

## SLIDE 1

Good morning! First, many thanks to CRS, the Agenda Committee, Country Aircheck, Mediabase, Nielsen BDS Radio and Nielsen Music. And thanks to all of you in radio who took part in our 3<sup>rd</sup> annual Music Decision Survey on what most and least influences you on new adds and increasing spins. The full report is in Country Aircheck's CRS print pub, available now at a newsstand near you. The Music Decision survey also raised money for several beloved charities, so thank you for that, too. Finally, no need to take notes. This deck is available free through the CRS App, and it's free, as always, at StoneDoorMediaLab.com.

In baseball, managers, coaches and scouts rely on terms such as on-base percentages and slugging percentages to predict what a batter will do at the plate. In football, we talk about quarterback ratings, "yards after catch" and "passes defended" to grade past performance and anticipate what might happen in the next game.

These statistics were once unfamiliar and pretty geeky, but now they're used all the time to determine who gets playing time. They turn data into information, information into knowledge and knowledge into entertainment. That's what you in radio do, too. And because music usage, or consumption, is so measurable now, let's get comfortable with some of our own new statistics.

Sports team GMs, coaches and scouts are often completely wrong, of course, both overestimating and underestimating what will happen under certain conditions. They realize that no data is infallible; far from it. But just as the sports world uses data, broadcasters and music industry folks can use these new benchmarks to measure progress on artists and their new releases. I'm here to share some of those with you now.

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This panel promised to give you five metrics as predictive forces in Country music, so here they are: what you could call “from reaction to traction.” I’ve listed them chronologically: from when a single is first added at radio, then measuring its progress along the way, checking its streams per spin, Shazams per spin and Pandora Thumbs Up. And then, how fast a single picks up stations and spins as it moves up the chart.

## SLIDE 3

Before a single can be “consumed,” it first has to get on the menu, right? So, batting first is one very familiar to all of us – Most Added. I know ... *I know*: Most Added is all hype, or the result of some promotional spin program, or it’s about a show of loyalty to an artist, or even a corporate mandate. No wonder only about a third of PDs and MDs in the survey regarded Most Added as influential.

However, when many of you highly experienced programmers, who happen to be blessed with golden ears, by the way, collectively agree to add a record, *regardless of the reason*, the results stand out: Singles that ever made the top 3 most added in any given week have delivered nearly all the No. 1s. Scotty McCreery, who’s No. 1 this week, was the last artist who didn’t do it, and that was almost a year ago with “Five More Minutes.”

Not all Most Added leaders rack up the same number of adds, of course. Since 2016, the No. 1 Most Added single has averaged 58 stations, and No. 2 Most Added averaged 35 stations. So, when you see singles beating those averages, they’re worth a close look.

Bottom line: When a single is among the top Most Added, it’s usually meant very good outcome.

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Of course, singles don’t all *have* to be among the top 3 Most Added to be successful. Singles that showed steady, early momentum by ranking among the top 10 Most Added five or more consecutive weeks far outperformed charting singles in general. A fast start out of the gate is a bit like a running back who runs a 4.2 40. It doesn’t guarantee he’ll score every game, but I probably still want him on my fantasy team.

When we talk about consumption, we mean a combination of digital and physical sales, plus streams. But we need relevance to know what heavy consumption is. It’s important to do this because the survey shows PDs and MDs care about consumption a lot.

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Most of non-radio Country music consumption is streaming. If you’re wondering how fast audio streaming is growing, Nielsen says it’s rapidly dominating Country consumption. Apart from

radio and digital radio, the majority of Country consumption – 55% and rising pretty fast -- is now on-demand audio – the figures in red. Soon, the overwhelming share of non-radio consumption may be streaming, as it already is in other formats. Nielsen says that in 2018, total on-demand audio song streams rose nearly 50% ... in one year!

Let's say you learn that a particular single is getting a million streams per week. So, you ask, "How important is that?"

