"Dicing The Data" Country Radio Seminar Presentation

by Jeff Green, Feb. 28, 2017

SLIDE 1: Embracing the Data to Predict the Hits
By a show of hands, how many of you are PDs or MDs of your stations?

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 or to move up in rotation?

To learn which data radio PDs and MDs actually care about for making music decisions, we partnered recently with Country Aircheck to survey the Mediabase reporting panel. We asked how likely <u>38 factors</u> were to influence adding a single or increasing airplay. 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. For the full report, grab a copy of Country Aircheck's new print pub here at CRS.

SLIDE 2: Top factors for adding a single
What we learned was that, even with <u>all</u> the measurable data out there – from streaming to social media, sales, spins, callout, MScore and so on – Country radio's decision makers – you guys and gals – still largely depend on how you <u>personally</u> value each single.

Among the 38 considerations as "very likely" or "somewhat likely" to be persuasive, the top three and six of the top 11 motivators given for adding a new single are not readily <u>measurable</u>. 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 – were nearly unanimous choices … picked by more than 90% of the respondents. The tempo and sound were also big. So were relationships with the artist and label. And word of mouth from other PDs. To discover how important "non-data" factors are is pretty amazing for a mature, multi-billion-dollar industry. But that's what makes successful Country radio an art form as much as a business.

SLIDE 3: Top "very likely" influences for adding a single
When we isolate only the "very likely" factors (excluding the "somewhat likely" considerations), only two considerations achieved a majority opinion, compared to 13 for "very likely" + "somewhat likely" factors. Notice how several "intangibles" are among the most powerful influences for new adds here, as well. And in this slide, we also see how the "corporate mandate" appears as a strong force. It's probable that the main reason the mandate "only" scores 40.5% is because many of the responding stations in the survey don't have such a mandate.

SLIDE 4: Moderate factors for adding a single
A dozen factors earned positive consideration from a third to a slight majority of PD respondents, and it is in this group we see how the influence of label staff and the label itself weighed in programmers' minds on adding new music. Streaming data collectively was regarded as influential by just more than half of participants. Artist visits mattered, but nowhere near as much as a local concert or, especially, a free show for the station.

SLIDE 5: 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, we found that PDs rank streaming relatively low in terms of influence. We saw from the preceding slide that barely half of stations in the survey regarded streaming media overall as a factor. And no individual service – Spotify, YouTube, Apple or Pandora – even made the top 25. Neither did Sirius XM, nor music videos.

SLIDE 6: Least important factors for adding a single
Why was this so? Maybe because it's hard to gauge what millions of streams or impressions are really worth. Some of these analytics are so new that we don't yet have statistical benchmarks to go by. Most stations don't even have access to callout. So programmers like you use what 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 hits. Each of us up here will talk about what data points they look at. 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. The first two are about adding a new single, and the latter three are more about increasing spins once that single is underway.

SLIDE 7: #1: 12+ Shazams-per-spin per week in 2nd chart week
The first is Shazam, which came in 25th on this survey. 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 predictive as a research tool. So how do you measure it?

Labels have been promoting Sales-per-spin as an indicator of a hit. And, as you'll see shortly, they're right to do so. But Shazams-per-spin is also a valuable tool, <u>especially measured in the second chart week</u> of a single's life. Here's what I mean:

The average charting single peaks at around 19. But among singles that <u>earned 12 or more Shazams per Mediabase spin in their second chart week</u>, they peaked, on average, at no. 5. Seventy-five percent reached No. 1, nearly twice as many as charting singles in general. Anything more than 5.5 Shazams-perspin – that's the median – is encouraging.

Now, this doesn't necessarily mean a single with low Shazams per spin will be a stiff. Certainly not. The point is that a high Shazam-per-spin ratio early on is worth watching.

SLIDE 8: High "week 2" Shazams-per-spin often show positive potential.
This slide offers a view of singles with an above-the-median number of Shazams-per-spin in Mediabase chart week no. 2 and how they performed on average. The period surveyed was August 2015 to mid-February 2017.

SLIDE 9: High "week 2" Shazam Shows Predictive Potential.
This slide offers a view of 137 singles between August 2015 and mid-February 2017, showing how they performed based on their Shazams-per-spin in their second Mediabase chart week. Notice the steady

curve in average peak based on Shazam activity, and significant change in the proportion of No. 1s where Shazams-per-spin in week 2 were below the median.

