

AN AUDIO UPDATE

WITH HIGHLIGHTS FROM RADIO
ON THE MOVE 2021

MAY 2021

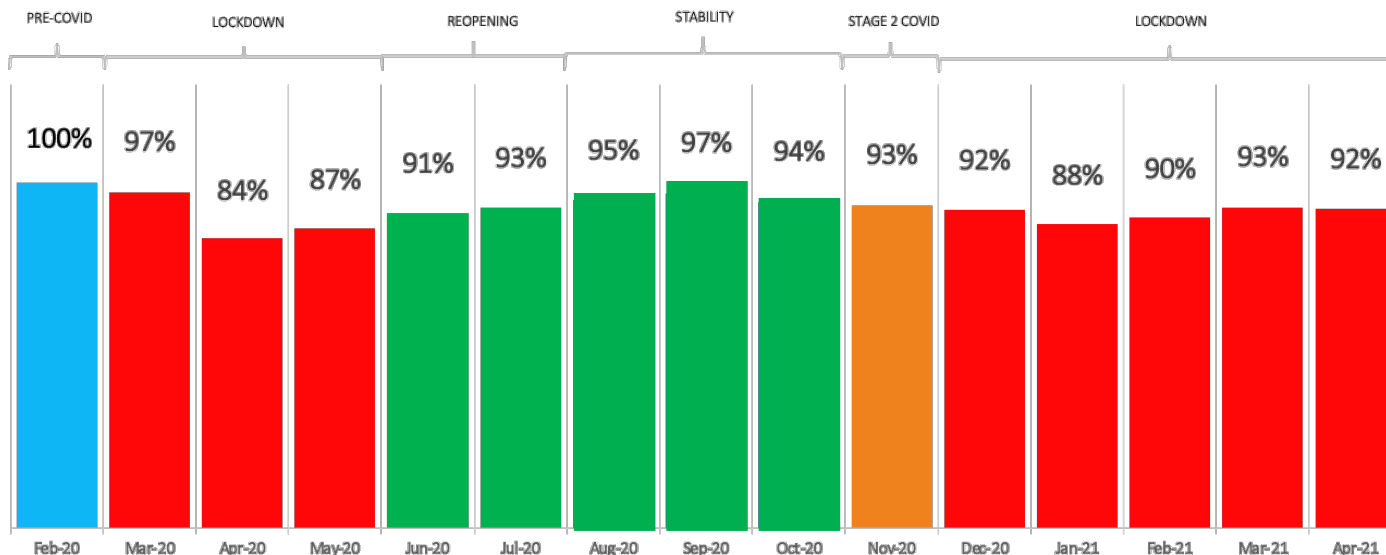
RADIO
CONNECTS



RADIO MEANS REACH

Whether listened to over-the-air or streamed through a smart speaker or on a smartphone, AM/FM Radio's reach exceeds that of any other audio medium.





92i

RADIO'S REACH RETENTION
DURING SPRING '21 LOCKDOWN

PPM average weekly cume (000) in April
2021 is at 92% of compared to February
2020¹

86%

OF CANADIANS 12+ LIVING IN
PPM MARKETS TUNED INTO
RADIO LAST WEEK²

They spent 8.44 Hours on average/ week
listening to Radio².



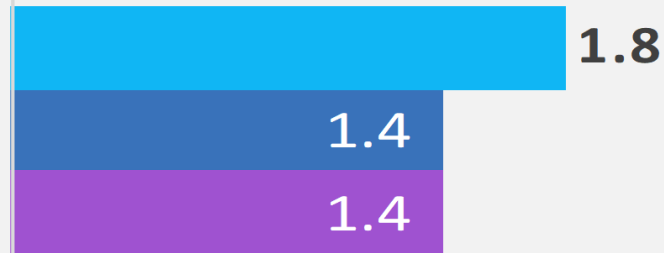
CANADIANS SPEND MORE TIME WITH AM/FM THAN WE THINK

Canadians spent 29% MORE time with AM/FM Radio than the Industry thinks

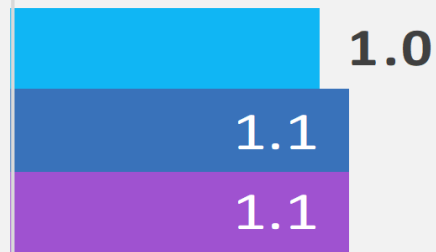


■ Canadians ■ Industry ■ Industry Perspective

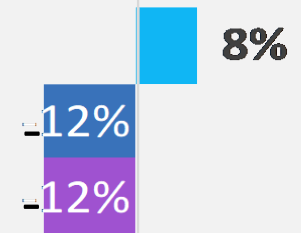
Estimated Time Spent with Radio hrs/day



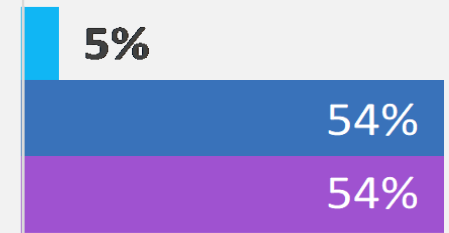
Estimated Time Spent with Podcasts hrs/day



How do you think the COVID-19 pandemic has impacted the time spent on an average day listening to the radio? Net increase equals Increase minus Decrease



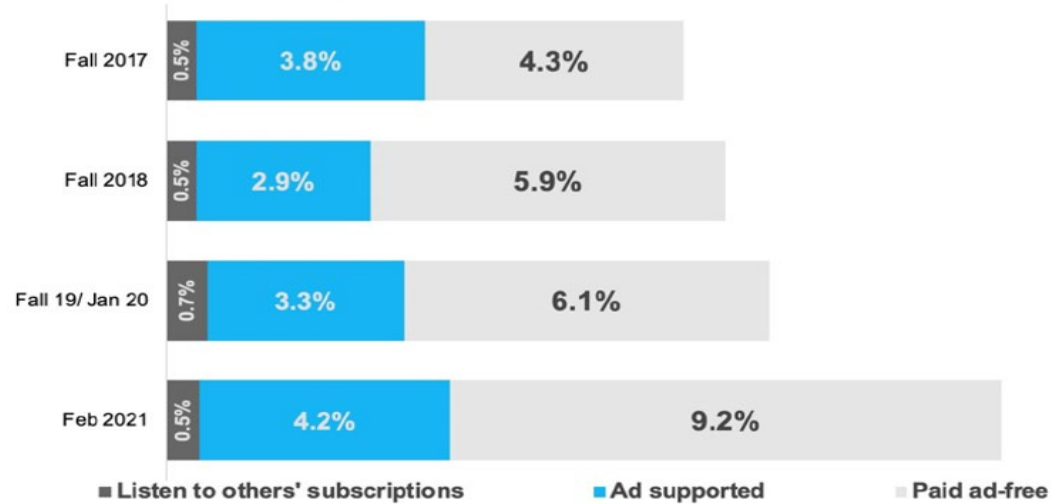
How do you think the COVID-19 pandemic has impacted the time spent on an average day listening to podcasts? Net increase equals Increase minus Decrease



DURING COVID, CANADIANS SPENT 8% MORE TIME WITH AM/FM RADIO

While those in the advertising industry believe Canadians spent 12% less time with AM/FM Radio

Source: . Ad Nation 2020, Ipsos Canada, thinktv

Daily Spotify Listeners
among all Canadians aged 18+

Source: ROTM 2021 F13. Overall, thinking of all locations, how often, if ever, would you say you listen to Spotify? F16a. You mentioned listening to Spotify. Which of the following best describes your Spotify subscription? Base: Canadians 18+, Fall 2017 (n=3,452) Fall 2018 (n=3,505) Fall 2019 (n=4,000) Feb 2021 (n=2,001)

“When you look at the landscape overall, and you think about something like radio, the truth is the vast majority of the minutes that are being spent on radio today haven’t yet moved online.”

