3. Radio and audio

Figure 3.1

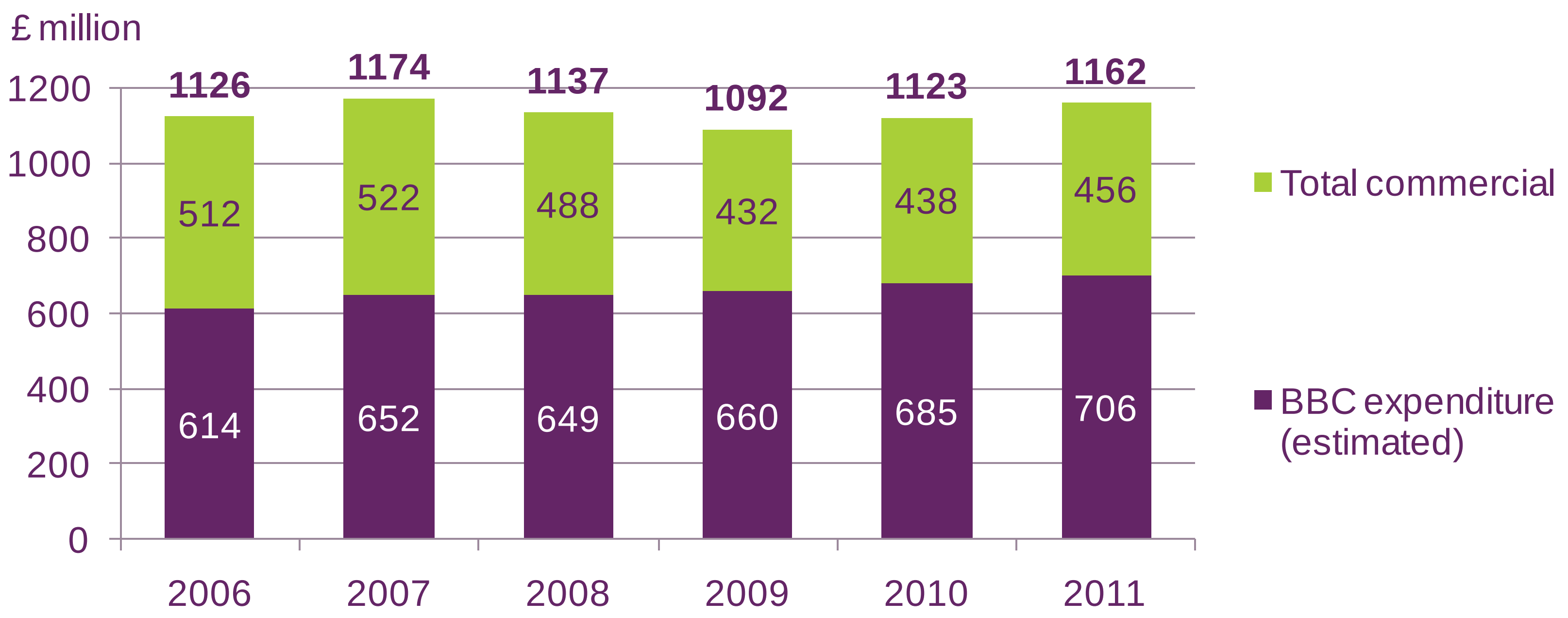
UK radio industry key metrics

UK radio industry	2006	2007	2008	2009	2010	2011
Weekly reach of radio (% of population)	89.8%	89.8%	89.5%	89.8%	90.6%	90.8%
Average weekly hours per head	21.2	20.6	20.1	19.8	20.1	20.4
BBC share of listening	54.7%	55.0%	55.7%	55.3%	55.2%	54.7%
Total industry revenue	£1,126m	£1,174m	£1,137m	£1,092m	£1,123m	£1,162m
Commercial revenue	£512m	£522m	£488m	£432m	£438m	£456m
BBC expenditure	£614m	£652m	£649m	£660m	£685m	£706m
Community radio revenue	-	-	£7.5m	£9m	£10m	£10.5m
Radio share of advertising spend	3.0%	2.9%	2.8%	2.8%	2.7%	2.7%
DAB digital radio take-up (households)	19.5%	27.3%%	32.1%	34.5%	38.2%	42.6%

Source: RAJAR (all adults age 15+), Ofcom calculations based on figures in BBC Annual Report and Accounts 2011-12 note 2c (www.bbc.co.uk/annualreport), AA/Warc, broadcasters. Revenue figures are nominal.

Figure 3.2

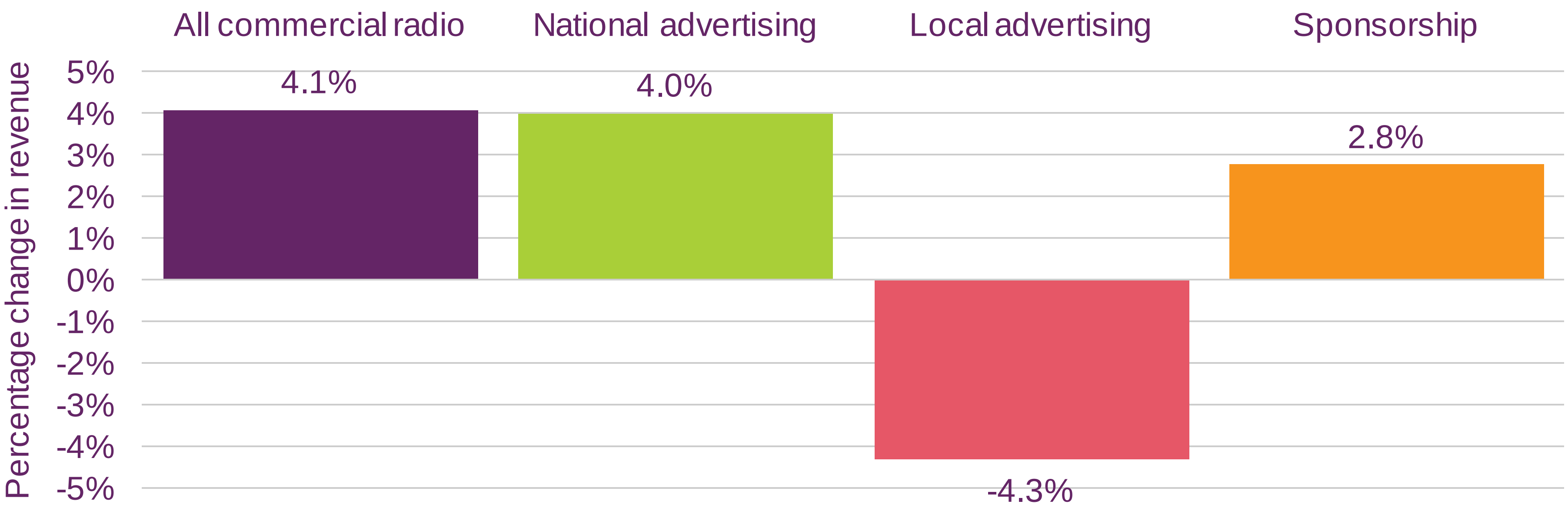
Radio industry revenue and spending 2006-2011



Source: Broadcasters
Note: BBC expenditure figures are estimated by Ofcom based on figures in Note 2c of the BBC Annual Report (www.bbc.co.uk/annualreport); figures in the chart are rounded and are nominal.
Does not include community radio revenue.

Figure 3.3

Commercial revenue percentage change 2010-2011

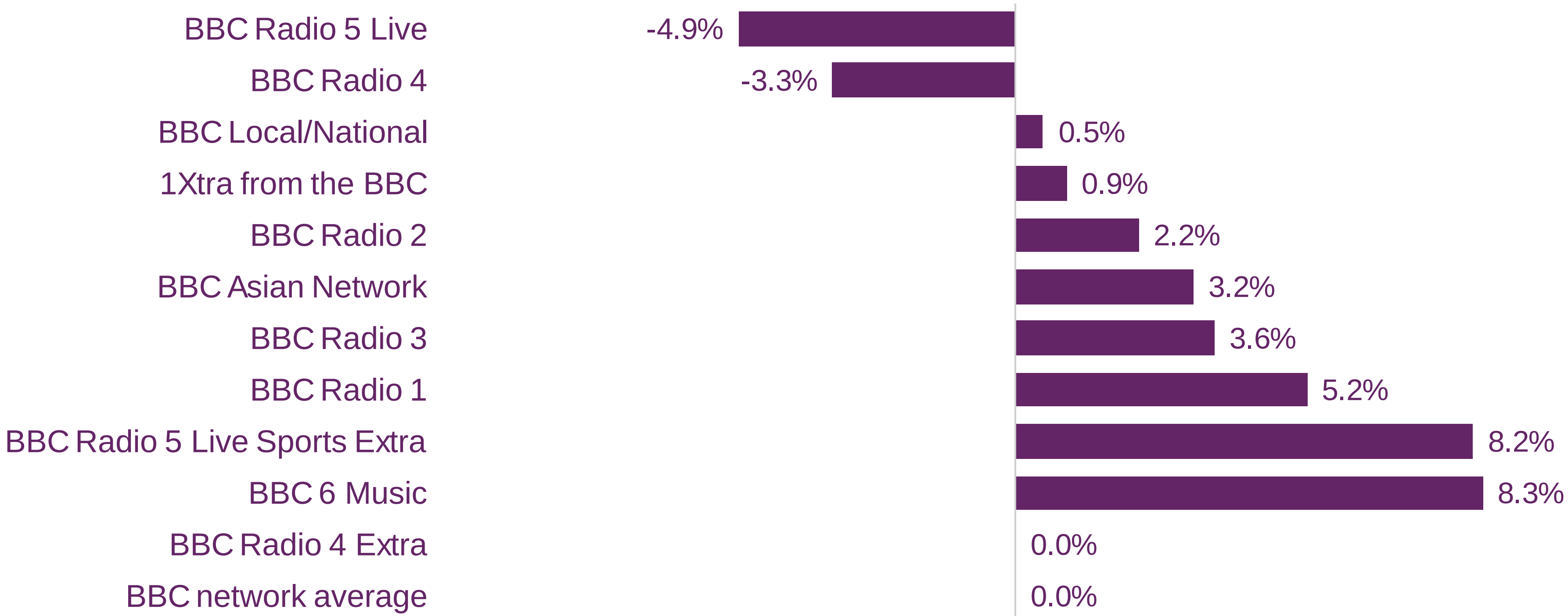


Source: Ofcom / operator data 2010-2011

Figure 3.4

BBC station expenditure percentage change 2010-11 to 2011-12

Annual % change of BBC radio station expenditure

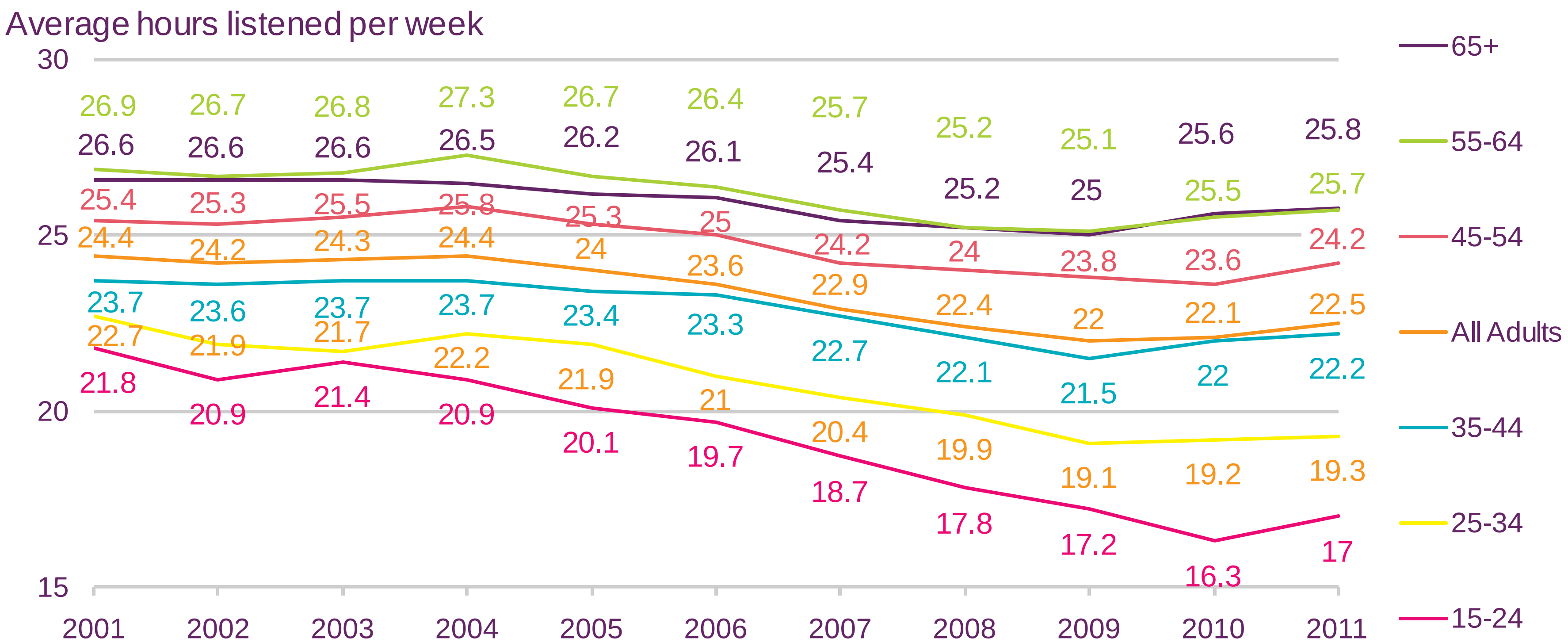


Source: BBC Annual Report 2011-12. Note that these are financial year figures, excluding BBC-wide overheads, and are therefore not directly comparable to those set out in Section 3.2.2. Figures are nominal. It should be noted that the percentage changes are based on operating expenditure for individual stations based on financial years and they do not include BBC-wide overheads; as such they are not comparable with the calendar year figures that are set out in Section 3.2.2.

