

The iPod Generation

Devices and Desires of the Next Generation of Radio Listeners

Prepared for Ofcom by The Knowledge Agency
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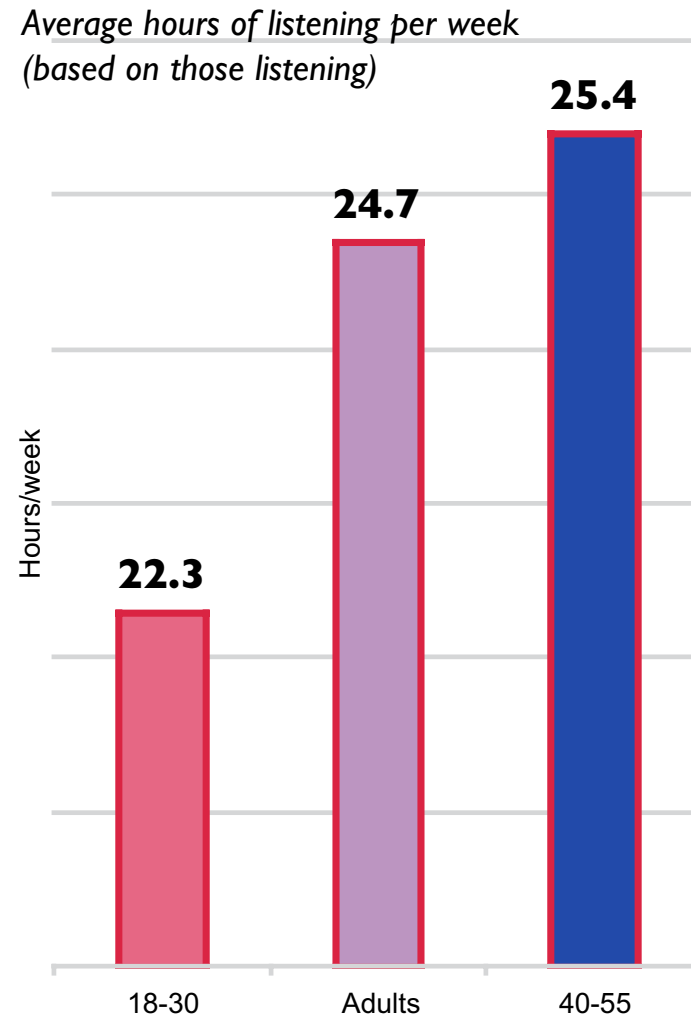
I. Objectives and methodology

The digital revolution is gathering pace...

- 547,000 DAB sets sold by March 2004
- 82 products in the market
 - 145 by year end
- 3 new manufacturers and 22 new products launched so far this year
- Forecast 1,000,000 sets by year end

But younger people appear to be missing out...

- Average age of digital radio owner is 51
- Younger people are listening to the radio noticeably less than their parents



Source: RAJAR/Octagon (Q1 2004)

And some predict a future in which radio as we know it is redundant...

“I gave up on radio quite a while ago... I’d much rather listen to my own music... because there’s far less chance of hearing music that I’m going to want to listen to on any radio station”

20-30 year old working man, Cardiff

We set out to understand more...

- Our main research objective was to understand ***what are the devices and desires of the youth market that will affect and change the way radio is consumed in the future***
- To inform this process, we explored their
 - Current radio listening behaviour, and attitudes to current stations available to them
 - Attitudes towards, and adoption of, new technology
 - Changing patterns of music consumption
 - Attitudes to new technology in the radio market (e.g. DAB Digital Radio)
 - Desires for radio in the future in terms of...
 - › Content
 - › Technology

A mix of qualitative and quantitative methods...

- *Qualitative*
 - Filmed group discussion and depth interviews, conducted by The Knowledge Agency between 15th and 23rd June 2004
 - › 3 x 3 hour workshops
 - › 24 x 15 minute individual interviews
 - Exploring the issues in depth, and getting hands on with some of the kit
 - › Thanks to RAB and BT for supplying examples as stimulus
- *Quantitative*
 - 1,000 adult GB sample via MORI's telephone omnibus between 18th and 20th June 2004
 - › Includes c.200 18-30 year olds
 - Quantifying some of the key headline issues
 - › Usage (or intended usage) of new communications technology
 - › Interest in potential future digital radio features
 - › Level of interest in buying music from radio stations

For the workshops, we recruited our Text Generation spokespeople as follows...

