

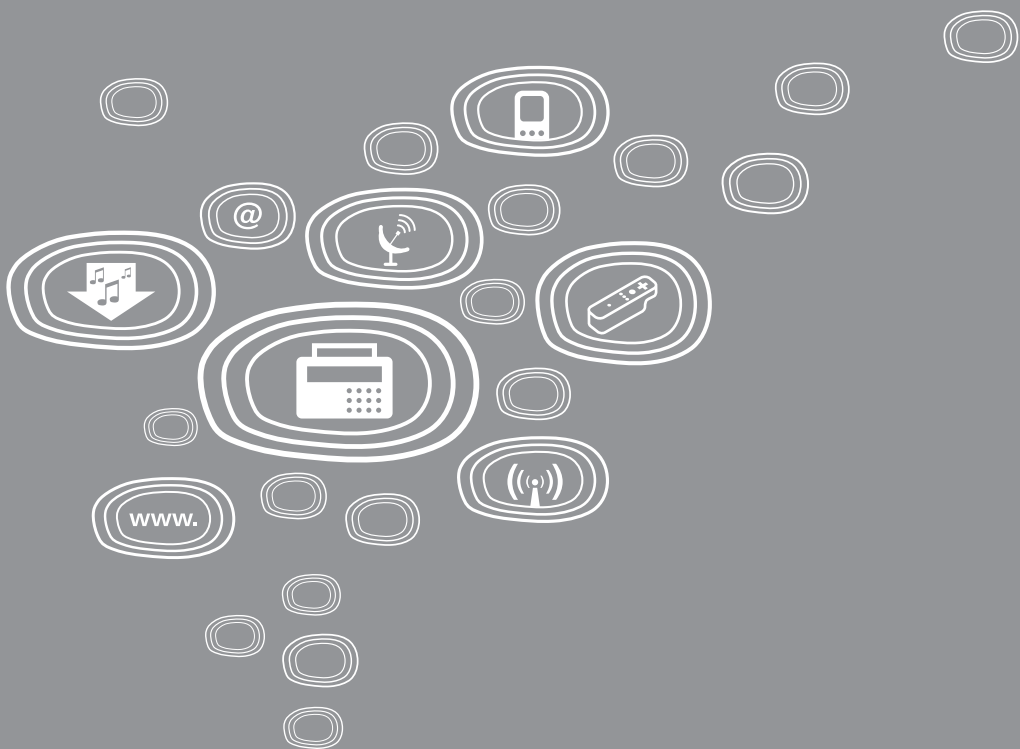
RADIO AND THE DIGITAL NATIVE

How 15-24s are using radio – and what this tells us about the future of the medium



Including results from





Introduction

The growth of digital media has changed almost everything about how, why and when people consume media. Now there are many new choices, created by technology such as iPods, games consoles and, of course, the internet.

For some media this is very threatening – for example, the number of young people regularly reading national daily newspapers has fallen dramatically as the penetration of the internet has increased.

But what does the growth of digital mean for radio?

One way of getting some ideas about future trends is to take a closer look at the behaviour of the key generation – the *“Digital Natives”*. These are the young people who have developed their media habits in a world which was already going digital:

- Where downloading music from the internet (legally or otherwise) is commonplace
- Where you have little or no memory of narrowband dial-up computers
- Where every magazine, every band, every company and organisation is expected to have a website with which you can interact

What kind of relationship do they have with radio, and how do they see themselves using it in the future?

One of the key data sources for this study is The Big Listen– a nationwide survey of consumers’ tastes and desires. It was conducted for RadioCentre by Ipsos-MORI in 2007, and consisted of a qualitative stage (4 focus groups of c.10 consumers each) and a quantitative survey (1000 consumers). This was followed by an online poll of Commercial Radio listeners, administered by YouGov and promoted on-air by RadioCentre member stations, and this drove 10,000+ responses.

Over the next few pages, unless otherwise stated, all figures derive from the second quantitative stage of The Big Listen research.

