International Communications Market Report 2013

4 Radio and audio

Content

4.1 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 17 comparator countries. It focuses on three topics – key market developments in the sector, industry revenues, and trends among radio and audio consumers.

- The market developments section looks at the growth in radio revenues among our comparator countries and the use of mobile phones to listen to radio and audio content.
- The radio industry section examines global radio revenues and looks at revenues among our comparator countries in 2012 in detail.
- 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.

Figure 4.1 Key radio metrics: 2012

	UK	FRA	GER	ITA	USA	CAN	JPN	AUS	ESP	NED	SWE	IRL	POL	BRA	RUS	IND	CHN
Total industry revenue (£bn)	1.2	1.0	2.8	0.4	12.1	1.2	1.0	0.7	0.4	0.2	0.1	0.1	0.1	0.4	0.3	0.2	1.2
Revenue change (%, YOY)	+2.8	-0.5	-0.4	-8.2	+3.6	+3.1	-1.4	+0.5	-9.9	-1.9	+1.6	-4.2	-2.7	+6.7	+9.3	+17.3	+11.9
Revenues per capita (£)	18.9	15.9	34.9	6.6	38.3	35.3	7.7	31.5	8.2	14.0	13.2	21.3	3.0	2.0	1.9	0.2	0.9
% income from public licence fees	60.4	38.9	79.3	20.9	n/a	n/a	5.1	n/a	n/a	18.9	37.4	22.5	4.4	n/a	n/a	n/a	n/a

Source: Ofcom, PricewaterhouseCoopers.All figures are nominal.

The key market developments during the year include:

- **Radio revenue has increased for the third consecutive year.** Combined radio revenues among the 17 comparator countries analysed in this report grew for the third consecutive year in 2012, increasing by 2.5% to reach £23.5bn.
- **Revenue growth is driven by increases in advertising and subscription revenues.** The largest absolute increase in revenue was in the US, where advertising and subscription revenues contributed to a combined growth of £420m.
- **Among countries with public radio licence fees, revenue growth is highest in the UK.** The UK is also the only one of our comparator countries where both advertising and public radio licence fee revenues increased, rising by 3.7% and 2.1% respectively.

- **One fifth (21%) of those with a mobile phone in the UK use it to listen to the radio, but listening to 'music I own' is more popular.** Of all the countries that we surveyed, only mobile phone owners in Italy, Spain and China are more likely to use their mobile phone for this purpose.

- **Mobile phone users in Japan are less likely to use their mobile phone to listen to music at least monthly, while those in Spain are more likely to do so.** With the exception of Japan, at least one in ten mobile phone users in our comparator countries use their device to listen to music at least weekly.

- **Streamed music services are more popular in the US than in any other comparator country.** One fifth (18%) of those with a mobile phone in the US listen to streamed music on their mobile. The US is also the only country where people are more likely to listen to streamed music than music transferred from a computer.

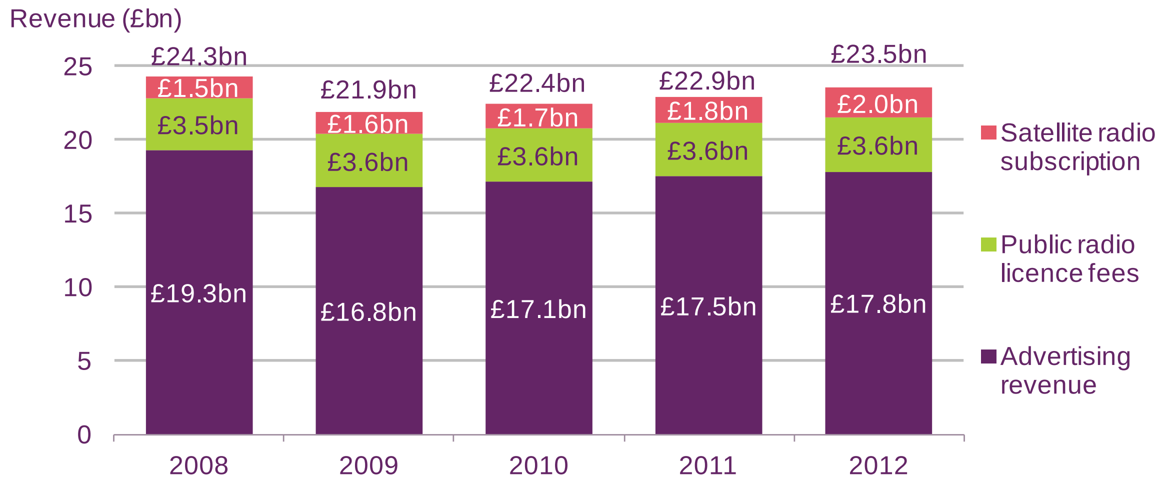
- **YouTube is the only music streaming service used by mobile internet users in all of our comparator countries.** In the UK, YouTube is the most popular streaming service and is used by 4% of mobile internet users. This is followed by Spotify which is used by 3% of UK mobile internet users.

4.1.2 Radio revenues among comparator countries up by 2.5% in 2012

Radio revenue has increased for the third consecutive year

Radio revenues among the 17 comparator countries analysed in this report grew for the third consecutive year in 2012, increasing by 2.5% to reach £23.5bn. (Figure 4.2) While revenues from licence fees decreased slightly, commercial revenues increased, with advertising revenues growing by 2.0% to £17.8bn. The largest proportional growth was in satellite radio subscriptions, which grew by 13.4% to £2.0bn.

Figure 4.2 Total radio revenues for the 17 comparator countries



Source: Ofcom analysis based on data from PricewaterhouseCoopers Global Entertainment and Media Outlook 2013-2017 @ pwc.com/outlook. Interpretation and manipulation of data are solely Ofcom's responsibility. Ofcom has used an exchange rate of $1.580 to the GBP, representing the IMF average for 2012. Note that the UK radio industry figure is sourced from broadcaster returns made to Ofcom.

Revenues fell in Spain and Italy, but this was offset by growth among the other comparator countries

As Figure 4.3 shows, seven of the 17 countries reported significant increases in radio revenue between 2011 and 2012. The largest absolute increase was experienced by operators in the US, where advertising and satellite subscription revenue both increased. The Canadian market also grew as a result of increases in both of these sources of revenue. The four BRIC countries, where radio revenue is generated exclusively through advertising, all reported an increase in revenues. The largest declines were in Spain (£42m) and Italy (£36m) and are a result of falling advertising revenues. Revenues in the UK grew by £32m, as both licence fee and advertising revenue increased.

Figure 4.3 Changes in radio revenue, by country: 2011 and 2012

Source: Ofcom analysis based on data from PricewaterhouseCoopers Global Entertainment and Media Outlook 2013-2017 @ pwc.com/outlook. Interpretation and manipulation of data are solely Ofcom's responsibility. Ofcom has used an exchange rate of $1.580 to the GBP, representing the IMF average for 2012. Note that the UK radio industry figure is sourced from broadcaster returns made to Ofcom.

Revenue growth is driven by increases in advertising and subscription revenues

As Figure 4.4 shows, the largest absolute increase in revenue was in the US, where advertising and subscription revenues both increased. Sirius XM, the company which provides satellite radio services in the US, reported growing its subscriber base by 2 million in 2012 to almost 24 million in 2012.[47] This has contributed to subscription revenues growing faster than advertising revenues, in proportional and absolute terms, as they increased by £227m or 13.8% in comparison to the 1.9% growth in advertising revenues. Subscription revenues and subscriber numbers also increased in Canada. At the end of November 2012, Sirius XM Canada had 2.2 million subscribers, up from 2.0 million for the same period the previous year.[48]

