

DAB — now hitting the market on an industrial scale

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Digital Audio Broadcasting (or DAB for short) has moved into a phase of “industrialisation”, with many new broadcast services starting throughout Europe and beyond. The choice and availability of different types of DAB receivers is also expanding at an encouraging rate, as outlined in this article.

Talking about DAB means talking about radio and about radio listening

Radio is by far the most accessible of the media. With its immediacy and mobility, it seduces the listener by its simplicity and friendliness. Consequently, in Europe, over 80% of the population regularly listen to the radio – on average, for more than three hours a day (*see Fig. 1*).

And the popularity of radio is not fading: over the past few years, the average number of radios used in European homes has been six or more – a figure which is apt to make the TV media rather envious!

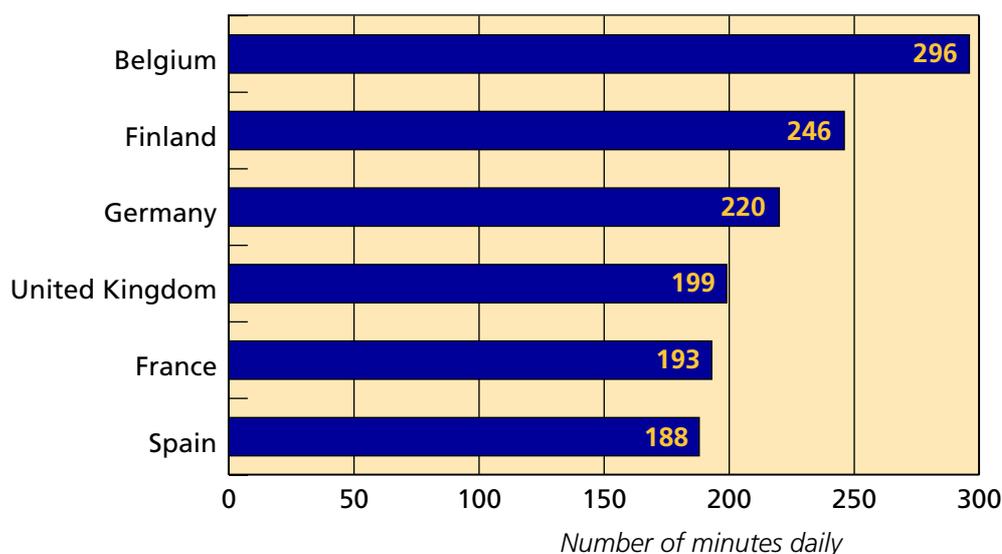


Figure 1
Daily radio listening (minutes) in certain European countries — Source: *IP European Key Facts 2000*

The places where people listen vary from country to country. Across Europe, it is found that an average of 60% of listening is done at home, 20% at the workplace and 15% in vehicles.

Alongside these observations, we can note that – until recently – radio was one of the last media not to have gone entirely digital (even the cinema is going digital!). DAB is the universal technology that enables radio to become digital, while at the same time adding a range of new functionalities and unprecedented ruggedness.

But where in the world can we find DAB services? Today, practically everywhere ...

Extended DAB coverage in many countries worldwide

Almost 300 million people can listen to DAB broadcasts around the world. Depending on the country, the coverage is fairly widespread (*see Fig. 2*), although new transmitters are being installed progressively. Recently, for example, three new DAB transmitters were installed and taken into service in the Hess region of Germany, providing coverage to the agglomerations of Frankfurt, Wiesbaden and Kassel. DAB coverage now includes 80% of the population in this region.

However, if it is to expand in geographical terms, DAB needs a specific regulatory framework and a proactive body in charge of the market rules.

