



# International Communications Market Report 2015

## 4 Radio and audio

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## 4.1 Key market developments in radio and audio

### 4.1.1 Industry metrics and summary

This section provides a global overview and country-level analysis of radio and audio markets in the 18 comparator countries. It focuses on three topics – key market developments in the sector, industry revenues, and trends among radio and audio consumers.

- The *key market developments* section looks at the growth in radio revenues among our comparator countries.
- The *radio industry* section examines global radio revenues and looks at revenues among our comparator countries in 2014 in detail, and at the availability of broadcast radio in each country.
- The *audio consumer* section presents the findings of our online consumer research into radio set ownership, radio listening and the use of connected devices to listen to radio and other audio content such as audio streaming.

**Figure 4.1 Key radio metrics: 2014**

	UK	FRA	GER	ITA	USA	JPN	AUS	ESP	NED	SWE	POL	SGP	KOR	BRA	RUS	IND	CHN	NGA
Total industry revenue (£bn)	1.2	1.1	3.0	0.4	12.5	0.7	0.6	0.3	0.3	0.3	0.1	0.1	0.2	0.3	0.3	0.2	1.3	0.1
Revenue change (% YOY)	3.6	1.9	3.4	-1.5	3.4	-2.4	3.1	1.9	1.3	5.7	0.4	4.0	2.8	4.3	7.0	14.0	9.8	4.5
Revenues per capita (£)	18.7	16.7	36.4	5.9	39.3	5.5	26.3	7.4	16.0	29.4	2.7	16.0	3.1	1.6	2.0	0.2	1.0	0.3
% income from public licence fees	60.0	38.9	79.3	23.5	N/A	5.2	N/A	N/A	30.6	78.1	6.5	N/A	22.3	N/A	N/A	N/A	N/A	N/A

Sources: Ofcom, PwC. All figures are nominal.

The key developments during the year include:

- **Radio revenue has increased each year since 2010.** Combined radio revenue among the 18 comparator countries analysed in this report grew again in 2014, increasing by 3.5% to reach £22.9bn.
- **Revenue growth was due to an increase in all three types of revenue: advertising, subscription and public radio licence fees.** The largest absolute increase was in the US, where advertising and subscription revenues grew by a combined £412.3m.
- **Among countries with public radio licence fees, absolute revenue growth was highest in Germany.** Revenue grew by £99m in Germany in 2014, an increase of

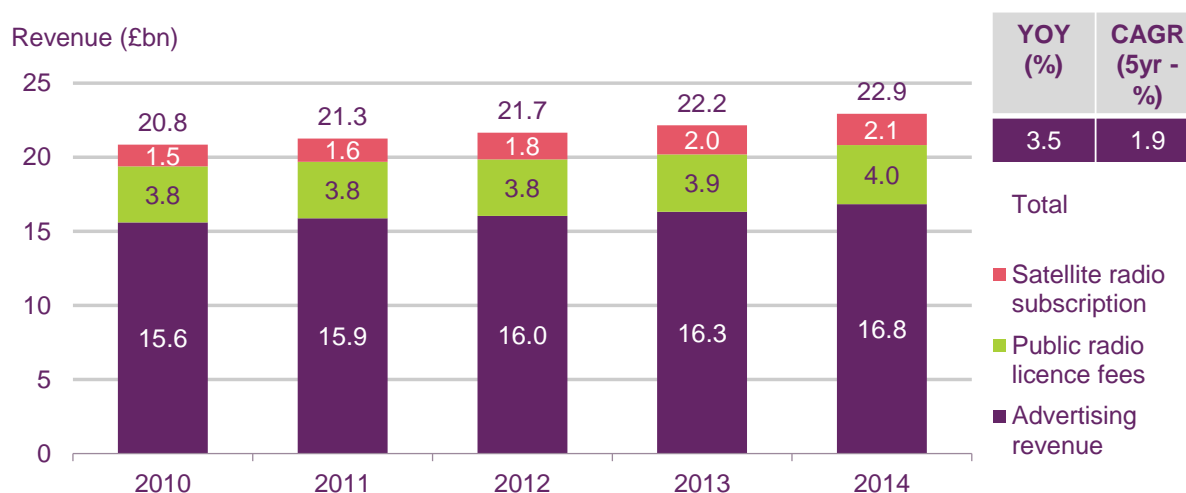
3.4% on 2013. Sweden and the UK also saw significant growth in 2014 for both advertising and public radio licence fee revenue, with total growth of 5.7% and 3.6%, respectively.

#### 4.1.2 Radio revenues among comparator countries was up by 3.5% in 2014

##### Radio revenue has increased each year since 2010

Total radio revenues among the 18 comparator countries analysed in this report grew again in 2014, increasing by 3.5% (Figure 4.2). All revenue streams increased, particularly advertising revenue, growing by 3.2% to reach £16.8bn, alongside a 3.1% increase in public radio licence fees. The US is still the only one of our comparator countries that has satellite radio subscription as a revenue stream, growing by 7.4% in 2014 to £2.1bn.

**Figure 4.2 Total radio revenues for the 18 comparator countries**

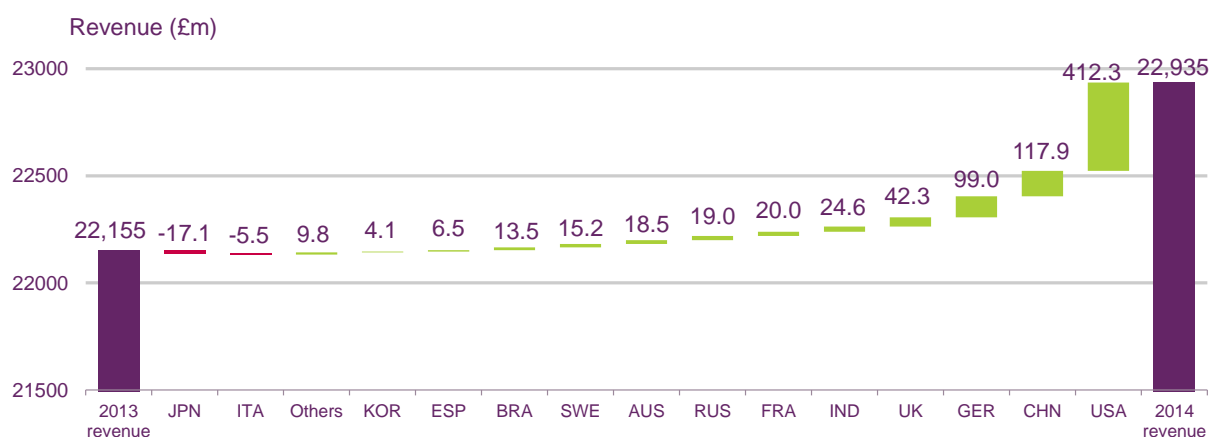


Source: Ofcom analysis based on data from PwC Global Entertainment and Media Outlook 2015-2019 @ [pwc.com/outlook](http://pwc.com/outlook). Interpretation and manipulation of data are solely Ofcom's responsibility. Ofcom has used an exchange rate of \$1.648 to the GBP, representing the IMF average for 2014. Note that the UK radio industry figure is sourced from broadcaster returns made to Ofcom. All figures expressed in nominal terms.

##### Revenues fell in Japan and Italy, but this was offset by revenue growth among all other comparator countries

As Figure 4.3 illustrates, ten of the 18 comparator countries reported revenue increases in excess of £10m between 2013 and 2014. The largest absolute increase was in the US, where advertising and subscription revenues both increased. The four BRIC countries were among those reporting increases in excess of £10m. Germany reported the largest increase in revenue among European countries, predominantly arising from an increase in public radio licence fees. The two countries where revenue fell were Italy and Japan; these were both a result of declining advertising revenues. The UK reported a notable increase of £42.3m, following a drop in revenue of £25m in 2013, mainly due to an increase in national advertising.

**Figure 4.3 Absolute changes in radio revenue, by country: 2013-2014**



Source: Ofcom analysis based on data from PwC Global Entertainment and Media Outlook 2015-2019 @ [pwc.com/outlook](http://pwc.com/outlook). Interpretation and manipulation of data are solely Ofcom's responsibility. Ofcom has used an exchange rate of \$1.648 to the GBP, representing the IMF average for 2014. 'Others' are the comparator countries not set out in the chart where revenue change in each was less than £4m. Note that the UK radio industry figure is sourced from broadcaster returns made to Ofcom. All figures expressed in nominal terms.

### Revenue growth is due to increases across all three types of revenue

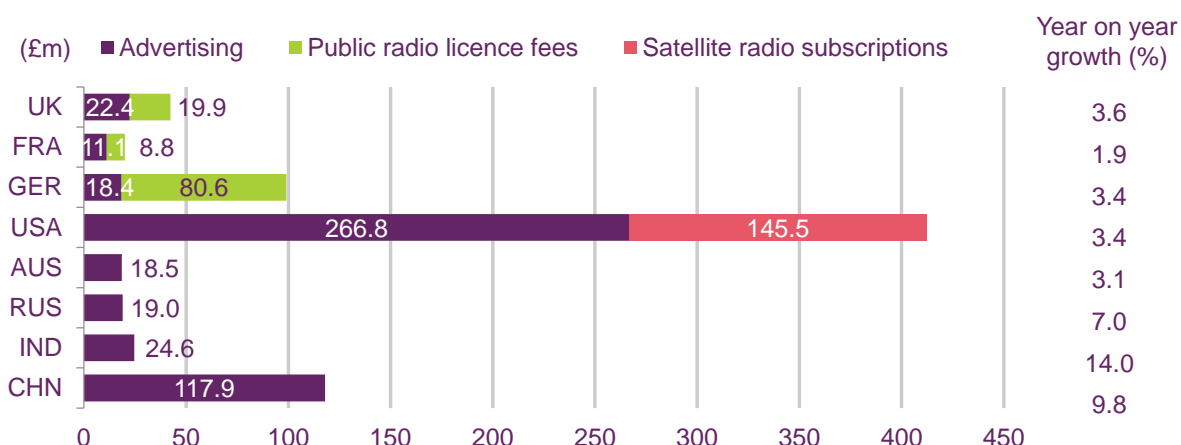
As Figure 4.4 shows, the increase in revenue was led by the US, where advertising and subscription revenues both increased. The increase of £266.8m in advertising subscriptions constitutes 2.6% year-on-year growth. Subscription revenues increased by £145.5m in 2014, with year-on-year growth of 7.4%. Sirius XM, the company that provides satellite radio services in the US, increased its subscriber base by 1.75 million in 2014, totalling 27.3 million subscribers in 2014.<sup>114</sup>

The next largest absolute growth was in China, where advertising grew by £117.9m, constituting year-on-year growth of 9.8%. Russia and India also reported strong growth in advertising revenue. India, in particular, reported significant year-on-year growth of 14%, reflecting the rapidly growing radio industry.

