Radio - UK - March 2010

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What is this report about?

The two main sectors of the radio industry in the UK have experienced contrasting fortunes during the past two years. The BBC, with a steady flow of income provided by the licence fee, has continued to expand its horizons and remains a major player with a 55% share of listening. In contrast, the commercial sector has been hit hard by the economic recession, with ad revenues sharply lower, bringing the viability of a number of stations into question.

The industry stands on the threshold of a new era in radio broadcasting with the promised switch to digital radio underway but taking longer to execute than perhaps anyone in the industry had anticipated. As a result, the date of 2015 set in the Digital Economy bill looks increasingly optimistic.This report examines the current status of the radio industry in the UK, including both the public service broadcasting element (the BBC) and commercial operators, both national and local/regional. It also profiles the major players, looks at perceptions of their brands and assesses consumer attitudes towards a variety of different aspects of the provision of radio services, including the hot topic of DAB digital. Mintel last reported on this subject in Radio – UK, February 2008.

What have we found out?

- The average amount of time people in Britain spend listening to the radio has fallen by 10% between 2004 and 2009, reflecting growing competition from other media (eg the internet and personalised online radio) and people listening to their own playlists on mp3 players, PCs and laptops.
- In the past five years, the balance of power in the radio industry has shifted significantly away from commercial operators. While revenues at commercial operators have fallen by 22%, the BBC's radio budget has increased by an estimated 10% during the same period.
- Although the BBC has a 55% share of listening, the market share of commercial operators has held firm during the past five years at around 42-44%, indicating that, in the eyes of the consumer, commercial operators are providing a good balance of programming.
- The two largest commercial radio broadcasters – Global and Bauer – now account for more than a quarter (27.2%) of total radio listening between them. The companies are making strenuous efforts to develop more consistent branding across their estates to provide stiffer competition for the BBC.
- A major challenge for the industry is how to execute the switchover from analogue to digital broadcasts. The main obstacles to the rapid completion of a switchover are ignorance of the benefits of digital radio among consumers and low levels of intention to convert car radios to digital.