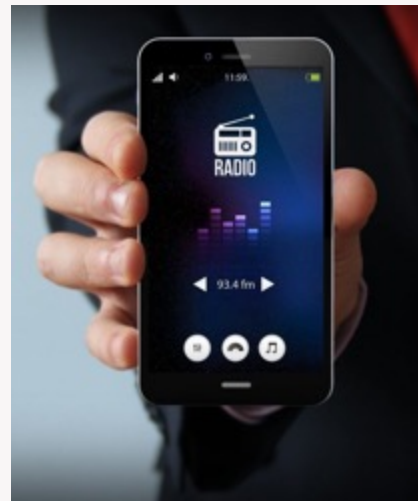


RADIO ON THE MOVE 2021 UPDATE

Update on the State of
Audio in Canada

RADIO
CONNECTS

Signal
Insights





Year
12

ONLINE SURVEY in field February 2021

A representative sample of **2,001** Canadians 18+ from Maru Voice Canada.



Includes supplementary data from Numeris; MRC Data/Billboard/Nielsen Year-End Music Reports; Brainsights; and Ehrenberg-Bass Institute for Marketing Science

OBJECTIVES

Investigate

The shifting technological preferences for consumption of audio by Canadians.

Inform

Broadcasters and advertisers on opportunities for audio marketing.

Identify

What a post-COVID-19 audio landscape could end up looking like.



DEFINITIONS USED

1

Streamed AM/FM Radio

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

4

Paid Ad-Free Music Streaming

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

2

Podcasts

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

5

YouTube for Music

Using YouTube to listen to music, as opposed to video content

3

Free Ad-Supported Music Streaming

Music streaming services that include ads, but do not have a subscription

6

Personal Music

CDs, vinyl, and owned digital music files such as mp3s

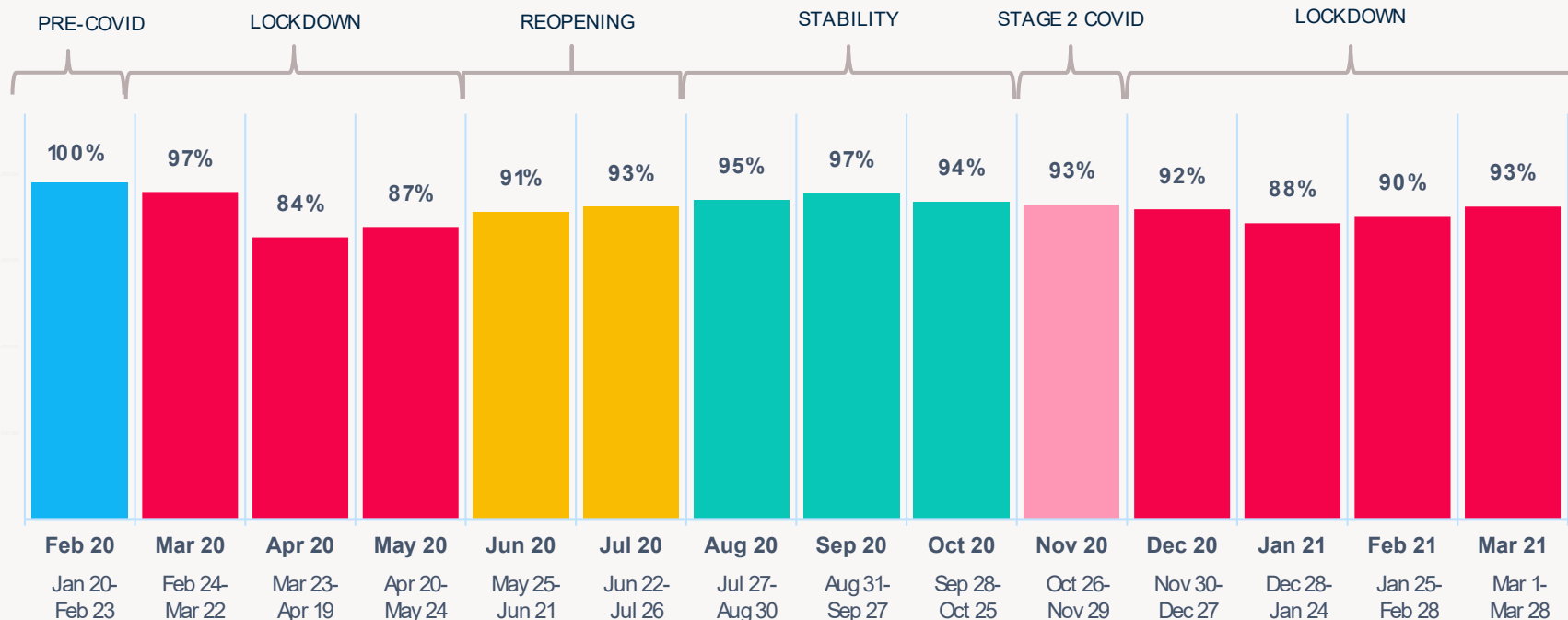
RADIO MEANS REACH



Over-the-air AM/FM reach exceeds that of any other audio media, with AM/FM streaming being the icing on the cake.

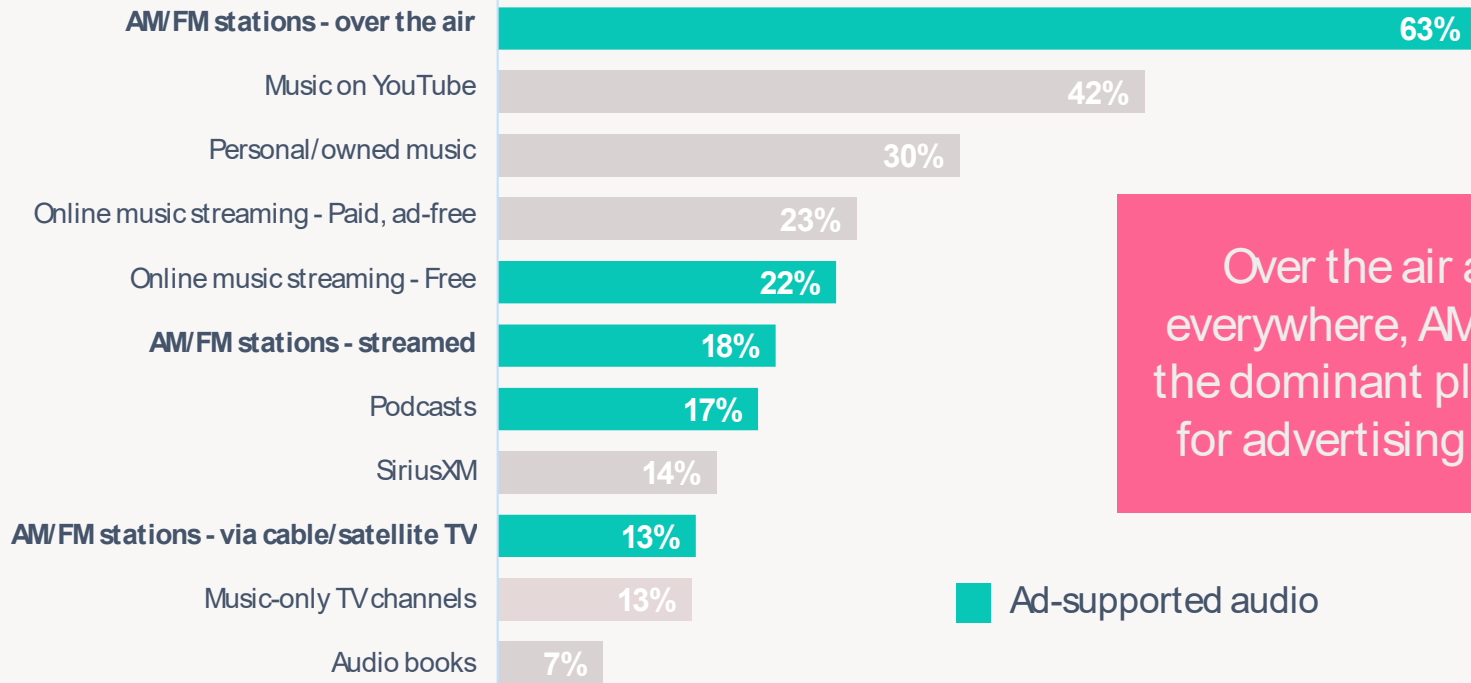
RADIO'S WEEKLY REACH NOW 93% OF FEB 2020

PPM AVERAGE WEEKLY CUME (000) IN MAR 2021 COMPARED TO FEBRUARY 2020



AM/ FM RADIO IS THE REACH MACHINE FOR AUDIO

Listened in Past Week – Adults 18+

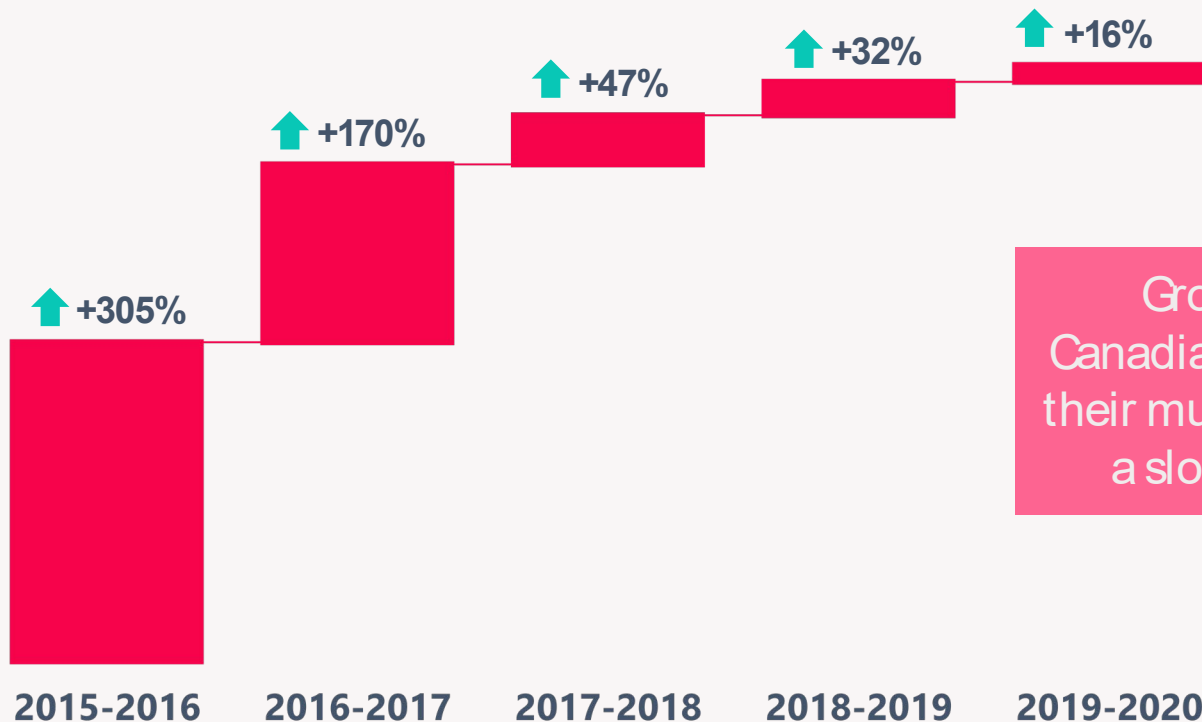


Over the air and everywhere, AM/FM is the dominant platform for advertising reach

Ad-supported audio

GROWTH OF MUSIC STREAMING SLOWING

Year-Over-Year Growth in On-Demand Audio Streams



Growth continues as Canadians move from owning their music to renting it, but at a slower rate each year.

MUSIC STREAMERS STILL LISTEN TO AM/ FM RADIO

Among past week users of online streaming services or YouTube for music:



86%

say they listen to AM/FM Radio on “a typical weekday”

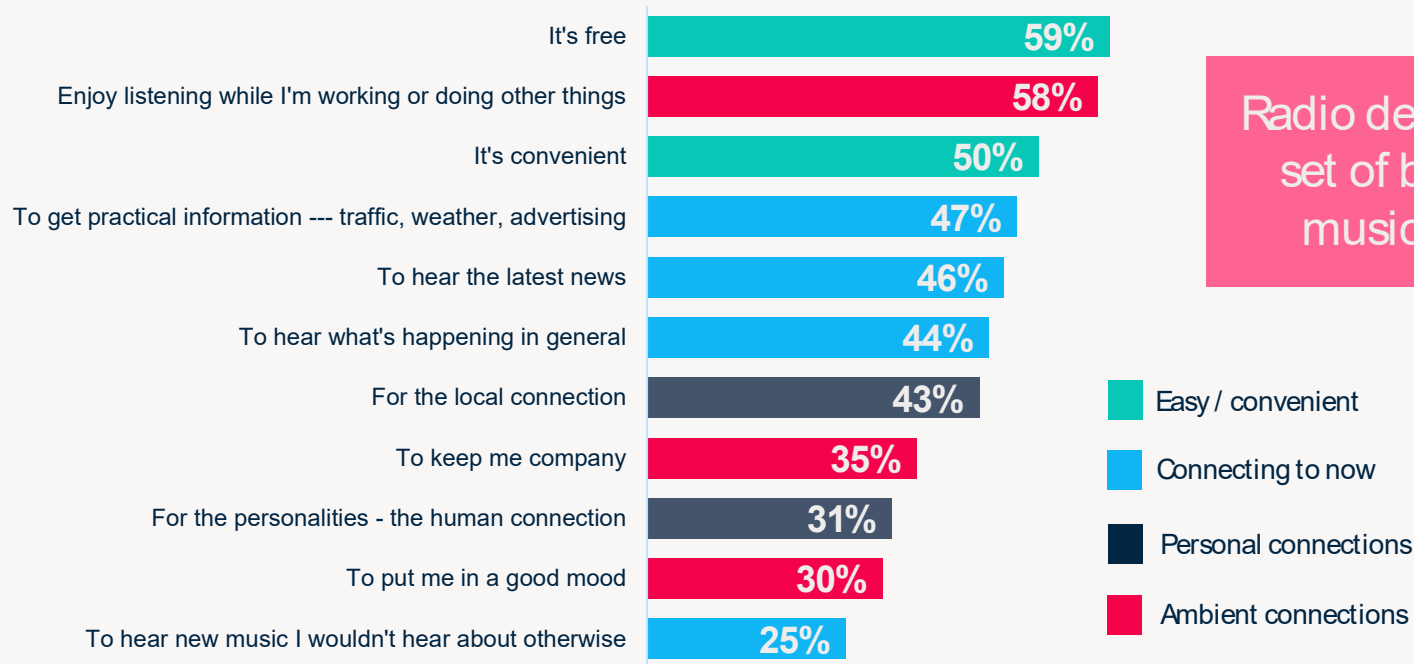


21%

are heavy AM/FM Radio listeners (listen for 2+ hrs/typical weekday)

STREAMERS USE AM/ FM RADIO TO CONNECT

What makes many music streamers heavy listeners to AM/FM Radio?