The largest absolute increase in revenue among our European comparators was in Germany (£99.0m), driven by a 3.5% increase in public radio licence fees.

<sup>114</sup> Sirius XM, January 7 2015. *Investor Relations*. <http://investor.siriusxm.com/releasedetail.cfm?ReleaseID=890000> [Accessed 29 September 2015].

**Figure 4.4 The most substantial absolute increases in radio revenue, by component: 2013-2014**



Source: Ofcom analysis based on data from PwC Global Entertainment and Media Outlook 2015-2019 @ [pwc.com/outlook](http://pwc.com/outlook). Interpretation and manipulation of data are solely Ofcom's responsibility. Ofcom has used an exchange rate of \$1.648 to the GBP, representing the IMF average for 2014. Note that the UK radio industry figure is sourced from broadcaster returns made to Ofcom. All figures expressed in nominal terms.

#### The largest increase in public radio licence fee revenues in 2014 was in Germany

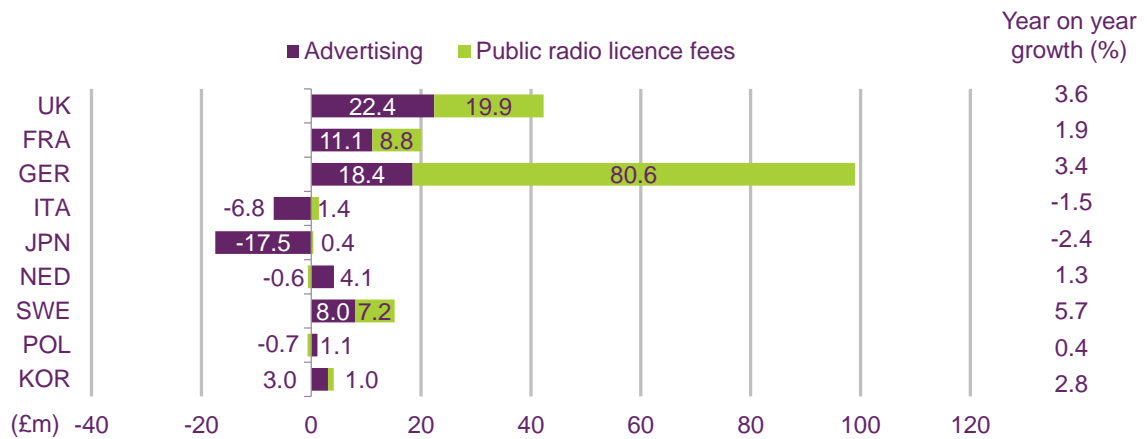
Of the 18 comparator countries, nine of the radio markets are part-funded by public radio licence fees. Year-on-year changes in these countries are set out in Figure 4.5. Germany had the largest absolute growth in revenue among these countries, with £99m growth driven by the £80.6m increase in public radio licence fees. It is possible that this growth in revenue was related to the introduction of the policy of one licence per household.<sup>115</sup> Sweden had the largest proportional increase in overall revenue, up by 5.7%.

Of the countries with licence fees, Japan had the largest decline in revenue in absolute terms, with a £17.5m decrease in 2014. Almost of all this is accounted for by a decrease in advertising revenue. This has fallen every year since the start of the global economic downturn in 2009, and is likely to be linked to the ageing radio listenership in Japan, which is not being replaced by the younger generation.<sup>116</sup>

<sup>115</sup> 'Licence fee for citizens', [https://www.rundfunkbeitrag.de/e175/e198/Informationsflyer\\_Buergerinnen\\_und\\_Buerger\\_english.pdf](https://www.rundfunkbeitrag.de/e175/e198/Informationsflyer_Buergerinnen_und_Buerger_english.pdf) [Accessed 5 October 2015].

<sup>116</sup> NHK Broadcasting Culture Research Institute, September 2015. *Present Situation Regarding Television Viewing and Radio Listening: A Summary of the Results of Nationwide Survey on Individual Audience Ratings conducted by NHK in June 2015*, p 8. [https://www.nhk.or.jp/bunken/english/reports/pdf/report\\_15091501.pdf](https://www.nhk.or.jp/bunken/english/reports/pdf/report_15091501.pdf) [Accessed 5 October 2015].

**Figure 4.5 Absolute changes in radio revenue among comparator countries with public radio licence fees, by component: 2013-2014**



Source: Ofcom analysis based on data from PwC Global Entertainment and Media Outlook 2015-2019 @ [pwc.com/outlook](http://pwc.com/outlook). Interpretation and manipulation of data are solely Ofcom's responsibility. Ofcom has used an exchange rate of \$1.648 to the GBP, representing the IMF average for 2014. Note that the UK radio industry figure is sourced from broadcaster returns made to Ofcom. All figures expressed in nominal terms.

## 4.2 The radio industry

### 4.2.1 Introduction

This section looks at the revenues generated by the commercial radio sectors in each comparator country, along with the levels of licence fee funding that are applied to radio services. We also look at the availability of broadcast radio in each country. The main findings include:

- **Global radio revenues stood at £28.1bn in 2014.** Global radio revenue rose by 3.9% in 2014 to reach £28.1bn. Global revenue has increased each year since 2010, as has each type of radio industry revenue.
- **Sixteen of our 18 comparator countries reported growth in revenue in 2014.** Revenues among the 18 comparator countries featured in this report grew by 3.5%. In the UK, radio revenues increased by 3.6% to £1.2bn, due to increases in national advertising and in public radio licence fees.
- **The only two of our comparator countries where revenue declined were Japan and Italy.** In Japan, there was a proportional decline of £17.1m, a 2.4% decrease on the 2013 figure, while in Italy revenue decreased by £5.5m, a 1.5% decrease year-on-year. These declines were mainly due to decreases in advertising revenue.
- **Revenue growth among the BRIC countries remains high;** India had the highest rate of proportional growth across all of our comparator countries at 14.0%, followed by China at 9.8%.
- **Public radio licence fees contributed the largest proportion of revenues in Germany, Sweden and the UK.** Germany had the highest public funding ratio, with 79% of revenue coming from public radio licence fees. Sweden followed closely with 78%, and in the UK 60% of radio revenues came from public radio licence fees.
- **The number of radio stations broadcasting in China and Nigeria more than trebled between 2009 and 2014,** with increases of 305% and 212%, respectively.
- **The UK had one of the largest proportions of digital broadcast stations among the comparator countries.** The 283 digital radio stations in the UK in 2014 represent 33% of all radio stations. Of all the comparator countries in 2014, this proportion is second only to Germany (37%).

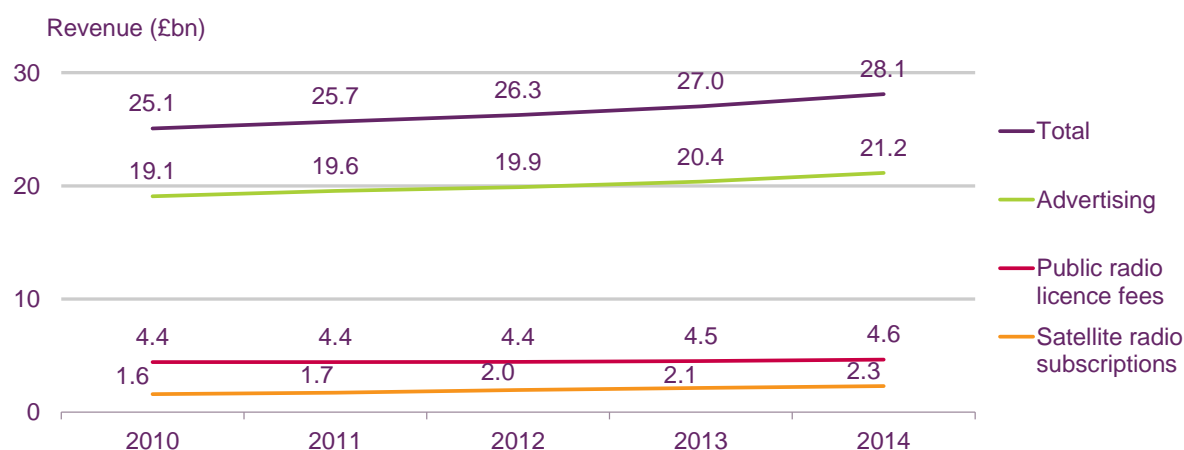
### 4.2.2 Global radio revenue

#### Global radio revenues stood at £28.1bn in 2014

Global radio revenue increased by 3.9% in 2014 to reach £28.1bn, as Figure 4.6 shows. Total revenue has increased each year since 2010, and each type of radio industry revenue has also grown year on year. Revenues from advertising, up by 3.8%, continue to contribute the largest proportion of total industry revenue, accounting for just over three-quarters (75.3%) of industry income. Public radio licence fees increased by 2.8% to total £4.6bn in 2014, while satellite radio subscription revenues rose by 7.4% to £2.3bn, representing the largest proportional growth but the smallest share of total revenue.



