The Communications Market: Digital Radio Report

This is Ofcom's second annual Digital Progress Report covering developments in the digital radio market.

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Section 1

Executive summary

Basis of report publication

The government announced its Digital Radio Action Plan in July 2010. Ofcom was asked in the plan to publish an annual report on the availability and take-up of digital radio services.

The plan emphasises that digital radio switchover should begin only when the market is ready and that it should be predominantly consumer-led. An aspirational target date of 2015 was supported by the report. But it also concluded that a decision on switchover could only be made once two criteria had been fulfilled:

- 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 report includes data on digital radio devices' share of radio listening and information on the coverage project, designed to measure current levels of FM and DAB coverage.

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.

1.1 **Digital radio services are available through a number of different platforms including** DAB digital radio, digital television (Sky, Freeview, Virgin Media, Freesat), and via the internet (which includes services received on PCs, radio sets and tablet devices with a WiFi connection, and internet-enabled mobile phones).

1.2 **Digital radio coverage varies by platform.** Local DAB multiplexes are estimated to cover 66.2% of households; the BBC's national DAB multiplex covers 92.2% of homes (which will increase to 93.8% by the end of this year) and the comparable figure for the national commercial multiplex is 84.6%. Ninety-three per cent (93%) of main TV sets are connected to digital television and carries some radio services, and 75% of homes have an internet connection.

1.3 In the three months to the end of March 2011, **just over a quarter (26.5%) of all radio listening hours were to services delivered over a digital distribution platform**. This was a 2.5 percentage point (pp) increase in digital listening over the year and an 8.7pp increase in three years.

1.4 The proportion of **digital listening varies by demographic group. Listeners under 65 and those from more affluent demographic groups are the most likely t**o listen to radio over a digital distribution platform. Digital listening is less prevalent among those over 65, and among the less affluent.

1.5 **DAB digital radio was the most widely-used means of listening to digital radio services** in Q1 2011, accounting for almost two-thirds (63%) of all digital listener hours; DTV was the second most popular choice (15%) with streaming over the internet ranking third (14%).

1.6 **Four digital-only stations drew in over a million listeners (aged 15+) per week in Q1 2011.** BBC 6 Music reached 1.3 million listeners a week in Q1 2011 (up by 27% year on year). BBC Radio 7 / 4 Extra attracted 1.2 million listeners while Smash Hits and The Hits weekly audiences reached 1.1 million.

1.7 **We estimate that there are between 66 million and 79 million radio sets in use that are less than ten years old** (in the form of portable sets, clock radios, audio systems or tuners/receivers)**; there are a further 34 million sets installed in cars and commercial vehicles**. The total universe of these sets is therefore estimated to be 100 - 113 million.

1.8 In addition to sets in the home and in vehicles, there are also analogue radio tuners in other devices such as mobile phones and MP3 players.

1.9 **A total of 8.5 million radio devices were sold in the 12 months to Q1 2011**; just over a fifth (22%) included a DAB tuner. Nearly 13 million DAB digital radio devices in total had been sold in the UK by the end of that period. We estimate that 11 – 12% of radio sets in the home were digital. In vehicles, we estimate that the number of DAB sets represents just over 1% of the total on the road.

1.10 **More than one third (38.2%) of households in Q1 2011 claimed to have access to DAB digital radio**, up by 3.7 percentage points year on year. DAB take-up varies significantly across the UK; it was highest in south-east England: Reading and Basingstoke (47%), Sussex and Surrey (46.5%) and Kent (45.9%). Set ownership was lowest in the Scottish Borders at 21.6%, Northern Ireland (22.7%) and north and west Wales (25.9%), where the choice of stations is also lowest.

1.11 **Among those who do not yet have access to a DAB digital radio set, 21% claim that they are 'likely'/'very likely'/'certain' to buy a set in the next twelve months**. Fifty-one per cent (51%) of respondents without a DAB set at home said they were 'not likely' to buy one within the next year. It should be noted that stated intentions measured via research are rarely achieved in practice, and actual take-up is likely to be lower than this.

Background on survey methodology

This report uses a range of data drawn from research sources, including:

- Ofcom licensing data;
- Retail equipment sales and pricing statistics (from an external agency, GfK);
- Ofcom technology tracker research data;
- Ofcom digital radio omnibus research;
- Department for Transport statistics; and
- RAJAR / Ipsos MORI / RSMB radio consumption analysis.

As with any survey data, Ofcom's technology tracking study is subject to an error margin – which will be up to +/- 2 percentage points. Note that this report supersedes its predecessor.

Section 2

Availability of digital radio services

The government's Digital Radio Action Plan emphasises that a decision on digital radio switchover can only be made once two criteria have been fulfilled:

- 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 DAB coverage.

Digital platforms on which radio services can be received

Consumers can access radio services on a range of digital platforms and devices. These include DAB digital radios, digital television, and devices that connect to the internet such as dedicated radios incorporating WiFi connectivity, home PCs, and mobile handsets that can connect to the internet.

Each has different features, offering consumers a range of options. DAB offers the combination of being free-to-receive and portable, like analogue radio, but it requires a specific receiver. Digital television has the advantage of not requiring additional investment in equipment, particularly as television switchover brings widespread take-up of DTV equipment, but it does not generally offer portability. Through an internet device, such as a computer, radio with a WiFi connection or smartphone, listeners have access to a wide range of audio services including radio content originating outside the UK, and archive and on-demand content. However, such services generally require a paid-for broadband or 3G connection, and significant consumption of radio via these platforms may exceed the data limits of some contracts.

Coverage of digital platforms

Internet access

Dial-up internet connections can support low-quality streamed radio and are universally available across the UK. But consumers are likely to prefer broadband internet to access online radio services, as it supports listening for extended periods of time; fixed broadband contracts tend to be priced independently of data quantities consumed and the increased bandwidth also supports higher-quality audio. Broadband internet access is available to 99% of homes, while 3G services are available to 87%.

Digital satellite television

This platform is available to 98% of households; **digital cable** to almost half (49%) of homes and **digital terrestrial television** to over 80% of households, according to latest estimates[1].

[1] Ofcom's Communications Market Report provides more information on internet and digital television availability

DAB coverage

As part of the government's Digital Radio Action Plan, Ofcom is leading a process to consider the future spectrum planning requirements for DAB networks, to prepare for the proposed digital radio switchover and to make recommendations to ministers as to the feasibility of matching DAB to FM.

In a consultation published on 22 June 2011[2], we proposed an approach to DAB coverage planning which involves:

- defining the 'editorial areas' within which we aim to replicate on DAB, as far as practicable, the coverage of existing FM radio services;
- making underlying technical assumptions to predict acceptable levels of FM and DAB coverage for indoor portable and in-vehicle radio reception;
- calculating the extent of existing FM coverage within each editorial area; and
- investigating the feasibility of different radio switchover scenarios, illustrating how increasing levels of coverage can be achieved by using increasing numbers of transmitters.

The consultation closes on 14 September 2011, and we propose to provide a final report to government in Q4 2011.

Annexes to this consultation include DAB plans for all local editorial areas, and for the BBC and commercial (Digital One) national multiplexes too. Each of these documents includes a calculation of current DAB coverage, using our newly-proposed technical assumptions. Therefore for the first time in this report, we can present figures for DAB coverage, both for the two national multiplexes, and for the aggregate of all the local multiplexes. We also report DAB coverage for households and major roads. These numbers are in Figure 1 below.

The Coverage and Spectrum Planning Group will continue a programme of technical research, examining the assumptions made in calculating these figures, and also considering other options, such as frequency changes and multiplex mergers, which may enable a higher level of DAB coverage to be achieved. These numbers may therefore be updated in our final report to government. In particular, the assumptions made to calculate DAB road coverage may be too cautious, and we ask a specific question on this matter in the consultation.

Figure 1: Existing DAB coverage

Existing DAB coverage	Aggregate of local multiplexes	BBC national	Commercial national (Digital One)
Households (robust)	66.2%	92.2%	84.6%
Roads (robust mono)	42.9%	73.4%	63.5%

For comparison, the figures for current FM coverage are in Figure 2 below. These are not directly comparable to the DAB coverage figures, mainly because although it is possible to achieve FM reception (albeit poor quality) with low signal strength, DAB reception is either good or completely absent; and also for other reasons, which we discuss in the consultation document.

