

# Why digital radio?

Patrick Hannon

February 2012, Paris



- 1 Radio today**
- 2 Benefits of digital radio**
- 3 Keys to success**

## Media consumption

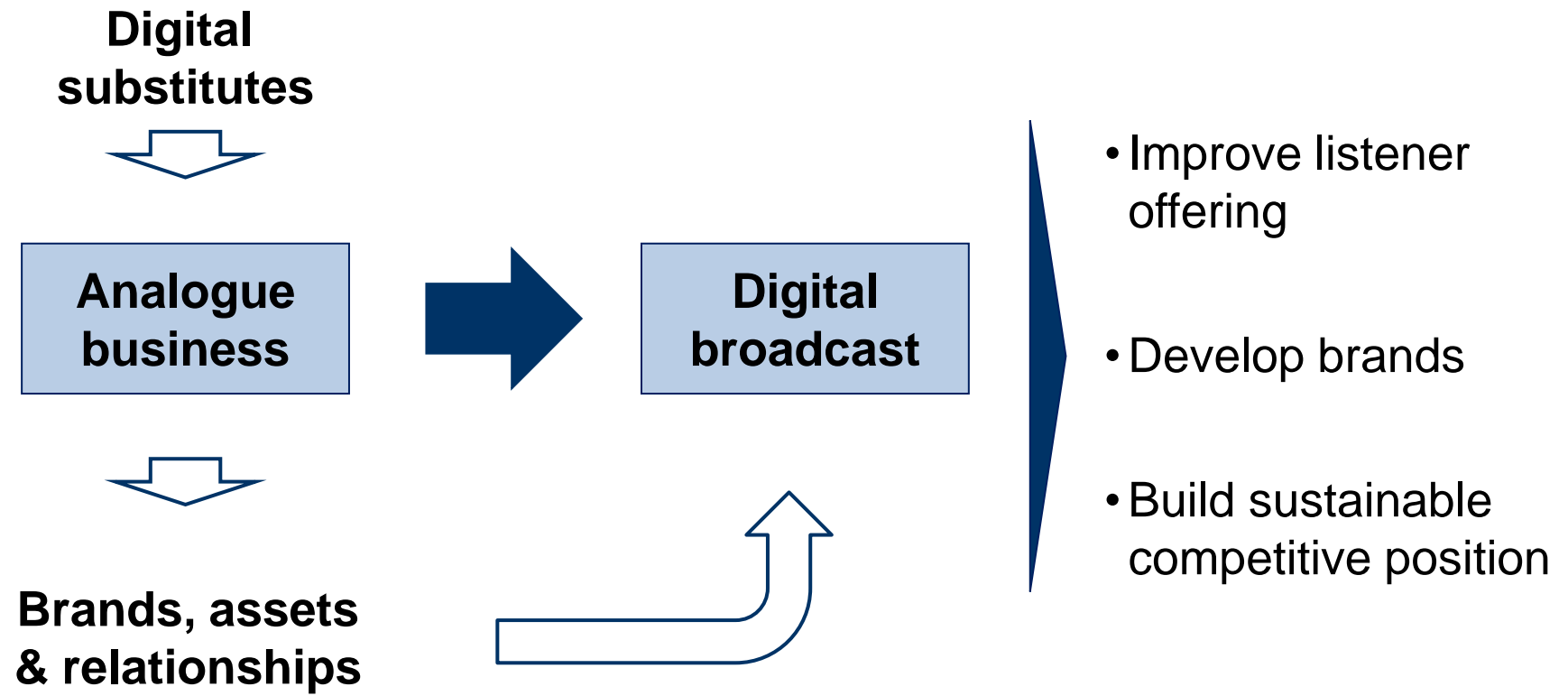
- Habits are changing – especially younger audiences – listening less to radio (down 7% in four years)
- 

## Advertising

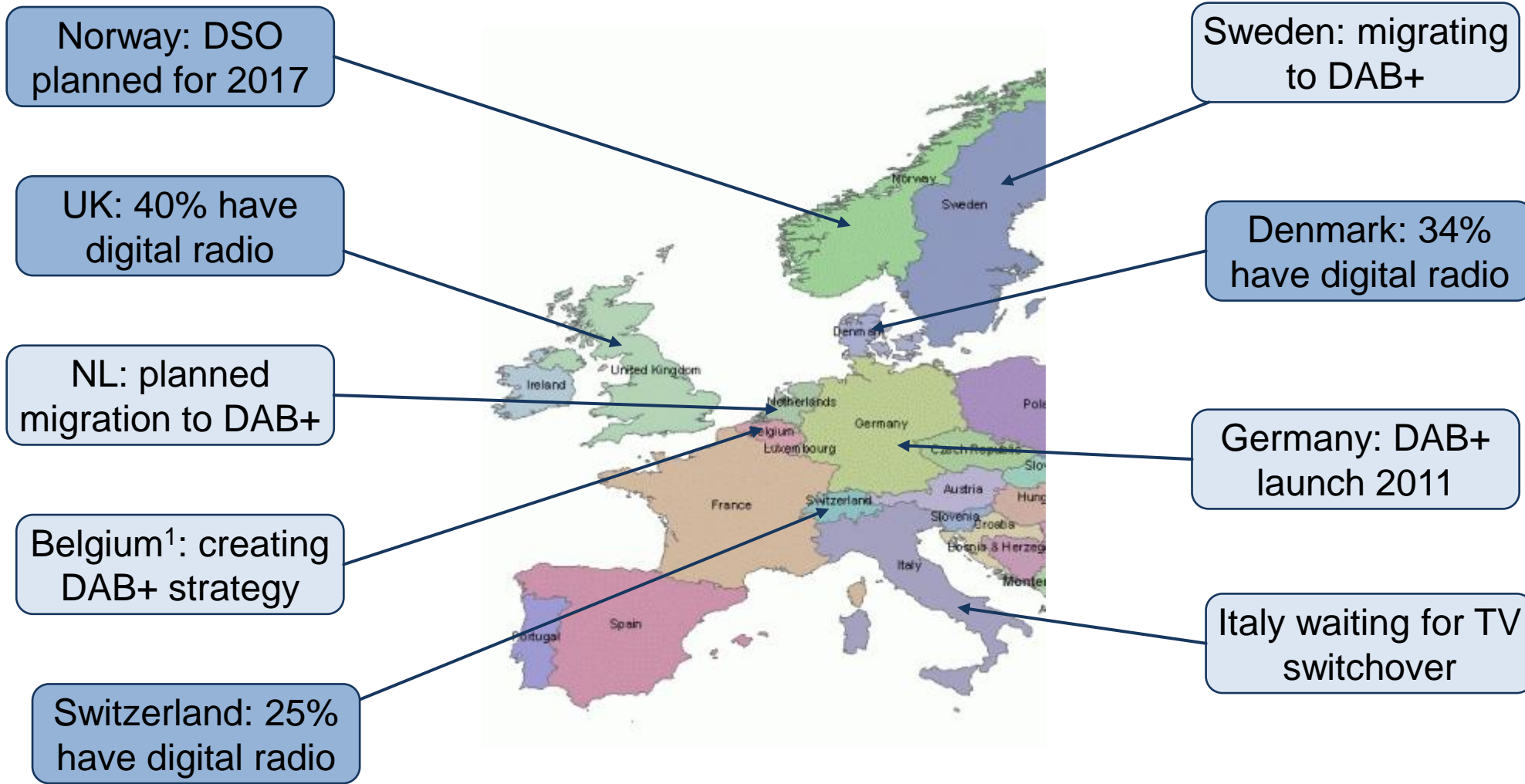
- All traditional media are under pressure from rise of online
  - Radio losing share
- 