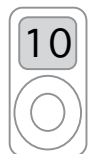
- “Youth” defined as 18-30 year olds
 - › Old enough to make their own independent choices and have their own listening patterns
 - › Old enough to be able to afford at least some of the relevant technology
- Moderate, but not bleeding edge technophiles
 - Interested in new technology
 - Internet and mobile phone users
 - All personally own two or more examples of new technology (MP3, digital camera, PC, Interactive TV, digital radio, etc).
- All listen to at least 1 hour of radio per day (mix of stations)

Date	Location	Status and age
15/6/04	Edinburgh	Full-time working 18 to 24
22/6/04	London	Full-time students 18 to 24
23/6/04	Cardiff	Full-time working 20 to 30

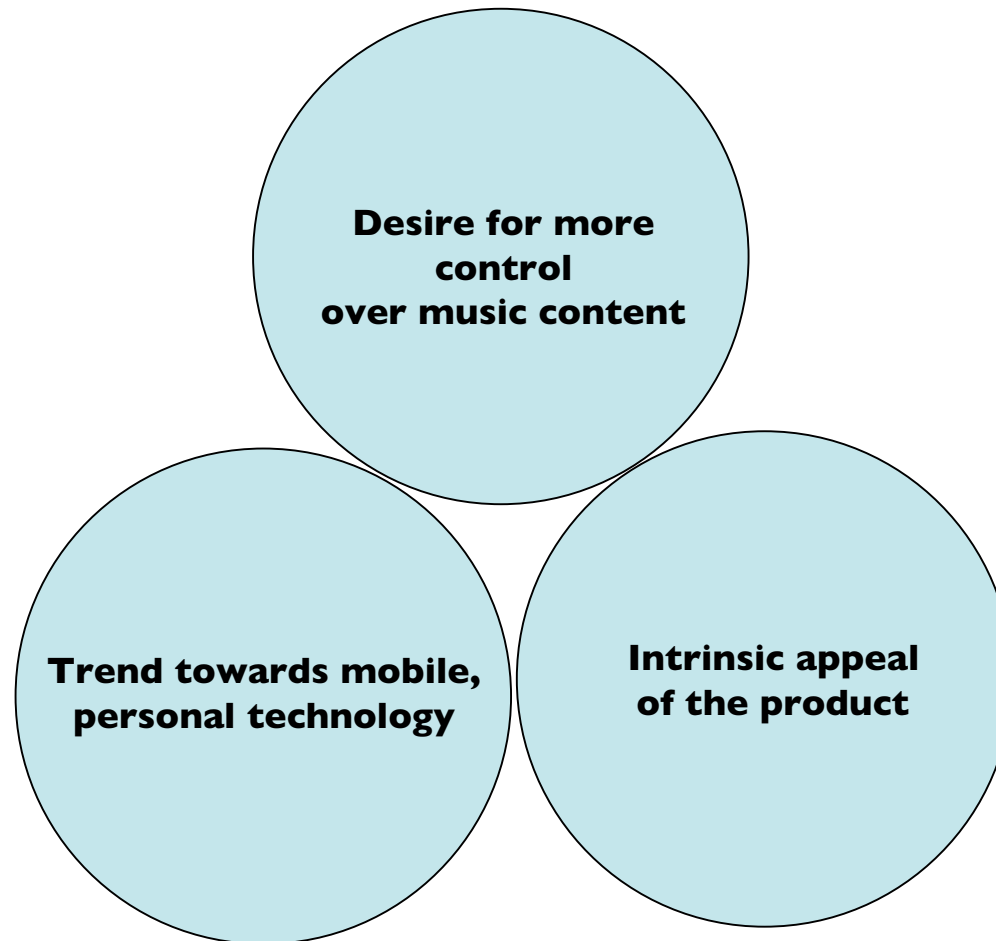
2. “I want an iPod...”