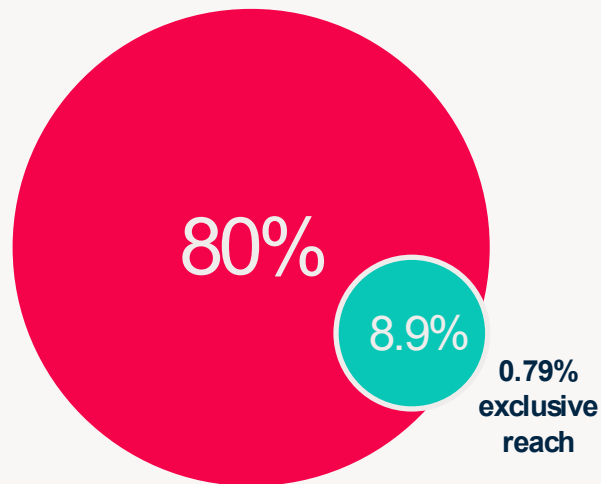
Radio delivers a unique set of benefits from music streaming.

SPOTIFY DELIVERS LITTLE EXCLUSIVE REACH

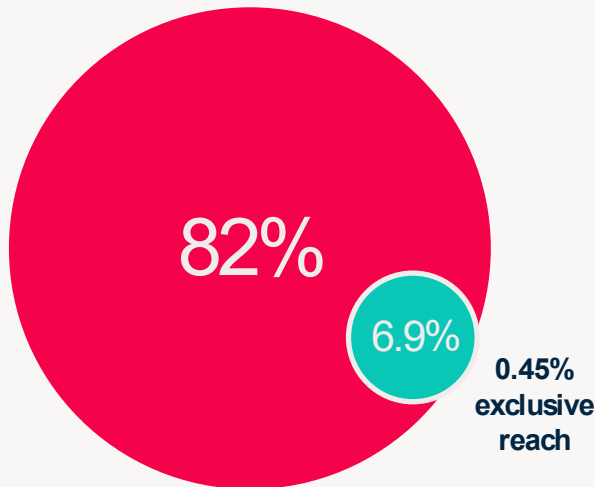
Most daily listeners to ad-supported Spotify also report listening to AM/FM Radio “on a typical weekday.”

● Listen to some AM/FM Radio on “a typical weekday” ● Listen to ad-supported Spotify daily

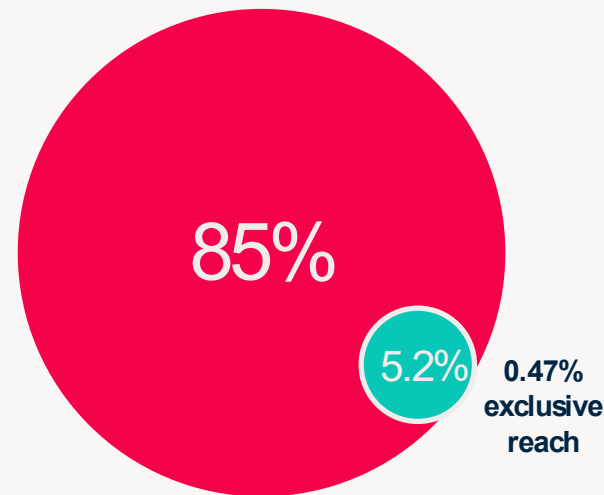
Adults 18-34



Adults 18-49



Adults 25-54



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?
F13. [Spotify] Overall, thinking of all locations, how often, if ever, would you say you listen to:
F16a. You mentioned listening to Spotify. Which of the following best describes your Spotify subscription?
Base: Canadians 18-34 (n=586), Daily listeners to ad-supported Spotify; 18-34 (n=86); 18-49 (n=110); 25-54 (n=99)

SHIFT TO DIGITAL ACCELERATING

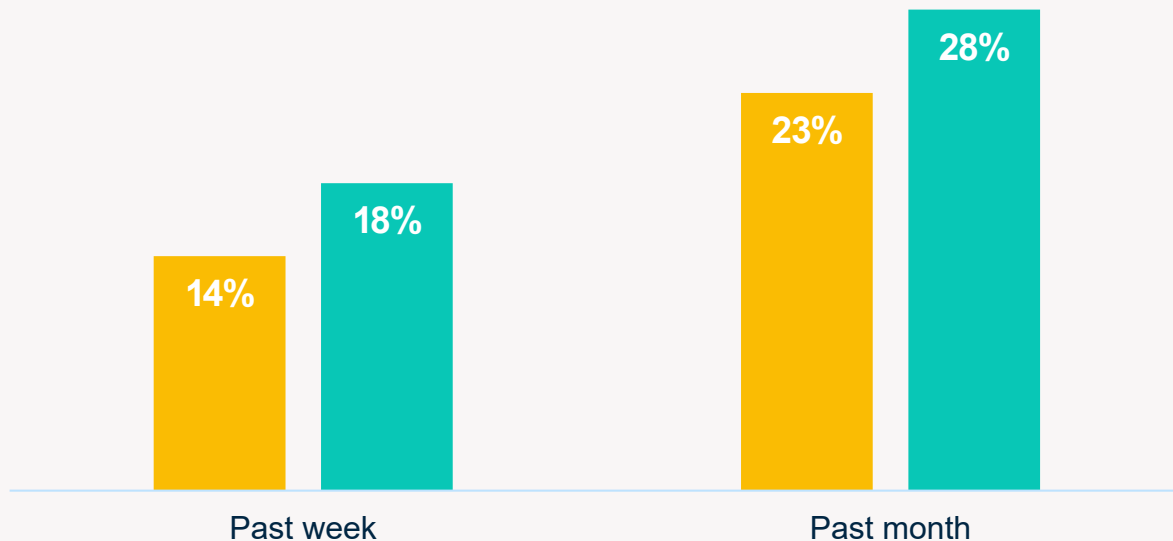


Like so many other day-to-day activities, AM/FM Radio listening on digital platforms has grown during COVID. Meanwhile, smart speaker penetration and use of smartphones for all types of audio keeps rising.

STREAMING OF AM/ FM RADIO UP DURING COVID

% Streaming AM/FM Radio

■ Fall 2019/Jan 2020 ■ Feb 2021



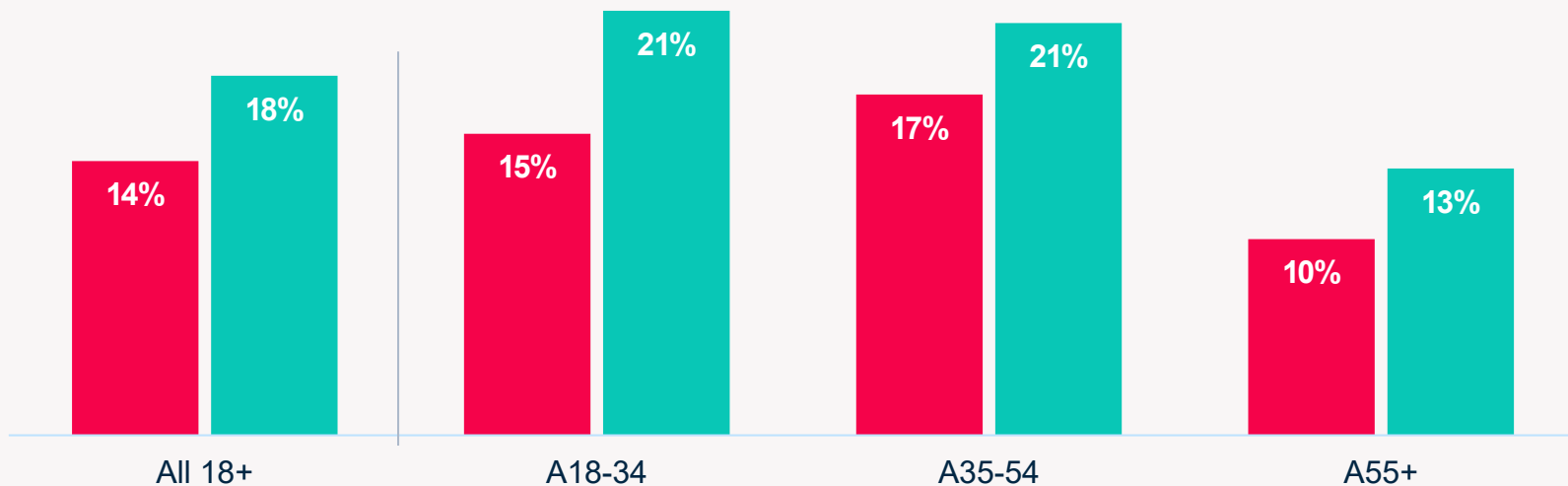
Nearly 1-in-5 Canadians say they stream AM/FM stations in the past week, up from 14% pre-COVID.

STREAMED AM/ FM IS UP AMONG ALL DEMOS

Past week use of streamed AM/FM Radio

■ Fall 2019/Jan 20

■ Feb 2021

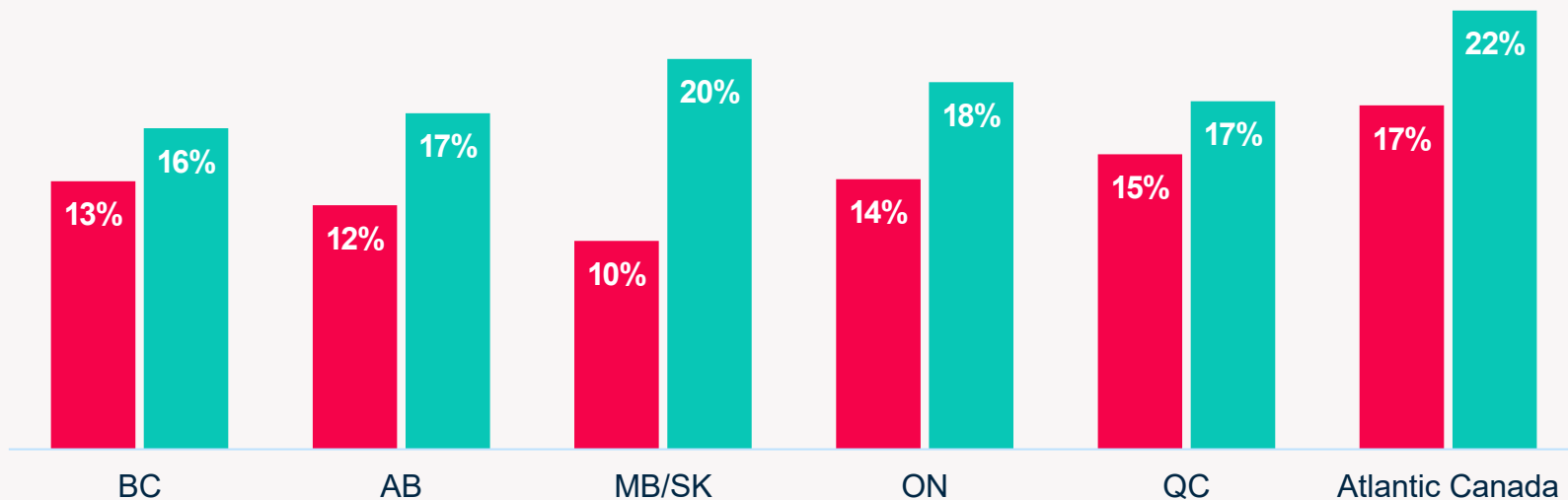


STREAMED AM/ FM UP ACROSS ALL REGIONS

Past week use of streamed AM/FM Radio

■ Fall 2019/Jan 20

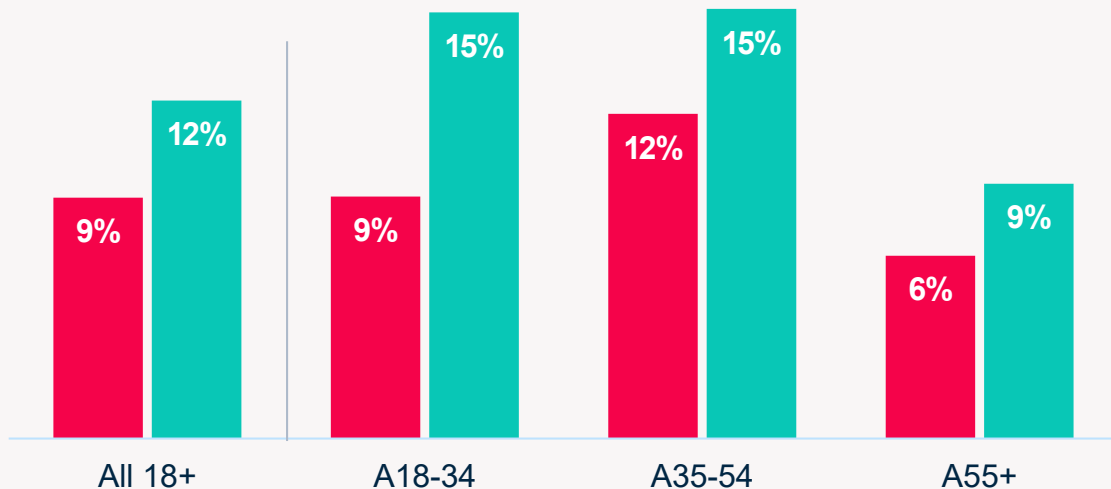
■ Feb 2021



NUMERIS: % OF AM/ FM HOURS GOING TO STREAMING UP

Streaming as a % of AM/FM listening (AMA)

■ Nov 25, 2019-Feb 23, 2020 ■ Nov 30, 2020-Feb 28, 2021



Streaming accounts for a greater proportion of hours tuned to radio listening than it did pre-COVID.

