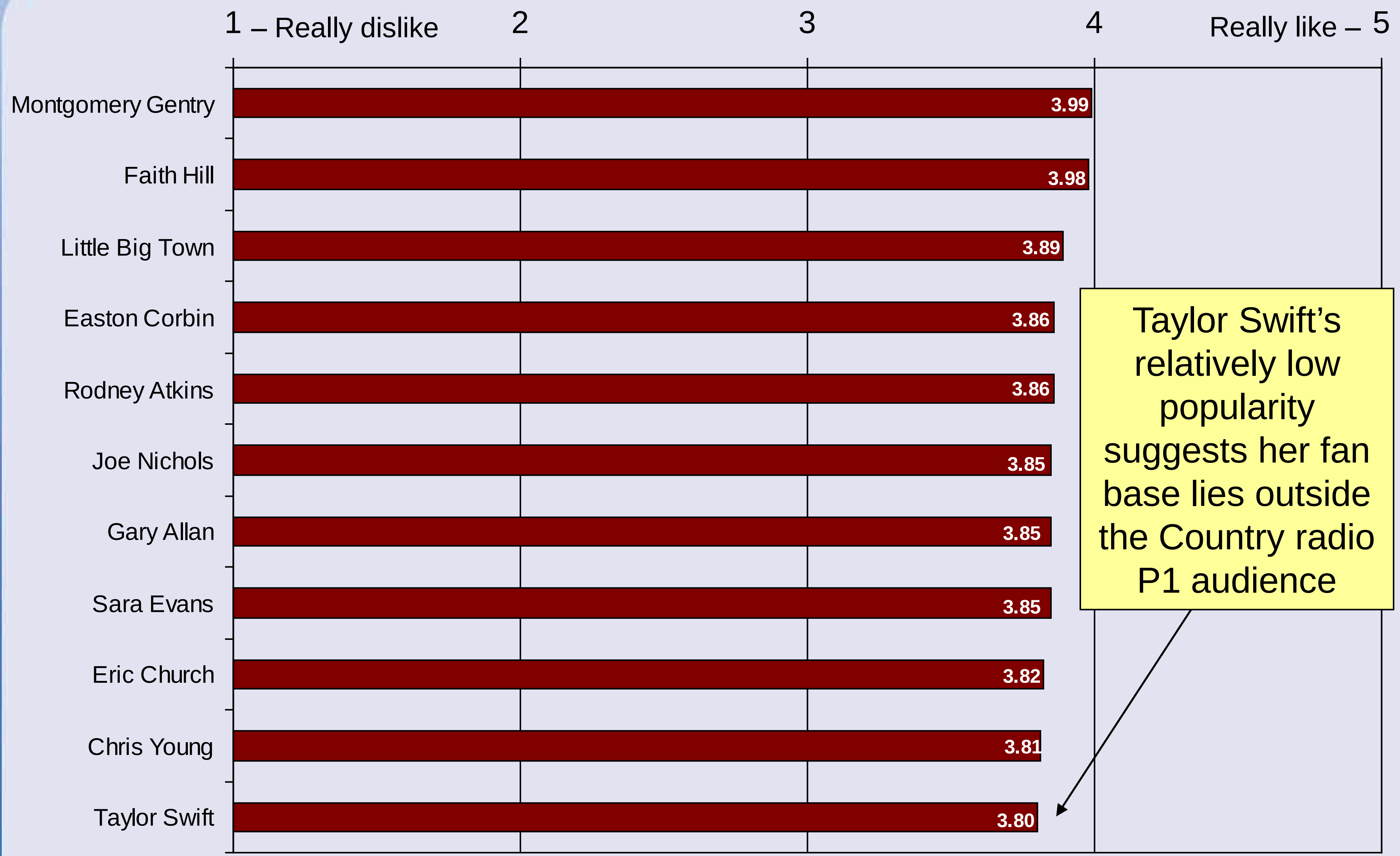


Artist Evaluation

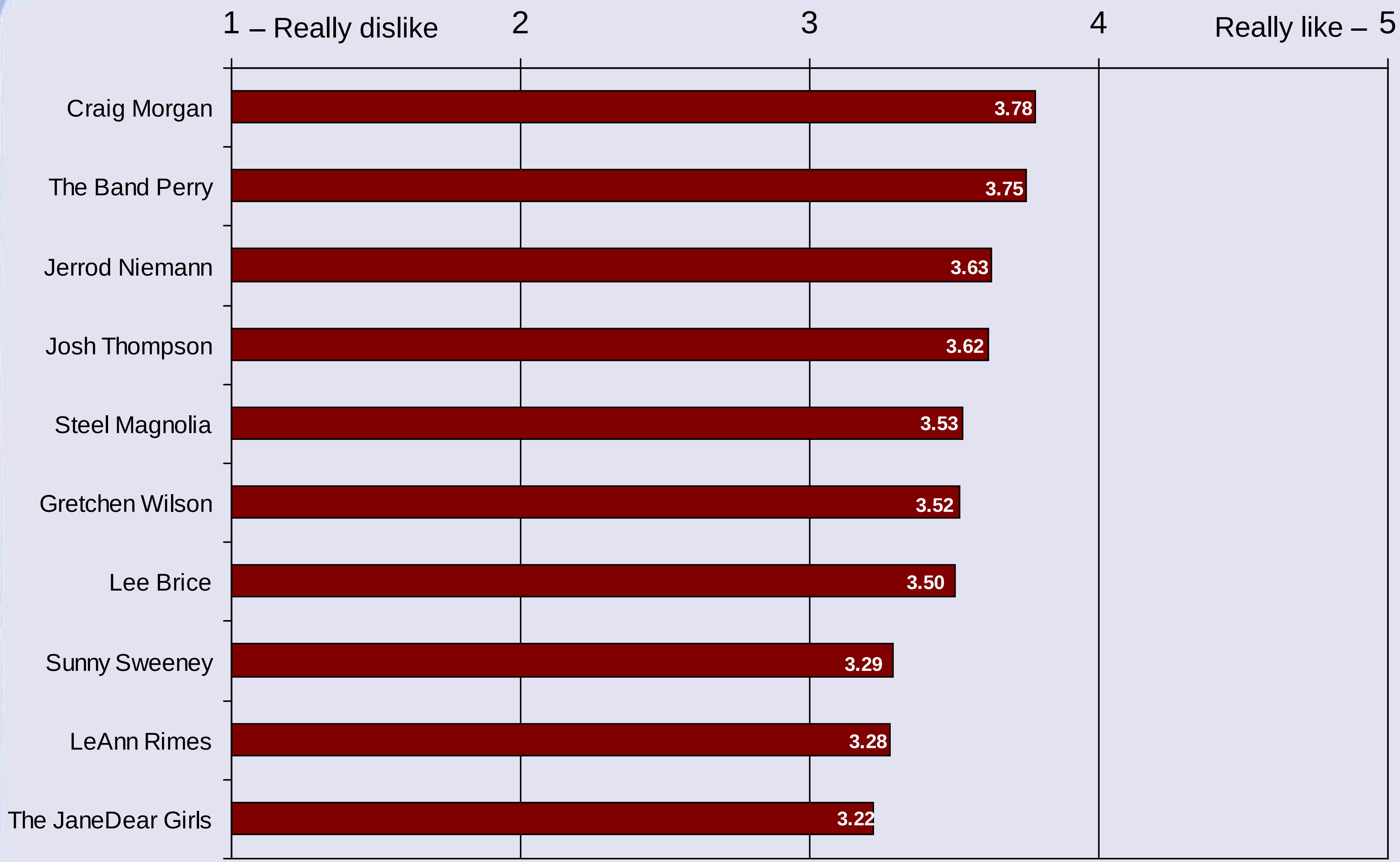
Evaluation Average (Continued)



Artist Evaluation
Evaluation Average (Continued)



Artist Evaluation
Evaluation Average (Continued)

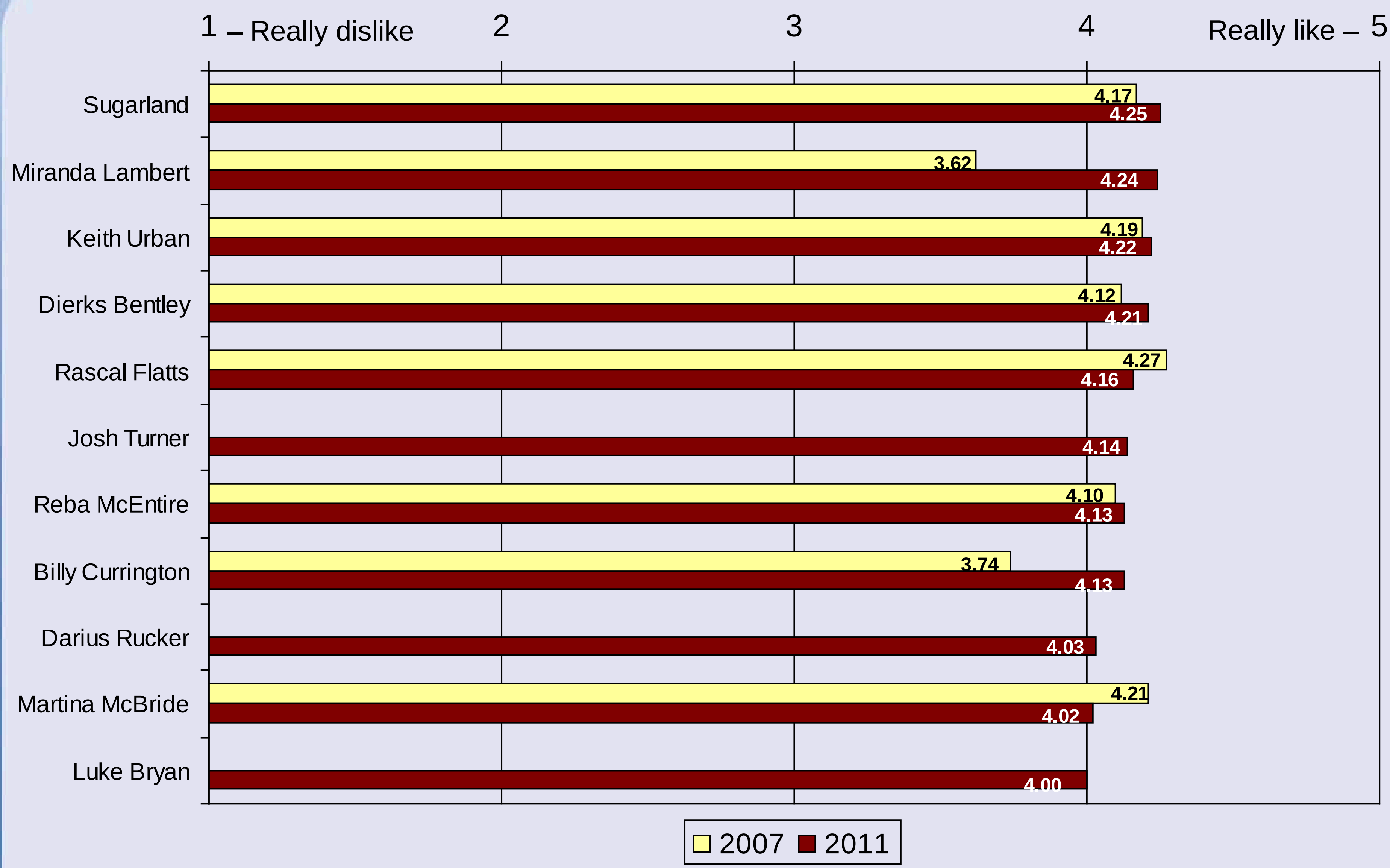


Artist Evaluation Trend

Evaluation Average

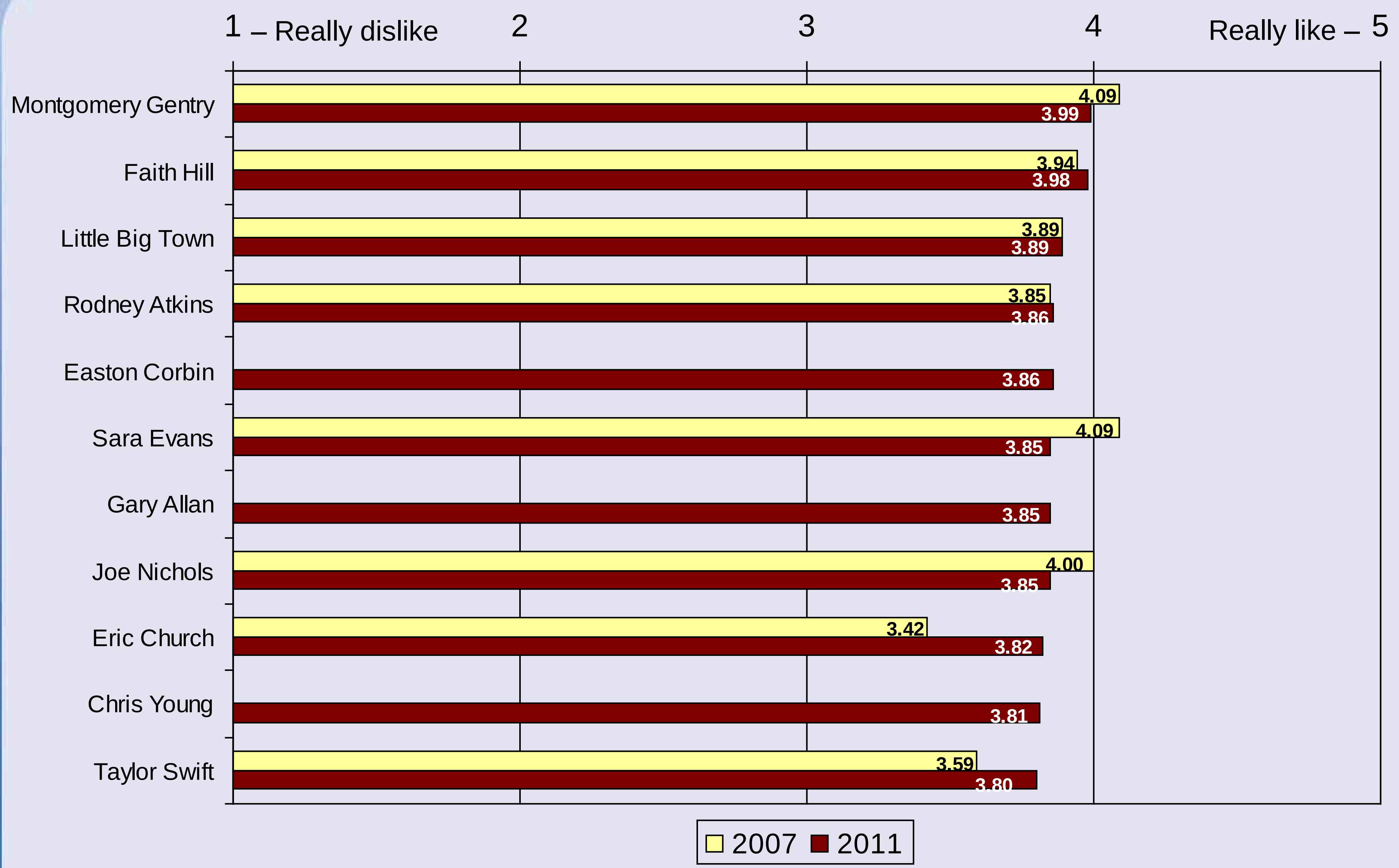
Artist Evaluation Trend

Evaluation Average (Continued)

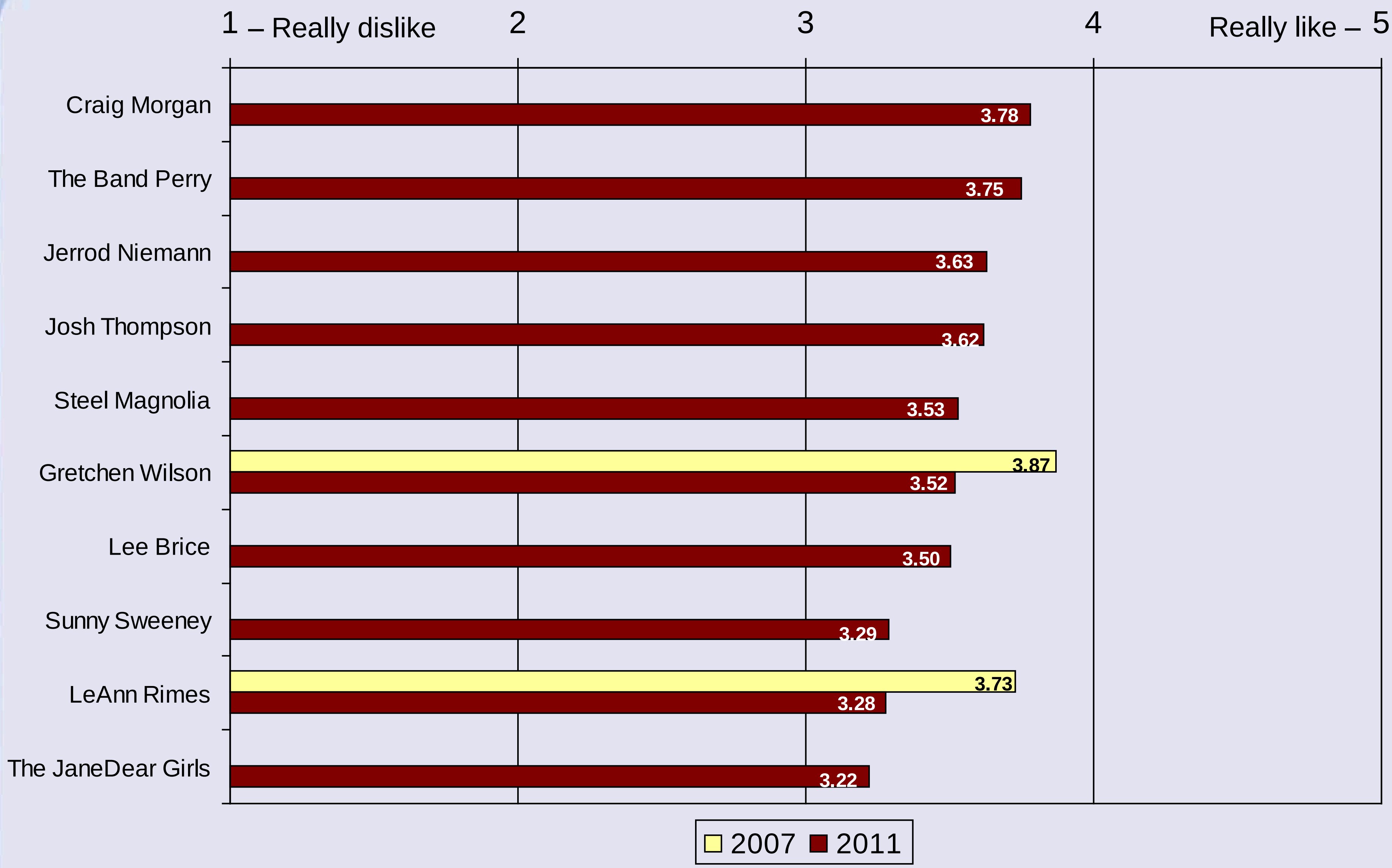


Artist Evaluation Trend

Evaluation Average (Continued)

