DAB digital radio – a platform for Europe

Patrick Hannon, President, WorldDAB

Zagreb, 4 May 2017
WorldDAB – who we are

- International association
- Promote digital radio (DAB / DAB+) around the world
- 95 members from 27 countries
- All parts of the radio ecosystem
A digital radio wave is moving across Europe
Eight years ago, four DAB markets: UK, Norway, Denmark and Switzerland
Followed by Germany (2011), Netherlands (2013), Italy (2014)
France, Belgium, Poland and Slovenia now on the move

- **Belgium**: DAB+ on air 2015; federal launch 2018
- **Poland**: 56% population coverage
- **France**: Paris, Nice, Marseille launched 2014
- **Slovenia**: launched September 2016
- **Slovenia**: launched September 2016
Trials on air in Austria, Czech Republic, Slovakia, Hungary and Latvia
First countries moving to Digital Switchover (DSO)

- Norway 2017
- Switzerland 2020-24
- South Tyrol 2017
In rest of world, Australia in the lead; growing interest in other regions

- Turkey
- Tunisia
- Abu Dhabi, Kuwait, Qatar
- Thailand, Malaysia, Indonesia
- S Korea
 Worldwide, over 50 million receivers sold

Global DAB receiver sales (domestic & automotive), cumulative, millions

- Over 500 models available\(^1\)
- Prices from €15

Source: Industry bodies, WorldDAB analysis

(1) [http://digitalradio.de/index.php/de/digitalradios-geraete](http://digitalradio.de/index.php/de/digitalradios-geraete)
In advanced markets, most new cars have DAB / DAB+ as standard

% of new cars with DAB+ digital radio

Norway: 98%
UK: 87%
Switzerland: 66%

Source: WorldDAB, national industry associations, JATO
Why is this happening?
FM is full – difficult to innovate

DAB: opportunities for innovation

• New content, new services
• Greater listening
• Increased revenues

Without disrupting existing business models
Digital offers clearer sound
Digital offers greater choice

National radio services

- **UK**: AM / FM 8, DAB / DAB+ 41
- **Italy**: AM / FM 18, DAB / DAB+ 39
- **Norway**: AM / FM 5, DAB / DAB+ 30
- **NL**: AM / FM 14, DAB / DAB+ 28
- **Germany**: AM / FM 2, DAB / DAB+ 11

*Will double in next 12 months with launch of second national multiplex*

Source: WorldDAB

Up to 6x as many national services on DAB (public and private)
New services - music

UK
- Classic Rock
- Decade

Australia
- Unsigned bands
- Country

Germany
- Electronic music
- Classical
# New services - speech

<table>
<thead>
<tr>
<th>Germany</th>
<th>Australia</th>
<th>UK</th>
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<tbody>
<tr>
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<td><img src="image2.jpg" alt="Image" /></td>
<td><img src="image3.jpg" alt="Image" /></td>
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<tr>
<td>• Live football</td>
<td>• Comedy</td>
<td>• Archive – drama and comedy</td>
</tr>
<tr>
<td>• Up to 5 matches simultaneously</td>
<td></td>
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Opportunities for growth are significant

Analogue and digital

Digital-only services

Audience up 136% in seven years
Fears of competition are overstated: incumbents are the winners

% share of UK listening, top two private groups

- Global (GCap)
- Bauer (Emap)

Q3 2006
Q3 2016

15%
20%
10%
15%

• Growth combination of
  - organic
  - acquisition

• Bigger risk is not being on the platform – leave door open to new entrants

Source: RAJAR
DAB+ offers lower costs

Annual cost to broadcasters of transmission per service\(^1\), $k

<table>
<thead>
<tr>
<th>Site</th>
<th>FM</th>
<th>DAB+</th>
</tr>
</thead>
<tbody>
<tr>
<td>Owned site</td>
<td>385</td>
<td>68</td>
</tr>
<tr>
<td>Regional site</td>
<td>925</td>
<td>98</td>
</tr>
<tr>
<td>Metro site</td>
<td>1645</td>
<td>128</td>
</tr>
</tbody>
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New small scale DAB offers lower costs for very local stations

Source: GatesAir. Note: (1) Opex costs; on DAB+, assumes 18 services on multiplex; for further information, see: http://www.worlddab.org/public_document/file/441/2014-02-19_Harris_comparison_DAB_to_FM_and_DRM_final.pdf?1392974163
Digital delivers benefits for society

- Enhanced traffic information
- Media plurality
- Spectrum efficiency
- Lower costs and emissions
- Reliability in emergencies
IP is not the answer – especially for listeners on the move

<table>
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<th>Issue</th>
<th>DAB / DAB+</th>
<th>Internet</th>
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<tbody>
<tr>
<td>Free to air (for listeners)</td>
<td>✓</td>
<td>✗</td>
</tr>
<tr>
<td>Cost-effective coverage (broadcasters)</td>
<td>✓</td>
<td>✗</td>
</tr>
<tr>
<td>Reliable in emergency (society)</td>
<td>✓</td>
<td>✗</td>
</tr>
</tbody>
</table>
Lessons learnt
Keys to success are: political commitment and industry collaboration

Policy & regulation

Content → Coverage → Cars → Consumer devices → Communication

Collaboration
Some may be concerned about economics of going digital

Potential economic concerns

Costs
- Costs of simulcast on DAB and FM

Revenues
- It takes time for digital-only services to generate revenues
Public authorities and public broadcasters can help

Digital radio partnerships

1. Regulatory incentives, e.g.,
   - FM licence renewals
   - relaxation of regulation

2. Government contribution (subject to State Aid rules)

3. Infrastructure sharing: public and private broadcasters (e.g. Bavaria)
Growing number of markets are considering receiver regulation

- Germany: government yesterday announced regulation that receivers should have FM and digital capability

- France: already has a digital receiver law*

- Italy: regulator AGCOM has called for government support

- Netherlands: Ministry of Economic Affairs has asked EU for regulation to require receivers to have FM and digital

- techUK – members supportive of regulation in favour of digital receivers

* www.legifrance.gouv.fr/affichTexte.do?cidTexte=JORFTEXT000000248397#LEGIARTI000024041152
Now broadening this discussion between Member States and EU
Conclusions

1. DAB+ is core future platform for radio – benefits for broadcasters, listeners and society

2. Template for success is well established

3. Now is the time to join with European partners and secure the future of radio
Thank you

*For further information, contact:*
www.worlddab.org