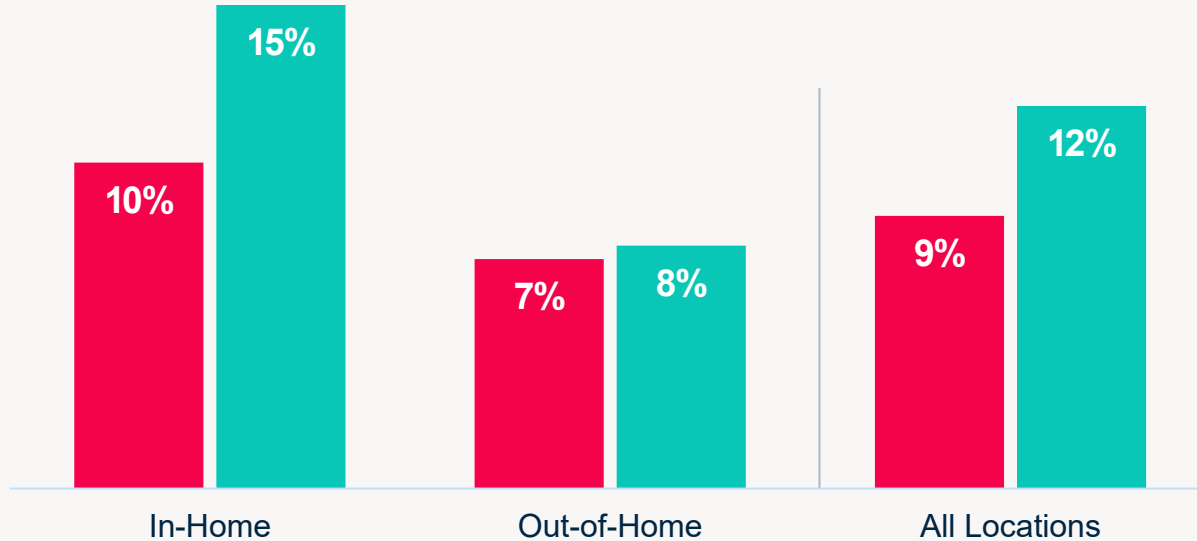
Especially among A18-34.

IN-HOME LISTENING DRIVING AM/ FM STREAMING GROWTH

Streaming as a % of All AM/FM listening (AMA)

■ Nov 25, 2019-Feb 23, 2020

■ Nov 30, 2020-Feb 28, 2021

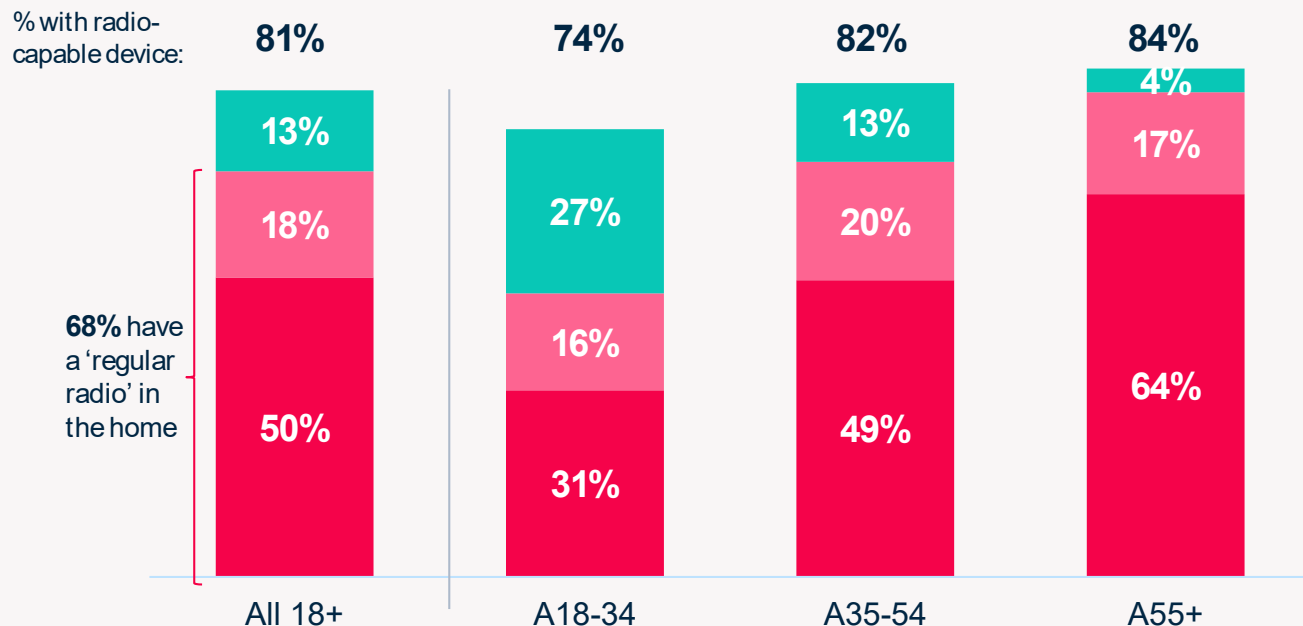


More time at home
during COVID = more
time streaming AM/FM

ARE SMART SPEAKERS THE NEW RADIO?

Radio and Smart Speaker Ownership

■ Radio Only ■ Radio + Smart Speaker



Smart speakers help to fill the gap in homes with no radios, providing instant access to AM/FM Radio.

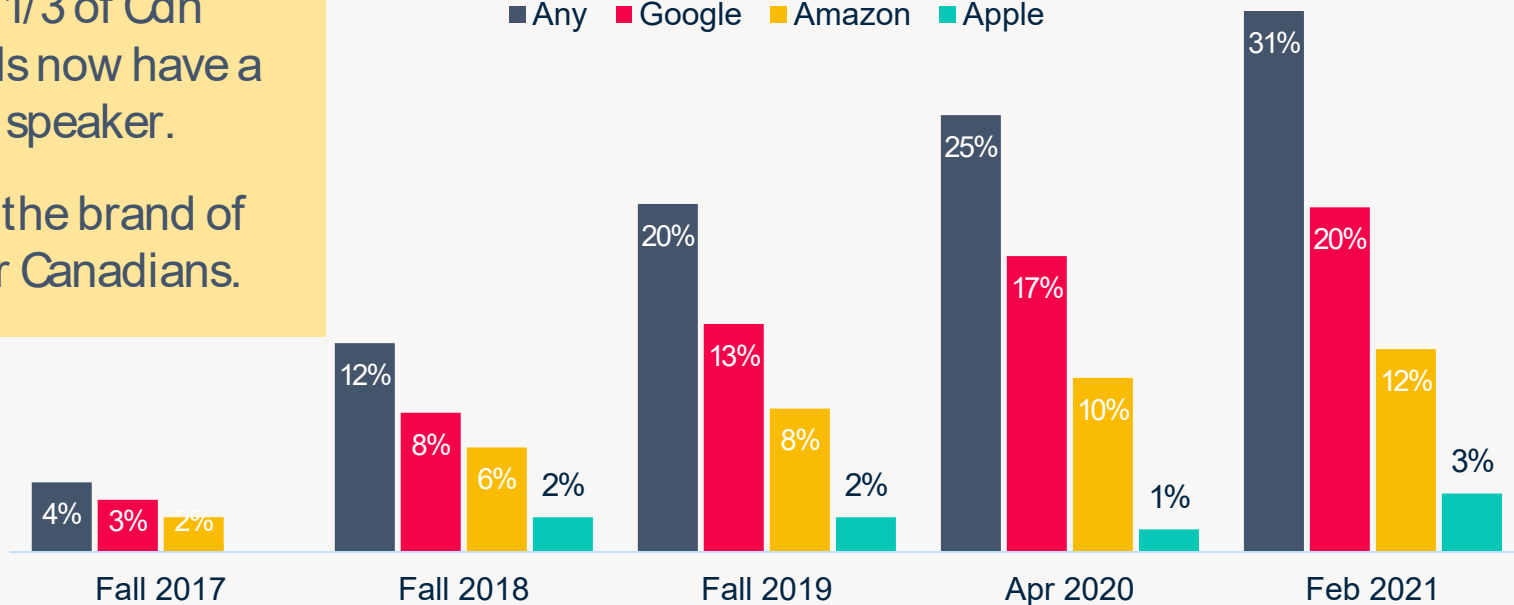
SMART SPEAKER PENETRATION KEEPS GROWING

Smart Speaker Ownership

■ Any ■ Google ■ Amazon ■ Apple

Almost 1/3 of Cdn households now have a smart speaker.

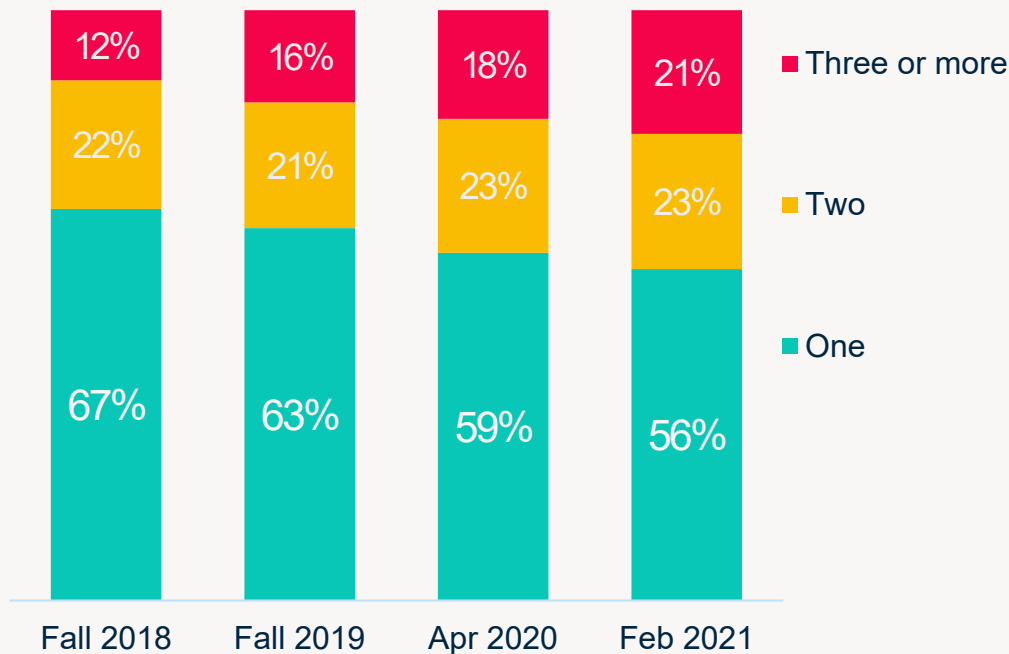
Google is the brand of choice for Canadians.



MULTIPLE SMART SPEAKER HH'S ARE GROWING

*% of Smart Speakers in HH
(among owners)*

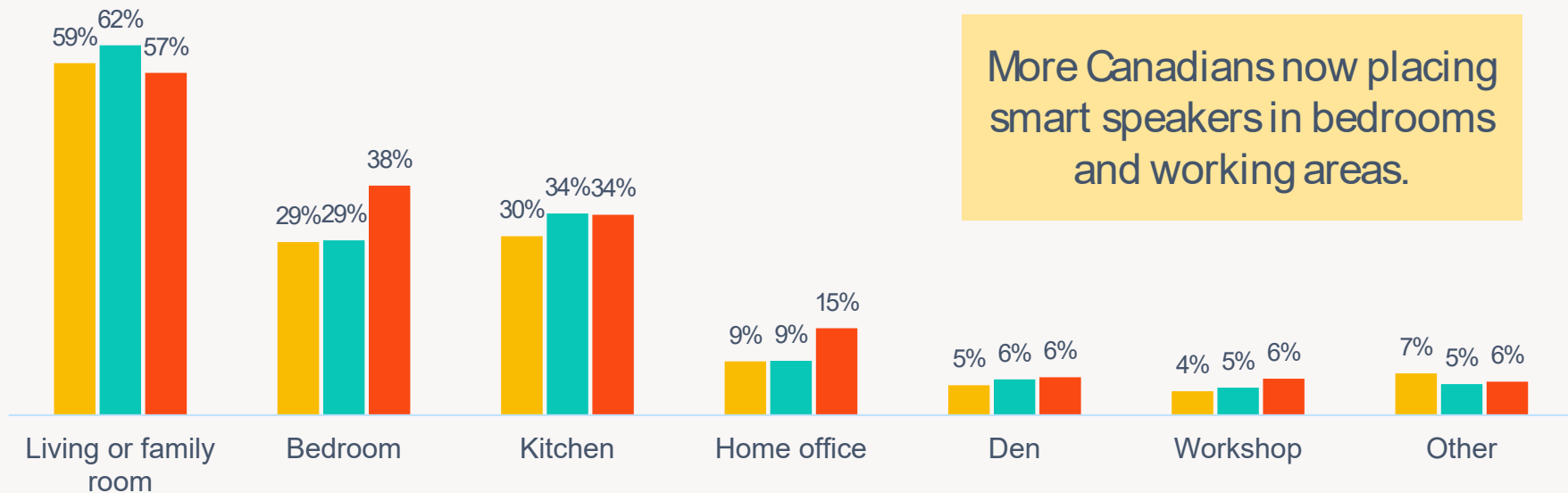
44% of smart speaker owners now have two or more speakers.



