



# The International Communications Market 2010

## **5 Internet and web-based content**

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# 5.1 Key market developments in internet and web-based content

## 5.1.1 Industry metrics and summary

Figure 5.1 Internet and web-based content: key international statistics

	UK	FRA	GER	ITA	USA	CAN	JPN	AUS	ESP	NED	SWE	IRL	POL	BRA	RUS	IND	CHN
Online universe (m)*	39.1	44.9	44.9	25.7	195	n/a	59.5	14.6	25.0	n/a	n/a	n/a	n/a	39.3	n/a	n/a	n/a
Fixed broadband connections per 100 HH†	70	69	62	49	71	80	64	66	56	85	66	63	40	21	29	4	26
Cellular broadband connections per 100 HH†	16	7	3	16	30	20	19	27	11	7	29	13	9	n/a	n/a	n/a	n/a
Mobile-only broadband HH (%)‡	6	1	11	13	6	n/a	6	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Internet access via a mobile phone(%)‡	37	37	27	31	36	n/a	70	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

Source: IDATE / Industry Data / Ofcom, The Nielsen Company

\*The Nielsen Company, month of July 2010, home and work panel, applications included.

† IDATE / Industry Data / Ofcom, 2009.

‡ Ofcom international research, October 2010.

Note: Nielsen is investigating a decline in its internet use data around duration metrics and the potential impact of this on Unique Audience metrics. Consequently, until these investigations are concluded, Nielsen internet data for 2010 is likely to represent a lower bound and should be treated as indicative only.

This year in our UK *Communications Market Report*<sup>74</sup> we considered the development of the UK market for internet and web-based content separately for the first time. In this chapter, we extend that analysis to the countries of our *International Communications Market Report*.

Across the world, the growth in the availability and take-up of the internet has provided another platform over which a variety of content types can be delivered to consumers. Rapid take-up of broadband means that a majority of households in all 17 of our comparator countries other than BRIC (Brazil, Russia, India, China), Poland and Italy had home access to a fixed broadband connection by the end of 2009. And the recent growth of fast mobile data services in many areas provides yet another way for consumers to access content. For some people this holds out the prospect of consuming web-based content without needing a fixed internet connection.

The take-up of the internet has affected content consumption in two significant ways:

- it allows existing forms of content such as TV-like programming and radio to be consumed in new ways (for example, on demand or interactively); and
- it has allowed new, internet-only content types to emerge (such as mobile applications, social networking sites, blogs, and other user-generated content).

<sup>74</sup> <http://stakeholders.ofcom.org.uk/market-data-research/market-data/communications-market-reports/cmr10/>

But not everyone consumes web-based content to the same degree. An individual's engagement with this type of content is determined by a variety of personal preferences, social, demographic technological and economic factors. In the light of this, section 5.2 examines internet take up and use across our comparator countries, considering in particular:

- the different platforms and devices which people use to access the internet (including on PCs via fixed and mobile broadband, and on mobile phones - the 'pocket internet'); and
- the differences between audiences internationally (including gender and age splits and time spent online).

Section 5.2 also considers the breakdown of internet users internationally, the ways in which these people actually use the internet to consume web-based content, the devices on which they access content, the activities they undertake and the ways they navigate to this content online.

But first, we consider two important market developments that set the context for consumers' use of the internet across our comparator countries.

- **Smartphones and the pocket internet (section 5.1.2)** – the proportion of smartphone subscribers is highest in Italy (26 subscribers per 100 population). But Spain leads in terms of high-value smartphone subscribers, with seven subscribers per 100 population paying at least £35/€50 per month. The UK follows close behind with six subscribers per 100 population and the fastest growth in this group (61%) during the past year. (Page 208).
- **Web-based advertising (section 5.1.3)** – At £57, the UK is spending more per capita per annum on internet advertising than any other country in this report. The UK is also shopping more online than any other European country – an estimated average of £1,031 per person per annum is spent online compared to the next highest, Germany, at £588. (Page 213).

### 5.1.2 Smartphones and the pocket internet

#### Smartphones have brought the pocket internet into the mainstream

Web access through mobile phones has been a common feature of handsets for some time, initially through 2G (offering relatively low data speeds), and latterly over higher-speed 3G and 3G+ networks. But the recent emergence of smartphones has had a significant impact on the way that some consumers use the mobile web.<sup>75</sup> Unlike the previous generation of phones able to access the internet (often called 'feature phones'), smartphones commonly offer a much more fully converged internet and mobile phone experience and promise to turn the notion of the 'pocket internet' into a reality. We consider that there are a number of reasons why smartphones have grown in prominence and popularity recently, including:

- the launch of a new generation of highly popular and easy to use handsets from manufacturers such as HTC, Apple, RIM and Samsung;

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<sup>75</sup> Although there is no generally agreed definition of a smartphone, the use of an advanced operating system that facilitates the development and installation of third party applications is commonly accepted as differentiating smartphones from 'feature' phones. In most cases, smartphones have other characteristics such as a large colour screen, a touchscreen or full QWERTY keyboard, access to fast internet through WiFi or 3G connection, and large memory storage.

- technological developments in handset capability – increased processing power, high-quality capacitive touchscreens, improved camera quality and large internal memory have all increased the attractiveness of handsets. For example, processing speeds of 1GHz are available on some handsets, as are high-resolution screens and cameras up to 12 megapixels;
- Flat-rate data plans that make it easier to understand how much mobile internet access costs; and
- operating systems that allow users to customise their phones by installing third-party applications and other software. A number of new smartphone operating systems have been launched in recent years including Android (controlled by Google), Bada (Samsung) and Windows Phone 7 (Microsoft). These have joined more established platforms from Apple (iOS), Nokia (Symbian) and RIM (Blackberry OS). All major operating systems have associated applications stores from which users can download applications to customise their phones, and a number of independent stores exist too.

### **Take-up of advanced mobile phones is high across our comparator countries**

Measuring the take-up of smartphones is not easy. Not only is there no agreed definition of a smartphone, but consumers are often unsure whether their handset is ‘smart’ or not. To get around this we asked a question about handset functionality in our international survey of our six main comparator countries. Since one of the key differentiators of smartphones is the ability to easily perform advanced functions, we asked online consumers in these countries whether they owned and used a phone that allowed them to easily perform three such web functions (email, web browsing and downloading applications) (Figure 5.2 below).

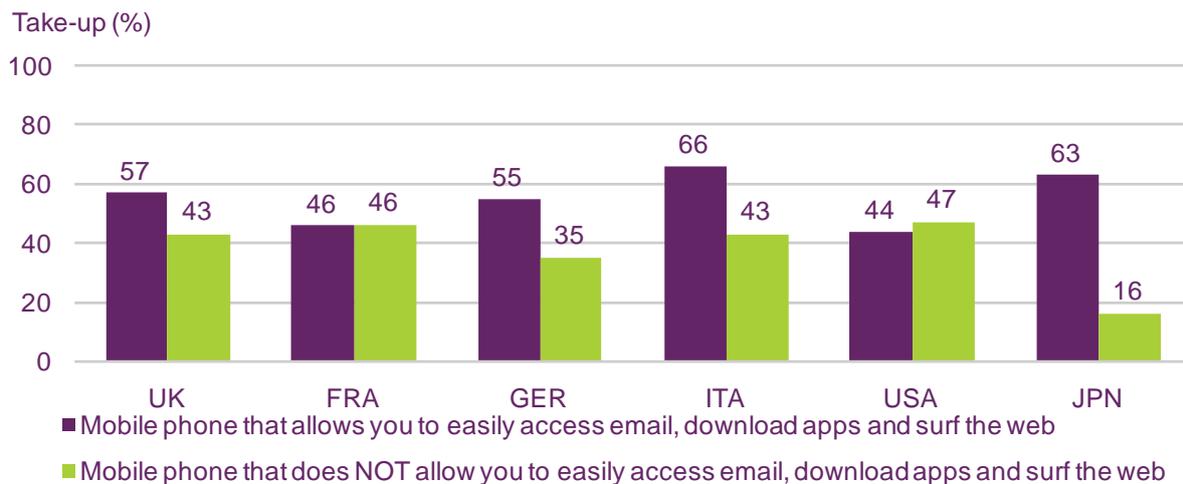
Our survey found that across our comparator countries claimed take-up of phones with advanced functionality was highest in Italy (66% of internet users), followed closely by Japan (63% of internet users). Claimed take-up of phones with advanced functionality was lowest in France (46%) and the US (44%).

High take-up of advanced mobile phones in Italy and Japan is likely to be related to high levels of 3G take-up and availability in these countries. It is also noteworthy that internet users in both countries claimed relatively low use of PCs to access the internet, although in Italy laptop use is high (see Figure 5.23). Historically Japan has had high mobile internet use – consumers in Japan made high use of the mobile internet even on 2G networks, and in 1999 Japan’s largest operator NTT DoCoMo launched i-mode, a 2G/3G internet platform, and by 2004 had attracted 40 million subscribers.

Across all six countries surveyed, claimed take-up of phones with advanced functionality was at a similar level to, or significantly higher than, claimed take-up of more basic phones. The widest disparity between take-up of advanced and basic phones was in Japan (63% vs. 16%). This reflects the early launch and rapid take-up of 3G and mobile internet services (and in particular email).

However, while these results provide an indication of the levels and relative differences in take-up of advanced mobile phones across our comparator countries, it is likely that they significantly overstate levels of actual smartphone take-up. This is likely to be due to consumer confusion over the capabilities of their phone, and the fact that our survey was an online sample, which may have a skew towards early adopters of advanced mobile phones.

**Figure 5.2 Mobile phone take-up by functionality**



Source: Ofcom consumer research, October 2010.

Base: All adults aged 18+ who use the internet (UK=1016, France=1017, Germany=1014, Italy=1002, USA=1017, Japan=1001).

Q4. Which of the following devices do you own and personally use?

**Overall, Italy has the highest number of smartphone subscribers...**

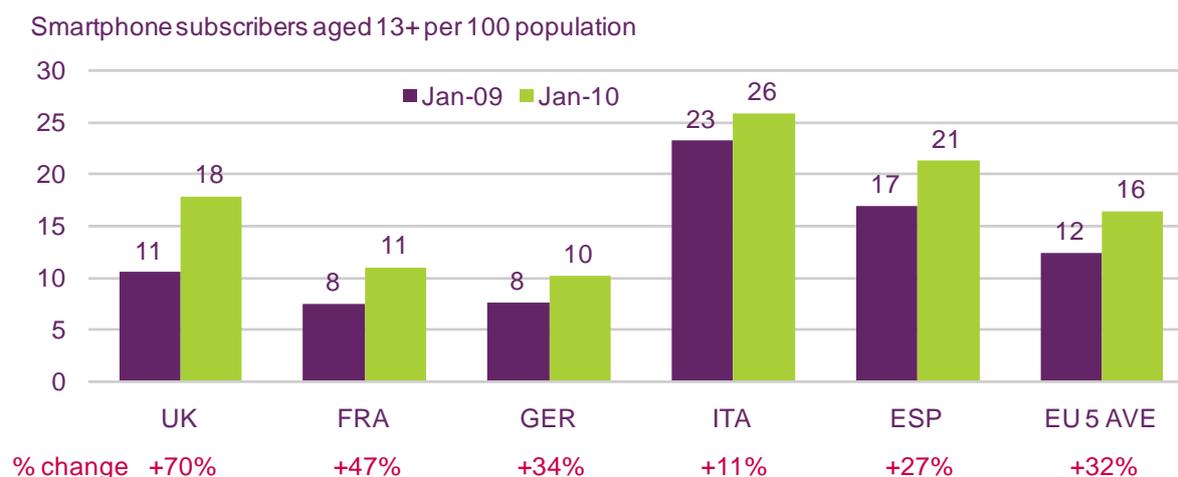
ComScore's *MobiLens* survey provides an alternative and more specific measure of smartphone take-up across several main European markets. These data show that across five major European markets Italy had the highest proportion of smartphone subscribers aged 13+ (26 subscribers per 100 population) in January 2010. Spain (21 subs per 100 pop) and the UK (18 subs per 100 pop) had the next highest proportion of subscribers.<sup>76</sup> The high take-up of smartphones in Italy is likely to relate to the widespread adoption and availability of 3G services and large numbers of Nokia handsets installed with the Symbian operating system, which have been available since the beginning of the decade.

All five European markets have seen significant growth in numbers of smartphone subscribers since January 2009. Growth was highest in the UK, which saw subscriber numbers jump by 70% between January 2009 and January 2010. Perhaps because Italy already had a relatively high number of smartphone subscribers in 2009, it experienced the lowest growth over the past year (11%).

A number of factors are likely to lie behind the growth in smartphone subscribers across Europe. These include the European launch of the iPhone 3GS in 2009, the emergence of an increasing number of handsets running the Android operating system, and the early signs of more and more mass market smartphones becoming available, in addition to high-end premium products.

<sup>76</sup> In our *UK Communications Market Report* we included a figure of 26.5% for UK smartphone penetration in May 2010. This is not directly comparable to the data in Figure 5.3 as it reflects penetration rather than subscribers aged 13+ per 100 population, and is taken from May 2010 rather than January 2010.

**Figure 5.3 Smartphone subscribers: January 2009 vs. January 2010**



Source: comScore MobiLens / Ofcom calculations. Age 13+.

Note: Subscriber numbers based on 3-month average ending Jan 2010 vs. 3 month average ending Jan 2009. Population based on year-end figures for 2008 and 2009. EU 5 = UK, FRA, GER, ITA, ESP.

### ...although Spain and the UK lead in terms of high-value subscribers

But the absolute numbers of smartphone subscribers in each market only tell part of the story. In many countries (although not Italy) smartphones are typically provided with monthly contracts which help to subsidise the higher costs of these handsets (although typically handsets are available for purchase and use by pre-pay customers too). By looking at the breakdown of monthly subscription fees by payment tier we can make certain inferences about the type of handsets that consumers use and how they use them.

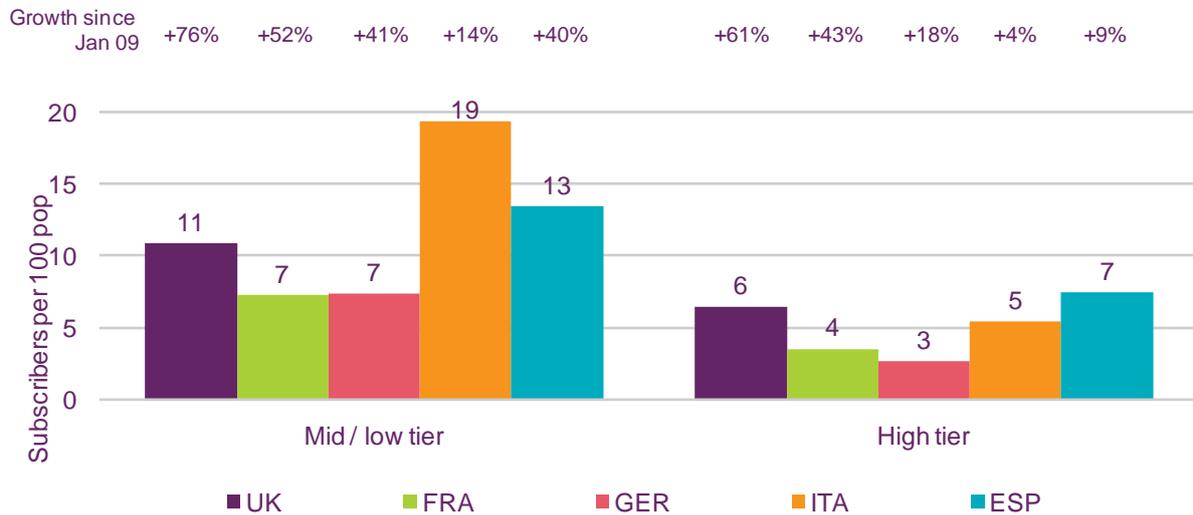
Comscore distinguishes between high-tier smartphone subscribers paying more than £35 monthly in the UK and €50 in the rest of Europe, and mid/low-tier subscribers paying less than this. High-tier subscribers are more likely to use high end and premium handsets such as the iPhone, HTC Desire or Blackberry Torch 9800, as these handsets require higher cost subscriptions to subsidise them. High-tier subscriptions are also more likely to include more bundled minutes and data, suggesting that subscribers to these plans may use their phones more intensively.

The data show that Spain had the highest proportion of high-tier smartphone subscribers, with seven high-tier subscribers per 100 population (Figure 5.4). The UK followed closely behind, with six high-tier subscribers per 100 population. But while Spain experienced sluggish growth in this tier during 2009 (9%), the UK experienced the fastest growth in high-tier subscribers of any of the five European markets for which data are available during the same period (61%). This was significantly faster than any other country, although France (43%) also saw rapid growth.

By contrast, in Italy (which has the highest proportion of smartphone subscribers overall), the split between high-tier and mid/low-tier subscribers is much more heavily in favour of mid/low-tier subscribers (19 per 100 population, compared to five per 100 population). This suggests that mid-market smartphones are much more popular in Italy than they are in the UK. And this trend appears to be growing. While high-tier and mid/low-tier smartphone subscribers grew by similar amounts in the UK during the past year (61% and 76% respectively), mid/low-tier subscribers grew much more rapidly than high-tier subscribers in Italy (14% vs. 9%).

Our work on international pricing comparisons (see section 2) suggests that mobile pricing is relatively cheap in both the UK and Italy, and so pricing differences are unlikely to explain the variations in payment tier subscriptions. It is more likely that these are explained by local market structures (in particular the split between pre-pay and post-pay) and handset preferences.

**Figure 5.4 Smartphone subscribers by payment tier, Jan 2010**



Source: comScore MobiLens / Ofcom calculations. Age 13+.

Note: Subscriber numbers based on 3 month average ending Jan 2010 vs. 3 month average ending Jan 2009. Population based on year-end figures for 2008 and 2009. High-tier pricing model includes smartphones with monthly subscription fees of over £35 in UK and over €50 in France, Germany, Spain and Italy. Totals do not necessarily match those in Figure 1.3 as some respondents do not disclose tariff information.

### Mobile operating systems (OS)

The mobile OS space used to be dominated by proprietary OS, generally developed in-house by handset vendors. But as operators' walled gardens were forced to open up, the rising popularity of mobile content opened up new opportunities for outsiders. Microsoft, Apple and Google jumped at the opportunity with their own ideas about how a smartphone OS should look. At the same time established players such as Nokia, RIM and Palm have been stepping up their efforts to maintain their market positions.