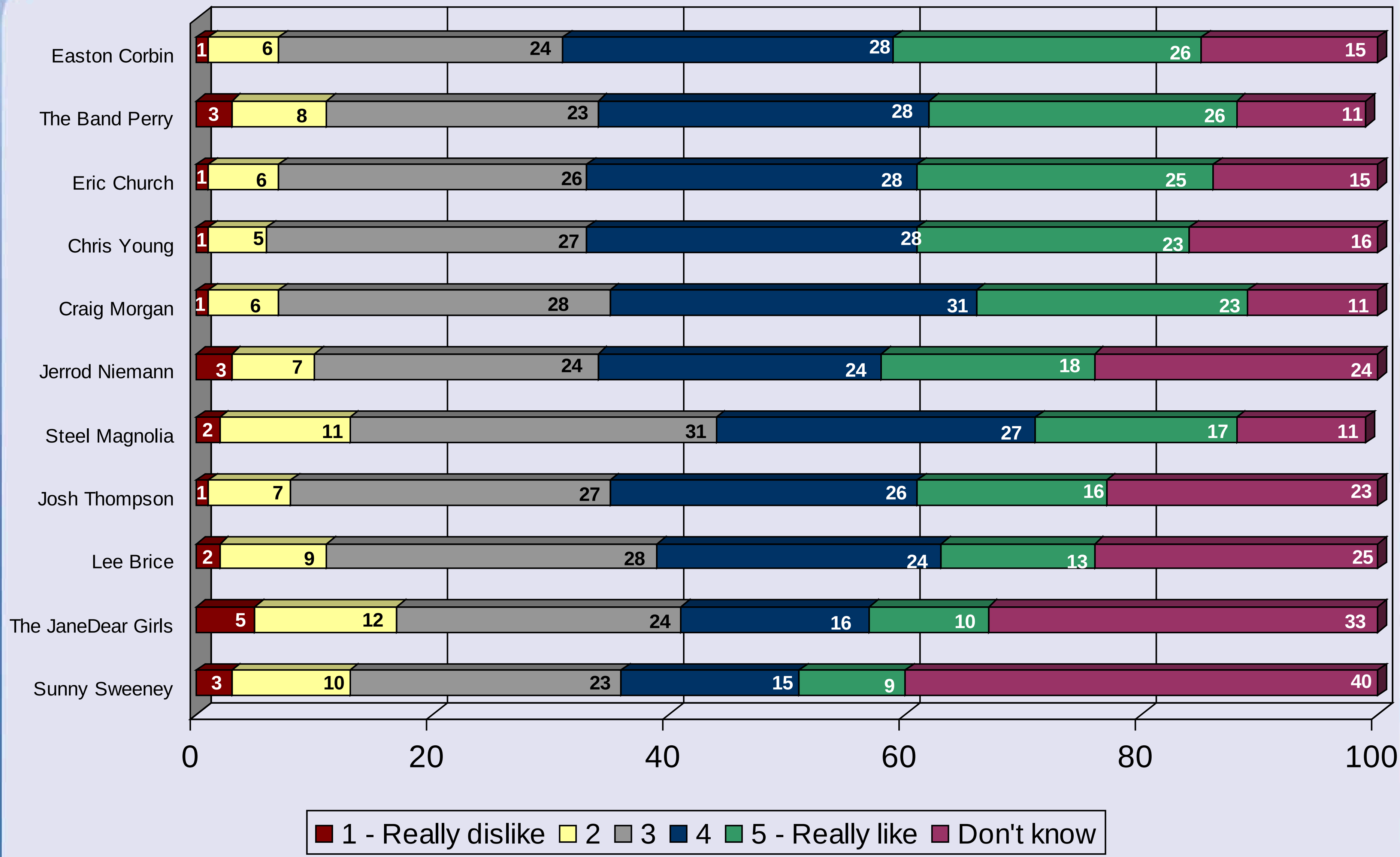


Artist Evaluation Trend
Evaluation Average (Continued)

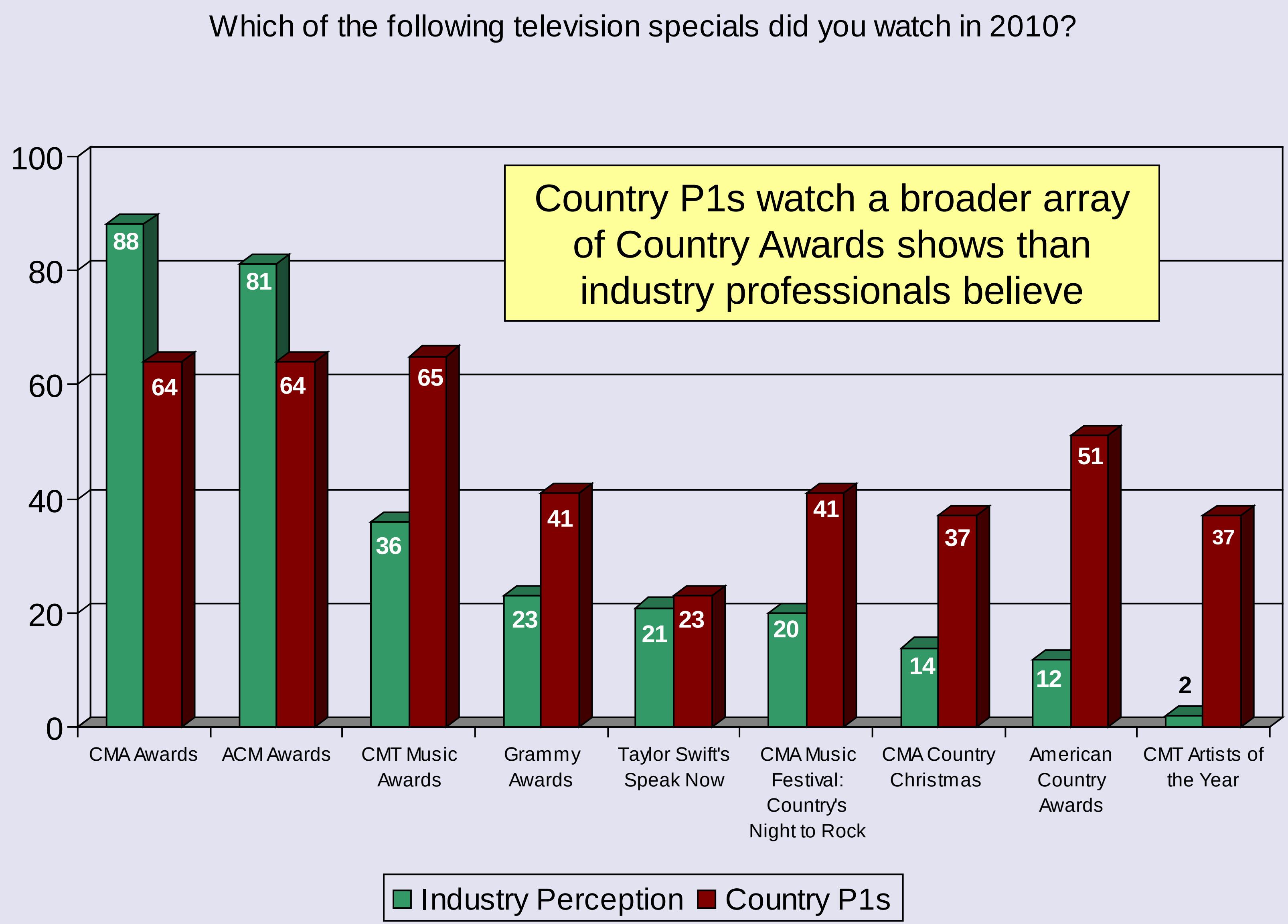


Artist Evaluation

Relatively high "Don't know" scores—indicating lower Familiarity—may hamper evaluations of these artists

