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United Kingdom – The Communications Market Report 2017

Date: 3 August 2017

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United Kingdom’s communications market

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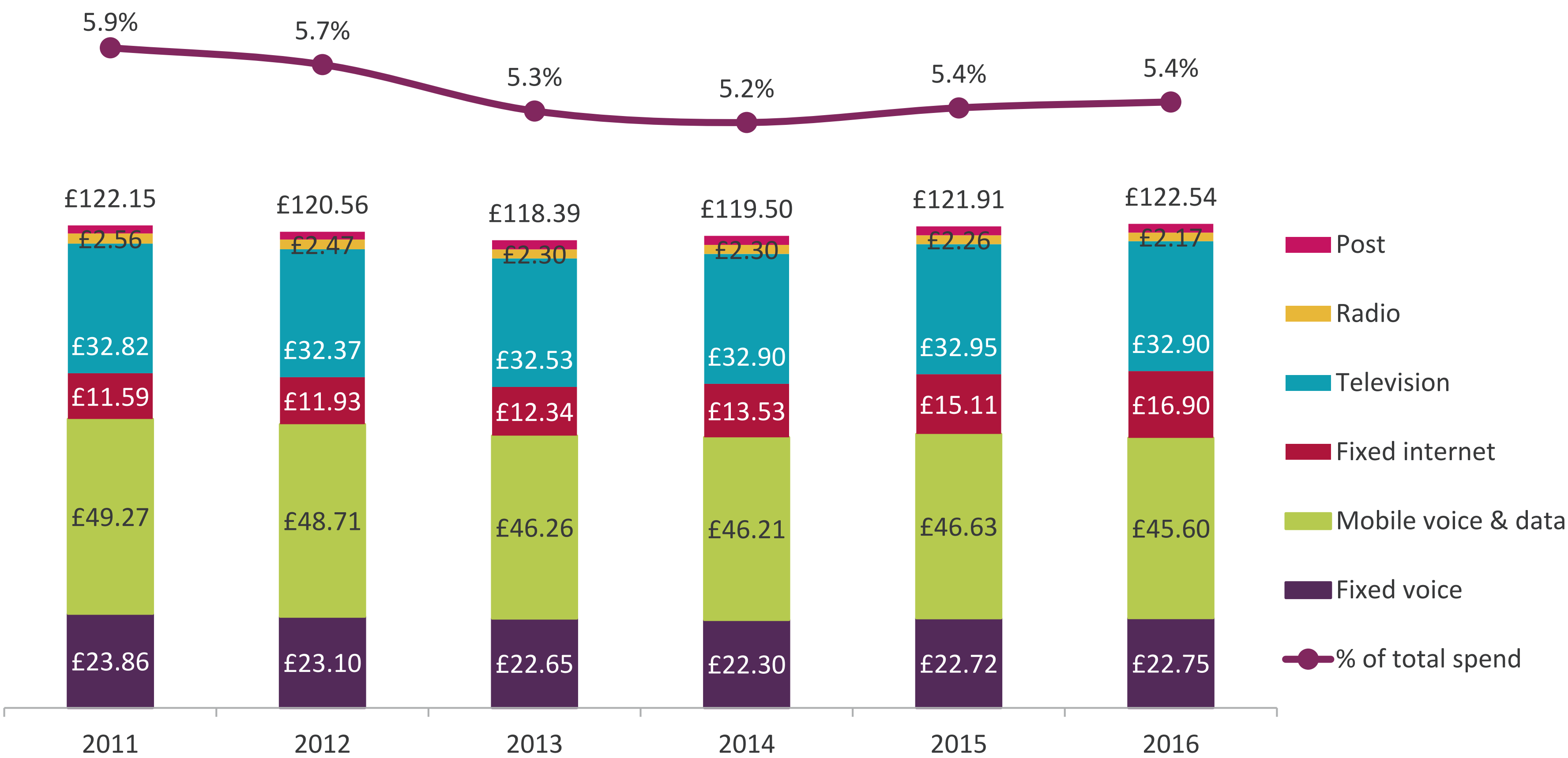
Figure 1.1

Communications industry revenue – telecoms, TV, radio and post (£bn)

	Annual change	5 year CAGR
Total	**0.4%**	**-1.3%**
Post	-2.2%	-0.6%
Radio	-0.9%	-0.2%
TV	-1.7%	-1.7%
Telecoms	0.4%	-2.2%

Source: Ofcom/ operators
Note: Includes licence fee allocation for radio and TV; figures are in nominal terms. Post is addressed letter mail. Changes in the way letters revenues are report mean that data prior to 2015 is not comparable to data for previous periods. Changes in the way that revenue data is collected for the commercial radio sector means that data prior to 2014 is not comparable to data for 2014 and after.

Figure 1.2
Average household spend on communications services



Source: Ofcom / operators/ ONS

Notes: Adjusted for CPI; historic telecoms figures have been re-stated, so are not comparable to those published in previous reports. Television excludes spend on subscriptions, download-to-own and pay-per-view online TV services.

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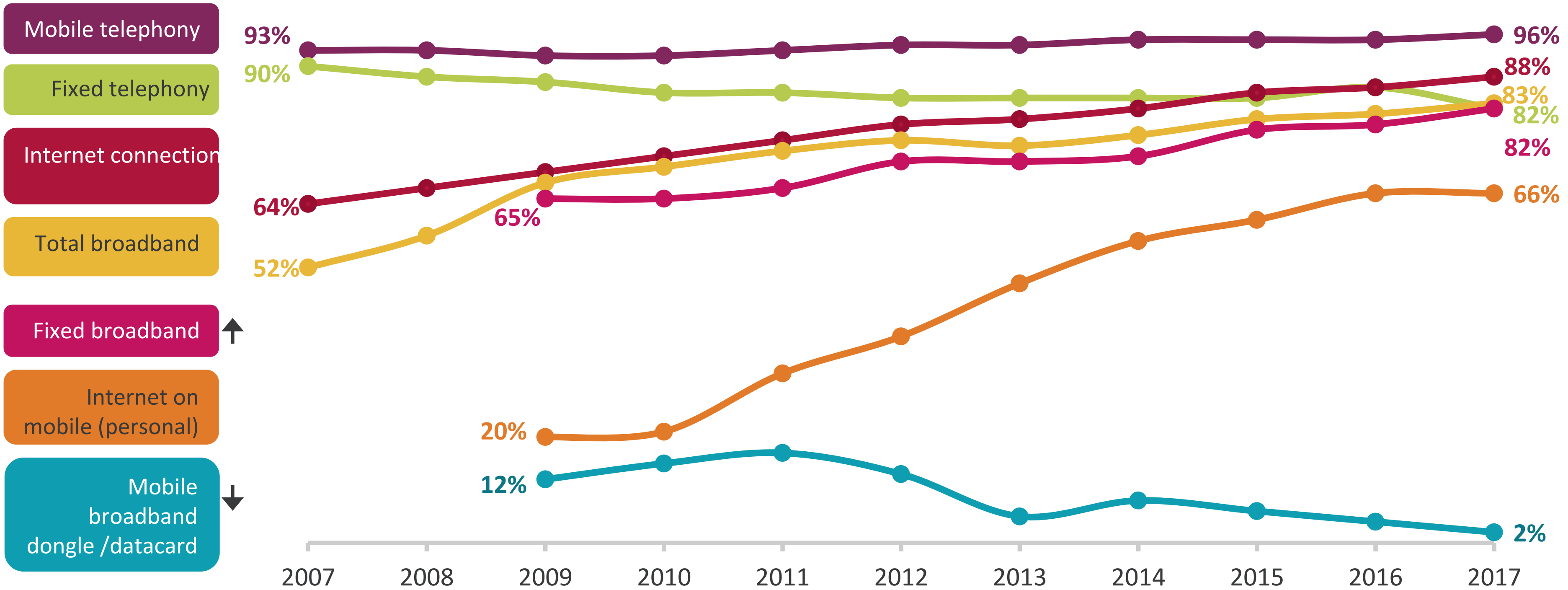
Figure 1.3

Household take-up of telecoms communications services



Source: Ofcom Technology Tracker. Data from Quarter 1 of each year 2007-2014, then Half 1 2015-2017.

Base: All adults aged 16+ (2017 n=3743).

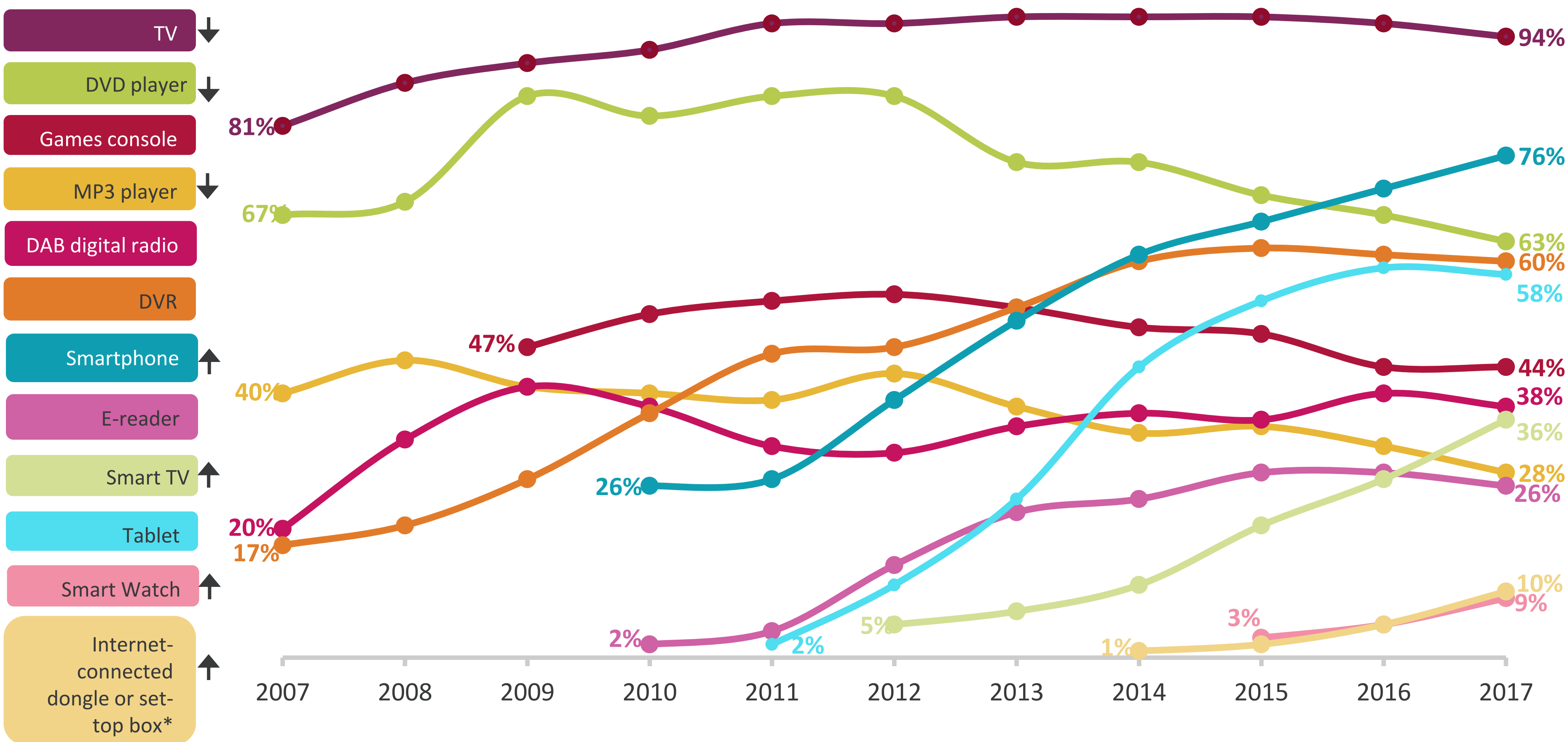
Significance testing: Arrows indicate any significant differences at the 99% confidence level between UK 2016 and UK 2017.

QC1: Is there a landline phone in your home that can be used to make and receive calls? QE1: Does your household have a PC or laptop computer? / QE2: Do you or does anyone in your household have access to the internet/ World Wide Web at home (via any device, e.g. PC, laptop, mobile phone etc.)? / QE12 (QE9): Which of these methods does your household use to connect to the internet at home?

Note: Use of internet on mobile is personal take-up measure, whereas the other data relate to household take-up.

Figure 1.4

Household take-up of AV devices



Source: Ofcom Technology Tracker. Data from Quarter 1 of each year 2006-2014, then Half 1 2015-2017.

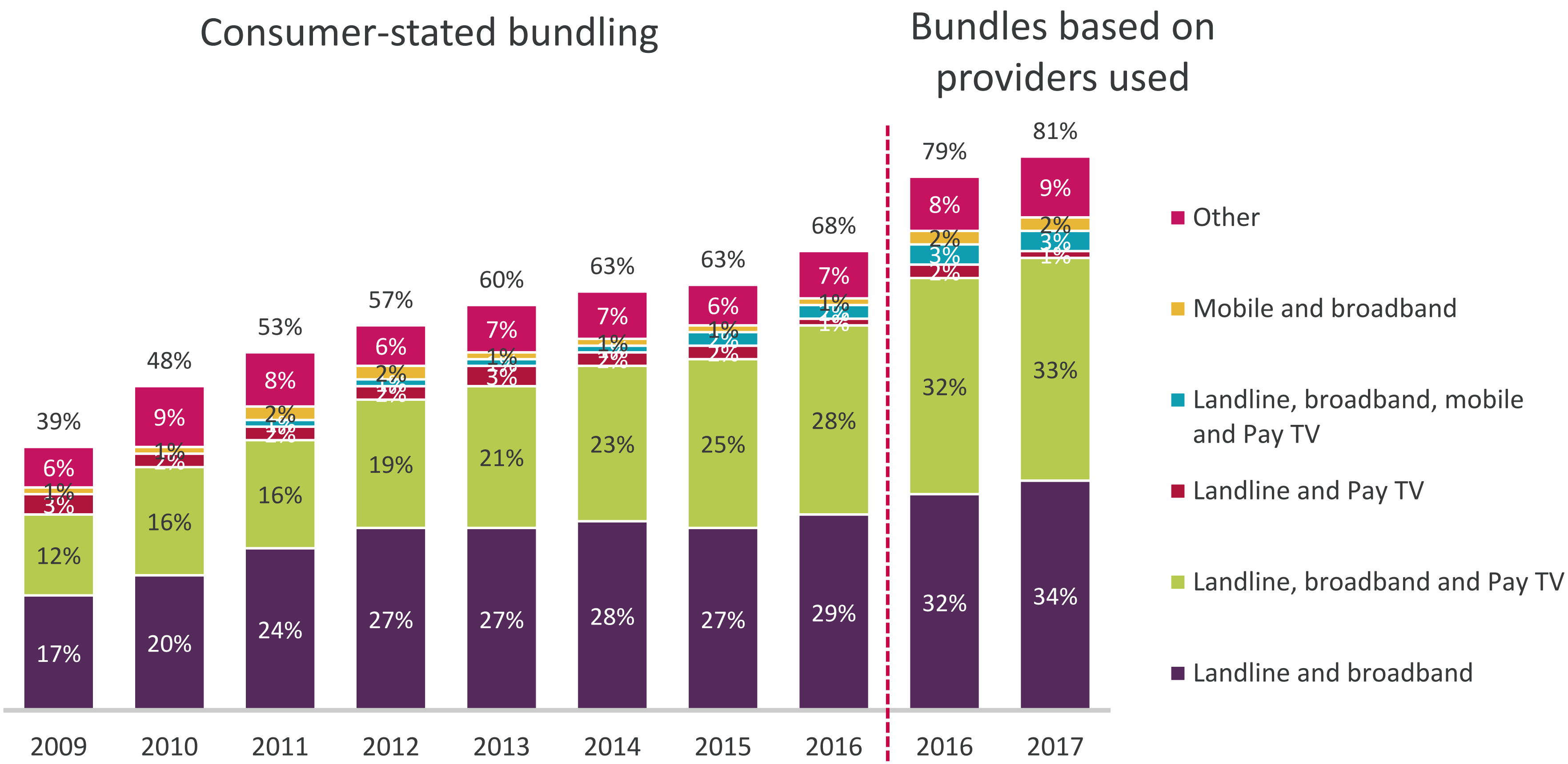
Base: All adults aged 16+ (2017 n=3743).

Significance testing: Arrows indicate any significant differences at the 99% confidence level between UK 2016 and UK 2017.

Note: The Question wording for DVD Player and DVR was changed in Q1 2009 so data is not directly comparable with previous years.

* Internet-connected dongle or set-top box includes NOW TV set-top box, Roku, Google Chrome, Amazon Fire TV stick, Amazon Fire TV, Apple TV

Figure 1.5
Trends in purchasing multiple communications services from a single supplier



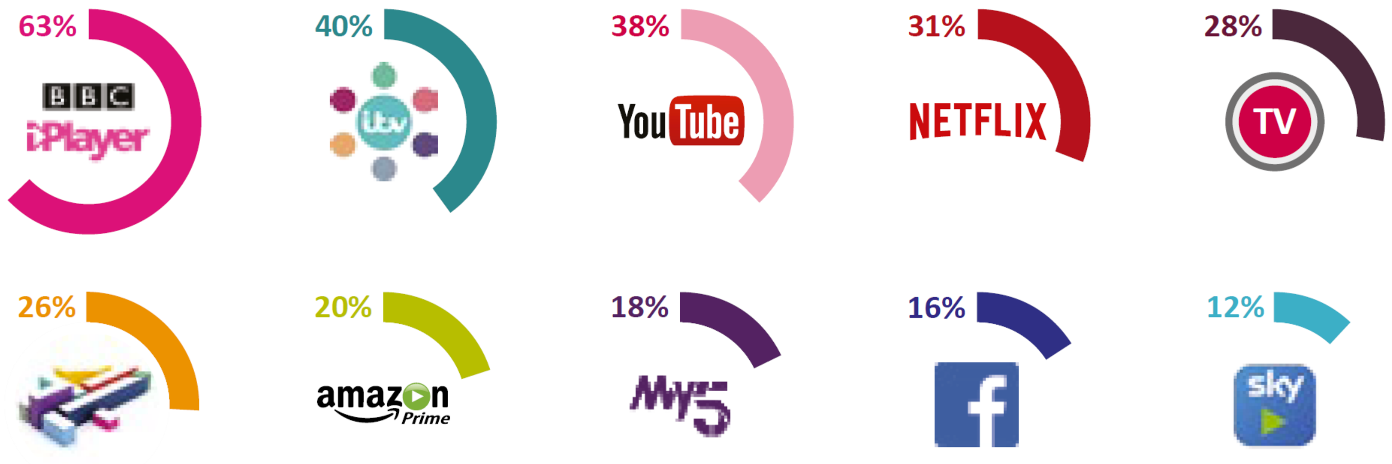
Source: Ofcom Technology Tracker, data as at Q1 2009-2014; H1 2015-2017

QG1. Do you receive more than one of these services as part of an overall deal or package from the same supplier?/ Q. Do you receive a discount or special deal for subscribing to this package of services? (latter question used for consumer-stated bundling figures)

Significance testing: Arrows indicate any significant differences at the 99% confidence level between UK 2016 and UK 2017

Base: All adults 16+ (Q1 2009, 6090) (Q1 2010, 9013) (Q1 2011, 3474) (Q1 2012, 3772) (Q1 2013, 3750) (Q1 2014, 3740) (H1 2015, 3756) (H1 2016, 3737) (H1 2017, 3743), base excludes those who do not know the provider for one or more services

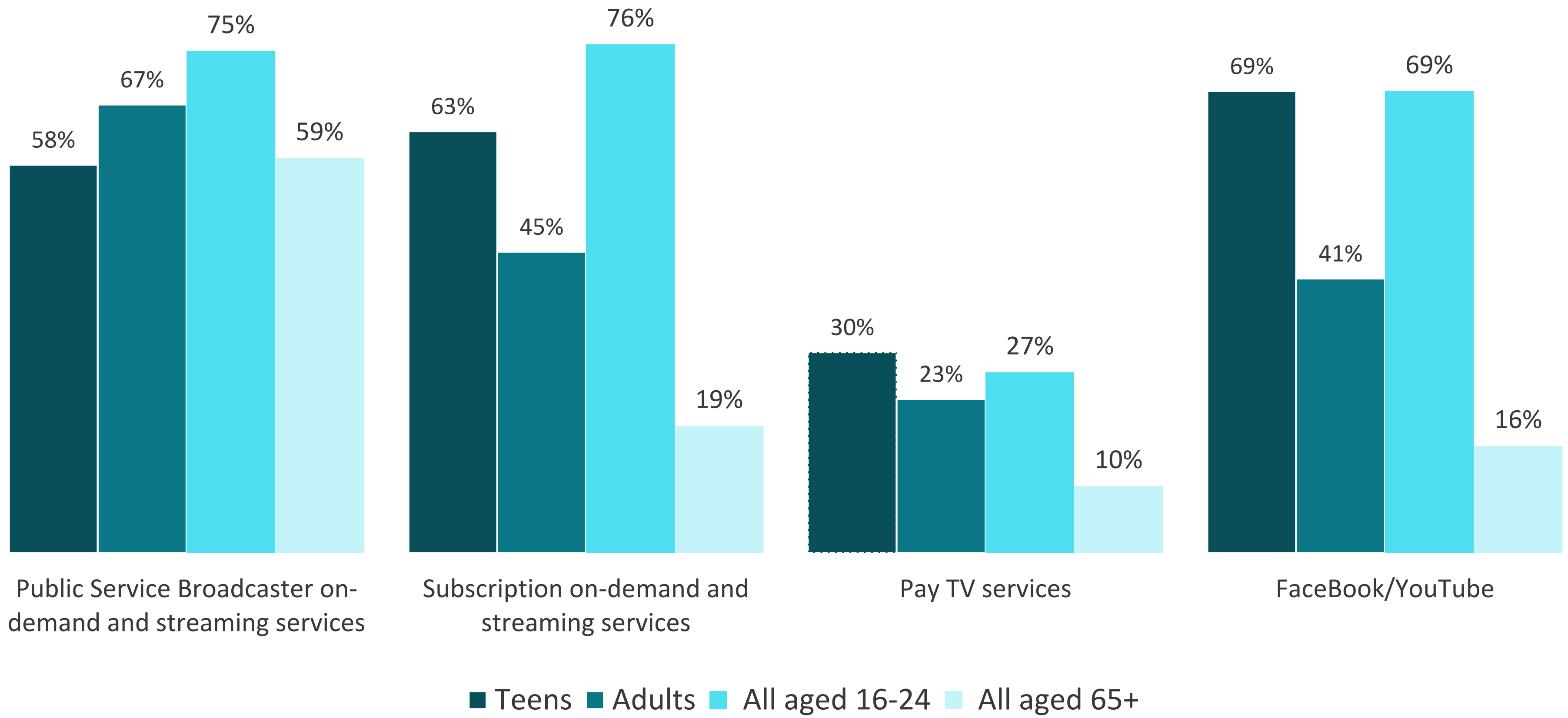
Figure 1.6
The proportion of adults who use different services for watching TV programmes/films (%)



Source: Consumption of VoD Content CMR Research 2017 – Populus

Figure 1.7

Non-broadcast services used by adults and teens for watching TV programmes and films



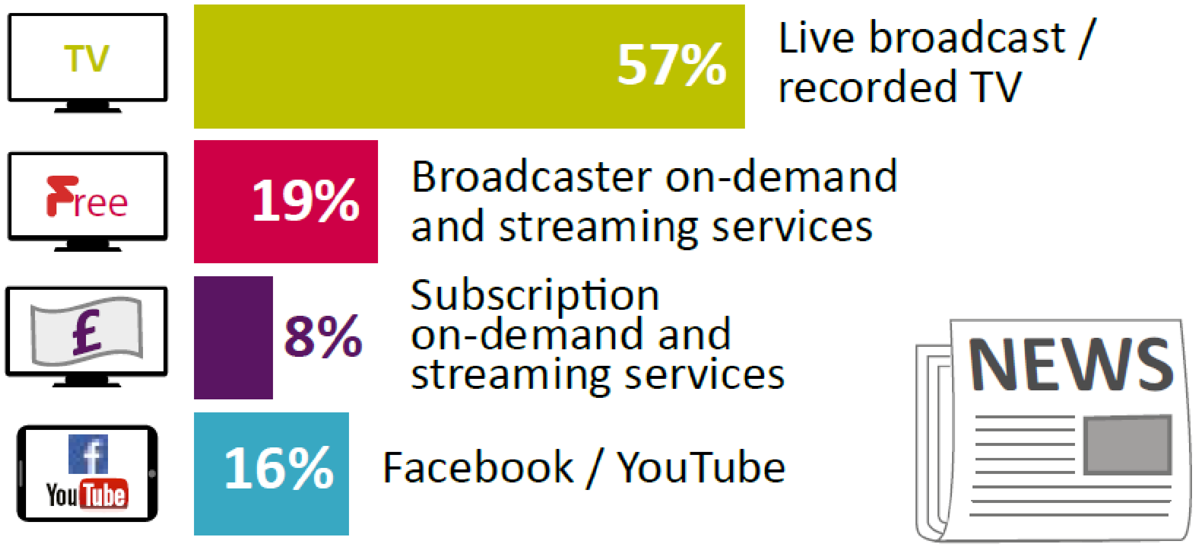
Source: Consumption of VoD Content CMR Research 2017 – Populus

Q5. Thinking about when you watch TV programmes/films, do you use any of the following?

Base: Adults (2354) Teens (505) 16-24 (704) 25-34 (308) 35-44 (402) 45-54 (406) 55-64 (338) 65+ (498)

Figure 1.8

Services used by adults in the United Kingdom to ‘keep up with news/ keep up with what’s happening around me’



Source: Consumption of VoD Content CMR Research 2017 – Populus

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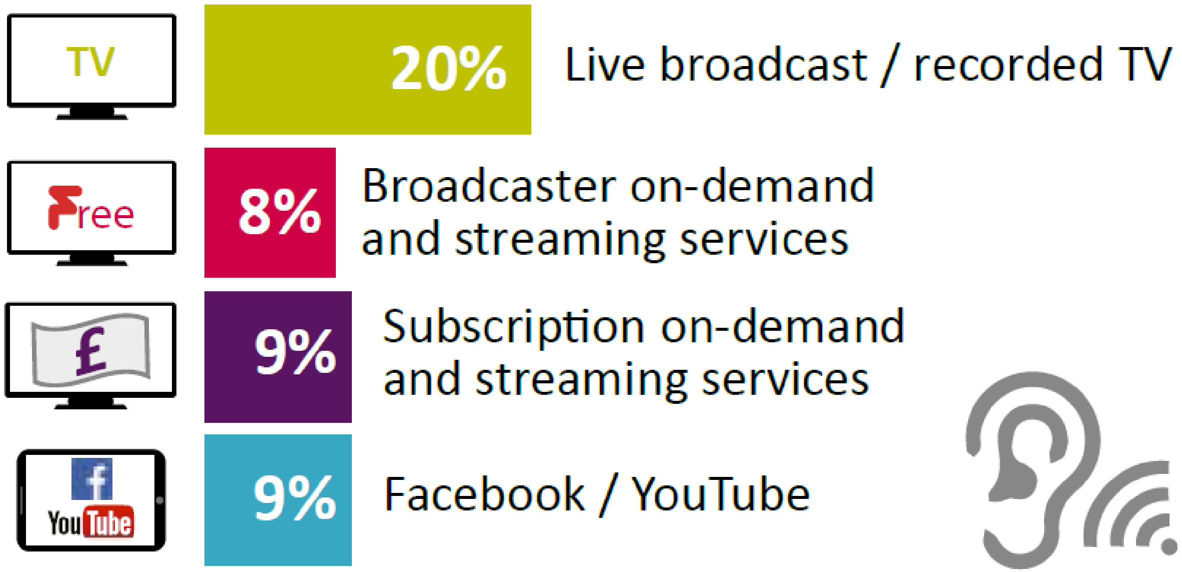
Figure 1.9

Services used by adults in the United Kingdom 'for background noise'



Source: Consumption of VoD Content CMR Research 2017 – Populus

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Figure 1.10

Reasons for using services: adults 16+

	Live broadcast/ recorded TV	Broadcasters' on-demand and streaming services	Subscription on-demand and streaming services	Pay TV services	Facebook/ YouTube
Base	1233	1578	997	555	945
Family time	35%	24%	31%	27%	14%
Alone time (I can watch anything I want to watch)	55%	50%	55%	35%	49%
For background noise	20%	8%	9%	9%	9%
To keep children entertained	9%	5%	9%	9%	7%
For de-stressing/unwinding	44%	33%	42%	29%	33%
To learn something new	34%	24%	14%	13%	23%
To keep up with the news/to keep up with what's happening around me	57%	19%	8%	15%	16%
To keep up-to-date with the storyline/to keep up with a programme	51%	42%	29%	24%	13%
To keep up-to-date with the latest sport	26%	9%	3%	18%	6%
For company	13%	7%	5%	6%	6%

Source: Consumption of VoD Content CMR Research 2017 – Populus

Q12. You said you watch programmes/films for the reasons below, which services do you use for this?

Base: shown in table

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Figure 1.11

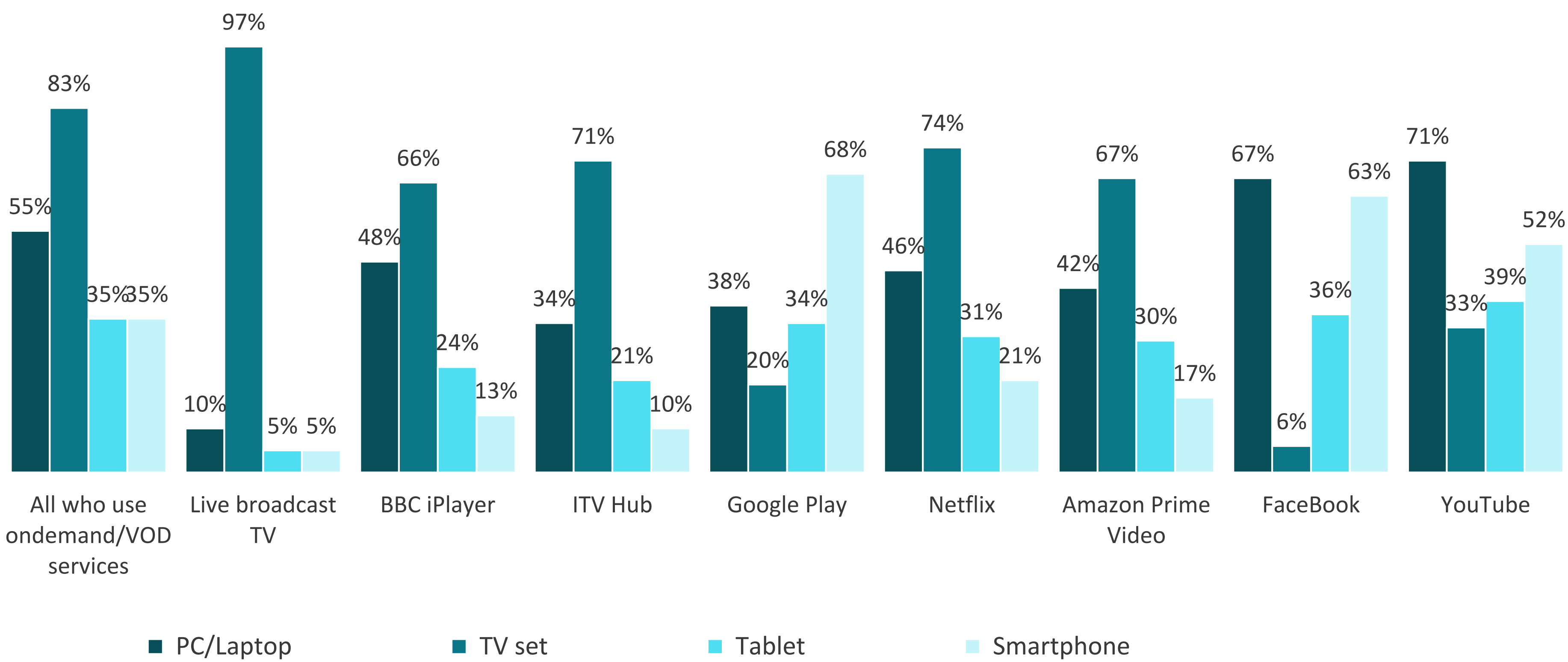
Reasons for using services: teens 12-15

	Live broadcast/ recorded TV	Broadcasters' on-demand and streaming services	Subscription on-demand and streaming	Pay TV services	Facebook/ YouTube
Base	242	292	299	148	352
Family time	56%	35%	36%	32%	12%
Alone time (I can watch anything I want to watch)	41%	41%	50%	28%	53%
For background noise	12%	5%	8%	9%	9%
For de-stressing/unwinding	25%	19%	23%	12%	27%
To learn something new	17%	12%	8%	14%	18%
To keep up with the news/to keep up with what's happening around me	15%	10%	3%	5%	9%
To keep up-to-date with the storyline/to keep up with a programme	40%	37%	28%	15%	16%
To keep up-to-date with the latest sport	17%	11%	4%	14%	8%
For company	4%	4%	3%	-	4%

Source: Consumption of VoD Content CMR Research 2017 – Populus
Q12. You said you watch programmes/films for the reasons below, which services do you use for this?
Base: shown in table

Figure 1.12

Devices used to access services



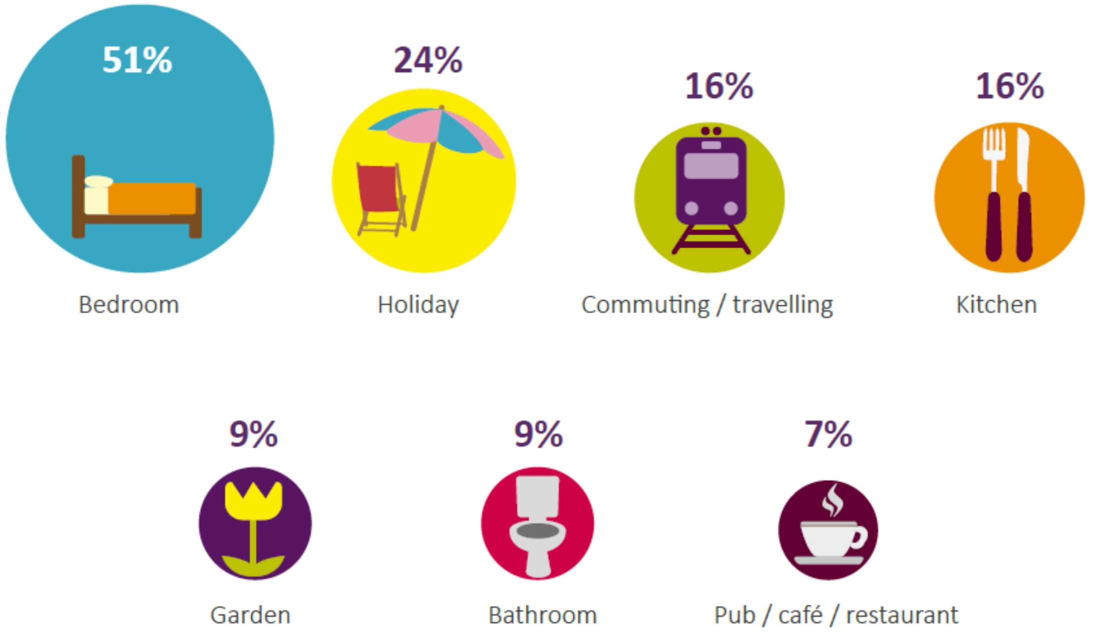
Source: Consumption of VoD Content CMR Research 2017 – Populus

Q7. Thinking about the way you use ... for programmes/films what devices do you ever use to access it?

Base: All respondents who use catch up/VOD services,(2155), teen(484) 16-24 (399), 25-34 (291), 35-44 (380) 45-54 (372) 55-64(291) 65+(422)

Figure 1.13

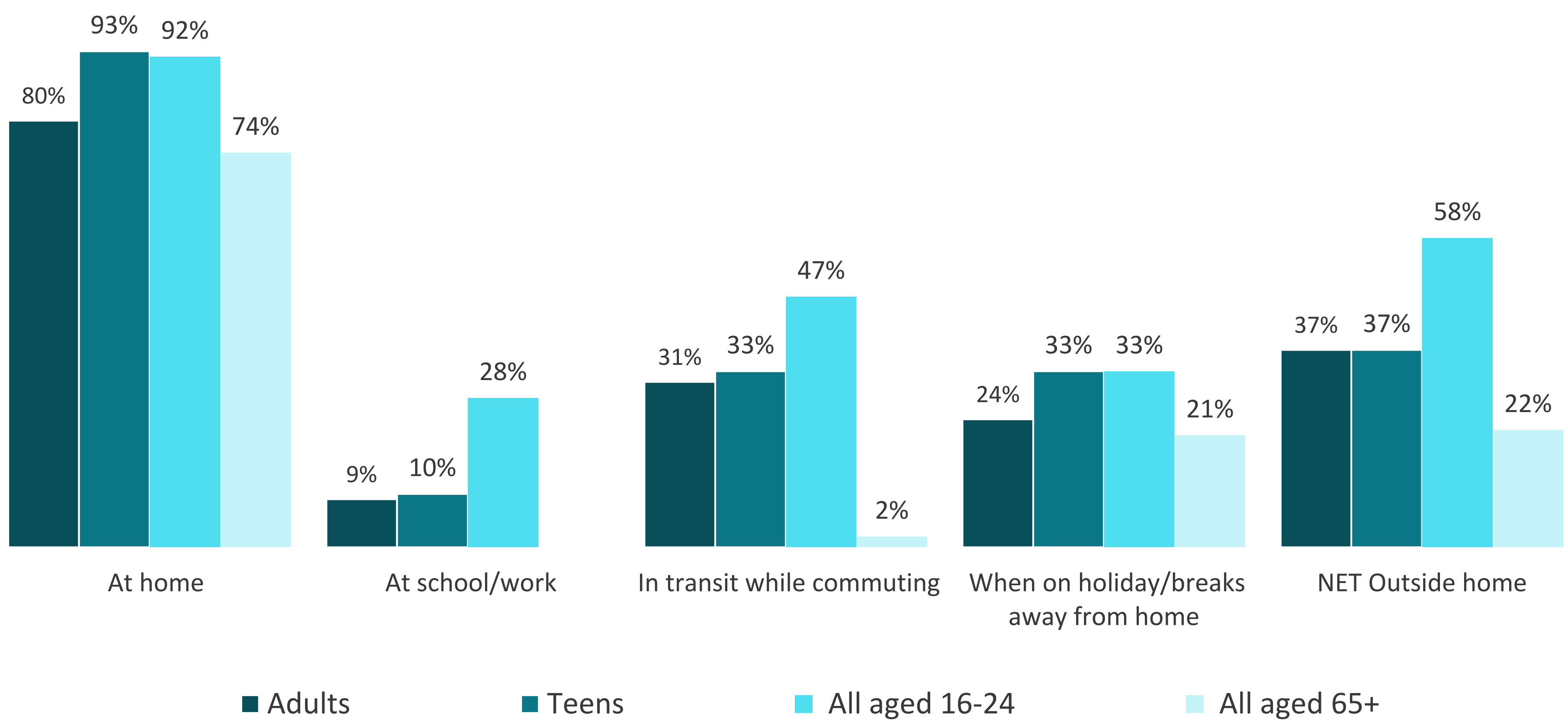
Location where adults in the United Kingdom watch programmes/films on any device or service



Source: Consumption of VoD Content CMR Research 2017 – Populus

Figure 1.14

Location of watching TV programmes/films



Source: Consumption of VoD Content CMR Research 2017 – Populus

Q32 How often do you watch any programmes/films on demand in any of the following locations?

Base: All respondents

At home (2319) Net outside home(1063) At school/work (257) In transit while commuting (900) When on holiday/away from home(708XX)

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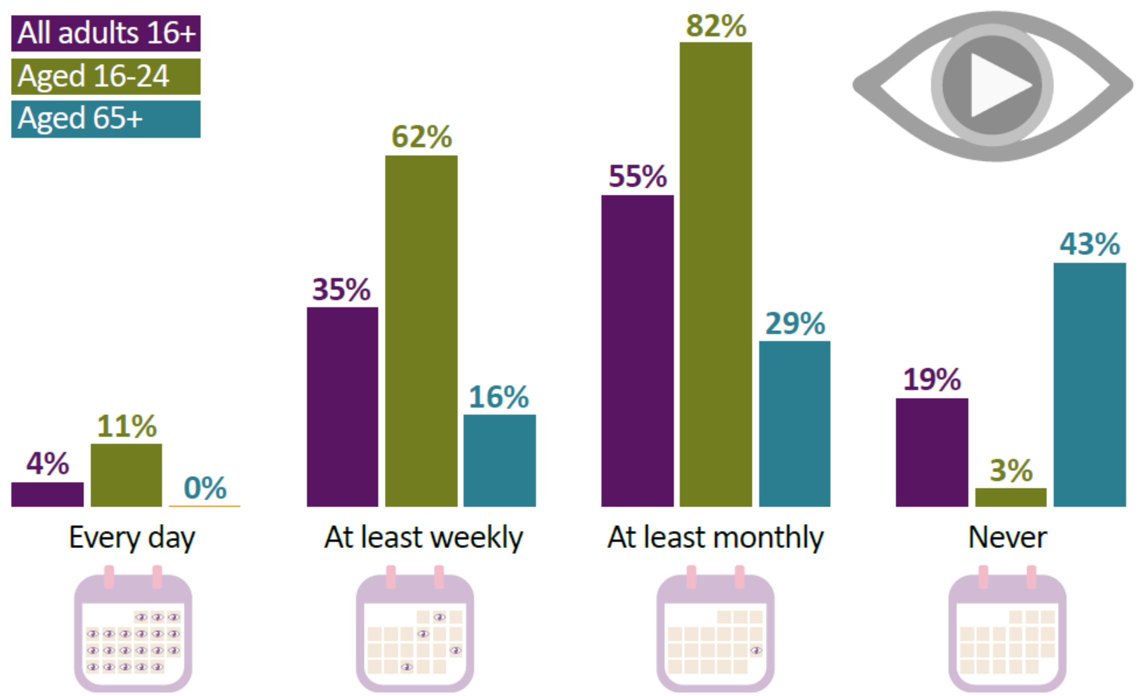
Figure 1.15

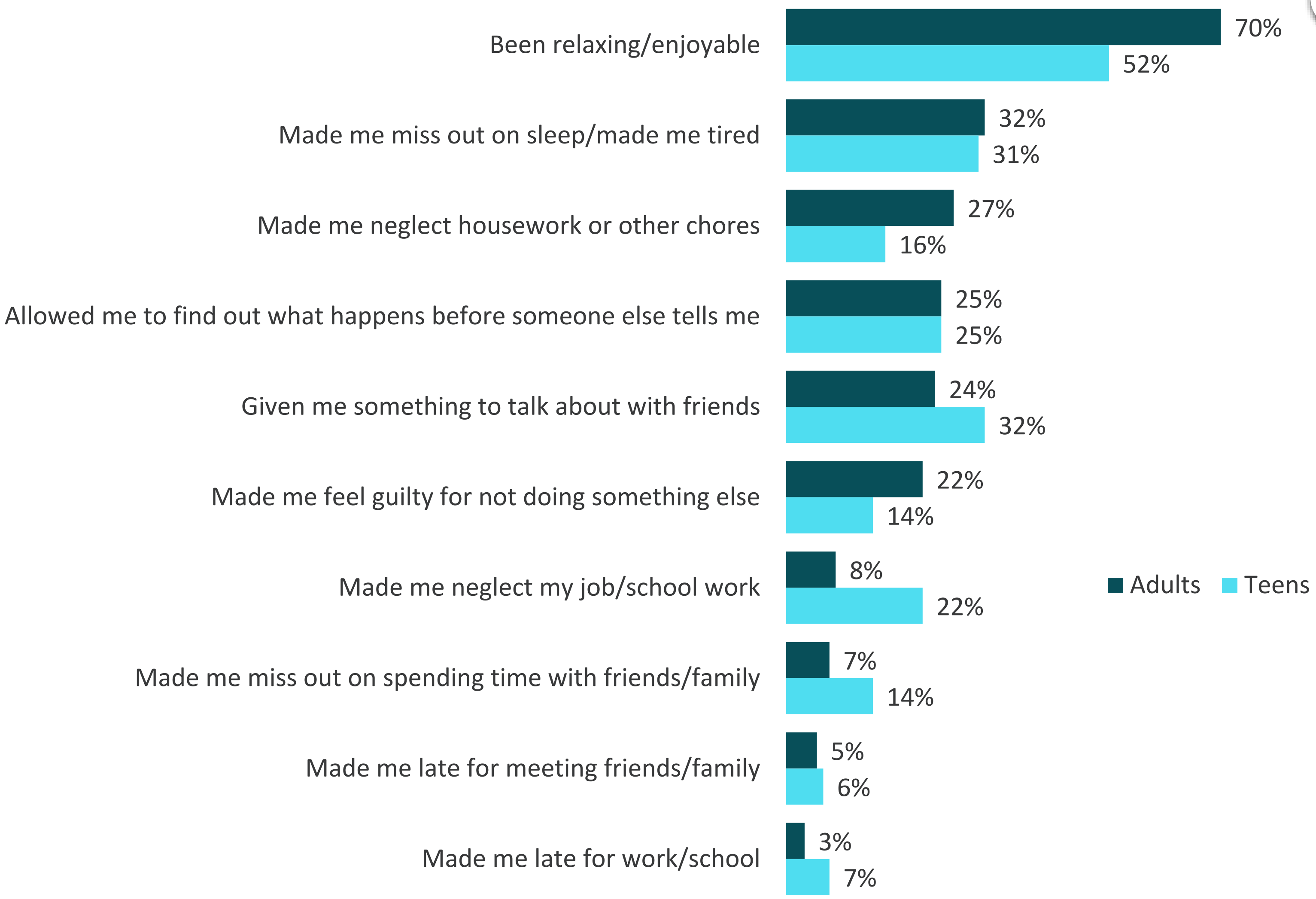
How often people in the UK watch multiple episodes of the same programme back-to-back in one sitting



Source: Consumption of VoD Content CMR Research 2017 – Populus

Figure 1.16

Reactions as a result of binge watching



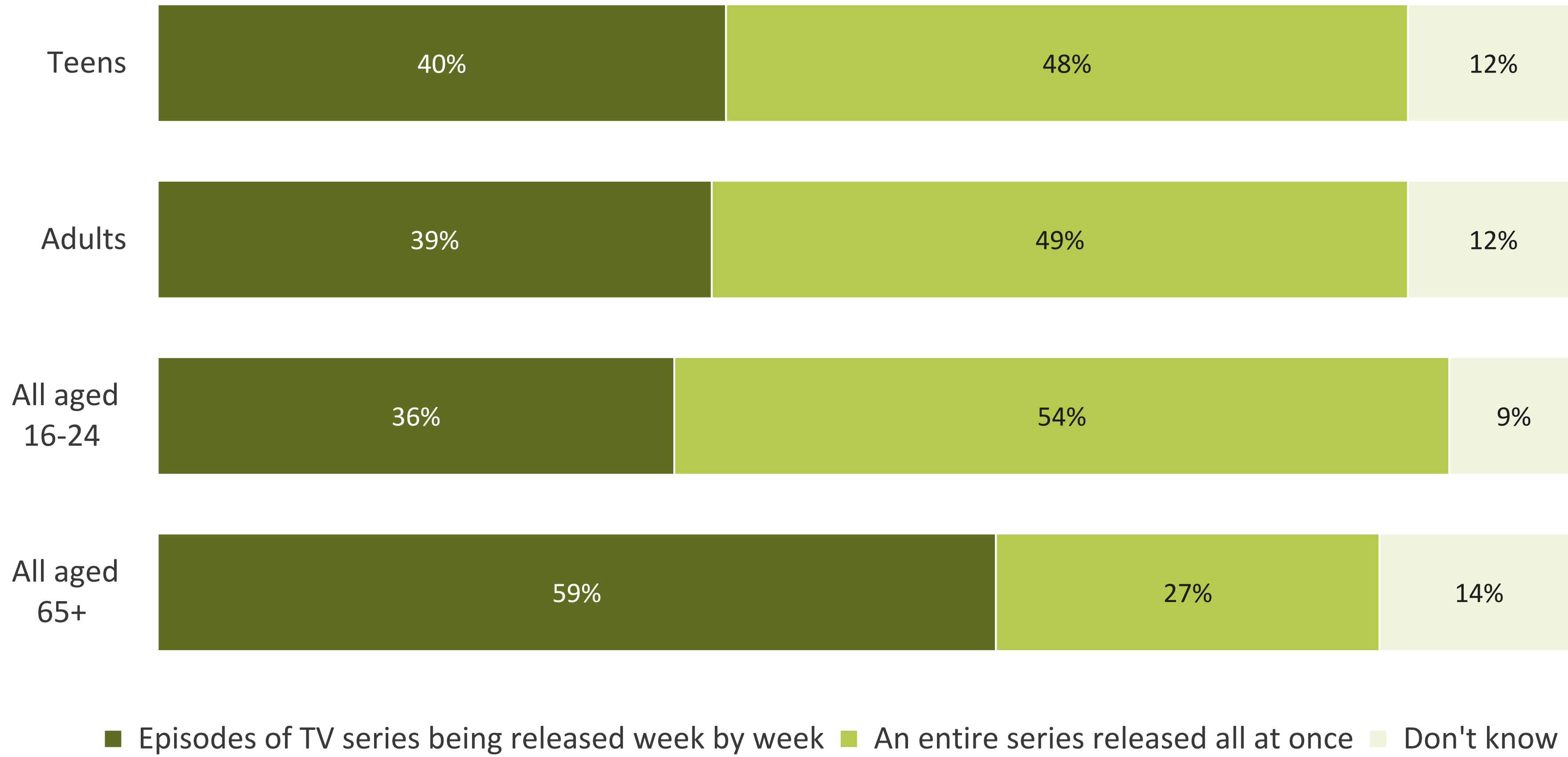
Source: Consumption of VoD Content CMR Research 2017 – Populus

Q23 Watching lots of episodes of the same programme in one sitting is sometimes called binge watching. Thinking about when you have done this, do any of the statements below apply?

Base: All respondents who binge watch at least once a month, Adults (1300) Teens (357)

Figure 1.17

Preference of episode release – Adults and Teens



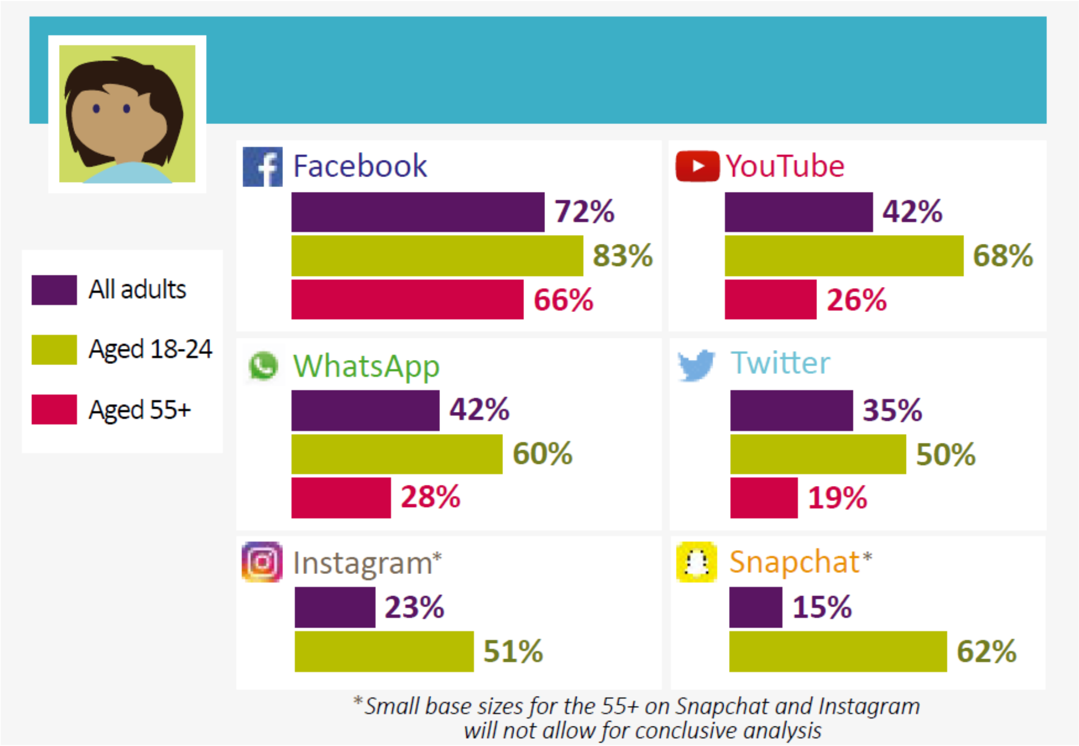
Source: Consumption of on- demand and streaming content CMR Research 2017 – Populus

Q26 Which of the following do you prefer?

Base: Adults who are aware of straight to VOD programmes (1127) Teens (279) 16-24(310) 65+(120)

Figure 1.18

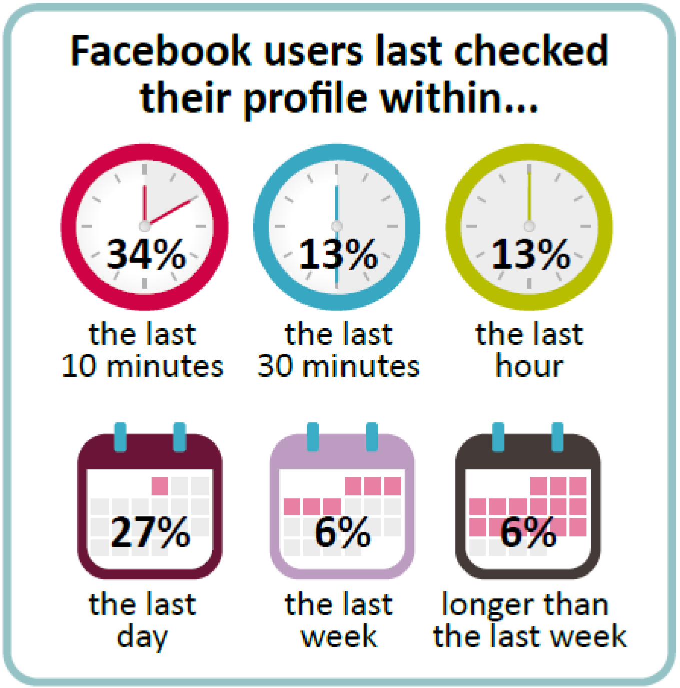
Social media and messaging apps or sites people belong to/use



Source: YouGov Power of the online image 2017

Figure 1.19

Frequency of checking Facebook site/app



Source: YouGov Power of the online image 2017

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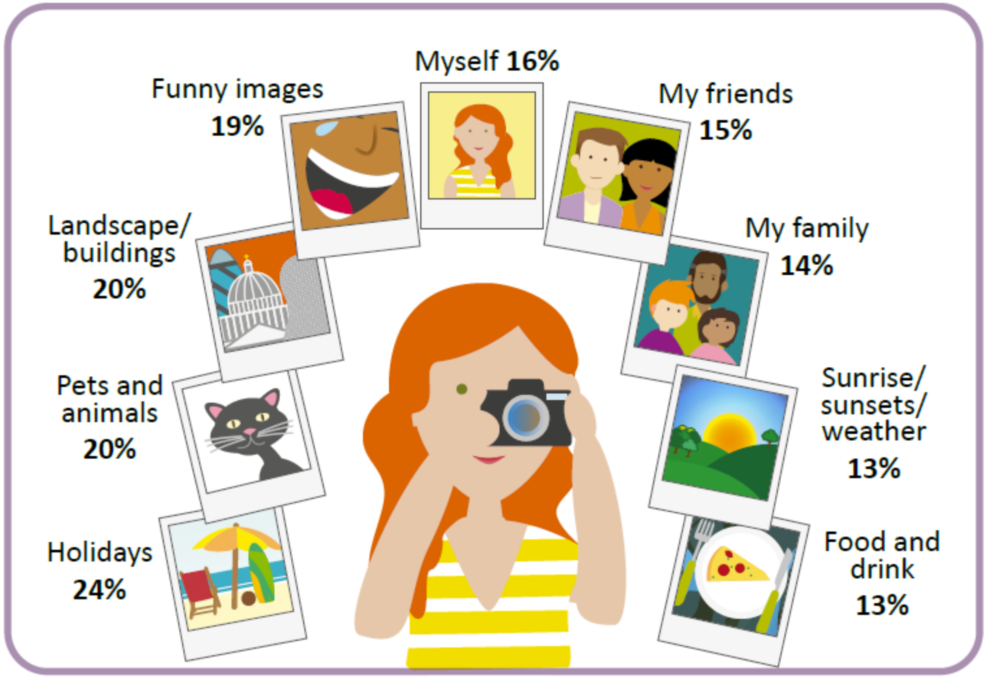
Figure 1.20

What types of image do people post and share the most on social media?



Source: YouGov Power of the online image 2017

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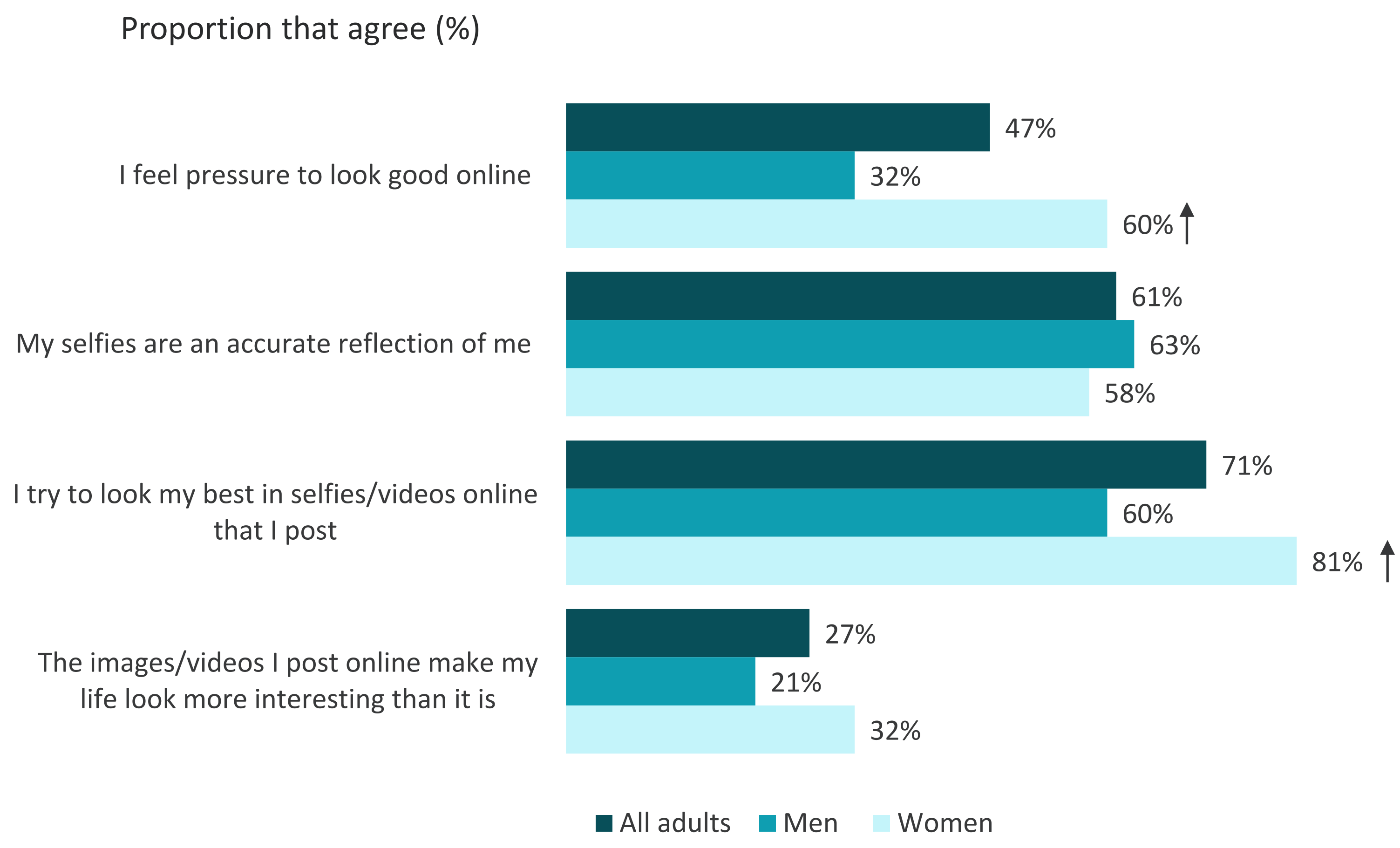
Figure 1.21

Attitudes to online presentation



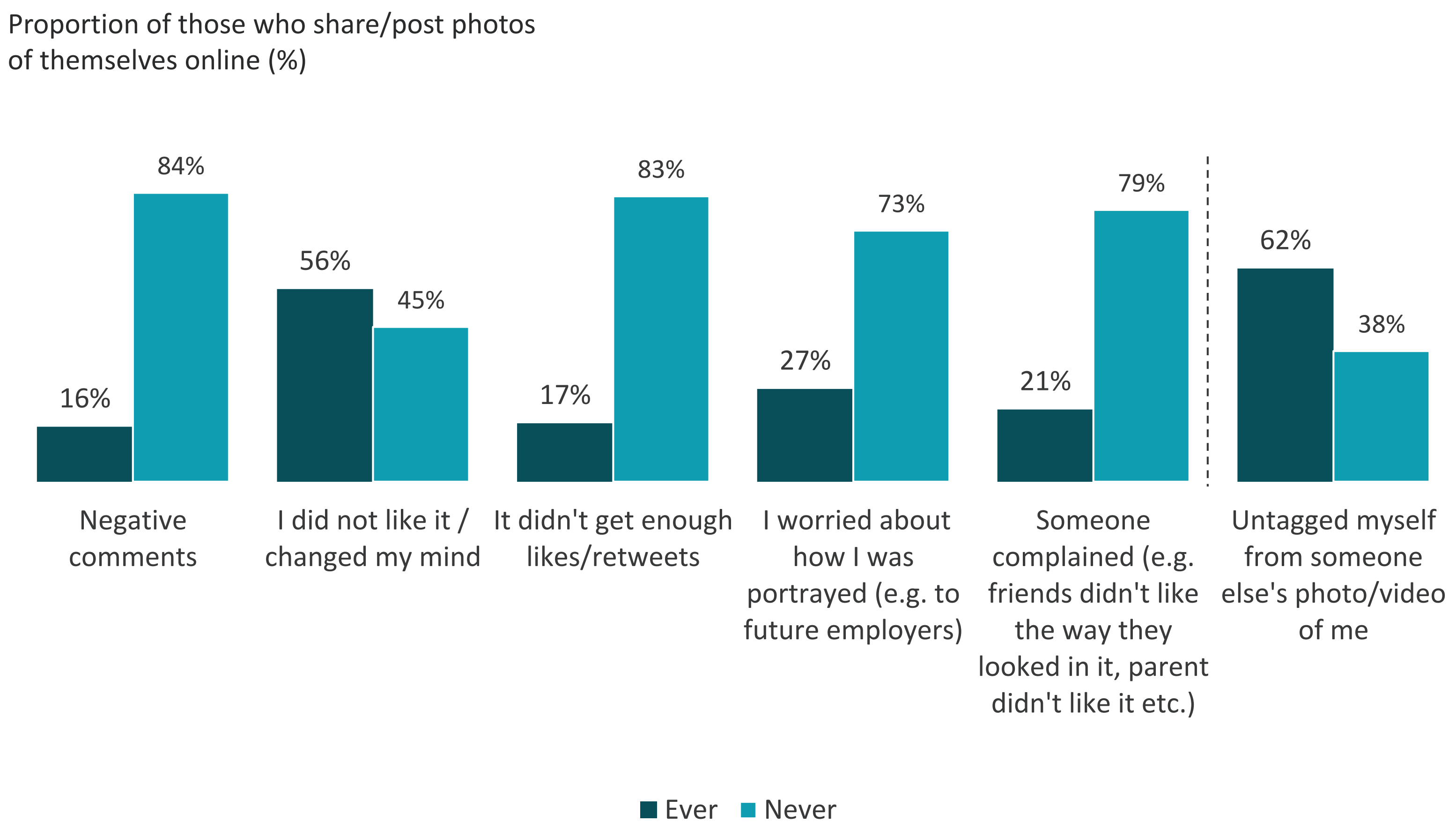
Source: YouGov Power of the online image 2017

Q16. To what extent, if at all, do you agree with the following statements?

Base: Those who use social media/messaging apps or sites for sharing/posting photos of themselves online Men unweighted (64), women (89)

Arrows indicate statistically significant differences between men and women

Figure 1.22
Reasons for taking a selfie down



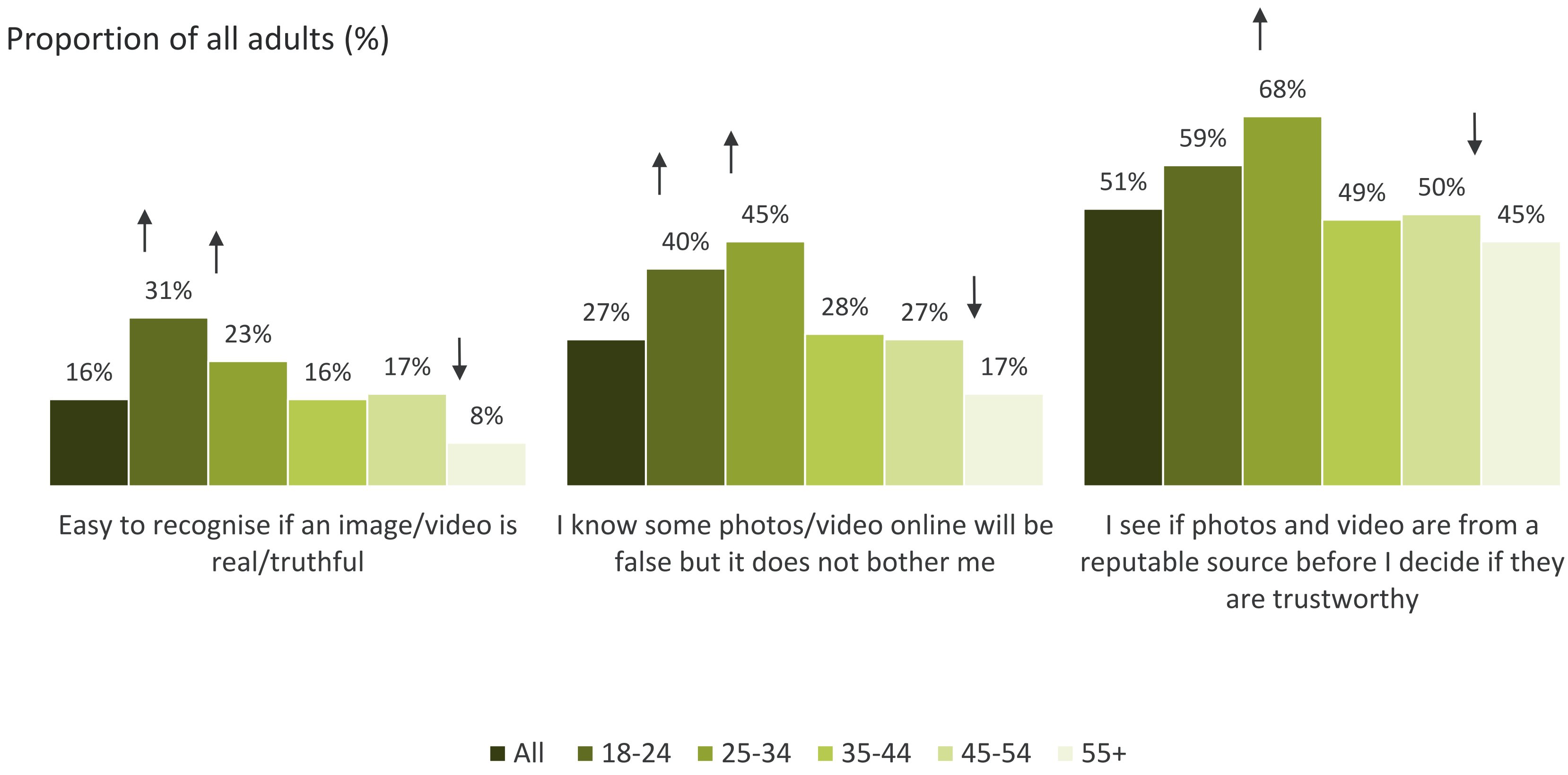
Source: YouGov Power of the online image 2017

Q17. How often have you done any of the following?

Base: Use social media/messaging apps or sites for sharing/posting photos of themselves online (153)

Figure 1.23

Trust in online images/videos



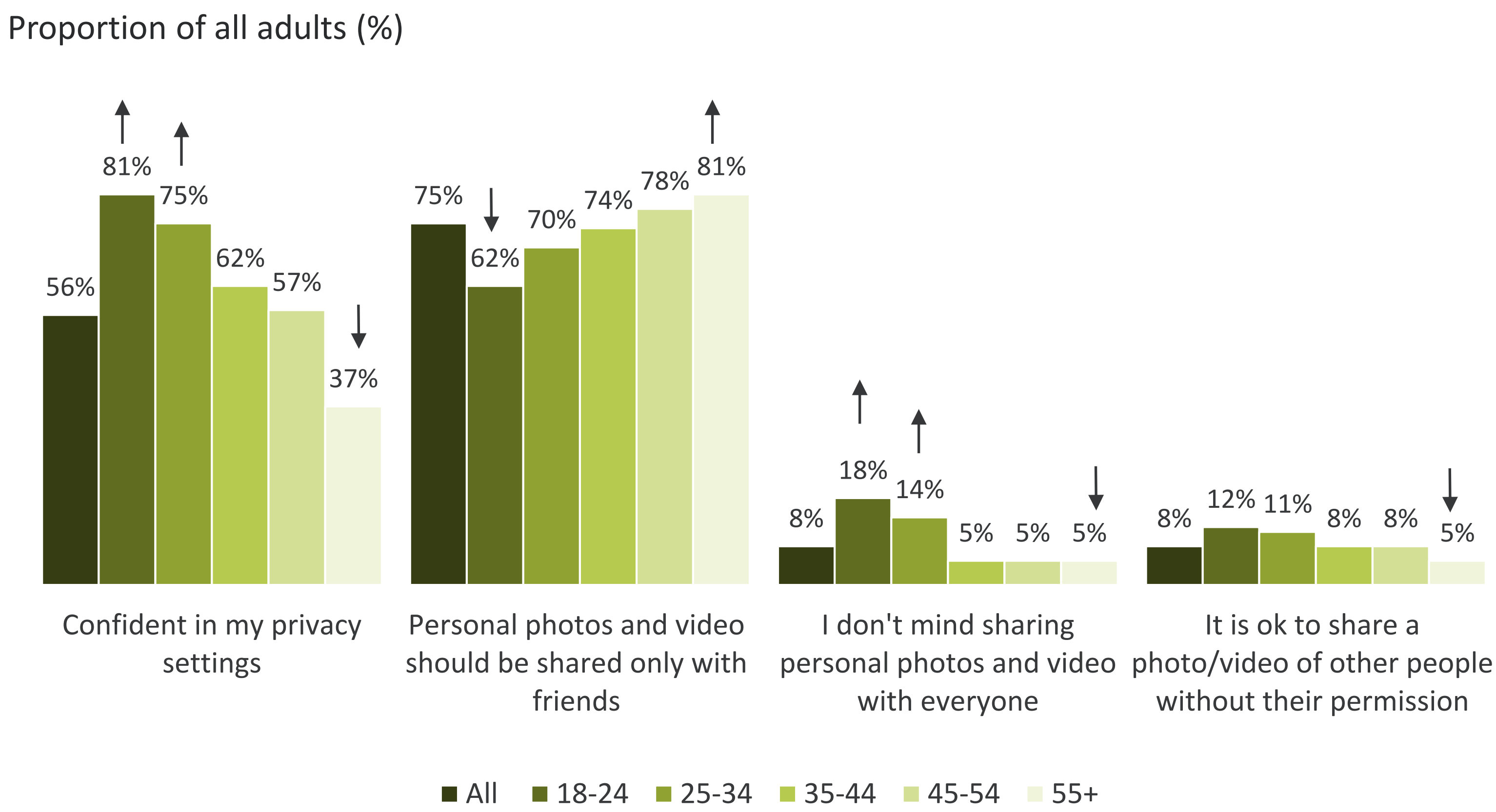
Source: YouGov Power of the online image 2017

Q24. To what extent, if at all, do you agree with the following statements regarding trusting images/video online?

Base: All respondents (1020), 18-24 (115), 25-34 (127), 35-44 (171), 45-54 (169), 55+ (438)

Figure 1.24

Opinions on privacy settings and sharing personal photos/videos



Source: YouGov Power of the online image 2017

Q8. To what extent, if at all, do you agree with the following statements?

Base: All respondents (1020), 18-24 (115), 25-34 (127), 35-44 (171), 45-54 (169), 55+ (438)

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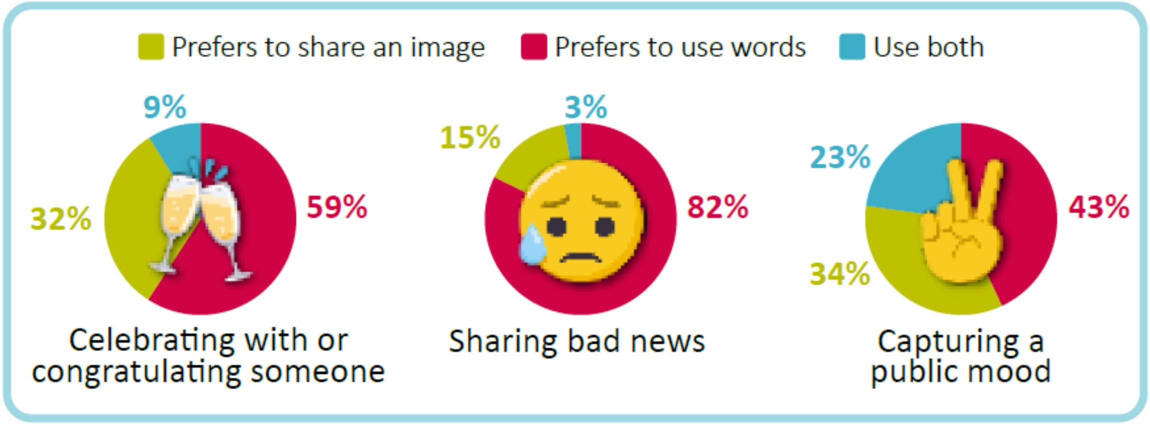
Figure 1.25

People who prefer to use words, images or both for specific messages



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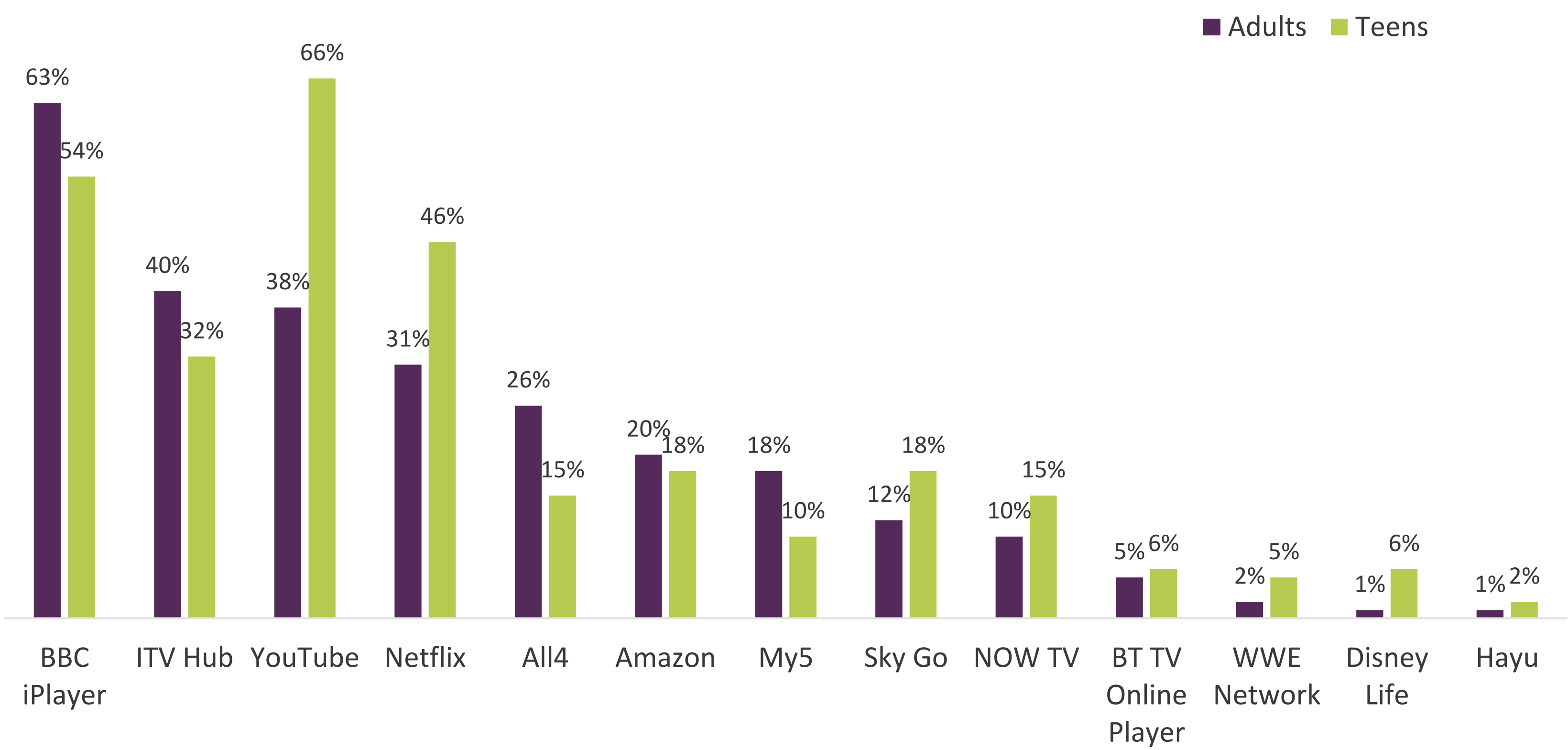
Television and audio-visual content

Figure 2.1
Industry Metrics

UK television industry	2011	2012	2013	2014	2015	2016
Total broadcast TV industry revenue (£bn)	13.3	13.1	13.1	13.3	13.7	13.8
Proportion of revenue which is BBC income allocated to TV	21%	21%	20%	21%	19%	18%
Proportion of revenue generated by advertising	29%	28%	29%	29%	30%	30%
Proportion of revenue generated by subscriptions	44%	44%	46%	45%	45%	46%
Total online TV industry revenue (£bn)	0.3	0.4	0.6	0.9	1.3	1.7
Broadcaster share of total display advertising spend	31%	31%	31%	31%	30%	30%
Spend on first-run UK originated output by 5 main PSB channels (£bn)	2.7	2.7	2.5	2.6	2.6	2.7
Spend on network content by UK broadcasters (£bn)	5.9	5.9	5.9	6.4	6.6	7.3
TV homes (% all households)	94%	96%	95%	93%	95%	96%
Minutes spent watching TV per day (per person aged 4+)	242	241	232	220	216	212
Share of the main five PSB channels in all homes	54	52	51	51	51	51

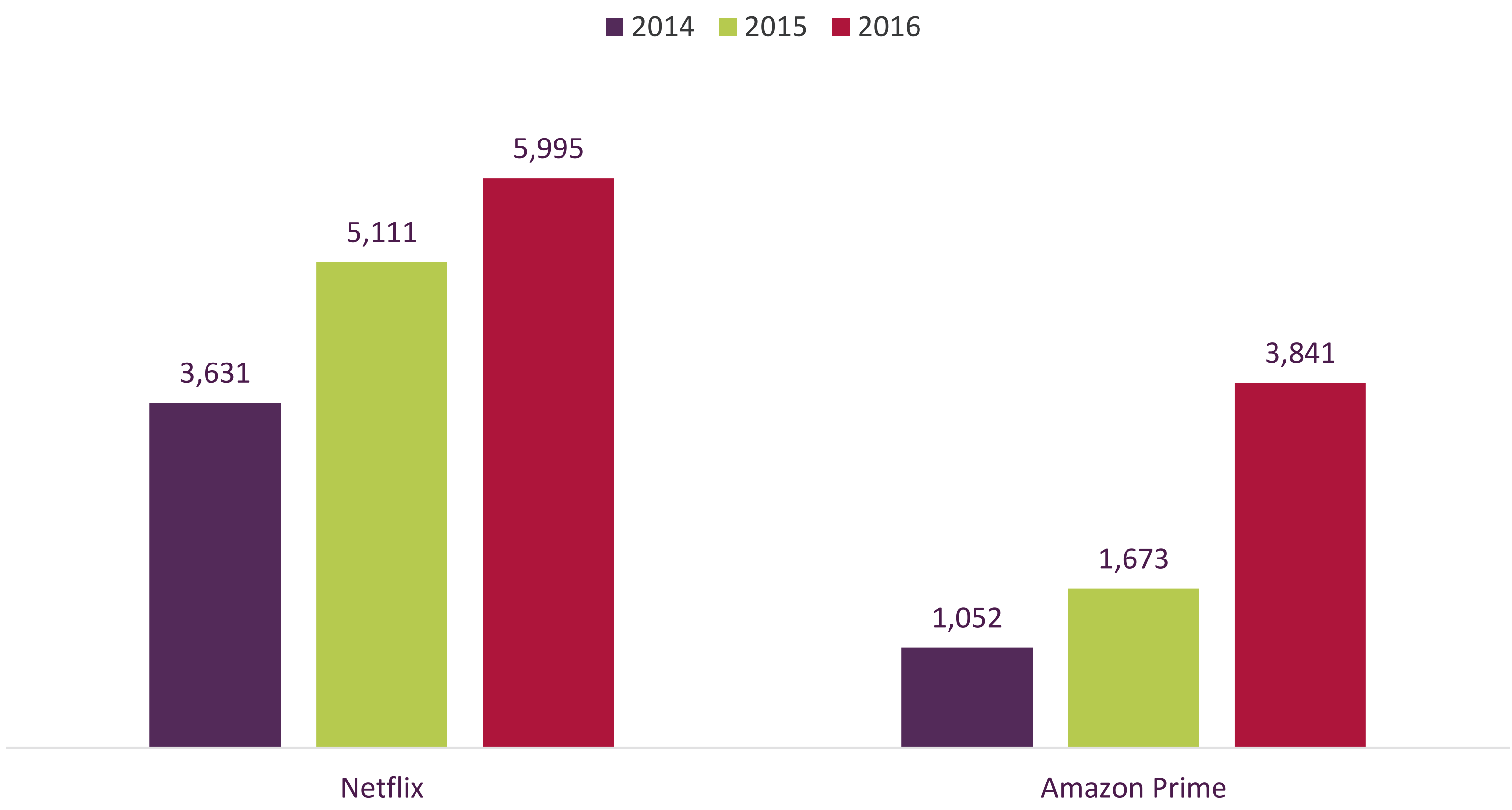
Source: Ofcom/broadcasters/Ampere Anlalysis/Advertising Association/Warc/BARB/. Note: Financial figures are expressed in real terms (adjusted for 2016 CPI prices). BBC income allocated to TV includes the proportion of the licence fee that goes to S4C. Broadcaster share as a proportion of total display advertising spend excludes direct mail and classified ads and is based on Advertising Association/Warc Expenditure Report. The AA/Warc data are net of discounts, and include agency commission, but excludes production costs. Spend on originations includes spend on nations and regions programming (not Welsh or Gaelic language programmes but some Irish language). TV viewing based on BARB analysis of viewing to scheduled TV programmes on TV sets up to seven days after first broadcast. From 2013, TV homes data refers to the proportion of UK homes that had a working TV set as defined in BARB’s Establishment Survey. Data refers to Q4 of each year. BARB changed the methodology for defining a TV set home from Q4 2015 and data comparisons to previous years should be treated with caution.

