



The Communications Market in Scotland

3 Radio and audio content

3.1 Radio and audio content

3.1.1 Recent developments in Scotland

Bauer Radio Scotland

Bauer's Scottish stations attract 1.8 million listeners every week – 40% of the population covered¹⁹. Its DAB services cover Ayr, Glasgow, Edinburgh, Dundee, Perth, Aberdeen and Inverness.

Over the past year, Bauer Radio has introduced a new management structure in Scotland including a Scotland MD, seven station directors, and directors of AM Scotland, regional programming, commercial, regional sales, and finance.

During 2009 Bauer was part of the Scottish News Network (which bid for the IFNC pilot in Scotland). Bauer contributes to public service radio in the form of news and sport journalism in eight locations, resulting in 198 news bulletins per day and representing 20 hours of news output each week.

Real Radio

Real Radio claims the largest weekly audience of the commercial stations in Central Scotland. The station has a policy of making most of its content "live and local". This includes its music content; Real Radio uses local research to enable it to support Scottish artists and bands.

The owner, GMG Radio, introduced a higher level of networked (non-local) programming two years ago, but listener demand led to a change in approach, and Real reverted to broadcasting all but three programmes each week from Glasgow. The station now carries live through-the-night local programming every day of the week.

The GMG Scotland news team provided full coverage of the 2010 general election. The three GMG stations, Real, Rock and Smooth, all provided live updates and reports for listeners in Scotland.

Real Guides give several updates on local events throughout the day, including Gala Days and concerts. The station supports local charities through its 'Real Action' feature, which provides local charities with £5,000 of airtime each week. Over £150,000 has been raised this year for Real Radio's nominated charity, the Children's Hospice Association Scotland.

Community radio

Community radio licences are awarded to small-scale operators working on a not-for-profit basis to serve local geographic areas or particular communities. The number of community stations has increased over the past three years, with a total of 228 licence awards since the start of community radio licensing in March 2005.

Twenty community licences have been awarded in Scotland, with two of these handed back, leaving 18 still active (Figure 3.1). Scotland has the second most community stations per head, at an average of 3.5 stations per million people. Northern Ireland has the most, at an average of 7.3 stations per million, higher than the ratio in Wales (3.0) and England (3.3).

¹⁹ Based on RAJAR audience of 15 plus.

In June 2010, Awaz FM became the first community radio station in Scotland to win the Queen’s award for voluntary service, which recognises outstanding contributions to local communities made by volunteer groups²⁰.

Figure 3.1 Community radio stations in Scotland

Community station	Location	On-air date
shmuFM	Aberdeen	20/10/2007
Speysound Radio	Badenoch & Strathspey	06/12/2009
Pulse FM	Barrhead	28/07/2009
Revival Radio	Cumbernauld	03/09/2006
Alive Radio	Dumfries	01/09/2009
Dunoon Community Radio	Dunoon, Argyll	01/12/2009
Edinburgh Garrison FM	Edinburgh	14/08/2006
Celtic Music AM	Glasgow	16/01/2008
Awaz FM	Glasgow - Central	01/01/2006
Insight Radio, RNIB Scotland	Glasgow - West	30/03/2007
Sunny Govan Radio	Govan	23/03/2007
Leith FM	Leith	24/03/2007
Black Diamond FM	Midlothian	29/03/2007
Super Station Orkney	Orkney	14/01/2008
Bute FM	Rothesay, Isle of Bute	15/07/2009
3TFM	Saltcoats & Adrossan, N Ayrshire	19/04/2008
Brick FM	St Boswells, Borders	22/01/2008
Mearns FM	Stonehaven & the Mearns	06/06/2009

Source: Ofcom

Gaelic

The BBC’s Radio nan Gàidheal is Scotland’s principal Gaelic radio service. MG ALBA provided a training grant to Moray Firth Radio during 2009-10 for three part-time trainees in radio production, which led to the broadcast of a monthly live show.

Cuillin FM on Skye has a duty to provide three hours of Gaelic programming per week, and aims to increase this to at least six hours in the near future.

Two Lochs Radio, covering the Gairloch, Loch Ewe and Loch Maree areas, has a programming mix with a much stronger emphasis on Scottish and Gaelic music than might be found on a larger city station.

²⁰ http://www.direct.gov.uk/en/NI1/Newsroom/DG_188059

SHMU (Station House Media Unit) in Aberdeen

ShmuFM (pronounced 'shmoo') is a full-time community radio station based in the Woodside area of Aberdeen. It launched in October 2007, having secured a five-year community radio licence from Ofcom to broadcast on 99.8 FM. ShmuFM also has an online presence.

It is part of Station House Media Unit (SHMU), a community-managed, needs-led organisation whose mission is to contribute to social, economic and digital inclusion in its target communities. It aims to encourage personal development and community building through participation in community media production.

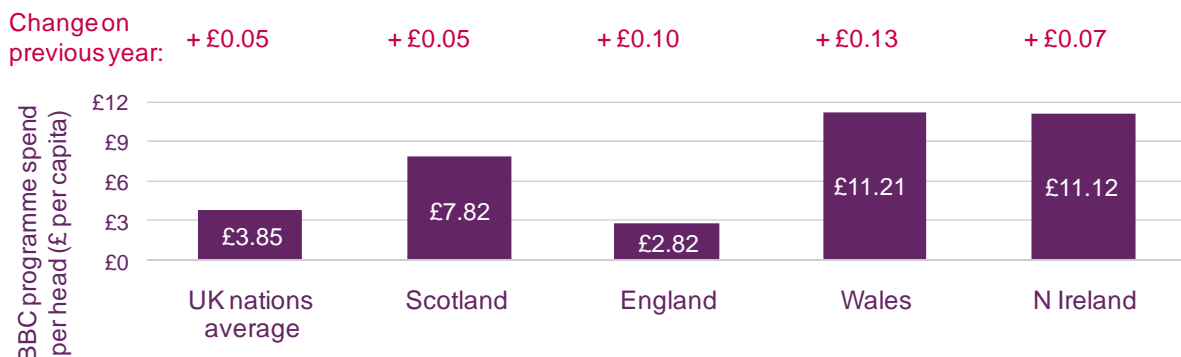
It is the only cross-platform community media resource operating in Scotland, comprising video and radio production, paper-based and on-line publications. Since its launch, the station has developed a diverse programme of live broadcasting featuring local news, community profiles, radio plays, interviews, recordings of local bands and musicians, magazine-format shows and a mix of informal chat and music.

