3. Radio and audio

Figure 3.1

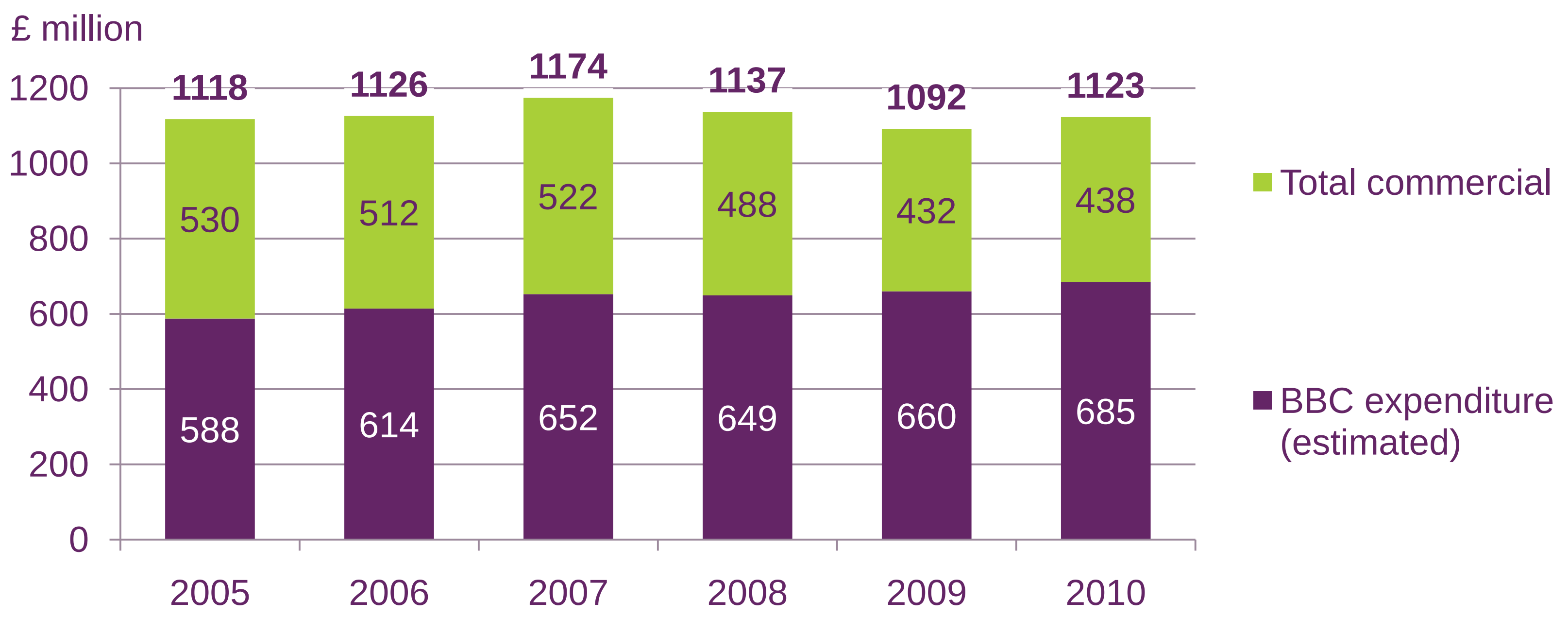
UK radio industry key metrics

UK radio industry	2005	2006	2007	2008	2009	2010
Weekly reach of radio (% of population)	90.0%	89.8%	89.8%	89.5%	89.8%	90.6%
Average weekly hours per head	21.6	21.2	20.6	20.1	19.8	20.1
BBC share of listening	54.5%	54.7%	55.0%	55.7%	55.3%	55.2%
Total industry revenue	£1,118m	£1,126m	£1,174m	£1,137m	£1,092m	£1,123m
Commercial revenue	£530m	£512m	£522m	£488m	£432m	£438m
BBC expenditure	£588m	£614m	£652m	£649m	£660m	£685m
Radio share of advertising spend	3.3%	3.0%	2.9%	2.8%	2.8%	2.7%
DAB digital radio take-up (households)	11.1%	16.0%	22.3%	29.7%	33.4%	35.8%

Source: RAJAR (all adults age 15+), Ofcom calculations based on figures in BBC Annual Report and Accounts 2010/11 note 2c (www.bbc.co.uk/annualreport), AA/Warc, broadcasters. Revenue figures are nominal.

Figure 3.2

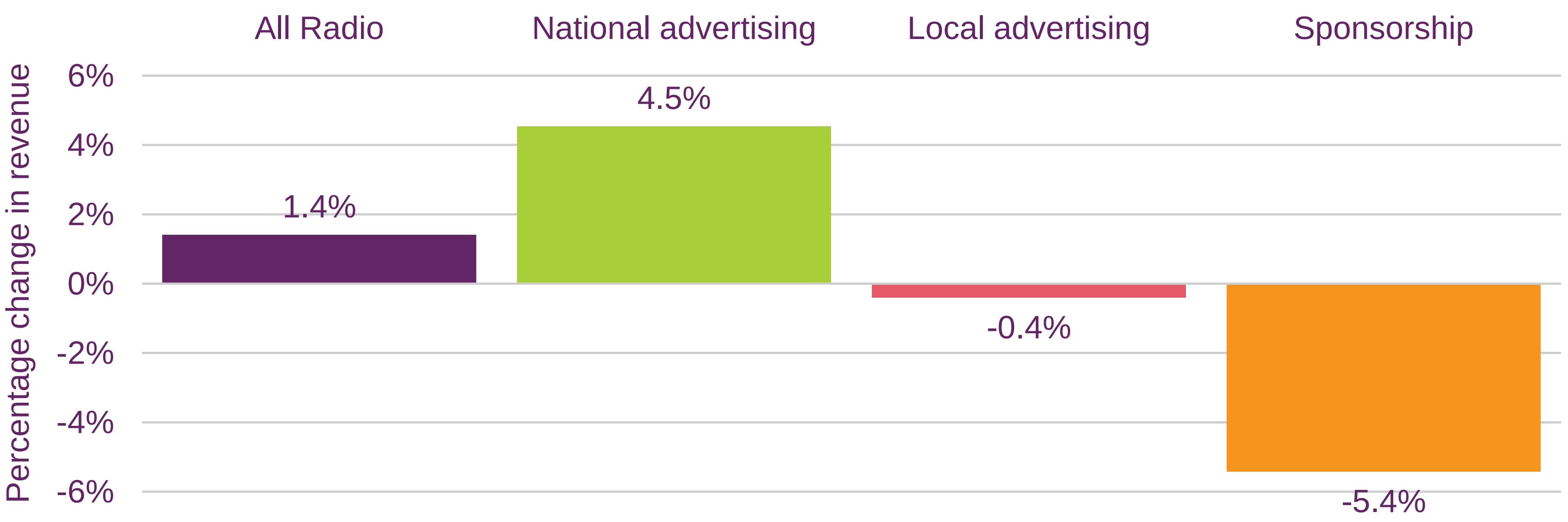
Radio industry revenue and spending 2005-2010



Source: Ofcom / operator data / BBC Annual Report 2005-2010
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.

Figure 3.3

Commercial revenue percentage change 2009-2010

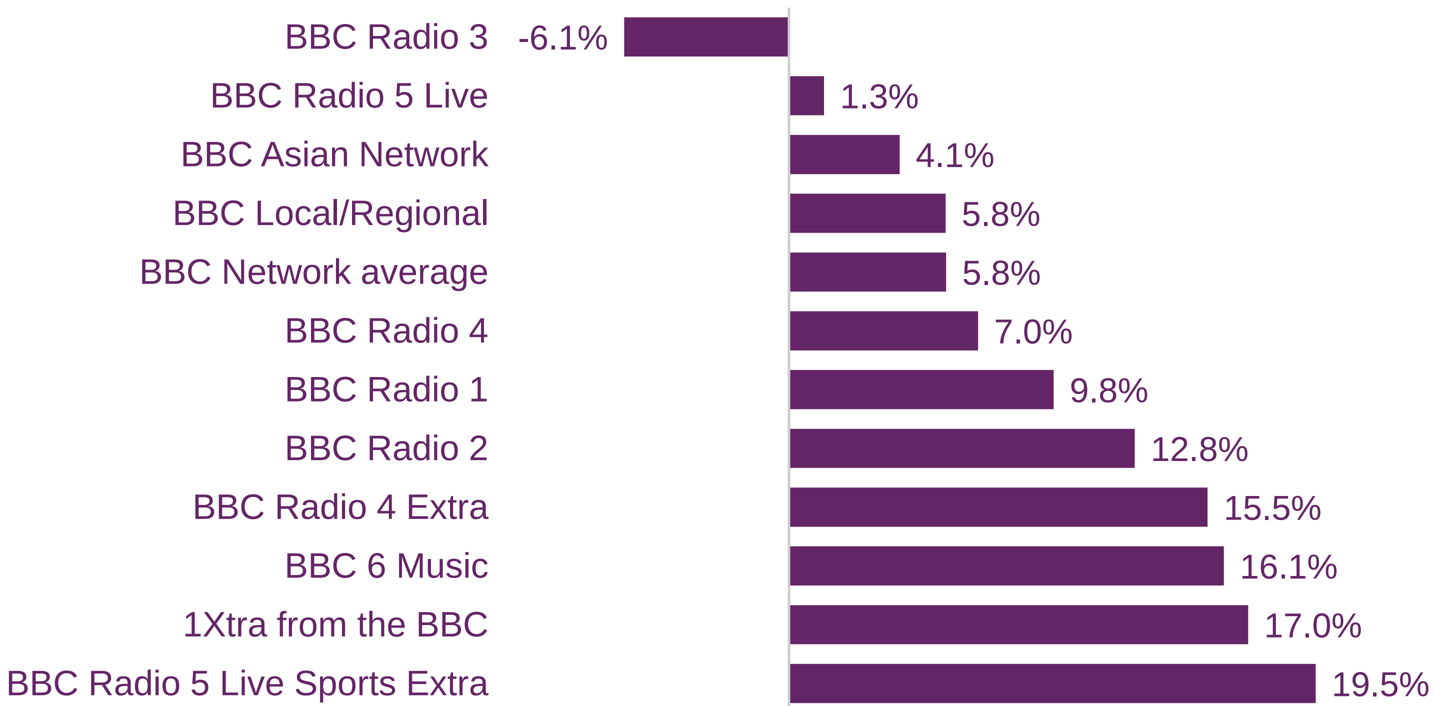


Source: Ofcom / operator data 2009-2010

Figure 3.4

BBC station expenditure percentage change 2009/10 – 2010/11

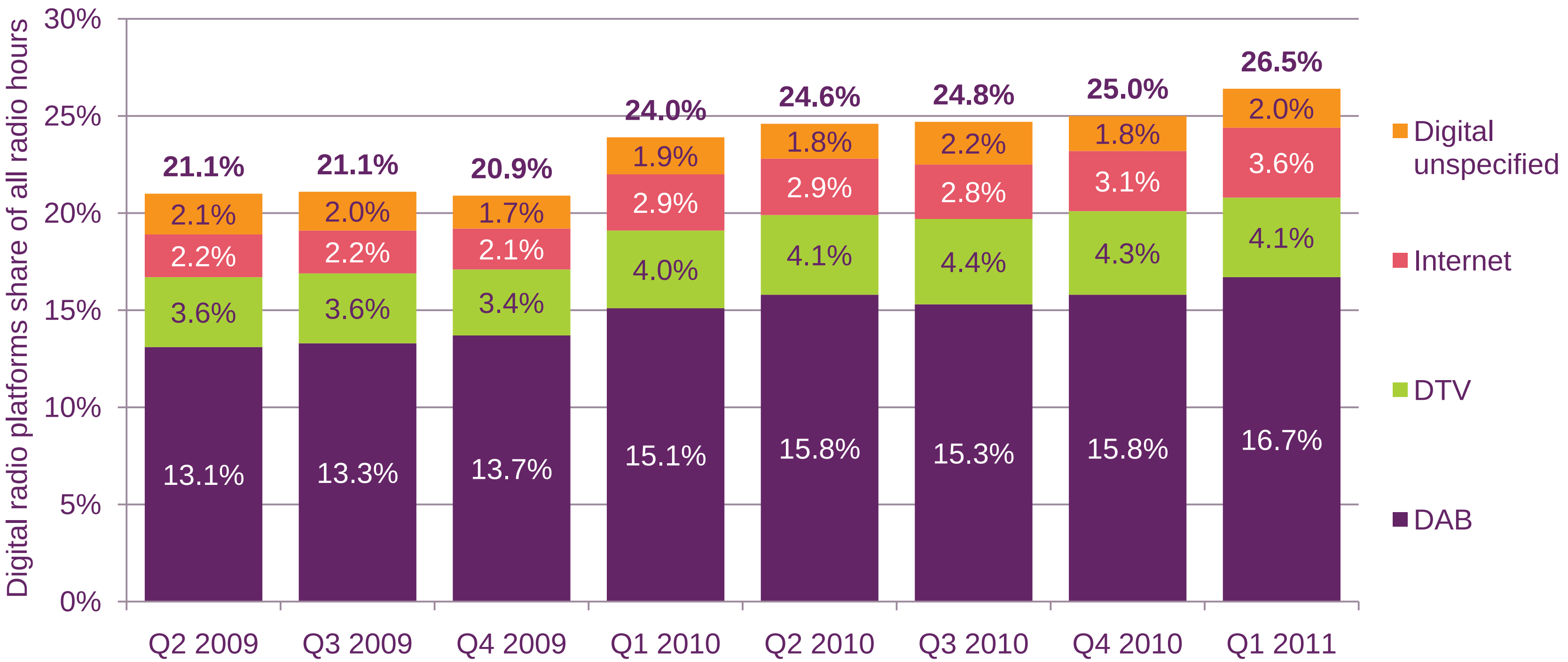
Annual % change of BBC radio station expenditure



Source: BBC Annual Report 2010/11 note 2c (www.bbc.co.uk/annualreport). 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. It should be noted that the percentage changes are based on operating expenditure for individual stations based on financial years and they do not include BBC wide overheads; as such they are not comparable with the calendar year figures that are set out in Section 3.2.2.

Figure 3.5

Digital radio's share of radio listening, Q1 2011

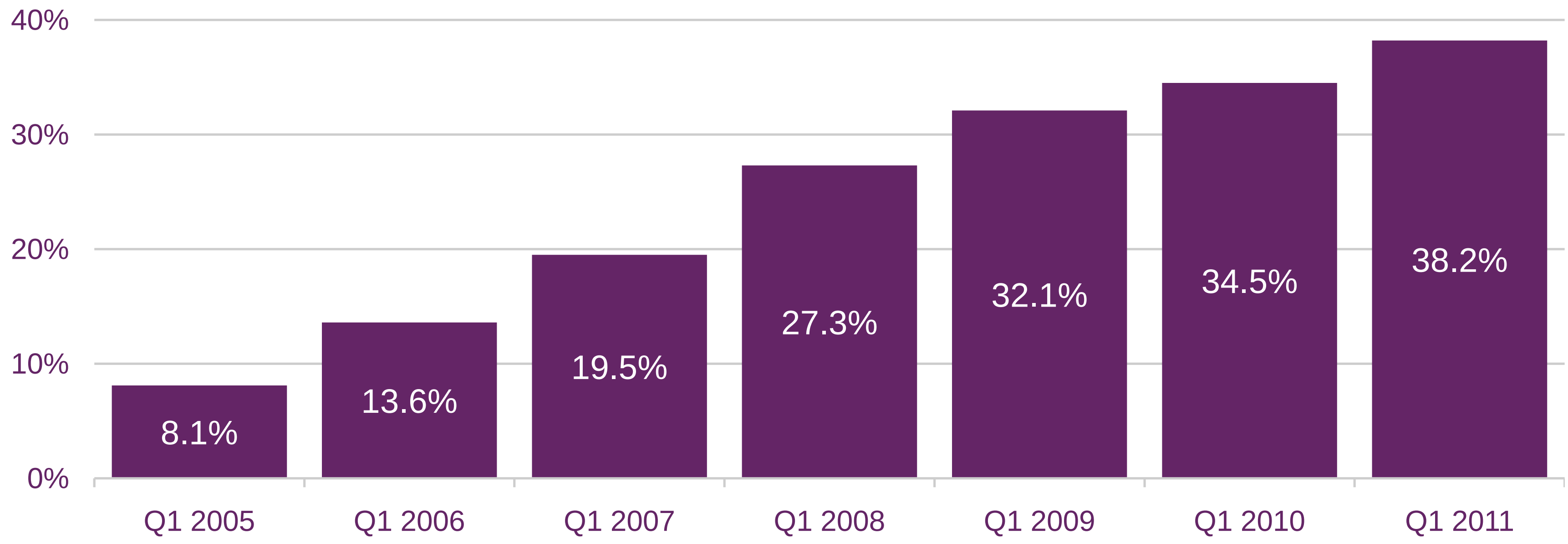


Source: RAJAR / Ipsos MORI / RSMB
Note: 'Digital unspecified' relates to listening to digital-only stations where the survey respondent has not specified the listening platform used.