Figure 2.2
Use of on-demand and streaming services to watch TV programmes/films



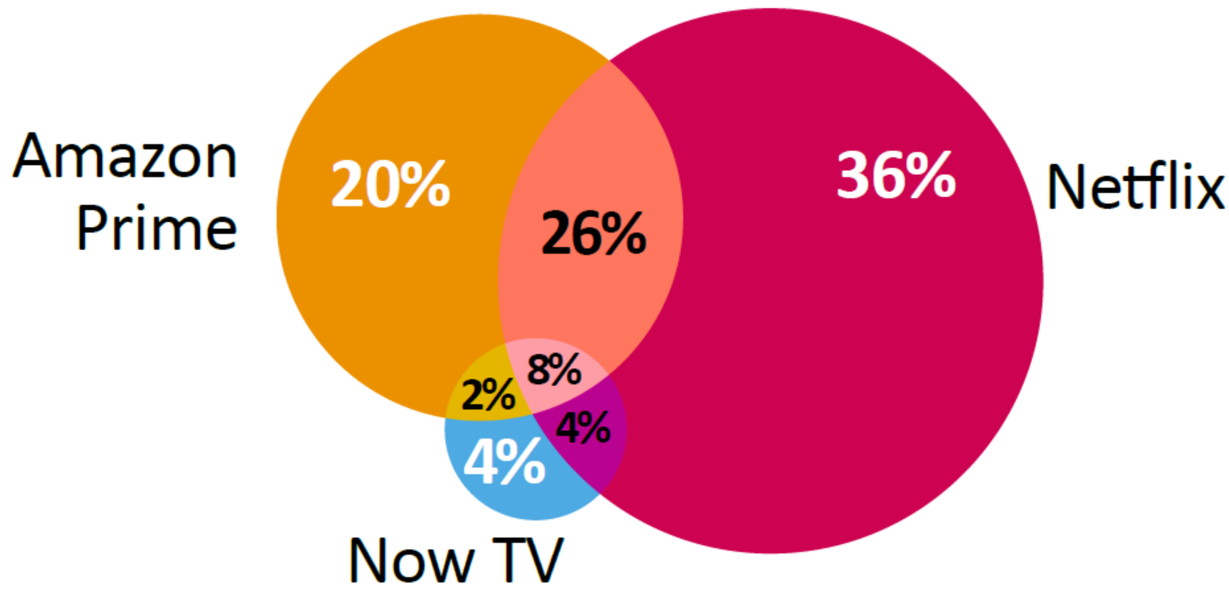
Source: Consumption of VoD Content CMR Research 2017 – Populus
Q5. Thinking about when you watch TV programmes/films, do you use any of the following?
Base: Adults (2356) Teens (505)

Figure 2.3
On-demand/streaming service subscription numbers: 2014-2016 (000s)



Source: Ampere Analysis
Note: Data points come from Q4 each year.

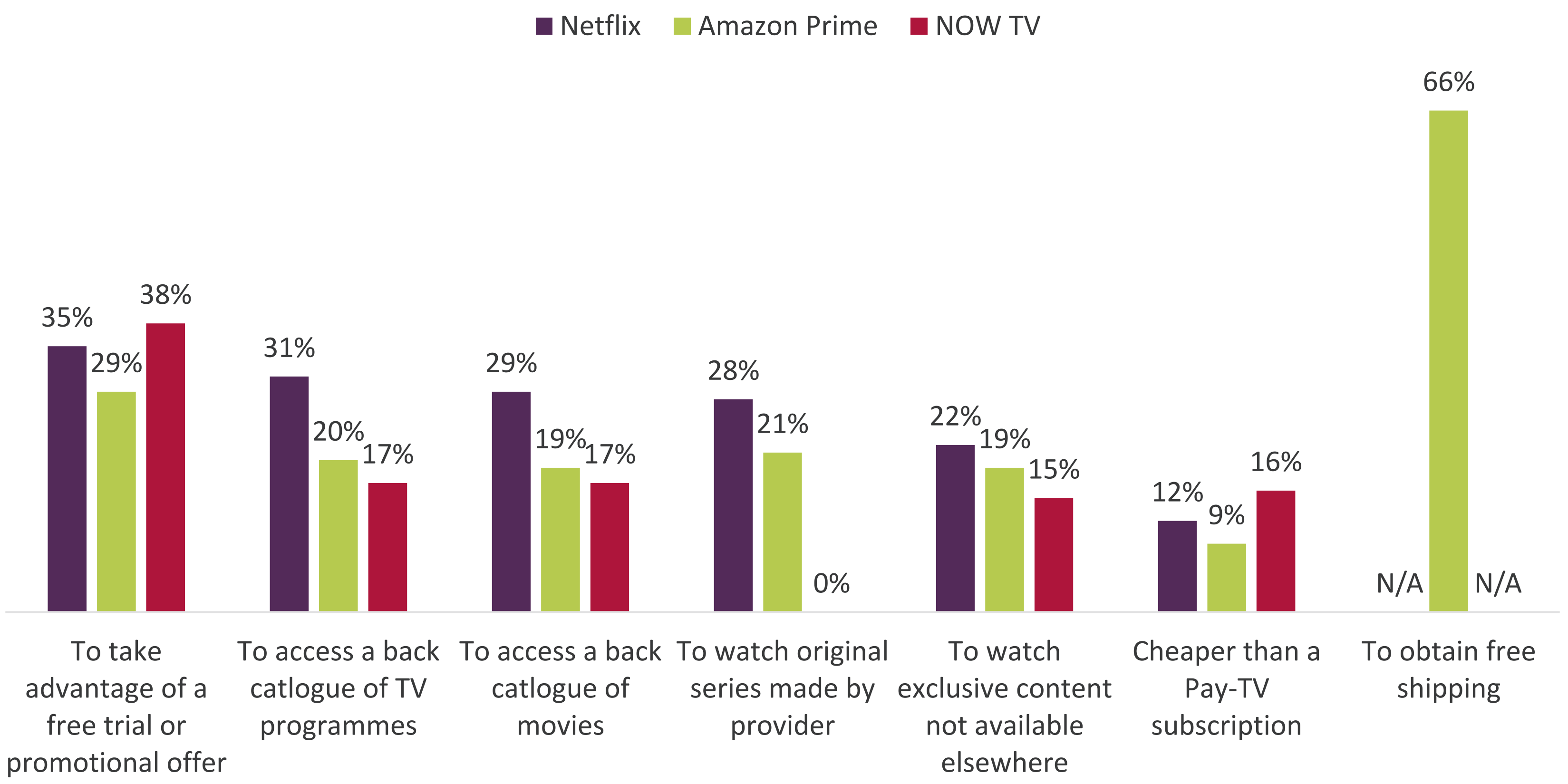
Figure 2.4
Subscription on-demand and streaming services overlap



Source: GfK SVoD Tracker, Q4 2016 October-December 2016
Notes: EW1: Reasons for signing up for/using service
Base: Netflix users (n=1670 (138 triallists)), Amazon Prime Video users (n=1255 (156 triallists)), NOW TV users (n=423 (80 triallists))
Note: users include those who either subscribe to or are trialling each service and use it at least once a fortnight.

Figure 2.5

Selected reasons for signing-up/using Netflix, Amazon Prime and NOW TV



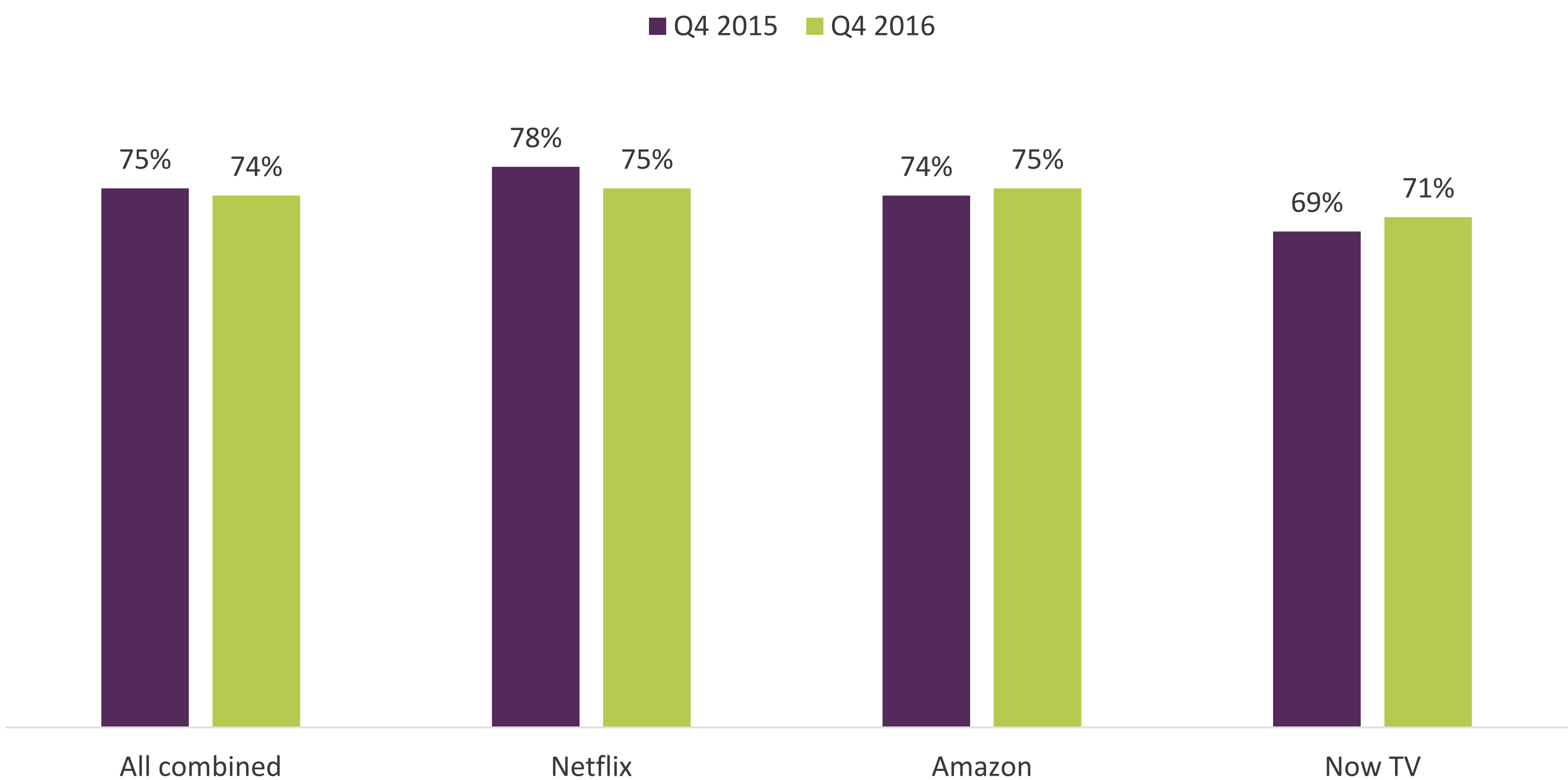
Source: GfK SVoD Tracker, Q4 2016 October-December 2016

Notes: EW1: Reasons for signing up for/ using service

Base: Netflix users (n=1670), Amazon Prime Video users (n=1255), Now TV users (n=423)

Note: Users include those who either subscribe to or are trialling each service and use it at least once a fortnight.

Figure 2.6
Proportion of on-demand and streaming service users with a traditional pay-TV service



Source: GfK SVoD Tracker, Q4 2016 October-December 2016
P7: Services currently have.
Base: Netflix users (n=1670), Amazon Prime Video users (n=1255), Now TV users (n=423)
Note: Users include those who either subscribe to or are trialling each service and use it at least once a fortnight.

Figure 2.7

Top ten television programmes viewed on subscription on-demand and streaming services in the UK (Q4 2016)

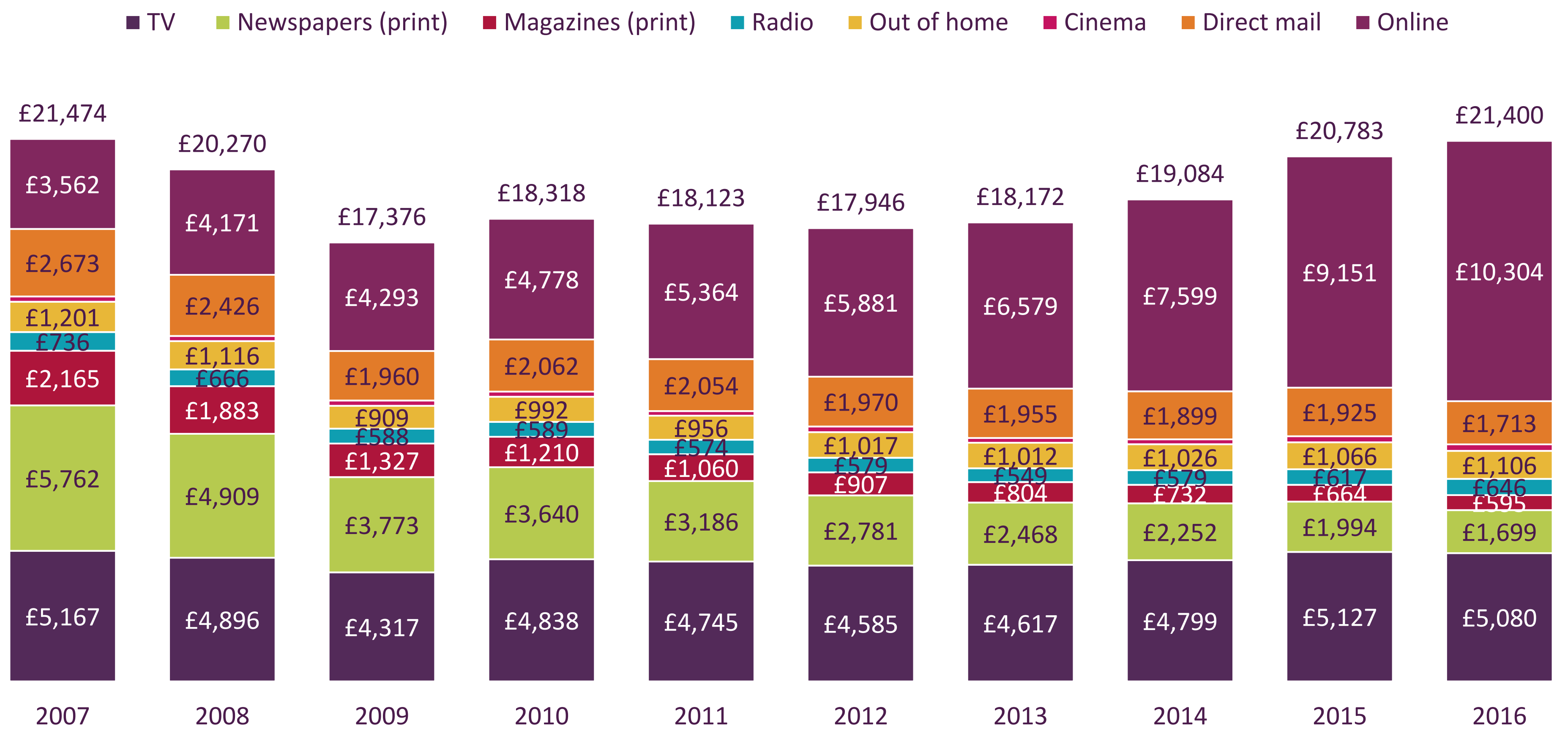
	Rank	Service	Commission Type
Orange is the New Black	1	Netflix	Original
Marvel's Luke Cage	2	Netflix	Original
The Grand Tour	3	Amazon	Original
Narcos	4	Netflix	Original
Breaking Bad	5	Netflix	Acquisition
Stranger Things	6	Netflix	Original
The Crown	7	Netflix	Original
The Man in the High Castle	8	Amazon	Original
Lucifer	9	Amazon	Acquisition
American Horror Story	10	Netflix	Acquisition

Source: GfK SVoD Tracker, Q4 2016 October-December 2016

Notes: All users of Netlfix, Amazon Prime and NOW TV at least once a fortnight. Rankings are based on total minutes consumed.

Figure 2.8

UK advertising expenditure (£m)

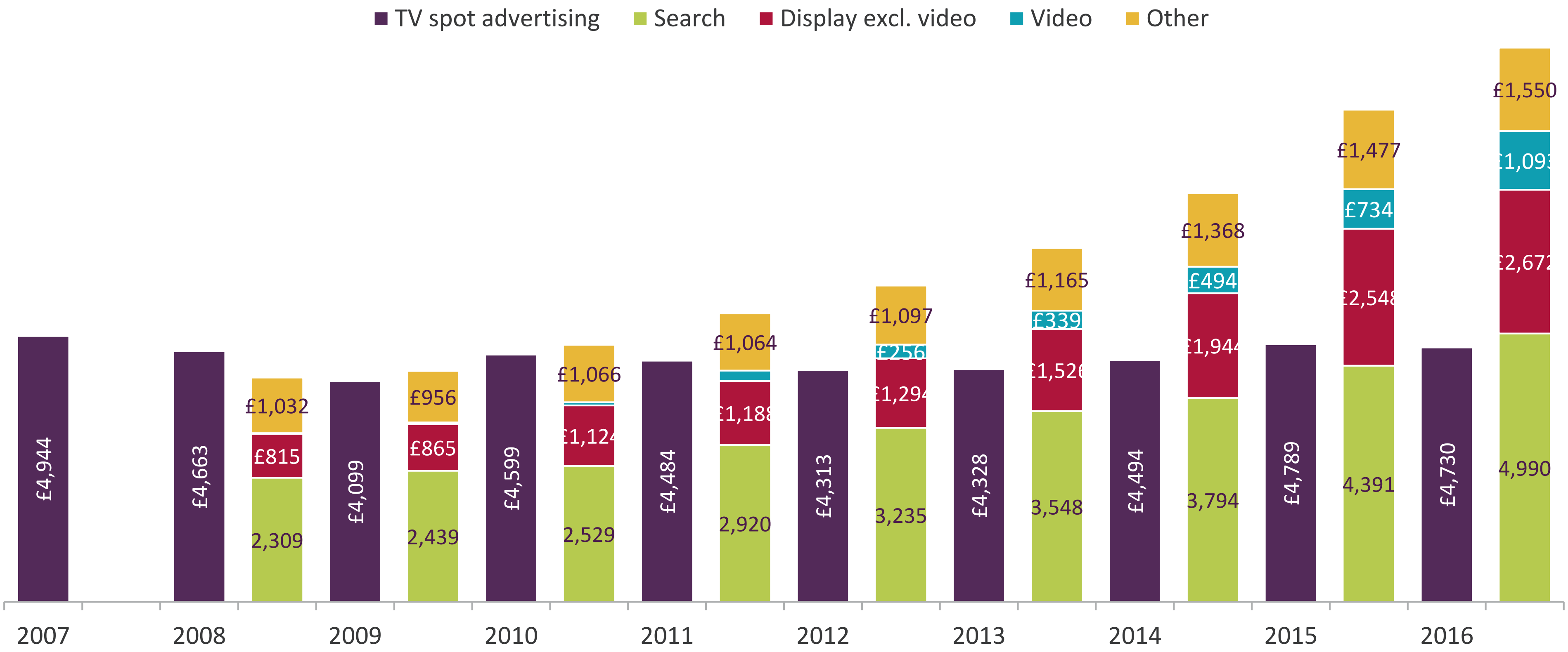


Source: AA/WARC Advertising Expenditure report for TV, newspapers, magazines, radio, out of home, cinema, and direct mail; IAB UK for online advertising (search, display excluding video, video and other).

Notes: all digital ad expenditure (e.g. broadcaster video advertising and publisher display and classifieds) has been removed from TV, newspapers and magazines to avoid double-counting between these categories and online. TV includes spot advertising, sponsorship, and placement. Figures expressed in real terms (adjusted for 2016 CPI prices).

Figure 2.9

UK TV and online advertising expenditure (£m)



Source: AA/WARC Advertising Expenditure report for TV spot advertising; IAB UK for online advertising (search, display excluding video, video and other).

Notes: TV spot advertising includes all expenditure generated from TV advertising spots (typically 30 or 60 second spots). This figure excludes TV sponsorship, product placement and other forms of TV revenue. Search advertising is a form of advertising that seeks to promote websites by increasing their visibility in search engine results pages. Display advertising is a type of online advertising that comes in several forms including banner ads, rich media and more. Video advertising is the digital recording of a physical event that have been encoded into a digital video format. Other includes all online ad formats which are not covered in search, display and video such as online classifieds and directories. Figures expressed in real terms (adjust for 2016 CPI prices).

Figure 2.10

Evolution of advertising ecosystem

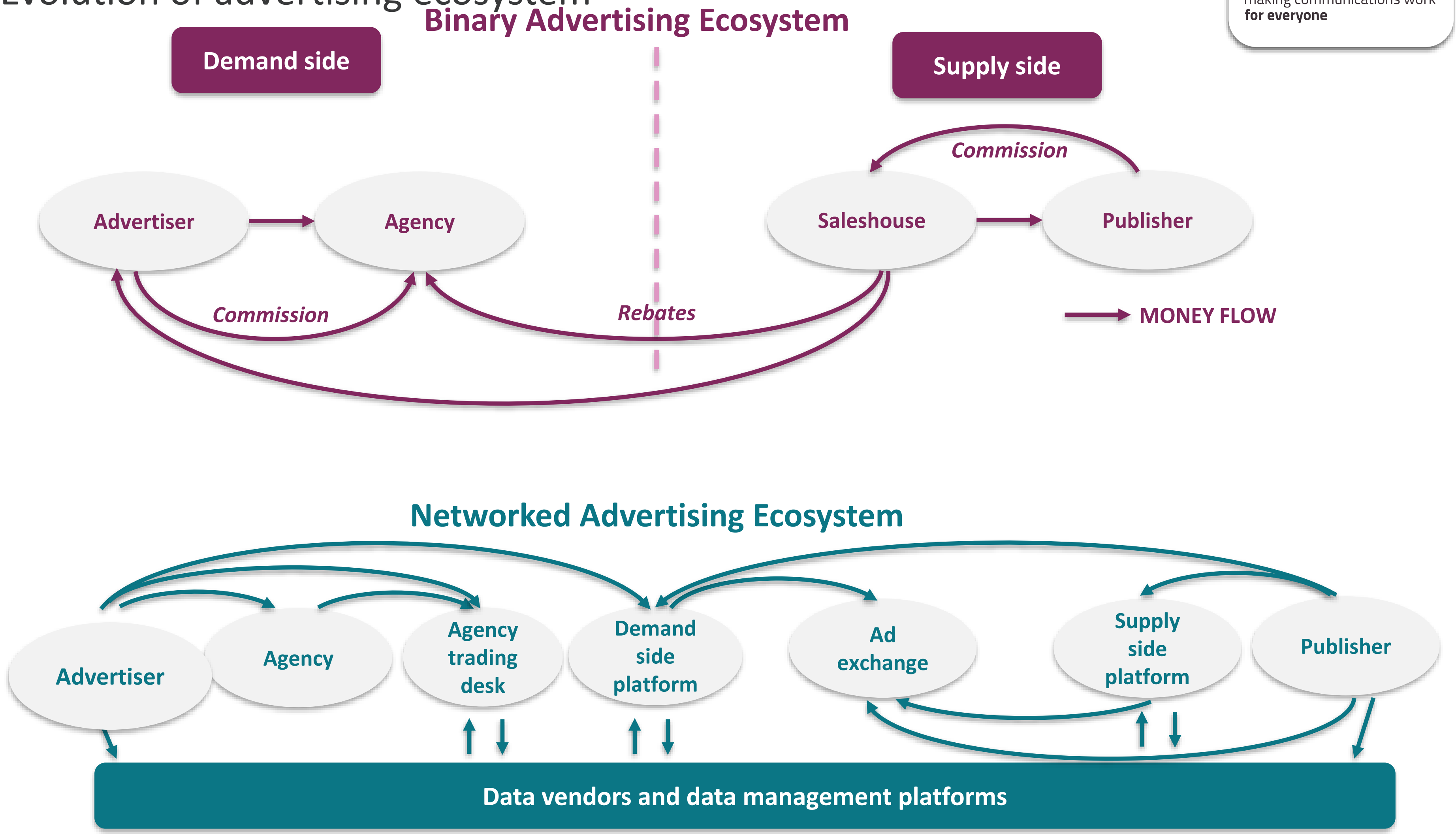
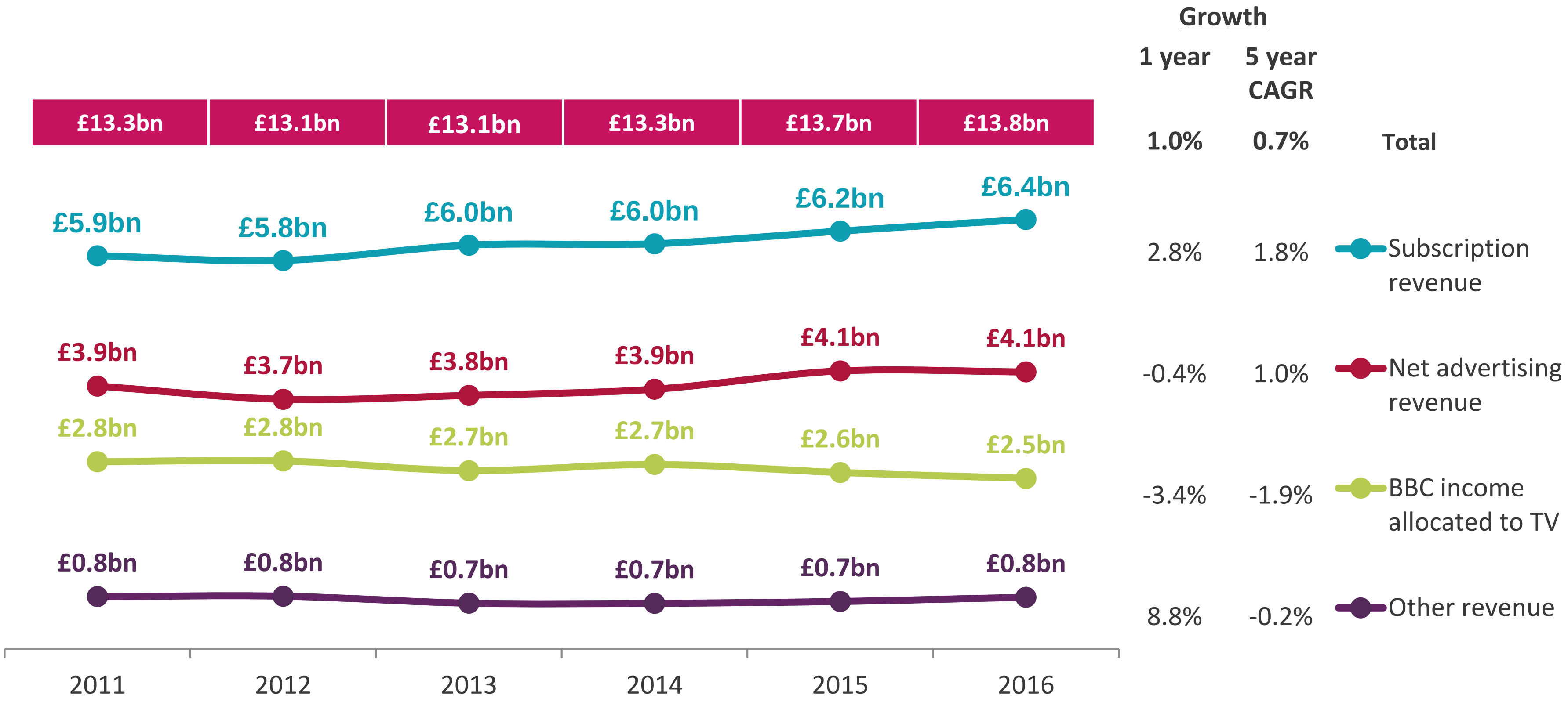
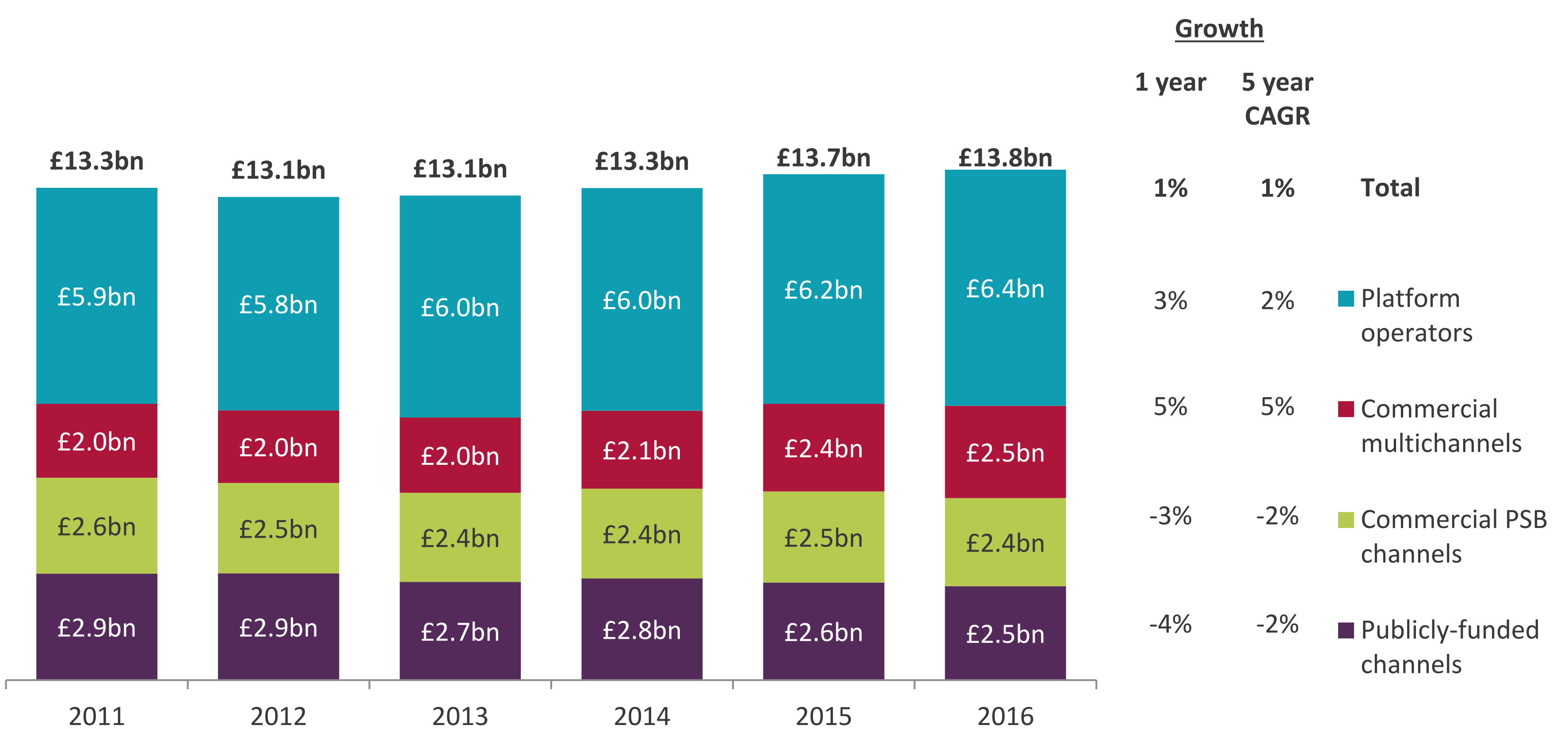


Figure 2.11
Total broadcast TV industry revenue, by source



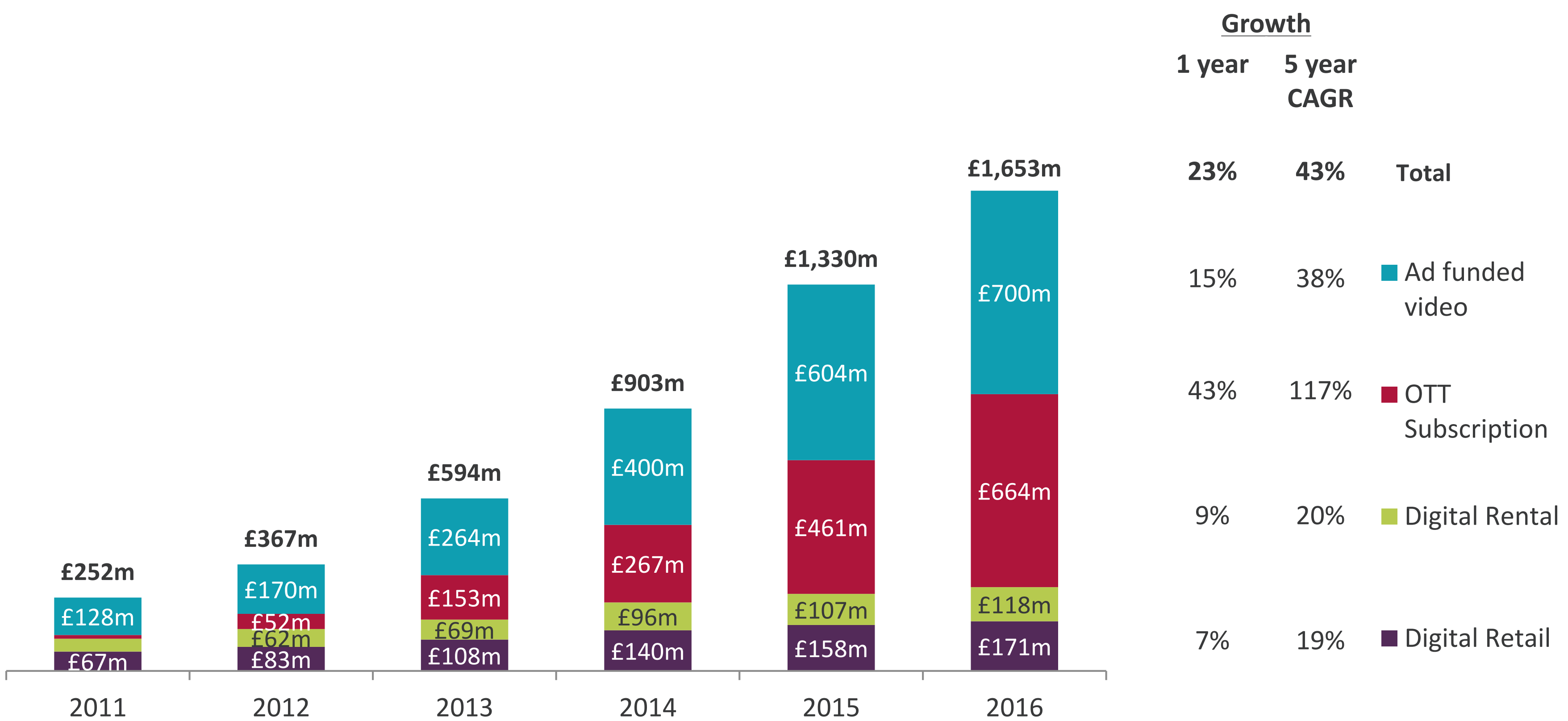
Source: Ofcom/broadcasters. Note: Figures expressed in real terms and replace previous Ofcom revenue data for TV industry, owing to restatements and improvements in methodologies. ‘Subscription revenue’ includes Ofcom’s estimates of Sky UK, Virgin Media, BT TV and TalkTalk subscriber revenue as well as, in previous years, that of ESPN and Top Up TV in the UK (Republic of Ireland revenue is excluded). It also excludes revenue generated by broadband and telephony. BBC income allocated to TV includes money allocated to S4C as well as BBC television broadcasting. ‘Other’ includes TV shopping, sponsorship, interactive (including premium-rate telephony services), programme sales and S4C’s grant from the DCMS. Totals may not equal the sum of the components due to rounding.

Figure 2.12
Total TV industry revenue, by sector



Source: Ofcom/broadcasters. Note: Figures expressed in nominal terms and replace previous Ofcom revenue data for TV industry, owing to restatements and improvements in methodologies. The platform operators are Sky UK, Virgin Media, BT TV and TalkTalkTV as well as, in previous years, ESPN and Top Up TV in the UK (Republic of Ireland revenue is excluded). Now TV revenues are not included in 2015 figures but are in previous years. Commercial PSB channels comprise ITV/ITV Breakfast, STV, UTV, Channel 4, Channel 5 and S4C. Commercial multichannels comprise all multichannels including the commercial PSB portfolio channels. Publicly-funded channels comprise BBC One, BBC Two, the BBC portfolio channels and S4C. The commercial revenues of S4C are included with the main commercial PSB channels while their licence fee revenue and DCMS grants come under publicly-funded channels. Totals may not equal the sum of the components due to rounding.

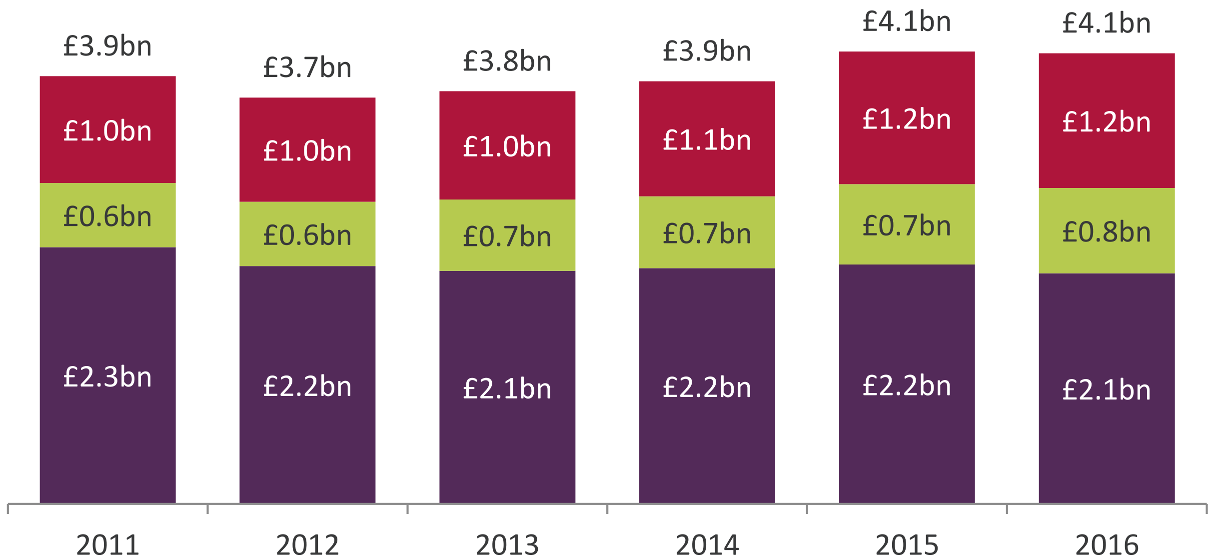
Figure 2.13
Online audio visual revenues



Source: Ampere Analysis. Ad-funded video includes catch-up services, YouTube and other ad-funded video spend, Digital Retail estimate is based on the British Association of Screen Entertainment spend figures exclusive of VAT. All figures are in real terms.

Note: figure for 2011 ad funded video is an estimate as actual figures are not available.

Figure 2.14
TV net advertising revenues, by source: 2011-2016

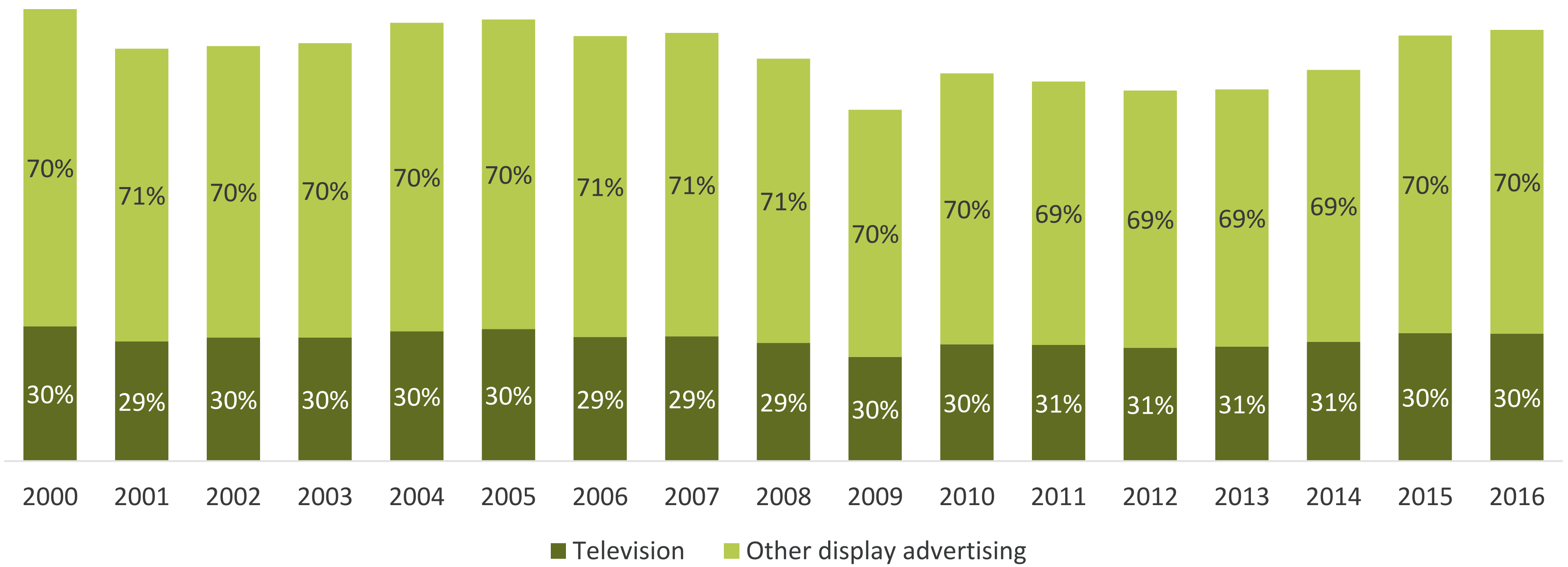


Growth

1 year	5 year CAGR	
0%	**1%**	**Total**
2%	5%	Commerical multichannels
6%	6%	Commercial PSB portfolio channels
-4%	-2%	Commercial PSB channels

Source: Ofcom/broadcasters. Note: Figures expressed are in real terms and replace previous data published by Ofcom. Commercial PSB channels comprise ITV, STV, UTV, ITV Breakfast, Channel 4, Channel 5 and S4C (and their '+1' channels); Commercial PSB portfolio channels include, where relevant, ITV2, ITV3, ITV4, CITV, ITVBe, ITV Encore, ITV Breakfast 2, E4, More 4, Film 4, 4Seven, Five USA, 5* and Spike (and their '+1' channels). For previous years closed channels have also been included. Sponsorship revenue not included. Totals may not equal the sum of the components due to rounding.

Figure 2.15
Television percentage share of all display advertising expenditure



Source: AA/Warc Expenditure Report.

Note: Other display advertising expenditure includes radio, out of home, cinema, national and regional press display, internet, mobile and magazines but does not include response advertising such as direct mail. Television display include spot ads, sponsorship, product placement, advertiser funded programming and VoD. Figures are real terms.

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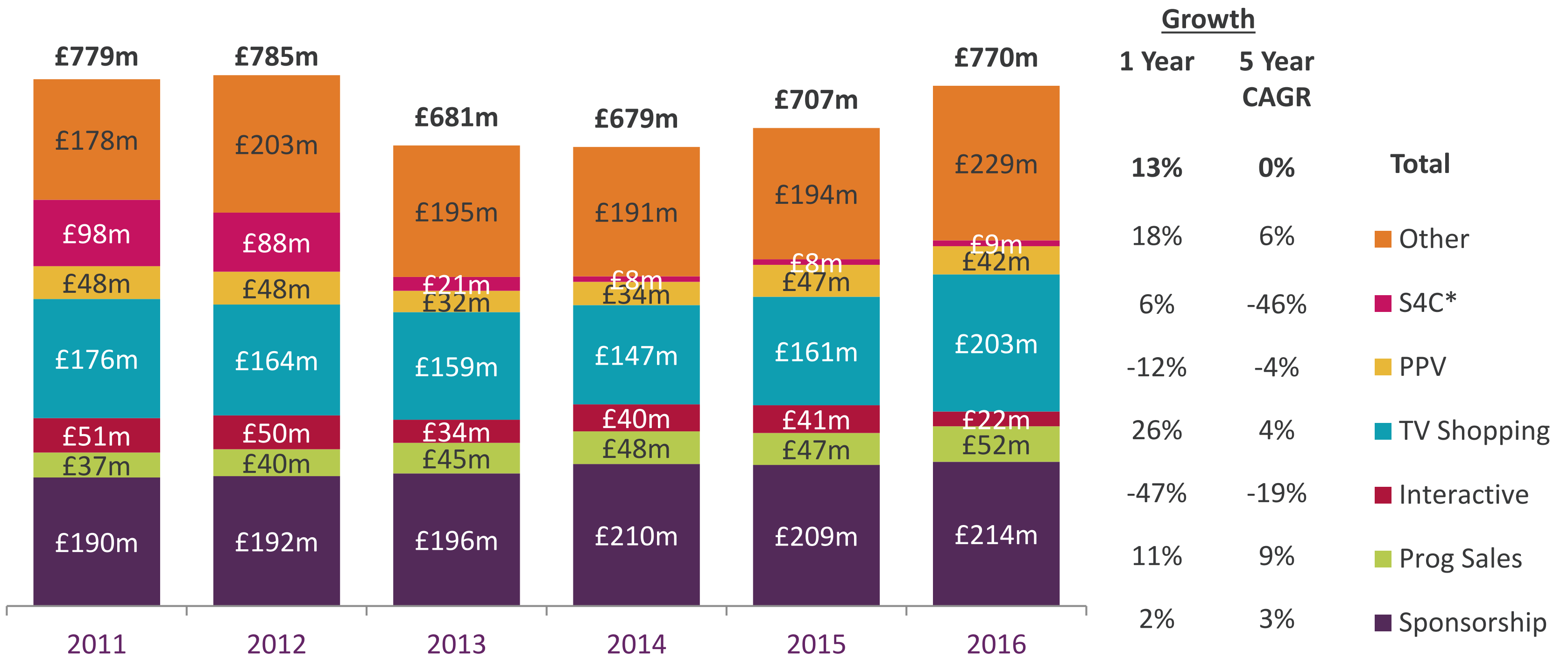
Figure 2.16
Breakdown of ‘other’ commercial TV channel revenue: 2011-2016

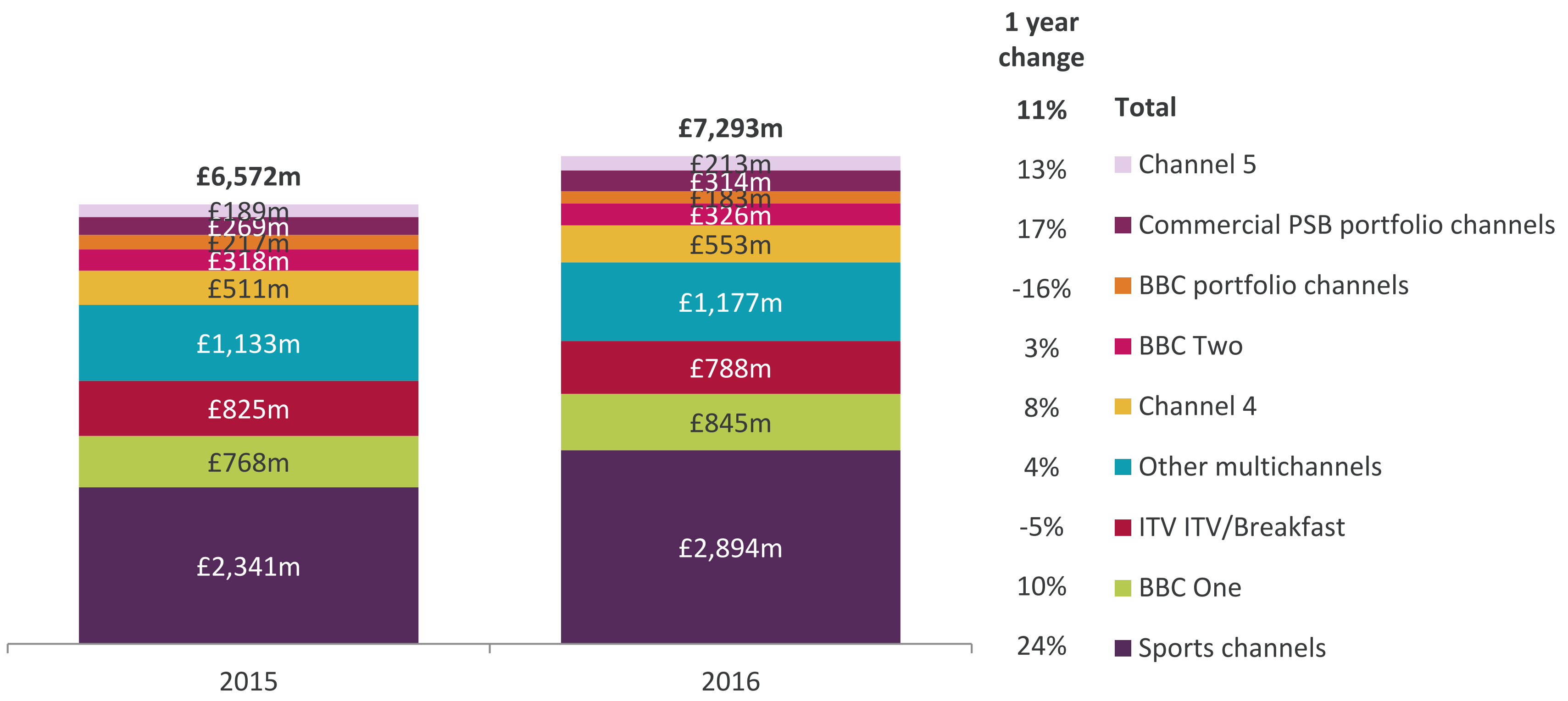


Source: Ofcom/broadcasters. Figures are expressed in real terms.

‘TV shopping’ represents aggregate operating margin of products sold via television. A funding agreement which was reached in April 2013 meant that the majority of S4C funding now comes out of the BBC’s licence fee income. Totals may not equal the sum of the components due to rounding. Owing to the nature of these revenue components, annual changes may be a function of a higher number of broadcaster returns being made by the time of writing, rather than material changes in the contributions that these revenue components are making to total industry income.

Figure 2.17

Spend on network TV programmes: 2015 - 2016

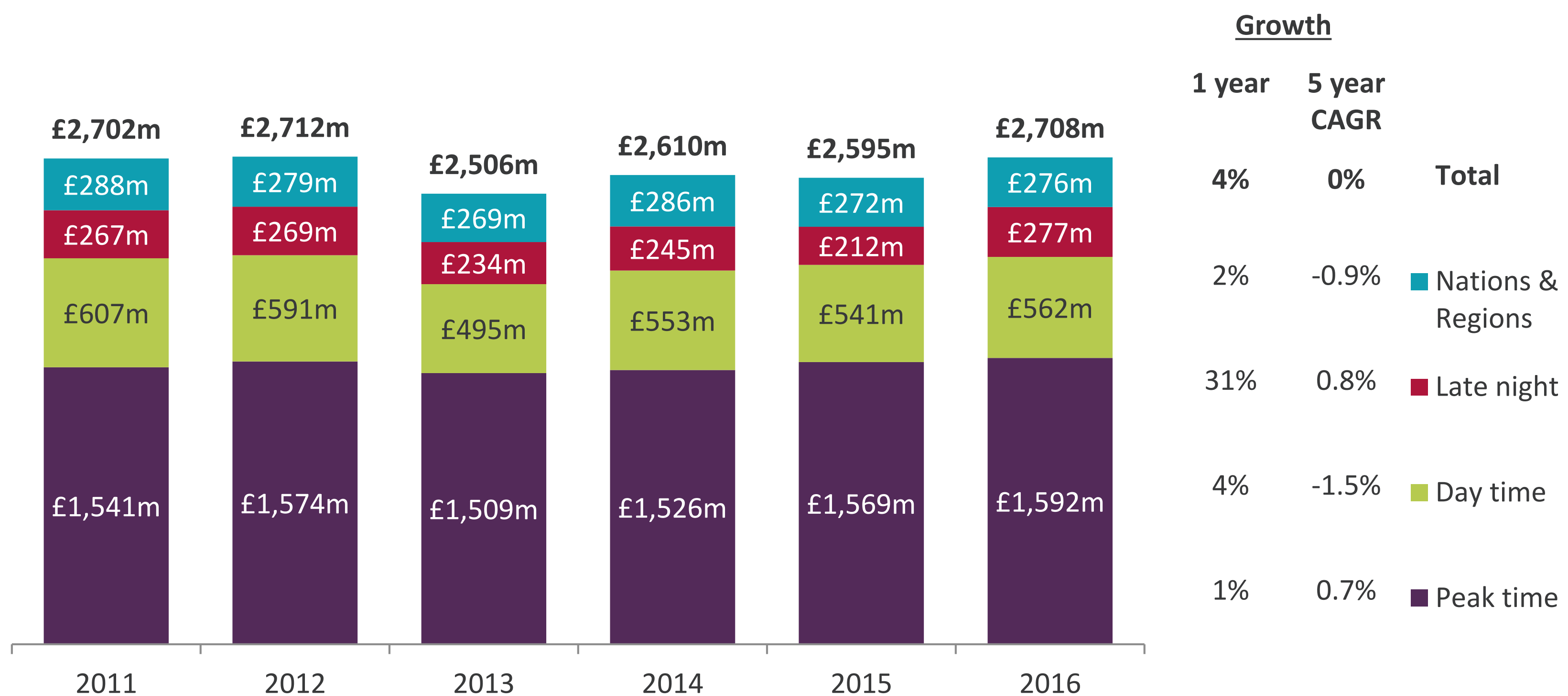


Source: Ofcom/broadcasters.

Note: Figures expressed in real terms. Figures do not include spend on nations' and regions' output. BBC portfolio channels includes BBC Three, BBC Four, BBC News, BBC Parliament, CBBC and CBeebies (but not BBC HD). 'Commercial PSB portfolios' include ITV2, ITV3, ITV4, CITV, ITVBe, ITV Encore, E4, More4, Film4, 5*, 5USA and Spike. 'Other multichannels' include all genres (excluding sports and films). Programme spend comprises in-house productions, commissions from independents, acquired programmes and repeats (originations and acquisitions).

Figure 2.18

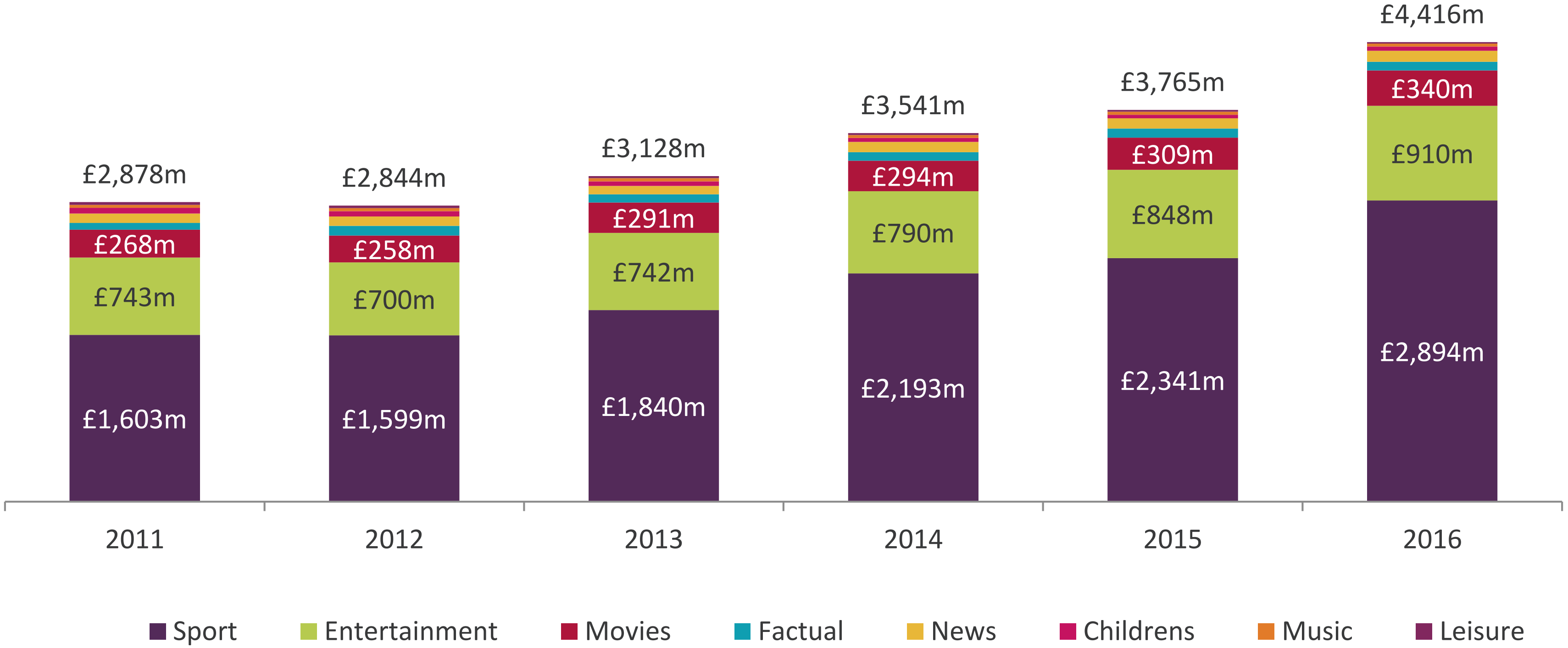
Spend on first-run UK originated output on the five main PSB channels



Source: Ofcom/broadcasters.

Note: Figures are expressed in real terms. They include ITV breakfast, spending in the nations and regions on English-language programming (and a small amount of Irish-language programmes) but do not include the BBC's portfolio channels, BBC Alba or S4C.

Figure 2.19
Multichannel content spend in key genres: 2011-2016



Source: Ofcom/broadcasters.

Note: Spend expressed in real terms. Excludes BBC portfolio channels but includes commercial PSB portfolio channels.

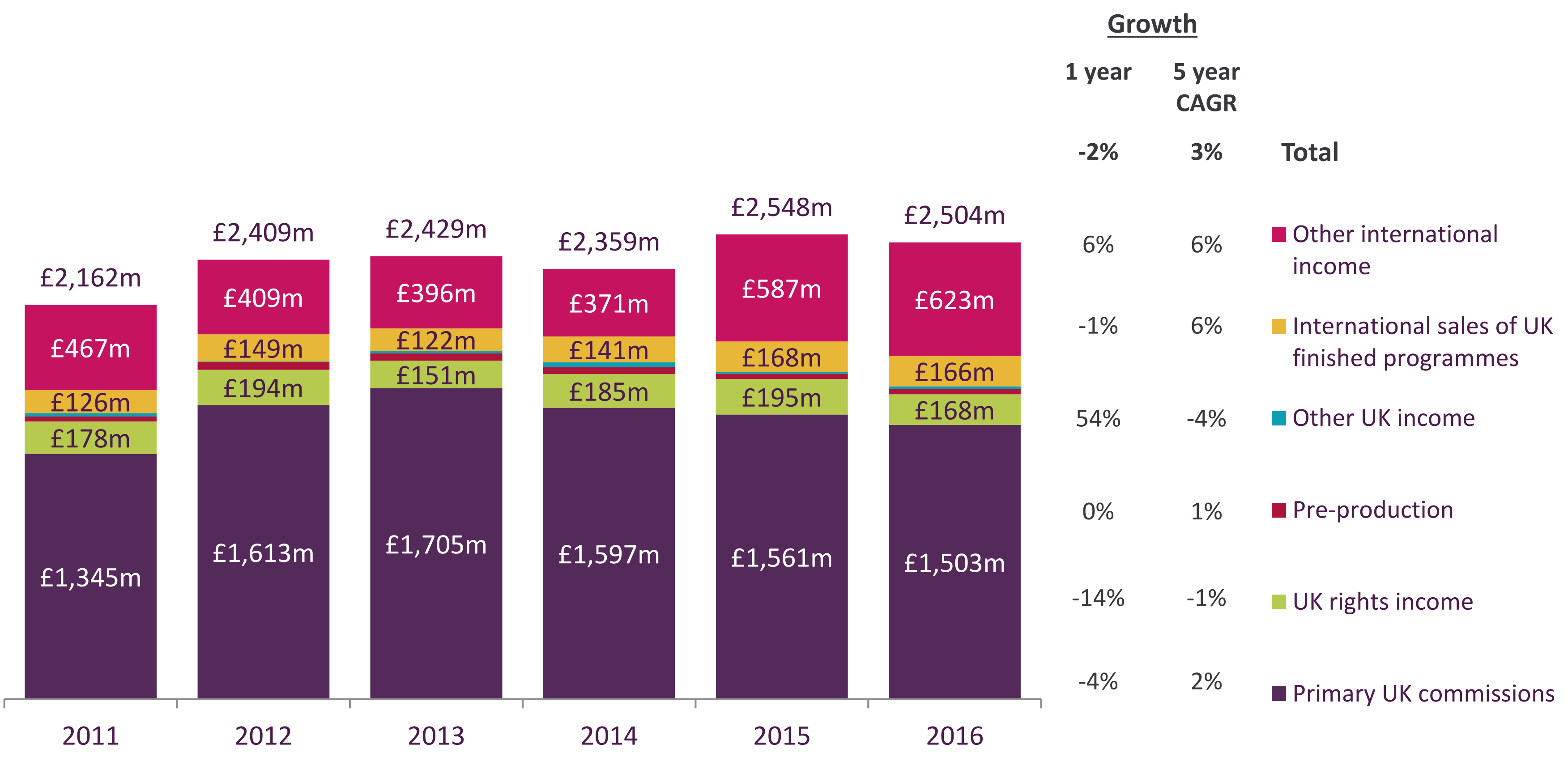
Figure 2.20

Multichannel content spend share in key genres, 2016

	Sport	Entertainment	Movies	Factual	News	Children's	Music	Leisure
Spend (£m)	2,894	910	340	83	105	42	27	15
Share (%)	66	21	8	2	2	1	0.6	0.3
Growth (%)	24	7	10	-6	7	22	-3	-19
Change in share (YoY)	3pp	-2pp	-1pp	-	-	-	-	-

Source: Ofcom/broadcasters. Note: Excludes BBC portfolio channels but includes commercial PSB portfolio channels.

Figure 2.21
Independent producer TV-related revenues

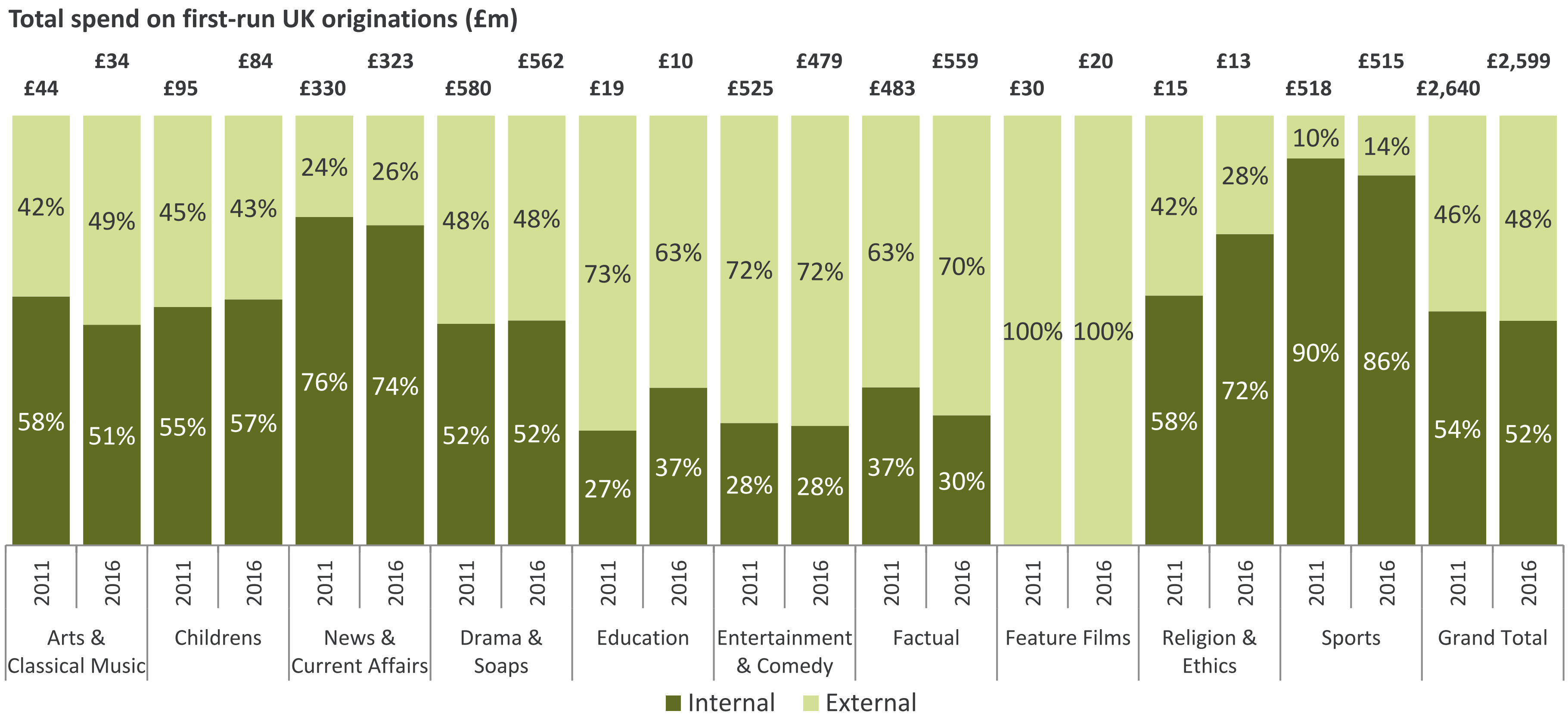


Source: Pact UK Television Production Census 2017, Oliver & Ohlbaum analysis

Note: Figures expressed in real terms. 'UK rights income' – UK secondary sales, publishing, formats, DVD sales etc.; 'Int'l sales of UK finished programmes' – sales of first run UK programming sold as finished product abroad; 'Other international income' – primary commissions received from non-UK broadcasters and any revenue from companies' overseas operations. International revenue numbers from past years have been restated to reflect recent changes in methodology; this has affected the reporting of revenues from international subsidiaries of UK producers

Figure 2.22

Relative share of spend on first-run originated content by genre, in-house vs. external producers: 2011 and 2016

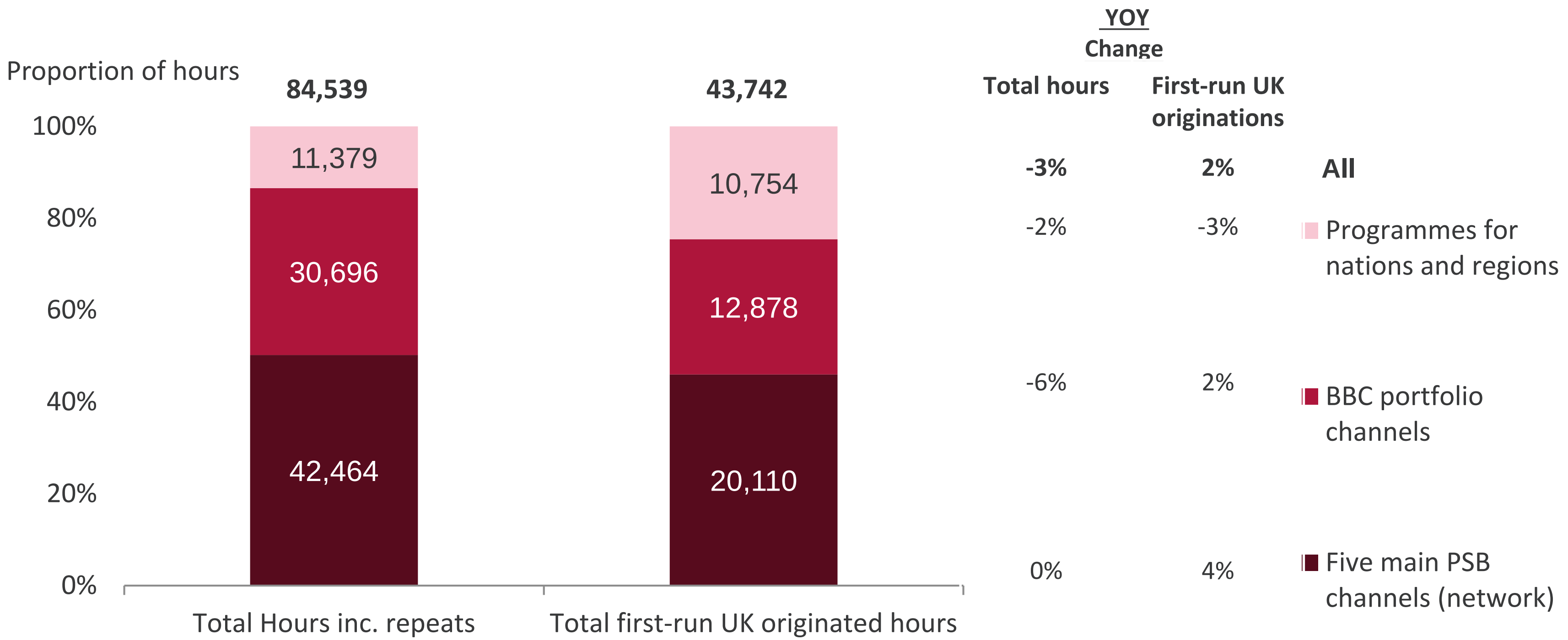


Source: Ofcom/broadcasters.

Note: Figures are expressed in real terms. Includes spend by the five main PSB channels and BBC portfolio channels on first-run originated content broadcast all day, and excludes nations/regions output.

Figure 2.23

Total and first-run UK originated hours of output on the PSB channels: 2016

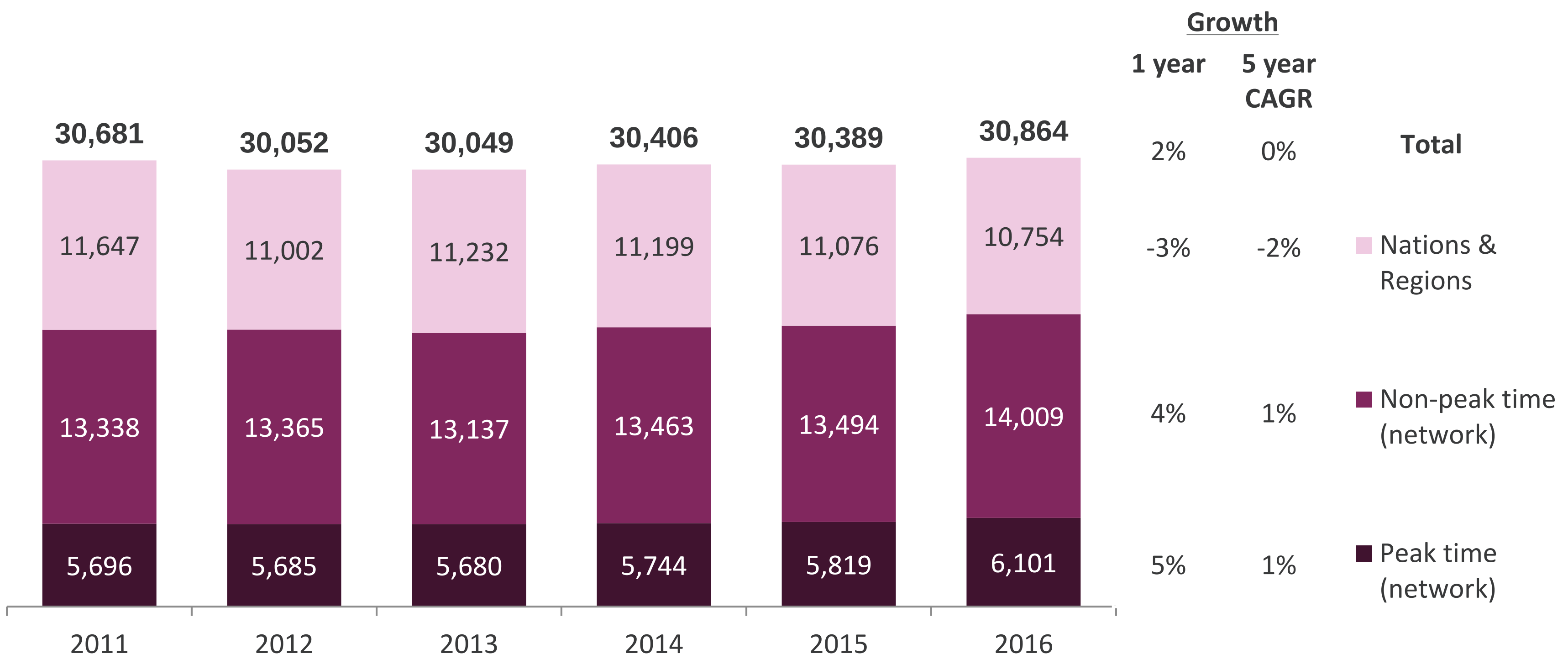


Source: Ofcom/broadcasters.

Note: ITV Breakfast is included within the figures for the five main channels. Regional hours exclude Welsh and Gaelic-language programming but include a small amount of Irish-language programmes.

Figure 2.24

Hours of first-run UK originated output on the five main PSB channels

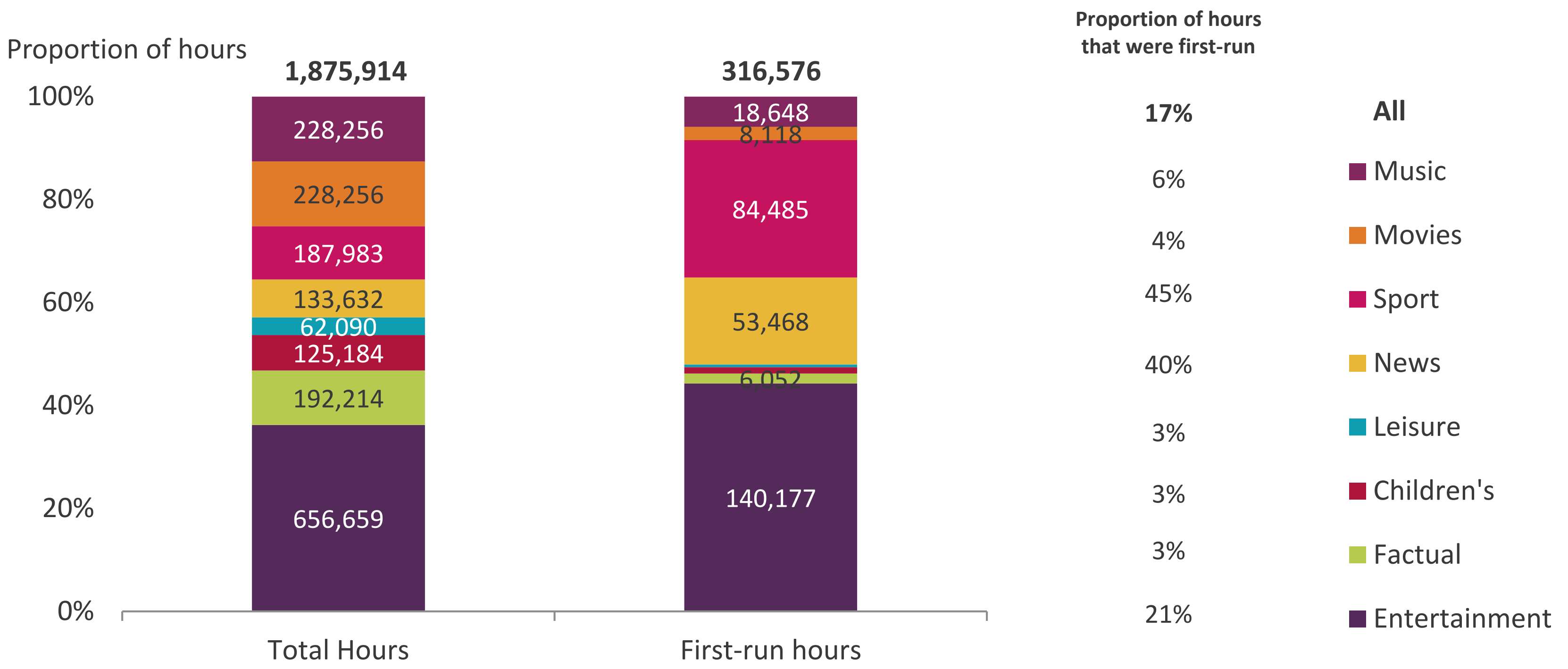


Source: Ofcom/broadcasters.

Note: Figures include ITV breakfast and a small amount of Irish-language programmes but do not include the BBC's portfolio channels, BBC Alba or S4C.

Figure 2.25

Total and first-run originated/acquired hours of output in the multichannel sector: 2016



Source: Ofcom/broadcasters.

Note: Broadcast hours exclude Sky Box Office and 'barker' channels which promote TV content. First-run hours include first-run in-house, commissioned and acquired content.

Figure 2.26

Summary of retail offerings from traditional pay-TV providers

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Provider	Retail offering
BT TV YouView	• **Overview**: BT TV only available when part of a triple play or quad play package. YouView box included. Choice of three main TV packages, all including the AMC channel. • **Movies**: Sky Cinema can be added to all TV packages. • **Sports**: All packages include BT Sport channels and Box Nation. Customers can add Sky Sports 1 & 2. • **VoD/out-of-home**: All packages include catch-up TV. BT TV App allowing out-of-home viewing included in some packages.
Sky (DSat)	• **Overview**: Range of DSat TV options available including standalone, triple and quad play packages. All packages include Sky entertainment channels. Packages come with a Sky Q box. Sky also retails OTT through NOW TV, which is available on a standalone or triple play basis. • **Movies**: All Sky Cinema channels available. • **Sports**: All Sky Sports channels available. Sky customers can also access BT Sport through a separate subscription with BT. • **VoD/out-of-home**: All TV bundles include catch-up TV and out-of-home viewing through Sky Go or the Sky Q app.
TalkTalk YouView	• **Overview**: TalkTalk TV packages only available when part of a triple play or quad play package. YouView box included. Choice of two TV packages, one of which includes six Sky channels. Various content “Boosts” available through both packages. • **Movies**: Sky Cinema channels available through Sky Cinema Boost. • **Sports**: Sky Sports channels available through Sky Sports Boost. TalkTalk customers can access BT Sport through a separate subscription with BT. It also offers a Box Nation boost. • **VoD/out-of-home**: Both packages include catch-up TV and out-of-home viewing through TV2Go App.
Virgin Media	• **Overview**: Range of TV options available including standalone, dual, triple or quad play packages. TV V6 TiVo box included. • **Movies**: Sky Cinema channels available. The VIP package offers Sky Cinema channels as standard, whereas other packages allow add-on purchases. • **Sports**: All Sky Sports and BT Sport channels available. Some packages include them as standard, whereas other packages allow add-on purchases. • **VoD/out-of-home**: All TV packages include catch-up TV and out-of-home viewing through Virgin TV Anywhere.

