About this document

The report contains statistics and analysis of the Scotland communications sector and is a reference for industry, stakeholders and consumers. It also provides context to the work Ofcom undertakes in furthering the interests of consumers and citizens in the markets we regulate.

The report contains data and analysis on broadcast television and radio, fixed and mobile telephony, internet take-up and consumption and post.

We publish this report to support Ofcom's regulatory goal to research markets constantly and to remain at the forefront of technological understanding. It also fulfils the requirements on Ofcom under Section 358 of the Communications Act 2003 to publish an annual factual and statistical report. It also addresses the requirement to undertake and make public our consumer research (as set out in Sections 14 and 15 of the same Act).
Introduction

This is Ofcom’s ninth annual review of communications markets in Scotland, offering an overview of the take-up and use of communications services across the nation.

In many of the areas we report on, Scotland is showing signs of becoming a more connected nation, catching up with the UK average. In fact, consumers in Scotland spend the most time consuming media across an average day of any nation in the UK.

Internet access is now in line with the UK average and tablet ownership in Scottish households has almost doubled. There has also been a big increase in the percentage of mobile phone users who own smartphones and are using them to connect to the internet. Other highlights include a large increase in DAB radio ownership, an increase in smart TV take-up and in catch-up viewing on mobile or computer.

In TV, network production from Scotland has again experienced growth. The increase in network expenditure is evidence that the slight decrease reported in last year’s Communications Market Report may have been a blip. Our report also shows the increasing popularity of watching TV on demand and the continuing reliance on TV for news consumption.

In radio, commercial stations accounted for around half of adults’ total share of listening hours in Scotland, higher than in any other nation and above the UK average.

In post, the report shows continuing high levels of satisfaction with the Royal Mail in Scotland, as revealed in the last two communications reports.

This year’s report also includes detailed findings on how SMEs in Scotland view communications services.

The information set out in this report does not represent any proposal or conclusion by Ofcom in respect of the current or future definition of markets. Nor does it represent any proposal or conclusion about the assessment of significant market power for the purpose of the Communications Act 2003, the Competition Act 1998 or any other relevant legislation.
Setting the scene

Key facts about Scotland

<table>
<thead>
<tr>
<th>Figure</th>
<th>Scotland</th>
<th>UK</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population</td>
<td>5.313m (mid-2012 estimate)</td>
<td>63.705m (mid-2012 estimate)</td>
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<tr>
<td>Age profile</td>
<td>Population aged &lt;16: 17.2%</td>
<td>Population aged &lt;16: 18.8%</td>
</tr>
<tr>
<td></td>
<td>Population aged 65+: 17.4%</td>
<td>Population aged 65+: 17%</td>
</tr>
<tr>
<td>Population density</td>
<td>68 people per square kilometre</td>
<td>263 people per square kilometre</td>
</tr>
<tr>
<td>Language</td>
<td>87,000 people aged 3 and over (1.7% of the population) had some Gaelic language ability in 2011.</td>
<td>n/a</td>
</tr>
<tr>
<td>Unemployment</td>
<td>6.4% of the working age population</td>
<td>6.8% of the working age population</td>
</tr>
<tr>
<td>Income and expenditure</td>
<td>Weekly household income: £671</td>
<td>Weekly household income: £711</td>
</tr>
<tr>
<td></td>
<td>Weekly household expenditure: £437</td>
<td>Weekly household expenditure: £482</td>
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</tbody>
</table>


A note on our survey research

We conducted a face-to-face survey of 3,750 respondents aged 16+ in the UK, with 501 interviews conducted in Scotland. Quotas were set and weighting applied to ensure that the sample was representative of the population of Scotland in terms of age, gender, socio-economic group and geographic location. Fieldwork took place in January and February 2014.

Respondents were defined as urban if they lived in a settlement with a population of 2000 or more and rural if they lived in areas with smaller populations. The survey sample in Scotland has error margins of approximately +/- 3-4% at the 95% confidence level. In urban and rural areas survey error margins are approximately +/-4-6%.

In addition to the survey data, this report refers to information from a range of other sources, including data provided to Ofcom by stakeholders. Tables summarising the data collected in our survey are published on Ofcom’s website.
1 Scotland’s communications market

1.1 Key findings for Scotland

Introduction

This section sets out a selection of the key facts and figures relating to communications markets across Scotland in 2013, comparing and contrasting nations and highlighting changes that have taken place in the past year.

Key findings for Scotland

SME telecoms research

- A majority of SMEs in Scotland rate communications services as fundamental to their business, and many are making use of online applications.

- Most SMEs in Scotland are satisfied with communications at an overall level. Satisfaction levels were lowest among ADSL broadband services, with just under seven in ten (69%) say that they are satisfied with this service.

- Over three in ten Scottish SMEs do not feel confident in their ability to identify new communications products or services.

- A third of Scottish SMEs report having experienced poor mobile coverage, with almost 4 in 10 Scottish SMEs report having experienced poor reliability of their internet connection.

Mobile coverage in Scotland

- Mobile users in Scotland have higher expectations of their network’s performance than do users in the other nations. Networks are expected to perform best in outdoor urban areas (94%) and indoors (89% and 80%). Expectations on network performance when travelling and in rural outdoor areas are lower (59%).

- The majority of mobile phone users are satisfied with their network. The majority of mobile phone users (82%) claim to be ‘fairly’ or ‘very’ satisfied with their current network, with those in urban areas being more satisfied than those in rural areas (85% vs. 68%).

- A third of those who had switched mobile phone network in Scotland recalled their new supplier checking their network coverage for them. Just over half (52%) said their coverage was not checked and the remaining 14% could not remember.

Availability of communications services in Glasgow and Inverness

- Glasgow has markedly lower total next-generation access (NGA) coverage than the majority of the other cities assessed, although this has increased by 4% since the last report.
• Glasgow’s NGA availability is likely to increase further as BT Openreach implements its upgrade plans.

• In Glasgow, the areas of greatest deprivation were those where NGA broadband was least available. The most income- and education-deprived areas of the city also had the highest proportion of ‘<2Mbit/s’ connections.

• Glasgow’s fixed broadband take-up has improved since the last report but is still lower than the UK average.

• Inverness has significantly lower NGA availability than the other ten cities assessed, although this has increased slightly since the last report.

• NGA availability in Inverness is likely to increase in the future due to the £146m scheme to invest in broadband across the Scottish Highlands and Islands. This is a public-sector intervention led by Highlands and Islands Enterprise (HIE).

Digital Day

• Consumers in Scotland spent the most time per day on media and communications. Respondents in Scotland recorded the highest volume of media use, at 11 hours 41 minutes per day (squeezed into 9 hours and 6 minutes, because people carried out some media activities concurrently). The average across the UK was 11 hours 7 minutes of media consumption, compressed into 8 hours 41 minutes.

• Television remains resilient in Scotland, where four in ten media minutes are spent watching TV on a TV set. People in Scotland spent 39% of their daily media and communications time watching TV on a TV set – marginally higher than the UK average of 37%. Ten per cent of media time was spent using a radio set, with use of this device being most popular in the morning period.

TV and audio-visual content

• Satellite, cable and internet television platform take-up grew at the expense of digital terrestrial television (DTT). Both satellite and cable increased their share of TV households by 3pp; to 40% and 19% respectively. Digital television via broadband jumped from 2% to 6%, possibly as a result of both BT and TalkTalk adding YouView boxes to their bundle offerings in late 2012.

• Scotland has fewer online catch-up TV service users than the UK average. The proportion of people who claimed to use online catch-up services for television viewing was lower in Scotland than in the UK as a whole (29% vs. 32%).

• Of the three devolved nations, Scotland has the highest proportion of adults using the television to keep up with national news. In 2013, 80% of respondents cited television as their main source of national news, compared with 60% and 61% in Wales and Northern Ireland respectively. National news in this context refers to each devolved nation and not the UK.

• BBC and STV spend on first-run originated content for viewers in Scotland remained stable in 2013. In nominal terms, spend on first-run originated programming shown on BBC One, BBC Two and STV for viewers in Scotland has remained steady, at around £52m per year over the last four years.
- **Total spend by the BBC/STV on nations’ programming in Scotland was up 1% year on year.** The BBC and STV spend on Scottish current affairs programming increased by 6% in 2013, a 17% rise on five years earlier.

**Radio and audio content**

- **Scotland has five new community radio stations on air.** This brings the total number of community radio stations available in Scotland to 23, with eight more preparing to launch since the recent licence awards.

- **Local commercial stations are more popular in Scotland than in other nations.** These accounted for a 36% share of listening hours in Scotland in 2013, which is seven percentage points above the UK average.

- **One third of all listening in Scotland was through a digital platform.** Digital listening grew 4.3 percentage points year on year, with 33% of listening hours now via a digital platform. Although lower than the UK average (36%), the share of digital listening in Scotland is higher than that for Wales and Northern Ireland (29% and 23%).

- **More than four in ten households in Scotland now have a DAB digital radio set.** There has been an increase of 14 percentage points since 2013, with 43% of households now owning a DAB digital radio set. This represents the second largest increase of all the nations, after Wales, and brings Scotland into line with the UK average of 44%.

**Internet and web-based content**

- **Eight in ten households in Scotland have internet access.** Access increased by five percentage points year on year, to come into line with the UK average (81%).

- **Four in ten households in Scotland have a tablet computer.** In Q1 2014, 42% of households in Scotland claimed to own a tablet computer such as an iPad or Kindle Fire, an 18 percentage point annual increase.

- **The laptop is no longer the most important device for getting online for most internet users in Scotland.** No single device was thought to be most important by a majority of internet users in Scotland in Q1 2014. This is in contrast to Q1 2013, when 54% of internet users in Scotland claimed their laptop was most important.

- **Internet users in Scotland spend the most time online of the devolved nations.** Internet users in Scotland claim to spend 16.5 hours on the internet per week, slightly less than the UK average of 16.9 hours. Furthermore, internet users in Scotland claim to spend a significantly greater amount of time using the internet outside the home, workplace, or place of education than users in Wales or Northern Ireland.

**Telecoms and networks**

- **By June 2014 64% of premises in Scotland were served by the NGA networks that are used to provide superfast broadband services.** This was below the UK average of 78% and was the second lowest proportion among the UK nations after Wales (58%).

- **Over three-quarters of homes in Scotland had a broadband connection in Q1 2014.** While broadband take-up stood at 76% across all households in Scotland in
Q1 2014, it was lower among people aged over 65, the C2DE socio-economic group and low-income households.

- **Eighty-eight per cent of fixed broadband users in Scotland were satisfied with their service in Q1 2014.** There was no difference in satisfaction levels between urban and rural areas of Scotland.

- **Two-thirds of mobile phone users (69%) in Scotland had a smartphone in Q1 2014.** This was an increase of 20 percentage points compared to Q1 2013, the largest increase across the nations. Smartphone take-up was higher in urban areas of Scotland (71%) than in rural areas (61%).

**Post**

- **Almost six in ten adults in Scotland say they only use post if there is no alternative.** When asked about their attitudes to various statements concerning sending and receiving post, 57% of adults in Scotland say they only use this method of communication if there is no alternative, compared to just 40% across the UK as a whole.

- **Adults in Scotland are more likely than those in other nations to use a Post Office counter to send parcels.** When asked about the various services, adults in Scotland said they were more likely than those in the other nations to go to the Post Office counter to send a parcel (71% vs. 58% across the UK).

- **Those living in Scotland claim to receive the most items of post each week (10.5) compared to the rest of the UK (8.7).** This is largely driven by the finding that almost a third of respondents in Scotland (32%) claim to have received more than ten items in the past week, compared to just 24% across the UK as a whole.

- **Adults living in Scotland are more satisfied than those in the rest of the UK with the cost of postage.** Eighty nine per cent of people in Scotland are satisfied with Royal Mail overall. This satisfaction is seen across all aspects of Royal Mail’s service, in particular the cost of postage: 68% of adults in Scotland express satisfaction with this, compared to just 55% across the whole of the UK.
### Figure 1.1  Fast facts for Scotland

<table>
<thead>
<tr>
<th></th>
<th>UK</th>
<th>England</th>
<th>Scotland</th>
<th>Wales</th>
<th>Northern Ireland</th>
<th>UK urban</th>
<th>UK rural</th>
<th>Scotland urban</th>
<th>Scotland rural</th>
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<td>TV take-up</td>
<td>97</td>
<td>97</td>
<td>95-</td>
<td>98+</td>
<td>97</td>
<td>96</td>
<td>99+</td>
<td>95-</td>
<td>98+</td>
</tr>
<tr>
<td>Smart TV take-up among TV homes</td>
<td>12 $\uparrow+5$</td>
<td>12 $\uparrow+4$</td>
<td>8$^-$ $\uparrow+4$</td>
<td>9$^-$ $\uparrow+3$</td>
<td>7$^-$</td>
<td>12 $\uparrow+5$</td>
<td>11 $\uparrow+4$</td>
<td>7$^-$</td>
<td>11</td>
</tr>
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<td>DAB ownership among radio listeners$^1$</td>
<td>44</td>
<td>44</td>
<td>43 $\uparrow+14$</td>
<td>42 $\uparrow+15$</td>
<td>30$^-$ $\uparrow+6$</td>
<td>43</td>
<td>47 $\uparrow+8$</td>
<td>43 $\uparrow+14$</td>
<td>42 $\uparrow+11$</td>
</tr>
<tr>
<td>Online TV / video viewing (on mobile or computer)</td>
<td>49 $\uparrow+7$</td>
<td>50 $\uparrow+8$</td>
<td>42</td>
<td>48 $\uparrow+10$</td>
<td>48</td>
<td>50 $\uparrow+8$</td>
<td>41$^-$</td>
<td>41</td>
<td>46</td>
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<td>Broadband take-up</td>
<td>77</td>
<td>77</td>
<td>76 $\uparrow+6$</td>
<td>71$^-$ $\uparrow+5$</td>
<td>73$^-$</td>
<td>76</td>
<td>78</td>
<td>76 $\uparrow+7$</td>
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<td>Mobile broadband take-up</td>
<td>8 $\uparrow+3$</td>
<td>9 $\uparrow+4$</td>
<td>6$^-$</td>
<td>7</td>
<td>5$^-$</td>
<td>8 $\uparrow+2$</td>
<td>11$^-$ $\uparrow+7$</td>
<td>6$^-$</td>
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<td>Use mobile to access internet</td>
<td>57 $\uparrow+8$</td>
<td>57 $\uparrow+8$</td>
<td>56 $\uparrow+12$</td>
<td>52$^-$ $\uparrow+5$</td>
<td>51$^-$ $\uparrow+6$</td>
<td>58 $\uparrow+9$</td>
<td>51$^-$ $\uparrow+3$</td>
<td>58 $\uparrow+14$</td>
<td>49$^+$ $\uparrow+7$</td>
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<td>Mobile phone take-up</td>
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<td>90$^-$</td>
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<td>94</td>
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<td>93</td>
<td>90-</td>
<td>89-</td>
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<td>Smartphone take-up</td>
<td>61 $\uparrow+10$</td>
<td>61 $\uparrow+9$</td>
<td>62 $\uparrow+17$</td>
<td>57$^-$ $\uparrow+8$</td>
<td>55$^-$ $\uparrow+10$</td>
<td>62 $\uparrow+11$</td>
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<td>Fixed landline take-up</td>
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<td>83</td>
<td>87+</td>
<td>82</td>
<td>82</td>
<td>89$^-$</td>
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<td>Tablet computer take-up</td>
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<td>44 $\uparrow+20$</td>
<td>42 $\uparrow+18$</td>
<td>45 $\uparrow+24$</td>
<td>45 $\uparrow+16$</td>
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<td>48$^+$ $\uparrow+26$</td>
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<td>E-reader take-up (personal use)</td>
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<td>18 $\uparrow+3$</td>
<td>20$^-$ $\uparrow+8$</td>
<td>16</td>
<td>21$^+$</td>
<td>16</td>
<td>20$^+$</td>
</tr>
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<td>Households taking bundles</td>
<td>63 $\uparrow+3$</td>
<td>64 $\uparrow+4$</td>
<td>64 $\uparrow+4$</td>
<td>59$^-$ $\uparrow+9$</td>
<td>54$^+$ $\uparrow+3$</td>
<td>63 $\uparrow+4$</td>
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<td>65 $\uparrow+8$</td>
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<td>LLU ADSL broadband availability$^3$</td>
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<td>88</td>
<td>93</td>
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<td>Virgin Media cable broadband availability$^4$</td>
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<td>35</td>
<td>21</td>
<td>26</td>
<td>44</td>
<td>47</td>
<td>35</td>
<td>21</td>
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<td>BT Openreach / Kcom fibre broadband availability$^5$</td>
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<td>71</td>
<td>48</td>
<td>55</td>
<td>92</td>
<td>69</td>
<td>71</td>
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<td>98.9</td>
<td>99.7</td>
<td>99.9</td>
<td>99.5</td>
<td>99.0</td>
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<td>3G mobile availability$^8$</td>
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<td>97.3</td>
<td>98.3</td>
<td>99.0</td>
<td>99.5</td>
<td>99.8</td>
<td>97.3</td>
<td>98.3</td>
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<td>4G mobile availability$^9$</td>
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<td>76.3</td>
<td>56.8</td>
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<td>DTT availability$^{10}$</td>
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<td>98.5</td>
<td>98.6</td>
<td>98.7</td>
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<tr>
<td>TV consumption (hours per day)</td>
<td>3.9</td>
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<td>4.1</td>
<td>4.4</td>
<td>4.0</td>
<td>3.9</td>
<td>3.8</td>
<td>4.1</td>
<td>4.4</td>
</tr>
<tr>
<td>Radio consumption (hours per day)</td>
<td>3.1</td>
<td>3.1</td>
<td>2.9</td>
<td>3.1</td>
<td>2.8</td>
<td>3.1</td>
<td>3.1</td>
<td>2.9</td>
<td>3.1</td>
</tr>
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</table>
1.2 SME telecoms research 2014

A majority of SMEs in Scotland rate communications services as fundamental to their business

Eighty-two per cent of Small and Medium Enterprises (SMEs) in Scotland agree that communications services are fundamental to their business – this on a par with the average response from SMEs across the UK (83%). There are no significant differences by size or location.

When asked to rate the importance of different types of communications services on a scale of 1-10, fixed phone (8.9) and fixed internet (8.8) were both rated as almost 9 out of 10 on average. Mobile phone services were rated slightly lower (at 8.2). Mobile internet services (e.g. using a USB dongle) appear to be less important.
Figure 1.2 Importance of communications services to SMEs in Scotland

<table>
<thead>
<tr>
<th>% who agree that “Communications services are fundamental to our business without them we could not achieve our goals”</th>
<th>All UK</th>
<th>Scotland</th>
<th>Scotland</th>
</tr>
</thead>
<tbody>
<tr>
<td>Urban</td>
<td>Rural</td>
<td>1-4</td>
<td>1-9</td>
</tr>
<tr>
<td>83</td>
<td>82</td>
<td>81</td>
<td>84</td>
</tr>
</tbody>
</table>

Mean scores: “How important are XXX services on a scale of 1-10”

<table>
<thead>
<tr>
<th>Service</th>
<th>All UK</th>
<th>Scotland</th>
<th>Scotland</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fixed phone lines</td>
<td>8.9</td>
<td>8.8</td>
<td>8.9</td>
</tr>
<tr>
<td>Leased Lines</td>
<td>8.4</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mobile phone services</td>
<td>8.2</td>
<td>8.1</td>
<td>8.2</td>
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<tr>
<td>Fixed internet services</td>
<td>8.8</td>
<td>8.8</td>
<td>8.7</td>
</tr>
<tr>
<td>Mobile internet services</td>
<td>6.4</td>
<td>6.0</td>
<td></td>
</tr>
</tbody>
</table>

Source: Ofcom SME research
Base: All SMEs (n=1508 in the UK, 349 in Scotland).
Note: Base sizes for rural (114), 10-49 employees (75) and 50-249 (51) employees are low and should be treated as indicative only. Importance scores based on all SMEs that use the service

The majority of SMEs in Scotland have broadband internet

The majority (80%) of SMEs in Scotland are online and this is true across urban and rural areas and businesses of different sizes. Nearly seven in ten (69%) SMEs in Scotland use mobile phones. Use of internet and mobile phones is more common among larger businesses in Scotland.
Most SMEs in Scotland using online applications

The majority of SMEs are making functional use of the internet to order goods and services (86%) and to make payments (68%). Almost seven in ten have a company website (69%).

