European Public Radio: Changes

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Radio, a medium as popular as ever

You little box, held to me
when escaping
So that your valves should not
break,
Carried from house to ship
from ship to train,
So that my enemies might go
on talking to me
Near my bed, to my pain
The last thing at night, the first
thing in the morning,
Of their victories and of my
cares,
Promise me not to go silent all
of a sudden

Bertold Brecht

Radio as medium continues to be not only relevant but as popular as ever, and public radio has held up against increasing competition and new digital media. Although average audience shares for public radio in the major European markets have remained stable and strong over the last two years, public channels in some markets have suffered from pressures of deregulation and technology change – pressures that public radio across Europe will need to face up to.

Radio is the most used, and the most intensely used medium

How has radio as a medium held up against new digital distribution technologies, the internet, and a host of new personal listening devices?

In a recent study[1] of media consumption in ten European countries, people were asked how much time they spent reading newspapers and magazines, watching TV, surfing the internet, and listening to the radio. It turns out that in a typical week, Europeans listen to over 17 hours of radio, more time than any other medium (although TV is a close second).

Usage of radio is not only high but it is also intense. Based on the same study, almost a quarter of nationally representative respondents used radio 25 or more hours in a typical seven day week. This is higher than all other media including television.

And where is all this listening happening? One interesting trend is the growth of out-of-home radio consumption. On average, listening still takes place mostly in the home[2] (60%), with an increasing percentage happening at work (19%) and in the car (17%). These averages, however, belie extreme national variations. Listening in the car is highest in Italy (47%) and lowest in Bulgaria (3%) but is on the increase in many countries, especially Eastern Europe where the rate of car ownership is rising. Meanwhile, listening at work is lowest for Spaniards (7%) and is highest for Poles and Austrians (23.5% and 27%, respectively).

Public Radio retains strong share but some markets show instability

In terms of audience share, economic contribution, and volume of output, public radio is the cornerstone of European radio. The EBU represents virtually all public radio channels and counted among its membership 779 radio stations in 2003, a number that has been steadily growing over the years.