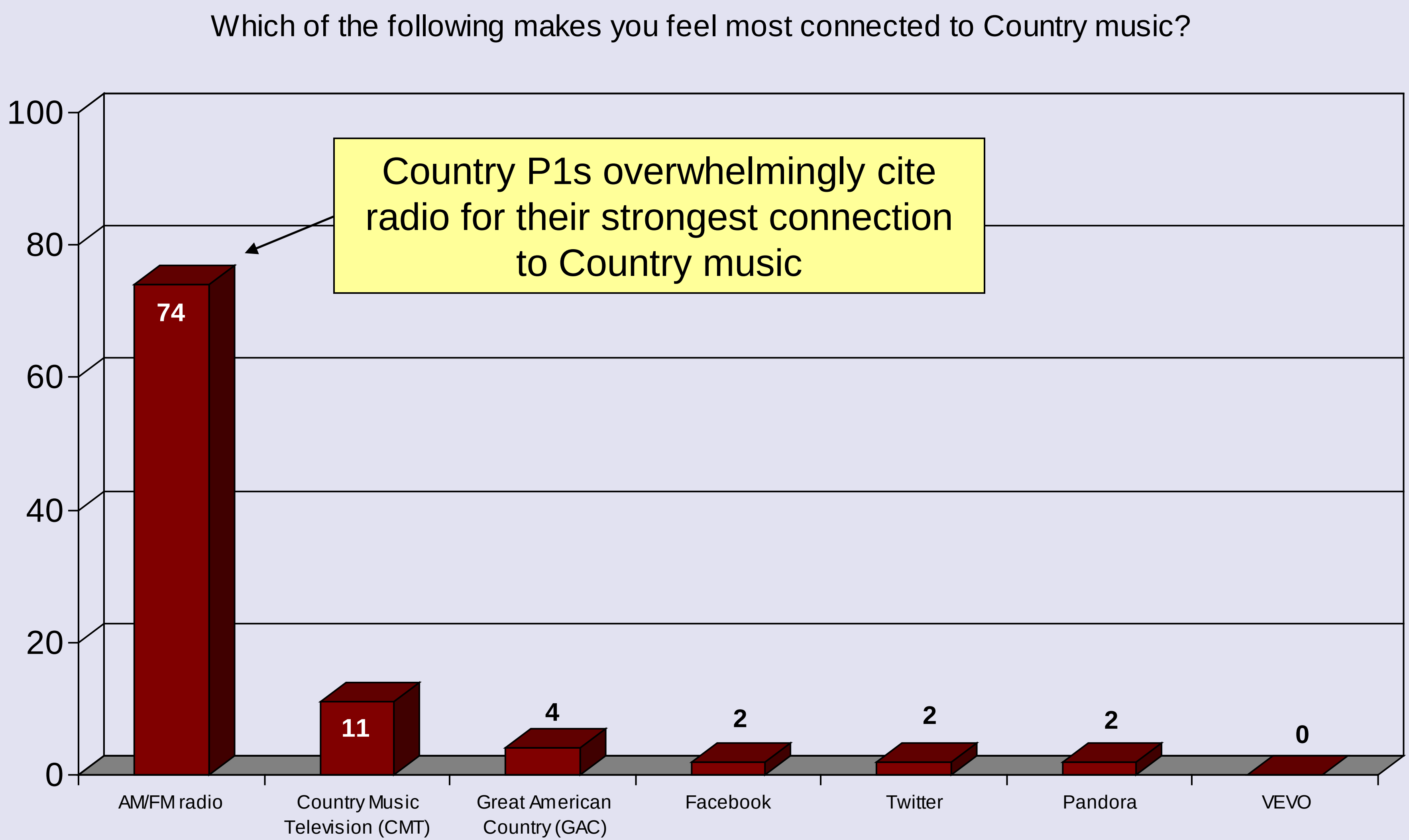


Country Award Show Viewership

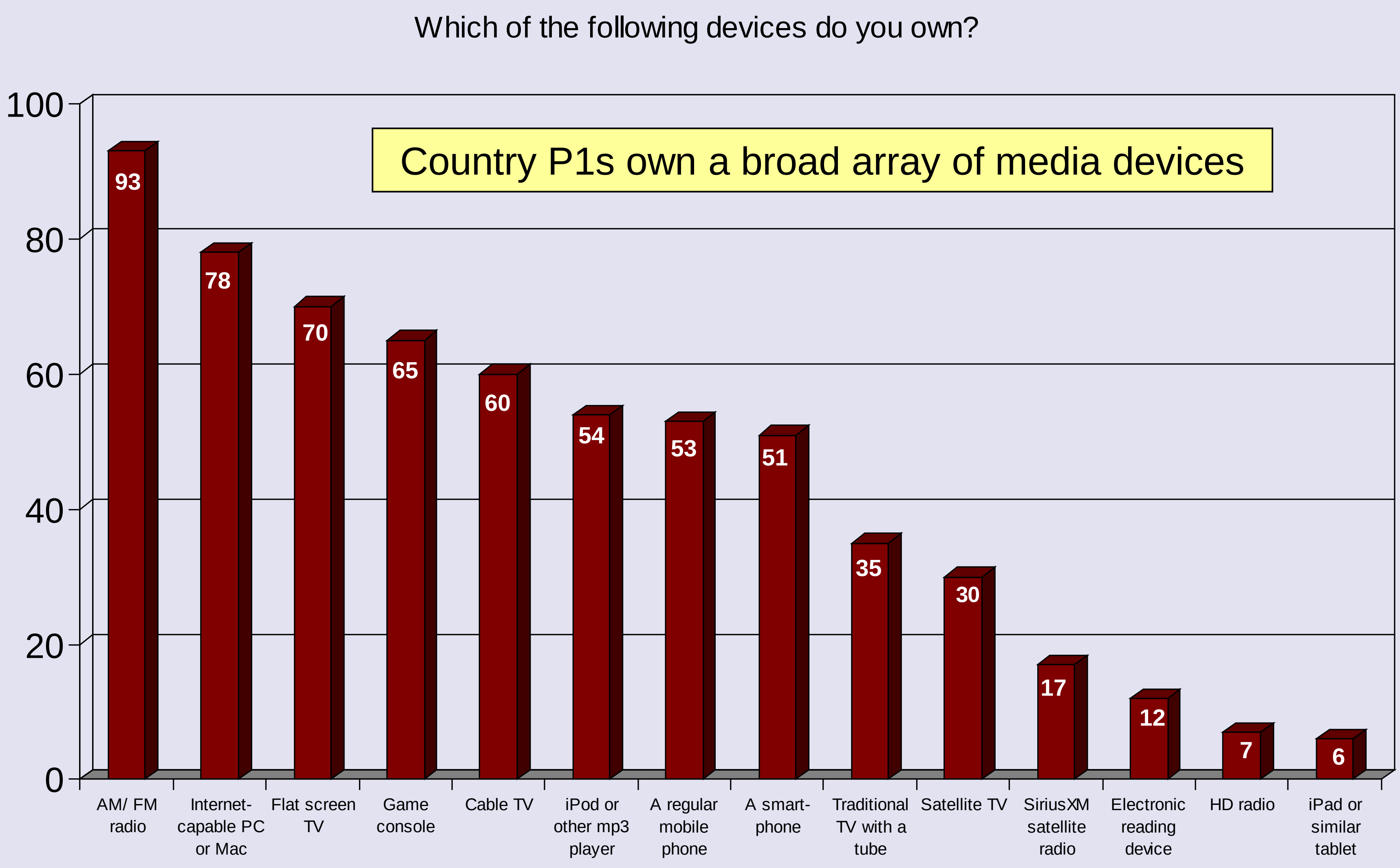


New Media

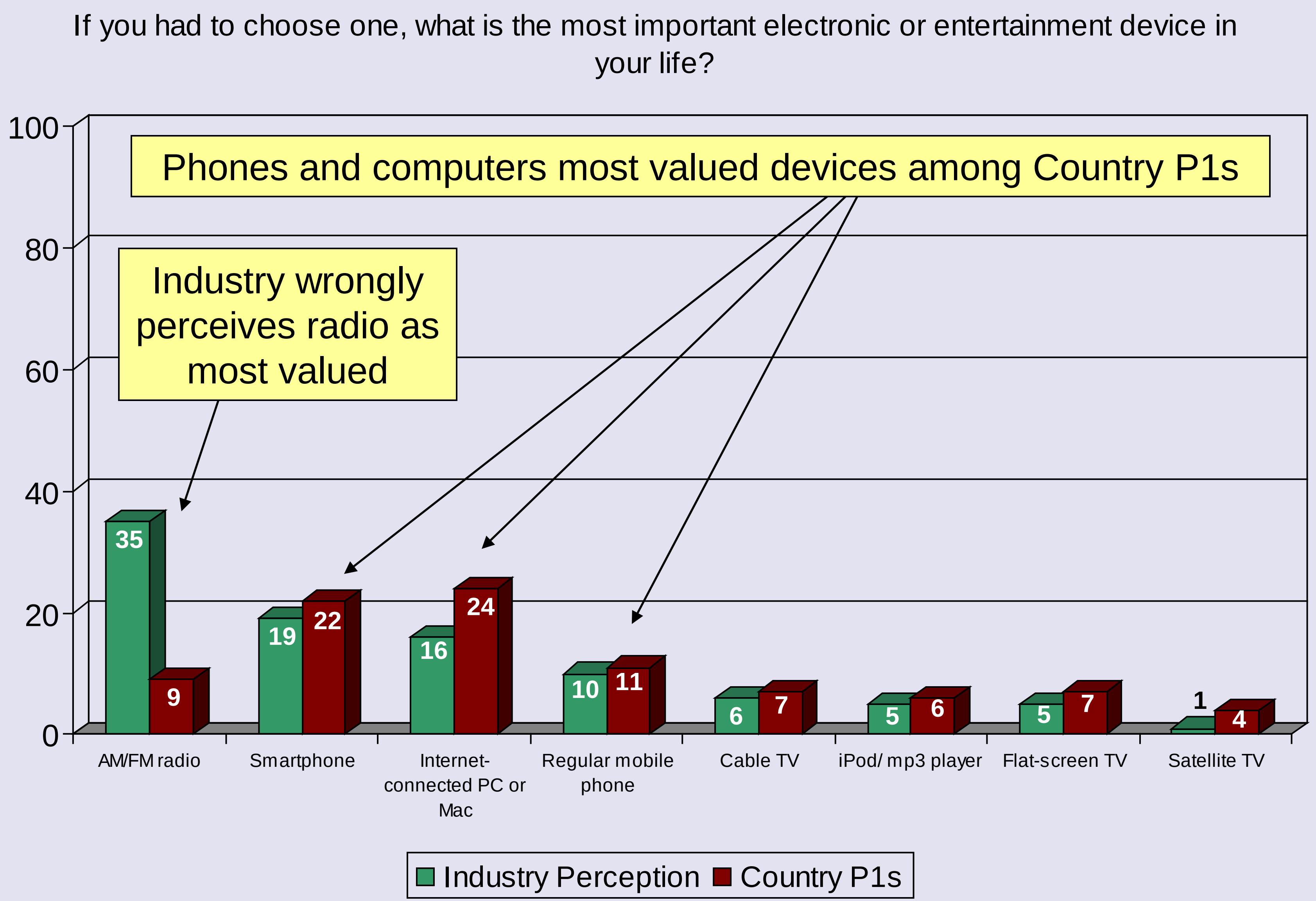
Media Connections to Country Music



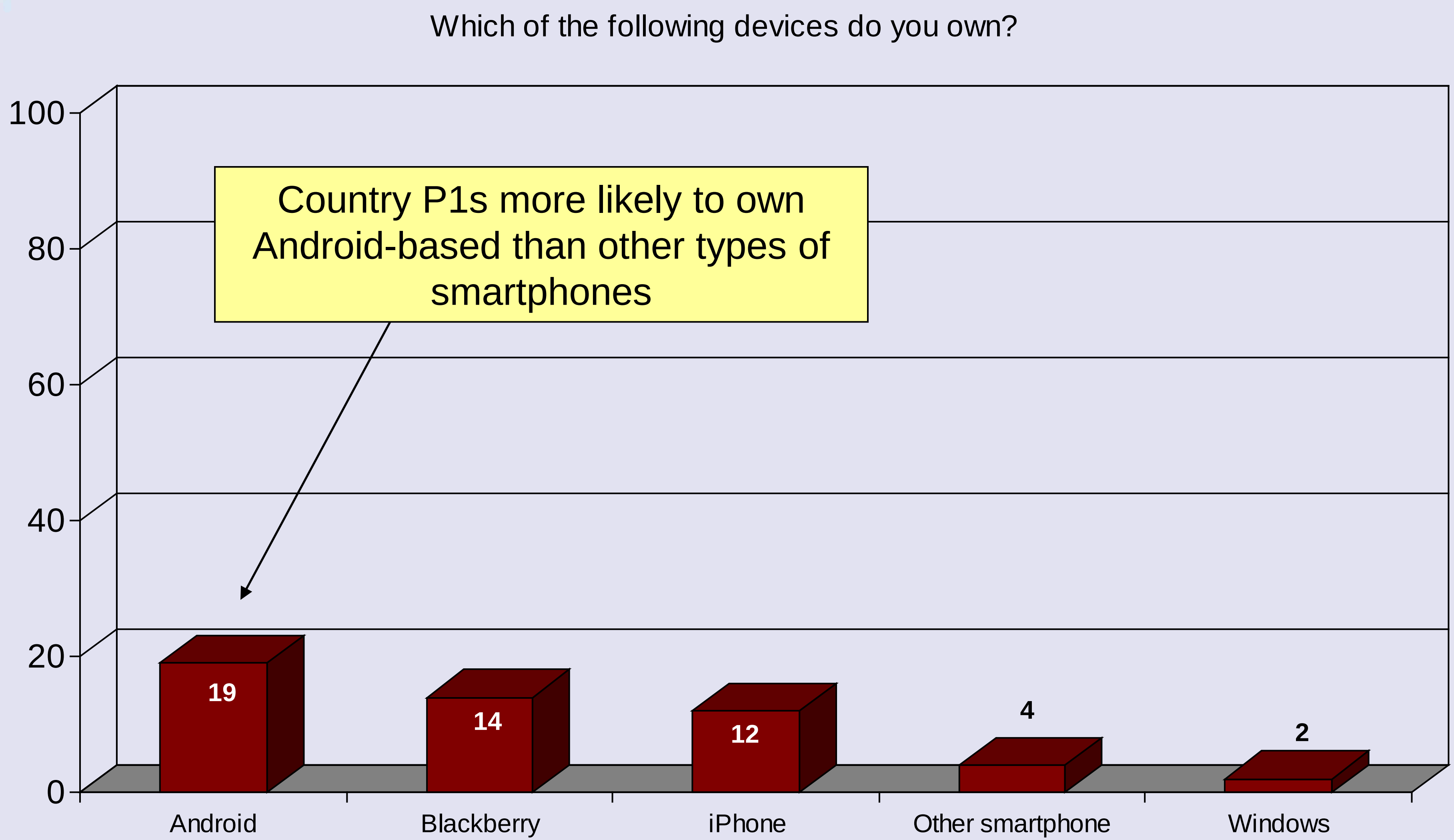
Device Ownership



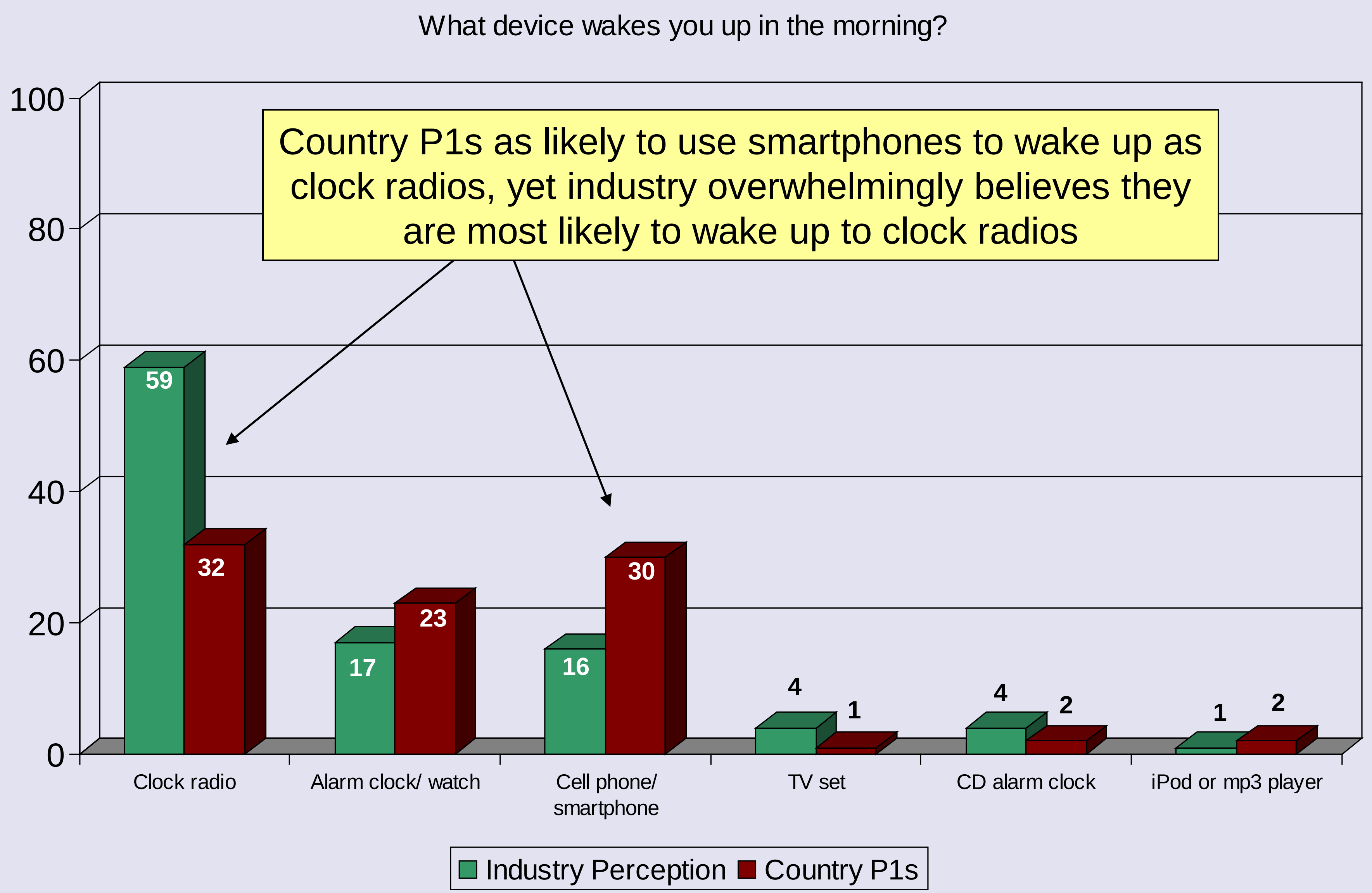
Most Important Device



Smartphone Ownership

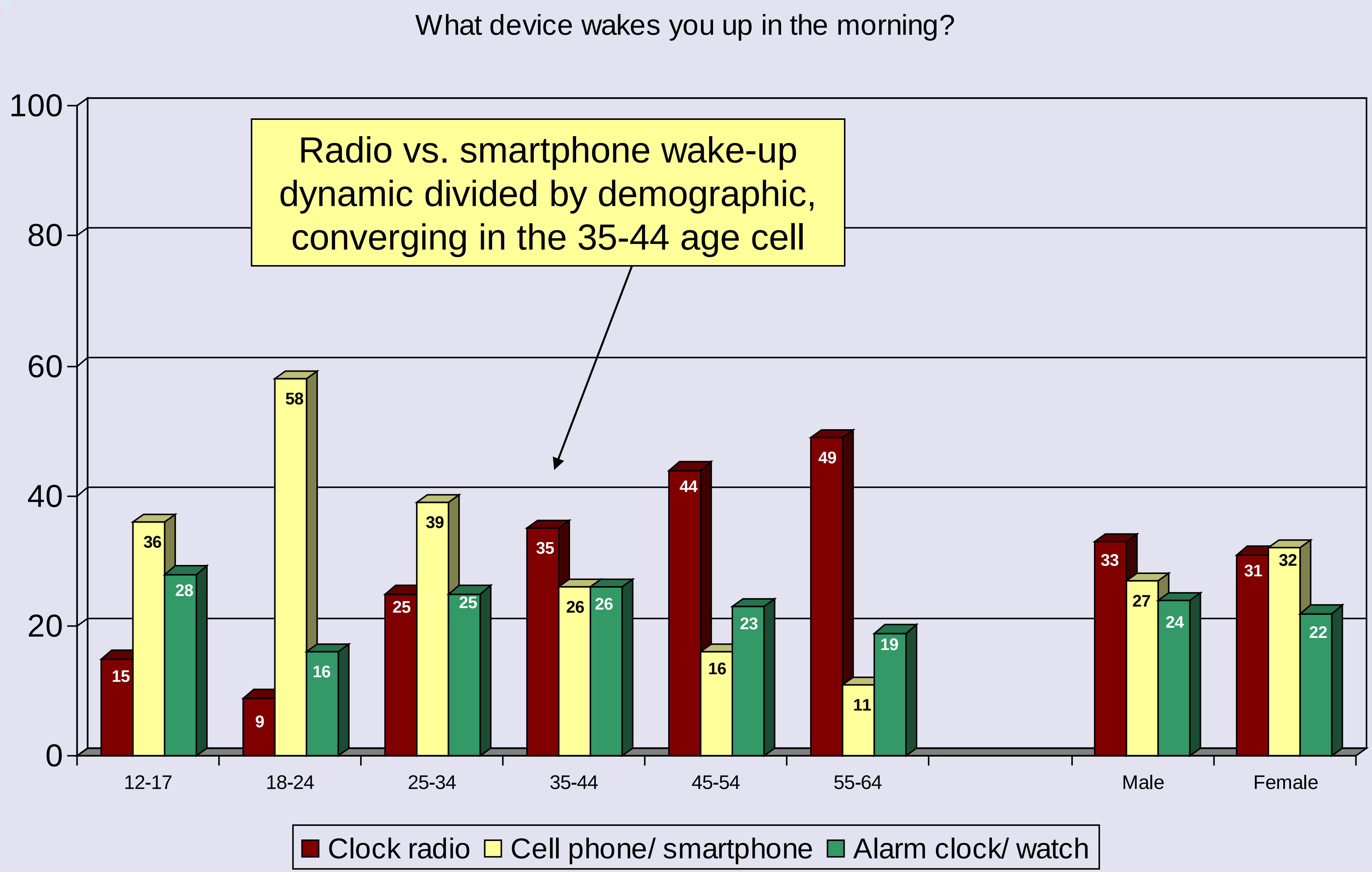


Wake-Up Devices



Device That Wakes You Up

By Demographic & Gender



Media Usage

"At Least One A Week" By Demographic & Gender

	Total	12-17	18-24	25-34	35-44	45-54	55-64	Male	Female
AM/ FM radio	94	97	90	93	95	94	93	94	93
Internet	74	92	80	73	74	69	69	74	75
Television	68	62	63	66	68	70	76	66	70
CMT or GAC	51	56	45	45	54	53	55	51	51
Facebook	48	64	63	54	49	37	27	41	54
Mobile phone	42	51	50	50	41	34	30	40	44
iPod or other mp3 player	40	77	57	42	38	27	20	38	42
YouTube	36	69	63	39	26	25	19	39	34
Apps on smartphones	27	37	32	38	27	19	12	30	24
Text Messaging	25	28	34	32	26	18	11	20	29
Streaming internet radio	22	24	28	27	23	19	13	25	20
SiriusXM satellite radio	13	14	7	9	14	15	17	14	12
Netflix	11	3	13	15	13	8	7	10	11
Hulu	8	26	13	10	5	4	3	9	8
Twitter	7	11	10	9	7	4	1	5	8
iPad or similar tablet	6	18	5	4	5	4	4	7	4
VEVO	5	29	10	4	1	1	1	6	4
Electronic reading device	5	3	4	4	5	5	6	3	6
Skype	4	13	9	3	3	2	3	4	5
HD radio	4	0	2	5	4	4	6	5	3
MySpace	4	0	7	7	4	2	2	5	3
Podcast	2	0	2	3	2	1	0	2	1

Usage of multiple media pervasive across the demographic spectrum

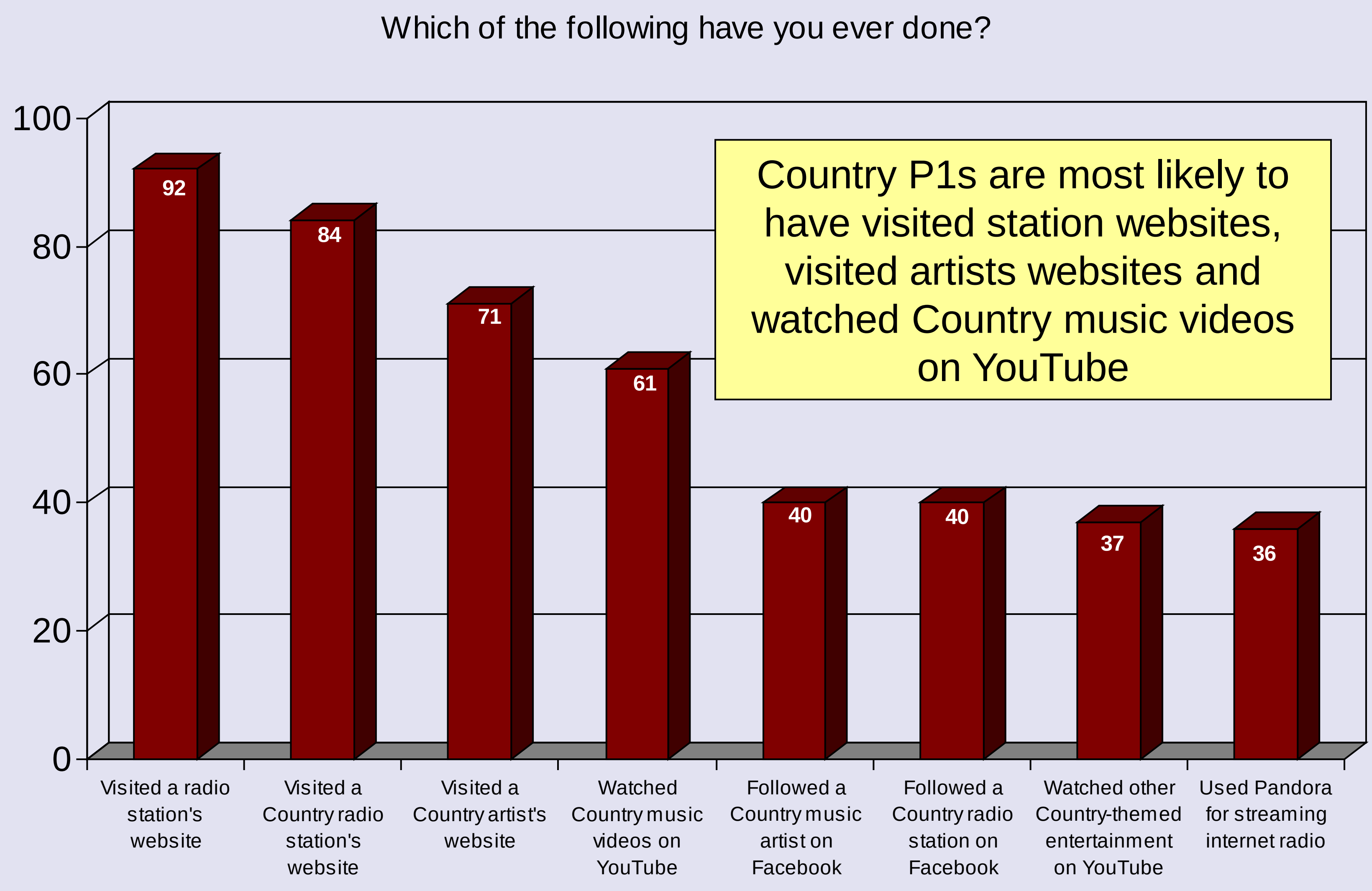
Media Momentum

Would you say you are using each of these more, less or about the same as a year ago?

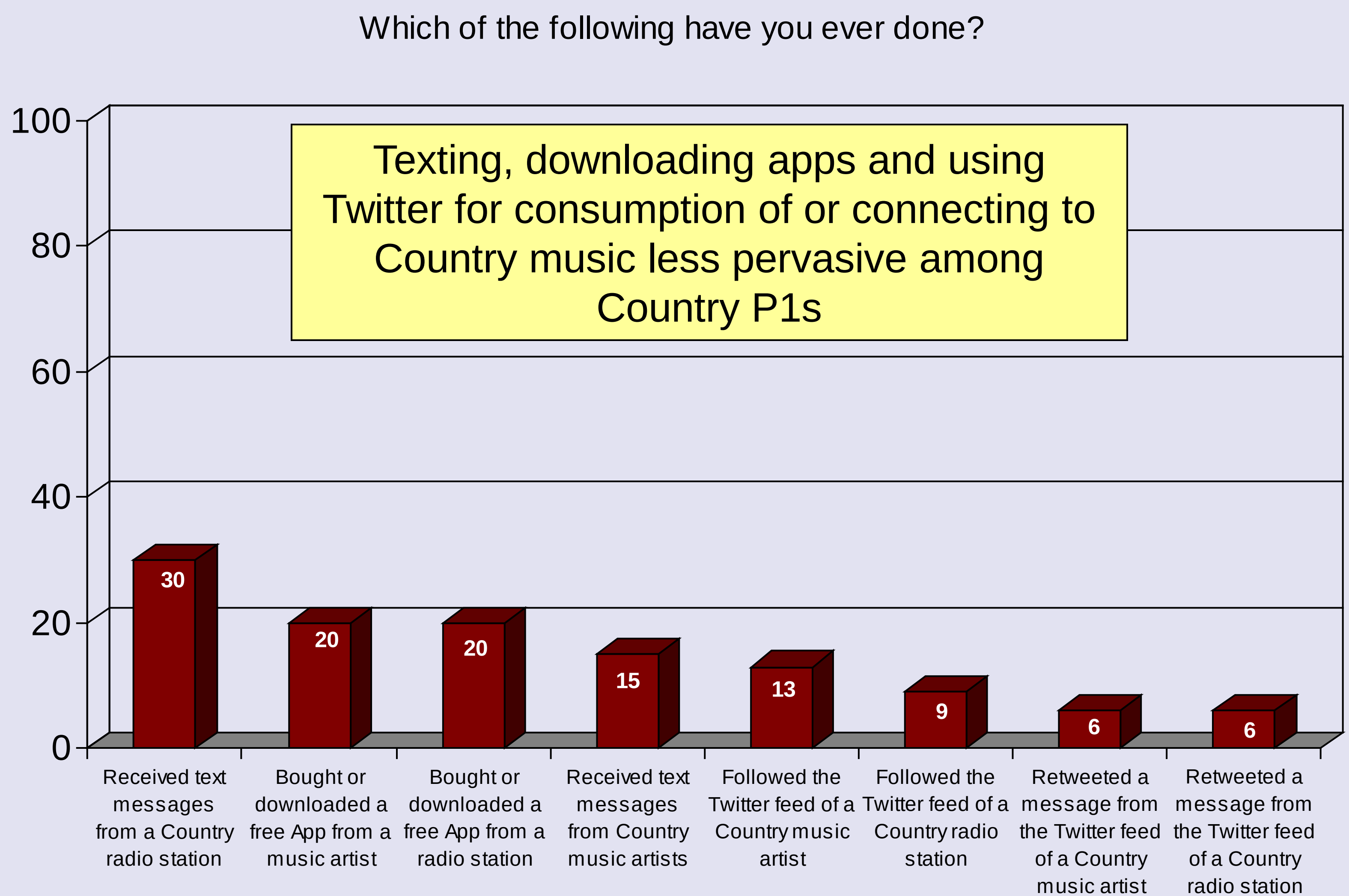
	More	About the same	Less
Facebook	57	28	7
Text Messaging	55	32	5
Internet	53	42	3
Mobile phone	48	40	4
Apps on smartphones	47	15	3
iPod or other mp3 player	41	32	11
YouTube	36	47	9
Streaming internet radio	36	40	10
Hulu	27	28	9
AM/ FM radio	27	63	10
VEVO	26	35	8
Netflix	26	20	10
CMT or GAC	25	52	14
Television	25	58	15
Electronic reading device	22	9	2
Skype	19	19	9
Twitter	19	15	10
SiriusXM satellite radio	17	20	11
iPad or similar tablet	17	9	1
Podcast	9	23	9
HD radio	8	15	4
MySpace	5	15	39

MySpace is only media measured exhibiting negative usage momentum

Country Media Sampling



Country Media Sampling
(Continued)



Country Media Sampling

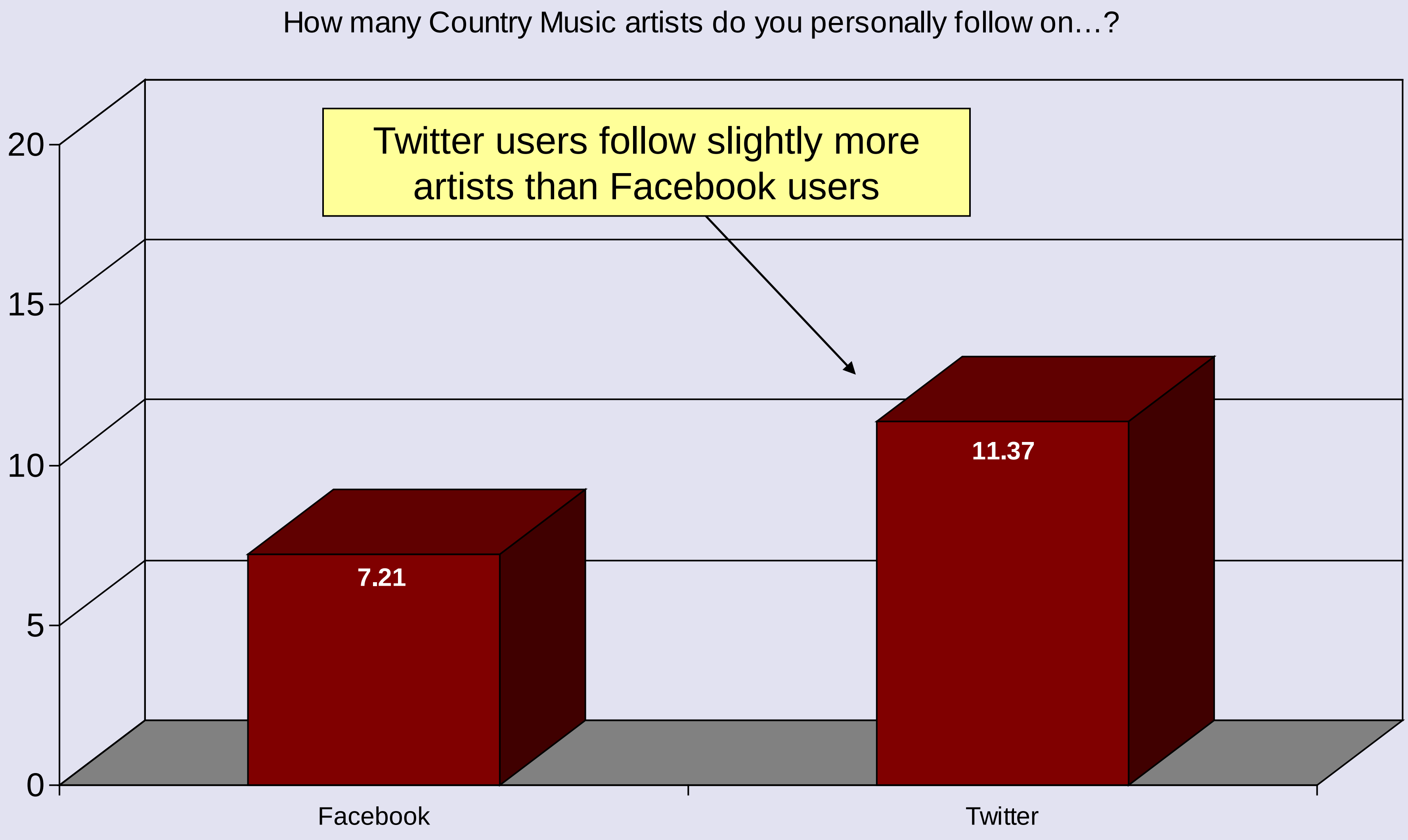
Which of the following have you ever done?

