

EUR(O)RADIO

OPERATED BY EBU

Digital Radio Smart Radio

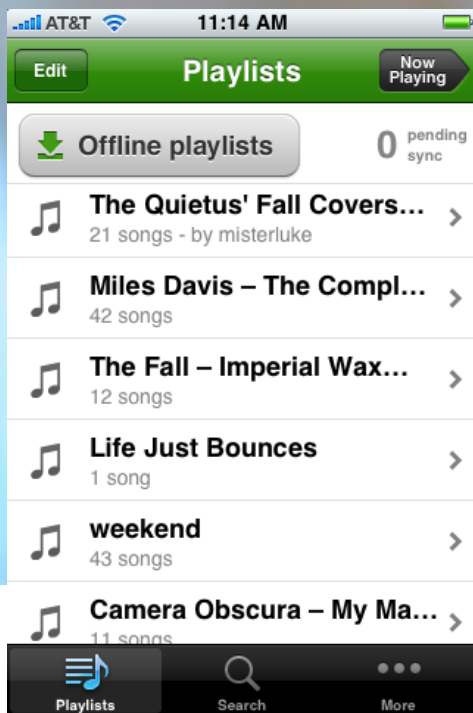
... its all
about costs
and content

SNRL, 10e congrès annuel
Paris, 20 Novembre 2014

Dr. Christian Vogg, Head of Radio, EBU

**RADIODIFFUSION
ET CONVERGENCE
NUMÉRIQUE :
QUELLE PLACE POUR
LA DIVERSITÉ DANS
UN UNIVERS CONNECTÉ ?**

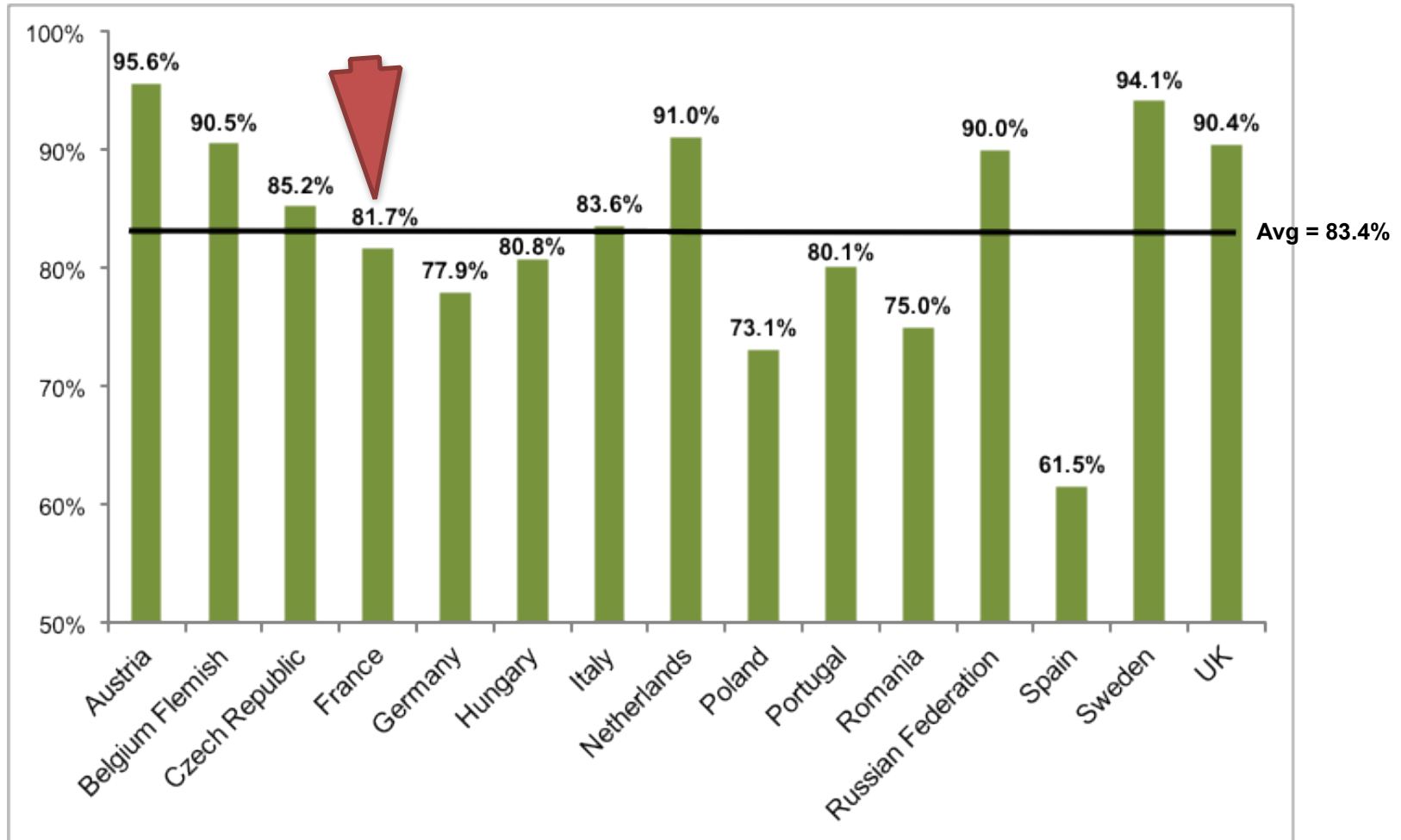




➤ On average, 83,4 % of citizens listen to radio in a typical week.

RADIO AUDIENCE

Weekly reach, % individuals, 2013

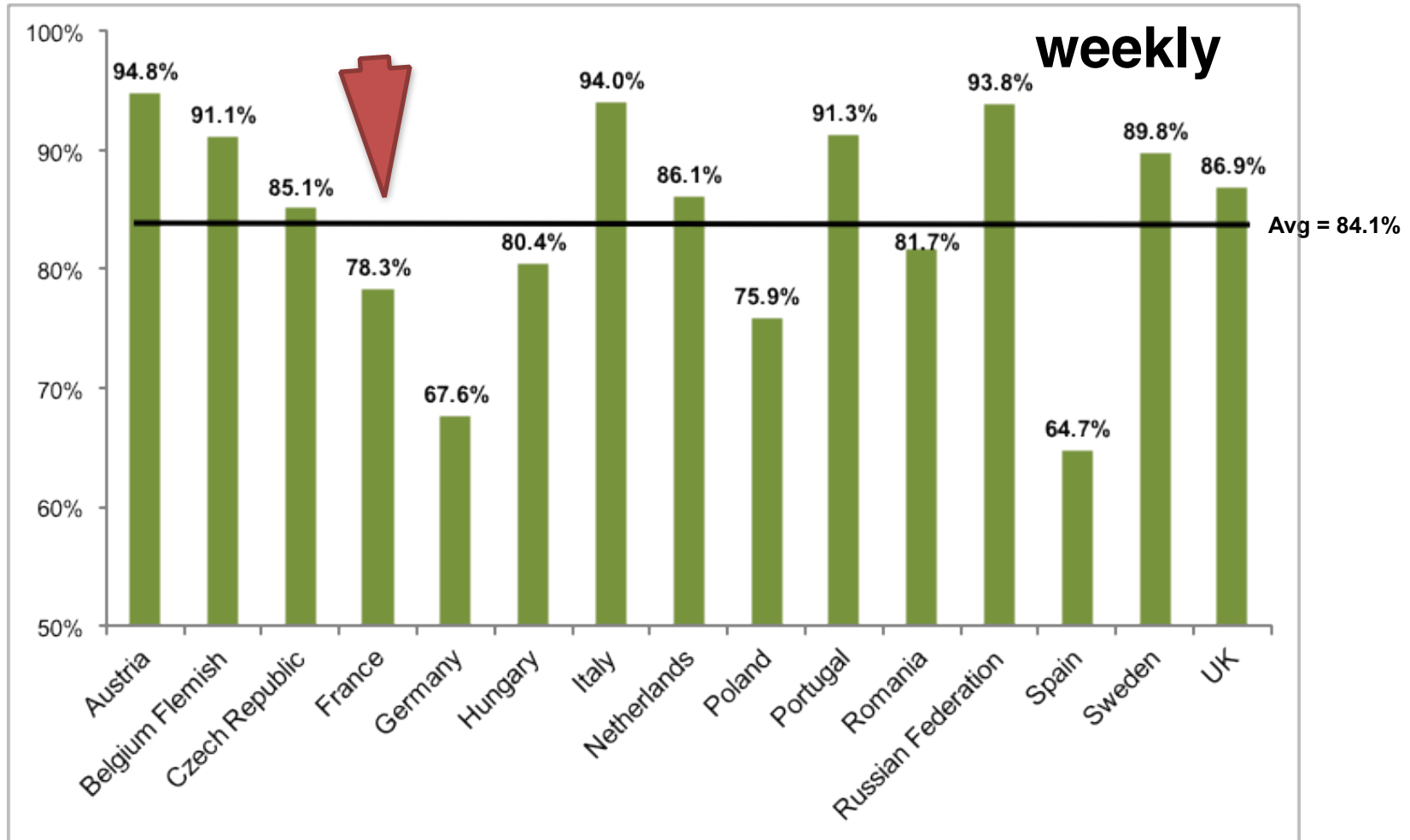


Note: France and Germany data are based on daily reach
 Source: EBU based on members' data

