The Communications Market: Digital Radio Report

Ofcom's third annual digital progress report

Research Document

Publication date: 17 October 2012

Contents

Section 1

Executive summary

1.1 Basis of report publication

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

The Action 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 Action Plan. But it also concluded that, when a decision is taken on setting a date for digital radio switchover, it will be the following criteria and not the aspirational timetable which takes precedence:

- 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.

1.2 Key points

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).

Digital radio coverage varies by platform. The BBC's national DAB multiplex covers 94.3% of homes, the national commercial digital multiplex covers 84.6% of homes and local DAB multiplexes are estimated to cover 66.4% of households. Ninety-five per cent of main TV sets receive a digital television service which carries some digital radio services and 77% of homes have a broadband internet connection.

In the 12 months to the end of June 2012, RAJAR data show that almost three in ten (29.5%) of all radio listening hours were to services delivered over a digital platform. This is a 10pp increase since the same period in 2009 and a 3.6pp increase year on year.

The proportion of digital listening varies by demographic group. Listeners under 65 and those in the AB and C1 demographic groups are the most likely to listen to radio over a digital platform.

Listening on a DAB digital radio set was the most widely-used method of listening to digital radio in the 12 months to the end of Q2 2012, accounting for 64.9% of all digital listening hours. Listening through digital television (DTV) accounted for 15.6% and listening via online methods accounted for 13.3%.

Six of the stations which are available only through digital platforms were listened to by at least one million listeners in an average week in Q2 2012. BBC Radio 4 Extra had the largest number of listeners, at 1.6 million, followed by BBC 6 Music which reached 1.4 million listeners. In comparison to the same period last year, Five Live Sports Extra increased its listeners by 34.7% to 1.1 million.

We estimate that there are between 66 million and 85 million radio sets in use that are less than 12 years old (in the form of portable sets, clock radios, audio systems or tuners/receivers)**; there are a further 35 million sets installed in cars and commercial vehicles.** The total universe of these sets is therefore estimated to be between 101 and 120 million.

Three in ten (29.1%) of all radio sets sold in the 12 months to Q2 2012 included a DAB tuner, as GfK sales data show**.** A total of 6.7 million radio sets were sold in this period, a fall of 18.3% on the same period last year. Sales of DAB sets remained steady while analogue sales volumes were down 1.5 million units year on year.

Over four in ten people (41.7%) claimed ownership of a DAB digital radio, an increase of 2.8pp year on year. DAB take-up varies across the UK, ranging from 54.4% in Surrey to 25.8% in the Scottish Borders.

Over one quarter (25.9%) of new cars are now fitted with DAB as standard, more than double the proportion fitted with DAB as standard in Q2 2011.

Among those who do not yet have access to a DAB digital radio set at home, 19% claim that they are 'likely'/'very likely'/'certain' to buy a set in the next 12 months. Forty-nine per cent of respondents without a DAB set at home said they were 'not likely' to buy one within the next year.

1.3 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;
- Data on the number of DAB radios in newly registered cars, from the Society of Motor Vehicle Manufacturers and Traders (SMMT);
- 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 when a decision is taken on setting a date for digital radio switchover, it will be the following criteria and not the aspirational timetable which takes precedence:

- 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.

2.1 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 has brought 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 could exceed the data limits of some contracts.

2.2 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 via ADSL to almost all UK homes (over 99.9%), while 3G services are available to 99%[1].

Digital satellite television

This platform is available to 98% of households; **digital cable** to 44% of homes and **digital terrestrial television** to over 97% of households, according to latest estimates[2].

[1] 3G coverage is defined as outdoor coverage from at least one operator and indoor coverage is likely to be a little lower.
[2] Ofcom's Communications Market Report 2012 provides more information on internet and digital television availability

DAB coverage

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

Following a consultation published in June 2011, we published a statement in May 2012[3] which covers:

- the definition of the geographical areas (referred to as 'editorial areas') in which we would aim to replicate FM coverage as far as is practicable with DAB coverage;
- the technical assumptions used to predict acceptable levels of FM and DAB coverage for indoor portable and in-vehicle radio reception;
- the extent of existing FM coverage within each editorial area; and
- the feasibility of different radio switchover scenarios, illustrating how increasing levels of coverage can be achieved by increasing the number of transmitters.

Annexes to this statement include DAB plans for all editorial areas and for the BBC and Digital One national multiplexes. Each of these documents includes a calculation of current DAB coverage, shown in Figure 1.

Figure 1: Existing DAB coverage

Existing DAB coverage	Aggregate of local multiplexes	BBC national	Commercial national (Digital One)
Households	66.4%	94.3%	84.6%
Roads	43.2%	82.9%	63.5%

Source: Ofcom, May 2012
The figures for local DAB coverage are derived from a set of assumptions which have recently been changed following extensive testing. Consequently, the actual coverage of local DAB will be greater than that shown in the table.

For comparison, the figures for FM coverage are in Figure 2. 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.

3 http://stakeholders.ofcom.org.uk/broadcasting/radio/coverage/dab-coverage/

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, May 2012
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

There are a total of 536 analogue radio services available in different parts of the UK (Figure 3). These include 98 services broadcasting on AM and a further 474 on FM. Some stations, such as some of the BBC local and nations' stations, simulcast on both wavebands. In August 2012 the BBC started a five-week trial in which four local stations stopped broadcasting on AM, directing listeners to FM or DAB instead. This has not been taken into account in the figures below.

Figure 3: Number of UK radio stations broadcasting on analogue: September 2012

Type of station	AM	FM	AM/FM total
Local commercial	53	228	281
UK-wide commercial	2	1	3
BBC UK-wide networks	1	4	5
BBC local and nations	36	46	46
Community radio	6	195	201
TOTAL	**98**	**474**	**536**

Source: Ofcom, September 2012
Note: There are a total of 46 BBC local and nations' services, as many BBC services are simulcast on both FM and AM

The number of stations available to listeners on DAB varies across the UK. There are 12 UK-wide commercial services on DAB and 11 BBC services (Figure 4). Both the BBC and commercial sector have services which are simulcast on DAB and analogue. For local commercial radio, some services are also simulcast on DAB and analogue, and some stations are broadcast to a number of different geographical areas while also broadcasting on analogue in a smaller area.

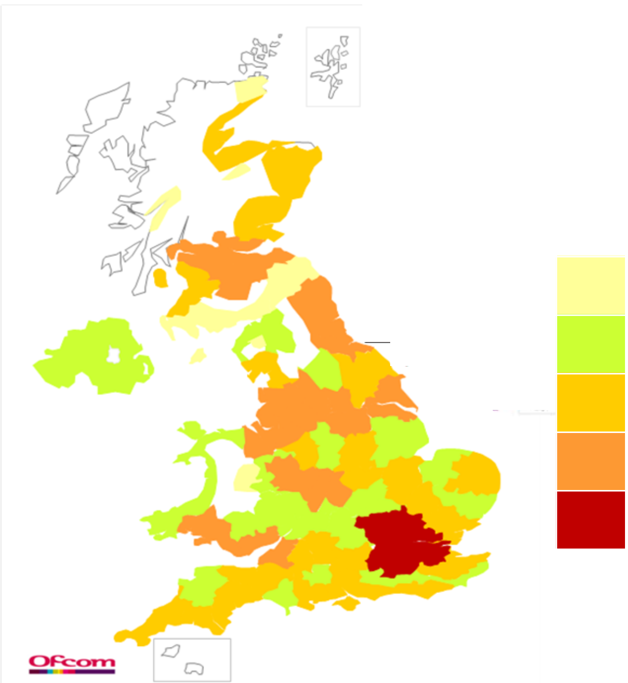
Figure 4: Number of UK radio stations broadcasting on DAB: September 2012

Type of station	Relation to analogue area	Number of stations
Local commercial	DAB in analogue area	114
	DAB extends analogue area	13
	DAB only	37
UK-wide commercial		12
BBC UK-wide networks		11
BBC local and nations		32
TOTAL		**219**

Source: Ofcom, September 2012

The availability of radio services on DAB is highest in the Greater London region, where listeners can receive up to 61 radio services, and lowest in Northern Ireland where the comparable figure is 21. Outside London, the majority of homes in the UK where DAB is available receive between 30 and 45 services.

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



No. services	BBC national	Commercial national	No. local multiplexes
0	-	-	-
11	✓	-	-
23	✓	✓	-
24-35	✓	✓	1
36-45	✓	✓	2
45+	✓	✓	3

Source: Ofcom, September 2012

In addition to services on AM, FM and DAB, at least 64 radio stations are broadcasting on digital satellite (the number on the Sky EPG); 25 are available on Freeview and at least 36 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 17,000 radio stations, of which almost 1,000 are listed as UK services.