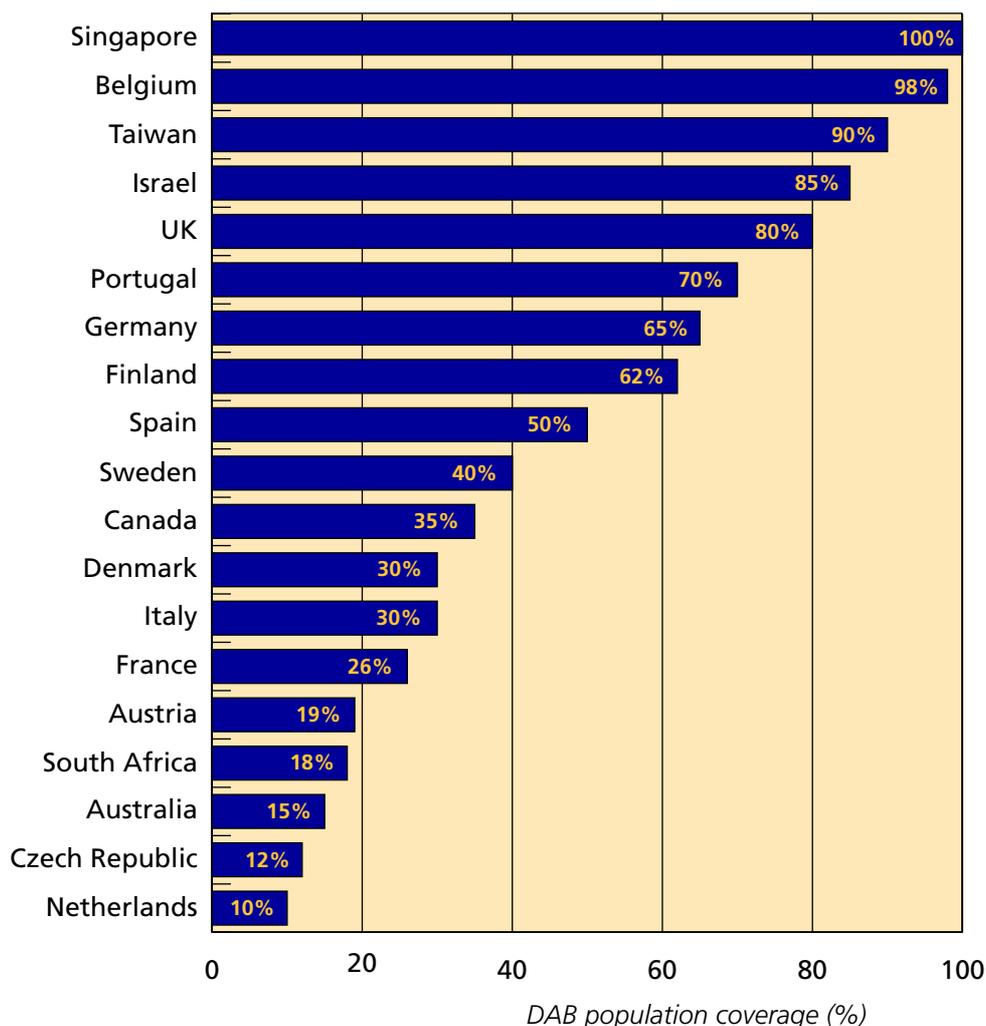


Figure 2
DAB population coverage worldwide (July 2002) — Source: WorldDAB Project Office

Regulatory framework and the organizations in charge: action and rigour

Regulation does not necessarily imply rigidity. In the audiovisual world – indeed, in the telecommunications world too – the existence of a regulatory framework is an essential precondition for any innovative technology. This regulatory framework serves in effect to lay down the rules under which the technology in question is established and evolves. Today, DAB benefits from a favourable regulatory framework in many countries, while it continues to struggle for regulatory recognition in certain other countries.

In France, for example, the *Fillon* law – which fixed the regulatory framework for DAB – expired at the end of December 2001, after having been extended twice since it came into force in April 1996. To date, it has neither been replaced nor renewed.

In the Netherlands, the call for candidates for the planned commercial radio licences has been postponed until September 2003. To invigorate the digital radio landscape in the meantime, the public radio broadcaster NOS (*Netherlands Public Broadcasting (NL/NPB), from 16 September 2002 — Ed.*) has launched six new DAB programmes in the west of the country, with the help of the broadcast transmission operator, Nozema.

