Audio’s Journey in 2020 and onward into 2021

Folder Media

Transmission & Channel Management

Consultancy & Digital Products

Content Production

foldermedia.co.uk

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“Necessity is the mother of invention”

Radiocentre Lockdown Research

May & November

May

- 38% of commercial radio listeners tuned in to more radio
- - around 105mins extra per day

November

- 34% of commercial radio listeners tuned in to more radio
- - around 120mins extra a day

Radiocentre Lockdown Research

May & November

- 90% of respondents said they listened to commercial radio because “it keeps me company”
- 82% because “it makes them happy,”
- 84% said listening to the radio “improves my mood.”

Consumer Change

Digital media's evolution

- Consumer comfort with multi-platform TV and VOD
- DAB radios smart-speakers are cheap, default devices
- Music streaming strong usage, particularly in younger demos
- Radio listening is now predominantly digital
  (All Radio share: AM/FM: 41.5%, DAB 40.2%, Net: 14.0% and DTV: 4.4%)
  (BBC share: AM/FM: 44.1%, DAB 40.2%, Net: 11.4% and DTV: 4.2%)
- Mass-market launch of digital-only stations
- Strong content offer from podcasting, growing out of 25-34 demo
- IP devices 'radio' comes as standard, 'podcasts' come as standard

Reduction in Barriers to Launch

Off the shelf implementation of video and audio products

- Commoditised technology - AWS
- Developed rights market
- More access to broadcast platforms - DAB, DTT, Satellite
- ‘Open’ ish platforms - Apple TV, Prime, Roku, Alexa, Google Assistant, Apple Podcasts, Spotify
- Built in monetisation - Subscription, In-App purchase, OTT Ads, Dax Ads

Consumer Change + Reduction in Barriers =
New Services Able To Launch At Speed

Fun Kids

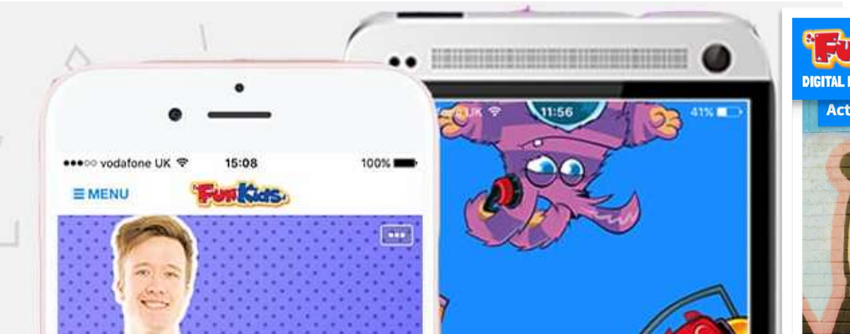
Fun Kids: National DAB Radio Station
(+mobile, internet, smart-speakers etc)

