

Chicago Public Media.

Audience insights and opportunities

Presented by Bernardo Sichel, Partner, McKinsey & Company

Prepared through Chicago Consulting Company, an effort to provide pro-bono and part-time thought partnership to local, mission-driven institutions

May 2021

Recap: The CPM leadership team has identified four strategic pillars as part of its 3-year roadmap – the focus of the audience analysis is relevant for pillar 2

**Audience
insights and
opportunities** →



Invest in journalism: Strengthen and broaden local coverage to establish CPM as the essential and most trusted source for understanding the people, events, and ideas that shape our community.



Grow and engage a more diverse audience: Increase audience size, diversity and loyalty through innovative approaches to content, platforms and engagement.



Convert relationships to funding: Invest in core capabilities to scale a sustainable revenue model.



Invest in talent and culture: Develop an innovative, creative & inclusive culture that provides growth opportunities for diverse talent.

Contents

Overall objective: Share insights on the different Chicagoland audiences and opportunities for CPM

- **Provide a perspective on Chicagoland's different demographic groups and their media consumption preferences**
- Provide a potential opportunity size to expand the current audience base to include a more diverse and younger group
- Share some insights on what CPM would have to do differently to serve these diverse and younger audiences

Approach to the audience analysis

Goal and context

- CPM is interested on **expanding its audience base and to be a better reflection of the demographic composition** of Chicagoland
- CPM asked McKinsey to help analyze audience data (either already within CPM's possession or publicly available) – **we have supported this work through Chicago Consulting Community, an effort to provide pro-bono and part-time thought partnership to local, mission-driven institutions like Chicago Public Media**

Analysis approach

- The primary research recently conducted by the management team is a refresh of CPM's current audience, and not of the broader audience of Chicagoland
- For the purposes of this exercise, we have used **demographic data that is specific to Chicagoland**; we then layered on **nationally available media consumer preference data** (i.e., making the inference that it can serve as a proxy for media consumer preferences specific to Chicagoland)
- **Further primary research** should be done to validate the findings on this exercise

Executive summary (1/2)

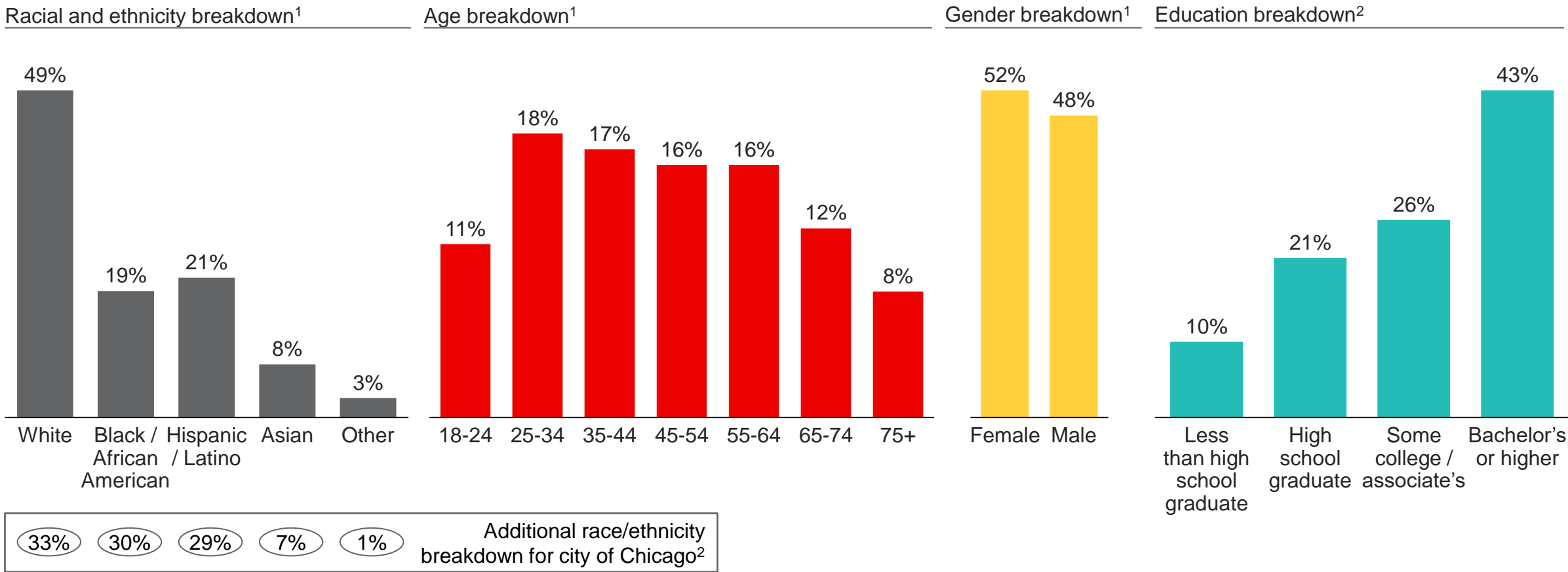
- Today, **Chicagoland is significantly more diverse than the WBEZ listener base**; For example, 40% of Chicagoland is Black/Latinx as compared to 31% of WBEZ listeners, similarly 11% of Chicagoland is 18-24 whereas only 7% of WBEZ listeners are in this age group
- We analyzed platform and content preferences across race/ethnicity and age to understand what it would take for WBEZ to capture younger, more diverse audience
- When considering overall **platform preferences** we found that news consumers are typically multi-platform users; however, **social media stands out as the most popular among Black and Hispanic news consumers**
- **This trend is further reinforced by 18-29 y.o. news consumers who are most likely to frequently use social media as their main source of news**; as the age group increases, this preference increasingly shifts towards network news
- An analysis of **social media site preferences** reveals that younger news consumers comprise the largest share of total users on **Twitter, Reddit, and Instagram**
- However, **Black, Hispanic/Latinx and younger demographics all appear to favor Instagram**; given the overlapping predominance among young, and more diverse audiences, **this may be strategic area for further CPM investment**
- Further, **there are clear trends in content preferences that spans race / ethnicity**. An analysis of podcast genre preference by race reveals that **overall, adults most frequently listen to comedy, news, society & culture, sports and true crime**
- Lastly, when looking at **local Chicago news consumers, weather, crime, traffic/transportation, and prices** emerge as topics that are frequently considered **important to daily life**

Executive summary (2/2)

- CPM can focus on better reaching a **younger, more diverse audience** by pursuing **3 strategic building blocks** over the next 3 years:
 - Expand into more **diverse** audiences, focusing first on **younger and more diverse consumers with preferences close to CPM's core business** today
 - Continue to **diversify** CPM's audience, moving **further away from CPM's core business**
 - **Increase reach** to current CPM audience
- Based on initial insights, there are **4 high potential opportunities for CPM to consider over the next 3 years to take action** against the aforementioned 3 building blocks:
 - Further invest in a **robust social media reach and engagement strategy**, focusing on building **social-only content** across platform; **double down** on **Instagram-specific** approach, followed by **Twitter**; **deprioritize** efforts focused on **Facebook**
 - **Further leverage podcasts to better reach Black/Hispanic populations** who are 1.6x more likely to get news from podcasts than White consumers
 - For audio listeners, **double down on topics that resonate across all race/ethnicity categories**, and further tailor these to more diverse consumers
 - Additionally for audio listeners, explore **elevating music-related content and further tailoring it for Black audiences**
- To further inform the strategic choices detailed earlier, CPM could focus **potential additional research** on a variety of additional areas such as additional detail on social media strategies and more segmented topical preferences for Chicago listeners

The Chicagoland area counties with CPM coverage are home to people with a variety of demographic characteristics

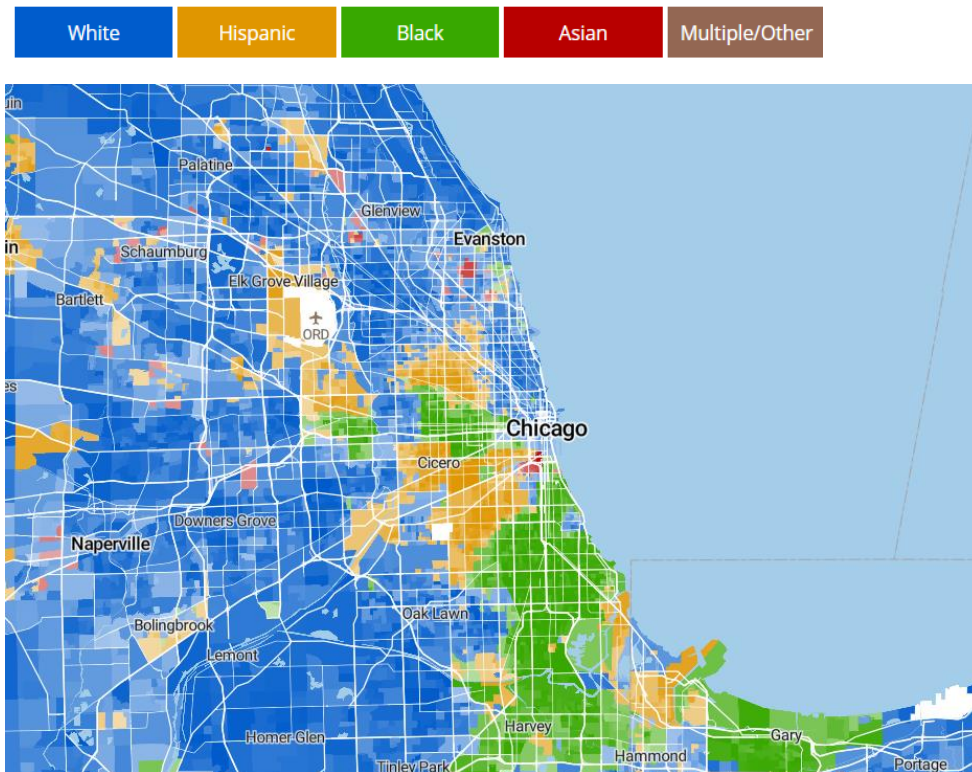
Main Chicagoland counties with CPM coverage (Cook, Will, Lake, DuPage)