**Figure 4.6 Global radio revenue: 2010-2014**



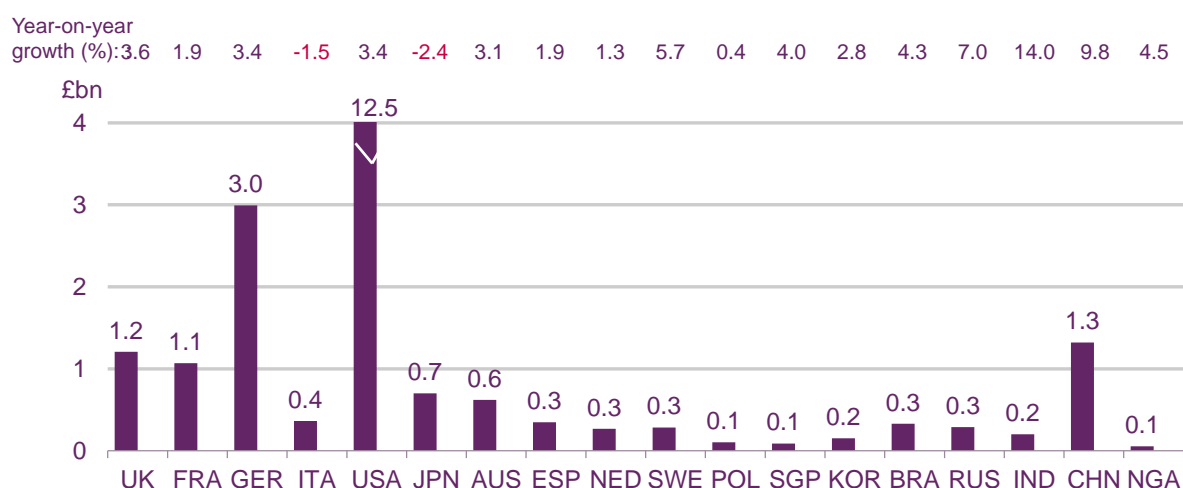
Source: Ofcom analysis based on data from PwC Global Entertainment and Media Outlook 2015-2019 @ pwc.com/outlook. Interpretation and manipulation of data are solely Ofcom's responsibility. Ofcom has used an exchange rate of \$1.648 to the GBP, representing the IMF average for 2014. All figures expressed in nominal terms.

### 4.2.3 Revenues among our comparator countries

#### Sixteen of our 18 comparator countries reported revenue growth in 2014

Revenues among the 18 comparator countries featured in this report grew by 3.5%, as discussed in section 4.1.2. Apart from Italy and Japan, all comparator countries reported an increase in radio revenue in 2014, with the largest proportional growth coming from India (14.0%) and China (9.8%). Overall proportional growth in BRIC countries and Nigeria (8.8%) was greater than overall proportional growth in European comparator countries (2.8%). Revenue growth in the US market, the largest among our comparator countries, grew by £412.3m to £12.5bn, representing a 3.4% increase. The US accounted for 54.7% of the total revenue of the comparator countries as a whole. Revenues in Italy and Japan decreased by 1.5% and 2.4% respectively, predominantly due to a drop in commercial revenue.

**Figure 4.7 Radio industry revenues: 2014**



Source: Ofcom analysis based on data from PwC Global Entertainment and Media Outlook 2015-2019 @ pwc.com/outlook. Interpretation and manipulation of data are solely Ofcom's responsibility. Ofcom has used an exchange rate of \$1.648 to the GBP, representing the IMF average for 2014. Note that the UK radio industry figure is sourced from broadcaster returns made to Ofcom. All figures expressed in nominal terms.

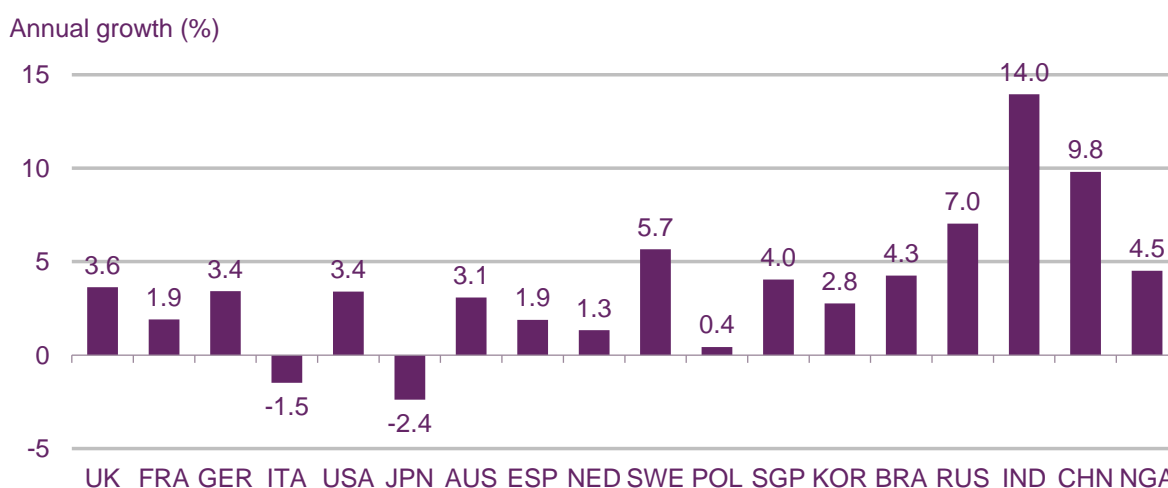
## Revenue growth remains high among the BRIC countries and Sweden, while Italy and Japan recorded proportional decline

As Figure 4.8 shows, the BRIC countries include the three fastest-growing markets in 2014. India had the highest rate of growth, at 14.0%, constituting the only double-digit percentage increase in 2014. This growth was a result of the Indian Government's partial auctions across 69 cities, which allowed for a potential of 135 channels, alongside growing demand for radio advertising.<sup>117</sup>

Of the European comparator countries, Sweden recorded the highest annual growth (5.7%). This may be explained by strong recovery in 2014 following the significant drops in advertising in 2012 and 2013.<sup>118</sup>

The largest proportional decline was in Japan (2.4%), the only other decline was in Italy (1.5%).

**Figure 4.8 Radio industry revenue annual growth: 2013-2014**



Source: Ofcom analysis based on data from PwC Global Entertainment and Media Outlook 2015-2019 @ [pwc.com/outlook](http://pwc.com/outlook). Interpretation and manipulation of data are solely Ofcom's responsibility. Ofcom has used an exchange rate of \$1.648 to the GBP, representing the IMF average for 2014. Note that the UK radio industry figure is sourced from broadcaster returns made to Ofcom. All figures expressed in nominal terms.

## Public radio licence fees contribute the largest proportion of revenues in Germany, Sweden and the UK

Of the 18 comparator countries, nine of the radio markets are part-funded by public radio licence fees, and with the exception of South Korea and Japan, all these countries are within Europe. Public radio licence fees constitute the majority of radio revenue in three of these countries: Germany, Sweden and the UK.

Germany has the highest public funding ratio, with 79% of revenues coming from public radio licence fees. Of the markets that are partially public-funded, public radio licence fees contribute the least in Japan (5%) and Poland (7%).

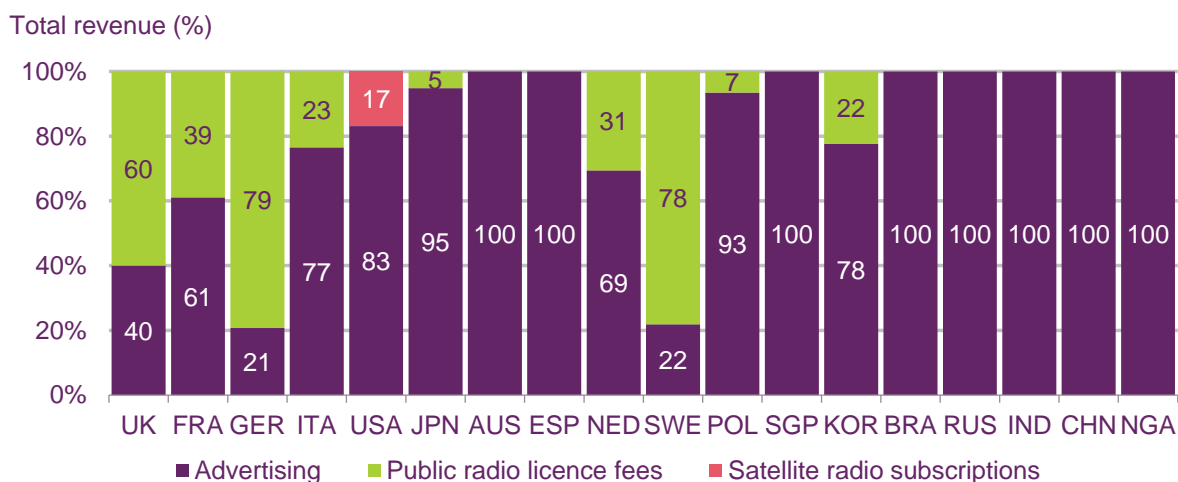
<sup>117</sup> See FCCI-KPMG, 2015. *Indian Media and Entertainment Industry Report 2015*, pp 143-155. [https://www.kpmg.com/IN/en/IssuesAndInsights/ArticlesPublications/Documents/FICCI-KPMG\\_2015.pdf](https://www.kpmg.com/IN/en/IssuesAndInsights/ArticlesPublications/Documents/FICCI-KPMG_2015.pdf) [Accessed 30 September 2015].

<sup>118</sup> PwC Global Entertainment and Media Outlook 2015-2019 <https://pwc.com/outlook> [Accessed 5 October 2015].

In the UK, three-fifths (60%) of radio revenue comes from public radio licence fees. France and the Netherlands are the only other countries where public radio licence fees account for over 30% of total revenues.

The US is the only comparator country where subscriber-based satellite radio is available; it contributed 17% to total revenues in 2014.

