

**Digital Radio in Germany**

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# World Digital

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Digital radio in Germany is not meeting with the same degree of success as in other European markets, Heinz-Dieter Sommer explains why



Delegates at the EBU Radio Assembly in Copenhagen this year were given a small radio that receives both FM and DAB (digital) broadcasts. In fact, this budget radio is said to be the best-selling Digital Audio Broadcasting receiver in Denmark and the UK, two countries in which digital radio has proved a great success. This low-cost set has only a very small display and the sound quality is adequate. In other words, two of the alleged benefits put forward for years in Germany as the key advantages of digital radio – sound quality and associated data services – are not the main features of this set. And yet it is selling like hotcakes. Why? The answer is easy

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and it is not just price; it sells well because Denmark and the UK have dedicated, excellent programmes that can be heard on digital radio only. In other words, it is the content that persuades people to buy a radio like this and make the move to DAB.



### Regional differences

The German DAB network provides almost blanket coverage and a wide variety of stations are broadcast in DAB. That said, there are regional differences. These start with the network operators. There are two different types of operators: telecoms companies and service providers with or without the participation of the regional public broadcasters. There are also regional differences as regards the stations available via the DAB network. In most German states, FM programmes from public broadcasters are also available on DAB, along with DeutschlandRadio's programme.

Some of the major commercial broadcasters also offer DAB services. Overall, more than 100 stations are available on DAB but, as already indicated, there are significant regional differences. In some areas listeners have a choice of up to 20 services broadcast on band III (174–240MHz) and on band L (1452–1492MHz), while in others the digital offering is virtually non-existent. DAB-only programmes are the exception rather than the rule, those produced by public broadcasters generally draw on existing FM content, presented slightly differently and, in some cases, with a different music packaging, such as in North Rhine-Westphalia and Bavaria. There are also a few commercial stations broadcast on DAB only, but these are all music services and most of them are subsidized. When the subsidies end, such companies tend to end DAB broadcasts.

### Lack of media debate

Despite the expanding network and the opportunities it offers, DAB radio still plays hardly any significant role in the media debate in Germany. If we look at how politicians and the general public responded to the rollout of digital terrestrial television (DVB-T), the wide range of inexpensive DVB-T receivers available

and how well they are selling, the massive advertising campaigns run by major consumer electronics chains for DVB-T receivers and the anti-DVB-T campaign run by cable network operators in Berlin fearing competition, it is obvious that DAB radio has not achieved anything like the same level of awareness. Sales of DAB receivers are extremely low and many trade journals are already suggesting that investing in this technology is a waste of money. A variety of reasons are put forward for this, depending on the individual's standpoint:

- the market for DAB receivers, which commercial broadcasting stations in particular regard as a barrier because sales volumes still do not offer sufficiently profitable prospects for programmes financed through advertising;
- ongoing technical problems (e.g. indoor reception);
- the present inadequate frequency range: DAB will only be able to compete with the broad spectrum of programmes available on FM if further frequencies are allocated to it;
- the high cost of the regional L band;

- a lack of attractive programme offers, which receiver manufacturers see as the root of the problem;
- the ongoing debate about the future of DAB, which is discouraging potential users;
- last but not least, the fact that Germany's FM system is very widely used and well accepted, and FM radios are extremely cheap. Moreover, the sound quality is perfectly acceptable for the low demands made for "background listening", the most common form of radio usage.

## A European strategy

Essentially, I feel that one thing has become clear: digital radio will not be established simply because of "better reception quality" especially to mobile users, or because it provides additional data services. The reasons for this – apart from the general acceptance of the FM system – include the fact that there have been far too many developments in the field of mobile technology which reduce the appeal of DAB data services. To gain a foothold in a market in which there are an estimated 250–300 million FM radios, convincing new national and European strategies are needed. These should build on service benefits and added value for customers. In Germany they also need to overcome the problems resulting from the federal structure of the broadcasting system. Another dilemma that needs to be resolved is the conflict between simulcasting existing FM stations on DAB and offering innovative new digital services, because the current frequencies mean that it is not possible to pursue both simultaneously. I see an urgent need for such strategies because in Germany there are other interested parties who could well imagine using the DAB frequencies for other purposes. One example is the automotive industry, which would like to offer its own services and

entertainment. Allowing DAB frequencies to be lost as far as broadcasting is concerned would therefore be catastrophic.



## Different procedures

Alongside DAB, other digital technologies play a role in radio broadcasting.

Among those DVB-S (digital television via satellite) and DRM (Digital Radio Mondiale), a digital broadcasting standard offering near-FM quality in the short-, medium- and long-wave frequencies.

From the end of August, German broadcaster ARD will be making its radio programmes available via digital satellite. All programmes will therefore be available via DVB-S at the time of the Berlin International Broadcasting Exhibition (IFA). Some broadcasters will also be offering multi-channel pilot broadcasts during the exhibition.

DRM is being driven primarily by DeutschlandRadio, Deutsche Welle and SWR. Here too, new impetus is expected in conjunction with IFA. Turning to private stations, RTL has recently become interested in establishing an extensive DRM network. This has unsettled commercial broadcasters in some German states. I believe that whether and how quickly DRM becomes established will probably depend on such services. At any rate, RTL seems prepared to resolve the receiver problem itself: its website ([www.rtlgroup.org](http://www.rtlgroup.org)) includes a video

promoting DRM. This shows that from mid-2005 RTL intends to use its programmes and shops to market a small DRM receiver that will retail for €145. Despite these efforts, at present DRM is merely an interesting alternative; its technical constraints mean that it is not suited as a replacement for FM. Nevertheless, DRM could perhaps provide impetus to improve acceptance of digital radio as a whole.

It is not yet clear how widespread DVB-T is likely to become and whether it will be extended nationwide or concentrated in urban areas. Consequently, at the moment it can be viewed only as a possible addition to the radio broadcasting landscape rather than as an alternative to DAB. Moreover, the suitability of DVB-T for radio broadcasting is currently being questioned because it does not seem to meet all requirements that should be a matter of course for radio broadcasts.

That leaves DSL (digital subscriber line, which carries data at high speeds over standard copper telephone wires) and the online sector. The online sector comprises streaming, which many stations have been using for some time. DSL naturally focuses mainly on television broadcasting, although radio directors at ARD have expressed an interest in being included if the public broadcasting programming offer should decide to move into this technology.

## Prospects

A number of digital technologies are already used for radio broadcasts in Germany. The best examples are DVB-S and streaming via the Internet. DRM is in its infancy. The ultimate acceptance of DAB technology is becoming increasingly dependent on the introduction of a clear strategy and there is no prospect of that at present. It also depends on the willingness of politicians to create the necessary conditions and enable

public broadcasters to move in this direction. There is currently no sign of an alternative transmission technology offering anything like the same possibilities as DAB, in other words, a system that would in principle be able to replace FM. That makes the need to consider the European approach even more urgent. The EU Commission's current proposal, to switch off FM completely in 2010, 2012 or 2015, seems both illusory and unrealistic at the present time, unless action is taken to speed up the changeover.

## A need for creativity

However, one thing should not be forgotten: the digitization of broadcasting is not simply a question of migrating from one technical system to another. It is also an enormous opportunity. Digital stations must – and will – be different from analogue stations. In my view, too little use is being made of these opportunities out of fear and perhaps also because of a general reluctance to take on the attendant entrepreneurial risks. In other words, it challenges the creativity not only of programming staff, but also of all those who are responsible for providing the necessary structures and conditions.