Radioplayer, a website which offers a single online point of access to BBC, commercial and community radio, currently carries 334 stations.

Section 3

Take-up of devices and platforms

3.1 Ownership of digital radio-enabled platforms

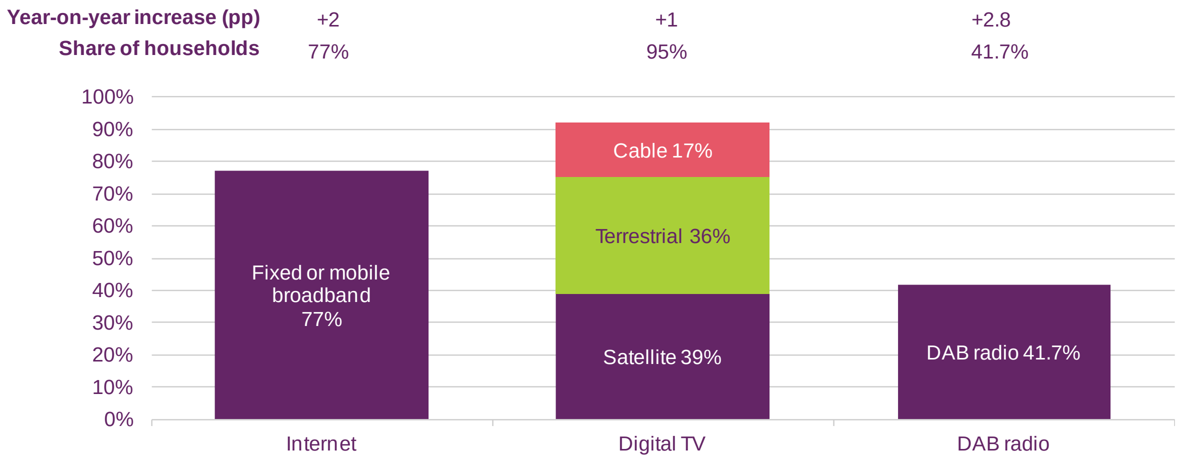
Almost all households in the UK have access to digital radio services in the home on at least one platform

Take-up of devices offering access to digital radio has risen in recent years. By Q2 2012, over nine in ten homes (95%) had access to digital television on their main TV set, allowing access to digital radio services.

Seventy-seven per cent had access to a broadband internet connection at home, thereby providing access to streamed digital radio services and to listen-again and downloadable radio content.

DAB digital radio ownership rose to over four in ten of adults (41.7%) by Q2 2012, up by just under three percentage points in the year (Figure 6).

Figure 6: Take-up of equipment capable of receiving digital radio: 2012



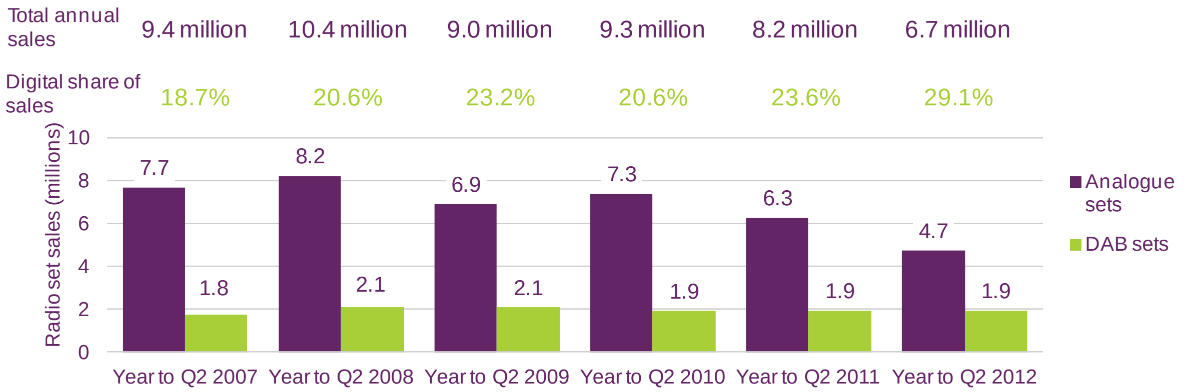
Source: Research from: Ofcom Technology Tracker, RAJAR Q2 2012

3.2 Radio set sales

Three in ten of all radio sets sold are capable of receiving DAB digital radio

In the 12 months to Q2 2012, total radio set sales (analogue and digital) were down 18.3% on the same period last year. This is due to a fall of 1.5 million in the number of analogue sets sold. DAB set sales remained steady at 1.9 million, and so the proportion of total set sales accounted for by DAB sets increased 5.5pp to 29.1% (Figure 7).

Figure 7: Number of analogue and digital radio sets sold: year to Q2 2007-2012

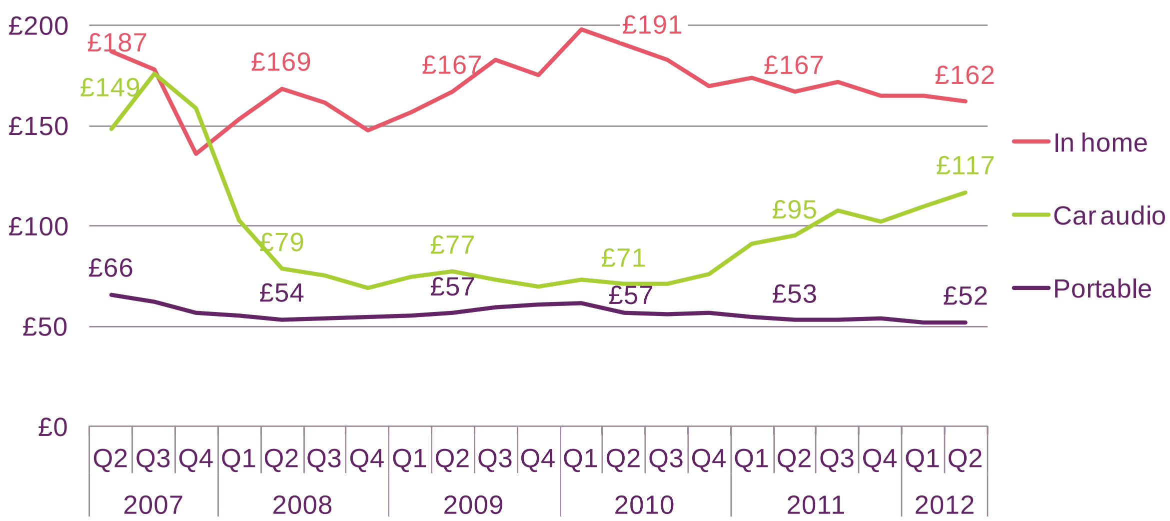


Source: GfK sales data, 2007-2012. Note: Figures cover GB only, GfK Panelmarket data represents over 90% of the market. Categories of device included are; portable radios, personal media players, car audio systems, home audio systems, clock radios, radio recorders, headphone stereos, tuners and receivers.

The average price of in-home and portable DAB sets has fallen while the price of car audio DAB sets has risen

The average price for in-home and portable DAB sets followed a downward trend between 2007 and 2012. The average price of in-home sets, which includes DAB sets that are part of hi-fi units, fell from £187 in Q2 2007 to £162 in Q2 2012. However, a price spike in the first half of 2010 meant that the average price for these sets rose to £198. The average price for portable sets also increased in Q1 2010, rising to £61. In Q2 2012, the average price for a portable set stood at £52. Although the average price for car DAB sets fell dramatically between 2007 and 2008, it has increased over the last two years after a period of stability to stand at £117, as Figure 8 shows.

Figure 8: Average price of DAB digital radio receivers sold: Q2 2007-Q2 2012



Source: GfK sales data 2007-2012

3.3 The radio set universe

We estimate there are between 101 million and 120 million radio sets in the home and in cars/commercial vehicles

Radio sets at home

Our previous digital radio reports 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 Figure 10 below.

