Ipsos MediaCT
The Media, Content and Technology Research Specialists

The Future of Radio

Living in a digital Britain

Bite Sized Thought Piece

2010

In June 2009, the UK Government published its Digital Britain Report, which lays out the requirements for a country living and working in the digital age. Specifically for radio, this means the migration from analogue to digital broadcasting. In this context, Ipsos MediaCT looked at the implications of the Government's forecasts and the barriers to be overcome to ensure success.

Digital Britain has stipulated that all national radio, which currently accounts for around 3 in 5 of all listening hours, will be digital only by 2015. However, FM analogue broadcasting will not disappear, and will allow local and community-based stations who have no DAB presence to broadcast.

The target date to deliver the upgrade from FM to DAB and from Medium Wave to FM is 2015. The trigger date for this is 2013, two years earlier, when it is hoped that digital will account for at least 50% of all UK radio listening hours.

Digital Britain and barriers to a digital switchover

Current UK digital share of listening is 21% (RAJAR Q3 2009). In order to meet the 2013 trigger date for the switchover, digital listening share has to more than double in just four years. On inspection, this 2013 target date may be optimistic and there are a number of barriers to overcome in order to meet the digital migration criteria.

Firstly, there is the UK's DAB coverage, which is currently around 90%, but there is now the need to extend it across all the UK population, coupled with a requirement to improve the quality of reception and sound. It has been reported that the investment required to upgrade the digital audio transmitter network is over £100 million.

There is also the issue of people having to replace their analogue radio sets. Figures derived from RAJAR estimate that there are around 100 million radio sets in use in the UK, with an average of 4 sets per household. However, sales data show that less than 1 in 10 of these sets is DAB, so a very significant number of replacements need to be sold. This really puts the burden onto the radio listener. Will they replace all of the sets they have in their household? If they will not replace all their sets, which ones will they replace?

Radio's digital destiny is in the hands of the listeners

People's listening behaviour in the home can vary by set and by room. A Capibus study conducted by Ipsos MediaCT showed that a significant proportion of people's household sets are tuned to the same station all the time albeit to varying degrees, with 86% of kitchen sets, 79% of bedroom sets, 74% of living room sets and 70% of car radios tuned to the same station most of the time. What happens when the switchover occurs and the station now only broadcasts on DAB? Do listeners go out and buy a new DAB set for each room in the house or switch their listening to another station or stop listening? This will be a major issue for stations and their audiences. It will be the listener who will be in control of radio's digital destiny.

There are more barriers. The Government recognises the need for DAB receivers to be affordable. The cost of sets currently ranges from £15 to £200. All manufacturers are committed to producing sub-£20 sets in the next two years.

There are 30 million cars on UK roads but relatively low ownership of digital radios in cars. More digital radios need to be fitted in new cars and more digital converters need to be sold for existing cars. It has been announced that digital radios will become standard in new cars in the UK from 2014 after vehicle makers agreed to adopt the technology.




86% 74% 70% 79%

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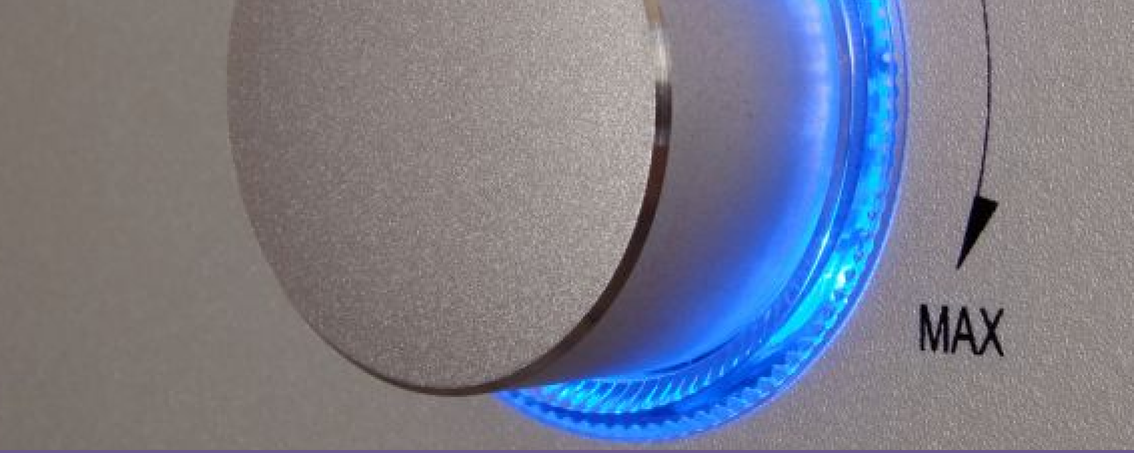
Base: 532 British adults, 2-8 Oct 2009 Source: Ipsos MediaCT

The state of the radio nation

Analogue broadcasts dominate in-home, in-car and at work/elsewhere radio listening. In-home listening accounts for two-thirds of all listening hours and, unsurprisingly, in-home listening delivers the strongest digital presence of the three locations. The challenge here is to increase digital share outside of the home. For example, currently around 20% of all radio listening takes place in the car, but just 5% of in-car listening is via DAB (RAJAR Q3 2009).

Looking at the current state of the nation for digital radio in the UK, take-up of digital platforms has been steady, but not remarkable. Around a third of UK households own a DAB set. This figure has been growing steadily year on year, albeit with a slow down in the last 12 months. Half the population has reported ever having listened to the radio via the TV. Three in ten UK adults have ever listened to the radio via the Internet and again there has been a slowdown in the last 12 months (RAJAR Q3 2009).

Looking at these three digital radio platforms in the context of the industry currency measure of weekly reach and hours, around a third of the UK adult population (nearly 18m adults) listen to digital radio in an average week. DAB has the strongest weekly reach with 1 in 5 adults listening to the platform (RAJAR Q3 2009).



The future of radio in a digital Britain

Digital listening has a long way to go to meet the Government's targets. There are a number of barriers to overcome to meet the demands of the Digital Britain Report, which require investment – in a recession – and co-operation between manufacturers and broadcasters. DAB will have to be marketed properly and quickly.

The digital destiny is in the hands of the radio listener and consumer. Ipsos MediaCT will continue to monitor radio usage, as we look forward towards a digital Britain.

For more information, please contact:

Kate Bramich
Tel.: +44(0)20 8861 8061
Email: kate.bramich@ipsos.com
www.ipsos-mori.com

John Carroll
Tel.: +44(0)20 8861 8114
Email: john.carroll@ipsos.com
www.ipsos-mori.com