

DAB+ business case

SABC / WorldDMB Workshop

Patrick Hannon

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Frontier Silicon – leading provider of solutions for digital radio

• 75% share of consumer devices¹



• Over 20m modules shipped

Portable radios

Home audio systems

Clock radios & docks

In-car



(1) Global market for in-home DAB / DAB+ receivers (management estimate)

We supply leading brands, often on exclusive basis



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The competitive landscape for radio is changing

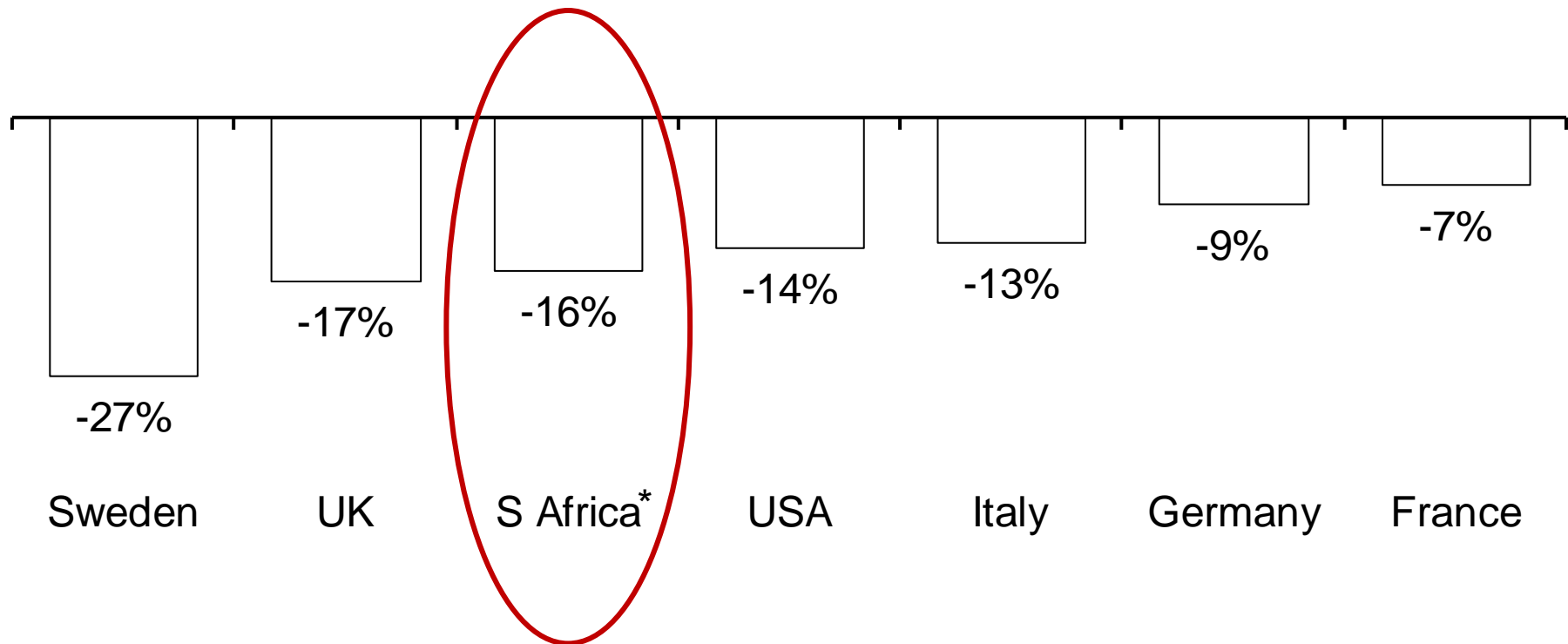
Online music services



- 
- Digital music services
 - Smart devices
 - Competition for FM radio

Younger audiences are listening less

Changes in youth per capita listening hours, 2006-10¹



Note: (1) Definition of youth varies by market; e.g. Sweden (9-19s), UK (15-24s); US data 2006-08 & 2009-11 (new methodology in 2009). Source: EBU (Europe), Arbitron (US). South Africa data is for adults 2009-2013; source: SA Advertising Research Foundation