In a recent study[3], the EBU examined over one hundred of these channels

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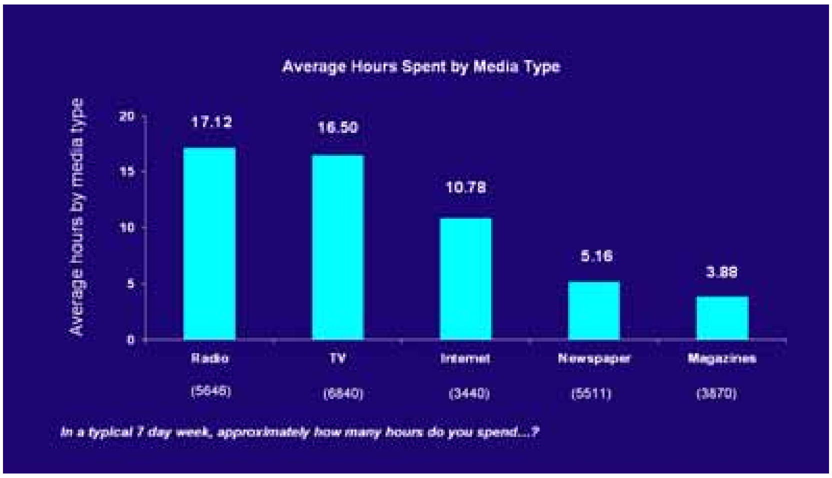
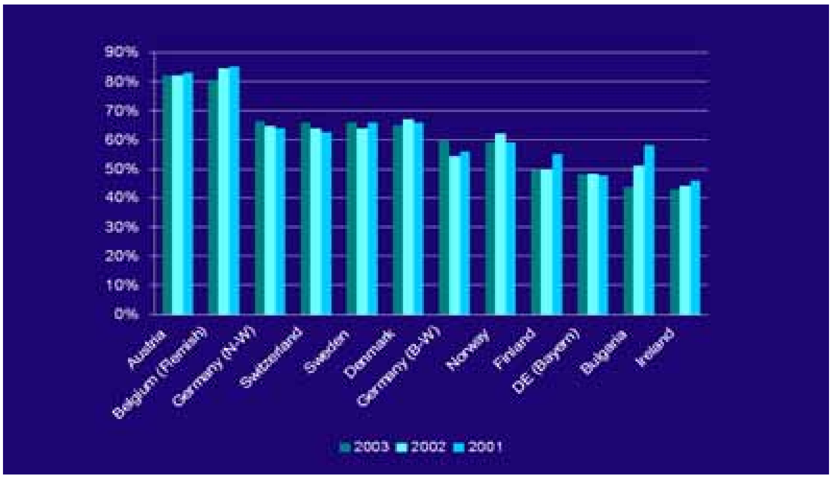
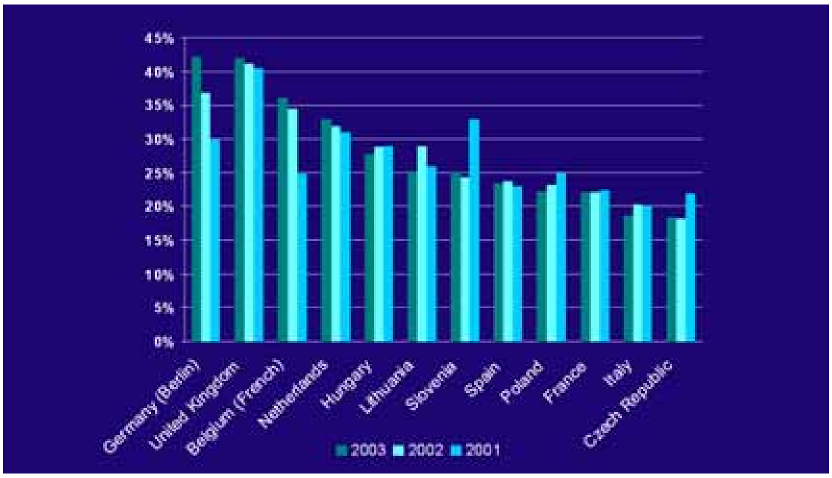


Time spent by media type



Combined share of national public radio channels – highest



Combined share of national public radio channels – others

in twenty major markets. The study looked at detailed profile information and output by *genre* and included market developments over the last two years covering regulation, audience measurement, and technology. Only national radio was included in the study. Some key findings include:

- From 2001 to 2003 national Public Service radio channels in the countries under study held stable shedding less than 1% average share to 44.4%. Some markets saw double-digit gains such as French Belgium (+11.3%) and the Berlin region of Germany (+12.4%).

- In 2003 combined national public service radio shares were highest in the Nordic markets, German-speaking countries, and Flemish Belgium. In these territories, shares ranged from just under 50% in Finland to 82% in Austria.

- Public Service radio in Eastern countries did experience significant audience erosion. Bulgaria lost 14.1% share and in Slovenia combined PSB share was almost 8% lower. Poland and the Czech Republic saw small losses as well.

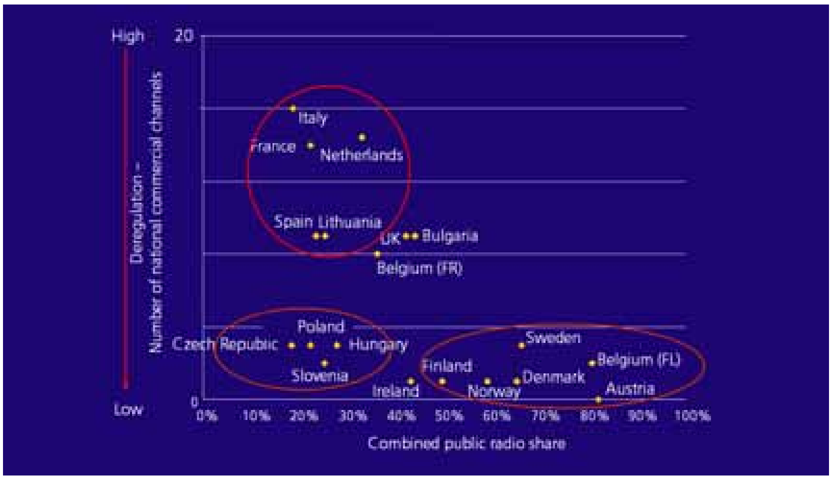
The variation of results among member channels has a lot to do with their financing models and country-specific factors. But a major influence

