



The Communications Market in Northern Ireland

3 Radio and audio content

3.1 Radio and audio content

3.1.1 Recent developments in Northern Ireland

Commercial radio in Northern Ireland

Northern Ireland has ten commercial radio stations: Downtown Radio and Cool FM (Bauer Media's Big City Network); CityBeat (CN Radio Group); U105 (UTV Media Plc); Five FM, Six FM, Seven FM, Q97.2, Q102.9 and Q101.2 (Northern Media Group).

Development in the sector during the year include the launch of a CityBeat i-phone application, allowing owners of the handset to listen to live output, In 2009, CityBeat also won a gold and two silver awards at the New York Festivals Radio Programming and Promotions Awards, as well as a Chartered Institute of Public Relations Award for Best News Programme. Downtown Radio renewed its focus on news provision and launched extended news bulletins at lunchtime and in the early evening.

BBC radio

In March 2010, BBC Northern Ireland announced that it would be commissioning a further seven digital radio transmitters to provide coverage for the Enniskillen and North Antrim coast areas, as well as improving coverage for the Belfast area.

The BBC also announced plans to trial a solution, known as dynamuxing, to partially address the carriage of BBC Radio Foyle on DAB. Dynamuxing will enable the capacity currently reserved for BBC Radio Ulster to be split in half to allow Foyle to be broadcast digitally at certain times throughout the day.

In September 2009, Radio Ulster won the Counsel and Care Awards Best Radio category with its coverage of a Northern Ireland charity's *Community Safety for Older People* campaign. The awards recognise the positive portrayal of older people in a way that is "sensitive, respectful, diverse and age neutral". The station also won two awards at the Phonographic Performance Ireland (PPI) award ceremony in October 2009; these were for the music programme *ATL* in the New Irish Music category and for *Blas* in the Irish language category.

Community radio

Community radio licences are awarded to small-scale operators working on a not-for-profit basis to serve local geographic areas or particular communities. The number of community stations has increased over the last three years, with a total of 228 licence awards since the start of community radio licensing in March 2005.

Fourteen community radio stations have been awarded in Northern Ireland, 11 of which are already on air; XLFM in Bangor and Lisburn City Radio have yet to launch. The company that operated the Vibe FM community radio licence in Enniskillen went into administration in September 2009 and its licence was surrendered.

The Irish Language Community Radio station, Raidió Fáilte, was runner-up to BBC Radio Ulster at the Radio Academy's Nations and Regions Awards for 2009 and was also shortlisted for Radio Station of the Year at the Celtic Media Festival 2010.

Figure 3.1 Community radio stations in Northern Ireland

Community station	Location	On-air date
Aldergrove and Antrim FM	Aldergrove and Antrim	05/03/2008
Ballykinler FM	Ballykinler, County Down	05/03/2008
Shine FM	Banbridge County Down	02/06/2007
XLFM	Bangor	
Blast 106	Belfast	01/07/2009
Féile FM	Belfast	12/09/2007
Raidió Fáilte	Belfast	15/09/2006
Drive 105 FM	Derry / Londonderry	27/06/2009
Down FM	Downpatrick, County Down	30/03/2006
Hollywood FM	Hollywood, County Down	05/03/2008
BFBS Lisburn	Lisburn, County Antrim	08/05/2006
Lisburn City Radio	Lisburn, County Antrim	
Iúr FM	Newry & Mourne	10/10/2007

Source: Ofcom July 2010

RSLs

Between April 2009 and June 2010 a total of 28 restricted service licences (RSLs) were issued to groups in Northern Ireland to run a radio station for up to 28 days. These included services for sporting events, religious holidays and those targeted at minority language speakers, including Ulster Scots.

In 2009, Omagh Community Radio Group won a Sony Radio Award for its output on the Strule FM RSL.

Illegal radio stations

Although illegal radio stations still continue to spring up in border areas, they are much less prevalent than they used to be. These stations compete for advertising revenue with legally operated commercial and community stations and have the potential to cause interference to licensed spectrum, including that used by aircraft radio systems.

Field engineers from Ofcom's Spectrum Engineering and Enforcement team continue to work closely with their counterparts in ComReg, the telecoms and spectrum regulator in the Republic of Ireland, and there has been a series of joint enforcement operations in the past year. Both organisations monitor illegal broadcasters on an ongoing basis and take action as appropriate.

Radio in Northern Ireland

The radio sector in Northern Ireland has a very distinctive set of characteristics. A relatively small population of 1.7 million is served by two BBC stations, ten commercial stations and currently 11 community radio stations. (Furthermore, audiences in Northern Ireland can access radio stations broadcast from the Republic of Ireland as well as some from Scotland). Ownership is primarily in local hands; seven of the commercial stations are controlled by Northern Ireland-based companies; the other three are owned by Bauer and the CN Group.

RAJAR figures for the period ending December 2009 showed an increase in listeners for almost all the commercial stations; with Cool FM – which broadcasts to the Greater Belfast area – showing a 16% rise in listeners compared to the previous year. BBC Radio Ulster / Foyle has also retained its traditionally strong position, reaching 36% of adult listeners on a weekly basis in the past year, making it the most listened-to BBC national service in the UK.

Despite a general downturn in radio revenues across the UK, commercial revenue per head of population in Northern Ireland is the second highest of all the UK nations, at £7.62 per head of population in 2009.

Online listening to radio in Northern Ireland is above the UK average, with 15% of people listening to content via the internet (compared to the UK average of 14%), 9% of whom claimed to have done so in the previous week; in urban areas around Belfast those claiming to have listened to radio via the internet rises to 18%, with 11% having listened online in the past week.

Digital Audio Broadcast (DAB) radio is currently available to an estimated 87 – 89% of the Northern Ireland population, but, due partly to the non-availability of the Digital One multiplex, there are fewer DAB stations to choose from in Northern Ireland than in other parts of the UK. DAB digital radio ownership is also lowest in Northern Ireland, with only 22% of homes owning one, compared to the UK average of 38%.

