

## **Eureca Research forecasts a global market of 145 million DAB radio receivers by 2012\***

### **EMEA region will account for 110 million units or 75% of total global market**

**Bangor, Wales, UK, 6th October 2006** - Back in 2003, the fate of DAB hung in the balance. The big issues of the day were the lack of affordable receivers and the future availability of spectrum. In 2003, there were only 39 DAB receivers available on the market and there were real concerns that European broadcasters would not request additional spectrum for DAB.

Three years later and the outlook for DAB is very different. The installed base of DAB receivers in the UK now exceeds 3.5 million and receiver sales are increasing rapidly in several other European countries. The new GE-06 spectrum plan published recently by the ITU guarantees a minimum of three national DAB coverages (or equivalent) for the majority of ITU Region 1 countries with field strength levels sufficient to provide portable indoor reception.

There are now more than 250 DAB audio products and 100 DMB mobile TV products on the market with prices starting as low as 30 GBP. In South Korea, mobile TV via the DMB standard has had an encouraging start since its launch in December 2005 with more than 1.4 million receivers sold to date and similar services have been launched in China and Germany.

“DAB’s progress in the last three years has been quite impressive” said Gareth Owen, Research Director at Eureca Research “but the adoption of the Eureca-147 DAB standard for mobile TV services in large countries such as China, India and possibly Russia - in addition to several other European and Asian countries - over the next three years could boost its commercial prospects significantly, and guarantee its future as a dominant global broadcasting standard for radio, mobile TV and multimedia content.”

In a global survey of 50 countries, Eureca Research found that commercial broadcasters in western Europe are putting digital radio back on their agendas following the publication of the GE-06 plan and regulators in several European countries expect to issue licenses in 2006 and 2007. ER also found increasing interest in eastern Europe with several public broadcasters expected to launch commercial services in the next twelve months and others starting their first trials.

“The GE-06 plan guarantees that spectrum will be available to enable analogue radio to transition to DAB and removes a significant degree of uncertainty regarding the adoption of DAB in the minds of governments and regulators in many countries” said Owen “The existence of such a plan will make it considerably easier for countries across the whole EMEA region to introduce DAB” he added.

During the next 6 years, ER expects to see a rapid acceleration of DAB deployment driven by a combination of factors: the availability of new spectrum, the mobile TV factor and the increasing convergence in the media world which is changing traditional analogue radio business models and forcing broadcasters to seek new revenue-generating digital services.

During the 2006-2012 forecast period, DAB will transition from being a virtually audio-only platform into a fully interactive multimedia and mobile TV platform capable of delivering a range of revenue-generating services such as subscription radio services, music downloads, live TV services, visual radio content (graphics, images), pay-podcast services, TPEG traffic and travel information, etc.

\* excluding DMB and DAB-IP mobile TV devices

However, DAB still has a number of significant challenges to overcome. The primary challenge is to re-start growth in key European countries where DAB has stalled, in particular France and Germany. Other major challenges include the introduction of a new codec (but without adversely affecting growth in established markets) and increasing DAB penetration in vehicles.

DAB is no longer the only terrestrial digital radio standard. The availability of DRM, HD Radio and the Japanese ISDB-TBS standard mean that broadcasters around the world will have a choice of technical standards in the future.

Although DRM can be viewed as a complementary technology to DAB in some scenarios, the fact that it is being adapted to operate on FM frequencies up to 120 MHz means that it must increasingly be viewed as an alternative to DAB. “The introduction of DRM+ in 2009-2010 will make DRM a very flexible digital radio standard suitable for local, national and international broadcasting on all frequencies from 150 kHz to 120 MHz” said Owen. “However, in the short-term, it faces the same challenges faced by DAB in its early years: persuading broadcasters to introduce compelling DRM content and manufacturers to produce a broad range of inexpensive receivers.”

HD Radio is another IBOC-type technology being deployed in the United States and elsewhere. Unlike DRM, HD Radio is a proprietary technology and is available today for FM broadcasting. However, technology developer iBiquity will have to revamp its US business model if it is to have any chance of seriously penetrating markets outside the US. Even in the US, its proprietary nature coupled with AM nighttime interference issues may yet open the door to other IBOC standards in the AM bands.

#### **About the Study:**

“**Digital Radio 2006 – A Global Review**” is a 265-page, non-commissioned, independent report which provides an objective analysis of the development of digital radio around the world during the next six years. As well as a detailed description of the key developments and issues surrounding DAB, the report also provides a comprehensive analysis of the prospects of DRM, HD Radio, ISDB-TBS and satellite radio.

A key feature of the report is a 75-page geographical review of DAB around the world split by regions: Europe (including eastern Europe and Russia), the Asia-Pacific region (including India and China) and the Americas. The review is based on a comprehensive survey of digital radio developments and future plans in 50 countries undertaken during a 6-month period from March to August 2006.

Detailed 6-year global forecasts of digital radio receiver growth broken down by technology (DAB, DRM, HD Radio, ISDB-TBS and satellite radio) and by region (EMEA, Asia-Pacific, and Americas) are provided, including separate forecasts for mobile TV via the Eureka-147 DAB standard.

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