The Next Generation of Radio

The Value Proposition of Radio in a Connected World

https://nabanet.com/project/the-value-proposition-of-radio-in-a-connected-world/

AGENDA

Radio and Audio Environment Today
- Listeners and what they're listening on

HD Radio Roll out in North America
- Progress in Mexico and Canada…more to come

Radio in the Connected World - HD Radio & IP Audio: the Battle for the Dashboard
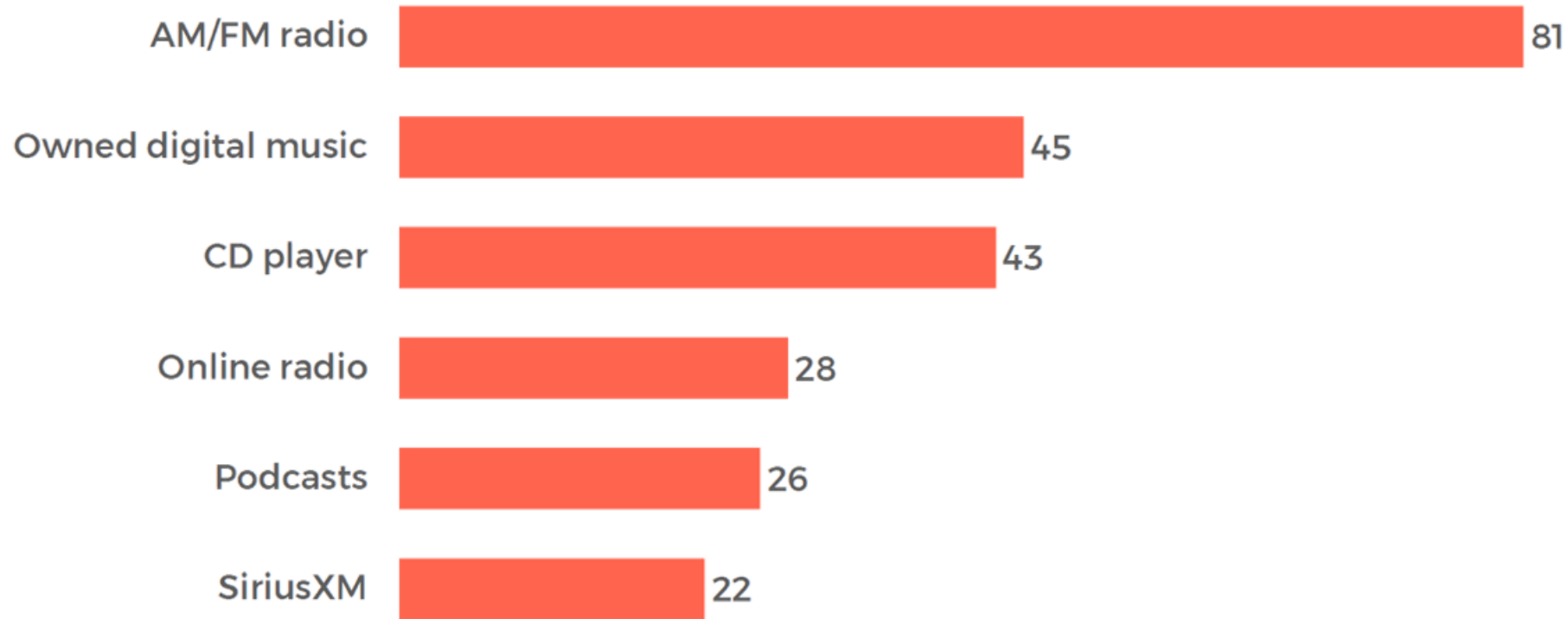- The Analog-Digital Continuum
- Metadata
- Next Steps

Audio Sources Currently Ever Used in Car

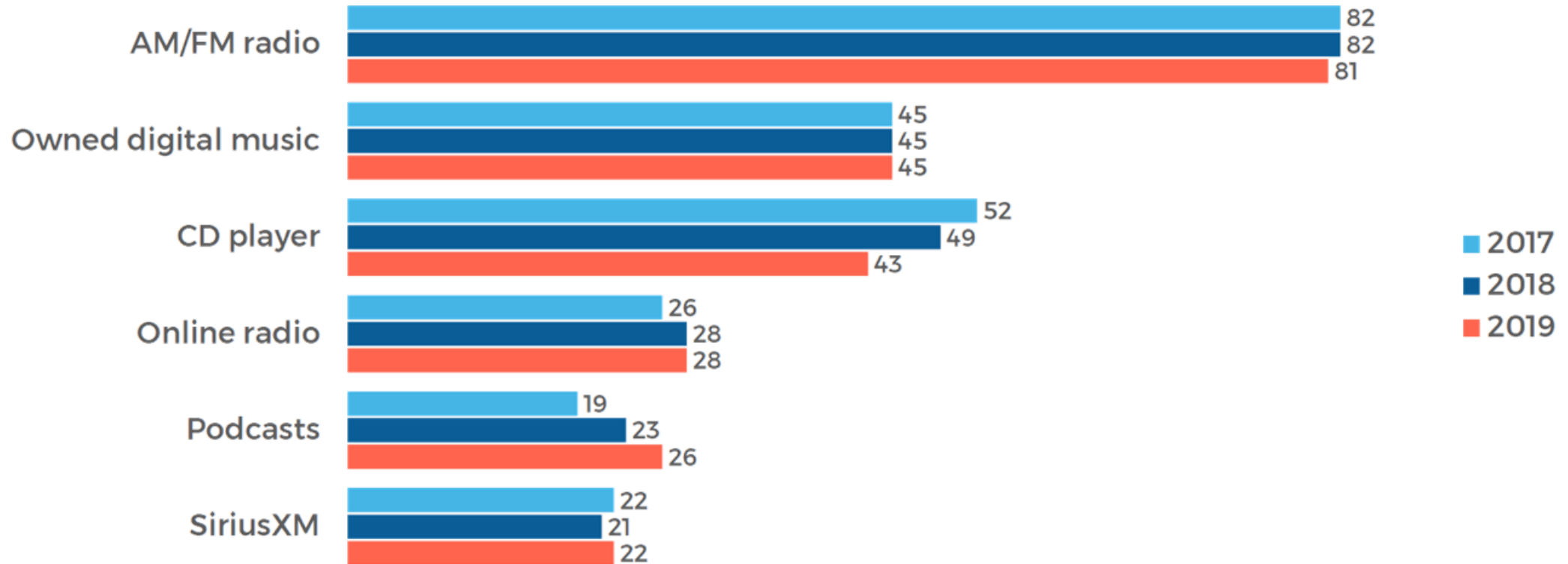BASE: U.S. AGE 18+ AND HAS DRIVEN/RIDDEN IN CAR IN LAST MONTH; 89%