Ofcom

Figure: 3.5

Listening hours by age group, 2001-2011



Source: RAJAR, average weekly listening per listener, 2001-2011

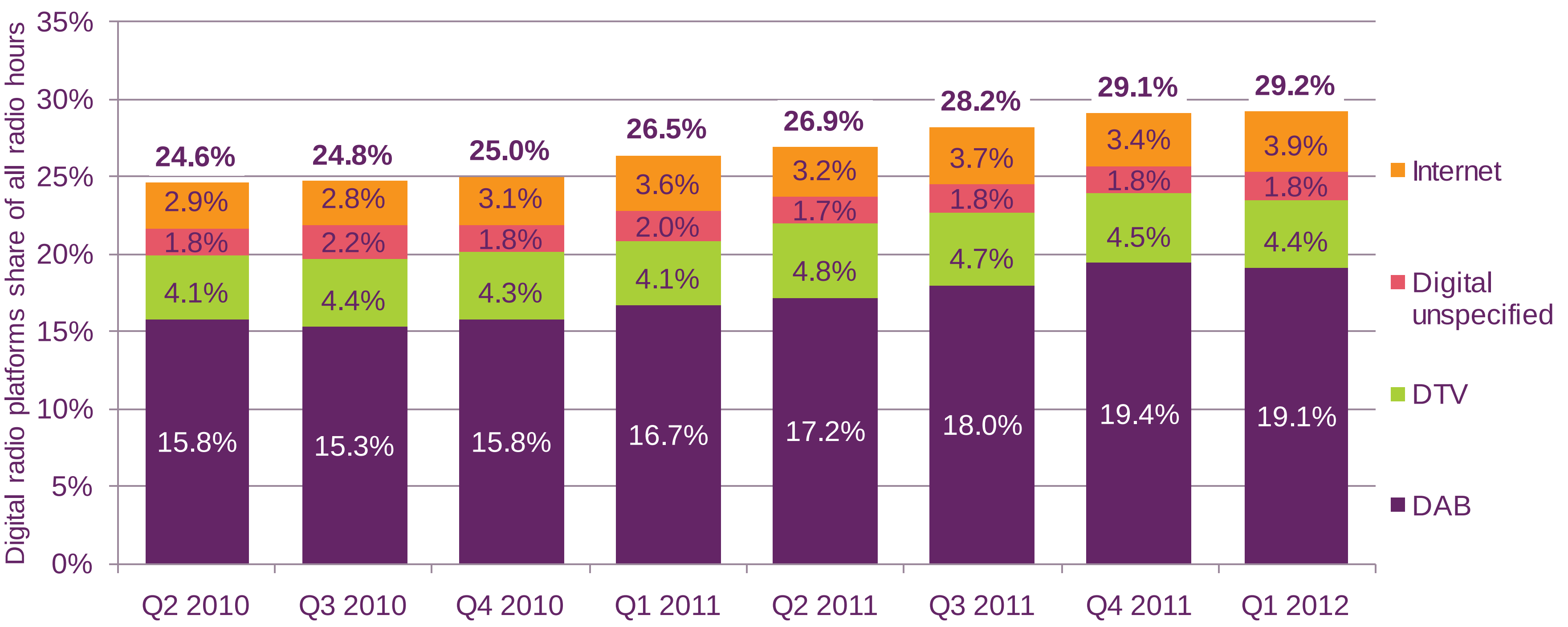
Figure: 3.6

Radio's 'share of ear' 2009-2010, by all adults and 15-18s

Source: BBC (A&M Audiences)/Brand Driver, Share of Ear research 2009, 2010

Figure 3.7

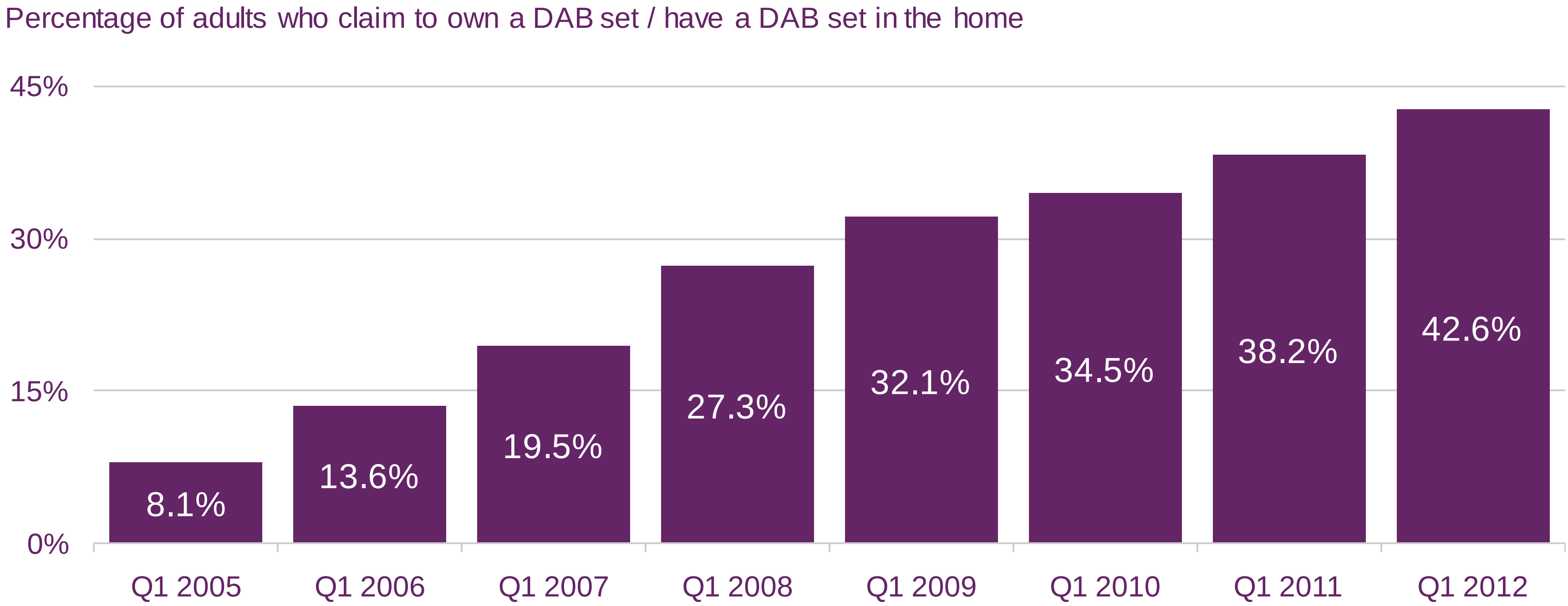
Digital radio's share of radio listening, Q1 2012



Source: RAJAR
Note: 'Digital unspecified' relates to listening to digital-only stations where the survey respondent has not specified the listening platform used. From Q1 2012 'Internet' has been reclassified as 'Online/Apps'

Figure 3.8

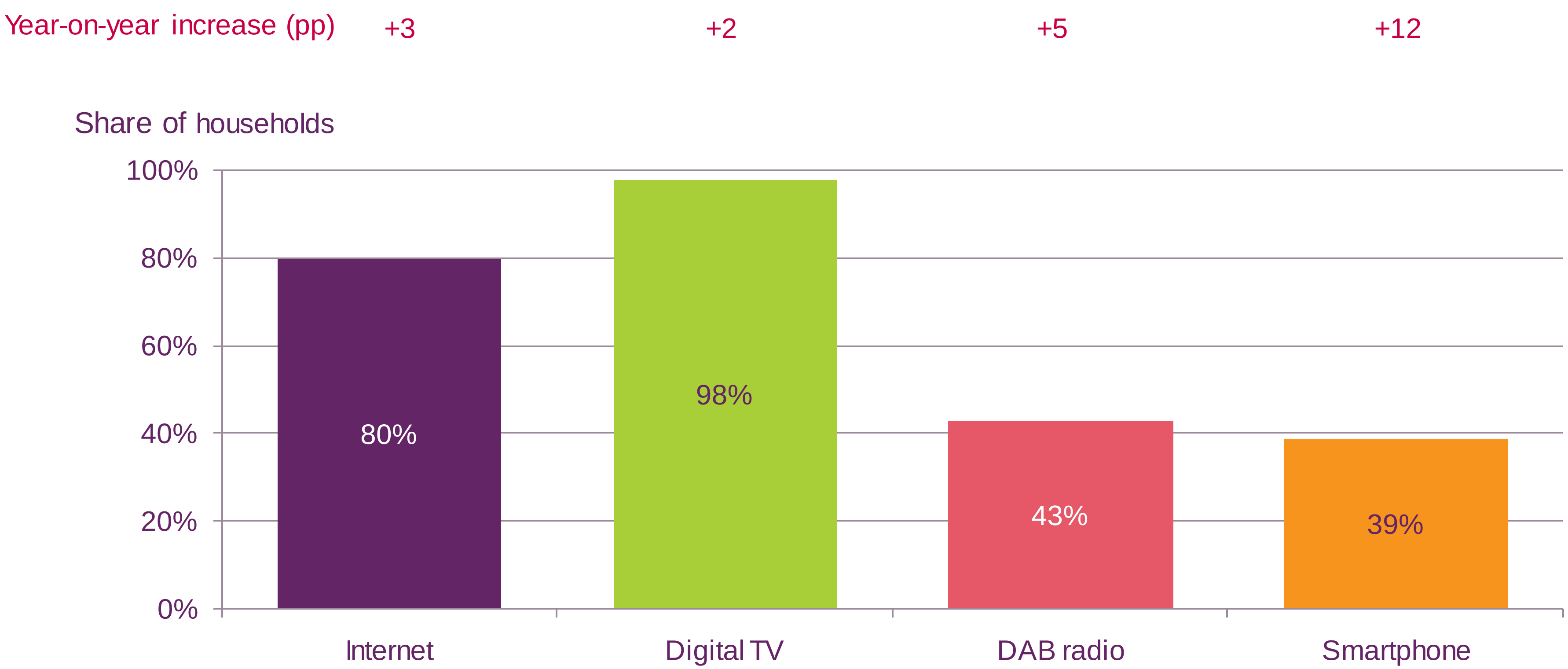
Ownership of DAB set, Q1 2012



Source: RAJAR / Ipsos MORI / RSMB Q1 2005-2012.

Figure 3.9

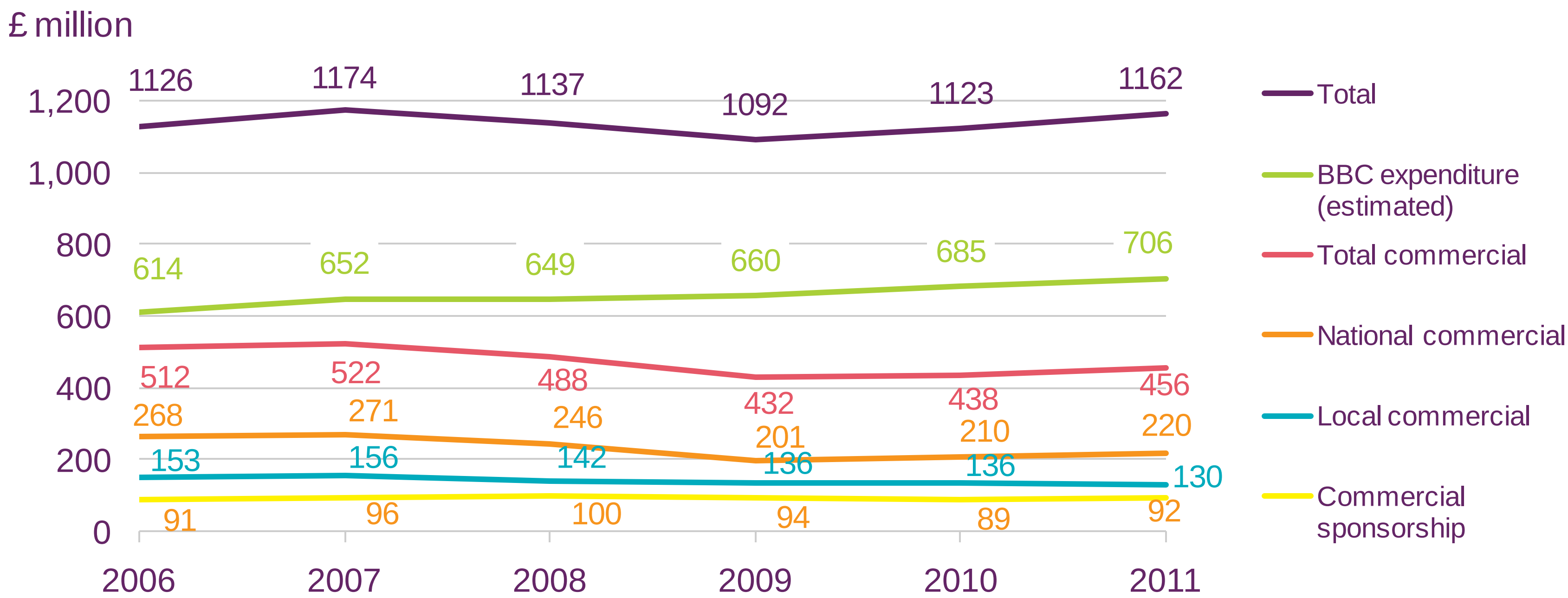
Take-up of equipment capable of receiving digital radio, Q1 2012



Source: Research from: Ofcom, RAJAR Q1 2012

Figure 3.10

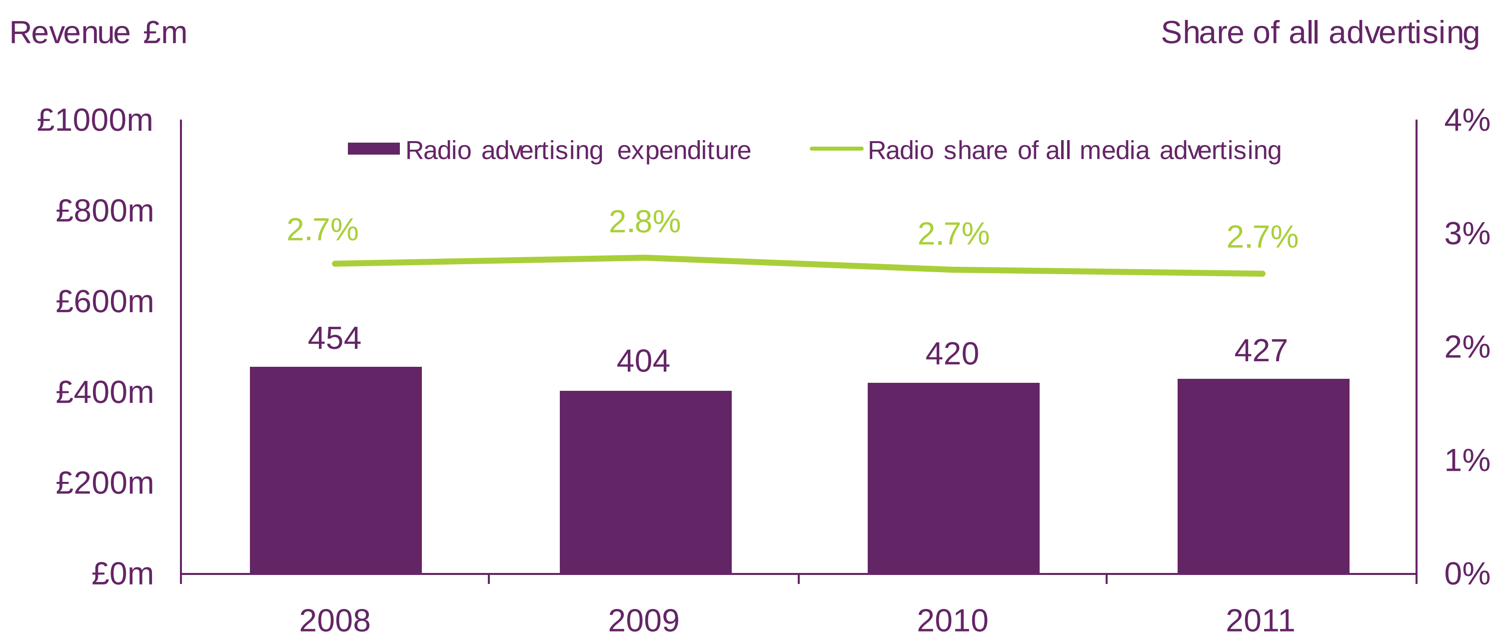
UK commercial radio revenue and BBC radio spending



Source: Ofcom / operator data / BBC Annual Report 2006-2011
Note: BBC expenditure figures are estimated by Ofcom based on figures in Note 2c of the BBC Annual Report (www.bbc.co.uk/annualreport); figures in the chart are rounded and are nominal.

Figure 3.11

UK radio advertising spend and share of display advertising, 2008 – 2011



Source: AA/Warc Expenditure Report. Figures are nominal.
www.warc.com/expenditurereport

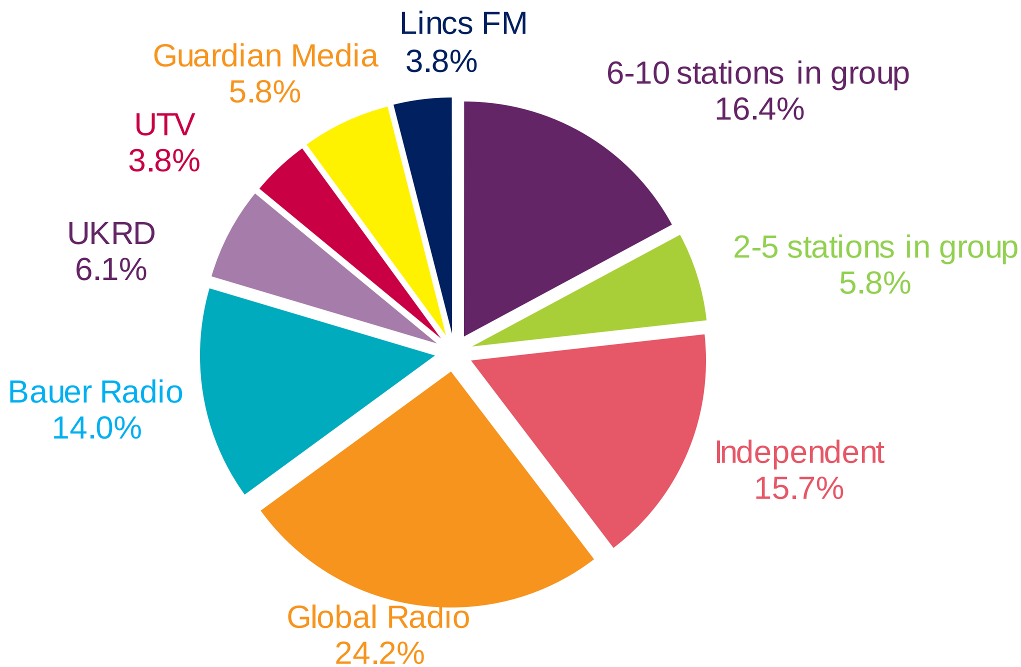
Figure 3.12

Commercial radio revenue per listener

Source: Broadcaster returns and RAJAR, 2006-2011. Figures are nominal.

