

Research

Sources cited in this presentation



Share of Ear Canada

(2017) Asking over 1200 Canadians about their audio habits.



RC2C

(2018) Panel of 5000 Canadians focused on their interaction with media.



Radio On The Move

(2018) 3500 Canadians' audio behaviours profiled in and out of the automobile.



Numeris and others

(2016-2019) MTM, RTS, PPM and Diary data and syndicated data from Nielsen, Radiocentre, RAB and Westwood One.

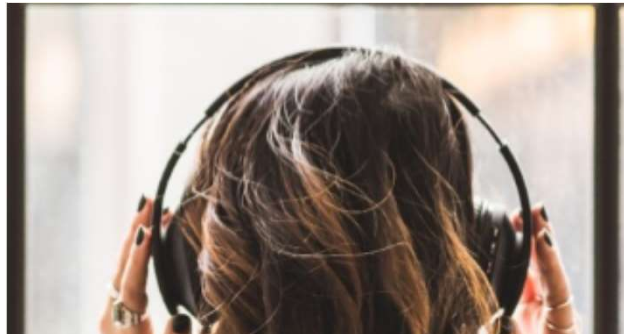
RC2C

In Field April 2018



First Study

A robust study delivering insights into consumer attention, engagement and path to purchase among Canadian audio listeners aged 18+. Presented in the context of generational research - do audio consumption behaviours change as life stages evolve?



A Canadian Snapshot

The honest truth about consumer attitudes to media, including the “trust factor” (or lack thereof), ad avoidance and attention paid to media channels.



Source

An online panel of 5,000 adults 18+, listened to audio in the past 7 days. Representative of the Canadian population Conducted by Asking Canadians.

RC2C

Canadians across generations are connected to audio

As Canadians age, do their media behaviours and attitudes follow or do they change as their life stages and needs change?

RC2C provides a baseline introduction to generational attitudes and media behaviours that will be tracked year over year to answer this question.



Y1 - Maturing Millennials
1990 - 1995
22 - 29 years old (9.3% of pop)
Post secondary ed. - 115
Work full time - 113
Living partner/married - 63
Have kids - 16
HHI 100K - 78
Listened to AM/FM past 7 days - 97
Listened/streamed audio last 7 days - 142

Y2 - Milestone Millennials
1981 - 1989
30 - 37 years old (13.2% of pop)
Post secondary ed. - 118
Work full time - 145
Living partner/married - 100
Have kids - 68
HHI 100K - 111
Listened to AM/FM past 7 days - 99
Listened/streamed audio last 7 days - 131

B1- Freedom 55+
1954 - 1964
54 - 64 years old (16%)
Post secondary ed. - 92
Work full time - 135
Living partner/married - 115
Have kids - 132
HHI 100K - 103
Listened to AM/FM past 7 days - 101
Listened/streamed audio last 7 days - 82

B2 - OAS Boomers
1946 - 1953
65 - 72 years old (8.4%)
Post secondary ed. - 85
Work full time - 20
Living partner/married - 119
Have kids - 147
HHI 100K - 67
Listened to AM/FM past 7 days - 102
Listened/streamed audio last 7 days - 64

Glossary of terms

Definitions used in this report



Streamed AM/FM

Broadcast AM/FM radio streamed either through an app or a station's website.



Pureplay music streaming

Streaming of music services available *online only*, such as Spotify, Apple Music subscription service, and cbcmusic.ca.

Paid ad-free

Paid subscriptions to pureplay services that allow on-demand access with no advertising (e.g., Spotify Premium).

Ad-supported

Pureplay service options that include advertisements, but do not have a subscription fee.



Owned Music

Digital or analog music sources not reliant on a subscription. Examples included CD's purchased MP3's (from iTunes, etc.) or vinyl.



YouTube for Music

Using YouTube to listen to music, as opposed to video content such as comedy, DIY, or long-form programming. Not to be confused with YouTube premium.



Podcasts

Pre-recorded digital audio programs, usually spoken word, that can be subscribed to in a feed and/or download to listen to later.

Section Contents

01 CANADIANS ARE CONNECTED TO AM/FM RADIO

Level setting radio within the audio landscape, debunking the myths. Proving AM/FM radio is the number one commercial audio platform to reach consumers.

02 THE STREAMING LANDSCAPE

The changing business model – from owning to renting | subscribing; Streaming music growth in Canada; Spotify, Smart speakers and Podcasting

03 RADIO'S IMPACT ON BUSINESS

Byron Sharp's 4 key insights; radio builds brands; radio drives search; radio delivers ROI; radio is connected to shoppers of all types



Truth in Audio

The audio landscape is ever evolving, and AM/FM radio has been evolving and adapting in pace. Currently there are many misconceptions about radio and its place in the audio landscape:

Commercial radio is waning – **It's Not.**

Millennials don't listen to radio – **They Do.**

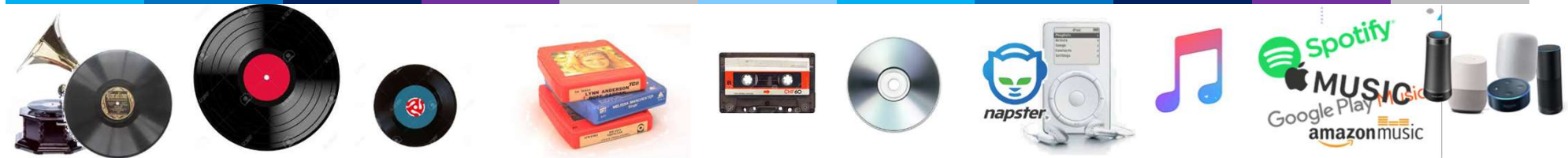
Spotify and similar platforms are the new radio –
They're Not.

Radio doesn't build business – **It Does.**



Radio has always been our companion

We're always connected with AM/FM radio because it's always on



The audio landscape is ever evolving



Music Services

Google Play - June 2014
Spotify - September 2014
Tidal Music - December 2014
Apple Music - June 2015
Amazon Prime Music - November 2017



Radio Apps

iHeart Radio - October 2016
RadioPlayer - March 2017



Smart Speakers

Google Home - June 2017
Amazon Echo - November 2017
Apple HomePod - Feb 2018



Canadians are connected to AM/FM radio

Throughout the day, Canadians are tuned to audio. AM/FM is the most listened to of all ad-supported audio platforms, during the week and on the weekends.

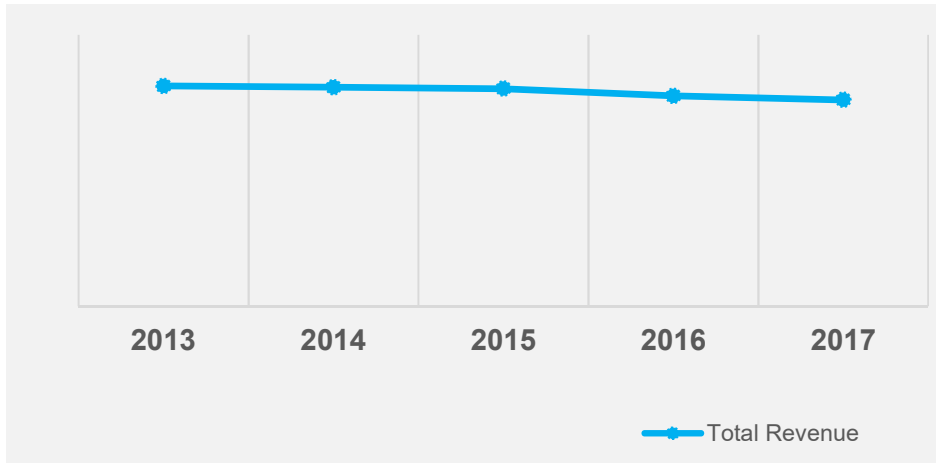
Radio Today – connected to Canadians



Radio connects Canadians with new music, local and global news and keeps them entertained and informed. Apps, smartphones and smart speakers empower listeners to take their favourite stations, personalities and podcasts with them. And audiences keep coming back for more.