Levels of listening to 'other' stations (i.e. not BBC or commercial radio) is higher in Northern Ireland than in the other UK nations, at 8% versus the 2% UK average. This category of listening includes community stations, RSL stations, and radio services received from the Republic of Ireland. BBC Radio Ulster / Foyle held a 23% share of listening in Northern Ireland in Q1 2010, but local commercial radio was still the largest sector, with a 37% share. For comparison, in the Republic of Ireland, RTÉ Radio 1 recorded a market share of 23.4% in the period January 2009 – December 2009; RTÉ 2FM had a 10.1% share and RTÉ Lyric a 1.6% share.¹⁷

3.1.2 The radio industry

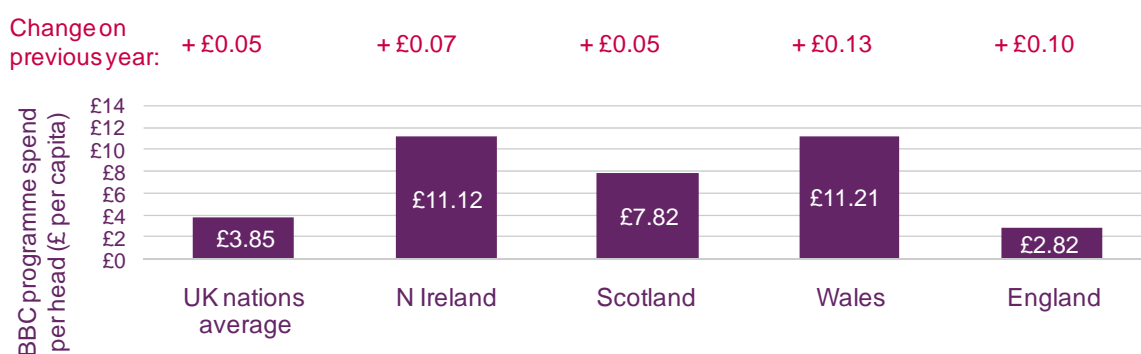
BBC expenditure

BBC spend on national radio second highest in UK on a per-head basis

BBC local radio spend in Northern Ireland totalled £18.8m in 2009/10, up from £18.4m in 2008/09, an increase of 2% on the year. Expenditure per head was the second highest of the UK nations in 2009/10, at £11.12 per head, just behind that of Wales at £11.21. This is due to the smaller populations in Northern Ireland and Wales and also the added expenditure of running two services while much of England has one local BBC service.

¹⁷ http://www.bai.ie/pdfs/jnlr_jan_dec_2009%20.pdf

Figure 3.2 BBC spend on national / local radio programming 2009-10



Source: BBC Annual Report and Accounts 2009/10

Note: The revenue data above have been compiled by the BBC to illustrate UK public services expenditure by service.

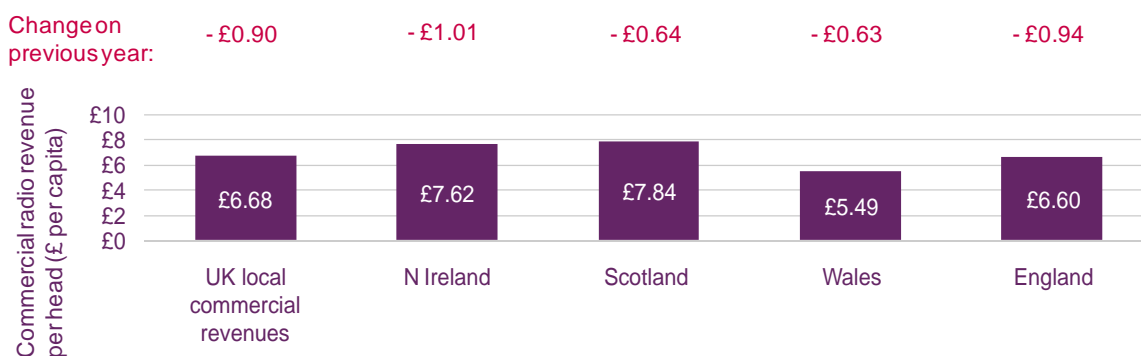
Commercial radio revenue

Commercial radio revenue in Northern Ireland second highest per capita in the UK

In Northern Ireland the Northern Media radio group holds six licences, Bauer holds two, and the CN Group and UTV own one station each. Revenue generated by the commercial stations in Northern Ireland reached almost £12.6m in 2009. This was down by £1.7m, or 12%, on 2008, with the wider UK market seeing the same fall of 12%. Local commercial radio revenue in Northern Ireland was equivalent to around 3.2% of the UK total of £389m. Wales had a 4.0% share of UK revenues and Scotland 9.9%.

Per head of population, local commercial revenues in Northern Ireland were equivalent to £7.62 per person in 2009 (Figure 3.3), down by £1.01 on the year before. This was the second highest of the UK nations, with revenues per head highest in Scotland (£7.84), compared to £6.60 in England and £5.49 in Wales.

Figure 3.3 Local commercial radio revenue, per head, 2009



Source: Ofcom, operators 2009

Note: Chart shows net broadcasting revenues as based on returns received by Ofcom for the year 2009. The UK total shows the average for local commercial radio revenues across the four nations and excludes revenues for the UK-wide commercial stations.