Figure 3.13

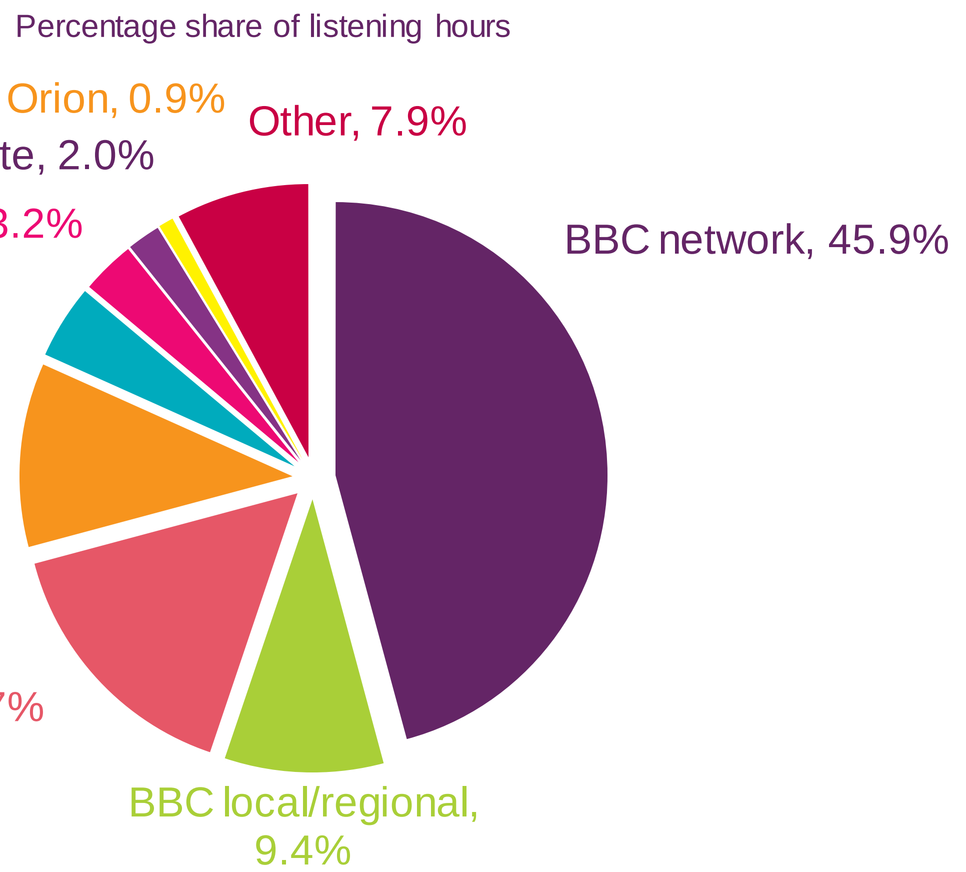
Number of commercial analogue licences owned, by group



Source: Ofcom, April 2012

Figure 3.14

Share of all radio listening hours, Q1 2012

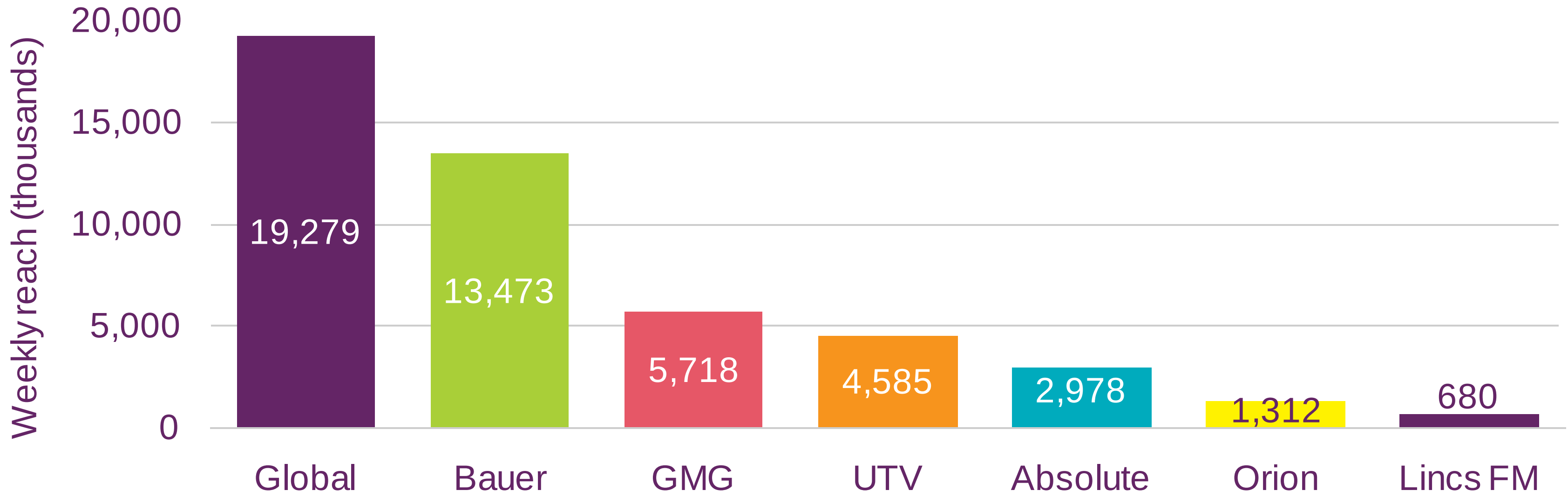


Source: RAJAR, all adults (15+), year ending Q1 2012, does not include community radio listening

Figure 3.15

Commercial radio by weekly audience reach: Q1 2012

	Global	Bauer	GMG	UTV	Absolute	Orion	Lincs FM
Weekly UK audience reach	**37.1%**	**25.9%**	**11.0%**	**8.8%**	**5.7%**	**2.5%**	**1.3%**
Annual change in reach	-1.7pp	-0.8pp	+0.2pp	-0.3pp	+1.1pp	-0.4pp	0



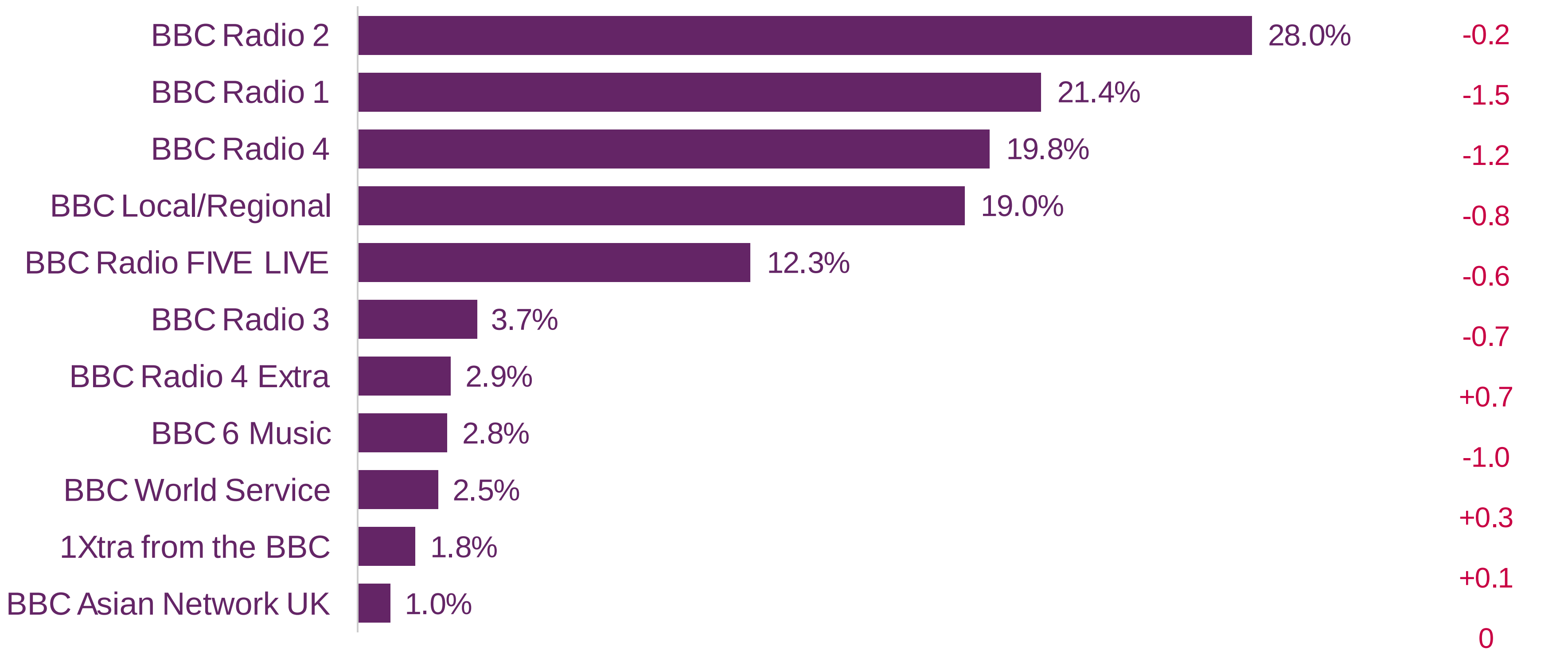
Source: RAJAR, all adults (15+), Q1 2012, does not include community radio listening

Figure 3.16

Weekly reach of BBC stations: Q1 2012

Average weekly listening (% UK adults), and year on year change

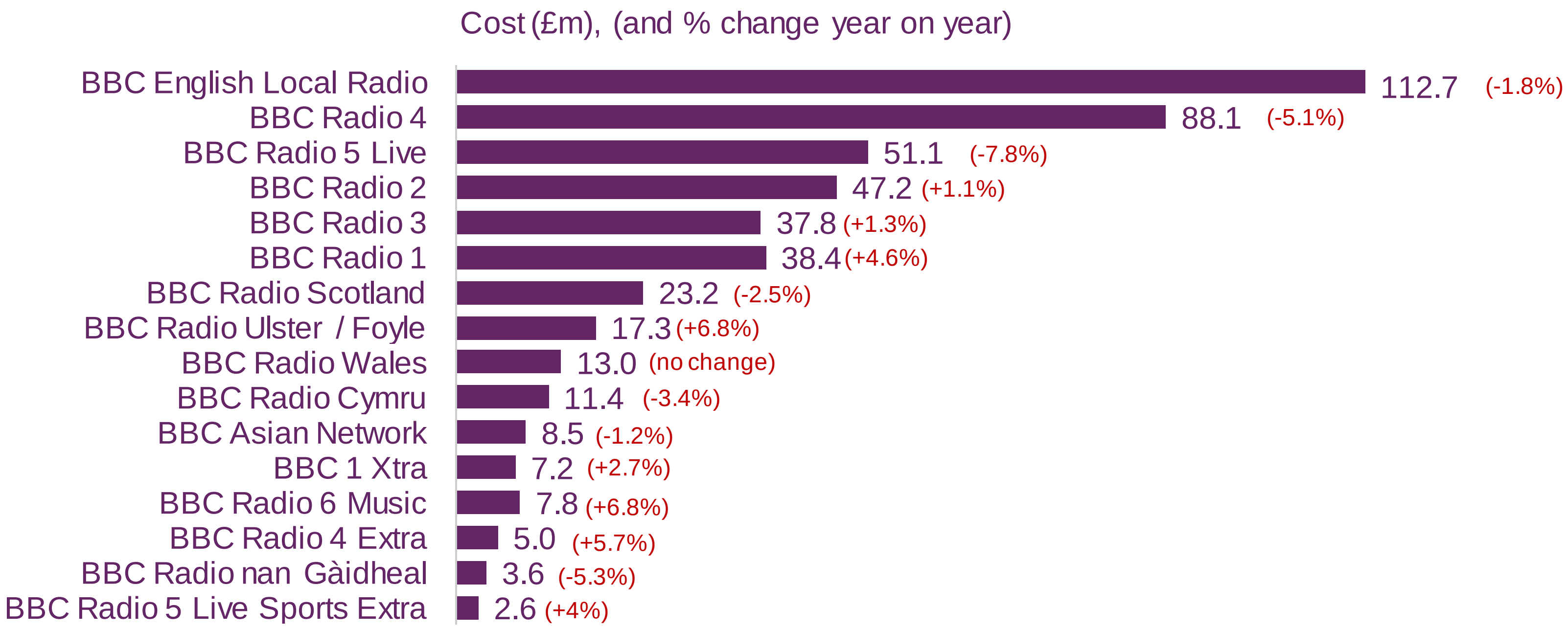
Year on year percentage point change



Source: RAJAR, all adults (15+), Q1 2012

Figure 3.17

BBC radio stations: spend on radio content, 2011-12



Source: BBC Annual Report 2011-12

Figure 3.18

UK radio stations broadcasting on analogue, DAB digital radio, and community radio, May 2012

Type of station	AM	FM	AM/FM total
Local commercial	54	242	296
UK-wide commercial	2	1	3
BBC UK-wide networks	1	4	5
BBC local and nations	36	46	46
Community radio	6	192	198
TOTAL	**99**	**446**	**548**

Source: Ofcom, May 2012
Note: the conditions of each licence will determine the amount of programming that may be shared between these licensed services. Here we have taken the view that a service providing at least four hours a day of separate programming (even if the same brand has other services) equals one service.

Figure 3.19

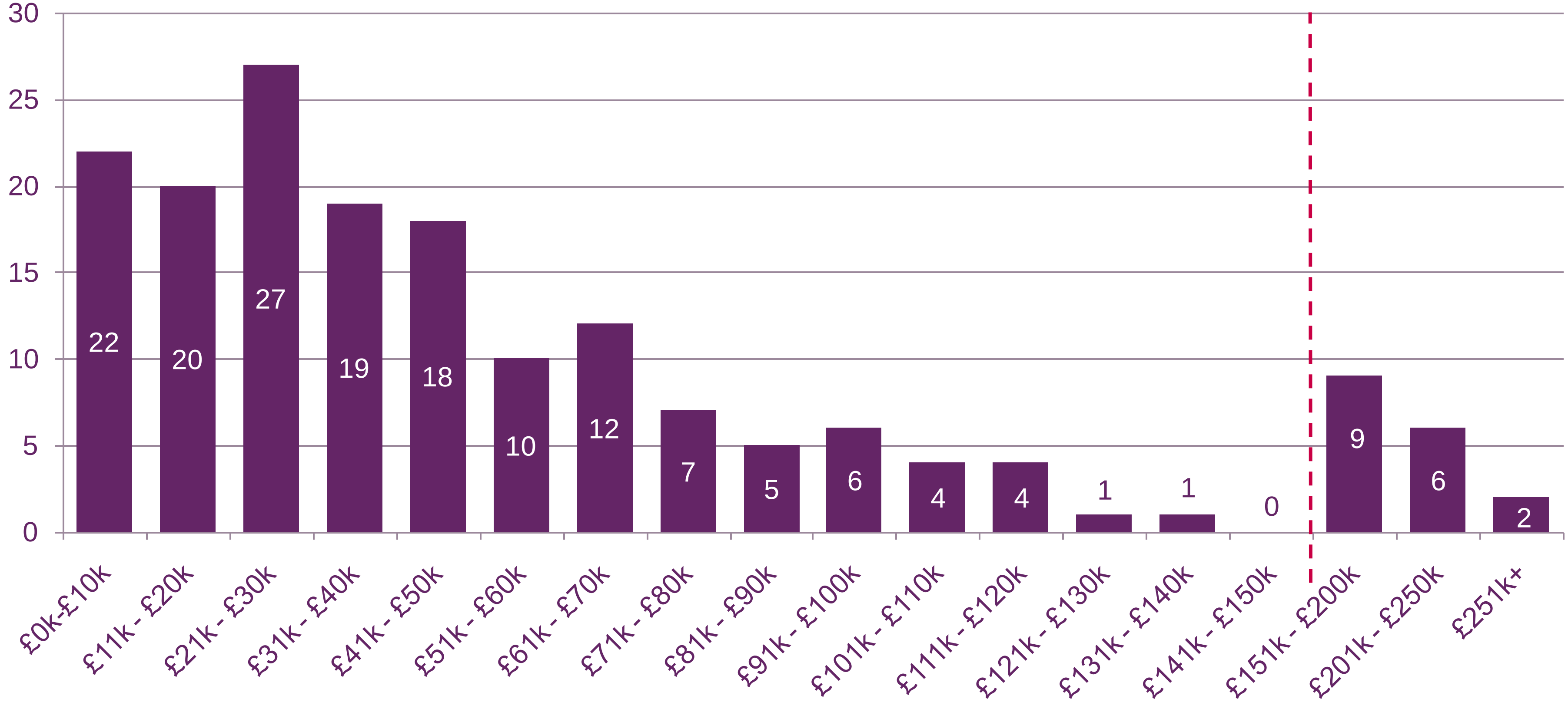
Average income for community radio stations, 2008 to 2011

Income	2008	2009	2010	2011
Average (mean) income	£84,000	£75,500 (-10.2%)	£65,750 (-12.9%)	£60,250 (-8.3%)
Median income	£53,750	£46,750 (-15.0%)	£42,500 (-7.14%)	£40,500 (-4.8%)

Source: Ofcom analysis of community broadcasters returns
Note: The data collection period changed from the financial year to the calendar year as of 2011. Data from previous years has been adjusted to reflect this.