SLIDE 10: Week 2 Shazams/Spin compared to eventual chart peak position.
This slide shows the average number of Shazams-per-spin in Mediabase chart week 2 for 116 singles between August 2015 and mid-February 2017, as follows: Those reaching No. 1 (43 songs), Nos. 2-10 (14 songs), Nos. 11-15 (9 songs), Nos. 16-39 (26 songs) and Nos. 40-50 (24 songs). We can see that, for example, singles that went on to reach No. 1 averaged 8.22 Shazams-per-spin, whereas singles peaking between 40-50 averaged 3.89.

SLIDE 11: 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 43 No. 1 singles between August 2015 and mid-February 2017 to advance from their chart debut to No. 1. For example, among eight No. 1 singles that had generated 10.01 or more Shazams-per-spin in their second chart week, they averaged 17.6 weeks to reach the top. Among the 11 No. 1 singles that generated 0.0-5.9 Shazams-per-spin, they averaged 27.1 weeks to reach the top.

SLIDE 12: As songs become familiar and spins increase, Shazams-per-spin decline, factoring less in value.
Our research focused on activity in chart week No. 2, as we can see how Shazams-per-spin figures gradually decrease as singles become more familiar to consumers and airplay spins dramatically increase.

SLIDE 13: #2: The Power of Most Added.
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 much editorial and advertising is given to those rankings.

And it's interesting because "survey says" PDs rely on intangibles to a great degree. You think independently. You also know what you're doing. So when 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 14: Being No. 1 Most Added is the No. 1 early indicator of a hit.
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 probably the No. 1 early indicator of a hit. Since mid-2006, of the nearly 400 singles that were No. 1 most added, 55% reached No. 1. In the past 18 months.

SLIDE 15 (New): Performance of No. 1 Most Added singles.
Here is a more detailed look at how nearly 400 singles since August 2006 that were No. 1 Most Added performed in the Mediabase chart. Nearly all reached top 15, and almost three-quarters went top 10. Note the steady curve in chart achievement.

SLIDE 16 (New): No. 1 and No. 2 Most Added singles comprise 85% of No. 1s.
Here is a more detailed look at the breakdown of the Most Added ranking of 68 No.1 singles between August 2015 and mid-February 2017. As we see, 85% of No. 1s were either No. 1 or No. 2 Most Added.

And all of them were among the top 4 Most Added. And these are not just superstars. Many are newer artists, too.

Update: A 69th No. 1, Little Big Town's "Better Man", reached No. 1 February 20, and it also was a No. 1 Most Added single, raising the No. 1 Most Added group's total from 38 to 39 in this time period, or 55% of No. 1s.

SLIDE 17: A huge "Most Added" week has generally meant a very successful single.
What about those singles that pick up 80, 90 or even 100 adds in one week? They do great! About three-quarters of singles getting 50% of reporters in week 1 go No. 1.

SLIDE 18: A huge "Most Added" week correlates to having a Top 5 hit single. And the percentage reaching top 5 is even higher.

SLIDE 19: A huge "Most Added" week correlates to having a Top 15 hit single, too.

So what if you're not No. 1 Most Added? Or even No. 2 or 3?

SLIDE 20: Top 10 Most Added 5+ straight weeks?
Well, if a single can rank anywhere on the "top 10 most added" list for five consecutive weeks, it usually means big things.

SLIDE 21 (New): Top 10 Most Added 5+ straight weeks? Usually means a very big hit.
Since spring of '15, those among the top 10 most added five weeks in a row peaked, on average, at 4. About three-quarters reached No. 1, and nearly all made top 10.

So Shazam and the Most Added lists are two factors worth considering for new music. What about when it's time to increase spins?

SLIDE 22 (New): Important factors for increasing spins
The survey showed that intangibles were still among the top five influences. What DID move up in importance for increasing spins were three others: Callout – far and away No. 1; national media exposure; and national airplay chart growth.

SLIDE 23: Key factors for increasing spins
Here are the top 13 factors programmers gave as being "very likely" or "somewhat likely" to influence their decision to increase spins on a new single. Note the jumps for local callout/research, national media exposure/performance and national airplay chart growth (all underlined), compared to their ranking for influencing new adds.

SLIDE 24: Top "very likely" influences for increasing spins
When we isolate only the "very likely" factors (excluding the "somewhat likely" considerations), only local callout/research achieved a 50%+ opinion, compared to 12 for "very likely" + "somewhat likely" factors. We see here that "Local Callout" jumped from 9th to No. 1. Callout response (a scale measuring appeal vs. fatigue or "burn") appears to be especially valuable for as many as 25% of the reporting

stations that routinely don't add a single until it penetrates the top 40 – a threshold that can take several weeks or even a few months to achieve. But notice how several "intangibles" are among the most powerful influences for increasing spins here, as well.