Figure 3.6

Ownership of DAB set, Q1 2011

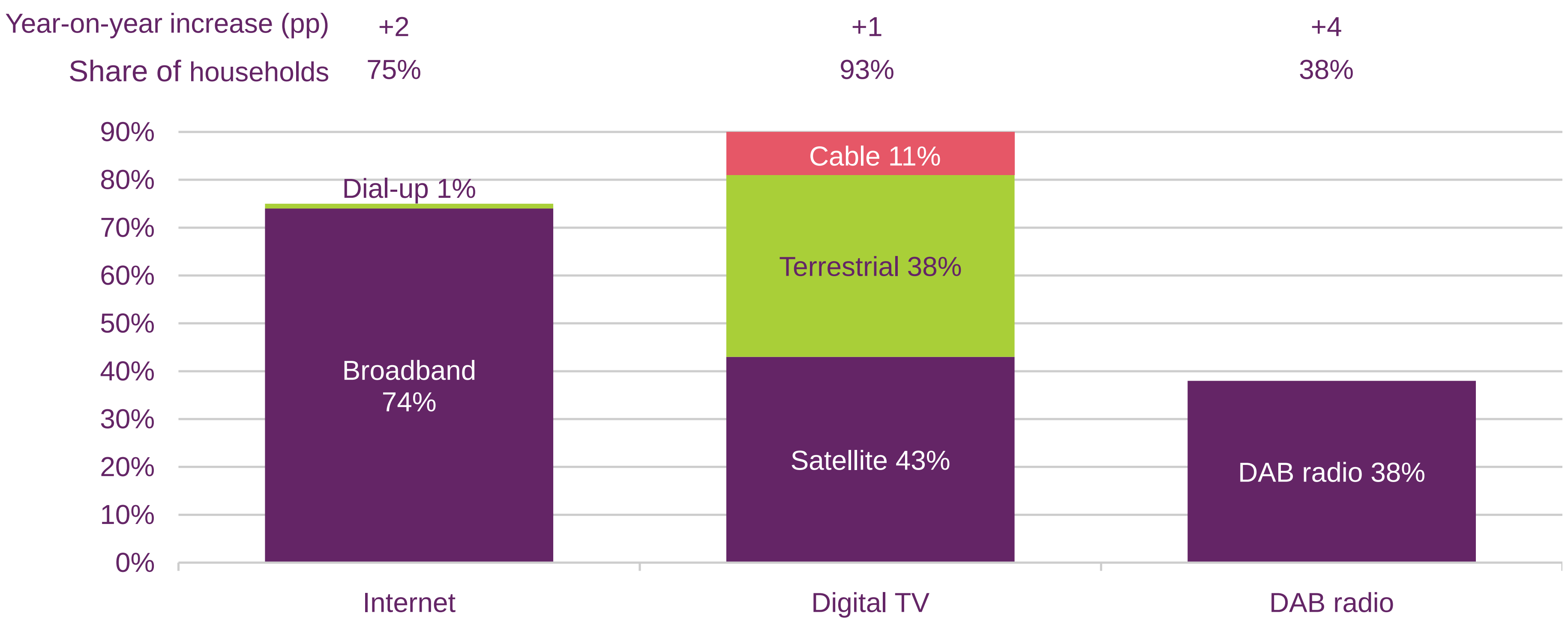
Percentage of adults who claim to own a DAB set / have a DAB set in the home



Source: RAJAR / Ipsos MORI / RSMB Q1 2005-2011.

Figure 3.7

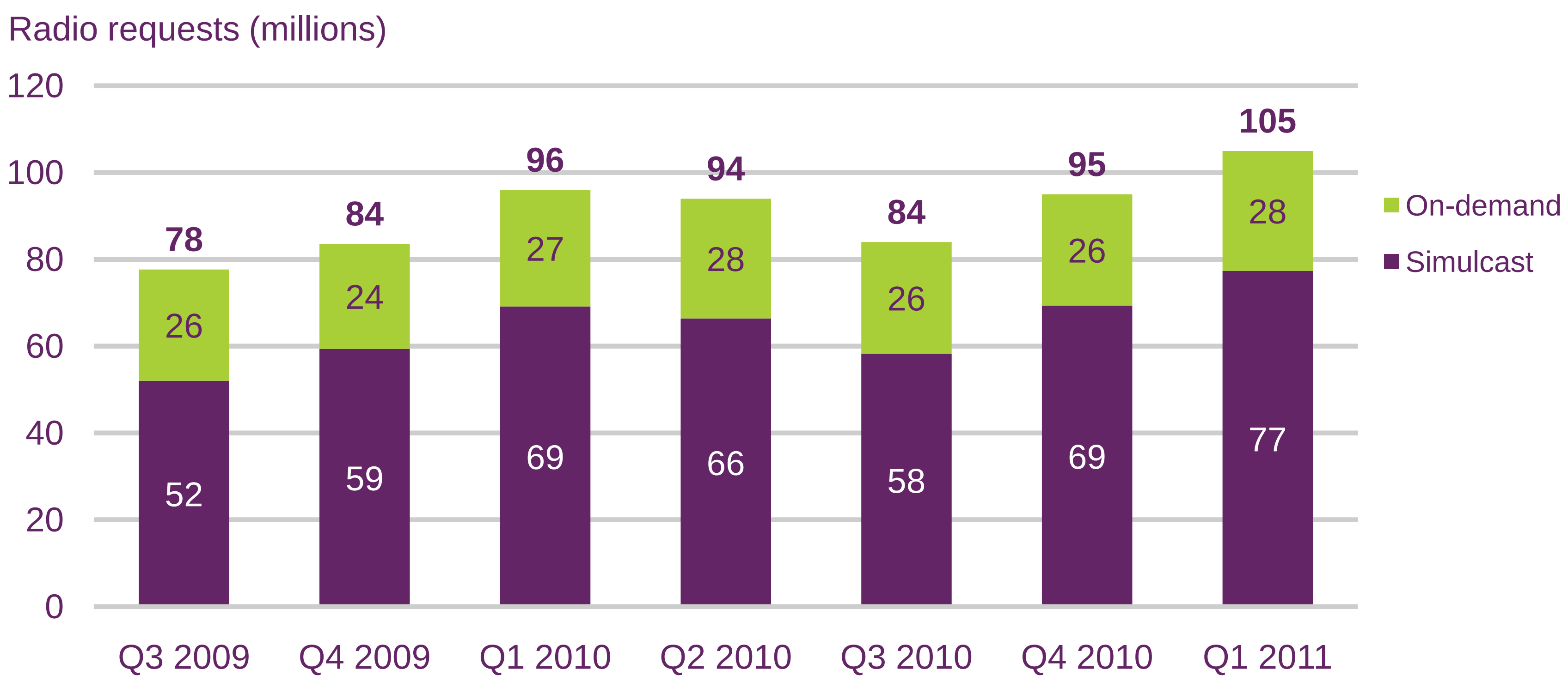
Take-up of equipment capable of receiving digital radio, Q1 2011



Source: Research from: Ofcom, GfK and RAJAR Q1 2010

Figure 3.8

BBC iPlayer quarterly radio requests

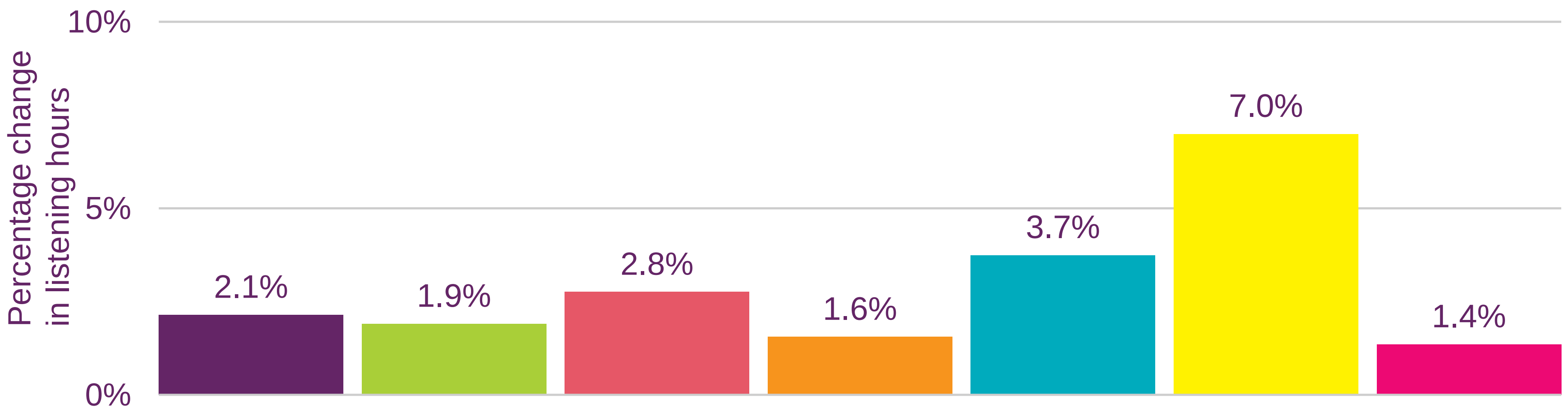


Source: Ofcom calculates based on BBC iStats
http://www.bbc.co.uk/blogs/bbcinternet/bbc_iplayer_press_pack/

Figure 3.9

Change in listening hours between 2009 and 2010

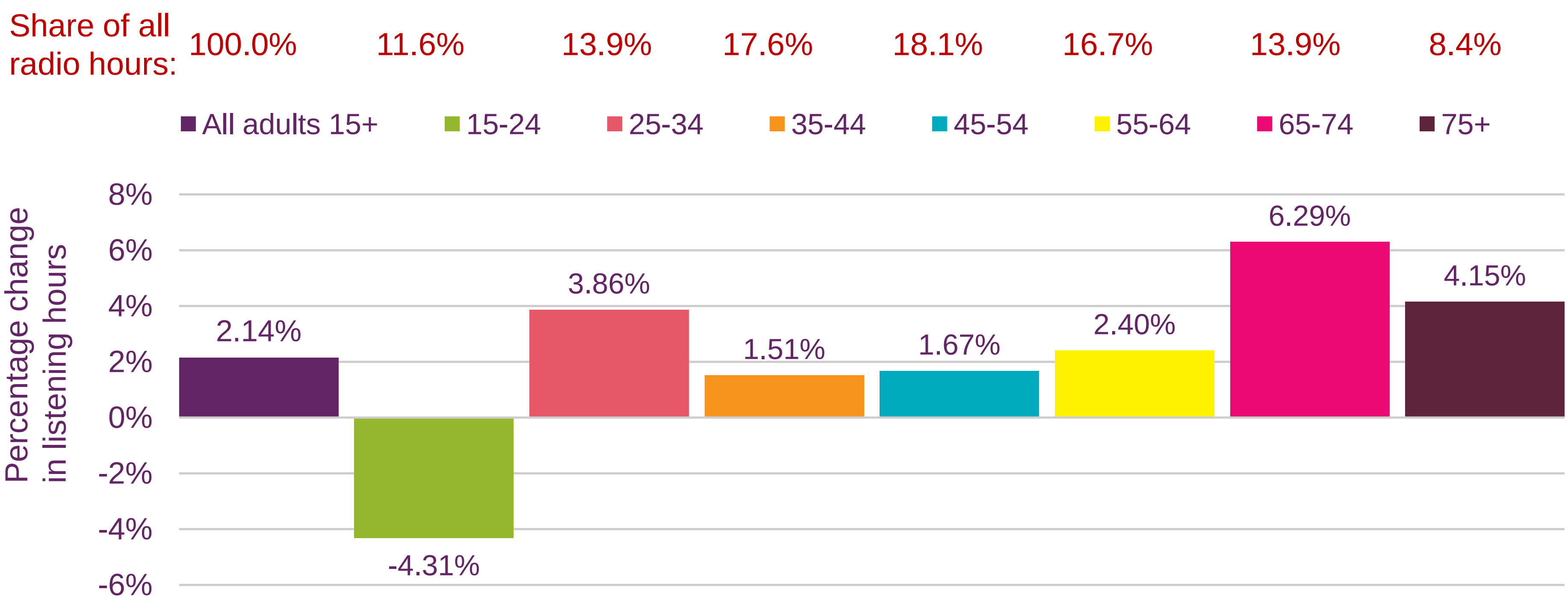
	All Radio	All BBC	All Commercial	BBC network	BBC local	Nat commercial	Local commercial
2010 weekly hours:	1036m	571m	442m	480m	92m	115m	327m
Share of all radio hours:	100%	55.2%	42.6%	46.3%	8.9%	11.1%	31.5%



Source: RAJAR, all adults (15+). Data based on calendar year 2009 - 2010

Figure 3.10

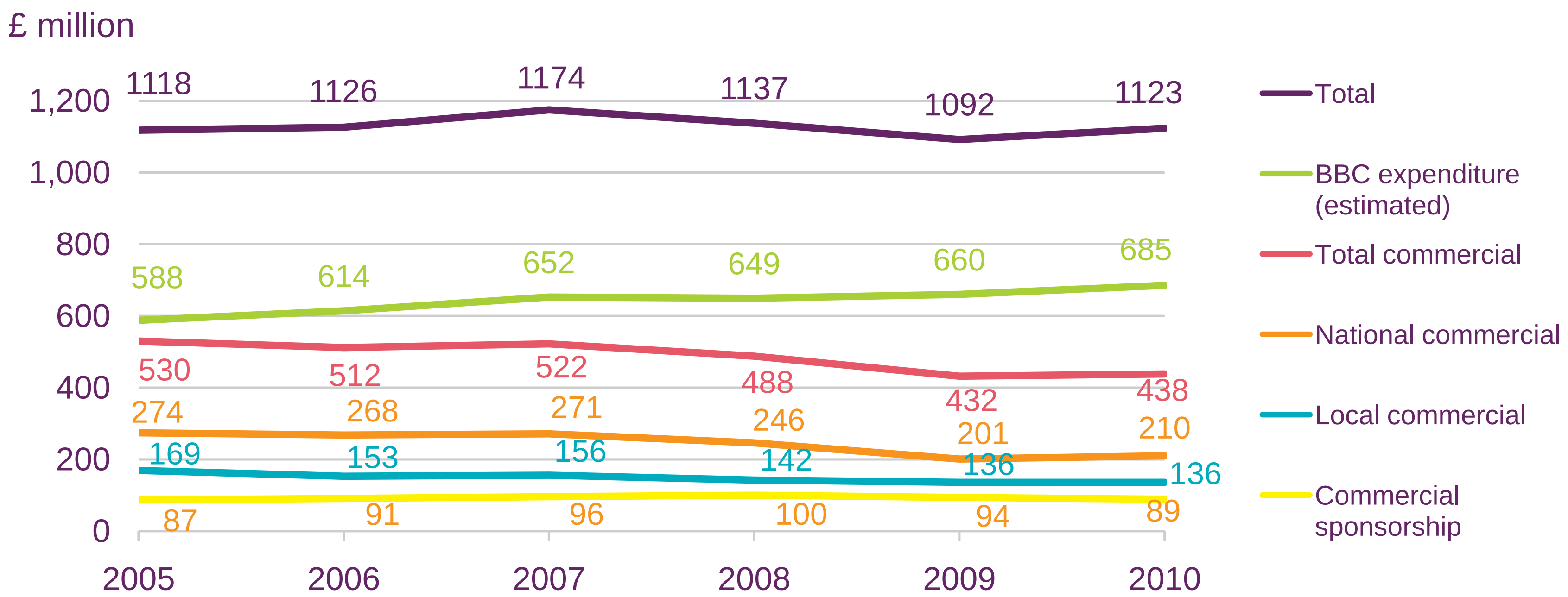
Changes in listening hours, 2010 vs. 2009, by age group