% USING AUDIO SOURCE IN CAR

Source	Percentage
AM/FM radio	81
Owned digital music	45
CD player	43
Online radio	28
Podcasts	26
SiriusXM	22

Media Pyramid 2019

Total

N = 50,652

Media	2019	Total TS 2018
HD Radio (12%)		13%
Smartwatch (13%)		11%
Podcasts¹ (21%)		23%
Connected Car (25%)		24%
Satellite Radio³ (26%)		25%
Smart Speakers (27%)		21%
MP3 Player (31%)		35%
Video Games¹ (43%)		44%
Smart TV (54%)		51%
Streaming Audio¹ (59%)		61%
Radio/Music Apps (65%)		66%
Connect Phone to Car (68%)		65%
Tablet (69%)		70%
Streaming Video¹ (70%)		69%
Social Media (85%)		86%
AM/FM Radio²* (91%)		92%
Smartphone (91%)		90%
TV/Video²* (95%)		95%

¹ Weekly or more ² 1+ hour per day ³ Paid & trial users * Any platform/device

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TECHSURVEY 2019
JACOBS MEDIA

Brand Pyramid 2019

Total

N = 50,652
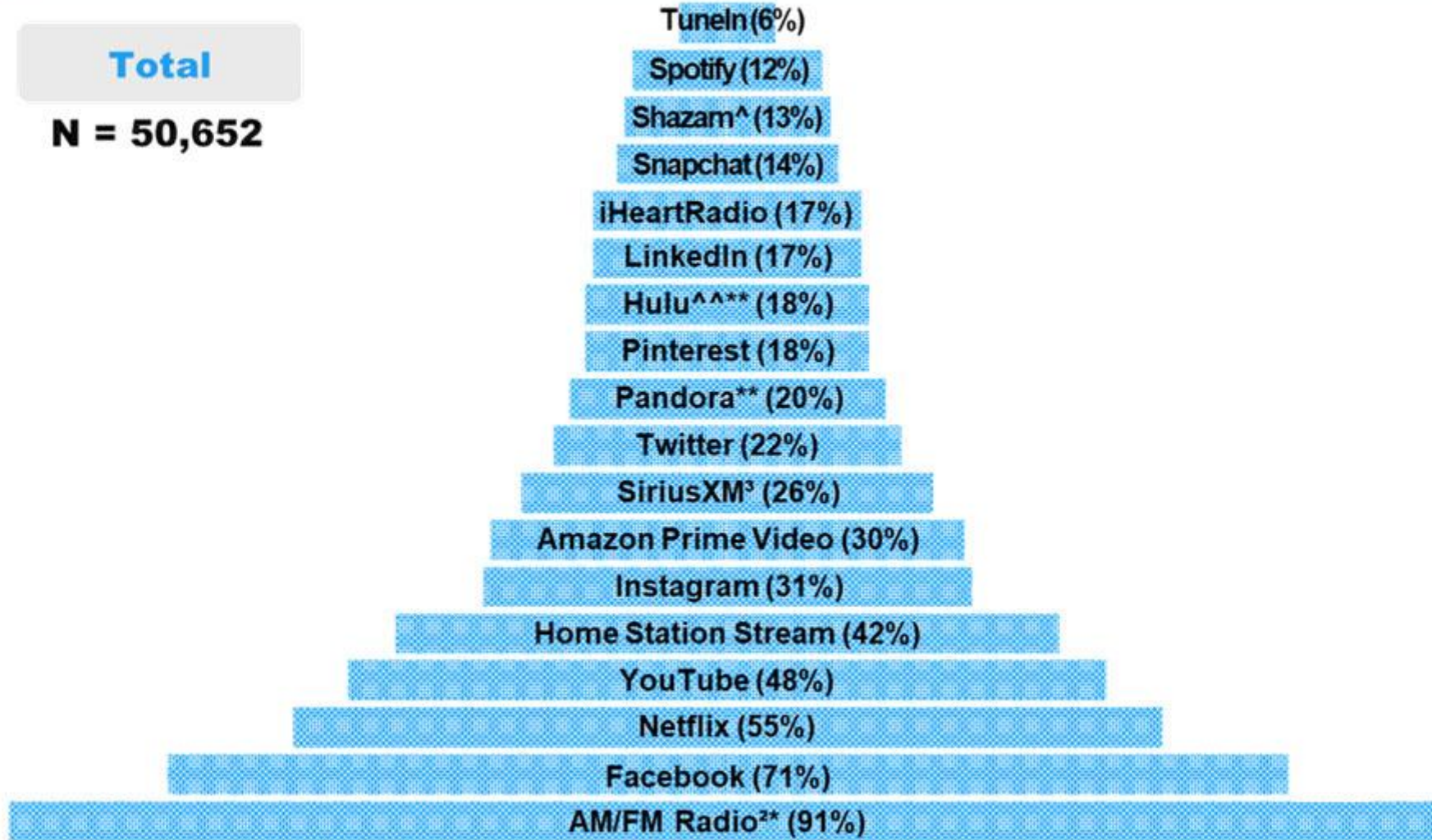
Brand	Total TS 2018
TuneIn (6%)	6%
Spotify (12%)	13%
Shazam^ (13%)	14%
Snapchat (14%)	17%
iHeartRadio (17%)	18%
LinkedIn (17%)	18%
Hulu^^** (18%)	14%
Pinterest (18%)	21%
Pandora** (20%)	25%
Twitter (22%)	22%
SiriusXM³ (26%)	25%
Amazon Prime Video (30%)	24%
Instagram (31%)	30%
Home Station Stream (42%)	44%
YouTube (48%)	50%
Netflix (55%)	52%
Facebook (71%)	74%
AM/FM Radio²* (91%)	92%

