

DIGITAL MIGRATION KEEPS CLEAR CHANNEL FOR RADIO INDUSTRY PROGRESS



INTERVIEW: MIKE ATKINS

Despite spending constraints hitting the public sector and enterprises across Europe, the migration to digital radio, along with the recognition that radio systems can deliver efficiencies, is keeping the market buoyant, Mike Atkins, MD of Kenwood Europe, tells George Malim

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MANY European nations are suffering public sector budget cuts in the aftermath of the recession which, coupled with the continuing imperative to reduce spending in private companies, has all the ingredients necessary for a bad news story for the radio industry.

However, there are two factors that mean the industry is holding station rather than facing a slump. 'On the surface market conditions would seem to be very bad for our business,' explains Atkins. 'But the business we're in is providing efficiency systems. Our products are designed to cut costs by delivering efficiencies so focus on that

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Digital radio Migration from analogue to digital is boosting sales, despite recession

can be good for our business.'

Atkins gives the example of remote monitoring over radio. One Kenwood customer used to have an employee travel round a variety of sites to check on water levels but that is now done remotely via radio with obvious operational cost savings.

'There is now more emphasis on the cost of operations. There aren't many huge new customers for two-way radio because in Western Europe if you need radio you already have it,' he adds.

'Of course, that doesn't stop us trying to find new markets, and as equipment has become smaller and easier to wear covertly, new markets are emerging. For instance, security doormen at bars and clubs are now routinely wearing radio and shop staff are doing the same during peak periods. That isn't a market for huge organisations but is composed of lots and lots of small customers,' says Atkins.

Another source of growth, even in recession, is the migration from analogue to digital radio. Atkins says that the move to digital is enabling a range of efficiency solutions as well as much higher quality voice and ease of use. 'In general we've been

pleasantly surprised considering the economic situation at the speed that users want to migrate to digital,' he says. 'The reasons for this are that the clarity of voice is superb compared to analogue and the range [of equipment and network infrastructure] is improved, so cost can be reduced because less infrastructure is required.'

Many had expected there to be confusion in the market regarding the benefits of digital radio and the existence of multiple types of digital proposition. Atkins says it has been a far more straightforward sell than he expected as he feared there would be a reluctance to invest in new technology given the business climate.

'There are many benefits but we thought digital would be quite a difficult sell in the current environment,' he says. 'A lot of our users view radio as simply a tool and are not technology experts, but the benefits have been picked up on very quickly and migration has been faster than I expected.'

However, the split in digital radio technologies muddies the waters for customers. Atkins is keen to clear that up and, in contrast to some vendors, sees room for multiple types of digital radio.

'There are two or three types [of digital radio] now available and all have benefits depending on the type of deployment involved,' he adds. 'Certain sectors of the radio industry say there should be only one technology but we don't engage in that debate. There is some confusion as a result but we think choice is a good thing.'

Atkins won't be drawn into arguments regarding the relative merits of DMR or DPMR. 'Some companies want to make an argument about technology but I do genuinely feel the systems operate quite differently and there is room for both a Mercedes and a Ford in the market,' he explains. 'We're not campaigning for one technology because we want to give choice.'

That's not to say Kenwood doesn't have a technical agenda. The company is pushing its offering that uses the 6.25MHz channel which Atkins claims enables double the efficiencies, in terms of capacity, of other channels. 'We'd like licensing authorities to be sympathetic to the 6.25MHz channel and the benefits it gives,' he adds.

Another factor providing a lift to

the radio sector is that radio is now about far more than just voice. Data and images are now becoming widely used and Kenwood, which merged with JVC in Europe two years ago to address this market, has launched its first jointly developed solution, a wireless image transfer application.

'Monitoring [via radio] can now be done by sending not just data but images as well,' says Atkins. 'It's a fantastic step forward and in the mobile phone world image use has become widespread so we want to step into that. Capabilities such as enhanced data mean that more information can be passed and software can be written to take advantage of that. It is not going to be an explosive thing - developments will be step by step but critical to the end user.'

However, continued research and development has its challenges. 'Our research and development resource is substantial but the major opportunity is for applications companies,' says Atkins. 'We are strongly growing and working with more and more local application partners because they understand the markets they operate in. We're putting more and more effort into those relationships so we can enhance the offering.'

Budget isn't the problem. 'At the moment we're constrained not by budget but by the availability of engineers,' he adds. 'We haven't grown as we would like but we haven't gone backwards so we still have great resources. We have permanent vacancies for research and development engineers which is another reason why we engage with other application developers.'

Atkins sees the current radio market dynamics as unusual yet packed with promise. 'We're in this strange situation,' he explains. 'There is undeniably a depressed economic situation but because of digital migration there are so many opportunities starting, which means we're on an even keel. It is very exciting for the future.'

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