3.1.3 Radio service availability

BBC to increase national DAB coverage in Northern Ireland

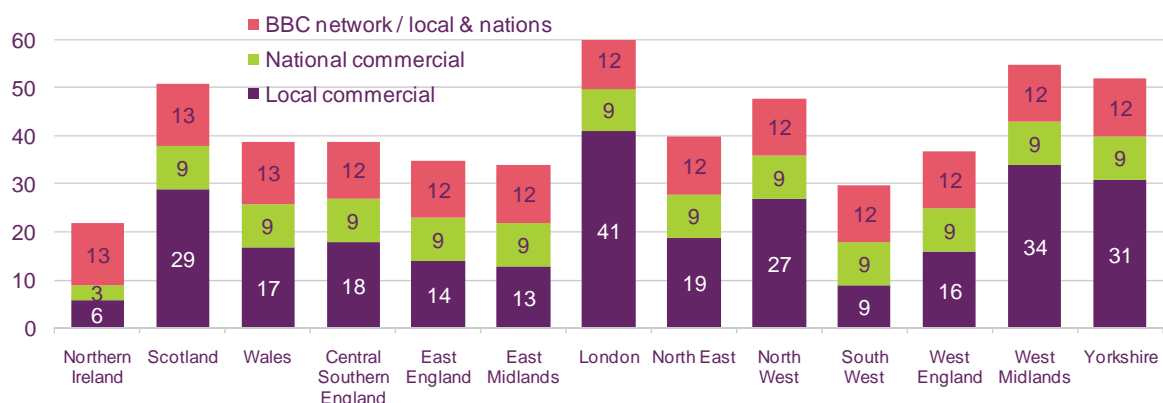
Analogue radio is available to almost all of Northern Ireland, while digital radio coverage via the BBC and the local DAB network is estimated at 87 - 89% of the population. Digital radio services in Northern Ireland are provided by the BBC's national multiplex, and by a local multiplex operated by Bauer. It was previously estimated by Emap that the local multiplex covered 88.6% of the population of Northern Ireland. The BBC national multiplex was extended in April 2009, with a new transmitter installed at Armagh, adding coverage for an estimated 80,000 people and improving reception for around 200,000 more in the area. The other four transmitter sites in Northern Ireland are at: Divis, Brougher Mountain, Limavady and Sheriff's Mountain in Derry/Londonderry. The BBC DAB coverage is estimated at around 87% of the population. In March 2010 the BBC announced that it would be commissioning a further seven digital radio transmitters in Northern Ireland to provide coverage for the Enniskillen and North Antrim coast areas, as well as improving coverage for the Belfast area.

In July 2010, as part of the government's Digital Radio Action Plan, Ofcom was asked to lead a process to consider the future spectrum planning requirements of digital radio, in order to prepare for the digital radio upgrade and to make recommendations to Ministers. This process will establish the current levels of FM coverage, which will provide the benchmark for future planning, and determine the most technically efficient way of matching DAB coverage to FM. This process is likely to consider appropriate DAB field strengths, which will be needed to calculate accurately the existing coverage of all national and local multiplexes, and to work out what steps are required to improve coverage. This process is likely to be completed by the end of Q2 2011.

DAB station availability in Northern Ireland

Listeners in Northern Ireland can access up to 22 DAB stations, including the 11 national BBC stations plus BBC Radio Ulster / Foyle, and three of the UK's national commercial stations (Classic FM, talkSPORT, and UCB). An additional six stations are available through the local DAB multiplex in Northern Ireland, including simulcasts of local commercial stations: Downtown Radio, Cool FM, Q102.9 FM, and City Beat 96.7, as well as two music based stations, Magic and Heat.

Figure 3.4 Availability of DAB stations, by geography



Source: Ofcom, July 2010

Note: This chart shows the maximum number of stations available in each area; local variations along with reception issues mean that listeners may not be able to access all of these.

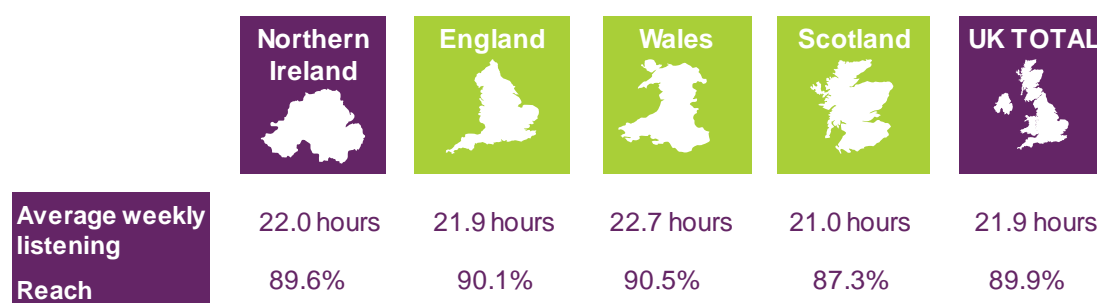
3.1.4 Patterns of listening to audio content

Radio listening in Northern Ireland second highest in UK

Radio services reached 89.6% of the adult population in Northern Ireland on a weekly basis in the year to Q1 2010; this was up by 2.5 percentage points from 87.1% in the previous year. This was still slightly lower than radio reach in the other UK nations, with a UK average of 89.9%. For radio listeners in Northern Ireland, the average listening per week was 22.0 hours in the year to Q1 2010, (down slightly from 22.7 hours the year before); this was, however, still the second highest average weekly listening in the UK (behind Wales at 22.7 hours) (Figure 3.5).

Figure 3.5 Levels of radio listening in 2010

Average weekly listening hours and percentage reach of population



Source: RAJAR, year to Q1 2010

BBC stations account for over half of all listening in Northern Ireland

The past year saw some changes to the patterns of radio listening in Northern Ireland, with the BBC network stations losing some of their audience share to the local commercial stations.

The BBC network (UK-wide) stations share fell by five percentage points, to account for a quarter of all listening hours in Northern Ireland over the year. This was much lower than the UK average of 46% for the BBC network. But BBC Radio Ulster / Foyle maintained its

share of 23%, and remained much higher than the UK average (9%) for BBC nations / local radio.