Public Radio

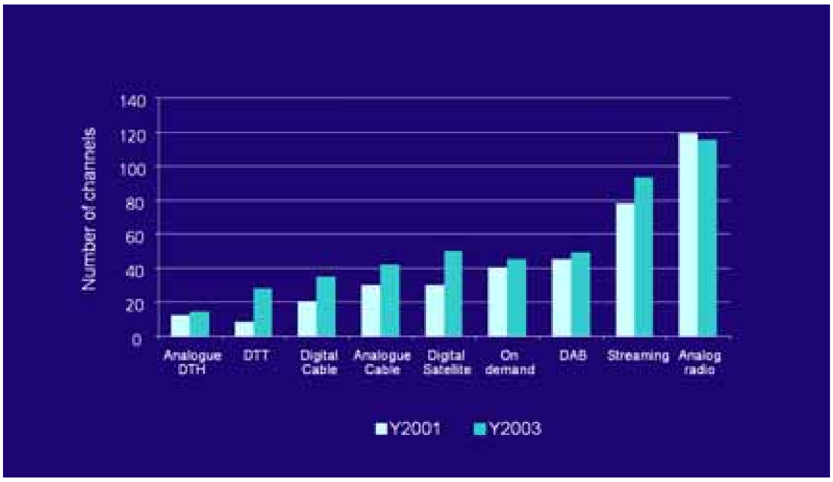
is the degree of encroachment of commercial radio which itself derives from the status of deregulation in any given market.

The challenge!

To position public radio channels according to the level of deregulation in their national markets, we took their combined share and compared it to the number of commercial channels on the market. It's a fair assumption that the more deregulated a market becomes, the more commercial channels will be on air, at least in the early period. What emerges from this comparison is a rather neat set of clusters. The relatively underegulated markets are grouped along the bottom right, high-share-low-competition quadrant. The Nordics and German-speaking territories with Flemish Belgium fall into this category. Meanwhile, the deregulated markets of France and Southern Europe have clearly moved to top-left as they have lost share and face greater competition. The Eastern countries are tightly clustered together at the low deregulation end of the spectrum but achieve below average audience share.



Public radio share v. level of competition



Radio channel distribution platforms

At this point the alert reader may inquire, "Wait a minute, haven't many of these Eastern markets already gone through a stage of radio commercialisation? Why are they positioned at the low end of the deregulatory scale?"

Indeed, Eastern European public radio markets represent an anomaly. What may be happening is that strong commercial groups have emerged and consolidated. Indeed, increased foreign ownership and merger activity has characterized these markets from the late 1990s.

It is a cautionary tale for other territories where mergers and consolidation are taking place. In these markets it is important to monitor concession terms, foreign and cross-media holding ownership rules, and the application of competition law to any undue concentration levels.

Radio distribution over other platforms is booming

Perhaps the most dramatic development over the last two years is the explosive growth of new distribution platforms. For the one hundred or so national public radio channels studied, there has been a 25% increase in their availability on other platforms.

Almost half of all national public service radio channels are now available over DAB frequencies. The greatest increase was in national radio channels available over Digital Terrestrial Television (DTT) platforms. From eight services in 2001, the number nearly tripled to 23 channels. DTT is currently the fastest growing digital platform in Europe.

Public radio channels increased their presence on both analogue and digital cable systems. In 2003, 42 public national channels were available over analogue cable, twelve more than in 2001. On digital cable the increase went from twenty channels to thirty. Slow digitalization keeps analogue cable an important distribution means.

Over 85% of channels are streamed over the internet, up from 75% two years earlier. On-demand services also went up from 38% in 2001 to over 43 % in 2003.

