PUBLIC RADIO AND NEW MEDIA PLATFORMS 2011

EXECUTIVE SUMMARY

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This report focuses on public service radio and aims to give an overview of general market developments, looking at consumption trends and the position of public broadcasters in the competitive media environment. It also provides insights into public broadcasters' cross-platform distribution strategies and engagement with social media services. In-depth case studies illustrate successful radio programmes in various genres, describing how public broadcasters have creatively integrated social media into programming in a bid to interact with listeners. The last section of the report provides an overview of digital audio and radio consumption with a focus on four European markets (United Kingdom, France, Germany, Sweden) and the USA.

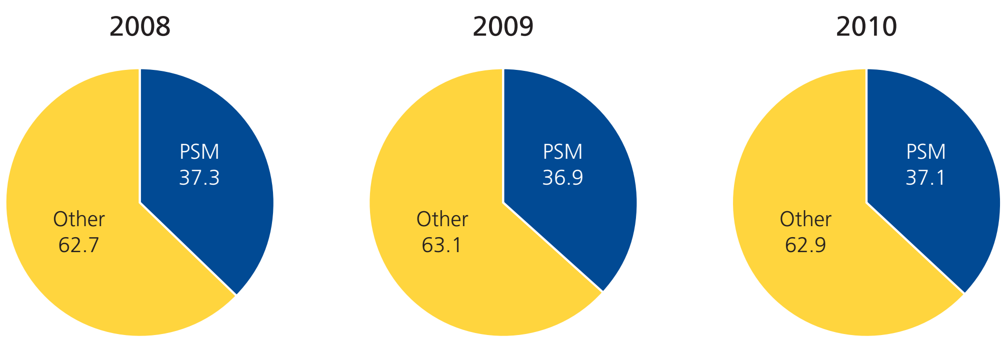
General market developments

Radio is a powerful media, reaching more than 90% of the population in an average week in many European countries. All countries except one have a weekly reach of 70% or more and the highest levels can be seen in Estonia and Finland, where the weekly reach of radio exceeds 95%. Most consumption is still analogue but the distribution and use of digital platforms have been increasing over the past few years.

Public broadcasters are major players in their national radio markets, accounting for a share of listening of more than a third in many countries. A large number of public stations are also market leaders despite increased competition from commercial stations over the past 10 years and growing market fragmentation.

In 2010, public service radio's market share averaged 37.1%, which is a 0.2 point increase compared to 2009. Fluctuations in market share were reported by several broadcasters and decreases were offset by increases. The number of public radios experiencing share growth was more than twice as high in 2010 as in 2009 and seven broadcasters increased their total share by more than two points. Some of the most noteworthy increases were reported by public radio broadcasters in Scandinavia, French-speaking Belgium, Poland and Slovakia. Nevertheless, many public broadcasters have seen some long-term market share erosion and the average share across public service media (PSM) in Europe has fallen almost every year since the start of this decade.

PSM audience share development (total share)



Note: The average is based on the total annual PSM market share, including data for regional stations when provided.

Source: EBU based on Members' data

The time people spend listening to radio also remains high across Europe and many countries report daily radio consumption in excess of three hours. The highest consumption levels can be found in the Czech Republic, Latvia, Flemish Belgium and Poland where listeners spend more than 4 hours and 30 minutes listening to radio on average per day.

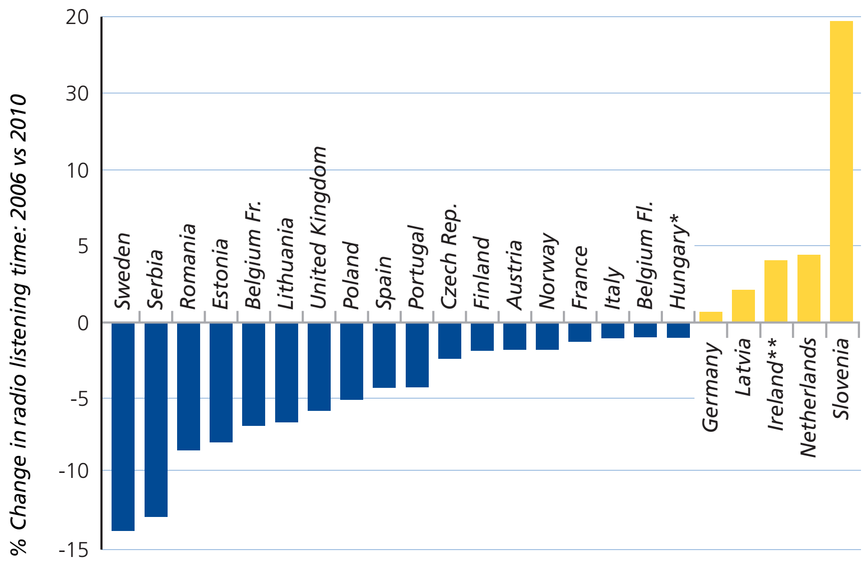
Radio consumption is, nevertheless, in overall decline and especially among younger audiences. A comparison of average daily listening times from 2009 and 2010 shows that the majority of countries (19 out of 28) report falling consumption levels. The long-term trend, over the past five years, also shows a decline in radio consumption in most European countries[1]. Consumption among

