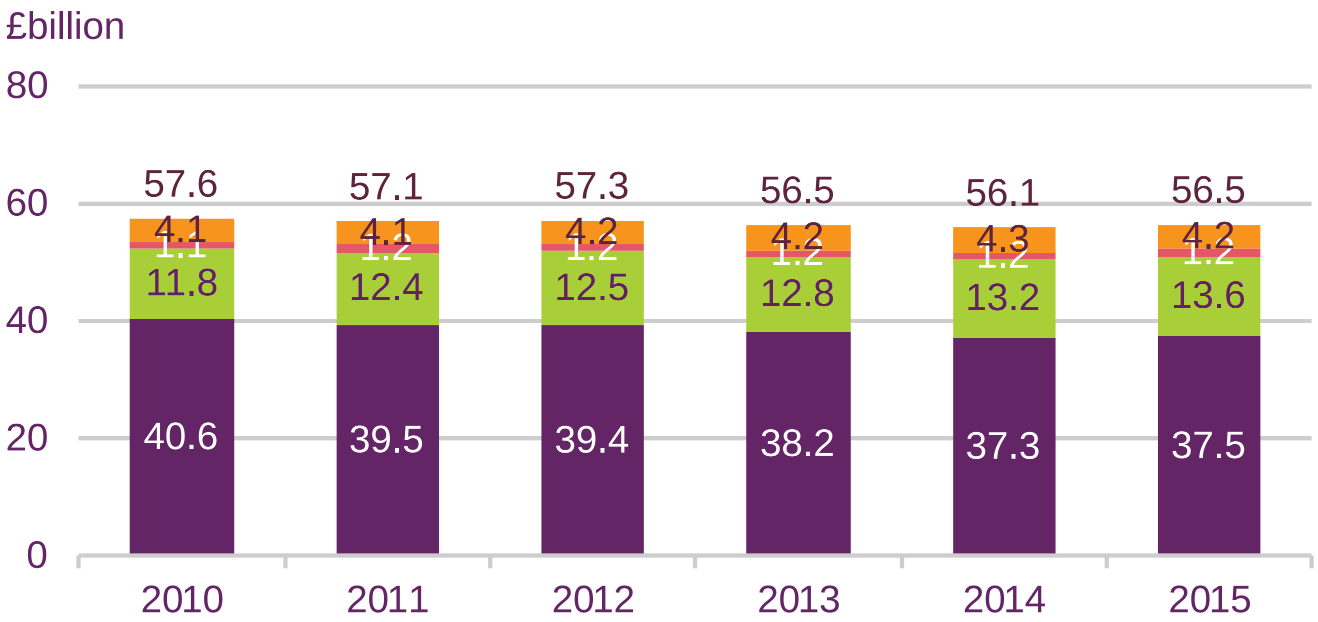
Key Market Trends

Figure 1.1

Communications industry revenue – telecoms, TV, radio, post

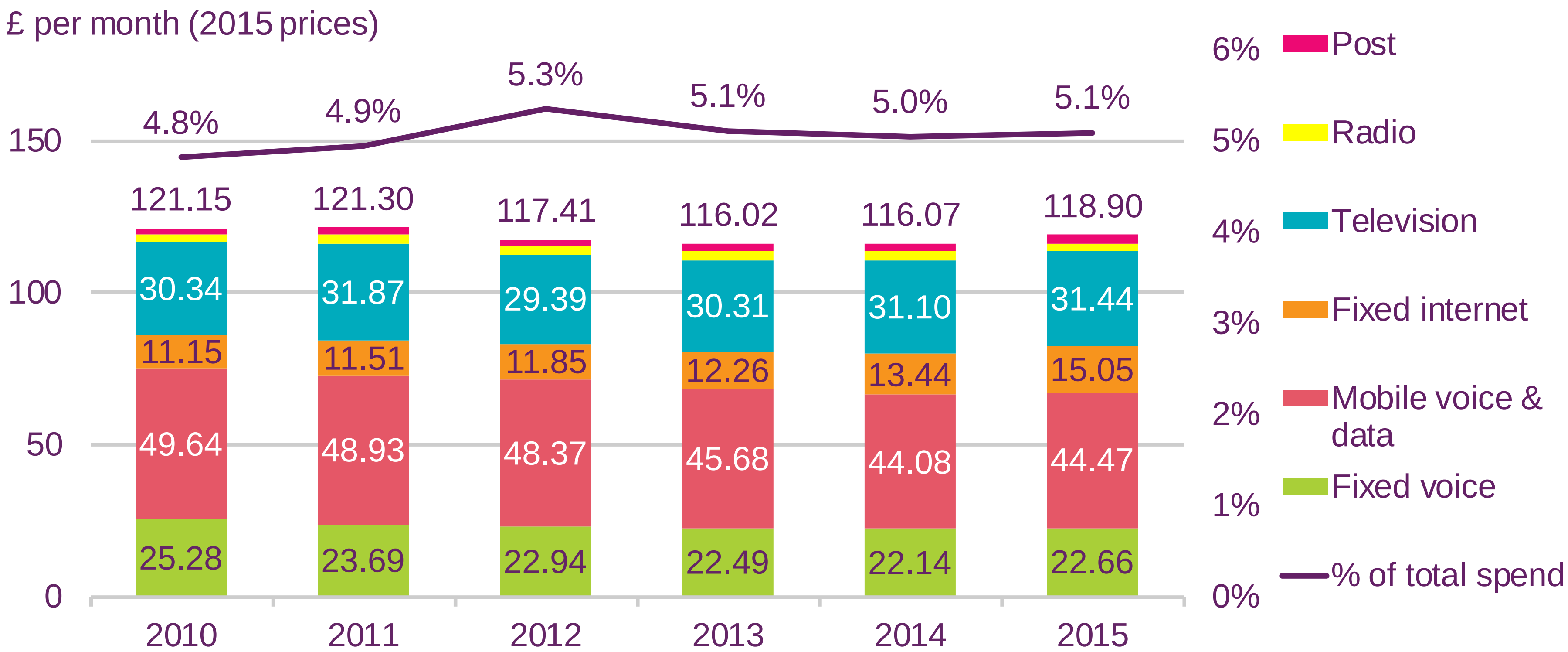


	Annual change	5 year CAGR
Total	0.9%	-0.4%
Post	-2.0%	0.4%
Radio	0.0%	N/A
TV	2.8%	2.9%
Telecoms	0.5%	-1.5%

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 that revenue data is collected for the commercial radio sector means that data prior to 2014 is not comparable to data for 2014 and 2015.

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.

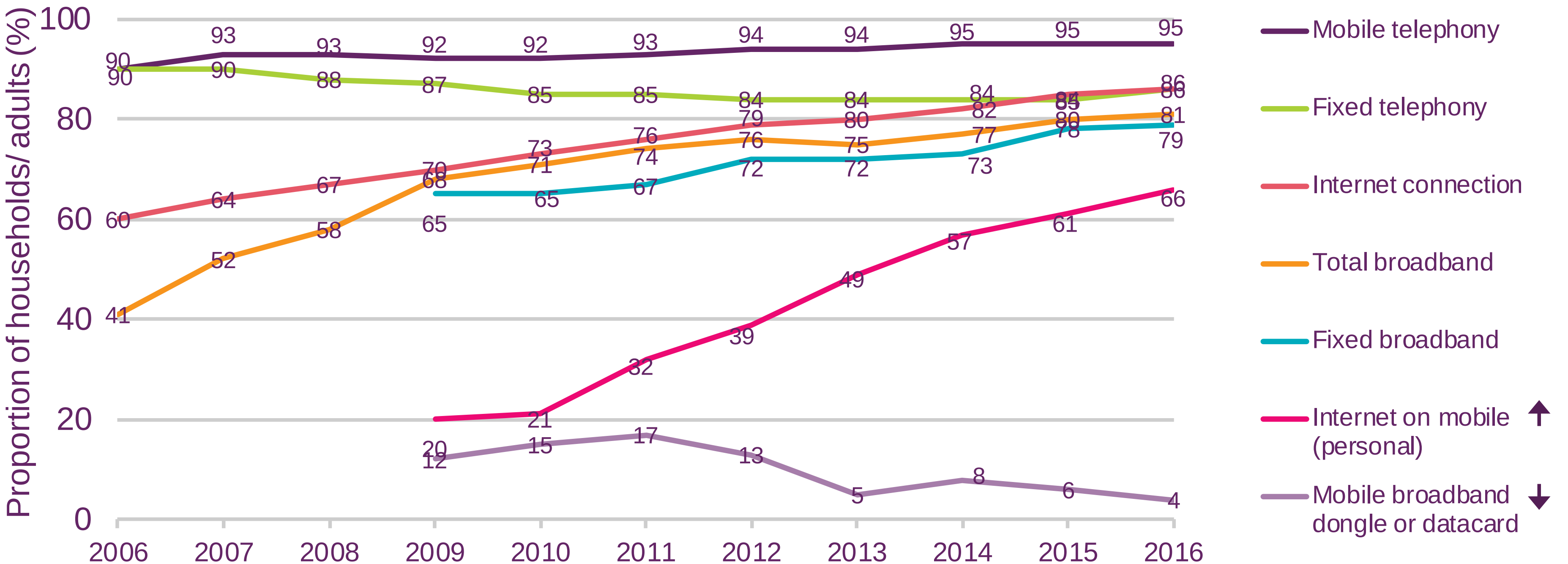
Figure 1.3
Digital communications service availability

