



DIVISIONS OF CUMULUS MEDIA

The state of U.S. consumers, audio, and media

April 3, 2020

Overview

The Coronavirus outbreak has shifted American consumer behavior and media consumption habits.

AM/FM radio is several weeks away from early reads on listening data from Nielsen meter markets.

This deck captures responses to questions we received from agencies and advertisers seeking insights on the state of American media and audio.

Agenda

- Consumer behavior/sentiment
- State of AM/FM radio
- Nielsen COVID-19 flash study
- Ad-supported audio by location
- Nielsen data release schedule
- Other media consumption
 - Streaming
 - Pandora/Spotify
 - Podcasts
 - TV viewing
- Advertisers: Sentiment and recommendations
- Advertiser Perceptions study of brands and agencies

Consumer behavior/sentiment

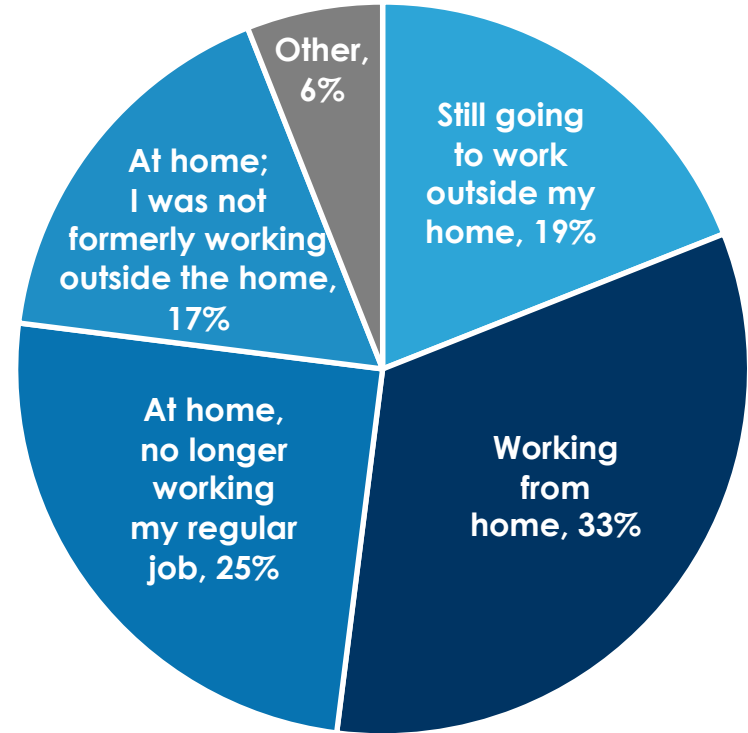
Daily tracker: Consumer sentiment and media use

Nuwoodoo National Study: Persons 16-54	3/14	3/15	3/16	3/17	3/18	3/19	3/20	3/21	3/22	3/23	3/24	3/25	3/26	3/27	3/28	3/29	3/30	3/31	4/1	4/2
I am extremely concerned about Coronavirus, I have significantly altered my regular activities	25%	25%	24%	34%	35%	37%	38%	40%	40%	44%	44%	45%	50%	47%	46%	47%	48%	50%	48%	50%
I am concerned, but going about life with a few precautions	35	37	37	34	32	33	30	33	31	31	31	28	26	27	29	27	29	27	27	26
I am moderately concerned, but not panicked	30	27	30	24	26	22	23	21	21	18	19	20	17	18	19	19	17	16	18	17
Not concerned/unaware	11	10	9	8	8	7	8	7	8	7	7	8	8	7	6	7	6	7	7	6
Using media more since the Coronavirus outbreak	69	70	70	77	78	81	82	79	79	82	83	85	85	83	82	81	82	83	84	85
Using radio more since the Coronavirus outbreak	26	24	24	28	31	32	30	27	24	25	30	29	32	33	29	27	28	30	28	30
Using radio for information on Coronavirus cases in your immediate area	36	34	33	34	35	35	36	36	34	30	32	30	33	36	32	30	31	33	30	33

Source: Nuwoodoo National Study, Persons 16-54, N = 73,685

One-third of Americans are working from home

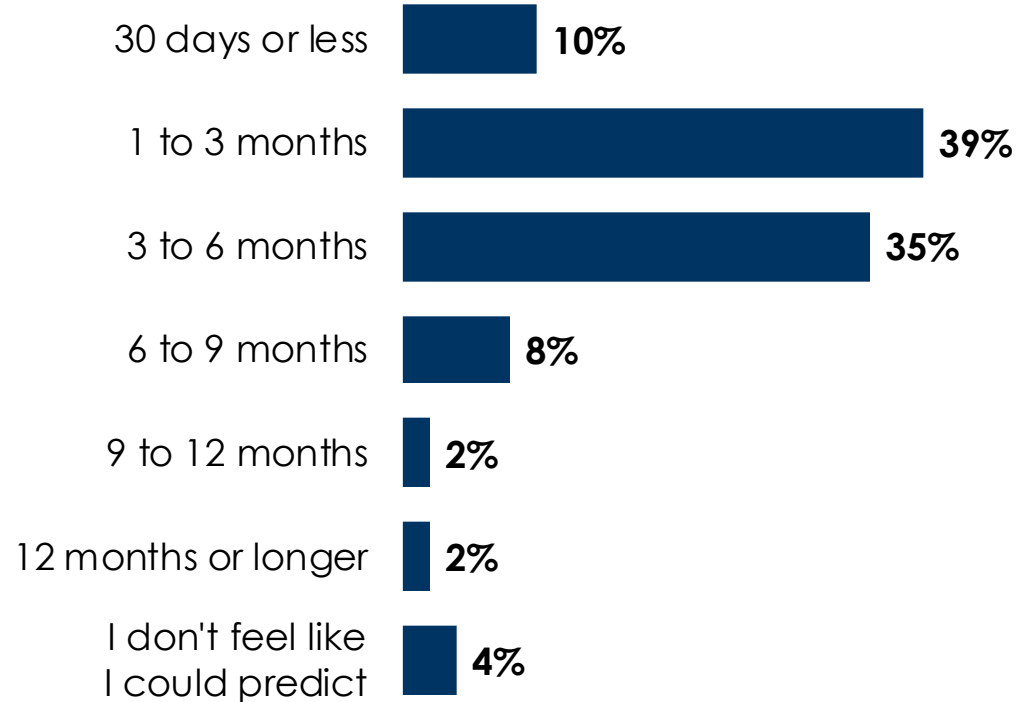
Which best describes your current work situation?



Consumers expect virus decline will take one to six months

How long will it take for the U.S. Coronavirus outbreak to start declining?

Close to 50% of people expect to see the start of decline within 3 months, with nearly 85% expecting to see a decline within 6 months.

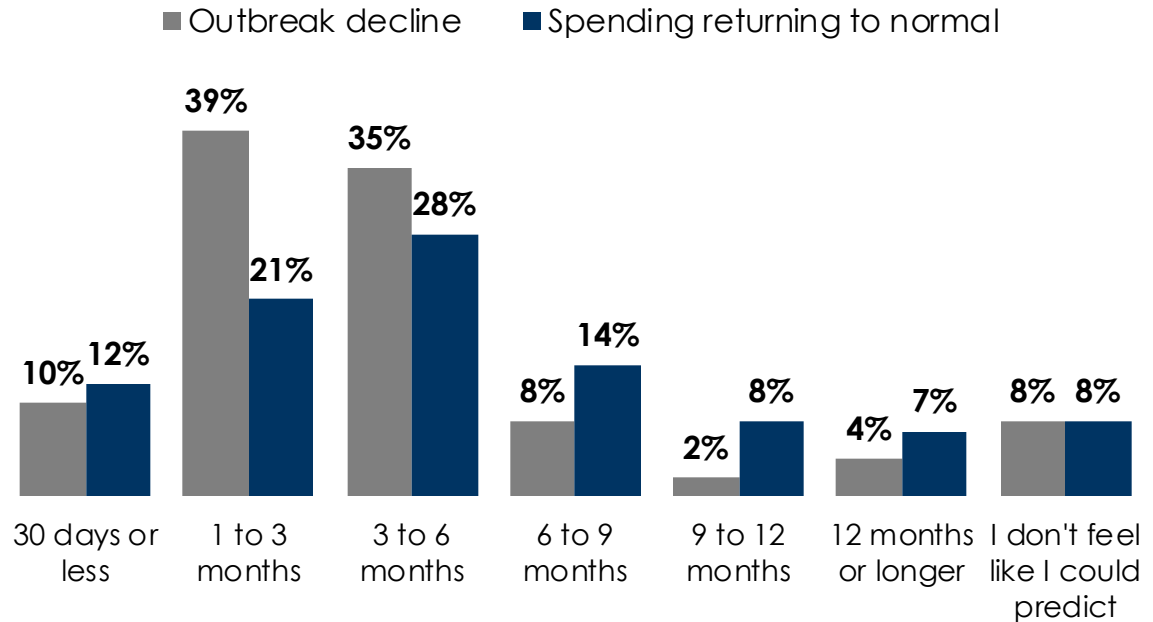


61% say consumer spending will resume within six months

How long will it take you to get back to your normal spending before the Coronavirus outbreak?

People have a less optimistic timeframe for returning to their normal spending habits than they do for the decline of the outbreak.

Timelines for virus starting to decline vs. spending returning to normal



Consumers are spending more on grocery, health & personal care, and entertainment

In which categories are you currently spending more, less, or the same?