Today the main competitors in the smartphone OS space include Android, Apple iOS, Symbian and Blackberry OS. Microsoft recently launched Windows Phone 7 OS in an effort to re-invent its mobile brand after Windows Mobile devices struggled to gain large market share.

A key success factor for smartphone OS is the buy-in from developer communities. As third-party applications can significantly enhance the functionality of smartphones, more and higher-quality applications can attract consumers to one platform or another. The increasing openness of smartphone OS, and attractive revenue sharing terms, helps unleash the developer community's creativity and allows them to develop more appealing and useful applications to attract consumers.

In general, new-generation mobile OS present an intuitive user interface that relies primarily on a touchscreen interface, combined with easy access to frequently used applications and services via front-screen applets. Online content is readily available and there is usually a high degree of integration with online services such as social networking, mapping, weather and email.

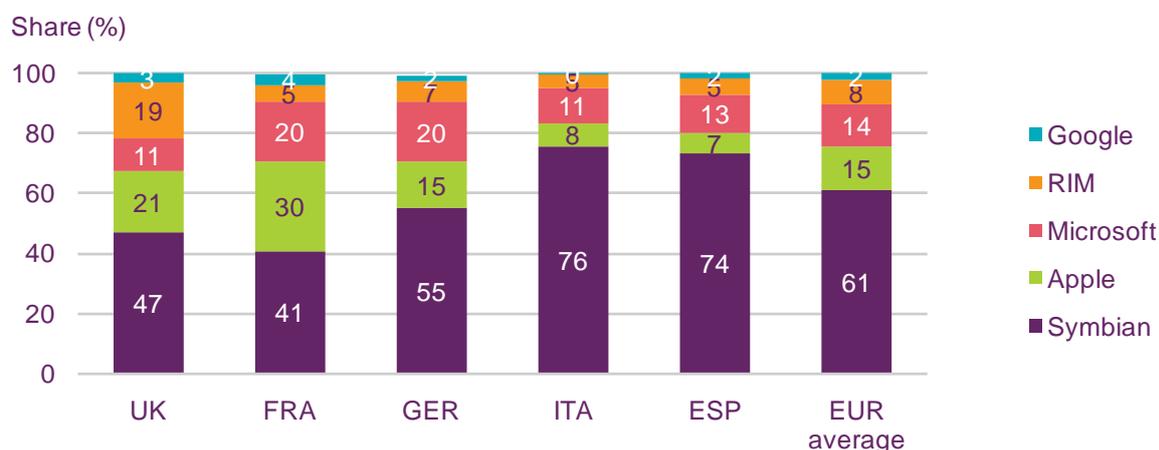
## In the UK and France the OS ecosystem is more mixed than elsewhere

Differences in payment tier are also partly reflected in the mobile operating ecosystems of the major European mobile markets. There are large differences in the market shares of the major mobile operating systems from country to country (Figure 5.5). Across the five European countries that comScore surveyed Symbian has the largest market share. But its share ranges from just four in ten subscribers (41%) in France to three-quarters in Italy (76%) and Spain (74%). Symbian's large market share is likely to be due in part to the popularity of mid-range Nokia smartphones (which are often based on the Symbian platform). France and the UK are the only markets where Symbian had a market share below 50% in 2009.

Part of this appears to reflect the much greater penetration of Apple's iOS operating system in the UK (21%) and France (30%), which is likely to be at least in part due to the fact that the iPhone launched earlier in the UK, France and Germany than in Spain and Italy. The high share for Apple in France may be due to the ruling by French competition authorities in December 2008 that the exclusive deal between Orange and Apple was illegal, and that the iPhone should be made available on other networks, potentially providing consumers in France with more choice at an earlier stage than consumers in other countries. It is notable too that in the UK the RIM/Blackberry smartphone platform has almost three times the market share (19%) as it does in the other countries.

The market shares of the major smartphone platforms are likely to change in the future as smartphone take-up increases, the rivalry between platforms intensifies, smartphone prices fall and new players emerge and develop. In particular Android's market share is likely to have increased significantly in some markets during 2010 due to the launch of a large number of new Android handsets from manufacturers such as HTC, Samsung, Huawei, ZTE and Sony Ericsson. The launch of Microsoft's revamped Windows Phone 7 platform in late 2010 may well also have an impact on Microsoft's market share.

**Figure 5.5 Smartphone subscribers by operating system, Jan 2010**



Source: comScore MobiLens. Age 13+.

Note: Shares based on 3-month average ending Jan 2010. EUR average = average across UK, FRA, GER, ITA, ESP.

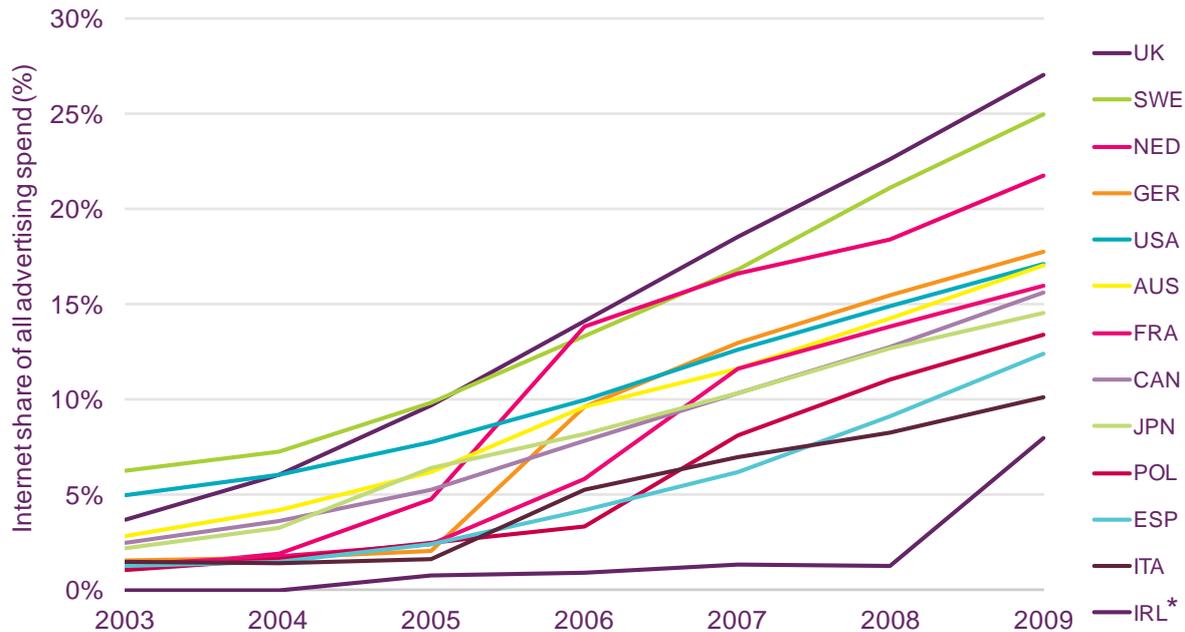
### 5.1.3 Web-based advertising

#### Introduction

Since 2004 the proportion of all advertising spend allocated to internet campaigns has steadily grown (Figure 5.6). According to Warc figures, the UK has been at the forefront of

this trend, demonstrating the greatest and most consistent growth over the period, closely followed by Sweden and the Netherlands, which has the highest home broadband take-up of any country in this report (see Figure 5.14). Internet advertising spend as a proportion of all advertising spend runs broadly in line with home broadband take-up. The exceptions are the UK at one end of the scale and Ireland at the other, which has broadband take-up comparable to Germany and Japan although internet advertising spend remains relatively low. One possible explanation may be the UK and Ireland's close proximity and shared language, with many advertising campaigns for the two markets being administered in the UK.

**Figure 5.6 Internet share of total advertising expenditure**



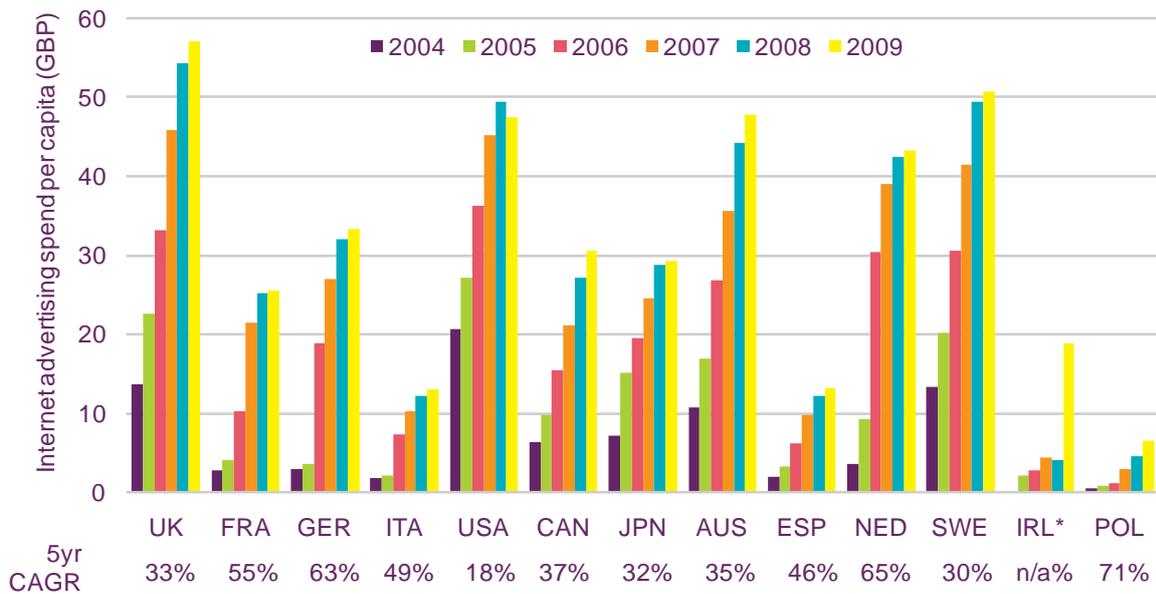
Source: Warc data ([www.warc.com](http://www.warc.com))

Note: Data do not include mobile advertising, a small but growing new market. This is particularly relevant to Japan where in 2009 mobile advertising accounted for approximately 2% of total advertising expenditure. \*Ireland data prior to 2009 exclude paid-for search advertising. Ireland internet data from 2009 include display, classified, search and email and are therefore not directly comparable with those of previous years.

### The maturing internet advertising market

The UK also spends proportionally higher amounts per head on internet advertising than anywhere else covered in this report. Over the five-year period all countries experienced at least treble digit growth. Growth in the US was the slowest, with a 230% gain between 2004 and 2009, starting from a relatively high base. The recession appears to have contributed to a general slowdown in growth rates across our comparator countries. Nowhere was this manifested more than in the US, where significant internet advertisers such as the automotive, travel and property sectors appear to have been particularly hard hit. At the other end of the scale, from a low base Poland experienced a 1480% increase in spend per capita over the period. Its comparatively small figures are a reflection of the country's lower GDP and broadband take-up figures. Japan's relatively modest figures are in part explained by its large mobile advertising industry (discussed later in this section).

**Figure 5.7 Internet advertising spend per head**



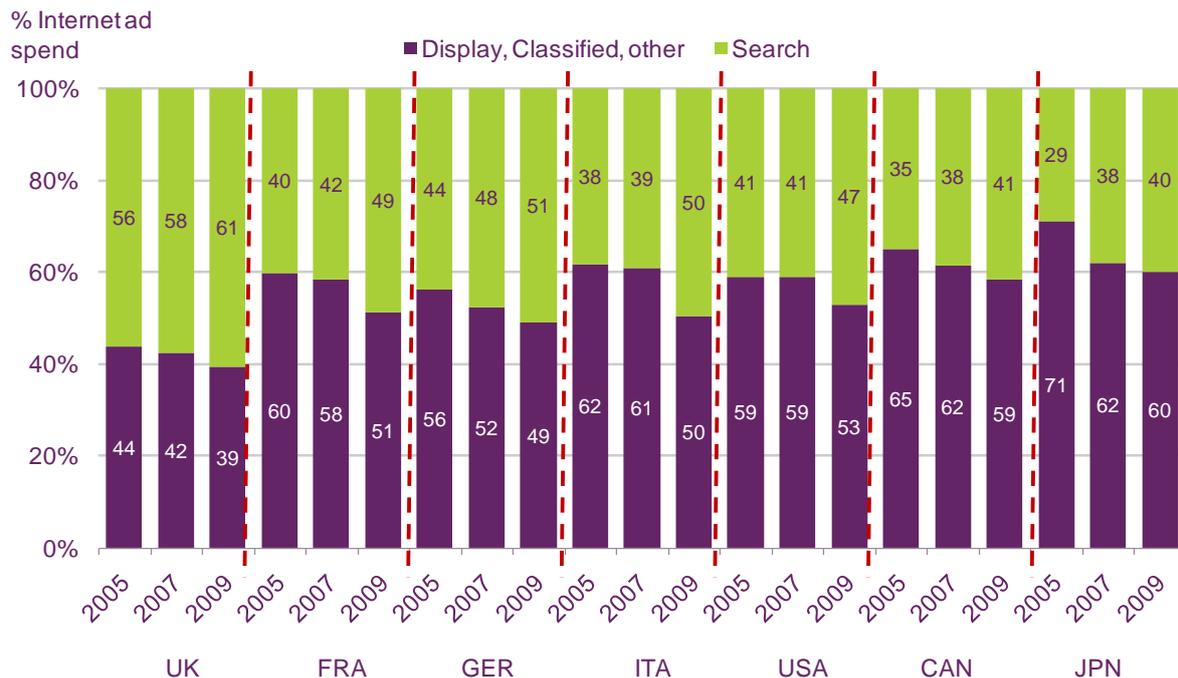
Source: Warc data ([www.warc.com](http://www.warc.com)). Currency conversions represent the IMF average for 2009.  
 \*Note: Ireland data prior to 2009 exclude paid-for search advertising. Ireland internet data from 2009 include display, classified, search and email and are not comparable with those of previous years.

**Online search advertising grows at the expense of display.**

Search advertising has grown consistently all over the world, as the tools that allow advertisers to control when and where campaigns appear become more sophisticated. By using key search words, consumers are telling advertisers exactly what they are interested in at that moment, allowing advertisers to respond accordingly. Display advertising, on the other hand, is often contextual to the website being viewed, or can rely on certain types of profiling. To this end it can provide a different form of targeting for advertisers, that may appeal to a user’s broader interests. Since 2008 display advertising revenues have levelled off in all our comparator countries as advertisers direct more of their budgets towards search advertising opportunities.

Figure 5.8 shows that across all our comparator countries, paid-for search increased its share of total internet advertising spend at the expense of display and other classified. Paid-for search accounts for the greatest share of total internet advertising in the UK (61%), and accounts for half of internet ad spend in Germany (51%), Italy (50%) and France (49%).

**Figure 5.8 Internet advertising spend, by category**



Source: PricewaterhouseCoopers Global Entertainment and Media Outlook: 2010-2014 @ [www.pwc.com/outlook](http://www.pwc.com/outlook).

Note: Interpretation and manipulation of data are solely Ofcom's responsibility.

There are signs that the growth of social networking has recently stimulated display advertising. UK internet users viewed over 2.2 billion display adverts in the third quarter of 2010, compared with 1.65 billion in the same quarter in 2009. With its high traffic volumes, it is no surprise that Facebook is the top display ad publisher in the UK, accounting for 31.1% of these impressions. Microsoft published 6.2%, followed by eBay (4%), Google (3.7%), Yahoo (3.5%) and Glam Media (1.3%)<sup>77</sup>.

### The vast majority of global search advertising is divided into three search engines.

Across our comparator markets the bulk of paid-for search revenues accrue to three main search engines – Google, Yahoo! and Bing. Google has the largest share in each of our comparator markets with the exception of Japan, where Yahoo! Japan competes on an even footing. Bing, launched by Microsoft in 2009, has gained traction in the UK, US and France. Yahoo! Inc and Bing are in the process of implementing an agreement for Bing to provide search facilities for both companies, while Yahoo! Inc concentrates on the sales force for both companies. Roll-out began in English in late 2010 and is ongoing.

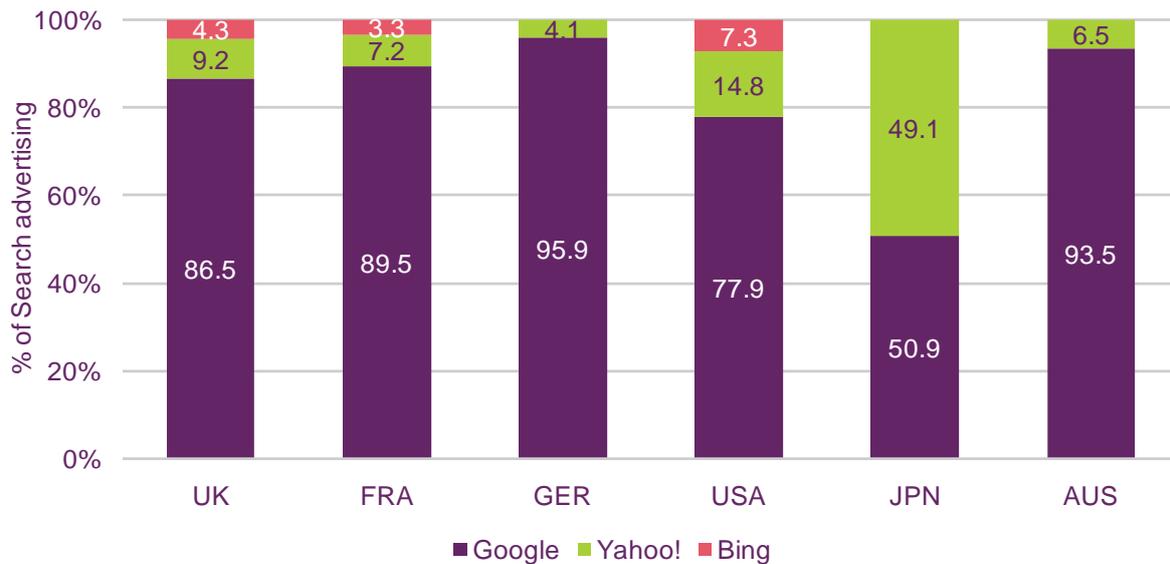
Yahoo! Japan should be considered as a separate entity from Yahoo Inc. The company is 35% owned by Yahoo Inc. and the majority shareholder is Softbank Group which holds a 40% share. Softbank has approximately 24 million mobile phone users in Japan<sup>78</sup> and integrates Yahoo Japan into its mobile browser as a homepage. Yahoo! Japan also offers certain other functionality not offered by Yahoo Inc. in other markets. In July 2010 Yahoo! Japan announced a deal to implement Google search technology. This deal will have no impact on Yahoo! activities outside Japan.