Platform	UK 2016	UK 2015		England	Scotland	Wales	N Ireland
Fixed line[1]	99.9%	99.9%		100%	99.9%	100%	100%
2G mobile[2]	99.6%	N/A		99.7%	99.1%	98.4%	98.8%
3G mobile[3]	99.6%	N/A		99.8%	97.9%	98.6%	99.4%
4G mobile[4]	97.8%	N/A		98.8%	92.0%	90.1%	99.3%
Digital satellite TV[5]	98%	98%		No data	No data	No data	No data
Digital terrestrial TV[6]	99%	99%		99%	99%	98%	97%
DAB BBC Network[7]	97.2%	95.4%		98.2%	95.0%	92.2%	85.4%
DAB commercial network (Digital One)[8]	91.3%	89.8%		94.6%	80.3%	67.4%	77.9%
DAB commercial network (Sound Digital)[9]	76.5%	N/A		80.2%	64.4%	51.5%	56.6%
LLU ADSL broadband[10]	-	95%		96%	89%	93%	89%
Virgin Media cable broadband[11]	-	44%		47%	36%	21%	27%
BT Openreach/Kcom fibre broadband[12]	-	82%		82%	75%	83%	92%
NGA broadband[13]	-	90%		90%	85%	87%	95%
Superfast broadband[14]	-	83%		84%	73%	79%	77%

Sources: Ofcom and operators:
1. Fixed line availability as at December 2016. Stated to 1 d.p. (in previous years, quoted as a round number). 2. The signal strength thresholds used by Ofcom to determine where 2G, 3G and 4G mobile services are available differ from those used in last year's reports. As such, the mobile coverage data in this report are not comparable to those published last year. These thresholds may also differ from the ones used by MNOs in their reporting. Proportion of premises that have outdoor 2G mobile coverage from at least one operator, May 2016.3. Proportion of premises that have outdoor 3G mobile coverage from at least one operator, May 2016. 4. Proportion of premises that have outdoor 4G mobile coverage from at least one operator, May 2016. 5. Relates only to the ability to achieve a necessary line of sight path to the satellite and does not include other factors that can affect coverage including: access in multi-dwelling units where it is not feasible to install a dedicated household satellite dish and there is no internal wired distribution system for satellite, and the need for planning permission in some locations. 6. Estimated proportion of homes that can receive the PSB channels via DTT (3PSB Mux coverage). DTT Frequency Planning Group (Arqiva, BBC, Ofcom); Relates to an assumption that consumers will install, if needed, a good quality terrestrial TV aerial at a height of 10m to achieve reception. 7. BBC National DAB network coverage as of June 2016 8. Digital One coverage as of June 2016. 9. Sound Digital launched in March 2016 so no comparison to previous year available. Coverage as of June 2016. 10. Proportion of premises connected to an LLU-enabled BT local exchange area, December 2014. 11. Proportion of premises able to receive

Figure 1.4

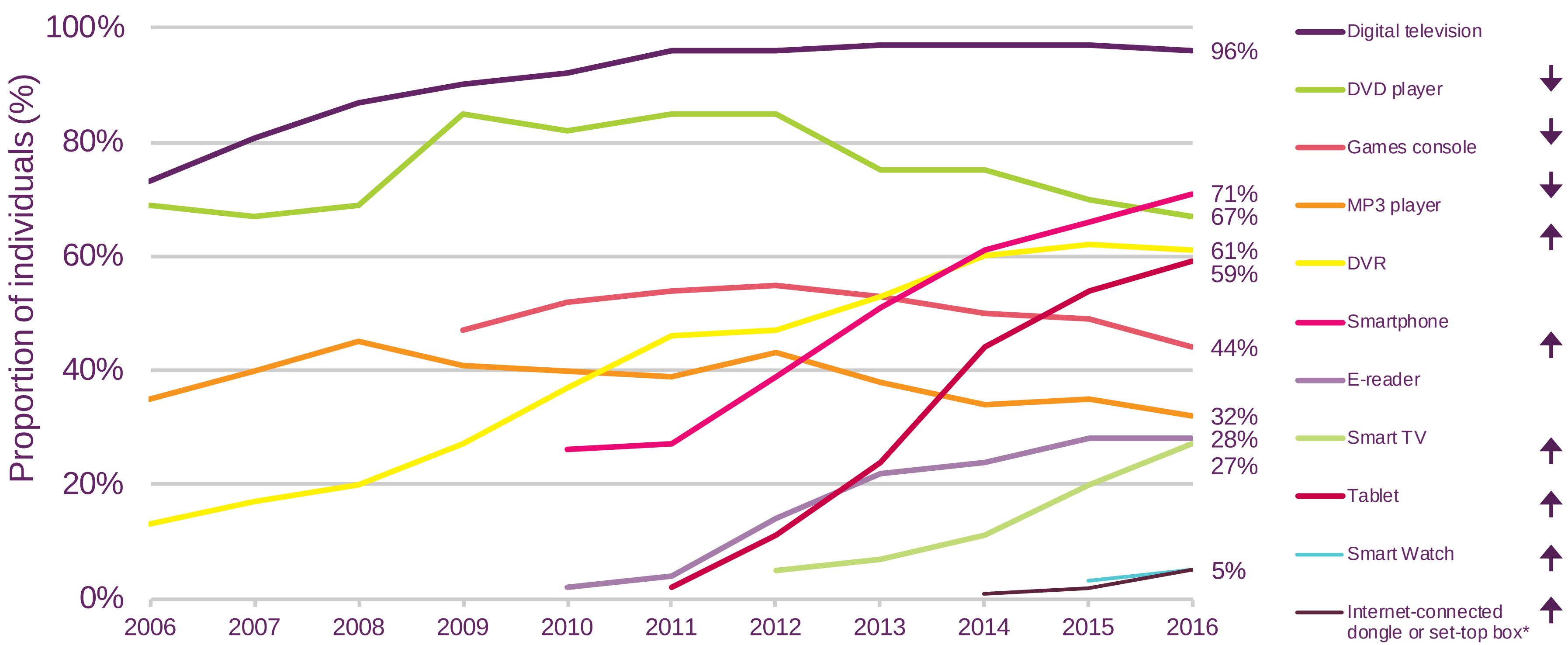
Household take-up of communications services



Source: Ofcom Technology Tracker. Data from Quarter 1 of each year 2007-2014, then Half 1 2015-2016.
Base: All adults aged 16+ (2016 n=3737).
Significance testing: Arrows indicate any significant differences at the 95% confidence level between UK 2015 and UK 2016.
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.)? / 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 1.5

