

## 3 Radio and audio content

### 3.1 Recent developments in Wales

#### Re-branding of commercial radio stations in Wales

In May 2013, the Competition Commission decided that Global Radio must sell radio stations in seven areas of the UK, including Cardiff and North Wales, following its completed acquisition of GMG Radio (re-named Real and Smooth Ltd) from Guardian Media Group.

Communicorp purchased eight radio stations from Global Radio in February 2014 including Capital South Wales and Real Radio North Wales. Under a brand licensing agreement, Communicorp has rebranded the Real stations under the Heart franchise and plans to relaunch the Smooth stations following the reintroduction of local programming. Heart South Wales and Heart North Wales (formerly Real Radio Wales) launched on 6 May 2014 under two separate licences, effectively restoring a regional service to both areas. The South Wales station shares studio facilities with the Communicorp-owned Capital South Wales in Cardiff Bay.

Global has rebranded the existing Heart licences under the Capital franchise, with Capital Cymru and Capital North West and Wales launched on 6 May 2014.

### 3.2 Radio service availability

#### New multiplexes boost DAB availability for Wales

A new DAB multiplex serving north-east Wales and west Cheshire began transmission in April 2013. This added the former Real Radio Wales, Nation Radio, Dee on DAB, BBC Radio Wales, BBC Radio Cymru, and 107.6 Juice FM to the digital services available. A further DAB multiplex for mid and west Wales launched in August 2013 carrying Radio Pembrokeshire, Radio Carmarthenshire, Nation Hits, Nation Radio, Real Radio (now Heart), BBC Radio Wales and BBC Radio Cymru.

These new DAB multiplexes have brought improved DAB coverage and availability across Wales, compared to previous years, and there are now up to 47 digital radio services available (Figure 3.1). The North-West Wales Multiplex, which is expected to launch in autumn 2014, will improve coverage and availability further.

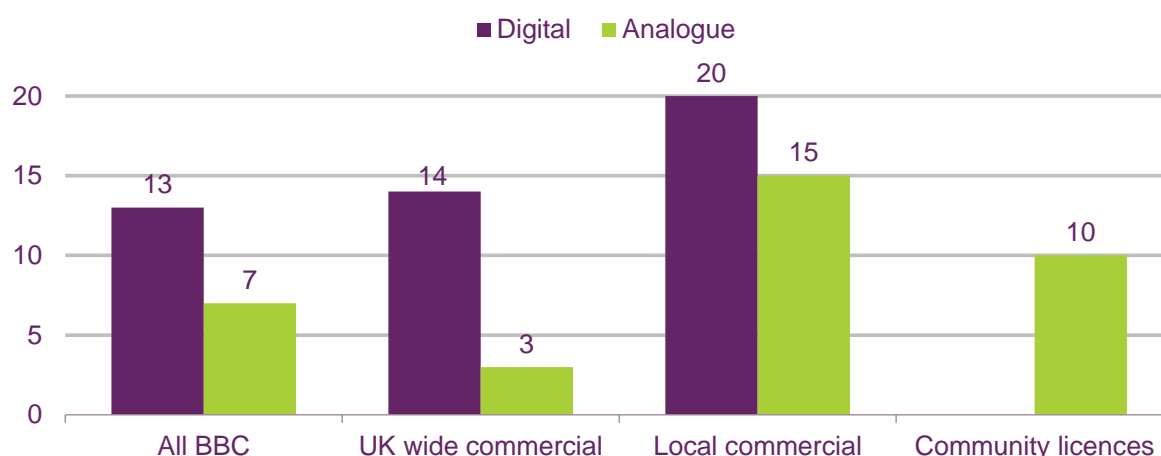
The position on access to Radio Wales and Radio Cymru on DAB has shifted significantly. At the start of 2013, the proportion of the population able to access Radio Wales and Radio Cymru on DAB stood at 41%, but increased to 65% by the end of the year. The BBC expects the distribution footprint of Radio Wales and Radio Cymru on DAB to increase to 86% of the population by 2016.<sup>31</sup>

In total, there are more digital radio services than analogue services available across Wales.

---

<sup>31</sup> At present, for technical reasons, it is not possible to vary the service line-up on the UK multiplexes to carry services specifically for Wales. Therefore, the BBC UK multiplex does not carry Radio Wales or Radio Cymru. In effect these services are treated instead as 'local services' on local commercial multiplexes.