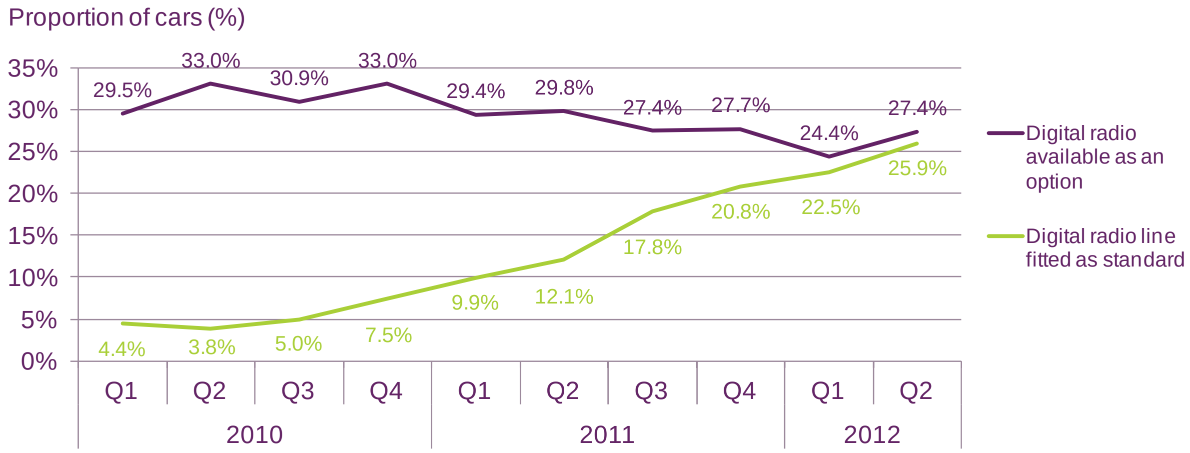
Across the three main types of radio sets in the home (portables, hi-fis and clock radios only), our 2011 *Digital Radio Report* concluded that the set universe at the end of Q1 2011 was estimated to be 66 – 79 million. This calculation drew on sales data from 2000 to 2011 (which indicated that 79 million sets had been sold in this period) and consumer research which suggested that there are 70 million working radio devices in UK homes.

In the 12 months to the end of Q2 2012, a further 4.7 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 – 85 million. The universe of sets in the home is likely to exceed this range, as there will be sets over 12 years old that are still being used.

Car radios

Based on statistics from the Department for Transport, there are a further 35 million radio sets installed in cars and commercial vehicles (assuming that most vehicles have a radio set). In 2011, we estimated that the take-up of DAB tuners in cars stood at little over 1%. Based on CAP/SMMT data, 25.9% of new cars registered in Q2 2012 were fitted with DAB radio as standard – an increase from 12.1% from Q2 2011 (Figure 9). In addition, our consumer research from Q2 2012 indicates that 5% of respondents claim to have a DAB radio in their cars. We estimate broadly that take-up of DAB tuners in vehicles is between 3% and 5%, but this figure is the subject of some uncertainty.

Figure 9: Status of digital radio availability in newly registered cars: Q2 2010 – Q2 2012



Source: CAP/SMMT monthly registration volumes by digital radio option status and availability, Q2 2012

The total set universe

Figure 10: 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 – 85m	73%	17% - 21%
Vehicle radios[2]	35m	92%	3-5%
Total	**101m – 120m**	**83%**	**12%-15%**

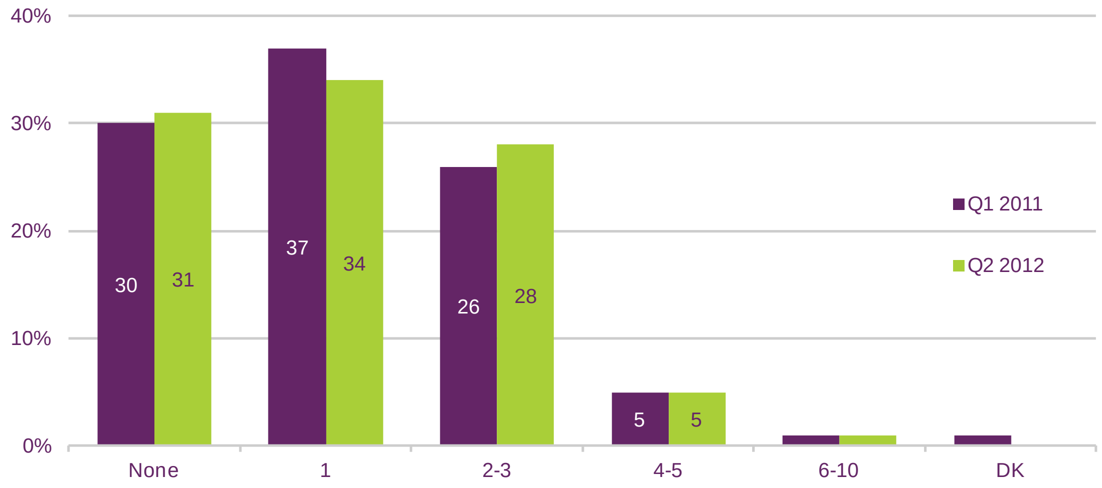
Source: Ofcom research on home radio ownership and vehicle figures from the Department for Transport
Note 1: In-home radios includes hi-fis, portable radios and alarm clock radios.
Note 2: data on the number of vehicles on UK roads, as reported by the Department for Transport in September 2012
Note 3: Due to the complexity of estimating the radio set universe, we have included a range of figures based on consumer research conducted in 2010 and GfK retail sales data for 2000-2012.
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 home radios including a DAB digital radio tuner draws on GfK sales data

On average, an estimated 1.3 radio sets per home 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 11 sets out the results of the consumer research that examined the number of sets at home which consumers typically use ‘most weeks’. Throughout the UK on average, there are an estimated 1.3 radio sets per home that are used 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 (80% of respondents in our survey), 91% listen to three or fewer radio sets in ‘most weeks’, as shown in Figure 11 below. Among those that listen to radio, this equates to an average of 1.9 sets per home that has at least one radio, the same number as in our 2011 research.

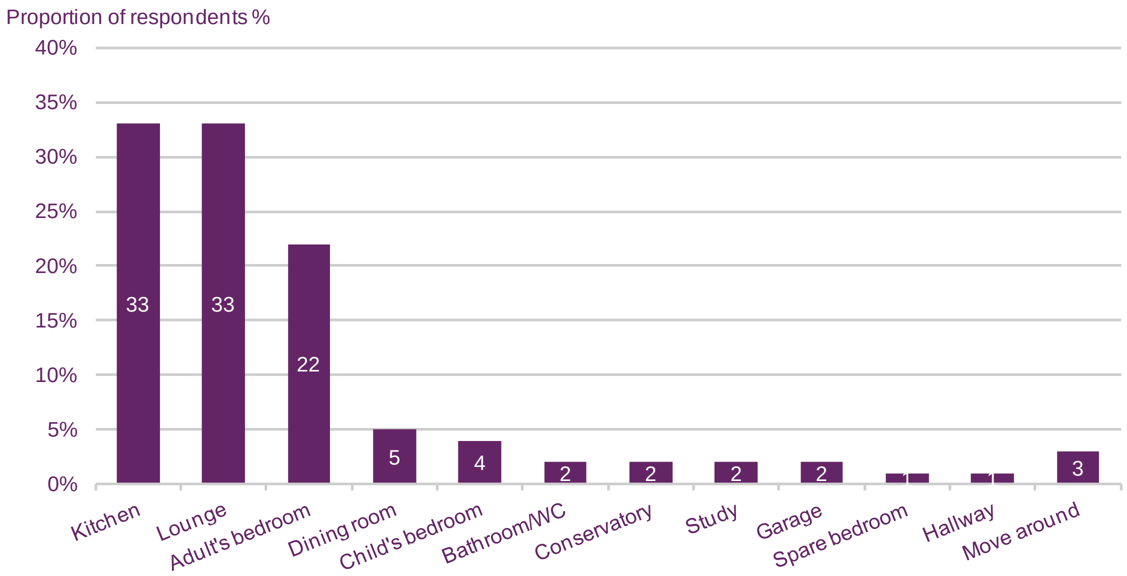
Figure 11: The number of radio sets in the home that consumers listen to in 'most weeks'



Source: Ofcom research
Base: All respondents Q1 2011 (3772), Q2 2012 (2893)
QP6. In total, how many radio sets do you have in your home that you, or someone in your household, listen to in most weeks?
Note: This shows that 31% of respondents claimed not to listen to any radio sets in the home in most weeks, which includes 21% of respondents who said they do not listen to radio at all in most weeks. RAJAR data indicates that 35% of all listening takes place outside of the home.

These regularly-used sets were predominately found in kitchens and lounges, with a third of all adults saying they had radios in these rooms. A fifth of respondents (22%) had an active set in an adult's bedroom (see Figure 12 below).