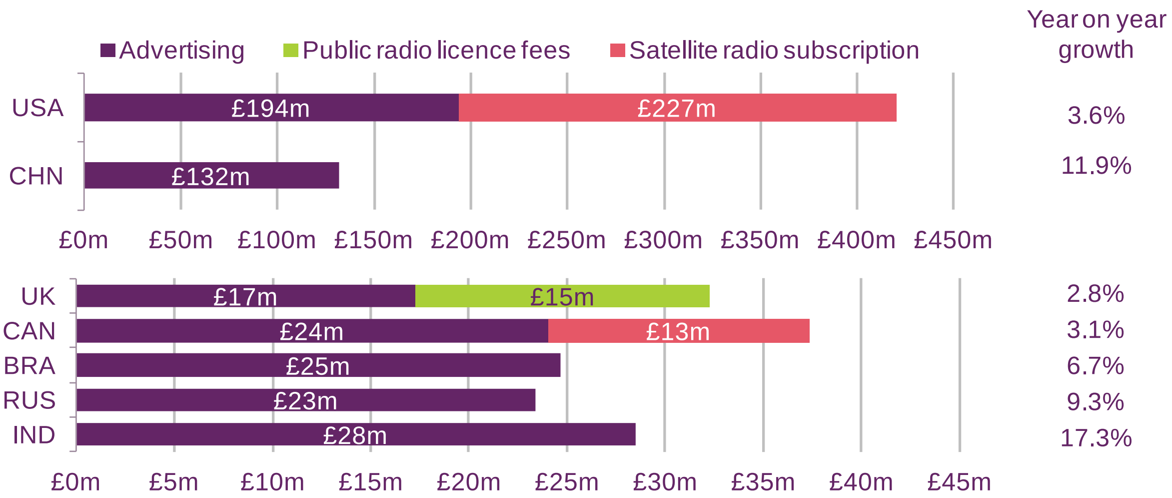
[47] Sirius XM, *Proxy Statement and 2012 Annual Report,* http://files.shareholder.com/downloads/SIRI/2726395301x0x652466/4D4285DE-D78E-4458-8F42-B10F67CB4795/SiriusXM_2012_Annual_Report.pdf

[48] Sirius XM Canada, *SiriusXM Canada Delivers Strong Growth in Q1 Fiscal 2013*, 14 January 2013, http://www.siriusxm.ca/uploadedFiles/Content/Our_Company/Financial_Reports/XSR%20Q1%20F2013%20Press%20Release%20Final%20w%20Financial%20Statements-1.pdf

After the US, the next largest absolute growth was in China, where advertising revenues grew by £132mn. The other BRIC countries also saw significant growth in advertising revenue.

Of all of our comparator countries where revenues are made up of commercial and public radio licence fees, the UK was the only country to see significant growth.

Figure 4.4 The most substantial increases in radio revenue, by component: 2011-2012



Source: Ofcom analysis based on data from PricewaterhouseCoopers Global Entertainment and Media Outlook 2013-2017 @ pwc.com/outlook. Interpretation and manipulation of data are solely Ofcom's responsibility. Ofcom has used an exchange rate of $1.580 to the GBP, representing the IMF average for 2012. Note that the UK radio industry figure is sourced from broadcaster returns made to Ofcom.

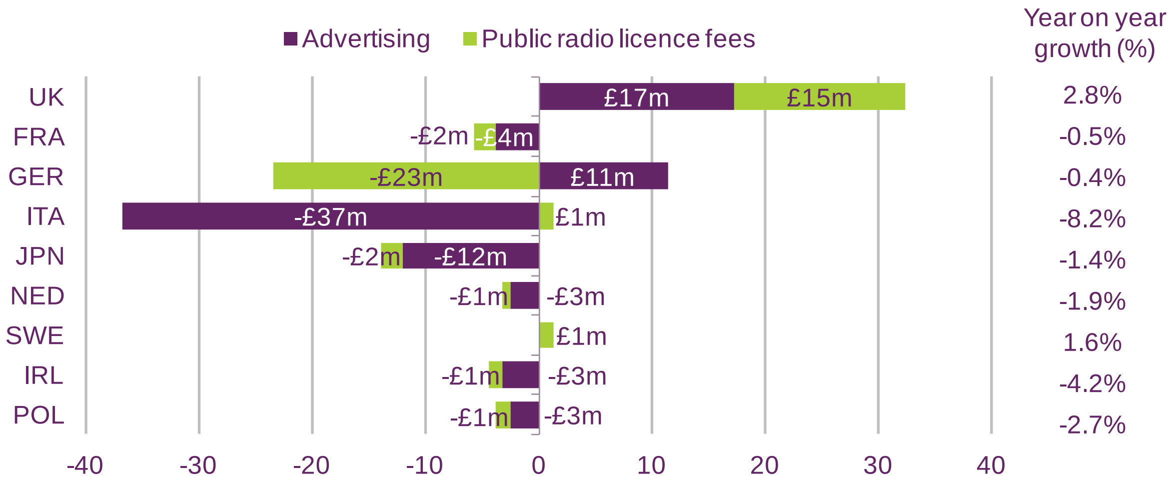
Among countries with public radio licence fees, revenue growth is highest in the UK

The changes in total revenue in those countries where public radio licence fees contribute to total revenue are set out in Figure 4.5. Of all of the countries, only the UK experienced growth in revenues, and it is also the only country where both advertising and licence fee revenues increased. Sweden was the only other country where total revenues grew; licence fee revenues increased by £1m.

In Italy, licence fee revenues increased by £1m, but this was not enough to offset a far larger decline in advertising revenue (£37m). Advertising revenues in Italy are likely to have been affected by the lack of an audience measurement system for radio listening. The previous measurement system, Audiradio, ceased activities in 2011, and data was not available from the replacement system, RadioMonitor, until May 2013.[49]

[49] EGTA, *Radio Focus,* June 2013 http://radiofocus.egta.com/market.php?Id_country=19, accessed 10 October 2013; RadioMonitor, *Survey* http://radiomonitor.it/indexeng.php#, accessed 10 October 2013

Figure 4.5 Changes in radio revenue among comparator countries with public radio licence fees, by component: 2011-2012



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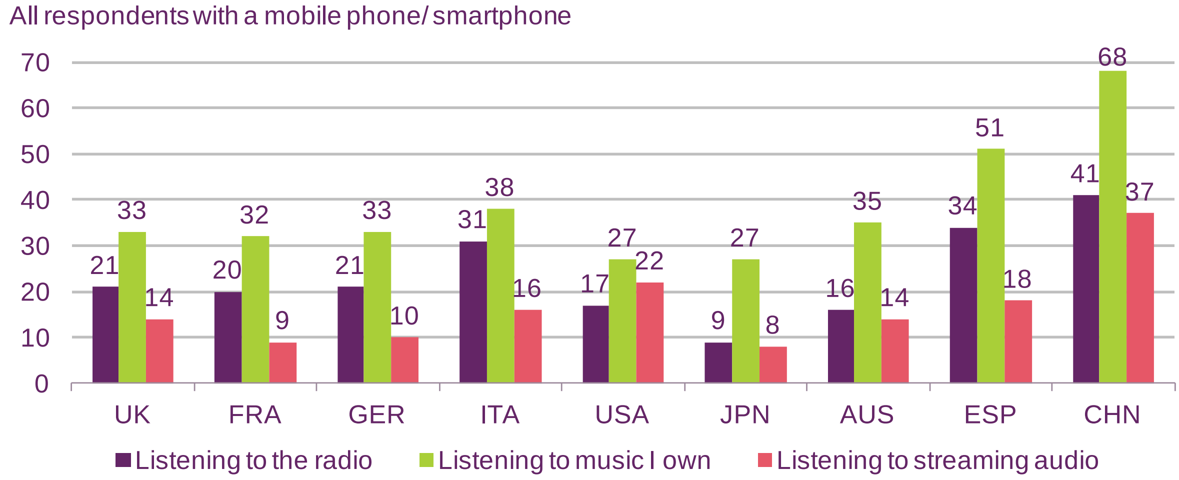
4.1.3 One fifth of mobile phone owners in the UK use their mobile to listen to the radio

One fifth of those with a mobile phone in the UK use it to listen to the radio, but listening to 'music I own' is more popular

Our consumer research has found that one fifth (21%) of mobile phone owners in the UK use their device to listen to the radio. Of the countries that we surveyed, only mobile phone owners in Italy, Spain and China were more likely to use their mobile phone for this purpose. In all of the countries surveyed, listening to 'music I own' was more popular. With the exception of China, where our online research methodology means that the findings are representative of early adopters in urban areas, rather than the whole population (see our research methodology in *Appendix A: Consumer research methodology*), use of a mobile phone to listen to audio content was highest in Spain, where half (51%) of mobile phone owners listened to 'music I own' on their device, and Italy, where four in ten (38%) did so. Using a mobile phone to listen to streamed audio was most popular in the US, where one fifth of mobile phone owners did this.