Sweden, too, still awaits regulations that will permit private radio stations to broadcast on DAB. A commission is currently analysing the future of digital radio on behalf of the Swedish Government and its report is due to be submitted early in 2003.

Elsewhere around the world, a number of well-conceived regulatory arrangements have been implemented to foster the introduction of DAB:

- The duration of licences is a prime means of encouraging investment in both the networks and the programmes. A longer licence period allows radio production companies to plan their development more effectively. This is the case, in particular, in the United Kingdom (where licences are for a period of 12 years), Germany (15 years for network operators), Spain and Denmark (10 years) and Belgium (9 years).
- A voluntarist approach to announcing the closure of analogue radio – as was the case in Germany, for example – is also a means of helping DAB to make progress in the market.
- The action of the regulatory body that is responsible for issuing broadcast licences is also a very powerful factor in the development of DAB. This can be seen in the United Kingdom, for example, where not a month goes by without the Radio Authority issuing another regional broadcast licence for DAB.

Favourable regulations: the case of the United Kingdom

In the UK, licences run for 12 years and are renewable for a further 12 years. Data services can account for up to 20% of the spectrum capacity.

Two operators have obtained national licences: the BBC and DigitalOne (a grouping of commercial radio stations).

Regional licences are issued by the UK regulatory body, the Radio Authority, at the rate of one per month.

Consequently, there are now over 200 different programmes broadcast on DAB in the United Kingdom. It may also be noted that the BBC has launched three new national stations since the beginning of 2002.

Table 1 shows a list of the DAB regional licences issued in the UK, up to July 2002.

Table 1 — DAB regional licences issued in the UK (July 2002)

Geographical zone	Licence holder	On-air?
Aberdeen	SwitchDigital	Yes
Ayr	Score Digital	Yes
Birmingham	CE Digital	Yes
Bournemouth	Now Digital	Yes
Bradford/Huddersfield	TWG Digital	
Bristol/Bath	Now Digital	Yes
Cardiff & Newport	Capital Radio Digital	Yes
Central Lancs	Emap Digital Radio	Yes
Central Scotland	SwitchDigital	Yes
Coventry	Now Digital	Yes
Dundee/Perth	Score Digital	
Edinburgh	Score Digital	Yes
Exeter/Torbay	Now Digital	
Glasgow	Score Digital	Yes
Greater London I	CE Digital	Yes
Greater London II	SwitchDigital	Yes
Greater London III	The Digital Radio Group	Yes
Humberside	Emap Digital Radio	Yes
Inverness	Score Digital	
Kent	<i>(April 2003)</i>	
Leeds	Emap Digital Radio	Yes
Leicester	Now Digital	
Liverpool	Emap Digital Radio	Yes
Manchester	CE Digital	Yes
North-East (region)	MXR	Yes
North-West (region)	MXR	Yes
Northern Ireland	Score Digital	Yes
Norwich	<i>(May 2002)</i>	
Nottingham	<i>(June 2003)</i>	
Peterborough	Now Digital	
Plymouth/Cornwall	<i>(October 2003)</i>	
Reading & Basingstoke	<i>(August 2003)</i>	
Severn Estuary (region)	MXR	Yes
Southend/Chelmsford	Now Digital	Yes
South Hampshire	Capital Radio Digital	
South Yorkshire	Emap Digital Radio	Yes
Stoke-on-Trent	<i>(February 2003)</i>	
Sussex Coast	<i>(January 2003)</i>	
Swansea	<i>(December 2002)</i>	
Swindon & West Wilts.	Now Digital	Yes
Teesside	Emap Digital Radio	Yes
Tyne & Wear	Emap Digital Radio	Yes
West Midlands (region)	MXR	Yes
Wolverhampton	Now Digital	Yes
Yorkshire	<i>(July 2002)</i>	

Source: DigitalOne

Content, programmes – a key factor for success

With over 200 DAB programmes available in the United Kingdom, 150 in Germany and almost 60 in Canada, the content offer on DAB has expanded considerably in the past few years, in several countries around the world. However, although the number of available radio programmes is an important factor for the promotion of DAB, the quality of these programmes is also overwhelmingly important as a means of winning over listeners. Typically, several radio programmes are broadcast in simulcast, thus enabling listeners to hear programmes they are already familiar with (on FM and AM, for example). But new content – carried exclusively on DAB – is also needed to pull in new listeners.

