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Photo on File

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When it comes to broadcasting in Canada, most of us (*broadcasters, advertisers and the music industry*) play by the numbers in one way or another…..audience reach and hours tuned, ad expenditures and target demos, chart positions, playlist adds, etc. They key is understanding the interrelationship of all of these disparate factors. The following is a preliminary examination of these elements with an attempt to gain some understanding of how dramatically they impact on one another.

Goal:

In this paper, we seek to examine Canadian radio formats and the forces at work in determining their profiles. This includes audience analysis for all measured formats, an examination of radio advertising by target demos, plus the nature and number of playlist adds by format across the country. We seek to identify format holes……. significant formats receiving little or no airplay. Lastly, we detail the amount of airplay for new Canadian music as well as focusing on the amount of attention paid to independent Canadian releases.

Background:

We began by looking at the 427 stations for which we have BBM audience tuning figures based on an 8 week survey in Fall 2004. This includes all major stations in the country.

From there, we broke out the total audience reach, % reach, total hours tuned and percentage share of all hours tuned to each format nationally for various demographics.

Next, we examined playlist adds to commercial stations for 8 random weeks between Aug. 2004 and January 2005. We used a sampling of stations from each category to determine the average number of weekly playlist adds, the average number of weekly CANCON playlist adds and the number of playlist adds which were independent releases. We defined “independent” as those releases without major label distribution. We used only stations which were covered by BBM audience surveys and for which we could get consistent playlist reports. This involved a detailed examination of the weekly playlist adds as reported by Canadian Music Network.

Lastly, we looked at the percentage of all radio buys for target demos across Canada. The rationale for this is the fact that potential ad revenue has a major impact when determining format profiles from a programming perspective. We also looked at the anomalies when these percentages were compared to the make up of the Canadian population.

The Findings

Weekly Tuning by Format

The attached chart breaks out the total national weekly audience and hours tuned for each format. This is translated into the % of defined target groups each format reaches in addition to the percentage share of total hours tuned to each format for each demographic. This chart also details the number of stations for each of 18 formats. These are:

News/ Talk	***Adult Contemporary***	***Country***	***Hot Adult Contemporary***
Classic Rock	***Gold/ Oldies***	***Classical Fine Art***	***Mainstream Top 40/ Contemporary Hit***
Radio	***Classic Hits***	***Adult Standards***	***Sports***
AOR/ Mainstream Rock	***Jazz***	***Religion***	***Urban***
Modern/Alternative Rock	***Multi/ Variety/ Specialty***	***Ethnic/Multicultural***	

Radio Formats in Canada
Weekly Tuning

Format Category	# Measured Stns.	Full Cov. Reach A12+	Hours Tuned A12+	% of Total Hrs. Tuned	Full Cov. Reach A25-54	Hours Tuned Tuned A25-54	Full Cov. Reach A12-24	Hours Tuned A12-24	Full Cov. Reach A55+	Hours Tuned A55+
News/Talk	71	8,864,000	104,489,200	19.73%	4,506,500	42,032,200	615,700	2,389,100	3,741,700	60,067,800
Adult Contemporary	70	8,148,100	94,675,500	17.87%	4,902,800	59,682,600	1,155,400	7,349,200	2,089,900	27,644,000
Country	51	4,273,500	56,426,700	10.65%	2,149,000	27,791,000	639,300	5,621,200	1,485,300	23,014,500
Hot Adult Contemporary	44	5,178,800	47,761,100	9.02%	3,297,500	33,501,600	1,402,800	9,667,800	478,500	4,591,700
Mainstream Top 40/ CHR	30	5,077,700	45,285,700	8.55%	2,788,700	27,276,500	1,993,200	15,486,500	295,800	2,522,600
Classic Rock	29	4,232,900	38,486,500	7.27%	3,081,400	30,574,300	870,600	5,694,900	280,800	2,217,300
Gold/ Oldies	27	1,994,500	17,964,400	3.39%	1,003,000	9,072,700	160,000	682,100	831,500	8,209,600
Classical/ Fine Arts	25	2,185,700	22,659,100	4.28%	938,000	6,988,000	133,500	428,800	1,114,200	15,242,300
AOR/ Mainstream Rock	24	2,723,300	25,341,100	4.78%	1,745,700	17,582,600	849,400	6,690,700	128,300	1,067,800
Classic Hits	15	2,244,000	17,933,200	3.39%	1,736,000	14,744,800	324,500	1,565,500	183,500	1,622,900
Adult Standards	10	1,218,200	14,003,500	2.64%	254,500	1,806,000	351,100	129,100	928,500	12,068,500
Modern/Alternative Rock	8	2,180,200	17,960,600	3.39%	1,196,600	10,800,600	903,000	6,436,600	80,600	723,400
Sports	7	760,100	4,652,300	0.88%	511,200	3,235,500	68,900	329,100	180,000	1,087,700
Multi/Variety/Specialty	5	722,200	5,267,800	0.99%	383,300	2,760,500	99,800	454,400	238,600	2,052,900
Jazz	4	524,100	3,596,400	0.68%	280,600	1,957,200	40,700	137,800	202,900	1,491,400
Religion	4	706,500	5,070,700	0.96%	413,900	2,981,500	104,100	554,600	188,500	1,534,600
Urban	2	584,600	3,459,600	0.65%	238,800	1,393,800	329,000	1,969,700	16,800	96,000
Ethnic/ Multicultural	1	574,200	4,621,500	0.87%	334,500	2,638,700	67,600	271,900	172,100	1,710,800
National Total	**427**		529,654,900	100%						

