The Communications Market: Digital Radio Report

Ofcom's fifth annual digital progress report

Research Document

Publication date: 25 September 2014

About this document

This annual report covers availability, take-up, listening patterns and attitudes towards digital radio. This is Ofcom's fifth Digital Radio Report following a request by the Government in 2010 for an annual update 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 for industry, stakeholders and consumers.

Contents

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 was 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 a decision on whether to set a date for digital radio switchover would be considered 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.

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.

This is Ofcom's fifth Digital Radio Report and 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 of, and awareness towards, 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.

1.2 Key points

Availability

Digital radio services are available through a number of platforms – DAB, digital TV and internet - but coverage varies. On DAB, there are three types of multiplex, each of which provides a range of services: BBC national, commercial national and local multiplexes. The BBC national DAB multiplex covers 95% of households, while the national commercial digital multiplex reaches 90%. Services on local digital multiplexes are estimated to reach 73% of homes. Digital television services which also carry digital radio services can be received by 99% of households, while digital radio via broadband internet is available to almost all, and taken up by 78%.

The number of local DAB digital radio services available varies across the UK. In total there are 198 radio stations broadcasting on DAB. The highest availability is in London, where there are 60 services. This compares with areas such as Suffolk or Lincolnshire, where listeners receive the lowest number of stations (25).

Take-up

Almost half of UK adults (48.5%) claim to own a DAB digital radio set. Take-up of DAB sets varies across the UK with the highest ownership in Cambridgeshire/Peterborough (58.1%) and the lowest in Northern Ireland (26.7%).

Compared to Q2 2013, sales of DAB digital radio sets were down by 9.1%, with 1.7 million being sold in the year to Q2 2014. Total radio sales were down by 11.3% over the same period. DAB sales continue to represent around a third of all radio set sales.

More than half of new cars (54.8%) are now fitted with DAB as standard. This is an increase of 16.5 percentage points year on year in newly UK-registered cars that have a DAB digital radio as standard.

Digital listening

While in previous years there has been consecutive quarterly growth in digital radio's share of total listening hours, quarterly figures from RAJAR show that between Q2 2013 and Q2 2014 it has remained broadly stable. However, over the full 12 months to June 2014, digital listening (including DAB, DTV and online) accounted for a 36.3% share of all radio listening hours. This is an increase of 2.4 percentage points on the previous 12-month period, and an increase of 10.4 percentage points since 2011.

Two-thirds of digital listening is through a DAB set. In the 12 months to June 2014 the most widely-used method of listening to digital radio was via a DAB set (65.3% of digital listening), while 16.3% of digital listening was online or via apps. Digital TV accounted for 13.8%.

BBC stations accounted for over half of digital listening (55.6%); of which simulcasts of analogue BBC radio services contributed the most.

Five digital-only radio stations had an average weekly reach of greater than one million listeners in the year to June 2014. BBC 6 Music is the most popular digital-only service, with an average of 1.86 million listeners, followed by BBC Radio 4 Extra with 1.65 million listeners. Absolute 80s was the most popular commercial digital-only station, with an average weekly reach of 1.17 million listeners.

Radio listeners in the AB socio-economic group are most likely to listen via digital radio. Figures from RAJAR show that 62.1% of this group listen to digital radio on a weekly basis, compared to 54.8% for those in C1 households, 47.8% for those in C2 households and 39.4% for those in DE socio-economic groups. Among different age groups, digital listening was highest for those aged 16-24, with 58.6% of radio listeners in this group listening to digital radio at least weekly.

Consumer awareness and attitudes

Eighty-six per cent of UK adults claim to have heard of digital radio in Q2 2014. Awareness was highest among those in AB households (92%), males (91%) and adults aged 35-54 (91%).

Seventy-four percent of DAB set owners associate digital radio with having a clear and high quality sound. Seven in ten (70%) said that they had experienced a wider choice of stations available on digital radio.

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;
- 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 – which will be up to +/- 2 percentage points. Note that this report supersedes its predecessor.

Section 2

Availability of digital radio services

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

The Government has stated that a decision on whether to set a date for digital radio switchover would be considered 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 the availability of digital radio 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 on a DAB digital radio, digital television, 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, and therefore does not require an additional investment in equipment 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 content originating from outside the UK, 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 therefore data limits on some contracts can impede significant consumption of radio on these devices.

2.2 Coverage of digital platforms

Internet access

Broadband internet access is available via ADSL to almost all UK homes (over 99.9%), while 3G services are available to 99.5% of UK homes, and 4G services to 73%. The coverage of 4G services is expected to reach 98% of the population by the end of 2014[1].

Digital television

Digital satellite television is available to 98% of households; **digital cable** to 44% of homes and **digital terrestrial television** to 99% of households, according to latest estimates[2].

1 3G and 4G coverage is defined as outdoor coverage from at least one operator and indoor coverage is likely to be a little lower.

DAB coverage

Estimated DAB coverage for the UK is shown in Figure 1. The launch of additional local commercial multiplexes has increased the proportion of households and roads that are served by local commercial DAB radio. Year-on-year, household coverage has increased by 1.4 percentage points to 73.1%, and on main roads there has been an increase of 1.7 percentage points to 58.1% coverage from local multiplexes.

Figure 1: Estimated DAB coverage

Existing DAB coverage	Aggregate of local multiplexes	BBC national[1]	Commercial national (Digital One)
Households	73.1%	94.7%	89.5%
Roads	58.1%	84.2%	75.7%

Source: Ofcom, Arqiva, BBC, May 2014
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 poor quality) with 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, August 2014
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

In total there are 560 analogue radio services available across the UK, made up of 99 services broadcasting on AM and 496 broadcasting on FM. 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 are currently only a very small number of community stations broadcasting on DAB.

[2] Ofcom's Communications Market Report 2014 provides more information on internet and digital television availability

Figure 3: Number of UK radio stations broadcasting on analogue, August 2014

Type of station	AM	FM	AM/FM total
Local commercial	54	237	291
UK-wide commercial	2	1	3
BBC UK-wide networks	1	4	5
BBC local and nations	35	46	46
Community radio	7	208	215
TOTAL	**99**	**496**	**560**

Source: Ofcom, August 2014. 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.

In total there are 198 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, 50 of which are solely on DAB, and three broadcast to different geographical regions while broadcasting on analogue in another smaller area.

Figure 4: Number of UK radio stations broadcasting on DAB: August 2014

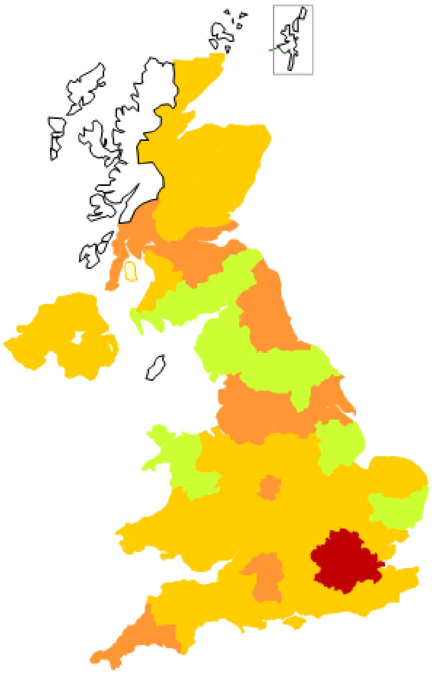
Type of station	Relation to analogue area	Number of stations
Local commercial	DAB in analogue area	131
	DAB extends analogue area	3
	DAB only	50
UK-wide commercial		14
BBC UK-wide networks		11
BBC local and nations		39
TOTAL		**198**

Source: Ofcom, August 2014

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 60 services. This compares to areas such as Suffolk and Lincolnshire where listeners receive the lowest number of stations (25). The majority of homes outside London are able to receive between 26 and 35 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, September 2014.
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

Digital television

There are over 70 radio stations broadcasting on digital satellite (available on the Sky EPG); 26 are available on Freeview, and 35 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 an app), totalled over 100,000 internationally accessible stations in September 2014. Radioplayer, a partnership set up between the BBC and UK commercial radio currently carries 392 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

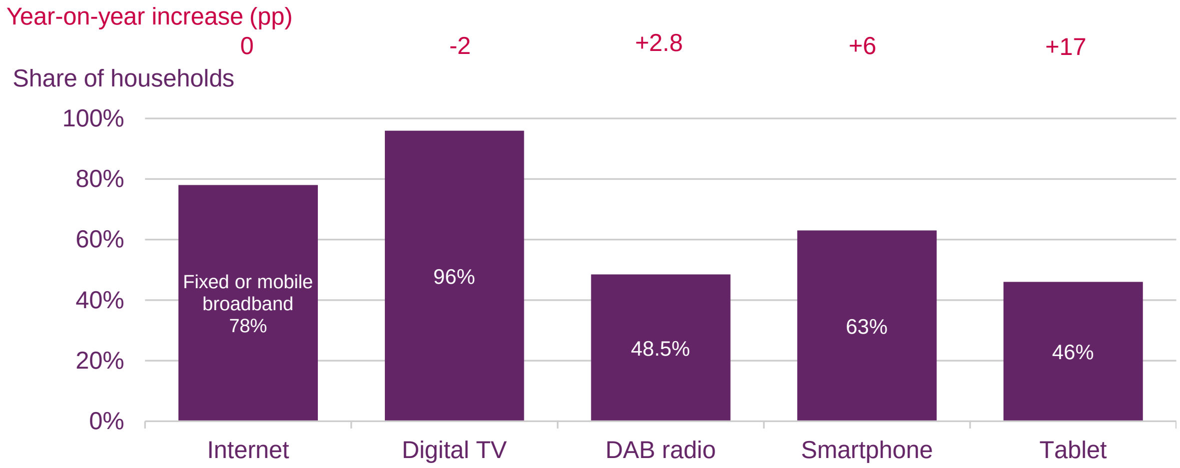
Nearly all households are able to receive digital radio services

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 digital television (96%), while 78% can access streamed radio as well as downloadable and on-demand content through their home broadband connection.