A minority of SMEs are using the internet for marketing and sales, with 38% using online marketing, 45% taking orders online and 39% taking payments online. A smaller minority of SMEs say they are using online services to manage or access their data; one in five (23%) are using cloud services.
Over a third of Scottish SMEs do not feel confident in their ability to identify new communications products or services

The survey results suggest that there is a confidence gap among SMEs in Scotland in identifying new communications products and services to benefit their business. More than a third (35%) say they do not feel confident in their ability to do this, although 65% say they feel very well informed about how communications services can help businesses survive.

A lack of information does not seem to explain low confidence – Scotland’s SMEs are almost universal (91%) in their agreement that information is widely available. However, almost four in ten (38%) SMEs indicate that they have security concerns related to communications services, which may, in part at least, explain the lack of confidence.
Most SMEs in Scotland are satisfied with communications at an overall level…

Eighty-seven per cent are satisfied with standard PSTN lines, 91% are satisfied with smartphones and 87% with standard mobile phones.

…but satisfaction is lower with ADSL broadband

Just under seven in ten (69%) say that they are satisfied with their ADSL broadband service.

When SMEs were asked about particular aspects of mobile and internet services (for example, speed and coverage) satisfaction levels tended sit at around seven in ten (See Figure 1.6 for details).

### Figure 1.5  Confidence in use of communications services by SMEs in Scotland (%)

<table>
<thead>
<tr>
<th>Location</th>
<th>No. of employees</th>
<th>All UK</th>
<th>Scotland</th>
<th>Scotland</th>
</tr>
</thead>
<tbody>
<tr>
<td>Urban</td>
<td>1-4</td>
<td>34</td>
<td>30</td>
<td>37</td>
</tr>
<tr>
<td>Rural</td>
<td>1-4</td>
<td>35</td>
<td>42</td>
<td>36</td>
</tr>
<tr>
<td>Urban</td>
<td>1-9</td>
<td>30</td>
<td>42</td>
<td>36</td>
</tr>
<tr>
<td>Rural</td>
<td>1-9</td>
<td>35</td>
<td>42</td>
<td>36</td>
</tr>
<tr>
<td>Urban</td>
<td>10-49</td>
<td>30</td>
<td>42</td>
<td>36</td>
</tr>
<tr>
<td>Rural</td>
<td>10-49</td>
<td>35</td>
<td>42</td>
<td>36</td>
</tr>
<tr>
<td>Urban</td>
<td>50-249</td>
<td>27</td>
<td>36</td>
<td>20</td>
</tr>
<tr>
<td>Rural</td>
<td>50-249</td>
<td>30</td>
<td>42</td>
<td>27</td>
</tr>
</tbody>
</table>

**Source:** Ofcom SME research

**Base:** All SMEs (n=1508 in the UK, 342 in Scotland)
A third of Scottish SMEs report having experienced poor mobile coverage

Despite the relatively high levels of satisfaction reported, one in three (31%) SMEs with mobile telephony in Scotland report having experienced poor mobile coverage in the past 12 months.

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2 There were a high number of neutral and ‘don’t know’ responses to this question. 22% were dissatisfied.
On fixed-line telephone services, the most commonly-reported problem was poor service reliability, with 18% of SMEs in Scotland reporting having experienced such a problem in the past 12 months.

Almost 4 in 10 Scottish SMEs report having experienced poor reliability of their internet connection

Almost four in ten (37%) internet-connected SMEs in Scotland reported that they had experienced poor service reliability from their internet connection in the past 12 months. This figure was higher in Scotland than the UK average figure.
Figure 1.9  Problems experienced by Scotland SMEs with internet service in the past 12 months

<table>
<thead>
<tr>
<th></th>
<th>All UK</th>
<th>Scotland</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Location</td>
<td>No. of employees</td>
</tr>
<tr>
<td></td>
<td>Urban</td>
<td>Rural</td>
</tr>
<tr>
<td>Poor service reliability (e.g. Temporary loss of service/connection)</td>
<td>29</td>
<td>37</td>
</tr>
<tr>
<td>Slow download speeds</td>
<td>16</td>
<td>21</td>
</tr>
<tr>
<td>Slow upload speeds</td>
<td>13</td>
<td>17</td>
</tr>
<tr>
<td>Poor customer service</td>
<td>4</td>
<td>3</td>
</tr>
<tr>
<td>No problems experienced</td>
<td>58</td>
<td>51</td>
</tr>
</tbody>
</table>

Source: Ofcom SME research
Base: All SMEs with fixed internet (n=1267 in the UK, 293 in Scotland).
Base: All SMEs with fixed internet in rural areas (94) and those with 10-49 (69) and 50-249 (48) employees are low so treat as indicative only.
Note: Problems mentioned by less than 2% in both the UK and Scotland samples are not included.

Most SMEs in Scotland say the needs of their business are well catered for by the communications industry

Most (80%) SMEs agree that the needs of their business are well catered for by the communications market. However, a minority (15%) report that the ability of their business to grow has been impacted by a lack of service availability.

One per cent of SMEs say that they have been unable to move premises due to a lack of service availability.

Figure 1.10  Communications services in the context of business needs

<table>
<thead>
<tr>
<th></th>
<th>All UK</th>
<th>Scotland</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Location</td>
<td>No. of employees</td>
</tr>
<tr>
<td></td>
<td>Urban</td>
<td>Rural</td>
</tr>
<tr>
<td>% Agree - the needs of my business are well catered for in the communications market</td>
<td>85</td>
<td>80</td>
</tr>
<tr>
<td>% Agree - The ability of my business to grow has been impacted by the lack of suitable communications products and services available to me</td>
<td>15</td>
<td>15</td>
</tr>
<tr>
<td>Has your organisation ever been prevented from moving location due to the communications services you require to be able to function as a business not being available in the area or location you wanted to move to? (% Yes)</td>
<td>1</td>
<td>1</td>
</tr>
</tbody>
</table>

Source: Ofcom SME research
Base: All SMEs (n=1508 in the UK, 342 in Scotland)
Note: Base sizes for rural (114), 10-49 employees (75) and 50-249 (51) employees are low and should be treated as indicative only.

1.3 Mobile coverage

Mobile users in Scotland have higher expectations of their network’s performance than do users in the other nations

Networks are expected to perform best in outdoor urban areas (94%) and indoors (89% in-home and 80% in other indoor locations). Expectations when travelling (71%), and in rural outdoor areas are lower (59%).

Figure 1.11 Network expectations for voice calls in various locations

<table>
<thead>
<tr>
<th></th>
<th>Outdoors Urban</th>
<th>In own Home</th>
<th>Other indoor locations</th>
<th>Travelling by train or road</th>
<th>Outdoors rural</th>
</tr>
</thead>
<tbody>
<tr>
<td>UK</td>
<td>88</td>
<td>3</td>
<td>80</td>
<td>14</td>
<td>74</td>
</tr>
<tr>
<td>England</td>
<td>87</td>
<td>3</td>
<td>79</td>
<td>15</td>
<td>74</td>
</tr>
<tr>
<td>Scotland</td>
<td>94</td>
<td>2</td>
<td>89</td>
<td>6</td>
<td>80</td>
</tr>
<tr>
<td>Wales</td>
<td>86</td>
<td>3</td>
<td>81</td>
<td>12</td>
<td>72</td>
</tr>
<tr>
<td>Northern Ireland</td>
<td>89</td>
<td>3</td>
<td>80</td>
<td>14</td>
<td>78</td>
</tr>
</tbody>
</table>

Source: Ofcom mobile network coverage research March 2014

Base: All mobile phone users: UK 1,509, England: 877, Scotland: 216, Wales: 222, Northern Ireland: 194

Q20b: Please can you tell me how you would expect your network to perform when making and receiving clear voice calls and without them dropping out unexpectedly in each of the following locations?

Overall satisfaction with mobile networks is highest in Scotland

The majority of mobile phone users in Scotland (82%) claim to be either fairly or very satisfied with their current network, with 42% claiming to be very satisfied.
Overall satisfaction with mobile networks is higher in urban than in rural areas

Overall satisfaction with mobile networks is higher in urban areas than in rural areas (86% vs. 68%); those in urban Scotland are most likely to be ‘very satisfied’ (44%).

*Caution: Low base size
Among mobile phone users in Scotland, mobile internet speed causes the greatest levels of dissatisfaction

Levels of satisfaction vary with specific aspects of services; the highest ratings are given for ease of topping up (98% of those who top up) and the lowest for the overall speed of the internet (24% of those who use the internet on their mobile phone).

**Figure 1.14  Satisfaction with aspects of service among mobile phone users in Scotland**

Percentage of respondents

- Ease of topping up (1)*: Very satisfied 49, Fairly satisfied 37, Neither satisfied nor dissatisfied 46, Fairly dissatisfied 18, Very dissatisfied 4
- Quality of voice calls: Very satisfied 38, Fairly satisfied 42, Neither satisfied nor dissatisfied 38, Fairly dissatisfied 61, Very dissatisfied 7
- Your handset: Very satisfied 39, Fairly satisfied 40, Neither satisfied nor dissatisfied 40, Fairly dissatisfied 7, Very dissatisfied 10
- Overall billing (2): Very satisfied 39, Fairly satisfied 40, Neither satisfied nor dissatisfied 40, Fairly dissatisfied 7, Very dissatisfied 10
- Text messages sent or delivered without delay (3): Very satisfied 39, Fairly satisfied 40, Neither satisfied nor dissatisfied 40, Fairly dissatisfied 7, Very dissatisfied 10
- Ability to make or receive voice calls: Very satisfied 38, Fairly satisfied 38, Neither satisfied nor dissatisfied 38, Fairly dissatisfied 61, Very dissatisfied 7
- The amount you pay for what you get: Very satisfied 38, Fairly satisfied 38, Neither satisfied nor dissatisfied 38, Fairly dissatisfied 61, Very dissatisfied 7
- Quality of customer service (4): Very satisfied 36, Fairly satisfied 32, Neither satisfied nor dissatisfied 26, Fairly dissatisfied 26, Very dissatisfied 8
- Getting problems or complaints resolved (5): Very satisfied 35, Fairly satisfied 26, Neither satisfied nor dissatisfied 26, Fairly dissatisfied 8, Very dissatisfied 16
- Reliability of the Internet (6): Very satisfied 29, Fairly satisfied 36, Neither satisfied nor dissatisfied 36, Fairly dissatisfied 7, Very dissatisfied 1
- Overall speed of the Internet (6): Very satisfied 20, Fairly satisfied 38, Neither satisfied nor dissatisfied 20, Fairly dissatisfied 18, Very dissatisfied 16
- Rewards or special offers (7): Very satisfied 20, Fairly satisfied 38, Neither satisfied nor dissatisfied 20, Fairly dissatisfied 18, Very dissatisfied 16

Source: Ofcom mobile network coverage research March 2014

Base: All mobile phone users, Scotland 216, (1) those who top up: 76, (2) those who pay monthly: 136 (3) those with experience of customer services: 165, (4) those who send/receive texts: 211, (5) those who have experienced a problem and/or made a complaint: 133 (6) those who use their mobile phone to browse the internet: 141, (7) those with knowledge of rewards/special offers: 173. Don’t know and Not applicable excluded from bases

Q22: For each aspect of service, I would like you to tell me how satisfied or dissatisfied you are with it.

*Caution small base

**Satisfaction with making calls in various locations in Scotland is generally high**

Over three quarters of mobile phone users in Scotland who use each service are fairly or very satisfied with the service they receive in each of the types of locations listed, with the exception of travelling by road and outdoors in rural areas. The greatest levels of dissatisfaction are experienced in outdoor rural locations, where 18% of users are dissatisfied, and indoors at home, where 17% are dissatisfied.
Figure 1.15  Satisfaction levels among mobile phone users in Scotland with making calls in various locations

Percentage of respondents

<table>
<thead>
<tr>
<th>Location</th>
<th>Very satisfied</th>
<th>Fairly satisfied</th>
<th>Neither satisfied nor dissatisfied</th>
<th>Fairly dissatisfied</th>
<th>Very dissatisfied</th>
</tr>
</thead>
<tbody>
<tr>
<td>Outdoors, in immediate area around places</td>
<td></td>
<td>54</td>
<td>6</td>
<td>10</td>
<td>0</td>
</tr>
<tr>
<td>Indoors from home</td>
<td>29</td>
<td>39</td>
<td>3</td>
<td>8</td>
<td>9</td>
</tr>
<tr>
<td>Indoors from workplace*</td>
<td>38</td>
<td>42</td>
<td>5</td>
<td>15</td>
<td>2</td>
</tr>
<tr>
<td>Indoors in general</td>
<td>28</td>
<td>52</td>
<td>7</td>
<td>10</td>
<td>2</td>
</tr>
<tr>
<td>Outdoors in rural areas*</td>
<td>27</td>
<td>42</td>
<td>12</td>
<td>17</td>
<td>2</td>
</tr>
<tr>
<td>Outdoors in urban areas</td>
<td>26</td>
<td>57</td>
<td>6</td>
<td>11</td>
<td>0</td>
</tr>
<tr>
<td>Whilst travelling by road*</td>
<td>15</td>
<td>50</td>
<td>20</td>
<td>14</td>
<td>0</td>
</tr>
</tbody>
</table>

Source: Ofcom mobile network coverage research, March 2014
Base: All mobile phone users in Scotland who make calls in each location at least a few times a month: Indoors from home: 186, indoors from workplace 94*, outdoors in immediate area 176, indoors in general 170, outdoors in rural areas 97*, outdoors in urban areas 175, while travelling by road 90*.
Q46: How satisfied are you with the ability to make/receive calls on your main personal phone in each of the following locations?
*Caution: Low base size

In Scotland, use of the internet on mobile phones is most likely in users' own homes

Almost three-quarters (71%) of those who use the internet on their mobile phone do so in their own home at least a few times a month. Two-thirds (66%) use the mobile internet in other indoor locations, and almost as many (58%) use it outdoors in urban locations a few times a month or more. This compares to 29% who access the mobile internet outdoors in rural locations over the same period.

Problems with mobile internet access and speed each affect around half of those who use the internet on their mobile phone

With the exception of 'slow internet / web pages taking a long time to load' and 'being unable to use the mobile internet', less than half of mobile phone users in Scotland who use each function on their mobile phone said they experienced any difficulties on a regular basis (a few times a month or more).

Mobile phone users in Scotland (21%) are less likely than users in Wales (39%) and in England (31%) to be unable to connect to their network even when their handset shows that they have a signal.
Figure 1.16  Problems experienced on mobile phones a few times a month or more

<table>
<thead>
<tr>
<th>Problem</th>
<th>UK</th>
<th>England</th>
<th>Scotland</th>
<th>Wales</th>
<th>NI</th>
</tr>
</thead>
<tbody>
<tr>
<td>Web pages slow loading/slow internet</td>
<td>59%</td>
<td>58%</td>
<td>62%</td>
<td>65%</td>
<td>50%</td>
</tr>
<tr>
<td>Unable to use mobile internet*</td>
<td>48%</td>
<td>47%</td>
<td>49%</td>
<td>59%</td>
<td>47%</td>
</tr>
<tr>
<td>Having no signal/reception</td>
<td>44%</td>
<td>44%</td>
<td>39%</td>
<td>47%</td>
<td>46%</td>
</tr>
<tr>
<td>Unable to send/receive emails**</td>
<td>36%</td>
<td>35%</td>
<td>41%</td>
<td>48%</td>
<td>40%</td>
</tr>
<tr>
<td>Poor sound quality/calls breaking up</td>
<td>36%</td>
<td>36%</td>
<td>31%</td>
<td>42%</td>
<td>35%</td>
</tr>
<tr>
<td>Calls ending unexpectedly</td>
<td>34%</td>
<td>35%</td>
<td>28%</td>
<td>39%</td>
<td>27%</td>
</tr>
<tr>
<td>Unable to connect when phone shows signal</td>
<td>30%</td>
<td>31%</td>
<td>21%</td>
<td>39%</td>
<td>30%</td>
</tr>
<tr>
<td>Unable to send/receive texts</td>
<td>28%</td>
<td>28%</td>
<td>28%</td>
<td>33%</td>
<td>27%</td>
</tr>
<tr>
<td>Text messaged not arriving / being delayed</td>
<td>28%</td>
<td>27%</td>
<td>31%</td>
<td>36%</td>
<td>28%</td>
</tr>
</tbody>
</table>

Source: Ofcom mobile network coverage research March 2014
Base: All mobile phone users, UK: 1,509, *those who use internet on their mobile phone 980, **those who use their mobile phone for email 712. England: 877 those who use internet on their mobile phone 568 **those who use their mobile phone for email 413. Scotland: *those who use internet on their mobile phone 144, **those who use their mobile phone for email 111. Wales: 216, *those who use internet on their mobile phone 144, **those who use their mobile phone for email 111. NI: 194, **those who use internet on their mobile phone 118, *those who use their mobile phone for email 72. Q43: How often, if at all, have you experienced any of the following when using your main mobile phone?

Two-thirds of those who have experienced problems with making calls or using the internet on their phone did not take any action to try and solve them

Among mobile phone users in Scotland who claimed to ‘sometimes’ or ‘always’ experience problems when using their phone for one or more functions (54% of the sample overall), a minority (4%) had looked for information about the problem, tried to resolve it (11%) or done both (14%). Those who had looked for information were most likely to have looked on their supplier’s website. This level of proactive searching for information and/or solutions is in line with England and Wales and higher than in Northern Ireland.

The majority of mobile phone users (81%) said they had never received any information or communication from their operator about problems with network coverage in their area. Fifteen per cent had received a text from their provider, 2% a phone call and 1% an email. The proportion in Scotland who had received any information was in line with England and Wales and significantly higher than in Northern Ireland.

Around half of mobile phone users in Scotland who use their phone for sending texts or for voice calls do so while travelling³

Just over four in ten (44%) of those who travel by road at least once a week and send texts regularly do so while travelling by road, with a similar number (42%) of those who travel by road either ‘always’ or ‘sometimes’ use their phone to make calls while travelling.

³ Making or receiving calls / texts can be by anyone in the car. Also the question did not ask if the car was in motion
Use of mobile phones in Scotland for making calls (12%) and sending texts (15%) while travelling is in line with England and Northern Ireland and lower than in Wales (26% and 29% respectively).

**Figure 1.17** Frequency of making/receiving voice calls and texts while travelling by road

<table>
<thead>
<tr>
<th>Percentage of respondents</th>
<th>Make/receive calls while travelling by road</th>
<th>Send/receive texts while travelling by road</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>UK</td>
<td>England</td>
</tr>
<tr>
<td>'Never'</td>
<td>19</td>
<td>19</td>
</tr>
<tr>
<td>'Rarely'</td>
<td>29</td>
<td>29</td>
</tr>
<tr>
<td>'Sometimes'</td>
<td>15</td>
<td>15</td>
</tr>
<tr>
<td>'Always'</td>
<td>37</td>
<td>37</td>
</tr>
</tbody>
</table>

Source: Ofcom mobile network coverage research March 2014
Q41: How often do you use your main mobile phone for each of the following activities?