Figure: 3.20

Distribution of total income levels across the community radio sector



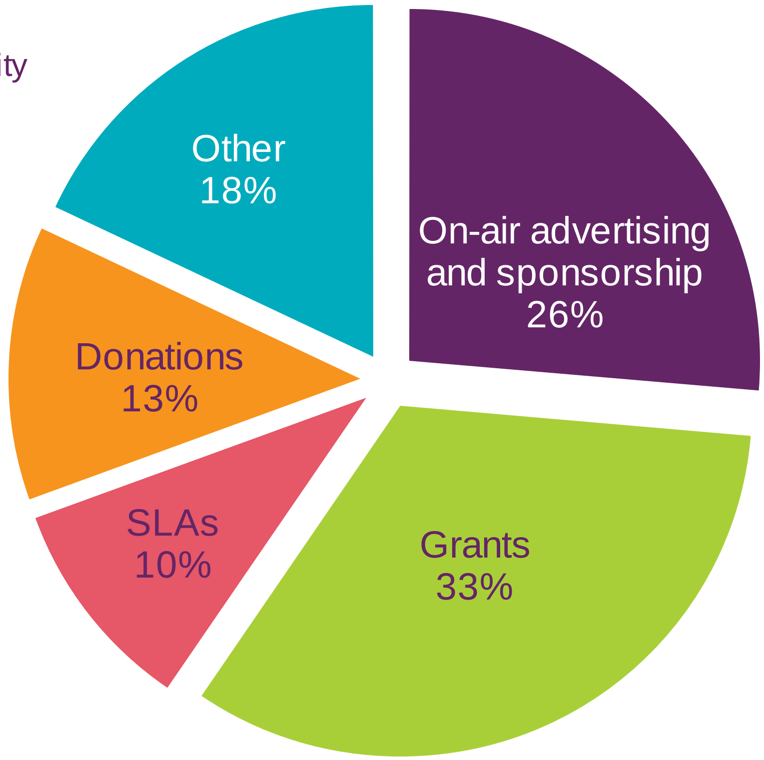
Source: Ofcom analysis of community broadcasters' returns

Figure 3.21

Community radio income, by source

Community radio stations' income 2011

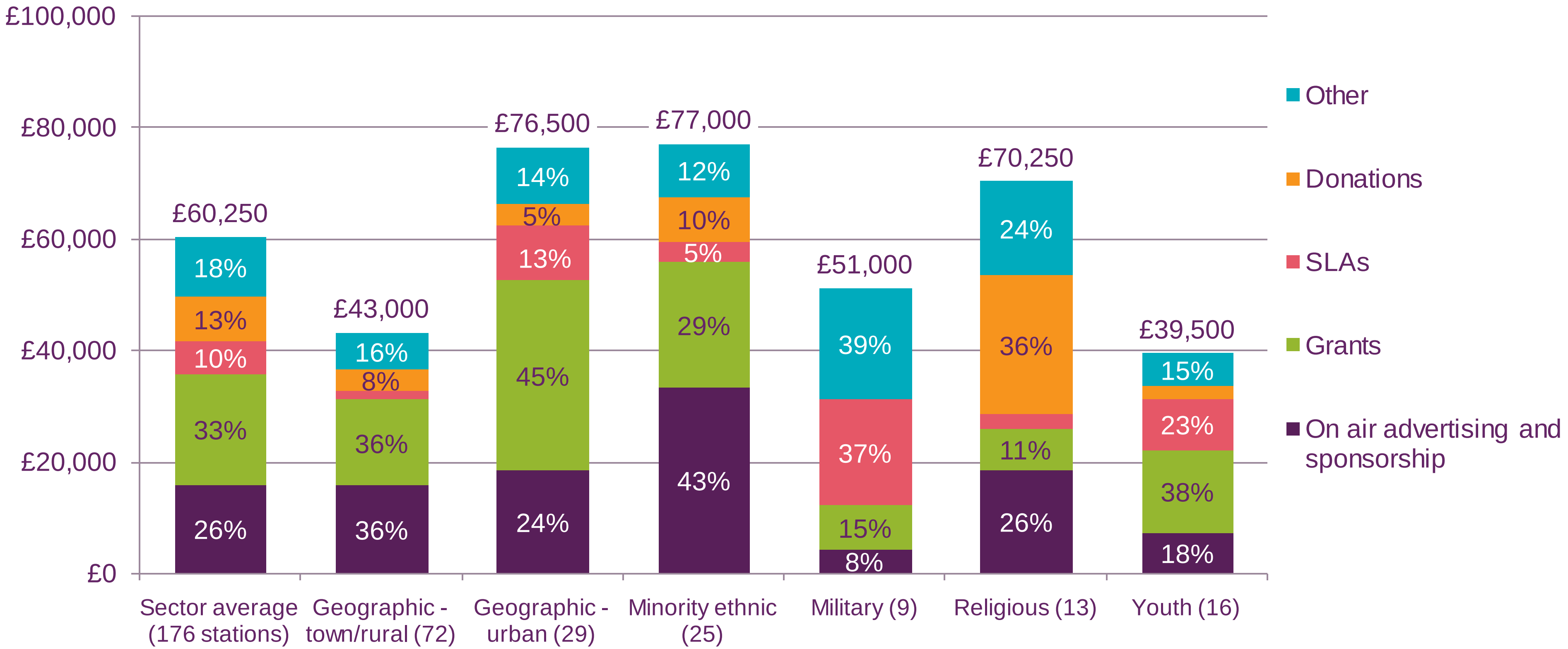
Income by type
The average community radio station income was around £60,250



Source: Ofcom analysis of community broadcasters' returns

Figure: 3.22

Average income by type of community served



Source: Ofcom analysis of community broadcasters' returns

Figure 3.23

Average expenditure for community radio stations, 2008 to 2011

Expenditure	2008	2009	2010	2011
Average (mean) expenditure	£86,500	£76,500 (-11.4%)	£67,000 (-12.3%)	£64,250 (-4.1%)
Median expenditure	£55,000	£52,250 (-5.3%)	£43,000 (-17.5%)	£41,000 (-4.9%)

Source: Ofcom analysis of community broadcasters returns
Note: The data collection period changed from the financial year to the calendar year as of 2011. Data from previous years has been adjusted to reflect this.

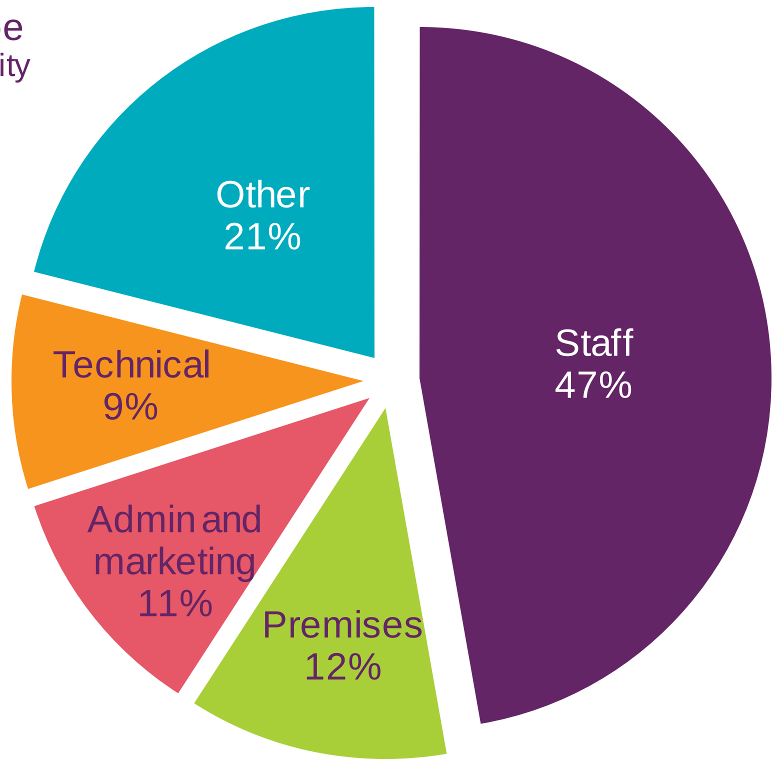
Figure 3.24

Community radio expenditure, by source

Community radio stations' expenditure 2011

Expenditure by type

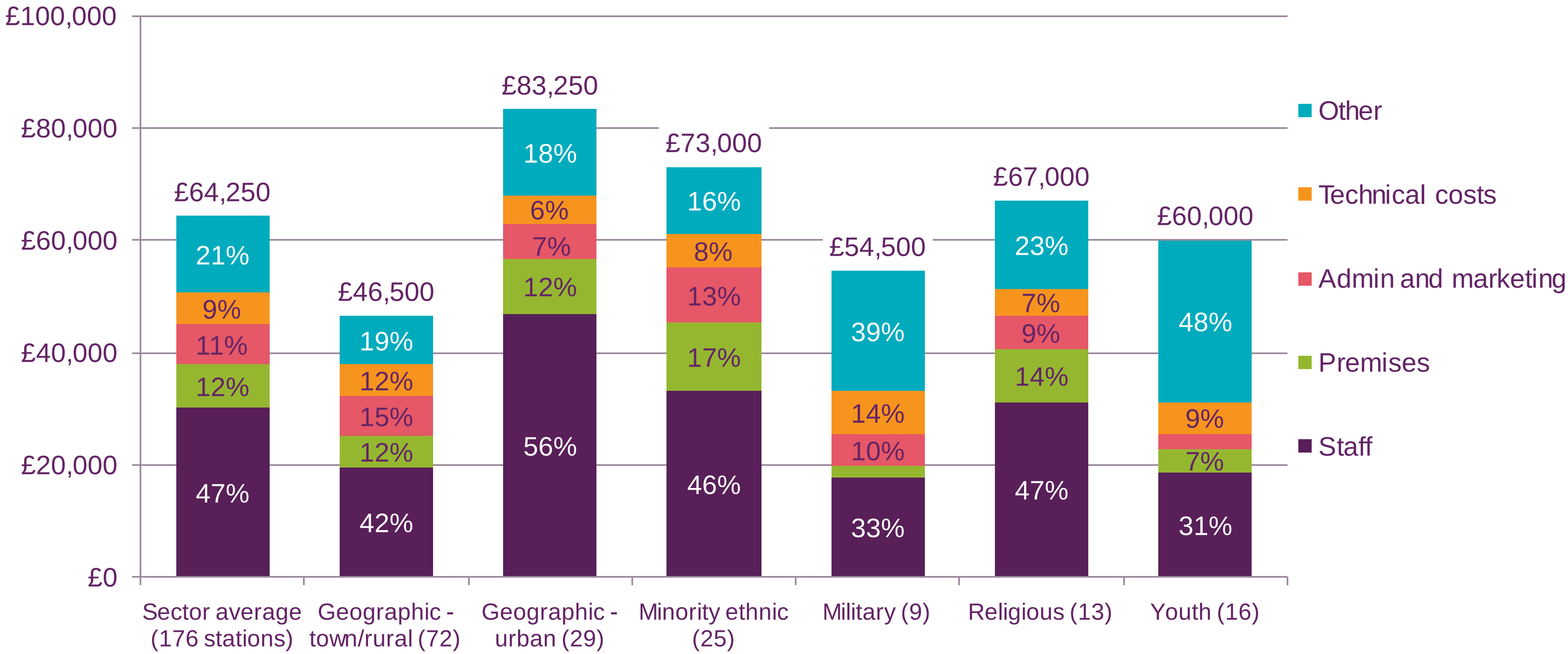
The average community radio station income was around £64,250



Source: Ofcom analysis of community broadcasters' returns

Figure: 3.25

Average expenditure by type of community served



Source: Ofcom analysis of community broadcasters' returns

Figure 3.26

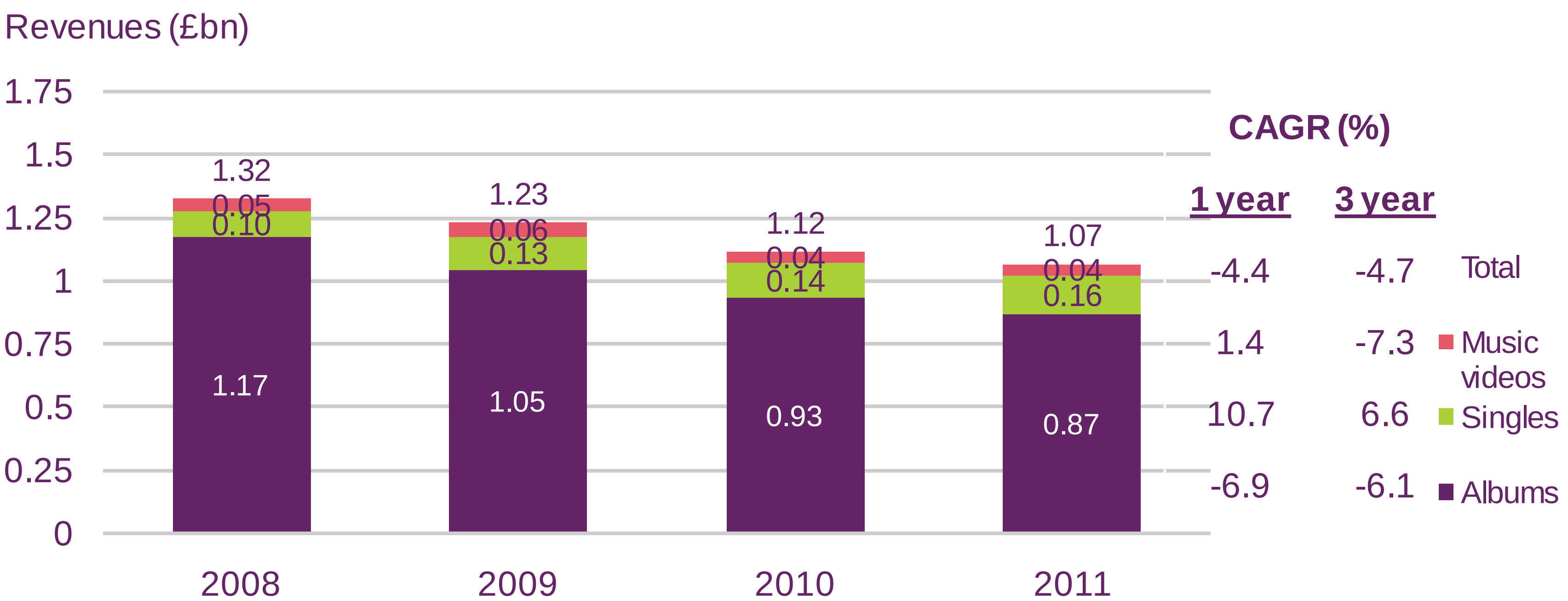
Community radio hours and volunteers

	Sector average
Total live hours per week	84
Total original hours per week	91
Speech output as a percentage of total daytime output	31%
Number of volunteers	68

Source: Ofcom analysis of community broadcasters returns

Figure 3.27

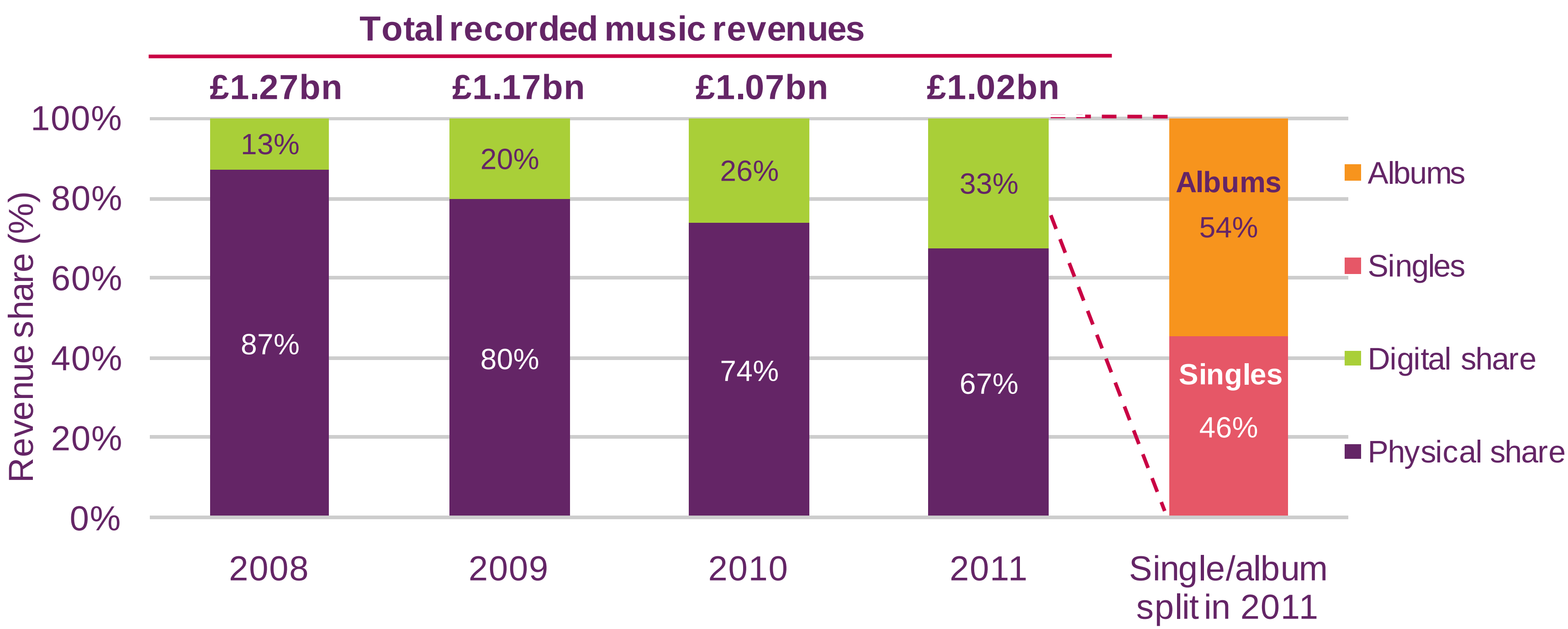
Recorded music retail revenues: 2008-2011



Source: Entertainment Retailers' Association yearbook, 2012. Figures are nominal.

Figure 3.28

Distribution of recorded music retail revenues: 2008-2011



Source: Entertainment Retailers' Association yearbook 2012
Note: This chart does not include revenues from music videos.