Radio, growth with stability

**\$1.7
BILLION**



2013 TOTAL

AM English	109	FM English	454	563
AM French	8	FM French	89	97
AM Ethnic	12	FM Ethnic	13	25

685

2014

AM English	108	FM English	466	574
AM French	6	FM French	90	96
AM Ethnic	12	FM Ethnic	12	24

694

2015

AM English	105	FM English	478	583
AM French	7	FM French	91	98
AM Ethnic	12	FM Ethnic	11	23

704

2016

AM English	105	FM English	484	589
AM French	7	FM French	91	98
AM Ethnic	12	FM Ethnic	12	24

711

2017

AM English	103	FM English	487	590
AM French	6	FM French	92	98
AM Ethnic	12	FM Ethnic	13	25

713

Canadians tune in everywhere



Canadians 12+
445,661,000
Hours
spent with radio in one
week
Fall 2018



Canadians 12+
27,300,500
people
reached weekly with
radio
Fall 2018

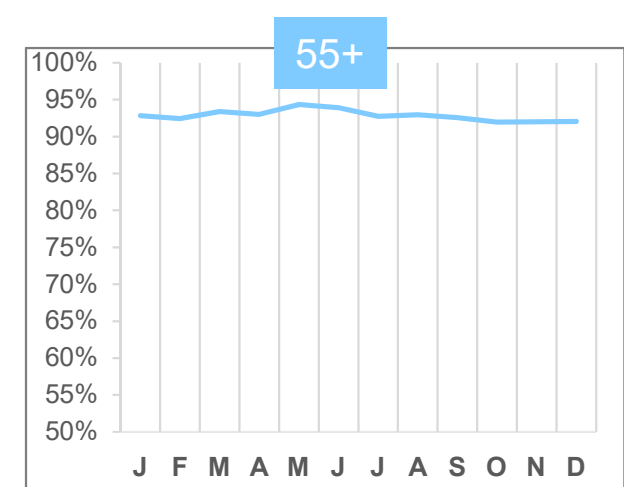
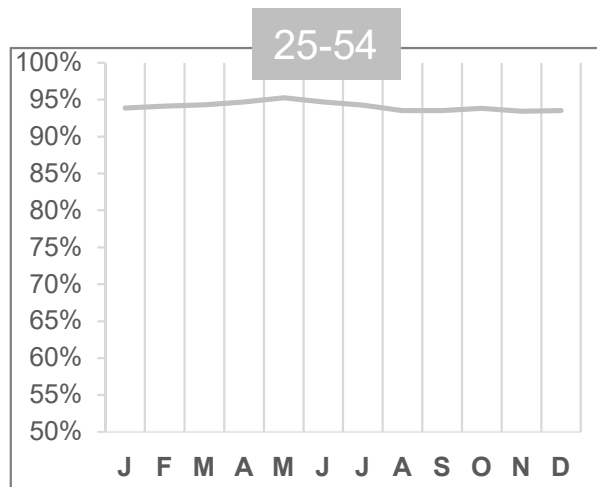
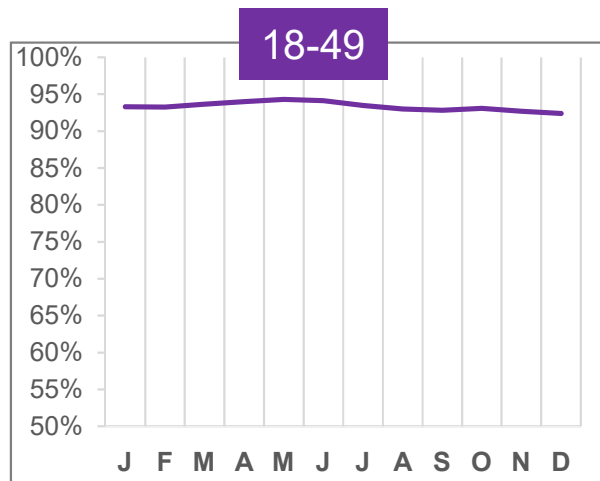
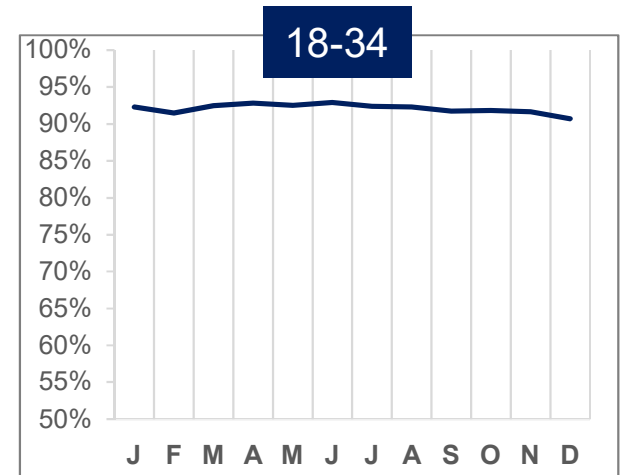
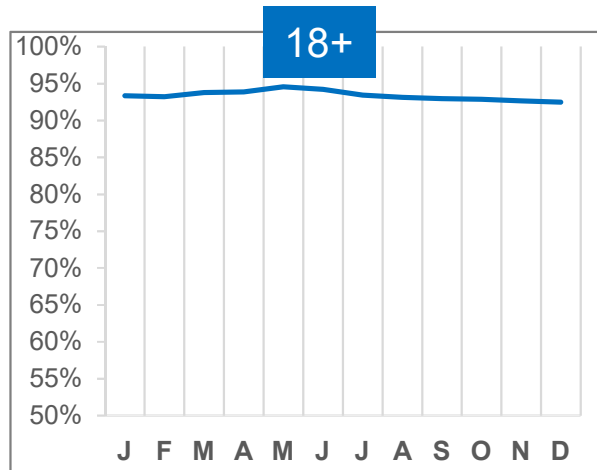
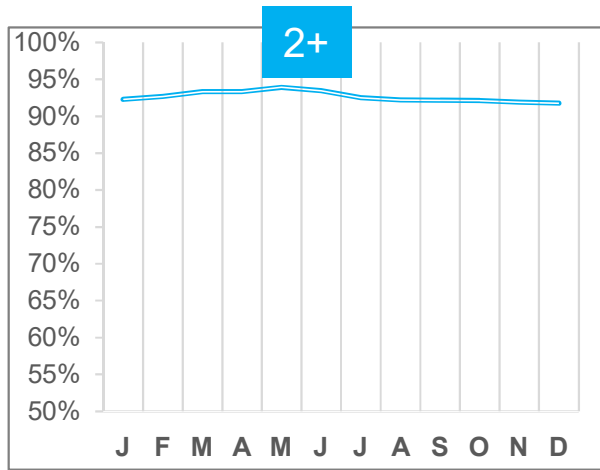


T/M/V/C/E 12+
125,356,644
hours
reached weekly in
Canada's 5 largest markets
Wks 1-13 2018 | Fall 2018