Daniel Ek, Founder, CEO of Spotify

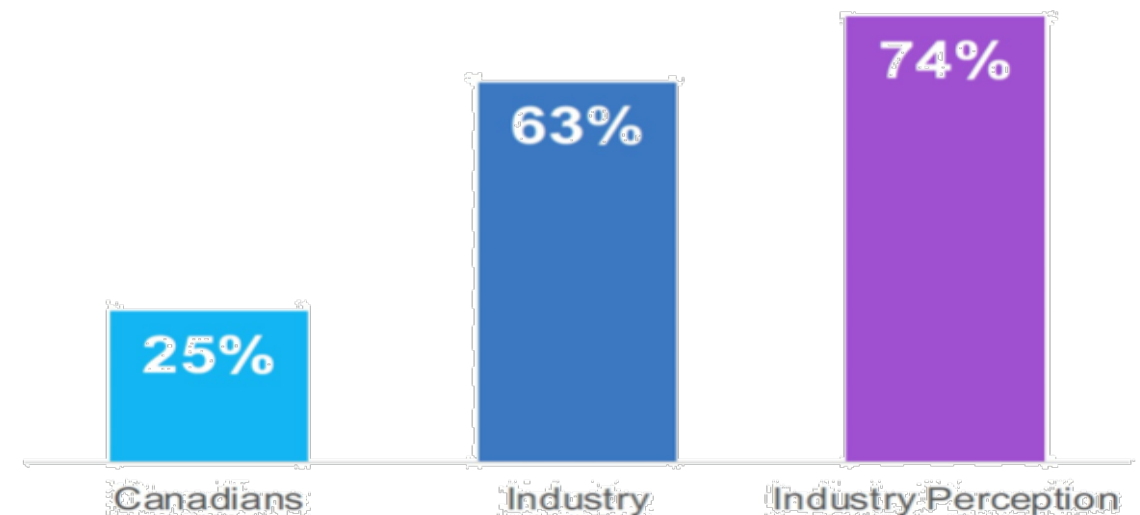
SPOTIFY GROWTH COMING FROM
AD-FREE USERS

Since 2017 Spotify’s ad-free users has more than doubled, while the ad-supported is essentially flat¹

CDNS DON’T USE IT AS MUCH
AS THOSE IN MARKETING THINK

Those in advertising and marketing overestimated how many Canadians use the app by 300%²

Used the Spotify App in the Past Month



Source: . 2. Ad Nation 2020, Ipsos Canada, thinktv

According to the 31,000 Canadians surveyed by Numeris, it's AM/FM Radio that's reaching them. And it's ads on Radio they're hearing and paying attention to.

Spotify reaching more listeners than radio in CA¹

6.9 million, 26% of Canadians 18+² listen to Spotify weekly⁴

More than 2 in five Canadian adults (16-64) listen to Spotify on a weekly basis or 40%¹

86% of Canadians 16-64 Listened to AM/FM Radio past 7 days²

Across the country, Spotify Free specifically reaches more than one in four adults weekly in major markets¹

In the past 7 days, 2.1 million, 7% of Cdns. 18+ listened to ad-supported subscription of internet only music³

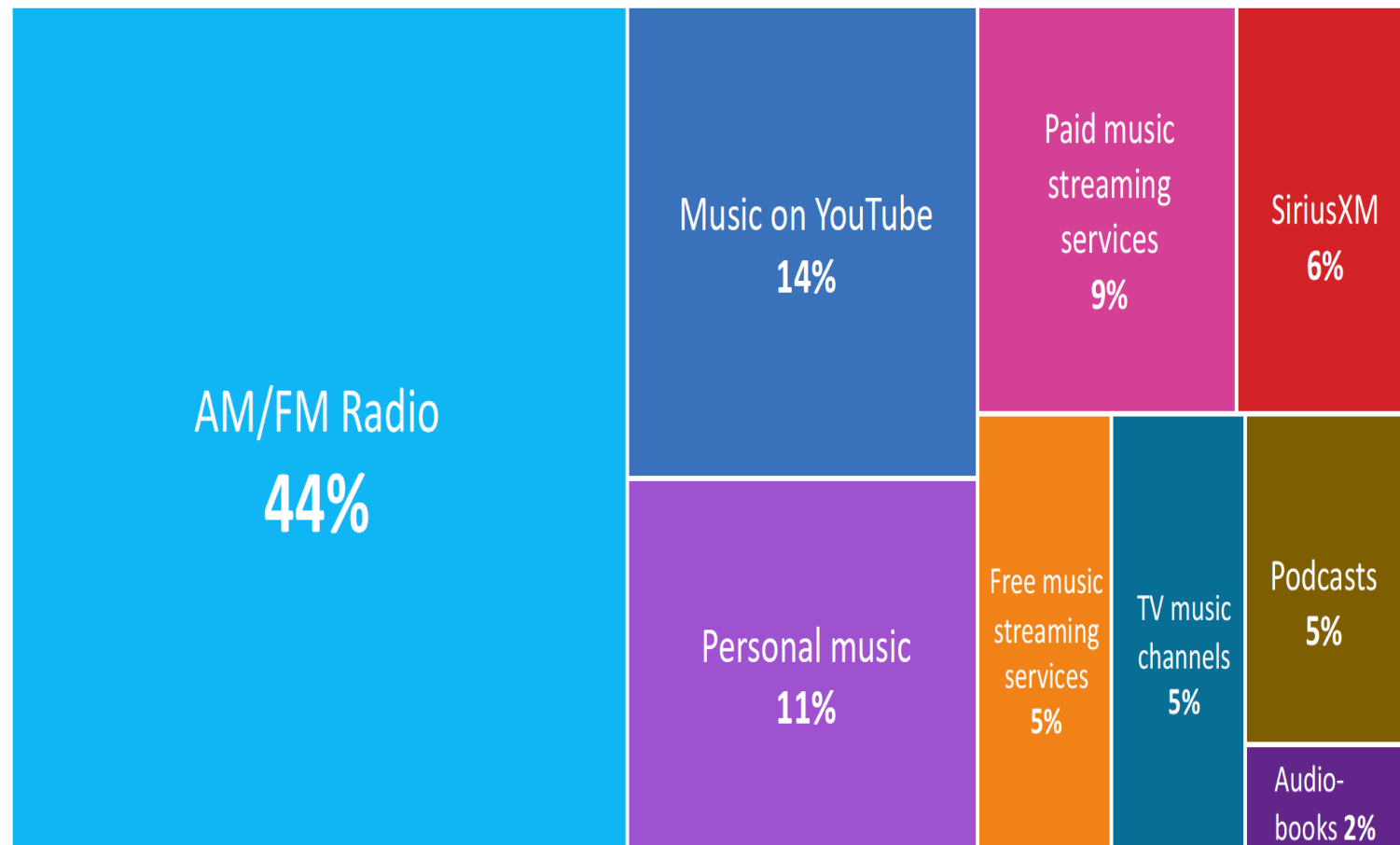
1 in 4 Spotify Free users explicitly say they "pay more attention" to advertising on Spotify than on radio¹

63% of Cdns 18+ are paying attention to what's being said between songs on AM/FM Music Stations, while streaming stays in the background⁴

AM/FM RADIO HOLDS THE LARGEST SHARE OF ALL AUDIO

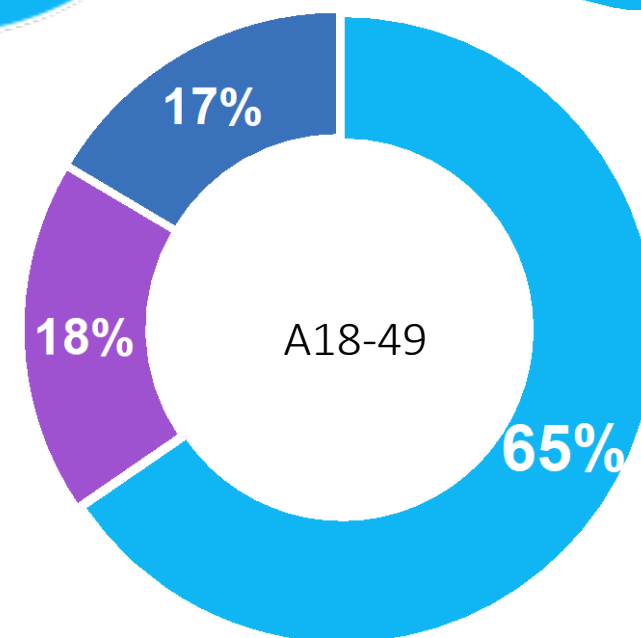
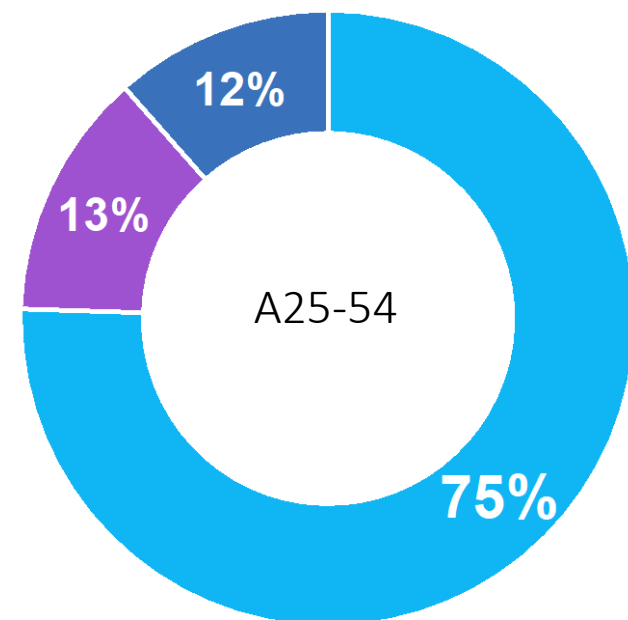
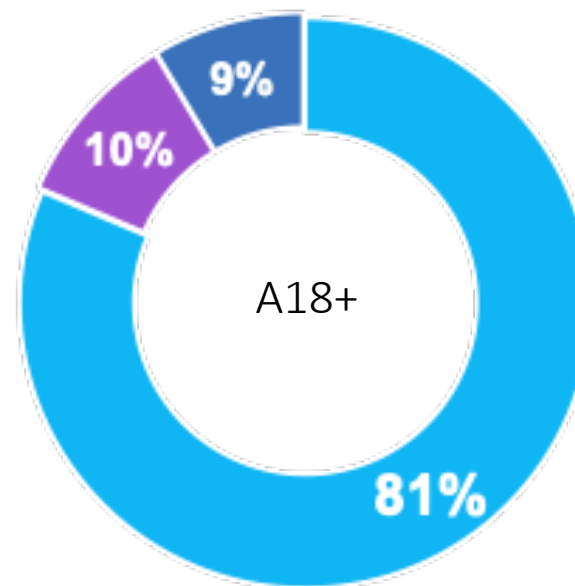
Even with an expanding range of music and spoken word options, AM/FM Radio retains the lion's share of Listening.