This can be seen in the United Kingdom, for example, where almost 60% of the programmes are accessible only on DAB. In Singapore, too, six of the seven stations in the Media Corp block are DAB-only stations.

An example: the United Kingdom

With over a hundred radio programme available, sixty of which are new programmes broadcast exclusively on DAB, and the issuing of multiple licences to national and regional operators, the United Kingdom is a leader in European DAB.

Digital radio made its debut in the United Kingdom as early as September 1995, with the launch of a national block for the BBC. In November 1999, it was the turn of DigitalOne – a consortium of private broadcasters – to set out on the adventure of digital radio broadcasting.

In the Greater London area, the success of DAB with the public can be attributed in part to the great diversity of programmes available to listeners: almost forty radio stations are offered by the multitude of national and regional operators currently on-air. This success stems also from the quality of these programmes and the fact that many of them are entirely new programmes, carried only on DAB.

Nevertheless, some commercial radio stations have been obliged to reconsider their digital broadcasting strategies – due to growing pressure from shareholders for a quick return on their investments.

A user of digital radio can listen both to the programmes of the major traditional radio networks and also to newcomers – including large media groups and smaller independent radio companies that have sometimes been left out of the FM environment.

A wide variety of programme formats are offered to DAB listeners. In particular, DAB has fostered many thematic and music radio stations (e.g. jazz, classical music) while allowing also for the arrival of new formats such as children's radio, radio for minority groups, theatre radio, traffic information, etc.

Receivers – more numerous than ever, and so full of functionality

We will not give here a full list of the DAB receivers available on the market today – it would be too long! However, several *types* of DAB product can be found on the market and these can usefully be listed:

- Hi-fi tuners for the living-room;
- In-car radios;
- Radio-cassette-CD units;
- Portable DAB receivers;
- “Walkman”-type DAB receivers;
- DAB radios with MP3;
- DAB receivers for PCs;
- DAB/GSM receivers.

The following diagram presents some of the DAB products launched over the past two years (up to May 2002).



Source: WorldDAB Project Office

An expert in digital radio, interviewed recently on the latest developments in the equipment manufacturing industry, had this to say: “Receiver manufacturers have, today, passed from the R&D phase to the business phase. In countries such as Germany and the United Kingdom, they are negotiating with the technology providers (Imagination Technologies, RadioScape, Command Audio, etc.). They are interested in distribution and in winning their share of the market. Those that don’t have a range of DAB products to offer on the domestic market know that they are losing out and that if they do not catch up rapidly, they will lose a large market share.”

Very effective marketing initiatives around the world

Numerous marketing initiatives, both public and private, have been taken in recent months to promote DAB around the world. These confirm the increased level of industrialisation of this technology. Among them, we may note:

- **Publicity campaigns to increase awareness among consumers and listeners**
 - Last March, in Portugal, a 4-week publicity campaign for DAB gave the Portuguese people an opportunity to discover DAB. This campaign was led by the public broadcaster, RDP.
- **Round-Table events organized with international equipment manufacturers**
 - DigitalOne, in the United Kingdom, is keen on this sort of event, often in partnership with the BBC.
- **Meetings and visits to domestic radio equipment retailers**
 - For example, over 100 retail companies recently met together in Cologne to talk about DAB radio, in an initiative led by the German broadcaster, Digital Radio West.
- **The creation of sales promotional packages**
 - IMDR (Initiative Marketing Digital Radio) in Germany has created packages for distribution in 2002.