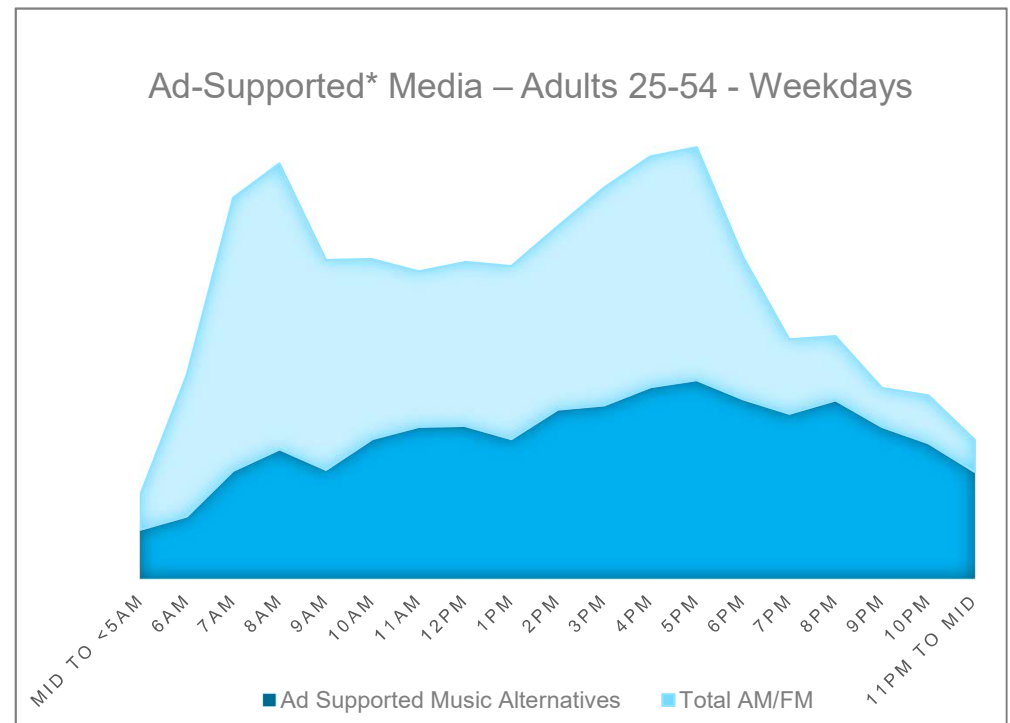
T/M/V/C/E 12+
13,260,134
people
reached weekly in
Canada's 5 largest markets
Wks 1-13 2018 | Fall 2018

Radio's reach is consistent all year



AM/FM radio dominates Canadian Ad Support audio listening

To reach Canadians with audio ads, AM/FM is the most listened to platform throughout the day.



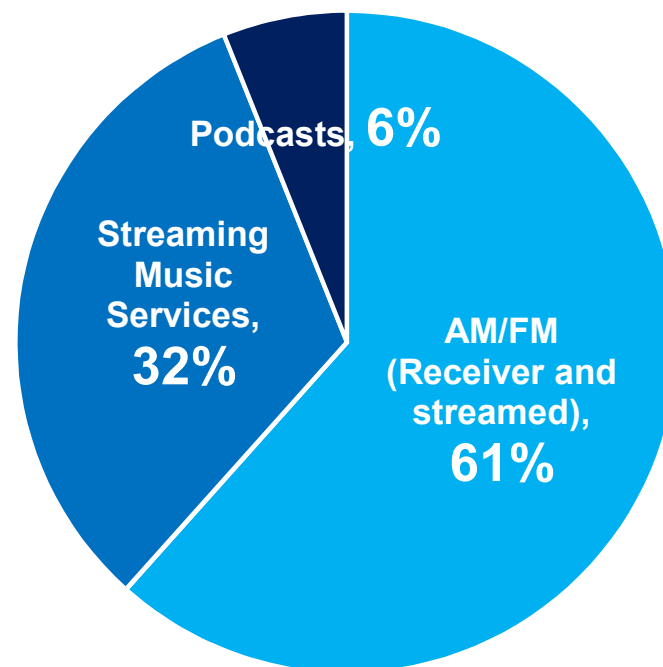
AM/FM dominates all audio



83%

AM/FM's share of commercial audio ratings available to reach Canadians in the past month

Proportion of time by audio platform past month, A18+



- AM/FM (Receiver and streamed)
- Streaming Music Services
- Podcasts

Radio can reach more Canadians in one week than any social platform, regardless of age



Canadians are connected to audio

83%

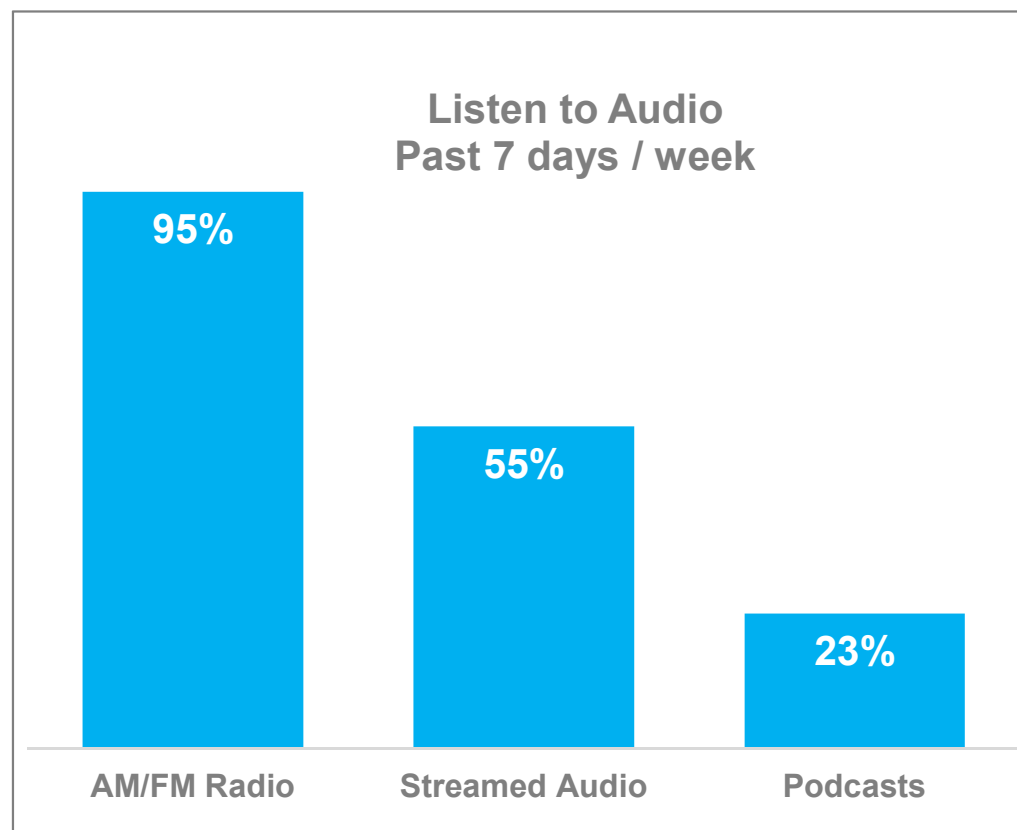
Feel AM/FM Radio is very important to Canadians.

95%

Say it is important to keep up with what's happening in their local community.

95%

Say it is important to keep up with latest news.