In many markets, FM spectrum is full

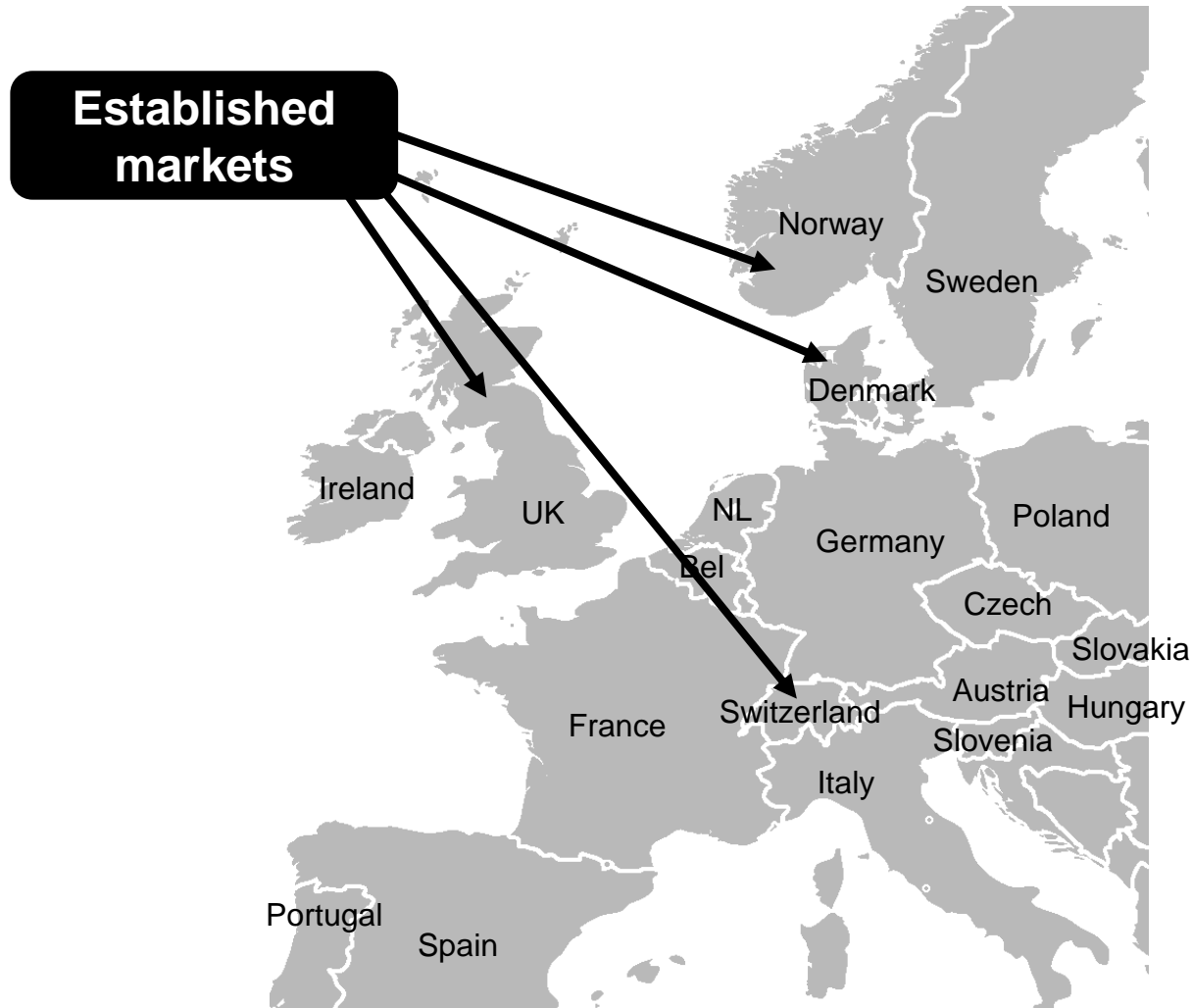


- Overloaded airwaves
- No capacity for new services
- Difficult to innovate