RAJAR data indicates that nearly half of UK adults (48.5%) have a DAB set in their home, an increase of 2.8 percentage points on the previous year.

Smartphone and tablet ownership had risen to 63% and 46% respectively by July 2014, allowing digital listening predominantly through the internet or on apps. Streaming in this way through WiFi or cellular networks can 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: 2014



Source: Ofcom Technology Tracker, RAJAR Q2 2014

3.2 Radio set sales

The number of DAB digital radios sold has declined in the 12 months to Q2 2014, but remains at around a third of all radio set sales

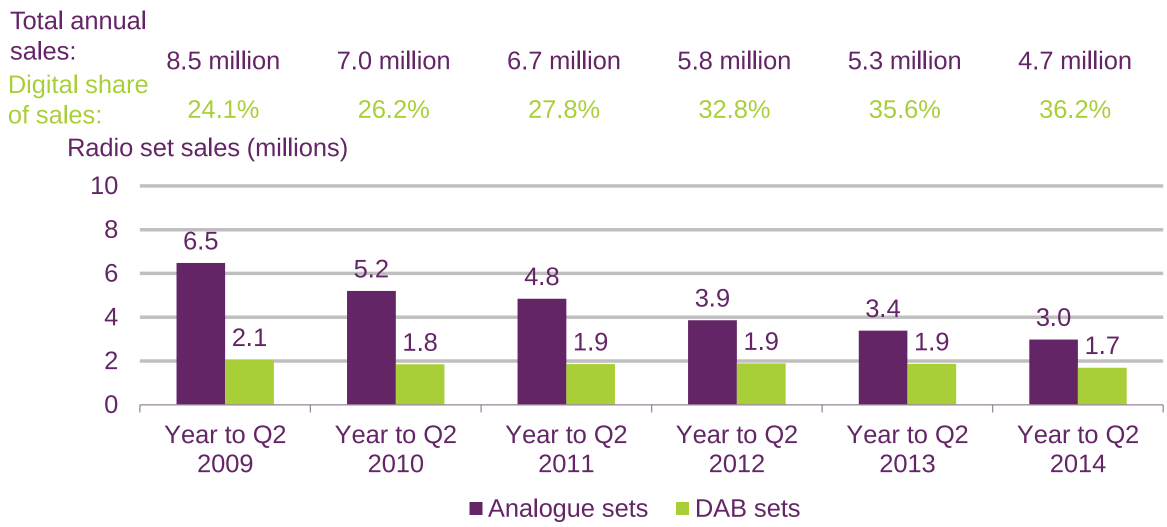
In the 12 months to Q2 2014, total radio set sales have fallen by 11.3% to 4.7 million. Of these, 36.2% are sales of digital radios, relatively stable on the 35.6% share a year previously. Since 2010 the share of radio set sales made up by DAB-enabled sets has risen by 10 percentage points

In absolute terms the number of DAB sets sold has fallen by 9.1% year on year, to just under 1.7 million. Sales of analogue radios have continued to decline each year. Three million analogue radio sets were sold in the past year.

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

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 Q2, 2009-2014



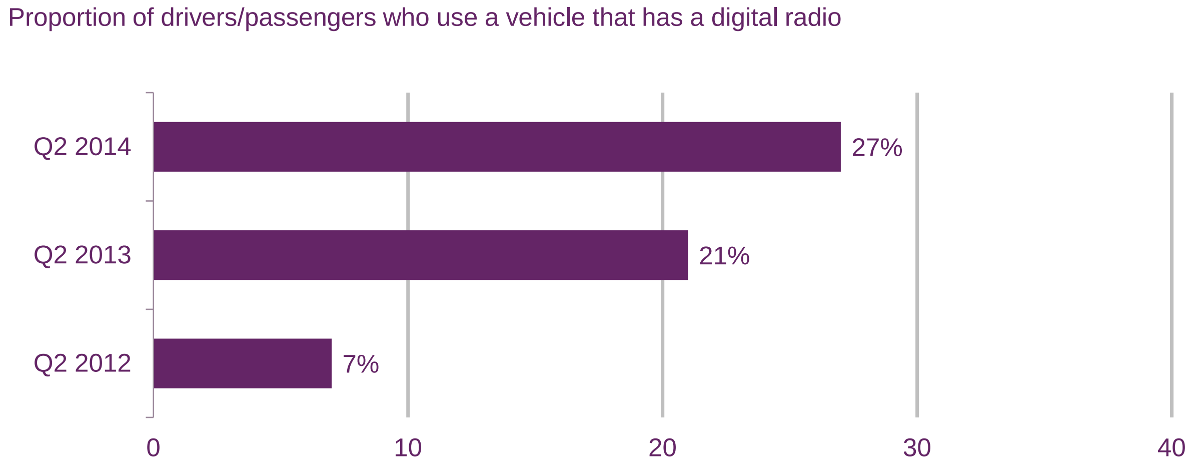
Source: GfK sales data, 2009-2014.
Note: Figures cover GB only, GfK Panelmarket data represents over 90% of the market. Categories of device included are; portable radios, personal media players, car audio systems, home audio systems, clock radios, radio recorders, headphone stereos, tuners and receivers.

3.3 Radio sets in cars

Digital radio in cars is on the increase

Ofcom research found that among drivers and passengers who use at least one motor vehicle that has a radio per week, more than a quarter of these (27%) had travelled in a vehicle with a digital radio. This is an increase of six percentage points on Q2 2013, and 20 percentage points on Q2 2012, when just 7% of respondents claimed that the radio in the car they used was digital.

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

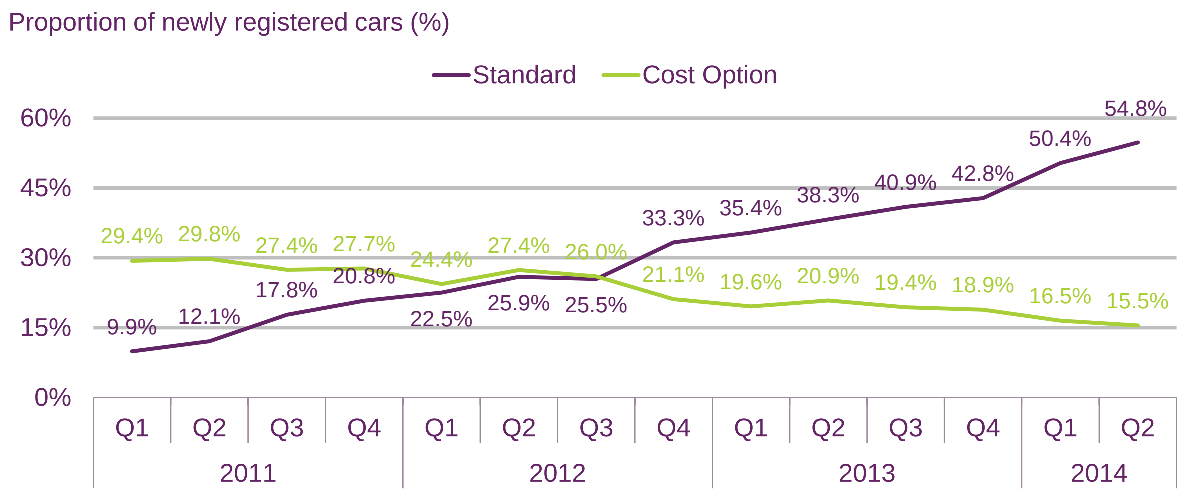


QP12/13. Is the radio in this vehicle a digital radio?/ How many of the radios in those vehicles are digital radios?
Source: Ofcom research, Q2 2012 (n=1756), Q2 2013 (n=1709), Q2 2014 (n=1769)
Base: Those who use at least one motor vehicle with a radio in most weeks (as a driver or passenger)

More than half 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 digital radio installed as standard has risen to more than half (54.8%) in Q2 2014. This is a year-on-year increase of 16.5 percentage points, whereas there has been a steady decline to 15.5% in new cars which have DAB only as an additional cost option in Q2 2014.