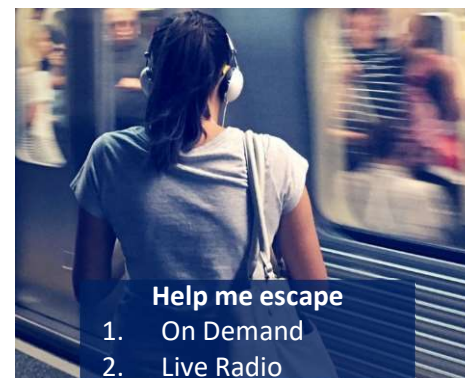
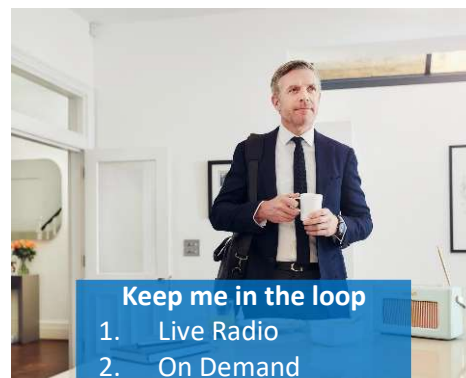
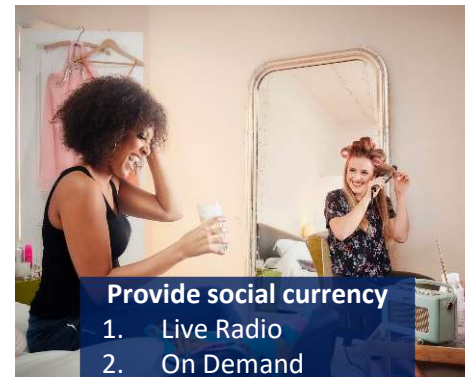
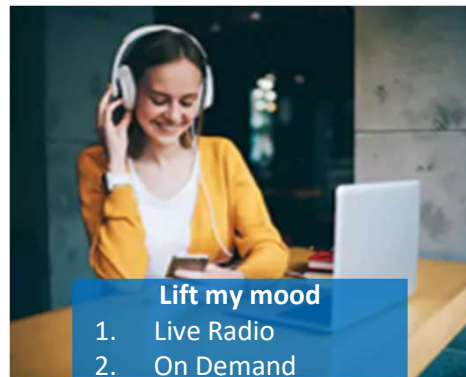
The role of live radio

Live radio fulfills more need states for audio

The different characteristics of live radio and on-demand audio are suited to different needs states:

On-demand fulfills the need to feel in **control**.

Live radio fits when people are looking for **local information** or looking to change their **mood**.



Behaviours change as life stages change

As Millennials age, their time spent with radio increases



2014

18-34 Years Old

3,555,151 listen to radio / week



2015

19-35 Years Old

3,654,975 listened to radio / week.



2016

20-36 Years Old

3,711,327 listened to radio / week



2017

21-37 Years Old

3,837,721 listened to radio /week.



2018

22-38 Years Old

3,948,640 listened to radio /week.

11% increase in 5 years



Applies to Teens as well.

18-24

9% of 12+ Population



11 Hrs: 7 Mins

12-17

7% of 12+ Population



6 Hrs: 43 Mins

Streaming Landscape

Technology is generating more listening opportunities for Canadians. A true mobile medium, audio is available wherever, whenever Canadians want to hear it, AM/FM included.

A photograph of a professional microphone and a pair of headphones resting on a white surface. The word "radio" is printed in a large, lowercase, sans-serif font on the surface below the microphone. The microphone is a silver, mesh-covered condenser mic on a stand. The headphones are black with a silver accent on the ear cup.

radio

The audio universe is expanding with the tracking of personal music

Albums (physical & digital) sales

-21%

2017-2018

Audio Streams

+ 50%

2017-2018

Spotify listeners pay for ad-free

63%

2018

Time AD18+ spend with audio
2012-2017

+ 25%

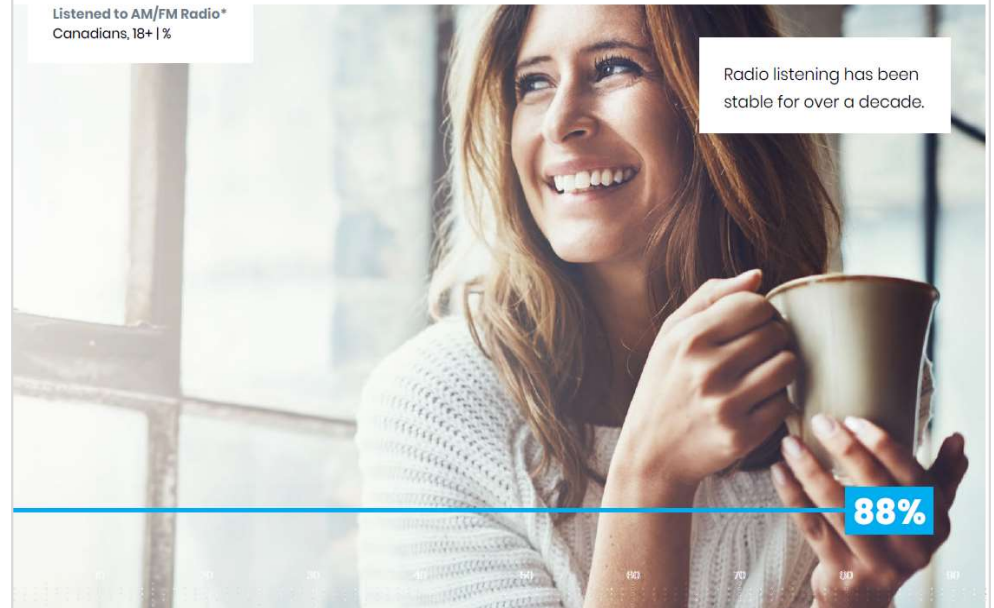
in millions of hours



Where do Canadians Listen to Radio?

Close to 9 in 10 Canadians have listened to AM/FM radio in the past month

Listened to AM/FM Radio*
Canadians, 18+ | %



Many Canadians accessed YouTube for music in the past month

Music fans aged 18-34 are especially likely to use YouTube for music



42%

Canadians 18+ listened in the past week

65%

Canadians 18-34 listened in the past week

58%

Canadians 18+ listened in the past month

82%

Canadians 18-34 the past month

Ads typically go unwatched when streaming YouTube for music

18-34 year olds are likely to minimize the screen and skip ads when they use YouTube for music

Skip ads

83%

A18+ report skipping ads “every” or “most” times when streaming YouTube for music

90%

A18-34 report skipping ads “every” or “most” times when streaming YouTube for music

