The Communications Market: Digital Radio Report

Ofcom's sixth annual digital progress report

Research Document

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About this document

This report is Ofcom's sixth annual publication on the progress of digital radio in the UK. It is intended to provide an update on the availability, take-up, listening patterns, and attitudes towards digital radio, as requested by Government in 2010 as part of the Digital Radio Action Plan.

This report primarily uses data from RAJAR and Ofcom's own consumer research; it serves as a reference tool for industry, stakeholders and consumers.

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Section 1

Executive summary

1.1 Basis of report publication

In July 2010 the Government launched its Digital Radio Action Plan. As part of this, it requested that Ofcom produce an annual review of the digital radio market. The Action Plan was launched to ensure that if and when digital switchover occurs in radio, it can be delivered at a time when the market is ready and in a way that protects the needs of listeners.

The Government stated that it would consider a decision on whether to set a date for digital radio switchover when the following criteria are met:

- when 50% of all radio listening is via digital platforms; and
- when national DAB[1] coverage is comparable to FM, and local DAB reaches 90% of the population and all major roads.

The Action Plan was finalised in November 2013, and on 16 December 2013 DCMS announced that while there had been steady growth in digital listening, it was not yet the time to commit to a switchover. The last version of the Digital Radio Action Plan was published in January 2014.

Although the Action Plan has concluded, Ofcom continues to monitor digital radio coverage, take up and attitudes. This is Ofcom's sixth Digital Radio Report. It serves as an update to the data points in the previous reports that were produced as part of the Action Plan. Section 2 looks at availability and coverage, Sections 3 and 4 outline current take-up and listening patterns, and Section 5 draws on Ofcom's consumer research to cover attitudes to, and awareness of, digital radio.

In this report ‘digital radio’ is used in its broadest sense to include all platforms and technologies that allow listeners to access digital radio services. This includes DAB, internet-delivered radio services and radio services available on television sets.

1.2 Key points

Availability

Digital radio services are available through a number of platforms: DAB, television and internet, but coverage varies. Services on local digital multiplexes are estimated to reach 77.8% of homes and 70.7% of major roads. National BBC DAB services are now available to 96.4% of UK households and 86.3% of major roads and national commercial DAB services are available to 89.8% of UK homes. Television services which also carry digital radio services are available to 99% of households, while digital radio via the internet is available to all who own internet-enabled devices.

The number of local DAB digital radio services available varies across the UK. In total there are 283 radio stations broadcasting on DAB. Of these, 14 are UK-wide commercial

[1] DAB stands for Digital Audio Broadcasting which is the digital radio broadcast technology adopted in the UK.

services and 11 are BBC UK-wide stations. The new national commercial multiplex will provide a further 15 services.

Take-up

Nearly all households are able to receive digital radio services. Ninety-six per cent of households have televisions which give them the ability to listen to digital radio, compared to 80% through their broadband connection, and over half (54%) have a DAB radio set.

The number of digital radios sold in the year to Q3 2015 has fallen slightly year on year. Of the total number of radio sets sold, 1.6 million were capable of receiving DAB signals.

Nearly three-quarters (73.4%) of newly registered cars are now fitted with DAB as standard. This represents a year-on-year increase of 16.4 percentage points.

The highest rate of DAB radio ownership was in Surrey (62.7%). The lowest take-up rate was in Pembrokeshire (27.3%).

Digital listening

Digital radio accounted for 41.9% of total listening hours in Q3 2015. This is a year on year increase of 4.1 percentage points in digital radio's share of total listening hours.

Digital share of listening has exceeded 50% in a local multiplex area for the first time. The share of total listening accounted for by digital platforms in Q3 2015 reached 50.5% in Nottinghamshire.

DAB is the most popular platform for digital listening. It accounted for 66.0% of digital listening in Q3 2015, while 12.0% of digital listening was through a television and 16.4% was via the internet. The remaining 5.6% of digital listening was not specified.

BBC stations accounted for over half of digital listening (52%), of which simulcasts of analogue BBC radio services contributed the most.

Five digital-only stations had an average weekly reach of more than a million listeners in the 12 months to Q3 2015. BBC 6 Music is the most popular digital-only service, with an average of 2.1 million listeners. Absolute 80s was the most popular commercial digital-only station, with an average weekly reach of 1.5 million listeners over the past year.

The largest relative year-on-year increase was to Kisstory (up by 23.6%). This was largely because Kisstory extended its local DAB presence in December 2014 and January 2015.

Radio listeners in the AB socio-economic group are most likely to listen via digital radio. Almost seven in ten (67.2%) of this group listen to digital radio on a weekly basis. By age group, digital radio listening was highest for 45-55s (62.0%).

Consumer awareness and attitudes

Eighty-six per cent of UK adults claimed in H2 2015 to have heard of digital radio. Awareness was the highest among males (90%), adults in the 35-44 and 45-54 age groups (both 92%) and among the AB socio-economic group (96%). It was lowest among those aged 65+ (76%) and those in the DE socio-economic group (75%).

"Clear and high-quality sound" and "a wider choice of stations" are the most popular attributes associated with digital radio. Over three-quarters (76%) of DAB owners said that they associated "clear and high quality sound" with digital radio, and seven in ten (71%) said "a wider choice of stations".

Fourteen per cent of radio listeners without a DAB set in the home said they were likely to buy one in the next year. One quarter (26%) said that they didn't know if they would buy a DAB set in the next year and nearly six in ten (59%) radio listeners without a DAB set in the home said that they are unlikely to purchase one in the next year.

1.3 Background on survey methodology

This report uses a range of data drawn from the following research sources:

- Ofcom licensing data;
- retail equipment sales and pricing statistics (from an external agency, GfK);
- Ofcom Technology Tracker research data[2];
- data on the number of DAB radios in newly registered cars, from the Society of Motor Vehicle Manufacturers and Traders (SMMT); and
- RAJAR radio listening analysis.

As with any survey data, Ofcom's Technology Tracking study is subject to an error margin of up to +/- 2 percentage points. Note that this report supersedes its predecessor.

[2] The Ofcom Technology Tracker is conducted across varying waves of research, referred to in this report as Q2 for 2012-2014 (conducted May-July), and H2 for 2015 (conducted July-August)

Section 2

Availability of digital radio services

In November 2013 the Digital Radio Action Plan was finalised and DCMS announced that while there has been steady growth in digital listening, it was not yet the time to commit to a switchover.

The Government stated that it would consider a decision on whether to set a date for digital radio switchover when the following criteria are met:

- when 50% of all radio listening is via digital platforms; and
- when national DAB coverage is comparable to FM, and local DAB reaches 90% of the population and all major roads.

This chapter focuses on the availability of digital services.

2.1 Digital platforms on which radio services can be received

Radio services can be accessed on a range of different digital platforms and devices such as a DAB digital radio, a TV set, and devices that connect to the internet. These include dedicated radios incorporating WiFi connectivity, laptop and desktop computers, and mobile devices such as tablets and smartphones.

Consumers therefore have a range of options for receiving digital radio, each with different features and considerations. DAB has the benefit of being free to receive and portable, like analogue radio, but does require a specific receiver. Digital television switchover brought about the widespread adoption of DTV sets, so no additional investment in equipment is needed to receive radio services, although this platform does not generally offer portability. Listening through an internet-enabled device offers the widest range of audio services, including international content, and archive and on-demand content. However, using a computer, radio with a WiFi connection, smartphone, or tablet will usually require a paid-for broadband or 3G/4G connection, and data limits on some contracts can potentially impede significant consumption of radio on these devices.

2.2 Coverage of digital platforms

Internet access

Broadband internet access is available via ADSL to all UK homes, while 3G services are available to 99.3% of UK homes, and 4G services to 89.5%.[3]

Television services

Digital satellite television is available to 98% of UK households, digital cable to 44% of homes and digital terrestrial television to over 99% of households, according to latest estimates.[4]

[3] *The Communications Market Report 2015* http://stakeholders.ofcom.org.uk/binaries/research/cmr/cmr15/CMR_UK_2015.pdf
[4] *The Communications Market Report 2015* http://stakeholders.ofcom.org.uk/binaries/research/cmr/cmr15/CMR_UK_2015.pdf

DAB coverage

Estimated DAB coverage is shown in Figure 1. For local multiplexes, household coverage has increased year on year by 4.7 percentage points to 77.8% and coverage on major roads has increased by 12.6 percentage points to 70.7%. The BBC's national multiplex is now available to 96.4% of households and covers 86.3% of major roads.

Figure 1: Estimated DAB coverage

Existing DAB coverage	Aggregate of local multiplexes	BBC national[1]	Commercial national (Digital One)
Households	77.8%	96.4%	89.8%
Roads	70.7%	86.3%	c.75%

Source: Ofcom, BBC, October 2015
Note: 'National'" means UK-wide. Road coverage refers to motorways and A-roads
1. The BBC is currently expanding its national coverage to reach 97% of households by March 2017.

For comparison, the figures for FM coverage are outlined in Figure 2. However, these are not directly comparable to the DAB coverage figures, mainly because although it is possible to receive FM reception (albeit in poorer quality) with a low signal strength, DAB reception is either good or completely absent.

Figure 2: Existing FM coverage

Existing FM coverage	Aggregate of local coverage	BBC national (BBC Radios 1 to 4)	Commercial national (Classic FM)
Households	92.6%	94.9%	90.9%
Households (variable)	97.9%	99.1%	97.4%
Roads	91.5%	93.1%	86.8%
Roads (variable)	95.5%	95.8%	90.3%

Source: Ofcom, October 2015
Note: 'Variable' indicates that reception may be less than perfect quality; some artefacts will be present on the audio signal or there may be occasional short drop-outs.

2.3 Services available, by platform

Broadcast radio

As of September 2015, there were 576 analogue radio services available in the UK. This was made up of 102 broadcasting on AM, and 506 broadcasting on FM. There is some duplication of services across AM and FM as some stations, such as the BBC's local and nations' services, simulcast on both wavebands.

The number of analogue stations continues to increase each year as Ofcom issues new community radio licences. There were 215 community radio stations in August 2014; in September 2015 this had grown to 234. There are currently only a very small number of community stations broadcasting on DAB.

Figure 3: Number of UK radio stations broadcasting on analogue, September 2015

Type of station	AM	FM	AM/FM total
Local commercial	52	236	288
UK-wide commercial	2	1	3
BBC UK-wide networks	1	4	5
BBC local and nations	34	44	46
Community radio	13	221	234
TOTAL	**102**	**506**	**576**

Source: Ofcom, September 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*

As of September 2015, there are 283 radio stations broadcasting on DAB. Of these, 14 are UK-wide commercial services and 11 are BBC UK-wide stations. Both the BBC and the commercial sector simulcast some services on DAB and analogue. There are 131 local commercial services available, 74 of which are solely on DAB, and nine broadcast to different geographical regions while broadcasting on analogue in another smaller area. The total number of UK radio stations broadcasting on DAB has also increased year on year; from 248 in August 2014 to 283 in September 2015.