[1] No comparison is possible for Switzerland, Denmark, Iceland, Slovakia and Bulgaria owing to methodological changes or missing data.

youth has dropped even more, with the most severe drops, exceeding 15%, seen in Sweden, Lithuania, Estonia and the United Kingdom. Nevertheless, in countries like the Netherlands and Belgium the decline is less steep, in the range of 2–4%.

This is a result of various factors, such as the growing popularity of online music and radio services, more time spent using the internet and social media sites, and the high penetration of portable media devices such as mp3 players, iPods and smartphones. In addition, digital TV is rapidly spreading, with increasing TV consumption in several markets. These factors have had a greater effect on listening time than on reach as they create greater competition for people's media time.

Long-term change in daily radio consumption: 2006 vs 2010 (all audiences)



* Change in methodology in Hungary in 2010, from diary to CATI + CAWI method.
**Average weekday listened yesterday (listened at all, 7am to 7 pm).

Source: EBU based on Members' data

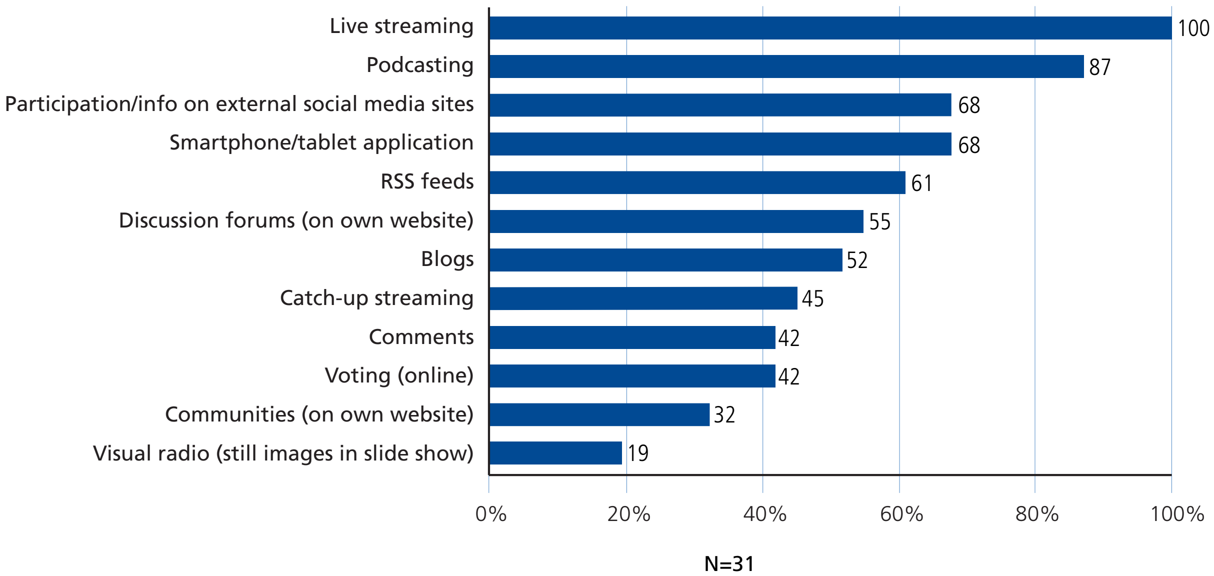
Digital and non-linear radio consumption has increased over the past few years as more content has become available and distribution has expanded to new platforms. In Denmark and the United Kingdom, where DAB is well established, this is the most popular platform for digital radio listening. However, few European countries have established robust measurement systems delivering detailed information about radio listening across multiple platforms or non-linear consumption.

