

## WHAT IS REALLY HAPPENING WITH RADIO LISTENING LEVELS?

The previous analysis of radio listening trends was based on established and accepted rating surveys of the periods involved. These included the old Hooper and Pulse efforts, Nielsen's household meter panels up to the 1960s, and Arbitron's diary studies plus their telephone diary equivalent, the RADAR studies, conducted before this service was acquired by Arbitron and converted to a personal diary measurement.

Since Arbitron launched its electronic personal peplemeter design in the 1990s and began testing it with field samples in Philadelphia and Houston, it has become evident that these electronic measurements—which everyone assumes are much more accurate—produce average quarter hour listening levels that are 15–25% *lower* than their diary counterparts. This is a major surprise since, in the case of TV, electronic measurements invariably capture more, not less viewing than methods relying on human respondents to describe their viewing behavior. However, continuing with the assumption of accuracy for PPMs, if the Philadelphia and Houston radio exposure findings are projected nationwide, it is evident that the radio listening levels (and estimates of time spent with the medium) shown by the diaries are considerably overstated and have been for some time.

We do not know exactly when the overstatement of traditional over-the-air station listening levels began, but a good guess is that it took place gradually in the 1990s, as sample cooperation rates for telephone-placed diary studies declined (increasingly, those who do cooperate include disproportionately high shares of heavy listeners). The growth of the Internet in the late-1990s marked another turning point, offering a new media option for many younger and upscale segments, again diverting time from radio. Finally, the availability of satellite and Internet radio listening options and their increasing penetration has intensified greatly over the past few years.

So what's an accurate assessment of radio listening, particularly in regard to the daily tonnage or intake for the total adult population? Our best guess—and it is only a guess—is summarized in the following table. As can be seen, the erosion in recent years of over-the-air listenership for traditional AM/FM outlets, coupled with adjustments to account for diary inflation of audience levels, has been severe. Currently we estimate that a typical adult (including non-listeners) spends only 2.3 hours a day listening to AM/FM outlets received over the air waves, rather than the more comforting 2.8–2.9 hours shown by diary studies. Balancing this out somewhat, about .25 hours is devoted to other sources of radio, notably via satellite distribution and the Internet. Even so, the total is only 2.5–2.6 hours per day, down about 10–12% from the norms of the 1960s–1980s.

*Continued*→

Needless to say, we will revise these estimates as more PPM data become available and satellite and Internet radio are reported on more fully. Still the implications for traditional over-the air radio programmers should be obvious: they are losing their listenership. Initially, the attrition is evident in frequency of exposure tallies, but eventually it will show up in the reach totals as well. It's time to do something about this and explore more relevant formats, alternate program strategies and scheduling concepts. Radio also needs to promote the listening experience more effectively to woo back audiences. The alternative of sitting back and relying on time buyers to keep calling for avails as before, makes little sense. One day the phones may stop ringing altogether.

*Continued*→

## ESTIMATED AVERAGE DAILY HOURS SPENT LISTENING TO RADIO WITH DIARY INFLATION CORRECTED AND OTHER SOURCES INCLUDED

1940–2006

	TRADITIONAL AM/FM OUTLETS	ALL OTHER SOURCES <sup>1</sup>	TOTAL
1940	3.35	.08	3.43
1950	3.10	.10	3.20
1960	2.75	.12	2.87
1970	2.85	.13	2.98
1980	2.85	.13	2.98
1990	2.75	.14	2.89
2000	2.65	.19	2.84
2006	2.30	.25	2.55

<sup>1</sup>Includes offices, hotels, schools and other “unmeasurable” locations, as well as (more recently), satellite and Internet radio.

Source: Media Dynamics, Inc.