	Total	12-17	18-24	25-34	35-44	45-54	55-64
Visited a radio station's website	92	94	91	92	93	92	92
Visited a Country radio station's website	84	83	84	85	87	83	79
Visited a Country artist's website	71	67	76	78	73	68	60
Watched Country music videos on YouTube	61	87	84	67	59	51	34
Followed a Country music artist on Facebook	40	52	61	49	41	28	17
Followed a Country radio station on Facebook	40	51	54	50	40	29	18
Watched other Country-themed entertainment on YouTube	37	71	54	40	32	26	19
Used Pandora for streaming internet radio	36	62	54	48	31	21	18
Received text messages from a Country radio station	30	43	38	33	26	26	20
Bought or downloaded a free App from a music artist	20	29	23	24	20	15	13
Bought or downloaded a free App from a radio station	20	45	25	25	15	13	9
Received text messages from Country music artists	15	28	19	16	14	11	8
Followed the Twitter feed of a Country music artist	13	36	22	14	11	6	5
Followed the Twitter feed of a Country radio station	9	17	14	11	9	5	3
Retweeted from the Twitter feed of a Country music artist	6	15	11	7	5	3	2
Retweeted from the Twitter feed of a Country radio station	6	16	9	7	5	3	3
None of the above	3	1	3	2	3	4	4

Sampling of the most popular forms of Country new media widespread across all age cells

Following Artists Via Social Media

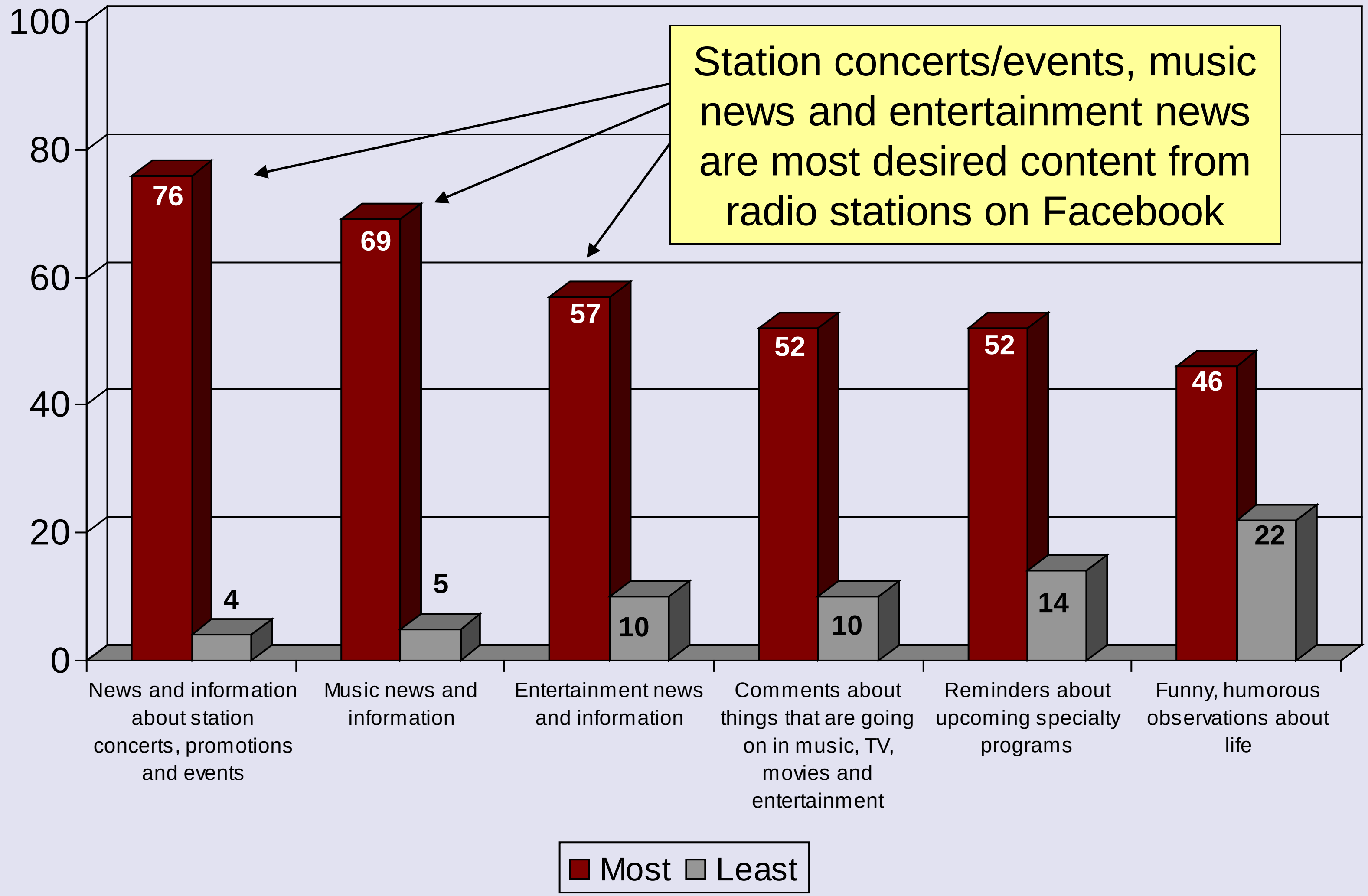
Among Those Who Follow Artists Via Each Medium



Radio Station Facebook Post Interest

Among Those Who Have Followed a Country Radio Station on Facebook

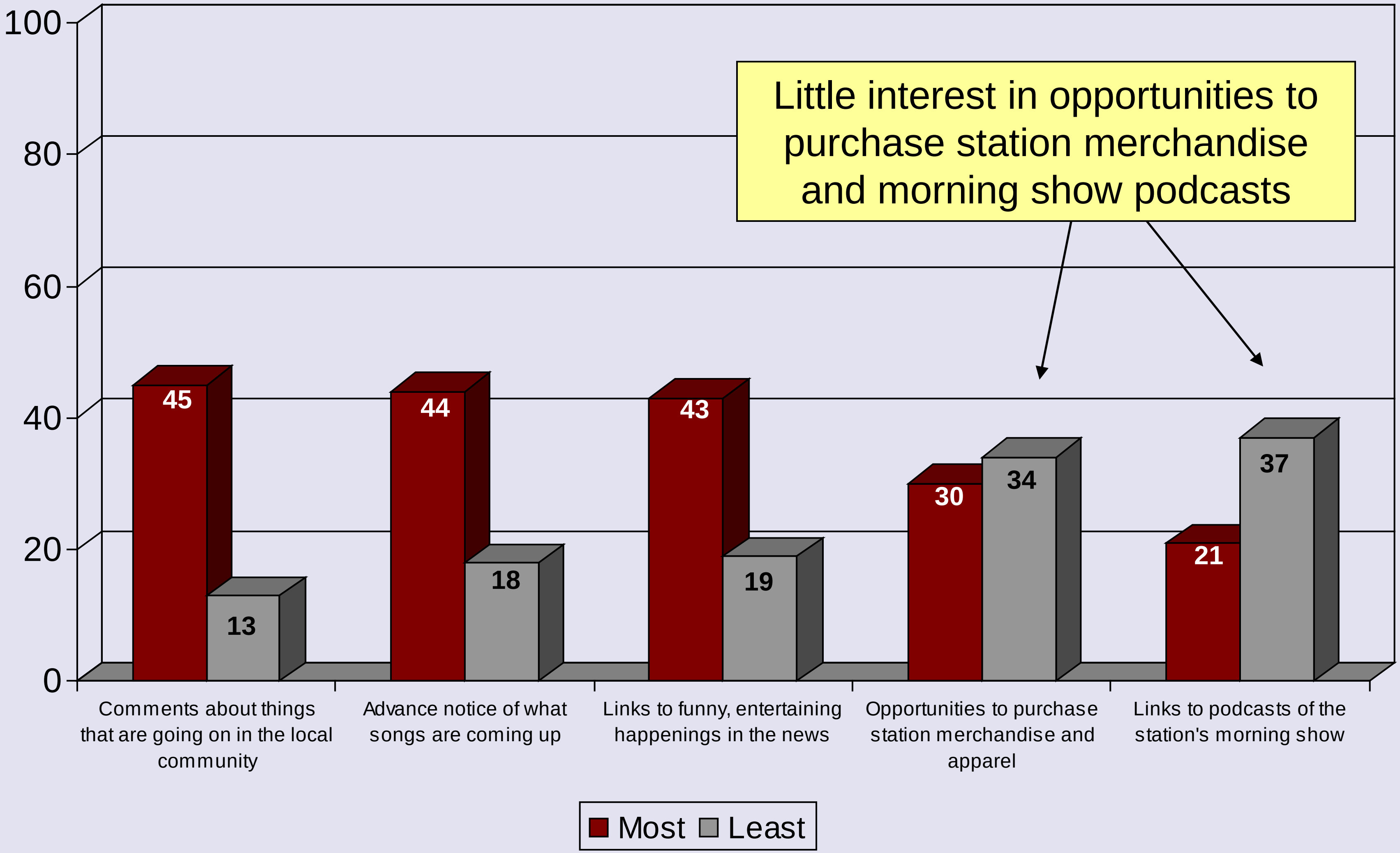
Thinking about the various things radio stations could post on Facebook, which of the following items would you be MOST vs. LEAST interested in?



Radio Station Facebook Post Interest

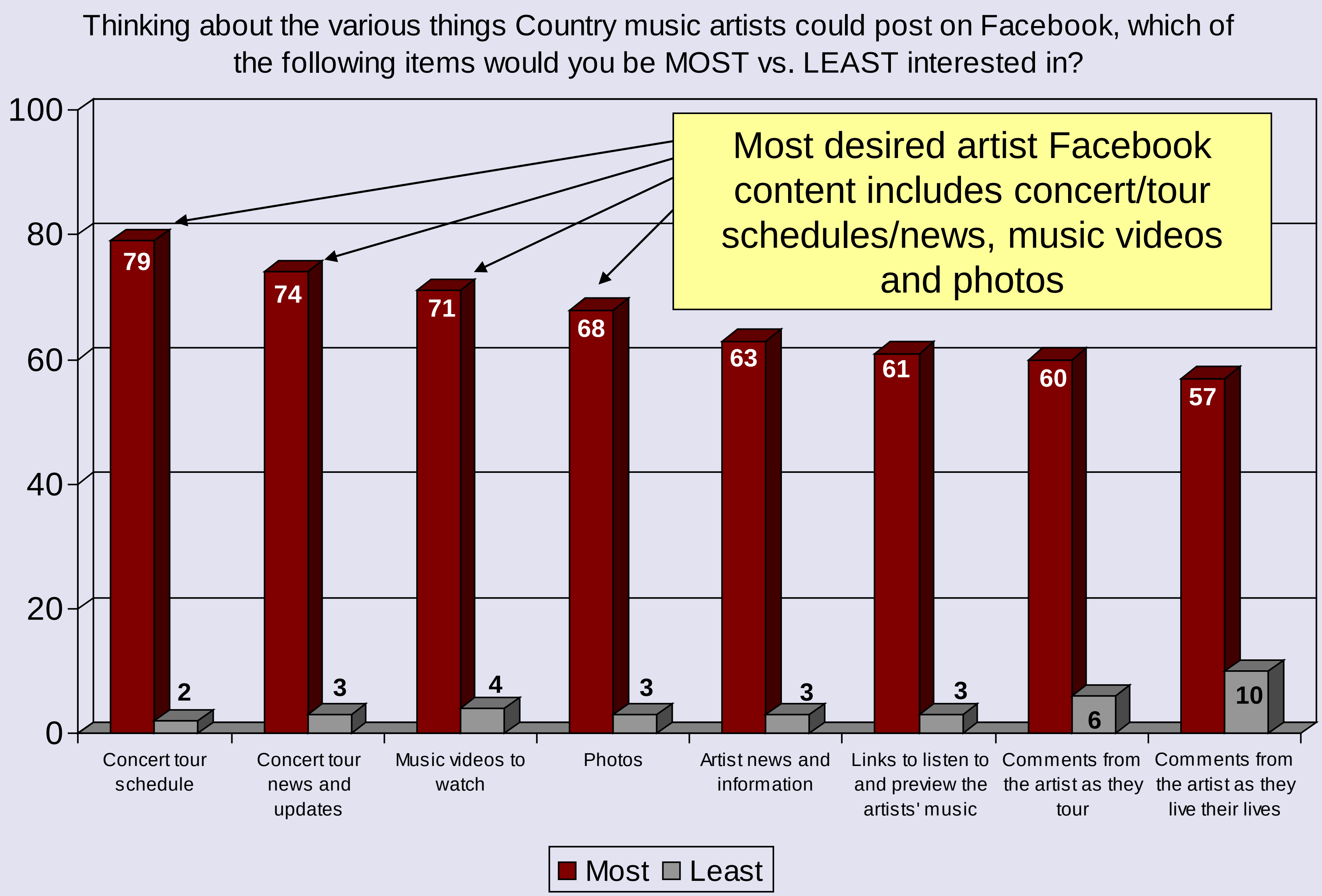
Among Those Who Have Followed a Country Radio Station on Facebook (Cont.)

Thinking about the various things radio stations could post on Facebook, which of the following items would you be MOST vs. LEAST interested in?



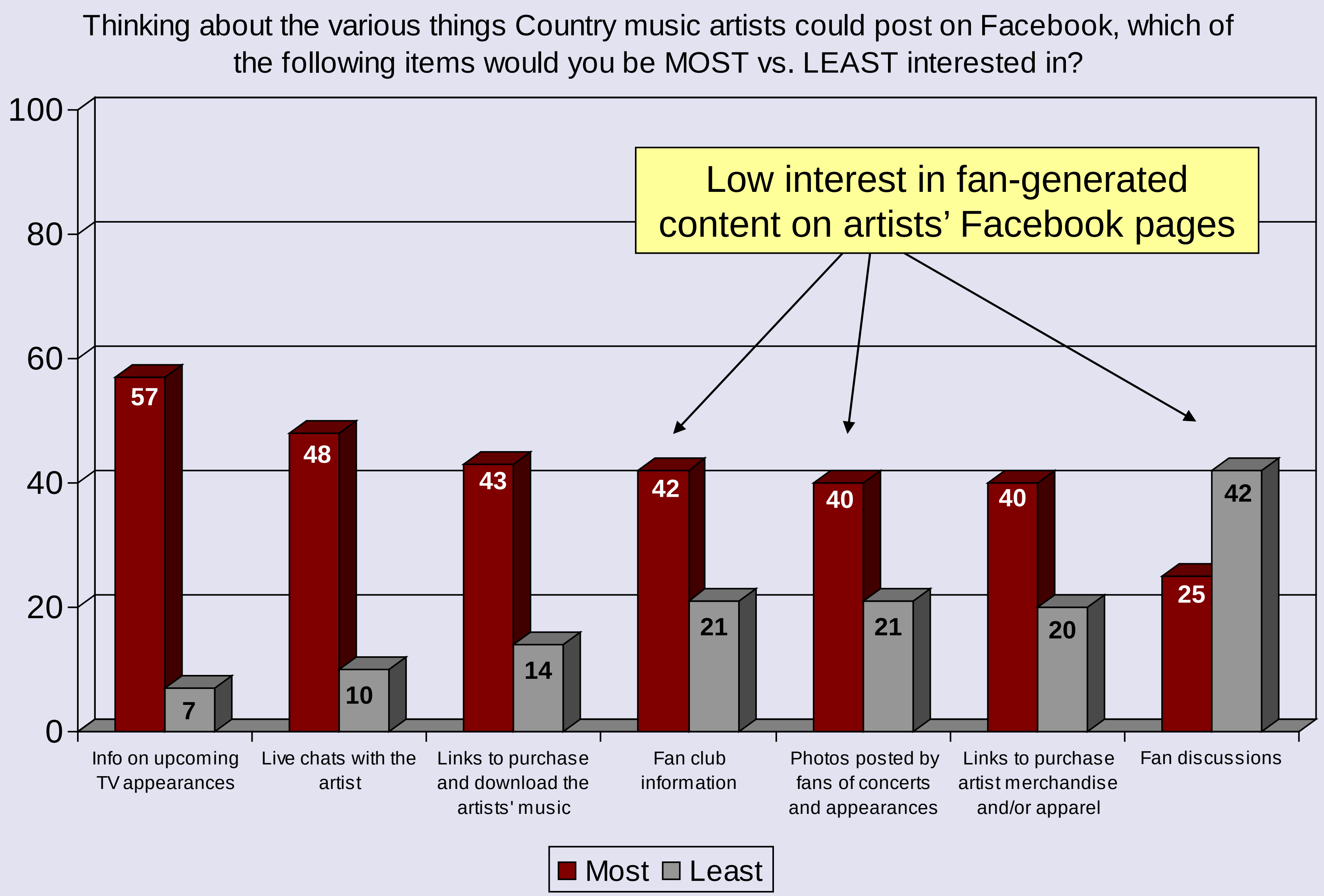
Artist Facebook Post Interest

Among Those Who Have Followed a Country Artist on Facebook



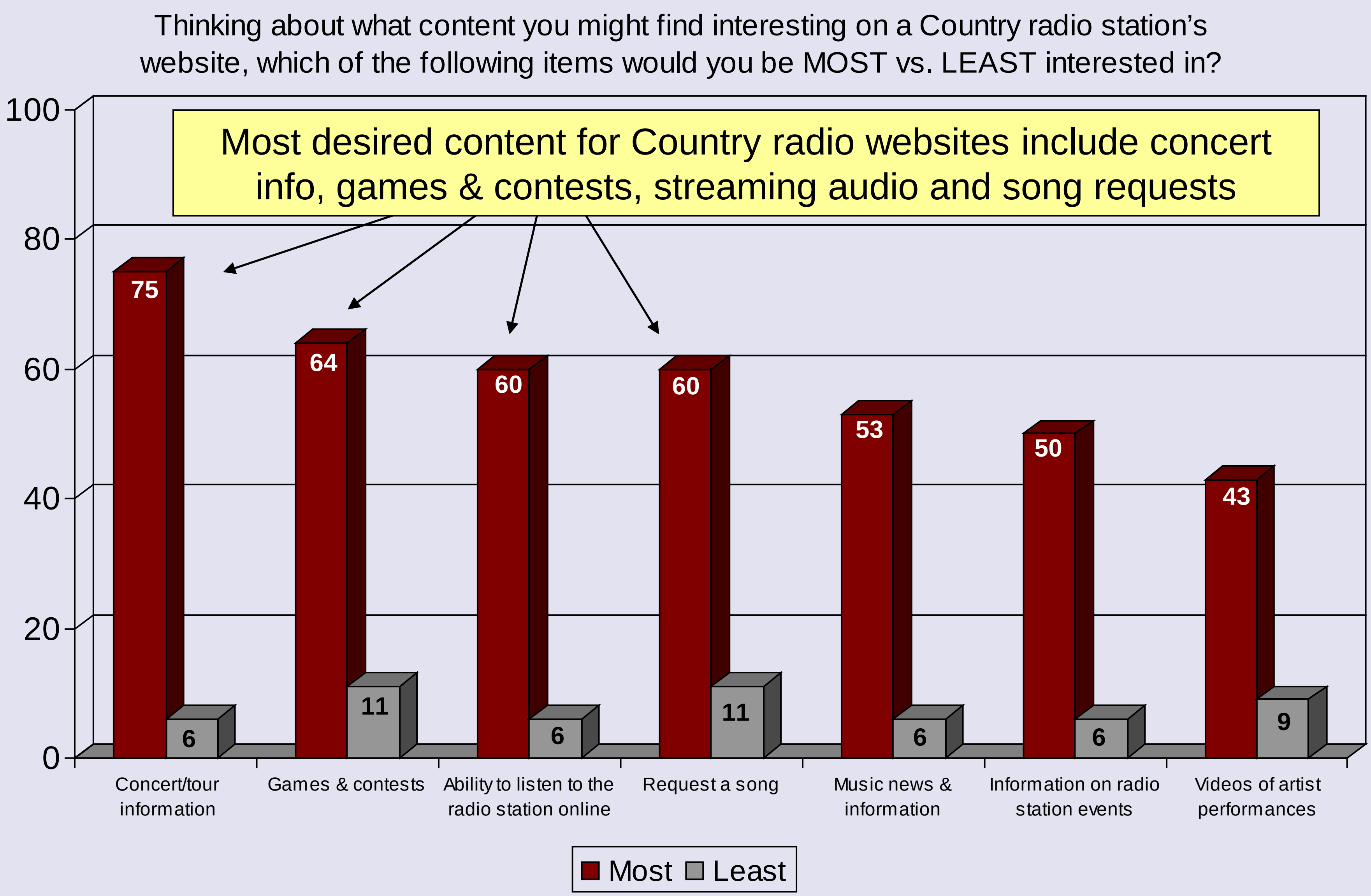
Artist Facebook Post Interest

Among Those Who Have Followed a Country Artist Station on Facebook (Cont.)