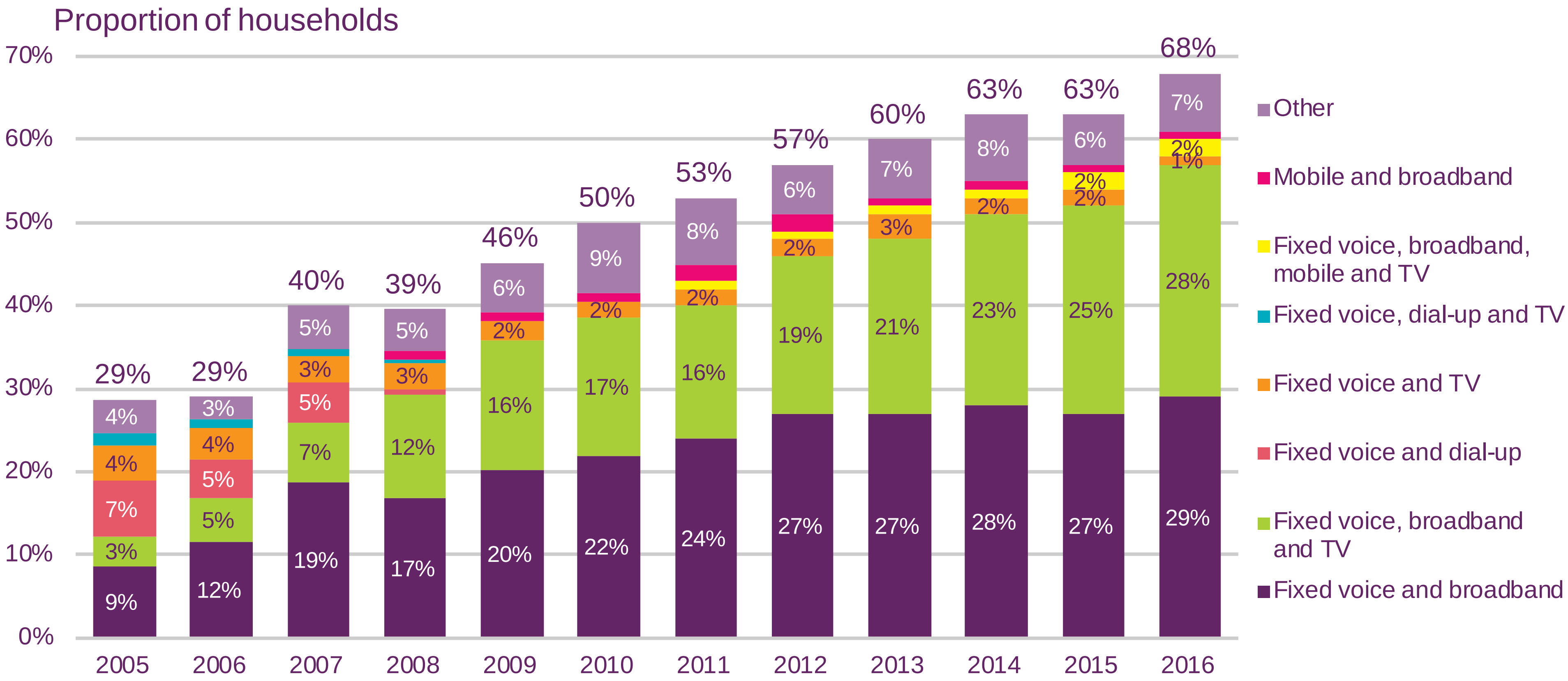
Household take-up of digital communications/ AV devices: 2006-2016



Source: Ofcom Technology Tracker. Data from Quarter 1 of each year 2006-2014, then Half 1 2015-2016.
Base: All adults aged 16+ (2016 n=3737).
Significance testing: Arrows indicate any significant differences at the 95% confidence level between UK 2015 and UK 2016.
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 1.6

Take-up of bundled services

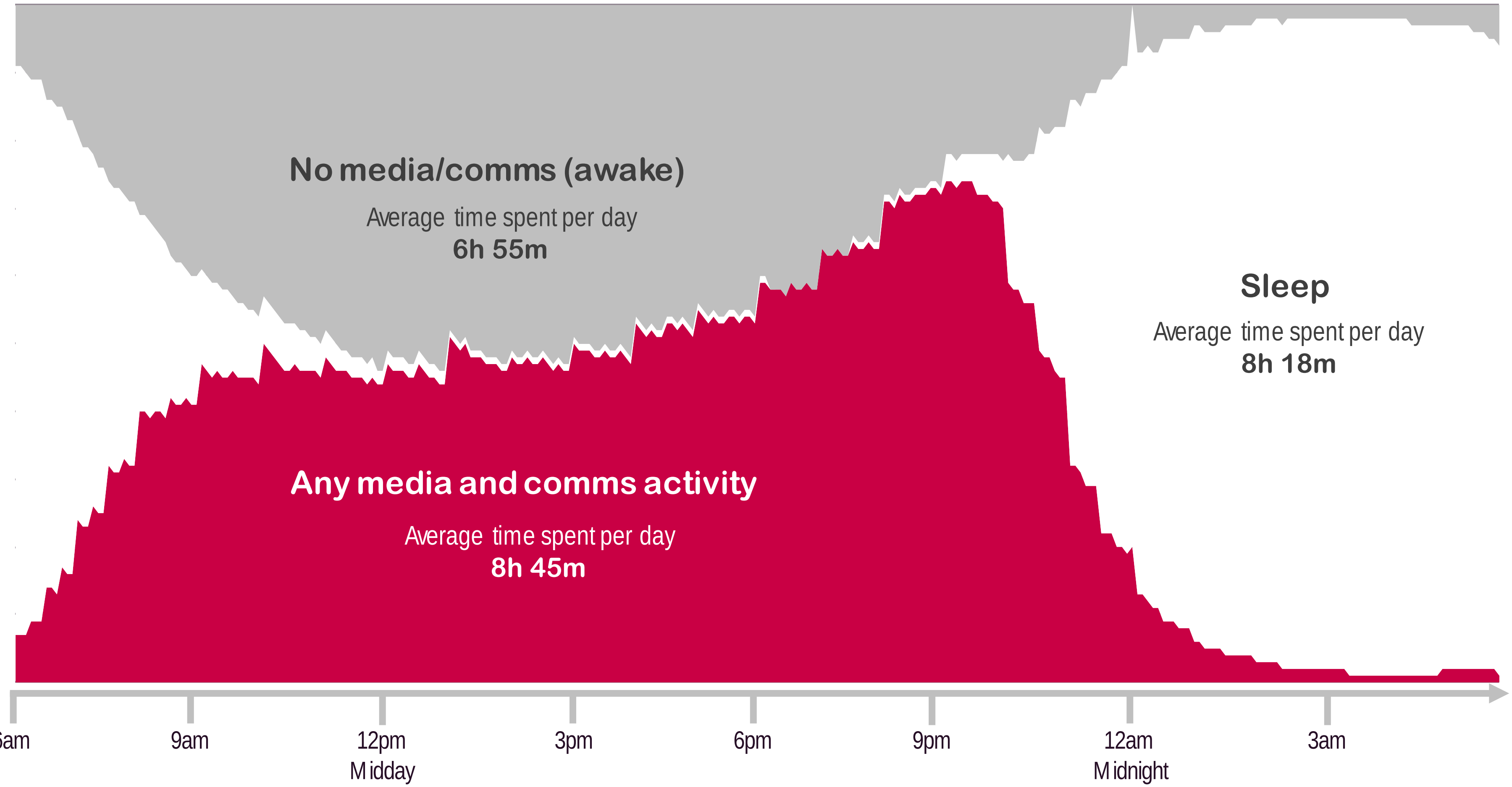


Source: Ofcom Technology Tracker. Data from Quarter 1 of each year 2005-2014, then Half 1 2015-2016
Base: All adults aged 16+ (2016 n=3737)
QG1: Do you receive more than one of these services as part of an overall deal or package from the same supplier?

