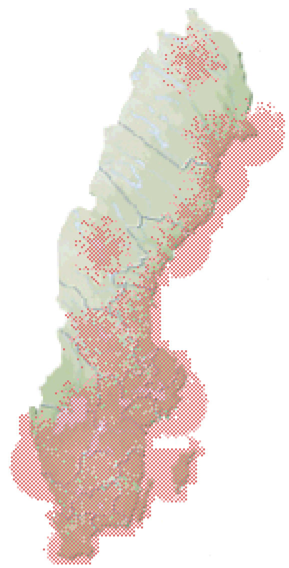
Socio-Economic Aspects of DSO in Sweden



Sarajevo 22 May 2008

Malin Wallin

Scope of the project

- **4 platforms – Cable, Satellite, Terrestrial, IP**
- **1 million households on Terrestrial Analogue**
- **Terrestrial network to be converted**
  - 54 main sites and over 600 small sites
- **Moving the viewers to other platforms**
  - satellite, digital terrestrial and IP
- **Content to change**
  - From 3 to 11 Terrestrial Analogue channels
  - Freeview and Pay TV

Socio-economic Aspects

- **Costs of Switchover**
  - Cost born by State budget
  - Cost for the Terrestrial platform operator
  - Cost for other stakeholders
  - Cost for the consumer
- **Efforts of the municipalities and organisations**
- **A better terrestrial network**
- **Consumers more aware of alternatives on the market**

The cost issue

- **State budget**
  - Digital TV Commission (mostly information, in kind-work)
  - No subsidies!
- **Terrestrial platform operator**
  - Conversion and build-out of the network
  - Information activities (phone service) and in kind-work
- **Other stakeholders including terrestrial program companies**
  - In kind-work and own information activities
- **Consumer bears cost for adjusting own TV equipment**

Municipalities and organisations

- **Municipalities**
  - Information sessions
  - Adjustment of own TV equipment
  - Information – municipality web page
  - Elderly and disabled home care – information
  - Consumer ombudsmen – direct contacts
  - Social welfare applications – few percent only
- **Organisations**
  - Information and support – elderly and disabled
  - Special deals on installation and set top box

Installers & retailors important to reach vulnerable consumers

A better terrestrial network

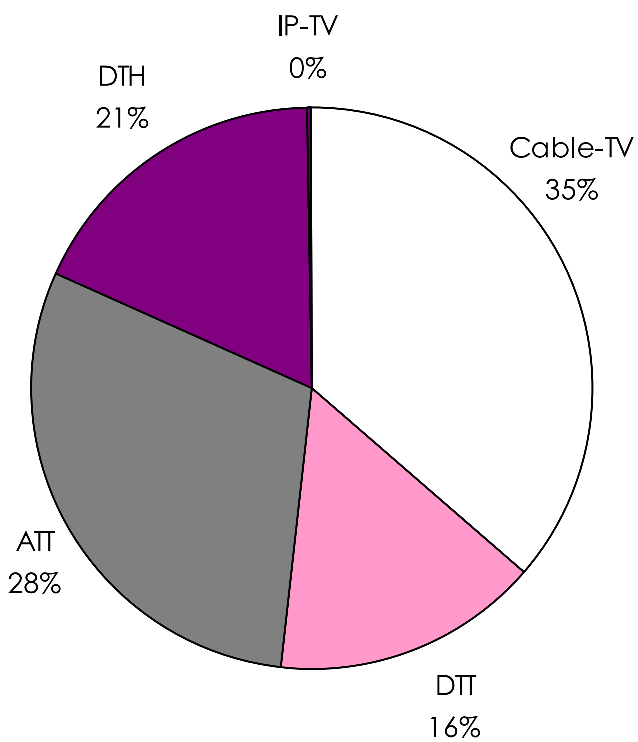
- **The frequency changes**
  - Public service now gets better coverage
  - Better reception conditions
- **Build out of the network**
  - Better coverage for Freeview and Pay TV
  - Mux 1: From 98% to 99,8%
  - Mux 2-4: From 90% to 98%
  - Mux 5: From 50% to 70+%
- **Opens possibilities to develop new services**
  - Trial on HDTV and Mobile TV
  - Dividend discussion