SLIDE 25: Moderate factors for increasing spins
Among these 11 moderate factors, listener requests climbed in importance for increasing spins compared to its stature for adding a single, which one would expect as a song becomes familiar to listeners. MScore, Shazam and Spotify also rose in significance compared to their influence on new adds.

Let's look closely at No. 9, National airplay chart growth. When Country Aircheck declares a single as "Airborne", that means 60% of the Mediabase reporters have added it. That 60% figure means more than you may have thought.

SLIDE 26: #3: Achieving Airborne Status
Over the past 18 months, singles achieving Airborne status have peaked much higher than the average charting single.

SLIDE 27: Simultaneous Chart Debut and Airborne Status
But almost 70% of singles achieving Airborne <u>the same week in which they debuted</u> on the chart reached No. 1. Ninety percent made top 10. In short, reaching Airborne, especially early on, is a strong hit indicator.

SLIDE 28: Most No. 1s and 78% of Top 15s are Airborne in Three Weeks or Less
Here is a chart showing the outcome of singles reaching Airborne in their first chart week, their second, third, 4th-8th and 9th chart week or later in the period between late August 2015 and mid-February 2017. We can see the proportions that reach No. 1 or Top 15 change according to the speed at which these singles achieved Airborne.

SLIDE 29: Top 30 airplay in four weeks suggests a potential No. 1
Pay attention to how quickly a single advances up the chart in its first few weeks. Over the past 18 months, the average No. 1 single was already inside the top 30 by its fourth chart week, 10 slots ahead of non-No. 1s. These hits accelerate even faster over time. By week 12, the average No. 1 was at 14, compared to no. 30 for non-No. 1s.

SLIDE 30: #4: Look for big sales-per-spin in chart week 2
No. 4 is big early sales-per-spin. Since we want to identify hits as soon as possible, let's again look at chart week No. 2. Since October of '15, singles generating about <u>12 sales-per-Mediabase spin in chart week 2</u> have generally <u>far</u> outperformed <u>everything</u> else. 70% reached No. 1, and the average peaked around 6.

Now, low early sales-per-spin figures are NOT necessarily negative. Sales frequently begin and level off weeks or many months before Country airplay begins. And streaming now counts in consumption figures, replacing some physical or digital sales. But look for big sales-per-spin in chart week 2.

The fifth and final factor is Pandora, which scored near last -- 34th -- for influencing new adds and spin increases. This is interesting because Pandora's Top Country Spins chart and the Mediabase chart generally agree on the hits.

SLIDE 31: #5: Pandora Country between 30 and 10
But between chart positions 30 and 10, did you know that Pandora's chart moves faster than Mediabase's? It is actually about a month ahead for projecting top 10 hits.

SLIDE 32: Pandora's chart is about a month ahead of Mediabase projecting top 10 hits. Since last September, 16 of 18 recent big hits reached top 10 on Pandora four to five weeks sooner than on Mediabase. The two exceptions: Old Dominion's "Song For Another Time" reached top 10 on both charts the same week. Kenny Chesney featuring P!nk with "Setting The World On Fire" reached top 10 on Mediabase one week ahead of Pandora. The majority of newer Country singles currently on the chart also reach top 25 on Pandora faster than on the Mediabase chart.

SLIDE 33: Pandora is outpacing Mediabase between #30 and #10.
This chart shows where a hit single ranked on Pandora (in blue) and on Mediabase (in gold) at various chart points between September 2016 and late January 2017. For example, a single that was at No. 31 on Mediabase was at No. 23 on Pandora. Singles on the two charts have tended to rank about equal by chart position No. 10.

SLIDE 34: Singles Pace Faster on Pandora Spins Rank than on Mediabase from #30 to #10. Here is an example of week-by-week chart rank pacing on Pandora vs. Mediabase, illustrating Michael Ray's "Think A Little Less" between mid-October 2016 and mid-February 2017.

Slide 35: Maren Morris/John Pardi/Dan + Shay
Following are three examples of recent top 10 singles by newer artists who scored highly on many or all of these "early indicator" factors: high Shazams per spin, Most Added, big early sales per spin, numerous Most Added weeks, early Airborne status and fast Pandora pacing. The singles are Maren Morris's "My Church", Jon Pardi's "Dirt On My Boots" and Dan + Shay's "From The Ground Up".

Slide 36: Maren Morris "My Church" Slide 37: Jon Pardi "Dirt On My Boots" Slide 38: Dan + Shay "From The Ground Up"

Slide 39: 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 indicators lining up, you can be pretty sure you've got a hit on your hands. And best of all, all of this data is readily available for free.

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