‘Lack of need’ is the main reason for not using a mobile phone when travelling by road

The main reason given for not using the phone while travelling by road, by those in Scotland who do not do so, was ‘having no need to’ (61%) which is significantly higher than in Wales (39%). This was followed by ‘not having a hands-free kit’ (18%). Ten per cent said they ‘did not want to disturb other passengers’ and 5% don’t use their mobile while travelling because they don’t think they will get a signal.
Figure 1.18  Reasons for not using mobile phone while travelling by road

<table>
<thead>
<tr>
<th>Percentage of respondents</th>
<th>No need</th>
<th>No hands-free kit</th>
<th>Do not want to disrupt other passengers</th>
<th>Assume there will be no signal</th>
</tr>
</thead>
<tbody>
<tr>
<td>UK</td>
<td>52</td>
<td>21</td>
<td>8</td>
<td>4</td>
</tr>
<tr>
<td>England</td>
<td>52</td>
<td>22</td>
<td>8</td>
<td>4</td>
</tr>
<tr>
<td>Scotland</td>
<td>61</td>
<td>18</td>
<td>10</td>
<td>5</td>
</tr>
<tr>
<td>Wales</td>
<td>39</td>
<td>7</td>
<td>14</td>
<td>10</td>
</tr>
<tr>
<td>Northern Ireland</td>
<td>51</td>
<td>28</td>
<td>3</td>
<td>6</td>
</tr>
</tbody>
</table>

Source: Ofcom mobile network coverage research, March 2014
Base: All those who say "never" to at least one activity on their phone when travelling by car or bus
Q42: you say you never [functions mobile phone is used for at least once a week but not used when travelling by car or bus] when you travel by car or bus. Why is that?

Just over one in ten of those using their mobile phone while travelling by road in Scotland are dissatisfied with their ability to make and receive calls

Almost two-fifths (38%) of road travellers who use their phone to make calls when on the road claim to experience difficulties; either ‘always’ or ‘sometimes’. However, only 14% are dissatisfied with their ability to make and receive calls while travelling by road.

A third of those who had switched mobile phone network in Scotland recalled their new supplier checking the network coverage for them

A third (34%) said their new network supplier had checked the coverage in their area when they switched. Just over half (52%) said their coverage was not checked, and the remaining 14% could not remember. Those who had signed up in-store were just as likely to say their supplier had checked their coverage as were those who had signed up elsewhere. Among those who said their coverage was checked, 73% said the new supplier had checked their coverage in only one location.

A fifth (22%) of those who had switched network in the last five years had checked the coverage of their new provider themselves, and 6% had checked the coverage of one or more other networks. Supplier websites were the most likely place to have been used to check coverage.
Figure 1.19 Checking of network coverage

<table>
<thead>
<tr>
<th>Percentage of respondents</th>
<th>Checked new network - supplier</th>
<th>Checked new network - self</th>
<th>Checked other networks - self</th>
</tr>
</thead>
<tbody>
<tr>
<td>UK</td>
<td>27</td>
<td>22</td>
<td>4</td>
</tr>
<tr>
<td>England</td>
<td>25</td>
<td>22</td>
<td>4</td>
</tr>
<tr>
<td>Scotland</td>
<td>34</td>
<td>22</td>
<td>6</td>
</tr>
<tr>
<td>Wales</td>
<td>39</td>
<td>23</td>
<td>2</td>
</tr>
<tr>
<td>Northern Ireland*</td>
<td>29</td>
<td>9</td>
<td>8</td>
</tr>
</tbody>
</table>

Source: Ofcom mobile network coverage research, March 2014
Base: All mobile phone users who have switched their network operator within the last five years: UK 742, England: 453, Scotland: 110, Wales: 106, Northern Ireland: 73*
Question: Q63: Thinking back to when you signed up to [network currently with], did they check coverage in your area for you?
Q65: Did you personally do anything to check the coverage of your new provider and/or any other providers in your area before signing up with [network currently with]?
*Caution: Low base size

1.4 Availability of communications services in Glasgow and Inverness

Introduction

Ofcom’s 2013/14 Annual Plan identified the importance of understanding infrastructure availability with respect to geography:

*In 2013/14 we will undertake further research into the effect of communications infrastructure availability on geographic areas. This research will be used together with the conclusions of our work on the availability of communications services in the nations (Economic Geography) which we will publish shortly. This existing research focused on rural and lower-density geographies; our follow-up work will complement this by focusing on higher-density areas, including cities and towns*

In May 2013, Ofcom published a report on the availability of communications services in the UK[^4], which examined how and why the availability of communications services varies across the UK, and how it could be improved. This work focused on the UK as a whole and the variations between urban and rural areas.

To build on this report Ofcom commissioned 11 case studies of UK cities. These would explore the availability of communications services in each city and attempt to identify some of the factors driving this. The 11 cities we chose to study are listed below. They were chosen to represent a range of urban populations across the UK, cover different business profiles and include all the UK nations.

- **Scotland**: Glasgow, Inverness
- **Northern Ireland**: Belfast, Derry-Londonderry.
- **England**: London, Birmingham, Manchester, Cambridge, Exeter
- **Wales**: Cardiff, Bangor

The key findings of this research were published in Ofcom’s *Communications Market Report* on 1 August 2013 alongside the full report, which can be found on Ofcom’s website.\(^5\)

Ofcom has decided to update key elements of this research for the current report in order to present the latest available data and to assess how availability has changed since we published the 2013 CMR.

This section focuses on the availability of fixed broadband networks in the cities of Glasgow and Inverness, drawing on the key findings of our 2013 *Infrastructure Report*.\(^6\)

**Methodology**

The percentage of city premises that have access to NGA provided by BT Openreach\(^7\) and/or Virgin Media was estimated by combining a postcode-level dataset for current and future BT Openreach NGA with a postcode-level dataset for premises serviceable by Virgin Media’s cable network, as provided by Virgin Media. These data only show premises that have access to NGA services; it does not reflect how many households have actually taken up the service.

The proportion of broadband connections with speeds less than 2Mbit/s was calculated using data from Ofcom’s *Infrastructure Reports* published in 2012 and 2013. These data show the proportion of premises receiving broadband over their telephone line at speeds of less than 2Mbit/s.

For the city of Glasgow only, we also include a summary of analysis that compares availability of NGA and sub-2Mbit/s lines with the socio-economic factor of income deprivation. This analysis was carried out for Ofcom by Analysys Mason and the full report is available on the Ofcom website.\(^8\)

The results for Glasgow are broken down by quartile. Analysys Mason applied two alternative quartile analysis methods, which are summarised in Figure 1.20.

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\(^7\) Including retail services provided by BT or other providers using BT Openreach’s NGA network. BT Openreach has regulatory obligations to give other providers wholesale access to its NGA network. Those other providers can then make retail services available to consumers.

\(^8\) [http://stakeholders.ofcom.org.uk/binaries/research/infrastructure/Analysys_Mason_final_report.pdf](http://stakeholders.ofcom.org.uk/binaries/research/infrastructure/Analysys_Mason_final_report.pdf)
In its report, Analysys Mason presented findings from both quartile analysis methods. However, for the purpose of making comparisons and observing trends between the six cities, Analysys Mason has used findings based on the equal domain range method in order better to highlight those areas with the most acute deprivation. In most cities, there is a large gap between the maximum and minimum values of scores in the IMD domain, with most households clustered around the average values. This means that the number of premises in the lowest quartile (the households whose deprivation level is within the range covered by the lowest 25% of IMD domain values) can often be very low. In Glasgow, for example, only 1.3% of premises fell into the most income-deprived quartile. In our analysis, we have chosen to use findings based on the equal premises count as, by including an equal number of premises in each quartile, it is easier to compare how availability differs within a city.

Glasgow

Summary of key findings

- Glasgow has markedly lower total next-generation access (NGA) coverage than the majority of the other cities assessed, although this has increased by 4% since the last report.

- Glasgow’s NGA availability is likely to increase further as BT Openreach implements its upgrade plans, but may still remain behind the other large cities examined in the study.

- In Glasgow, the areas of greatest deprivation were those where NGA broadband was least available. The most income- and education-deprived areas of the city also had the highest proportion of ‘<2Mbit/s’ connections.

- Glasgow’s low fixed broadband take-up continues, but has risen since the last report.

Glasgow has a population of about 0.59 million, with residential premises accounting for 95% of all premises

Figure 1.21 shows the size of the city in terms of population and number of residential and non-residential premises. The population is based on the 2011 census and the number of premises is based on postcodes within the local authority boundary.

Source: Analysys Mason 2014
Glasgow has undergone a significant amount of urban regeneration over the past 20 years. The city's industry is now dominated by services in finance/business, distribution and hospitality (such as hotel services)⁹.

**Figure 1.21  City population and premises data**

<table>
<thead>
<tr>
<th>City</th>
<th>Population</th>
<th>Total premises</th>
<th>Business premises</th>
<th>Residential premises</th>
</tr>
</thead>
<tbody>
<tr>
<td>Glasgow</td>
<td>c.0.59 million</td>
<td>c.316,000</td>
<td>c.16,000</td>
<td>c.300,000</td>
</tr>
</tbody>
</table>

*Source: Analysys Mason*

For this study the city boundary is defined by Glasgow City Council, and is shown in detail in the following figure:

**Figure 1.22  Map of area local to Glasgow, highlighting city boundary**

*Source: Analysys Mason*

**Next generation access (NGA) is available to 67% of premises in Glasgow**

Figure 1.23 identifies NGA network infrastructure (FTTx¹⁰ and DOCSIS v3.0 cable technologies¹¹) for the two main network operators, BT Openreach and Virgin Media.

We estimate that NGA availability in Glasgow has increased by 4% since 2012, which is still significantly lower than the other ten cities we assessed. It also remains behind the UK average, which incorporates both rural and urban areas.

Although the availability of first-generation broadband is 100%, 5.5% of premises experience broadband speeds of less than 2Mbit/s, which is considered below the minimum requirement for a basic broadband service.

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⁹ Source: Analysys Mason

¹⁰ Fibre-to-the-exchange (FTTx) is a generic term used to describe any broadband network using optical fibre to replace all or part of the usual metal local loop used for last-mile telecommunications.

¹¹ DOCSIS v3.0 is the next generation of DOCSIS, which allows users to experience significantly faster speeds.
Figure 1.23  NGA availability in Glasgow, by premises passed, compared to 11-city average and UK average

![NGA availability in Glasgow, by premises passed, compared to 11-city average and UK average](image)

Source: Analysys Mason, Ofcom Infrastructure Report 2013

Figure 1.24 shows the proportion of connections with a speed of less than 2Mbit/s. The proportion of Glasgow connections that have a speed less than 2Mbit/s is 5.5%, which is a decrease of 2% from last year. This is likely to be due to increased take-up of NGA broadband services, which offer higher speeds.

**Figure 1.24  Percentage of connections that have a speed less than 2Mbit/s, and relative positioning**

![Percentage of connections that have a speed less than 2Mbit/s, and relative positioning](image)

Source: Analysys Mason, Ofcom Infrastructure Report 2013

**Glasgow has 33 exchanges, 17 of which have been upgraded to NGA**

Figure 1.25 shows the number of exchanges serving the city postcodes, the percentage of lines that support both ADSL and ADSL Max\(^\text{12}\), and the average number of lines per

---

\(^{12}\) ADSL Max is a 'rate-adaptive' variant of ADSL, where the transmitted bit rate varies depending on the physical conditions of the twisted-pair copper line, which may change over time. In contrast, the bit rate for ADSL is fixed and does not change.
exchange. Not all of these exchanges are physically located within the city boundary. All of the copper lines support basic broadband (both ADSL and ADSL Max).

<table>
<thead>
<tr>
<th>No. of exchanges serving city postcodes</th>
<th>% of lines that have access to both ADSL &amp; ADSL Max</th>
<th>Average number of lines per exchange</th>
</tr>
</thead>
<tbody>
<tr>
<td>33</td>
<td>100%</td>
<td>9,600</td>
</tr>
</tbody>
</table>

Source: Analysys Mason

The BT Openreach fibre network comprises fibre-to-the-cabinet (FTTC) and fibre-to-the-home (FTTH) infrastructure. Figure 1.26 shows the FTTC status of the city exchanges according to BT Openreach’s current roll-out plans, compared to the other cities assessed.

Figure 1.26 FTTC status of exchanges serving city postcodes, according to BT Openreach’s roll-out plans

Source: Analysys Mason, Ofcom Infrastructure Report 2013

To date, 17 of the serving exchanges (51.5% of total serving exchanges) have been upgraded to FTTC.

Summary of public interventions

Step Change 2015, part of the Scottish Government’s Infrastructure Action Plan, combined with existing commercial roll-out plans, will deliver access to fibre broadband to at least 96% of premises by the end of 2017. It is claimed to be the highest-value telecommunications infrastructure investment in Europe, and will bring fibre broadband to over 600,000 premises in 130,000 postcodes. Through this investment, Digital Glasgow believes that at least 85% of Glasgow premises will have access to fibre broadband by 2015 and at least 95.7% will have it by 2017.15

13 Source: Analysys Mason
14 Note that only a proportion of the cabinets which connect to the upgraded exchanges have been upgraded. Although data are not available on the actual number of cabinets upgraded across the city, BT Openreach has stated that for the national FTTC roll-out, on average 85% of premises are passed with NGA, which equates to an average 70% of cabinets per exchange area.
15 Digital Glasgow Roadmap 2014
Glasgow has become the first Scottish city to offer council-led free public WiFi. A network of 50 WiFi spots will cover the city centre and parts of the east end. The service is provided by BT, which has an eight-year contract, potentially extendable to ten years.

In January 2013 Glasgow City Council won £24m from the UK Government's innovation agency, the Technology Strategy Board, for its Future Cities Demonstrator project, after bidding in competition with 30 other UK cities. The project aims to show that the local authority can integrate transport, communications and other infrastructure to improve the city's economy and quality of life, and to reduce its environmental impact.

Later this year the Technology and Innovation Centre, part of the University of Strathclyde, will officially open in Glasgow city centre. Here, academics, researchers and industry will collaborate to find solutions to challenges in the energy, renewables, engineering and manufacturing sectors.

Glasgow's Digital Strategy is supporting social and digital inclusion locally; its goal is that all citizens of Glasgow become confident internet users, able fully to participate online, both as consumers and as citizens.

**Analysis of availability against income deprivation**

**In Glasgow, the areas of greatest deprivation are those where NGA broadband is least available**

Low levels of NGA broadband availability, shown in red in Figure 1.27, are scattered throughout Glasgow, but the north and south-west regions are generally well-served with NGA broadband.

**Figure 1.27  NGA broadband availability in Glasgow**

![NGA broadband availability in Glasgow](image)

*Source: Analysys Mason, Ofcom Infrastructure Report 2013*

The greatest difference between the availability of NGA in the most, and least, income-deprived areas was 15.5 percentage points in Glasgow, while it was at most 6.2 percentage...
points among the remaining cities. This is likely to be a reflection of the limited roll-out of NGA across Glasgow at the time of measurement.

Lower NGA availability in income-deprived areas could be explained by the weaker incentive for telecoms companies to invest in areas where average revenue per user is likely to be low. Alternatively, since roll-out was not yet complete at the time of measurement, this correlation might be explained by telecoms companies having a preference for upgrading infrastructure in less-income-deprived areas first, where take-up is initially likely to be higher.

**Figure 1.28  NGA availability in Glasgow, by income deprivation**

Source: Analysys Mason, IMD, Ofcom June 2013
Notes: Equal premises count method

**In Glasgow, the most income-deprived areas had the highest proportion of ‘<2Mbit/s’ connections**

Areas with the highest percentage of ‘<2Mbit/s’ connections, shown in red in Figure 1.29, are mostly in the north-east and south-west of the city; most of the city has a low percentage of <2Mbit/s connections (between 0% and 5%).
Although the highest proportion of <2Mbit/s connections fall in the most income-deprived areas of Glasgow, there is no consistent trend across the quartiles, which may be explained by the fact that other factors (such as existing take-up and premises density) have an overriding effect in some areas.

### Analysis of fixed broadband take-up in Glasgow

#### Glasgow’s low fixed broadband take-up continues, but has improved

As the *Communications Market Report* highlighted in 2010, 2011, 2012 and 2013, broadband take-up is, and has remained, relatively low in Glasgow. For this report, we obtained data from the BPS for respondents within Glasgow only, and it is therefore not...
possible to compare Glasgow to the UK as a whole, or other cities. However, Ofcom’s Technology Tracker records that the percentage of the UK population with broadband (excluding mobile devices) is 77%, rising to 82% if mobile devices are included.

In contrast, the percentage of Glaswegians living in households with broadband (excluding mobile devices) is 63%; and 66% if mobile devices are included. This compares to 50% and 54% respectively in the 2013 CMR report.

**Is this a genuine increase? Yes, but changes in respondent profile explains some of the increase.**

The British Population Survey is designed to monitor the UK population at a regional level but not designed to look at relatively small areas such as Glasgow City. Therefore, the respondents’ profile may shift from year to year. From analysis of the Technology Tracker, it is known that a respondent’s age, socio-economic status and gender has an impact on how likely they are to have broadband in the home. Therefore, it was important to compare the 2012/2013 and 2013/2014 samples.

There were differences between the two profiles, in particular with regard to socio-economic status. Some of this may be explained by the fact that weights now reflect the 2011 rather than the 2001 census, but it may also be a factor of the areas to which interviewers were sent.

The key differences between the 2012/2013 and 2013/2014 Glasgow profiles are shown below.

**Figure 1.31 Differences between 2012/2013 and 2013/2014 Glasgow sample**

<table>
<thead>
<tr>
<th>Glasgow Profile</th>
<th>2012/2013</th>
<th>2013/2014</th>
<th>Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>51%</td>
<td>50%</td>
<td>0%</td>
</tr>
<tr>
<td>Female</td>
<td>49%</td>
<td>50%</td>
<td>0%</td>
</tr>
<tr>
<td>15-24</td>
<td>21%</td>
<td>13%</td>
<td>-7%</td>
</tr>
<tr>
<td>25-34</td>
<td>18%</td>
<td>19%</td>
<td>1%</td>
</tr>
<tr>
<td>35-44</td>
<td>15%</td>
<td>15%</td>
<td>1%</td>
</tr>
<tr>
<td>45-54</td>
<td>18%</td>
<td>18%</td>
<td>0%</td>
</tr>
<tr>
<td>55-64</td>
<td>12%</td>
<td>15%</td>
<td>3%</td>
</tr>
<tr>
<td>65+</td>
<td>17%</td>
<td>19%</td>
<td>3%</td>
</tr>
<tr>
<td>AB</td>
<td>8%</td>
<td>16%</td>
<td>8%</td>
</tr>
<tr>
<td>C1</td>
<td>22%</td>
<td>23%</td>
<td>1%</td>
</tr>
<tr>
<td>C2</td>
<td>20%</td>
<td>17%</td>
<td>-3%</td>
</tr>
<tr>
<td>D</td>
<td>19%</td>
<td>24%</td>
<td>5%</td>
</tr>
<tr>
<td>E</td>
<td>32%</td>
<td>21%</td>
<td>-11%</td>
</tr>
</tbody>
</table>

*Source: British Population Survey Base: All adults 15+ (April 2012 to March 2013; 15-24 187 25-34 231; 35-44 181; 45-64 487, 65+ 319; Male 695, Female 710, AB 153, C1 335, C2 227, D 314 and E 376) Q: Is your access to the internet at home cable broadband, ADSL broadband, broadband but you don’t know type, or non-broadband?*
The table above shows that the main change in 2013/2014 is that the sample contains more ABC1 respondents, and fewer aged 15-24, or in social class E, than in 2012/13. This is important: the lower the socio-economic status, the less likely the adult is to have broadband at home. So part of the increase in broadband take-up may be due to this.

Several companies provide geo-demographic data that merges demographic data with income-related variables such as the value of houses, number of cars or type of housing, to classify UK postcodes into segments. Ofcom currently licenses the ACORN dataset from CACI; this segments postcodes into 56 types, plus five for non-residential, and postcodes with communal dwellings such as care homes. The segments are then aggregated into six broad classifications.

These classifications give a simple method of checking whether the increase in broadband take-up is driven only by a change in respondent profile.