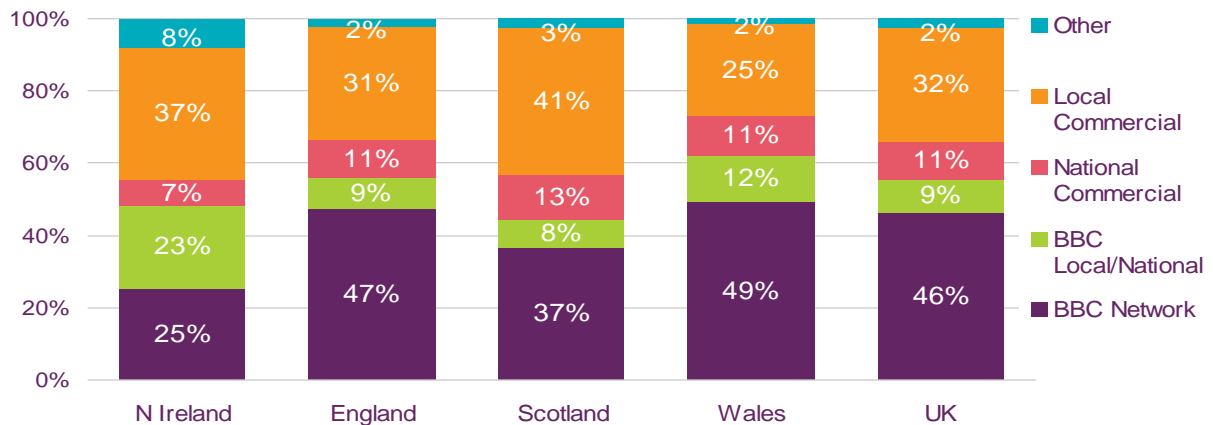
The combined BBC stations (network and nations' radio) therefore accounted for just under half of all radio hours (48%) in the year to Q1 2010. This was down from a share of 53% the previous year.

The local commercial stations grew share in the year and were up by five percentage points to a over a third (37%) of all listening hours, now higher than the UK average of 32% for local commercial listening. National commercial share fell slightly from 8% the previous year to 7% by Q1 2010.

Listening to 'other' radio stations, which includes RTÉ Radio, community radio and short-term licensed stations (RSLs), accounted for 8% of all radio listening in Northern Ireland. This was stable on last year and remained higher than the UK average of 2% for 'other' listening.

Figure 3.6 Share of listening hours, by nation and sector

Audience share for BBC and commercial stations, local/national

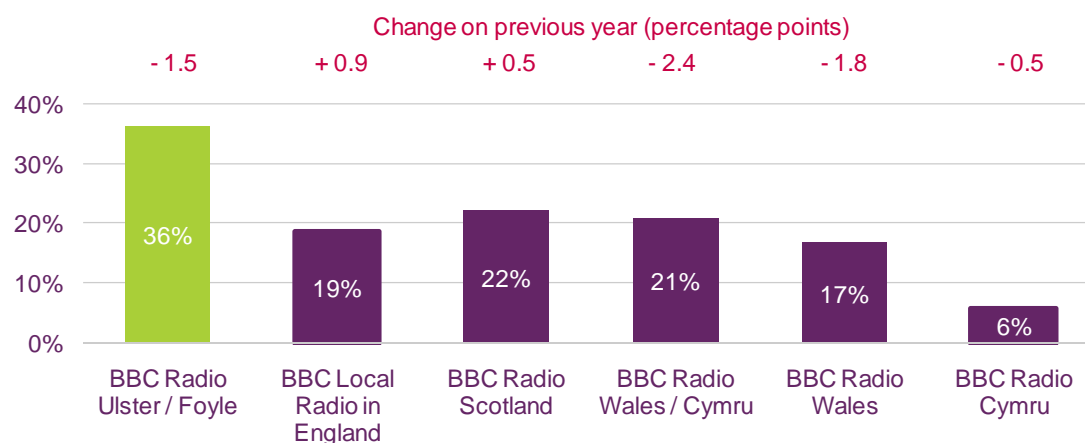


Source: RAJAR, year to Q1 2010

BBC Radio Ulster / BBC Radio Foyle is the most widely-used BBC national service, reaching 36% of adults per week

Thirty-six per cent of adults (519,000) listened to BBC Radio Ulster / Foyle in an average week in Q1 2010. This was down by 1.5 percentage points on last year, but was still the highest reach of the BBC's national services, and higher than the average local BBC radio audience in England. The listening share of BBC Radio Ulster was equivalent to 23% of all listening in Northern Ireland, and also much higher than the other BBC nations / local share, (UK average 9%).

