
Radio's Future: Listeners and Content

Conducted by

Harker Research

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Study Profile

- 500 surveys were administered in the following markets: Chicago, New York, Raleigh, San Francisco, and Tampa.
- In addition, we have conducted over 25 Triads, IDIs, and Focus Groups regarding media consumer trends and media advertising in the past year.
- The qualitative and quantitative segments of the study were conducted in a hybrid fashion: both online and over the phone.
- Participants were:
 - Male or Female
 - Ages 18-49
 - Must listen to radio at least 30 minutes/day

Know Today's Audio Consumer

1. Listeners are Media Multi-Taskers.
2. Listeners are still tuning in to radio... just with many more devices than before.
3. Audio consumers are streaming in record numbers – and listening to many local radio stations.
4. Broadcast listeners prefer their P1 station to Pandora. However, they prefer Pandora to their P2 station.
5. With so many choices, no audio source is “irreplaceable”.
6. Convenience is key to radio's success and listeners expect broadcast radio on every device.
7. Radio's social interaction remains important. It has just moved to the web.
8. Local information and personalities drive media consumers to radio.

The Multitasker



A Typical Media Day

Studied in context of the participant's Media Day

- All participants were asked to reconstruct their typical media day:
 - TV
 - Radio (terrestrial/streaming)
 - Online (websites, email, text)
 - Social Platforms
- Along with device usage, participants were asked to estimate time spent using

Listeners are Media Multi-Taskers

Media multitasking is the rule, not the exception. Consumers seek out content across several platforms.

The Multitasker

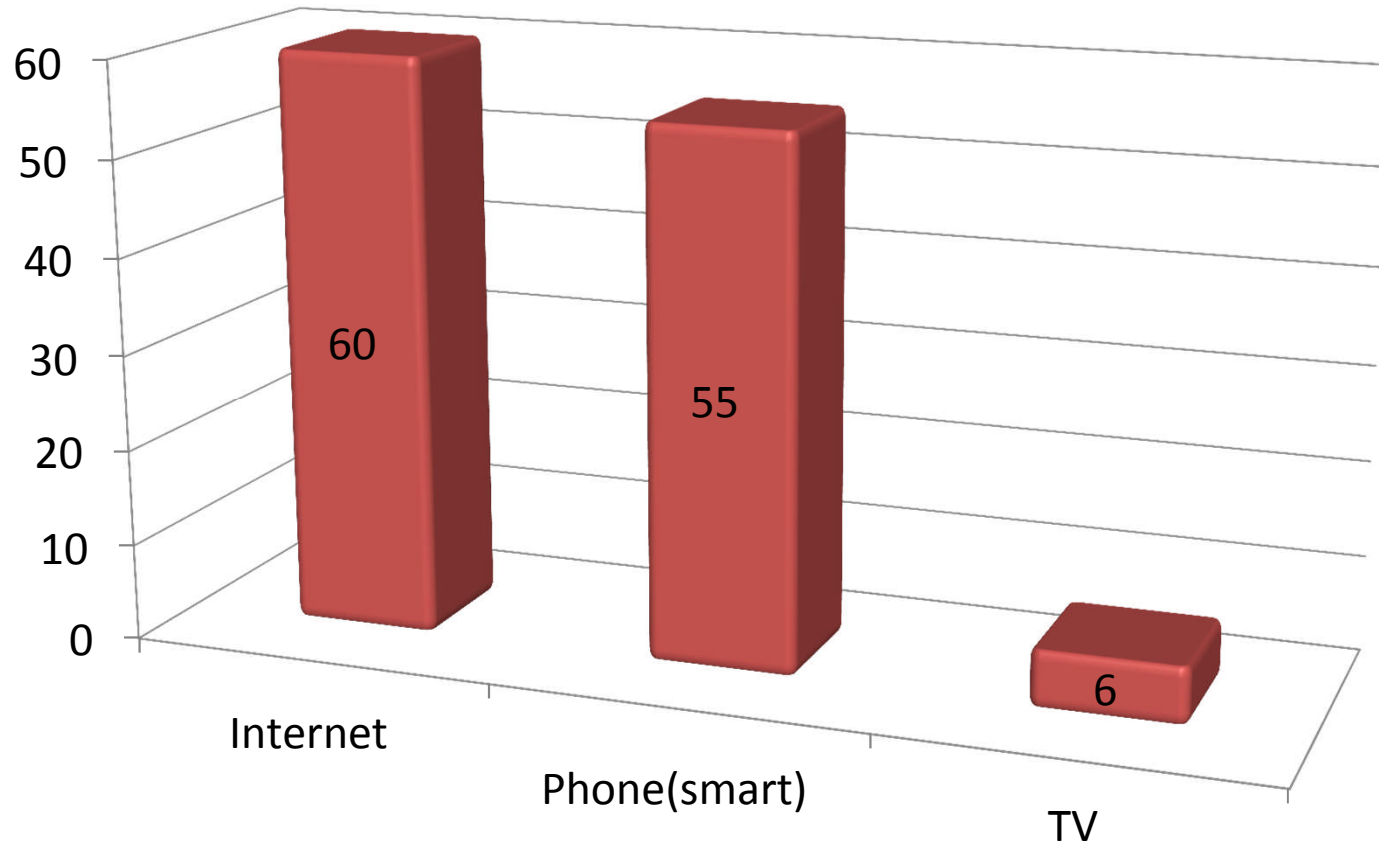
- People are no longer engaging in media one source at a time

Participants revealed that although they are spending an increased number of hours interacting with media each week, they are typically participating in these activities concurrently

- The convenience of being able to utilize multiple media sources simultaneously is appealing

People want to be able to engage in multiple media sources at the same time

Radio listeners are online over half of the time while they listen...



While listening to the radio, do you engage in each of the following sources simultaneously?

The Multitasker



"I'll be watching TV and playing with my iPhone to see if there are any updates anywhere. I'm constantly checking for breaking news. At work, I'll pull up a newspaper website to see if anything is happening. All while I'm listening to the radio, while I'm working, while I'm on the phone."



Audio Sources

Listeners are still tuning in...just with
many more devices than before...

Radio Listening



98% of respondents listen to the radio using a traditional radio.



56% of respondents listen to the radio using a computer.