3.1.2 The radio industry

BBC Radio funding in Scotland

The BBC spent £7.82 per head on Scotland's national radio services in 2009/10. Total spend was £38.7m in 2009/10, up by £0.6m (1.6%) from £38.1m in 2008/09, and taking average spend per head to £7.82 in 2009/10. This compared to spending per head in England of £2.82, in Wales of £11.21 and in Northern Ireland £11.12 (Figure 3.2).

Figure 3.2 BBC spend on national / local radio programming 2009-10



Source: BBC Annual Report and Accounts 2009/10. Note: The revenue data above have been compiled by the BBC to illustrate UK public services expenditure by service.

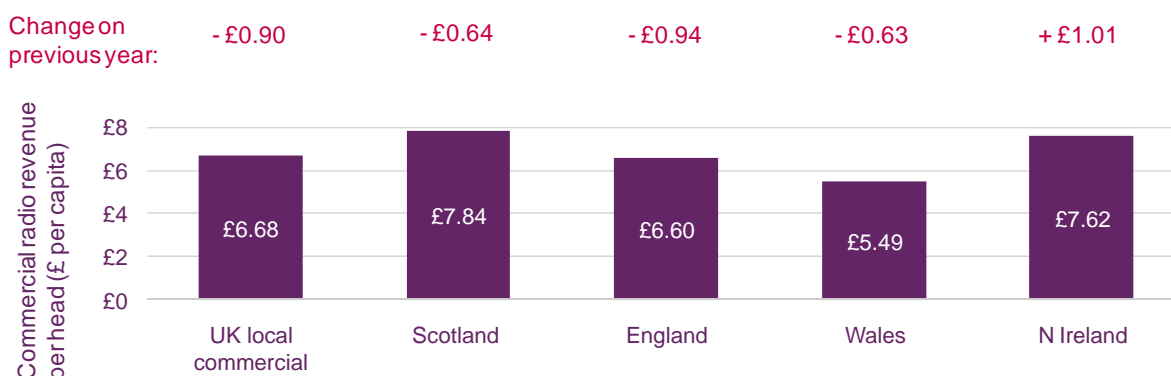
Commercial radio revenues per head higher in Scotland

Over half (51%) of the local commercial radio services in Scotland are independently owned. This is a higher proportion than the other UK nations, amounting to 20 of the 39 stations in Scotland. Of the commercial radio groups, Bauer Radio holds the most licences, with 15 (38%). By comparison, in Northern Ireland Northern Media owns 60% of all licences, while in Wales the two main radio groups together own 65% of licences. In England, Bauer and Global Radio together own 37% of local commercial stations.

Revenue generated by the commercial stations in Scotland reached around £38.4m in 2009, down by 8% from £42m in 2008. This revenue was equivalent to around 9.9% of the UK local commercial total of £389m. Adjusting for population size, local commercial revenue in

Scotland was equivalent to £7.84 per head in 2009, as shown in Figure 3.3; down by £0.64 on £8.48 in 2008. This was the highest revenue per head of the UK nations, and £1.16 (17%) above the UK average of £6.68 per person.

Figure 3.3 Local commercial radio revenue, per head, 2009



Source: Source: Ofcom, operators 2009

Note: Chart shows net broadcasting revenues as based on returns received by Ofcom for the year 2009. The UK total shows the average for local commercial radio revenues across the four nations and excludes revenues for the UK-wide commercial stations.

3.1.3 Radio service availability

FM availability in Scotland

Listeners in Scotland can access radio services through a variety of platforms and technologies. The BBC provides two national services for Scotland; BBC Radio Scotland, in English on AM and FM, and BBC Radio Nan Gàidheal in Gaelic on FM. Analogue radio services are available to approximately 98% of people in Scotland, with ownership of analogue radio devices almost universal. There are 39 local commercial analogue radio services licensed in Scotland, equivalent to around 13% of the UK's total of 300. This compares to the 11 local commercial services in Northern Ireland, 16 in Wales and 234 in England. In addition Scotland currently has 18 community radio licences serving local populations across the country on FM/AM.

DAB availability in Scotland

There are currently ten DAB transmitter sites in Scotland, providing coverage of the national BBC and commercial services. National DAB sites include Aberdeen, Ayr, Edinburgh, Glasgow, Moray Firth, Perth, Tayside and Selkirk.

National coverage of DAB digital radio has steadily increased, with the installation of further transmitters by Digital One and the BBC. In March 2008 Digital One estimated that its overall coverage of the UK population had reached 90%, and in March 2010 the BBC announced plans to expand its national digital radio network by installing a further 60 transmitters at sites across the UK. The BBC aims to complete this installation programme by the end of 2011, as part of its wider target to reach 90% of the UK population. New transmitters will include previously un-served areas as well as boosting existing coverage areas. This programme will include 15 new transmitters for Scotland – including improvements in coverage for Glasgow and Dundee, and bringing coverage to Shetland and the Western Isles for the first time.