Minimize screen

26%

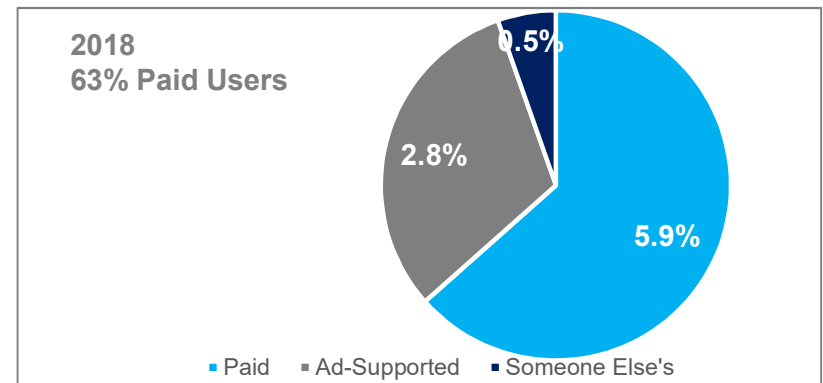
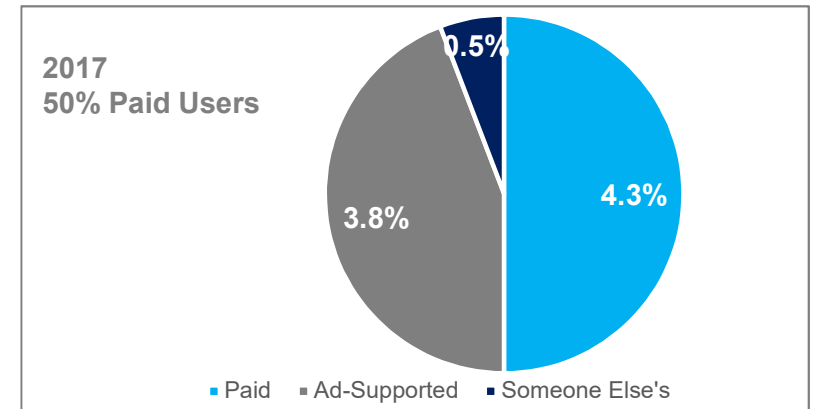
A18+ report minimizing screen “every” or “most” times when streaming YouTube for music

37%

A18-34 report minimizing screen “every” or “most” times they stream YouTube for music

Reach of ads on Spotify is actually declining as paid users increase

SPOTIFY USAGE		
2017	Weekly	16.0%
	Daily	8.6%
2018	Weekly	18.6%
	Daily	9.4%



Canadians are disconnecting from Spotify ads

Most daily listeners are not reached by ads



63%

Canadians 18+ who listen daily have an ad-free subscription.

66%

A18-34 daily listeners pay to listen to ad-free Spotify.

66%

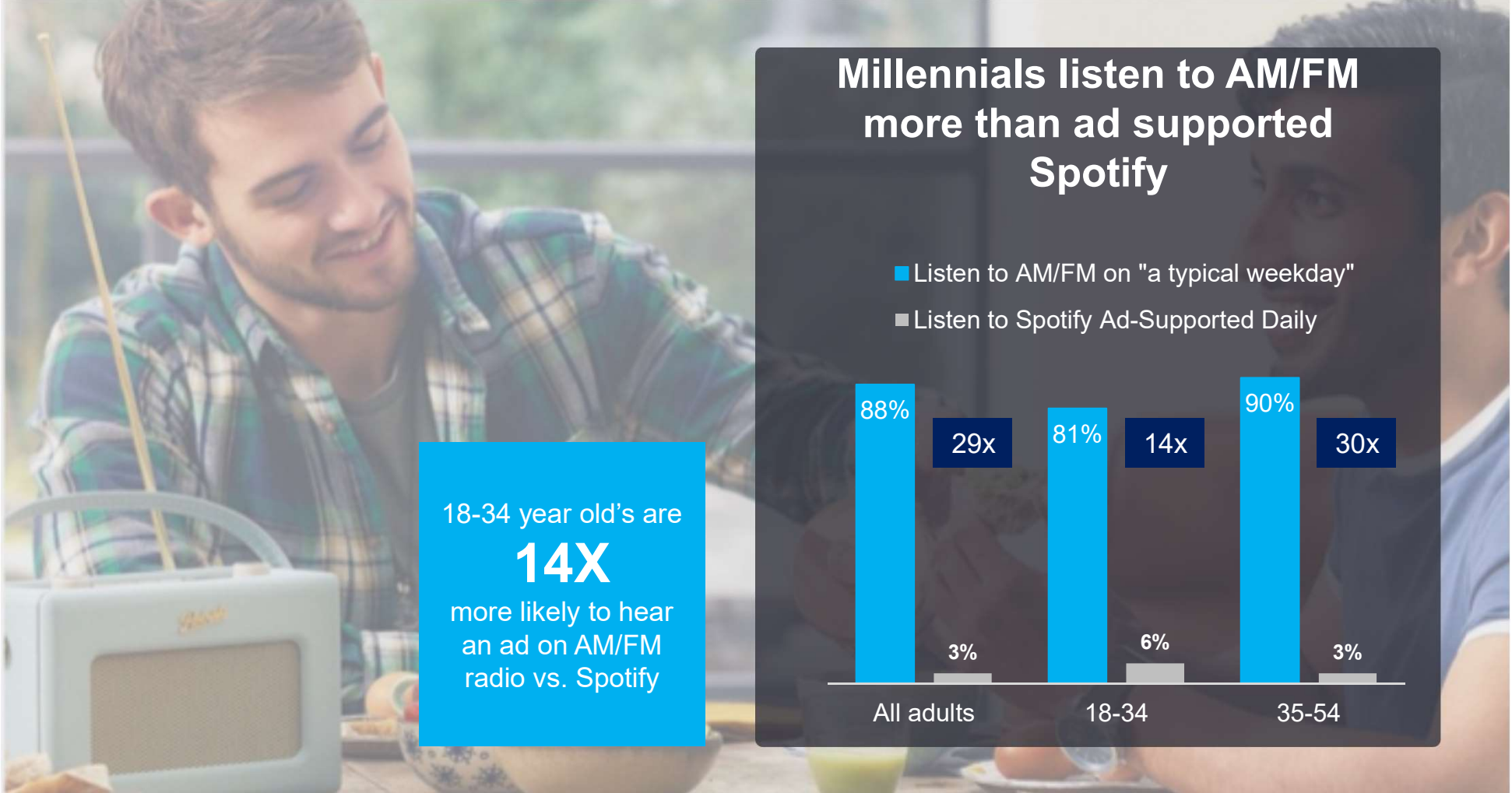
Canadians living in Canada's largest cities of Tor.|Mtl.|Van. also pay for ad-free Spotify.

70%

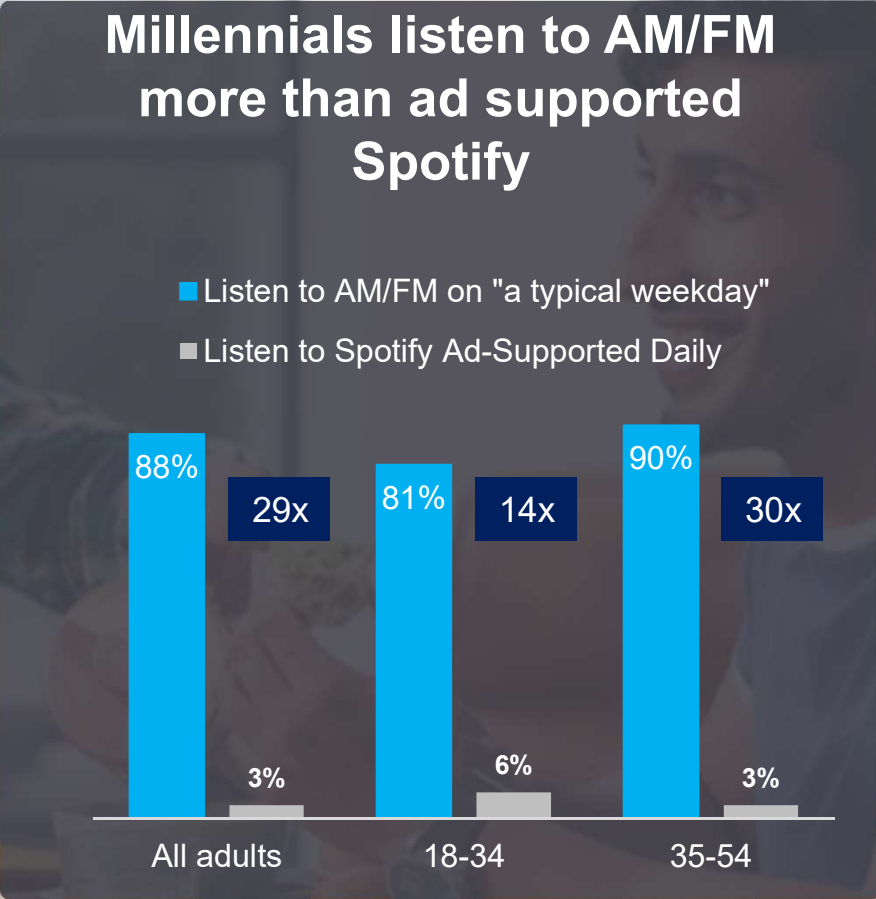
Homes with HHI \$100K+ subscribe to Spotify's premium service.