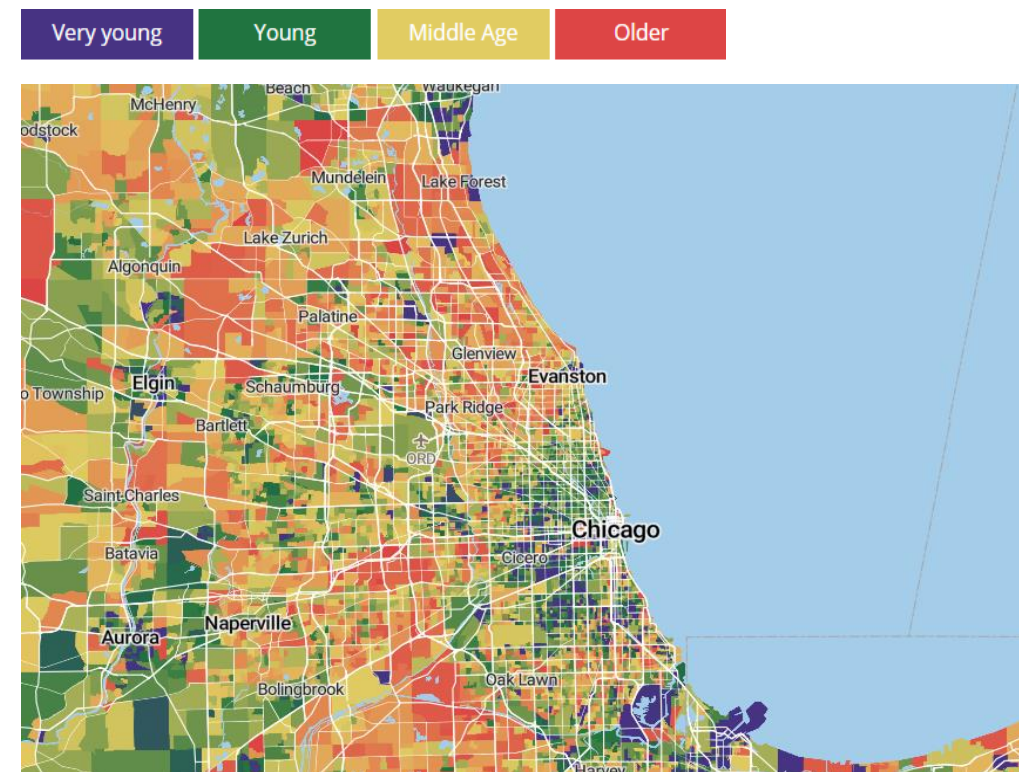
1. Source: WBEZ Burke 2021 data
2. Source: U.S. Census Bureau 2015 - 2019

Young and diverse listeners are unevenly distributed across Chicagoland; the highest concentration of both young, and diverse populations are in the city

Map of majority race/ethnicity by block in Chicagoland



Map of majority age by block in Chicagoland



- Chicagoland is diverse, but racial and ethnic groups tend to cluster geographically
- The northside of Chicagoland is disproportionately white and relatively more educated (i.e., bachelors degree or higher)
- The younger population is disproportionately represented in the city (as compared to the suburbs)

Source: [Best neighborhoods](#)

Chicagoland is significantly more diverse than WBEZ listeners



The average WBEZ listener is more likely to be...

- White
- Between ages 35-54
- Male
- A bachelor's degree holder

...compared to the average Chicagoan

However, we know that there are a diverse set of media consumers within Chicagoland:



Black and Hispanic/Latinx media consumers

- **40%** of Chicagoland
- **31%** of WBEZ listeners



Younger (i.e., 18-24 y/o) media consumers

- **11%** of Chicagoland
- **7%** of WBEZ listeners



Female media consumers

- **52%** of Chicagoland
- **44%** of WBEZ listeners

■ Deep dives to follow

⊕ Higher than overall
WBEZ listener base

⊖ Lower than overall
WBEZ listener base



Demographic deep dive: Black and Hispanic/Latinx media consumers



Black and Hispanic/Latinx media consumers

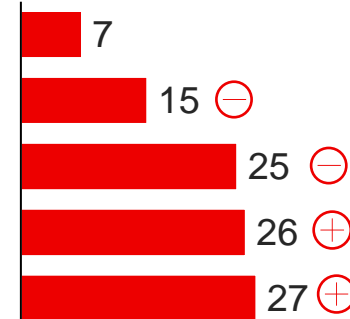
- 59% of the city of Chicago
- 40% of Chicagoland
- 31% of WBEZ listeners

% makeup of Chicagoland¹

Age	18-24 years old
<i>% of total</i>	24-34 years old
	35-54 years old
	55-65 years old
	65+ years old

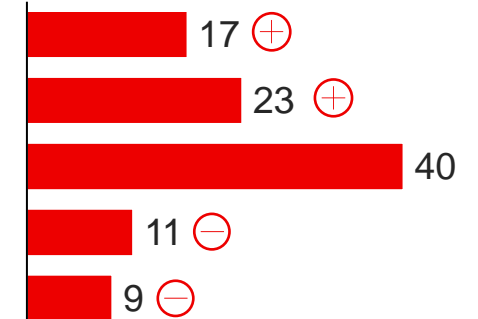
Black

18%

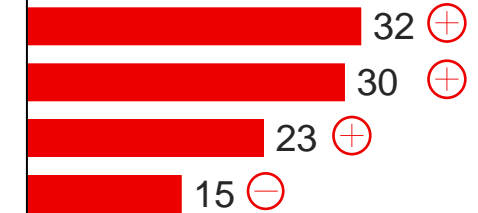
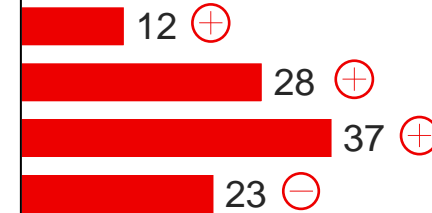


Hispanic

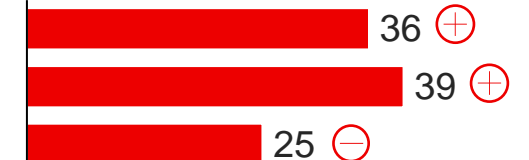
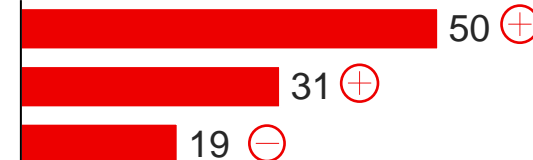
23%



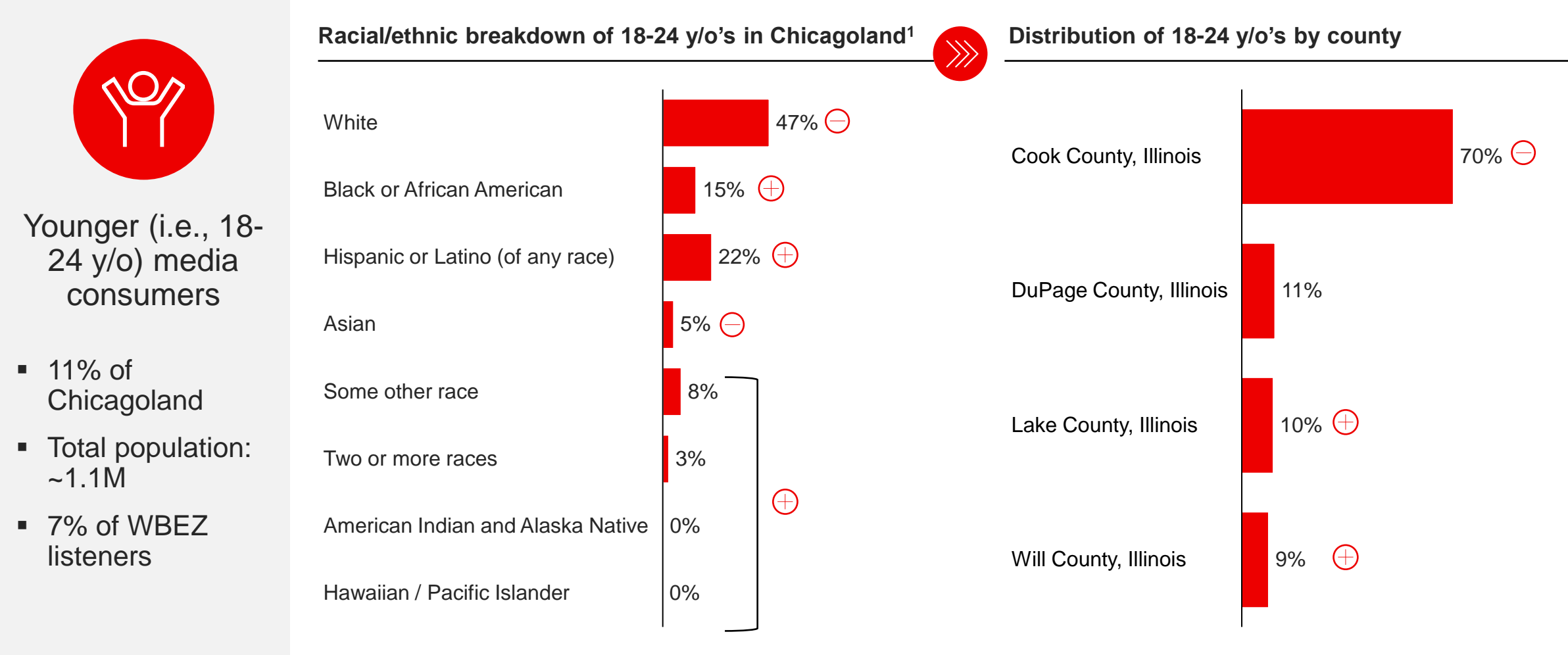
Education	Less than H.S. diploma
<i>% of total</i>	High school graduate
	Some college/associate's degree
	Bachelor's degree or higher