SPEAKERS INCREASINGLY IN BEDROOMS AND OFFICES

Smart Speaker Location in Household

■ Fall 2018 ■ Fall 19/Jan 20 ■ Feb 2021

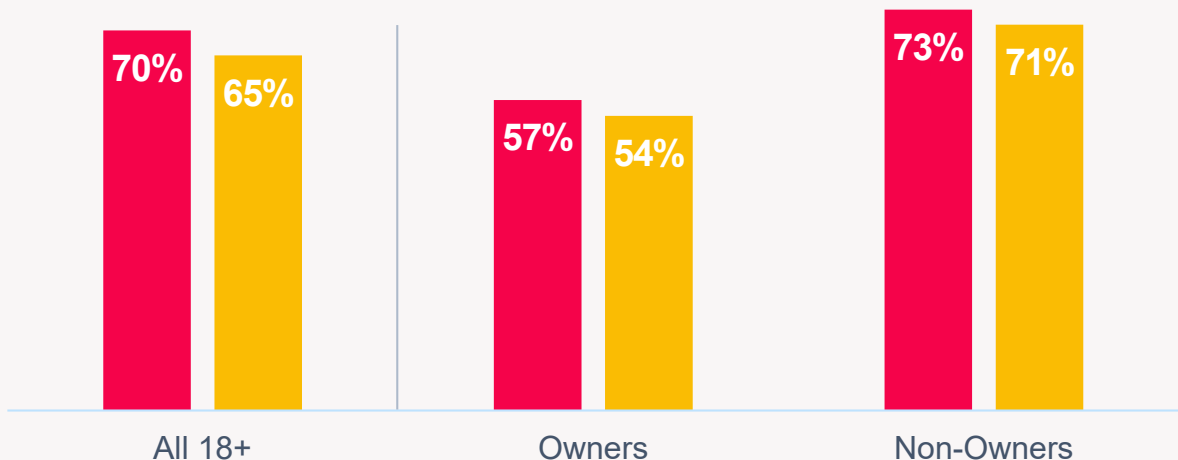


PRIVACY CONCERNS EASING SINCE LAST YEAR

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

% Very / Somewhat Concerned

■ Fall 19/Jan20 ■ Feb 21



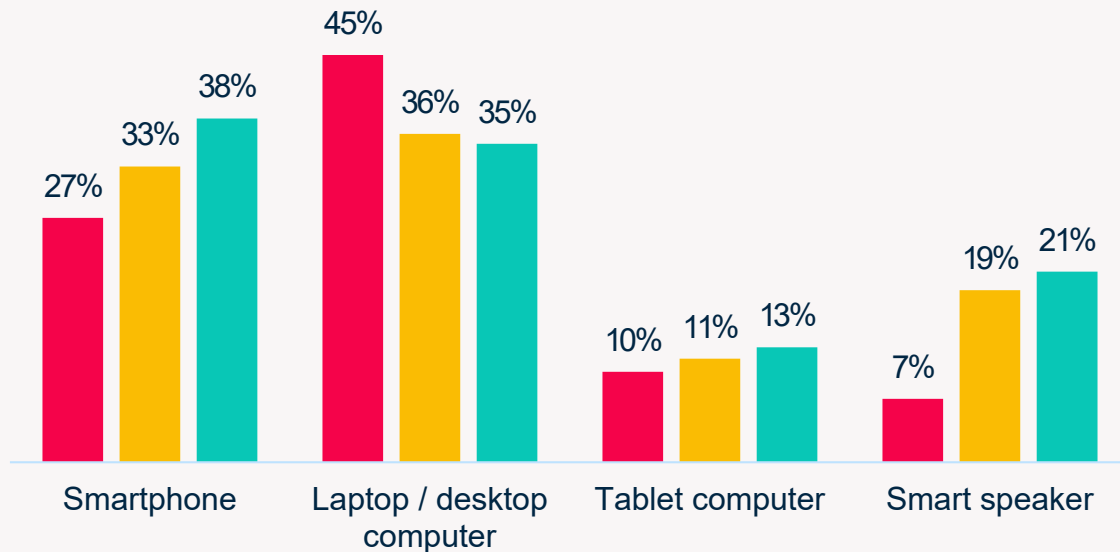
Concerns are down slightly, but still an issue for many—a particular barrier for non-owners.

SMARTPHONES INCREASINGLY USED FOR AM/ FM

Devices Used for Streamed AM/FM Radio

(among past week AM/FM streamers)

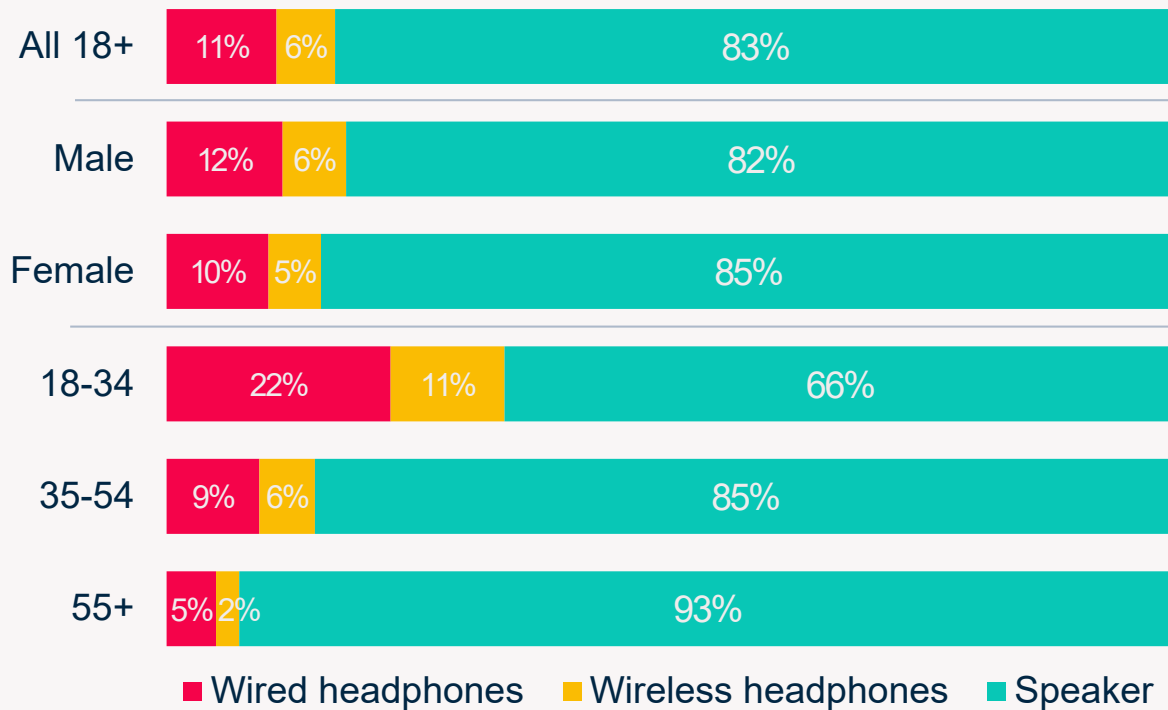
■ Fall 2018 ■ Fall 2019/Jan 2020 ■ Feb 2021



Despite Canadians spending less time out and about, smartphones have surpassed computers as the main device for streaming AM/FM Radio.

1/ 3 OF AM/ FM LISTENING BY 18-34s VIA HEADPHONES

Average % of AM/FM Radio listening time



On average, Canadians say that 17% of their AM/FM listening is done over headphones—double that much among 18-34s.

*numbers may not appear to add up to 100% due to rounding

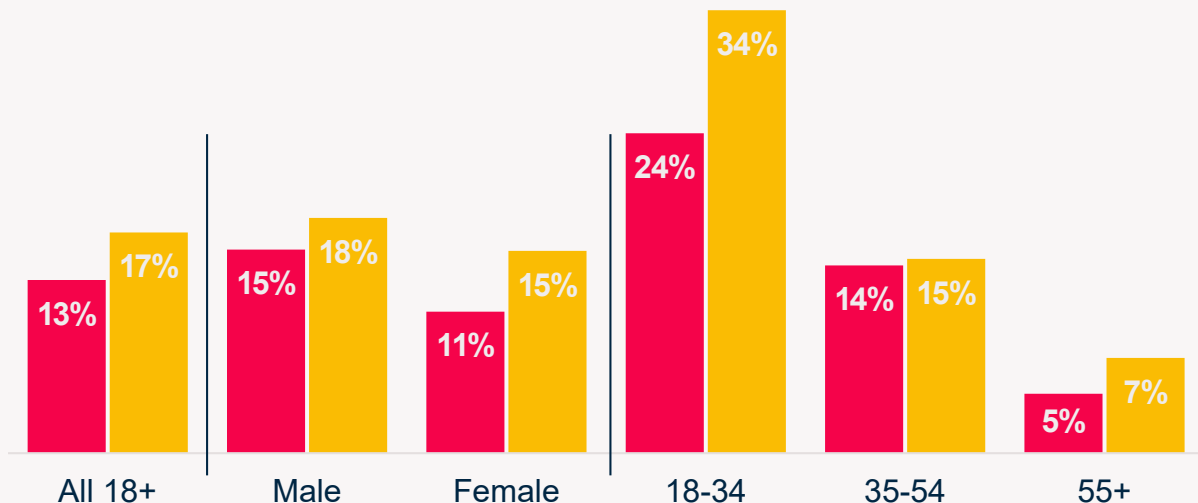
Ctd. Of all the time you spend listening to FM or AM radio, what proportion is... [Through headphones/ ear buds connected BY WIRE to a mobile device] [Through headphones/ ear buds connected WIRELESSLY to a mobile device via Bluetooth] [Over speakers] Base: Canadians 18+ who ever listen to AM/FM (n=1,731); Male (n=805); Female (n=921); 18-34 (n=483); 35-54 (n=705); 55+ (n=543)

HEADPHONE LISTENING UP FROM A YEAR AGO

% of AM/FM Radio listening time spent with headphone (wired or wireless)

■ Fall 2019/Jan 2020

■ Feb 2021

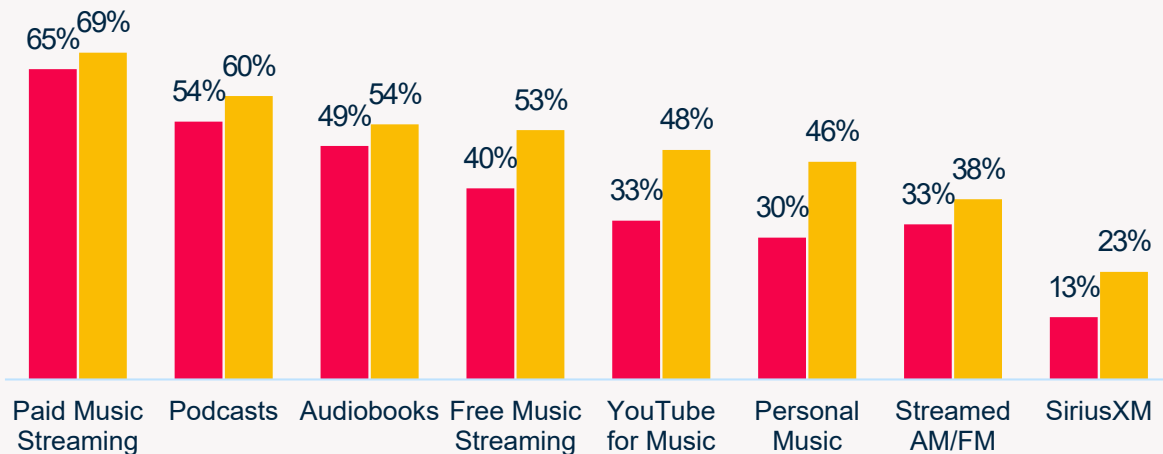


The shift of AM/FM listening to headphones highest among 18-34s and women.

SMARTPHONE USE UP FOR ALL AUDIO

*% who used smartphone in past week for each media
(among users of each media)*

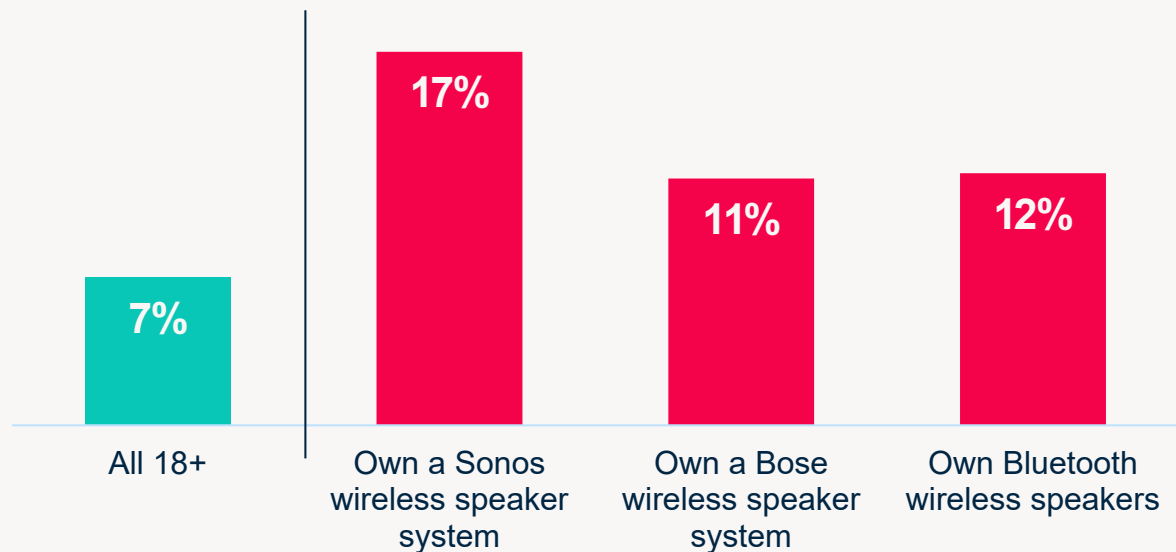
■ Fall 2019/Jan 2020 ■ Feb 2021



Smartphones have taken the place of laptops/desktops as preferred device for virtually all types of audio.

SMARTPHONES CONNECTING WIRELESS SPEAKERS TO AM/ FM?

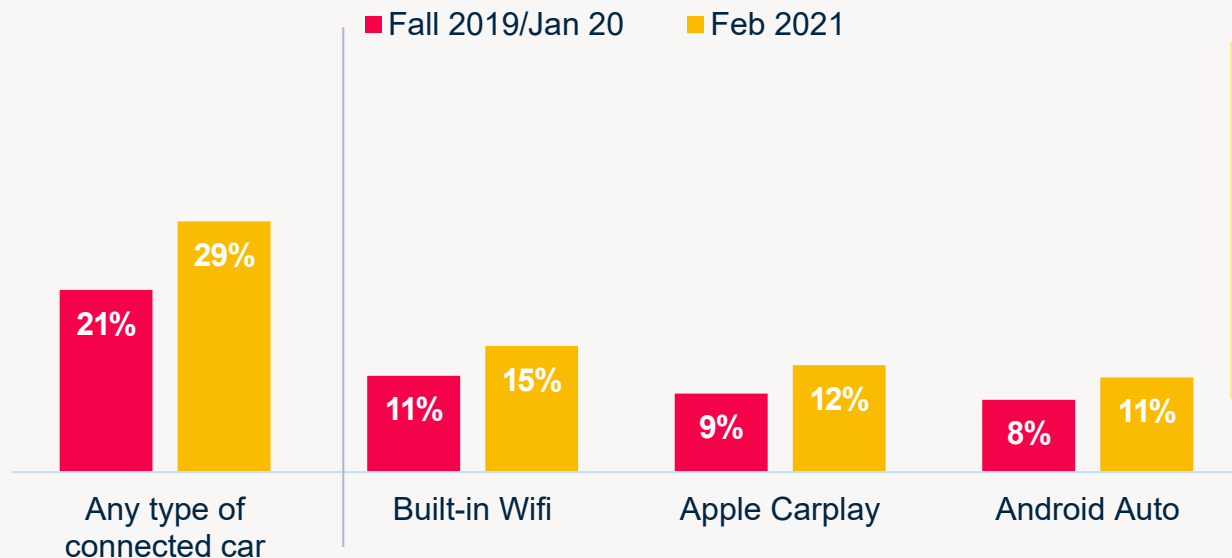
% who streamed AM/FM on a smartphone in past week



Owners of wireless speaker systems more likely than others to be using their smartphones to stream AM/FM Radio