Figure 3.7 Weekly reach for national / local BBC services, Q1 2010



Percentage of adult population reached per week

Source: RAJAR, weekly reach Q1 2010

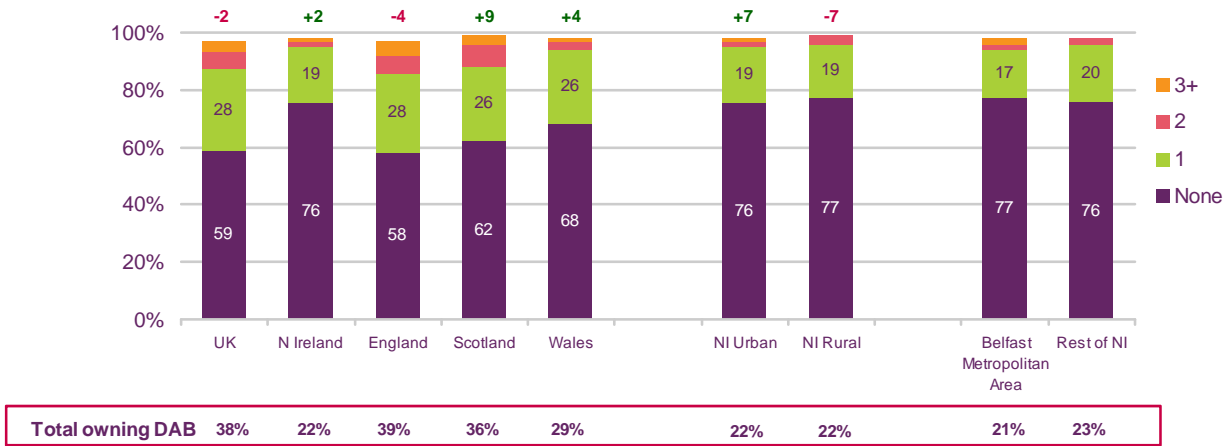
3.1.5 Digital device ownership

DAB digital radio sets: ownership of DAB digital radio sets below UK average

Just over a fifth (22%) of adults in Northern Ireland claimed to own at least one DAB digital radio set in Q1 2010, compared to the UK average of 38%. This figure was the lowest of the UK nations, with ownership in England at 39%, Wales at 29%, and Scotland 36% (Figure 3.8). It may be influenced by the lower availability of DAB stations in Northern Ireland. The gap between average UK take-up and take-up in Northern Ireland has, however, reduced year on year, with claimed ownership increasing by 2% in Northern Ireland. Of the different areas within Northern Ireland, people in urban and rural areas were equally likely to own a DAB set, both at 22%. The Belfast metropolitan area, at 21%, was slightly lower than the rest of Northern Ireland (23%).

Figure 3.8 Ownership of DAB digital radios

Percentage of radio listeners, (figure above bar shows % point change in DAB sets in household from Q1 2009)



Source: Ofcom research, Q1 2010

Base: Adults aged 15+ who listen to radio (n= 7017 UK, 653 Northern Ireland, 4476 England, 1034 Scotland, 854 Wales, 415 Northern Ireland urban, 238 Northern Ireland rural, 295 Belfast metropolitan area, 358 Rest of NI). QP9. How many DAB sets do you have in your household?

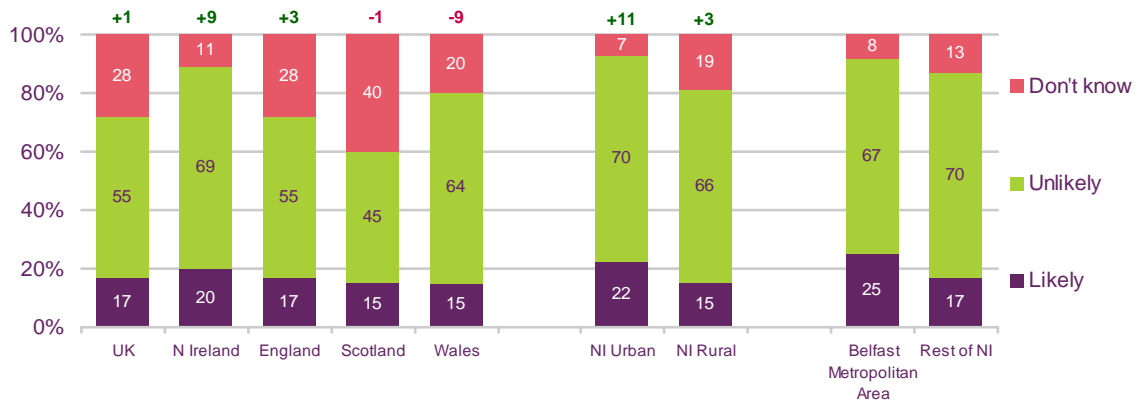
Note: Remaining percentages are Don't know responses

Likelihood to purchase DAB radio set highest in Northern Ireland

Around 20% of respondents in Northern Ireland without a DAB radio set said they were likely to purchase one within the next twelve months, higher than the UK-wide average figure of 17%. This was also up from around 11% last year. Within the regions of Northern Ireland, people in the Belfast area expressed the greatest interest, with 25% intending to buy. This figure was lower in the rest of Northern Ireland, at just 17%. People living in urban areas (22%) were more likely to buy than those in rural areas (15%).

Figure 3.9 Intention to purchase DAB radio

Percentage of radio listeners, (figure above bar shows % point change in DAB sets in household from Q1 2009)



Source: Ofcom research, Q1 2010

Base: Adults aged 15+ who listen to radio and do not have a DAB set (n= 4445 UK, 500 Northern Ireland, 2690 England, 661 Scotland, 594 Wales, 316 Northern Ireland urban, 184 Northern Ireland rural, 226 Belfast metropolitan area, 274 Rest of NI)

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

Reasons for not purchasing a DAB radio set

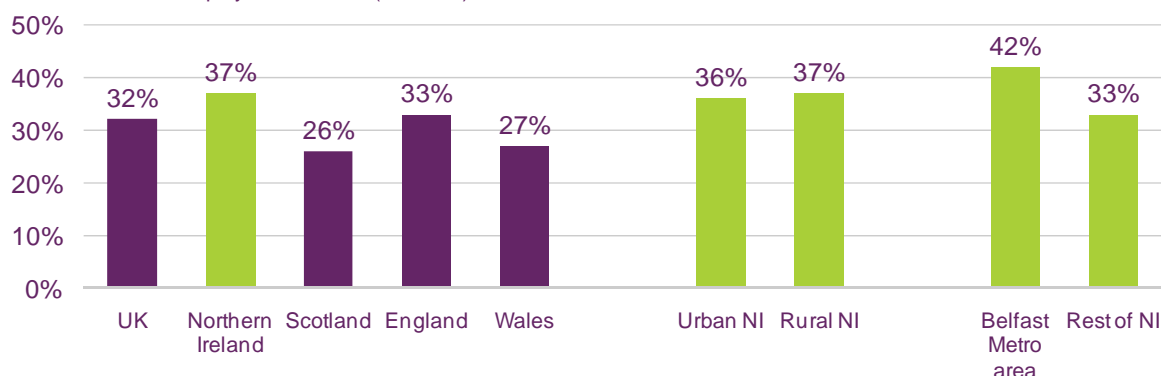
The most popular reason for being unlikely to acquire digital radio was that the respondent did not think he or she needed a digital radio; this equated to almost two-thirds (65%) of those unlikely to acquire DAB in Northern Ireland, higher than the UK average (55%). Just over a third (36%) of those unlikely to acquire DAB said they were happy with the existing analogue service (UK figure 32%). Only 2% in Northern Ireland pointed to poor reception in their area as the reason for not getting a DAB digital radio set, compared to 4% across the UK. Five per cent of respondents in Northern Ireland also said they thought that a DAB radio was too expensive, higher than the 3% for the UK as a whole.