The latest arrival in the DAB receiver family: EVOKE-1 from Pure Digital (formerly VideoLogic)

- DigitalOne, in the UK, regularly produces promotional materials, information packs and training materials designed to improve contacts with the buying public. It helps the retailer by providing information and by providing training to sales teams, including advice and concrete sales assistance.
- **Promotional campaigns for the sale of DAB receivers**
 - The most famous promotional campaign organized in recent months was undoubtedly the one set up in December 2001 by DigitalOne and VideoLogic (now Pure Digital) in London. A limited series of 300 DAB receivers – priced at £99 (about €150) – were sold in less than 30 minutes in a few shops spread across the whole of the country.
 - Promotional campaigns organized by DigitalOne seek to carry the DAB message through advertising leaflets, and articles published in the national press, the technical press and the non-professional press (specialising, for example, in motoring, hi-fi and life-styles).
- **Advertising on radio**
 - This method, although little used so far, is enjoying considerable success in those countries where it is used, such as the United Kingdom. DigitalOne, in partnership with national commercial radio stations such as Classic FM, Virgin Radio and talkSport, organizes on-air advertising campaigns as a means to increase awareness of DAB radio among listeners.
- **Presence of those involved in DAB at motor shows and at exhibitions/conferences dealing with GSM and mobile telephony (on stands and giving conference papers)**
 - Toronto Auto Show
 - Geneva Motor Show
 - *Mondial de l'Auto* in Paris
 - 3GSM Congress
- **Market studies, consumer panels, etc.**
 - In Australia, studies have been carried out recently among the general public to determine the listeners' interest in new services offered through DAB.
- **Presentations at international conferences on digital radio**
 - Several major players in the world of DAB regularly give presentations at exhibitions and conferences such as The European Digital Radio Conference, IBC, Euroforum and Broadcast Asia.

A Marketing Committee in the WorldDAB Forum

In addition to these national initiatives, a Marketing Committee was set up in November 2001 as part of the international body, the WorldDAB Forum. Comprising persons working in the areas of sales and marketing, this Committee is concerned exclusively with the promotion of DAB, and its objective is to carry out activities to this end. Through co-ordination with the other WorldDAB committees, the Marketing Committee is able more effectively to target its actions.

In 2002, the Marketing Committee has been working on communication kits aimed at three types of player:

- motor vehicle manufacturers;
- commercial radio stations;
- the retail trade (specifically, retailers of domestic electronic goods).

Along with a DAB information pack, these kits include information which sets out the major advantages of DAB for each type of player.



Conclusion: “DAB Digital Radio is on a Roll!”

So DAB digital radio has clearly moved into a phase of industrialisation where each sector has its role to play – at the international, national and local levels – even if the way ahead for DAB has many and varied facets.

A voluntarist regulatory approach is an indispensable precondition for the development of DAB in any country, but it is not the only catalyser. The chemistry will only work if people can find receivers in the shops and if DAB offers attractive new content to listeners.

There is no doubt today that DAB has found its place among the other innovative technologies in the radio sector (e.g WorldSpace, DRM, webcasting). The target markets are not the same, whether in geographical terms or as regards target audiences. DAB has come an enormous distance compared to other technologies, to the extent that if a jury were called upon to evaluate it from every angle (technology, marketing, sales, benefits to listeners, social benefits, etc.), it is a safe bet that DAB would arrive well ahead of the others and would be ranked “Best in class” in a benchmarking of digital technologies for radio.



Delphine Josse studied at the EDHEC Graduate Business School in Lille, France, and graduated in 1991 with a specialisation in Marketing Management. She also studied beforehand at ISIT, a Translating and Interpreting Language School in Paris, where she graduated in translating (English and Spanish) and majored in international commerce and finance.

Ms Josse started working as a consultant in the information technology sector at BIS Strategic Decisions (ex-BIS Mackintosh) in France, and conducted various international strategic consultancy assignments. After four years, she embarked as a Senior at BIPE Conseil, conducting strategic assignments for major public and private media and telecom players and, in 1996, she joined TDF (TéléDiffusion de France) in the Market Research Department.

In April 2001, Delphine Josse joined TDF’s Radio Business Unit where she is working as Marketing Manager and is therefore responsible for mix marketing and new product offers in the radio field.

She is Chairman of the WorldDAB Marketing Committee.