A18+ Share of audio time spent



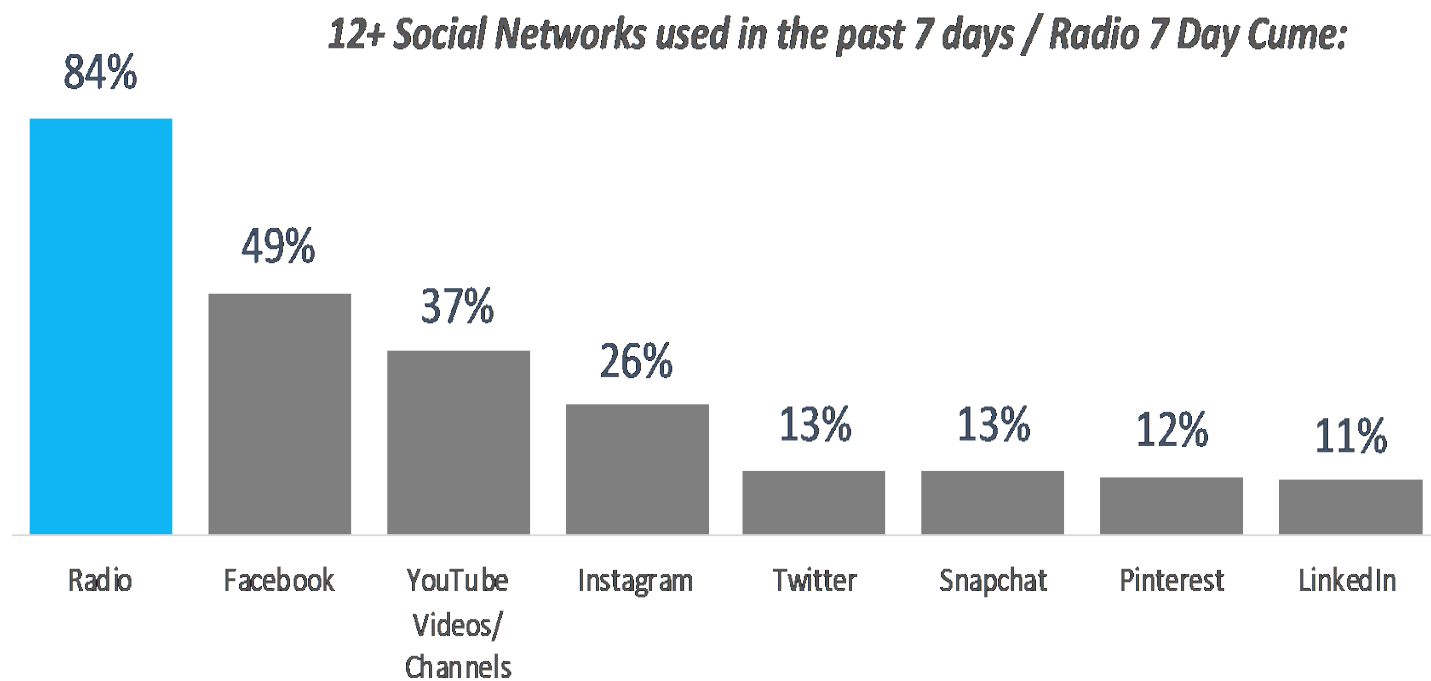
AM/FM RADIO DOMINATES SHARE OF BUYABLE AUDIO

AM/FM Radio delivers advertisers' maximum impressions in key demos, accounting for 3/4s of ratings available to reach A25-54

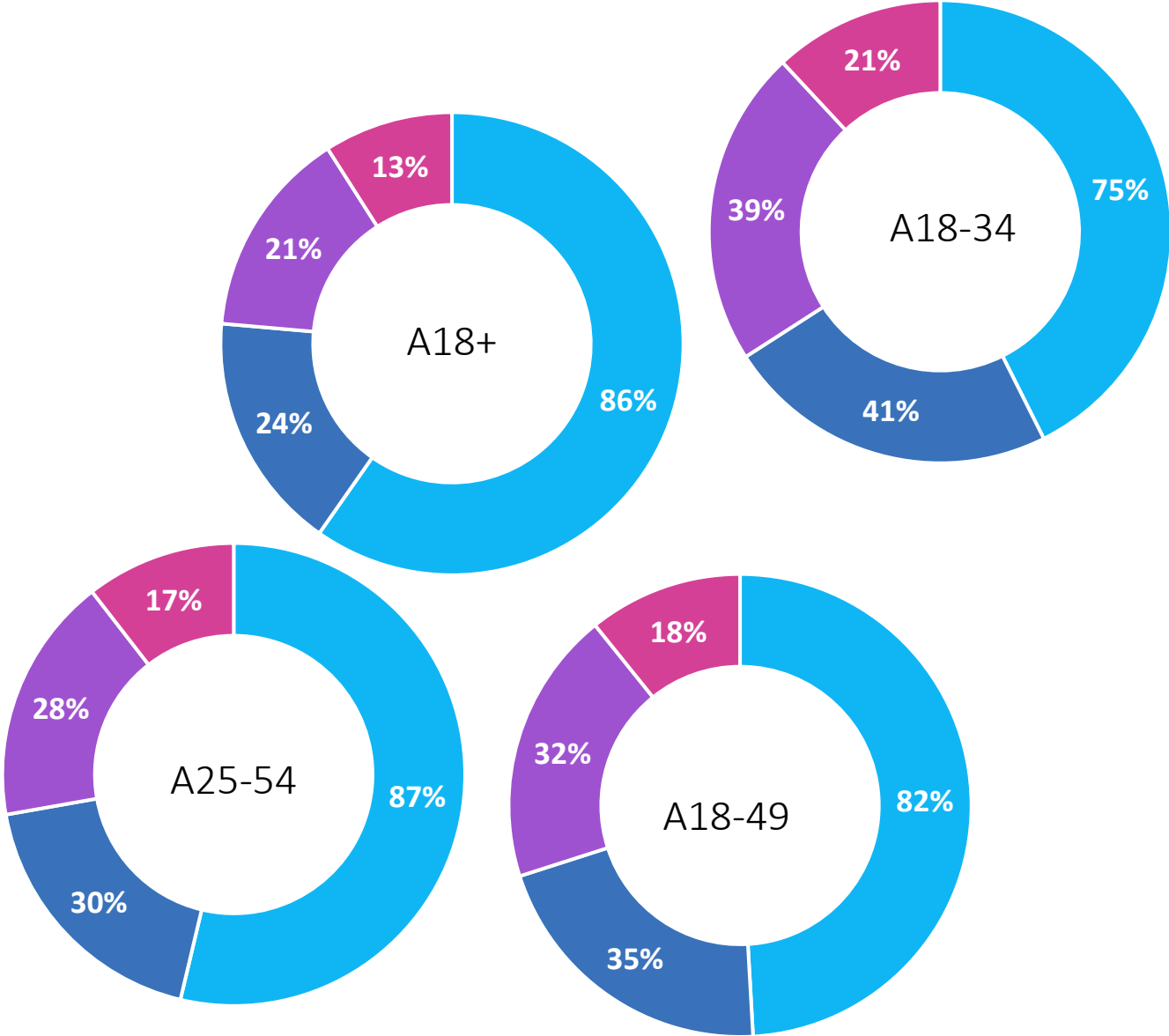


AM/FM Radio | Free ad-supported music streaming services | Podcasts

AM/FM RADIO REACHES MORE CANADIANS THAN POPULAR SOCIAL MEDIA SITES IN A WEEK



RADIO REACHED
3X MORE A25-
54 IN THE PAST
7 DAYS THAN
INTERNET ONLY
MUSIC SERVICES



AM/FM Radio | Free ad-supported music streaming services |
Internet Only Music Service (ie Spotify) | Podcasts

