3. Radio and audio

Figure 3.1

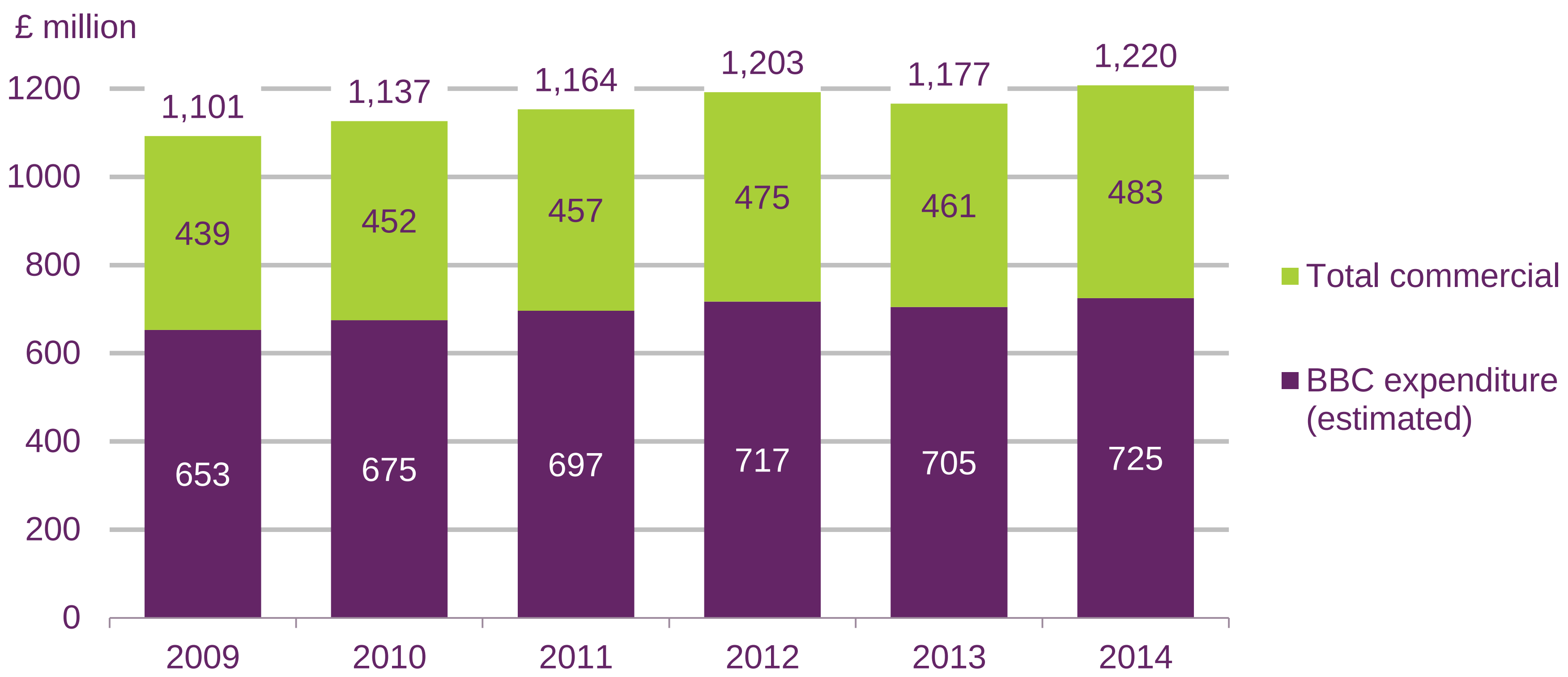
UK radio industry key metrics

UK radio industry	2009	2010	2011	2012	2013	2014
Weekly reach of radio (% of population)	89.8%	90.6%	90.8%	89.5%	90.4%	89.5%
Average weekly hours per head	19.8	20.1	20.5	22.2	21.5	21.4
BBC share of listening	55.3%	55.2%	54.7%	54.7%	54.6%	53.8%
Total industry revenue	£1,101m	£1,137m	£1,164m	£1,203m	£1,177m	£1,220m
Commercial revenue	£439m	£452m	£457m	£475m	£461m	£483m
BBC expenditure	£653m	£675m	£697m	£717m	£705m	£725m
Community radio revenue	£9.0m	£10.0m	£10.5m	£10.8m	£10.9m	£11.5m
Radio share of advertising spend	3.5%	3.3%	3.3%	3.3%	3.1%	3.2%
DAB digital radio take-up (households)	34.5%	38.2%	42.6%	44.3%	47.9%	49.0%

Source: RAJAR (all adults age 15+), Ofcom calculations based on figures in BBC Annual Report and Accounts 2014-15 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

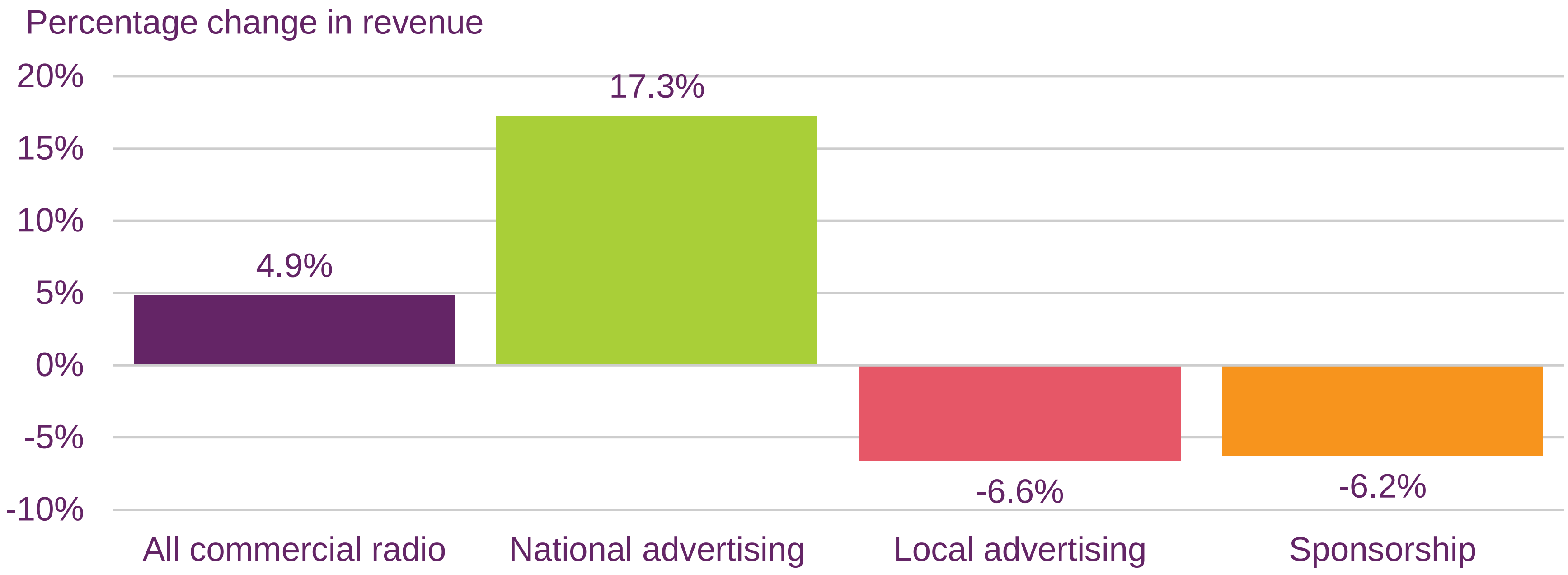
Radio industry revenue and spending 2009-2014



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

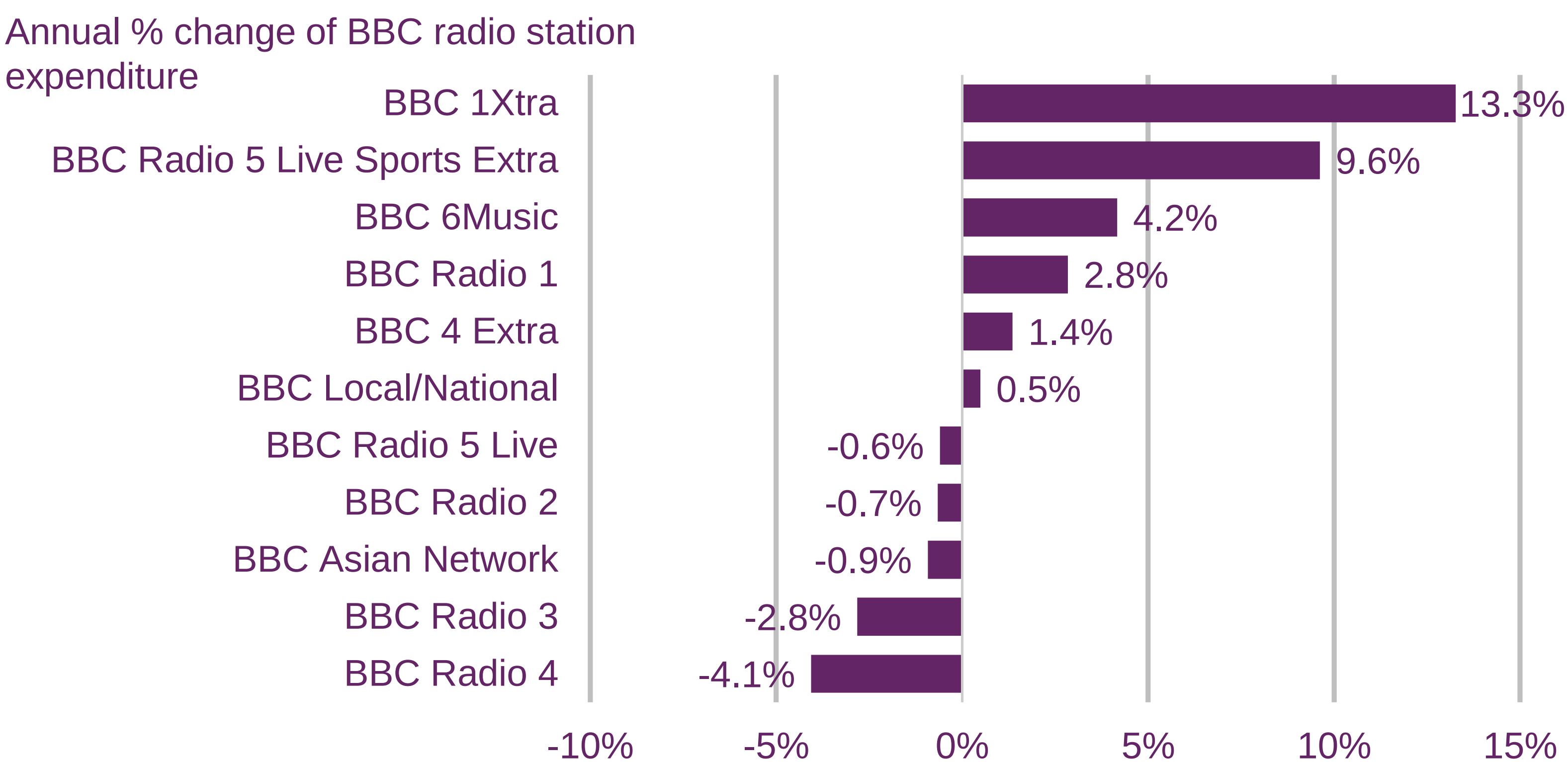
Commercial revenue percentage change 2013-2014



Source: Ofcom / operator data 2013-2014

Figure 3.4

BBC station expenditure percentage change 2013-14 to 2014-15

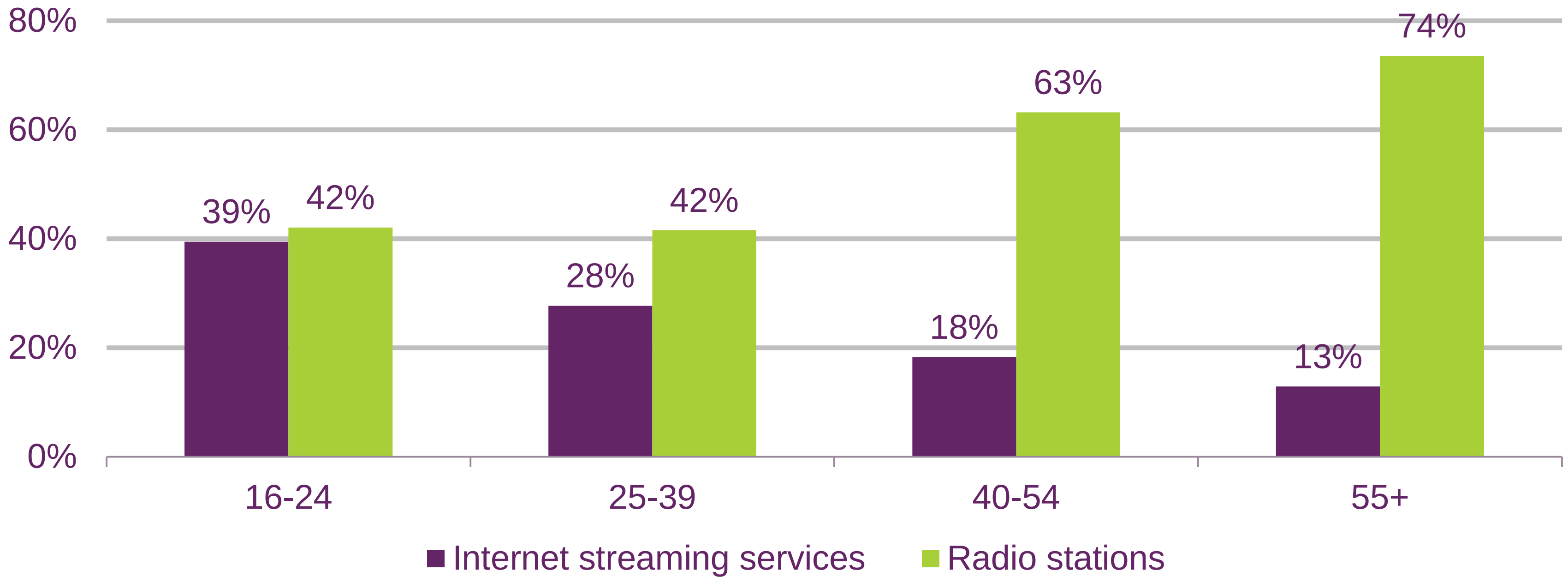


Source: BBC Annual Report 2014-15.
Note that these are financial year figures, excluding BBC-wide overheads, and are therefore not directly comparable to those set out in Section 3.2.2. Figures are nominal.

Figure 3.5

Use of streaming services and radio stations among regular music listeners, by age: 2014

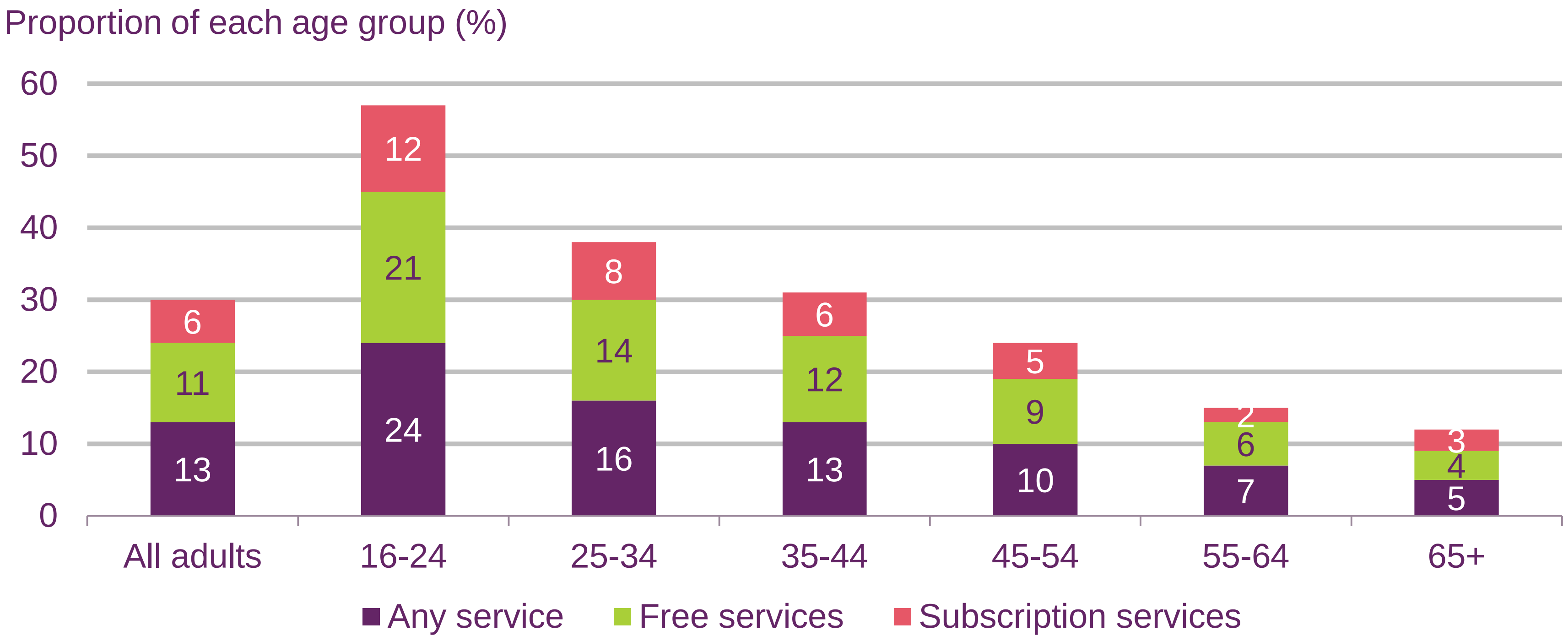
Proportion of regular music listeners (%)



Source: YouGov, *New Generations and the Future of Radio 2014*, fieldwork August 2014.
Base: Regular music listeners (663). Q: Thinking about how you listen to music, which of the following do you use regularly? Please choose all that apply.

Figure 3.6

Use of streamed audio services among internet users, by age: Q1 2015

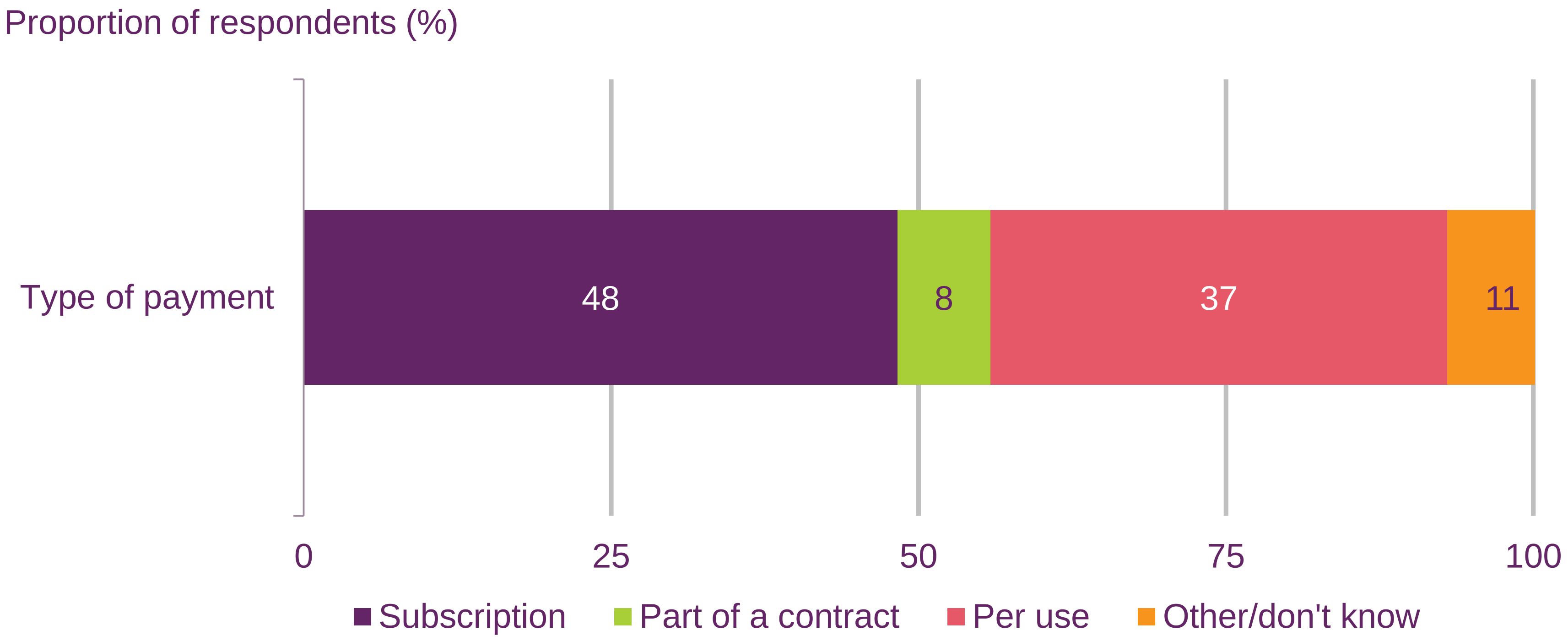


Source: Ofcom research, Q1 2015
Base: All internet users (2298). Q: Which, if any, of these do you use the internet for?

![Ofcom]

Figure 3.7

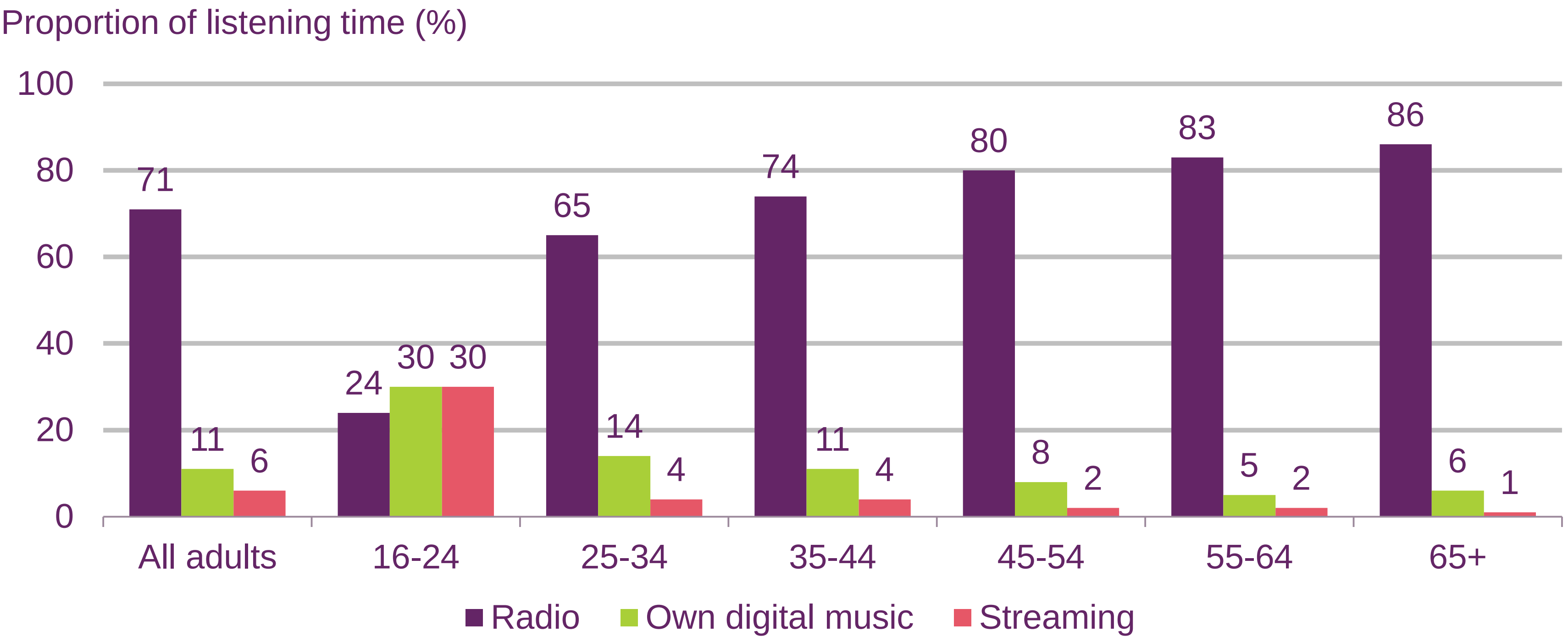
Methods of paying for music services, 2014



Source: YouGov, *Audiovisual consumption 2015*, fieldwork May 2014.
Base: those that pay for a music service (266) Q. How do you pay for your music, […] service?

