

“Dicing The Data” from NAB/RAB Radio Show: Sept. 7, 2017

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SLIDE 2: Dicing the Data to Predict the Hits

Each week you're at your desk considering new music. Maybe there's room for two or three singles. So how do you decide which ones to add?

To learn which data radio PDs and MDs care about for making music decisions, we partnered with trade publication *Country Aircheck* last winter to survey the Mediabase reporting panel, which includes most of the BDS stations, as well. We asked which of 38 factors were likely to influence adding a single. These factors included everything from chart activity to artist visits, free shows, requests, corporate mandate, the consultant's opinion -- you name it. Nearly half the field responded -- 76 stations. Some of those PDs also program other formats in their cluster, so we can safely assume that their thinking is not exclusive to Country.

SLIDE 3: Top factors by PDs/MDs for adding a single

Even with all the measurable data out there -- from streaming to social media, sales, spins, callout, MScore and so on -- we learned that Country radio's decision makers still largely depend on how they personally value each single.

The top three motivators (in red) and six of the top 11 for adding a new single are not readily measurable. They are what you'd call "intangible" factors. Subjective stuff that can't be reduced to statistics: The artist's stature and reputation and the PD's gut feeling -- whatever that may be based on -- were nearly unanimous choices ... picked by more than 90% of the respondents. The playlist fit -- the tempo and sound -- were also big.

SLIDE 4: Top factors by PDs for adding a single

Additional intangibles (in red) that scored highly were relationships with the artist and label. And word-of-mouth from other PDs. It was amazing to see how important "non-data" factors are for a mature, ratings-driven, multi-billion-dollar industry like radio. But that's what makes successful radio an art form as much as it is a business.

SLIDE 5: Moderate factors by PDs/MDs for adding a single

Only when we get around the 50% influence level does airplay-related data show up in a big way. Notice how streaming data at No. 13 was regarded as important by just more than half of participants. We also see how the "corporate mandate" is pretty important. The main reason the mandate "only" scored 49% is probably because many stations surveyed don't have such a mandate.

SLIDE 6: Other music media aren't major "add factors" for Country PDs/MDs ... yet

As for streaming media, for all the buzz, publicity and competition it generates, barely half of PDs surveyed regarded streaming media overall as a factor on adding new music. And no individual service -- Spotify, YouTube, Apple or Pandora -- even made the top 25. Neither did Sirius XM, nor music videos.

Why was this so? Maybe it's hard to gauge what streams or impressions are really worth. Some of these analytics are so new that we don't yet have many statistical benchmarks to go by. Most stations don't even have access to callout. So programmers like you use what instincts and resources you have, just as you've always done. And you do it very well.

But as more data is collected on music consumption and programming behavior, we're beginning to find positive early correlations on which singles become radio hits. Now I'm going to show you five factors that scored very LOW on this survey that, in fact, show real signs of predictive value.

What you're about to see is based on Country radio, rather than all formats. This is only because I've been researching Country for years, and is the format I've had enough time to identify findings significant and stable enough to bring to your attention.

SLIDE 7: #1: Shazam data ranked No. 25 in influence, but it can be predictive.

The first correlation to show you is Shazam, which came in 25th as an influence on this survey – pretty low. Most of you have the Shazam app on your phone and probably like having it. Millions love it because it's a music discovery tool. But it's also proving to be predictive. So how do you measure it?

Record companies analyze consumption per spin – that is, the combination of streaming activity and sales in relation to airplay – as one indicator of a hit. Shazams-per-spin is proving to be useful in assessing a single very early on, when reporting panel PDs have either just added the single or are considering adding it. In this case, we're talking about the second chart week of a single's life on the top 50. Here's what I mean:

SLIDE 8: 12+ Shazams-per-spin per week in 2nd chart week

In Country, the average charting single peaks at around 18. But among singles that earned 12 or more Shazams per spin in their second chart week, they peaked, on average, at number 4. Over the past two years, 90% percent reached No. 1, more than twice as many as charting singles in general.

SLIDE 9: Shazams per Country spin in 2nd chart week

As we see here, Shazams-per-spin of 7 or more but less than 12 in a Country single's second chart week still indicates a much better than average chance of reaching number 1, but these singles peak at 9 rather than 4. Anything more than the median of 5.6 Shazams-per-spin is encouraging.

SLIDE 10: Shazam shows predictive potential

Now, this doesn't necessarily mean a single with low Shazams per spin will be a stiff. Certainly not. many singles with a low Shazam-per-spin ratio do very well. But notice how on average, the lower the Shazams per spin is, the worse these singles tend to perform in the long run. The point is that a high Shazam-per-spin ratio early on is worth watching.

SLIDE 11: Week 2 Shazams/Spin compared to eventual chart peak position.

This slide shows how the 67 singles reaching No. 1 – the purple bar – averaged just over 8 Shazams per spin in their second chart week, while 26 peaking between 2 and 15 – represented by the green and orange bars – averaged just 5.7. Singles that peaked between 16 and 39 – the blue bar – earned a bit more than 5, and those finishing from 40 to 50 – the grey bar – scored fewer than 4.