Figure 4.6 Use of a smartphone/mobile phone to listen to audio content

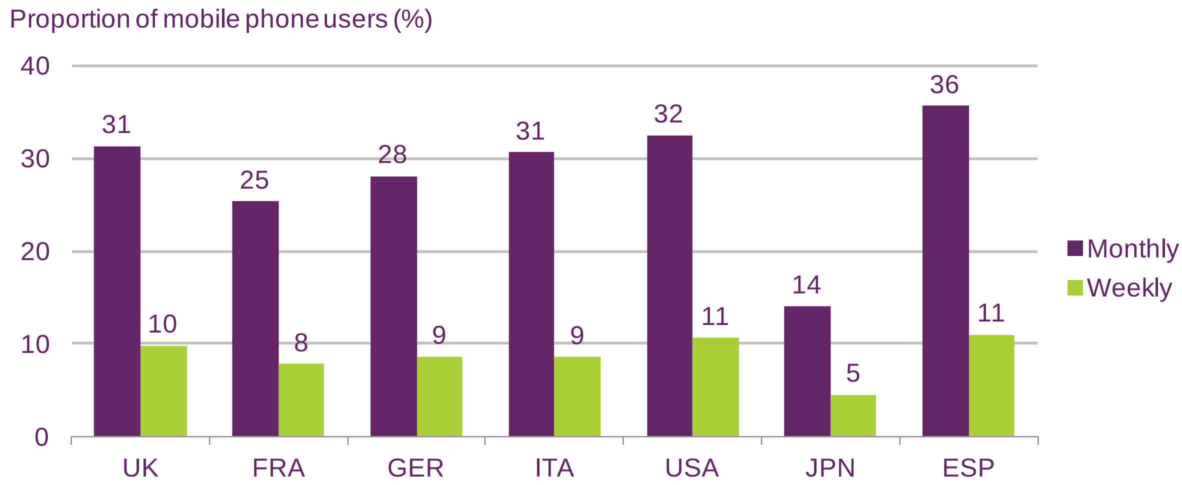


Source: Ofcom consumer research September 2013
Base: All respondents with a mobile phone/ smartphone, UK=894, FRA=850, GER=890, ITA=904, USA=793, JPN=855, AUS=877, ESP=897, CHN=936.
Q.15d Which, if any, of the following audio activities do you use each of your devices for?

Mobile phone users in Japan are less likely to use their mobile phone to listen to music at least monthly, while those in Spain are more likely to do so

While our research indicates the proportion of mobile phone users who listen to audio content on their device, it does not show how often they do so. Data from comScore's Mobilens survey show that the frequency of listening to music on a mobile phone is broadly similar among many of our comparator countries, with around one in ten doing so at least weekly. Two notable exceptions are Japan, where it is considerably less likely that mobile phone users listen to music on their device on a monthly or weekly basis, and Spain, where it is more likely that mobile phone users will listen at least monthly.

Figure 4.7 Frequency of listening to music on a mobile phone

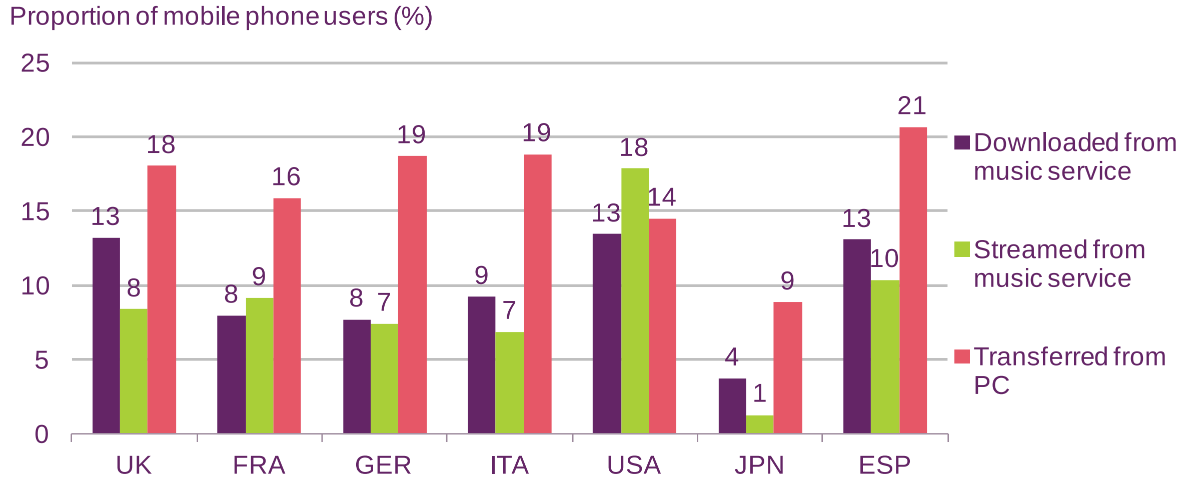


Source: comScore MobiLens, August 2013 (3 month average, mobile phone users aged 15+)

Streamed music services are more popular in the US than in any other comparator country

The proportion of mobile phone users who listen to music via music streaming services is higher in the US than in any other comparator country, as shown in Figure 4.8, with one fifth (18%) of those with a mobile phone listening to music from this source. The US is the only country where people are more likely to listen to streamed music than music transferred from a computer. Downloading audio content from a music service is a more popular activity in the UK, the US and Spain than in any of the other countries analysed here.

Figure 4.8 Source of music listened to on a mobile phone

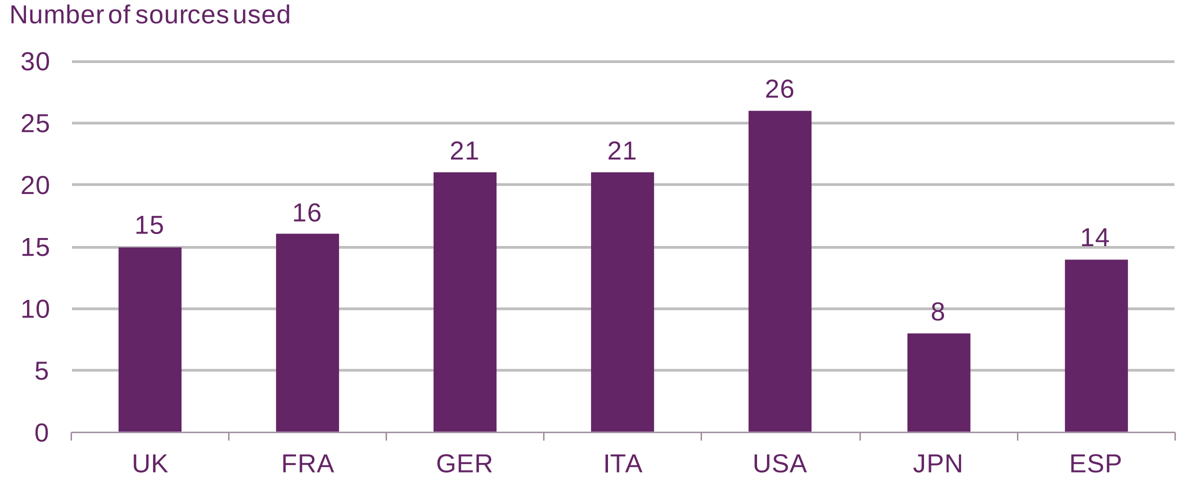


Source: comScore MobiLens, August 2013 (3 month average, mobile phone users 15+)

Those in the US are more likely to name a range of sources for streaming music to their mobile phones

In addition to having the largest proportion of mobile phone users who stream music to their mobile phone, those in the US were also more likely to name a range of sources that they used to listen to streamed music. Mobile internet users in the US named 26 different sources of streamed music, compared to 15 in the UK and only eight in Japan. Mobile internet users in France and Germany also named a large number of music streaming sources. This is likely to reflect the range of different sources available in these countries.

Figure 4.9 Number of music streaming services used by mobile internet users

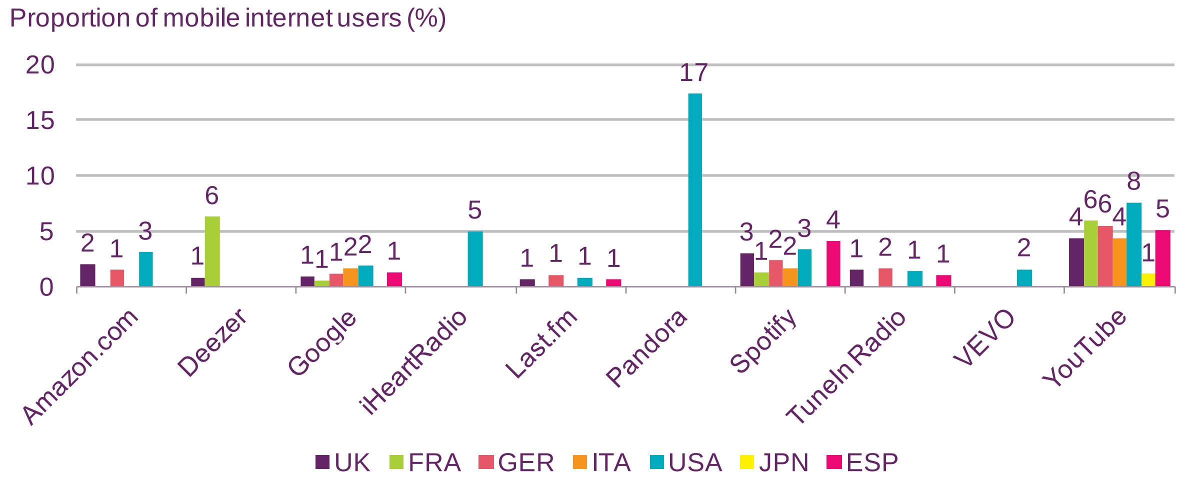


Source: comScore MobiLens, August 2013 (3 month average, mobile internet users 15+)