Income	Less than \$45,000 / year
<i>% of total</i>	\$45,000 - \$100,000
	>\$100,000



1. Considering just primary counties with CPM coverage: Cook, Lake, Will, DuPage



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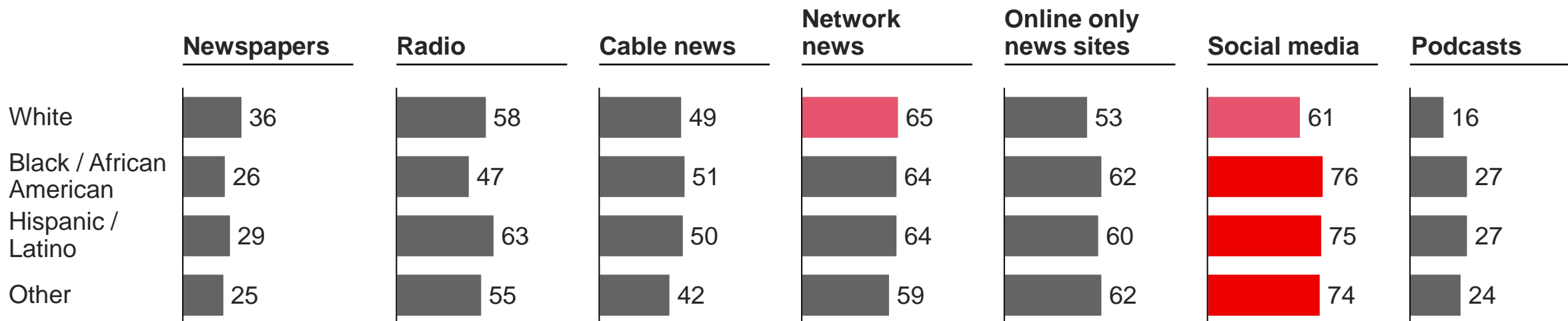
Social media and network news are the most frequently used platforms for news, with some differences between white and Black/Hispanic consumers



Platforms of news consumption U.S., by race/ethnicity¹

% news consumers reporting using the platform 1+ times per week

■ Potential strategic choice for CPM to further invest in (other highlighted areas note platforms most frequently used for a given demographic)



- Since 2018, **radio news consumption has declined significantly** across all racial and ethnic groups; in contrast, **podcasts have grown**, most significantly with Black / African American news consumers (6 p.p. gain since 2018) ²
- In 2020, overall, news consumers are typically **multi-platform users** – a majority of people use **at least 4 platforms per week**
- **Black and Hispanic news consumers have social media as their top source for news** and use it at a significantly higher rate than their white counterparts; **podcasts show a similar story (even if not as prevalent)**
- When it comes **radio, there is a significant difference by race/ethnicity** – **Hispanic/Latino** news consumers continue to avidly use this media platform despite a decline (9 p.p.) since 2018

1. This study was conducted from March 19-21, 2020, national sample n=2,200; 2. Sept 27 – Oct. 1 2018, national sample n=2,192

Source: Morning Consult March 2020, and 2018 “How often do you turn to the following sources for news?”

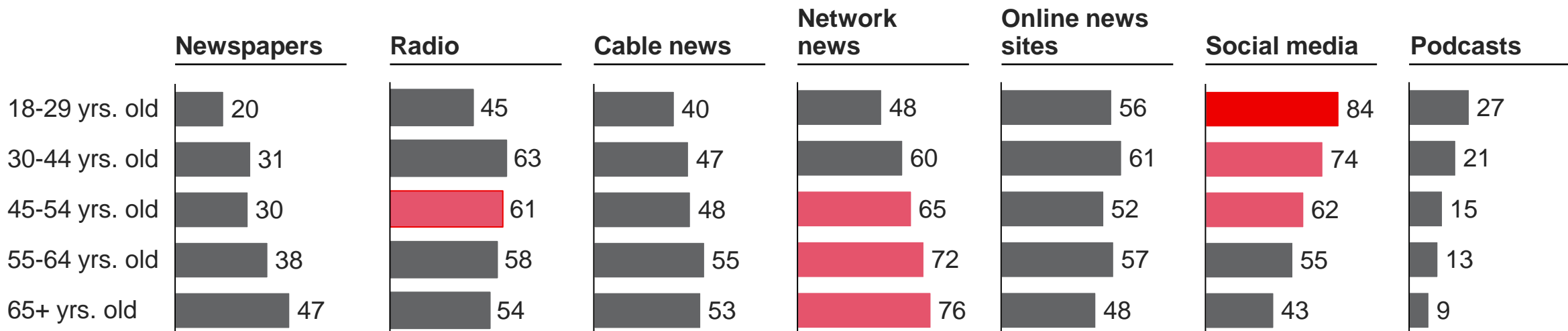
There is even greater differentiation in platform preference when comparing by age group – 18-29 y/o news consumers are most likely to use social media



Platforms of news consumption U.S., by age¹

% news consumers reporting usage 1+ times per week

■ Potential strategic choice for CPM to further invest in (other highlighted areas note platforms most frequently used for a given demographic)

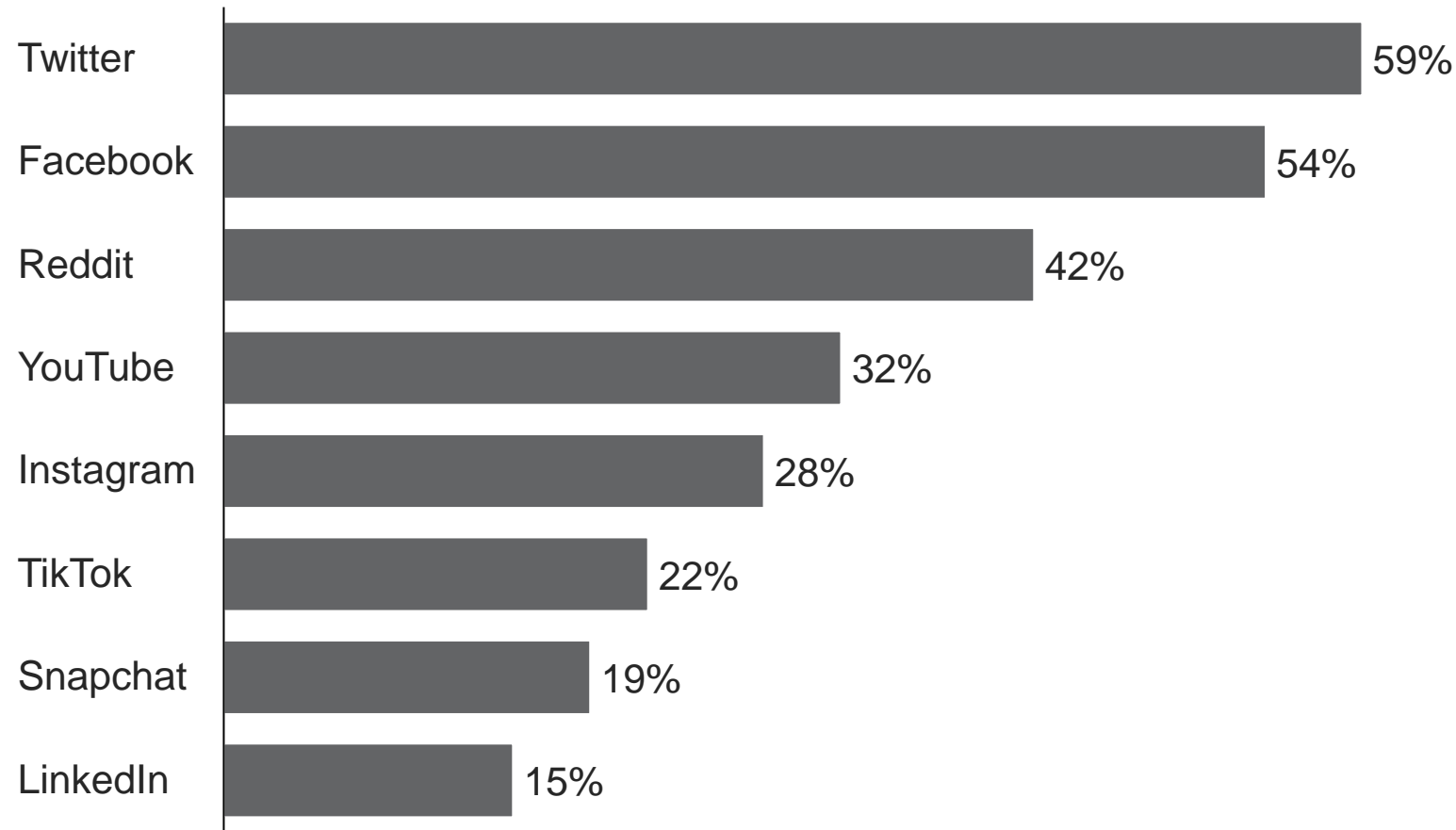


- Since 2018, **30-44 y/o's began to consume news much more frequently on social media and podcasts**, growth was 22 p.p. and 6 p.p. respectively; these platforms also saw **modest growth across all other age groups**²
- In contrast, **radio declined significantly for 18-29 y/o's** (down 13 p.p.); but remained constant for other age groups
- Compared to the breakdown by race/ethnicity, there is greater **differentiation between age groups on platforms frequently used to consume news**
- News consumers **ages 18-29 y/o are most likely to frequently use social media as their main source of news**; as the age group increases, this preference increasingly shifts towards network news

1. This study was conducted from March 19-21, 2020, national sample n=2,200; 2. Sept 27 – Oct. 1 2018, national sample n=2,192
Source: Morning Consult March 2020, and 2018 “How often do you turn to the following sources for news?”