Figure 1.32 Differences between 2012/2013 and 2013/2014 Glasgow sample

<table>
<thead>
<tr>
<th>Glasgow Profile</th>
<th>2012/2013</th>
<th>2013/2014</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>% in segment</td>
<td>% segment with broadband</td>
</tr>
<tr>
<td>Affluent achievers</td>
<td>1%</td>
<td>59%</td>
</tr>
<tr>
<td>Rising prosperity</td>
<td>5%</td>
<td>74%</td>
</tr>
<tr>
<td>Comfortable Communities</td>
<td>6%</td>
<td>81%</td>
</tr>
<tr>
<td>Financially stretched</td>
<td>24%</td>
<td>55%</td>
</tr>
<tr>
<td>Urban Adversity</td>
<td>63%</td>
<td>44%</td>
</tr>
</tbody>
</table>


Q: Is your access to the internet at home cable broadband, ADSL broadband, broadband but you don’t know type, or non-broadband?

The chart above shows that the percentages of people who are in the two most affluent bands have increased from 6% to 20% while the percentage in the least affluent band has fallen from 63% to 49%. Within all bands except ‘comfortable communities’, broadband take-up has increased in the past year.

If we adjust the 2013/2014 profile to match exactly that of 2012/2013 in terms of CACI category representation, broadband take-up is 57%. This is still higher than in the previous year, but lower than the 63% if changes of profile are included. Therefore we can conclude that the change in take-up is real, but some of it is due to a change in respondent profile.

Demographic differences go some way to explaining Glasgow’s low fixed-broadband take-up.

Similarly, the 2013/2014 Glasgow CACI profile can be adjusted to match that of the whole of the UK. If we do this, removing the demographic difference within Glasgow would give a broadband take-up of 68%, compared to the Technology Tracker UK figure of 77%. This suggests that something other than demographics explains the remaining 9% difference.
The increase in broadband take-up has been driven mainly by increases in take-up among people under 35 and over 45.

Between 2013 and 2014, there was a significant increase in the numbers of people aged 45-64 and 65+ with access to the internet. Although the increase among people aged 15-24 and 25-34 is not significant on its own, combining these two groups gives a significant increase in broadband take-up for people aged under 35.

Figure 1.33 Changes in take-up, by age group: 2012, 2013 and 2014

Source: British Population Survey
Q: Is your access to the internet at home cable broadband, ADSL broadband, broadband but you don't know type, or non-broadband?

The increase in broadband take-up has been driven by increases in take-up among people in social class C.

Although no individual socio-economic group’s broadband take-up has increased significantly, the combined increase in broadband take-up in socio-economic groups C1 and C2 is significant. These groups are associated with clerical and skilled manufacturing roles.

Figure 1.34 Broadband take-up in Glasgow, by socio-economic group: 2012, 2013 and 2014

Source: British Population Survey
Q: Is your access to the internet at home cable broadband, ADSL broadband, broadband but you don’t know type, or non-broadband?
Inverness

Summary of key findings

- Inverness has significantly lower NGA availability than the other ten cities assessed, although this has increased slightly since the previous report.

- NGA availability in Inverness is likely to increase in the future due to the £146m scheme to invest in broadband across the Scottish Highlands and Islands, which is a public-sector intervention led by the Highlands and Islands Enterprise (HIE). Since the research was conducted for this report, data supplied by Highlands and Islands Enterprise shows coverage of fibre broadband in Inverness has now reached 70%. This is as a result of the programme referred to above plus BT’s own commercial rollout.

Inverness has a population of 37,000, with residential premises accounting for 93% of all premises

Figure 1.35 shows the size of the city in terms of population and number of residential and non-residential premises. The population is based on the 2011 census and the number of premises is based on postcodes within the local authority boundary. Inverness acts as a hub for high-technology industries, namely life sciences, renewable energy, digital media, and electronics. Other industries include tourism and leisure/sports. The city acts as the major centre for the surrounding Highland and Islands area.

Figure 1.35 City population and premises data

<table>
<thead>
<tr>
<th>City</th>
<th>Population</th>
<th>Total premises</th>
<th>Business premises</th>
<th>Residential premises</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inverness</td>
<td>c.37,000</td>
<td>c.20,400</td>
<td>c.1600</td>
<td>c.18,800</td>
</tr>
</tbody>
</table>

Source: Analysys Mason

For this study the city boundary is defined by the combination of appropriate Data Zones, published by Scottish Neighbourhood statistics, for areas of contiguous urban density, which are shown in detail in the following figure:

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16 Source: Analysys Mason
Figure 1.36  Map of area local to Inverness, highlighting city boundary

Next generation access is available to 2% of premises in Inverness\(^{17}\)

Figure 1.37 identifies NGA network infrastructure (FTTx and DOCSIS v3.0 cable technologies) for BT Openreach.\(^{18}\)

The BT Openreach NGA network is currently available to 2% city premises. Virgin Media does not currently offer NGA services in the city.

Although the availability of first-generation broadband is 100%, some premises experience broadband speeds of less than 2Mbit/s, which is considered below the minimum requirement for a basic broadband service.

Figure 1.37  NGA availability in Inverness by premises passed, compared to 11 cities’ and UK averages

<table>
<thead>
<tr>
<th></th>
<th>Premises (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2012</td>
</tr>
<tr>
<td>Inverness</td>
<td>85</td>
</tr>
<tr>
<td>11 city average</td>
<td>65</td>
</tr>
</tbody>
</table>

Source: Analysys Mason, Ofcom Infrastructure Report 2012

\(^{17}\) Please see update from Highlands and Islands Enterprise on the previous page.

\(^{18}\) BT Openreach has regulatory obligations to give other providers wholesale access to its NGA network. Other providers make retail services available to consumers using that network.
Figure 1.38 shows the proportion of connections with a speed of less than 2 Mbit/s. The proportion of Inverness lines in this category is 7.6%, compared to 9.6% in 2012, which is likely to be due to increased take-up of NGA broadband services.

**Figure 1.38 Percentage of lines with speed less than 2Mbit/s, and relative positioning**

Source: Analysys Mason, Ofcom Infrastructure Report 2012

**Inverness has three copper exchanges, one of which has been upgraded to NGA**

Figure 1.39 shows the number of exchanges serving the city postcodes, the percentage of lines that support both ADSL and ADSL Max\(^\text{19}\), and the average number lines per exchange.\(^\text{20}\) Not all of these exchanges are physically located within the city boundary. All of the copper lines support basic broadband (both ADSL and ADSL Max).

**Figure 1.39 Number of exchanges and % of lines with access to basic broadband**

<table>
<thead>
<tr>
<th>No. of exchanges serving city postcodes</th>
<th>% of lines that have access to both ADSL &amp; ADSL Max</th>
<th>Average number of lines per exchange</th>
</tr>
</thead>
<tbody>
<tr>
<td>3</td>
<td>100%</td>
<td>6,800</td>
</tr>
</tbody>
</table>

Source: Analysys Mason

**Summary of public interventions**

Highlands and Islands Enterprise (HIE) is leading a £146 million investment in broadband infrastructure across the Highlands and Islands. The project is to be delivered by BT, and on completion around 84% of Highlands and Islands homes and businesses will have access to fibre broadband. The public-sector investment in the contract is £126.4m, which is being delivered through the Scottish Government broadband fund, incorporates funding from Broadband Delivery UK, and includes up to £12m from the HIE budget. BT is investing an additional £19.4m in the project, in addition to investment in its wider commercial roll-out for the region.

\(^{19}\) ADSL Max is a ‘rate-adaptive’ variant of ADSL, where the transmitted bit rate varies depending on the physical conditions of the twisted-pair copper line, which may change over time. In contrast, the bit rate for ADSL is fixed and does not change.

\(^{20}\) Source: Analysys Mason.
In October 2013, over 16,000 premises on the outskirts of Inverness and along the coast into Moray were announced as the first areas that will be able to access fibre broadband services as part of the scheme. These premises were earmarked to receive fibre connectivity from early 2014\textsuperscript{21}. Since the research was conducted for this report, data supplied by Highlands and Islands Enterprise shows coverage of fibre broadband in Inverness has now reached 70%.

1.5 Digital Day 2014 Scotland

Introduction

People have more flexibility and choice than ever before when it comes to what, how and when they access media content and use communications services. This is due in part to the expansion in the range of devices that are capable of supporting a wide variety of media content and service types, and the speed of their adoption.

In Q1 2014, Ofcom conducted an in-depth study of UK adults’ total media and communications activities to provide an overview of the role of media and communications in people’s lives. The study was designed as a follow-up to Ofcom’s Digital Day study conducted in 2010\textsuperscript{22}, and was undertaken to support Ofcom’s regulatory goal to research markets constantly and to remain at the forefront of technological understanding.

The research provides a snapshot of people’s media and communications behaviour over a seven-day period. It was designed to explore how people use media and communications devices throughout the day, covering both personal and business use, in- and out-of-home use. Note that in this analysis ‘media consumption’ refers not only to viewing and listening but also to all text and voice communications, and the consumption of print media.

A nationally representative sample of 1,644 adults aged 16+ participated in the study across the UK in March-April 2014, including 253 in Scotland. Respondents recorded all their media behaviour in a diary for seven days, and these data were captured on a daily basis online or by telephone. Figure 1.40 shows all the activities and devices recorded.


\textsuperscript{22} See http://stakeholders.ofcom.org.uk/market-data-research/market-data/digital-day/
In this section we provide an overview of the key findings for consumers in Scotland, while a detailed analysis of the findings among the UK population can be found in the UK Communications Market Report23.

Key findings

**Television on a TV set dominates peak-time media consumption, while text communications are popular during the daytime**

Figure 1.41 focuses on the proportion of media and communications activity undertaken throughout the day by respondents in Scotland. The data illustrate the popularity of television in the evening, as between 6.15pm and 11.29pm over half of all media activities undertaken involved watching television or films on a TV set. This peaked at 61% during the 9.45pm to 9.59pm timeslot. In comparison, despite the rise in consumption of tablets and smartphones, watching TV or films on a different device accounted for approximately 5% of peak-time media consumption. In the morning, listening to the radio on a radio set or another device was popular, accounting for 34% of all media activities between 6.30am-6.44am.

Text communications including email, instant messaging, and communicating via a social networking site, made up a fair proportion of media activity throughout the day but particularly during the daytime (9-5pm). This activity peaked at 3pm-3.14pm, when it accounted for a quarter of all media activity (25%). Voice communications accounted for a significantly smaller proportion of media consumption, peaking at 9% between 10.30am-23

11.14am, while use of print media including books, magazines and newspapers made up an average of 2% of all media activity throughout the day.

**Figure 1.41 Proportion of media activities across the day: Scotland**

![Proportion of media activities across the day: Scotland](image)

*Source: Digital Day 7-day diary
Base: All activity records (17356) for adults aged 16+ in Scotland (253) - data aggregated to 15-min slots
Note: The base of media activities changes every 15-min slot, so is much lower during sleeping hours*

**Consumers in Scotland spend the most time consuming media across an average day**

Figure 1.42 shows the number of minutes of media and communication activity undertaken across a typical day, split by nation. Our research found that the time spent by people in Scotland using media would take 701 minutes (11 hours 41 minutes) in total if each activity were done separately. However, because people carried out some media activities concurrently, this simultaneous media consumption allowed them to fit these 701 minutes into 546 minutes, or 9 hours 6 minutes per day.

The chart shows that consumers in Scotland spend more time than consumers in other nations consuming media and communications in a typical day, and 34 minutes more than people in England, which has the next-highest level of media consumption. The average across the UK was 11 hours 7 minutes of media consumption, compressed into 8 hours 41 minutes.
For this analysis the calculations are made by generating mean times spent for all adults for each of the activities (including zeros). These mean times are then summed for each group of activities, and in total across all activities.

Source: Digital Day 7-day diary

Base = all media and comms activity records for adults aged 16+ (UK=108782, England=62289, Scotland=17356, Wales=14316, N Ireland=14821)

Consumers in Scotland spend nearly two and a half hours a day communicating via media

‘Watching’ activities dominated people’s total media consumption time in Scotland, as they did across the UK nations. In total, respondents in Scotland recorded an average of four hours 44 minutes of viewing per day, largely through watching live TV, but this category also includes watching recorded TV, video on demand and catch-up services, and short video clips.

However, consumers also spent the equivalent of 2 hours 24 minutes communicating – by email, text, social networks, instant messaging and voice calls. This amounts to over a fifth of all their media and communications time throughout the day. Almost two hours a day were spent ‘listening’ (to radio or other audio), while 2 hours 11 minutes were spent reading/browsing – greater than the UK average of 2 hours 1 minute.
Figure 1.43 Average total media and communications time (including simultaneous activity), in Scotland

For this analysis the calculations are made by generating mean times spent for all adults for each of the activities (including zeros). These mean times are then summed for each group of activities, and in total across all activities.

Source: Digital Day 7-day diary

Base: All activity records (17356) for adults aged 16+ in Scotland (253)

Television remains resilient in Scotland, where four in ten media minutes are spent watching TV on a TV set

Consumers in Scotland spent 39% of their daily media and communications time watching TV on a TV set – marginally higher than the UK average of 37%. In comparison, just 2% of their media time was spent watching TV or films on another device, such as a tablet, laptop or smartphone, in line with the UK average.

In Scotland, 12% of total media time was spent listening to the radio (10% via a radio set and 2% on another device), while a further 5% of time was spent listening to other audio, such as personal digital music collections or streaming services. Almost a fifth of media time was therefore spent listening to audio.

Text communication, including emailing and texting, took up three times as much media time as voice communications (15% vs. 5%), a pattern which was repeated across the nations.
Despite the rise in ownership of tablets, traditional media devices still account for a majority of media consumption

Figure 1.45 shows the proportion of media time spent on different devices. In line with the charts above, media time is dominated by the TV set, with over four in ten media minutes in Scotland spent on this device. Ten per cent of media time was spent using a radio set, with use of this device being most popular in the morning.

Scotland’s media consumption pattern by device is broadly in line with the UK average, and despite the rise in take-up of tablet computers in the past two years (42% of households in Scotland have one of these devices), 19% of media consumption time is spent using a desktop or laptop computer, compared to 4% on a tablet.

However, with smartphone penetration now at 62% in Scotland, for many consumers phone functions extend far beyond calling and texting, and as a result mobile phones accounted for 12% of all media consumption time – equivalent to 1 hour 25 minutes per day.
Figure 1.45 Proportion of all media and comms use through each device, by nation

<table>
<thead>
<tr>
<th>Region</th>
<th>TV Set</th>
<th>Radio Set</th>
<th>Mobile Phone</th>
<th>Landline Phone</th>
<th>Tablet</th>
<th>Computer (Desktop/Laptop)</th>
<th>Other Device</th>
<th>Print</th>
</tr>
</thead>
<tbody>
<tr>
<td>N Ireland</td>
<td>42%</td>
<td>13%</td>
<td>16%</td>
<td>2%</td>
<td>3%</td>
<td>15%</td>
<td>5%</td>
<td>4%</td>
</tr>
<tr>
<td>Wales</td>
<td>43%</td>
<td>13%</td>
<td>9%</td>
<td>3%</td>
<td>5%</td>
<td>17%</td>
<td>6%</td>
<td>4%</td>
</tr>
<tr>
<td>Scotland</td>
<td>41%</td>
<td>10%</td>
<td>12%</td>
<td>3%</td>
<td>4%</td>
<td>19%</td>
<td>7%</td>
<td>4%</td>
</tr>
<tr>
<td>England</td>
<td>39%</td>
<td>11%</td>
<td>12%</td>
<td>3%</td>
<td>4%</td>
<td>21%</td>
<td>5%</td>
<td>5%</td>
</tr>
<tr>
<td>All UK</td>
<td>39%</td>
<td>11%</td>
<td>12%</td>
<td>3%</td>
<td>4%</td>
<td>21%</td>
<td>5%</td>
<td>5%</td>
</tr>
</tbody>
</table>

Source: Digital Day 7-day diary
Base: all media and comms activity records for adults aged 16+ (UK=108782, England=62289, Scotland=17356, Wales=14316, N Ireland=14821)

*Average time spent is the total average daily time spent doing media and comms activities, including simultaneous activity

**Other device includes games console, stereo system, e-reader and any other devices not listed (each one represents 1%-2% of use)
2 Television and audio-visual content

2.1 Recent developments in Scotland

Channel 3 and Channel 5 licence renewal

On 20 February 2014, Ofcom announced the renewal of the broadcasting licences for Channel 3 and Channel 5 for a duration of ten years from 1 January 2015, following acceptance of terms by the licensees. As a result of Ofcom’s relicensing of Channel 3, ITV Border introduced enhanced coverage of Scottish affairs. In addition to retaining a full 30 minutes of weekday early evening news relevant to the Border region, Ofcom required a further weekly 90 minutes of regional programming to be scheduled for viewing in the Scottish part of the Border region. ITV Border began transmitting its new 6pm Lookaround programme and its 10.30pm political programme Representing Border in early 2014.

Channel 4 licence renewal

Ofcom has renewed Channel 4’s licence for a ten-year period from 1 January 2015.

As part of the licence renewal process, Ofcom strengthened obligations on Channel 4 to commission programmes in Northern Ireland, Scotland and Wales. The quota for programmes produced in the devolved nations will increase from the current level of 3% of volume and spend to 9% in 2020.

The new quota will require Channel 4 to increase the proportion of its TV production in the UK nations by an estimated 60% by spend and 30% by volume from current levels.

In addition, Ofcom has welcomed voluntary commitments from Channel 4 to:

- see the 9% as a base minimum and aspire to exceed the devolved nations’ quota where possible;
- develop partnerships with broadcasters and other partners to develop skills and genre expertise in the independent production sector;
- report on production by spend and hours in each UK Nation in its annual statement of media content policy; and
- hold annual formal senior-level engagement with stakeholders in each UK nation to report on progress.

BBC focus on the referendum and the Commonwealth Games

With £5m additional investment to support referendum-focused output, BBC Scotland introduced a series of 12 television documentaries themed around issues within the debate. These complemented ten radio documentaries on BBC Radio Scotland. Referendum coverage also included televised debate programmes from locations across Scotland.

On BBC Two Scotland, Newsnight Scotland was replaced with Scotland 2014, a new 30-minute weeknight current affairs programme, launched in May 2014.

BBC Alba, Radio nan Gàidheal and bbc.co.uk/Alba adopted an integrated approach which included specially-commissioned hour-long bi-media audience-led debates.
The BBC plans to broadcast an average of 30 hours’ live programming each day during the Glasgow Commonwealth Games across networked BBC One, BBC Three, and via live streaming of all 17 sports on the BBC website.

Local TV

In 2013, Ofcom awarded STV-owned Glasgow Television Ltd and Edinburgh Television Ltd licences to deliver city TV channels for Glasgow and Edinburgh respectively. STV Glasgow launched on 2 June 2014, broadcasting to a potential audience of 2 million viewers in the west of Scotland, and STV Edinburgh will follow.

Government developments

In the 2013 Spending Review the UK Government announced additional funding of £1m in 2015-16 for Gaelic broadcaster MG Alba, which it later confirmed would be protected from the budget reductions announced in the Autumn Statement.

In April the Scottish Government announced an additional £2.1m funding for MG Alba.

On 26 November 2013, the Scottish Government published Scotland’s Future: Your Guide to an Independent Scotland. It detailed how a Scottish Broadcasting Service could be established in partnership with the BBC. Building on the staff and assets of BBC Scotland, it envisaged including a new television and radio station and assuming responsibility for BBC Alba.

On 14 March 2014, the Scottish Government published a report by Ekos Consultants on delivery options for production space for the film and TV industries. In June, Culture Secretary Fiona Hyslop published a discussion paper on tax relief and other incentives which the Scottish Government could make available under independence. In the 2013 Spending Review, the Scottish Government announced a £2m loan facility to be available from 2015/16 for a studio development.

Production and commission updates

STV Productions continued to play a role within Scotland’s creative industries, securing commissions from major broadcasters, including a new quiz show for BBC One: The Link.

