

Press release

German online radio market consolidates, every sixth hit via mobile devices.

***Web Radio Monitor 2012* published**

Berlin, August 15, 2012. Use of online radio and audio services continues to grow. Although market development in recent years had consisted primarily in increases in the sheer number of services, the online radio market is now in a consolidation phase and becoming more professional.

According to *Web Radio Monitor 2012*, there are currently about 3,000 online radio stations in Germany. While the number of the small providers is in slight decline, FM stations' the online streams have proliferated. Use of online radio on mobile devices has seen particularly strong growth. Every sixth online radio hit is already attributable to a smartphone or tablet.

With the publication of *Web Radio Monitor 2012*, the Bavarian Regulatory Authority for Commercial Broadcasting – BLM (<http://www.blm.de>) and Berlin strategy consultant Goldmedia (<http://www.Goldmedia.com>) present a comprehensive market overview of online radio providers, use, scope, and ad revenue among German online radios for the fourth time. The study is based upon extensive primary data research, collected via a survey of all online radio providers in Germany, conducted from May to June of 2012.

Online radio services: great diversity, number stagnating

The world of online radio is a diverse one. Most online radio stations are broadcasted exclusively on the Internet. *Web Radio Monitor 2012* covers about 2,500 so-called online-only stations, making up 82% of all online stations. However, their dominant share declined by 2 percentage points compared to the previous year. The share of live FM radio streams, so-called "simulcast streams", increased to 13% this year (11% in 2011). The number of online FM sub-brands has remained constant. The small but significant group of user-generated music-streaming services (Spotify, laut.fm, simfy, Last.fm, Aupeo!) and a range of online radio aggregators (radio.de, phonostar.de, surfmusik.de) make up a further segment of the German radio market with a share of 0.5%.

Online radio use: number of hits increased by 36 percent

Daily traffic figures collected in *Web Radio Monitor 2012* show increasing user interest. In April 2012, an average of 13,800 streams were launched per station every day, a 36%-increase compared to 10,200 hits per day in April 2011. The services of the FM brands (simulcast streams and online sub-brands) have achieved a wider scope and reported an increase of 58% from about 11,600 hits in 2011 to 18,300 hits today.

Distribution: smartphones and tablets to become key reception devices

In the medium term, online radio stations' websites will remain the most important source of hits. However, according to online radio providers surveyed, the number of hits from PCs decreased from 69% (in 2011) to 54% today.

Mobile devices are gaining importance. Three quarters of the respondents regard mobile online radio as their central method of broadcasting. In fact, 57% predicted that mobile online radio might be able to replace classical FM radio in the long run. Mobile hits, via apps or mobile browsers, now make up 17% of all hits, compared to 14% in 2011. By 2014, mobile devices are expected to make up a quarter (24%) of all online radio hits.

In addition, providers have high expectations for online radio streaming in cars. According to 87% of providers, usage in the car is expected to increase dramatically.

Social media: not yet important as a broadcast method

By now, an active social media presence is a given for the vast majority of online radio providers. A full 84% of the services have Facebook pages, and 42% are active on Twitter.

Social media are frequently used to build rapport among listeners and enable communication. However, providers don't regard social media platforms as important broadcasters yet. Only half of the providers believe that Facebook & co. will play a more important role for future online radio use. Based on providers' assessments, hits via social networks will rise only slightly, from 6% today to 7% in 2014.

Streaming services: no competition for online radios predicted

Especially after Spotify was launched in Germany in March of 2012, online, on-demand music services are now widely known. Most online radio providers (64%) do not expect that streaming services will have any negative impact on the traditional online radio market. Rather, the services are viewed as competitors to download platforms, such as iTunes.

Economic situation: cost coverage at only 71 percent

Web Radio Monitor 2012 also depicts online radios stations' degree of cost coverage (relation of total sales and total costs). While online-only services have an average cost coverage of just 69%, FM brands' services are slightly below the cut-off for profitability, at 98% cost coverage. According to the providers, this results from high streaming costs and GEMA license fees.

Just 45% of all online radio stations sell advertisements. In a breakdown of market segments, 43% of online-only services and 64% of FM stations sell advertisements. Nevertheless, more than half of the providers (54%) have a positive outlook on growth prospects for the online radio market.