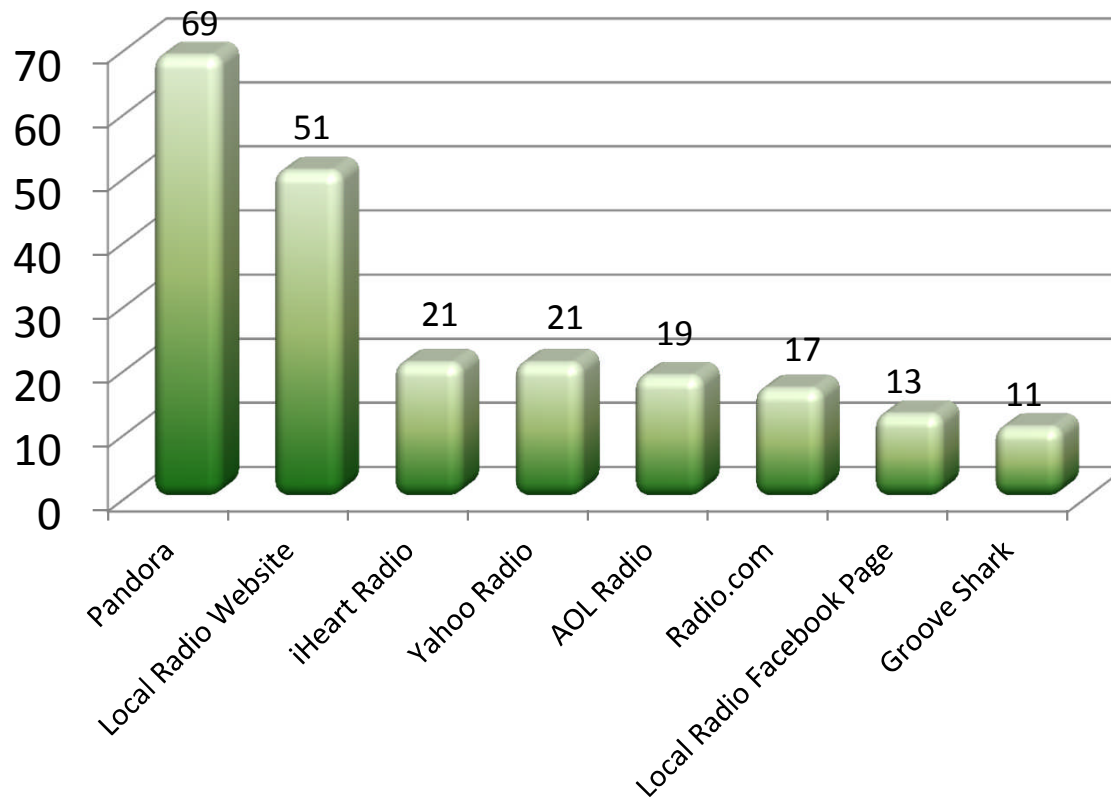
35% of respondents listen to the radio using a smart phone.

83% of radio listeners report using a traditional radio to listen to radio programming more often than any other source.

Audio consumers are streaming in record numbers – and listening to many local radio stations.

56% Stream on the Computer

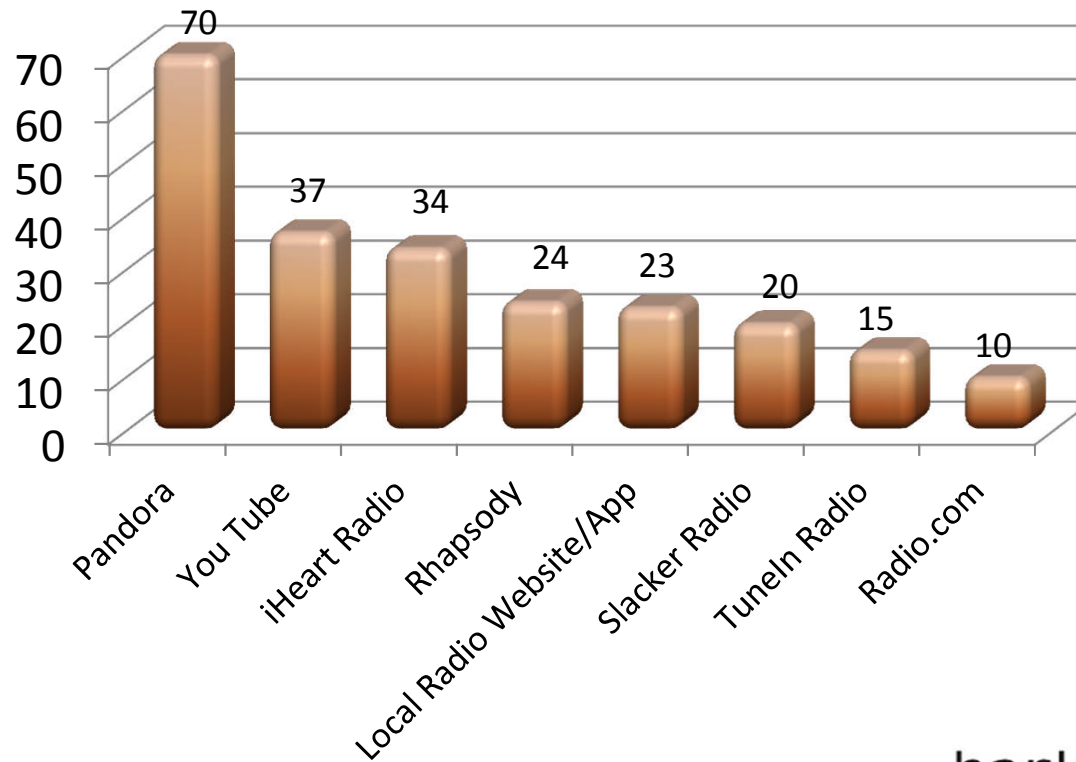
Which website(s) do you use to stream music on your computer?



35% Stream on the Smart Phone

93% of respondents who stream music on their smart phones use an app

Which app(s) do you use to stream music on your smart phone?



Local Radio stations are “streamed” as much as or more than Pandora

Streaming on Computers is more widely used for local stations

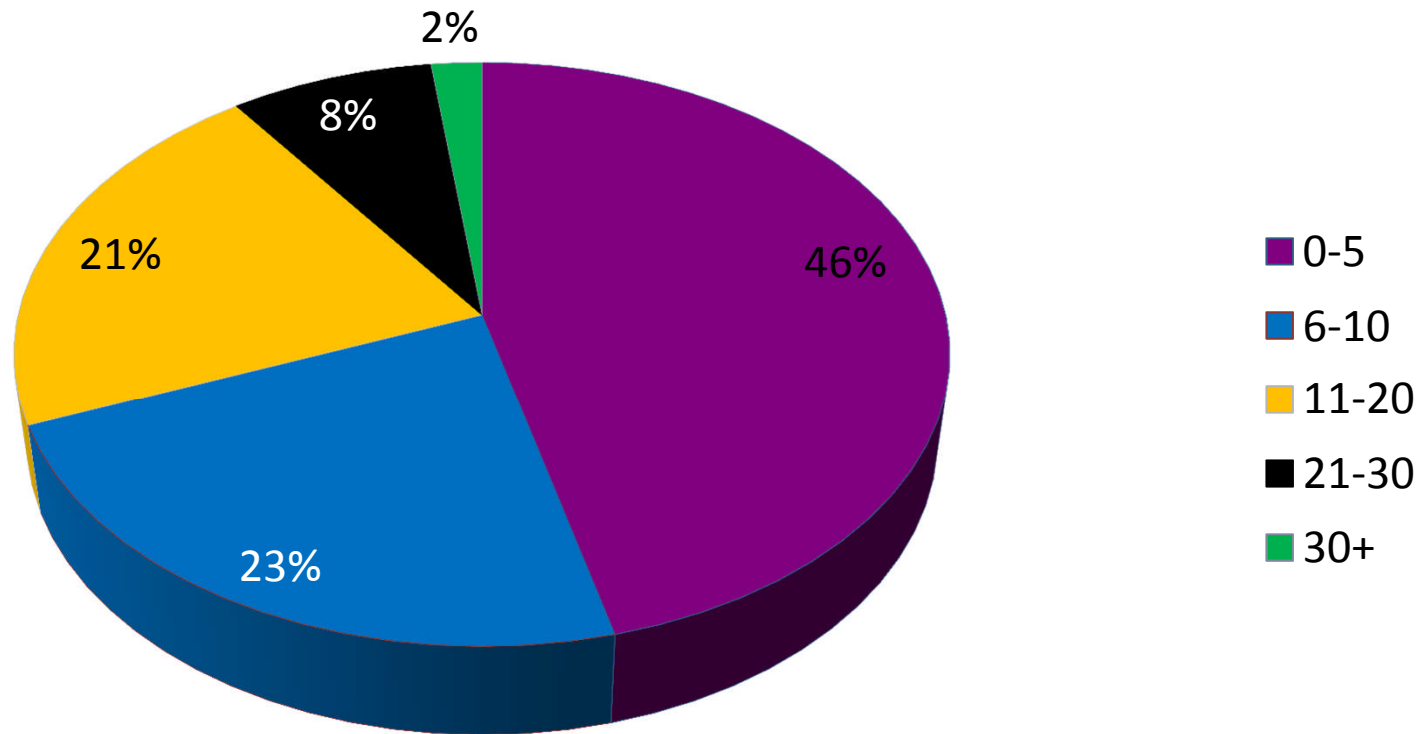
- As smart phone penetration continues to grow – so will streaming apps on the phone

Over half of Pandora users create 6 or more stations

- In many ways it seems that Pandora has taken the place of iPod usage

How many stations have you created on Pandora?