Public radio cross-platform presence and social media developments

A study carried out among public service radio broadcasters in April 2011 provides an overview of their presence on various platforms, especially on new media platforms, along with their online and mobile service offers and involvement with social media platforms. Results show that multi-platform distribution is of major importance to most broadcasters, which generally offer radio services on at least four different platforms. The traditional analogue FM platform and the internet are the two dominant platforms for radio content distribution, followed by satellite, smartphone/tablet devices and AM (LW, MW, SW) with a penetration of about 70%. Internet has become a vital platform for radio broadcasters to provide audio content, both live and on-demand, and it has become increasingly common for public broadcasters to adapt their content to mobile access on devices such as mobile phones and smartphones/tablets.

Furthermore, 70% of respondents also claim to offer participation and/or information through external social media sites and a similar number have set up smartphone/tablet applications with which users can easily access radio content, on-demand and/or live. Other online services, which are offered by 40–60% of broadcasters, are: RSS feeds, discussion forums, blogs, voting and the opportunity to comment on specific topics or programmes. Only one broadcaster in three has set up communities on its own website.

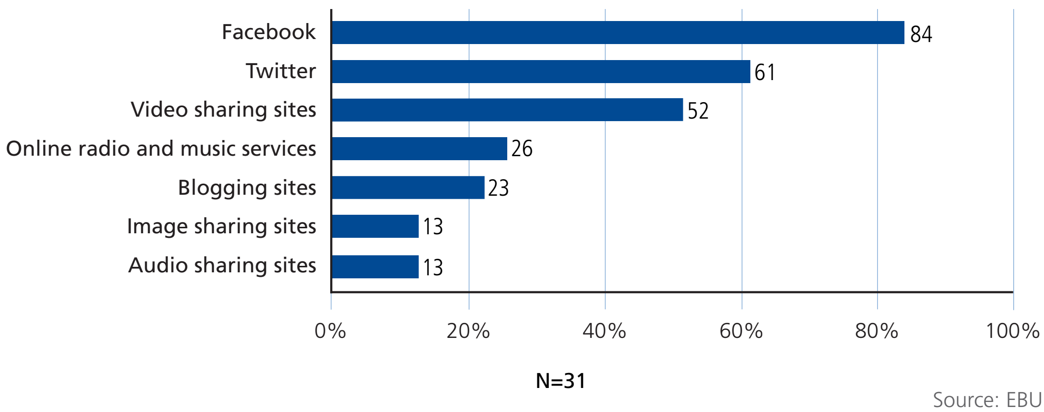
Online services offered by public radio broadcasters



Source: EBU

Public radio broadcasters are active online and over the past few years they have increased their engagement with social media services such as Facebook, Twitter and online video sharing sites like YouTube. The engagement with external online radio/music platforms, audio sharing platforms and blogging sites is less common so far.

Public broadcasters' presence on social media platforms



Source: EBU

Virtually all organizations have increasingly integrated social media and personalized their online radio services over the past two years. The majority of respondents agree that the use of social media tools and services is more common for online radio services targeting youth audiences than for other parts of the online radio offer. The increased focus on social media can be illustrated by staffing strategies in Member organizations. Many public radio broadcasters already have employees working either full time or part time on social media developments.

Why it works – case studies of successful European public service radio formats

A European research project covering 28 programmes/case studies[2] from seven countries (Germany, Spain, France, Italy, United Kingdom, Poland and Sweden), describes how European public service radio is successfully engaging and interacting with diverse audiences.

They cover most of the genres and formats of public radio programming: morning shows (7); afternoon magazine/shows (7); phone-ins & talk shows (4); music formats (4); cultural magazines (3); sport (2); and documentary (1). Some of the programmes analysed have been on the air for more than 10 years and still attract a large audience. Others are brand new and in just a few years have experienced constant growth in audience figures. Even if social media have only entered the production routines of public radio broadcasters over the last 2–3 years, they are becoming a crucial, though also a frequently misunderstood and underestimated tool.