In March 2015 Ofcom licensed a second national commercial multiplex. This will launch in March 2016 and will provide 15 new radio services.

Ofcom is also currently undertaking a technical trial of a new software-based platform for DAB, intended for use by small-scale community and commercial radio services. Ten trials, carrying around 80 services are currently taking place, and are expected to conclude in summer 2016.

Figure 4: Number of UK radio stations broadcasting on DAB: September 2015

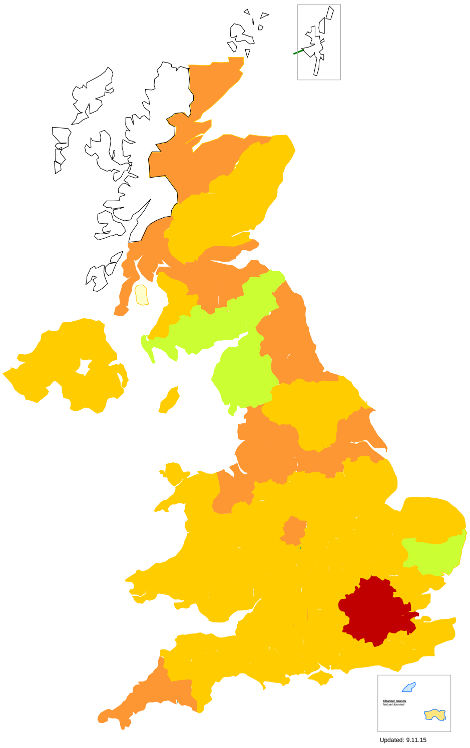
Type of station	Relation to analogue area	Number of stations
Local commercial	DAB in analogue area	131
	DAB extends analogue area	9
	DAB only	74
UK-wide commercial		14
BBC UK-wide networks		11
BBC local and nations		44
TOTAL		**283**

Source: Ofcom, September 2015

The number of local DAB digital radio services available varies across the UK

The highest availability of DAB digital radio stations is in Greater London, where listeners can receive 64 services. This compares to areas such as Lincolnshire, Bristol and Bath, Herefordshire and Worcestershire, and Gloucestershire, where listeners can receive just under 30 services. The majority of homes outside London are able to receive between 26 and 44 DAB digital radio stations.

Figure 5: Number of services available on DAB: UK map



No. services	BBC national	Commercial national	No. local multiplexes
0	-	-	-
11	-	-	-
25	✓	✓	-
26-35	✓	✓	1
36-44	✓	✓	2 (see note)
45+	✓	✓	3

Source: Ofcom, November 2015.
Note: the Tyne and Wear and Teesside areas have one multiplex each, but each of these multiplexes carry more services than most other local multiplexes

Television

There are over 70 radio stations broadcasting on digital satellite (available on the Sky EPG); 29 are available on Freeview and 36 on cable (carried by Virgin Media). Most of these are simulcasts of AM/FM/DAB services.

Internet

It is not within Ofcom’s remit to license radio stations on the internet, and therefore we keep no record of the number of services available. As an indication, however, the database of stations available on TuneIn (an online service which streams live radio content through a browser or app), included over 100,000 internationally accessible stations in October 2015. Radioplayer, a partnership set up with the BBC and UK commercial radio, currently carries over 400 stations (including some community stations) through its website and app.

Section 3

Take-up of devices and platforms

3.1 Ownership of digital radio-enabled platforms

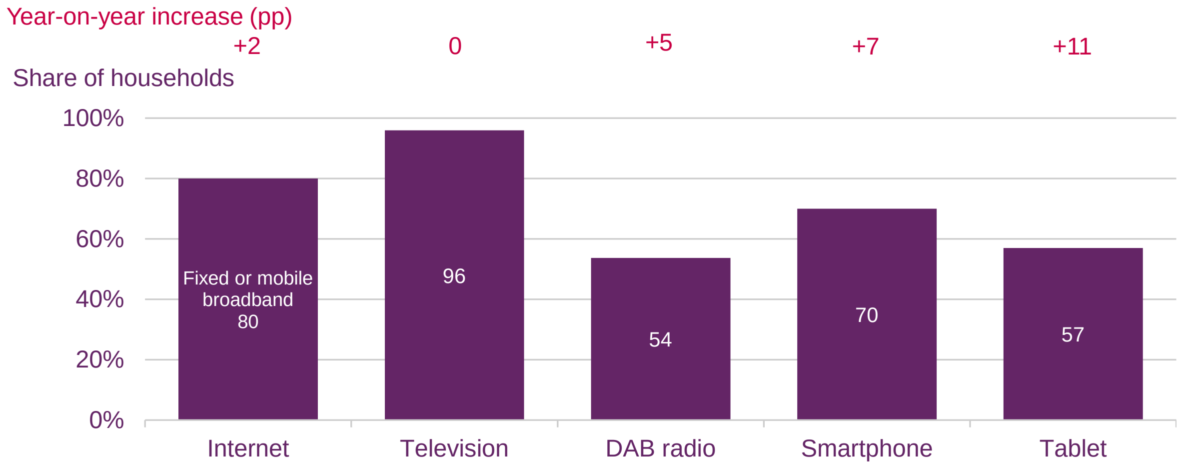
Over half of UK adults now have a DAB set in their home

There are a number of different devices through which a household can access digital radio. Almost all UK households have the ability to listen to digital radio services through their television service (96%), while 80% can access streamed radio as well as downloadable and on-demand content through their home broadband connection.

RAJAR data indicates that over half (54%) of UK adults now have a DAB set in their home. This is an increase of five percentage points since 2014.

Smartphone and tablet ownership increased the most year on year, to 70% and 57% respectively, allowing digital listening predominantly through the internet or via apps. Streaming in this way through WiFi or cellular networks can potentially incur restrictions on heavy use, and may have cost implications due to data limitations on contracts.

Figure 6: Take-up of equipment capable of receiving digital radio: 2015



Source: Ofcom Technology Tracker H2 2015, RAJAR Q3 2015

3.2 Radio set sales

The number of digital radio sets sold has fallen slightly year on year to 1.6 million

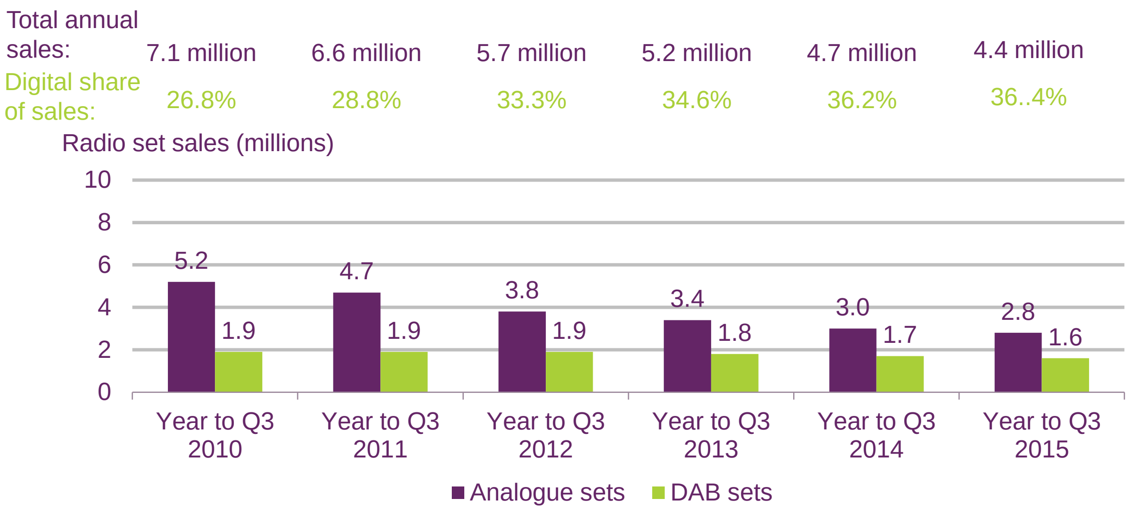
The number of analogue and digital radio sets sold in the 12 months to Q3 2015 fell slightly from the previous year, from 4.7 million to 4.4 million sets in total. Digital radios contributed to over a third of these sales (36.4%) at 1.6 million sets. Since 2010, the share of radio set sales made up by DAB-enabled sets has risen by nearly ten percentage points.

In absolute terms, the number of DAB sets sold has decreased by 15.8% since 2010. Sales of analogue-only radios have decreased by 46.2% since 2010. However, in recent years the decline in analogue sales has been partially mitigated by the sale of DAB sets, the vast majority of which also have FM reception capability.

There is no evidence to indicate whether new DAB sets have been bought as replacements for existing radio sets or whether they have added to the total number of sets in use.

However, it is likely that the increased take-up of multi-use devices, such as smartphones and tablets, has had an impact on radio set sales, as many households now own a range of devices which are capable of receiving radio as one of many functions.

Figure 7: Number of analogue and digital radio sets sold: year to Q3 2010-2015



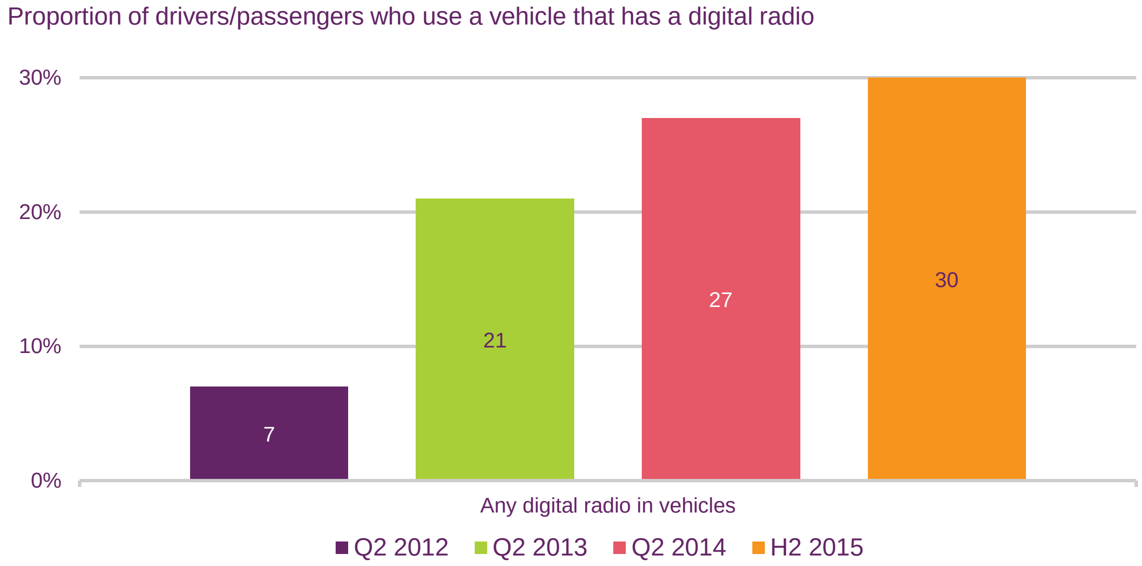
Source: GfK sales data, 2010-2015.
Note: Figures cover GB only, GfK Panelmarket data represents over 90% of the market. Categories of device included are; portable radios, personal media players, car audio systems, home audio systems, clock radios, radio recorders, headphone stereos, tuners and receivers.