Source: RAJAR, all adults (15+), data based on calendar years 2009 – 2010

Figure 3.11

UK commercial radio revenue and BBC radio spending

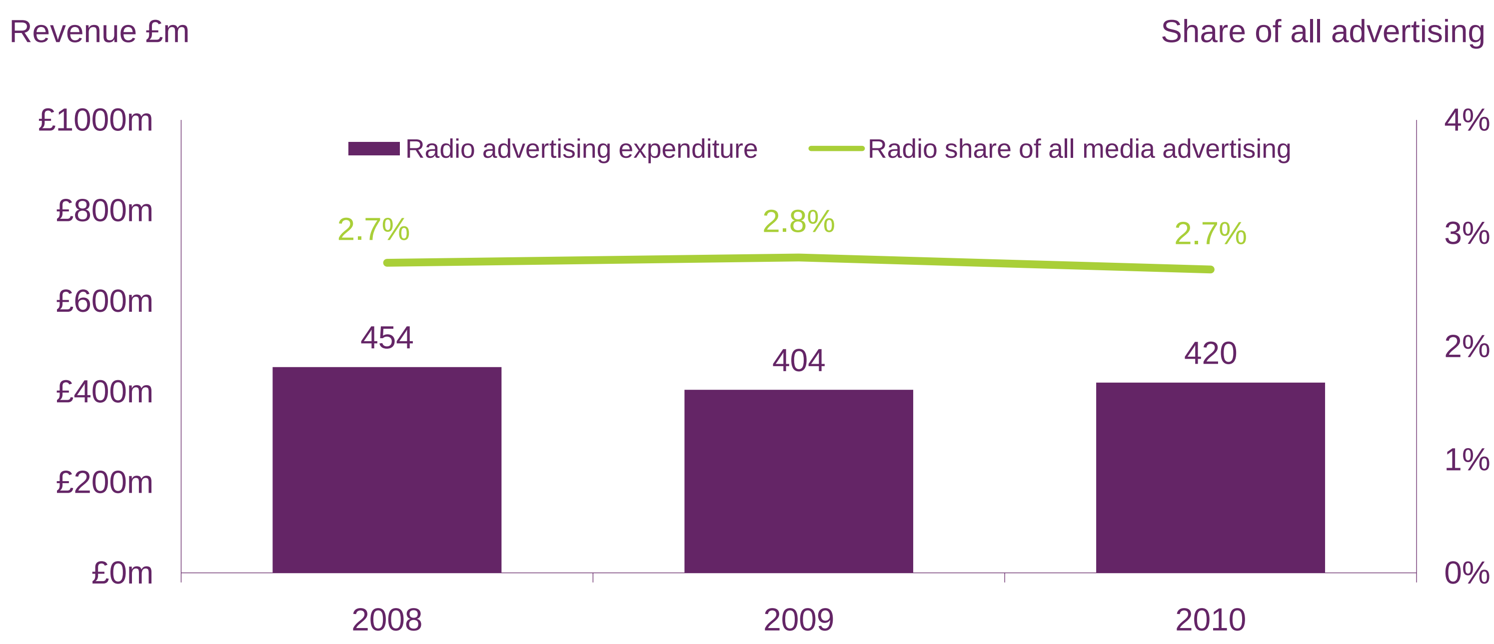


Source: Ofcom / operator data / BBC Annual Report 2005-2010
Note: BBC expenditure figures are estimated by Ofcom based on figures in Note 2c of the BBC Annual Report (www.bbc.co.uk/annualreport); figures in the chart are rounded and are nominal.

Revenue £m
Revenue £m
Share of all advertising
Share of all advertising

Figure 3.12

UK radio advertising spend and share of display advertising, 2008 – 2010



Source: AA/Warc Expenditure Report. Figures are nominal.
www.warc.com/expenditurereport

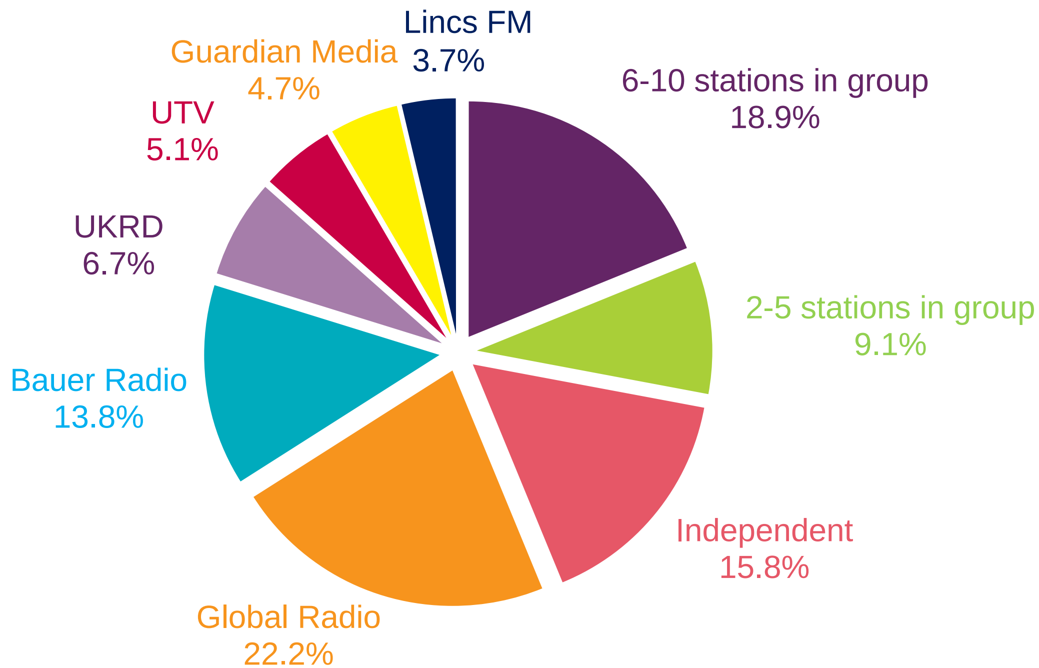
Figure 3.13

Commercial radio revenue per listener

Source: Broadcaster returns and RAJAR, 2005-2010. Figures are nominal.

Figure 3.14

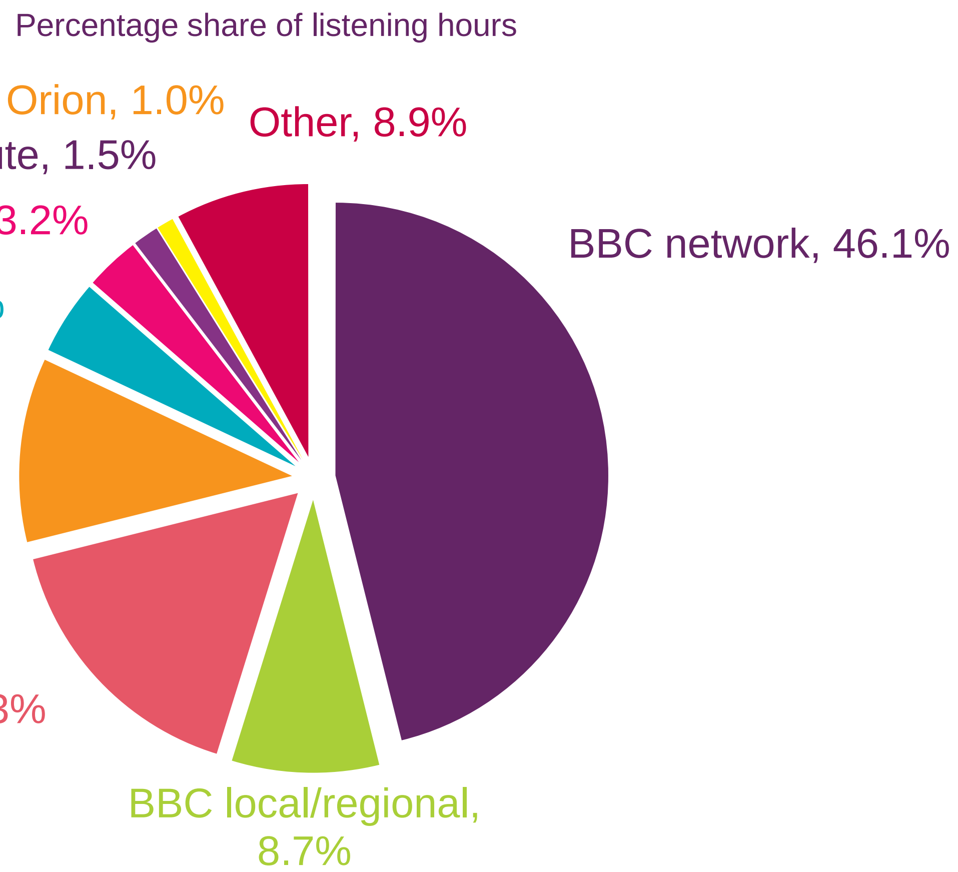
Number of commercial analogue licences owned, by group



Source: Ofcom, June 2011

Figure 3.15

Share of all radio listening hours, Q1 2011

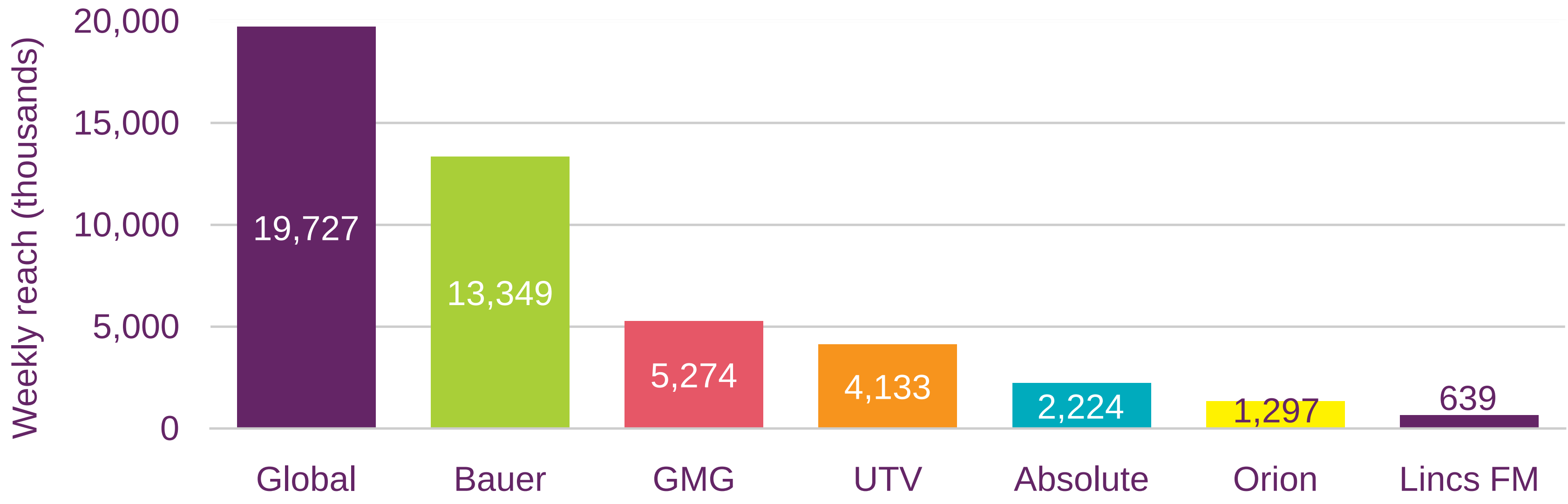


Source: RAJAR, all adults (15+), year ending Q1 2011, does not include community radio listening

Figure 3.16

Commercial radio by weekly audience reach: Q1 2011

Weekly UK audience reach	38.2%	25.9%	10.2%	8.0%	4.3%	2.6%	1.2%
Annual change in reach	+ 2.2pp	+ 1.7pp	+0.7pp	+0.9pp	+0.9pp	+0.2pp	-0.1pp

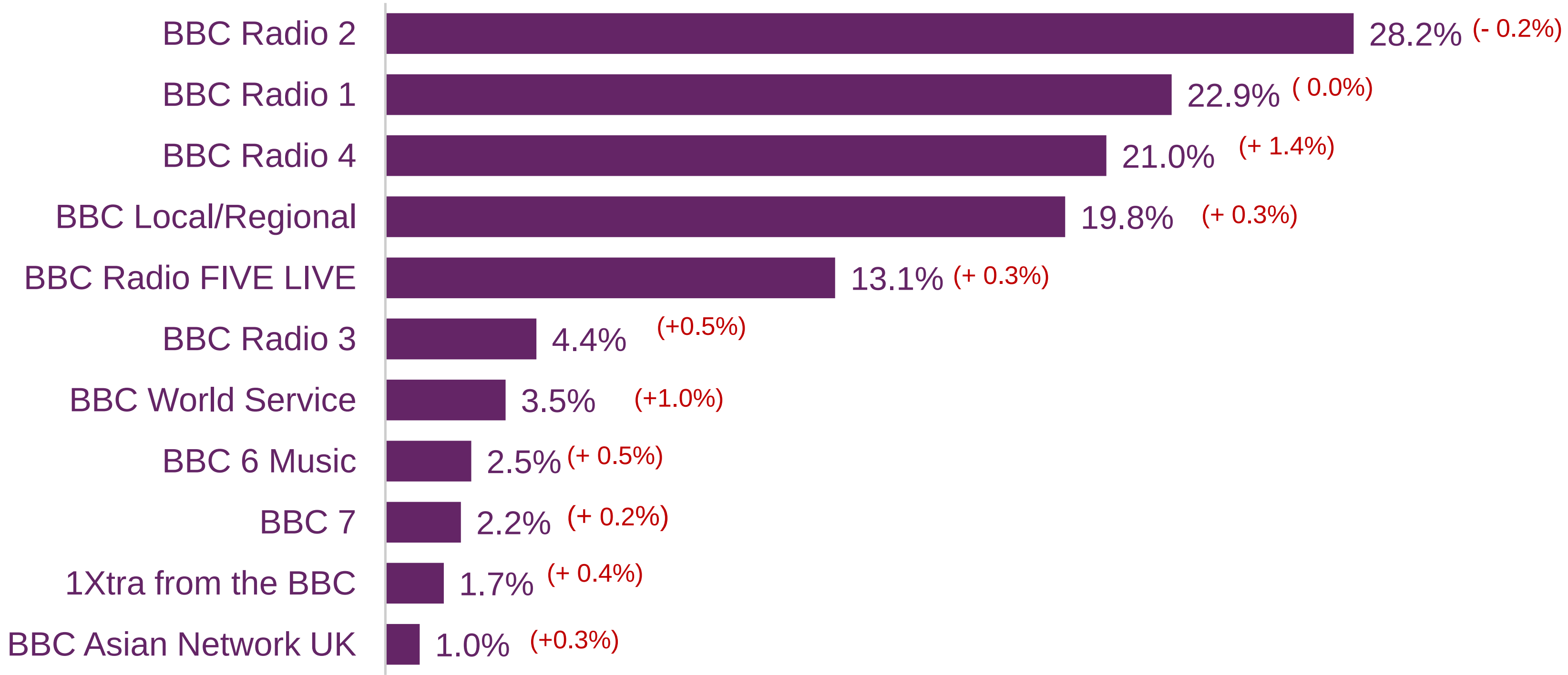


Source: RAJAR, all adults (15+), Q1 2011.
Note: pp = percentage points increase

Figure 3.17

Weekly reach of BBC stations: Q1 2011

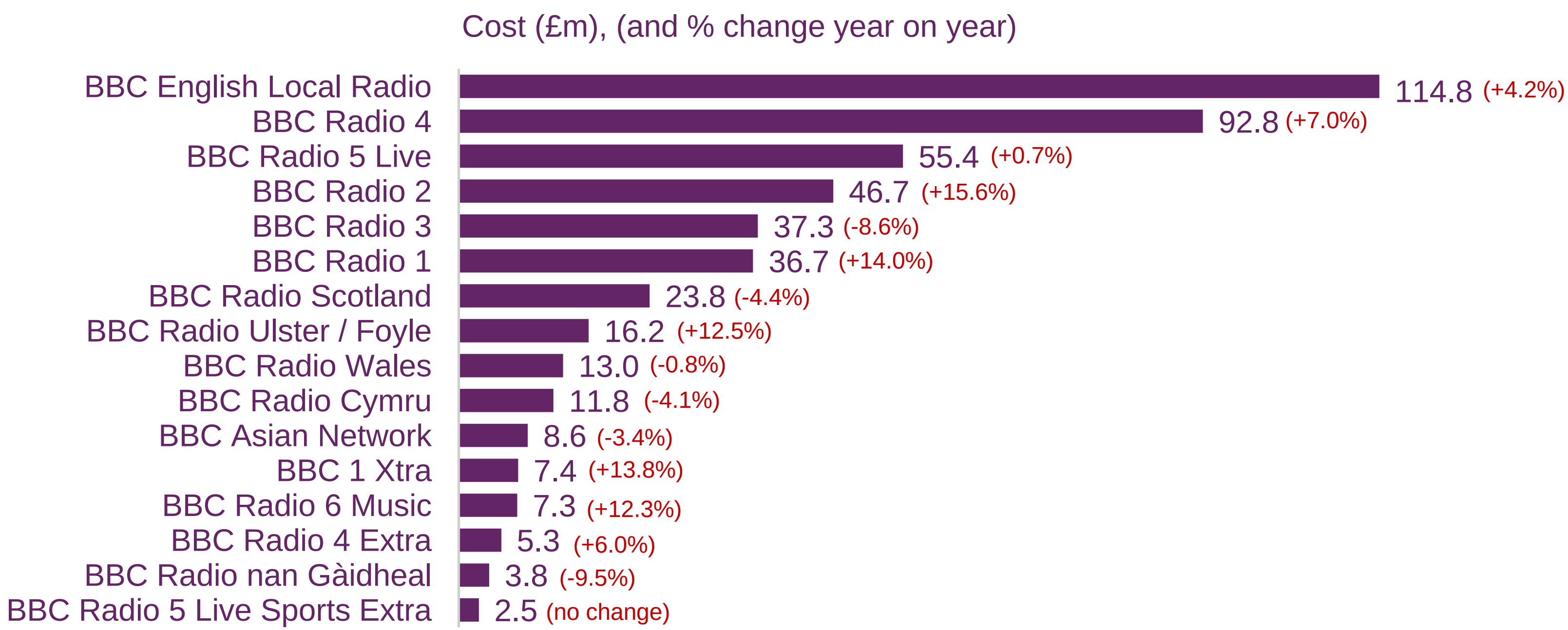
Average weekly listening (% UK adults), and year on year change



