

3 Radio and audio content

3.1 Recent developments in Wales

Digital audio broadcasting (DAB) availability in Wales

The launch of the north-west Wales multiplex in late 2014 increased the availability of local DAB digital radio services for people in Wales, and a second UK-wide commercial digital radio multiplex, broadcasting 18 digital stations (including 14 new ones) launched in March 2016.

The new UK-wide digital radio multiplex is run by Sound Digital, a consortium of Arqiva, Bauer, and Wireless Group (formerly UTV Media GB). The multiplex (which is the transmission infrastructure used to deliver these services) carries new stations including Virgin Radio, talkRADIO, talkSPORT 2 and Share Radio. Coverage from the new multiplex is more limited than from the other UK-wide multiplexes, comprising BBC National and Digital One. UK-wide indoor coverage is currently 76.5% of UK households. In Wales, the figure will be 51.5%. DAB coverage from all operators is covered in section 3.3 of this document. The majority of listening in Wales continues to be on FM.

A rebrand and a new station for Town and Country Broadcasting

As part of its rebranding, Town and Country Broadcasting Ltd been renamed as Nation Broadcasting. The media company announced Nation Hits' rebranding, reverting to its original name, Swansea Bay Radio, on 1 March 2016, and launched a new national DAB station, Nation Gold, in December 2015, playing a mix of 70s, 80s and 90s music. Nation Broadcasting is building out its transmitter network to increase DAB coverage in Wales.

3.2 Radio station availability

There are now 68 stations broadcasting on DAB in Wales

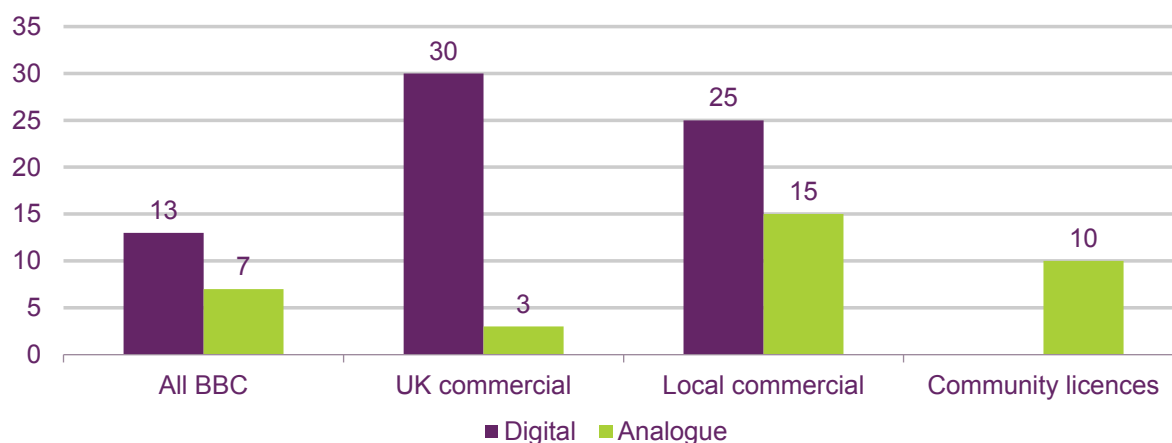
Following the launch of the Sound Digital multiplex in March 2016, there are now 68 stations available on DAB in Wales. The second UK-wide multiplex adds a further 18 digital stations to those already available: 13 from the BBC, 12 stations on the Digital One multiplex and 25 commercial stations on local DAB multiplexes.

However, not all of these digital stations will be available on DAB to listeners across all of Wales. As Figure 3.2 shows, the proportion of households within the coverage area for each type of station varies, and there are different services on each of the local DAB multiplexes serving different parts of Wales.

There are currently ten community radio stations on air in Wales – Calon FM, Tudno FM, BRfm, Radio Tircoed, Radio Glan Clwyd, Môn FM, Radio Cardiff, Radio Tircoed, Bro Radio and GTFM.

There are a further 35 analogue stations available in Wales. Many of these are simulcasts of DAB stations, but the ten community radio services and some of the local commercial radio services are available on analogue only in their local coverage areas.

Figure 3.1 Radio station availability



Source: Ofcom, May 2016

Note: This chart shows the maximum number of stations available; local variations and reception issues mean that listeners may not be able to access all of them.