“I love the design of it, the simplicity of it... it’s just perfect... you’ve got your own music, and you can take it wherever you go... it makes life so much easier”

18-24 year old working woman, Edinburgh



Desirability of the iPod to this audience is driven by three factors



iPod has iconic status

- Chosen independently by half the sample as their example of “brilliant technology”
- Technological marvel
 - Your whole music collection in one small box
- Design widely admired
 - Fusion of form and function
- Lack of availability (esp. iPod Mini) fuels desirability



In contrast, digital radio is still niche with this audience

- They don't know enough digital radio and its benefits
 - Most that do listen stumbled across it by accident
- Low awareness of DAB digital radio **sets** in particular
 - Most are listening via digital TV
 - DAB sets seen as expensive, and not desirable technology
 - When prompted, our groups were critical of both the aesthetics and functionality of current sets
- Disconnect between what non-users expect the key benefits to be (clarity, sound quality), and those experienced by listeners (easier to tune, station choice, information about what's playing)

“I’d want more from it, something else on there... you can’t really do much,. it’s just a radio...”

18-24 male student, London

“In your kitchen maybe, but not anywhere else... it’s like R2D2”

18-24 female student, London

3. “I want my own space...”

Mobile personal technology is prized

- High involvement with music (including radio) on the move
 - In car
 - On foot
 - On bikes
 - On public transport
- Most radio listening among this age group is solus listening
- Offers introspection (time to think)
- Sense of cocooning
 - Closing themselves off to the outside world, e.g. on public transport
- “Trippy” heightened experience on headphones
 - Inhabiting their own world

Personal music devices

Radio via mobile phone

“You’re walking down the street and just having a laugh to yourself... and nobody else knows what you’re laughing at... it gives me a lift”

18-24 working woman, Edinburgh

“It’s a bit of a comfort blanket, especially in London where you can be stuck in traffic for ages”

18-24 male student, London

“It does help calm you down a bit... slow you down... you don’t get as stressed”

20-30 working man, Cardiff

“I always have my headphones with me”

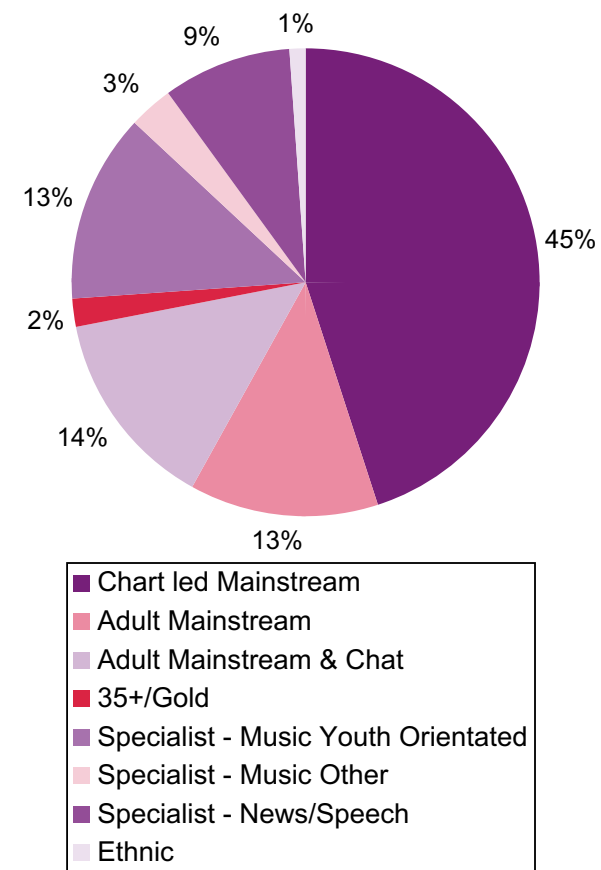
18-24 female student, London

4. “I want more control..”