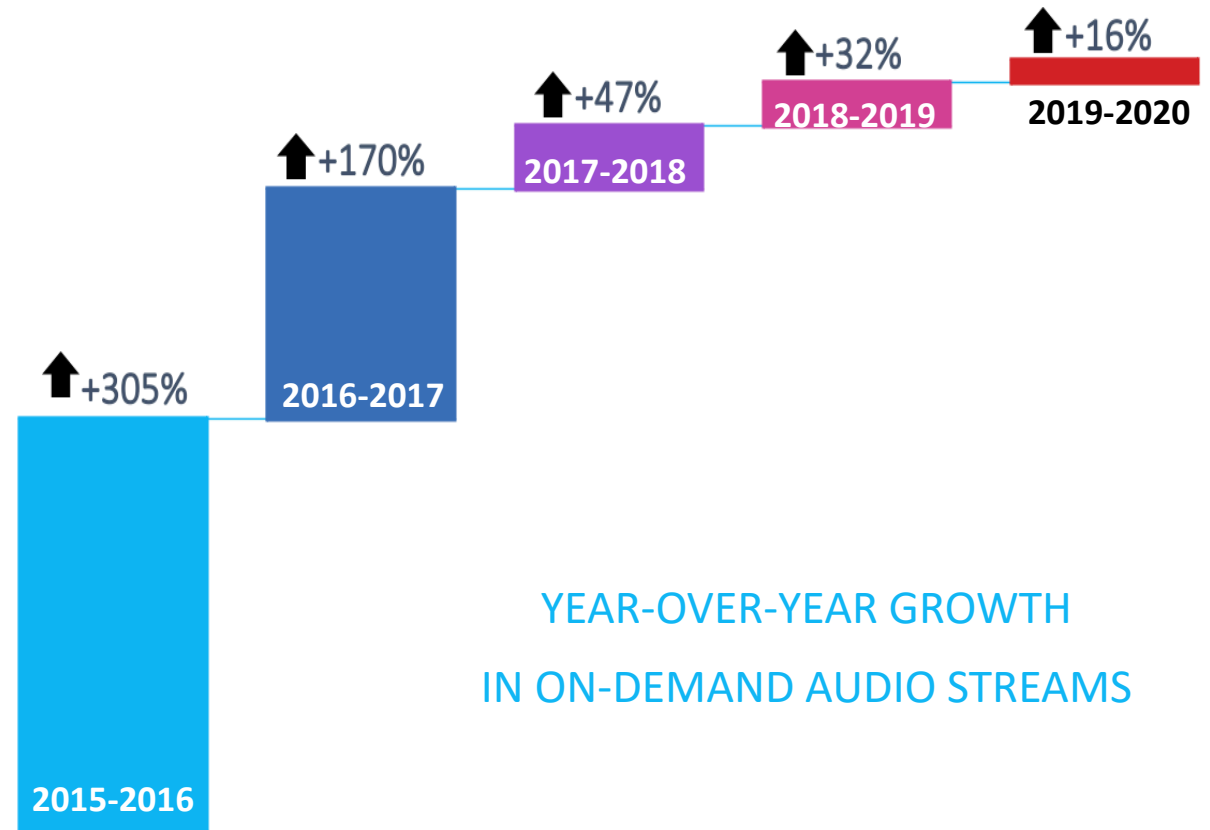
SHIFT TO DIGITAL ACCELERATING

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.



GROWTH OF ON DEMAND MUSIC STREAMS IS SLOWING

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



YEAR-OVER-YEAR GROWTH
IN ON-DEMAND AUDIO STREAMS

STREAMING OF AM/FM RADIO IS UP DURING COVID

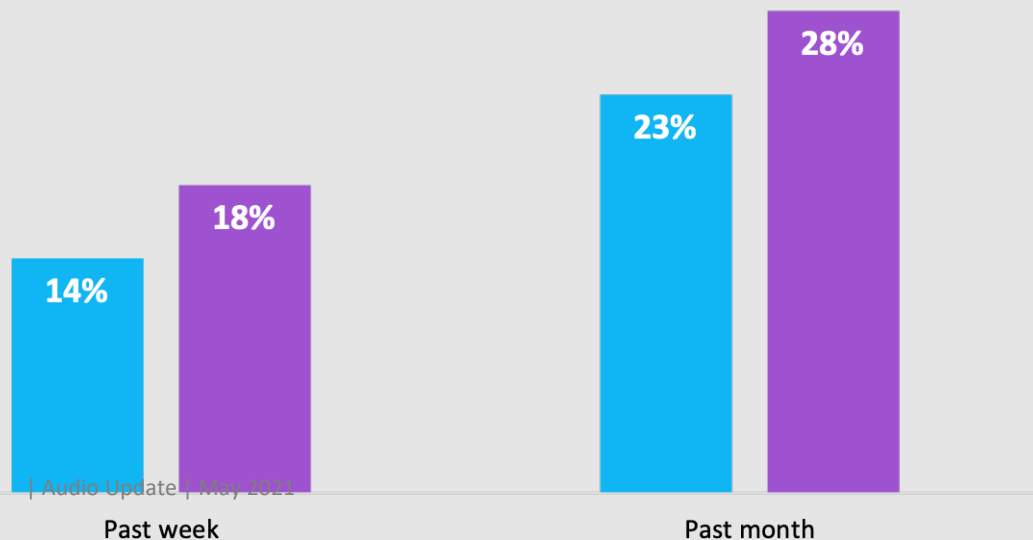
Nearly 1-in-5 Canadians say they stream AM/FM stations in the past week, an increase of 28% from pre-COVID



Source: ROTM 2021 B3B. [Past month summary] When is the most recent time, if ever, you listened to the following types of audio on ANY DEVICE?