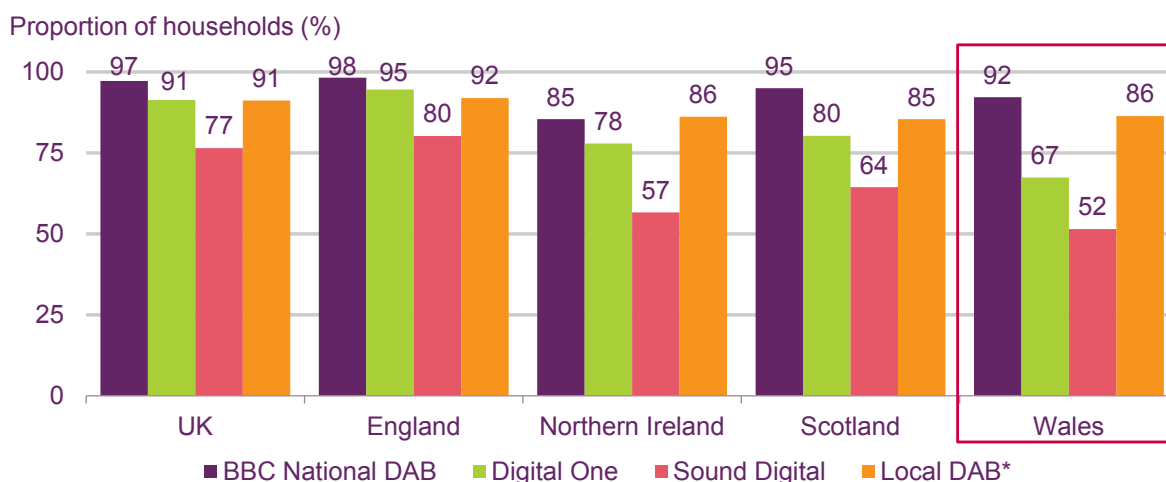
3.3 DAB coverage

All providers have increased their household DAB coverage in Wales

DAB services from the BBC are now available to 92% of households in Wales, an increase of 3pp in the past year. Coverage from Digital One, one of the UK-wide commercial multiplexes, also increased by 3pp; it can now be received by 67% of households in Wales.

Coverage from the local DAB multiplexes in Wales, as well as across the UK, is currently being extended with the addition of new transmitter sites. By Autumn 2016, the expected coverage of local DAB in Wales is 86% of households. This will be a 23pp increase compared to coverage in 2015.

Figure 3.2 Household DAB coverage



Source: BBC, Arqiva, Ofcom, May 2016.

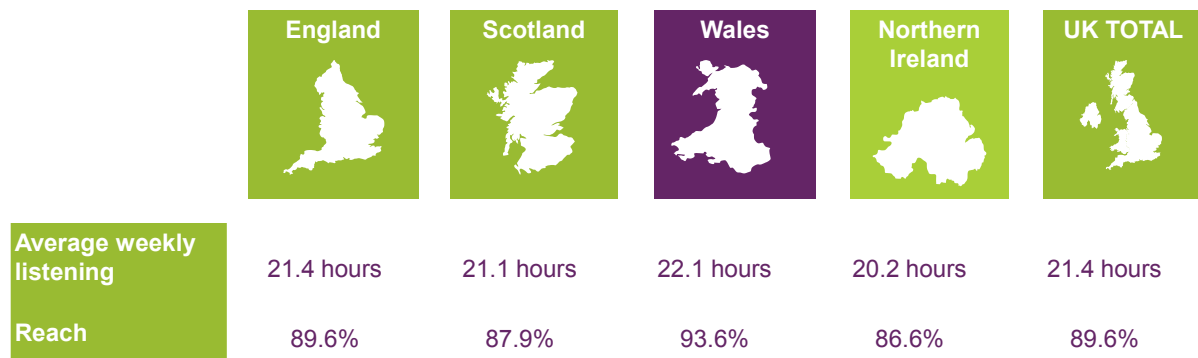
Figures for local DAB are projections of expected coverage for Autumn 2016 based upon a planned list of transmitter sites. The plan is continuing to be refined and actual coverage may differ slightly from those figures when the current programme of expansion completes.