3.3 Radio sets in cars

Three in ten adults now have a digital radio in their vehicle

Ofcom's Technology Tracker has shown that among drivers and passengers who use at least one motor vehicle that has a radio, in most weeks, 30% had travelled in a vehicle with a digital radio. This is an increase of 23 percentage points on 2012; although take-up has slowed in recent years, it is three percentage points up on Q2 2014.

Figure 8: Proportion of drivers and passengers who use a vehicle with a digital radio

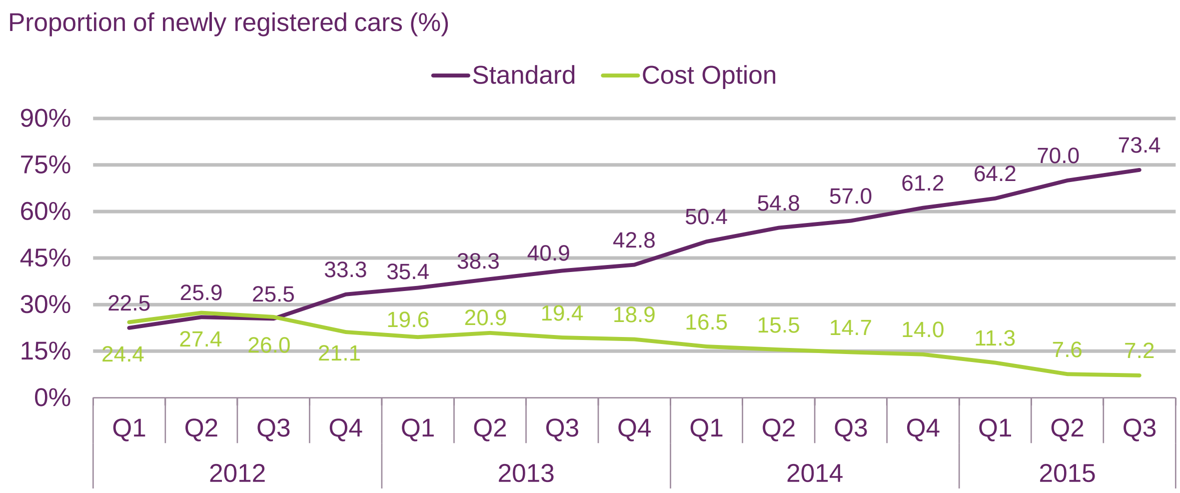


Source: Ofcom Technology Tracker, Q2 2012 (n=1756), Q2 2013 (n=1709), Q2 2014 (n=1769), H2 2015 (n=2107)
Base: Those who use at least one motor vehicle with a radio in most weeks (as a driver or passenger)
Question. Is the radio in this vehicle a digital radio?/ How many of the radios in those vehicles are digital radios?

Almost three-quarters of new cars in the UK are now fitted with DAB as standard

Data from the Society of Motor Vehicle Manufacturers and Traders (SMMT) indicates that the proportion of newly registered cars in the UK which have DAB sets installed as standard has risen to almost three-quarters (73.4%) in Q3 2015. This is a year on year increase of 16.4 percentage points, and an increase of 47.9 percentage points since Q3 2012. There has been a steady decline since Q3 2012 in new cars which have DAB only as an additional cost option: to 7.2% of all newly registered cars.

Figure 9: Status of digital radio availability in newly registered cars



Source: CAP/SMMT

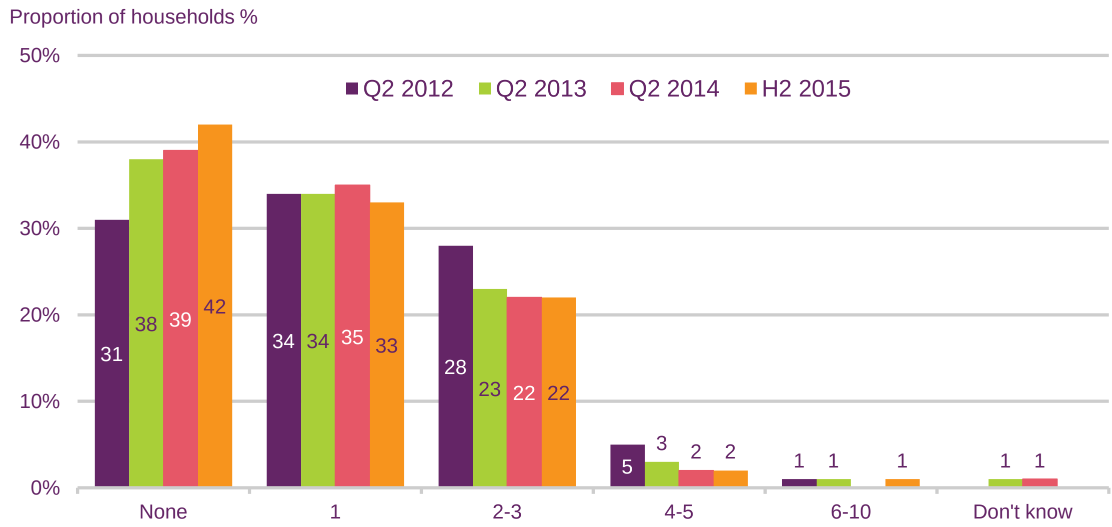
3.4 Radio sets at home

Over four in ten claim to have no radio sets in the home that are 'active'

Figure 10 sets out the results of consumer research from Ofcom's Technology Tracker: this shows the number of analogue and digital sets at home which consumers typically use in 'most weeks'. Just over four in ten (42%) respondents said that they did not listen to any radio sets in 'most weeks'. This is an increase of 11 percentage points since Q2 2012.

Fifty-eight per cent of respondents said they had one or more radio sets in their home that they listened to in 'most weeks'. The proportion of respondents with just one radio set is broadly similar to previous years, at 33% in 2015. Although the numbers with 2-3 sets declined by five percentage points between 2012 and 2013 (from 28% to 23%), this has remained stable at 22% in 2015.

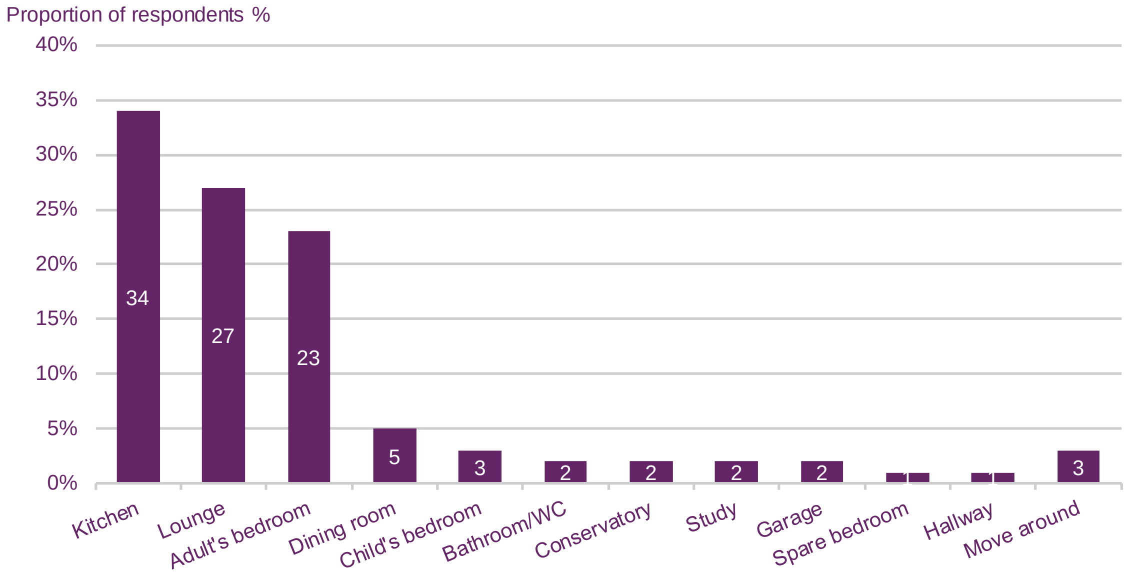
Figure 10: Number of radios listened to at home 'in most weeks'



Source: Ofcom Technology Tracker
Base: All respondents Q2 2012 (2893), Q2 2013 (2879), Q2 2014 (2877), H2 2015 (2863)
Question. In total, how many radio sets do you have in your home that you, or someone in your household, listen to in most weeks?

Respondents were asked in which rooms they had radio sets in the home. Just over a third (34%) reported having radio sets in kitchens, while around a quarter said they had one in their lounge (27%) or adult's bedroom (23%).

Figure 11: The location of radio sets in the home

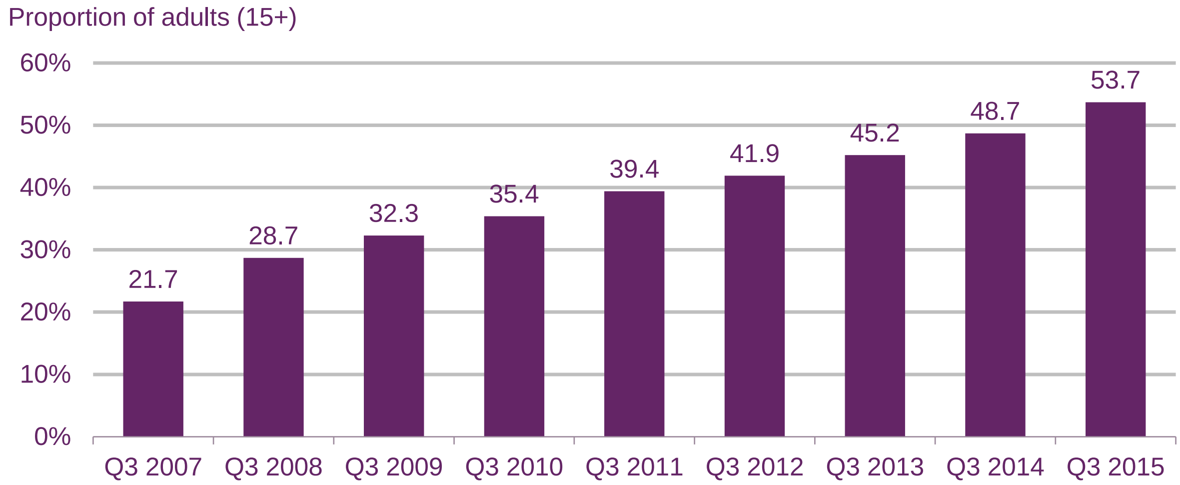


Source: Ofcom Technology Tracker, H2 2015
Base: All respondents, n=2863
Question. In which of these rooms at home do you have any radios?