Number of Pandora "Stations" Created

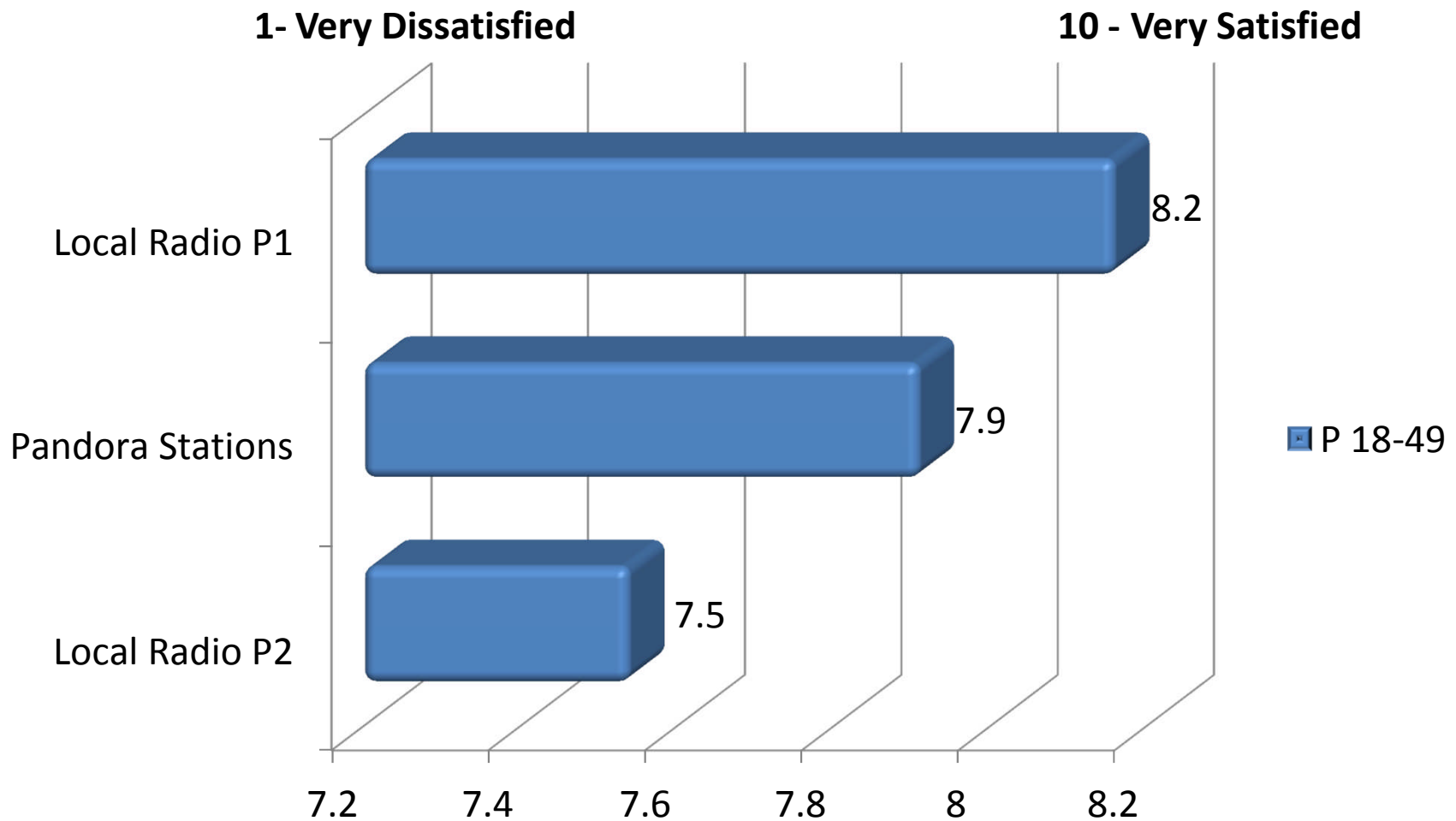




Source Satisfaction

Broadcast listeners prefer their P1 station to Pandora. However, they prefer Pandora to their P2 station.

Source Satisfaction



On a 1-10 scale, we asked audio consumers to rate their satisfaction with their favorite station, second favorite station, and Pandora.

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- While a audio consumer's P1 satisfaction is higher than Pandora – their 2nd choice for local radio has a much lower score.
 - We choose to not rate the iPod or any other device against radio stations because it is a device for music listening – not a station.