'CONNECTED CAR' OWNERSHIP UP, BUT STILL AVAILABLE TO FEWER THAN 3-IN-10 CANADIANS

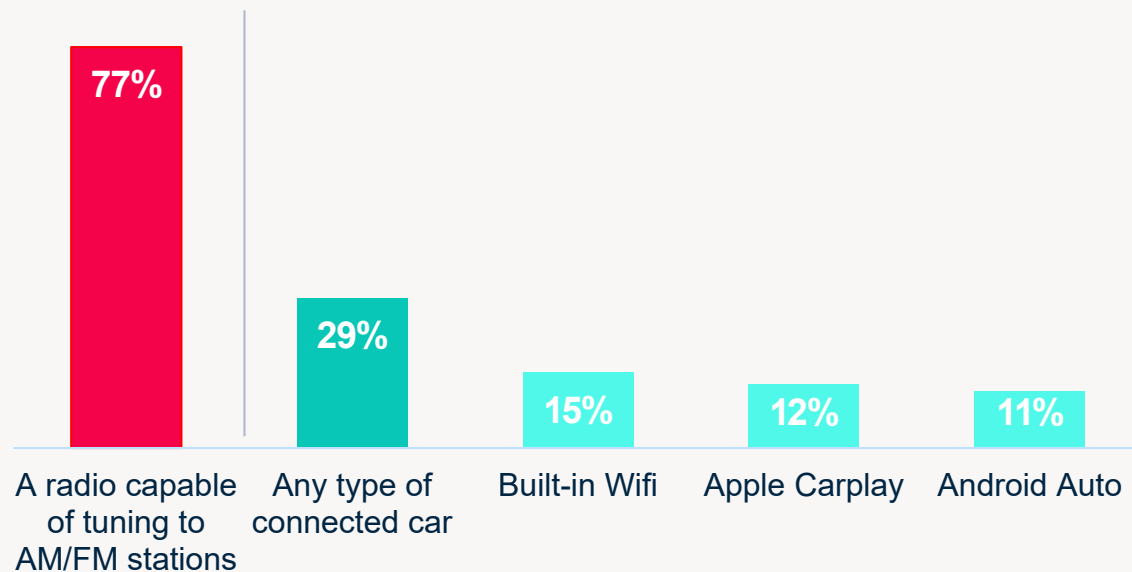
% of Canadians A18+ who have a vehicle in the household with the following technology



Built-in Wifi, Apple Carplay and Android Auto are all getting into more vehicles, pushing 'connected cars' up by 8 points.

FEW CANADIANS HAVE ACCESS TO A 'CONNECTED CAR'

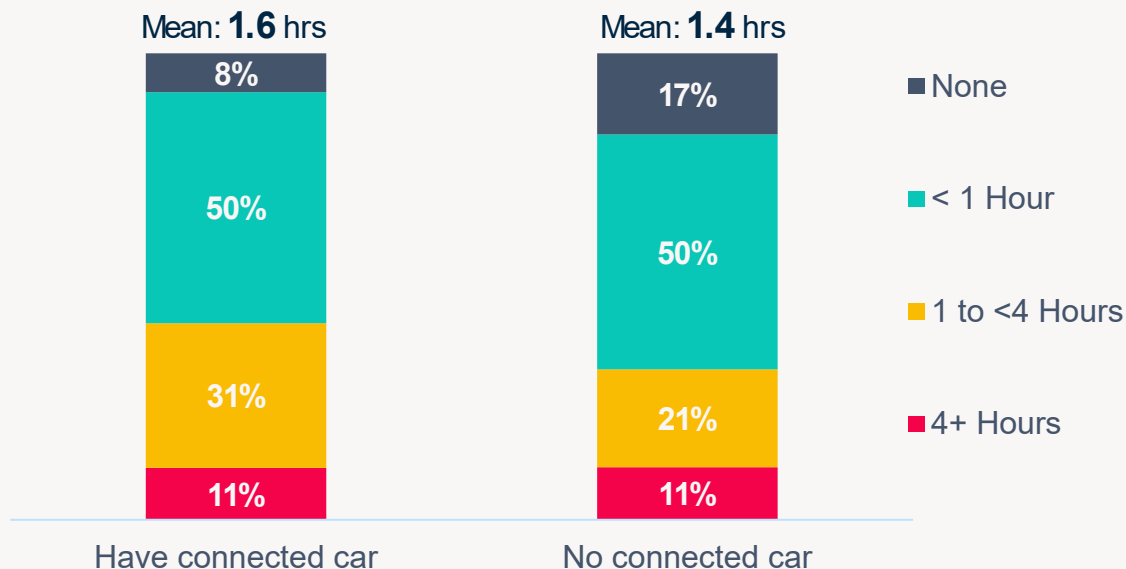
*% of Canadians A18+ who have a vehicle in the household
with the following technology*



Despite growth of households with a 'connected car,' they still represent only a fraction of households with a car radio.

CANADIANS WITH CONNECTED CARS LISTEN TO *MORE* AM/ FM RADIO

AM/FM Listening – Typical Weekday

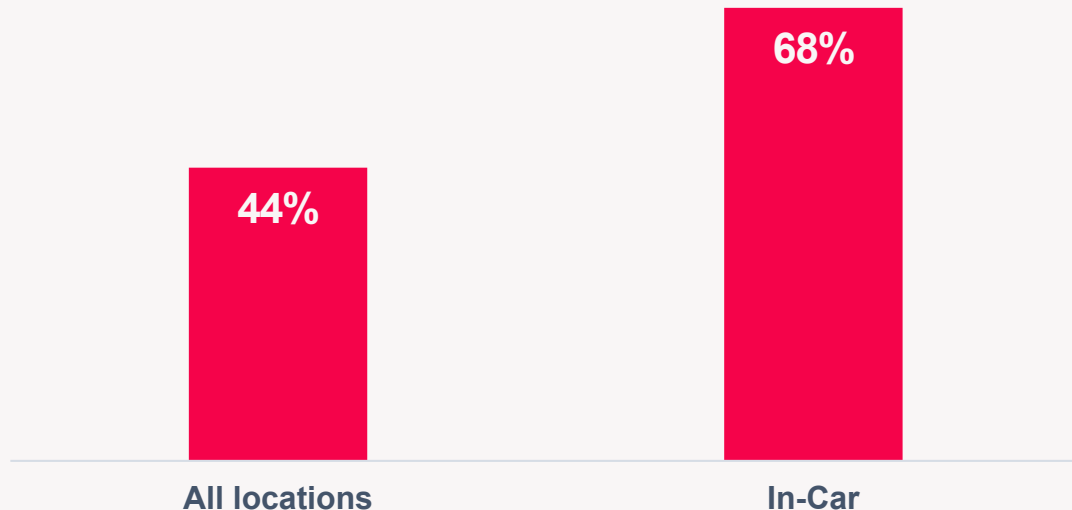


Canadians with a connected car in the household listen to *more* AM/FM radio than other Canadians, not less.

IN-CAR AM/ FM LISTENING: PART OF OUR MUSCLE MEMORY

Share of Audio to AM/FM Radio

Fall 19/Jan 20



When Canadians get in the car, they reach for the radio. Even among 18-34s, AM/FM's share of audio nearly 2x higher in-car*.

*18-34 Share of Audio to AM/FM (Fall 19/Jan 20)

- All locations: 28%
- In-car: 53%

Source: RADIO ON THE MOVE 2020

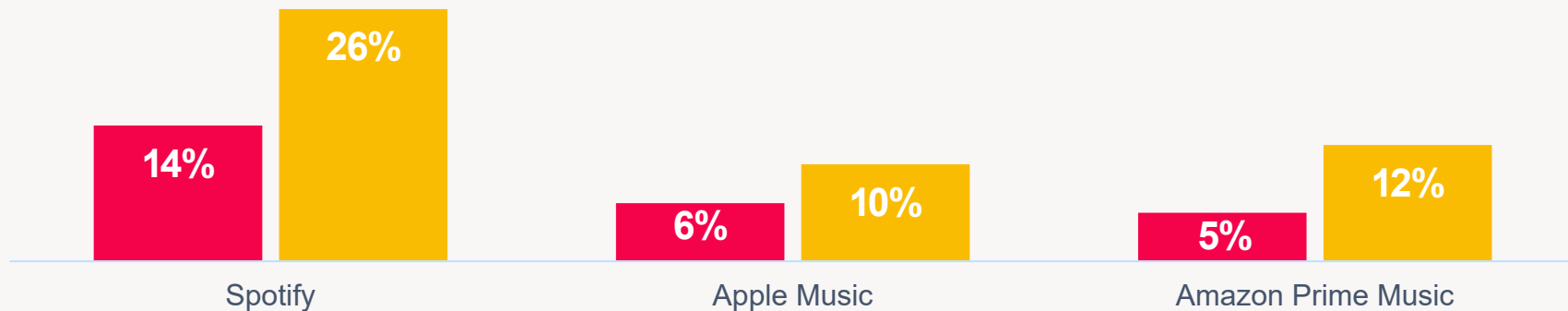
QB3dx. [Mean Summary] Thinking of the following type(s) of audio that you mentioned listening to yesterday, how many hours and minutes in total did you spend listening to each one? Base: Canadians 18+ (n=4,000)

C2. [Mean Summary] - All Days - Thinking of all the time you spent in the vehicle YESTERDAY, how much time did you spend doing the following? Base: Canadians 18+ (n=3,150)

SPOTIFY LEADS FOR USE OF DIGITAL MUSIC SERVICES

Weekly and daily use among A18+

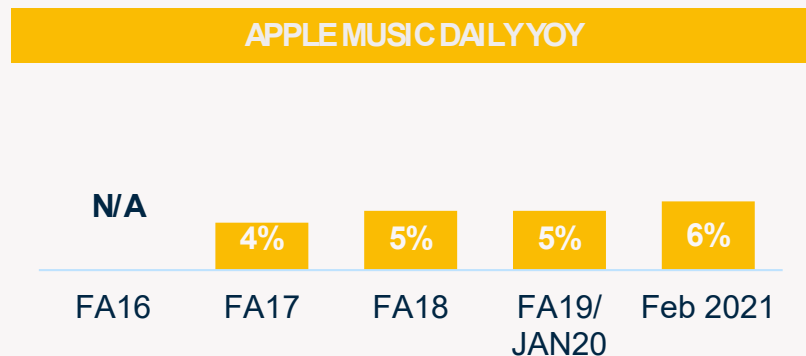
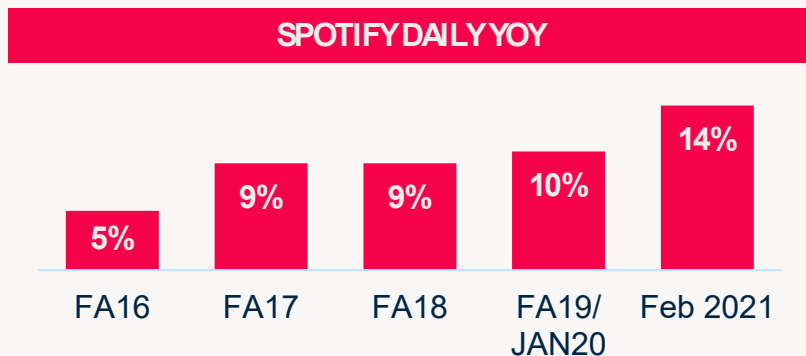
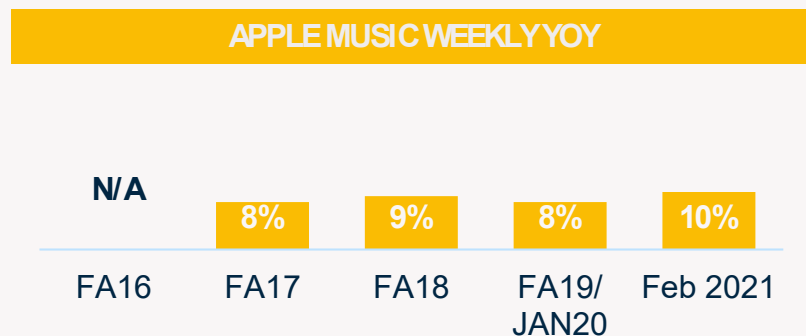
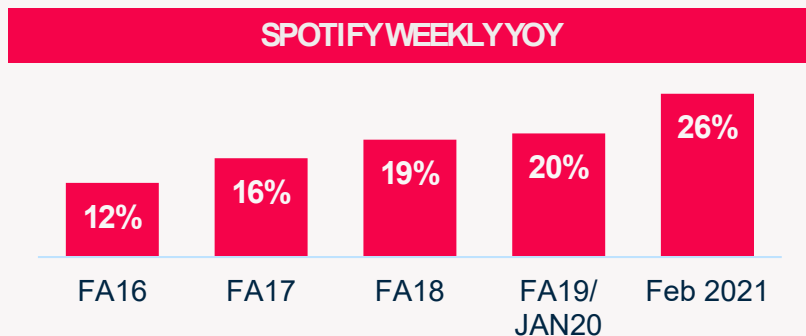
■ Daily ■ Weekly



SPOTIFY USE UP FROM LAST YEAR

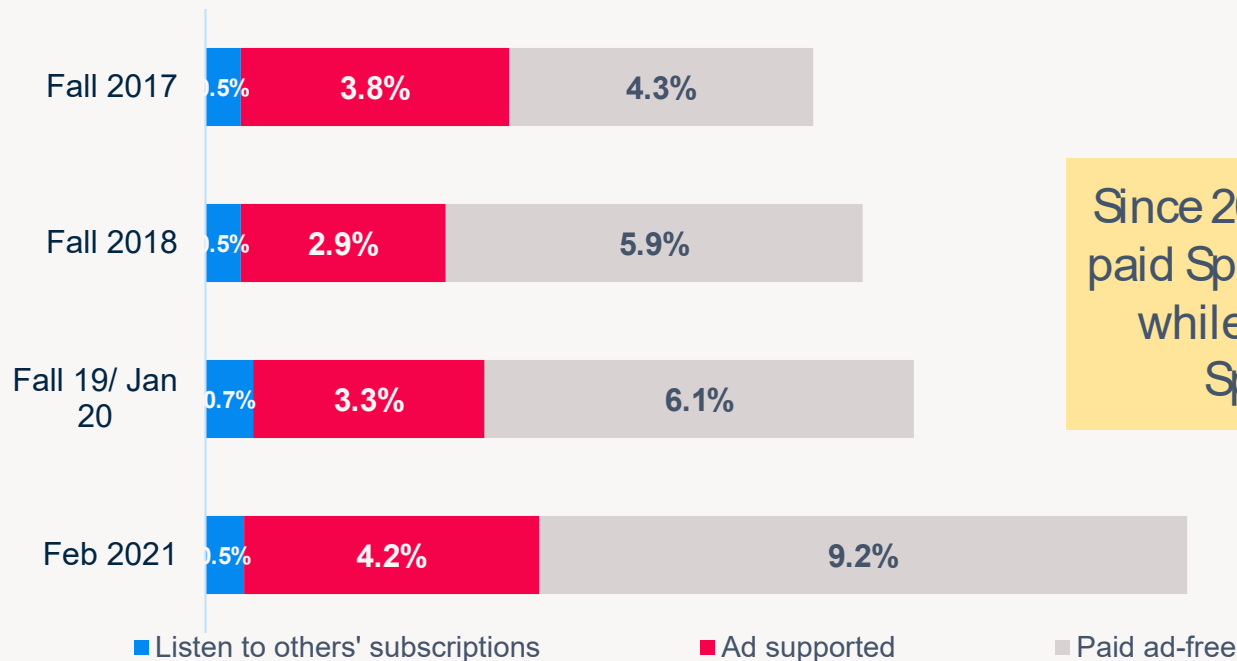
Apple continues to lag behind Spotify as the music industry shifts towards 'rented' music business model.