<sup>77</sup>

[http://comscore.com/Press\\_Events/Press\\_Releases/2010/11/Online\\_Display\\_Advertising\\_Market\\_Grows\\_34\\_Percent\\_in\\_the\\_UK\\_Versus\\_Year\\_Ago](http://comscore.com/Press_Events/Press_Releases/2010/11/Online_Display_Advertising_Market_Grows_34_Percent_in_the_UK_Versus_Year_Ago)

<sup>78</sup> <http://www.softbankmobile.co.jp/en/info/finance/progress/index.html>

**Figure 5.9 Share of search advertising market revenue**



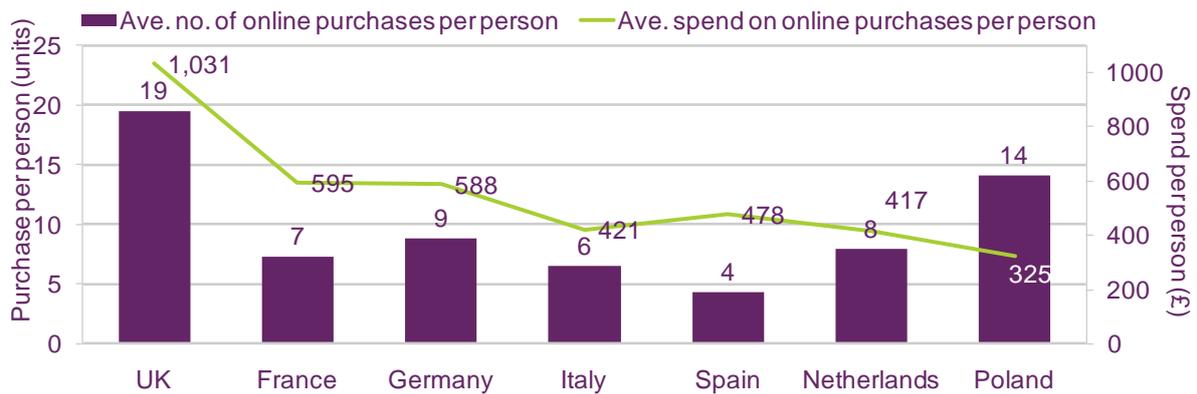
Source: <http://www.efrontier.com/sites/default/files/Digital-Marketing-Performance-Report-Q3-2010.pdf>

### UK consumers buy most and spend most online

Figure 5.27, below, shows that online shopping is the second most popular activity undertaken online across the UK, France, Germany and Italy. But data from Mediascope Europe show that this masks significant variations in behaviour between consumers in these countries (Figure 5.10). The data show that consumers in the UK made more than double the number of online purchases in the past six months (19) than consumers in any other major European country except Poland (14). In addition, the total value of online purchases made in the past six months was highest in the UK (£1031). This was nearly double the amount spent by consumers in the next-placed country, Germany (£595).

While no single factor can explain the relative popularity of online shopping in the UK, it is likely that the early launch of Amazon.co.uk in 1998, the historic popularity of catalogue shopping, high penetration of credit cards and the willingness of UK consumers to trust online payment systems all contributed.

**Figure 5.10 Online purchases and spend on online purchases in the past 6 months**



Source: European Interactive Advertising Association (EIAA) Mediascope Europe 2010.

Q18. In the last six months\*, how many purchases would you say you have made online?

Q19. In the last six months\*, approximately how much money would you say you spent in total on all your online purchases?

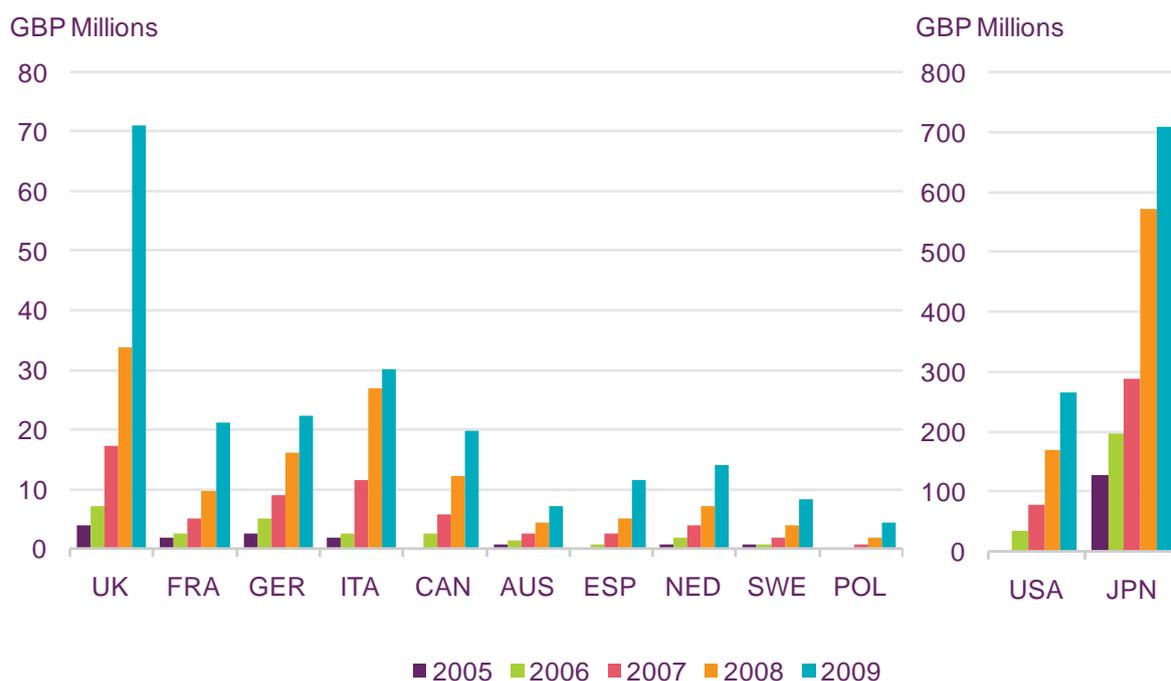
\*June – November 2009

### Japanese mobile internet advertising in a league of its own

In 2009 96% of mobile phones in Japan were operating on 3G networks, compared to 31% in the UK and 39% in the US. It has one of the most developed and competitive mobile markets in the world. The proportion of 3G subscribers is significantly higher than in any other country in the world. A saturated and sophisticated mobile market such as this offers greater opportunity for mobile advertising to grow. The average monthly spend on mobile phones in Japan in 2009 was £34.60, 42% of which was on non-voice activity. For comparison, in the UK the figures were £15.82 and 30%. So while the average UK consumer was spending £4.75 per month on mobile data, in Japan he or she was spending £14.53. The high proportions of both 3G take-up and of data consumption through browsing, downloads and mobile TV in the Japanese market provide greater reach for mobile marketers.<sup>79</sup>

<sup>79</sup> All figures IDATE / Industry Data / Ofcom

**Figure 5.11 Mobile internet advertising expenditure**



Source: PricewaterhouseCoopers Global Entertainment and Media Outlook: 2010-2014 @ [www.pwc.com/outlook](http://www.pwc.com/outlook).

Note: Interpretation and manipulation of data are solely Ofcom's responsibility. Ofcom has used an exchange rate of \$1.5643 to the GBP, representing the IMF average for 2009.

Figures released by ComScore in October 2010 show that 22% of mobile phone users in Japan watched television or video content on their mobile phones in June 2010, compared to 4.8% in the US and 5.2% in Europe<sup>80</sup>. This helps to explain why mobile is such an attractive proposition to advertisers in Japan.

**Figure 5.12 Mobile behaviour in Japan, USA and Europe, June 2010**

	Japan	USA	Europe
Used connected media (Browsed, Accessed Applications or Downloaded Content)	75.2%	43.7%	38.5%
Used browser	59.3%	34.0%	25.8%
Used application	42.3%	31.1%	24.9%
Watched TV and/or video on mobile phone	22.0%	4.8%	5.4%

Source: comScore MobiLens

Note: Europe denotes EU5 (UK, DE, FR, ES and IT) June 2010 Total Mobile Audience Age 13+ ([http://www.comscore.com/Press\\_Events/Press\\_Releases/2010/10/comScore\\_Release\\_First\\_Comparative\\_Report\\_on\\_Mobile\\_Usage\\_in\\_Japan\\_United\\_States\\_and\\_Europe](http://www.comscore.com/Press_Events/Press_Releases/2010/10/comScore_Release_First_Comparative_Report_on_Mobile_Usage_in_Japan_United_States_and_Europe)).

<sup>80</sup>

[http://www.comscore.com/Press\\_Events/Press\\_Releases/2010/10/comScore\\_Release\\_First\\_Comparative\\_Report\\_on\\_Mobile\\_Usage\\_in\\_Japan\\_United\\_States\\_and\\_Europe](http://www.comscore.com/Press_Events/Press_Releases/2010/10/comScore_Release_First_Comparative_Report_on_Mobile_Usage_in_Japan_United_States_and_Europe)

**...but the UK has also experienced rapid growth...**

Figure 5.13 demonstrates that on a per-capita basis Japan is still by far the largest market while the US falls into line with comparable countries. The UK has experienced rapid growth from a relatively high base, especially in 2009, partly due to the explosion in smartphone take-up and despite economically challenging conditions.

**Figure 5.13 Mobile internet advertising spend per head**



Source: PricewaterhouseCoopers Global Entertainment and Media Outlook: 2010-2014 @ [www.pwc.com/outlook](http://www.pwc.com/outlook).

Note: Interpretation and manipulation of data are solely Ofcom's responsibility. Ofcom has used an exchange rate of \$1.5643 to the GBP, representing the IMF average for 2009.

# 5.2 International internet use and consumption of web-based content

## 5.2.1 Introduction

Access to and use of the internet are two key determinants of international consumers' engagement with internet and web-based content. This section examines some of the key metrics relating to internet access and use across our comparator countries and has the following structure:

- Section 5.2.2 considers the prevalence of fixed and mobile broadband access platforms;
- Section 5.2.3 explores global internet traffic composition and geography;
- Section 5.2.4 goes on to analyse the online audiences across several of our comparator countries;
- Section 5.2.5 looks at the devices consumers use to access internet and web-based content, and how this varies by age;
- Section 5.2.6 looks at the sites consumers are visiting online – and how they navigate to them;
- Section 5.2.7 examines what activities people are using their internet connections for, and looks in detail at one of the most popular – social networking; and
- finally, section 5.2.8 looks at internet use on mobile phones, and considers some of the new content they have popularised, such as mobile mapping and location-based services.

## Key findings

Highlights from this section include:

- **Total fixed broadband connections per 100 households is highest in the Netherlands.** The Netherlands had 85 broadband connections per 100 households at the end of 2009, partly due to historically high broadband availability and relatively high urbanity. Canada was next highest (80), followed by the US (71) and the UK (70). (Page 223).
- **Mobile broadband is both a substitute for and a complement to fixed connections.** In Italy 15% of internet users use both mobile and fixed broadband connections, and 13% just use mobile broadband, the highest of all our survey countries. In the UK the figures are 10% and 6% respectively. (Page 225).
- **Spain has the highest proportion of internet users aged under 35.** In Spain 49% of the online audience was aged under 35 in August 2010 – the highest proportion of any of our comparator countries. Italy had the next highest share for under-35s (42%), followed by the UK and the US (both 41%). (Page 229).
- **Internet access via desktop computers is lowest in the UK.** The UK had the lowest reported level of desktop use to access the internet of all the countries we

surveyed, with just 58% of internet users claiming that they access the internet in this way. By contrast, nearly three-quarters of US internet users (74%) claim to use a desktop to go online. (Page 231).

- **Social networking continues to grow at a fantastic rate, driven by high take-up among the younger population in all comparator countries.** Growth was highest in France (115%) and Italy (106%). The proportion of internet users using social networks is now 62% in the UK, 58% in France and 66% in Italy. (Page 238).
- **More than a third of UK internet users (37%) claim to have accessed the internet on their mobiles.** This is a similar number to users in France (37%) and the US (36%). Of our survey countries only Japan had higher take-up (70%) – driven by early 3G roll-out and historically high levels of use of the mobile internet (Page 248).

## 5.2.2 Internet platforms

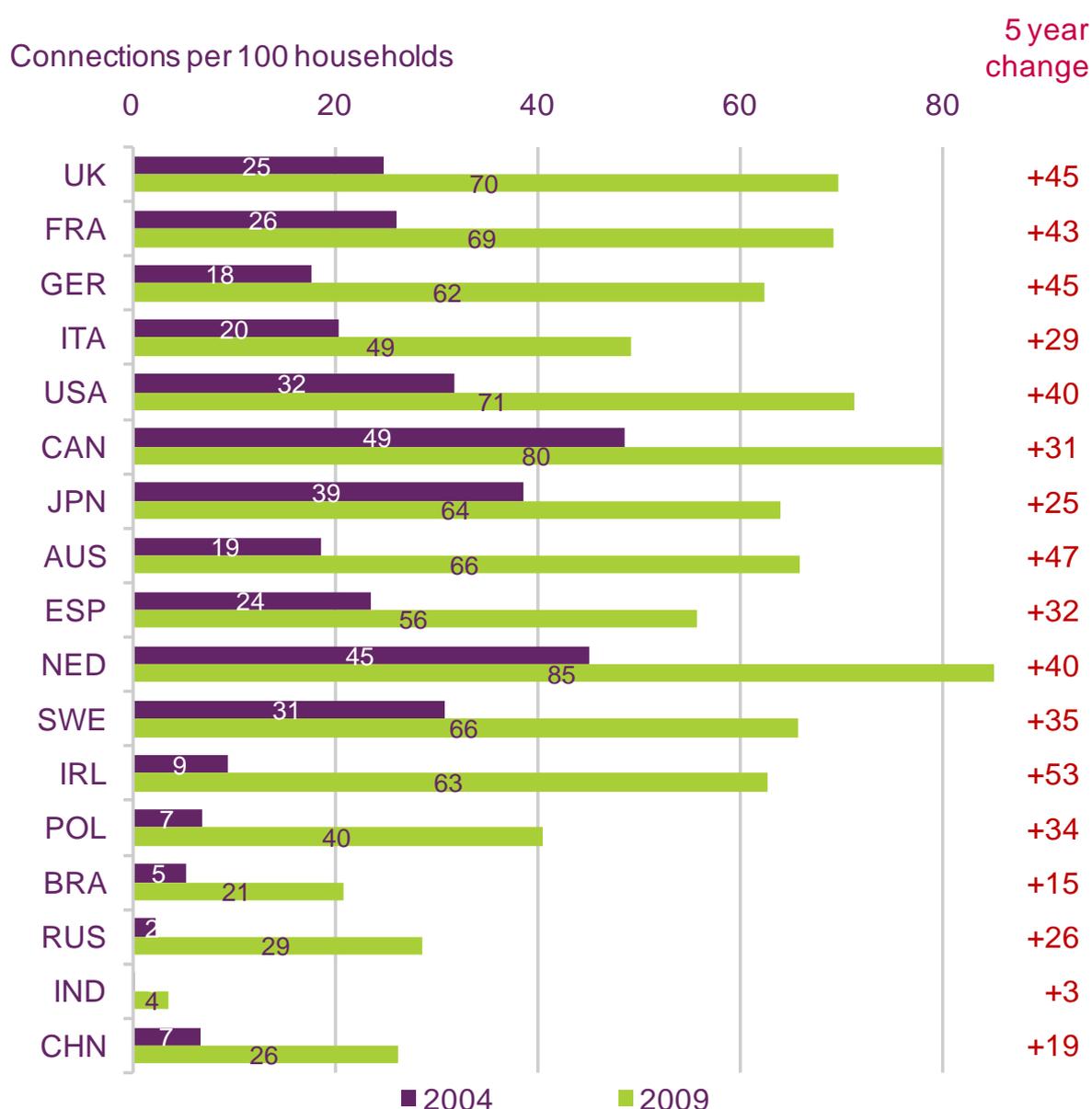
### Total fixed broadband connections per 100 households is highest in the Netherlands

Five years ago none of our comparator countries averaged more than 50 fixed broadband connections per 100 households; today all of them except Italy, Poland and the BRIC countries do. Fixed broadband penetration is highest in the Netherlands (85 connections per 100 households), partly as a result of historical high availability of broadband in a relatively densely populated country with high levels of cable take-up. Canada had the next highest number of fixed broadband connections per 100 households (80). The UK (70 connections per 100 households) is among the leading countries for fixed broadband connections, in fourth place, just behind the US (71).

With the exception of India (three percentage points), all of our comparator countries have experienced significant growth over the past five years, ranging from 19 percentage points in China to 53 percentage points in Ireland. The growth in fixed broadband take-up in Ireland over the past few years can be attributed to rapidly falling prices and a general consumer boom (prior to 2009) along with a government initiative to encourage broadband network roll-out. The UK had the joint third-largest growth since 2004 (45 percentage points) alongside Germany but behind Ireland (53) and Australia (47).

Broadband connections have also become increasingly prevalent in emerging markets. Brazil has 21 connections per 100 households, China 26, and Russia 29. India lags behind the other BRIC countries, with four connections per 100 households.

**Figure 5.14 Broadband connections per 100 households**



Source: IDATE / Industry data / Ofcom

Note: this calculation includes business broadband lines, and therefore the figures in the analysis do not equate exactly to household fixed broadband take-up.