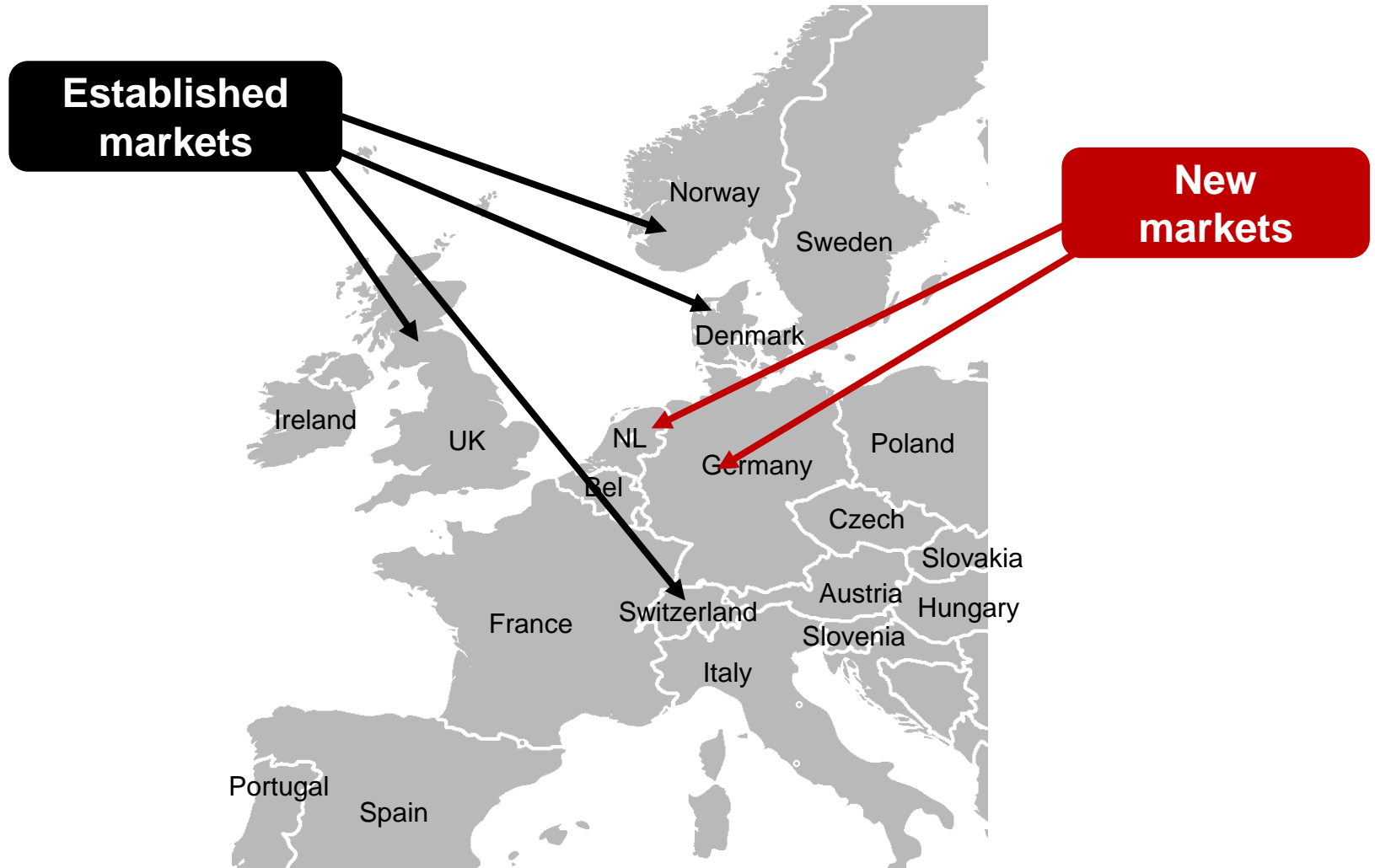
A digital radio wave is moving across Europe



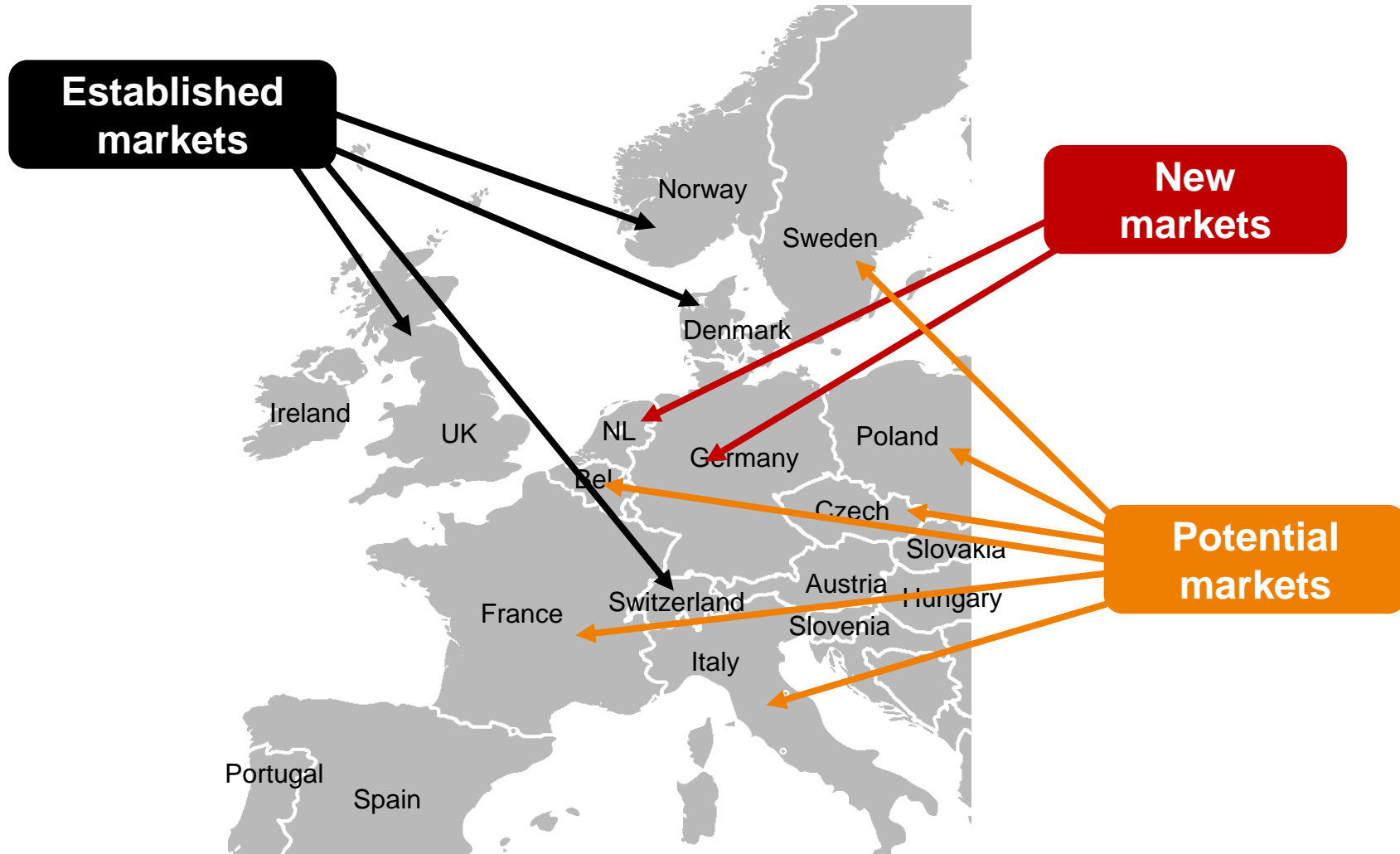
Four core markets: UK, Norway, Denmark and Switzerland



