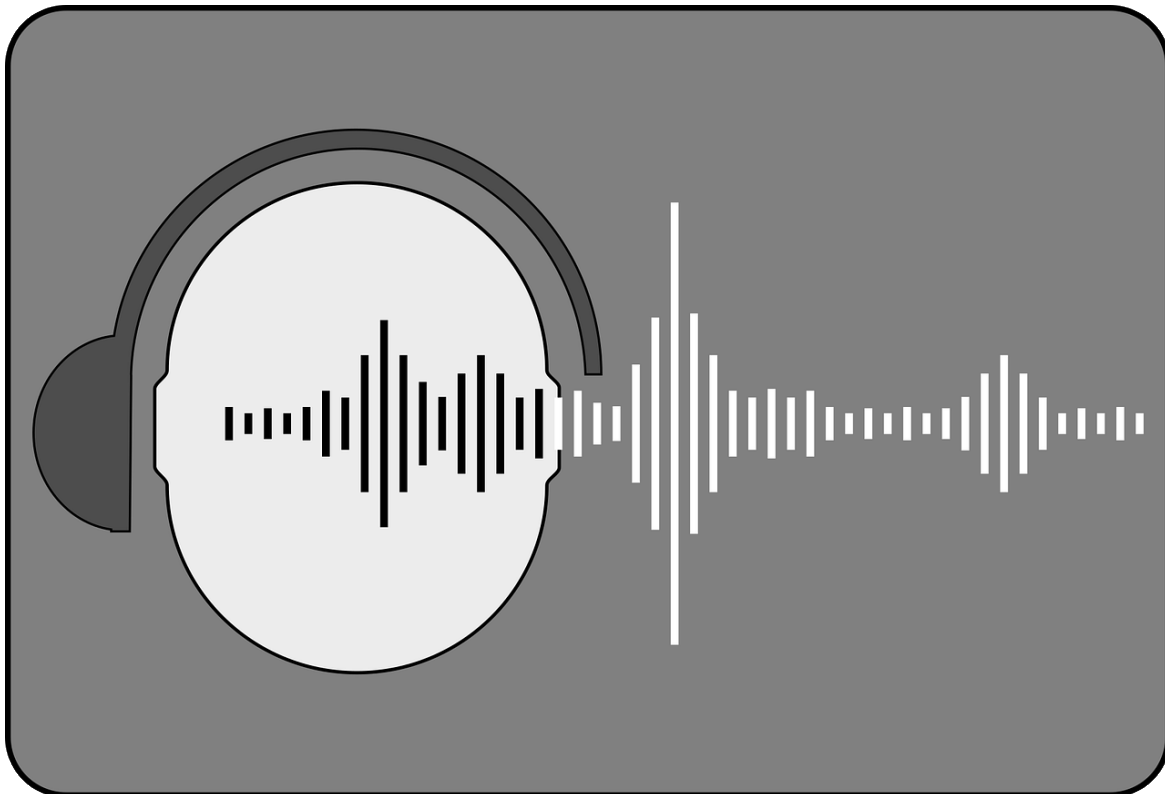


Digital Strategies for Classical Music Public Radio

February 2018



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American Public Media/Minnesota Public Radio | Nick Kereakos, Sr. Vice President, Chief Technology Officer, and General Manager of Regional Services

Colorado Public Radio | Monica Vischer, Program Director, Kim Nguyen, Digital Platforms Director, Brad Turner, Music/Arts Digital Editor

Louisville Public Media | Daniel Gilliam, Director of Radio

New York Public Radio | Shannon Connelly, Senior Vice President and General Manager, Music

USC Radio Group | Brenda Barnes, former President, Chris Mendez, Director of Technology

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Digital Strategies for Classical Music Public Radio focuses on classical music digital strategies within the noncommercial, public broadcasting domain, mindful that there are other digital classical choices from both commercial broadcasters and digital-only services.

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Navigating the Digital Territory

Navigating the digital territory for classical public radio stations feels a bit like the “best of times and the worst of times”. There is great enthusiasm for the potential to reach and engage audiences in more ways than ever before. But there is also a strong concern about the ability to take advantage of that potential. The lack of key digital music rights, stretched resources, and elusive business models present significant hurdles for the digital success of classical stations.

Despite the challenges, Classical Music Rising partners are focused on how to make progress. Station feedback on what is working and what is not is essential to paving a future path. Classical Music Rising’s Digital Strategies Project has relied on expertise across public media to better understand audience, growth opportunities, rights challenges, essential metrics, best practices, possible collaborations, and key strategic issues. The result is this report.

First, we thank CMR’s Digital Advisory Group drawn from a range of station locations and sizes:

American Public Media/Minnesota Public Radio | Nick Kereakos, Sr. Vice President, Chief Technology Officer, and General Manager of Regional Services

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Additional thanks to Bill Johnson, General Manager and Michael Rathke, Director of Programming and Content at WRTI, Philadelphia; Joe Eskola, Director of Research, APM/MPR; Jennifer Ridewood, former General Manager and Seth Tompkins, Program Director at KING FM, Seattle; Mark Steinmetz, Senior Director, Music, CBC; Pascale Labrie, Head of Music and David Fernandez Quijada, Senior Media Analyst at the European Broadcasting Union; Steve Mulder, Senior Director of Audience Insights, NPR; and to Wende Persons, former Managing Director, Classical Music Rising.