**Figure 4.9 Proportion of radio revenue, by source**



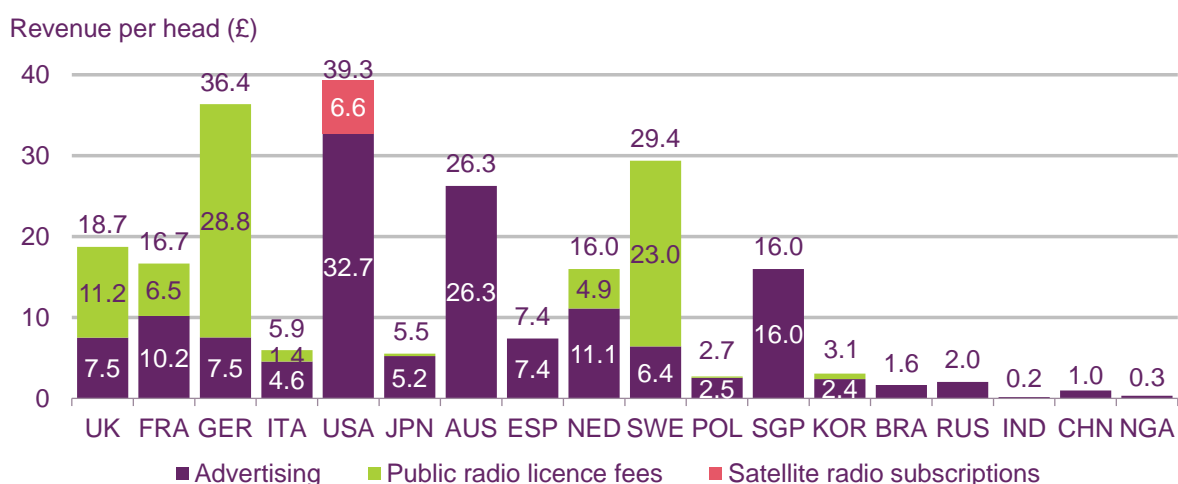
Source: Ofcom analysis based on data from PwC Global Entertainment and Media Outlook 2015-2019 @ [pwc.com/outlook](http://pwc.com/outlook). Interpretation and manipulation of data are solely Ofcom's responsibility. Ofcom has used an exchange rate of \$1.648 to the GBP, representing the IMF average for 2014. Note: (1) The UK radio industry figure is sourced from broadcaster returns made to Ofcom. (2) In Australia, advertising revenue is shown as the sole source of radio revenue. Although there is no licence fee to fund radio or television broadcasting in Australia, the Australian Broadcasting Corporation (ABC) is funded by the Australian Government as part of its budget each year, so publicly-funded radio services are available in Australia.

### Radio markets in the US, Germany and Sweden generate the highest revenue per head of population

The highest total revenue per head of population in 2014, including advertising revenue, public radio licence fee revenue and satellite radio subscriptions, was in the US (£39.30), followed by Germany (£36.40). Sweden ranked next, generating £29.40 revenue per head. In Asia, the highest revenue per head of population was in Singapore, at £16.00.

In the UK, revenue per head was £18.70 in 2014, slightly higher than in France (£16.70), the Netherlands and Singapore (both £16.00).

**Figure 4.10 Radio industry revenues, per head of population: 2014**



Source: Ofcom analysis based on data from PwC Global Entertainment and Media Outlook 2015-2019 @ pwc.com/outlook. Interpretation and manipulation of data are solely Ofcom's responsibility. Ofcom has used an exchange rate of \$1.648 to the GBP, representing the IMF average for 2014. Note that the UK radio industry figure is sourced from broadcaster returns made to Ofcom.

#### 4.2.4 Availability of broadcast radio

##### The US had the largest number of radio stations broadcasting in 2014

Figure 4.11 shows the number of radio stations broadcasting in each comparator country from 2009 to 2014. The US consistently had the largest number of stations on air, with 22,492 in 2014. The country with the second largest number of broadcast stations in 2014 was Brazil, with 9,629 stations – less than half the US total.

Among the European countries in our analysis, Spain had the most radio stations broadcasting in 2014, with 2,239 stations, followed by Italy with 1,539 stations.

**Figure 4.11 Number of radio stations, by country: 2009-2014**

	UK	FRA	GER	ITA	USA	JPN	AUS	ESP	NED	SWE	POL	SGP	KOR	BRA	RUS	IND	CHN	NGA
2009	769	794	518	-	21,439	372	-	0	349	120	305	19	151	8163	638	477	372	77
2010	745	794	518	-	21,609	372	-	0	349	120	318	19	151	8,601	638	481	465	96
2011	762	794	518	-	21,889	372	273	0	349	134	323	19	151	9,184	638	486	581	120
2012	772	794	518	-	22,080	372	273	0	349	134	326	19	151	9,479	638	522	726	150
2013	803	814	518	1,527	22,173	372	273	2,258	349	134	332	19	151	9,589	638	618	907	188
2014	859	800	561	1,539	22,492	365	273	2,239	360	130	335	18	161	9,629	653	655	1,506	240

Source: IHS/Ofcom

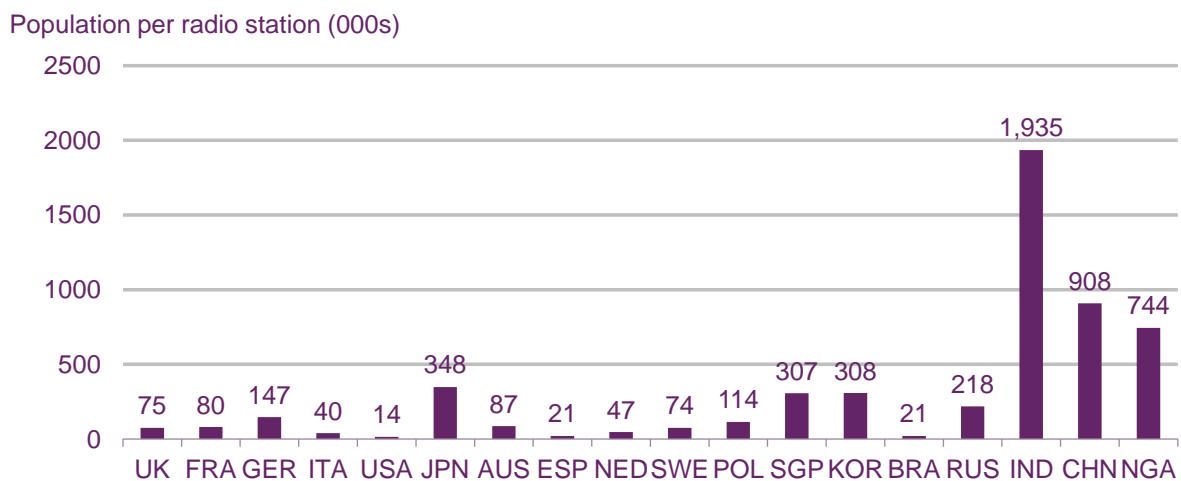
## Adjusting for population size shows that there are fewer people per radio station in the US than in any of the other comparator countries

The numbers in Figure 4.12 were calculated by dividing the 2014 population of each country by the numbers of radio stations broadcasting, showing the population of each comparator country per radio station. This provides an indication of the number of stations in each radio market, taking into account variations in country size. However, it does not take into account the relative size of the coverage area of individual stations within each comparator country. Not all broadcasting stations will be available to all inhabitants, as many stations broadcast locally rather than nationally.

The US has the lowest population per radio station among all the countries in our analysis. Despite having the third largest overall population among the comparator countries, it had a radio station for every 14,000 people in the country in 2014. Brazil and Spain had the next lowest figures, each with 21,000 people per radio station in 2014.

India and China, which have the largest populations of the comparator countries, also have the greatest number of people per radio station (1.9 million and 0.9 million people respectively).

**Figure 4.12 Population per radio station: 2014**



Source: IHS/Ofcom

## The number of radio stations broadcasting in China and Nigeria more than trebled between 2009 and 2014

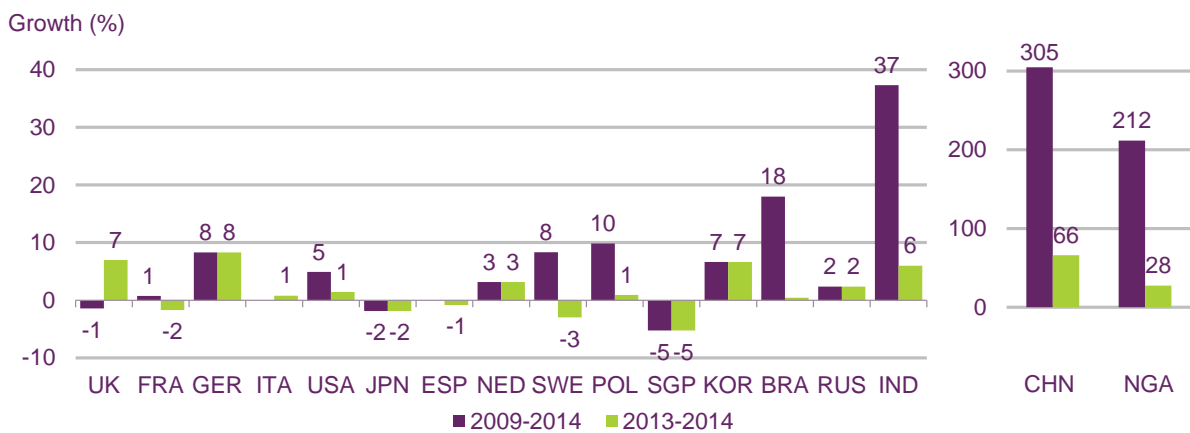
As Figure 4.13 shows, growth in the number of radio stations on-air was greatest in China and Nigeria over the five-year period between 2009 and 2014, with increases of 305% and 212% respectively. A contributor to this growth in the number of radio stations in Nigeria may be increased listenership, related to the rise in ownership of mobile phones which has increased the population's access to the radio.<sup>119</sup>

Of the two comparator countries recording a decline in the number of stations between 2009 and 2014, the largest decline was in Singapore, at -5%, followed by Japan at -2%. Japan's

<sup>119</sup> PwC *Global Entertainment and Media Outlook 2015-2019* <https://pwc.com/outlook> [Accessed 27 October 2015].

failure to recover from the declines in total radio revenue and regular radio listenership between 2009 and 2010 may explain the further reduction in the number of radio stations.<sup>120</sup>

**Figure 4.13 Growth in the number of broadcast radio stations: 2009-2014**



Source: IHS/Ofcom

Note: Data for ITA and ESP for 2009 were not available. There was no change in the number of stations for AUS so these series are not included on the chart.

**Germany, the UK and Australia have the largest proportions of digitally broadcast radio stations among the comparator countries**

Digitally broadcast radio stations were available in 12 of the 18 comparator countries in 2014. Of these, Germany had the highest proportion of DAB digital radio stations, with 37% of stations being broadcast digitally. The country with the next-highest proportion of digital stations among the comparator countries was the UK, at 33%.