## Innovation

- Reliance on analogue limits radio's ability to innovate



# Across Europe, the footprint of digital radio is expanding



5 Note: (1) French-speaking part

## Benefits of experience

### Domestic devices

- Device prices are lower / continue to fall
  - economies of scale
  - chip prices falling
  - in Jan 2013, DAB royalty ends

### Automotive

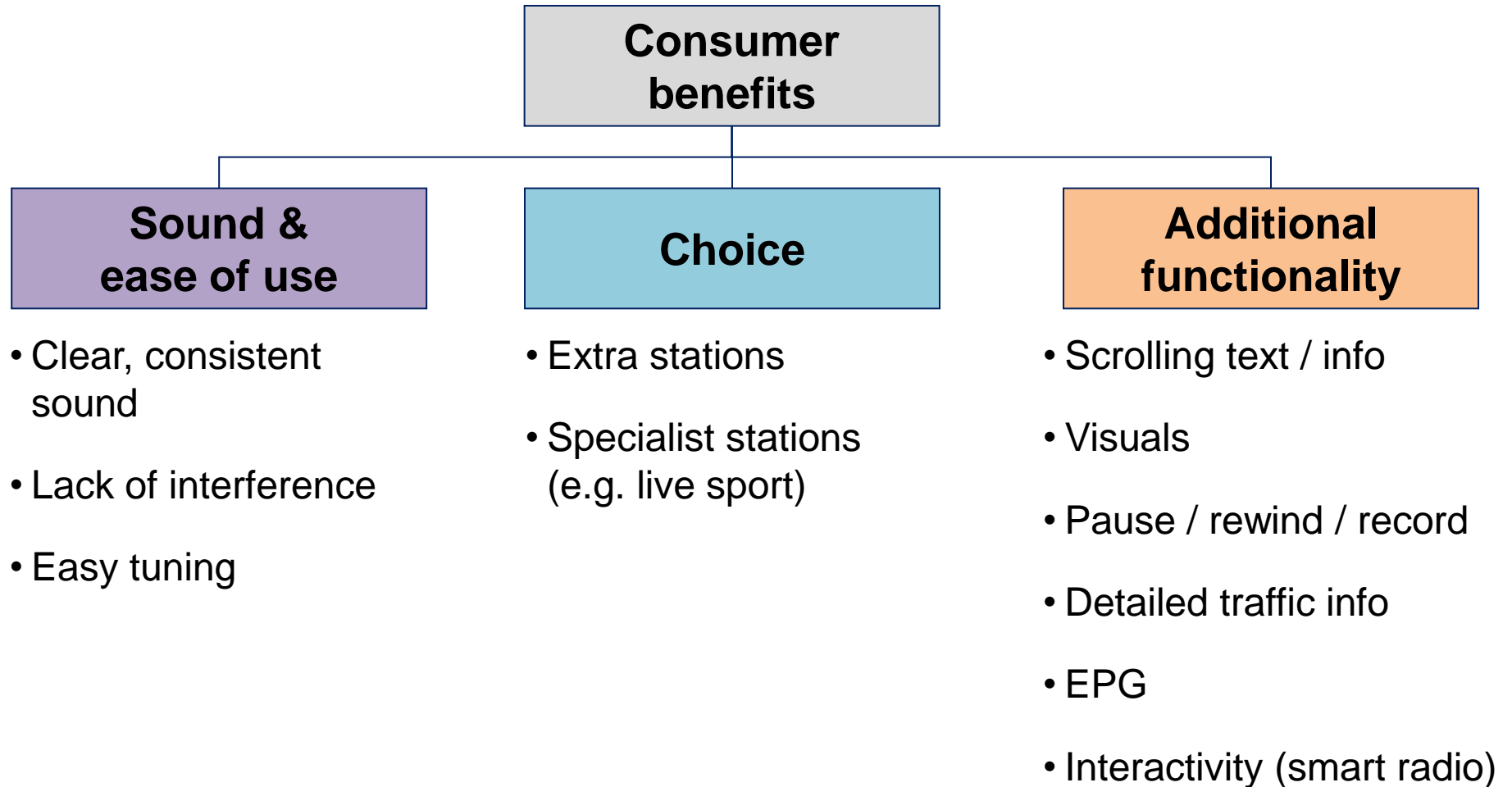
- ~20% of listening is in-vehicle
- New cars: in UK, digital as standard
  - Ford: all models (2011)
  - by 2015, 75-85% of all new cars
- Already an option for French manufacturers
- Aftermarket solutions being developed and refined