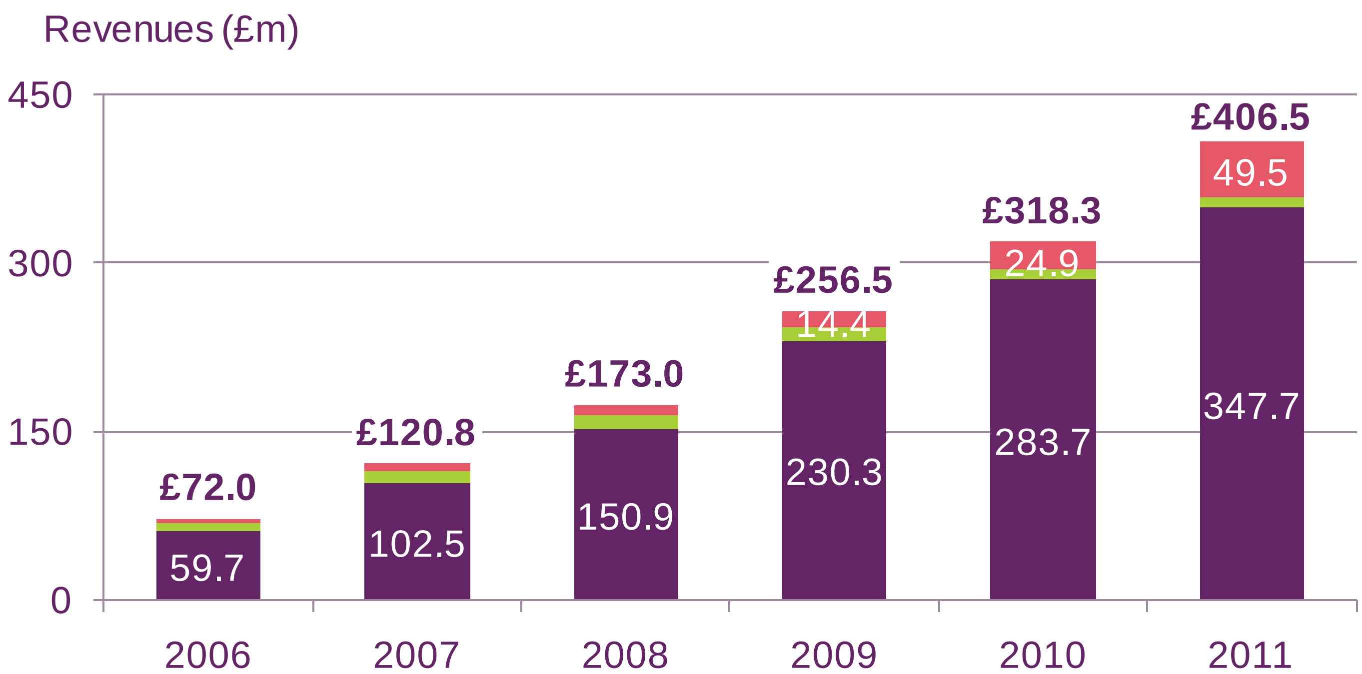
Figure 3.29

Recorded music sales by volume: 2008-2011

Source: Entertainment Retailers' Association yearbook 2012

Figure 3.30

Consumer spending on digital music: 2006-2011



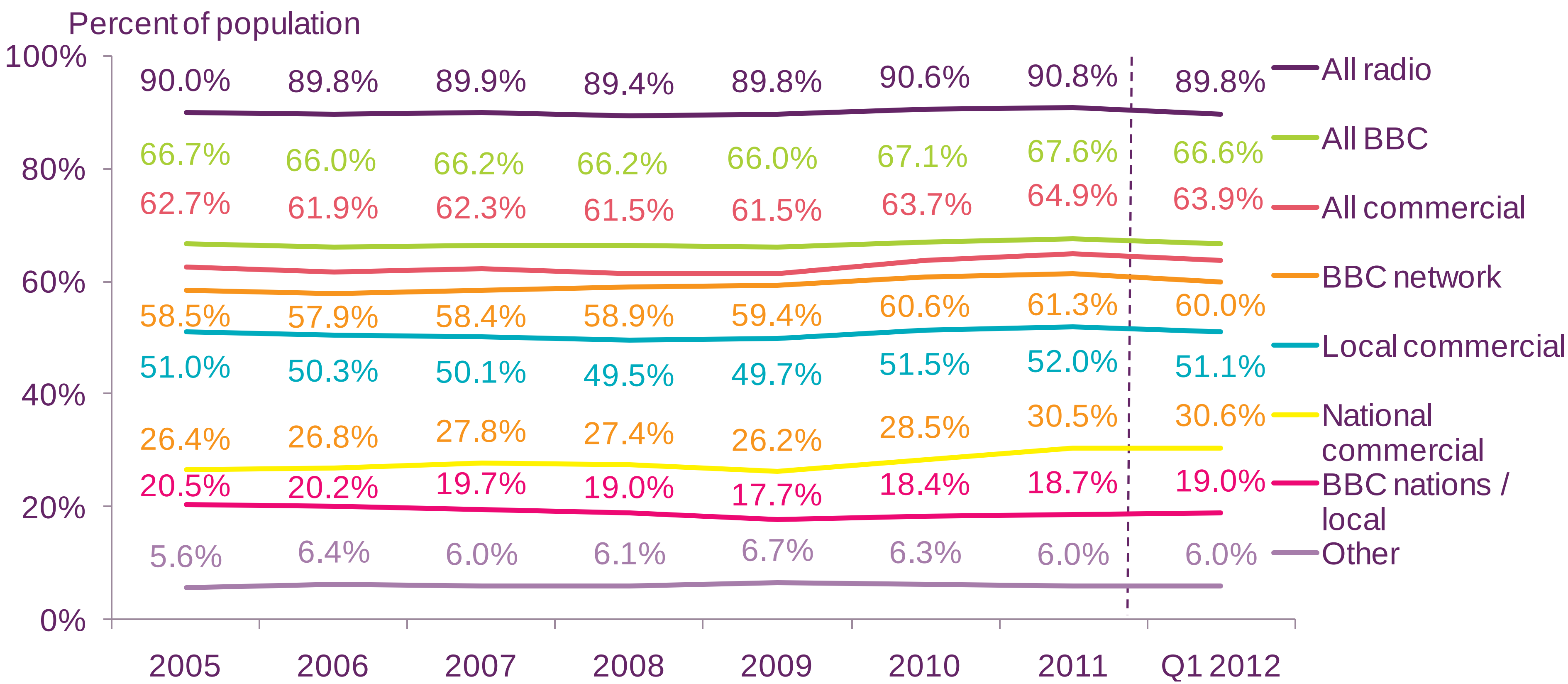
CAGR (%)

1 year	5 year	
28	27	Total
99	48	Subscription
-4	-4	Mobile purchases
23	28	Online purchases

Source: Screen Digest
Note: Due to different data sources this chart is not directly comparable with previous charts. Figures are nominal.

Figure 3.31

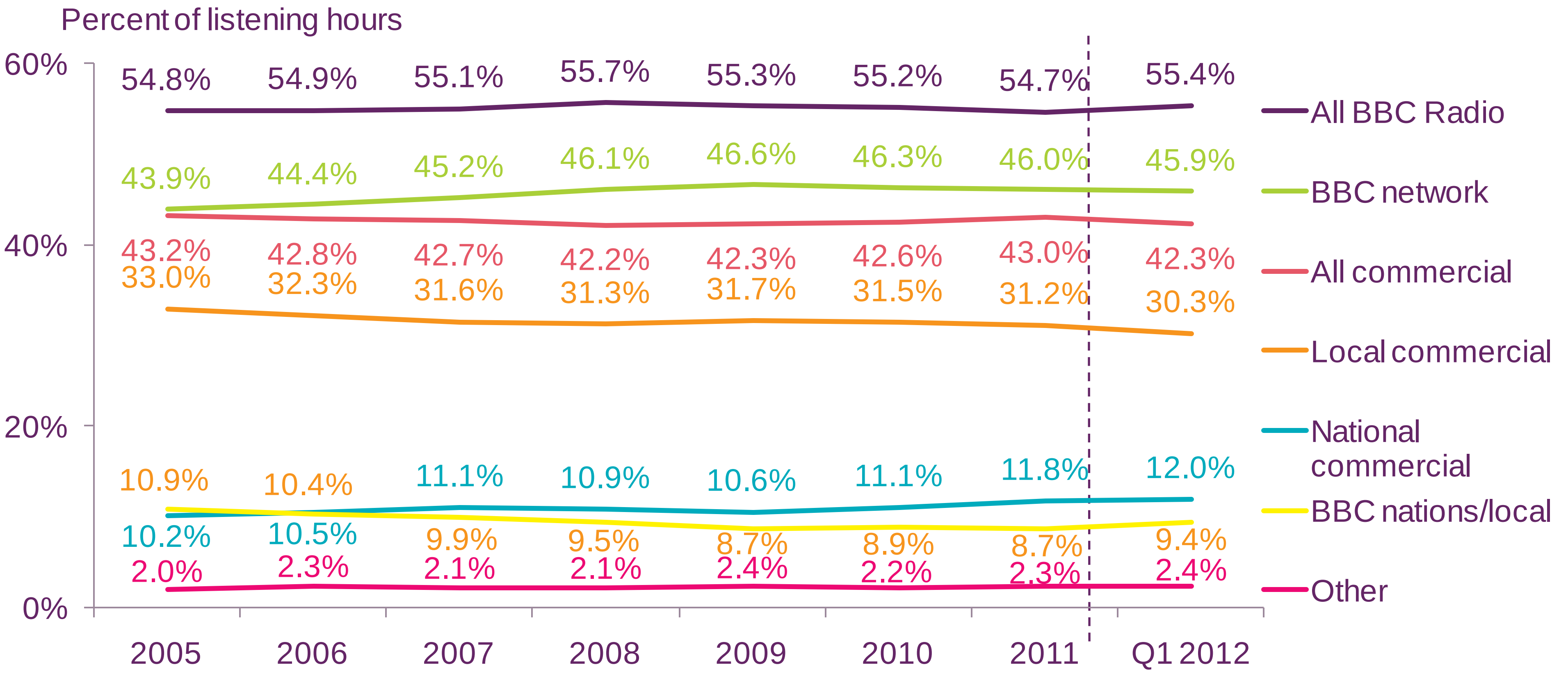
Reach of radio, by sector



Source: RAJAR, All adults (15+), calendar years 2005-2011, Q1 2012

Figure 3.32

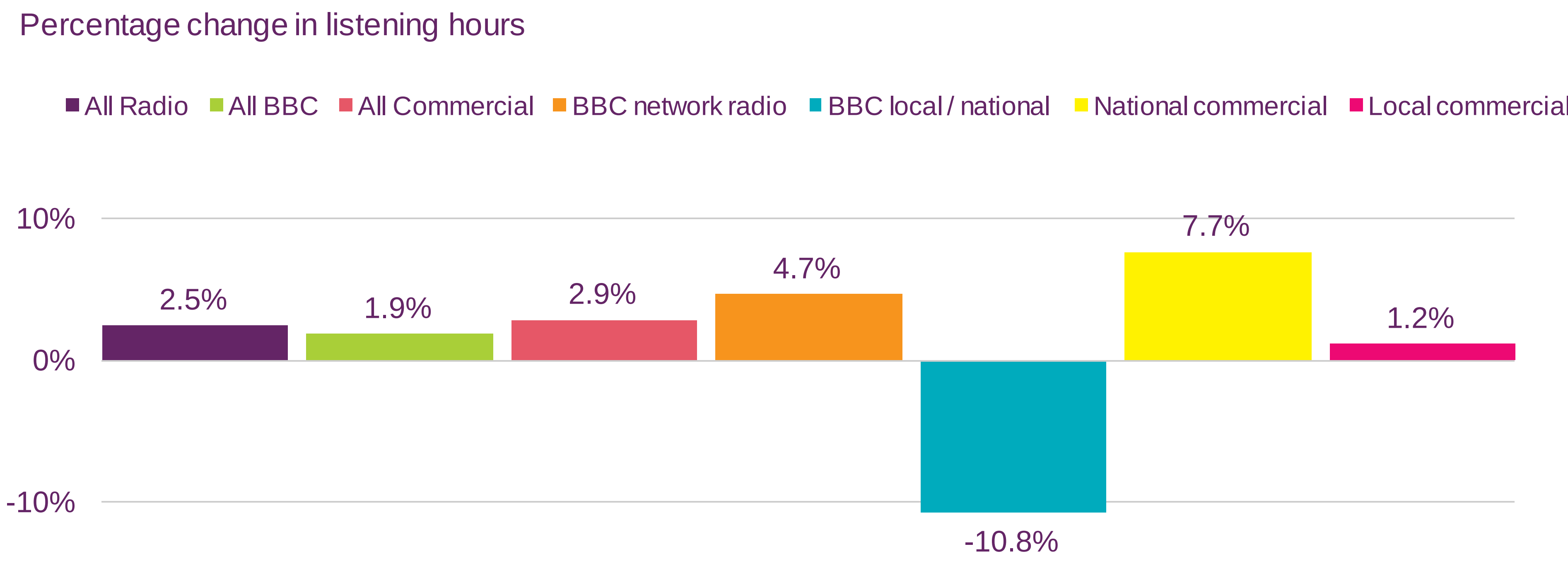
Share of listening hours, by sector



Source: RAJAR, All adults (15+), calendar years 2005-2011, Q1 2012

Figure 3.33

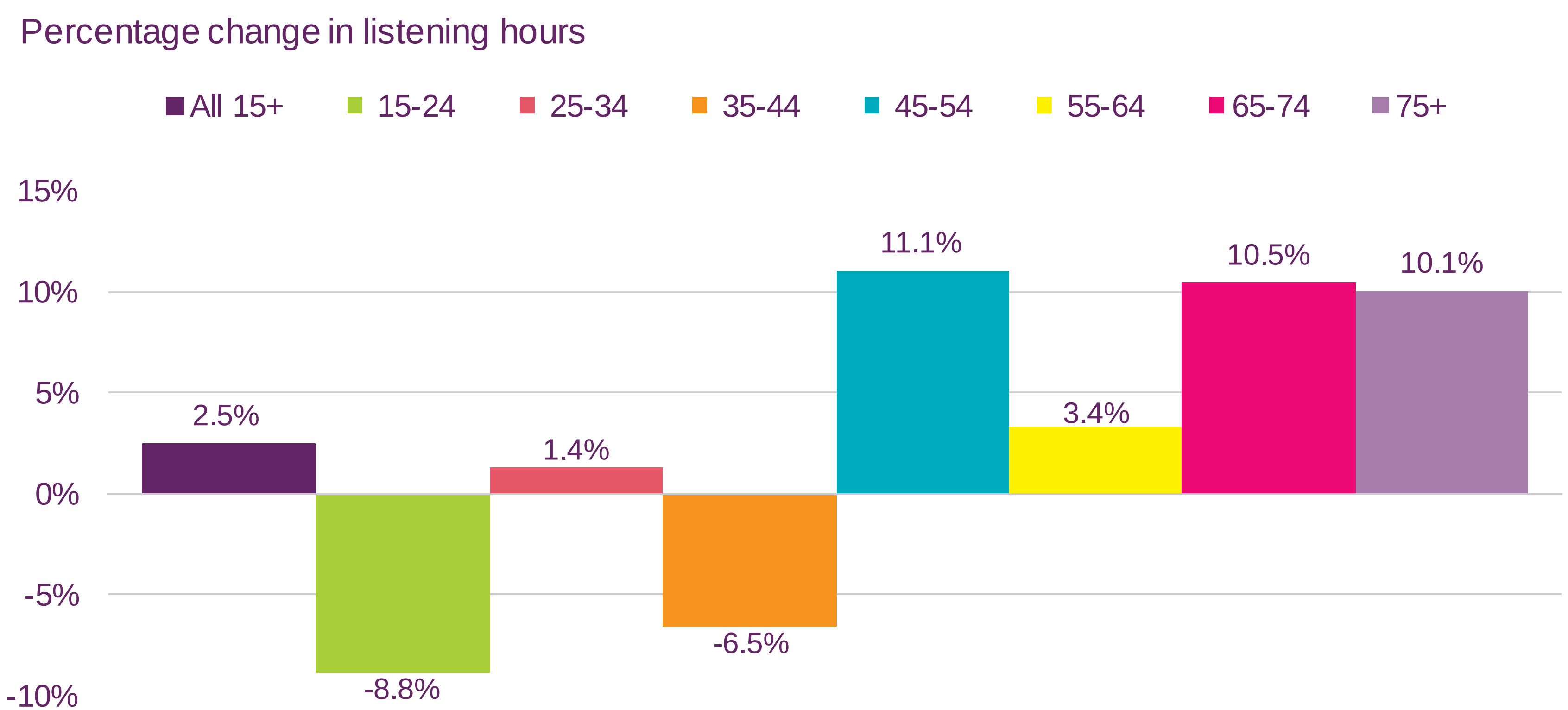
Changes in listening hours by sector: 2007 - 2011



Source: RAJAR, all adults (15+), data based on calendar years 2007 and 2011

Figure 3.34

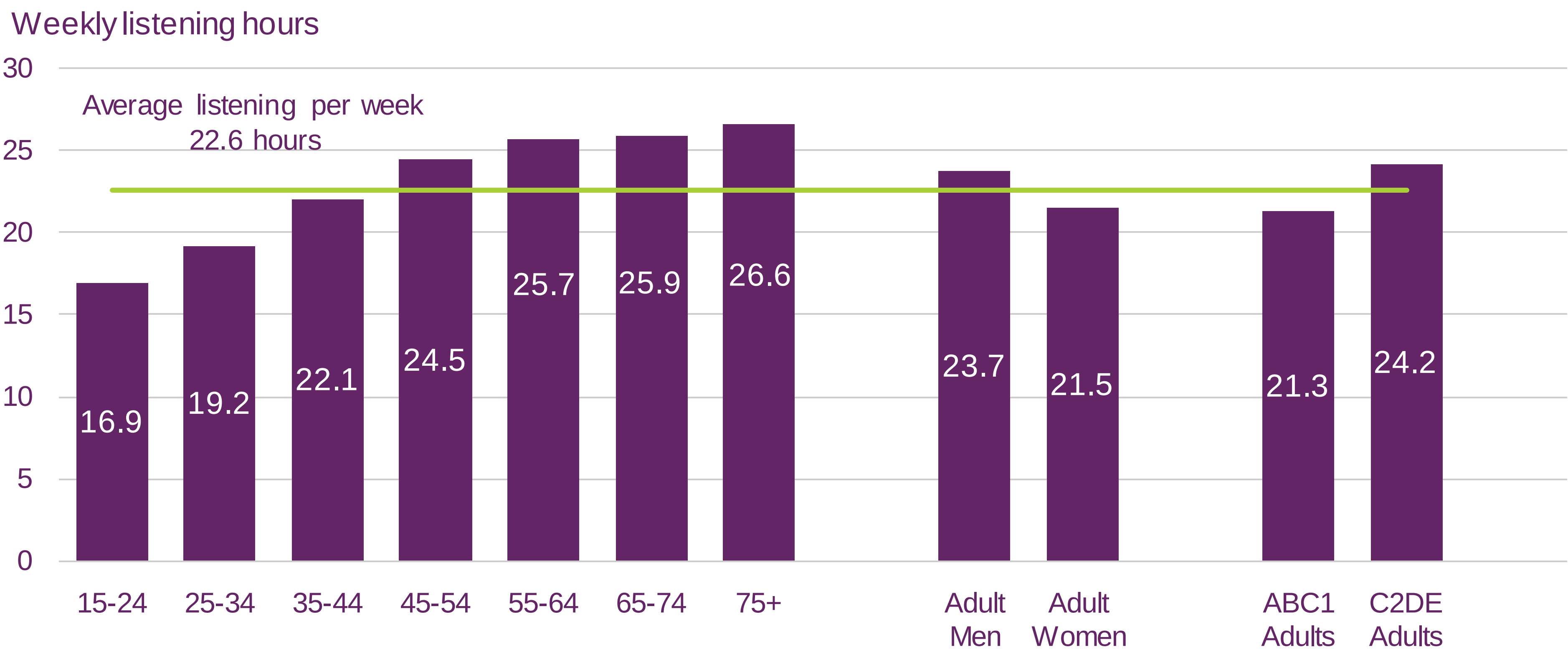
Changes in listening hours by age: 2007-2011