3.4 Listening to audio content

More people in Wales listen to radio, and they listen for longer, than in the UK as a whole

In 2015, radio services reached 93.6% of the adult population in Wales. This is 4pp higher than the UK average, and the highest reach of any UK nation. Listeners in Wales also listened to radio for the longest compared to the UK as a whole, at 22.1 hours per week on average. This is a slight fall from the 22.4 hours per week in 2014.

Figure 3.3 Average weekly reach and listening hours: 2015



Source: RAJAR, All adults (15+), year ended Q4 2015. Reach is defined as a percentage of the area's adult population who listen to a station for at least 5 minutes in the course of an average week.

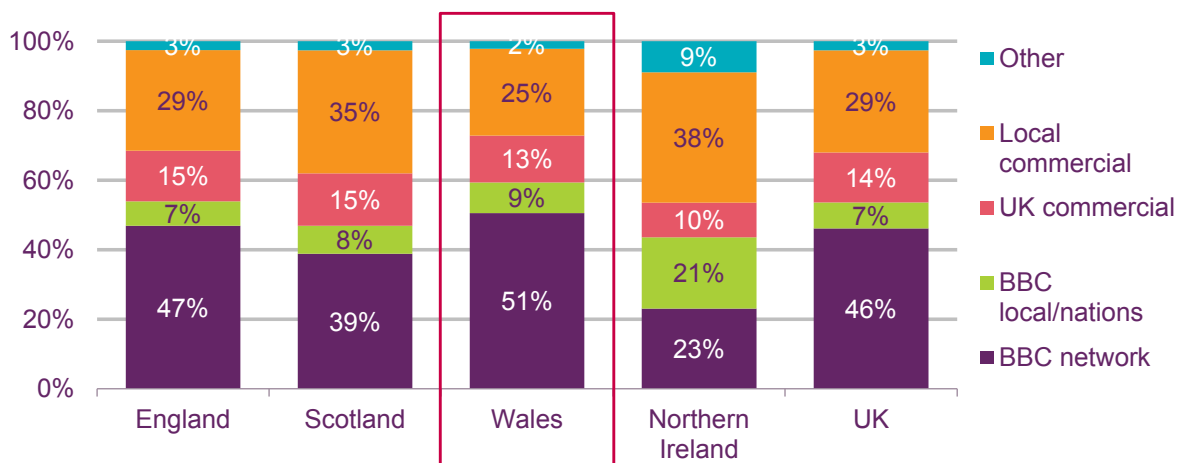
Over half of listening in Wales is to BBC network services

The UK-wide BBC network services accounted for 51% of total listening hours in Wales, 5pp higher than the UK average. Wales was the only UK nation in which these services took more than half of the share of total listening.

Local commercial stations in Wales have the lowest share of total listening hours for these types of service of any UK nation at 25%, 4pp lower than the UK average. Similarly, the share of listening to commercial stations overall (i.e. both local and UK-wide) in Wales is the lowest of any UK nation, at 38%. This is 5pp lower than the UK average.

Listening to the BBC nations' services (BBC Radio Wales and BBC Radio Cymru) accounted for 9% of listening, 2pp higher than the UK average for BBC local/nations services.

Figure 3.4 Share of listening hours by nation: 2015



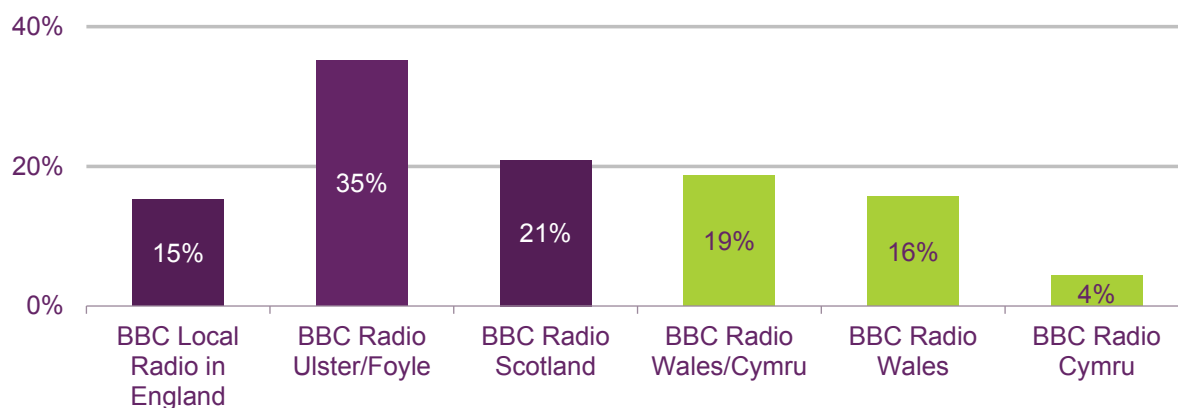
Source: RAJAR, All adults (15+), year ended Q4 2015