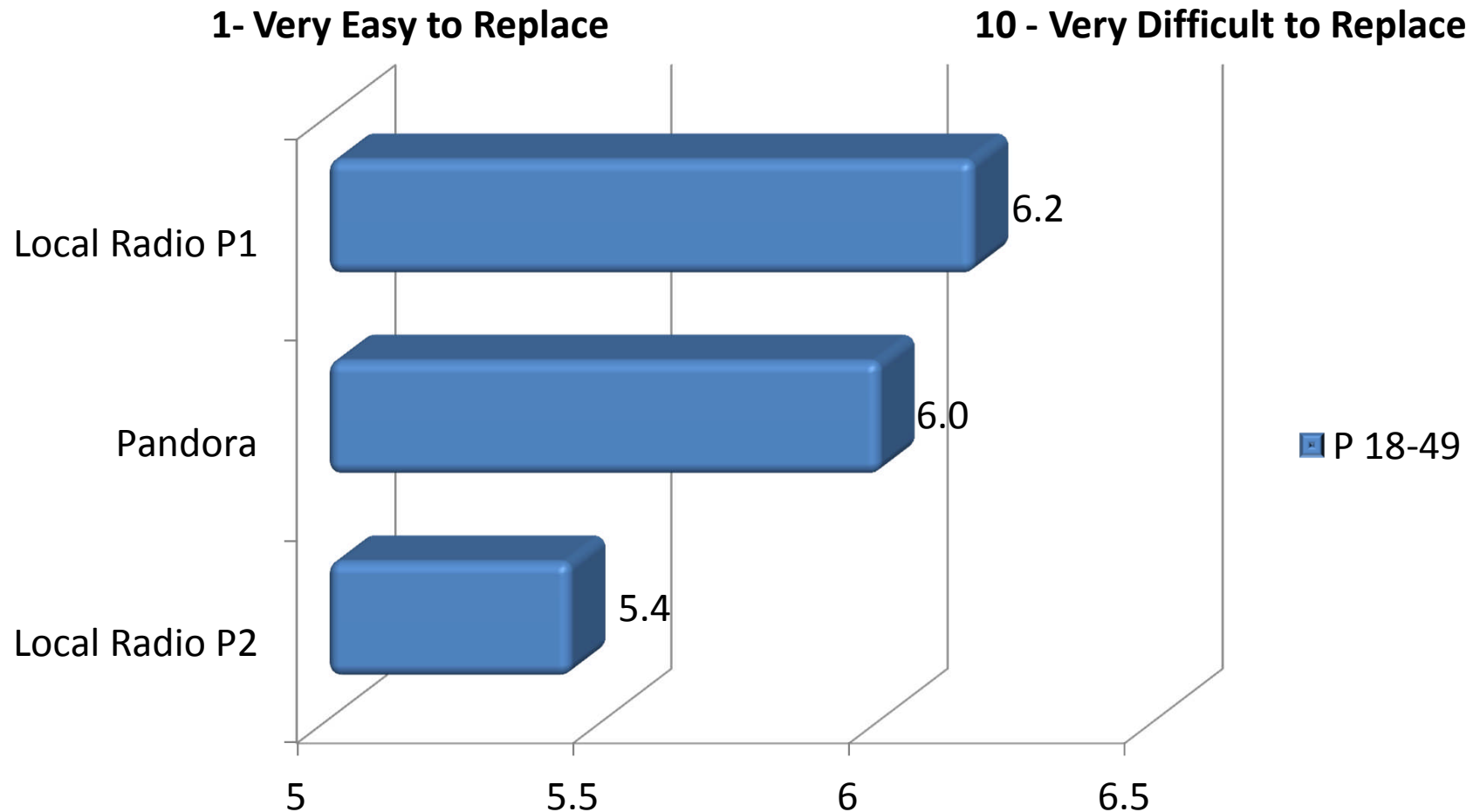
Source Replacement

With so many choices, no audio source is “irreplaceable”.

Source Replacement

- For the second half of the equation, we asked participants to tell us how easy it would be to replace their favorite local station, their second favorite and Pandora.
- Participants uses a 1-10 scale where '1" means very easy to replace and '10' means very difficult to replace.
- Participants were then asked to tell us why they rated each source that way.

Source Replacement



On a 1-10 scale, we asked audio consumers to rate how easy it would be to replace their favorite station, second favorite station, and Pandora.

Source Replacement: Local Radio

- *“I like the fact that when you get news breaks it is local news and the ads are for local places.”*
- *“I am pretty attached to my favorite radio station and have been for years. While I greatly like Pandora, it lacks the personal commentary of the DJs.”*
- *“I love my local radio. There is a connection.”*
- *“Real people. Live.”*
- *“I feel like I am sharing the music experience with others simultaneously.”*
- *“Local radio gives all the current songs and news in an entertaining format.”*



-
- While for P1s Satisfaction is high for their favorite station – many listeners do not consider even their P1 to be “irreplaceable”

Comments about Audio



- *“Local Radio provides a different mix and it’s where I get ideas for music to put on my MP3 player.”*
- *“Pandora can sometimes get completely off track and start getting genres confused.”*
- *“No need to manage a program as long as I get a good selection on local radio.”*
- *“I love radio because they make me laugh all the time.”*
- *“I don’t have to work at it.”*
- *“It’s great entertainment.”*
- *“The unpredictability of live people.”*
- *“I’d rather support local stations.”*

Comments about Audio

- *“I like iHeartRadio more than Pandora because I can listen to radio stations back home that I grew up with.”*
- *“I downloaded the Pandora app like three years ago and it was annoying for me to push thumbs up or thumbs down for the song. It took too much time. I use iHeartRadio.”*
- *“If you know a band and you like their style, Pandora will just go through and find other similar bands and tell you why they picked that band. On the computer, you have the option to click if you do like something. I had Taylor Swift end up on one of my stations so I gave it a thumbs down.”*
- *“On Pandora, if you are familiar with a band, you can click on it and it will bring you to all their information and other songs.”*

Sources:
When & Where?

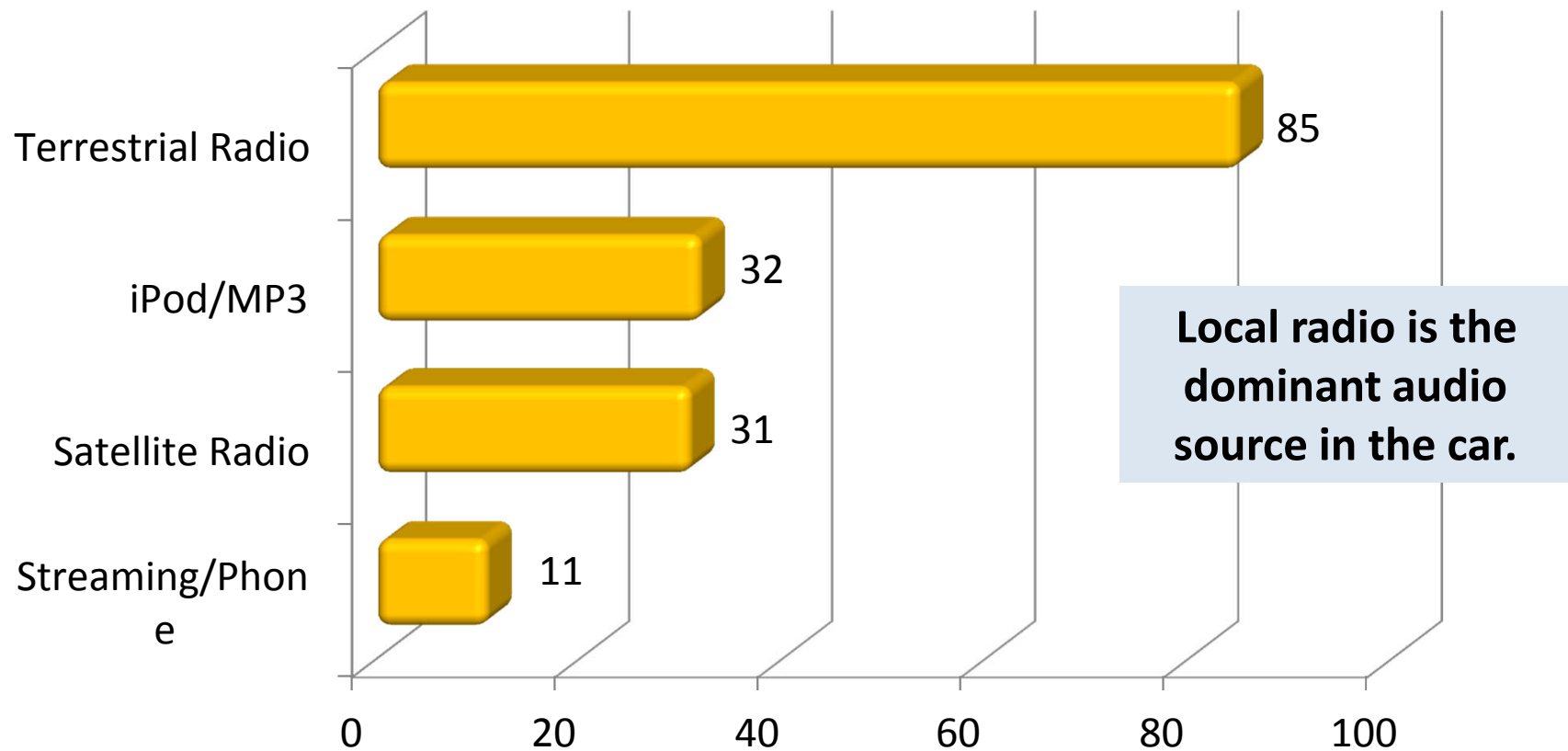


Convenience is key to radio's success
and listeners expect broadcast radio
on every device.

