

**Drive to Digital Radio conference – 18 October 2011**  
**Paul Everitt, Chief Executive, SMMT**

Good afternoon. It is always a challenge presenting later in the day. Whilst doing the rounds at the main political conferences, the lesson I've learnt is that by this time all the things that could have been said have been said, but not necessarily by all the people who want to say them.

So I will try and keep my remarks reasonably brief and I apologise if some of them sound familiar.

The UK motor industry is committed to supporting the take-up of digital radio. When the topic was first raised we identified three conditions that needed to be fulfilled before digital had mass market appeal.

- There needed to be a step change in network coverage.
- A step change in availability of digital only content.
- There needed to be mass market retro-fit options for the existing stock of vehicles.

I am delighted to say we have and are seeing significant progress in all these areas. And they are helping to increase consumer awareness and interest in digital radio.

This is reflected in the demand from new car buyers. There has been a steady increase in the number of new cars that are available with a digital radio fitted as standard or available as an option.

In September 2010, just over 5% of new cars had digital as standard. By September this year the proportion had increased to 18% - still a long way from our target of having all new cars available with digital radio by the end of 2013, but good progress.

The bigger challenge and commercial opportunity are the 31 million vehicles already on our roads, which will require some aftersales adaptation or retro-fit to receive digital radio.

We can identify three broad categories of product:

- Something you plug into your vehicle as a wholly separate piece of kit.
- Something that fits unobtrusively into your vehicle and utilises some elements of your existing audio system.
- Something that fits seamlessly into your car and provides full functionality within your existing audio system.

We have active competition and new products in the first category. We expect to see products in the second category available in the next six to 12 months and I am hopeful that the third category will begin to emerge.

These different options will appeal to different segments of the market. The rate of development and availability will depend on the strength of consumer demand.

#### The Consumer

The main thing I wanted to address today is the consumer journey. To me the demand for digital radio will be driven by the positive experience of consumers. The only thing that could potentially de-rail is if we fail to offer consumers the advice, support and service they need and expect.

There are three elements to the consumer experience:

- The equipment that is fitted to the vehicle.
- The person who undertakes the work.
- The business that provides the service to the consumer.

I am delighted that Ed Vaizey MP has asked for the preparatory work on the establishment of a digital accreditation mark to be progressed so it could be launched before the end of 2012.

It is important that consumers have official guidance and confirmation that the products they will be buying will work through any digital switchover.

For motor vehicles it is essential that any technicians undertaking work on a car have an appropriate level of knowledge and expertise. This is particularly important if the equipment is invasive and taps into the car's existing system.

Cars are complex products with a wide range of security, safety and environmental systems operating in them. So it is important, not only that the digital radio performance is optimised, but these other systems are not compromised.

But even with some of the more straightforward plug and play products, safe installation is essential.

I am pleased to report that good progress is being made on determining the skills required and will have an accredited installer system up and running by the time of the launch of the digital tick.

Finally, the business that offers the equipment and the installation needs to demonstrate it will provide consumers with an excellent service and the reassurance that if something goes wrong they will be treated fairly.

Sadly the motor industry has not always delivered a consistently high quality experience for consumers, but in preparing for any potential switchover we need to do all we can to reassure consumers.

SMMT, its members and organisations from across the sector have developed consumer codes of practice, supported by Government and endorsed by the Office of Fair Trading and the Trading Standards Institute, to help address any shortcomings.

As a consequence, we have seen a steady improvement in the service offered to consumers and a significant reduction in complaints and concerns. It is important that the deployment of digital radio to the existing vehicle parc is carefully managed and is not an opportunity for unscrupulous operators to take advantage of consumer uncertainty.

The development and growth of digital radio will offer motorists greater choice and a high quality listening experience and there is no doubt that significant progress has been made.

There remains a lot of work to do, but I feel confident we are putting in place the infrastructure and quality assurance that will help guarantee the consumer enjoys a great experience.