All weekly use unless noted   ² 1+ hour per day   ³ Paid & trial users   *Any Platform/Device   **Excluding Canada   ^Downloaded   ^^Includes Live TV

TECHSURVEY 2019
JACOBS MEDIA

NABA
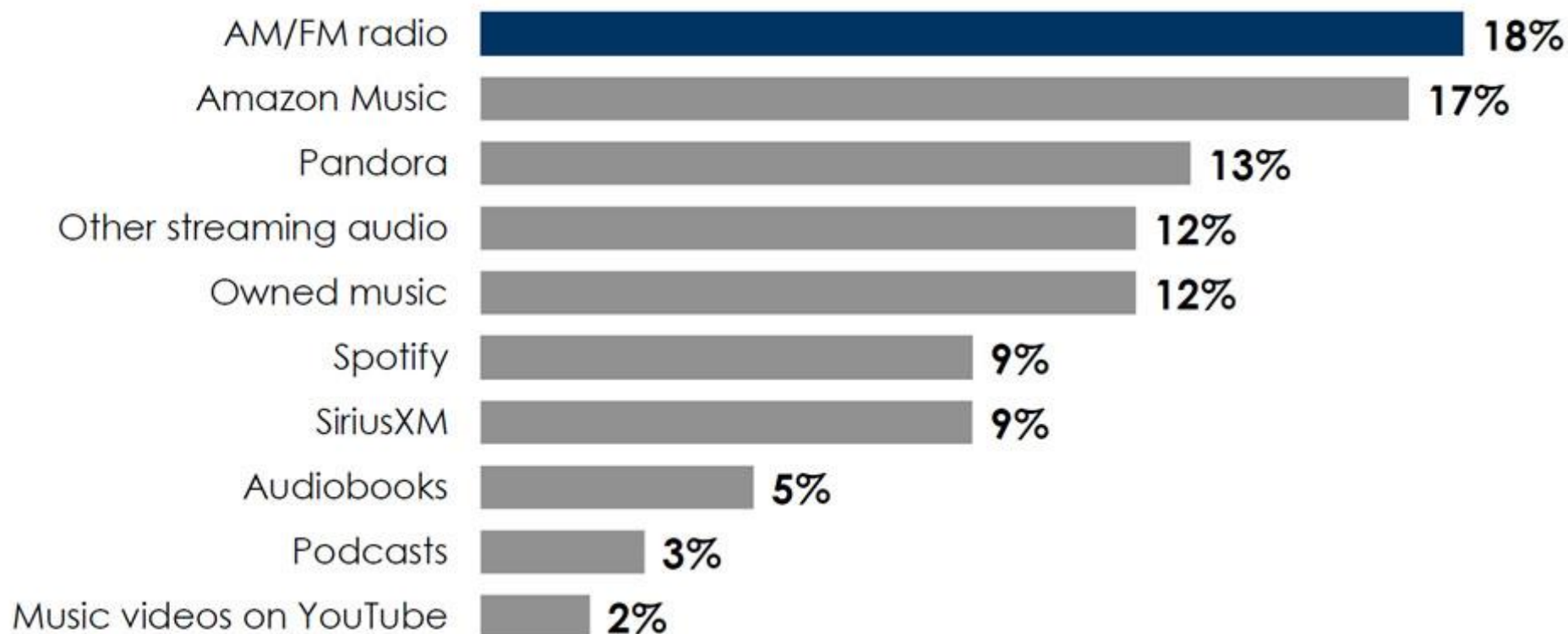
FM Radio Leads the List of Most Important New Car Features, Followed by Bluetooth and Auxiliary Jack to Connect Smartphones

Feature	Percent
FM radio	80%
Bluetooth	73%
Smartphone connector (AUX)	64%
In-dash navigation	44%
Voice commands	42%
AM radio	39%
CD player	35%
Dedicated WiFi	29%
SiriusXM satellite radio	26%
Media system	24%
HD Radio	21%
Apple CarPlay	16%
DVD player	12%
Android Auto	12%

News/Talk: 63%
Sports: 49%
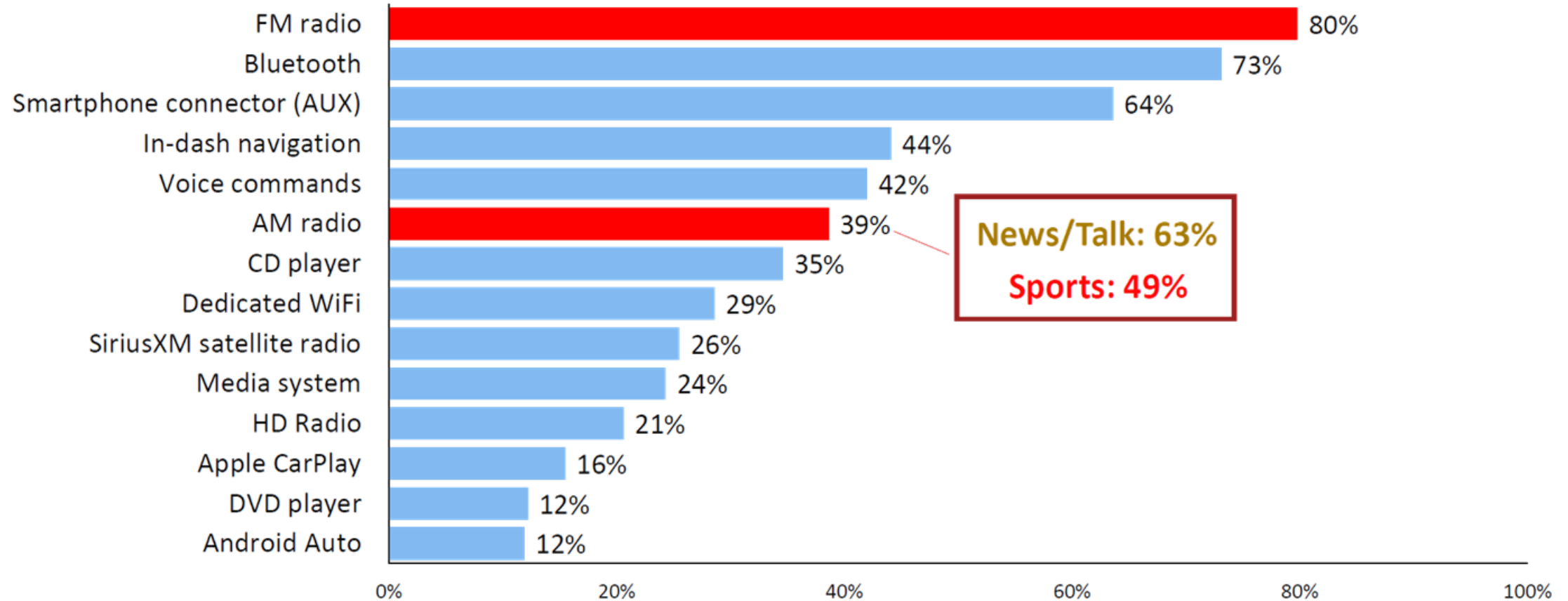
"Very Important" features among those planning on buying/leasing (or already bought) a new vehicle in 2019 (9% of all respondents)