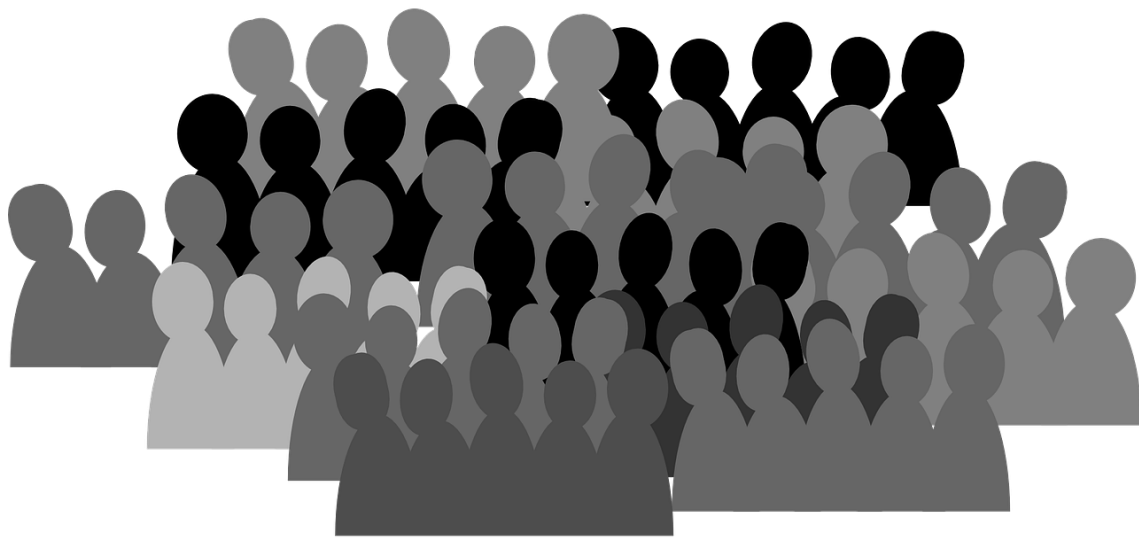
Topline Summary

- Audiences and revenue remain largely driven by broadcast, but audiences listening to classical radio live streams are sizeable and growing.
- Station streams are key digital audience drivers, but the full potential of streaming services is seriously hampered by limited digital rights. Classical stations are on a different playing field from others in the space, such as Spotify, Pandora and Amazon. Many stations worry that audiences increasingly expect to interact with and direct their stream experience and will expect that from their local classical station's streams.
- There is a lack of awareness of local classical station brands in an increasingly crowded media marketplace. With the rise of "smart speakers" and the connected car dashboard, there is a critical need to ensure station brands and identity/call letters are imprinted on the audience, so listeners know what to ask for in these environments.
- There are opportunities to grow new audiences via digital content such as music-related podcasts, or videos of exclusive station performances, but music rights issues too often limit stations' ability to offer the best experiences to audiences. Facebook Live, in particular, is showing great promise.
- Music news-related digital content is a promising additional service for audiences, based on recent audience response to music news on NPR's sites.
- Analysis of digital user data offers huge potential to understand and serve audiences as individuals, thus building loyalty and a business model based on loyalty. But stations lack sophisticated tools to do this. Spotify and others use data to understand and know their audiences and to create individualized services, as well as build business strategies based on the data. Not so with most public radio classical stations.
- Digital analytical tools offer hundreds of ways to measure audience behavior but use of consistent key metrics is necessary for stations to chart their own progress and to benchmark their progress against others in their market and in similar markets.
- Public radio has accepted the practice of sharing broadcast audience data, including metrics such as Cume, Share, AQH and TSL. In the digital space, some organizations

worry about losing competitive advantage if numbers are shared, particularly among organizations with national interests and aspirations. Establishing market-size benchmarks, as well as understanding the national reach for classical music, will not be possible without increased sharing of data.

- Lack of resources and/or lack of a strong business case are holding back digital innovation and investment.
- There is a potential need for stations to work collaboratively, with each other and with national organizations, to succeed in some key areas. This is critical in the technical area, where new systems are needed to unleash the power of data to understand audiences, serve them individually, and to build loyalty and revenue.

DIGITAL MUSIC AUDIENCE TRENDS



A meaningful music listening experience is the core service classical public stations provide to their audiences. The proliferation of digital platforms and services offers new opportunities for classical music stations to reach and engage their audiences beyond passive listening.

The Classical Music Rising Digital Strategies Project reviewed many articles, studies, and blogs regarding the current state and likely directions for music audiences on digital platforms. While we found significant and provocative findings and opinions about what audiences want and use in the overall digital music space, there is little information or research specifically focused on classical music services and their listeners. The CMR Digital Advisory Group raised numerous questions about whether classical music listeners are different in behavior and expectations than listeners to other music genres with respect to digital opportunities.

Given how critical it is to understand audience and to test assumptions, there is a clearly a need for classical-specific audience research that explores listeners' use, needs, and expectations for digital services.

In the meantime, here are findings and headlines from the overall research review that may have specific relevance for classical music radio.

- **The majority of the audience for music (public radio as well as commercial music services) continues to be driven by broadcast, although listening via streaming continues to gain ground.**

*Edison's Share of Ear 2017 Q4 survey*¹ showed 48% of time spent listening among persons 18+ attributed to AM/FM compared to 5% on ad-free Pandora or 2% on ad-free Spotify.

- **Listening to music streams is by far the biggest digital audience driver.**

Virtually all classical stations offer a live stream of their over-the-air broadcast. Some, such as MPR, WQXR, KING FM, WETA, WCRB, WQED, WDAV, and Vermont Public Radio, also offer additional curated streams organized around themes like lifestyle (i.e. Relax, Romance) or genre (i.e. Opera, Contemporary Classical).

- **The size of the online streaming audience is significant and continues to grow.**

*Edison's The Infinite Dial*² report estimates 148 million Americans aged 12+ or 53% of the U.S. streamed audio each week in 2017 – a 3% increase from 2016. There is growth in all age demographics including an 8% jump in the “Age 55+” category compared to a 10% jump in age 12-24. There are no specifics for growth of classical music streaming audiences, but the increases overall, particularly in the age bracket closest to core classical public radio listeners, indicate that streaming is a steadily more important way to both reach current listeners in older age groups and engage new and younger listeners.

- **Smartphones dominate as the preferred device to listen to streamed music.**

According to the Verto Index,³ many of the ‘stickiest’ streaming services such as YouTube Music, Pandora, and Amazon Music have a nearly all-mobile audience (stickiness is related to how many times users return to the service daily versus monthly). This points to how important it is for public classical stations to ensure that the audience experiences of their streams and other services on smart phones is reliable and uncomplicated.