YouTube is the only music streaming service used by mobile internet users in all of our comparator countries

In each country there are a number of brands of music streaming service which are specific to that country. The only brand named by mobile internet users in all of the countries in Figure 4.10 was YouTube, Google's video sharing website. Spotify, a music streaming service available on subscription for mobile users, was named by users in all countries except Japan, where Spotify is not currently available. The most-cited streaming service was Pandora, a radio-like service which provides content based on its users' tastes in music, which was used by almost one-fifth of mobile internet users in the US. Pandora is available only in the US, Australia and New Zealand. iHeartRadio, which provides a recommendation service as well as aggregating streamed radio station content, was used by 5% of mobile internet users in the US. In the UK, the most popular streaming service was YouTube, used by 4% of mobile internet users, followed by Spotify, used by 3% of mobile internet users.

Figure 4.10 Sources used for streaming music content



Source: comScore MobiLens, August 2013 (three-month average, mobile internet users aged 15+)

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 invested in radio services. The main findings include:

- **Global radio revenues stood at £27.5bn in 2012.** Global radio revenue rose by 2.7% in 2012 to reach £27.5bn. Although this is the third consecutive year of increase after an 8.9% decline in 2009, global revenues are 0.8% lower than they were in 2008.

- **Nine of our 17 comparator countries reported growth in revenue in 2012.** Revenues among the 17 comparator countries featured in this report grew by 2.5%. In the UK the value of the radio market grew by 2.8% to £1.2bn, due to growth in local advertising and sponsorship as well as an increase in licence fee revenues.

- **Revenue growth is fastest in the BRIC countries, while southern Europe has seen the largest proportional declines.** India had the highest rate of growth at 17.3% while the largest proportional decline was in Spain (9.9%), followed by Italy (8.2%).

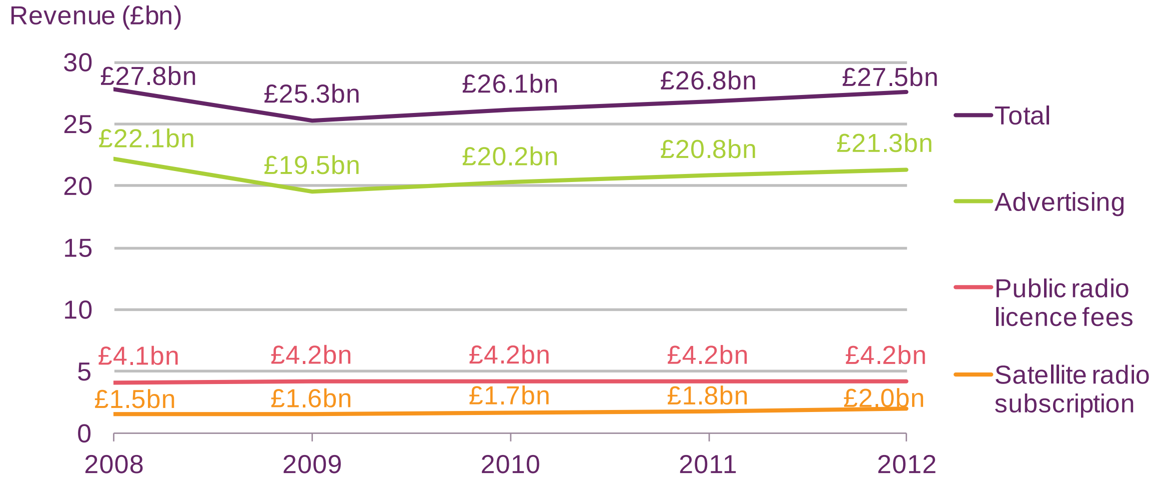
- **Public radio licence fees contribute the largest proportion of revenues in Germany and the UK**. Germany has the highest public funding ratio, with 79.3% of revenue coming from public radio licence fees. Just over 60% of radio revenues in the UK come from public radio licence fees.

4.2.2 Worldwide radio revenue

Worldwide radio revenues stood at £27.5bn in 2012

Worldwide radio revenue rose by 2.7% in 2012 to reach £27.5bn. This is the third consecutive year of increase following an 8.9% decline in 2009, although worldwide revenues are 0.8% lower than they were in 2008. Advertising continues to contribute the largest proportion of total industry revenue, accounting for over three-quarters (77%) of industry income. Revenues from public radio licence fees remained steady at £4.2bn and satellite radio subscription revenues continued to grow, rising by 13.4% to £2.0bn. The largest proportional increase in revenues came from satellite radio subscriptions.

Figure 4.11 Worldwide industry revenues: 2008-2012



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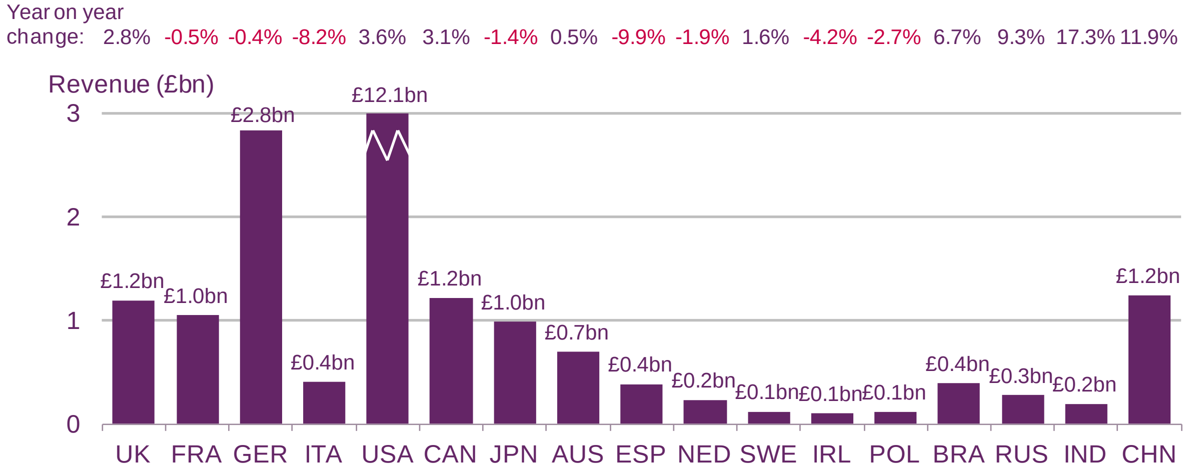
4.2.3 Revenues among our comparator countries

Nine of our 17 comparator countries reported growth in revenue in 2012

Revenues among the 17 comparator countries featured in this report grew by 2.5%, as discussed in section 4.1.2. Nine of these countries reported an increase in radio revenues in 2012, with the largest proportional increases coming from India (17.3%) and China (11.9%). Russia and Brazil also saw significant proportional growth, increasing by 9.3% and 6.7% respectively. Revenues in the US market, the largest among our comparator countries, grew by £420.3m to £12.1bn, representing a 3.6% increase. The US accounts for over half (51%) of the total revenue for the comparator countries as a whole. Revenues in the UK grew by 2.8% to £1.2bn, due to growth in local advertising and sponsorship as well as an increase in licence fee revenues.

