Access devices

Convened by Johanna Plante, Member ACMA with Tom Loncar, Director, Eureka Strategic Research, Ross Henderson, Director, Panasonic and Jason Romney, Barrister, itv|world.

Johanna Plante examined the sometimes surprising ways consumers discover possibilities and uses for devices and the technologies that lie behind them. The rate at which consumers take up various devices and technologies is classically described by an 'adoption curve', and the stages are innovators, early adopters, early majority, late majority and laggards.

Usually the progress of a consumer device along the adoption curve is a matter of keen commercial interest, but less a matter of public policy; exceptions include the telephone and television. We are in the midst of a transition with digital television, there is no turning back and we have to get 100 per cent or very close to it of the Australian population tuned in to digital. That means all the 'laggards'!

Tom Loncar presented the results of the research, *Digital Media in Australian Homes*, which ACMA (as the ABA) commissioned.

While the focus of the research was on digital terrestrial television broadcasting (DTTB), Mr Loncar also covered findings on community adoption of digital media generally. The research examines community perceptions of digital media, the type of digital media platforms being used in homes, and the drivers and inhibitors to the adoption of digital free-to-air television.

Key findings from the research are that 13 per cent of Australian households have adopted digital free-to-air television since its introduction in January 2001 and 86 per cent of adopters are satisfied with the technology, mostly because of the improved picture and reception.

Ross Henderson observed that, from the supplier perspective, understanding DTTB take-up and consumer perceptions is very important so the ACMA research will be useful for future industry planning. While satisfaction was high among adopters, there was significant dissatisfaction with reception and picture issues, greater than with analog. It is important this is addressed so that it does not become a barrier to the transition.

It is important in building a compelling value proposition for consumers that all components in the value chain enrich the consumers' life. This will occur when the various technologies come together to meet demand, generating sales, turnover and, ultimately, profits. There are currently 50 set top box models and 12 integrated DTV models on the market, with a lot more coming next year. This is an industry investment in anticipation of a compelling value proposition for consumers in relation to DTTB, which has yet to fully evolve.

Hardware and content have to work together to drive take-up, and the hardware component has demonstrated its capacity to meet consumer needs for value, and brought cost-effective product to market.

Discussion of when digital set-top boxes with multimedia home platform (MHP) interactivity might be in store brought a chicken-and-egg comment: Could suppliers justify the expense in the absence of service to use the features? Mr Henderson reported that compliance testing of digital television equipment is under active consideration by supplier groups.

Jason Romney sees

JASON ROMNEY

discontinuities coming that will dwarf the confusions about DTTB reported in the ACMA research. He cited examples of content distribution models that will challenge the traditional media distribution model. Global broadband delivery is coming in under the traditional media radar and will offer consumers a new range of media consumption opportunities.

Gatekeepers with commercial traction will be the owners and managers of the networks. Intelligence continues to reside in the networks and demands for authentication and encryption will reinforce this. The low hanging digital fruit has been plucked and is gone. The difficult task before industry is navigating intermingled services and content delivered to consumers on tiny mobile devices. The current confusion over DTTB is simply assisting to create a place into which all the new services and devices can sweep.

The research report, *Digital Media in Australian Homes*, is on the ACMA website, www. acma.gov.au (and go to ACMA > Publications > Radio & Television > Broadcasting > Research). For more detail on the research, go to page 24.

TOM LONCAR