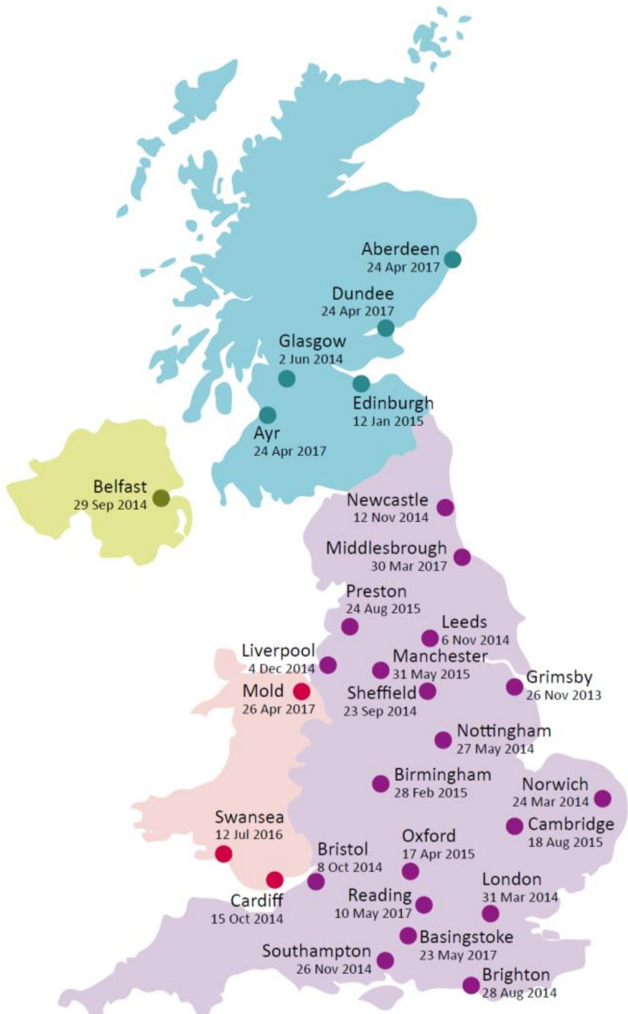
Figure 2.27

Summary of Sky Sports and BT Sport availability from pay-TV providers

	BT TV (YouView)	Sky (DSat)	Virgin Media	TalkTalk YouView	Other
Sky Sports 1&2	✓	✓	✓	✓ (no HD)	×
Sky Sports 3, 4, 5 & F1	×	✓	✓	✓ (no HD)	×
NOW TV (Sky Sports passes)	×	×	×	×	✓ EE TV
BT Sport Pack (all BT Sport channels)	✓	✓ (BT retails)	✓	✓ (BT retails)	✓ Plusnet TV

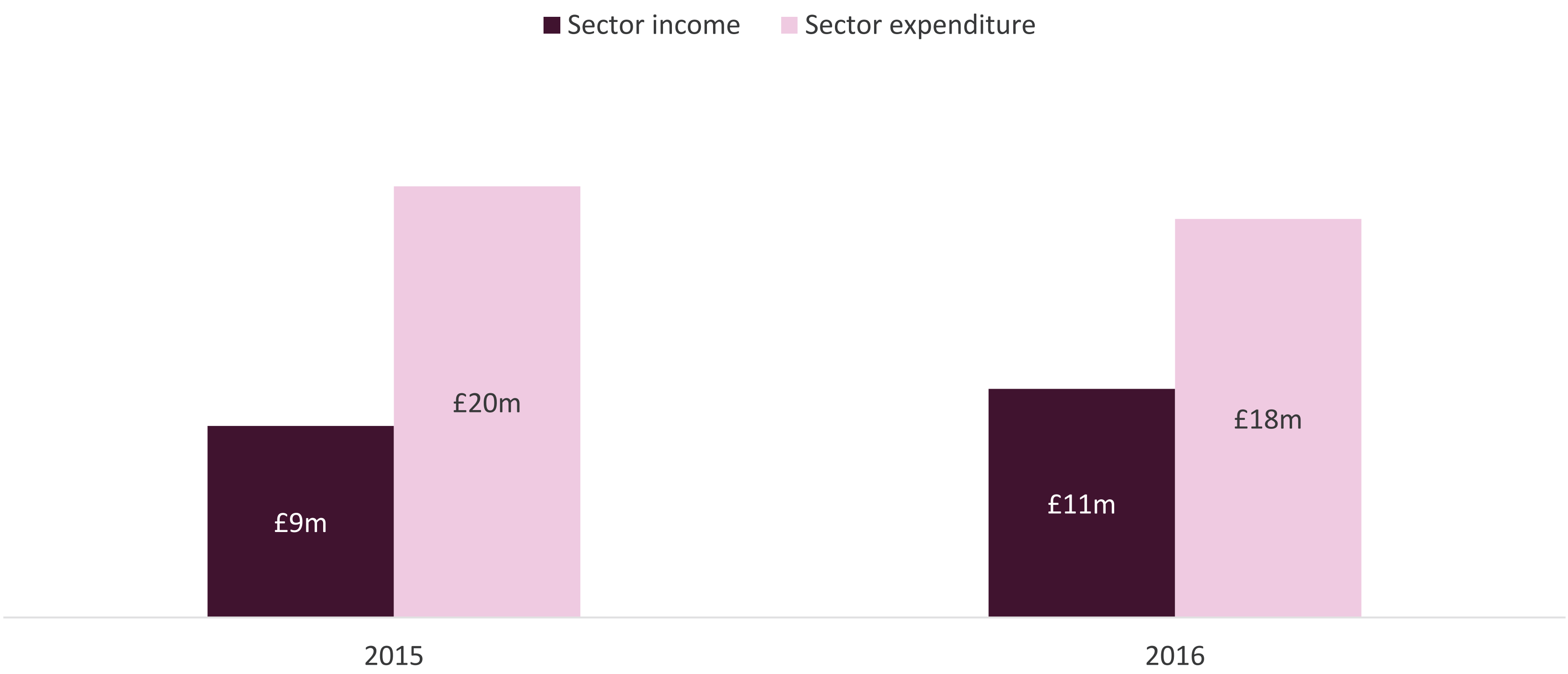
Figure 2.28

Launch dates of local TV services up to 31 May 2017



Source: Ofcom

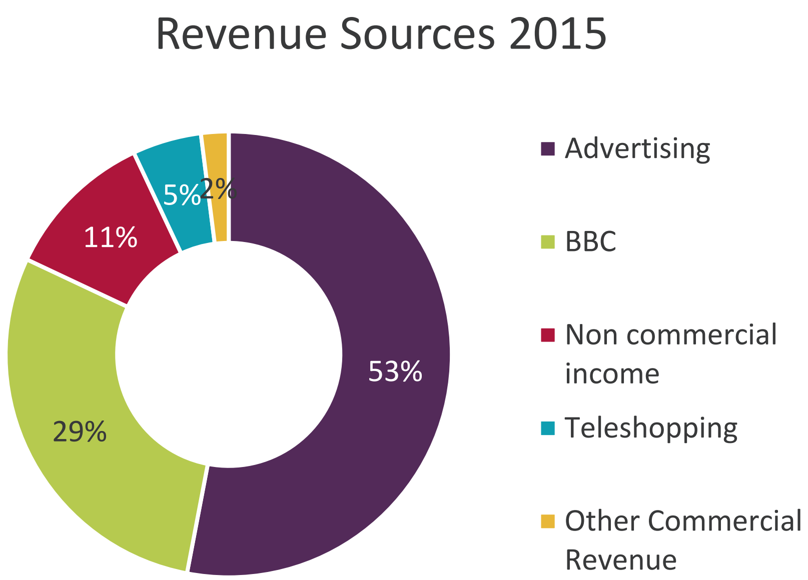
Figure 2.29
Local television revenue by source

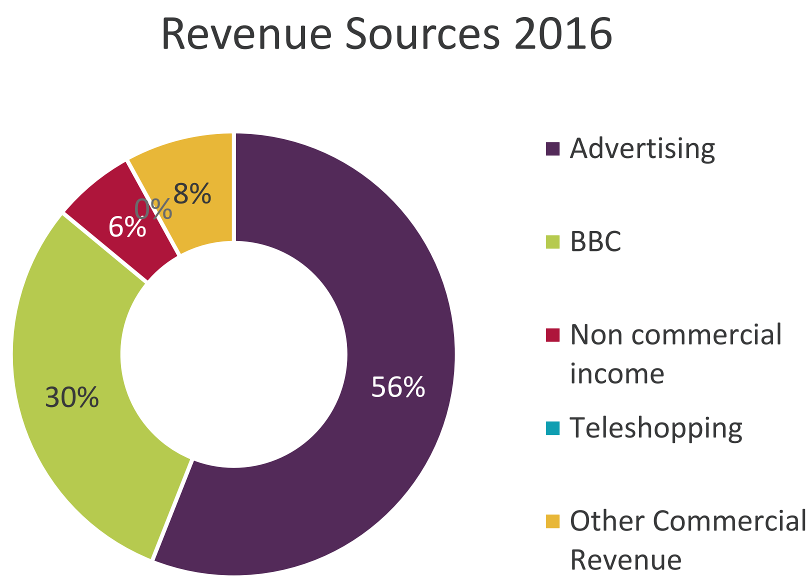


Source: Ofcom / broadcasters.

Note: Includes all channels operating in the year. Figures expressed in real terms.

Figure 2.30
Local television revenue by source

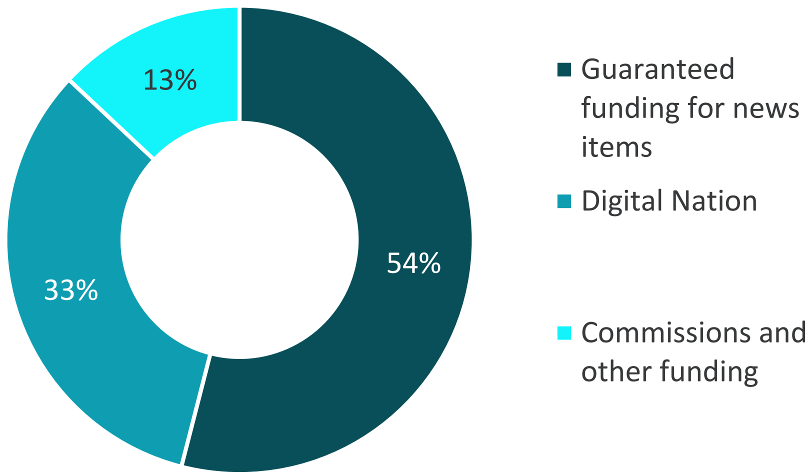




Source: Ofcom/broadcasters. Includes all channels operating in the year. Advertising income comprises national and local advertising. Non-commercial income is self-defined by the services in their who completed the local return form. It includes, for example, grants and revenue from media training services. Other commercial income is also self-defined by the services in their that completed the local return form. It includes commissions, production services, content sales, sponsorship, telephone competitions, digital sales and training fees.

One service was only able to provide income and expenditure figures for the last quarter of 2016 despite being on air for the full year. All other services provided full year figures for 2016.

Figure 2.31
Local television derived from the BBC: 2016



Source: Ofcom/broadcasters.

Note: Includes all channels operating in any part of the year

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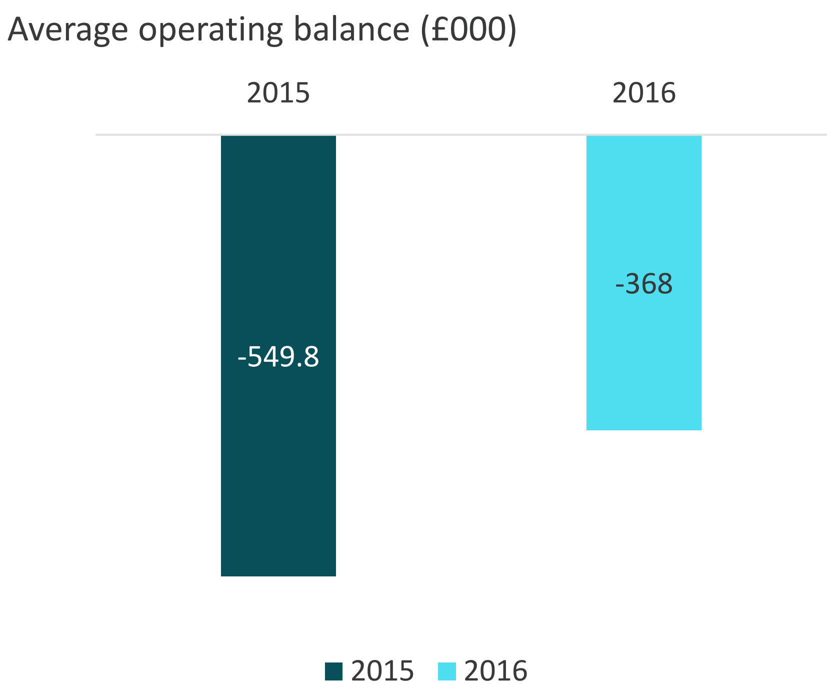
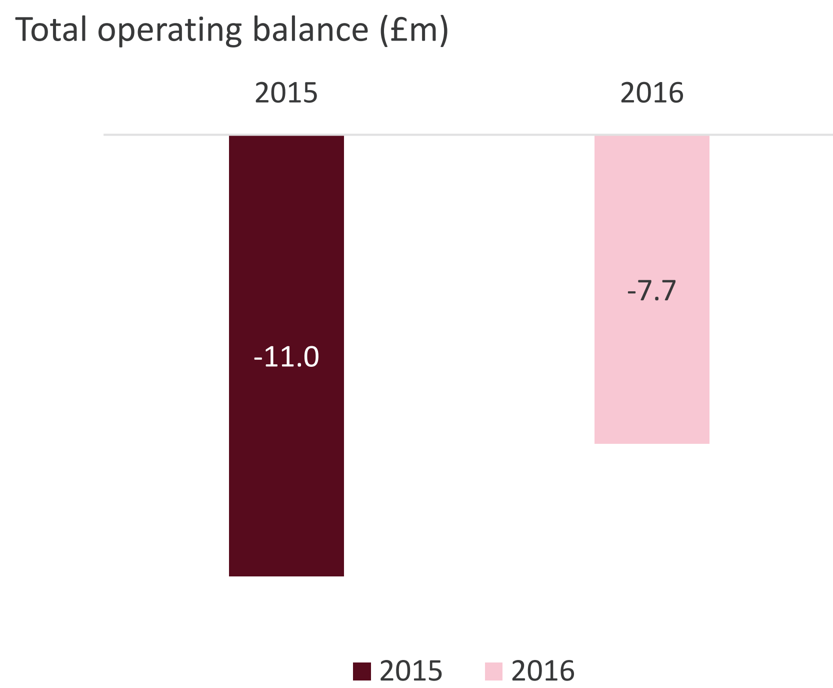
Figure 2.32

Average and total local TV sector operating balances: 2015 - 2016



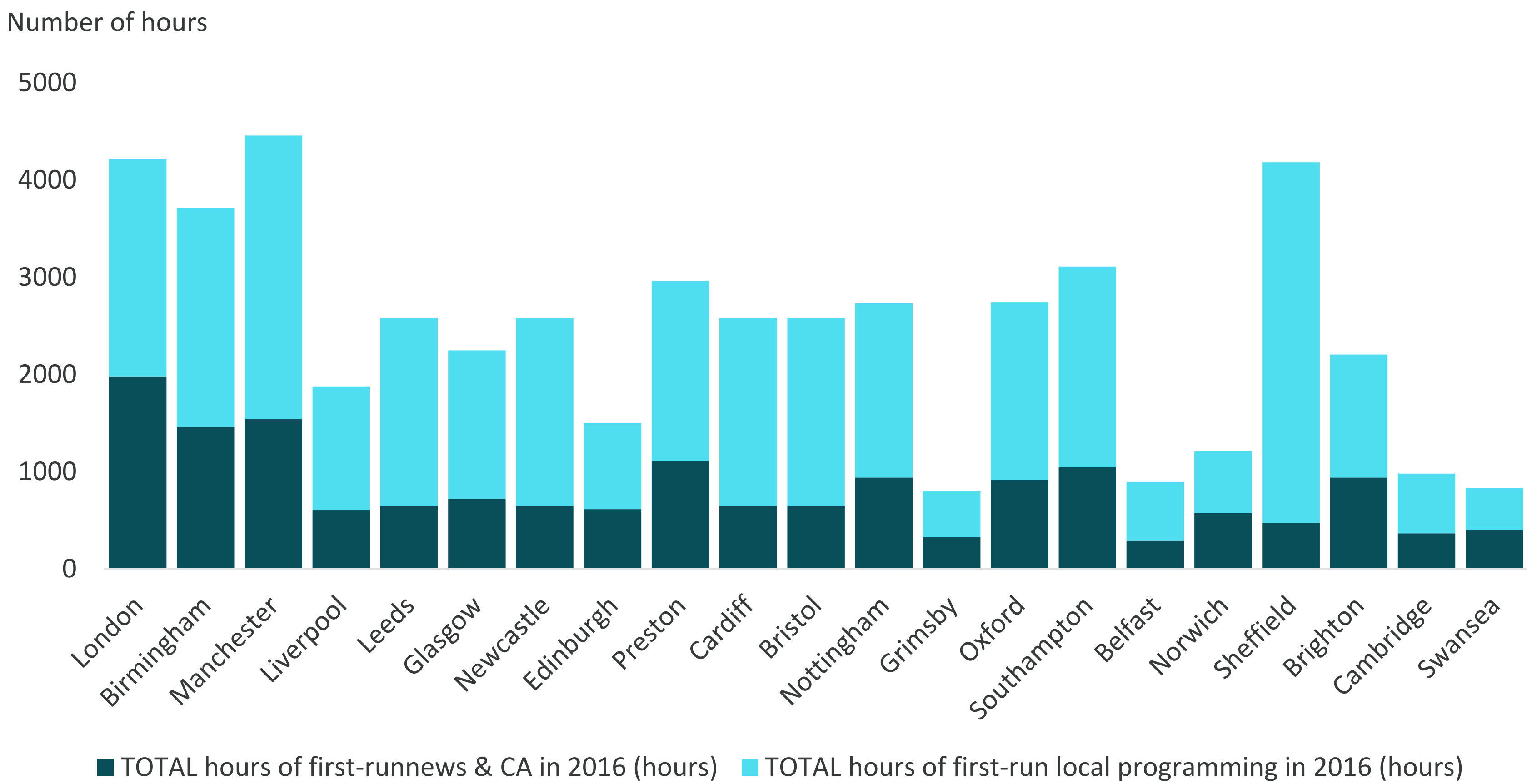


Source: Ofcom/broadcasters. Includes all channels operating in the respective year

One service was only able to provide income and expenditure figures for the last quarter of 2016 rather than for the full year that they were broadcasting. All other services provided figures for the full year. All figures expressed in real terms.

Figure 2.33

Hours of first-run local programming on local television services: 2016



Source: Ofcom/broadcasters.

Figures calculated on the basis of the hours that were required in 2016 according to the respective licences, with the addition of the average weekly under- or over-delivery reported by the service in its annual local return

Swansea launched 12th July 2016, all other channels broadcast for the full year

Figure 2.34
Platform availability of local TV services broadcasting in 2016

Channel location	Sky	Freesat	Virign Media	Internet	DTT
London	✓		✓	✓	✓
Birmingham			✓	✓	✓
Manchester					✓
Liverpool			✓	✓	✓
Leeds	✓		✓	✓	✓
Glasgow	✓		✓	✓	✓
Newcastle	✓		✓	✓	✓
Edinburgh	✓		✓	✓	✓
Preston					✓
Cardiff	✓		✓	✓	✓
Bristol	✓		✓	✓	✓
Nottingham	✓		✓	✓	✓
Grimsby			✓	✓	✓
Oxford					✓
Southampton					✓
Belfast			✓	✓	✓
Norwich			✓	✓	✓
Sheffield			✓	✓	✓
Brighton			✓	✓	✓
Cambridge			✓	✓	✓
Swansea			✓	✓	✓

Source: Ofcom/ broadcasters.

Figure 2.35

Local TV channels included in BARB reporting: 2016

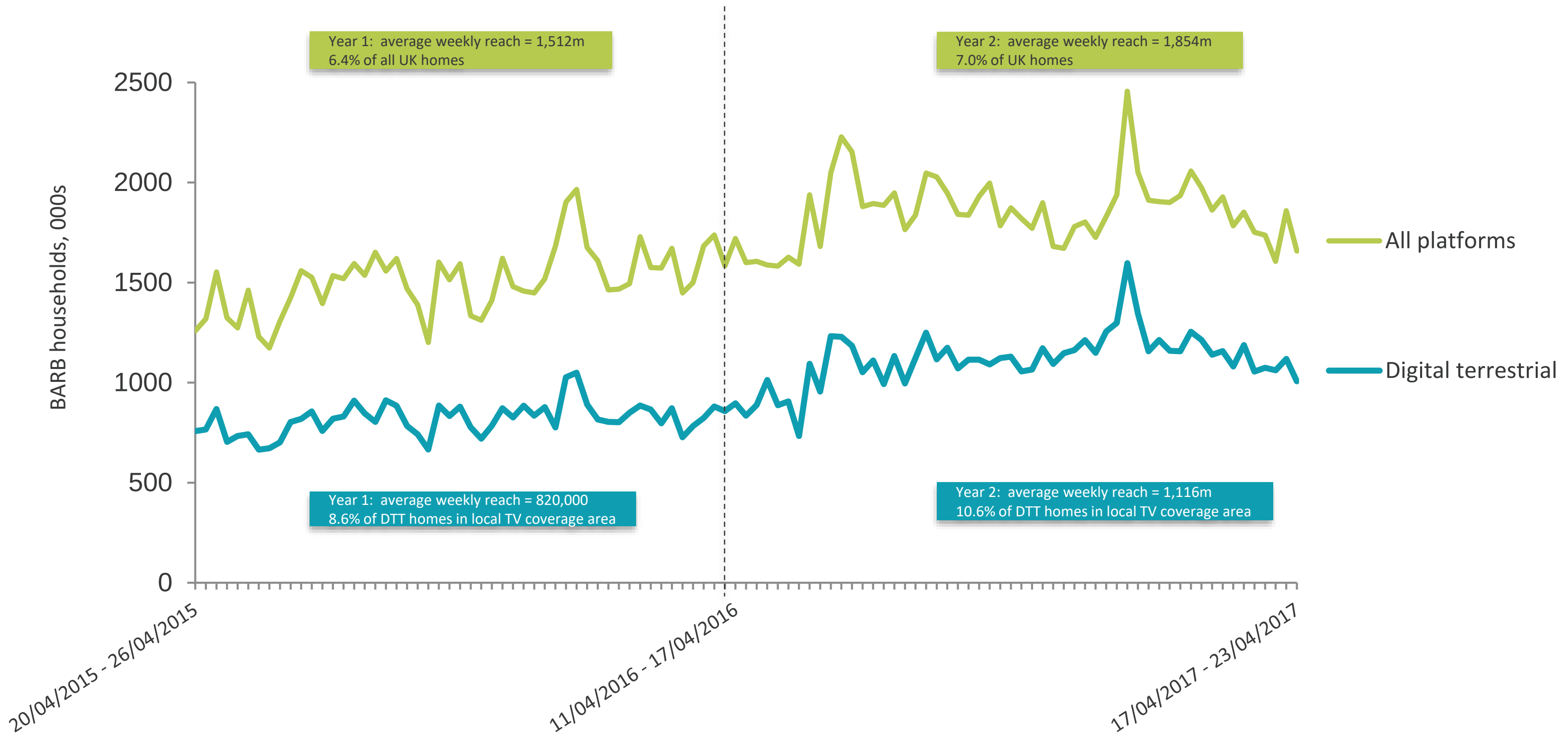
Channel group	Channels	Start reporting date
Local TV network	Estuary TV	20 April 2015
	Latest TV	20 April 2015
	Notts TV	20 April 2015
	NVTV Belfast	20 April 2015
	Sheffield Live TV	20 April 2015
Made TV network	Made in Bristol	20 April 2015
	Made in Leeds	20 April 2015
	Made in Cardiff	20 April 2015
	Made in Newcastle	20 April 2015
	Made in Liverpool (was Bay TV Liverpool)	15 June 2015
	Made in Birmingham	13 June 2016
STV City	STV Glasgow	02 June 2014
	STV Edinburgh	12 January 2015
London Live	London Live	31 March 2014

Source: BARB

BARB reported channels across the analysis period of 20 April 2015 to 23 April 2017. No channels ceased reporting across the analysis period. The channel groupings are as of May 2017.

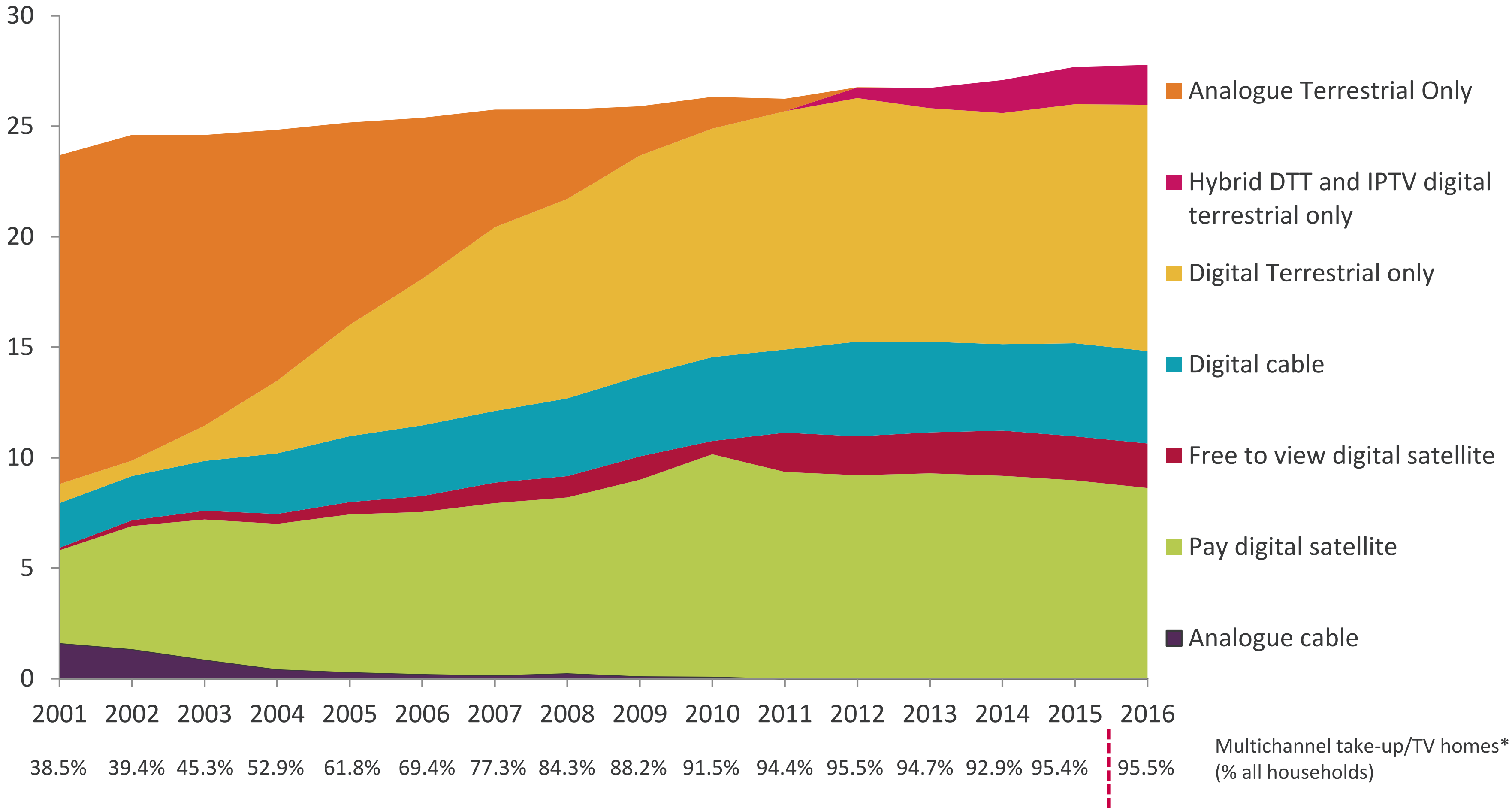
Figure 2.36

Average weekly three-minute reach of local TV stations: April 2015-April 2017



Source: BARB, all UK homes, 20/04/2015 to 23/04/2017. Based on viewing through the reception mode of DTT and all platforms (DTT/DSAT/DCAB and online via TV and peripherals). Reach criteria of 3 minutes or more consecutive viewing. Full weeks used for the correct calculation of averages. The DTT homes weekly reach % in the local TV coverage area has been calculated by using Ofcom estimates of the DTT homes population for the BARB measured local TV channels combined on 20 April 2016 and 20 April 2017.

Figure 2.37
Platform take-up: 2001-2016



Source: BARB Establishment Survey. Household level data, all TV sets in home therefore there are platform overlaps. Notes: Data points are based on Q4 of each year. *From October 2012 digital switchover was completed across the UK. From 2013 onwards, data therefore refers to TV households as a % of all households.

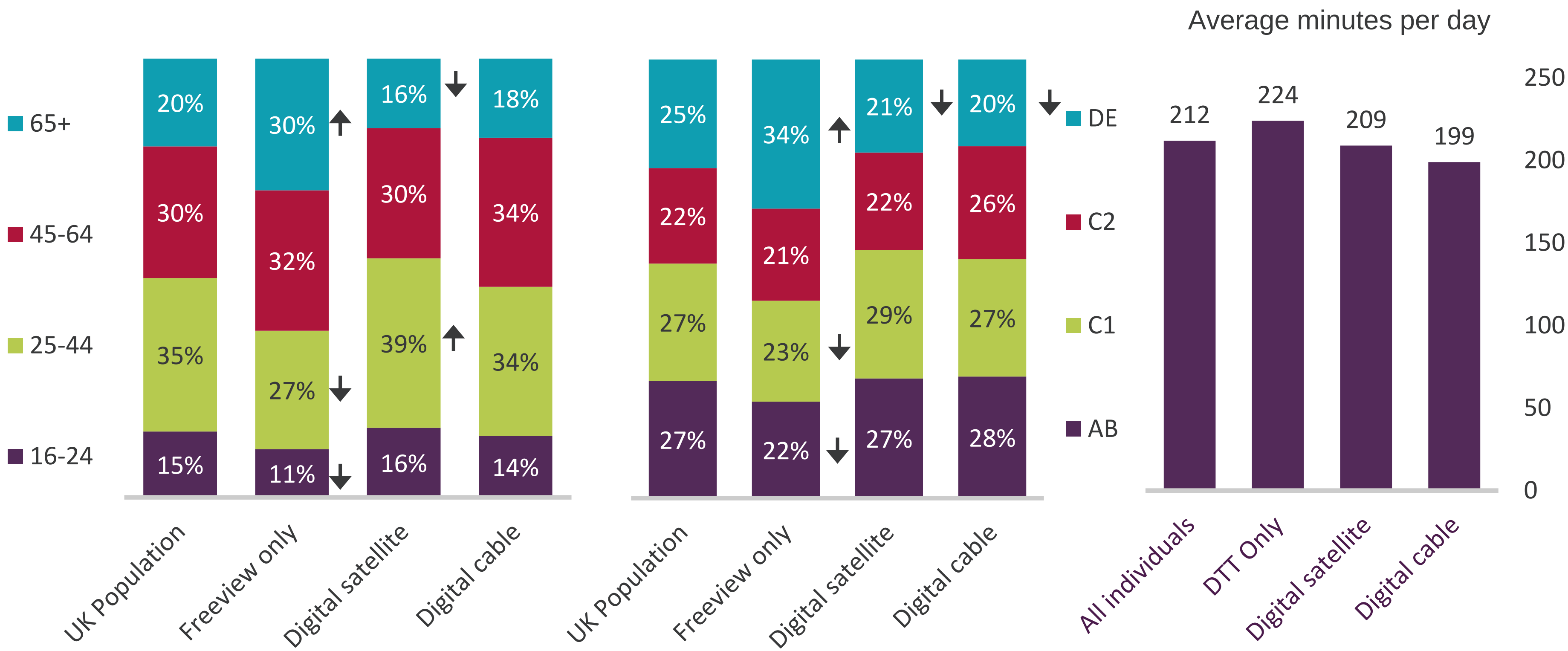
BARB changed their methodology on the definition of a TV set owning household in Q4 2012. Essentially, a home was defined as a TV home if it owned a TV set and that it had been used to watch TV programmes in the last six months. From Q4 2015 the claimed usage element was removed which led to an increase in the TV set homes population.

Digital terrestrial TV = receives digital TV through an aerial and not through DSAT/DCAB or other platforms.

IPTV digital terrestrial only = receives digital terrestrial TV through any of BT TV/TalkTalk/YouView and not DSAT/DCAB/Other platforms.

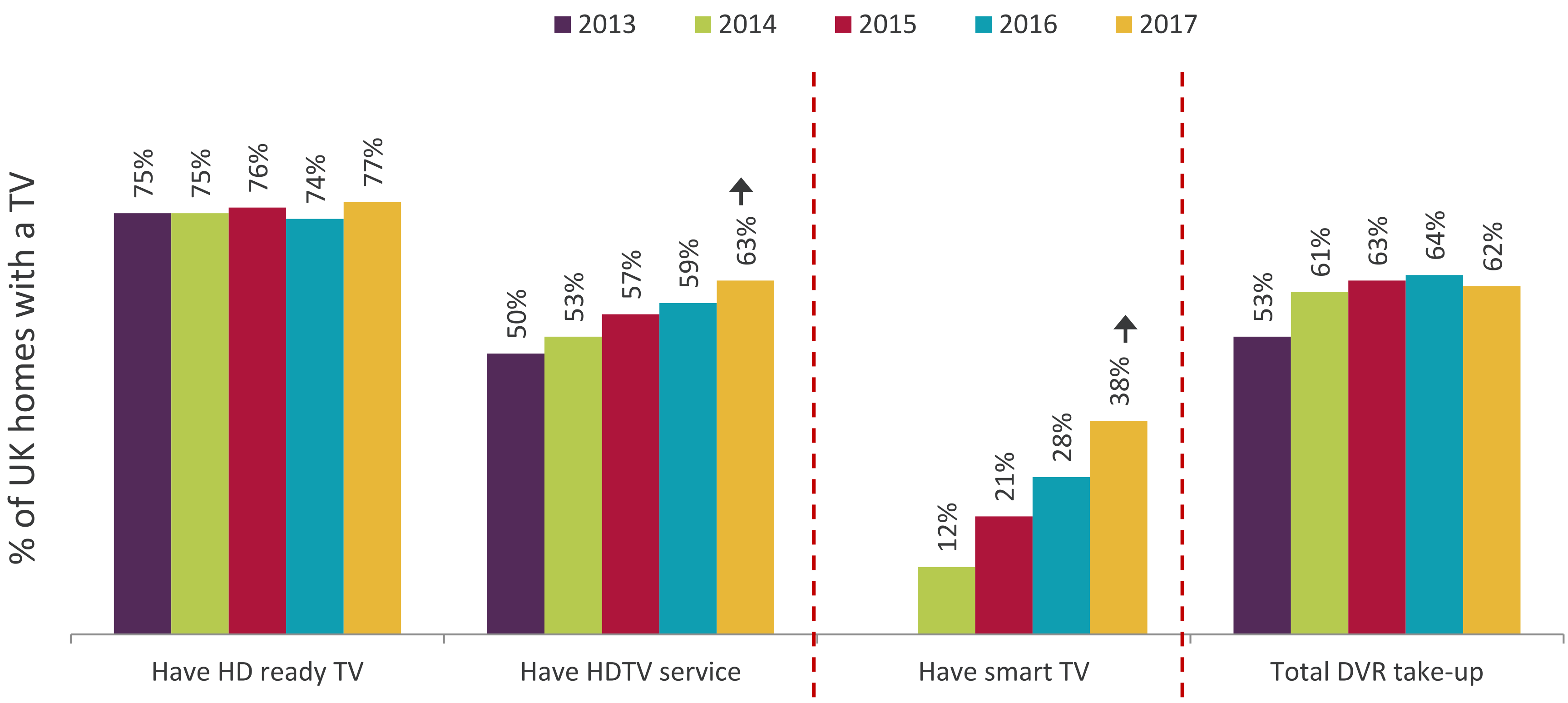
Figure 2.38

Platform demographics by age, socio-economic group and viewing hours



Source: Ofcom Technology Tracker, Half 1 2017; and BARB 2016 data
Significance testing: Arrows indicate any significant differences at the 95% confidence level between UK and TV service platforms in 2017.

Figure 2.39
Take-up of HDTV sets and HD services, smart TVs and DVRs



Source: Ofcom Technology Tracker, data as at Q1 2014, then H1 2015-2017

Base: All adults aged 16+ with a TV in the household: 2013 (3661), 2014 (3635), 2015 (3616), 2016 (3606), 2017 (3564)

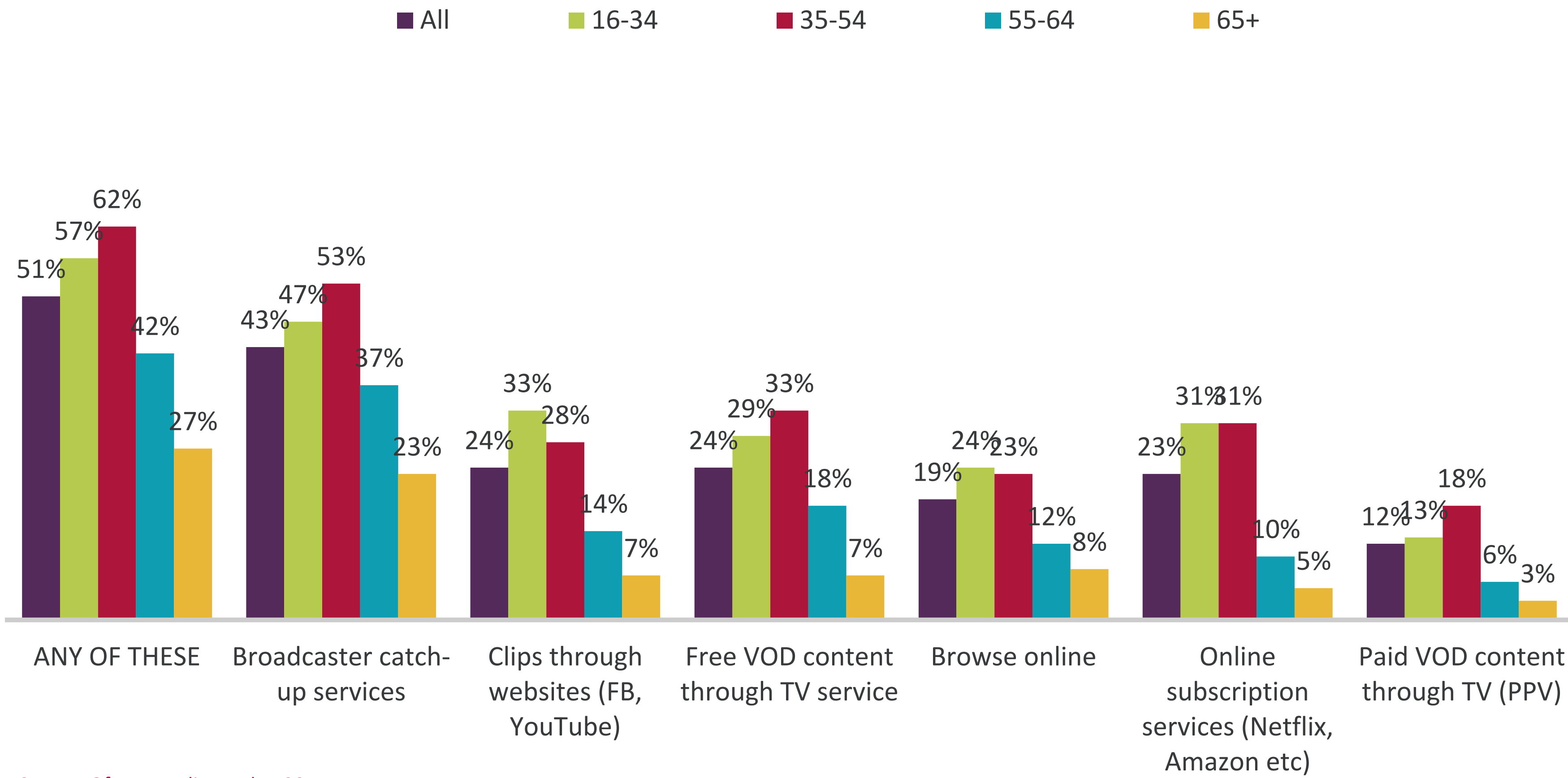
Significance testing: Arrows indicate any significant differences at the 99% confidence level between UK 2016 and UK 2017.

QH3 (QH53): Is the main TV in your household an HDTV set or HD ready?/ QH4 (QH54): Although you have an HDTV-ready set, to actually watch TV channels and programmes that are broadcast in high definition, you need an HD set-top box or a TV with built-in HDTV receiver. For the main TV set, does your household have an HDTV service - from either Sky, Virgin Media, Freesat or Freeview?/ QH17 (QH62): Are any of your TV sets 'smart TVs'?

QH11A/B (QR1A/H): Does your household have Sky+/ Sky Q?/ QH11C (QR1B): Does your household have Virgin TiVo (pronounced tee-vo) or V+?/ QH11D/E/G (QR1C/D/E): Does your Freesat/ Freeview box of Freeview TV/ broadband TV service allow you to record and store TV programmes, and also pause and rewind live TV programmes?

Figure 2.40

Activities undertaken on a connected TV, by age



Source: Ofcom Media Tracker 2015.
Base: All respondents in 2015 (2,107); aged 16-34 (620), 35-54 (675), 55-64 (344), 65+ (468).
Q7/ Q9C/ Q10C/ Q11C/ Q13 - And which, if any of these devices have been connected to your home broadband service as well as a TV set in the home in the last 12 months to view something on the TV screen? Q14A-H/ Q15 – Which, if any, of these activities have you used your device for in the last 12 months when connected to a TV?

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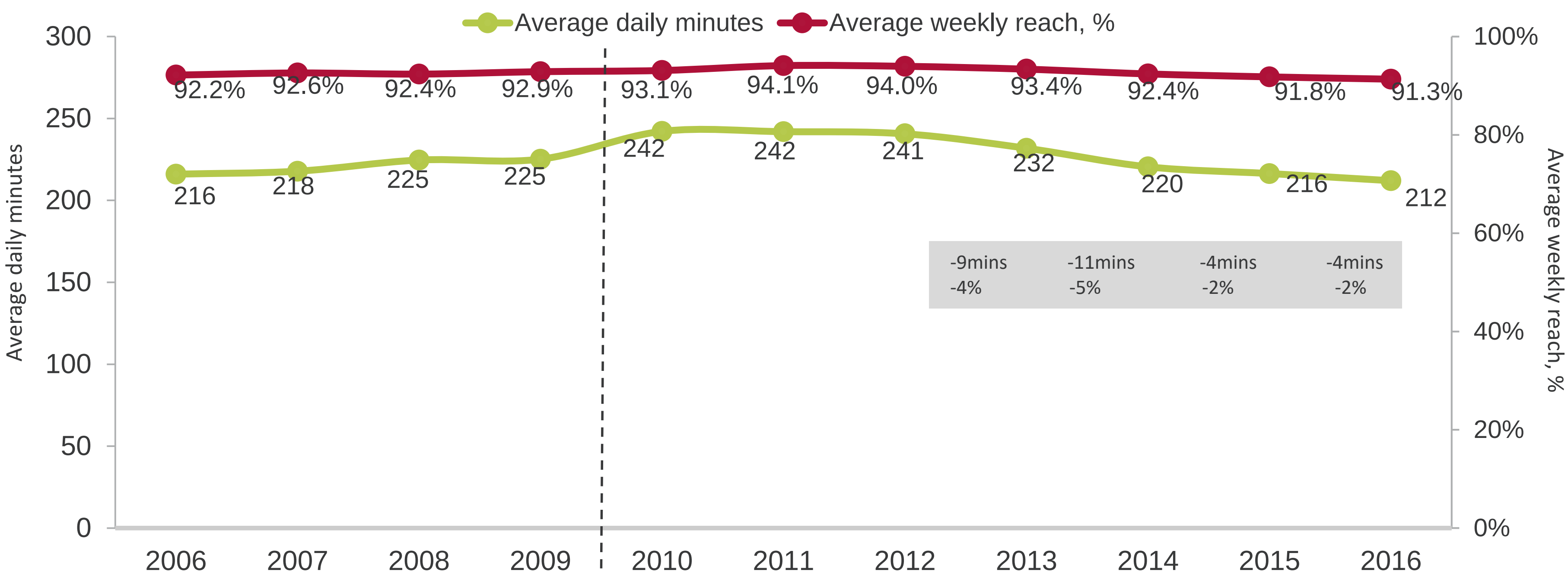
Figure 2.41

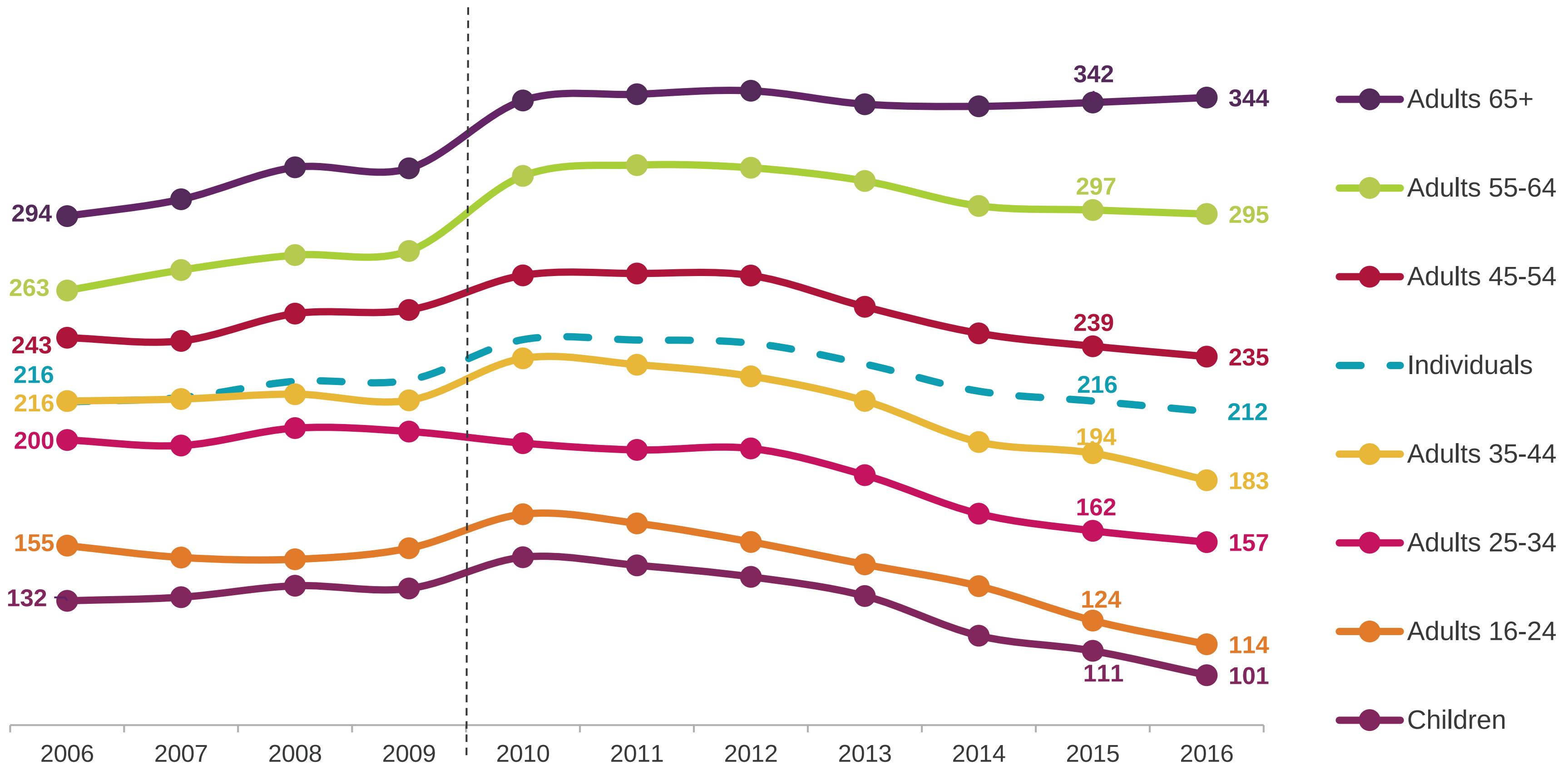
Average weekly reach and average daily minutes of TV: 2006-2016



Source: BARB, individuals 4+, network, total TV. Reach criteria: 15+ consecutive minutes of viewing at least once in the average week. Full weeks used for the correct calculation of averages. Note: New BARB panel introduced 1 Jan 2010. Therefore pre- and post-panel change data must be treated with some caution (see dotted line).

Figure 2.42

Average minutes of daily viewing by age - total TV, 2006-2016



Source: BARB, network. A new BARB panel was introduced 1 Jan 2010 therefore pre and post panel change must be treated with some caution.

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Figure 2.43

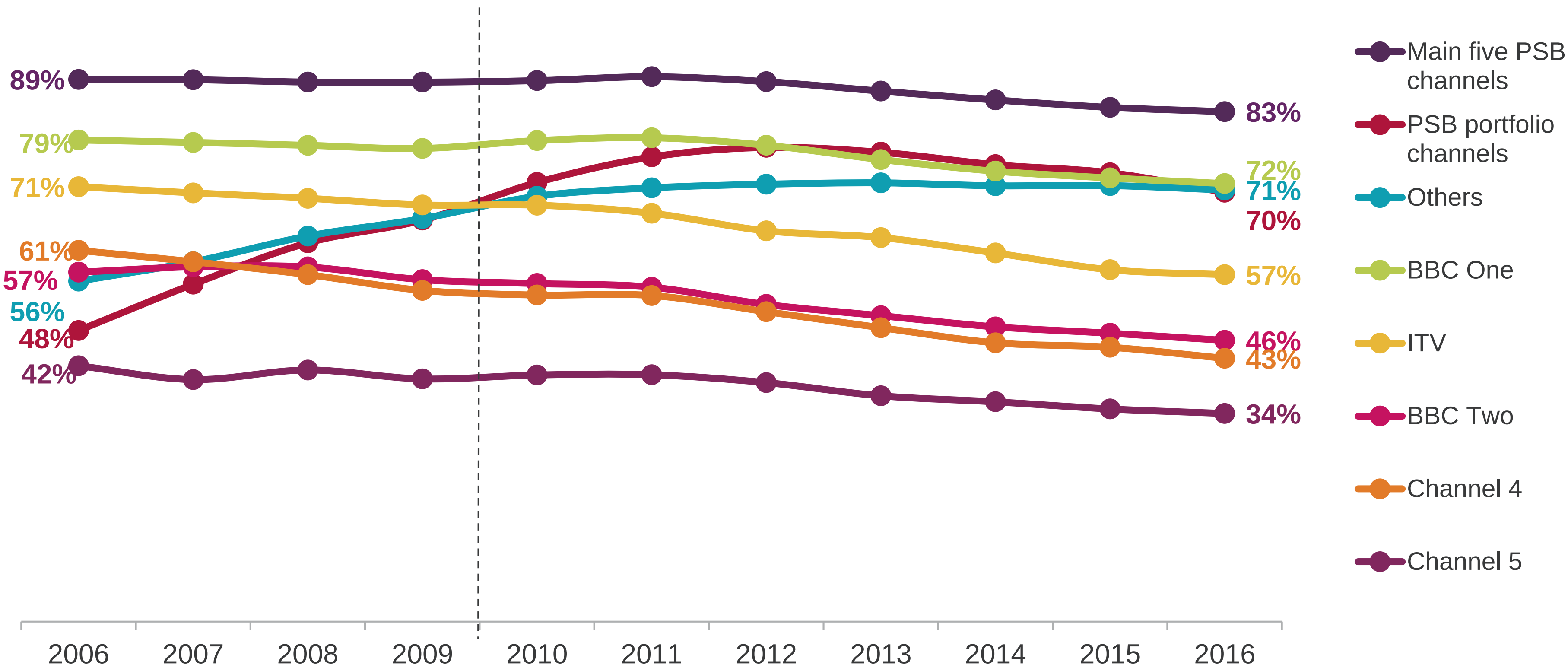
Average weekly reach of total TV, by age group: 2006-2016

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Individuals 4+	92%	93%	92%	93%	93%	94%	94%	93%	92%	92%	91%
Children (4-15)	89%	91%	90%	91%	90%	92%	92%	91%	88%	87%	86%
Adults 16-24	83%	83%	82%	83%	85%	87%	86%	85%	83%	82%	80%
Adults 25-34	92%	92%	91%	92%	91%	93%	93%	92%	90%	89%	89%
Adults 35-44	94%	94%	94%	94%	95%	95%	95%	94%	94%	93%	93%
Adults 45-54	94%	95%	95%	96%	96%	96%	96%	96%	95%	95%	95%
Adults 55-64	95%	96%	96%	96%	96%	97%	97%	97%	96%	96%	96%
Adults 65+	96%	96%	96%	96%	97%	97%	97%	97%	97%	97%	97%

Source: BARB, network. Reach criteria: 15+ consecutive minutes. A new BARB panel was introduced 1 Jan 2010, therefore pre and post panel change must be treated with some caution .

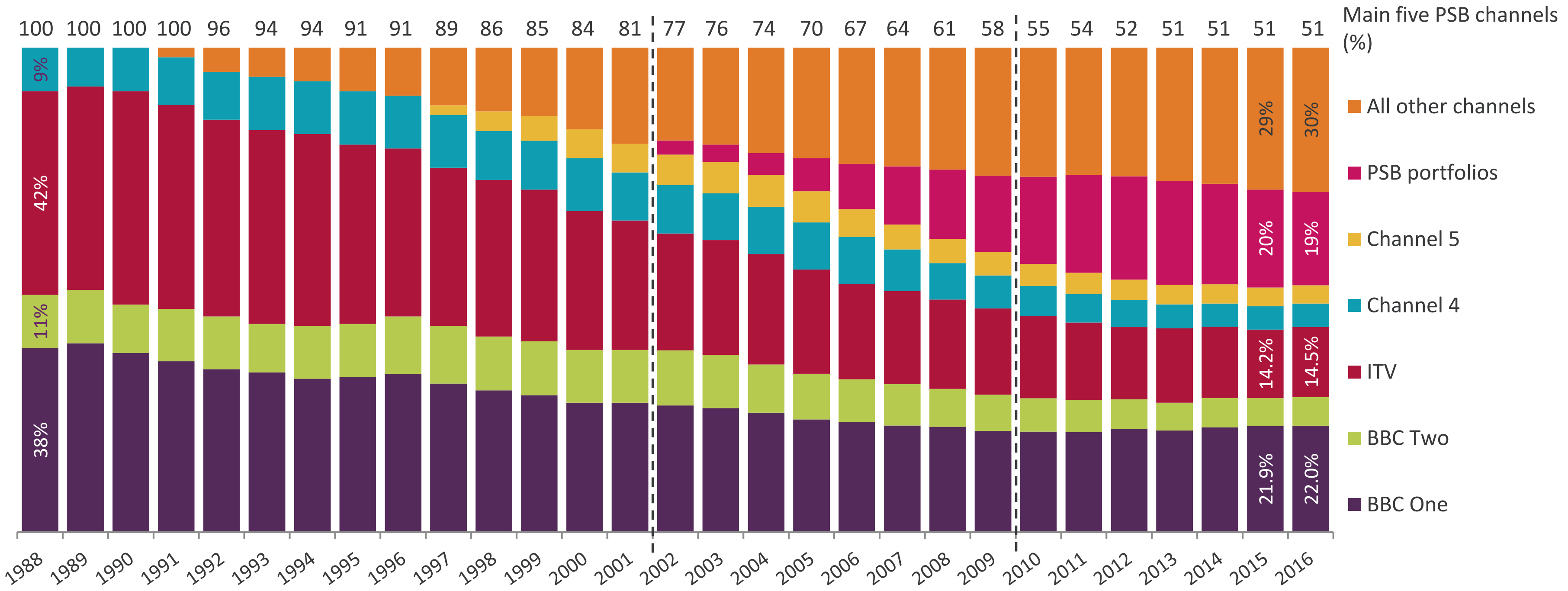
Figure 2.44

Average weekly TV reach, by channel: 2006-2016



Source: BARB. All individuals (4+), Network. Reach criteria: 15+ minutes of consecutive viewing. A new BARB panel was introduced in 2010 therefore pre and post panel change must be treated with some caution. *Note*: Following digital switchover in Wales in 2010 S4C ceased to carry Channel 4 content. S4C is therefore included in the Channel 4 figure in and before 2009 but not from 2010 onwards. S4C (inc HD) weekly reach in 2016 was 0.4% (all homes). The main five PSB channels include viewing to their HD channel variants but exclude viewing to their +1 channels (which are part of the PSB portfolio group). 'Others' = all channels apart from the main five PSBs and their portfolio channels.

Figure 2.45
Channel shares in all homes: 1988-2016



Source: BARB, TAM JICTAR and Ofcom estimates, individuals (4+). Notes: new BARB panels were introduced in 2002 and 2010, therefore, pre- and post-panel change data must be compared with some caution (see dotted lines); following digital switchover in Wales in 2010 S4C ceased to carry Channel 4 content, S4C is therefore included in the Channel 4 figure in and before 2009 but not from 2010 onwards (S4C share in 2016 = 0.1% of all homes); the main five PSB channels include viewing to their HD channel variants but exclude viewing to their +1 channels.

Figure 2.46

Age and socio-economic audience profile of the 20 most-viewed channels: 2016

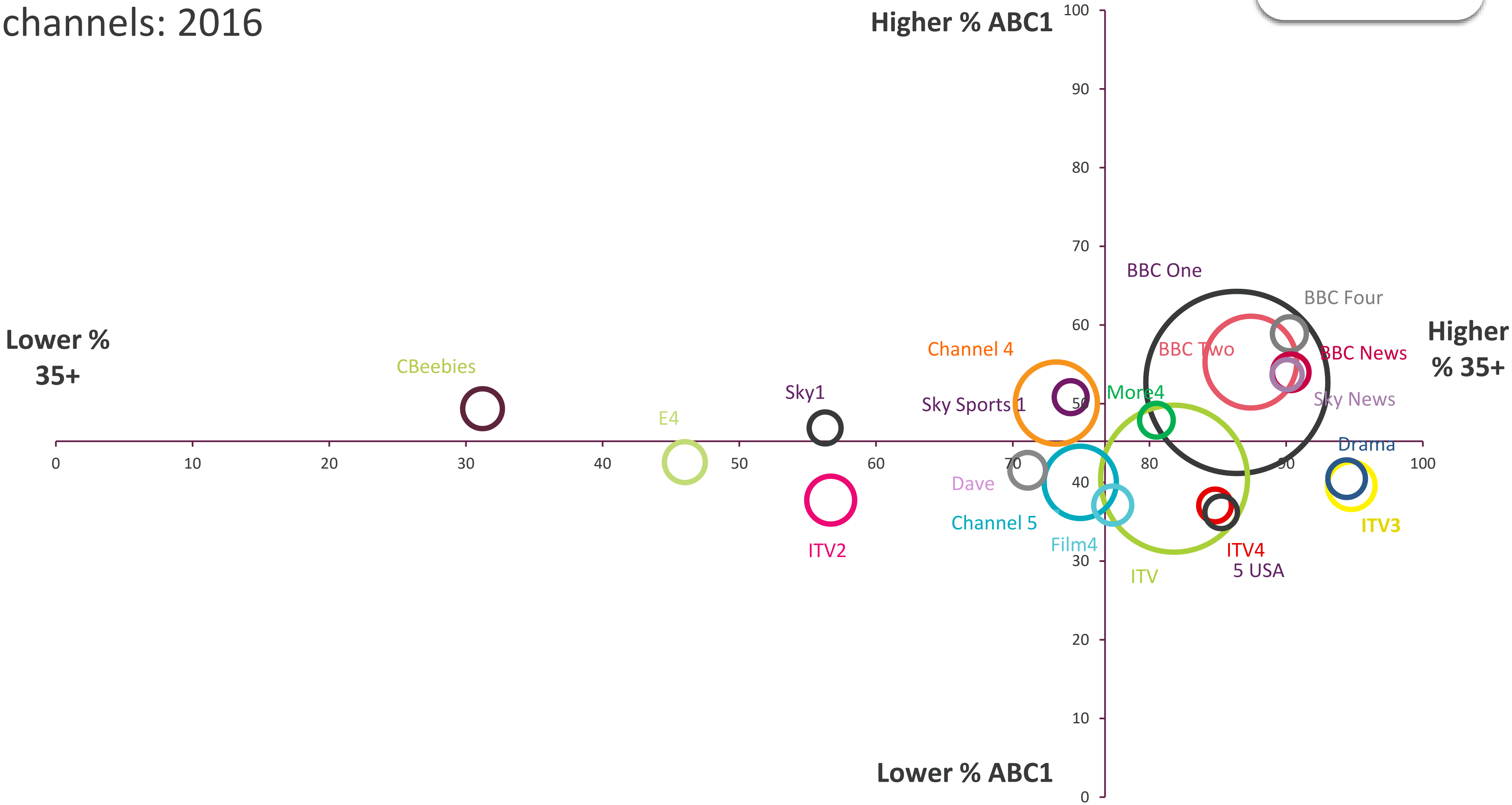
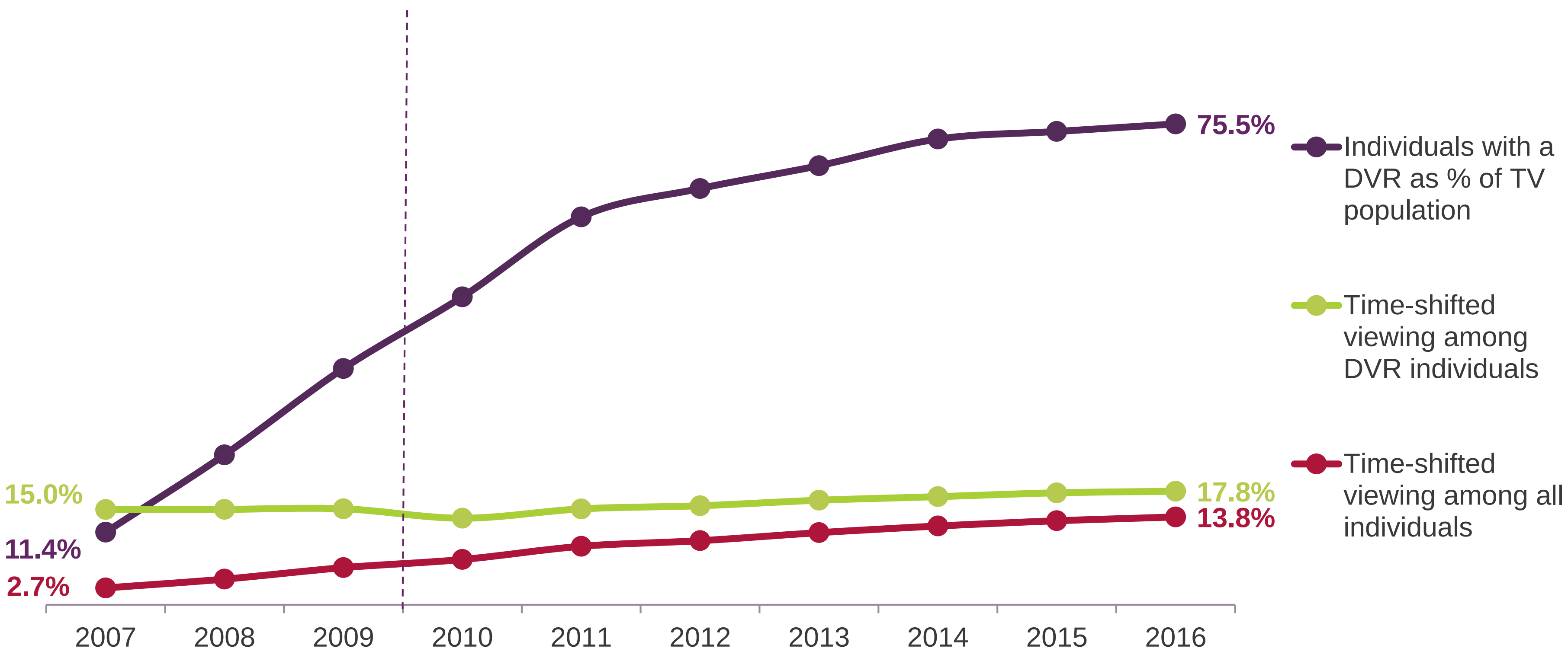


Figure 2.47

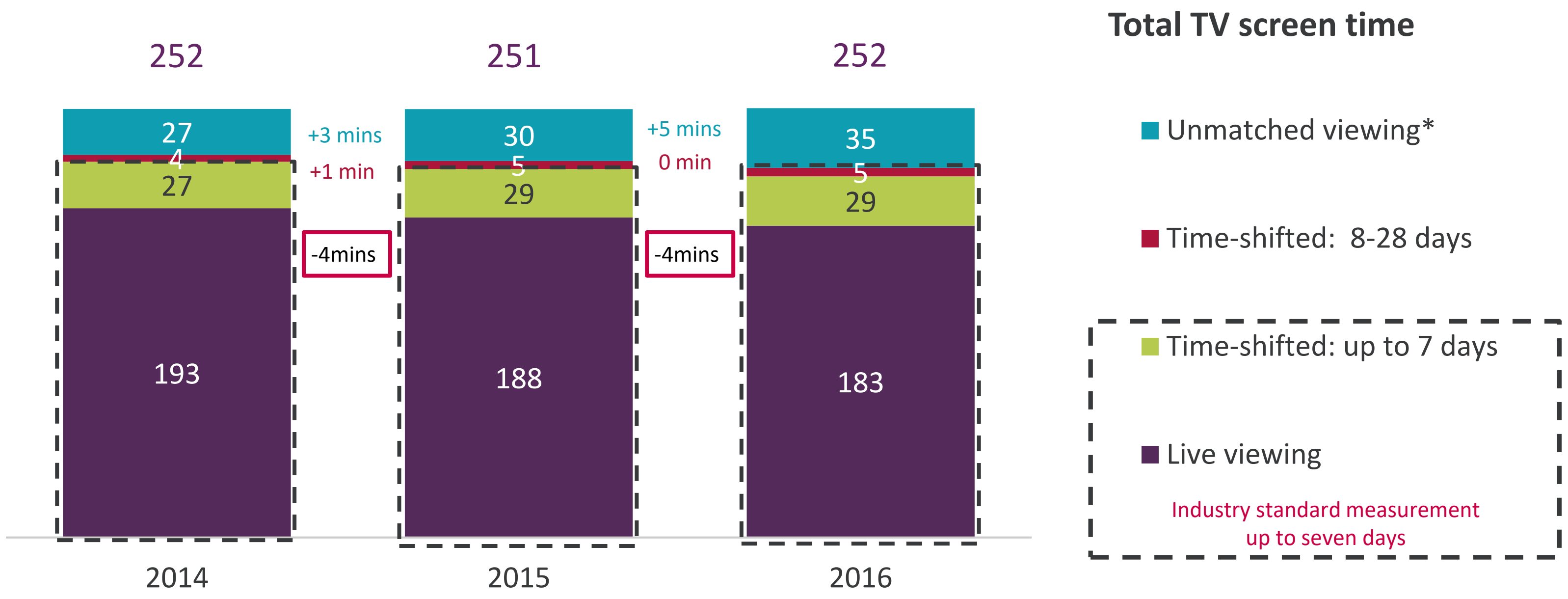
DVR take-up and time-shifted viewing: all individuals, and individuals in DVR homes: 2007-2016



Source: BARB, individuals 4+, network. A new BARB panel was introduced in 2010 therefore pre and post panel change must be treated with some caution. Based on viewing up to seven days after initial transmission.

Figure 2.48

Average daily minutes of TV screen time, by activity type: 2014-2016

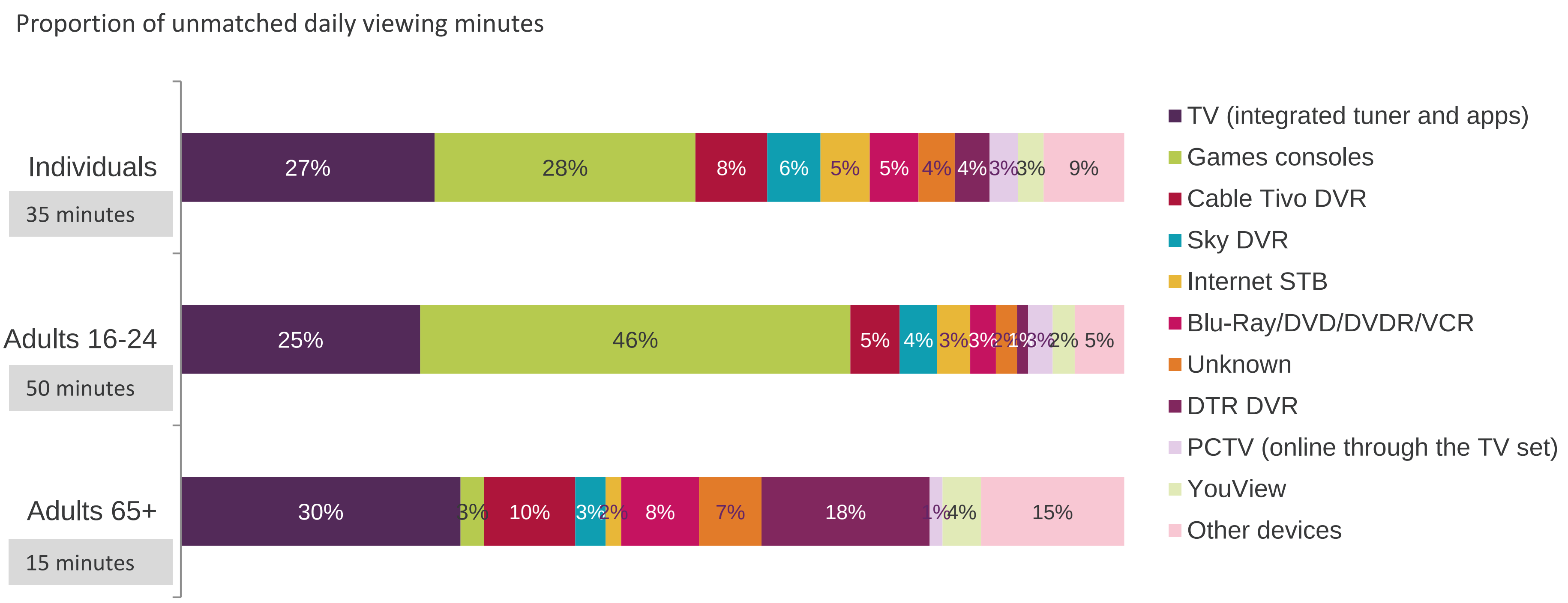


Source: BARB, individuals 4+.

*Note: Unmatched viewing = TV in use but content cannot be audio-matched or otherwise identified. Includes gaming, viewing to DVDs/box sets/archives, SVoD, time-shifted viewing beyond 28 days, apps on smart TVs and navigation around EPG guides where there is no in-picture broadcast content. Audio-matched digital radio stations (which accounted for 2 minutes of viewing time per person a day in 2016) are excluded. Unmatched viewing has been reported by BARB since July 2013. At the time of writing, it is not possible to analyse unmatched content further by the type of device used. Dotted line marks difference between BARB gold standard industry data and the eight-28 day time-shifted and unmatched viewing.

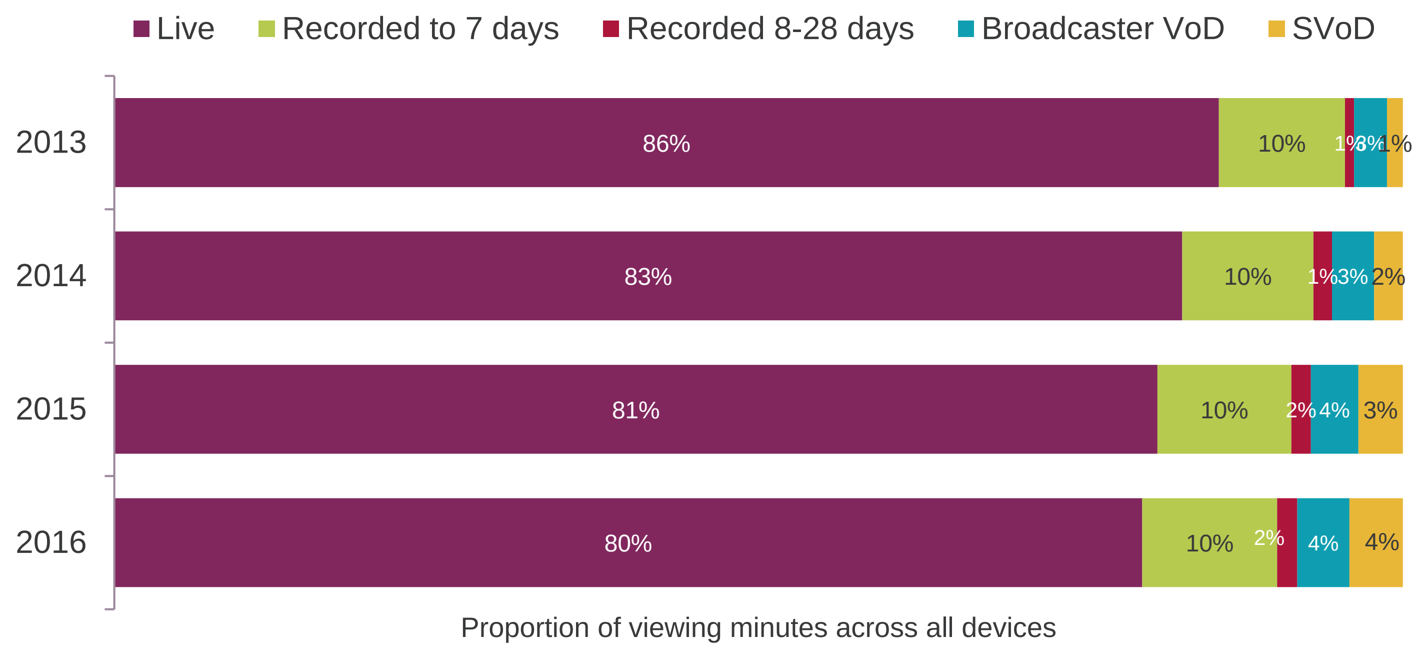
Figure 2.49

Unmatched activity on the TV set, by device used : 2016



Source: BARB. Unmatched viewing by device use, based on average daily minutes of viewing in 2016. Unmatched: TV in use but content cannot be audio-matched or otherwise identified. Includes gaming, viewing DVDs/ box sets/archives, SVoD, time-shifted viewing beyond 28 days, apps on smart TVs and navigation around EPG guides where there is no in-picture broadcast content. Chart figures may not add up due to rounding.

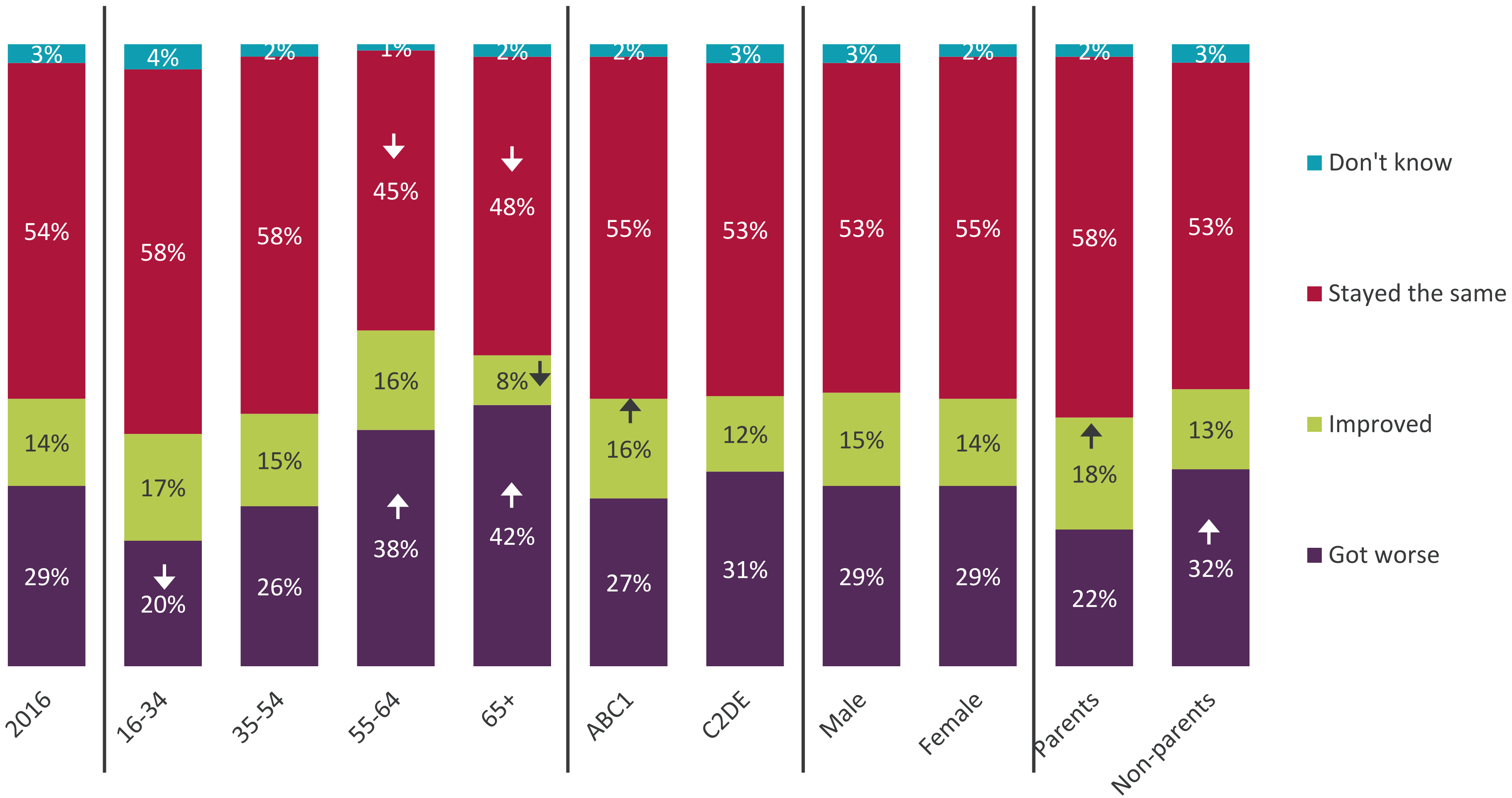
Figure 2.50
Proportion of all AV viewing: live, DVR and VoD: 2013-2016



Source: 3 Reasons estimates (including BARB data). 8-28 day time-shifted viewing was introduced by BARB in July 2013.
Base: All devices, legal, long-form professional AV content, Live includes simulcast. Excludes physical consumption (e.g. DVDs), short-form, pirated and adult content.
Broadcaster VoD = all broadcaster on-demand including catch-up and archive across all platforms (e.g. Sky and Netflix).
SVoD = on demand from Netflix, Amazon Prime Instant Video, non-broadcast VoD from Now TV and other SVoD providers.

Figure 2.51

Opinion on the quality of programmes over the last 12 months: 2016 sub-groups



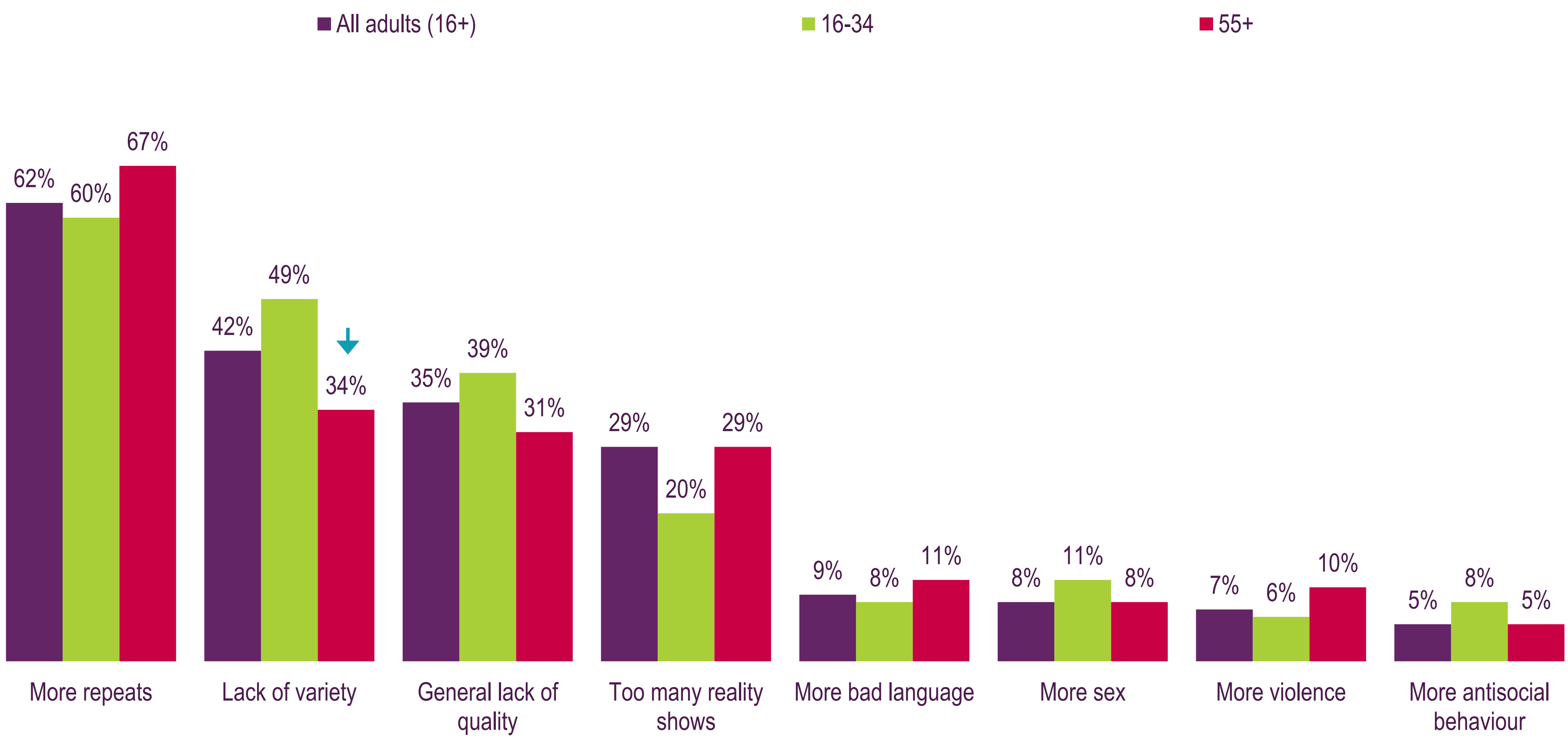
Source: Ofcom Media Tracker 2016

Base: All with any TV sets in 2016 (2022); aged 16-34 (573); 35-54 (628); 55-64 (336); 65+ (485); ABC1 (1038); C2DE (983); Male (950); Female (1072); Parents (576); Non-parents (1446). Significance testing shows any difference between any age group and all adults in 2016, between socio-economic groups, by gender and between parents and non-parents in 2016

Q20 – Do you feel that over the past year television programmes have improved, got worse or stayed about the same?

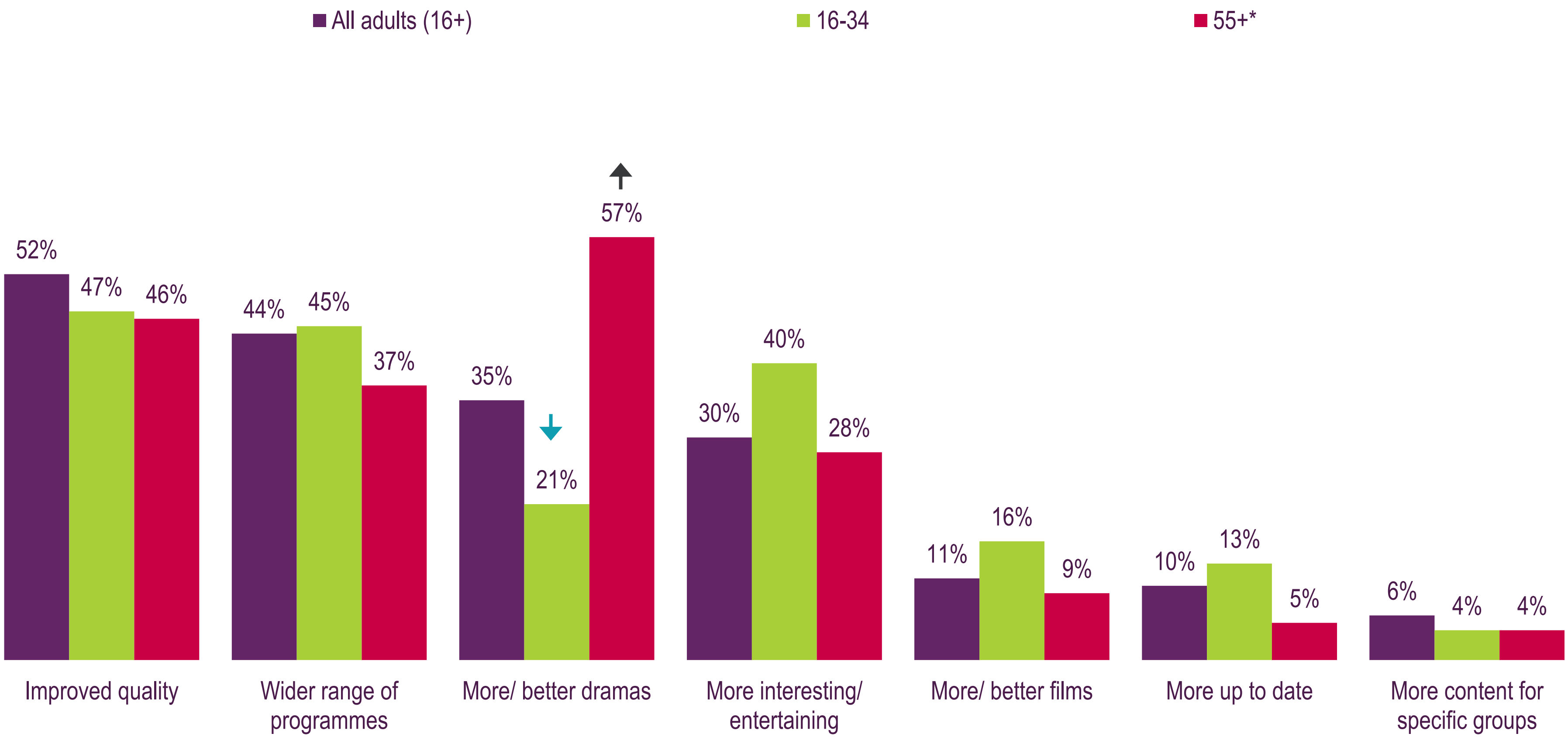
Figure 2.52

Top reasons given for programmes getting worse: 2016, by age



Source: Ofcom Media Tracker 2016
Base: All saying programmes ‘got worse’ over the past year (634); 16-34 (121); 55+ (350). Unprompted, multicode. Only top individual responses are shown. Significance testing shows any difference between either age group and all
Q22 – In what ways do you think that television programmes have got worse over the past year?