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



Source: CAP/SMMT

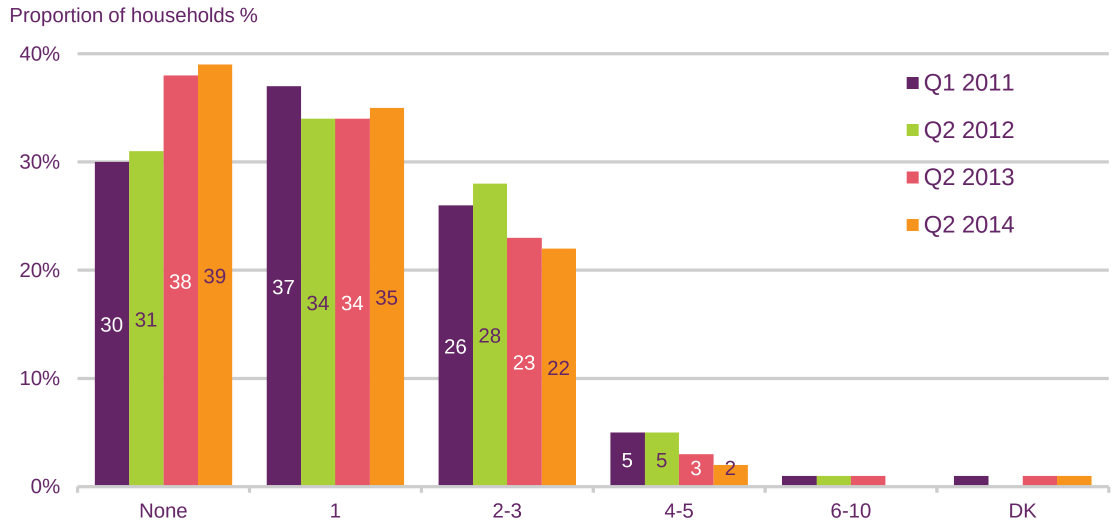
3.4 Radio sets at home

Four in ten claim to have no radio sets in the home that are ‘active’

Figure 10 sets out the results of consumer research that examined the number of sets at home which consumers typically use ‘most weeks’. Throughout the UK on average, there is an estimated one radio set per home that is used most weeks (this does not include car radios, or radio listening through computers, TVs or phones). This compares to an average of 1.3 sets per home recorded in 2012, and 1.1 in 2013, with this slight reduction in the average number of radio sets listened to in the home likely to be due to the rise in radio listening via other means.

This was the approach we took to gain a better understanding of how many regularly-used radio sets there were in the typical UK home. It suggests that among households with at least one regularly listened to radio (61% in our survey), 95% listen to three or fewer radio sets in 'most weeks'. In Q2 2014, these households had an average of 1.6 sets per home, compared to 1.7 in 2013 and 1.9 sets in 2012.

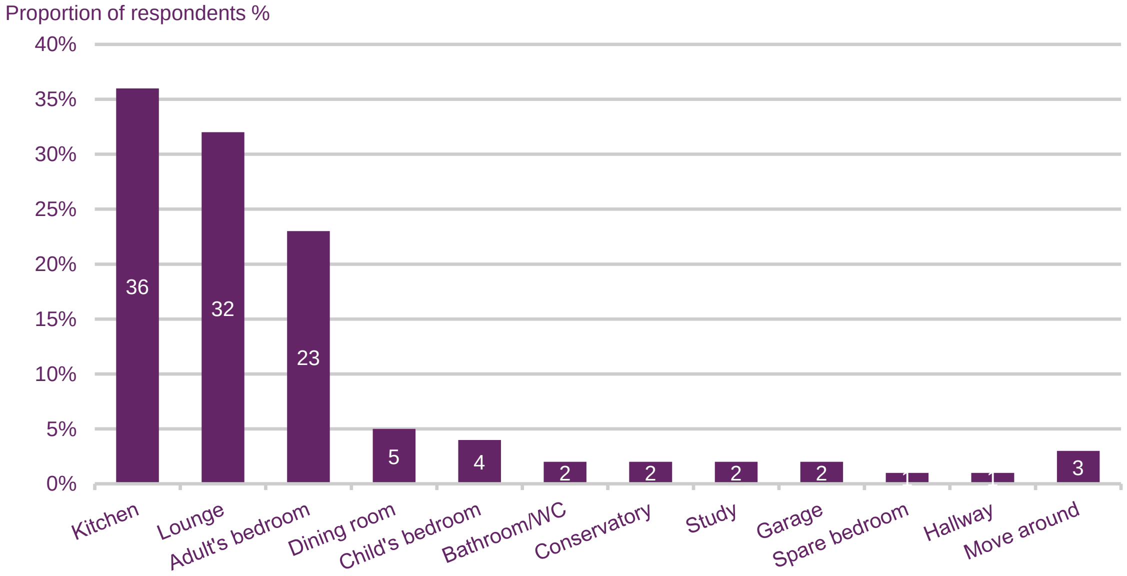
Figure 10: Number of radios listened to at home 'in most weeks'



QP8. In total, how many radio sets do you have in your home that you, or someone in your household, listen to in most weeks?
Source: Ofcom research
Base: All respondents Q1 2011 (3772), Q2 2012 (2893), Q2 2013 (2879), Q2 2014 (2877)

Respondents were asked in which rooms they had radio sets at home; approximately a third reported having radio sets in kitchens (36%) and lounges (32%), while a quarter had a set in an adult's bedroom (23%), as shown in Figure 11 below.

Figure 11: The location of radio sets in the home

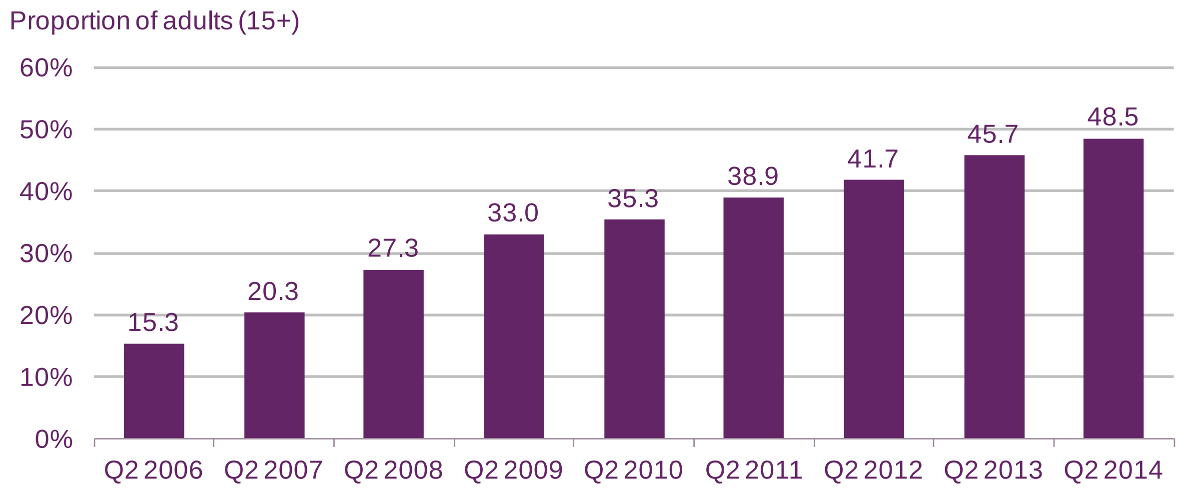


Q4. In which of these rooms at home do you have any radios?
Source: Ofcom Technology Tracker, Wave 2 2014
Base: All respondents, n=2877

Almost half of UK adults claim to own a DAB set

At the end of Q2 2014 RAJAR reported that 48.5% of adults owned a DAB set, an increase of 2.8 percentage points year on year. The number of people claiming to own a DAB set continues to increase each year despite the decline in the number of new sets sold.

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

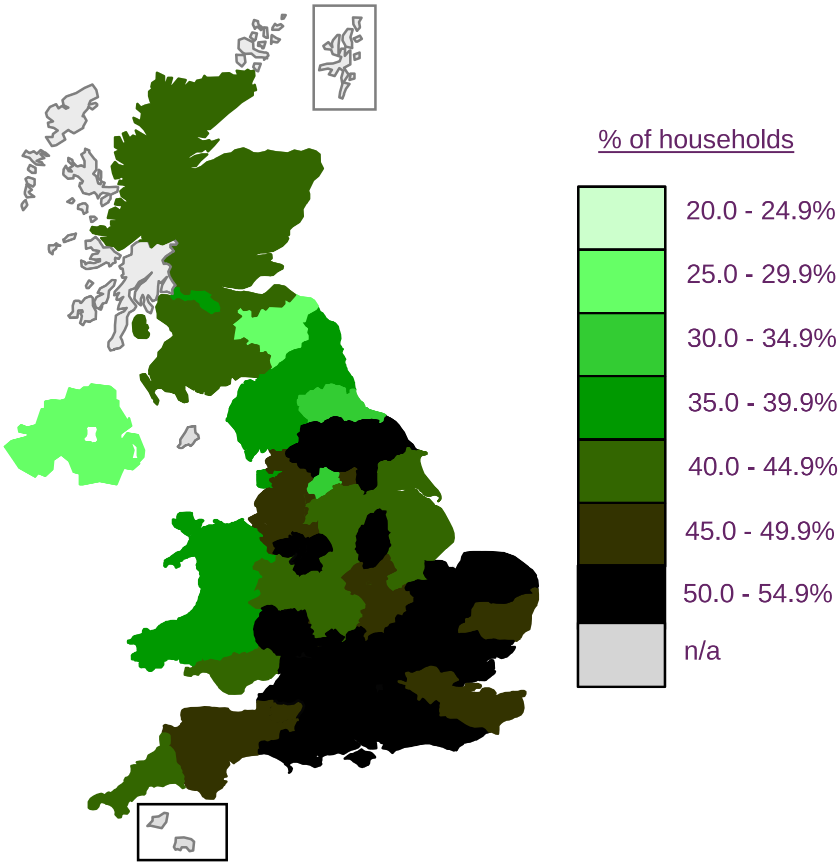


Source: RAJAR / Ipsos MORI / RSMB

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

The take-up of DAB sets in households across the UK is varied. Figure 13 shows that take-up was generally highest in the south and south-east of England, in particular in Sussex (57.9%), Bournemouth (56.4%), and Surrey (55.6%). The highest take-up of DAB sets anywhere in the UK was in Cambridgeshire/Peterborough (58.1%). DAB set ownership was generally lowest in Northern Ireland (26.7%) and the Scottish borders (27.3%).

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



Source: RAJAR, Q2 2014
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 DCMS announced that while there had been steady growth in digital listening, it was not yet the time to commit to a switchover.