jacobsmedia.com | @fnjacobs | #TS2019

TECHSURVEY 2019
JACOBS MEDIA

AM/FM radio and Amazon Music lead in smart speaker audience share

Share of listening on the smart speaker device among persons 13+

AM/FM radio	18%
Amazon Music	17%
Pandora	13%
Other streaming audio	12%
Owned music	12%
Spotify	9%
SiriusXM	9%
Audiobooks	5%
Podcasts	3%
Music videos on YouTube	2%

How to read: Among persons 13+, 18% of listening on the smart speaker in Q2 2019 is to AM/FM radio.

Westwood One
EVERYONE'S LISTENING

One-Fourth Frequently Listen to Music From AM/FM Radio on Their Smart Speaker(s); AM/FM News/Talk Listening Is Also a Frequent Use

Use	%
Ask general questions	28%
Hear weather updates	27%
Set a timer	25%
Listen to music from an AM/FM radio station	25%
Ask fun questions	21%
Control smart home devices	17%
Listen to news or talk from an AM/FM radio station	15%
Set reminders/make to-do lists	15%
Use as an alarm to wake up	12%
Listen to Pandora	11%
Listen to news/info. (flash briefings)	10%
Listen to Spotify	9%
Listen to any type of audio with children	8%
Get directions	8%
Get sports updates	7%
Make phone calls	6%

% of smart speaker owners who "frequently" use their device(s) in each way (most mentioned uses; 6% or more)