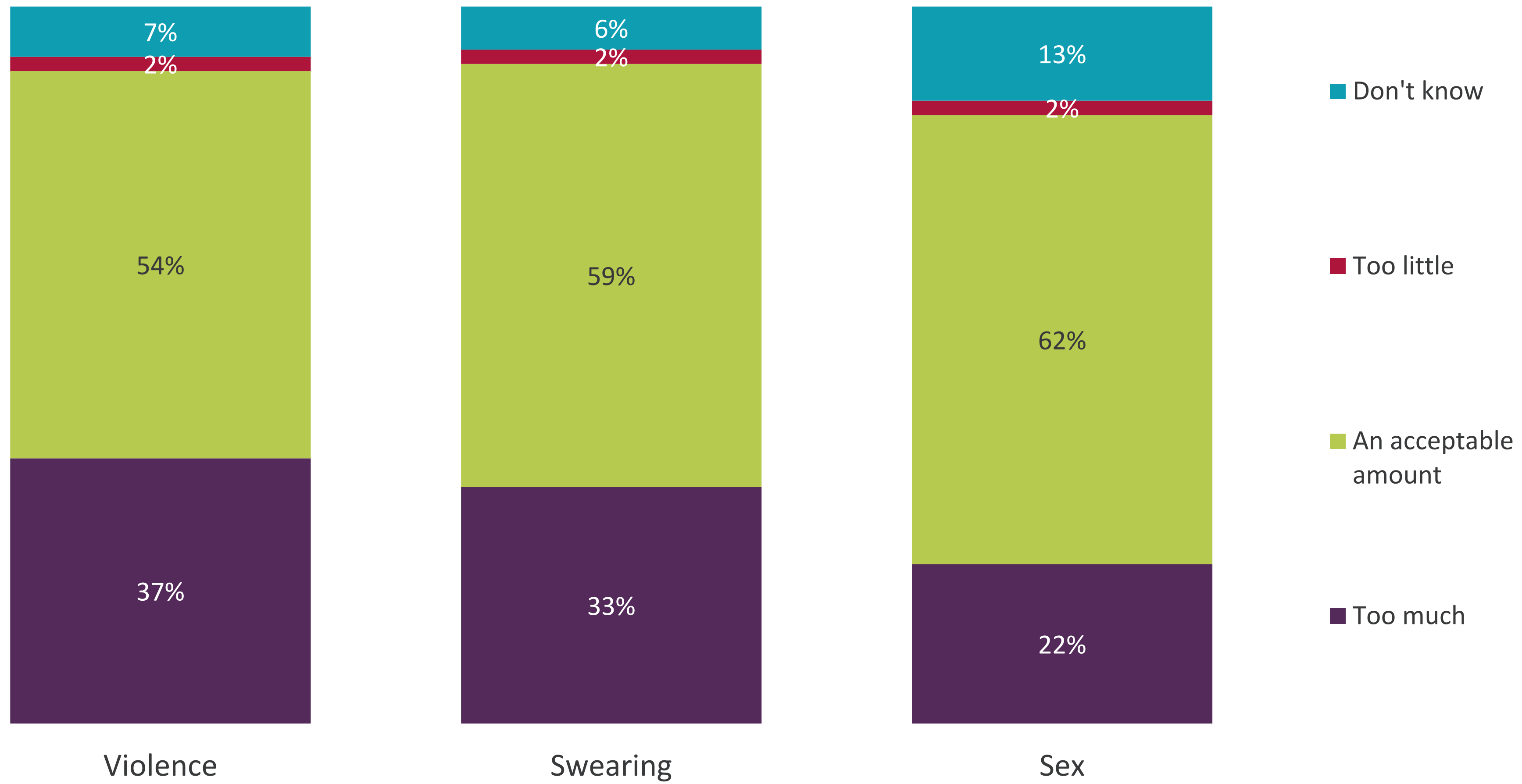
Figure 2.52
Top reasons given for programmes having improved: 2016, by age



Source: Ofcom Media Tracker 2016
Base: All saying programmes 'improved' over the past year (274); 16-34 (104); 55+ (83). Unprompted, multicode. Only top individual responses are shown. Significance testing shows any difference between either age group and all adults in 2016. *Caution: Base under 100, treat as indicative only.
Q21 – In what ways do you think that television programmes have improved over the past year?

Figure 2.53

Opinion on the amount of sex/ violence/ swearing on TV: 2016



Source: Ofcom Media Tracker 2016
Base: All with any TV sets in 2016 (2022). Prompted, single code
Q46 – Do you think, in general, that there is too much, too little or an acceptable amount of each of the following on television? Sex? Violence? Swearing?

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Radio

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Figure 3.1

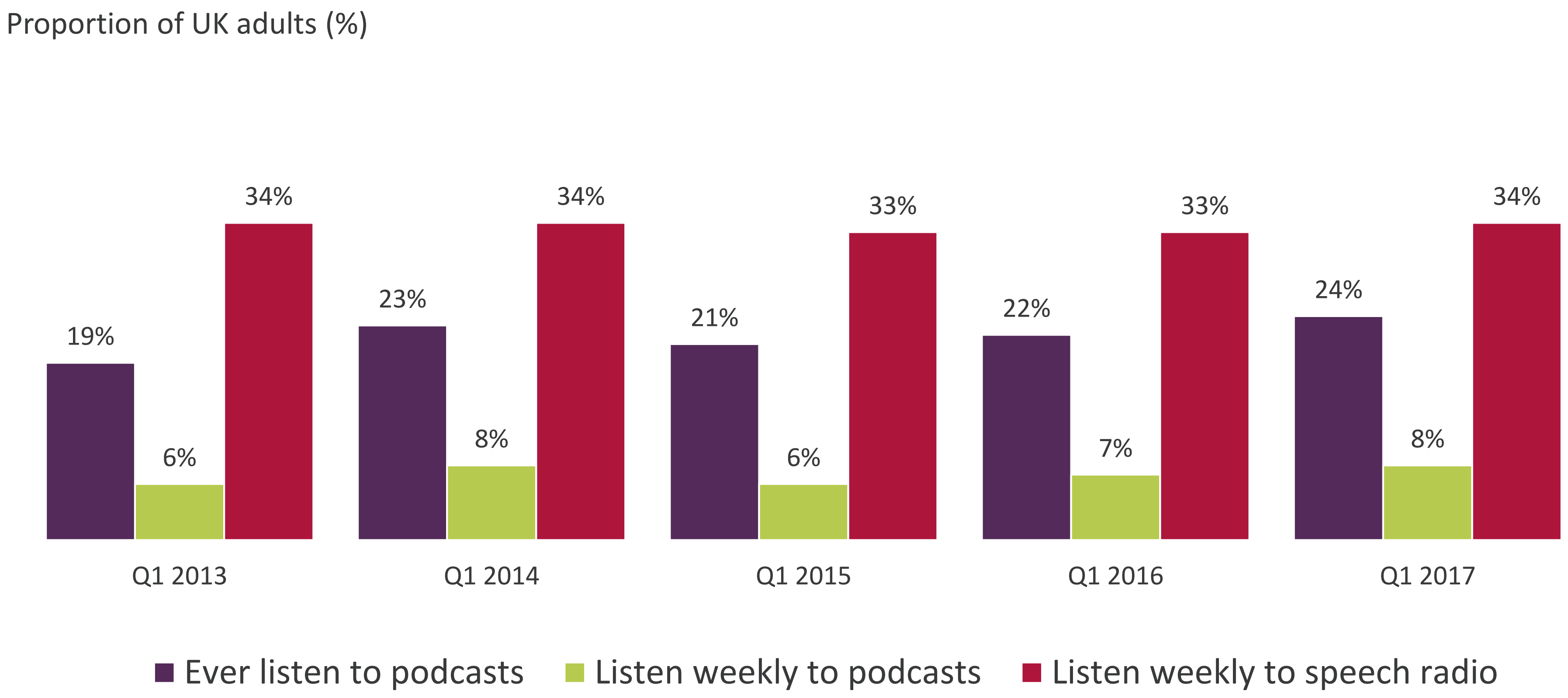
UK radio industry: key metrics

UK radio industry	2010	2011	2012	2013	2014	2015	2016
Weekly reach of radio (% of population)	90.8%	90.5%	89.6%	90.4%	89.4%	89.5%	89.6%
Average weekly hours per listener	22.3	22.6	22.0	21.4	21.3	21.3	21.4
BBC share of listening	54.8%	54.7%	54.8%	54.5%	53.7%	53.4%	52.5%
Total industry revenue*	£1280m	£1255m	£1261m	£1203m	£1257m	£1256m	£1245m
Commercial revenue*	£509m	£492m	£498m	£471m	£516m	£522m	£526m
BBC expenditure	£760m	£751m	£751m	£721m	£730m	£722m	£707m
Community radio revenue	£11.3m	£11.3m	£11.3m	£11.1m	£11.6m	£11.7m	£11.6m
Radio share of advertising spend	3.2%	3.2%	3.3%	3.1%	3.1%	3.0%	3.0%
DAB digital radio take-up (adults)	36.2%	40.3%	42.6%	46.3%	48.8%	53.4%	56.8%
Digital radio listening share	25.2%	28.4%	32.5%	36.3%	38.0%	42.2%	45.7%

Source: RAJAR (all adults age 15+) 12 months to Q1 of the following year. Ofcom calculations based on figures in BBC Annual Report and Accounts 2016-17 (www.bbc.co.uk/annualreport), AA/Warc, broadcasters. Revenue and expenditure figures are adjusted for CPI (2016 prices). *Commercial and total revenue figures for 2010-2013 are not wholly comparable to 2014-2016 data and 2015 due to an amendment to the data collection methodology.

Figure 3.2

Listening to podcasts and speech radio



Source: RAJAR

Base: All adults 15+, 12 months to Q1 of each year

Speech radio includes: Radio City Talk, Talk 107, talkRADIO, talkSPORT, talkSPORT2, LBC Network (UK), BBC Radio 4, BBC Radio 4 Extra, BBC Radio 5 live, BBC Radio 5 live sports extra, BBC World Service. Note: List current as of Q1 2017 – not all stations available in previous years

Figure 3.3

Types of listening activities

Source: Ofcom research, 2017.
Base: all adults (n = 1062)
Q11: How often, if at all, do you listen to any of the following…? [MULTICODE]

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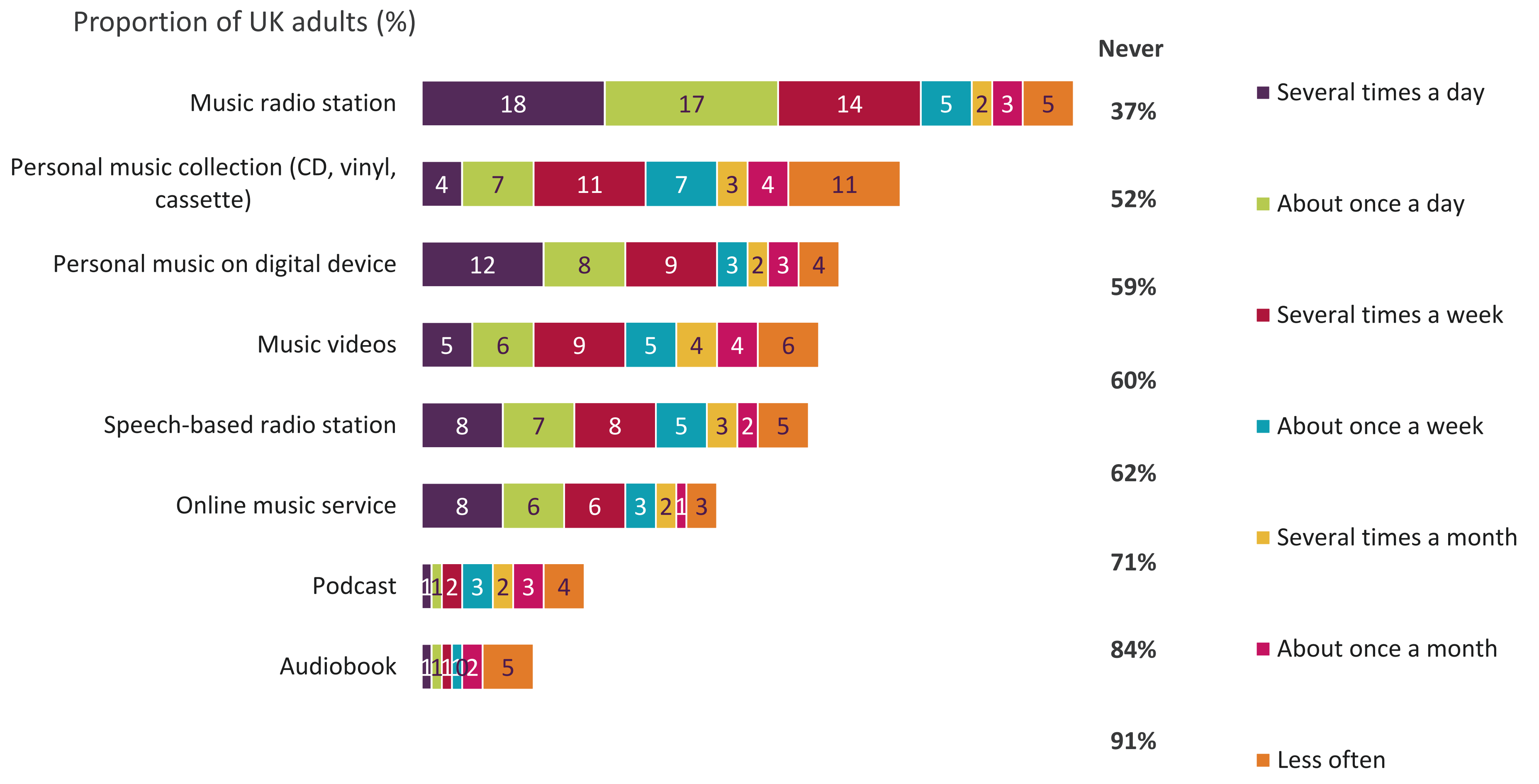
Figure 3.4

Frequency of listening activities



Source: Ofcom Research 2017

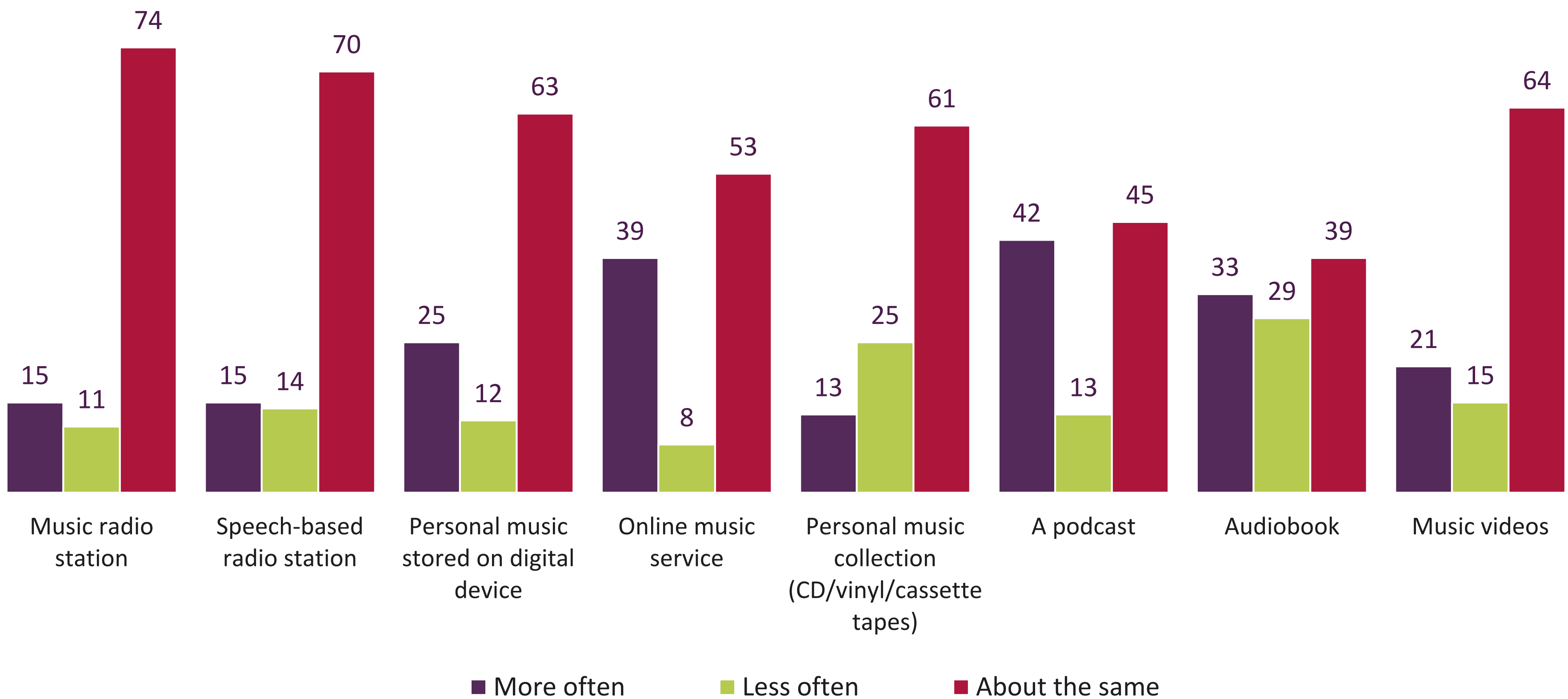
Base: All adults (n = 1062)

Q1: How often, if at all, do you listen to any of the following…? [MULTICODE]

Figure 3.5

Change in frequency for each listening activity compared to a year ago

Proportion of UK adults (%)



Source: Ofcom Research 2017

Base: All who have listened to a different type of service (n = 661)

Q1: Thanking about the different types of activities you listen to, would you say you listen to them more or less often than a year ago?

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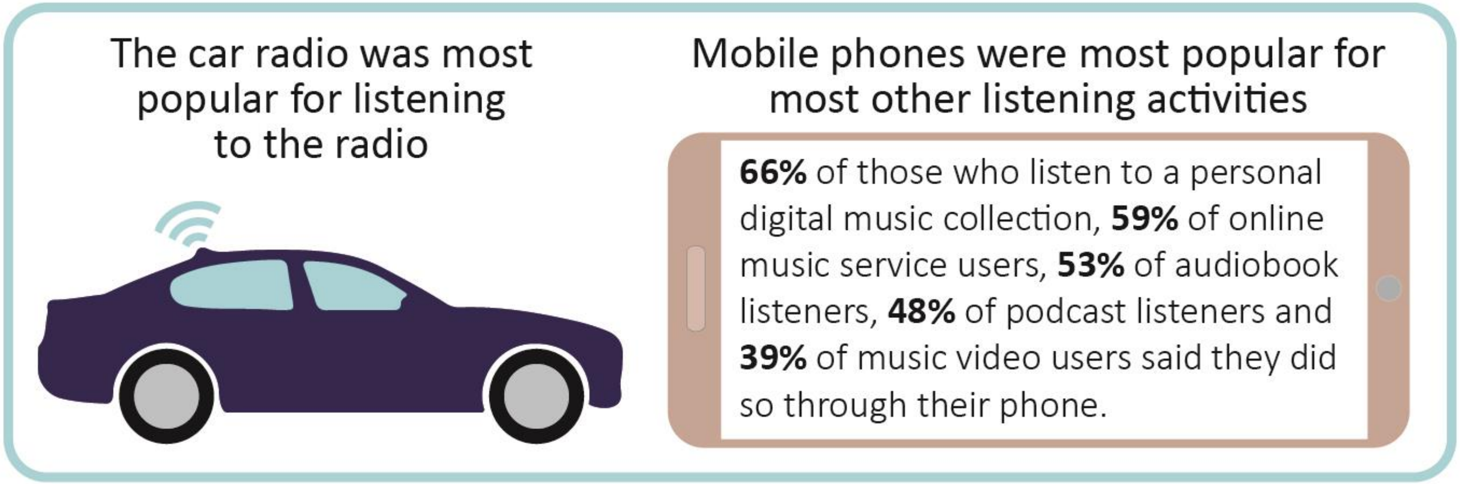
Figure 3.6

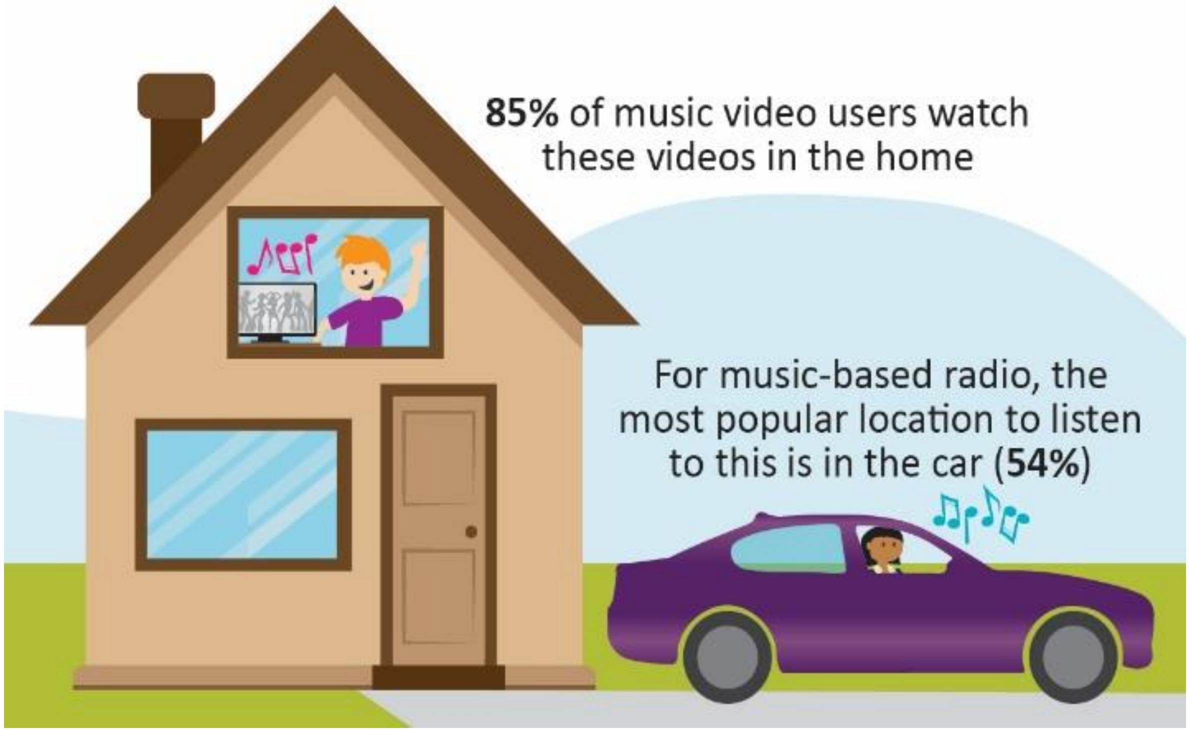
Ways in which listening activities are listened to



Source: Ofcom research, 2017.
Base: all those who have listened to a different type of service (n = 661)
Q: Which of these ways do you listen to [types of listening activity listened to]? [MULTICODE]

Figure 3.7

Listening activities, by location



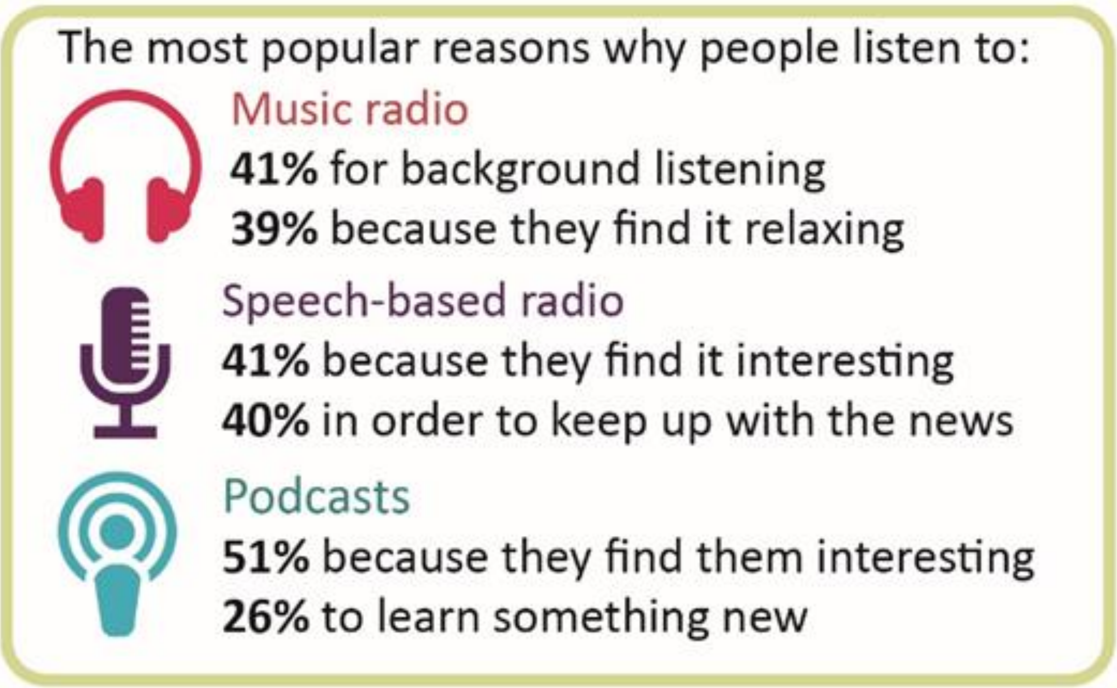
Source: Ofcom research, 2017.

Base: all who have listened to a different type of service (n = 661)

Q: Now think about the location where you do the various listening activities. Where would you say you do this activity most often?

Figure 3.8

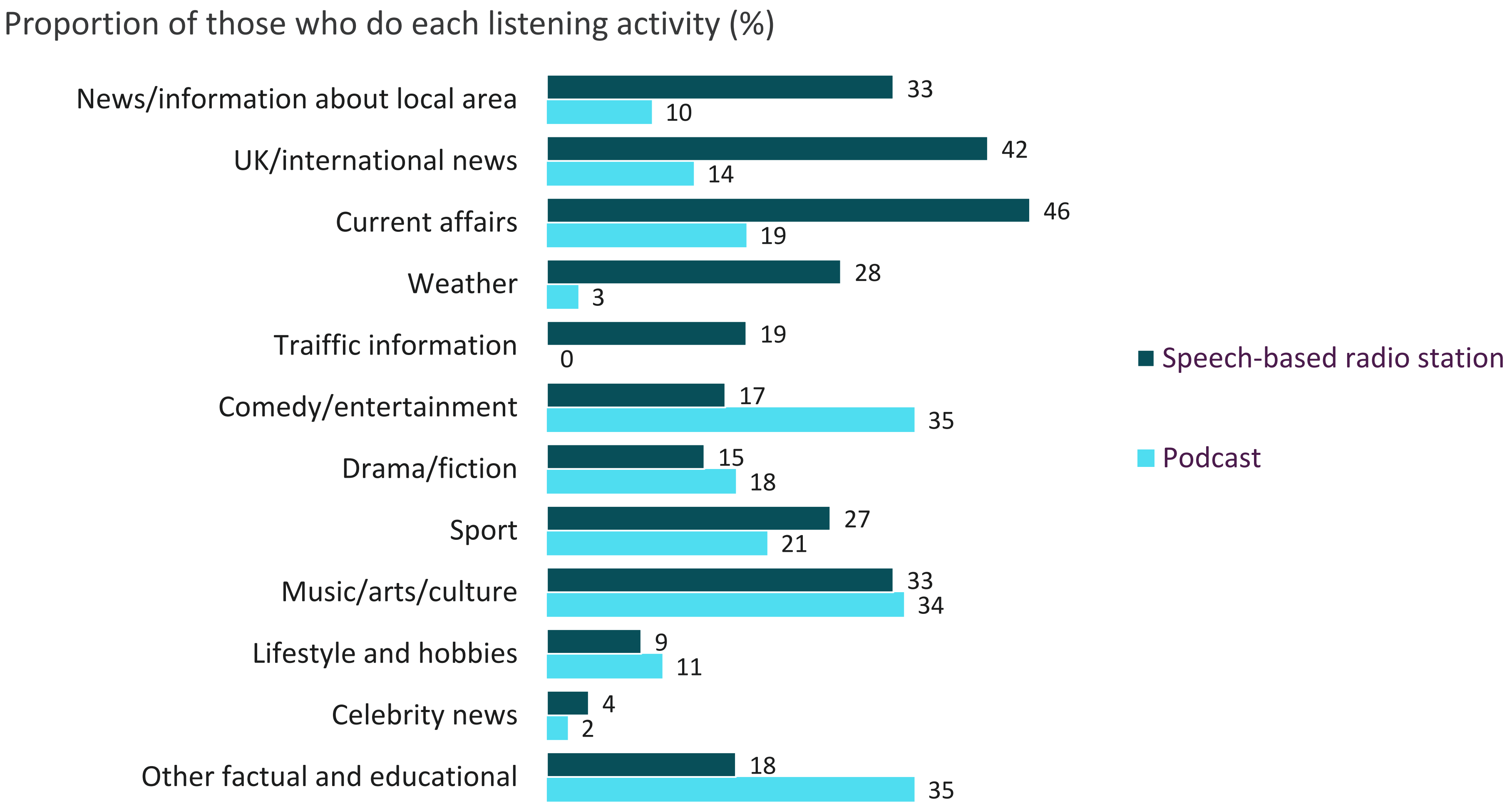
Reasons for doing different types of listening activities



Source: Ofcom research, 2017.
Base: all who have listened to a different type of service (music radio station 661, speech radio station 398, podcast 144)
Q: In general, what are your main reasons for listening to [ask for each code selected not as 'never' in Q1 [MULTICODE]

Figure 3.9

Programmes listened to on speech-based radio stations and podcasts



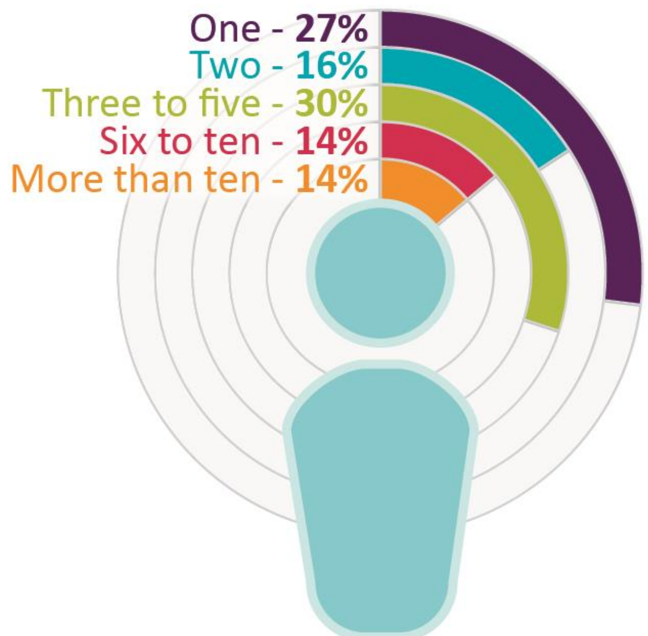
Source: Ofcom Research 2017

Base: All who have listened to speech-based radio stations (n = 398), All who have listened to podcasts (n=144)

Q5,7: You said that you listened to [speech-based radio stations/podcasts], what are the types of programmes that you listen to? [MULTICODE]

Figure 3.10

Number of podcasts listened to in the last month



Source: Ofcom research, 2017.

Base: all who have listened to a podcast once a month or more (n = 110)

Q8: How many different podcasts would you say you listened to in the last month? By different podcasts titles (so listening to several episodes of the same product would count only once)

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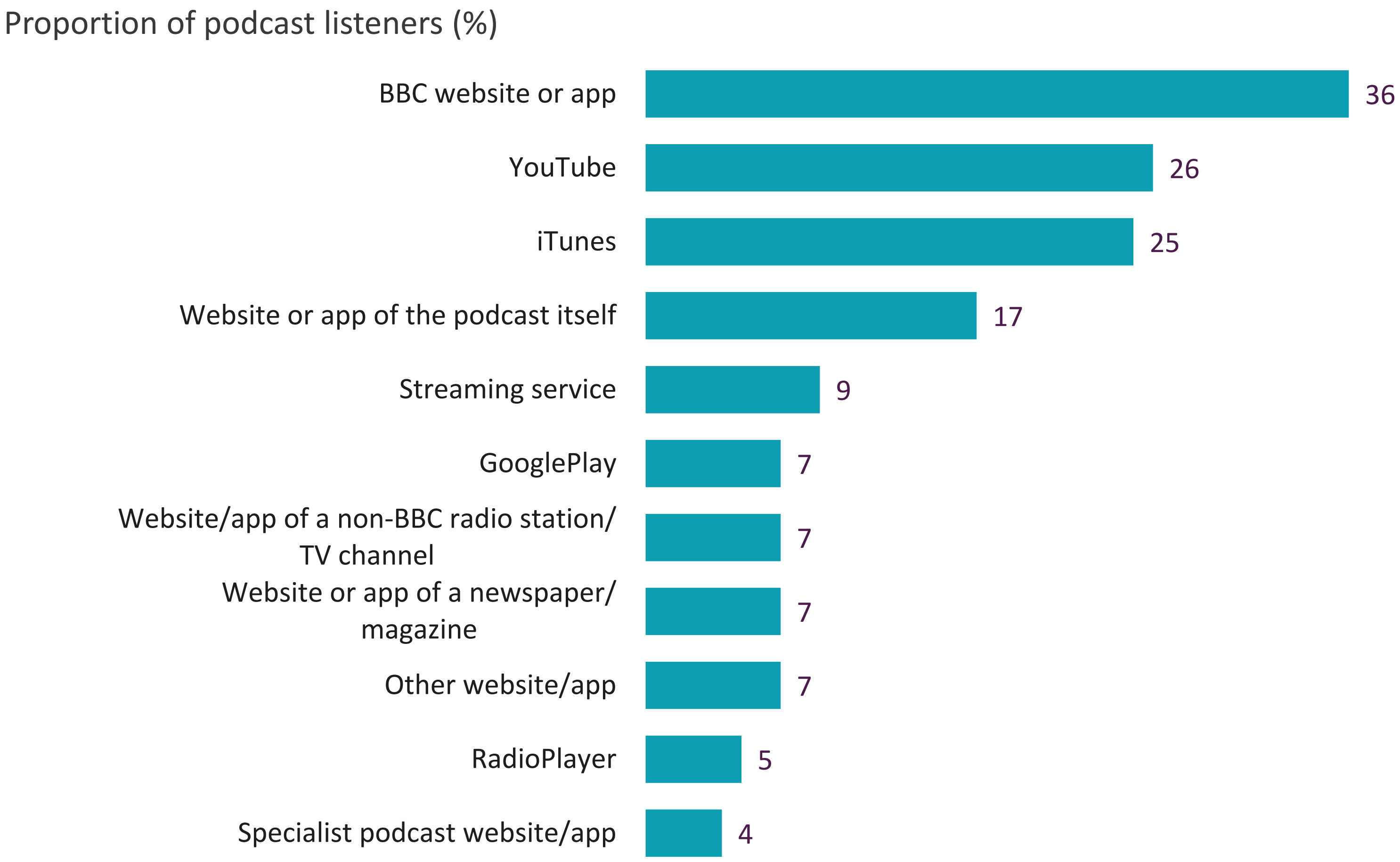
Figure 3.11

Where listeners source their podcasts



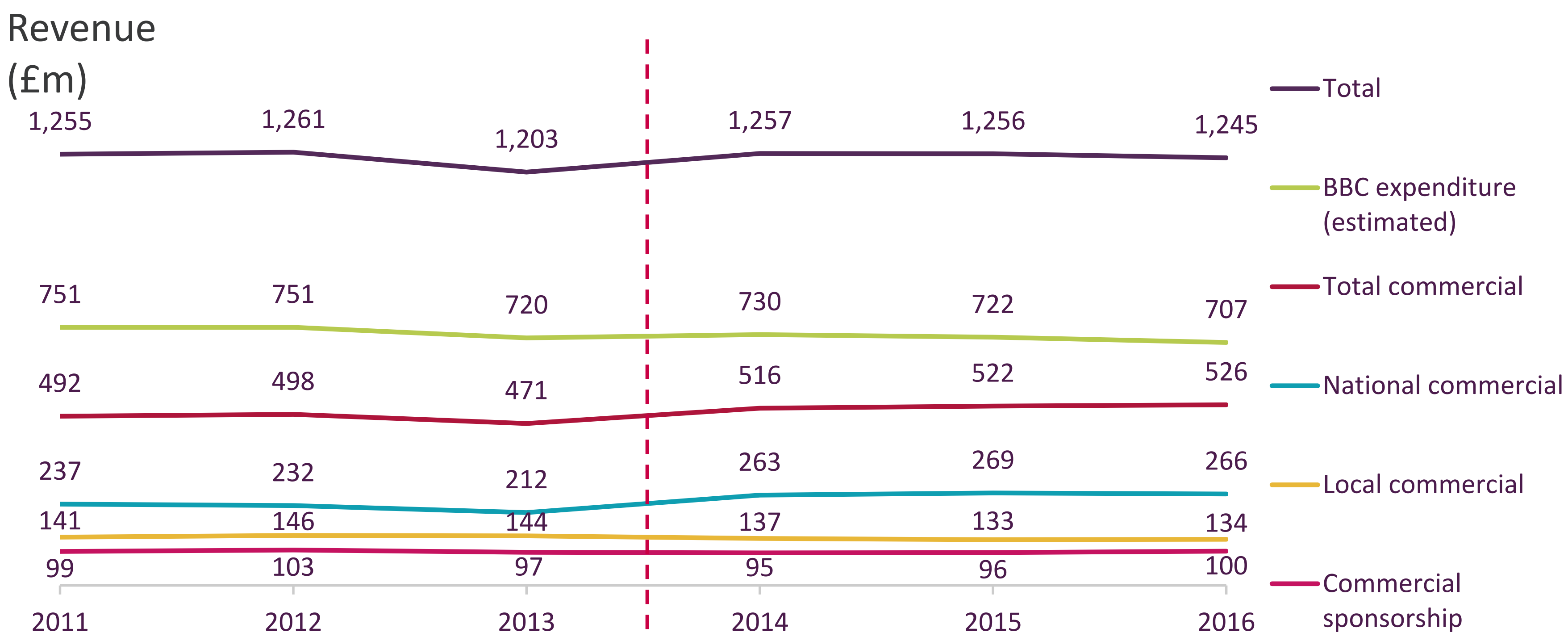
Source: Ofcom Research 2017

Base: All who have listened to a podcast (n = 144)

Q9: Where have you obtained podcasts from in the past? These can be both downloaded and streamed podcasts. Please select all which apply thinking about how/where you accessed the podcast, rather than who created it (as some podcasts are available from multiple sources) [MULTICODE]

Figure 3.12

Radio industry revenue 2011-2016



Source: Ofcom / operator data / BBC Annual Report 2012-2017

Note: BBC expenditure figures are estimated by Ofcom based on figures from the BBC Annual Report (www.bbc.co.uk/annualreport); figures in the chart are rounded and are nominal. Total includes community radio, but community radio is not shown on the chart. Total commercial includes all sources of revenue - national, local, sponsorship and 'other', but 'other' is not shown on the chart. Commercial and total revenue figures for 2011-2013 are not wholly comparable to those afterward due to changes in methodology.

Figure 3.13

Radio expenditure and revenue percentage change, year on year

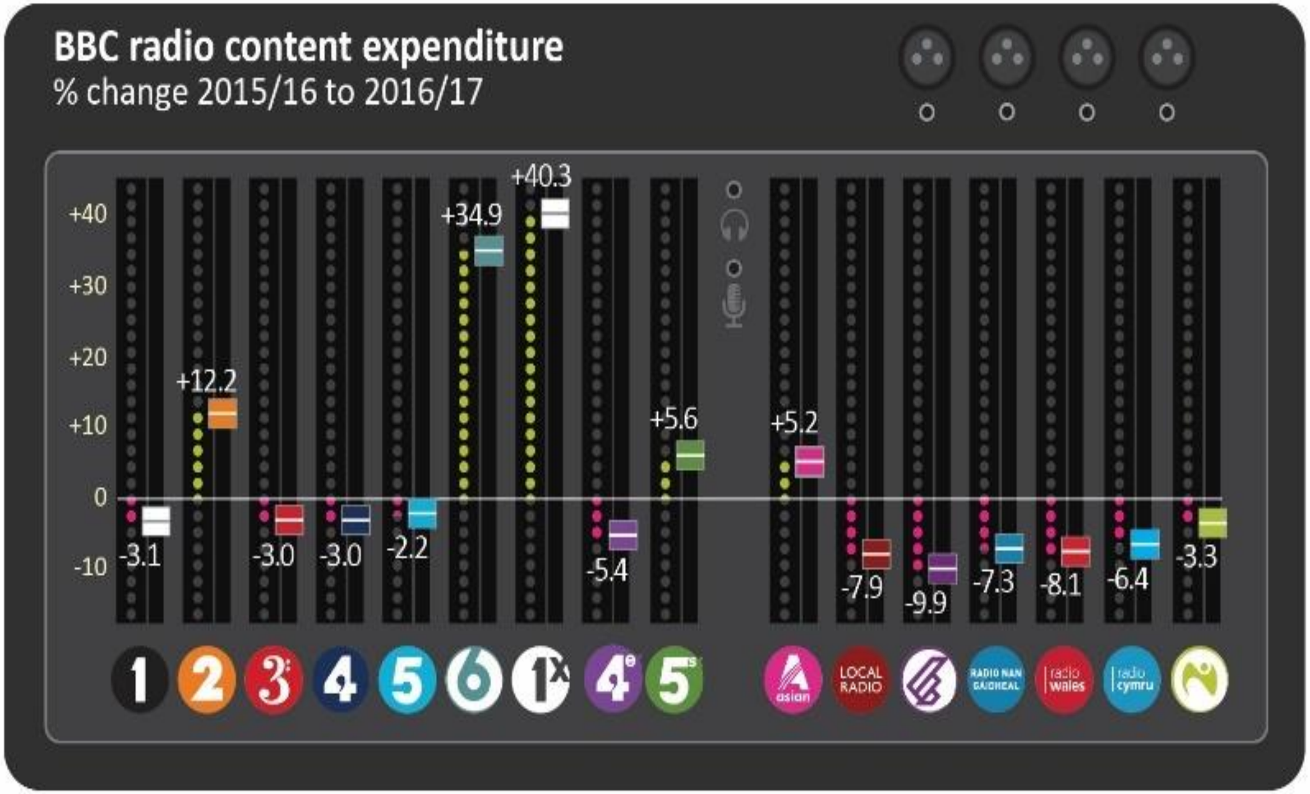


Figure 3.14

Digital Audio Broadcasting UK radio services broadcasting: May 2017

	UK commercial 90% coverage	UK commercial 75% coverage	BBC UK-wide	Local commercial	Total
Multiplexes	1	1	1	55	**58**
Services	13	18	11	394*	**435***

* Includes simulcast services (216 services are either unique or 'out of area' simulcasts). Excludes BBC local radio services

Source: Ofcom, May 2017

Figure 3.15

Analogue UK radio stations broadcasting: May 2017

Type of station	AM	FM	AM/FM total
Local commercial	51	235	286
UK-wide commercial	2	1	3
BBC UK-wide networks	1	4	5
BBC local and nations*	35	43	43
Community radio	10	241	251
TOTAL	**99**	**524**	**588**

Source: Ofcom, May 2017
Note: licence conditions determine the amount of programming that may be shared between licensed services. Here we have listed the number of services providing at least four hours a day of separate programming.
* Includes simulcasts

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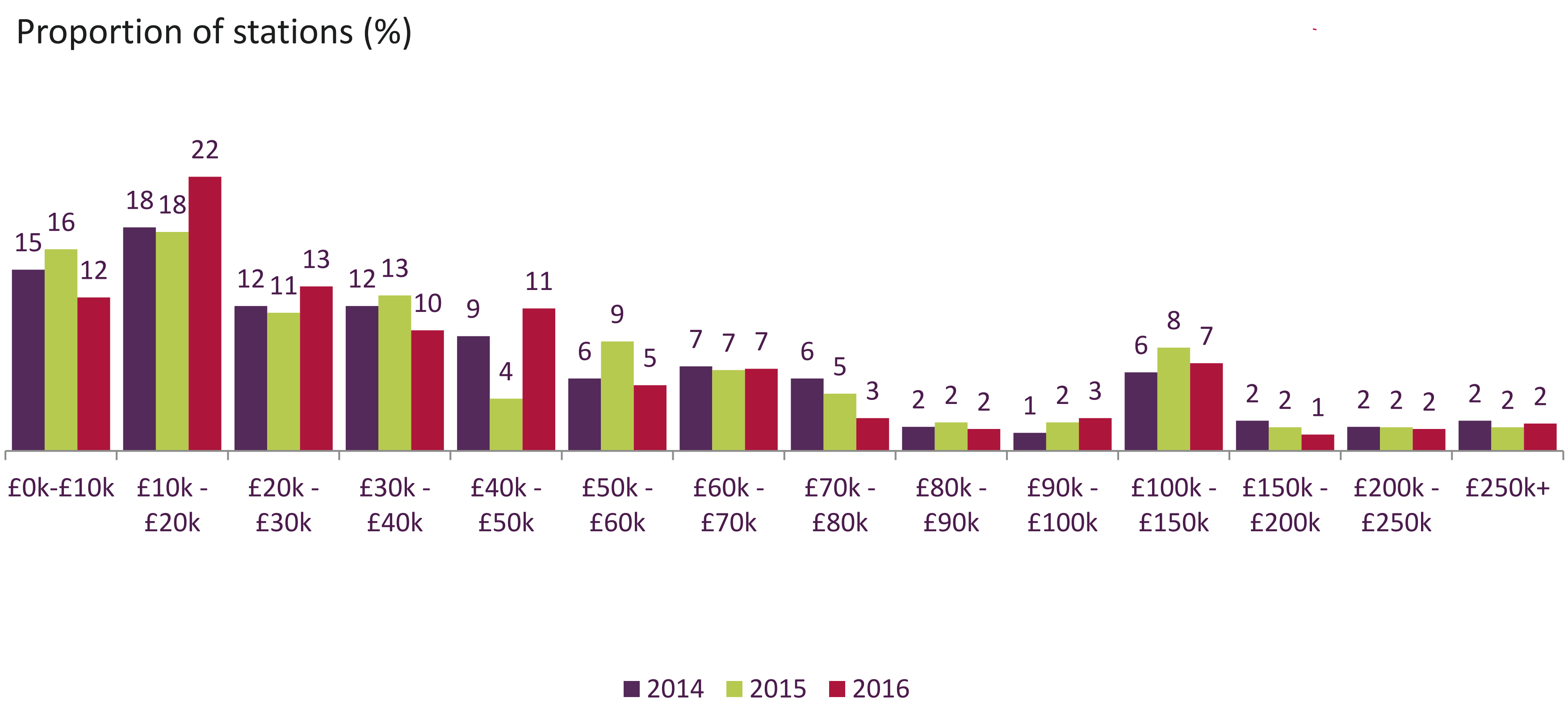
Figure 3.16
Average real-terms income for community radio stations: 2014 to 2016

Income	2014	2015	2016
Average (mean) income	£56,273 -1%	£53,933 -4%	£51,251 -5%
Median income	£35,899 +5%	£32,837 -9%	£31,890 -3%

Source: Ofcom analysis of community broadcasters’ returns. Figures adjusted for CPI (2016 prices)

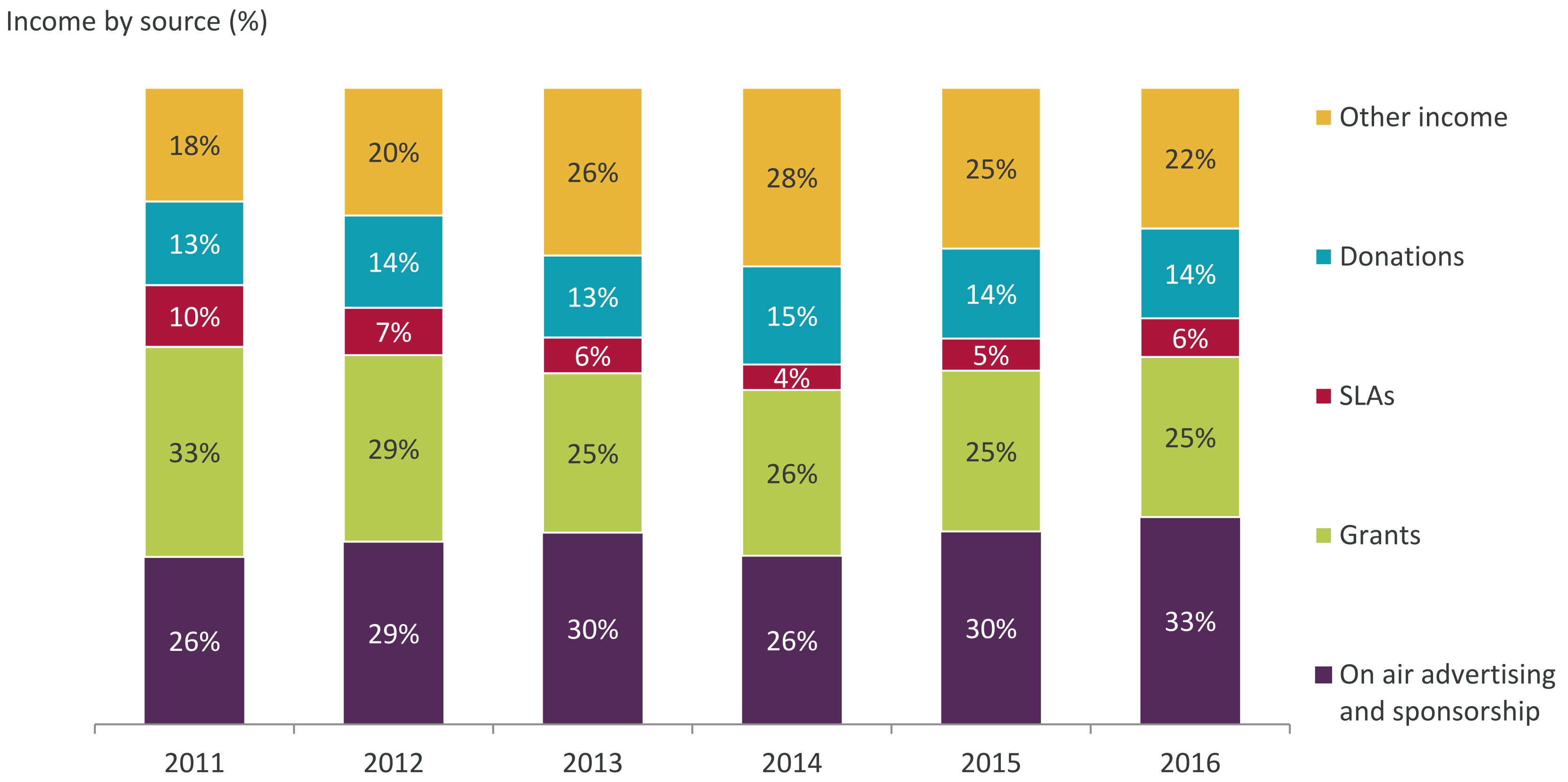
Figure 3.17
Distribution of total income levels across the community radio sector



Source: Ofcom analysis of community broadcasters' returns. Figures relate to nominal income

Figure 3.18

Average real terms income for community radio stations: 2014-2016



Source: Ofcom analysis of community broadcasters' returns.

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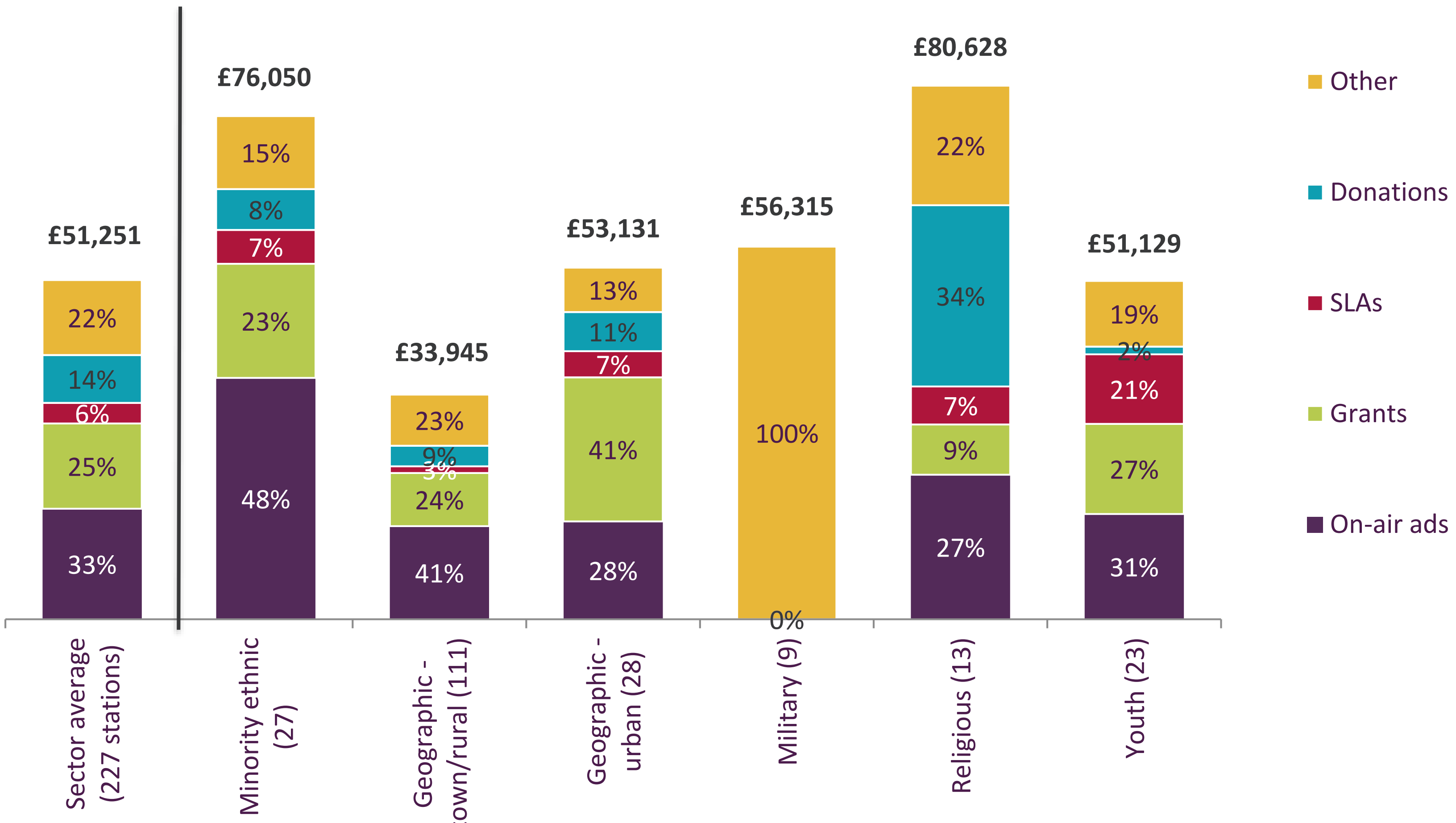
Figure 3.19
Average income by type of community served



Source: Ofcom analysis of community broadcasters' returns.

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Figure 3.20

Average real-terms expenditure of community radio stations: 2014-2016

Expenditure	2014	2015	2016
Average (mean) expenditure	£53,946 -4%	£55,201 2%	£50,663 -8%
Median expenditure	£33,440 -8%	£33,454 0%	£31,662 -5%

Source: Ofcom analysis of community broadcasters' returns. Adjusted for CPI (2016 prices).

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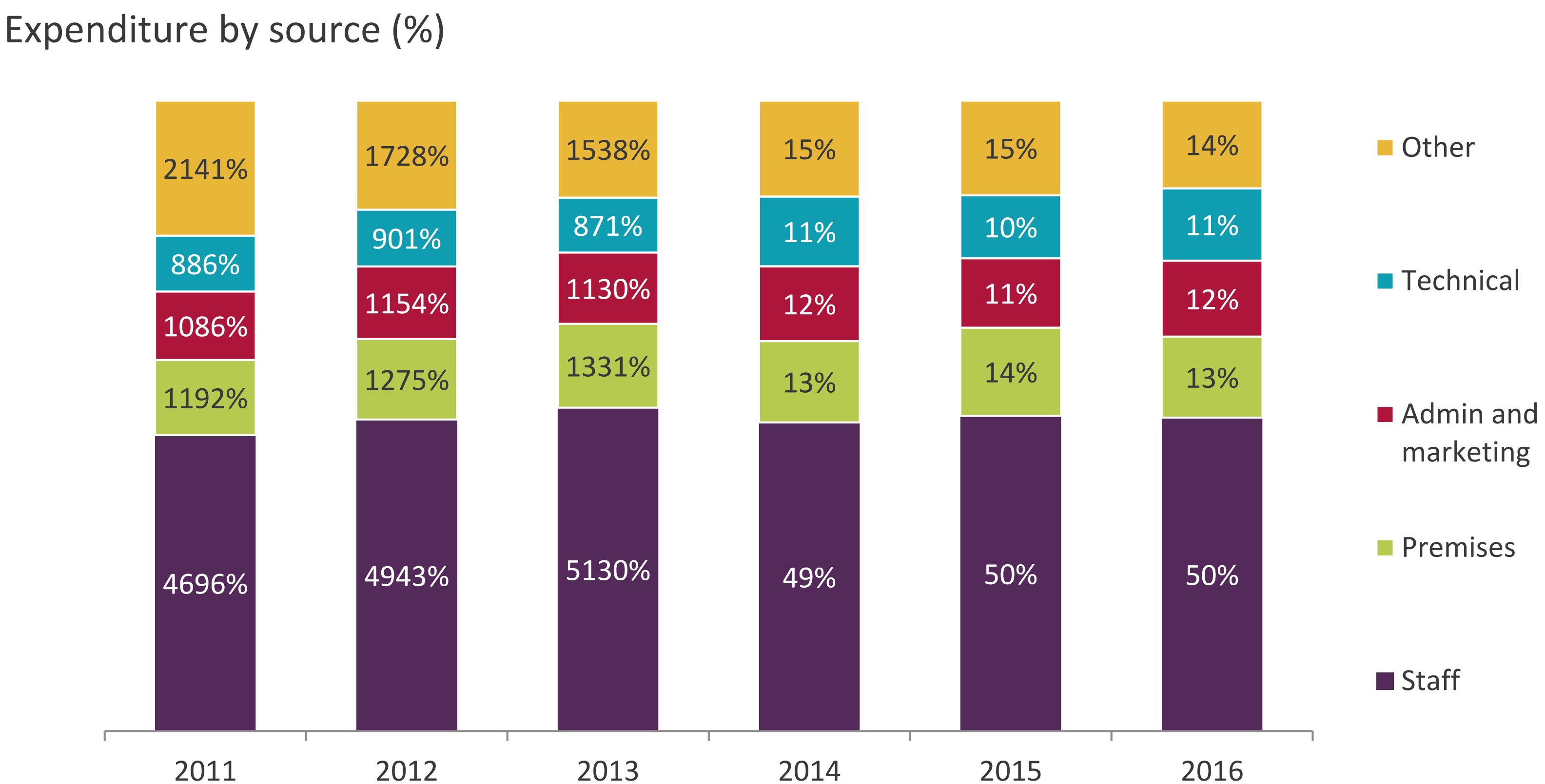
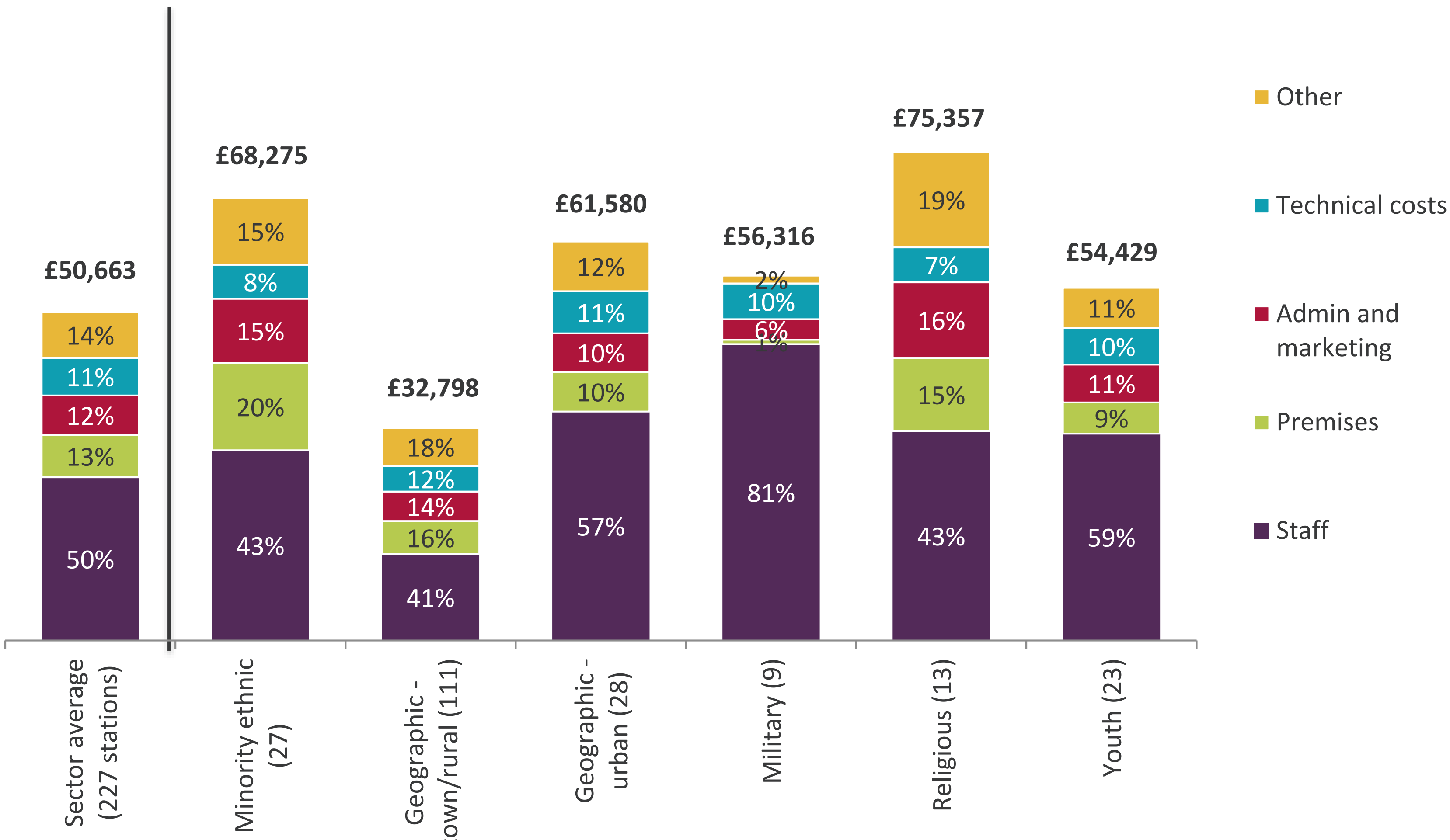
Figure 3.21
Community radio expenditure, by type



Source: Ofcom analysis of community broadcasters' returns.

Figure 3.22
Average expenditure by type of community served



Source: Ofcom analysis of community broadcasters' returns.

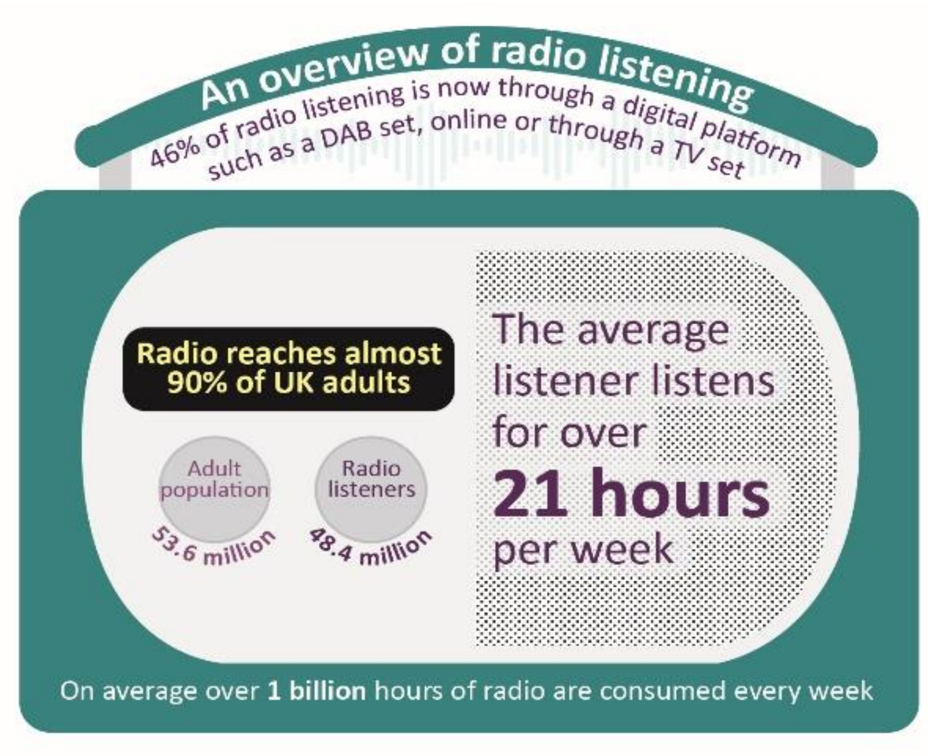
Figure 3.23

Community radio hours and volunteers: 2016

	Sector average
Total original hours per week	89
Number of volunteers	72
Total volunteer hours per week	187
Number of volunteers trained	48

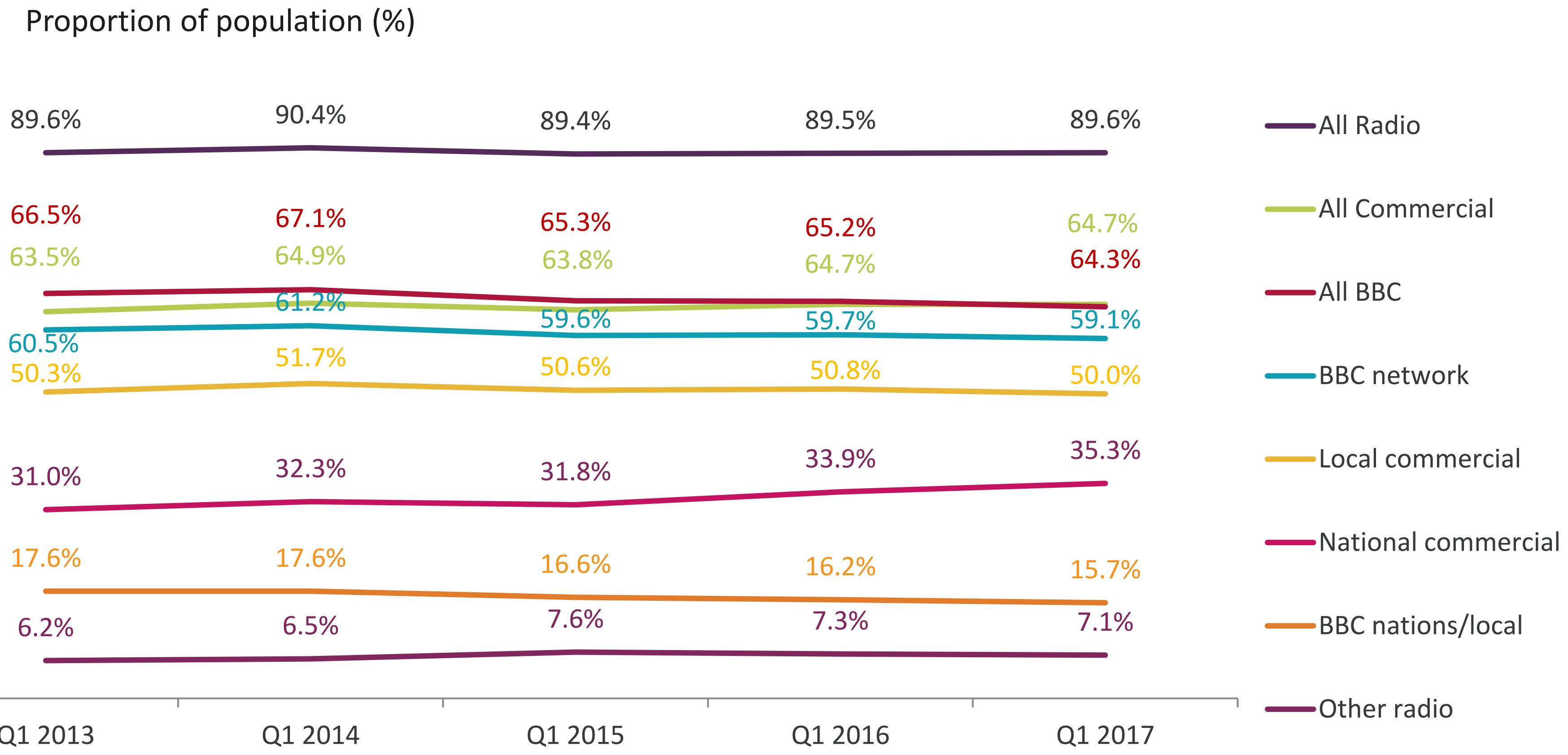
Source: Ofcom analysis of community broadcasters' returns.