Figure 3.8

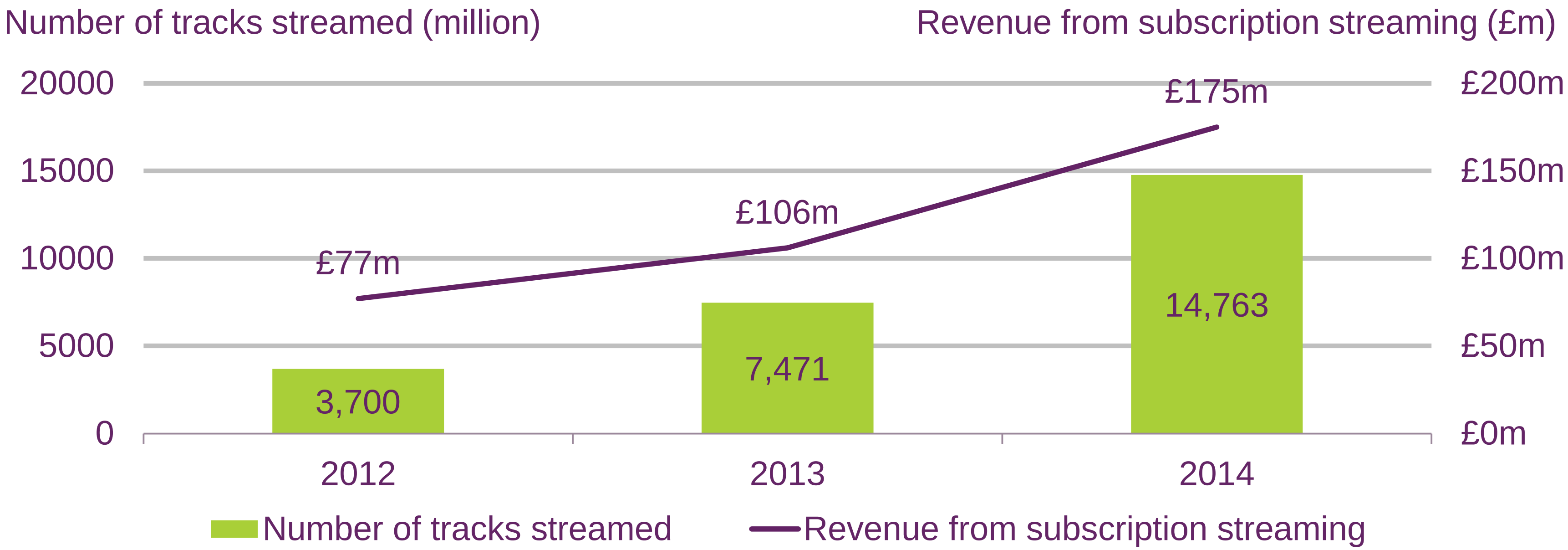
Proportion of listening time spent with each activity



Source: Ofcom Digital Day 7-Day Diary, Q1 2014
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)

Figure 3.9

Volume of tracks streamed online and revenue from subscription streaming: 2012-2014

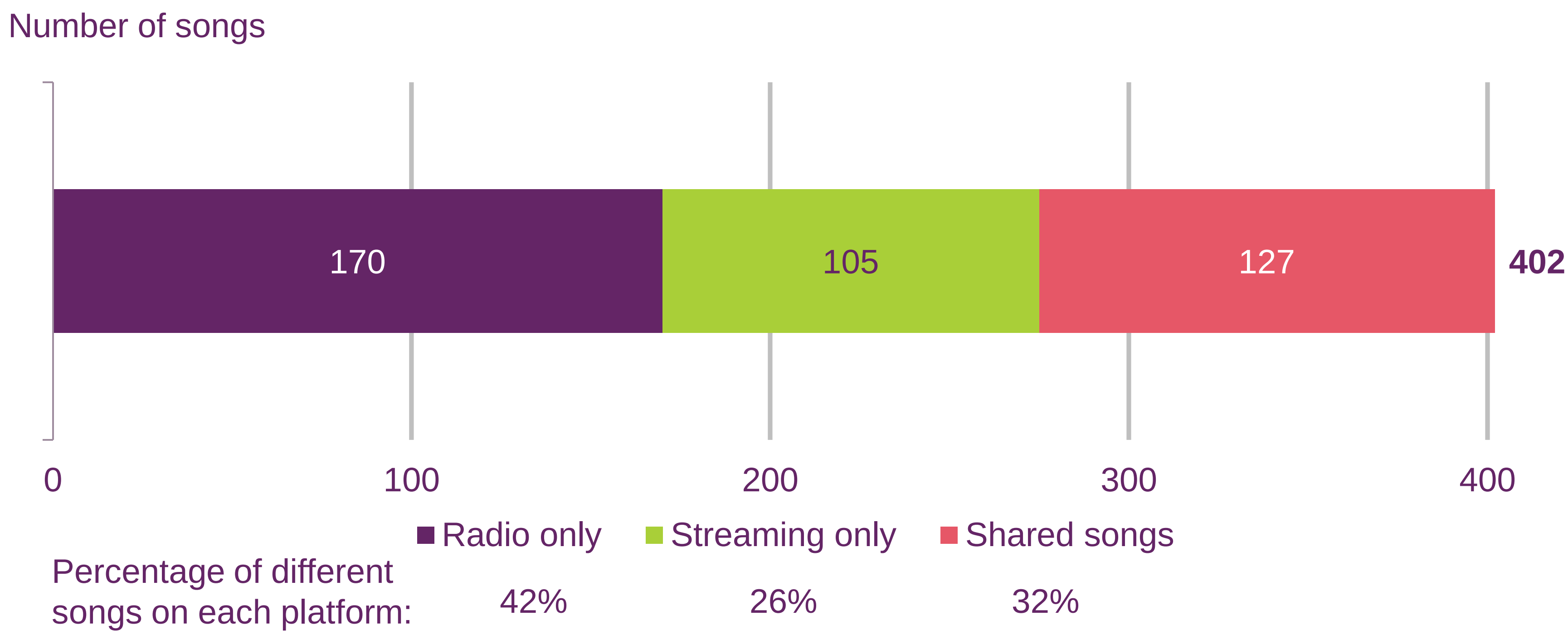


Year on year growth: 97.6% 65.0%

Source: Entertainment Retailers' Association / Official Charts
Note: Subscription revenue is a BPI estimate. The number of tracks streamed includes subscription and ad-funded streams and excludes video streams.

Figure 3.10

Number of different songs in the top 100 on each platform: Q4 2014

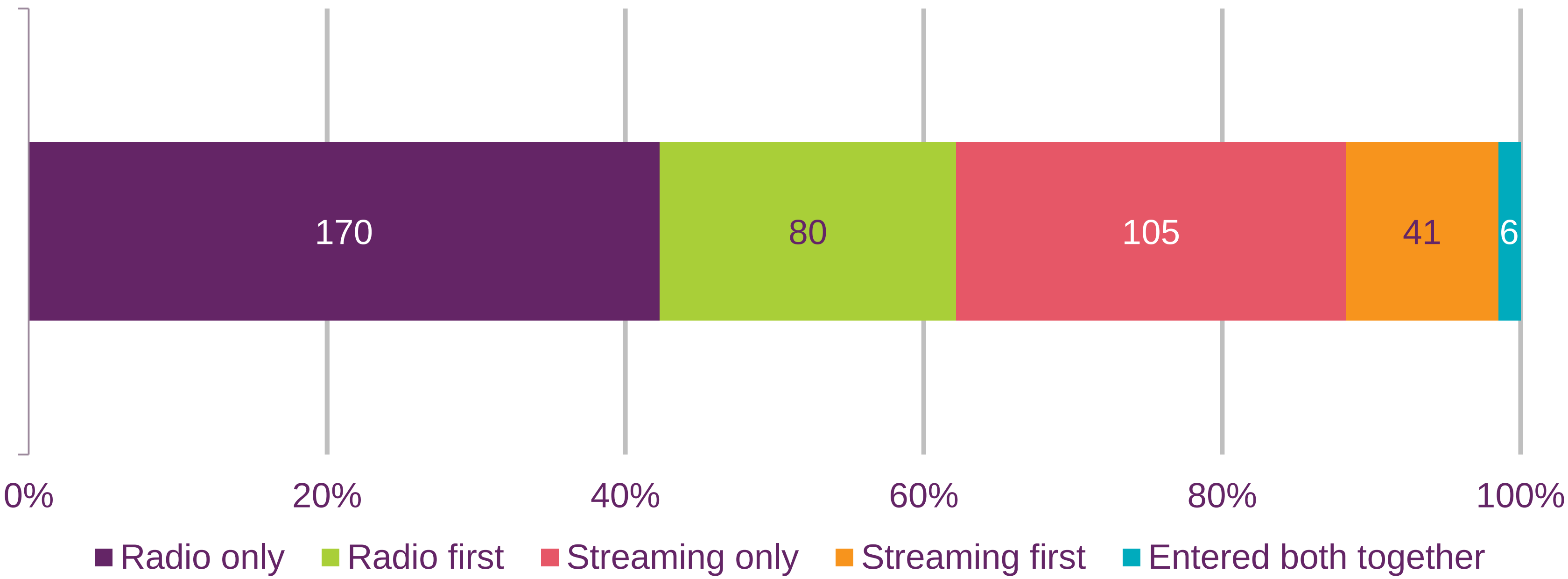


Source: Ofcom analysis of RadioMonitor and The Official Charts Company data, Q4 2014

Figure 3.11

Origin of songs in the top 100 on each platform: Q4 2014

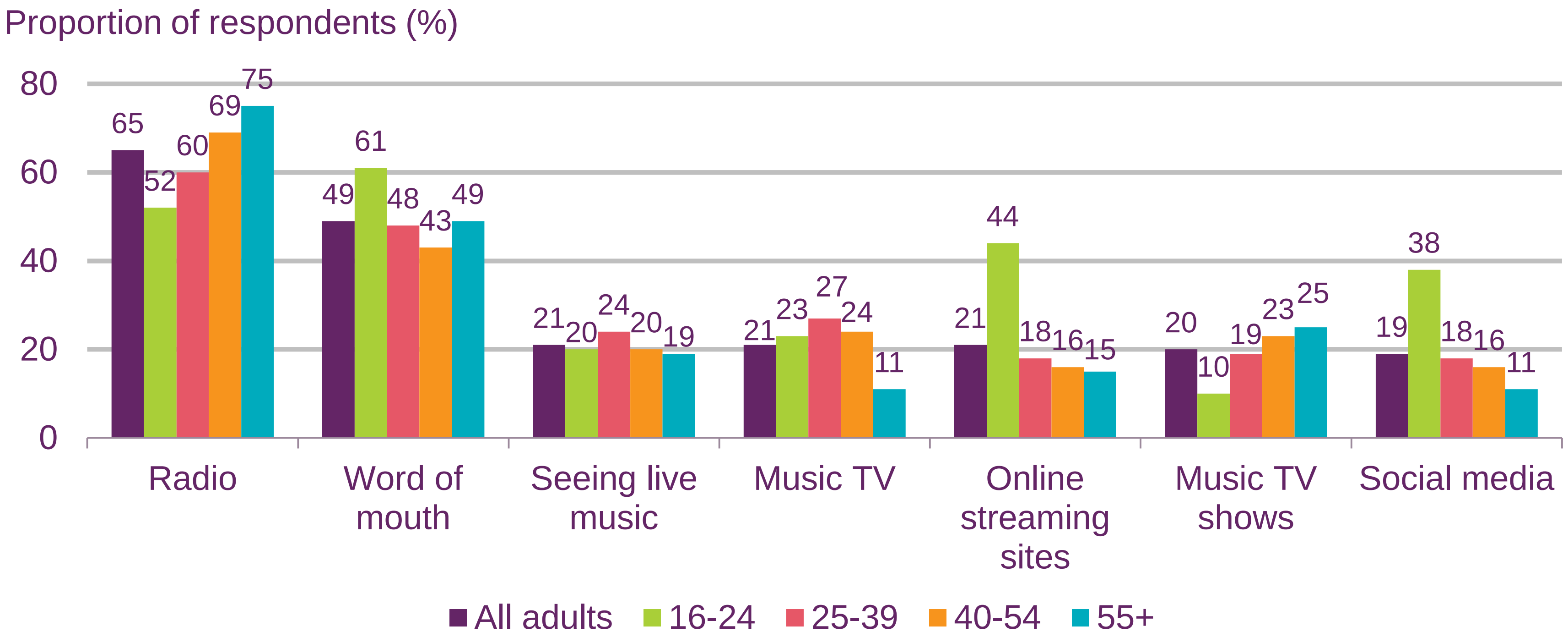
Number of songs



Source: Ofcom analysis of RadioMonitor and The Official Charts Company data, Q4 2014

Figure 3.12

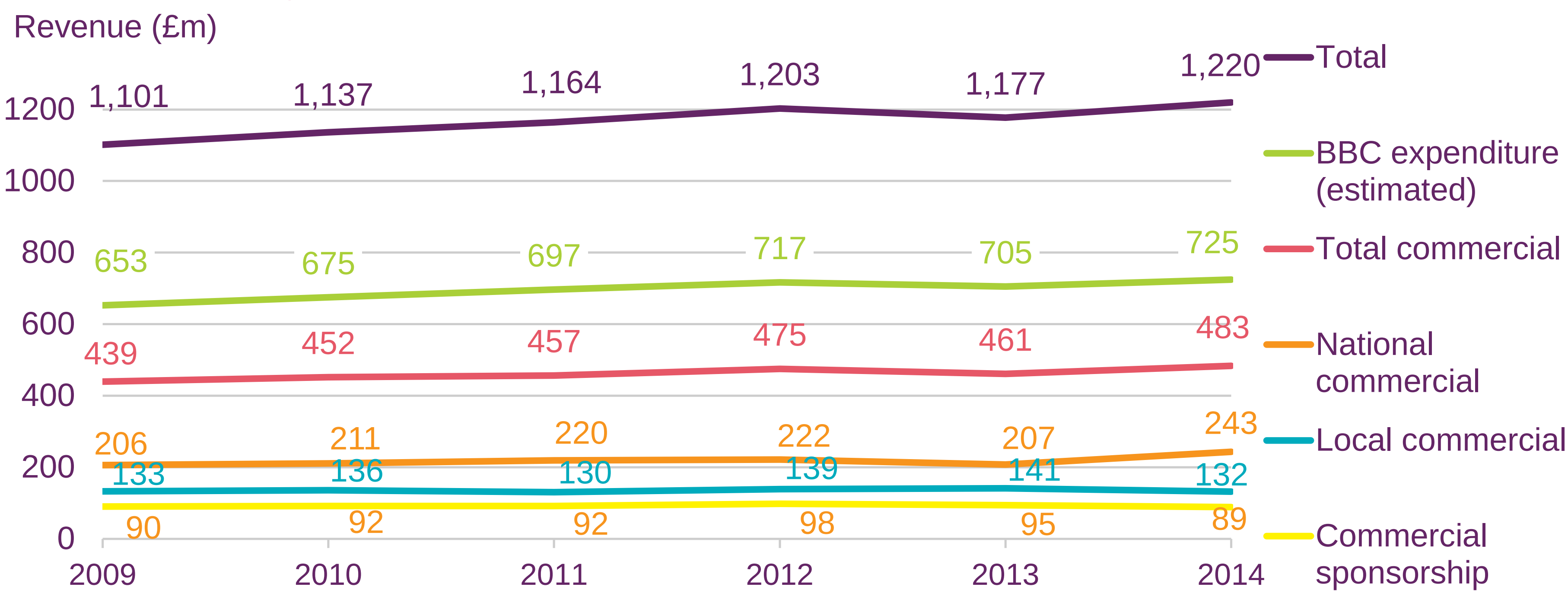
Most popular sources for the discovery of new music, 2014



Source: YouGov, *Music Consumption 2014*, fieldwork August 2014.
Base: Those that strive to discover new music, all adults (684), 16-24 (118), 25-39 (198), 40-54 ((185), 55+ (183) Q. How do you typically discover music you have not heard previously? Please choose all that apply.

Figure 3.13

Radio industry revenue 2009-2014

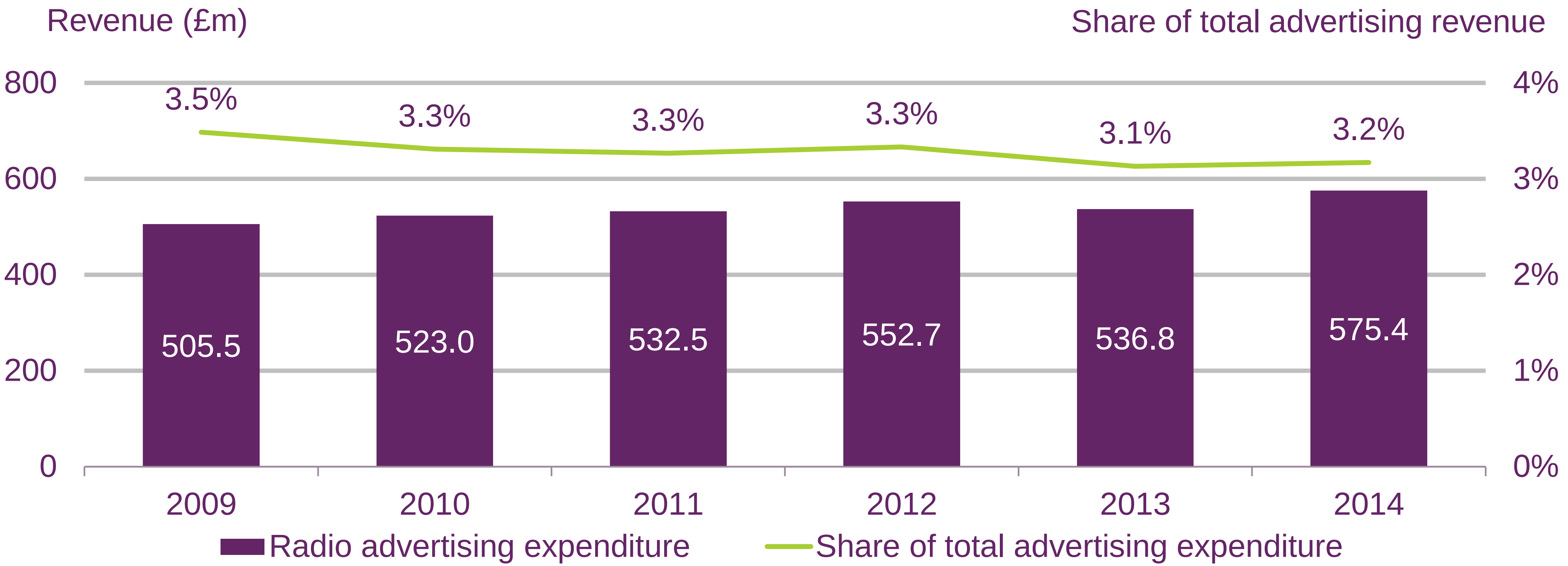


Source: Ofcom / operator data / BBC Annual Report 2008-2015

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. Total commercial includes all sources of revenue - national, local, sponsorship and ‘other’, but ‘other’ is not shown on the chart.

Figure 3.14

UK radio advertising spend and share of total advertising: 2009-2014



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

Figure 3.15

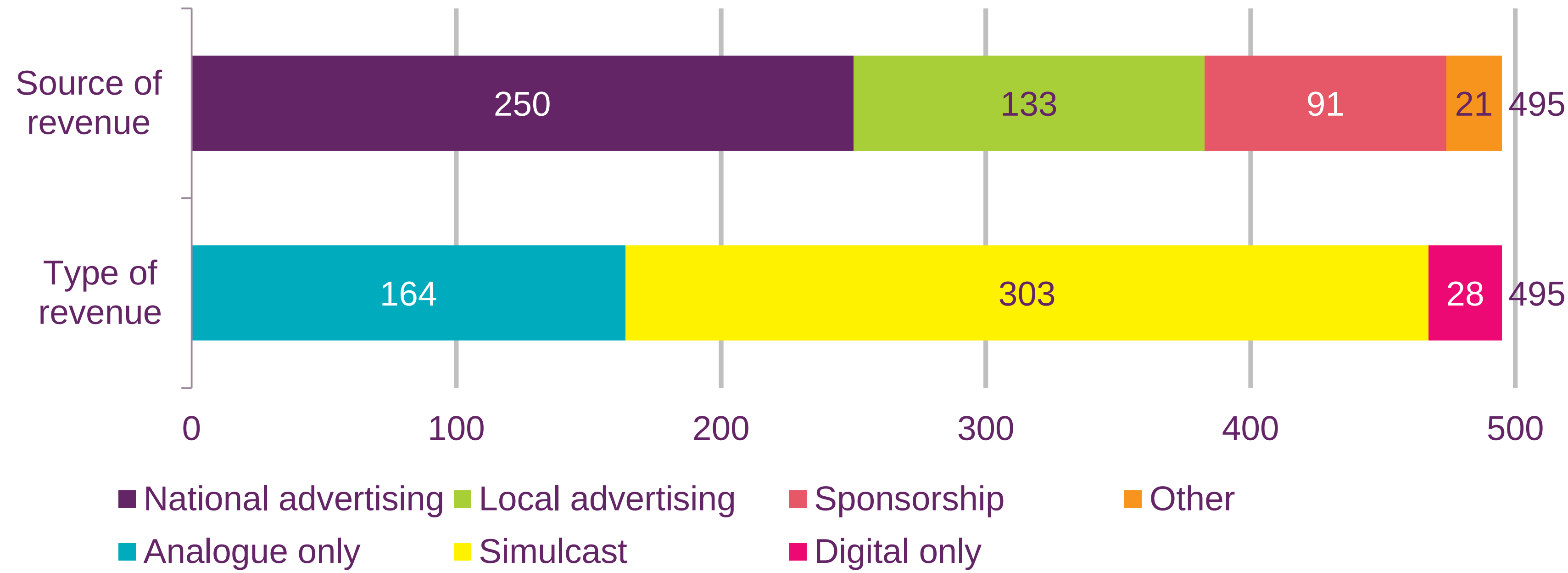
Commercial radio revenue per listener

Source: Broadcaster returns and RAJAR, 2010-2014. Figures are nominal.