Over half of UK adults now claim to own a DAB set

At the end of Q3 2015, RAJAR reported that over half (53.7%) of UK adults now owned a DAB set. This was an increase of five percentage points year on year and 32 percentage points since Q3 2007. The number of people claiming to own a DAB set continues to increase each year.

Figure 12: Proportion of individuals claiming to own a DAB set in the home

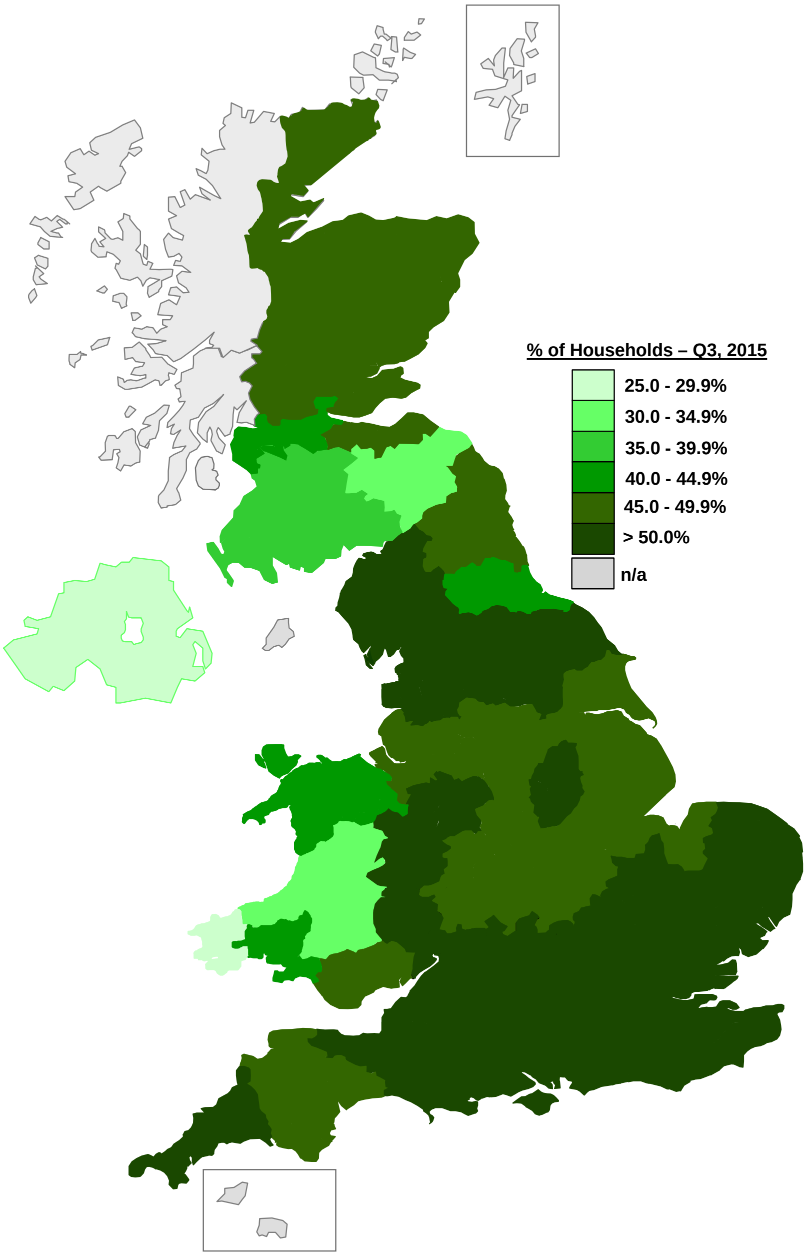


Source: RAJAR / Ipsos MORI / RSMB

DAB set take-up is highest in the south and south-east of England

Take-up of DAB sets in households across the UK varies - the highest rates of take-up were generally in the south-east of England, where take-up was the highest in Surrey (62.7%), followed by Sussex (61.8%) and Kent (56.9%). Take-up of DAB was also relatively high in Bristol (59.8%). The lowest rates of DAB take-up were in Pembrokeshire (27.3%) and Northern Ireland (28.8%).

Figure 13: Take-up of DAB digital radio, by multiplex area



Source: RAJAR, Q3 2015
Note: this map is based on analysis which uses the total survey area of the individual station which best represents the coverage area of each digital multiplex.

Section 4

Radio listening through digital platforms

In November 2013, the Digital Radio Action plan was finalised, and in December 2013 DCMS announced that although there had been steady growth in digital listening, it was not yet time to commit to a switchover.

The Government stated that it would consider a decision on whether to set a date for digital radio switchover when the following criteria are met:

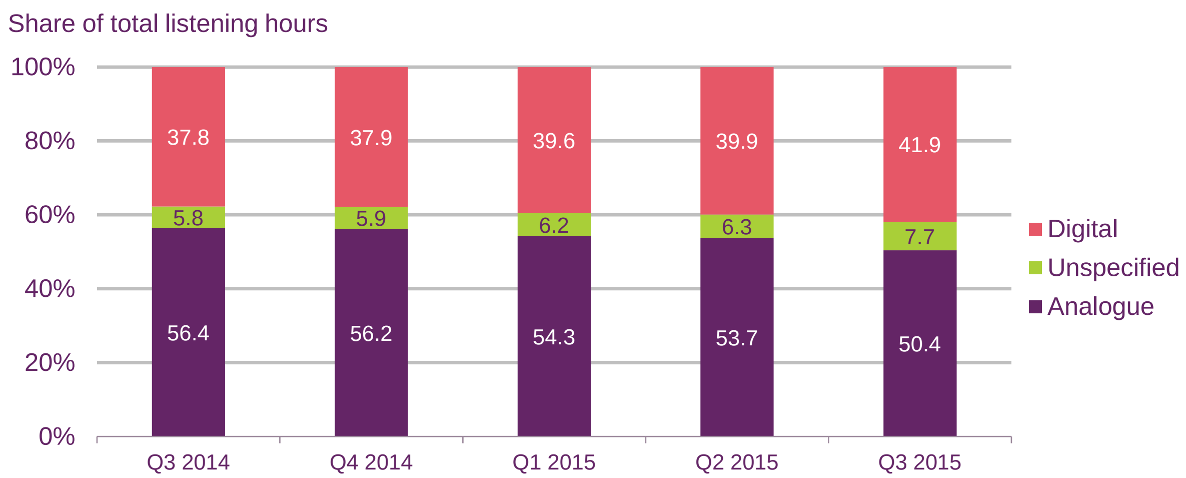
- when 50% of all radio listening is via digital platforms; and
- when national DAB coverage is comparable to FM, and local DAB reaches 90% of the population and all major roads.

This section focuses on digital radio listening.

The share of digital listening in Q3 2015 was 41.9%

In Q3 2015 the share of listening to services on digital radio platforms (which includes DAB, TV and via the internet or apps) was 41.9% of all radio listening hours. This represents an increase of two percentage points since Q2 2015 and 4.1 percentage points since Q3 2014. Analogue radio has experienced a decline of six percentage points in its share of all radio listening hours since Q3 2014.

Figure 14: Distribution of listening hours across analogue and digital platforms, by quarter: Q3 2014 - Q3 2015

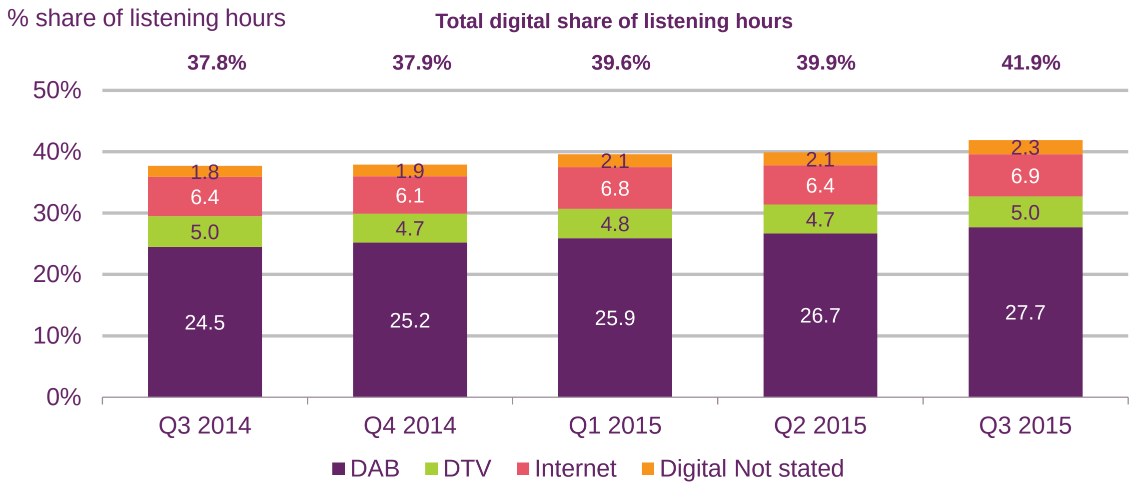


Source: RAJAR. All adults (15+)
Note: 'Unspecified' relates to listening where the radio platform was not confirmed by the listener.

DAB remains the most popular platform for digital listening

Figure 15 below shows the proportion of listening hours spent on each digital platform by quarter since Q3 2014. DAB continues to account for the largest share of digital radio listening; 66.0% of all digital listening and 27.7% of all listening in Q3 2015 was via DAB. Following a small decline in Q2 2015, the proportion of listening hours via TV grew slightly to 5.0% (12% of digital listening). The proportion of listening over the internet is growing slowly, up from 6.4% in Q3 2014 to 6.9% 12 months later. This equates to a 16.4% share of digital listening.

