3. Radio and audio
## UK radio industry key metrics

<table>
<thead>
<tr>
<th>UK radio industry</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Weekly reach of radio (% of population)</td>
<td>89.5%</td>
<td>89.8%</td>
<td>90.6%</td>
<td>90.8%</td>
<td>89.5%</td>
<td>90.4%</td>
</tr>
<tr>
<td>Average weekly hours per head</td>
<td>20.1</td>
<td>19.8</td>
<td>20.1</td>
<td>20.5</td>
<td>22.2</td>
<td>21.5</td>
</tr>
<tr>
<td>BBC share of listening</td>
<td>55.7%</td>
<td>55.3%</td>
<td>55.2%</td>
<td>54.7%</td>
<td>54.7%</td>
<td>54.6%</td>
</tr>
<tr>
<td>Total industry revenue</td>
<td>£1,129m</td>
<td>£1,101m</td>
<td>£1,137m</td>
<td>£1,164m</td>
<td>£1,203m</td>
<td>£1,178m</td>
</tr>
<tr>
<td>Commercial revenue</td>
<td>£478m</td>
<td>£439m</td>
<td>£452m</td>
<td>£457m</td>
<td>£475m</td>
<td>£454m</td>
</tr>
<tr>
<td>BBC expenditure</td>
<td>£644m</td>
<td>£653m</td>
<td>£675m</td>
<td>£697m</td>
<td>£717m</td>
<td>£713m</td>
</tr>
<tr>
<td>Community radio revenue</td>
<td>£7.5m</td>
<td>£9.0m</td>
<td>£10.0m</td>
<td>£10.5m</td>
<td>£10.8m</td>
<td>£10.9m</td>
</tr>
<tr>
<td>Radio share of advertising spend</td>
<td>3.4%</td>
<td>3.5%</td>
<td>3.3%</td>
<td>3.3%</td>
<td>3.3%</td>
<td>3.1%</td>
</tr>
<tr>
<td>DAB digital radio take-up (households)</td>
<td>32.1%</td>
<td>34.5%</td>
<td>38.2%</td>
<td>42.6%</td>
<td>44.3%</td>
<td>47.9%</td>
</tr>
</tbody>
</table>

Source: RAJAR (all adults age 15+), Ofcom calculations based on figures in BBC Annual Report and Accounts 2013-14 note 2c (www.bbc.co.uk/annualreport), AA/Warc, broadcasters. Revenue figures are nominal. DAB take up - Q1 of the following year.
Figure 3.2
Radio industry revenue and spending 2008-2013

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. Community radio revenue is included in the total, but not shown on the chart.
Figure 3.3

Commercial revenue percentage change 2012-2013

Percentage change in revenue

-10%  -5%   0%    5%   10%

-10%  -5%    0%    5%   10%

-4.4% -8.4%  0.8% -5.3%

All commercial radio  National advertising  Local advertising  Sponsorship

Source: Ofcom / operator data 2012-2013
Figure 3.4

BBC station expenditure percentage change 2012-13 to 2013-14

Annual % change of BBC radio station expenditure

<table>
<thead>
<tr>
<th>Station</th>
<th>Percentage Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>BBC 1Xtra</td>
<td>-16.9%</td>
</tr>
<tr>
<td>BBC Asian Network</td>
<td>-16.9%</td>
</tr>
<tr>
<td>BBC Radio 5 Live</td>
<td>-12.5%</td>
</tr>
<tr>
<td>BBC Radio 5 Live Sports Extra</td>
<td>-7.1%</td>
</tr>
<tr>
<td>BBC Radio 1</td>
<td>-2.6%</td>
</tr>
<tr>
<td>BBC Radio 2</td>
<td>-2.1%</td>
</tr>
<tr>
<td>BBC Local/National</td>
<td>-1.9%</td>
</tr>
<tr>
<td>BBC Radio 4</td>
<td>-1.2%</td>
</tr>
<tr>
<td>BBC 4 Extra</td>
<td>2.8%</td>
</tr>
<tr>
<td>BBC 6Music</td>
<td>4.3%</td>
</tr>
<tr>
<td>BBC Radio 3</td>
<td>4.4%</td>
</tr>
</tbody>
</table>

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.
Figure 3.5

Proportion of media and communications activities across the day

Source: Digital Day 7-day diary
Base: All activity records for adults aged 16+ (108782) - data aggregated to 15 min slots
Note: The base of media activities changes every 15 min slot so is much lower during sleeping hours
Figure 3.6