Source: RAJAR, all adults (15+), Q1 2011

Figure 3.18

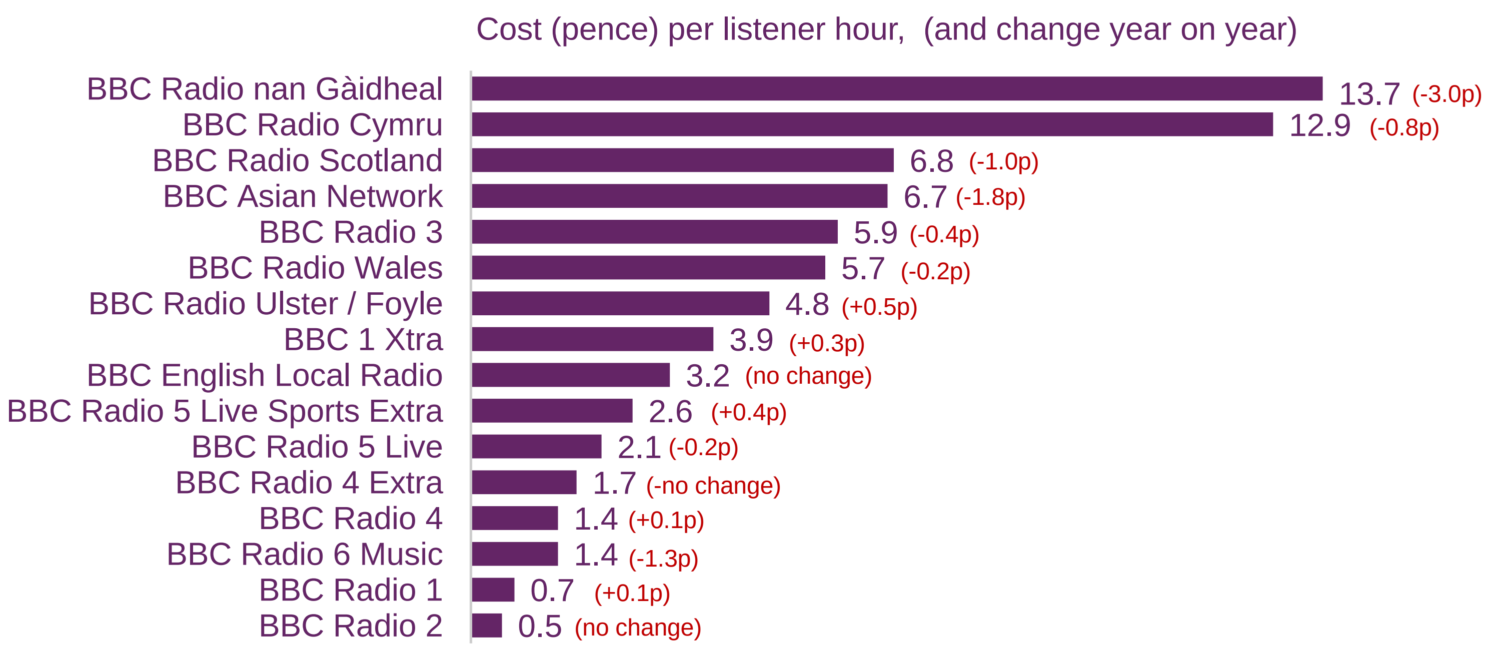
BBC radio stations: spend on radio content, 2010/11



Source: BBC Annual Report 2010/11 Part 2 (www.bbc.co.uk/annualreport).

Figure 3.19

BBC radio stations: cost per listener hour of programmes, 2010/11



Source: BBC Annual Report 2010/11 Part 2 (www.bbc.co.uk/annualreport).

Figure 3.20

UK radio stations broadcasting on analogue, DAB digital radio, and community radio, July 2010

Type of station	AM	FM	AM/FM total
Local commercial	53	245	298
UK-wide commercial	2	1	3
BBC UK-wide networks	1	4	5
BBC local and nations	36	46	46
Community radio	4	188	193
TOTAL	**96**	**484**	**545**

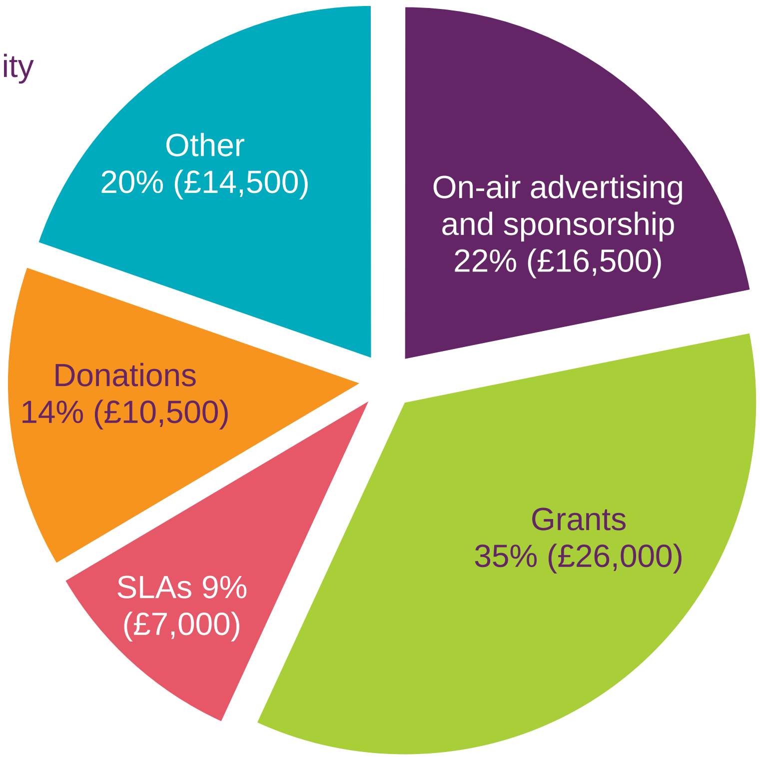
Source: Ofcom, July 2011
Note: the conditions of each licence will determine the amount of programming that may be shared between these licensed services. Here we have taken the view that a service providing at least four hours a day of separate programming (even if the same brand has other services) equals one service.

Figure 3.21

Community radio income, by source

Community radio stations' income 2009/10

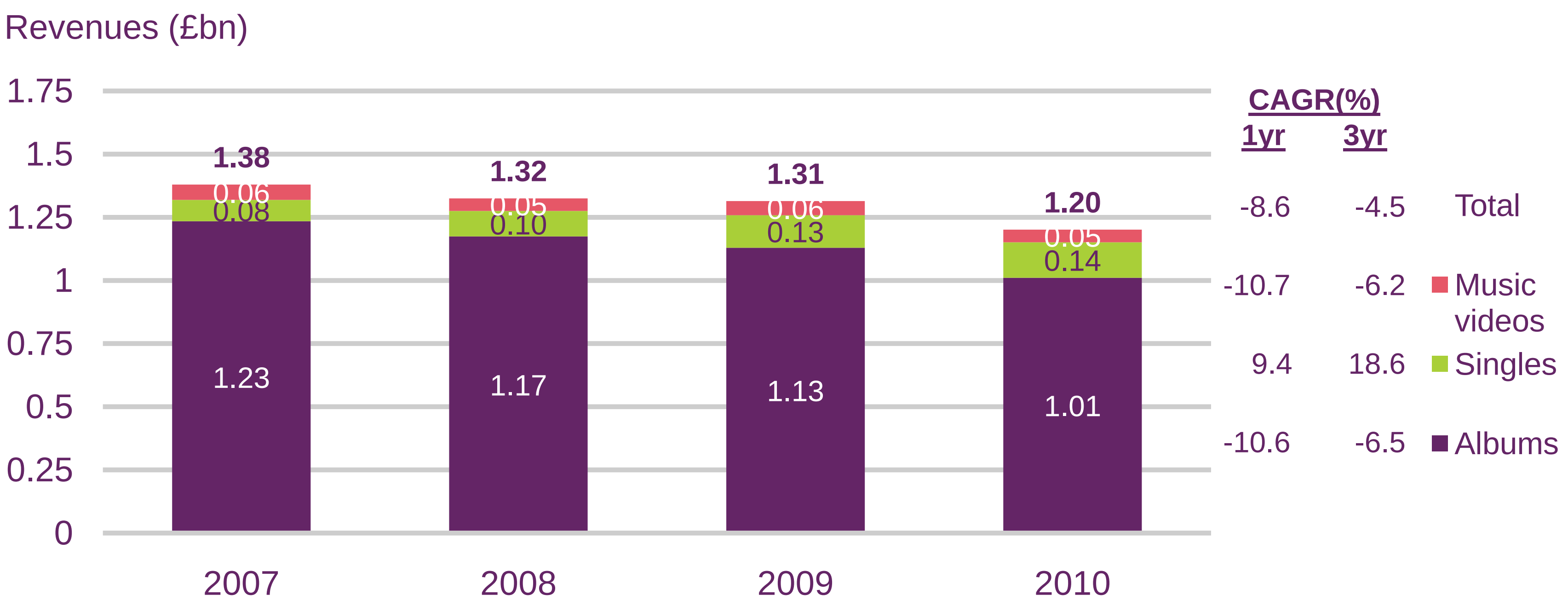
Income by type
The average community radio station income was around £74,500



Source: Ofcom, community station revenues 2009/10

Figure 3.22

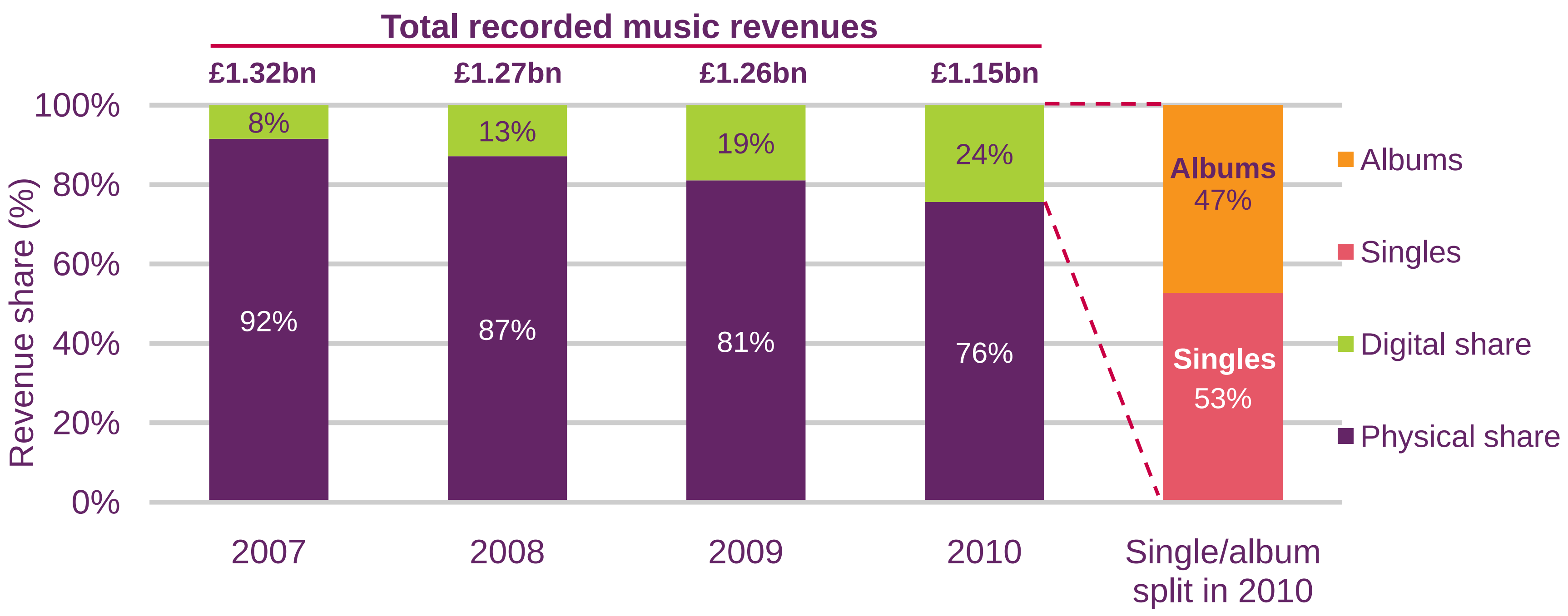
Recorded music retail revenues: 2007-2010



Source: Entertainment Retailers' Association yearbook, 2011. Figures are nominal.

Figure 3.23

Distribution of recorded music retail revenues: 2007-2010

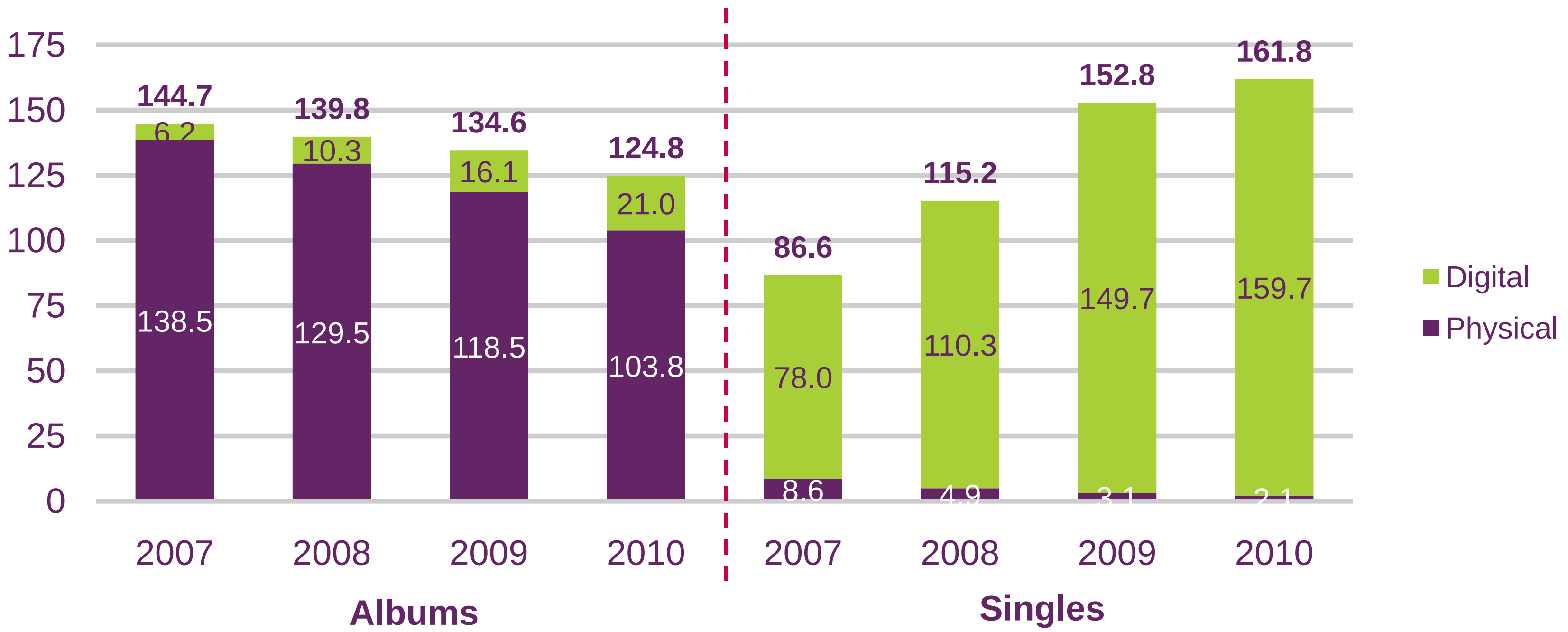


Source: Entertainment Retailers' Association yearbook 2011
Note: This chart does not include revenues from music videos.