62%

Those with higher education levels also pay for ad-free subscription.



18-34 year old's are
14X
more likely to hear
an ad on AM/FM
radio vs. Spotify



SOURCE: ROTM Fall 2018. F16a. You mentioned listening to Spotify. Which of the following best describes your Spotify subscription? [Daily]
E1 Thinking of all the time you may listen at home, in the car, or at work, how much time in total do you spend listening to AM or FM radio stations during a typical weekday?

Smart speaker adoption is growing rapidly.

Quadrupled Year Over Year.

After Christmas 2018, close to 1-in- 5 Canadian adults own a smart speaker.

More players entering the field.

Samsung, Sonos, Google, Amazon, and Apple. Microsoft may soon enter the field. Voice Assistants in car was 'hot technology' at this year's CES.

Audio branding increasingly a "thing."

The growth of smart speakers is opening new conversations at ad agencies around audio branding.

Nov/Dec 2017

4%

Canadians have a Smart Speaker

Nov/Dec 2018

12%

Canadians have a Smart Speaker

Jan 2019

19%

Canadians have a Smart Speaker

Smart speakers create new opportunities to listen to audio

Net increase in listening to music: +38%

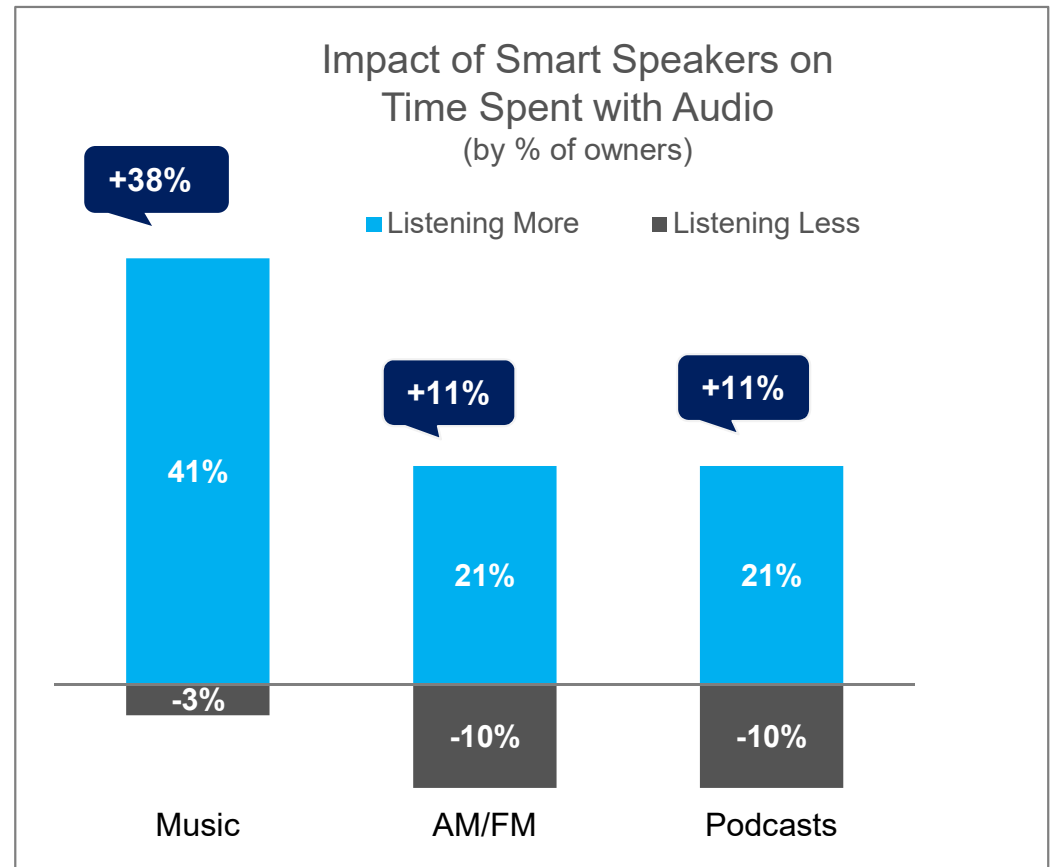
More than 4-in-10 smart speaker owners say they are listening to **more** music since they got their smart speaker, with just 3% saying they were listening to less music.

Net increase in listening to AM/FM: +11%

Smart speakers are the new “radios” for many smart speaker owners.

Net increase in podcast listening: +11%

Google Home in particular provides easy access to recent episodes of favourite podcasts.



Smart speakers bring more audio into the home

Music streaming and AM/FM radio are widely listened to by smart speaker owners

Listened in past week on smart speaker



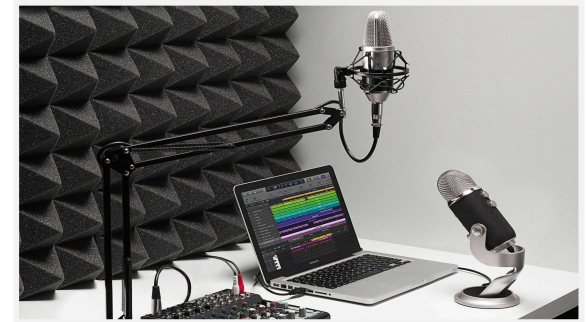
66%

Music Streaming Services



46%

AM/FM Radio



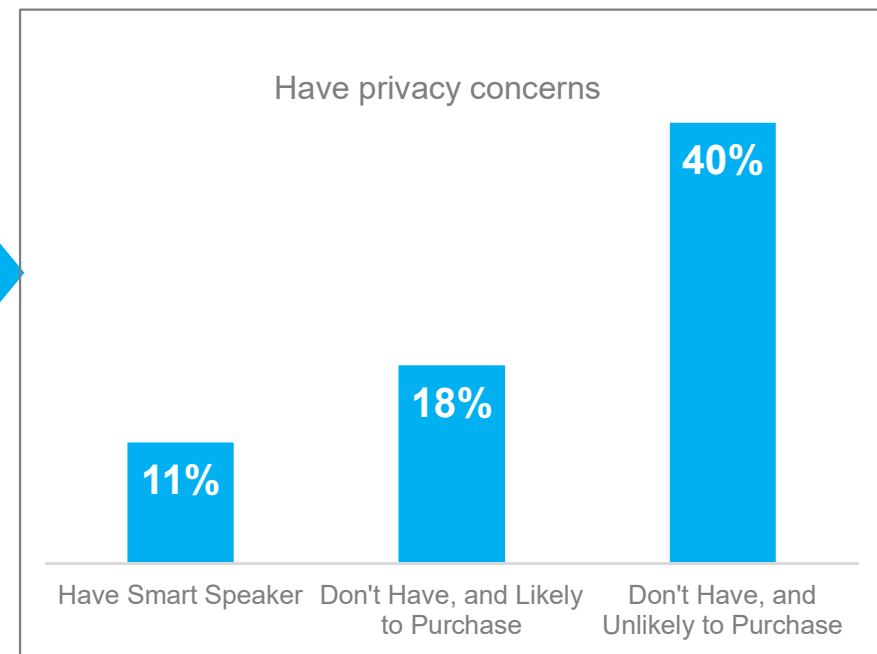
19%

Podcasts

Privacy concerns remain a concern to adoption

“To what extent, if at all, are you concerned about your privacy by having a “smart speaker” in your home?”

