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# **The Communications Market: Digital Radio Report**

Ofcom's eighth annual digital progress report

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**Research document:**

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## About this document

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This report is Ofcom's eighth annual publication on the progress of digital radio in the UK. It is intended to provide an update on the availability, take-up, listening patterns, and attitudes towards digital radio, as originally requested by Government in 2010 as part of its Digital Radio Action Plan.

This report primarily uses data from RAJAR and Ofcom's own consumer research; it serves as a reference tool for industry, stakeholders and consumers. We have published the data in an interactive tool, which is available at: <https://www.ofcom.org.uk/research-and-data/tv-radio-and-on-demand/radio-research/digital-radio-reports/digital-radio-report-2017-interactive-data>

# Executive summary

## Basis of report publication

In July 2010 the Government launched its Digital Radio Action Plan.<sup>1</sup> As part of this, it requested that Ofcom produce an annual review of the digital radio market. The Action Plan was launched to ensure that if and when digital switchover occurs in radio, it can be delivered at a time when the market is ready, and in a way that protects the needs of listeners.

The Government stated that it would consider a decision on whether to set a date for digital radio switchover when the following criteria were met:

- when 50% of all radio listening is via digital platforms; and
- when national DAB<sup>2</sup> coverage is comparable to FM, and local DAB reaches 90% of the population and all major roads.

The Action Plan was finalised in November 2013, and on 16 December 2013 the Government announced that while there had been steady growth in digital listening, it was not yet the time to commit to a switchover. The last version of the Digital Radio Action Plan was published in January 2014.

Although the Action Plan has concluded, Ofcom continues to monitor digital radio coverage, take-up and attitudes. This is Ofcom's eighth Digital Radio Report. It serves as an update to the data points in the previous reports that were produced as part of the Action Plan. It looks at availability and coverage, current take-up and listening patterns, and draws on Ofcom's consumer research to cover attitudes to, and awareness of, digital radio.

In this report 'digital radio' is used in its broadest sense to include all platforms and technologies that allow listeners to access digital radio services. This includes DAB, internet-delivered radio services and radio services available via television platforms (e.g. Freeview, Sky and Virgin).

This year we are using an interactive data visualisation tool to present the data, alongside the executive summary in this document, to improve the way we present data. This gives the ability to explore the data on digital radio in greater depth and create customised views. The tool can be found here: <https://www.ofcom.org.uk/research-and-data/tv-radio-and-on-demand/radio-research/digital-radio-reports/digital-radio-report-2017-interactive-data>

## Data sources

This report uses a range of data drawn from the following sources:

- RAJAR data on radio listening and DAB radio take-up (Q3 2017).

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<sup>1</sup> The Digital Radio Action Plan is available here:

<https://www.gov.uk/government/publications/digital-radio-action-plan>

<sup>2</sup> DAB stands for digital audio broadcasting, which is the digital radio broadcast technology adopted in the UK.

- Ofcom Technology Tracker research data<sup>3</sup> – take-up of services and devices (note that DAB radio set take-up is taken from RAJAR), location of radio sets in the home, awareness of digital radios and devices that can be used to receive digital radio, experiences of digital radio, and likelihood of purchasing DAB sets.
- Ofcom licensing data – local DAB coverage data, analogue coverage data and number of commercial radio stations, as of October 2017.
- BBC data – BBC coverage and number of BBC radio stations, as of October 2017.
- Arqiva coverage data for national commercial DAB coverage, as of October 2017.
- GfK retail equipment sales statistics (year to Q3 2017).
- Society of Motor Vehicle Manufacturers and Traders (SMMT) data on the number of DAB radios in newly-registered cars (Q3 2017).

As with any survey data, Ofcom’s Technology Tracker data are subject to an error margin; more information on this can be found in the Technical Report.<sup>4</sup>

The position of the radio section in Ofcom’s Technology Tracker was changed in the 2017 survey. It is likely that this change has had some impact on trend data, so year-on-year comparisons have not been provided.