Figure 4.12 Radio industry revenues: 2012



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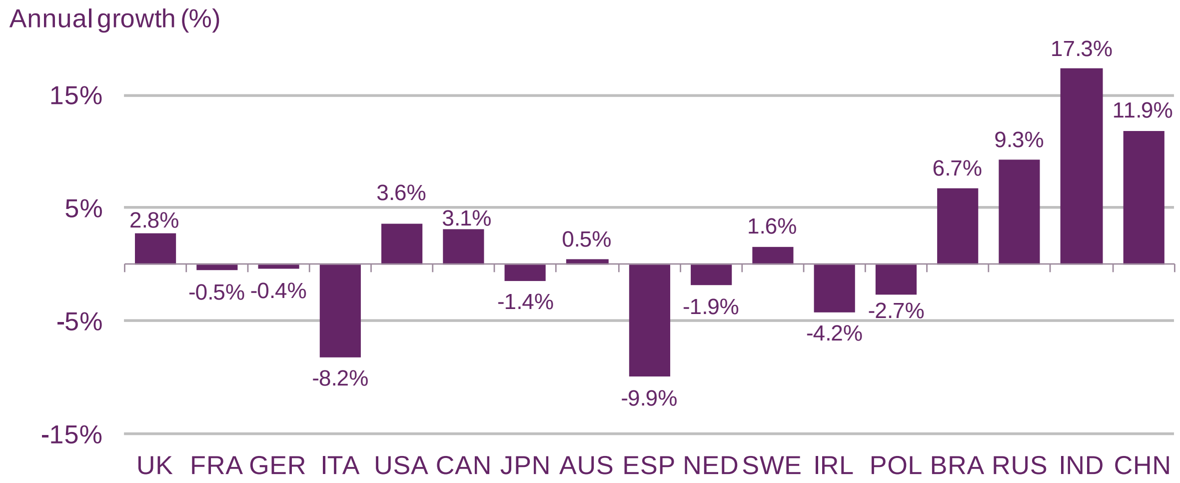
Revenue growth is fastest in the BRIC countries, while southern Europe has seen the largest proportional declines

The proportional changes in revenue, as set out in Figure 4.13, show that the fastest growing markets are the BRIC countries. India saw the highest rate of growth, at 17.3%, driven by the Indian government's licensing of FM services and measures to increase availability in rural areas. The 11.9% growth in China is likely to be due to increases in in-car listening. This radio audience is seen as an attractive target for advertisers, as they tend to be young professionals with high education levels. Listening time is growing in China as a result of private car ownership, and possibly also due to frequent traffic jams in urban areas.

The largest proportional decline was in Spain (9.9%), reflecting negative growth in the Spanish economy, followed by Italy (8.2%), where the loss of an audience measurement system may have reduced advertisers' confidence in radio.

Figure 4.13 Radio industry revenue annual growth: 2011-2012



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

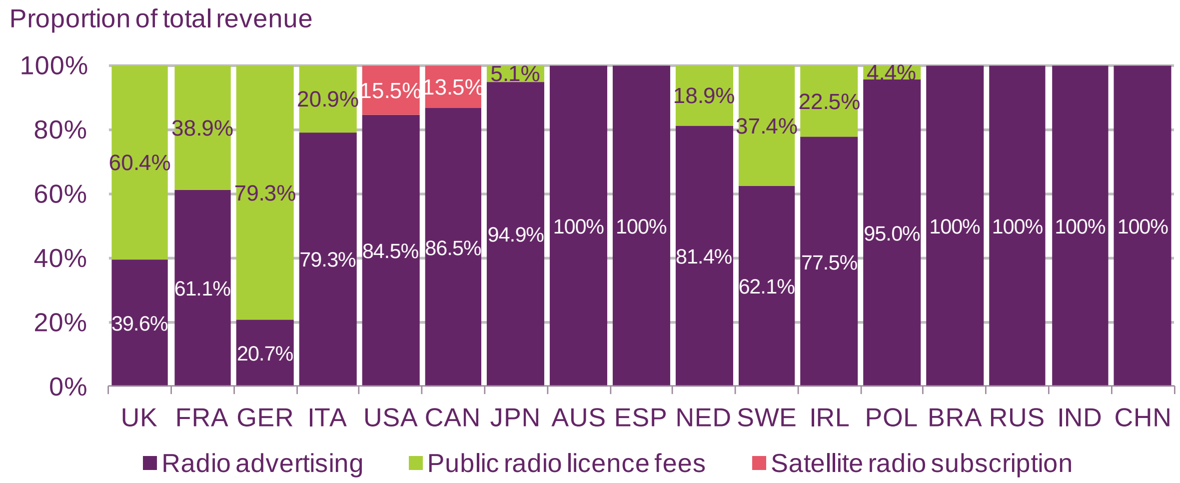
Of the 17 comparator countries, nine of the radio markets are part-funded by public radio licence fees and, with the exception of Japan, all of these countries are within Europe. Public radio licence fees make up the majority of radio revenues in only two countries, Germany and the UK.

Germany has the highest public funding ratio, with 79.3% of revenues coming from public radio licence fees. Of the markets that are partially publicly-funded, public radio licence fees contribute the least in Poland (4.4%) and Japan (5.1%). In Italy, the Netherlands and Ireland, public radio licence fees account for around a fifth of the total market. Just over three-fifths (60.4%) of radio revenue in the UK comes from public radio licence fees.

The US and Canada are the only countries where subscriber-based satellite radio is available to consumers. This contributed 15.5% of revenues in the US and 13.5% of revenues in Canada.

Some of the countries in Figure 4.14 may receive public funding from sources other than a licence fee; for example, government grants or support from other public bodies. The US, Canada, Australia and Spain all have a degree of publicly-funded radio programming.

Figure 4.14 Proportion of radio revenue, by source



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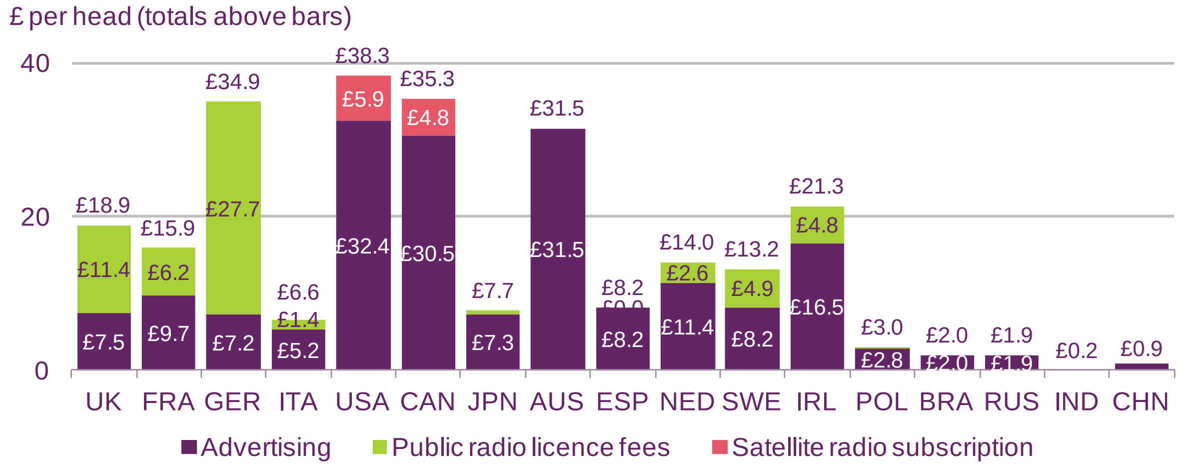
Radio markets in the US, Canada and Germany generate the highest revenues per head of population

The highest revenue per head of population in 2012 was in the US (£38.30), followed by Canada (£35.30). In Europe, the highest revenue per head of population was found in Germany, with £27.70 of the £34.90 total made up of public radio licence fees. In the UK, the comparable figure was £18.90.

Figure 4.15 Radio industry revenues, per head of population: 2012



Source: Ofcom analysis based on data from PricewaterhouseCoopers Global Entertainment and Media Outlook 2013-2017 @ pwc.com/outlook. Interpretation and manipulation of data are solely Ofcom's responsibility. Ofcom has used an exchange rate of $1.580 to the GBP, representing the IMF average for 2012. Note that the UK radio industry figure is sourced from broadcaster returns made to Ofcom. Population data from US Census Bureau (end of year estimates from mid-year values)

4.3 The audio consumer

4.3.1 Introduction

The following section examines how people consume audio services among the comparator countries surveyed in this report.

- **Take-up of DAB radio sets is highest in the UK** and claimed ownership of DAB radio sets among radio listeners in the UK increased by 8pp year on year. Almost half (48%) of radio listeners claim to own a DAB radio set. This is the highest take-up of all our comparator countries.

- **Of the countries we surveyed, DAB coverage is available to the largest proportion of households in the UK, at 94%.** This is followed by Germany (90.1%) and Italy (75%), both of which have seen large year-on-year growth in DAB coverage.

- **Across all our comparator countries FM radio sets are the most widely-owned type of radio set,** but the UK has the lowest claimed ownership, at 69%. However, the UK is among the highest of our comparator countries for take-up of any radio set, at 86% due to the high proportion of DAB radio set owners (48%).

- **Respondents across all countries are more likely to use their household internet connection to listen to /download audio content than to listen to online radio, with the exception of Germany.** Listening to online radio is more popular in Germany, with three in ten (32%) doing so, more than in any other country.