The BBC's DAB transmitter launches in Scotland so far in 2010 included sites at:

- Balgownie, Aberdeen, in April
- Mormond Hill, Aberdeenshire, in March
- Grantown, Morayshire, in March
- Kingussie, Inverness-shire, in March
- Stranraer, Dumfries and Galloway, in February
- Barskeoch Hill, Dumfries and Galloway, in February
- Cambret Hill, Dumfries and Galloway, in February
- Cow Hill, Fort William, Inverness-shire, in January
- Oban, Argyll, in January

A further 24 local commercial DAB transmitters support the seven local multiplexes, based on sites including Inverness, Aberdeen, Dundee / Perth, Central Scotland, Glasgow, Edinburgh, and Ayr.

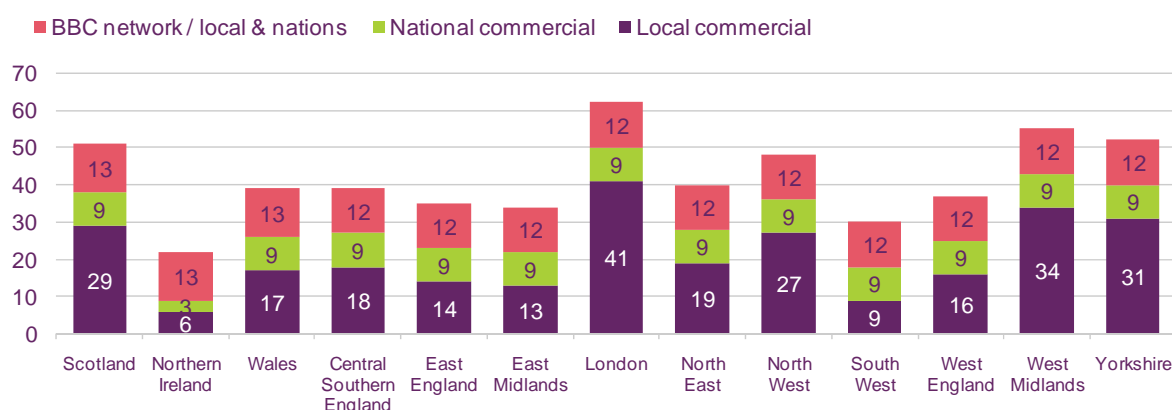
In July 2010, as part of the government's Digital Radio Action Plan, Ofcom was asked to lead a process to consider the future spectrum planning requirements of digital radio, in order to prepare for the digital radio upgrade and to make recommendations to Ministers. This process will establish the current levels of FM coverage, which will provide the benchmark for future planning, and determine the most technically efficient way of matching DAB coverage to FM. This process is likely to consider appropriate DAB field strengths, which will be needed to calculate accurately the existing coverage of all national and local multiplexes, and to work out what steps are required to improve coverage. This process is likely to be completed by the end of Q2 2011.

Of the DAB stations available in Scotland, the BBC national DAB network offers the five UK-wide BBC stations, (BBC Radio 1,2,3,4 and 5 Live) plus six digital-only stations (1Xtra, 6 Music, BBC7, Five Live Extra, World Service and the Asian Network). The Digital One network currently provides nine national stations across Scotland, England, and Wales, including Classic FM, talkSPORT, Absolute Radio, Planet Rock, BFBS, UCB UK, Absolute 80s, Amazing Radio, and Premier.

DAB station choice higher in larger cities

Digital radio listeners in the Glasgow area have the greatest DAB choice with 37 stations, including the 20 national services, plus BBC Radio Scotland / BBC nan Gàidheal, and 15 commercial stations available through local or regional multiplexes. Listeners in Edinburgh and Central Scotland had access to a similar number, with 36 DAB stations available. Station choice was lowest in Inverness at 26, with three local commercial stations available on DAB. (Figure 3.4).

Figure 3.4 Availability of DAB stations, by area



Source: Ofcom. July 2010

Note: This chart shows the maximum number of stations available in each area; local variations along with reception issues mean that listeners may not be able to access all of these.

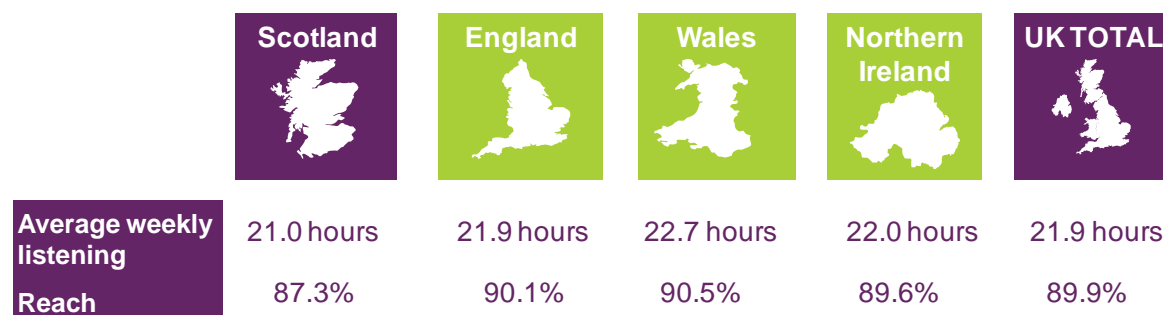
3.1.4 Patterns of listening to audio content

Hours of radio listening per head lower in Scotland than in other UK nations

Radio services reached 87.3% of the adult population in Scotland on a weekly basis in the year to Q1 2010, (very similar to a year ago at 87.4%); this was 2.6 percentage points lower than the UK average of 89.9%. Average listener hours per week in Scotland were 21.0 in Q1 2010, down from 21.6 last year and below the UK average of 21.9 hours per week (Figure 3.5).