## Key points

Figure 1: DAB coverage

		UK-wide BBC	UK-wide commercial DAB		Local DAB <sup>5</sup>
			Digital One	Sound Digital	
UK	Homes	97.4%	91.7%	77.0%	c. 90%
	Major roads	87.4%	80.2%	66.9%	c. 76%
England	Homes	98.4%	94.8%	80.7%	
	Major roads	94.5%	93.9%	82.1%	
Scotland	Homes	95.3%	81.7%	65.4%	
	Major roads	69.1%	45.5%	32.5%	

<sup>3</sup> The Ofcom Technology Tracker is conducted across varying waves of research, referred to in this report as Q2 for 2012-2014 (conducted May-July), and H2 for 2015-2017 (conducted July-September in 2015 and 2016, and July-August in 2017).

<sup>4</sup> The Ofcom Technology Tracker Half 2 2017 Technical Report:

[https://www.ofcom.org.uk/data/assets/pdf\\_file/0022/107365/Tech-Tracker-Technical-Report-H2-2017.pdf](https://www.ofcom.org.uk/data/assets/pdf_file/0022/107365/Tech-Tracker-Technical-Report-H2-2017.pdf)

<sup>5</sup> Local DAB figures are estimated as details for the last few local DAB transmitters were being finalised when this report was published. We will publish updated figures in due course.

		UK-wide BBC	UK-wide commercial DAB		Local DAB <sup>5</sup>
			Digital One	Sound Digital	
Wales	Homes	92.2%	67.5%	52.0%	
	Major roads	78.1%	53.3%	34.8%	
Northern Ireland	Homes	87.3%	85.4%	56.8%	
	Major roads	79.3%	86.9%	55.0%	

**Figure 2: Take-up and consumption of digital radio**

	2017	2016
Household DAB radio take-up	61%	57%
Household internet take-up	89%	86%
Household TV take-up	97%	95%
Digital share of total radio listening	48.8%	45.5%
DAB share of total digital listening	73.6%	71.1%
Online share of total digital listening	16.3%	17.6%
TV share of total digital listening	10.0%	11.3%

### DAB coverage and availability varies throughout the UK

Digital radio services are available through DAB, television and the internet. Coverage of DAB in particular varies: as shown in Figure 1, there are considerable differences between the UK nations. The number of local DAB digital radio services available also varies across the UK. In total there are 337 radio stations broadcasting on DAB. Of these, 31 are UK-wide commercial services and 11 are BBC UK-wide stations. The total number of DAB stations ranges from 264 broadcasting in England, to 76 in Scotland, 62 in Wales and 53 in Northern Ireland.<sup>6</sup> There are 595 radio stations broadcasting on analogue, including three UK-wide commercial stations and five UK-wide BBC stations.

<sup>6</sup> The national stations broadcast in all four nations, and some local stations broadcast in more than one nation, so the nations' totals do not add up to the overall total.

Television and internet services are widely available across the UK.<sup>7</sup> The range and number of radio services available on digital TV platforms varies by platform and location. As an example of the volume of radio stations available online, the database of stations available on TuneIn (an online service which streams live radio content through a browser or app) included around 120,000 internationally accessible stations in November 2017.

**Almost three-quarters of both analogue and DAB listeners are aged over 35, compared to 57% of online listeners**

Nine in ten adults listen to the radio each week, and this ranges from 83% of 15-24s to 94% of 55-64s. Almost half of the time spent listening to any radio (48.8%) is now through a digital platform. However, the availability of 31 UK-wide commercial stations on DAB, compared to just three on analogue, means that 74.4% of listening to these services is through digital. This is compared to 50.8% of listening that is digital for the BBC UK-wide services. Most digital listening is through DAB, with almost three-quarters of digital hours (73.6%) coming from this platform. Lower proportions of digital listening are via the internet (16.3%) and through the television (10.0%).

There are similarities in the age profile of those who listen through an analogue radio set and those who listen through a DAB radio; more than seven in ten of both types of listener are aged over 35 (72% of analogue listeners and 73% of DAB listeners). This contrasts with online radio listeners, of whom 43% are aged under 35. The split between men and women is similar across most platforms, with the exception of DTV, where 58% of listeners are female.