Challenges ahead

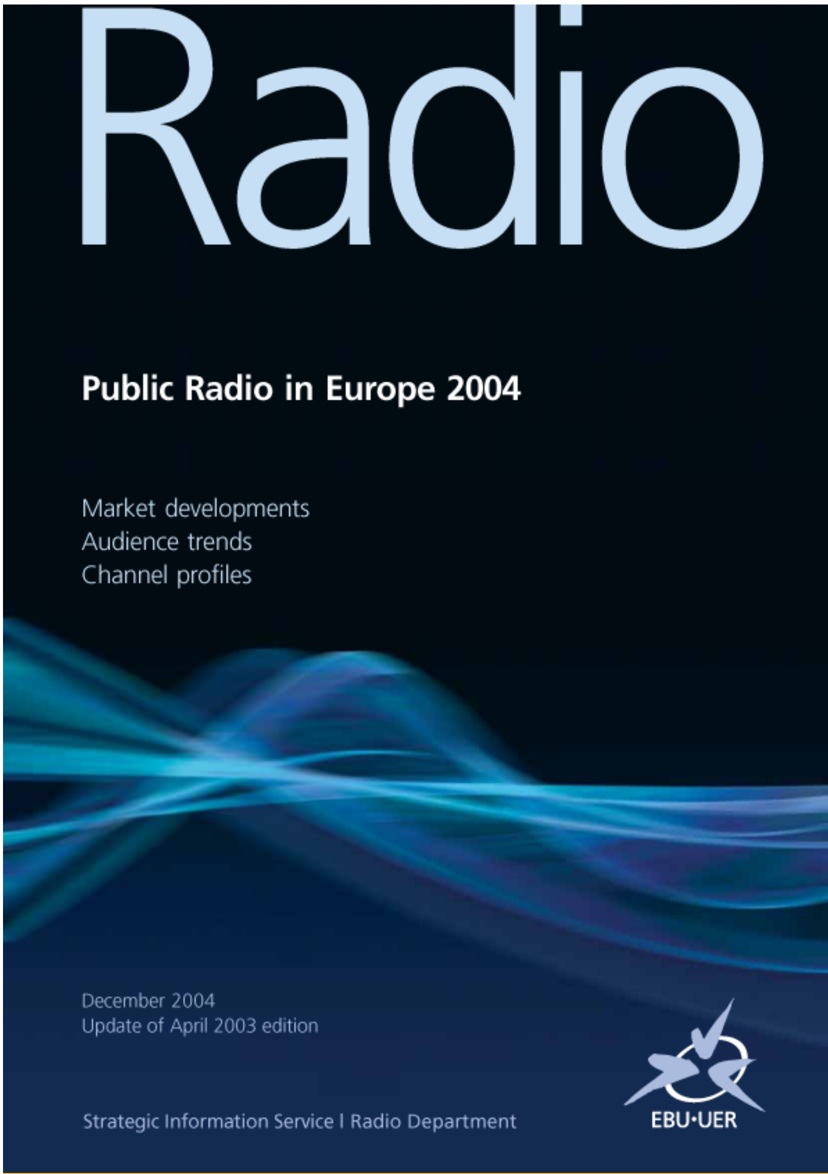
As we have seen, Public radio has embraced new technology platforms and has confronted deregulatory pressure, but there are many challenges ahead. It remains essential to preserve the unique funding model that underpins public radio, but now careful exploitation of new revenue sources and additional funding for new technologies are gaining in importance. Spectrum trading, new measurement systems and many other issues are also beginning to confront traditional broadcasters.

Change is inevitable and necessary but guiding this change and preserving the basic character and function of public radio is a challenge for broadcasters and their law makers and regulators alike.

1) *EIAA annual survey of media consumption patterns based on attitudinal data based of nationally representative samples from the United Kingdom, France, Germany, Spain, Italy, Belgium, the Netherlands, Denmark, Sweden, and Norway – October 2004*

2) *Source: EBU "Public Radio in Europe", 2004*

3) *Ibid.*



- *An EBU Study*
- *Detailed look at radio market of 20 countries*
- *Profile data and output by genre for over 100 public radio channels*
- *Audience data and four year trends*
- *Covers **national** radio only*
- *This report is available to all EBU Members at no cost*