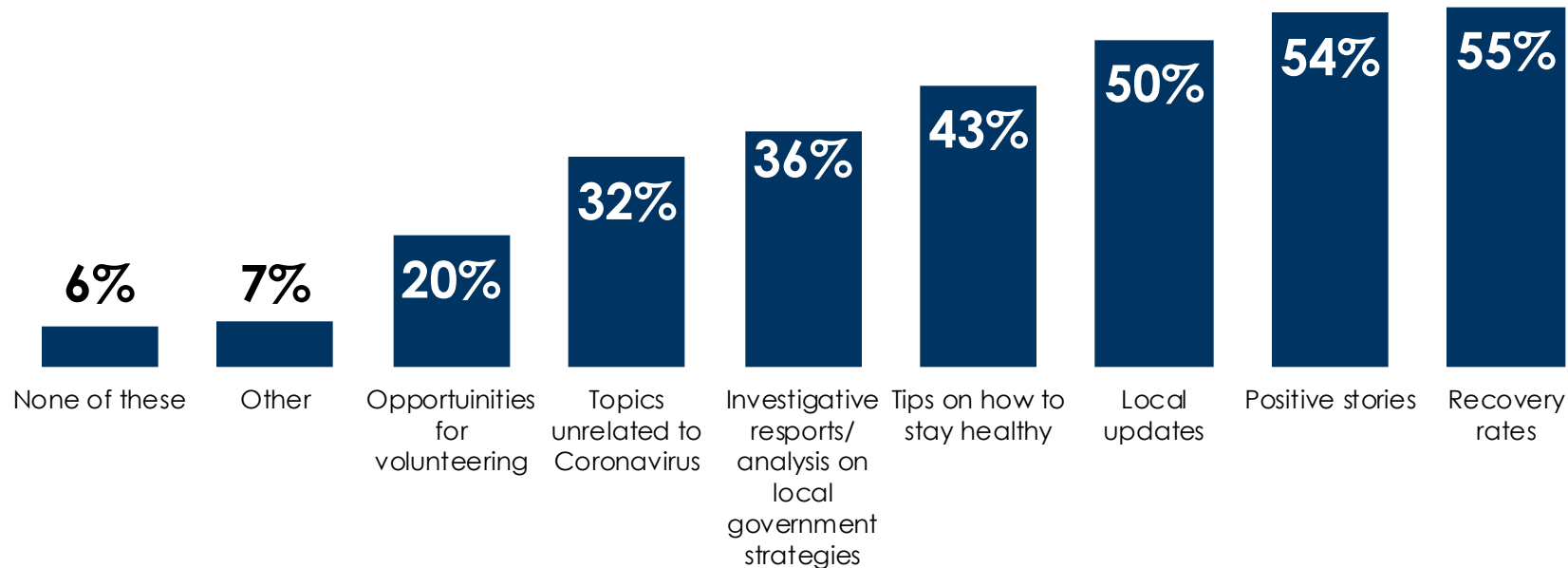
Grocery, health & personal care, and entertainment (including streaming services, movies, and games) are the strongest growth categories this week.

On the other hand, clothing & accessories, automotive, and beauty continue to decline.

	MORE	LESS	SAME
Automotive/car	3%	2 53%	44%
Baby	6%	12%	1 82%
Beauty	3%	3 44%	53%
Books	13%	25%	63%
Camera and Photo	4%	29%	67%
Clothing and Accessories	5%	1 54%	41%
Consumer Electronics	9%	41%	50%
Games (video games, online games, mobile games)	16%	29%	55%
Grocery and Gourmet Foods	1 51%	25%	25%
Health and Personal Care	2 33%	25%	42%
Home and Garden	9%	39%	52%
Luggage and Travel Accessories	1%	43%	56%
Movies and TV Shows downloads (digital purchases)	20%	26%	54%
Music	9%	23%	68%
Office Products	6%	29%	65%
Outdoors	8%	33%	59%
Personal Computers	7%	26%	67%
Pet Supplies	14%	16%	2 70%
Shoes, Handbags, and Sunglasses	2%	42%	56%
Software	6%	25%	3 69%
Sports	1%	36%	63%
Streaming Entertainment Services (e.g. Netflix, Disney+, Hulu, Spotify)	3 22%	17%	61%
Tools and Home Improvement	9%	30%	61%
Toys	8%	25%	66%

Americans want uplifting news coverage

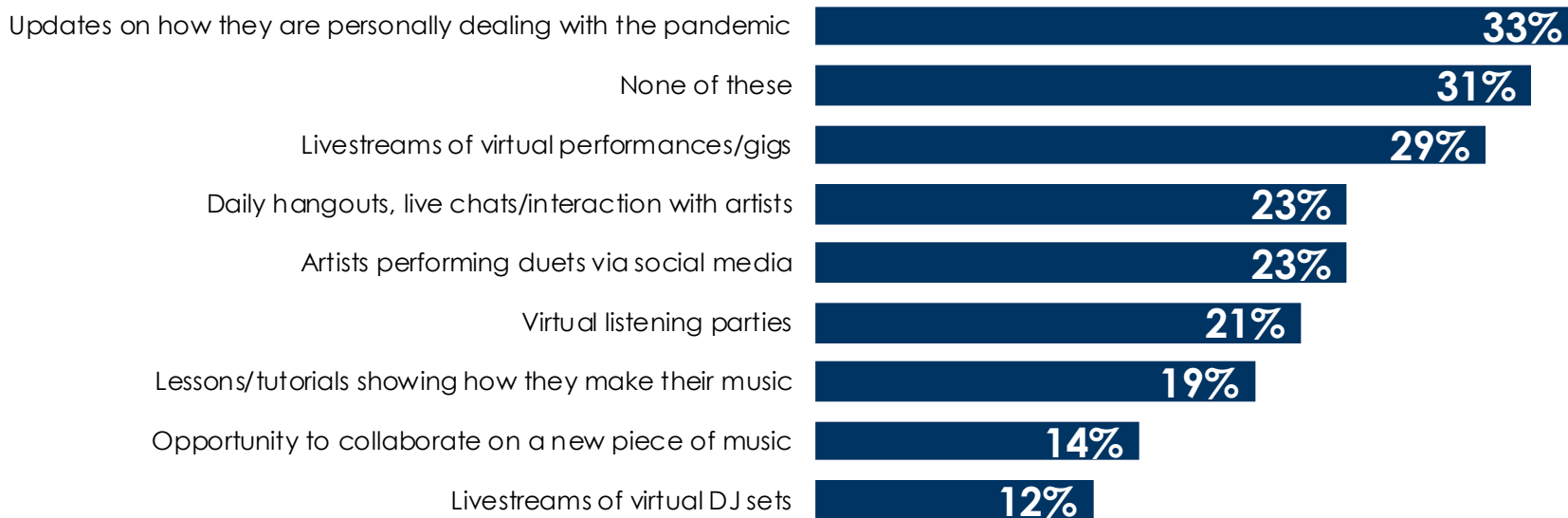
% of total U.S. who say they would like to see more of the following in news coverage



Source: GlobalWebIndex, Coronavirus Research, fielded March 25-30, 2020;
Survey among 2,218 (U.S.) Internet users ages 16-64

Americans want to connect with their favorite music artists

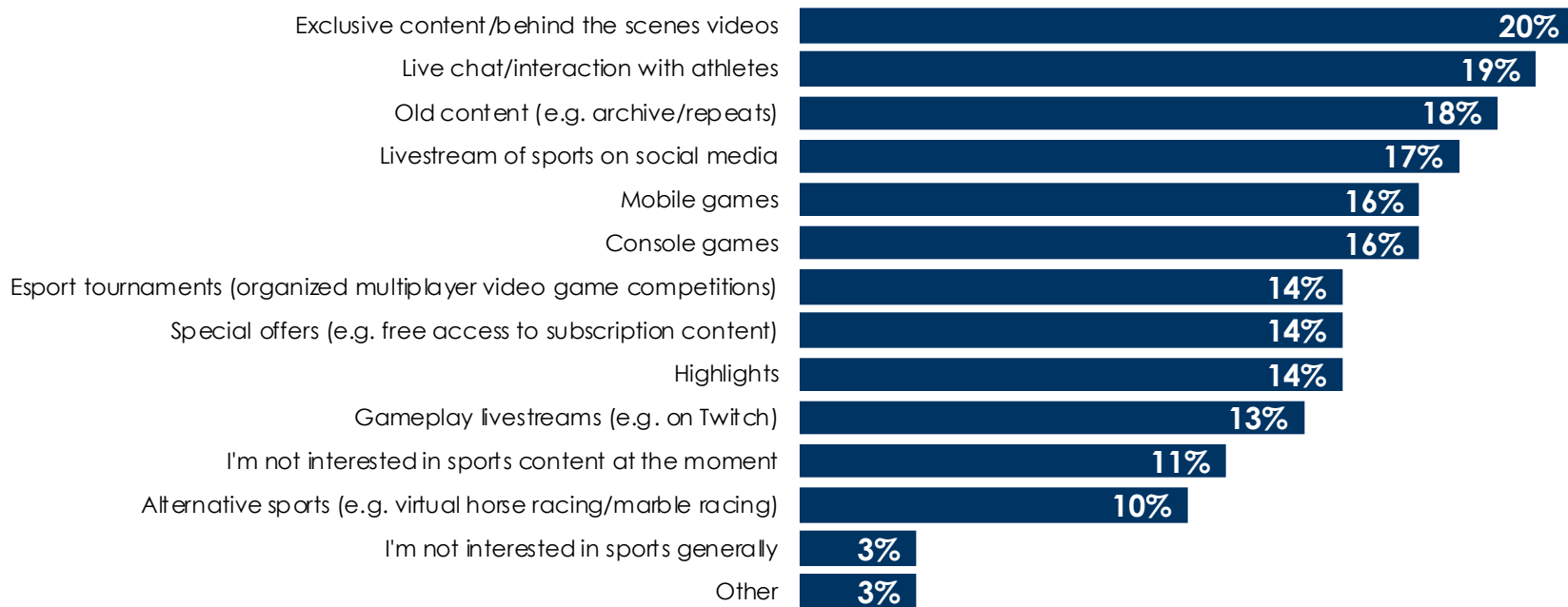
% of total U.S. who say they'd like to see the following from music artists/bands during the Coronavirus disruption



Source: GlobalWebIndex, Coronavirus Research, fielded March 25-30, 2020;
Survey among 2,218 (U.S.) Internet users ages 16-64

Sports: Americans want exclusive content, interaction with athletes, and archive/repeats

% of total U.S. who say they'd be interested in seeing the following from their favorite league/team in light of current disruptions



Source: GlobalWebIndex, Coronavirus Research, fielded March 25-30, 2020;
Survey among 2,218 (U.S.) Internet users ages 16-64

The state of AM/FM radio

“Triton Digital Reports Growth in News/Talk Format’s Share of Streaming Amid COVID-19 Disruption”

John Rosso
President of Market
Development at Triton Digital
March 24, 2020

“Radio in every form – broadcast, streaming audio, and podcasts – remains a **trusted and relied upon medium** for news and entertainment in the United States.