Figure 3.24

Recorded music sales by volume: 2007-2010

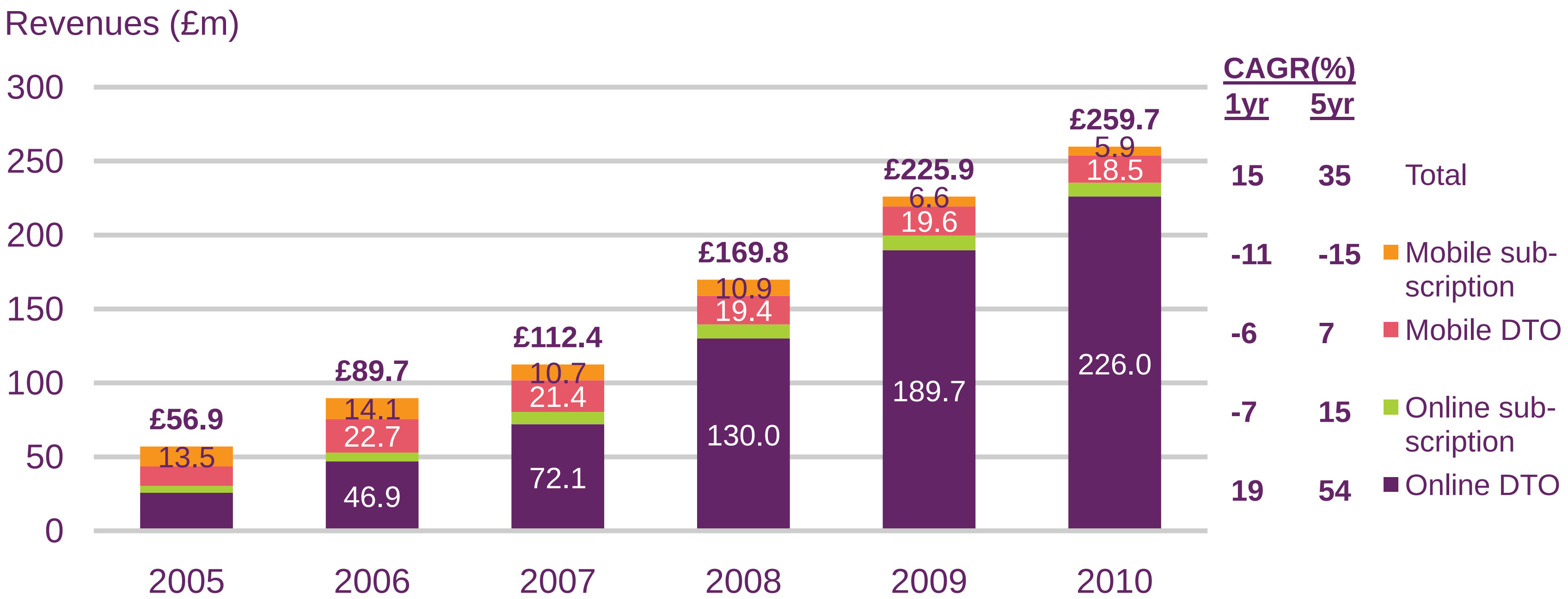
Sales volumes (million units)



Source: Entertainment Retailers' Association yearbook 2011

Figure 3.25

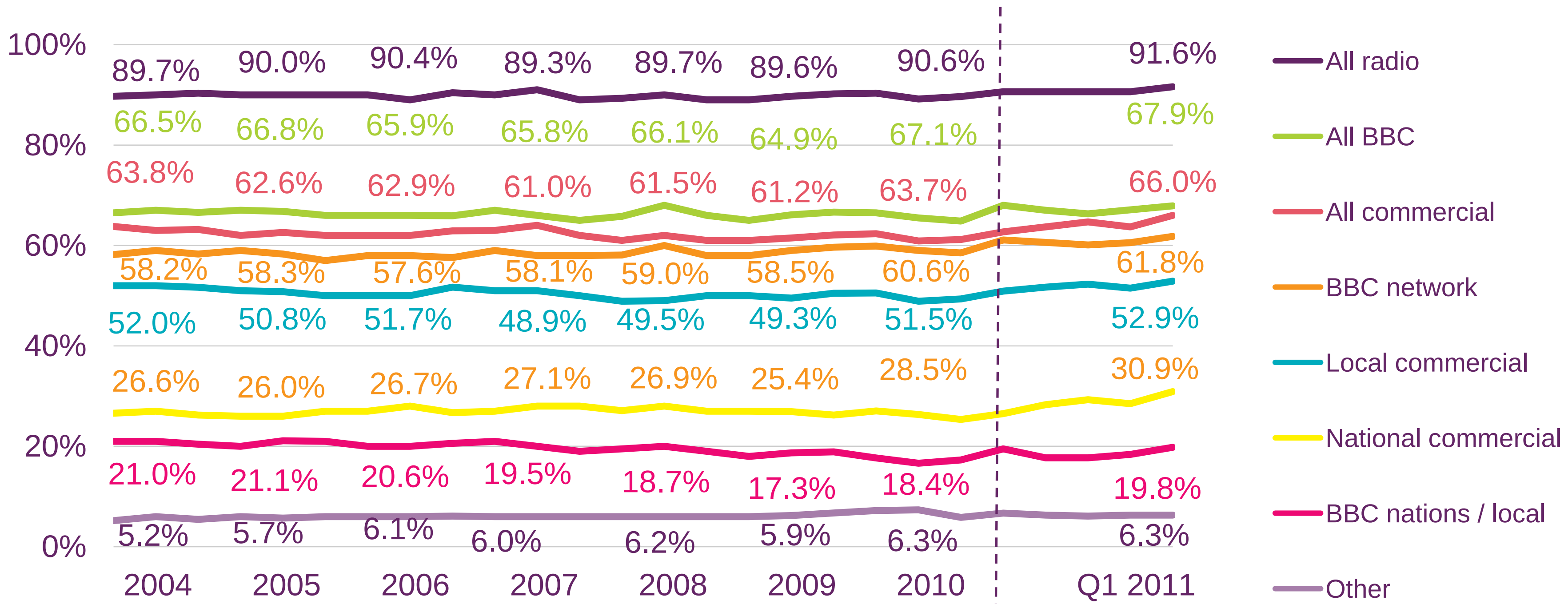
Digital music revenues, by business model: 2005-2010



Source: Screen Digest
Note: excludes revenue from ad-supported services. Due to different data sources this chart is not directly comparable with previous charts. Figures are nominal.

Figure 3.26

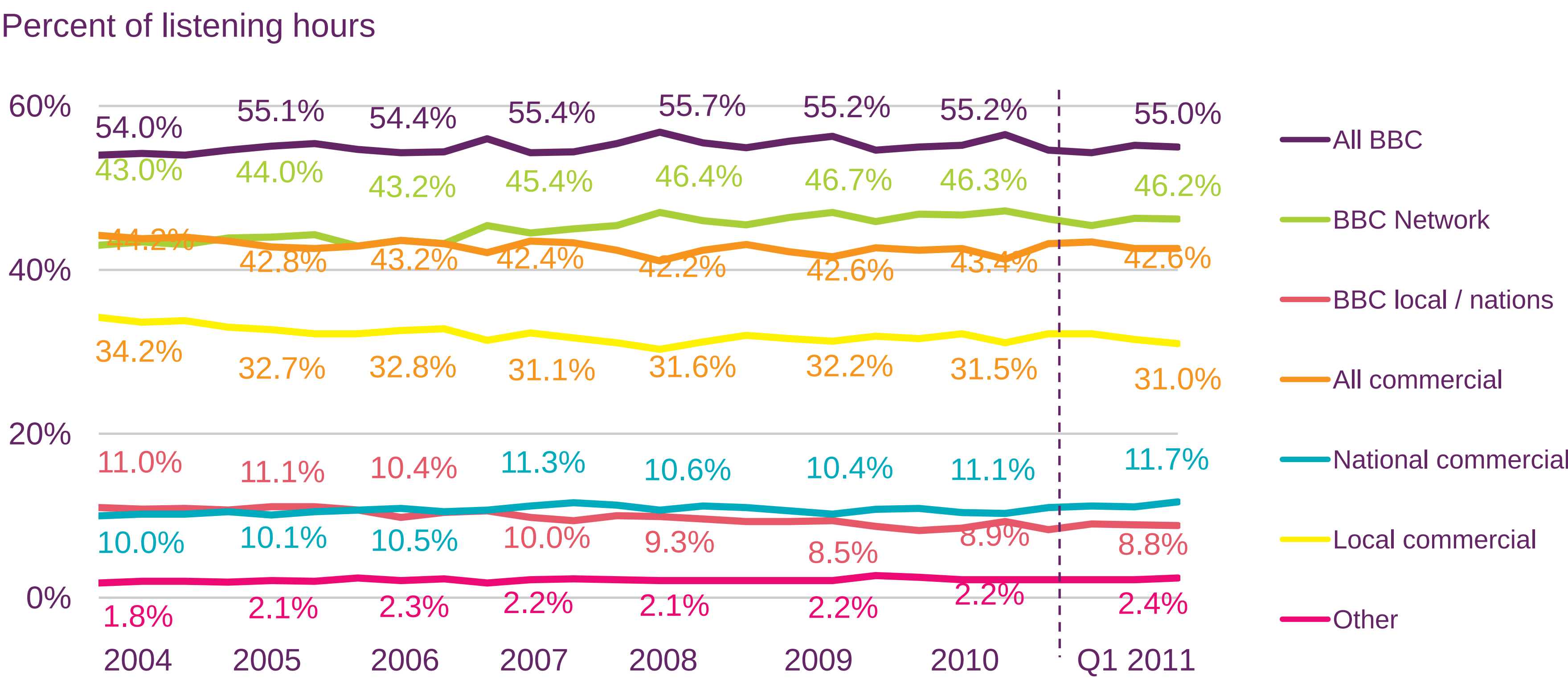
Reach of radio, by sector



Source: RAJAR, all adults (15+), 2004-2010 calendar years and Q1 2011

Figure 3.27

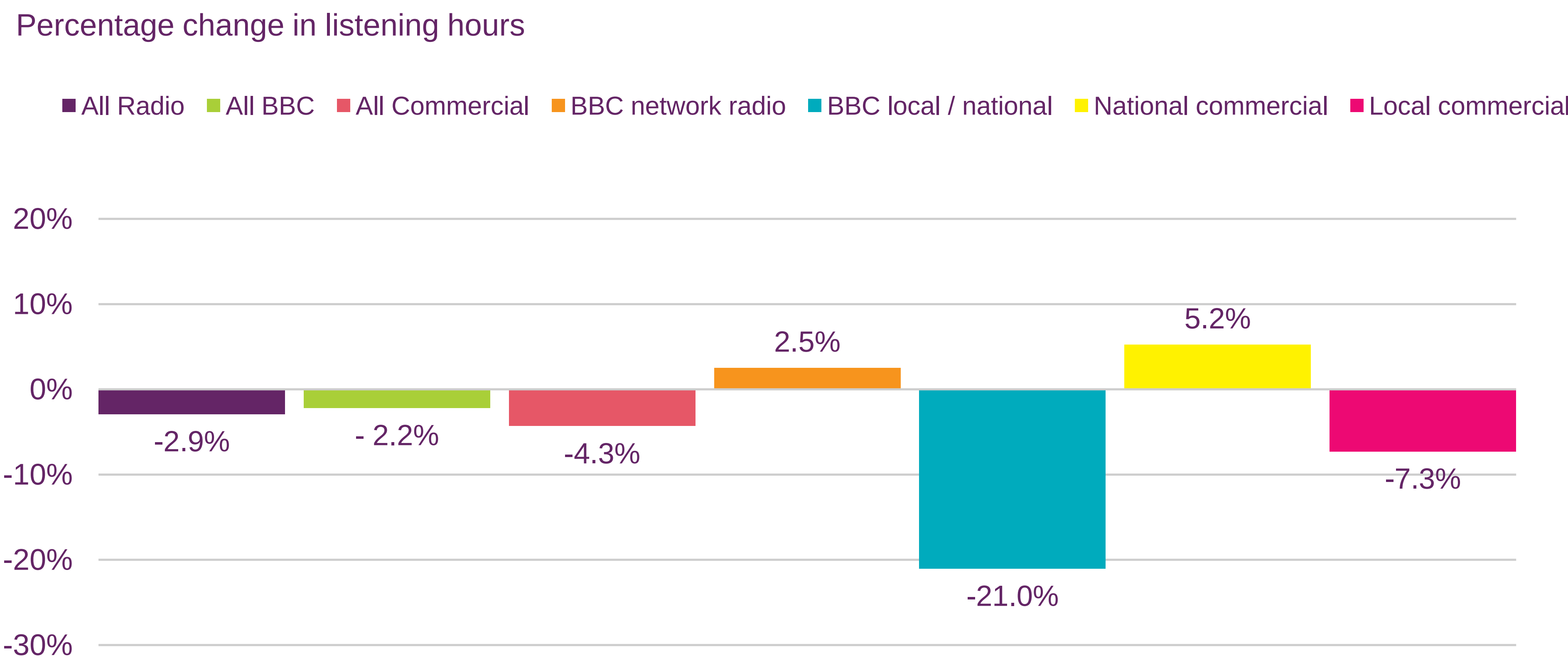
Share of listening hours, by sector



Source: RAJAR, all adults (15+), 2004-2010 calendar years and Q1 2011

Figure 3.28

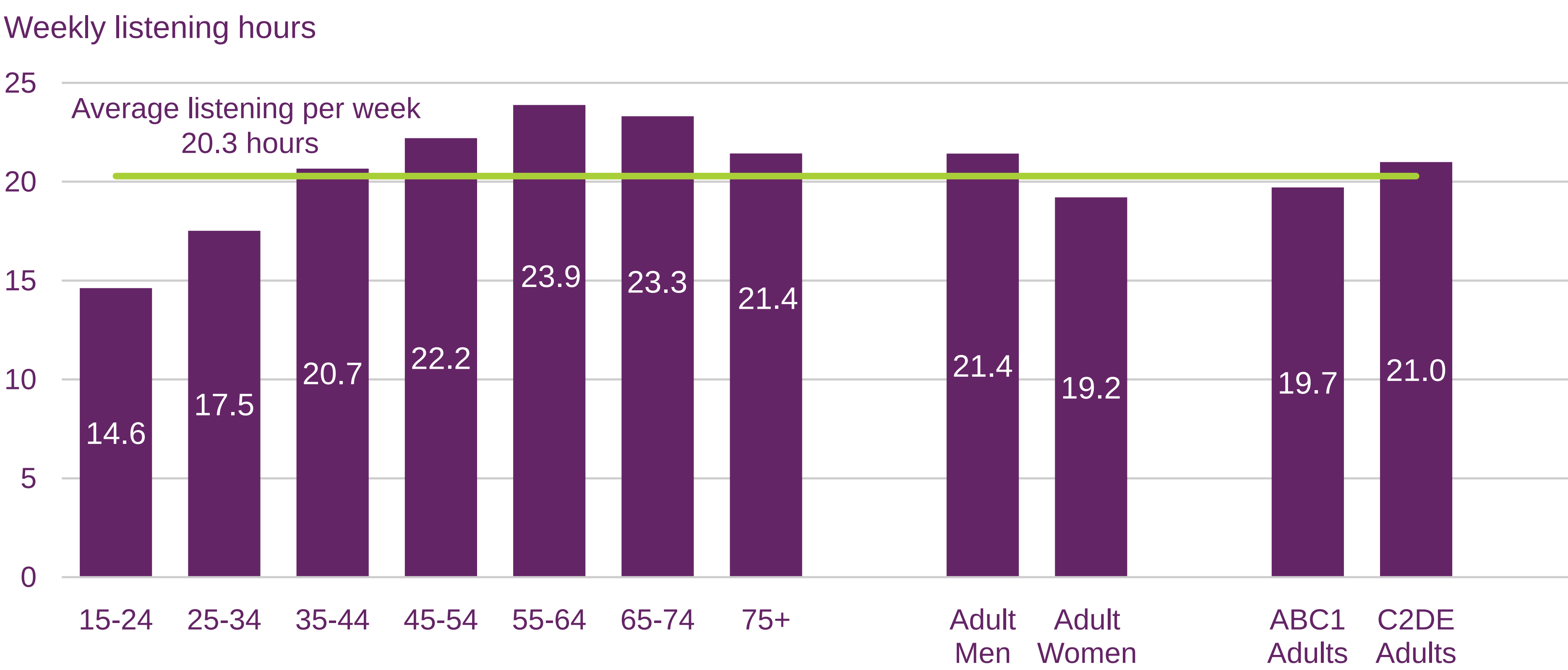
Changes in listening hours by sector: 2005 - 2010



