



Maximizing Radio and Mobile TV in the Digital Age Seminar 8 April, Brussels, Belgium

Quentin Howard - Welcome Address

Ladies and Gentlemen

Good morning and welcome to the “Maximising Radio and Mobile TV in the Digital Age” seminar. The event is organised by the WorldDMB Forum and today we will hear from a number of panellists, all renowned in their various fields.

The main purpose of the seminar today is to raise the profile of digital radio on European Commission’s agenda. Most recently the discussion between WorldDMB and the European Commission has centred on question of Mobile TV. But - and I want to stress this now – this is not the sole reason why we are here today. Our interests are far broader than that, and for many, if not the majority of WorldDMB’s members, the successful digitisation of radio remains their primary concern.

For those of you who don’t know us, WorldDMB is an international forum representing well over 100 members from 40 countries. We began life 13 years ago as EuroDAB and our mission was to promote the rollout of a wholly European developed technology for digital radio. What made DAB – Digital Audio Broadcasting - different from other digital broadcast technologies was that it was, from the very outset, designed as a mobile broadcast system, and by that I mean one which was capable of being used on the move and in any location. Contrast this with DVB-T, for example, which was designed for fixed TV reception only. Of course, being a digital transmission system, DAB was not limited to carrying just radio signals. It is a mobile data transmission system and the data could be anything – sound, pictures or video. In fact I was using DAB to broadcast TV pictures as long ago as 1996. So mobile TV is not new and DAB proved to be a very good way to carry mobile TV, so much so that the technical additions to the DAB standard were formalised in 2004 as an ETSI standard, known as DMB. But DMB is not a “different” technology it is simply the same DAB system with video added. So DAB and DMB are both part of the same European standard, and both work using the same transmission system and the same receiver chipsets. And we have been remarkably successful in exporting this standard to other parts of the world. Korea, as many here know, uses DMB and DAB together in a combined mobile radio and TV system which has proved to be very successful, with something like 10 million receiver devices sold domestically already. China has adopted DAB as its national digital radio standard. This is the only non-Chinese standard officially adopted by China for its radio or TV broadcasting. Because DAB is also DMB, it means that right now mobile TV is on-air in China and something like a quarter of a million receivers have been sold already. For the Beijing Olympics, DMB is likely to be the only mobile TV system fully deployed and operational with receivers available in

the shops. As a showcase for mobile broadcasting, Beijing is something we should all celebrate as a European success story!

But, I said mobile TV is not the sole reason we are here today, so let me return to radio. Digitising radio is not an easy process and it has taken much longer than anyone either expected or wanted. Perhaps one of the reasons radio has taken its time to make the migration is that it also has to deal with the wider and more complex issue of convergence of media.

Radio is no longer simply a stream of live audio delivered to a portable or tabletop receiver. This is the same for television, of course, which is no longer defined as a live video picture delivered to a static screen in the corner of the room. Today's radio has various types of data embedded or attached to it and as a consequence the radio receiver is taking on many different forms and performing functions which traditional radio could not have contemplated a few years ago. Similarly, radio is not confined to one platform any more. Radio is available via AM, FM, DAB, DTV, cable, satellite, and the Internet.

For broadcasters the challenge is how to create vibrant content which is suitable for multiple platforms and a myriad of receiving devices.

TV broadcasters have been grappling with this problem for some time. Whilst there are still many 'passive' TV receivers which do nothing more than display the content in live linear mode, there are also many new TVs which allow you time shift, plan your viewing via an EPG or view content on demand. Staying with TV for a moment, another shift is occurring for viewers using personal devices to watch TV content and this is demanding both a re-purposing of traditional content for small screens, and leading to content being packaged to suit portable viewing sessions.

All this is pretty well known and the significant scale of commercial and public interest in television is enabling these challenges to be met across Europe.

But radio is in a very different position, and I would like to use some of today to explore the issues surrounding radio's transition to digital.

So why is radio different? In a nutshell it is about the scale of radio as a business, its sources of revenue and the freedom it therefore has – or does not have – to drive the technological and consumer agenda in the same way that TV has.

It is easy to dismiss radio because of its relatively small economic impact but it would be a mistake to equate the importance of radio in this simplistic way. Across Europe Radio is a medium which is highly valued and loved by almost all citizens. Let's put that into context: Radio is listened to by over 90% of the European population every day. On average each of these is tuning in for around 3 hours per day. They are listening to a mix of public service and private radio stations. They listen in all locations and at all times of the day, from the moment they wake, on the way to work, at work, on the way home

and right up to the moment they go to sleep. Radio is the constant companion and gets to people like no other medium. And it knows no age barrier either. Radio is used by all age groups, every demographic and in a variety of ways.

There are several reasons for radio's enduring popularity, of course. One is the ubiquitous nature of radio. It is available everywhere. It is the original wireless technology, but once radio became portable thanks to the transistor it found its way into every room, every car, and almost every device. If you think about it, most consumer audio devices have a radio in-built as well.