- **Listening to their own music using a laptop/desktop or a tablet is the most popular audio activity on these devices among respondents in all countries.** Half (48%) of laptop/desktop owners in the UK listen to their own music on their computer, while one third (36%) of tablet owners do so. These proportions are greater than for those who listen to the radio using either device (29% and 24% respectively).

- **Across all comparator countries, radio is most likely to be used to source regional /local news than for any other type of news.** This is most evident in Germany, where 20% of respondents use the radio for this purpose, more than double the proportion of UK adults (9%).

4.3.2 Radio set ownership

DAB digital radio set take-up among radio listeners is highest in the UK

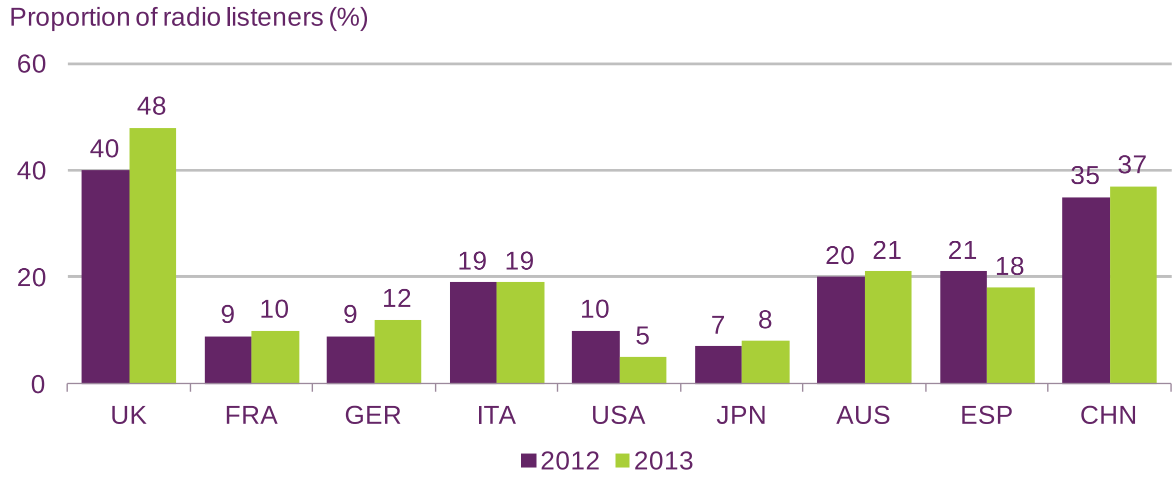
Take-up of DAB radio sets is highest in the UK, at 48%, an increase of 8pp year on year. The second highest take-up was in China (37%), but our online research methodology means that the findings are representative of early adopters in urban areas, rather than the whole population (see our research methodology in Appendix A: Consumer research methodology).This is reflected in the DAB coverage in China, which is only available in the highly populated cities of Beijing, Hong Kong and Shanghai[50] As shown in Figure 4.17, DAB coverage in China is 8%.

[50] WorldDMB Global Update, *Digital radio broadcasting using the DAB family of standards*, September 2013

Aside from the UK, DAB radio is more established in Italy than in any of the other European comparator countries, with 19% claiming ownership of a DAB digital radio set. The lowest take-up in Europe is in France (10%) reflecting the current trial status of digital radio in the country. The service is currently being broadcast over four regional multiplexes[51].

Take-up of DAB sets fell in the US, where digital radio is not broadcast using the DAB family of broadcasting standards. Digital radio in the US is broadcast using HD and satellite radio.

Figure 4.16 Take-up of DAB radio sets among regular radio listeners: 2012 and 2013



Source: Ofcom consumer research September 2013, September 2012
Base: All regular radio listeners, 2013: UK=717, FRA=756, GER=775, ITA=741, USA=695, JPN=397, AUS=678, ESP=740, CHN=363, 2012: UK=757, FRA=796, GER=805, ITA=768, USA=749, JPN=384, AUS=700, ESP=763, CHN= 441
Q.3a Which of the following devices do you have in your home?

DAB coverage is higher in the UK than in any other comparator country – and coverage has increased in almost all other countries

DAB coverage in the UK, at 94% of households, is wider than in any other comparator country. This figure represents the proportion of households covered by the BBC's national multiplex and is unchanged since 2012. The national commercial multiplex in the UK, Digital One, was extended to Northern Ireland in summer 2013 and is now available to 89.5% of UK households.[52]

Germany has seen the greatest growth in DAB coverage, of all our comparators, with an increase of 43pp year on year to reach 90% coverage. Digital radio has been built out in all urban areas and in many rural regions, and availability of DAB radio has been improved along major transport routes. Coverage in Italy has increased by 15pp year on year, and is now available to 75% of the Italian population, facilitated by .the Italian regulator's decree of May 2012 which assigned transmission blocks to broadcasters and led to DAB services starting in December 2012.

Although smaller than the increase seen in Germany and Italy, DAB coverage in Australia, where DAB+ is the broadcasting technology used, has increased to 64% (year on year growth of 4pp). Digital radio services are currently available in the cities of Sydney, Melbourne, Brisbane, Perth and Adelaide, where population density is highest. Commercial

[51] WorldDMB, September 2013.
[52] Ofcom, *Digital Radio Report 2013*, September 2013

radio broadcasters and the public service broadcaster are working with the government on the regional roll-out of digital radio[53].

Spain has seen no year-on-year change in coverage, which remains at 20%. Coverage was reduced from 52% in 2011 to aid the migration of digital radio services from DAB to DAB+. The lowest overall coverage of DAB is in China (8%), where digital radio services are broadcast only in Beijing, Hong Kong and Shanghai.

Figure 4.17 Coverage of DAB/ DAB+/ DMB radio: 2012 and 2013

Source: WorldDMB Global Update, Digital radio broadcasting using the DAB family of standards, September 2012; 2013

Note: There are no data for France as digital radio is currently being trialled; the broadcasting authority Conseil Supèrieur de l'Audiovisuel has forecasted 60% coverage within seven years.
No data for DAB coverage exist for Japan due to digital television and radio services being broadcast over ISBD standards.
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 radio set take-up is higher than take-up of any other type of radio set in all our comparator countries

As shown in Figure 4.18, 86% of radio listeners in the UK own a radio set, placing the UK among the comparator countries with the highest take-up of any type of radio set. Although fewer people in the UK claim ownership of an FM radio set, they have the highest ownership of DAB radio sets.

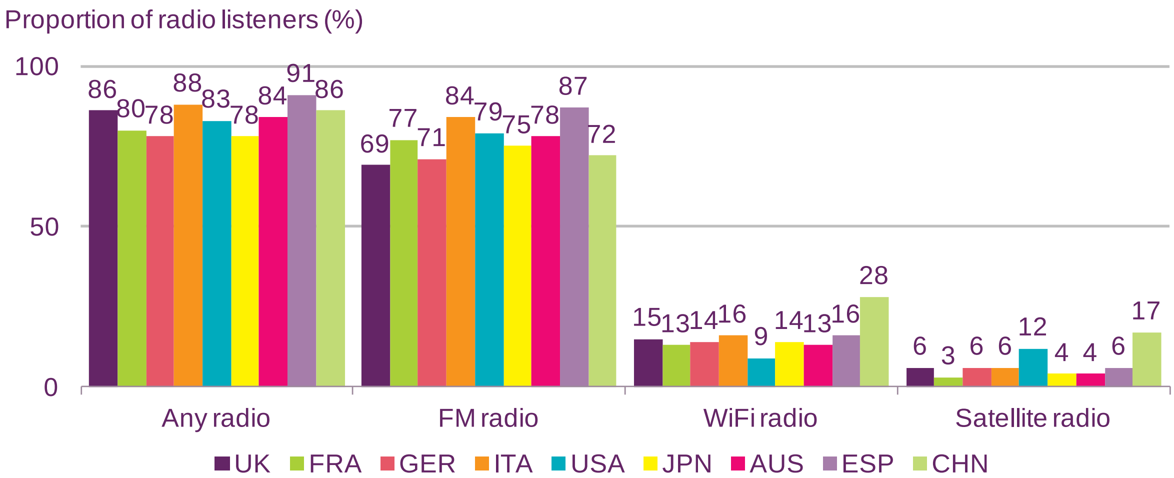
In all of our comparator countries, ownership of FM radio sets is greater than any other type of radio set. The highest take-up is in Spain (87%), followed by Italy (84%) and the US (79%). At 69%, the UK has the lowest proportion of FM radio set owners among radio listeners, of all our comparator countries.

With the exception of China, where our research represents urban internet users only, and the US, where around one in ten claim ownership of WiFi radio (9%), the take-up of WiFi radio sets is broadly similar among our comparator countries.