Despite the dislocation of many workers, this data shows the **remarkable stability** of the medium, as well as the importance of radio in delivering information in a time of crisis.”



Flash survey: AM/FM radio and COVID-19

Nielsen conducted an online survey to determine the impact the Coronavirus outbreak has had on AM/FM radio listening.

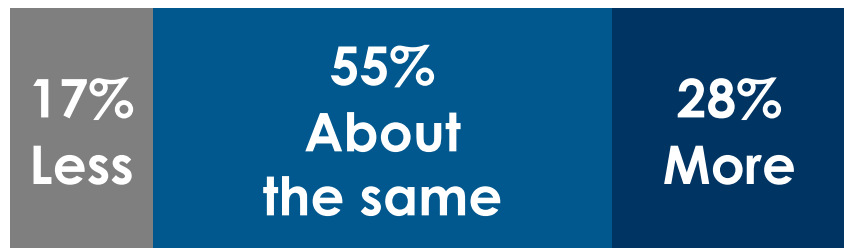
The survey took place between March 20th and March 22nd among a sample of 1,000 adults 18+ in the United States.

As effects of the outbreak continue to evolve, the results serve as a snapshot of listener sentiment in time.

Audio listening has increased since the start of the outbreak

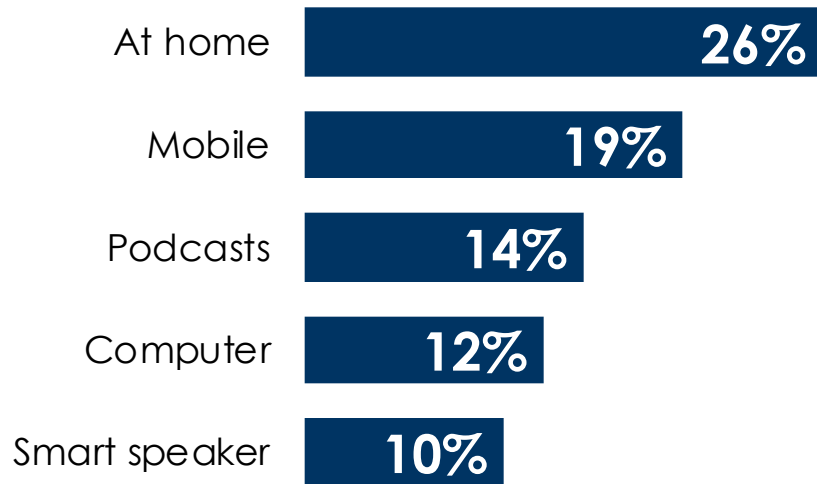
Q: Because of the COVID-19 (Coronavirus) outbreak, do you find yourself listening to audio...

AM/FM radio listening: % of adults 18+



83% of Americans are listening to AM/FM radio more or about the same

% of adults 18+ who answered 'listening more'



Source: Custom Nielsen study conducted March 20-22 via an online survey, based on a weighted sample of 1000 adults 18+

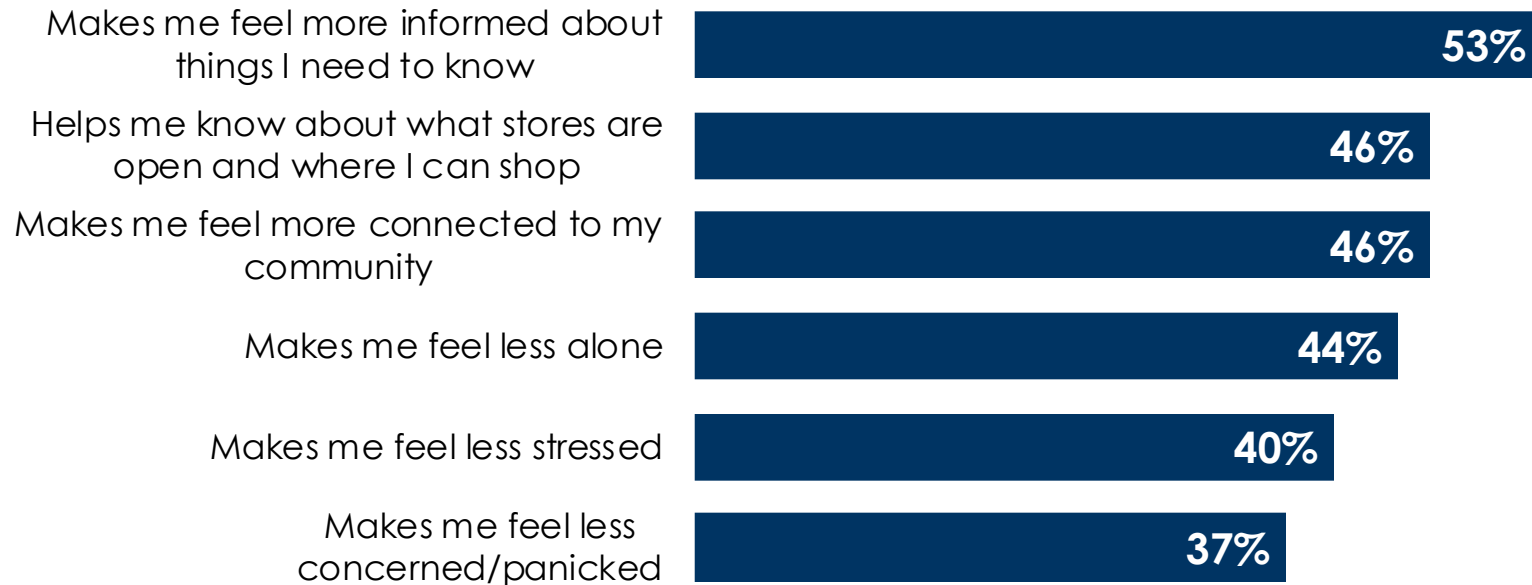
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AM/FM radio hosts connect in times of crisis

Q: Listening to my favorite radio hosts during the COVID-19 (Coronavirus) restrictions...
% of adults 18+ who answered agree



Source: Custom Nielsen study conducted March 20-22 via an online survey, based on a weighted sample of 1000 adults 18+

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AM/FM radio is a trusted source of information

Q: Do you agree or disagree with the statements about radio and COVID-19 (Coronavirus)...
% of adults 18+ who answered agree

I trust radio to give me timely
information

60%

Radio is a good source of information

59%

I trust radio to give me accurate
information

56%

I trust the information I get from my
favorite radio hosts

53%

Source: Custom Nielsen study conducted March 20-22 via an online survey,
based on a weighted sample of 1000 adults 18+

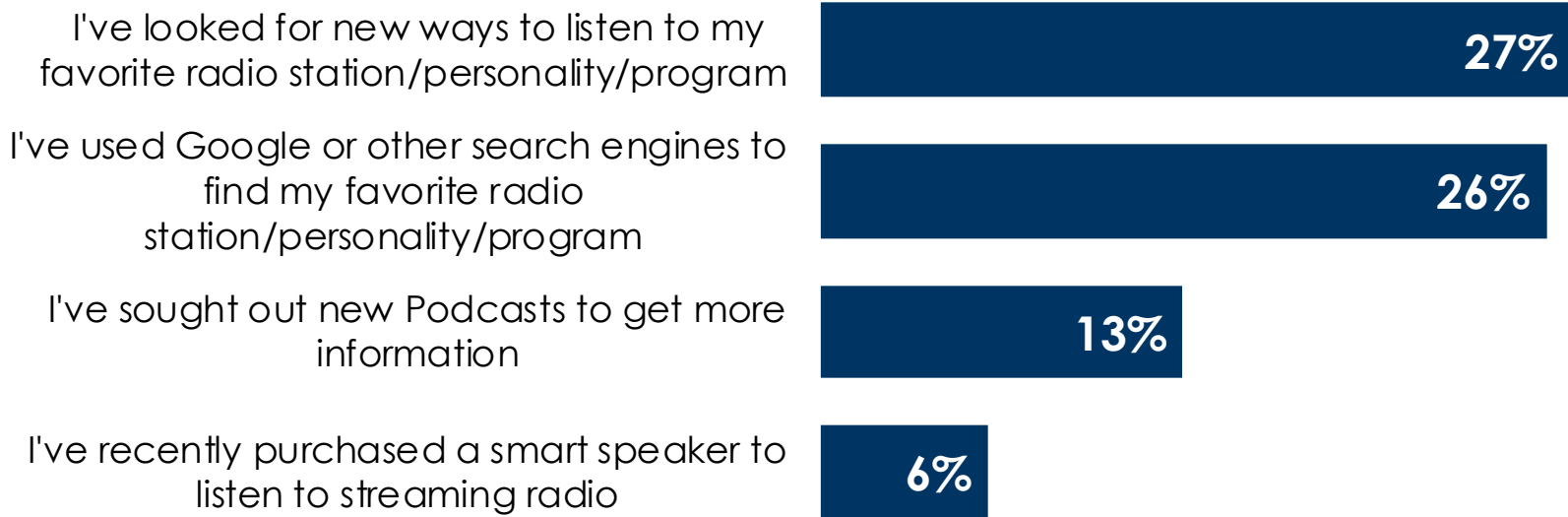
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Consumers are seeking out AM/FM radio on new platforms

Q: Because of the COVID-19 (Coronavirus) outbreak, and associated restrictions...
% among adults 18+



Source: Custom Nielsen study conducted March 20-22 via an online survey, based on a weighted sample of 1000 adults 18+

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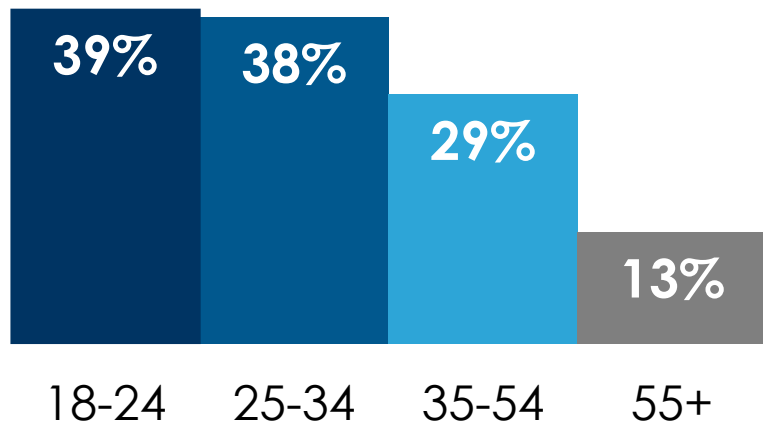
Cumulus Radio