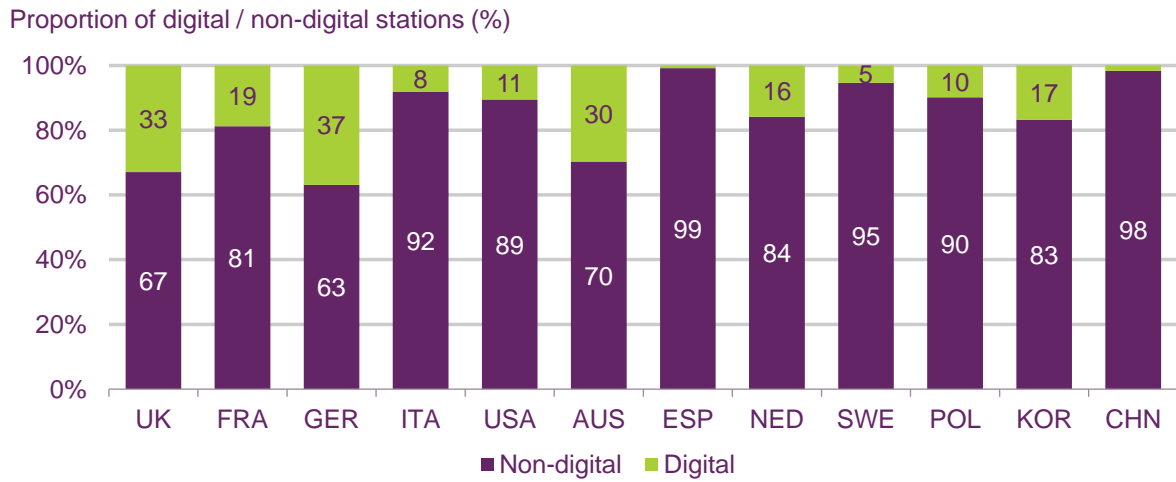
Of the 12 countries to provide digital radio services in 2014, Spain had the smallest percentage of digital stations, at 1%.

Among the Asian comparator countries, only South Korea and China provided broadcast digital radio services in 2014, with 17% and 2% of all stations respectively being digital.

We note that in some countries, stations are broadcast simultaneously on DAB and on analogue. Where this is the case, both the digital and analogue broadcasts are included in the calculation.

<sup>120</sup> PwC Global Entertainment and Media Outlook 2015-2019 <https://pwc.com/outlook> [Accessed 27 October 2015].

**Figure 4.14 Proportion of digital broadcast stations to analogue broadcast stations, in countries with stations broadcasting digitally: 2014**



Source: IHS/Ofcom

Note: (1) Where stations are broadcast digitally as well as on analogue, these are counted twice.  
 (2) 'Digital broadcast stations' include DAB, DAB+, DMB and HD Radio.

## 4.3 The audio consumer

### 4.3.1 Introduction

The following section examines how people in our comparator countries consume audio services.

- **Digital radio set take-up in the UK was the highest of all the comparator countries surveyed in 2015, at 50% of radio listeners.** This is a rise of 9 percentage points since 2014. DAB coverage is also highest in the UK, reaching 96% of households in 2015.
- **FM-only radios are the most common type of set owned by radio listeners in all of our comparator countries.** Take-up was highest in Italy and Spain (84%). The UK had the lowest take-up of FM-only radio sets (60%), although most radio sets with DAB or internet connectivity will also include an FM tuner.
- **The proportion of households listening to radio on a weekly basis was lowest in Nigeria (20%) and Japan (38%), and highest in China (98%), Sweden and Poland (both at 94%).** The lowest reach of radio in Europe was in Germany (68%), while in the UK the reach of radio was 90% of households in 2014.
- **Listeners in Poland tune in to radio for longer than those in any of our other comparator countries,** averaging 31.9 hours per week. UK listeners tune in for 19.2 hours per week, close to the average figure among the European countries in our analysis.
- **A quarter (25%) of mobile phone users in the UK use their device to listen to music on a weekly basis.** This is second only to the US, where a third (33%) of mobile phone users listen to music on their devices.
- **Between 2013 and 2015 there was an increase in the use of streaming audio services among mobile phone owners,** with approximately three in ten mobile phone owners using their device in this way in Italy (33%) and the US (31%).

### 4.3.2 Radio set ownership

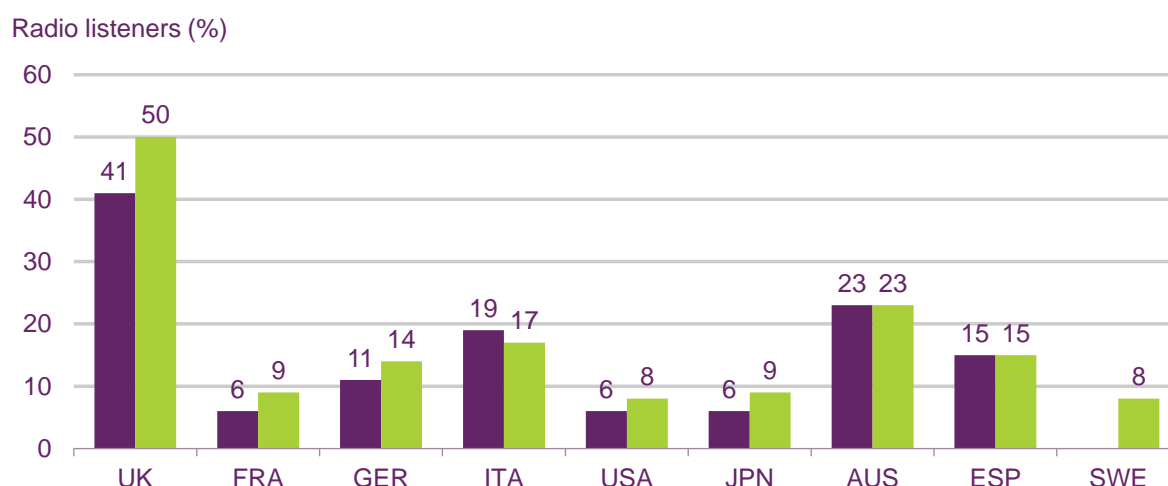
#### Take-up of digital radio sets remains highest in the UK

Take-up of digital radio sets among regular radio listeners in the UK was 50% in 2015, up from 41% in 2014. The next highest take-up was in Australia, where 23% of regular radio listeners said that they owned a digital set.

In Europe, take-up of digital sets among regular radio listeners was next highest in Italy (17%) and Spain (15%). Take-up was broadly comparable year on year in all our comparator countries, with the exception of Italy, where it fell slightly in 2015.



**Figure 4.15 Take-up of digital radio sets among adult regular radio listeners: 2015**



Source: Ofcom consumer research September – October 2015

Base: Regular radio listeners, UK=648, FRA=709, GER=778, ITA=727, USA=610, JPN=358, AUS=622, ESP=707, SWE=616

Q.3a Which of the following devices do you have in your home?

Notes: (1) Digital radio sets include DAB and DRM. (2) In Japan, digital radio is broadcasted using ISDB radio technology, and in the US, HD radio technology is used.

### **DAB coverage is highest in the UK**

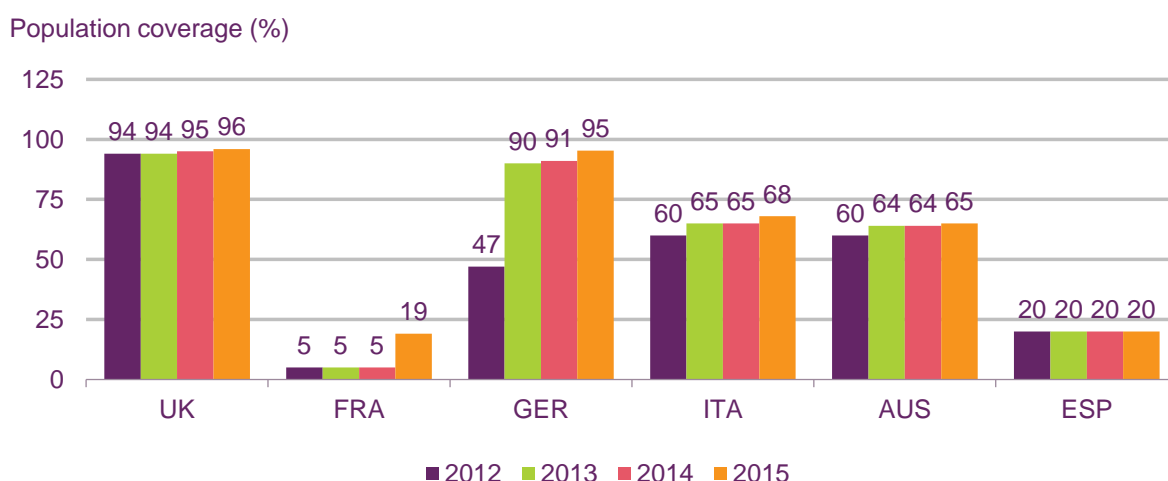
DAB coverage in the UK reached 96% of households in 2015. Both the BBC's national multiplex and the national commercial multiplex are available to at least nine in ten UK households and the BBC is nearing the completion of its two-year programme to expand its national DAB coverage from 95% to 97%. A second national commercial multiplex is due to launch in 2016.

Germany also has widespread DAB coverage, at 95% of the population. The regional and the nationwide networks will be enlarged in 2016 by further sites.

In France, the first regular DAB+ services began broadcasting in June 2014, with launches in Paris, Nice and Marseille. The regulator, CSA, is planning DAB+ services in several additional cities by late 2016, following a public consultation on the deployment of DAB+.

DAB+ rollout in Italy is progressing steadily, with plans for extending coverage of national services to 75% of the population in 2016, the planned licensing of local DAB+ multiplexes reaching 10 regions in Italy, receiver sales growing steadily and with over 22% of cars having DAB+ receivers line-fitted.