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Executive summary

Digital technology, and the choice it offers, is having a significant effect on how younger people perceive and consume the more established media, for example:

- in 2000, according to the National Readership Survey 43% of young people (15-24s) used to read a daily newspaper “almost always”
- in the twelve months to June 2007, this had fallen to 29% - equivalent to a drop of almost one-third

In the case of radio all the data suggests that far from being a threat, digital technology is increasing distribution and helping to redefine the role for the medium in younger people’s lives.

- 88% (7 million) 15-24 year olds tune into the medium every week (RAJAR Q3 2007), and 72% of these claim that radio is a part of their daily routine
- Audience trend data demonstrates how the number of 15-24s regularly listening to the radio is increasing, and the particular importance of Commercial Radio in attracting these younger audiences
- 15-24 year olds are more likely than any other age group to listen to radio through a digital platform, and those that do listen for longer
- Young audiences have very positive attitudes towards radio, especially in comparison to other media, suggesting a strong emotional role for the medium in their lives
- The iPod is complementary technology to radio and is helping to positively redefine the role for, and relevance of, the medium in younger people’s lives

In the context of these findings, we conclude that digital technology is enhancing the relevance of radio (and particularly Commercial Radio) for younger audiences and is helping to build a secure future for the medium.

1. The scale of radio listening amongst younger people

Despite the plethora of media now available to younger people, they are actually listening in record numbers, with 88% people aged 15-24 listening to radio each week.

- Total 15-24s listening to radio each week: 7 million
- Total hours spent listening each week among 15-24s: 134 million

This makes radio one of the most widely consumed mass media for this group.

It is important to see this in context: radio is only one of a host of media consumed by this group, but it is one of the most regularly used (see Chart 1 below). A major reason for this is that radio still plays an important role in people's daily lives – in The Big Listen, 72% of 15-24 year olds agreed that 'radio is part of my daily routine'.

It should be noted that some of these media will be consumed at the same time – young people are more at ease with multi-media consumption than previous generations. No precise figures are available, but we would expect radio's profile for being used this way to be very high, as it has always been an accompaniment or parallel medium.