Just under one fifth of people in Wales listened to BBC Radio Wales or BBC Radio Cymru in an average week in 2015

The aggregated reach of the two BBC nations' services in Wales was 19% in 2015, slightly lower than the reach of BBC Radio Scotland, but higher than the aggregate weekly reach of the BBC's local services in England.

The average weekly reach for BBC Radio Wales and BBC Radio Cymru both fell year on year, leading to a 1.4pp fall for the aggregate reach of these services.

Figure 3.5 Weekly reach for nations'/local BBC services: 2015



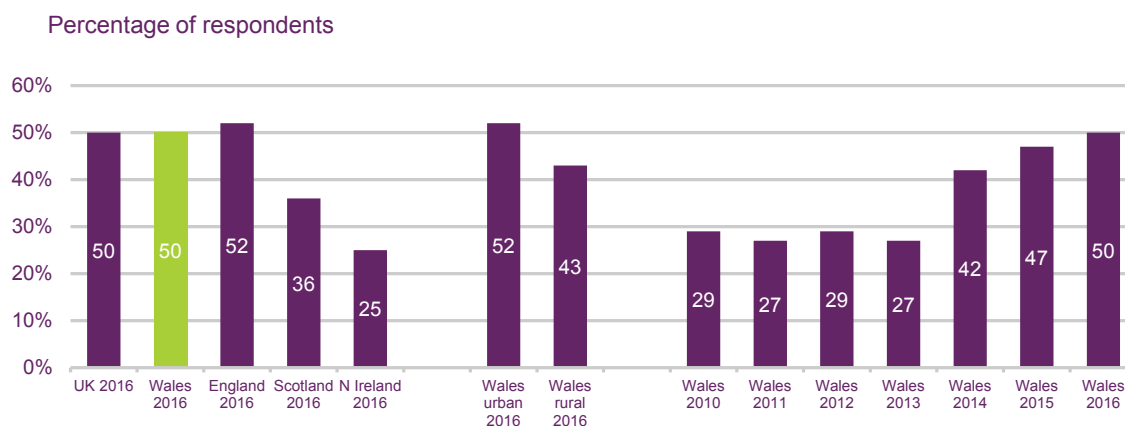
Source: RAJAR, All adults (15+), year ended Q4 2015

3.5 Digital radio set ownership and listening

Half of adults in Wales who listen to radio have a digital radio set

Four in five (82%) adults in Wales ever listen to the radio, and half of these (50%) say they have at least one DAB radio set at home, unchanged since 2015. Ownership of DAB digital radios in Wales, among those who listen to radio, does not differ from the UK overall. There is no significant difference in level of ownership of digital radio sets among radio listeners in Wales by location (52% in urban areas vs. 43% in rural areas).

Figure 3.6 Ownership of DAB digital radios



Source: Ofcom Technology Tracker, H1 2016

Base: Adults aged 16+ who listen to radio (n = 2832 UK, 399 Wales, 1693 England, 384 Scotland, 356 Northern Ireland, 192 Wales urban, 207 Wales rural, 854 Wales 2010, 397 Wales 2011, 405 Wales 2012, 383 Wales 2013, 403 Wales 2014, 406 Wales 2015, 399 Wales 2016)

NB. Data in 2011 based on those who listen to radio and have any radio sets in the household that someone listens to in most weeks.