Followed by Germany (2011) and Netherlands (2013)



Several potential markets



In Asia Pacific, a similar process is under way



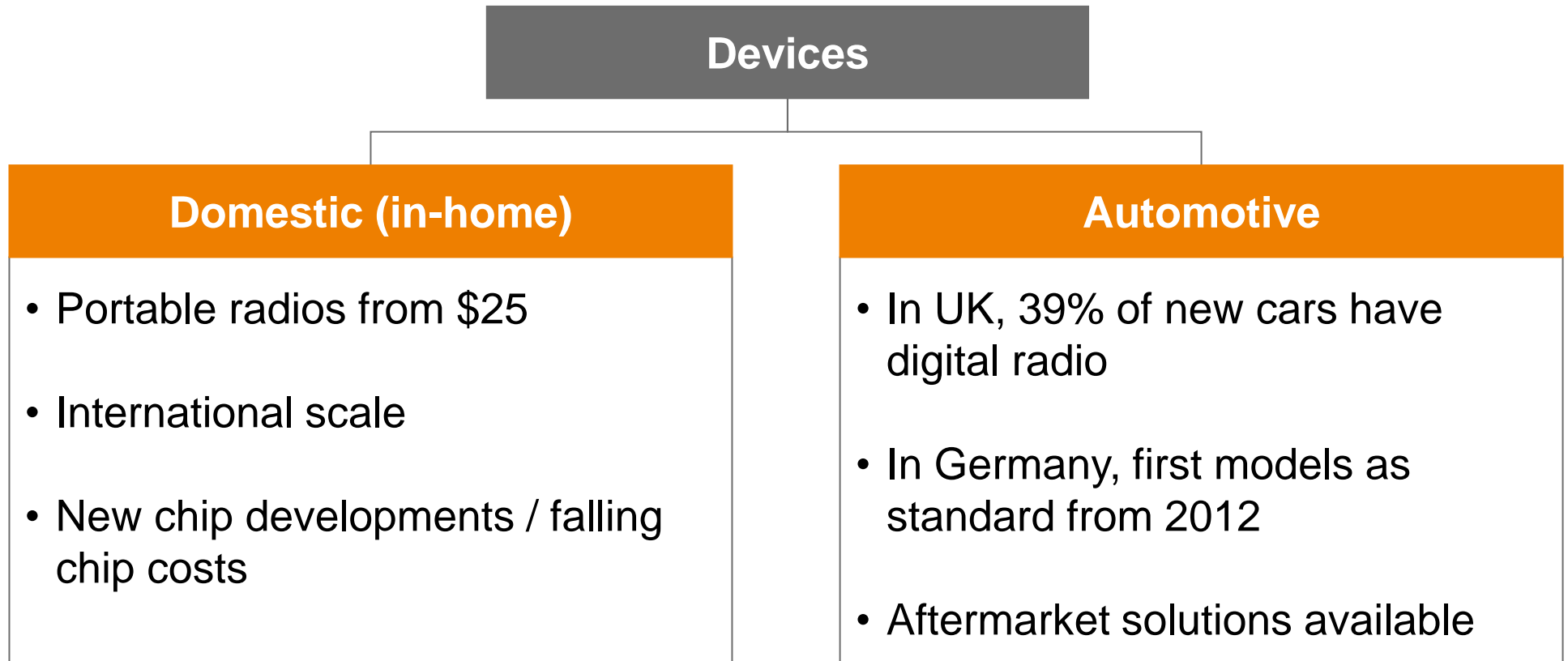
Hong Kong: DAB+ launch 2011

Australia: DAB+ launched Jul 2009

In Asia Pacific, a similar process is under way



International developments bring benefits to new markets



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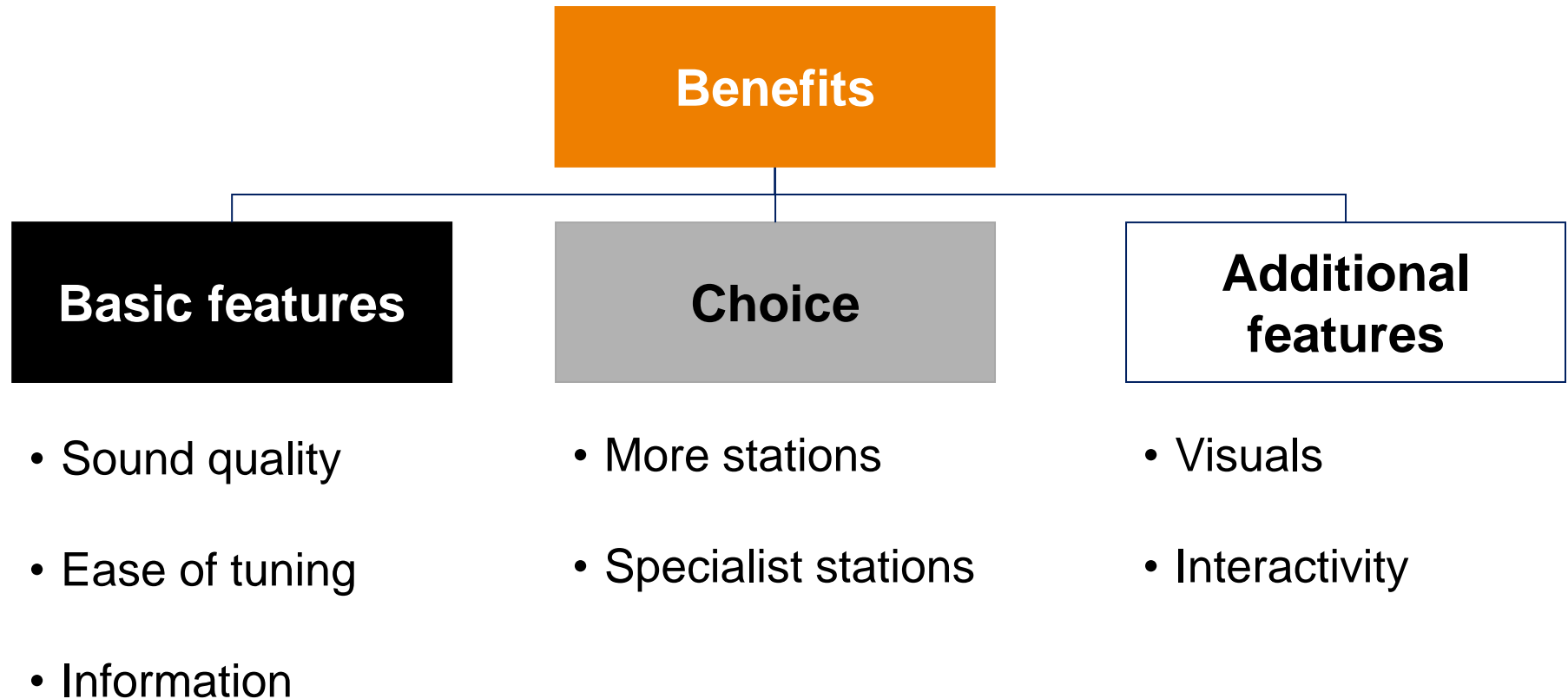
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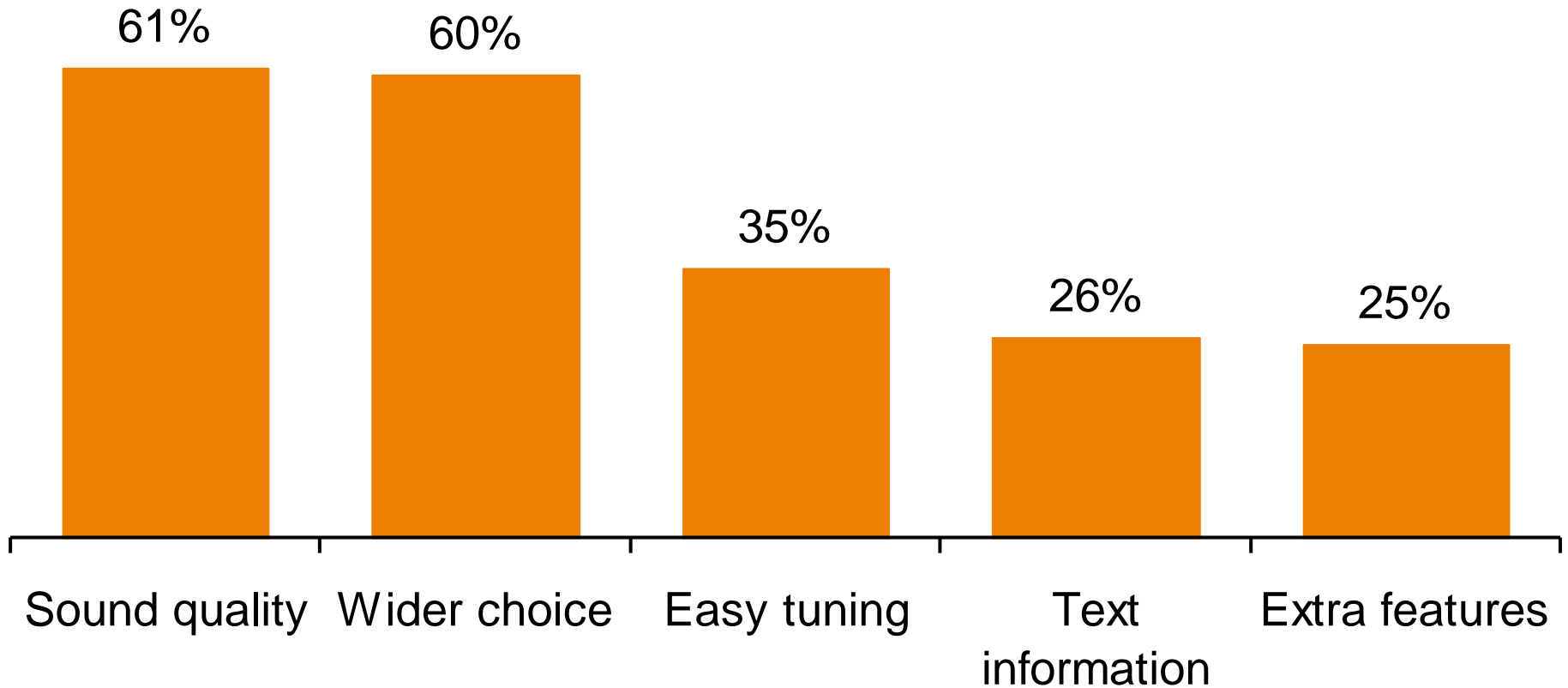
4. Keys to success

Why should consumers buy a digital?



In UK, sound quality, choice and easy tuning are key benefits

UK, % benefits of digital radio



Digital radio can offer significantly greater choice...

Sydney analogue services



17 services on AM and FM

Sydney digital services



Over 40 on DAB+

Providing a range of new speech-based services...