Figure 12: The location of sets that are used in 'most weeks'



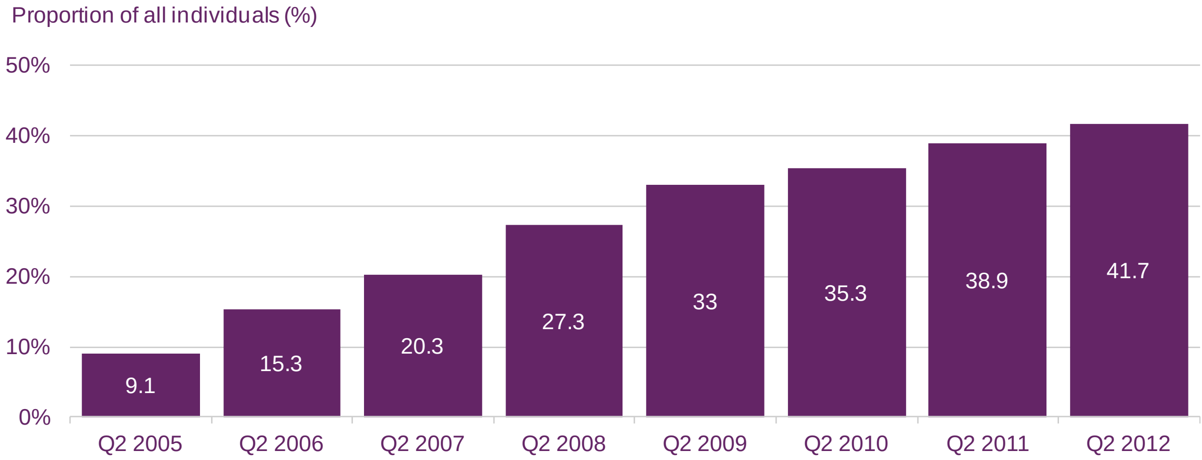
Q4. In which of these rooms at home do you have one of these radios that someone listens to in most weeks?
Source: Ofcom research, Q2 2012
Base: All respondents, n=2893

3.4 Homes with access to DAB digital radio

More than four in ten adults have access to DAB at home

RAJAR estimates that 41.7% of adults owned a DAB radio set by June 2012. This is an increase of 2.8pp year on year.

Figure 13: Proportion of individuals claiming access to DAB in the home

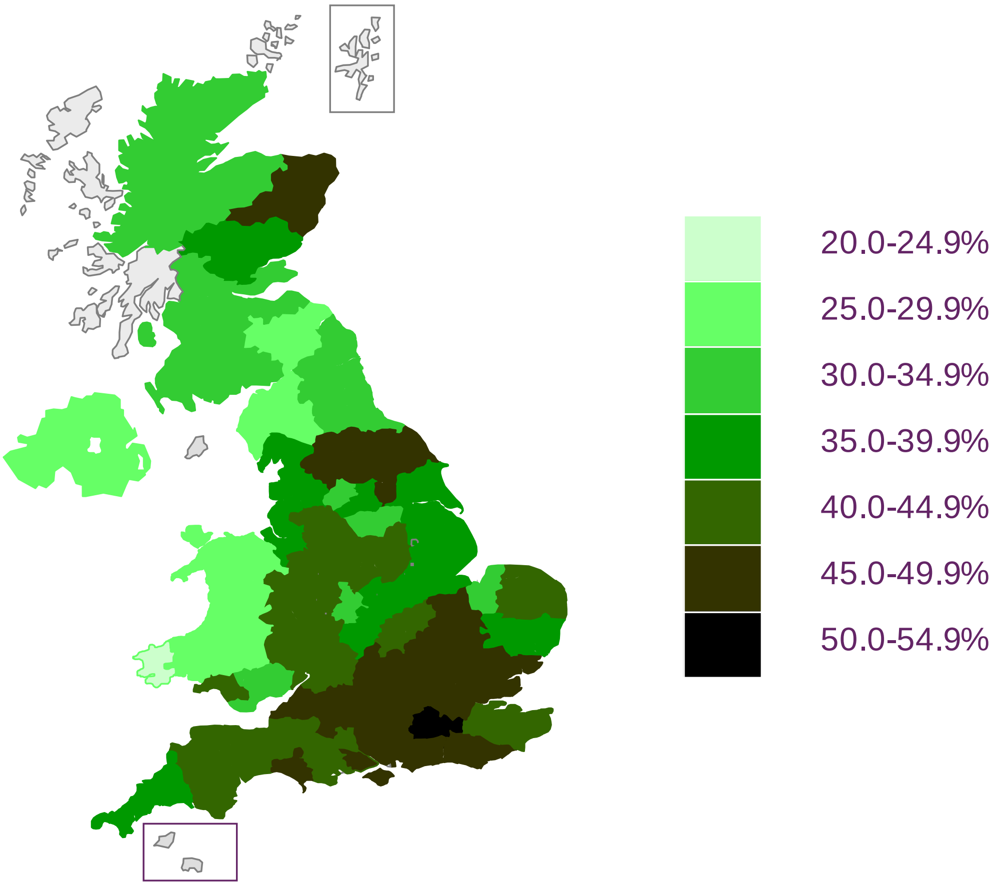


Source: RAJAR / Ipsos MORI / RSMB

DAB set take-up is highest in south-east England

DAB set take-up is varied across the UK, as Figure 14 shows. DAB set take-up was highest in south-east England: Surrey (54.4%), Hertfordshire, Bedfordshire and Buckinghamshire (49.8%) and London (49.6%). Set ownership was lowest in the Scottish Borders (25.8%), Northern Ireland (26.2%) and Cumbria (27.6%) where the choice of stations on DAB was also low.

Figure 14: Take-up of DAB digital radio, by multiplex area



Source: RAJAR, Q2 2012
Note: this map is based on analysis which uses the total survey area (TSA) of the individual station which best represents the coverage area of each digital multiplex

Section 4

Radio listening through digital platforms

The government's Digital Radio Action Plan emphasises that when a decision is taken on setting a date for digital radio switchover, it will be the following criteria and not the aspirational timetable which takes precedence:

- 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.

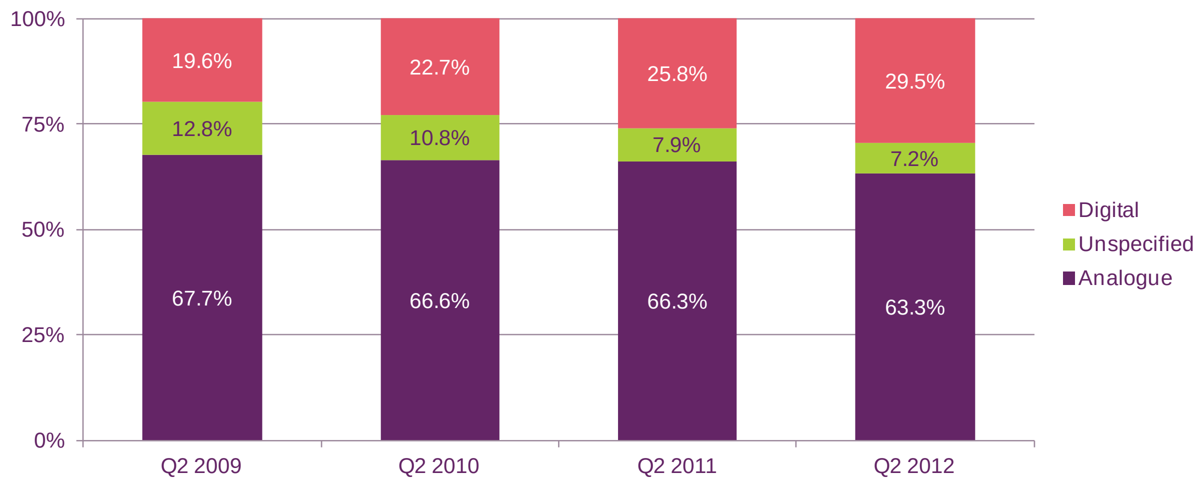
This chapter focuses on digital radio listening.

4.1 Consumption of radio services via digital platforms

Digital listening share stood at 29.5% over the 12 months to Q2 2012

Listening to services on digital radio platforms (DAB, DTV and via the internet) accounted for three in ten (29.5%) of all radio hours in the 12 months to Q2 2012. Over the last four years, the proportion of digital listening has increased by 10pp. Over the same period, analogue listening has fallen by 4.4pp to 63.3% and the amount of unspecified listening has fallen by 5.6pp.