Use of MP3 players highest in Northern Ireland

Over a third (37%) of respondents in Northern Ireland claimed to personally use an MP3 player or iPod, five percentage points higher than the UK average of 32% (Figure 3.10). The proportion of respondents in Northern Ireland claiming that they, or someone in their household, owned an MP3 player / iPod was 45%, close to the UK average of 40%. Those in the Belfast area were the most likely to use an MP3 / iPod; at 42% compared to 33% across the rest of the country.

Figure 3.10 Personal use of MP3 player / iPod

Use of either an MP3 player or an iPod (% adults)



Source: Ofcom research, Q1 2010

Base: All adults aged 15+ (n = 9013 UK, 761 Northern Ireland, 5709 England, 1468 Scotland, 1075 Wales, 501 Northern Ireland urban, 260 Northern Ireland rural, 349 Belfast metropolitan area, 412 Rest of Northern Ireland)

QB2. Do you personally use: MP3 player / iPod?

3.1.6 Digital radio listening

The number of people listening to the radio through digital TV and online is lower in Northern Ireland than in other UK nations, while mobile listening is above average

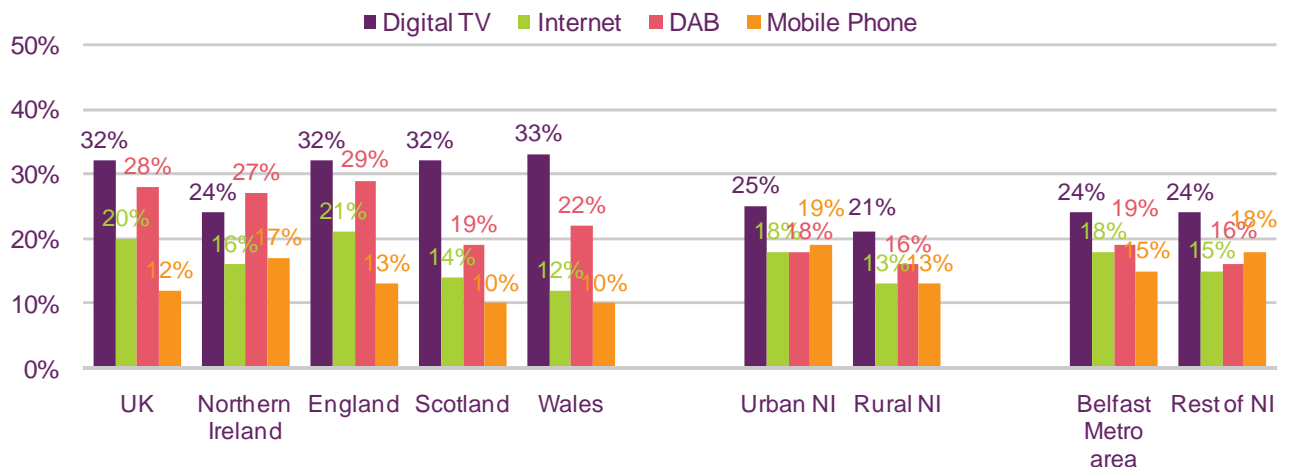
Listening to radio channels via digital TV was less prevalent in Northern Ireland, at 24% of individuals compared to the UK average of 32%. Eleven per cent of respondents in Northern Ireland said they listened to radio channels on their TV at least weekly, (UK average 15%). Listening to the radio over the internet had been tried by almost one in six (16%) people in Northern Ireland compared to the UK average of one in five (20%). Eight per cent of people in Northern Ireland listened online at least once a week, (UK average 9%).

Listening to digital radio via DAB, however, was more in line with the rest of the UK at 27%, similar to the UK average of 28%, with 14% in Northern Ireland listening to DAB on a weekly basis. People living in urban areas were more likely than those in rural areas to use the various digital radio platforms.

Of the other radio / audio formats, listening to radio via a mobile phone had been tried by 17% of respondents in Northern Ireland (up from 15% last year). This was the highest use of mobile audio in the UK, with an average of 12% (Figure 3.11).

Figure 3.11 Listening to radio via DTV, internet, mobile phone

Proportion of respondents (%) who have listened to radio via DTV, internet or mobile phone



