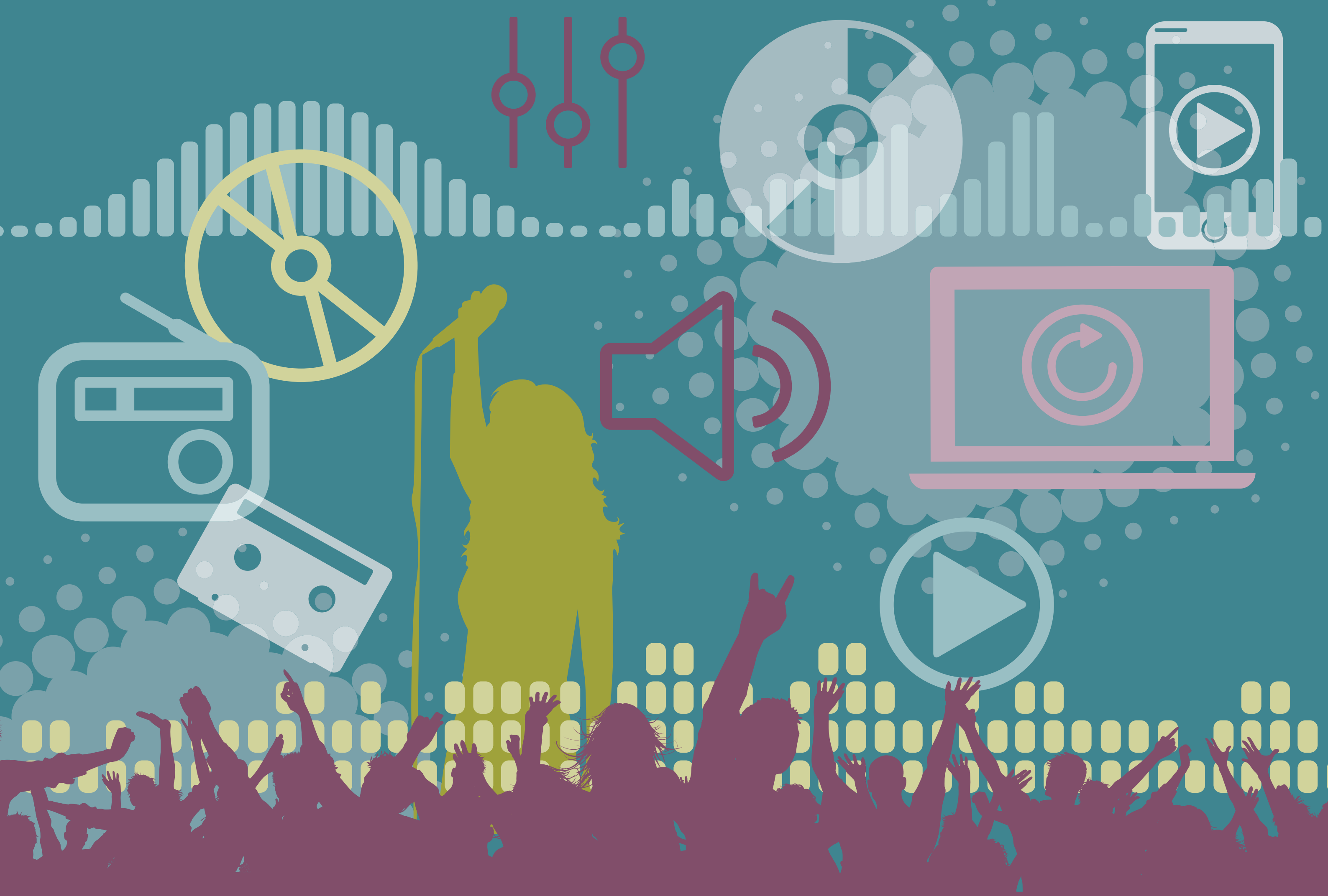


Audio Time

What the RAJAR Midas Audio survey
tells us about listening in the digital age

rajar
Audio measurement

Contents

Articles:

Surround sound

The audio landscape has been undergoing continual change at the hands of new technology since the early days of recorded music and the very first radio services. The speed and extent of change has been accelerating of late as a consequence of digital technology.

The combination of new devices and delivery systems have liberated audio, presenting audiences with an unprecedented range of content and services that can now be accessed in more places at more times and in more ways to fit conveniently into our lives.

Every part of the audio spectrum is evolving and adapting.

Radio now lives well beyond the radio set, its unique audience proposition has been transformed with new brands and services, distributed through analogue, online and DAB. The additional utility of Apps and media players such as Radioplayer and BBC iPlayer Radio have made accessing radio content more flexible and easy. Further technological advances combining both DAB and IP will continue this journey into an exciting hybrid future.

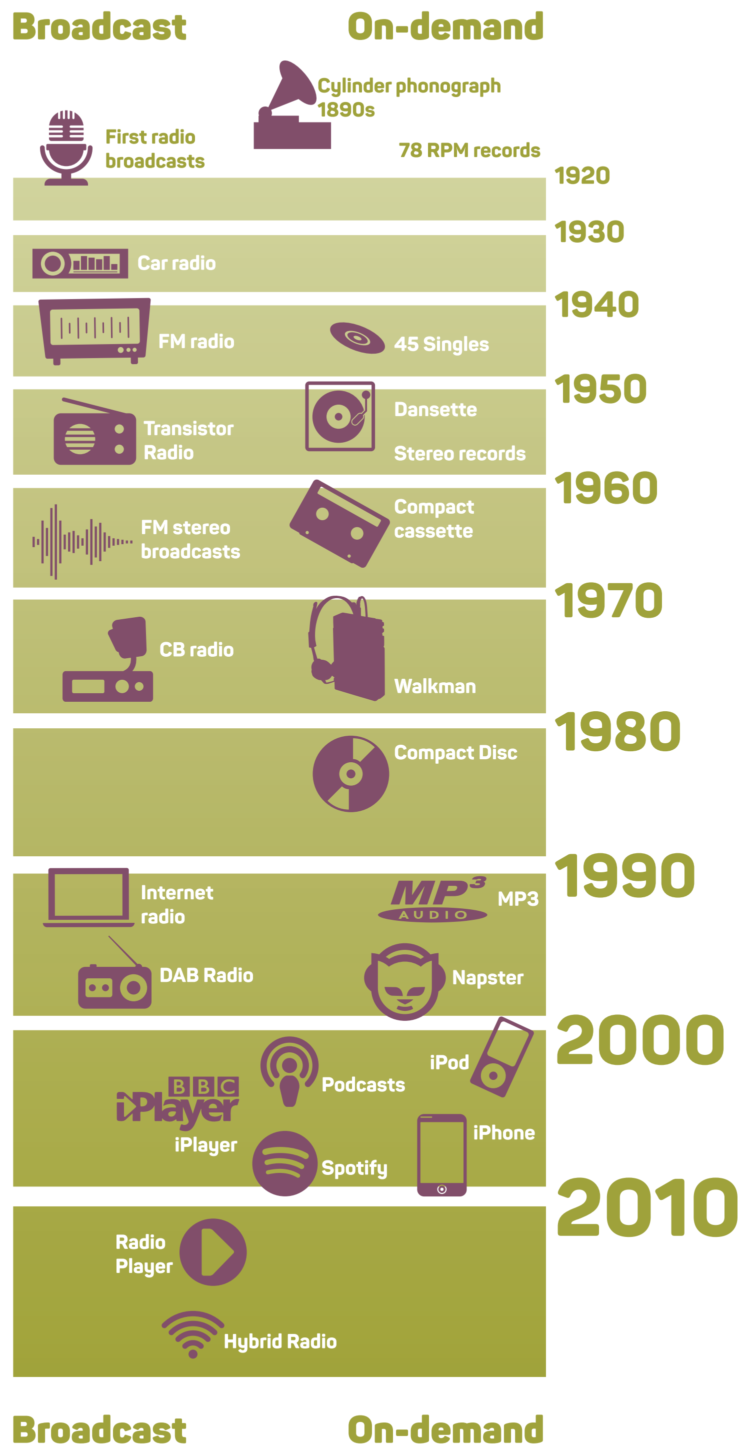
Music can now be acquired and accessed more easily. On-demand music services are transforming the music industry, whilst audio sharing platforms are making audio content more searchable and social.