Our Mix Generation have wide and eclectic station repertoires

- Pick and mix culture
 - Core youth radio (e.g. Radio 1)
 - Pop mainstream (e.g. Capital, Red Dragon)
 - Edgier/experimental stations (e.g. IExtra, Choice)
 - “Grown up” radio (e.g. Classic FM, Radio 4)
- Lots of channel switching
- Confident in their choices
 - Looking for a mix of general entertainment, nostalgia, cult and cheese

Share of listening among 18-30s by format



Source: RAJAR/Octagon (Q1 2004)

Dipping and flipping is rife

- Lots of zapping
 - *“It’s like cable...you switch...it’s part of the culture these days”*
- Zero tolerance of
 - “Crappy” adverts
 - Inane presenters
 - Obviously repetitive playlists
 - Tunes they don’t like
- (Perceived) lack of listings is a real problem
 - Don’t know where to find good stuff
 - › Particularly on digital
 - Hope to stumble across interesting content (drives more flipping)

No particularly strong loyalties to stations

- Many stations considered to be faceless and/or schizophrenic
- More committed to individual presenters than stations
- Unimpressed by those who try too hard to be young and hip
 - Genuine wit and passion for music seen as key attributes for “cutting it”, e.g.
 - › Chris Moyles, Vernon Kay (good entertainment)
 - › John Peel (music passion and integrity)
 - › Jonathan Ross, Terry Wogan (grown up wit)
- Presenters who are allowed to choose their own records are seen as few and far between
 - Resentment of playlist culture and desire for more spontaneity

“There’s so much more variety out there to listen to... you can think ‘sod that, I’m not listening to that again’... I just channel hop”

20-30 working woman, Cardiff

“There used to be a limited range of channels... now you know there’s always something on the other side you might enjoy more, so you’re more willing to jump around”

20-30 working woman, Cardiff

“If you flick around you find all these interesting things... but they don’t advertise them in the paper... it won’t tell you what sort of music John Peel is going to play, or what band’s playing in the Live Lounge”

20-30 working woman, Cardiff

Computer-based music offers an alternative

- More of what I like
 - My choice of music
- Less of what I don't like
 - No ads
 - No inane chat
 - (Potentially) less repetition
- Randomised playlists offer some degree of spontaneity
- Opportunities to sample new music via download and sharing with peers

SHIFT IN EMPHASIS...

**FROM PROGRAMME CONTROLLER (they decide)
TO LISTENER CONTROLLER (I decide)**

“The way I listen to music changed completely about a year ago when I got a laptop”

18-24 female student, London

“I have a lot of records on my PC so that if I’m working I can press the shuffle button, and that’s like having your own radio station... you always get to listen to music you like, but it’s kind of unpredictable at the same time”

20-30 working woman, Cardiff

5. “I still want radio...”

Radio provides company in a way music alone cannot

- Human voices provide entertainment, comfort and a sense of security
- Often used as an accompaniment to other activities
 - Homework and housework
 - Travelling and shopping
- Fills the silence
 - Especially important for this generation who have grown up with the constant buzz of streaming media noise
- Portable radio is also great for cocooning
 - Many of our Text Generation listen to radio on the move via their mobile phone

Radio also serves specific *functions*

- Mood management
 - Getting you up (in the morning, for going out)
 - Chilling you out (driving home, Sunday morning)
 - Stress relief
- Information
 - News (yes, they are interested)
 - Traffic and travel
 - Gigs, reviews, events, etc.

And radio provides opportunities to hear new music, and other stimulating content

- Keeping up to date with the charts
- Discovering new artists
- Discovering older music
 - e.g. 80s
- Interesting speech
 - Documentaries
 - (Classic) comedy

“I wake up in the morning to radio... I listen to it for the news... it informs me... I love investigating new music, so it’s definitely there to provide me with information about what’s up and coming”

18-24 female student, London

“If it’s presenters coming out with chat that’s not planned, if it’s a new piece of music I’ve not heard before... it just seems newer”

18-24 working woman, Edinburgh

“If I’m getting ready to go out in the evening it’ll be dance music on a Saturday night, and other nights it’ll be something to keep me company... a voice on in the background”

20-30 working woman, Cardiff

6. “I want more from radio...”

The *Text Generation* want radio to give them...