Figure 3.16

Commercial radio revenue by source of revenue and type of station: 2014

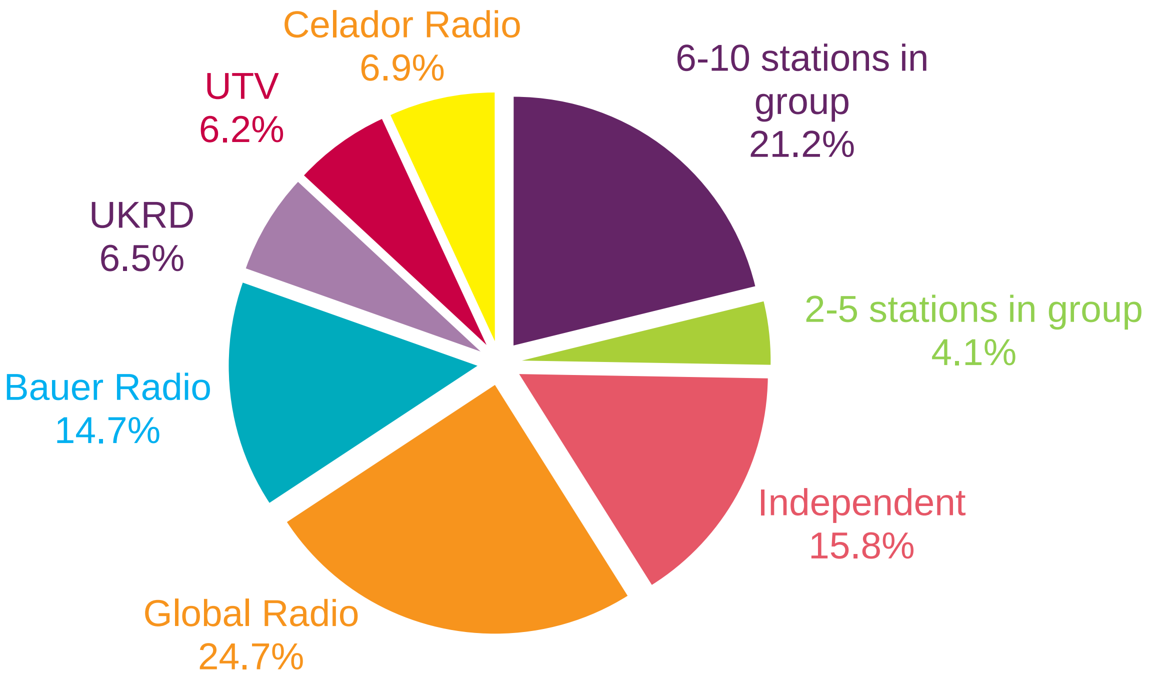
£ million



Source: Broadcaster returns

Figure 3.17

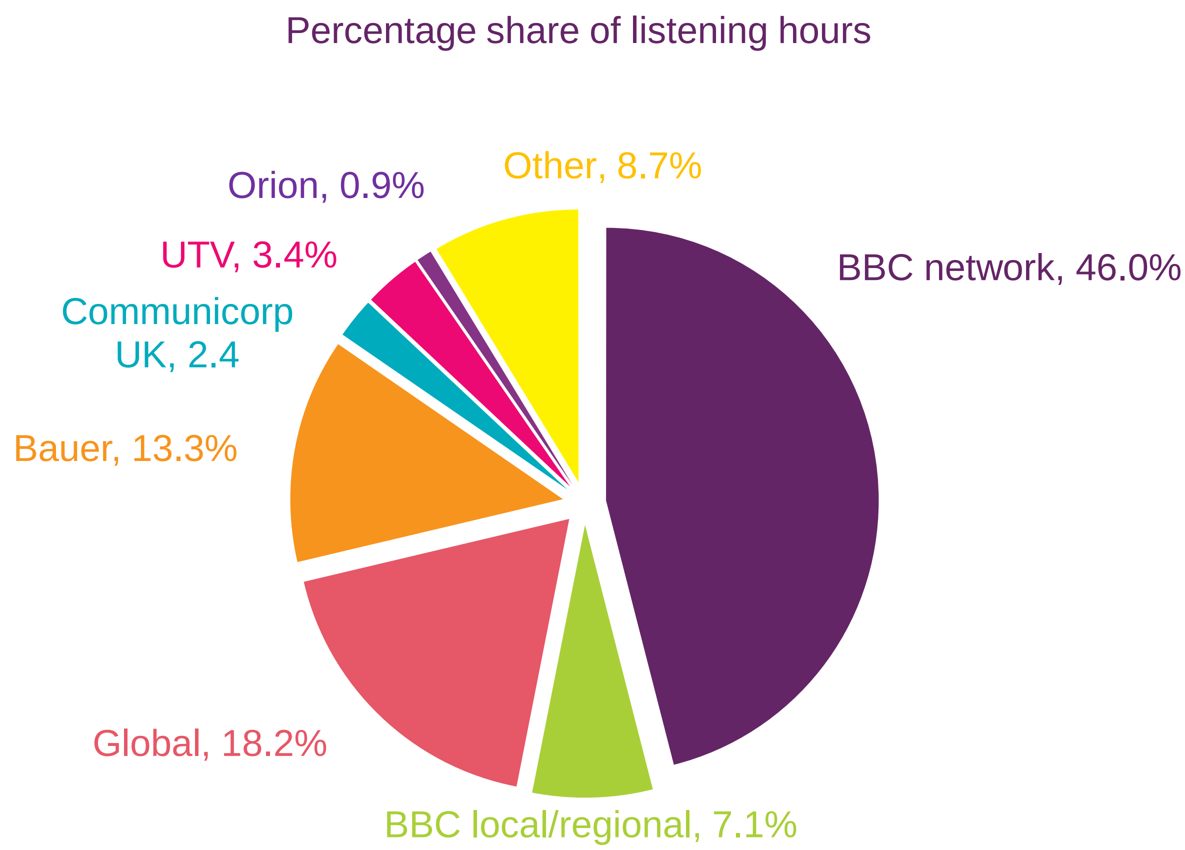
Proportion of analogue commercial radio licences owned, by group



Source: Ofcom, May 2015

Figure 3.18

Share of all radio listening hours: to Q1 2015

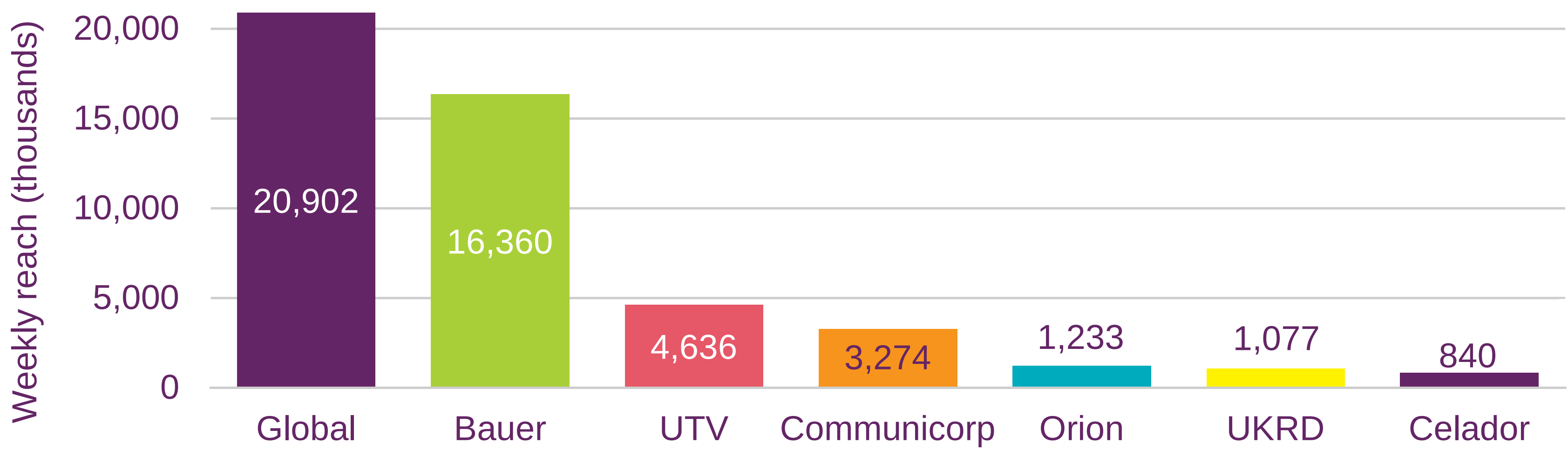


Source: RAJAR, all adults (15+), twelve months to Q1 2015. Base: National Total Survey Area

Figure 3.19

Commercial radio by weekly audience reach: Q1 2015

Weekly UK audience reach	**39.1%**	**30.6%**	**8.7%**	**6.1%**	**2.3%**	**2.0%**	**1.6%**
Annual change in reach*	-0.7pp	+0.7pp	+0.1pp	+0.1pp	+0.1pp	0	+0.3pp



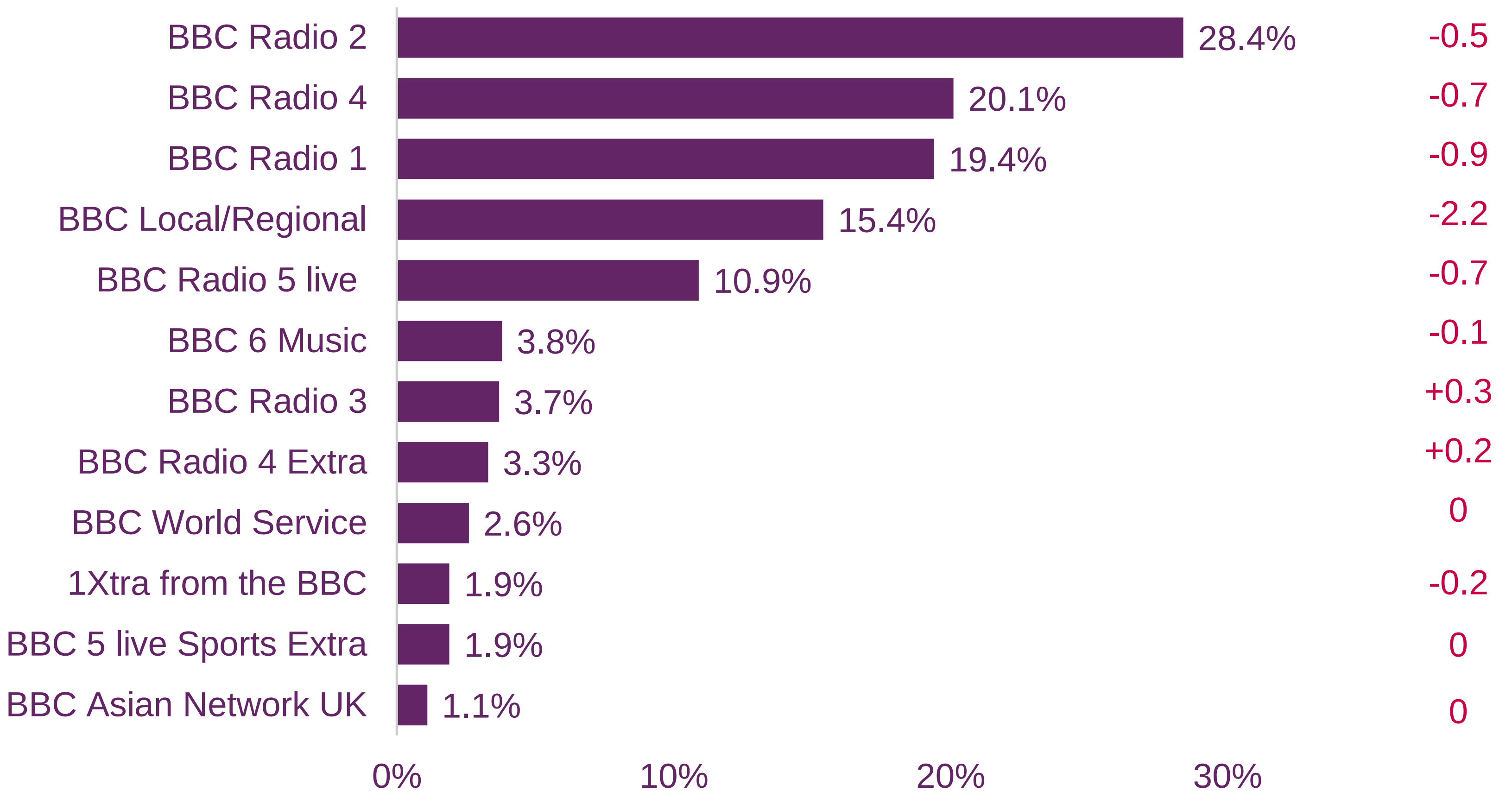
Source: RAJAR, all adults (15+), Q1 2015. Base: National Total Survey Area * Q1 ‘14 and Q1 ’15
UKRD figures include The Local Radio Company

Figure 3.20

Weekly reach of BBC stations: Q1 2015

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

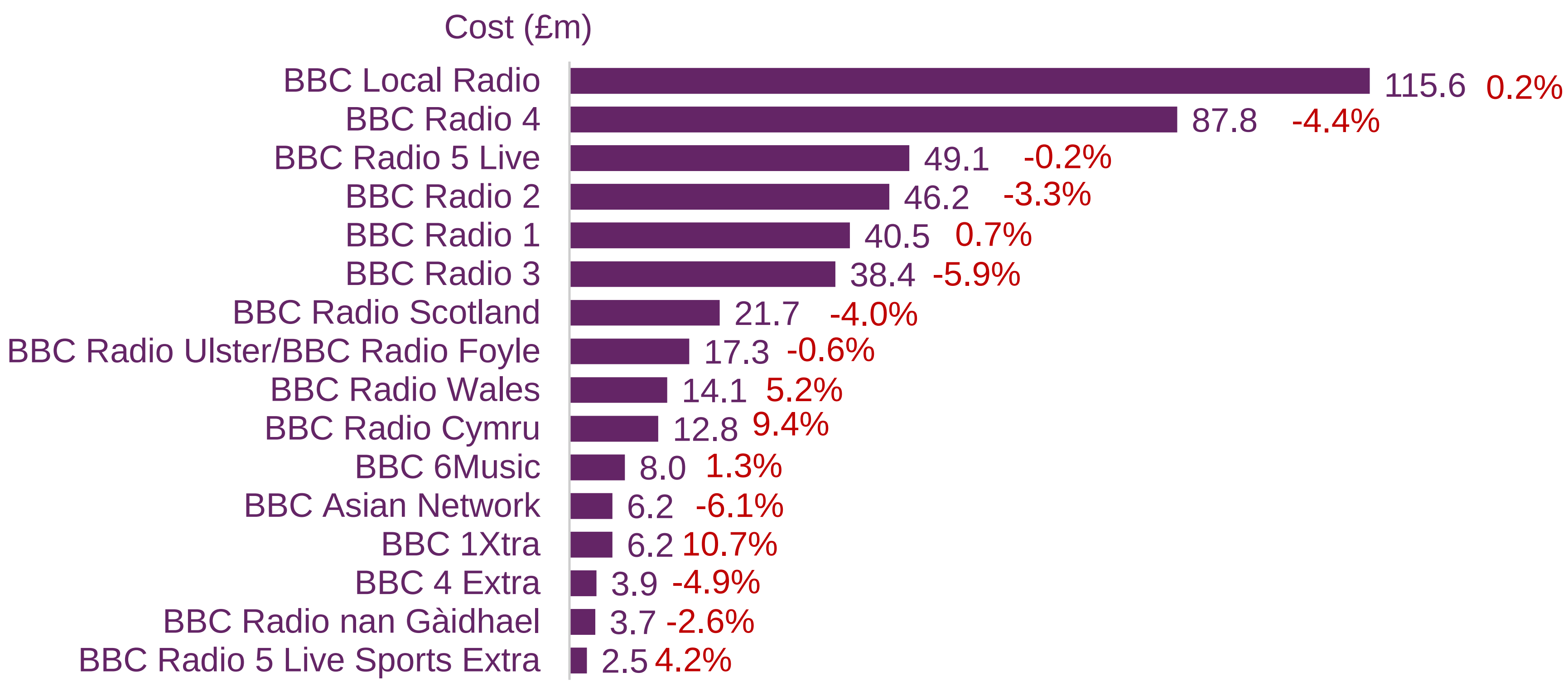
Year on year percentage point change



Source: RAJAR, all adults (15+), year ending Q1 2015

Figure 3.21

BBC radio stations: spend on radio content, 2014-15



Source: BBC Annual Report 2014-15. Year-on-year change shown in red text to the right of the absolute value.

Figure 3.22

Digital Audio Broadcasting UK radio services broadcasting May 2015

	Commercial UK-wide	BBC UK-wide	Local Commercial	Total
Multiplexes	1	1	54	**56**
Services	14	10	401*	**425***

* Includes simulcast services (201 unique services). Excludes BBC local radio services

Source: Ofcom, May 2015

Figure 3.23

Analogue UK radio stations broadcasting May 2015

Type of station	AM	FM	AM/FM total
Local commercial	52	237	289
UK-wide commercial	2	1	3
BBC UK-wide networks	1	4	5
BBC local and nations*	35	43	43
Community radio	6	221	227
TOTAL	**96**	**506**	**567**

Source: Ofcom, May 2015
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 3.24

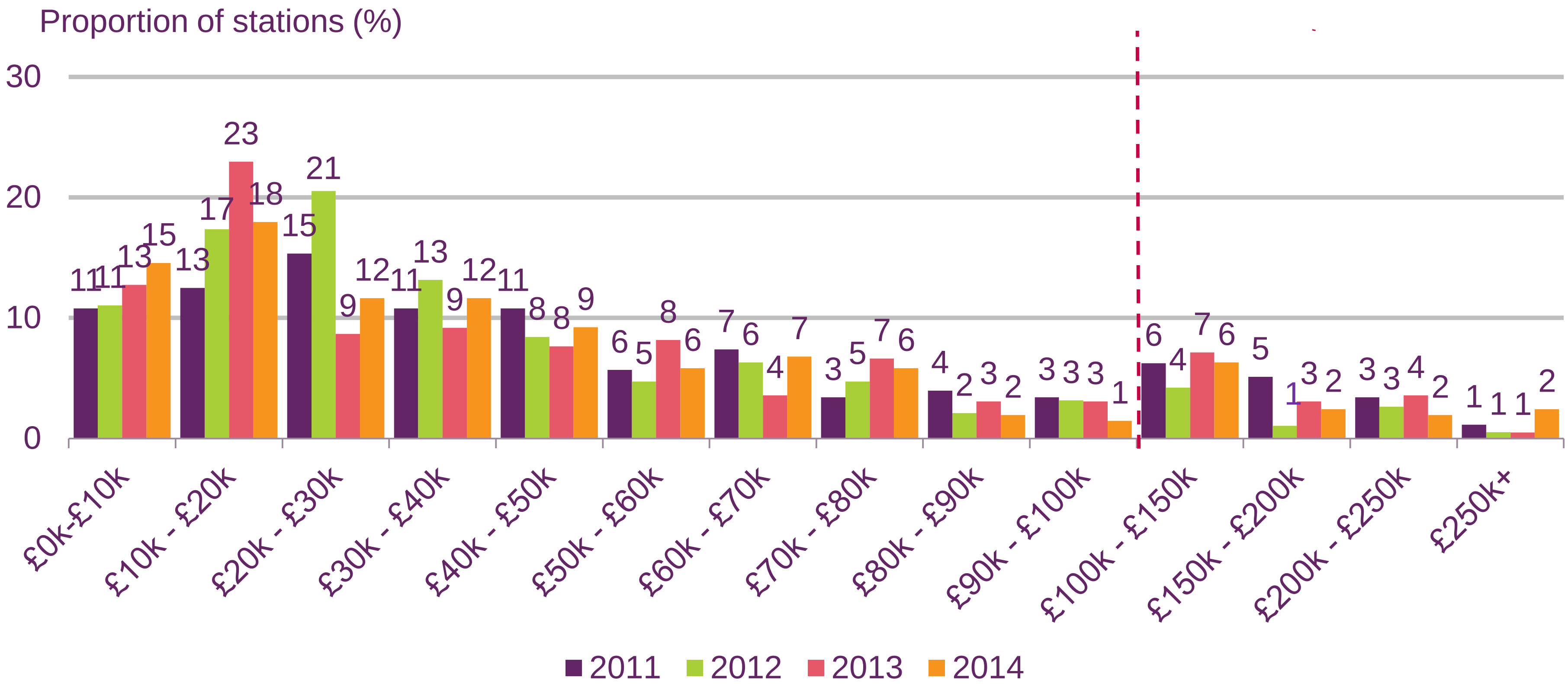
Average income for community radio stations: 2009 to 2014

Income	2009	2010	2011	2012	2013	2014
Average (mean) income	£75,500 (-10.2%)	£65,750 (-12.9%)	£60,250 (-8.3%)	£57,000 (-5.4%)	£55,500 (-2.7%)	£55,750 (+0.8%)
Median income	£46,750 (-15.0%)	£42,500 (-7.14%)	£40,500 (-4.8%)	£35,250 (-13.1%)	£33,250 (-5.6%)	£35,750 (+6.9%)

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 3.25

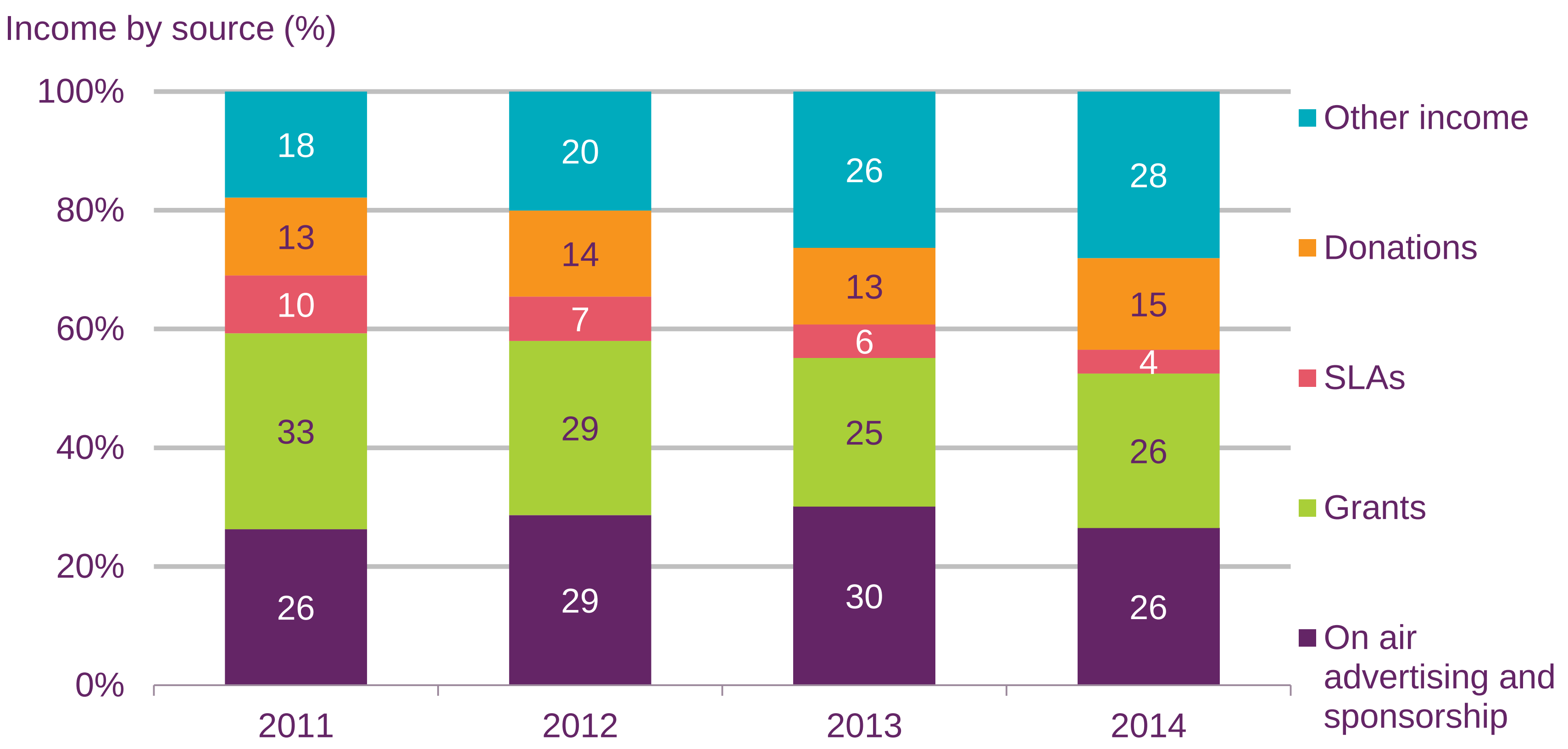
Distribution of total income levels across the community radio sector



Source: Ofcom analysis of community broadcasters' returns. Figures rounded.

