THE FUTURE OF DIGITAL AUDIO

DOUG STERNE, VP AUDIO DEVELOPMENT
AMERICANS SPEND ABOUT FOUR HOURS PER DAY WITH AUDIO
U.S. SHARE OF TIME SPENT LISTENING TO AUDIO

Source: Edison Research, Share of Ear Study, Q2 2015. AM/FM listening online was attributed to AM/FM category. Figures may not total 100 due to rounding.
SHARE OF STREAMING AUDIO
AGE 13+

Source: Edison Research, Share of Ear Study, Q2 2015. AM/FM listening online was attributed to AM/FM category. Figures may not total 100 due to rounding.

- Pandora: 60.4%
- Spotify: 20.9%
- iHeart Radio*: 11.0%
- iTunes: 7.7%
THE AUDIO “PIE” IS GROWING

Is the time you spend listening to Internet radio mostly…

- **44.0%** New Time
- **30.0%** Replacing CDs / MP3s
- **26.0%** Replacing AM / FM

Source: Edison Research, The New Mainstream, September 2013. Base: 12+ online Americans
HOW DIGITAL AUDIO WILL HELP YOU WIN

CROSS-PLATFORM REACH & SCALE

DRIVES ENGAGEMENT

DATA-DRIVEN MARKETING
## DIGITAL AUDIO DRIVES
### CROSS-PLATFORM REACH & SCALE

<table>
<thead>
<tr>
<th>Platform</th>
<th>Pandora</th>
<th>Apple Music</th>
<th>Spotify</th>
<th>SoundCloud</th>
<th>iHeart</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>WEB</strong></td>
<td>15.3M</td>
<td>N/A</td>
<td>17.6M</td>
<td>8.3M</td>
<td>3.6M</td>
</tr>
<tr>
<td><strong>MOBILE</strong></td>
<td>72.5M</td>
<td>60.9M</td>
<td>28.2M</td>
<td>20.9M</td>
<td>13.0M</td>
</tr>
<tr>
<td><strong>MOBILE REACH</strong></td>
<td>37.7%</td>
<td>31.7%</td>
<td>14.6%</td>
<td>10.8%</td>
<td>6.8%</td>
</tr>
<tr>
<td><strong>MOBILE MINUTES</strong></td>
<td>104B</td>
<td>5.3B</td>
<td>16.4B</td>
<td>7.9B</td>
<td>3.0B</td>
</tr>
</tbody>
</table>

Source: comScore, MultiPlatform, August 2015

Pandora Confidential
DIGITAL AUDIO LEADS IN MOBILE TIME SPENT

TIME SPENT DRIVES BRAND ENGAGEMENT

AVG. HOURS SPENT PER USER PER MONTH

<table>
<thead>
<tr>
<th>Platform</th>
<th>Avg. Hrs/Day</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pandora</td>
<td>22:52</td>
</tr>
<tr>
<td>Facebook</td>
<td>21:07</td>
</tr>
<tr>
<td>King</td>
<td>6:53</td>
</tr>
<tr>
<td>Soundcloud</td>
<td>5:35</td>
</tr>
<tr>
<td>Netflix</td>
<td>4:45</td>
</tr>
<tr>
<td>YouTube</td>
<td>4:41</td>
</tr>
<tr>
<td>Instagram</td>
<td>3:58</td>
</tr>
<tr>
<td>Messenger</td>
<td>3:54</td>
</tr>
<tr>
<td>Pinterest</td>
<td>2:16</td>
</tr>
<tr>
<td>Google</td>
<td>1:36</td>
</tr>
</tbody>
</table>

Source: comScore Media Metrix, July 2015 (mobile & tablet). comScore Mobile Metrix domain ranking reflects combined mobile web and app traffic reported for all mobile domains.
HOW PANDORA WILL HELP YOU WIN

AUDIENCE
PLAY

THE POWER
OF AUDIO

DATA-DRIVEN
MARKETING

ATTENTION-
BASED MEDIA
PANDORA AUDIO
SUCCESS ACROSS THE PURCHASE FUNNEL

Audio campaigns on Pandora drive positive upper- and middle-funnel brand metrics:

- 7% increase in Aided Brand Awareness
- 18% increase in Ad Awareness
- 20% increase in Message Association

Audio is powerful and pervasive—it captures attention in a technology-driven, multi-tasking world.

Consumer habits are changing and audio is shifting from AM/FM radio to new streaming audio sources.

Streaming audio drives cross-platform reach and engagement, reaching consumers wherever and whenever they are.

With precise targeting capabilities, streaming audio can engage the right listener at the right time.
WHEN PANDORA PLAYS, YOUR MESSAGE WORKS.