### The US and Sweden have the largest number of mobile broadband subscribers per 100 households

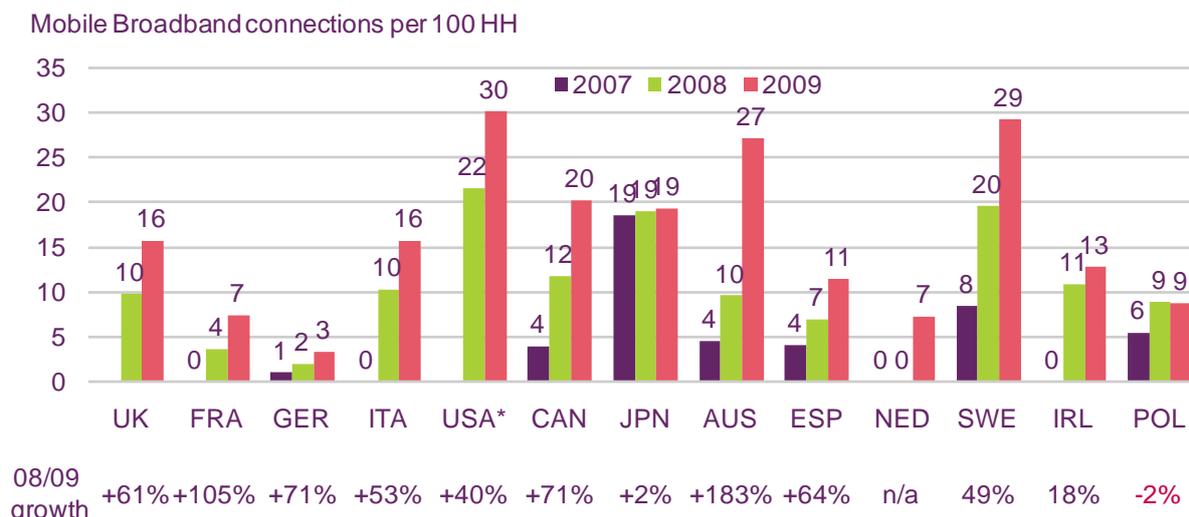
The roll-out of upgrades to 3G networks (such as HSPA and CDMA 2000 1xEV-DO) in recent years has facilitated the emergence of mobile broadband services and increased the data speeds that consumers can expect. These mobile broadband services (broadband provided using dongles, datacards or embedded laptops) can either be a complement to, or, for some people, a replacement for fixed broadband services.

Across our comparator countries the US and Sweden had the highest number of mobile broadband subscribers per 100 households (30 and 29 respectively), with Australia (27) following closely behind. In each of these countries early and extensive roll-out of fast data networks has played a part in driving take-up levels. It is worth noting also that the US has a

very large number of mobile-only households, with 29% of respondents to our consumer research claiming that they do not use any form of fixed telephony (see section 6.3.3).

In 2009 the UK had 16 mobile broadband subscribers per 100 households, putting it in joint fifth place alongside Italy and behind the US (30), Sweden (29), Australia (27) and Japan (19). With the exception of Sweden, the UK has the highest number of mobile broadband subscribers per 100 households of any of our European comparator countries.

**Figure 5.15 Mobile broadband subscribers per 100 households**



Source: IDATE / Industry data / Ofcom.

Note: this calculation includes business broadband lines, and therefore the figures in the analysis do not equate exactly to household fixed broadband take-up.

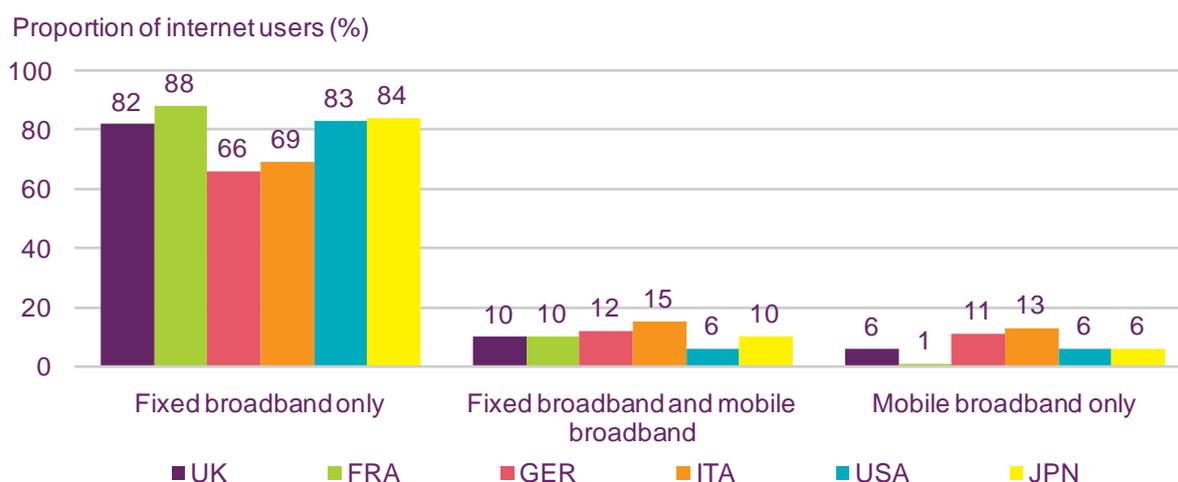
\*USA data are unavailable for 2007 due to a change in the way mobile wireless internet access service connections were reported during 2008.

### Mobile broadband is both a complement and a substitute to fixed broadband

Data from Ofcom consumer research among internet users in October 2010 suggests that mobile broadband can be both a complement to and a substitute for fixed broadband, although this varies across the comparator countries we looked at. Use of mobile broadband as a person's sole broadband connection was highest in Italy (13%), followed by Germany (11%), and was twice as high as in the UK (6%). France had the lowest proportion of mobile broadband-only homes, at just 1%.

The high take-up of mobile broadband in Italy is likely to be due to the high proportion of mobile-only homes (see section 6.3.3) and because mobile broadband services are relatively cheap (Section 2 shows that mobile broadband prices in Italy are the lowest among the six countries in the analysis). In Italy, 13% of internet users surveyed used mobile broadband as their only household connection, compared to just 1% in France.

**Figure 5.16 Take-up of home internet access platforms**



Source: Ofcom consumer research, October 2010.

Base: All adults aged 18+ who use the internet (UK=1016, France=1017, Germany=1014, Italy=1002, USA=1017, Japan=1001).

Q3. Which of the following do you have in your home?

### 5.2.3 Global internet traffic composition and geography

As the prevalence of internet access increases, and more and more applications and devices access the web, the amount of data being generated online across the globe is growing rapidly. This section looks first at the global split of web traffic by protocol, and then at which regions of the world are consuming the most data.

#### According to Cisco, video data is now the largest consumer of bandwidth around the world

Globally, the average broadband connection generates 14.9GB of Internet traffic per month, up from 11.4GB per month last year, an increase of 31%<sup>81</sup>.

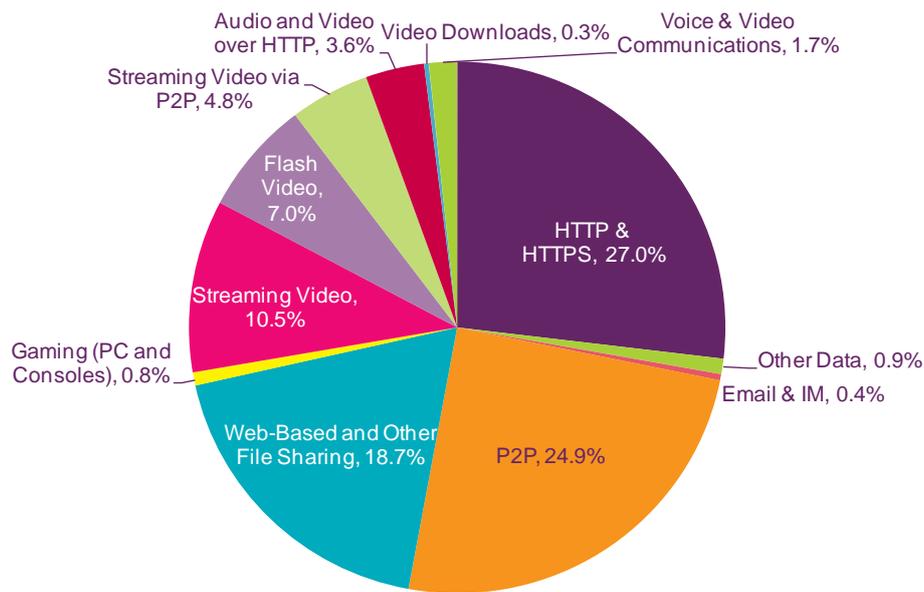
Online video (including streaming, flash, gaming, audio and video over http, video downloads and voice and video communications) now accounts for 28.7% of all global broadband traffic, overtaking peer-to-peer file-sharing (P2P; made up mainly of decentralised file sharing systems such as bitTorrent and edonkey) for the first time. Although P2P is still growing in absolute terms, rapid growth in video, visual networking and other advanced applications are contributing more to driving up overall internet traffic volumes.

Voice and video communications traffic is now six times higher than data communications traffic (email, instant messaging etc). Comparing Figure 5.17 and Figure 5.28 shows that, in terms of how people spend their time on the internet, email and data communication still outweighs video and voice by a considerable margin, but it is the much more data-hungry applications of video and voice that demand such high levels of bandwidth. ISPs are responding to this growth in demand by offering faster broadband connections. In November 2010, UK ISP Virgin Broadband began taking pre-orders for a 100Mbit/s service. KDDI in Japan has been offering a 1Gbit/s service since September 2008.

<sup>81</sup> Cisco Visual Networking Index: Usage Study

([http://www.cisco.com/en/US/solutions/collateral/ns341/ns525/ns537/ns705/Cisco\\_VNI\\_Usage\\_WP.html](http://www.cisco.com/en/US/solutions/collateral/ns341/ns525/ns537/ns705/Cisco_VNI_Usage_WP.html))

**Figure 5.17 Global broadband traffic, by application category**



Source: Cisco Visual Network Index Usage Study, Q3, 2010.

([http://www.cisco.com/en/US/solutions/collateral/ns341/ns525/ns537/ns705/Cisco\\_VNI\\_Usage\\_WP.html](http://www.cisco.com/en/US/solutions/collateral/ns341/ns525/ns537/ns705/Cisco_VNI_Usage_WP.html)).

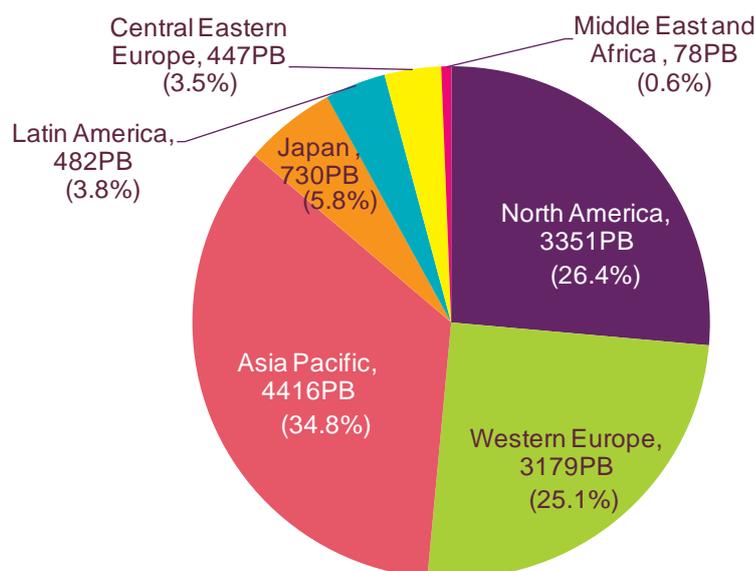
### Consumer broadband traffic around the world

In 2010 global consumer internet traffic grew by 42% year on year, from 8,930 to 12,694 petabytes<sup>82</sup>. Latin America experienced the greatest growth (62%) although this registers as only a 0.5% annual gain in its share of the overall figure. Asia Pacific currently has the greatest share; however, this is more a reflection of its population size, including India, China and Indonesia, than its level of technological advancement. By dividing the chart figures below by population sizes we can see that North America (approx. 9.5PB per million), Western Europe (7.4PB per million) and Japan (5.7PB per million) are the larger consumers of broadband data per head. The Middle East and Africa account for approximately 0.06PB per million<sup>83</sup>.

<sup>82</sup> Cisco VNI Index, June 2<sup>nd</sup> 2010. Note: PB denotes Petabyte, approximately equal to 1,024 Terabytes or 1.048 million Gigabytes.

<sup>83</sup> Regional populations based on UN demographics (<http://esa.un.org/unpp/p2k0data.asp>)

**Figure 5.18 Global consumer broadband consumption by region, 2010**



Source: Cisco Visual Networking Index Forecast, 2 June 2010  
([http://www.cisco.com/en/US/solutions/collateral/ns341/ns525/ns537/ns705/ns827/white\\_paper\\_c11-481360.pdf](http://www.cisco.com/en/US/solutions/collateral/ns341/ns525/ns537/ns705/ns827/white_paper_c11-481360.pdf)).

Note: PB denotes petabyte, approximately equal to 1,024 terabytes or 1.048 million gigabytes.

#### 5.2.4 Online audiences

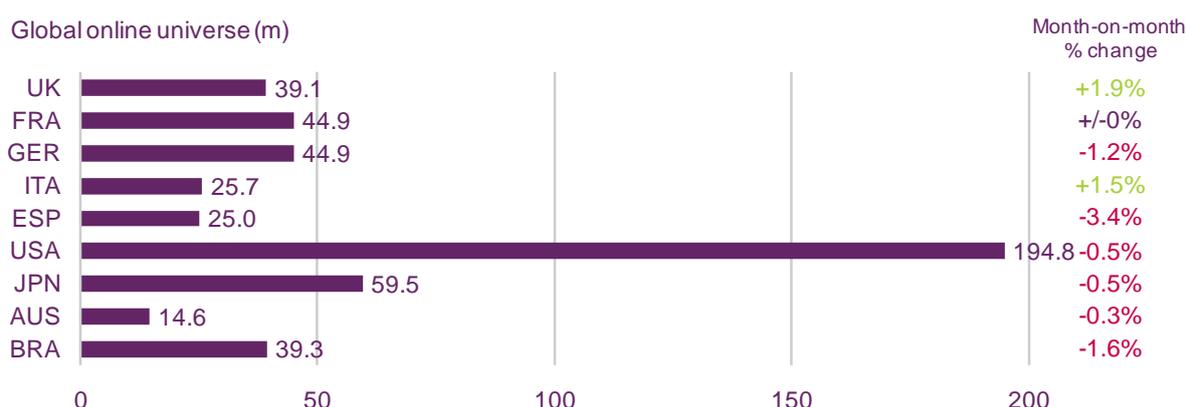
##### Nearly 500 million accessed the internet across nine of our comparator countries

The total internet audience (using a computer) across the nine countries for which we have data stood at just under half a billion people (488 million) in July 2010. Of these, 40% are in the US and 8% are in the UK, according to Nielsen data (Figure 5.19). Within Europe, France and Germany recorded the highest internet audiences (44.9 million); ahead of the UK (39.1 million). Apart from the UK and Italy, the sizes of online audiences in all the countries we looked at was flat, or saw a small month-on-month decline. This might be explained by seasonal variations, although increased mobile internet access may also be having a marginal effect.

For global context and comparison it is worth noting that the state-run Chinese Internet Network Information Center reports that as of 30 June 2010 there were 420 million internet users in China<sup>84</sup>.

<sup>84</sup> <http://www.cnnic.net.cn/en/index/00/index.htm>

**Figure 5.19 Global online universe, July 2010**



Source: The Nielsen Company, Jul 10 (Internet Applications Included, Home & Work).

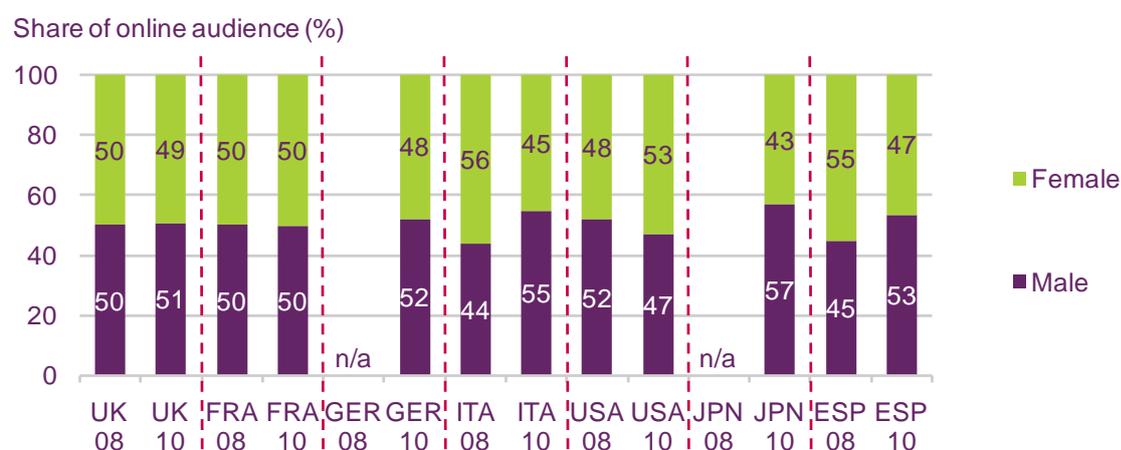
Note: Nielsen is investigating a decline in its internet use data around duration metrics and the potential impact of this on Unique Audience metrics. Consequently, until these investigations are concluded, Nielsen internet data for 2010 is likely to represent a lower bound and should be treated as indicative only.

### In most countries more men than women accessed the internet in August 2010

According to Nielsen, in August 2010 the proportion of internet users was split roughly equally between men and women in the UK (50:50) and France (51:49), while in Germany, Italy and Spain more men went online than women, accounting for between 52% and 55% of the total unique audience. The US was the only nation where the majority of internet users (53%) were women. The biggest imbalance between male and female users was in Japan, where men accounted for 57% of the online audience in August 2010, despite accounting for only 48.7% of the Japanese population, according to the CIA World Factbook.<sup>85</sup>

Italy, the US and Spain all saw substantial shifts in the gender split of their unique online audiences between August 2008 and August 2010. While these may reflect underlying changes in the internet universe in these countries, some of the differences could also be down to temporary changes in browsing habits (for example, internet reach may be influenced by current affairs and sports events).

**Figure 5.20 Unique online audience, by gender, August 2008 and August 2010**



Source: The Nielsen Company, August 2008 and August 2010, home and work panel, applications included.