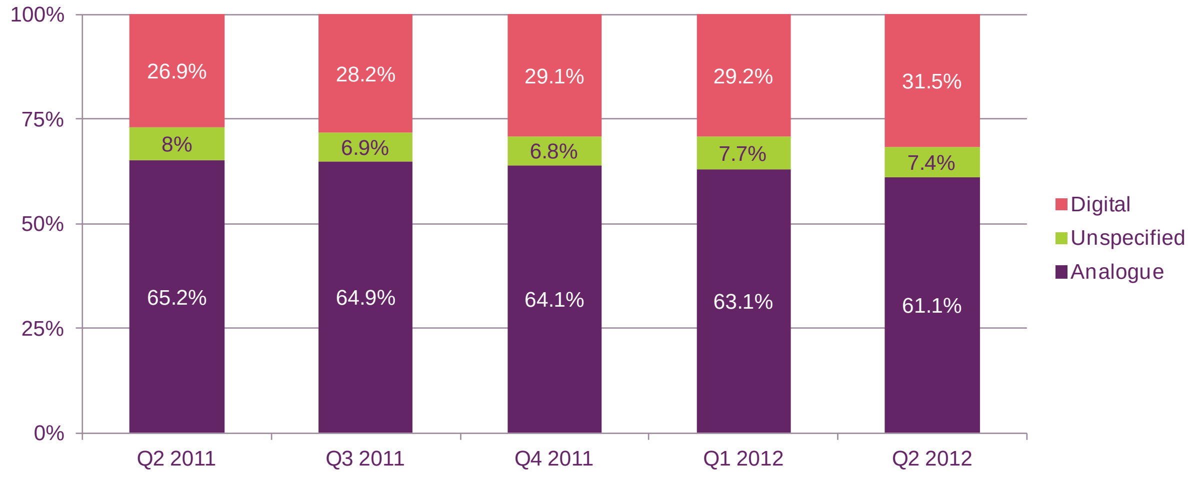
Figure 15: Distribution of listening hours across analogue and digital platforms, the 12 months to Q2: 2009-2012



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

The proportion of listening on digital radio platforms has increased each quarter. For Q2 2012, digital listening accounted for 31.5%, as Figure 16 shows. This is an increase of 4.6pp on the same period for the previous year.

Figure 16: Distribution of listening hours across analogue and digital platforms, by quarter: Q2 2011 - Q2 2012

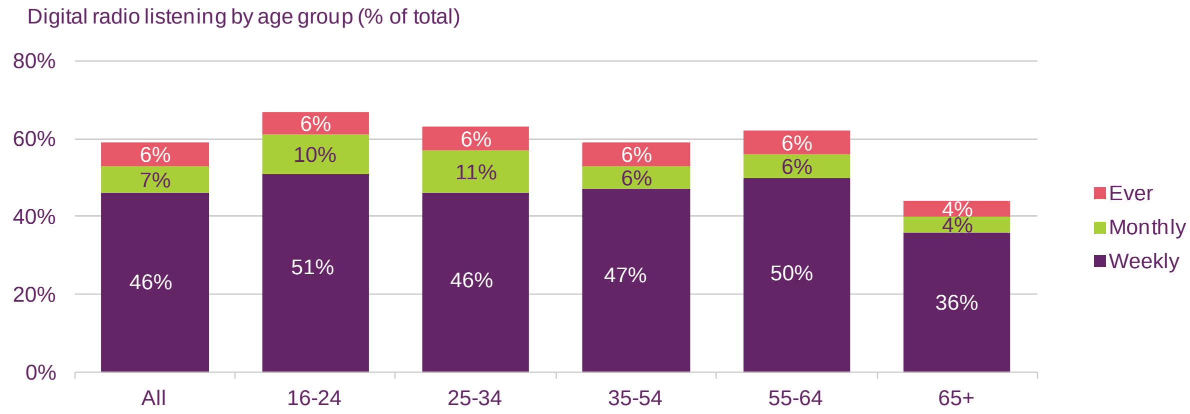


Source: RAJAR/ Ipsos MORI / RSMB. All adults (15+)
Note: Unspecified relates to listening where the radio platform was not confirmed by the listener.

Nearly half of radio listeners listen to digital radio at least weekly

Looking at frequency of listening, (based on Ofcom's own consumer research), 37% of the UK population claimed in Q2 2012 to have listened to a digital radio service on a weekly basis, up three percentage points from Q1 2011.[4] This equates to 46% of radio listeners. A further 7% of radio listeners claimed to have done so monthly, and 6% 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 (a third listening on a weekly basis (36%); a further 4% monthly; and another 4% less often than monthly).

Figure 17: Proportion of people, by age, who have ever listened to radio through a digital platform



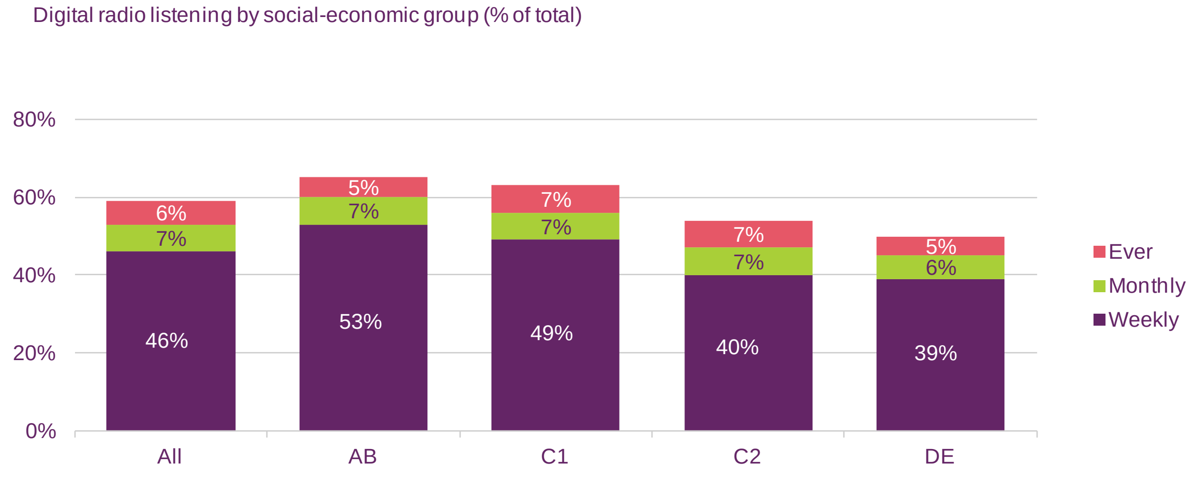
Source: Ofcom research, Q2 2012
Base: All who listen to the radio (n=2284)
Q: Whether ever use digital radio

[4] This compares to a figure of 44.8% from RAJAR for those listening to radio on a digital platform for five consecutive minutes in an average week in the 12 months to Q2 2012.

Listening to radio via a digital platform is slightly lower among the C2 and DE socio-economic groups

By socio-economic group, 53% of radio listeners living in AB households claimed to have listened through a digital radio platform on a weekly basis in Q2 2012; those in the DE group were least likely to listen weekly to radio on a digital device (39%). The propensity to listen weekly fell progressively between these demographic groups (see Figure 18).

Figure 18: Those who listen to digital radio at least weekly, by socio-economic group

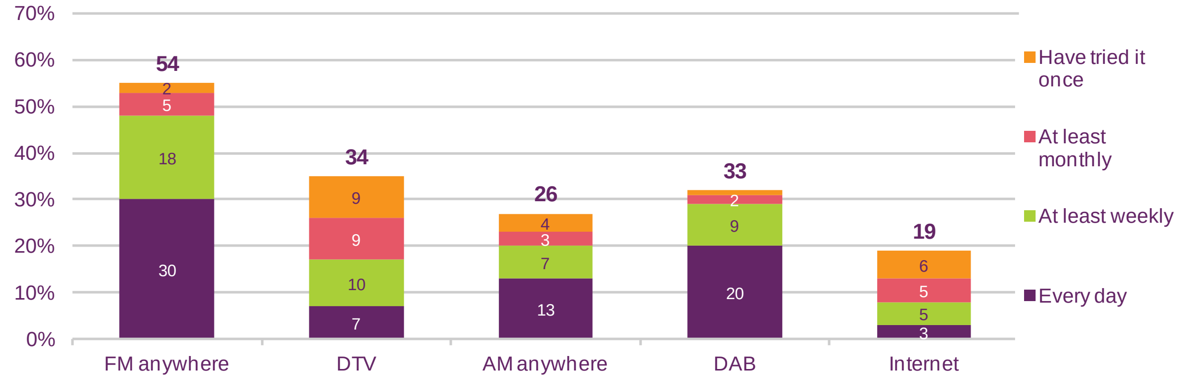


Source: Ofcom research, Q2 2012
Base: All who listen to the radio (n=2284)
Q: Whether use digital radio at least weekly

By platform, almost a third of radio listeners claim to listen through DAB on at least a monthly basis; a quarter make the same claim about DTV

According to Ofcom's research, the FM platform remained the most popular among radio listeners, being used by just over half of listeners on at least a monthly basis. By digital platform, almost a third of radio listeners claimed in Q2 2012 to listen to radio services through a DAB set at least monthly (32%), while a quarter made the same claim about listening via a DTV set (26%). However, the distribution of listening frequency varied between the two. Daily listening through a DTV platform was popular among 7% of listeners; for DAB it stood at 20%. Thirteen per cent of listeners 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 19: Frequency of radio listening, by platform