RADIO AUDIENCE – YOUNG ADULTS

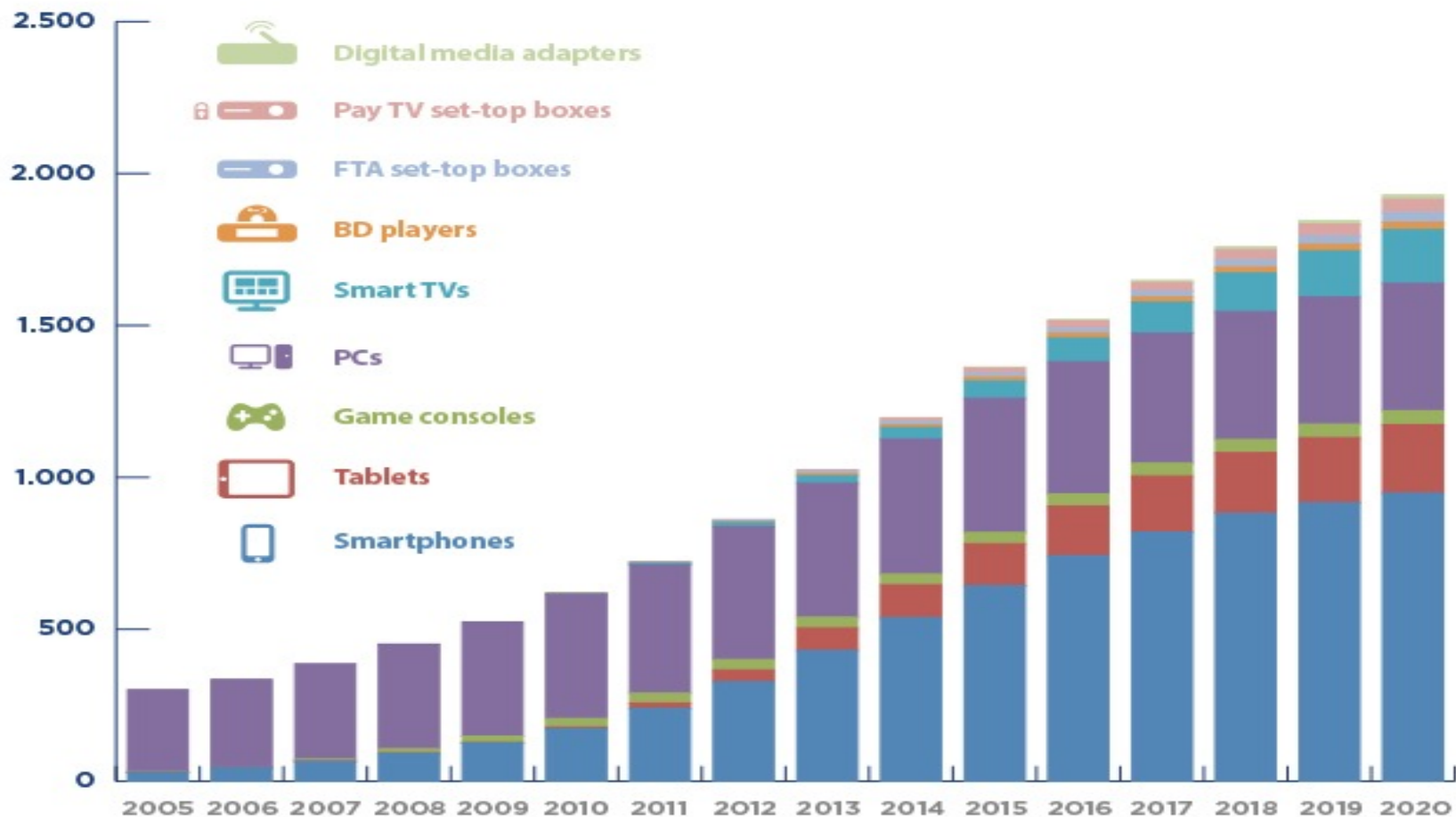
Weekly reach, % individuals, 2013

➤ On average, 84,1 % of the young adults are reached weekly



Note: France and Germany data are based on daily reach
 Source: EBU based on members' data

Growth of mobile & second screen



By 2020 there will be around 2 bn connected devices across Europe
Around 8 connected devices per broadband households in 2017

Europe: installed connected devices (in millions). Source: IHS Electronics & Media

«On closer inspection it became clear that we are facing in BBC Radio seismic shifts in deep-seated behaviour that will over time fundamentally change our business»

Helen Boaden, Director BBC Radio, March 2014





http://www





EUR(O)RADIO
OPERATED BY EBU

NETHERLANDS

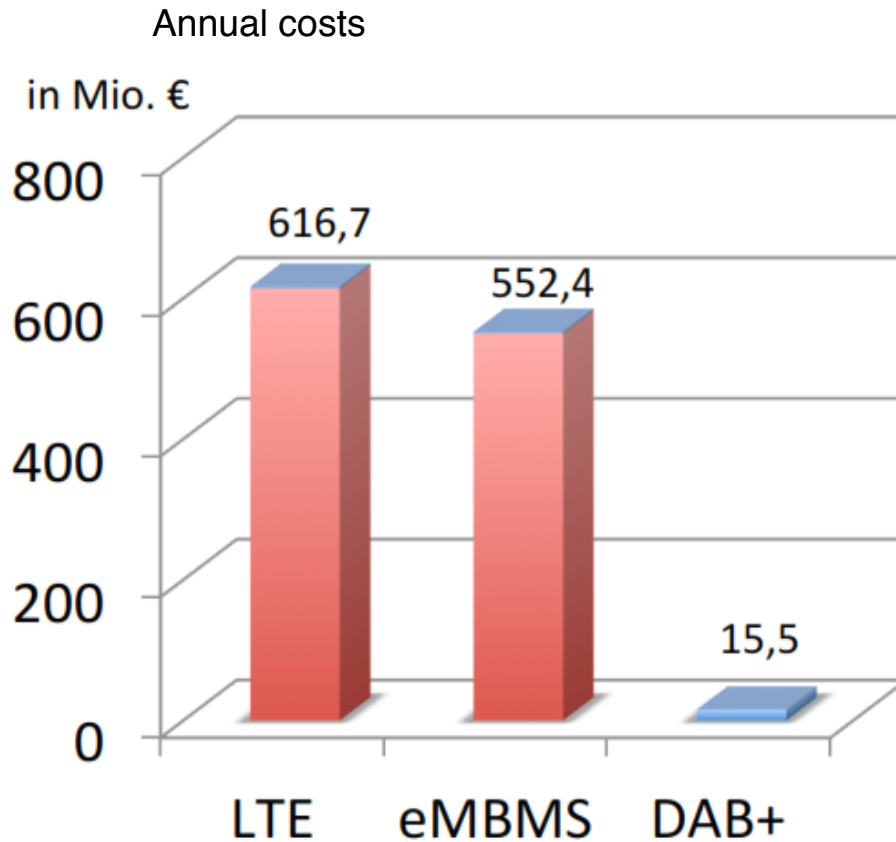
4G = 1 Mio listeners peak capacity:
38,500 transmitters

DAB = unlimited peak capacity:
30 transmitters

Source: TNO Report 2012



Who will pay in the end??



LTE/4G is competitive, if...