Source: RAJAR, all adults (15+), data based on calendar years 2007 and 2011

Figure 3.35

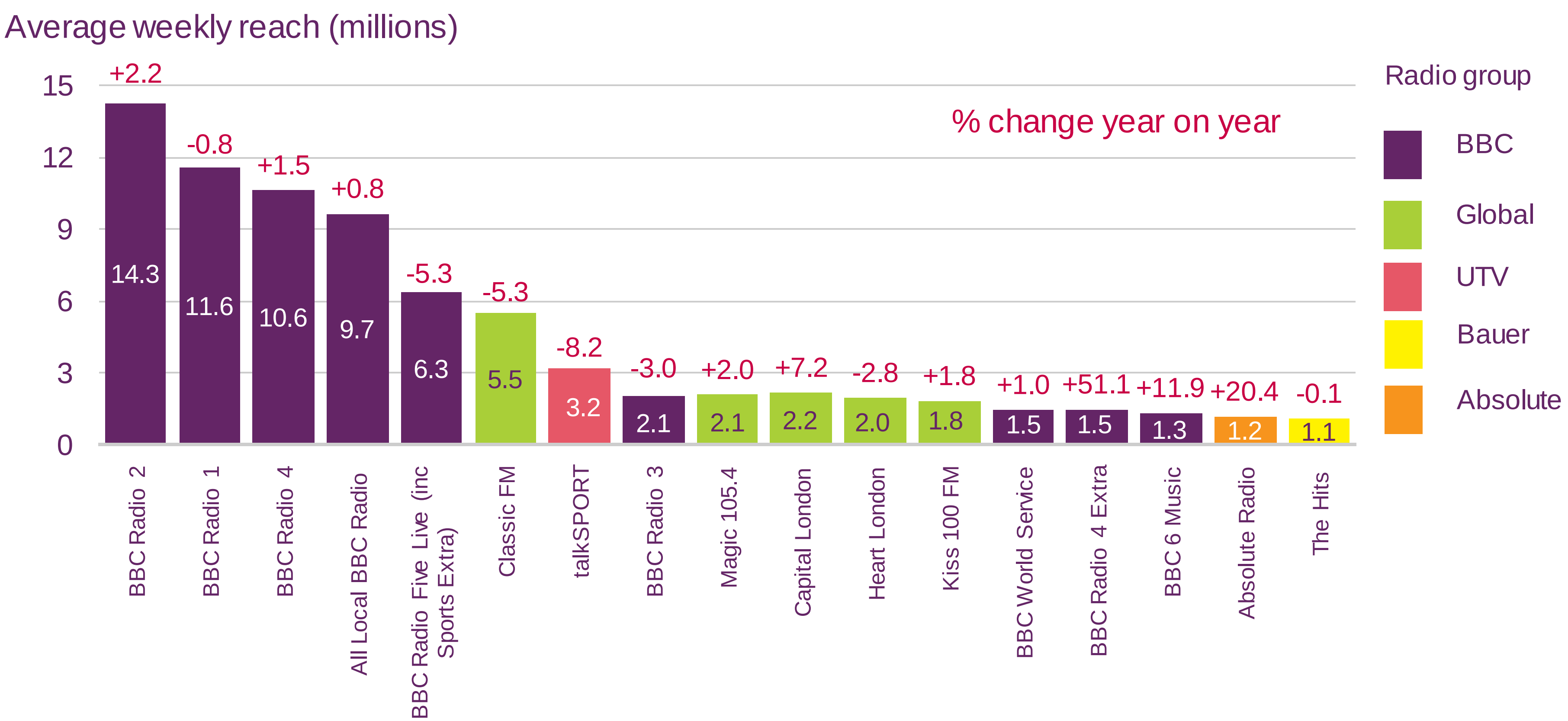
Average weekly listening by demographic, year ending Q1 2012



Source: RAJAR, all adults (15+), year ending Q1 2012, average weekly listening hours per listener

Figure 3.36

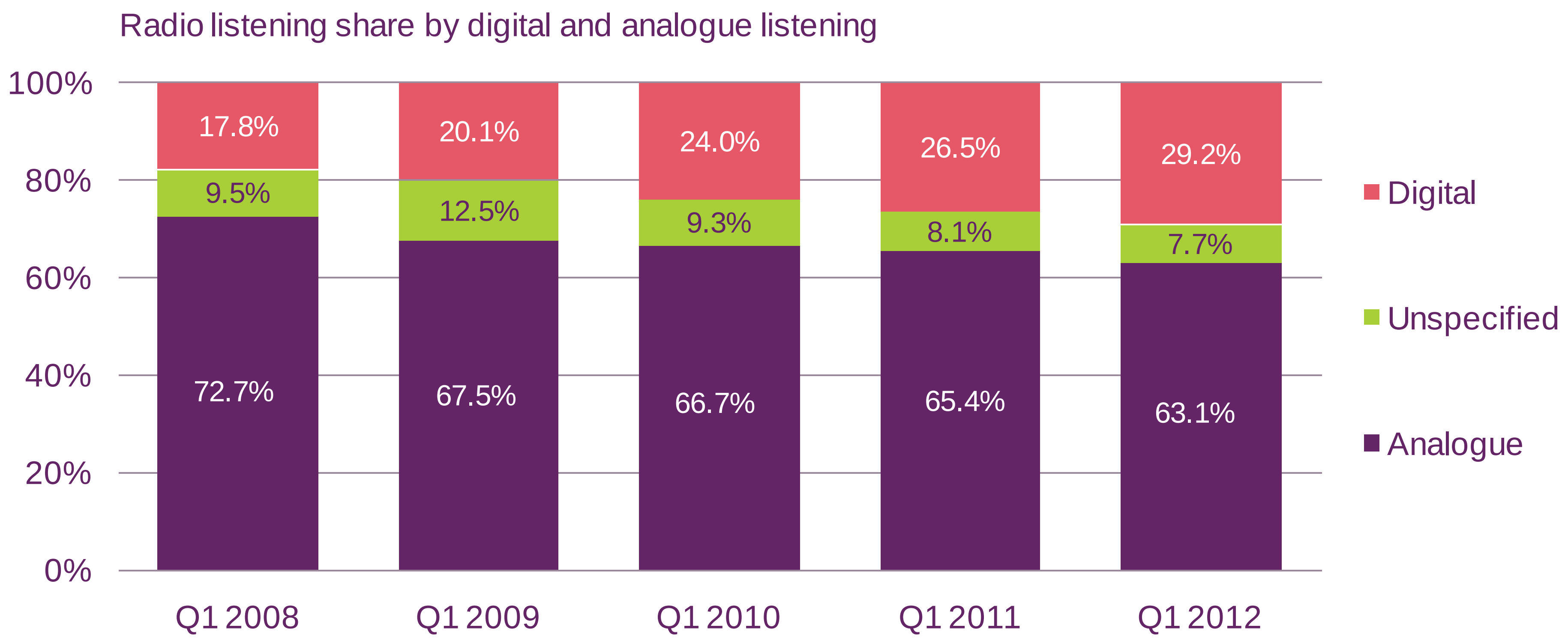
Most popular radio stations, year ending Q1 2012



Source: RAJAR, all adults (15+), year ending Q1 2012

Figure 3.37

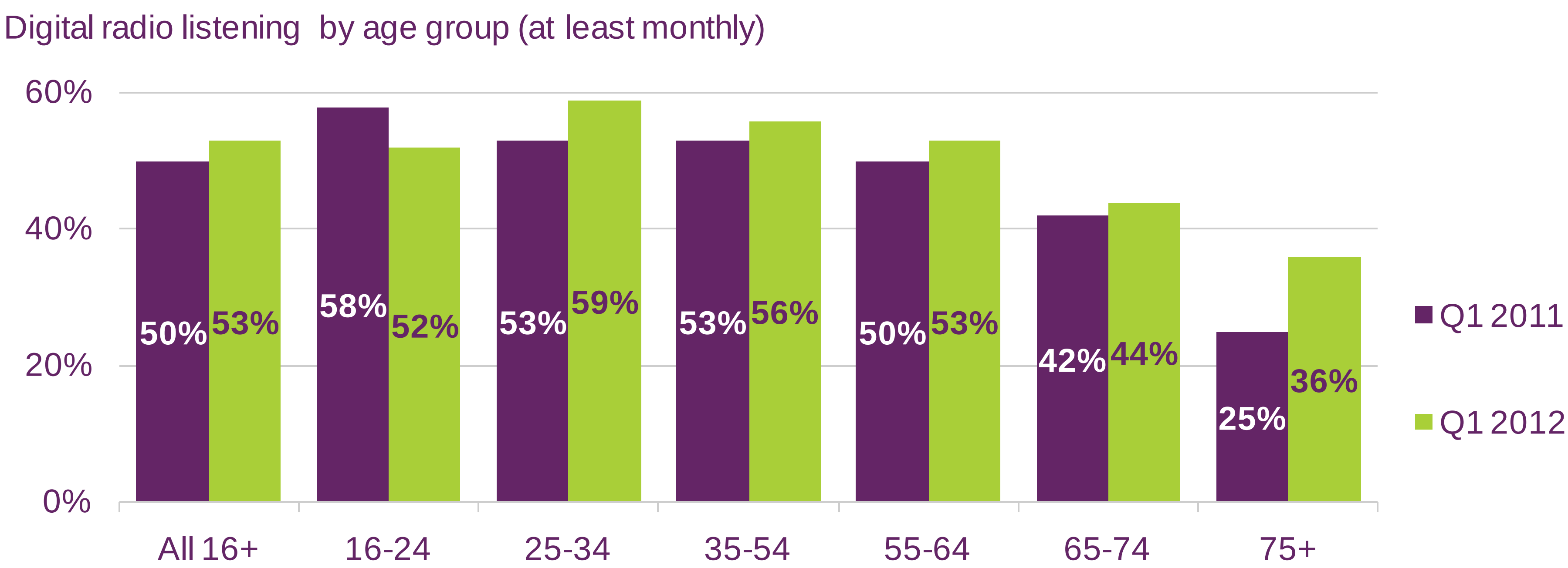
Share of listening hours across analogue and digital platforms



Source: RAJAR Ipsos MORI/ RSMB. All adults (15+), data relates to corresponding year ending each date shown
Note: Unspecified relates to listening where the radio platform was not confirmed by the listener.

Figure 3.38

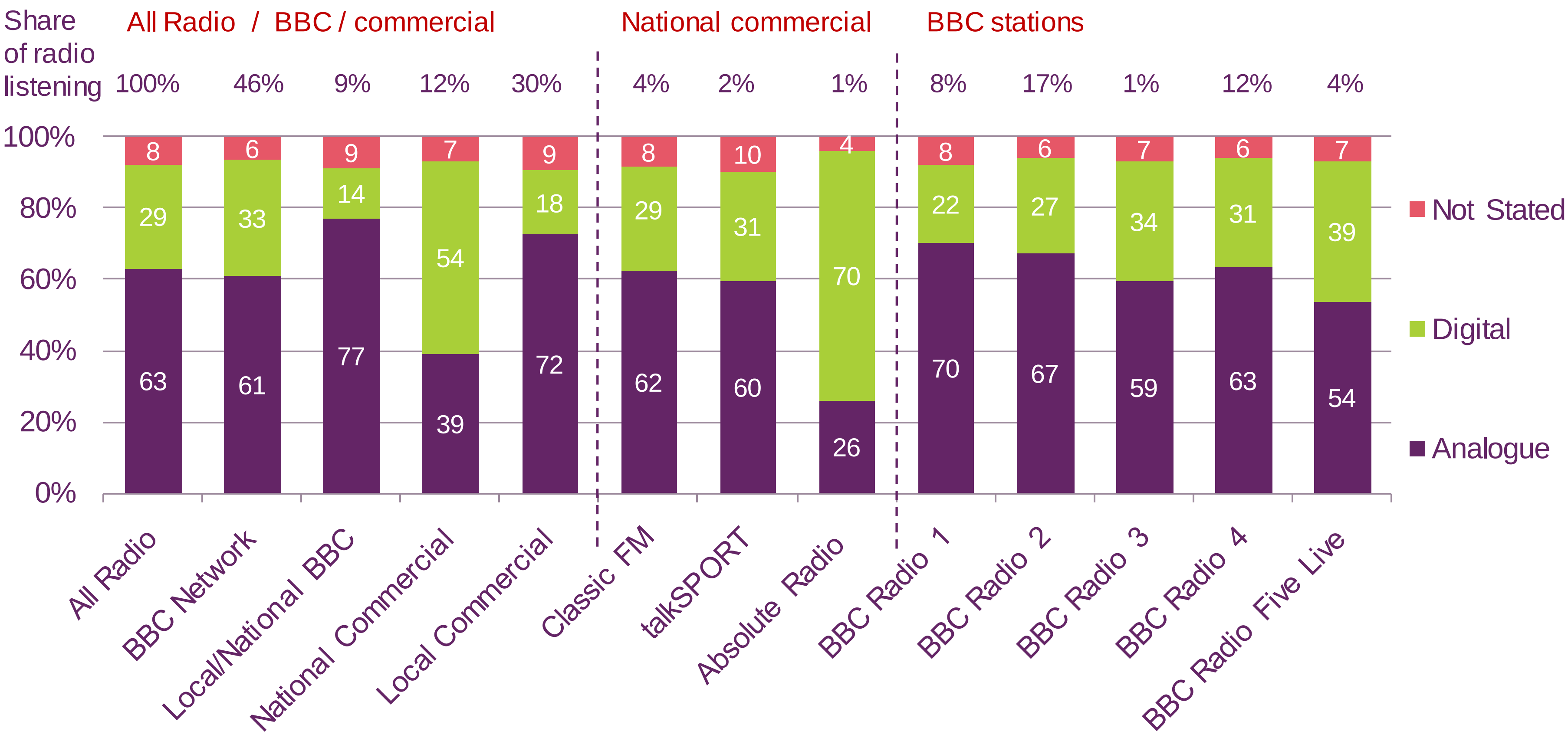
Digital radio listening by age group, (monthly)



Source: Ofcom research, Base: All who listen to the radio, Q1 2012 (n=2963), Q1 2011 (n=2811) Q:Use digital radio at least monthly (includes digital listening via DTV, DAB set and online)

Figure 3.39

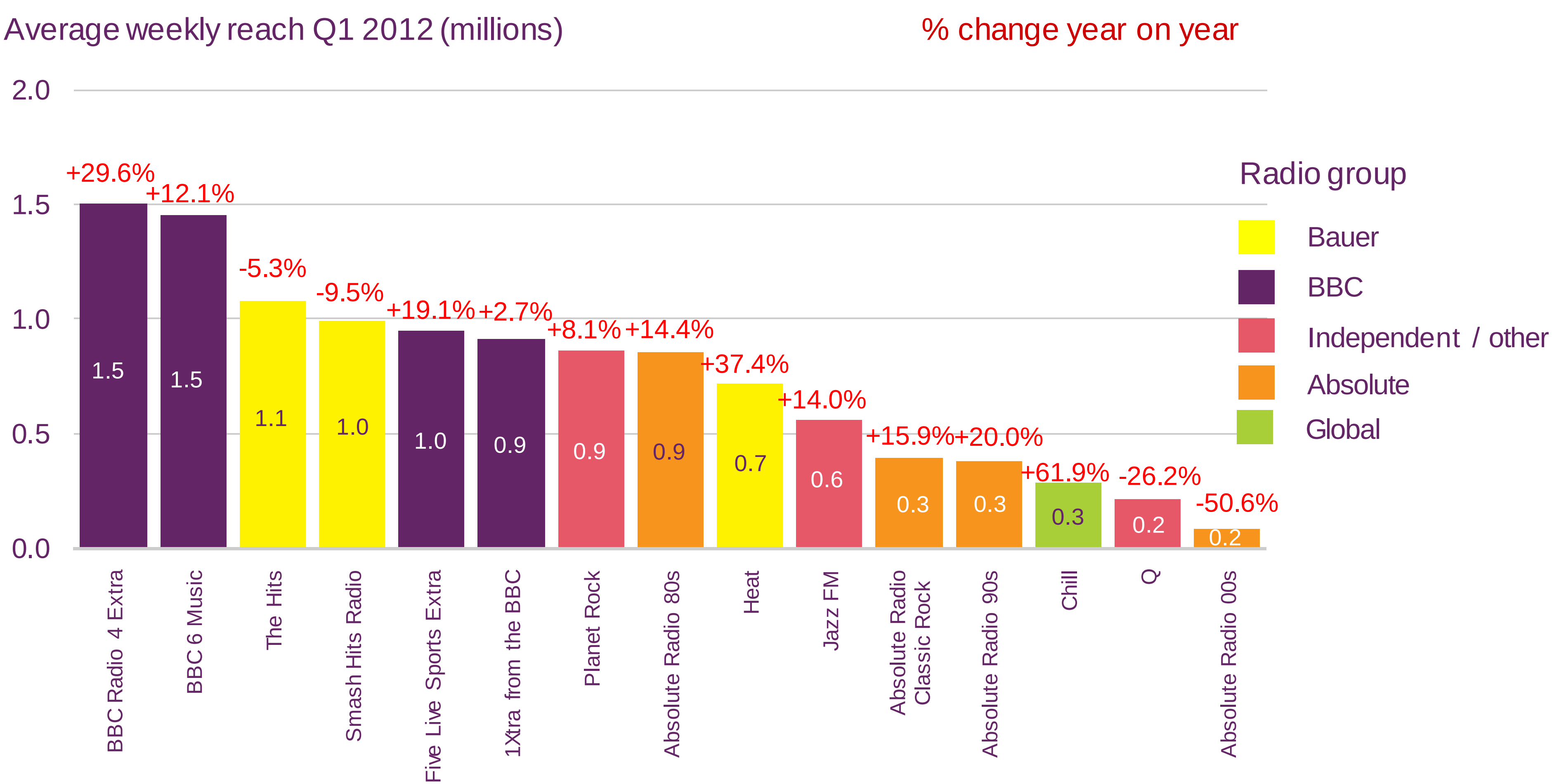
Audience profiles and platform split, by sector and station, year ending Q1 2012



