DAB v Analogue

Why Incumbents Can Be The Winners

Nick Piggott
Project Director, RadioDNS &
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Digital = **Risk?**

Digital = **Opportunity**

Commercial radio

UK commercial radio 'dying out'

Chris Tryhorn

Thu 19 Mar 2009 15.49 GMT

2009

Commercial radio could die out within 15 to 20 years as advertising revenues dwindle, the MediaGuardian Changing Media Summit heard today.

Claire Enders, the founder of Enders Analysis, made the prediction, pointing to the large number of radio stations in the UK that are currently unprofitable.

She said revenues from classified, online and search advertising all outstripped those from radio, and that advertising agencies were tuning out of the medium.

"There is a next generation of people in agencies who are not that keen on radio," she said.

"There has been a dramatic change in the position of radio in the last 10 years, dramatic even though consumption has not been affected as much as newspaper consumption."

She said that outside the BBC, radio would not be commercially viable and was therefore likely to end up solely in the form of "hobbyist" models such as podcasts.

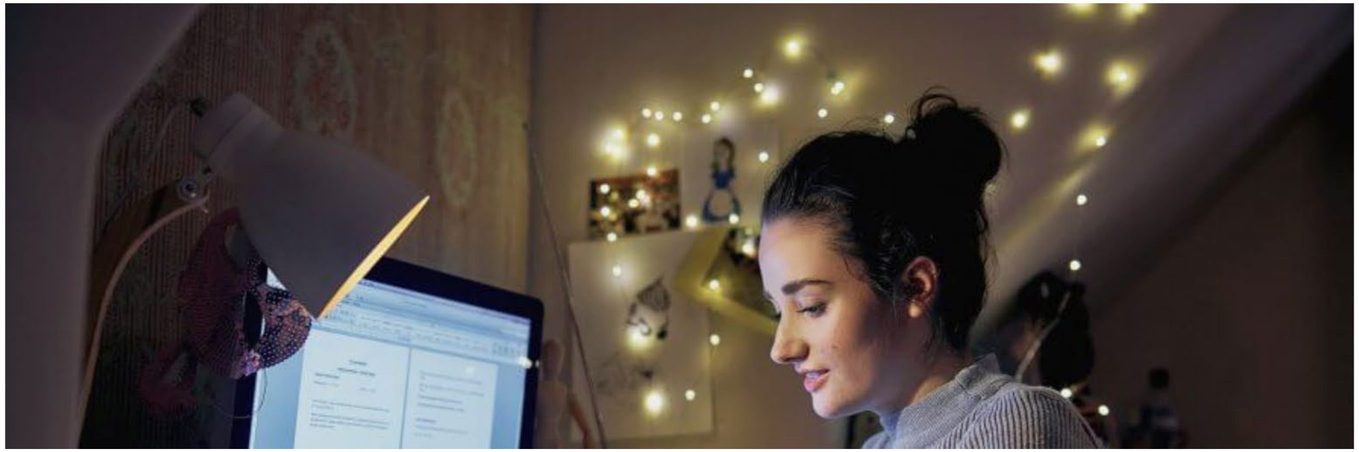
London 2009 – Analogue Services

- **Major commercial radio companies are privately owned** -less susceptible to share market pressures
- **Lightest possible regulatory environment** for digital radio
- **Sustained and committed industry promotion** of digital radio to listeners - including the benefit of "more choice"

Enders Analysis report on radio: When the facts change, change your mind

30 OCTOBER 2018 | BLOG

2018



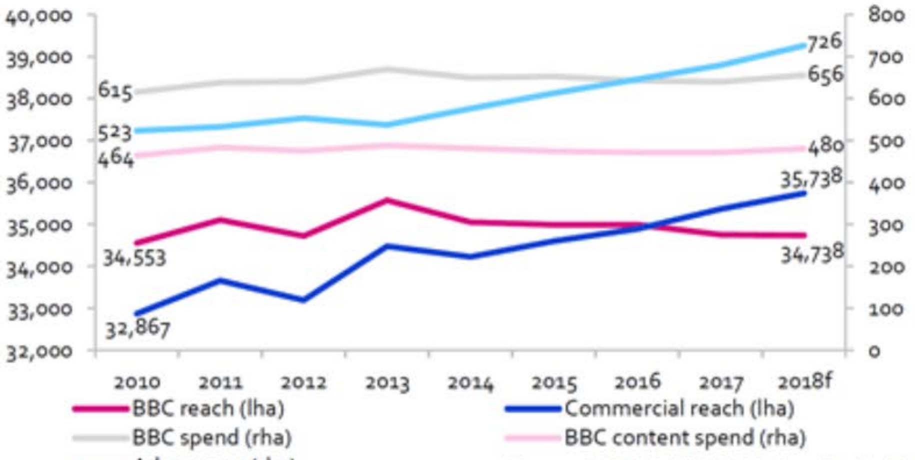
Credit:
Matt Payton, RadioCentre

Fast-forward to 2018 and it is this range of factors that have been highlighted in the latest Enders Analysis report on the radio and audio sector. This new report (available to subscribers here) strikes a very different note to the doom-laden predictions of the past.