[53] WorldDMB Global Update, *Digital radio broadcasting using the DAB family of standards*, September 2013

Similarly, take-up of satellite radio is relatively low among all our comparator countries. The US is the exception; over one in ten (12%) own a satellite radio. This is because satellite radio, the main platform for digital radio, is available throughout the US.

Figure 4.18 Take-up of any radio set, and FM, WiFi and satellite radio sets, among regular radio listeners



Source: Ofcom consumer research September 2013
Base: All regular radio listeners, UK=717, FRA=756, GER=775, ITA=741, USA=695, JPN=397, AUS=678, ESP=740, CHN=363.
Q.3a Which of the following devices do you have in your home?

4.3.3 Regular listening to radio and other audio content

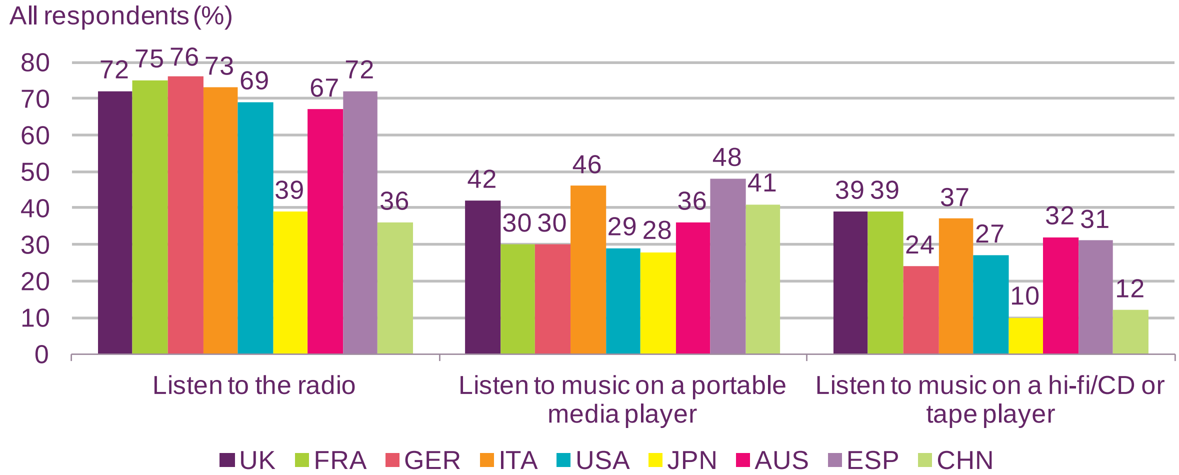
Radio is the primary method for the regular consumption of audio content in Europe, the US, Australia and Japan.

We look now at the proportion of respondents who claim to listen to radio content regularly ('regular' is defined as at least once a week). In our European comparator countries, at least seven in ten online adults are regular radio listeners, with the highest incidence of listening in Germany (76%) and France (75%). While regular radio listenership is lower in the US (69%) and Australia (67%), less than four in ten in Japan (39%) and in China (36%) are regular radio listeners.[54]

We also asked about whether people used a portable media player or hi-fi system, or equivalent device. Use of a portable media player is highest overall in Spain (48%), followed by Italy (46%) and the UK (42%), while listening to music on a hi-fi or equivalent is most popular among respondents in the UK and France (39%). Despite the differing levels of listening via these devices, listening via a radio set is the most popular medium in all of the countries we surveyed.

[54] Our results for the UK show lower listening figures than the average weekly reach of radio reported by the UK's radio listening measurement body, RAJAR, which reported that 89.5% of the UK population listened to radio in an average week in 2012. 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 4.19 Proportion of adults who claim to regularly consume audio content



Source: Ofcom consumer research September 2013
Base: All respondents, UK=1000, FRA=1007, GER=1010, ITA=1010, USA=1004, JPN=1005, AUS=1007, ESP=1020, CHN=1007.
Q.5 Which of the following do you regularly do (at least once a week)?

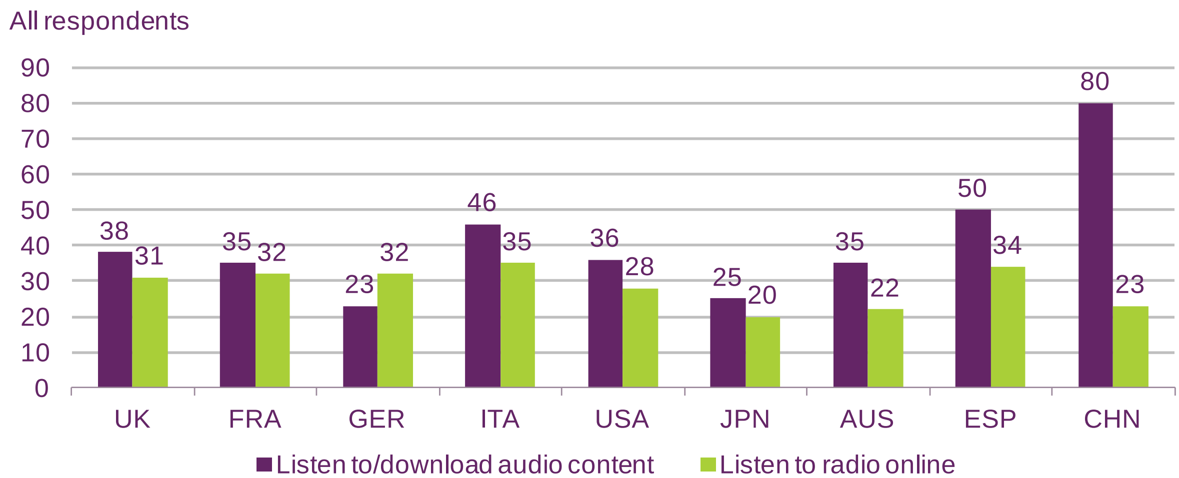
4.3.4 Listening to audio content on different devices

With the exception of Germany, respondents across all comparators prefer to listen to and/or download audio content online than listen to online radio

There is a preference for listening to, and/or downloading, audio content rather than listening to online radio, among respondents in all our comparator countries. In the UK, 38% respondents claim to use their home internet to listen to/download audio content, while 31% claim to listen to radio online.

Germany is the exception; it is the only country where listening to online radio is more popular than listening to or downloading audio content (32% versus 23%).

Figure 4.20 Weekly use of home internet connection to consume audio content



Source: Ofcom consumer research September 2012; 2013
Base: All respondents, UK=1000, FRA=1007, GER=1010, ITA=1010, USA=1004, JPN=1005, AUS=1007, ESP=1020, CHN=1007.
Q.9 Which, if any, of the following activities do you use your internet connection for at least once a week?

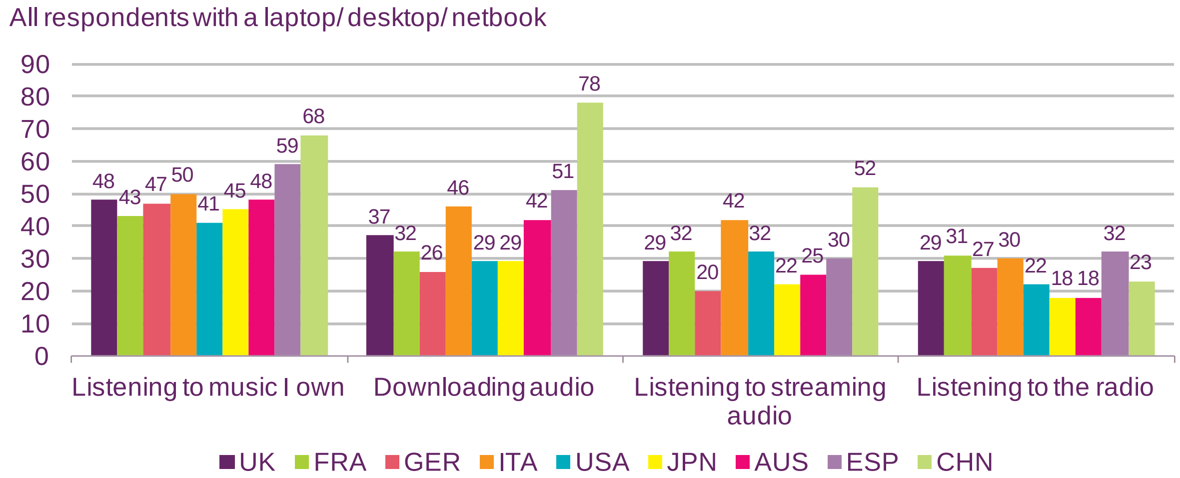
Looking at how people consume audio content on specific devices, we found that people are less likely to use their laptop/desktop to listen to the radio, preferring to listen to music that they own and to download audio.