Figure 3.26

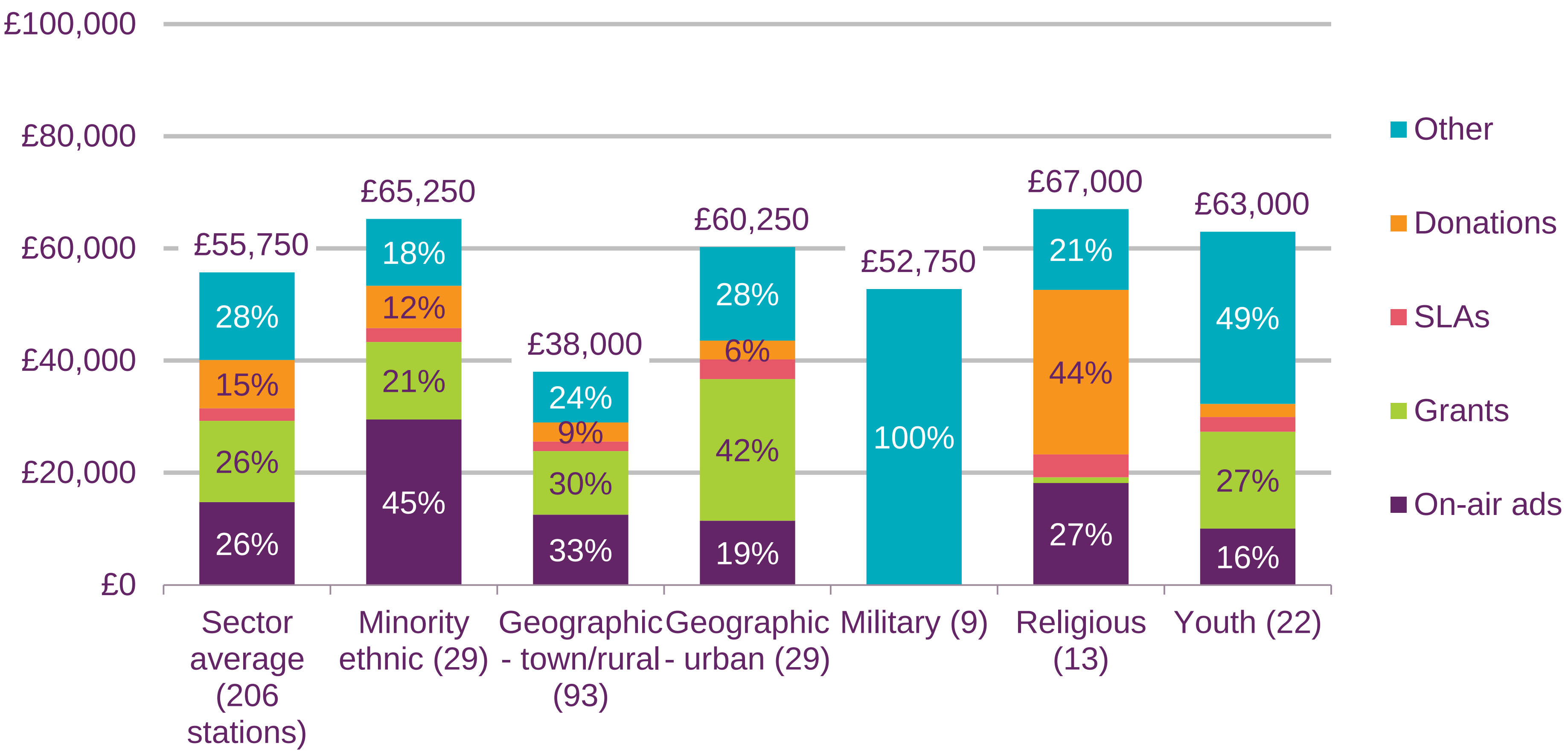
Community radio income, by source



Source: Ofcom analysis of community broadcasters' returns

Figure: 3.27

Average income by type of community served



Source: Ofcom analysis of community broadcasters' returns

Figure 3.28

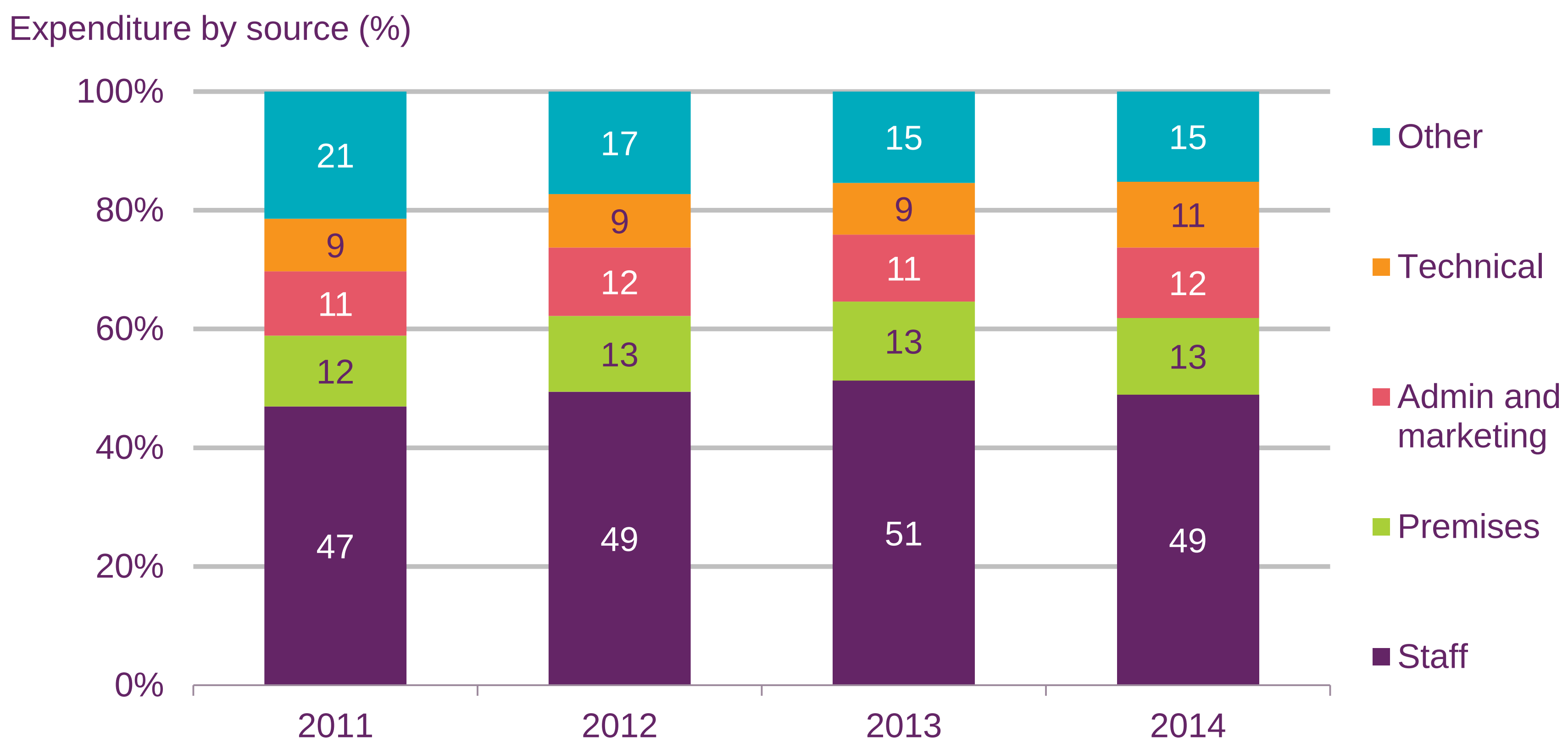
Average expenditure for community radio stations: 2009 to 2014

Expenditure	2009	2010	2011	2012	2013	2014
Average (mean) expenditure	£76,500 (-11.4%)	£67,000 (-12.3%)	£64,250 (-4.1%)	£58,000 (-9.7%)	£55,000 (-5.0%)	£53,500 (-2.7%)
Median expenditure	£52,250 (5.3%)	£43,000 (-17.5%)	£41,000 (-4.9%)	£35,500 (-15.4%)	£35,750 (2.7%)	£33,250 (-6.8%)

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 3.29

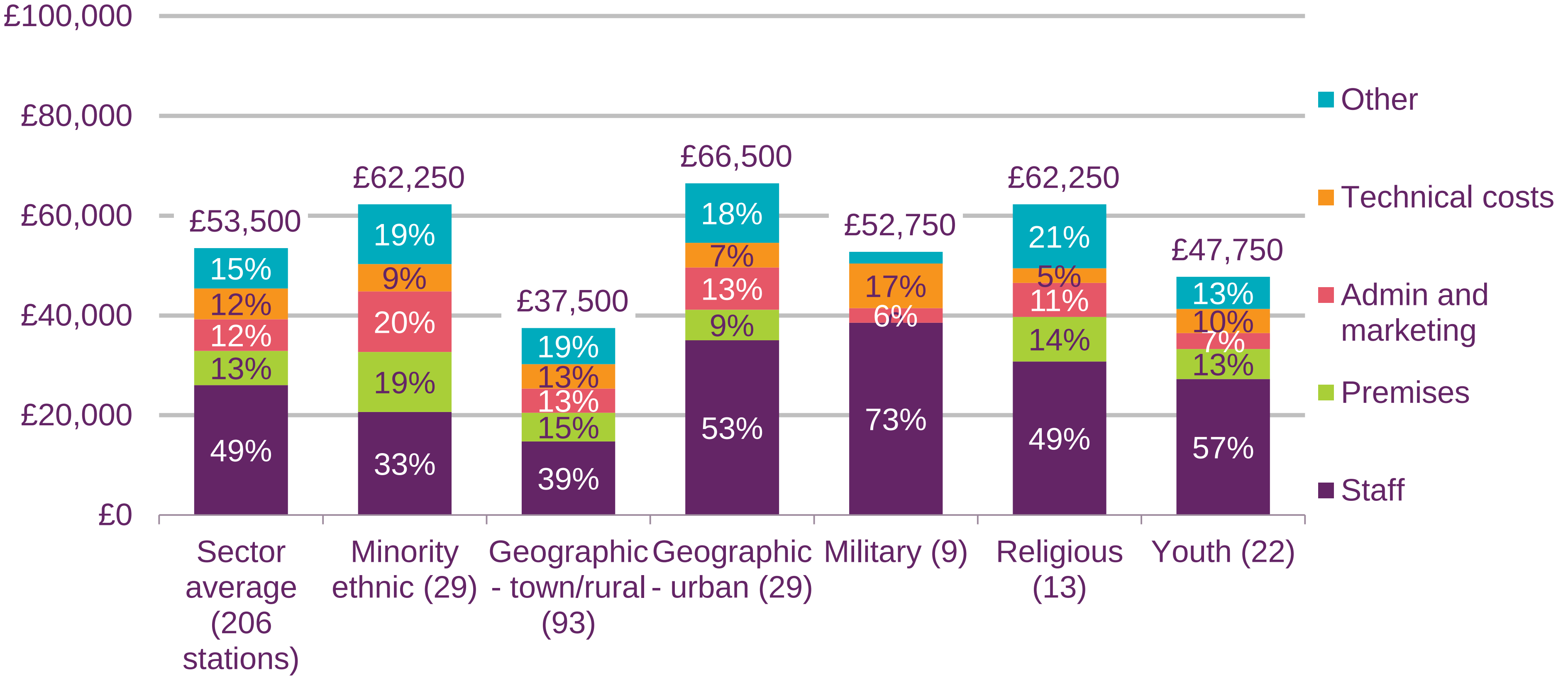
Community radio expenditure, by type



Source: Ofcom analysis of community broadcasters' returns

Figure: 3.30

Average expenditure by type of community served



Source: Ofcom analysis of community broadcasters' returns

Figure 3.31

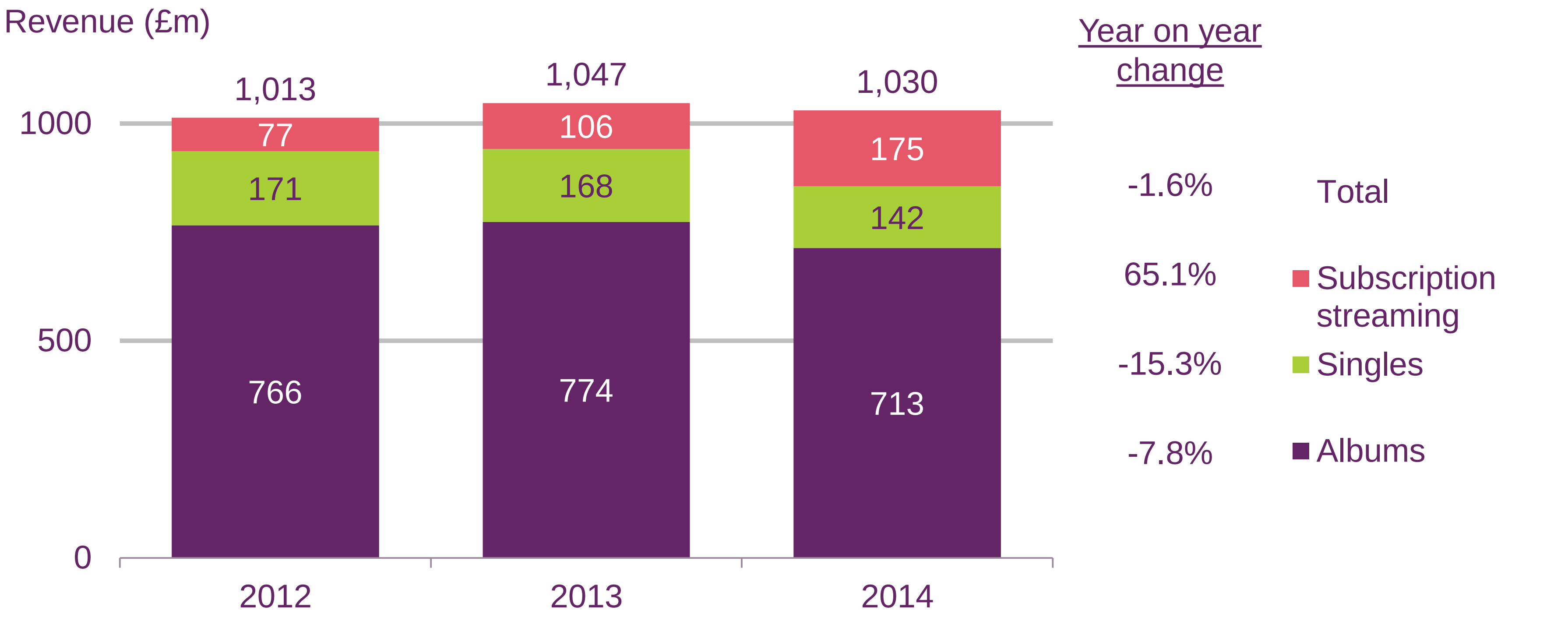
Community radio hours and volunteers

	Sector average
Total original hours per week	93
Number of volunteers	87
Total volunteer hours per week	209
Number of volunteers trained	60

Source: Ofcom analysis of community broadcasters' returns

Figure 3.32

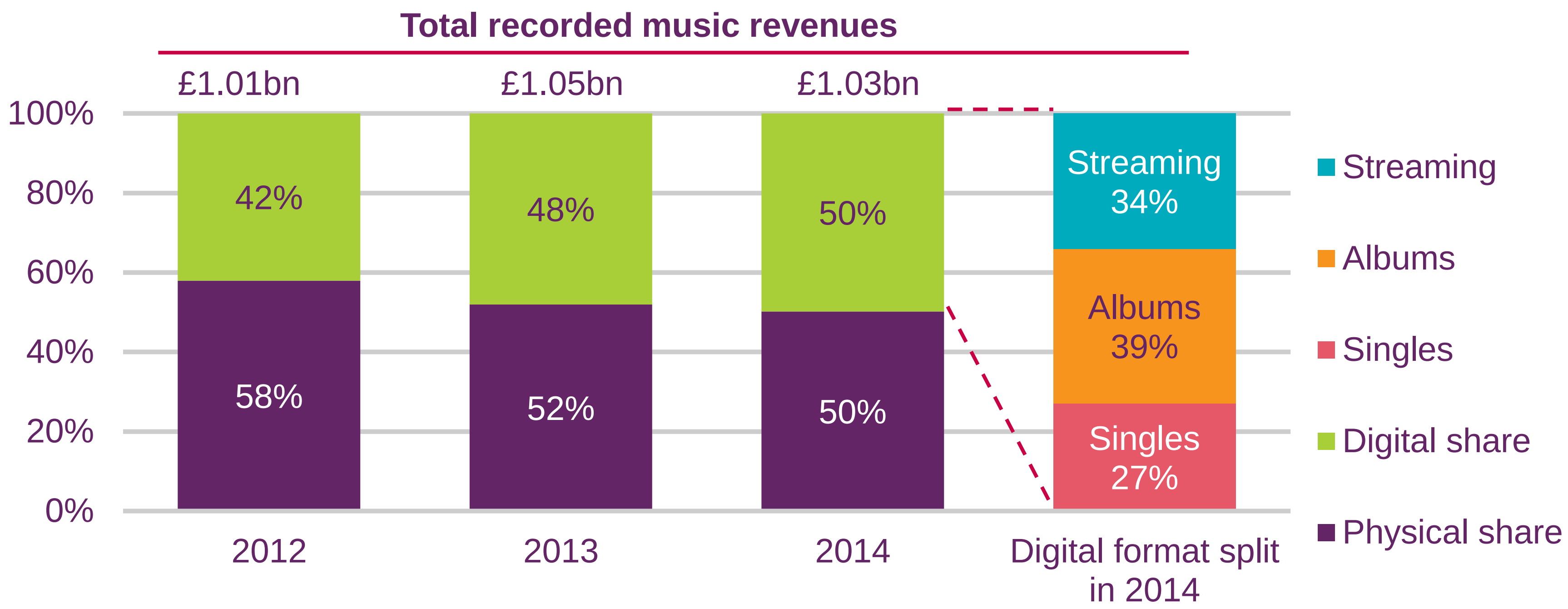
Recorded music retail revenues: 2012-2014



Source: Entertainment Retailers' Association / Official Charts. Figures are nominal.

Figure 3.33

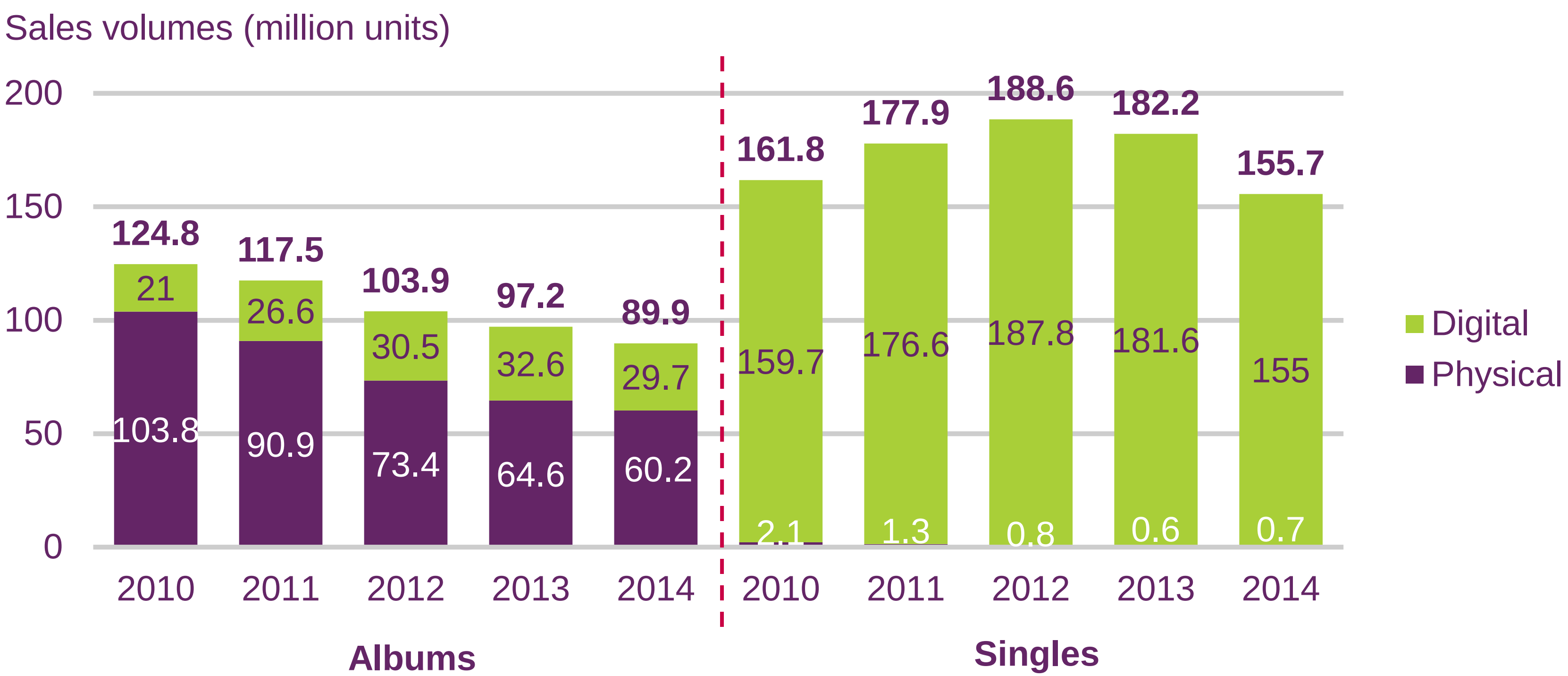
Distribution of recorded music retail revenues: 2012-2014



Source: Entertainment Retailers' Association / Official Charts

Figure 3.34

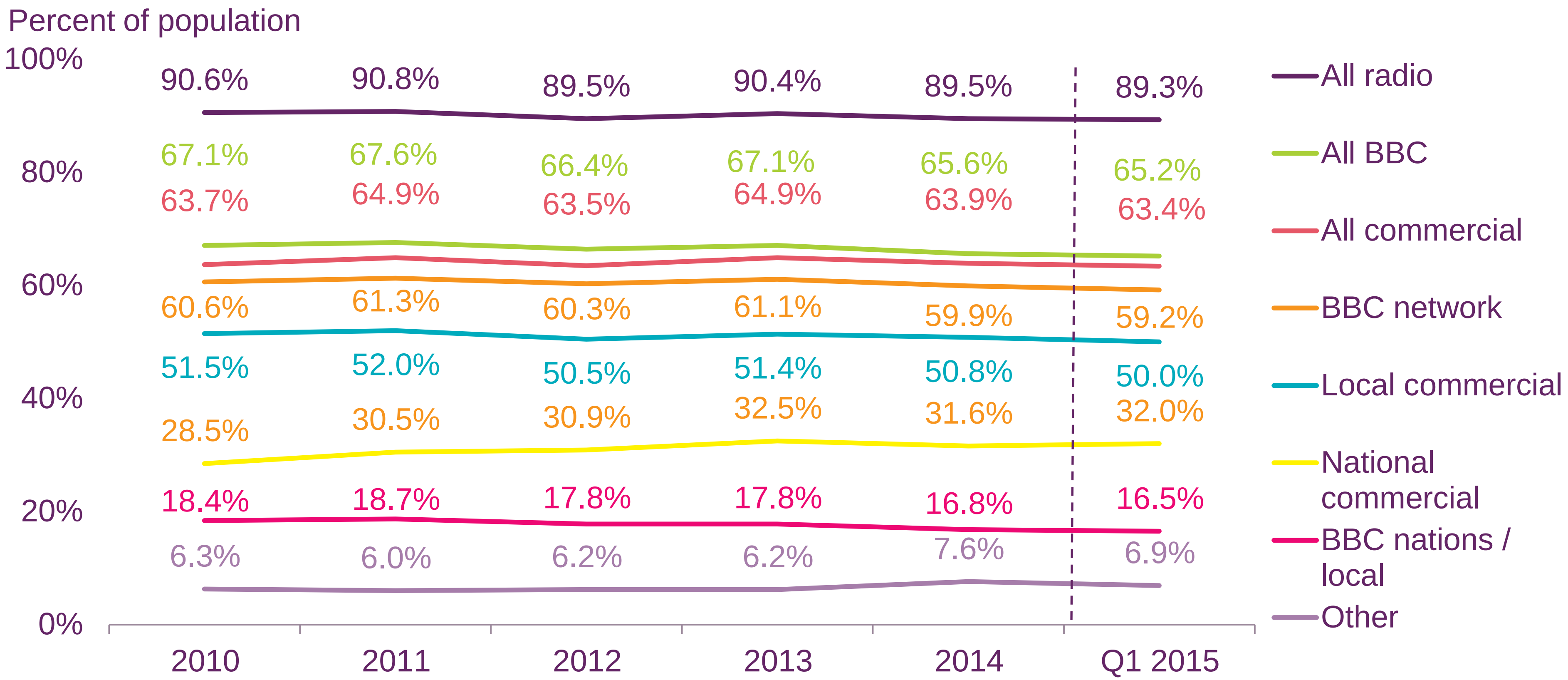
Recorded music sales, by volume: 2010-2014



