Montenegro
Agency for Electronic Media
No: 02 – 475
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MARKET REPORT

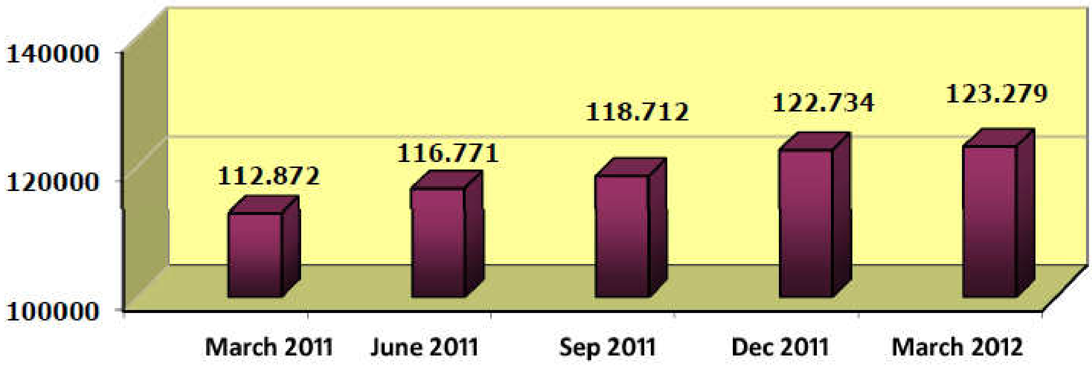
ON RADIO AND TV PROGRAMME DISTRIBUTION TO END USERS

- MARCH 2012 –

Pursuant to the licences awarded by the Agency for Electronic Media, the following seven operators have the right to distribute radio and TV programmes to the end users in the authorized service zone: four cable operators, and one MMDS, IPTV and DHT operator each.

As at 31 December 2011, the number of connections for the distribution of radio and TV programmes over different CDS/MMDS/DTH/IPTV platforms was **123,279.**

Compared to the number of connections at the end of December 2011, a positive trend in the development of the radio and TV programme distribution services is evident. Over a period of three months, the number of connections increased by 545 or **0.44%**.



Graph 1: Number of connections (CDS/MMDS/DTH/IPTV)

Presuming that all or most of the data related to the connections account for the users belonging to the category of households, on the basis of their cross-referencing with the number of households in Montenegro[1], one can get an estimate about the primary technology used by Montenegrin households for the reception of radio and TV programmes.

The conclusion is that **36.71%** of Montenegrin households use only terrestrial (analogue) i.e. free-to-air reception of radio and TV programmes. On the other hand, the remaining households, **63.29%** of them, have opted for one of the alternative platforms for distribution of radio and TV programmes.

[1] *The Census of 2011 – Source: Monstat „2011 Census of Population, Households and Dwellings in Montenegro"*

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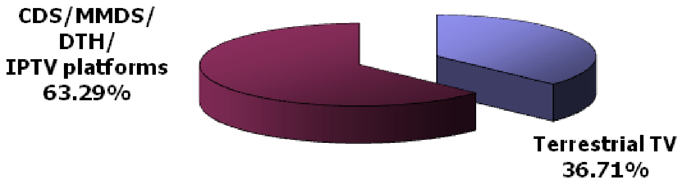
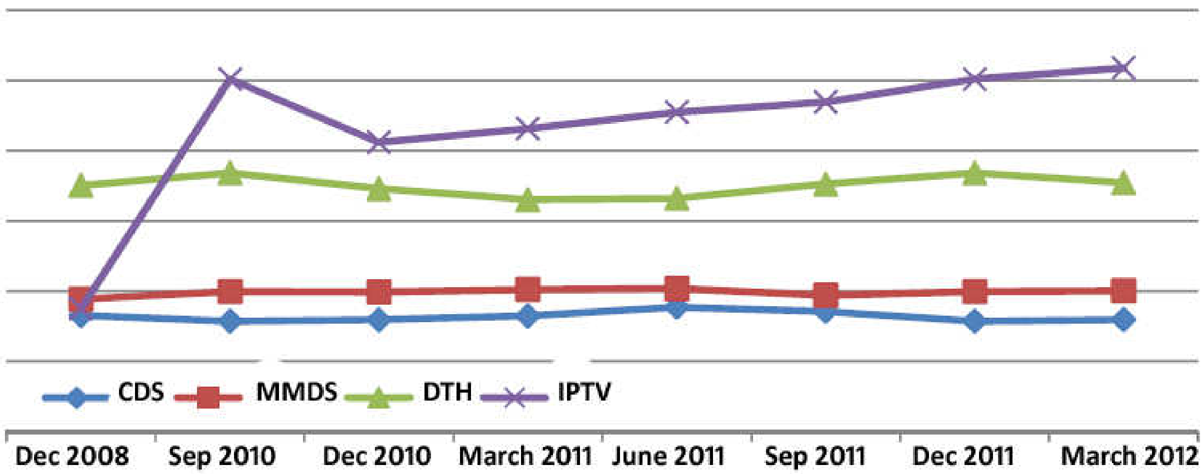