Although niche, podcasts are developing into a new audio channel introducing new content as well as providing an important 'taster' and entry point for ongoing radio and non-radio audio services. This all caters to the evolving need states of the audience at any given time.

With audio's ability to free both the eyes and hands, the outlook for audio listening is positive.

'Audio Time' draws upon RAJAR's Midas Audio Survey which measures listening time and behaviour across the spectrum of audio led content, devices and services. It encompasses:

- Digital tracks (e.g. downloaded MP3s)
- On-demand music services like Spotify
- Live radio (across all platforms)
- Catch Up radio (or listen again)
- Podcasts (music and spoken)
- Online music videos like YouTube
- CDs
- Vinyl or cassette tapes

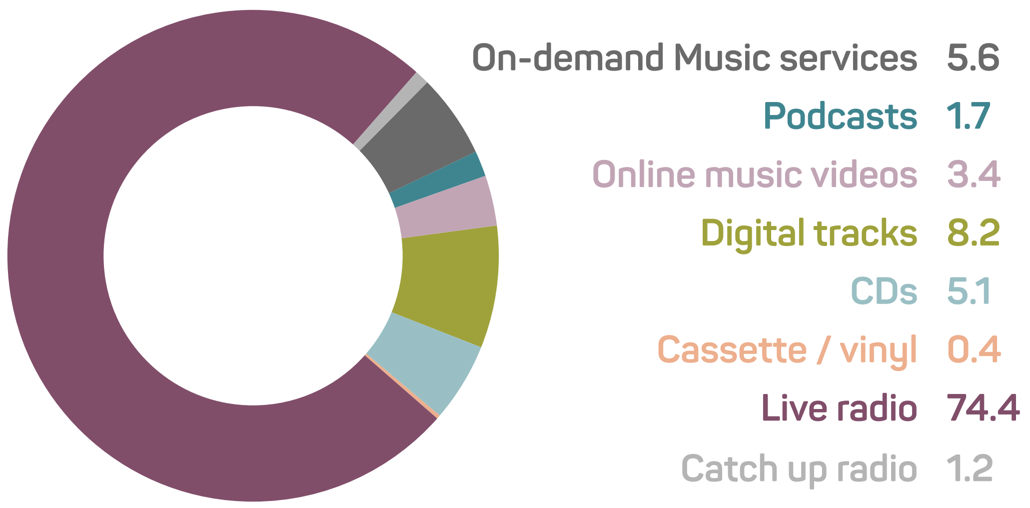


Soundbites

- We spend nearly 26 hours each week with audio content.
- Live radio accounts for 74% of the share of all UK audio consumption. It reaches 90% of the population – over 48 million adults - on a weekly basis. Radio remains very much a live medium, with catch up services contributing 1.5% to weekly radio listening.
- 38% of audio listening is on devices other than radio sets, primarily PC/laptop (11% of all audio) and smartphones (8%).
- On-demand music services account for 6% share of audio time and are listened to by 7.6 million people each week.
- 15-24s in particular are moving from a culture of owning music (CDs and MP3s) to accessing music, and already spend more time on streaming audio and music video services than with digital tracks or CDs.
- 21% of the population access online music videos on sites like YouTube, rising to almost a half of 15-24s. By volume however they account for 4% of weekly share of audio time.
- Podcasts are niche – 7% listen in an average week, making up 2% share of audio time. Listeners to podcasts spend over 6 hours a week with them with 91% of their listening being to speech-based content.
- WiFi is the most common means of radio access via smartphones, as concerns remain around the effect of audio streaming on 3G and 4G data plans. As a result digital tracks remain disproportionately popular on smartphones, even for younger users.
- Smartphones and PC/laptops are clearly preferred to tablets for audio. Tablets account for just 2% of weekly audio time. However tablets fare relatively better for catch up radio and on-demand music services account for the highest volume of listening on tablets.
- On-demand music services now account for more audio time on PCs and laptops than digital tracks or online music videos.
- Live radio accounts for 84% of all in-car listening, compared to 1.2% for On-demand music services.

Share of Audio by listening type

Share of Audio time (%)

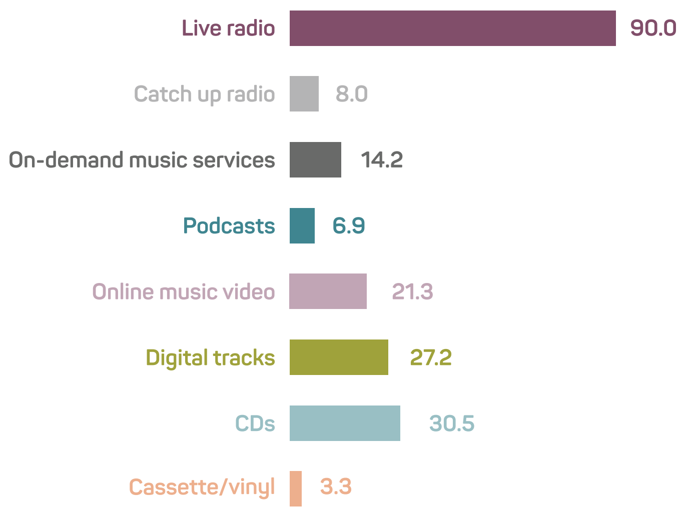


Base: all 15+ (2326) Source: RAJAR Midas Audio Survey Autumn 2015

People in the UK spend just under 26 hours with audio across the week, with live radio accounting for three-quarters of that audio time. Radio remains a primarily live medium, with just 0.3 hours devoted to catch up radio services, so that's 1.5% of radio listened to in a non-linear way.