**1 Radio today**



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# Digital radio provides listeners with significantly greater choice

## Sydney analogue services



17 services on AM and FM

## Sydney digital services



40+ on DAB+

## Germany



- Exclusive live rights to German football
- Up to 5 matches simultaneously

## Australia



- Comedy radio station

## Hong Kong



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

**UK**



*Classic Rock*

**Australia**



*Unsigned bands*

**Germany**



*Electronic music*



*Jazz*



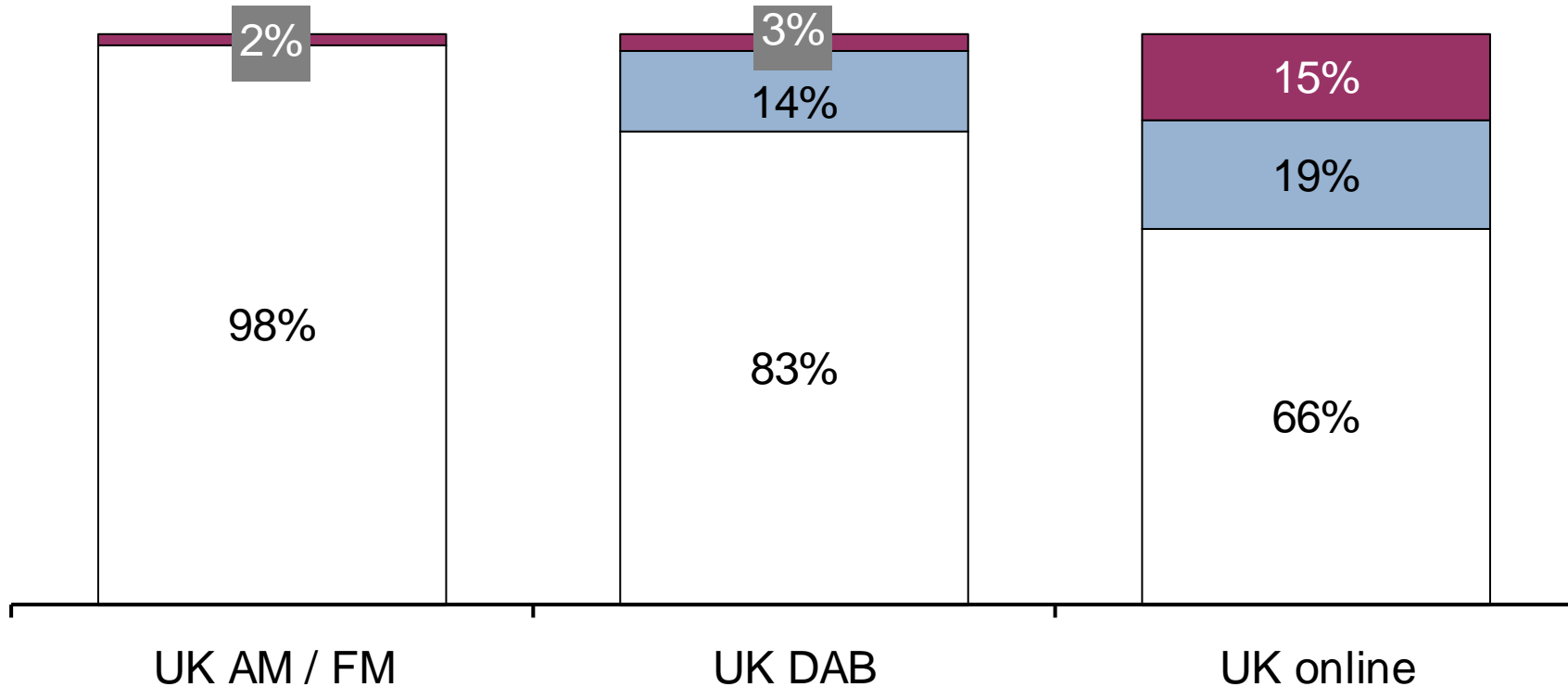
*Country*



*Classical*

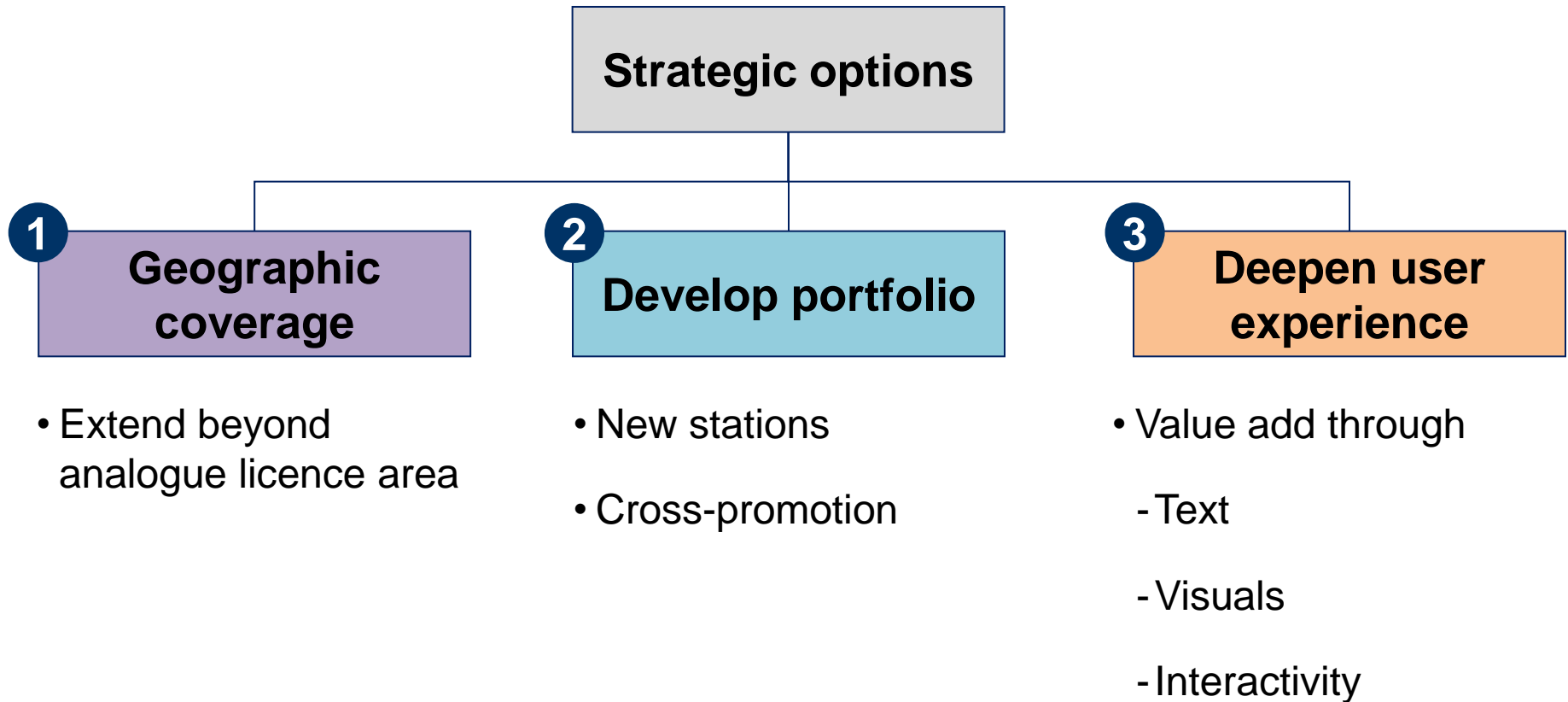
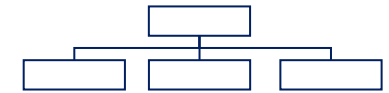
## Share of listening by platform, %