Note: Nielsen is investigating a decline in its internet use data around duration metrics and the

<sup>85</sup> <https://www.cia.gov/library/publications/the-world-factbook/geos/ja.html>

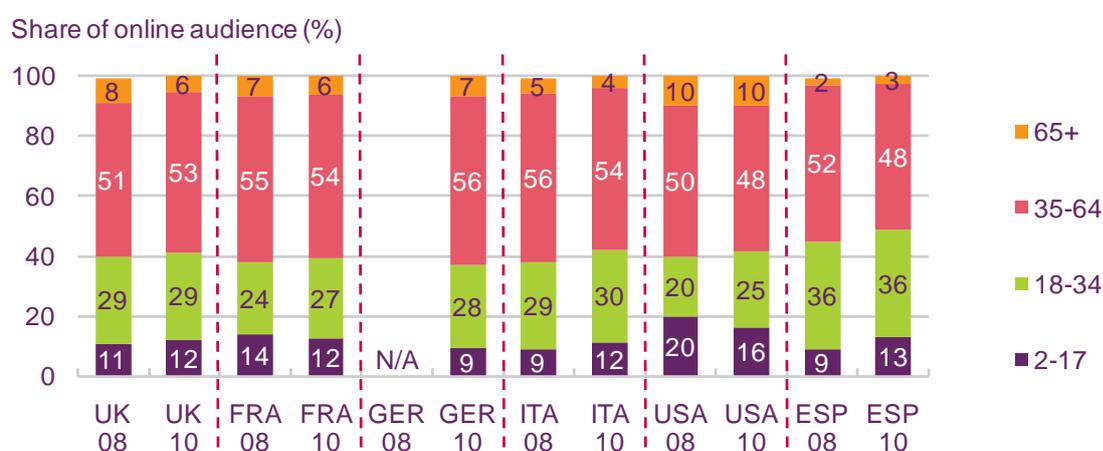
potential impact of this on Unique Audience metrics. Consequently, until these investigations are concluded, Nielsen internet data for 2010 is likely to represent a lower bound and should be treated as indicative only

### Spain has the highest proportion of internet users aged under 35

In Spain 49% of the online audience was aged under 35 in August 2010 – the highest proportion of any of our comparator countries where data are available and a four percentage point increase since 2008, driven largely by growth among under-18s. Italy had the next highest share for under-35s (42%), followed by the UK and the US (both 41%). The US had both the largest share of users aged under 18 (16%) and over 65 (10%).

It should be noted that the data in Figure 5.21 will partly reflect the differing age profiles of the populations in each country.

**Figure 5.21 Unique online audience, by age, August 2008 and August 2010**



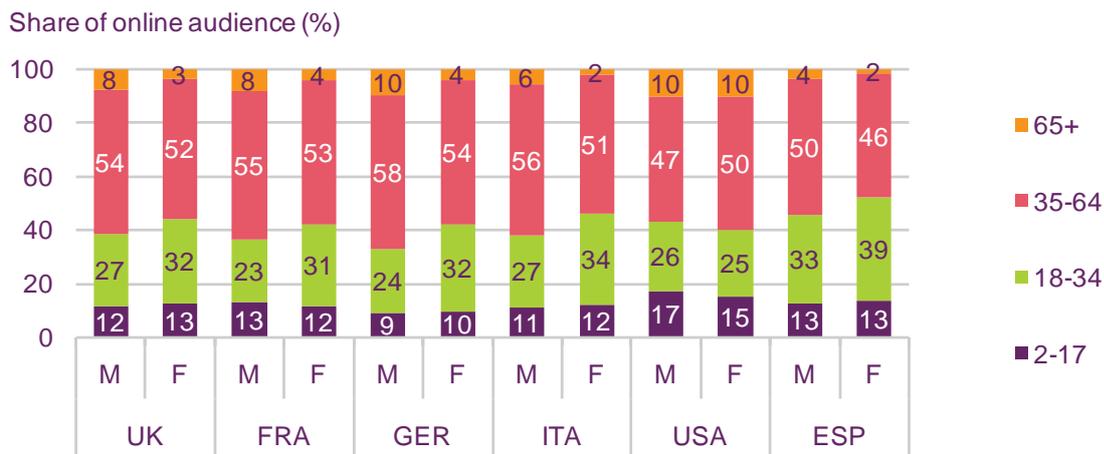
Source: The Nielsen Company, August 2008 and August 2010, home and work panel, applications included.

Note: Nielsen is investigating a decline in its internet use data around duration metrics and the potential impact of this on Unique Audience metrics. Consequently, until these investigations are concluded, Nielsen internet data for 2010 is likely to represent a lower bound and should be treated as indicative only.

### Female internet users are significantly younger than male internet users

The 35-64 age group makes up the majority of online audiences (both male and female) across all our comparator countries, with the exception of the US and Spain where the number falls between 46% and 50%. As this group contains the largest span of people of a working age, this is unsurprising. Across all our comparator countries other than the US the female user audience is younger than the male audience, with a higher percentage of female users being aged 18-34. There is little difference between the genders in each country for those of school age, the greatest difference (two percentage points) being in the US where 17% of the male audience and 15% of the female audience are under 18. With the exception of the US, female internet users are also less likely than males to be aged 65+.

**Figure 5.22 Unique online audience, by age and gender, August 2010**



Source: The Nielsen Company, August 2010, home and work panel, applications included.  
 Note: Nielsen is investigating a decline in its internet use data around duration metrics and the potential impact of this on Unique Audience metrics. Consequently, until these investigations are concluded, Nielsen internet data for 2010 is likely to represent a lower bound and should be treated as indicative only.

### 5.2.5 Devices

#### Internet access via desktop computers is lowest in the UK

The devices consumers use to access the internet influence how they access, and engage with, internet and web-based content. Figure 5.23 shows how consumers' use of these devices varies across our main comparator countries.

Across most of the countries we looked at, the desktop computer is still the most popular device used to access the internet, followed by the laptop. But in the UK and Italy this position is reversed, and laptops are the most popular device used to access the internet (used by 69% and 72% of internet users respectively). The UK had the lowest reported level of desktop use to access the internet, with just 58% of internet users claiming they access the internet in this way. By contrast, nearly three-quarters of US internet users (74%) claim to use a desktop to go online.

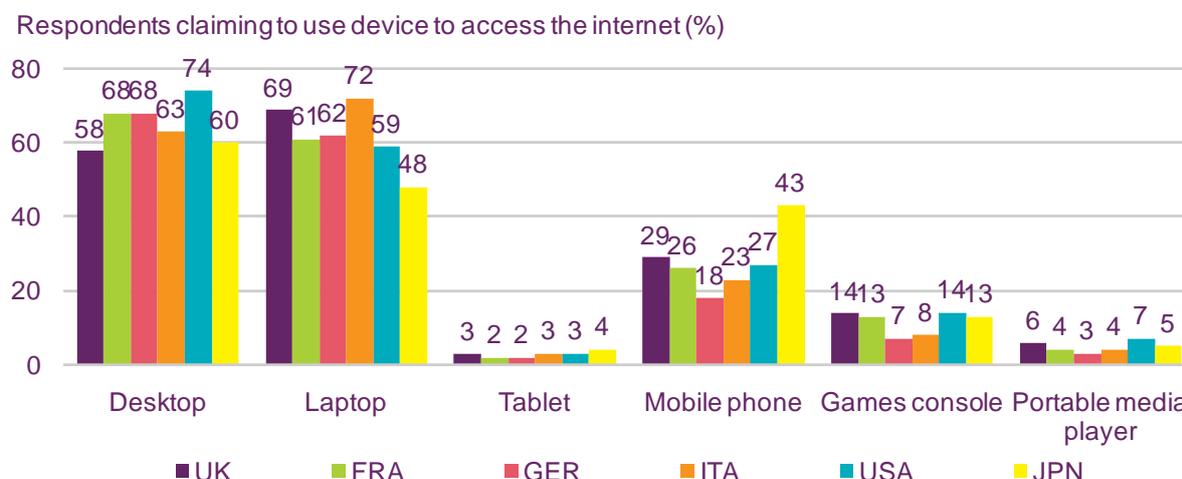
There are also signs that consumers are beginning to access the internet on devices other than desktop or laptop computers. Mobile phones are particularly popular as internet access devices in Japan, where 43% of people claim to use them in this way. This type of use is also high in the UK (29%) and the US (27%), partly due to high smartphone penetration (see section 5.1.2).

Games consoles also appear to have found a niche as devices used to access the internet. Use of these devices in this way is highest in the US and UK (14% of internet users), closely followed by France and Japan (both 13% of internet users). This reflects the growing capabilities of games consoles such as the Xbox, Playstation and Wii.

At this stage relatively few people (between 2% and 4% across our survey countries) claim to be using tablet computers such as the iPad or Samsung Galaxy Tab. This reflects the relatively early stage of the market for this type of device. But there are indications that their popularity will grow: in June 2010 Apple announced that it had sold three million iPads in just

80 days,<sup>86</sup> and overall tablet sales are set to increase as other manufacturers launch similar devices.

**Figure 5.23 Devices used to access the internet**



Source: Ofcom consumer research, October 2010.

Base: All adults aged 18+ who use the internet (UK=1016, France=1017, Germany=1014, Italy=1002, USA=1017, Japan=1001).

Q8. Which of the following devices do you use to access the internet at home (e.g. visiting web sites, emailing, online gaming, downloading files)?

### Laptop vs. desktop ratio between young and old is largest in the UK

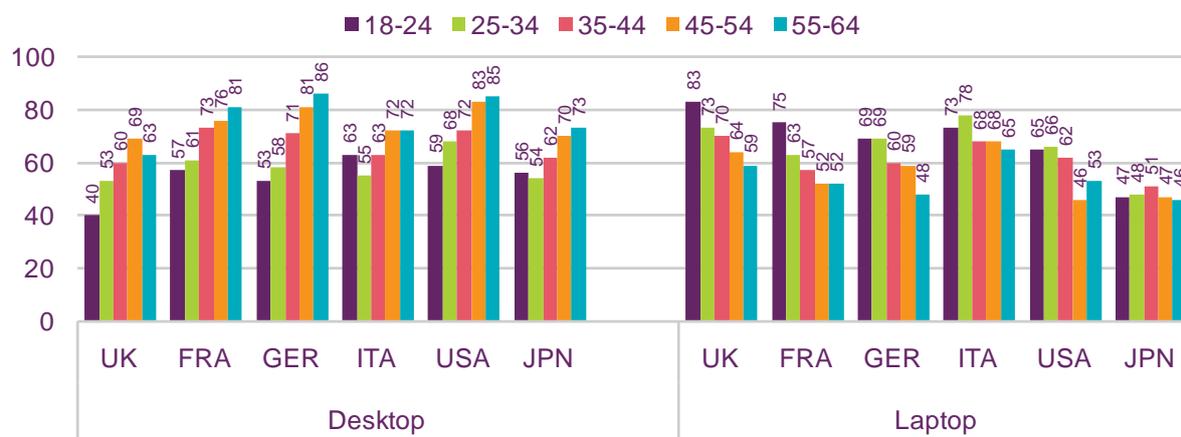
In most of the countries we surveyed, younger people were more likely to use a laptop to access the internet, and less likely to use a desktop, than older people. The exception to this was Japan, where using a laptop to go online was similar across all age groups, although in common with other countries, older people were more likely to use a desktop (Figure 5.24).

In the UK, adults aged under 45 were more likely to use a laptop to access the internet than a desktop, a pattern also seen in Italy. The UK had the largest contrast between laptop and desktop use among young people. Over twice as many internet users aged 18-24 use a laptop to access the internet as use a desktop (83% compared to 40%).

<sup>86</sup> <http://www.apple.com/pr/library/2010/06/22ipad.html>

**Figure 5.24 Devices used to access the internet, by age**

Respondents claiming to use device to access the internet (%)



Source: Ofcom consumer research, October 2010.

Base: All adults aged 18+ who use the internet (UK=1016, France=1017, Germany=1014, Italy=1002, USA=1017, Japan=1001).

Q8. Which of the following devices do you use to access the internet at home (e.g. visiting web sites, emailing, online gaming, downloading files)?

## 5.2.6 Popular international web brands, portals and searches

### So where are we going on the web?

While devices play an important part in how consumers access the web, the sites they visit and how they navigate to them help determine the type of content they consume. Figure 5.25 shows the top ten most-visited websites in each of our comparator countries. There is no change at the top since the 2008 report; Google remains number one in six out of seven countries and Yahoo! maintains its primacy in Japan. Facebook's impact is visible almost everywhere as it moves into the top three in five markets. YouTube also moved up the rankings in every country. In the UK it has narrowed the gap with the BBC, perhaps underlining the growth and importance of user-generated content as well as the increasing range and volume of professionally-produced content available on YouTube.

MSN/Windows Live/Bing maintained its position globally but Microsoft (i.e. Microsoft's software sites excluding MSN, Bing and WindowsLive services) dropped slightly in all markets except Japan.

**Figure 5.25 Top ten website brands per country**

	UK	FRA	GER	ITA	USA	JPN	ESP
1	Google -	Google -	Google -	Google -	Google -	Yahoo! -	Google -
2	MSN/WindowsLive/ Bing -	MSN/WindowsLive/ Bing -	eBay +1	Facebook (new)	Yahoo! -	Google -	MSN/WindowsLive/ Bing -
3	Facebook +4	Facebook (new)	Microsoft -1	MSN/WindowsLive/ Bing -1	Facebook (new)	FC2 +5	Facebook (new)
4	Yahoo! -	Microsoft -1	MSN/WindowsLive/ Bing +1	YouTube +4	MSN/WindowsLive/ Bing -1	Rakuten -1	YouTube +1
5	BBC -2	Orange -1	YouTube +5	Virgilio -1	YouTube +1	Microsoft +1	Microsoft -2
6	eBay -	YouTube (new)	Wikipedia -	Yahoo! -1	Microsoft -2	Wikipedia +3	Yahoo! -2
7	YouTube +1	Yahoo! -1	Amazon -	Microsoft -4	AOL Media Network -2	goo (new)	Blogger -1
8	Microsoft -3	Free -3	T-Online -	Liberio -2	Apple +2	YouTube (new)	Wikipedia -
9	Amazon -	PagesJaunes -1	Facebook (new)	Wikipedia -	Ask Search Network (new)	"@nifty" (new)	Terra -2
10	Wikipedia (new)	Wikipedia (new)	RTL Network (new)	Blogger (new)	Wikipedia -1	Ameba (new)	Orange -1

Source: The Nielsen Company, August 2010.

Note: includes all internet applications. '+' or '-' denotes change in rank since 2008 ICMR publication.

### ...and what are we looking for?

Clearly the internet is evolving into a place where people meet and socialise in addition to being a repository of information and a source of entertainment. The number one Google search term in every country except Japan, Brazil, Russia and India is a social network, and in those four countries social networking is in the top three. The other search term of note is YouTube, now in the top three for 13 of our 17 comparator countries. With its added functionality such as subscribing to other members' channels, 'friending', messaging and video response, YouTube shows many of the characteristics which could classify it as a social network in its own right.

**Figure 5.26 Most searched terms on Google in the last 12 months**

Country	1 <sup>ST</sup>	2 <sup>ND</sup>	3 <sup>RD</sup>	Largest increase
UK	facebook	bbc	youtube	4od
FRA	facebook	youtube	bon coin (classifieds)	facebook.fr
GER	facebook	youtube	ebay	Wm (World Cup)
ITA	facebook	youtube	Libero (portal)	megavideo
USA	facebook	youtube	yahoo	ipad
CAN	facebook	youtube	lyrics	world cup
JPN	yahoo	youtube	facebook	ipad
POL	nasza	Gry (games)	nasza klasa (our class)	nk.pl
ESP	facebook	youtube	Tuenti (social network)	facebook en español
NED	Hyves (social network)	online	youtube	youtube.nl
SWE	facebook	youtube	google	facebook.se
IRE	facebook	youtube	bebo	rte player
AUS	facebook	games	youtube	ipad
BRA	Jogos (games)	Orkut (social network)	youtube	facebook
RUS	Скачать (download)	Фото (photo)	в контакте (in contact)	naomi watts
IND	India	songs	facebook	facebook login
CHN	Qq (social network)	games	baidu	dnf1100

Source: Google Insights Search Tool, 27 Sept '10, 11:20GMT

Note: Google's homepage is often used as a general purpose gateway when surfing the internet so in many cases the user already knows precisely what they are looking for and uses a search term as a shortcut to an already familiar webpage.

## 5.2.7 Principal internet uses across comparator countries

### So what are we doing online?

Our international survey research found that across our key comparator countries there was little difference in the main reasons why consumers use the internet. In the UK, Germany, the US and Japan the three most commonly-cited reasons were identical – email, shopping and banking. Email and shopping were the most popular activities in France and Italy too, although in these countries banking was pipped for third spot by instant messaging and social networking respectively.

In addition to asking why they ever use the internet, we asked consumers what activities they undertake online on at least a weekly basis. Email remains the most popular activity, with around nine in ten people in each country claiming to do this on a weekly basis. But there was more variation in the second and third most-commonly cited weekly activities, with social networking, banking and instant messaging occupying the second and third slots in most countries. Japan was the major outlier – it was the only country where watching video clips and shopping are among the top three most popular weekly online activities.