[2] http://stakeholders.ofcom.org.uk/consultations/dab-coverage-planning/

Figure 2: Existing FM coverage

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

The plans for taking forward coverage build-out beyond current levels are currently being discussed by the government, the BBC and the commercial radio sector. The BBC, however, has announced plans to build out its national DAB coverage to 97% of the population, and to increase its household coverage to 93.8% by the end of 2011[3].

Services available, by platform

Broadcast radio[4]

Our latest licensing records show that there are a total of 545 analogue radio services available in different parts of the UK (Figure 19). These include 96 services broadcasting on AM and a further 484 on FM, some of which simulcast on both wavebands. A large proportion of the services on FM target regional or local communities.

Figure 3: Number of UK radio stations broadcasting on analogue, July 2011

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

[3] http://stakeholders.ofcom.org.uk/binaries/consultations/dab-coverage-planning/annexes/annex-c.pdf

[4] To compile data on the number of digital radio services, we must decide how to define a service. A single radio brand may broadcast to many different parts of the country, using different technologies. For each area/technology combination, Ofcom issues a distinct broadcast licence (where it is licensable). 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.

The number of stations available to listeners on DAB digital radio varies by nation and region. There are 13 UK-wide commercial services on DAB and 11 BBC services. Both the BBC and the commercial sector have services that are simulcast on DAB and analogue, and services that are only available on DAB digital radio. For local commercial radio, there is also a question of whether or not the DAB service extends the analogue area (Figure 4 – and our consultation on DAB coverage discusses in greater detail the relationship between analogue and DAB coverage areas).

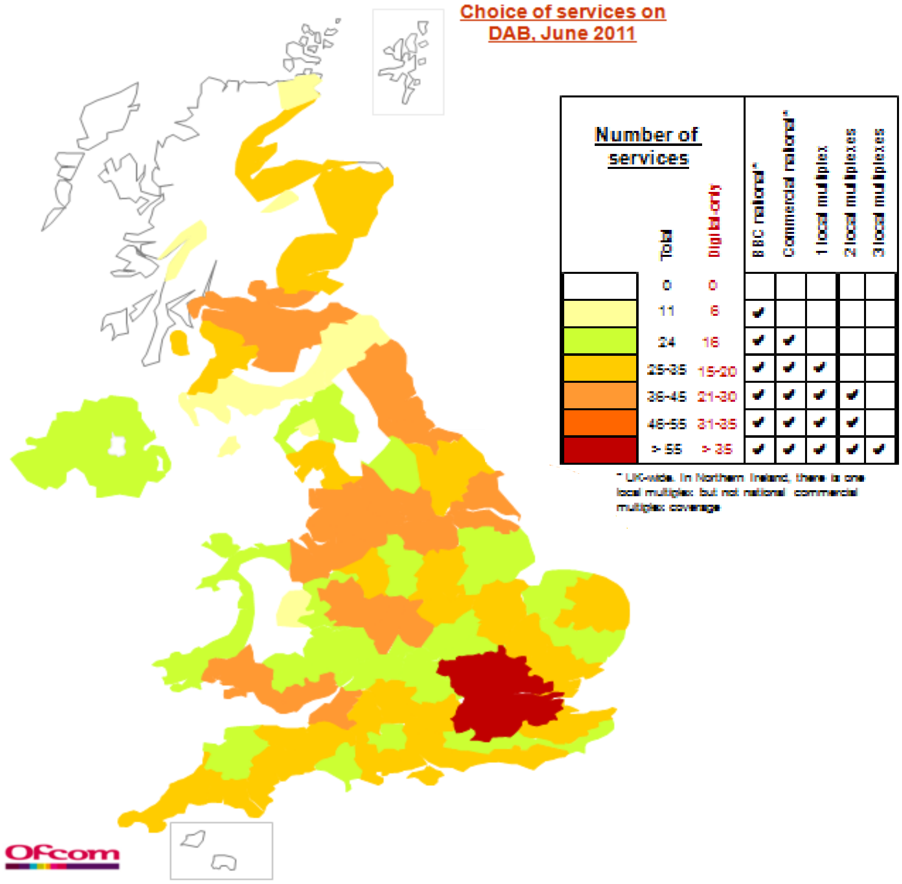
Figure 4: Number of UK radio stations broadcasting on DAB, July 2011

Type of station	Relation to analogue area	Number of stations
Local commercial	DAB in analogue area	101
	DAB extends analogue area	14
	DAB only	37
UK-wide commercial		13
BBC UK-wide networks		11
BBC local and nations		32
TOTAL		**208**

Source: Ofcom July 2011

The availability of radio services on DAB varies across the UK. It is highest in the Greater London region, where listeners can receive up to 63 radio services, and lowest in Northern Ireland where the comparable figure is 22 stations. Outside the London area, the majority of homes in the UK where DAB coverage is available receive between 30 and 50 services. Figure 4 summarises the geographic availability of services; Figure 5 gives the numbers of services on each local multiplex.

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



Source: Ofcom, July 2011

In addition to services on AM, FM and DAB, at least 83 radio stations were broadcasting on digital satellite (the number on the Sky EPG); 31 were available on Freeview and at least 29 on cable (the number carried by Virgin Media). Most of these are simulcasts of AM/FM/DAB services.

There are many radio services available over the internet, but as Ofcom has no role in licensing these services, it has no record of the number of services available. But as an example, the online aggregation service, Reciva Internet Radio, has a database of over 10,000 radio stations, of which over 1,000 are listed as UK services.

2011 saw the launch of Radioplayer, offering a single point of online access to BBC and commercial radio stations' simulcasts and podcasts, and currently carrying 275 stations. It allows users to search, switch between and save their favourite participating stations.

According to Radioplayer, early figures suggest that 5.7 million unique users accessed the service over a four-week period in May 2011. A total of 22.5 million listening sessions were launched.

Range of services

Since the 2010 *Digital Radio Report* there have been some changes to the available range of digital radio services. At the national level were the addition of three commercial services - Absolute 90s, Smooth and Jazz - and the rebranding of BBC Radio 7 to BBC Radio 4 Extra. In addition to these services on the national multiplexes, Kiss is now carried on every local DAB multiplex.

There are now 23 services available on the two national multiplexes, 13 from the BBC and ten on Digital One.

The BBC's five analogue UK networks (BBC Radios 1 to 5 Live) are complemented by an additional six on the national DAB network:

- BBC Radio 1Xtra
- BBC Five Live Sports Extra (not broadcasting full time)
- BBC 6 Music
- BBC Radio 4 Extra
- BBC Asian Network
- BBC World Service

The 13 national commercial services on DAB include simulcasts of the three national analogue services:

- Absolute Radio – Rock-orientated music
- Classic FM – Classical music
- TalkSport – Sports-related speech programming

There are also ten digital-only stations:

- Absolute 80s – music from the 1980s
- Absolute 90s – music from the 1990s (added since the last *Digital Radio Report*)
- Absolute Radio Extra – extended digital content including sport and comedy
- Amazing Radio – new music
- BFBS – Armed Forces radio
- Jazz FM – Jazz, Soul and Blues (added since the last *Digital Radio Report*)
- Planet Rock – classic rock music
- Premier Christian Radio – Christian speech and music
- Smooth Radio – easy listening (added since the last *Digital Radio Report*)
- UCB UK – Christian soft adult-contemporary music

In addition to these national services, most of the densely-populated parts of the UK are also served by two local/regional DAB multiplexes (three in London), each carrying around ten services. This means that in large cities such as Manchester, Birmingham, Liverpool and Glasgow, listeners have a choice of over 40 radio services on DAB. These include most of the large local and regional analogue stations, which also broadcast on DAB.

A number of analogue stations have significantly extended their coverage to new areas on DAB. These stations include Gold, Heart, Galaxy, Kerrang!, LBC 97.3, Magic, Smooth and Xfm.

Some stations are digital-only, covering significant areas of the country, and include: Heat, UCB Inspirational, UCB Gospel and Traffic Radio.

Others are digital-only services broadcasting in just one area, such as Yorkshire Radio, Fun Kids Radio and Asian FX.

Generally, community services tend not to be on DAB, but there are a couple of exceptions, such as Angel Radio in the south Hampshire area.