Figure 15: Distribution of listening hours across digital platforms, by quarter: Q3 2014 to Q3 2015



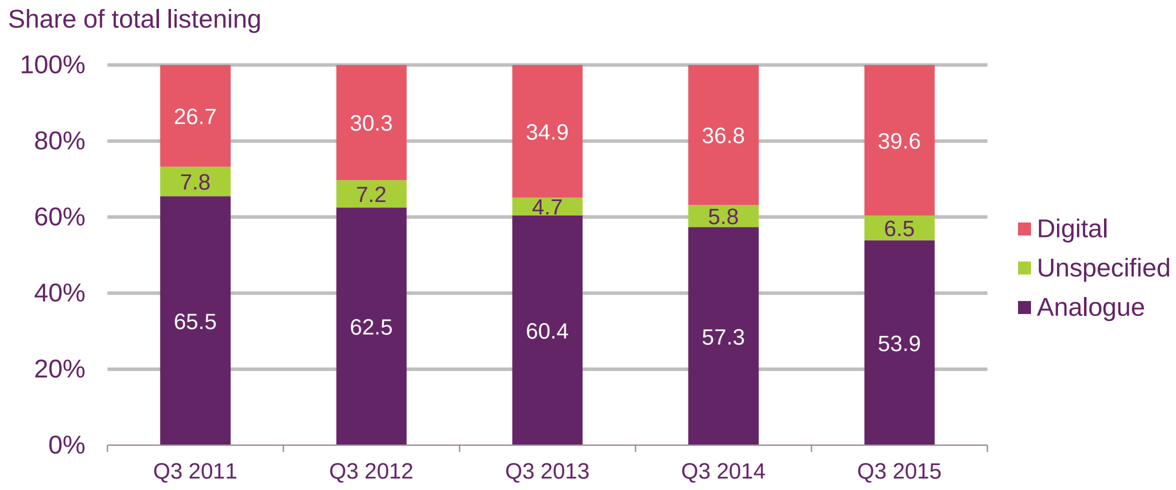
Source: RAJAR. All adults (15+)
Note: 'Digital unspecified' relates to listening to digital-only stations where the survey respondent has not specified the listening platform used.

In the 12 months to the end of Q3 2015, 39.6% of all radio listening hours were to services delivered over a digital platform

While Figures 14 and 15 showed the distribution of listening hours across analogue and digital platforms for each quarter from Q3 2014 to Q3 2015, the remainder of the listening figures in this section use annualised data, looking at the 12 months to Q3 of each year.

Digital listening accounted for a 39.6% share of all radio listening in the 12 months to Q3 2015, an increase of 2.8 percentage points year on year. The proportion of listening through a digital platform has increased by 12.9 percentage points since the same period in 2011. Analogue listening has decreased by 11.6 percentage points since 2011, to reach 53.9% in the year to Q3 2015. The proportion of respondents who did not confirm the platform they were listening through ('unspecified listening') was 6.5%.

Figure 16: Distribution of listening hours across analogue and digital platforms, 12 months to Q3: 2011 - 2015



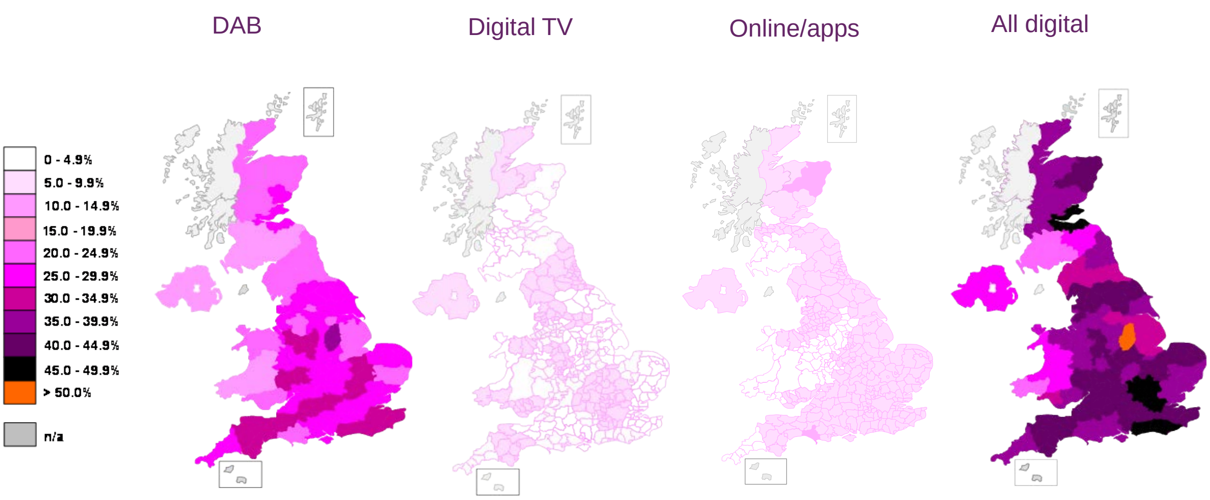
Source: RAJAR. All adults (15+)
Note: 'Unspecified' relates to listening where the radio platform was not confirmed by the listener

Digital share of listening has exceeded 50% in a local multiplex area for the first time

Nottinghamshire had the highest share of total listening hours accounted for by a digital radio (50.5%). This is the first time that digital radio has accounted for more than half of the total share of radio listening in a local multiplex area. Nottinghamshire was followed by Sussex (48.8%) and Hertfordshire, Bedfordshire and Buckinghamshire (at 48.5%). The lowest share of digital listening was in south-west Scotland (23.4%) and Pembrokeshire (24.4%).

Nottinghamshire also had the highest share of listening through a DAB digital radio set (37.7%), followed by Sussex (34.2%) and Reading and Basingstoke (33.5%). Listening through a television set was highest in Tyne and Wear (7.6%), while online listening was highest in Aberdeen (11.8%).

Figure 17: Share of listening, by digital platform and area



Source: RAJAR, Q3 2015

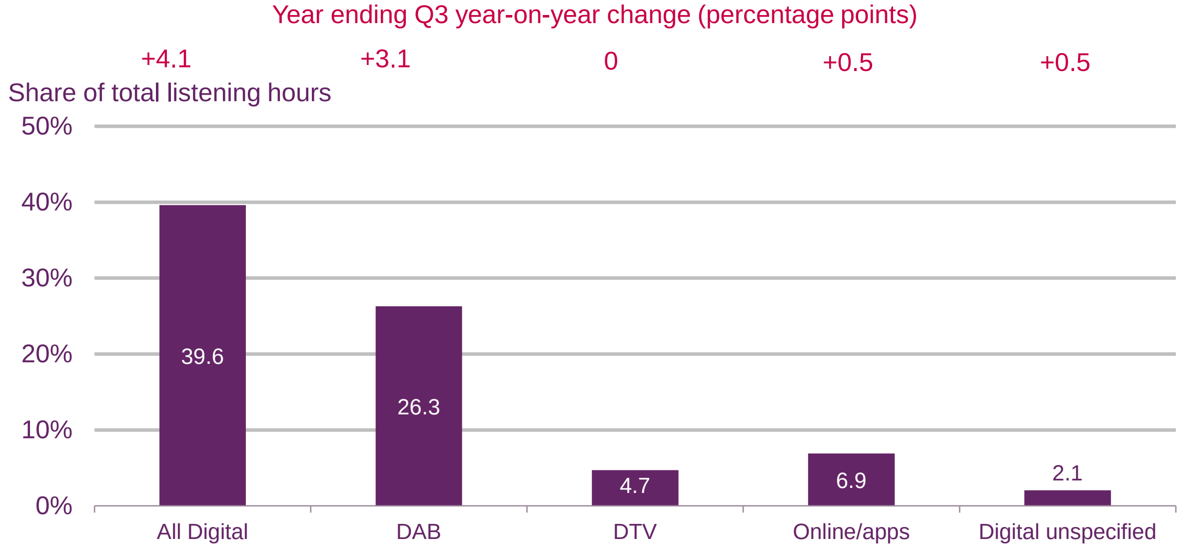
Note: these maps are based on analysis which uses the total survey area of the individual station which best represents the coverage area of each digital multiplex

The majority of digital listening is through a DAB set

Of the 39.6% of listening hours that were via a digital platform in the 12 months to Q3 2015, DAB sets contributed 26.3 percentage points to the total. This means that 66.4% of digital listening was via DAB radio. DAB also experienced the greatest year on year increase in listening hours of all digital platforms (3.1 percentage points).

The proportion of radio listening online and through apps increased by 0.5pp on the year, to 6.9%, which equates to 17.4% of digital listening. The proportion of listening via TV remained the same as the previous year (4.7% of all radio listening and 11.9% of digital listening).

Figure 18: Digital radio's share of total radio listening hours, by platform



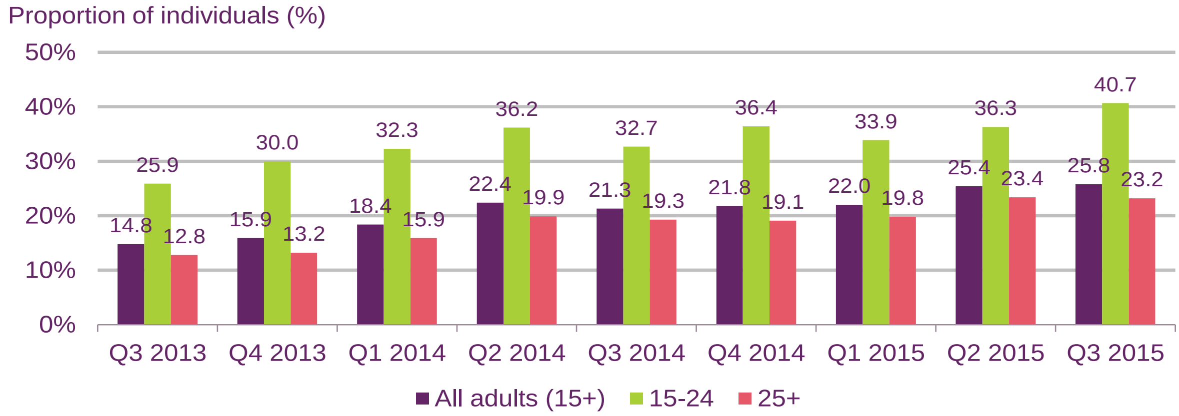
Source: RAJAR. All adults (15+), 12 months to Q3 2015
Note: 'Digital unspecified' relates to listening to digital-only stations, where the survey respondent has not specified the platform used.

Over a quarter of people now listen to radio on a mobile phone or a tablet

The proportion of people who listen to the radio on a mobile phone or a tablet at least once a month has continued to increase each quarter, and is now 25.8%. This figure is most pronounced for those aged 15-24, of whom 40.7% claimed to listen to radio on a mobile device at least once per month, an increase of eight percentage points in a year. Among those aged 25 and over, 23.2% listened on a mobile or a tablet, which represents an increase of 3.9 percentage points year on year.

The increase in those who claim to listen to the radio on a mobile device is likely to be due in part to the increased distribution of smartphones and tablets. According to Ofcom's *Technology Tracker*, at the end of H2 2015, 70% of respondents owned at least one smartphone, and 57% of households owned a tablet (an increase of seven and 11 percentage points respectively).