¹ Edison Research, “Share of Ear”, Q2 2017, Q4 2017 Persons 18+

² Edison Research, Triton Digital, “The Infinite Dial”, 2017

³ Verto Index “Streaming Music”, March 2017

- **Streaming services Spotify and Pandora are the juggernauts of online streaming.**
 According to “The Infinite Dial”,⁴ Pandora is used most often but is losing ground to Spotify. Other studies show that other players in the field, such as Apple, Amazon, and Tidal are also gaining steam. Top streaming services offer on-demand playback, music libraries and other interactive services for their users.⁵ Increasingly, this is an expectation of audiences. Without the necessary rights, public radio classical streaming services risk falling behind the competition.
- **There is some evidence that users of streaming services over age 35 are more likely to convert to paid subscriptions than younger users who want their music free.**⁶
 This may provide opportunity for classical public stations with their core audience age groups.
- **Spotify is going beyond demographics to understanding each person behind the device.**
 Spotify uses data to predict behaviors and design services for individuals related to their usage patterns. There are five dominant streaming behaviors according to Spotify⁷:

 - Discovery* – how much people seek out unfamiliar music
 - Diversity* – the range of music that people listen to
 - Tilt* – how actively people curate their streaming experiences
 - Nostalgia* – how much people listen to songs characteristic of their generation
 - Obsession* – how much people listen to the same songs on repeat.

Spotify designs services aimed at each of these behaviors.

Spotify is using sophisticated tools and data analysis to develop their services while public radio classical leaders feel hampered by lack of resources to make these large investments. On the other hand, these categories of behavior may be useful when thinking of how to develop services for public radio classical audiences online. What could stations do to help their audiences discover, diversify or have satisfactory curation experiences with classical music online? Are there new approaches that would not be cost prohibitive? Some stations are already pursuing such options, offering curated streams along with their core live stream.

⁴ Edison Research, Triton Digital, “The Infinite Dial”, 2017

⁵ Verto Index “Streaming Music”, March, 2017

⁶ Hypebot, “Why Streaming Services Need to Attract an Older Audience”, June 2016

⁷ Spotify for Brands, Audiences “You are what you stream”

- **Smart speakers are emerging as a strong player in the digital space.**

Voice activation is an easy interface for interacting with music at home and in the car. Smart speaker penetration is increasing quickly. The recent NPR/Edison “The Smart Audio Report” shows that 16% of Americans 18+ now own a smart speaker.⁸ It also shows that smart speakers are replacing time that used to be spent listening to traditional AM/FM radio. An earlier “Smart Audio Report”⁹ says that 90% of smart speaker owners 18+ say the reason for wanting a smart speaker is to listen to music and 62% say it’s to hear better music than on AM/FM radio.

This presents challenges and opportunities for classical public radio. Audiences are keenly interested in better listening experiences. How can classical radio ensure their audiences are engaged on many platforms? Many believe the key is the connection to, and curation of, a live host. Others believe it’s all about brand and making sure that listeners know how to find their station on Alexa or in a connected car where the dashboard may not have AM/FM readily available.

- **The dominance of online playlists raises questions about the value of the DJ or host.**

With the proliferation of curated streams based on everything from lifestyle to niche music genres, many conclude that users prefer playlists to a live stream of a local broadcast station. However, several classical station leaders believe that their ‘secret sauce’ is the relationship between the host, the music and the audience. They argue that the ability to offer a strong, host-driven curation experience is a strength in the crowded playlist streaming space, giving classical stations opportunity to stand out.

- **There is low awareness of classical stations and their streaming services in their own communities.**¹⁰

In the digital environment, stations are competing not only in their own location, but with others across the United States and internationally. The need to market the station brand and unique value proposition for digital audiences is critical.

- **Podcast audiences continue to grow.**

Classical music-related podcasts are few in number, largely due to music rights issues. However, stations that are producing podcasts say that there is positive reaction from audiences and they want more opportunities to add podcasts as an attractive additional

⁸ National Public Radio, Edison Research, “The Smart Audio Report”, Fall/Winter 2017

⁹ National Public Radio, Edison Research, “The Smart Audio Report”, Summer, 2017

¹⁰ Coleman Insights, “What Does the Public Think About Public Radio?”, 2017

service to their live broadcast/streaming service without the current rights complexities and costs.

- **YouTube is increasingly the place of choice for younger audiences to discover music.**
Video production at classical stations is minimal due to rights issues and expense. It's interesting to note that YouTube is also a rich environment for top tastemakers and curators.
- **Facebook is by far the biggest social media platform.**
According to "The Infinite Dial",¹¹ it was used 'most often' in 2017 by 62% compared to 9% or less for others such as Instagram and Snapchat and only 3% for Twitter. The same study shows that in the 12-24 age bracket, Facebook is used most often by 39%, followed by Snapchat at 31% and Twitter at only 1%. Facebook is enabling the rise of 'micro-influencers' – social personalities with 1K-100K followers who may have higher engagement and influence over their community than mass influencers such as top-ten artists.¹²
- **Facebook Live is gaining traction and is becoming easier to use with time.**
Classical stations using Facebook Live are excited about the potential to grow and engage significant audience.
- **Simultaneous multi-media consumption is now a norm.**
One global study found that over 85% of users 16+ use another device while watching television.¹³
- **People are listening more than ever but on multiple devices with different expectations of the experience on different devices.**
The "Global Web Index" concludes that traditional forms of media are not being abandoned.¹⁴

¹¹ Edison Research, Triton Digital "The Infinite Dial", 2017

¹² Edelman Digital, "2017 Trends Report"

¹³ Global Web Index, "Digital vs. Traditional Media Consumption", Q1 2017

¹⁴ Global Web Index, "Digital vs. Traditional Media Consumption", Q1 2017

CLASSICAL PUBLIC RADIO DIGITAL TRENDS, THEMES & BEST PRACTICES



Classical radio stations see a wide range of opportunities for digital content and services for their audiences. At the same time, with limited resources, the challenge is how to invest wisely. What are the choices that will have the most impact?

Classical Music Rising turned to a group of key classical stations to help answer that question. Eight stations agreed to look closely at their year-over-year performance to try to surface which digital investments and practices are paying off most. The stations represent a significant portion of the total classical audience in the United States and range in size from large to mid-size markets.