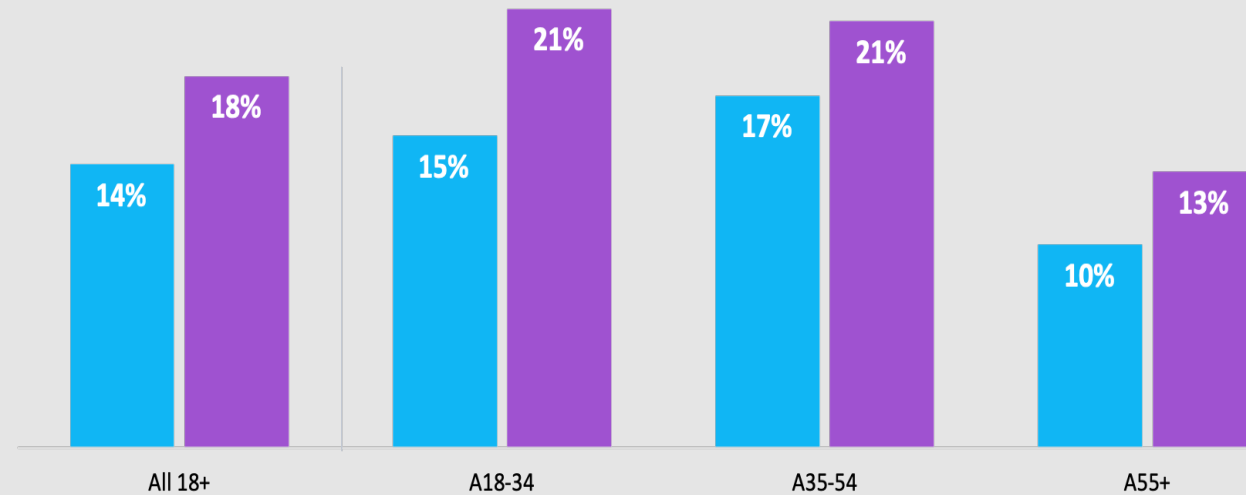
% Streaming AM/FM Radio

Fall 2019/Jan 2020 Feb 2021



Past week use of streamed AM/FM Radio

Fall 2019/Jan 2020 Feb 2021



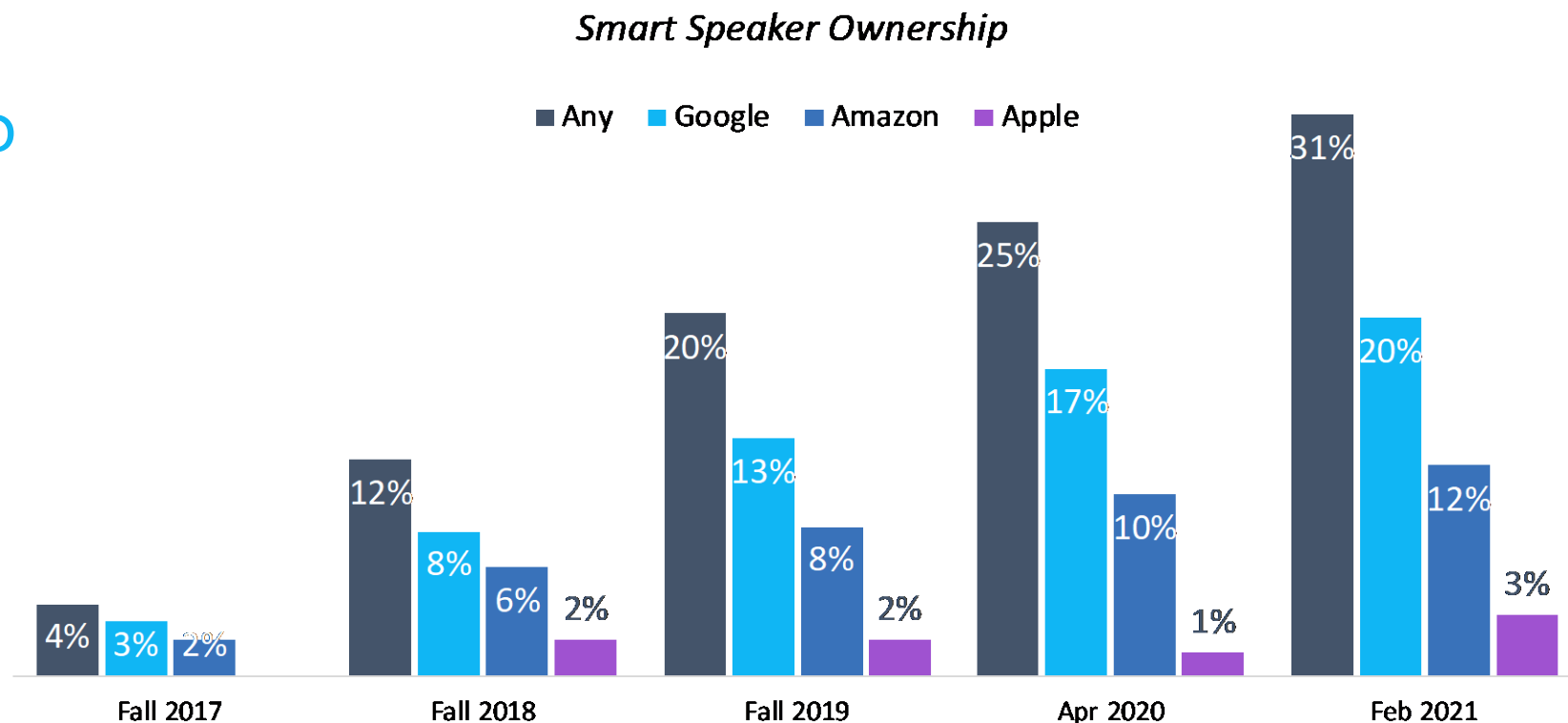
STREAMED AM/FM IS UP AMONG ALL DEMOS

Particularly amongst A18-34, who increased streaming AM/FM Radio by 40% from pre-COVID

Source: ROTM 2021 B3B. [Past Week Summary] When is the most recent time, if ever, you listened to the following types of audio on ANY DEVICE?

ARE SMART SPEAKERS THE NEW AM/FM RADIO?

More Canadians are now placing smart speakers in bedrooms and working areas, enabling them to wake up to radio and listen while they're working.



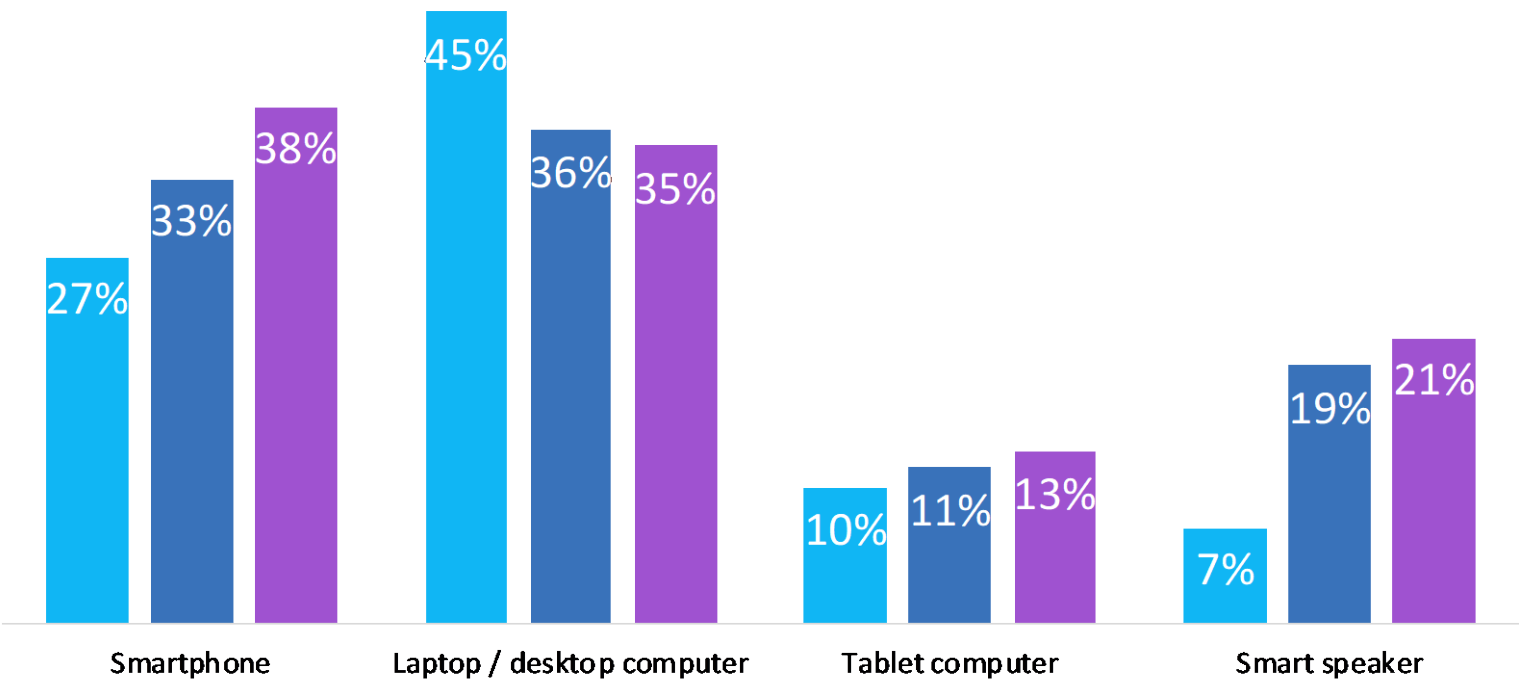
SMARTPHONES INCREASINGLY USED FOR AM/FM RADIO



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

*Devices Used for Streamed AM/FM Radio
(among past week AM/FM streamers)*

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



Source: ROTM 2021 QB3e. [Streamed AM/FM stations] Thinking back to the PAST WEEK, which devices did you use to listen to each of the following media? Base: Canadians 18+ who streamed AM/FM in past week; Fall 2018 (n=583) Fall 2019/Jan 20 (n=595); Feb 2021 (n=360)



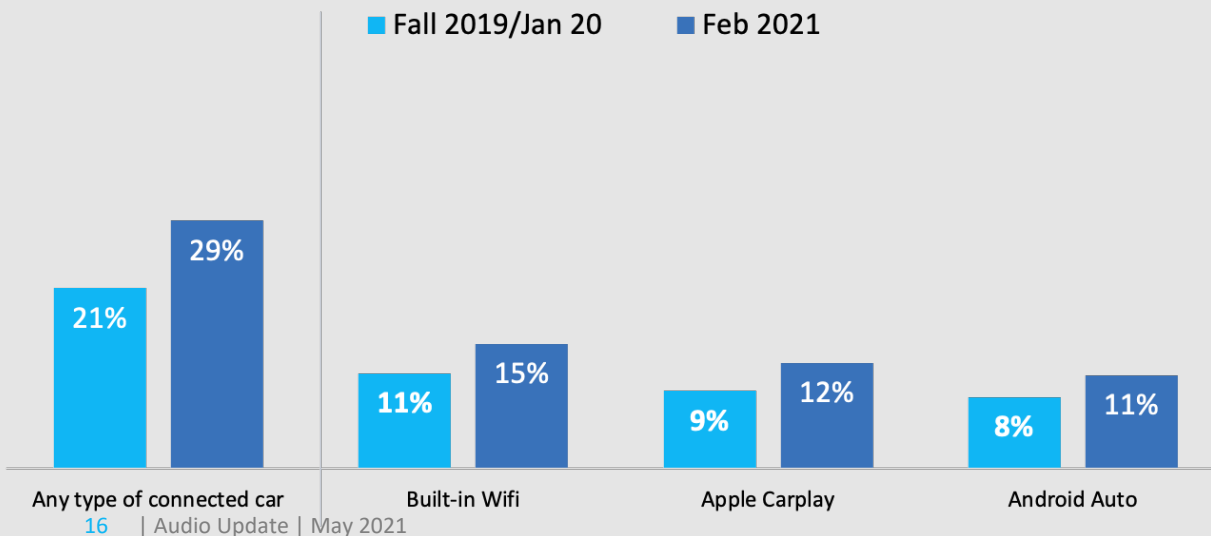
'CONNECTED CAR' OWNERSHIP UP, BUT STILL AVAILABLE TO FEWER THAN 3-IN-10 CANADIANS