**Figure 5.27 Main reason for using the internet**

	Ever			Weekly		
	1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>
UK	Accessing email (94%)	Shopping (81%)	Banking (71%)	Accessing email (89%)	Social Networking (56%)	Banking (55%)
FRA	Accessing email (94%)	Shopping (76%)	Instant Messaging (65%)	Accessing email (90%)	Instant Messaging (50%)	Social Networking (48%)
GER	Accessing email (93%)	Shopping (79%)	Banking (72%)	Accessing email (91%)	Banking (57%)	Social Networking (46%)
ITA	Accessing email (92%)	Shopping (68%)	Social Networking (66%)	Accessing email (87%)	Social Networking (57%)	Instant Messaging (39%)
USA	Accessing email (94%)	Shopping (74%)	Banking (68%)	Accessing email (90%)	Social Networking (57%)	Banking (53%)
JPN	Accessing email (90%)	Shopping (87%)	Banking (69%)	Accessing email (87%)	Watching video clips (32%)	Shopping (27%)

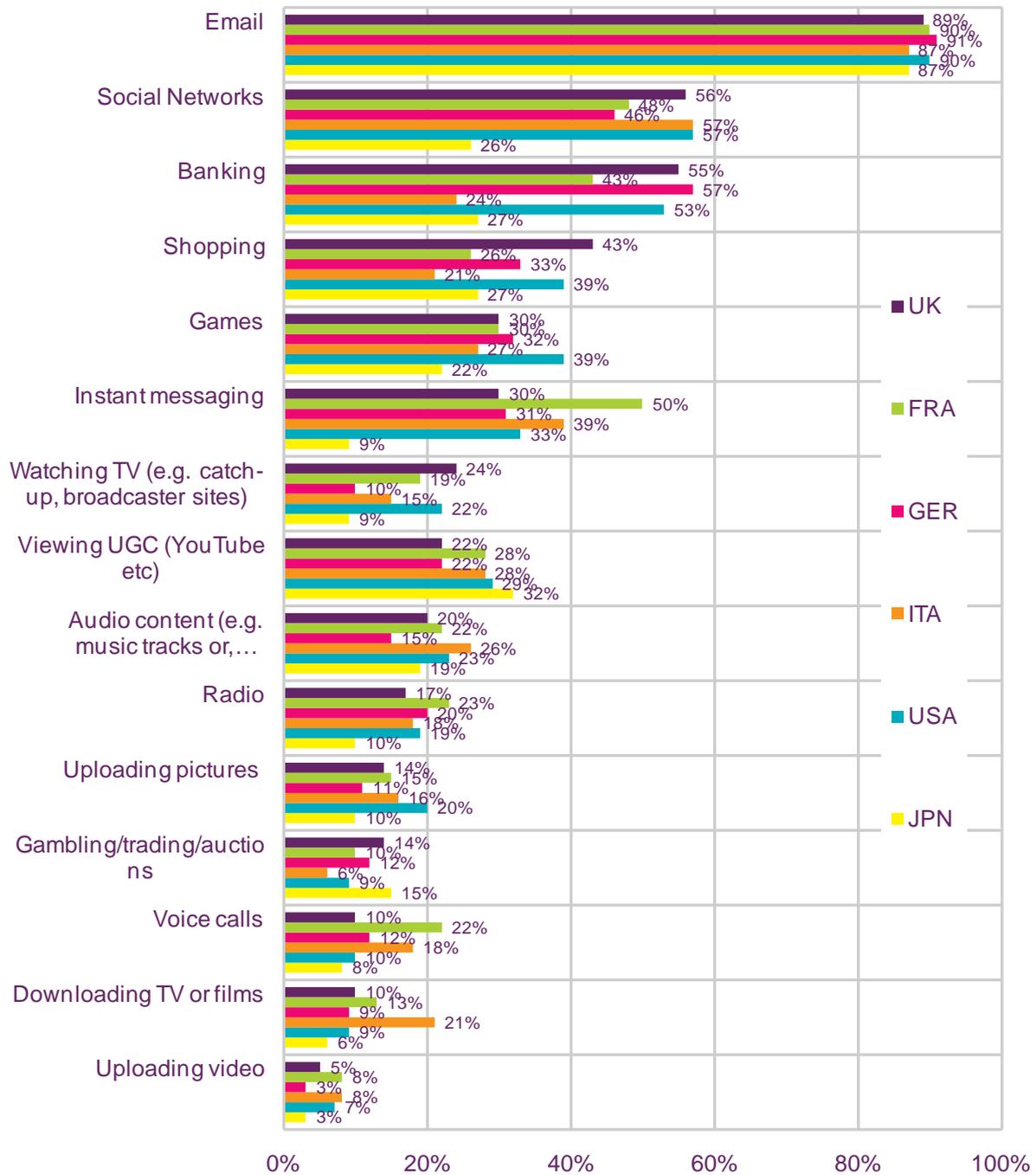
Source: Ofcom consumer research, October 2010.

Base: All adults aged 18+ who use the internet (UK=1016, France=1017, Germany=1014, Italy=1002, USA=1017, Japan=1001).

Q9. Which, if any, of the following activities do you use your home internet connection for?

Beyond the most popular activities discussed above, Figure 5.28 shows the full range of activities for which consumers in our survey countries use their home internet connections on a weekly basis. The UK leads the way, albeit by small margins, in shopping and watching TV online (perhaps owing to the success and high visibility of the BBC iPlayer). Playing games online is highest in the US, with almost 40% of internet users claiming to use their home internet connection to do this. The high take-up of voice calling in France is due to the popularity of triple-play bundling (internet/VoIP/IPTV) offered over 'naked DSL' (a DSL broadband connection without an accompanying analogue landline) offered by all the major competitors in the French marketplace.

**Figure 5.28 Use of home internet connection**



Source: Ofcom consumer research, October 2010. Base: All adults aged 18+ who use the internet (UK=1016, France=1017, Germany=1014, Italy=1002, USA=1017, Japan=1001).

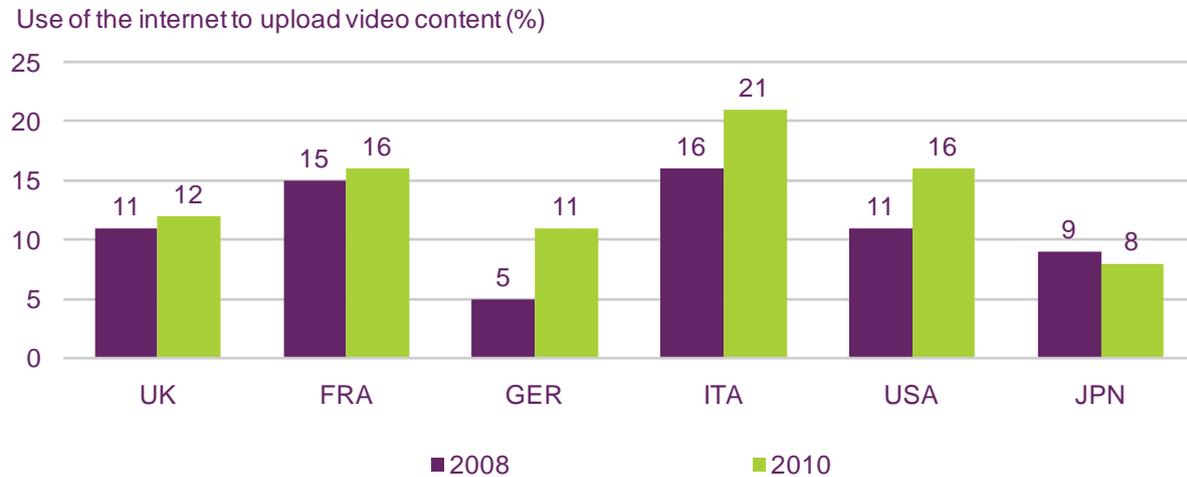
Q10: Which, if any, of the following activities do you use your home internet connection for at least once a week?

**Users are generating more of their own content than ever before...**

The uploading and sharing of new content is increasing. Taking video content as an example, we can see that in the UK in 2009 12% of internet users were uploading video

content, compared with 11% the previous year. In other countries such as Germany, Italy and the US this growth has been exaggerated, as video-sharing sites and social networking encourage people to share both previously recorded and homemade video material with their online friends.

**Figure 5.29 Respondents uploading video content via internet connection**



Source: Ofcom consumer research, October 2010.

Base: All adults aged 18+ who use the internet (UK=1016, France=1017, Germany=1014, Italy=1002, USA=1017, Japan=1001).

Q9: Which, if any, of the following activities do you use your home internet connection for?

### Social networks continue to grow in both audience and sophistication

Social networking sites allow people to interact using text, images, video and games. In recent years their emergence and rapid growth has changed the way people approach the internet, and many now see social networking as an important part of both their social and business lives. In a relatively short period the industry has morphed from small niche operators providing communities for special interest or location-specific groups into global networks used by many to keep in touch with family and friends and to network with colleagues and clients. For many it also provides an alternative to email as a means of communication with other individuals online.

Social networking has established itself as a key advertising outlet for many brands (both global and local). Many in the industry also see it as a valuable source of information to support marketing campaigns and to target ads based on users' preferences and behaviours, although some concerns have been raised about these practices by privacy organisations.

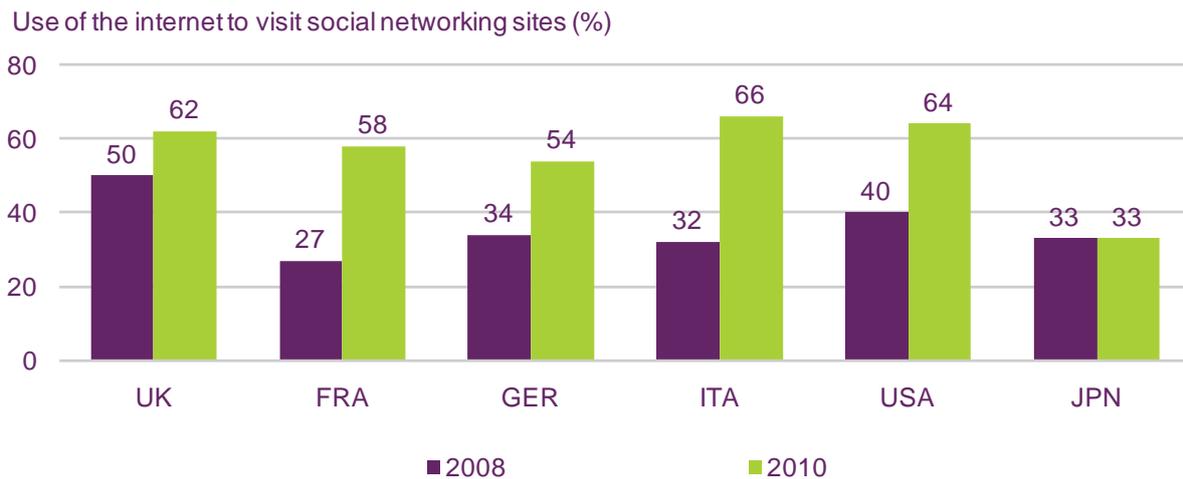
Each year the functionality of these services improves and diversifies as they seek to retain and grow audiences. Social networks are reaching out beyond the boundaries of their home sites and being integrated into other websites in the form of application programming interfaces (APIs) such as the 'Tweet This' button from Twitter which allows users of other sites to link content to their social network account. These activities help to increase traffic and build brand awareness. Monetisation activities can follow through channels such as advertising and gaming.

### Social networking continues to grow across Europe and North America.

Ofcom survey data (Figure 5.30) demonstrate growth in social networking across all our comparator markets since 2008, with the exception of Japan. The greatest increases were in

France (+115%) and Italy (+106%). The lack of growth in Japan may be a result of well-established alternative means of social communication, such as instant messaging and email via mobile phones, and lower use of PCs and laptops to access the internet (see Figure 5.23). The relatively modest growth and the high 2008 figure for the UK may demonstrate more maturity in the market as Facebook, by far the largest site in terms of membership numbers, has been available in English for four years now as opposed to two years for most other languages. In November 2010, Facebook claimed over 500 million members with the fastest growing demographic being the over-35s<sup>87</sup>.

**Figure 5.30 Use of the internet to visit social network sites**



Source: Ofcom consumer research, October 2010.

Base: All adults aged 18+ who use the internet (UK=1016, France=1017, Germany=1014, Italy=1002, USA=1017, Japan=1001).

Q9: Which, if any, of the following activities do you use your home internet connection for?

### The US provides the greatest numbers but Australians spend the most time

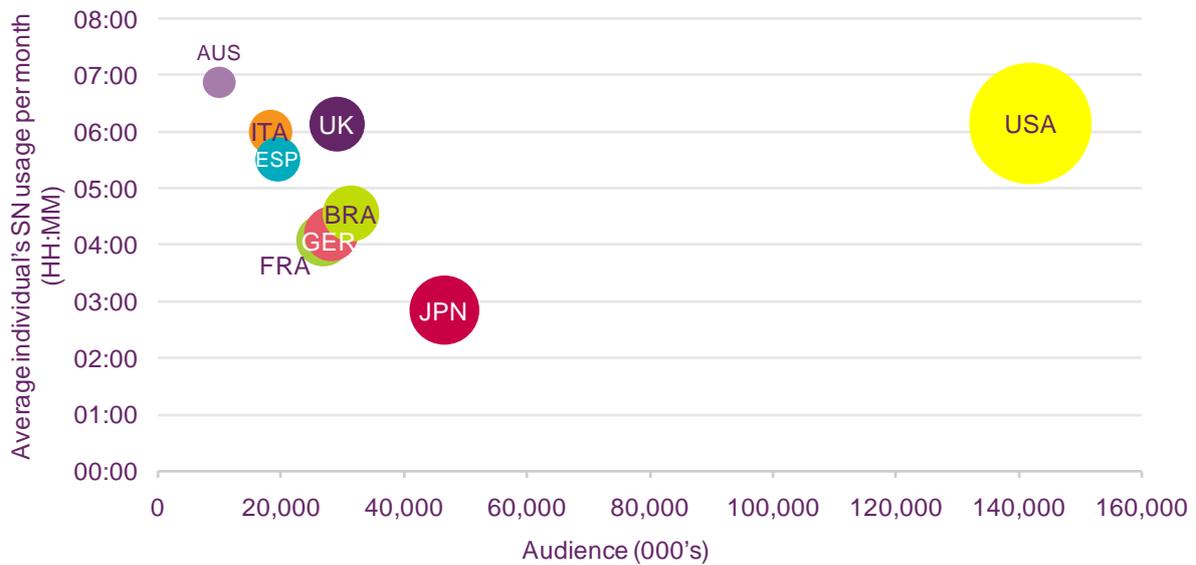
Since the first iterations of many popular sites came out of the US, it is perhaps unsurprising that the number of US visitors to social networking sites is much greater than in any other country (Figure 5.31). As Figure 5.32 shows however, relative take-up in the US is in reality very close to the average – 74%, exactly in line with the UK.

In terms of average time spent using social networking sites, of our comparator countries the three nations with the greatest use all have English as their first language, with Australia averaging more than seven hours per month. This could be because English-language sites are some of the most developed, as a result of being among the earliest to launch. Alternatively it may be a network effect: a common language driving take-up increases the likelihood of individuals making social connections and creates a richer, broader source of uploaded material to engage the audience using that language.

At the other end of the time-spent scale, users in Japan averaged only 2 hours 50 minutes per month on social networking sites. There may be a number of reasons for this. Blogging and networked game playing are both popular in Japan, as is the use of email on mobile devices, and these activities may compete with social networking for users' time. Consumers in Japan may also prefer to use their mobile phone, rather than a computer, for social networking. Mixi, the most popular social network in Japan, requires ownership of a Japan-registered mobile phone, and mobile social networking reach is equal to the US (Figure 5.37).

<sup>87</sup> <http://www.facebook.com/adsmarketing/#!/adsmarketing/index.php?sk=targeting>

**Figure 5.31 Monthly unique audience visiting social network sites**



Source: The Nielsen Company, December 2009.

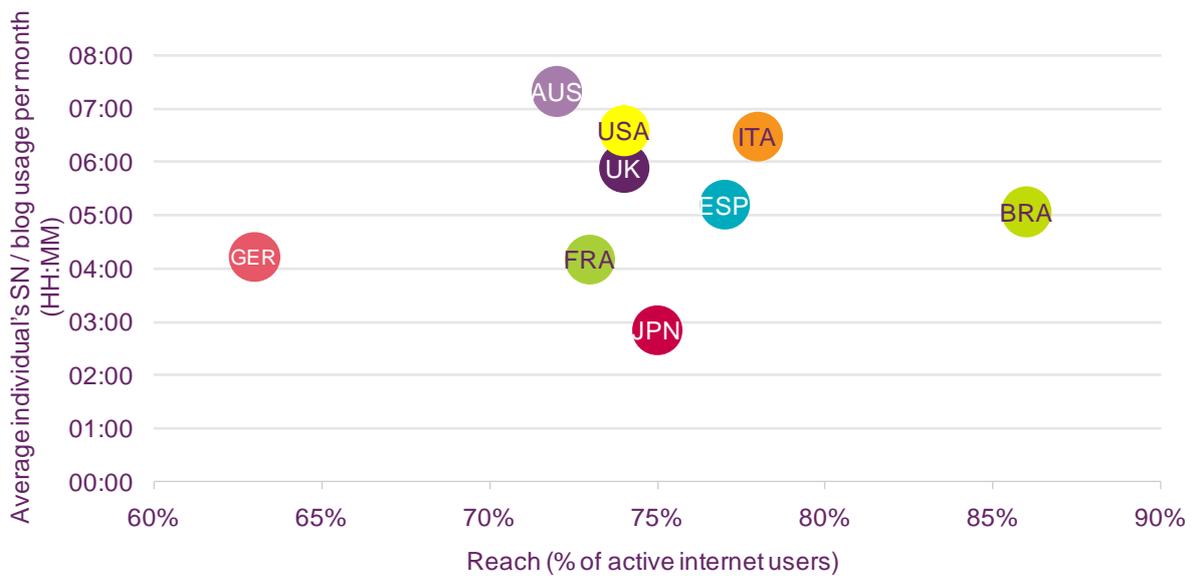
Note: Nielsen is investigating a decline in its internet use data around duration metrics and the potential impact of this on Unique Audience metrics. Consequently, until these investigations are concluded, Nielsen internet data for 2010 is likely to represent a lower bound and should be treated as indicative only.

Figure 5.32 gives a one-month snapshot of the proportion of active internet users (rather than population) who visit social networks or blogging websites. The UK's position reflects the general average, with a 74% reach and just under six hours per month average use. Only Brazil and Germany vary greatly from this average reach. While 18-34 year olds in Germany embrace social networking at much the same rate as our other comparator countries, the relatively low take-up among those aged 35 and over lowers overall reach. In Brazil, an emerging market, the high instance of social networking is driven by the relatively young average age of the online audience. Figure 5.32 demonstrates that the majority of internet users in many of our comparator countries are over 35, whereas new data from comScore suggests that in Brazil in 2010 68% of internet users are aged 34 or below<sup>88</sup>.

88

[http://www.comscore.com/Press\\_Events/Press\\_Releases/2010/6/comScore\\_Expands\\_Capabilities\\_in\\_Brazil](http://www.comscore.com/Press_Events/Press_Releases/2010/6/comScore_Expands_Capabilities_in_Brazil)

**Figure 5.32 Reach and use of social networking and blogging sites, by country**



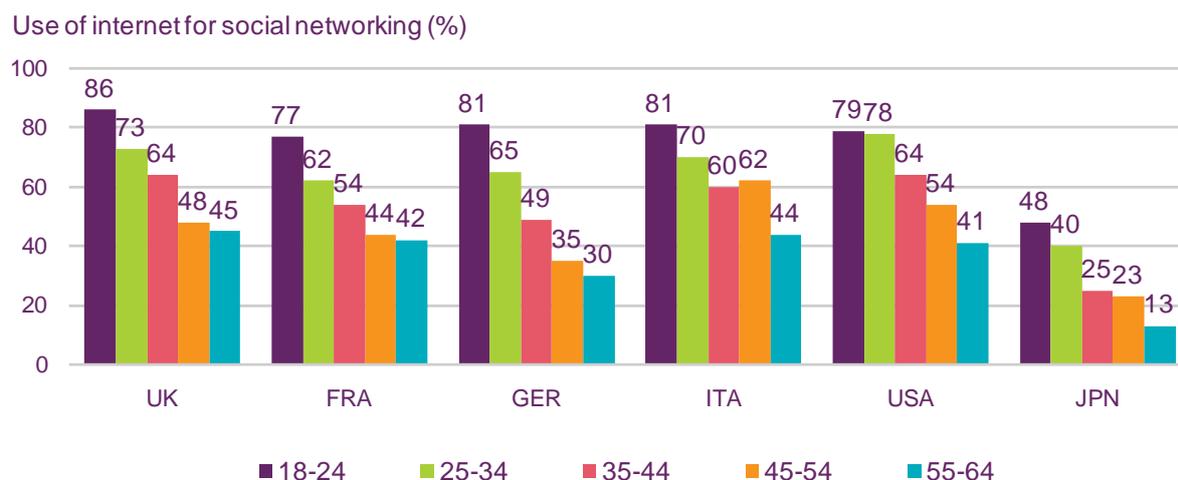
Source: The Nielsen Company, April 2010. Home and work data.