## **SLIDE 6**

So here are some new Country streaming benchmarks or thresholds. These numbers are probably good for the next six months or so, but will then need to be updated as streaming continues to multiply like rabbits. The typical airplay rank for a Country single getting a million streams is right here in the grey ... ranking between 31-40 nationally.

This grid shows how much streaming is happening at various airplay chart ranks. Watch for new singles that are blowing the roof off in streaming – especially if it's for more than a week. If they're getting a lot of streams compared to airplay, check 'em out!

Without radio support, heavy streaming can still happen because curated online playlists, satellite radio exposure and various streaming algorithms. But this chart shows Country radio's power: the more you play a single, the more streaming activity increases.

However, don't assume a sudden spike in streaming without radio isn't legit. Kelsea Ballerini's "Miss Me More" was at 45 the week of the CMA Awards, averaging eight spins a week. After the CMAs, she jumped almost 300,000 streams and then another 600,000 the following week, while Country radio bumped it up just one average spin a week.

## **SLIDE 7**

To understand all these "per spin: statistics, it helps to look at how many spins is a lot. This grid shows how spins stack up by airplay chart rank. We see here that a No. 1 single averages 50 or more spins a week – 54, to be precise – almost eight per day around the clock, compared to a song at No. 50, which averages closer to eight a week.

So, if you see stations spinning a single 20 times a week that's only at 40 on the chart, something's going on. It could be a hunch, or maybe a spin program, or maybe it's generating strong local response. This chart can help you identify something way outside the norm worth looking at.

## **SLIDE 8**

The second of our five metrics that matter is streams per spin. But streaming is constantly growing, so when do you measure it? We take a snapshot at a consistent moment in time – the single's second chart week – because that's when about half or more of reporting stations have started playing a single in some kind of regular rotation.

This chart shows how Country singles that generated a lot of streams per spin early in their chart life usually peaked higher and were more likely to reach No. 1 than those which didn't.

Let's look more closely: The average single generates about 1,300 streams per spin in its second chart week and peaks at around 16 – the figures in terra cotta color. (Hey, that's what my wife calls it!) About 40% of them go No. 1. So, a single that registered 1,000 streams per spin in its second chart week is behaving like one that's likely to reach inside the top 20 ... maybe much higher. But new singles that produce 3,000 or more streams per spin in their second chart week – those in red – have been twice as likely to reach No. 1 and peak, on average, well inside the top 10.

#### **SLIDE 9**

Not only have we found a correlation in Country between early streams per spin and chart outcomes, there's also a relationship between early streams per spin and its flight path to the top. Future No. 1s that receive 3,500 or more streams per spin early on – the figures in red – typically reached No. 1 several weeks sooner than all others. How do you get this streams-per-spin data? From your label reps. Streams per spin. Ask for it by name!

#### **SLIDE 10**

The 2018 survey says just 25% of PDs and MDs regard Shazam as influential, even though it's one of the world's most popular apps. Maybe that skepticism exists because programmers aren't sure how to measure it. Let's see if we can make Shazam data easier to understand.

When Jane Consumer streams from her smartphone, desktop or via satellite, she can see the artist and title. But if she overhears a stream in a mall, office or restaurant, or often *when listening to radio*, she can't, and so she triggers her Shazam app to get the artist and title. In short, Shazam measures initial interest. This curiosity – which is usually a positive thing – helps build familiarity, which is essential to callout. And “survey says” callout is more important to Country programmers than anything else.

But how can we interpret Shazam data? When we hear that a new single has received a lot of Shazams “tags”, what does that mean?

Here you go. A single that has picked up 125,000 total Shazams is behaving, on average, like singles in purple here -- that are already around the top 20 in airplay. By the time a single reaches No. 1, if it gets there, it's collected, on average, 350,000 total Shazams – the figures in red.

You'd think superstars would already be familiar enough that they'd get fewer Shazams than new artists. But I'm not seeing evidence of that. And even if Jane Consumer recognizes the lead voice, who *is* that female singing with Kenny Chesney, Jason Aldean or Keith Urban? And what's the *name* of that song anyway? You get the idea.