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

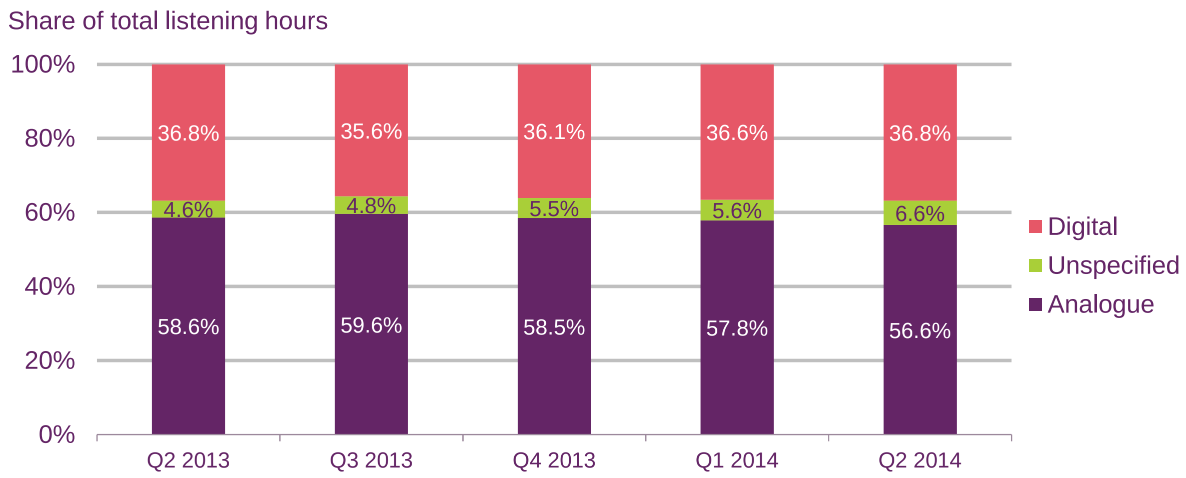
- when 50% of all radio listening is via digital platforms; and
- when national DAB coverage is comparable to FM, and local DAB reaches 90% of the population and all major roads.

This Section focuses on digital radio listening.

The share of digital listening in Q2 2014 was 36.8%

In Q2 2014 the share of listening to services on digital radio platforms (DAB, DTV and via the internet or apps) was at 36.8% of all radio listening hours. Quarterly data from RAJAR shows that this has remained broadly stable since Q2 2013.

Figure 14: Distribution of radio listening hours across analogue and digital platforms, by quarter: Q2 2013 - Q2 2014

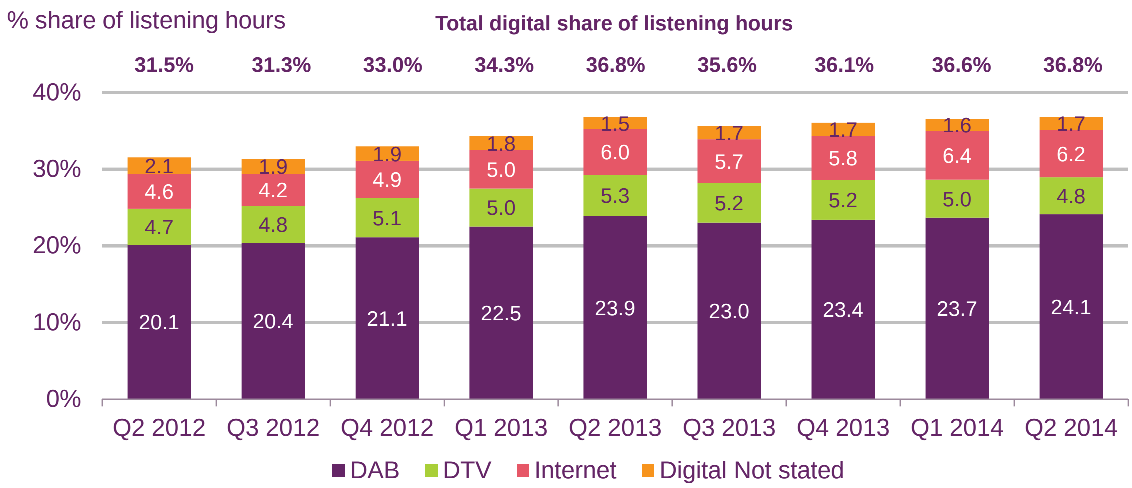


Source: RAJAR. All adults (15+)
Note: 'Unspecified' relates to listening where the radio platform was not confirmed by the listener.

DAB continues to be the most common platform for digital listening

Figure 15 outlines the proportion of listening hours spent on each digital platform by quarter. While DAB continues to account for the largest share of digital radio listening (65.4% of digital listening and 24.1% of total listening in Q2 2014), there has been a small decline in the number of hours spent listening via a digital television. The proportion of listening via the internet is gradually growing, up from 4.6% of all listening hours in Q2 2012 to 6.2% 24 months later. This equates to a 16.8% share of digital listening.

Figure 15: Distribution of listening hours across digital platforms, by quarter: Q2 2012 to Q2 2014

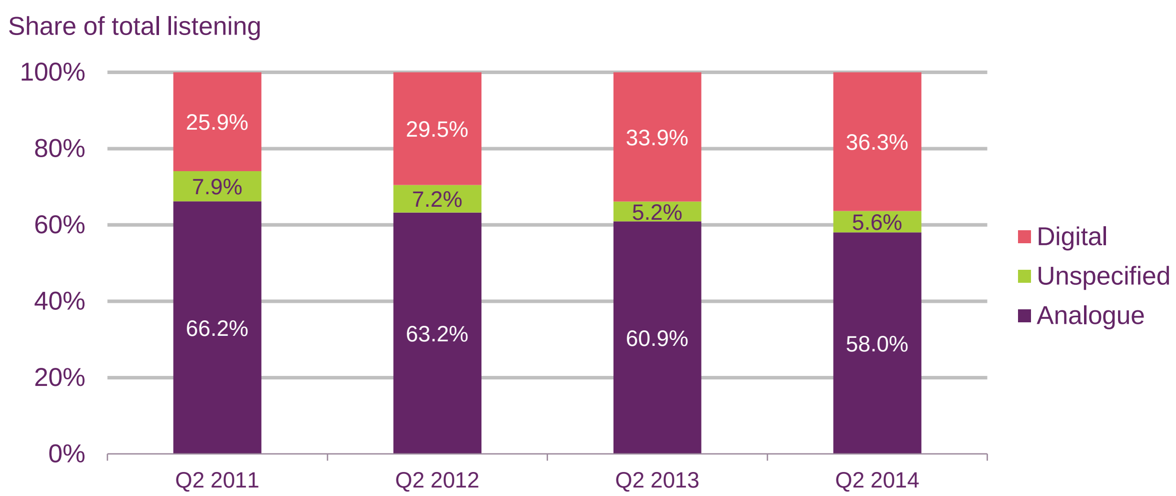


Source: RAJAR. All adults (15+)
Note: 'Digital unspecified' relates to listening to digital-only stations where the survey respondent has not specified the listening platform used. From Q1 2012 'Internet' has been reclassified as 'Online/Apps

In the 12 months to the end of June 2014, 36.3% of all radio listening hours were to services delivered over a digital platform

Digital listening accounted for a 36.3% share of all radio listening in the 12 months to Q2 2014, an increase of 2.4 percentage points year on year. The proportion of listening through a digital platform has increased by 10.4 percentage points since 2011, and over the same period analogue listening has decreased by 8.1 percentage points to 58% in Q2 2014. The proportion of respondents who did not confirm the platform they were listening through (unspecified listening) was at 5.6%.

Figure 16: Distribution of listening hours across analogue and digital platforms, the 12 months to Q2: 2011 - 2014



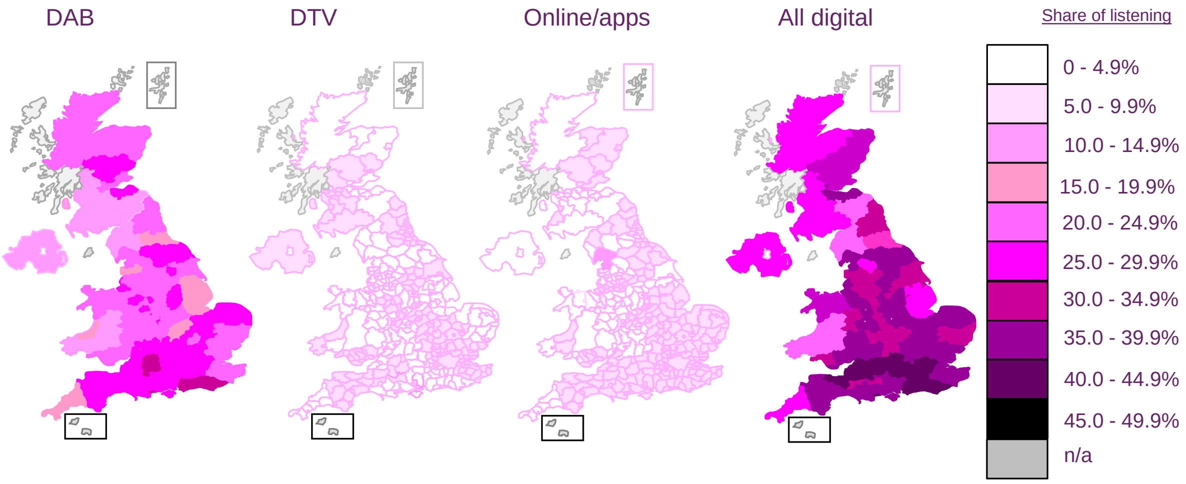
Source: RAJAR. All adults (15+)
Note: 'Unspecified' relates to listening where the radio platform was not confirmed by the listener

The share of digital listening varies across the UK

The share of total listening hours accounted for by a digital platform was highest in Swindon/West Wiltshire (44.3%) and in the home counties of Hertfordshire, Bedfordshire and Buckinghamshire (44.2%) in Q2 2014. Swindon/West Wiltshire had the highest proportion of listening through a DAB digital radio set (32.1%), followed by Bournemouth (31.8%) and Sussex (30.9%). The lowest share of digital listening was in the Scottish Borders (23.3%), and in Pembrokeshire and North Cumbria. These areas also had the lowest take-up of DAB sets.