Eighty-three stations are available to subscribers of Sky's satellite television service. These include:

- the BBC's 11 national networks (also on UK-wide DAB)
- five of the BBC's nations' services for Scotland, Wales and Northern Ireland, and BBC Radio London (these are available on DAB in their own areas)
- the nine national commercial services which are currently available on DAB
- Fourteen London analogue stations (also available on DAB in London)
- Ten Asian services
- Thirteen Christian services
- Seven services from the Republic of Ireland
- Fifteen other digital-only services, some of which are also available in some areas on DAB

The stations available via Freeview are all also available on DAB. They include

- the BBC's 11 national networks (also on UK-wide DAB)
- the BBC's five nations' services for Scotland, Wales and Northern Ireland (only in their home nation)
- Two of the national analogue stations, TalkSport and Absolute Radio (but not Classic FM)
- Five London analogue stations (Heart, Kiss, Magic, Smooth, Premier)
- Digital stations Kerrang! (also on FM in the West Midlands), The Hits, Heat and Smash Hits

Section 3

Take-up of devices and platforms

Ownership of digital-radio enabled platforms

The government's Digital Radio Action Plan emphasises that a decision on digital radio switchover can only be made once two criteria have been fulfilled:

- 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 digital radio listening.

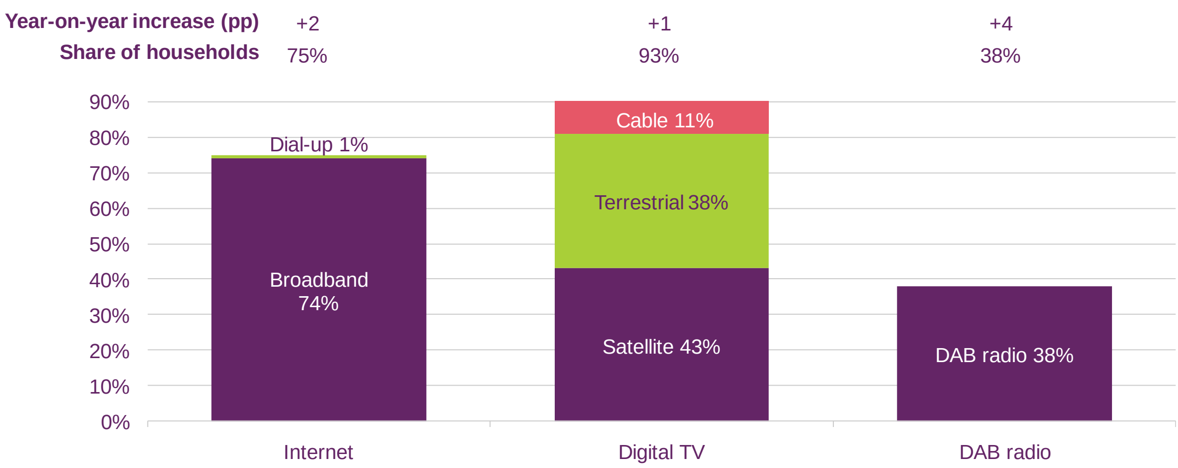
A high proportion of people in the UK have access to digital radio services in the home on at least one platform

Take-up of devices offering access to digital radio has risen in recent years. By Q1 2011, over nine in ten homes (93%) had access to digital television on their main TV set (up from 92% year on year), providing access to at least 29 radio services.

Seventy-five per cent had access to a broadband or dial-up internet connection at home (up from 73% in Q1 2010), thereby providing access to streamed digital radio services and to listen-again and downloadable radio content.

DAB digital radio ownership rose to over a third of adults (38.2%) by Q1 2011, up by just over five percentage points in the year (Figure 6).

Figure 6: Take-up of equipment capable of receiving digital radio, 2011



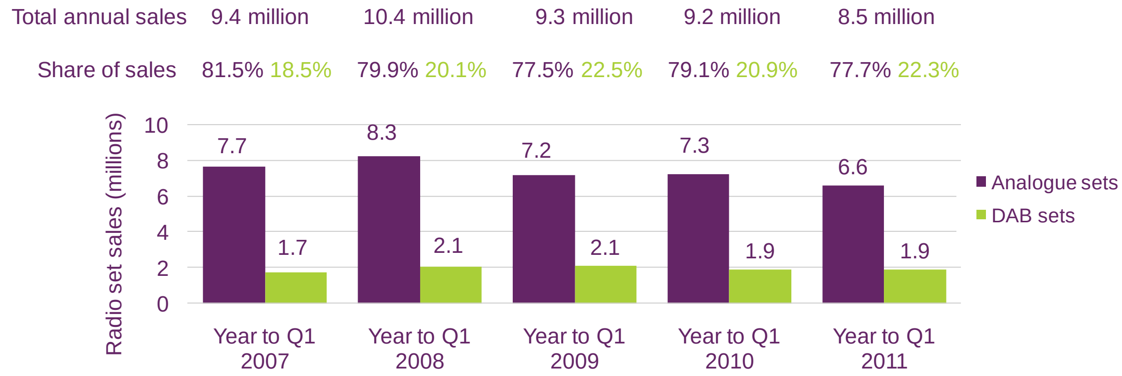
Source: Research from: Ofcom, GfK and RAJAR in Q1 2011

Radio set sales

Analogue sets accounted for four-fifths of all radios sold in 2010/11

In the year to Q1 2011, total radio set sales (analogue and digital) were down by 700,000 (8%) to 8.5 million; analogue sales stood at 6.6 million (down by 10% year on year). Device sales incorporating a DAB tuner made up 1.9 million of the total - over a fifth (22.3%) of the total, comparable to the figure for 2009 (see Figure 7).

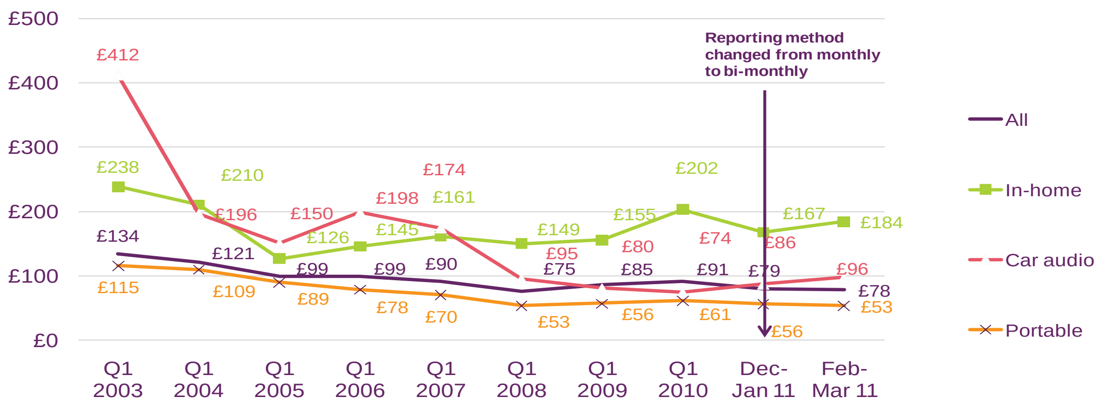
Figure 7: Number of analogue and digital radio sets sold



Source: GfK sales data, 2006-2011. Note: Figures cover GB only, GfK Panel. Market 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.

The average price paid across all categories of DAB set followed a downward trend between 2003 and 2008. After a price spike in Q1 2010, to £91, the average price fell during the last twelve months, to £78 in Feb/Mar 2011 (Figure 8). The portable category followed a similar pattern, with average prices up from £53 to £61 over the same period, falling back to £53 in Feb/Mar 2011. Likewise, the in-home category (including DAB sets incorporated as part of hi-fi units), saw average prices rise from £149 to £202 between 2008 and 2010, then falling back to £184. The average price paid for a car DAB digital radio set fell from almost £200 in 2006 to £96 by Feb/Mar 2011, partly as a result of the increased availability of in-car DAB radio converters.

Figure 8: Average price of DAB digital radio receivers sold



Source: GfK sales data 2003-2011

The radio set universe

We estimate that there are between 100 million and 113 million radio sets in the home and in cars/commercial vehicles, at the end of Q1 2011

Radio sets at home

Our 2010 report highlighted the two approaches that can be used to estimate the universe of radio sets – using either consumer research data or device sales figures.

Neither approach provides an exact figure. Consumer research is likely to underestimate the figure, as people may understate the number of radio-enabled devices in the home. Radio set sales can provide an indication of the size of the market, but purchases may add to the universe of sets or replace existing equipment, so a net ownership figure can be hard to arrive at.

There are three main categories of device in the home which have radio as a primary or key function:

- portable sets;
- hi-fi equipment; and
- clock radios.