Figure 19: Proportion of individuals who claim to listen to radio on a mobile phone or tablet at least once per month

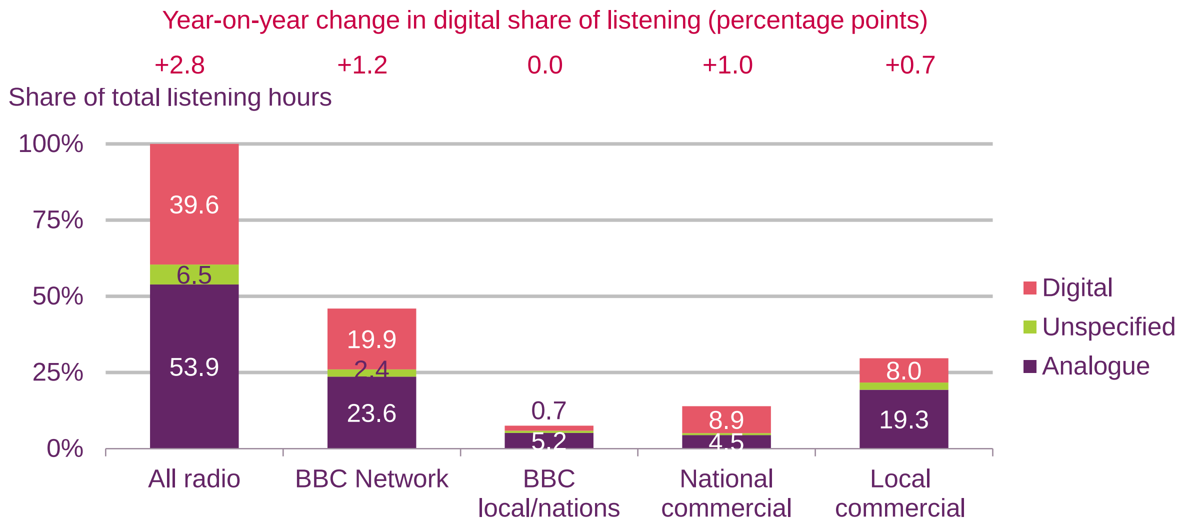


Source: RAJAR / Ipsos MORI / RSMB
Note: As of Q1 2014 the figures include listening via a tablet

BBC stations account for over half of digital listening

Of the 39.6% of listening hours that were via a digital platform in the 12 months to Q3 2015, listening to BBC services (including both BBC Network and BBC local/nations radio) contributed 20.6 percentage points, equating to 52.0% of digital listening. As shown in Figure 20, BBC network stations accounted for the largest proportion of total listening hours (19.9%); this was mostly to simulcasts of analogue services. The next largest proportion of digital listening was to national commercial stations (8.9%), and local commercial stations (8.0%). Listening digitally to BBC local and nations' services accounted for 0.7% of all listening hours.

Figure 20: Distribution of listening hours, by service provider, analogue and digital platforms: year to Q3 2015

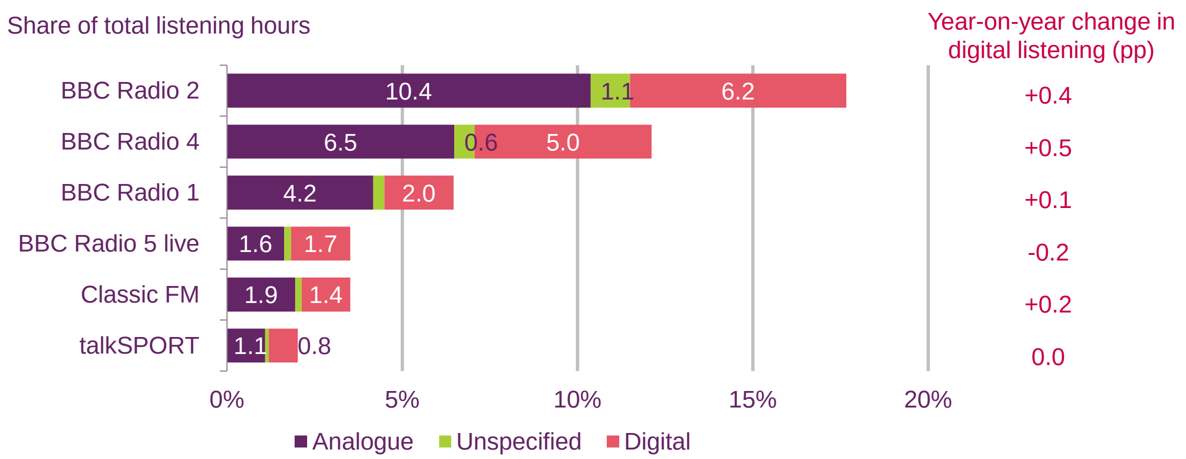


Source: RAJAR. All adults (15+), 12 months to Q3 2015

BBC Radio 1, 2, 4 and 5 Live accounted for 37.6% of all digital listening

Figure 21 sets out the contribution that analogue simulcast services make to the proportion of digital listening. Time spent listening to the four most listened-to BBC services on a digital platform accounted for 14.9% of total listening hours (37.6% of digital listening). Digital listening to BBC Radio 2 contributed the largest proportion of the analogue simulcast services. Classic FM was the most listened-to commercial station on digital platforms, accounting for 1.4 % of total listening hours.

Figure 21: Distribution of listening hours, by service, analogue and digital platforms: year to Q3 2015



Source: RAJAR. All adults (15+), 12 months to Q3 2015
Note: 'Unspecified' relates to listening where the radio platform was not confirmed by the listener.

BBC 6 Music remains the most popular digital-only station

Of the digital-only stations, BBC 6 Music has the largest number of listeners, with an average weekly reach of roughly 2.1 million for the 12 months to the end of Q3 2015. Four other digital-only stations also had an average weekly reach of over 1 million listeners; BBC Radio 4 Extra, Absolute 80s, Kisstory and 1Xtra from the BBC.

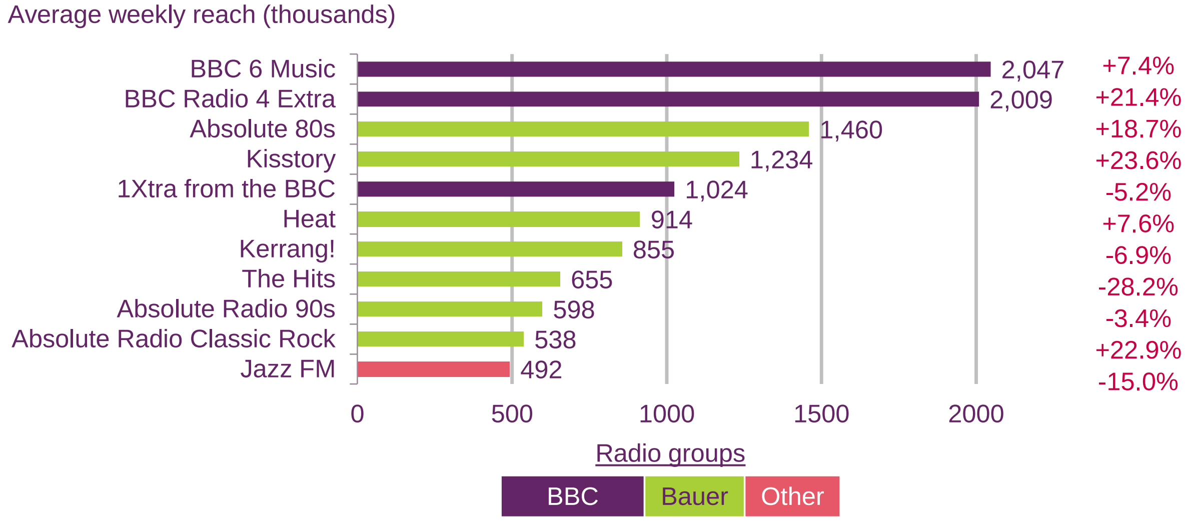
The largest relative year-on-year increases were in the average weekly reach of Kisstory (up 23.6%), Absolute Radio Classic Rock (up 22.9%), BBC Radio 4 Extra (up 21.4%) and Absolute 80s (up 18.7%). Of these stations, both Kisstory and Absolute Radio Classic Rock extended their local DAB presence in December 2014 and January 2015.

Average weekly reach declined in comparison to the same period last year for a number of stations, notably The Hits by 28.2% and Jazz FM by 15%. In January 2015, the Hits Radio was re-branded in northern England and Scotland, while in Birmingham and London there was no direct replacement and the bandwidth is now being used for Kisstory and a local version of Absolute.[5]

With the acquisition of Absolute by Bauer at the end of 2013, almost all of the most listened-to digital-only radio stations are now owned by the BBC or Bauer. The exception to this is Jazz FM, an independent station playing predominantly jazz music, which is broadcasting on DAB in London, and on the internet and satellite across the UK. In addition to this, when it is launched in early 2016, Jazz FM will be available nationally via the Digital 2 multiplex.

[5] a516digital http://www.a516digital.com/2014/12/the-dab-digital-radio-station-reshuffle.html

Figure 22: Digital-only stations, by average weekly reach



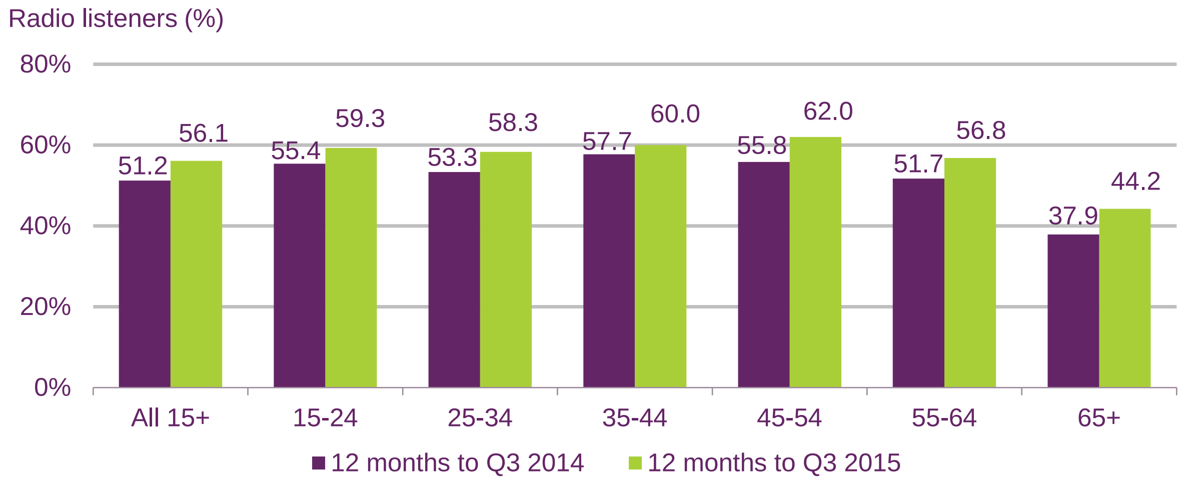
Source: RAJAR. All adults (15+), 12 months to Q3 2015

Over half of radio listeners listen to digital radio on at least a weekly basis

Over half (56.1%) of all radio listeners aged 15+ in the UK had listened to a digital radio service on a weekly basis in the 12 months ending Q3 2015[6], up by 4.9 percentage points from the same period the previous year.