Figure 3.24
Overview of radio listening



Source: RAJAR, 12 months to Q1 2017

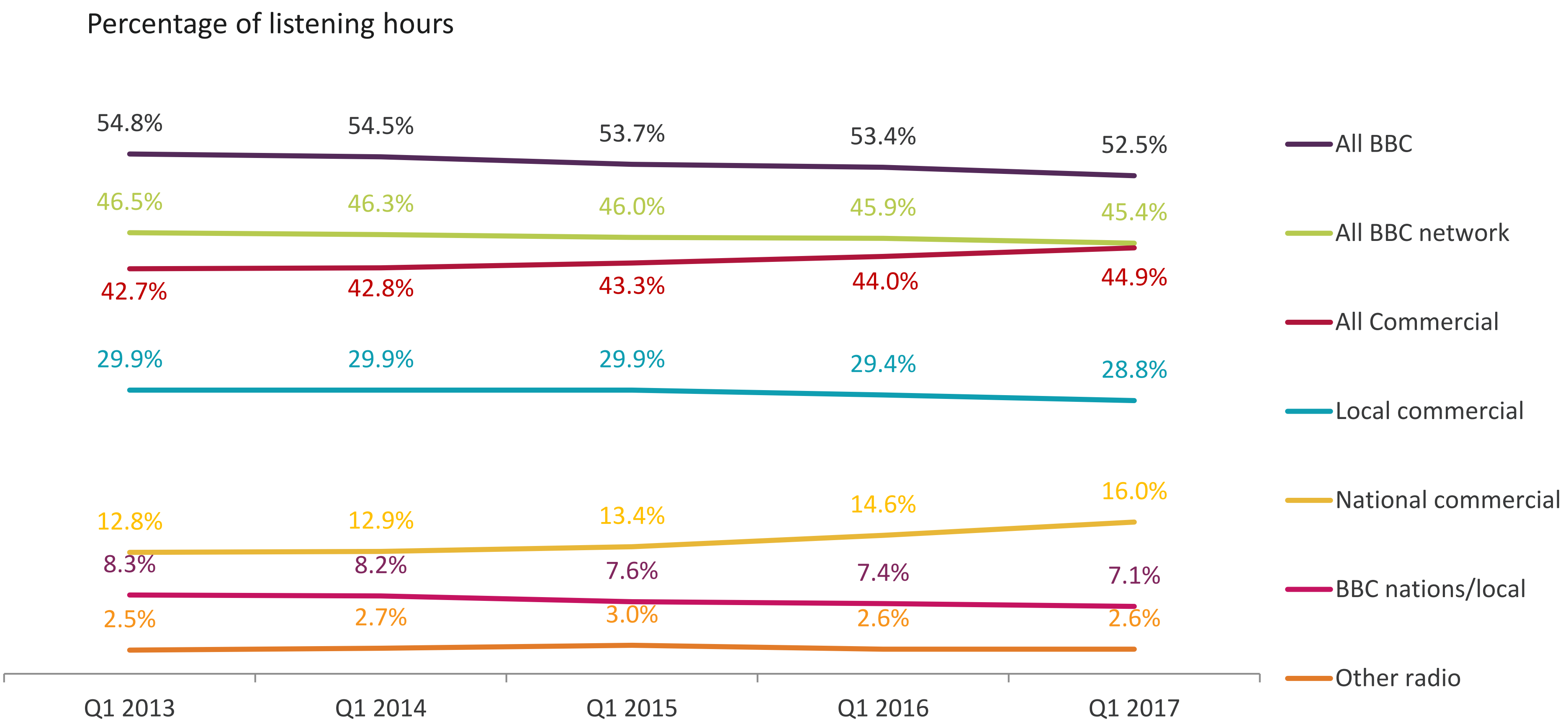
Figure 3.25
Reach of radio, by sector



Source: RAJAR, All adults (15+), 12 months to Q1 of each year

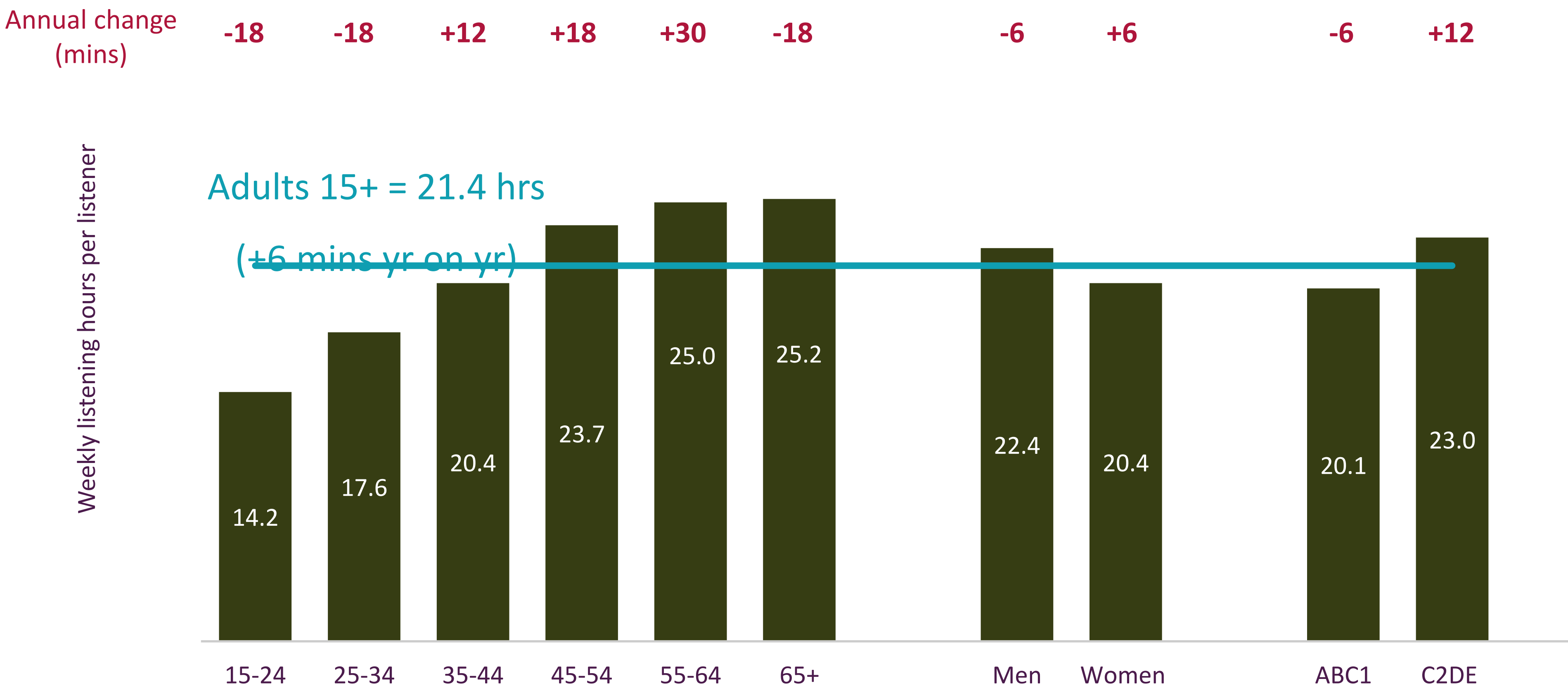
Figure 3.26

Share of listening, by sector



Source: RAJAR, All adults (15+), 12 months to Q1 of each year

Figure 3.27
Average weekly listening, by demographic

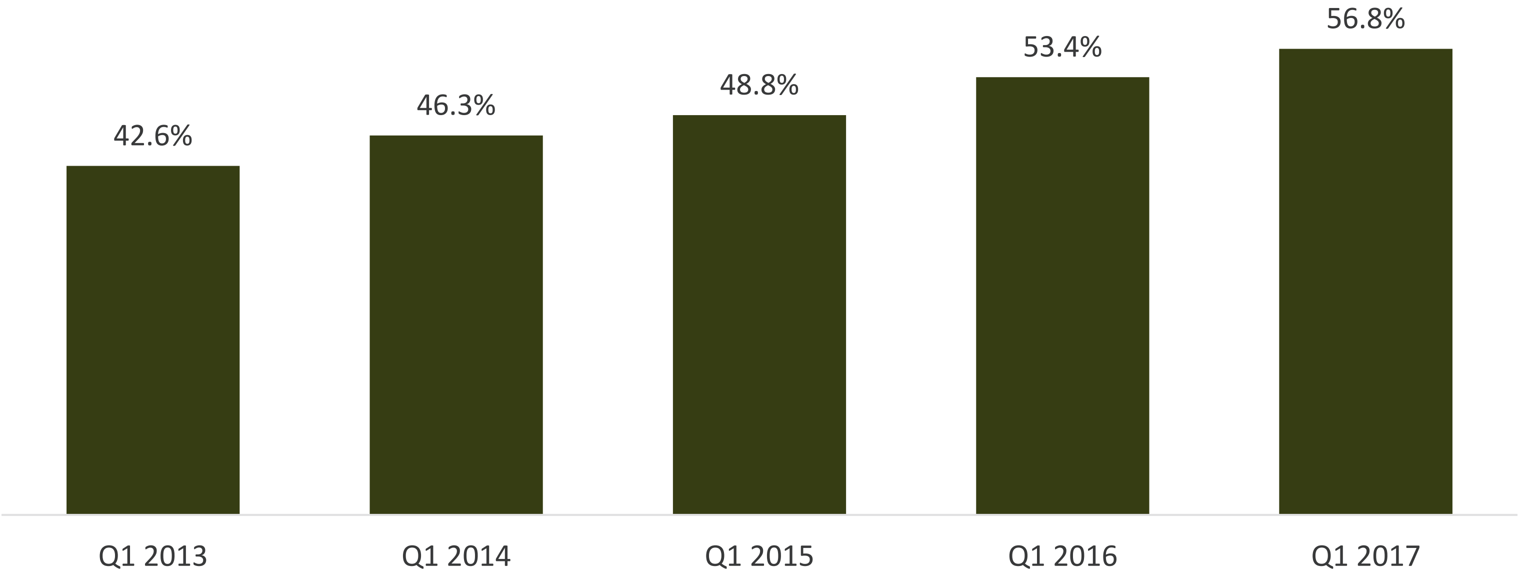


Source: RAJAR, all adults (15+), 12 months to Q1 2017

Figure 3.28

Ownership of DAB sets

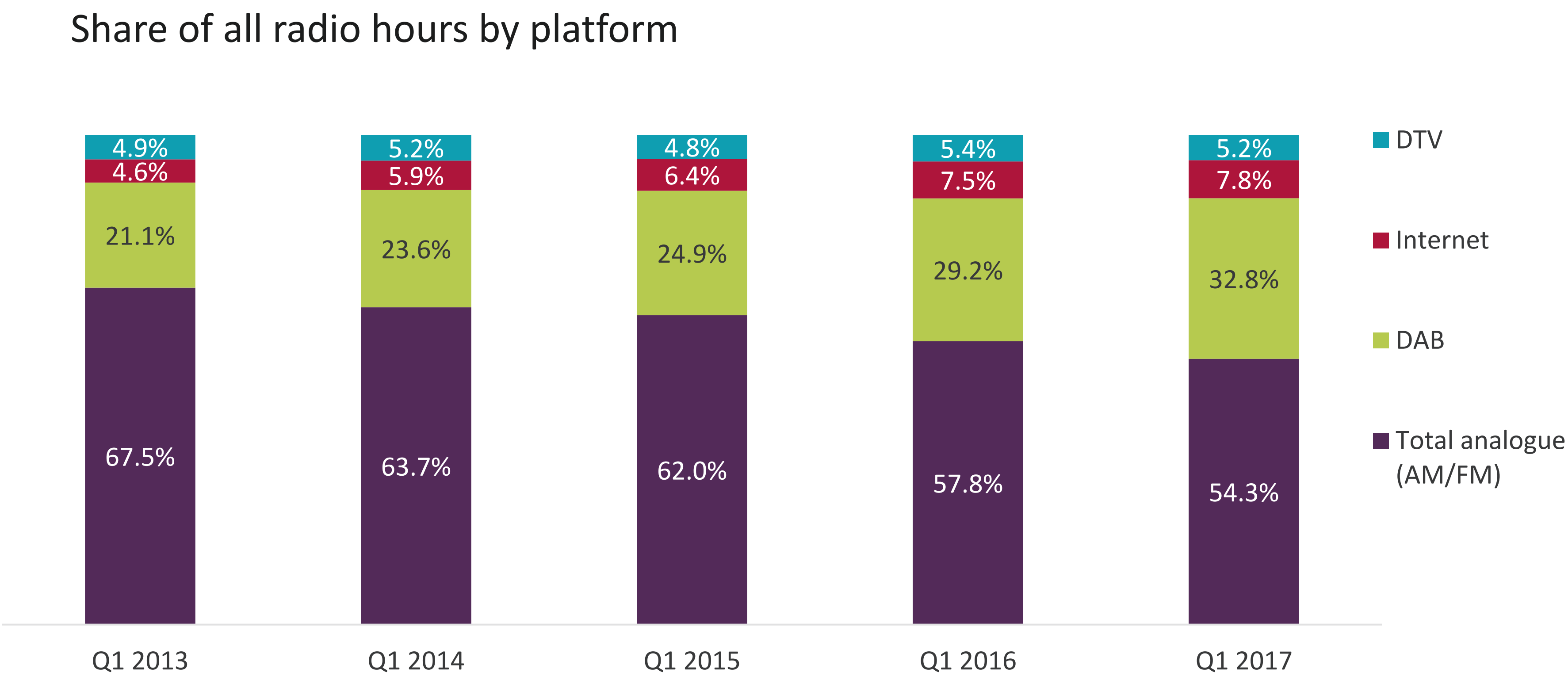
Percentage of adults who claim to own a DAB set / have a DAB set in the home



Source: RAJAR, All adults (15+), 12 months to Q1 of each year

Note: In previous CMR reports we have used figures from Ofcom's Tech Tracker

Figure 3.29
Share of radio listening, by platform



Source: RAJAR, all adults (15+), 12 months to Q1 of each year

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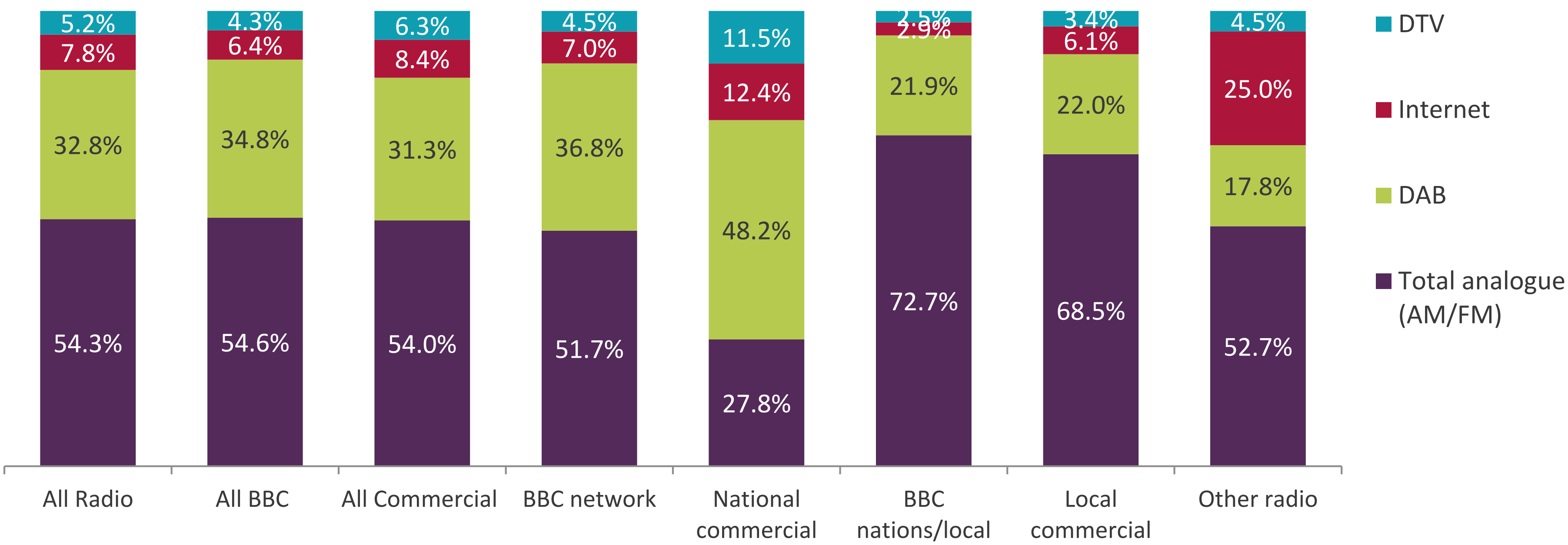
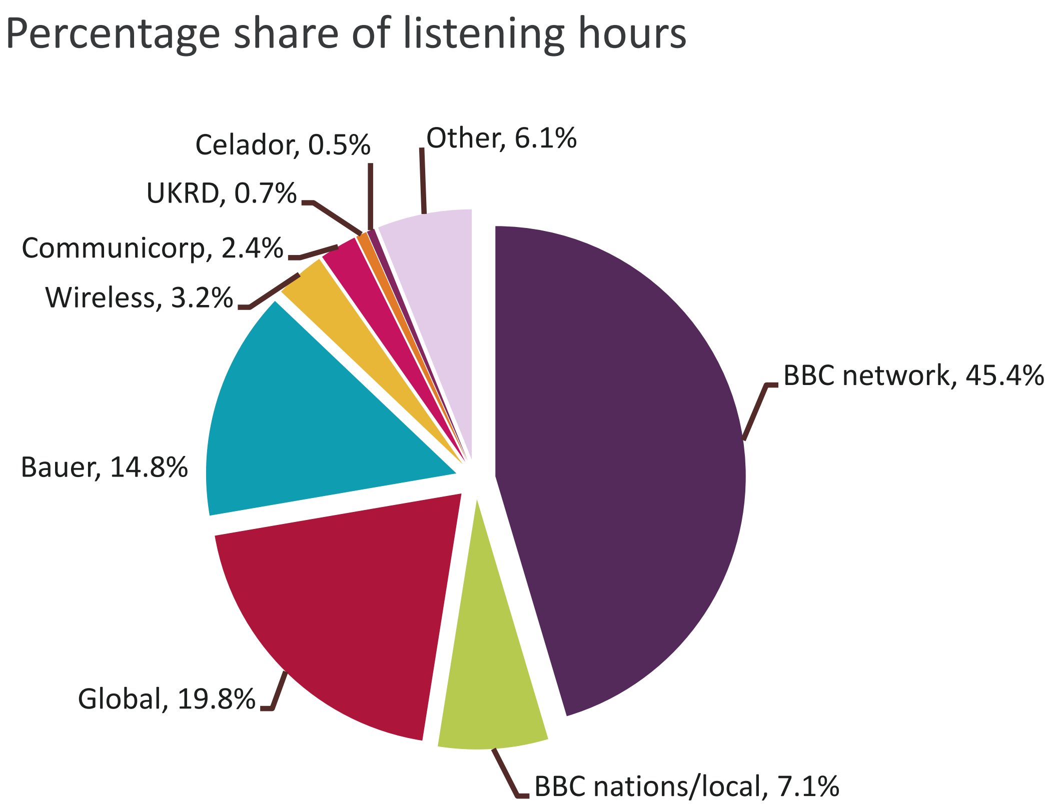
Figure 3.30
Platform split, by sector

Share of radio listening



Source: RAJAR, all adults (15+), 12 months to Q1 2017

Figure 3.31
Share of all radio listening hours



Source: RAJAR, all adults (15+), 12 months to Q1 2017

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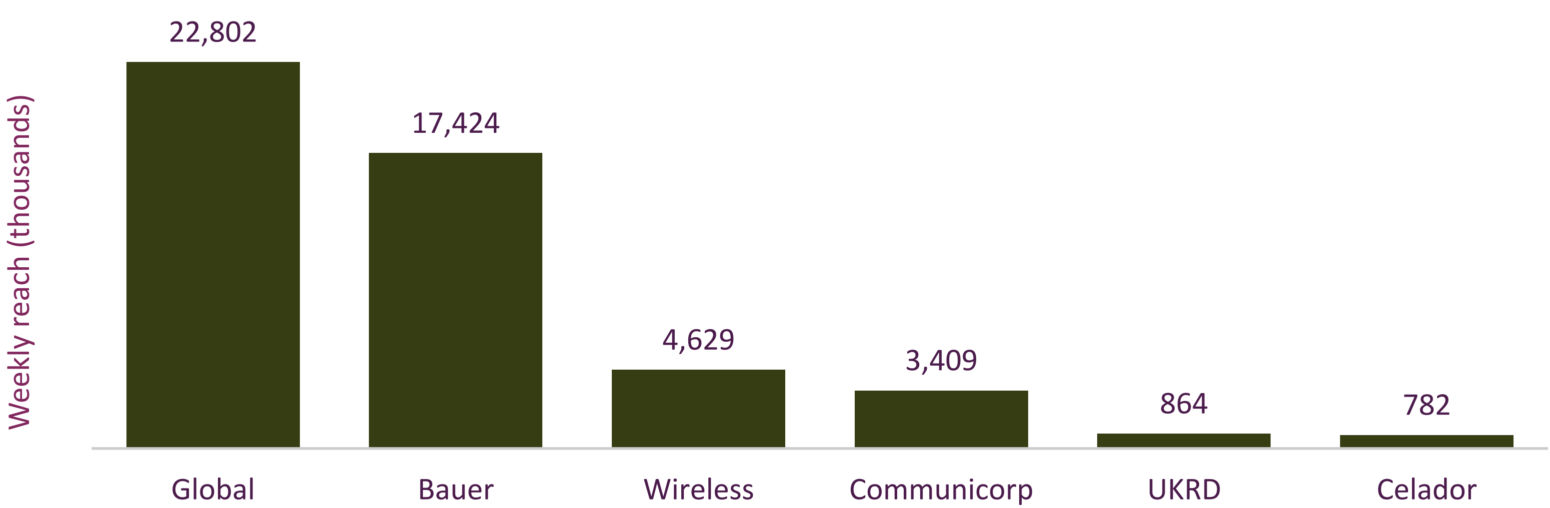
Figure 3.32
Commercial radio, by weekly audience reach

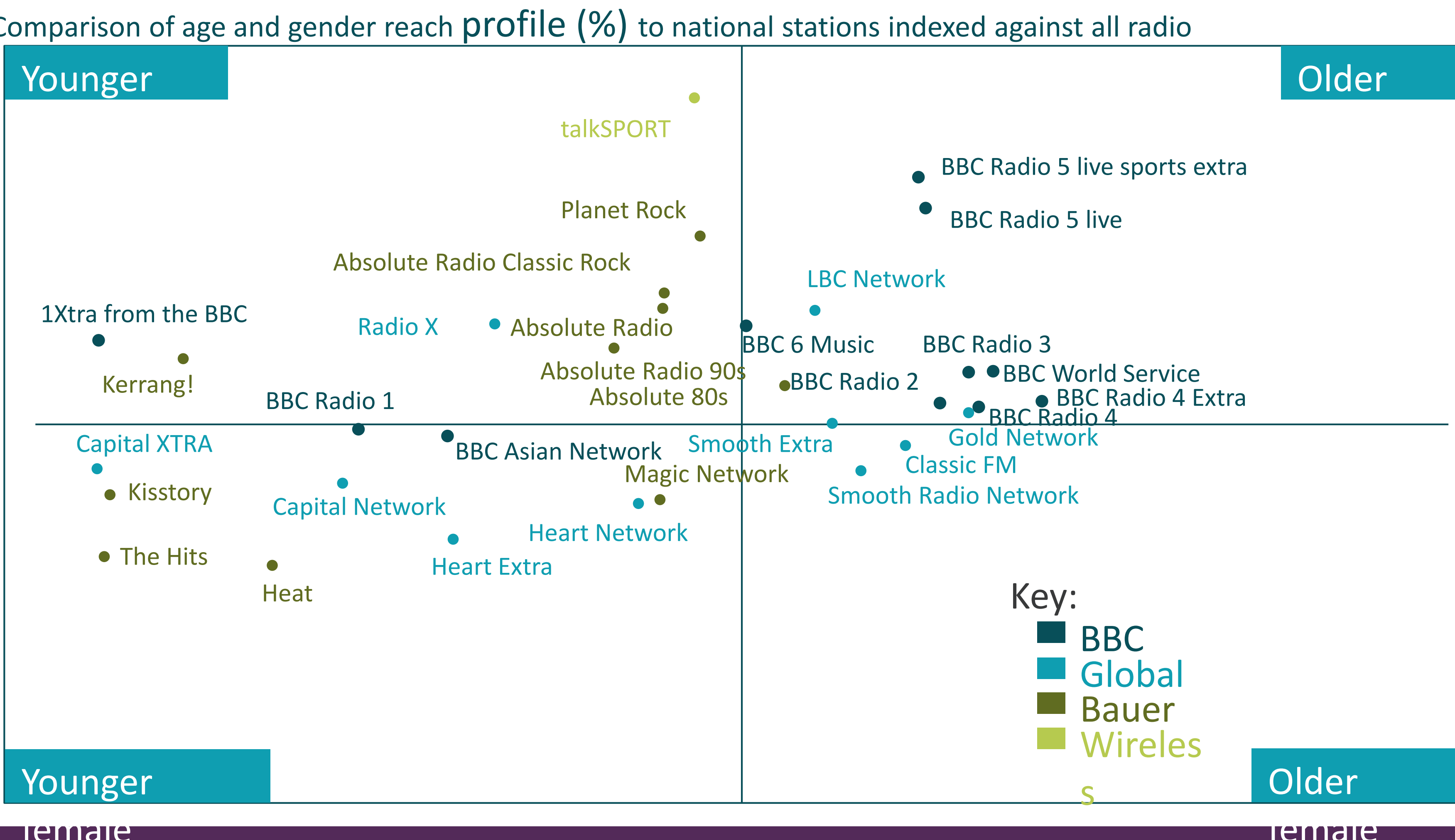
	Global	Bauer	Wireless	Communicorp	UKRD	Celador
Weekly UK audience reach	**42.2%**	**32.2%**	**8.6%**	**6.3%**	**1.6%**	**1.4%**
Annual change in reach	+0.8pp	+1.1pp	+0.7pp	+0.3pp	-0.2pp	+0.2pp



Source: RAJAR, all adults (15+), 12 months to Q1 2017

Figure 3.33

Reach profile of national stations, compared to all radio



Source: RAJAR, all adults (15+), 12 months to Q1 2017
Reach (%) for each station has been indexed against all radio reach for males and 35+
Only stations with a weekly reach greater than 500,000 listeners are shown

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Telecoms and networks

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Figure 4.1

UK Telecoms Market - Key Statistics

	2011	2012	2013	2014	2015	2016
Total operator-reported revenue (£bn)	39.7	38.4	36.5	35.1	35.4	35.6
Operator-reported retail revenue (£bn) (excl. CDS)	30.1	29.7	28.8	28.4	28.9	29.6
Operator-reported wholesale revenue (£bn)	9.6	8.7	7.7	6.6	6.5	6.0
Average monthly household telecoms spend (£, 2016 prices)	84.72	83.74	81.26	82.03	84.46	85.26
Fixed access and call revenue (£bn)	9.7	9.2	8.9	8.5	8.4	8.5
Fixed internet revenue (£bn)	3.8	3.9	4.1	4.6	5.2	5.7
Fixed lines (millions)	33.3	33.4	33.4	33.6	33.7	33.5
Fixed broadband connections (millions)	20.7	21.8	22.8	23.7	24.7	25.3
Superfast broadband connections (≥30Mbit/s, millions)	1.0	3.1	5.3	7.1	9.2	10.8
Fixed voice call minutes (billions)	111	103	93	82	74	65
Average actual residential fixed broadband download speeds (Mbit/s)	7.6	12.0	17.8	22.8	28.9	36.2
Mobile retail revenues (£bn)	16.6	16.6	15.8	15.3	15.3	15.3
Mobile voice call minutes (billions)	131	132	134	137	143	151
SMS & MMS messages sent (billions)	150	151	129	110	102	96
Average monthly mobile data per active connection (GB)*	0.1	0.2	0.4	0.5	0.9	1.3
Active mobile subscribers (millions)**	86.5	88.4	88.8	90.3	91.9	92.0
4G subscribers (millions)	-	-	2.7	23.6	39.4	52.4
M2M subscribers (millions)	4.1	5.0	5.7	6.3	6.7	7.6

Source: Ofcom / operators / Ofcom Connected Nations Reports 2011 - 2016

Notes: Connection figures are at year-end; in a change from previous years, the total industry revenues shown here exclude those generated by corporate data services; household spend data includes VAT and is CPI adjusted; All revenue data is adjusted for CPI (2016, prices); fixed voice minutes shown here are likely to be understated as they do not fully capture the use of VoIP services; fixed and superfast broadband connection figures include business connections; *average monthly mobile data per active connection for 2011 as of March, 2012-2016 as of June of each year; **active mobile subscribers include machine-to-machine subscriptions

Figure 4.2
Summary of UK telecoms revenues (£bn)

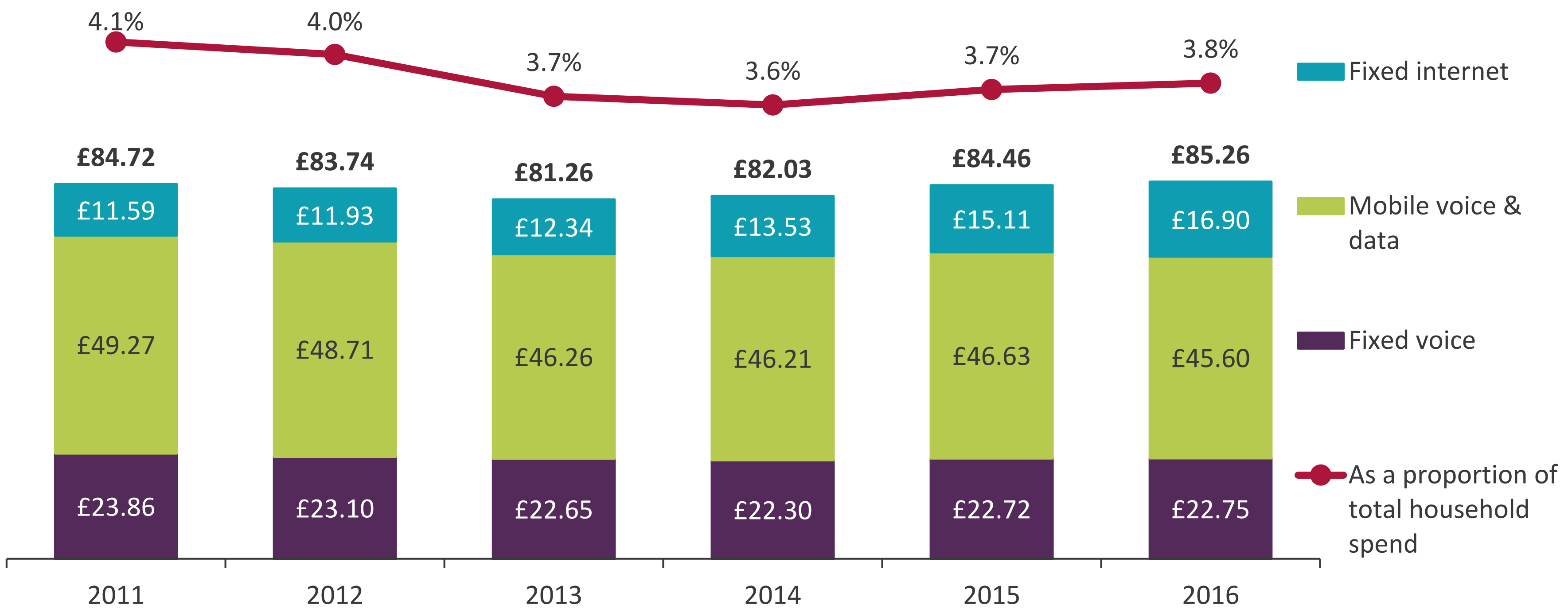
	2016 change	5 year CAGR
Total	**0.4%**	**-2.2%**
Retail mobile	0.3%	-1.6%
Retail fixed	4.3%	1.1%
Wholesale Services	-7.6%	-9.0%

Source: Ofcom / operators

Notes: In a change from previous years, the total industry revenues shown here exclude those generated by Corporate Data Services; data have been adjusted for CPI (2016 prices).

Figure 4.3

Average household spend on telecoms services (£ per month)

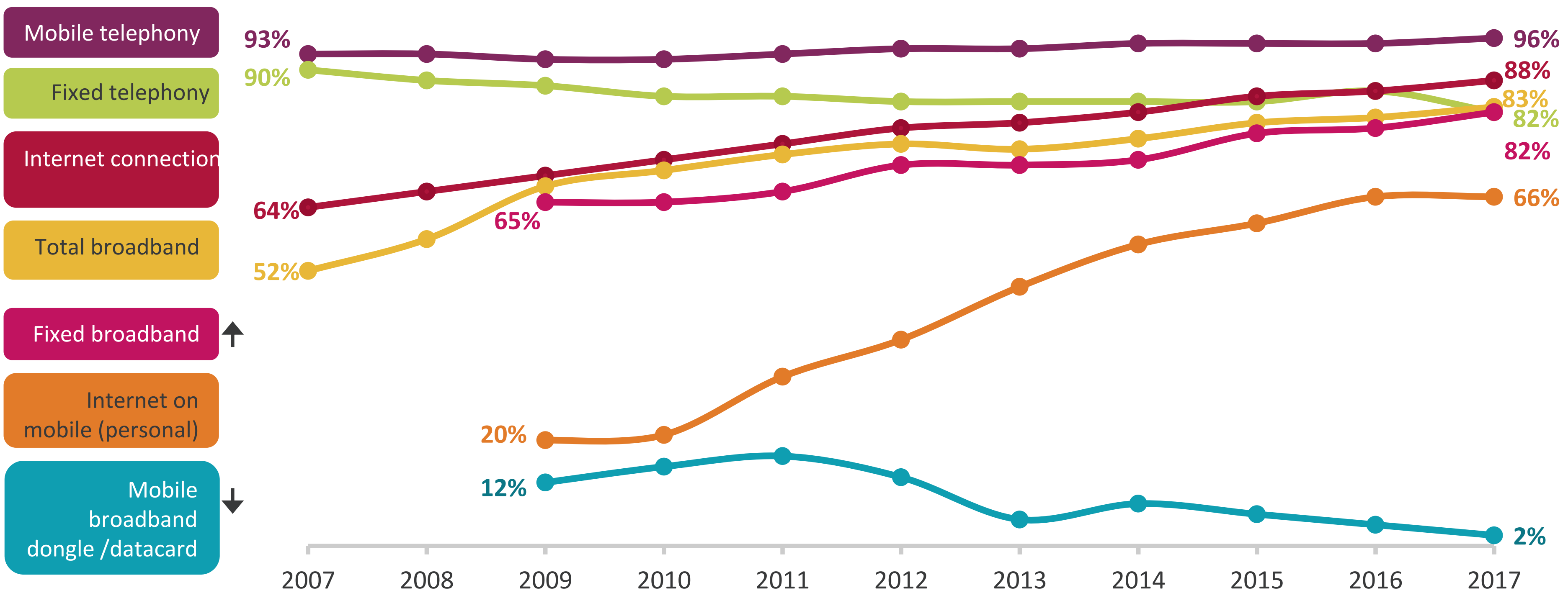


Source: Ofcom / operators / ONS

Notes: Includes estimates where Ofcom does not receive data from operators; adjusted for CPI (2016 prices); includes VAT. Average household spend is calculated by dividing residential telecoms service revenues by the number of UK households

Figure 4.4

Take-up of key telecoms technologies (proportion of households / adults)



Source: Ofcom Technology Tracker. Data from Quarter 1 of each year 2007-2014, then Half 1 2015-2017.

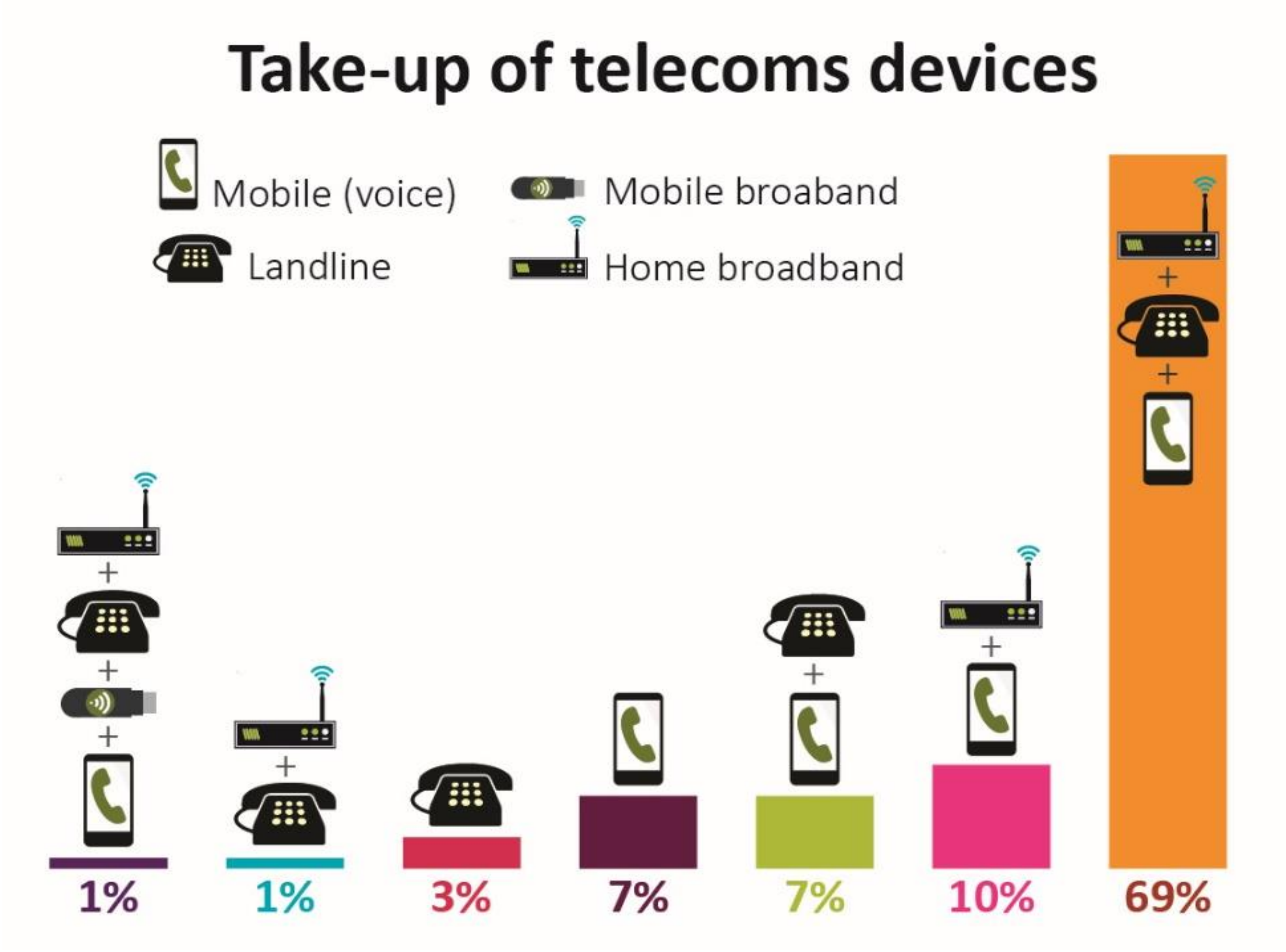
Base: All adults aged 16+ (2017 n=3743).

Significance testing: Arrows indicate any significant differences at the 99% confidence level between UK 2016 and UK 2017.

QC1: Is there a landline phone in your home that can be used to make and receive calls? QE1: Does your household have a PC or laptop computer? / QE2: Do you or does anyone in your household have access to the internet/ World Wide Web at home (via any device, e.g. PC, laptop, mobile phone etc.)? / QE12 (QE9): Which of these methods does your household use to connect to the internet at home?

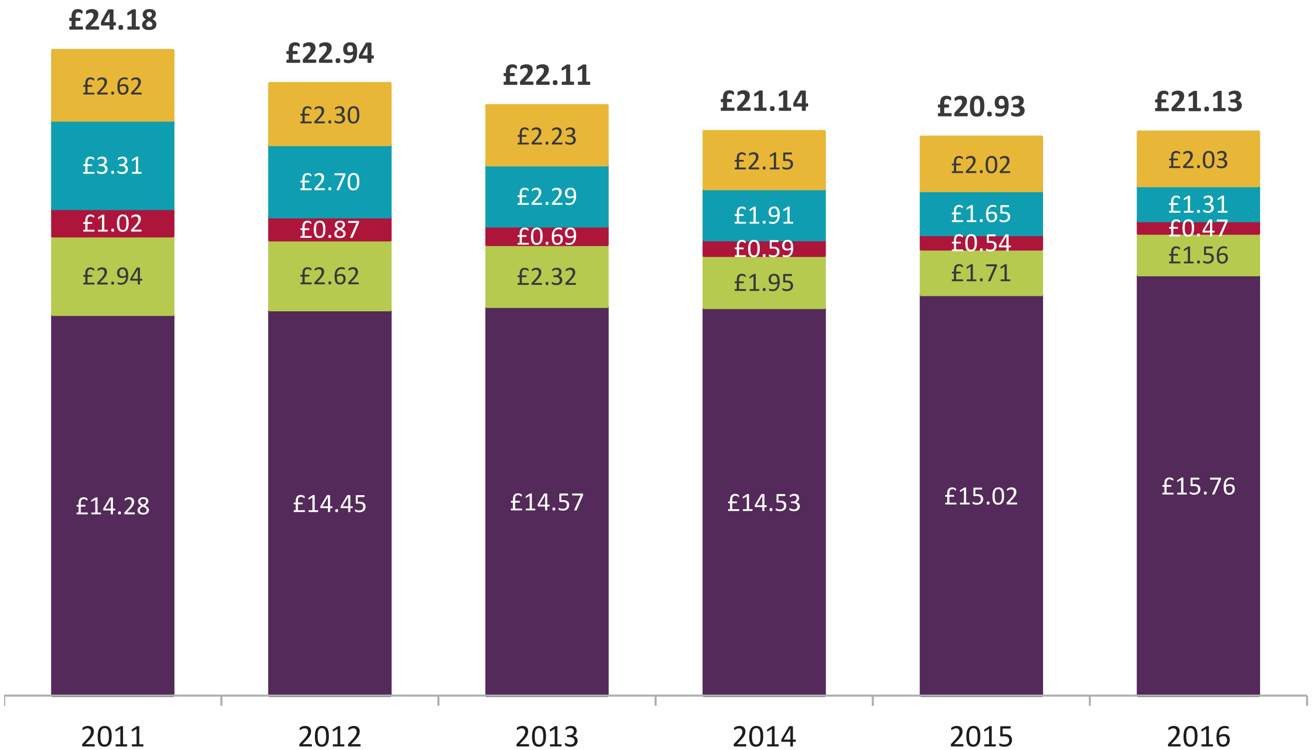
Note: Use of internet on mobile is personal take-up measure, whereas the other data relate to household take-up.

Figure 4.5
Take-up of telecoms services



Source: Ofcom Technology Tracker H1 2017

Figure 4.6
Average monthly retail voice revenue per fixed voice connection (£ per month)



	2016 change	5 year CAGR
Total	**0.9%**	**-2.7%**
Other calls	0.4%	-5.0%
Calls to mobiles	-20.4%	-16.9%
International calls	-13.0%	-14.6%
UK Geographic calls	-9.1%	-12.0%
Line rental and bundle	5.0%	2.0%

Source: Ofcom / operators

Notes: Adjusted for CPI (2016 prices)

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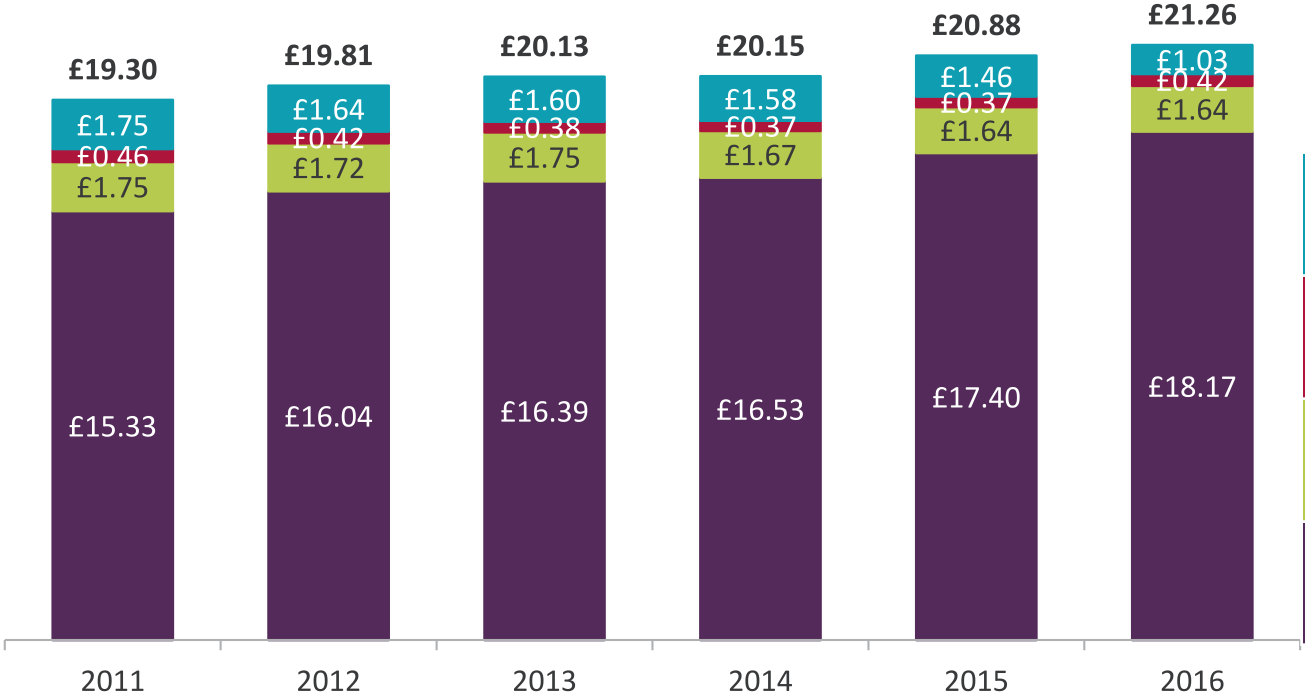
Figure 4.7

Real price of a basket of residential fixed voice services (£ per month)

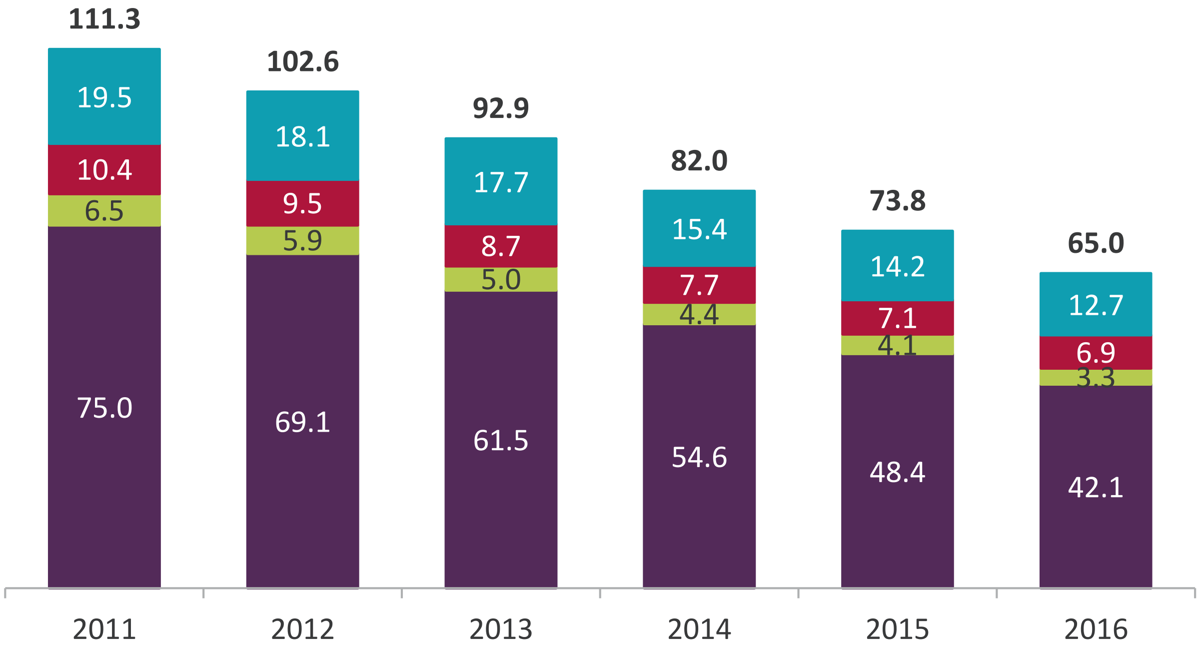


	2016 change	5 year CAGR
Total	1.8%	2.0%
Calls to mobiles	-29.4%	-10.0%
International calls	13.0%	-1.8%
UK geographic calls	-0.4%	-1.3%
Fixed access	4.4%	3.5%

Source: Ofcom / operators

Note: Includes estimates where Ofcom does not receive data from operators; excludes non-geographic voice calls; adjusted for CPI (2016 prices); includes VAT

Figure 4.8
Outgoing fixed call volumes, by type of call (billions of minutes)

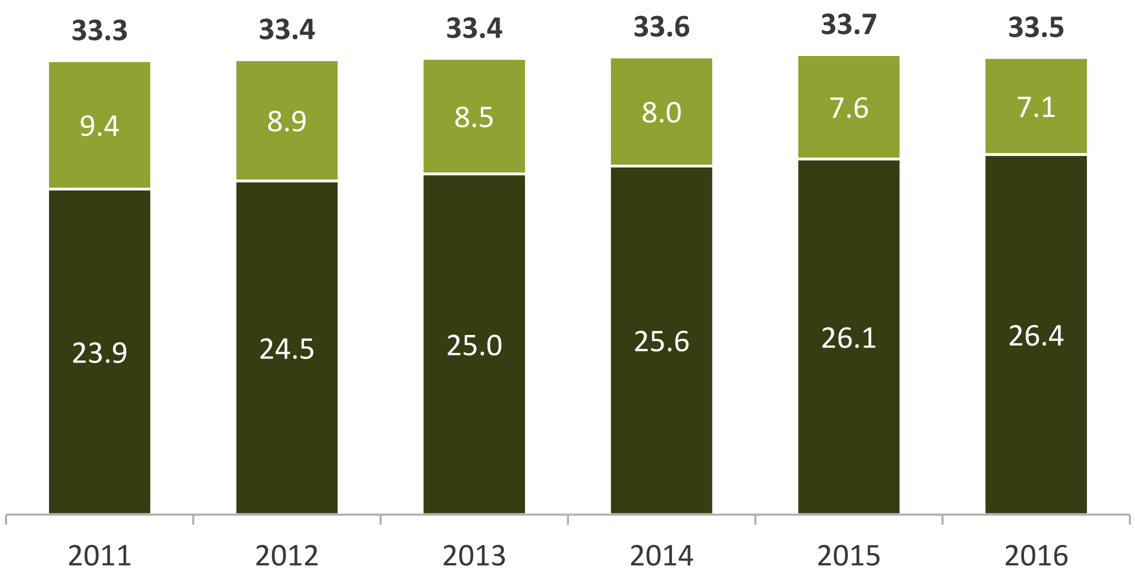


	2016 change	5 year CAGR
Total	**-11.9%**	**-10.2%**
Other calls	-10.5%	-8.1%
Calls to mobiles	-2.8%	-7.9%
International calls	-18.4%	-12.6%
UK geographic calls	-13.0%	-10.9%

Source: Ofcom / operators

Note: VoIP call volumes are not fully captured in this chart and so totals may be understated

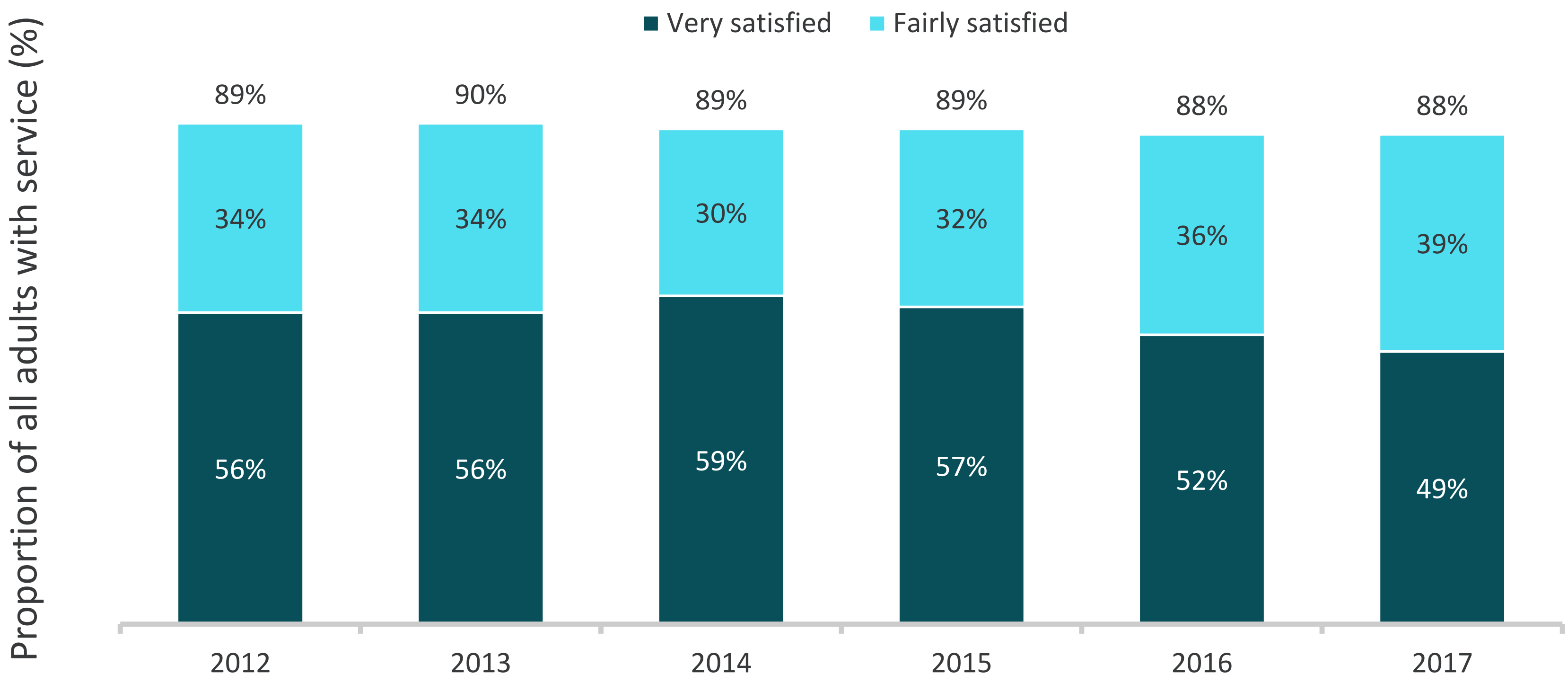
Figure 4.9
Number of fixed lines (millions)



	2016 change	5 year CAGR
Total	**-0.6%**	**0.1%**
Business	-7.0%	-5.4%
Residential	1.3%	2.0%

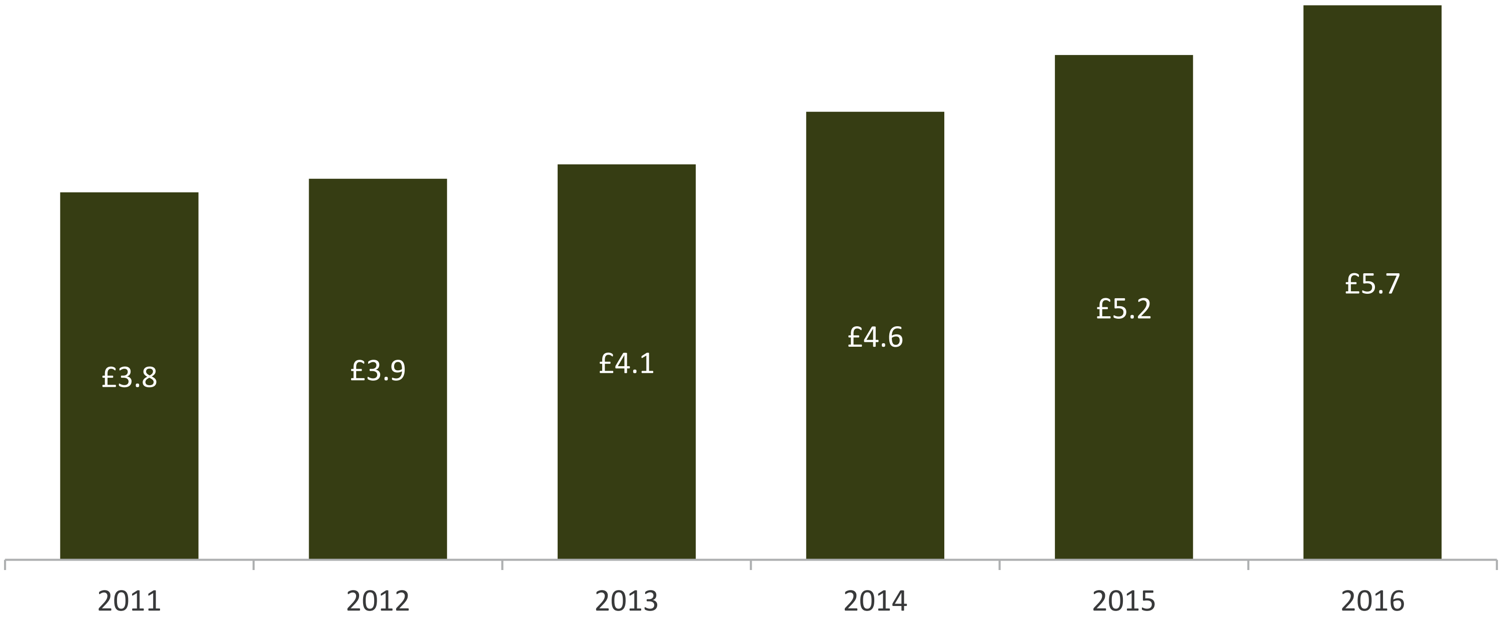
Source: Ofcom / operators

Figure 4.10
Overall satisfaction with residential fixed voice services



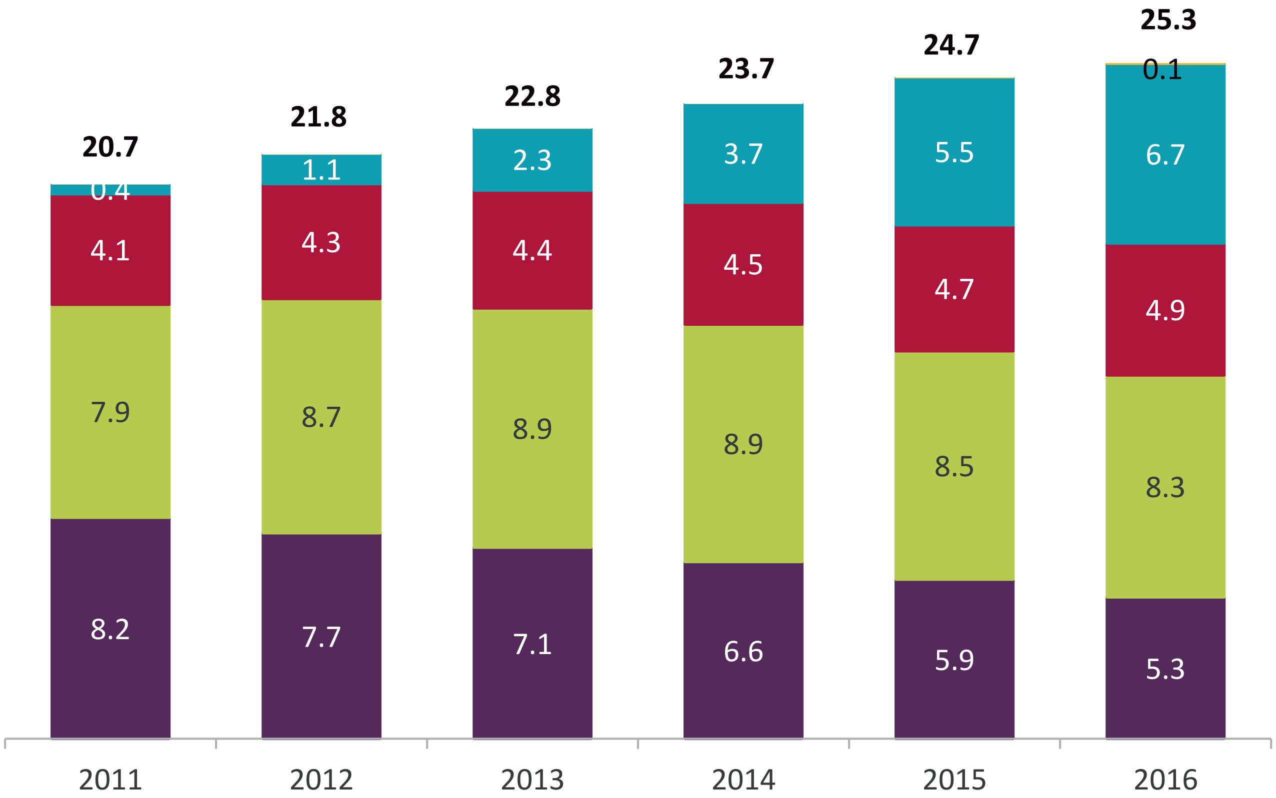
Source: Ofcom Technology Tracker. Data from Quarter 1 2009-2014, then Half 1 2015-2017
Base: All adults aged 16+ with a fixed line phone (2017=3074)
Note: Includes only those who expressed an opinion.
Significance testing: Arrows indicate any significant differences at the 99% confidence level between UK 2016 and UK 2017.
QC8A (QC13A): Thinking about your home phone service only, please use this card to say how satisfied you are with the overall service provided by (MAIN SUPPLIER)?

Figure 4.11
Retail residential and SME fixed internet revenues (£bn)



Source: Ofcom / operator data
Note: all revenue data includes VAT and is adjusted for CPI (2016, prices)

Figure 4.12
Retail fixed broadband connections (millions)



	2016 change	5 year CAGR
Total	2.2%	4.0%
Others	n/a	n/a
Fibre	21.4%	78.5%
Cable	4.8%	3.6%
LLU-ADSL	-2.9%	0.8%
Non-LLU ADSL	-11.1%	-8.5%

Source: Ofcom / operator data

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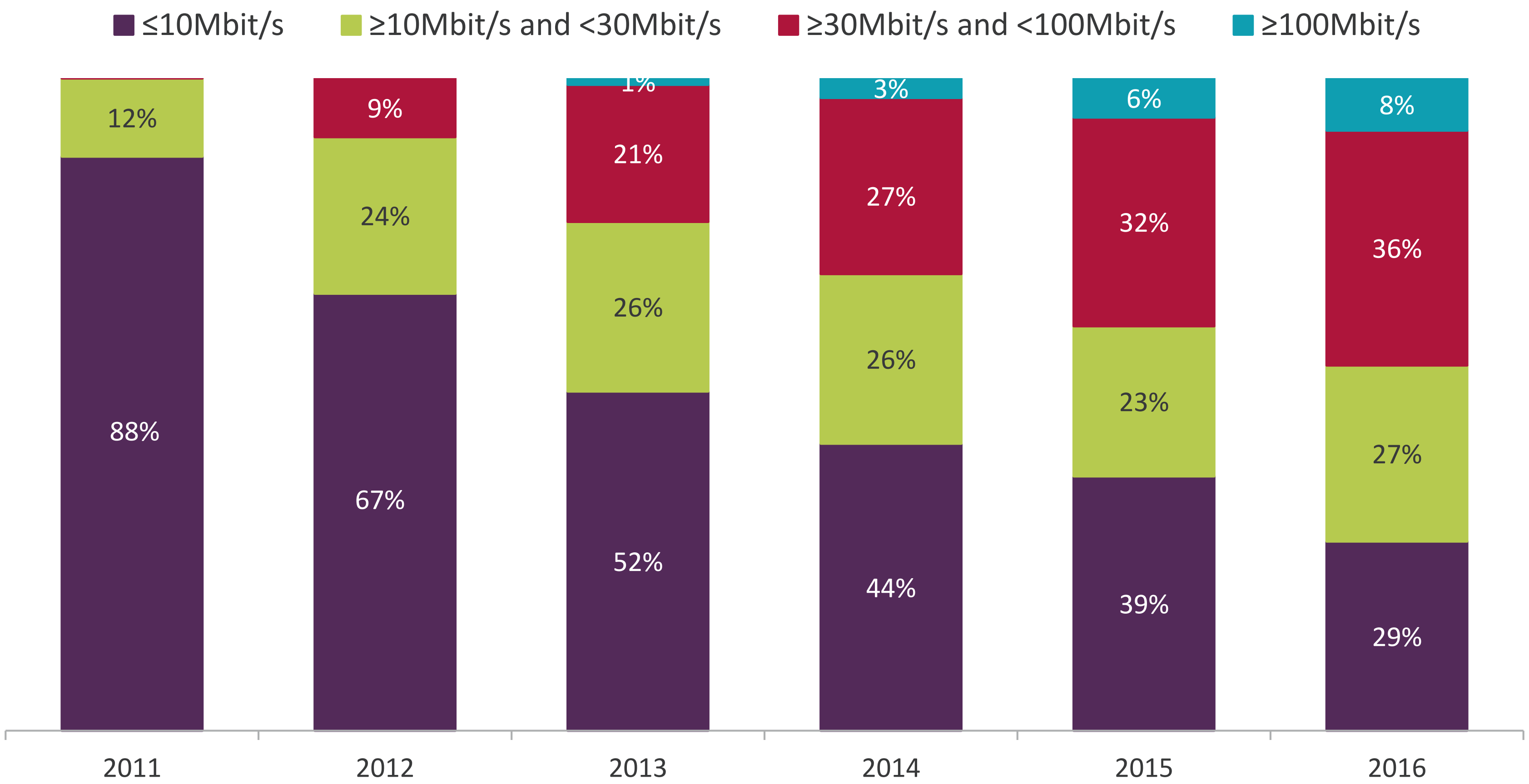
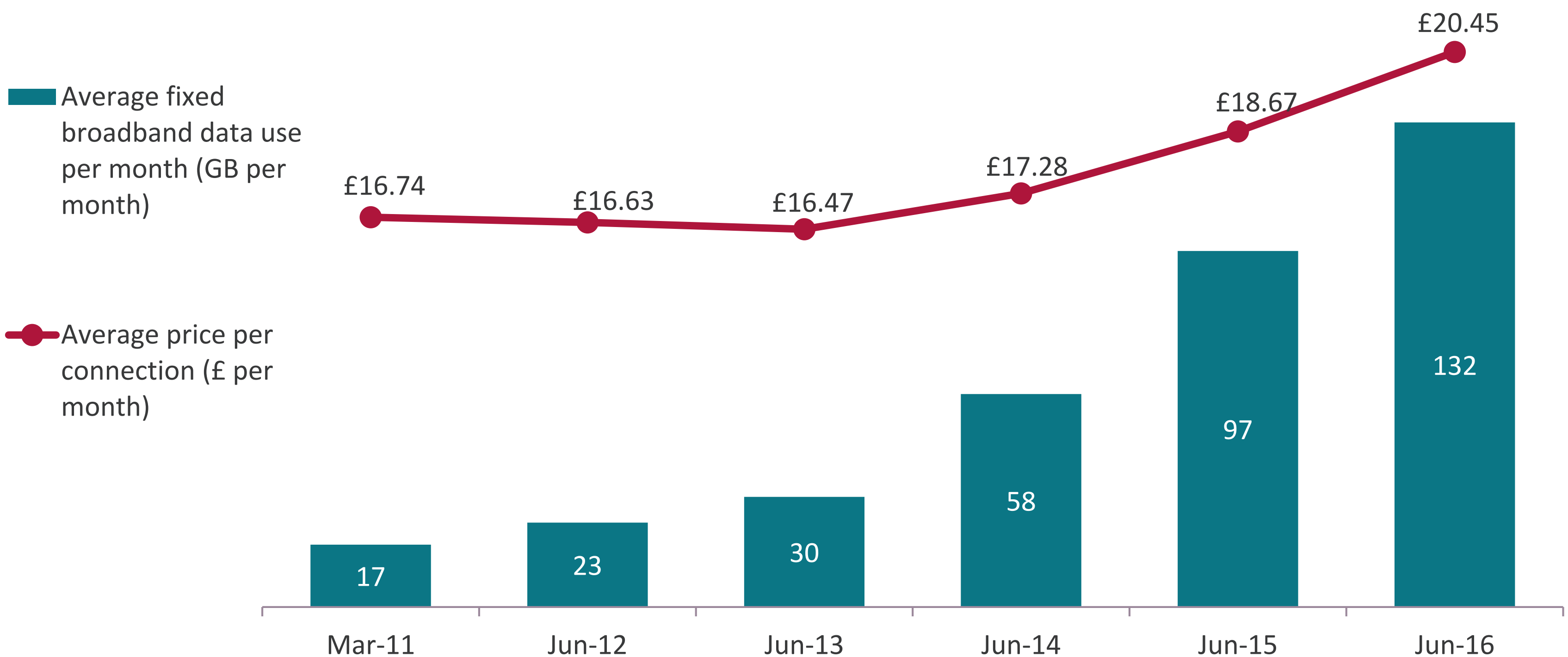
Figure 4.13
Distribution of average actual residential broadband download speeds



Source: UK home broadband performance reports 2011 - 2016

Figure 4.14

Average fixed broadband revenue per connection and data use per month

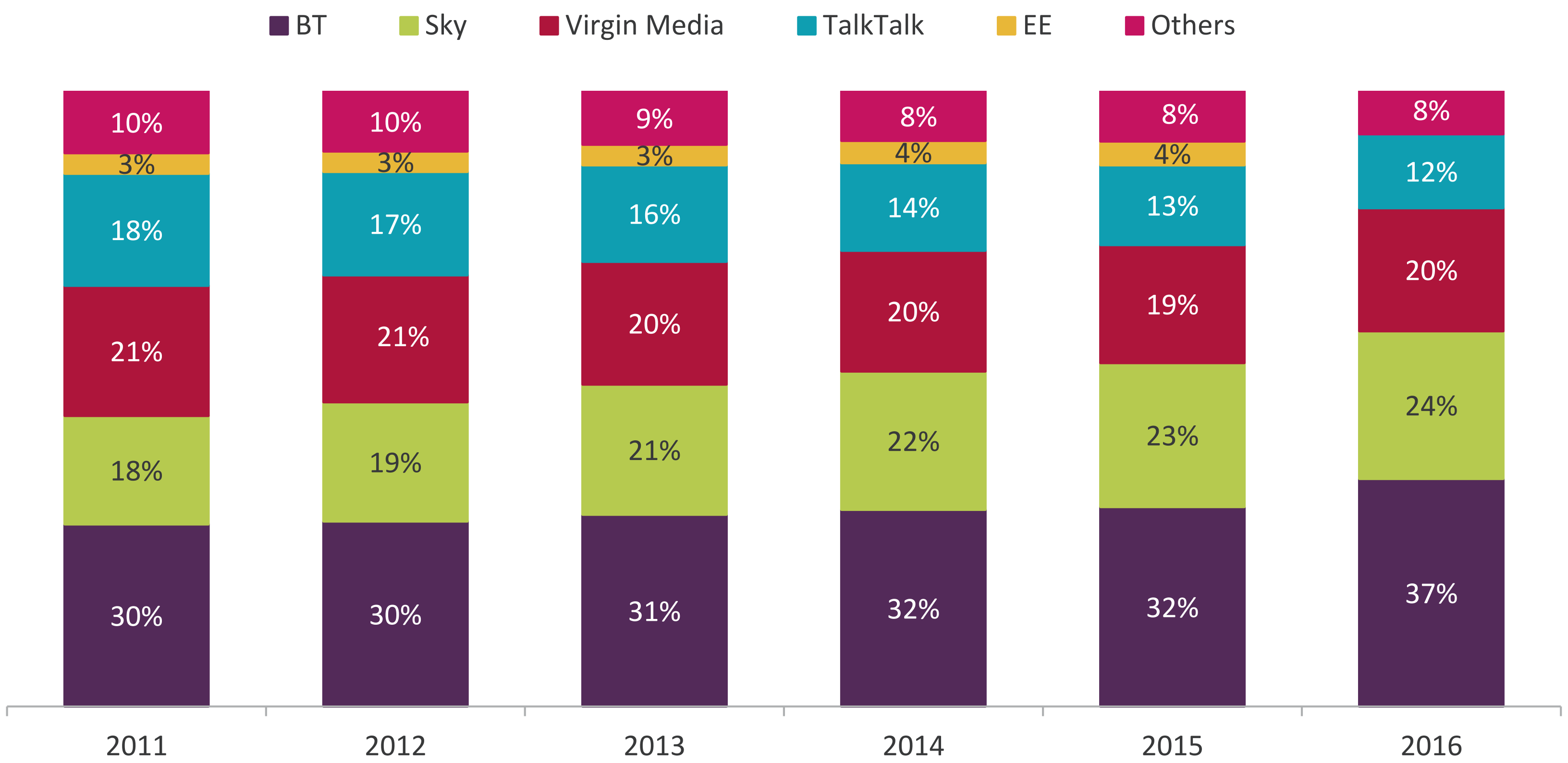


Average actual speed (Mbit/s)	6.8Mbit/s (May 2011)	9Mbit/s (May 2012)	18Mbit/s (May 2013)	23Mbit/s (May 2014)	28.9Mbit/s (November 2015)	36.2Mbit/s (November 2016)

Source: Ofcom Connected Nations Reports 2011 - 2016 / UK home broadband performance reports 2011 - 2016
Note: Average price adjusted for CPI (2016 prices)

Figure 4.15

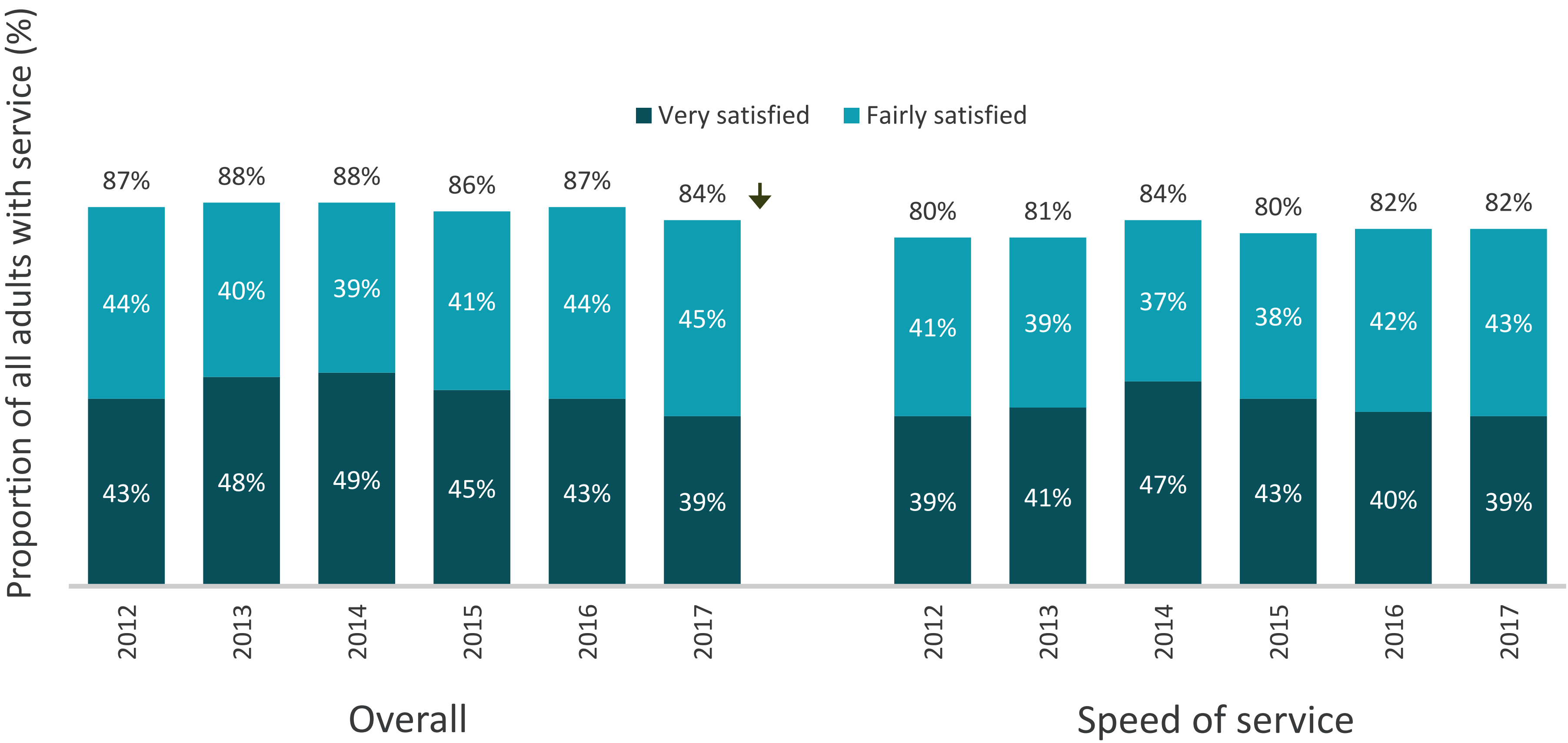
Retail fixed broadband market share (%)



Source: Ofcom / operator data

Note: BT and EE are shown separately up to 2015, as the merger between these two organisations was not completed until 2016.

Figure 4.16
Satisfaction of all adults with aspects of fixed broadband service



Source: Ofcom Technology Tracker. Data from Quarter 1 2009-2014, then Half 1 2015-2017
Base: All adults aged 16+ with a fixed broadband connection (2017=2928)
Note: Includes only those who expressed an opinion.
Significance testing: Arrows indicate any significant differences at the 99% confidence level between UK 2016 and UK 2017.
QE29A/B (QE8A/B): Thinking about your fixed broadband internet service, please use this card to say how satisfied you are with your main supplier for... The overall service/ The speed of your service while online (not just the connection) provided by MAIN PROVIDER/?

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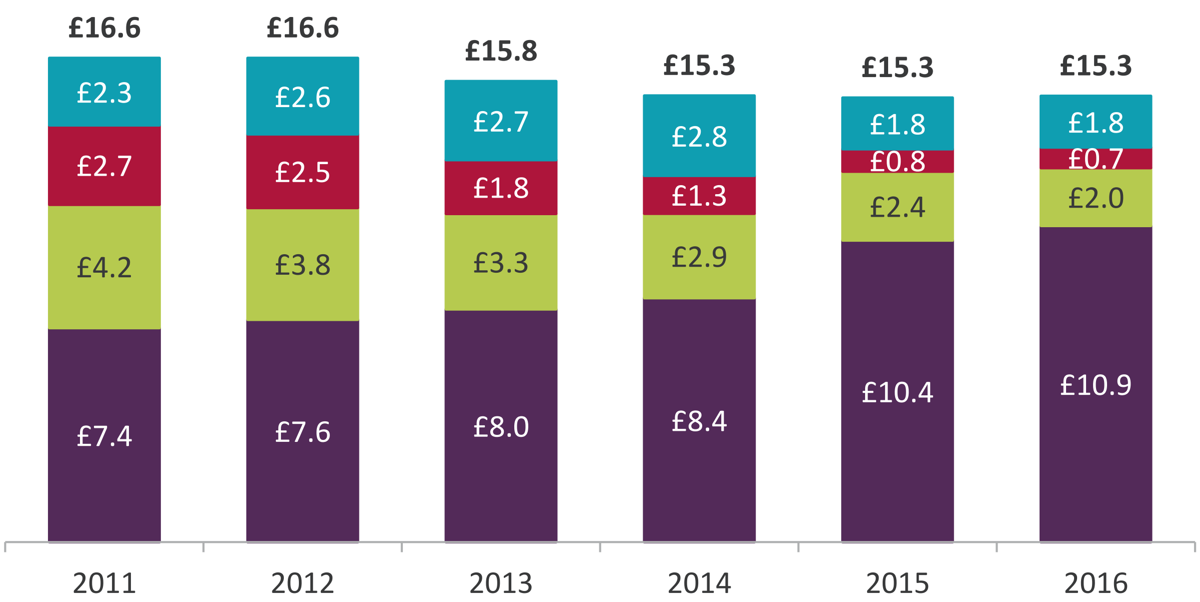
Figure 4.17

Mobile retail revenue, by service (£ billions)

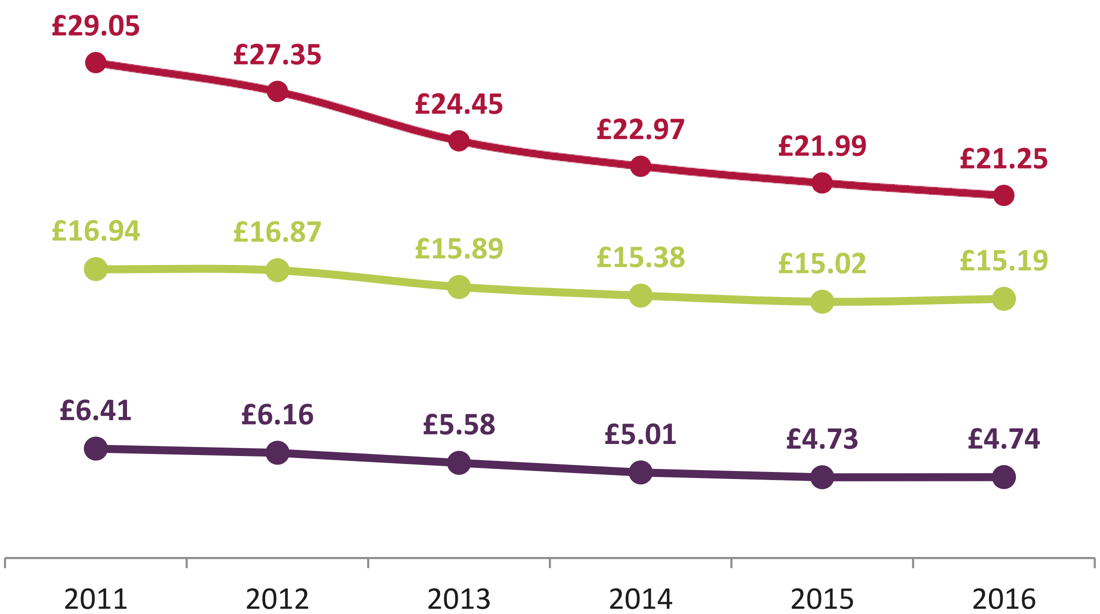


	2016 change	5 year CAGR
Total	**0.3%**	**-1.6%**
Out-of-bundle data	0.2%	-5.2%
Out-of-bundle messaging	-8.2%	-23.6%
Out-of-bundle calls	-15.6%	-14.0%
Access and bundled services	4.5%	8.1%

Source: Ofcom / operators
Notes: In 2015 one of the major operators redefined how it reported bundled and out-of-bundle revenues, this way of reporting continued in 2016, so figures not directly comparable before 2015; adjusted for CPI (2016 prices)

Figure 4.18

Average monthly retail revenue per mobile subscription (2016 prices)



	2016 change	5 year CAGR
Post-pay	-3.3%	-6.1%
Blended	1.1%	-2.2%
Pre-pay	0.1%	-5.9%

Source: Ofcom / operators

Notes: Mobile voice revenues include revenues from bundled messaging and data services; adjusted for CPI (2016 prices); revenue from handsets included in the monthly post-pay cost will be included in revenues, while up-front handset costs will not be.

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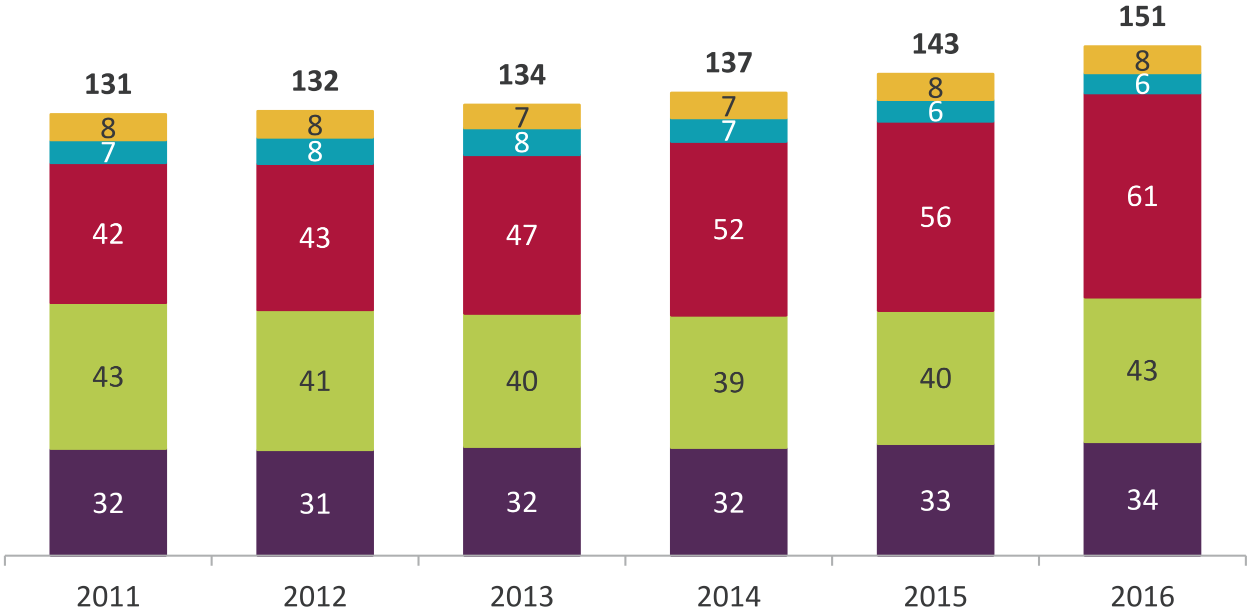
Figure 4.19
Outgoing mobile call minutes, by type of call (billions)

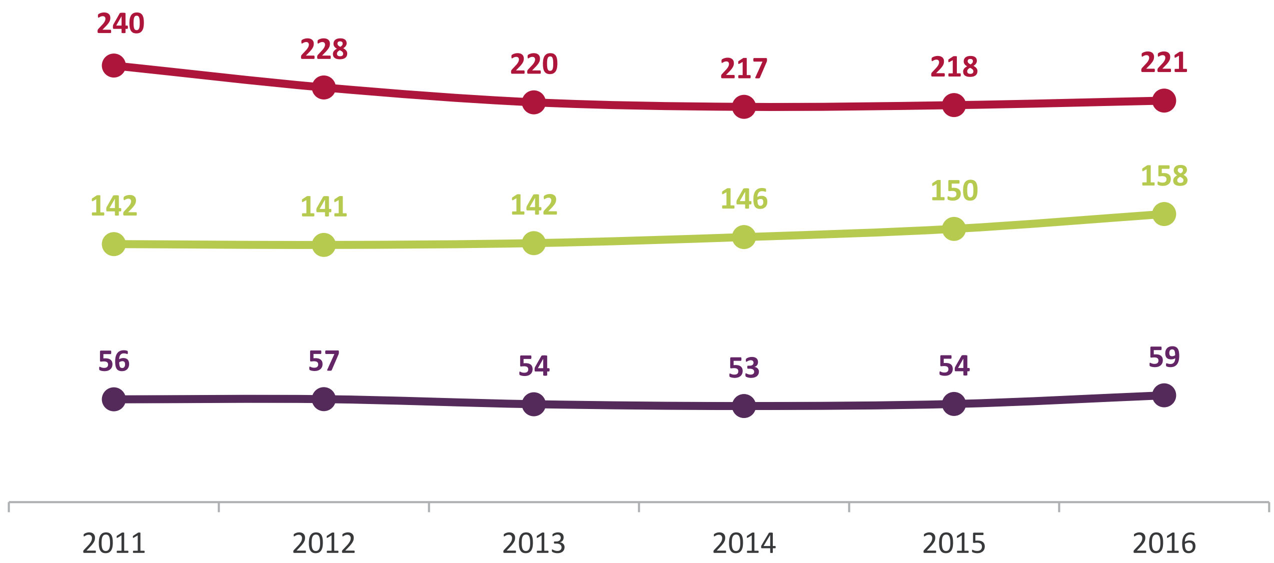


	2016 change	5 year CAGR
Total	**5.7%**	**2.9%**
Other calls	4.0%	0.6%
International	-8.5%	-2.5%
Off-net mobile	8.0%%	7.8%
On-net mobile	8.6%	-0.1%
UK geographic	1.7%	1.2%

Source: Ofcom / operators

Figure 4.20

Average monthly outbound mobile call minutes, by subscription type (minutes per month)

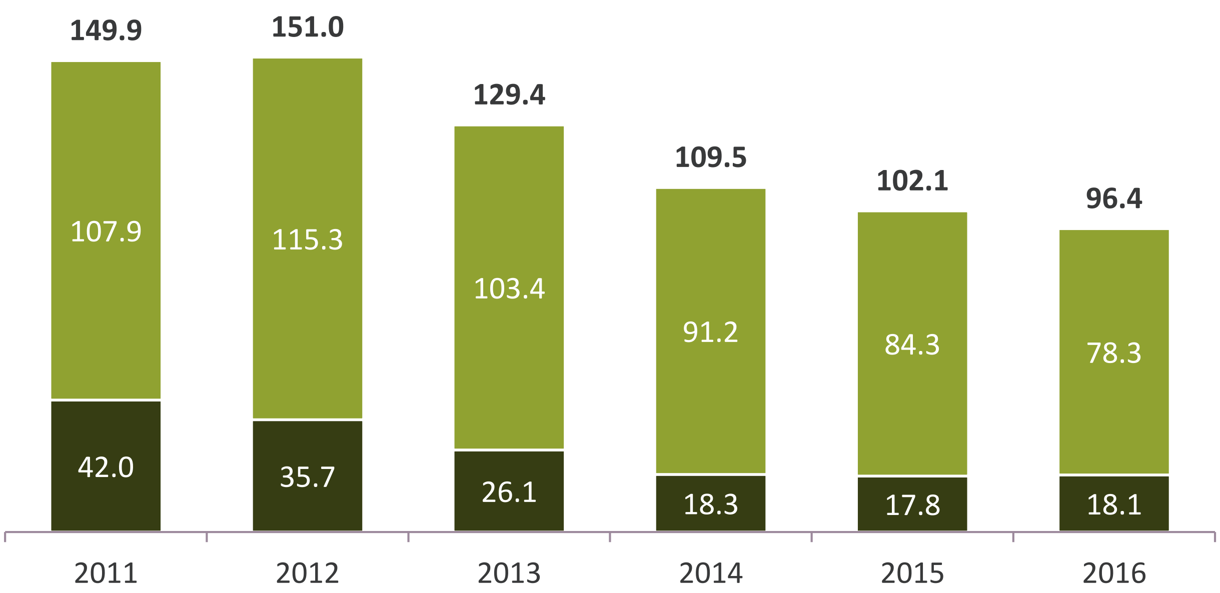


	2016 change	5 year CAGR
Pay monthly	1.1%	-8.0%
Blended	5.4%	11.6%
Pre-pay	8.8%	3.9%

Source: Ofcom / operators

Note: Includes estimates where Ofcom does not receive data from operators.