- AM / FM services (simulcasts)
- New entrants and others
- Incumbent digital-only<sup>1</sup>

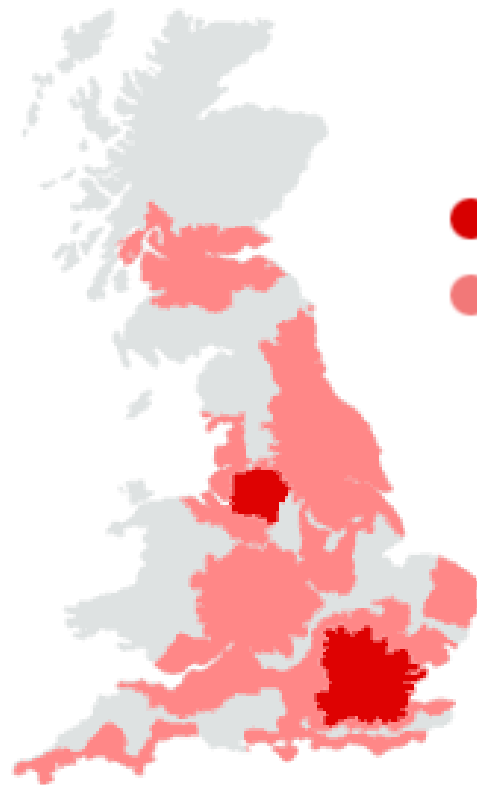
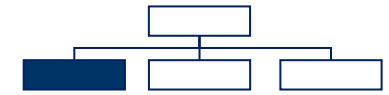


Note: (1) includes analogue services broadcast on digital-only outside their analogue licence area