Source: RAJAR, all adults (15+), data based on calendar years 2005 and 2010

Figure 3.29

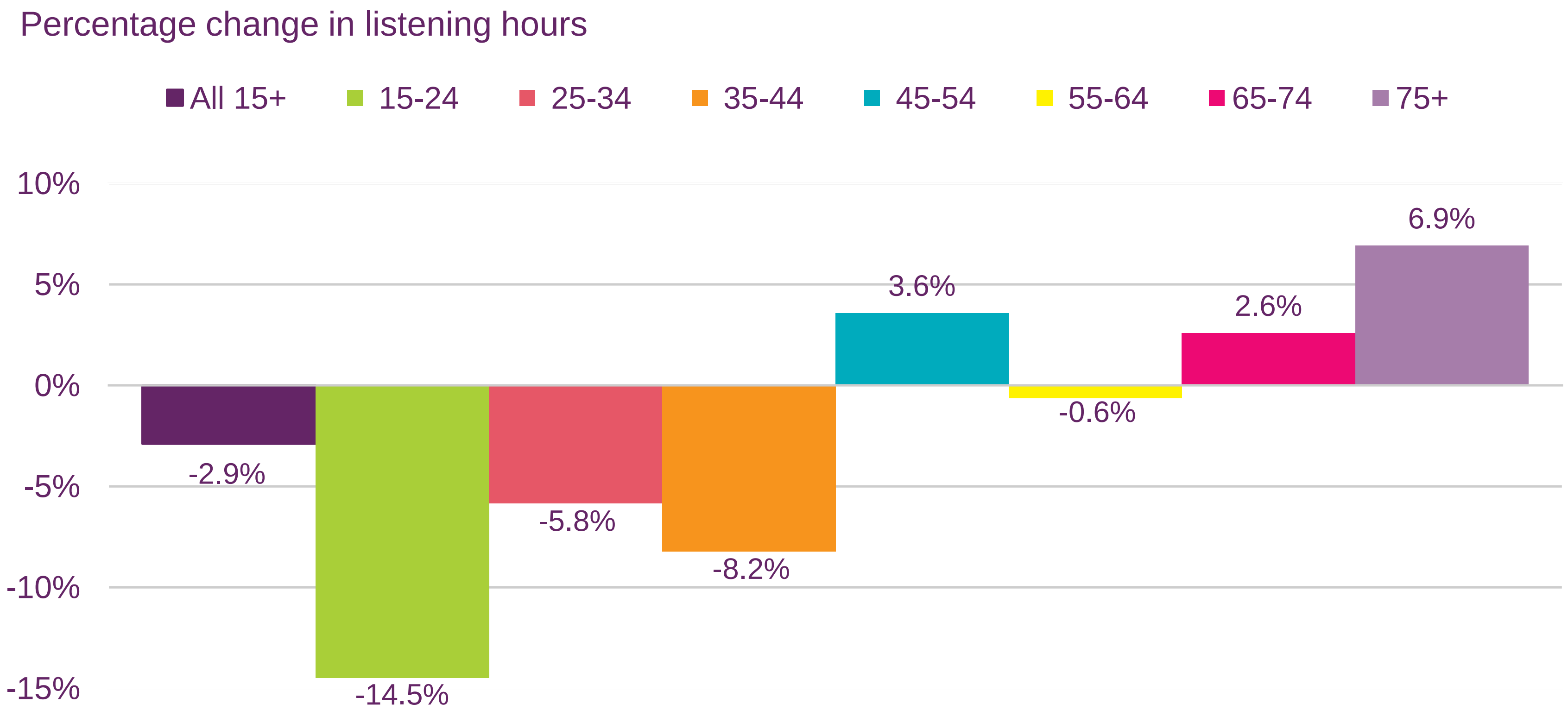
Average weekly listening by demographic, year ending Q1 2011



Source: RAJAR, all adults (15+), year ending Q1 2011, average weekly listening hours per head of population

Figure 3.30

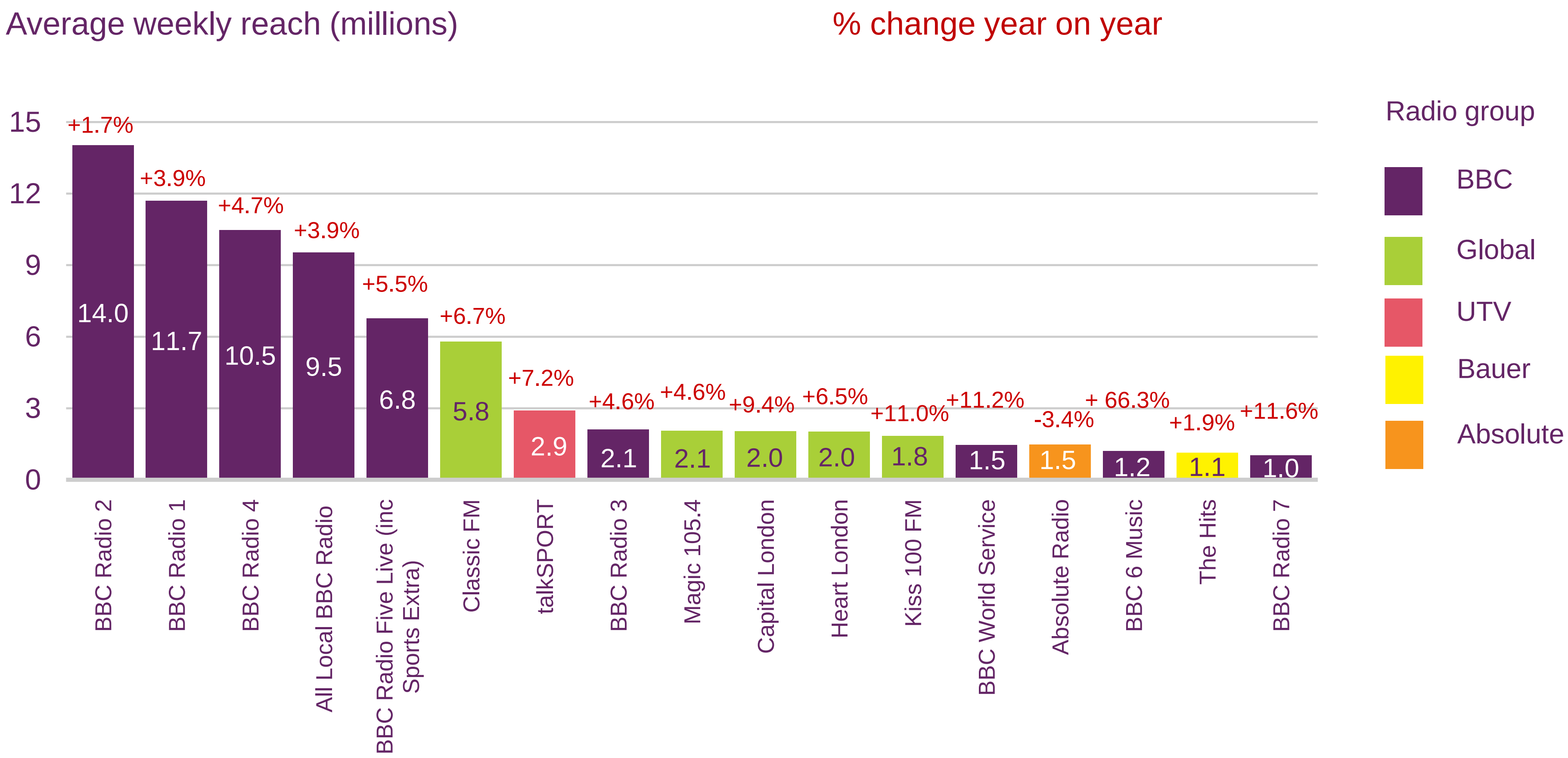
Changes in listening hours by age: 2005-2010



Source: RAJAR, all adults (15+), data based on calendar years 2005 and 2010

Figure 3.31

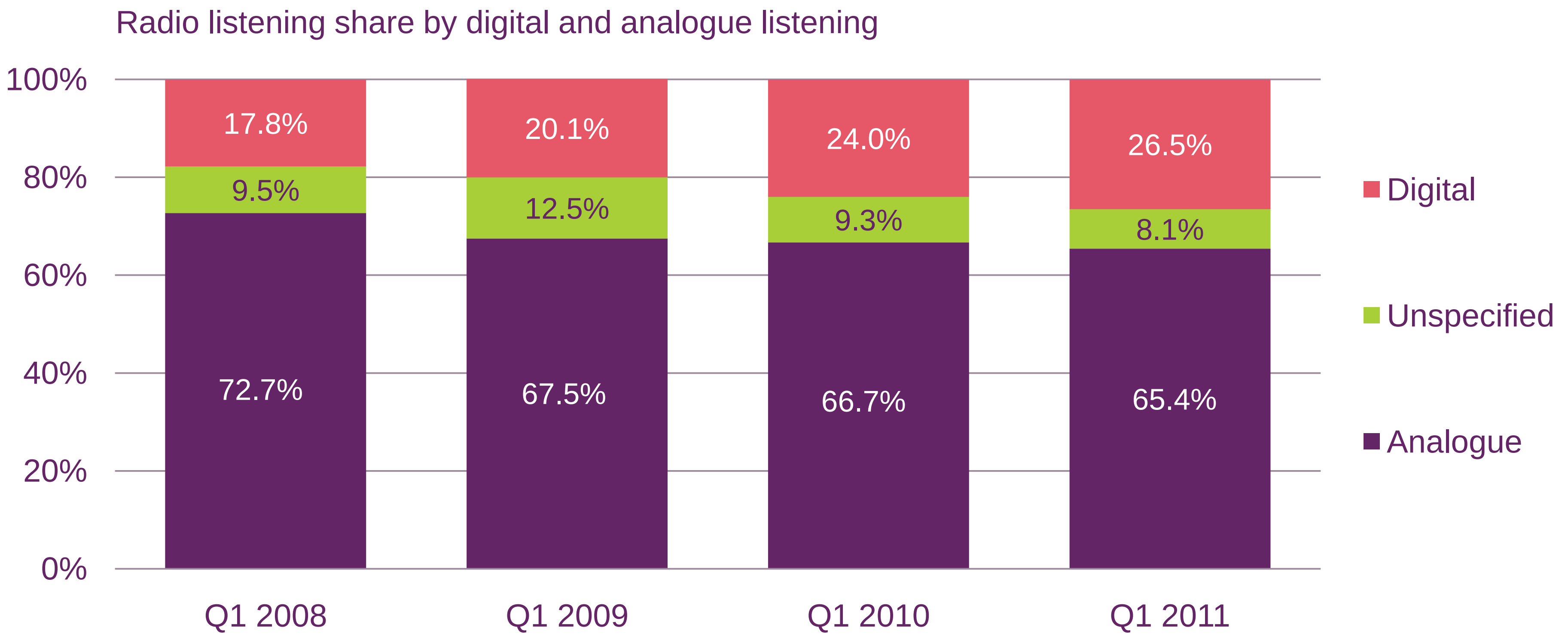
Most listened-to radio stations, year ending Q1 2011



Source: RAJAR, all adults (15+), year ending Q1 2011.

Figure 3.32

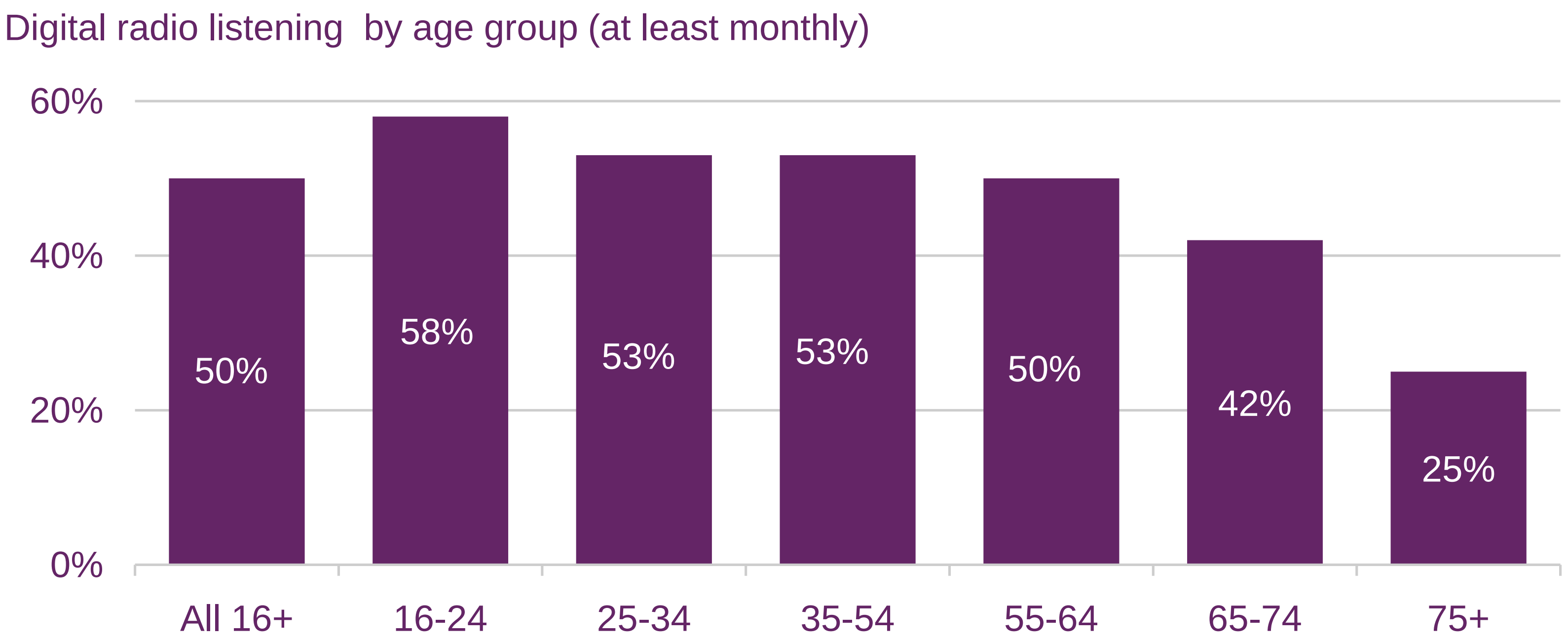
Share of listening hours across analogue and digital platforms



Source: RAJAR Ipsos MORI/ RSMB. All adults (15+), data relates to corresponding year ending each date shown
Note: Unspecified relates to listening where the radio platform was not confirmed by the listener.