Source: Entertainment Retailers' Association / Official Charts

Figure 3.35

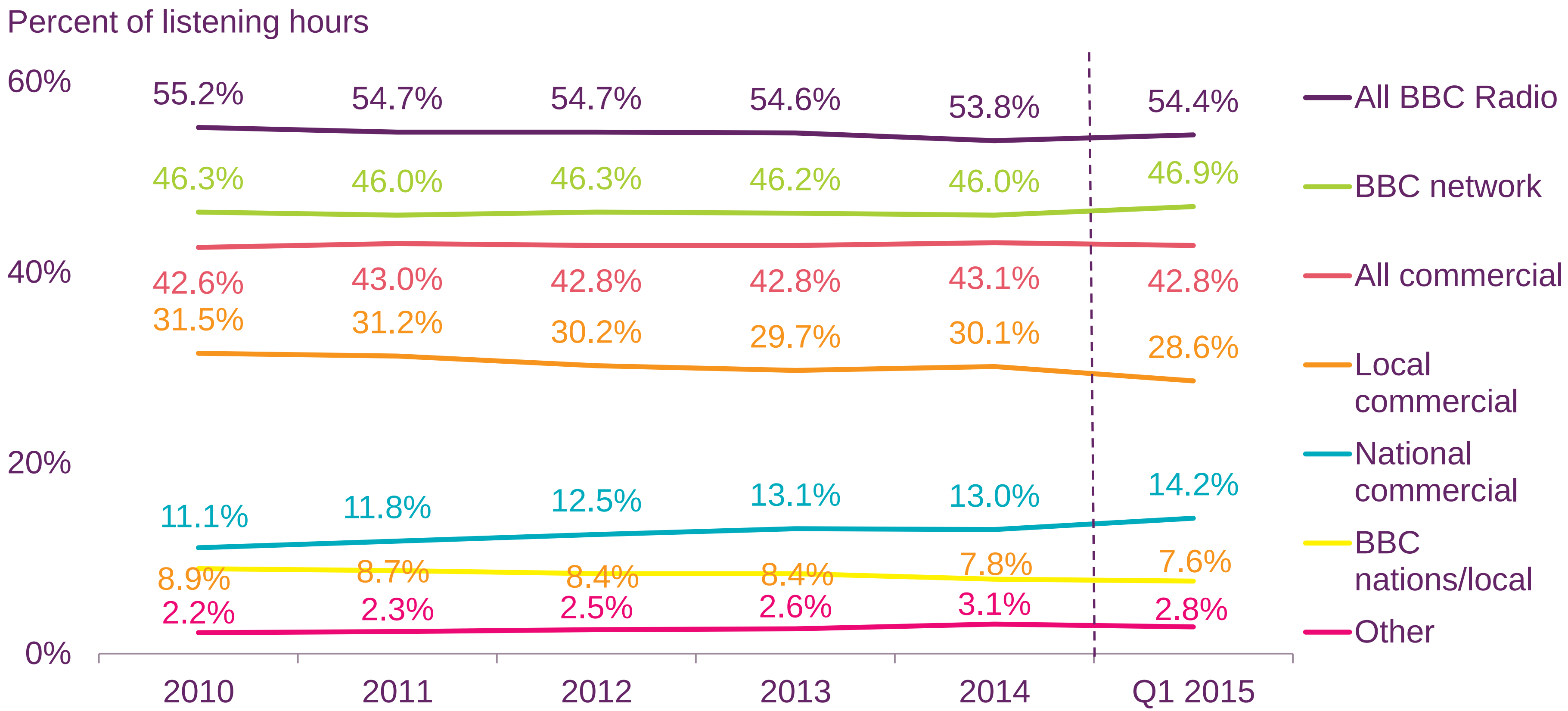
Reach of radio, by sector



Source: RAJAR, All adults (15+), calendar years 2010-2014, Q1 2015

Figure 3.36

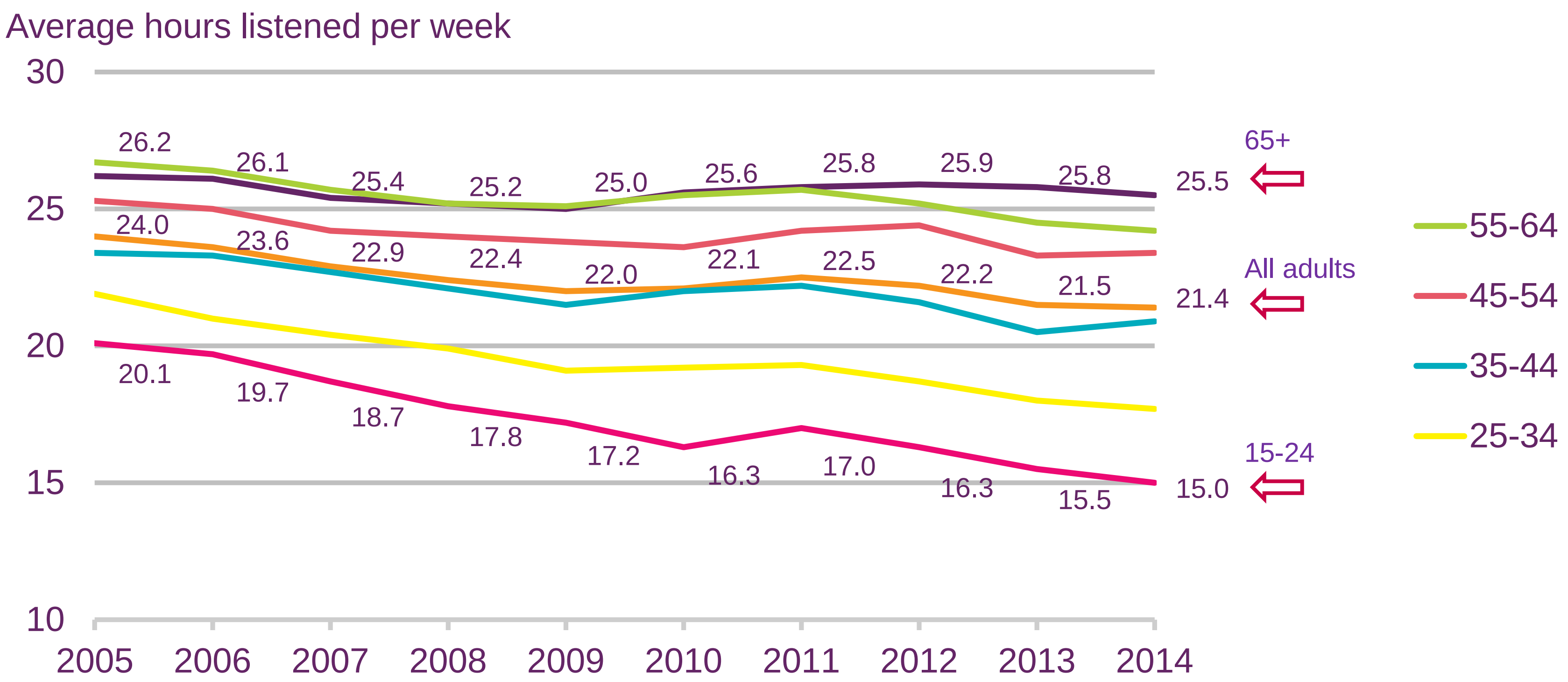
Share of listening hours, by sector



Source: RAJAR, All adults (15+), calendar years 2010-2014, Q1 2015

Figure 3.37

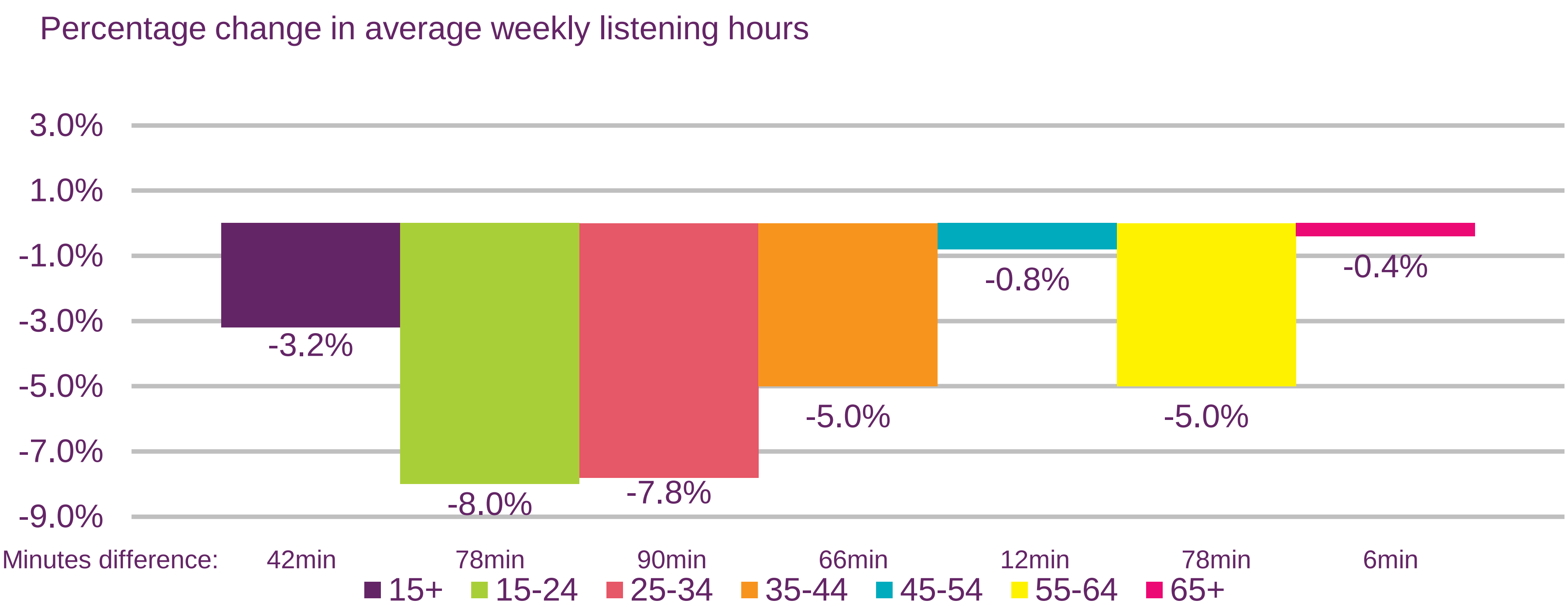
Weekly listening hours by age group, 2005-2014



Source: RAJAR, average weekly listening per listener, calendar years 2005-2014

Figure 3.38

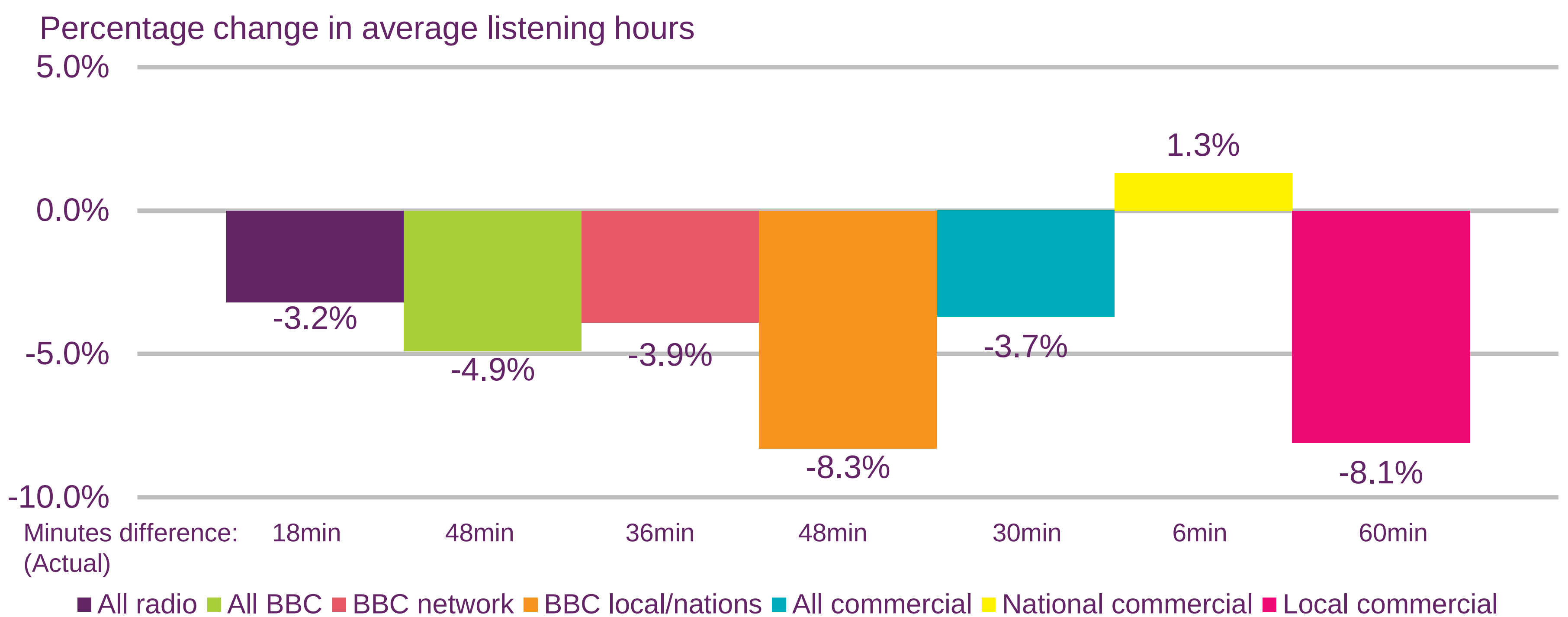
Change in time spent listening, by age group: 2010-2014



Source: RAJAR, all adults 15+. Calendar years 2010 and 2014 average hours difference, by age group

Figure 3.39

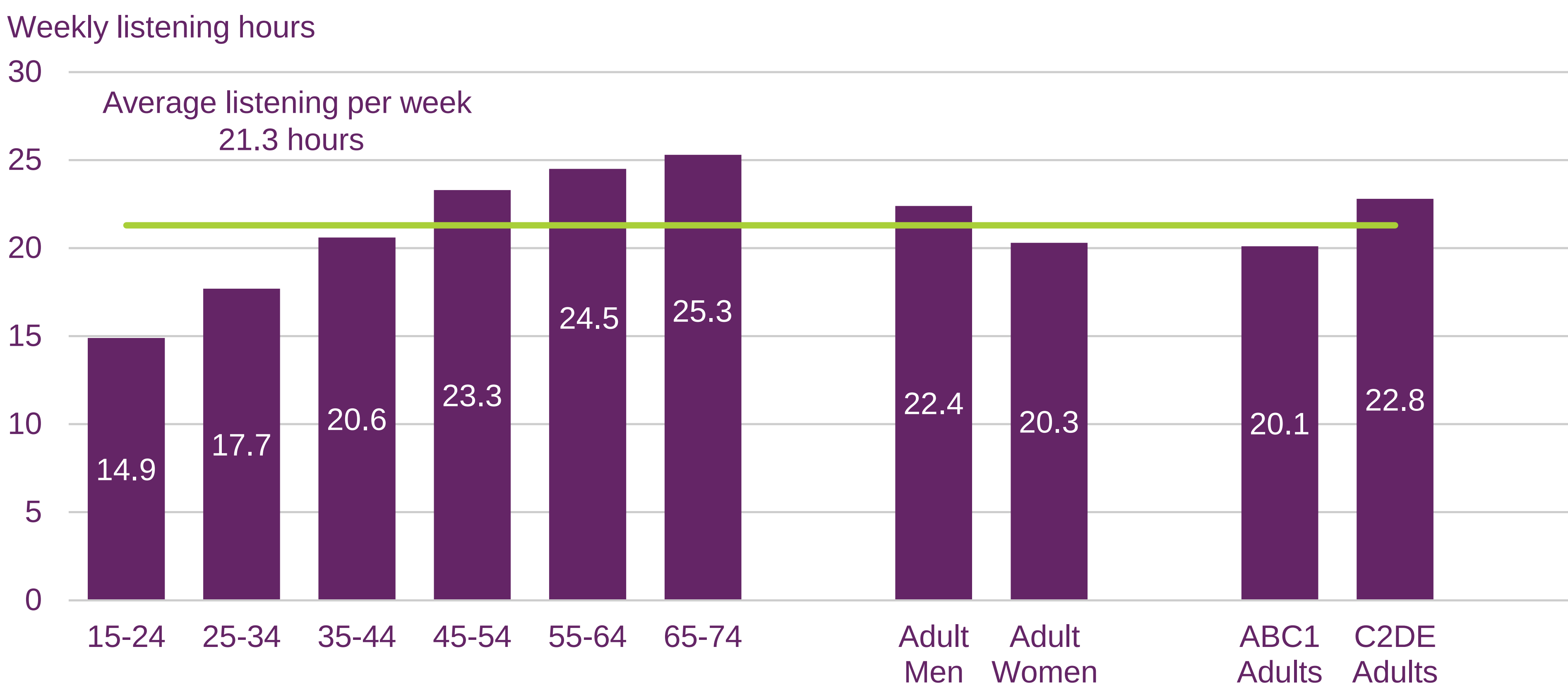
Change in time spent listening, by sector: 2010-2014



Source: RAJAR, all adults 15+. Calendar years 2010 and 2014 average hours difference, by sector

Figure 3.40

Average weekly listening by demographic, year ending Q1 2015

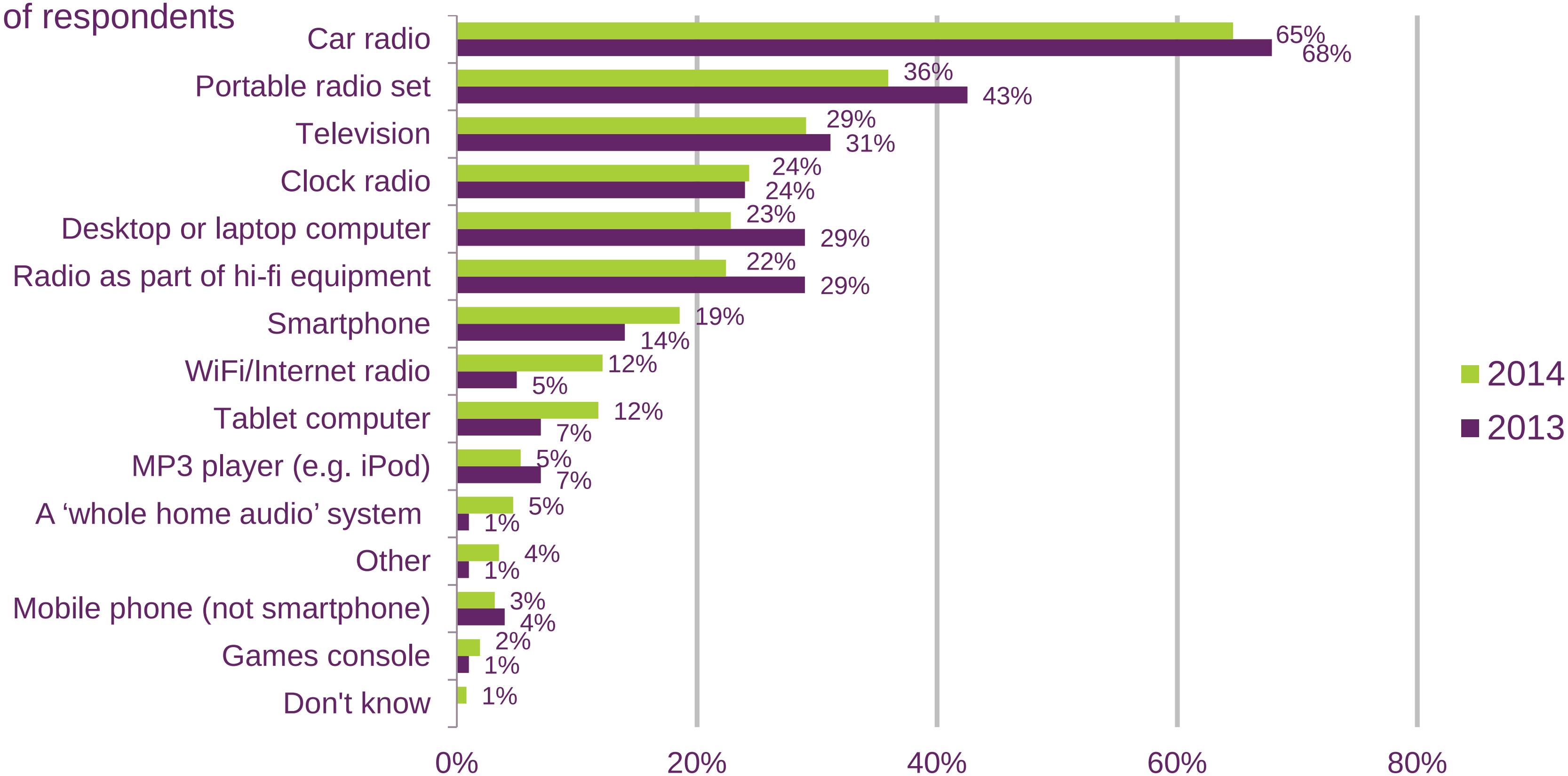


Source: RAJAR, all adults (15+), year ending Q1 2015, average weekly listening hours per listener

Figure 3.41

Devices currently used for radio listening

% of respondents



Source: YouGov, YouGov SixthSense New Generations and the Future of Radio surveys (3rd-9th May 2013) and YouGov New Generations and the Future of Radio Survey (29th August 2014-8th September 2014)
Base: *863 UK radio listeners aged 16+ (2013) and* 868 UK radio listeners aged 16+ (2014)
Q15. Which of the following devices do you currently listen to the radio on?