- Added value content over iPod
 - Presenters with genuine entertainment value
 - The capacity to surprise and keep (music) tastes fresh
 - Thoughtful and informative (speech) content
- More control
 - More choice (variety)
 - More help in finding the good stuff
 - Quality content on demand (around a third had used the BBC media player)
 - A more sophisticated way of filtering out what they don't want to hear
 - More personalised playlists
 - › And the ability to “opt out” of personalised services to see what the station suggests once in a while
- A service that's free
- No ads
 - Or ways of avoiding them

In terms of specific content, they want more...

- Access to specialist and London-based services
 - e.g. Kiss
- Relevant specialist local services
 - e.g. “a Kiss that’s relevant to where I live”
- Intelligent radio that isn’t “for old farts”
 - Radio 4 without *The Archers* or *Woman’s Hour*
- Nostalgia (e.g. 80s music)
- Promotion of new acts/talent (local and national)
- Relevant *information* that fits their tastes and lifestyle, e.g.
 - Gig guides
 - Club nights
 - Film reviews

And they want more from radio devices...

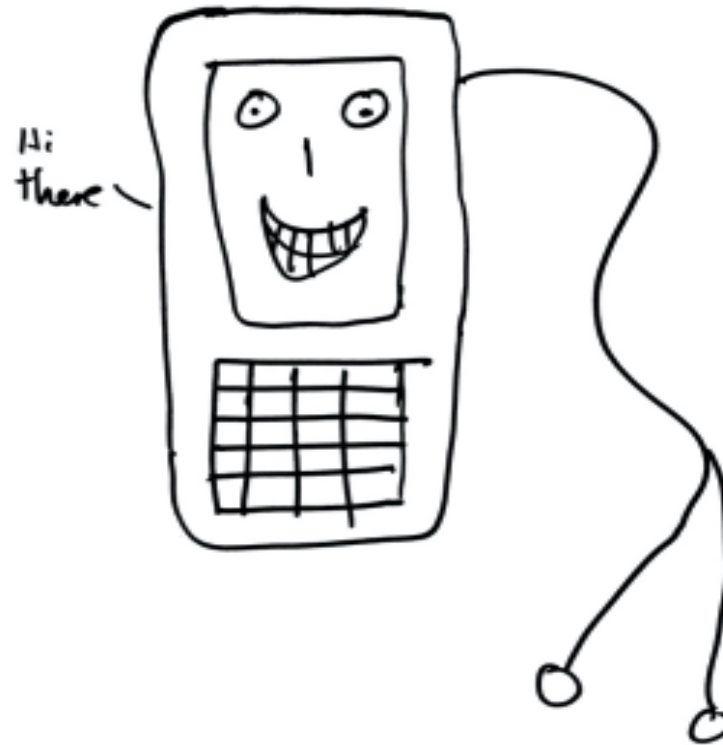
- Mobility (= access all areas)
 - Size
 - Reliable coverage (e.g. in-car)
- Flexible integration
 - Phone, radio and MP3 player would appeal to most
- Added value functions, e.g.
 - Recording
 - GPS
- But ease of use is paramount
 - Easier to tune radios
 - Added functions must be simple and intuitive

We asked people to draw their ideal radio of the future, and use scrap art to give us a sense of styling.

Four main themes emerged...

The new technology must be personal and user-friendly

- Most wanted a device that was paired with their mobile



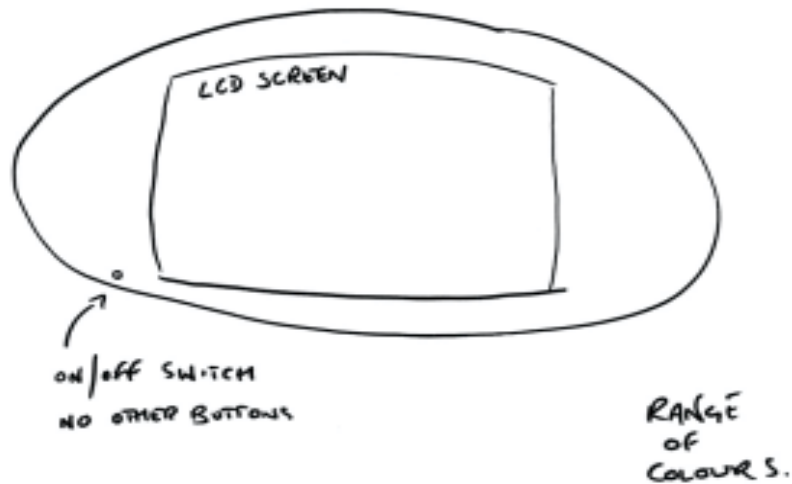
Its styling must be practical as well as pleasing