- Distribution
- Reception

Price per GB... drops by 95 %

IP is not robust, free-to-air or anonymous

Objective	Issue	DAB / DAB+	Internet
Critical mass of listeners	Robust	✓	X
	Cost-effective	✓	X
Consumer costs	Free to air or mobile data plans?	✓	X
	Power consumption	✓	X
Strategic control / privacy	Gatekeeper / anonymity	✓	?

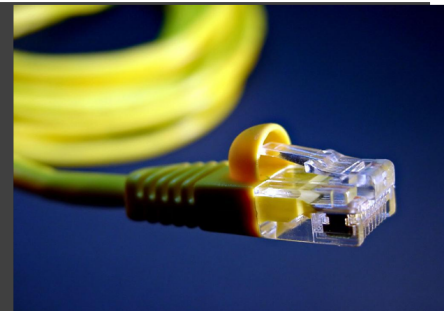
THE SOLUTION: HYBRID RADIO



Broadcast works for the mass
market
Low Cost, Ubiquitous, Free

+

The Internet adds value
Enhanced content,
Personalisation & Transactions



**BUT WHY
DIGITAL ?
WHAT ABOUT
FM...**

BROADCASTER'S VIEW

NORWAY:

3 FM = 20 million €

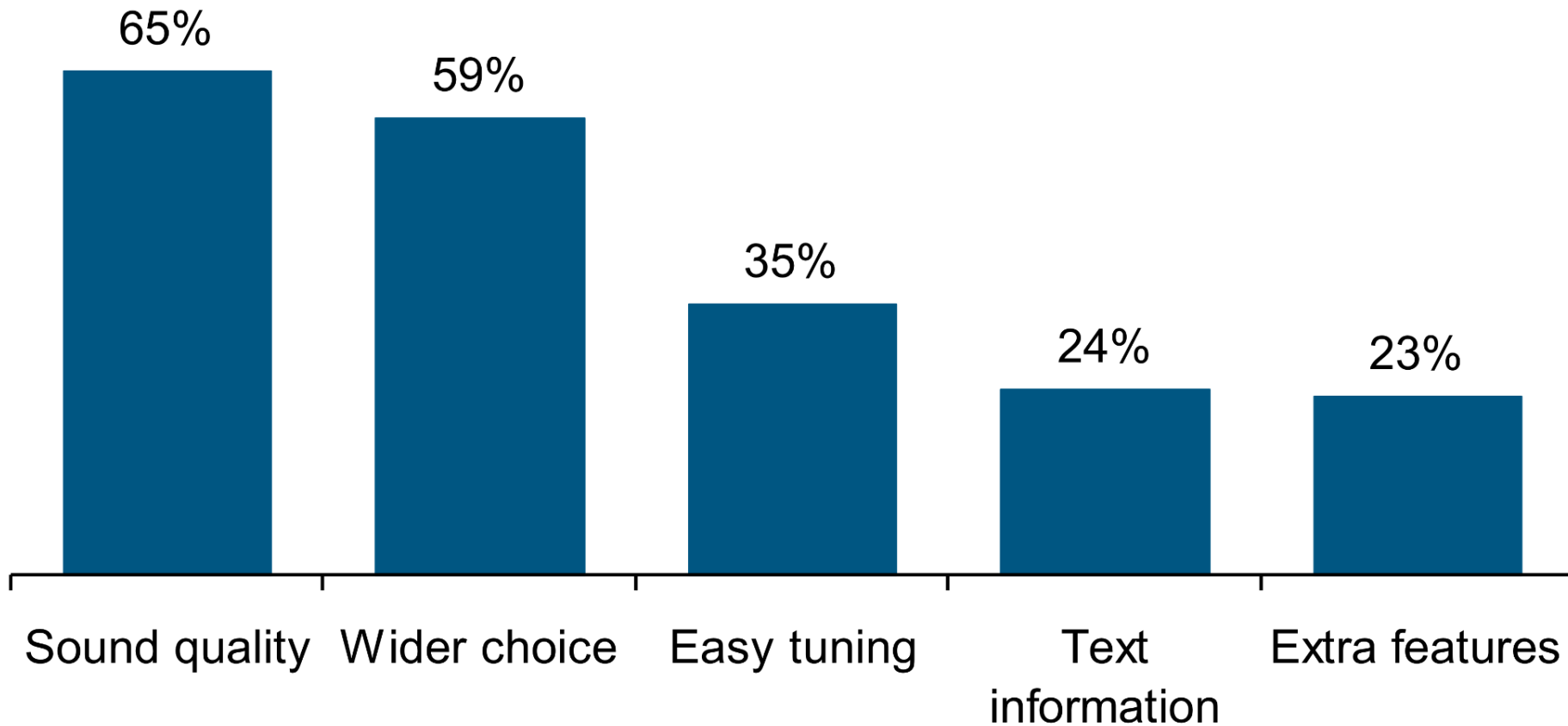
14 DAB = 18 million €

**more content
for less money**

CONSUMER'S VIEW

Sound quality and choice are top two benefits

UK, % benefits of digital radio from listener perspective



For radio groups, a range of options

Strategic options

```
graph TD; A[Strategic options] --- B[1 Geographic coverage]; A --- C[2 Develop portfolio]; A --- D[3 Deepen user experience]; B --- B1[• Extend beyond analogue coverage area]; C --- C1[• New stations]; C --- C2[• Cross-promotion]; D --- D1[• Value add through text, visuals and interactivity];
```

1

Geographic coverage

- Extend beyond analogue coverage area

2

Develop portfolio

- New stations
- Cross-promotion

3

Deepen user experience

- Value add through text, visuals and interactivity

Special interest Sender

Sport



BBC
RADIO



- *Germany: live football*
- *UK: digital-only sports channel – e.g. tennis, Formula One*

