

PCNY Luncheon  
Why the Web Matters  
April 23, 2003

**Heather Perram, Executive Director, Creative Programming - AOL** – You may have heard a little bit about our company recently, so I thought I'd tell you some things that you might not know. There are 35 million members worldwide of America Online, 26 million of whom are Americans, living in the United States. We have a greater circulation than the combined circulation of Reader's Digest, TV Guide, the National Geographic and Family Circle, more than all 3 nightly newscasts combined, and more people look at America Online than watch *Friends* every week. So it is a huge audience. For those of you who aren't members, you may not be familiar with the way the service looks. Ruth talked about our Welcome screen, it *is* our Holy Grail, it is viewed by more people than almost anything else online on any given day. And one of the things that I really look for in helping our people make those decisions is, "What are Americans interested in? What are the trends?" Our welcome screens are segmented so you can make choices as a member about what kinds of things interest you. So if you're a mom or a dad you might choose a welcome screen that points you in that direction, if you're a younger woman who likes music you might go in that direction. So we really are looking at our audience and we're looking for ways to engage with them to find out what they're going to be interested in on any given day. And I'm a lot more interested in what people are going to be interested in next fall. Our audience is mass market, they are not fashion forward, we ask them a lot of questions because we can and because they like to answer them. And the reason you have Peeps on your tables is because, not because they're on sale after Easter, but because one of the things that we love to do is to ask our members what they like and how they feel about things in pop culture. So for fun a few years ago we asked them, "Which is best, yellow Peeps or pink Peeps and is it bunnies or ducks?" And within the space of a couple of hours 250,000 people, which was a lot in those days 'cause these things go exponentially, resoundingly said yellow is the best color. So for those of you who had white, I saw a couple of you did and I'm sorry about that. But one of the ways to reach us is through me and to let me know the kinds of things that you guys are seeing. You're on the street and that's of great interest to me. I'm thinking a lot about next fall and I'm thinking that the Takashi Murakami bags, which I certainly don't have one I hope some of you do, but I think that those are the colors that our members are going to be interested in way after the fact because they're not fashion forward and they're not cutting edge. So it's kind of lucky for me, I can look ahead to see the things that they're going to be interested in. I also wanted to tell you that America Online has partnerships with 80% of the top 50 advertisers in America including all of the top 10. So we are doing something right and we are reaching a huge audience and it's important to take us into account. How do you reach us? Well, we are aggregators of content, so if you have relationships with magazines like the Time Inc magazines, but also magazines like Travel and Leisure, with whom we do the American Cities survey, and also Food and Wine, you're reaching America Online. So be sure when you talk to those editors to let them know that that's something that you would really like to see pursued, and it's kind of a double whammy for you. Something else I wanted to mention is broadband, which Dean talked about a little bit, our audience is *not* at work they tend to be more at home

but more and more people are using high speed connections at home and home networking. And so when you think about the things that you might like to approach us with or might like to approach some of our content partners with, think about video because people are excited about seeing it, it's a novel experience and we're seeing some amazing numbers. And I'm very lucky because I have Ruth to help me today, she just passed this to me. I wanted to let you know that more than a million sessions at AOL Interviews and Performances are streamed from AOL Music, which is the #1 music site on the web each week. And that's original content for us, these are artists coming into the studio, we just had Madonna, presenting their content online and it's a formidable audience and I'm delighted to be here to speak with you today.