Digital Day 2016

Figure 1.7

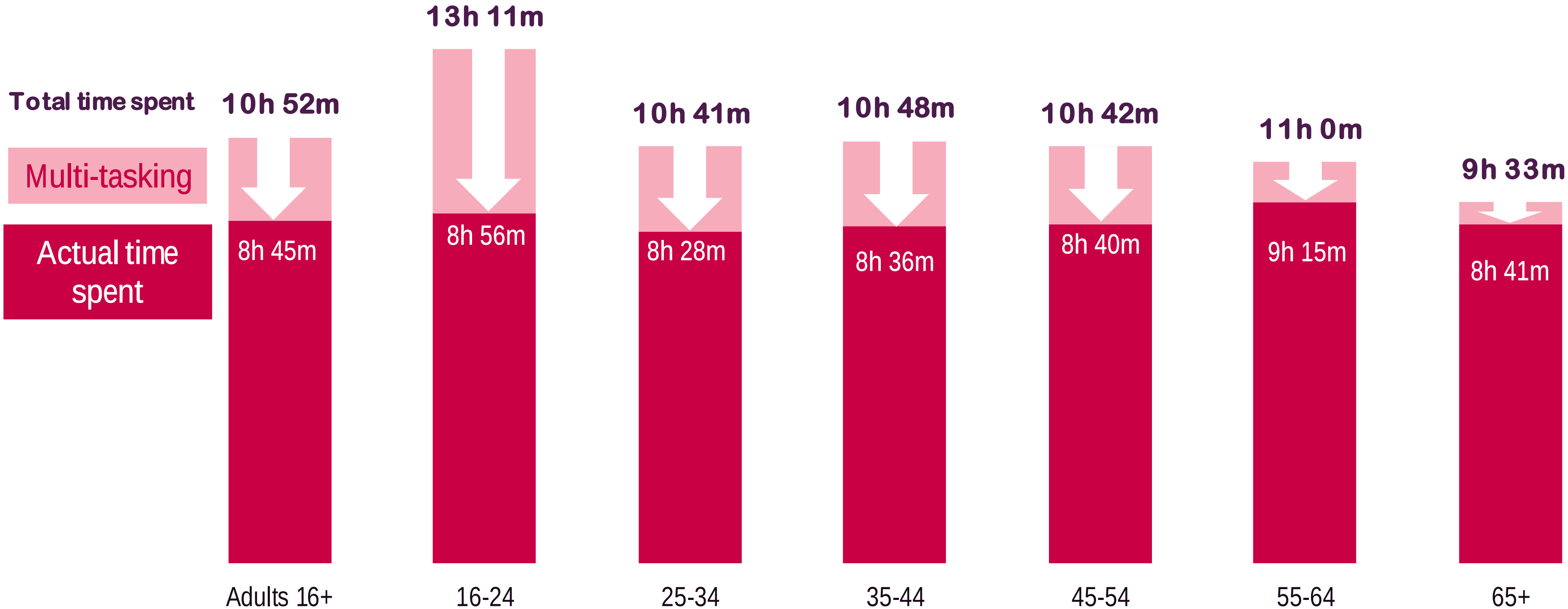
Media and comms versus non-media and comms activity, by time of day



Source: Ofcom Digital Day 2016
Base: Adults aged 16+ (1512)

Figure 1.8

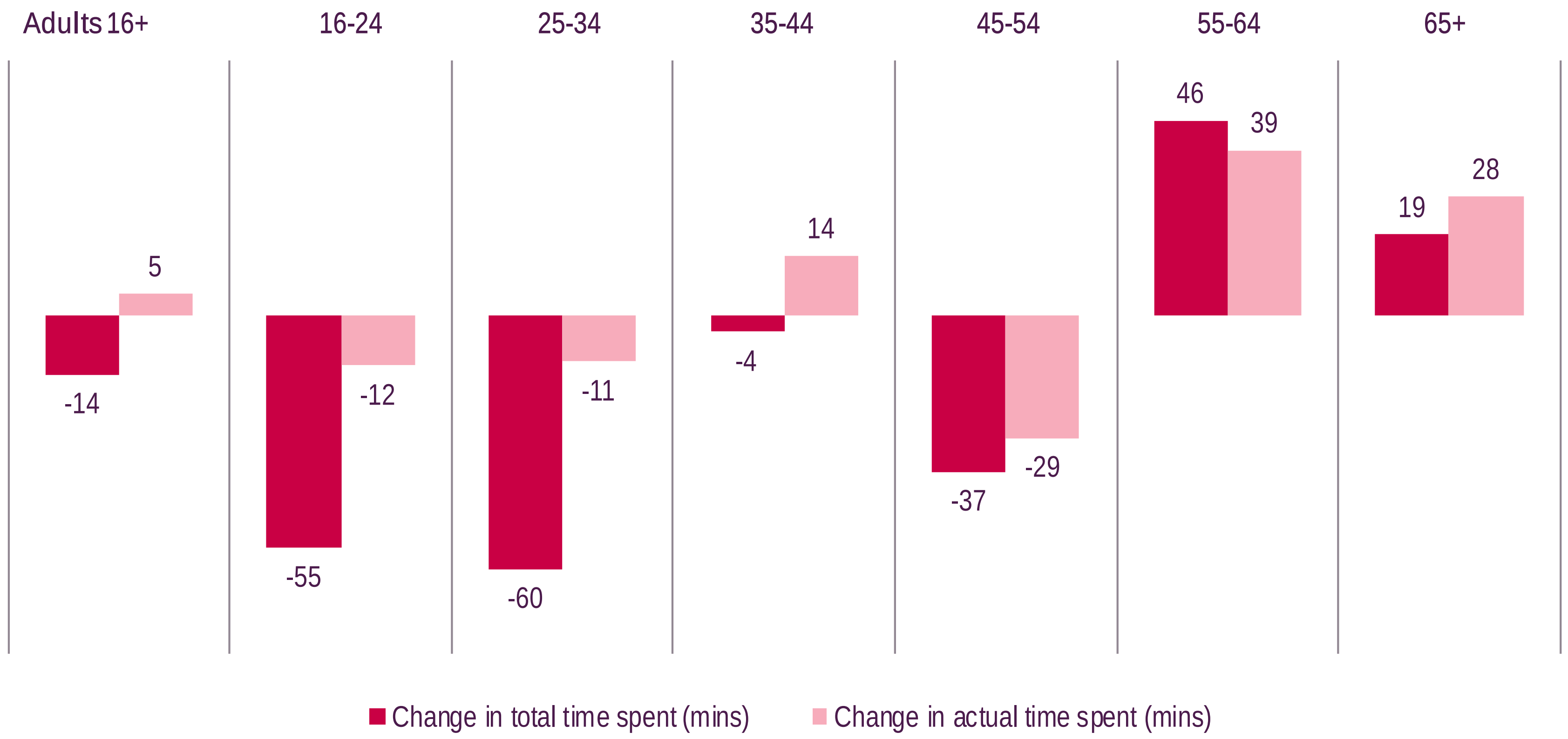
Average daily media and comms time, by age group



Source: Ofcom Digital Day 2016
Base: Adults aged 16+ (1512), 16-24 (129), 25-34 (189), 35-44 (282), 45-54 (299), 55-64 (259), 65+ (354)

Figure 1.9

Changes in daily media and comms time vs. 2014, by age group



Source: Ofcom Digital Day 2016
Base: Adults aged 16+ (1512), 16-24 (129), 25-34 (189), 35-44 (282), 45-54 (299), 55-64 (259), 65+ (354)

Figure 1.10

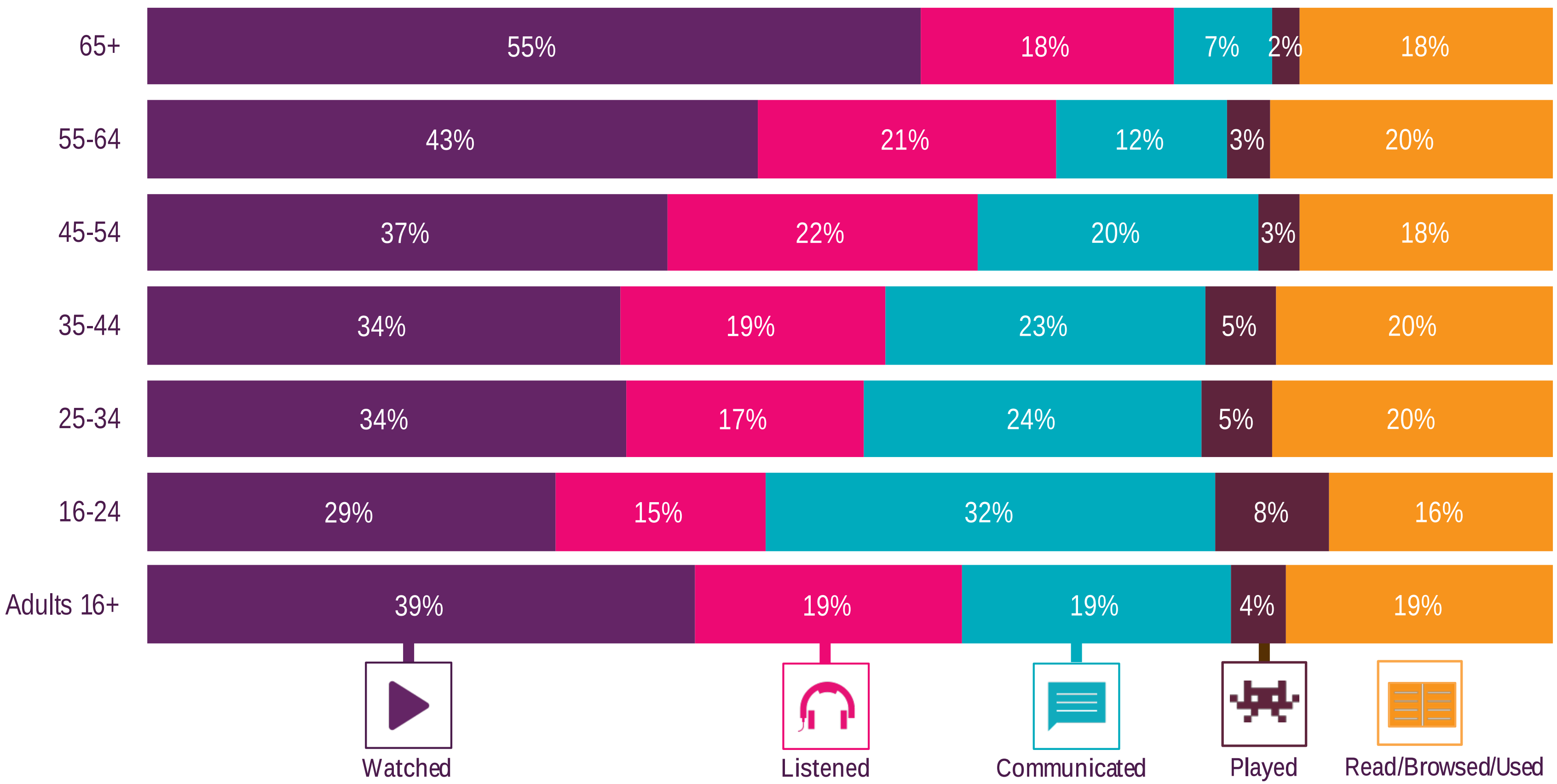
Changes in time spent on specific activities since 2014, by age