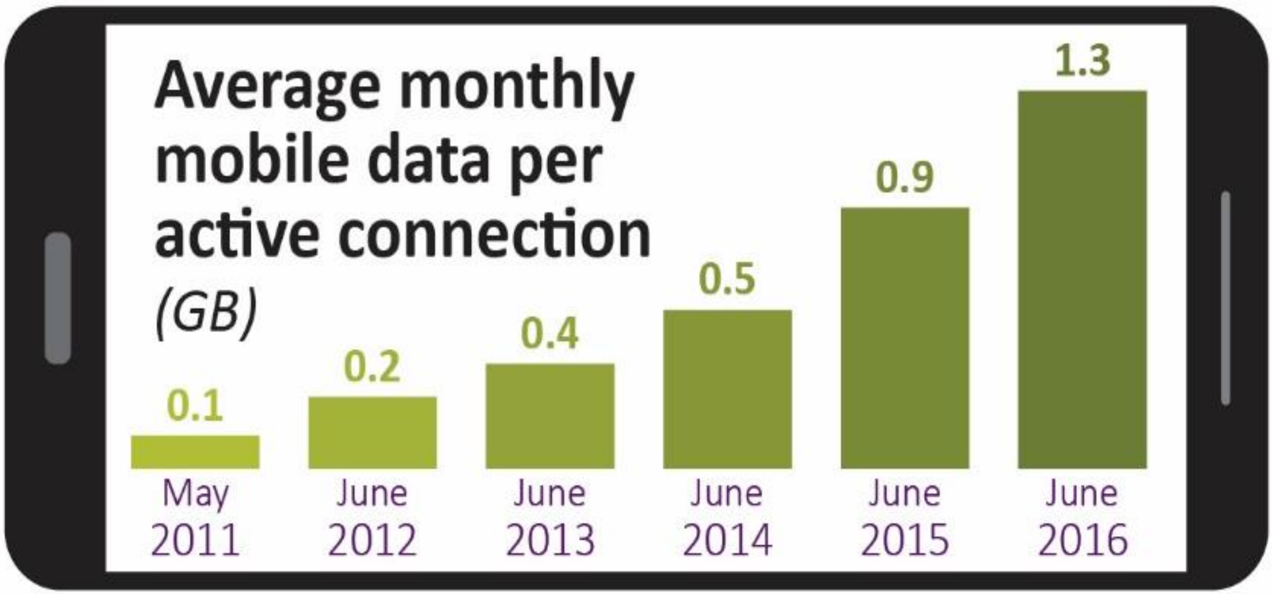
Figure 4.21
Outgoing SMS and MMS messages (billions)



	2016 change	5 year CAGR
Total	-5.5%	-8.4%
Post-pay	-7.1%	-6.2%
Pre-pay	1.9%	-15.4%

Source: Ofcom / operators

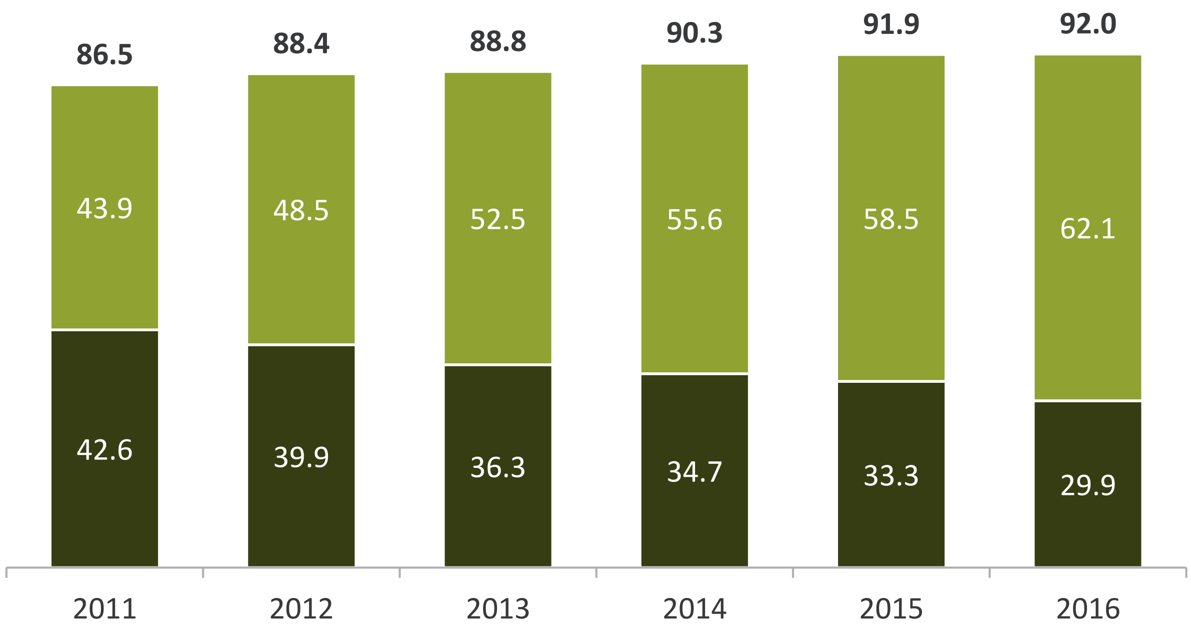
Figure 4.22
Average monthly mobile data per active connection (GB)



Source: Ofcom / operators

Figure 4.23

Mobile subscriptions, by pre-pay and post-pay (millions)



	2016 change	5 year CAGR
Total	**0.1%**	**1.2%**
Post-pay	6.1%	7.2%
Pre-pay	-10.4%	-6.8%

Source: Ofcom / operators
Note: Includes M2M

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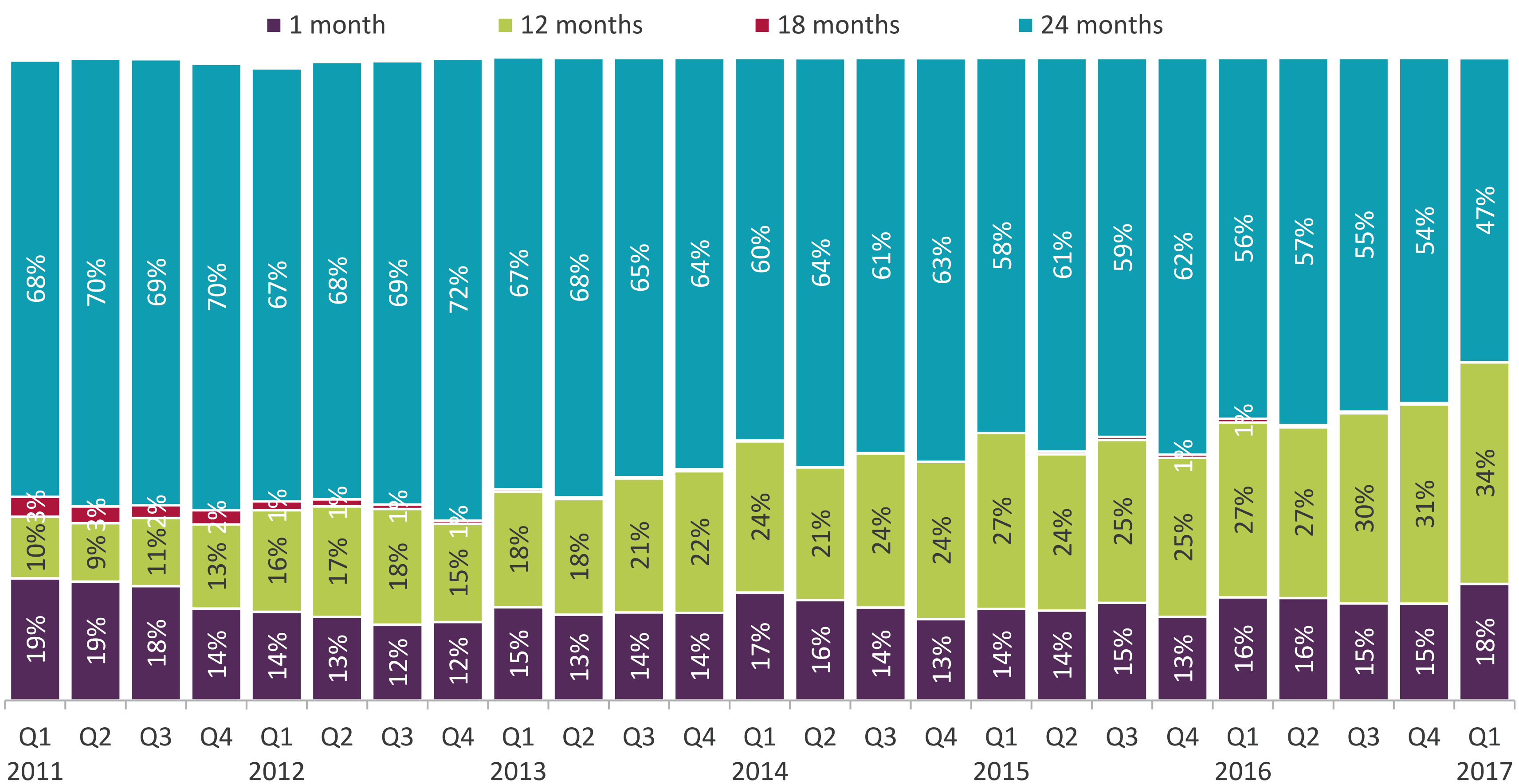
Figure 4.24

Contract lengths for new post-pay mobile connections (proportion of sales)



Source: GfK Retail and Technology UK Ltd, Contract Handset Acquisitions: price segments.

Notes: England, Scotland and Wales only (excludes Northern Ireland); based on GfK's coverage of 95% of the consumer market; based on new post-pay connections; excludes contract renewals; only represents sales through consumer channels (excluding Apple Store and eBay).

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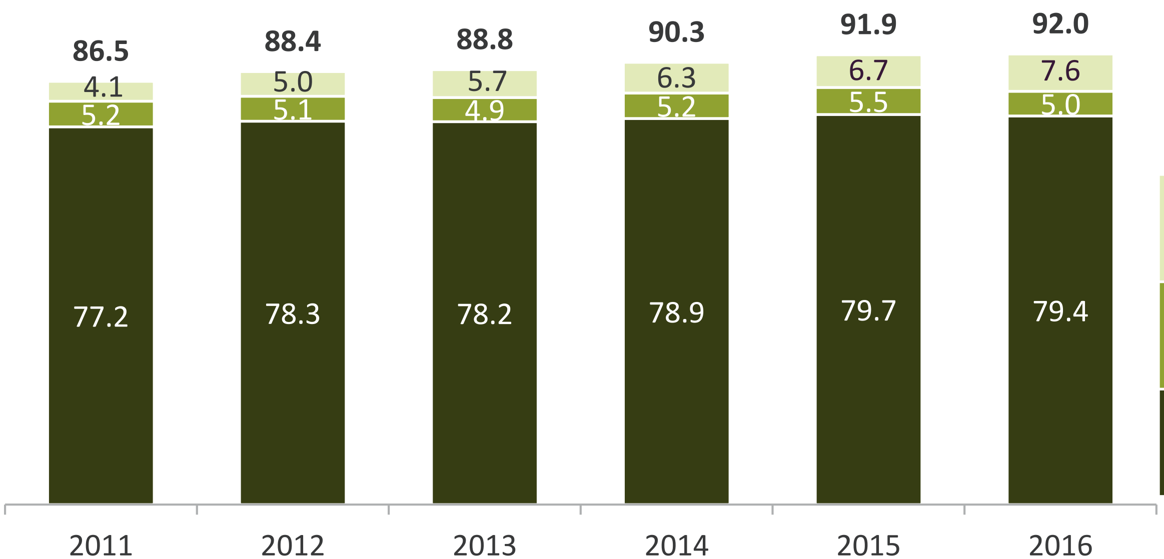
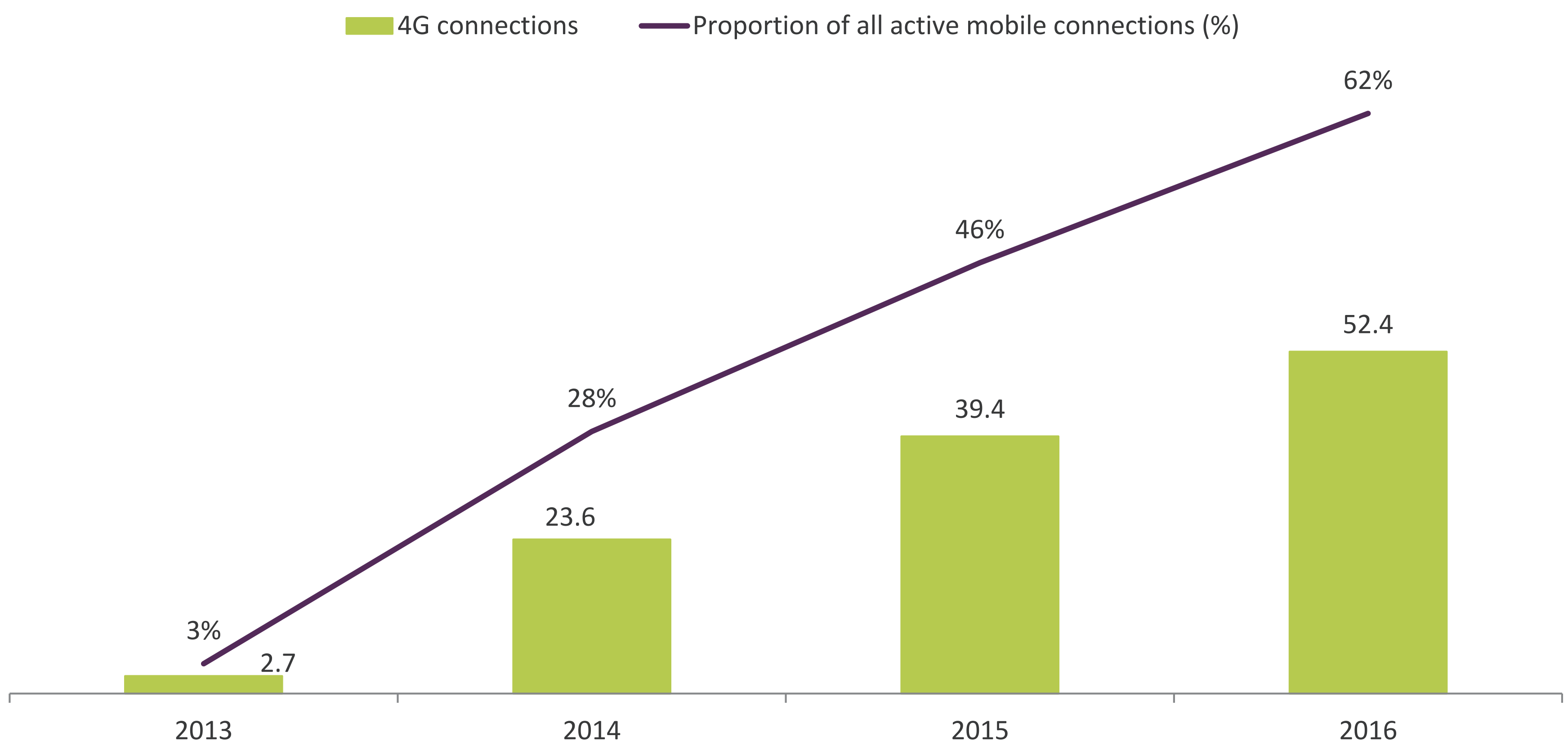
Figure 4.25
Mobile subscriptions, by connection type (millions)



	2016 change	5 year CAGR
Total	0.1%	1.2%
M2M	14.2%	13.4%
Dedicated mobile data	-9.8%	-1.0%
Mobile handset	-0.4%	0.6%

Figure 4.26
Number of mobile connections with access to 4G services (millions)

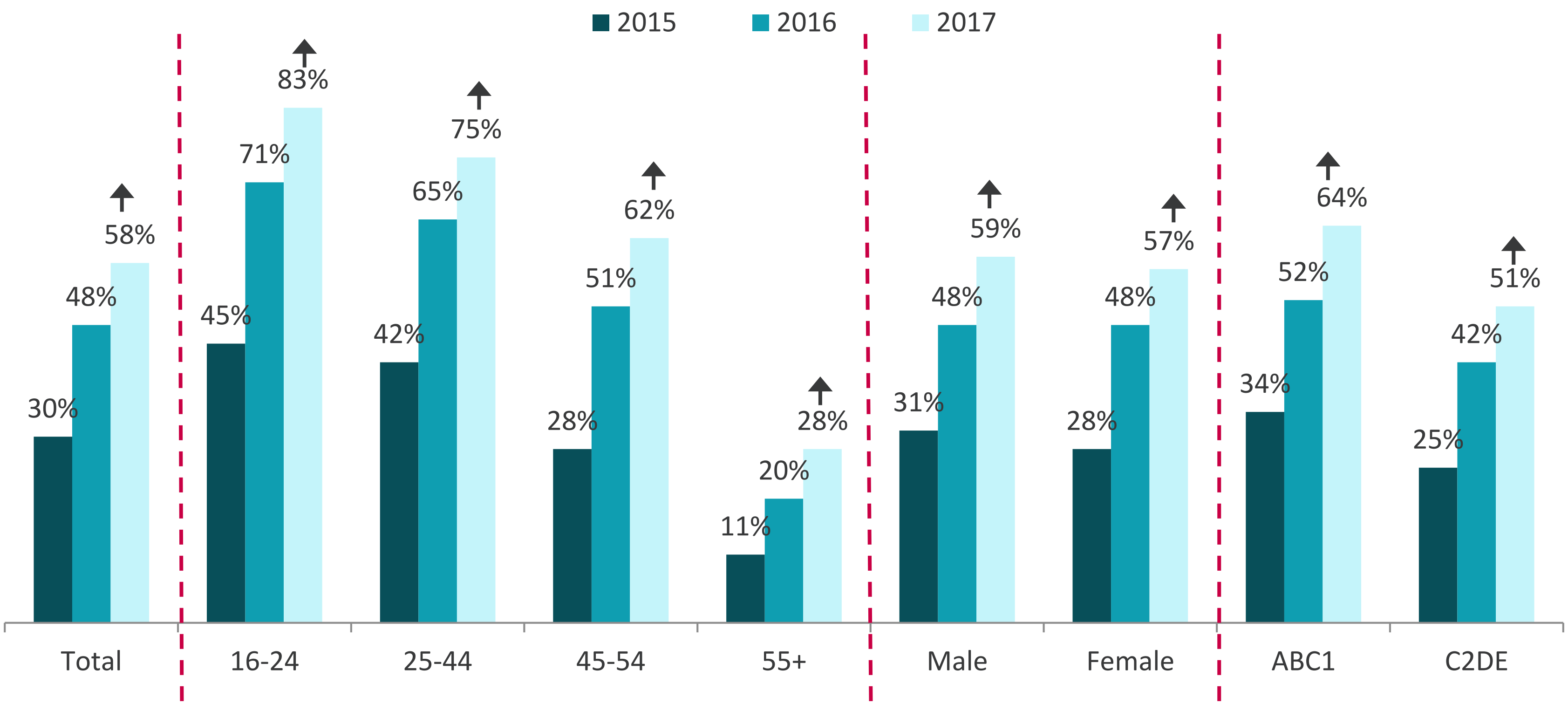


Source: Operator data

Note: Includes all consumers whose tariff allows them to access 4G mobile services, even those without a 4G-enabled device or in areas where their provider has no 4G coverage

Figure 4.27

4G take-up overall, by age, gender and socio-economic group (% of respondents)



Source: Ofcom Technology Tracker. Data from Half 1 2015-2017

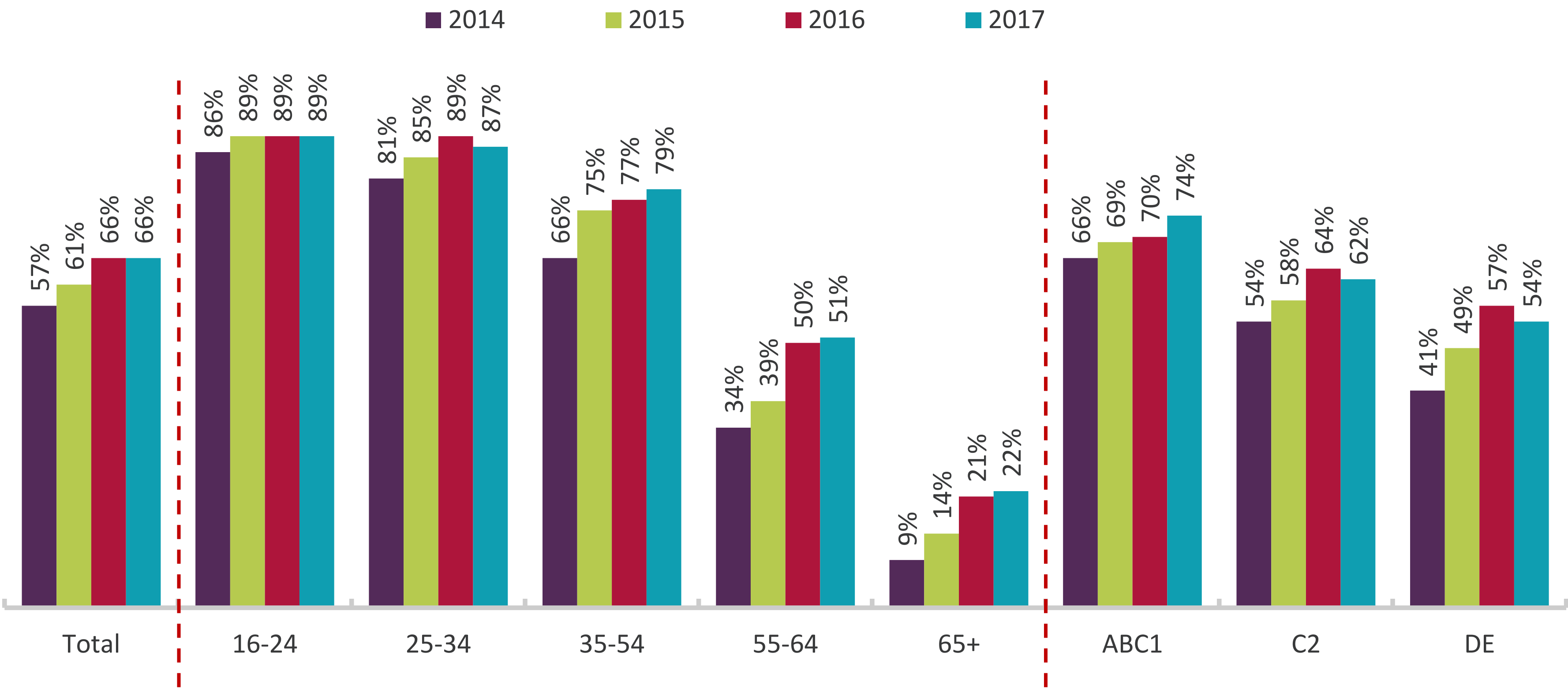
Base: All UK adults 16+ 2017 (3743), 16-24 (519), 25-44 (1206), 44-54 (570) , 55+ (1442) , male (1790), female (1947) , ABC1 (1919), C2DE (1813)

Significance testing: Arrows indicate any significant differences at the 99% confidence level between UK 2016 and UK 2017, between each age group in 2016 and 2017, between each gender in 2016 and 2017 and between each socio-economic group in 2016 and 2017.

QD6 (QD41): Do you have a 4G service?

Figure 4.28

Use of data services on mobile phones, by age and socio-economic group (proportion of adults)



Source: Ofcom Technology Tracker. Data from Quarter 1 2014, then Half 1 2015-2017

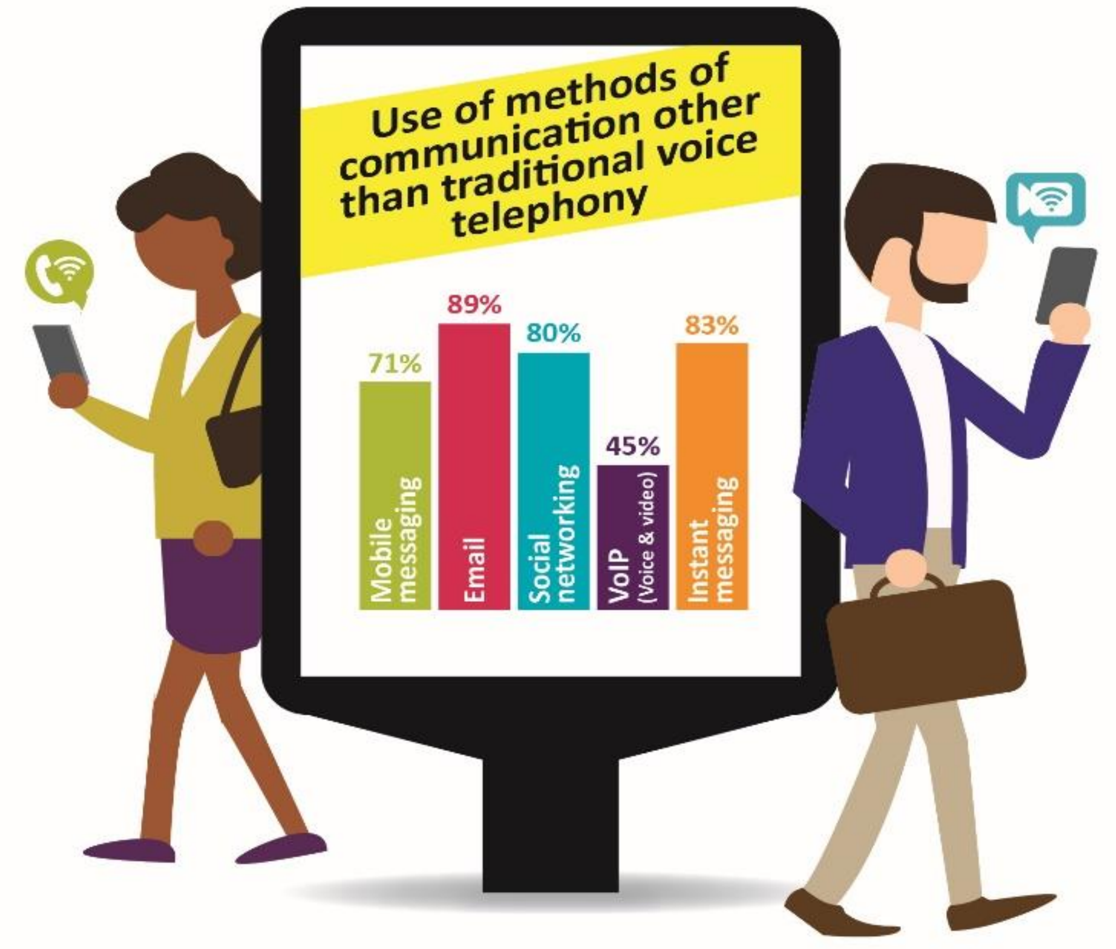
Base: All adults aged 16+ (2017 n=3743)

Note: Internet use includes accessing the internet, downloading and streaming content, connecting using WiFi and using VoIP.

Significance testing: Arrows indicate any significant differences at the 99% confidence level between UK 2016 and UK 2017, between each age group in 2016 and 2017 and between each socio-economic group in 2016 and 2017.

QD12 (QD28A): Which if any, of the following activities, other than making and receiving voice calls, do you use your mobile for?

Figure 4.29
Use of methods of communication other than traditional voice telephony



Source: Ofcom mobile research app, 27 September 2016 - 23 December 2016
Base: Behavioural panel (1200 panellists)

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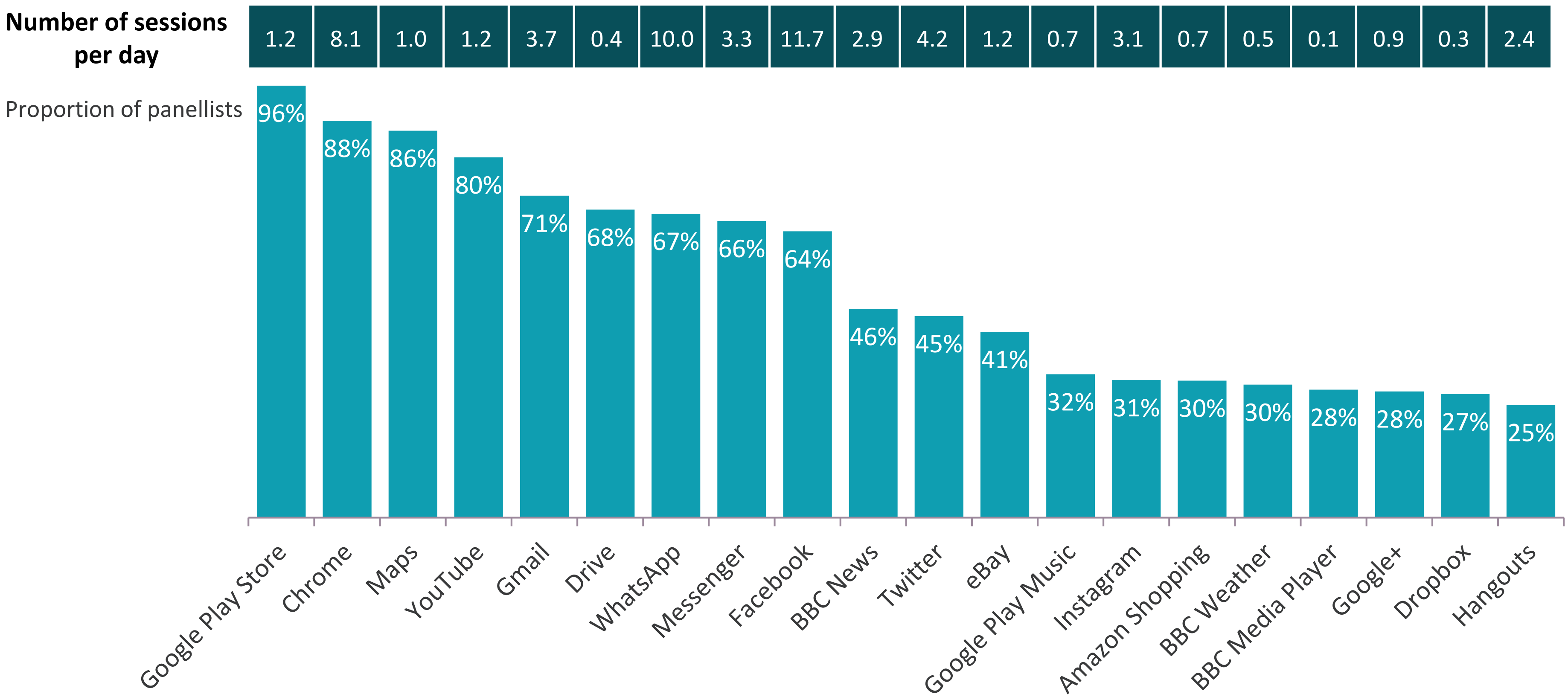
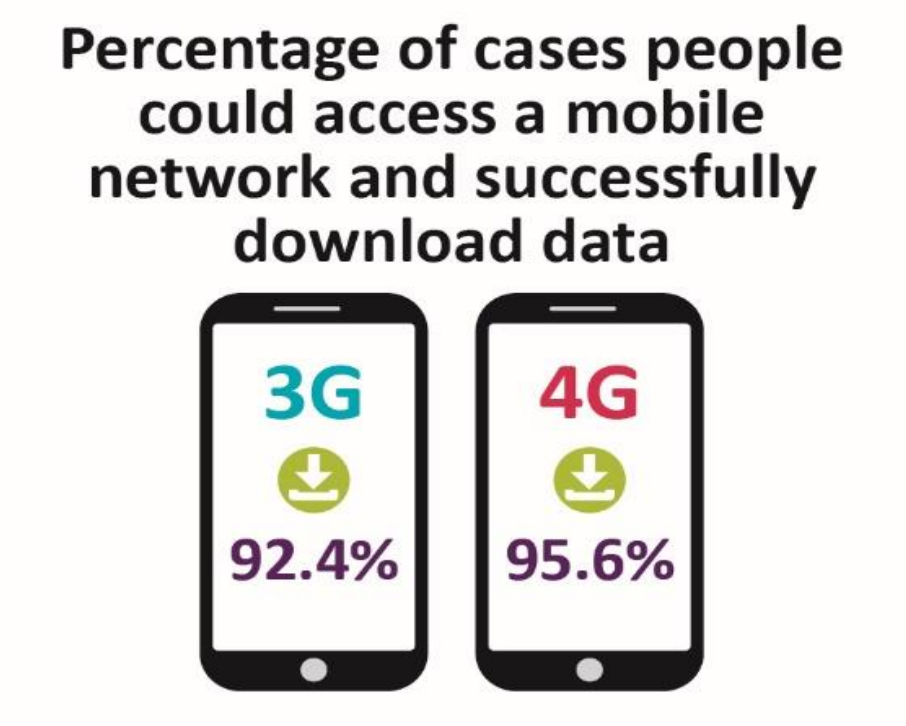
Figure 4.30
Top 20 apps used by Android users, by reach



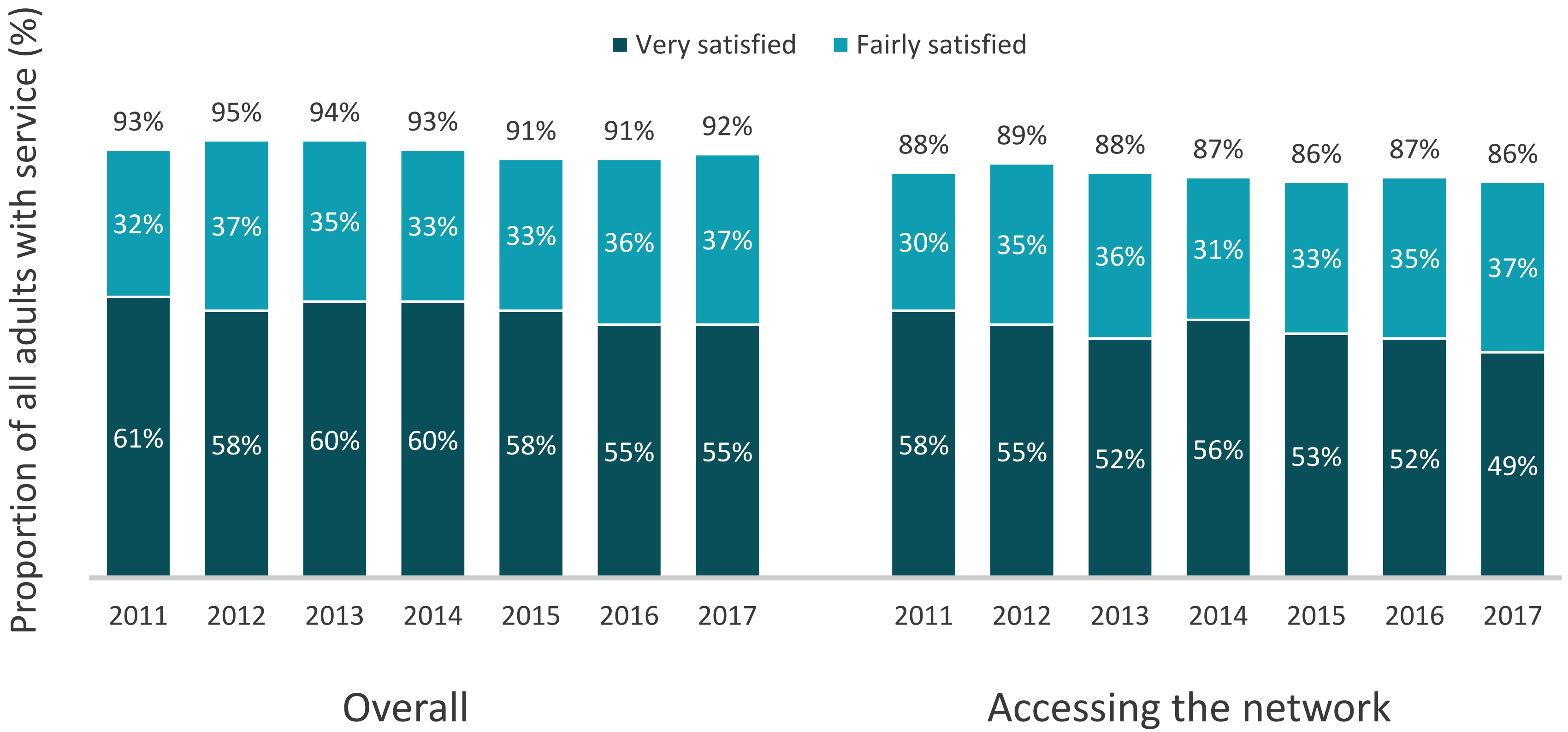
Source: Ofcom Mobile Research app
Base: 1200 panellists in the UK nationally representative panel

Figure 4.31
Data service availability



Source: Source: Ofcom mobile research app, 27 September 2016 - 23 December 2016
Base: Nationally representative panel (c4300) panellists

Figure 4.32
Satisfaction with mobile service, all adults



Source: Ofcom Technology Tracker. Data from Quarter 1 2009-2014, then Half 1 2015-2017
Base: All adults aged 16+ with a mobile phone (2017=3471)
Note: Includes only those who expressed an opinion.
Significance testing: Arrows indicate any significant differences at the 99% confidence level between UK 2016 and UK 2017.
QD19A/J (QD21A/J): Thinking about your mobile phone service, please use this card to say how satisfied you are with your main supplier for... The overall service/ Reception/ accessing network provided by MAIN PROVIDER/?

Internet and online content

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Figure 5.1

UK internet and online content market: key statistics

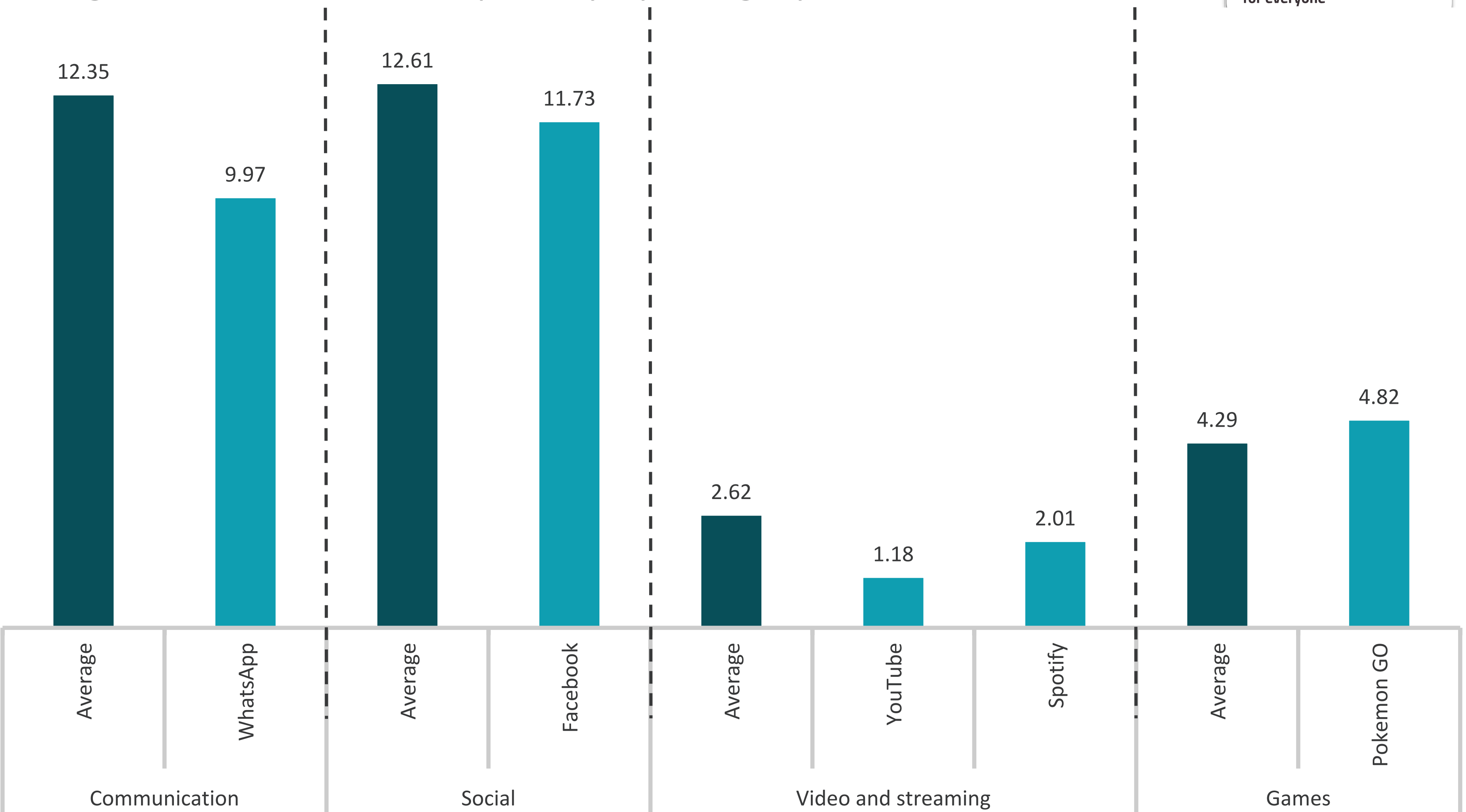
UK internet and online content market	2010	2011	2012	2013	2014	2015	2016	2017
[1]Internet take-up (%)	75	77	79	80	82	85	86	88
[1]Smartphone take-up (%)	n/a	27	39	51	61	66	71	76
[1]Tablet take-up (%)	n/a	2	11	24	44	54	59	58
[1]Laptop take-up (%)	51	55	61	62	63	65	64	64
[1]Consideration that the smartphone is the most important device for internet access (%)				15	23	33	36	42
[2]Total digital audience (million)	n/a	n/a	n/a	n/a	48.2	47.5	50.3	50.4
[3]Digital advertising expenditure (£bn)	4.8	5.4	6.0	6.6	7.6	9.2	10.3	n/a
[3]Mobile advertising expenditure (£m)	94	219	554	1,044	1,642	2,678	3,866	n/a

Source: Ofcom consumer research, comScore MMX multi-platform, UK, data for March 2015, March 2016 and March 2017; [3]IAB/PwC Digital Adspend Study

Note: Caution is advised in comparing values before and after February 2011 because of a change in comScore methodology.

Note: Revenue and expenditure figures are adjusted for CPI (2016 prices).

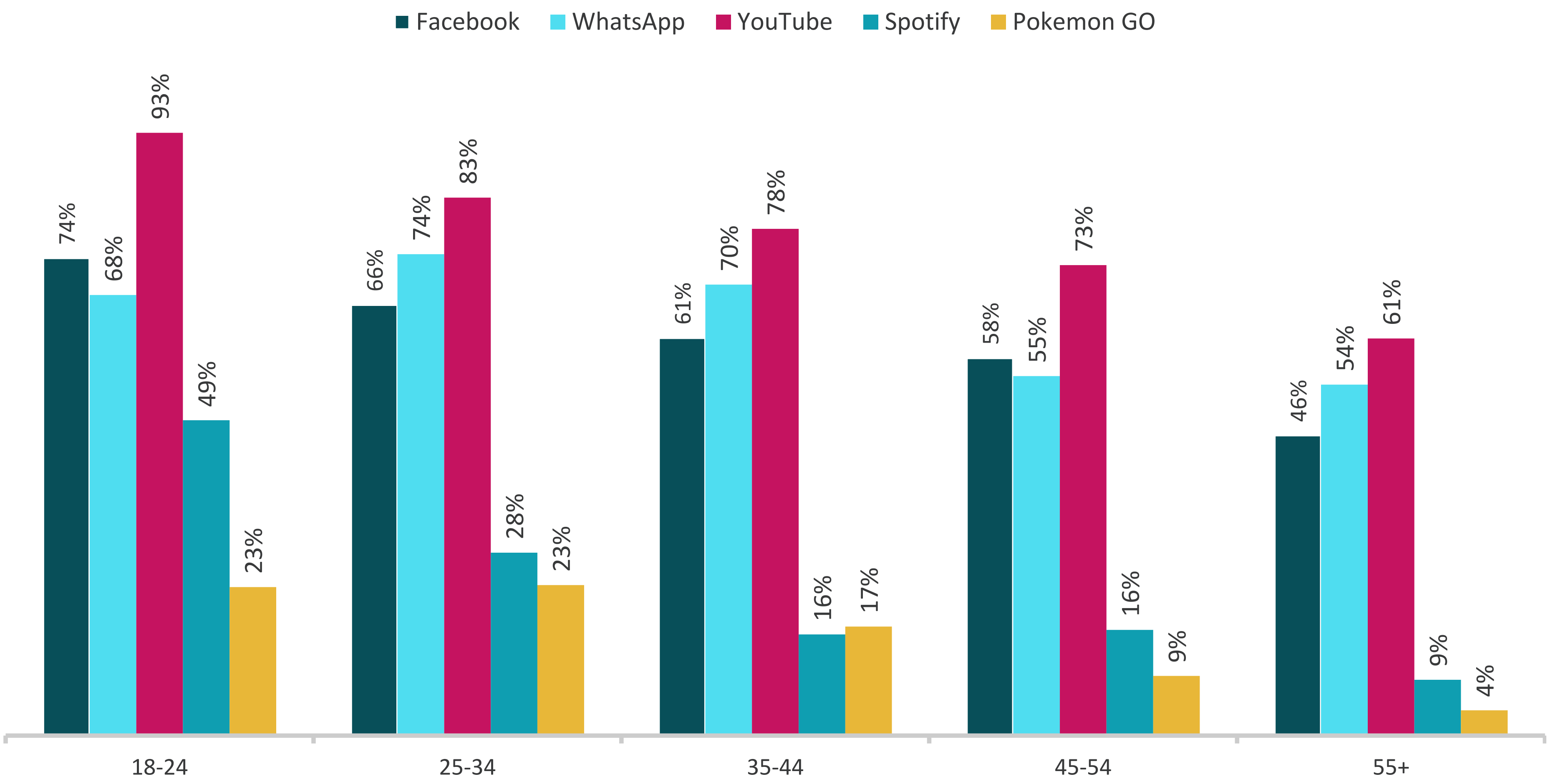
Figure 5.2
Average number of sessions per day by category



Source: Source: Ofcom mobile research app, 27 September 2016 - 23 December 2016
Base: Behavioural panel (1200 panellists)
Note: Includes use over Wi-Fi as well as mobile data. Use of some apps may be understated as the research does not capture apps running in the background, or if the app is open for less than five seconds (e.g. this may affect WhatsApp).

Figure 5.3

Selected social, communication and entertainment apps, by age of users

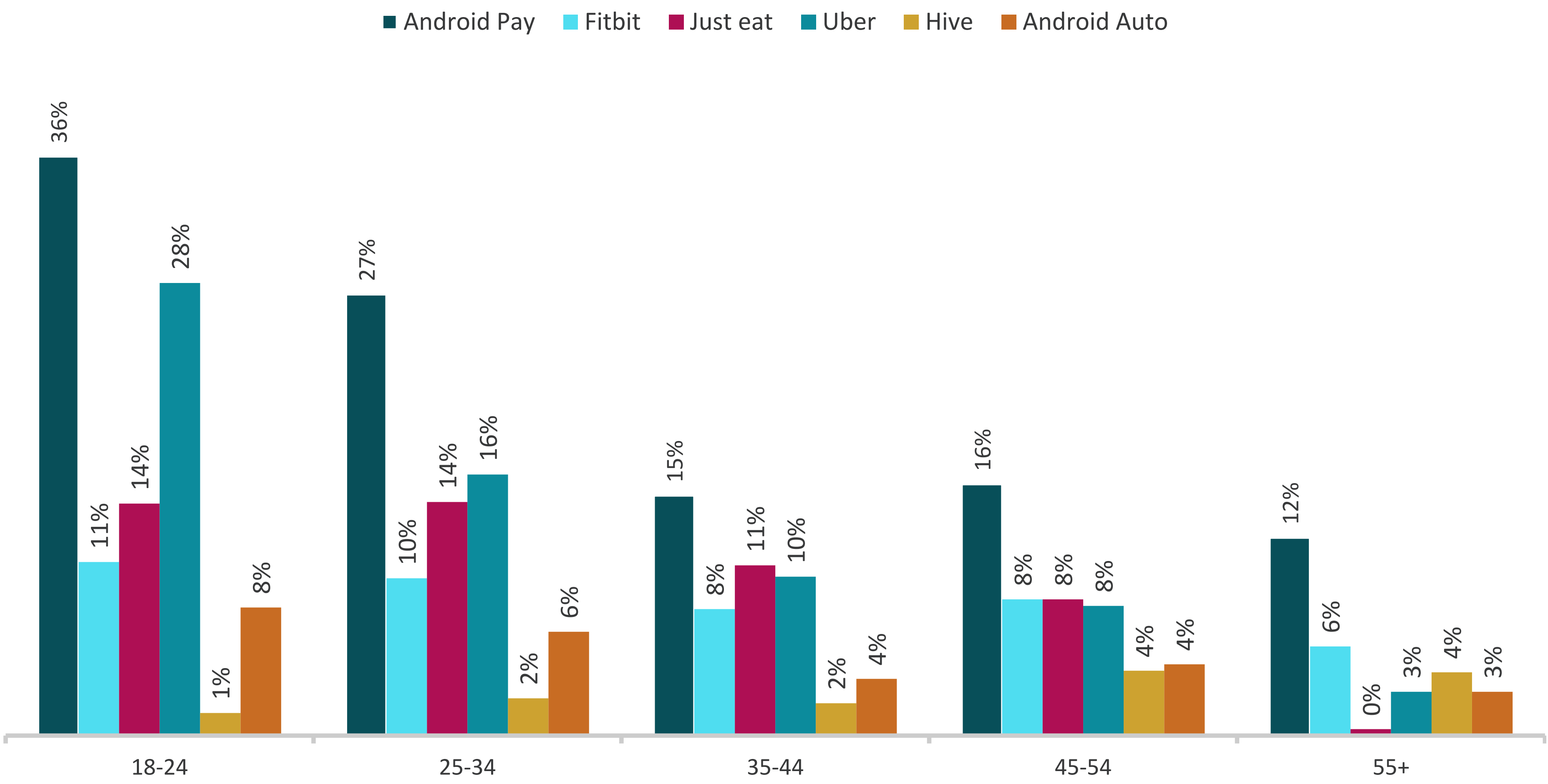


Source: Ofcom mobile research app, 27 September 2016 - 23 December 2016

Base: Behavioural panel (1200 panellists)

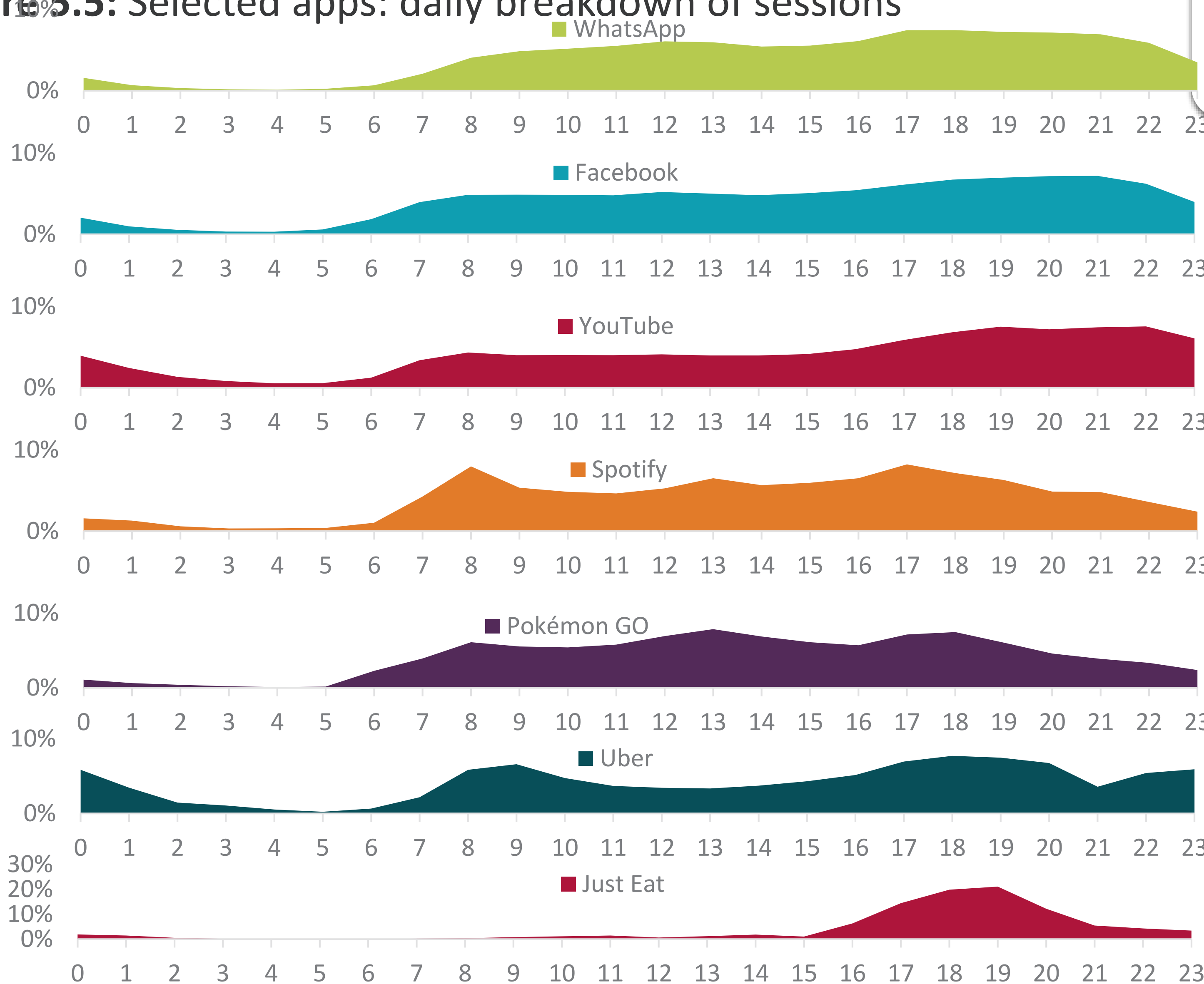
Note: Includes use over Wi-Fi as well as mobile data. Use of some apps may be understated as the research does not capture apps running in the background, or if the app is open for less than five seconds (e.g. may affect WhatsApp).

Figure 5.4
Selected finance, health and on-demand apps, by age of users



Source: Ofcom mobile research app, 27 September 2016 - 23 December 2016
Base: Behavioural panel (1200 panellists)
Note: Includes use over Wi-Fi as well as mobile data. Use of some apps may be understated as the research does not capture apps running in the background or if the app is open for less than five seconds (e.g. may affect WhatsApp).

Figure 5.5: Selected apps: daily breakdown of sessions



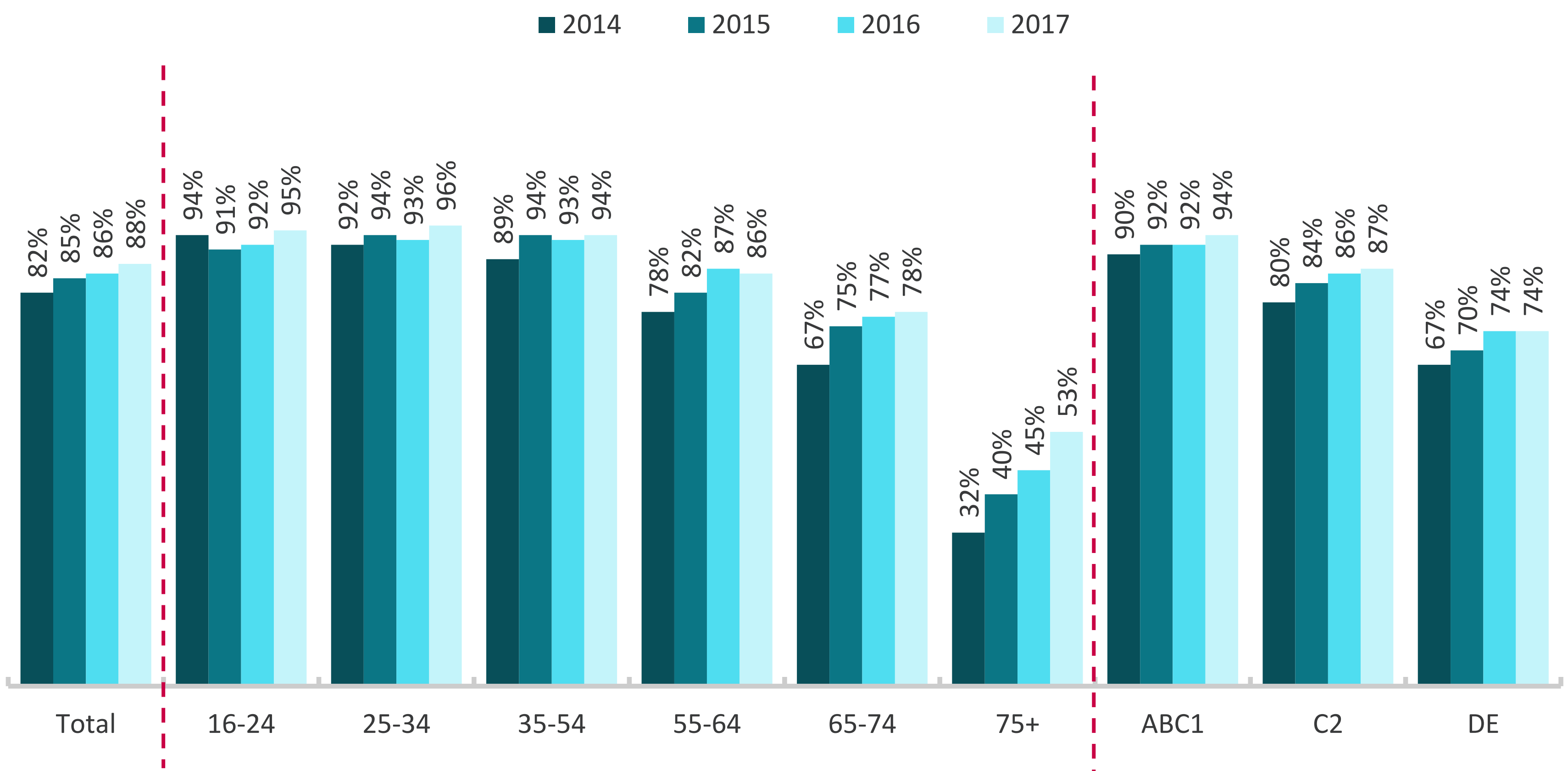
Source: P3 mobile research app

Base: Behavioural panel (1200 panellists)

Note: Includes use over Wi-Fi as well as mobile data. Use of some apps may be understated as the research does not capture apps running in the background or if the app is open for less than five seconds (e.g. may affect WhatsApp).

Figure 5.6

Proportion of adults with home internet access



Source: Ofcom Technology Tracker, H1 2017

Base: All adults aged 16+ (n=3743)

Significance testing: Arrows indicate any significant differences at the 99% confidence level between UK 2016 and UK 2017, between each age group in 2016 and 2017 and between each socio-economic group in 2016 and 2017.

QE2: Do you or does anyone in your household have access to the internet/ World Wide Web at home (via any device, e.g. PC, laptop, mobile phone etc.)?

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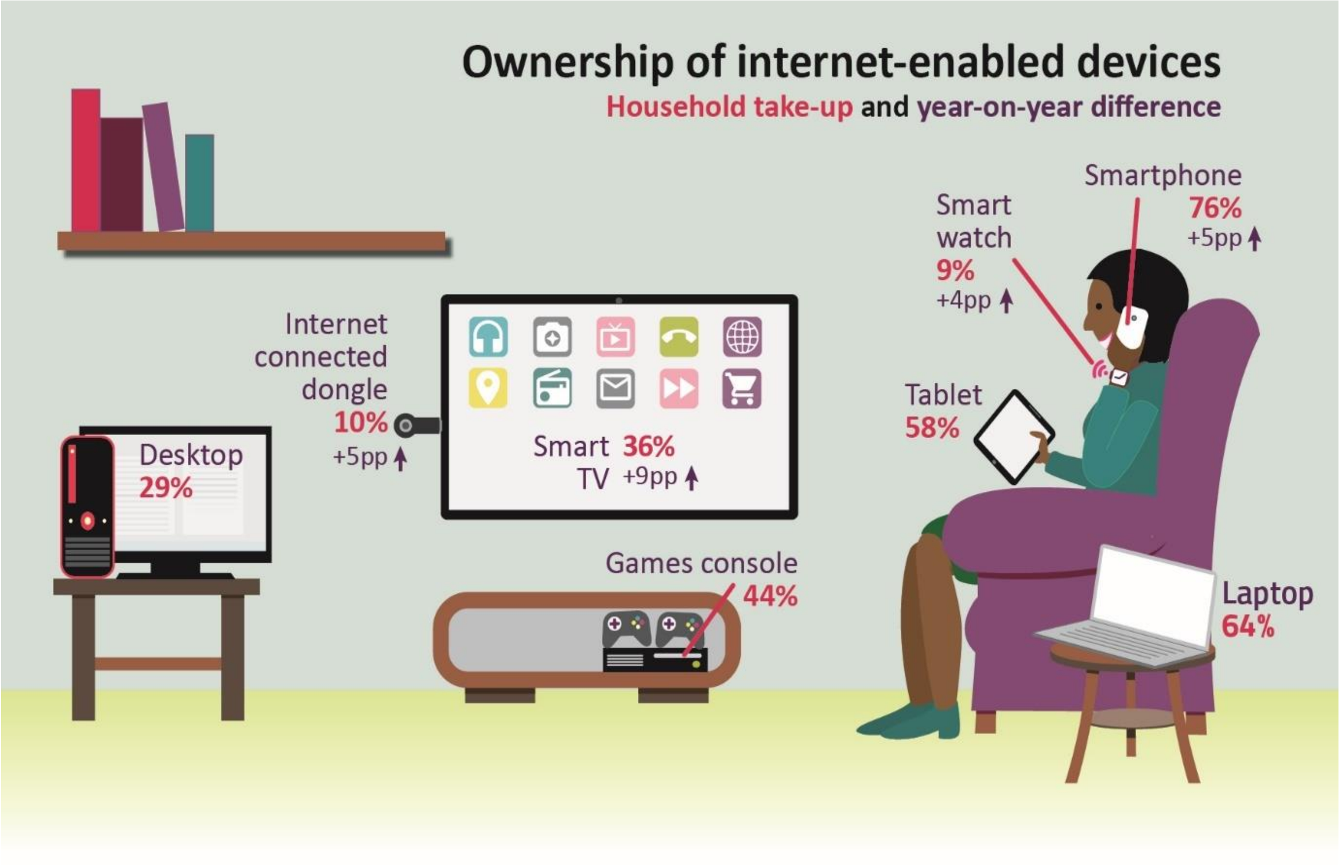
Figure 5.7
Ownership of internet-enabled devices



Source: Ofcom Technology Tracker, H1 2017.

Base: All adults aged 16+ (2017 n=3743).

Significance testing: Arrows indicate any significant differences at the 99% confidence level between UK 2016 and UK 2017. Note: The question wording for DVD Player and DVR was changed in Q1 2009 so data are not directly comparable with previous years. * Internet-connected dongle or set-top box includes NOW TV set-top box, Roku, Google Chrome, Amazon Fire TV stick, Amazon Fire TV, Apple TV.

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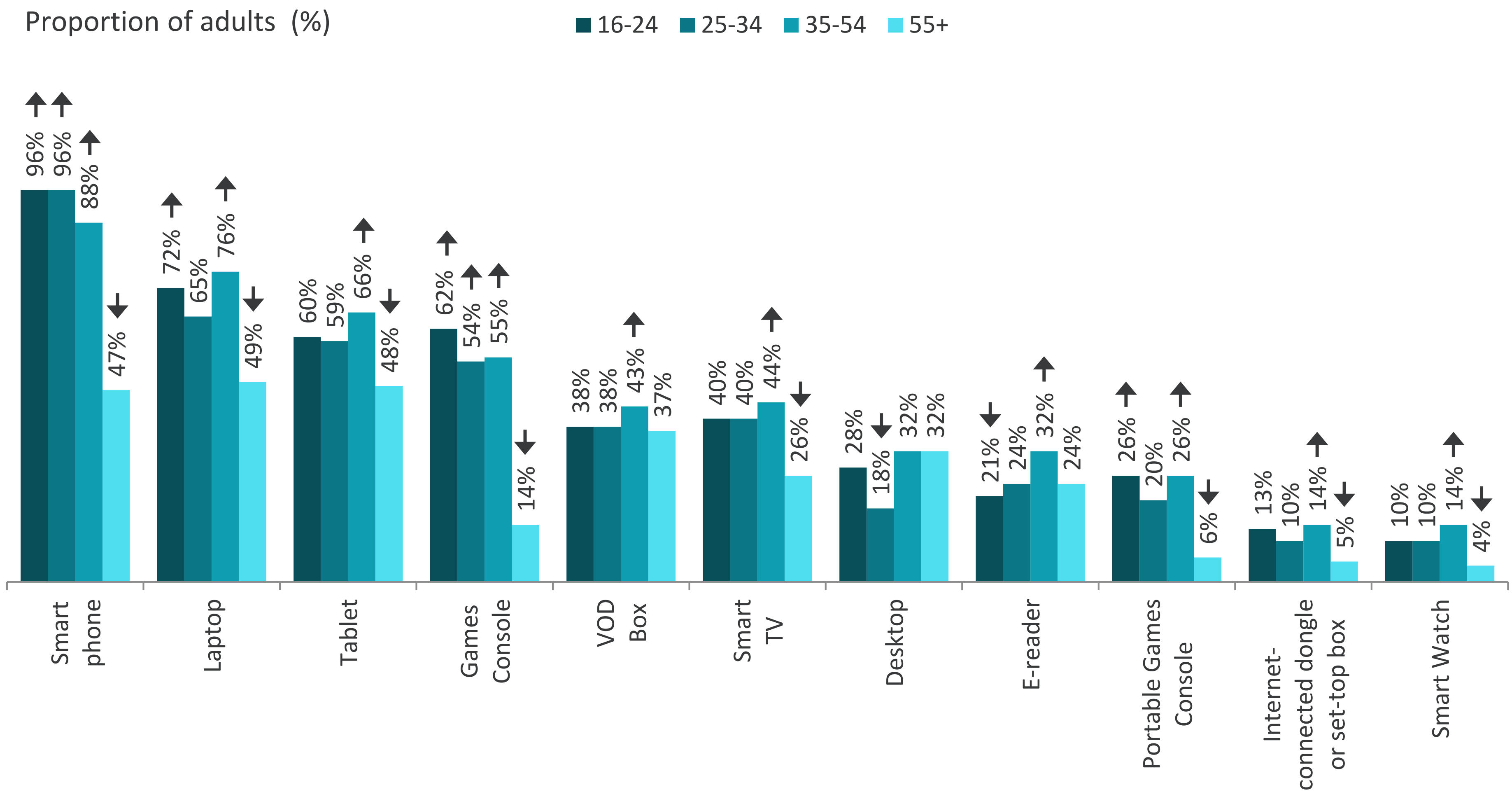
Figure 5.8
Take-up of internet-enabled devices, by age



Source: Ofcom Technology Tracker, H1 2017
Base: Adults aged 16+, 16-24 n = 512, 25-34 n = 544, 35-54 n = 1202, 55+ n = 1485
Note: Ranked by overall household ownership
Internet-connected dongle or set-top box includes NOW TV set-top box, Roku, Google Chrome, Amazon Fire TV, Apple TV
Significance testing: Arrows indicate any significant differences at the 99% confidence level between UK 2017 and each age group

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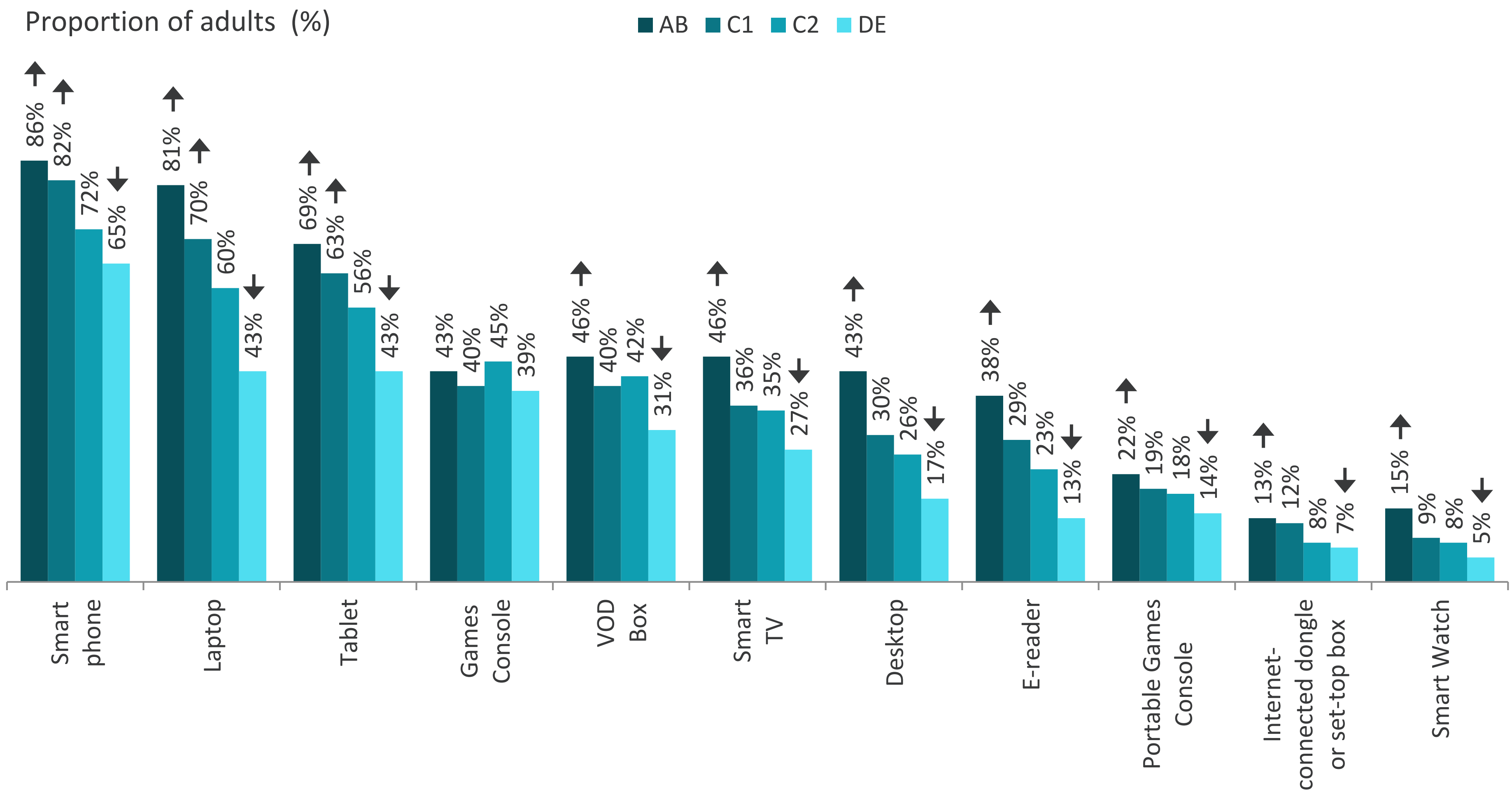
Figure 5.9
Take-up of internet-enabled devices, by socio-economic group



Source: Ofcom Technology Tracker, H1 2017
Base: Adults aged 16+, AB n = 826, C1 n = 1109, C2 n = 81, DE n = 994
Note: Ranked by overall household ownership
Internet-connected dongle or set-top box includes NOW TV set-top box, Roku, Google Chrome, Amazon Fire TV, Apple TV

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Figure 5.10

Most important device for internet access

UK internet users aged 16-34 considered the smartphone to be the most important device for internet access...

...while UK internet users aged 55 and over considered the laptop to be the most important device.

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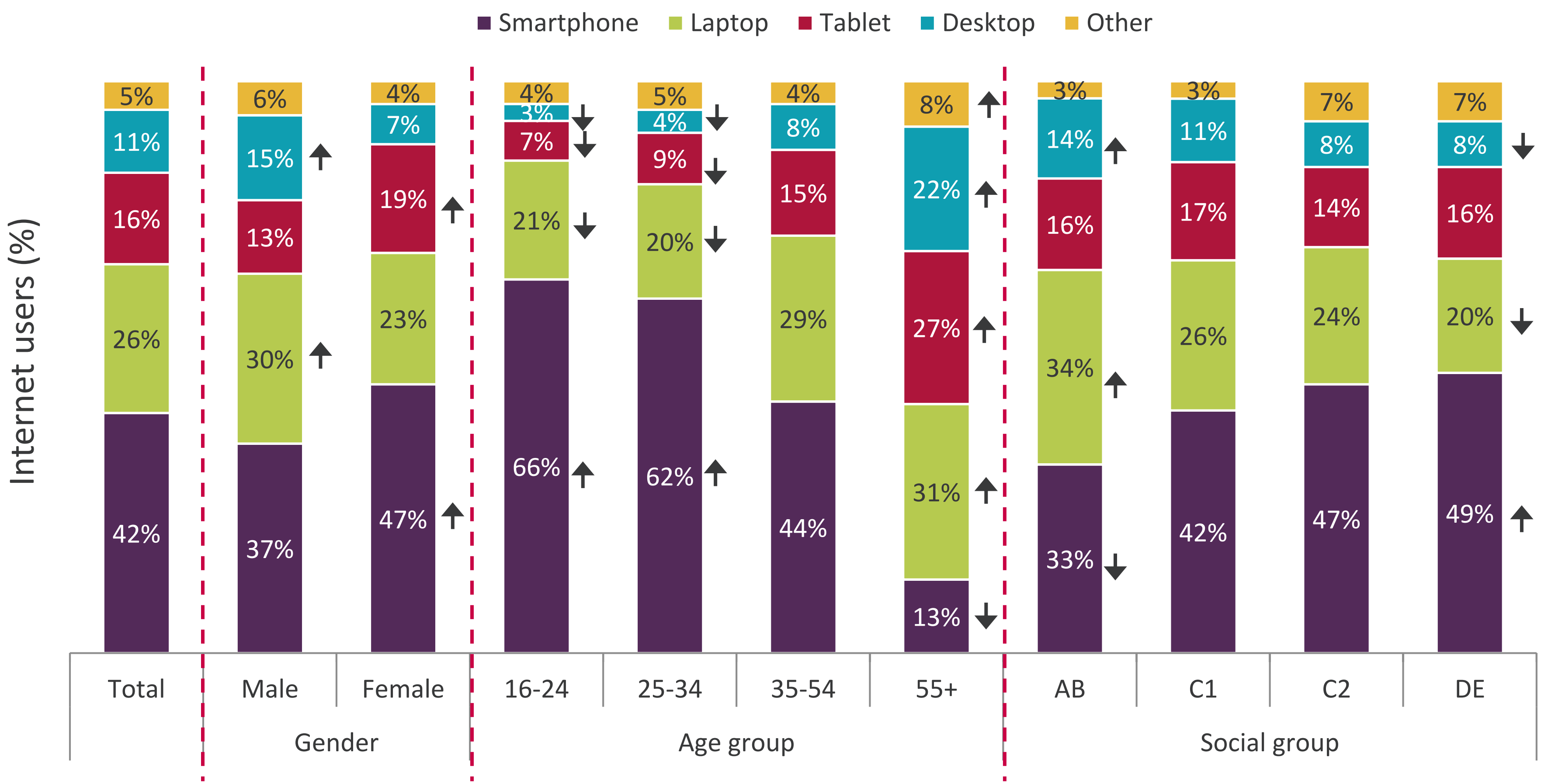
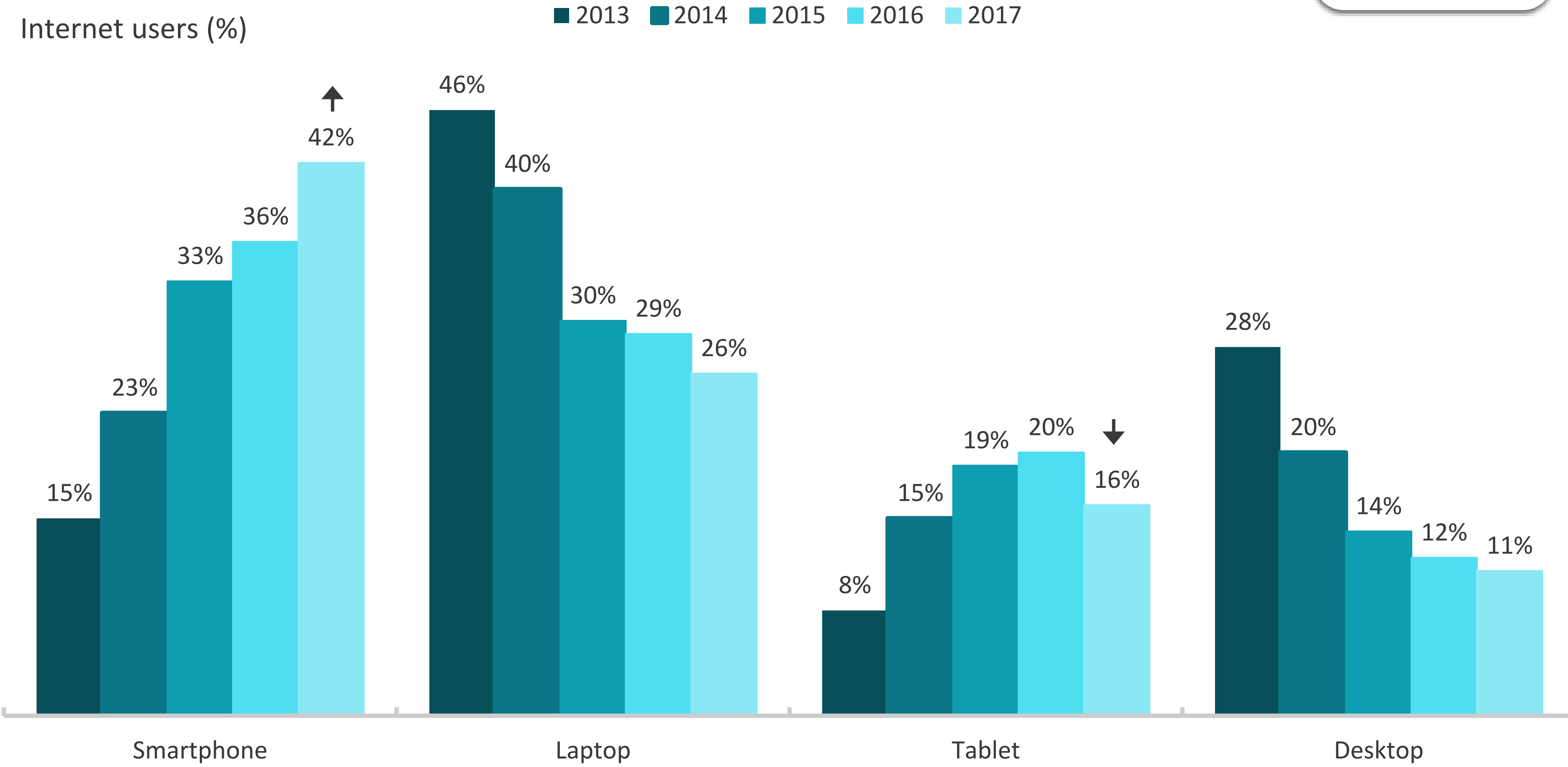
Figure 5.11
Most important device for internet access



Source: Ofcom Technology Tracker, Half 1 2017
Base: All adults aged 16+ who use the internet at home or elsewhere (n = 3221 UK).
Significance testing: Arrows indicate any significant differences at the 95% confidence level between males and females, between UK 2017 and each age group and between UK 2017 and each socio-economic group.
QE11 (QE40): Which is the most important device you use to connect to the internet, at home or elsewhere? “Other” responses include: “Netbook”, “Games console”, “E-reader”, “TV set”, “Smart watch”, “Other portable/handheld device”, “Other device”, “None” and “don’t know”.

Figure 5.12

Most important device for internet access: 2013 to 2017



Source: Ofcom Technology Tracker, Data from Quarter 1 2014, then Half 1 2015-2017

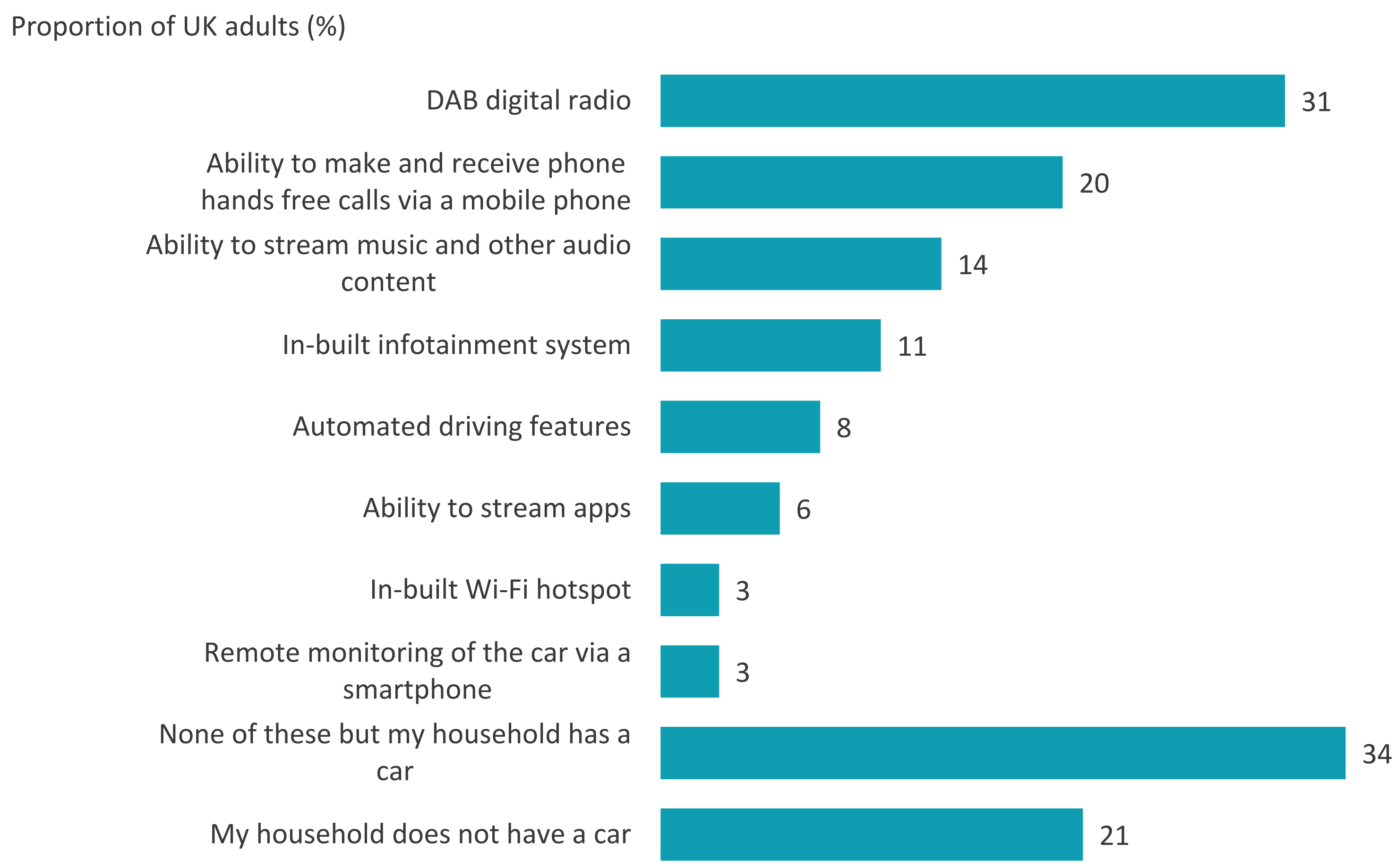
Base: All adults aged 16+ who use the internet at home or elsewhere (n = 3221 UK).

Significance testing: Arrows indicate any significant differences at the 99% confidence level between UK 2016 and UK 2017.

QE11 (QE40): Which is the most important device you use to connect to the internet, at home or elsewhere? “Other” responses include: “Netbook”, “Games console”, “E-reader”, “TV set”, “Smart watch”, “Other portable/handheld device”, “Other device”, “None” and “don’t know”.