Stations involved were WRTI, Philadelphia; WETA, Washington; Minnesota Public Radio; Colorado Public Radio; KUSC, Los Angeles; KDFC, San Francisco; WUOL, Louisville; and KING, Seattle. These stations did a ‘deep-dive’ into a set of performance metrics for websites, streams, apps, video, Facebook, podcasts, newsletters, and digital donations. They reviewed data from July to September 2016 and July to September 2017.

Given the differences in methods of data collection and tracking by each station, the purpose of the ‘deep-dive’ was not to compare station against station. Rather, it was to look within individual stations to see year-over-year individual performance and, based on that data, uncover useful trends, themes, and best practices. While it is early days to come to blanket conclusions across the system, as metrics still need to be refined, here are some key findings.

Website Traffic

Four stations reported increases in their overall website traffic from slight to significant. Three stations had steady numbers and one station saw declines.

The stations that had increases attribute their success to:

- New site design with content targeted specifically at types of listener behavior. For example, KING FM designed new pages to attract “Learners” or “Discoverers”.
- New site design at KUSC and KDFC that embedded the player in the site itself so that users could stay on the site while they listened and could browse through site features easily.
- Increased and consistent over-the-air promotion of the site.
- Consistent e-newsletters that promoted the site and reasons to visit it regularly.
- Strategic community partnerships at WRTI that promoted the station via the partner’s networks, thus increasing exposure for the station and building new audience.
- One station that held steady year-over-year felt strongly that audience could be increased significantly if attention was paid to marketing and promotion of the site.

Top Pages

The top reason people go to the website of classical music stations is to listen to the simultaneous stream of the station’s over-the-air broadcast. This held true for all stations. Some stations embed the player on the home page, so there is not a separate listening landing

page, while others direct listeners to a specific page. In all cases, the stations surveyed said that the main driver of audience is the listening experience.

Apart from listening, the next top reason people go the website is for the “Playlist”, to identify which pieces of music the station is playing. “Listening” and “Playlist” drove the most traffic by far on most sites.

Many stations had a variety of types of pages vying for 3rd place, but for most, the numbers for those pages were very small compared to the top two choices of “Listening” and “Playlist”.

There were some notable pages on individual station sites such as “How to Listen”, which generated a large amount of traffic for two stations. “Music News” was a popular page for another station.

Desktop vs. Mobile Website

Most stations reported significantly more desktop than mobile website sessions. Overall, mobile sessions seem to be increasing at a faster rate than desktop, but mobile is starting from a smaller base and has a long way to catch up. In one case, the station attributes this to the age and behaviors of the station’s core audience. Another station has seen fast mobile growth and now has as many mobile as desktop sessions. The station attributes this to effective promotion.

Streams

Some stations experienced significant growth of users, sessions and hours for simultaneous streams of their over-the-air broadcast. The audiences for stations’ simultaneous streams are significant in size. In only one case were numbers down. Numbers for simultaneous streams far out-weighed numbers for niche streams.

Those stations that had significant streaming growth attribute it to:

- Reliability of the stream. In some cases, stations invested in upgrading the stream to make sure listeners had an excellent experience no matter how they were accessing it.
- Promotion of the stream. Stations that increased promotion saw increases in usage.
- Ensuring that listeners on new devices can find the station. One station made it clear on the site how listeners can easily find them on Alexa, for example.
- Many stations feel that “live” remains a strength in the streaming environment.
- Stations that offer holiday streams feel this drives audience as well.

Desktop vs. Mobile Streaming

Stations had mixed experiences with desktop versus mobile streaming. Two stations had higher desktop than mobile sessions. But three others saw big increases in mobile, with mobile outnumbering desktop sessions. Three stations had no data with respect to streaming devices.

The significant increases in mobile streaming sessions experienced by some stations is consistent with overall music consumption studies that show that mobile is the most popular way to access streams.

Average Time Spent Listening (ATSL)

The ATSL per stream session was quite similar for most stations, ranging from 1:21 to 1:47 in September 2017. It is important to note that Time Spent Listening for streaming is based on server logs of a connection, which is different from the Time Spent Exposed or Time Spent Listening metrics for broadcast, which are based on personal meters or diaries.

Apps

Measurement challenges for Apps meant that there were no overall themes or trends to report.

Facebook

CMR asked for metrics related to reach and engagement. Stations are using a wide variety of metrics and terms to measure their Facebook performance; there was no consensus on the best metrics to use. Those that are experiencing growth attribute it to:

- Use of Facebook Live. Several stations feel that Facebook Live shows huge promise for building and engaging audience with easy-to-produce video.
- Paid advertising. Many stations said that paid Facebook campaigns helped drive traffic.
- Conscious marketing and promotion of Facebook over the air.

Podcasts

Rights issues are preventing many stations from exploring podcasts. Some stations feel there is significant audience growth potential if they can use music in creative and flexible ways in podcasts.

e-Newsletters

There is very little information on the status of station newsletters. One station that is experiencing increases on its website attributes this to a more effective and consistent newsletter.

Online Donations

There was not enough information to surface any best practices or themes.

Qualitative Factors

It's important to note that many stations talked about the need to assess success in the digital space beyond the metrics discussed above. For these stations, numbers are only part of the story. Some stations have made strategic decisions for digital content and approaches, knowing the numbers would likely be small, but in pursuit of other purposes, such as:

- Community engagement and service. Some content, like a community arts calendar, may not drive large numbers, but is a meaningful local service for some audience members and arts organizations.
- Development of new voices and new talent. Digital platforms allow stations to provide opportunities for their staff to build skills.
- Innovation. It's easier to risk-take and experiment in the digital space and to see impact quickly. The goal is to test and fail/succeed rather than immediately achieve significant audience gains.