Media and communications activities while travelling, by time of day

Source: Digital Day 7 day diary
Base: All activity records for adults aged 16+ while travelling (10484) - data aggregated to 15 min slots
Note: The base of media activities changes every 15 min slot, so is much lower during sleeping hours
Weekly reach of live radio = 77%

Source: Digital Day 7 day diary
Base: All adults 16+ (1644) - data aggregated to 15 min slots
Figure 3.8

Proportion of listening activities, by age group

Average time spent*
Hours:mins
All adults 1:51 16-24 1:39 25-34 1:44 35-44 1:56 45-54 2:11 55-64 1:52 65+ 1:42

Source: Digital Day 7 day diary
Base: All listening activity records for adults 16+ (17290), 16-24 (999), 25-34 (2342), 35-44 (4113), 45-54 (4334), 55-64 (3284), 65+ (2218)

*Average time spent is the total average daily time spent listening to media, including simultaneous activity
Figure 3.9
Digital radio’s share of radio listening, Q1 2014

Digital radio platforms’ share of all radio hours

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’
Listening to radio via TV, internet and mobile phone

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

Source: Ofcom research, Quarter 1 2014
Figure 3.11

Ownership of DAB sets: Q1 2014

Percentage of adults who claim to own a DAB set / have a DAB set in the home

Source: RAJAR / Ipsos MORI / RSMB Q1 2006-2014
Figure 3.12
Take-up of equipment capable of receiving radio: Q1 2014

Year-on-year increase (pp)  
+2  -1  +5  +10  +20

Share of households

80%  
60%  
40%  
20%  
0%

Internet  82  
TV  97  
DAB radio  48  
Smartphone  61  
Tablet  44

Source: Research from: Ofcom, RAJAR Q1 2014
Figure 3.13

Radio industry revenue 2008-2013

Source: Ofcom / operator data / BBC Annual Report 2008-2013
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. Total includes community radio, but community radio is not shown on the chart.
Figure 3.14

UK radio advertising spend and share of total advertising: 2008-2013

Revenue (£m) - Share of total advertising revenue

2008: 560.3 (3.4%)  
2009: 505.5 (3.5%)  
2010: 523.0 (3.3%)  
2011: 532.5 (3.3%)  
2012: 552.7 (3.3%)  
2013: 536.8 (3.1%)

Source: AA/Warc Advertising Expenditure report. Figures are nominal.
Figure 3.15

Commercial radio revenue per listener

Source: Broadcaster returns and RAJAR, 2008-2013. Figures are nominal.
Figure 3.16

Number of commercial analogue licences owned, by group

Source: Ofcom, May 2014
The 6-10 station segment includes Communicorp UK
Figure 3.17

Share of all radio listening hours: Q1 2014

Percentage share of listening hours

- BBC network, 46.6%
- BBC local/regional, 8.3%
- Global, 17.6%
- Bauer, 13.4%
- Communicorp UK, 2.4%
- UTV, 3.4%
- Orion, 0.7%
- Other, 7.6%

Source: RAJAR, all adults (15+), Q1 2014. Base: National Total Survey Area
Figure 3.18
Commercial radio by weekly audience reach: Q1 2014

Weekly UK audience reach

<table>
<thead>
<tr>
<th>Company</th>
<th>Weekly reach (thousands)</th>
<th>Annual change in reach*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Global</td>
<td>21,154</td>
<td>+2.7pp</td>
</tr>
<tr>
<td>Bauer</td>
<td>15,925</td>
<td>+3.6pp</td>
</tr>
<tr>
<td>UTV</td>
<td>4,580</td>
<td>0.3%</td>
</tr>
<tr>
<td>Communicorp</td>
<td>3,183</td>
<td>0</td>
</tr>
<tr>
<td>UKRD</td>
<td>1,180</td>
<td>+0.1</td>
</tr>
<tr>
<td>Orion</td>
<td>1,164</td>
<td>0</td>
</tr>
<tr>
<td>Lincs FM</td>
<td>665</td>
<td>0</td>
</tr>
</tbody>
</table>

Source: RAJAR, all adults (15+), Q1 2014. Base: National Total Survey Area * Q1 ‘13 and Q1 ‘14
UKRD figures include The Local Radio Company
Weekly reach of BBC stations: Q1 2014