**Figure 3.1 Radio station availability: Wales**



Source: Ofcom, April 2014

Note: This chart shows the maximum number of stations available; local variations along with reception issues mean that listeners may not be able to access all of these

### 3.3 Community radio broadcasting

#### There are two new community radio stations on air in Wales

In 2014, there were ten community radio stations on air in Wales – an increase of two since 2013.

Ofcom awarded four new community radio licences in 2012: to Radio Beca, Môn FM, Harlech FM and Radio Glan Clwyd. Stations have two years from the award of their licence to begin transmission. Radio Glan Clwyd launched in May 2014 and Môn FM in July 2014, but Harlech FM decided not to proceed and formally declined the licence offer in December 2013. In the case of Radio Beca, Ofcom has granted an extension until August 2014 to enable it to begin transmission.

Since 2008, the Welsh Government Community Radio Fund had provided a share of £100,000 funding to support community radio stations across Wales. However, following a review and after five rounds of funding, the fund has been discontinued by the Welsh Government.

Ofcom also administers a Community Radio Fund from the Department for Culture, Media and Sport (DCMS) of up to £500,000 per annum. The fund has been established to give grants to help cover the core costs of running community radio stations, and grants can only be made to community radio licensees that are already broadcasting.

In other developments, the DCMS published a consultation in February 2014 setting out policy proposals to relax current financial restrictions on community radio, preventing stations from:

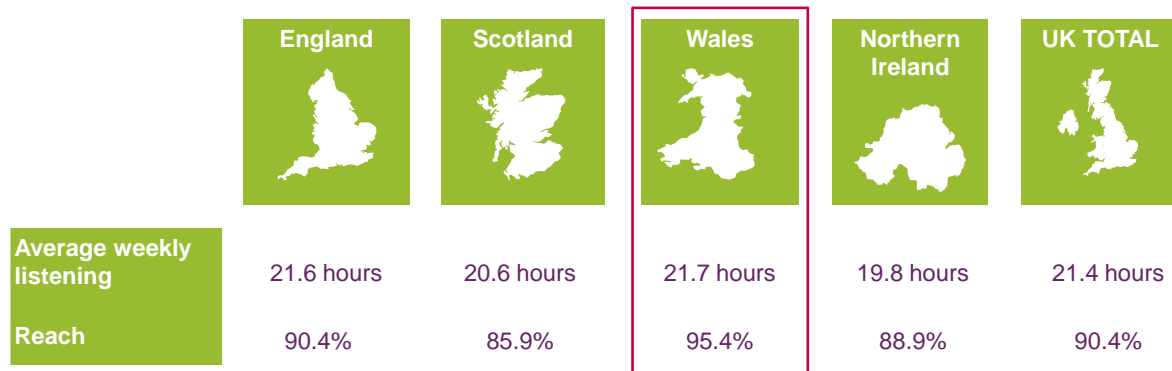
- taking income from on-air advertising or sponsorship if they overlap with a commercial radio licence whose coverage area includes 150,000 adults or fewer; and
- taking more than 50% of their annual income from on-air advertising and sponsorship.

### 3.4 Patterns of listening to audio content

#### More people in Wales listen to the radio than in any other UK nation

In 2013, radio services reached 95.4% of the adult population in Wales. This is five percentage points (pp) above the UK average (90.4%) and represents the largest reach of radio of all the nations. Listeners in Wales also listened to radio for the longest compared to other UK nations, at 21.7 hours per week on average (Figure 3.2).

**Figure 3.2 Average weekly reach and listening hours: 2013**



Source: RAJAR, All adults (15+), year ended Q4 2013. Reach is defined as a percentage of the area adults population who listen to a station for at least five minutes in the course of an average week.

#### Wales has the highest share of listening to BBC network services

BBC network stations accounted for 50% of the total share of listening hours for Wales in 2013 (Figure 3.3). This represents the largest share of listening for this particular radio sector, compared to any other nation; it is more than double the share of listening for BBC network services in Northern Ireland and 4pp above the UK average of 46%.

Of all the UK nations, share of listening hours for local commercial radio was lowest in Wales at just 23%. Commercial radio overall accounted for 35% of the total share of listening hours in Wales, lower than the other nations and 6pp below the UK average.

Listening to the BBC nations' service (BBC Radio Wales or BBC Radio Cymru) accounted for 11% of the share of listening hours for Wales in an average week in 2013; this is 3pp higher than England, Scotland and the UK average, although still far lower than Northern Ireland (20%).