In 2013, Sony Pictures started filming the Outlander series - the largest inward investment ever secured in Scotland. Production is taking place at Scottish locations and at a studio in Cumbernauld - a warehouse conversion with a 14,000 square foot production facility.

Channel 4 spend in Scotland was £13.5m in 2013, representing 3.8% of total spend, and up from the previous year’s 3.2%. In total, 130 hours of C4 programming, including peak-time transmissions, came from Scottish independent production companies. This represented 4.8% of total hours and was up year on year from 4.1% in 2012. C4 introduced a new ultra-short form film strand for new talent: 9.88 Films. This was a project partnership with Creative Scotland, ahead of the 2014 Glasgow Commonwealth Games, and it attracted 592 entries.

---

24 Source – Channel 4
2.2 Digital television take-up in Scotland

DTT and satellite remain the most widely-used platforms

Satellite and digital terrestrial television (DTT) remain the most widely-used platforms on main TV sets in Scotland. There has been a decrease in the proportion of households with Freeview (from 43% of homes in Q1 2013 to 29% in Q1 2014)\(^25\). As a result, all other platforms gained share in 2014. Satellite (pay or free) is now the most popular main service in Scotland. As in previous years, satellite television has higher penetration in rural areas of Scotland (55% vs. 37%), where cable services have lower availability. DTV via broadband jumped from 2% to 6%, possibly as a result of both BT and TalkTalk offering YouView as part of their bundled services.

Figure 2.1 Main set TV share in Scotland, by platform

![Main set TV share in Scotland, by platform](image)

Source: Ofcom research, Q1 2014
Q. Which, if any, of these types of television does your household use at the moment?

Seven in ten households in Scotland have HD-ready TV sets

Half (50%) of households in Scotland claimed to receive HDTV channels, and an additional one in five (22%) households had an HD-ready TV as the main TV set. This is in line with the UK average (73%). There was no significant difference across Scotland’s urban or rural areas.

\(^{25}\) Decline in use of Freeview as main television service in Scotland – our survey data indicates that there has been a decline in use of Freeview as a main television service in Scotland, with viewers moving to satellite, cable or DTT platforms. The fall in use of DTT is statistically significant; this means that we can be 95% confident that the proportion using DTT as a main TV service fell during the time period measured. However, we cannot be confident that the fall has been as large as the data in the chart suggests. Sampling error means that the apparent drop in use of DTT could be as little as three percentage points. The apparent increase in use of Pay TV services on main set may be related to changes in content provision and availability during 2013-2014. For example, BT Sports acquired the rights to broadcast Scottish Premier League Football matches.
Eight per cent of households in Scotland have a smart TV

The proportion of TV homes in Scotland claiming to have purchased a smart TV with an integrated internet connection has increased by four percentage points since Q1 2013, to 8%. However, smart TV ownership in Scotland remained below the UK average (12%) as take-up in all UK nations has increased since Q1 2013. Claimed take-up of smart TVs in rural Scotland was in line with the UK average, at 11%, while reported urban take-up was lower, at 7%.

Fewer adults in Scotland use on-demand services than in the rest of the UK

Viewing of online TV and video content in Scotland – including TV streaming, catch-up TV, and short video clips on sites such as YouTube – was slightly lower than the UK average in
Q1 2014, with 42% watching online in this way, despite broadband penetration being in line with the rest of the UK. Furthermore, of this 42%, a smaller proportion watched in the past week (25% of respondents, compared to the UK average of 35%).

**Figure 2.4  Online TV/ video viewing**

![Figure 2.4  Online TV/ video viewing](image)

**Source:** Ofcom research, Q1 2014  
**Base:** All adults aged 16+ (n = 3740 UK, 501 Scotland, 2249 England, 491 Wales, 499 Northern Ireland, 261 Scotland urban, 240 Scotland rural)

QE5A-B. Which, if any, of these do you use the internet for? And, which, if any, of these activities have you used the internet for in the last week? QD28A-B. Which if any, of the following activities, other than making and receiving voice calls, do you use your mobile for? And which of these activities have you used your mobile for in the last week?

**Scotland has fewer catch-up TV users than the UK average**

Viewing of catch-up TV in Scotland is also slightly lower than the UK average (29% vs. 32%); Scotland has a lower proportion of this type of viewing than any of the other nations.

Overall viewing levels in both urban and rural areas are similar (30% in urban vs. 28% in rural) in line with broadband penetration.
Scotland has the lowest proportion of YouTube viewers

The proportion of respondents in Scotland who claim to view video clips online is lower than the UK average (30% vs. 38%); this is the lowest proportion of all the devolved nations.

Viewing levels in urban areas are even lower, at 28% (compared to 37% in rural areas) despite similar levels of broadband penetration.
2.3 Broadcast television viewing

People in Scotland spent on average 4.1 hours per day watching TV

In 2013 the average person in Scotland spent an average of 4.1 hours per day watching television, slightly higher than the UK average of 3.9 hours (Figure 2.7).

Figure 2.7 Average hours of daily TV viewing, by nation: 2013

Source: BARB, Individuals (4+). Main PSBs = BBC One, BBC Two, ITV, Channel 4, Channel 5 including HD variants but excluding +1s.

*Note: This figure reflects the average across the English regions with the highest in Border (4.2) and lowest in West (3.4) respectively.

Over half (52%) of all viewing is to the five main PSB channels

In 2013, the five main PSB channels accounted for a combined 52% share of total TV viewing in Scotland, the highest among the devolved nations and just higher than the average 51% share across the UK (Figure 2.8).
The combined share of the five main PSB channels has declined by 9pp since 2008

Between 2008 and 2013, there was a nine percentage point reduction (to 52%) in the combined share of the five main PSB channels in Scotland. This reduction was the least among the devolved nations and the same as the average decrease across the UK (Figure 2.9).

Source: BARB, Individuals (4+). HD channel variants are included but not +1s.

Note: In 2010 a new BARB panel was introduced, including the re-defining of boundaries. Therefore, pre- and post-panel change data should be compared with some caution.
The total share for the main PSBs and their family of channels decreased by 2.4pp between 2008 and 2013, less than the UK average net loss.

In Scotland, the five main PSB channels experienced an 8.5pp decrease in their combined share of total TV viewing compared to 2008 (1pp lower than the UK average decrease of 9.5pp). At the same time, the PSB portfolio channels saw a 6.1pp increase (UK average increase 6.9pp). This resulted in a net loss overall of 2.4pp, lower than the UK average net loss (2.6pp) and the lowest loss of all the devolved nations or any single ITV licensee region, except Border (Figure 2.10).

In 2013, Border was the only region where the five main PSBs did not lose viewing share, adding 0.1pp compared to 2008 (57.8% share in 2008 vs. 57.9% share in 2013). Combined with a 5.7pp share increase to the PSB portfolio channels, Border had a net share gain of 5.8pp.

**Figure 2.10** Net change in the audience share of the five main PSB channels and their portfolio channels, all homes: 2008 and 2013

![Bar chart showing net change in audience share](chart.png)

*Source: BARB, Individuals (4+)*

*Notes: i) PSB main channels include HD variants but not +1s. PSB portfolio channels = main PSB +1 channel variants and the PSB digital channels and their respective HD and +1 variants. ii) In 2010 a new BARB panel was introduced, including the re-defining of boundaries. Therefore, pre- and post-panel change data should be compared with some caution.*

**BBC One’s and STV’s early evening news bulletins attracted greater share in Scotland than the UK average**

In 2013, BBC One’s early-evening nation’s news bulletin, *Reporting Scotland*, attracted an average 32% share of TV viewing in Scotland – higher than the UK average for the same slot at 29%. STV’s counterpart bulletin, *STV News at Six*, attracted a lower average share (25%), although considerably higher than the Channel 3 UK average (18%).
Scotland has the highest proportion of adults using the television to keep up with Scottish national news.

In Scotland in 2013, 57% of respondents cited television as their main source of local news\textsuperscript{26}, up by three percentage points on the previous year. All three of the devolved nations reported higher than the average UK figure of 50%. The second most popular source for local news in Scotland was newspapers – 17% of those surveyed claimed this to be their main source of local news, 4pp higher than the UK average of 13%.

\textsuperscript{26} Local news refers to news about the local area. National news refers to news in each nation and not the UK as a whole.
When asked which was their main source of national news, 80% of Scottish respondents chose television, up 11pp on the previous year, and the highest of the devolved nations by a considerable margin. Interestingly, 9% of Scots cited ‘talking to people’ as a main source of local news, but this answer did not register when asked their main source of national news.

### 2.4 TV programming for viewers in Scotland

The following section outlines spend and hours of programming for viewers in Scotland, Wales, Northern Ireland, and the English regions, provided by the BBC and STV/UTV/ITV.
The figures exclude Gaelic and Welsh-language programming but includes some spend on Irish-language programming by the BBC. For information on BBC Alba, see section 2.5.

In a change from previous years, historical financial figures are presented in nominal terms and not adjusted for inflation. The reason for this is to align the CMR suite of reports and to provide a ‘base’ view of the overall market to inform any further analysis.

Programme definitions

**First-run originations** - Programmes commissioned by or for a licensed public service channel with a view to their first showing on television in the United Kingdom in the reference year.

**First-run acquisitions** - A ready-made programme bought by a broadcaster from another rights holder and broadcast for the first time in the UK during the reference year.

**Repeats** - All programmes not meeting one of the two definitions above.

PSB spend on first-run originated content for viewers in Scotland remained stable in 2013.

£263m was spent by the BBC and ITV/STV/UTV on producing first-run originated programmes specifically for viewers in Wales, Scotland, Northern Ireland and the English regions in 2013, down by £3m (or 1.2%) in nominal terms from 2012 and down by 13% since 2008.

In nominal terms, the year-on-year spend by PSBs on first-run originated programming for viewers in Scotland has remained steady around £52m over the last four years, recovering slightly following a sharp drop in 2009.

**Figure 2.14  Spend on first-run originated nations/regions’ output by the BBC/ ITV/STV/UTV**

<table>
<thead>
<tr>
<th>Year</th>
<th>Wales</th>
<th>Scotland</th>
<th>Northern Ireland</th>
<th>England</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>£191</td>
<td>£153</td>
<td>£33</td>
<td>£29</td>
</tr>
<tr>
<td>2009</td>
<td>£256</td>
<td>£28</td>
<td>£33</td>
<td>£29</td>
</tr>
<tr>
<td>2010</td>
<td>£261</td>
<td>£25</td>
<td>£52</td>
<td>£50</td>
</tr>
<tr>
<td>2011</td>
<td>£267</td>
<td>£27</td>
<td>£53</td>
<td>£52</td>
</tr>
<tr>
<td>2012</td>
<td>£267</td>
<td>£26</td>
<td>£52</td>
<td>£52</td>
</tr>
<tr>
<td>2013</td>
<td>£263</td>
<td>£26</td>
<td>£52</td>
<td>£52</td>
</tr>
</tbody>
</table>

**Spend**

**% change**

- 1 year: -1.2% (Wales), +0.1% (Scotland), +14% (Northern Ireland), -3.4% (England)
- 5 years: -13% (Wales), -22% (Scotland), -7.7% (Northern Ireland), -17% (England)

Source: Broadcasters. All figures are nominal.

Note: Spend data for first-run originations only. Spend excludes Gaelic and Welsh-language programming but includes some spend on Irish-language programming by the BBC. These figures do not include spend on television output for the networks, made for both Scottish and UK audiences nor do they include spend on BBC Alba or BBC spend on S4C output. The BBC spent £5.2m on BBC Alba output and £23.5m on S4C output in 2013. For information on BBC Alba, please see section 2.5. These figures represent the specific spend on television output for each nation audience only and do not include expenditure for online or radio in each nation.
Total spend on nations’ programming in Scotland was up 1% year on year

BBC and STV spend on current affairs programming for viewers in Scotland increased by 6% in 2013, a 17% rise on five years earlier. Although spend on news remained stable with no year-on-year change, the figure remains 6% lower than in 2008. There was also no change year on year in non-news/ non-current affairs programme spend, which remains 6% higher than five years ago.

Spend on programming commissioned for Scotland as a whole increased by 1%, driven by the previously-mentioned increase in current affairs spend.

Figure 2.15 Change in total spend on nations’ and regions’ output, by genre and nation: 2008-2013

<table>
<thead>
<tr>
<th>UK</th>
<th>England</th>
<th>N. Ireland</th>
<th>Scotland</th>
<th>Wales</th>
</tr>
</thead>
<tbody>
<tr>
<td>1yr (%)</td>
<td>5yr (%)</td>
<td>1yr (%)</td>
<td>5yr (%)</td>
<td>1yr (%)</td>
</tr>
<tr>
<td>Current Affairs</td>
<td>1%</td>
<td>-13%</td>
<td>-9%</td>
<td>-31%</td>
</tr>
<tr>
<td>News</td>
<td>-4%</td>
<td>-10%</td>
<td>-5%</td>
<td>-11%</td>
</tr>
<tr>
<td>Non-news/non-current affairs</td>
<td>1%</td>
<td>-22%</td>
<td>-13%</td>
<td>-78%</td>
</tr>
<tr>
<td>Total Spend in 2013</td>
<td>£265m</td>
<td>£159m</td>
<td>£27m</td>
<td>£53m</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>UK</th>
<th>England</th>
<th>N. Ireland</th>
<th>Scotland</th>
<th>Wales</th>
</tr>
</thead>
<tbody>
<tr>
<td>1yr</td>
<td>5yr</td>
<td>1yr</td>
<td>5yr</td>
<td>1yr</td>
</tr>
<tr>
<td>Change in Spend</td>
<td>-2%</td>
<td>-13%</td>
<td>-5%</td>
<td>-17%</td>
</tr>
</tbody>
</table>

Source: Broadcasters. All figures are nominal.

Note: Spend excludes Gaelic and Welsh-language programming but includes some spend on Irish-language programming by the BBC. This does not account for total spend on BBC Alba or BBC spend on S4C output. These figures represent the specific spend on television output for each nation audience only and do not include expenditure for online or radio in each nation.

Expenditure in Scotland on PSB non-network programming remained stable year on year

Expenditure on non-network content broadcast by the BBC and ITV for people in Scotland increased by 1% to £53.3m in 2013.

Spend on non-news/ non-current affairs accounted for almost two-thirds of total spend (64%); news accounted for a further 25%, with current affairs making up the remaining 11%.

In addition to this, according to its latest Annual Report for financial year 2013/2014, the BBC contributed £76.3m to the operational costs of S4C. It incurred a further £23.5m of costs in delivering other content to S4C under the terms of the operating agreement. It also contributed £5.2m to content shown on BBC Alba in Scotland. See Section 2.5 for more detail on BBC Alba.

http://www.s4c.co.uk/production/downloads/e_cytundeb-gweithredu-s4c-bbc.pdf
Total first-run originated hours for Scotland has increased more than any other nation since 2008

The BBC and ITV1/STV/UTV produced a total of 11,232 hours of first-run originated content for the English regions, Scotland, Wales and Northern Ireland in 2013, up by 2% (or 230 hours) on 2012, and down by 6% (765 hours) since 2008.

The number of first-run originated hours produced specifically for viewers in Scotland has increased by 46% since 2008 to 2,456 hours in 2013. This is the highest relative increase across the four nations over this period, and is mainly attributable to the increased output of *The Nightshift* on STV in 2010/2011. Over one year, the number of first-run originated hours increased by 1% compared to the UK-wide average increase of 2%.

The distribution of programmes across genres and broadcasters in Scotland remained broadly the same in 2013 as in 2012. The largest change was an additional 33 hours of news programming on STV. In contrast, BBC news programmes fell by 11 hours across the year, although this was offset slightly by an increase of three hours of current affairs.

For comparison purposes, Figure 2.17 does not include first-run originated BBC Alba programming hours funded by the BBC, or BBC hours provided to S4C. In 2013 the BBC’s first-run originated local hours for viewers in Scotland, including programming it funded on BBC Alba, amounted to 1,001 hours. There is a more detailed breakdown of BBC Alba programming in section 2.5.
Figure 2.17  Hours of first-run originated nations’/regions’ output, by genre and broadcaster: 2013

Source: Broadcasters.
Note: Hours data for first-run originations only. Hours exclude Gaelic and Welsh-language programming but include some spend on Irish-language programming by the BBC. These figures do not include total hours for BBC Alba, S4C output or hours of television output for the BBC or ITV networks made for UK audiences.

Total cost per hour on total nations’ output for Scotland has decreased by 27% since 2008 – the highest across the nations

When analysing the cost of making programmes for the nations, cost-per-hour calculations show that, when measured in nominal terms, England and Scotland produced programmes more cost-effectively in 2013 than in 2008. The decrease in the Scottish figure can again be in part attributed to the large volume of hours and relatively low production cost of *The Nightshift*, which affected the overall average.

Over the five-year period, Scotland’s cost per hour decreased by 27% compared to the UK average decrease of 5%.
Figure 2.18  Cost per hour of total nations and regions output, by nation: 2008-2013

<table>
<thead>
<tr>
<th>Region</th>
<th>2008</th>
<th>2013</th>
<th>Change since 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>UK</td>
<td>£24k</td>
<td>£23k</td>
<td>-1%</td>
</tr>
<tr>
<td>England</td>
<td>£23k</td>
<td>£25k</td>
<td>8%</td>
</tr>
<tr>
<td>Northern Ireland</td>
<td>£20k</td>
<td>£20k</td>
<td>0%</td>
</tr>
<tr>
<td>Scotland</td>
<td>£28k</td>
<td>£25k</td>
<td>-11%</td>
</tr>
<tr>
<td>Wales</td>
<td>£22k</td>
<td>£25k</td>
<td>15%</td>
</tr>
</tbody>
</table>

Source: Broadcasters. All figures are nominal.
Note: Spend excludes Gaelic and Welsh-language programming but includes some spend on Irish-language programming by the BBC. This does not include hours or spend on BBC Alba or BBC hours and spend on S4C output.

2.5  Gaelic-language programming

Figure 2.19 shows other spend in the devolved nations. BBC Alba incurred production costs of £12.75m for all programming, including sports rights. The channel is jointly funded by the BBC and MG Alba.

Figure 2.19  Other spend on programming in the devolved nations: 2013

Source: Broadcasters.
Note: BBC S4C Statutory refers to the cost to the BBC of programming supplied to S4C by the BBC as part of their statutory agreement. Northern Ireland spend refers to additional production costs of Irish language and Ulster Scots programmes broadcast in Northern Ireland.

BBC Alba

BBC Alba is the Gaelic-language service backed by the BBC and MG Alba, which launched in September 2008.
Figure 2.20 shows that £12.8m was spent on total programming output for BBC Alba in 2013. Ninety-nine per cent of this was spent on first-run originations (£12.65m).

Spend on current affairs increased by a quarter (26%) year on year, while non-news saw a slight drop of 3%. Spending on news output remained stable at £2.2m.

In 2013 BBC Alba broadcast 2,626 hours in total, one hour more than in 2012. Of this, 643 hours were originations, up 8% on the 595 origination hours broadcast in 2012.

### Figure 2.20 BBC Alba total spend and hours: 2008-2013

<table>
<thead>
<tr>
<th>Year</th>
<th>Current Affairs</th>
<th>News</th>
<th>Non-news/non-current affairs</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>£9.37m</td>
<td>£14.43m</td>
<td>£0.80m</td>
</tr>
<tr>
<td>2009</td>
<td>£10.53m</td>
<td>£2.00m</td>
<td>£0.77m</td>
</tr>
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<td>2010</td>
<td>£2.06m</td>
<td>£2.00m</td>
<td>£0.71m</td>
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<tr>
<td>2011</td>
<td>£2.06m</td>
<td>£2.00m</td>
<td>£0.71m</td>
</tr>
<tr>
<td>2012</td>
<td>£2.00m</td>
<td>£2.06m</td>
<td>£0.77m</td>
</tr>
<tr>
<td>2013</td>
<td>£2.06m</td>
<td>£2.00m</td>
<td>£0.80m</td>
</tr>
</tbody>
</table>

Source: BBC, total hours and spend by the BBC and MG Alba. All figures are nominal.