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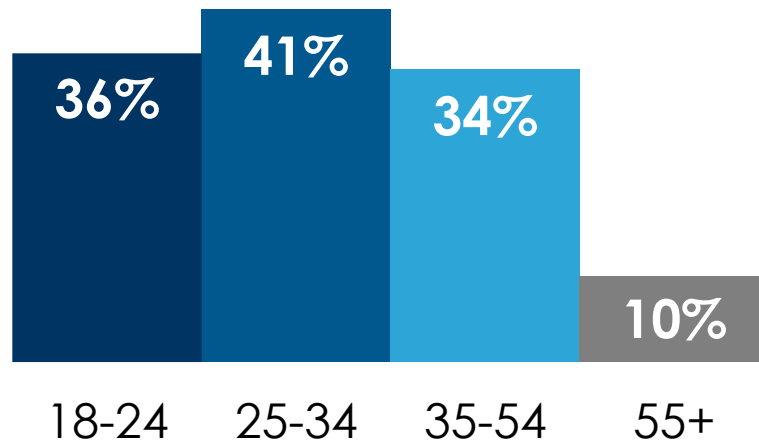
Younger listeners are seeking out new ways to listen to AM/FM radio

Q: Because of the COVID-19 (Coronavirus) outbreak, and associated restrictions...
% who agree by demo

I've used Google or other search engines to find my favorite radio station/personality/program



I've looked for new ways to listen to my favorite radio station/personality/program



Source: Custom Nielsen study conducted March 20-22 via an online survey, based on a weighted sample of 1000 adults 18+

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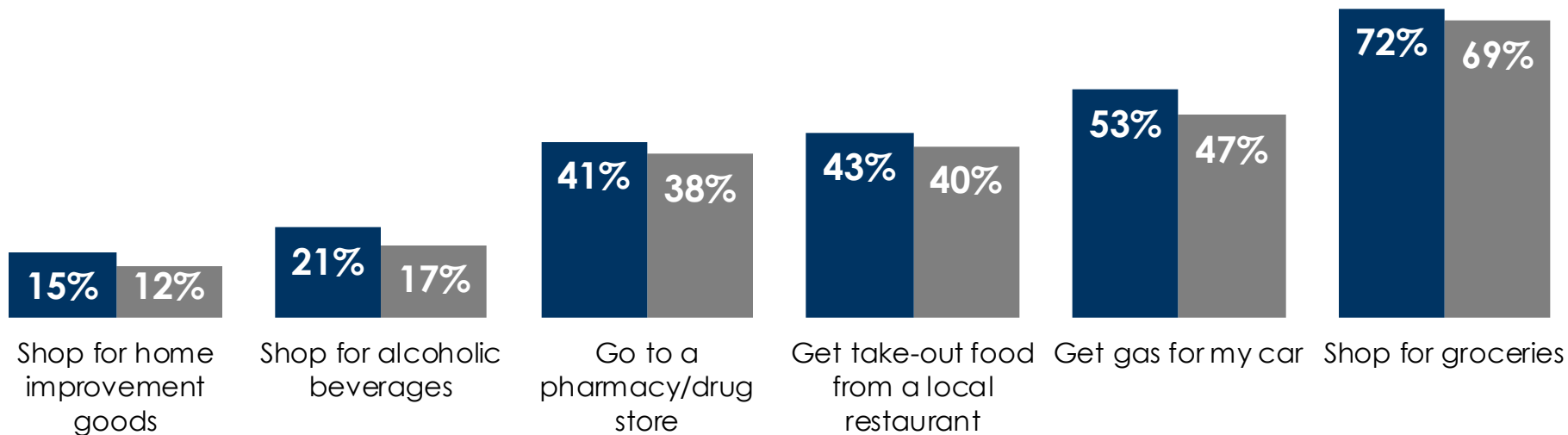
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AM/FM radio listeners are ready to shop

Q: Which of the following activities do you plan to do in the coming week?

■ Adults 18+ ■ Daily AM/FM radio listeners



Source: Custom Nielsen study conducted March 20-22 via an online survey, based on a weighted sample of 1000 adults 18+

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Nielsen: AM/FM radio is crucial during the Coronavirus outbreak

Trusted source

Q: Do you agree or disagree with the statements about radio and COVID-19 (Coronavirus)...

% of adults 18+ who answered agree

I trust radio to give me timely information

60%

Radio is a good source of information

59%

I trust radio to give me accurate information

56%

I trust the information I get from my favorite radio hosts

53%

Increased listening



83%

of Americans say they are listening to AM/FM radio more or about the same

Personality connection

Q: Listening to my favorite radio hosts during the COVID-19 (Coronavirus) restrictions...
% of adults 18+ who answered agree

Makes me feel more informed about things I need to know

53%

Helps me know about what stores are open and where I can shop

46%

Makes me feel more connected to my community

46%

Makes me feel less alone

44%

Source: Custom Nielsen study conducted March 20-22 via an online survey, based on a weighted sample of 1000 adults 18+

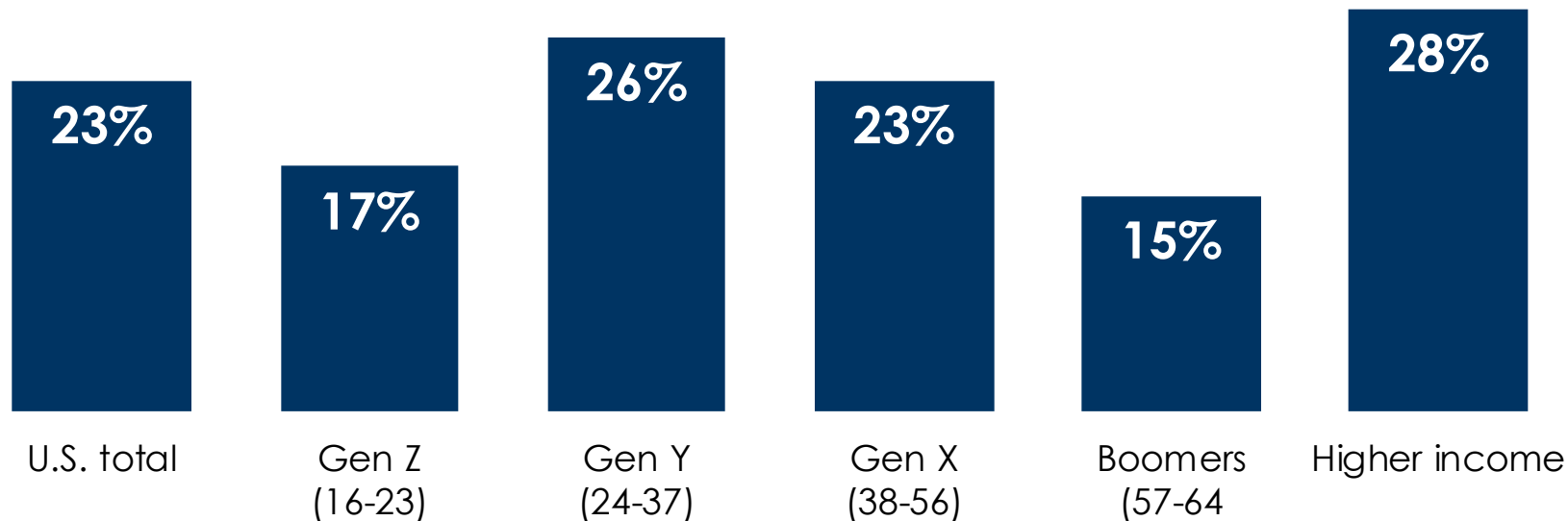
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Americans are listening to more AM/FM radio since the outbreak, especially those with a higher income

% who say they have started consuming or are consuming more AM/FM radio since the outbreak

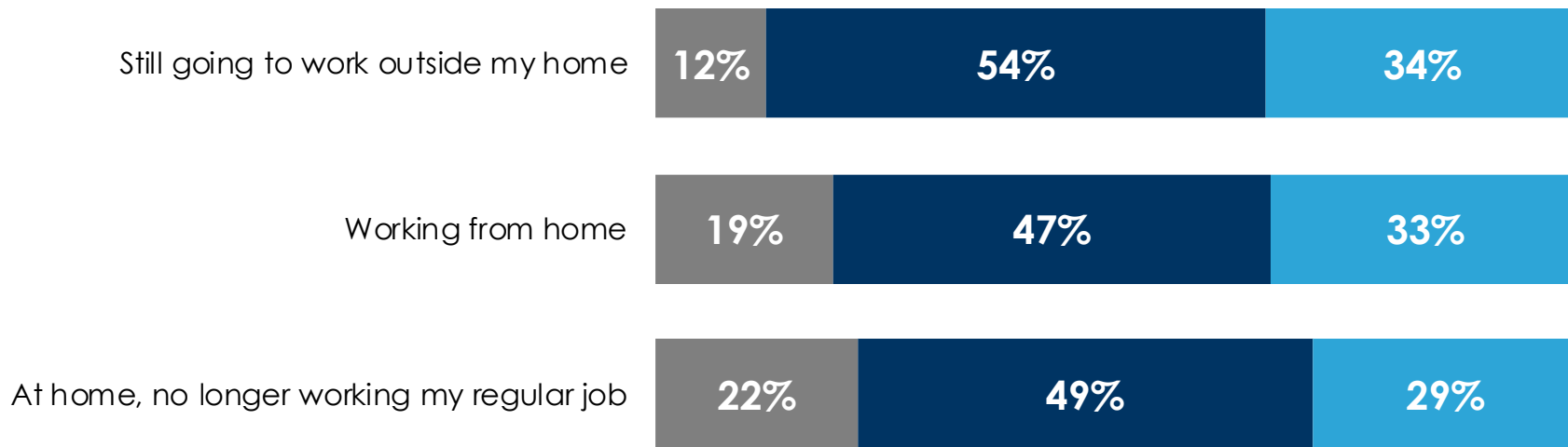


Source: GlobalWebIndex, Coronavirus Research, fielded March 25-30, 2020;
Survey among 2,218 (U.S.) and 1,726 (UK) Internet users ages 16-64