Other media devices also provide access to radio services. These include mobile phones/smartphones, MP3 players, DTV decoders, PCs and other digital devices with a WIFI connection. As people are not always be aware of the type of radio tuner included in these devices, or may not regularly use them for radio listening, consumer research may offer a less reliable indicator of the total set universe for each. These devices have, therefore, not been included in the calculations set out in the table below.

Across the three main types of radio sets in the home (portables, hi-fis and clock radios only), our consumer research from 2010 suggested that there were at least 70 million working radio devices in UK homes. From sales data, the number of home radio sets sold over the ten years to the end of Q1 2010 stood at 66 million. Taken together, the set universe at the end of Q1 2010 was estimated to be 66 – 70 million.

In the twelve months to the end of Q1 2011, a further 6.6 million analogue radio devices have been sold, along with 1.9 million DAB sets. There is no evidence to indicate whether these devices are replacements for existing radio sets, or whether they have added to the set universe. As a result, the range for the estimated lower-bound number for radio sets in the home has been extended to 66 – 79 million. And the universe of radio sets in the home will exceed this range, since there will be sets over ten years old that are still being used.

Car radios

In addition, based on transport statistics, there are a further 34 million radio sets installed in cars and commercial vehicles (on the assumption that most vehicles have a radio set). In 2010 we estimated that less than 1% of vehicles were fitted with a DAB radio. Based on CAP data, 12.1% of new cars registered in June 2011 were fitted with digital radio as standard (down from 14.0% in May 2011); this was up from 4.0% of new cars registered in June 2010.

We have concluded that take-up of DAB tuners among vehicles stands at a little over 1% of the total universe, but this figure is the subject of some uncertainty.

The total set universe

Taken together, we estimate the total radio set universe, including in-home sets and car radios, stands at over 100 million devices.

Figure 9: The radio set universe and frequency of listening

	Sets in the market (millions) – lower bound estimate[3]	Estimated proportion used at least weekly (%)[4]	Estimated proportion that are digital (%)[5]
In home radios[1]	66m – 79m	73%	15% - 18%
Vehicle radios[2]	34m	92%	1%
Total	**100m – 113m**	**83%**	**11%-12%**

Source: Ofcom research on home radio ownership and vehicle figures from the Department of Transport
Note 1: In-home radios includes hi-fis, portable radios and alarm clock radios.
Note 2: data on the number of vehicles on UK roads, as reported by the Department of Transport in December 2009
Note 3: Due to the complexity of estimating the radio set universe, we have included a range of figures based on consumer research conducted in November 2008 and GfK retail sales data for 2000-2011.
Note 4: Frequency of listening figures from Ofcom consumer research May 2010
Base: 1075 UK adults
(Q1) How many working (insert type of device) do you have in your household?
(Q4ii to Q6i): How often do you or someone in your household listen to (type of device)?
Note 5: Proportion of radios including a DAB digital radio tuner draws on GfK sales data, March 2011 (12.1m devices).

Based on further consumer research conducted in 2008 (which has not been repeated), additional radio devices in the market could add a further 34 million devices to the figures in the table above. These include portable devices such as mobile phones, and MP3s and personal music players, (noting, as above, the possibility that consumer research may be less effective at identifying these device types).

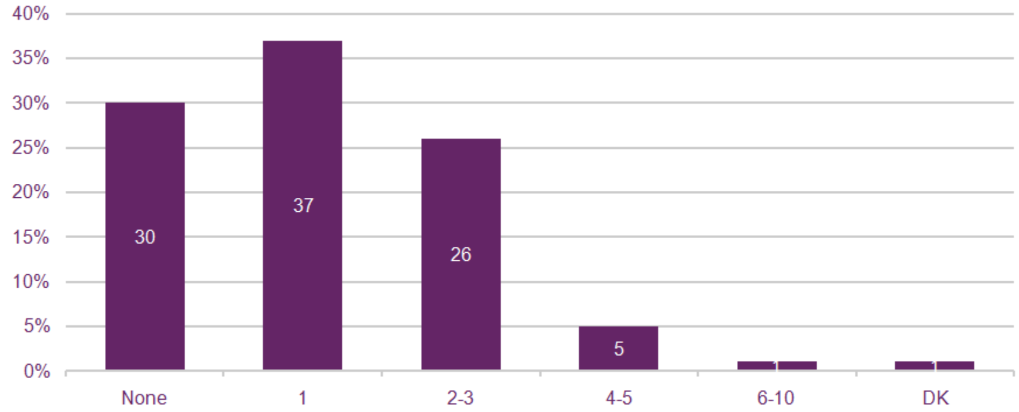
On average, 1.9 radio sets per household are used 'most weeks'

The preceding analysis estimates the size of the radio set universe without reference to regularity of use. To address this, Figure 10 sets out the results of the consumer research that examined the number of sets at home which consumers typically use 'most weeks'.

This was the approach we took to attain a better understanding of how many regularly-used radio sets there were in the typical UK home. It suggests that among those who claim to listen to radio at home (70% of respondents in our survey), 97% listen to three or fewer radio sets in 'most weeks'. This equates to an average of 1.9 sets per home that has at least one radio – suggesting that 33 million sets in UK homes are being used in most weeks.

Figure 10: The number of radio sets that consumers listen to in 'most weeks'

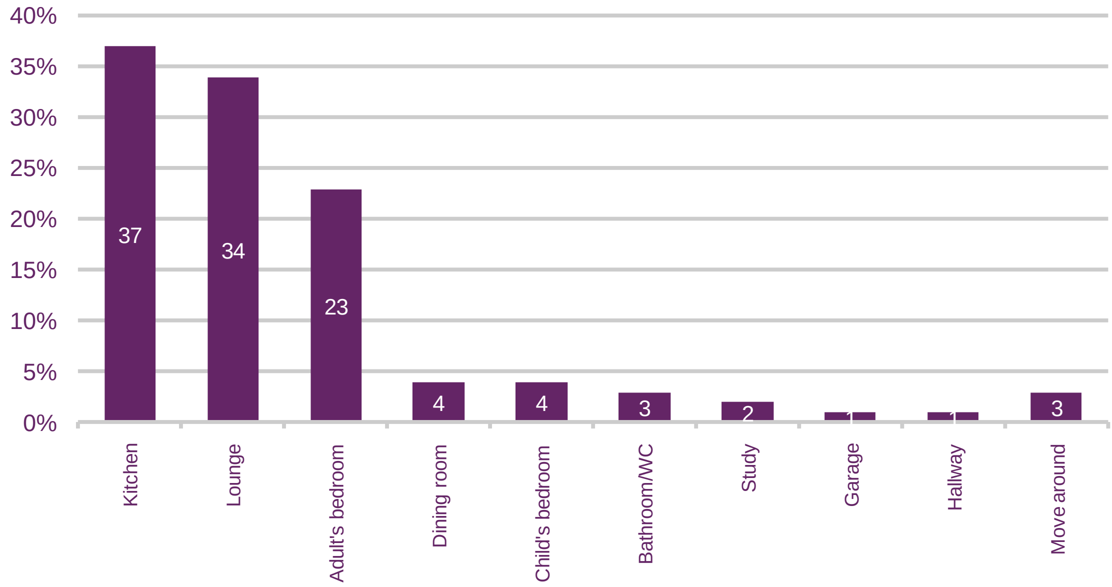
Proportion of respondents (%)



QP5. In total, how many radio sets do you have in your home that you, or someone in your household listens to in most weeks?
Source: Ofcom research, Q1 2011
Base: All respondents, n=2281

These regularly-used sets were predominately found in kitchens, lounges and bedrooms, as set out in Figure 11 below. These three locations accounted for 94% of all sets used in 'most weeks'.