1.4 hours is spent with on-demand music services.

Weekly reach of audio (%)



Base: all 15+ (2326) Source: RAJAR Midas Audio Survey Autumn 2015

Live radio reaches 90% of the population across the week, 48.3 million adults. Although the volume of listening to catch up radio and podcasts is relatively low, nonetheless 8% and 7% respectively use this type of audio at least once a week.

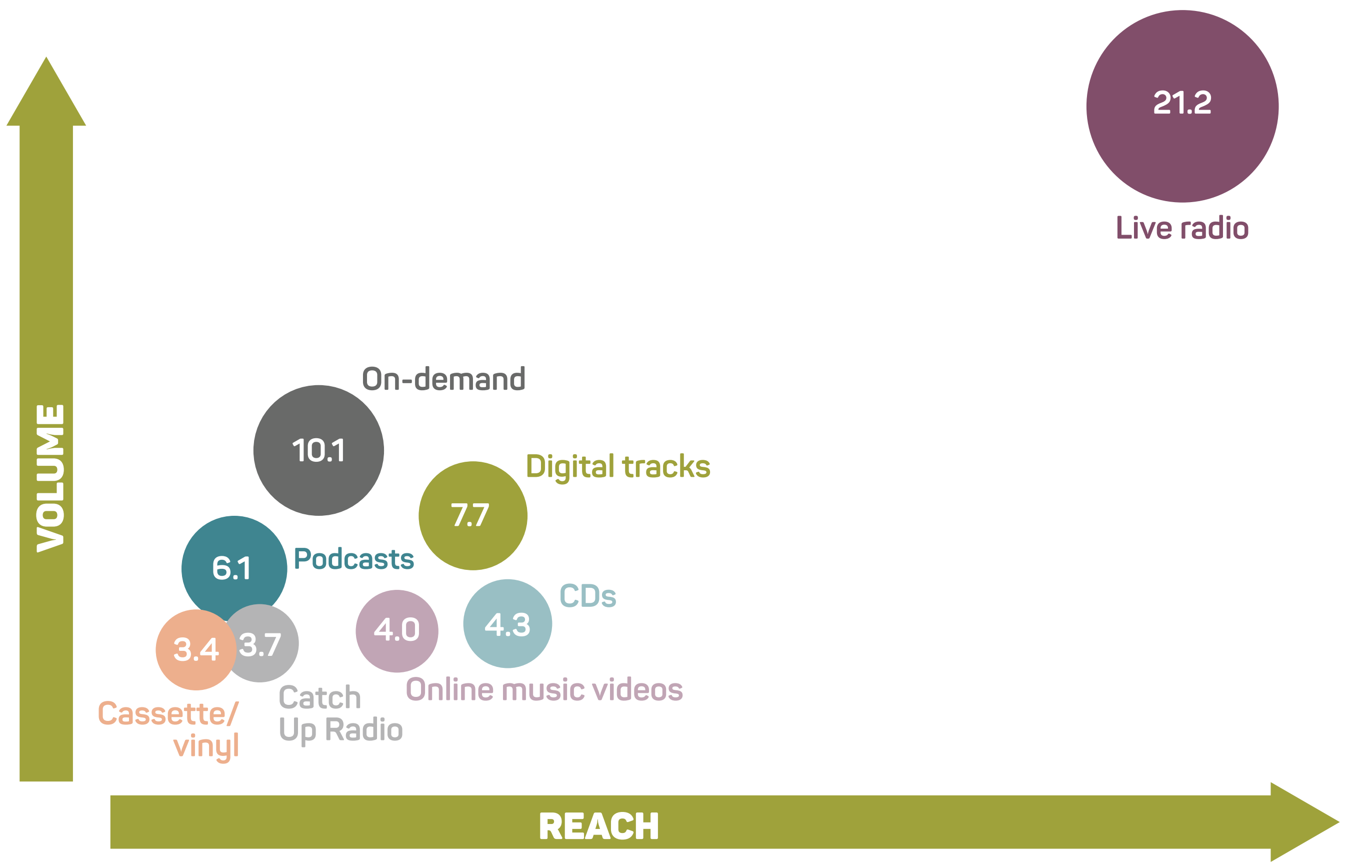
CDs still have twice the weekly reach of on-demand music services, and narrowly beat digital tracks. However clearly the tide is flowing against physical media for audio: amongst 15-24s, the weekly reach of radio is very similar to the total population, but there is a clear preference for online forms of audio – the most widely used being online music video on sites like YouTube. A third of 15-24s listen to on-demand music services, but this still lags behind the usage of digital tracks.

15-24s are less likely to use listen again radio services, but more likely to listen to podcasts and are actually exposed to more audio than the total population – 27.5 hours across the week. Whilst they still have live radio as their single largest audio category, they complement it primarily with three other digital sources - streaming services, digital tracks and online music videos.

Younger adults now devote more time to streaming media – music they don't 'own' – than to their own digital tracks or downloads. They clearly are moving from an era of ownership of media into one of access. This is reflected in the video world in the rise of VOD services like Netflix at the expense of DVD and Blu-ray. It amplifies why artists' royalties for streaming versus physical media is such a huge issue at the moment (see box out on page 10). It also explains why the music charts moved to incorporate audio streaming into their calculations.

We can also look at the volume of listening amongst those who actually use each service. On-demand music service listeners listen for 10 hours each week, this compares to 21 hours for radio listeners.

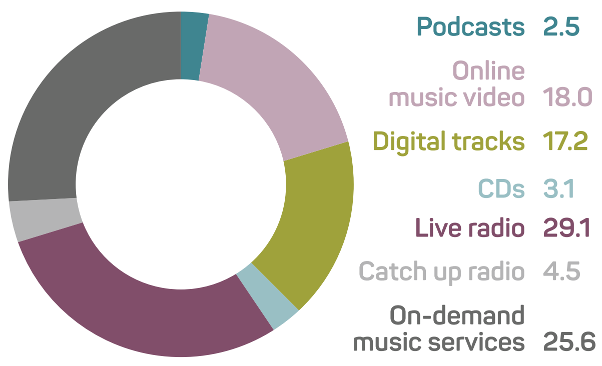
Weekly hours by those using each service