Instead it talks optimistically about radio's flexibility on connected devices such as voice controlled smart speakers, which has seen radio *"continue to flourish"* despite competition from an almost infinite number of online content players. It states that *"radio listening remains very robust"* feeding through to record advertising revenues, alongside relatively high levels of spending from the BBC. Based on these trends it expects commercial radio revenue to exceed £700m for the first time in 2018 (see chart below).

2018

Weekly reach (000s) v BBC spend/ commercial revs (£m)



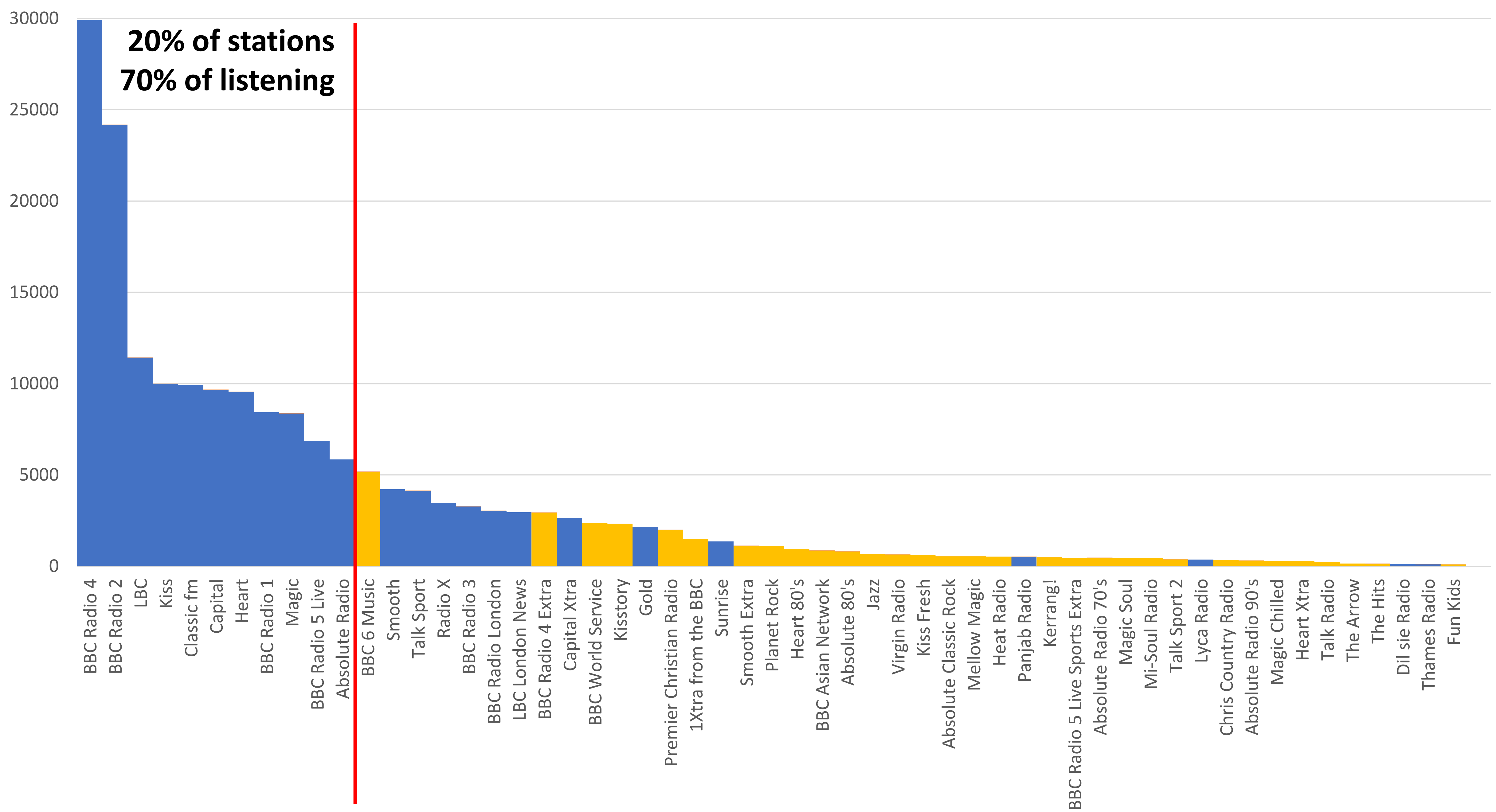
[Source: RAJAR, WARC, Enders Analysis]