Figure 11: The location of sets that are used in 'most weeks'



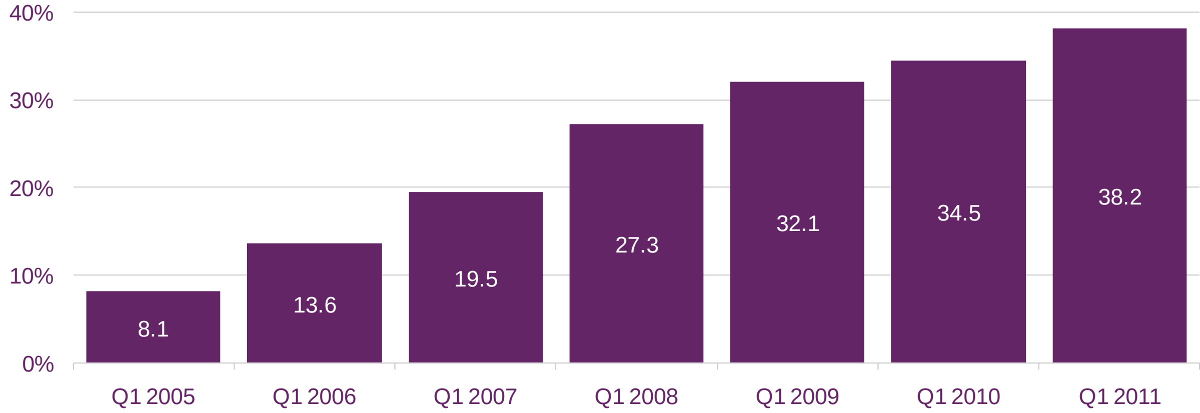
Q4. In which rooms at home do you have an active radio set?'
Source: Ofcom Technology Tracker, Wave 1 2011
Base: All respondents, n=2281

Homes with access to DAB digital radio

More than one-third (38.2%) of adults have access to DAB radio at home

RAJAR estimates that over a third of UK households (38.2%) owned a DAB radio set by March 2011 (Figure 12); this figure was up by 3.7 percentage points year on year and by 30.1 pp over a six-year period.

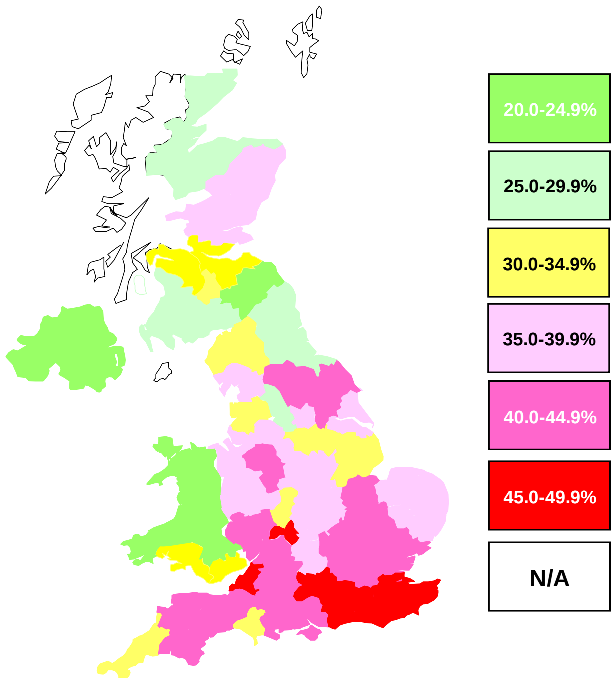
Figure 12: Proportion of individuals claiming access to DAB in the home



Source: RAJAR/ Ipsos MORI / RSMB.

DAB set take-up shows a varied picture across the UK; it was highest in south-east England: Reading and Basingstoke (47%), Sussex and Surrey (46.5%) and Kent (45.9%). Set ownership was lowest in the Scottish Borders at 21.6%, Northern Ireland (22.7%) and north and west Wales (25.9%), where the choice of stations is also lowest (Figure13).

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



Source: RAJAR, Q1 2011

Section 4

Listening to radio through digital platforms

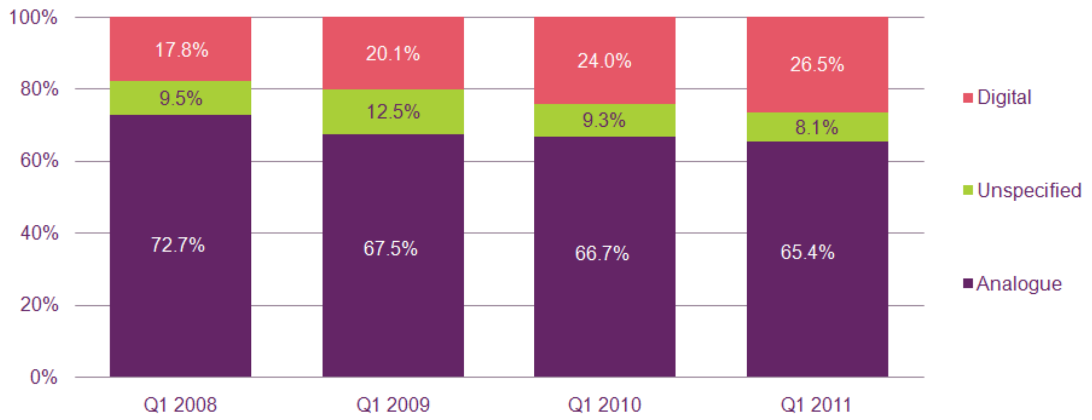
Consumption of radio services via digital platforms

Digital radio listening share stood at 26.5% over the twelve months to Q1 2011

Listening to services on digital radio platforms (DAB, radio via digital TV, and over the internet) accounted for a quarter of all radio hours in the twelve months to Q1 2011 (26.2%) (Figure 14). In the last three years, digital radio's share of all listening rose by 8.7 percentage points (pp) from 17.8% in Q1 2008. At the same time, analogue radio listening fell by 7.3 percentage points to 65.4% and the proportion of radio listening that was unspecified fell by 1.4 percentage points to 8.1%.

Figure 14: Distribution of listening hours across analogue and digital platforms

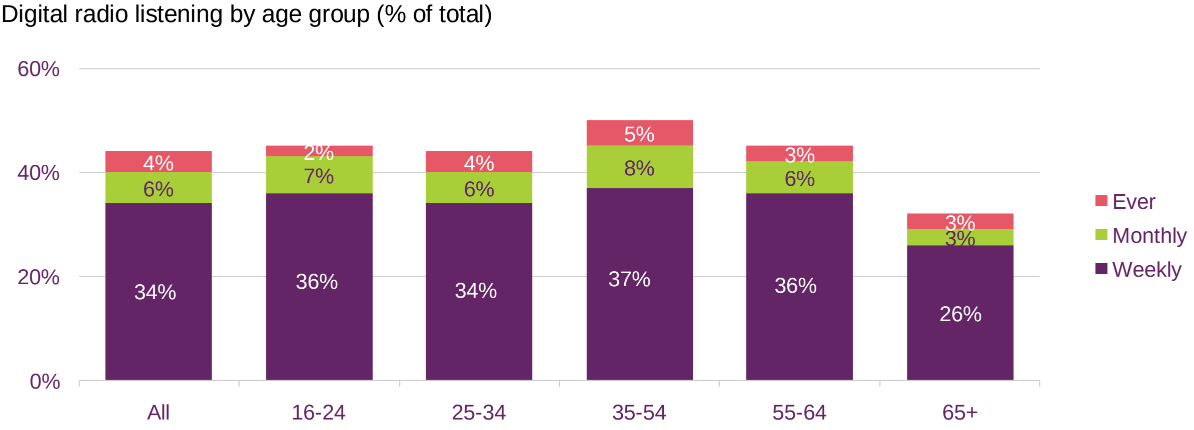
Radio listening share by digital and analogue listening, twelve months to the end of each period



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

From the perspective of frequency of listening, (based on Ofcom's own consumer research), 34% of the UK population claimed in Q1 2011 to have listened to a digital radio service on a weekly basis (this compares to a figure of 47% from Rajar for those listening to radio for five consecutive minutes in a typical week). A further 6% claimed to have done so monthly, and 4% less frequently than that. By age, the proportion listening to digital radio on a weekly basis was largely similar across groups, although there was a lower propensity of listening to digital radio among those aged over 65 (26% on a weekly basis; a further 3% monthly; and another 3% less often than monthly).