-55 mins	‘Other websites or apps’ and ‘Other activities’ (both -14 mins) Live TV has decreased by 42 mins, but on-demand viewing has increased by 43 mins
-60 mins	Texting (-31 mins) and phone calls (-13 mins) Live TV has decreased by 37m, but it is partly compensated by on-demand (+20 mins)
-37 mins	Live TV (-36 mins)
+46 mins	Live radio (+23 mins) and recorded TV (+17 mins)
+19 mins	Live TV (+36 mins), although emailing has decreased by 11 mins.

Source: Ofcom Digital Day 2016
Base: Adults aged 16+ (1512), 16-24 (129), 25-34 (189), 35-44 (282), 45-54 (299), 55-64 (259), 65+ (354)

Figure 1.11

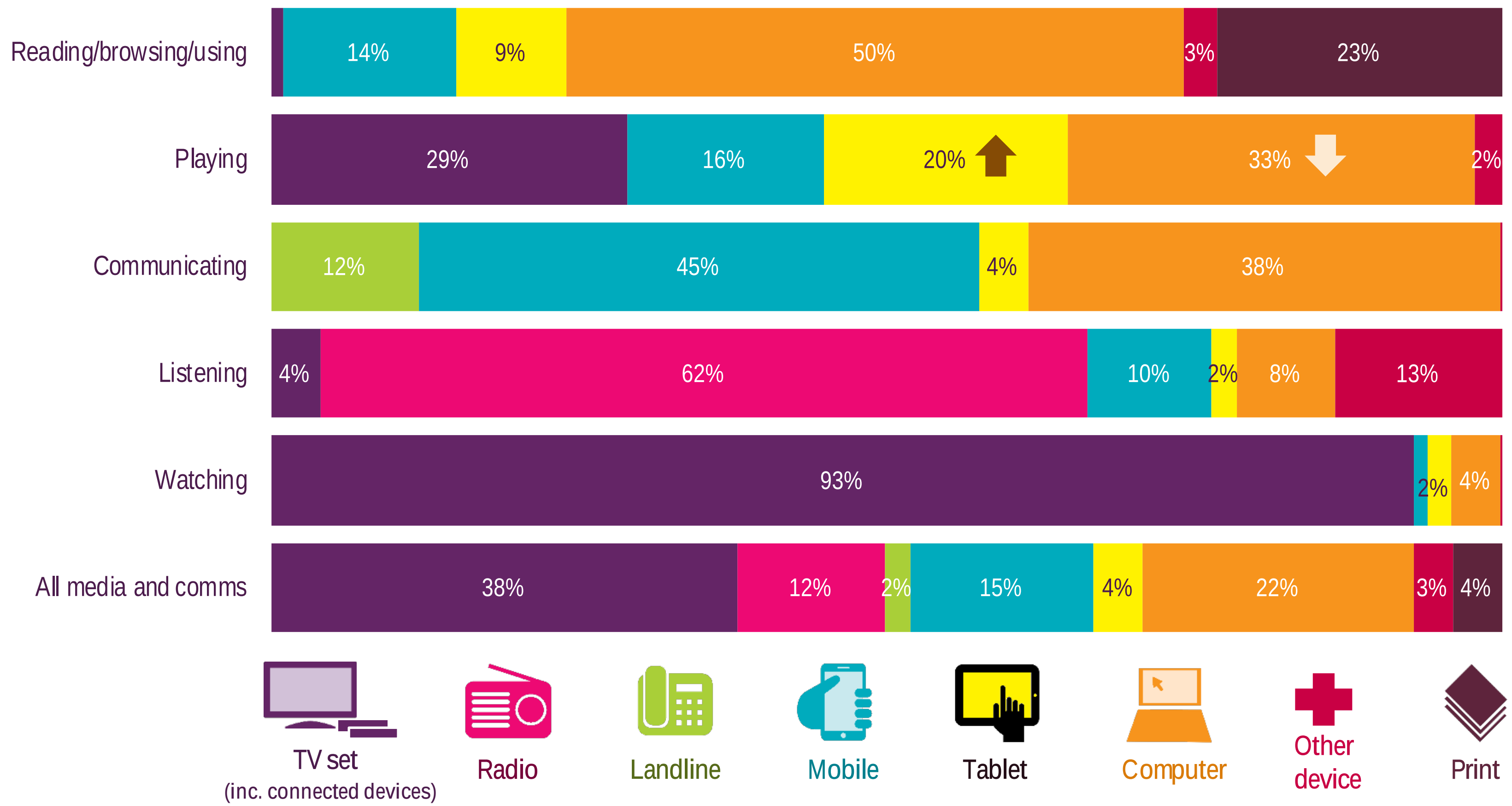
Proportion of time attributed to activity types, by age group



Source: Ofcom Digital Day 2016
Base: Adults aged 16+ (1512), 16-24 (129), 25-34 (189), 35-44 (282), 45-54 (299), 55-64 (259), 65+ (354)

Figure 1.12

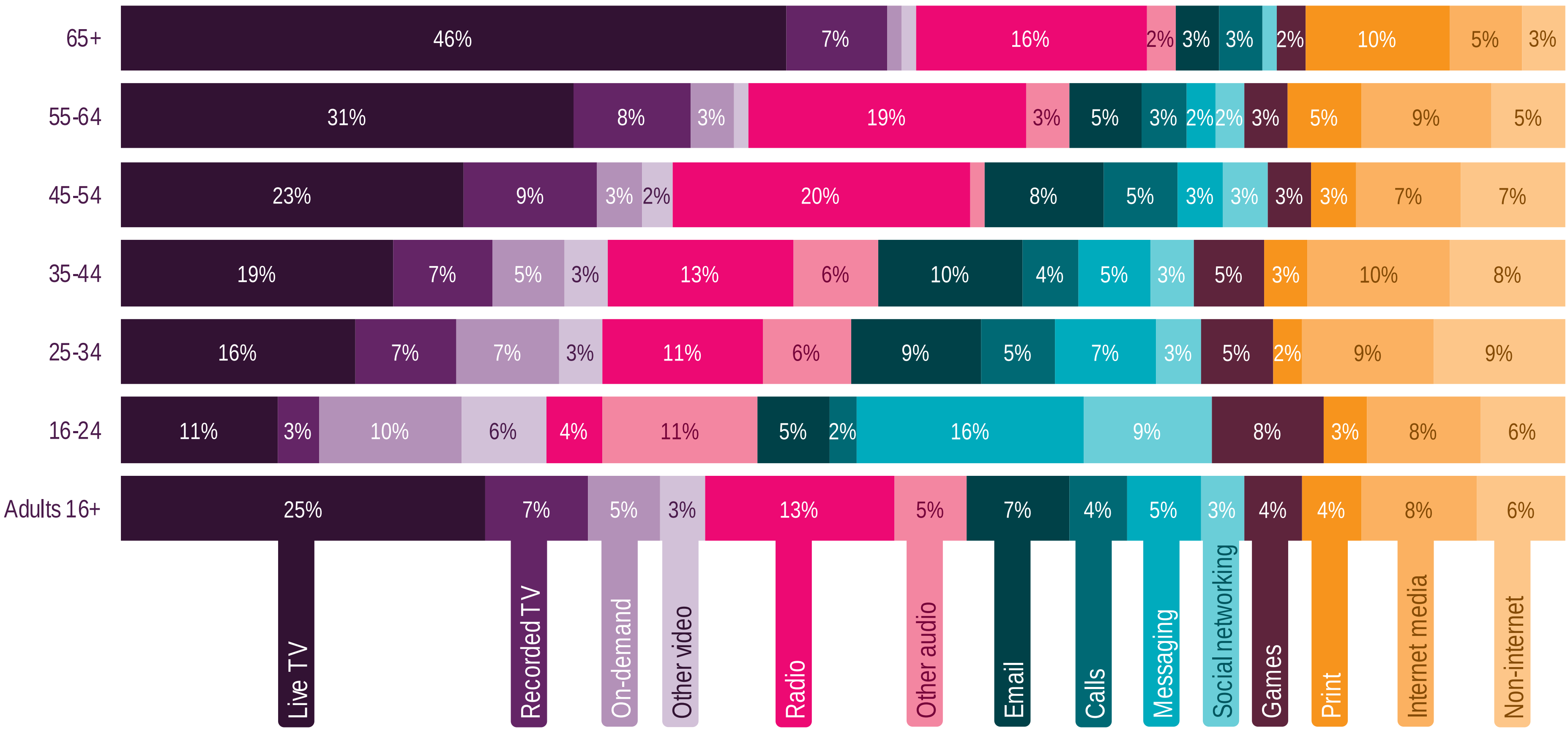
Proportion of time attributed to activity types, by device