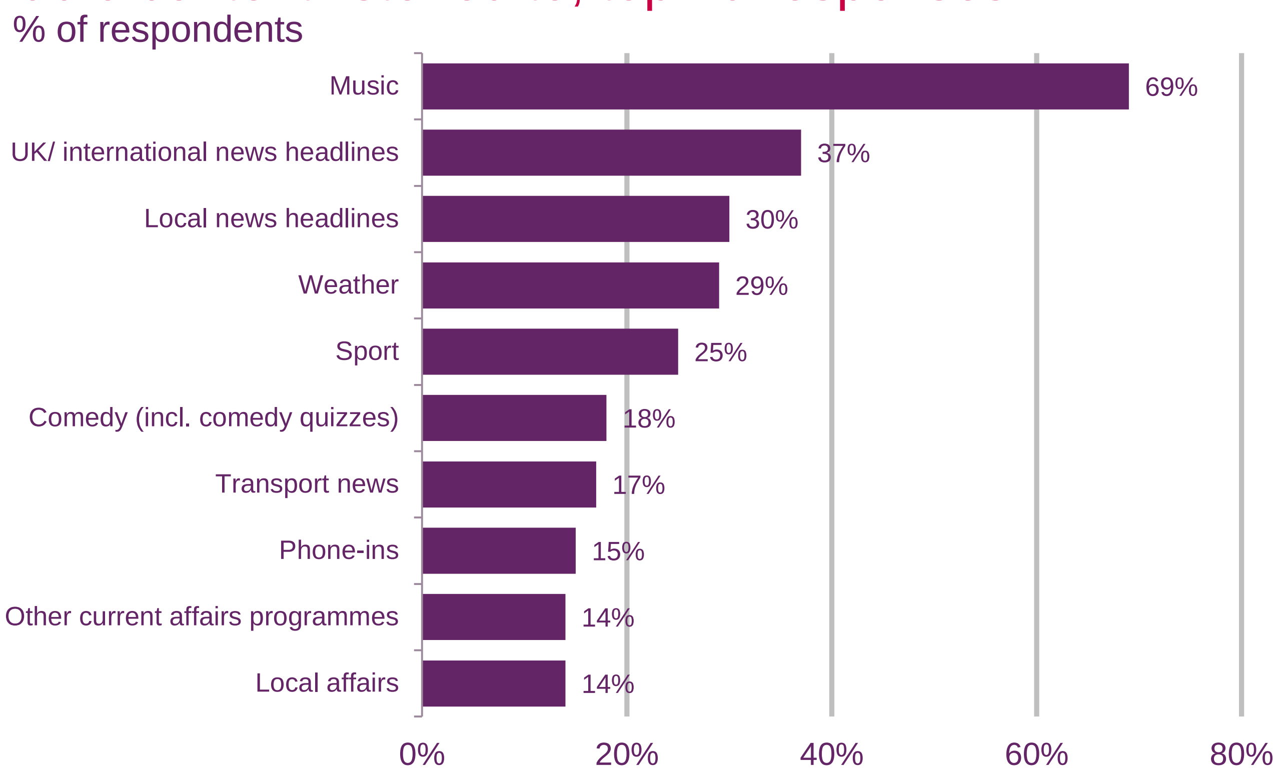
Figure 3.42

Location of listening – year to Q1, 2011-2015

Source: RAJAR, year ending Q1 2011-2015 all adults 15+

Figure 3.43

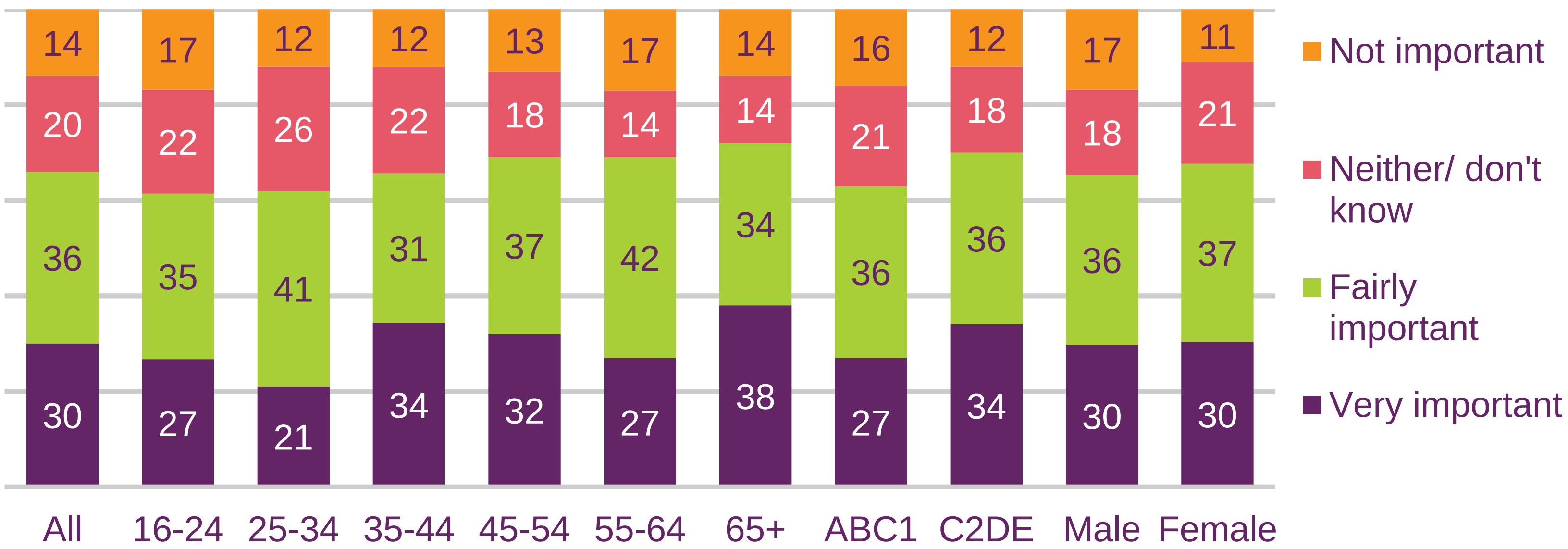
Types of radio content listened to, top 10 responses



Source: YouGov New Generations and the Future of Radio Survey (29th August 2014-8th September 2014)
Base: 868 UK radio listeners aged 16+
Q23. What type of content do you listen to on the radio? Please choose all that apply.

Figure 3.44

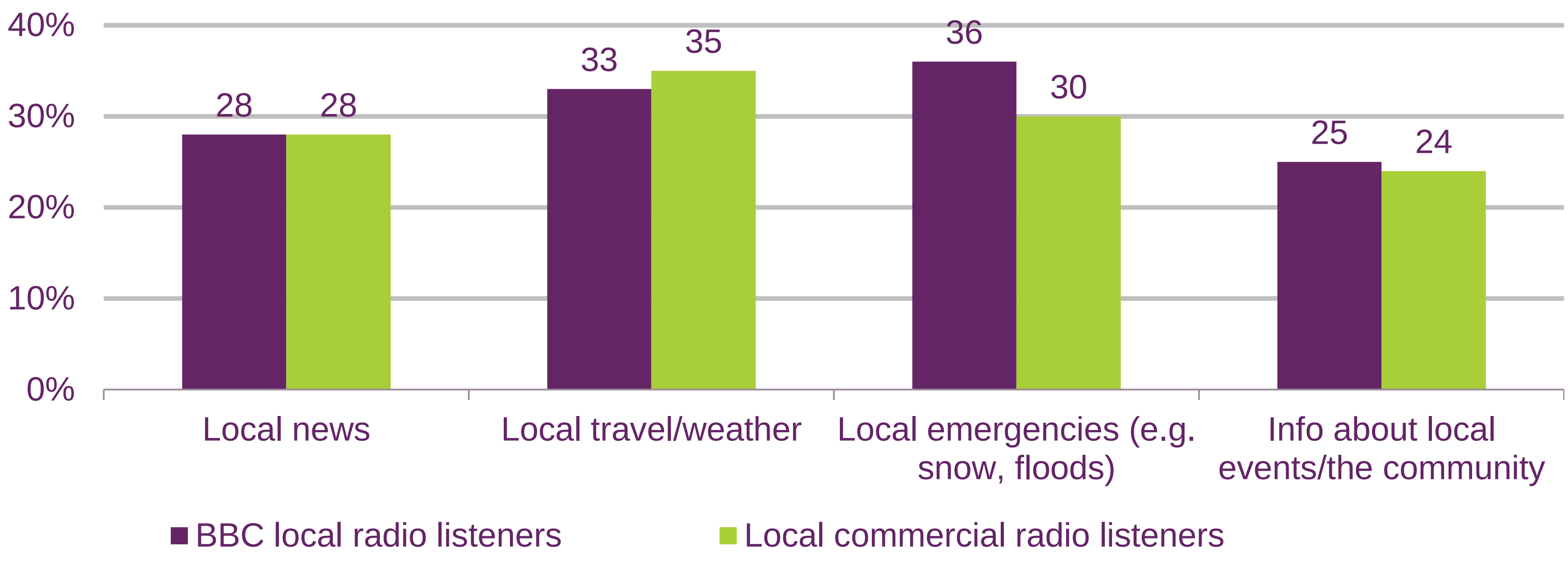
Importance of local radio station service



Source: Ofcom Media Tracker 2014.
Base: All who listen to a local radio station (769); 16-24 (105); 25-34 (124); 35-44 (130); 45-54 (136); 55-64 (109); 65+ (165); ABC1 (419); C2DE (349); Male (383); Female (386). Prompted, single code.
Significance testing shows any difference between any age group and all adults and any difference between socio-economic groups and by gender. Q59 – How important to you is the service that local radio stations provide?

Figure 3.45

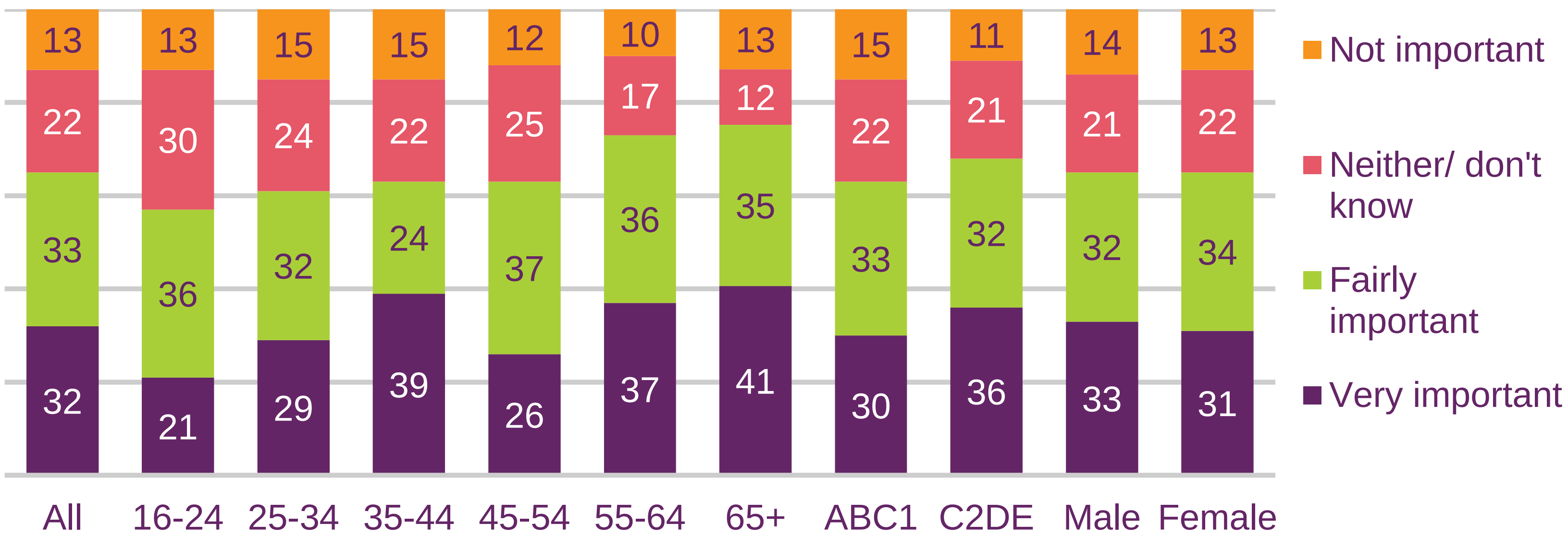
Reliance on BBC local/ local commercial radio stations for local issues and events



Source: Ofcom Media tracker 2014. Base: All who listen to BBC local radio stations (551); All who listen to local commercial radio stations (562). Q55/ Q56 - To what extent do you personally rely on BBC local / local commercial radio stations for coverage of the following local issues and events? % ‘rely on’ - a score of 1 or 2 on a scale of 1 to 5 where 1 is completely rely on

Figure 3.46

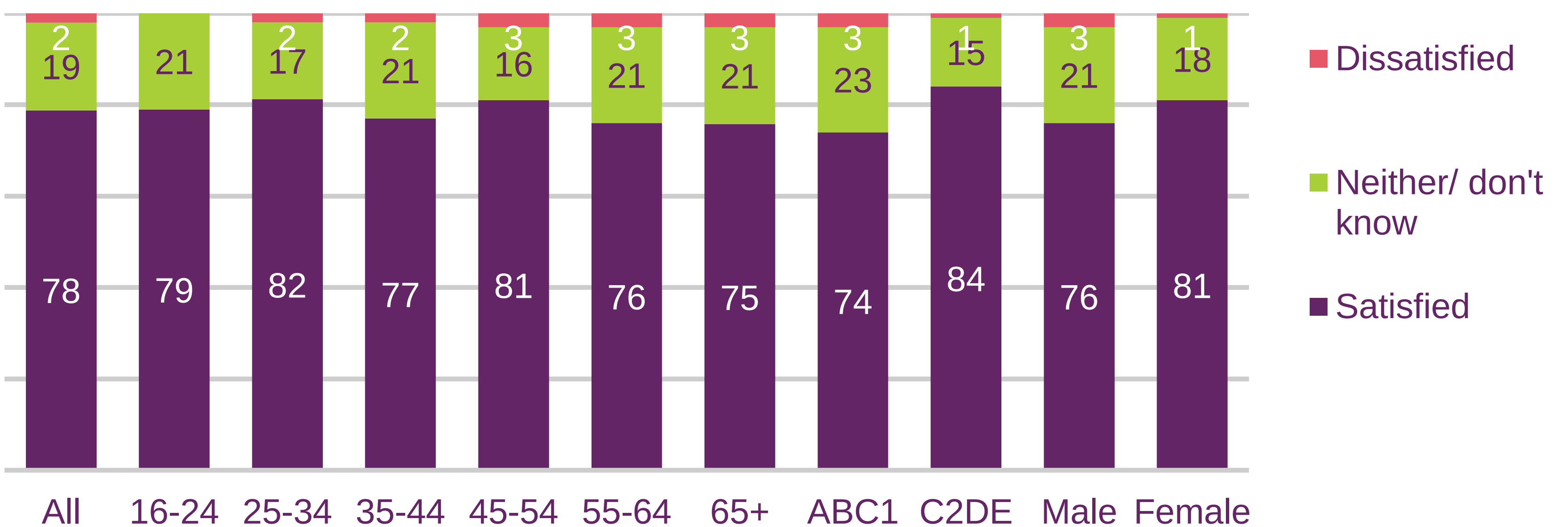
Importance that local radio station is based locally



Source: Ofcom Media Tracker 2014.
Base: All who listen to a local radio station (769); 16-24 (105); 25-34 (124); 35-44 (130); 45-54 (136); 55-64 (109); 65+ (165); ABC1 (419); C2DE (349); Male (383); Female (386). Prompted, single code. Significance testing shows any difference between any age group and all adults and any difference between socio-economic groups and by gender. Q60 – How important is to you that your local radio station is based in your local area?

Figure 3.47

Satisfaction with local radio station

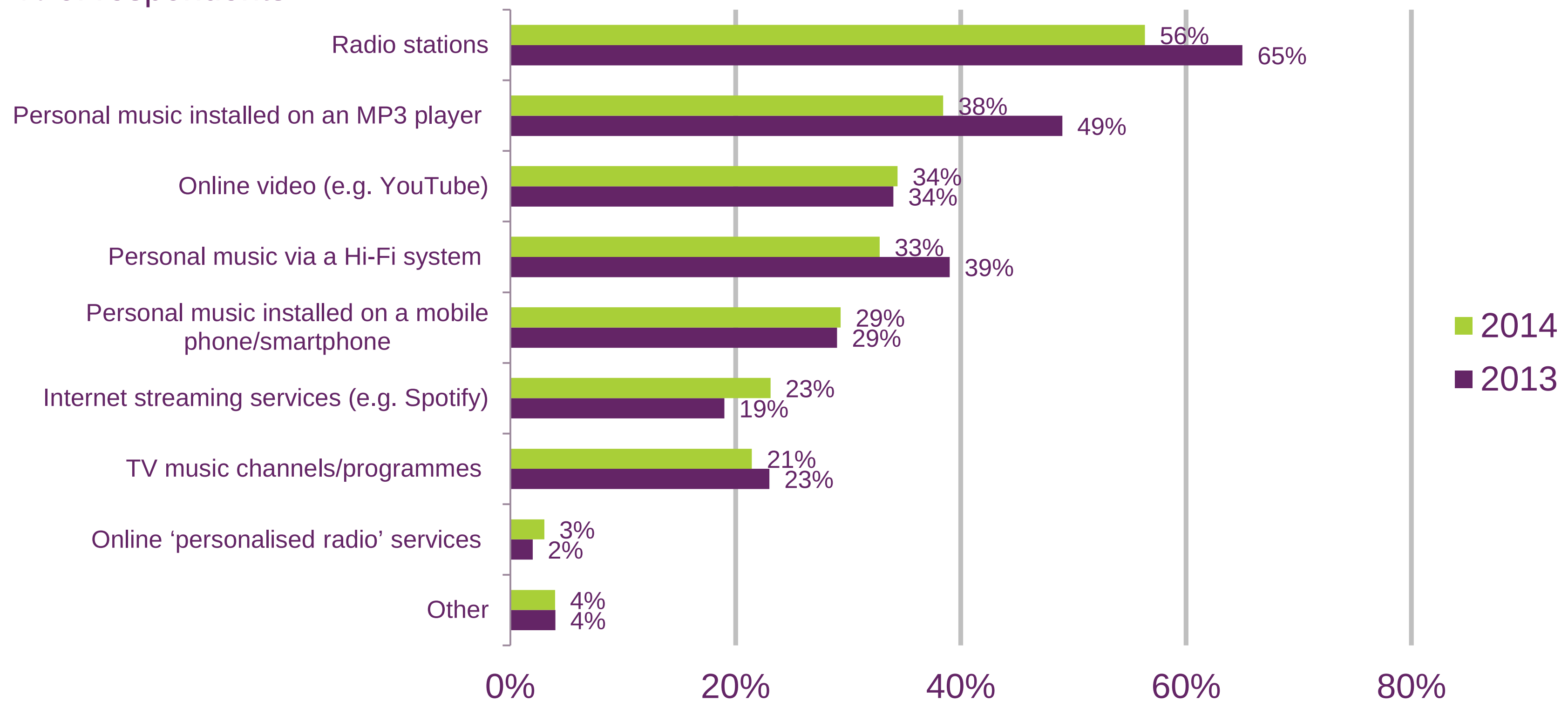


Source: Ofcom Media Tracker 2014.
Base: All who listen to a local radio station (769); 16-24 (105); 25-34 (124); 35-44 (130); 45-54 (136); 55-64 (109); 65+ (165); ABC1 (419); C2DE (349); Male (383); Female (386). Prompted, single code. Significance testing shows any difference between any age group and all adults and any difference between socio-economic groups and by gender. Q58 – How satisfied are you with what you hear on your local radio station?

Figure 3.48

Listing to music; 2013 and 2014

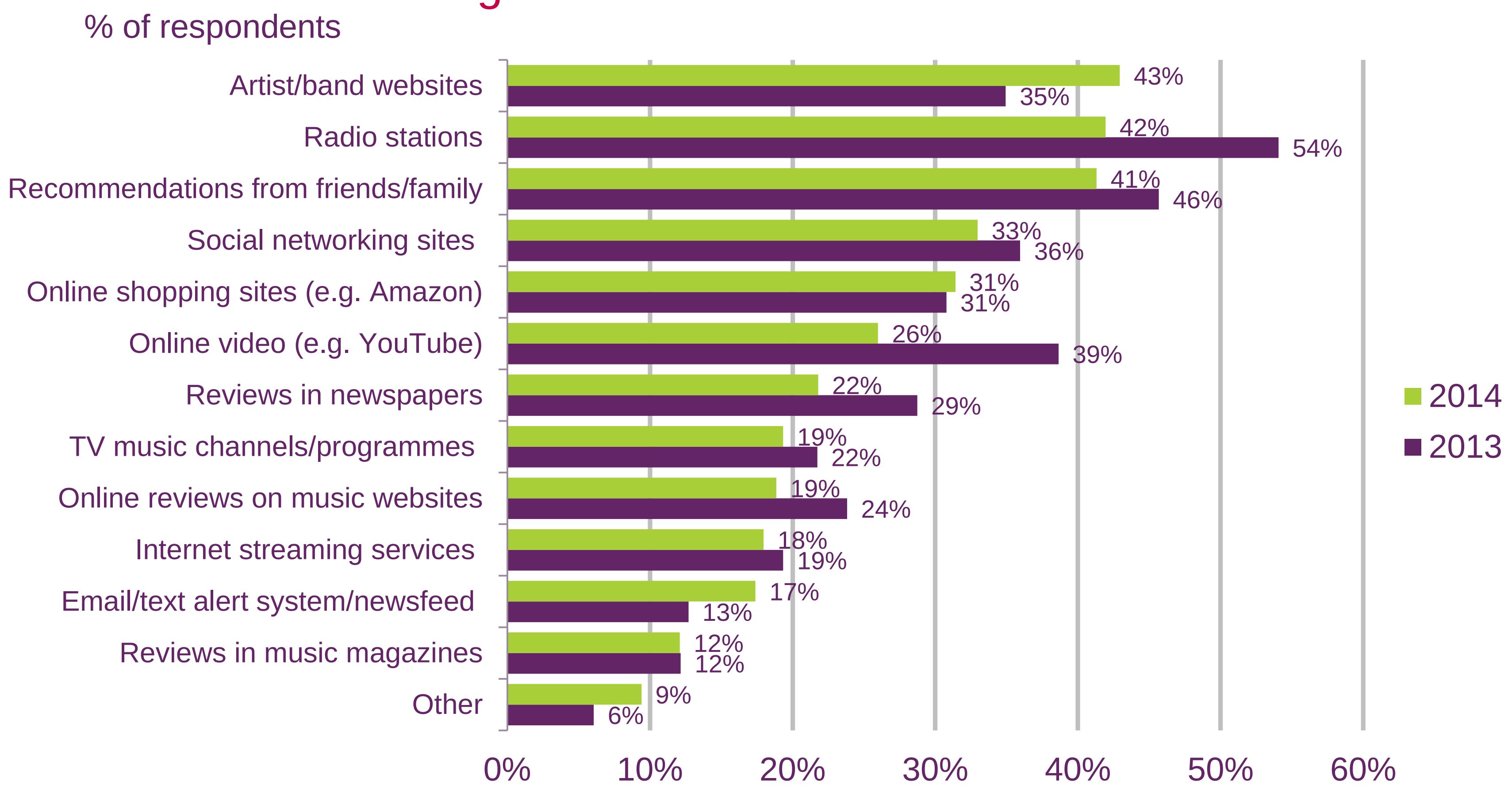
% of respondents



Source: YouGov, YouGov SixthSense New Generations and the Future of Radio surveys (3rd-9th May 2013) and YouGov New Generations and the Future of Radio Survey (29th August 2014 - 8th September 2014)
Base: *863 UK radio listeners aged 16+ (2013) and* 868 UK radio listeners aged 16+ (2014)
Q36. Thinking about how you listen to music, which of the following do you use regularly?