**Figure 3.3 Share of listening hours, by nation: 2013**

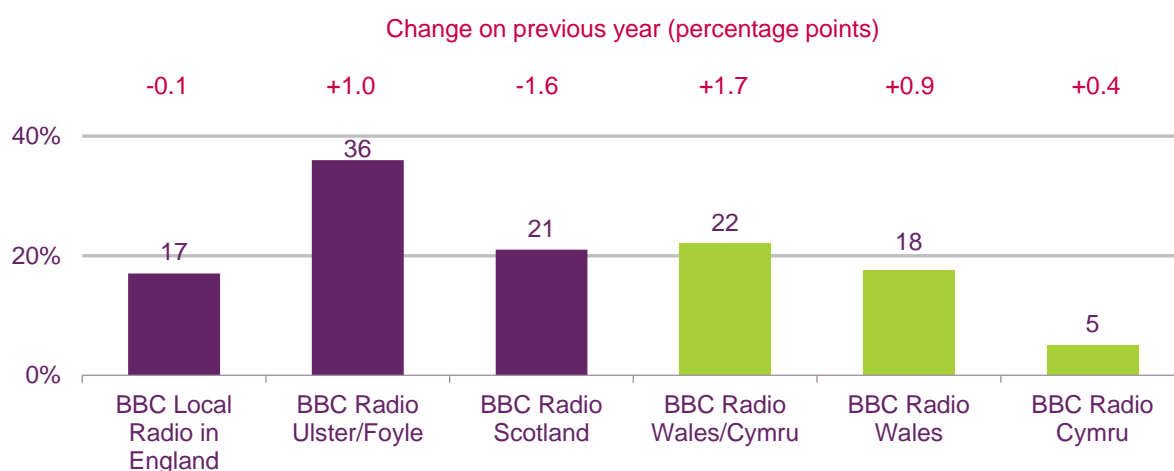


Source: RAJAR, All adults (15+), year ended Q4 2013

### The audience of BBC Radio Wales and BBC Radio Cymru increased in 2013

Over a fifth (22%) of adults listened to BBC Radio Wales/Cymru in an average week during 2013, an increase of 1.7pp since 2012 (Figure 3.4). Separating out the two services, both BBC Radio Wales and BBC Radio Cymru experienced a year-on-year growth in reach (0.9pp and 0.4pp).

**Figure 3.4 Weekly reach for nations'/local BBC services: 2013**



Source: RAJAR, All adults (15+), year ended Q4 2013

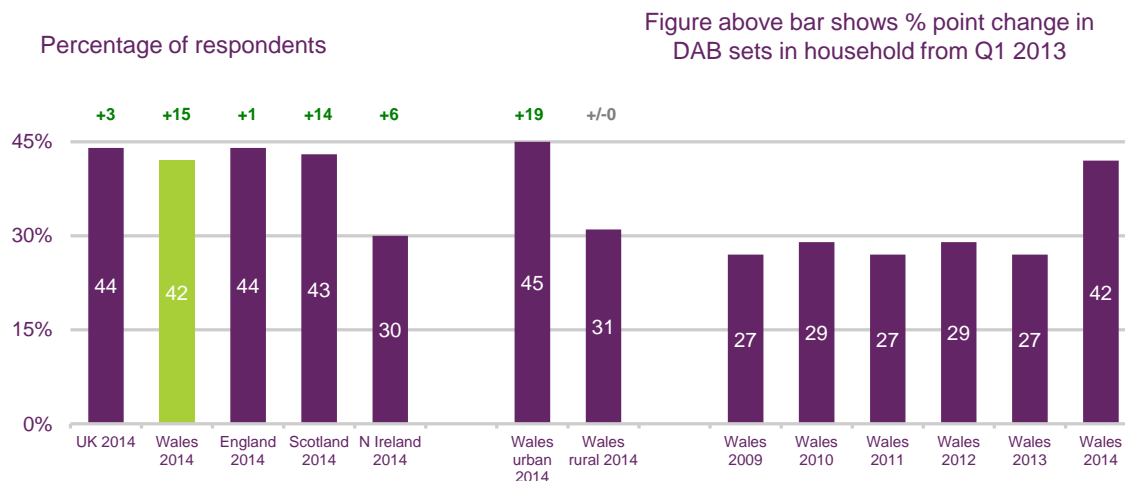
## 3.5 Digital radio set ownership and listening

### More than four in ten households in Wales now own a DAB digital radio set

Of the UK nations, Wales has seen the largest increase in DAB radio set ownership over the past year, with 42% of households now owning at least one. This is a year-on-year increase of 15pp, and brings Wales into line with the UK average of 44%. The new multiplexes mentioned above, which have brought improved DAB coverage to Wales, are likely to have contributed to this sharp rise in the ownership of DAB digital radios.