Source: Ofcom research, Q1 2010

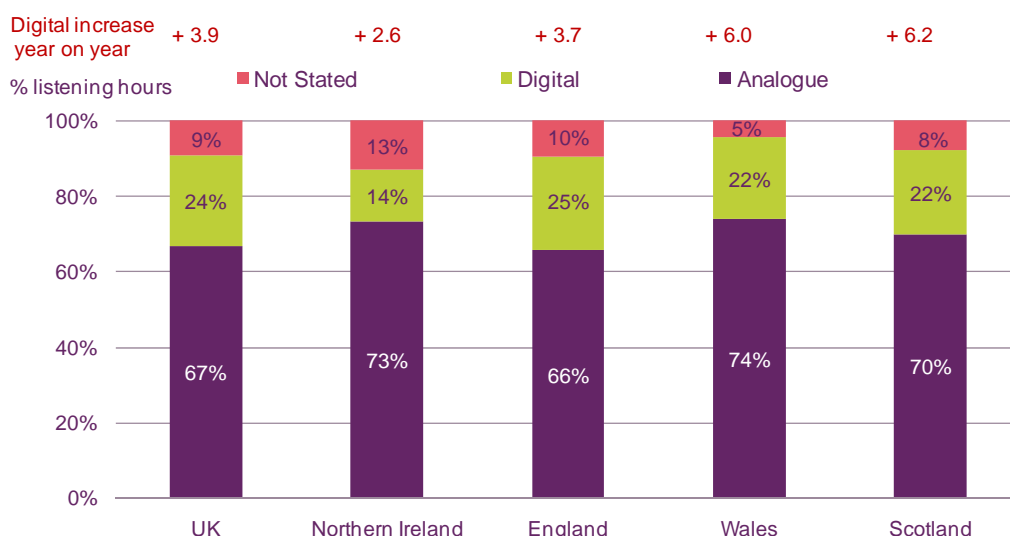
Base: Adults aged 15+ who listen to radio (n= 7017 UK, 653 Northern Ireland, 4476 England, 1034 Scotland, 854 Wales, 415 Northern Ireland urban, 238 Northern Ireland rural, 295 Belfast metropolitan area, 358 rest of NI)

QP3. How often, if at all, do you access the radio via – Digital radio via: TV, Internet, DAB radio, mobile phone?

Digital radio share of listening lower in Northern Ireland

In Q1 2010, radio listening via digital platforms (including listening via DAB set, DTV, or online), had reached 14% of all radio listening hours in Northern Ireland. It was up by 2.6 percentage points on a year previously but was still ten percentage points below the UK average digital share of 24% of hours. The figure was highest in England, where a quarter of all radio hours were via a digital platform, followed by Scotland and Wales, both at around 22%. This metric reflects the patterns of take-up and availability of digital radio across the nations generally (Figure 3.12).

Figure 3.12 Share of radio listening hours via digital and analogue platforms



Source: RAJAR / Octagon, Quarter 1 2010

Using a mobile phone to listen to audio is most common in Northern Ireland

When asked to consider the wider range of audio content, such as digitally stored music and podcasts, as well as radio, one in four adults in Northern Ireland (24%) said they had used a mobile phone handset to listen to these types of audio content. This reflects the versatility of phones as audio devices and the ability to listen to audio content without either paying data charges or needing lots of storage space. This figure was higher than the UK average (18%) (Figure 3.13).

Figure 3.13 Use of a mobile phone to listen to audio

Proportion of respondents (%) who have used their mobile to listen to audio content



Source: Ofcom research, Q1 2010

Base: All adults aged 15+ (n = 9013 UK, 761 Northern Ireland, 5709 England, 1468 Scotland, 1075 Wales, 501 Northern Ireland urban, 260 Northern Ireland rural, 349 Belfast metropolitan area, 412 rest of Northern Ireland)

QD28A-B. Which, if any, of the following activities, other than making and receiving calls, do you use your mobile for?/ And which of these activities have you used your mobile for in the last week?

3.1.7 Listening to music online

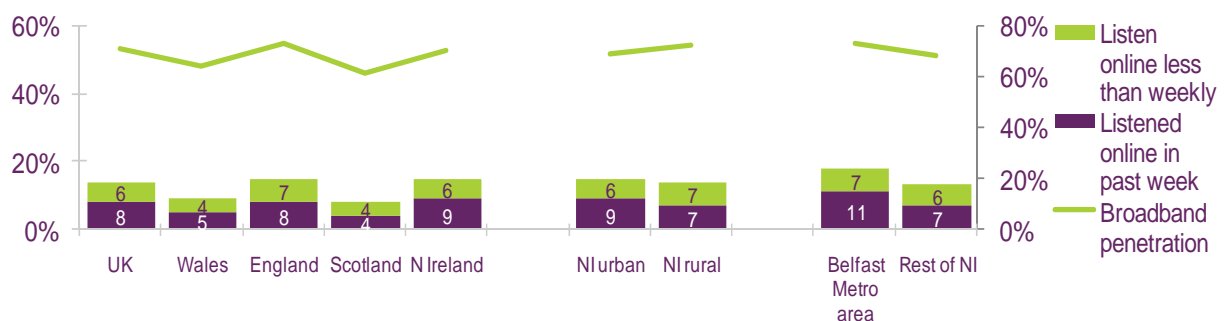
Frequency of listening to radio online is higher in Northern Ireland than in the rest of the UK

When asked about the frequency of their listening to the radio online, 9% of respondents in Northern Ireland said they listened to radio over the internet on a weekly basis, higher than the 8% average across the UK. A further 6% of listeners in Northern Ireland said they listened online less than weekly (UK average also 6%). Online listening was highest in the Belfast area, with 11% listening weekly and 7% less frequently. Across the rest of Northern Ireland 7% listened via the internet weekly and 6% less frequently. (Figure 3.14).

