

## Press release

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### Unrealistic to substitute broadcast radio with distribution via cellular networks

**The Swedish research company A-focus has conducted a study of a scenario when distribution of radio in the terrestrial broadcast network is replaced with distribution via cellular networks. The study show that this scenario is not credible and that the need for terrestrial broadcasting will remain for an indefinite future.**

The report was presented on Thursday the 24<sup>th</sup> October at a breakfast seminar hosted by network operator Teracom.

“Some people believe it is possible to replace broadcast radio with radio via cellular networks. Surely, they have not done the math. I have done the math and the conclusion is clear – it is not a realistic alternative,” says Göran Hedström, senior consultant at A-Focus and primary author of the report.

The report, “Can the cellular networks cope with linear radio broadcasting?”, lists several arguments for why it is not a credible alternative.

**Capacity:** An enormous capacity would be required to stream today’s radio services in a mobile broadband network. When converted, today’s radio listening represents a larger amount of data than all the in- and outgoing data in all four mobile operators’ networks, in 2012.

**Costs:** Given current price levels, it would cost around 860 million EUR per year to broadcast radio via the mobile operator’s cellular networks, which can be compared to the cost of around 10-20 million EUR per year for equivalent capacity in the terrestrial network. This extra cost must thus be paid by the broadcasters or directly by the consumers. Today, neither broadcasters nor consumers are close to being able to take on this expense. Even if the price for capacity in the mobile broadband networks should fall, the price reduction would need to be around 96 percent.

**Accessibility:** According to sample measurements by the National Regulatory Authority, the cellular networks do not reach 99.8 percent of the households, which is the coverage requirement stipulated by the Parliament for the public service broadcaster, Sveriges Radio. Also, approximately 1.2 million Swedes live in complete alienation today when it comes to using the Internet. They have more or less never been on the Internet, and only half of the Swedes with smartphones have used their phones to go on-line. For a cellular network scenario to completely substitute terrestrial broadcasted radio, the Radio listeners would need to subscribe, register and pay regular invoices for a service that previously has been free.

**Facts about the report:**

A-focus has analyzed a scenario in which the analogue FM network is shut down in 2022 and is not replaced with a digital terrestrial network (with DAB+ or a compatible technology) but rather by using the cellular networks to broadcast digital radio. The assignment was to analyze the consequences for public service and commercial radio, although not local radio. The starting point has been to analyze the situation from a technology-neutral perspective without changing the basic requirements on coverage, accessibility and quality.

The report was produced by the Swedish consulting and research company, A-focus. The company focuses on telecom, the Internet and media and offers services within research, market surveys, analysis and advice for TV and telecom operators, manufacturers and authorities.

**For more information:**

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