**Although digital share of listening across the UK is now just under 50%, it ranges from 31% in Northern Ireland to more than 60% in parts of England**

There are differences across the country in terms of the proportion of hours that are consumed through a digital platform. The lowest digital share of listening is in Northern Ireland, where less than a third (31.2%) of hours are listened to digitally. This contrasts with Berkshire, in south-east England, where 60.4% of listening is through a digital platform.

There are only two digital-only stations that reach more than two million listeners: BBC 6 Music (2.4 million adults, 4.5% of the population) and BBC Radio 4 Extra (2.2 million adults, 4.0% of the population). The highest-ranked commercial digital-only station is Kisstory with 1.8 million listeners per week (3.3% of the population). Listeners to UK-wide analogue services broadcast solely on AM rather than on FM are taking advantage of the improved sound quality available on digital platforms.<sup>8</sup> For example, BBC Radio 5 Live, available on AM but not on FM, has a greater proportion of its hours attributed to digital platforms (57%). Similarly, the BBC's World Service currently has limited analogue availability in the UK (BBC Radio 4 overnight only) but is available full-time on digital platforms, which results in 82% of its hours attributed to digital platforms.

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<sup>7</sup> Coverage details can be found in Ofcom's *Connected Nations* Report: <https://www.ofcom.org.uk/research-and-data/multi-sector-research/infrastructure-research>

<sup>8</sup> For technical reasons, sound quality for services broadcast using AM generally lags FM sound quality and may be more subject to interference.

### **While the majority of listening in the home is through a digital platform, digital share of listening while on the road remains below 31%**

The most common location to listen to the radio is in the home, with 71% of adults listening here each week. Adults are more likely to listen digitally here rather than through an analogue radio set, with digital accounting for 54.7% of listening hours at home. Six in ten UK adults (61%) now have a DAB set at home, although this ranges from 41% of adults in parts of Wales to three-quarters of adults in the Salisbury area. DAB is the main digital platform at home, accounting for 70.6% of digital listening hours in the home.

However, for the 64% of adults who listen to the radio while on the road, analogue is still the primary platform, taking 69.1% share of listening. The proportion of newly-registered cars in the UK which have DAB sets installed has now risen to 87.5% (Q3 2017), which represents a year-on-year increase of 2.2 percentage points. The volume of newly-registered cars fell 9% since Q3 last year. This increase in availability in cars is beginning to influence listening figures; one in four adults (25.8%) now listen to DAB radio each week while in a vehicle, more than double the 2014 figure (12.2%).

### **Digital radio sales were down compared to 2016 but fell at a slower rate than total radio sales**

The number of digital radios sold in the year to Q3 2017 was lower than in the previous year, down from 1.6 million to 1.5 million, representing 37% of total radio sales. The total number of radio sets sold during this period was 4.1 million, down from 4.7 million the previous year. More than half of those who said they have any radio sets in the home reported having one in the kitchen (56%), while around four in ten said they had one in their lounge (39%) and about a third (34%) said they had one in an adult's bedroom. Ninety-seven per cent of households have digital televisions through which people can listen to digital radio, and 89% have an internet connection.

Almost nine in ten people (87%) claimed to be aware of digital radios, while 11% stated that they were not aware of them. Six in ten (60%) said they were aware that TV sets can receive radio services, while less than six in ten were aware that internet-connected computers (56%) and smartphones (55%) can do so.

### **High-quality sound and a wider choice of stations are the features most commonly experienced with digital radio**

Digital radio listeners were asked which features of digital radio they had experienced. "Clear and high-quality sound" and "a wider choice of stations" were the two most popular answers, chosen by around six in ten respondents (63% and 57% respectively), while 18% of listeners said they had not experienced any of the features listed.

Fifteen per cent of radio listeners without a DAB radio set in the home said they were likely to buy one in the next year. More than one in five (22%) said that they didn't know if they would do so, while 63% said they were unlikely to. Among those unlikely to do so, about six in ten (59%) said it was because they had "no need for the service", while 42% said they were "happy to use the existing service".