**Figure 4.16 Population coverage of DAB/ DAB+/ DMB digital radio: 2012-2015**



Source: WorldDAB

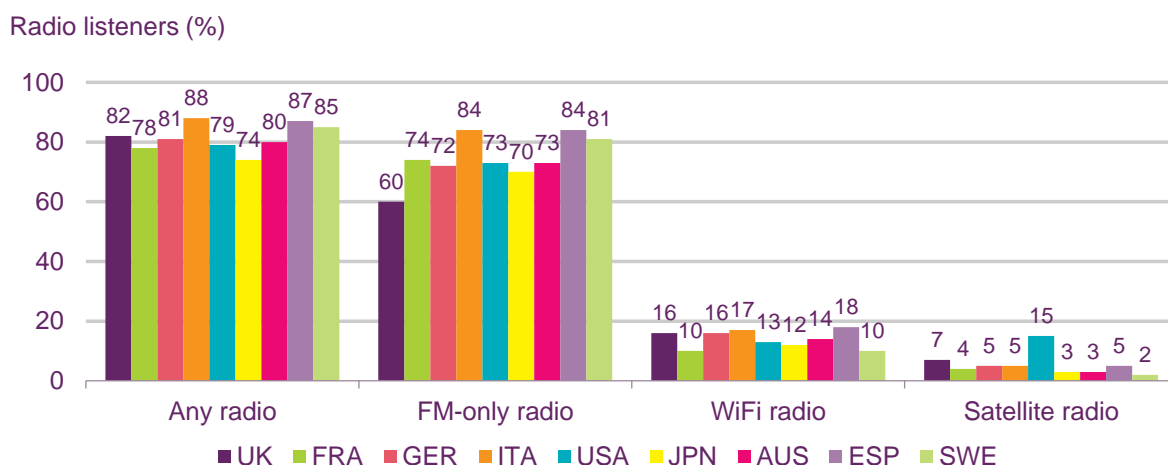
Note: (1) Regular DAB+ services were launched in France in June 2014. From 2012 to 2014 trial services were on air in Lyon and Nantes covering ~5% of the population in DAB+ and DMB. In 2014 regular services started in Paris, Marseille and Nice covering ~19% of the population with regular services (DAB+ and DMB), in addition to the trial services in Lyon and Nantes. Please note that Lyon and Nantes are not included in the 19% coverage calculation. From 2014 to 2015, DMB services moved to DAB+. Then, from summer 2015 all radio services are DAB+. (2) No data for DAB coverage exist for Japan due to digital television and radio services being broadcast over ISBD standards. (3) In the US satellite radio is the country's main digital radio platform, which has grown to become a major component of US radio revenue since its introduction in the mid-2000s.

### **FM-only radios are the type of radio most commonly owned by radio listeners in all of our comparator countries**

Across all of the comparator countries in our consumer research, ownership of FM-only radio sets is higher than ownership of any other type of radio set. Take-up of FM sets was highest in Italy and Spain (84%). The UK had the lowest claimed ownership of FM-only radio sets among radio listeners, at 60%, significantly lower than all of the comparator countries. Overall ownership of any radio in the UK is, however, on par with most other countries (with the exception of Italy, Japan and Spain), at 82%. This is due to the far greater take-up of DAB sets, as set out in Figure 4.15. Most DAB or other types of radio sets will include an FM tuner.

Take-up of WiFi radio sets among radio listeners was highest in Spain (18%) and Italy (17%), and satellite radio set take-up was highest in the US (15%). The US is the only one of our comparator countries where satellite radio services are widely available, as outlined in Section 4.2.3 of this report.

**Figure 4.17 Take-up of any radio set, and FM-only, WiFi and satellite radio sets, among adult regular radio listeners**



Source: Ofcom consumer research September – October 2015  
 Base: Regular radio listeners, UK=648, FRA=709, GER=778, ITA=727, USA=610, JPN=358, AUS=622, ESP=707, SWE=616  
 Q.3a Which of the following devices do you have in your home?

### 4.3.3 Regular listening to radio and other audio content

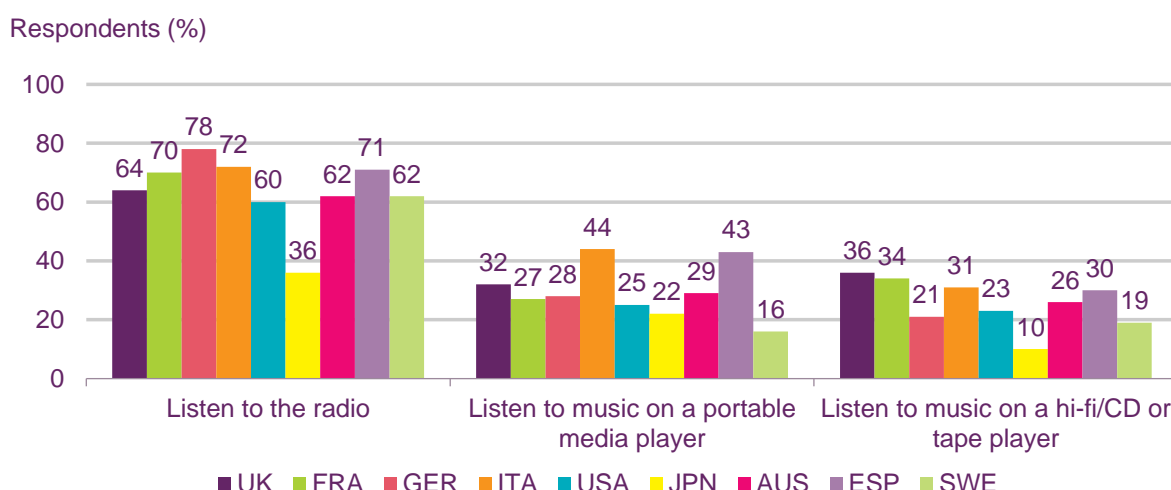
**In all the countries we surveyed, listening to the radio is the most common way to regularly consume audio content**

In all our European comparator countries except the UK and Sweden, at least seven in ten online adults claimed to listen to the radio at least once a week. Germany had the highest proportion of weekly listeners at 78%, slightly higher than Italy (72%), Spain (71%) and France (70%). Weekly radio listenership was lower in the UK, where 64% of our respondents said they were regular listeners, similar to the levels seen in Sweden (62%), Australia (62%) and the US (60%). Across all of the countries we surveyed, Japan (36%) had the lowest proportion of respondents who claimed to listen to radio at least once a week.<sup>121</sup>

We also asked people whether they used a portable media player or a hi-fi system or equivalent device. Italy and Spain recorded the highest portable media player use, at 44% and 43% of all respondents respectively, while listening to music on a hi-fi or equivalent was most popular among respondents in the UK (36%) and France (34%). Despite the differing levels of listening via these latter devices, the radio set was the most popular medium in all of the countries we surveyed.

<sup>121</sup> Our results for the UK show listening figures lower than the average weekly reach of radio reported by the UK's radio listening measurement body, RAJAR, which reported 89.5% of the UK population listened to radio in an average week in 2014. This is due to methodological differences; our research was designed to compare communications use and attitudes between different countries and not provide a definitive measure of the consumption of media in any one country.

**Figure 4.18 Proportion of adults who claim to regularly consume audio content**



Source: Ofcom consumer research September – October 2015

Base: All respondents, UK=1006, FRA=1003, GER=1007, ITA=1003, USA=1009, JPN=1006, AUS=1000, ESP=1002, SWE=1004

Q.6 Which of the following do you regularly do (at least once a week)?

**The reach of radio is lowest in Nigeria (20%) and Japan (38%)**

Data from IHS indicate that a majority of households listen to radio in most of our comparator countries. Figure 4.19 shows the proportion of households that listen to the radio weekly, between 2009 and 2014, across our 18 comparator countries. The lowest proportions of radio listeners were in Nigeria (20%) and in Japan (38%).

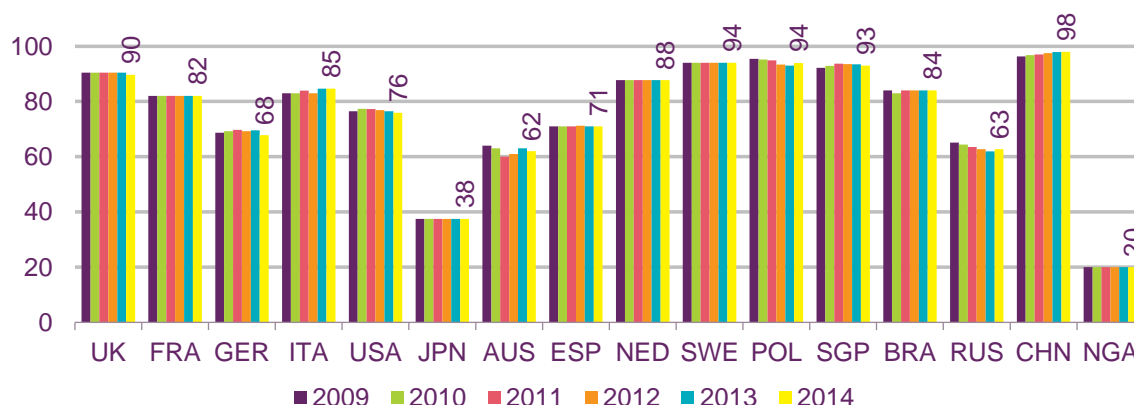
As Figure 4.19 shows, the reach of radio was highest in China (98%), followed by Sweden and Poland at 94%. The lowest reach of radio in Europe was in Germany (68%).<sup>122</sup>

Between 2009 and 2014, the proportion of the population listening to radio remained relatively stable in the majority of our comparator countries, with the exception of Russia and Poland, where it declined.

<sup>122</sup> Results in Figure 4.18 and Figure 4.19 are not comparable due to different methodologies used in collecting each data set. Figure 4.18 shows individual respondent consumer research results (based on surveys of online adults), while Figure 4.19 shows household listening figures recorded by industry measurement systems.

**Figure 4.19 Reach of radio: 2009-2014**

Households (%)



Source: IHS

Note: Measurement systems in different countries are likely to use different methodologies, so comparative data should be treated as indicative only.