There was some slight variation in the proportion of people that had listened to digital radio on a weekly basis across the age groups. It was greatest among those aged 45-54, with over six in ten (62.0%) listening to digital stations, but fell to 44.2% for those aged 65+. However, the 65+ age group had the biggest year-on-year increase in digital radio listening, up by 6.3 percentage points since Q3 2014.

Figure 23: Weekly listening to radio through a digital platform, by age group



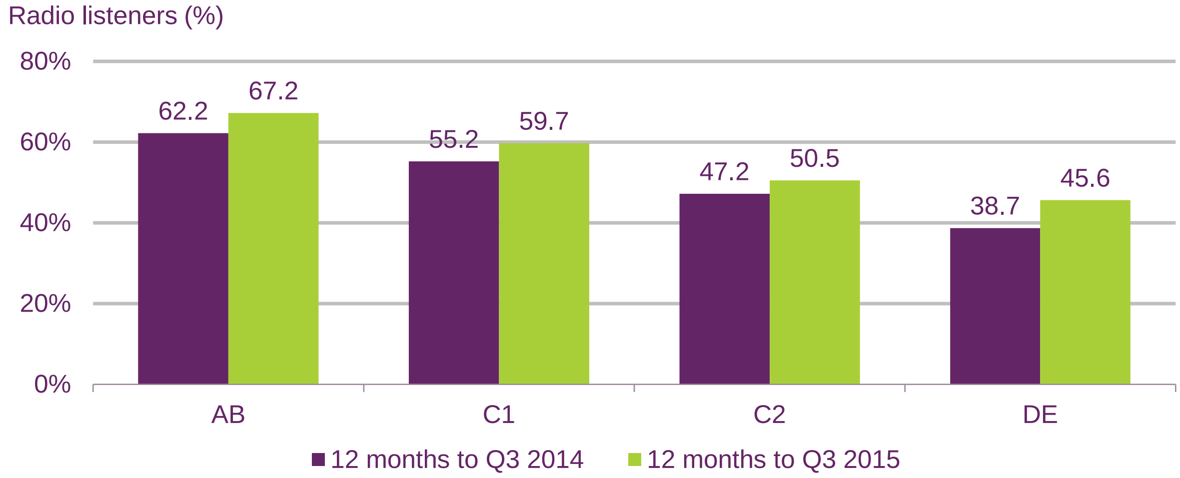
Source: RAJAR, All adults (15+), 12 months to Q3 2015

[6] This covers the proportion listening to radio on a digital platform for five consecutive minutes in an average week in the year to Q3 2015.

Radio listeners in the AB socio-economic group are more likely to listen to digital radio on a weekly basis

Almost seven in ten (67.2%) radio listeners living in AB households listened to radio through a digital platform, on a weekly basis, in the 12 months to Q3 2015. This is higher than adults in the other socio-economic groups (Figure 24). Weekly listening to digital radio is lowest among radio listeners in the DE socio-economic group (45.6%). However, the DE socio-economic group experienced the greatest increase since the twelve months to Q3 2014, up by 6.9 percentage points.

Figure 24: Weekly listening to radio through a digital platform, by socio-economic group



Source: RAJAR, All adults (15+), 12 months to Q3 2015

Section 5

Consumer awareness of, and attitudes towards, digital radio

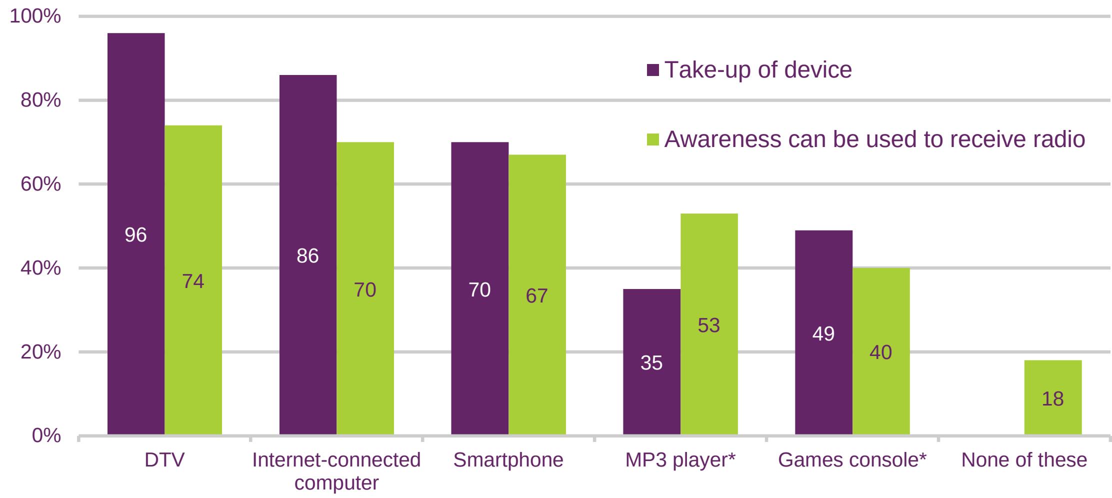
5.1 Consumer awareness of digital radio

More than one in ten adults with an internet-connected computer are not aware they can receive the radio on this device

Awareness of the radio-carrying capabilities of devices varies. According to Ofcom's *Technology Tracker*, three-quarters of adults (74%) are aware that the television platform (DTV) is capable of providing radio services, although 96% of households have access to a DTV platform. A similar proportion (70%) are aware that an internet-connected computer can do the same, again lower than the proportion with access (86% of homes have internet access and a PC/ laptop/ netbook/ tablet). But for smartphones, take-up and awareness of being able to receive radio services were closely aligned (at 70% and 67% respectively).

The only device for which awareness of being able to receive radio services is higher than take-up is for MP3 players. Over half of adults (53%) are aware that the device can be used for this purpose, while just 35% have one in their household. And while just under half (49%) of all adults have a games console in the home, 40% are aware that they can listen to the radio via this device.

Figure 25: Awareness of devices capable of receiving radio services



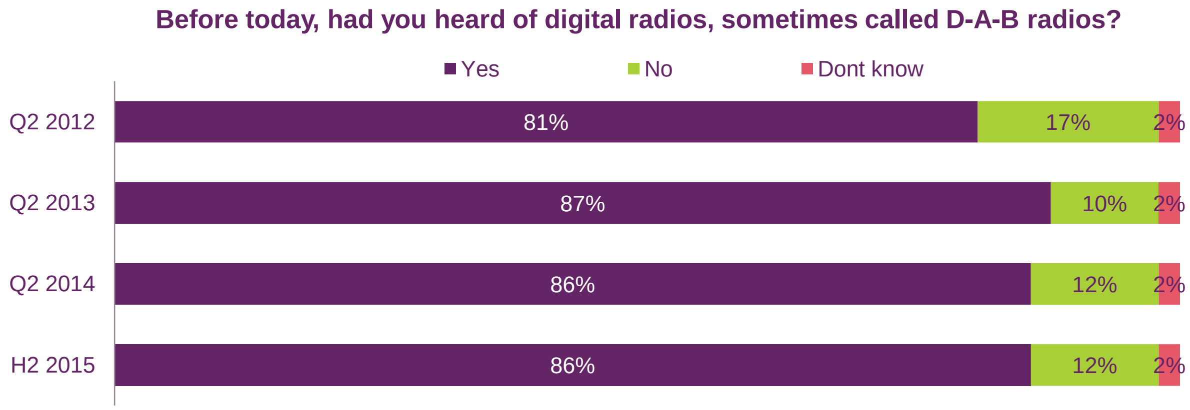
*Source: Ofcom Technology Tracker 2015, *Take-up measures from H1 2015*
Base: All respondents (H2 2015 n=2863), (H1 2015 n=3756)
QP14. Before today, were you aware that you can listen to radio programmes as they are broadcast in these ways?

Awareness of digital radio remains the same as last year

The proportion of respondents who said they had heard of digital radios in 2015 (86%) was unchanged on the previous two years. However, this was a five percentage point increase on Q2 2012 (81%).

Awareness was the highest among males (90% compared to 82% among females), adults aged 35-54 (92%) and among the AB socio-economic group (96%). Awareness was lowest among those aged 65+ (76%) and those in the DE socio-economic group (75%).

Figure 26: Awareness of digital radios



Source: Ofcom Technology Tracker
Base: All adults (Q2 2012 n=2893), (Q2 2013 n=2879), (Q2 2014 n=2877), (H2 2015 n=2863)
Question. Before today, had you heard of digital radios?

5.2 Consumer attitudes towards digital radio

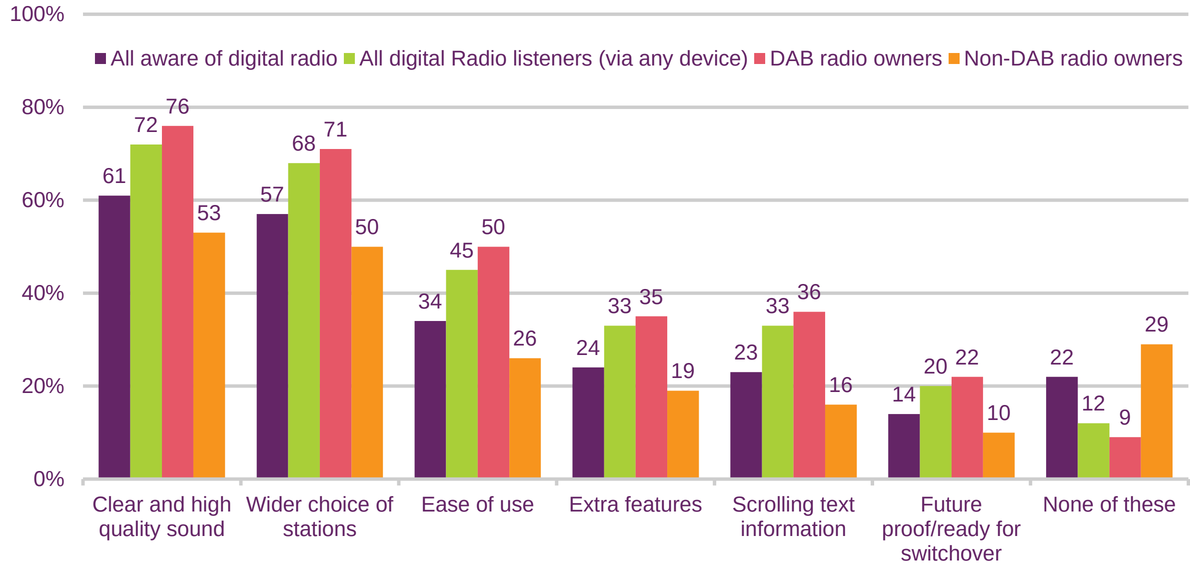
"Clear and high quality sound" and "a wider choice of stations" are the key benefits associated with digital radio

When respondents were asked which benefits they associated with digital radio, the most popular responses were "clear and high quality sound" and "a wider choice of stations". Over three-quarters (76%) of DAB owners chose "clear and high quality sound", and seven in ten (71%) chose "a wider choice of stations". Even non-DAB radio owners cited these aspects of digital radio as the biggest benefits (53% and 50% respectively).