In the programme case studies so far a lot of similar social media practices that are both effective and innovative have been identified. On the one hand, the overview of all the social media strategies used by these programmes shows that most of them have finally understood the importance of social media in nurturing relations with audiences, using social media like an umbilical cord connecting listeners to producers when the radio is off. On the other hand, not all programmes fully exploit their potential audience reach. Many differences can be observed in levels of interaction from one programme to another, owing to differences in the target audience and genre or, sometimes, simply to the fact that the potential of the tool has been underestimated. An in-depth comparative analysis of the 28 case histories reveals a kind of 'social media manifesto' based on the best practices, or simply a 'bare-bones guide' to social media strategy for public broadcasters:

1. Use **story-telling** and **dramaturgy in three acts** to enhance audience interaction;
2. **Differentiate** your content on different platforms;
3. **Enhance** on-air, online and on-site **cross-media interaction**;
4. **Ubiquity**: ensure presence on all platform(s) where you have listeners;
5. **Protect your** channel/programme brand and **bring listeners back** home (to your website);
6. **Personalize** and 'storify' content;
7. **Take advantage** of user-generated content **(UGC)** and the **'collective mind' of your listeners**;
8. **'Like'** and pay attention to **on-topic posts** published by listeners/fans/ followers;
9. Pay (attention) to the **social media manager**. Key success factor!;
10. Make **creative** and **experimental use of social media** at the dawn of the social media age.

Eight of the programmes[3] covered mainly target younger audiences and share similar features. Except for *C'est Lenoir* (FR), which is not specifically designed for young listeners, all the other programmes have been launched recently, in the last decade. And this is very good news, highlighting how public radio persists in creatively experimenting with new formats designed for young audiences. Audience data also show that public radio can be successful in this audience segment when it differentiates itself from the market through

[2] **Germany**: DOMIAN, KLASSISK A LA CARTE, BUNDESLIGAKONFERENZ/"Heute im Stadion"; **Spain**: ASUNTOS PROPIOS, HOY EMPIEZA TODO, EL MATI DE CATALUNYA RADIO, L'OFICI DE VIURE; **France**: LE 5/7 BOULEVARD, C'EST LENOIR, ECLECTIK, LA TWEET-LISTE; **Italy**: CATERPILLAR, IL RUGGITO DEL CONIGLIO, RAITUNES, FAHRENHEIT; **United Kingdom**: TODAY, FIGHTING TALK, THE SURGERY WITH ALED, THE CHRIS MOYLES SHOW; **Poland**: POPOLUDNIE, ZA A NAWET PRZECIW , SYGNALY DNIA, ZAPRASZAMY DO TROJKI (morning & afternoon edition); **Sweden**: TANKESMEDJAN, P4 EXTRA, P3 DOKUMENTÄR.

[3] C'est Lenoir, La Tweet-liste, KenFM, Raitunes, Hoy empieza todo, Dokumentär, The Surgery with Aled, The Chris Moyles Show.

original and high-quality formats, such as the ones presented here.

Music is the most diverse and central element of content in these programmes (between 40% and 70% of the total) except from the ones belonging to the 'talk' genre, as in the British case. Most of the music playlists of these programmes are indie-rock/cutting edge-pop/new-folk/electronic oriented, in steep contrast with those used by commercial radio, which tend to focus on contemporary hits or adult contemporary music. Brand new live music is another common feature of music programmes.

Of course, social media are used massively in these programmes. Cross-media interaction with young listeners is a must for many of these programmes, such as *RaiTunes* and *La Tweet-Liste!*. On a more general level, interaction – either real time in the form of phone calls and SMS or on-line over the internet and social media – is one of the most important success factors for youth programmes. The Swedish documentary programme *P3 Dokumentär*, which has been able to attract a young audience thanks to the restyling of an old fashioned radio genre based on a youth-oriented music playlist, new contemporary topics and fast-paced digital editing.

New music formats, rhythm, fast-paced sound design, interaction, community, cross-media formats, comedy, young and friendly presenters, appear to be the key success factors in these youth programmes.

Even if every case owes its success to a unique combination of elements, and in spite of all the differences in genres and cultural factors in the 28 cases, it is possible to identify some common success factors:

1. Presenter is the message: the central role of the host/presenter
2. Format is the message: the originality of the format is at the centre of the programme
3. Listener is the message: focus on the listener and user-generated content
4. High-quality guests and original topics
5. Importance of the team
6. Community building
7. Format blend
8. Original music playlist
9. Dramatic social media strategy
10. Creative radio language

The comparative analysis of talk-, music- and youth-oriented programmes show that it is the combination of two or more factors that determines the success of the programmes.

Consumption trends – digital and online radio and music services

Virtually every radio broadcaster has had an online presence for a number of years, typically offering simulcast services of their broadcasts, enabling listeners to access their stations via a computer. However, new devices such as smartphones or other mobile devices and Wi-Fi enabled radios are giving broadcasters new ways of reaching listeners as well enabling new market entrants to offer services other than traditional radio.