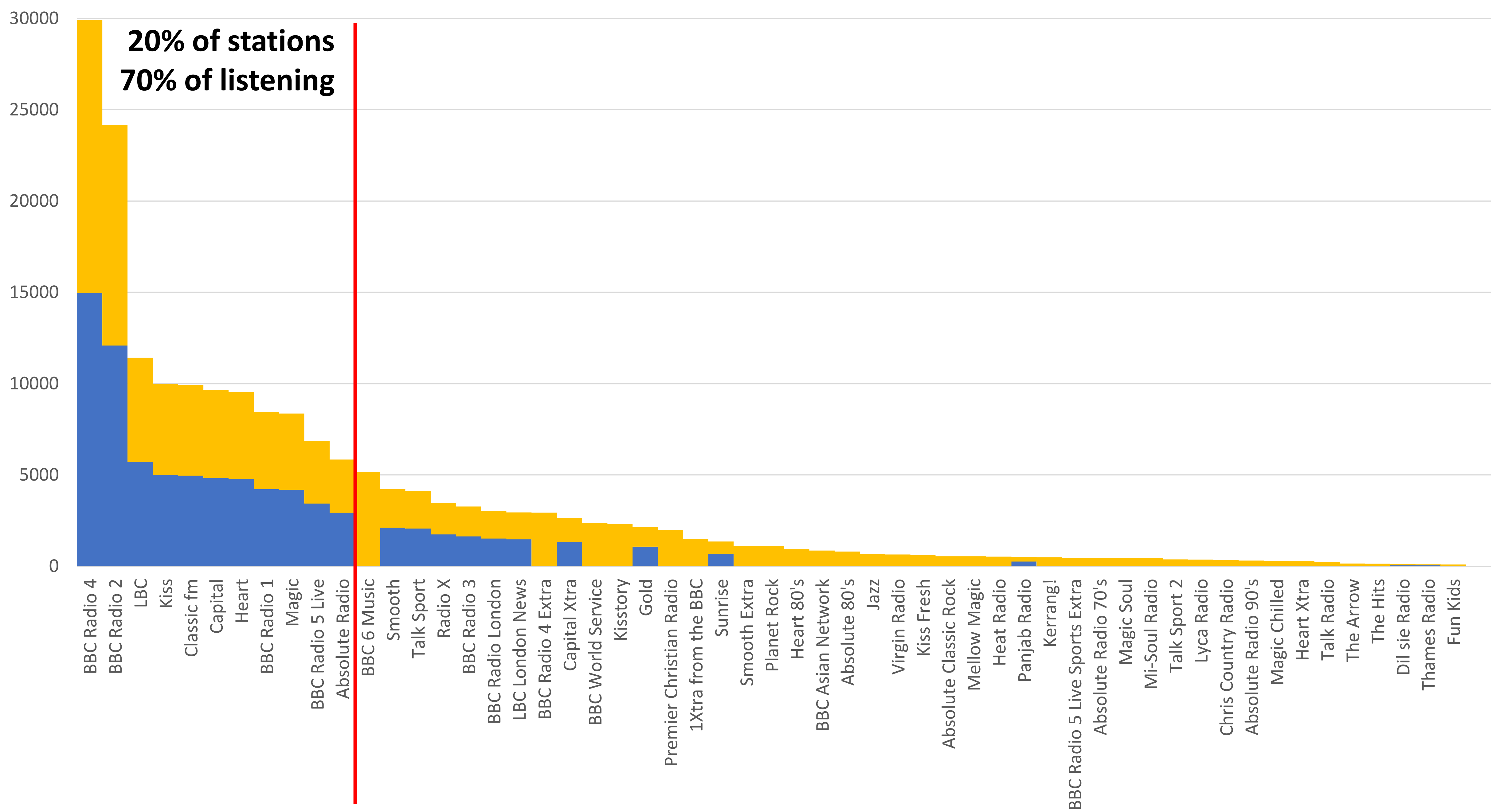
Credit:
Matt Payton, RadioCentre

London 2009 – Analogue Services

London 2018 – Analogue and Digital Services – Current Station Names Shown

London 2018 – Analogue and Digital Services – Ordered by Time Spent Listening


20% of stations
70% of listening
30000
25000
20000
15000
10000
5000
0
BBC Radio 4
BBC Radio 2
LBC
Kiss
Classic fm
Capital
Heart
BBC Radio 1
Magic
BBC Radio 5 Live
Absolute Radio
BBC 6 Music
Smooth
Talk Sport
Radio X
BBC Radio 3
BBC Radio London
LBC London News
BBC Radio 4 Extra
Capital Xtra
BBC World Service
Kisstory
Gold
Premier Christian Radio
1Xtra from the BBC
Sunrise
Smooth Extra
Planet Rock
Heart 80's
BBC Asian Network
Absolute 80's
Jazz
Virgin Radio
Kiss Fresh
Absolute Classic Rock
Mellow Magic
Heat Radio
Panjab Radio
Kerrang!
BBC Radio 5 Live Sports Extra
Absolute Radio 70's
Magic Soul
Mi-Soul Radio
Talk Sport 2
Lyca Radio
Chris Country Radio
Absolute Radio 90's
Magic Chilled
Heart Xtra
Talk Radio
The Arrow