#### **SLIDE 11**

Access to total Shazams for virtually any song is free. Here's where to find it: Go to Shazam.com. No need to log in, just type in the name of the artist and title in the upper-right corner.

#### **SLIDE 12**

It's hard to read on this screen here, but at your desk or smartphone you can easily see the cumulative Shazam totals in grey on the left. Your label reps have someone keeping track of Shazam data week-to-week, so ask how many new Shazams their singles are generating.

#### **SLIDE 13**

Let's say you hear that a single is getting 10,000 Shazams per week. The figures in green tell us those 10,000 Shazams are equivalent to a single between 16-25 on the airplay chart. The more Shazams per week, the stronger the record generally turns out. A good example is Jimmie Allen's "Best Shot", which was getting more than 30,000 Shazams a week by the time it hit the top 10. No wonder you voted Jimmie to perform on *New Faces* tomorrow night.

#### **SLIDE 14**

The third of the five metrics that matter is Shazams-per-spin, again in a single's second Mediabase Country airplay chart week. Shazams per spin helps forecast three things: 1) how high a song will peak on the chart; 2) what proportion will reach No. 1; and 3) how long it may take to reach No. 1 if it gets there.

Based on studying nearly 300 singles, the median Shazam data in the second chart week are the figures in grey at the top: They got 5.85 Shazams per spin, and peaked on average at 16. About 41% reached No. 1 and took 25 weeks to get there.

But singles that scored higher Shazams per spin— the numbers in green, terra cotta and especially red -- far outperformed all others. The singles in red, which averaged 12 or more Shazams per spin in chart week 2, peaked inside the top 5. Most reached No. 1 and got there as much as three months faster. There are many exceptions, but you see the pattern.

Once you've Shazam'd a song, you know what it is, so you're not likely to do it again. So as airplay and familiarity increase, Shazams per spin naturally decline. By the time a single reaches No. 1, its average Shazams per spin is down to about a 2. The key, therefore, is to use this predictive statistic early on. Ask your label rep what their new single's Shazams-per-spin rate is, especially that second chart week. If it's a big number, chances are good it's going to be successful three to six months later.

#### **SLIDE 15**

Only 20% of PDs and MDs in the survey regarded Pandora data as influential. Skeptics may say Pandora listeners aren't radio listeners or at least not heavy radio listeners. But did you know that Pandora and Country radio agree on top 10 hits most of the time? 82% of the time, in fact,

over the past 2 ½ years. Country radio and Pandora do have a few of their own top 10s, but those are often top 15 on the other, as well.

Pandora has *millions* of Country listeners – in fact, 25% of Pandora’s top 100 currents are Country singles. Most of what Pandora’s listeners hear is not just decided by some curator somewhere. It’s based on listeners pre-selected music interests and their responses to what gets played.

You may not know this, but Pandora offers labels, artists and managers song data *at the local level*, too. Since you in radio said local data is really important, why not use it?

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Beyond agreeing most of the time with Country radio on top 10s, Pandora is, on average, seven weeks ahead of radio. This can be useful when deciding whether to move a single up in rotation. Some examples of that in a moment.

OK, so lots of Pandora airplay is an early indicator of a top 10. But Pandora's listeners provide valuable feedback, such as signaling a "thumbs up", which tells Pandora to play a song more often. Labels have this info, but you can see for yourself the number of Pandora Thumbs Ups on a single over the past week, month or year by creating a free account on Next Big Sound. It takes less than one minute to get started.

Since Pandora and Country radio agree on the hits most of the time, how many "thumbs ups" does a new single need to show us it's likely to be a hit at Country radio? And how about a grid to go by?

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You got it. The fourth metric that matters is something you've never seen before. If just 2% of all the spins Pandora gave a Country single in its second airplay chart week generated a "thumbs up" response – the figures in red – that single reached No. 1 68% of the time and peaked around 8. That's way more often than the 41% average – the figures in grey – and twice as high a peak as the typical charting single.