The consumer’s choice

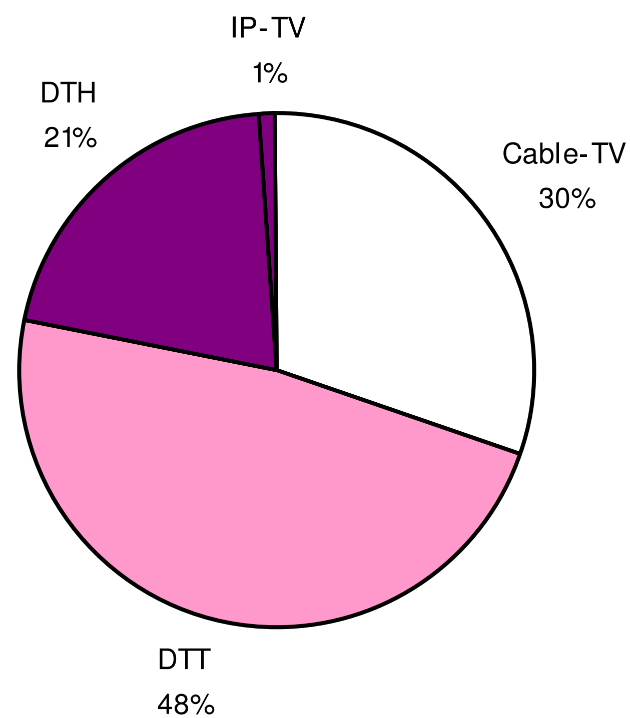
- **Minimal platform change**
- **The importance of Freeview**
  - Pay TV gains market shares with SO
  - Freeview still the important first step
  - Important to keep a minimal alternative for those not interested in getting more TV
- **Consumer behaviour**
  - Consumers tend to wait – ’late majority’
  - Consumers mix distribution of TV
  - Very few (1–2%) do nothing
  - Price was not central

Before and after

-97,9% have at lease 1 TV set



6 months before SO

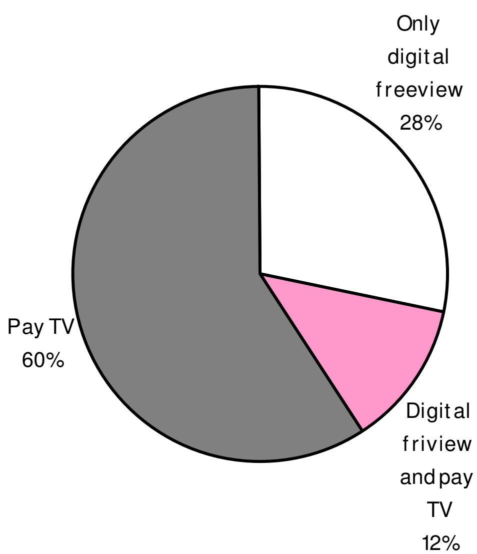


June 2006

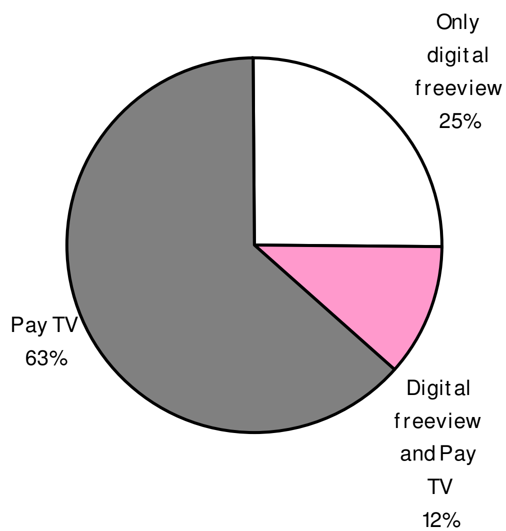
Households receiving tv on several platforms are counted double; after which the shares are summed up to 100 %.

Choice of freeview or pay TV

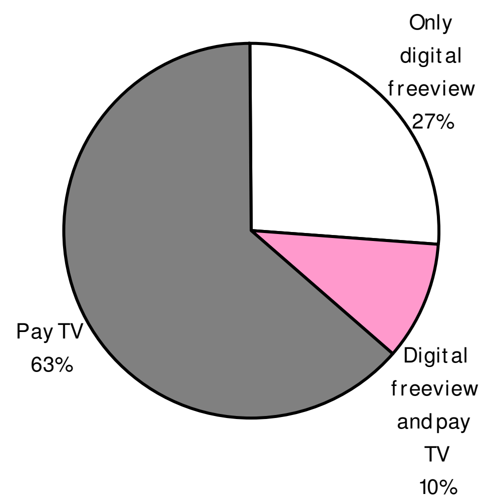
-Out of households with at least one tv receiving over the terrestrial network



Norrköping



Uppsala/Västerås



Dalarna

Conslusions

- TV is important!
- Budget does not have to be big
- Political readiness may be necessary to complete a smooth switch over
- Other areas than TV are affected
- Some stakeholders have several roles to play
- No subsidies makes it fair play
- Improved terrestrial network for future viability
- Improved competition with informed consumers

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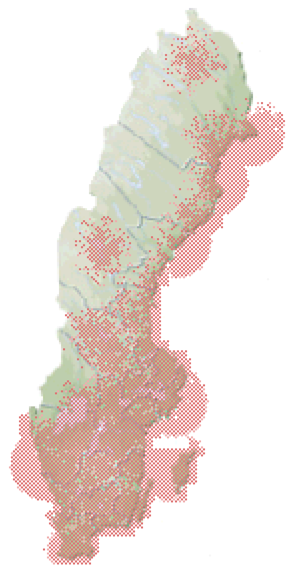

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