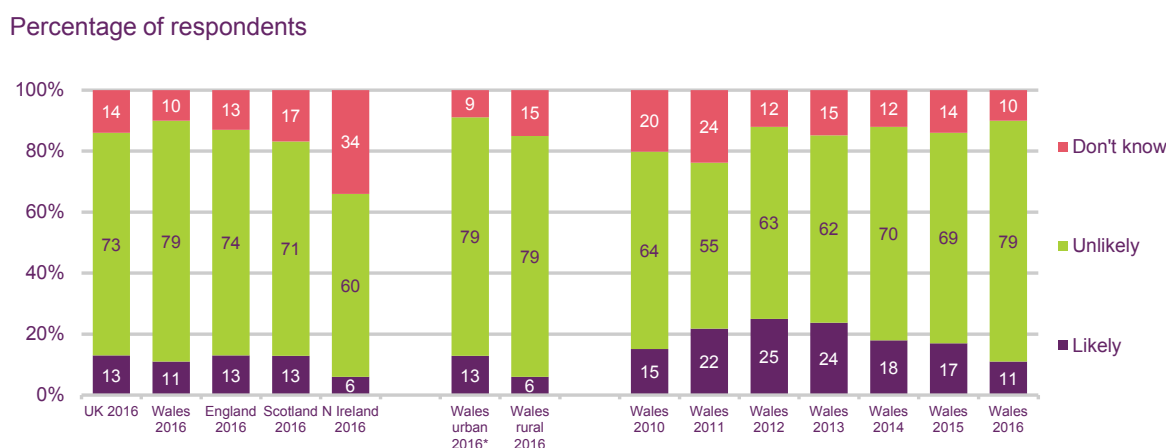
QP9: How many DAB sets do you have in your household?

Just over one in ten radio listeners in Wales without a DAB set say they are likely to buy one within the next year

Just over one in ten (11%) of the adults in Wales who listen to radio and do not have a DAB set say they are likely to get one in the next 12 months. This figure does not differ from that for the UK as a whole (13%) and does not vary significantly by location in Wales.

There has been no change in the likelihood of buying a DAB set since 2015.

Figure 3.7 Likelihood of purchasing a DAB radio within the next year



Source: Ofcom Technology Tracker, H1 2016

Base: Adults aged 16+ who listen to radio and do not have a DAB set (n = 1593 UK, 212 Wales, 870 England, 236 Scotland, 275 Northern Ireland, 94 Wales urban, 118 Wales rural, 594 Wales 2010, 207 Wales 2011, 273 Wales 2012, 269 Wales 2013, 246 Wales 2014, 228 Wales 2015, 212 Wales 2016).

*Caution: Low base.

QP12: How likely is it that your household will get a DAB radio in the next 12 months?

NB. Data in 2011 based on those who listen to radio, do not have a DAB set and have any radio sets in the household that someone listens to in most weeks.

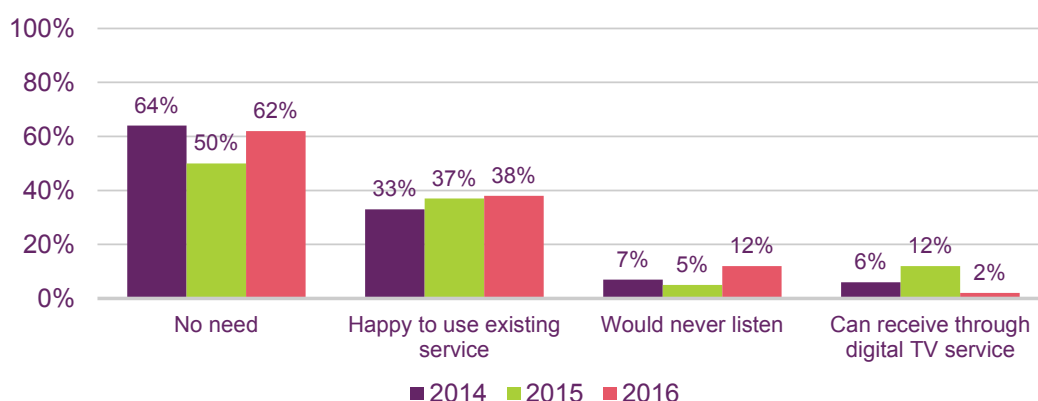
Three in five radio listeners in Wales without a DAB set say they are not likely to buy one within the next year because they have no need

Radio listeners stating they were unlikely to get DAB radio in the next 12 months were asked to say – without prompting - why they were unlikely to do so. Six in ten (62%) said it was because they did not need it, while more than one in three (38%) said it was because they were happy using an existing service. Around one in ten stated that they would never listen to it (12%).