TECHSURVEY 2019
JACOBS MEDIA

HD RADIO AND THE BATTLE FOR THE DASHBOARD

RADIO NOW SHARES THE DASH WITH A MYRIAD OF COMPETITORS

© 2019 Xperi
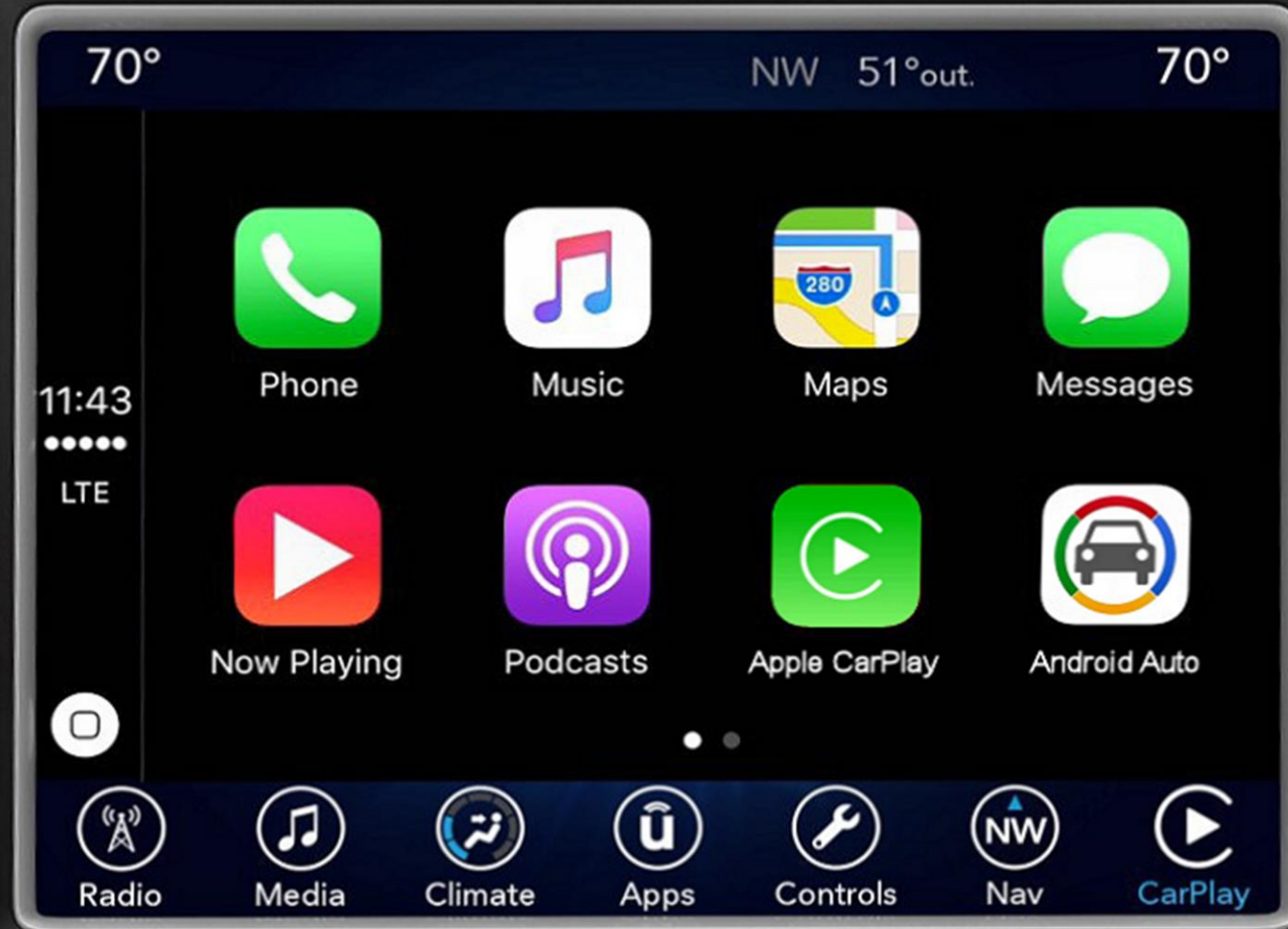
HD RADIO BY THE NUMBERS

TOTAL HD RADIO RECEIVER GROWTH OVER TIME

INCLUDES OEM, AUTO AFTERMARKET AND HOME/PORTABLE UNITS
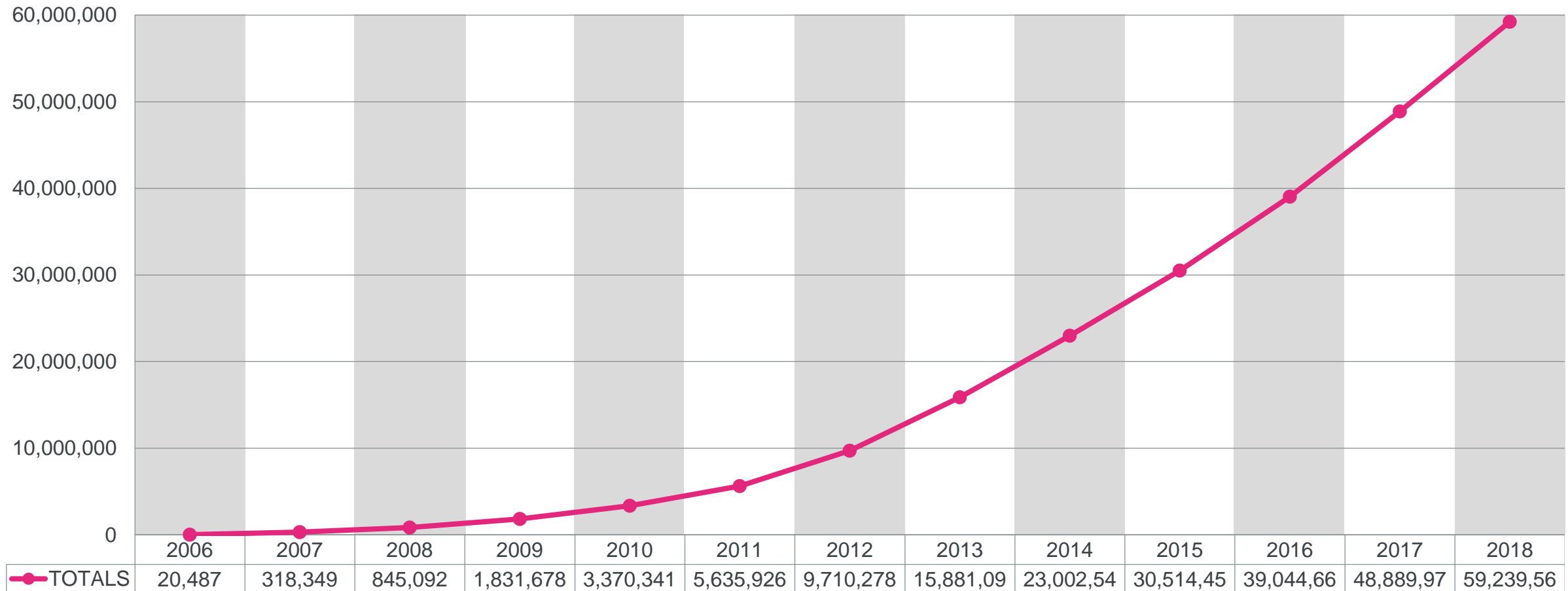
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
TOTALS	20,487	318,349	845,092	1,831,678	3,370,341	5,635,926	9,710,278	15,881,09	23,002,54	30,514,45	39,044,66	48,889,97	59,239,56

HD RADIO BY THE NUMBERS

NABA
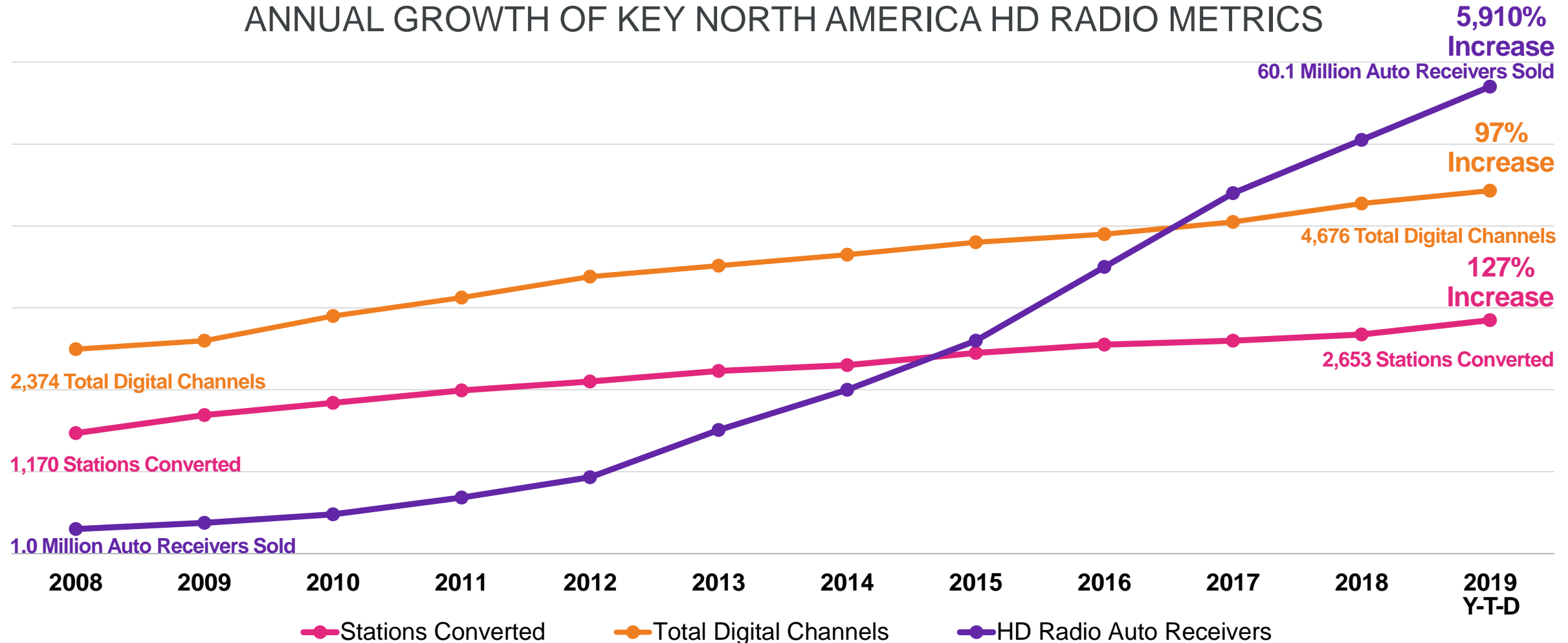
Over **60.1** million HD Radio-equipped cars on the road in North America

