

**Supply Chain Switchover Group. C/O DTG, 7 Old Lodge Place, St Margarets, Twickenham, TW1 1RQ, United Kingdom:**

**Response to the Governments Consultation Document on Core Receiver Requirements for Digital Television Reception products.**

**Background**

The manufacture, distribution and installation of television equipment in the UK is primarily the role of UK Manufacturers, Retailers and Aerial Installation Company's. It is because of the unique interdependence of these organisations that the Supply Chain Group was formed, to ensure consolidated supply chain input to the digital switchover process and provide a clear conduit for communication between the supply chain and other stakeholders.

The SCG membership includes representatives from Intellect, The Digital Television Group, The Confederation of the Aerial Industries and The Radio, Electrical and Television Retailers' Association. There is also direct representation from individual member companies, in particular manufacturers and large multiple retailers

**Introduction**

This response does not comment on specifications as we believe this would be best left to our colleagues at the Digital Television Group and Intellect, who are better equipped to comment effectively. The key concerns for the SCG, with regard to core receiver requirements, are in the areas of consumer features, value, benefits and choice.

Digital television has created a significant change in the quality and choice of formats and services available to the UK consumer. This has in turn created a far more complex television consumer market place, with the varying needs of more informed consumer sectors, from the Vulnerable Groups through to the Technophiles, buying reception and recording products that deliver a host of differing features from five channel free to view television reception through to fully interactive subscription television and recording services.

We share the view of Government that product availability should cater for all the differing needs of the UK consumer by offering the option of all the features and benefits that modern day digital television can provide.

## **Core Receiver Specifications**

Whilst we welcome the Government's initiative, to make more specifically featured products available to some of the vulnerable groups, we do not support the principle of making those features a "Best Practice" core specification for all products.

We would emphasise that if we are to achieve our penetration targets for switchover, it is important for the consumer to believe that product quality and performance can be achieved by the majority of products they purchase. Whether products are basically or highly featured, it is important that we do not, inadvertently, create a scenario where low priced, limited feature products are considered inferior.

## **Change of use of the LOGO**

With regard to the suggestion that the Digital Tick Logo should be restricted to core specification products only, we would also advise against modifying the Digital Logo scheme such that it becomes an identification mark of the higher specified or high featured products at the expense of others. We believe this would confuse.

At a recent meeting of the SCG, it was agreed we should include in this response a statement requesting stability of the LOGO and consistency along the lines of the Digital UK strategy agreed last year.

This strategy stated that the Logo needs to be structured to achieve three key consumer communication interface objectives.

Firstly, the need to provide an "Umbrella" switchover identity for all Industry, Government and Broadcaster communications to the consumer regarding Digital Switchover. All members at the meeting agreed that the "Get Set for Digital" Logo has achieved this very well to date.

The strategy then focussed on the need to provide a "Fit for Purpose" identity for all digital reception products, which, as far as terrestrial products are concerned, should be based on the D Book technical specifications as published by the DTG.

Thirdly, and finally, the strategy indicated that the Logo needs to provide an identity for sales advisers who have been trained on the key issues regarding switchover and are able to advise the consumer on all matters regarding switchover.

## **Conformance Testing**

We are assured by the Digital Television Group (DTG) that they will enhance their testing specifications and test suites in line with any development of the D-Book.

We therefore recommend that going forward the basic technical requirements for any terrestrial products should be that they pass the DTG conformance

regime. It should be noted that with effect from the 1<sup>st</sup> of September the DTG test centre and test suites only test to MHEG 5 version 106 and not 105 which ceased at the end of August 2006.

### **Key Feature availability**

Today the majority of the ease of use, subtitle, audio description and interactive features available are being structured into the subscription satellite and cable television receiver offerings. They are also being planned for many of the new generation integrated television products. But, it is fair to say that from the terrestrial receiver view point, where products are sold to free to view customers, the higher specification features are not so widely available as the products are sold primarily on a price point basis. In fact, the prime driver of terrestrial receivers, to date, has been price, though this is changing rapidly with the growing demand for integrated products.

In general terms we believe that the quality and choice of product introductions planned for delivery into the market over the next 9 months, which will include IDTV's and integrated recording devices, will play a major role in widening the range of features and benefits available to retailers. We are therefore positive that over the coming months more and more sophistication will be available from our ranges at the retail point of sale.

It should be noted that whilst all retailers represented by the Supply Chain Group are committed to widening their ranges to accommodate more of the proposed core features in their product ranges, commercially, they might find it difficult to maintain them in their ranges if demand remains low and they do not sell through.

### **Supply Chain Consultation.**

The SCG is supportive of the Government's initiative to assist vulnerable groups through switchover but to do so effectively it is vital that supply chain drivers and timescales, as well as the reality of the current market, are clearly understood and factored into planning at the earliest stage. This will ensure that any actions are grounded in commercial reality and that all those who are impacted are involved and are given the chance to help bring about a successful outcome.

### **Communications**

**With switchover due to start within the next eighteen months for certain areas of the country, we strongly advise that a consistent message is delivered and that changes in strategy for any element of consumer facing communications is kept to a minimal level.**

pp Danny Churchill

pp Laurence Harrison

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