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

- **BBC Radio 2**: 28.9% (+0.9)
- **BBC Radio 4**: 20.8% (+0.3)
- **BBC Radio 1**: 20.3% (-0.6)
- **BBC Local/Regional**: 17.6% (0)
- **BBC Radio 5 live**: 11.6% (-0.2)
- **BBC Radio 3**: 3.8% (-0.2)
- **BBC 6 Music**: 3.5% (+0.3)
- **BBC Radio 4 Extra**: 3.1% (-0.1)
- **BBC World Service**: 2.6% (0)
- **1Xtra from the BBC**: 2.1% (+0.1)
- **BBC 5 live Sports Extra**: 1.9% (+0.1)
- **BBC Asian Network UK**: 1.1% (+0.1)

Source: RAJAR, all adults (15+), year ending Q1 2014
Figure 3.20

BBC radio stations: spend on radio content, 2012-13

<table>
<thead>
<tr>
<th>Station</th>
<th>Cost (£m)</th>
<th>Change (2012-13)</th>
</tr>
</thead>
<tbody>
<tr>
<td>BBC Local Radio</td>
<td>115.4</td>
<td>0.6%</td>
</tr>
<tr>
<td>BBC Radio 4</td>
<td>91.8</td>
<td>0.8%</td>
</tr>
<tr>
<td>BBC Radio 5 Live</td>
<td>49.2</td>
<td>-10.5%</td>
</tr>
<tr>
<td>BBC Radio 2</td>
<td>47.8</td>
<td>0%</td>
</tr>
<tr>
<td>BBC Radio 3</td>
<td>40.8</td>
<td>6.5%</td>
</tr>
<tr>
<td>BBC Radio 1</td>
<td>40.2</td>
<td>-1.2%</td>
</tr>
<tr>
<td>BBC Radio Scotland</td>
<td>22.6</td>
<td>-2.6%</td>
</tr>
<tr>
<td>BBC Radio Ulster/BBC Radio Foyle</td>
<td>17.4</td>
<td>2.4%</td>
</tr>
<tr>
<td>BBC Radio Wales</td>
<td>13.4</td>
<td>-3.6%</td>
</tr>
<tr>
<td>BBC Radio Cymru</td>
<td>11.7</td>
<td>-6.4%</td>
</tr>
<tr>
<td>BBC 6Music</td>
<td>7.9</td>
<td>6.8%</td>
</tr>
<tr>
<td>BBC Asian Network</td>
<td>6.6</td>
<td>-20.5%</td>
</tr>
<tr>
<td>BBC 1Xtra</td>
<td>5.6</td>
<td>-25.3%</td>
</tr>
<tr>
<td>BBC 4 Extra</td>
<td>4.1</td>
<td>2.5%</td>
</tr>
<tr>
<td>BBC Radio nan Gàidhail</td>
<td>3.8</td>
<td>0%</td>
</tr>
<tr>
<td>BBC Radio 5 Live Sports Extra</td>
<td>2.4</td>
<td>-11.1%</td>
</tr>
</tbody>
</table>

Source: BBC Annual Report 2013-14
Figure 3.21

Analogue UK radio stations broadcasting May 2014

<table>
<thead>
<tr>
<th>Type of station</th>
<th>AM</th>
<th>FM</th>
<th>AM/FM total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local commercial</td>
<td>54</td>
<td>237</td>
<td>291</td>
</tr>
<tr>
<td>UK-wide commercial</td>
<td>2</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>BBC UK-wide networks</td>
<td>1</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>BBC local and nations*</td>
<td>35</td>
<td>46</td>
<td>46</td>
</tr>
<tr>
<td>Community radio</td>
<td>7</td>
<td>208</td>
<td>215</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>99</strong></td>
<td><strong>496</strong></td>
<td><strong>560</strong></td>
</tr>
</tbody>
</table>

Source: Ofcom, May 2014

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. * Includes simulcasts.
Figure 3.22

Average income for community radio stations: 2008 to 2013

<table>
<thead>
<tr>
<th>Income</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average (mean)</td>
<td>£84,000</td>
<td>£75,500</td>
<td>£65,750</td>
<td>£60,250</td>
<td>£57,000</td>
<td>£55,500</td>
</tr>
<tr>
<td>income</td>
<td>(-10.2%)</td>
<td>(-12.9%)</td>
<td>(-8.3%)</td>
<td>(-5.4%)</td>
<td>(-2.7%)</td>
<td></td>
</tr>
<tr>
<td>Median income</td>
<td>£53,750</td>
<td>£46,750</td>
<td>£42,500</td>
<td>£40,500</td>
<td>£35,250</td>
<td>£33,250</td>
</tr>
<tr>
<td></td>
<td>(-15.0%)</td>
<td>(-7.14%)</td>
<td>(-4.8%)</td>
<td>(-13.1%)</td>
<td>(-5.6%)</td>
<td></td>
</tr>
</tbody>
</table>