12 Source: RAJAR, PH analysis



## XFM – UK coverage



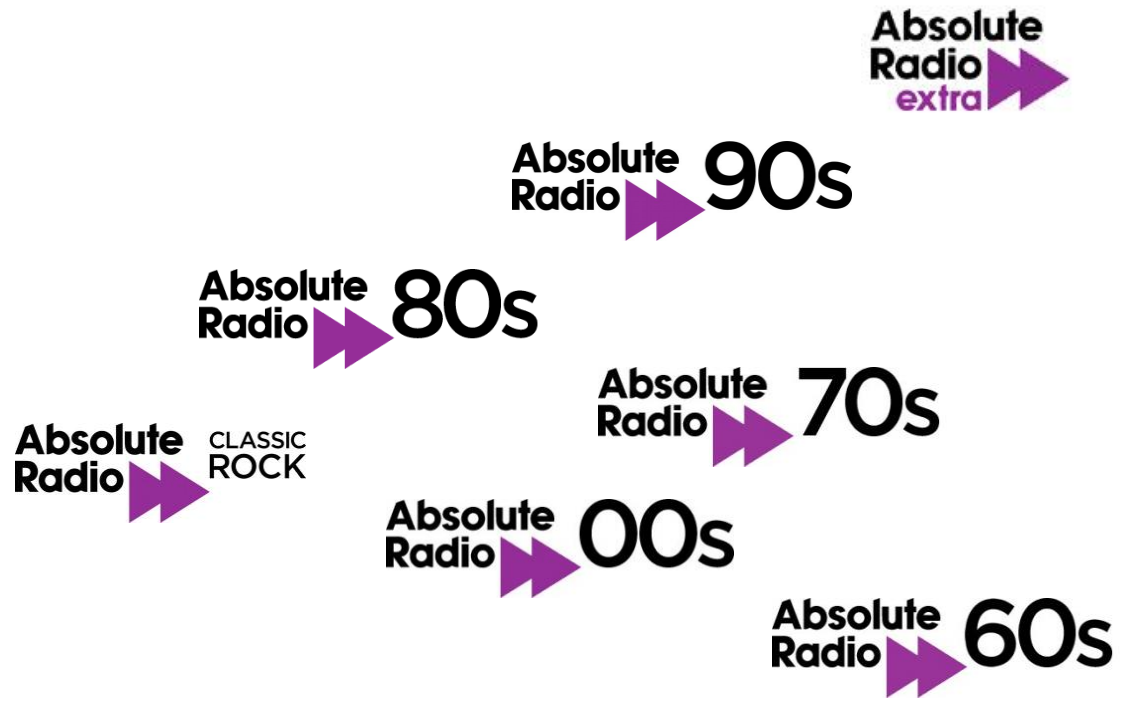
- FM and DAB
- DAB-only

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

# Secondly, broadcasters can use digital to extend their brand portfolio



**Absolute.**  
▶ [absoluteradio.co.uk](http://absoluteradio.co.uk)



*Analogue and digital*

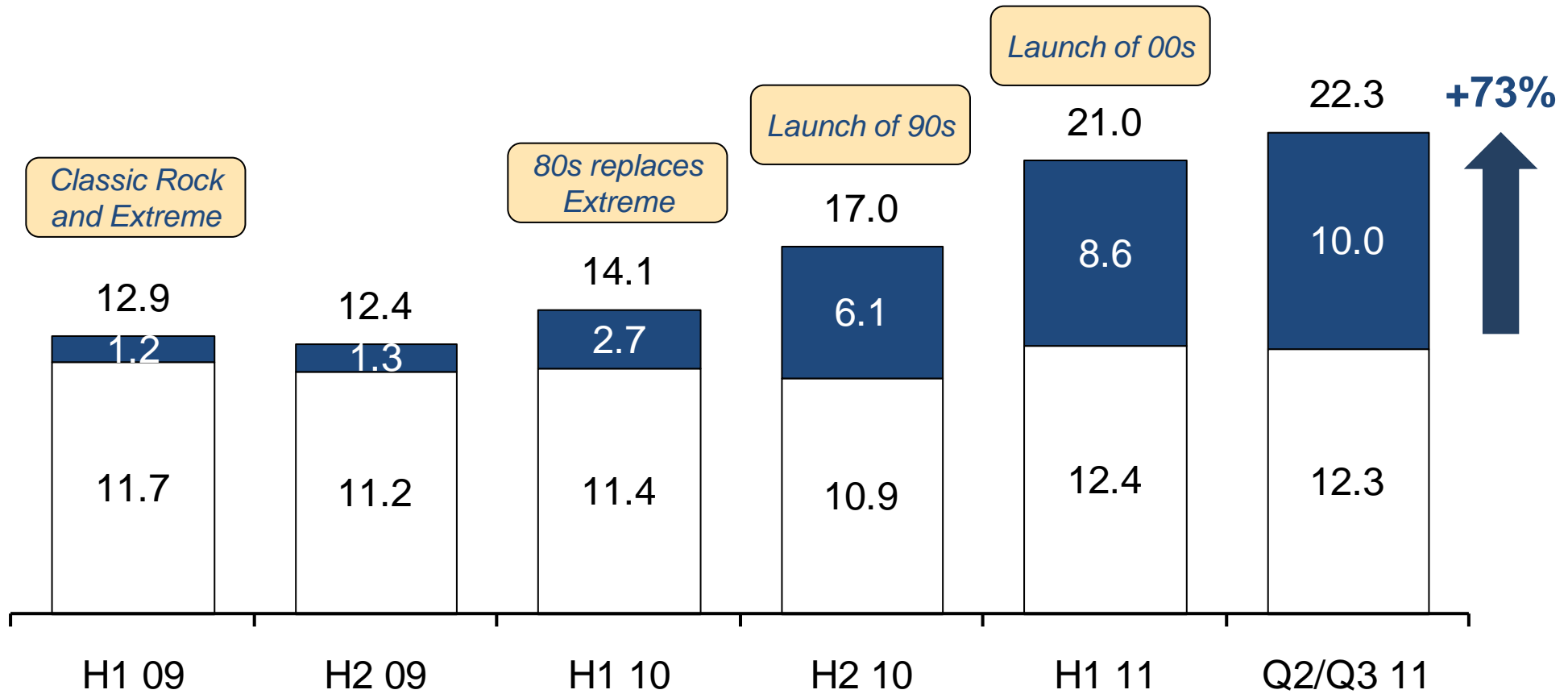
*Digital-only services*

# New services have increased Absolute's listening hours by over 70%

## Absolute Radio, weekly listening hours, m



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



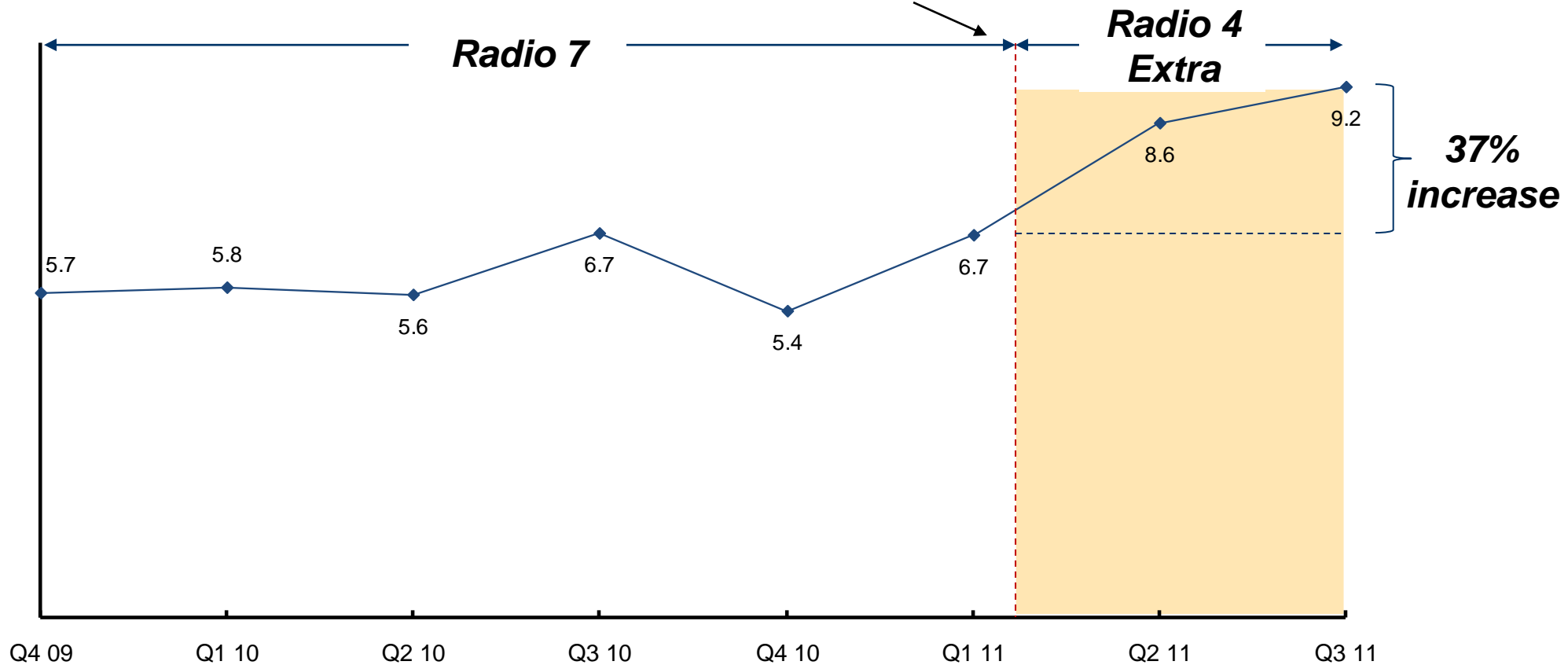


# The BBC has also seen significant benefits from co-branding, cross-promotion & smart scheduling

## Radio 7 / Radio 4 Extra weekly listening hours, m

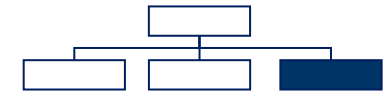


*Service rebranded<sup>1</sup>  
April 2011*



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