Fewer respondents associated digital radio with being "future proof or ready for switchover", with 22% of DAB-owners and 10% of non-DAB owners giving this response.

Among non-DAB owners, nearly three in ten (29%) did not associate any of the listed benefits with digital radio.

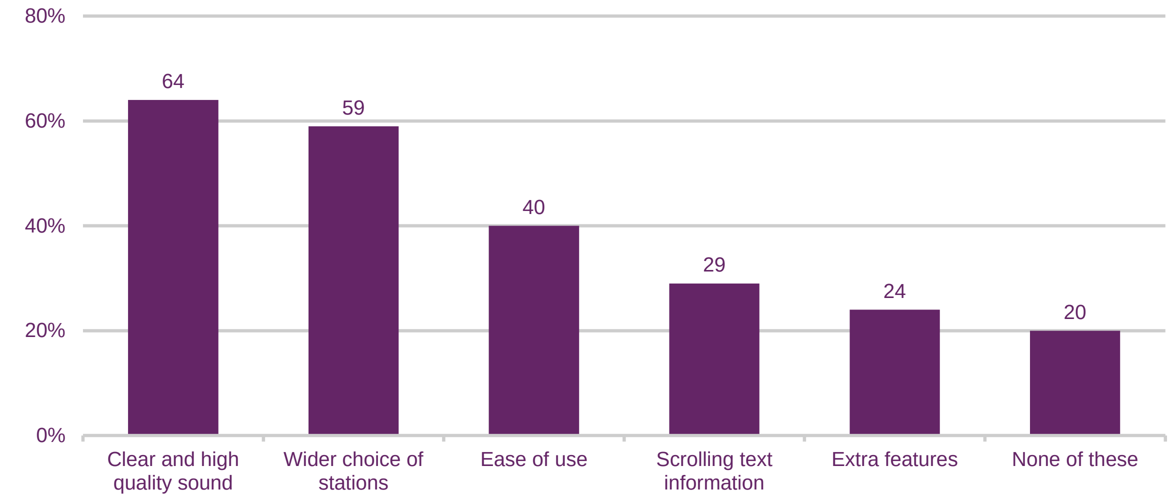
Figure 27: Associations of digital radio, among those with and without DAB



Source: Ofcom Technology Tracker, H2 2015
Base: All aware of digital radio, with experience of listening, or aware of way of listening, (n=2615); all digital radio listeners (n=1272); DAB radio owners (n=860); non-DAB radio owners (n=1742)
Question. Which if any of these features did you associate with digital radio?

The question above was followed by asking DAB owners which of these features of digital radio they had actually experienced. The most popular response was “clear and high quality sound” (64%), followed by “a wider choice of stations” (59%), which supports the findings in the previous question (as shown in Figure 27 above). A fifth (20%) said that they had not experienced any of the benefits listed.

Figure 28: Features of digital radio that listeners have experienced



Source: Ofcom Technology Tracker, H2 2015
Base: All with any type of DAB digital radio (in home or vehicle) (n=1125)
QP16. As a digital radio listener which, if any, of these features of digital radio have you experienced?

Six in ten radio listeners without a DAB set in the home say they are unlikely to purchase one in the next year

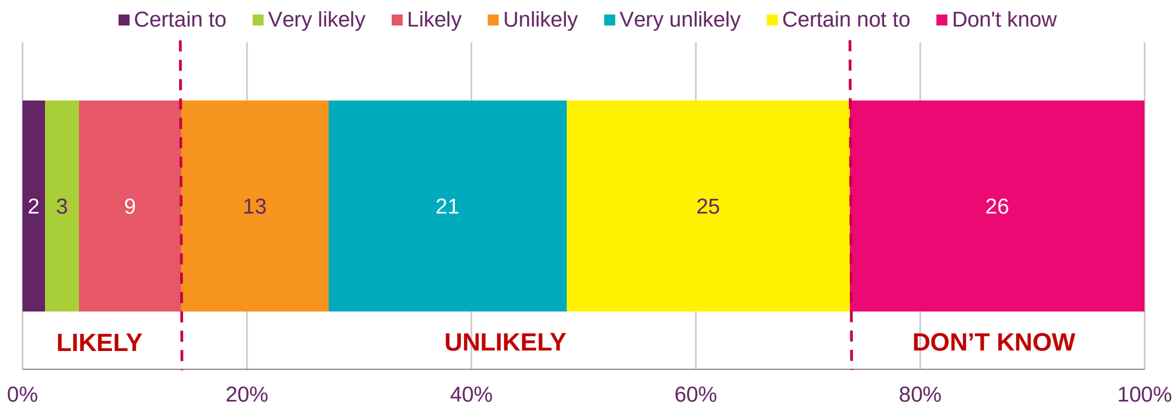
In H2 2015, only 2% of radio listeners without a DAB set at home said they were ‘certain’ to purchase a set in the next 12 months, while overall, 14% said they were likely to purchase a set in the next year.

Conversely, six in ten (59%) respondents said they were unlikely to get a set in the next 12 months, with a quarter saying they were ‘certain’ they would not buy one in the next year. A further 26% were unsure of their purchasing intentions.

Figure 29: Likelihood of purchasing a DAB set

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

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



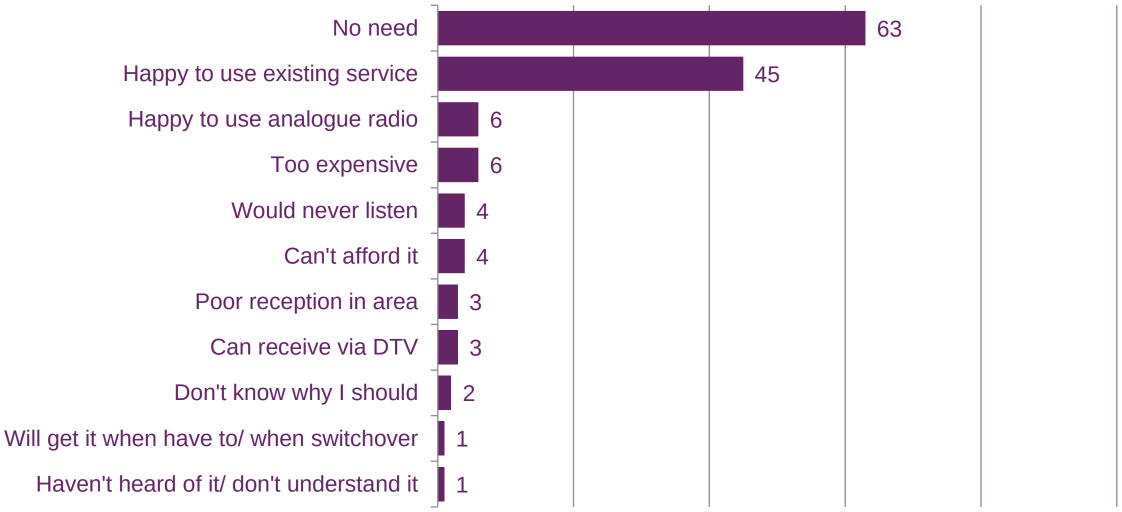
Source: Ofcom Technology Tracker, H2 2015
Base: Those who listen to the radio but have no DAB sets in the home (n=726)
Question: How likely is it that your household will get a DAB radio in the next 12 months?

Among radio listeners unlikely to purchase a DAB set, the most popular reasons cited were “having no need” and being “happy to use the existing service”

Of the 59% of respondents without a DAB set in the home and unlikely to purchase one in the next year, the most frequent reason, cited by over six in ten respondents, was that they felt that they “had no need for the service” (63%). This is an increase on those giving this response in 2014 (60%). This was followed by being “happy to use the existing service” (45%).

Much smaller proportions cited involuntary reasons for not having a DAB set - 6% thought that it was too expensive, while 4% said they couldn’t afford it and 3% cited poor reception in their area.

Figure 30: Reasons radio listeners gave for not acquiring a DAB radio set



Source: Ofcom Technology Tracker, H2 2015
Base: Those unlikely to get a DAB radio in the next 12 months (n=456)
Question: Why are you unlikely to get a DAB radio in the next 12 months?

Annex 1

DAB take-up and share of digital listening based on licensed multiplex area

Mux area	Digital share of listening (%)	DAB in home (%)	Mux area	Digital share of listening (%)	DAB in home (%)
Aberdeen	42.3	48.4	Morecambe Bay	36.3	47.5
Birmingham	36.5	42.8	N Cumbria	34.1	53.4
B'mouth	37.9	54.7	N Ireland	29.9	28.8
Borders	29.3	30.9	Norfolk	42.2	55.9
Bradford	36.4	38.1	North Wales	36.0	43.0
Bristol	42.6	59.8	North Yorkshire	43.7	56.7
Cambridge / Peterborough	43.2	52.3	Northamptonshire	39.2	55.1
Cardiff	35.0	49.8	Nottinghamshire	50.5	54.9
Central Lancs	42.9	51.9	Oxfordshire	40.8	51.2
Ceredigion	25.1	31.1	Pembrokeshire	24.4	27.3
Cornwall	36.1	52.7	Reading & Basingstoke	44.7	53.3
Coventry	43.3	45.5	S Hants	39.8	53.8
Derbyshire	39.7	47.5	S W Scotland	23.4	30.9
Devon	42.2	49.4	Salisbury	40.4	55.1
Edinburgh	46.4	49.6	Sheffield	32.5	45.6
Essex	38.5	53.4	Shropshire	37.9	57.0
Glasgow	38.8	41.8	Somerset	42.5	55.0
Gloucestershire	41.4	55.4	Stoke on Trent	41.6	57.4
Hereford & Worcester	42.1	54.7	Suffolk	35.1	53.5
Herts, Beds, Bucks	48.5	54.2	Surrey	41.1	62.7
Humberside	35.9	46.8	Sussex	48.8	61.8
Inverness	36.3	51.2	Swansea	33.9	43.0
Kent	43.4	56.9	Swindon & W Wilts	41.6	64.8
Leeds	41.6	56.7	Tayside	38.6	45.3
Leicestershire	42.1	47.7	Teesside	33.0	40.7
Lincolnshire	34.2	46.6	Tyne & Wear	38.7	48.3
London	45.9	56.0	W Dorset	34.9	54.2
Manchester	38.2	46.4	Wolverhampton & Shropshire	37.7	56.4

Source: RAJAR, Q3 2015