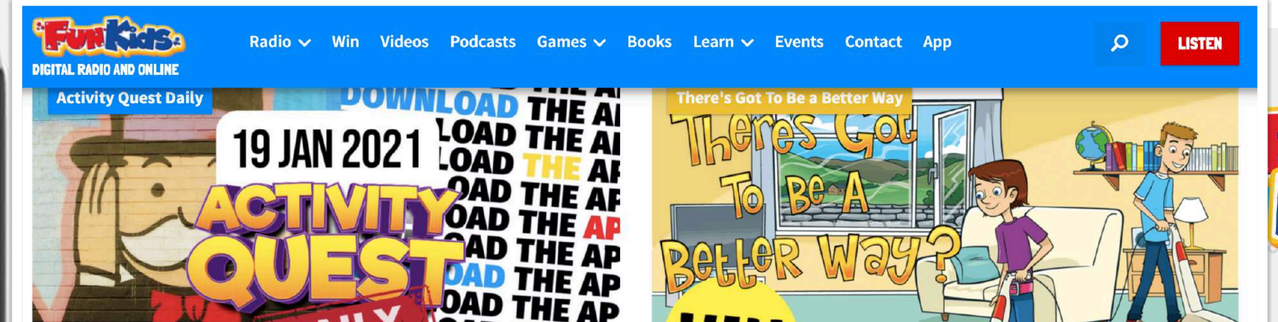
300k Kids Listening

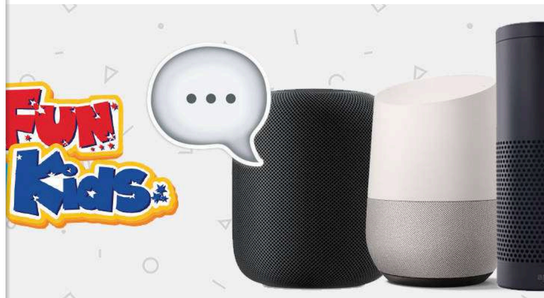
Fun Kids Junior: Regional DAB Radio Station
(+mobile, internet, smart-speakers etc)

Podcasts - Seven Weekly Shows / 40 other channels — 1m downloads/month

Website, social, video etc — 2m pageviews/month







Fun Kids - New Channels

Development at Speed

- Amazon wanted eight ad-free kids stations for their Amazon Kids+ service
- Contracted with Fun Kids to provide it.
- Developed using enterprise music scheduling, cloud play-out and streaming software
- Existing in-house development resource and content production
- Off the shelf music rights agreement from PPL/PRS
- Integrated into existing apps/website and third party destinations
- Monetised through DAX ads for non-Amazon platforms and Amazon contracted service

Fun Kids - New Channels

The move is a blow for British music. Even in the few seasons he has conducted the London orchestra, Rattle's concerts have garnered rave reviews and, until the lockdown, capacity crowds. The irony for him is that he is swapping London for a city, Munich, London, the newspaper said.

Rattle, who would leave in 2022 if he worked out his contract in London, said in January last year that he despaired at the idea of Brexit. He added that "in London there is no good place to play orchestral music".

finally arrived in the capital at the helm of the London Symphony Orchestra (LSO).

His September season, *This is Rattle*, was the

Radio station to get kids into Mozart

Matthew Moore Media Correspondent

Britain's first classical music radio station aimed at children launches today, offering a playlist ranging from *Twinkle, Twinkle, Little Star* to Tchaikovsky.

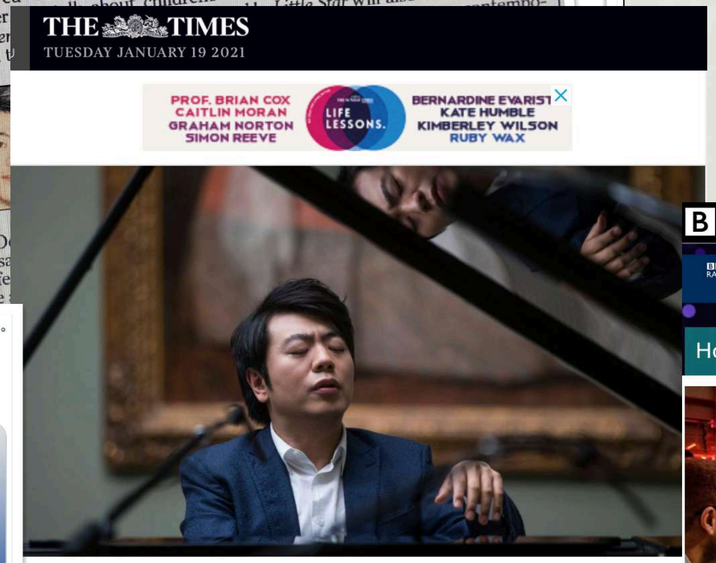
Fun Kids Classical is aimed at 6- to 12-year-olds and their parents, looking for a "calming and contemplative" alternative to pop stations.

The digital station has been created with Lang Lang, the chart-topping Chinese pianist who performed at the Queen's Diamond Jubilee in 2012.