Germany



- Live football
- Up to 5 matches simultaneously

Australia



- Comedy

Hong Kong



- Digital Money
 - business news / stock market reports
 - horse racing

... and music services for specific audiences

UK



Classic Rock

Australia



Unsigned bands

Germany



Electronic music



Jazz



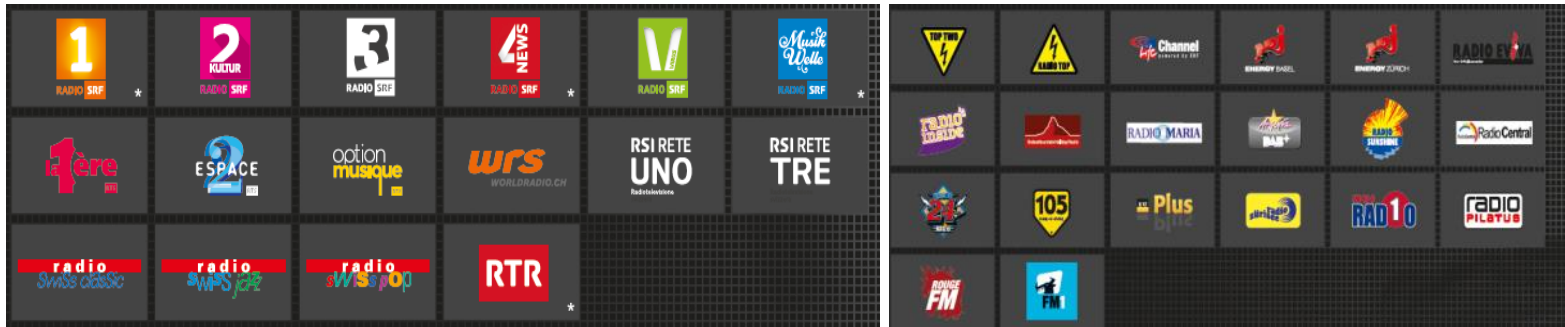
Country



Classical

In Switzerland: 60 services – in three different languages

Swiss German



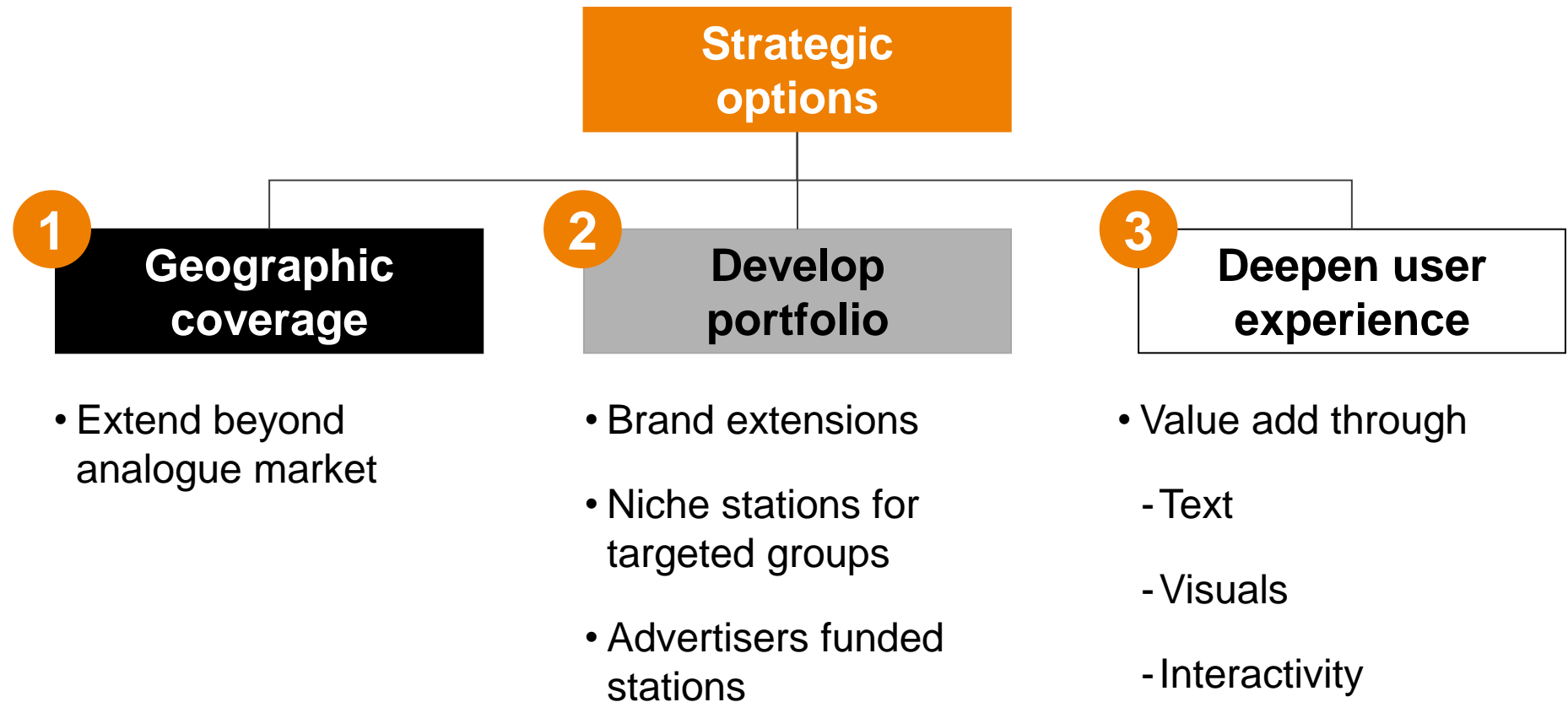
Swiss French¹



Swiss Italian

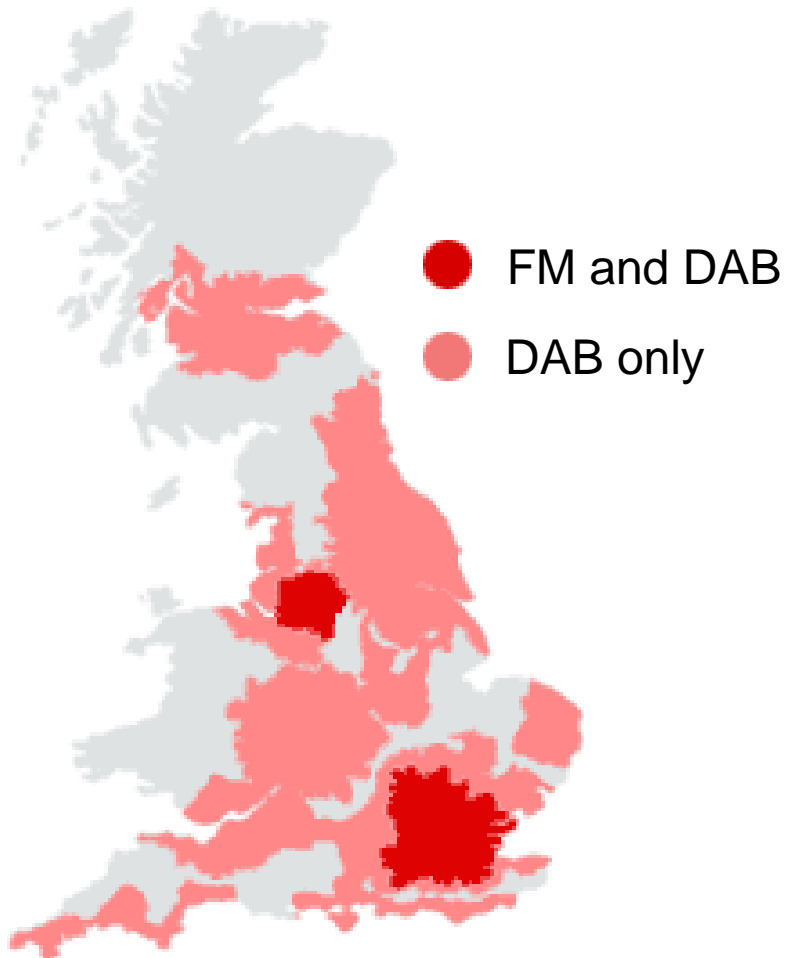


How can digital radio build value for broadcasters?



