

Radio trends for the year ahead - podcasts, streams and subscriptions

By <u>Colin Cullis</u> 16 Jan 2018

Here are three predictions for what will become more significant for radio broadcasters in 2018: Podcasts, streams and subscriptions.



Colin Cullis, product owner for Primedia Broadcasting's talk stations, 702 and CapeTalk.

I'm not suggesting they're not already a component for most broadcasters and digital companies operating in the broadcast field, but the shift this year will be in consumer consumption.

Adoption in the US had been slow, but the pace is increasing. More and better content has generated a buzz, which will accelerate the shift in the South African market and reduce the time for consumption to reach similar levels.

This is not to say radio listening is decreasing. Despite the changes, radio is still the most accessed platform in the US, reaching 93% of the US population each week (TV is at 89%, with internet via smartphone 83%).

Three predictions:

This shift is a potential threat to music broadcasters, as the cost to get access to 30 million plus songs via subscription streaming services from Apple and Google becomes more affordable – at less than R100 a month. While few listen to the full catalogue, the improvements to playlists and algorithmically created "radio stations" will see the Top 40 pop playlists challenging the dominant pop music stations.

No ads or interruptions will be a compelling reason for some to sign up or increase the times that they only stream. Offline playlists take care of data costs outside of cheaper Wi-Fi zones.

Music radio though has never only been about the music, so broadcasters that will keep their fans will have hosts that can mix the music with content that is relevant and engaging in their lives. Music radio has always been working on this, but 2018 will see it become more of a focus.

2. Podcasts

The term has morphed to be almost any audio that is not broadcast live and includes stand-alone audio pieces and subscribed audio series. Both will see strong growth in 2018. In the US, a quarter of those surveyed had listened to a podcast in the last month, 15% had done so in the previous week. It is also attracting younger users. For those between the ages of 18 and 34 live listening is stable, but podcast listening for the same group is 46% of the total.

The reasons for the uptick here will be similar to the reasons that have driven the increase in other markets. Making more audio available after the live broadcast is one component. The second is that more audio series will be commissioned and will improve in quality. Comedy, education, news and sport are the most popular genres. True crime stories have proved popular in a format that allows listeners to learn a lot about the crimes, the circumstances and the consequences. South African audiences would welcome a similar approach to the many high-profile cases in SA.

As data prices fall and handsets improve, the ability to download and manage the content will be less of a challenge.

In the US, most are listened to in the home with over 20% being in the car. The same is likely in SA, with other options being long-distance travel (plane, car) while exercising (jogging and cycling) and, for some, at the office (music is a better fit, but some, especially home-office workers, will find the talk-based content more engaging.)

Social media has made sharing and consuming audio as easy as video, and more audio is available as adapted video posts called audiograms.

3. Streaming

The increase in using voice both for voice notes but also for search queries via Apple's Siri, Google's Assistant or Amazon's Alexa may see users using the same interface for seeking audio. Asking your assistant to play a radio station would be the start, but in time you would be able to ask for a stream of a specific genre or news reporting on a particular subject, or more generally, to get the latest news broadcast.

The hands-free element will continue to grow as both the voice recognition improves and people get more comfortable talking to a machine.

In the US, listening via stream has grown by over 20-million to 104-million people per month.

If broadcasters don't have a stream option and are not looking to optimise the integration of search for audio content, they may see themselves losing out as more traditional listeners add digital access to their listening habits.

These predictions are based on Nielsen's 2017 State of the Media report.

ABOUT COLIN CULLIS

Colin Cullis strives to find new and better ways of telling stories everyday in his role as product owner for Primedia Broadcasting's talk stations, 702 and CapeTalk. Hs searching often throws out fascinating insights into innovations and trends that are changing the way we live, and informhis weekly feature on The Money Show with Bruce Whitfield, called Business Uhusual. Tune in on Wednesdays just after 7:30pmto hear more from Colin.

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