Online radio market forecasts substantiate their positive outlook. In 2011, online radio providers' total net ad revenues grew to 14.1 million euros. This corresponds to an increase of 37% over the previous year. Providers and experts expect a doubling of net ad revenues to nearly 30 million euros by 2016.

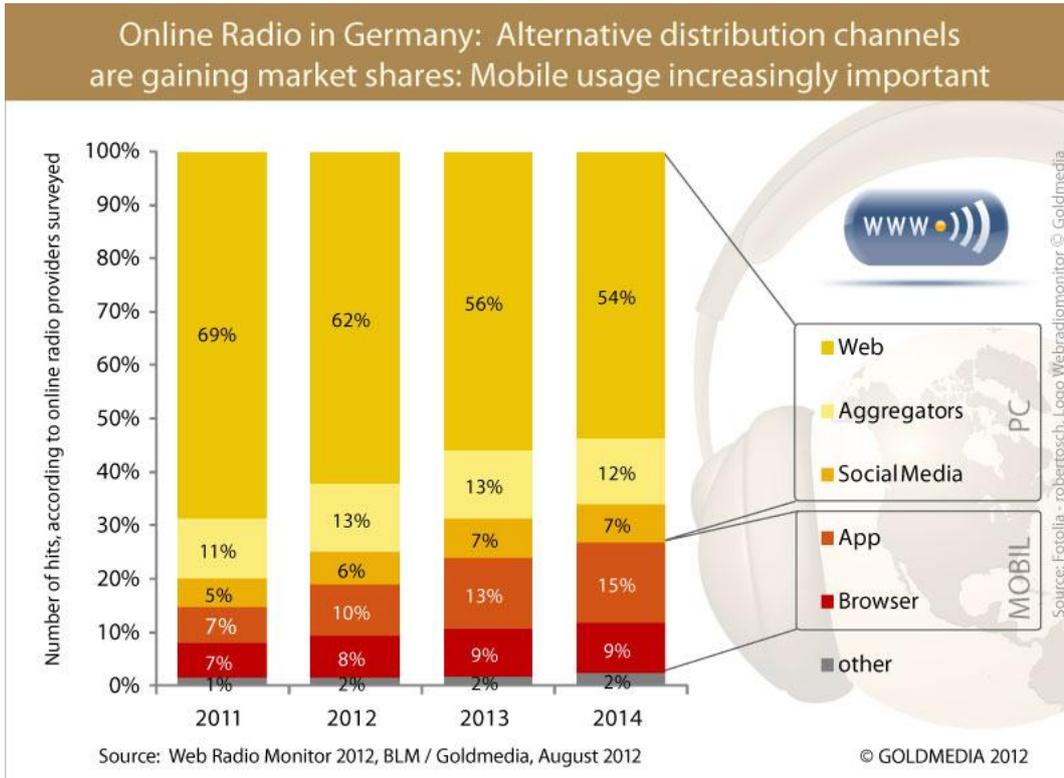
The study can be accessed at no charge at:

<http://www.webradiomonitor.de>

<http://www.blm.de>

<http://www.goldmedia.com>

Chart



Source Web Radio Monitor 2012, BLM - Goldmedia All information used in this press release is taken from "Web Radio Monitor 2012". The study was undertaken on behalf of the Bavarian Regulatory Authority for Commercial Broadcasting (BLM). "Web Radio Monitor 2012" provides an overview of the German online radio market and quantifies use through primary data research, drawing from a survey of all online radio providers. The study includes market and potential analyses as well as a categorisation of internet radios according to genre and type of service.

Press Contact for Goldmedia GmbH

Dr. Katrin Penzel, Tel: +49-30-246 266-0, Katrin.Penzel@Goldmedia.de
 Further information and graphics can be downloaded here: www.Goldmedia.com

About Goldmedia

Since 1998, Goldmedia has provided national and international clients with high-quality consulting and research services in the fields of media, entertainment and telecommunications. Goldmedia offers: in-depth analyses of markets and competitors; forecasts and strategic consulting services; the implementation of new business models; and consulting for restructuring whole companies, including M&A processes in the field of corporate finance. Goldmedia Group: Goldmedia GmbH Media Consulting & Research, Goldmedia Sales & Services GmbH, Goldmedia Custom Research GmbH, Goldmedia Political & Staff Advising GmbH, and Goldmedia Innovation GmbH. The company's head office is in Berlin, Germany.