- Simple, small and strong
- Robust materials for High Street hiking



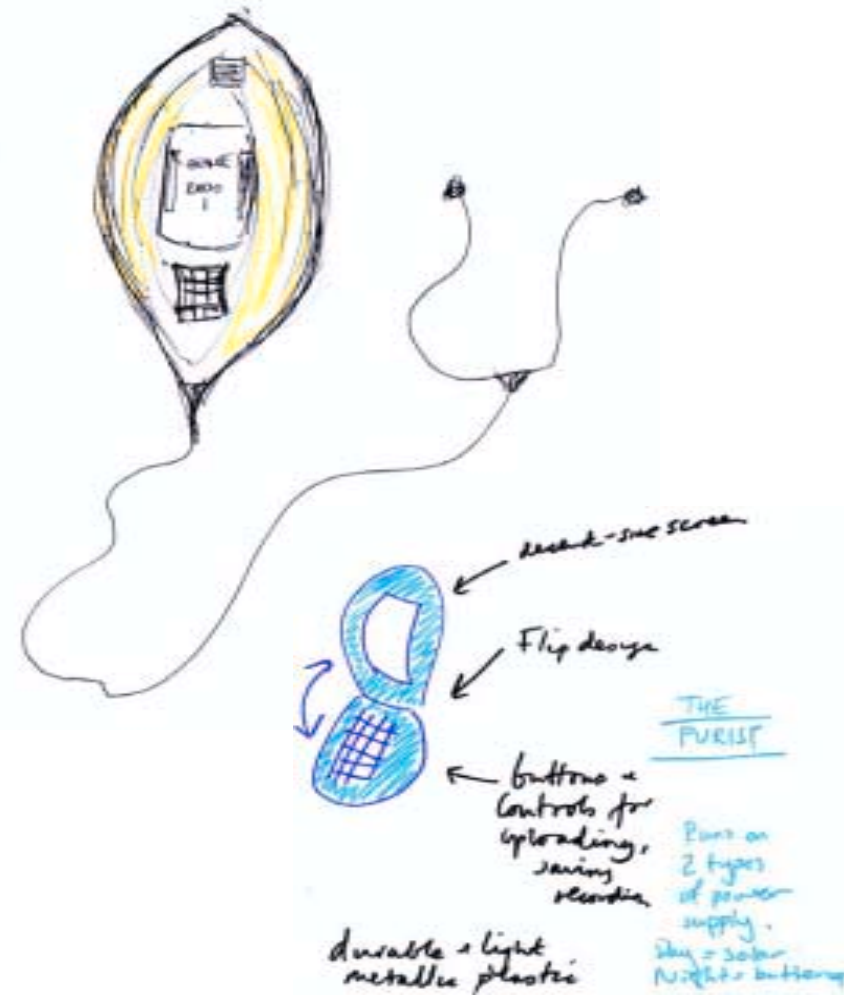
They are looking for design values on a par with iPod - posy, but discreet