Figure 3.49

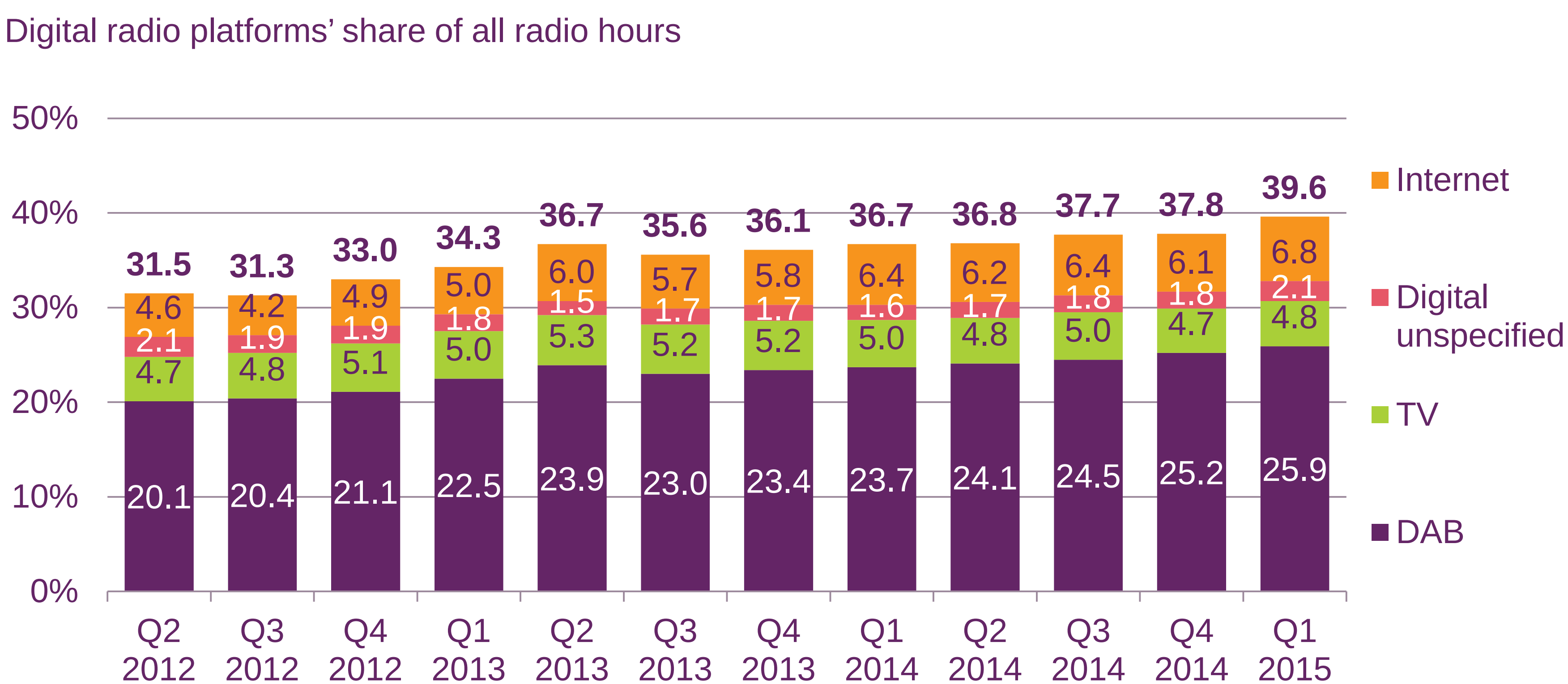
Sources used for finding out about new music or concerts



Source: YouGov, YouGov SixthSense New Generations and the Future of Radio surveys (3rd-9th May 2013) and YouGov New Generations and the Future of Radio Survey (29th August 2014 - 8th September 2014)
Base: *863 UK radio listeners aged 16+ (2013) and* 868 UK radio listeners aged 16+ (2014)
Q38. In terms of how you find out about the new music you buy or concerts you attend, which of the following sources do you regularly use?

Figure 3.50

Digital radio's share of radio listening, Q1 2014

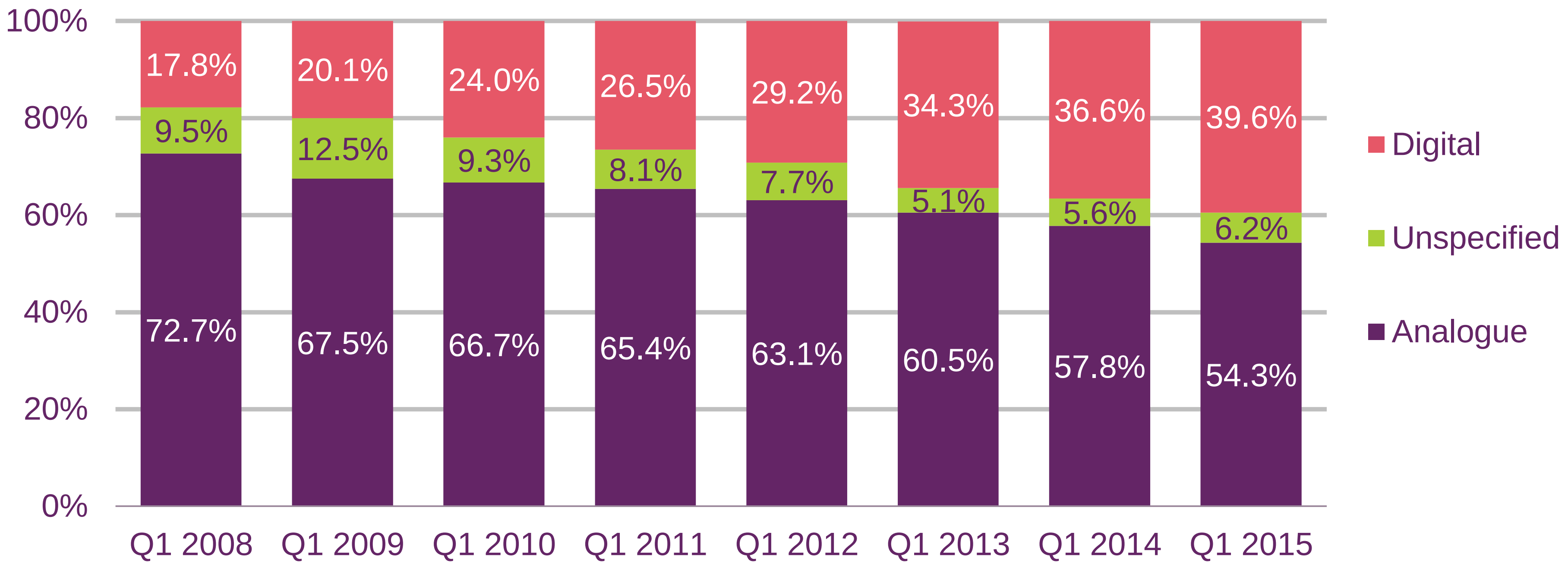


Source: RAJAR

Note: 'Digital unspecified' relates to listening to digital-only stations where the survey respondent has not specified the listening platform used. 'Internet' is classified as 'Online/Apps'

Figure 3.51

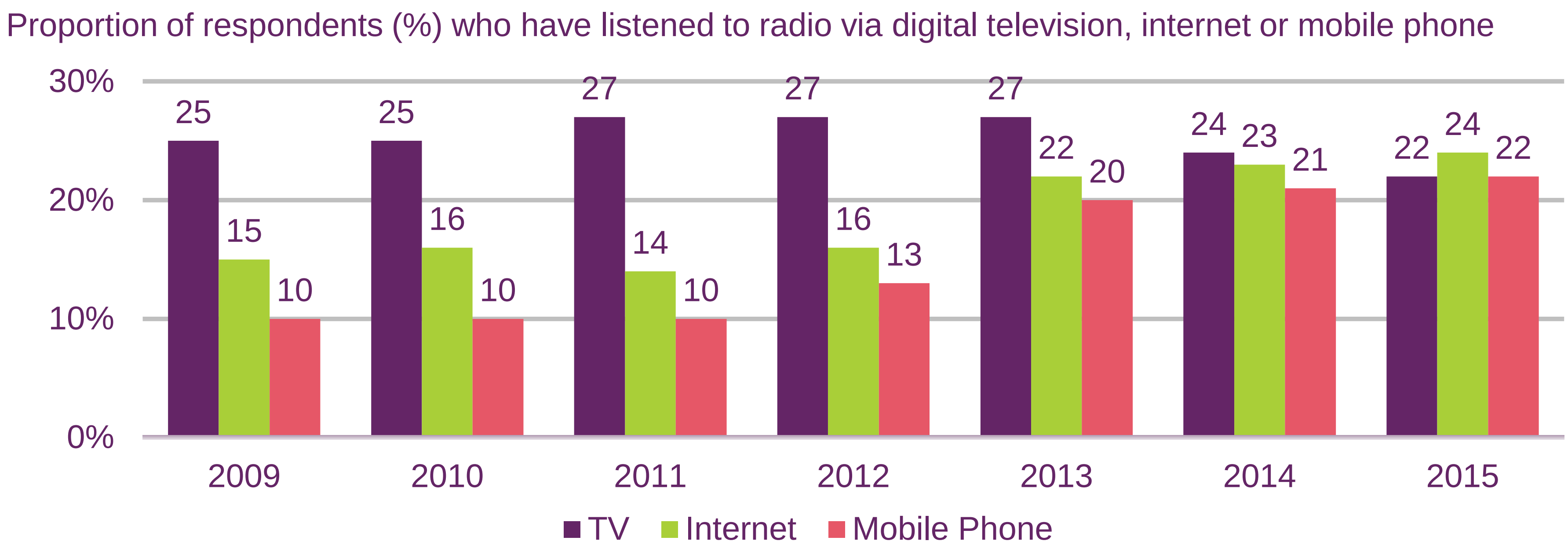
Share of listening hours across analogue and digital platforms



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 3.52

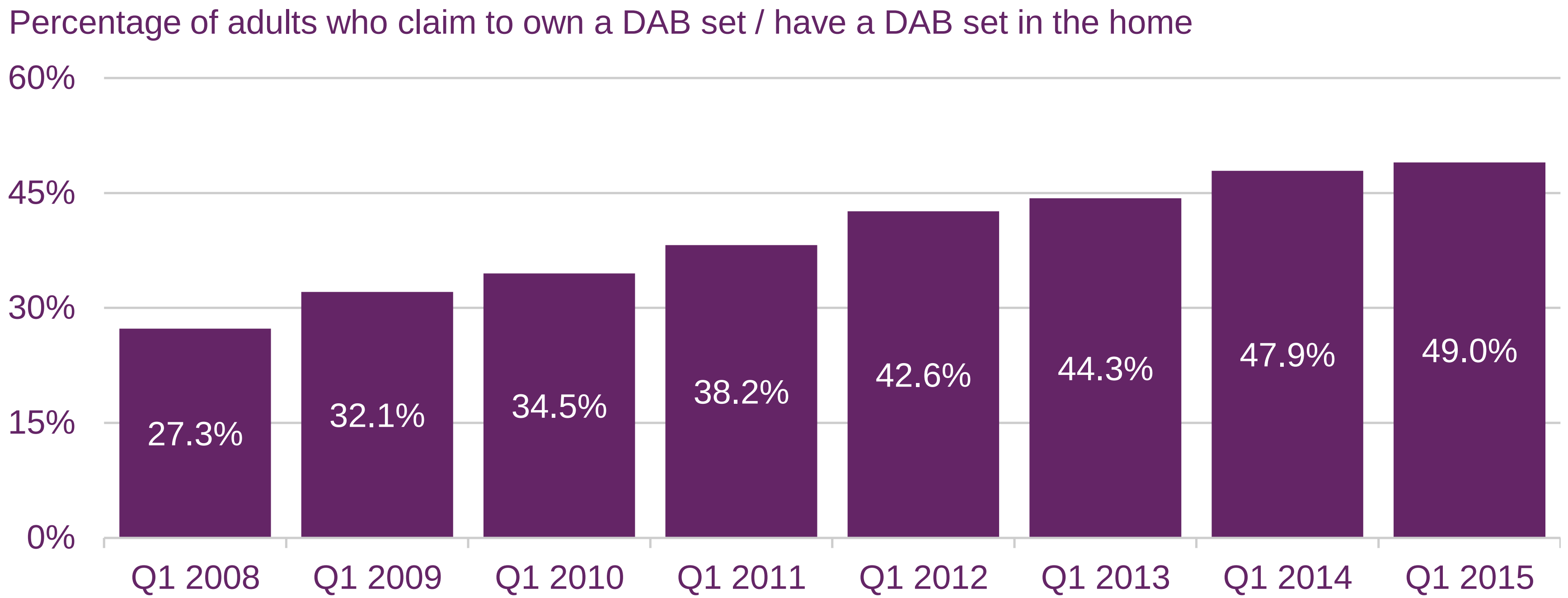
Listening to radio via TV, internet and mobile phone



Source: Ofcom Technology Tracker. Data from Quarter 1 of each year 2012-2013, then Wave 1 2014-2015
Base: All adults aged 16+ (n = 6090 UK 2009, 9013 UK 2010, 3474 UK 2011, 3772 UK 2012, 3750 UK 2013, 3740 UK 2014, 3756 UK 2015) QP11. How often, if at all, do you access the radio via – Digital radio via: TV, Internet, DAB radio, mobile phone? *NB 2013-15 measures for internet combine responses across radio listeners and internet users, 2013-15 measures for mobile phone combine responses across radio listeners and mobile phone users

Figure 3.53

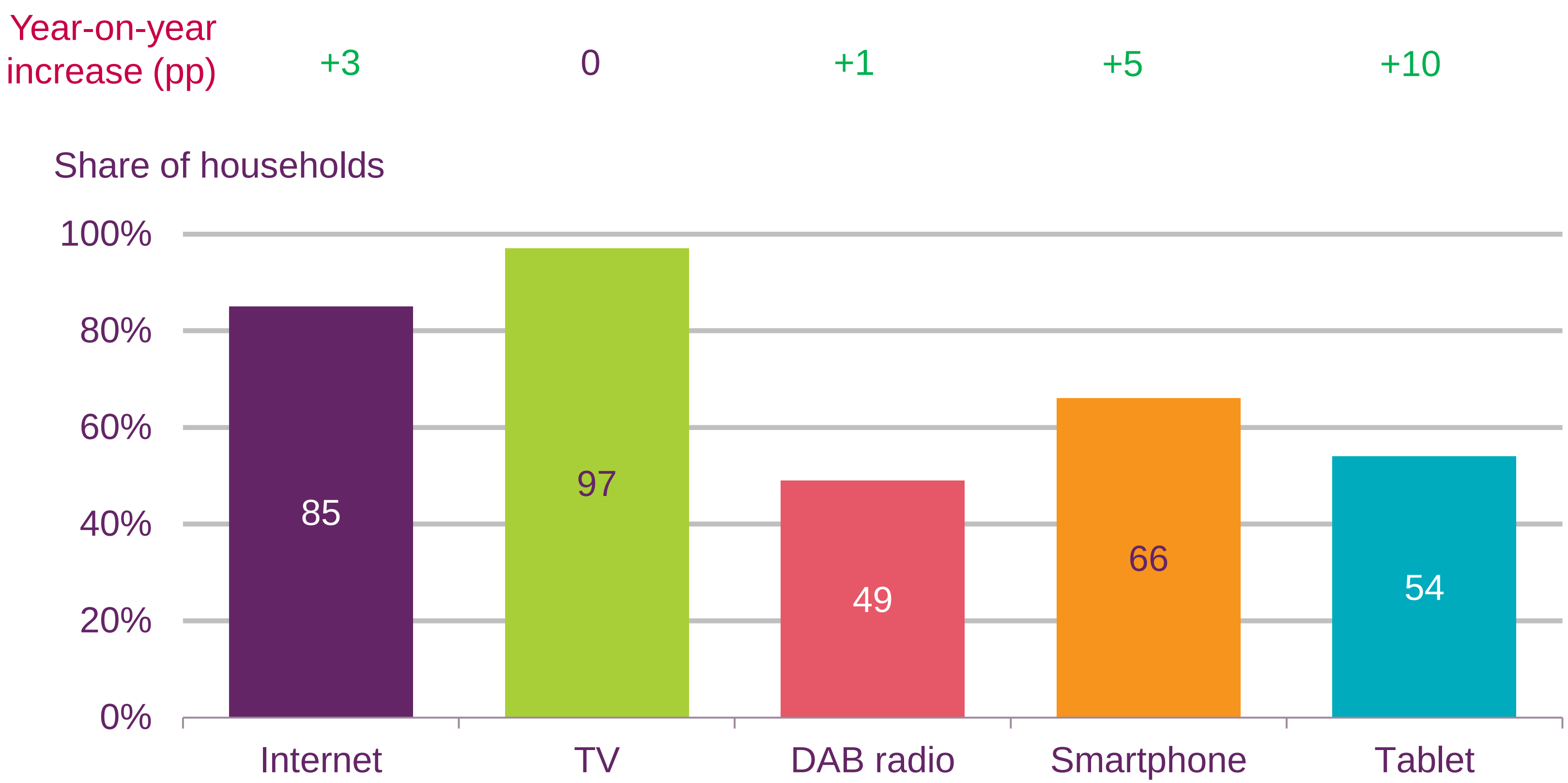
Ownership of DAB sets: Q1 2015



Source: RAJAR / Ipsos MORI / RSMB Q1 2008-2015

Figure 3.54

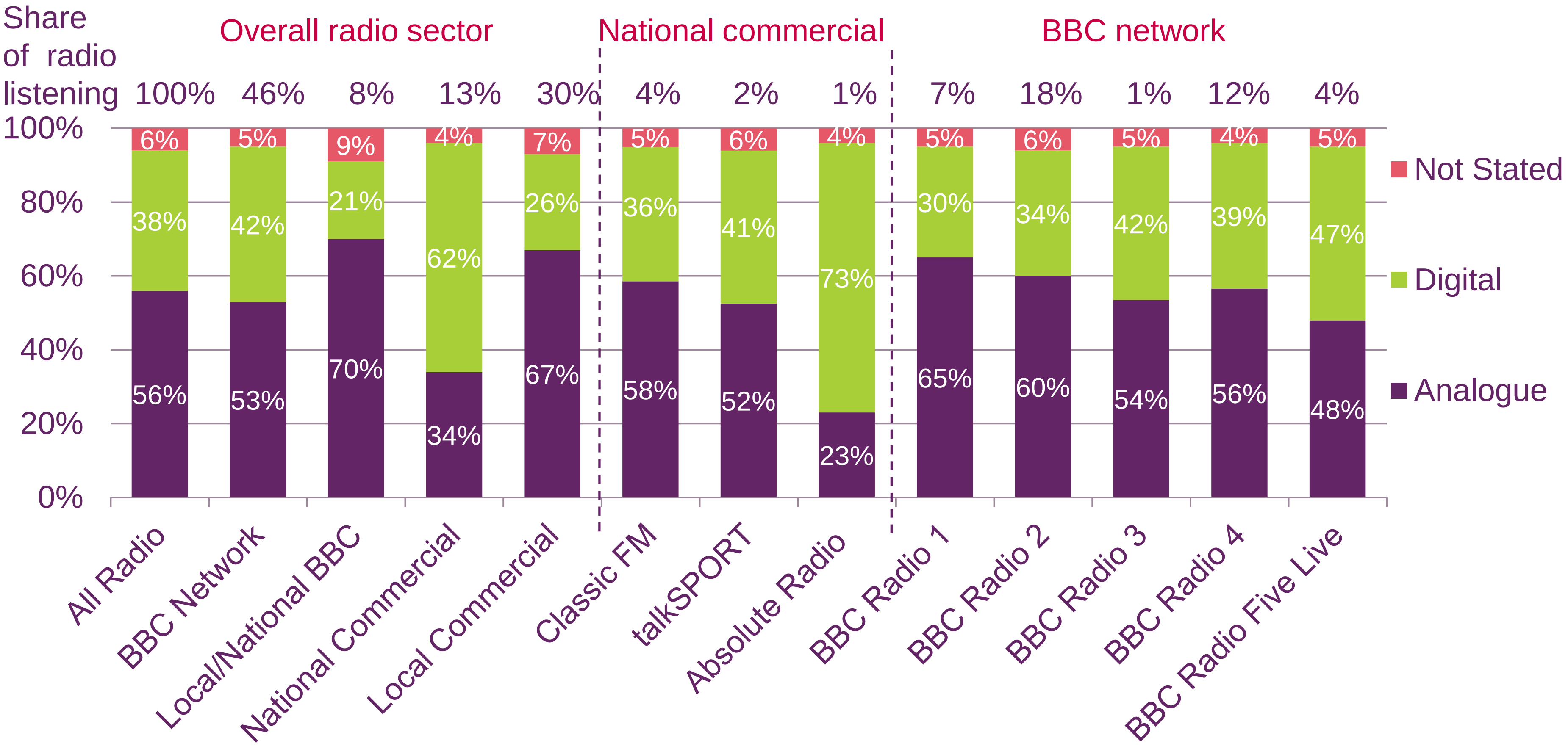
Take-up of equipment capable of receiving radio: Q1 2015



Source: Research from: Ofcom, RAJAR Q1 2015

Figure 3.55

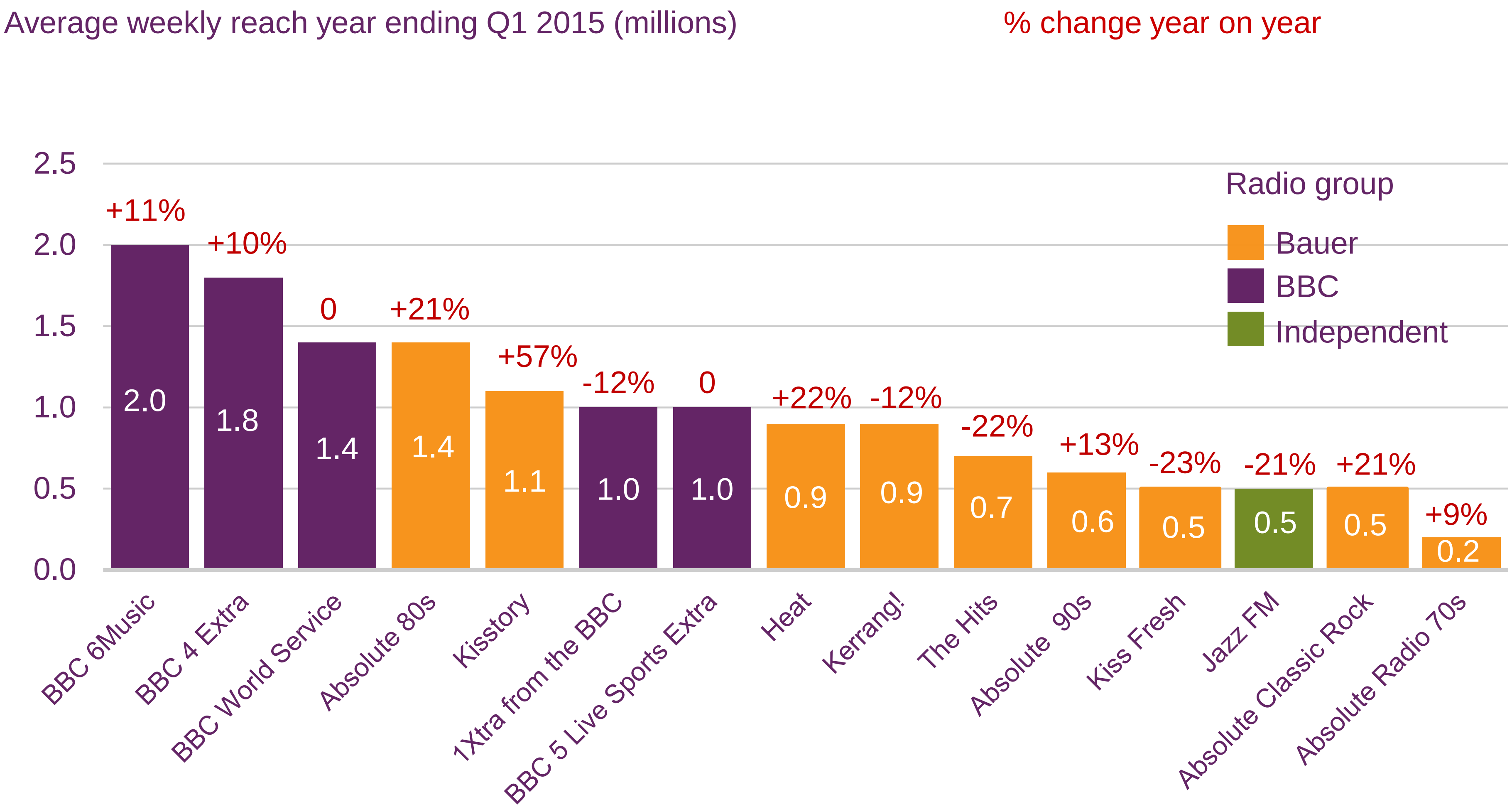
Platform split by sector and station: year ending Q1 2015