Science



- *Germany: higher education for younger audiences*

Drama & comedy

BBC
RADIO



- *UK: archive from the BBC*

Extended coverage

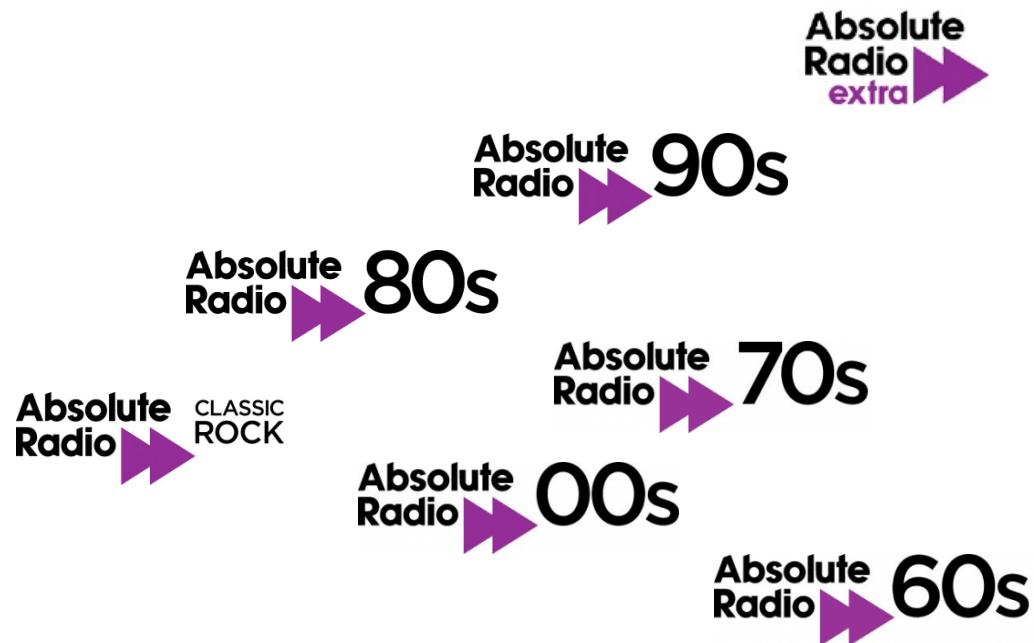
Energy on FM



Energy on DAB+



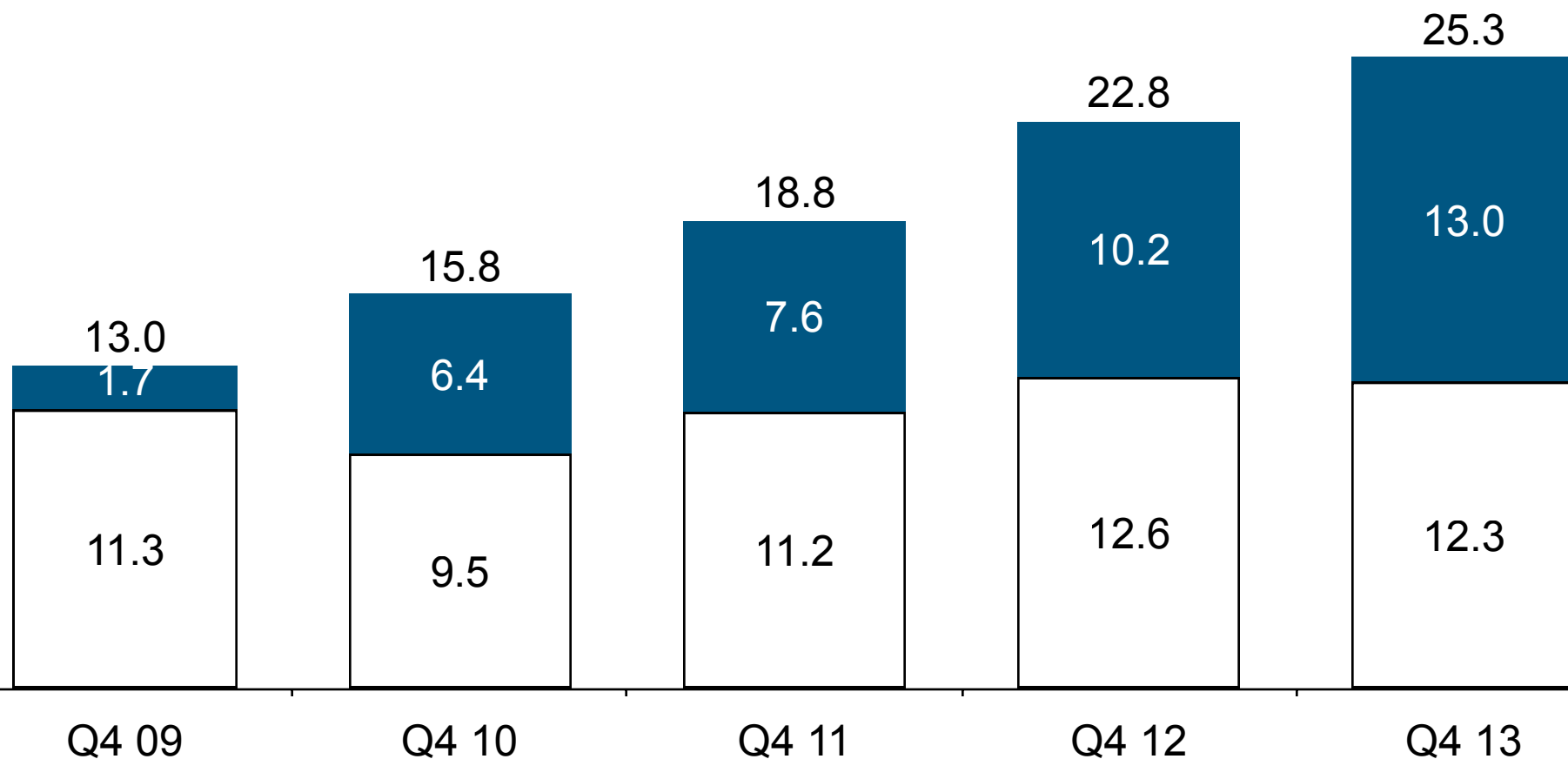
Extended brand portfolio



Analogue and digital

Digital-only services

Absolute Radio doubled its audience



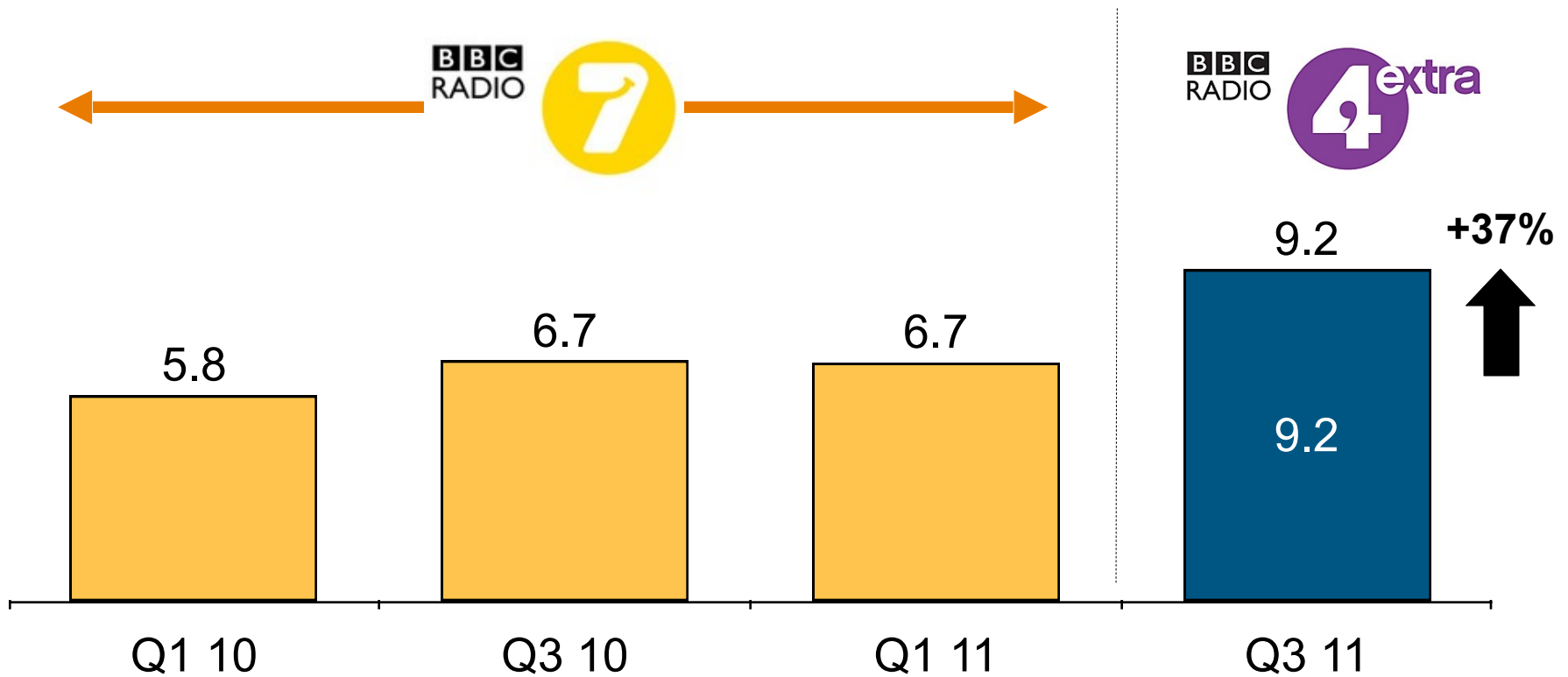
Source: RAJAR

Blue: digital only

Rebranding in "Radio 4 Extra" = + 37% Hörer

Weekly listening hours, m

- Radio 7 (DAB), sister station to Radio 4 (FM)
- Rebranded as 4 Extra in 2011



Source: RAJAR

Pop up stations – for range of events



Smooth Christmas Radio



Sponsorship opportunities – music tour & digital radio station



CHALLENGE

Leverage Pink Funhouse Tour tie-up for beyond the logo dominance of typical sponsorships
 Drive customer acquisition and improve brand retention amongst teens

STRATEGY

Innovation and the power of Pink came together through stunning media firsts, while pre-paid mobile users got rewarded with fresh content

Channel Pink: Australia's foremost music TV channel became Channel Pink

Pink Days: took over the highest-rated radio network

Pink Radio: specially created national digital radio station

Pink TV: a two-hour music show aired in primetime

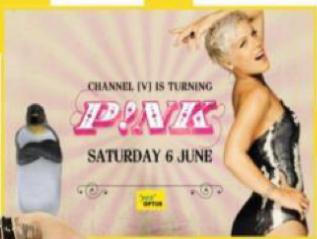
RESULTS

- Strongest sponsorship association across all Optus properties
- 2nd to Telstra's 20+ year NRL sponsorship
- 95% unprompted Optus Brand recognition
- 62% of site visitors likely to choose Optus in the future
- 151,829 video views
- 13,000 ringtones/tracks downloaded
- 53,679 SMS/online promotion entries received
- 48,823 unique visitors to PINK digital radio
- 40 min. average time on site
- Prepaid mobile activations rose 2%
- 30% drop in churn
- \$2.6MM of added value (ROI: 1.66:1)