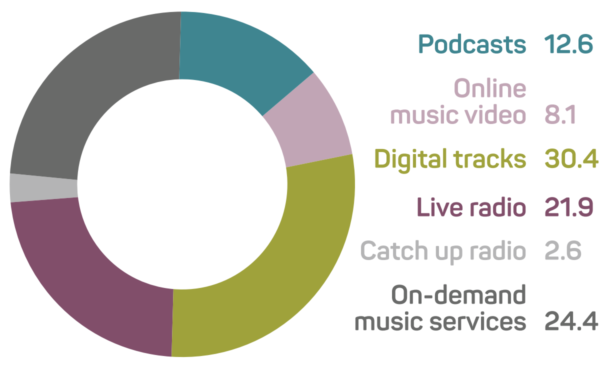
Base: all using service Source: RAJAR Midas Audio Survey Autumn 2015

Share of Audio by device

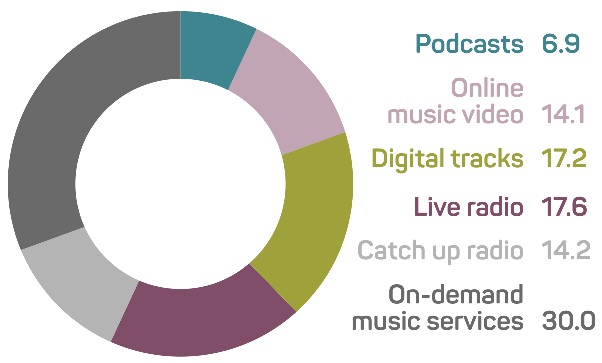
PCs & Laptops (%)



Smartphones (%)



Tablets (%)



Base: all 15+ listening on each device Source: RAJAR Midas Audio Survey Autumn 2015

On PCs and laptops, live radio has the highest volume of listening, but on-demand music services run radio pretty close, now accounting for more audio time than digital tracks or online music videos.

On smartphones it's digital tracks that are most widely used, even for 15-24s. This will reflect connectivity issues plus concerns over data plans and charges for streaming. On-demand music services now lead live radio in terms of smartphone share of audio. However combined with catch up radio, content from radio is currently at a similar level to that from on-demand services.

Whilst nearly two thirds of UK homes have access to a tablet, tablet usage for audio is more limited, accounting for just 2% of all audio compared to 11% for PC/laptops and 8% for smartphones. However tablets are far less likely to be used out of the home, so connectivity issues are less of a factor than for smartphones. As a result, on-demand music services are actually the most common form of audio by volume, accounting for 30%, significantly more than for live radio and digital tracks.

Sounds Innovative

Up until relatively recently, free to air audio had incredibly limited distribution. Pre-1999 there was no broadband, no digital radio, no mobile data - indeed not many mobile phones!

Since then there's been an explosion in distribution opportunities and a significant lowering of barriers to entry in getting audio content to large numbers of listeners.

As the Daddy of audio, radio's had a big part to play in defining the types of audio that are now seeing further independent success, as well as helping to popularise many of these diverse platforms. Radio has also got its own significant stake in audio's multi-platform future.

The combination of iPods, XML and the wide adoption of iTunes helped podcasting break through in the early 00s (see page 12). As podcasting matured, so did HTML5, cloud-computing and the availability of always-on bandwidth. Soundcloud, Audioboom and Spotify could now easily deliver audio (whether subscription copyrighted music or free to hear material) over the web to desktop and mobile. Whether short-form audio or streamed radio-like experiences, the scale and breadth of audio has never been wider.

Radio itself has always made a decent job of seizing the opportunities presented by new technology and responding to changing listener behaviour. New BBC stations for pop music were prompted by the sea-based pirates. Radio has been added to cars, the walkman, TVs and mobile phones. Radio has built out its own platform for more radio content with DAB digital radio. Spurred on by new competition traditional radio has always developed and changed.

The success of new audio types and more space for stations has led to an explosive period for broadcast radio. The existing portfolio of national stations has expanded with stations such as Heart Xtra and Smooth Xtra. The launch this spring of the second national multiplex has seen 17 new radio stations covering content across speech, children, Asian and Christian genres. Old favourites have returned like Talk Radio and Virgin Radio and new sister stations from popular brands - Kisstory, talkSPORT2 and Mellow Magic - all appear on the dial. The addition of DAB+ alongside mini multiplexes for small areas in the UK means that an autotune of your digital radio, for many people, now brings in over 100 stations.

Devices themselves are starting to become platform-agnostic. A 'Sonos' is simply about just getting your audio - whether that's Spotify or streaming radio. New hybrid devices in cars and mobile phones (like the LG Stylus 2 with Radioplayer) mean a seamless transition between broadcast and internet radio without the listener having to pay much attention to how they're listening, just what they're listening to.

Meanwhile 'Binaural' sound has been generating a lot of excitement recently. This is a means of recording or live broadcasting sound that preserves the relationship and distance between sounds in an incredibly realistic way. This can give the impression that the listener is actually able to move around within a soundscape. It has particular applications for audio dramas and concert broadcasts and is also being adopted as the audio delivery for Virtual Reality gaming.

New content and platforms are expanding eartime rather than cannibalising it, generating more opportunities for content providers whether rooted in traditional broadcast or not.

Matt Deegan is Creative Director of Folder Media and his favourite app is Soundcloud.

Share of Radio by device

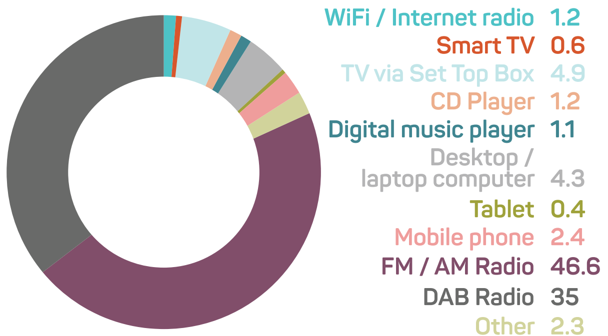
FM/AM radios now actually account for a minority of radio listening by volume. DAB dominates digital listening, with TV Set Top Boxes and PC/laptop also significant.

In terms of the weekly reach of live radio, 63% listen in an average week via an AM/FM radio and 42% via a DAB radio set.

9% listen to radio via a PC/laptop and 7% a smartphone. Despite tablets being accessible to 62% of the nation, only 3% listen to live radio on a tablet in an average week. It may be that when it comes to audio, tablets are caught between two stools – neither portable enough to put in a pocket, nor with the speaker quality to fill a room.

For younger people in particular, radio is increasingly a cross-platform medium rather than a separate device. By volume, mobile and PC/laptop now make up more than a quarter of 15-24 live radio listening.

Share of live radio time by device (%)



Base: all listening to live radio in week (2138)
Source: RAJAR Midas Audio Survey Autumn 2015

Half hour average audiences to Live Radio

Base: all 15+ (2326) Source: RAJAR Midas Audio Survey Autumn 2015

In terms of half hour audiences, live radio clearly plays an essential role in starting the day, peaking at nearly 18m between 8am and 8:30am on weekdays.