Note: Nielsen is investigating a decline in its internet use data around duration metrics and the potential impact of this on Unique Audience metrics. Consequently, until these investigations are concluded, Nielsen internet data for 2010 is likely to represent a lower bound and should be treated as indicative only.

### In the UK more than four in five 18 to 24 year olds are social networkers

In all the markets we surveyed, the highest take-up of social networking was in the 18-24 age group; UK young adults had the highest take-up, at 86%. Take-up decreases with age across all markets, but there are two anomalies: US residents aged 25 to 34 have an almost equal take-up rate as those under 25, perhaps partly as a result of Facebook originally being available only to those with a US educational email address (.edu) prior to 2006 and the first iterations of US networks such as MySpace and Bebo targeting younger audiences. In Italy, 45 to 54 year olds were the only group to outnumber a younger group. Take-up in Japan is relatively low, perhaps for the reasons previously discussed (see Figure 5.30).

**Figure 5.33 Use of the internet for social networking, by age**



Source: Ofcom consumer research, October 2010.

Base: All adults aged 18+ who use the internet (UK=1016, France=1017, Germany=1014, Italy=1002, USA=1017, Japan=1001).

Q9: Which, if any, of the following activities do you use your home internet connection for?

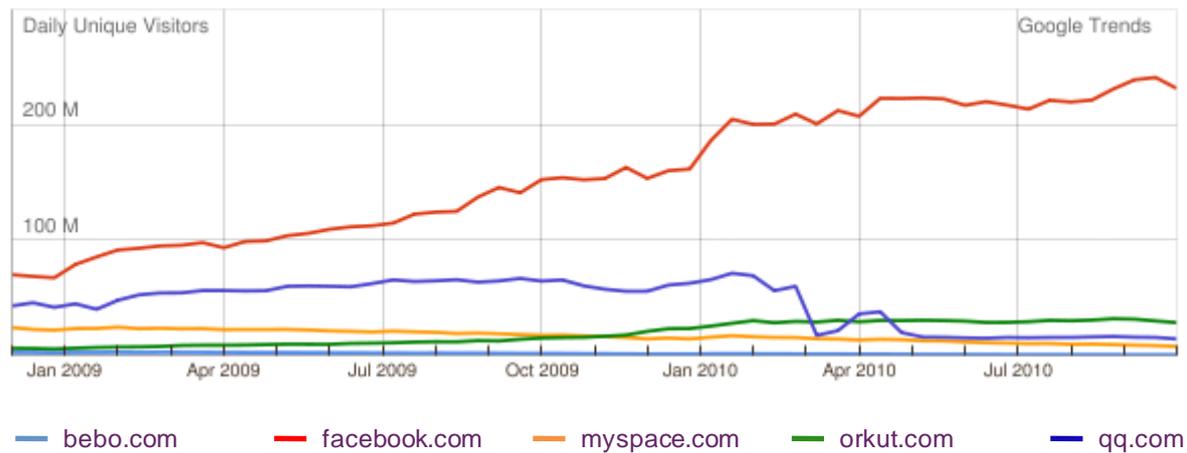
### Facebook is the largest player in the English speaking world, but there are many alternatives

To much of the English-speaking world it may appear that Facebook has become ubiquitous. But the global perspective is more complex. Google trend analysis<sup>89</sup> of our comparator countries shows that local social networking sites generate more traffic than Facebook in Brazil, China, Japan, the Netherlands and Russia. With the exception of the Netherlands, none of these countries has a notably high level of English speaking. By being first to market in their own territories, these social networks have managed to reach a critical mass, capturing a substantial market share before Facebook came on the scene.

Social networks are scale businesses and clearly benefit from network effects. While this may tend to discourage large numbers of people from switching networks, it has happened. According to the same Google data trending, in Germany in November 2008 (the earliest trending data available) StudiVZ traffic outnumbered Facebook by three to one, but by September 2010 this had reversed - to four to one in Facebook's favour. It is possible that Facebook itself is experiencing this 'winner takes all' phenomenon on a slower global scale as visits to globally established competitor sites such as MySpace and Bebo diminish.

<sup>89</sup> <http://trends.google.com> checked 20th October 2010. Analysis provides number of unique daily visitors to each website.

**Figure 5.34 Daily unique visitors to global social network sites, Jan 2009 to Oct 2010**



Source: <http://trends.google.com> checked 21st October 2010

Note: Qq.com is used almost exclusively in China.

### Brazil goes it alone

Like many nations, Brazil has embraced Facebook, but also has the interesting phenomenon of Orkut, a social network with particular traction in Brazil, which is home to 50.6% of all Orkut members<sup>90</sup>. This social network was developed by Google and was originally accessible only by invitation from current members. In a rare example of English being ousted by another language on the internet, Portuguese was established as the first language of most users when the invitation system went viral in Brazil. Many English speakers stopped using it, switching to alternatives. In August 2008 Google underlined the importance of the country to Orkut when it announced that the administration of the site would move from the US to Belo Horizonte in Brazil. Orkut's popularity shows no sign of abating; unique daily visitors continue to outnumber Facebook at a ratio of five to one<sup>91</sup>.

### Italy embraces Facebook

In terms of time spent and reach, consumers in the UK are in line with consumers in other English-speaking countries, spending the most time on Facebook. A large amount of user-generated content is in English and it was the first language Facebook rolled out to the public in 2006; others followed in 2008. As we have seen, Japan (Mixi) and Brazil (Orkut) have established local alternatives to Facebook, possibly explaining the relatively low reach of Facebook in these places.

Facebook also has a relatively low reach in Germany. One reason for this may be that many consumers in Germany migrated to Facebook from the local alternative (StudiVZ) at a later stage than consumers in most non-English speaking countries. By contrast, Italy's high Facebook take-up may in part be explained by a lack of a large-scale local alternative. Relatively large local alternatives exist both in Spain (Tuenti), and in France (Skyrock).

<sup>90</sup> <http://www.orkut.com> displays demographics to all members. Correct as of 20th October 2010. (20.4% of Orkut's membership is in India, the site's second largest market)

<sup>91</sup> <http://trends.google.com> checked 20th October 2010. Analysis provides number of unique daily visitors to each website

**Figure 5.35 Facebook reach and use, by country**



Source: The Nielsen Company, April 2010. Home and work data.  
 Note: Figures do not include mobile phone use. Nielsen is investigating a decline in its internet use data around duration metrics and the potential impact of this on Unique Audience metrics. Consequently, until these investigations are concluded, Nielsen internet data for 2010 is likely to represent a lower bound and should be treated as indicative only.

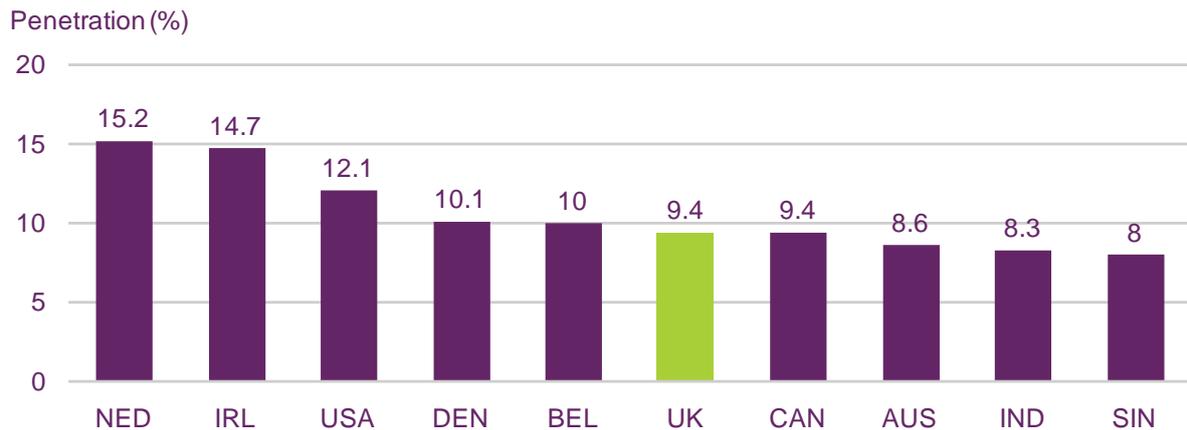
**The Netherlands and Ireland have the highest proportion of LinkedIn users**

Among business networking sites, LinkedIn is the global market leader in terms of subscribers. Figure 5.36 demonstrates the top ten countries for LinkedIn penetration (some of which are not main comparator countries in this report). The high penetration in smaller northern European markets, with high levels of tertiary education and English, may be indicative of an educated workforce looking beyond national boundaries to build business and professional relationships. There are internal market alternatives such as VIADEO in France and Xing in Germany which both have a greater presence than LinkedIn in their home territories but have limited presence elsewhere.

Looking beyond Europe and the English-speaking world, Sonico, focused primarily on Latin America and Spain, provides a good example of a converging social and professional network. Originating in Argentina in 2007, Sonico offers members both personal and professional networking facilities, the two co-existing independently of one another under one login. Currently available in Spanish, Portuguese and English, as of October 2009 Sonico claims membership of over 40 million<sup>92</sup>.

<sup>92</sup> [http://www.sonico.com//publico/sonico\\_corporate.php?step=5](http://www.sonico.com//publico/sonico_corporate.php?step=5)

**Figure 5.36 LinkedIn web penetration, top ten countries**

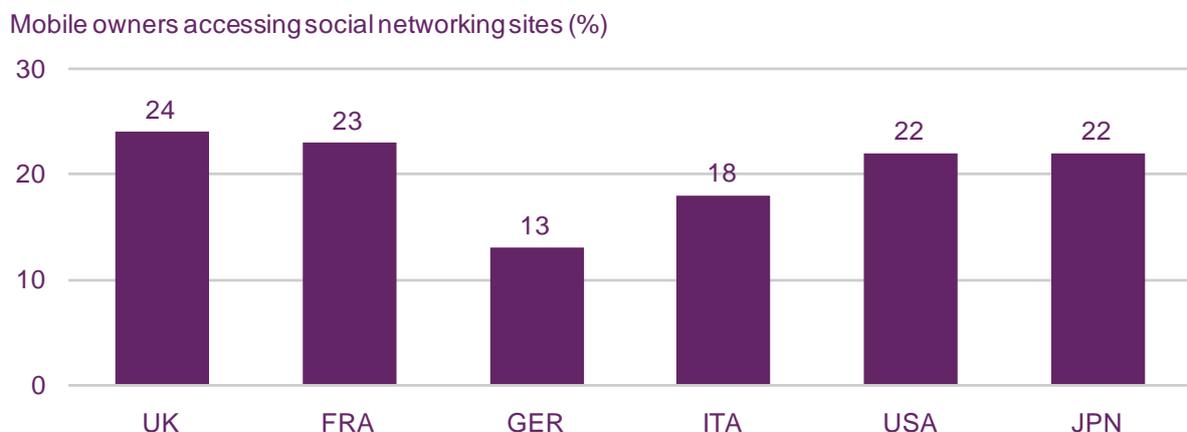


Source: comScore MediaMetrix, July 2010.

**Mobile social networking a success in the UK and Japan**

The increase in take-up of smartphones and the ongoing roll-out of 3G networks allows more social networkers to access their accounts using their mobile phones. Figure 5.37 demonstrates the Japanese mobile experience. As seen in Figure 5.30, in Japan social network take-up via an internet connection was below average for our comparator countries; however, as can be seen here, mobile social networking take-up is in line with the US (both at 22% of mobile owners), suggesting that those who do access social networking sites in Japan frequently do so by mobile phone. Again, the UK (24%) tops the chart as a result of both high social networking take-up in general and high take-up of smartphones.

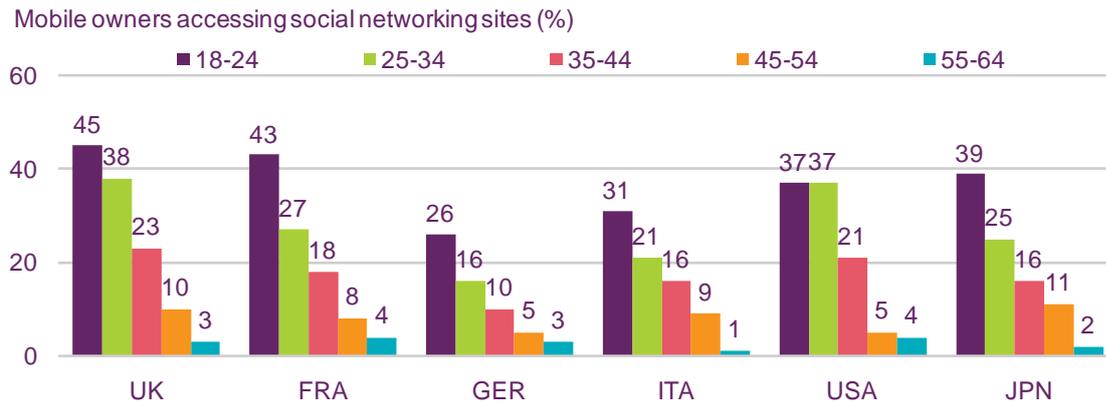
**Figure 5.37 Use of mobile phones for social networking**



Source: Ofcom consumer research, October 2010.  
 Base: All adults aged 18+ who use the internet (UK=1016, France=1017, Germany=1014, Italy=1002, USA=1017, Japan=1001).  
 Q11. Which, if any, of the following activities do you use your mobile phone for?

In a similar manner to internet social networking take-up, mobile social networking take-up is most prevalent among younger age groups. In the UK 18-24s are the largest group, at 45% of mobile phone owners. The pattern is familiar but the differences are exaggerated. In the US, 25 to 34s keep pace with the younger mobile social networkers but in Italy 45 to 54s no longer outnumber the next-eldest group. As previously seen (Figure 5.30 and Figure 5.37), mobile social networking take-up in Japan is relatively high compared to the country's internet social networking take-up.

**Figure 5.38 Use of mobile phones for social networking, by age**



Source: Ofcom consumer research, October 2010. Base: All adults aged 18+ who use the internet (UK=1016, France=1017, Germany=1014, Italy=1002, USA=1017, Japan=1001). Q11. Which, if any, of the following activities do you use your mobile phone for?

**The UK is tweeting**

Twitter’s greatest success among smartphone users is currently in the US, with a penetration of 8.3% of all smartphone users, followed by the UK with 5.8%. Twitter first emerged in the US so this goes a long way towards explaining its relative popularity there. Again, the English language influence is noticeable as the UK boasts almost double the penetration of the next-largest European market (Germany at 3.1%). One theory for UK growth is that the US celebrity/personality content in English ‘pulls’ UK audiences too.

Within Europe, Twitter’s reach among smartphone users contrasts sharply with what we have previously seen for social networks in general, with Germany outscoring France, Spain and Italy. This can be explained by the number of smartphone subscribers in each country. Similar absolute numbers of smartphone users access Twitter via a mobile browser in Germany and Italy, but as smartphone penetration is significantly higher in Italy (see Figure 5.3), use of Twitter in this way is proportionally more common among smartphone users in Germany. It is worth noting that mobile browser access is only one way of using Twitter; it can also be accessed via a number of mobile applications, and this type of access is not included in Figure 5.39.

**Figure 5.39 Twitter penetration among smartphone users**



Source: comScore MobiLens. 3-Month Avg. Ending June 2010, Total Audience Age 13+. Note: Includes only mobile browser access to Twitter and does not include other Twitter-based mobile applications.

## **Social networking and mobile advertising combine**

The improved functionality of mobile phones has led to a number of business models based on the location of the user. Location-based mobile social networks such as Gowalla and Foursquare incentivise users by offering information, rewards and discounts at local places of interest and local businesses when a user 'checks in' to the service via their mobile phone. On 3 November 2010 Facebook announced a similar mobile advertising platform which will allow businesses to offer incentives and discounts to Facebook members at a local level. Currently the Facebook platform is being offered free for businesses to use. Facebook claims to have 200 million mobile members as of November 2010<sup>93</sup> compared with Foursquare's 4 million, as stated in October 2010<sup>94</sup>. Gowalla is thought to have considerably fewer.

### **5.2.8 The mobile internet and web-based content**

#### **Smartphones are changing the way we use our mobiles – and how we access the web**

Mobile phones have long ceased to be devices used solely to make and receive calls. On average more people in the UK say they regularly use their mobile phones for sending SMS messages than they do for making voice calls. Figure 5.40 demonstrates how in some ways Japan is far ahead of our other comparator countries in the diversity of mobile phone use; 81% of respondents in Japan said they used their phone for email, with the US having the next largest proportion (22%). Internet access was 54% in Japan and again the US was second with 31%. Game playing and TV watching are the other areas where Japan has a significant lead. As a consequence of high email and internet take-up, SMS, MMS and Instant Messaging all scored very low in Japan. Many of these advanced functions have become more popular as a result of widespread smartphone adoption (see section 5.1.2).

Although the percentage of respondents regularly performing these actions is still relatively low in Europe, it is already noticeable that in the UK and France take-up tends to be higher in almost all areas compared to Germany. Differences in consumer behaviour across these countries may play a part in these variations. Another consideration may be the average age of the population - 44.3 in Germany, 39.8 in the UK and 39.7 in France<sup>95</sup>. For further demographic detail on mobile internet access see Figure 5.42.

