

Broadcast radio not to be replaced by Internet & 3G radio

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A presentation comparing streamed radio services over fixed and mobile broadband versus broadcast technologies has concluded that mobile broadband is neither financially practicable, nor does it give the wide area coverage necessary to make it a viable alternative to one-to-many broadcast systems.

Arqiva's Senior Architect & Head of Technical Development, Simon Mason, compiled the report for WorldDMB. Mason looks at coverage, cost to the broadcaster and the consumer and the complexity of IP devices compared to radio sets. Significant points in the report include:

- While 73% of households in the UK have internet access, not all receive enough bit rate to listen to radio online. As a result, only 70% of the population can listen to radio via the Internet at home, compared to 98% who can receive broadcast radio.
- It costs broadcasters on average 3p per G byte shifted to broadcast radio on the net. Assuming around 4 G bytes per broadband connection a month for radio traffic and 27 million homes in the UK, the cost to the broadcaster could be around £35 million per annum for in-home listening.
- 3G/4G networks are designed for major population centres, making reliable reception of radio problematic in rural areas and, especially, on out-of-town roads.
- In-car listening, which represents around 20% of all radio listening in the UK, would come at a cost. Network and spectrum fees mean operators would need to charge users around 1p for 2½ minutes listening. The average 30 minute drive to work would therefore cost the listener around £6 a week, or £300 a year.
- By their nature, IP devices are more complex than a broadcast radio receiver. Switch on a radio and it delivers content immediately. A computer or internet radio takes more time to launch, is more expensive to buy and more complex to install.

This presentation, given at the WorldDMB GA meeting in Belfast in October, follows a similar report carried out by the network operator in France, TDF, in 2009. This report looked into the cost of delivering French radio digitally over the 3G network, it concluded:

The average radio listening in France in 2009 was 179 minutes per day; this will remain the same in 2018, but of these 179 minutes the average listening via mobile networks such as 3G and LTE will have increased to 39 minutes per day.

Currently 80% of all French radio listening is to 20 stations from the big four groups (Radio France, RTL, NRJ and Lagardère). The projected costs for supporting these 20 stations on the mobile network, based on these 39 minutes of radio listening per day, is expected to be €74 million. This equates to €3.7 million per station a figure which, if the mobile operators passed onto broadcasters, would make the business of radio unprofitable. TDF went on to show that each extra minute of listening to radio will cost each station €260 per day.

WorldDMB President, Jorn Jensen says: "While there is certainly a place for radio delivered via the Internet in the consumer's media day, we believe it to be no substitute for broadcast radio. As Mdme Kroes of the EC recently stated '*I believe that those who will prosper in the digital age are those who understand that convergence is one of the keys. The convergence of media provides an incredible opportunity for the artists and creators of our times, and also for their public – you and me. Just like cinema did not kill theatre, nor did television kill radio. The internet won't kill any other media either.*'" The economics and practical implications for broadcasters and listeners mean that broadcast radio, be it DAB, DAB+, DMB or even FM, will remain the foundation of the industry and digital radio strengthens the power of radio."

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About WorldDMB

WorldDMB is an international, non-governmental organisation with a mandate to promote the awareness, adoption and implementation of Eureka 147 based technologies worldwide. Its members include public and commercial broadcasters, receiver manufacturers and other companies and bodies committed to the promotion of services and equipment based on the Eureka 147 family of standards.

Notes to Editors: The DAB family is the most successful set of digital radio standards in the world. Created for mobile and portable reception of audio, multimedia and video services, the family includes the compatible standards DAB, DAB+ and DMB digital radio and DMB mobile TV. Collectively these are the Eureka 147 Family of Standards, having originated as an EU funded Eureka project. The system is on-air in nearly 40 countries across Europe, Australia and the Far East. More than 500 million people are within range of DAB, DAB+ or DMB services, with over 1,000 services on-air. The world's first DMB mobile TV services launched in South Korea in 2005 and is now one of the most successful markets in the world. In 2008 the industry body responsible for the Eureka 147 family of standards, the WorldDMB Forum, created the 'Digital Radio Receiver Profiles' which specify a set of minimum requirements and features for different types of consumer digital radio receivers. The Receiver Profiles ensure interoperability of new receivers and services between countries whose broadcasters may be using different combinations of DAB, DAB+ or DMB and creates a harmonised digital radio and multimedia market across the world.