Since 2015, there has been a decrease in the proportion of people saying they were unlikely to get a DAB radio because they could receive digital radio through their TV service (2% vs. 12% in 2015).

Figure 3.8 Reasons why unlikely to purchase DAB in the next year

Percentage of respondents



Source: Ofcom Technology Tracker, H1 2016

Base: All adults aged 16+ who listen to radio and are unlikely to get DAB radio in the next 12 months (Wales 2014 = 182; Wales 2015 = 166; Wales 2016 = 167)

Responses shown for spontaneous mentions by 5% or more at a UK level.

Significance testing: Arrows indicate any significant differences at the 95% confidence level between Wales 2015 and 2016.

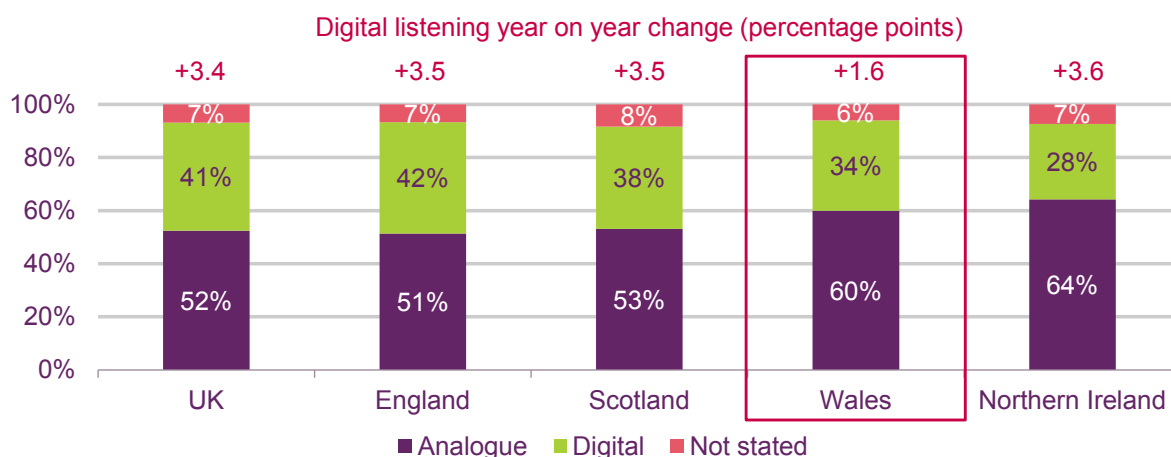
QJ14: Why are you unlikely to get digital radio in the next 12 months?

Just over one-third of listening was through digital platforms¹⁰ in 2015

Digital's share of listening in Wales was 34% in 2015, 7pp lower than the UK average. Analogue listening still accounts for six in ten of total listening hours; with the exception of Northern Ireland, this is the highest across all the UK nations. Year-on-year growth in digital's share of listening was also lowest in Wales in 2015. This was 1.6pp, whereas the UK average was 3.4pp, and for all other nations was above 3pp.

¹⁰ DAB, digital television and the internet.