Radio Station Website Content Interest

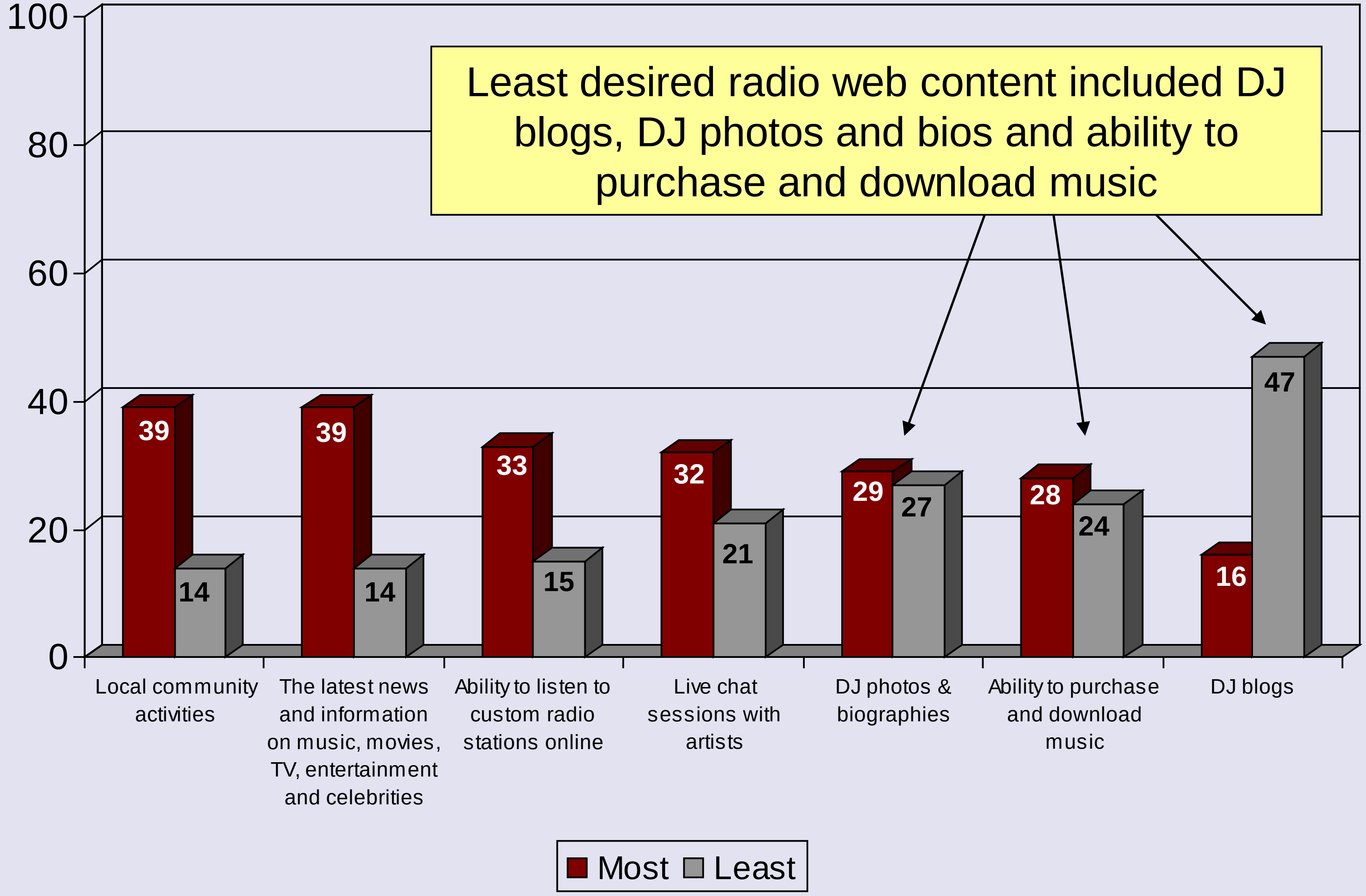
Among Those Who Have Visited a Country Radio Station Website



Radio Station Website Content Interest

Among Those Who Have Visited a Country Radio Station Website (Continued)

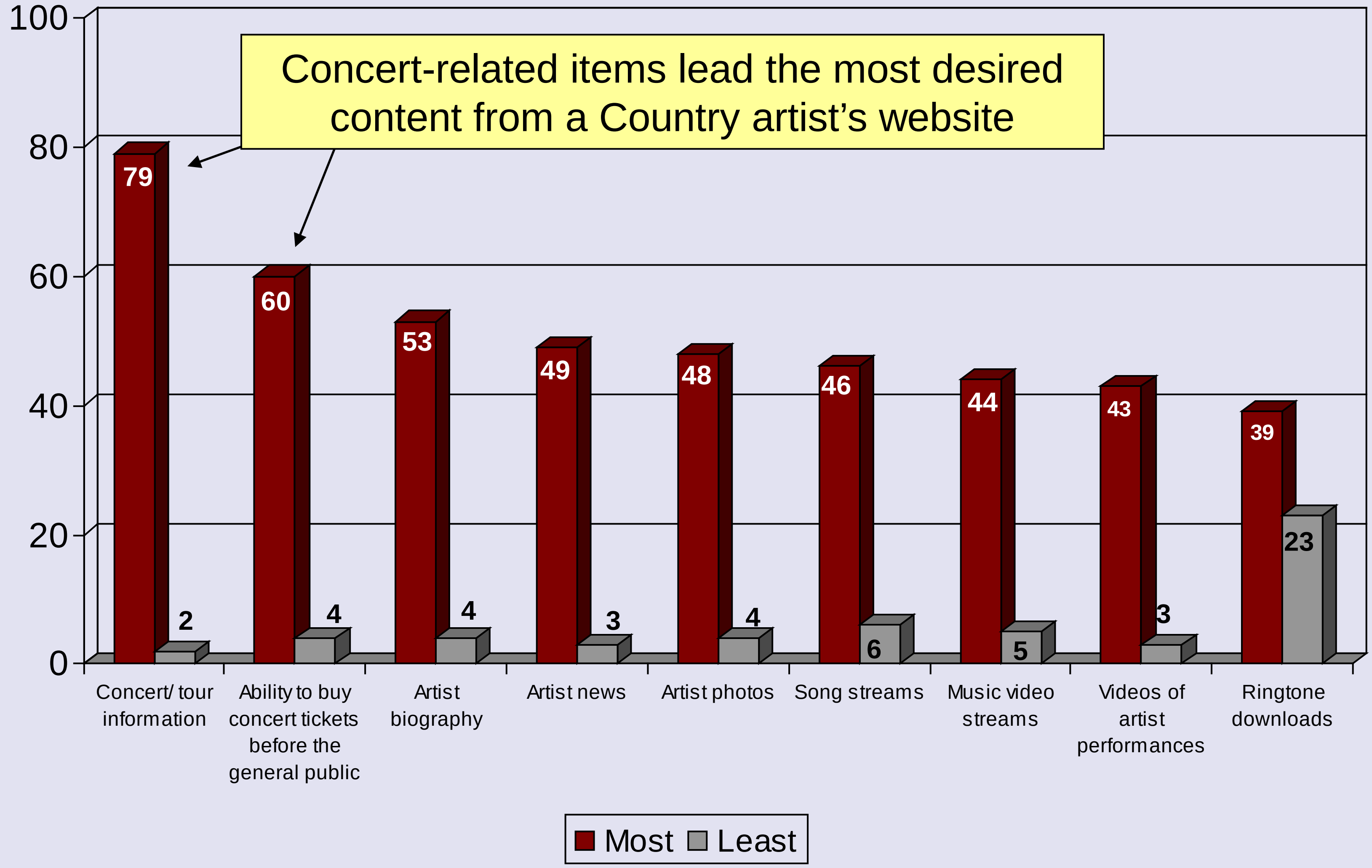
Thinking about what content you might find interesting on a Country radio station's website, which of the following items would you be MOST vs. LEAST interested in?



Country Artists Website Content Interest

Among Those Who Have Visited a Country Music Artist's Website

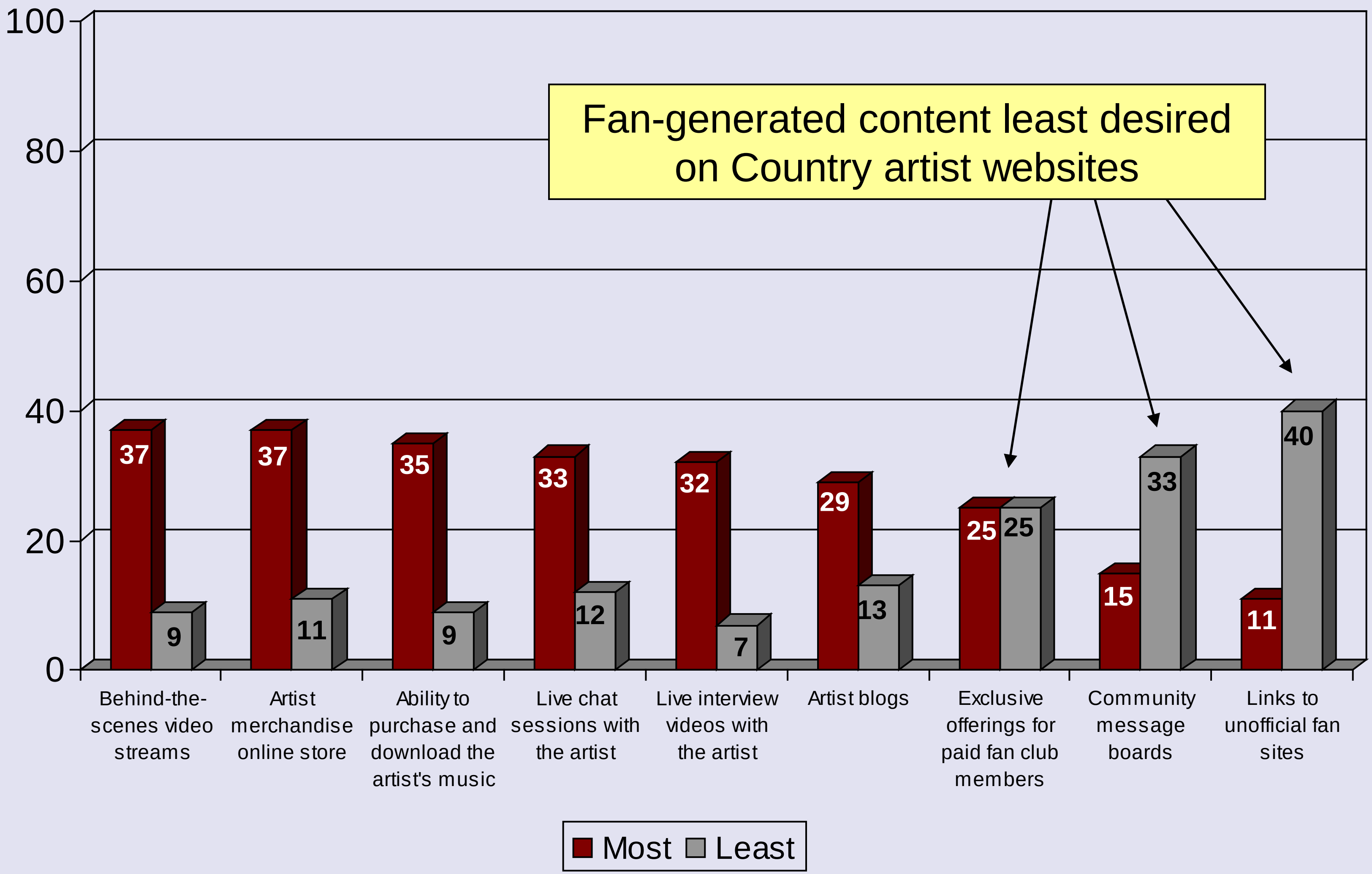
Thinking about what content you might find interesting on a Country artist's website, which of the following items would you be MOST vs. LEAST interested in?



Country Artists Website Content Interest

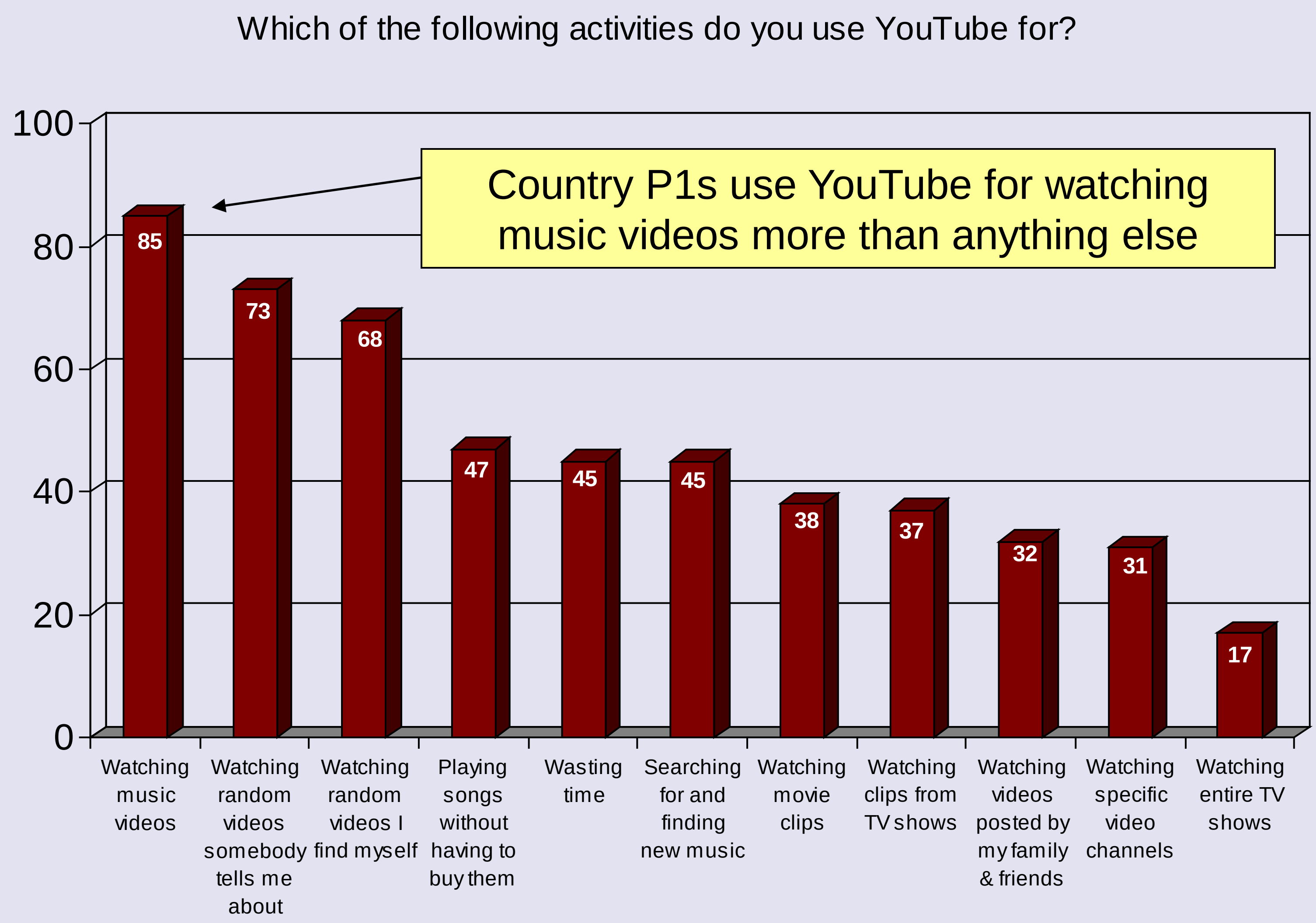
Among Those Who Have Visited a Country Music Artist's Website

Thinking about what content you might find interesting on a Country artist's website, which of the following items would you be MOST vs. LEAST interested in?