In Europe, the highest proportion of respondents who listen to their own music on a laptop or desktop is in Spain (59%), followed by Italy (50%) and then the UK (48%). Within Europe, France has the lowest proportion of people doing this, at 43%, and across all our comparator countries, this activity is least popular in the US (41%). For downloading audio content on a laptop or desktop, the highest proportion of people claimed to do this in Spain (51%), Italy (46%) and then the UK (37%). Fewer people in Germany do this activity (26%).

Across our European comparators, listening to streamed audio is most popular in Italy (42%) and lowest in Germany (20%). The popularity of listening to streamed audio in the UK and Spain is broadly comparable, at 29% and 30% respectively.

Although the landscape of online radio listening may change in future years, due to the competitive challenges presented by music streaming services such as Spotify and Deezer[55], almost one-third of those in Spain listen to the radio through a laptop or desktop computer (32%), followed by three in ten in France (31%), the UK (29%) and Italy (30%). Less than one in five (18%) in Japan and Australia use their laptop or desktop to listen to the radio, the lowest among the countries we surveyed.

Figure 4.21 Audio activities on a laptop / desktop



Source: Ofcom consumer research September 2013
Base: All respondents with a laptop/ desktop/ netbook, UK=952, FRA=941, GER=951, ITA=908, USA=940, JPN=942, AUS=960, ESP=931, CHN=966.
Q.15d Which, if any, of the following audio activities do you use each of your devices for?

The pattern of audio consumption is similar on a tablet computer. Listening to their own music is the most popular activity among respondents with a tablet, across our comparator countries. In the UK, one third (36%) of tablet owners claim to use their device for this purpose, while just over a quarter (27%) of US tablet owners listen to music they own on their tablet. Downloading audio content onto a tablet computer is less popular than listening to ‘music I own’ in all our comparator countries.

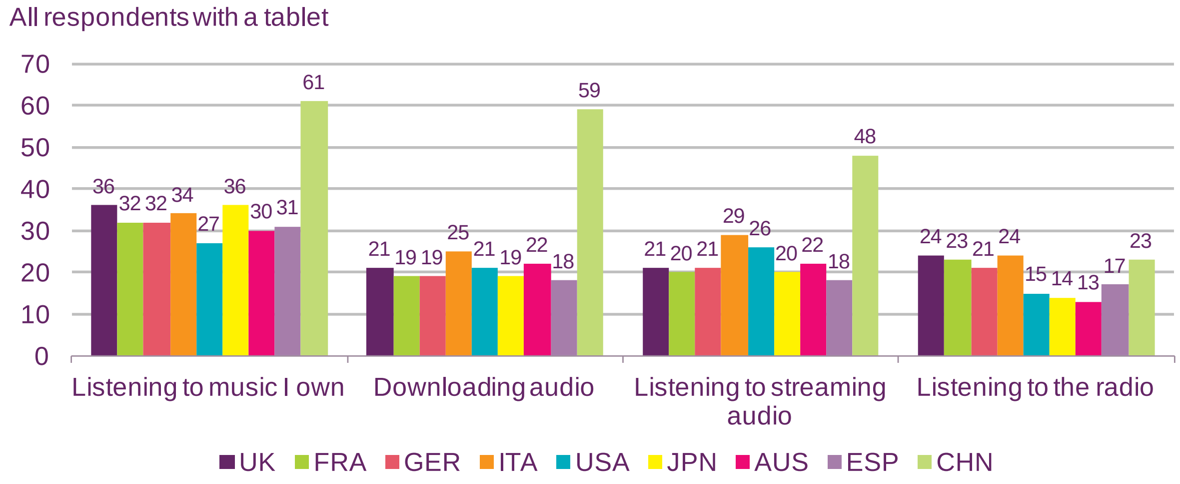
With the exception of China, Italy has the highest proportion of tablet owners listening to streamed audio (29%), followed by the US (26%). One fifth of tablet owners did this in the

55 Price Waterhouse Coopers, *Global Media and Entertainment Outlook 2013-2017*

UK and Germany (21%), followed by France (20%). Listening to streamed audio content on a tablet is least popular in Spain (18%).

With the exception of Spain and Germany, listening to the radio on a tablet is more popular than downloading or streaming audio among our European comparators. One quarter of tablet owners listen to radio on their device in the UK and Italy (24%), followed by France (23%), with one fifth (21%) of tablet owners in Germany doing this.

Figure 4.22 Audio activities on a tablet computer



Source: Ofcom consumer research September 2013
Base: All respondents with a tablet, UK=329, FRA=203, GER=180, ITA=286, USA=239, JPN=171, AUS=316, ESP=324, CHN=476.
Q.15d Which, if any, of the following audio activities do you use each of your devices for?

4.3.5 The role of radio as a main source of news

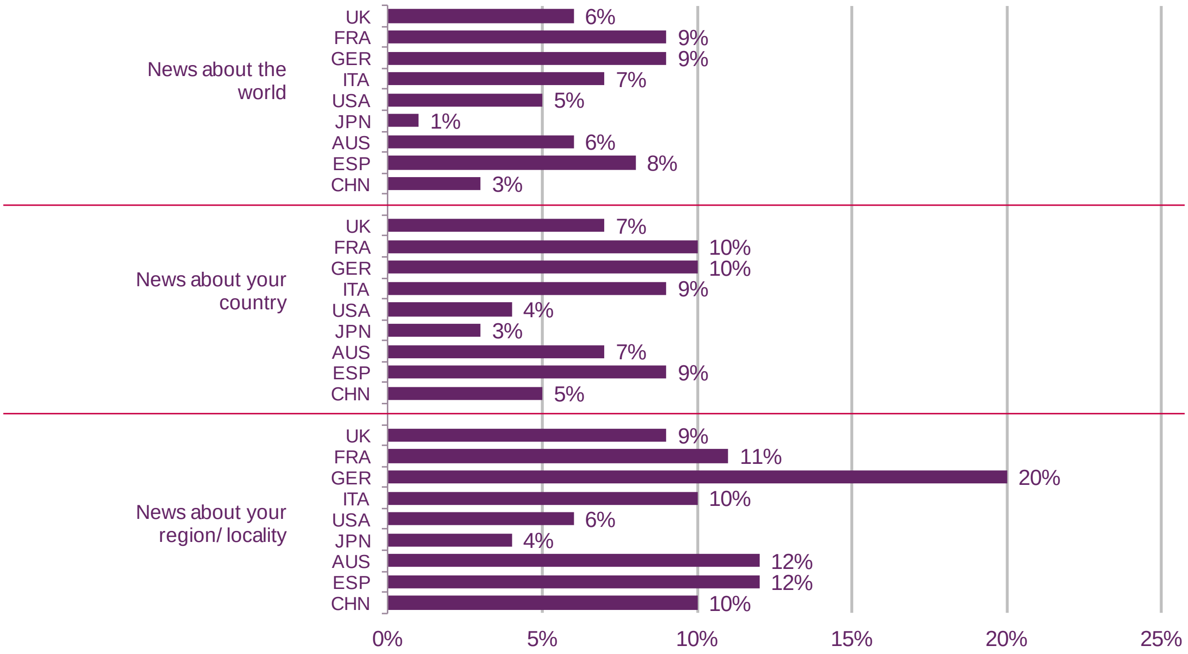
Across all our comparator countries, radio is more likely to be used to source regional/local news than any other type of news

Across our European comparators, both France and Germany (at 9% each) have the highest proportion of respondents who use radio for consuming world news. Spain follows, with 8%, while this is lowest in the UK at 6%. Listeners in Japan are least likely to use the radio for accessing world news, with only 1% of respondents using radio as their main source for this type of news.

The proportion of adults who use the radio as their main source of national news is highest in France and Germany (10%), followed by Spain and Italy (9%). At 7%, adults in the UK are the least likely in Europe to use radio as their main source of national news. Respondents in Japan are the least likely to use the radio to source national news (3%).

Across all our comparator countries, the type of news which is most likely to be sourced on radio is regional/local news. This is highest overall in Germany, where 20% of adults claim to use the radio as their main source of regional/local news; more than double the proportion in the UK (9%) and Italy (10%). In Spain and France just over one in ten use the radio as their main source of regional news (12% and 11% respectively).

Figure 4.23 Proportion of adults who use radio as their main source of news, by type



Source: Ofcom consumer research September 2013
Base: All respondents, UK=1000, FRA=1007, GER=1010, ITA=1010, USA=1004, JPN=1005, AUS=1007, ESP=1020, CHN=1007.
Q.11 Which, if any, is your main source for the following information?