Consumers will choose the medium most easily
accessible

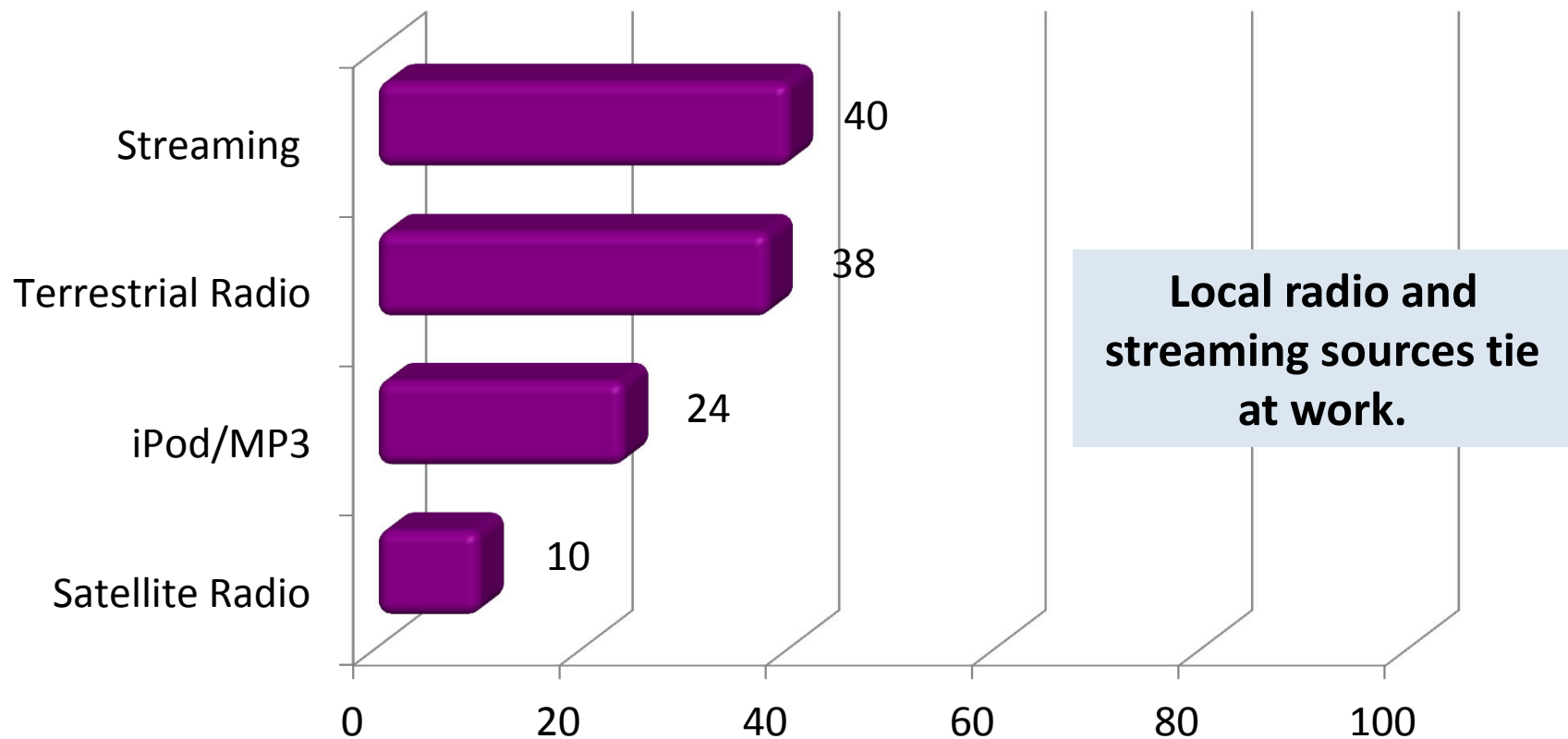
When & Where – In the Car

Which audio sources do you use in the car?



When & Where – At Work

Which audio sources do you use at work?