For media consumers who get their news from social media sites, Twitter, Facebook, and Reddit are the platforms where this most frequently occurs

% of each social media site's users who regularly get their news there



Takeaways:

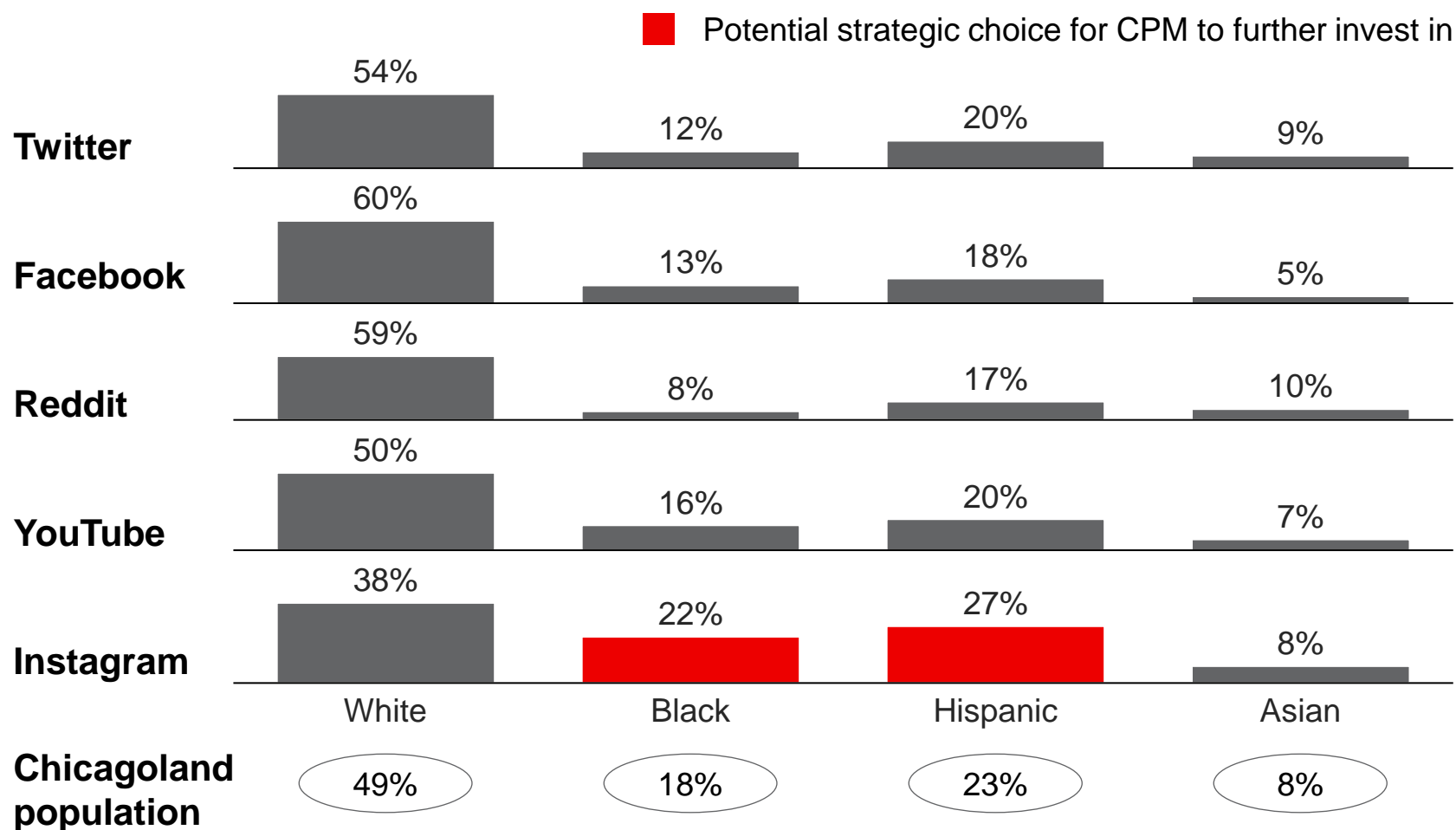
- A majority of **Twitter and Facebook users** (59% and 54%, respectively) **regularly get their news from the site** (followed by **Reddit** at 42% of users)
- While other sites also host news content, they are less frequently seen by users as sources of news
- For media consumers overall, **less than 30% of users on LinkedIn, Snapchat, TikTok, and Instagram** regularly use these sites for news

Source: Pew Research Center 2020

When segmented by race/ethnicity, however, differences in specific site preferences emerge



% of each social media site's regular news consumers by race/ethnicity



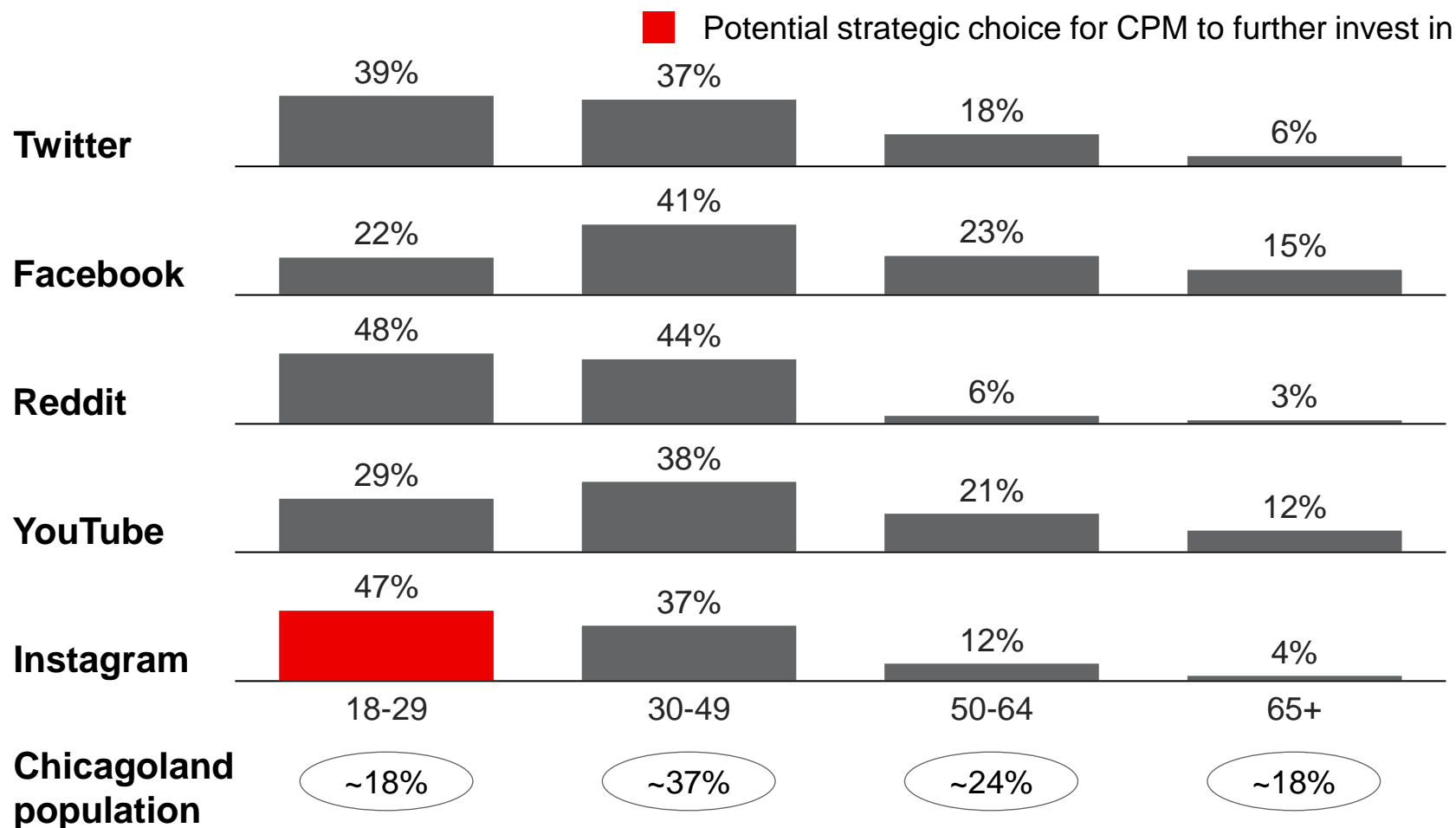
Takeaways:

- News consumers' social media website preferences differ by race/ethnicity, with white news consumers comprising majority share of those on **Twitter, Facebook, Reddit, and YouTube**
- In contrast, **Instagram** news consumers are more diverse than those on other platforms' (i.e., **22% and 27% of Instagram news consumers are Black and Hispanic**, respectively)
- **Facebook** has the lowest percentage of Asian news consumers as a share of total news consumers on the site

When looking by age, those 50+ years old comprised a disproportionately small share of a social media site's total regular news consumers



% of each social media site's regular news consumers by age group



Takeaways:

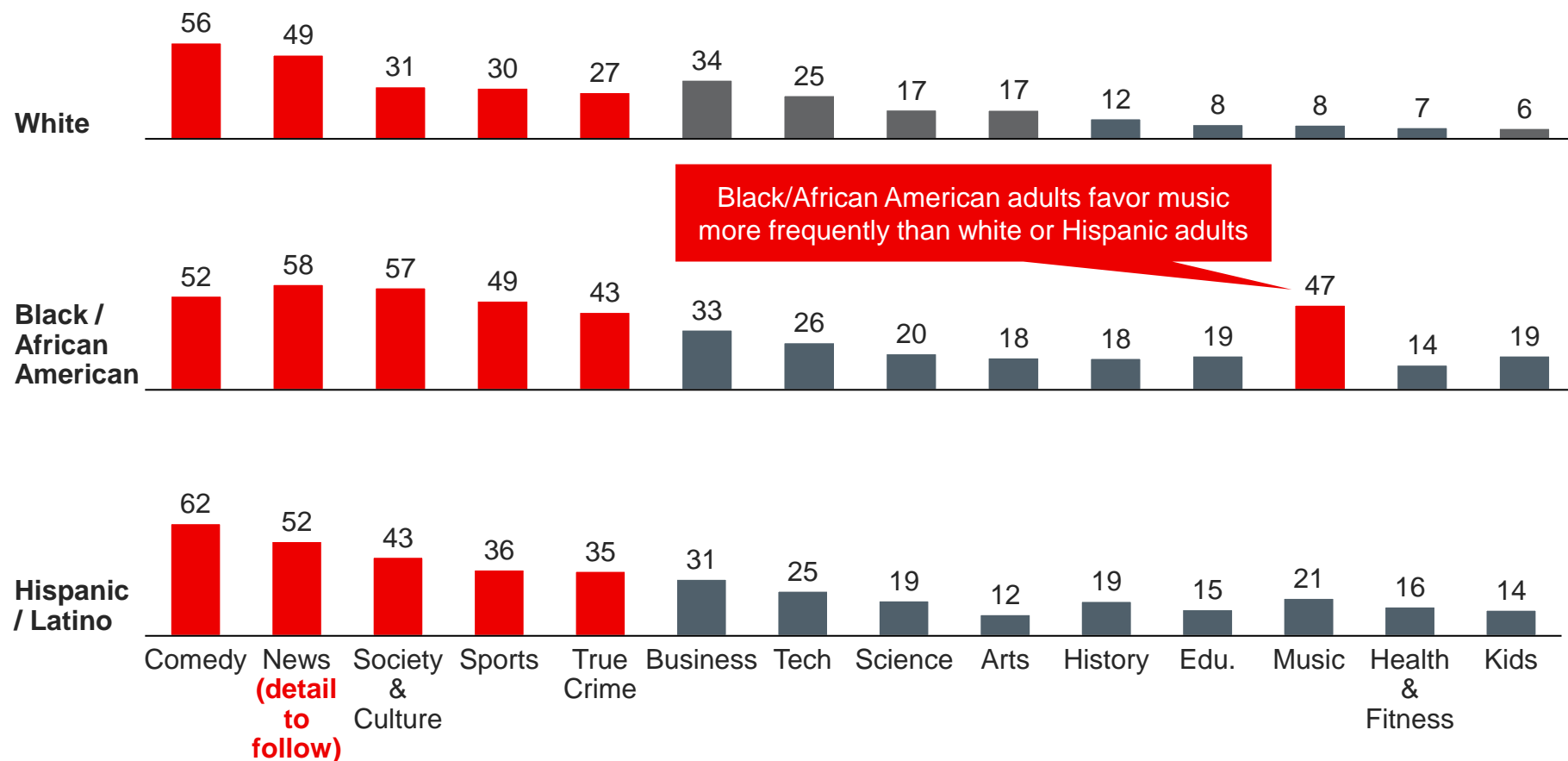
- Most social media users who regularly consumer news on a given site **are under the age of 50**
- While significant variation exists between those over and under 50 years old, a more subtle variation exists for **18-29 y/o's** compared to **30-49 y/o's**
- 18-29 y/o's comprise the highest share of regular news consumers on **Twitter, Reddit, and Instagram** (whereas 30-49 y/o's are the leader for Facebook and YouTube)

Podcast genre preferences vary between white and more racially/ethnically diverse listeners; music stands out for Black/Hispanic adults



% of adults that listen to a given genre of podcasts
(N = 37,597)

■ Potential strategic choice for CPM to further invest in



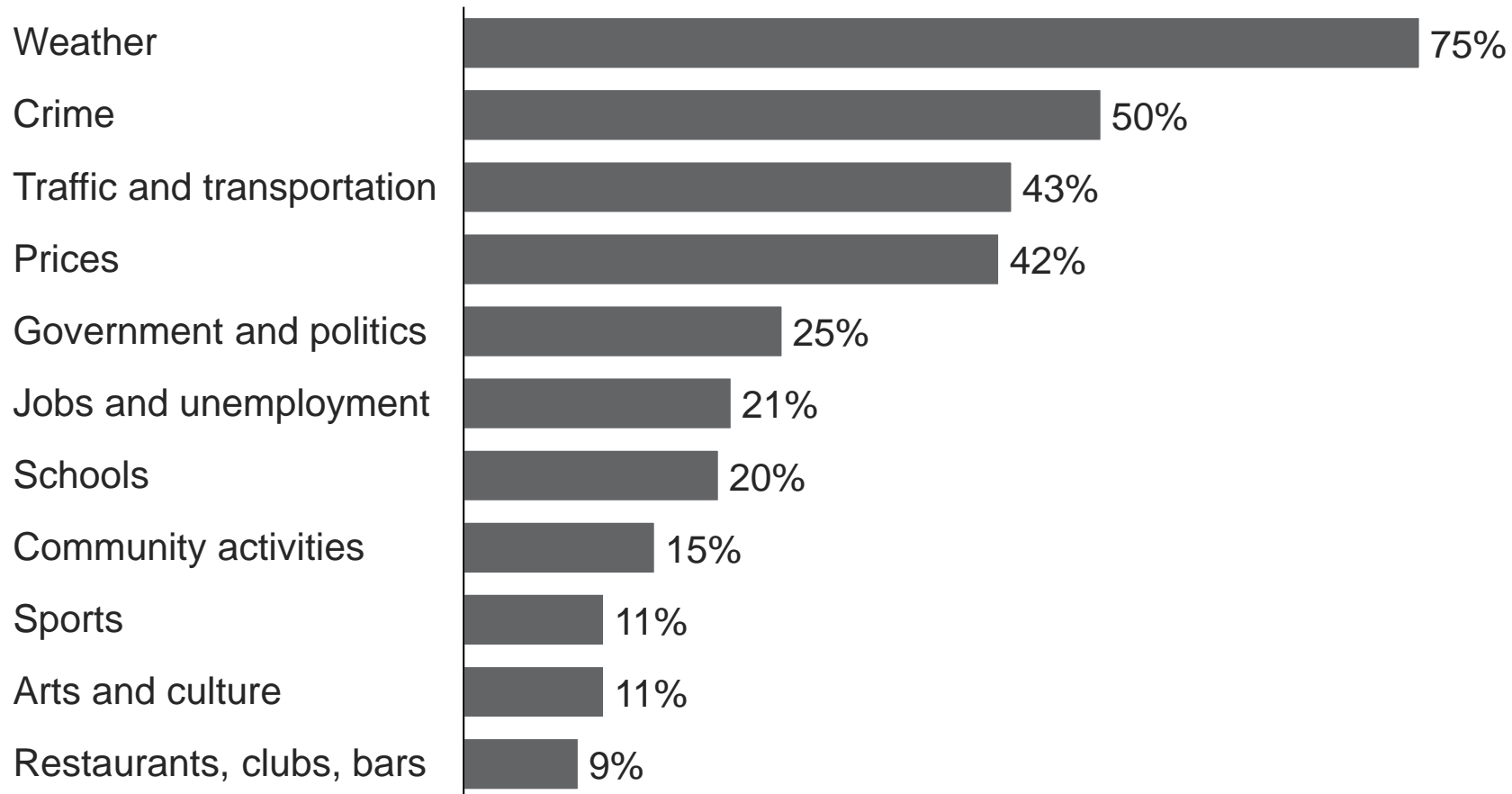
Key takeaways:

- **Overall**, adults most frequently listen to podcast genres of:
 - Comedy
 - News
 - Society & Culture
 - Sports
 - True Crime
- **There is minimal variation in genres Black and Hispanic adults** listen to more frequently than white adults, with **music** being the only genre not captured in the above

Source: 2020 Podcast Recontact Study, Scarborough Research
1. Or African American/Latino, respectively

For local Chicago news consumers, weather, crime, traffic/transportation, and prices emerge as topics that are frequently considered important to daily life

% of adults in the Chicago area who say each local news topic is important to daily life



Takeaways:

- When considering local news topics most important to Chicago media consumers, **weather, crime, traffic/transportation, and prices** emerge as top areas of interest
- The typical Chicago area local news consumer is not as likely to cite **sports, arts and culture, and restaurants/clubs/bars** as important to daily life

Source: Pew Research Center 2019 (Local News Dynamics in Your City)

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- **Provide a potential opportunity size to expand the current audience base to include a more diverse and younger group**
- Share some insights on what CPM would have to do differently to serve these diverse and younger audiences

CPM can focus on better reaching a younger, more diverse audience by pursuing 3 strategic building blocks over the next 3 years (1/3)

Approach

CPM has the **aspiration to grow its audience base and to be more representative of Chicagoland¹** demographics. **To do so, we have identified three building blocks:**

1. Expand into more diverse audiences, focusing first on consumers with preferences close to CPM's core business today
2. Continue to diversify CPM's audience, moving further away from CPM's core business
3. Increase reach to current CPM audience

While achieving true representation is the aspiration, we have completed the analysis in two steps to identify the opportunity for **building block #1 – the opportunity closer to CPM's core business today:**

- **1a – for a more diverse audience**, we have applied a reach rate similar to the current audience rate², focusing initially on a subset of consumers with educational attainment of some college or above
- **1b – for a younger audience**, we have applied a reach rate similar to the predominant audience rate³, focusing initially on a subset of consumers with educational attainment of some college or above

Expanding CPM's appeal to more diverse and younger audiences will **require changes in platforms, content, and engagement strategies which have also been identified**

1. Specifically, Cook, Will, Lake, DuPage counties

2. WBEZ listeners who are white currently are 13% of the total white Chicagoland population, after accounting for educational attainment of some college or above

3. WBEZ listeners between the ages 35-54 y/o are 13-14% of the total 35-54 y/o Chicagoland population, after accounting for educational attainment of some college or above

CPM can focus on better reaching a younger, more diverse audience by pursuing 3 strategic building blocks over the next 3 years (2/3)