Figure 3.9 Share of listening hours via digital and analogue platforms: 2015

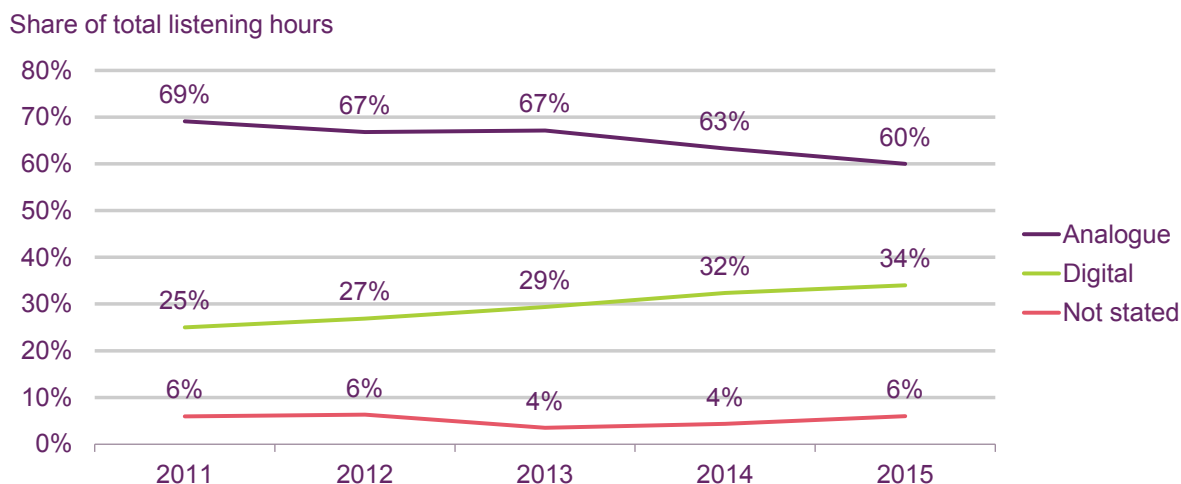


Source: RAJAR, All adults (15+), year ended Q4 2015

Growth in digital's share of listening has been steady since 2011

Digital's share of listening has increased by 9pp since 2011. The highest rate of growth over these years was in 2014 (3.0pp). The largest declines in analogue share of listening have been in the past two years: it fell by 4pp in 2014 and by 3pp in 2015.

Figure 3.10 Share of listening hours via digital and analogue platforms in Wales: 2011-2015



Source: RAJAR, all adults, calendar years 2011-2015

3.6 The radio industry

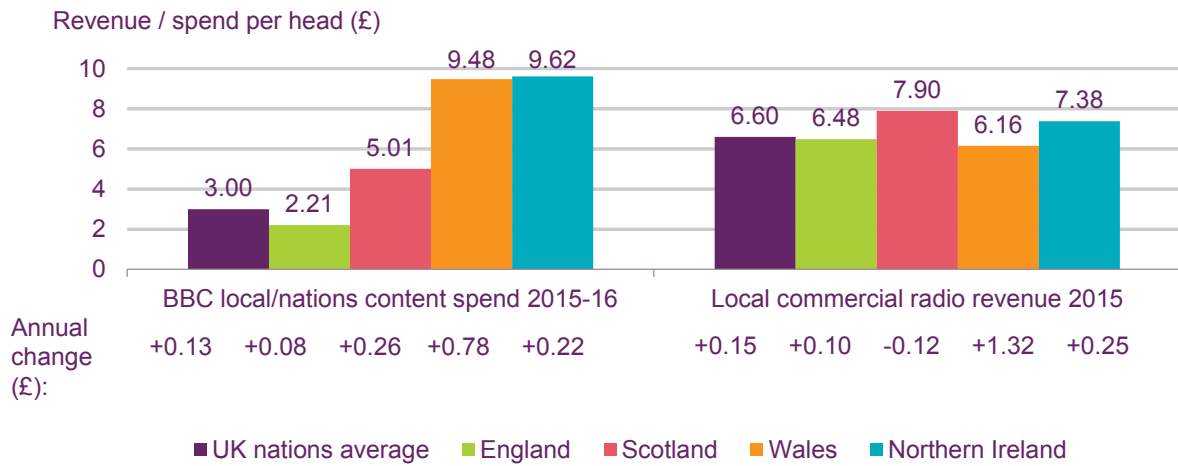
Local commercial radio revenue in Wales grew by 9.4% in 2015

Wales had the highest growth in local commercial radio revenue of any UK nation in 2015. On a per-capita basis, revenues increased by £1.32. Despite this high growth, Wales still has the smallest local commercial revenue per head of population of any UK nation, and is the only nation apart from England with revenues per capita lower than the UK average.

The greatest year-on-year increase in content spend by the BBC on local/nations' radio was in Wales. Content spend on BBC Radio Wales increased by 7.1%, and 10.9% more was

spent on BBC Radio Cymru. On a per-capita basis, Wales has the second highest level of BBC spend, and it increased by 78p per head of population in 2015-16.

Figure 3.11 Local/nations' radio spend and revenue per head of population: 2015



Source: Broadcasters

Note: The UK total shows the average for local commercial radio across the four nations and therefore excludes services broadcast UK-wide