

DAB – FAB for AUD\$
James Cridland



Should explain that

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My brief was to talk about how to make money with DAB, which is what I'll be doing. I'll not be mentioning the rugby. I worked for Virgin Radio in London for the last six years, but have now joined the BBC – I just need to point out that these are my own personal thoughts and not those of any broadcaster.

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Commercial radio in the UK started only 34 years ago, in October 1973. The first voice on the air was an Australian. And this was the end of the first radio ad...

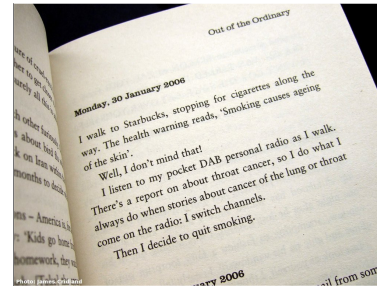
Crikey. Yes, the first radio ad was for...

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Birds Eye Fish Fingers, which I think is really classy. Since then, we've been reinventing radio a fair bit to keep it relevant, and one of those reinventions has been DAB.

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I was reading a book the other day, and it was very clear that DAB is now part of our everyday life. So, just to put this in context, here's where we are so far.

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There seems to be one thing that the UK consumer wants. And that's choice. And with our radio, we want a choice too.

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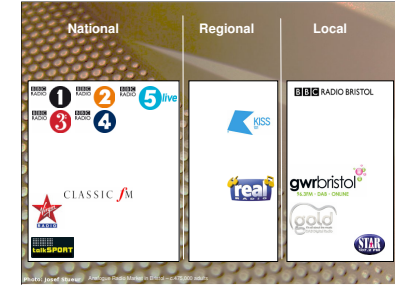
To give you an example, I could talk about London. It's our capital city, after all.

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But let's go instead to Bristol, in the South West of England. 425,000 people live here, making it the same size as Newcastle in New South Wales. Or, if you like, one and a half Canberras. Or two Hobarts.

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Tune in on AM or FM, and you get 14 radio stations.

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However, tune in on your DAB, and you get 37. Additional national, regional, and local stations.

So, as you can see, in the UK, we chose more choice as the thing to sell DAB.

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And being fair, it has. Over 5 million sets have been sold; that's more than iPods in the UK.

Bearing in mind our total population, if you want to beat us, you need to sell 1.6 million sets in your first five years. I think you will.

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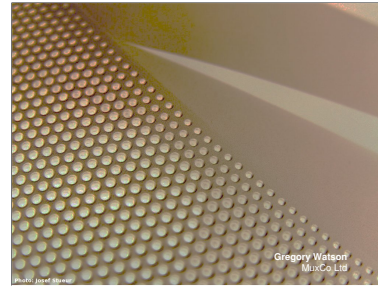


But the problem with adding extra choice is that it's cost extra money to produce the programming. Not good if you're also suffered an advertising slowdown, as we have in the UK.

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And we've all been headed in different directions enhancing existing analogue stations. GCap, in the white at the top, has a strategy to launch brand new brands for DAB. Virgin Radio, my old employer, has a strategy to launch brand extensions: a younger Virgin Radio/ an older Virgin Radio / a more female Virgin Radio.



Gregory Watson runs MuxCo, a company that owns some DAB multiplexes in the UK. He says that this strategy mismatch is also stopping innovation in DAB.



1'4"



So here's a picture of where commercial radio, in particular, are in the UK -



...and here's a picture of where it should be. We have to provide a consistent commercial proposition to advertisers, and look to the future to make a more consistent consumer offering, including additional data services.



Last year, in this conference, you heard from Dirk Anthony. He's Group Programming Director at one of the largest UK radio groups, GCap Media. Dirk believes that he can do a passable Australian accent, and he believes that interactivity using additional data services is a big part of the next stage of radio.



(57"and that won't go away)... so while radio will still be the future, Dirk believes that information on radio screens will become just as important.