Figure 3.5 Levels of radio listening in 2010

Average weekly listening hours and percentage reach of population



Source: RAJAR, year to Q1 2010

Over half of all radio listening in Scotland is to local commercial radio

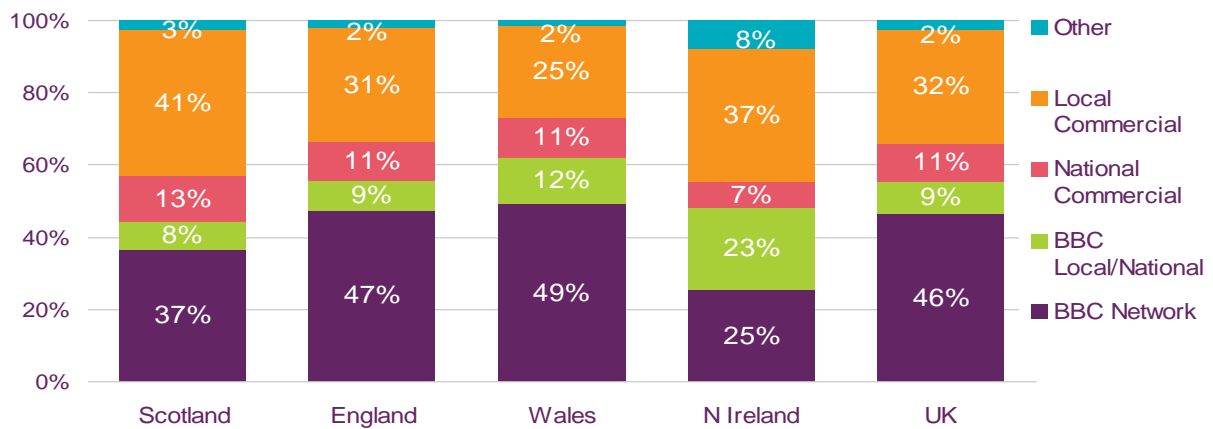
Figure 3.6 shows that listening to commercial radio stations accounted for over half (54%) of all listening in the year to Q1 2010; this was up 2% in a year and significantly higher than the UK average share of 43%. Of this total, local commercial radio in Scotland accounted for a share of 41%, compared to an average of 32% across the UK, with many local commercial stations in Scotland attracting higher-than-average audiences.

Listening to BBC stations accounted for 45% of radio listening in Scotland in Q1 2010. Of this, 37% was to BBC network services, much lower than the UK average of 46%. Listening to BBC Radio Scotland / nan Gàidheal accounted for a 8% share, (down by 1 percentage

point on a year before), similar to local radio share in England (9%), but lower than in Wales (12%) and Northern Ireland (23%).

Figure 3.6 Audience share for BBC and commercial stations, local /national

Audience share for local/national stations



Source: RAJAR, year to Q1 2010

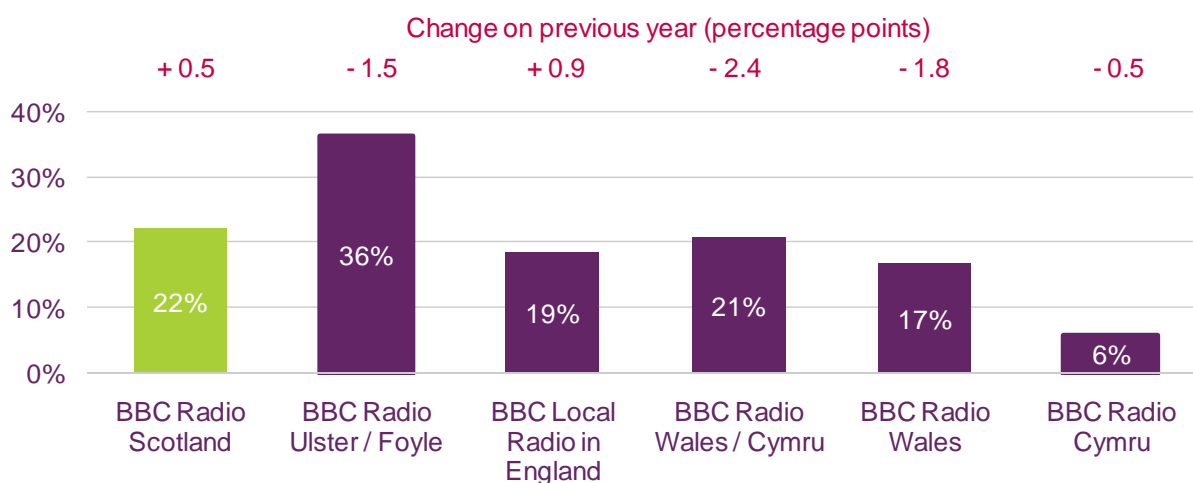
BBC nations' radio listening in Scotland

Almost a million (955k) adults listened to BBC Radio Scotland/ Radio nan Gàidheal in an average week in Q1 2010. This equates to over one in five (22%) of the adult population using the national services every week. Audience reach was up by 0.5 percentage points on the year, and total listening hours to the national BBC stations in Scotland accounted for 8% of all radio listening hours in Q1 2010.

By comparison, the audience reach for BBC services in Wales was down by 2.4 percentage points in the year and Northern Ireland down 1.5 percentage points, with local radio reach in England up 0.9 percentage points. The weekly audience reach of BBC Radio Scotland / Radio nan Gàidheal (22%) is now higher than that of BBC Radio Wales / Cymru (21%) and higher than local BBC radio in England (19%).