It is unveiled today by the Fun Kids radio network, which began broadcasting nationally in 2016 and now reaches

children were limited to one or two. "Kids have always been massively under-served with radio," he said. "Whenever ... about children's radio, Listen ... up — and t...

already familiar to many young children, such as Tchaikovsky's *Dance of the Sugar Plum Fairy*. Mozart's *Twelve Variations* on the melody of *Twinkle, Twinkle, Little Star* will also feature.



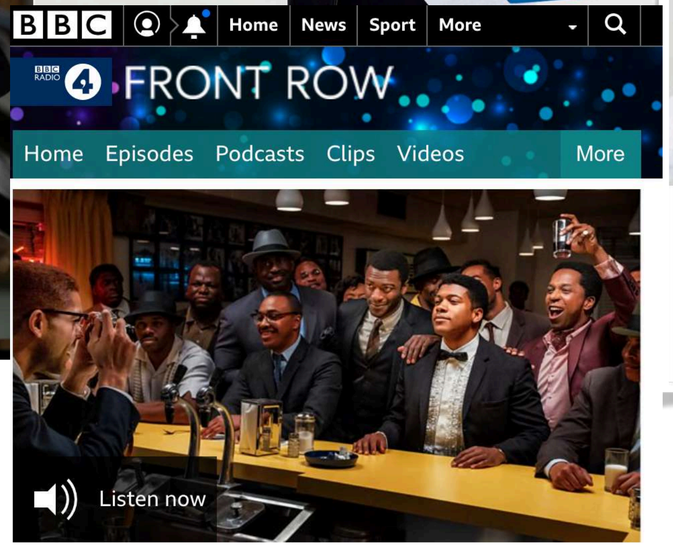
Lang Lang runs a foundation to help children learn a musical instrument
ZORSTAN/REX FEATURES