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So, here's some information on radio screens. We call this livetext – you might call it DLS: the small amount of text you can broadcast on DAB. Now, you might think

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...it looks a bit boring. But we think

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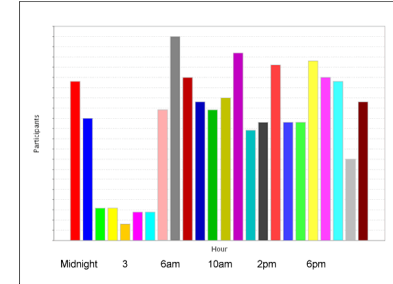
It looks like money. Commercial radio successfully makes money by allowing people to advertise on the DAB livetext.

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It's great for website addresses, as you can see here. When I was at Virgin – we used it for SMS text numbers, too. And then we found out WHEN people texted us from their mobile phones – therefore, when people were reading the livetext on their DAB radios. So we could put it into a graph. And show it off at conferences.

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(explain) Well, this is interesting. At midnight, when our audience is many times smaller than at breakfast, we got the same amount of responses from a visual ad on the radio than we did at 8am. Because the audience had the time to glance at the screen, and respond to the content they saw there.

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• **Multi Platform Radio Report**
 69% of listeners have used livetext
 42% have used web addresses or telephone numbers seen on livetext

www.rab.co.uk

In fact, it's better than that. Of people who have DAB at home, loads of people use it – this research from the UK's RAB dates from when it was impossible to find a DAB radio with a larger screen.



Things people don't like on livetext include repetition



And they also don't like things on livetext that don't tie in with what they're hearing and don't help them, like positioning statements, station slogans, and other irrelevant things

➤ Now playing: Snow Patrol – "Cars"

...so stations are now looking at increasing the quality of what we're calling "short form synchronised text". So when we play a song by Snow Patrol, you don't just get this...

- Now playing: Snow Patrol – "Cars"
- Snow Patrol are a two-piece band from Brighton in England
- Snow Patrol are currently touring around small pubs in Cornwall
- You can buy tickets to Snow Patrol's world tour at virginradio.co.uk or on 0870 30 1215
- Virgin Radio VIPs who love Snow Patrol include JohnC, TinyTigger and BigJim
- If you like Snow Patrol, make sure you sign up as a Virgin Radio VIP and add them to your profile

...but you might get this type of information. All this adds to your station – and cuts this kind of clutter off the air. So using livetext well, can mean you get to play more music.



Just remember, if you're playing Bruce Co'burn, that the screen needs time to scroll.



I would ask you to think how you want to sell this. And talk to your competitors to make sure they sell it in the same way. This is not a value-add. This is a revenue stream. BUT this is important. Some stations sell DAB text only alongside the audio ads, like Capital. Some stations sell run-of-station, throughout the programming, like Virgin. Some stations don't sell it at all... The result is that advertisers don't use it as much as they should

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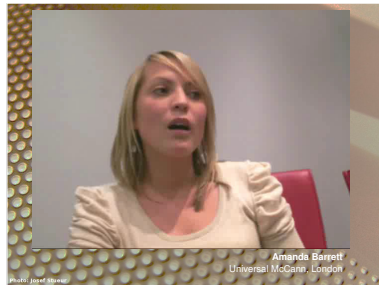
because it's too complicated. It's your job to

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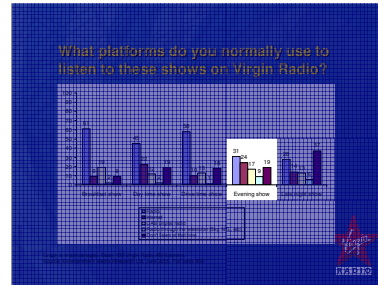


give advertisers something easy to buy. And that means working together. Amanda Barrett, who's a Radio Planner at the ad agency Universal McCann, wants things like livetext to be easier to buy – and wants radio stations to offer the same thing.

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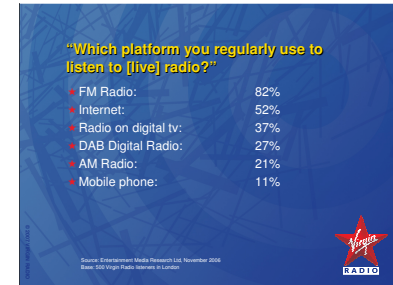
36"



I think it's important that we don't lose sight of how radio is changing. From analogue radio, in blue, to the internet, DAB, and over the TV, radio is available in more ways than ever before.