## 2.6 PSB television quota compliance

### Scotland's share of expenditure on originated network production increased in 2013

Figure 2.21 illustrates the distribution of spend on qualifying first-run commissioned network programming by the five main PSB channels in the six years to 2013. As in previous years, the majority was spent within the M25; 51.9% - down from 55.4% in 2012. A further 19.9% of first-run spending was captured by producers based in the north of England and 13.6% in southern England.

In 2013 the proportion of spending on originated network productions outside London increased for the third consecutive year. In contrast, London spending continued a downward trend; it fell by 3.5pp. This shift may be attributable in some part to the BBC relocating a significant production base, including the majority of BBC Sport, to Salford, and no London Olympics to act as a counterweight.

Scottish productions accounted for 5.9% of spending on original network programming, up from 4.4% in the previous year.
Scotland produced a greater share of originated production hours than in any of the previous five years

In terms of volume of hours, in 2013, for the first time, less than half (49.4%) of first-run network programmes were produced within the M25, down from 54.7% in 2012. A further 21.1% were produced in northern England, 11.9% in southern England and 8.4% in Scotland, up from 7.2% in 2012. The steeper rise in volume produced outside London, compared to spend, is in part attributable to lower production costs in other regions than in the Greater London area.

Production in Scotland has increased every year, rising from 1.8% of all originated network production hours in 2008 to 8.4% in 2013.
Figure 2.22 Volume of originated network productions: 2008-2013

Source: Ofcom/broadcasters.

Note: A new category 'other' was created in 2012 for regional productions from London producers which do not meet both 70% of spend and 50% of talent in any one particular macro region.\(^{29}\)

\(^{29}\) See http://stakeholders.ofcom.org.uk/broadcasting/guidance/programme-guidance/reg_prod on the Ofcom website for further details.
3 Radio and audio content

3.1 Recent developments in Scotland

Real Radio Scotland has been rebranded as Heart

In February 2014 Capital Scotland was sold to the Irish media holding company, Communicorp. It was sold as part of eight stations divested by Global Radio to satisfy the UK regulatory authorities following the acquisition, two years ago, of GMG Radio from Guardian Media Group.

Under a brand licensing agreement, Communicorp has rebranded the 'Real' stations under the 'Heart' franchise and plans to relaunch the 'Smooth' stations following the reintroduction of local programming. Therefore, Real Radio Scotland was rebranded as Heart Scotland in May 2014.

XFM Scotland was re-launched by its owners, Global Radio, in March 2014.

3.2 Radio station availability

Five new community radio stations are available to listeners in Scotland

Scotland’s community radio industry has continued to grow. There are now 23 community stations on air, out of the 31 licences that have been awarded in Scotland. New to air in 2013/14 were East Coast FM, Irvine Beat FM, Crystal Radio, and K107 FM. Irvine Beat FM has received funding from the Lottery Awards for All fund to build a training studio. Nevis Radio, which serves Fort William and the surrounding areas, was originally licensed as a commercial radio service, but having chosen to become a community radio service it was awarded this licence instead, on application.

The remaining eight of the most recent round of licence awards are preparing to launch. A licensee has two years from the date of the licence award in which to launch a service.

Community radio stations across Scotland carry the weekly politics and current affairs programme The Week in Holyrood, produced by Caledonia Media. It includes coverage of the chamber and committees as well as unique content generated for the programme. The programme also carries coverage of the European and UK Parliaments.

Most radio stations in Scotland are local commercial stations, with an equal amount of services (37) available on DAB and on analogue.
3.3 Patterns of listening to audio content

Scotland continues to have the lowest reach for radio among the UK nations

In 2013, radio services reached 85.9% of adults in Scotland (Figure 3.2). This is the lowest reach of all the UK nations and 4.5pp lower than the UK average (90.4%). On average, adult radio listeners in Scotland listened to 20.6 hours of radio per week. Although higher than in Northern Ireland, adults in Scotland listened to radio for fewer hours than those in England and Wales (21.6 and 21.7 hours respectively) and the UK average (21.4 hours).

Local commercial stations are more popular in Scotland than in other nations

Local commercial stations accounted for a 36% share of listening hours in Scotland in 2013. This is the highest share for this radio sector compared to the other nations, and 7pp above the UK average (Figure 3.3). Overall, commercial radio accounted for around half (49%) of adults’ total share of listening hours in Scotland, higher than any other nation and 7pp above the UK average (42%).
The shares of listening hours to UK commercial stations and BBC local/nations’ stations are in line with the UK averages (at 13% and 8% respectively), and also match England’s share of listening hours for both sectors.

Share of listening hours to BBC network stations is equal to that for local commercial stations, at 36%. Although higher than Northern Ireland, this is 10pp below the UK average (46%) and accounts for a lower share in this sector than in England (47%) and Wales (50%).

### Figure 3.3 Share of listening hours, by nation: 2013

![Chart showing the share of listening hours by nation in 2013.](chart.png)

Source: RAJAR, All adults (15+), year ended Q4 2013.

**There has been a decline in listening to BBC Radio Scotland**

The reach of BBC Radio Scotland fell by 1.6pp year on year to 21% of all adults during an average week in 2013 (Figure 3.4). Scotland and England are the only nations in which the reach of the BBC local/nations radio services did not increase year on year. Despite the fall in reach, share of listening hours for BBC Radio Scotland were in line with the UK average of 8% during 2013.

BBC Radio’s Gaelic-language service, Radio nan Gàidheal, reached 65.4% of Gaelic speakers aged 16+ in Scotland in 2013. This was a reduction from the 69.5% in 2012, which is likely to be the result of the greater choice of Gaelic media since the BBC Alba television channel became more widely available on different platforms. Listening to Radio nan Gàidheal is measured separately to other radio services through a panel of Gaelic speakers by Lèirsinn Research Centre and listening figures are not comparable to the figures sourced by RAJAR in Figure 3.4.
3.4 Digital radio set ownership and listening

More than four in ten households in Scotland now have a digital radio set

DAB radio set ownership in Scotland has increased by 14pp since Q1 2013, to 43% of households in Q1 2014. This large increase brings Scotland into line with the UK average (44%). There is no significant difference in levels of DAB set ownership between urban and rural households; both have increased by a similar amount.

### Figure 3.5 Ownership of DAB digital radios

Source: Ofcom research, Q1 2014


NB. Data in 2011 based on those who listen to radio and have any radio sets in the household that someone listens to in most weeks
One third of all listening in Scotland was through a digital platform

Digital listening in Scotland grew 4.3pp year on year; a third (33%) of listening hours are now via a digital platform (Figure 3.6). Although share of listening on a digital platform is lower than the UK average (36%), the rate of year-on-year growth experienced in digital listening in Scotland is similar to that for the UK overall (which experienced 4.4pp year-on-year growth).

**Figure 3.6  Share of listening hours via digital and analogue platforms: 2013**

Digital listening year on year change (percentage points)

<table>
<thead>
<tr>
<th>Region</th>
<th>Digital Listening Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>UK</td>
<td>+4.4</td>
</tr>
<tr>
<td>England</td>
<td>+4.5</td>
</tr>
<tr>
<td>Scotland</td>
<td>+4.3</td>
</tr>
<tr>
<td>Wales</td>
<td>+2.5</td>
</tr>
<tr>
<td>Northern Ireland</td>
<td>+3.3</td>
</tr>
</tbody>
</table>

Source: RAJAR, All adults (15+), year ended Q4 2013.

Figure 3.7 shows that the growth in share of radio listening on a digital platform in Scotland has been steady and continuous over the years, with digital listening now 20pp higher in 2013 than it was in 2007 (33% vs. 13%) This increase in the digital share of listening is similar to that seen in England (22pp since 2007).

**Figure 3.7  Share of listening hours via digital and analogue platforms in Scotland: 2007-2013**

Source: RAJAR, all adults, calendar years 2007-2013
3.5 The radio industry

Commercial radio revenue per head of population was highest in Scotland

The total revenue generated by local commercial radio stations in Scotland totalled £40.9m in 2013. When adjusted to the size of the population, the revenue per person was £7.70, the highest of all the UK nations, and an increase of £0.05 on 2012. Scotland was the only nation to have increased its local commercial radio revenue per head year on year.

The combined spend on BBC Radio Scotland and BBC Radio nan Gàidheal totalled £38.4m in 2013-14, a reduction from £39m in the previous year. Expenditure per head in Scotland decreased by £0.14 to £7.23.

Figure 3.8 Local/nations radio spend and revenue per head of population: 2013-14

Source: Broadcasters  Note: The UK total shows the average for local commercial radio across the four nations and therefore excludes revenues for the UK-wide commercial stations: Classic FM, talkSPORT and Absolute.
4 Internet and web-based content

4.1 Internet take-up

Eight in ten households in Scotland have internet access

Eight in ten households in Scotland (81%) had access to the internet at Q1 2014 (via broadband, mobile phone or narrowband), with this figure increasing five percentage points since 2013, to come into line with the UK average (81%).

The increased difference between total broadband access (76%) and internet access (81%) reflects the growing proportion of consumers in Scotland who access the internet on their mobile phone. Internet access on a mobile phone was up 12 percentage points since Q1 2013, and Scotland had the highest take-up among the devolved nations (56%). Furthermore, 4% of consumers in Scotland accessed the internet only through a mobile phone.

Figure 4.1 Internet take-up in Scotland: 2009-2014

Source: Ofcom Technology Tracker

4.2 Internet-enabled devices

Four in ten households in Scotland have a tablet computer

Tablet computer ownership almost doubled in Scotland in the past year, growing in line with the rest of the UK. In the first quarter of this year, 42% of households in Scotland claimed to own a tablet computer such as an iPad or Kindle Fire, an 18 percentage point annual increase.

Those in Scotland most likely to have purchased a tablet are aged 35-54 (55% of whom had one in their household) and from higher-income households (64% are in households with an income of £17.5k+). ABC1 households (53%) were also significantly more likely than C2DE (32%) households to own a tablet, although there were no significant difference between Scotland’s urban and rural areas.
For most households with a tablet, this is in addition to a desktop, laptop, or netbook computer, as just 3% of households in Scotland have only a tablet computer, although this rises to 6% of households in rural areas.

**Figure 4.2 Take-up of tablet computers in Scotland**

<table>
<thead>
<tr>
<th>Nation</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>UK</td>
<td>44</td>
<td>42</td>
<td>44</td>
<td>45</td>
</tr>
<tr>
<td>Scotland</td>
<td>44</td>
<td>42</td>
<td>45</td>
<td>45</td>
</tr>
<tr>
<td>England</td>
<td>45</td>
<td>45</td>
<td>41</td>
<td>48</td>
</tr>
<tr>
<td>Wales</td>
<td>45</td>
<td>45</td>
<td>41</td>
<td>48</td>
</tr>
<tr>
<td>N Ireland</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Scot Urban</td>
<td>42</td>
<td>42</td>
<td>45</td>
<td>45</td>
</tr>
<tr>
<td>Scot Rural</td>
<td>1</td>
<td>11</td>
<td>24</td>
<td>42</td>
</tr>
<tr>
<td>Urbanity</td>
<td>2011</td>
<td>2012</td>
<td>2013</td>
<td>2014</td>
</tr>
<tr>
<td>Scotland 2011</td>
<td></td>
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<td></td>
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</tr>
<tr>
<td>Scotland 2012</td>
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<tr>
<td>Scotland 2013</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Scotland 2014</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**QE1. Does your household have a PC, laptop, netbook or tablet computer?**

*Source: Ofcom research, Q1 2014*


**One in six adults in Scotland use an e-reader**

Just under one in six (16%) adults in Scotland personally use an e-reader to read ebooks, magazines or other text downloaded from the internet, a two percentage point annual increase. Fewer e-readers with a built-in 3G connection were used in Scotland (7%); these allow users to download books using a mobile network. The incidence of household ownership of an e-reader in Q1 2013 was 21%, a one percentage point annual increase and just less than the percentage for the UK as a whole (24%).

Those in Scotland most likely to use an e-reader were female (21%) and in ABC1 socio-economic groups (23%), with no significant difference across Scotland’s urban or rural areas.
The laptop is no longer the most important device for getting online for most internet users in Scotland

No single device was thought to be most important for accessing the internet by a majority of internet users in Scotland in Q1 2014. This is in contrast to Q1 2013, when 54% of internet users in Scotland claimed their laptop was most important. The laptop was still the most important device among internet users aged 55 and over (52%), while among 16 to 34 year olds smartphones (34%) were almost as important as laptops (37%). Smartphones were significantly more likely to be the most important device in C2DE households (26%) than in ABC1 households (16%).

The desktop computer was significantly more likely to be the most important device for internet access among those aged 55+ (24%) than among other age groups. A tablet was significantly more likely to be the most important in households with an annual income greater than £17.5K (30%) than in households with an income less than £17.5K (11%). There were no significant differences in these results between rural and urban areas.

Device preferences are likely to reflect take-up of devices; we consider device importance by ownership in Chapter 4 of the UK Communications Market Report.
Figure 4.4  Most important device for accessing the internet in Scotland

Source: Ofcom research, Q1 2014

Question: Which is the most important device you use to connect to the internet, at home or elsewhere? “Other” responses include: “Other device”, “None” and “don’t know”.

Base: All adults aged 16+ (n = 2976 UK, 415 Scotland, 226 Scotland urban, 189 Scotland rural, 134 16-34, 160 35-54, 121 55+, 236 ABC1, 178 C2DE, 102 <£17.5K, 149 £17.5K+).

4.3 Internet use

Internet users in Scotland spend the most time online of all the devolved nations

According to research conducted for Ofcom’s Adult Media Literacy Report, internet users in Scotland claim to spend 16.5 hours on the internet per week, slightly less than the UK average of 16.9 hours. Internet users in Scotland also claimed to spend a significantly greater amount of time using the internet outside the home, workplace, or place of education (2.2 hours) than users in Wales (1.3 hours) and Northern Ireland (1.4 hours).

30 Available from online at http://stakeholders.ofcom.org.uk/market-data-research/other/research-publications/adults/adults-media-lit-14/
Figure 4.5  Claimed time spent on the internet in a typical week

<table>
<thead>
<tr>
<th></th>
<th>At home</th>
<th>At workplace/ place of education</th>
<th>Anywhere else</th>
</tr>
</thead>
<tbody>
<tr>
<td>UK</td>
<td>11.2</td>
<td>4</td>
<td>1.7</td>
</tr>
<tr>
<td>Scotland</td>
<td>11</td>
<td>3.3</td>
<td>2.2</td>
</tr>
<tr>
<td>England</td>
<td>11.3</td>
<td>4.1</td>
<td>1.6</td>
</tr>
<tr>
<td>Wales</td>
<td>10.7</td>
<td>3.5</td>
<td>1.3</td>
</tr>
<tr>
<td>N Ireland</td>
<td>10.1</td>
<td>2.4</td>
<td>1.4</td>
</tr>
</tbody>
</table>

Source: Ofcom research, fieldwork carried out by Saville Rossiter-Base in October to November 2013
IN6A-C – How many hours in a typical week would you say you use the internet at home/ at your workplace or place of education/ anywhere else? (Unprompted responses, single coded)
Base: All adults aged 16+ who use the internet at home or elsewhere (1272 UK, 824 England, 150 Scotland, 163 Wales, 135 Northern Ireland). Significance testing shows any difference between any nation and the UK.

Two-thirds of broadband users in Scotland purchase goods and services online

Almost nine in ten internet users (87%) in Scotland use the internet for general browsing, and of the specific activities, sending and receiving email (88%) is the most popular use, with 72% of internet users having done this in the past week.

Purchasing goods and services online is the second most popular specific use of the internet (65%), with 28% of internet users having done this in the last week, up from 22% in the year to Q1 2014. In contrast, visiting social networking sites (44%) and internet banking (41%) were less popular overall, but more likely to have been done in the past week.

Figure 4.6  Activities conducted online by internet users in Scotland

<table>
<thead>
<tr>
<th>Activity</th>
<th>UK</th>
<th>Scotland</th>
<th>England</th>
<th>Wales</th>
<th>N Ireland</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sending and receiving email</td>
<td>98</td>
<td>96</td>
<td>98</td>
<td>98</td>
<td>98</td>
</tr>
<tr>
<td>General surfing/browsing</td>
<td>80</td>
<td>84</td>
<td>84</td>
<td>84</td>
<td>84</td>
</tr>
<tr>
<td>Purchasing goods/services</td>
<td>65</td>
<td>65</td>
<td>65</td>
<td>65</td>
<td>65</td>
</tr>
<tr>
<td>Banking</td>
<td>57</td>
<td>57</td>
<td>57</td>
<td>57</td>
<td>57</td>
</tr>
<tr>
<td>Using social networking sites</td>
<td>55</td>
<td>55</td>
<td>55</td>
<td>55</td>
<td>55</td>
</tr>
<tr>
<td>TV/Video viewing</td>
<td>45</td>
<td>45</td>
<td>45</td>
<td>45</td>
<td>45</td>
</tr>
<tr>
<td>Instant messaging</td>
<td>43</td>
<td>43</td>
<td>43</td>
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<tr>
<td>Downloading music</td>
<td>38</td>
<td>38</td>
<td>38</td>
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<tr>
<td>Playing games</td>
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<td>36</td>
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<tr>
<td>Watching short video clips</td>
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<tr>
<td>Find health information</td>
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<td>Finding Download Info for college</td>
<td>24</td>
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<td>24</td>
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<tr>
<td>Using local council/Government websites</td>
<td>24</td>
<td>24</td>
<td>24</td>
<td>24</td>
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<tr>
<td>Listening to radio</td>
<td>23</td>
<td>23</td>
<td>23</td>
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</tr>
<tr>
<td>Uploading/adding content to internet</td>
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<tr>
<td>Trading/auctions</td>
<td>24</td>
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<td>24</td>
<td>24</td>
<td>24</td>
</tr>
<tr>
<td>streamed audio services</td>
<td>24</td>
<td>24</td>
<td>24</td>
<td>24</td>
<td>24</td>
</tr>
</tbody>
</table>

Source: Ofcom research, Q1 2014
QE5. Which, if any, of these do you use the internet for?
Base: Adults aged 16+ who use the internet at home or elsewhere (n= 415 Scotland 2014)
5 Telecoms and networks

5.1 Recent developments in Scotland

A number of schemes have been designed to promote digital inclusion in harder-to-serve areas of Scotland. A planning application has been approved by Argyll and Bute Council, the local authority covering the island of Coll in the Inner Hebrides, for a community mobile mast to provide wider mobile coverage. There are around 200 inhabitants on the island and the mast will bring coverage to some areas for the first time. It is a pilot scheme; the mast will be publicly-funded and the annual running costs, estimated at around £2,000, will be met by the community. The planning application for the mast, and some cabinets, was lodged by Vodafone.

Buckie was the first location in which superfast broadband services (i.e. those with a headline speed of 30Mbit/s or higher) became available under the £410m Scottish Government, BDUK and BT partnership scheme. More locations in the Highlands and Islands have also been connected, including the first island connection, to Lerwick on Shetland. In Spring 2014 10,000 premises were reported to be able to access superfast broadband through the publicly-supported roll-out. The ambition for the full programme is to provide superfast access to 95% of the Scottish population by 2017/18.

For the ‘last 5%’ of the population not covered by this superfast roll-out, money and support are available under the Community Broadband Scotland (CBS) initiative. This is part of Highlands and Islands Enterprise, and supports communities seeking local solutions for connectivity. It was set up in August 2012 with £5m of funding from the Scottish Government. CBS aims to help bring improved broadband to rural communities in Scotland that currently receive download speeds of less than 2Mbit/s. CBS had set up 600 connections by December 2013, and is aiming for 5,500 by September 2014.