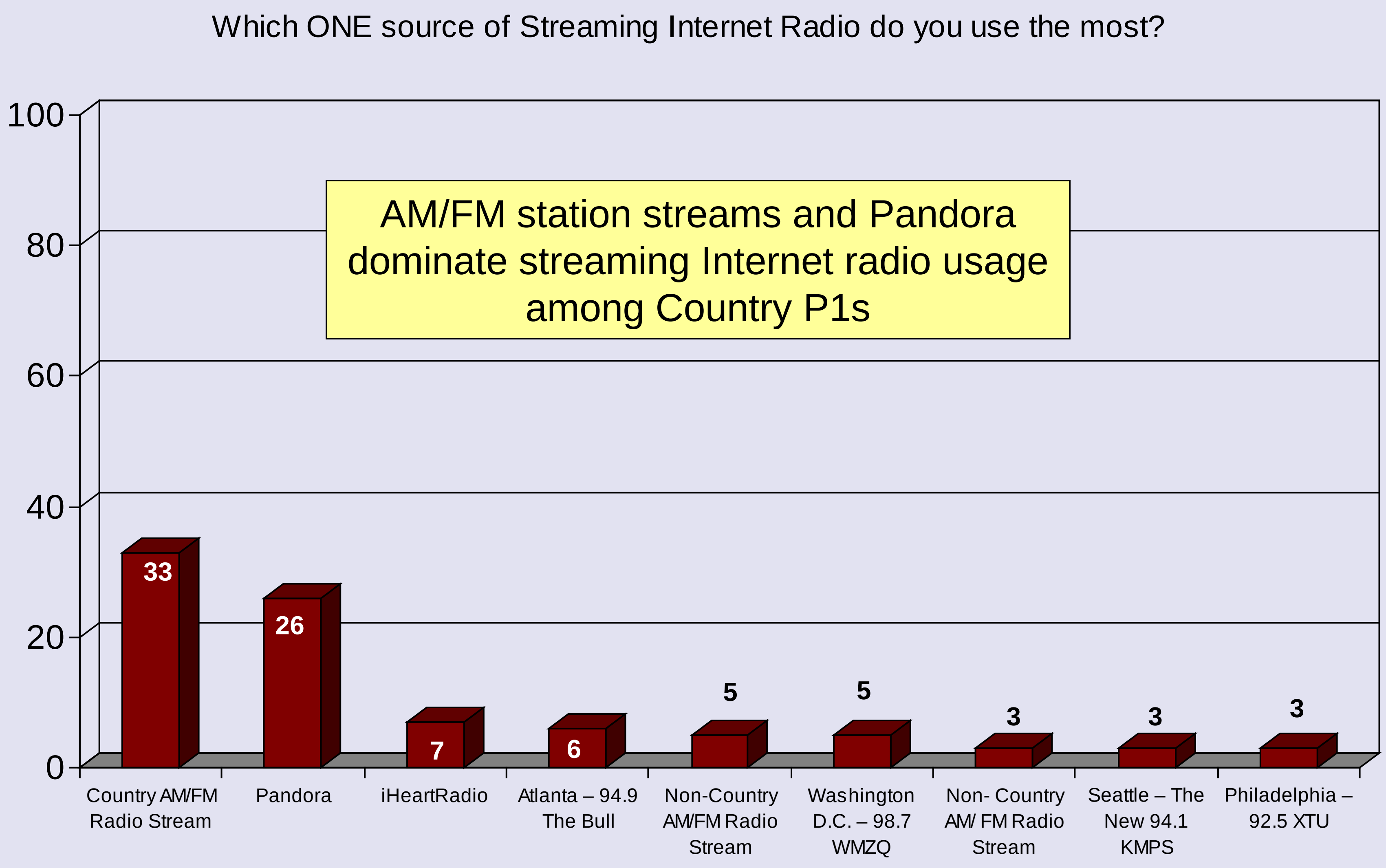
YouTube Activities

Among YouTube Users



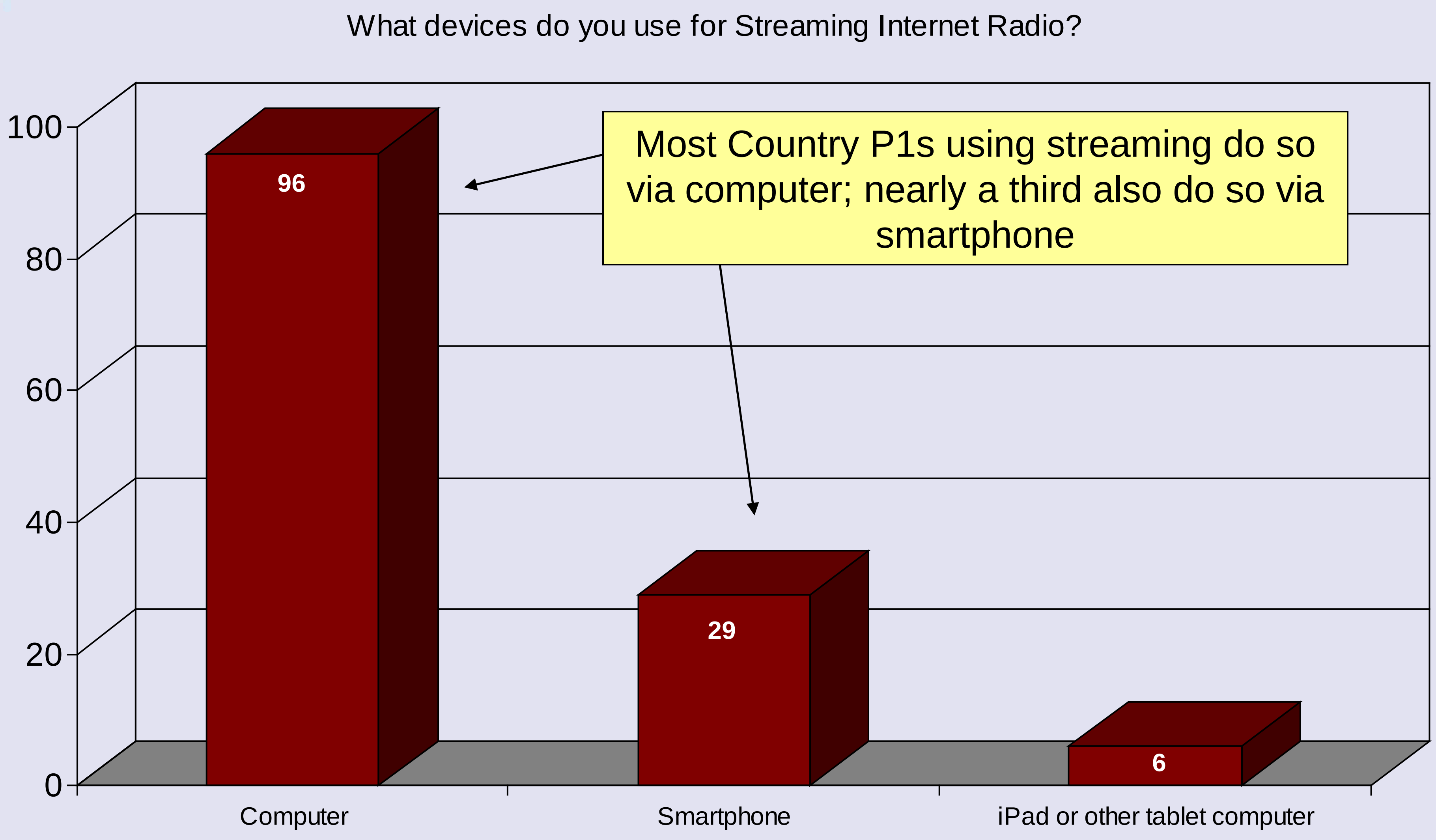
Streaming Internet Radio Usage

Among Streaming Internet Radio Users



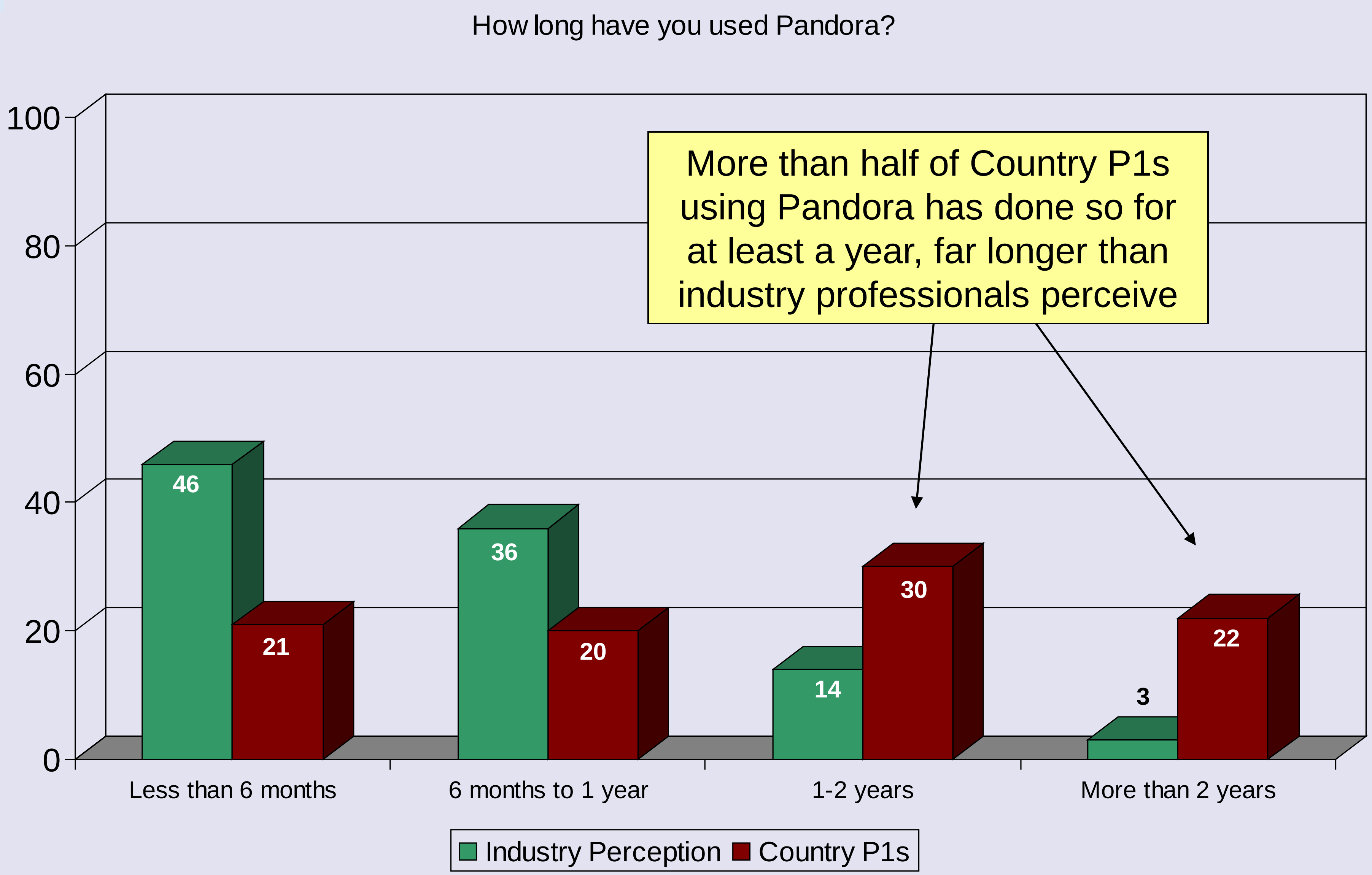
Streaming Devices Used

Among Streaming Internet Radio Users

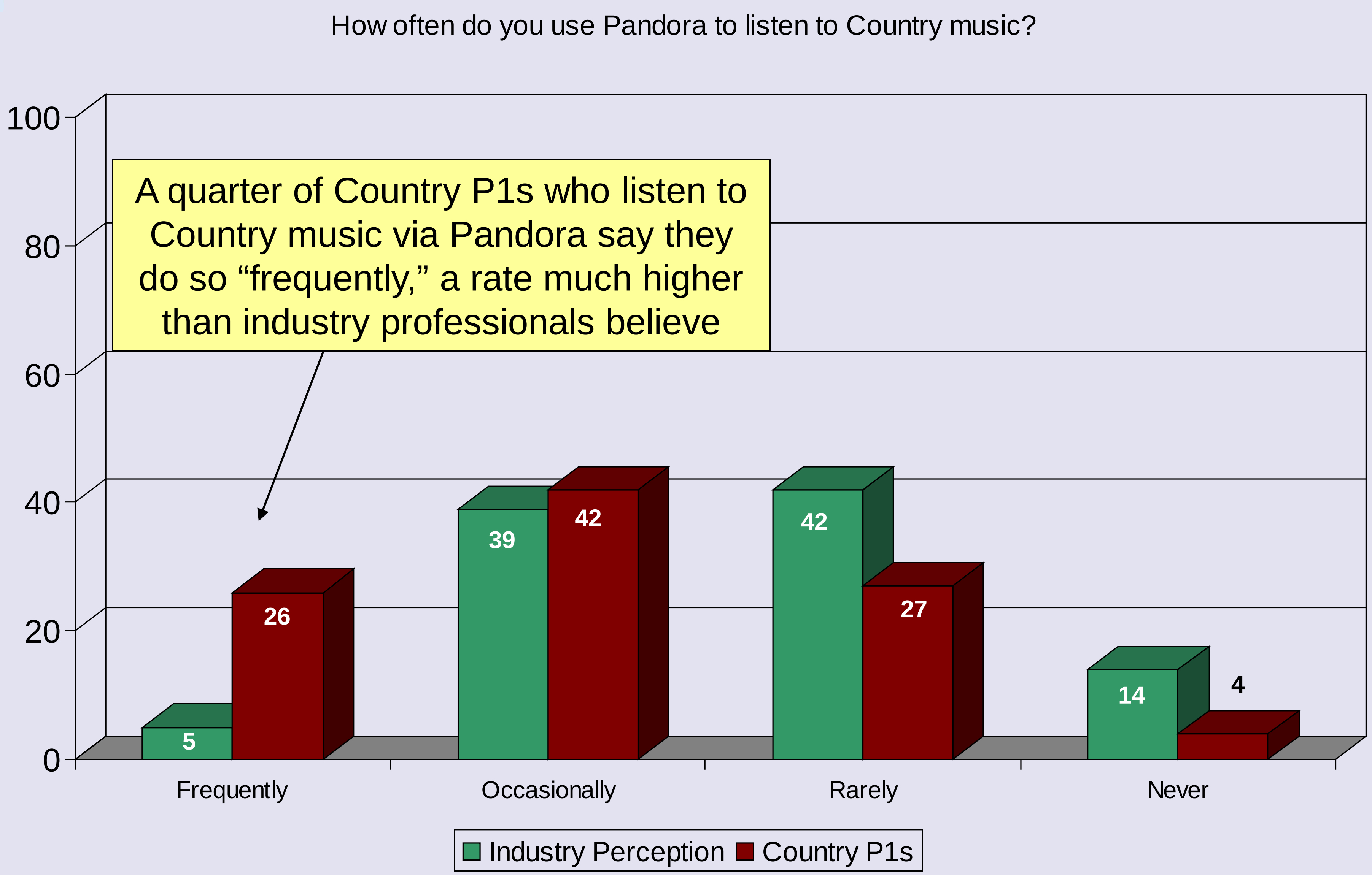


Pandora Length of Usage

Among Pandora Users

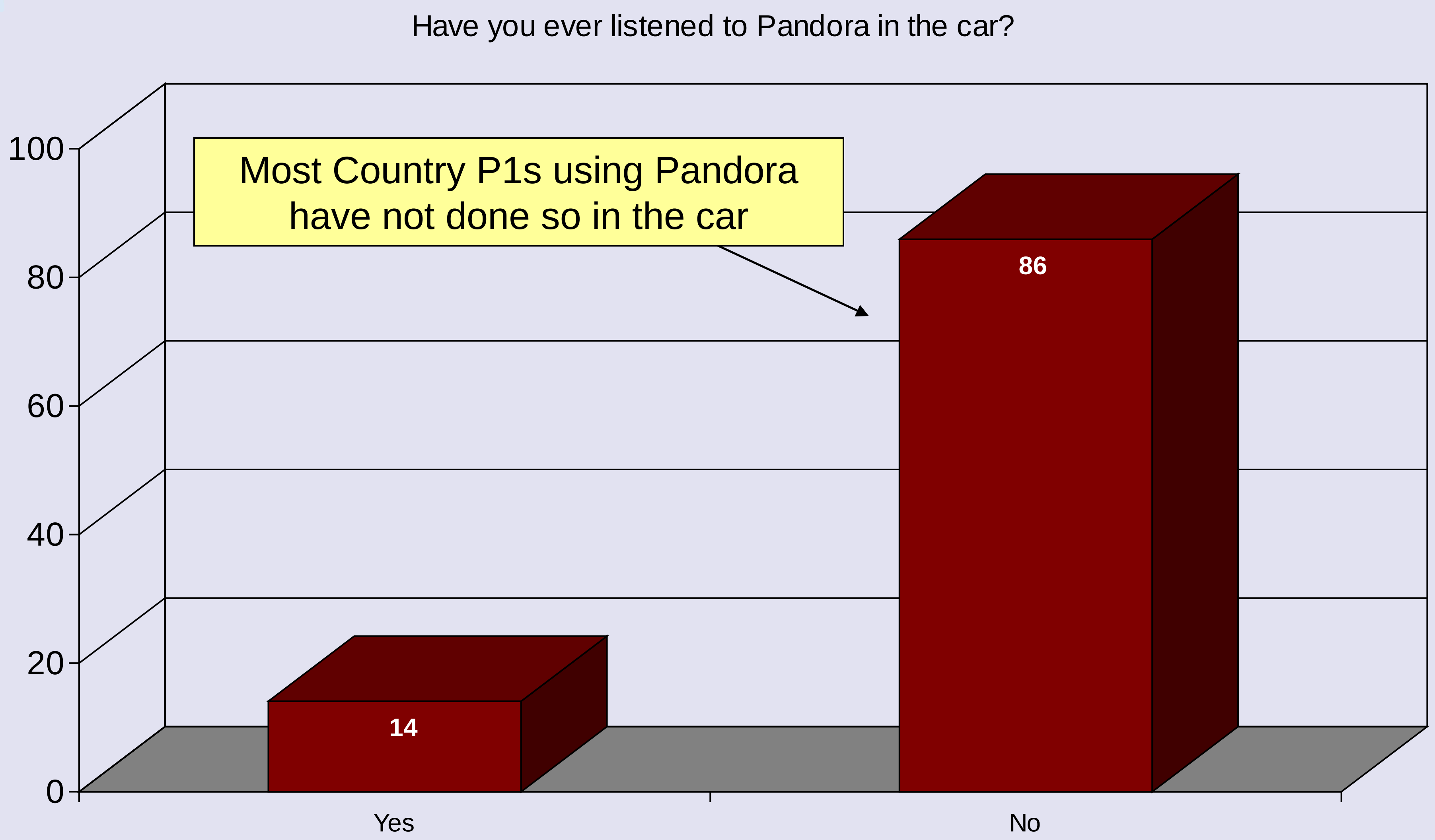


Pandora Country Music Usage Frequency
Among Pandora Users



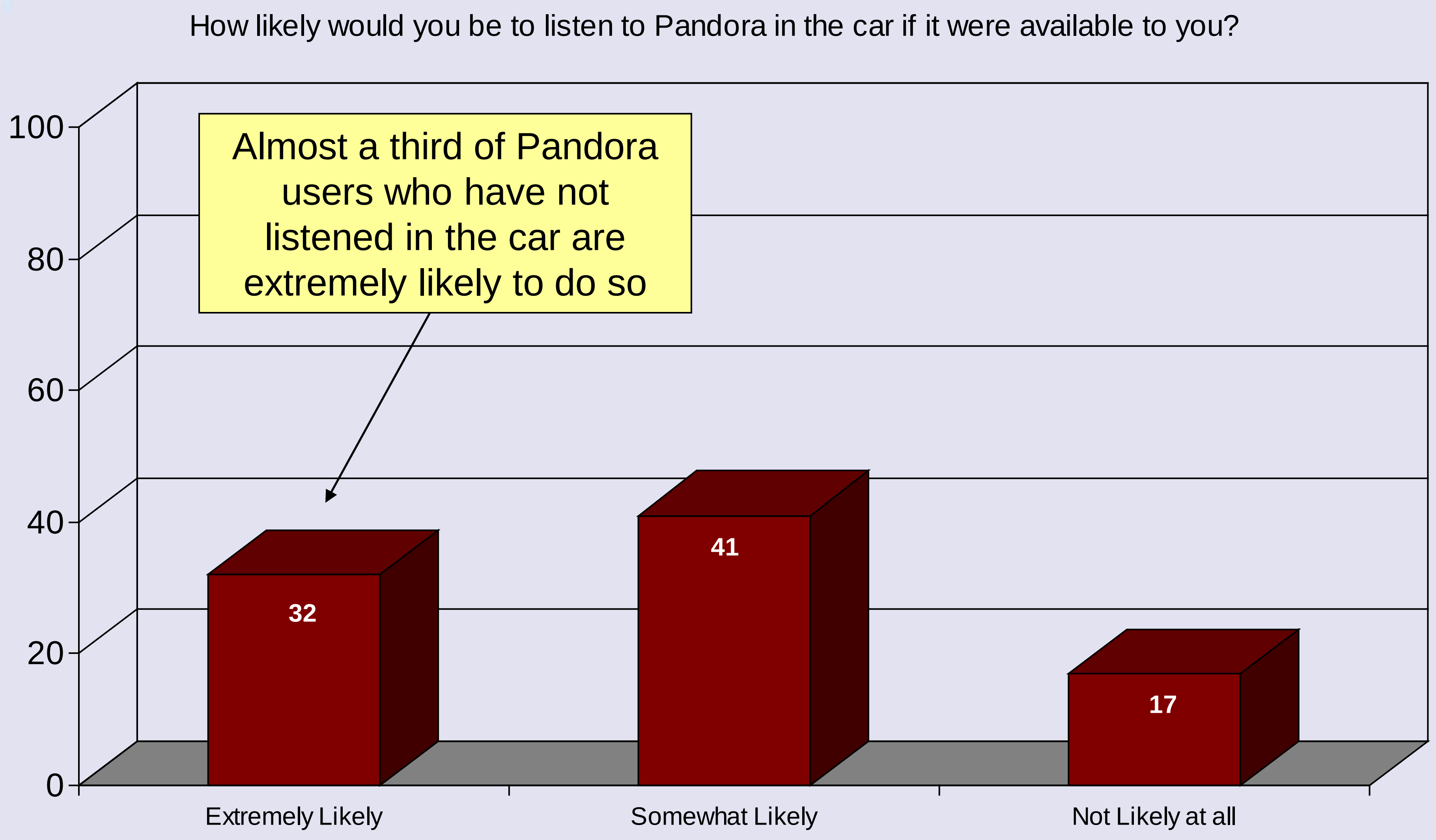
Pandora In-Car Usage

Among Pandora Users



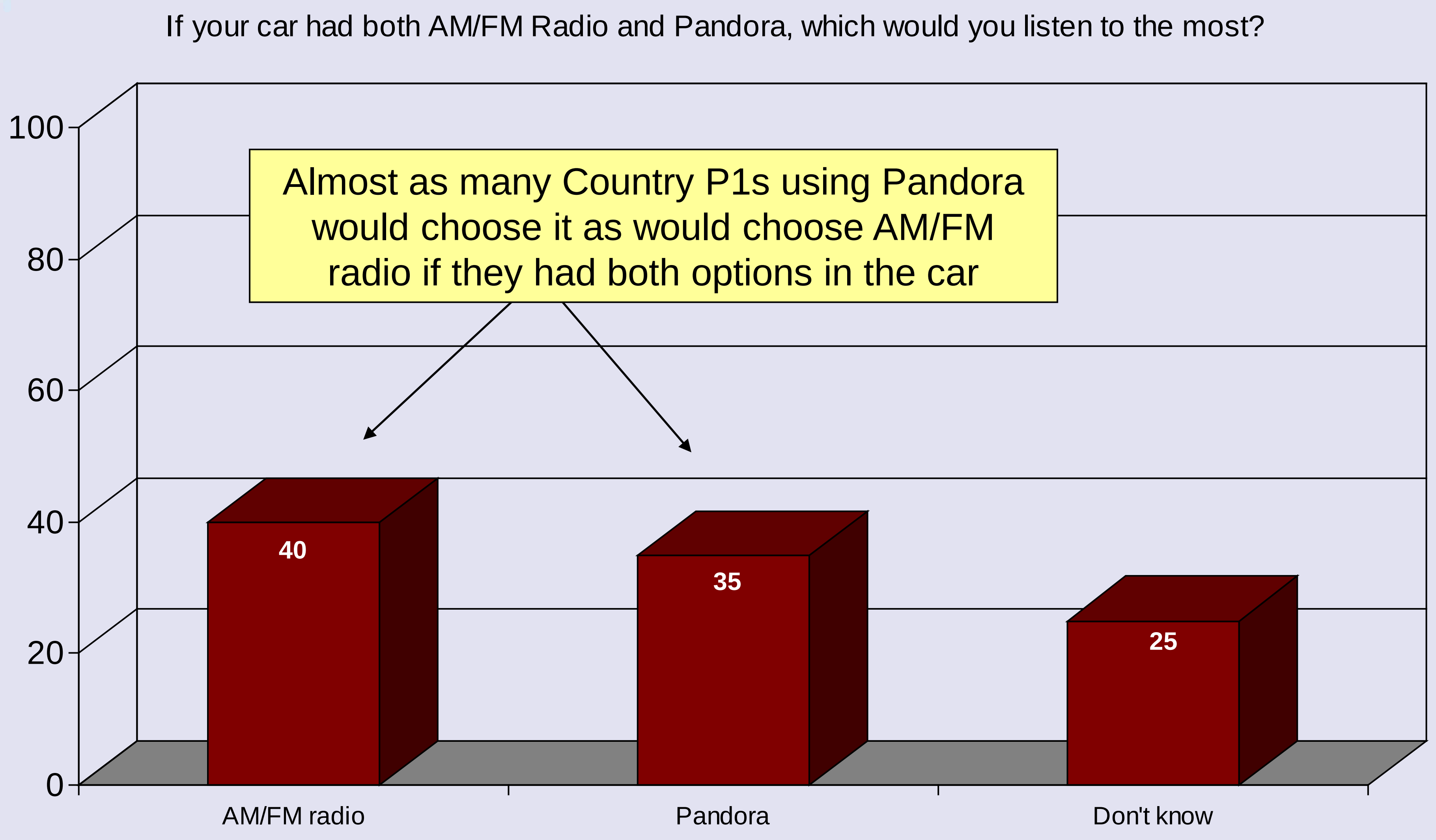