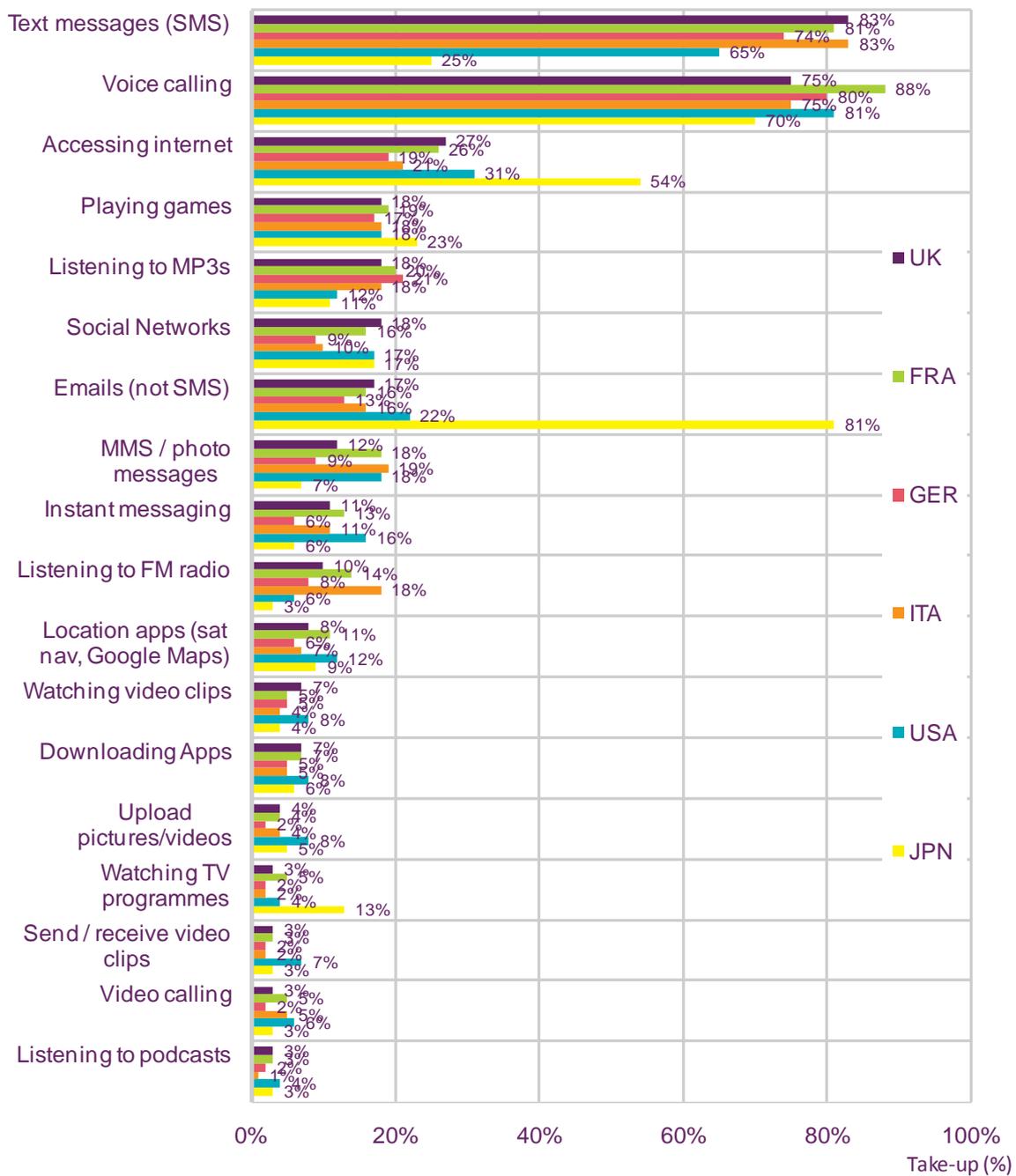
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<sup>93</sup> <http://www.facebook.com/press/info.php?statistics>

<sup>94</sup> <http://foursquare.com/about>

<sup>95</sup> <https://www.cia.gov/library/publications/the-world-factbook/fields/2177.html>

**Figure 5.40 Mobile phone uses, by country**



Source: Ofcom consumer research, October 2010.

Base: All adults aged 18+ who use the internet (UK=1016, France=1017, Germany=1014, Italy=1002, USA=1017, Japan=1001).

Q: Which, if any, of the following activities do you use your mobile phone for at least once a week?

## Mobile internet use has grown steadily

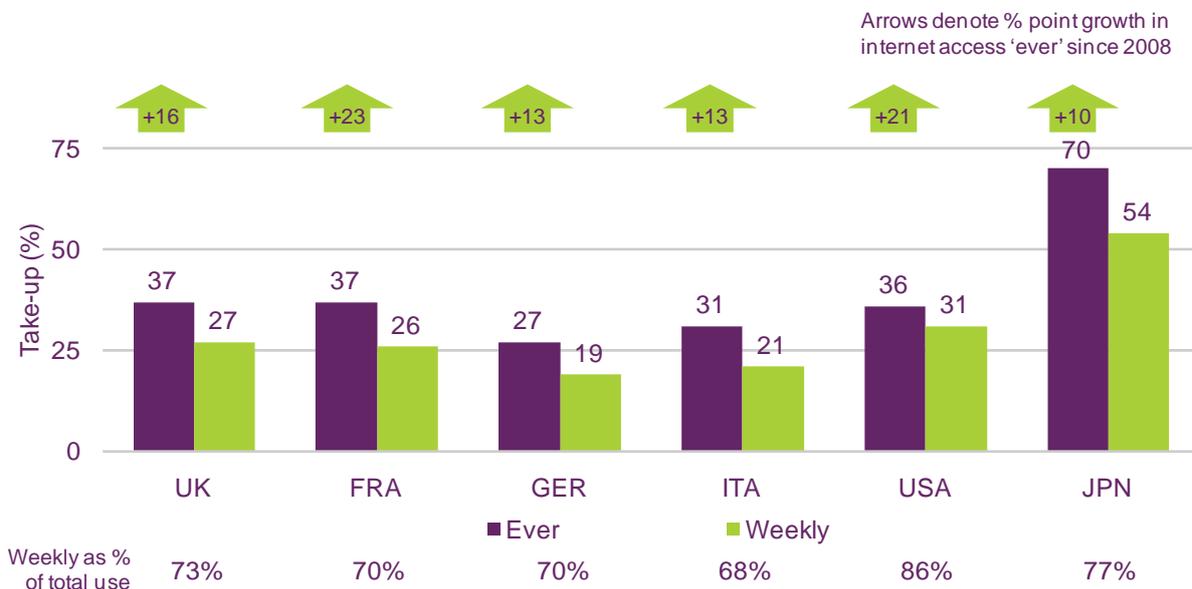
Perhaps the most significant impact of the emergence of smartphones into the mass market has been on mobile phone internet access. The coupling of a more intuitive and superior online user experience on a high-end device with fast data networks and unmetered data plans has led to rapid growth in the number of people using their mobile phones to access the internet. It has also allowed users to access a wide range of content and services using their phones, such as mobile music, mobile maps, and mobile applications.

Ofcom survey data show that across our main comparator countries mobile internet access has increased significantly since 2008 (Figure 5.41). The percentage point jump in the number of people who have ever used their mobile to access the internet was highest in France (+23pp) and the US (+21pp), but was significant even in Japan (+10pp) which has had historically high take-up of mobile internet services due to the early roll-out of 3G networks and mobile data services (such as NTT DoCoMo's i-mode, which launched in 1999).

Outside Japan (where mobile internet access stood at 70%), the number of internet users who have ever used their mobile phones to access the internet is highest in the UK (37%), France (37%) and the US (36%). Weekly mobile internet use was slightly lower, at 54% in Japan, 31% in the US, 27% in the UK and 26% in France.

Therefore the data suggest that the large majority of mobile internet users use their phones to access the internet at least weekly. Across our comparator countries at least two-thirds of people who claim to access the internet over their phones do so weekly, with this figure rising to 86% of mobile internet users in the US. In the UK the figure was 73%.

**Figure 5.41 Internet access via mobile phone**



Source: Ofcom consumer research, October 2010.

Base: All adults aged 18+ who use the internet (UK=1016, France=1017, Germany=1014, Italy=1002, USA=1017, Japan=1001).

Q11. Which, if any, of the following activities do you use your mobile phone for?

## Around half of internet users aged 18-24 access the internet on their mobiles

Across most of our key comparator countries age is an important determinant of whether consumers use their mobile phones to access the internet (Figure 5.42). In every country we

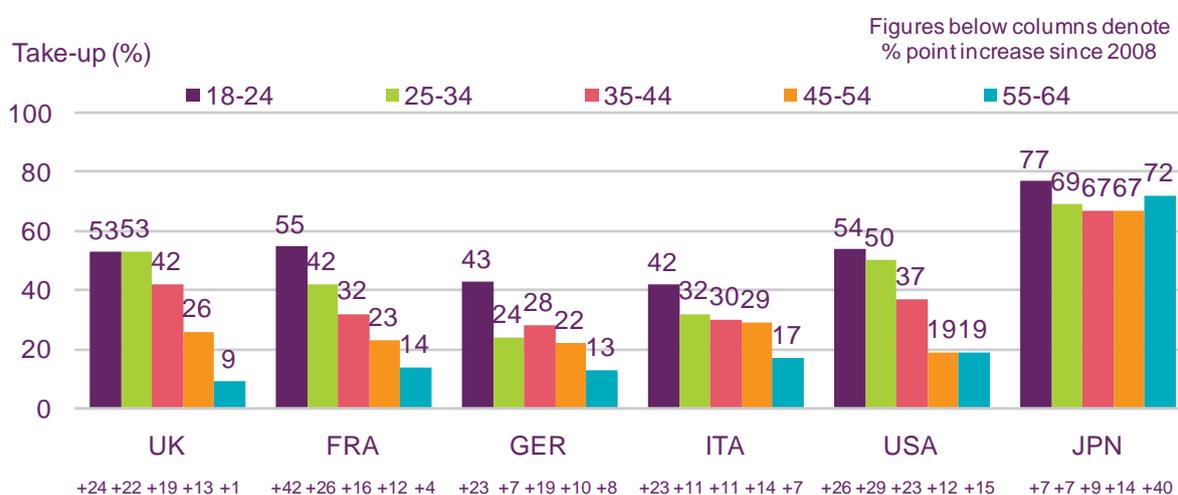
looked at, accessing the internet on a mobile device is highest among internet users aged 18-24, varying from 77% in Japan to 42% in Italy. In the UK just over half of internet users aged 18-24 (53%) claimed to have used their phones to access the internet. In the UK and the US claimed mobile internet access is also at a similar level among 25-34s, possibly driven by smartphone take-up among young professionals.

Younger age groups have also seen some of the largest growth in mobile internet access since 2008, with growth of at least 23 percentage points among 18-24s in all our comparator countries except Japan. The fastest growth among 18-24s was in France, which saw internet access on a mobile in this age group grow by 42 percentage points to 55%, catching up with the UK and the US.

Across our comparator countries there is also some evidence that internet access using a mobile phone is becoming more widespread among older age groups, at least among internet users, as our online survey shows significant growth in the numbers of people claiming to access the internet in this way since 2008. Outside Japan, mobile internet access among internet users aged 45-54 has generally doubled since 2008, and ranged from 19% in the US to 29% in Italy. In the UK the figure was 26%.

As consumers replace their handsets and smartphones gain mass market appeal, it is likely that mobile internet access levels among different age groups will begin to converge. Japan may point the way, with mobile internet use among users aged 55-64 rising 40 percentage points to 72% since 2008, bringing it into line with use among other age groups. However, the extent and pace of similar convergence in other countries will depend on local factors, just as mobile internet use in Japan has been driven by factors such as widespread use of email in place of text messaging (in contrast to all our other comparator countries, there is very little text messaging in Japan).

**Figure 5.42 Internet access via mobile phone among internet users, by age**



Source: Ofcom consumer research, October 2010.

Base: All adults aged 18+ who use the internet (UK=1016, France=1017, Germany=1014, Italy=1002, USA=1017, Japan=1001).

Q11. Which, if any, of the following activities do you use your mobile phone for?

### Downloading mobile applications varies little across our comparator countries

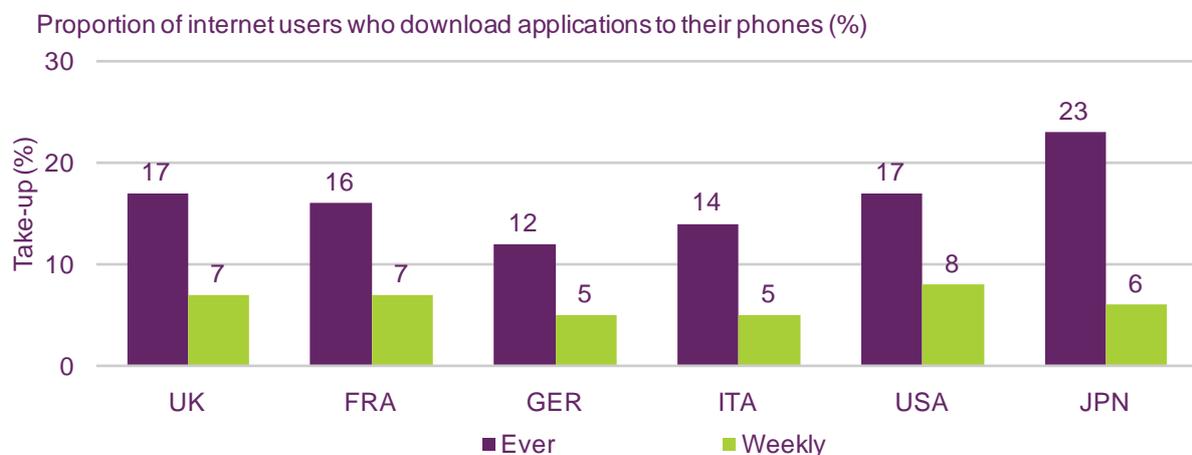
The growth of smartphones has led to the corresponding growth and emergence of mobile applications as an important way for consumers to access internet and web-based content on their mobiles. Mobile applications are pieces of software typically developed by third

parties to run on a mobile phone operating system. They generally allow consumers to easily access web-based content by adapting the internet experience for the limitations and advantages of a mobile device.

Despite the differences in take-up of smartphones between our comparator countries, there is little difference between them in the proportion of internet users who download applications to their mobile phones. Downloading mobile applications was highest in Japan (23%), in keeping with high levels of mobile internet access and advanced phone take-up. In other countries surveyed, the proportion of people who claimed to download mobile applications varied from 12% in Germany to 17% in the US and the UK.

Across all the countries we looked at, downloading mobile applications appeared to be an occasional rather than a regular activity, with no more than 8% of people in any of our comparator countries claiming to do this on a weekly basis.

**Figure 5.43 Internet users who have downloaded applications to their phones**



Source: Ofcom consumer research, October 2010.  
 Base: All adults aged 18+ who use the internet (UK=1016, France=1017, Germany=1014, Italy=1002, USA=1017, Japan=1001).

**Mobile map use has grown rapidly during the past year, driven by smartphone growth**

One type of mobile application that has grown rapidly over the past year as a result of increased smartphone penetration is mobile map and direction services (sometimes referred to as ‘location-based services’). These services commonly integrate mapping and/or direction and navigation software with the handset’s GPS functionality or cell-site location software to provide handheld mapping services to users.

ComScore MobiLens data show that in the five largest European markets the number of users of mobile mapping and direction services grew by between 53% and 86% in the year to February 2010. Growth was fastest in the UK (86%), where the proportion of mobile map users in the UK surpassed the number in Italy to reach 9 users per 100 population.

Aside from their intrinsic usefulness and convenience, a key reason for the growth of these services has been that some of the most popular services such as Google Maps for Mobile, Ovi Maps from Nokia, and some services provided by mobile network operators are available to download free of charge on many devices.

**Figure 5.44 Users of mobile map and direction services, Feb 2010**



Source: comScore MobiLens / Ofcom calculations. Age 13+.

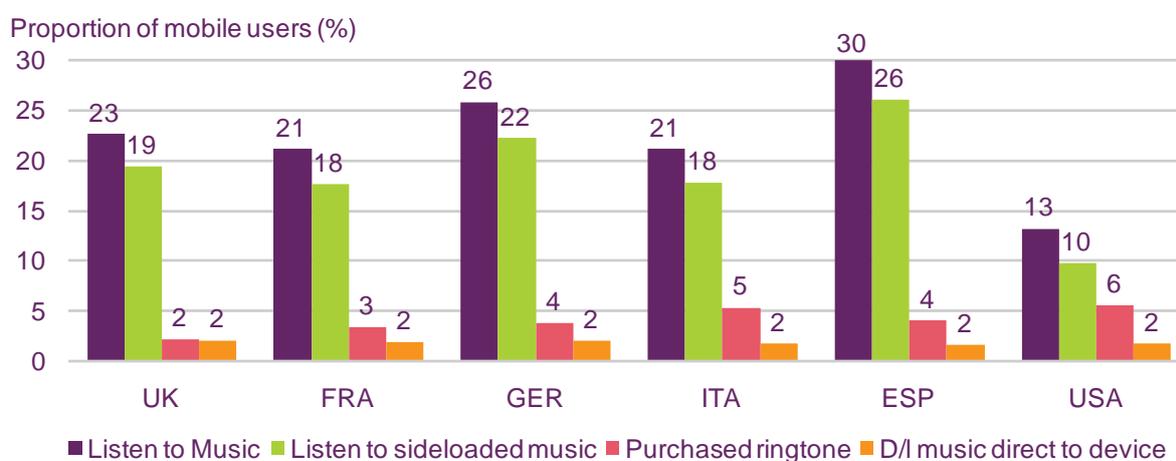
Note: Subscriber numbers based on 3 month average ending Feb 2010 vs. 3 month average ending Feb 2009. Population based on year end figures for 2008 and 2009. EU 5 = UK, FRA, GER, ITA, ESP.

### Mobile users remain reluctant to download music directly to their handsets

But while faster networks and advanced devices have enabled some forms of content delivered over the mobile internet to begin to take off, consumers remain reluctant to use mobile networks to download some other types of content. One example of this is music. While a sizable minority of mobile users claim to listen to music on their mobiles, the majority of this is music 'sideloaded' from their PCs, rather than downloaded directly to their mobile device. Across each of our comparator countries, only 2% of mobile users claimed to download music directly to their phone. A number of factors may be responsible for this including the data charges that music downloads can accrue, high prices and digital rights management and compatibility issues with consumers' existing music collections and devices.

Overall listening to music on mobile phones was highest in Spain (30%) and lowest in the US (13%). In the UK the figure was 23%.

**Figure 5.45 Mobile music users, Q1 2010**



Source: comScore MobiLens. Age 13+.

Note: 3-month average ending March 2010.