And at some times of the day, in total, new platforms are more popular for us than old analogue radio.

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And people use more than one platform. They consume radio how and where they want it - because it's the right content, in the right place.

All of these methods are just different ways of listening to live radio; but all of the new ways include visuals, too. How important are visuals for radio? Amanda Barret again.

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(.digital age as it were) So let's have a look at some visual aspects of radio. We'll start with radio on the TV, which has been a surprising success.

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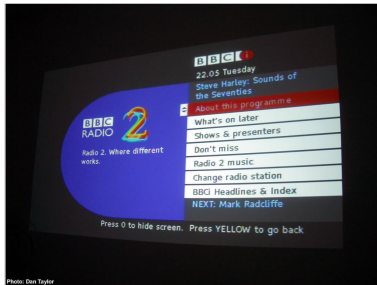
Radio over the TV is rather a surprising success in the UK.

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This is London station Capital 95.8.

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...and this is the interactive service run on the BBC's national networks.

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And elsewhere in Europe, some stations are broadcasting live pictures of the studio on the telly. I'm not convinced. But apparently this service is useful

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not because of the picture of the bored engineer watching his levels

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But because of the traffic pictures that you can glance at.

And over in Austria, they're adding even more information.

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But all that's on the telly.

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And we're not about telly. We're about...

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Radio. The good news is – we can do just a good a job here. This is another DAB radio, running DAB Slideshow.

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Both commercial and BBC radio in the UK have been trialling DAB slideshow for a while – but we're not alone.

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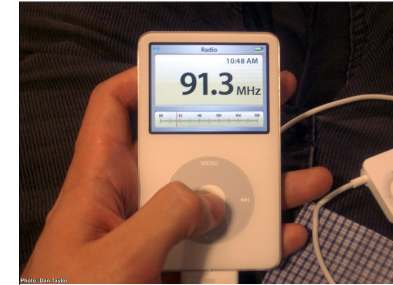


They're trialling it in Norway, too; in Munich, and Singapore.



And you can use it to really add value to your clients: showing them what the Samsung Z5 looks like, for example. It looks like you guys will be able to really take advantage of this, because by the time 2009 comes along, we'll have quite a few radios in the marketplace which will support it.

It's great for our future, too, as a medium. Compare this nice screen...



...to this experience of radio – just a number. If all that radio in the future can offer is just a number,



That's not really very exciting.



Use a new Sony Ericsson music phone to play music and you get pictures, album track details, and lots more.



Use it to listen to radio and you get 93.8



Which is, again, a bit dull.

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So, do I think that slideshow is the future? Not really. But it's a great start.

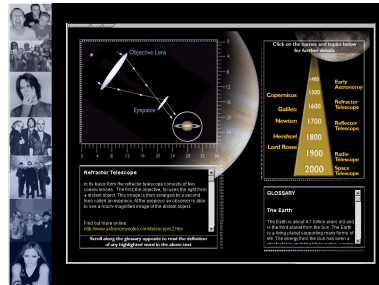
Let's take a telescope to the future...

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A few years ago, Virgin Radio, Unique Interactive, and many other people ran a test where we added loads of additional information to DAB, in the form of this thrilling documentary.

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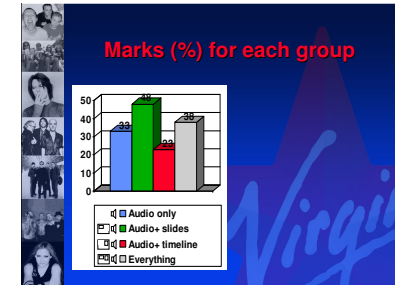
...and we added even more information once the programme had finished.

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We tested this with some university students, playing them different amounts of the programme, and testing them at the end.

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...and we ended up with some really interesting information.

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...and we learnt this.

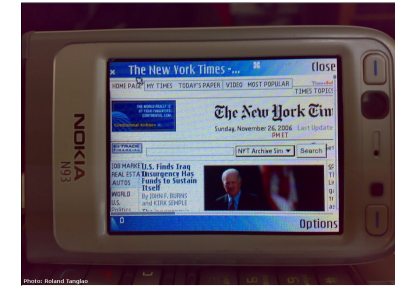
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...or if you like it better this way - this.