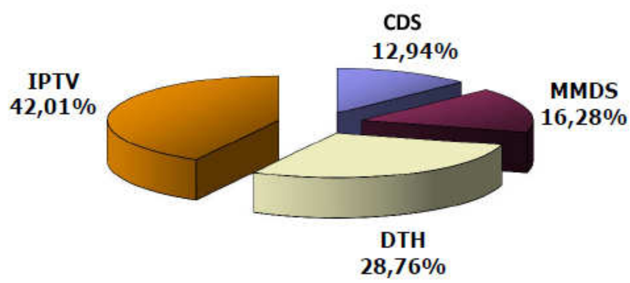
Graph 2: Household structure by primary platform for reception of radio and TV programmes

Although the reporting period saw a 0.44% increase at the market level, different platforms registered significant differences in market penetration. Cable, MMDS and IPTV operators saw an increase in the number of connections (cable 1.47%, MMDS 0.64%, and IPTV 3.15%), while DTH platform saw a decline in the number of connections (DTH -3.79%).



Graph 3: Trend of growth in the number of connections by platforms

With a 42.01% market share, the IPTV operator has kept its leading position in the market of radio and TV programme distribution services to the end users. It is followed by DTH distribution (28.76%), MMDS (16.28%) and CDS operators (12.94%). The individual market share of different platforms is as follows:

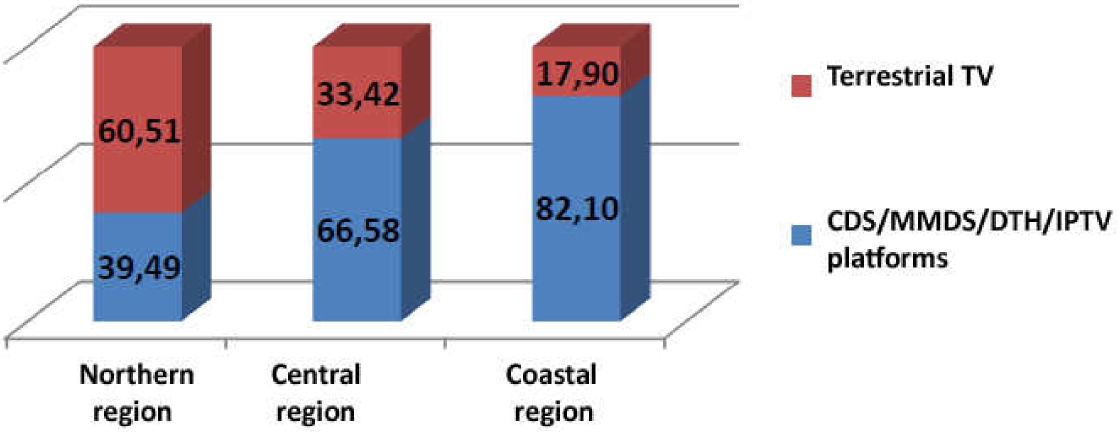


Graph 4: Market share of CDS/MMDS/DTH/IPTV platforms

A demand for radio and TV programme distribution service is different in the northern, central and coastal region[2] of Montenegro. In proportion to the number of households, the