Fall 2018’s Radio on the Move study asked Canadians how concerned they were about privacy with regards to smart speakers. Four-in-ten non-owners (40%) who said they were unlikely to buy a smart speaker in the next six months indicated that they were very concerned about their privacy having a smart speaker in the home.





Radio's impact on business.

AM/FM radio consistently delivers valuable audiences across all regions and all demographics. Canadian consumers are engaged with radio but radio doesn't get the credit it deserves.

More Than Activation

Radio Works



Good For Business

Radio is known for building activation with quick to air capabilities and frequency building schedules.

Good For Brands

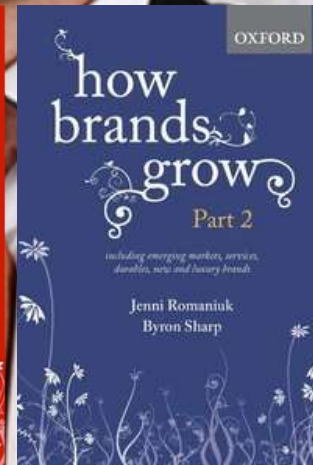
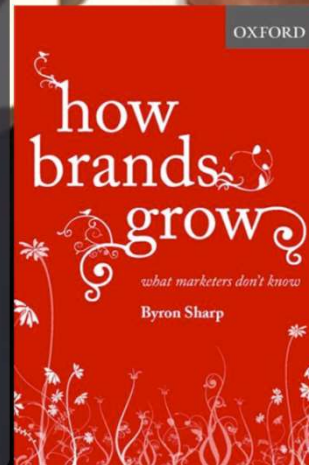
Radio also builds brands with its high reach combined with its mood enhancing effect on listeners whenever and wherever they listen.

Good For Performance

When paired with an effective creative strategy, strategic use of radio generates positive results in terms of overall advertising campaign performance.

“The most effective campaigns talk to everyone in the market...In most cases, the market is, in fact, all buyers in the category. Markets are much less segmented than most marketers believe, and successful niche brands, in the true sense of the word, are relatively rare.”

Dr. Byron Sharp, Director of the Ehrenberg-Bass Institute (Australia)



Target the whole market to grow your brand

4 key marketing principles from Byron Sharp's books

Market Penetration

— ● —
The most important KPI for sales growth

Mental Availability

— ● —
Drives buying decisions

Market To Light and Non Buyers

— ● —
Sales growth comes from all sectors

Effective Reach

— ● —
Is imperative

Radio engages with consumers.

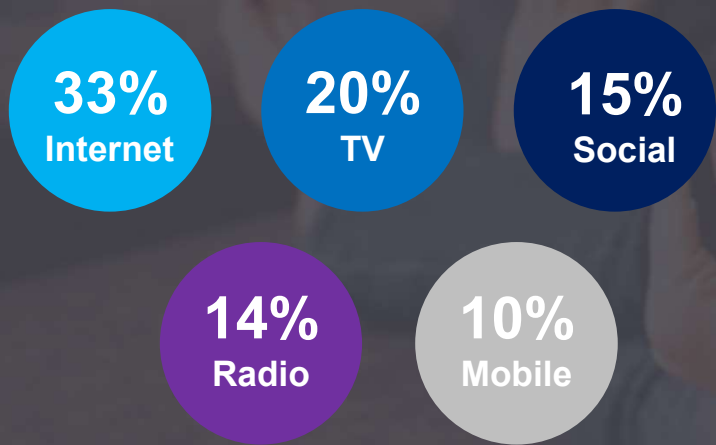
In order for consumers to take action they need to be aware of a product or service.



For consumers to respond,
advertisers need to feed the
funnel.



At first glance, consumers give internet the credit for finding out more about a product or service.



However, it's MASS MEDIA that is getting brands NOTICED.


50%
TV

31%
Radio

29%
Internet

24%
Social

24%
Mobile



It's through MASS
MEDIA that brands
are REMEMBERED.

38%
TV

28%
Radio

23%
Internet

16%
Social

12%
Mobile

Canadians trust mass media more

Maturing and Milestone Millennials trust advertisers on radio more than on social and mobile.

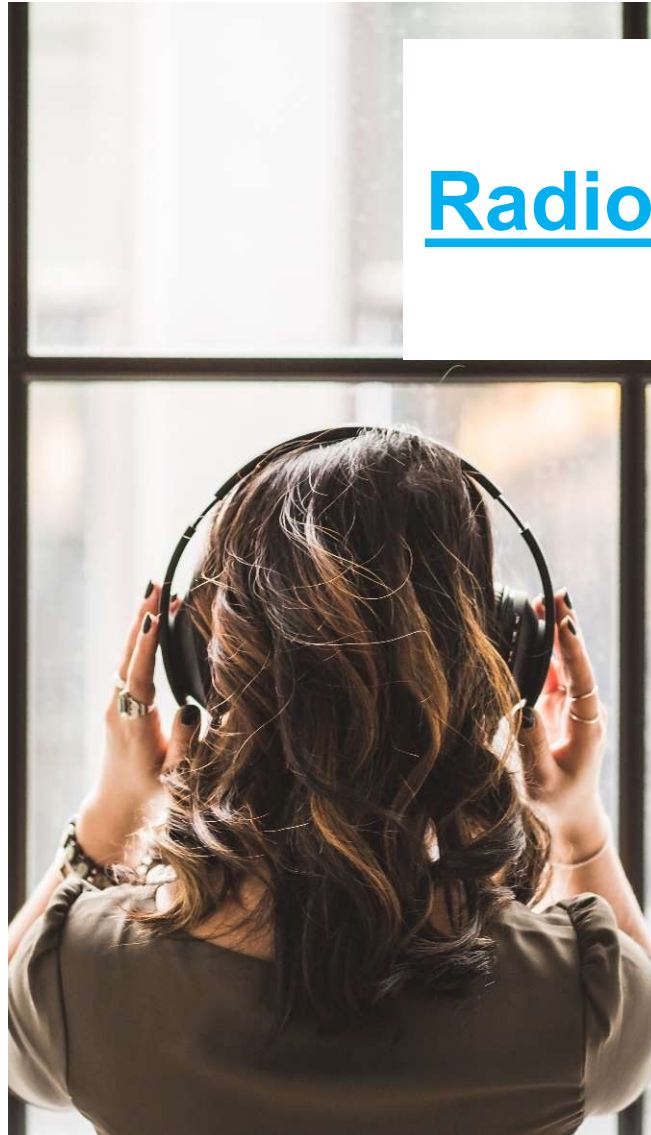
Trust name product of advertiser –
Maturing Millennials - Radio (14%|117) Mobile (8%|133), Social (12%|171) | Milestone Millennials – Radio (13%|108), Mobile (8%|133), Social (10%|143)

Amongst Gen X'ers, television and radio have highest trust factors.