# Thirdly, broadcasters can use the functionality of digital radio to enhance the user experience



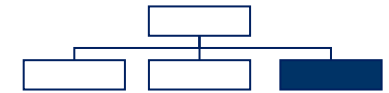
*Revo Axis  
(launched 2009)*

*Pure Sensia  
(launched 2009)*



- Colour screen devices launched in 2009
  - broadcaster experimentation
- This year, in Germany, new colour screen devices will be available
  - expected prices from under €100

# With colour screens, broadcasters can provide information and cross-promote services



**BBC RADIO 2**

**On now**

Jeremy Vine 12:00 - 14:00

**Coming up**

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



**ROCK ANTENNE**

Musikwünsche? mailto:kantine@rockantenne.de

**ROCK ANTENNE**  
100 % pure Rock



**ON CAPITAL FM TODAY**

95.8 CAPITAL FM

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



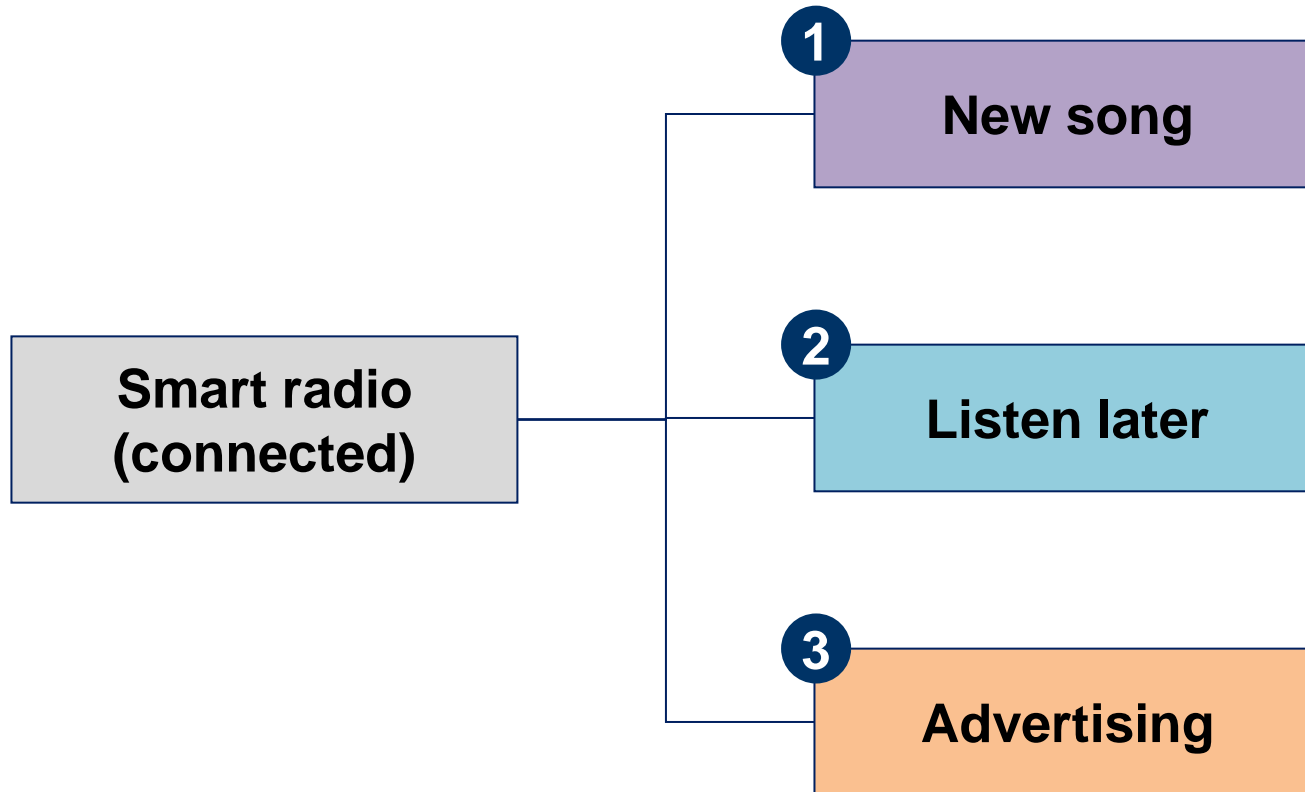
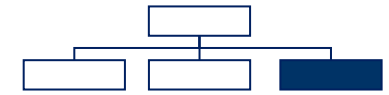
To win tickets to see Estelle live at H&M, go to [capitalfm.co.uk](http://capitalfm.co.uk)