There is a significant difference between urban and rural Wales in the number of households possessing a digital radio. Urban Wales has seen a rise of 19pp to 45%, while rural Wales had no annual change, remaining at 31%. The launch of the North-West Wales multiplex in autumn 2014 is expected to drive this figure up by further improving rural DAB coverage.

**Figure 3.5 Ownership of DAB digital radios**



QP9. How many DAB sets do you have in your household?

Source: Ofcom research, Q1 2014

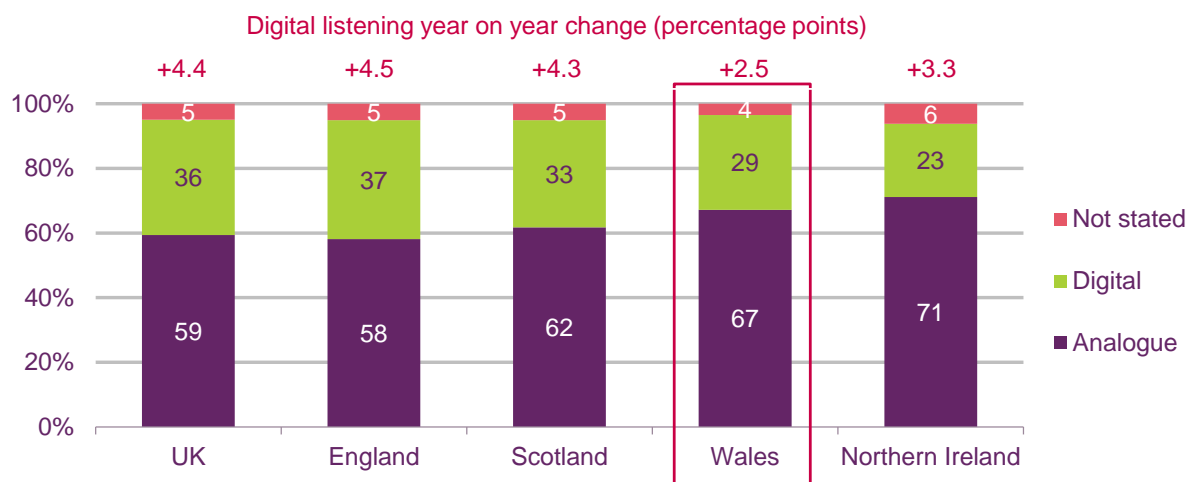
Base: Adults aged 16+ who listen to radio (n = 2885 UK, 403 Wales, 1686 England, 392 Scotland, 404 Northern Ireland, 201 Wales urban, 202 Wales rural, 848 Wales 2009, 854 Wales 2010, 397 Wales 2011, 405 Wales 2012, 383 Wales 2013, 403 Wales 2014)

NB. Data in 2011 based on those who listen to radio and have any radio sets in the household that someone listens to in most weeks

### Year on year growth in digital listening was lowest in Wales

Digital listening in Wales stood at 29% in 2013, compared to the UK average of 36%. This represents the smallest year-on-year growth in digital listening of all the UK nations, at 2.5pp (Figure 3.6). Share of listening via analogue platforms in Wales is 8pp above the UK average and is greater than in England (58%) and Scotland (62%).