Digital participation is key issue across Scotland, particularly in Glasgow. The Scottish Government launched its national framework in April, and a number of reports have been published on the issue from organisations such as Carnegie UK Trust and the Royal Society of Edinburgh.

Glasgow City Council has created a city-wide partnership project, Digital Glasgow, to address a number of digital themes, including digital participation. It has produced a ‘roadmap’ to ensure that Glasgow is a world-leading digital city by 2017, and plans to address a number of areas including household and business connectivity, employment and future city development. It estimates that 64,000 households are currently offline and 65% of SMEs in Glasgow do not do business online. Annual progress monitoring will be put in place, including tracking the percentage of residents accessing the internet at home and on the move, access to public services online and the number of access points available to residents.

The Wheatley Group is undertaking two pilot projects to develop a model for achieving a low-cost broadband solution for its tenants which can be replicated across the social housing sector. The first study, which has been extended to a year-long project, provides the internet to 12 homes in low-rise properties. A range of technology solutions are being tested and each household has been given a device (laptop or tablet) to access the internet, as well as help and support to get online. The second pilot is the Digital Demonstrator project, a joint initiative with the Scottish Government and BT. The aim of the study is to test the feasibility of developing a low-cost broadband solution for multi-storey blocks. The pilot block includes 138 units and a range of household types, including single-person households and temporary flats for homeless people.
A free open-air WiFi network is planned to be available in Glasgow in time for the 2014 Commonwealth Games, concentrating on city centre public places and areas of high footfall. Residents and visitors will be able to access the network free of charge in the city centre and the East End. Digital Glasgow plans to allow a telecommunications provider to mount equipment on council buildings and street furniture. The network will remain in place after the Games.

The Scottish Government has announced the launch of the country’s first dedicated internet exchange point (IXP) - IXScotland. It is intended that this will enable internet service providers in Scotland to pass data traffic more quickly and easily across networks.

Ofcom is working with the University of Strathclyde’s Centre for White Space Communications on white space trials, and Microsoft is to examine using white spaces to link a network of sensors around Glasgow to create a ‘smart city’.

In February 2014 the UK Government announced a further £250m of funding for superfast broadband, with £20.99m earmarked for Scotland. This funding is in addition to the £1.2bn already invested by central and local Government, and aims to ensure that 95% of UK homes and businesses have access to superfast broadband by 2017.

Ofcom has organised a full spectrum plan for the Glasgow 2014 Commonwealth Games, arranging all the licences in support of the plan and ensuring that essential wireless services are free from harmful interference. Over 2,000 assignments had already been made for the event at the time of publication, with the greatest areas of demand in the areas of wireless broadcast equipment.

5.2 Availability of fixed broadband services

ADSL broadband services are available to almost all UK premises

By the end of 2013 almost all UK homes were connected to an ADSL-enabled BT local exchange, although some people may not be able to receive ADSL broadband services, or may only be able to do so at very slow speeds, as a result of the long length or poor quality of the copper telephone line from their premises to the local exchange. BT’s fixed telephony network includes around 5,600 local exchanges, of which fewer than 30 had not been upgraded to offer ADSL broadband by the end of 2013 (most of these were in Scotland, and the remainder in England). As a result, the proportion of homes connected to an ADSL-enabled BT exchange was marginally lower in Scotland than in the other UK nations at the end of 2013 (Figure 5.1).

Local loop unbundling (LLU) involves an alternative operator placing its own equipment in the incumbent provider’s local exchange. This is then connected to the LLU provider’s backhaul network and ADSL broadband services are provided over the twisted copper pair, which is leased from the incumbent. LLU operators are able to benefit from economies of scale which are not available to them when purchasing wholesale ADSL services on a per-unit basis, and have greater opportunity to differentiate the services that they offer from those of their competitors. Consumers living in LLU-enabled exchange areas have a greater choice of ADSL broadband services and, typically, access to lower-cost (particularly bundled) broadband services.

At the end of 2013, 95% of UK premises were connected to an LLU-enabled BT exchange, a 1.0 percentage point increase compared to a year previously. LLU rollout was originally concentrated in exchange areas that serve a large number of premises (which tend to be in urban areas), and the proportion of premises connected to an LLU-enabled local exchange continued to be higher in urban areas (over 99%) than in rural ones (76%) at the end of
2013. Across the UK nations, the proportion of premises connected to an LLU-enabled BT local exchange ranged from 87% in Northern Ireland to 95% in England at the end of 2013 (in Scotland it was 88%, the second lowest proportion among the UK nations).

**Figure 5.1 Proportion of premises connected to ADSL and LLU-enabled exchanges: December 2013**

![Proportion of premises connected to ADSL and LLU-enabled exchanges](chart)

Sources: Ofcom/BT

**Over a third of premises in Scotland were able to receive cable broadband services in June 2014**

Ofcom collects data showing the number of premises (i.e. homes and offices) in the UK that are able to receive cable and fibre broadband, as part of its work to monitor the UK’s communications infrastructure.

The methodology used to analyse the cable, fibre and next generation access (NGA) broadband availability data in this report is different to that used to compile the data in the 2013 report. In last year’s report we included data regarding the proportion of premises in postcodes that were served by cable broadband and fibre networks, which can sometimes overstate service availability as not all premises in a postcode will necessarily be able to receive services. In compiling the figures in this year’s report we have been able to use more granular data, which means that the figures in Figure 5.2 to Figure 5.4 are more accurate than those published previously, but the data in these charts are slightly lower than they would be had they been compiled using the same methodology as the figures in the 2013 report.

Furthermore, it is important to note that not all connections provided over the cable and fibre networks which are used to provide superfast fixed broadband services (i.e. those with a headline speed of ‘up to’ 30Mbit/s or higher)\(^{31}\) will necessarily achieve actual speeds of 30Mbit/s or higher. For example, the maximum speed achievable on a given line using fibre-to-the-cabinet (FTTC) technology will depend on the length and quality of the copper connection from the street cabinet to the user’s premises. Ofcom’s 2014 *Communications Infrastructure Report* (to be published later this year) will provide more detailed analysis of the distribution of fixed broadband speeds.

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\(^{31}\) The definition of a superfast fixed broadband connection used by UK Government is one with a download speed of at least 24Mbit/s.
Analysis of data provided by Virgin Media shows that 44% of UK premises were able to receive broadband services over Virgin Media’s cable broadband network in June 2014 (Figure 5.2). The proportion of premises able to receive cable broadband ranged from 21% in Wales to 47% in England (in Scotland it was 35%, the second highest proportion across the nations), and was significantly higher in urban areas of the UK (51%) than in rural areas (3%). Virgin Media is currently upgrading its cable network to offer speeds of ‘up to’ 152Mbit/s, and its most basic cable broadband package currently offers speeds of ‘up to’ 50Mbit/s where these upgrades have already taken place.

Figure 5.2 Proportion of premises able to receive Virgin Media cable broadband services

Scotland had the lowest proportion of premises that could receive fibre broadband services in June 2014

From data provided by the UK’s incumbent fixed telephony providers, Openreach (a BT Group company) and Kcom (the incumbent provider in the Kingston-upon-Hull area), we are able to calculate the proportion of UK premises that were able to receive fibre broadband services over these providers’ combined fibre broadband networks in June 2014 (Figure 5.3). For the reasons mentioned above, the figures below are not comparable to those published in the 2013 report.

Our analysis shows that by June 2014 48% of premises in Scotland were able to receive fibre broadband services over Openreach’s fibre broadband network, the lowest proportion

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32 Compiled on the same basis as the figures in the 2013 report, 46% of UK premises and 37% of premises in Scotland were in postcodes served by Virgin Media’s cable broadband network in June 2014. These figures represent annual falls of two percentage points and one percentage point respectively, which are predominantly due to Virgin Media having undertaken a clean-up of its serviceable addresses database.

33 Under regulatory rules other providers can provide retail fibre broadband services to consumers using these networks.

34 It should be noted that these figures will understate actual fibre broadband availability as they exclude availability over networks other than Openreach and Kcom’s.

35 Compiled on the same basis as the figures in the 2013 report, 71% of UK premises were in postcodes served by Openreach/Kcom’s fibre broadband networks in June 2014, a 15 percentage point increase compared to a year previously.
among the UK nations. Across the other nations, the proportion of premises that were served by Openreach or Kcom’s fibre broadband networks ranged from 55% in Wales to 92% in Northern Ireland, which has benefited from a Department of Enterprise, Trade and Investment (DETI) initiative to increase the availability of superfast broadband services.

Availability of fibre broadband services was higher in urban areas of the UK than in rural areas: 75% of UK premises in urban areas were able to receive Openreach or Kcom’s fibre broadband services in June 2014, compared to 32% in rural areas. Again, it is important to note that not all fibre broadband connections will be able to achieve actual downstream speeds of 30Mbit/s.

**Figure 5.3** Proportion of premises able to receive Openreach/Kcom fibre broadband services

![Proportion of premises able to receive Openreach/Kcom fibre broadband services](image)

Sources: Ofcom/Openreach/Kcom, June 2014 data

Just under two-thirds of premises in Scotland were able to receive NGA broadband services by June 2014

By combining the Virgin Media cable broadband availability data in Figure 5.2 with the Openreach/Kcom fibre broadband availability data in Figure 5.3 we are able to estimate the proportion of premises that are served by NGA networks (which are used to deliver superfast broadband services). For the reasons mentioned previously, not all fixed broadband connections provided over NGA networks will necessarily achieve actual downstream speeds of 30Mbit/s.

Combining the postcode-level availability data for cable and fibre broadband services gives us a range of availability for NGA broadband services: for example, if cable broadband and fibre broadband services are both available to 50% of premises in a postcode area the availability of NGA services in that postcode will be somewhere between 50% of premises (in the case where cable and fibre services are available to the same 50% of premises within the postcode area) to 100% of premises (where there is no overlap in the availability of cable and fibre networks). In Figure 5.4 below, we show the mean of the possible range of availability of NGA services (which would be 75% in the example given above). As previously, the figures below are not directly comparable to those that were included in the 2013 report.

36 Compiled on the same basis as the figures in the 2013 report, 51% of premises in Scotland were in postcodes served by Openreach’s fibre broadband network in June 2014, a 26 percentage point increase compared to a year previously (the largest increase among the UK nations).
The analysis shows that 78% of UK premises were able to receive fixed broadband services over NGA networks by June 2014.37 Across the UK nations this proportion ranged from 58% in Wales to 95% to in Northern Ireland, with 64% of premises in Scotland and 80% of premises in England being within NGA network footprints. In urban areas of the UK, 85% of premises were able to receive NGA broadband services in June 2014, compared to 34% in rural areas.38

**Figure 5.4 Proportion of premises able to receive NGA broadband services**

Sources: Ofcom/Openreach/Kcom, June 2014 data

### 5.3 Mobile coverage

**Overview**

While mobile use is widespread across the UK, there are still areas where a lack of network coverage means that making mobile phone calls, sending text messages and/or accessing data services over a cellular network is not possible. These areas, which are referred to as ‘mobile not-spots’, are often characterised by low population density and/or hilly terrain, and present physical and economic obstacles that may deter mobile network operators (MNOs) from installing mobile phone masts in these areas. In other areas, some operators have mobile coverage whereas others do not have a presence, leading to the creation of ‘partial not-spots’.

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37 Compiled on the same basis as the figures in the 2013 report, 80% of UK premises were in postcodes served by NGA networks in June 2014, a seven percentage point increase compared to the previous year.

38 Compiled on the same basis as the figures in the 2013 report, 66% of premises in Scotland were in postcodes served by NGA networks in June 2014, a 13 percentage point increase compared to the previous year.
How we measure the availability of mobile telephony for this report

The coverage information presented in Ofcom’s Communications Market Reports and Infrastructure Report is collected by Ofcom from the four UK mobile network operators (MNOs). Information on coverage is provided by each operator for each 100x100m pixel of landmass across the UK.\textsuperscript{39} This information is correlated with maps of premises to give the premises coverage figures.

The availability figures quoted all refer to outdoor coverage. Coverage figures for indoor reception are likely to be lower because radio signals are attenuated as they pass through the fabric of buildings. Indoor reception is highly dependent on the building in which reception is desired, and where the user is located in the building, making it difficult to calculate accurate indoor coverage figures.

Figure 5.5, Figure 5.6 and Figure 5.7 show levels of mobile coverage for 2G, 3G and 4G services respectively.\textsuperscript{40} 2G is considered satisfactory for telephone calls and text messaging, while 3G is often considered the minimum necessary to provide an acceptable experience of accessing mobile data services. The first 4G mobile services launched in the UK in 2012, and this is the first time that we have included 4G mobile coverage data in these reports.

99.5\% of premises in Scotland were in areas with 2G mobile coverage in June 2014

Coverage data provided to us by the UK’s three national 2G network operators (Vodafone, O2 and EE) show that by June 2014 96.8\% of UK premises were in areas with outdoor coverage from all three of these providers’ 2G networks, and 99.7\% were in areas with outdoor coverage from at least one 2G network (Figure 5.5). Conversely, this means that 0.3\% of UK premises (around 75,000 premises) were in areas without any 2G coverage.

Among the UK nations, the proportion of UK premises with outdoor coverage from at least one 2G network ranged from 98.9\% in Northern Ireland to 99.9\% in England (in Scotland it was 99.5\%, the second-highest proportion among the nations). Similarly, the proportion of premises with 2G coverage from all three 2G networks was highest in England at 97.5\% and lowest in Wales at 90.3\% (in Scotland it was 95.3\%, again the second-highest proportion among the nations after England).

The proportion of homes in Scotland with outdoor 2G mobile coverage from all three national 2G networks increased by 3.4 percentage points in the year to June 2014, while the proportion with outdoor coverage from at least one 2G network increased by 0.2 percentage points.

\textsuperscript{39} This year we have refined our analysis of mobile coverage by increasing the granularity of the data we gather from the MNOs, moving from 200m x 200m coverage grids to 100m x 100m coverage grids.

\textsuperscript{40} The availability data provided by the MNOs is taken from network planning tools, which are subject to a margin of error, and local factors such as tall buildings or trees can affect signal strength.
By June 2014 98.1% of premises in Scotland were in areas with 3G mobile coverage.

The coverage data provided to us by the four national UK 3G MNOs (the three 2G providers plus 3UK) shows that, overall, UK 3G coverage was lower than 2G coverage in June 2014, when 99.2% of UK premises were in an area with outdoor coverage from at least one 3G network, and 84.3% were in an area with coverage from all four networks (Figure 5.6).

Almost three-quarters of UK premises were in areas with outdoor 4G coverage in June 2014.

The four national UK MNOs are still in the process of deploying their 4G networks, and this is reflected in the lower availability of 4G services than of 2G and 3G services in June 2014 (Figure 5.7). Data provided by the MNOs suggest that 72.0% of UK premises were in areas with outdoor 4G coverage in June 2014.
with outdoor mobile coverage from at least one 4G network in June 2014, with the proportion of premises in 4G coverage areas ranging from 44.4% in Wales to 79.2% in Northern Ireland across the UK nations (in Scotland it was 56.4%, the second lowest proportion after Wales)⁴¹.

All four UK MNOs say that they will have 98% 4G population coverage by the end of 2015 (with some reaching this threshold earlier), and O2’s 4G spectrum licence stipulates that it should provide indoor coverage to 98% of the UK population (and at least 95% of the population of each of the UK nations) by the end of 2017 at the latest.

**Figure 5.7 4G premises mobile coverage, by number of operators**

<table>
<thead>
<tr>
<th>Proportion of premises (per cent)</th>
</tr>
</thead>
<tbody>
<tr>
<td>UK</td>
</tr>
<tr>
<td>----</td>
</tr>
<tr>
<td>31.3</td>
</tr>
</tbody>
</table>

Sources: Ofcom/operators, June 2014 data

Note: Coverage is based on 100m square pixels covering the UK

Updated (June 2015): data excludes Three

**5.4 Service take-up**

**Take-up of communications services is in line with the UK averages in Scotland**

Figure 5.8 below compares the take-up of communications services in Scotland in Q1 2014 to the other UK nations and the UK average. The proportion of homes that used fixed telephony services in Scotland (83%) and the proportion of people in Scotland who owned a mobile phone (90%) both continued to be in line with the other UK nations in Q1 2014.

As was the case across the UK as a whole, the proportion of adults using a smartphone increased significantly in Scotland in the year to Q1 2014, up from 45% to 62%, in line with the UK average of 61%. Household ownership of any type of computer in Scotland also increased in the year to Q1 2014, up by three percentage points to 77%, again in line with the UK average of 79%. Take-up of mobile broadband services remained stable in Scotland at 6%, following a fall which was recorded in the previous year (down from 12% in Q1 2012 to 7%). A similar trend was evident across the UK.

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⁴¹ (updated June 2015): please note this did not include data from Three
Figure 5.8  Take-up of communications services, 2014

<table>
<thead>
<tr>
<th>Individual</th>
<th>UK</th>
<th>Scotland</th>
<th>England</th>
<th>Wales</th>
<th>N Ireland</th>
<th>Scotland urban</th>
<th>Scotland rural</th>
</tr>
</thead>
<tbody>
<tr>
<td>Voice telephony</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fixed Line</td>
<td>84%</td>
<td>83%</td>
<td>84%</td>
<td>78%</td>
<td>83%</td>
<td>82%</td>
<td>89%</td>
</tr>
<tr>
<td>Mobile phone</td>
<td>93%</td>
<td>90%</td>
<td>94%</td>
<td>92%</td>
<td>94%</td>
<td>90%</td>
<td>89%</td>
</tr>
<tr>
<td>Smartphone</td>
<td>61%</td>
<td>62%</td>
<td>61%</td>
<td>57%</td>
<td>55%</td>
<td>64%</td>
<td>54%</td>
</tr>
<tr>
<td>Internet</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Computer (any type)</td>
<td>79%</td>
<td>77%</td>
<td>80%</td>
<td>76%</td>
<td>76%</td>
<td>77%</td>
<td>78%</td>
</tr>
<tr>
<td>Tablet computer</td>
<td>44%</td>
<td>42%</td>
<td>44%</td>
<td>45%</td>
<td>45%</td>
<td>41%</td>
<td>48%</td>
</tr>
<tr>
<td>Total Internet</td>
<td>82%</td>
<td>81%</td>
<td>82%</td>
<td>80%</td>
<td>80%</td>
<td>81%</td>
<td>80%</td>
</tr>
</tbody>
</table>
| Broadband (fixed and mobile) | 77%| 76% | 77% | 71% | 73% | 76% | 76% | 7%
| Fixed Broadband     | 73%| 73%      | 73%     | 69%   | 70%       | 73%            | 73%            |
| Mobile Broadband    | 8% | 6%       | 9%      | 7%    | 5%        | 6%             | 7%             |
| Mobile internet     | 57%| 56%      | 57%     | 52%   | 51%       | 58%            | 49%            |

Source: Ofcom research, Q1 2014
Base: All adults aged 16+ (n = 3740 UK, 501 Scotland, 2249 England, 491 Wales, 499 Northern Ireland, 261 Scotland urban, 240 Scotland rural)

Broadband take-up is lower than average among over-65s and C2DE households

While broadband take-up stood at 76% across all households in Scotland in Q1 2014, penetration was lower than average among over-65s, the C2DE socio-economic group and low-income households (Figure 5.9). Broadband penetration in Scotland was highest, and in line with the UK average, among those aged 35-64, higher socio-economic groups and those with children in the household.