NPR Themes and Trends

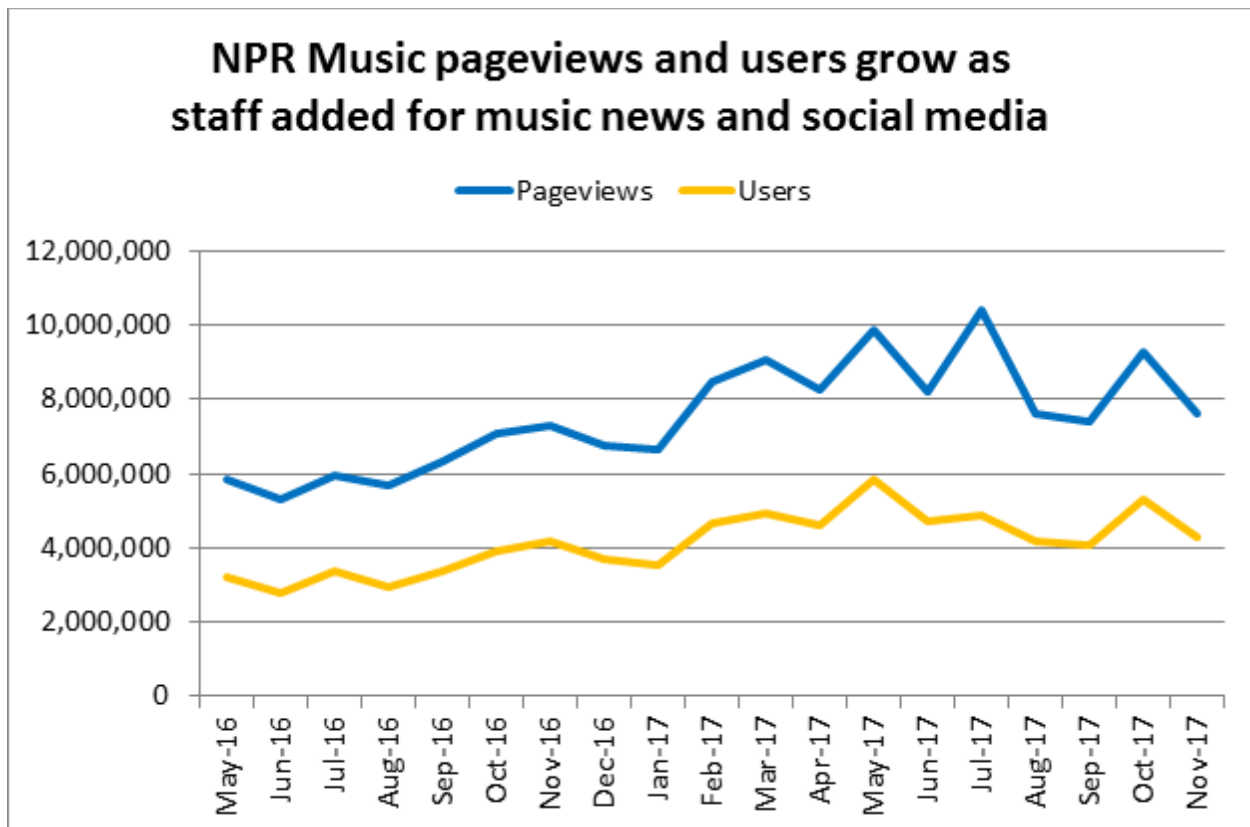
In addition to the station data discussions, CMR talked with NPR to find out what themes are surfacing from NPR's music and music-related digital content data. NPR does not break out classical content from its other digital music content in terms of its data analysis.

Overall, NPR Music is seeing many positive trends year-over-year. They attribute their success to:

- Hiring a music news editor and expanding coverage of the music industry
- Hiring a new social media strategist to increase their social presence.
- Producing more stories and becoming more responsive to music-related breaking news events.

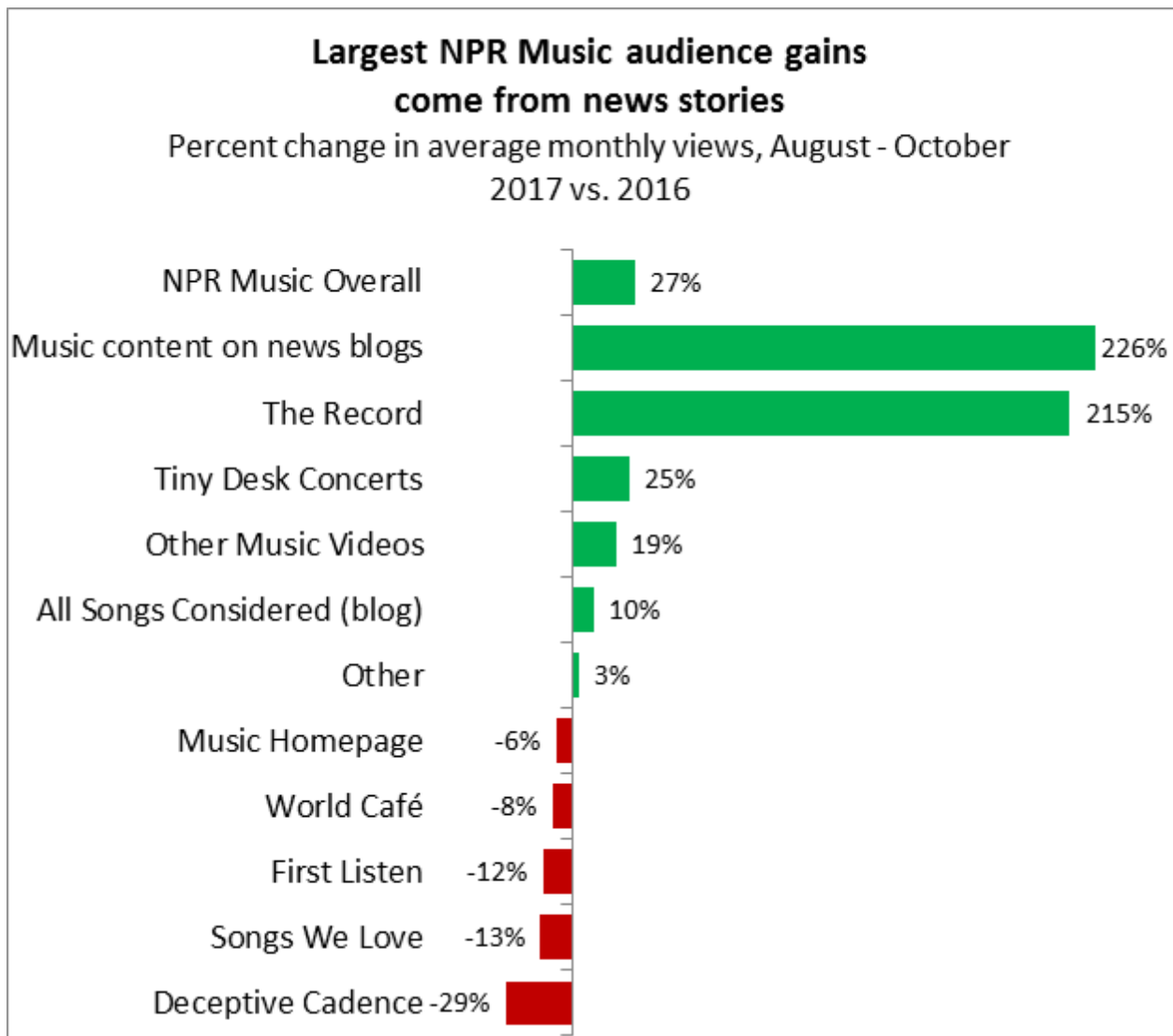
Some of the results provided by NPR are presented on the following pages.