P!NK TOUR

CHANNEL PINK



PINK DAY



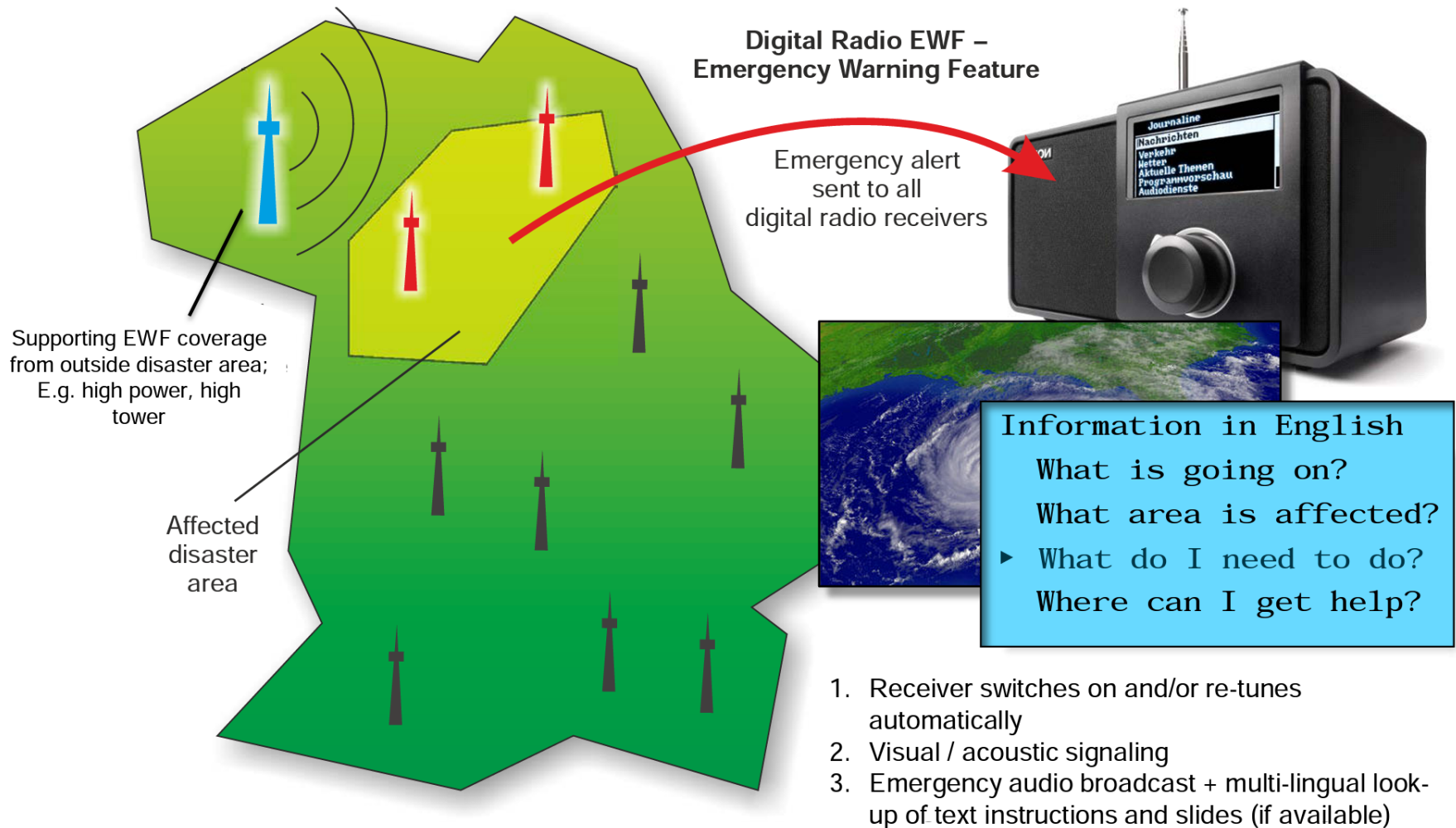
PINK RADIO



PINK TV



Emergency Warning & Alert Functional Overview



The market is ready – consumer devices

Prices
from €20



Devices with
Bluetooth



The automotive sector is ready



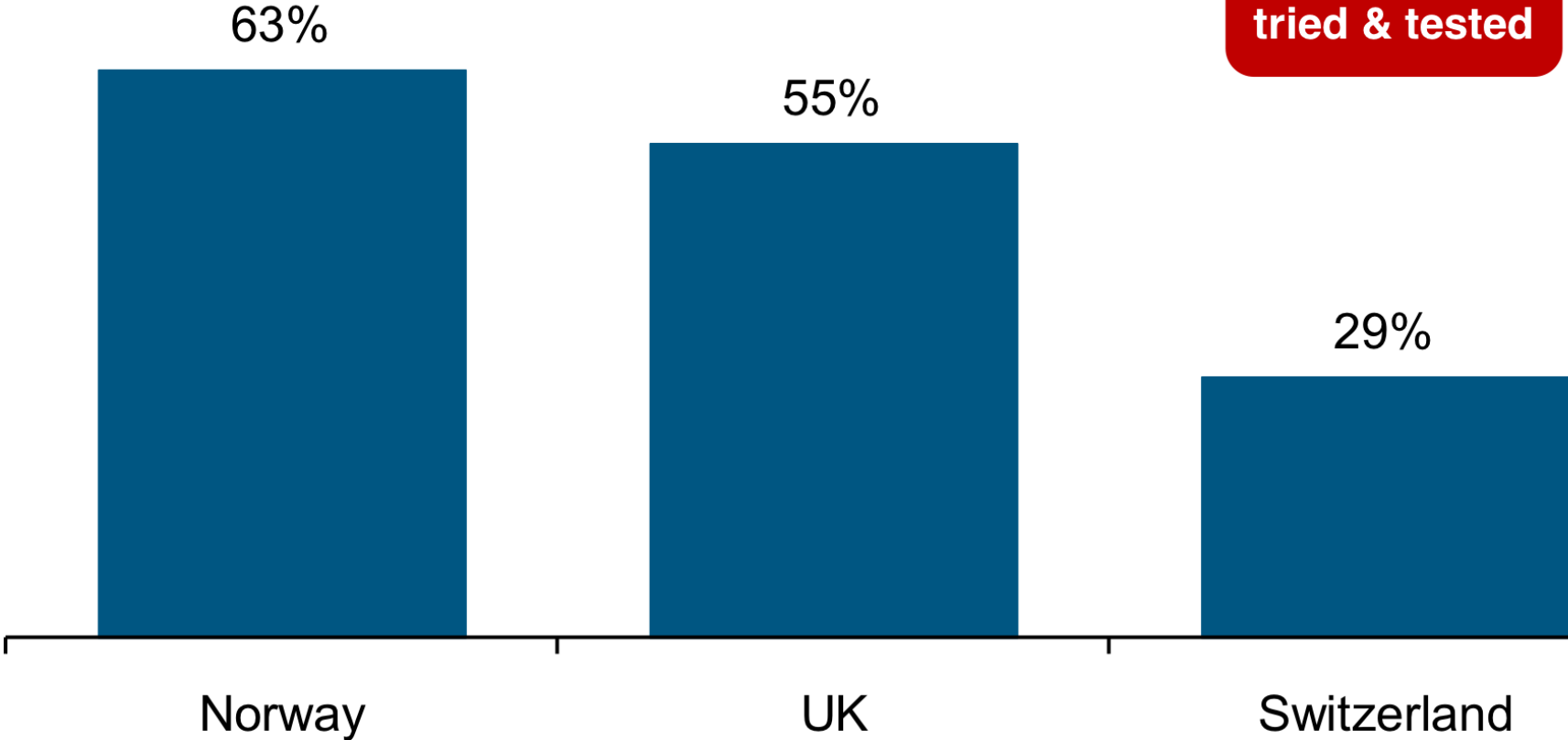
What customers want...