Fun Kids Classical radio station to get young into Mozart

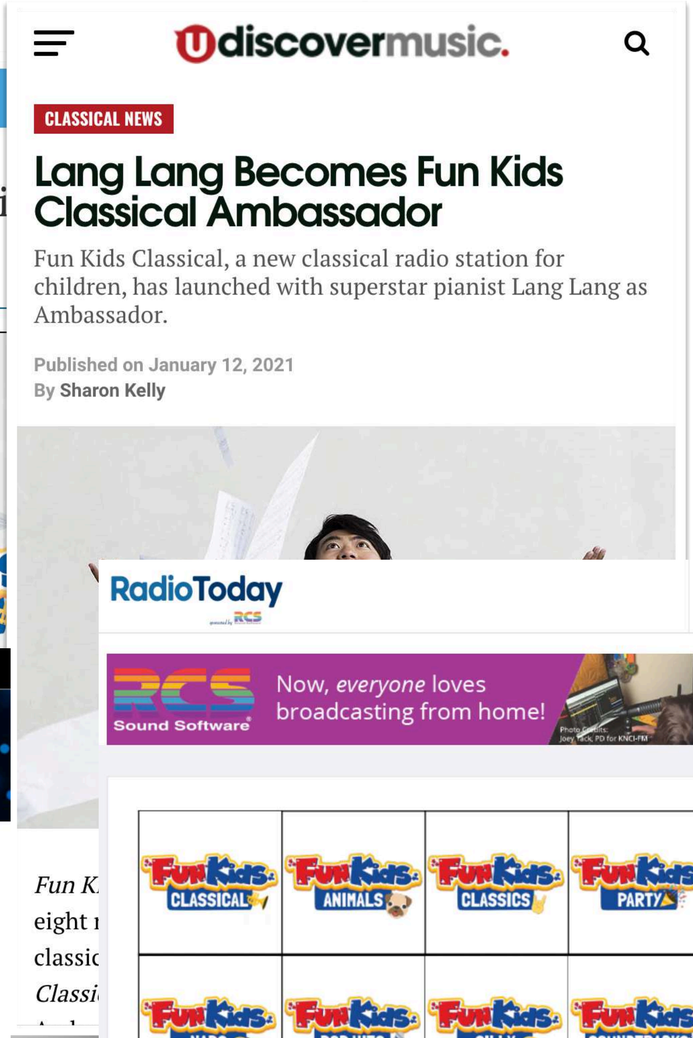
Matthew Moore, Media Correspondent

Fun Kids launches classical music radi station for children

By Andy Malt | Published on Tuesday 12 January 2021



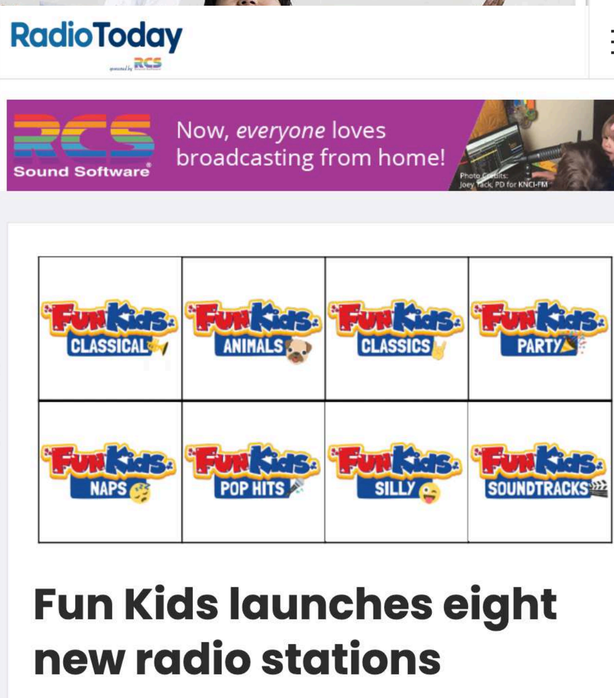
Regina King, classical music for kids, Northern Irish literature



Lang Lang Becomes Fun Kids Classical Ambassador

Fun Kids Classical, a new classical radio station for children, has launched with superstar pianist Lang Lang as Ambassador.

Published on January 12, 2021
By Sharon Kelly



Fun Kids launches eight new radio stations

Commercial Radio

Content + Platform + Marketing
(and a business model to support it)