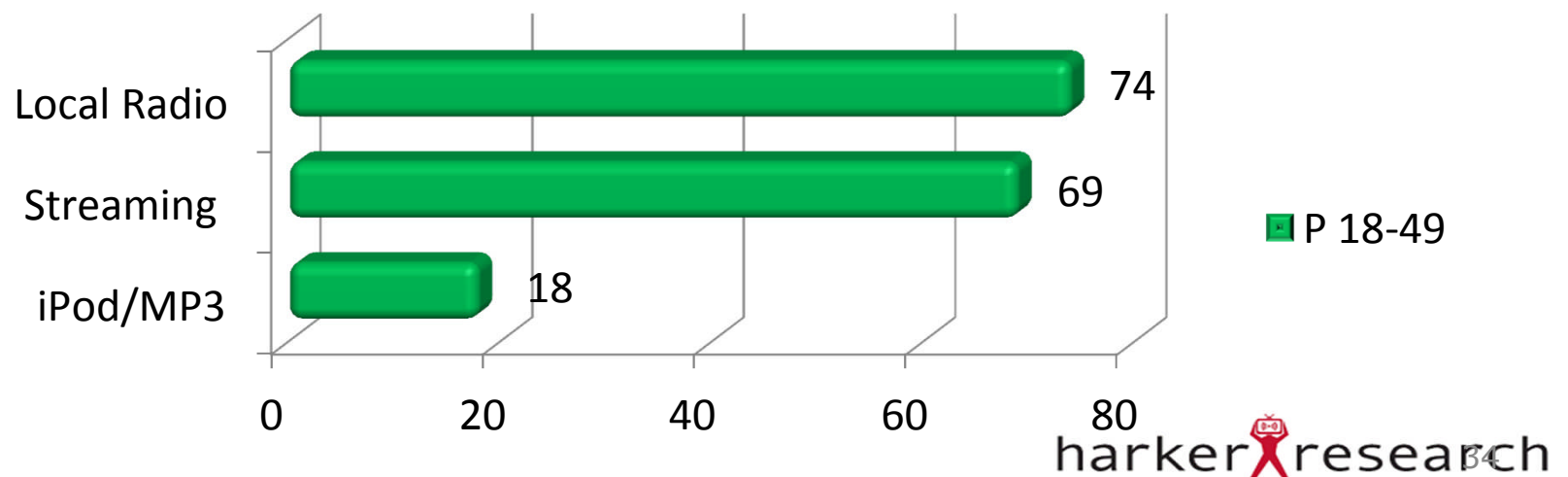


Sources: Radio's Strengths

Local Radio wins in convenience/ease of use

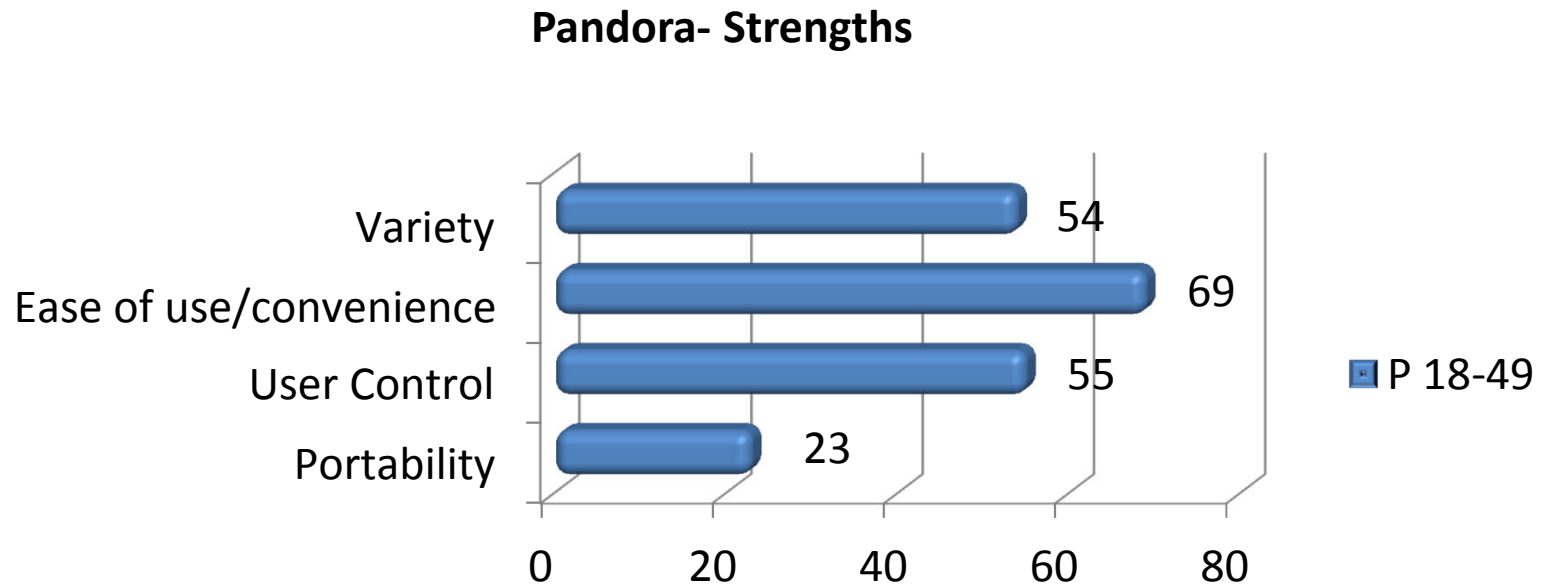
- Overall, radio is the most user-friendly source.
- There is no need to “manage” a play list or device.
- When unhappy with a current station, it is easy to change to a different station without spending much time on it

The % of people who listed “convenience/ease of use” as a like about each of the following audio sources



Pandora Strength

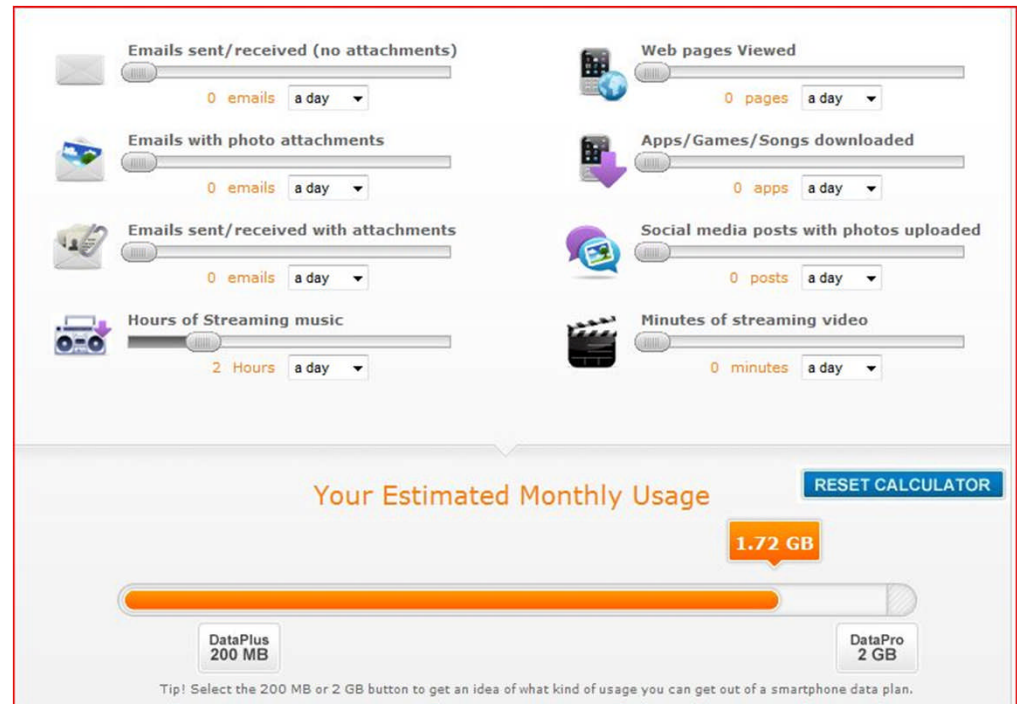
When asked about the strengths and weaknesses of Pandora, ease of use and variety/control were strengths. Ease of use is high almost tying radio.



Pandora Weakness

- Pandora limitations?
 - Dislikes/Weaknesses for Pandora:
 - Internet Issues: 44%
 - Commercials 21%
 - Wandering playlists: 14%

Streaming for 2 hours a day
5x a week uses a majority of a 2G plan





Google+

The Social Interaction

facebook

tumblr.

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Radio's social interaction remains important. It has just moved to the web.

Facebook is an integral part of the consumer's media day.

Facebook is another way to connect with your listeners.

84% of respondents are members of at least one social network.

94% of social networkers are members of Facebook.



Even though Facebook is a juggernaut – be nimble enough to jump on the next SMP.

According to Erik Sass of Media Post, “Facebook is approaching it’s natural limit.”

Data shows sharp declines in activities like status updates, content sharing, messaging, and installing apps...