The Hits
Dil sie Radio
Thames Radio
Fun Kids



Digital listening figures are averaged across all stations (52%)

KISSTORY	KISS	KISSFRESH
2.3m	**9.9m**	**0.6m**

Spotify

TIDAL

amazon music

Google Play Music

MUSIC

DEEZER


Absolute Radio
CLASSIC ROCK


PLANET ROCK
WHERE ROCK LIVES


THE ARROW
ALL ROCK RADIO

0.5m **1.1m** **0.1m**

Spotify®

TIDAL

amazon music

Google Play Music

MUSIC

DEEZER

heart 80s

non-stop 80s feel good

0.9m

heart

4.7m

0.8m

Spotify®

TIDAL

amazon music

Google Play Music

MUSIC

DEEZER

London 2018 – Analogue and Digital Services – Grouped By Ownership

The Digital Boost

Company	Digital + Analogue	Analogue	Digital Boost
BBC	44.2%	38.0%	**16.3%**
Global	27.5%	22.8%	**20.6%**
Bauer	15.7%	11.4%	**37.7%**
Wireless	2.6%	2.0%	**30.0%**

Spotify®

TIDAL

amazon music

Google Play Music

MUSIC

DEEZER

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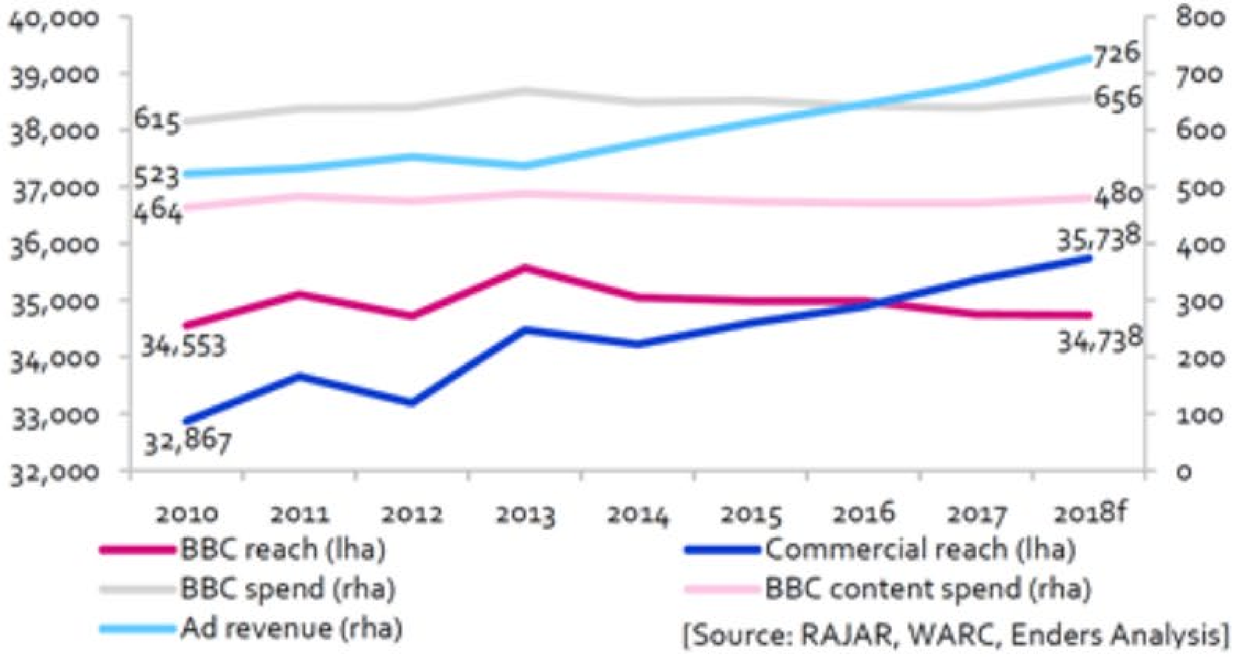

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