In developed markets, DAB in new cars becoming the norm

% of new cars with DAB digital radio

Technology -
tried & tested



Source: Digitalradio Norge, DRUK, MCDT

- **Car industry:** collaborate on hybrid radio projects
- Promote UK radioplayer's principle of hybrid car radio

In UK, most OEMs offer DAB as standard in some or all models

Manufacturer	2013 % Market Share	Apr-14	May-14
FORD	13.73%	76.75%	76.75%
VAUXHALL	11.46%	5.55%	60.90%
VOLKSWAGEN	8.57%	84.06%	88.66%
AUDI	6.27%	79.62%	87.85%
BMW	5.99%	99.68%	99.68%
NISSAN	5.21%	6.08%	6.08%
MERCEDES-BENZ	4.83%	44.80%	59.10%
PEUGEOT	4.66%	33.03%	43.82%
TOYOTA	3.91%	62.10%	62.43%
CITROEN	3.46%	32.32%	30.88%
HYUNDAI	3.40%	0.00%	0.00%
KIA	3.18%	0.00%	8.05%
SKODA	2.92%	35.40%	37.33%
FIAT	2.66%	0.00%	0.00%
HONDA	2.46%	32.09%	32.26%
LAND ROVER	2.42%	100.00%	100.00%
MINI	2.29%	99.68%	100.00%
RENAULT	2.04%	0.00%	0.00%
SEAT	2.00%	26.60%	27.17%
SUZUKI	1.46%	21.15%	21.57%

- Peugeot: 44% of cars - digital radio as standard
- Citroen: 31% of cars - digital radio as standard
- Renault: new Twingo launched Sept - DAB as standard (full range to follow)

RADIO INTERACTIVE - IN CARS

LINEAR PROGRAM AND ON-DEMAND CONTENT



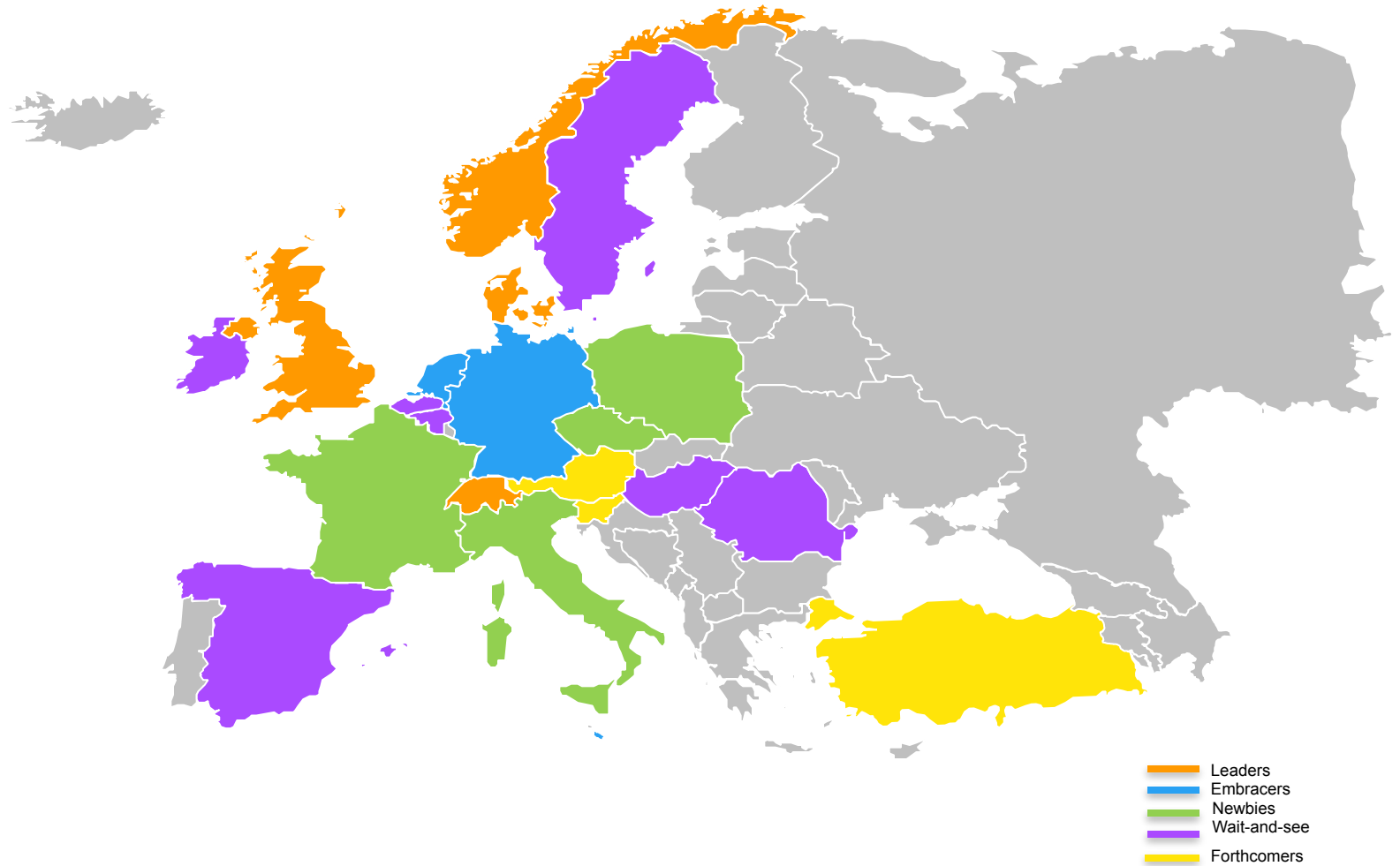
**SUCCESSFUL FIELD
TEST BY
NDR (NORDDEUTSCHER
RUNDFUNK), VW
(VOLKSWAGEN) AND
COMMERCIAL
BROADCASTER
ANTENNE
NIEDERSACHEN**