+ Over **3.8** million consumer HD Radio home and portable receivers

= Over 63.9 million HD Radio receivers in U.S., Canada & Mexico

HD Radio U.S. auto penetration well over 20% in the top 10 DMAs:

1	New York: **35.5%**		**6**	Washington, DC: **23.5%**
2	Los Angeles: **32.4%**		**7**	Houston: **22.2%**
3	Chicago: **22.2%**		**8**	San Francisco: **29.2%**
4	Philadelphia: **22.9%**		**9**	Boston: **27.8%**
5	Dallas: **21.3%**		**10**	Atlanta: **20.7%**

HD RADIO NORTH AMERICA ROLLOUT

NORTH AMERICA ROLLOUT

● Adopted - Approved

● Experimental Approval

U.S. Totals
- Stations On-Air: **2,257**
- Total Digital Channels On-Air: **4,432**

Mexico Totals
- Stations On-Air: **107**
- Total Digital Channels On-Air: **174**

Canada Totals
- Stations On-Air: **30**
- Total Digital Channels On-Air: **75**

CANADA

USA

MEXICO

As of August 2019. Source - Xperi

Analog – Digital Continuum

All-Analog   Over-the-Air Transmission   All-Digital
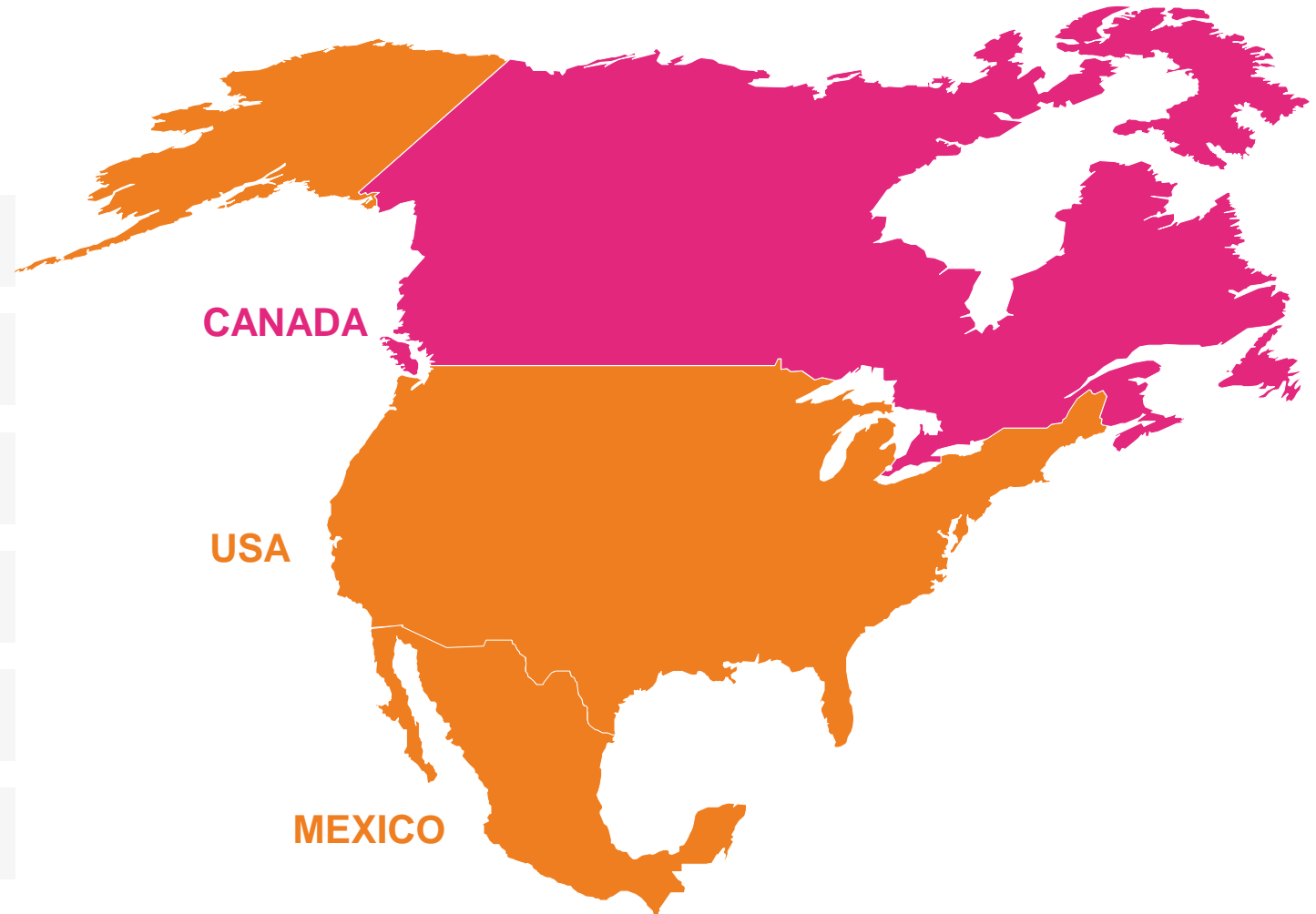
Hybrid IBOC

NABA Recommendations:

- Adopt static RDS as minimum
- Adopt Hybrid IBOC
  - https://nabanet.com/project/north-american-digital-radio-standard
- Help define criteria for all-digital migration decision
- Regular licenses (not experimental) for all-digital transmission
- Adopt best-practice use of metadata
  - http://www.nab.org/innovation/digitalDashboard.asp

Non-Broadcast Content

Podcasts   **Streams**   **Playlists**   **Music Services**   **Apps**

Listener Experience
Curation – Timeliness – Quality – Metadata

NABA Recommendations:
- Offer station/network content through as many paths as possible while emphasizing over-the-air content

Proximity and Listener Affiliation

Physical

Subject

Media

Language
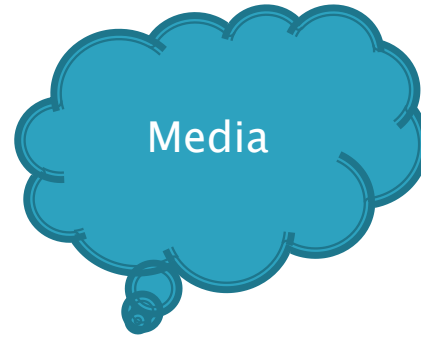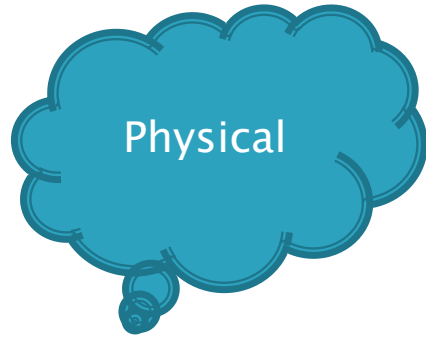
NABA Recommendations:
- Spoken word mix of local, regional, national, international to best serve listeners
- As many media technologies as possible for largest combination of listeners with an emphasis on over-the-air

Hybrid Radio

Broadcast + Internet

NABA Recommendations:
- Support internet-based content for hybrid (over-the-air plus internet) radio receivers, encourage automakers to add the technology

Metadata Focus

NABA Recommendations:
- Create Once Play Everywhere (COPE)
- Adopt at least static, but better dynamic
- Experiment with dynamic for best refresh rate
- Adopt best-practice use of metadata
  - http://www.nab.org/innovation/digitalDashboard.asp
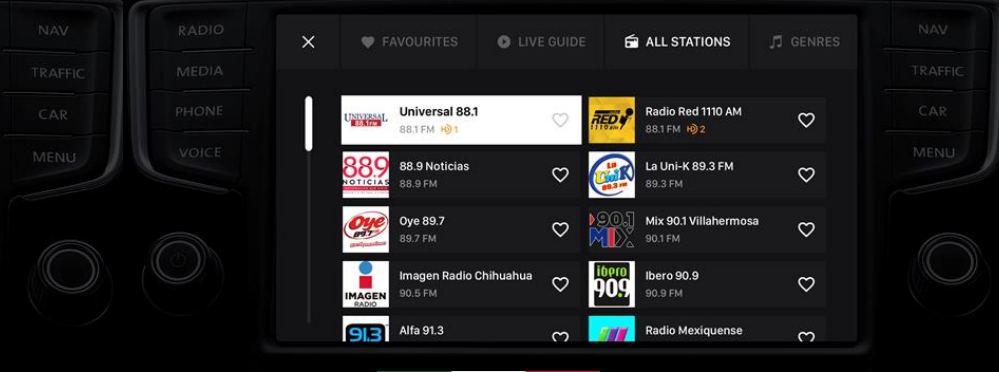- Experiment with use cases to understand benefit
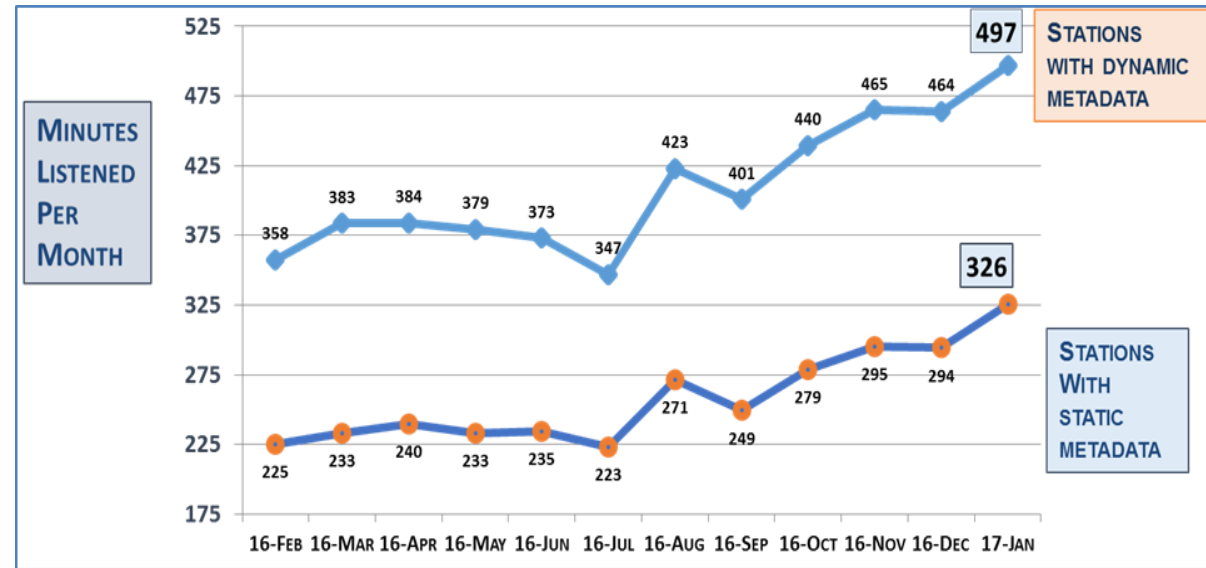
Combined Broadcast & IP