1 Digital radio offers opportunity to extend coverage

XFM – UK coverage



- XFM on FM
 - London & Manchester
 - 14m population
- XFM on DAB
 - many regions
 - 40m population
- Listening up 22%

1 In Germany, Energy has national coverage on DAB+

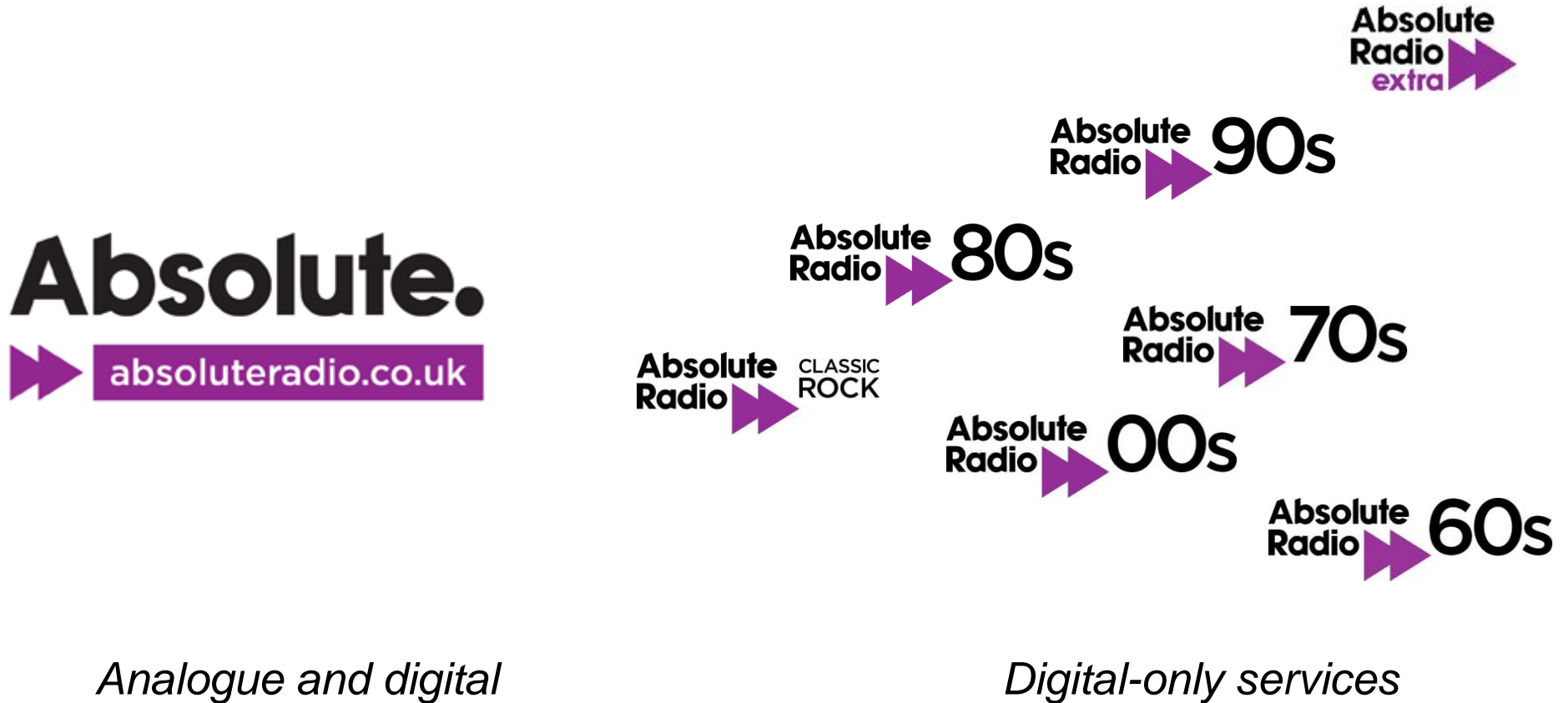
Energy on FM



Energy on DAB+



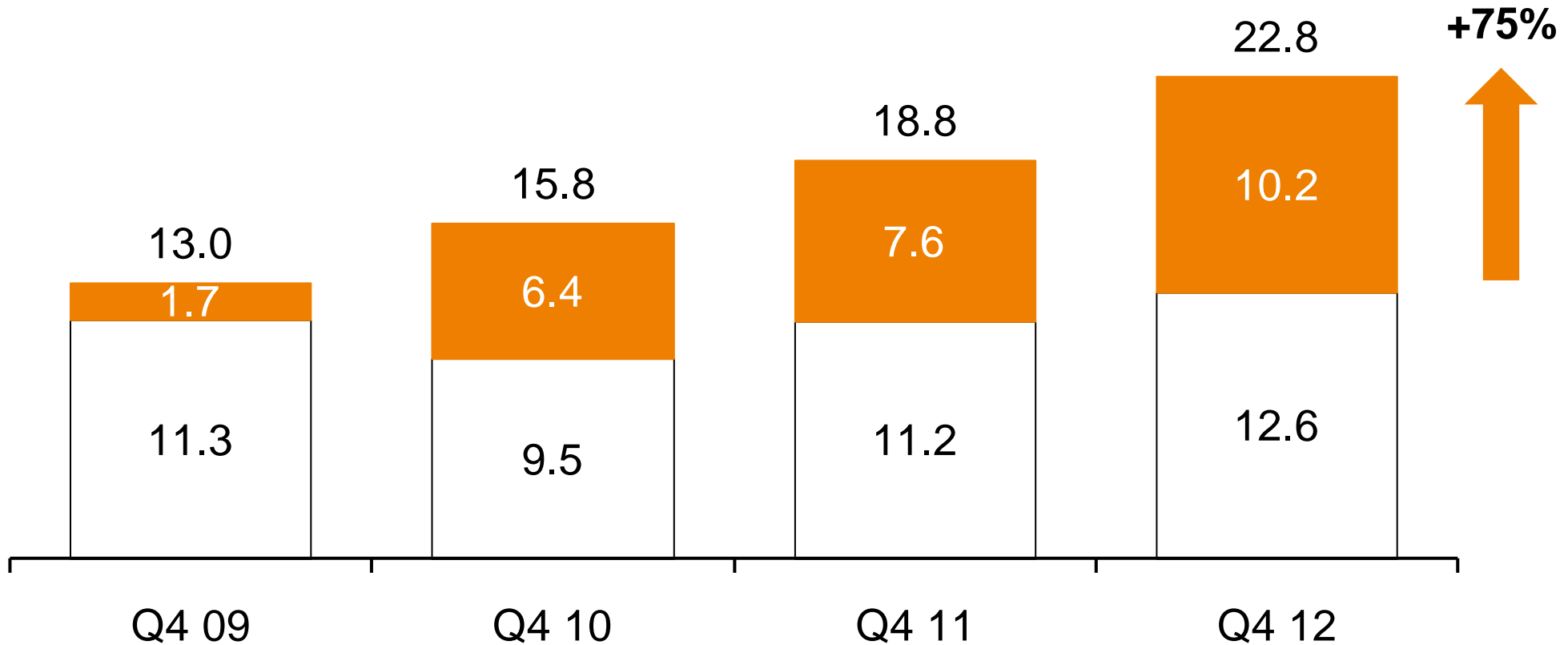
2 In UK, Absolute uses digital to extend its brand