- Monthly users viewing music stories grew 32% year-over-year
- Monthly views grew by 27%.
- In the graph below, there is an evident bump in audience once the team was fully staffed in February 2017.



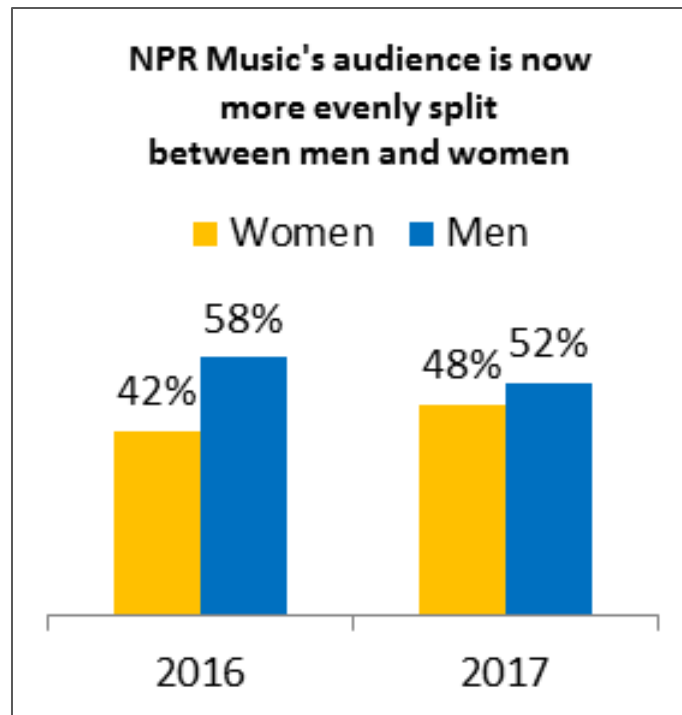
While NPR Music has seen growth overall, the biggest audience gains were concentrated in news stories.

- The Record, NPR Music’s news blog, grew 215% year-over-year to over a million monthly pageviews.
- NPR also saw big percentage gains in audience among people reading music stories on other parts of NPR’s site, such as The Two-Way, where music-related breaking news stories are often posted.



These gains have also changed the composition of NPR Music's audience on NPR.org, particularly in terms of gender.

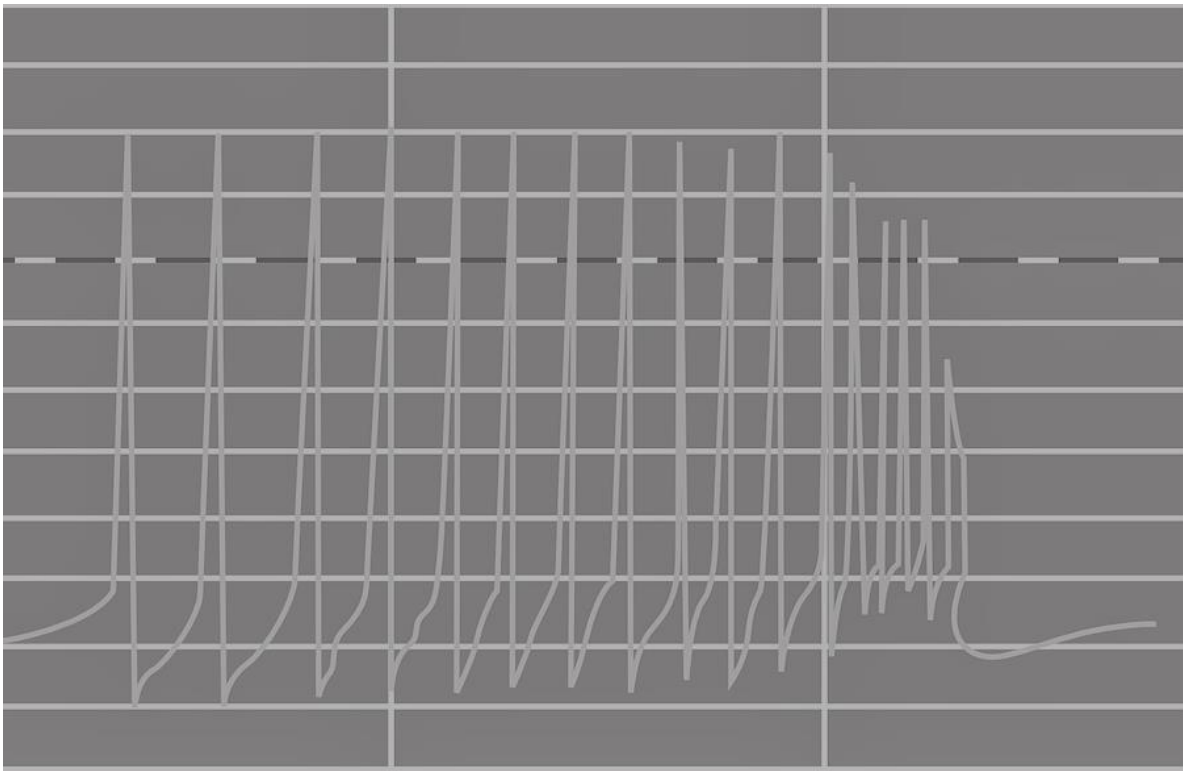
In the past NPR Music's audience skewed toward men, but it's now more evenly split between men and women.