AM/FM radio listeners working from home/working outside the home are listening to radio the same or more since the Coronavirus outbreak

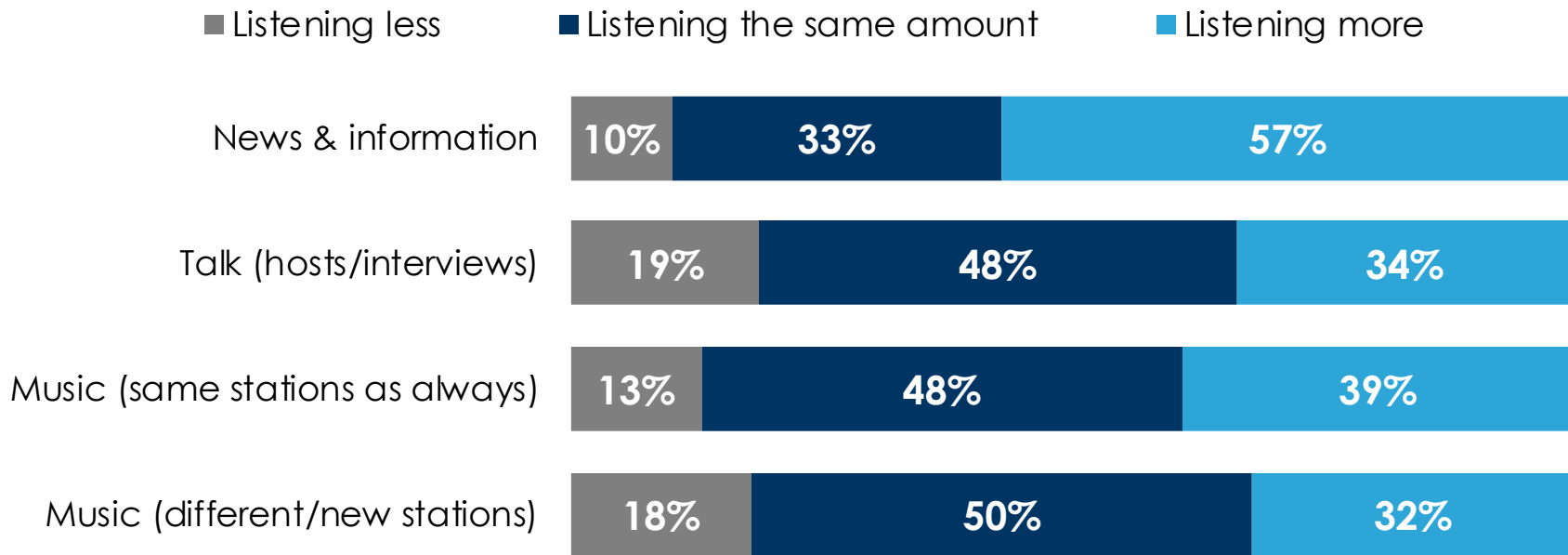
Radio use vs. work status since the Coronavirus outbreak

■ Listening less ■ Listening to radio the same amount ■ Listening to radio more



57% of AM/FM radio listeners are listening to news and information stations more since the Coronavirus outbreak

Since the COVID-19 outbreak, are you listening to these types of radio stations more/less?



If more people are at home, what's AM/FM radio's typical share of ad-supported audio at home?

Share of time spent with ad-supported audio at home vs. at work					
	AM/FM radio	Ad-supported SiriusXM	Ad-supported Pandora	Ad-supported Spotify	Podcasts
At work	68%	3%	13%	6%	10%
At home	75%	1%	10%	5%	8%
In car	88%	6%	2%	2%	3%

96% of homes can listen to AM/FM radio

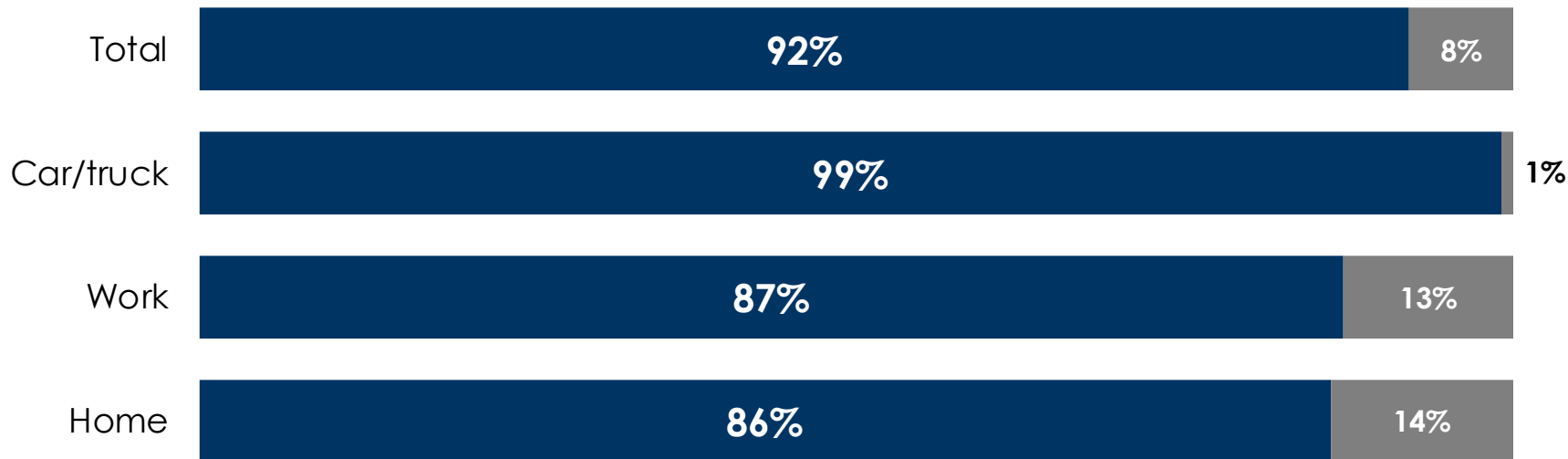
% of total U.S. population, persons 12+



What proportion of AM/FM radio listening occurs “over the air” and via the stream?

Persons 18+ share of AM/FM radio time spent by location

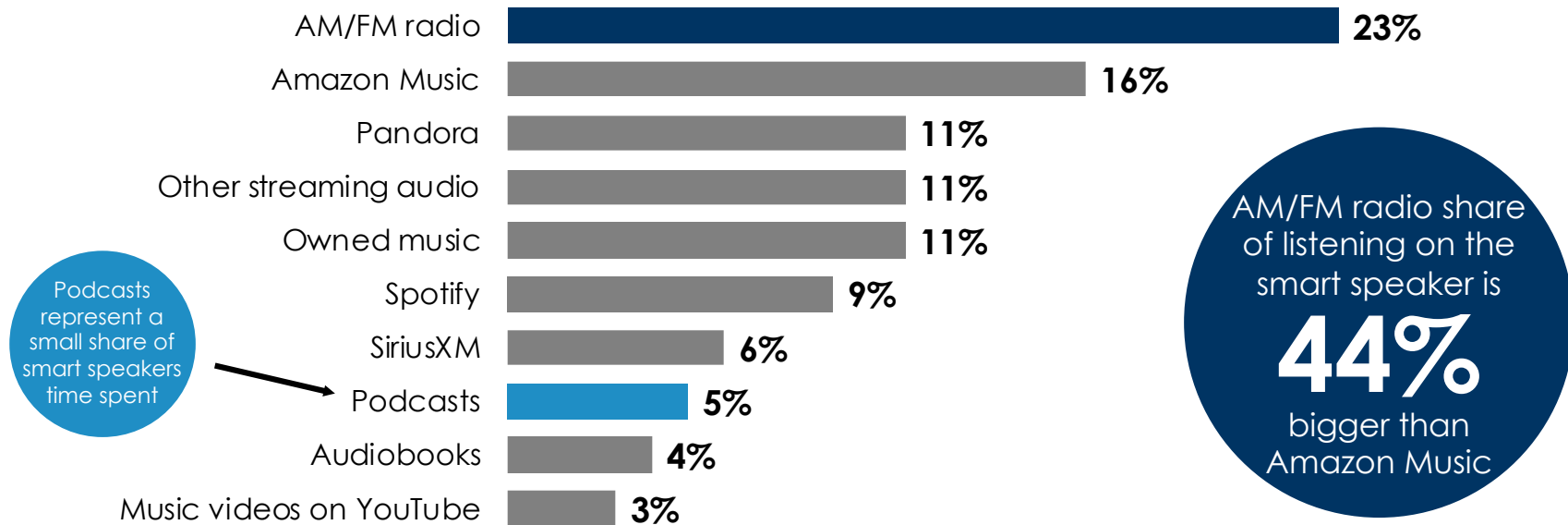
■ AM/FM radio over-the-air listening ■ AM/FM radio streaming listening



How to read: Among persons 18+, over-the-air listening accounts for 86% of all time spent with AM/FM radio at home.

AM/FM radio is #1 in smart speaker share of time spent

Share of listening on the smart speaker device among persons 18+



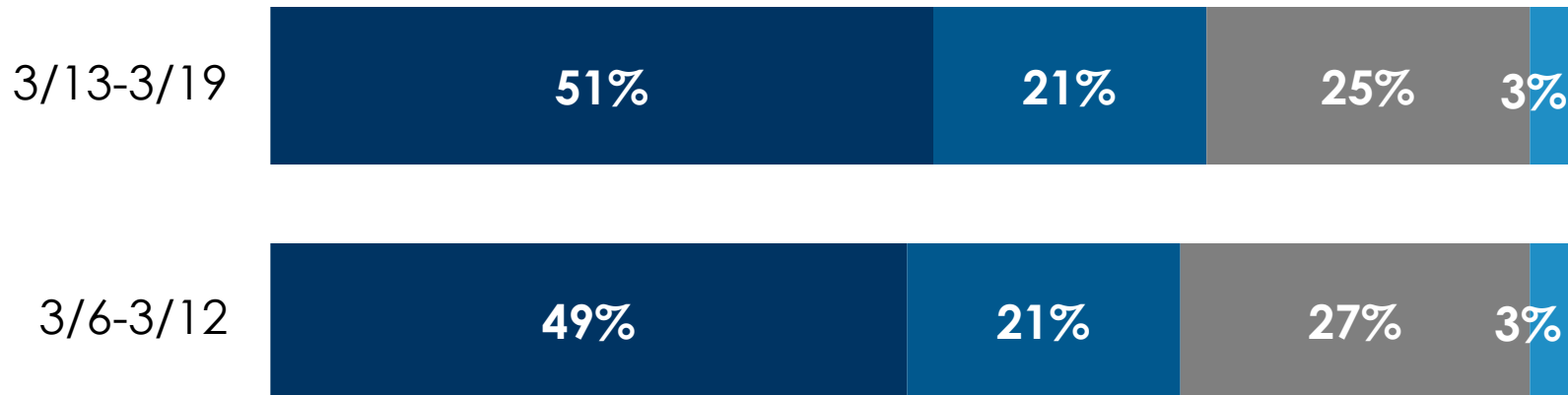
How to read: Among persons 18+, 23% of listening on the smart speaker in Q4 2019 is to AM/FM radio.