Trust name or product of advertiser –
Advancing Gen X'ers TV (18%|113), Radio (13%|108), Established Gen X'ers – TV (19%|119), Radio (13%|108)

Boomer Canadians trust digital platforms the least and have highest awareness and recall with mass media.

Trust name or product of advertiser –
Freedom 55+ Boomers Internet (1%| 8), Social Media (5%|71), OAS Boomers – Internet (9%|75) ,Social Media (4%|57)



Radio delivers

Reach a wide audience

Radio builds brand awareness that feeds the purchase funnel. In order for a consumer to take action, they first have to notice, remember and trust the brand.

Make an emotional connection

There is a direct correlation between mood, happiness, trust and openness to advertising messages. The happier we are, the better mood we are in, the more likely we are to process advertising messages in an emotional and instinctive way.

Create brand fame

Radio's authenticity and ability to create a theatre of the mind helps listeners to generate ideas and prompts call to action.

Building brand requirements - REACH

85%
Canadians reached
weekly by radio

Radio is a reach medium.

Radio connects to over 27million people each week. It is the number 1 commercial audio platform for advertisers to reach consumers at home, in the car and at work.

Canadians 12+ listen 16.3 hours/wk



M18+ 17.2 hrs/wk | F18+ 16.6 hrs/wk



35% listen during the day



Building brand requirements – EMOTIONAL CONNECTION

87%

Canadians find radio
interesting and enjoyable

Radio makes people feel good.

Radio listening has a positive impact on the mood. It relaxes, entertains and provides company. When Canadians want to change their mood for the better, they turn to radio more than any other medium.

46% - To be entertained



42% - To lift my mood



42% - To relax and unwind



Building brand requirements – CREATE BRAND FAME

5X

Unaided recall greater than those not advertising on radio

50% - Canadians who action after hearing an ad on the radio



Brands advertising on radio are remembered.

Commercials heard on the radio influence purchase behaviours.

33% - Hearing an ad on the car radio affected a purchase they were about to make, or a store/location about to be visited.

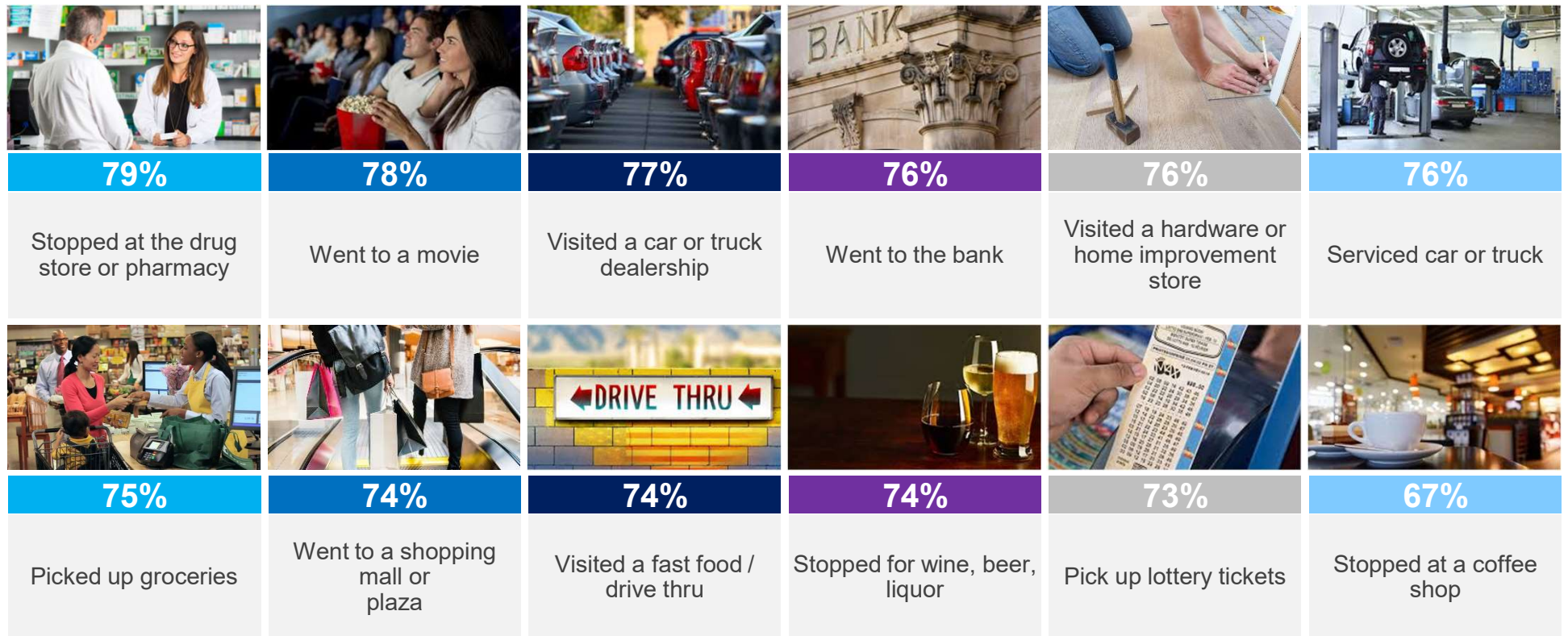


30% - Ad1834 year old's went online to seek more info on a product/service they heard advertised on AM/FM radio















AM/FM Radio provides the soundtrack for the last mile in the Path to Purchase

Listened to AM/FM Radio while going to, or doing this – in the past 24 hrs:



AM/FM Radio has positive impact on product sales

Nielsen Catalina 3 year study to evaluate ROI found on average for each \$1 invested, radio advertising yields a \$10 return on advertising spend (R.O.A.S.)

					
\$23	\$21	\$17	\$15	\$14	\$9
Grocery	Autos and Aftercare	Department stores	Retail / Mass merchandisers	Telco	Home improvement
					
\$6	\$4	\$3	\$3	\$2	\$2
Snacks	Beer	Candy / Chocolate	Quick service restaurants	Soft Drinks	Breakfast bars

In Summary

AM/FM Radio is the most listened to of all ad supported platforms

Radio connects with over 27 million Canadians each week. Canadians 12+ spend almost ½ billion hours with radio each week.

Behaviours change as life stages change

Each generation has their own reason to listen, whether for music discovery, news and information or to keep them company.

Technology is changing how Canadians curate music

Personal music business model is changing from owning to renting|subscribing. Platforms like Spotify, Google Music and others have changed the business model.

YouTube not Spotify #1 source for streaming but most skip ads

83% of Adults 18+ and 90% of A1834's skip ads 'every' or 'most' times when streaming YouTube for music.

18-34 year old's are listening to radio

Millennials do listen to radio, 14 x more than they listen to Spotify and the older they get, the more they listen to AM/FM radio.

Reach of ads on Spotify continues to decline

Only 8.9% of Canadians use Spotify daily and 63% don't hear ads; unduplicated reach with AM/FM radio is 0.1% for Adults 18+.

Internet gets the credit

Ads get noticed and remembered most on television and radio.

Radio and internet are complementary.

Ads on radio drive consumers to the internet.

AM/FM Radio inspires action.

50% of Canadians say hearing they took action after hearing an ad on the radio; they either purchased it, told someone else about it, or went online for more information.

Radio works