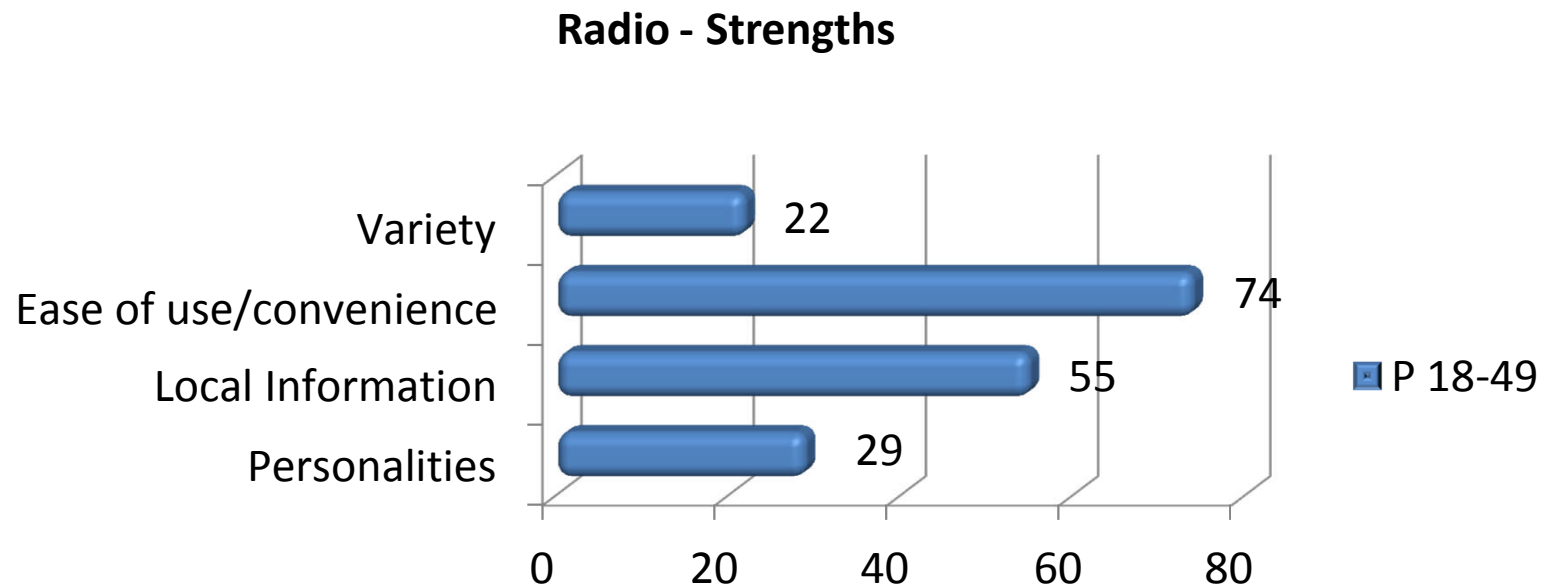
Keeping It
Local

Local information and personalities
drive media consumers to radio.

Listeners want to feel locally connected to their
local stations.

Local Radio Strength

When asked about the strengths and weaknesses of each source, ease of use, and local information were among the greatest strengths for radio.



Local Information

- *“I like the DJs, the local flavor, and the choices on local radio.”*
- *“It has new and cool stuff on all the time, plus local news, weather, and traffic.”*
- *“I like to keep up with the local flavor as well as any concert information.”*
- *“More local news that applies to me personally.”*
- *“I can’t live without my morning radio show.”*
- *“I can get local information and music at the touch of a button.”*
- *“Up-to-date news, fun radio personalities.”*
- *“I like to hear local sports and talk.”*





Audio Analysis



In order to understand the flow of various audio offerings we employed the use of Real Time Analyzers(dials) used by study participants to gauge their interest level in audio and video programming in real time.

The testing is done in a Focus Group environment with each listener controlling a meter so that they can register their interest level.

Focus Groups

August 2011

Interest is measured on a scale of 0-100, with 0 meaning not at all interested and 100 meaning very interested.

We liken a score of “50” to a respondent tuning away from the station. The lower the score, the more likely the respondent would be to turn away from the station.

A score of “100” would mean that the listener is fully engaged and would not turn the channel, or leave the medium until the segment was over.

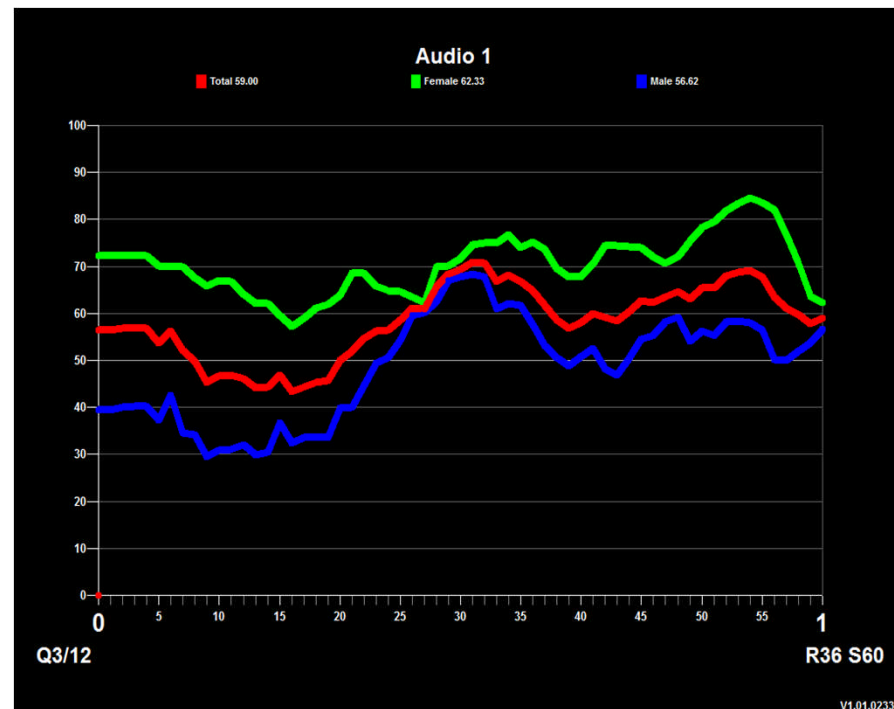
Focus Groups

August 2011

The results, displayed in an EKG-like readout, show that of the entire group as well as any sub samples, such as age groups or gender breaks.