But why would you do this over DAB, and not over the web? Because we are truly mass media.

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More and more things now have built-in web browsers. Mobile phones obviously do

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Less obviously, this new iPod does

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So do handheld games consoles, whether they're expensive

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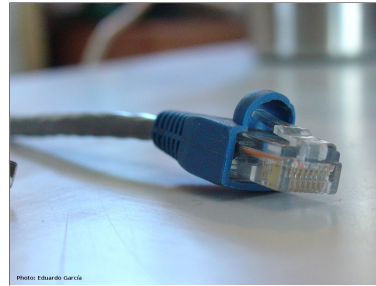
Or rather cheaper.

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This Wii is just a number of things with web browsers built in. So, how do we get all this data to people?

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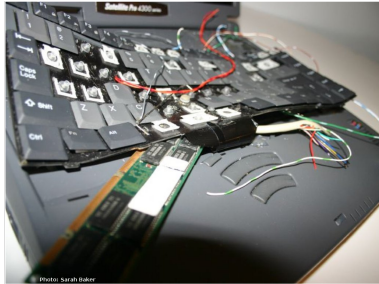
It's not through one-to-one internet connections.

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When I was on this radio station in 1993, it had a 35% reach and covered over a million people. But if a third of that one-million tried to access a website at the same time

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...then bad things happen. The internet is not ideally suited for one-to-many broadcasts. So what is?

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One of these. A big stick.

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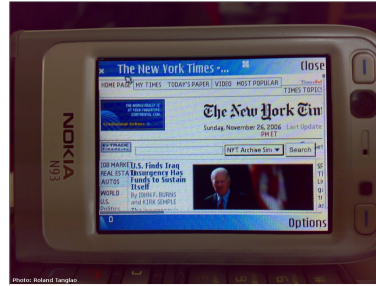
Surely the best way of broadcasting this – a daily newspaper that millions of people read

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is using this: a big stick that, through DAB, can effortlessly reach millions of people.

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...and use the internet, of the mobile network, for interaction.

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Of course, this isn't a new idea. I bought a Wavefinder a long time ago, which could do exactly that – it was a USB stick which picked up DAB radio, and it only cost \$450.

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This rather odd thing did similar. This was a project run by GWR FM in Bristol, and the radio picked up additional content broadcast via DAB, and also connected to wireless internet. You can see the touch screen on the right.

So you're probably thinking this is only good for people...

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...who look like this. But actually, it wasn't only used by geeks. It was more used by...

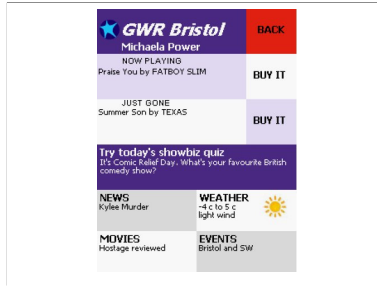
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People like this. Let me read you what one of the people – a parent with three children living with her mum - said about that radio...

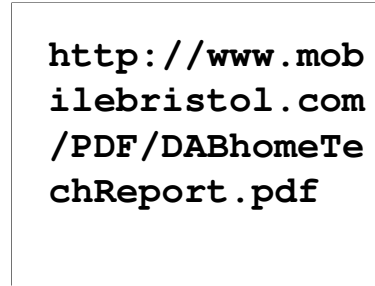
"My Mum hates technology, doesn't want a mobile phone, doesn't use computers. She was sat there for about twenty, twenty five minutes fiddling around with it, and she said, No, I'll get one of them. So it was quite amazing how someone who is a complete technophobe was the one to interact with it like that."

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The weather and news were the most popular. And again, people mostly played with this in the evening. They preferred this to the internet.