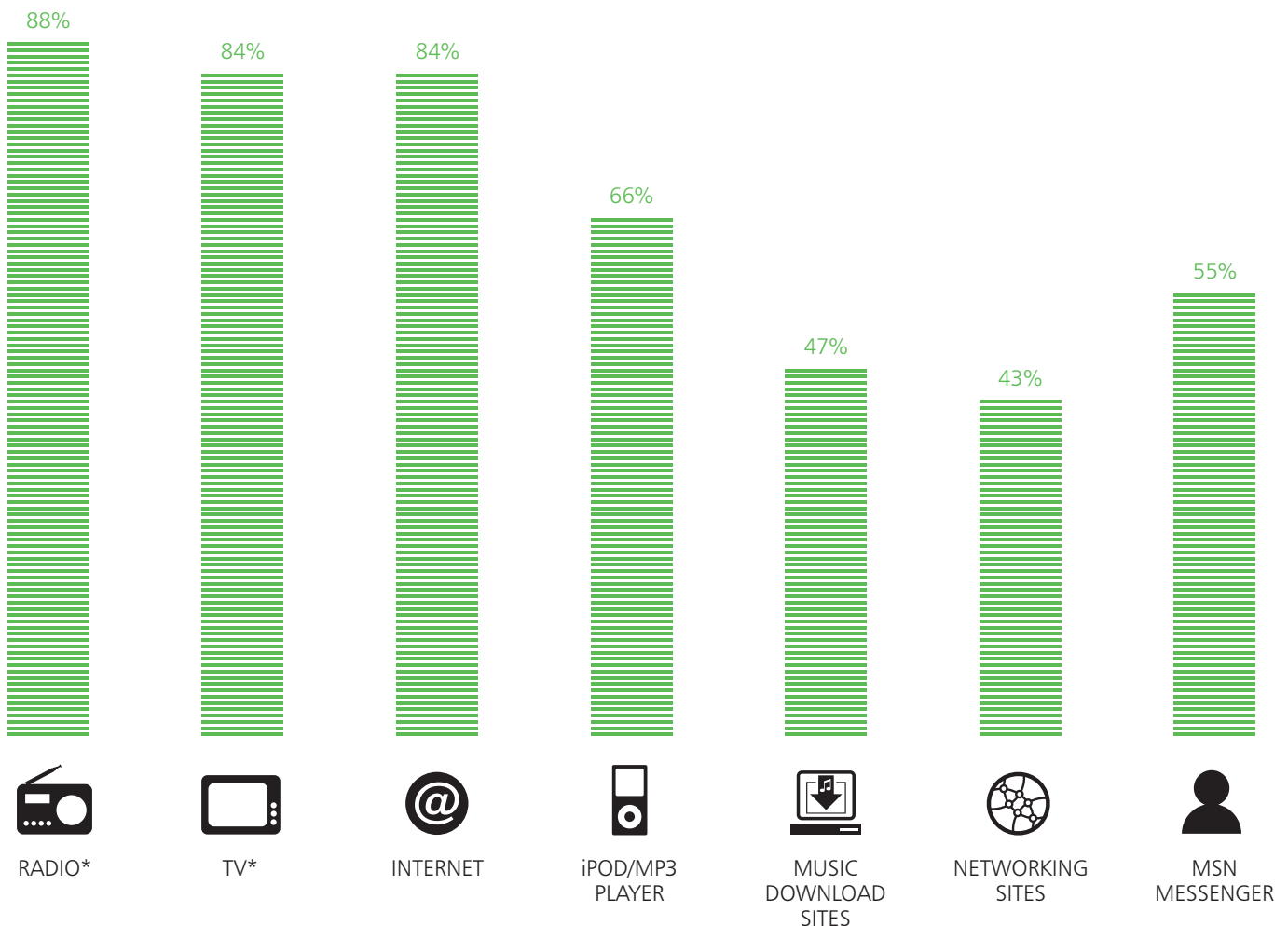


Chart 1: **Radio is one of the top media activities**

% of 15-24s who use once a week or more

Source: The Big Listen; * = RAJAR Q3 2007

2. The 15-24 radio audience is increasing

The high level of audience numbers amongst 15-24s is actually part of a pattern of growth over the past few years.

Chart 2 shows the upward trend in the audience numbers figures since 1999.

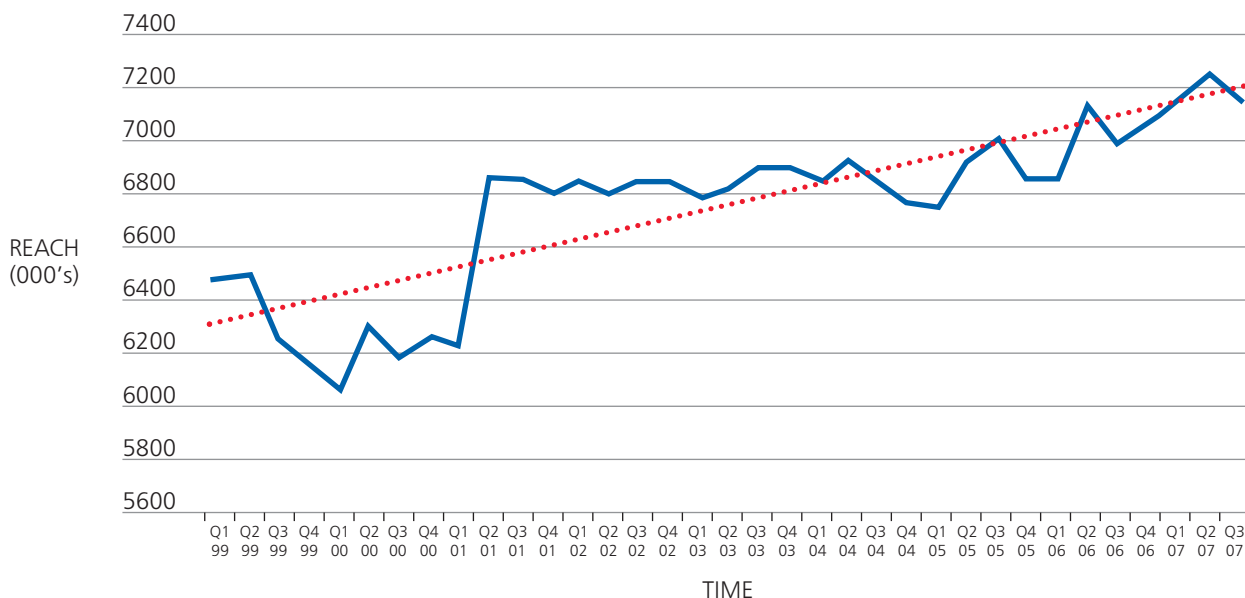


Chart 2: **The 15-24 audience is increasing**
Weekly reach of 15-24 year olds by quarter for all radio
Source: RAJAR

Within this headline growth of listening to radio, it is important to note that younger people are far more likely to listen to commercial stations than to the BBC, whose listeners are biased to the older age groups as Chart 3 demonstrates.