- Sleek chic



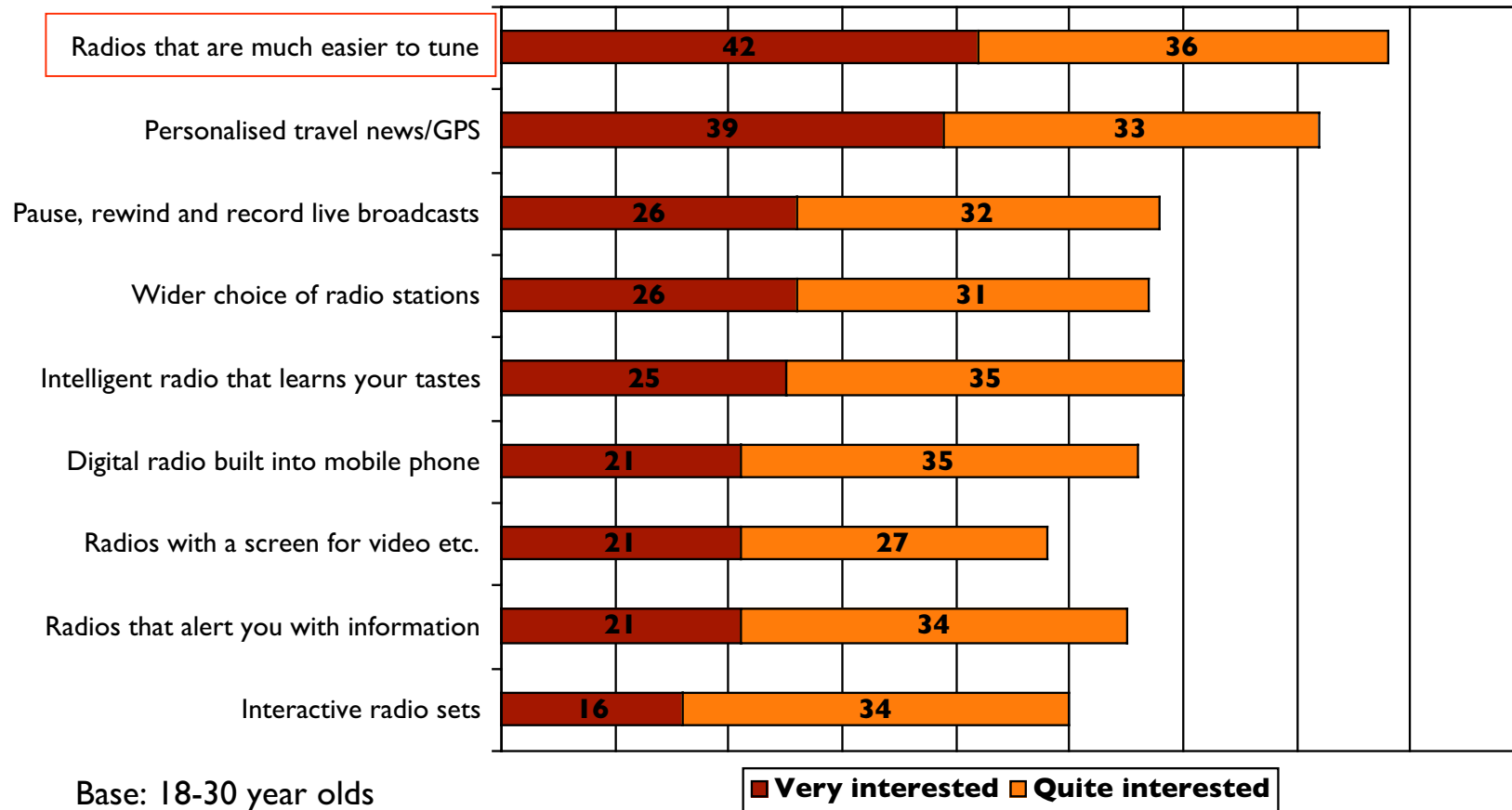
And they aspire to more innovative functions

- Record function
 - “Grab & store favourites” (MP3)
 - “Link & upload” (USB output to PC)
- Minimalist
 - Large touch screen
 - Voice activated
- Solar power
- Bluetooth ear-pieces



Ultimately, they are very interested in extra features, but ease of use is key

Q: Digital radio could soon include any of the following features. How interested would you be in each?