Other media consumption

Audio streaming consumption patterns by device have remained stable since the first week of Coronavirus

Share of total U.S. radio station streaming by device

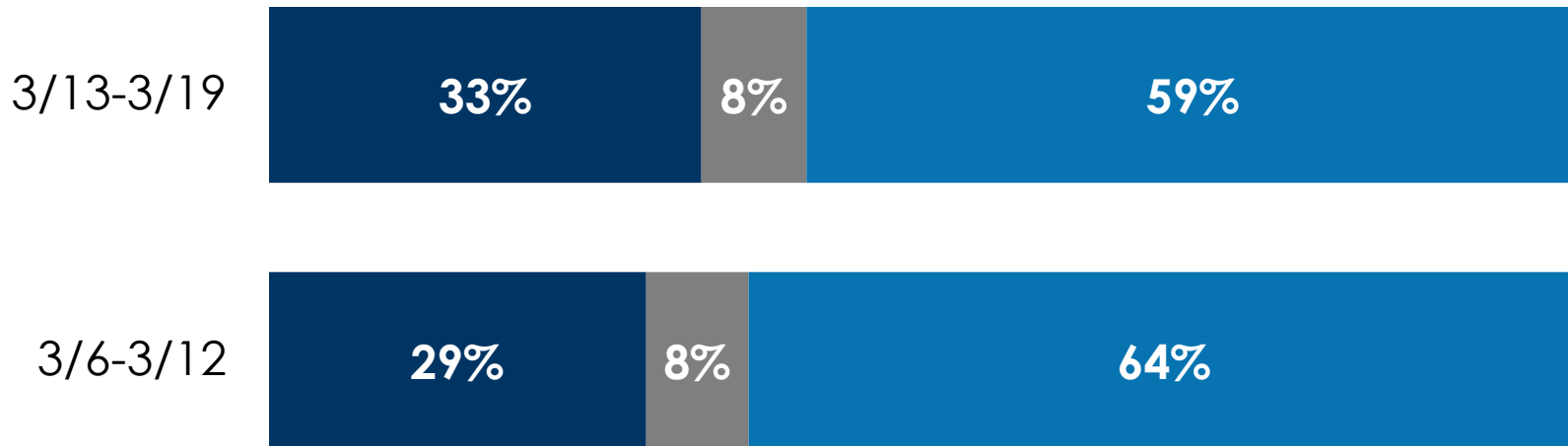
■ Mobile device ■ Smart speaker ■ Desktop/laptop ■ Other



Streaming shares: News/Talk stations see +14% increase during the first week of Coronavirus concerns

Share of total U.S. radio station streaming by format

■ News/Talk ■ Sports ■ Music

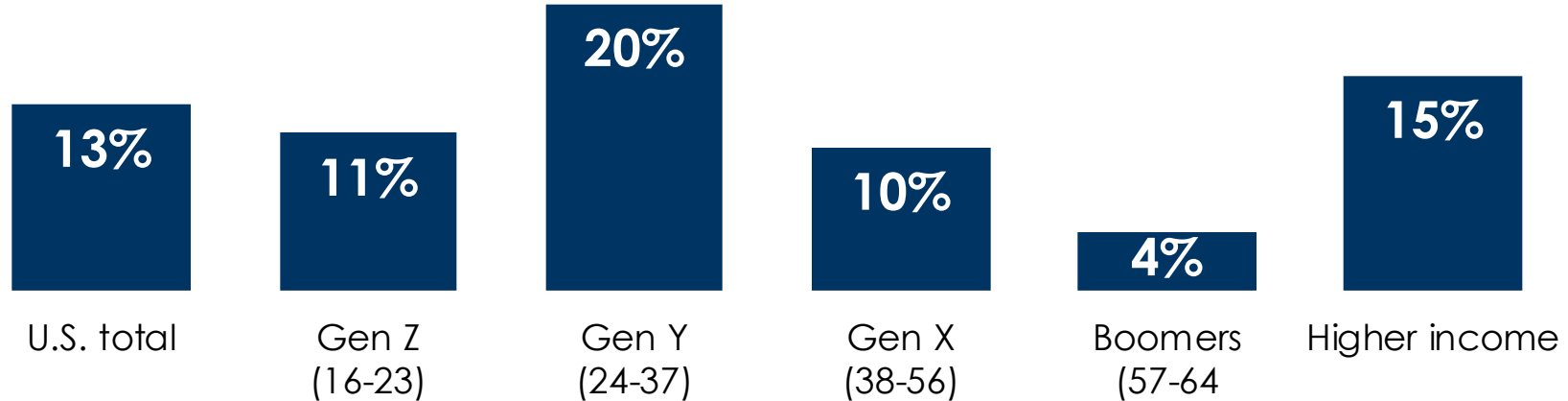


What's happening with Pandora and Spotify?

- **Spotify streams down:** Music Business Worldwide reports a week-on-week fall of **11.4%** globally for Spotify's cumulative Top 200 chart streams for week ending March 19th.
- **Pandora down:** Rolling Stone Magazine reports: "according to numbers from Alpha Data, the data analytics provider that powers the Rolling Stone Charts, streams in the United States actually fell last week... during the week of March 13th through March 19th — the week restaurants and bars across the nation closed and more Americans self-quarantined — streams dropped 7.6 percent, to under 20.1 billion. Programmed streams on services like Pandora dropped **9%** to just under 3.5 billion, while on-demand streams (audio and video) dropped 7.3 percent to 16.6 billion."

Podcasts: one in five Gen Y are listening more since the outbreak

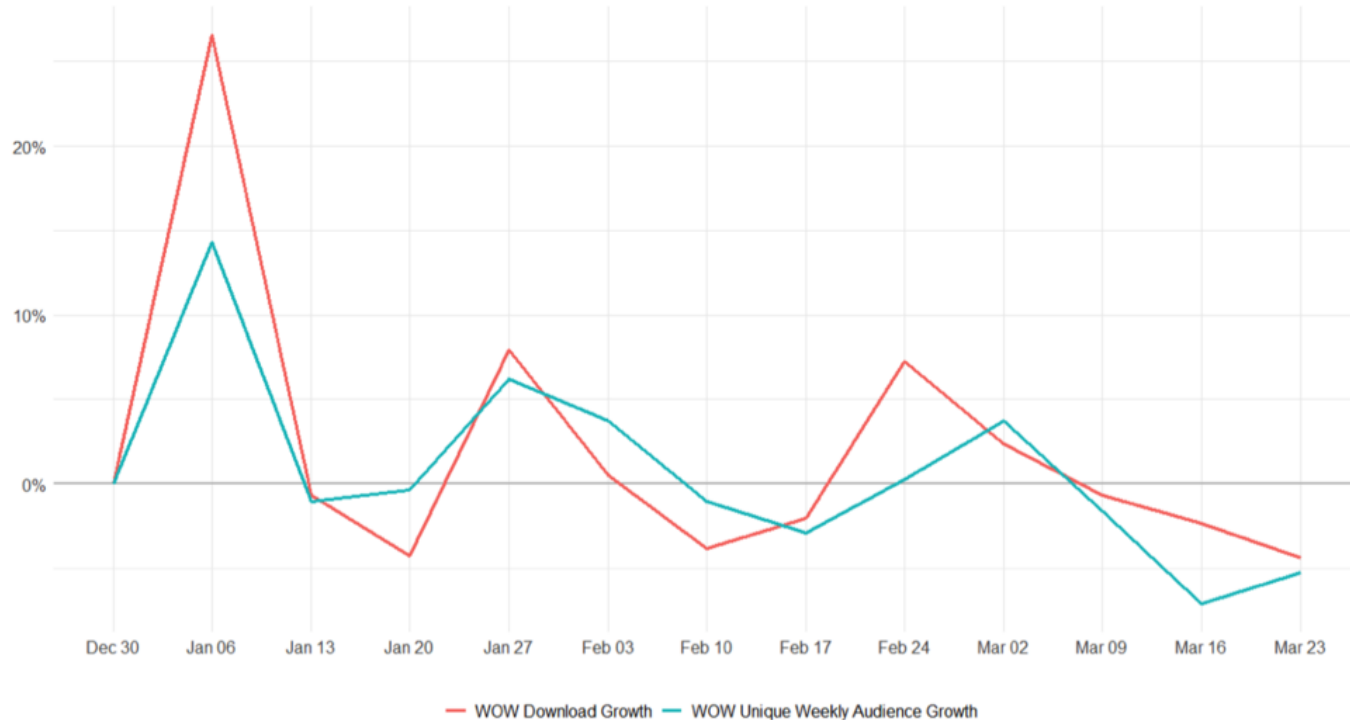
% who say they have started consuming or are consuming more podcasts since the outbreak



Source: GlobalWebIndex, Coronavirus Research, fielded March 25-30, 2020;
Survey among 2,218 (U.S.) and 1,726 (UK) Internet users ages 16-64

Podtrac reports modest reduction in podcast downloads and audiences

U.S. weekly downloads and audience: All Podtrac measured shows, week-over-week growth (%)



Anything new about audio I should know?