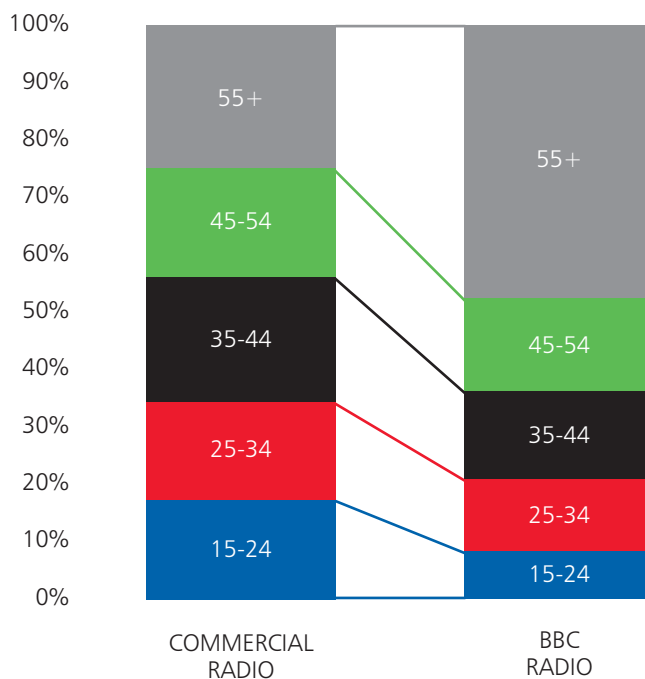


Chart 3: **Commercial Radio Listeners are younger**
Proportion of total hours listened by age group
Source: RAJAR Q3 2007

3. New platforms mean more listening

It is now possible to listen to radio on a far larger selection of platforms – notably DAB radio sets, via digital TV, on mobile phones and online.

The penetration of these platforms has been increasing strongly, and the latest estimates are:

- 22% of households now receive DAB radio
- Radio via DTV is available in about 80% of homes, through Freeview, Sky and cable
- Over 50% of homes have broadband access
- 70% of 15-24s have radio on their mobile phone (Sources: RAJAR Q3 2007, Ofcom, IAB, 4Digital)

This is important for the future of radio and listening, as the medium is now available in more places and at more times than before.

The results of this are clear in the 15-24 Digital Natives group – their average listening hours are significantly higher if they listen on digital platforms. As Chart 4 shows, if they listen on the internet, average hours are 25% higher (23.7 hours per week on the internet vs. 19 hours on analogue).

This is particularly good news for Commercial Radio, which takes 63% of listening to digital-only services, as against the BBC's 37%.