Figure 3.7 Weekly reach for national / local BBC services, Q1 2010

Percentage of adult population reached per week



Source: RAJAR, weekly reach Q1 2010

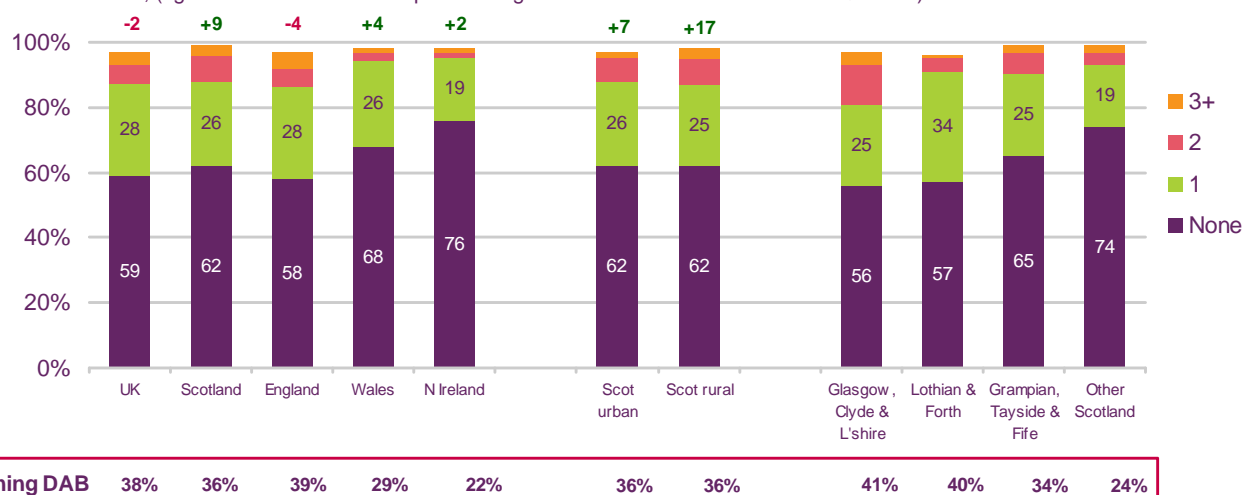
3.1.5 Digital device ownership

One in three own a DAB digital radio set

Research carried out in Q1 2010 (Figure 3.8) showed that 36% of respondents who listened to the radio in Scotland claimed to own a DAB digital radio set. This was similar to the UK average of 38% and higher than in Wales (29%) and Northern Ireland (22%). Take-up was even across rural and urban Scotland. Within the regions of Scotland, take-up was higher in the Glasgow, Clyde and Lanarkshire area at 41%, compared to 24% in lower take-up areas.

Figure 3.8 Ownership of DAB digital radios

Percentage of radio listeners, (figure above bar shows % point change in DAB sets in household from Q1 2009).



Source: Ofcom research, Q1 2010

Base: Adults aged 15+ who listen to radio (n= 7017 UK, 1034 Scotland, 4476 England, 854 Wales, 825 Scotland urban, 209 Scotland rural, 253 Glasgow, Clyde & Lanarkshire, 239 Lothian & Forth Valley, 284 Grampian Tayside & Fife, 258 other Scotland)

Note: Remaining percentages are Don't know responses QP9. How many DAB sets do you have in your household?

Likelihood to purchase DAB radio set lower in Scotland and Wales

Around 15% of respondents in Scotland without a DAB radio set said they were likely to purchase one within the next twelve months, slightly lower than the UK-wide average figure of 17%. This was also down from around 24% in Scotland last year. Within the regions of Scotland, people in Glasgow, Clyde and Lanarkshire expressed the greatest interest, with 22% intending to buy. This figure was lowest in Grampian, Tayside, Fife and the 'other areas' of Scotland surveyed, at 11% (Figure 3.9).

Figure 3.9 Intention to purchase DAB radio

Percentage of radio listeners

(figure above bar shows % point change in DAB sets in household from Q1 2009).



Source: Ofcom research, Q1 2010

Base: Adults aged 15+ who listen to radio and do not have a DAB set (n= 4445 UK, 661 Scotland, 2690 England, 594 Wales, 500 Northern Ireland, 531 Scotland urban, 130 Scotland rural, 142 Glasgow, Clyde & Lanarkshire, 139 Lothian & Forth Valley, 188 Grampian Tayside & Fife, 192 other Scotland)

QP12: How likely is it that your household will get a DAB radio in the next 12 months?

Reasons for not purchasing DAB radio set

The most popular reason for being unlikely to get digital radio was that the respondent did not think he or she needed a digital radio; this equated to 61% of those who were unlikely to acquire DAB in Scotland, and was higher than the UK average (55%). About a third (32%) of those unlikely to acquire DAB said they were happy with the existing analogue service (UK figures 32%). Only 3% in Scotland pointed to poor reception as their reason for not getting a DAB digital radio set; this was similar to the UK average of 4%. And 4% of respondents in Scotland said that the cost of DAB would make them unlikely to buy, compared to 2% for the UK as a whole.

Ownership of MP3 players lower than average in Scotland

Just over a quarter (26%) of respondents in Scotland claimed to personally use an MP3 player or iPod, below the UK average of 32% (Figure 3.10). Thirty-three per cent of respondents in Scotland claimed that they, or someone in their household, owned an MP3 player / iPod, compared to the UK average of 40%. MP3 use was highest in the Lothian and Forth Valley area (38%) and was also above the UK average in Grampian, Tayside, and Fife (35%). It was much lower in the Glasgow, Clyde, and Lanarkshire areas, at 18%, with 'other' areas of Scotland lowest at 15%.

Figure 3.10 Use of either an MP3 player or an iPod (% of adults)

Use of either an MP3 player or an iPod (% adults)



Source: Ofcom research, Q1 2010

Base: All adults aged 15+ (n = 9013 UK, 1075 Scotland, 5709 England, 1468 Scotland, 761 Northern Ireland, 810 Scotland urban, 265 Scotland rural, 348 South East Scotland, 360 South West Scotland, 367 North/ Mid Scotland).

QB2. Do you personally use: MP3 player / iPod?