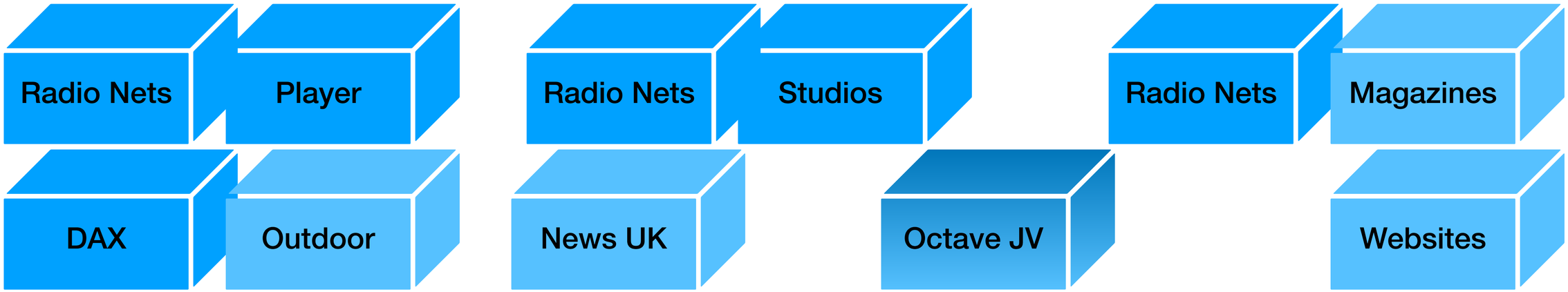
Commercial Audio

Radio Group Activity

Heart, Capital, Smooth, LBC, Radio X…

talkSPORT, talkRADIO, Virgin Radio, Times Radio…

Kiss, Magic, Absolute, Jazz, Hits…



Commercial Audio

Business Model

- Drive Total Hours for Brands - get a larger slice of the market/benefit from share deals
- Reduce regulation to reduce costs - networked services etc
- Minimise public-sector audio expansion
- Sell higher-value cross-platform sponsorship and promotion: Radio+Outdoor (or +magazines, +papers, or +events etc)
- Use commercial teams to establish a digital audio operation: In-stream ads, podcast ads - all at a higher yield than radio.

Legacy Radio Stations

Question: What percentage of listeners are attached to a button, rather than the service on it

- Moved by content vs Stick with legacy consumption
- Are stations positioned to attract new listeners?
- Do legacy listeners, those attached to buttons, give false sense of security?

Newer Digital Streams

Reaching people attracted by content

Stations that have low reliance on legacy button pushers.

- New, big, stations - Times Radio
- Spin-off services - Capital Dance
- Start-ups - Boom Radio

- Re-align brand, x-platform sales, drive subs
- Drive total hours, dampen competition
- Scale a demographic, exit through sale?

New Audio Content

Involvement from other publishers

With content production and monetisation simplified, new publishers are coming into the audio space.

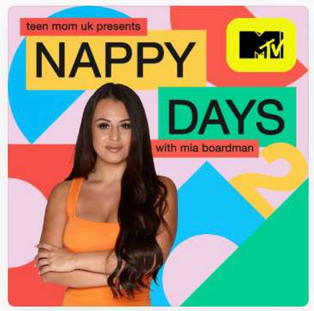
Love Island: The Morning After
ITV

My Life In TV
ITV

Lorraine podcast
ITV

Geordie Shore: The Podcast
MTV UK

Celebrity Ex On The Beach: The Podcast
MTV UK



Nappy Days with Mia Boardman
MTV UK

Marnie's Home Truths
MTV UK

Music Streamers

Win market share, drive customer lock-in/reduce churn, build advertising/drive incremental revenue. Reduce radio’s hours.

Music Streamers

Battle for attention

- High costs of music rights means difficult to grow a business, but important part of the eco-system
- Develop radio-like services - Apple Music 1, Spotify’s Music Shows
- Developing their own podcast content - commissioning, content company acquisition, talent deals
- Driving app supremacy
- Control navigation - look what happened to playlists

Music Streamers - Podcasting

	Spotify	Audible	Amazon	Apple	Google
Full podcast catalogue	✓		✓	✓	✓
Free to Access	✓		✓	✓	✓
Subscription Service	✓	✓	✓		
Own Content	✓		✓	✓	
Commissioning	✓	✓			
Ad Network	✓		✓?		
Direct Monetisation				✓?	

Podcasts

What will see this year?

- All Streamers: More visibility of content acquisitions
- Spotify - Development of a premium ad network
- Spotify - Network + Megaphone - third party selling of podcasts
  - likely to affect Acast etc
- Apple: New pay-for opportunities Apple Podcasts+
- Amazon: Emerging strategies for Amazon Music Podcasts & Audible?
- Further growth of digital audio advertising (in the UK: Bauer/Wireless' Octave & Global's DAX)
- Decline of the middle ground podcaster
- More TV/publishing entrants
- Rise in commissioning - Spotify/Audible/Amazon/Podimo

Summary

- Scaling a radio and audio business has never been so easy
- Is your station just the home of button pushers? Are you welcoming for new content explorers?
- Commercial radio’s maximising the margin on radio, whilst trying to build a more profitable digital audio operation and cross-platform sales houses.
- New stations are not traditional competitors, others will be caught in the cross-fire
- Plus new non-radio audio competition
- Streamers all out to build scale (at the expensive of legacy operators).
- Commissioning, Ad Networks and Subs Revenue is attractive for content creators. Where’s the best place for their hit?

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