			Chicagoland population, '000s		WBEZ reach within some college or more	Add'l listeners if reach rate were to match current audience, '000s
Current WBEZ listeners, '000s			Total population	Those w/some college or more		
Calculation for 1a: Expand to more diverse audiences that share traits with existing listeners	White	<div><div></div></div> 330	• 3,684	• 2,505	13%	• Current audience
	Black / African American	<div><div></div></div> 72	• 1,353	• 798	9%	33
	Hispanic / Latino	<div><div></div></div> 114	• 1,729	• 657	17%	0 ¹
Calculation for 1b: Expand to younger audiences that share traits with existing listeners	18-24 y/o	<div><div></div></div> 42	• 945	• 548	8%	29
	35-44 y/o	<div><div></div></div> 132	• 1,361	• 926	14%	• Current audience
	45-64 y/o	<div><div></div></div> 198	• 2,454	• 1,571	13%	• Current audience

1. No additional listeners forecasted for Hispanic population, given reach rate of 17% is already higher than 13% reach rate with white listener base

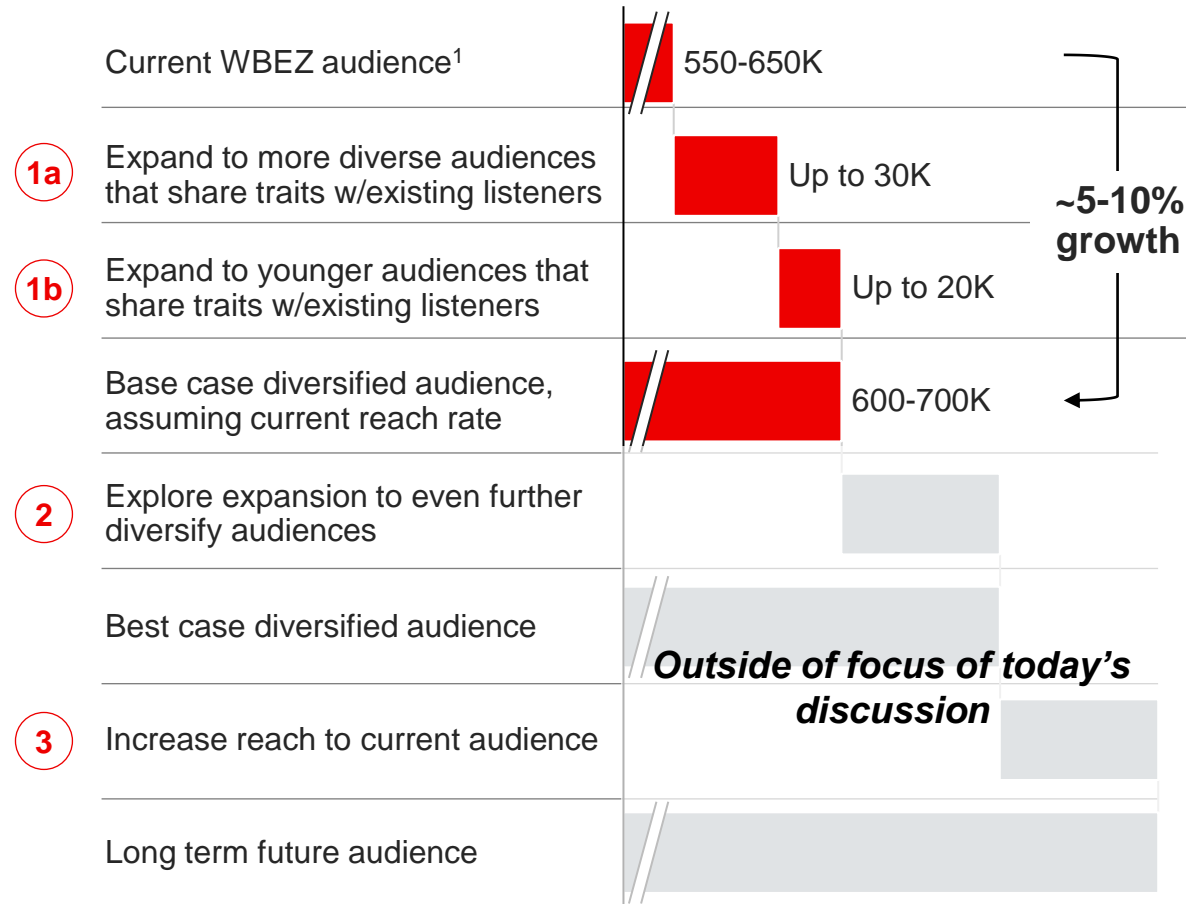
CPM can focus on better reaching a younger, more diverse audience by pursuing 3 strategic building blocks over the next 3 years (3/3)

Assumptions:

Current reach rate was calculated within the bounds of Chicagoland as defined by CPM's 4 main counties of coverage (i.e., Cook, Will, Lake, and DuPage)

Given 95% of WBEZ listeners have some or more college education, for 1a/1b audience size scenarios we apply this as a threshold to define potential additional audiences (and also apply this to reach rate extrapolation)

Current and potential audience, size ('000s people)



Audience composition

- Black/Hispanic: 31%
- 18-24 y/o: 7%

- Black/Hispanic: 35% (1.5x growth in Black audience, **no Hispanic audience growth forecasted given high current reach rate²**)
- 18-24 y/o: 11% (1.7x)

Significant strategic changes are likely needed to further diversify CPM's audience to mirror that of Chicagoland:

- Black/Hispanic: 40%
- 18-24 y/o: 11%

1. Weekly average broadcast listeners only for WBEZ



2. For scenario 1a, we assume no increase in Hispanic/Latino CPM audience, given the current reach rate of Hispanic/Latino consumers (once factoring in educational attainment) already exceeds the extrapolated reach rate of white WBEZ listeners

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- **Share some insights on what CPM would have to do differently to serve these diverse and younger audiences**

For discussion: Based on the first set of audience insights, we can begin to identify the highest potential strategic choices CPM might consider for the next 3 years (1/2)

	From	To	Relative effort level (high effort → full red moon)	Meets the differentiated needs of potential new audiences		Increase reach to current CPM audience
				Black/Hispanic consumers	Younger consumers	
Platform choices	1 Emerging social media presence focused on Facebook, Twitter, and Instagram; only Instagram uses social-only content	Further investment in a robust social media reach and engagement strategy, focusing on building social-only content across platforms; double down on Instagram, followed by Twitter (and deprioritize efforts focused on Facebook)		✓	✓	TBD
	2 Recent podcast strategy has focused on identifying and investing in strong recurring shows and exploring a portfolio that caters to local audiences (resulting in uptick in younger consumers)	Given Black/Hispanic consumers are 1.6x more likely to frequently get their news from podcasts than White consumers, leverage this platform as a way to better serve this demographic		✓	✓	
	3				

For discussion: Based on the first set of audience insights, we can begin to identify the highest potential strategic choices CPM might consider for the next 3 years (2/2)

	From	To	Relative effort level (high effort = full red moon)	Meets the differentiated needs of potential new audiences		Increase reach to current CPM audience
				Black/Hispanic consumers	Younger consumers	
Topic choices	4 Current topical focus is heavily on News, with other lighter coverage in Society & Culture, True Crime, and some Comedy	For audio listeners ¹ , double down on topics that resonate across all race/ethnicity categories, and further tailor these to more diverse consumers (Comedy, News, Society & Culture, Sports, and True Crime)		✓		TBD
	5 With CPM umbrella, Vocalo is a largely music-focused station but currently not invested in to operate at scale	For audio listeners ¹ , explore elevating music-related content and further tailoring it for Black audiences		✓		
	6				

1. Based on insights from a dataset specific to podcast listeners and their preferred genres

To further inform the strategic choices detailed earlier, CPM could focus potential additional research on a variety of areas

Potential additional primary research areas to explore:

1. Additional segmentation of the above deep dives, but specific to **Chicagoland** (majority of the above are at the national level)
2. Additional data for media consumer engagement and not just reach (e.g., across platforms and by topic, what does it take for a consumer to build frequency and establish a habit? How can we eventually convert them?)
3. Topic preferences of the local Chicago media consumer
 1. Segmented by platform of consumption (e.g., preferences for media listeners, for TV watchers, for readers, etc.)
 2. Segmented by race/ethnicity
 3. Segmented by age
 4. Segmented by language of preferred consumption (e.g., Spanish vs. English)

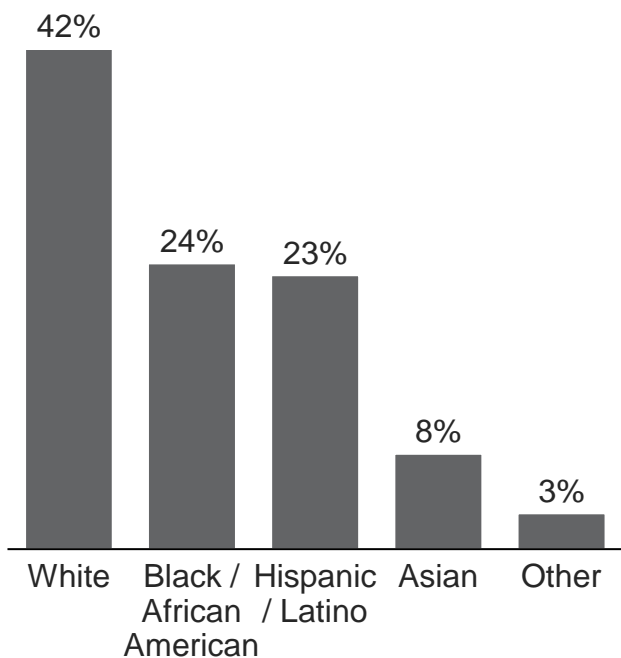
Chicago Public Media[®]