Accessing online radio...

Just over two-thirds of us ever listen to radio online in any way. The most common access point is the BBC website (43%). Just over a fifth access RadioPlayer, but commercial radio is still slightly more likely to be accessed directly from the station's website. Thus far only 6% ever access radio via iTunes.

Catch up radio...

Catch up radio remains something of a niche, although those who do actually listen in an average week do so for 3.7 hours per week – it makes up a significant proportion of their listening.

Catch up radio actually skews older in its weekly reach than the population as a whole, but with an even appeal to men and women.

PC/laptop remains the most common access point for catch up. However in contrast to live radio, tablet access is actually more common than via smartphone. This may reflect the older audience of catch up services.

Stream powered

'Disruption' is a phrase much-loved in new media and subscription music streaming is certainly disrupting the music industry. In the recent history of recorded music there have been three important periods of transition: the 1980s shift from analogue (records and tapes) to digital (CDs), the late 1990s evolution from the physical to the virtual (MP3s) and, most recently, listener migration from digital downloads to streaming services like Spotify, Deezer, Tidal and Apple Music. In 2015 revenues from streaming services replaced digital downloads as the biggest single source of revenue for the US music industry.

On-demand music services have certainly proven controversial with the artists themselves who were benefiting from a post-Napster iTunes-dominated digital music ecology focused on paid downloads.

Why? Because it all boils down to exactly what music streaming is replacing. Some argue that music streaming is competition for radio, but primarily streaming services are the natural successor to physical sales and paid downloads.

The BBC clearly sees streaming as a complementary service to radio. Its Playlister service allows radio listeners to click on songs they like on the radio and export them directly to playlists on Spotify, Deezer and YouTube. Older readers may recall holding a C90 cassette recorder next to the radio during the Top 40 countdown, on pause until your favourite comes on. It's the same idea, but Playlister is a lot easier.

Meanwhile the official UK charts have started to include streaming stats in the chart calculations; a hundred streams equals one download, a clear positioning of streaming as a proxy for music sales as opposed to airplay.

So the distribution of streaming revenue models are absolutely key for the future affluence of artists, who claim they are seeing pin money returns more akin to PRS radio payments than sales revenues from physical media and downloads. Some are questioning whether a career as a recording artist will even be sustainable in a world of streaming.

Particularly controversial are artist revenues from Spotify's free advertising-funded service. Radiohead have been particularly vocal, whilst Taylor Swift and Adele have withheld their music. However Billy Bragg puts the blame on the record companies, not Spotify, claiming *'Artists railing against Spotify is about as helpful to their cause as campaigning against the Sony Walkman would have been in the early 80s'.*

Nonetheless, a grouping of major artists has banded together to form Tidal, an as-yet unsuccessful rival streaming services offering subscription-only services. Apple Music represents a heavyweight effort by Apple to defend its hegemony in online music, building on the acquisition of Beats Music and majoring on curated content and talent like Zane Lowe, positioning streaming much closer to radio's backyard. Later this year Google is rumoured to be entering the market with a YouTube Music streaming service.

Digital experts have pointed out that scale advantages and convenience tend to drive concentration of content distribution on the Internet – iTunes for music downloads, Amazon for books, Google for search, Facebook for social. How this plays out in the Music streaming market place is yet to be seen as the battle for global supremacy enters a new phase. In the US for example, Pandora dominates music steaming, offering a more curated service based around user preferences, but isn't available in the UK due to – you guessed it – rights issues.

Richard Marks is Director of Research The Media and a keen fan of Underworld.

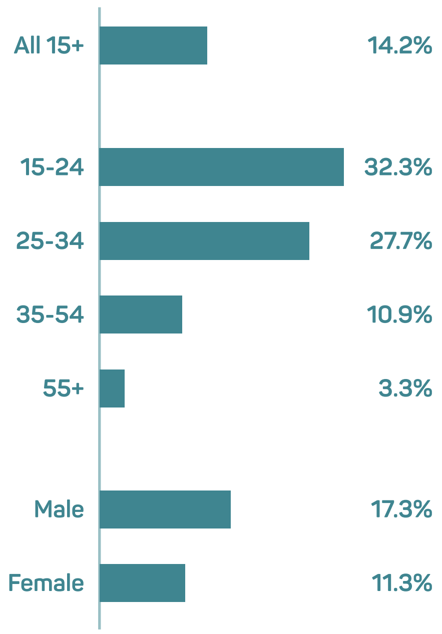
On-demand music services

On-demand music services are disrupting the traditional distribution model for music and redefining how personal music can be accessed and consumed. Directly-accessed music (whether physical media, digitised or streamed) and music delivered through radio have always offered quite different things. As a result, the continuing appeal of music-based radio overlaid with the ease of access of new streaming services is contributing to an increase in total audio time spent listening.

In an average week 7.6 million of us access an on-demand music service, which compares to 48.2million listening to live radio. On-demand music services account for 6% of all hours in the audio category – 1.4 hours per week. However this triples to 4.5 hours for 15-24s – 16% of all their audio. These services also have a greater appeal to males than to females.

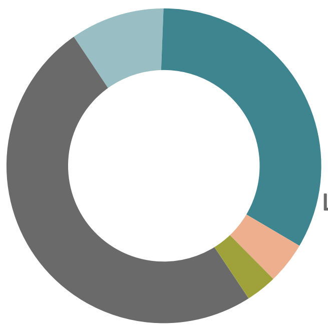
51% of time spent with on-demand music services is to a service that features advertising. Ad-free subscribers listen for an average of 10.5 hours per week, compared to 2.5 hours for those using services with advertising.

On-demand music services Weekly reach

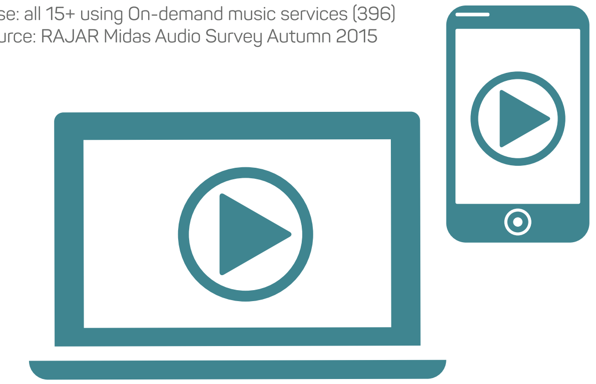


Base: all 15+ (2326)
Source: RAJAR Midas Audio Survey Autumn 2015

Distribution of On-demand music listening across device (%)



Base: all 15+ using On-demand music services (396)
Source: RAJAR Midas Audio Survey Autumn 2015



Desktops and laptops account for half of all the time spent with on-demand music services.