Listening through DTV was highest in Pembrokeshire (8.3%) and Cardiff (7.5%) in Q2 2014, while online listening was highest in the Morecambe Bay area (10%) and Aberdeen (9.8%).

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

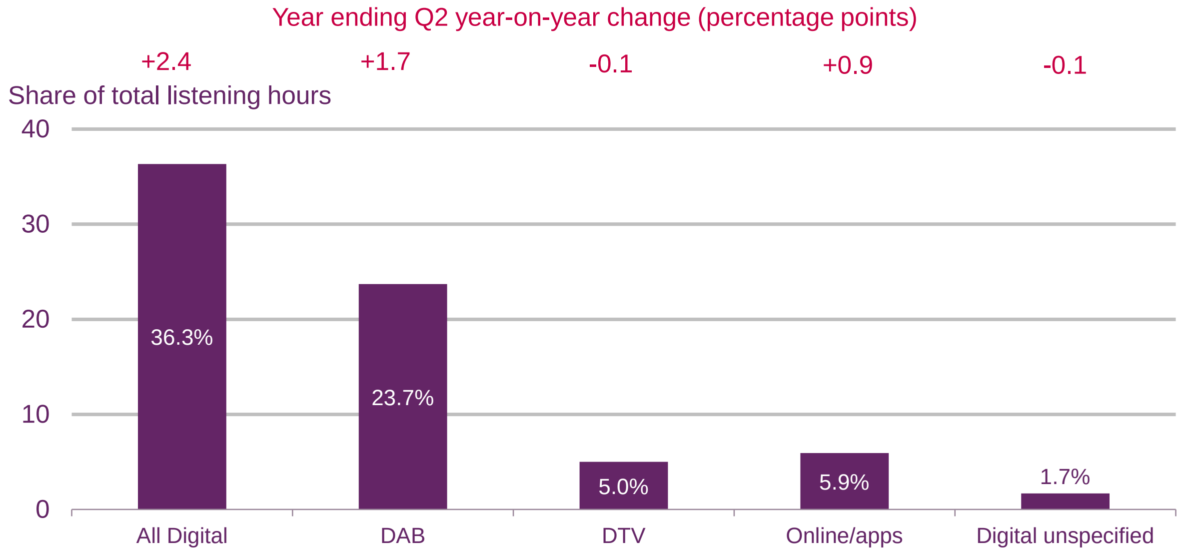


Source: RAJAR, Q2 2014
Note: these maps are based on analysis which uses the total survey area of the individual station which best represents the coverage area of each digital multiplex

Two-thirds of digital listening is through a DAB set

Of the 36.3% of listening hours that were via a digital platform in the 12 months to Q2 2014, DAB sets contributed 23.7 percentage points to the total. This means that 65.3% of digital listening was via a DAB radio. The proportion of radio listening online and through apps increased by 0.9 percentage points year on year to 5.9%, which equates to 16.3% of digital listening. Digital television accounted for 13.8%.

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



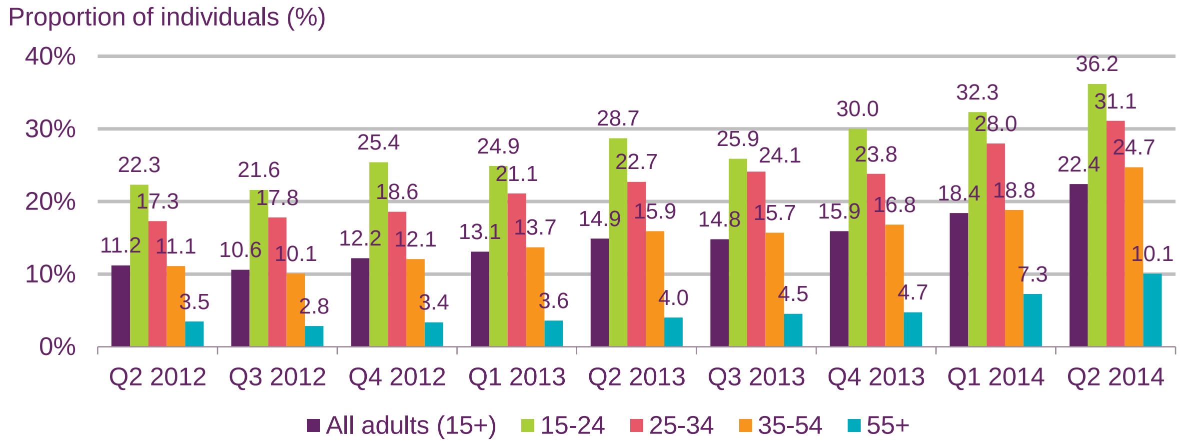
Source: RAJAR. All adults (15+), 12 months to Q2 2014
Note: 'Digital unspecified' relates to listening to digital-only stations, where the survey respondent has not specified the platform used.

Listening to the radio on a mobile device is done most by 15-24 year olds

The proportion of people who have listened to the radio on a mobile phone or tablet at least once per month has continued to increase each quarter to 22.4% in Q2 2014. This figure is highest for those aged 15-24, of whom 36.2% claimed to listen to radio on a mobile device at least once per month, an increase of 7.5 percentage points in a year. Among 25-34 year olds, 31.1% listened on a mobile or tablet, while a quarter (24.7%) of 35-54 year olds claimed to do so. Those aged over 55 had the lowest proportion of listening on a mobile or tablet at 10.1% in Q2 2014; although this age group has followed the same pattern of quarterly increases.

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. Smartphone ownership rose to 63% of consumers, and household take-up of tablets increased to 46% by July 2014, making listening through the internet or apps on mobile devices accessible to a greater number of people.

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

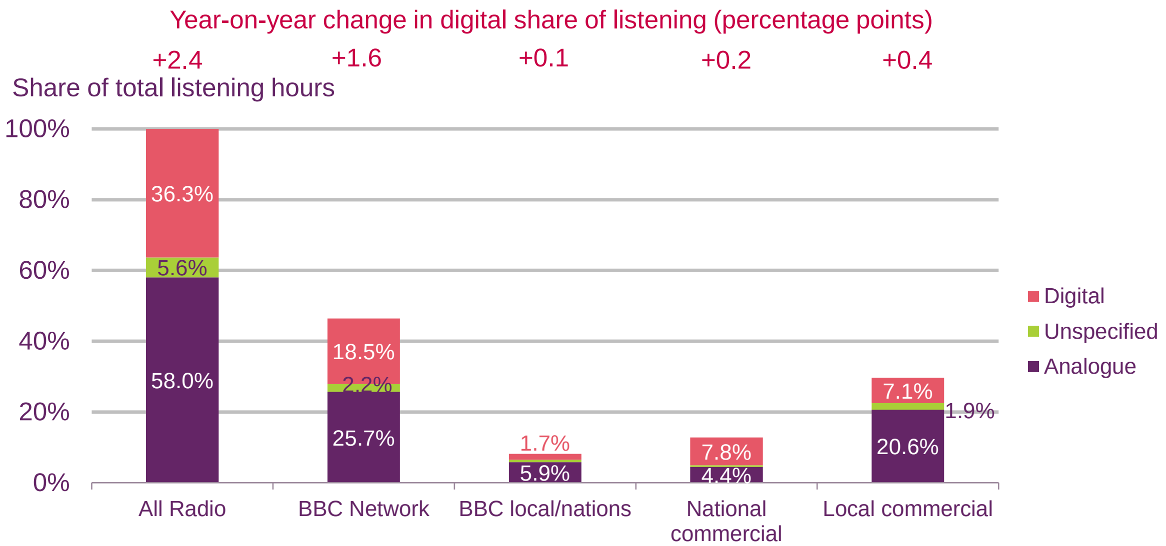


Source: RAJAR / Ipsos MORI / RSMB
Note: As of Q1 2014 the figures include listening via a tablet

BBC stations account for over half of digital listening

Of the 36.3% of listening hours that were via a digital platform, listening to BBC services contributed 20.2 percentage points, equating to 55.6% of digital listening. As shown in Figure 20, BBC network stations accounted for the largest proportion of listening hours (18.5%); this was mostly to simulcasts of analogue services. The next largest proportion of digital listening was to national commercial stations (7.8%), and local commercial stations (7.1%). Listening digitally to BBC local and nations services accounted for 1.7% of all listening hours.