Streaming music services offered on subscription have been around for more than ten years but have only had limited success. In 2011, the streaming music scene is again a hotbed of activity with mobile music seen as the big driver. A host of start-ups and incumbents alike are competing to attract paying subscribers to their services.
An analysis of digital and online radio consumption in five countries: France, Germany, Sweden, the UK and the USA, reveals the following trends:

- In general, radio listening via broadcast AM/FM networks is declining and the average listening time per listener is decreasing. The decline in the number of radio listeners and the time spent listening is most marked among the younger generations.
- Online audio streaming is growing in most countries, driven in particular by personalized interactive music services such as Pandora (US only), Spotify, Last.fm, etc.
- The advent of the smartphone, bringing with it rapid growth in the availability of radio apps and the increase in popularity of interactive music services, is driving growth in radio listening on the mobile phone.
- Mobile apps are making radio more interactive and personal.
- The growing impact of social media networks. Listeners, particularly the younger generations, are increasingly accessing radio via social network sites such as Facebook, MySpace, Twitter and YouTube.
- Video viewing and targeted advertising are becoming increasingly common for online radio services.

Of the five countries surveyed, the UK, USA and Sweden had the highest weekly reach overall (91.6%, 91% and 93.5% respectively) while France and Germany had the lowest reach (89.0% and 76.9% respectively).

However, care must be exercised when interpreting this data, particularly when comparing reach between countries, as all five countries use slightly different demographic age-group definitions. Another issue is that three of the countries surveyed – Germany, Sweden and the United Kingdom – also include listening on non-traditional platforms, such as online streaming and digital TV platforms, whereas the data for the USA does not include online and digital TV platforms.

As a result, these new platforms seem to have contributed to halting the overall decline in weekly reach in these countries over the past five years. In the case of the United Kingdom, where there is significant penetration of digital broadcast radio, weekly reach has actually increased very slightly over the past five years and stood at 91.6% of the weekly population in the first quarter of 2011. However, intriguingly the weekly reach of analogue AM/FM networks in the UK has hardly changed at all over the past five years, despite an increase in the penetration of DAB.

All countries have seen a drop in the number of younger people listening to radio over the past few years, and in some countries this is quite substantial. For example, in France the number of 15–24 year olds listening to broadcast radio has dropped more than 5% since 2005, while in Sweden the number of 9–19 year olds listening to broadcast radio has dropped 7.2% since 2006. A similar picture is seen in the average listening time per user per week with most countries recording a fall in listening time per user.

Owing to the lack of comprehensive streaming audio usage data in the countries surveyed, (with the exception of the USA) the study relies on survey-based statistics from the traditional radio ratings agencies, which in most cases are limited in scope and which generally tend to underestimate the overall size of the audio streaming market.

Stream measurements from key broadcasters such as the BBC suggest that there is a steady growth in listening to radio over the internet. However, the biggest growth in streaming audio is due to interactive music services such as Spotify in Europe and Pandora in the USA. Streaming music services are typically not included in European streaming statistics.