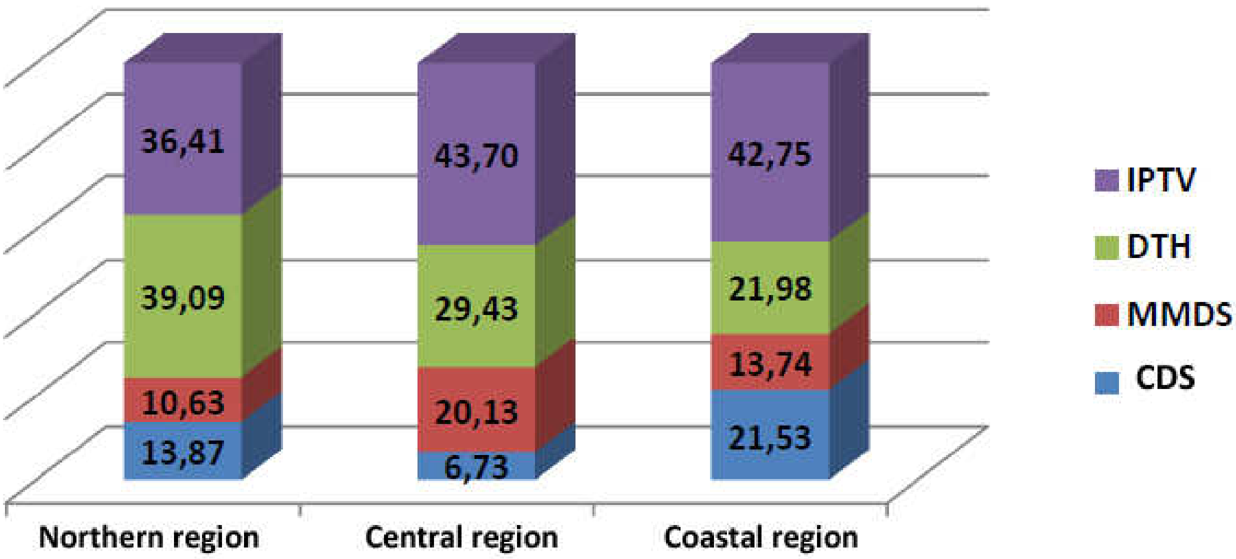
[2] *The Northern region: Andrijevica, Berane, B.Polje, Kolašin, Mojkovac, Plav, Pljevlja, Plužine, Rožaje, Šavnik Žabljak.*
The Central region: Cetinje, Danilovgrad, Nikšić, Podgorica.
The Coastal region: Bar, Budva, H.Novi, Kotor, Tivat, Ulcinj.

demand is highest in the coastal region, as much as 82.10%. It is followed by the central region with 66.58%, and northern region, where 39.49% of households use the services of operators. Considering the above data from the aspect of primary technology used by households in certain regions for reception of radio and TV programmes, a conclusion can be drawn that terrestrial (analogue) reception of radio and TV programmes still prevails in the northern region.



Graph 5: Structure of households by primary platform used for reception of radio and TV programs – by region

The market share statistics by regions for certain platforms is somewhat different than their overall market share:



Graph 6: Market share for CDS/MMDS/DTH/IPTV platforms – by region

In the reporting period, the average price of the basic tier was €9.28 (between €10.00 and €5.95). The basic tiers offer 61 TV channels on average (between 100 and 35). Five operators do not have any radio stations in their basic tiers, while the remaining two operators offer four and 13 radio stations respectively.

Three operators do not have any additional tiers in their offer, while the remaining four operators offer five additional tiers on average (between 7 and 4). An average price of the additional tier is €5.73 (between €21.50 and €2.50).

A demand for additional tiers is also different across the regions. Compared to the number of basic tier subscribers, the demand for additional tiers in the central and coastal region is 38.29% and 36.27% respectively, as opposed to 16.61% in the northern region.

According to the structure of additional tiers, film and sports channels have the highest share, followed by adult channels. The best selling additional tier on the territory of Montenegro is HBO (32.19% of the total number of additional tiers sold). It is followed by the ARENA sports tier (29.04%), and the PINK tiers (16.32%)

Taking into account the overall scope of the radio and TV programme distribution services provided to the end users, i.e. the total number of basic and additional tiers sold, a household using this service pays an average of €10.70 per month.

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