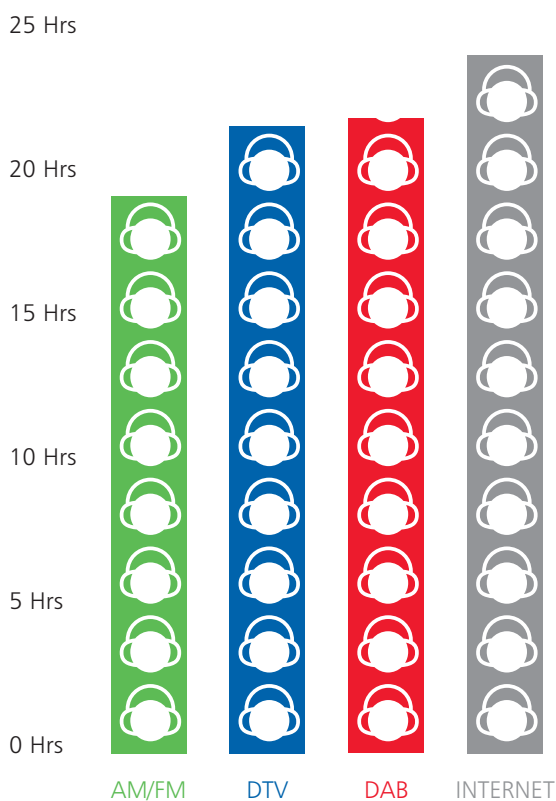


Chart 4: **15-24s on digital listen longer**

Average hours listened per week

Source: RAJAR Q3 2007

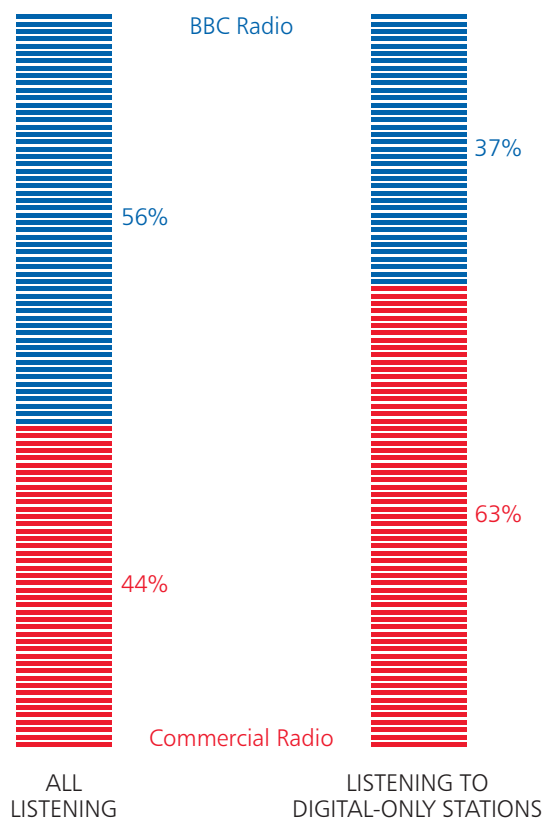


Chart 5: **Commercial Radio wins in the digital world**

Share of audience Base: Adults 15+

Source: RAJAR Q3 2007

4. Digital Natives have a very positive attitude to radio

In reality, radio as a medium is over 100 years old but the Digital Natives don't really see it as old-fashioned – perhaps because it tends to focus (especially in the commercial sector) on younger music and audiences.

In The Big Listen survey, people were asked to say how they felt about the role which radio played in their daily lives compared to other media. As Charts 6, 7 & 8 show, radio's traditional strengths are very much in evidence for the Digital Natives group.

The high score for “*keeps me company*” might be expected, but the high scores for trustworthiness and “*like a friend to me*” suggest that there is a significant emotional relationship between radio and the 15-24 group.

The relatively high internet scores for “*Keeps me company*” & “*like a friend to me*” are interesting too, reflecting the way the net has become a social networking tool for this age group – e.g. Bebo, Facebook, instant messaging, etc. By contrast, radio's value lies in offering a broader social network, with less direct and more unexpected connections.