2 Absolute's listening hours are up 75%

Absolute Radio, weekly listening hours, m

□ Absolute Radio (core service) ■ Absolute digital-only services

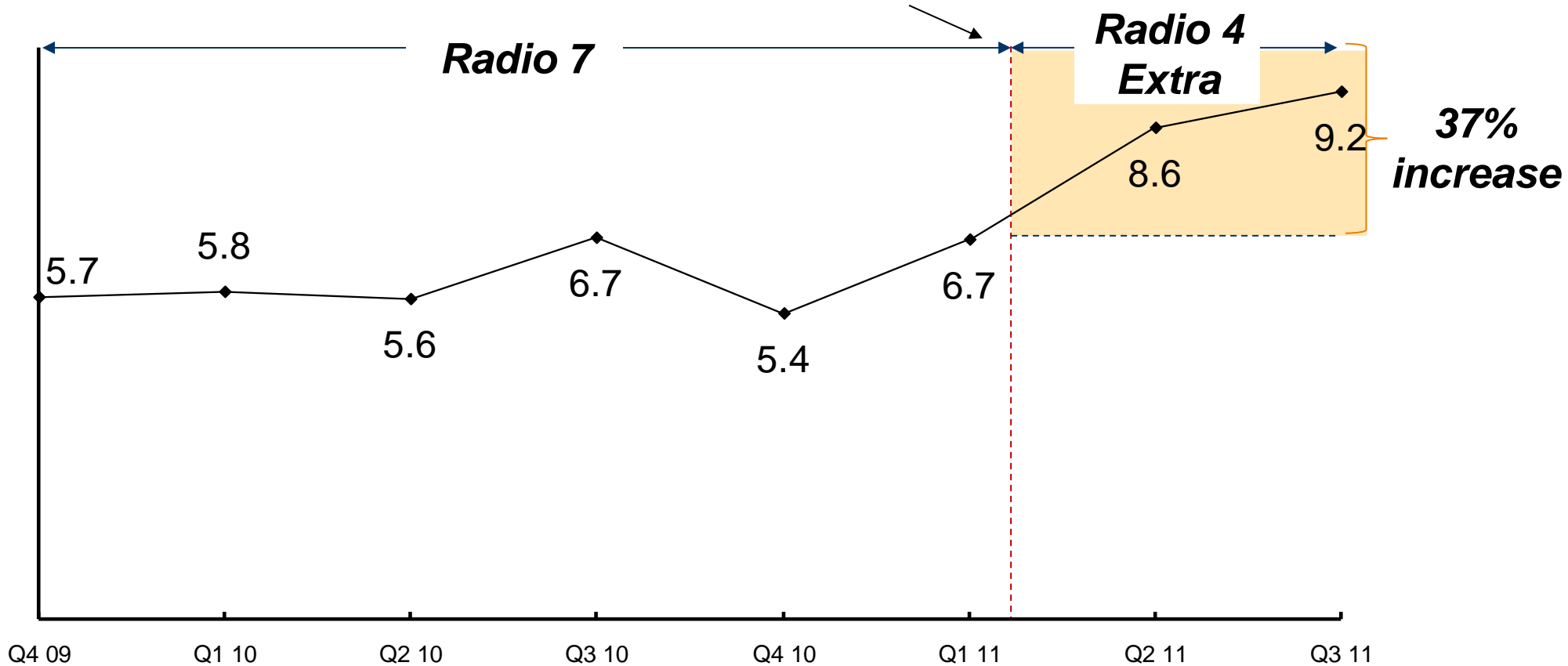


Source: RAJAR

2 The BBC also benefits from co-branding

Radio 7 / Radio 4 Extra weekly listening hours, m

Service rebranded¹ April 2011



Note: rebranding coincided with increase in cross-promotion and greater emphasis on complementary scheduling Source: RAJAR

3 New devices offer images and interactivity

Pure Sensia



- *DAB / DAB+, FM and Internet radio*
- *Colour touch-screen*
- *Wi-Fi connection*

Revo Axis



- *DAB / DAB+, FM & Internet radio*
- *Wi-Fi connection; iPhone docking*
- *Colour touch-screen – for Slideshow*

3 Broadcasters use colour images for additional information

BBC RADIO 2



On now

Jeremy Vine 12:00 - 14:00

Coming up

Steve Wright in the Afternoon 14:00 - 17:00

90elf.
Dein Fußball-Radio.

Blitztabelle

Pl.	Tend.	Mannschaft	Diff.	Pkte.
1.	▲	Borussia Dortmund	+39	61
2.	—	Bayer Leverkusen	+39	61
3.	▼	Hannover 96	+39	61
4.	—	Mainz 05	+39	61
5.	—	FC Bayern	+39	61

ON CAPITAL FM TODAY



95.9 CAPITAL FM

- Photos of the Week
- Lady Gaga crowd surfing
- Top 10: Britney's cover shoot

To win tickets to see Estelle live at H&M, go to capitalfm.co.uk



3 Interactive Slideshow - news and weather displayed visually



1

Choose category: news, weather, financial news etc

2

Navigate between individual slides

3 Smart devices will bring images & interactivity to mainstream

Prices from €80



- Audio is broadcast
- Smartphone and tablets: remote control via Bluetooth (or Wi-Fi)
- Display colour images – using RadioVis