Figure 3.14 Online radio listening

Proportion of respondents (%) who have listened to online radio

Broadband take-up



Source: Ofcom research, Q1 2010

Base: All adults aged 15+ (n = 9013 UK, 761 Northern Ireland, 5709 England, 1468 Scotland, 1075 Wales, 501 Northern Ireland urban, 260 Northern Ireland rural, 349 Belfast metropolitan area, 412 rest of Northern Ireland)

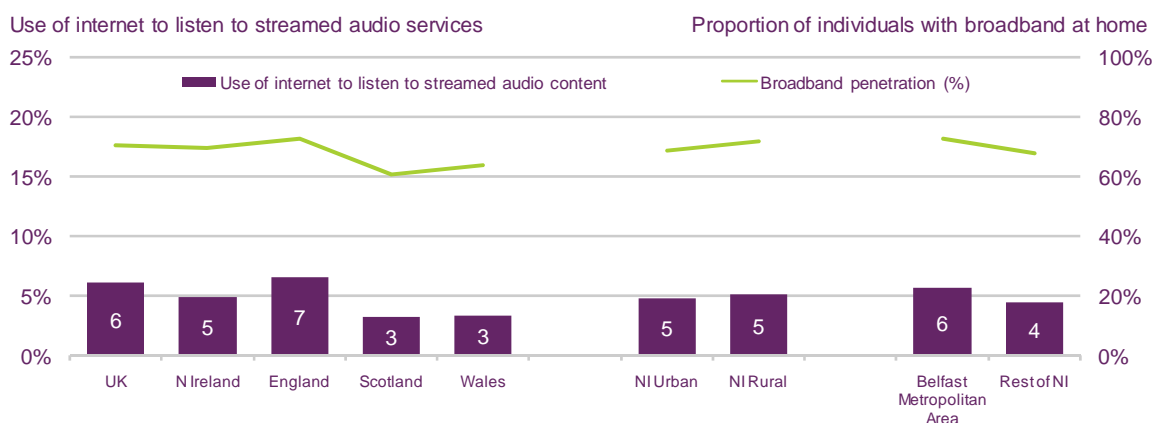
QE5A-B. Which, if any, of these do you or members of your household use the internet for whilst at home?/ And, which, if any, of these activities have you or members of your household used the internet for in the last week?

Listening to streamed audio services is still a niche activity

During the past year several on-demand streaming services have grown in prominence as an alternative means of consuming music online. Instead of listening to online radio stations, or paying to download individual tracks from services like iTunes, services such as Spotify, We7 and Last.fm allow users to stream music on-demand to their computers (and in some cases mobile devices). The basic tier of these services is usually advertising-supported and provided to consumers for free. But most services also offer premium subscription tiers without adverts and with advanced or mobile functionality.

Although streaming services have received significant media attention over the past year, Ofcom research shows that take-up is still relatively low. Across the UK just 6% of consumers claim to have accessed these services using the internet. Take-up is lowest in Scotland and Wales (both 3%), and higher in Northern Ireland (5%) and England (7%). Within Northern Ireland this activity was higher in Belfast (6%) than in the rest of the country (4%) (Figure 3.15).

Figure 3.15 Use of the internet for listening to streamed audio services



Source: Ofcom research, Q1 2010

Base: All adults aged 15+ (n = 9013 UK, 761 Northern Ireland, 5709 England, 1468 Scotland, 1075 Wales, 501 Northern Ireland urban, 260 Northern Ireland rural, 349 Belfast metropolitan area, 412 rest of Northern Ireland)

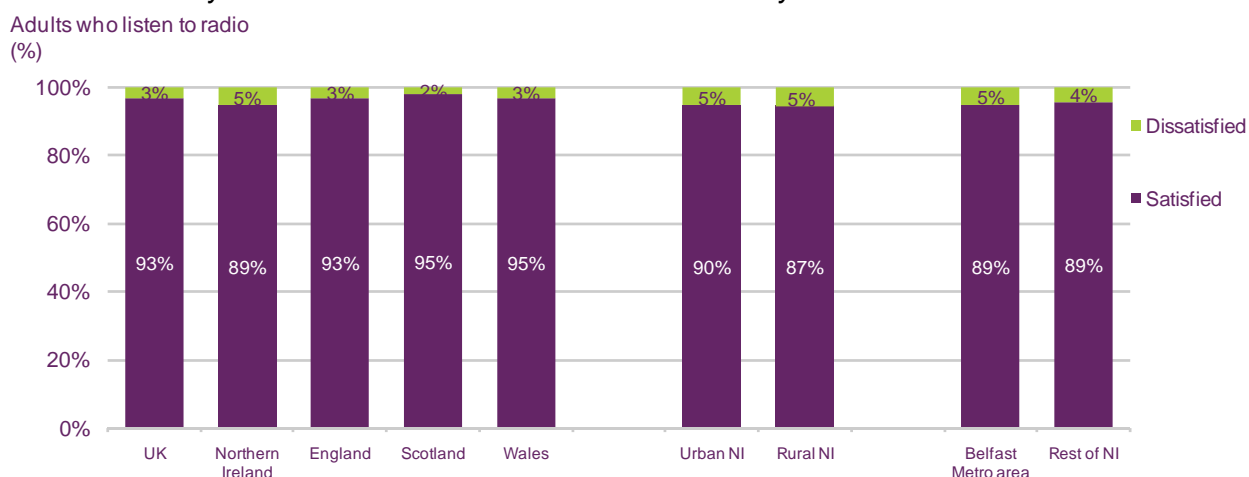
QE5A-B. Which, if any, of these do you or members of your household use the internet for whilst at home?/ And, which, if any, of these activities have you or members of your household used the internet for in the last week?

Satisfaction with choice of radio services lowest in Northern Ireland

Satisfaction with the choice of stations available in Northern Ireland was relatively high, at 89%. However, this was below the UK average of 93%, with 5% of respondents in Northern Ireland saying they were dissatisfied with station choice in their area, (UK average 3%). Satisfaction was higher in urban areas of Northern Ireland, at 90% versus 87% in rural areas.

Figure 3.16 Satisfaction with choice of radio services

How satisfied are you with the choice of radio stations available in your area?



Source: Ofcom research, Q1 2010

Base: Adults aged 15+ who listen to radio (n = 7017 UK, 653 Northern Ireland, 4476 England, 1034 Scotland, 854 Wales, 415 Northern Ireland urban, 238 Northern Ireland rural, 295 Belfast metropolitan area, 358 Rest of NI)

QP4: How satisfied are you with the choice of radio stations available in your area?

Note: Remaining percentages are Don't know responses.