ADDITIONAL CONTENT AT THE CHOICE OF THE LISTENER

DELIVERED VIA DAB+ OR IP



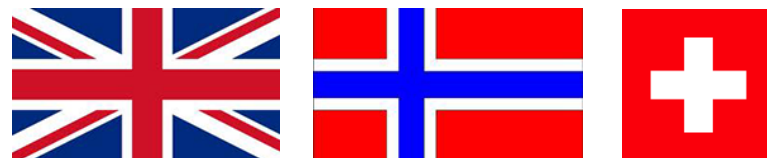
DAB ROLL-OUT

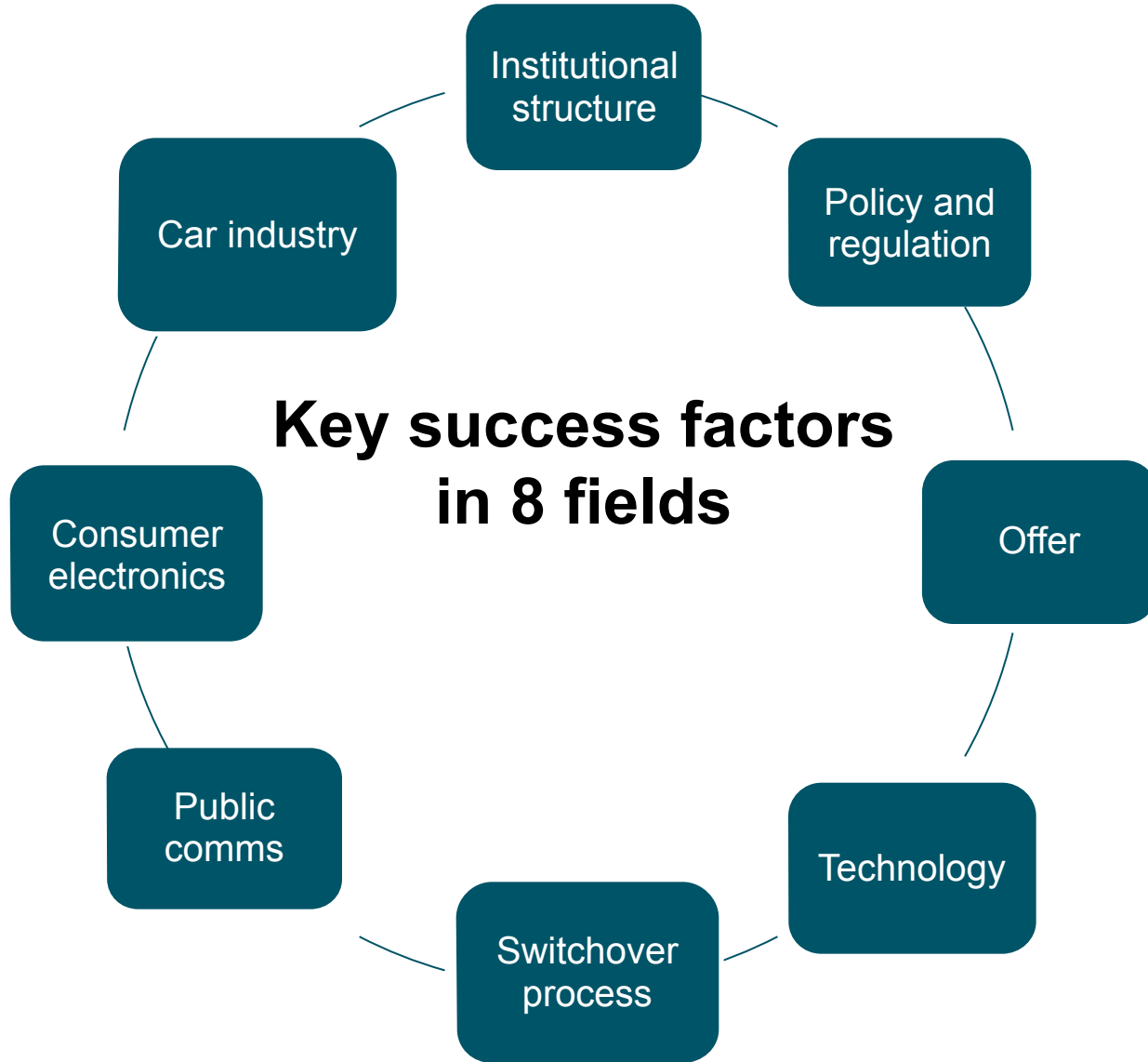


DIGITAL RADIO TOOLKIT

30

**Key success factors
for the deployment
of digital radio**





RECEIVERS

Home



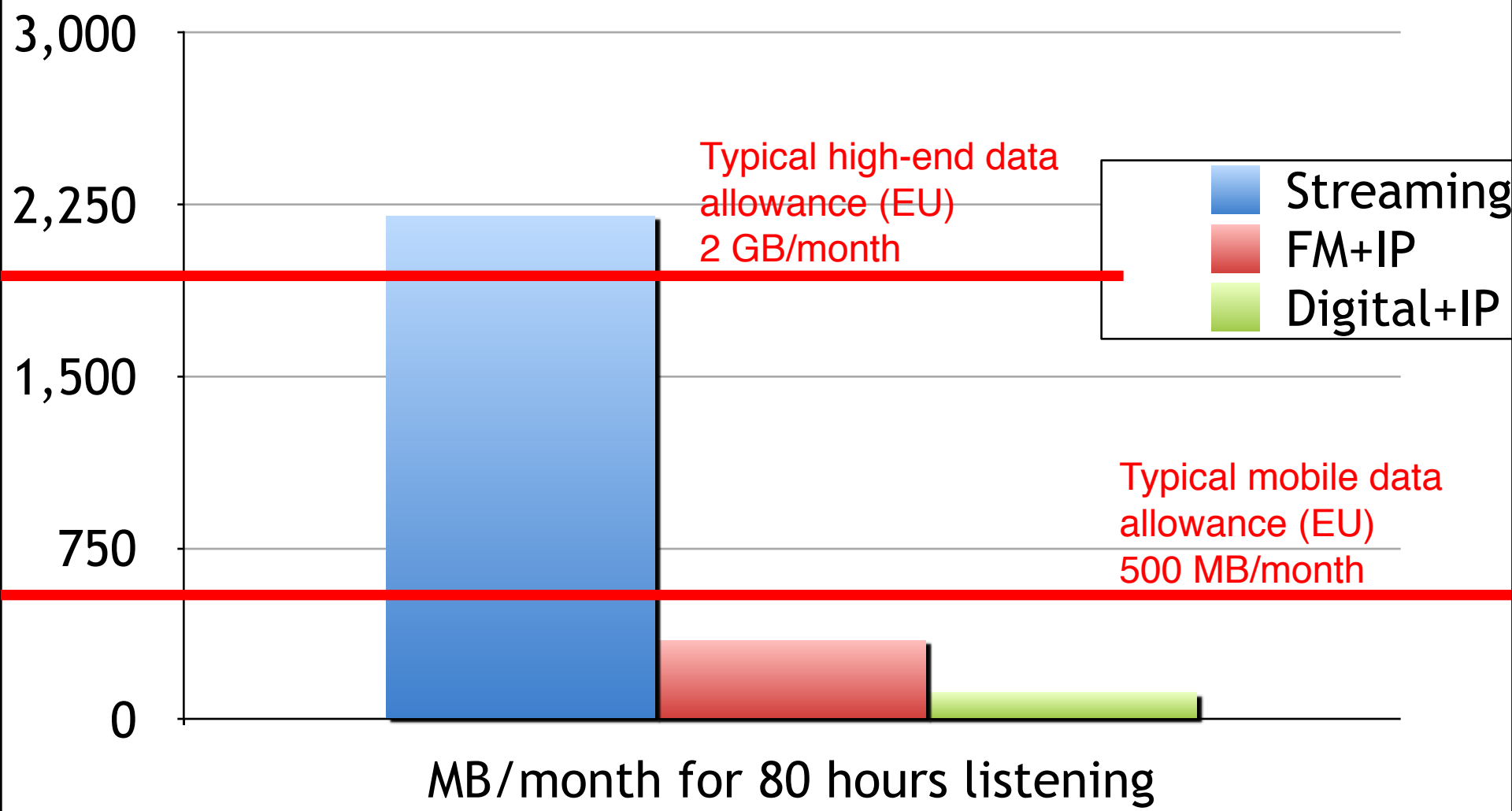
Car



Mobile



DATA PACKAGES - CONSUMER'S VIEW



NO LIVE RADIO OUTSIDE WIFI

"**Most users** are afraid to blow up their **mobile data allowance**. They also don't know how much of their volume they've already spent.

A **second reason** why they don't listen to radio streaming outside wifi is due to negative experiences with **poor network coverage** which result in periodic disruption of broadcast and disturb substantially the reception experience."

Source: Thorsten Müller, Media Perspektiven 9/2013

"Habitualisierte Mobilnutzung – Smartphones und Tablets gehören zum Medienalltag"

BATTERY LIFE



**Streaming via 3G:
6 hours, 53 minutes**

**Broadcasting
via FM (or DAB):
48 hours, 12 minutes**



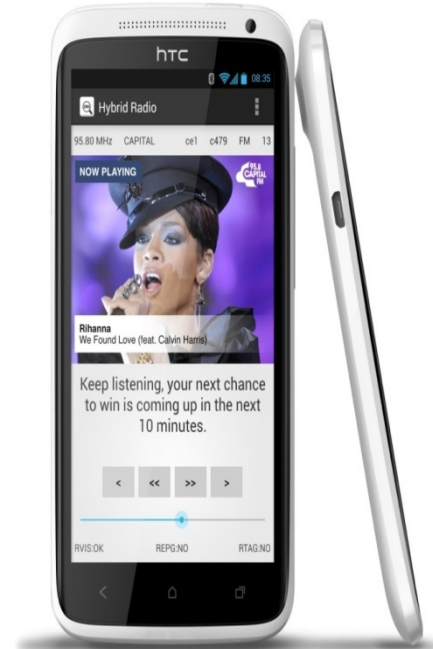
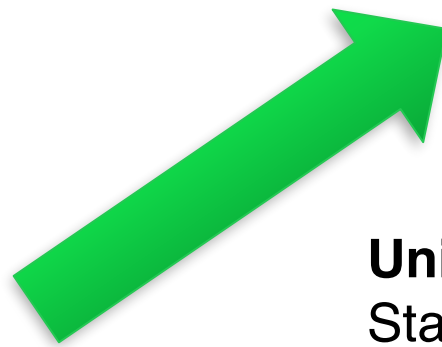


Fragmented IP radio apps

Broadcast app



MAKING BROADCAST LOOK LIKE AN APP



Unified hybrid app
 Standard
 Automatic Service Following
 Enhanced services
Pre-installed on the device