Source: Ofcom Digital Day 2016
Base: Adults aged 16+ (1512)

Figure 1.13

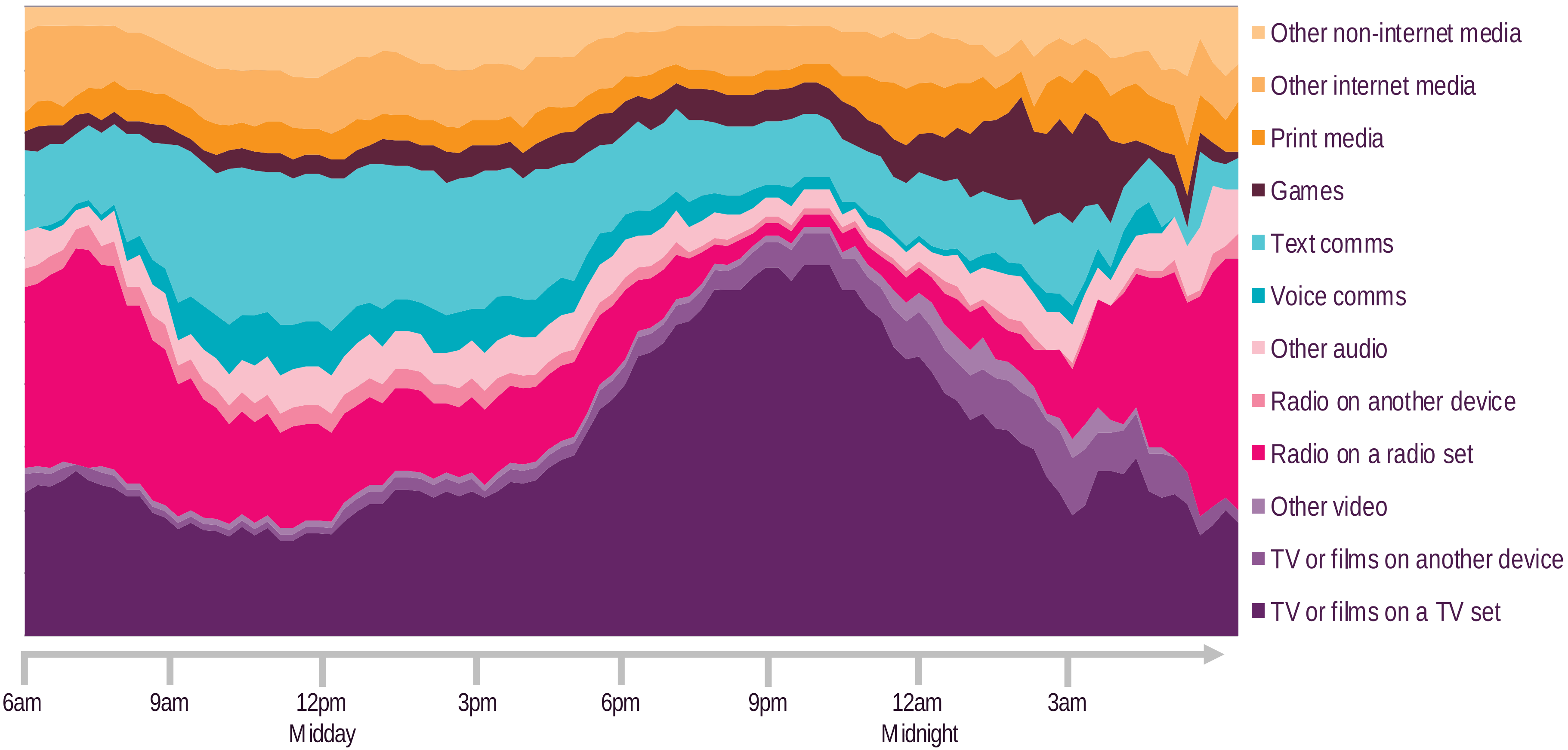
Proportion of time attributed to activities, by age



Source: Ofcom Digital Day 2016
Base: Adults aged 16+ (1512), 16-24 (129), 25-34 (189), 35-44 (282), 45-54 (299), 55-64 (259), 65+ (354)

Figure 1.14

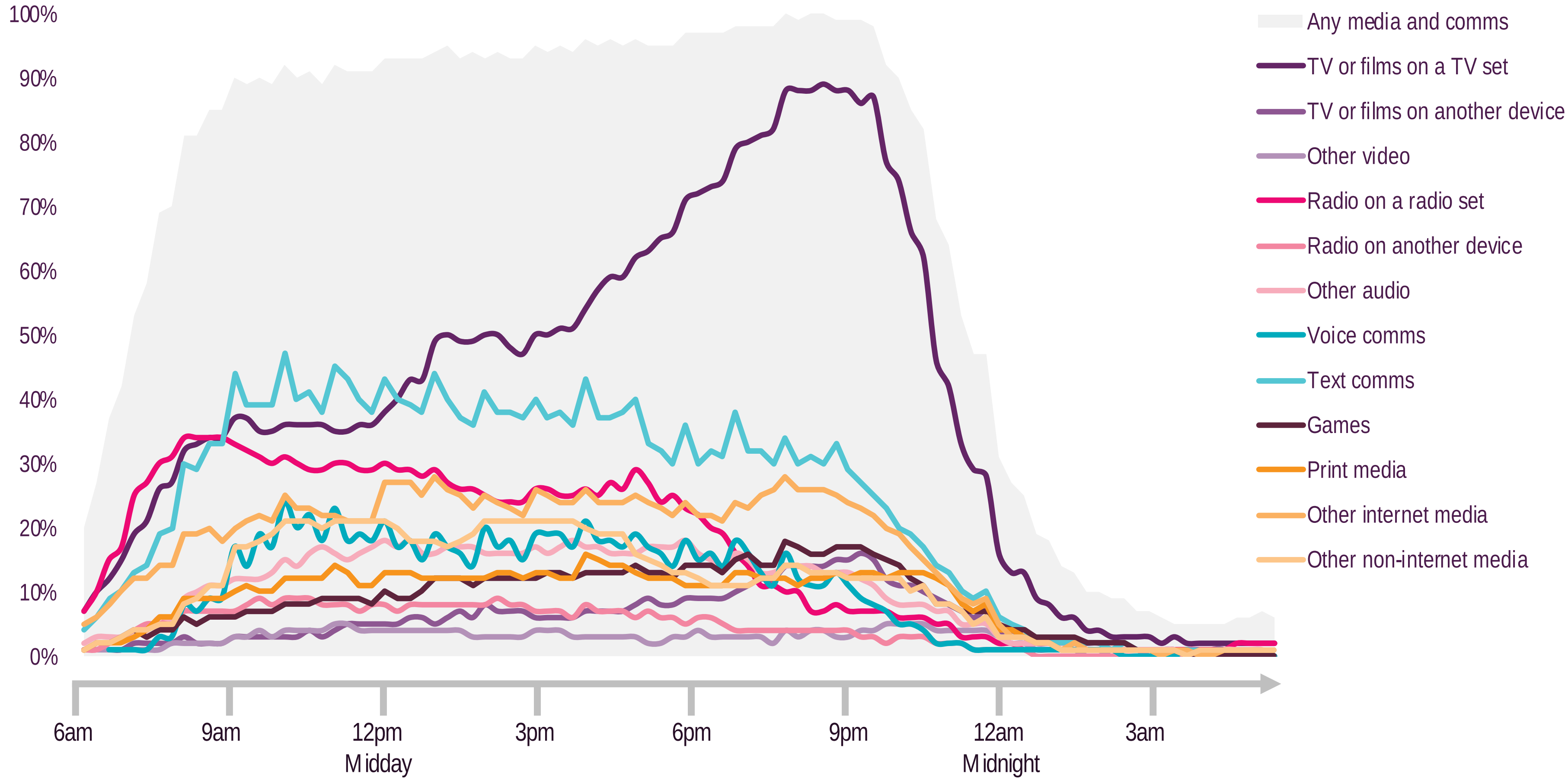
Proportion of media and comms, by time of day (grouped activities)