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 3.23

Distribution of total income levels across the community radio sector

Proportion of stations (%)

Source: Ofcom analysis of community broadcasters’ returns. Figures rounded.
Community radio income, by source

Community radio stations’ income 2013

Income by type
The average community radio station income was around £55,500

Source: Ofcom analysis of community broadcasters’ returns
Figure: 3.25

Average income by type of community served

Source: Ofcom analysis of community broadcasters’ returns
Figure 3.26

Average expenditure for community radio stations: 2008 to 2013

<table>
<thead>
<tr>
<th>Expenditure</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average (mean)</td>
<td>£86,500</td>
<td>£76,500</td>
<td>£67,000</td>
<td>£64,250</td>
<td>£58,000</td>
<td>£55,000</td>
</tr>
<tr>
<td>expenditure</td>
<td>(-11.4%)</td>
<td>(-12.3%)</td>
<td>(-4.1%)</td>
<td>(-9.7%)</td>
<td>(-5.0%)</td>
<td></td>
</tr>
<tr>
<td>Median</td>
<td>£55,000</td>
<td>£52,250</td>
<td>£43,000</td>
<td>£41,000</td>
<td>£35,500</td>
<td>£35,750</td>
</tr>
<tr>
<td>expenditure</td>
<td>(5.3%)</td>
<td>(-17.5%)</td>
<td>(-4.9%)</td>
<td>(-15.4%)</td>
<td></td>
<td>(2.7%)</td>
</tr>
</tbody>
</table>

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.
Community radio station expenditure, by type

Expenditure by type
The average community radio station income was around £55,000

Source: Ofcom analysis of community broadcasters’ returns
Figure: 3.28

Average expenditure by type of community served

Source: Ofcom analysis of community broadcasters' returns
Figure 3.29

Community radio hours and volunteers

<table>
<thead>
<tr>
<th></th>
<th>Sector average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total live hours per week</td>
<td>78</td>
</tr>
<tr>
<td>Total original hours per week</td>
<td>90</td>
</tr>
<tr>
<td>Speech output as a percentage of total daytime output</td>
<td>30%</td>
</tr>
<tr>
<td>Number of volunteers</td>
<td>82</td>
</tr>
</tbody>
</table>

Source: Ofcom analysis of community broadcasters’ returns
Figure 3.30

Recorded music retail revenues: 2011-2013

Revenue (£m)

<table>
<thead>
<tr>
<th>Year</th>
<th>Total</th>
<th>Subscription</th>
<th>Streaming</th>
<th>Singles</th>
<th>Albums</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>1,022</td>
<td>156</td>
<td>866</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2012</td>
<td>1,048</td>
<td>77</td>
<td>801</td>
<td>171</td>
<td></td>
</tr>
<tr>
<td>2013</td>
<td>1,043</td>
<td>103</td>
<td>772</td>
<td>168</td>
<td></td>
</tr>
</tbody>
</table>

Year on year change:
- Total: -0.5%
- Subscription: 33.7%
- Streaming: -1.6%
- Singles: -3.6%

Source: Entertainment Retailers’ Association / Official Charts. Figures are nominal.
Figure 3.31

Distribution of recorded music retail revenues: 2011-2013

Total recorded music revenues

<table>
<thead>
<tr>
<th>Year</th>
<th>Digital format split in 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>67% 67% 33%</td>
</tr>
<tr>
<td>2012</td>
<td>56% 56% 44%</td>
</tr>
<tr>
<td>2013</td>
<td>52% 52% 48%</td>
</tr>
</tbody>
</table>

Digital share: Streaming 21%, Albums 47%, Singles 33%
Physical share: 67%, 56%, 52%