Notice that we're talking tiny percentage differences here. Think of a professional baseball player who bats .250. He's an average hitter at best. But if he hits .300, just 5% better, he's headed to the All-Star game. The Boston Red Sox, who won the World Series last fall, batted .268, just three percent better than the Baltimore Orioles, who finished 61 games back. No wonder a new single historically getting 1% Thumbs Ups early on typically doesn't do anywhere near as well as one receiving 2% -- which is essentially twice as many, when you think about it. Small differences can indeed be big differences.

The fifth and final metric that matters is a speed statistic: chart growth, which is important to nearly two-thirds of survey respondents. An example of chart growth is when you see that a single is top 20 after just 10 weeks. So, is that good?

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Here you go. This grid shows how future No. 1s moved up the chart considerably faster than the average single. At five chart weeks, future No. 1s were at around 30 on the chart, compared to 37 for all charting singles. So, when you see a single is top 20 after 10 chart weeks, it's behaving like a future No. 1. Luke Combs' "Beautiful Crazy" was, at five chart weeks, already at 17. At just nine weeks – this week – it's at 3 – the fastest in recent history. You get the idea.

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You might hear someone say, “All our data says this is a hit!” So, let’s overlay all of what you could call the “data DNA” on four recent No. 1s: “Written In The Sand”, “Speechless”, “Round Here Buzz” and “Broken Halos”.

Key metrics are grouped here chronologically: In purple, we have what happens first – the highest rank among the most added; the most adds generated in any particular week; and the number of consecutive weeks among the top 10 most added. Next, we take a single’s “temperature”, if you will, in its second chart week to get its Shazams per spin, its streams per spin and its Thumbs Up ratios. Then, at the fifth chart week, we look at its airplay rank. Following that, we check its Pandora Country peak, which usually ends at 16 weeks.

The figures in red are better than average. Those in black are in the average range, and those in blue are below average. All of these #1 records scored well above average in most of the statistics. All were either No. 1 or No. 2 Most Added. All were among the top 10 most added at least five straight weeks. Nearly all had very high early Shazams-per-spin *and* streams-per-spin scores. All had very high Thumbs Up ratios early on. They all peaked top 5 or better on Pandora, and all reached top 10 ahead of radio – 15 weeks ahead for Chris Stapleton and 13 for Eric Church.

Together, these metrics can help gauge potential for a current single at various points on its life cycle. All those figures in red testify why they all went No. 1: It’s because they’re great records, they had great label and radio behind them, and also because the supporting data was *there*.

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Now let’s look at singles by artists with their first No. 1s in the past year. Most got off to a good start for being among the most added, but not several weeks in a row. And none of them appeared to be going anywhere fast at radio after five chart weeks. But look at the early “outside” data indicating these would be hits. All of them scored highly on at least one or more of these newer metrics: Shazams, streams and Thumbs Ups. And they all hit top 10 on Pandora ahead of radio.

## SLIDE 21

Finally, let’s rank all of these stats to see which offer the most likely outcomes for a No. 1. Remember, about 40% of charting singles go No. 1, but as we see here, all of these indicate an above-average history of delivering No. 1s and higher average peaks. By the way, the full report gives you the top 15 scenarios.

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So here again is our summary of five metrics that matter: Most Added; strong second-chart-week action in streams per spin, Shazams per spin and Pandora Thumbs Ups; reaching Pandora Top 10; and rapid airplay chart growth, especially in the first five weeks or so.

### **SIDE 23**

I appreciate your being here and the opportunity to share these findings with you. Pretty geeky, I know. But we are all flying by instruments these days, and so, again, why not use them? There are a million statistics out there to look at, but it's much easier if you know which ones are correlated to outcomes.

When an NFL team is a leader in total offense or defense, it's probably going to the playoffs. These stats, which are available from labels or free to you online, show you which singles are likely to be headed to the playoffs, too.

Thanks very much!