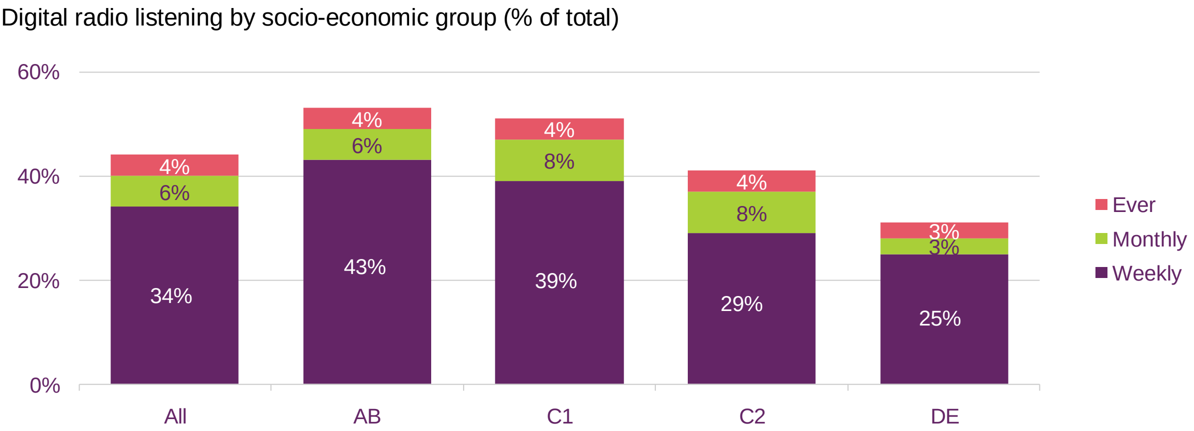
Figure 15: Proportion of people, by age, who have ever listened to radio through a digital platform, Q1 2011



Source: Ofcom research, Q1 2011
Base: All who listen to the radio (n=7017)
Q: Whether ever use digital radio

By socio-economic group, 43% of those in the AB category claimed to have listened through a digital radio platform on a weekly basis in Q1 2011; those in the DE group were least likely to listen weekly to radio on a digital device (25%). The propensity to listen weekly fell progressively between these demographic groups (see Figure 16).

Figure 16: Those who listen to digital radio at least weekly



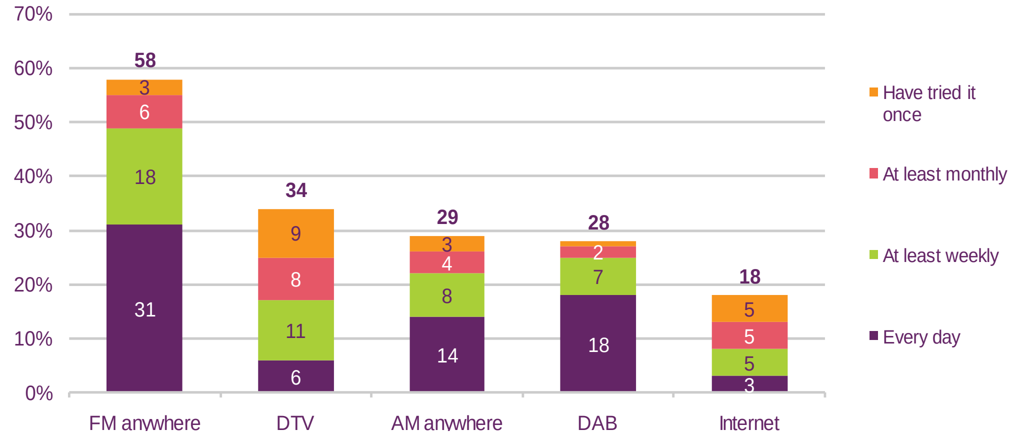
Source: Ofcom research, Q1 2011
Base: All who listen to the radio (n=7017)
Q: Whether use digit\al radio at least weekly

By platform, a quarter (25%) of individuals claim to listen to radio through DTV on at least a monthly basis; 27% make the same claim about DAB

By digital platform, equal numbers of consumers claimed in Q1 2011 to listen to radio services through a DTV or DAB platform (25% and 27% respectively). However, the distribution of listening frequency varied between the two. Daily listening through a DTV platform was popular among 6% of consumers; for DAB it stood at 18%. Thirteen per cent (13%) of consumers claimed to have used the internet to listen to radio on a monthly basis, with 3% claiming to do so on a daily basis.

Figure 17: Those who listen to digital radio at least weekly

Proportion of all respondents (%)



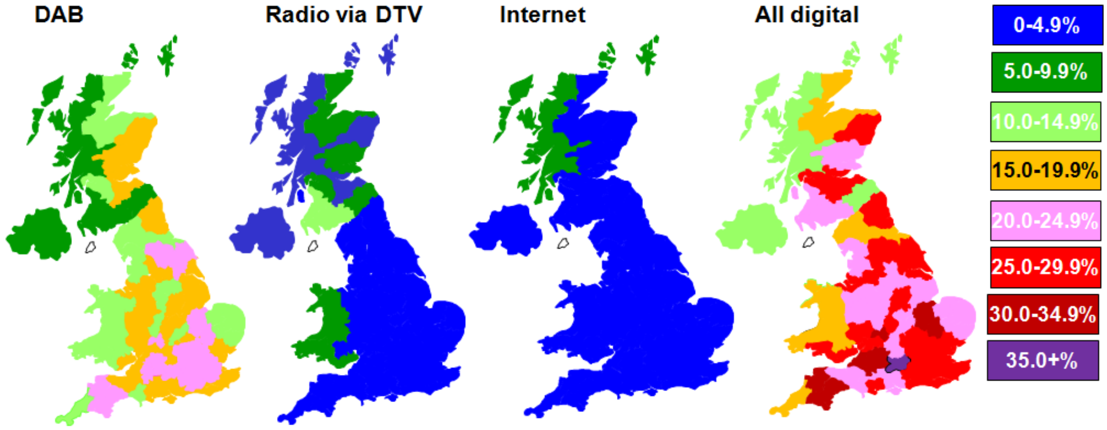
Q4. How often, if at all, do you access the radio via…
Source: Ofcom research, Q1 2011
Base: Adults aged 16+ who listen to radio n = 2811 UK, 357 Scotland, 1629 England, 397 Wales, 428 Northern Ireland
Note: Remaining percentages are don't know responses.

Figure 18 sets out the proportion of listener hours attributable to each digital platform during Q1 2011 for each area of the UK. Listening via any digital platform remains highest in Berkshire and North Hampshire (over 35% of all listening hours), followed by Cambridge, Bristol, Wiltshire and Devon, where digital's share of all radio listening exceeded 30%.

DAB digital radio's share of all radio listening hours was highest (at 20.0% - 24.9%) in the areas along the M4 corridor, much of the South East, and in Cambridgeshire, Devon and Yorkshire. Listening through DAB was lowest in West and South West Scotland and in Northern Ireland, at less than 5% of listening.

In the majority of areas in the UK, radio listening via the internet and DTV stood at 0%-4.9% of all listener hours in Q1 2011. The exceptions were parts of Scotland, where DTV radio listening peaked at 10.3%. Similarly, parts of Wales accounted for more than a 7.0% share of listening.

Figure 18: Share of digital listening, by platform and area



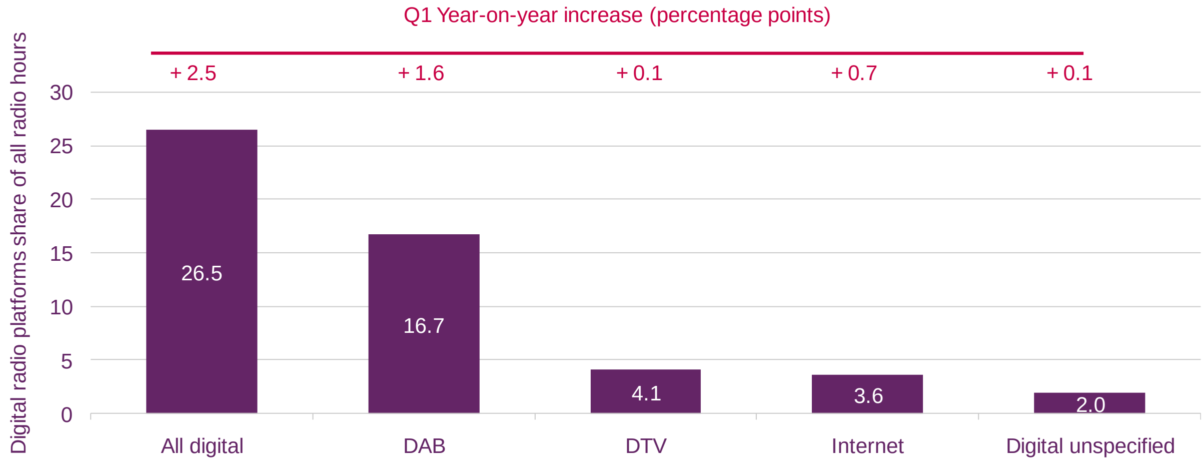
Source: RAJAR / Octagon, Q1 2011

DAB accounts for the largest proportion of all digital listening

Of the 26.5% of all listener hours that were delivered via a digital platform, listening to DAB digital radios contributed 16.7 percentage points (63%) of the total, followed by DTV with 4.1 percentage points (15% of the total) (Figure 20); listening through the internet accounted for a further 3.6 percentage points (14%). Of the 2.5 percentage points increase in digital listening share over the past 12 months, DAB digital radio accounted for 64%.