Source: Entertainment Retailers' Association / Official Charts
Figure 3.32

Recorded music sales, by volume: 2009-2013

Source: Entertainment Retailers’ Association / Official Charts
Figure 3.33

Reach of radio, by sector

Percent of population

Source: RAJAR, All adults (15+), calendar years 2008-2013, Q1 2014
Figure 3.34

Share of listening hours, by sector

Source: RAJAR, All adults (15+), calendar years 2008-2013, Q1 2014
Figure 3.35

Weekly listening hours by age group, 2001-2013

Source: RAJAR, average weekly listening per listener, 2003-2013
Figure 3.36

Percentage change in time spent listening, by age group: 2008-2013

Percentage change in average weekly listening hours

Source: RAJAR, all adults 15+. Calendar years 2008 and 2013
Figure 3.37

Percentage change in time spent listening, by sector: 2008-2013

Percentage change in average listening hours

Source: RAJAR, all adults 15+. Calendar years 2008 and 2013
Figure 3.38

Average weekly listening by demographic, year ending Q1 2014

Weekly listening hours

Average listening per week: 21.4 hours

Source: RAJAR, all adults (15+), year ending Q1 2014, average weekly listening hours per listener
Figure 3.39
Location of listening – year to Q1 2014

Source: RAJAR, year ending Q1 2014  all adults 15+
Figure 3.40

Share of listening hours across analogue and digital platforms

Source: RAJAR, all adults (15+), data relates to Q1 results as shown
Note: ‘Unspecified‘ relates to listening where the radio platform was not confirmed by the listener
Figure 3.41

Platform split by sector and station: year ending Q1 2014

Source: RAJAR, year ending Q1 2014, adults 15+
Figure 3.42
Most popular digital-only stations - UK, Q1 2014

Average weekly reach Q1 2014 (millions)  % change year on year

Source: RAJAR, year ending Q1 2014 adults 15+
Figure 3.43

Share of listening hours, by nation

Listening hours share

<table>
<thead>
<tr>
<th>Country</th>
<th>Average Weekly Listening Reach</th>
<th>Local/Nations Commercial</th>
<th>UK Commercial</th>
<th>BBC</th>
<th>Local/Nations</th>
<th>BBC Network</th>
</tr>
</thead>
<tbody>
<tr>
<td>England</td>
<td>21.6 hours</td>
<td>30%</td>
<td>13%</td>
<td>47%</td>
<td>8%</td>
<td>2%</td>
</tr>
<tr>
<td>Scotland</td>
<td>20.6 hours</td>
<td>37%</td>
<td>14%</td>
<td>37%</td>
<td>14%</td>
<td>4%</td>
</tr>
<tr>
<td>Wales</td>
<td>21.7 hours</td>
<td>24%</td>
<td>10%</td>
<td>51%</td>
<td>8%</td>
<td>3%</td>
</tr>
<tr>
<td>Northern Ireland</td>
<td>19.8 hours</td>
<td>34%</td>
<td>10%</td>
<td>21%</td>
<td>10%</td>
<td>12%</td>
</tr>
<tr>
<td>UK TOTAL</td>
<td>21.4 hours</td>
<td>30%</td>
<td>13%</td>
<td>46%</td>
<td>8%</td>
<td>3%</td>
</tr>
</tbody>
</table>

Source: RAJAR, All adults (15+), calendar year 2014
Figure 3.44

Number of analogue and digital radio sets sold

Digital share of sales: 20.1% 22.7% 20.9% 22.6% 27.6% 32.9% 34.9%

Retail set sales (millions)

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

Likelihood to buy a DAB radio within the next 12 months

Percentage of respondents who listen to the radio but have no DAB set in the home

- Likely to buy: 17%
- Unlikely to buy: 67%
- Don't know: 16%

Source: Ofcom research, Q1 2014
Base: Those who listen to the radio but have no DAB sets in the home (n=1679)
QP12: How likely is it that your household will get a DAB radio in the next 12 months?
Figure 3.46

Unique audiences of selected music streaming sites

Unique audience (thousands)

Source: comScore MMX UK, total digital population 18+, March 2014
Figure 3.47

Number of music streaming services used by age

% of adults with internet access

Use any:

Total 16-24 25-34 35-44 45-54 55-64 65+

55% 90% 73% 62% 42% 27% 14%

Source: Ofcom research, March 2014
Base: All with internet access (N=1,650) - Number of services used is amongst those who use any i.e. excludes zeros Question: Q4 Which, if any, of the following music streaming services do you use?
Figure 3.48

Number of subscriptions to online music services: 2007-2012

Number of subscriptions (thousands)

Source: IHS Screen Digest
Figure 3.49

BBC iPlayer quarterly radio requests

Radio requests (millions)

Source: Ofcom calculations based on BBC iStats
Note: A change in methodology means that Q1 2013 is not comparable to previous data.
Figure 3.50

BBC iPlayer requests year on year by device type

Source: BBC iStats