Source: RAJAR, year ending Q1 2012, adults 15+

Figure 3.40

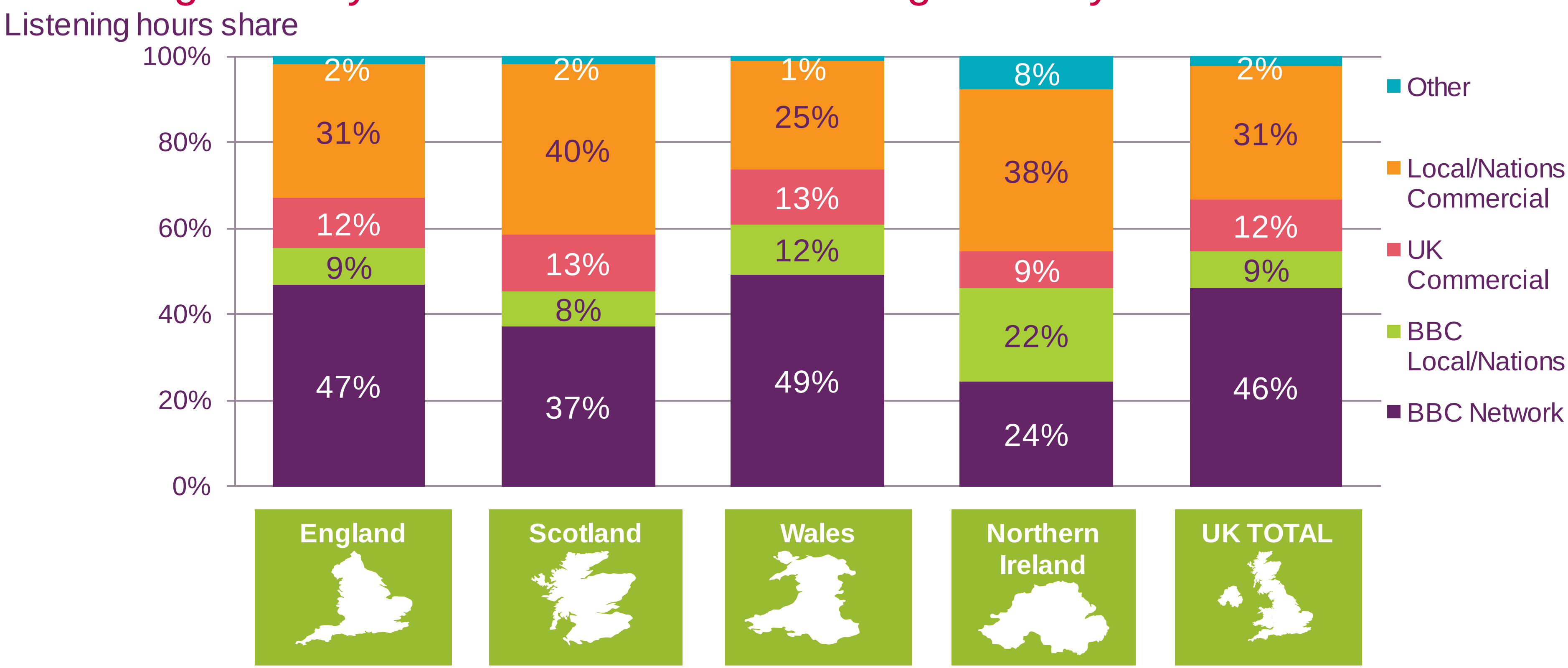
Most popular digital-only stations, Q1 2012



Source: RAJAR, Q1 2012, adults 15+

Figure 3.41

Average weekly reach and share of listening hours by nation: 2011

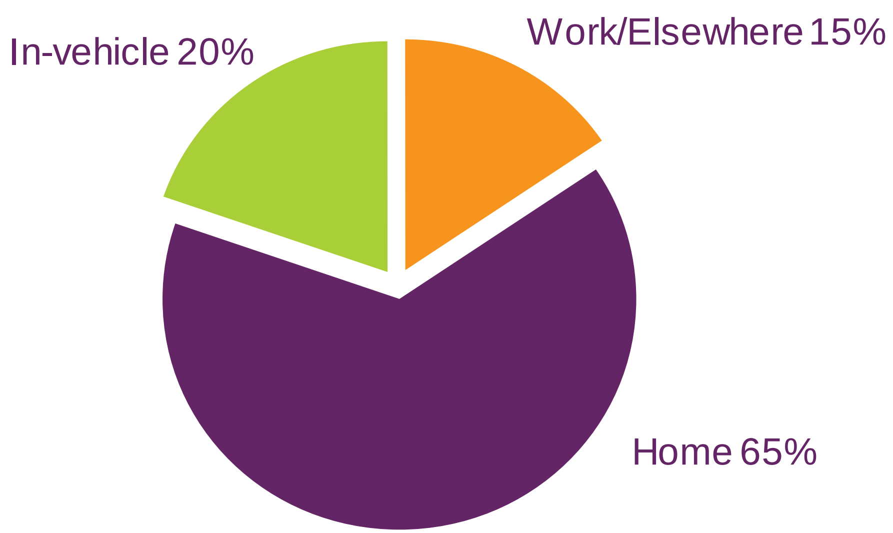


	England	Scotland	Wales	Northern Ireland	UK TOTAL
Average weekly listening	22.5 hours	21.4 hours	23.2 hours	22.0 hours	22.5 hours
Reach	91.1%	87.3%	93.2%	90.1%	91.0%

Source: RAJAR, All adults (15+), calendar year 2011

Figure 3.42

Location of listening – year to Q1 2012

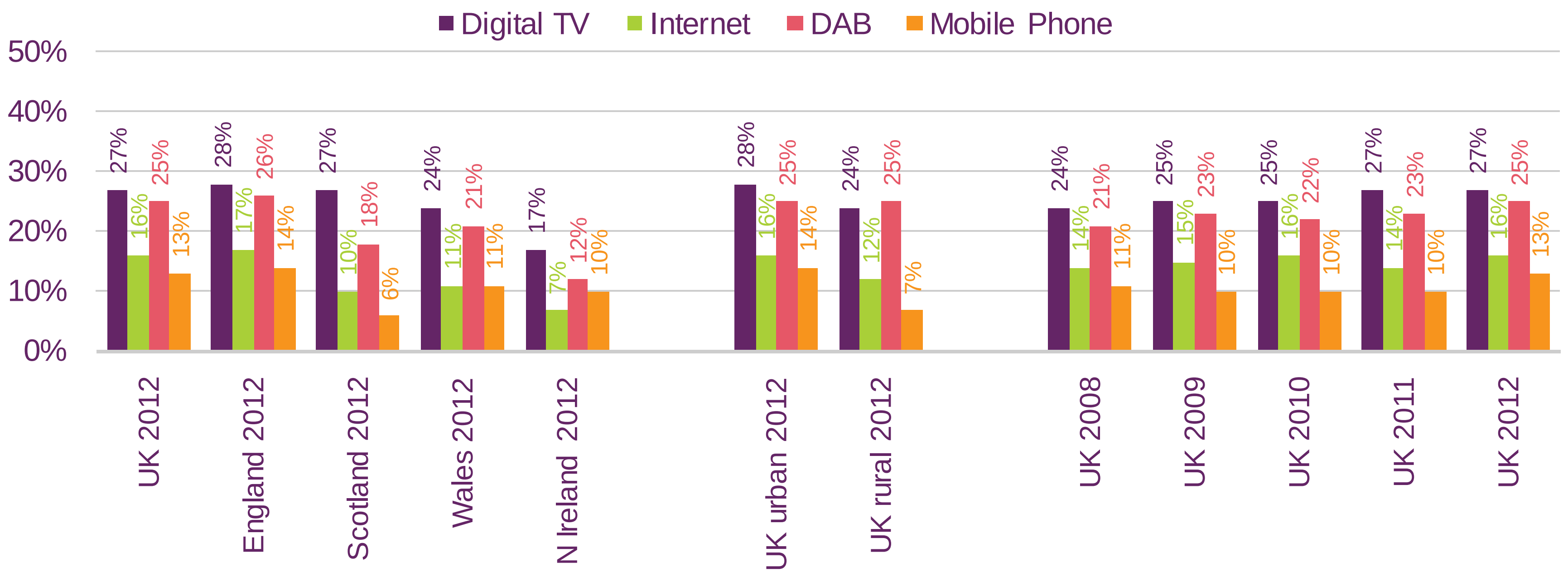


Source: RAJAR, year ending Q1 2012, all adults 15+

Figure 3.43

Listening to radio via internet, digital television, DAB set and mobile phone

Proportion of respondents (%) who have listened to radio via digital television, internet, DAB set or mobile phone

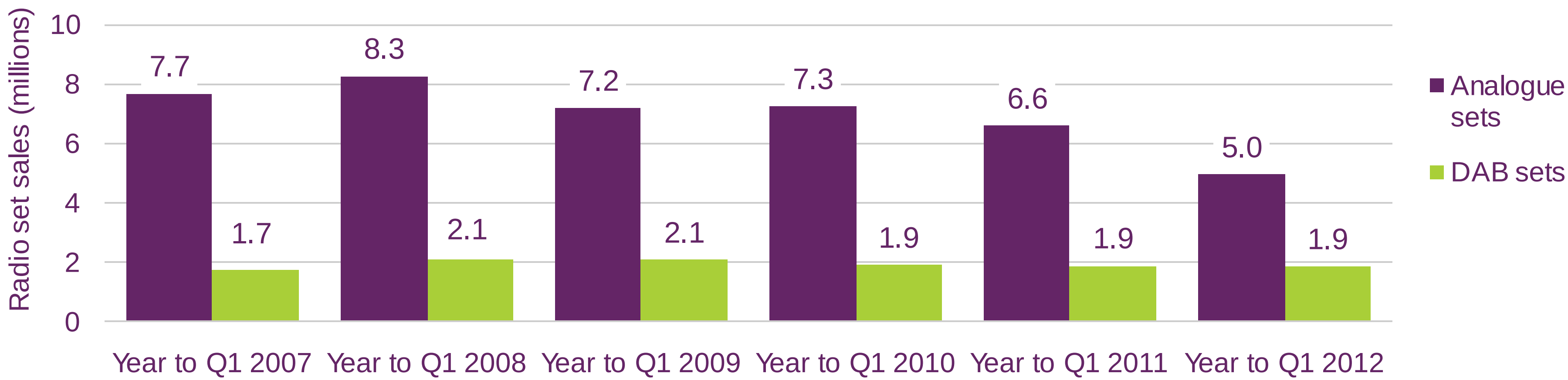


Source: Ofcom research, Quarter 1 2012
Base: All adults aged 16+ (n = 3772 UK, 2251 England, 500 Scotland, 513 Wales, 508 Northern Ireland, 2731 UK urban, 1041 UK rural, 5812 UK 2008, 6090 UK 2009, 9013 UK 2010, 3474 UK 2011, 3772 UK 2012) QP3. How often, if at all, do you access the radio via – Digital radio via: TV, Internet, DAB radio, mobile phone?

Figure 3.44

Number of analogue and digital radio sets sold 2006 to 2011

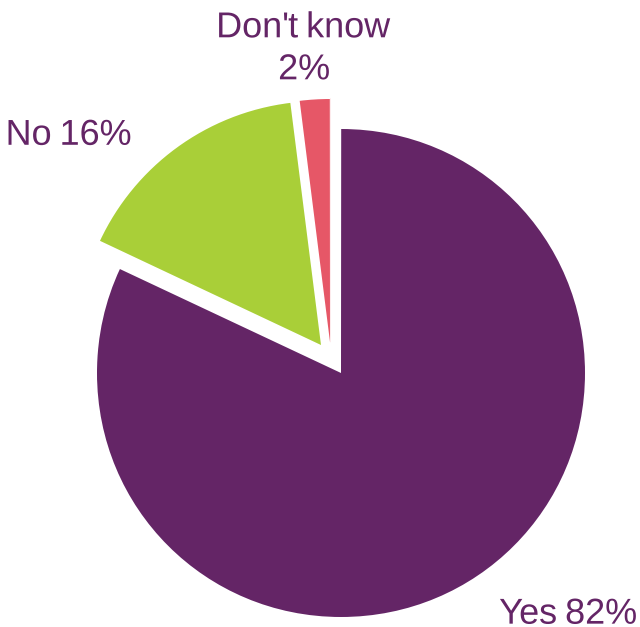
Total annual sales	9.4 million	10.4 million	9.3 million	9.2 million	8.5 million	6.8 million
Digital share of sales	18.5%	20.1%	22.5%	20.9%	22.3%	27.4%



Source: GfK sales data, 2006-2012. Note: Figures cover GB only, GfK Panelmarket data represent over 90% of the market. Categories of device included are; portable radios, personal media players, car audio systems, home audio systems, clock radios, radio recorders, headphone stereos, tuners and receivers.

Figure 3.45

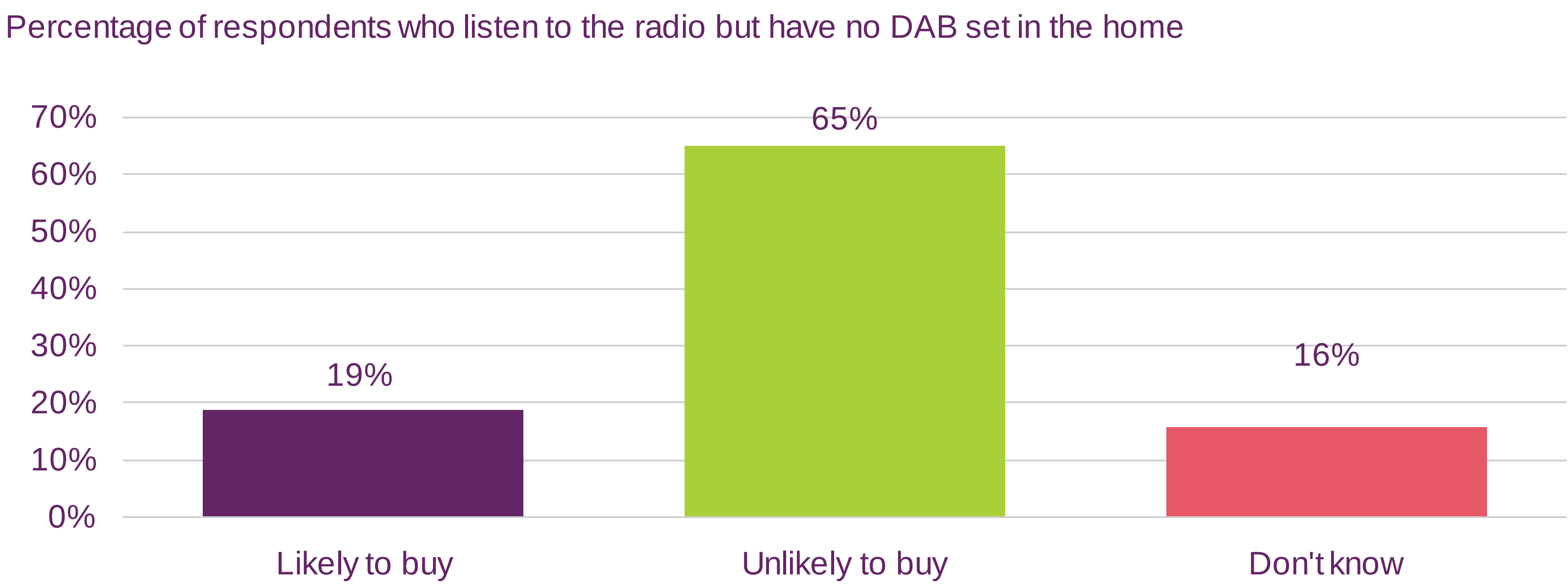
Have you heard of the term ‘DAB’ digital radio?



