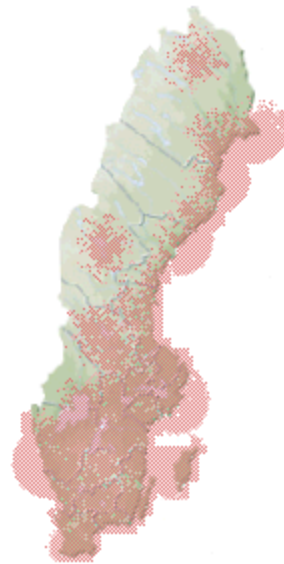


Socio-Economic Aspects of DSO in Sweden



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 & retailers 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



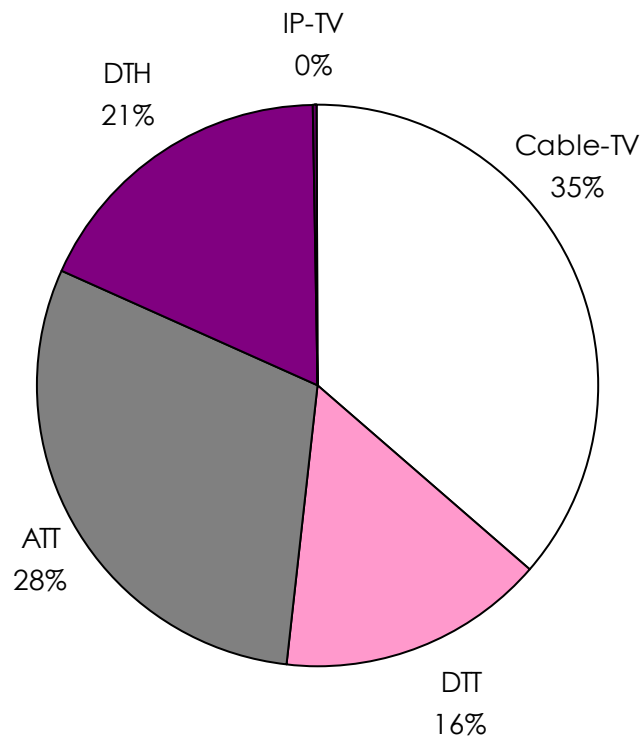
The consumer's choice

- **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

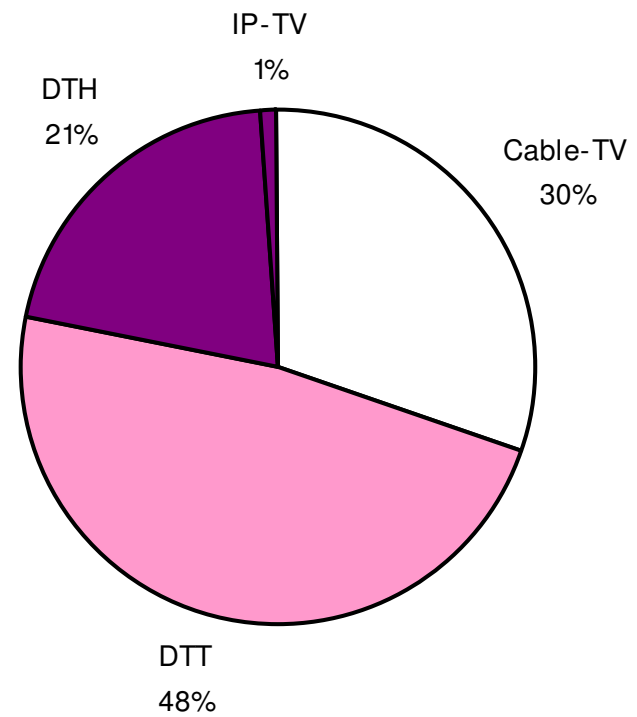


Before and after

-97,9% have at lease 1 TV set



6 months before SO

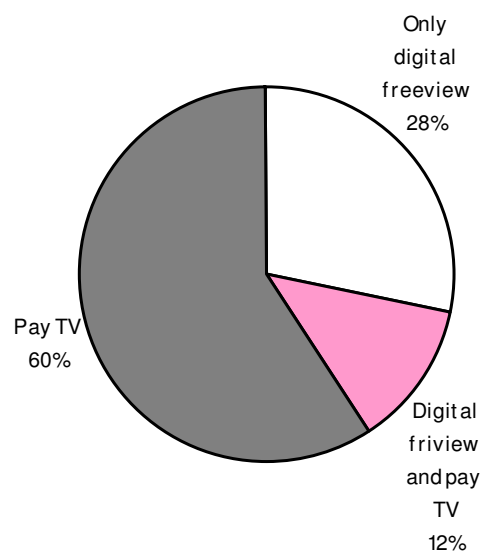


June 2006

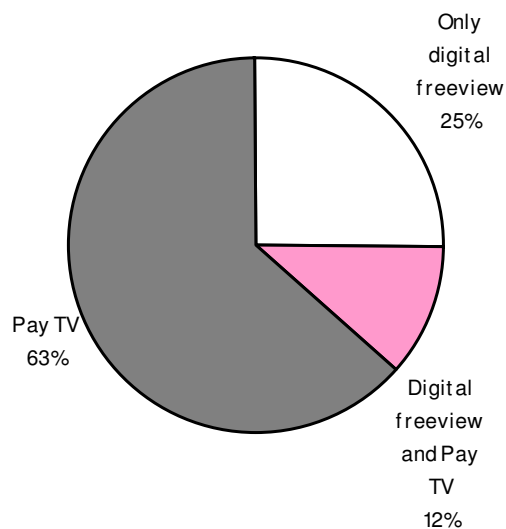
Households receiving tv on several platforms are counted double; after which the shares are summed up to 100 %.

Choice of freeview or pay TV

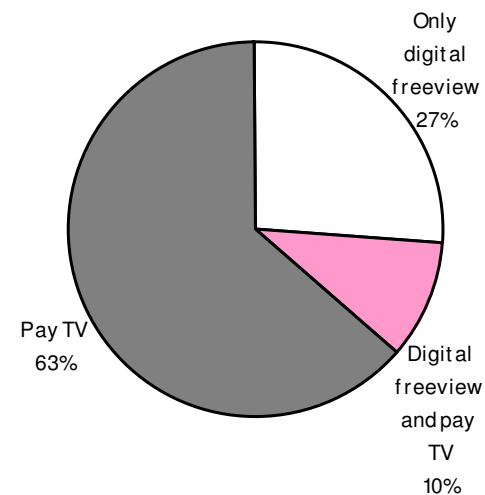
-Out of households with at least one tv receiving over the terrestrial network



Norrköping



Uppsala/Västerås



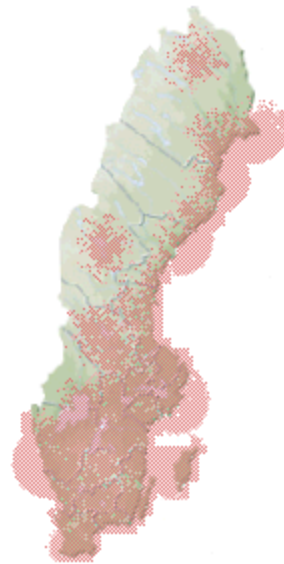
Dalarna

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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