Likelihood of Pandora In-Car Usage

Among Pandora Users Who Have Never Listened in the Car

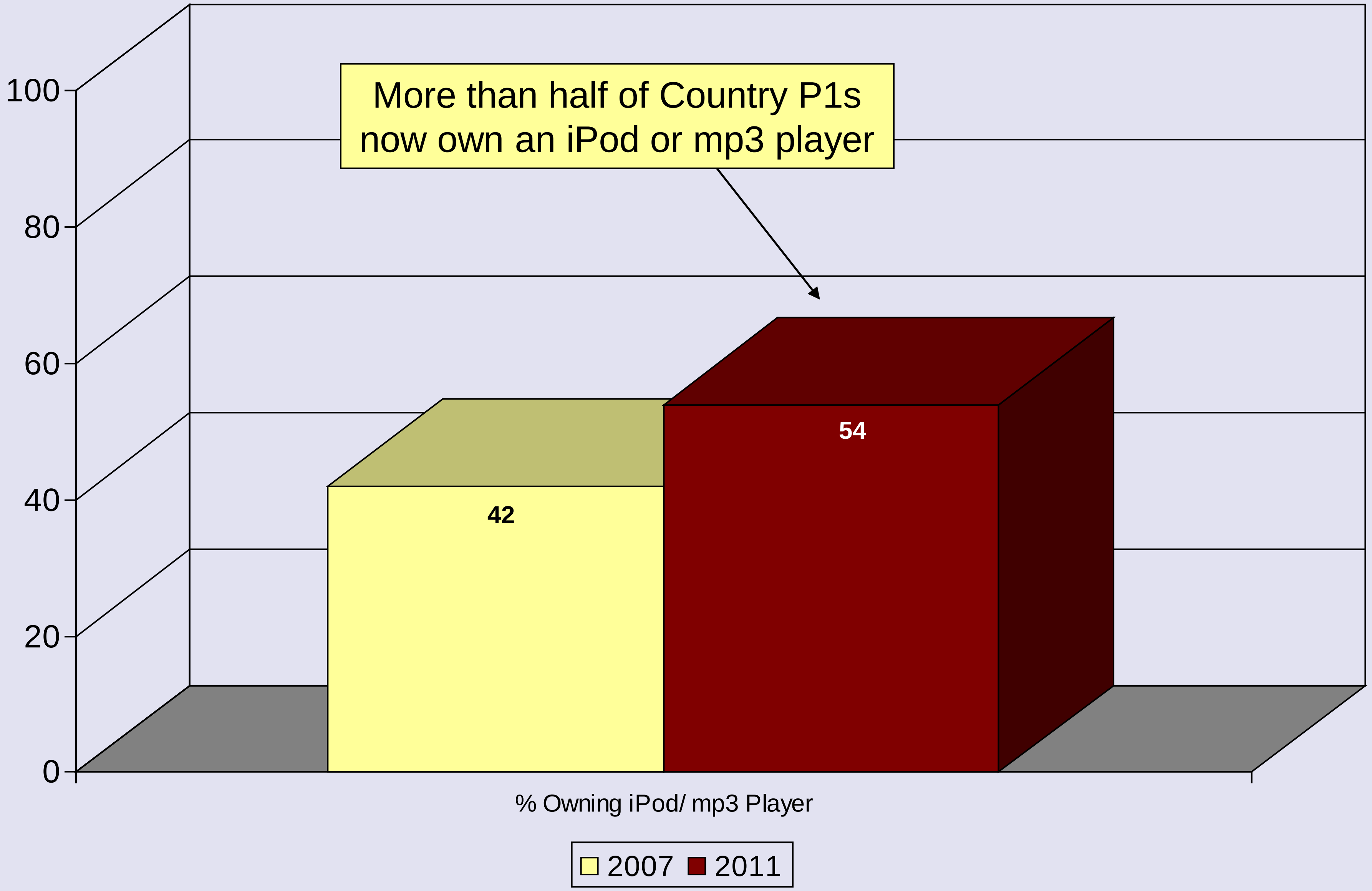


Pandora vs. AM/FM Radio In-Car Preference

Among Pandora Listeners

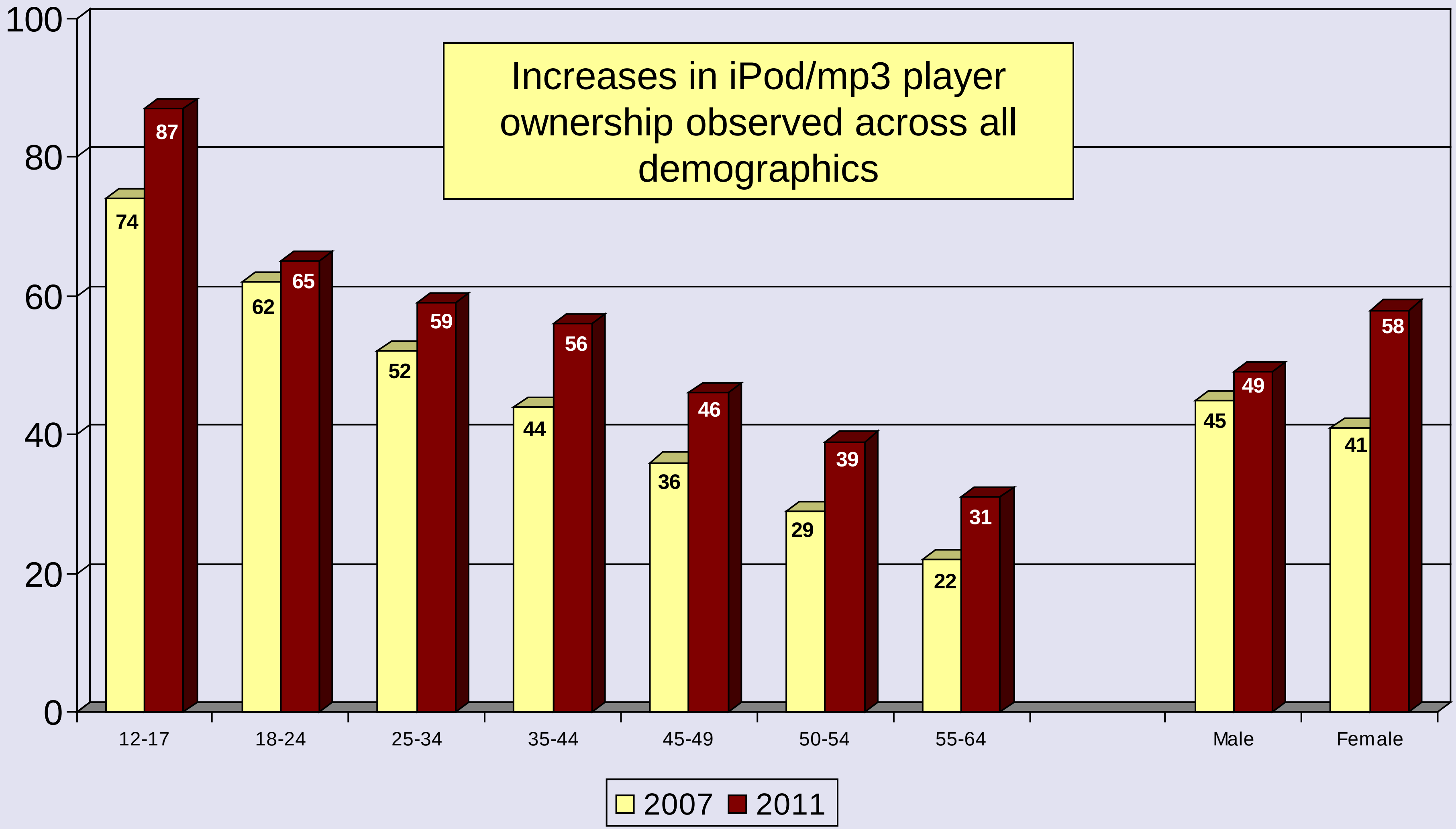


iPod/mp3 Player Ownership



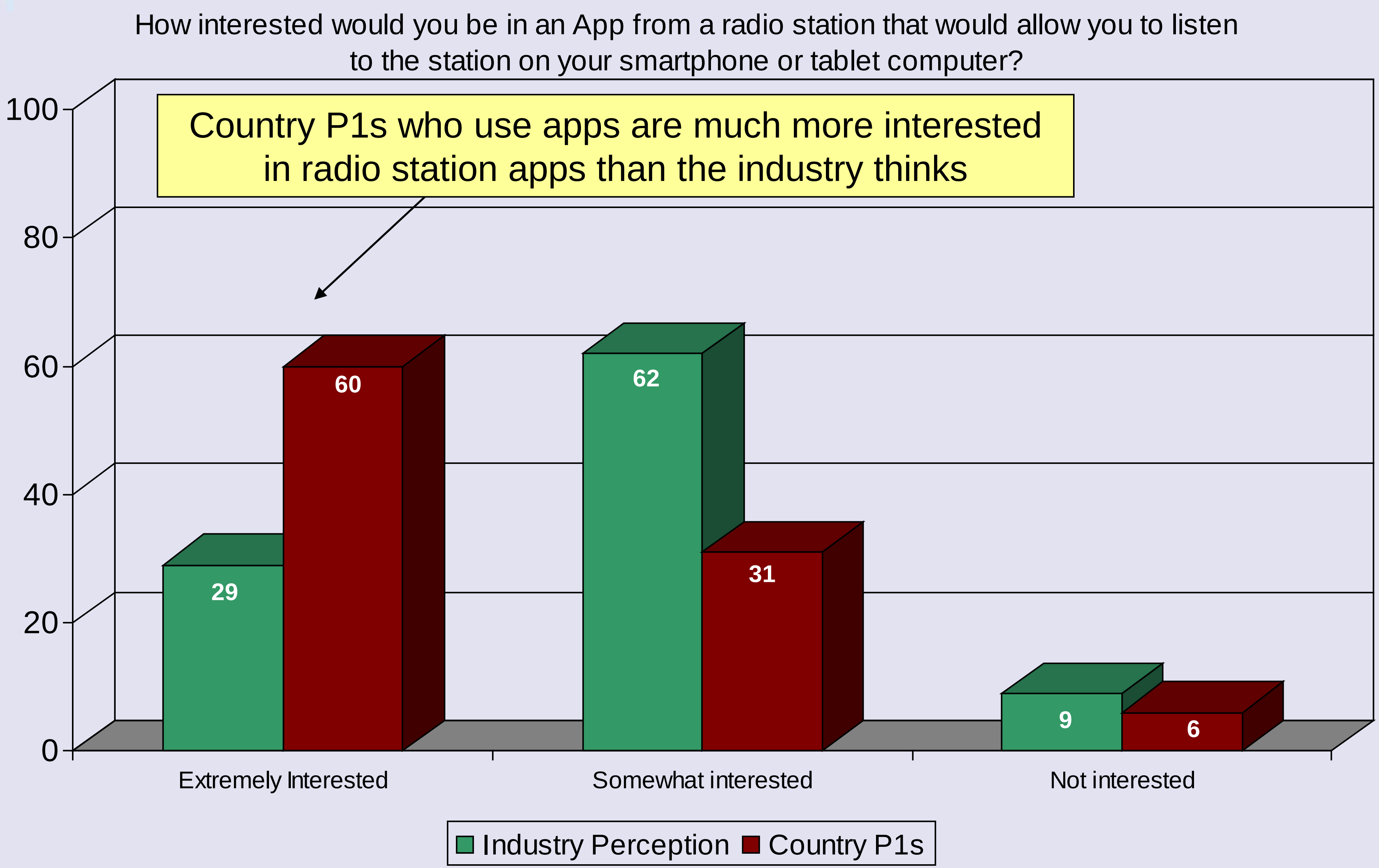
iPod/mp3 Player Ownership

By Demographic & Gender



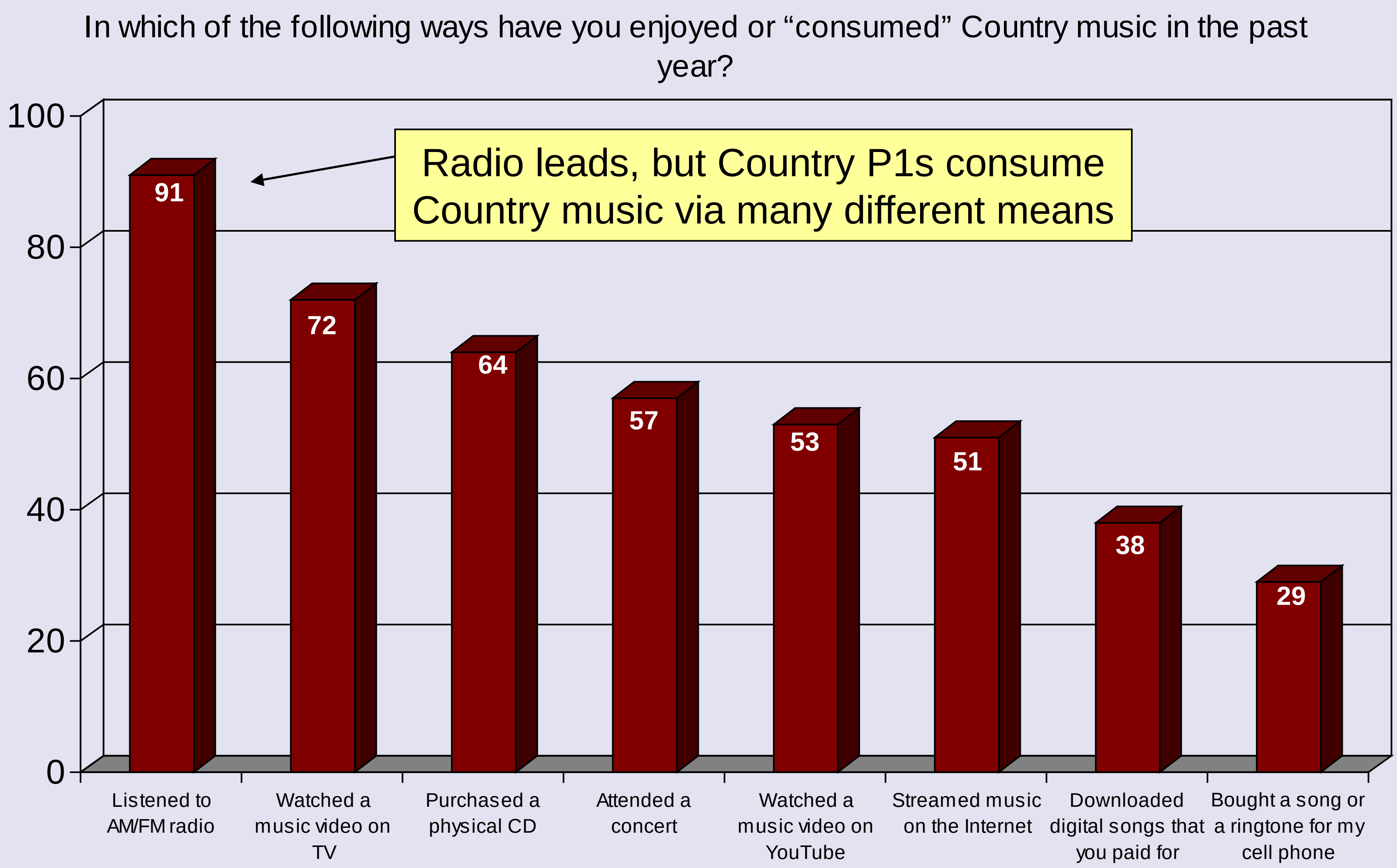
Radio Station App Interest

Among App Users

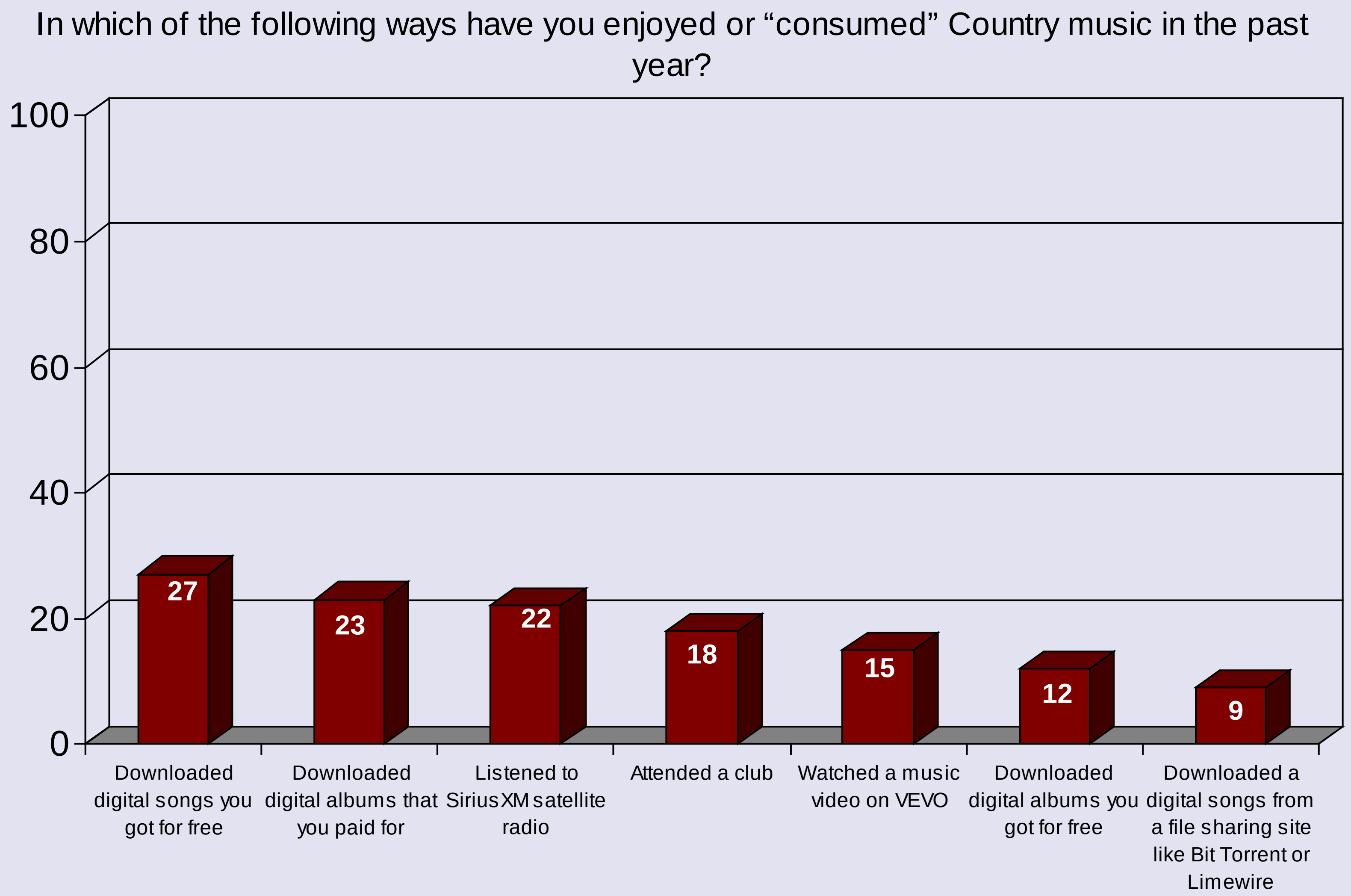


Music Discovery & Purchasing

Country Music Consumption



Country Music Consumption
(Continued)