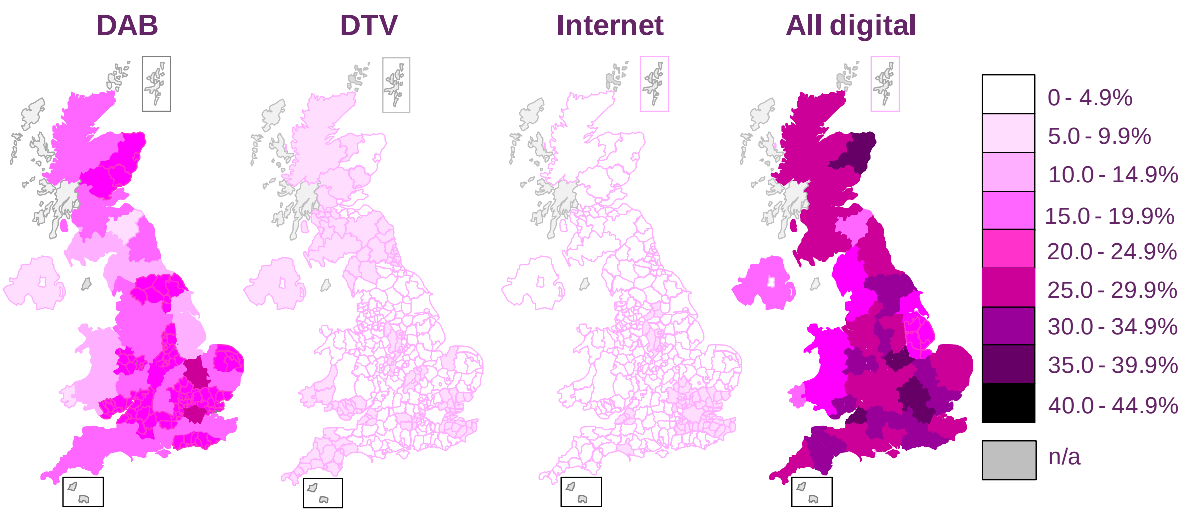
Q4. How often, if at all, do you access the radio via…
Source: Ofcom research, Quarter 2 2012
Base: Adults aged 16+ who listen to radio n = 2284 UK
Note: Remaining percentages are 'Don't know' responses.

Digital listening is highest in London and Bristol

Figure 20 uses RAJAR data to show the proportion of total listening hours attributed to each digital platform during Q2 2012 for each area of the UK. Listening via any digital platform was highest in London (39.6%) followed by Bristol (36.3%). Digital listening was lowest in the Scottish Borders, Northern Ireland and Cumbria, where DAB set take-up was also lowest (Figure 14).

The share of listening on DAB sets was highest in London and Cambridge (25.0% - 29.9%) and lowest in Northern Ireland, accounting for 7.7% of total listening. DTV radio listening was highest in South West Scotland (6.8%) and South Wales (6% - 6.5%), whereas listening through the internet was highest in Hertfordshire, Bedfordshire and Buckinghamshire, London and Bristol.

Figure 20: Share of listening, by digital platform and area

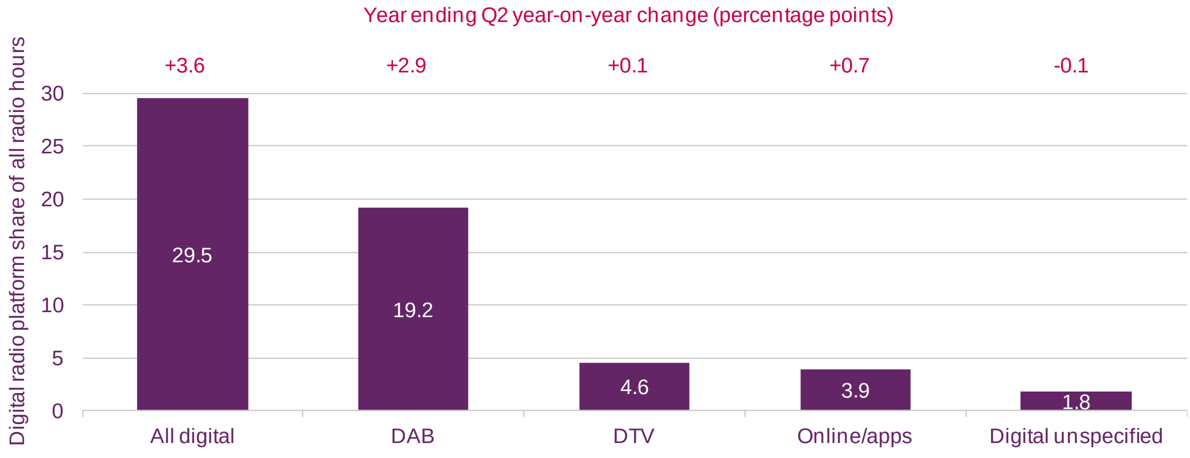


Source: RAJAR, Q2 2012
Note: these maps are based on analysis which uses the total survey area (TSA) of the individual station which best represents the coverage area of each digital multiplex

Most digital listening is through a DAB set

Of the 29.5% of listening hours that were accounted for by digital platforms in the 12 months to Q2 2012, DAB sets contributed 19.2pp of the total (Figure 21). This means that 64.9% of digital listening was through a DAB radio. The proportion of digital listening accounted for by DTV fell slightly (1.6pp) as the amount of digital listening through online methods increased.

Figure 21: Digital radio's share of total radio listening hours, by platform

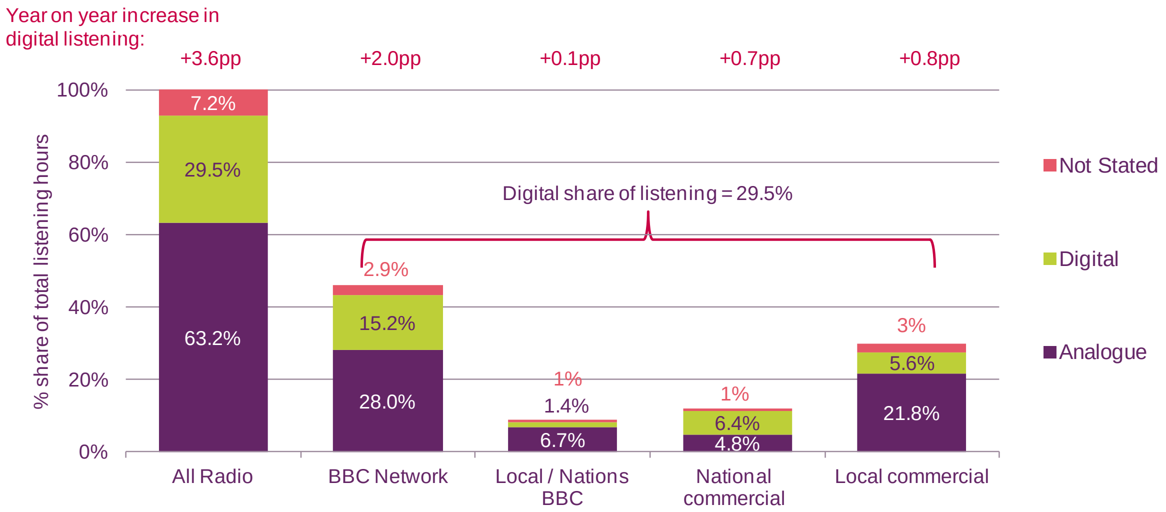


Source: RAJAR , all adults (15+), year ending Q2 2012
Note: 'Digital unspecified' relates to listening to digital-only stations, where the survey respondent has not specified the listening platform used.

Over half of digital listening is to BBC stations

Listening to BBC Network stations accounted for more than half of the 29.5% digital listening, and most of this share was accounted for by simulcasts of the BBC's analogue network services. Digital listening to national and commercial stations contributed 6.4pp and 5.6pp to the 29.5% respectively and BBC local and national stations contributed 1.4pp (Figure 22).

