

Communications Market Report 2018

Market overview



- Telecoms, TV, radio and post services revenue totalled £54.7bn in 2017, 2% lower than 2016.
- 5.2% of households' spend was on communications services (£124.62 per month); 70% of this was on telecoms services.

Always on: the connected consumer



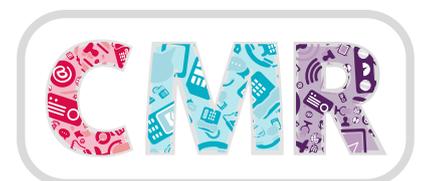
- People claimed to spend a total of one day a week online (24 hours), more than twice as much as in 2011.
- Seven in ten commuters use their smartphone on their journey.
- The most popular smartphone activities for commuters are sending and receiving messages (43%) and using social media (32%).
- Young adults are more likely to multi-task on their smartphones while they commute: 27% of 18-34s engage in at least five online activities while commuting; but only 9% of over-35s do so.
- Most adults acknowledged the value of being connected, with three-quarters agreeing that being online helps them maintain personal relationships. But they also acknowledge its drawbacks, such as interrupting face-to-face communications with others.

A decade of change in the communications sector

- Since the launch of the BBC iPlayer and the iPhone in 2007:
 - Smartphones have become the most popular internet-connected device (78% of UK adults use one)
 - Ownership of tablets (58% of UK households) and games consoles (44% of UK adults) has plateaued in the last three years
 - Smart TVs were in 42% of households in 2017, up from 5% in 2012
 - One in five households (20%) has wearable tech (smart watches, fitness trackers)
- The benefits of the last ten years of connectivity have not been distributed equally. Lower-income households and over-54s are less likely to have smartphones, laptops and tablets, but are as likely to have a TV.
- Mobile phones and TVs are the only communications devices with near-universal reach in the UK (96% and 95% of households).



The interactive and written reports which contain more data and analysis can be found at www.ofcom.org.uk/cmr



TV



- At £13.6bn, total broadcaster revenue was down by 4% in 2017, driven by declining advertising revenue and proportion of the licence fee attributed to TV.
- Broadcasters spent £7.5bn on content in 2017, due to higher spend on sports rights and production.
- Nine in ten people watched TV every week in 2017, for an average of 3 hours 23 minutes a day. This is nine minutes less than in 2016 and down across all age groups under the age of 65. Those aged 55+ accounted for more than half of all viewing in the UK.
- Programmes attracting audiences greater than 8 million have halved in the past three years.

Radio



- More than half (50.9%) of all radio listening is now digital, mainly due to growth in listening through DAB.
- Radio revenue was up to £1.3bn, the highest level in the last five years.
- 13% of UK households used a smart speaker in 2018; three-quarters of these were Amazon devices.
- Podcast listening is growing: one in four people have done this at least once in the past year.

Internet



- Nine in ten people had access to the internet in the home in 2018.
- The majority (62%) of time spent on the internet was on mobile devices, and mobile advertising made up 45% of online advertising in 2017.
- BBC website visitor numbers overtook those of Amazon in the UK in 2018. The BBC had the third-highest number of users after Google and Facebook.

Landlines and mobiles



- The number of ADSL (copper) fixed broadband connections was overtaken by fibre connections in 2017.
- Telecoms revenue fell by 1% to £35.6bn in 2017, with retail landline and data revenues unchanged during the year and retail mobile revenues declining.
- Data use continued to increase - UK consumers used an average of 190 GB per fixed broadband line in June 2017 (up from 132 GB in June 2016) and 1.9 GB per active mobile subscription in 2017 (up from 1.3 GB).

Post



- Revenues for addressed letters fell by 6% to £4.1bn in 2017, although this was offset by a 5% rise in parcels revenues to £9.3bn.
- Six in ten people have used next-day delivery for online purchases, but only three in ten have used same-day delivery in 2018.
- The decline in direct mail advertising spend slowed to 2% in 2017, to £1.8bn, or 8% of the advertising market.