Country Music Consumption

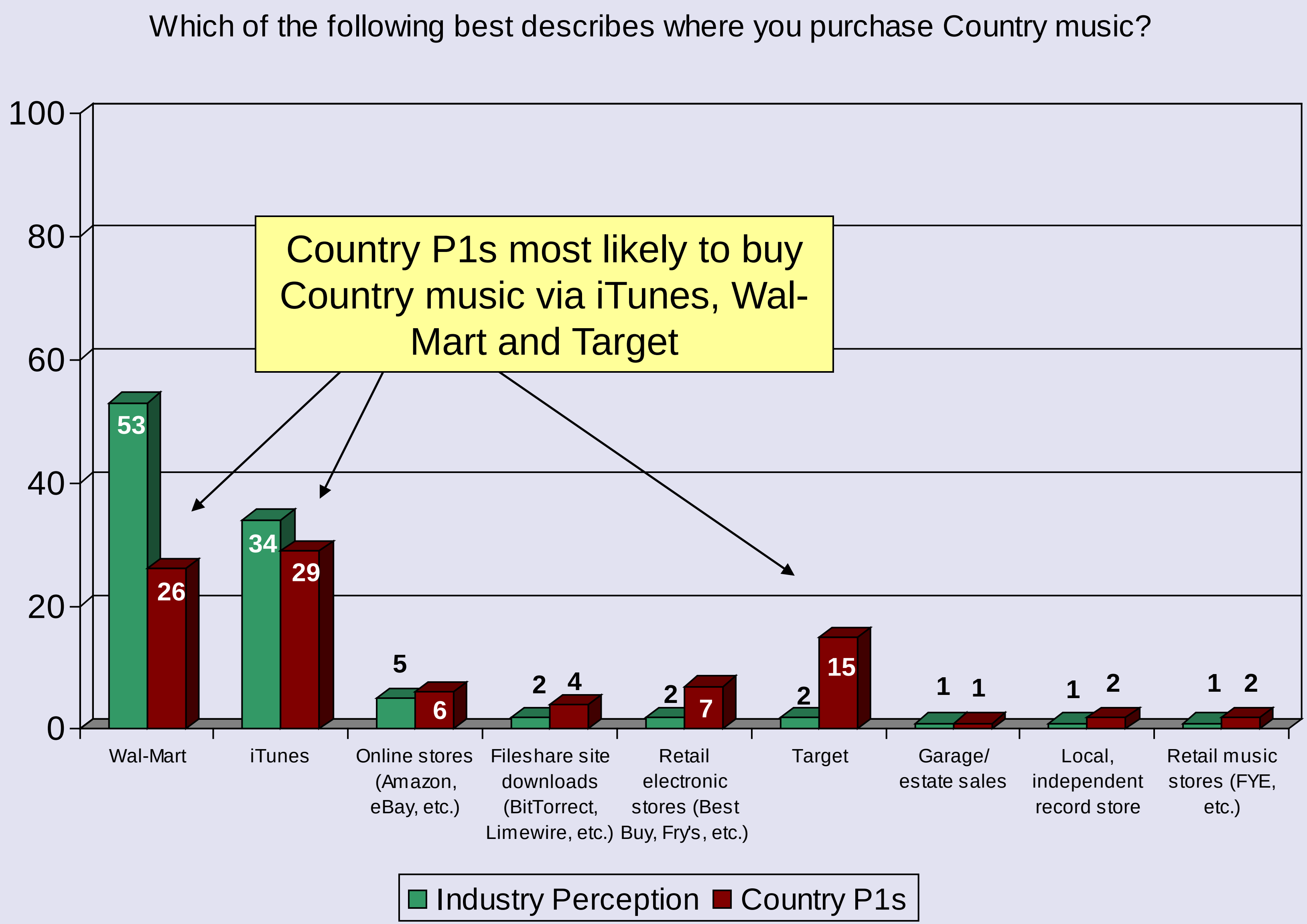
By Demographic & Gender

In which of the following ways have you enjoyed or "consumed" Country music in the past year?

	Total	12-17	18-24	25-34	35-44	45-54	55-64	Male	Female
Listened to AM/FM radio	91	97	85	87	92	94	94	89	94
Watched a music video on TV	72	83	66	69	74	72	71	70	73
Purchased a physical CD	64	79	64	56	66	65	60	60	68
Attended a concert	57	59	59	60	57	57	48	54	60
Watched a music video on YouTube	53	82	74	57	48	44	27	52	53
Streamed music on the Internet	51	71	62	58	50	41	33	52	50
Downloaded digital songs that you paid for	38	59	47	43	39	27	21	37	38
Bought a song or a ringtone for my cell phone	29	27	34	36	33	24	14	25	33
Downloaded digital songs you go for free	27	48	41	29	25	19	16	30	25
Downloaded digital albums that you paid for	23	42	34	30	20	14	11	25	22
Listened to SiriusXM satellite radio	22	24	19	19	21	24	24	22	21
Attended a club	18	1	20	27	19	18	13	21	16
Watched a music video on VEVO	15	61	30	12	7	5	4	15	16
Downloaded digital albums you got for free	12	21	19	17	9	8	6	15	10
Downloaded a digital songs from a file sharing site like Bit Torrent or Limewire	9	21	19	11	6	6	3	11	8

Country P1s in all demographic cells consume Country music through multiple means

Country Music Purchase Location



Country Music Purchase Location

By Demographic & Gender

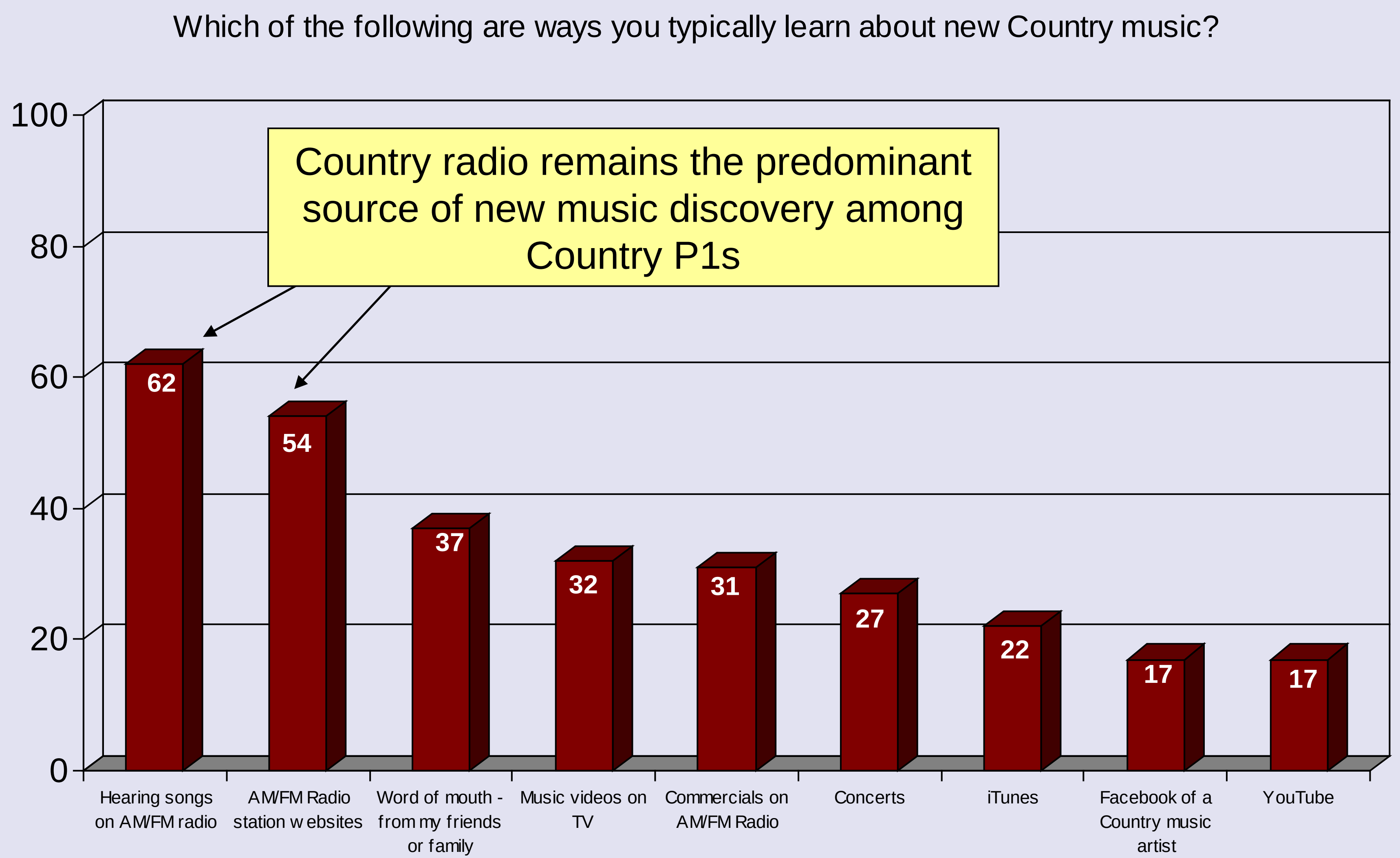
Which of the following best describes where you purchase Country music?

Country music purchasing via Wal-Mart vs. iTunes have opposite demographic profiles

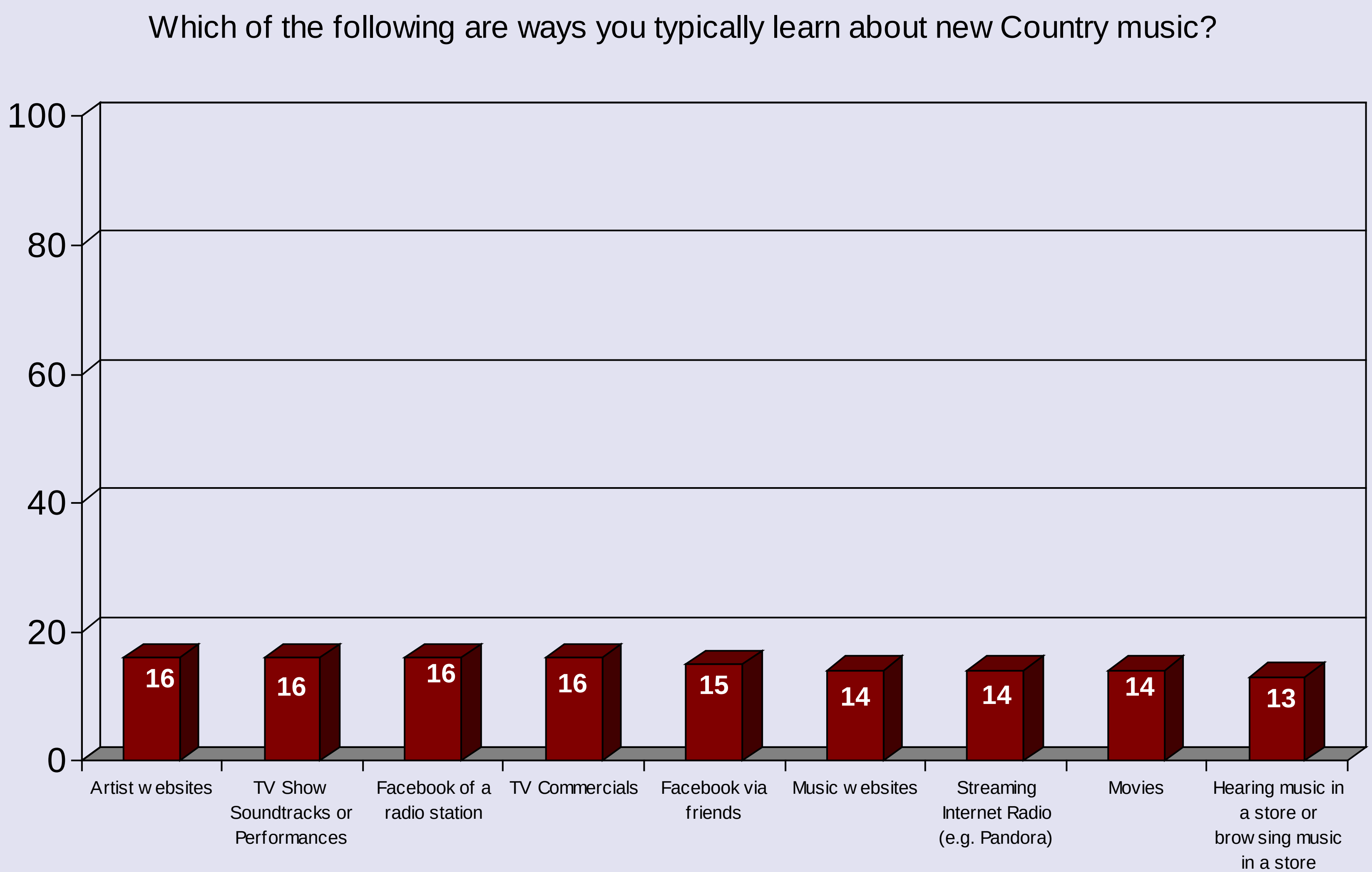
	Total	12-17	18-24	25-34	35-44	45-54	55-64	Male	Female
Wal-Mart	26	16	23	18	32	31	30	26	26
iTunes	29	47	35	38	28	18	14	28	29
Target	15	21	12	15	15	15	15	10	20
Retail electronic stores like Best Buy or Fry's Electronics	7	3	6	7	6	10	9	9	6
Online stores like Amazon.com or ebay.com	6	0	4	6	5	8	11	6	6
Download from online sites like Bit Torrent and Limewire	4	7	9	4	3	2	1	4	3

Women more likely to buy Country music at Target than men

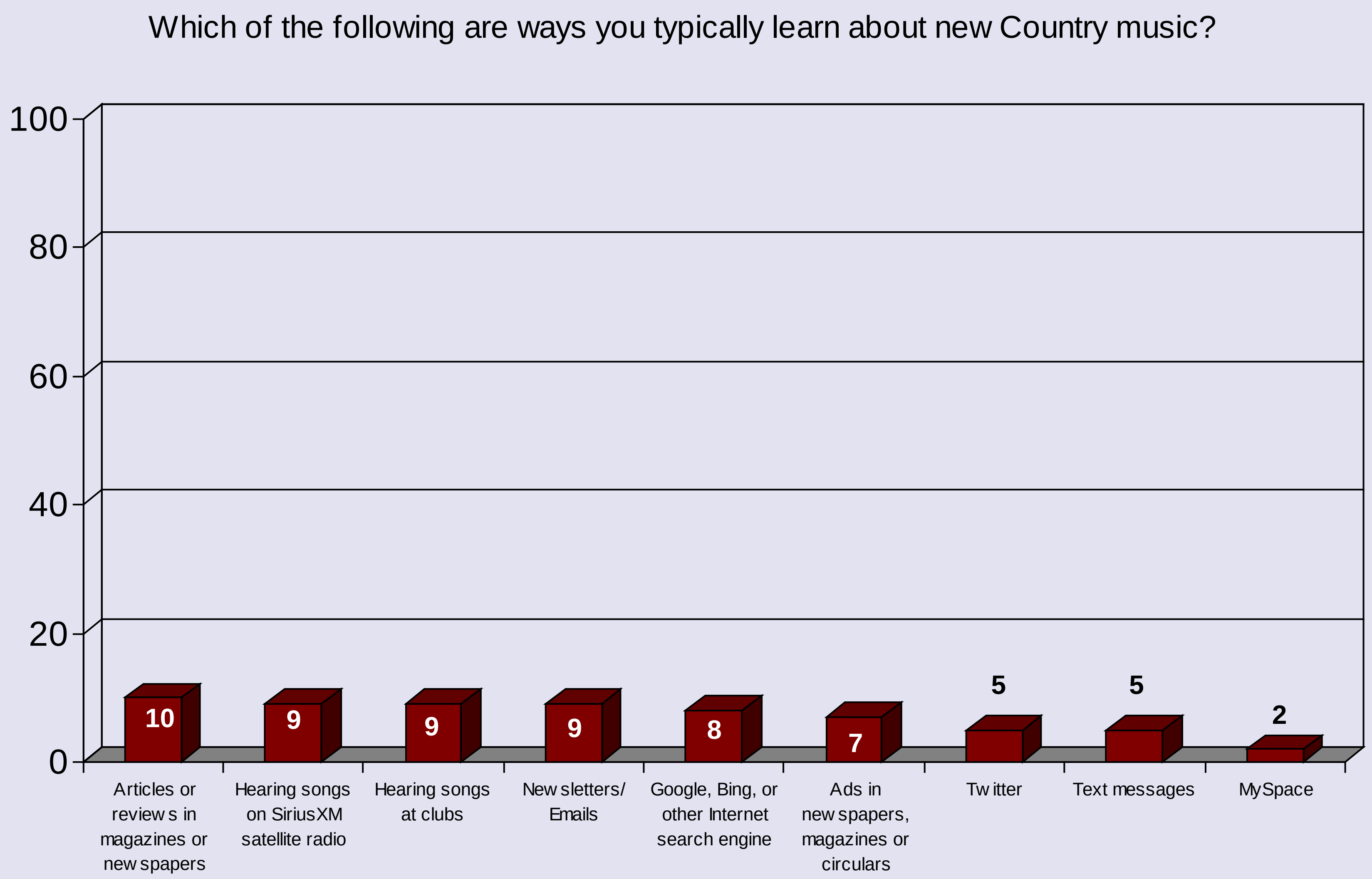
Country Music Discovery



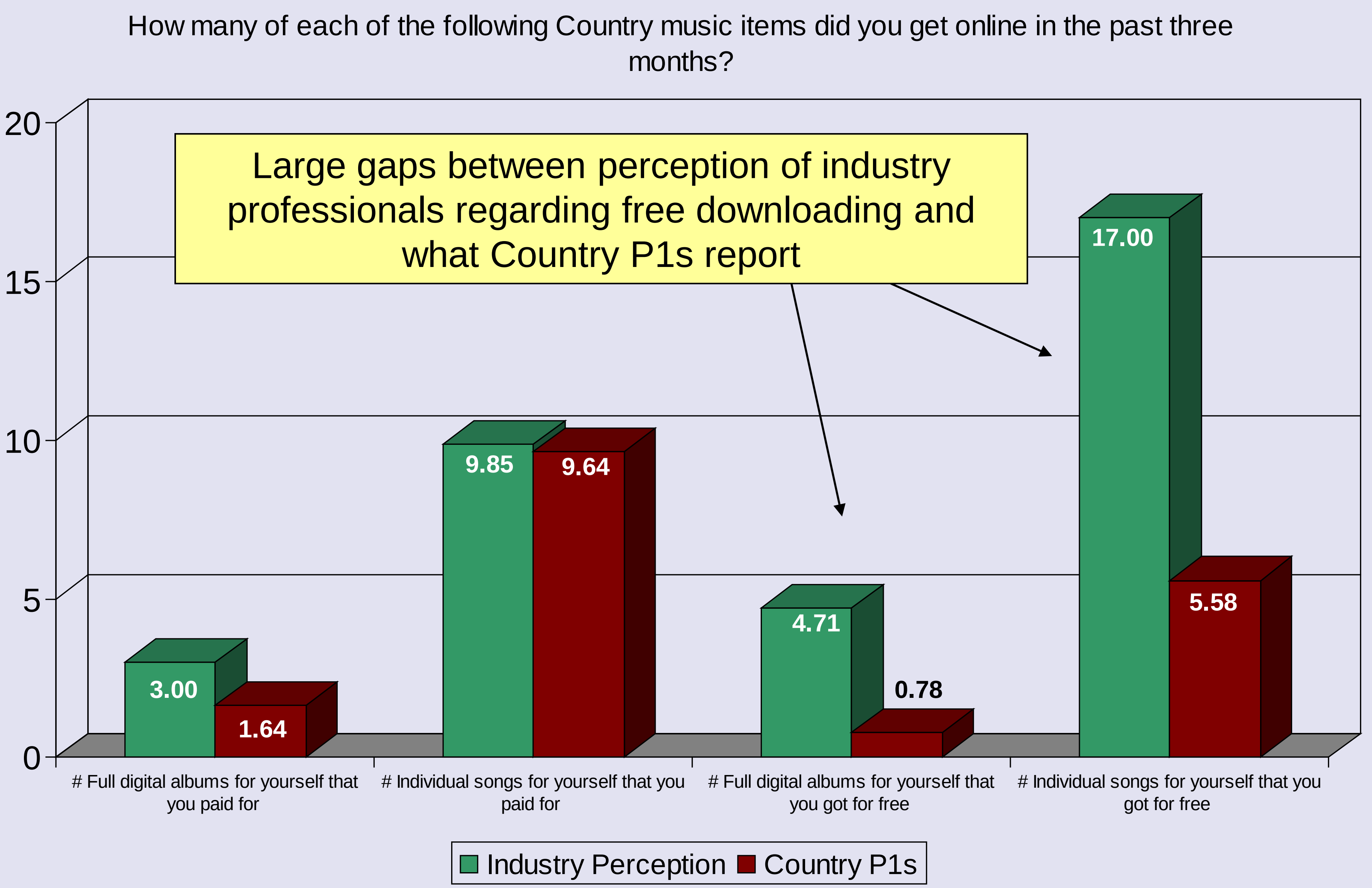
Country Music Discovery
(Continued)



Country Music Discovery
(Continued)



Country Music Acquisition & Quantity



Digital vs. Physical Music Purchases