Source: Ofcom research 2012

Figure 3.46

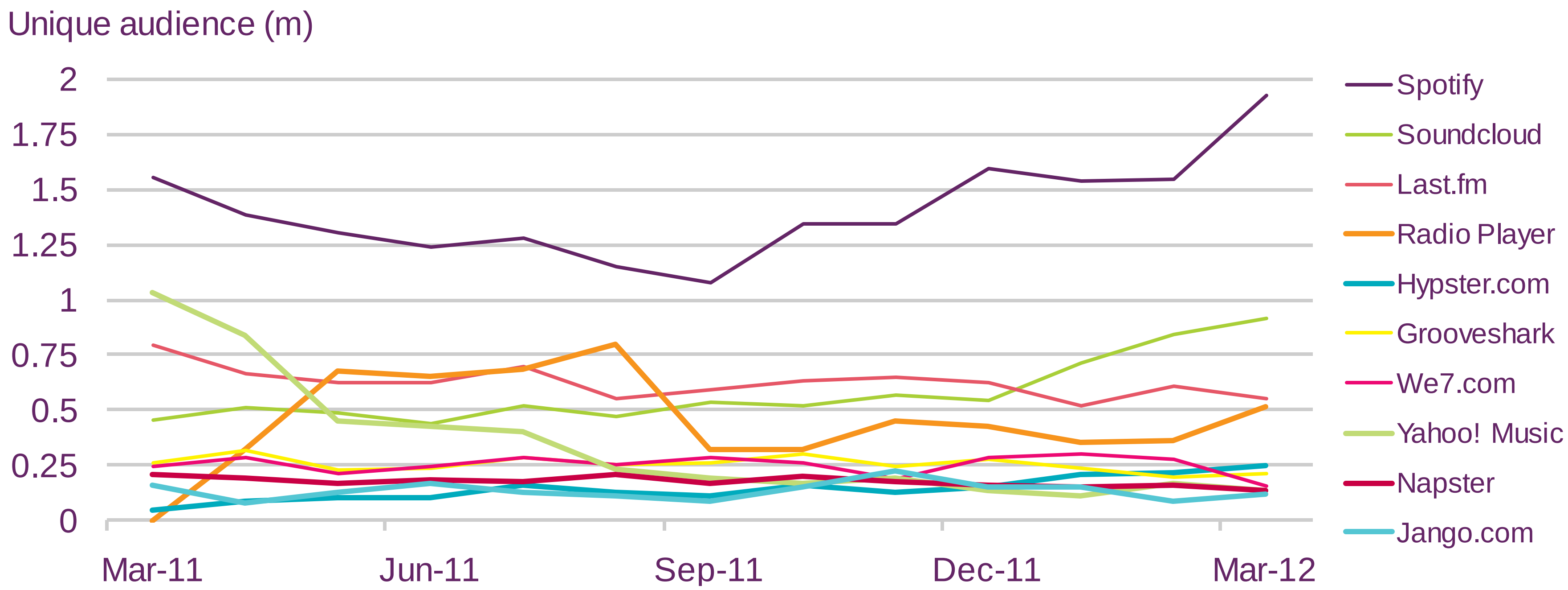
Likelihood to buy a DAB radio within the next 12 months



Source: Ofcom research, Q1 2012
Base: Those who listen to the radio but have no DAB sets in the home (n=1855)
QP12: How likely is it that your household will get a DAB radio in the next 12 months?

Figure 3.47

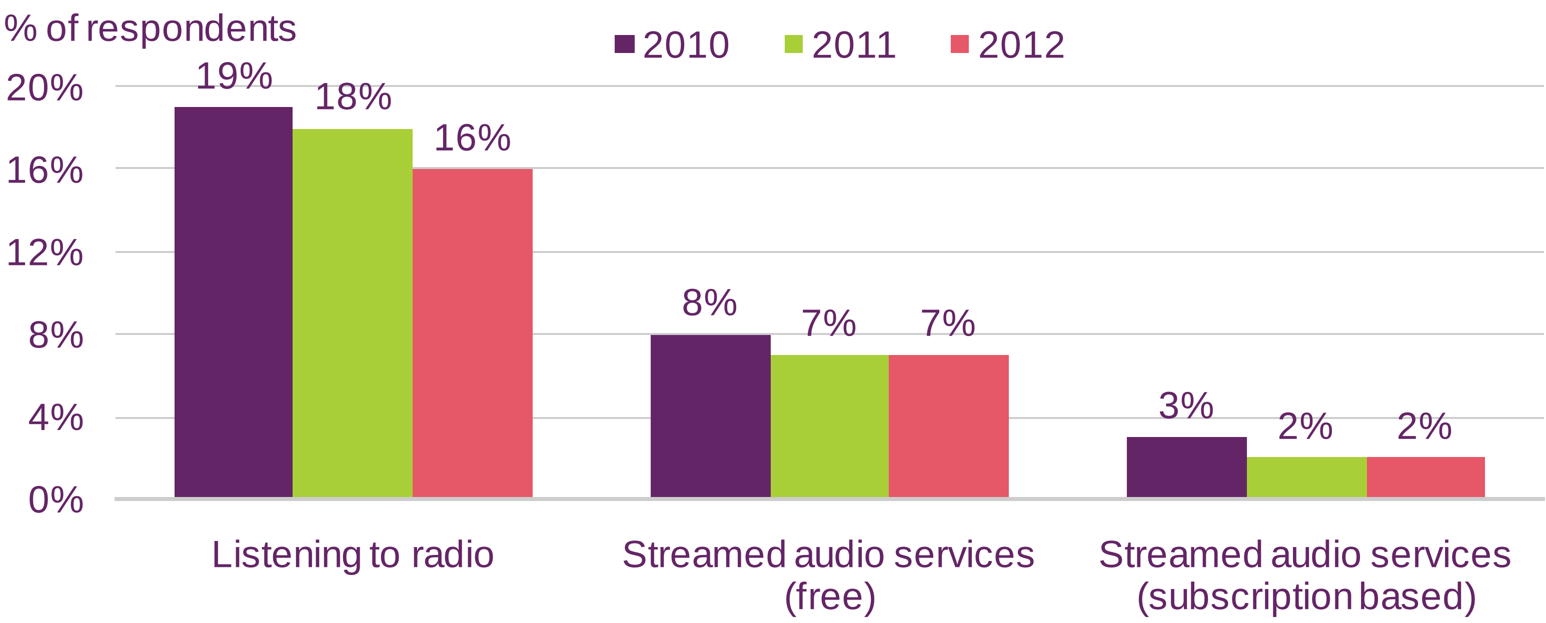
Unique audience of selected music streaming sites



Source: UKOM / Nielsen. Month of April 2012, home and work panel. Applications included. Radio player data starts Apr 11

Figure 3.48

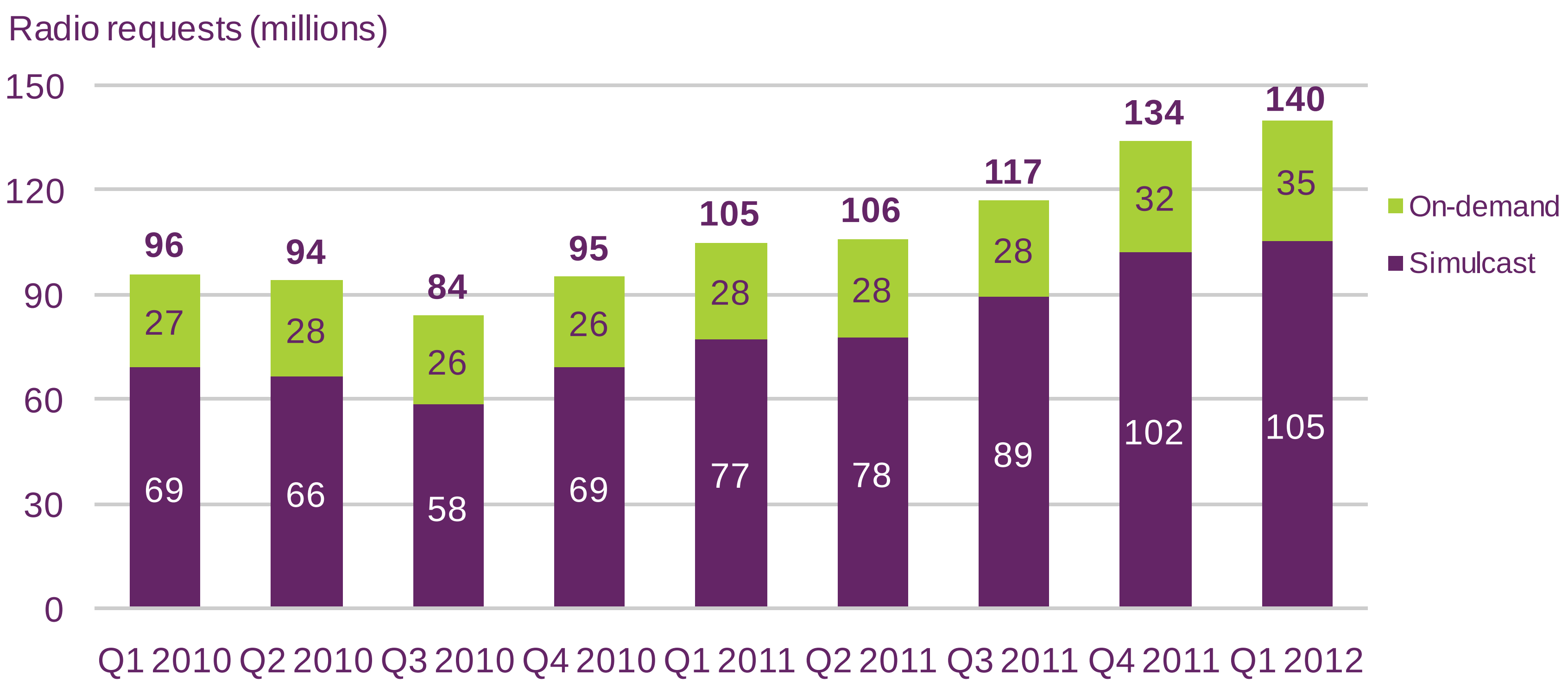
Audio internet usage



Source: Ofcom research, Q1 2012
Base: Those with access to the internet at home (n= 2823)
QE5A. Which, if any, of these do you or members of your household use the internet for whilst at home?

Figure 3.49

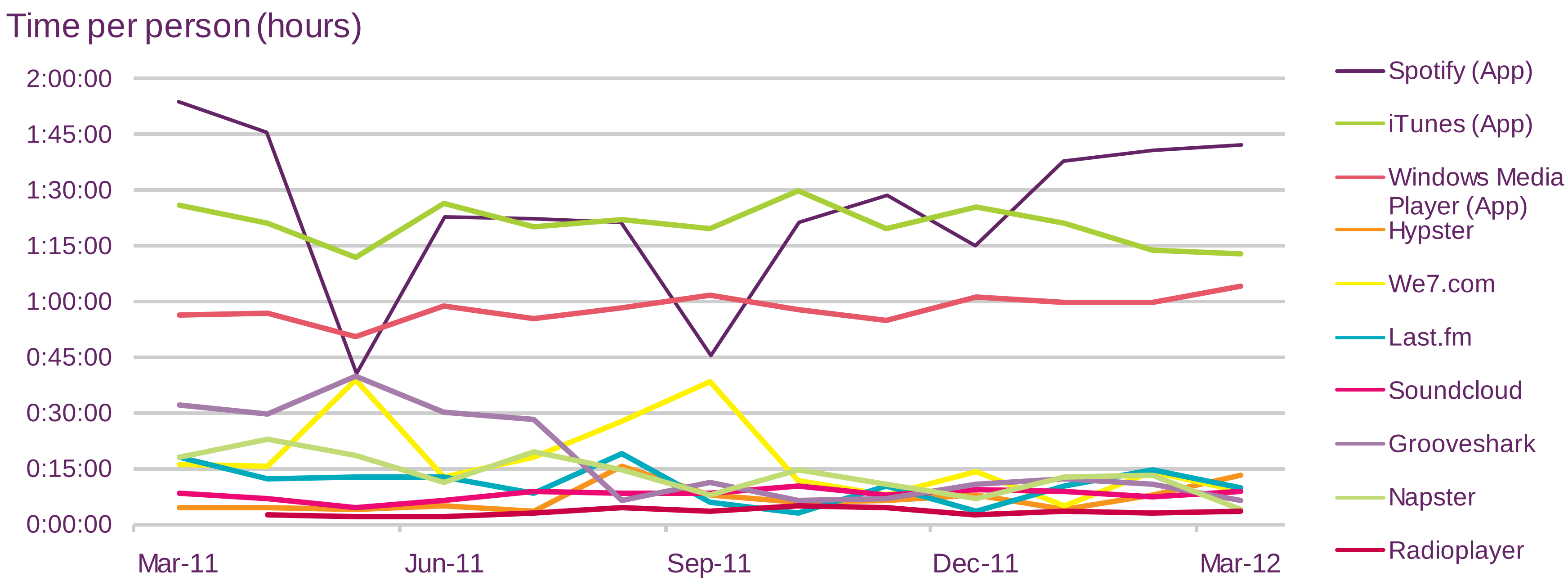
BBC iPlayer quarterly radio requests



Source: Ofcom calculations based on BBC iStats

Figure 3.50

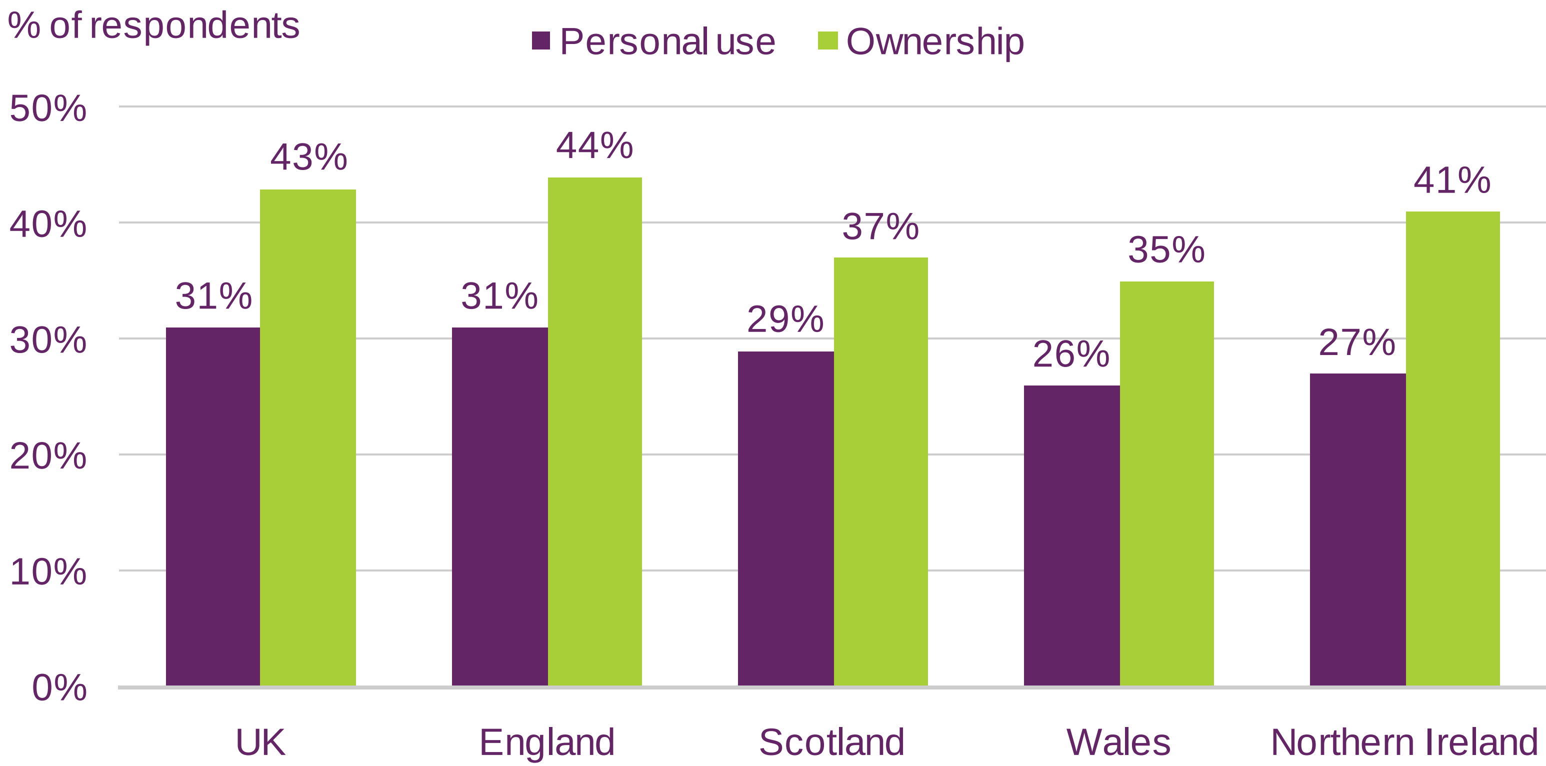
Time spent using selected music services and media players



Source: UKOM/Nielsen. Month of April 2012. Home and work panel. Applications included. No radio player data for March 2011

Figure 3.51

MP3 player/iPod ownership and personal use



Source: Ofcom research, Quarter 1 2012
Base: All adults aged 16+ (n = 3772 UK, 2251 England, 500 Scotland, 513 Wales, 508 Northern Ireland)
QB1: Which of the following do you, or does anyone in your household, have in your home at the moment?
QB2. Do you personally use: MP3 player/ iPod?
Please note data not comparable to 2010 figures