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

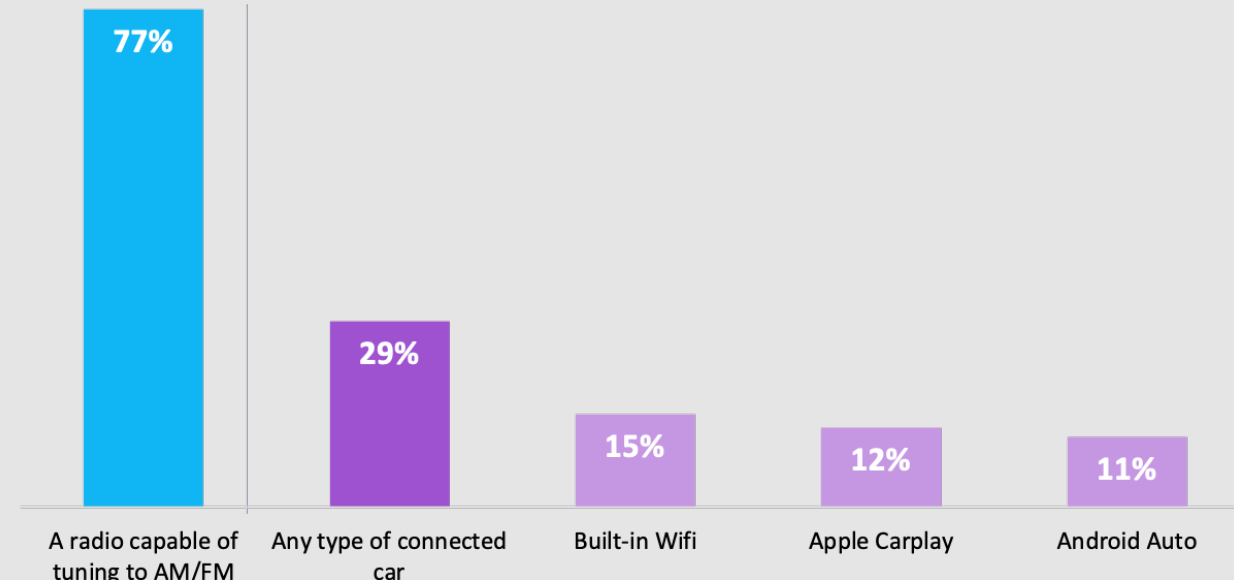


Source: ROTM 2021 F2d. Do you-or does anyone in your household-have a car or truck with the following:

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



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



FEW CANADIANS HAVE ACCESS TO A 'CONNECTED CAR'

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

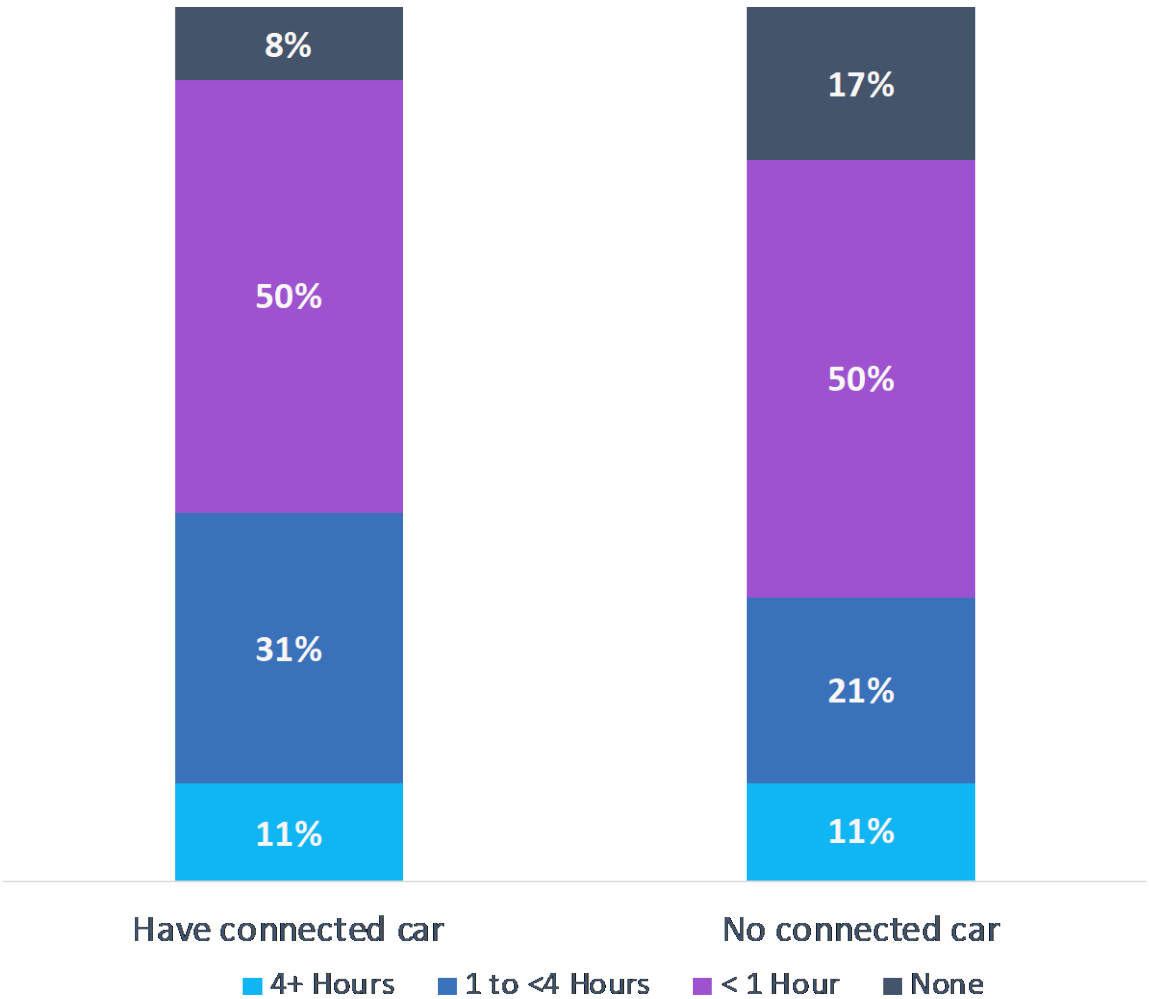
Source: ROTM 2021 QC1e. Which of the following devices do you have in your household for listening to over-the-air AM/FM stations? F2d. Do you-or does anyone in your

CANADIANS WITH CONNECTED CARS LISTEN TO MORE AM/FM RADIO



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

AM/FM Listening – Typical Weekday



RADIO ENGAGES AND COMMANDS ATTENTION

Advertising on AM/FM Radio is uniquely engaging, allowing advertisers to connect with listeners through 'theatre of the mind.' Music on AM/FM is more 'lean in' than music streaming services, and radio ads are less likely to be avoided than other media.



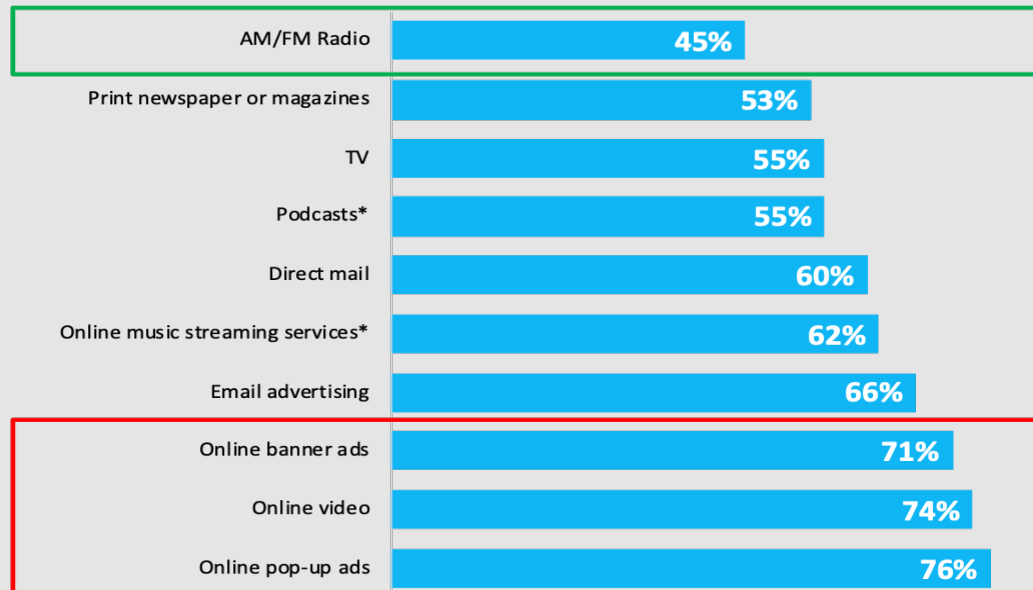
ADS ON AM/FM RADIO THE LEAST-AVOIDED

Online ads are the most avoided of all media, while ads heard on AM/FM Radio are the least avoided¹.