- Broadcast & IP = Rich Engagement
- Broadcast & IP = Enhanced Discovery
- Broadcast & IP = Live Guide
- Broadcast & IP = Enhanced Revenue Opportunities
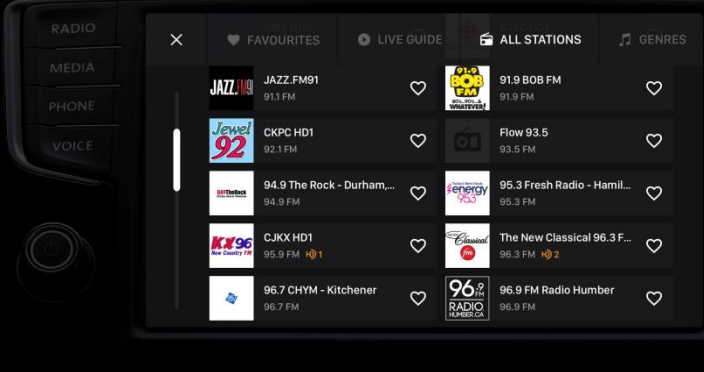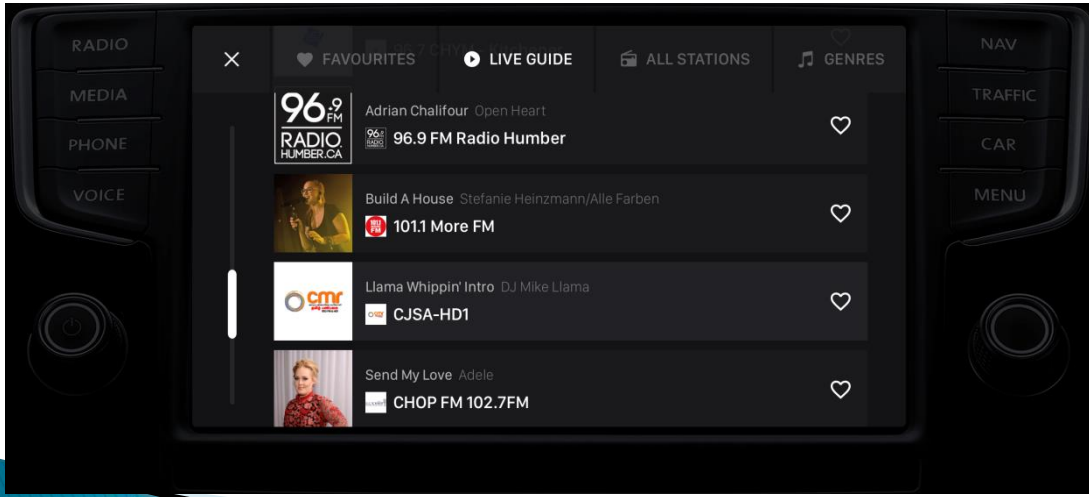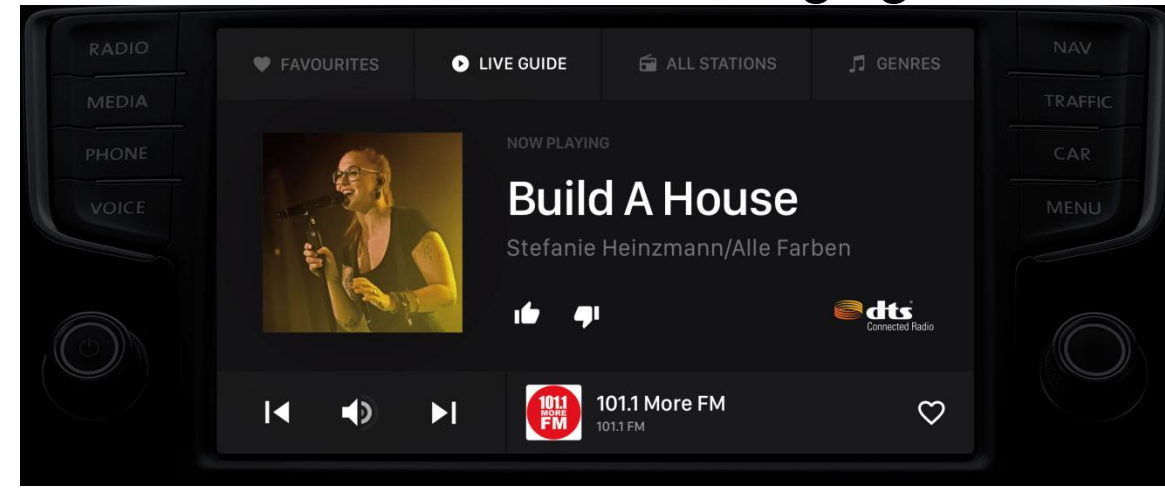
Toronto
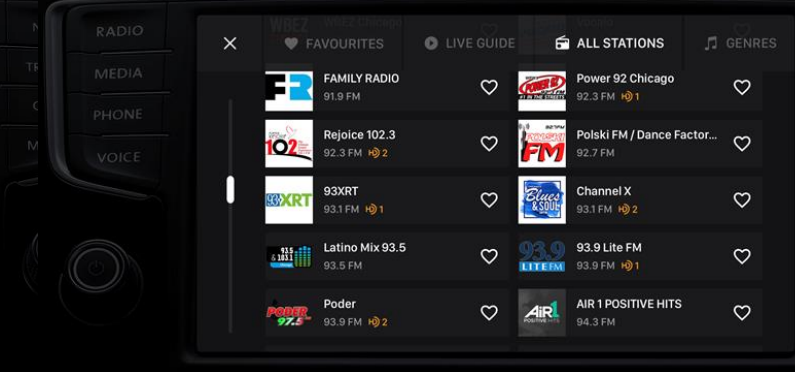
Chicago

Mexico City

Enhanced Discovery

Live Guide

Rich Engagement

. Source - Xperi

The Bottom Line

Audience Measurement

$

✓ SWOT
✓ B/C

NABA Recommendations:
- Consider all recommendations of document
- Station/network conduct SWOT (Strengths, Weaknesses, Opportunities and Threats) and Benefit/Cost analysis
- Industry associations reach out to automakers for primary placement of radio in head units
- AM express concern to automakers removing AM from electric/hybrid vehicles
- Consider best approach to audience measurement for each technology

What is NABA Doing Next?

Finding consensus among the broadcast community in North America to preserve radio's prominence in the automotive dashboard

- Defining the Requirements for Radio/Audio in the Car Dashboard
- Defining Common Requirements for Hybrid radio
- Defining Common Requirements for Metadata

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