Source: Ofcom Digital Day 2016
Base: Adults aged 16+ (1512)

Figure 1.15

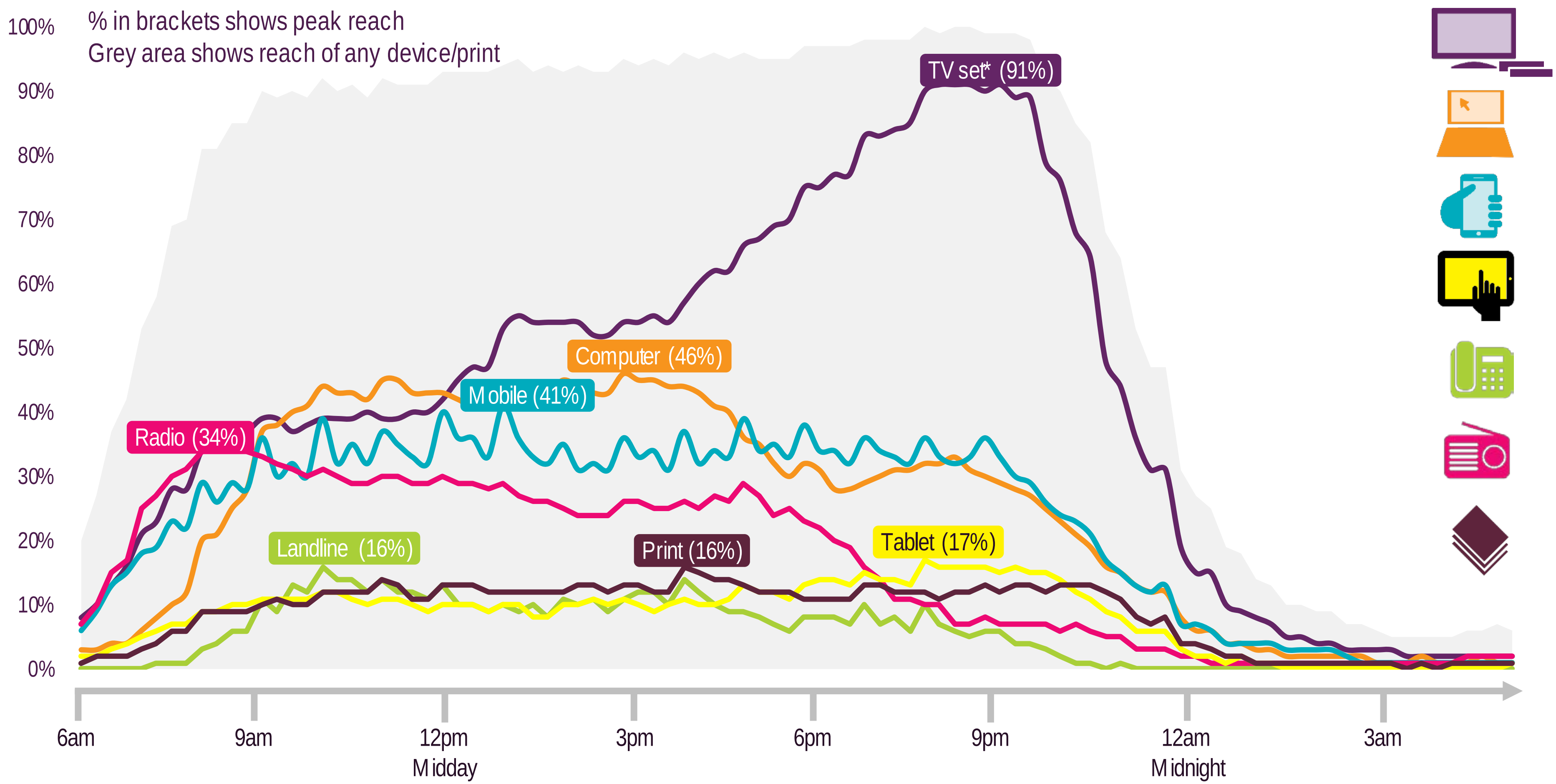
Weekly reach of grouped activities, by time of day



Source: Ofcom Digital Day 2016
Base: Adults aged 16+ (1512)

Figure 1.16

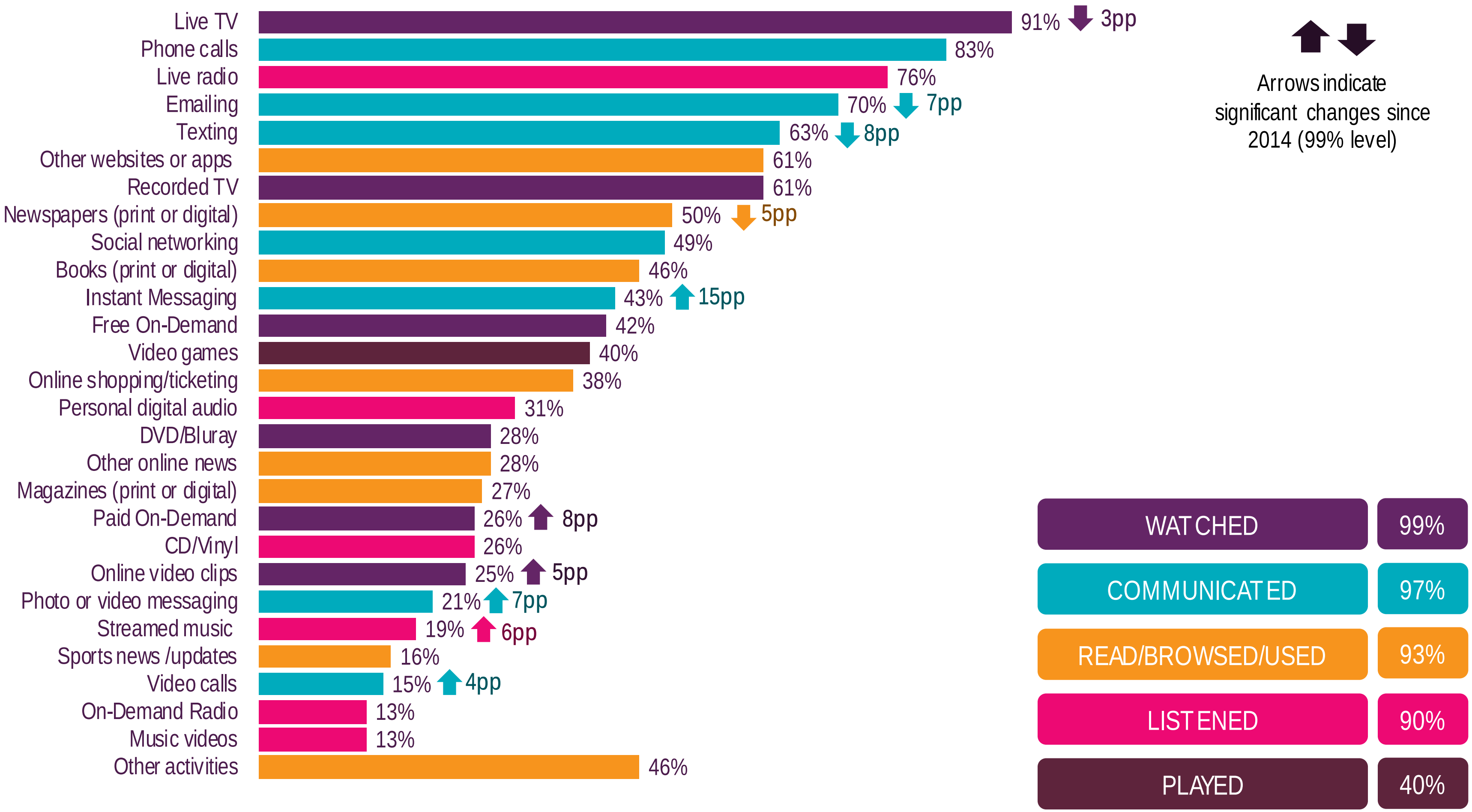
Weekly reach of devices, by time of day



Source: Ofcom Digital Day 2016
Base: Adults aged 16+ (1512)