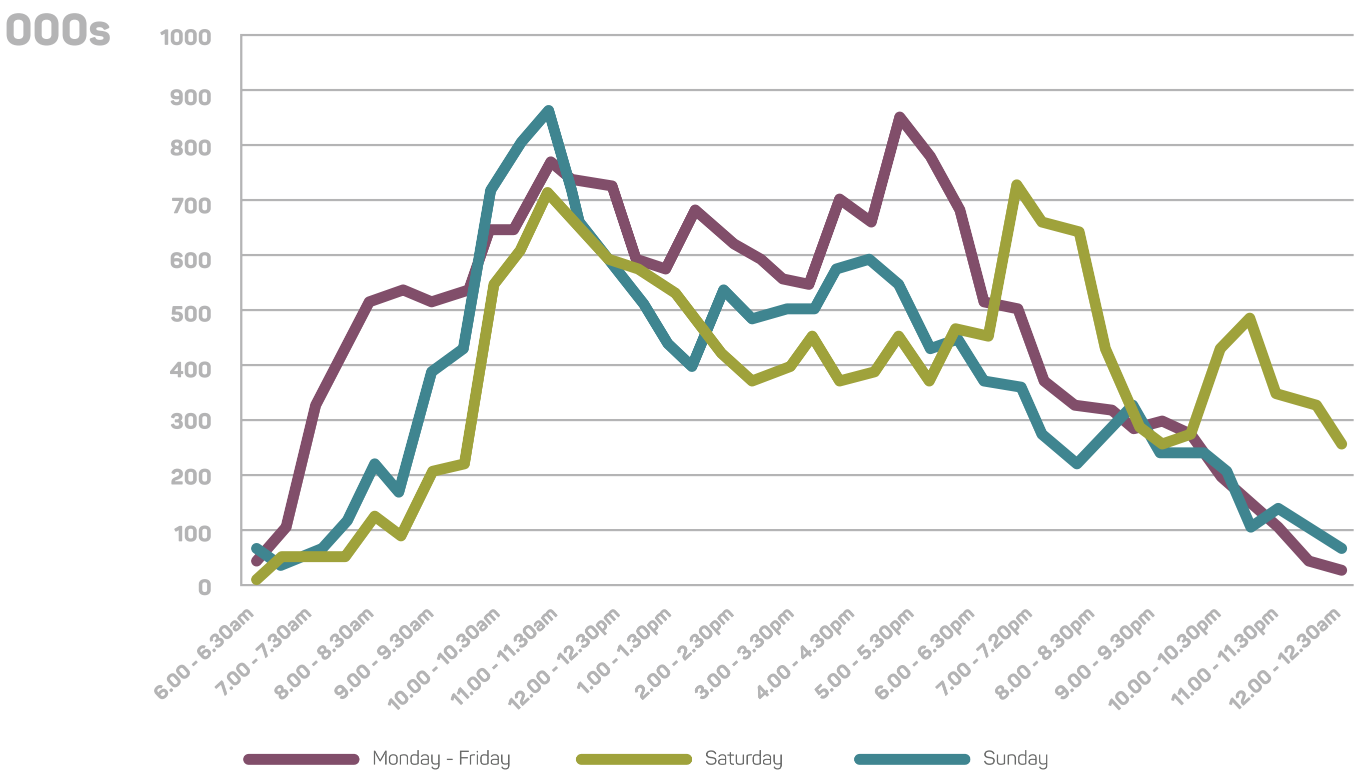
Smartphones take up more than three times as much listening as tablets, perhaps due to being more inherently portable and also as the natural successor in a lineage that runs from the Walkman, through the iPod to the smartphone itself.

RAJAR Midas Audio shows the audience levels in any given half hour across the week for audio types. Unlike live radio (see previous section), on-demand music services do not have a weekday breakfast peak.

However, there are more noticeable morning spikes for on-demand music on Saturday and Sunday, although those peaks don't come until mid morning. This may be because weekends generally have less structure and offer more opportunity to indulge and make more active content choices which listeners can give their full attention to.

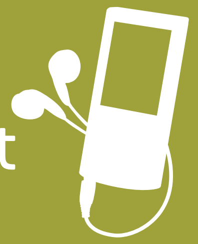
On-demand music services

Half hour average audiences



Base: all 15+ (2326) Source: RAJAR Midas Audio Survey Autumn 2015

In Pod We Trust



The BBC has been producing audio content as podcasts for 10+ years. But the last 12 months have seen renewed interest and focus on this format with various commentators dubbing 2015 The Year of the Podcast.

2015 definitely brought progress for the BBC in this space. A change in rights management allowed listeners to download whole radio programmes, which meant we could include more spoken word material than before. But also, and possibly more importantly, we could include full music tracks, which has given downloads a great opportunity to reach a new audience of young people who are interested in music. Since these new downloads launched in July 2015, some of the most popular ones have been music mixes from Radio 1.

But the download space is a broad church where essentially anyone with a smartphone can start podcasting and 2015 saw some interesting companies move into the podcast market - like Sky and Buzzfeed. But of course the stand out title was Serial, from the US, which has helped to redefine the podcast market from an older more traditional format into something that is still intelligent but just a little bit sexier all of a sudden.

So what does this format have to offer the listener? In radio, we have long suspected that podcasts had the potential to bring our content into spaces where live radio is not always present or convenient – the commute to and from work for example. As the FT's Janan Janesh put it recently:

*"Geography was not phased out by the internet. Professional, educated people still commute and crave stimulation during the ordeal. They also exercise, struggle to sleep and demand ocular relief from the enervating blue-white fuzz of a computer or smartphone screen. In all these instances, podcasts fit our lives in a way virtual reality headsets may never. They liberate our eyes"**.

Surveys like RAJAR Midas Audio help us to understand who is consuming podcasts – which is that this platform is relatively more important and used by younger people. So we see podcasts as an important way of maintaining an audio habit among younger generations, especially at a time when timespent with live radio among the young is being challenged.

Recent research by BBC Radio Audiences shows that podcasts tend to meet different needstates for listeners. While live radio was required to meet two needstates of entertain and inform me, podcasts skew to wanting to be connected to a community of likeminded people, the need to escape, and finally the need to learn something new. So this format has a distinct role to play alongside, and in addition to, live radio.

In a world where media, and its distribution, is fragmenting, podcasting offers a valuable route into radio, building overall audio hours and helping to keep the medium relevant by being available at times and in formats that suit the listener. And with plenty of room for innovation and growth left in the podcast arena, this opportunity should only increase, spelling good news for radio.

** Podcasts Create Golden Age of Radio – Janan Ganesh, FT.com*

Alison Winter is Head of Audiences, BBC Radio & Music and her favourite podcast is Radio 4's Friday Night Comedy.

Podcasts

Interest in podcasting has seen a resurgence in recent years – there were 60,000 active podcasts available on ITunes in 2015, up by 13,000 on the preceding year.