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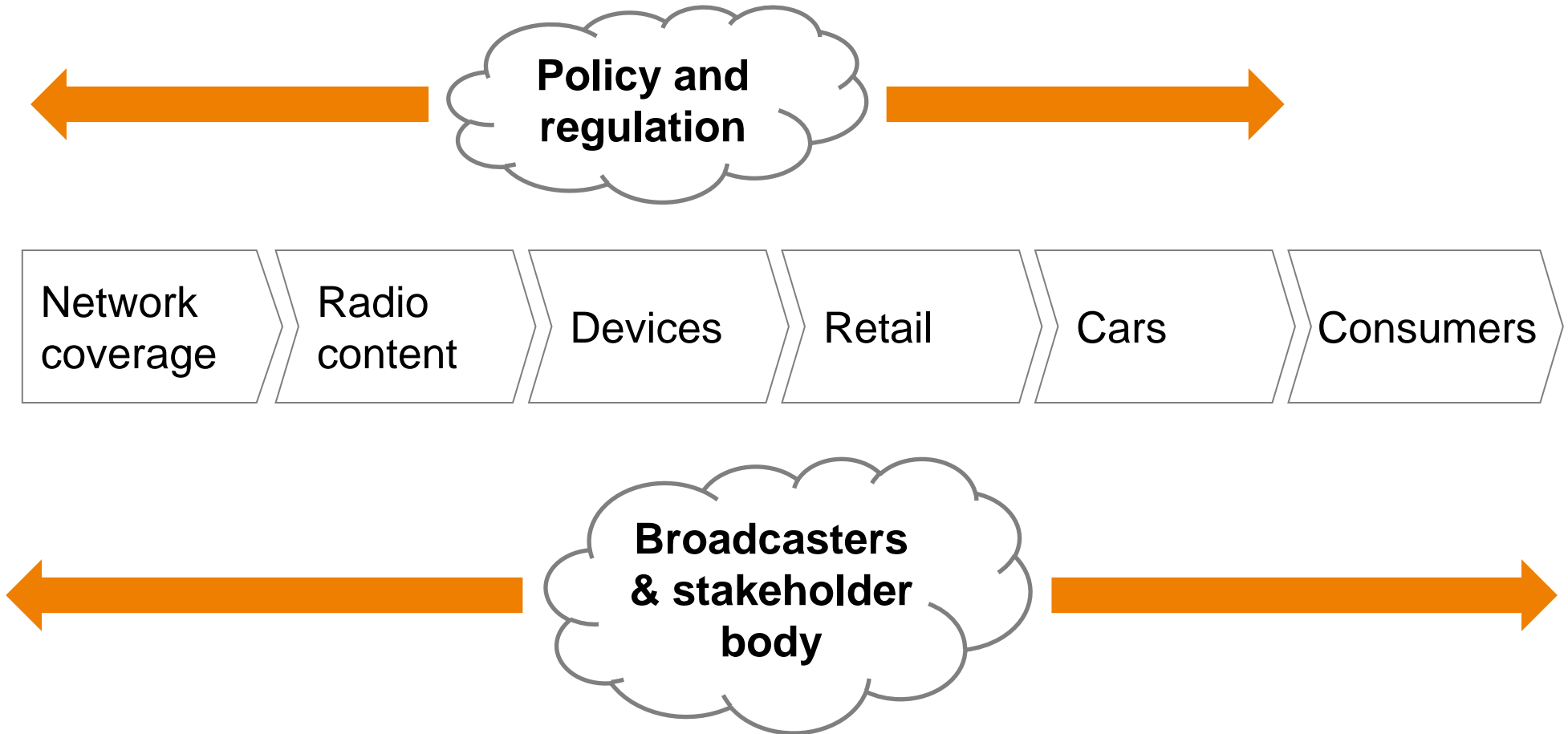
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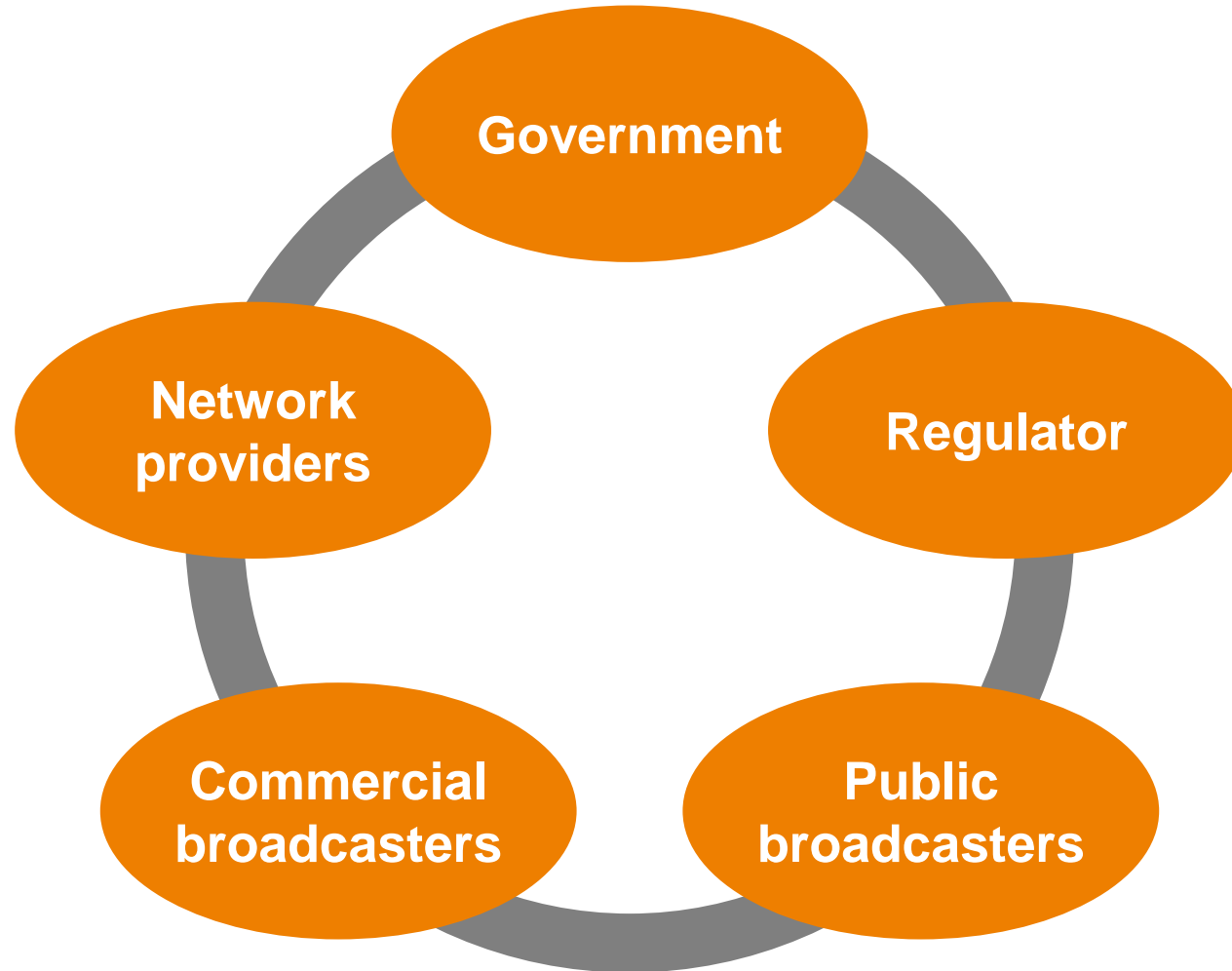


4. Keys to success

Success in digital radio requires collaboration



Pre-launch, work together to create viable transmission plan



Deliver compelling content proposition

Digital



Digital-only



Foreign language stations



Major promotional campaign for digital radio



- D Love – digital radio evangelist
- Industry consumer campaign
 - BBC TV and radio airtime
 - Commercial radio airtime
 - Retailer point of sale
- Consistent campaign approach

Work with retailers and manufacturers

MediaMarkt, Berlin, March 2013



- Broadcasters work closely with
 - retailers
 - device manufacturers
- Run on-air promotions
- Ensure DAB+ coverage available in-store

Automotive brands offering DAB – increasingly as standard



Cross-industry marketing body – essential to drive uptake

Digital Radio UK

Composition:

BBC and UK Commercial Radio
Car and Radio Manufacturers
Work with Government and Ofcom

Objectives:

Accelerating the growth of digital radio
Getting digital radio in cars
Planning a future digital radio switchover



Thank you

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