- **Edison Infinite Dial 2020 released last Thursday:**

Podcasting

- Podcasting continues to soar: Versus last year, ever listened is up 51% to 55%, listened last month grows 32 to 37%, and listened last week increases 22% to 24%. Monthly podcast audience now 104M.
- Biggest story? Monthly female podcast audiences rise dramatically 29% to 36%, a 24% increase. Male monthly podcast audiences grow 36% to 39%, an 8% increase. Female audience growth is 3X men.
- Podcast weekly time spent holds at 6 ½ hours a week. Average podcasts listened per week = 6.

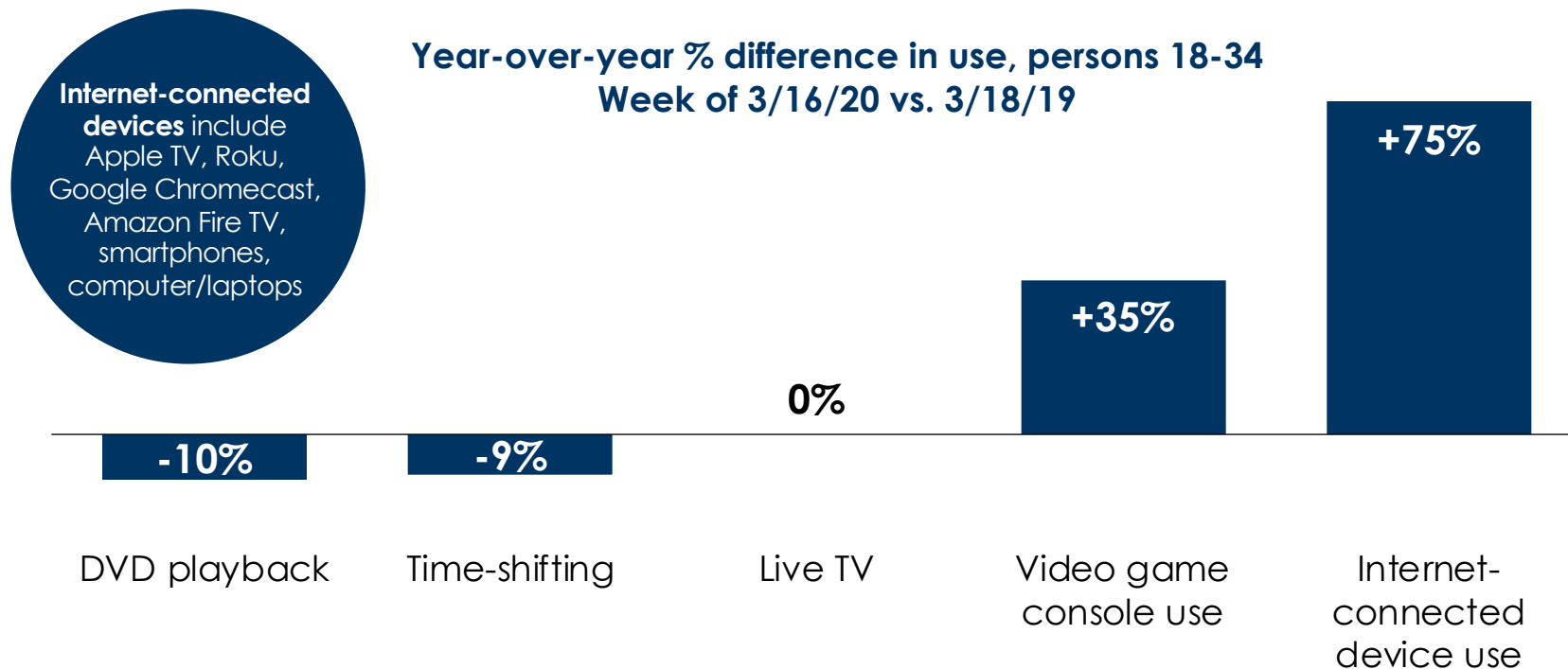
Smart speakers

- Smart speaker ownership up from 23% to 27% of Americans. Average number of smart speaker devices owned increases from 2 to 2.2 per home.
- Smart speakers bring radio back into the home, 68% of homes have a radio, 8% of homes have a smart speaker but no radio.

Pandora collapse: Weekly audience drops 22% to 18%, Spotify up 20% to 22%. Pandora 12-34s are down 28%.

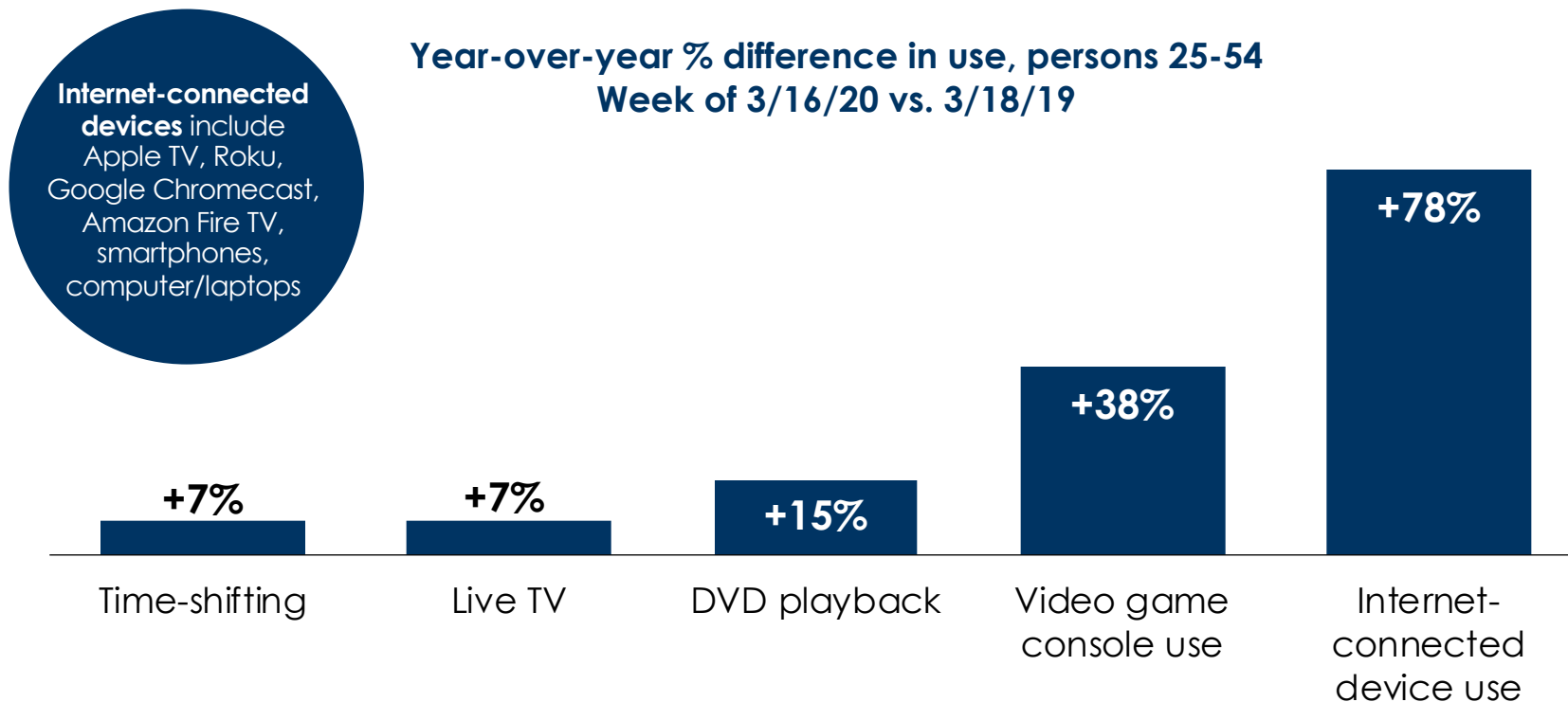
Amazon Music grows weekly audience 9% to 10%, Alexa powers Amazon Music's growth.

Millennial 18-34 year-over-year TV use: Most growth has come from video game consoles and Internet-connected devices



Source: Nielsen National Panel, AA%; Internet-connected Device: Devices connected to the TV that are used to stream content such as Apple TV, Roku, Google Chromecast, Amazon Fire TV, smartphone, computer/laptops, etc. It is inclusive of Smart TV apps when used to represent device usage.

Persons 25-54 year-over-year TV use: Video game console and Internet-connected device use has grown significantly



Source: Nielsen National Panel, AA%; Internet-connected Device: Devices connected to the TV that are used to stream content such as Apple TV, Roku, Google Chromecast, Amazon Fire TV, smartphone, computer/laptops, etc. It is inclusive of Smart TV apps when used to represent device usage.

Nielsen national TV viewing and device usage: Year-over-year 3/16/20 vs. 3/18/19

Year-over-year	P2+			P 18-34			P25-54			P55+		
Viewing source	Week of 3/18/19	Week of 3/16/20	% diff	Week of 3/18/19	Week of 3/16/20	% diff	Week of 3/18/19	Week of 3/16/20	% diff	Week of 3/18/19	Week of 3/16/20	% diff
Live TV	13.8	15.2	10%	7.0	6.9	0%	12.1	12.9	7%	24.2	27.2	12%
Time-shifting	2.0	2.3	13%	1.0	0.9	-9%	2.0	2.1	7%	3.2	3.9	22%
DVD playback	0.3	0.4	11%	0.3	0.2	-10%	0.3	0.4	15%	0.3	0.3	-1%
Video game console use	1.1	1.6	43%	2.1	2.8	35%	1.2	1.6	38%	0.1	0.2	37%
Internet-connected device use	2.5	4.5	84%	3.1	5.5	75%	3.0	5.3	78%	1.5	2.8	81%
Total use of TV	19.7	24.0	22%	13.5	16.4	22%	18.6	22.4	21%	29.4	34.4	17%

Source: Nielsen National Panel, AA%; Internet-connected Device: Devices connected to the TV that are used to stream content such as Apple TV, Roku, Google Chromecast, Amazon Fire TV, smartphone, computer/laptops, etc. It is inclusive of Smart TV apps when used to represent device usage.

YouTube Kids tops Netflix, Disney+, and Hulu as the streaming app with greatest time spent this year

Apptopia | Braze: “YouTube Kids is a time-passing, educating, give-me-a-break savior for parents.”