Figure 22: Distribution of listener hours, by service provider, analogue and digital platforms: year to Q2 2012

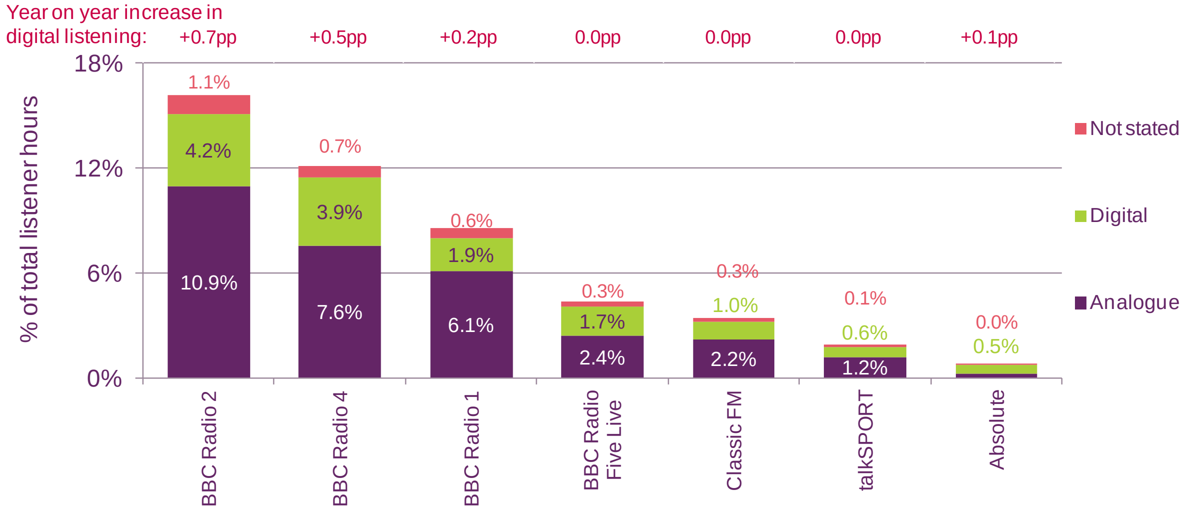


Source: RAJAR , all adults (15+), year ending Q2 2012

BBC Radio 1, 2, 4 and Five Live accounted for 39.7% of all digital listening

The contribution that analogue simulcast services make to the proportion of digital listening is set out in Figure 23. The four most listened-to BBC services accounted for 39.7% of all digital listening (or 11.7pp out of 29.5%). Classic FM was the most listened-to commercial station through digital platforms, accounting for 3.4% of digital listening hours.

Figure 23: Distribution of listener hours, by service, analogue and digital platforms: year to Q2 2012

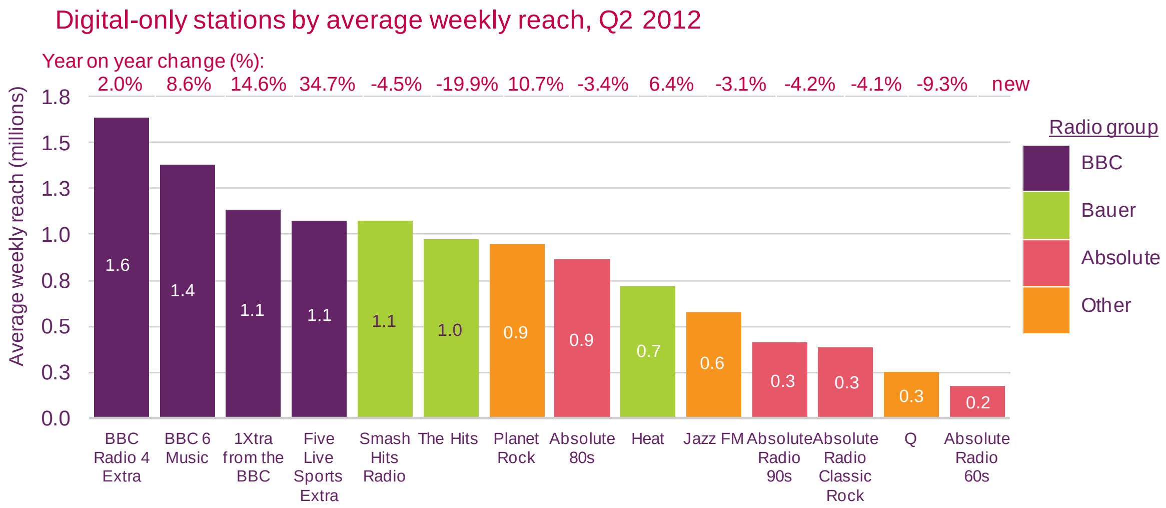


Source: RAJAR , all adults (15+), year ending Q2 2012

BBC Radio 4 Extra is the digital-only station with the largest number of listeners

Among the stations that are only available on digital, six services generated an average weekly reach of 1 million or more during Q2 2012. Four of these are BBC stations – BBC Radio 4 Extra, BBC 6 Music, 1Xtra and Five Live Sports Extra. A number of stations increased their reach in comparison to the same period last year, most notably Five Live Sports Extra which experienced a 34.7% increase in average weekly reach. The two most popular Bauer stations, Smash Hits and The Hits, saw a decline in their average weekly reach, by 4.5% and 19.9% respectively. However, both stations were still listened to by at least 1 million people in an average week in Q2 2012.

Figure 24: Digital-only stations by average weekly reach: Q2 2012

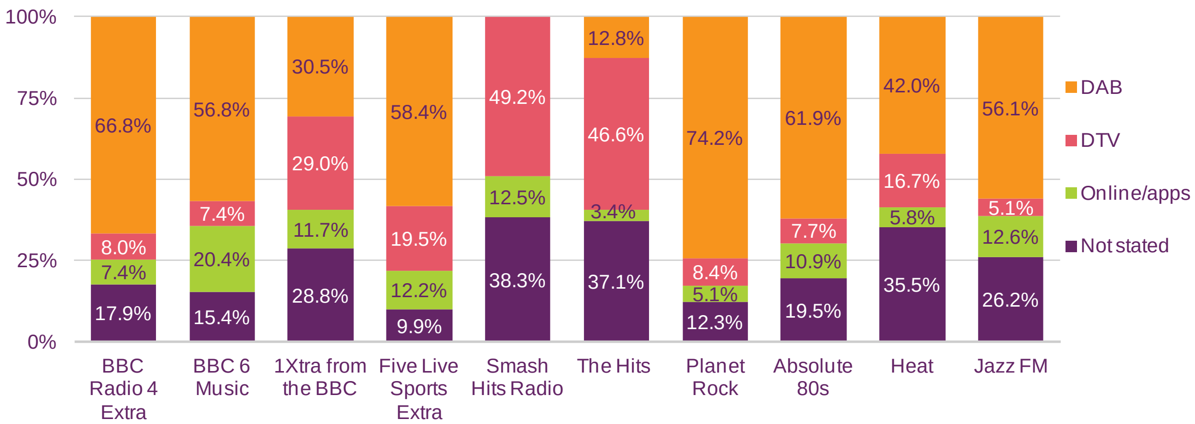


Source: RAJAR, all adults (15+), Q2 2012

DAB sets are the most popular way to listen to the majority of digital-only stations

For the majority of digital-only stations, the most popular platform on which to listen is a DAB set, as Figure 25 shows. Smash Hits Radio and The Hits are notable exceptions, with DTV accounting for 49.2% and 46.6% of the stations' listening hours and no listening at all for Smash Hits through a DAB set. This is because Smash Hits does not broadcast on any of the digital multiplexes and is only available online and through digital television. The three stations with the highest proportion of listening through DTV are also the stations with the lowest average age of listeners; 1xtra has an average age of 26.2, The Hits has an average age of 27.3 and Smash Hits Radio has an average age of 27.6.

Figure 25: Most listened-to digital-only stations by platform: Q2 2012



Source: RAJAR, all adults (15+), Q2 2012

Section 5

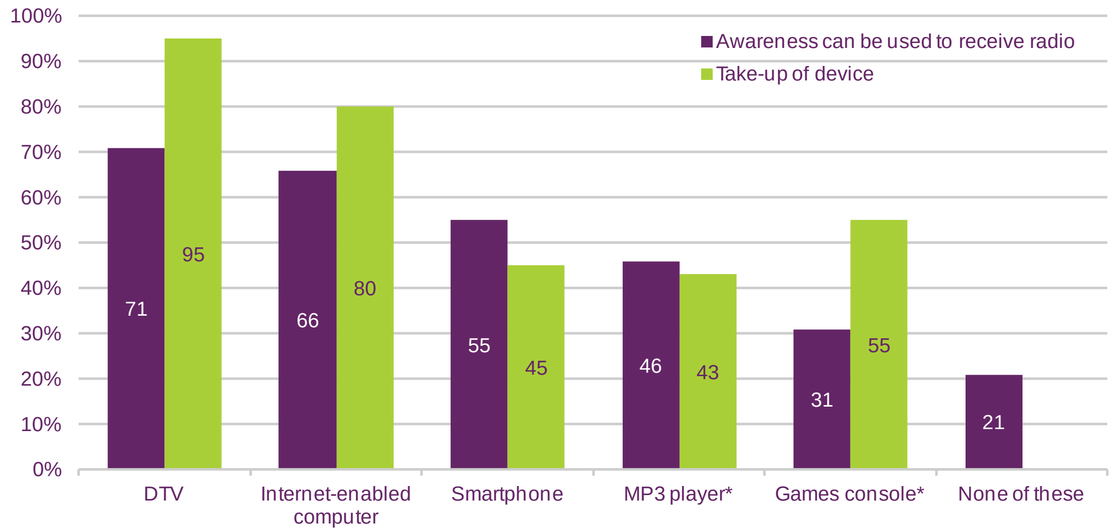
Consumer awareness of, and attitudes towards, digital radio

5.1 Consumer awareness of digital radio

Seven in ten individuals are aware that they can listen to radio through a digital television

Awareness of the digital-radio-carrying capabilities of digital devices varies. According to Ofcom research, seven in ten individuals in Q2 2012 (71%) were aware that their DTV platform is capable of carrying radio services, even though 95% of main sets are now connected to a DTV platform. This has remained stable on Q1 2011 figures. In comparison, two-thirds of adults (66%) were aware than an internet-enabled computer could do the same (80% of homes have the internet at home). Just over half (55%) knew that a smartphone could carry digital radio services, and 31% knew that the same was true of games consoles.