Figure 3.33

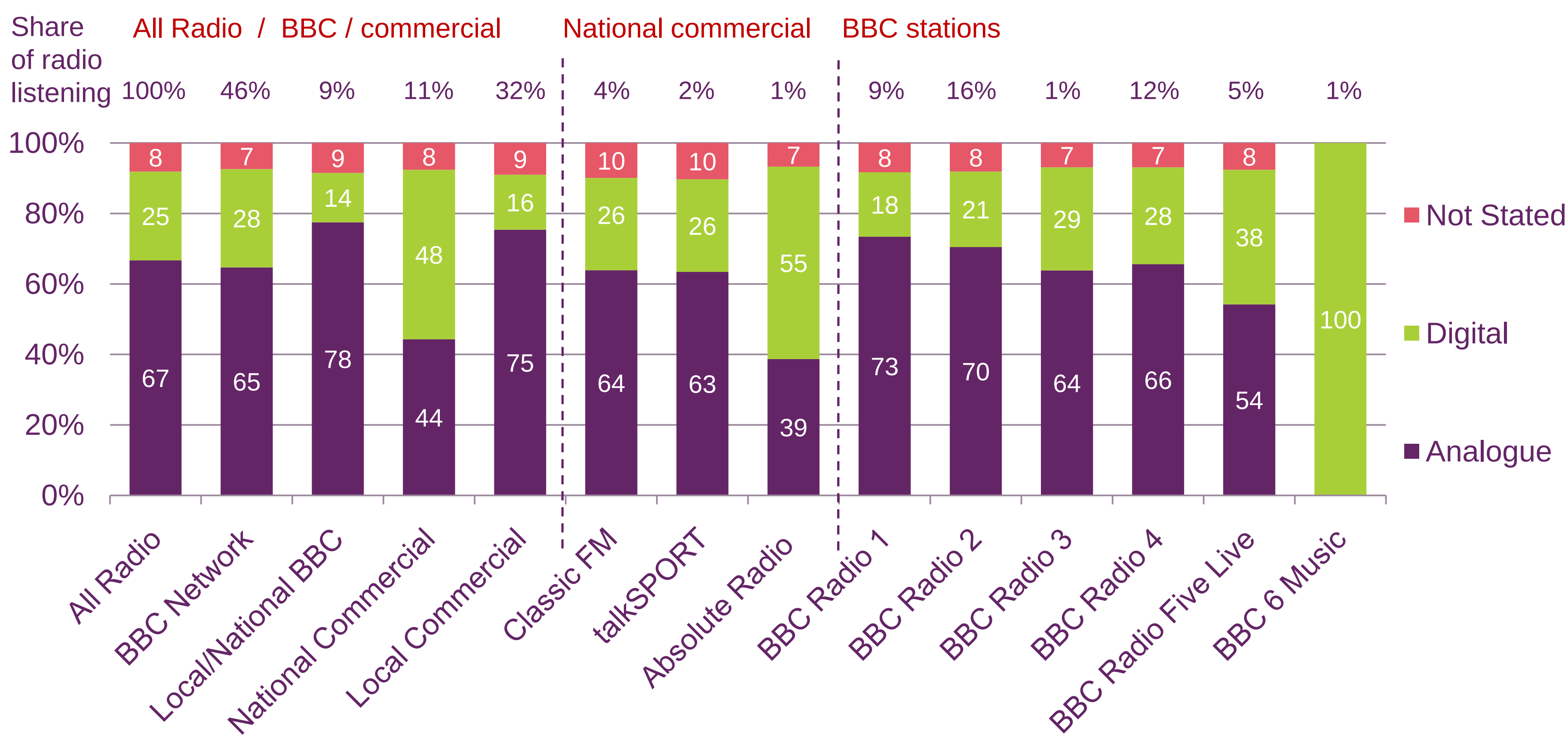
Digital radio monthly listening by age group



Source: Ofcom research, Q1 2011
Base: All who listen to the radio (n=2811)
Q: Use digital radio at least monthly

Figure 3.34

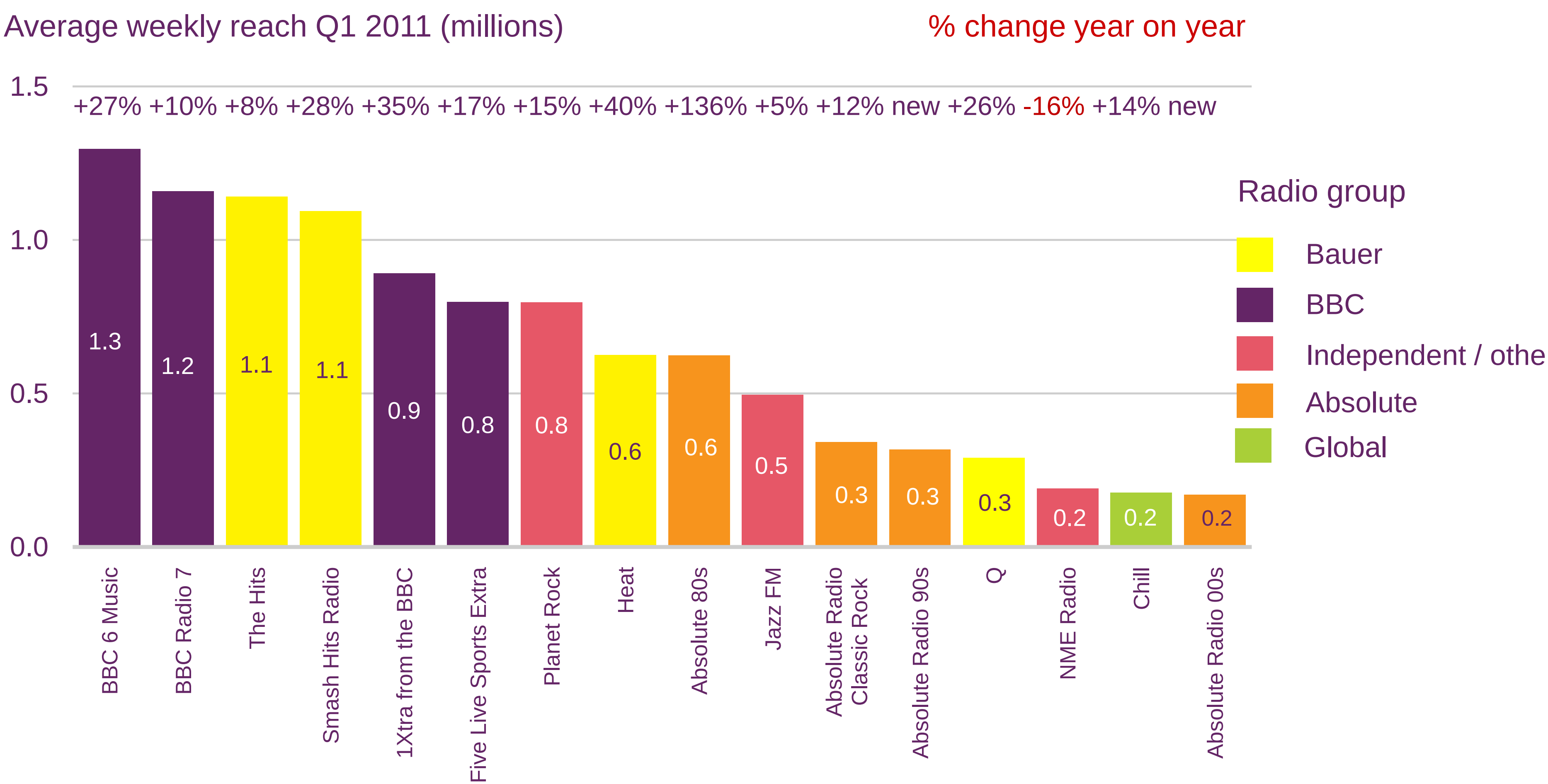
Audience profiles and platform split, by sector and station, year ending Q1 2011



Source: RAJAR, Q1 2011, UK Adults aged 15+

Figure 3.35

Most listened-to digital-only stations, Q1 2011

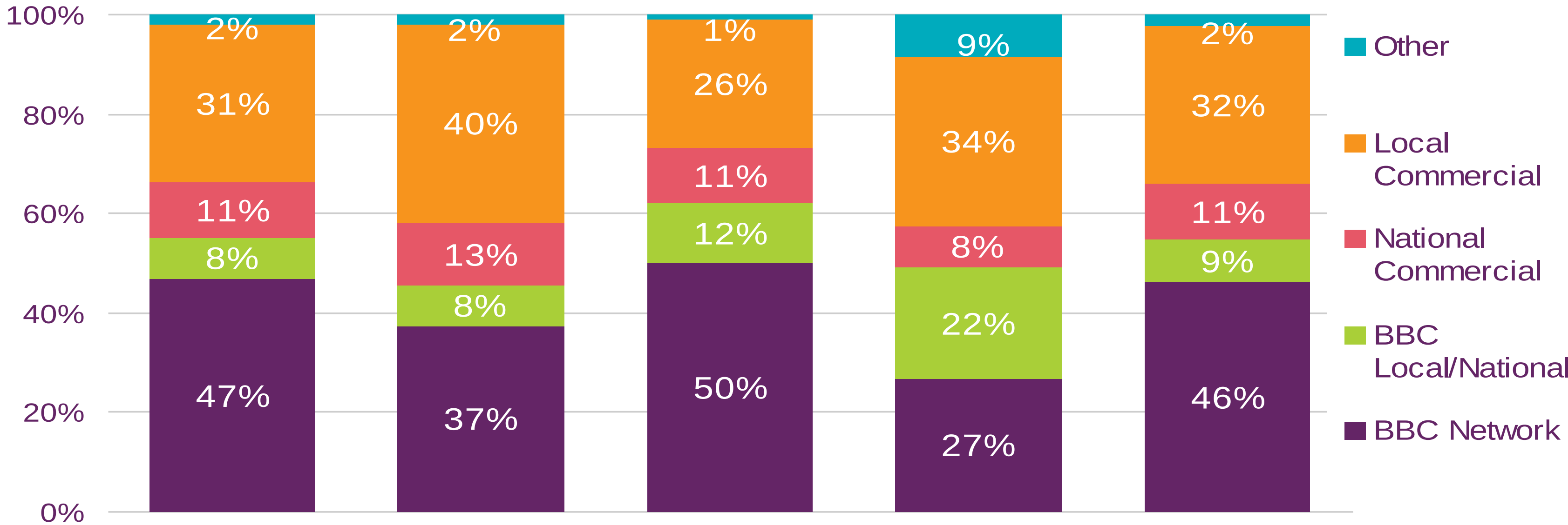


Source: RAJAR, Q1 2011, UK adults aged 15+

Figure 3.36 Share of listening hours, by nation

England Scotland Wales N Ireland UK

Listening hours share for BBC and commercial stations, local/national



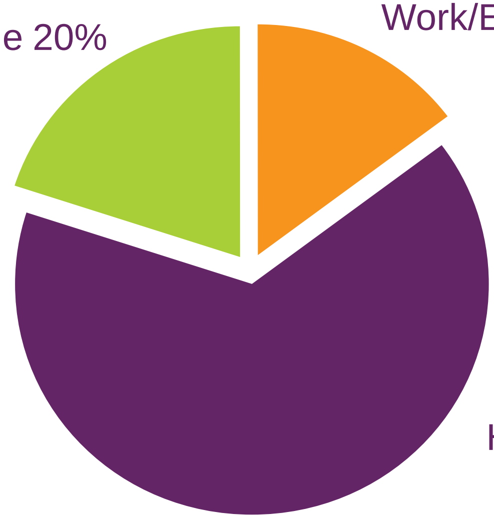
Average weekly listening	22.3 hours	21.8 hours	23.3 hours	22.2 hours	22.3 hours
Reach	90.9%	88.1%	92.9%	92%	90.8%

Audience share by category (Year to Q1 2011) % share BBC & commercial, local & national

Source: RAJAR, All adults (15+), year ending Q1 2011 Note: Audience share by category (year to Q1 2011) % share BBC & commercial, local & national

Figure 3.37

Location of listening – year to Q1 2011

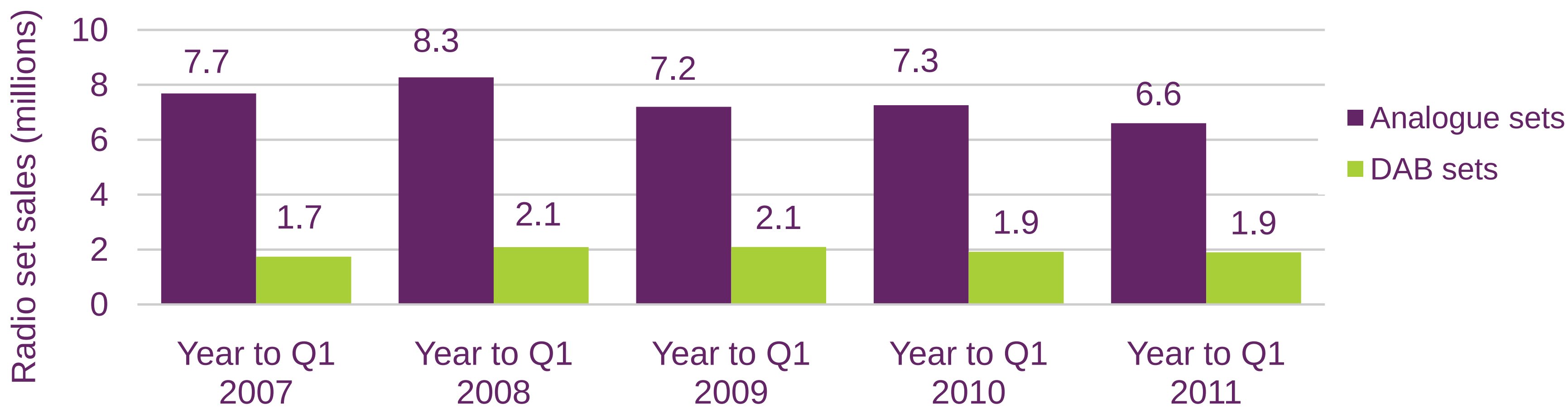


Source: RAJAR, year ending Q1 2011, UK adults 15+

Figure 3.38

Number of analogue and digital radio sets sold

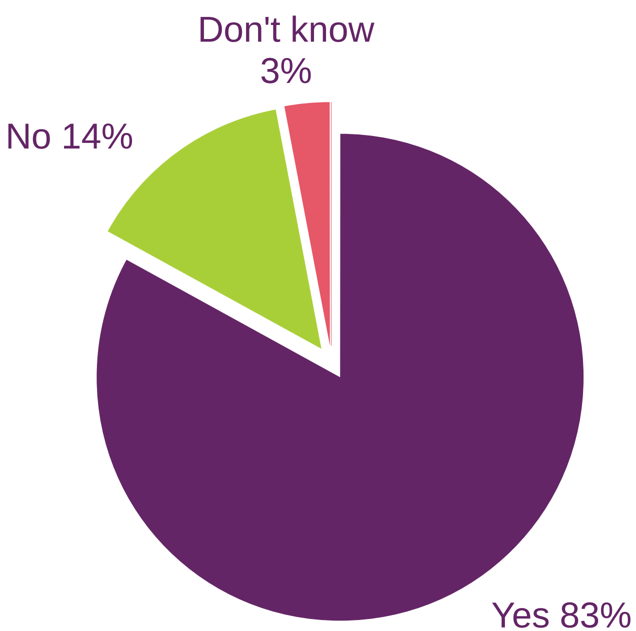
	Year to Q1 2007	Year to Q1 2008	Year to Q1 2009	Year to Q1 2010	Year to Q1 2011
Total annual sales	9.4 million	10.4 million	9.3 million	9.2 million	8.5 million
Share of sales	81.5% 18.5%	79.9% 20.1%	77.5% 22.5%	79.1% 20.9%	77.7% 22.3%



Source: GfK sales data, 2006-2011. Note: Figures cover GB only, GfK Panelmarket data represents 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 3.39

Have you heard of the term ‘DAB’ or ‘digital radio’?