Figure 20: Distribution of listening hours, by service provider, analogue and digital platforms: year to Q2 2014

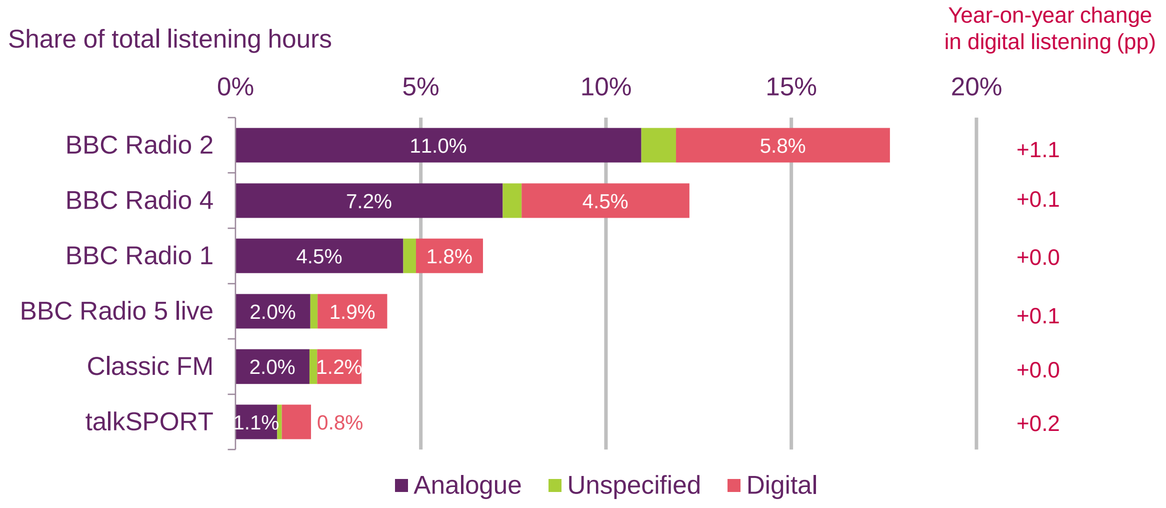


Source: RAJAR. All adults (15+), 12 months to Q2 2014

BBC Radio 1, 2, 4 and 5 Live accounted for 38.6% of all digital listening

Figure 21 sets out the contribution that analogue simulcast services make to the proportion of digital listening. The four most listened-to BBC services accounted for 38.6% of digital listening (or 14% of all listening hours). Digital listening to BBC Radio 2 contributed the largest proportion of the analogue simulcast services (15.9%). Classic FM was the most listened-to commercial station on digital platforms, accounting for 3.3% of digital listening hours.

Figure 21: Distribution of listening hours, by service, analogue and digital platforms: year to Q2 2014



Source: RAJAR. All adults (15+), 12 months to Q2 2014
Note: 'Unspecified' relates to listening where the radio platform was not confirmed by the listener.

BBC 6 Music is the most popular digital-only station

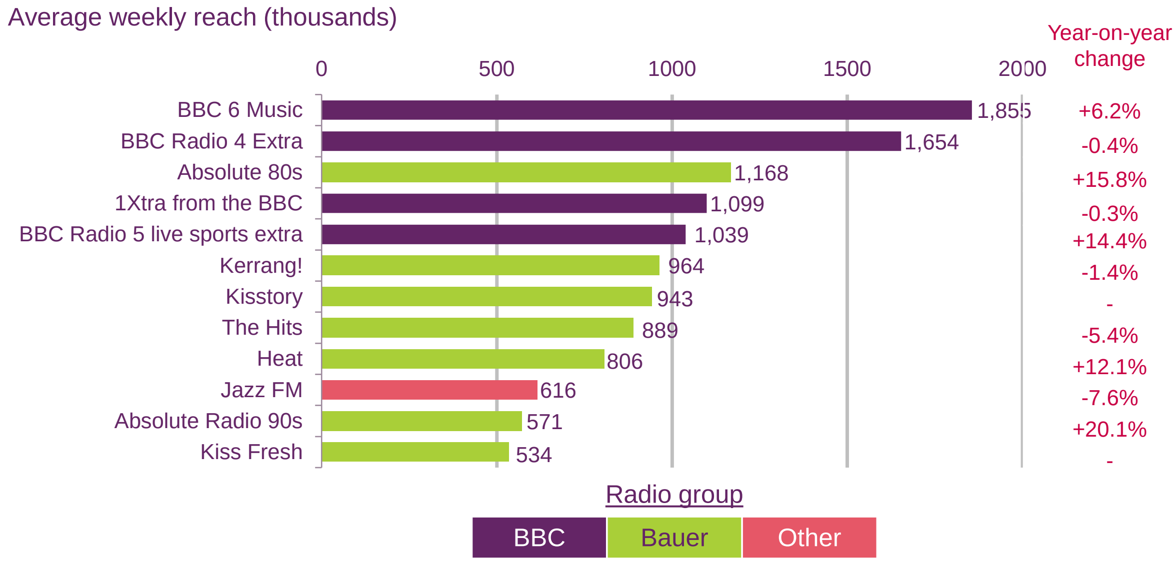
Of the digital-only stations, BBC 6 Music had the largest number of listeners, with an average weekly reach of over 1.8 million in the 12 months to June 2014. Four other digital-only stations also had an average weekly reach of over 1 million listeners; BBC Radio 4 Extra, Absolute 80s, 1Xtra from the BBC, and BBC Radio 5 Live Sports Extra.

The largest relative year-on-year increases were in the average weekly reach of Absolute Radio 90s (up 20.1%), Absolute Radio 80s (up 15.8%) and BBC Radio 5 Live Sports Extra (up 14.4%). A number of stations decreased their average weekly reach in comparison to the same period last year, notably Jazz FM by 7.6%, and The Hits by 5.4%. Of the services listed in Figure 22, three became digital-only stations in the past year: Kerrang! in the West Midlands was replaced on FM by Bauer's recently-acquired Planet Rock, Kiss Fresh replaced Smash Hits Radio on its DTV channel, and Kisstory launched in May 2013. Both Kiss Fresh and Kisstory (part of the Kiss FM franchise) are not currently on DAB[3].

With the acquisition of Absolute by Bauer at the end of 2013, almost all of the most listened-to digital-only radio stations are owned by the BBC or Bauer. The one 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.

[3] Kisstory simulcasts for one hour each day on Kiss FM (analogue and DAB).

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



Source: RAJAR. All adults (15+), 12 months to Q2 2014
Note: Kisstory and Kiss Fresh are services not currently available on DAB

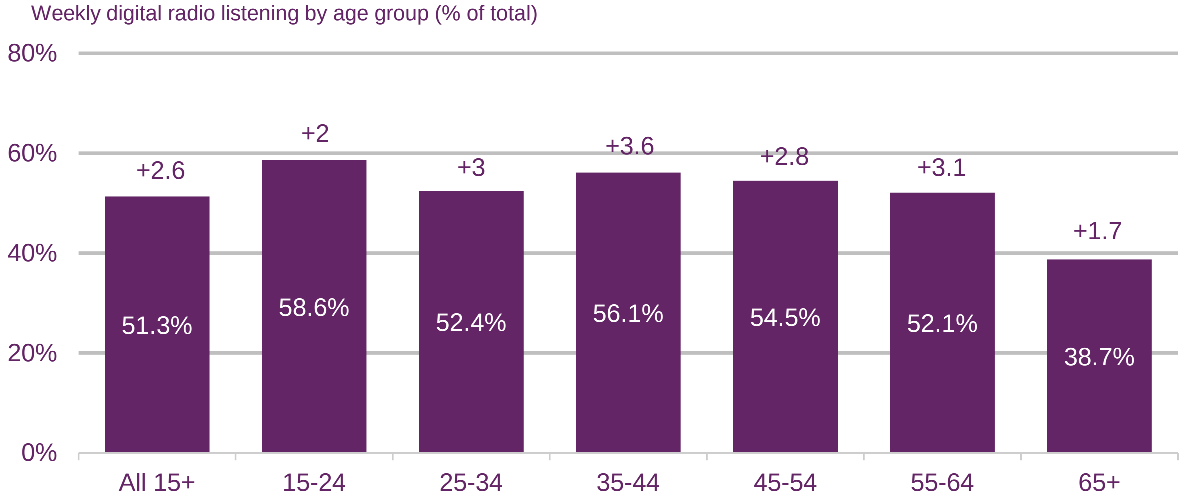
Over half of radio listeners are now listening to digital radio on at least a weekly basis

Turning now to listening to digital radio by age group (based on RAJAR research), over half (51.3%) 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 Q2 2014[4], up 2.6 percentage points from the same period the previous year.

The proportion listening to digital radio on a weekly basis saw some slight variation across age groups. It was greatest among those aged 15-24, with nearly six in ten (58.6%) listening to digital stations, but fell to just below four in ten (38.7%) for those aged 65+. However, it was the 35-44 age group that saw the biggest year-on-year increase in digital radio listening, up 3.6 percentage points since Q2 2013.

[4] This covers the proportion listening to radio on a digital platform for five consecutive minutes in an average week in the year to Q2 2014.