SLIDE 12: Higher Shazams-per-spin in week 2 can indicate a faster pace to No. 1

This slide shows the average number of weeks it took for various No. 1 singles over the past two years to advance from their chart debut to No. 1. The 14 No. 1 singles that had generated more than 10 Shazams-per-spin in their second chart week – that’s the green bar – averaged 18 weeks to reach the top. But the 22 No. 1 singles that generated fewer than six Shazams-per-spin – the blue bar – averaged more than 28 weeks to reach the top – that’s a 2 ½ month difference.

As you would expect, Shazams-per-spin ratios gradually decrease as singles become more familiar to consumers and airplay spins dramatically increase.

SLIDE 13: #2: Streaming data was No. 13 in influence, but it deserves more attention.

The second of the five factors that programmers overall didn’t regard as even among the top 10 in terms of influence is streaming activity. Let’s take a closer look to see what streaming can tell us.

SLIDE 14: Listeners are streaming Country hits more than ever. First of all, Nielsen reports big increases in on-demand streaming activity in recent years by nearly everyone, not just Millennials. Country listeners are a good example. Looking at the past two years individually, the average number of streams in a Country single’s second chart week has grown dramatically, up 58% in the past year.

SLIDE 15: How many streams is a lot? Top-streaming singles by format

If a single is getting several million streams on-demand nationally in a week, is it a hit? Are streams by themselves proof of what a hit is? Maybe, maybe not. And if they are, the number of streams that determines a hit can depend on the format. For example, in mainstream Top 40 at the end of August, “Despacito” was the No. 1 streaming single at 38 million per week. Down at No. 50 in streaming was “Goosebumps” by Travis Scott featuring Kendrick Lamar with 6.7 million streams. Ranking No. 50 is far from being a pop hit. But “Goosebumps” at No. 50 in pop still scored more streams than the No. 1 streaming Country single, “What Ifs” by Kane Brown featuring Lauren Alaina, which picked up “only” 5.8 million. As programmers, you need to know the level of significant streaming activity for each format. Here’s an example of what that looks like:

SLIDE 16: Ranking of the most-streamed Country singles

The five most-streamed Country singles over the past couple of months – represented by the bar in red - - have averaged almost 3.7 million streams. That’s not a whole lot in the pop world, but in Country it’s a big deal because only the top 15 streaming Country singles – the red, green and dark blue bars – are averaging 1.5 million or more streams per week. Six months from now, these rankers are going to be even more competitive because streaming overall is becoming increasingly popular.

Let’s say you’re programming a Country station, and you hear that a newer release is steadily generating a couple of million streams per week – the bar in green. That would probably rank it among the format’s top 10 streaming singles. But how do we use that early streaming activity to determine how well the single will do at radio? The next two charts help answer that question.

SLIDE 17: Top 10 Country BDS singles average 2.5 million streams per week

This slide shows the average number of streams by BDS Country airplay chart position. We can see that singles in the BDS top 10 for airplay – represented by the red bar – are averaging 2.5 million streams per week. Those at the bottom of the BDS top 50 airplay – the orange bar – average fewer than 750,000. Think of these figures as benchmarks. So, that new release pulling in two million streams per week is not only among the top 10 Country streamers, *it's actually already behaving like a top 10 airplay hit*.

OK, that's pretty interesting. But as a PD, what you really want to know is how much of a force radio airplay is in driving all those streams. Knowing that can help tell you whether radio consumers – your listeners – are responding favorably to what you're playing. So, let's use the same method as we did for Shazam: We take the total streams per week for a single and divide it by the number of spins in its second airplay chart week to help evaluate as early as possible whether a single has hit potential. When we do this, our research shows that ...

SLIDE 18: Early streams-per-spin activity is correlated to radio airplay chart outcomes

... Early streams-per-spin activity is correlated to radio airplay chart outcomes. Let's take a closer look.

SLIDE 19: Streams per spin can be an early predictor of airplay chart outcome

Here's something you've never seen before that shows streams per spin can be an early predictor of airplay chart outcome. This slide gives the average number of streams per spin that singles received way back in their second week on the Country airplay chart – four to nine months before they peaked. We can see that singles that ultimately reached No. 1 – the bar in red – delivered much higher streams per spin in chart week 2 than those that eventually peaked in the top 15, top 30 or top 50. Let's look at it another way:

SLIDE 20: Large early streams-per-spin show predictive potential

On this slide, we see singles that scored more than 600 streams per Country spin in their second chart week peaked on average at 12.6 on the Mediabase airplay chart. More than 56% went No. 1. Country singles overall – shown in purple – peaked at 18, while those producing 300 streams per spin or less peaked at 23.7 and generated a far fewer proportion of No. 1s. In fairness, many low-scoring singles also reached No. 1, so this is not a bulletproof statistic to live by. But the pattern is pretty obvious.