Weekly and daily use among A18+



AD-FREE USERS POWERING SPOTIFY GROWTH

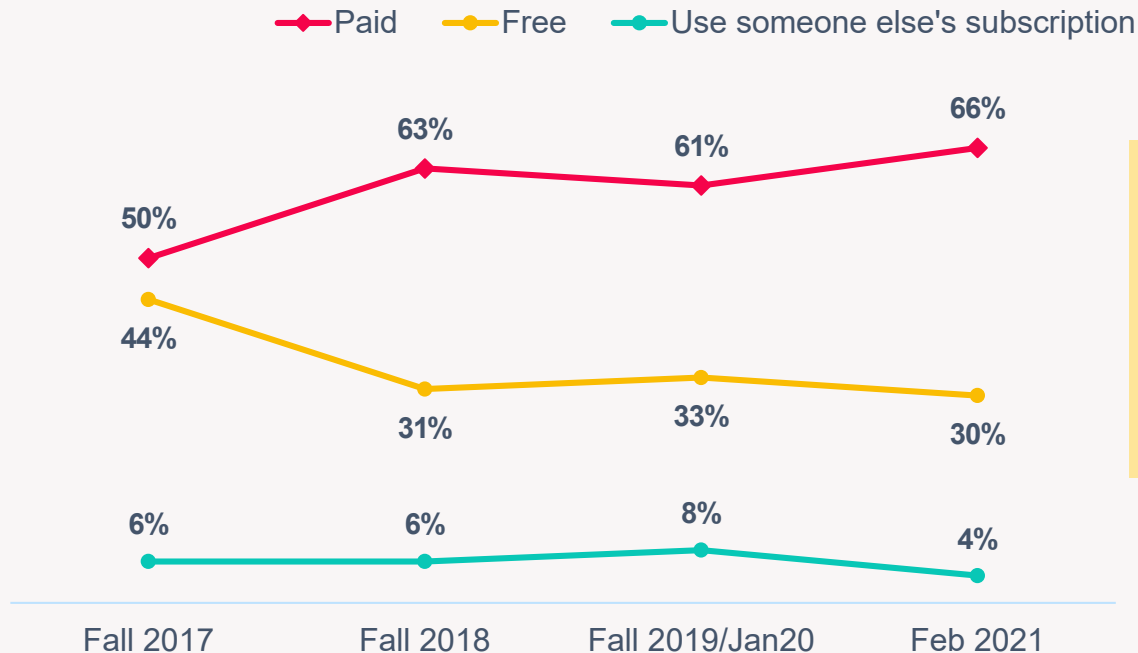
*Daily Spotify Listeners
(among all Canadians aged 18+)*



Since 2017, daily listening to ad-free paid Spotify has more than doubled, while listening to ad-supported Spotify is essentially flat.

GROWING % OF SPOTIFY DAILY USERS AD-FREE

% of daily Spotify listeners who choose paid ad-free vs. ad-supported Spotify subscription



The gap between daily listeners with paid and free Spotify subscriptions has widened—2/3 of daily subscribers don't hear ads.

RADIO ENGAGES AND COMMANDS ATTENTION

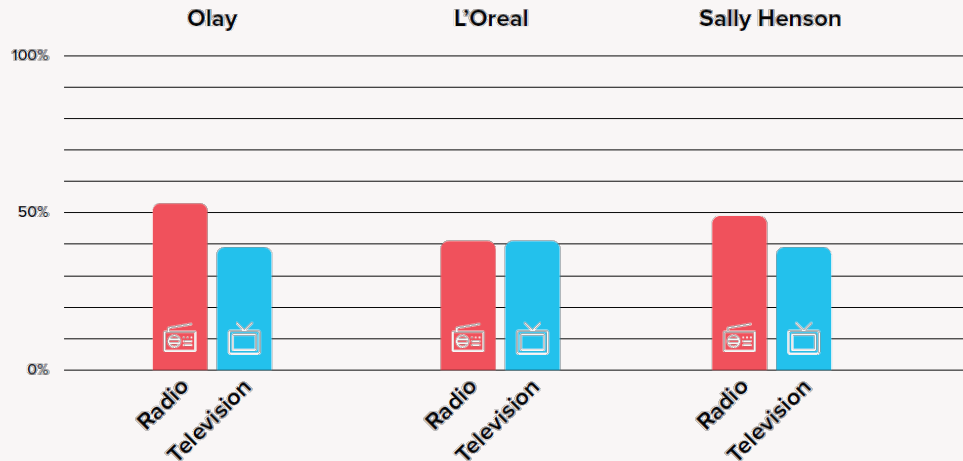


Advertising on AM/FM Radio is uniquely engaging. Audio makes deeper emotional connections than video. Music on AM/FM is more 'lean in' than music streaming services, and radio ads are less likely to be avoided than other media.

RADIO MAKES AN EMOTIONAL CONNECTION

In February 2020, Brainsights measured the brain wave activity of 100 Canadian adults as they consumed multimedia content. Nine brands across eight industries were studied. Each featured both a TV and radio ad from the same campaign.

Example: Beauty Category Connection Scores



Key Findings

- Overall, Radio spots generated greater Emotional Strength scores than their TV counterparts.
- On average, Radio reached emotional peaks that were +23% higher than TV's.
- Emotional peaks were higher for Radio across all demos, including men, women, under 35 and 35+ audiences.



BRAINSIGHTS

AUDIO BEATS VIDEO FOR EMOTIONAL CONNECTION

In a follow-up study in September 2020, Brainsights measured the subconscious response of more than 400 English Canadian adults as they consumed a range of audio and video content.

Key Findings

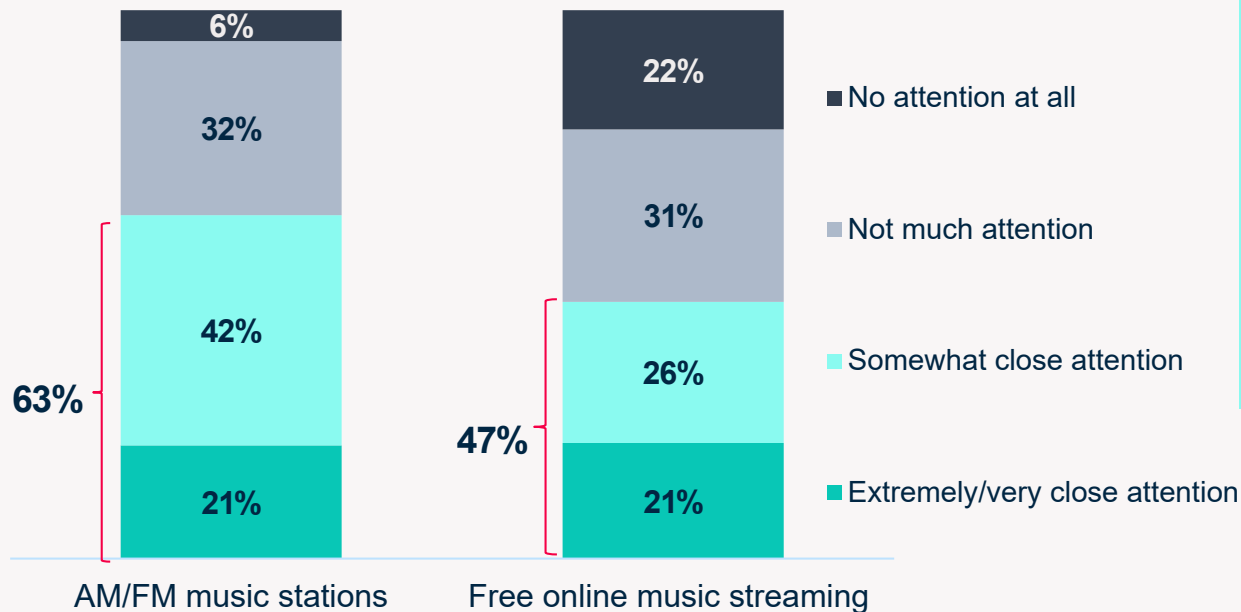
- **Findings from this 2nd wave of research confirm the power of audio for brand-building**, capable of reaching the connection heights of video.
- **74%** of audio content segments placed in the top half of Emotional Strength scores of all content tested, vs. just **45%** of video content.
- Host-read ads performed particularly well for Attention, Connection, Encoding, Persuasiveness and Emotional Strength.



BRAINSIGHTS

ATTENTION GAP BETWEEN AM/ FM AND FREE MUSIC STREAMING

Q. How much attention do you pay to what is being said between the music on the following? (among users of each media)



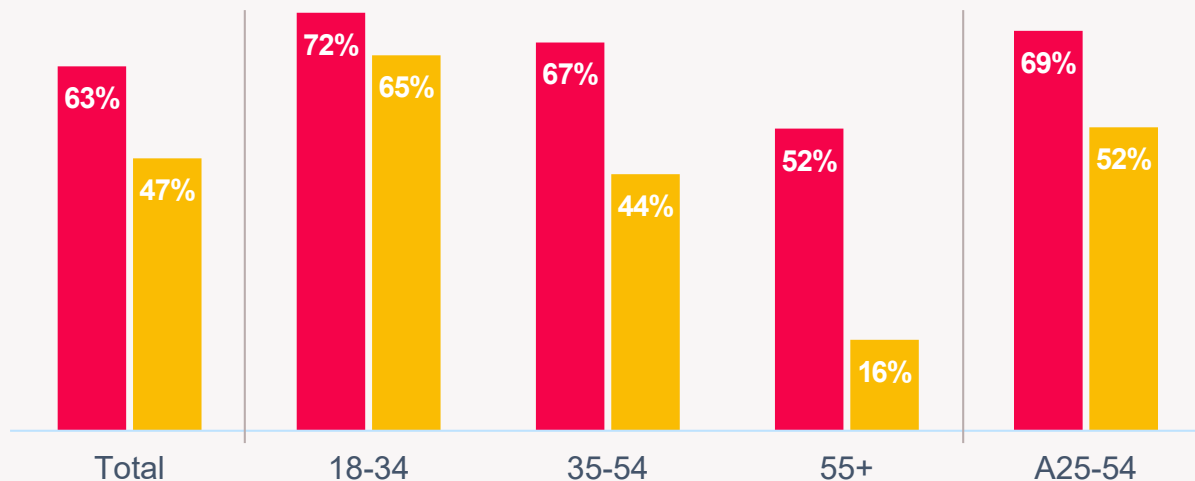
People listen differently to AM/FM music stations than free music streaming. They are more likely to listen to what's between the songs on AM/FM, while streaming stays in the background.

AD6. [Top 3 Box Summary] How much attention do you pay to what is being said between the music on the following? (e.g., hosts/DJs, ads, announcements, etc.) Base: Canadians 18+ who listen to AM/FM in past month (n=1,503) listen to free music streaming services (n=680)

MORE ATTENTION TO AM/ FM MUSIC ACROSS ALL AGES

% who pay extremely/very/somewhat close attention to what's between songs (e.g., hosts/DJs, ads, announcements, etc.) on...

■ AM/FM stations that play music ■ Free online music streaming services



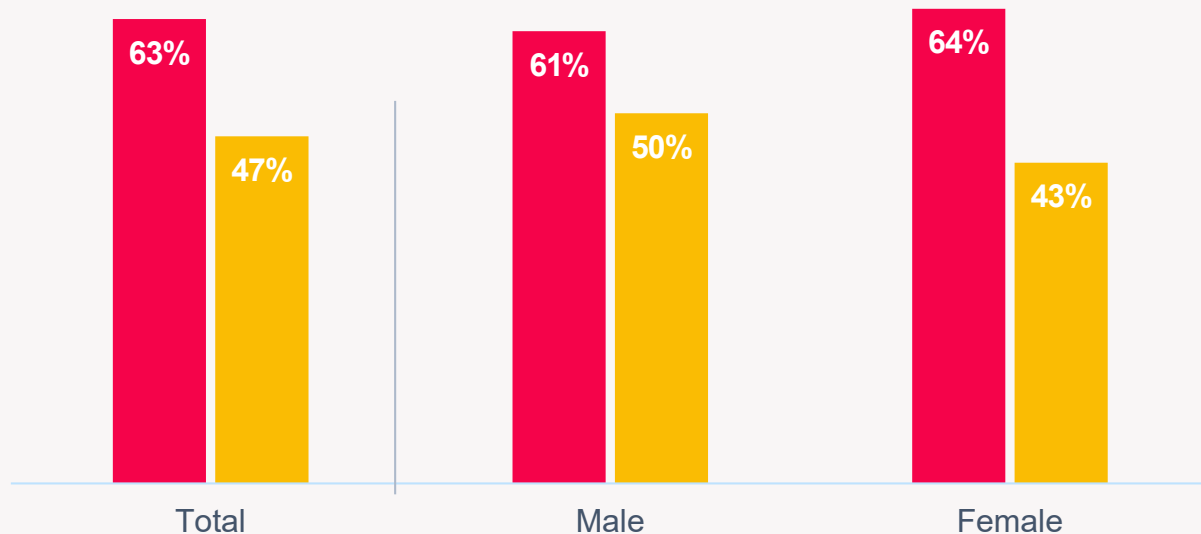
All ages are more likely to hear what's being said on AM/FM music stations vs. free ad-supported music streaming.

AD6. [Top 3 Box Summary] How much attention do you pay to what is being said between the music on the following? (e.g., hosts/DJs, ads, announcements, etc.) Base: Canadians 18+ who listen to AM/FM music stations (1,503) / free online music streaming services (n=680); 18-34 (n=440/300); 35-54 (n=607/255); 55+ (n=456/125); 25-54 (n=969/484)

THE ATTENTION GAP IS WIDER WITH WOMEN

% who pay extremely/very/somewhat close attention to what's between songs (e.g., hosts/DJs, ads, announcements, etc.) on...

