

## HD Radio hits airwaves, but few tuning in

*by Jonathan Sidener*

Consumers still grappling with digital transitions in television, music and photography have yet another digital turn in the road ahead - HD Radio.

The new format - with improved sound quality for AM and FM broadcasts - is emerging on the airwaves across the country. Unlike the recent innovation of satellite radio, HD Radio programming is free to listeners.

For consumers willing to buy new digital radios, it means more programs to choose from.

The format's compact digital signal allows broadcasters to add one or two "side channels" to their primary programs. For example, in San Diego, KPBS-FM now offers news and music programming on 89.5 and an eclectic mix called "Groove Salad" on its secondary channel, 89.5-2.

HD RADIO - About 1,000 radio stations in the U.S. broadcast HD programming. CNS Photo.  
But while people are starting to hear of HD Radio, thanks to an aggressive marketing campaign, few have actually heard it.

Chris Carmichael of Oceanside, Calif., is one of the few. He has it. He loves what he has heard - with some caveats. And he wants to know when more programming will be available.

With a JVC HD Radio receiver installed in the dashboard of his Suzuki, Carmichael can tune in programs that most San Diego radios miss. In addition to "Groove Salad," he can listen to another FM radio station's popular morning show in the afternoon if he prefers. It is an all-day rebroadcast on the that station's side channel.

Carmichael, a radio enthusiast and Web master for SDRadio.net, paid \$135 for his radio. He is enamored with HD Radio's prospects but frustrated with the quality and quantity of content so far.

"When it's on target, it's beautiful," Carmichael said. "There's talk of a lot of programming."

Unfortunately, that's mostly still talk, he said. The majority of HD content in San Diego so far is simultaneous digital broadcast of stations' analog programming, without commercials.

"It has a lot of potential," Carmichael said, casting HD Radio's prospects in "Field of Dreams" terms. "'Build it and they will come.'"

#### LITTLE INCENTIVE TO BUY

The name HD Radio is an obvious nod to high-definition television, or HDTV. But in the radio format, the HD doesn't stand for anything. It's simply a trademark of iBiquity Digital Corp., the consortium of broadcasters and manufacturers that developed and own the rights to the format.

Digital radio signals co-exist with current analog transmissions. Unlike the digital transition in televisions, there are no plans to phase out analog broadcasts, so today's radios will continue to work.

Without a wealth of programming available, however, consumers have little incentive to buy a digital radio.

Without a sea of HD Radios capable of receiving the programming, stations have little incentive to complete costly upgrades to broadcast equipment. It has become what is called "the chicken and egg dilemma."

To try to get past that, members of the HD Radio Alliance - a group of companies promoting the format - are initially broadcasting programming without commercials, at least until the end of the year. But the lack of revenue for digital radio has increased broadcasters' hesitancy to invest in new content for side channels.

Traditional radio is facing competition from satellite radio, Internet radio and recorded broadcasts, called podcasts because they can be played on iPods and other portable audio devices.

HD Radio was launched in January 2004 and touted as a technology that would revolutionize the airwaves.

To radio fans eager to experience the improved format, the revolution may seem more like the Hundred Years War than an overnight coup. Many areas have lagged behind cities such as Chicago, New York, Los Angeles and San Francisco.

Now, three years after its launch, HD Radio is showing signs of life:

- Last year, the number of U.S. stations broadcasting HD surpassed 1,000, with programming available in 85 of the top 100 markets.

- Formerly expensive and hard to find, digital radios have come down in price and increased in availability, both for cars and the home. There is also a portable model that connects to home and auto radios.

- Most major electronics retailers - including Wal-Mart, which introduced its first HD radio this month - carry one or more HD radios.

- BMW announced in January that it would offer HD Radios as an option in all of its models.

- Microsoft and radio giant Clear Channel have announced plans to create a nationwide data delivery service - MSN Direct HD - to send information, such as local traffic, weather and movie times or national sports and stocks, to the digital radios.

## SOUNDING GOOD

In addition to increasing the number of stations, HD Radio will improve the quality of the sound coming out of speakers. Broadcasters say that HD Radio will deliver fidelity comparable to CD audio on FM stations and make AM sound as good as today's analog FM.

Analog radio signals are susceptible to distortion on their journey through the airwaves. Most people can notice the difference in quality between music on an analog FM car radio and a car's CD player. This is because an analog radio produces approximations of the original signal, ranging from good to bad.

However, a digital signal has no middle ground. It is a series of zeroes and ones that are un-encoded by the radio and translated into audio. The digital radio either receives the signal and plays it fully, or it plays nothing.

## SALES EXPECTED TO GROW

Bridge Ratings, a Glendale, Calif., company that monitors radio audience trends, expects 1.5 million consumers to take the plunge to HD Radio this year. The company projects that sales will grow over the next few years, with about 12 million radio listeners making the switch in 2010.

The price of the digital radios is still too high for many consumers, according to Bridge. Holiday discounts to about \$99 weren't enough to sway a panel of consumers working with the radio research company.

While others argue that the switch to digital radio is about "chicken and eggs," radio industry analyst Mark Ramsey said a more appropriate aphorism might involve the number of eggs put in a single basket. Ramsey said radio stations may be pinning too many hopes on a technology he isn't sure people want.

HD Radio's features may amount to a solution that lacks a problem, Ramsey said.

The digital format will allow broadcasters to possibly add blues, classical or world-beat channels. But Ramsey questioned whether an increase in the number and diversity of channels solves anything for broadcasters. If there was a significant demand for blues, classical or world-beat programming, it would be offered on an existing analog station, he said.

On satellite radio services offering more than 100 channels, few people listen to the unconventional programs, Ramsey said.

"How many people are unhappy with the quality of their FM radios?" he said.

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