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

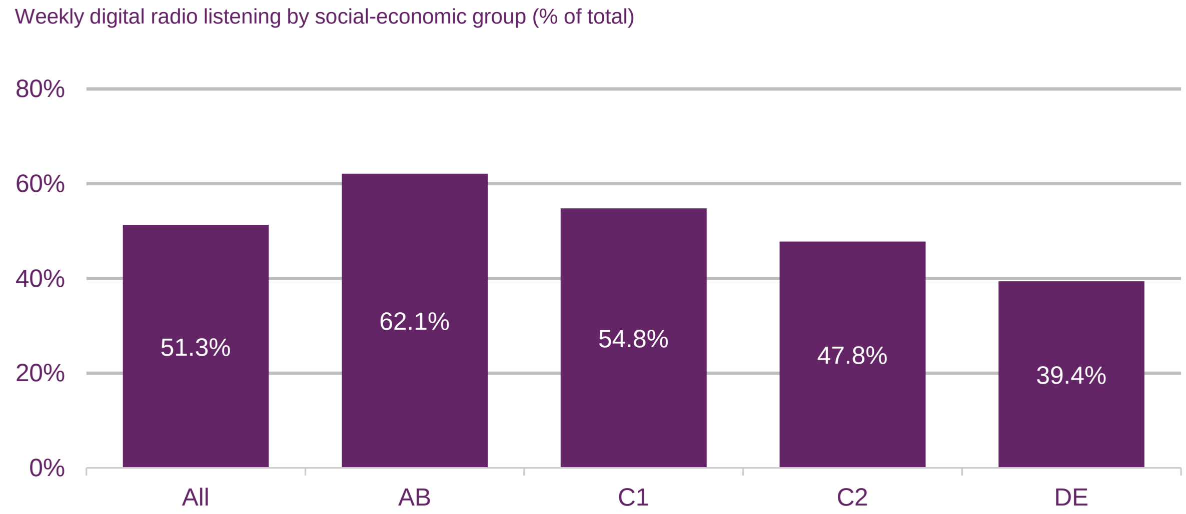


Source: RAJAR, 12 months to Q2 2014
Base: Adults 15+ who listen to the radio

Radio listeners in the AB social group are significantly more likely to listen to digital radio on a weekly basis

By socio-economic group, over six in ten (62.1%) radio listeners living in AB households listened to radio through a digital platform on a weekly basis in the 12 months to Q2 2014. This is significantly higher than adults in the other social groups (Figure 24). Just under half of those in the C2 social group (47.8%) listen to digital stations each week, although this group saw the greatest rise since Q2 2013, up by 3.1 percentage points. Weekly listening to digital radio among radio listeners falls to under four in ten (39.4%) for those in DE households.

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



Source: RAJAR, 12 months to Q2 2014
Base: Adults 15+ who listen to the radio

Section 5

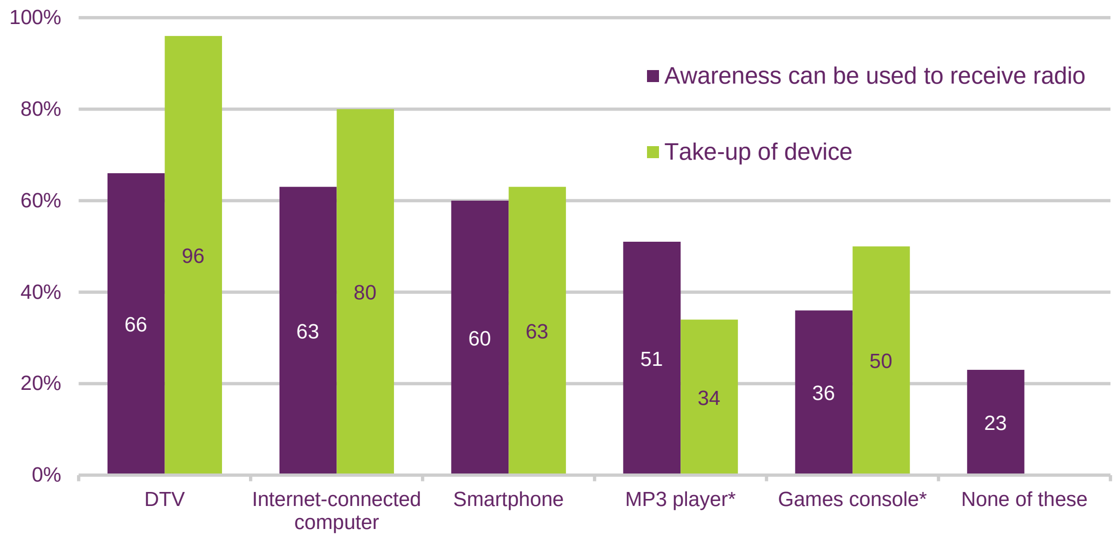
Consumer awareness of, and attitudes towards, digital radio

5.1 Consumer awareness of digital radio

One fifth of adults with an internet-connected computer are not aware they can receive the radio on this device

Awareness of the radio-carrying capabilities of digital devices varies. According to Ofcom research, just two-thirds of adults in Q2 2014 (66%) are aware that the DTV platform is capable of providing radio services, although 96% of households have access to a DTV platform. A similar proportion (63%) are aware that an internet-connected computer can do the same (80% of homes have internet access and a PC/ laptop/ netbook/ tablet). It was for smartphones that take-up, and awareness of being able to receive radio services, were most closely aligned. Six in ten knew that they could listen to the radio on a smartphone, with 63% owning one of these devices. While half of all adults have a games console in their household, only a third were aware they could listen to the radio via this device.

Figure 25: Awareness of devices capable of receiving digital radio services

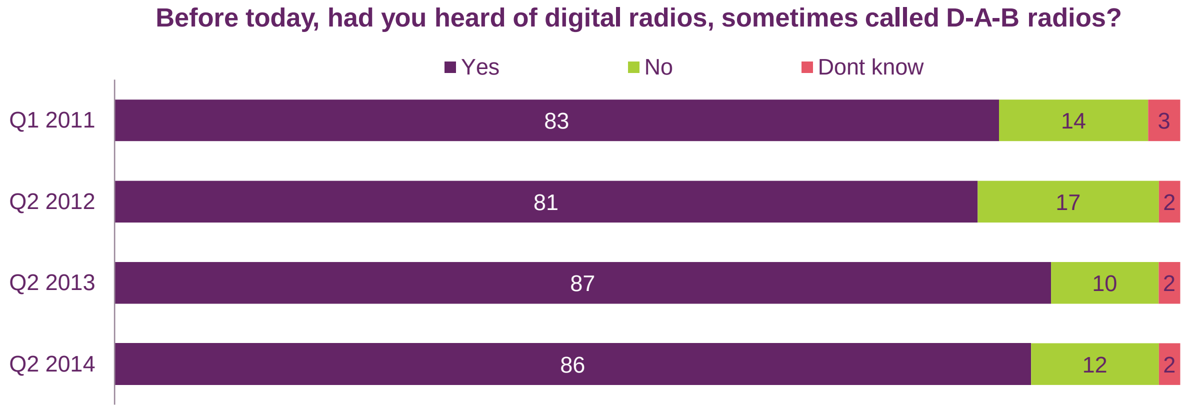


QP13. Before today were you aware that you can listen to radio programmes as they are broadcast in these ways?
*Source: Ofcom research, Quarter 2 2014, *Take-up measures from Quarter 1 2014*
Base: All respondents, n=2877

Awareness of DAB digital radio remains stable

When we asked respondents if they had heard of ‘digital radios, sometimes called DAB radios’, 86% said they had, stable on the previous year’s figure of 87%. Awareness was highest among males (91% compared to 82% among females), those living in AB households (92%), and adults aged 35-54 (91%), and lowest among those in DE households (76%), and those aged 65+ (74%).

Figure 26: Awareness of DAB digital radios



Source: Ofcom Technology Tracker, Wave 1 2011, Wave 2 2012, Wave 2 2013, Wave 2 2014
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.

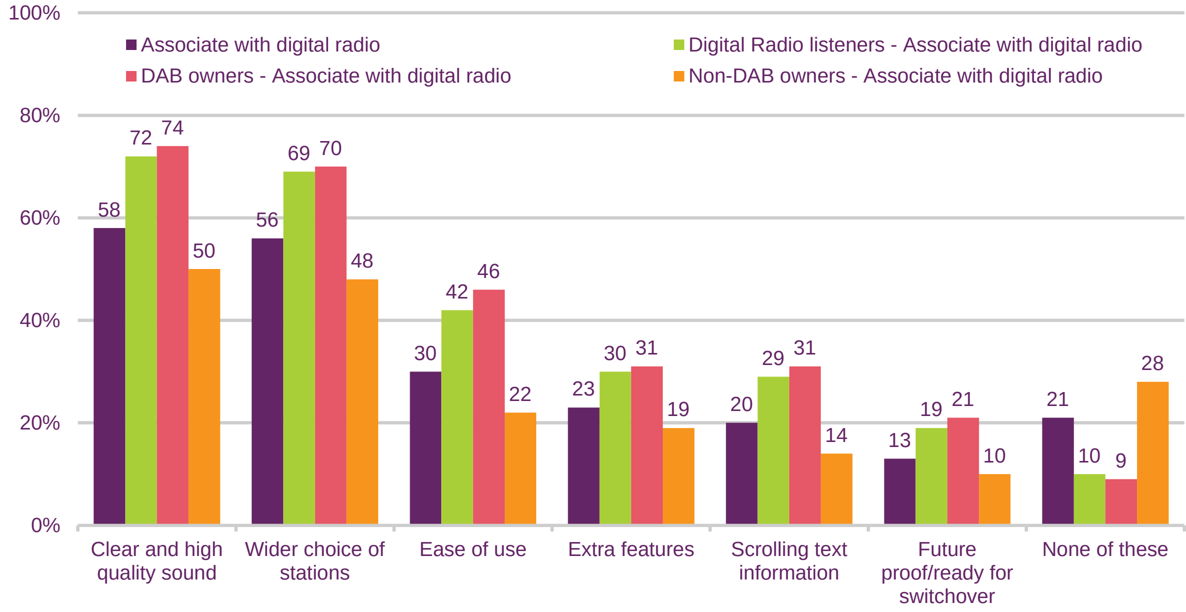
5.2 Consumer attitudes towards digital radio

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

When respondents were asked which of a list of benefits they associated with digital radio, 'clear and high quality sound' and 'a wider choice of stations' were the most popular responses, with approximately seven in ten digital radio listeners and around half of non-DAB owners citing these aspects of the service. This was followed by almost half of DAB owners (46%) saying 'digital radio is easy to use'.