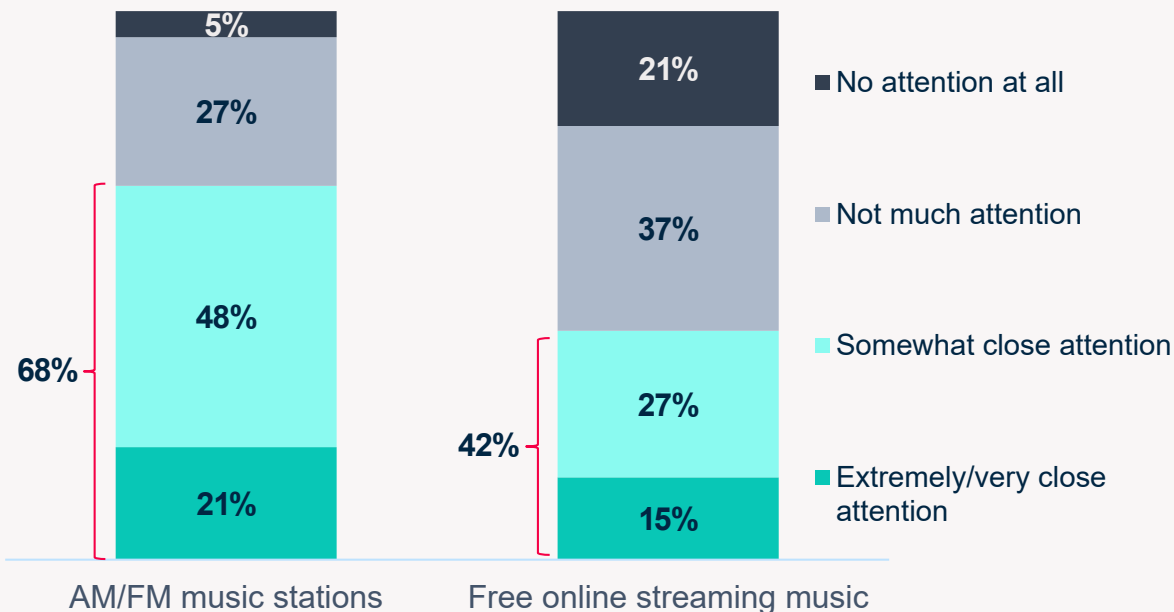
■ AM/FM stations that play music ■ Free online music streaming services



There is more than a 20-point gap among women between attention paid to what's between the songs on AM/FM music vs. music streaming.

ATTENTION GAP WIDER AMONG THOSE WHO USE FREE MUSIC STREAMING FOR BACKGROUND LISTENING

Q. How much attention do you pay to what is being said between the music on the following? (among those who use music streaming services for background listening)



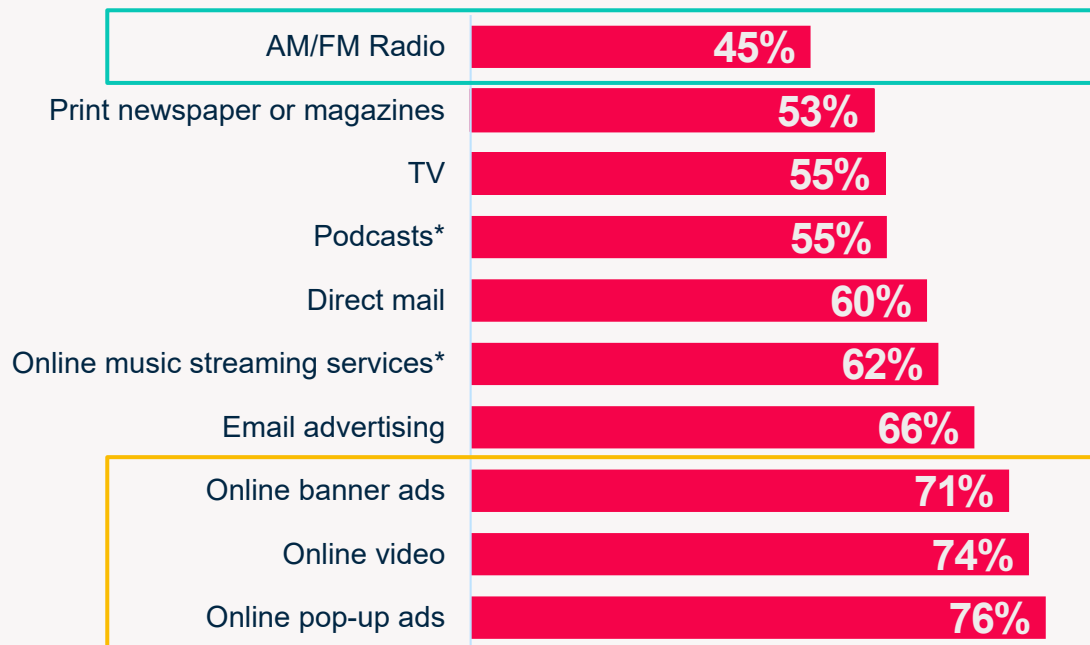
More than 4-in-10 listeners to music streaming services (42%) say they use them “for background listening.”

These background listeners are even more likely than other streamers to pay closer attention to what’s between the songs on AM/FM than on music streaming services.

AD6. [Top 3 Box Summary] How much attention do you pay to what is being said between the music on the following? (e.g., hosts/DJs, ads, announcements, etc.) Base: Canadians 18+ who listen to streaming services for background music; and listen to free streaming (n=289); listen to AM/FM music stations (n=369);

ADS ON AM/ FM RADIO THE LEAST-AVOIDED

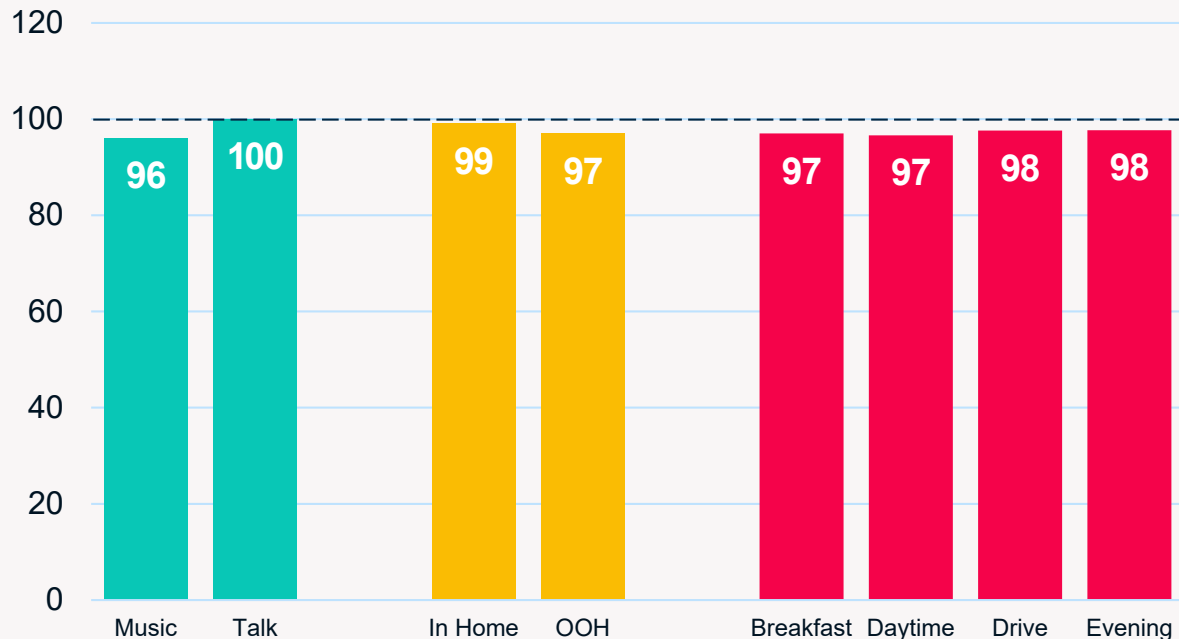
Avoid ads most/ all of the time



Online ads are the most avoided of all media, while AM/FM Radio is the least.

INDEPENDENT STUDY: RADIO HOLDS ITS AUDIENCE IN AD BREAKS

Commercial break audience indexed to program audience

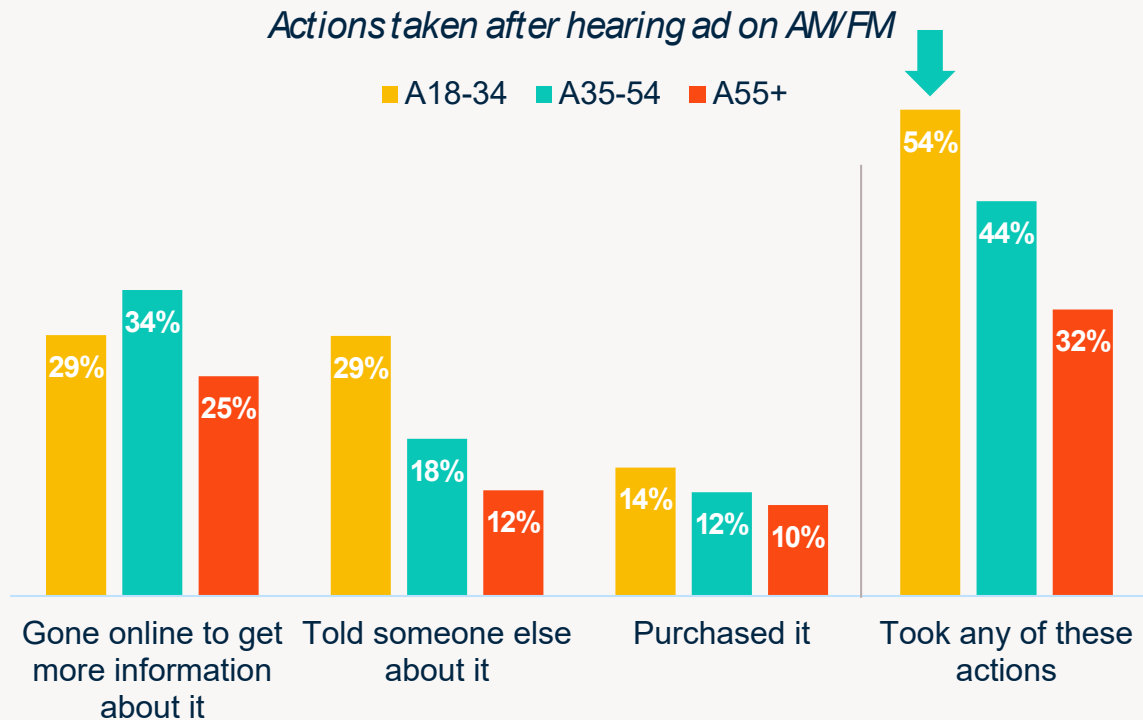


Confirmed by an analysis
of four months of
Vancouver PPM data by
Australia's Ehrenberg
-Bass Institute for
Marketing Science.

Source: Michelon, A, S. Bellman, M. Faulkner, J. Cohen, and J. Bruwer: "A new benchmark for mechanical avoidance of radio advertising: Why radio advertising is a sound investment" Journal of Advertising Research, March 2020
Base: PPM panel members 12+ in Vancouver, BC (N≈800), Oct 2015, Jan 2016, Apr 2016, Jul 2016

**Journal of
Advertising
Research**

AM/ FM RADIO MOTIVATES ACTION



Canadians—especially younger demos—take action after hearing ads on AM/FM Radio

TAKEAWAYS

01 Radio means reach

Over-the-air and everywhere, past week reach for AM/FM is far greater than that of any other audio available to advertising.

02 Music streaming services provide little incremental reach

Most Canadians using ad supported music streaming services also listen to AM/FM to connect.

03 Digital listening to AM/ FM is on the rise

AM/FM streaming is up since pre-COVID: in-home, over smart speakers and on smartphones. This corresponds with a year-over-year increase in listening over headphones.

04 Paid, ad-free users a growing % of Spotify listening

Use of Spotify is up from last year, with the paid, ad-free service driving virtually all growth of daily listeners.

05 Radio commands attention

AM/FM Radio provides uniquely engaging advertising opportunities. Audio delivers more emotional impact than video. And AM/FM, even on music stations, commands more attention than music streaming services.

06 Radio ads are least-avoided

Free of ad-blockers, ads on AM/FM radio continue to be least-avoided advertising. And they inspire action.