**Listeners in Poland tune in for the longest time each week**

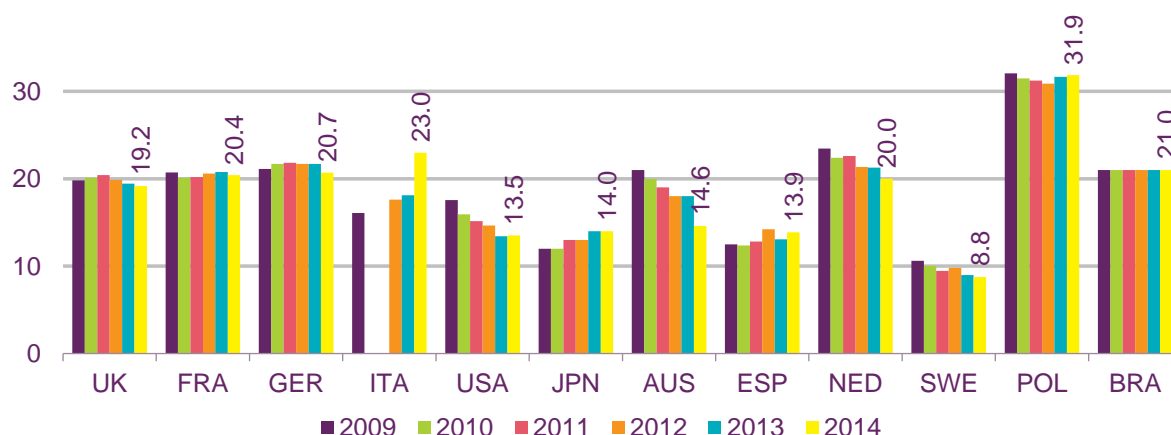
The average time spent listening per week in Poland was significantly higher than in any of our other comparator countries, with listeners tuning in for an average of 31.9 hours per week.

Despite the high reach of radio in Sweden, radio listeners spend far less time listening to radio than in other comparator countries in Europe (8.8 hours per week).

Those in France, Germany, the Netherlands and Brazil listen to radio for a substantial amount of time; average weekly listening is between 20 and 21 hours in each of these countries. The UK is broadly on par with these countries, as the average weekly listening is 19.2 hours. In Italy and Japan, time spent listening to radio has increased significantly since 2009. Conversely, there have been declines in the US, Australia, Germany, Sweden and the Netherlands.

**Figure 4.20 Average weekly radio listening hours, by country: 2009-2014**

Average weekly listening hours



Source: IHS

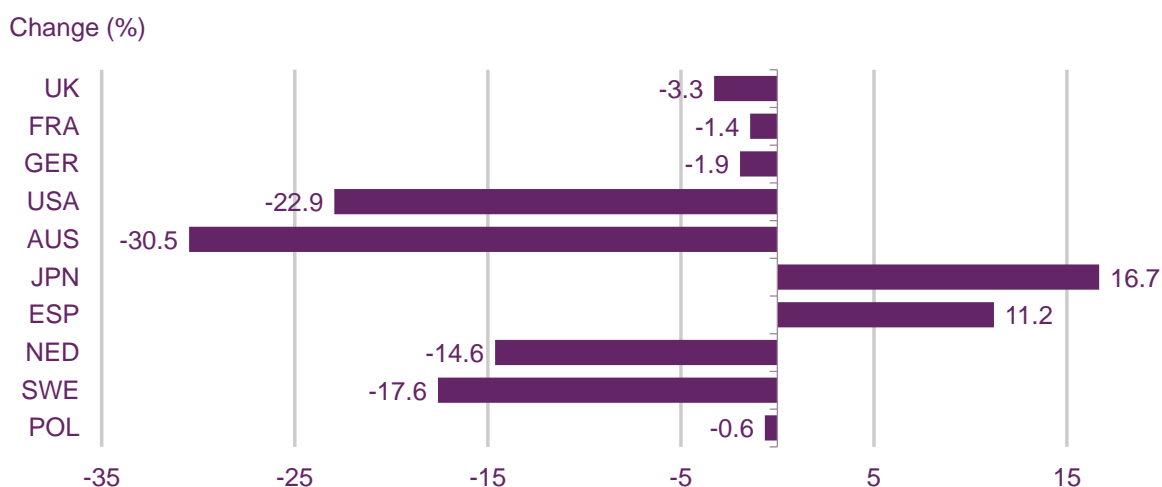
Note: Measurement systems in different countries are likely to use different methodologies, so comparative data should be treated as indicative only. Data unavailable for SGP, KOR, RUS, IND, CHN, NGA and for ITA 2010-2011.

### Time spent listening to radio in Australia fell by 30.5% between 2009 and 2014, with radio listening also decreasing in most other comparator countries

As Figure 4.21 shows, between 2009 and 2014, the average time spent listening to radio fell by 30.5% in Australia. The UK recorded a 3.3% decrease.

Among the comparator countries in our analysis, only Japan (16.7%) and Spain (11.2%) had an increase in average weekly radio listening during the five year period between 2009 and 2014.

**Figure 4.21 Change in average weekly listening hours: 2009-2014**



Source: IHS. Figures for Italy have been omitted as audience measurement systems over the five year period 2009 to 2014 have varied, after Audiradio, the former Italian radio audience measurement company stopped its activities in 2011. There was no change in average weekly listening hours between 2009-2014 in Brazil.

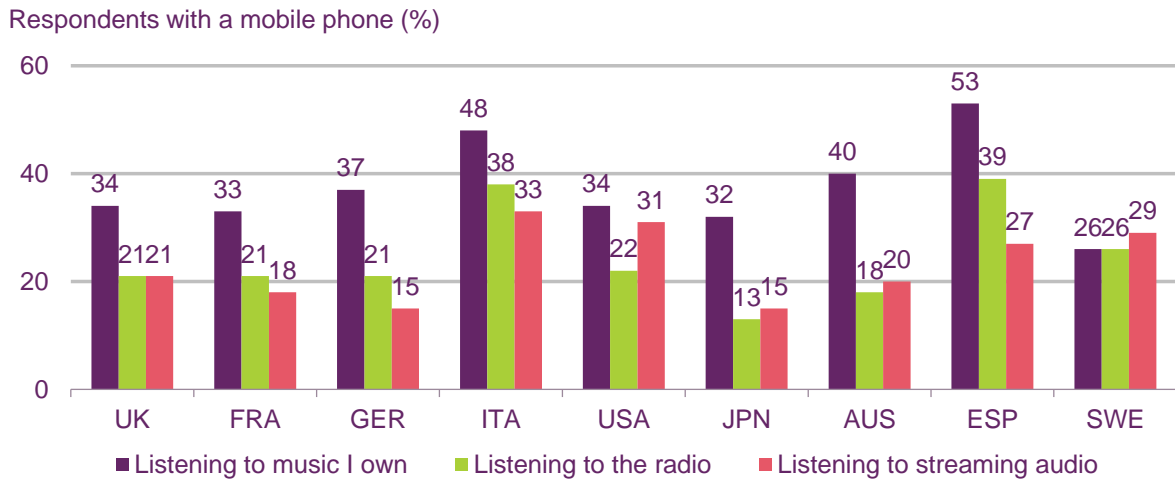
### 4.3.4 Audio consumption on a mobile phone

#### Almost four in ten mobile phone owners in Spain and Italy use their mobile phone to listen to the radio

In all of our comparator countries, adult mobile phone owners were more likely to listen to music that they owned on their device, rather than listen to the radio or stream audio. In the UK, 34% of mobile phone owners listened to music they owned, compared to 21% who used their phone to listen to the radio. Twenty-one per cent of mobile phone owners in France and Germany also used their phones to listen to radio; these figures are the lowest among our European comparator countries. In the UK, the same proportion of those who listened to the radio listened to streaming audio services on their mobile phone (21%).

Mobile phone owners in Spain and Italy were more likely than those in our comparator countries to use their mobile phone to listen to the radio, and were also more likely to use their phone to listen to music they owned. More than half (53%) in Spain and 48% in Italy used their mobile phone to listen to music they owned, and almost four in ten in each of these countries used their device listen to the radio (Spain at 39% and Italy at 38%). The incidence of streaming audio was greatest in Italy (33%), closely followed by the US (31%), where online radio services such as Pandora have been available for a number of years.

**Figure 4.22 Use of a smartphone / mobile phone to consume audio content**



Source: Ofcom consumer research September – October 2015

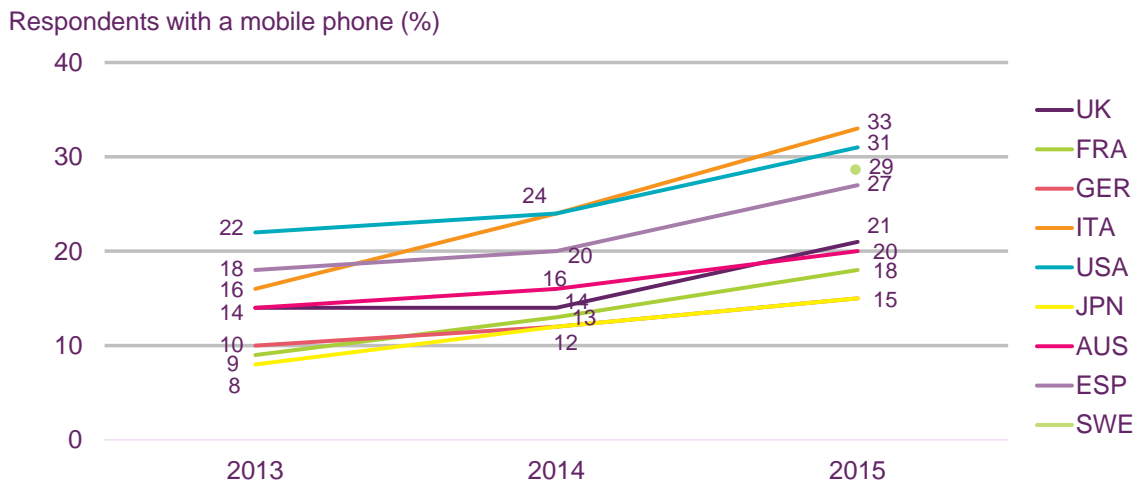
Base: All respondents with a mobile phone/ smartphone, UK=839, FRA=853, GER=882, ITA=865, USA=751, JPN=815, AUS=843, ESP=886, SWE=882

Q.9d Which, if any, of the following audio activities do you use each of your devices for?