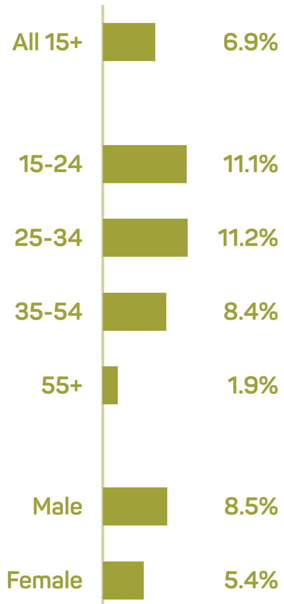
In the UK 21% of the population have ever downloaded podcasts, but podcasts account for just 0.4 hours of weekly audio time per head, because only 7% listen in an average week. However those who do listen in an average week consume an impressive 6.1 hours per week.

Speech-based content dominates, accounting for 91% of all time spent listening.

The weekly reach of podcasts skews towards the younger bands with males slightly more likely to listen than females.

Podcast listeners are loyal: Amongst podcast downloaders, 62% say that they play back all or most of their downloads. Having started listening, 57% go on to listen to the whole episode, 85% all or most of it.

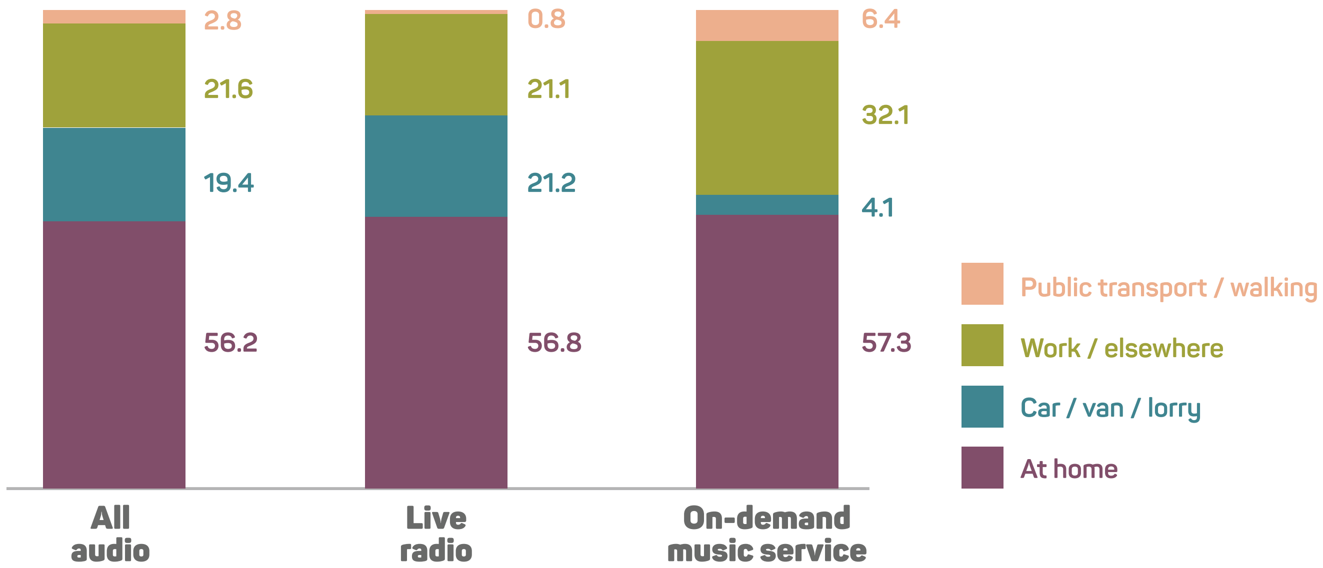
Podcast listening Weekly reach



Base: all 15+ (2326)
Source: RAJAR Midas Audio Survey Autumn 2015

Location of listening

Share of listening by location - All 15+ (%)



Base: all 15+ (2326) Source: RAJAR Midas Audio Survey Autumn 2015

69% of us listen to audio in a vehicle at some point during the week. On-demand music services are significantly less likely to be listened to in vehicles. In-car radio makes up 21% of all live radio listening, but only 4% of listening to on-demand music services happens in cars.

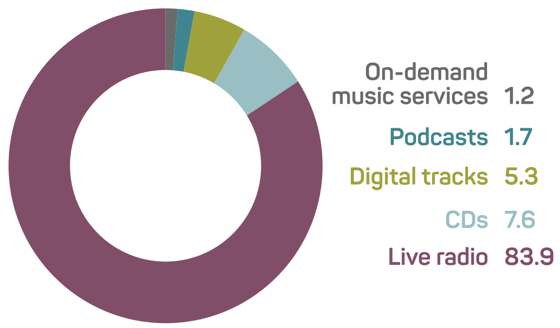
Live radio tends to accompany five specific activities: work & study, driving & travel, household chores, relaxing and food & drink.

On-demand music services have a much higher proportion of time accompanying work & study – this may reflect its younger skew in usage – perhaps towards students. Relaxing is the second most common activity for on-demand listeners. Socialising and using the Internet also feature more prominently than for live radio.

Half of all listening to live radio happens when people are on their own, with the majority of accompanied listening being with partners, children and family members. However nearly two-thirds of on-demand music service listening is done by people on their own.

On-demand music is more likely than live radio to be listened to with friends, perhaps reflecting on-demand's higher opportunity for control: music curation and mood setting for example.

Share of In Car Audio Listening (%)



Base: all listen in car in week (1605)
Source: RAJAR Midas Audio Survey Autumn 2015

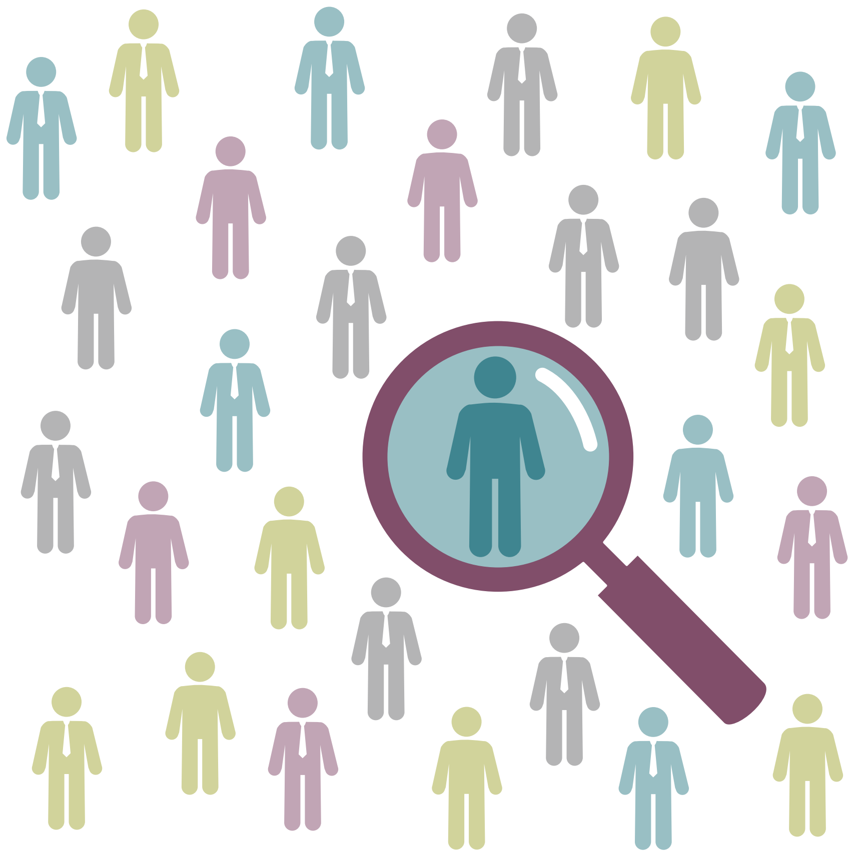
So that's our overview of the latest RAJAR Midas Audio findings.
For more information contact Lyndsay Ferrigan (Lyndsay@rajar.co.uk)