From a cultural standpoint it should be noted that there is currently little or airplay on any of these measured commercial stations for the following formats:

Folk	***Electronica***	***Comedy***	***Roots***	***Aboriginal***	***Techno***
Heavy Metal	***Opera***	***Triple A***	***Alt. Country***	***Blues***	
Unsigned Bands					

Playlist Adds:

We analyzed the average number of weekly playlist adds by format. Given the different natures of these formats, the averages can differ substantially. Below is a summary by format:

Country:

Average # weekly adds per station:	1.98
Average # weekly CANCON adds per station:	0.97
Average # weekly Independent adds per station:	0.31
Average # yearly adds per station:	102.74
Average # yearly CANCON adds per station:	50.19
Average # yearly Independent adds per station:	16.25

Adult Contemporary:

Average # weekly adds per station:	1.30
Average # weekly CANCON adds per station:	0.61
Average # weekly Independent adds per station:	0.09
Average # yearly adds per station:	67.83
Average # yearly CANCON adds per station:	31.93
Average # yearly Independent adds per station:	4.52

Mainstream Top 40/CHR:

Average # weekly adds per station:	3.25
Average # weekly CANCON adds per station:	1.22

Average # weekly Independent adds per station:	0.37
Average # yearly adds per station:	169.0
Average # yearly CANCON adds per station:	63.34
Average # yearly Independent adds per station:	19.09

Hot Adult Contemporary:

Average # weekly adds per station:	2.35
Average # weekly CANCON adds per station:	0.86
Average # weekly Independent adds per station:	0.09
Average # yearly adds per station:	122.15
Average # yearly CANCON adds per station:	44.96
Average # yearly Independent adds per station:	4.60

AOR/ Mainstream Rock/ Classic Rock:

Average # weekly adds per station:	1.56
Average # weekly CANCON adds per station:	0.59
Average # weekly Independent adds per station:	0.01
Average # yearly adds per station:	80.99
Average # yearly CANCON adds per station:	30.92
Average # yearly Independent adds per station:	0.70

It should be noted that no opportunities for new music exist on a number of formats. These formats consume significant shares of all radio tuning. Examples are:
News/Talk   *Sports*   *Gold/Oldies*

With certain other formats, there are extremely limited opportunities for new music. These include:
Classic Hits   *Adult Standards*

Opportunities for independent recording artists are best with CHR and Country, but extremely limited for all other formats. Even with CHR (19.09 adds per year per stations) and Country (16.25 adds per year per station), the prospects remain very limited. This is especially true when one look at the number of new CD releases each year.

With regard to CANCON adds, the playlisted cuts are, for the most part, uniform across all stations in the format with some very rare exceptions for regional artists. The majority of CANCON spots are taken up by a narrow list of high profile artists Sum 41, Shania Twain, Simple Plan, Avril Lavigne, etc. Critically acclaimed artists (e.g. Bruce Cockburn, Susan Aglukark, Kathleen Edwards, etc.) that did not fit format constraints go virtually without airplay.

I should stress that all of this is in no way is a condemnation of the programming of the major stations analysed. In fact, the majority of stations have researched their core audiences extremely well and answered their audience's needs. This is evidenced by the fact that weekly per capita hours tuned remain consistently high for these core audiences right across the nation. Make no mistake, the Canadian radio industry remains healthy from both a financial perspective–its 2003 ad revenues were $1.187 billion, up 8.2% from 2002 (2004 figures, not yet available, appear to be very positive)–and in terms of audience tuning, with a 94.2% national weekly reach and 21.8 hours tuned weekly per listener (A18+, BBM Fall 2004). The key is, the programmers were given a job to do and they have done it well. The job they were given to do is in large part dictated by the need to generate audience tuning which is attractive to advertisers. Theirs is not a cultural mandate, but a pragmatic one. Which leads to our next topic…..