**Figure 3.6 Share of listening hours via digital and analogue platforms: 2013**

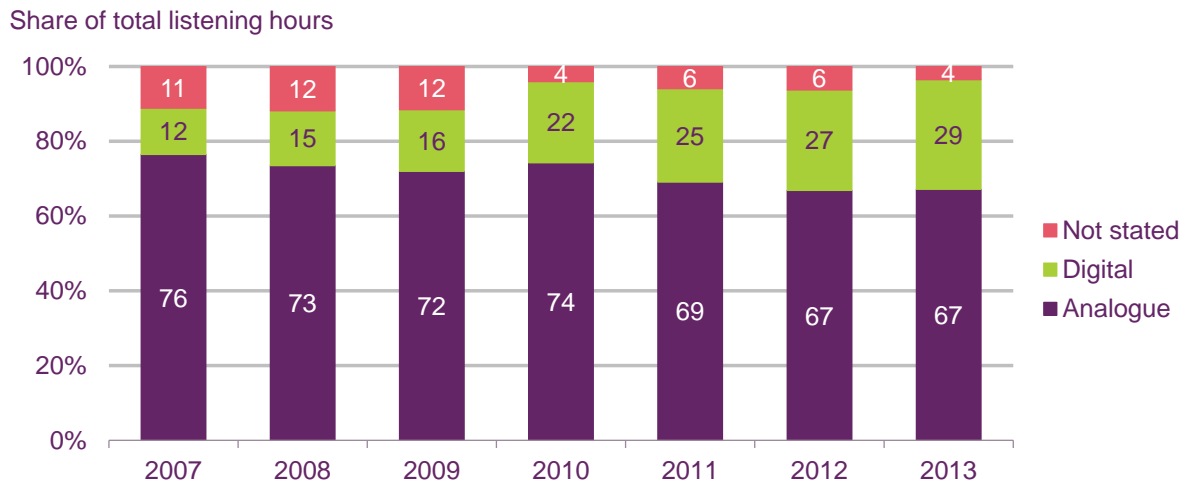


Source: RAJAR, All adults (15+), year ended Q4 2013

NB: Digital platforms refers to radio services which can be accessed through a range of devices. This includes DAB digital radios, digital television, and devices that connect to the internet such as dedicated radios incorporating WiFi connectivity, home PCs, and mobile handsets that can connect to the internet.

There has been steady and continuous growth in the share of listening via digital platforms since 2010 (Figure 3.7). Over the past seven years, digital listening in Wales has increased by 17pp; this is the same amount of growth experienced in Northern Ireland, although share of listening on digital platforms is greater in Wales (29% vs. 23%).

**Figure 3.7 Share of listening hours via digital and analogue platforms in Wales: 2007-2013**



Source: RAJAR, All adults, calendar years 2007-2013

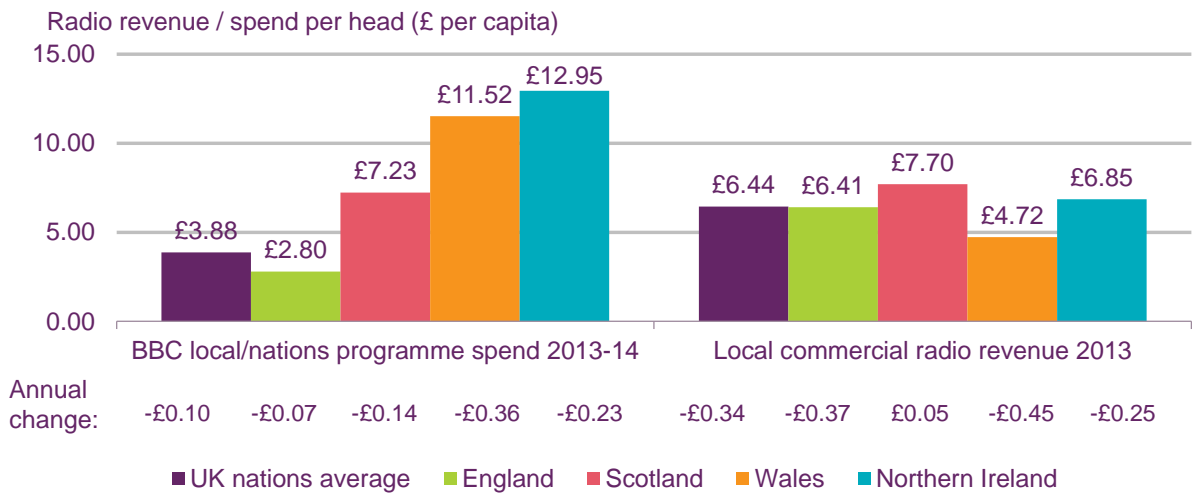
### 3.6 The radio industry

#### Commercial radio revenue per head of population is lowest in Wales

The total revenue generated by local commercial radio stations in Wales in 2013 was £14.5m. When adjusted for population size, the expenditure per head of population equates to £4.72 per person, the lowest of all the UK nations and a decrease of £0.45 on 2012. This was the largest year-on-year decrease in commercial revenues among the UK nations.

Between BBC Radio Wales and BBC Radio Cymru, a total of £35.4m was spent on BBC Radio services in Wales in 2013-2014. The spend per head was £11.52, the second highest of the UK nations, but a reduction of £0.36 per person on the previous year. Expenditure per head was much higher than the UK average of £3.88 due to Wales having a smaller population and the added cost of running two services.

**Figure 3.8 Local/ nations' radio spend and revenue per head of population: 2013-14**



Source: Broadcasters

Note: The UK total shows the average for local commercial radio across the four nations and therefore excludes revenues for the UK-wide commercial stations: Classic FM, talkSPORT and Absolute.