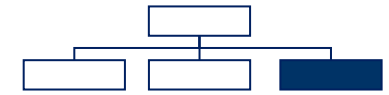
**FASHION AGAINST AIDS**

**H&M**

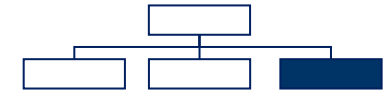
**DAA**

# Looking ahead, smart radio (broadcast and IP) will further enhance the user experience



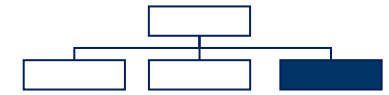


- Hear new song on radio
- Hit Tag button
  - for info
  - add to playlist
  - share with friends




- Listening to programme is interrupted
- Tag and listen later
  - same or different device





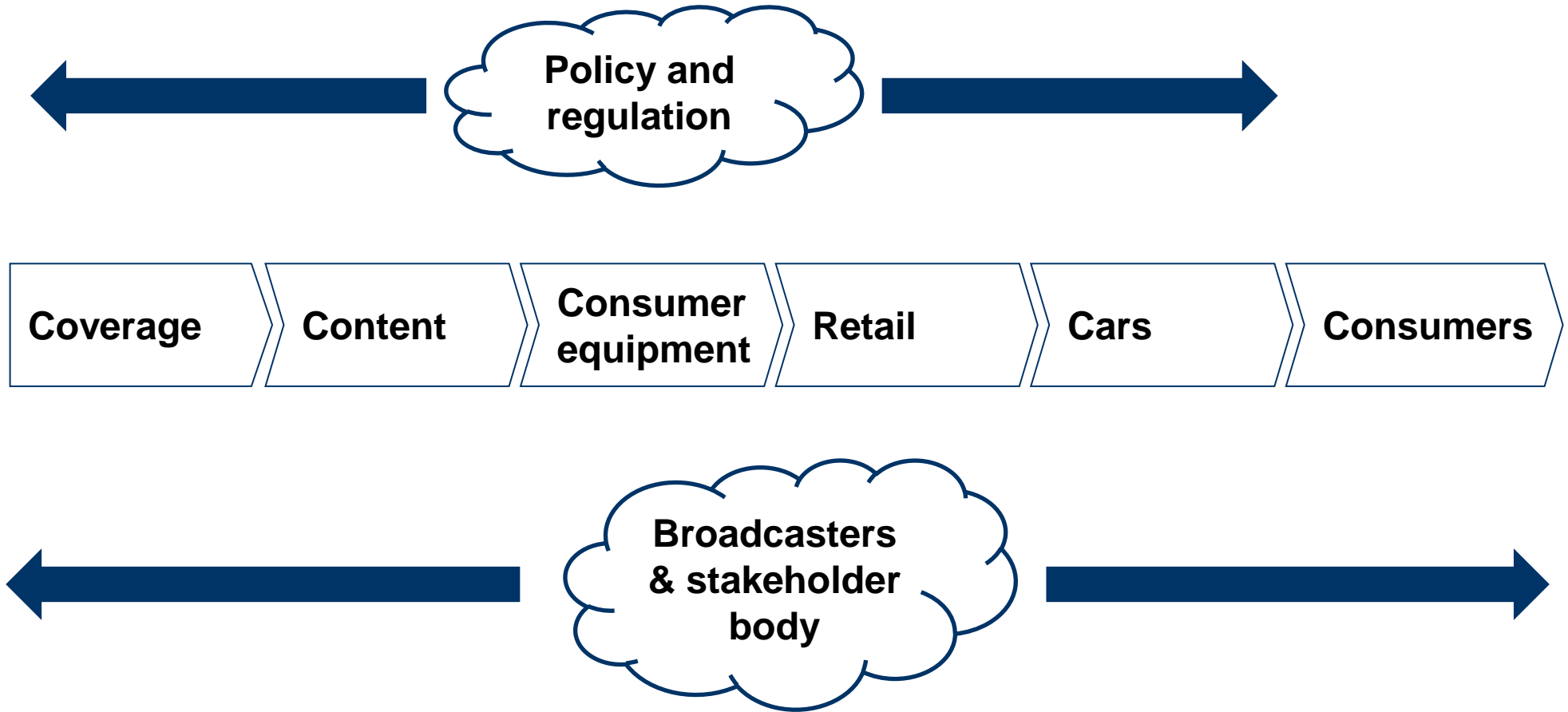
**enhanced  
advertising**

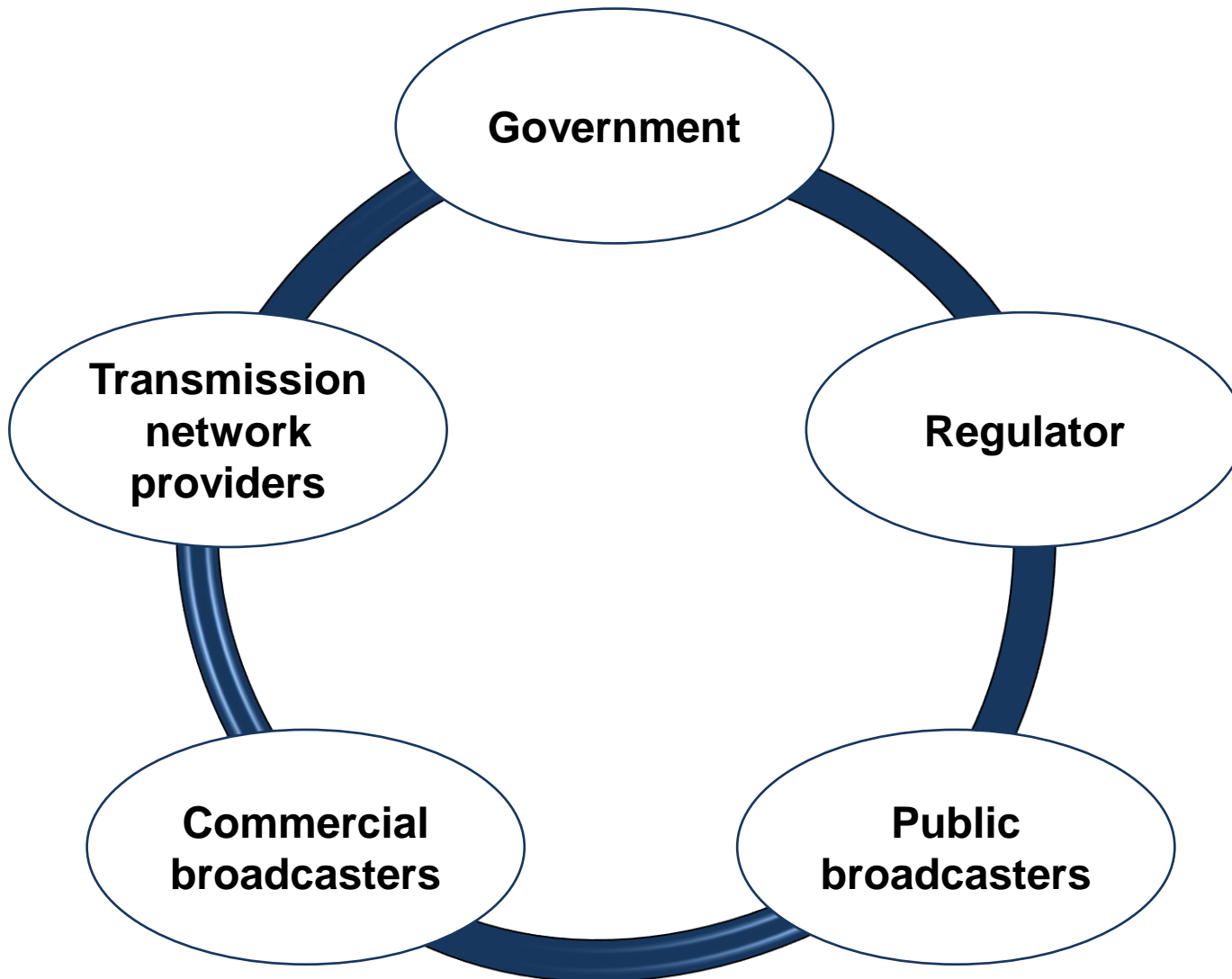
- Hear ad on radio / see visual display
- Tag to interact
  - access more information