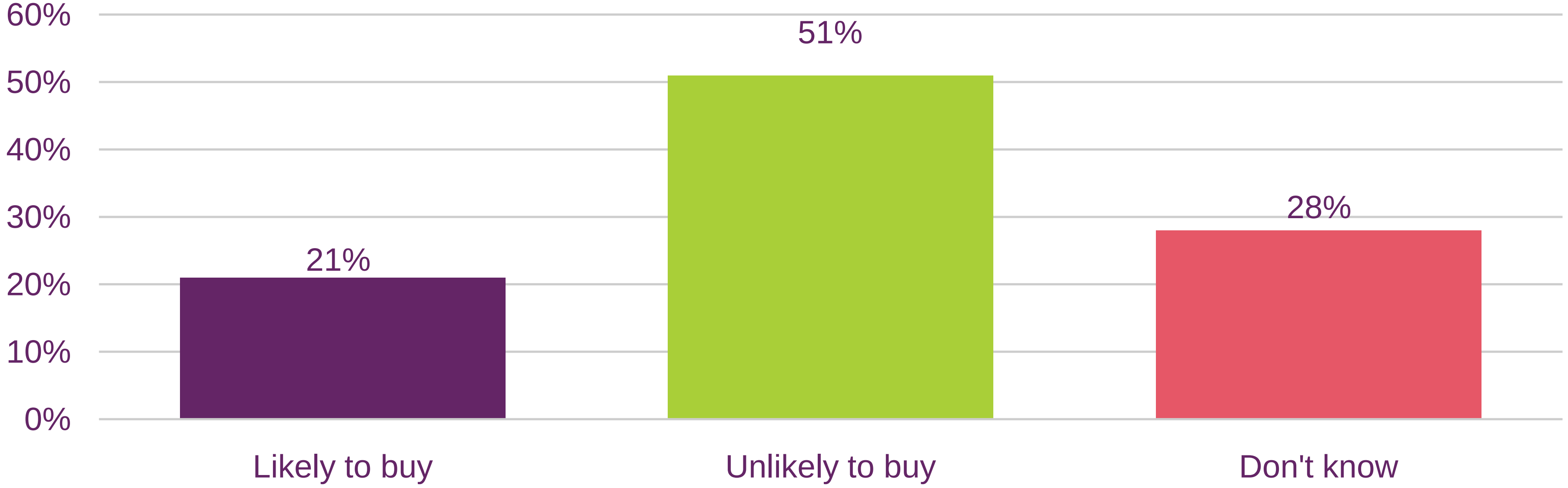


Source: Ofcom research 2011

Figure 3.40

Likelihood of buying a DAB radio within the next 12 months

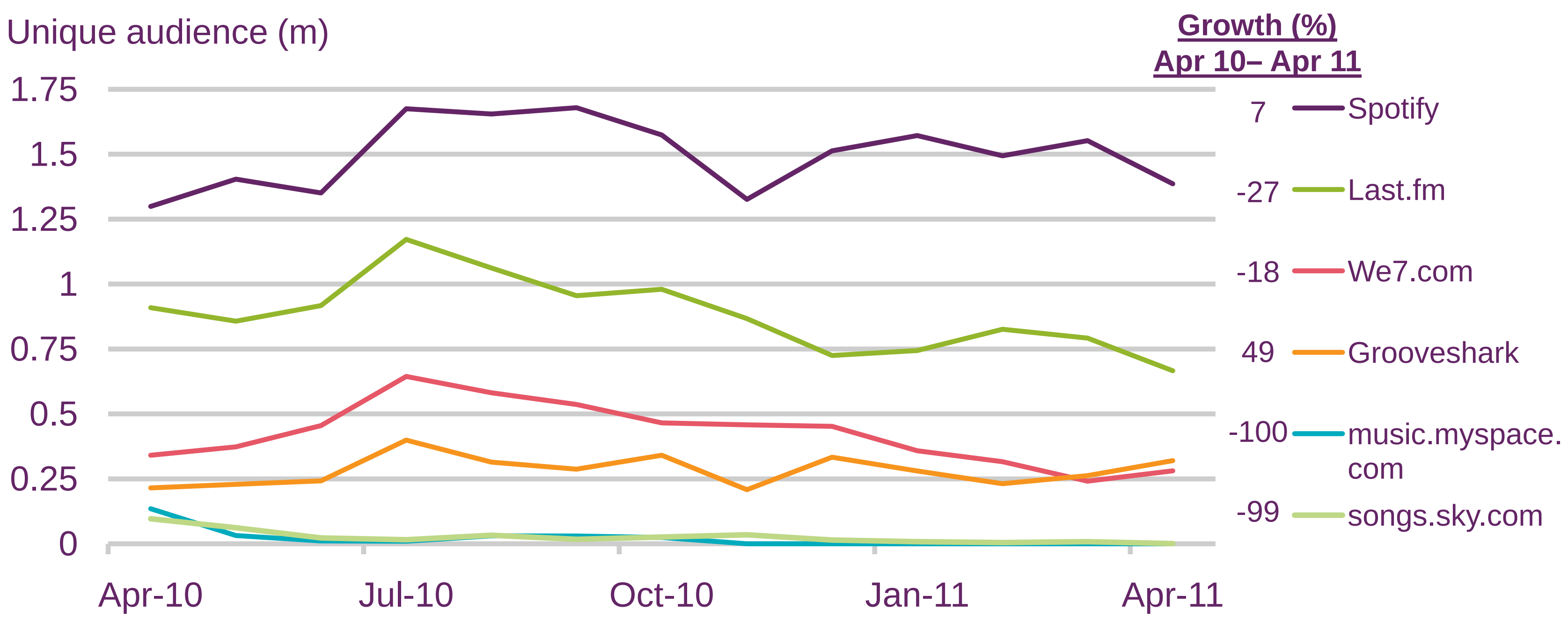
Percentage of respondents who listen to the radio and have any active radio sets at home but have no DAB set in the home



Source: Ofcom research, Q1 2011
Base: Those who listen to the radio and have any active radio sets but have no DAB sets in the home (n=1304)
QP12: How likely is it that your household will get a DAB radio in the next 12 months?

Figure 3.41

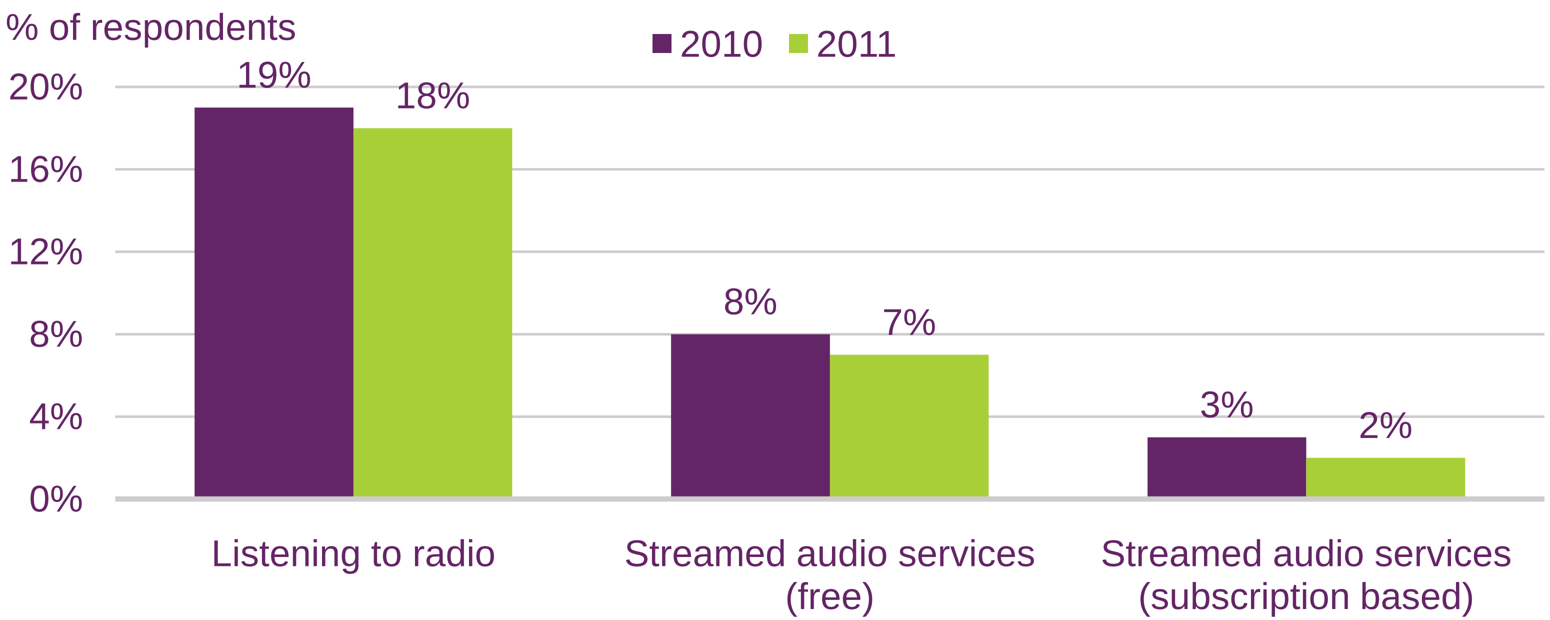
Unique audience of selected music streaming sites



Source: UKOM / Nielsen. Month of April 2011, home and work panel. Applications included.

Figure 3.42

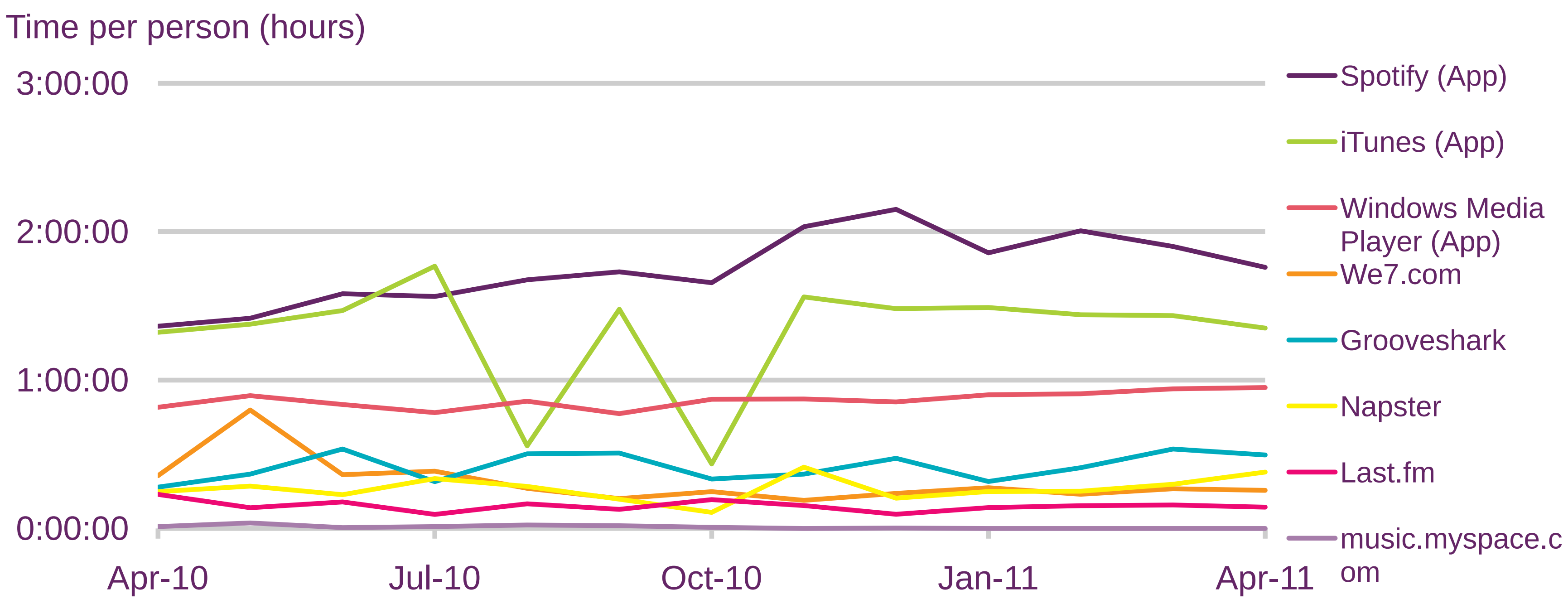
Audio internet usage



QE10A. Which, if any, of these do you or members of your household use the internet for whilst at home?
Source: Ofcom research, Q1 2011
Base: Those with access to the internet at home (n= 2534)

Figure 3.43

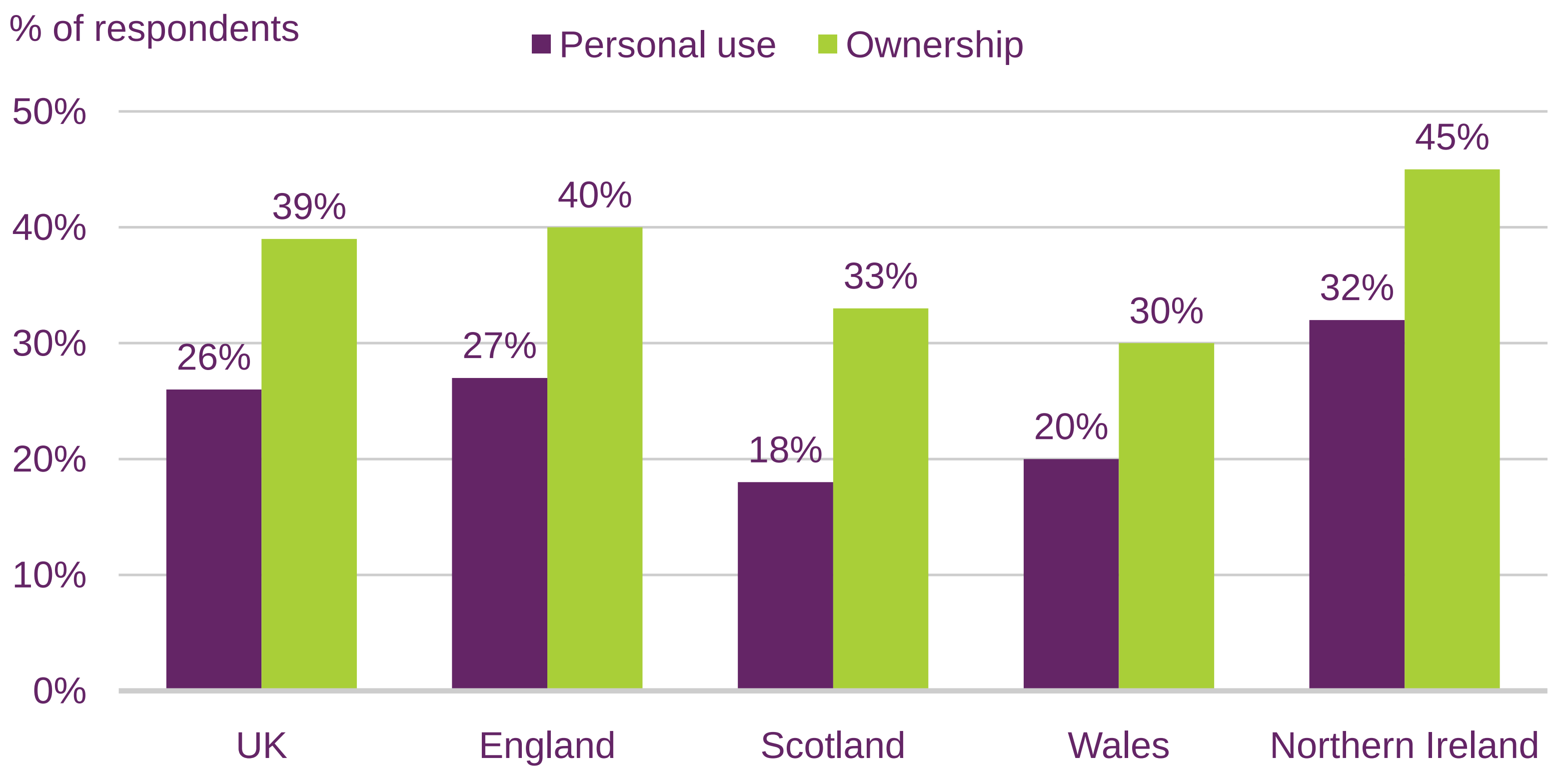
Time spent using selected music services and media players



Source: UKOM/Nielsen. Month of April 2011. Home and work panel. Applications included.

Figure 3.44

MP3 player/iPod ownership and personal use



QB1: Which of the following do you, or does anyone in your household, have in your home at the moment?
QB2. Do you personally use: MP3 player/ iPod?
Source: Ofcom research, Q1 2011
Base: All adults aged 16+ (n = 3474 UK, 1983 England, 487 Scotland, 493 Wales, 511 Northern Ireland)