Appendix

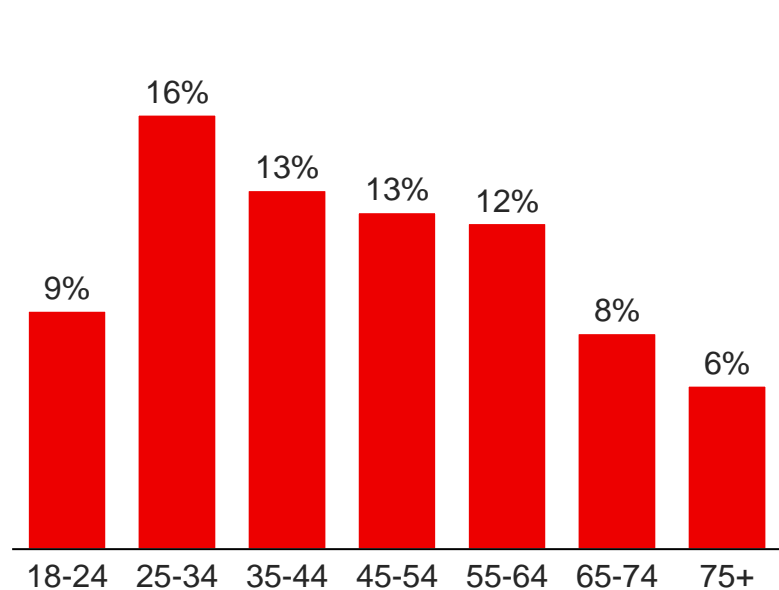
Cook county demographic breakdown, 2015 - 2019

Cook county breakdown, % of population

Racial and ethnicity breakdown



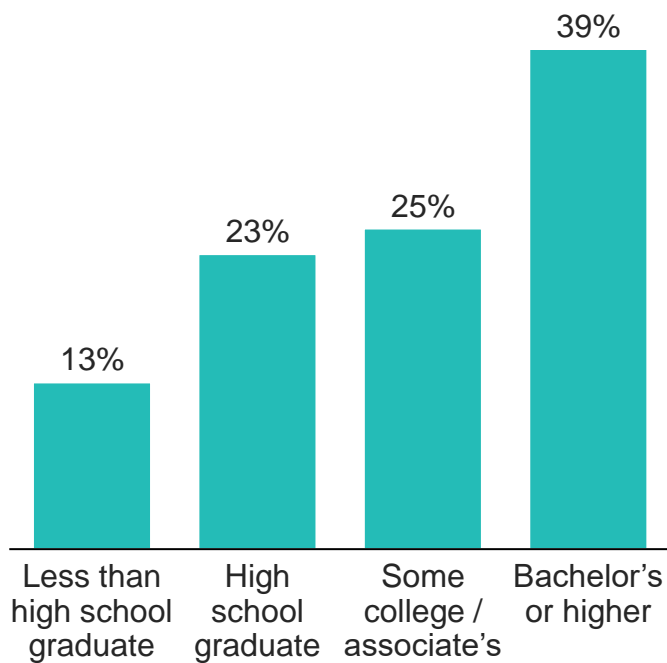
Age breakdown



Gender breakdown



Education breakdown

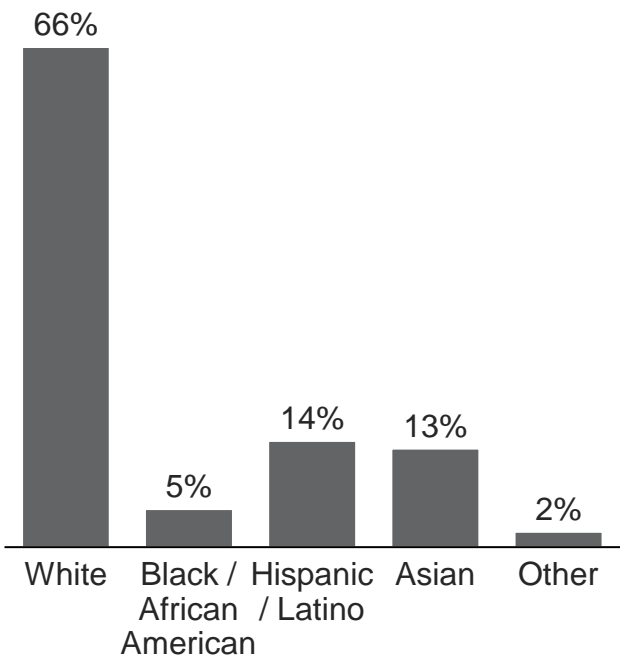


Source: U.S. Census Bureau <https://www.census.gov/quickfacts>

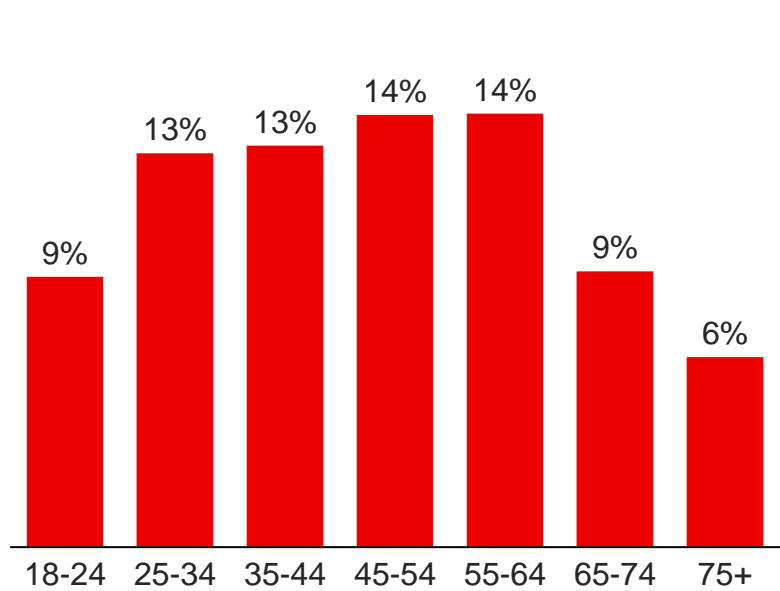
DuPage county demographic breakdown, 2015 - 2019