New song



- New song on radio
- Hit Tag button
 - info
 - playlist
 - share

Listen later

my tags



- Listening is interrupted
- Tag and listen later
 - same device
 - different device

Advertising

enhanced
advertising



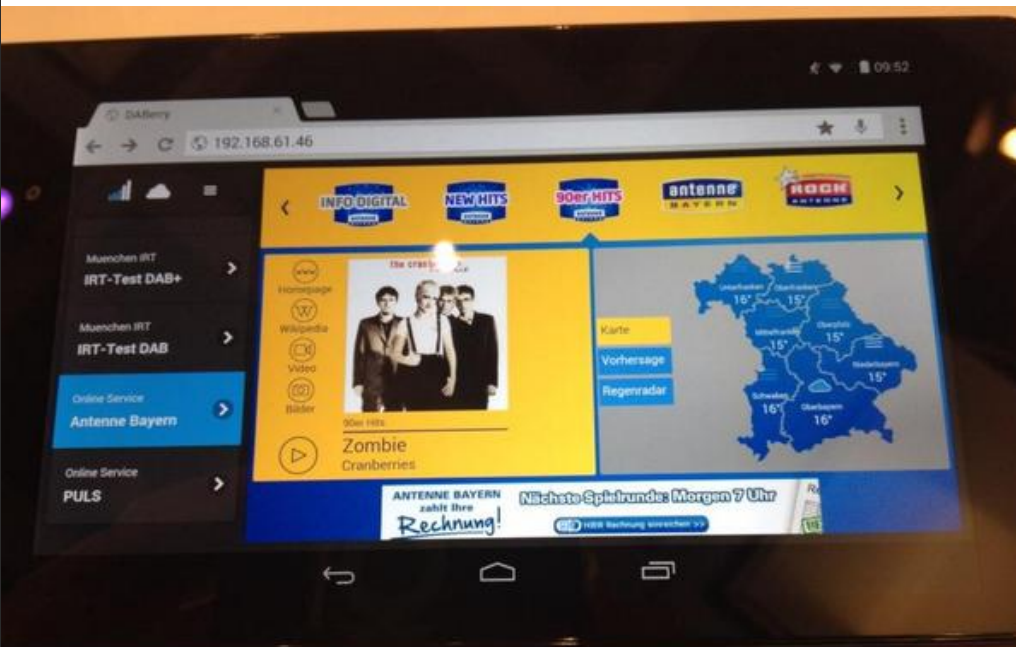
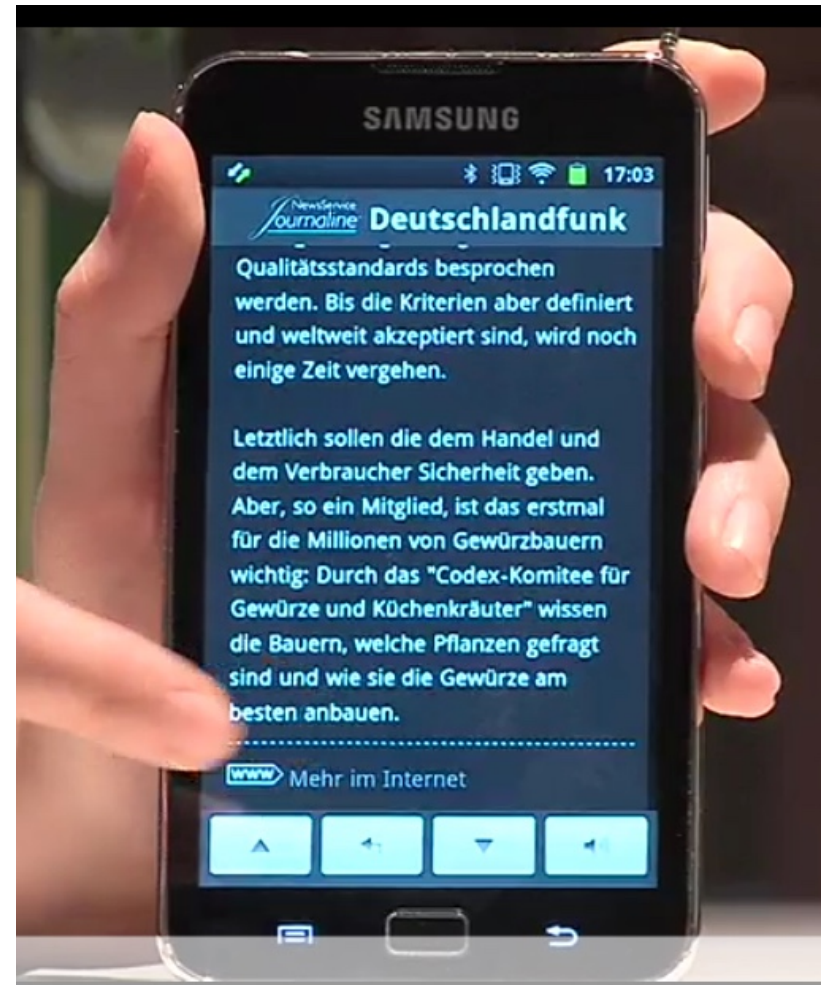
- Hear ad on radio / see visual display
- Tag to interact
 - access more information
 - register interest

VOTING

CATEGORIZED SLIDE SHOW

JOURNALINE

HBBRADIO



BBC Mobile Radio Research Report

September 2014

10/09/14

Ipsos MediaCT





Hybrid Radio was very well received overall, especially by the younger and more tech savvy users

64%
find it **appealing**

"I like to listen to music and usually have music loaded onto the smartphone. This gives further variety." (Male, 16-18, non-listener interested)

"I would be able to listen more when out and about. I currently have to listen to purchased music when doing sport but would quite like listening to the radio to prevent getting bored of the same playlists." (Female, 19-24, non-listener interested)

67%
would be **likely to use**

Base : All survey respondents : UK 16-64 Internet users, smartphone owners, weekly radio listeners (1,009)



Hybrid Radio has also the potential to increase general radio listening among all listeners



Base : All survey respondents : UK 16-64 Internet users, smartphone owners, weekly radio listeners (1,009)



Despite concerns about data usage, Hybrid Radio could be a deciding factor when choosing a smartphone



Base : All survey respondents : UK 16-64 Internet users, smartphone owners, weekly radio listeners (1,009)

SMART RADIO INITIATIVE

1. **Free-to-air:** Radio needs a **broadcast backbone** - FM, DAB, DAB+
2. Radio has to be where the users are – above all in **mobile phones and tablets**
3. The future of radio lies in using the combination of **broadband AND broadcast** – not one or the other



MOU: MORE THAN 20 SIGNATORIES

Euro-Chip Memorandum of Understanding

10 List of signatories

Arbeitsgemeinschaft der öffentlich-rechtlichen Rundfunkanstalten der Bundesrepublik Deutschland (ARD), represented in 2013 by NDR, Hamburg



Arbeitsgemeinschaft Privater Rundfunk (APR), Munich, Germany



British Broadcasting Corporation (BBC), London, United Kingdom



Deutschlandradio, Cologne, Germany



European Broadcasting Union (EBU), Genève, Switzerland



Modern Times Group (MTG AB), Stockholm, Sweden



Norsk Rikskringkasting AS (NRK), Oslo, Norway



Nederlandse Publieke Omroep (NPO), Hilversum, Netherlands



P4 Radio Hele Norge AS, Lillehammer, Norway



Euro-Chip Memorandum of Understanding

Polskie Radio Spółka Akcyjna, Warsaw, Poland



Radio Télévision Belge Francophone (RTBF), Brussels, Belgium



REGIOCAST GmbH & Co. KG, Leipzig, Germany



RTL Belgium SA, Brussels, Belgium



Radiotelevisione Italiana S.p.A. (RAI), Rome, Italy



SKY Radio Group, Naarden, Netherlands



Schweizerische Radio- und Fernsehgesellschaft (SRG SSR), Bern, Switzerland



Sveriges Radio AB (SR), Stockholm, Sweden





**The new
SMART
RADIO
PHONE
?**

In short:

Radio Numérique Terrestre =

- pluralism
- diversity
- added value

THANK YOU!

HYBRID DIGITAL RADIO API IN PHONES

Abstracted APIs

'App-friendly'

Scan - Services List - Event Information

Hybrid Radio app

Radio abstraction layer

Broadcast Radio Tuner

Cellular
Modem

DAB+

FM

HD Radio

IP