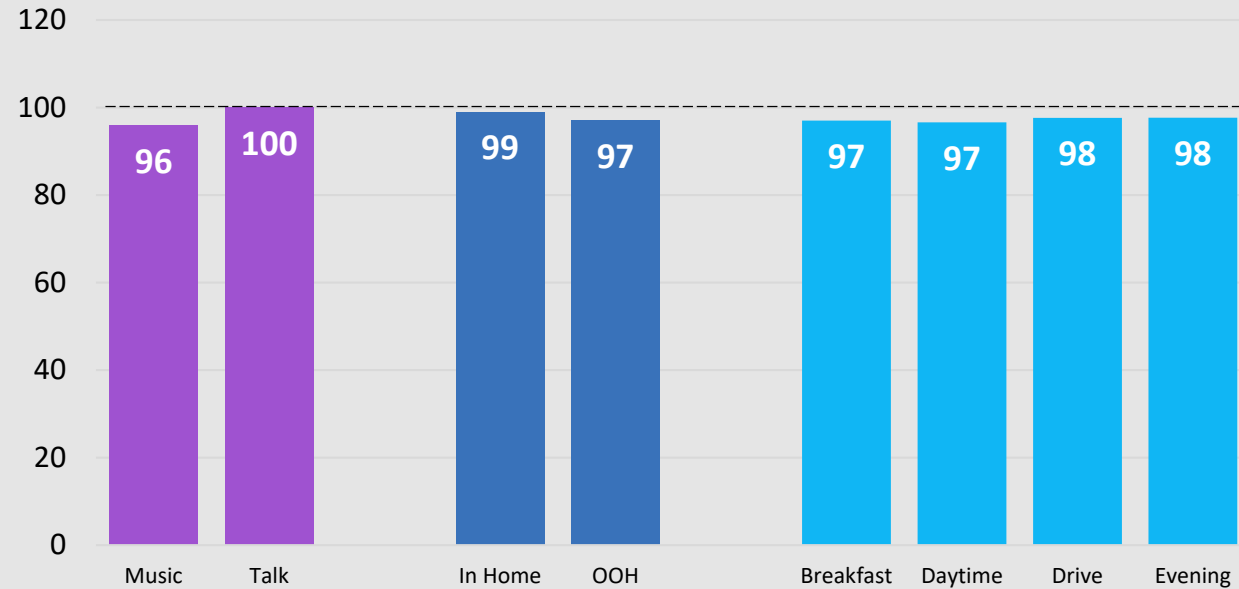


Source: 1. ROTM 2021 AD4: When you come across ads in each of the following places, how often do you actively avoid those ads by skipping, blocking, tuning out, turning away, throwing away or otherwise avoiding the ad?

Avoid ads most/all of the time



Commercial break audience indexed to program audience



Source:2. Michelin, 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



INDEPENDENT STUDY: RADIO HOLDS ITS AUDIENCE IN AD BREAKS

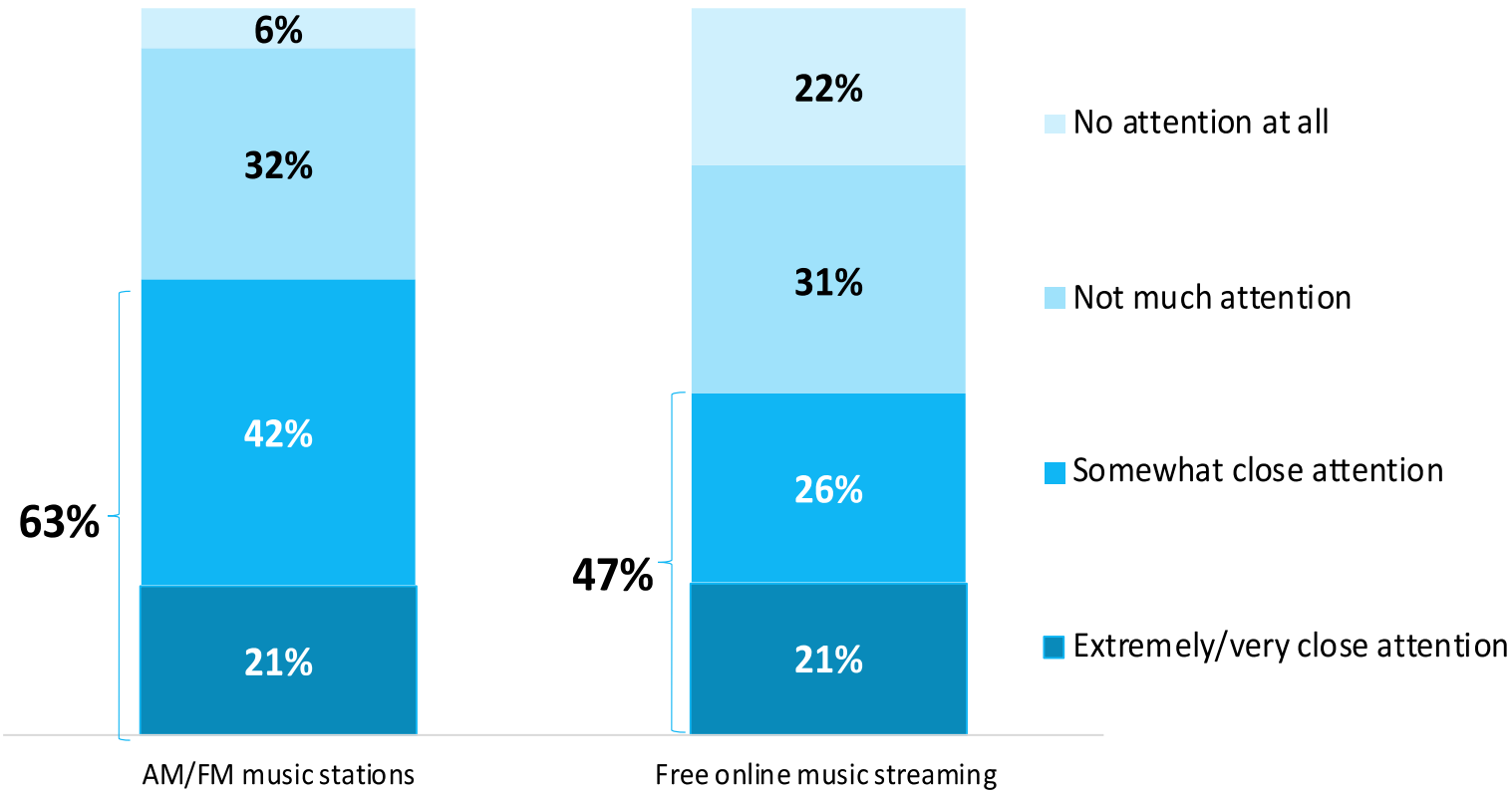
Confirmed by an analysis of four months of Vancouver PPM data by Australia's Ehrenberg-Bass Institute for Marketing Science².

ATTENTION GAP BETWEEN AM/FM AND FREE MUSIC STREAMING



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.