Appendix

PAST WEEK USERS OF AUDIO INDEXED TO CANADIAN ADULT POPULATION

Past week listeners	Streamed AM/FM Radio	Paid ad-free streaming	Free ad- supported streaming	SiriusXM satellite radio	Stingray TV music channels	Music on YouTube	Personal/ owned music	Podcasts	Audiobooks
<i>Sample size</i>	381	511	467	283	233	870	610	390	144
Male	114	105	99	120	105	109	118	115	103
Female	85	95	100	82	96	90	82	85	98
A18-29	108	218	175	141	88	157	110	177	149
A30-44	118	133	126	124	81	127	120	142	144
A45-54	120	85	90	81	89	97	108	111	79
A55-64	95	50	66	71	129	71	86	47	55
A65+	59	32	53	84	119	54	73	27	68
TOR/VAN/MTL + other large cities (500k + population)	104	109	95	98	95	106	102	107	121
University education	113	119	113	103	90	108	109	138	129
\$100k+ HHI	122	127	110	149	100	93	97	134	105
Heavy radio listeners (2+ hrs/ typical weekday)	204	95	125	122	147	100	113	119	131
Live in Quebec	97	94	90	96	99	99	114	69	81

PAST WEEK LISTENERS TO STREAMED AM/ FM RADIO

Indexed to Canadian Adults (n=381)



55% / 44%



98% listen to AM/FM on a 'typical weekday' 115i



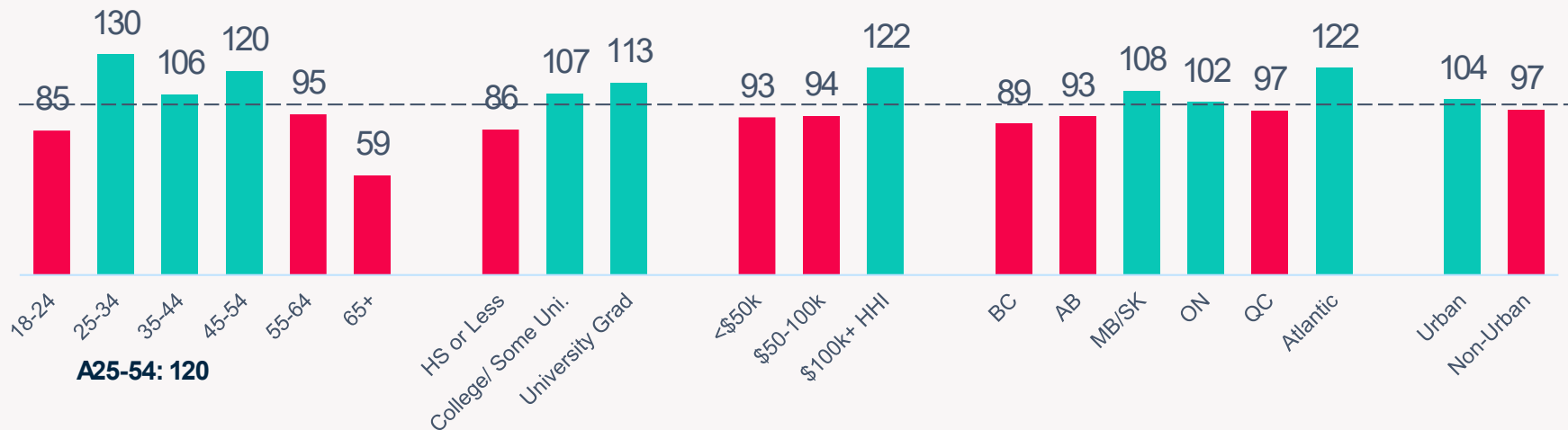
95% own a smart phone, 110i



50% own a smart speaker, 161i



22% have a car with built-in WiFi, 148i



PAST WEEK LISTENERS TO PAID, AD-FREE MUSIC STREAMING

Indexed to Canadian Adults (n=511)



51% / 48%



88% listen to AM/FM on a 'typical weekday' 103i



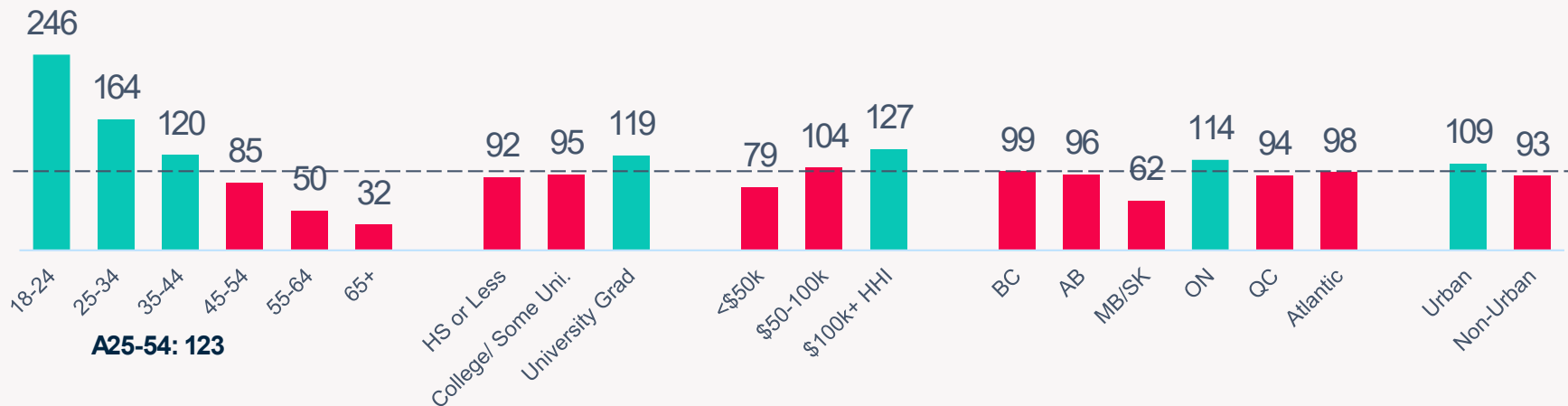
99% own a smart phone, 114i



58% own a smart speaker, 188i



19% have a car with built-in WFi, 131i



A25-54: 123

PAST WEEK LISTENERS TO AD-SUPPORTED MUSIC STREAMING

Indexed to Canadian Adults (n=467)



48% / 51%



89% listen to AM/FM on a 'typical weekday' 105i



94% own a smart phone, 108i



46% own a smart speaker, 147i



22% have a car with built-in WFi, 151i



A25-54: 115

PAST WEEK LISTENERS TO SIRIUS XM

Indexed to Canadian Adults (n=283)



58% / 42%



90% listen to AM/FM on a 'typical weekday' 106i



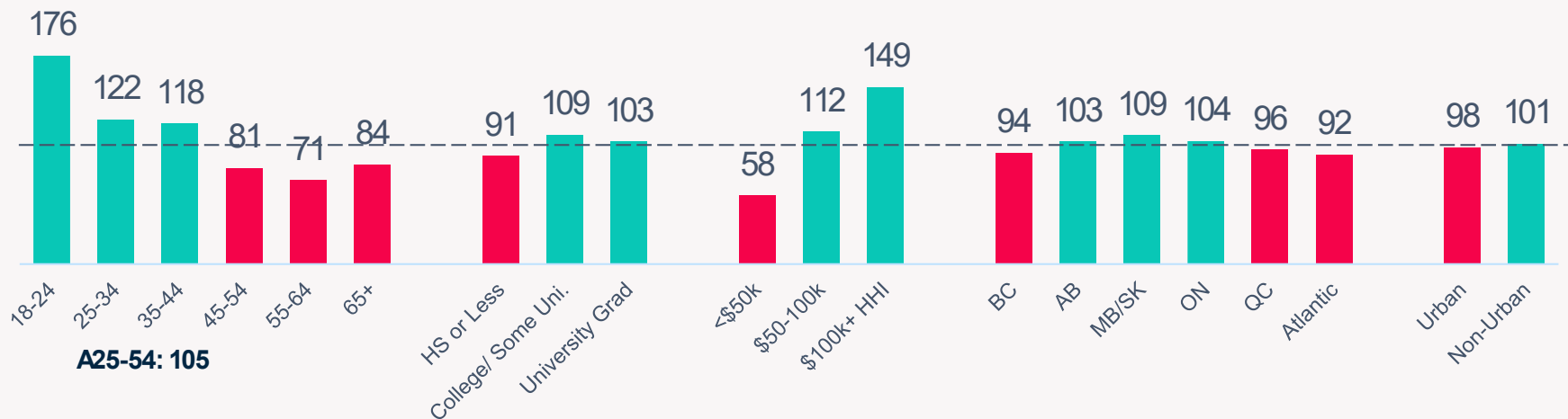
96% own a smart phone, 111i



59% own a smart speaker, 190i



29% have a car with built-in Wi-Fi, 197i



PAST WEEK LISTENERS STINGRAY TV MUSIC CHANNELS

Indexed to Canadian Adults (n=233)



51% / 49%



94% listen to AM/FM on a 'typical weekday' 111i



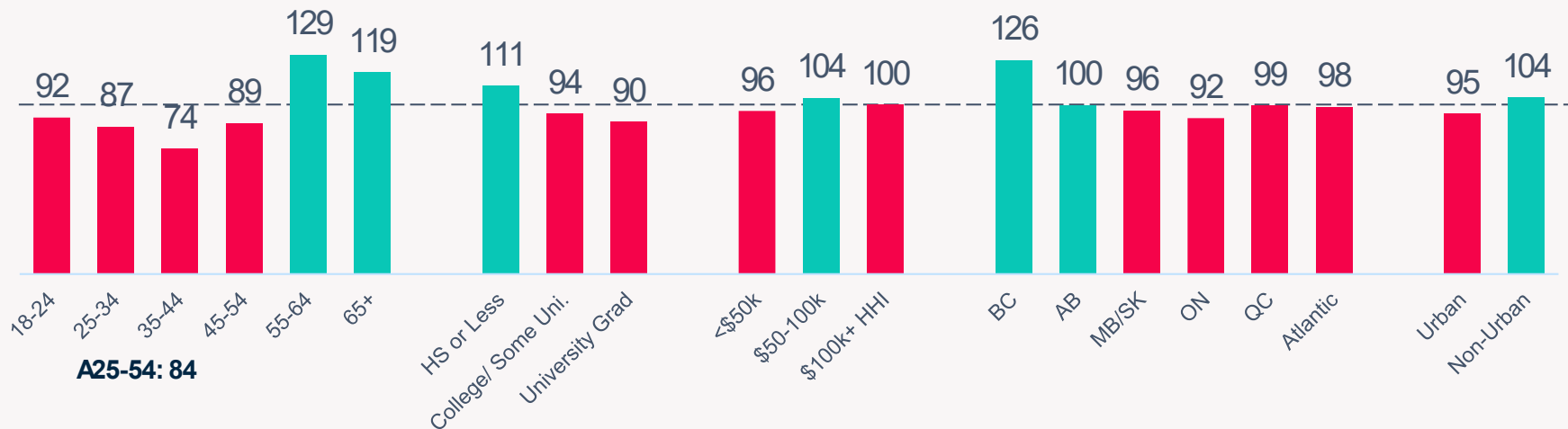
86% own a smart phone, 99i



38% own a smart speaker, 123i



19% have a car with built-in WFi, 131i



PAST WEEK LISTENERS TO MUSIC ON YOUTUBE

Indexed to Canadian Adults (n=870)



53% / 46%



85% listen to AM/FM on a 'typical weekday', 99i



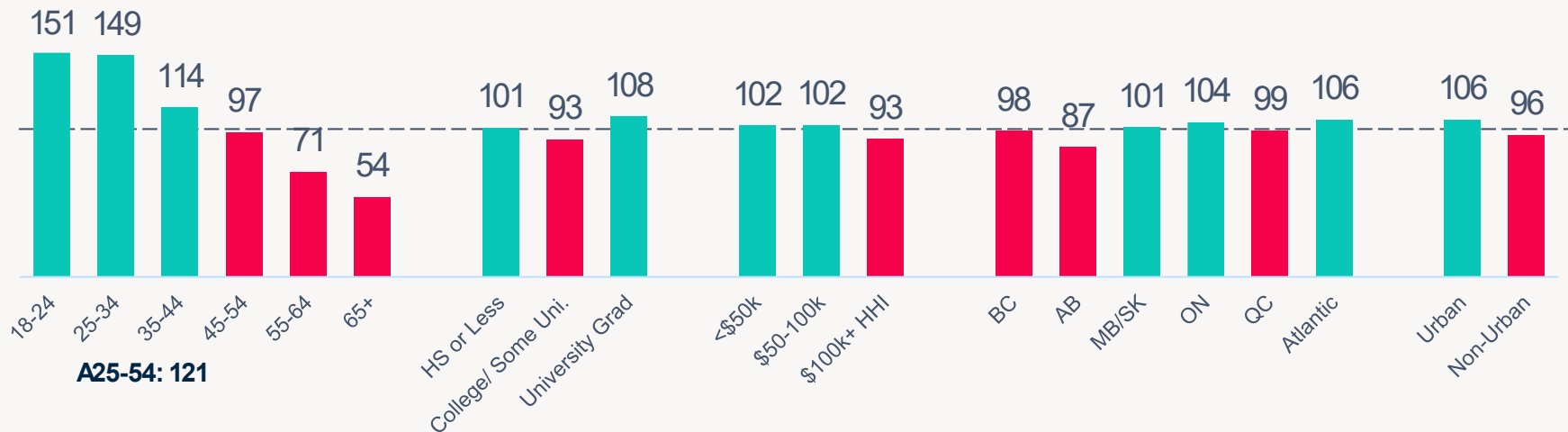
91% own a smart phone, 106i



35% own a smart speaker, 113i



17% have a car with built-in WiFi, 118i



PAST WEEK LISTENERS TO PERSONAL MUSIC

Indexed to Canadian Adults (n=610)



57% / 42%



87% listen to AM/FM on a 'typical weekday' 101i



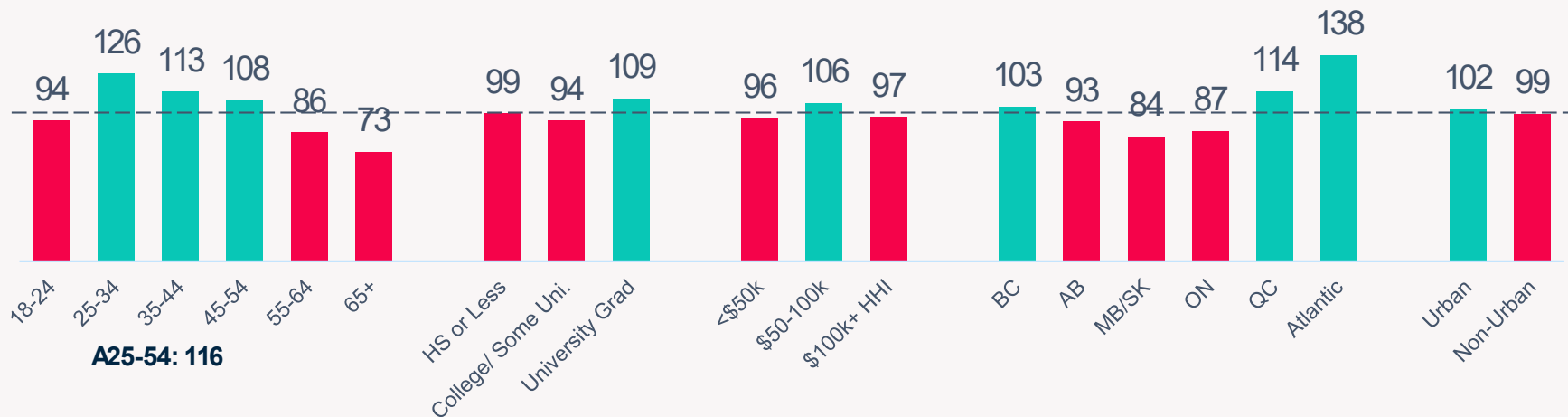
90% own a smart phone, 105i



34% own a smart speaker, 109i



16% have a car with built-in Wi-Fi, 112i



PAST WEEK LISTENERS TO PODCASTS

Indexed to Canadian Adults (n=390)



56% / 44%



87% listen to AM/FM on a 'typical weekday' 102i



95% own a smart phone, 110i



48% own a smart speaker, 153i



19% have a car with built-in WiFi, 129i



PAST WEEK LISTENERS TO AUDIOBOOKS

Indexed to Canadian Adults (n=144)



50% / 50%



93% listen to AM/FM on a 'typical weekday' 109i



95% own a smart phone, 110i



50% own a smart speaker, 162i



23% have a car with built-in WFi, 155i