Figure 19: Digital radio's share of total radio audience, Q1 2011

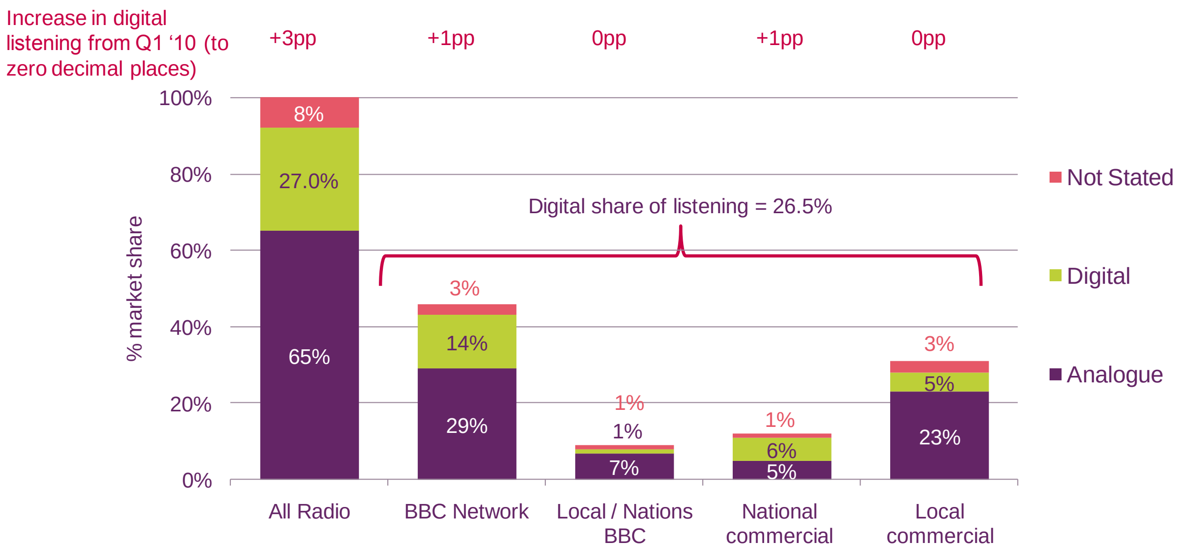
Year-on-year increase (percentage points)



Source: RAJAR , all adults (15+), Q1 2011
Note: 'Digital unspecified' relates to listening to digital-only stations, where the survey respondent has not specified the listening platform used.

Of the 26.5% digital listening share, more than half (14 percentage points of the 25%) was to BBC network services, and most of this share was accounted for by simulcasts of the BBC's analogue network services. A further six percentage points were to national commercial services and five to local commercial; BBC nations' and regions' stations made up the remaining one percentage point (Figure 20).

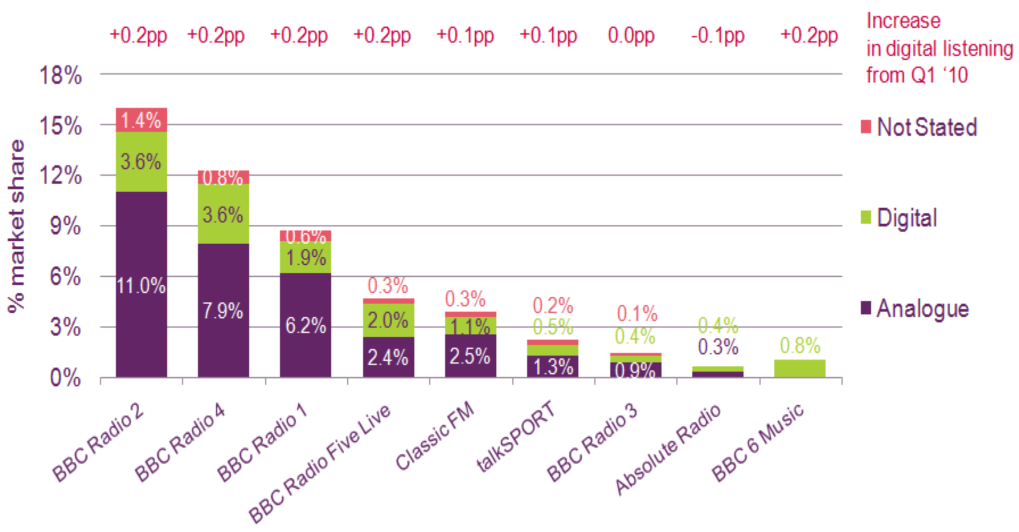
Figure 20: Distribution of listener hours, by service provider, between analogue and digital platforms, year ending Q1 2011



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

Figure 21 highlights the contribution that analogue simulcast services make to the digital listening figures. Over forty per cent (43% or 11.3 percentage points out of 26.5%) of all digital listener hours were accounted for by the UK's top five most popular radio stations – BBC Radio 2, Radio 4, Radio 1, Radio Five Live and Classic FM. Four of those five services are from the BBC, with Classic FM also the most-listened to commercial station on digital radio.

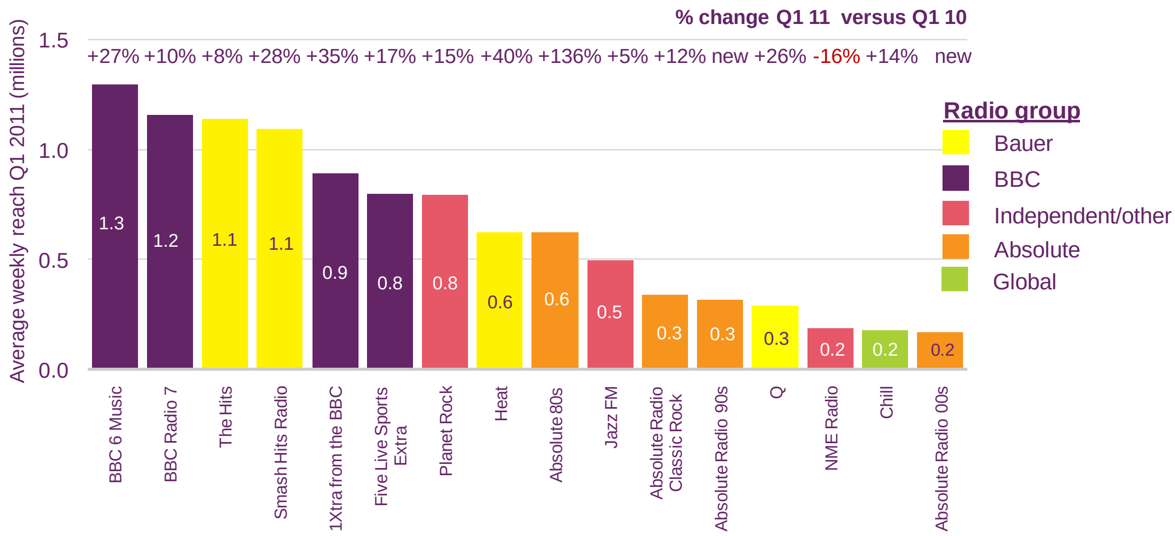
Figure 21: Distribution of listener hours, by service, between analogue and digital platforms, Q1 2011



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

Among the digital-only radio stations, four services generated a weekly reach of at least 1 million listeners in Q1 2011 – BBC 6 Music, BBC Radio7/4 Extra, The Hits and Smash Hits Radio. The weekly reach of a number of digital-only stations' rose substantially during the year – notably Absolute 80s (up by 136% from a small base), Heat (up by 40%) and 1Xtra (up by 35% year on year). BBC 6Music's reach rose by 27% to 1.3 million, to become the most popular digital-only radio station.