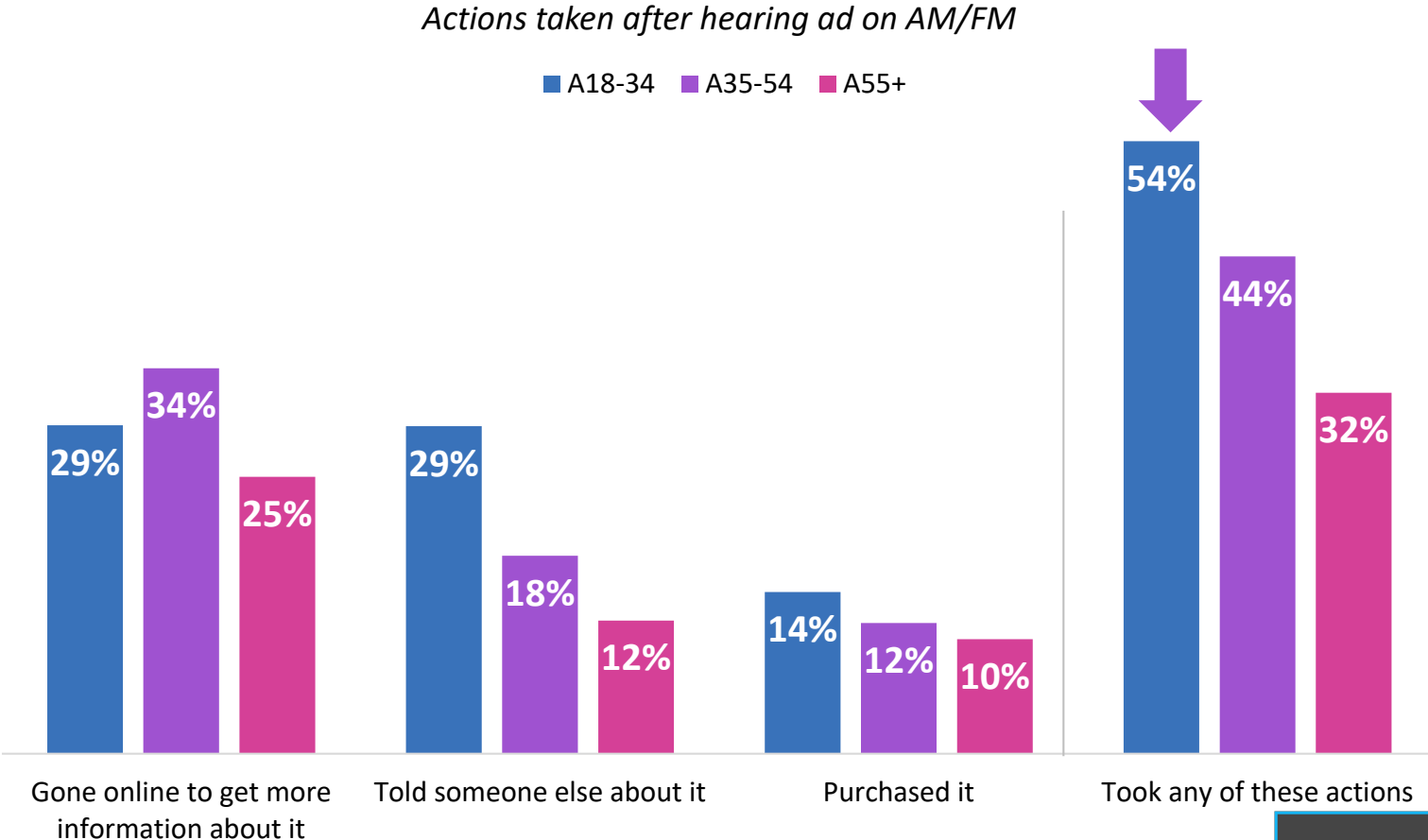
Q. How much attention do you pay to what is being said between the music on the following?
(among users of each media)



AM/FM RADIO MOTIVATES ACTION

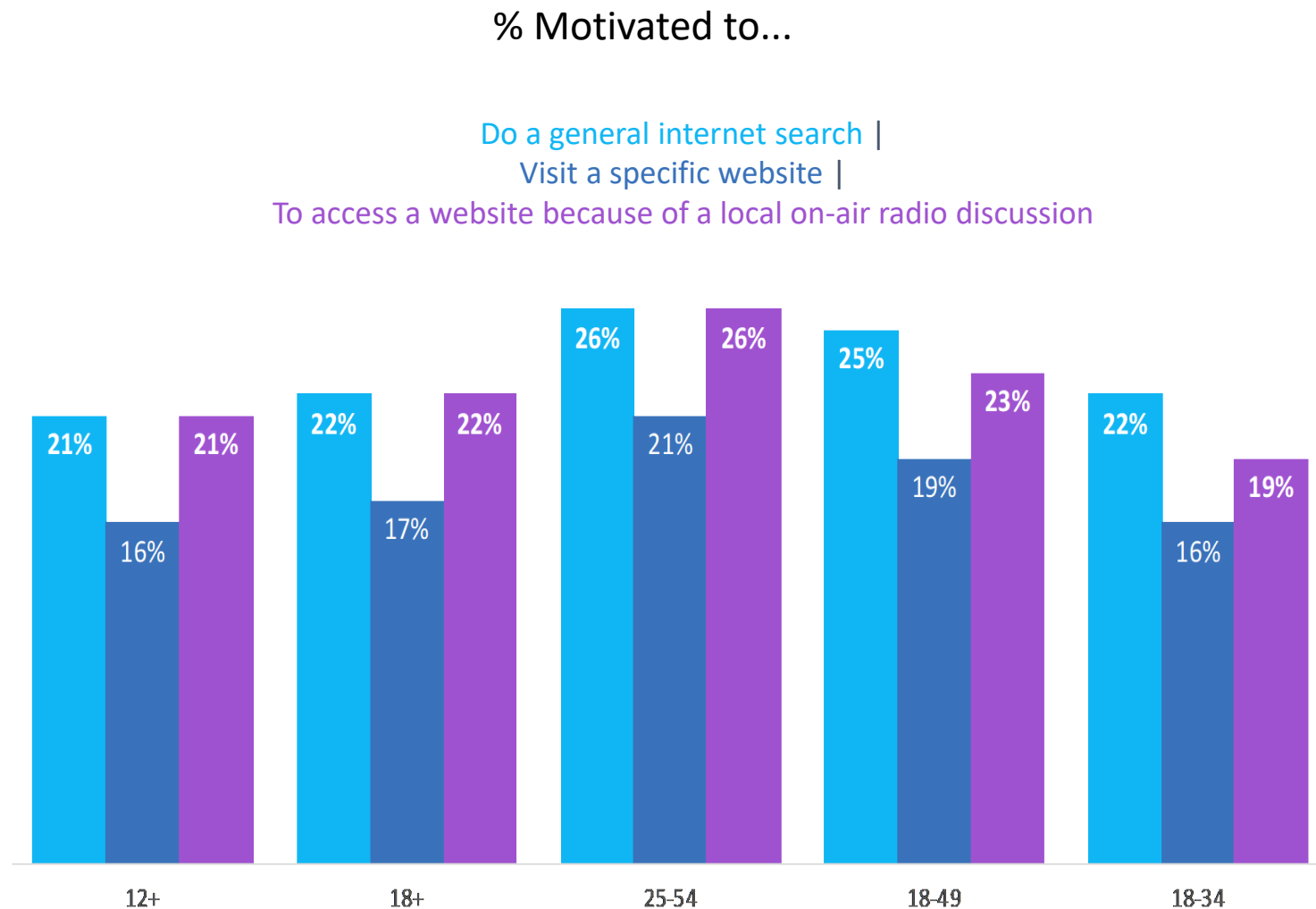
Canadians—especially younger demos —take action after hearing ads on AM/FM Radio.

54% of A18-34’s either searched online for info, told someone else about it, or purchased a product/service in response to hearing an ad on AM/FM Radio.



AM/FM RADIO DRIVES DIGITAL BEHAVIOUR

21% of A25-54 were motivated to visit a website after hearing a radio commercial.

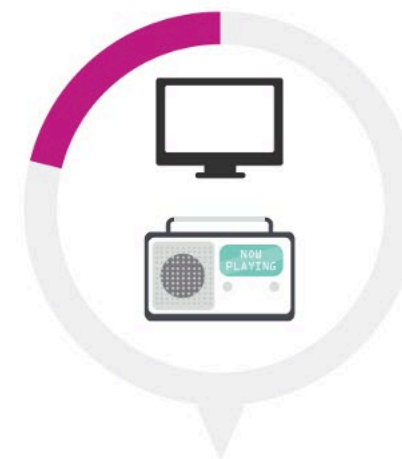


AM/FM RADIO INCREASES ADVERTISING ROI

When AM/FM Radio is added to an online or television campaign, it increases ROI by more than 20%.



23%
Online + Radio



21%
TV + 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 for advertisers to reach consumers.

02

MUSIC STREAMING SERVICES PROVIDE LITTLE INCREMENTAL REACH

Most Canadians using ad supported music streaming services also listen to AM/FM Radio to connect; and while the use of Spotify for personal music is up from last year, virtually all growth of daily listeners is from the paid ad-free service.

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

RADIO COMMANDS ATTENTION

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

05

RADIO ADS ARE LEAST-AVOIDED

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

06

AM/FM RADIO DRIVES DIGITAL BEHAVIOUR

Ads heard on AM/FM Radio inspire Canadians to take action online and when added to an online or television campaign, AM/FM Radio improves ROI more than 20%.