Focus Groups

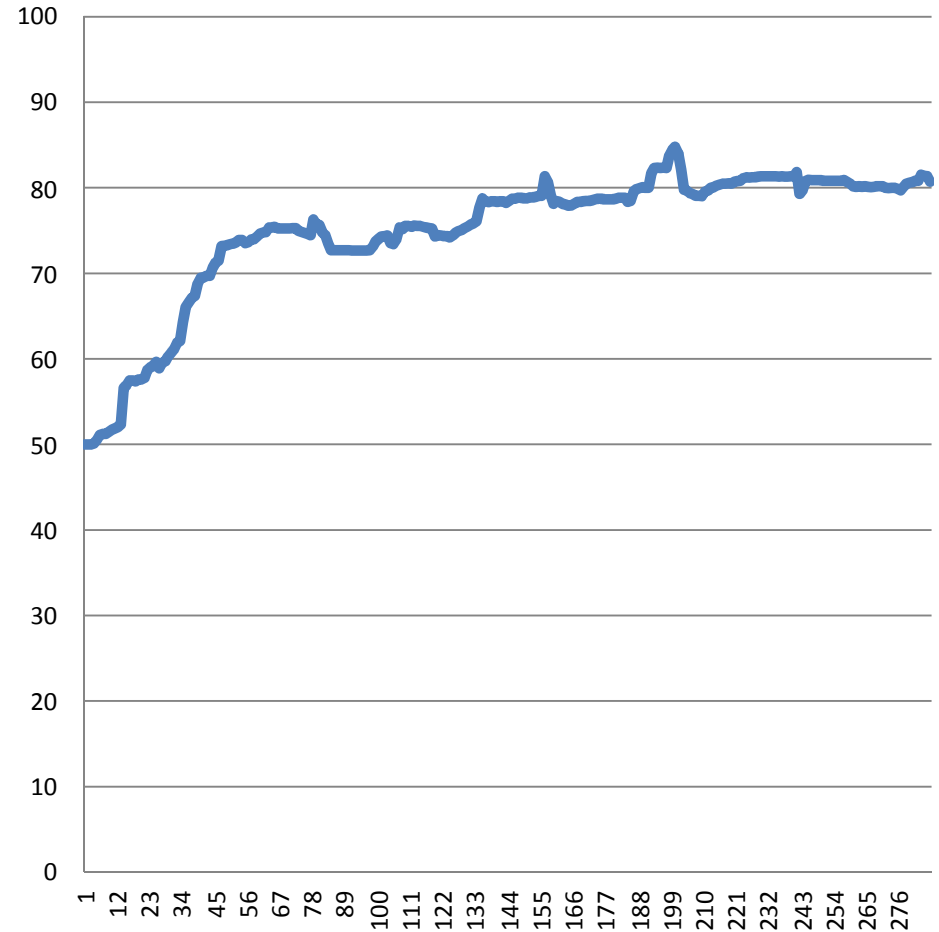
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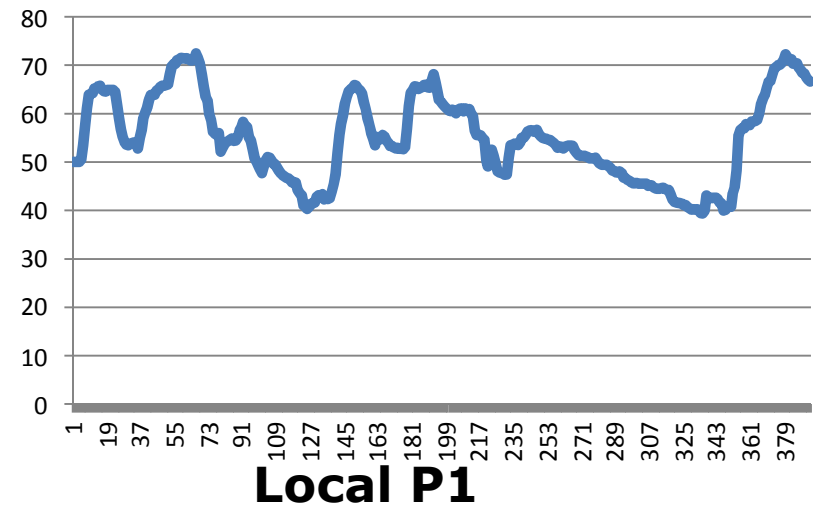
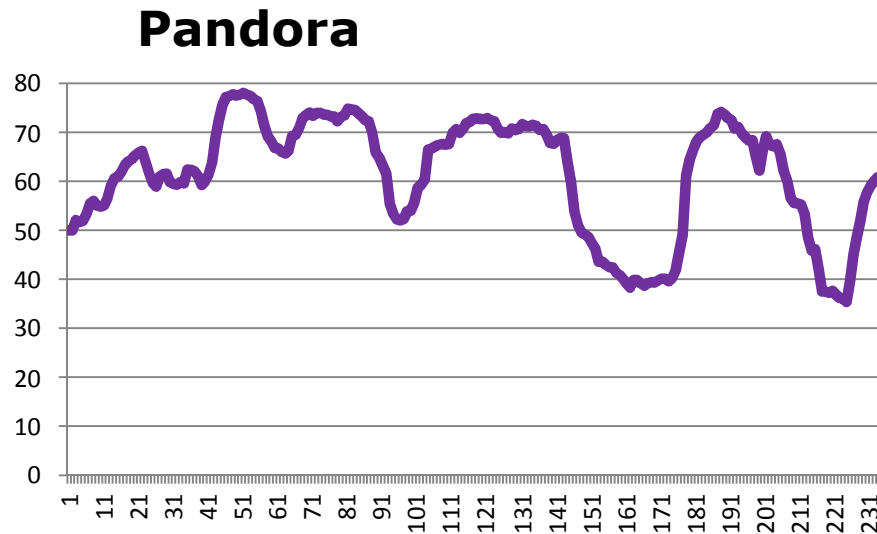
-
- We played a sample hour of several different radio stations.
 - Each chart shows the condensed average total for the dials and is annotated with song and commercial information.

Focus Groups

August 2011



Pandora vs Local P1



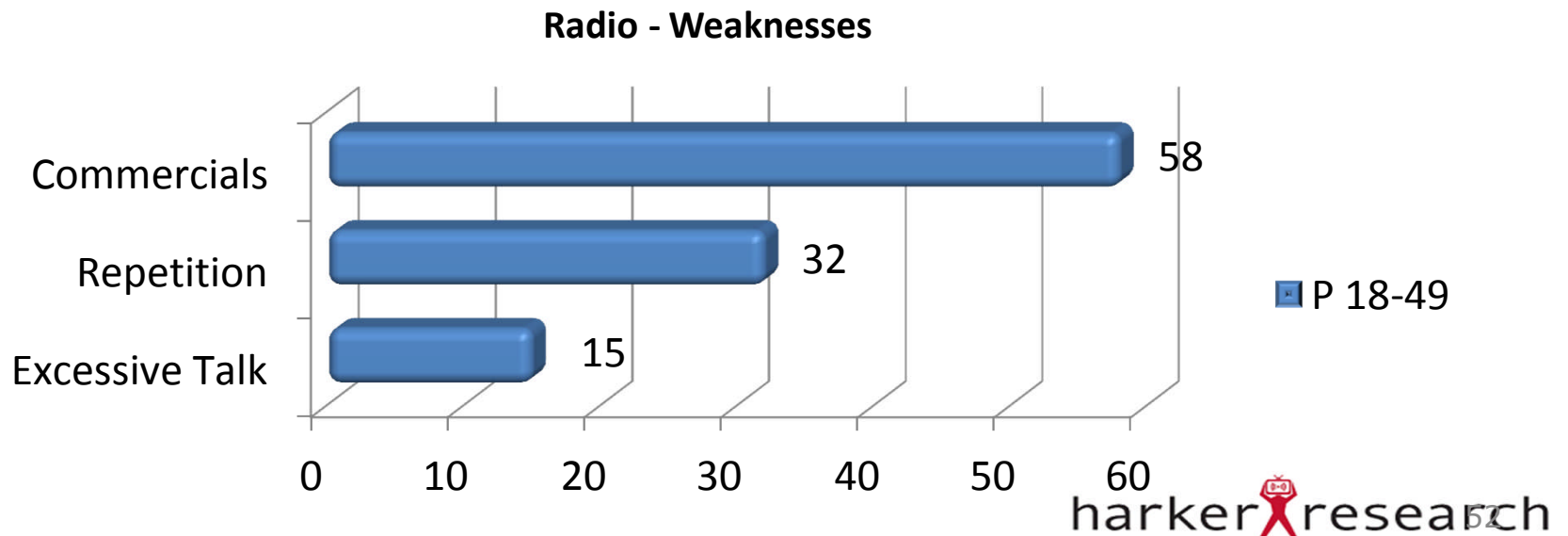
Both show the same dips in tune-in /tune-out

Thought starters for a new approach to advertising.

The Ad Dilemma

Local Radio's greatest weakness is commercials

- Consumers reference the length of commercial blocks, the quality of commercials, and the frequency of commercials.



The Ad Dilemma

When asked whether local radio should adopt an ad structure similar to Pandora:



- *“I think it would be good. You wouldn’t be bombarded with 5 minutes worth of commercials. I think if they broke it up more it would be more tolerable.”*
- *“I like it and it would make me listen to it and wait around for the next song. Right now if I hear a commercial, I just go to another channel. If I knew I would wait.”*
- *“I would agree that spacing them out more would be better. I think that’s why more people have done the internet radio, because there are less ads and more music.”*

The Ad Dilemma

- *“One of the things that I noticed with my behavior is when I’m in the car and listening to the radio and a commercial comes on, I know that it is going to last for a few minutes so I will immediately change the channel unless I’ve got something else on my mind. For Pandora, I might just wait and sit through the 30 seconds for the songs to come on rather than change the channel.”*



The Big Take Away:

We cannot do anything to stop audio consumers from sampling the competition.

The Competition today is not just other broadcast radio stations – but any “station” across all platforms

We can make sure content is as appealing as possible to our consumers so they tune in to local radio first and tune away less often.

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