Other observations from NPR

- The core is the listening experience itself and it pays to go all in on that, including promotion.
- Text content, especially news-related, has a real place in the music area.
- Tiny Desk Concerts is a breakout success because of exclusive content and because it can be accessed in many ways beyond the NPR site.
- Significant audience growth is due to music content on platforms other than the NPR music site. YouTube, for example, delivers millions of views per month and music content on NPR newsmagazines reaches millions more.
- Evergreen content matters and can drive audience increases over time.
- NPR is seeing changes in how people are accessing the site, with increases in traffic coming from referral, organic search, newsletters and social media and decreases in traffic coming directly to the site.

ESSENTIAL DIGITAL METRICS FOR CLASSICAL STATIONS



A key goal of the CMR Digital Strategies Project is to establish a core set of metrics that will enable stations to:

- Track their digital audience growth and engagement (similar to broadcast metrics: Cume, TSL, AQH)
- Support their work to raise revenue from digital use
- Benchmark individual station performance against others in local markets
- Track total audience size and engagement across the U.S. through aggregation of local metrics

Hundreds of potential metrics exist in the digital space. A working group of digital leads from public news/information stations has spent several months looking at which of the many metrics are most useful for tracking and evaluating performance, often referred to as Key Performance Indicators or KPIs. The CMR digital project reviewed the work of the news/information stations to try as much as possible to be consistent with their approach in the hope that eventually there will be system-wide shared standards such as there are in broadcast measurement.

The “deep-dive” work with 8 classical stations – WETA, MPR, CPR, WUOL, KUSC, KDFC, WRTI, and KING – surfaced some key challenges:

- Different analytical tools are used by different stations, making it difficult to establish common benchmarks.
- Within stations, various measurement tools and systems often live in different areas of the station, i.e. membership versus content. Often, internal station tracking systems do not ‘talk’ to each other making it difficult to get a holistic picture within the station itself.
- The reliability of systems posed a problem in many instances in terms of measuring over time, with systems sometimes not able to deliver consistent results month-over-month or year-over-year.
- There is a lack of consistent definition for terms, i.e. “mobile session” may mean app sessions to one station while to another it means accessing the station through a browser on a mobile device.
- With organizations that have multiple radio services or joint tv-radio services, it was sometimes difficult to separate out performance related to music services and therefore difficult to understand why some metrics were changing.
- There is a lack of information on who is using streams and how they are accessing them.
- While stations can track information on streams accessed via their own websites or apps, they can’t yet reliably do the same for streams accessed via third parties such as TuneIn. This will be even more challenging in the emerging space of smart speakers. i.e. “Alexa play me classical music” may result in Alexa offering a station stream. Amazon may be able to identify more about that listener than the station itself. There are concerns from stations that third parties may be able to monetize audiences to the detriment of the content provider/producer: the classical station.

Established and recognizable digital metrics are essential not only to track individual station performance, but to drive revenue from sponsors, underwriters and major funders in an increasingly competitive environment.

The quest for a base set of metrics that will work over time to track station progress, as well as to benchmark stations against their colleagues and competition, is shared by other public media companies. The BBC and CBC are working on a consistent set of key metrics to track digital performance for all their services. The European Broadcasting Union radio members are also using many of the same metrics.

One area that remains elusive for all is the ability to understand usage patterns across services and to understand how many individuals are using only one service, such as a stream, versus individuals who are using multiple points of entry, such as going back and forth between stream listening, broadcast-listening, site browsing etc.

The CMR Digital Advisory Group reviewed many possible performance indicators and recommends a set of ten core metrics to track classical station performance. As mentioned earlier, there is also a hope that classical and news/information stations may work together to establish system-wide benchmarks. The recommended classical station metrics are presented on the following page.

10 Proposed Key Digital Metrics for Classical Stations

Website (Google Analytics recommended)

- Monthly users
- Monthly sessions
- Users with 3+ monthly sessions

Streams (Triton Digital recommended)

- Monthly cume (users)
- Monthly sessions
- Monthly total listening hours
- Monthly average hours per session (ATSL)

Podcasts ** *as stations use various methods to measure podcasts, further discussion is needed to establish a common analytics tool.*

- Monthly downloads

Social (Facebook) ** *as stations use different metrics from Facebook analytics to track reach and engagement, further discussion is needed to reach agreement on the best metrics to use.*

- 28 days total FB consumers (reach)
- 28 days total FB page consumptions (engagement)

CLASSICAL PUBLIC RADIO DIGITAL MUSIC RIGHTS



In mid-2017 the Station Resource Group asked Classical Music Rising station partners for information about digital services they are currently offering and services the stations would like to offer that they believe would require securing additional rights.

The feedback from stations revealed wide differences in what stations are now offering. Some stations are restricting content to live streams and basic website information such as playlists and program schedules. Others are offering on-demand content such as podcasts, videos, and access to exclusive live or recorded performances on their own sites as well as on Facebook or YouTube.

Stations using original performances negotiate individual permissions for this use and several stations identified the need for a standardized template that would make these agreements simple to administer.

For use of commercial music (e.g. a published CD), some stations have negotiated agreements with individual labels. Other stations avoid using commercial music beyond uses covered in blanket agreements negotiated by CPB and NPR and paid for by CPB on stations' behalf. All stations identified a strong need for wider rights to use commercial music beyond live streams.

Overall, breakthroughs on digital music rights are seen as critical to the future of classical music public radio. In the commercial space, dominant players such as Spotify and Pandora are delivering flexible services that audiences have come to expect. Audiences are not likely to understand why they can't do similar things when they are using their public radio station's services.

Many stations are anxious to innovate and create new digital experiences for their listeners. As one station leader said, "Our imagination is limited by the fact that rights are limited".

All stations are concerned about resources needed to secure rights and want to make sure that there is a business case for investment.

The CMR Digital Advisory Group reviewed the various rights issues related to classical station digital aspirations, taking into consideration the themes raised by the CMR partner station feedback. As a result, listed below are the recommended rights priorities for public classical radio stations.

