

Marketing and Consulting for Digital Broadcasting Technologies

Press release 14 May 2014

DAB+ car radio continues to gain momentum

The use of DAB+ digital radio in vehicles is incontrovertible, and a timetable for switching from VHF to DAB+ is essential. Speakers and experts from politics, broadcasting, the automotive industry and the automotive trade were unanimous on this front. On 13 May, they discussed the future development of DAB+ in cars with a 100-strong audience in Zurich.

Equipping cars with DAB+ plays an important role in the success of digital radio, since people listen to the radio more in vehicles than anywhere else. It is for this reason that MCDT, together with ARD's digital radio project office, held a DAB+ automobile workshop for high-calibre experts. Those invited included representatives from the automotive industry (manufacturers, importers and accessory suppliers), public and private radio stations and development specialists from Germany and Switzerland.

The future of radio is digital

According to Nancy Wayland Bigler, Deputy Director of the Swiss Federal Office of Communications (OFCOM), the government intends to provide financial support to expand DAB+ usage. This is intended to increase the motivation for operating VHF and DAB+ in parallel. The Digital Migration Group (DigiMig), which consists of industry representatives, will present a final report to OFCOM later this year for the attention of Federal Councillor Doris Leuthard, indicating the strategy and timescales for switching from VHF to DAB+. According to Wayland Bigler, "It's not a question of whether DAB+ will get off the ground, but when. If we don't succeed in digitalising radio broadcasting, the medium of radio in its current form will not have a future."

Still much potential

According to Andreas Burgener, Director of auto-schweiz, around 4.8 million vehicles fitted with car radios are currently on the roads in Switzerland and Liechtenstein. The market potential is correspondingly high for retrofitting and upgrading to DAB+ from VHF. It is encouraging that most makes of car offer DAB+ equipment at least as an option. In order for digital radio to become commonplace in cars too, Burgener emphasises that "the discontinuation of VHF should be announced in good time by the authorities and a lengthy transition period should be factored in".



Marketing and Consulting for Digital Broadcasting Technologies

Page 2

Efforts are paying off

Representatives of private radio stations unanimously declared their support for DAB+ – above all the Swiss Energy Group which, according to Managing Director Dani Büchi, has been backing DAB+ for a long time already. The success of its DAB+ LandLiebeRadio programme, launched at the end of 2013, has exceeded all expectations. By the end of 2014, Energy intends to launch further programmes that can be received only via DAB+. In December 2013, the Energy Group announced that it intended to stop using VHF in 2019. Investment in digital radio is paying off for Energy, as can be seen by its share of DAB+ listeners, which doubled between December 2012 and December 2013. One of Energy's key wishes is for DAB+ to be made standard in cars with immediate effect. And the President of Union Romande de Radios Régionales (RRR), Philipe Zahno, explained that private radio stations in French-speaking Switzerland are ready to switch to digital radio. From May onwards, all private radio stations in western Switzerland will additionally broadcast via DAB+.

Growing demand

Representatives of the automotive industry in Germany and Switzerland reported a growing demand for DAB+ amongst their customers. Analogue radio is no longer able to satisfy the needs of a digital society. DAB+ and Internet services in cars are seen not as competing alternatives but as naturally complementary. But nationwide reception is absolutely essential for the entire automotive industry, even in tunnels.

On the subject of upgrading road tunnels, Thomas Saner, Head of Strategic Distribution Planning at SRG, explained that the Federal Roads Office (FEDRO) is currently drawing up guidelines with the industry for DAB+ equipment in motorway tunnels. These guidelines will come into force in July. After that date, tunnels will be gradually equipped with DAB+ as part of the maintenance programme. DAB+ will need to be installed in 200 of the 400 or so tunnels. The intention is that it will be possible to receive digital radio in major tunnels by 2018/19.

Defining timescales

Possible dates mentioned for switching off VHF ranged from 2019 to 2024. Germany's Digital Radio Association is also working on a roadmap. Willi Steul, Director of Deutschlandradio, praised efforts made to date: "In Switzerland, you're so much further ahead that we are quite simply astounded. Tu felix helvetia!" In Germany, he has consciously tabled a switch-off date of 2025 because he believes setting a specific date will speed up development.





Marketing and Consulting for Digital Broadcasting Technologies

Page 3

The positive response shown by representatives of the automotive industry has prompted the organisers of the automobile workshop to set up a think tank. This will be used to reappraise the workshop's findings in order to promote mutual understanding between all partners. The aim is to configure the introduction of DAB+ in cars in a more customer-friendly manner that meets market requirements.

Download press images: www.mcdt.ch/en/media/images

Further information: <u>www.automotive-zuerich.ch</u>, <u>www.digitalradio.ch</u> Issued by: Béatrice Merlach, CEO MCDT, tel. 044 366 11 47, <u>beatrice.merlach@mcdt.ch</u>

MCDT represents digital radio

MCDT – Marketing and Consulting for Digital Broadcasting Technologies – focuses all the efforts relating to digital radio in Switzerland and networks the industry: manufacturers, importers, traders, SRG SSR, private radio stations, the car industry and mobile technology. In particular, MCDT is drawing up and implementing marketing, communication and promotion measures for the future development of DAB+ digital radio. These include providing consultancy and running special projects for new means of digital transmission in Switzerland and neighbouring countries. MCDT AG is a wholly-owned subsidiary of the SRG Group.