Figure 5.9  Broadband take-up in Scotland compared to the UK, by demographic

Proportion of households

<table>
<thead>
<tr>
<th></th>
<th>Total</th>
<th>16-34</th>
<th>35-64</th>
<th>65+</th>
<th>ABC1</th>
<th>C2DE</th>
<th>£17.5k</th>
<th>£17.5k+</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scotland</td>
<td>76.77</td>
<td>86.83</td>
<td>83.32</td>
<td>47.49</td>
<td>88.87</td>
<td>64.35</td>
<td>51.51</td>
<td>93.66</td>
<td>87.38</td>
<td>72.70</td>
</tr>
<tr>
<td>UK</td>
<td>86</td>
<td>83</td>
<td>88</td>
<td>47</td>
<td>88</td>
<td>65</td>
<td>51</td>
<td>93</td>
<td>87</td>
<td>72</td>
</tr>
</tbody>
</table>

Source: Ofcom research, Q1 2014
Base: All adults aged 16+ (n = 501 Scotland, 138 16-34s, 251 35-64s, 112 65+, 257 ABC1, 242 C2DE, 156 £17.5k income, 155 £17.5k+ income, 143 children in house, 358 no children in house)
Over half of all adults in Scotland said that they had used a mobile phone to access
the internet

In Q1 2014, over half of all adults in Scotland (56%) said that they had used a mobile phone
to access the internet, with almost all of these saying that they had done so within the
previous week (Figure 5.10). Use of a mobile phone to access the internet has increased by
12 percentage points since Q1 2013 and remains at a similar level to the other UK nations.
This rise in the use of mobile phones to access the internet in Scotland is linked to the rise in
smartphone take-up, which stood at 62% of all adults in Q1 2014. Consumers in urban areas
of Scotland were more likely than those in rural areas to access the internet on a mobile
phone, with 58% of adults in urban areas claiming to do so, compared to 49% in rural areas.

Figure 5.10  Use of a mobile phone to access the internet

One in seven households in Scotland is mobile-only

Mobile-only households

In the following analysis, ‘mobile-only’ households are defined as those that have at least
one mobile phone between the residents; and do not have ‘a landline that can be used to
make or receive calls’. Therefore this measure of mobile-only households includes a
proportion (c30% of mobile-only homes) who say they have fixed broadband services. Most
fixed broadband services require a fixed line. As such these consumers may have a fixed
line but no handset, and have responded on the basis that they cannot make or receive calls
using their fixed line.

One in seven (16%) households in Scotland used mobiles as their only form of telephony in
Q1 2014, a similar level to that recorded in Q1 2013 and the average for the UK as a whole
(Figure 5.11). The penetration of mobile-only households varied significantly by demographic
in Scotland, with 22% of those aged 16-34, 18% of those aged 35-54 and 24% of those in
the DE socio-economic group having only mobile telephony in their household, compared to
7% of over-55s and 7% of AB households.
People living in Scotland’s urban areas (17%) were more likely than those in rural areas (10%) to live in a mobile-only household.

**Figure 5.11  Household penetration of fixed and mobile telephony**

Proportion of households

![Chart showing household penetration of fixed and mobile telephony in Scotland and other regions.](chart)

Figure above bar shows % point change in mobile only from Q1 2013

QC1. Is there a landline phone in your home that can be used to make and receive calls?/ QD1. How many mobile phones in total do you and members of your household use?

Source: Ofcom research, Q1 2014


**Over two-thirds of mobile phone users in Scotland use a smartphone**

Just over two-thirds (69%) of all mobile phone users in Scotland used a smartphone in Q1 2014, an increase of 20 percentage points since Q1 2013 (Figure 5.12). This was the largest increase across the nations and has brought smartphone use in Scotland into line with the UK average (65%) and was higher than that of Northern Ireland (58%).

Smartphone take-up among mobile phone users was highest in Scotland among those aged 16-34 (90%), those in the ABC1 socio-economic group (79%) and higher-income households (take-up was 80% among mobile users with a household income of £17.5k+). Smartphone take-up among mobile phone users in Scotland was higher in urban areas compared to rural areas.
QD24. Do you personally use a smartphone? A smartphone is a phone on which you can easily access emails, download files and applications, as well as view websites and generally surf the internet. Popular brands of smartphone include BlackBerry, iPhone and Android phones such as the Samsung Galaxy.

Source: Ofcom research, Q1 2014


Two-thirds of mobile connections in Scotland are post-pay contracts

The UK as a whole continued to see a significant shift away from pre-pay and towards monthly mobile contracts in the year to Q1 2014, with a fall of four percentage points to 35% in the proportion of mobile users using pre-pay services (Figure 5.13). Scotland followed this trend, with an eight percentage point decline in the proportion of mobile users using pre-pay services since Q1 2013, to 33%.

The increased take-up in Scotland of monthly contracts that include a handset (from 53% in Q1 2013 to 61% in Q1 2014) is likely to be related to the increasing take-up of smartphones, as post-pay services allow consumers to spread the high up-front cost of the handset across the length of their contract. In line with smartphone take-up being higher in Scotland’s urban areas (see Figure 5.12), mobile phone users in urban areas were more likely to have a monthly contract that included a handset.
QD11. Which of these best describes the mobile package you personally use most often?
Source: Ofcom research, Q1 2014

5.5 Satisfaction with telecoms services

Satisfaction with the ability to connect to the internet using their mobile network was highest among smartphone users in Scotland

Satisfaction levels with regard to mobile phone services remained high in Scotland in Q1 2014, with at least nine in ten consumers in Scotland being ‘very’ or ‘fairly’ satisfied with their overall service and reception, in line with the other nations (Figure 5.14).

In addition, just over nine in ten smartphone users in Scotland (93%) were ‘very’ or ‘fairly’ satisfied with their mobile network service in terms of the ability to connect to the internet via 3G or 4G in Q1 2014. Scotland continued to have the highest level of satisfaction in the UK, five percentage points above the UK average of 88%. Smartphone users in Scotland’s urban areas (95%) were more likely than those in rural areas (79%) to be satisfied with their ability to connect to the internet via 3G or 4G.
Figure 5.14  Satisfaction with ability to connect to the internet via 3G or 4G network

QD21. Thinking about your mobile phone service only, how satisfied are you with (main supplier) for ability to connect to the internet using the mobile network (3G or 4G)?
Source: Ofcom research, Q1 2014
Base: Adults aged 16+ who personally use a smartphone (n = 2038 UK, 290 Scotland, 1252 England, 235 Wales, 261 Northern Ireland, 165 Scotland urban, 125 Scotland rural)
Note: Figures above chart columns indicate the proportion of people who were ‘very’ or ‘fairly’ satisfied with the ability to connect to the internet using the mobile network

Eighty-eight per cent of fixed broadband users in Scotland are satisfied with their service

Just under nine in ten (88%) fixed broadband users in Scotland were either ‘very’ or ‘fairly’ satisfied with their fixed broadband service in Q1 2013, similar to the average for the UK as a whole (88%). Overall satisfaction with the fixed broadband service did not differ across Scotland’s urban or rural areas (Figure 5.15).

Figure 5.15  Overall satisfaction with fixed broadband service

QE8. Thinking about your fixed broadband internet service, how satisfied are you with (main supplier) for the overall service provided by (main supplier)?
Source: Ofcom research, Q1 2014
Note: Figures above chart columns indicate the proportion of people who were ‘very’ or ‘fairly’ satisfied with their overall fixed broadband service
Satisfaction with the speed of fixed broadband services was unchanged in the year to Q1 2014

Over eight in ten fixed broadband users in Scotland (85%) were either ‘very’ or ‘fairly’ satisfied with the speed of their fixed broadband service in Q1 2014, unchanged since Q1 2013 and similar to the average for the UK as a whole (84%). Overall satisfaction with the speed of fixed broadband services was higher across Scotland’s urban areas (88% vs. 74%) than its rural areas (Figure 5.16).

Figure 5.16   Satisfaction with speed of fixed broadband

QE8. Thinking about your fixed broadband internet service, how satisfied are you with (main supplier) for the speed of your service while online (not just the connection)?
Source: Ofcom research, Q1 2014
Note: Figures above chart columns indicate the proportion of people who were ‘very’ or ‘fairly’ satisfied with their speed of service while online
6 Post

6.1 Recent developments

Satisfaction with postal services has long been a feature of the communications market in Scotland; again, delivery times and reliability were rated highly by consumers in Scotland in 2013.

In the past year there has been a focus on rural delivery issues that sit outside Royal Mail’s quality of service measures. Late in 2012, Citizens Advice Scotland highlighted the issue of parcel delivery charges in its report The Postcode Penalty. A code of practice was published in 2014, with Scottish Government backing, and retailers and businesses were urged to sign up to it.

Residents of Caithness and Sutherland started campaigning to have their postcode altered, as it covers a wide geographic area that includes the island of Orkney, which can lead to delivery surcharges by carriers other than Royal Mail.

The Scottish Parliament has a cross-party group on postal issues which takes an interest in the universal service obligation, Post Offices, and protecting vulnerable and disadvantaged postal users in Scotland.

6.2 Sending post: residential customers

Almost six in ten adults in Scotland say they only use post if there is no alternative

When asked about their attitudes to various statements concerning sending and receiving post, 57% of adults in Scotland say they only use this method of communication if there is no alternative, compared to just 40% across the UK as a whole.

Figure 6.1 Attitudes to sending / receiving post

<table>
<thead>
<tr>
<th>Statement</th>
<th>Scotland</th>
<th>UK</th>
</tr>
</thead>
<tbody>
<tr>
<td>I trust second class post to get there in a reasonable timeframe</td>
<td>82</td>
<td>62</td>
</tr>
<tr>
<td>I prefer to send letters or emails to companies rather than make a phone call, so that I have a written record</td>
<td>68</td>
<td>61</td>
</tr>
<tr>
<td>I love to send and receive letters and cards</td>
<td>58</td>
<td>60</td>
</tr>
<tr>
<td>I prefer to send emails rather than letters whenever possible</td>
<td>57</td>
<td>55</td>
</tr>
<tr>
<td>I only use post if there is no alternative</td>
<td>57</td>
<td>55</td>
</tr>
<tr>
<td>I only send my mail first class if it needs to get there the next day</td>
<td>53</td>
<td>48</td>
</tr>
<tr>
<td>I would feel cut off from society if I can’t send or don’t receive post</td>
<td>51</td>
<td>53</td>
</tr>
<tr>
<td>I send fewer letters by post now due to the cost</td>
<td>28</td>
<td>27</td>
</tr>
</tbody>
</table>

Source: Ofcom Residential Postal Tracker, Q2 2013-Q1 2014
Base: All respondents (n = 4823 UK, 830 Scotland)
QH2A-H. Agreement with statements about sending/ receiving post
One in four adults in Scotland have not sent any post in the past month

A quarter of adults living in Scotland (25%) said they had not sent any post in the past month, compared to just 16% of those in Wales. However, among those who had sent post, those in Scotland were more likely than the rest of the UK to have sent over 20 items (10% vs. 6% across the UK).

Figure 6.2  Approximate number of items of post sent each month (residential)

Source: Ofcom Residential Postal Tracker, Q2 2013-Q1 2014
Base: All respondents (n = 4823 UK, 2761 England, 830 Scotland, 557 Wales, 675 Northern Ireland)

Over two-fifths of adults in Scotland have sent a parcel in the past month

Forty three per cent of adults in Scotland claim to have sent a parcel in the past month. When asked to consider how much they had spent on postage in the past month, 45% of adults in Scotland claim to have spent over £4, with an average spend of £7.69.
Figure 6.3 Type of post sent in the last month

Source: Ofcom Residential Postal Tracker, Q2 2013-Q1 2014
Base: All who have personally sent any items of post in the last week (n = 3817 UK, 2192 England, 652 Scotland, 502 Wales, 471 Northern Ireland)

QC5. Which of these types of mail would you say you have personally sent in the last month by post? (multicode)

Adults in Scotland are more likely than those in other nations to use a Post Office counter to send parcels

Adults in Scotland are more likely than those in the other nations to go to the Post Office counter in order to send a parcel (71% vs. 58% across the UK).

Figure 6.4 Methods used to send parcels

Source: Ofcom Residential Postal Tracker, Q2 2013-Q1 2014
Base: All who have sent any parcels in the last month (n = 1511 UK, 860 England, 270 Scotland, 197 Wales, 184 Northern Ireland)

QC20. You said earlier that you have sent one or more parcels in the last month... When you sent these parcels, which of these methods did you use? (multicode)
Those in Scotland are more likely than all UK adults to have reduced, and to continue to reduce, the amount of post they send

When asked about how the amount of post they send has changed in recent times, people in Scotland are more likely than the UK average to say they now send less (-12% net). They also anticipate that they will further reduce their use of post in the future (-11% net).

**Figure 6.5 Net claimed change in amount of post sent in the last two years**

Source: Ofcom Residential Postal Tracker, Q2 2012-Q1 2014
Base: All respondents (n = 4823 UK, 2761 England, 830 Scotland, 557 Wales, 675 N Ireland)
QC10: Compared with two years ago, would you say that the number of items you send through the post has...increased greatly, increased slightly, stayed the same, decreased slightly, decreased greatly? (Multiple choice)
Note: chart shows net (% who claim use has increased - % those who claim use has decreased)

**Figure 6.6 Predicted change in amount of post sent in the next two years**

Source: Ofcom Residential Postal Tracker, Q2 2013-Q1 2014
Base: All respondents (n = 4823 UK, 2761 England, 830 Scotland, 557 Wales, 675 N Ireland)
QC16: Looking to the future... Compared with now, would you say that the number of letters, cards and parcels you will be sending in the post two years from now will have.....increased greatly, increased slightly, stayed the same, decreased slightly, decreased greatly?
Note: chart shows net (% who claim use will increase - % those whose use will decrease)
6.3 Receiving post: residential customers

Those living in Scotland claim to receive the most items of post each week, compared to the rest of the UK

The average number of letters, cards and parcels received by households in Scotland (10.5) is much higher than the UK average of 8.7 items received per week. This is largely driven by the finding that almost a third of respondents in Scotland (32%) claim to have received more than ten items in the past week, compared to just 24% across the UK as a whole.

Figure 6.7 Approximate number of items received in the past week (residential)

<table>
<thead>
<tr>
<th>Items of post received per week (%) of respondents</th>
<th>Mean number of items received per week</th>
</tr>
</thead>
<tbody>
<tr>
<td>None</td>
<td>8.7</td>
</tr>
<tr>
<td>1 or 2 items</td>
<td>8.6</td>
</tr>
<tr>
<td>3 or 4 items</td>
<td>10.5</td>
</tr>
<tr>
<td>5-10 items</td>
<td>9.1</td>
</tr>
<tr>
<td>11-20 items</td>
<td>5.8</td>
</tr>
</tbody>
</table>

Source: Ofcom Residential Postal Tracker, Q2 2013-Q1 2014
Base: All respondents (n = 4823 UK, 2761 England, 830 Scotland, 557 Wales, 675 Northern Ireland)

QD1. Approximately how many items of post – including letters, cards and parcels – have you personally received in the last week

People in Scotland say the amount of post they receive has increased over the last two years, driven in part by an increase in the amount of parcels received

When asked to compare the amount of post they receive now with what they typically received two years ago, over one in four adults in Scotland (27% net) think the amount has increased. Almost a third of these (31%) say that the number of parcels they now receive has increased, compared to just 19% across the UK as a whole (Figure 6.8).
Figure 6.8 Type of items received more often

Proportion of consumers (%)

Source: Ofcom Residential Postal Tracker, Q2 2013-Q1 2014
Base: All respondents who say that the number of items received by post has increased, compared to two years ago (n = 1197 UK, 705 England, 207 Scotland, 140 Wales, 145 Northern Ireland)
QD6. Which of these types of addressed items are you personally receiving more often through the post now? (multicode)

6.4 Attitudes towards Royal Mail

Adults living in Scotland are more satisfied than the rest of the UK with the cost of postage

Eighty nine per cent of people in Scotland are ‘very’ or ‘quite’ satisfied with Royal Mail overall. Figure 6.9 shows that this satisfaction is seen across all aspects of Royal Mail’s service, in particular the cost of postage: 68% of adults in Scotland express satisfaction with this, compared to just 55% across the whole of the UK.
Figure 6.9  Satisfaction with specific aspects of Royal Mail’s service

Security of the service
- Scotland: 96%
- UK: 87%

Length of time to reach its destination
- Scotland: 91%
- UK: 86%

Location of post boxes and Post Offices
- Scotland: 90%
- UK: 81%

Number of post boxes and Post offices
- Scotland: 88%
- UK: 79%

Time of day post is delivered
- Scotland: 75%
- UK: 84%

Cost of postage
- Scotland: 65%
- UK: 68%

Source: Ofcom Residential Postal Tracker, Q2 2013-Q1 2014
Base: All respondents (n = 4823 UK, 830 Scotland)
QE3A-F. Satisfaction with specific aspects of Royal Mail’s services (very or quite satisfied)
Ranked by proportion satisfied among Scotland adults
6.5 Sending and receiving post: business customers

Over six in ten businesses in Scotland send fewer than 25 letters each month

Sixty one per cent of organisations based in Scotland say they send fewer than 25 letters each month. Compared to those in Wales, business customers in Scotland are more likely to send over 100 letters on a monthly basis (16% vs. 11%).

![Proportion of respondents (%)](chart)

Source: Ofcom Business Postal Tracker, Q2 2013-Q1 2014
Base: All respondents (n = 1524 UK, 911 England, 223 Scotland, 208 Wales, 182 N Ireland)
QV2a. On average, how many letter items does your organisation send per month? Please think only about all the letters and large letters you may send as an organisation.

One in four businesses in Scotland frank their First and Second Class letters

Although a lower proportion than in the UK as a whole, 62% of businesses in Scotland send their letters using standard First Class stamps (69% across the UK). However, almost one in four (24%) business customers in Scotland frank their letters, compared to 19% across the UK and just 16% in Wales.
Around four-fifths of businesses in Scotland are satisfied with the postal service they receive from Royal Mail

Seventy nine per cent of business customers in Scotland say they are satisfied with the service they receive from Royal Mail, with 36% saying they are ‘very satisfied’.
Figure 6.12  Overall satisfaction with the service from Royal Mail

Satisfaction with Royal Mail (% of respondents)

<table>
<thead>
<tr>
<th>Region</th>
<th>Very satisfied</th>
<th>Fairly satisfied</th>
<th>Neither satisfied nor dissatisfied</th>
<th>Fairly dissatisfied</th>
<th>Very dissatisfied</th>
</tr>
</thead>
<tbody>
<tr>
<td>UK</td>
<td>43</td>
<td>39</td>
<td>36</td>
<td>42</td>
<td>18</td>
</tr>
<tr>
<td>England</td>
<td>41</td>
<td>43</td>
<td>36</td>
<td>39</td>
<td>5</td>
</tr>
<tr>
<td>Scotland</td>
<td>41</td>
<td>43</td>
<td>36</td>
<td>42</td>
<td>5</td>
</tr>
<tr>
<td>Wales</td>
<td>43</td>
<td>39</td>
<td>36</td>
<td>42</td>
<td>5</td>
</tr>
<tr>
<td>N Ireland</td>
<td>41</td>
<td>43</td>
<td>36</td>
<td>42</td>
<td>5</td>
</tr>
</tbody>
</table>

Source: Ofcom Residential Postal Tracker, Q2 2013-Q1 2014
Base: All respondents who use Royal Mail (n = 1492 UK, 886 England, 220 Scotland, 205 Wales, 181 Northern Ireland)

QRM2. Thinking generally about the service your organisation receives as a whole, on a scale of 1 to 5 where 1 is very dissatisfied and 5 is very satisfied, how satisfied are you with the overall quality of the services you receive from Royal Mail as a recipient and sender?

Over three in four businesses in Scotland are satisfied with the reliability of collections

When asked about satisfaction with specific aspects of postal services in Scotland, 77% of respondents expressed satisfaction with the reliability of collections (69% across the UK) and 72% said they were happy with collection times (66% across the UK).
Figure 6.13  Satisfaction with specific aspects of Royal Mail's service

Source: Ofcom Business Postal Tracker, Q2 2013-Q1 2014
Base: All respondents who use Royal Mail (n = 1422 UK, 220 Scotland)
QRM3: How would you rate the performance of Royal Mail, as a recipient and sender, in the following areas on a 5 point scale where 1 is very dissatisfied and 5 is very satisfied?
Ranked by satisfaction levels in Scotland

Proportion of respondents (%)