DuPage county breakdown, % of population

Racial and ethnicity breakdown



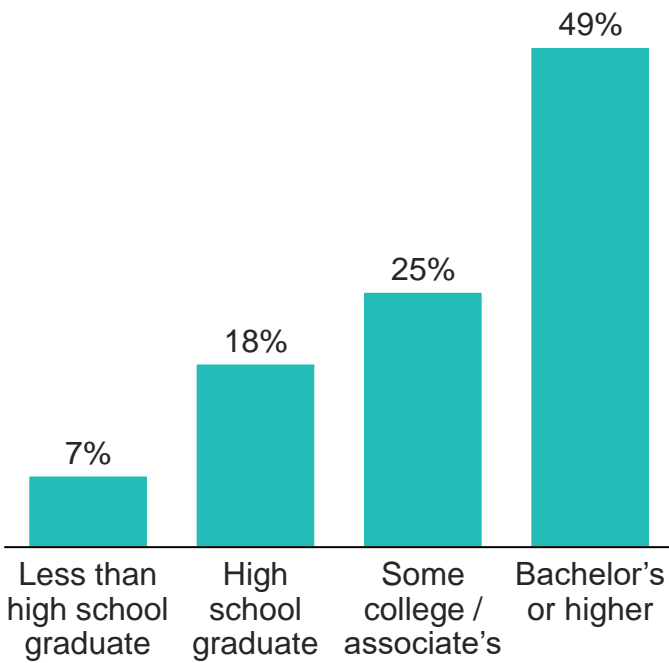
Age breakdown



Gender breakdown



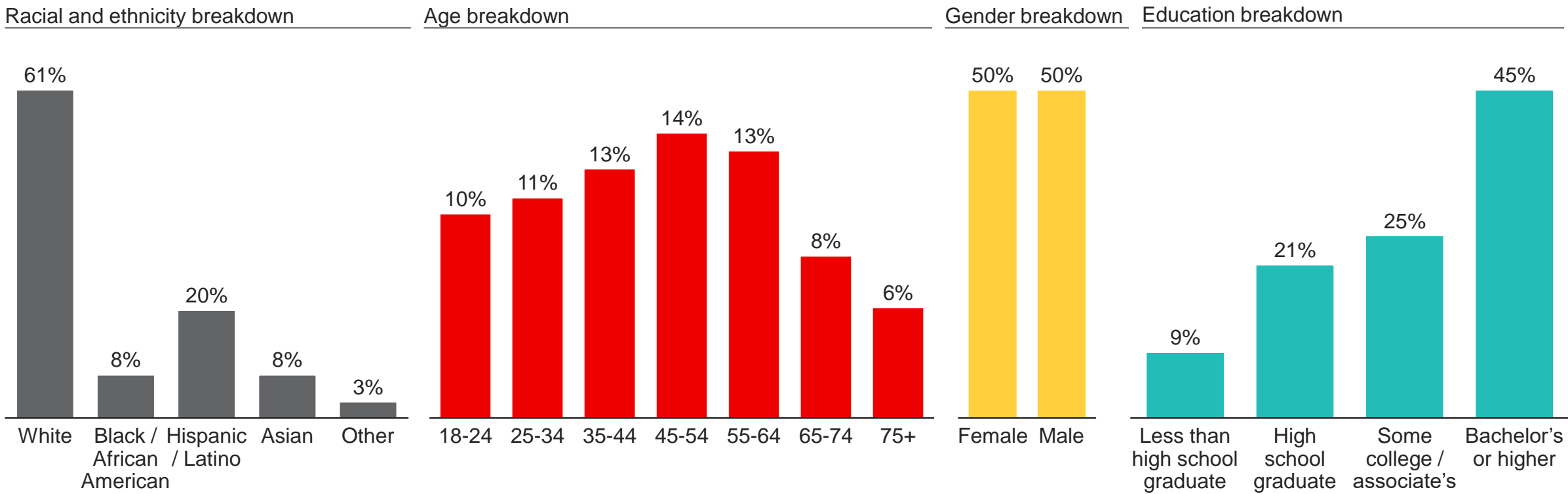
Education breakdown



Source: U.S. Census Bureau <https://www.census.gov/quickfacts>

Lake county demographic breakdown, 2015 - 2019

Lake county breakdown, % of population

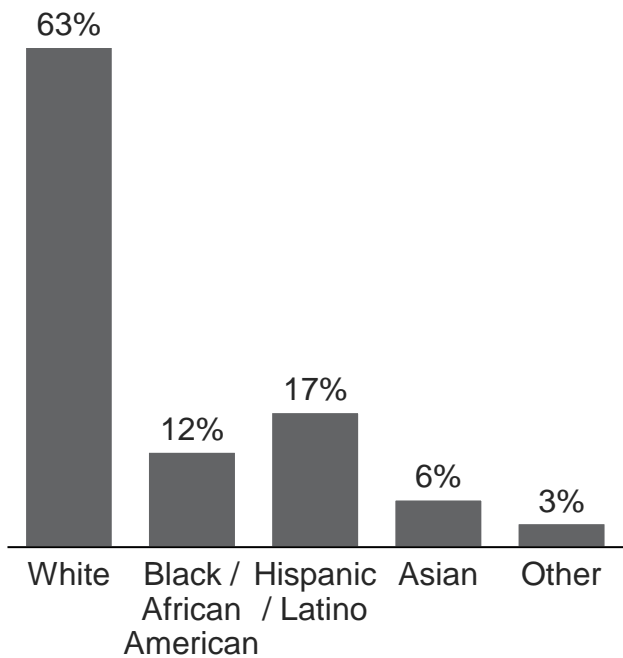


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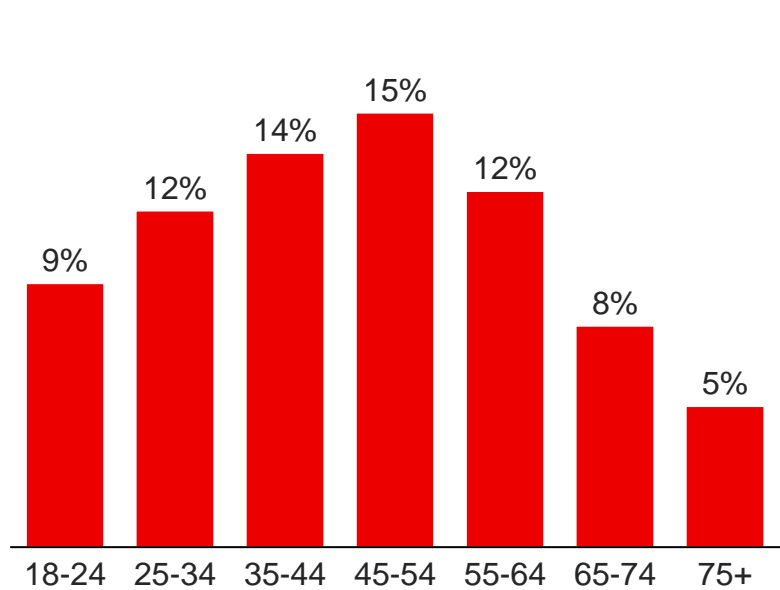
Will county demographic breakdown, 2015 - 2019

Will county breakdown, % of population

Racial and ethnicity breakdown



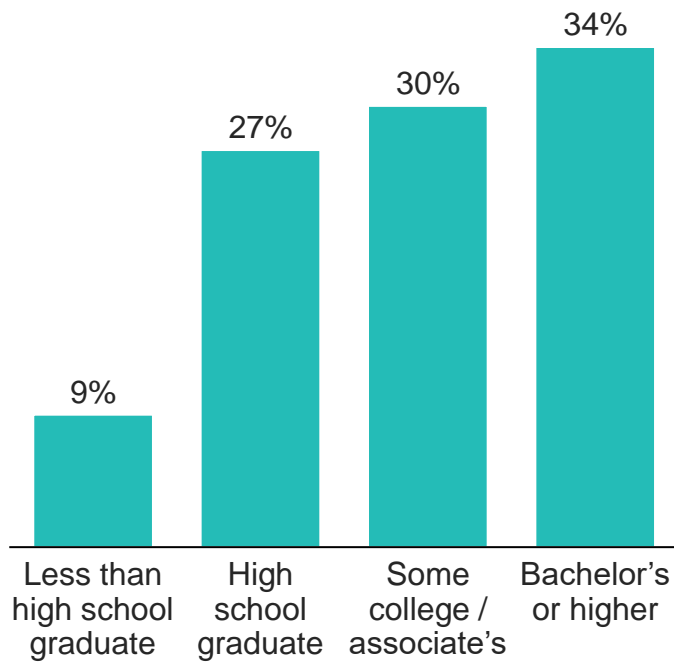
Age breakdown



Gender breakdown



Education breakdown



Source: U.S. Census Bureau <https://www.census.gov/quickfacts>

10+ data sources inform the data cube

CPM resources reviewed

- Edison Research (2020)
- Edison Share of Ear (2020)
- Jacobs Medial – Millennial Research (2017)
- News Use Across Social Media Platforms (2020)
- Pew Research Center - Measuring News Consumption in the Digital Era
- Scarborough Research – Podcast Recontact Study
- Center of Media Engagement – Chicago News Landscape (2018)
- Pew Research - Chicago Local News Dynamics
- Latino Podcast Listener Reports



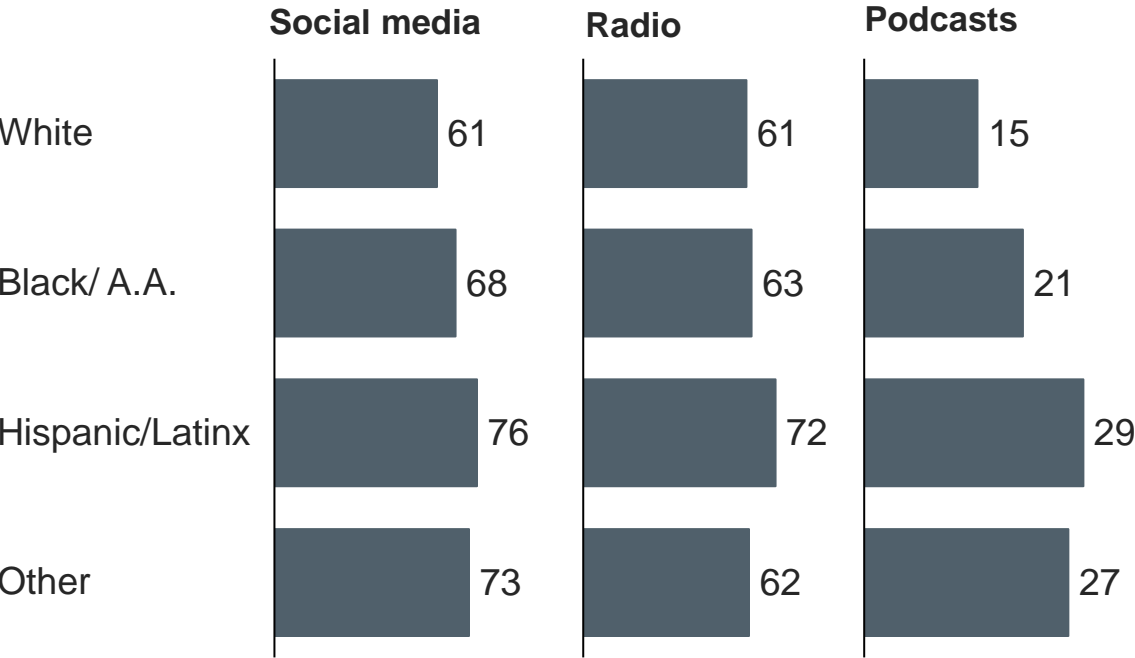
Additional resources

- American Community Survey, US Census Bureau
- Ampere Analytics – content preferences
- eMarketer – consumption habits by age

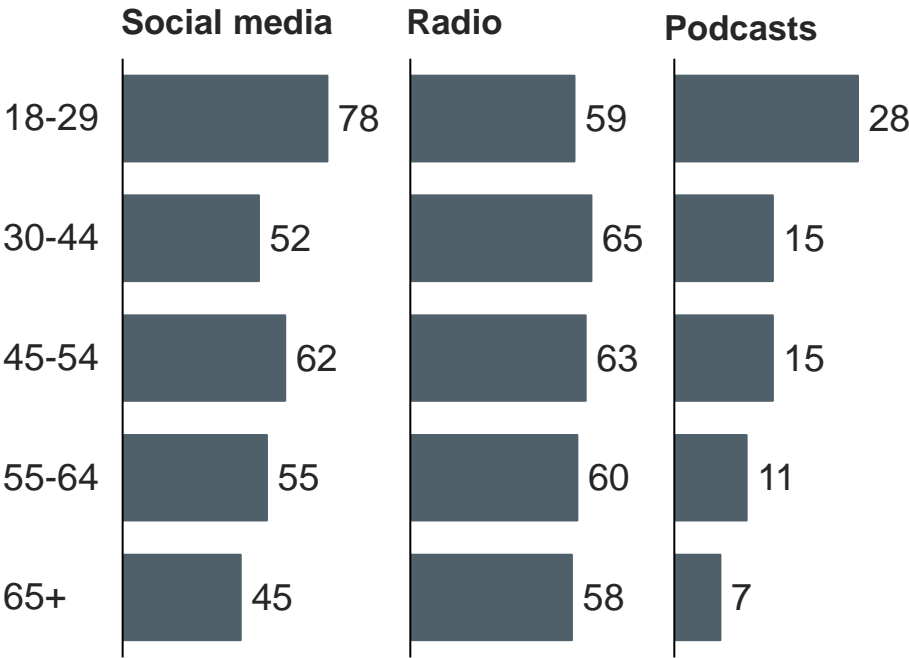
Overview: 2018 frequency of news consumption by platform by age, and race / ethnicity

% News consumers reporting using the platform 1+ times per week

Platforms of news consumption U.S., by race/ethnicity¹



Platforms of news consumption U.S., by age¹



Source: Morning Consult March 2018 “How often do you turn to the following sources for news?”