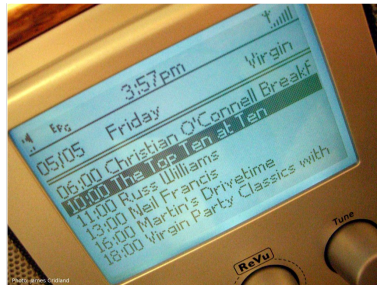
If you're interested, there's a full 43 page report available from GWR and HP,



at a website address that looks like this. Don't scribble it down



you'll find a copy in your handouts



Now, here's the electronic programme guide, the EPG – and this, too, can be



turned into cash. Not just by adding value for your sponsorships, so your title sponsor gets more recognition. it's useful for other ways of earning money, too: how about taking money from people who want to be on the radio. Everyone from community groups to music fans. Greg Watson explains.

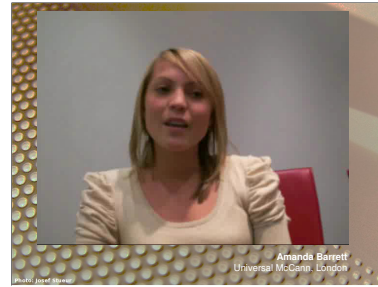


(jam making from the WI) – the benefit of using DAB is that you can do things with music, which is harder on the internet. And if you dropped from stereo to mono overnight, for example, the EPG can help you make best use of the spectrum you free up: from new broadcasters to advertorials.



You can also use the extra data on DAB for pay-content too; ClIQ, which I'm sure you'll hear more about, lets you buy the music we play, with a suitable equipped DAB radio. If you can do this for music tracks, you can do it for other things too, like audiobooks and video clips. Amanda Barrett from Universal McCann says that advertisers are keen to do this.

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The web is important, too. DAB can cross-promote without adding to the clutter. For three-quarters of our on-air promotions, Virgin sells their clients an online upweight –

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editorial within the website, like this example. It brings together what radio is great at – emotion, immediacy, connection with people – and what the internet is great at – permanency, detail, and data capture. People can be pushed online from your radio station really quickly. A recent competition Virgin Radio ran, got 15,000 entries in three days.

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...and if some of your audience don't like the ads, perhaps DAB might offer the chance to get rid of the ads totally. Orange is a mobile phone operator in the UK, and Jonathan Barrowman is Head of Radio at the media planners Initiative.

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...so if you could take ads off a radio station, perhaps you can also take other bits of your station off the air.

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Shout-outs, farming reports, extended news bulletins. It's clutter that some people don't want, but stuff that other people really do want. So do these in audio, live or on-demand, or in text or pictures. Do less but do more, and make your product both more focused and more diverse.

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And while we're throwing things out – let's make more friends with people. I've talked about making friends with your competitors already; but we also need to make friends with the manufacturers – the people that make the radios. Greg Watson is very clear about where he thinks we are right now with radio sets, and where the future might be.

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(and then obviously the future) Jonathan Barrowman also sees a need to make friends with the manufacturers.

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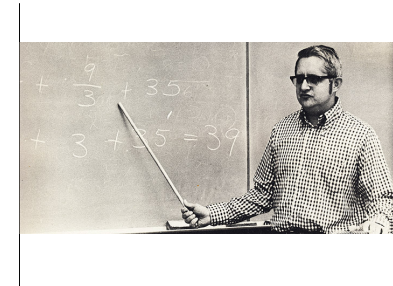
(more important) ... and where better to add DAB radio than the place where people consume it most – cars.

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Only 17% of our total hours in the UK are in a car; but if we don't get DAB into cars, then we aren't going to work well. Part of this is adding data services like TPEG for car manufacturers to use - that's a great way in - and part of this is bribery. "Add DAB to every car you sell, Mr Client, and we'll give you 30% off your airtime." It can't hurt...

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SO, finally, what have we learnt today? Let me wrap up with three ways to earn.

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1. Make it easy to buy. Work with your competitors to ensure you make it easy for ad agencies to buy new innovations with DAB radio. If it's not easy – why should they bother to learn?

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2. Improve radio with DAB to keep new generations tuning in. Compete with tv and the web by using pictures on colour screens; and constantly improve the content.

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3. Take the clutter off the air and add more information to your broadcasts using livetext and additional audio channels.

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...and don't forget to charge for it. If you give this stuff away now, you'll always be giving it away.

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Australia - the future's in your hands. We've made the mistakes, so you don't have to. You have the power to do with DAB what you could never do with FM; and earn money in ways you could never do with FM. Use that power well; and good luck for 2009.

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