Figure 5.13

Features in car(s) used by household



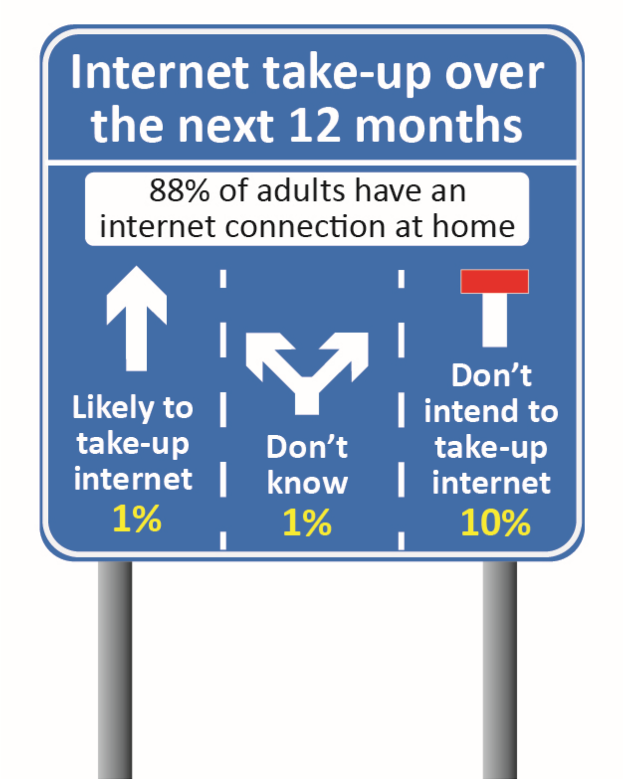
Source: Ofcom Research 2017

Base: All adults (n = 1062)

Q14: Which of the following features does the car (or cars) used by your household have? Select all that apply, even if you do not personally use the feature [MULTICODE]

Figure 5.14

Internet take-up and intentions: 2017



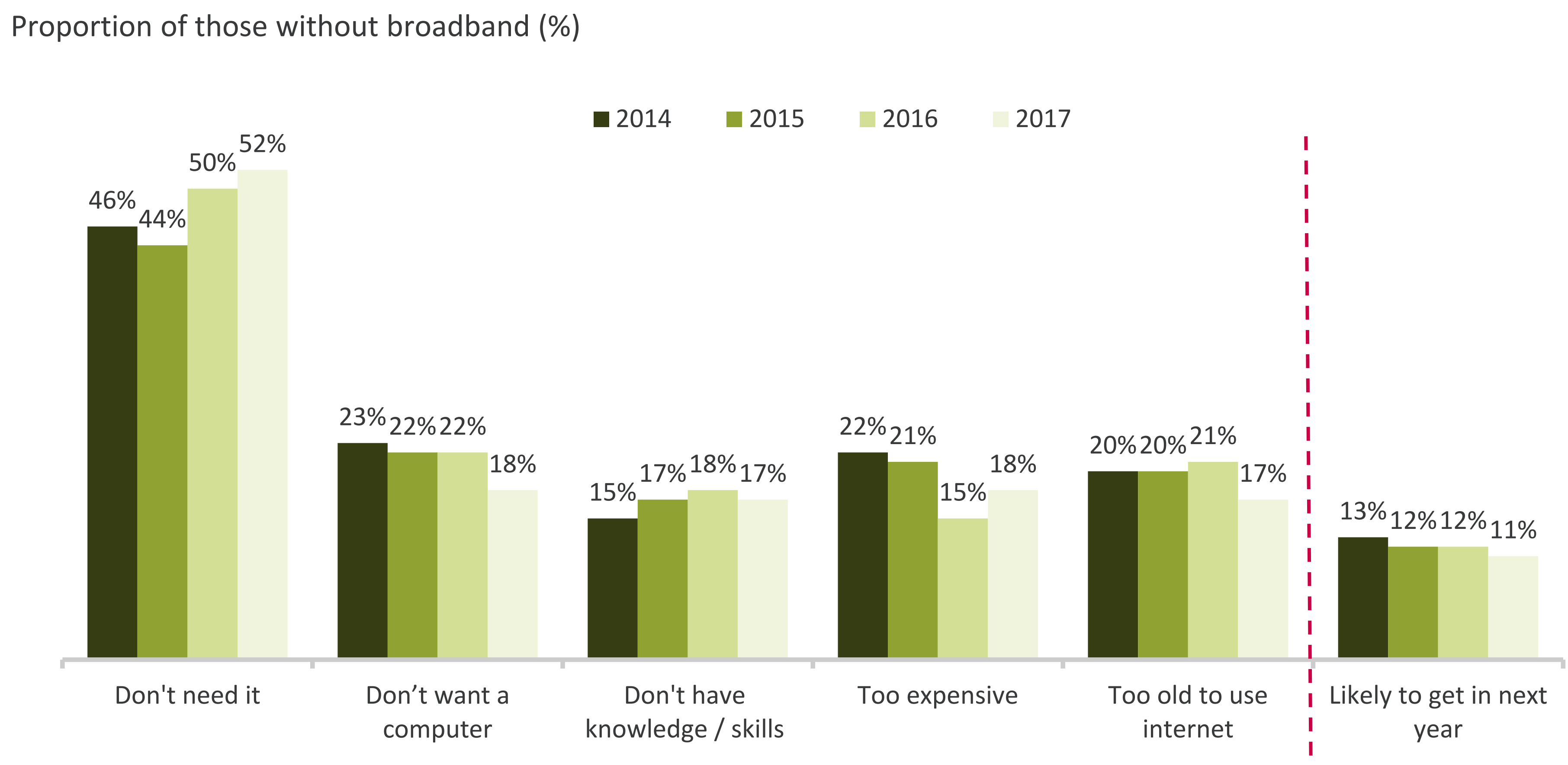
Source: Ofcom Technology Tracker, H1 2017

Base: All adults aged 16+ (n = 3743). Significance testing: Arrows indicate any significant differences at the 95% confidence level between 2016 and 2015.

QE2: Do you or does anyone in your household have access to the internet / world wide web at home (via any device)?/ QE32 (QE24): How likely are you to get internet access at home in the next 12 months?

Figure 5.15

Main reason for not having a home broadband connection



Source: Ofcom Technology Tracker. Data from Quarter 1 2014, then Half 1 2015-2017

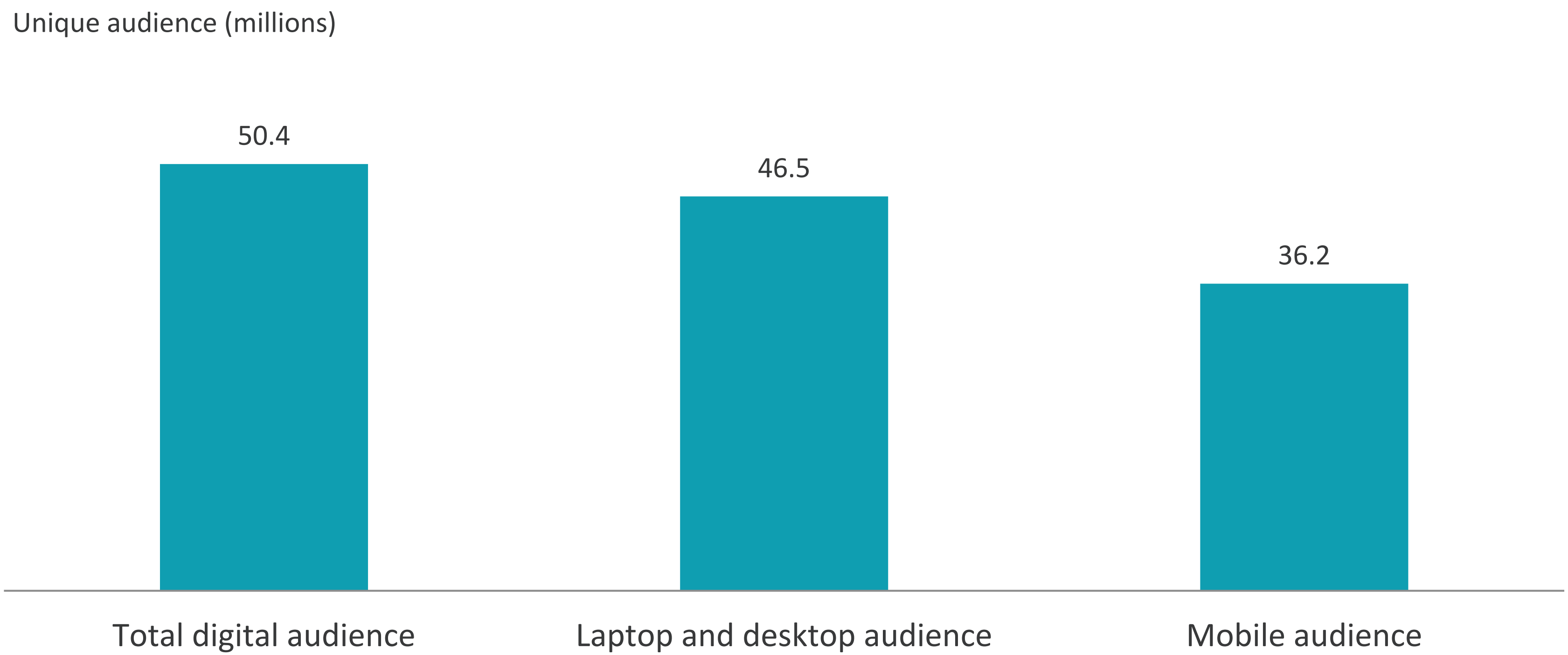
Base: All adults without the internet aged 16+ (n=597)

Significance testing: Arrows indicate any significant differences at the 99% confidence level between UK 2016 and UK 2017.

QE33 (QE25A): Why are you unlikely to get internet access at home in the next 12 months?

Figure 5.16

Active internet audience: March 2017

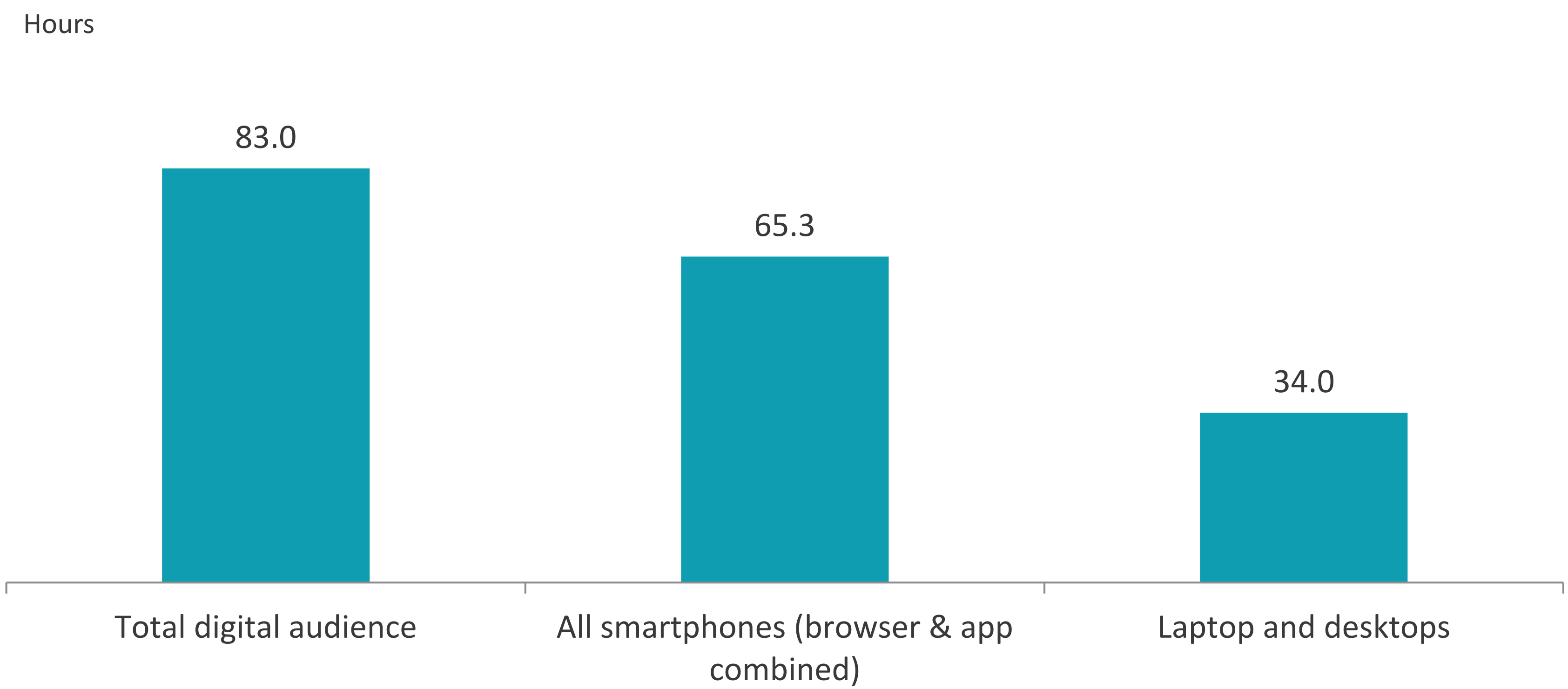


Source: comScore MMX-MP, UK, home and work panel, March 2017;

Note: ‘Digital audience’ is the unique audience across desktop/laptops and mobile. Mobile audience includes Android smartphones and iOS smartphones and tablets. Only those entities that have been tagged as part of the census network report Android tablet usage data.

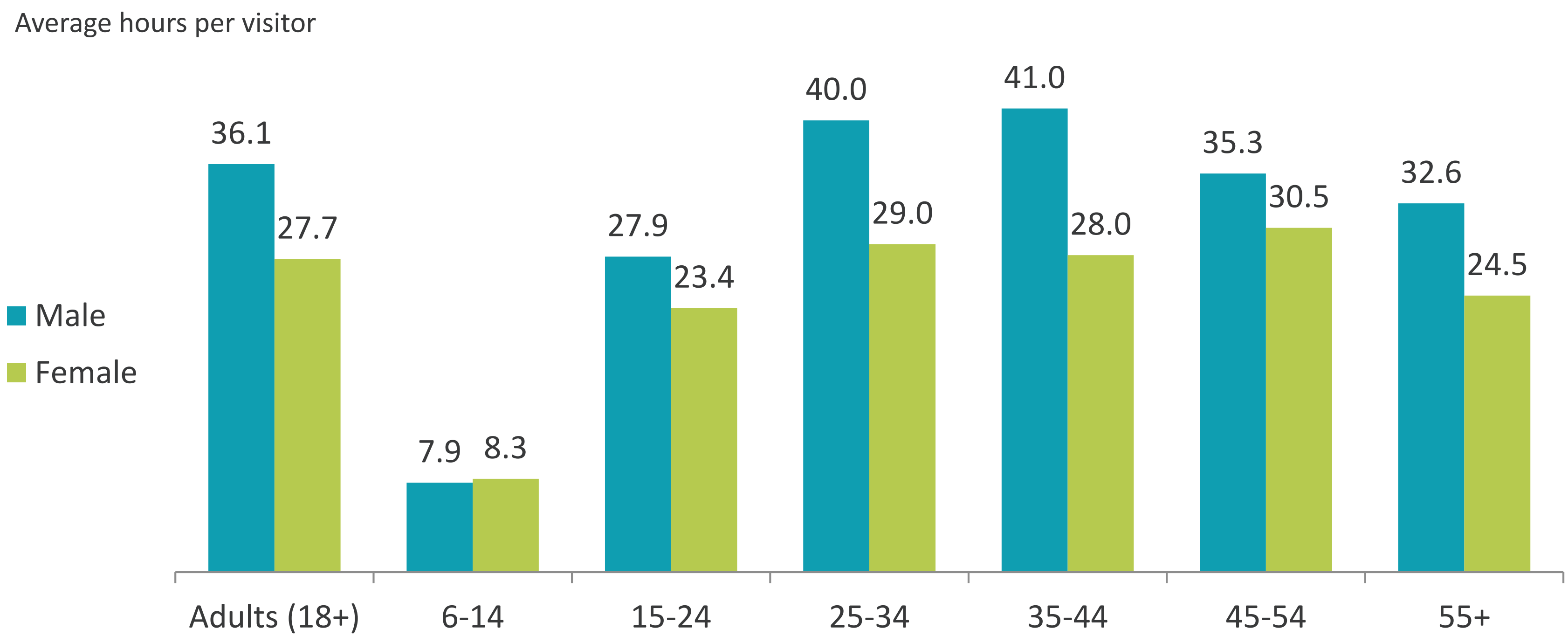
Figure 5.17

Average time spent online: March 2017



Source total digital audience & laptop and desktops: comScore MMX-MP, UK, March 2017, (bases include ages 6+ for desktops/laptops, 18+ for mobile devices)
Source all smartphones: comScore MoMX, UK, March 2017.
Note: All smartphones, includes iPhones and Android handsets, browser and application use.

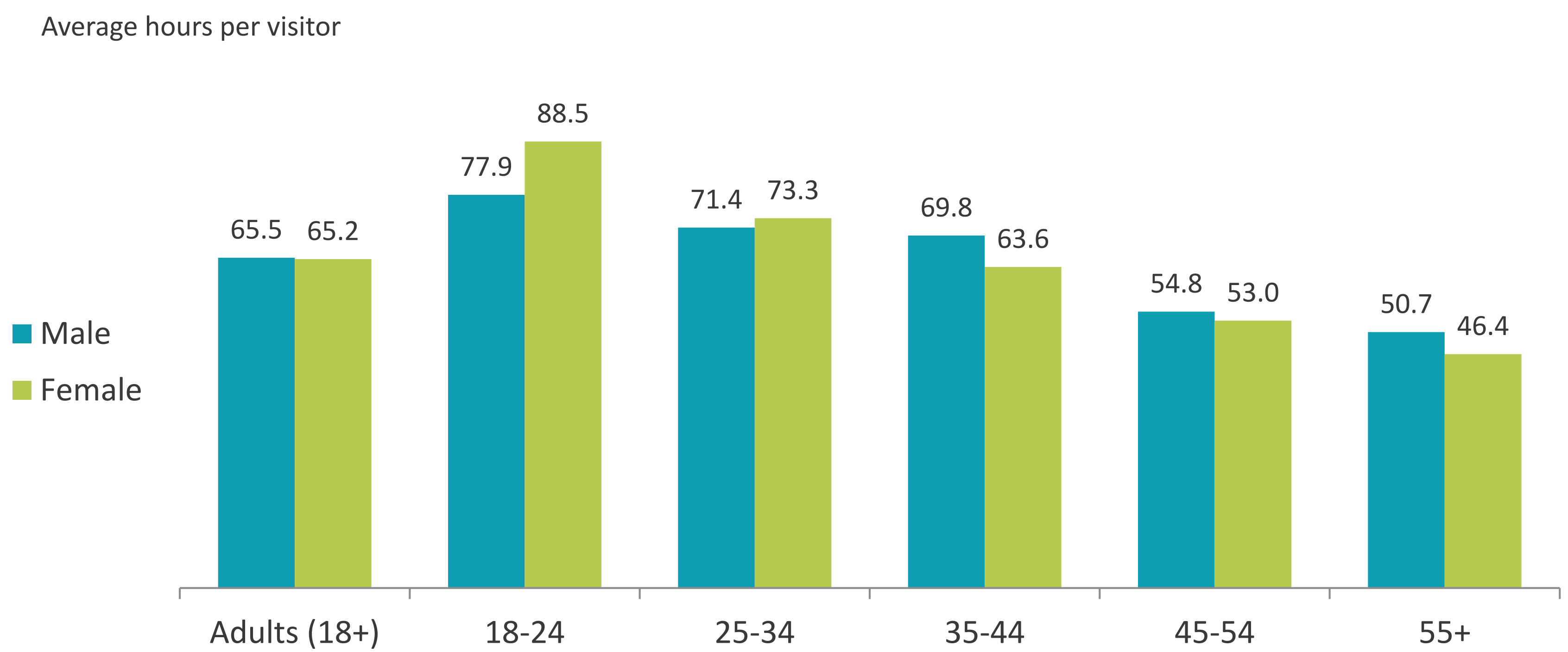
Figure 5.18
Average time online on laptop/desktop, by age and gender: March 2017



Source: comScore MMX, home and work panel, March 2017
Note: Time spent online is a measure of time spent browsing web pages on laptop and desktop computers only.

Figure 5.19

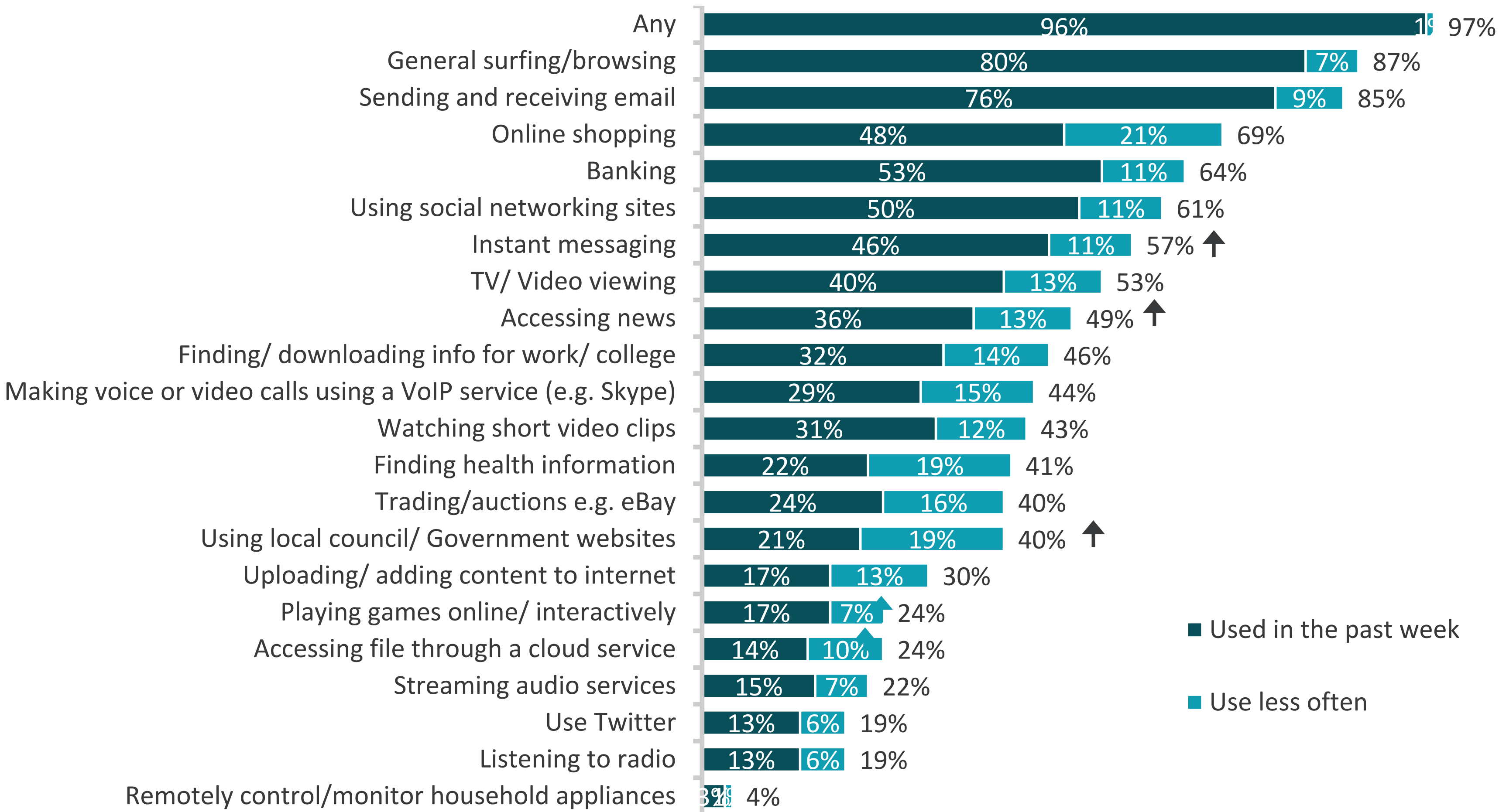
Average time online on a smartphone, by age and gender: March 2017



Source: comScore MoMX, March 2017. Browser and application access combined.

Note: Includes Android and iOS smartphones

Figure 5.20
Claimed use of the internet for selected activities



Source: Ofcom Technology Tracker. Data from Quarter 1 2014, then Half 1 2015-2017

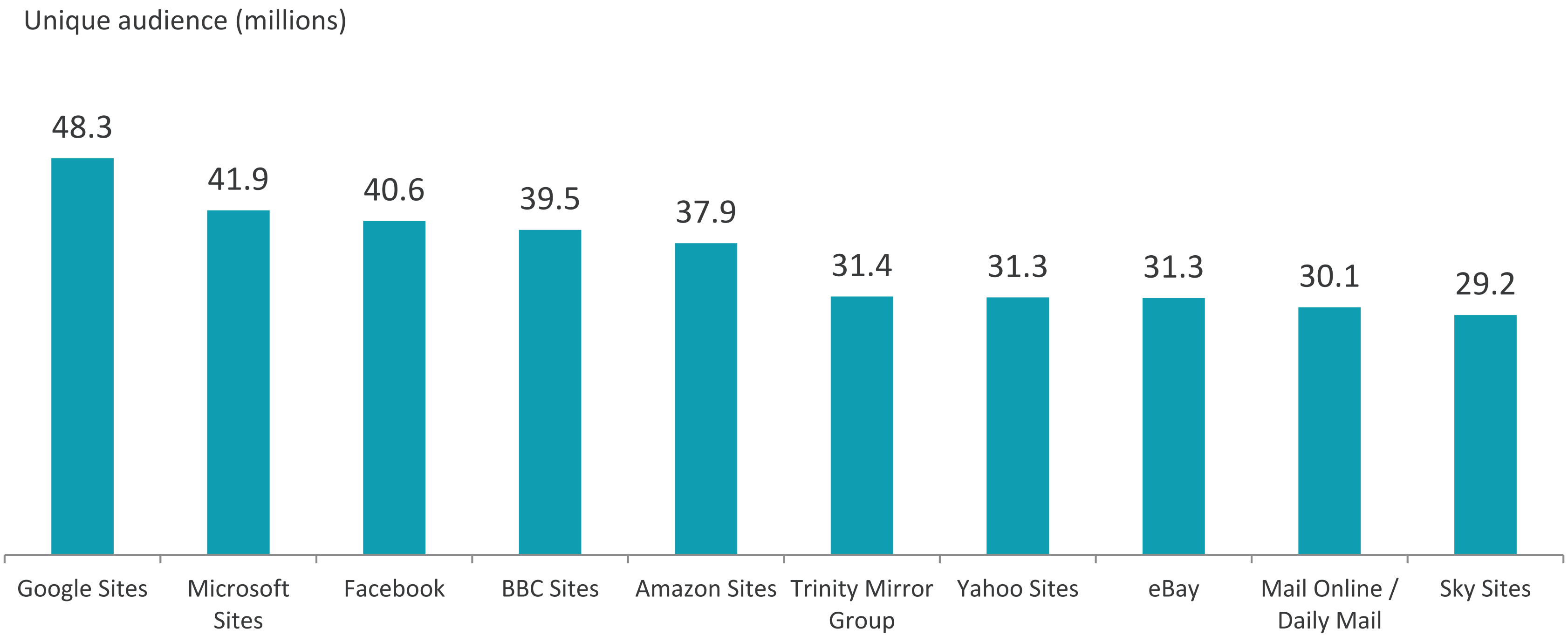
Base: All adults without the internet aged 16+ (n=597)

Significance testing: Arrows indicate any significant differences at the 99% confidence level between UK 2016 and UK 2017.

QE33 (QE25A): Why are you unlikely to get internet access at home in the next 12 months?

Figure 5.21

Top ten most popular internet properties among the digital audience: March 2017

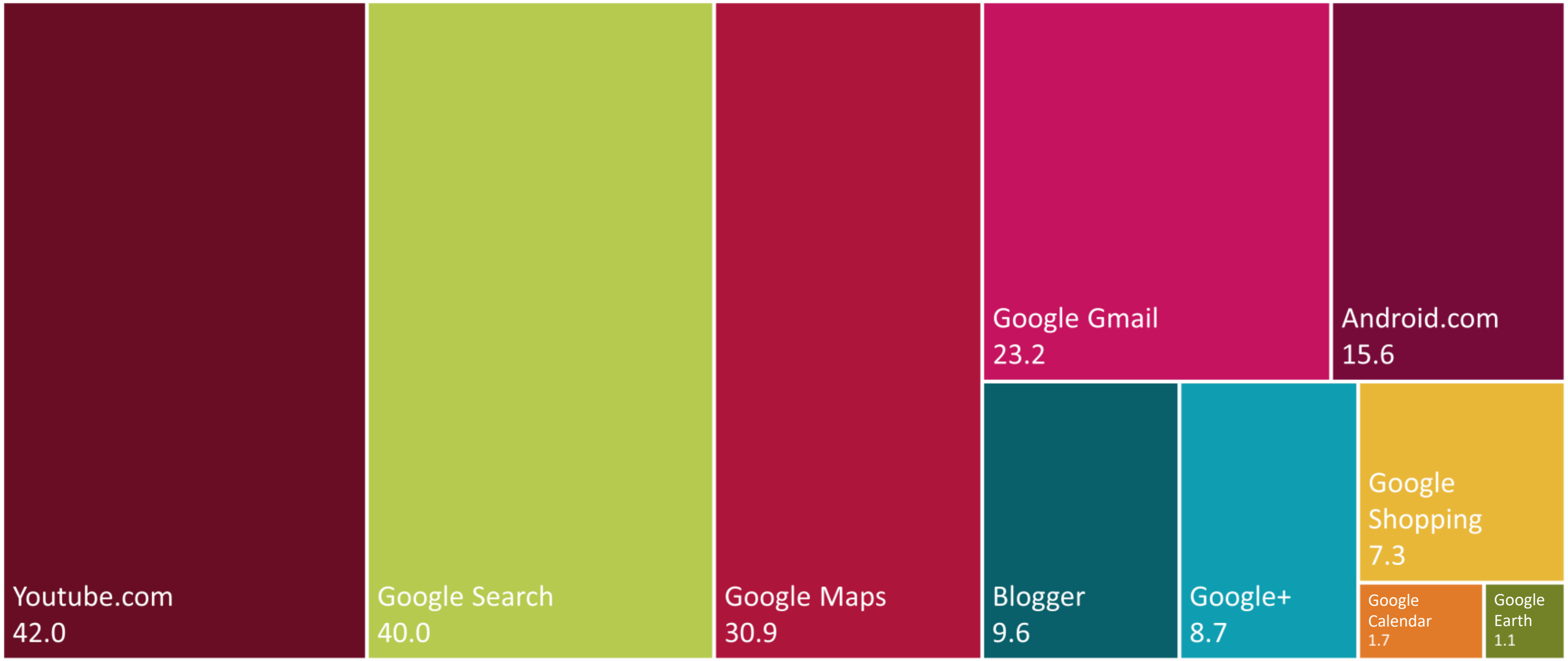


Source: comScore MMX Multi-Platform, UK, March 2017
All sites listed are at the property level [P]. Please note MMX Multi-Platform includes laptop/desktop browsing, laptop/desktop video streams, on-network and Wi-Fi mobile browsing and app use.

Figure 5.22

Most-used apps and services within the Google Sites property, by unique audience: March 2017

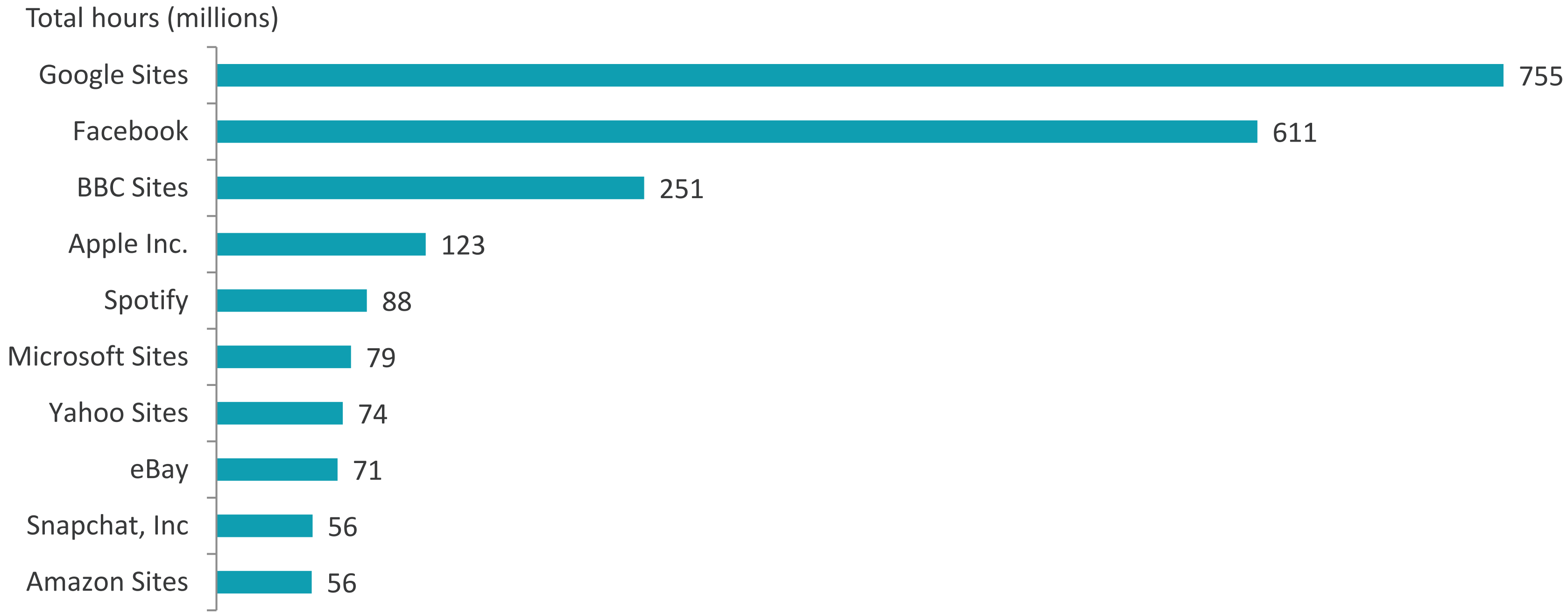
Unique audience (millions)



Source: comScore MMX Multi-Platform, UK, March 2017
All sites listed are recorded under Google Sites [P] Please note only sites which have recorded over one million unique audience visits are shown. Figures are unduplicated across sites.

Figure 5.23

Top ten comScore properties among the total digital audience, by time spent: March 2017

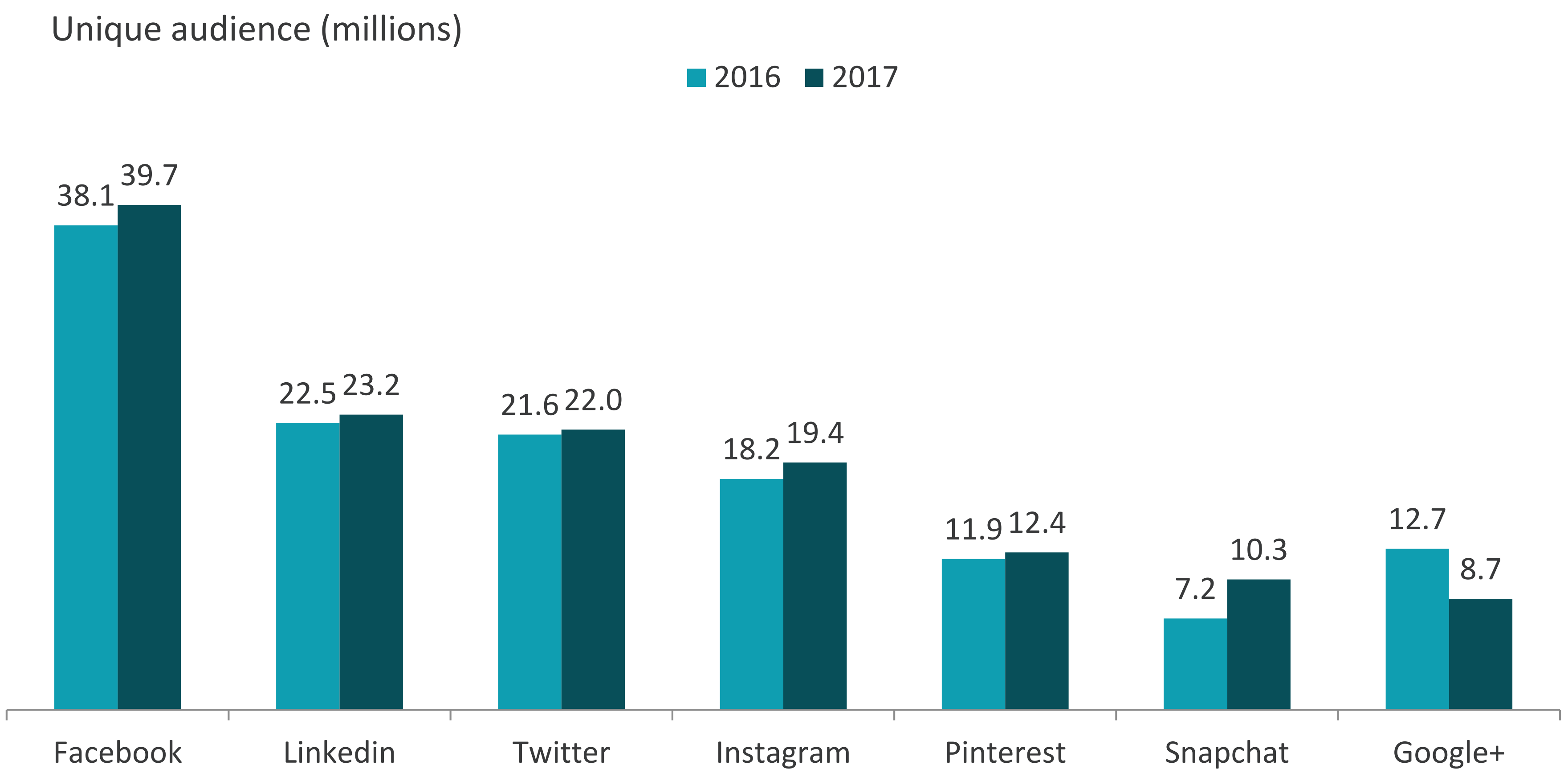


Source: comScore MMX Multi-Platform, UK, March 2017

Note: All sites listed are at the property level. Time spent online is a measure of time spent laptop/desktop webpage browsing and on-network and Wi-Fi mobile browsing and application data.

Figure 5.24

Digital audience of selected social networking sites: March 2016 and March 2017

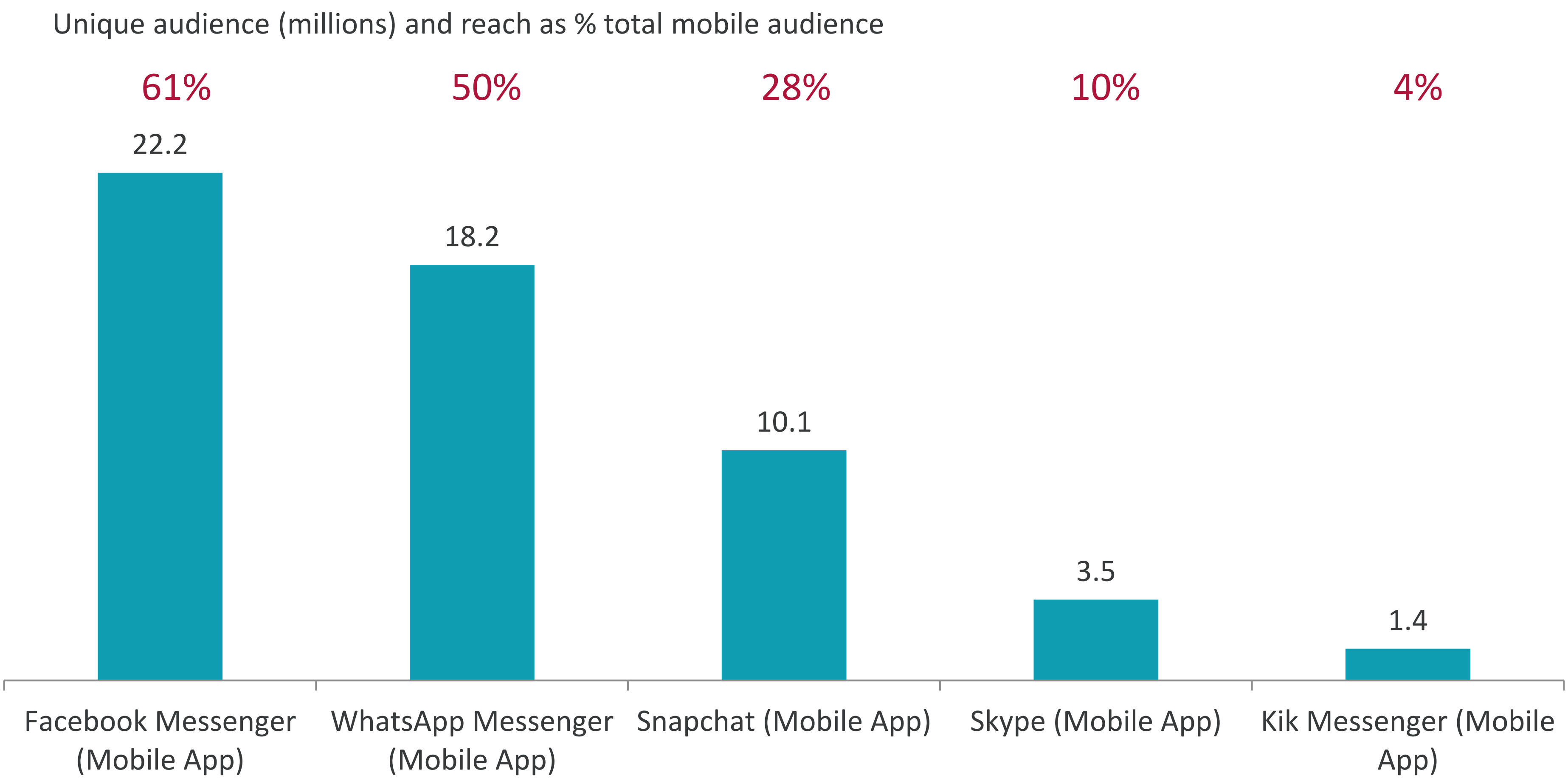


Source: comScore MMX Multi-Platform, UK, March 2017

Note: comScore entities used were [C] Facebook.com, [P] Linkedin, [P] Twitter, [M] Instagram.com, [P] Pinterest.com, [P] Snapchat, Inc, [C] Google+.

Figure 5.25

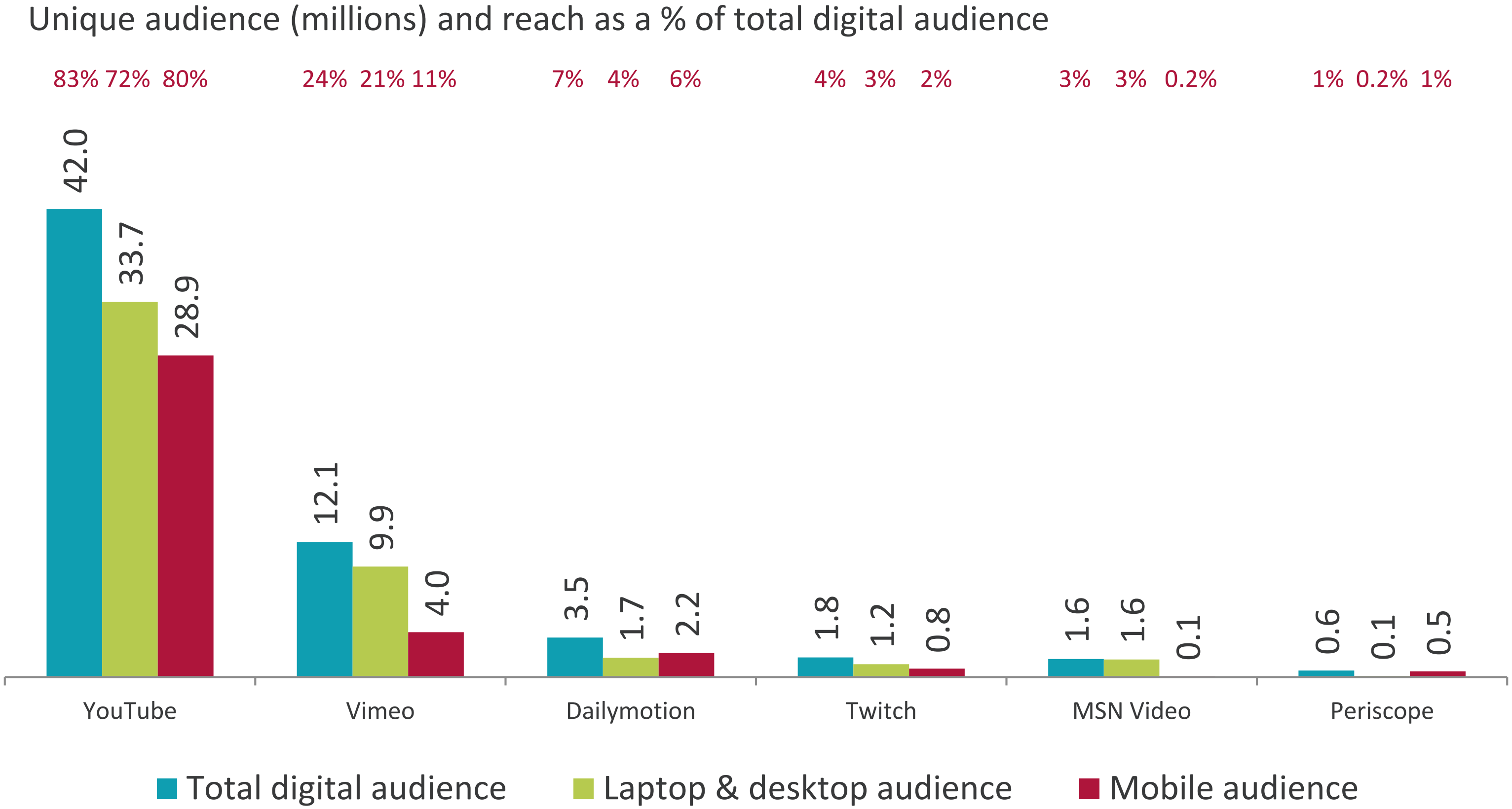
Mobile audience of selected mobile messenger apps: March 2017



Source: comScore Mobile Metrix, UK, March 2017

Note: Mobile use includes Android smartphones and iOS smartphones and tablets. Only those entities that have been tagged as part of the census network report Android tablet usage data. comScore entities used were [S] Facebook Messenger (Mobile App), [C] WhatsApp Messenger (Mobile app). [M] Snapchat (Mobile App) (w/history), [S] Skype (Mobile App), [M] Kik Messenger (Mobile App)

Figure 5.26
Unique audience for selected online video-sharing sites: March 2017



Source: ComScore MMX-MP, UK, March 2017.

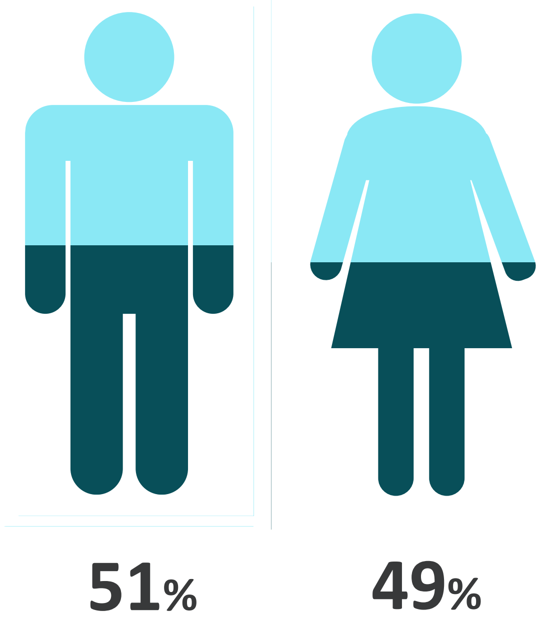
Note: MMX Multi-Platform includes laptop/desktop browsing, laptop/desktop video streams and mobile use. Mobile use includes Android smartphones and iOS smartphones and tablets. Only those entities that have been tagged as part of the census network report Android tablet usage data. ComScore entities used were: [M] YOUTUBE.COM, [P] Vimeo, [P] DAILYMOTION.COM, [M] PERISCOPE.TV, [c] MSN Video (w/history),[P] TWITCH.TV

Figure 5.27

YouTube viewer profile, by gender and age: March 2017

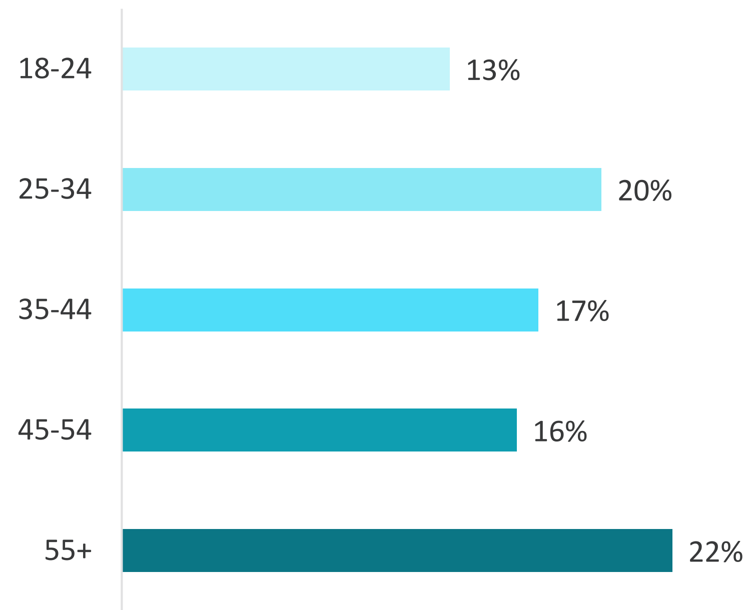
YouTube profile, by gender: March 2017

Breakdown of audience (%)



YouTube profile, by age: March 2017

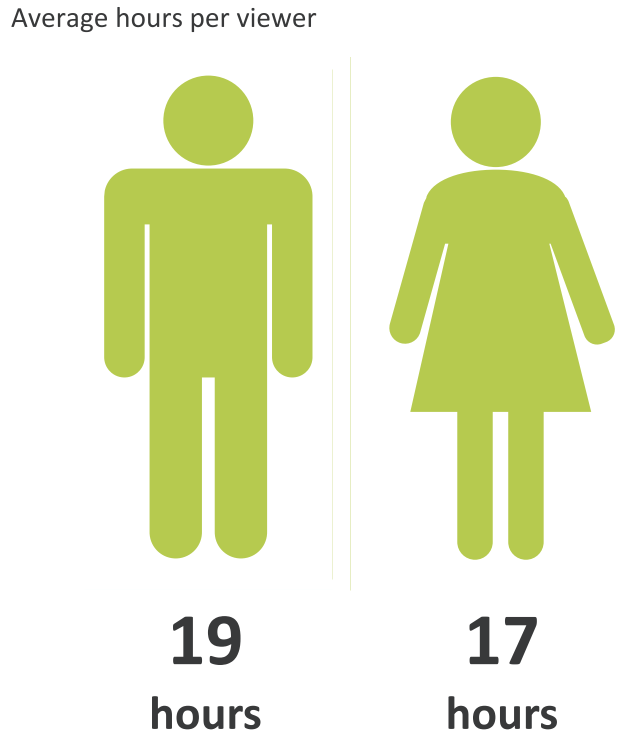
Breakdown of audience (%)



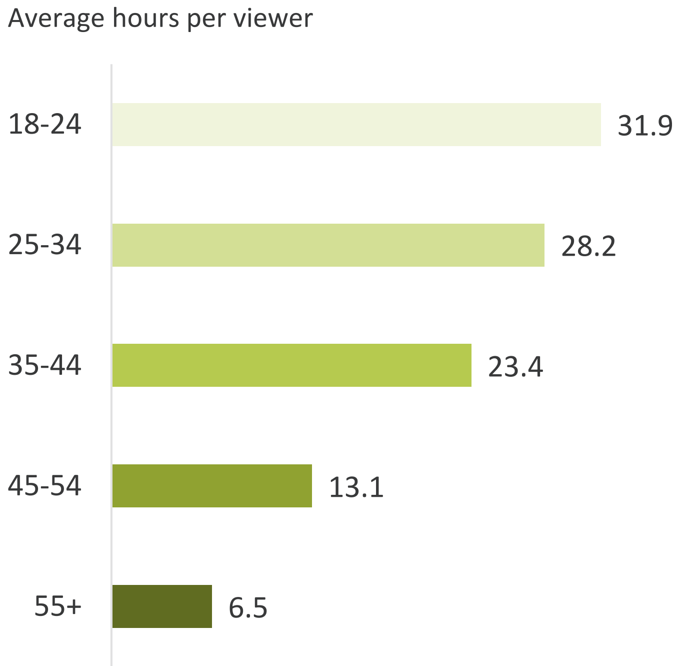
Source: comScore Video Metrix Multi Platform, Demographic Profile, UK, March 2017

Figure 5.27
YouTube viewer profile, by gender and age: March 2017

YouTube profile, minutes per viewer by gender: March 2017



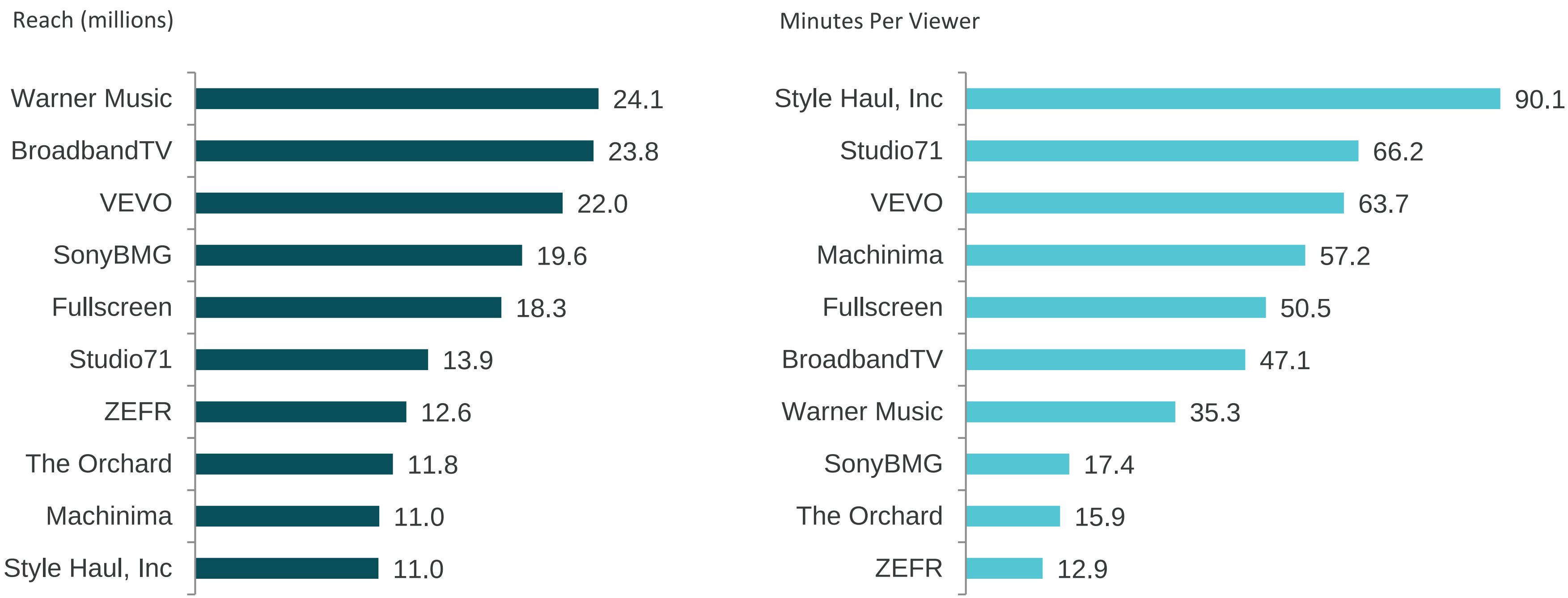
YouTube profile, hours per viewer by age: March 2017



Source: comScore Video Metrix Multi Platform, Demographic Profile, UK, March 2017

Figure 5.28

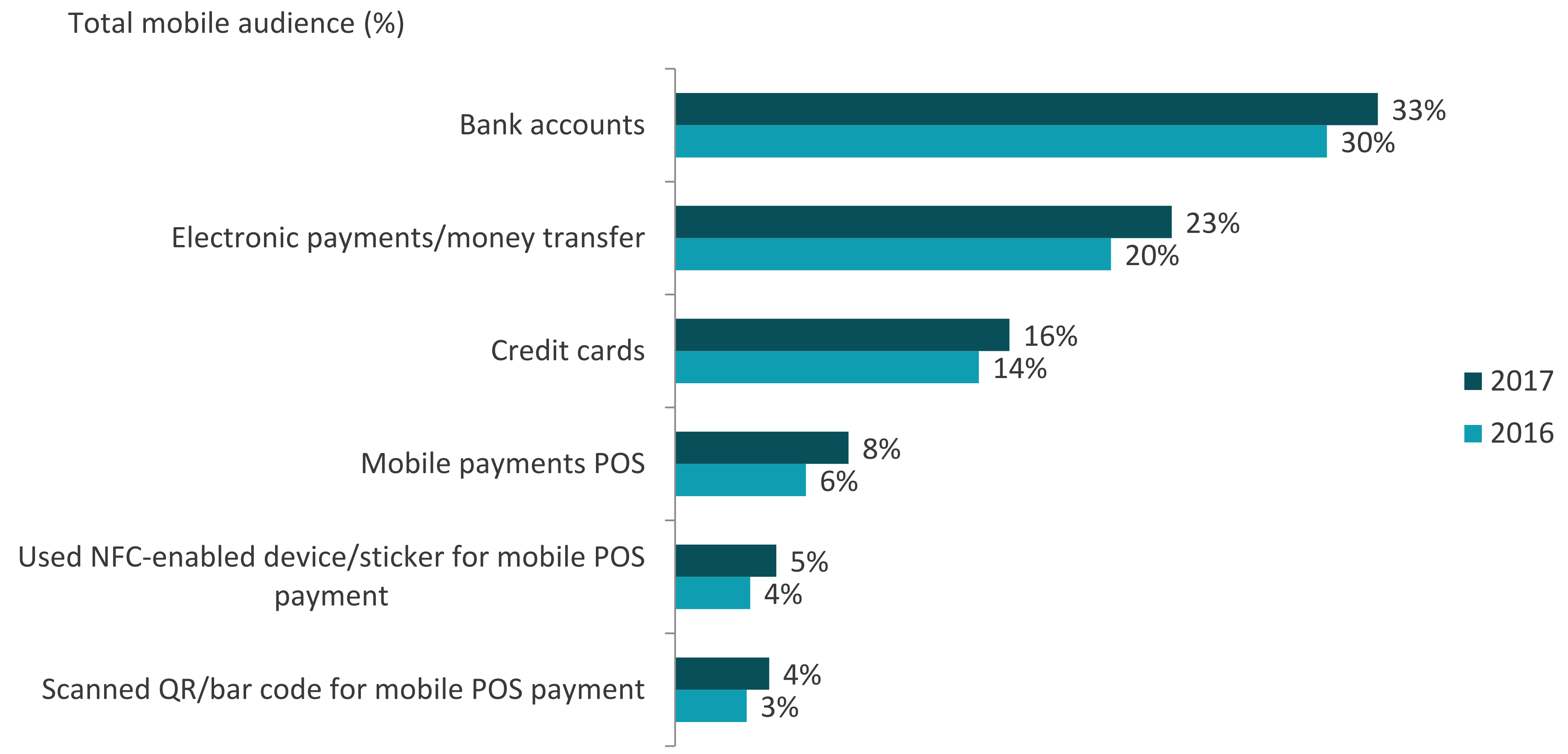
Top ten YouTube partners, by reach and minutes per viewer: March 2017



Source: comScore Video Metrix Multi-Platform, UK, March 2017

Figure 5.29

Selected mobile payments and financial services activities conducted by total mobile audience: March 2016-March 2017

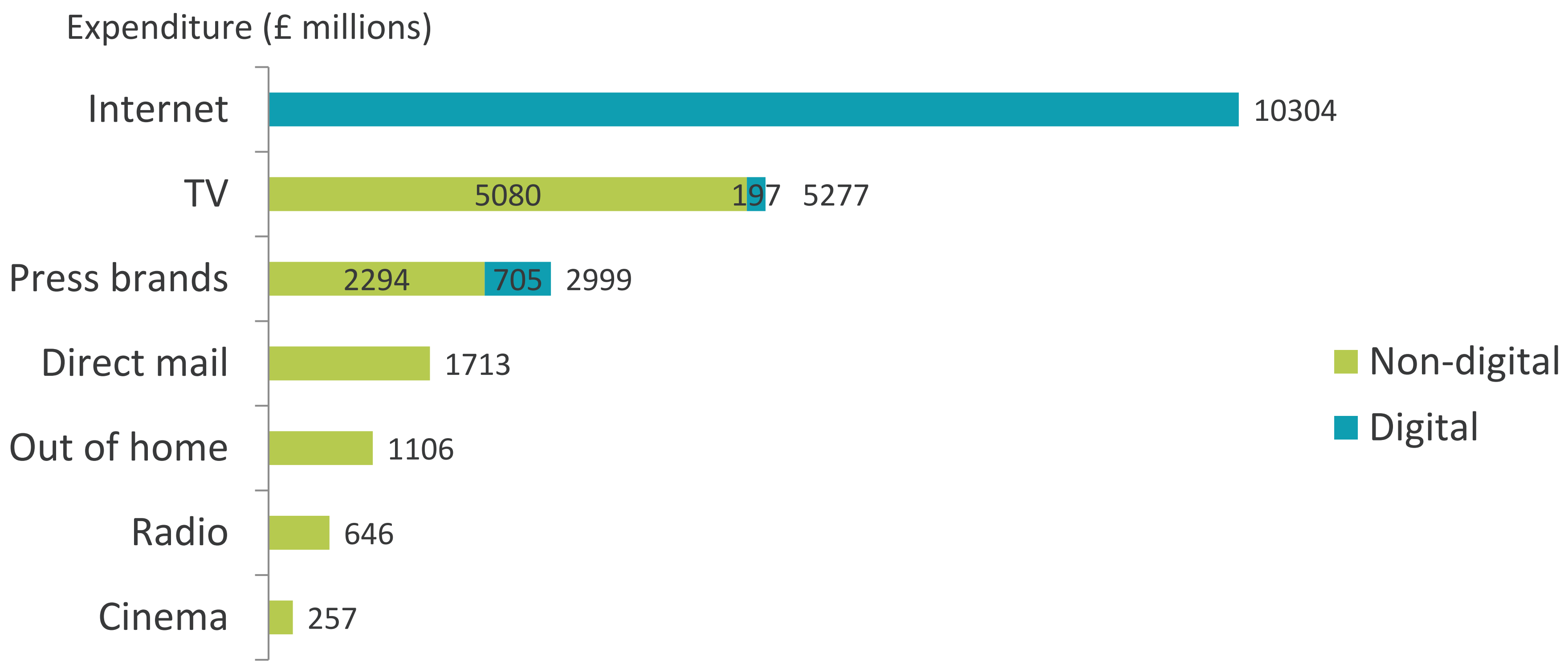


Source: comScore MobiLens, UK 3 month averages ending March 2017

Base: Mobile internet users 13+

Figure 5.30

UK advertising expenditure: 2016



Source: AA/Warc Expenditure Report, April 2017

Note: 'Press brands' is a consolidation of magazine brands and national and regional news brands.

Broadcaster VoD, digital revenues for newsbrands and magazine brands, radio station websites are also included within the internet total of £10,304m, so care should be taken to avoid double counting. Note: The AA/WARC data is net of discounts, and includes agency commission, but excludes production costs.

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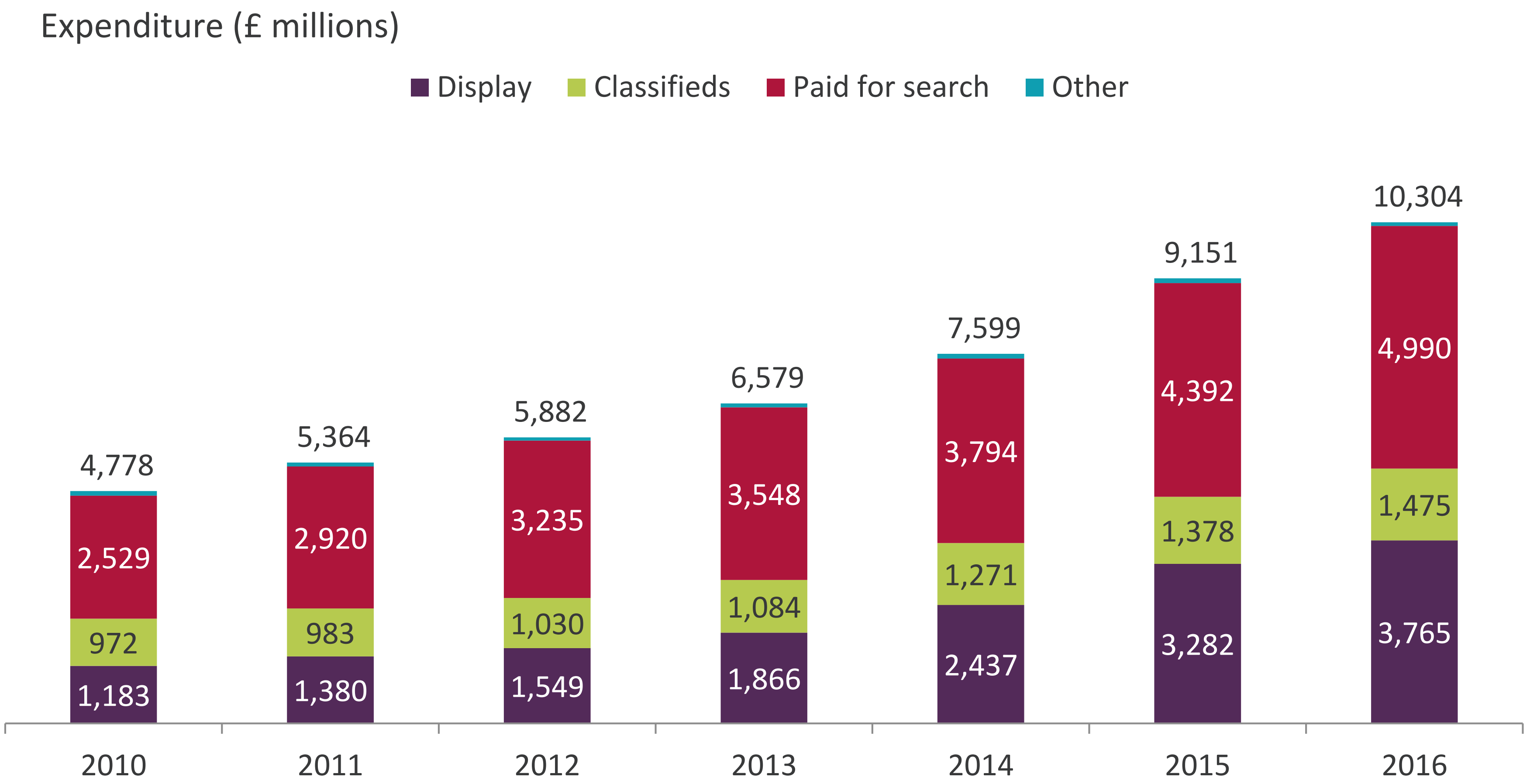
Figure 5.31

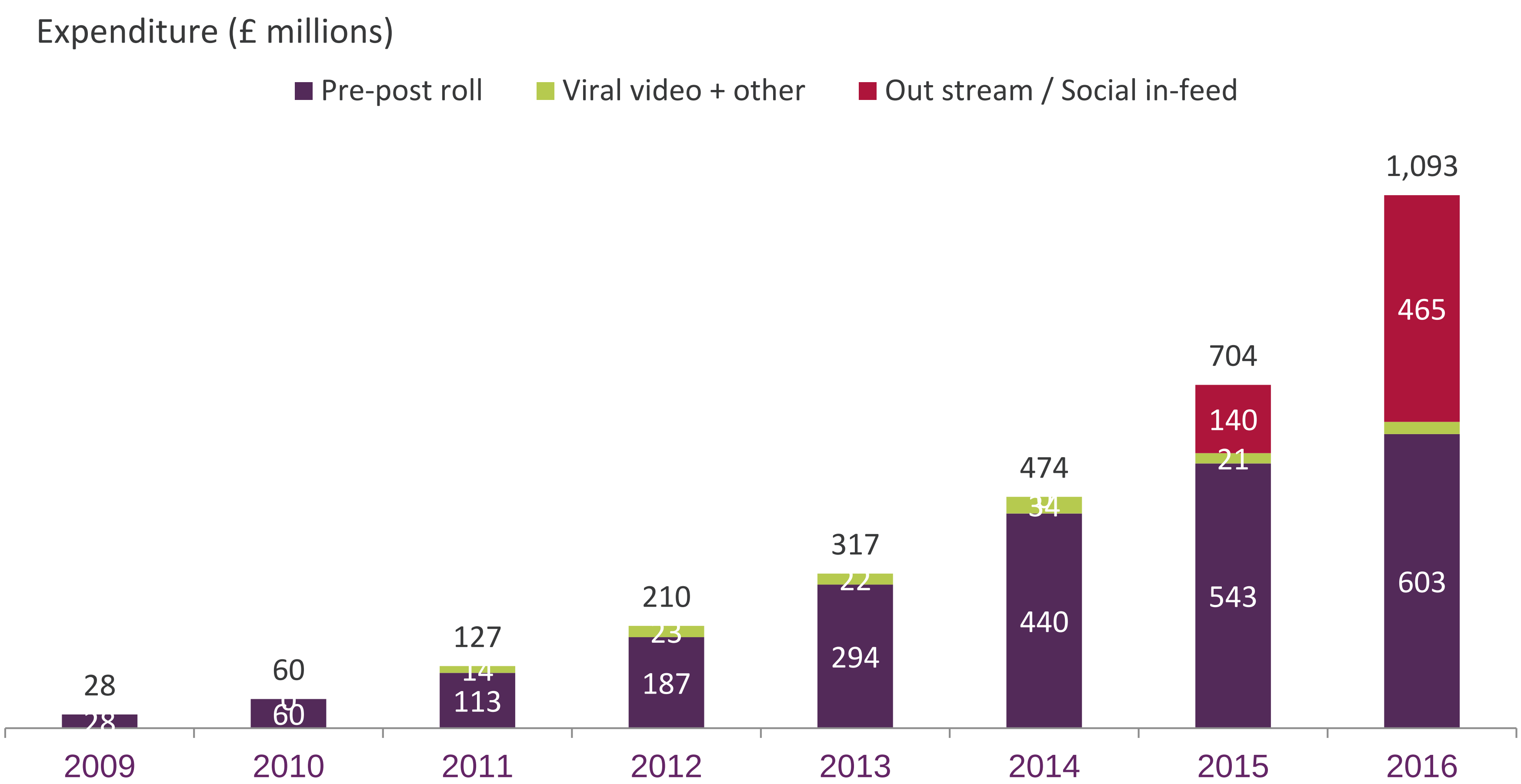
Digital advertising expenditure, by type: 2010-2016



Source: IAB / PwC Digital Adspend Study 2016 Note: 'Content and native advertising' was included as a new format for 2014; before this the revenue would have sat elsewhere within display (e.g. sponsorships).

Figure 5.32

Digital advertising expenditure, by type: 2010-2016



Source: IAB / PwC Digital Adspend Study 2016. Figures adjusted for CPI.

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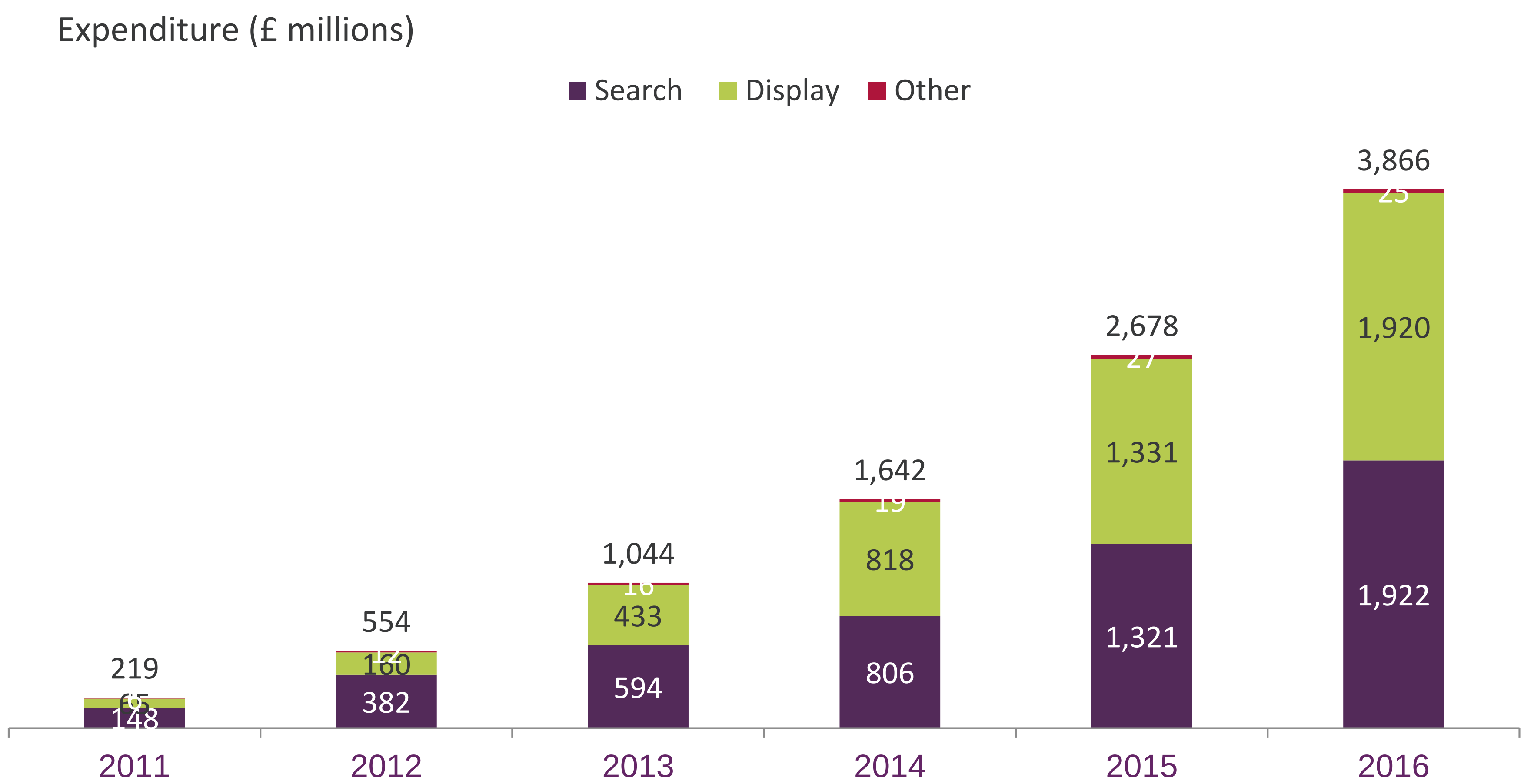
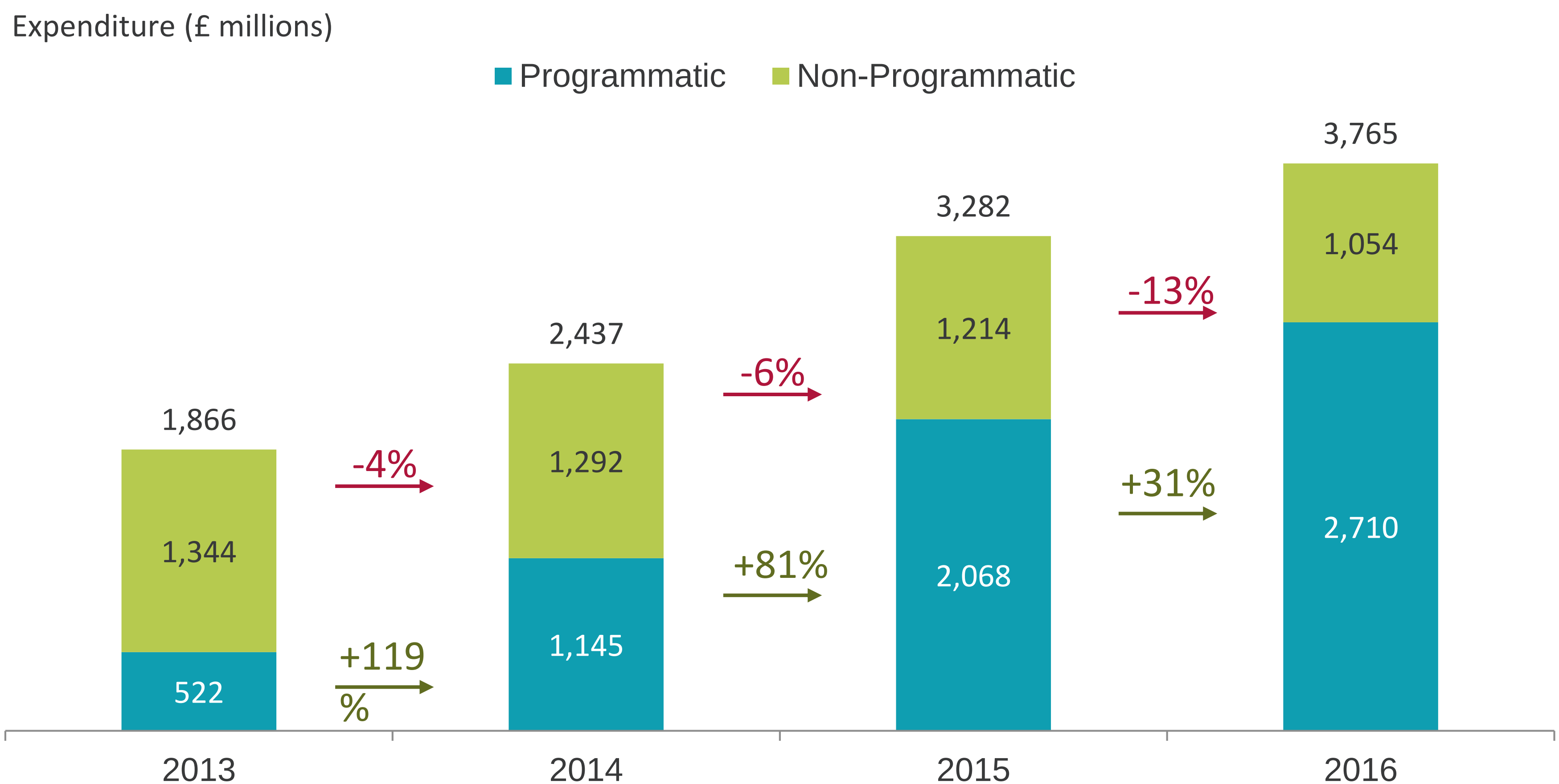
Figure 5.33
Mobile advertising expenditure: 2011-2016



Source: IAB / PwC Digital Adspend Study 2016. Figures adjusted for CPI

Figure 5.34
Share of programmatic advertising against display advertising expenditure



Source: IAB / PwC Digital Adspend 2016. Figures adjusted for CPI.

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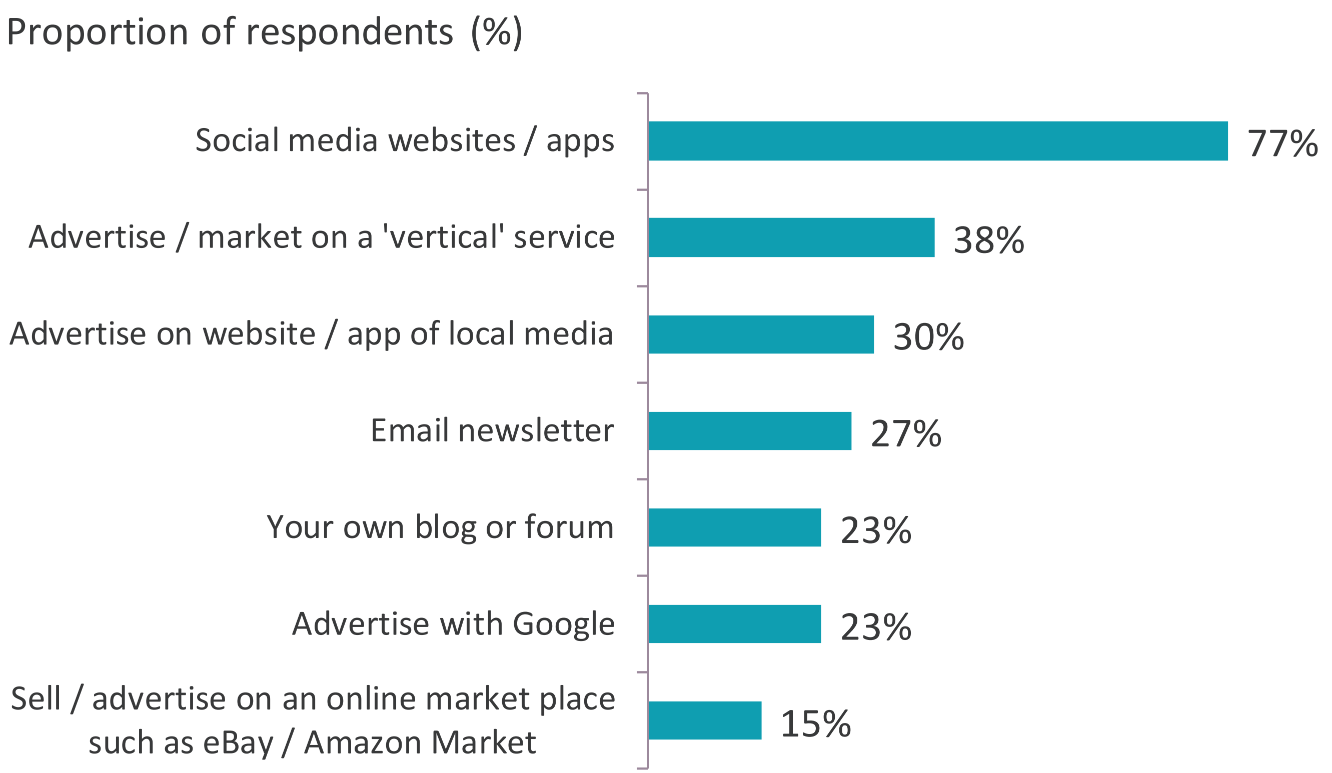
Figure 5.35

Types of online marketing done by SMEs



Source: Ofcom SME Tracker. Fieldwork May-July 2016

Base: online marketing users (n=764)

QA7. You said you use the internet for online marketing. Which, if any, of the following websites and tools does your organisation engage with or use on a regular basis – that is, at least once a month?

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Post

Figure 6.1

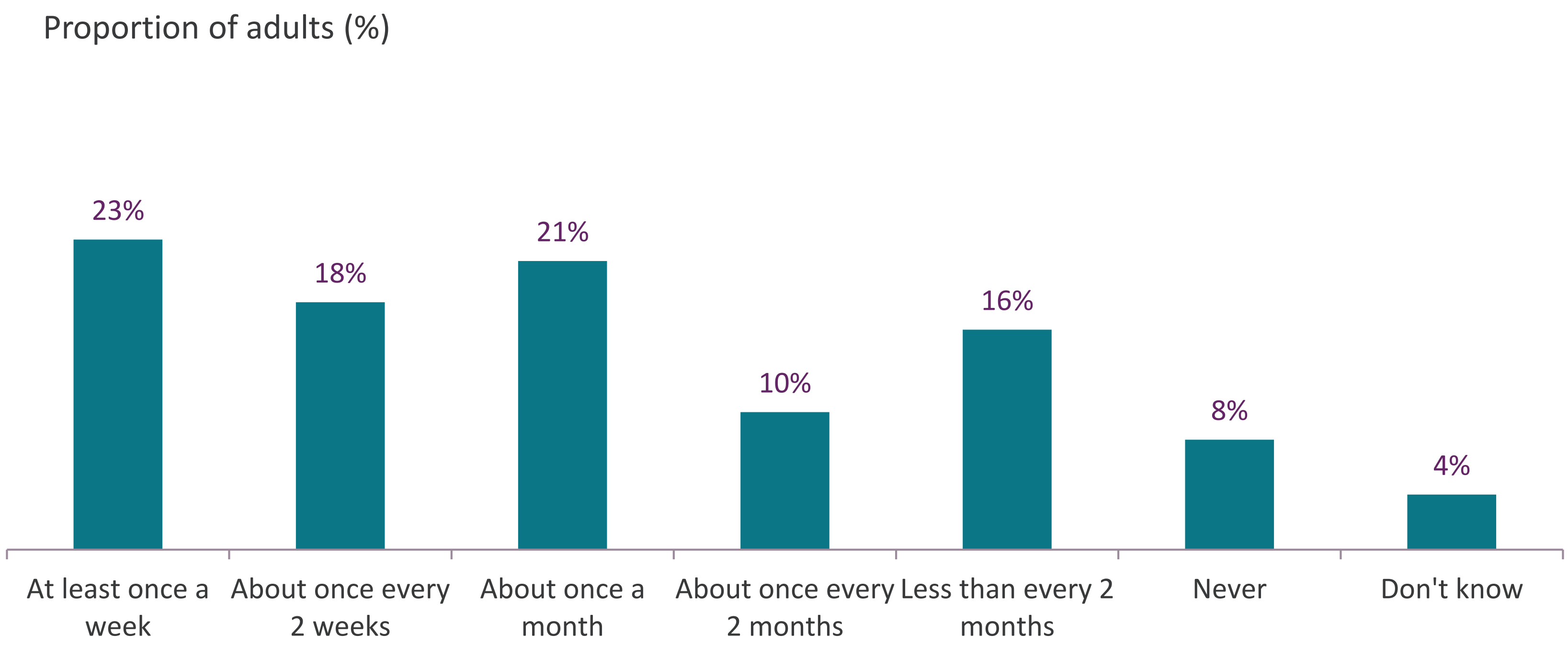
UK postal services: industry key metrics

UK postal services industry	2011	2012	2013	2014	2015*	2016
Addressed letter volumes	14.6bn	13.5bn	12.9bn	12.7bn	12.2bn	11.8bn
Addressed letter revenues (at 2016 prices)	£4.4bn	£4.4bn	£4.3bn	£4.3bn	£4.3bn	£4.2bn
Proportion of access in total mail	49%	54%	56%	56%	57%	60%
Letter volumes delivered by operators other than Royal Mail	9m	18m	56m	159m	68m	16m
Direct mail share of total advertising spend	11.4%	11.1%	10.9%	10.1%	9.3%	8.0%

Source: Royal Mail Regulatory Financial Statements, Royal Mail Wholesale, Royal Mail Group Annual Reports, AA/Warc, Nielsen. Note: Royal Mail calendar year volume figures are derived from Ofcom calculations based on financial year figures in Royal Mail's Regulatory Statements and unaudited submissions to Ofcom and are therefore not directly comparable with Royal Mail's published accounts. Royal Mail figures relate to the 'Reported Business'. Prior data are not comparable. * From 2015 we have changed the way we categorise certain letters products.