  - register interest

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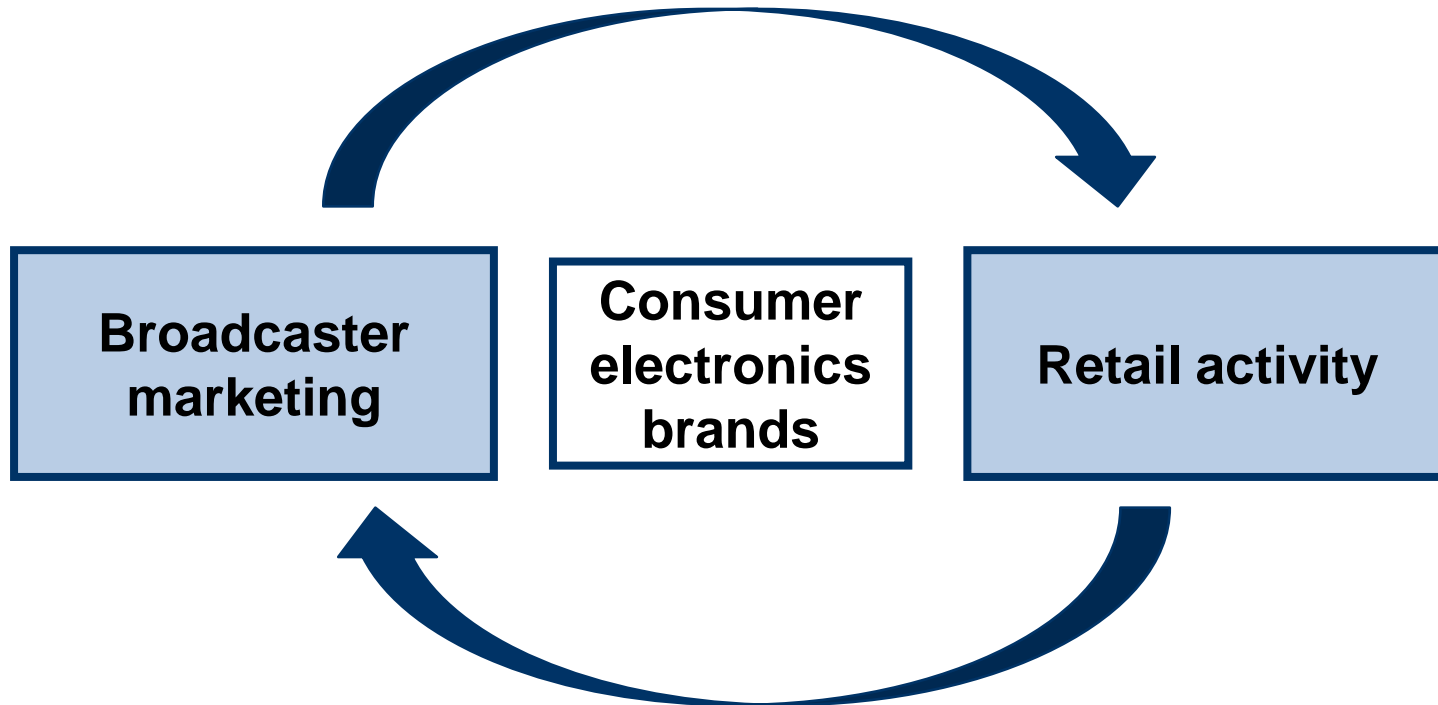
# Collaboration between various industry groups, government and regulators is essential





- Regulatory intervention to help control net costs of simulcasts, e.g.
  - relax regulation of analogue business
- Frequency plans which do not place unnecessary burden

- *Broadcasters advertising encourages **footfall** and inspires **confidence in retailers***



- *Retail (with the right product, point of sale and trained sales people) delivers sales*

# Thank you

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