Source: RAJAR, year ending Q1-2015, adults 15+

Figure 3.56

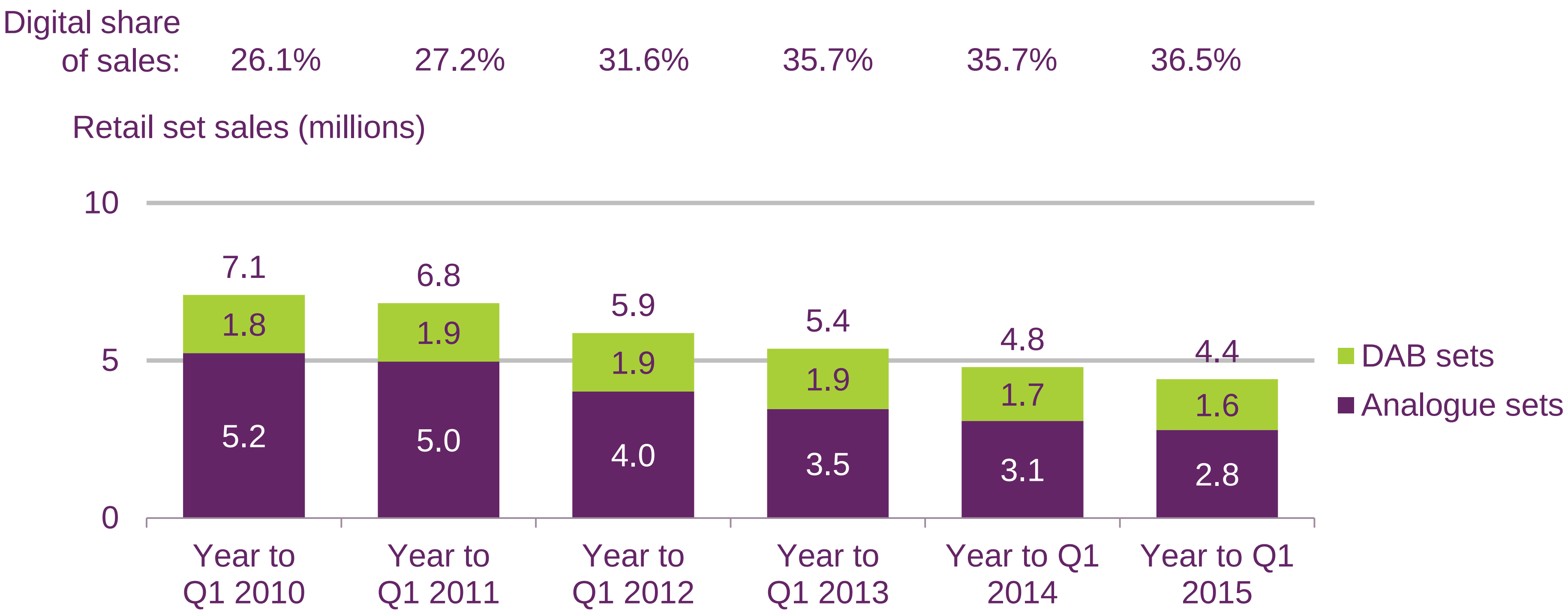
Most popular digital-only stations - UK, Q1 2015



Source: RAJAR, year ending Q1 2015 adults 15+

Figure 3.57

Number of analogue and digital radio sets sold



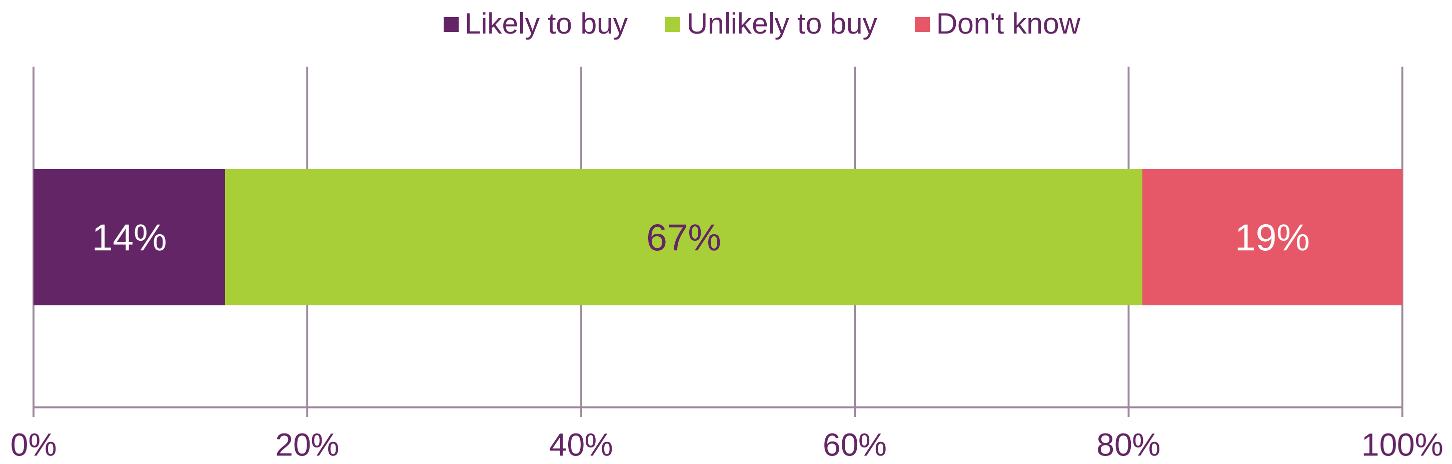
Source: GfK sales data, 2010-2015

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 3.58

Likelihood to buy a DAB radio within the next 12 months

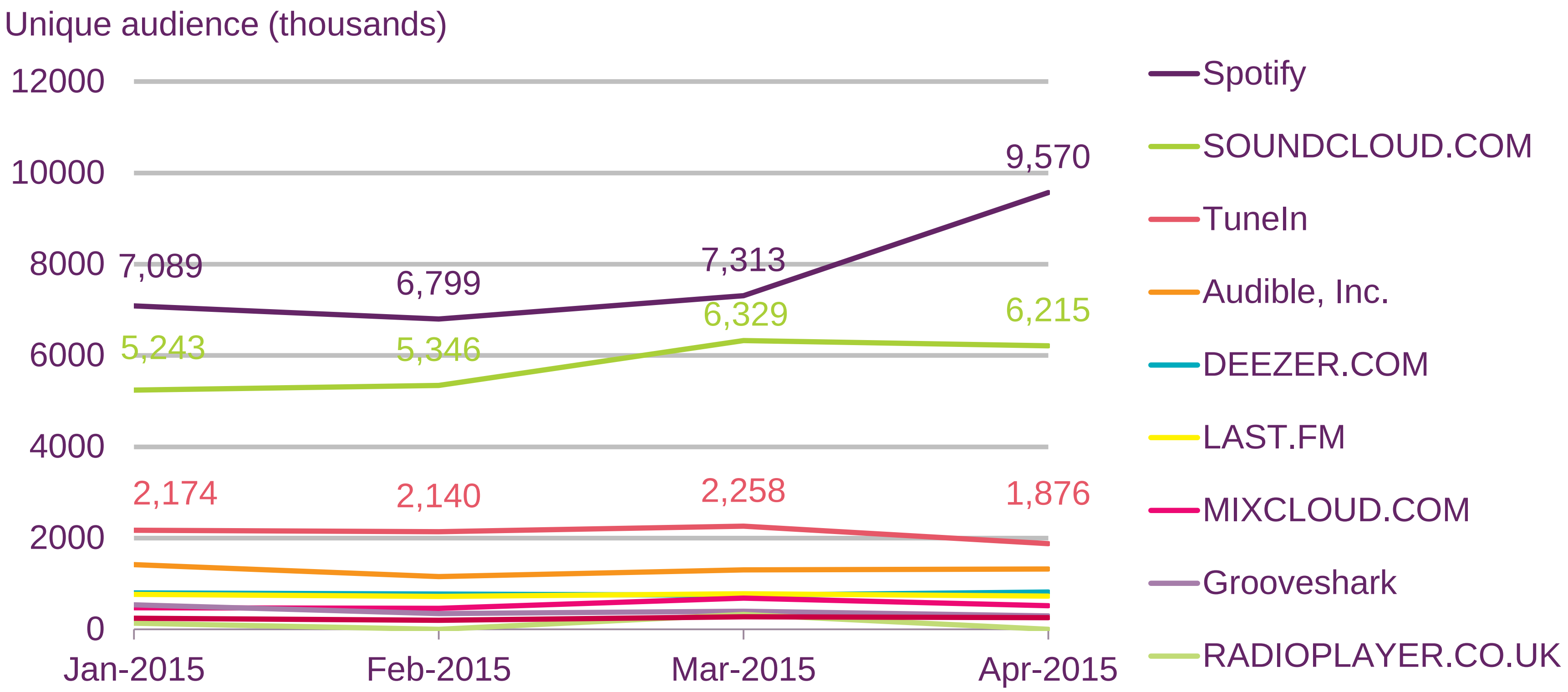
Percentage of respondents who listen to the radio but have no DAB set in the home



Source: Ofcom Technology Tracker, W1 2015
Base: Those who listen to the radio but have no DAB sets in the home (n=1690)
QP6(QP12): How likely is it that your household will get a DAB radio in the next 12 months?

Figure 3.59

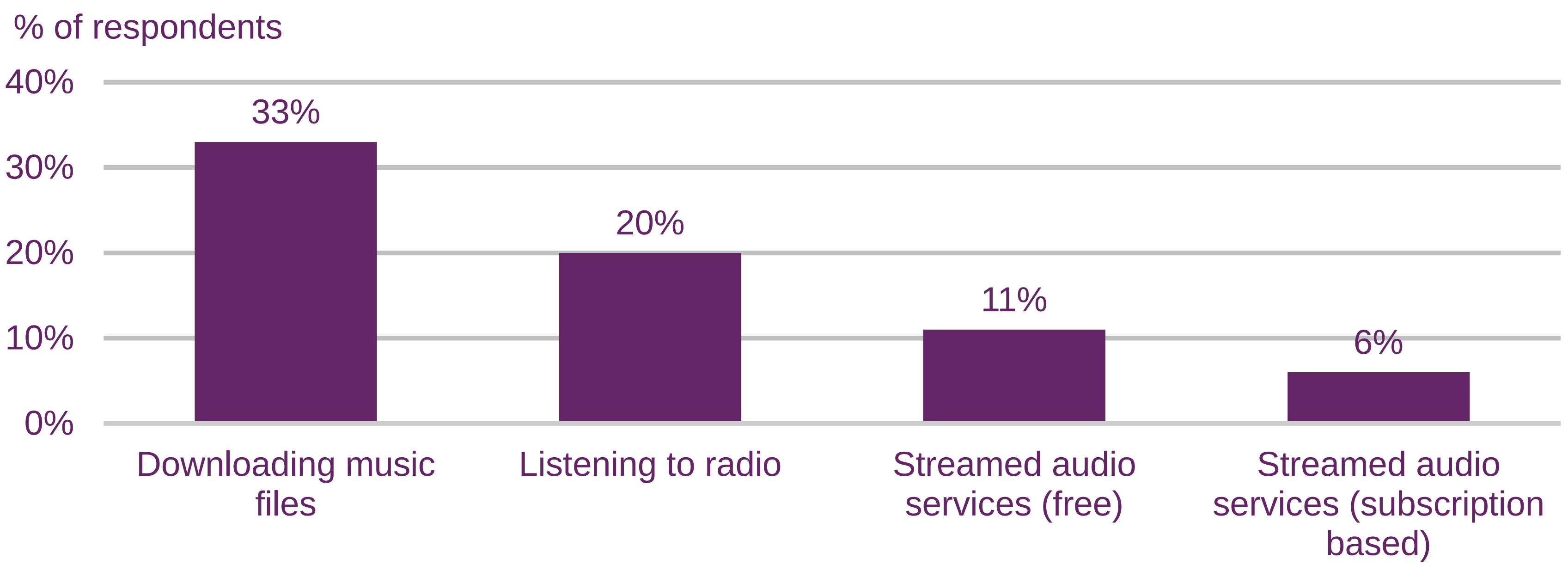
Unique audiences of selected music streaming sites



Source: comScore MMX Multiplatform UK, total digital population 15+, April 2015

Figure 3.60

Audio internet use

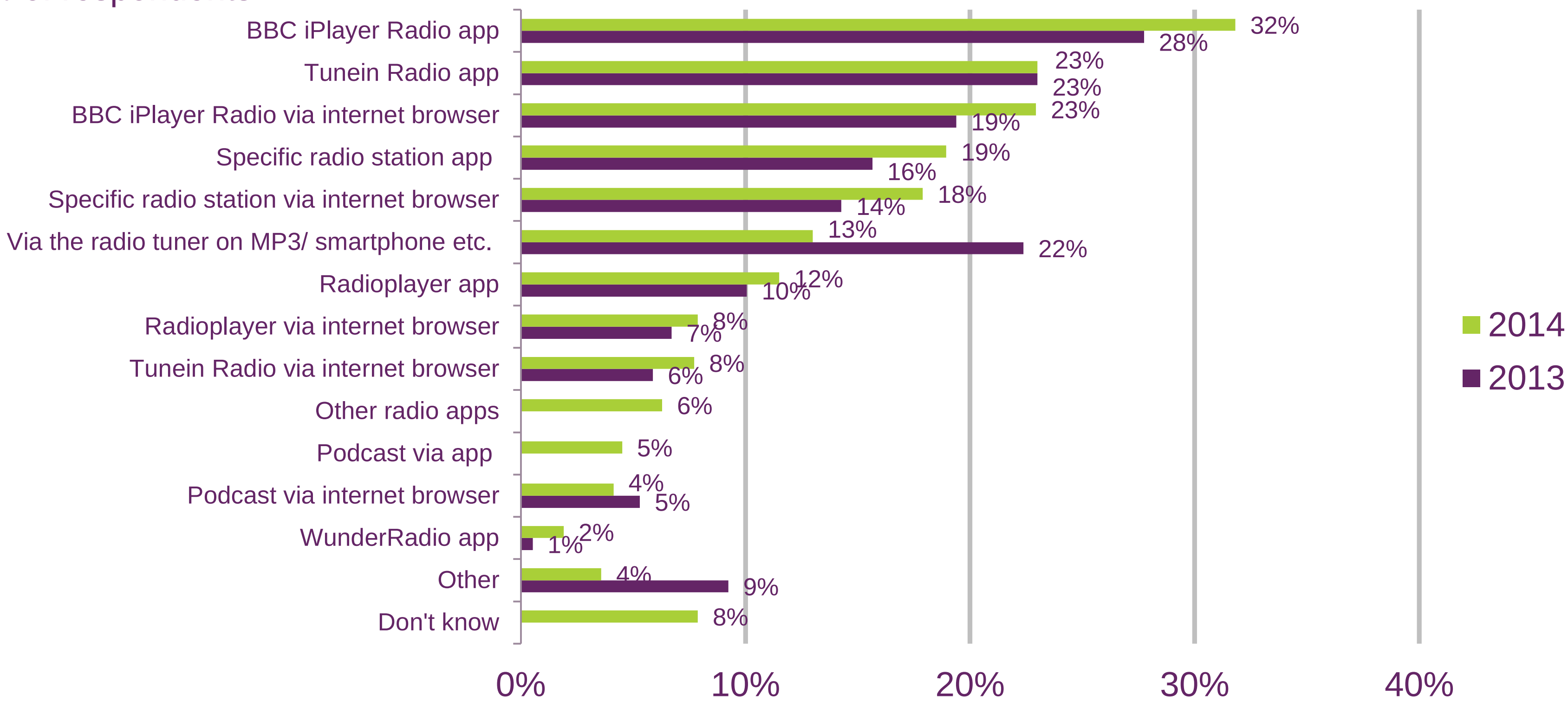


Source: Ofcom Technology Tracker, W1 2015
Base: Those with access to the internet at home or elsewhere (n= 3095)
QE20(QE5A): Which, if any, of these do you use the internet for?

Figure 3.61

Platforms currently used for mobile radio listening

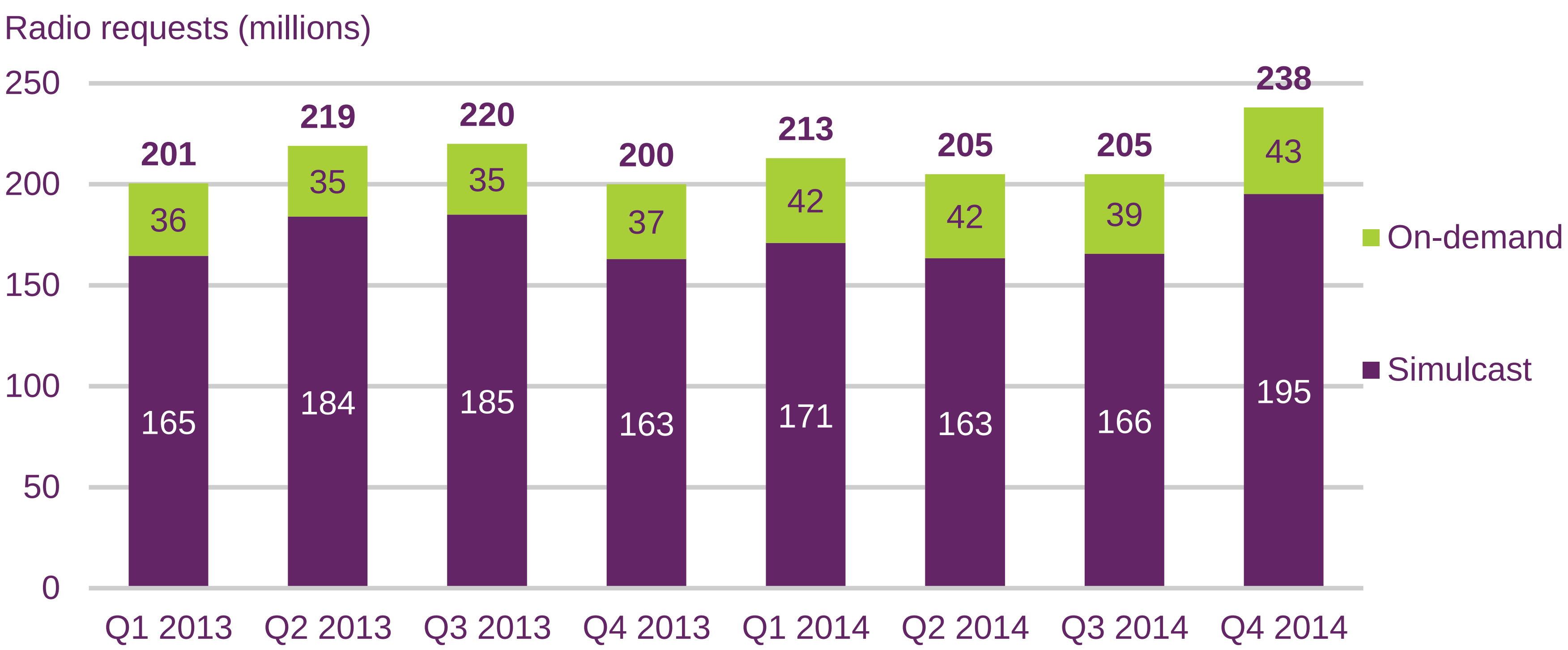
% of respondents



Source: YouGov, YouGov SixthSense New Generations and the Future of Radio surveys (3rd-9th May 2013) and YouGov New Generations and the Future of Radio Survey (29th August 2014-8th September 2014)
Base: *863 UK radio listeners aged 16+ (2013) and* 868 UK radio listeners aged 16+ (2014)
Q16. Which of the following do you use to listen to the radio on your mobile device?

Figure 3.62

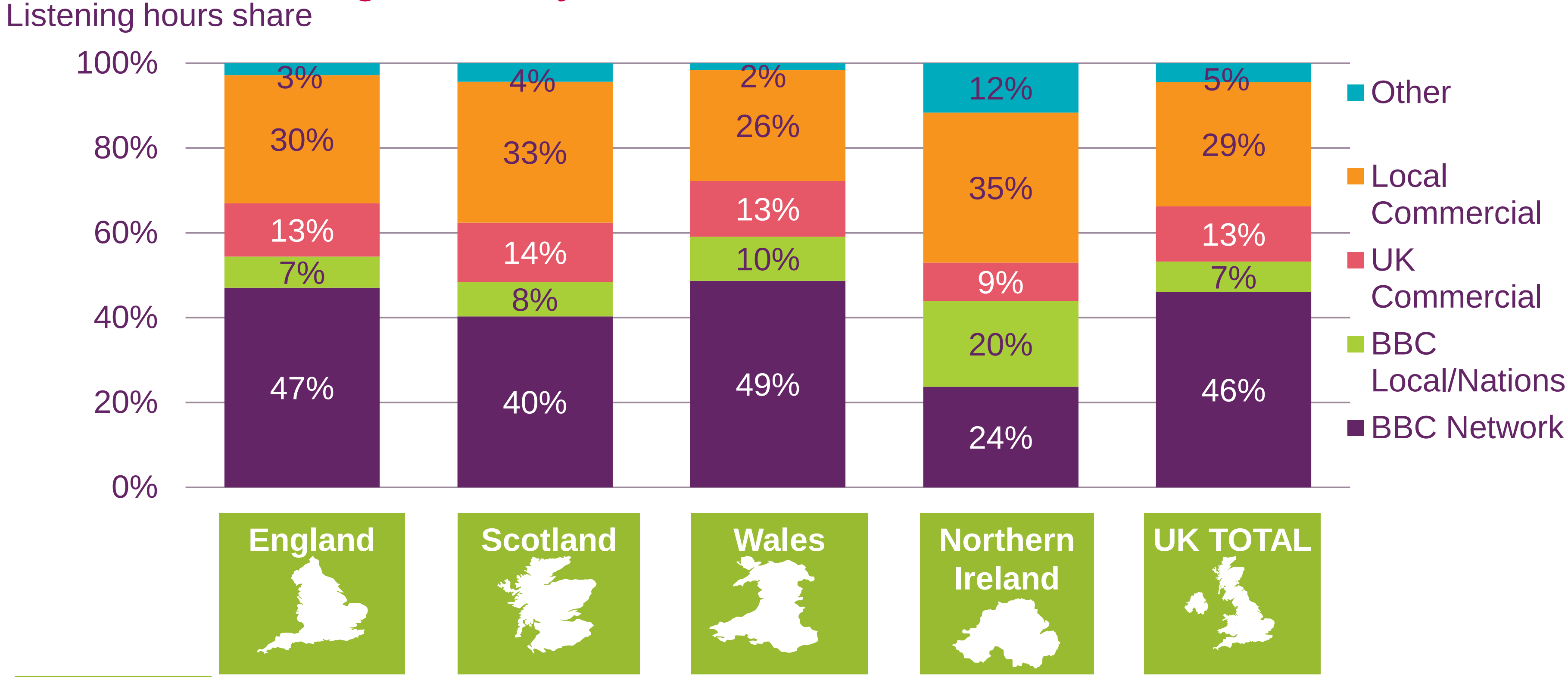
BBC iPlayer quarterly radio requests



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

Figure 3.63

Share of listening hours, by nation



	England	Scotland	Wales	Northern Ireland	UK TOTAL
Average weekly listening	21.5 hours	19.9 hours	22.4 hours	21.6 hours	21.4 hours
Reach	89.4%	86.9%	94.5%	88.9%	89.5%

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