SLIDE 21: Streams-per-spin also indicates the airplay pace to No. 1

Streams-per-spin early in a No. 1 single's life is also showing to be correlated to the speed to the top of the chart. This graph shows that singles that generated at least 800 streams per spin in their second chart week reached No. 1, on average in 20.7 weeks, a few weeks sooner than singles receiving less than 700 and almost two months before those earning less than 200 streams per spin.

If you like this sort of information, you should check out Nielsen's BDSradio tool or Mediabase's BuzzAngle, which enable you to examine streaming totals and rankers for any song at the individual market level as well as at the national level. The behavior patterns of a hit we've seen with Country suggest that if a single or track ranks high in streaming locally without much or any airplay, it is worth a close look.

SLIDE 22: Pandora spin activity is relevant to outcomes of Country singles.

Pandora spin activity came in nearly dead-last in our programmers' survey, ranking 34th out of 38 factors influencing new adds. This is interesting because, as it turns out, Pandora's Top Country Spins chart and the monitored airplay charts generally agree on what the Top 10 hits are about 88% of the time. Only a few of Pandora's top 10 Country hits didn't reach Top 10 at Country radio, and only a few of Country radio's Top 10s didn't make Top 10 at Pandora. And Pandora has for the past year been showing to be reliably ahead of Country radio at predicting Top 10 hits. Here's a closer look:

SLIDE 23: Pandora is a month ahead of airplay at projecting Top 10 Country radio hits

Over the past 12 months, Pandora projected ahead of Country radio on what would become Top 10 radio hits 81% of the time. And, on average, Pandora was more than five weeks ahead of Country radio at reaching Top 10. So if you're already on a new release and are thinking of increasing its rotation, Pandora is pretty good at forecasting that single's ultimate outcome.

SLIDE 24: Most Added scored 31st out of 38 factors influencing PDs/MDs on new adds. But...

Would you believe that "Most Added" ranked 31st of 38 factors influencing adds? Only 20% of programmers said it was likely to shape their decisions. That's surprising considering how many years that the Most Added weekly scoreboard has been around and also considering how much editorial space, promotion energy and advertising is given to those Most Added rankings.

And it's interesting because you've already seen how our "survey says" that PDs rely on personal intangibles to a great degree. And they are successful at doing so or they wouldn't be chart reporters. So when 150 or so independent-minded PDs and MDs happen to agree in large numbers on a new record simultaneously, it's no coincidence that the outcome is usually very positive.

SLIDE 25: No. 1 Most Added is a reliable early hit indicator at Country radio.

For whatever the survey says about "Most Added," I'm here to report, after looking at more than a decade of data, that being among the "Most Added" is a reliable early indicator of a hit. Since mid-2006, of more than 400 unique singles that were No. 1 most added, 55% reached No. 1 and the vast majority reached Top 15.

SLIDE 26: Outcomes of No. 1 Most-Added Country singles.

Here's how well No. 1 Most-Added singles in Country (the bars in blue) have performed since 2006 compared to all charting singles (the orange bars). For example, we can see that 81.7% of No. 1 Most-Added Country singles reached No. top 15, while just 55% of all charting singles did so.

SLIDE 27: No. 1 and No. 2 Most Added singles comprise 86% of No. 1s in the past 2 years

Here is a more detailed look at the outcomes of Most Added singles between August 2015 and August 2017. As we see, 86% of singles that reached No. 1 had been either No. 1 or No. 2 Most Added early on. And nearly all of them were among the top 3 Most Added. And these are not just superstars. Many are newer artists, too.

SLIDE 28: Outcomes of Most-Added Country singles.

The average peak of a No. 1 Most Added Country single ends up at around 7. You can see the big drop-off for those that only achieve No. 2 Most Added, and the progression downward continues as fewer programmers agree in any particular week on a new single. In other words, even though the survey indicates otherwise, being Most Added actually matters ... a lot.

SLIDE 29: A huge “Most Added” week generally means a very successful Country single.

What about those singles that pick up 80, 90 or even 100 adds in one week? They do great! About 76% of singles getting 60% of reporters to agree at one time eventually reach No. 1, and they also tend to peak considerably higher on the airplay chart than other No. 1 Most-Added singles.

SLIDE 30: Top 10 Most Added 5+ straight weeks? Usually means a big Country hit.

SLIDES 31, 32, 33: Early signs of success for developing artists (examples featuring Jon Pardi, Dan + Shay, Old Dominion)

SLIDE 34: Summary: Five factors offering predictive value

In conclusion, these five factors are showing to be correlated to hit singles. Yes, there are many exceptions. Tom Brady was a sixth-round draft pick. And some singles don't score well on any of these factors and still become very big. We track those, too. But when you see a combination of these positive indicators lining up, you can be pretty confident you've got a hit on your hands. And best of all, much of this data is readily available for free online or via your label representatives.

SLIDE 36: Contact info:

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