Source: Apptopia | Braze, 2020: The Year of Streaming

Top 10 streaming apps in the U.S. ranked by time spent in app January-March 2020

YouTube Kids
Netflix
YouTube
Disney+
Hulu
Amazon Prime Video
Tubi
Roku
Pluto TV
CBS All Access

Advertisers: Sentiment and recommendations

Advertiser Perceptions study of brands and media agencies

Last week (March 16-20), **Advertiser Perceptions** surveyed national media agencies and brands on the impact of the Coronavirus on marketing plans. The full study was released Wednesday, March 25th. Key findings:

- **Advertisers are modifying ad budgets in the short term — not slashing them.** Nearly 9 in 10 US marketer and agency professionals reported a disruption to their ongoing advertising efforts as a result of COVID-19, but only a third said they have completely cancelled a campaign. Advertisers expect the worst of the effects to be felt in Q2 2020, but this is likely to be felt for several quarters as two-thirds also expect the Coronavirus to result in reduced ad spending in 2021.
- **Advertising remains important; immediate focus is on provable outcomes.** 60% of advertisers agree that just as in other economic downturns, brands that maintain advertising during this period will fare better when the economy improves. 65% of advertising decision-makers believe the Coronavirus will cause advertisers to focus ad spending on media that could drive direct sales outcomes.

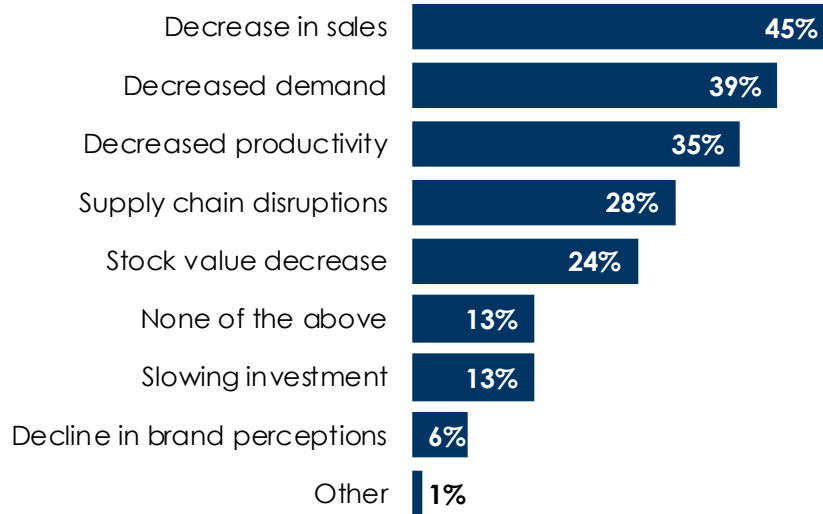
Advertiser Perceptions study of brands and media agencies

- **Canceled live sports media dollars have been put in limbo, but more advertisers are working with media partners to re-assign investment than pulling that money back.** TV was one of the media most likely to be pulled, canceled, or paused - underlying these cuts were the cuts to live and sports programming - more than two in five advertisers had programming cancelled or moved to repeats. Fully one-third of advertisers had planned to advertise on TV around the NCAA tournament.
- **Marketers need all the help they can get from partners during this period.** Agencies are a lifeline - just 27% believe the COVID-19 outbreak will result in further in-housing of media buying. Advertisers are looking for media brands to "be a good partner" during these challenging times.

Hanover Research: While businesses are concerned about decreases in sales, demand, and productivity, they are waiting to make decisions

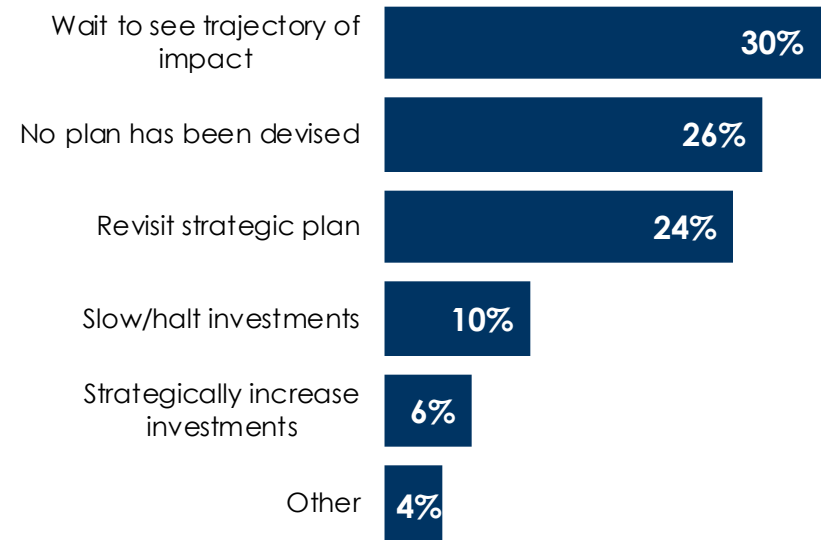
Concern is high

80% of organizations are concerned about impact on business



There is a delay on response planning

Opportunity: Use client wait time to advise them on how to proceed



Seven marketing strategies for an uncertain economy

1. Ensure your share of voice exceeds your share of market.
2. Continue to advertise: According to WARC/Millward Brown, it can take up to 5 years for brands to recover from “going dark”.
3. Optimize your creative. Test ads for more memorable brand effects. Superior creative can generate outsized lifts o ROI and sales effect.
4. Shift more resources to brand building versus sales activation.
5. Place a greater emphasis on emotional campaigns to build your brand more strongly.
6. Shift budget to AM/FM radio to grow reach even if total budgets are reduced.
7. Focus on, and keep in touch with, the customer, a brand's biggest asset.

For full report on these strategies, go to <https://www.westwoodone.com/blog/>

Creative recommendations: Advertising during a pandemic

Magid Research, a leading media and marketing research firm with significant expertise on creative execution, advises the following:

- Core research findings around authenticity, consumer-centricity, and emotional engagement hold, but marketers should be sure to highlight their compassion, flexibility, and reliability, as well.
- Show compassion and empathy for your customers and community members.
- COVID-19 (coronavirus) has affected local consumers and businesses equally. Show empathy and understanding of the outbreak's effects on your community and customers/clients.
- Be sensitive to apprehensive consumers; focus advertising around their needs. Being there for them aids in building deeper relationships.
- Demonstrate that you are cooperating to help the community recover as quickly and effectively as possible through your policies/guidelines, whether you do business in person or are able to direct consumers online. This lends authenticity to your business approach – looking out for the customer is a number one priority

Creative recommendations: Advertising during a pandemic

- Position your business as supportive and exercising the necessary precautions. For example, “When you need us, we’re here for you. Call us, text, visit us online or in-store, and know that we continue to take every recommended health/hygiene effort at our locations to keep you safe.” How do you answer the question, “What can we do for you, the consumer?”
- Provide common sense tips and information related to your business on your website and in your social media posts. There is an opportunity to strengthen brand loyalty by doing by doing the right thing when you have the expertise/services/products they need.
- For Magid’s specific creative recommendations for auto dealers, retail, financial, home, and legal categories please consult the appendix.



Thank You

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Appendix

Auto dealer creative recommendations

For auto dealer creative, Magid has the following advice:

- Consider how to reframe your online capabilities and how to let customers know they can spend less time in the dealership/on the lot while social distancing recommendations are in place.
- Most automotive advertisers offer their customers online capabilities – buying or even just starting paperwork online. This capability lends itself to your messaging: “Shop online, and spend less time on the lot by starting your paperwork online/doing it all online.”
- If delivery is part of your repertoire of services, reframe it in your copy as something you offer so consumers don't have to venture to the lot/can avoid contact during this time.
- If your dealership doesn't focus on online paperwork, are you willing to work with customers over the phone? Make sure you highlight how you're making the buying process simple and safe during the pandemic.
- Now is an important time to focus on financing. We know 0% resonates with consumers - if that's an option, use it in your messaging.

Financial and retail creative recommendations

Financial services: Consider how to reframe your commitment to local community members.

- Now is the time to reinforce your customer service and online services. For those who may be struggling financially as a result of COVID-19, remember to keep your contact details available so your customers/members/clients feel they have someone in their corner during this challenging situation.
- Encourage customers/members/clients to reach out via phone and online to talk about options they have regarding their products and/or investments.

Retail: Consider how to reframe your online capabilities and customer safety in stores.

- Most retailers have online capabilities – even if that simply means browsing. Online purchasing messages might be even more important during this time. If e-commerce isn't a strength, focus your message around efforts you're taking to limit consumers' time in the store - curbside delivery, home delivery, appointment windows, etc. ensuring they only have limited, if any, contact to mitigate health risks.

Retail creative recommendations (continued)

- Online/email consultations are a great option - offer these through your social media and/or other advertising, and ask for dimensions and photos to get started for free. Also consider offering video conferencing to show off inventory to potential customers.
- Financing messages may be increasingly important while some families' immediate needs may outweigh their ability to pay cash for products. Is free delivery an option? Consider offering it as part of your goodwill gesture to your customers.
- Messages about hygiene, availability of sanitizer, hand washing stations, etc. will also remain important.
- Consider delivery messaging, too. How are our products delivered? Are products protected? Do you recommend any extra washing of hands or letting products air out, for example? What are the hygiene practices of the warehouses where your products may come from (or your own if you have one or several)?
- Consumers will expect you to have these answers, so even if this doesn't fit in your copy for traditional advertising, make sure you're answering it via social media or your website.

Home and legal services creative recommendations

Home services: Reinforce the health and safety guidelines your techs take and how this is applicable to your customers' home/property.

- Now is the time to focus on expectations for consumers when a tech visits the home. Make mention of your cleaning processes and how you're looking out for your customers.
- Financing may become increasingly important as a promotion, as clients will still have needs but may be on stricter budgets.

Legal services: Reinforce your commitment to your clients and community. messaging to reinforce social distancing without any blip in service to clients.

- Are you keeping your offices cleaned/sanitized? Are you willing to do online/video consultations for new clients? Tell them.
- Remind them there are so many ways to get in touch, you're still there for them, and their circumstances still matter, even as the world focuses mainly on COVID-19.
- Reassuring your clients and potential clients is key. This is especially true for clients who may be relying on settlements in the current economic environment.