Among non-DAB owners, just over a quarter (28%) did not associate any of the listed benefits with digital radio.

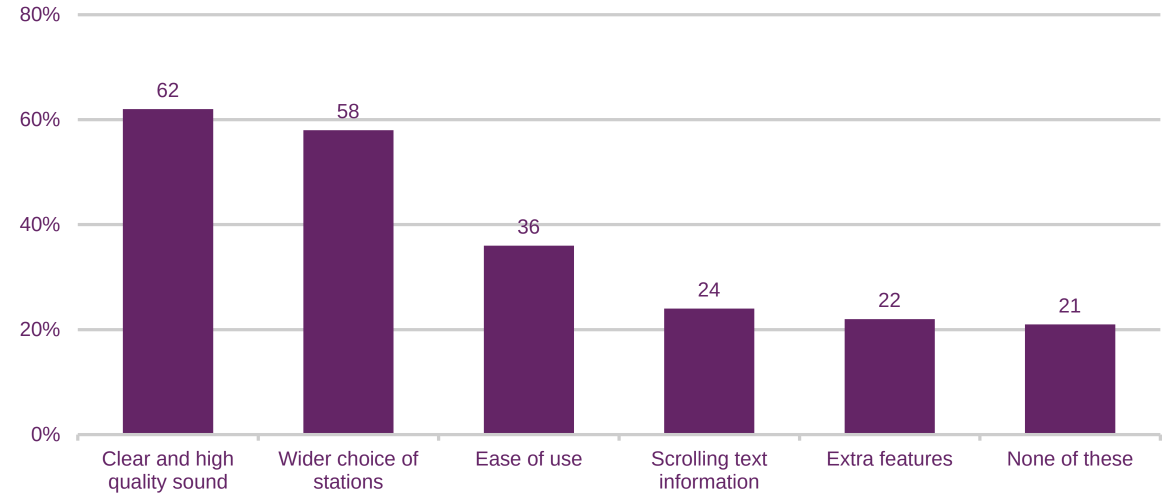
Figure 27: Associations of digital radio among those with and without DAB



QP14. Which if any of these features did you associate with digital radio?
Source: Ofcom research, Quarter 2 2014, n=2592; n=1240; n=872; n=1694
Base: All aware of digital radio, with experience of listening or aware of way of listening; all with any type of digital radio

The question above was followed by asking digital radio listeners (across all platforms) which of these features of digital radio they had actually experienced. Six in ten respondents (62%) cited 'clear and high quality sound', and a similar proportion (58%) said 'a wider choice of stations' – slightly below the proportions that had associated these benefits with the service (as shown in Figure 27 above). One in five (21%) digital radio listeners had not experienced any of the benefits listed.

Figure 28: Features of digital radio that listeners have experienced



QP15. As a digital radio listener which, if any, of these features of digital radio have you experienced?
Source: Ofcom research, Quarter 2 2014, n=1125
Base: All with any type of DAB digital radio (in home or vehicle)

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

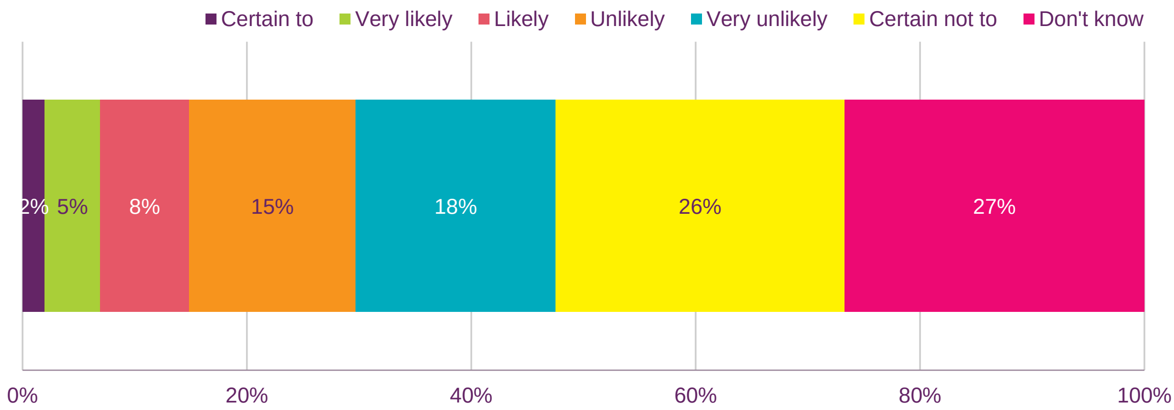
This year, in Q2, 2% of radio listeners without a DAB set at home said they were ‘certain’ to purchase a set in the next 12 months, while 5% claimed to be ‘very likely’ to do so. A further 8% claimed to be ‘likely’ to do so. Therefore overall, 15% of radio listeners without a DAB set in the home said they were likely to purchase a set in the next year – equating to 4% of all adults.

Conversely, six in ten (59%) respondents said they were unlikely to get a set in the next 12 months, with a quarter of respondents saying they were ‘certain’ they would not make a DAB set purchase over the next year. A further 27% 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?



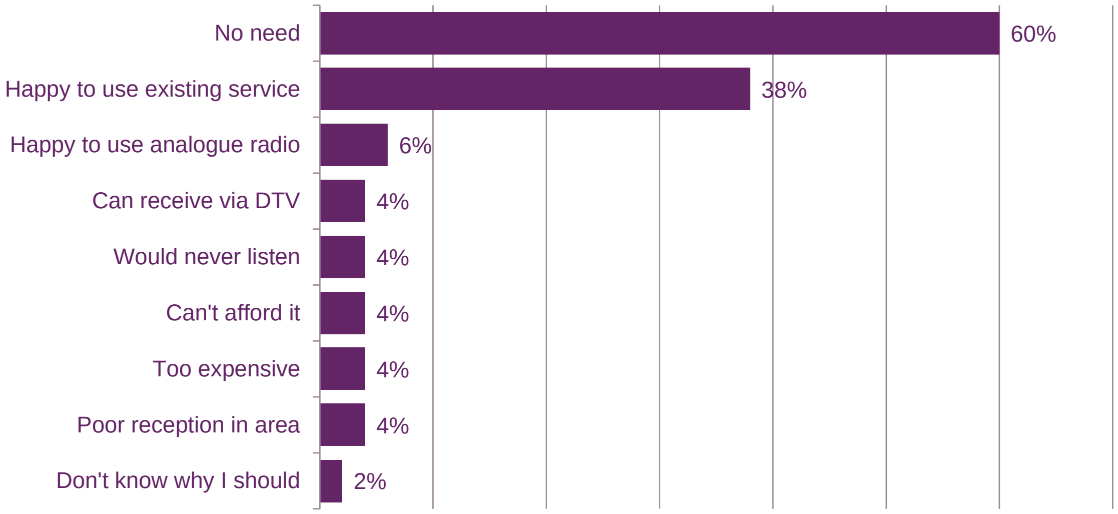
Source: Ofcom research, Q2 2014
Base: Those who listen to the radio but have no DAB sets in the home (n=880)
QP12: How likely is it that your household will get a DAB radio in the next 12 months?

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 six in ten respondents, was that they felt that they ‘had no need for the service’ (60%). This is in line with the proportion giving this response in 2013 (59%). This was followed by being ‘happy to use the existing service’ (38%).

Much smaller proportions cited involuntary reasons for not having a DAB set; 4% cited poor reception in their area, while 4% thought it was too expensive, and the same proportion felt they couldn’t afford a set (Figure 30).

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



Source: Ofcom research, Q2 2014
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?

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	37.3	41.2	Morecambe Bay	35.1	48.0
Birmingham	35.6	42.8	N Cumbria	24.7	43.7
B'mouth	40.3	56.4	N Ireland	26.5	26.7
Borders	23.3	27.3	Norfolk	36.1	50.5
Bradford	32.4	38.0	North Wales	31.9	37.4
Bristol	39.9	52.5	North Yorkshire	36.9	51.8
Cambridge / Peterborough	43.8	58.1	Northamptonshire	34.1	48.6
Cardiff	38.0	43.9	Nottinghamshire	38.7	51.8
Central Lancs	31.4	44.8	Oxfordshire	31.2	50.0
Ceredigion	32.0	35.3	Pembrokeshire	24.4	35.0
Cornwall	26.5	40.1	Reading & Basingstoke	40.8	50.6
Coventry	38.4	42.4	S Hants	36.0	52.0
Derbyshire	35.1	43.2	S W Scotland	26.6	40.0
Devon	39.4	48.5	Salisbury	35.6	47.4
Edinburgh	40.5	40.9	Sheffield	35.4	42.6
Essex	39.5	54.8	Shropshire	33.6	41.2
Glasgow	28.6	38.3	Somerset	42.1	48.1
Gloucestershire	35.4	51.9	Stoke on Trent	37.4	51.8
Hereford & Worcester	35.5	50.8	Suffolk	32.4	48.5
Herts, Beds, Bucks	44.2	55.3	Surrey	41.0	55.6
Humberside	32.6	44.6	Sussex	43.2	57.9
Inverness	32.0	43.8	Swansea	30.9	42.6
Kent	35.5	49.4	Swindon & W Wilts	44.3	54.2
Leeds	35.7	48.2	Tayside	38.8	44.5
Leicestershire	36.4	49.5	Teesside	29.5	33.9
Lincolnshire	28.1	44.9	Tyne & Wear	34.2	39.2
London	41.7	51.9	W Dorset	34.7	56.3
Manchester	32.8	48.5	Wolverhampton & Shropshire	34.4	40.7

Source: RAJAR, Q2 2014