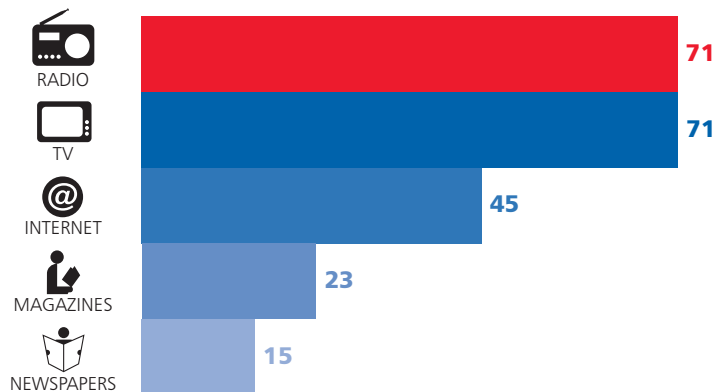


Chart 6: “**Keeps me company**” – 15-24s

Source: The Big Listen

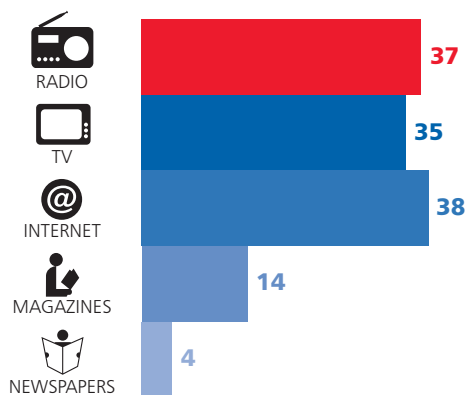


Chart 7: “**Like a friend to me**” - 15-24s

Source: The Big Listen

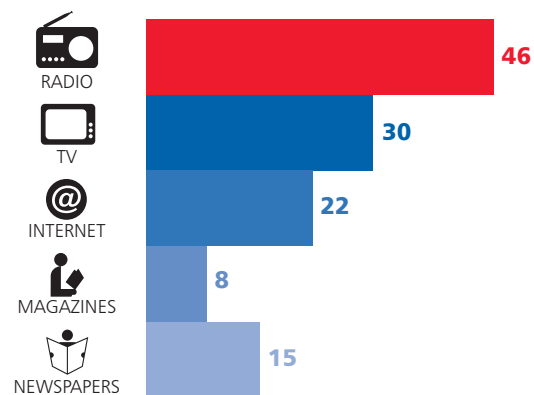


Chart 8: “**Trustworthy**” - 15-24s

Source: The Big Listen

5. How the iPod is enhancing the relevance of radio

In one sense radio and the digital audio devices – iPods and mp3 players – are competing for “*share of ear*”, but the portability of both radio and mp3 devices means that there is more listening time available in total (e.g. while travelling, at work etc) and this allows all the formats to thrive.

Amongst 15-44s overall, 57% agree that “*the amount of radio I listen to has increased over the last two years*”, while among the 15-24 Digital Natives this rises to 66%.

But in a world where there is so much music available outside radio, what is driving radio’s popularity to such an extent amongst the Digital Natives?

The answer appears to be an appetite for discovery, particularly for new music.

Music plays a central role in the lives of people in the younger age groups, which is where the digital natives are concentrated. Among 15-44s overall, 67% agree that they are “*always curious to discover new music*” – but among 15-24s this rises to 83%.

Ofcom’s study entitled “*The iPod Generation*” described radio as “*the shop window for music*”, for the way it is meeting these desires. As Chart 9 shows, radio is the key source for new musical discoveries. In this context, it

is clear why 69% of 15-24s agree that “radio gives me ideas of what I want to load on my iPod/mp3 player”.

In the RAB’s original 2007 study into radio and the iPod, this symbiotic relationship between radio and iPods was summarised as:

- Radio is better for music **discovery**
- iPods are better for music **recovery**

That study also suggested that the two media platforms serve somewhat different emotional needs too. While iPods let you **escape** into your own world and shut out reality, radio actually allows you to **engage** with the world outside – which again highlights how the two platforms are playing complementary roles.

In this sense, the iPod is allowing Digital Natives to manage their radio listening in a new hybrid format – the podcast, where radio programming is downloaded onto the iPod for later listening.

As a result, far from making radio obsolete for this important listener cohort, the iPod and other digital technologies are actually enhancing the relevance and role for the medium.