The other reason radio remains compelling is the content. Whether your radio listening is rooted in traditional public service broadcasting, speech or music radio, the fact is that radio continues to be an enduring and universally popular medium. It continues to have enormous social and political consequences too, and consistently scores as the most trusted of media for news and information. Radio has been at the heart of change in Eastern Europe where cultural freedoms have often been marked by the expansion of private radio, bringing with it new music and forms of expression which in many countries simply did not exist 20 years ago.

And in the modern age of media plurality and with unlimited choice of content, radio still works.

So radio is a remarkable survivor. Perhaps because of this, the European Commission has felt it largely unnecessary to intervene or create any particular policy towards radio. But one thing all radio broadcasters I speak with agree on the fact that radio cannot survive as an analogue medium, it must go digital and become part of the converged world. There are issues for public service broadcasters whose traditional funding model is under attack, and there are issues for private, commercially funded broadcasters who tend to be the first to feel the pressure when the economy suffers a downturn. At these times, investment in new platforms, transmission networks and studio technology is much harder to justify and radio quickly finds itself unable to compete with the scale of investment which is more readily available to television, the internet and mobile telephony.

This is where some of the questions and discussion today will centre. Do we have the necessary spectrum in member states to provide a path for full digitisation of all radio stations, to enable them to add multimedia content and to cater for the necessary and inevitable expansion of choice?

What sort of multimedia content are radio broadcasters creating, and how does the user experience change, add value to the platform and generate a return on investment?

And what do we mean by Mobile Multimedia? One of the remarkable statistics that comes out of many mobile TV experiments is that radio is often more popular on a mobile device than TV. In the UK where both radio and TV were available through a common EPG, consumers were listening to the

radio 50% longer than watching TV. There are many questions still surrounding Mobile TV. Consumers have not embraced the idea of paying 5 or 10 euros a month to watch TV. Mobile telcos have seen that mobile TV subscription doesn't increase the ARPU, it simply cannibalises other revenues. In fact if you look at the only two countries where mobile TV is making any real volume impact with consumers, they are both free to air systems. Japan uses its own technology, and Korea uses a European system, DMB.

Are there any lessons to be learned here? Well, there is no doubt that the business model for mobile TV is not proving to be as easy as proponents thought a couple of years ago. Perhaps the reality is that mobile TV will only survive in the context of a largely free to air system. If so, then the economic issue becomes one of a dramatically different scale of network infrastructure cost which may simply be unsustainable using UHF or L-Band spectrum.

Another issue for free to air multimedia is scalability. No one is going to invest in expensive networks and large slices of scarce spectrum whilst there is no apparent business case.

However, it is an entirely different issue altogether to move gradually towards multimedia broadcasting using spectrum which can be aggregated to provide a sustainable level of choice and content.

DAB/DAB+ and DMB fulfil these requirements admirably. Spectrum is available in Band III, particularly as analogue TV switches off, and also in L-Band. Many European countries are already deploying DAB and DMB in these bands and radio broadcasters in particular are increasingly realising that this is the only viable platform and technology which will allow them to move from a purely audio world into multimedia including pictures, text and video.

So what is the difference between our DAB/DAB+ and DMB system and DVB-H? The technologies may not be all that dissimilar, but the business emphasis is. DVB-H is clearly driven by mobile TV content and by the mobile telcos. If there is any radio content on DVB-H, it is very much the poor relation, and will languish on the fringes of a TV world. DAB/DAB+ and DMB, however, are driven by the radio content and by broadcasters. This produces a very different model where the emphasis is radio with multimedia content evolving. Yes, it can and will do mobile TV, but it will not be the same mobile TV proposition as DVB-H. And perhaps because of this, it is easier to understand why DAB/DAB+ and DMB are proving to be successful in their own unique ways in a number of different media markets, whether it is in the UK, China or Korea. An important point I would like to make here is that WorldDMB does not pretend that it is the only digital broadcasting technology. We think that a world of DVB-H and DAB can co-exist perfectly, each serving different segments of the market. A one-size technology clearly does not fit all.

Finally, then, and in order to frame the discussions that we are about to have, what is it about digital radio that we want the European Commission to hear?

Firstly, radio is important. It is too important to ignore. Radio is going digital and therefore it needs to be encouraged to go digital. Whilst this is a national issue, there are pan-European issues common to all member states and the EC has a positive role to play here, encouraging member states to adopt a framework of positive regulation and spectrum allocation for radio.

Secondly, the EC should not do anything to damage digital radio. Unfortunately, the push for DVB-H is having this effect, quite simply because the message is being interpreted as anything that isn't DVB-H is not welcome. This produces uncertainty for regulators and broadcasters, fearful that they may be backing the "wrong" technology. So I would ask that the EC finds a way to actively encourage its other European broadcast technologies, one which is already delivering a future for digital radio and allowing radio broadcasters to meet the challenges of taking radio from a purely sound medium into one of rich multimedia mobile content.

In the documents you have there is more information about what DAB/DAB+ and DMB are doing for the European economy and for the future of broadcasting, and I encourage you to read it and ask questions.

Now, you have heard enough from me so let us begin our sessions this morning without further ado. I look forward to a useful exchange of views and ideas and to our future dialogue with both the European Commission and Members of the European Parliament.

Thank you.