Highest Priority

1. Use of commercial music in non-interactive streaming (live or on-demand streaming which the end-user can't control).

CPB and NPR have successfully re-negotiated this right on behalf of the public radio system.

2. Use of commercial music in interactive streaming (on-demand streaming which allows users to listen to a recording or playlist at their request, repeat, skip etc.)

This is increasingly an expectation of audiences in the streaming music space and it will be increasingly important for classical stations to meet those needs. Commercial players such as Spotify or Pandora are already far ahead in this area.

- 3. Use of commercial music in podcasts (on-demand streaming of and downloads of programs, features etc. which include recorded commercial music excerpts or entire works).**

Many stations feel there is strong potential to attract new audiences with podcasts that augment their core music services. Stations need the ability to use music effectively to produce compelling podcasts in the music space.

Medium Priority

- 4. Use of station-recorded or live performances in streams, downloads, videos, education content etc.**

Many stations feel this is a way to offer unique value for audiences and to build a brand around 'exclusive' content.

- 5. Archive of station-recorded performances**

Some stations envision potential in offering archives on-demand as well as curating archives in compelling new ways (theme-related, artist-related etc.)

- 6. Use of commercial music in videos**

This is of interest to some stations, particularly in relation to their efforts to produce content for educational purposes.

Lowest Priority

- 7. Use of station-recorded performances for CD's**

Some stations would like to offer CD's as donor incentives or for commercial sale.

- 8. Music Downloads (downloads of digital music file i.e. MP3 of a commercially-recorded song)**

Two comprehensive guides related to music rights can be found on the Classical Music Rising website. <https://classicalmusicrising.org/>

STRATEGIC ISSUES AND CONCLUSIONS



As the CMR Digital Strategies Project developed, some key strategic questions emerged from the advisory group discussions:

- 1. In an increasingly crowded digital universe, how can public radio classical stand out?**
Relaxation, companionship, and connection to community are all audience drivers for classical music radio broadcasting and could/should be a differentiator in the digital space. Related to this is the question of brand and brand awareness. Public classical stations are already in a weak position in their local communities when it comes to awareness. How will audiences find their local public radio classical station on a crowded dashboard in a connected car or at home on a smart speaker? In a world of choices, why would listeners choose their local station? To stand out, stations will need to market themselves effectively and promote their value to their audiences on a variety of platforms.

2. **What is the role of a live, hosted service in an increasingly on-demand stream environment?**

Classical station leaders often identify their hosts and host-curation as the ‘secret sauce’ for driving audience engagement. Do we know enough about how this translates into digital services? Are classical audiences different than other audiences in terms of their expectations or behavior when they turn from listening to a radio to playing a stream of curated music during a dinner party? More directed research is needed to understand what is most effective from the audience point of view and how classical audience needs do or don’t differ from other music audiences.

3. **How can public radio classical digital succeed given the size of the digital competition, companies like Spotify, Pandora, Apple Music, and Amazon Music?**

Classical as a format is tiny within the world of these services. Can public radio classical stations succeed by going it alone, should they partner more in the public radio digital space or should they partner with the major commercial players, given that the size of audience there is too big to ignore?

4. **How can public radio classical succeed in securing the necessary music use rights to compete effectively in the digital space?**

Gaining these rights is likely to be costly.

5. **Given the relative size of broadcast audience versus digital audience, and the associated revenue, where does it make sense to invest?**

There is no doubt that by far the largest audiences and revenue are still being driven by broadcast radio.

6. **What are the systems needed to unleash the full potential of data to understand audiences, to drive loyalty and to build an effective digital business model?**

Companies like Spotify and Amazon are far ahead in the business of using digital data to understand their users individually and to offer services related specifically to individual needs. In the public media space, this ability is critical to understanding how to drive loyalty and associated membership and other forms of revenue. The need for an infrastructure that would enable classical stations to use digital data from audiences in complex ways, from content creation to donor relations, will be increasingly important. This suggests the need for a collaborative effort of the system as this would benefit classical as well as news/information and other music format stations. Given the size of the potential investment needed, there could be some basic feature sets that could be built now and added to later.

7. **Can stations strengthen their service through digital content collaboration?**

Possibilities that emerged in our digital discussions include:

- Sharing digital website feature content
- Aggregating station services to create a hub for all things classical
- Providing an aggregated digital space for new, emerging artists and independent musicians
- Launching a joint social media campaign to find and develop the most promising emerging classical musical artists.

8. **Should stations undertake business collaborations?**

Examples in this area include:

- All stations (classical, news/info and other station formats) investing together in the tools needed for sophisticated data analysis so that there is one system-wide approach
- Classical music stations consider partnering with major commercial streaming organizations to ensure that their services are reaching audiences where they are
- Classical music stations investing together in securing the necessary digital music use rights for the future

SOME CONCLUSIONS . . .

Classical music stations have been in the digital content space for decades but in many ways the business seems in an early development phase. New commercial players in the digital music space are exploding and through innovations and investment, they are changing behaviors and expectations of audiences.

There is an increasing worry with many classical station leaders that they are falling fast behind in this environment. But given the available research, data, and evidence of what works, there are opportunities for classical stations that may not require large individual investment or huge rights breakthroughs.

Excellent listening experience via a stream is at the core of what most audiences want. Paying attention to the quality and reliability of the stream, making it easy to find and use and

promoting it across platforms is essential. Basic information is also a key need. Information on playlists or how to listen on all devices is an audience-winner. Providing additional music-related content, such as news/feature/text-based stories may also attract new audiences.

The digital music universe is rapidly expanding. Audience expectations are changing, presenting exciting, new opportunities to design content and services that not only speak to the existing core, but also introduce new listeners to the world of classical music through digital channels.

To remain competitive, it's likely some major change will need to happen within the public radio classical music environment. Securing digital music rights is a key consideration here, as is building an infrastructure to analyze data in ways that increase understanding of audience, audience loyalty and thus underpin digital business models.

There is also the question of the willingness or ability of stations and national organizations to work together in new ways. The size of the challenge on the business side implies that new conversations, collaborations and partnerships will need to be explored to secure a successful digital future for classic music public radio stations and the audiences that depend on them.