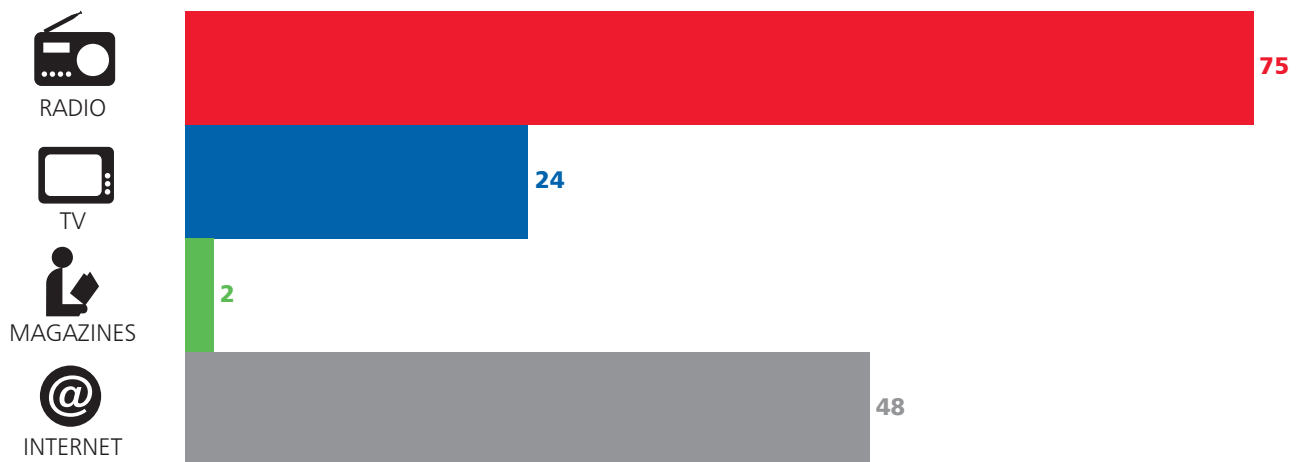
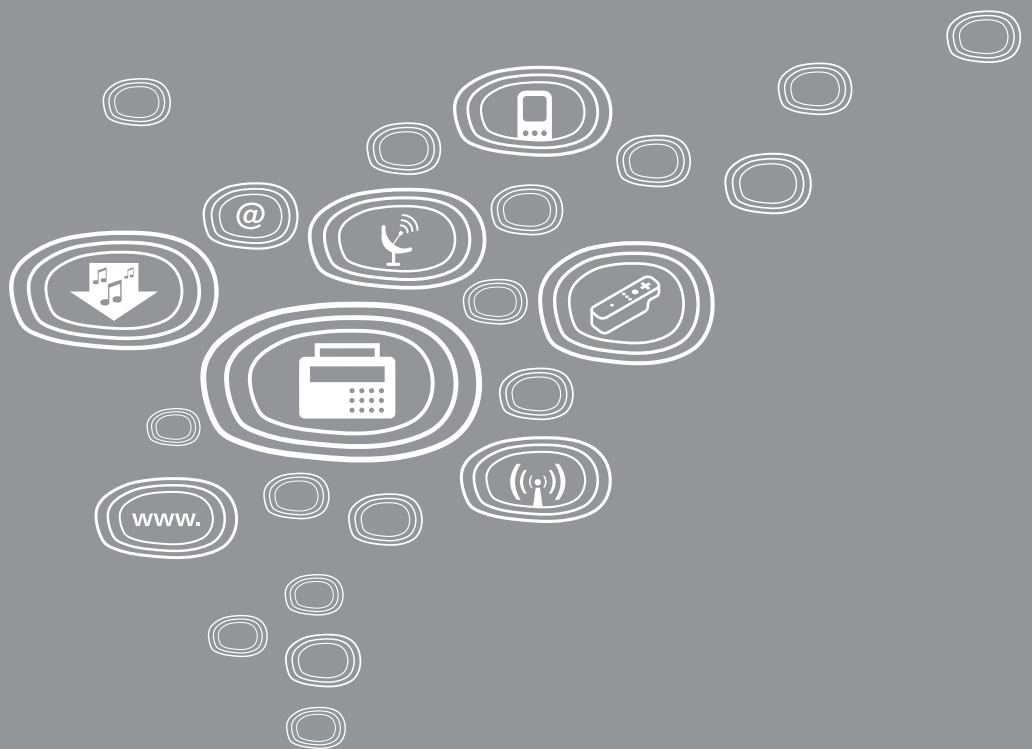


Chart 9: **Radio is the top source for discovering new music amongst 15-24s**

“The first place I discover new music ...” Base: 15-24 adults

Source: The Big Listen





ACTIVATING RADIO IN THE DIGITAL AGE

The Radio Advertising Bureau, part of RadioCentre Ltd, is funded by the UK Commercial Radio industry to encourage national advertisers and their agencies towards more effective use of radio as part of their communications mix. For further information, go to: www.rab.co.uk