Figure 6.2

Frequency of purchasing products online



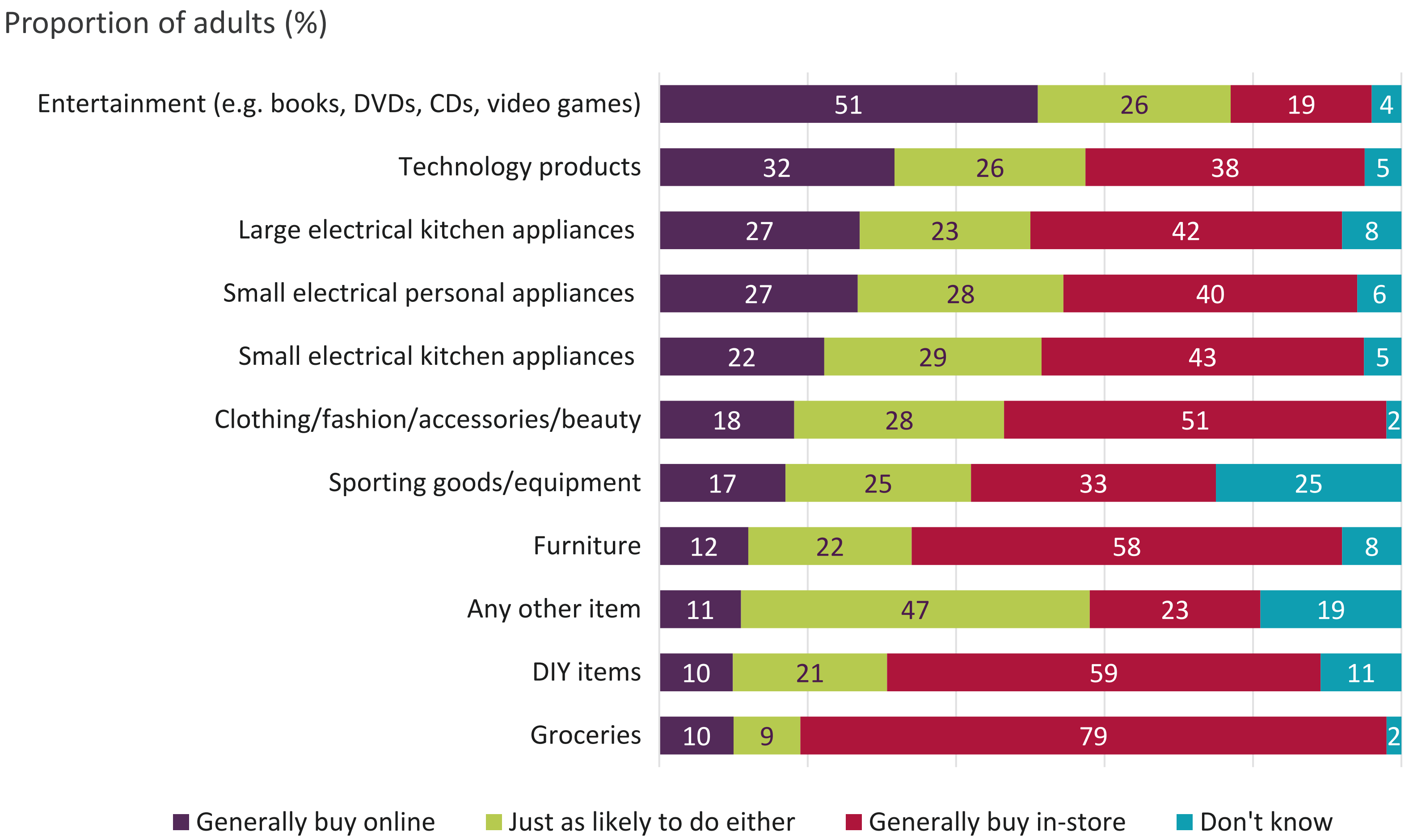
Source: YouGov Reports, Innovations in Retailing 2017, fieldwork February 2017.

Base: nationally representative adults aged 16+: 2037

Q4. How often do you purchase products online (including via your mobile)? (2017)

Figure 6.3

Likelihood of online vs. in-store purchase



Source: YouGov Reports, Innovations in Retailing 2017, fieldwork February 2017.

Base: nationally representative adults aged 16+: 2037

Q3. Which of the following do you generally buy online (including via your mobile), and which do you generally buy in-store?

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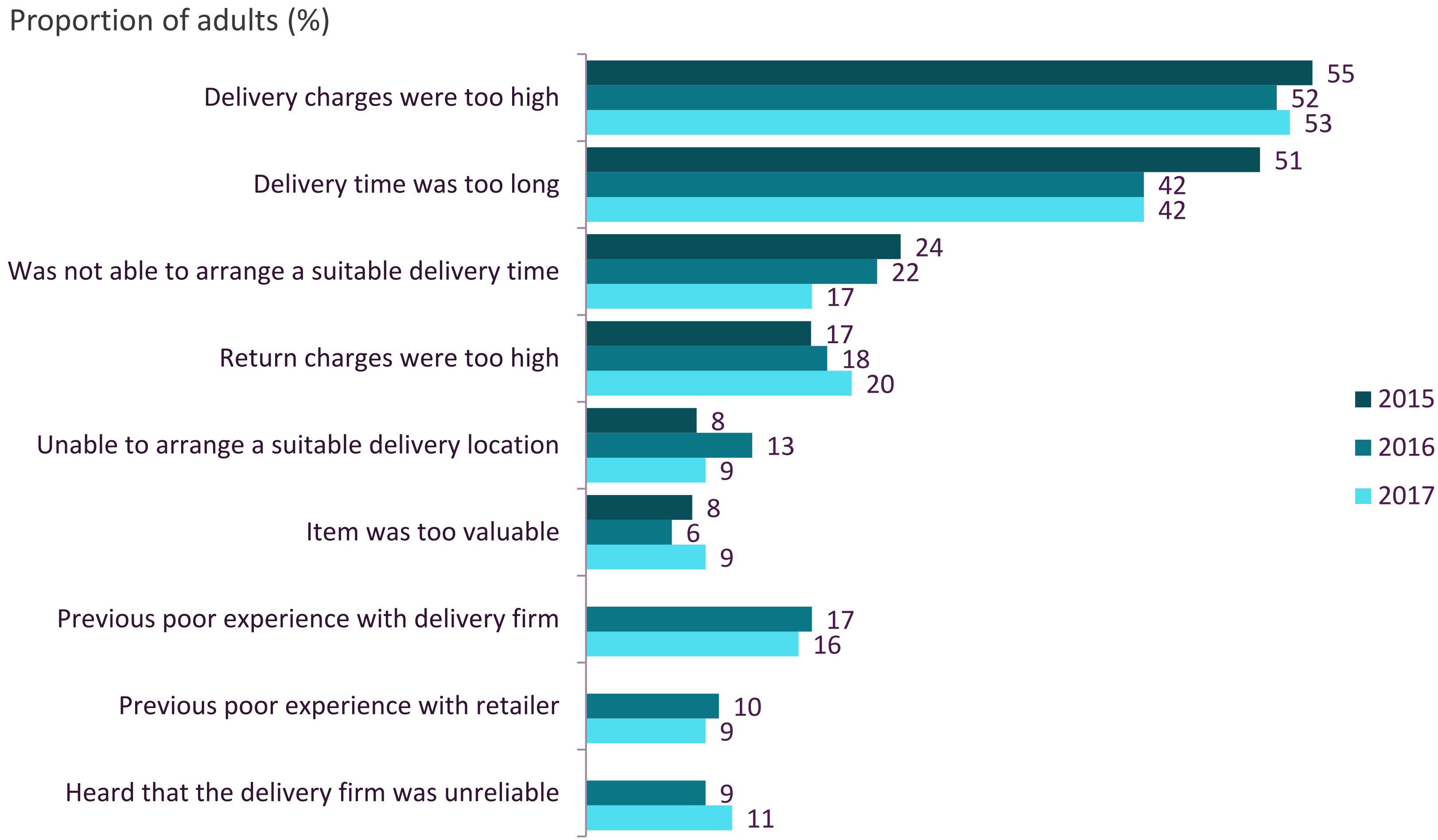
Figure 6.4

Reasons for stopping an online order



Note: Three options were asked in 2016 for the first time and have no 2015 comparison.

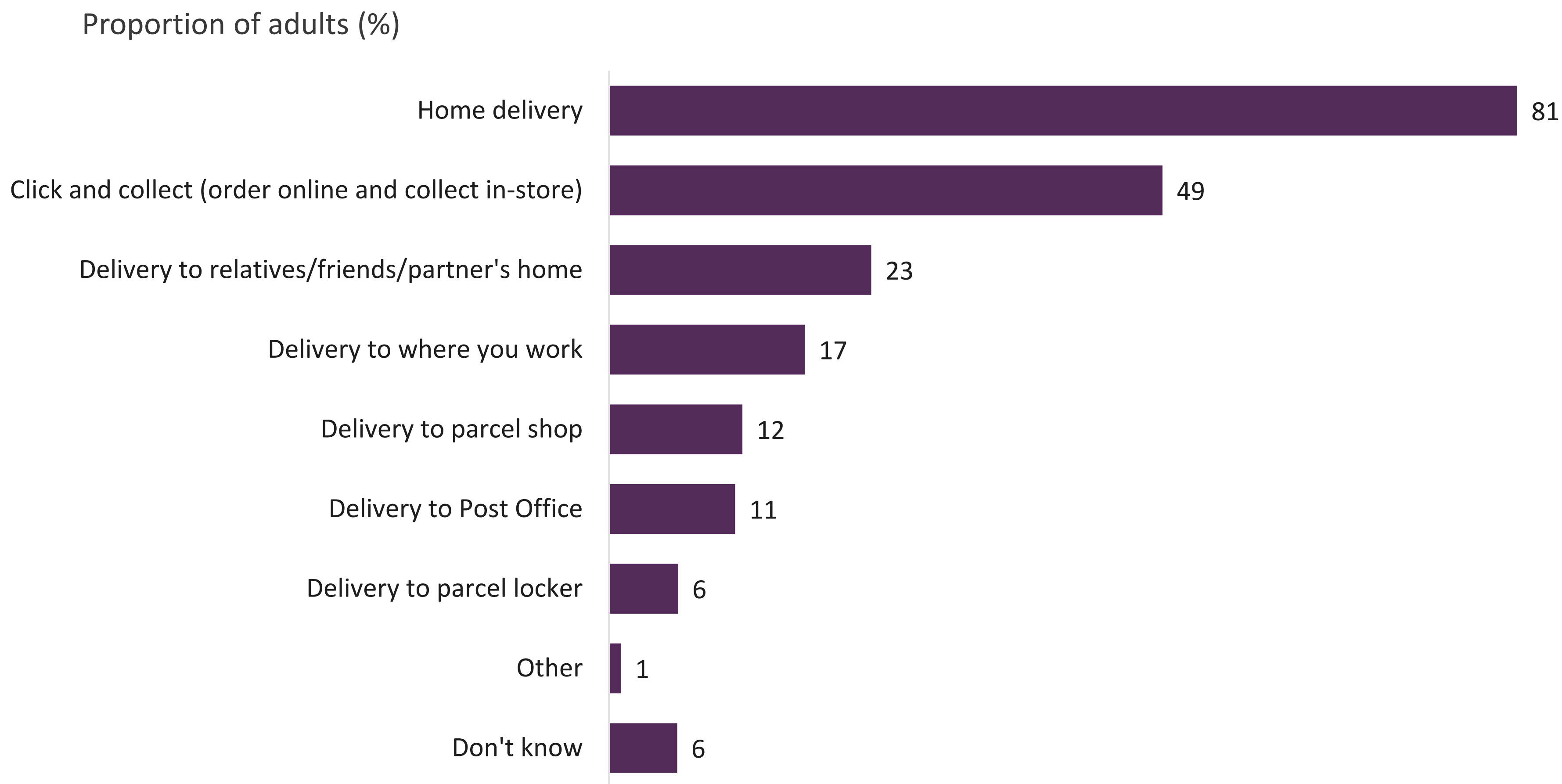
Source: YouGov Reports, Innovations in Retailing, fieldwork March 2017

Base: All adults aged 16+ who have not ordered a product due to delivery concerns, 2017: 907, 2016: 842, 2015: 937

Q20: Why did your concerns regarding delivery stop you from ordering the product? Please choose all that apply.

Figure 6.5

Use of delivery options for online purchases



Source: YouGov Reports, Innovations in Retailing 2017, fieldwork February 2017
Q21. Thinking again about shopping online (including via your mobile) and the delivery of your purchases, which, if any, of the following have you used?
Base: Adults 16+, n=2037

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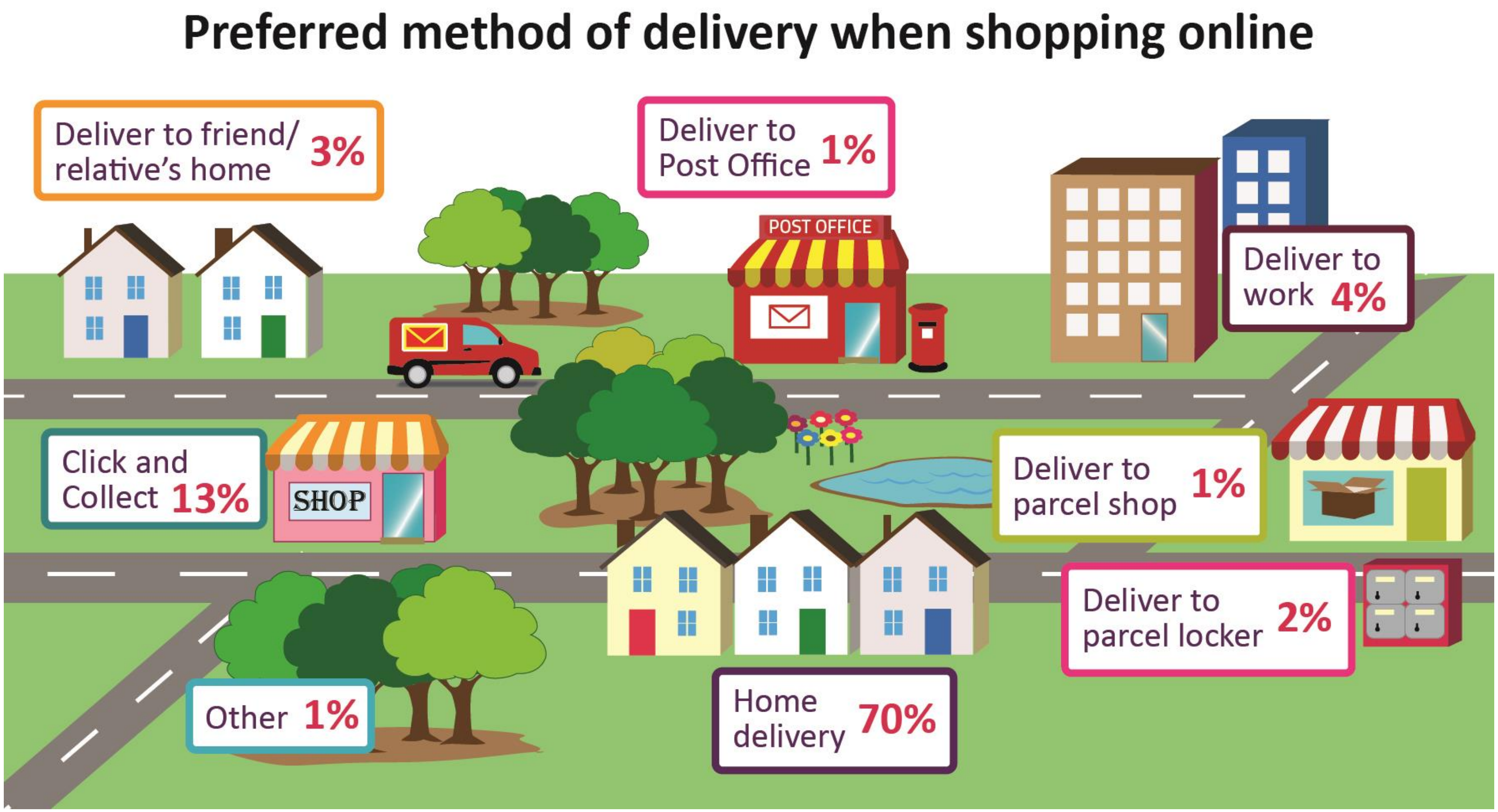
Figure 6.6

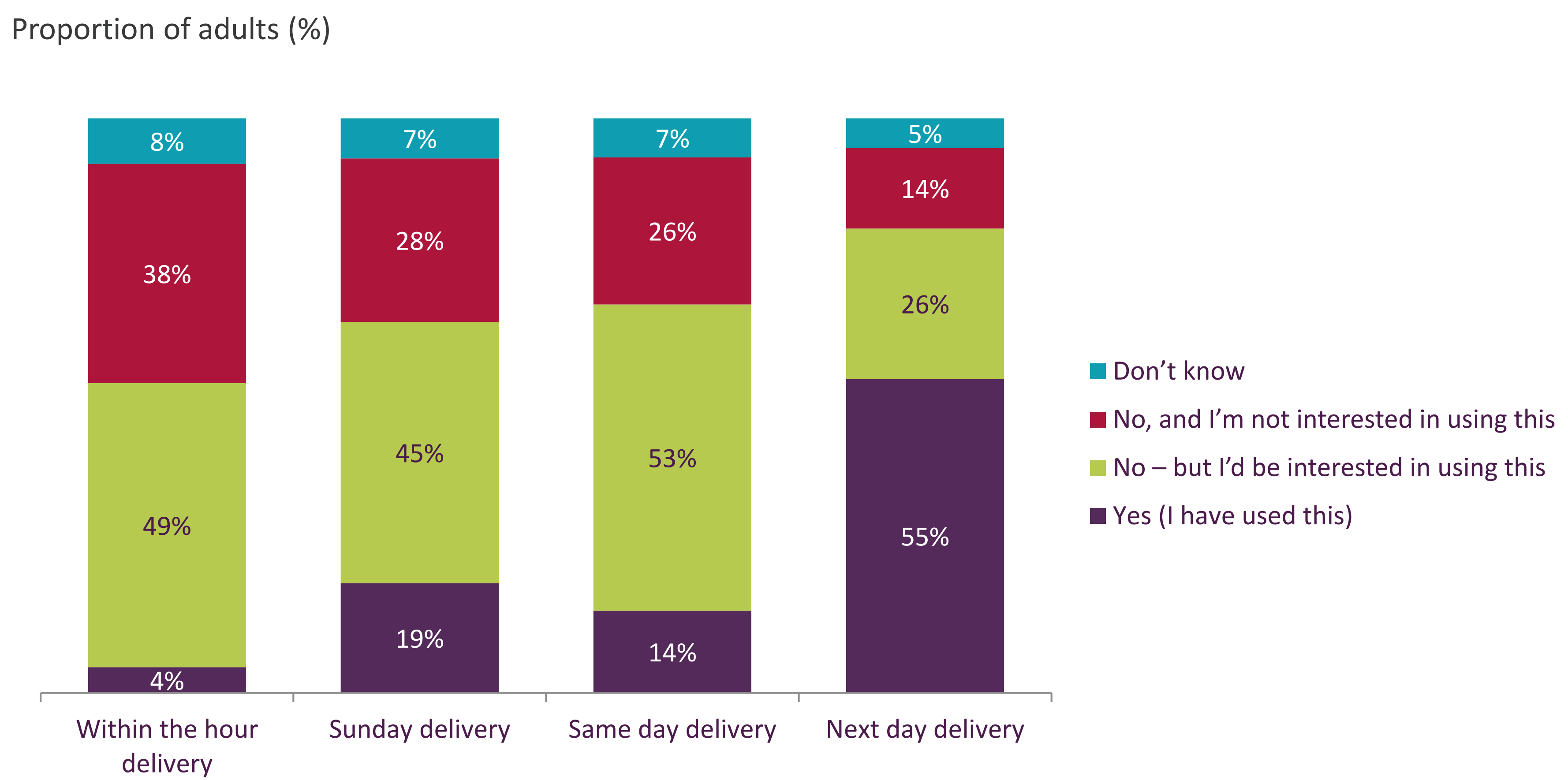
Preferred method of delivery when shopping online



Source: YouGov Reports, Innovations in Retailing 2017, fieldwork February 2017.
Base: nationally representative adults aged 16+, 2017: 2037. 'Don't know' (6%) responses not shown
q_16. Now thinking aout shopping online (including via your mobile) and the delivery of your purchases, in general which of the following do you prefer?

Figure 6.7

Use of faster or Sunday delivery options



Source: YouGov Reports, Innovations in Retailing 2017, fieldwork February 2017. Due to changes in the question no year on year comparison is presented.
Base: nationally representative adults aged 16+, 2017: 2037.
Q25: Have you ever used within the hour delivery, Sunday delivery, and/or next day delivery?

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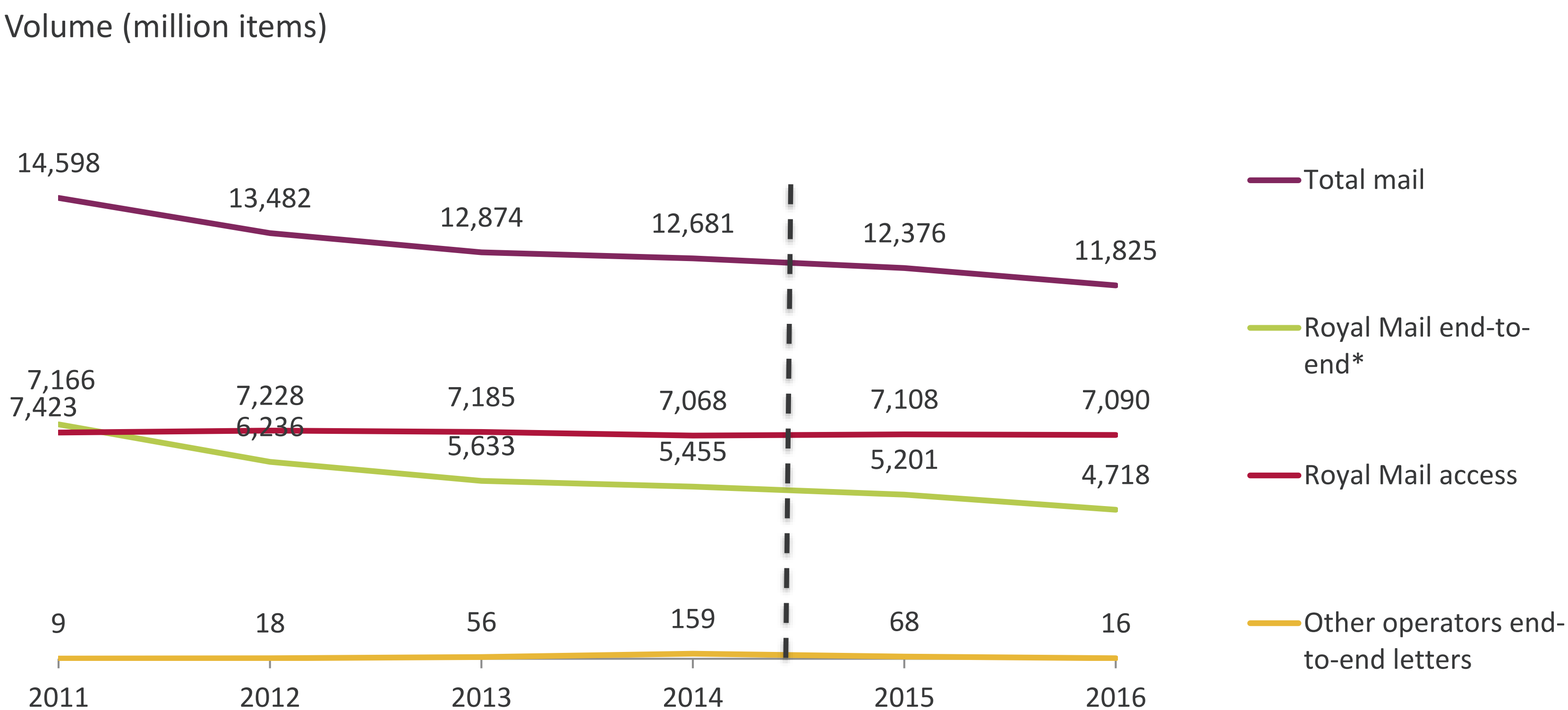
Figure 6.8

Addressed letter volumes: 2011-2016



Source: Royal Mail Regulatory Financial Statements, operator returns to Ofcom, Ofcom estimates. Royal Mail calendar year volume figures are derived from Ofcom calculations based on financial year figures in Royal Mail's Regulatory Statements and unaudited submissions to Ofcom and are therefore not directly comparable with Royal Mail's published accounts. Royal Mail figures relate to the 'Reported Business'. *Royal Mail end-to-end is an Ofcom calculation and refers to Royal Mail total letters volumes excepting access. Royal Mail access volumes are as per its Regulatory Financial Statements and include a small amount of parcels. The effect of this is that Royal Mail's access volumes are slightly overstated and its end-to-end volumes are slightly understated. Prior data are not comparable.

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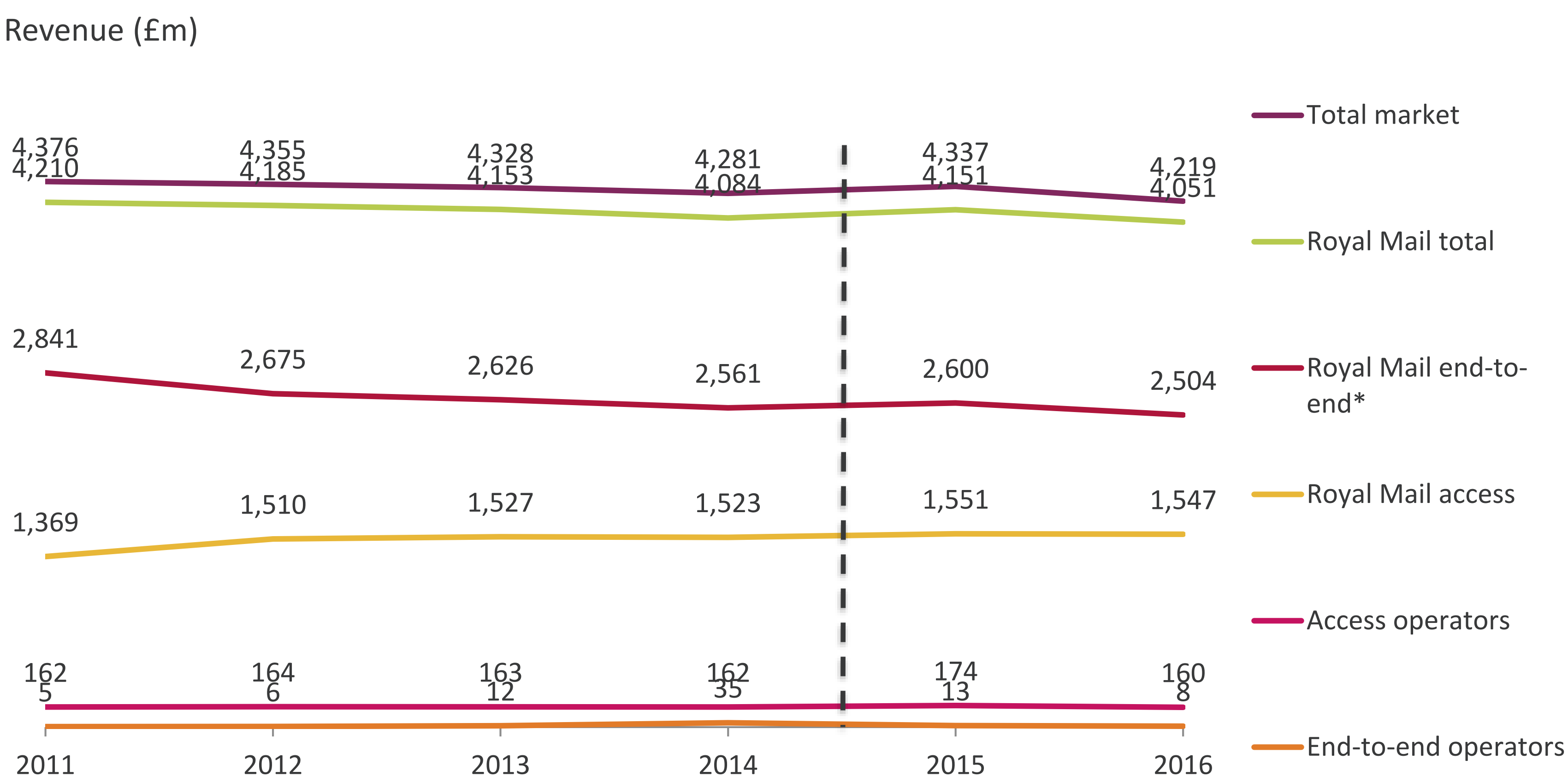
Figure 6.9

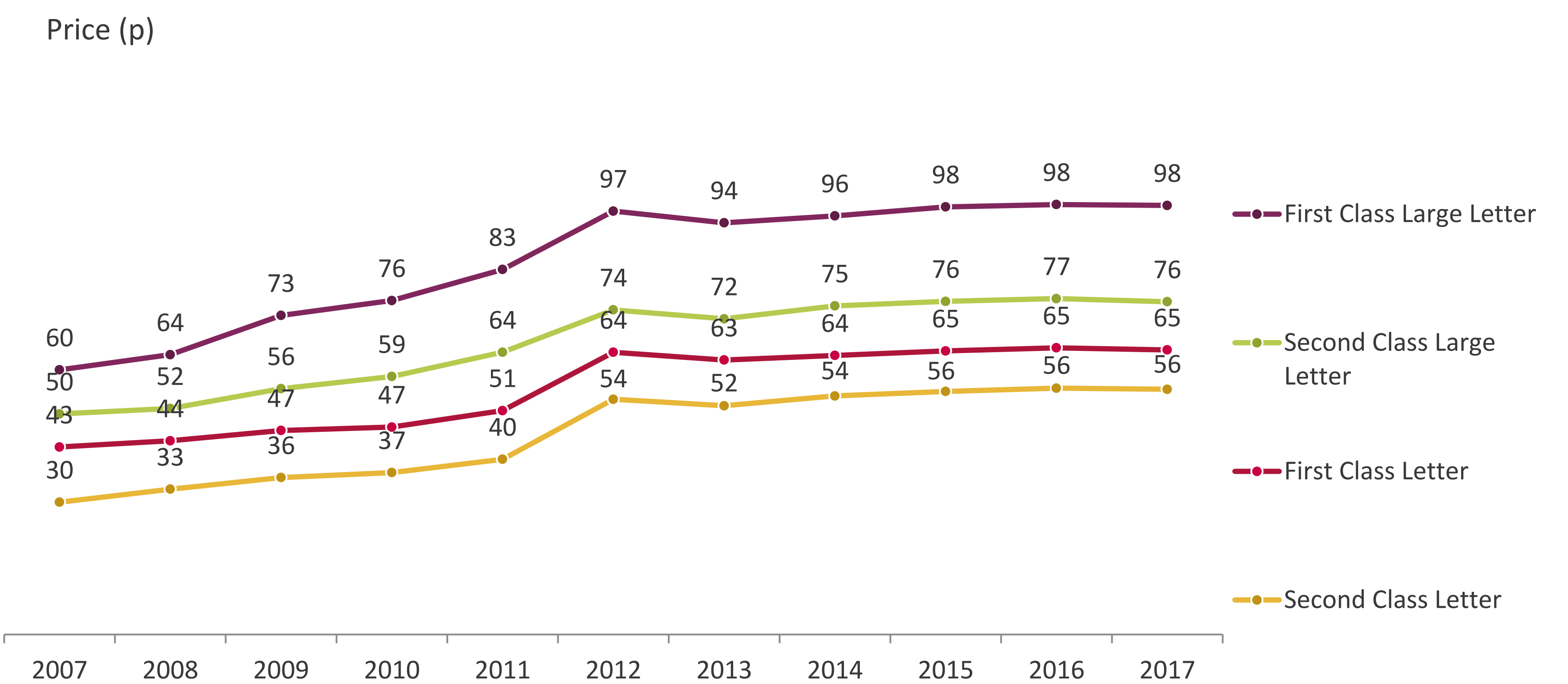
Addressed letter revenues: 2011-2016



Source: Royal Mail Regulatory Financial Statements, operator returns to Ofcom, Ofcom estimates. Royal Mail calendar year revenue figures are derived from Ofcom calculations based on financial year figures in Royal Mail's Regulatory Statements and unaudited submissions to Ofcom and are therefore not directly comparable with Royal Mail's published accounts. Royal Mail figures relate to the 'Reported Business'. *Royal Mail end-to-end is an Ofcom calculation and refers to Royal Mail total letters revenues excepting access. Royal Mail access revenues are as per its Regulatory Financial Statements and include a small amount of parcels. The effect of this is that Royal Mail's access revenues are slightly overstated and its end-to-end revenues are slightly understated. Prior data are not comparable. Figures are adjusted for CPI.

Figure 6.10

First and Second Class single-piece stamp prices, adjusted for inflation: 2007 to 2017



Source: Royal Mail. Figures are based on March 2017 prices. Prices refer to Royal Mail First and Second Class Standard and Large Letter list prices for letters up to 100g.

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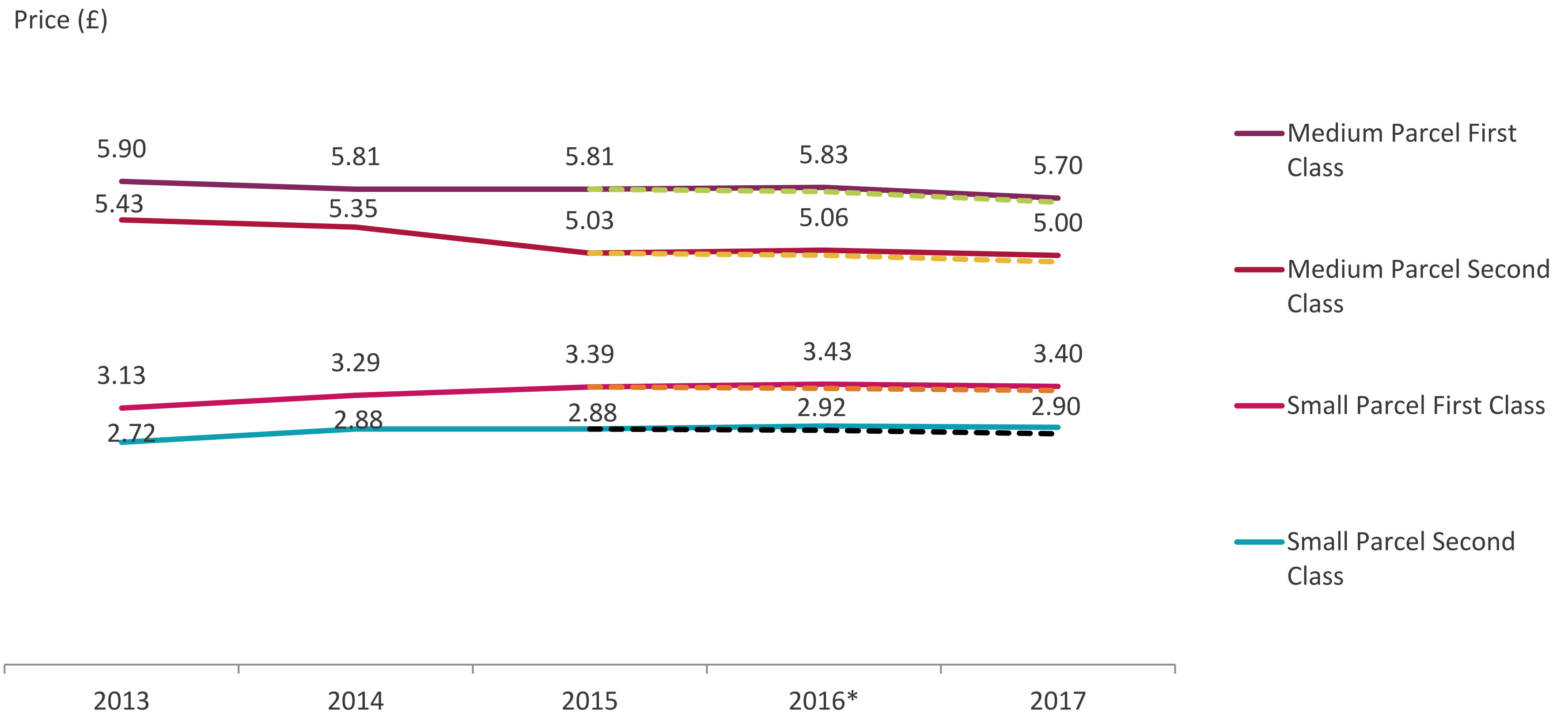
Figure 6.11

Royal Mail First and Second Class small and medium parcel prices: 2013-2017



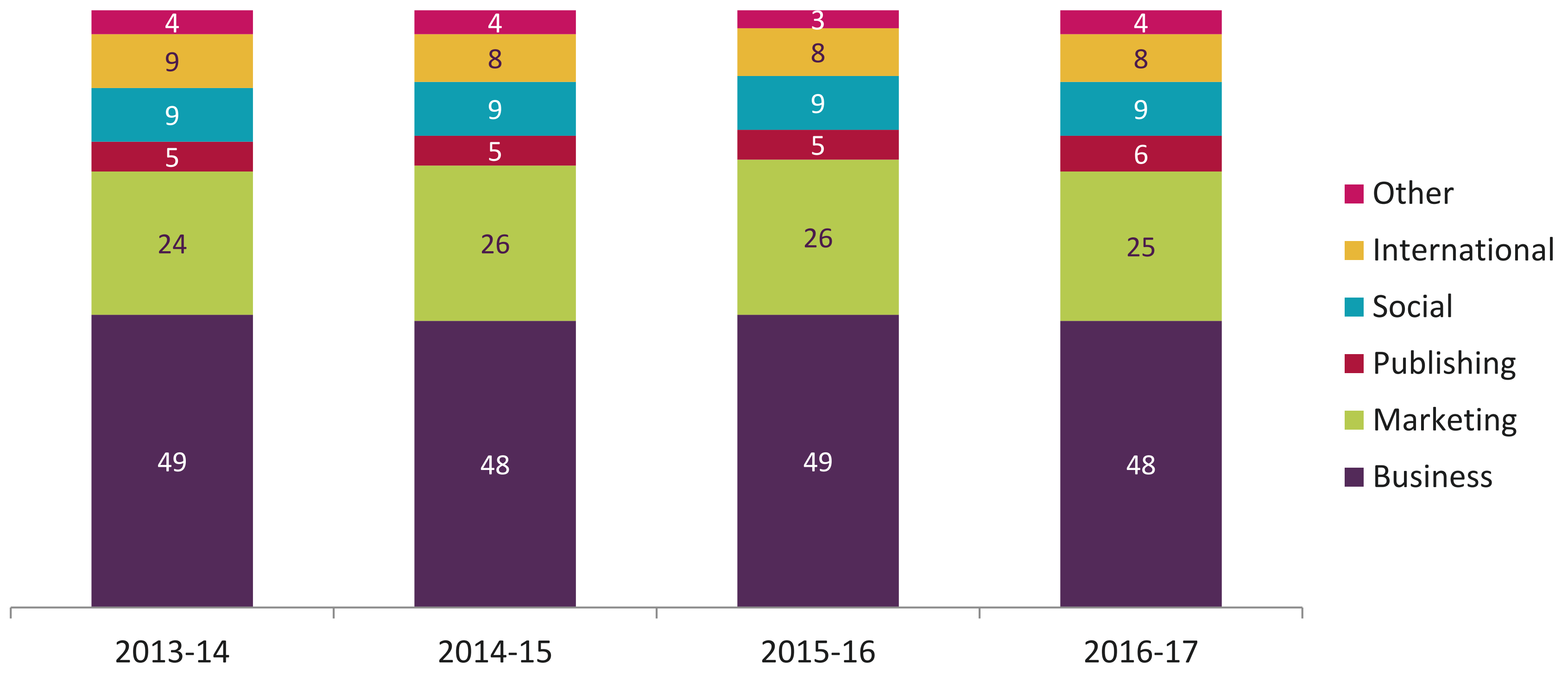
Source: Royal Mail. Figures relate to prices at March 2017 levels. Prices refer to Small Parcels (up to 45cm x 35cm x16cm) weighing up to 1kg and Medium Parcels(up to 61cmx46cmx46cm) weighing up to 1kg.

*Note: In 2016, Royal Mail introduced a different price for parcel postage bought online rather than in-store. Dashed line shows online price. Labels on chart show the in-store price.

Figure 6.12

Letter revenue, by type of mail: 2013-14 – 2016-17

Proportion of letters revenue generated by each type (%)



Source: Royal Mail plc, full year 2016-17 results, full year 2015-16 results, Royal Mail plc, full year 2014-15 results, and Royal Mail plc, full year 2013-14 results

Note: relates to Royal Mail revenue and not the total market, so accounts for c.95% of total revenue

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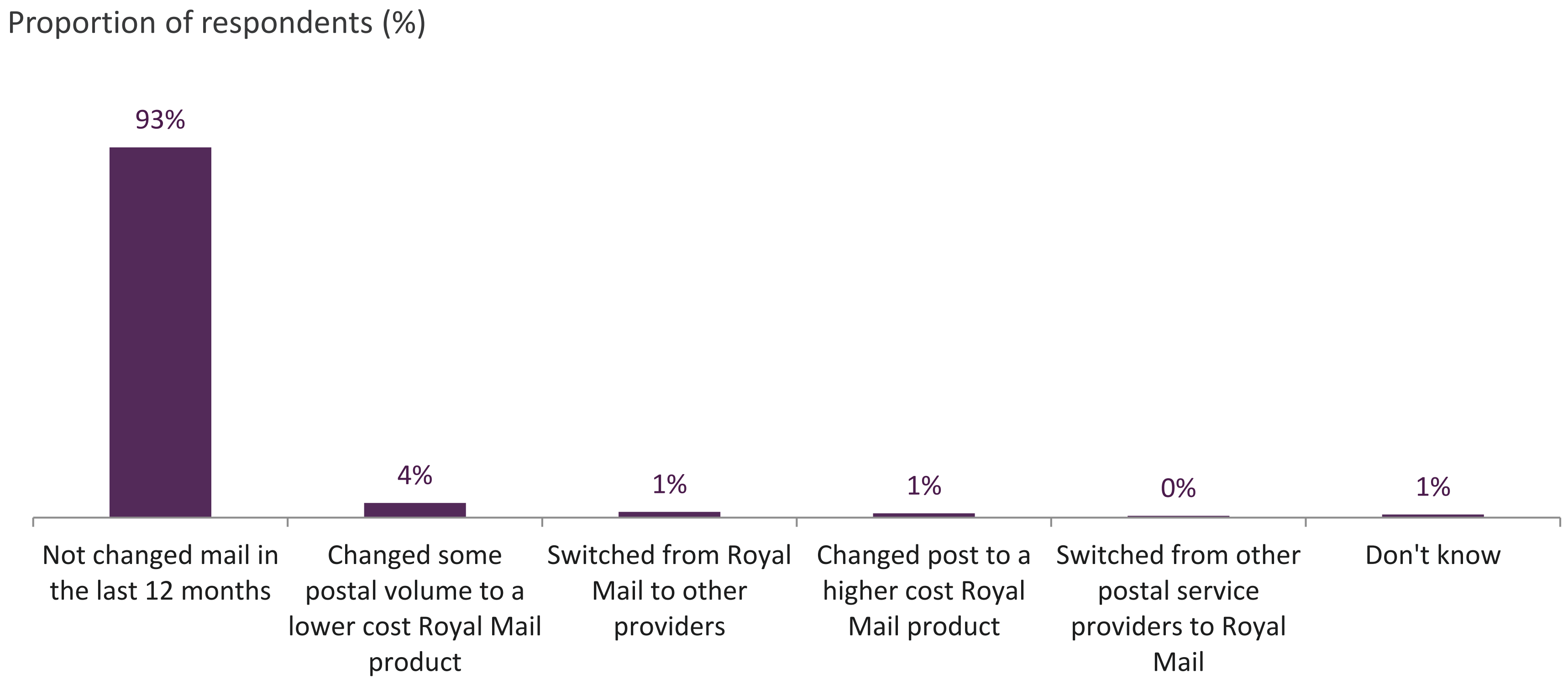
Figure 6.13

Businesses' changes in mail practices over the past year



Source: Ofcom SME Postal Tracker 2016

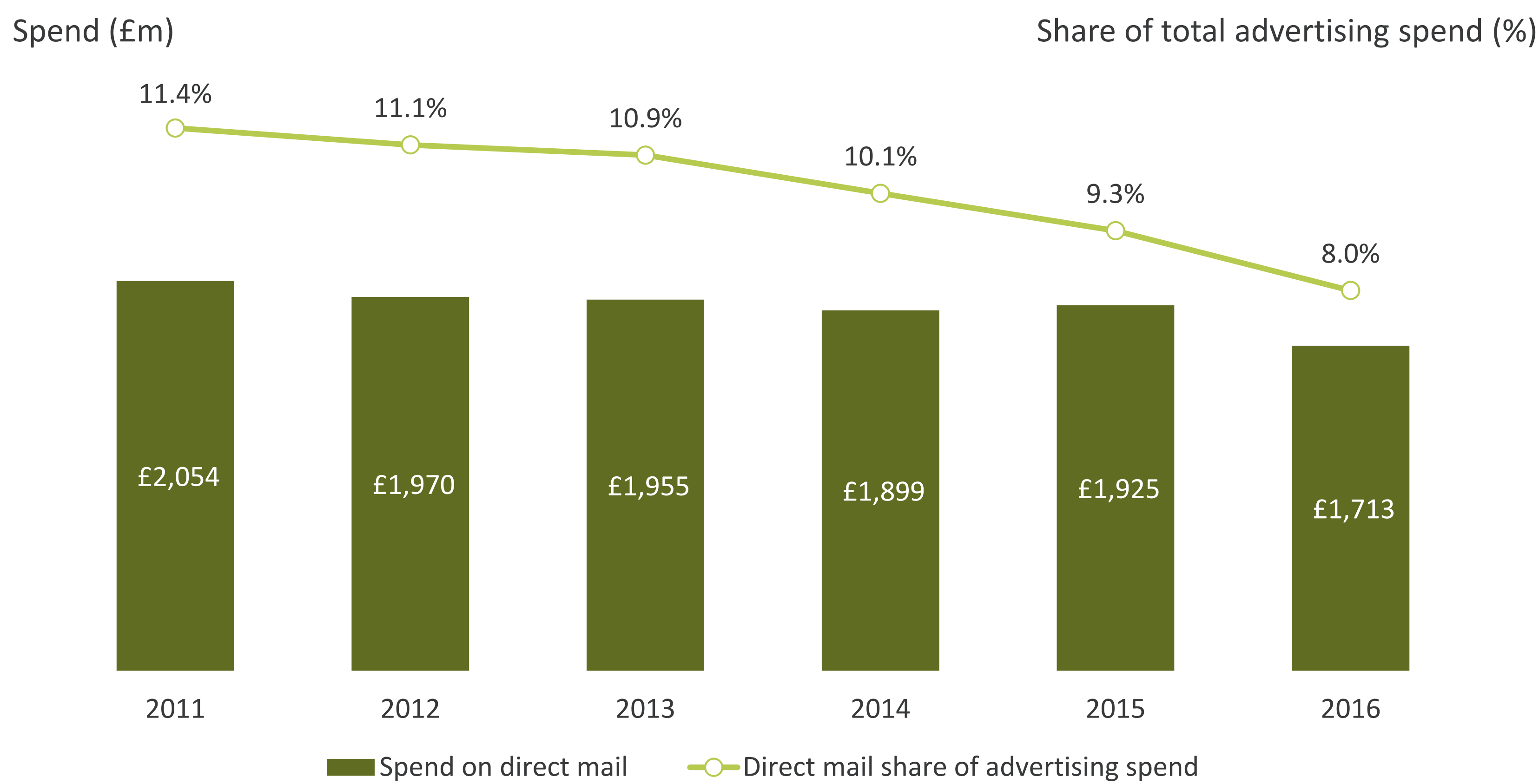
Base: All respondents using Royal Mail (n=1951)

QV7a: In the last twelve months, has your organisation…

Figure 6.14

Direct mail expenditure and proportion of total advertising expenditure

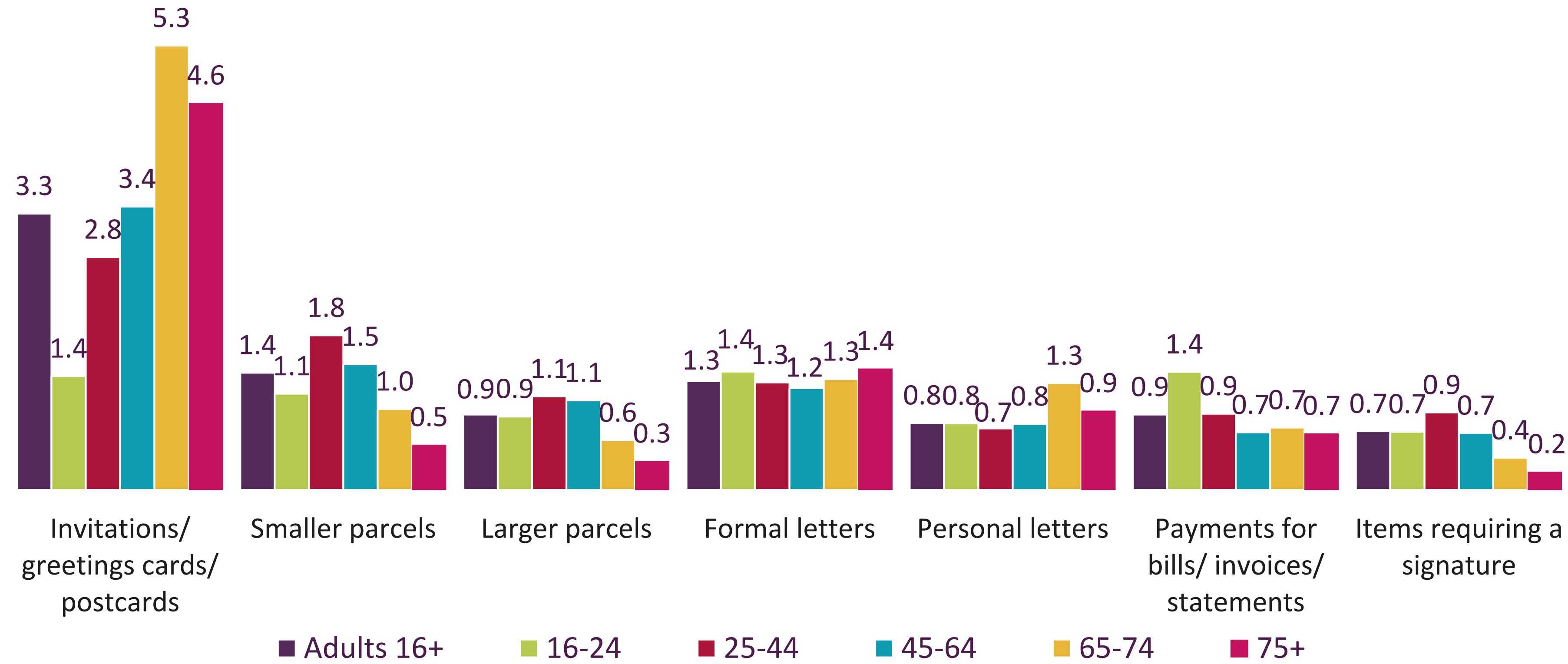
UPDATED DATA FOR 2016



Source: AA/Warc Advertising Expenditure report . Figures are in real terms, adjusted for CPI at 2016 prices.

Figure 6.15

Approximate number of postal items sent in the past month



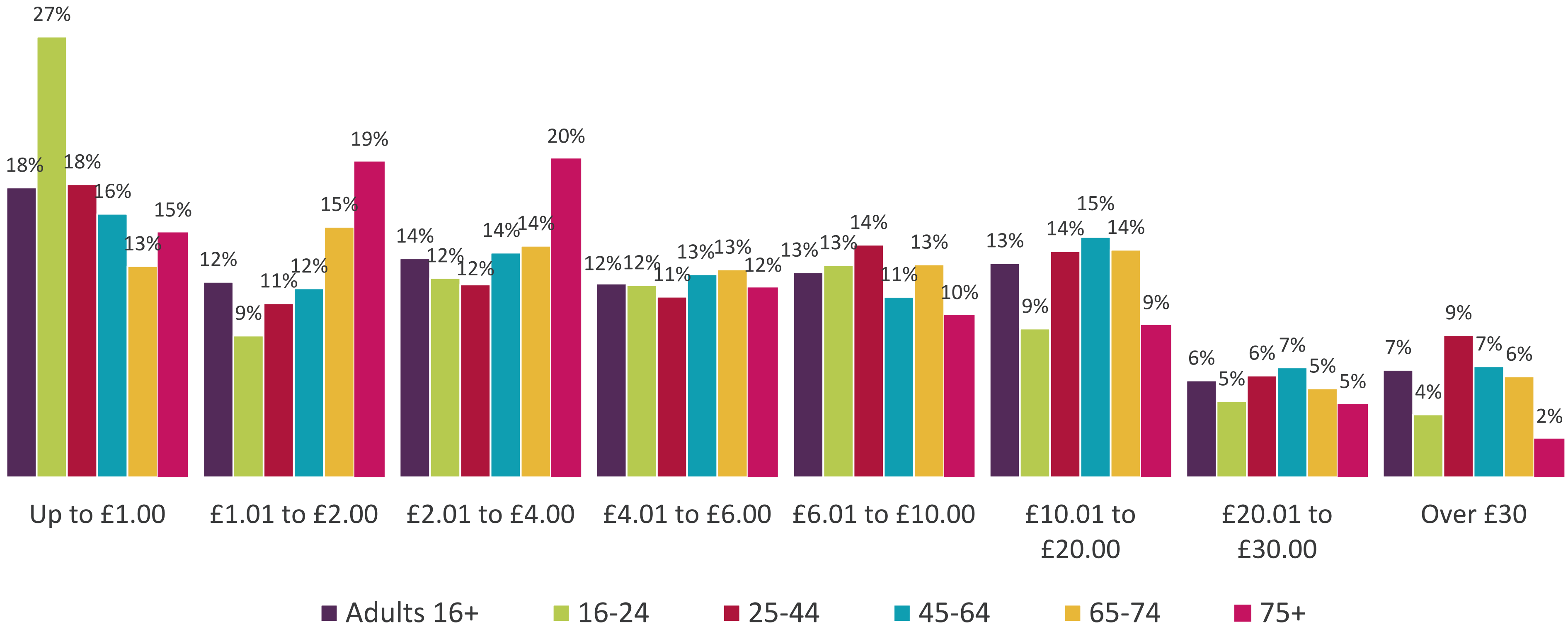
Source: Ofcom Residential Postal Tracker 2016

Base: All adults (n = 6419 16+, 804 16-24, 1966 25-44, 2166 45-64, 945 65-74, 538 75+)

QD1: Approximately how many of the following have you sent in the last month (including international post and Freepost)

Figure 6.16

Approximate amount spent on postage in the past month



Source: Ofcom Residential Postal Tracker 2016

Base: All adults (n = 6419 16+, 804 16-24, 1966 25-44, 2166 45-64, 945 65-74, 538 75+)

QD4: And in total, how much would you say you've spent on postage in the last month, including all letters, cards and parcels?

Note: Chart does not include the 6% of respondents who answered that they didn't know or would prefer not to say

Figure 6.17

Approximate number of postal items received in the past week

Source: Ofcom Residential Postal Tracker 2016

Base: All adults (n = 6419 16+, 804 16-24, 1966 25-44, 2166 45-64, 945 65-74, 538 75+)

QE1: Approximately how many of the following have you personally received in the last week?

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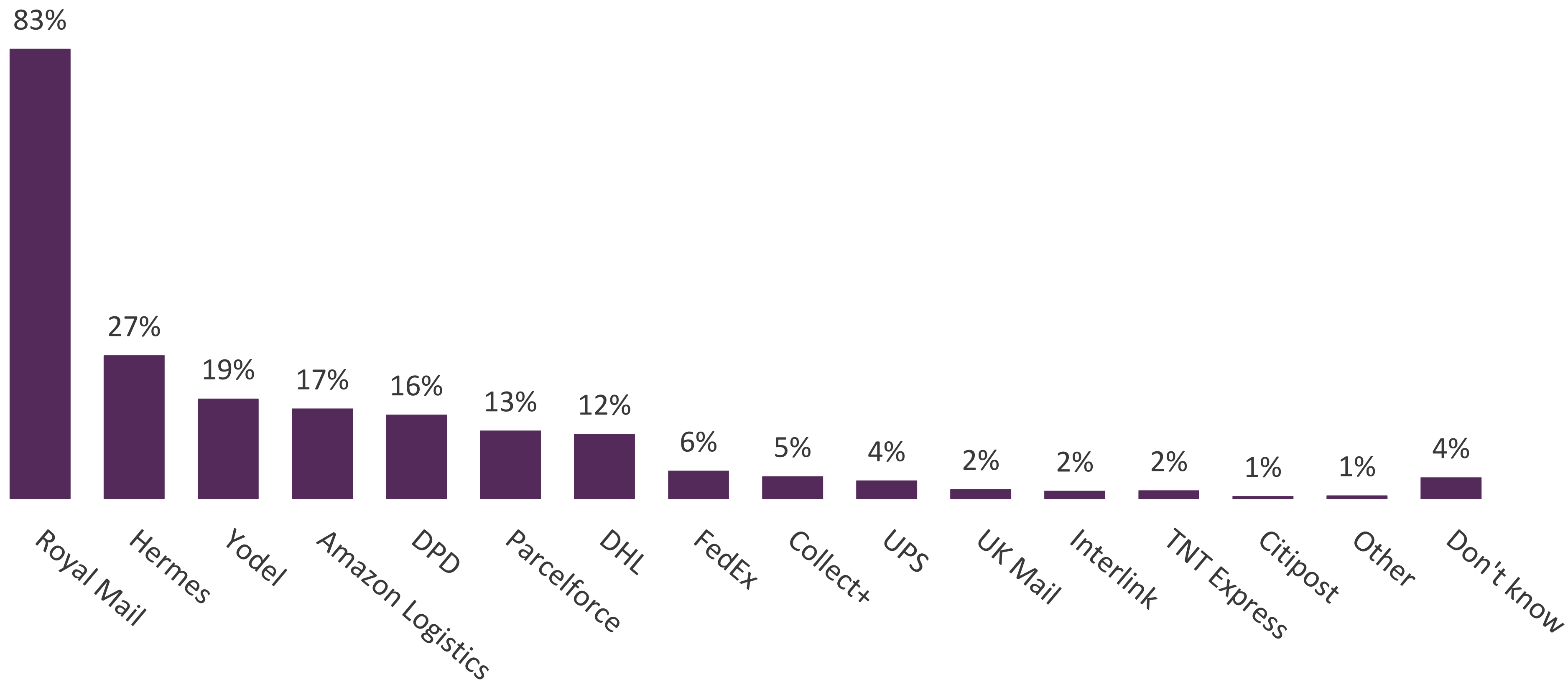
Figure 6.18

Companies that delivered parcels to consumers in the past month



Source: Ofcom Residential Postal Tracker 2016

Base: Adults who received a parcel(s) in the past month (n = 3433 16+, 414 16-24, 1131 25-44, 1186 45-64, 472 65-74, 230 75+)

QE5: Thinking of the parcel(s) that you have received in the last month, which of these companies delivered the parcel(s)

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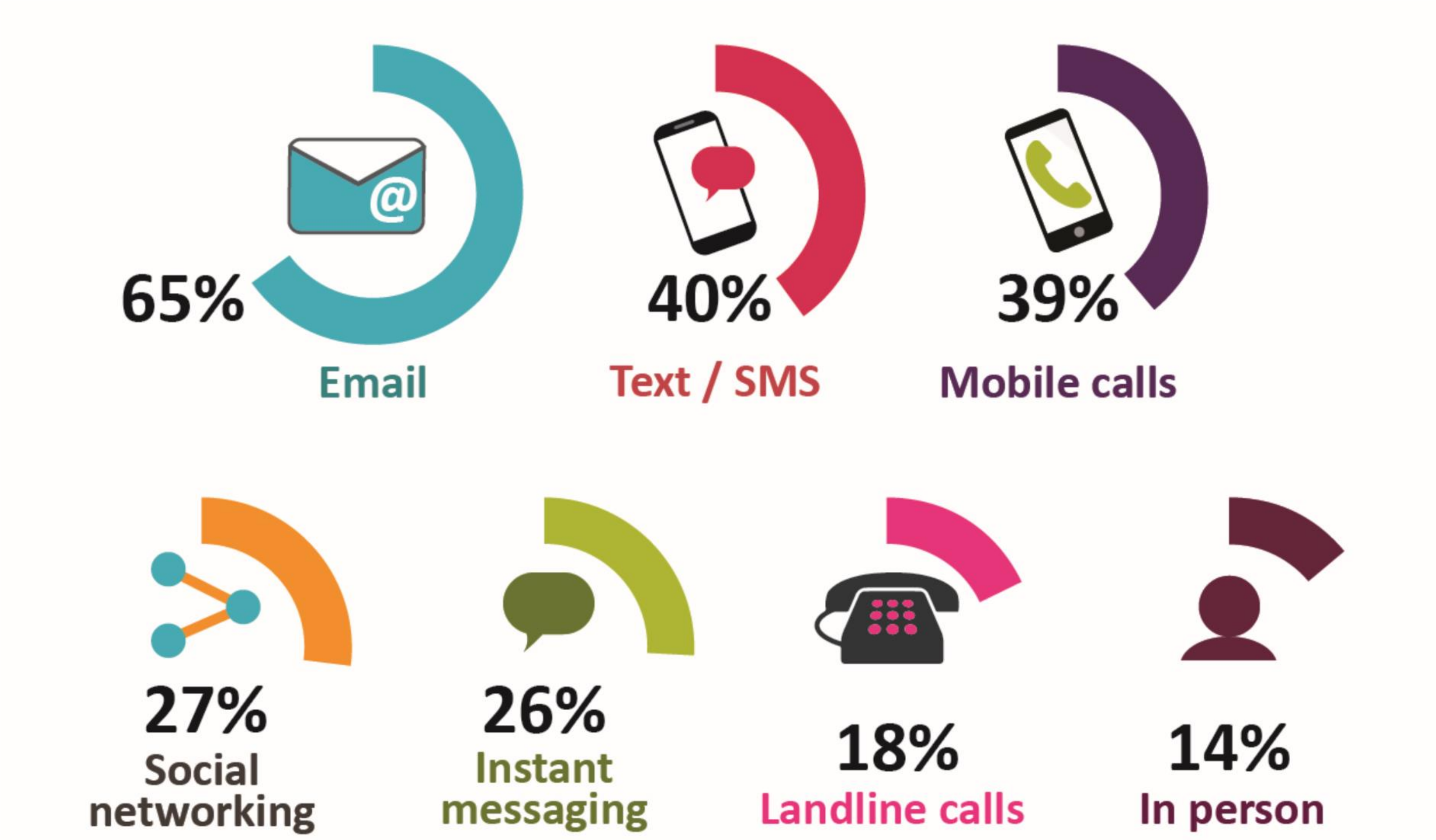
Figure 6.19

Communication types used more instead of post, compared to two years ago



Source: Ofcom Residential Postal Tracker 2016
Base: All adults (n = 6419 16+, 804 16-24, 1966 25-44, 2166 45-64, 945 65-74, 538 75+)
QD13: Which, if any, of these types of communication are you now using more instead of post, compared to two years ago?
Note: 15% answered “none in particular”, and 2% answered “other” or “don’t know”

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Figure 6.20

Estimated price of a First Class stamp

Source: Ofcom Residential Postal Tracker 2016

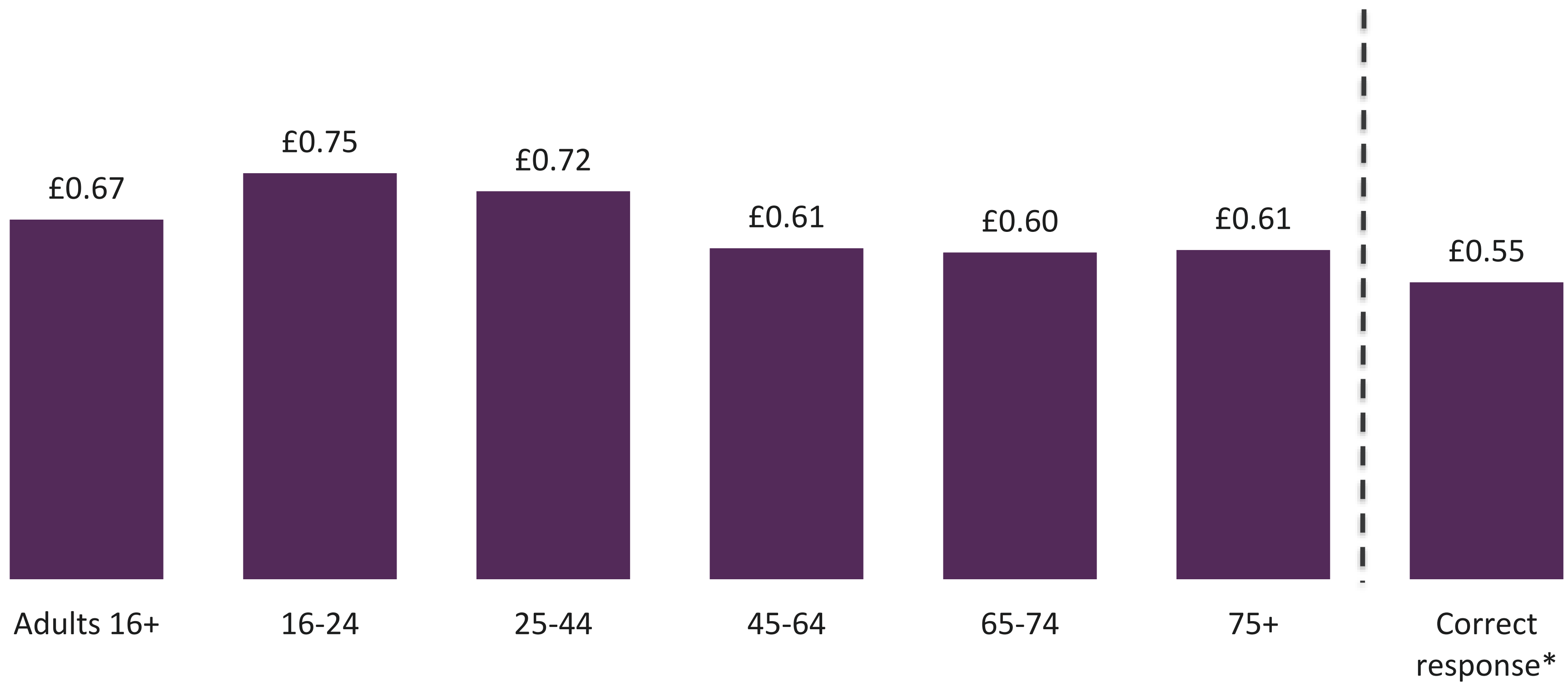
Base: All adults (n = 6419 16+, 804 16-24, 1966 25-44, 2166 45-64, 945 65-74, 538 75+)

QF2: Giving your best guess, how much do you think a 1st class stamp costs today?

*Note: The price rose from £0.63 to £0.64 at the end of March 2016. The price has subsequently risen again to £0.65 in March 2017.

Figure 6.21

Estimated price of a Second Class stamp



Source: Ofcom Residential Postal Tracker 2016

Base: All adults (n = 6419 16+, 804 16-24, 1966 25-44, 2166 45-64, 945 65-74, 538 75+)

QF3: Giving your best guess, how much do you think a 2nd class stamp costs today?

*Note: The price rose from £0.54 to £0.55 at the end of March 2016. The price has subsequently risen again to £0.56 in March 2017.

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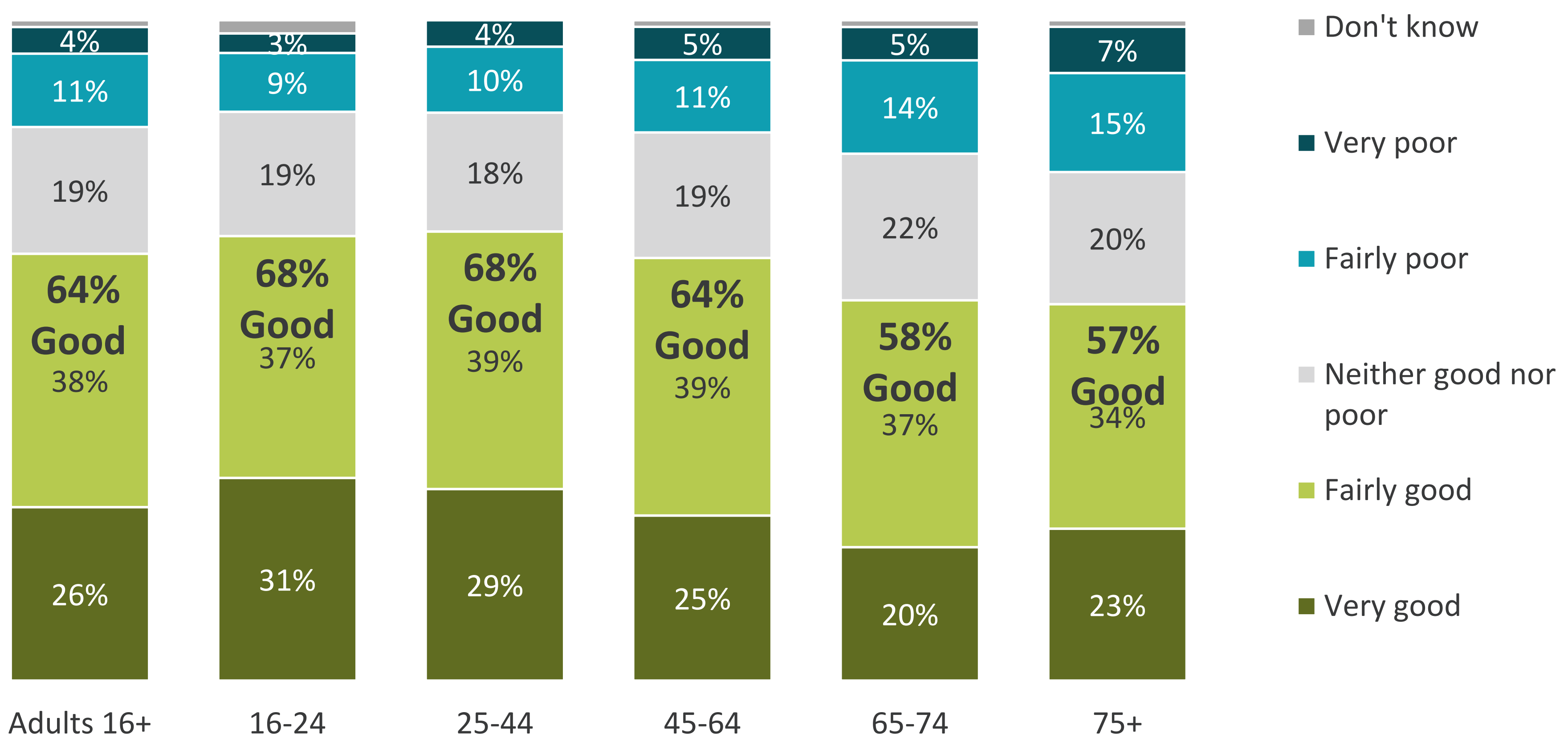
Figure 6.22

Perception of value for money of First Class stamps



Source: Ofcom Residential Postal Tracker 2016

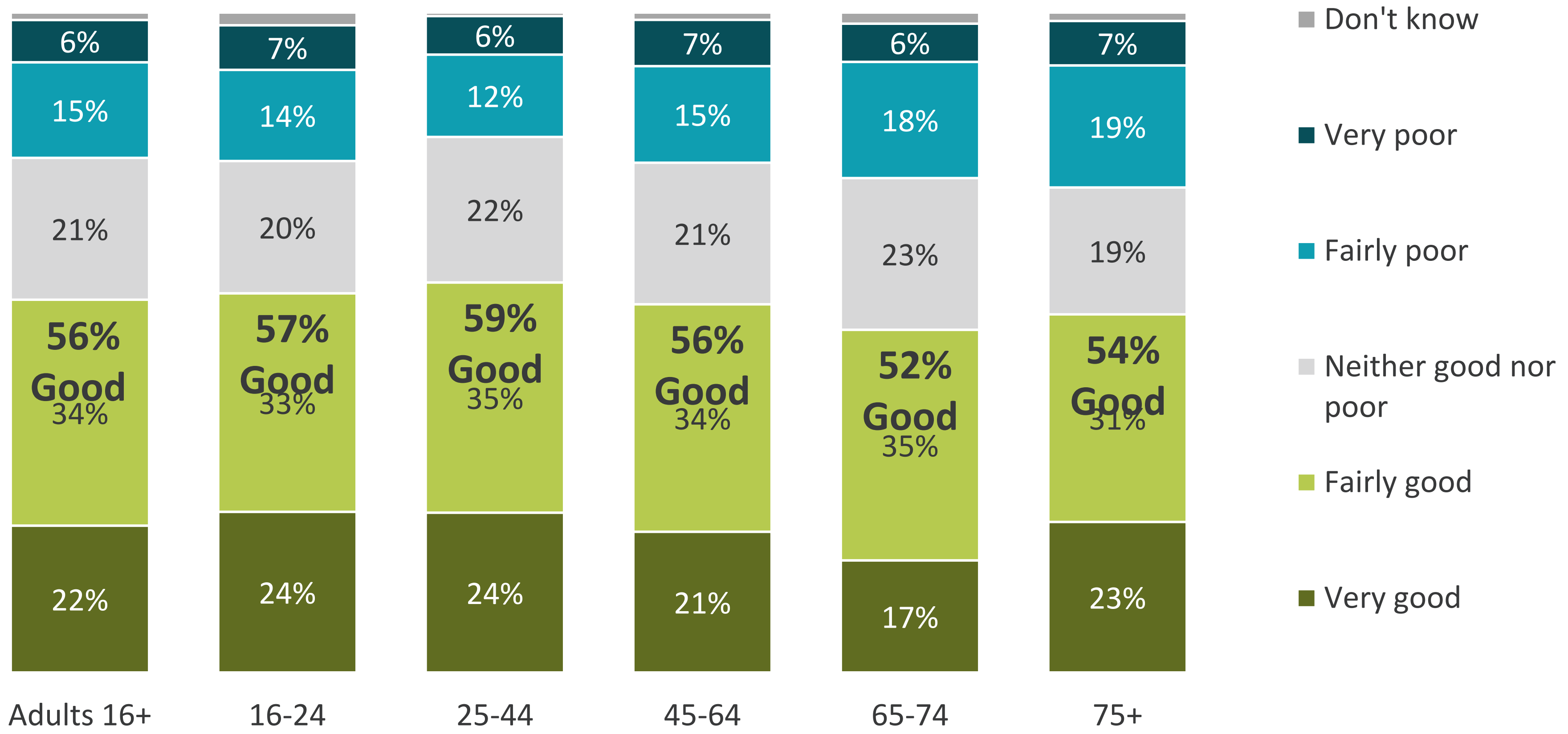
Base: All adults (n = 6419 16+, 804 16-24, 1966 25-44, 2166 45-64, 945 65-74, 538 75+)

QF4: A 1st class stamp currently costs 63p/64p*. How would you rate Royal Mail's 1st class service in terms of value for money?

*Note: The price rose from 63p to 64p at the end of March 2016. The price has subsequently risen again to 65p in March 2017.

Figure 6.23

Perception of value for money of second-class stamps



Source: Ofcom Residential Postal Tracker 2016

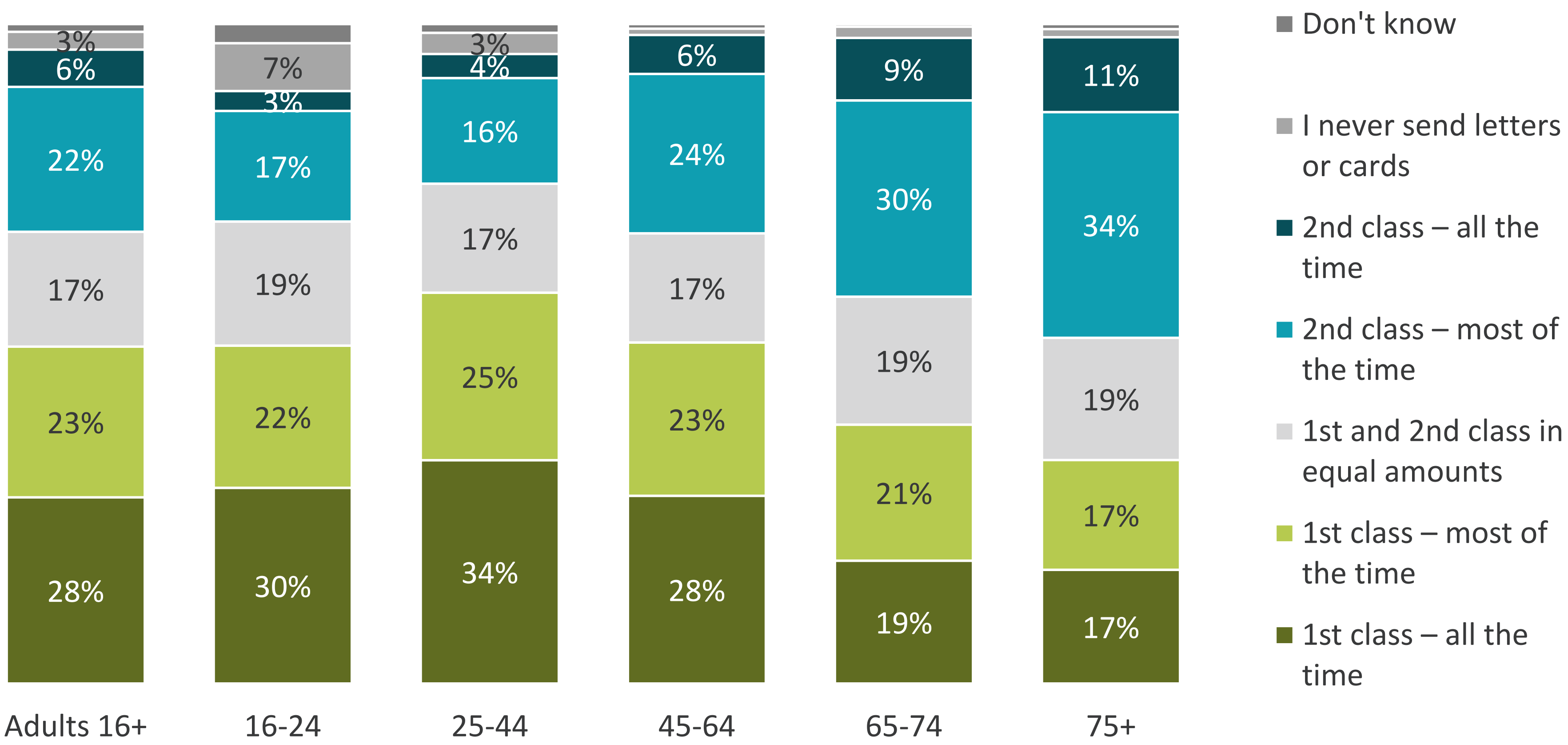
Base: All adults (n = 6419 16+, 804 16-24, 1966 25-44, 2166 45-64, 945 65-74, 538 75+)

QF5: A 2nd class stamp currently costs 54p/55p1. How would you rate Royal Mail's 2nd class service in terms of value for money?

* Note: The price rose from 54p to 55p at the end of March 2016. The price has subsequently risen again to 56p in March 2017.

Figure 6.24

Service used when sending letters or cards



Source: Ofcom Residential Postal Tracker 2016

Base: All adults (n = 6419 16+, 804 16-24, 1966 25-44, 2166 45-64, 945 65-74, 538 75+)

QF7: When sending letters or cards, which service do you tend to use?

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Figure 6.25

Attitudes to post among adults in the UK: agreement with proposed statements

	Adults 16+	16-24	25-44	45-64	65-74	75+
I value the option to be able to use the postal service	88%	82%	85%	91%	93%	97%
I prefer to send emails rather than letters whenever possible	60%	75%	69%	55%	46%	41%
I prefer to send letters and emails to companies rather than make a phone call, so that I have a written record	66%	61%	66%	67%	67%	63%
I only use post if there is no alternative	32%	42%	37%	29%	23%	25%
I would feel cut off from society if I couldn't send or receive post	62%	48%	57%	65%	73%	78%
I only use post to send greetings cards	32%	34%	31%	31%	33%	34%
I send fewer letters by post now due to the cost	49%	48%	46%	50%	55%	53%
I trust second class post to get there in a reasonable timeframe	71%	69%	67%	74%	70%	80%

Source: Ofcom Residential Postal Tracker 2016

Base: All adults (n = 6419 16+, 804 16-24, 1966 25-44, 2166 45-64, 945 65-74, 538 75+)

QC3: Agreement with attitudinal statement…