3.1.6 Radio listening through DAB, DTV, online, and mobile phone

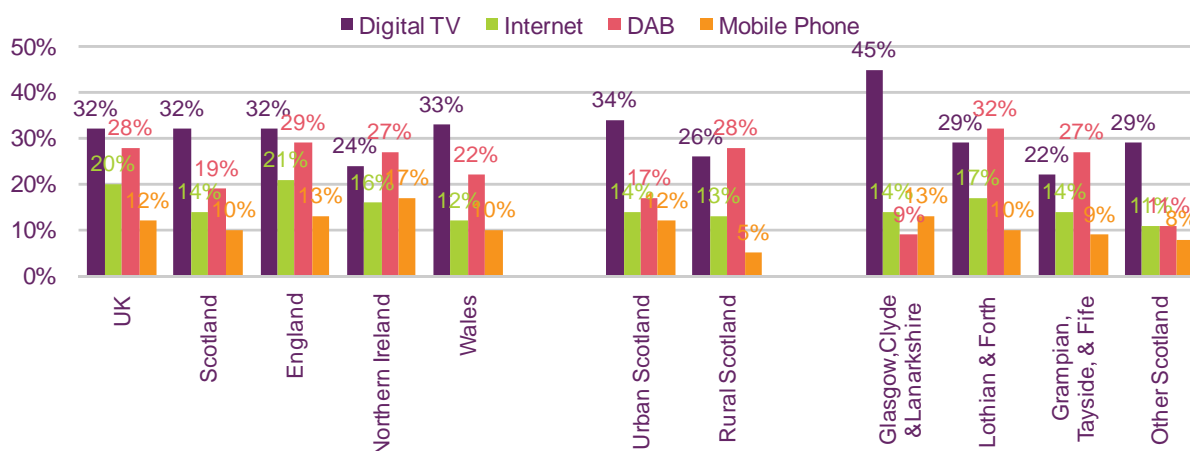
By Q1 2010 almost a third (32%) of people in Scotland claimed to be using digital TV to listen to radio channels; this was the most popular way of accessing digital radio, similar to the other nations and in line with the UK average. Listening via DTV was higher in urban areas and was particularly high in the Glasgow, Clyde and Lanarkshire area, at 45%.

Listening online had been tried by 14% of respondents in Scotland; lower than England (21%) and, Northern Ireland (16%), but higher than in Wales (12%). Online listening varied little across Scotland, with urban areas (14%) and rural (13%) being comparable. The Lothian and Forth Valley region was above average, at 17%.

Levels of listening to digital radio via a DAB set were also below average at 19%, compared to 29% in England, 27% in Northern Ireland and 22% in Wales. Listening was higher in rural areas of Scotland, at 28% versus 17% in urban areas. DAB listening was particularly low in the Glasgow, Clyde and Lanarkshire area, at just 9%, possibly due to the higher number of people listening via DTV in this area.

Figure 3.11 Listening to radio via DTV, internet, mobile phone

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



Source: Ofcom research, Q1 2010

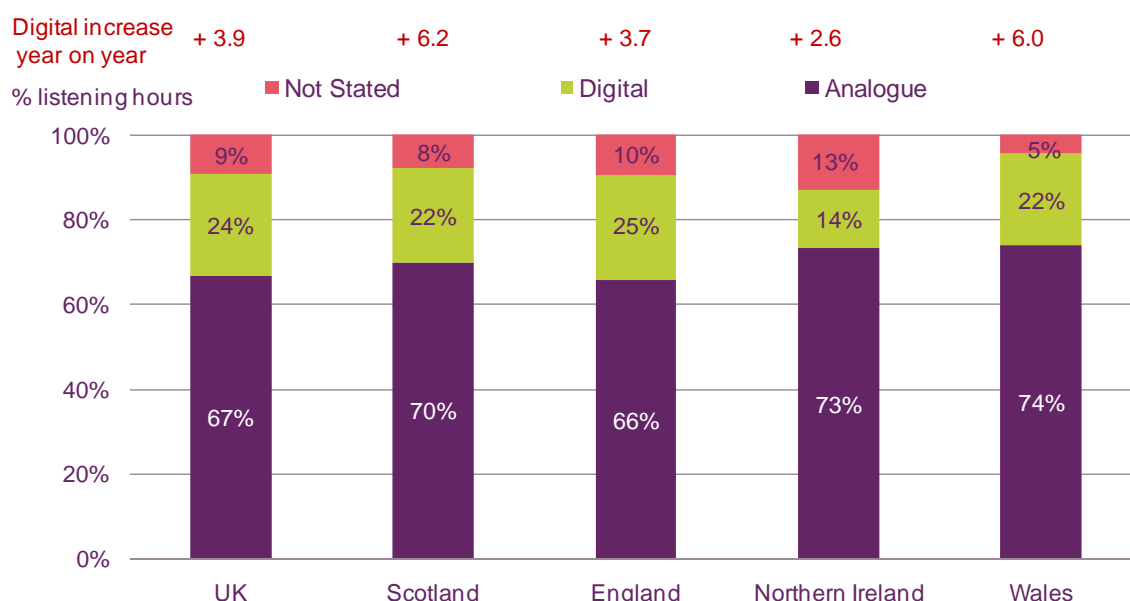
Base: Adults aged 15+ who listen to radio (n= 7017 UK, 854 Scotland, 4476 England, 1034 Scotland, 653 Northern Ireland, 623 Scotland urban, 231 Scotland rural, 251 South East Scotland, 277 South West Scotland, 326 North/ Mid Scotland)

QP3. How often, if at all, do you access the radio via – Digital radio via: TV, Internet, DAB radio, mobile phone?

Over a fifth (22%) of radio listening hours in Scotland are via digital platforms

In Q1 2010, radio listening via digital platforms (including listening via DAB set, DTV, or online), accounted for over a fifth (22%) of all radio listening hours in Scotland. It was up by six percentage points on the previous year, but was still two percentage points below the UK average digital share of 24% of hours. It was highest in England, where a quarter of all radio hours were via a digital platform, and lowest Northern Ireland at 14%. This reflected the general pattern of take-up and availability of digital radio across the nations (Figure 3.12).