RAJAR Midas Audio – How we do it

The survey is conducted quarterly and the data here comes from the Autumn 2015 survey.

That survey took in a large sample of 2326 UK adults aged 15+. They were a representative sample of adults who had recently taken part in the main RAJAR study and they completed two tasks – they kept an online diary of their audio consumption, for quarter hour periods across a full week. They also completed a questionnaire that provided a wider understanding of the device and service usage that shaped the listening in the diary,

Fieldwork was carried out in November 2015 and the results were weighted to the total UK population, using modelling to project the proportion of the population that does not have broadband access.



About RAJAR

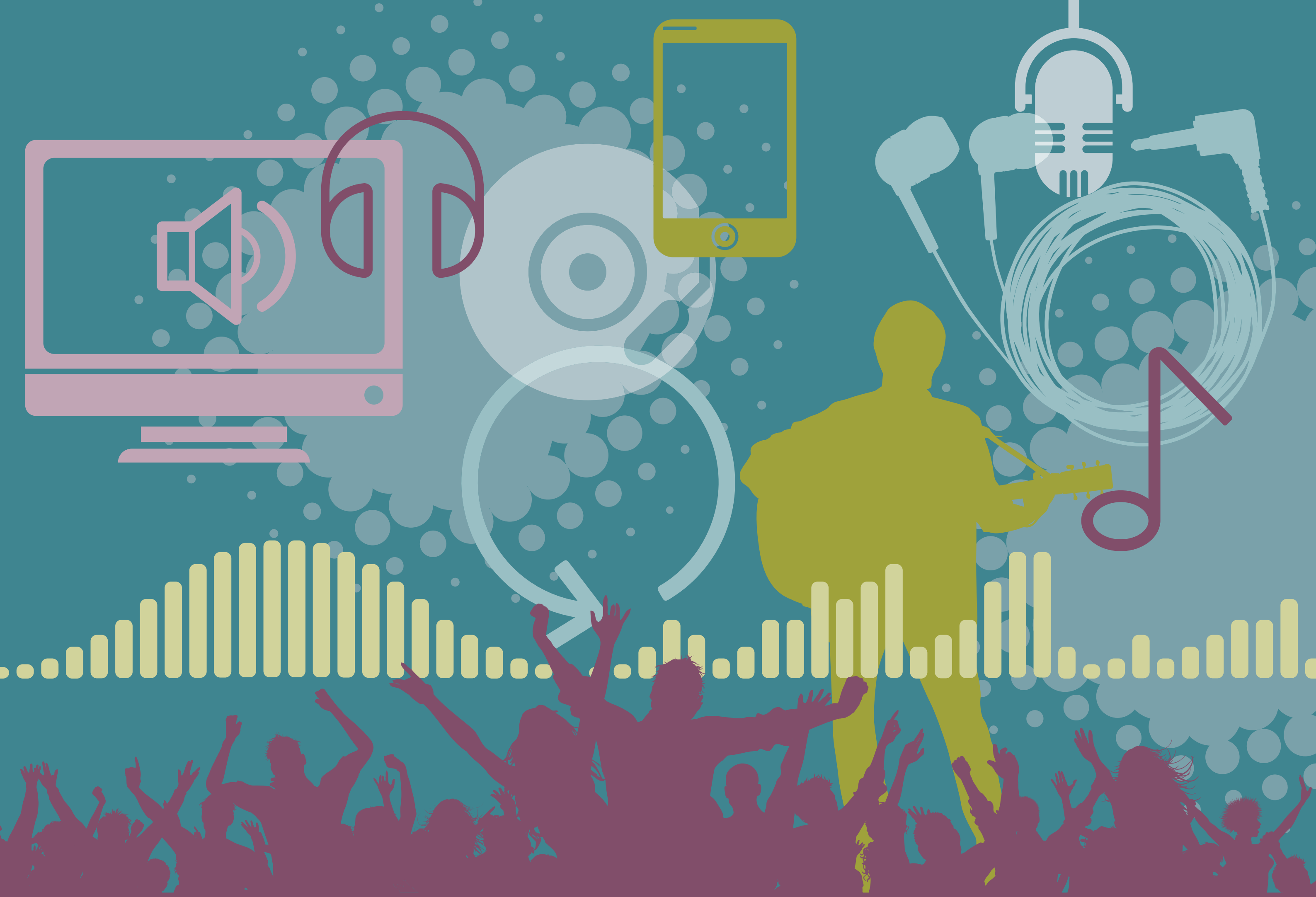
RAJAR is responsible for providing the audience measurement service for the UK's radio industry. It operates two surveys , the RAJAR national listening survey producing the audience figures for over 300 BBC and Commercial radio stations , and also the RAJAR Midas Audio Survey , measuring listening across the wider spectrum of audio led services.

RAJAR is a Joint Industry Currency . The industry created JIC's to provide audience numbers and trading metrics for each advertising medium. They are owned and developed by the communications industry. Advertisers, agencies and media owners work in concert to deliver one, credible and objective trading currency for each medium.

As well as creating the standard metrics that serve as the bedrock for evaluating and trading advertising media, the Joint Industry Currencies also provide critical inputs that enable advertisers and their agencies to understand the effectiveness of cross-media marketing campaigns.

How they are built and how they work is open to scrutiny – they are transparent in what they do. The currencies are the most robust and comprehensive datasets available. Each is produced and ordered at cost, delivering unrivalled value for money.

The UK Joint Industry Currencies are ABC, BARB, JICPOPS, JICREG, JICWEBS, PAMCO, RAJAR and ROUTE.



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Audio measurement

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