Figure 22: Most listened-to digital-only stations, Q1 2011



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

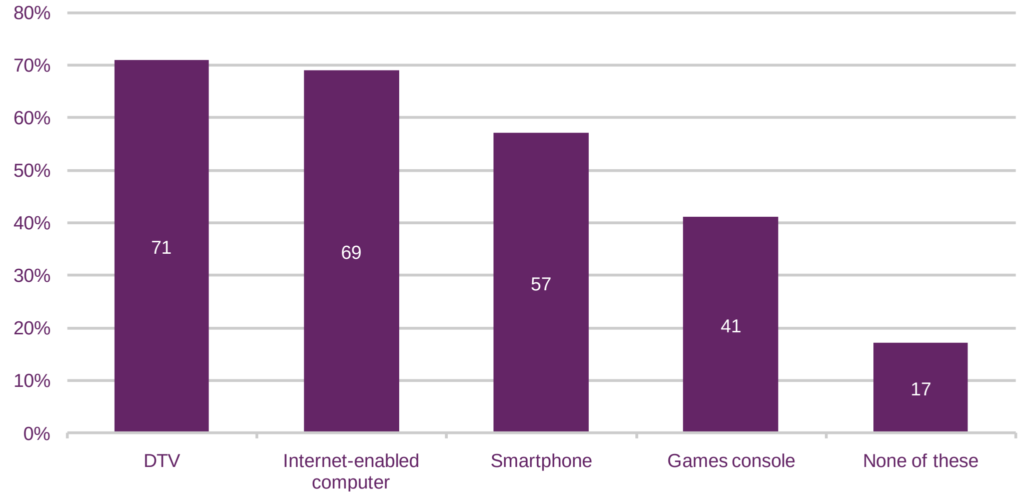
Section 5

Consumer awareness of and attitudes towards digital radio

Seven in ten individuals are aware that they can listen to radio through a digital television or through an internet-enabled computer

Awareness of the digital-radio-carrying capabilities of digital devices varies. Seven in ten individuals in Q1 2011 (71%) were aware that their DTV platform is capable of carrying radio services, even though 93% of main sets are now connected to a DTV platform. Nearly seven in ten (69%) were aware than an internet-enabled computer could do the same (75% of homes have the internet at home). Nearly six in ten knew that a smartphone could carry digital radio services, and 41% knew that the same was true of games consoles.

Figure 23: Awareness of devices capable of receiving digital radio services

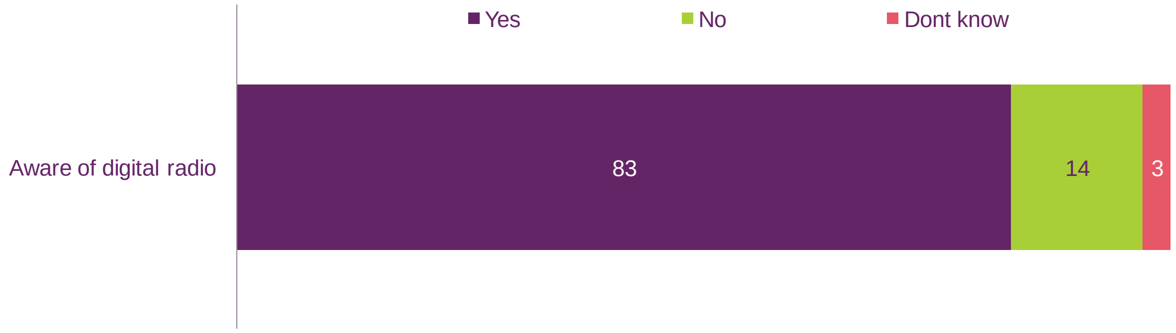


Q. Before today, were you aware that you can listen to radio programmes as they are broadcast in these ways?
Source: Ofcom Technology Tracker, Wave 1 2011
Base: All respondents, n=2281
Awareness of the digital radio stood at 83% in Q1 2011

83% of individuals have heard of digital radios

Last year, we reported that 66% of respondents had heard of the single term 'DAB'; this year, we broadened out our question (reflecting the remit of this report), asking respondents if they had heard of 'digital radios, sometimes called DAB radios'. Eighty-three per cent of respondents said that they had heard of Digital Radio.

Figure 24: Awareness of digital radios, sometimes called 'DAB digital radio': Q1 2011



Source: Ofcom Technology Tracker, Wave 1 2011
Base: All adults
Q3. Before today, had you heard of digital radios, sometimes called D-A-B radios? Digital radios are sometimes called D-A-B radios and may have ones of these logos (SHOWCARD). They can receive more radio stations and have a clear signal with no interference. It doesn't simply refer to a radio with a digital display panel.

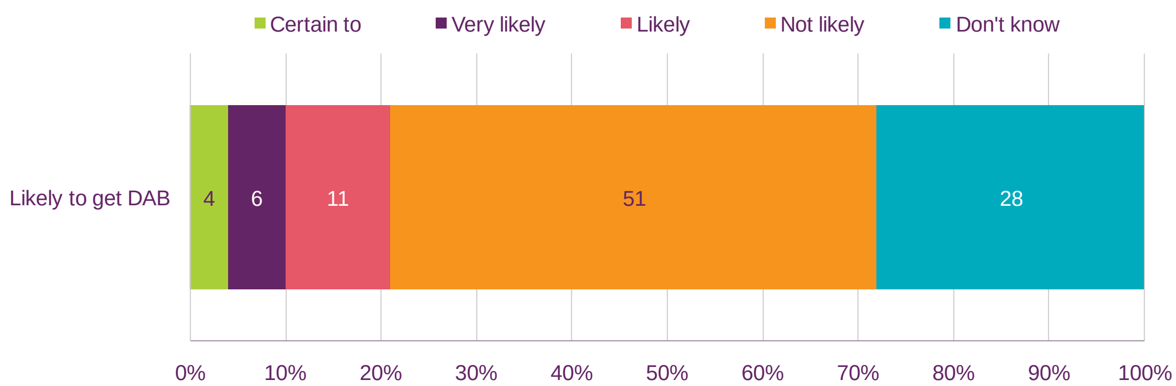
A fifth (21%) of those without DAB claim they will acquire the technology in the next year

In 2010, we reported that 17% of individuals without DAB would acquire the technology in the next 12 months. Individuals with DAB at home subsequently rose by 3.7 percentage points from 34.5% in Q1 2010 to 38.2% in the twelve months to Q1 2011.

This year, around 21% of radio listeners with an active radio but without a DAB set said that they were 'likely', 'very likely' or 'certain' to buy a DAB set within the next 12 months (up by four percentage points on 2010). It should be noted that stated intentions measured via research are rarely achieved in practice and actual take-up is likely to be lower than this.

Figure 25: Likelihood of purchasing a DAB set, Q1 2011

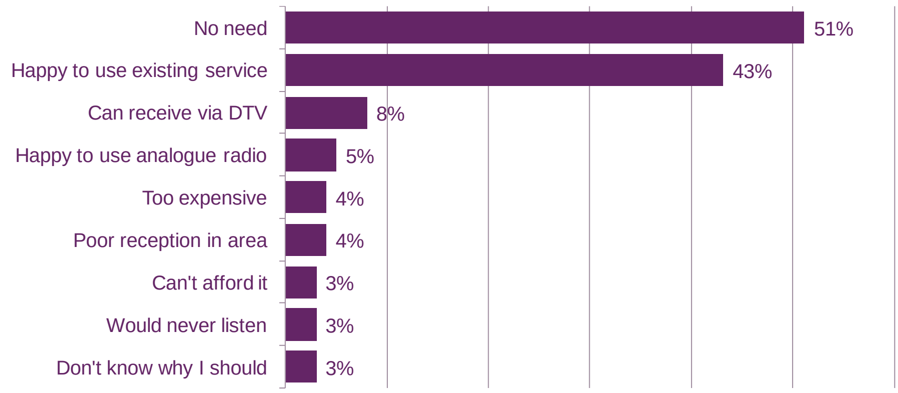
Percentage of respondents who listen to the radio but have no DAB set in the home (%)



Source: Ofcom research, Q1 2011
Base: Those who listen to the radio 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?

Of the 51% of respondents who said they were unlikely to buy a DAB set, the most frequent reason was that they felt that they 'had no need for the service' (51%). This was followed by being 'satisfied with existing services' (43%). Four per cent cited poor reception in their area, while a combined 7% thought it was either too expensive, or felt they personally couldn't afford a set (Figure 26).

Figure 26: Reasons for not acquiring a DAB digital radio set, Q1 2011



Source: Ofcom research, Q1 2011
Base: Those unlikely to get a DAB radio in the next 12 months
Q: Why are you unlikely to get a DAB radio in the next 12 months