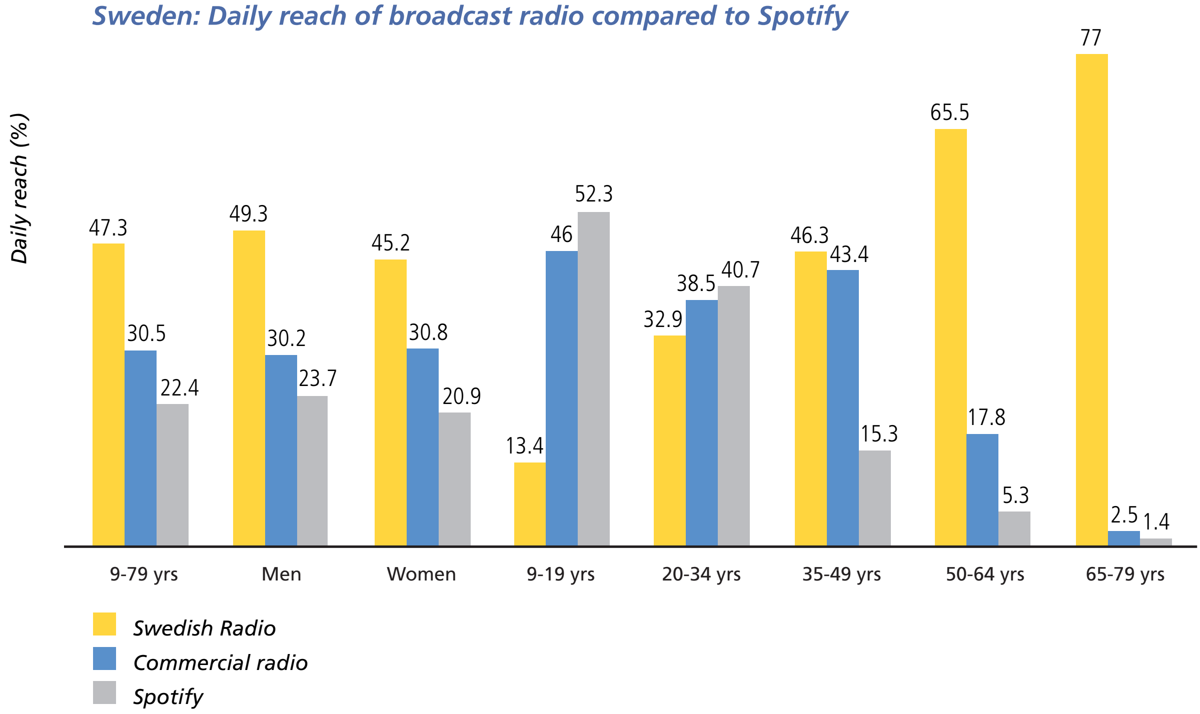
The situation is very different in the USA, where comprehensive online streaming data of both simulcast AM/FM streams and internet-only streams, including interactive music services such as Pandora and Slacker, are available and published monthly.

According to recent surveys in the USA, the weekly online audio audience is at an all-time high, with 57 million Americans or 22% of the population claiming to have listened to online radio in the previous week. The total number of hours of online audio listening therefore represents approximately 14% of weekly broadcast hours, a significantly higher penetration rate than in any European country. In early 2011, the time spent listening to online audio stood at 9.78 hours (63% of weekly broadcast listening in the USA).

However, the main reason for the high penetration of online audio streaming in the USA is that the market is dominated by one player, i.e. Pandora, which accounts for more than 50% of weekly online hours consumed in the USA and is probably one of the key reasons for the drop in traditional radio listening among younger generations. Without Pandora, the study found that the penetration and growth of online audio streaming was considerably lower.

The popularity of music streaming services is also evident in Europe and is also probably one of the key reasons for the drop in traditional radio listening among the younger generation. For example, the penetration of the on-demand music streaming service Spotify in its native Sweden is now higher among younger generations than either public broadcaster Swedish Radio or commercial radio stations. Radio broadcasters need to grasp the online challenge and offer innovative features to counteract the popularity of these new services.

Sweden: Daily reach of broadcast radio compared to Spotify



Source: EBU based on Swedish Radio

Historically, most surveys tend to suggest that the number of people listening to the radio on mobile phones every day is very low. However, emerging data from individual broadcasters seem to suggest that there is a steady increase in regular mobile phone listening, particularly among smartphone owners, driven by the increasing availability and use of radio apps.

Indeed, several broadcasters claim that mobile phone listening is the biggest driver in listening growth, as do a number of streaming music services such as Pandora, Spotify and Slacker. In the UK, commercial station Absolute Radio claims that mobile listening represents 10% of its IP listening hours and has increased 55% in the 12 months to March 2011. However, anecdotal evidence shows that the amount of listening per user per month is very low and possibly decreasing, which may be a concern for potential advertisers. Part of the reason for this may be unreliable mobile connections resulting in frequent dropouts, but there may be other factors at play here.

One of the attractions of mobile apps for broadcasters is that they enable broadcasters to make the listening experience interactive and therefore personal, so radio stations can build up a relationship with their audiences and also measure who is listening and when. Valuable demographic data can thus be garnered about listeners by obliging them to register and log in. This information can be used to provide targeted advertising. Many radio stations have found that apps are the best way to deliver local information (news, weather, traffic) as well as sports information to their listeners. In fact, a significant number of radio apps are 'non-listening' apps and becoming increasingly popular.

Streaming radio is still in its infancy, particularly in Europe, and one of its biggest challenges it that of measurement. As a result, there is a lack of comprehensive national data for streaming audio usage in most countries. In Europe, the only country that measures streaming nationally is France. Most other European countries are only at the discussion and planning stages with respect to introducing nationwide streaming measurement systems and numerous technology and measurement issues will need to be resolved and agreed upon before these systems are launched.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