Figure 26: Awareness of devices capable of receiving digital radio services

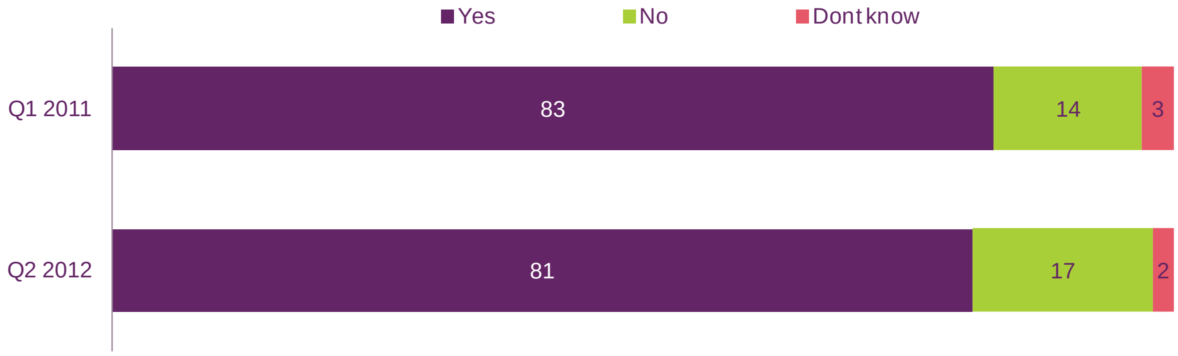


Q. Before today, were you aware that you can listen to radio programmes as they are broadcast in these ways?
*Source: Ofcom research, Q2 2012, *Take-up measures from Q1 2012*
Base: All respondents, n=2893

Eight in ten adults have heard of digital radios

When we asked respondents if they had heard of 'digital radios, sometimes called DAB radios', 81% reported they had, similar to the previous year. Awareness was highest among those living in AB households (88%), and among adults aged 45-54 (87%), and lowest among those in DE households (68%), and those aged 75+ (54%).

Figure 27: Awareness of digital radios, sometimes called 'DAB digital radio'



Source: Ofcom research, Q1 2011, Q2 2012
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 (SHOW CARD). 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.

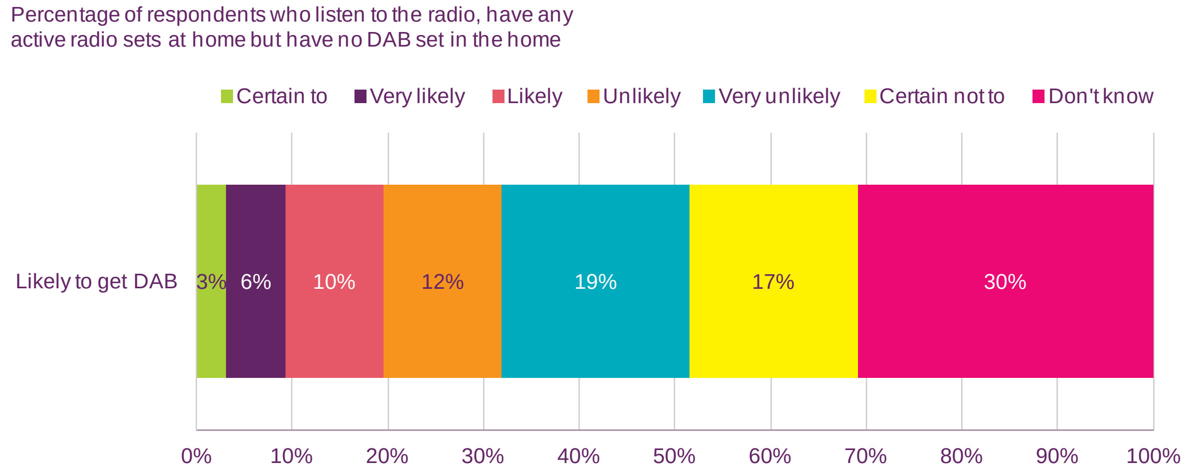
Three per cent of those without DAB claim they are certain to acquire the technology in the next year

In Q1 2011 we reported that 4% of those without DAB at home were certain to purchase a set in the next year, and 6% were very likely (combined, this equates to 3% of all adults). Over the same period ownership among all adults rose by 3.5 percentage points (from 38.2% to 41.7%).

Similarly, this year, in Q2, 3% of radio listeners without a DAB set said that they were 'certain to' purchase one within the next 12 months, while 6% claimed to be 'very likely' to do so. A further 10% claimed to be likely to buy a DAB set in the next 12 months.

While overall, one-fifth (19%) of those without a DAB set in the home said they were likely to get a set, half of those without a set (49%) said they were unlikely to get one in the next 12 months. Three in ten (30%) were unsure about their purchasing intentions.

Figure 28: Likelihood of purchasing a DAB set

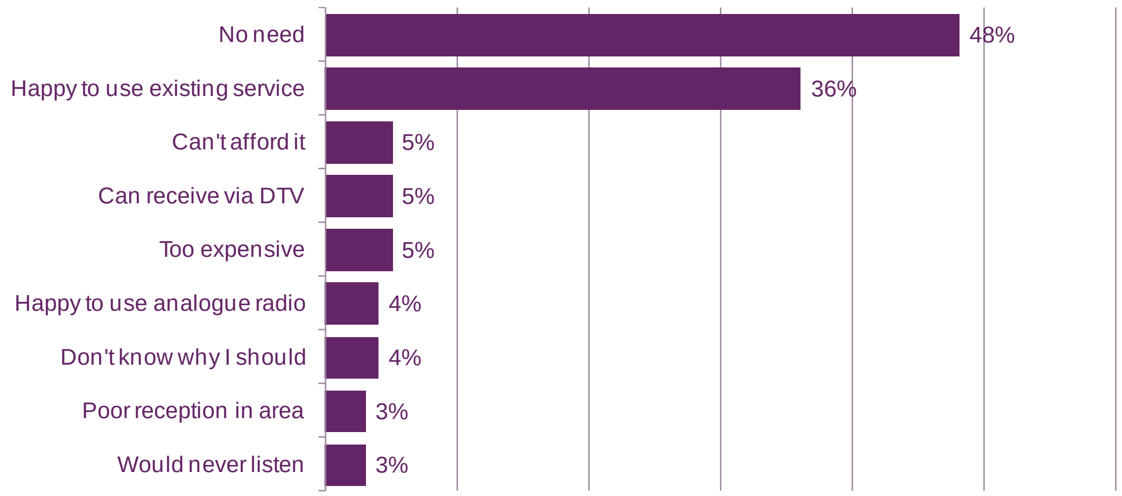


Source: Ofcom research, Q2 2012
Base: Those who listen to the radio but have no DAB sets in the home (n=1005)
QP12: How likely is it that your household will get a DAB radio in the next 12 months?

Voluntary reasons are behind non-ownership of a DAB set

Of the 49% of respondents who said they were unlikely to buy a DAB set, the most frequent reason, cited by half of respondents, was that they felt that they 'had no need for the service' (48%). This was followed by being 'satisfied with existing services' (36%). Much smaller proportions cited involuntary reasons for not having a DAB set; 3% cited poor reception in their area, while 5% thought it was too expensive, and the same proportion felt they couldn't afford a set (Figure 29).

Figure 29: Reasons for not acquiring a DAB digital radio set



Source: Ofcom research, Q2 2012
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?