**Increased use of streaming audio services among adult mobile phone owners**

As Figure 4.23 shows, since 2013 there has been an increase in the proportion of adult mobile phone owners who use their mobile phone for streaming audio, across all of the countries in our research. Italy and the US recorded the highest proportions, at 33% and 31% respectively.

**Figure 4.23 Listening to streaming audio on mobile phones**



Source: Ofcom consumer research September – October 2015

Base: All respondents with a mobile phone/ smartphone, UK=839, FRA=853, GER=882, ITA=865, USA=751, JPN=815, AUS=843, ESP=886, SWE=882

Q.9d Which, if any, of the following audio activities do you use each of your devices for?

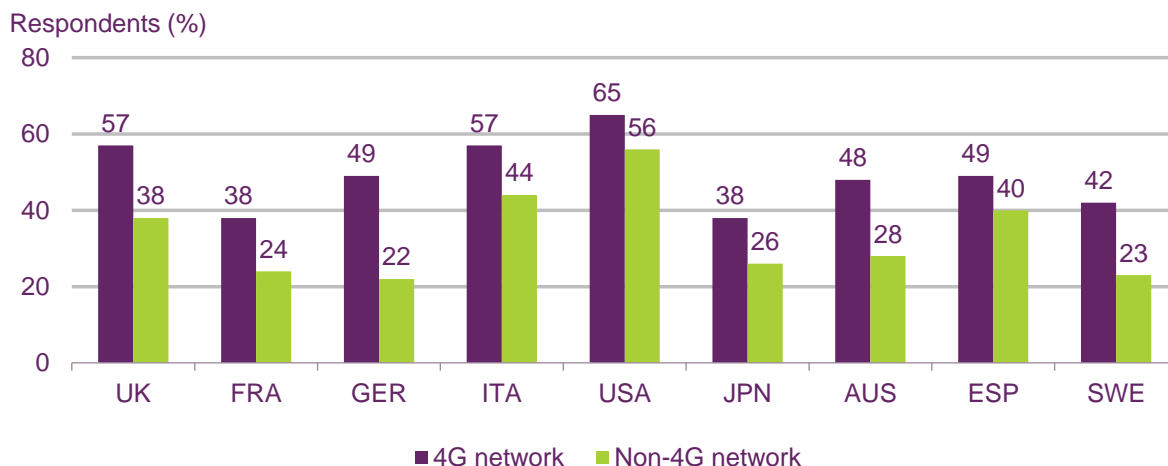
**Mobile phone users with a 4G contract are more likely to stream or download music**

In all our comparator countries, adult mobile phone users with a 4G contract were more likely than those without 4G to stream or download music on their mobile phone on a regular basis. This may be due to the faster throughput speeds typically offered by 4G technology, or it may be due to the larger data allowances that usually come with the higher-cost 4G

contracts. In most countries, 4G is a relatively new development, so the increased proportion of people downloading or streaming music may reflect the behaviour of early adopters.

Among the European countries in our analysis, the UK and Italy had the highest proportion of respondents on 4G contracts who frequently (at least weekly) used their network to download/stream music on their mobile phones.

**Figure 4.24 Frequency of downloading/streaming music on mobile phone (4G vs. non-4G)**



Source: Ofcom consumer research September - October 2015

Base: All respondents who use 4G/ don't use 4G on their phone, UK=96\*/105, FRA=125/143, GER=67\*/146, ITA=108/242, USA=75\*/49\*, JPN=54\*/52\*, AUS=101/76\*, ESP=114/212, SWE=107/96\*. \*Caution: bases under 100.

Q.22 Which of the following statements best describes your awareness and use of 4G? Q.27 How often, if at all, do you use your main mobile phone to do each of the following? <At least weekly>

### **A quarter of mobile phone users in the UK use their device to listen to music at least weekly**

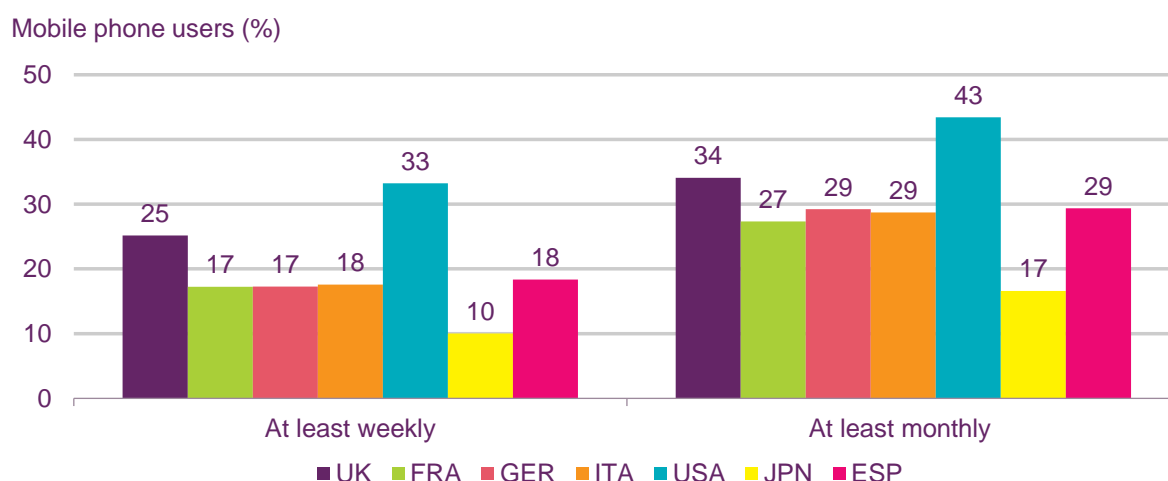
Figure 4.25 shows that people in the US and the UK are the most likely to use their mobile phone to listen to music frequently.<sup>123</sup> A third (33%) of mobile phone users in the US use their mobile phone to listen to music on a weekly basis, while a quarter (25%) of those in the UK do so.

Mobile phone users in Japan are the least likely to use their phone to listen to music regularly, whether on a weekly or monthly basis. One in ten (10%) of mobile phone users in Japan listened on a weekly basis, and 17% listened on a monthly basis.

<sup>123</sup> Figure 4.25 uses data from comScore's MobiLens survey. The methodology and sample size used in the ICMR consumer research differ from the methodology and sample size of comScore MobiLens data.



**Figure 4.25 Frequency of listening to music on a mobile phone**



Source: comScore MobiLens, August 2015 (three-month average, mobile phone users aged 13+).

### 4.3.5 The role of radio as a main source of news

**Across all our comparator countries, excluding Sweden, radio was more likely to be used to source regional/local news than any other type of news**

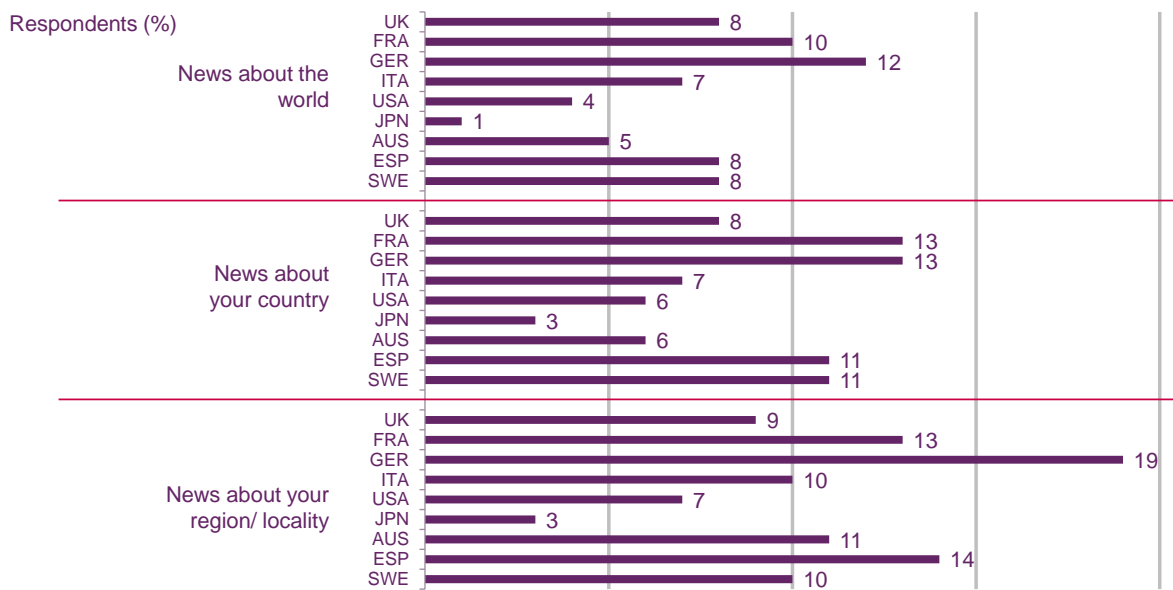
Across our European comparator countries, Germany (12%) had the highest proportion of respondents who used radio for consuming international news. France followed, with 10%. Listeners in Japan were the least likely to use the radio for accessing international news, with 1% of respondents using radio as their main source for this type of news.

The proportion of adults using the radio as their main source of national news was highest in France and Germany, at 13% each, followed by Spain and Sweden at 11%. Adults in Italy were the least likely in Europe to use radio as their main source of national news (7%), close to the UK figure (8%). Across all the comparators, listeners in Japan were the least likely to use the radio for national news (3%).

The type of news which was most likely to be sourced on radio was regional/local news, across all our comparator countries excluding Sweden. This was highest overall in Germany, where 19% of adults claimed to use the radio as their main source of regional/local news; more than double the proportion in the UK (9%).

Section 1.6 examines the general consumption of news across a number of countries, by looking at which platforms people say they use as their main source of different types of news and the devices they use for accessing online news.

**Figure 4.26 Proportion who specify radio as their main source of news**



Source: Ofcom consumer research September – October 2015

Base: All respondents, UK=1006, FRA=1003, GER=1007, ITA=1003, USA=1009, JPN=1006, AUS=1000, ESP=1002, SWE=1004

Q.11 Which, if any, is your main source for the following information? Tre, Canale 5, Italia 1, Rete 4, La 7