Figure 3.12 Share of radio listening hours via digital and analogue platforms



Source: RAJAR / Octagon, Q1 2010

Note: 'Not Stated' category refers to listening where the respondent did not specify the platform used.

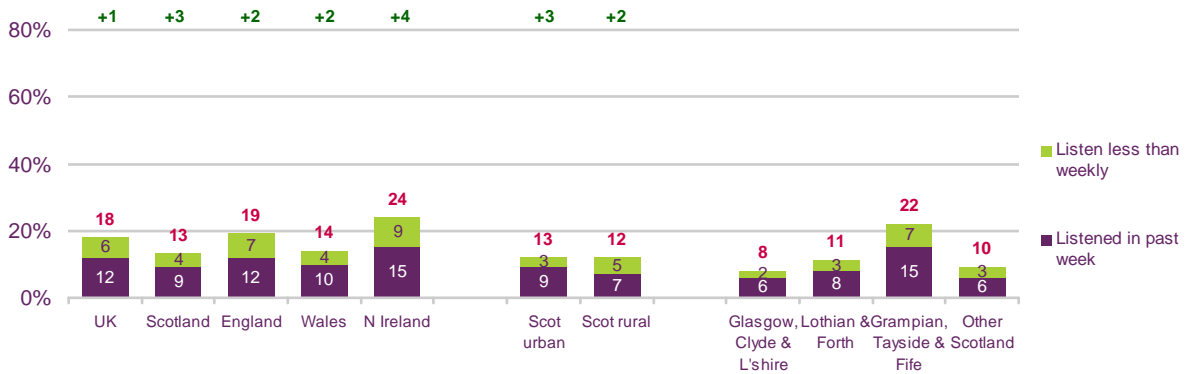
Listening to audio via mobile phone less popular in Scotland (13% of total) than across the UK (18%)

When asked to consider the wider range of audio content, such as digitally stored music and podcasts, as well as radio, 13% of adults in Scotland had used a mobile phone handset to listen to audio content such as radio, pre-recorded digitally stored music and podcasts. This reflects the versatility of phones as audio devices and the ease of listening to audio content without either paying data charges or needing lots of storage space. This figure was lower than the UK average of 18% (Figure 3.13).

In Grampian, Tayside and Fife, listening to music on a mobile phone was much more common than in the rest of Scotland. Almost a quarter (22%) of adults used a mobile phone in this way, with 15% having done so in the week when we asked them.

Figure 3.13 Use of a mobile phone to listen to audio

Proportion of respondents (%) who have used their mobile to listen to audio content (Figure above bar shows % point change in likely to purchase from Q1 2009)



Source: Ofcom research, Q1 2010

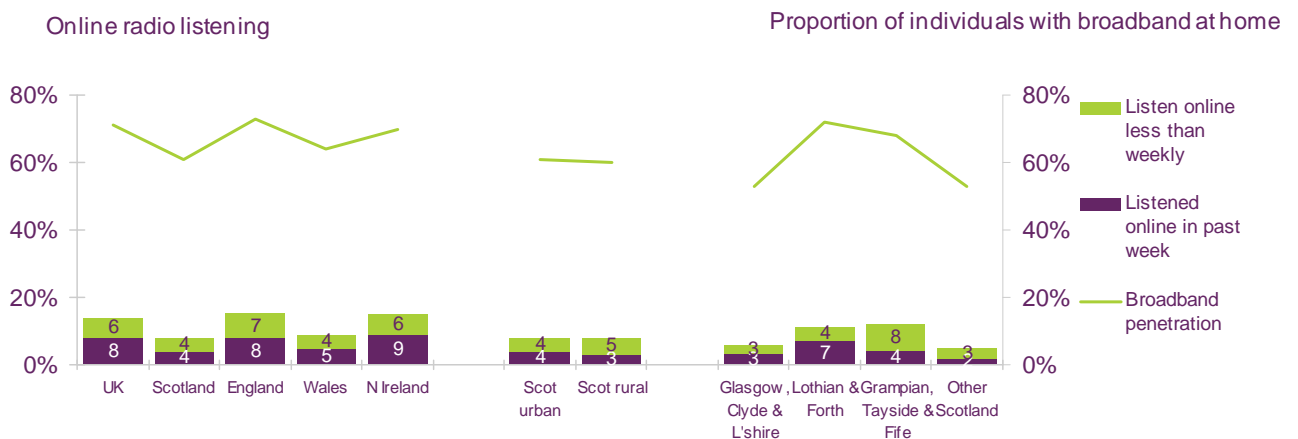
Base: All adults aged 15+ (n = 9013 UK, 1468 Scotland, 5709 England, 1075 Wales, 761 Northern Ireland, 1172 Scotland urban, 296 Scotland rural, 368 Glasgow, Clyde & Lanarkshire, 357 Lothian & Forth Valley, 363 Grampian Tayside & Fife, 380 other Scotland). QD28. Which, if any, of the following activities, other than making and receiving calls, do you use your mobile for?

3.1.7 Listening to music online

Frequency of listening to online radio is lower in Scotland than in England and Northern Ireland

Four per cent of respondents in Scotland said they listened to radio over the internet on a weekly basis, lower than the 8% average across the UK. A further 4% of listeners in Scotland said they listened online less than weekly (UK average 6%). Online listening was highest in Lothian and Forth Valley, with 7% listening weekly and 4% less frequently.

Figure 3.14 Proportion of respondents (%) who have listened to online radio



Source: Ofcom research, Q1 2010

Base: All adults aged 15+ (n = 9013 UK, 1075 Scotland, 5709 England, 1468 Scotland, 761 Northern Ireland, 810 Scotland urban, 265 Scotland rural, 348 South East Scotland, 360 South West Scotland, 367 North/ Mid Scotland).