Radio Advertising Spending by Target Demos

The chart below details the estimated percentage of all 2004 radio buys nationally directed toward each target demo. (While a number of local buys lack a defined target, there is good reason to believe that these figures are roughly indicative of overall radio advertising activity.) The impact on radio format for commercial stations is quite simple and direct. Potential ad revenue is dependent on the target group delivered by a station. This, in turn, is tied to the format. Maximizing both reach and hours tuned is critical in order to generate the best possible average quarter hour audiences on which rates are based. This why so many stations seek be "on all the time" in stores and offices. From a programming perspective, the goal is often to avoid anything unfamiliar or jarring that might invite tuneout. For the most part, stations strive to avoid niche status, catering to as broad a spectrum as possible. This negates any opportunity for music that falls into the niche categories. There are few or no cultural considerations when determining the financial viability of a format.

Per Centage Share of All Radio Buys 2004 for Target Demos

Age	Adults (%)	Women (%)	Men (%)	Total (%)
25-54	39.495	10.007	1.943	***51.445***
18-49	17.192	0.547	1.223	***18.962***
18-34	3.238	0.46	4.648	***8.346***
25-49	4.558	1.55	1.074	***7.182***
18+	2.279	0.009	0.801	***3.089***
35-64	1.746	0.198	0.6	***2.544***
35-54	1.081	0.178	0.432	***1.691***
18-24	0.492	0.014	0.067	***0.573***
18-54	0.444	0.004		***0.448***
35-49	0.427	0.19		***0.617***
25-34	0.363	0.017	0.229	***0.609***
25-64	0.332	0.029		***0.361***
12-17	0.314			***0.314***
25-44	0.124	0.016	0.274	***0.414***
35+	0.222	0.269	0.039	***0.53***
12-24	0.218	0.01	0.121	***0.349***
25+	0.114	0.022		***0.136***
45+	0.104	0.003		***0.107***
18-44	0.104	0.014		***0.118***
35-44	0.097			***0.097***
12-34	0.054		0.01	***0.064***
12-59	0.034			***0.034***
18-64	0.022			***0.022***

50+	0.01			***0.01***
55+	0.004			***0.004***
Farmers	1.854			***1.854***
Own/Mgr./Prof.	0.006			***0.006***
Religion	0.078			***0.078***
Totals	**75.006**	**13.537**	**11.461**	**100.004**

An examination of spending by target group reveals that ad spending does not directly correlate the size of a demographic within the population. Below is a national population breakout:

Demo	**Pop.**	**% of Total A12+**
All 12+:	27,553,673	100%
A12-17	2,535,419	9.2%
A18-24	2,909,069	10.56%
A25-34	4,483,899	16.27%
A35-54	10,005,490	36.31%
A55+	7,619,796	27.65%

It quickly becomes apparent that, with commercial radio, certain demographics command attention disproportionate to their size. For example, despite comprising **27.65% of the population, the A55+ group command less than 1% of radio ad spending**. Despite comprising **9.2% of the population, A12-17 command well under 1% of radio ad spending**.
As such, commercial broadcasters devote little of their attention to these groups. Formats are programmed to generate tuning with "money demos". From a cultural perspective these other demos are often being overlooked. A recent example is the move away from CHR stations (with strong appeal to 12-24) to Classic Hits such as JACK, DAVE, BOB, etc. (appealing to 25-54). As a factor of this trend, average hours tuned per capita for teens has declined dramatically over the last five years. Again, this is in no way a criticism of existing broadcasters who have done their job well. It is simply an attempt to understand the mandate which they have been given.

Conclusions:

In the final analysis, different sectors (*broadcasters, mainstream and niche format listeners, advertisers and the music industry*) are confronted with different mandates. As such, the perfect solution for one, doesn't always add up for another. The music industry would like to see more new music played. New and especially independent artists have an almost impossible job in attempting to garner airplay critical to their careers. Audience segments favouring niche formats search for a more fragmented formatic landscape, more reminiscent of the specialty channel universe now being offered up in television. Yet, until the advent of satellite/subscription radio, these things will often be at odds with the needs of the advertisers who rely on broad mainstream reach. Moreover, sizeable demographic groups (e.g. teens and A55+) are under-serviced due to those target groups' limited ad appeal. This, in turn, is frustrating to broadcasters who deliver these audience segments, convinced of their purchasing power and frustrated by the lack of recognition.

We all play by the numbers. This is just a preliminary attempt to examine their interrelationship. As to where we go from here, you'll have to consult your local oddsmaker.

Sources:
BBM, Fall 2005
RTS
Canadian Music Network
Canadian Broadcast Sales
CHUM Radio Sales