Base: 18-30 year olds
Source: MORI

“All these facilities in one device are actually quite scary”

18-24 working woman, Edinburgh

“The technology seems like it’s moving too far ahead for the way we live”

18-24 working woman, Edinburgh

DAB Digital Radio already does many of these things

- And those that have it are passionate advocates
 - But they are in the minority
 - Others assume it's just about sound quality
- Compelling benefits need to be more clearly communicated
 - Both **CURRENT**
 - › Ease of tuning
 - › Station choice
 - › Extra information
 - And **FUTURE**
 - › Pause/rewind/record
 - › EPG

“Digital radio is definitely going to become more widespread, with more stations tailored to more specific tastes... that will be good”

18-24 male student, London

“It [digital radio] is not really promoted a lot... on the analogue stations... I would be quite interested in that”

18-24 working woman, Edinburgh

“You haven’t got to twiddle that bleeding knob trying to find the channel... you just click on the channel and it’s there”

20-30 working woman, Cardiff

7. “I want to download music...”

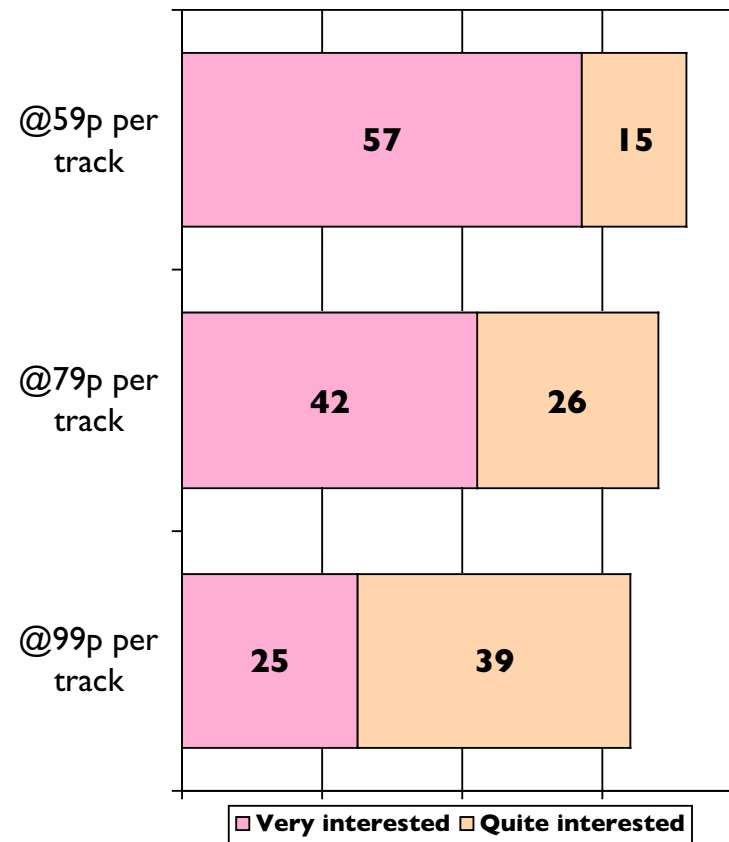
Downloading music is already a way of life for many

- Lack of disposable income, perceived high CD prices, resentment towards “fat cat” record industry and relatively easy availability are driving a free download culture
- Seen as a way of trialing new music, and sharing choices with others (peer kudos)
- Ability to download single tracks seen as a way of filtering out album “padding” and someone else’s compilation choices
- Some interest in (and limited use of) paid-for web-based services
 - Anticipate higher quality files and more user-friendly service
 - Some do fear a knock on the door from the FBI!

There appears to be high interest in downloading music from radio stations

- Positions radio as the “shop window” for music
- Buying direct “cuts out the middle men”
 - Record companies and retailers
- Trusted source (station brand) offers reassurance of quality and convenience
- Instant download facility especially appeals
- Omnibus results also suggest significant potential for radio stations as music retailers

Interest in downloading music direct from radio station or from station website



Base: 18-30 Source: MORI

“To be able to rip a track straight off the radio would be amazing... I’ve heard stuff on the radio, written down the name, and then when you go to a shop they can’t find it”

18-24 female student, London

“If there was special stuff on, like concerts... I would definitely be prepared to pay to download that”

18-24 working woman, Edinburgh

6. Challenges for the Radio Industry

NOKIA

**How can we
better
communicate
the benefits of
DAB digital
radio?**



NOKIA

**What is the
future for
mass format
radio?**