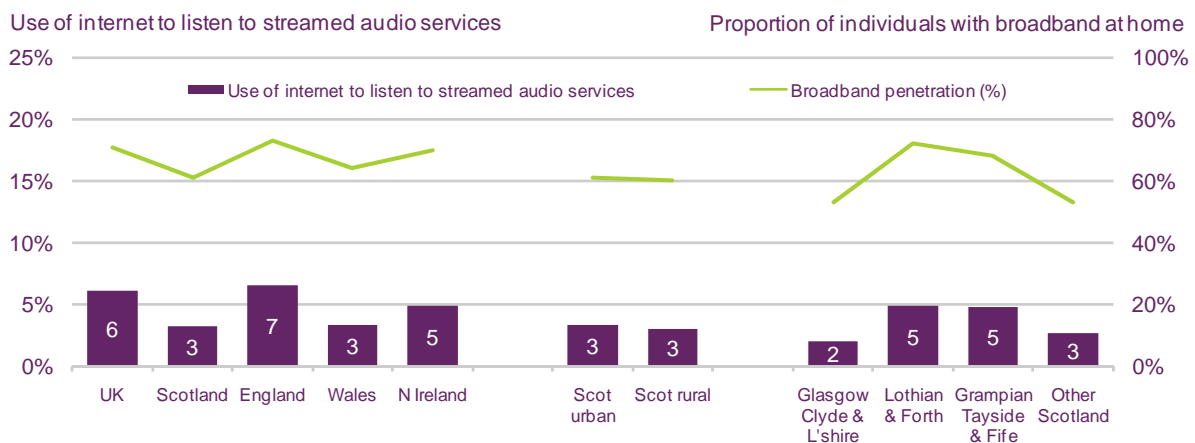
QE5A-B. Which, if any, of these do you or members of your household use the internet for whilst at home?/ And, which, if any, of these activities have you or members of your household used the internet for in the last week?

Listening to streamed audio services is still a niche activity

During the past year several on-demand streaming services have grown in popularity and profile as an alternative means of consuming music online. Instead of listening to online radio stations, or paying to download individual tracks from services such as iTunes, services such as Spotify, We7 and Last.fm allow users to stream music on demand to their computers (and in some cases mobile devices). The basic tier of these services is usually advertising-supported and provided to consumers free of charge. But most services also offer premium subscription tiers without adverts and with advanced or mobile functionality.

Streaming services have received significant media attention over the past year. But Ofcom research shows that take-up is still relatively low. Across the UK just 6% of consumers claim to have accessed these services using the internet. Take-up was lowest in Scotland and Wales (both at 3%), and higher in Northern Ireland (5%) and England (7%). In Scotland use of these services ranged from 2% in the Glasgow area to 5% in the Lothian and Grampian areas.

Figure 3.15 Use of the internet to listen to streamed music services



Source: Ofcom research, Q1 2010

Base: All adults aged 15+ (n = 9013 UK, 5709 England, 1468 Scotland, 1075 Wales, 761 Northern Ireland)

QE10A. Which, if any, of these do you or members of your household use the internet for whilst at home?

3.1.8 Satisfaction with radio services

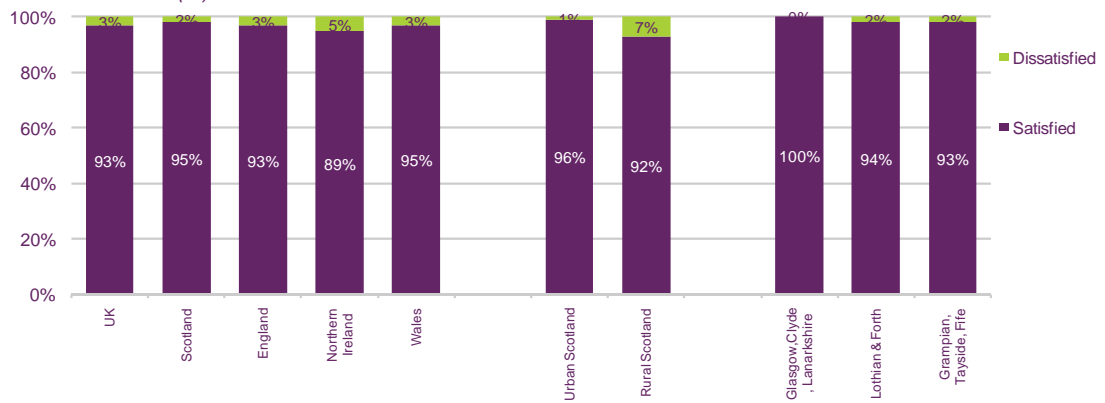
Satisfaction with choice of radio services high in Scotland

Satisfaction with the choice of stations available in Scotland was relatively high at 95%, and above the UK average of 93%, with only 2% of respondents in Scotland saying they were dissatisfied with station choice in their area. Satisfaction with station choice was, however, generally lower in rural areas, with 7% saying they were dissatisfied with local choice compared to only 1% in urban areas.

This was reflected in very high satisfaction in the Glasgow, Clyde, and Lanarkshire area, at 100%. Satisfaction levels in the Lothian and Forth Valley areas were also high, at 94% and Grampian, Tayside, and Fife at 93%. It was lower in the 'other' areas of Scotland, at 90% (Figure 3.16).

Figure 3.16 Satisfaction with choice of radio services

Proportion of radio listeners (%)



Source: Ofcom research, Q1 2010

Base: Adults aged 15+ who listen to radio (n= 7017 UK, 854 Scotland, 4476 England, 1034 Scotland, 653 Northern Ireland, 623 Scotland urban, 231 Scotland rural, 251 South East Scotland, 277 South West Scotland, 326 North/ Mid Scotland).

Note: Remaining percentages in chart are 'Don't know' answers.

QP4: How satisfied are you with the choice of radio stations available in you area?