Figure 1.17

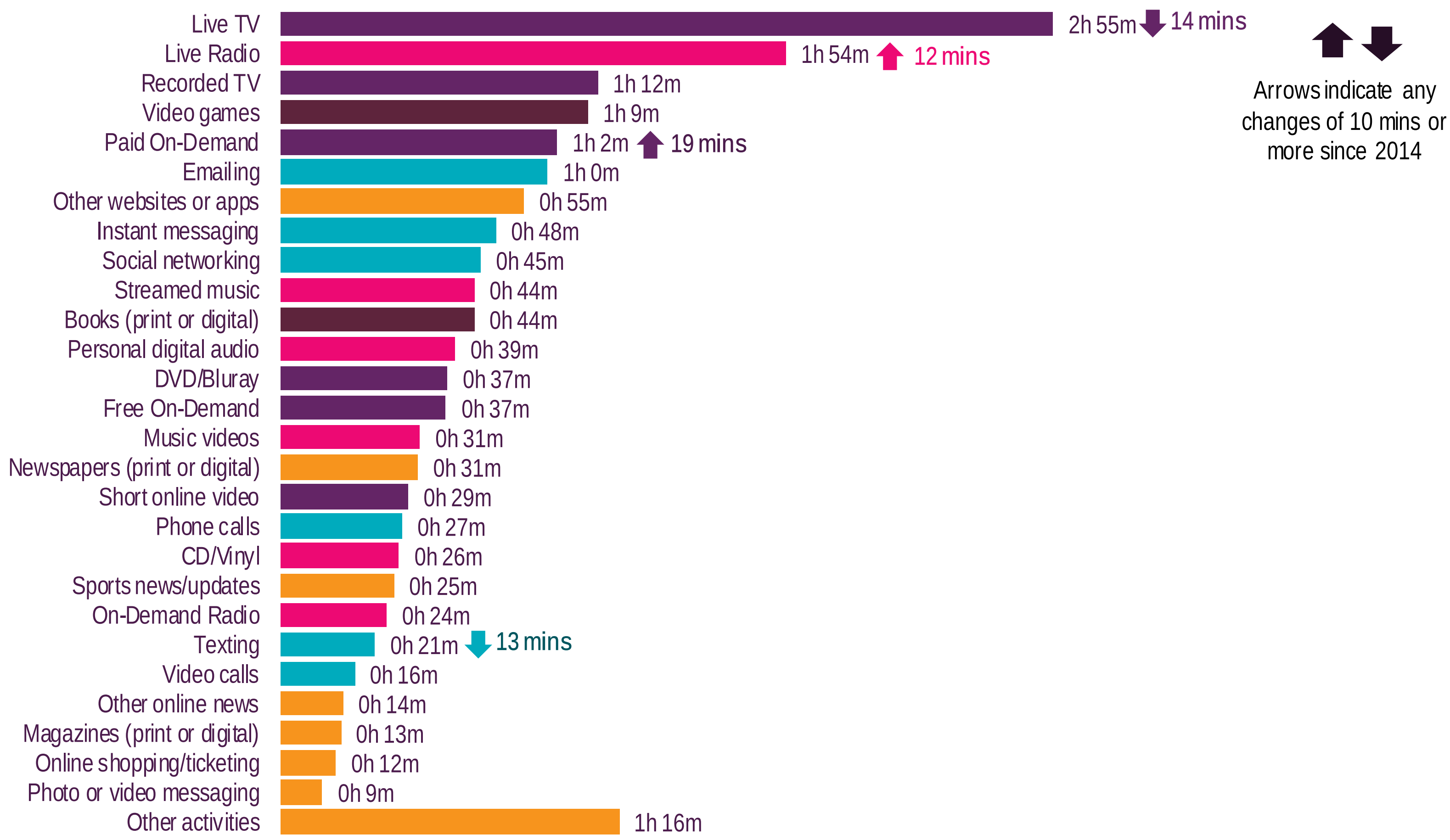
Weekly reach of media and comms activities



Source: Ofcom Digital Day 2016
Base: Adults aged 16+ (1512)

Figure 1.18

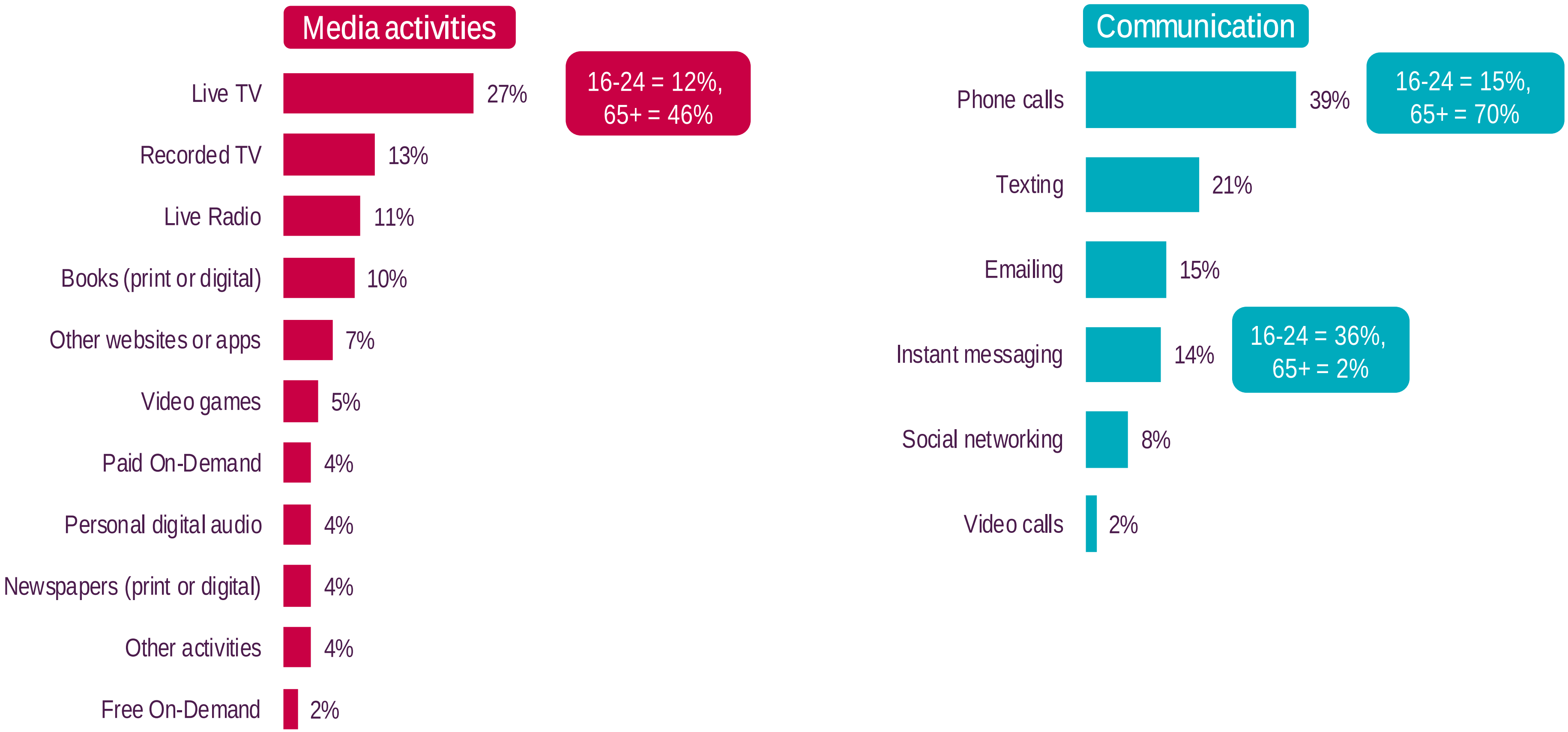
Average time spent on activities per day



Source: Ofcom Digital Day 2016
Base: Adults aged 16+ (1512)

Figure 1.19

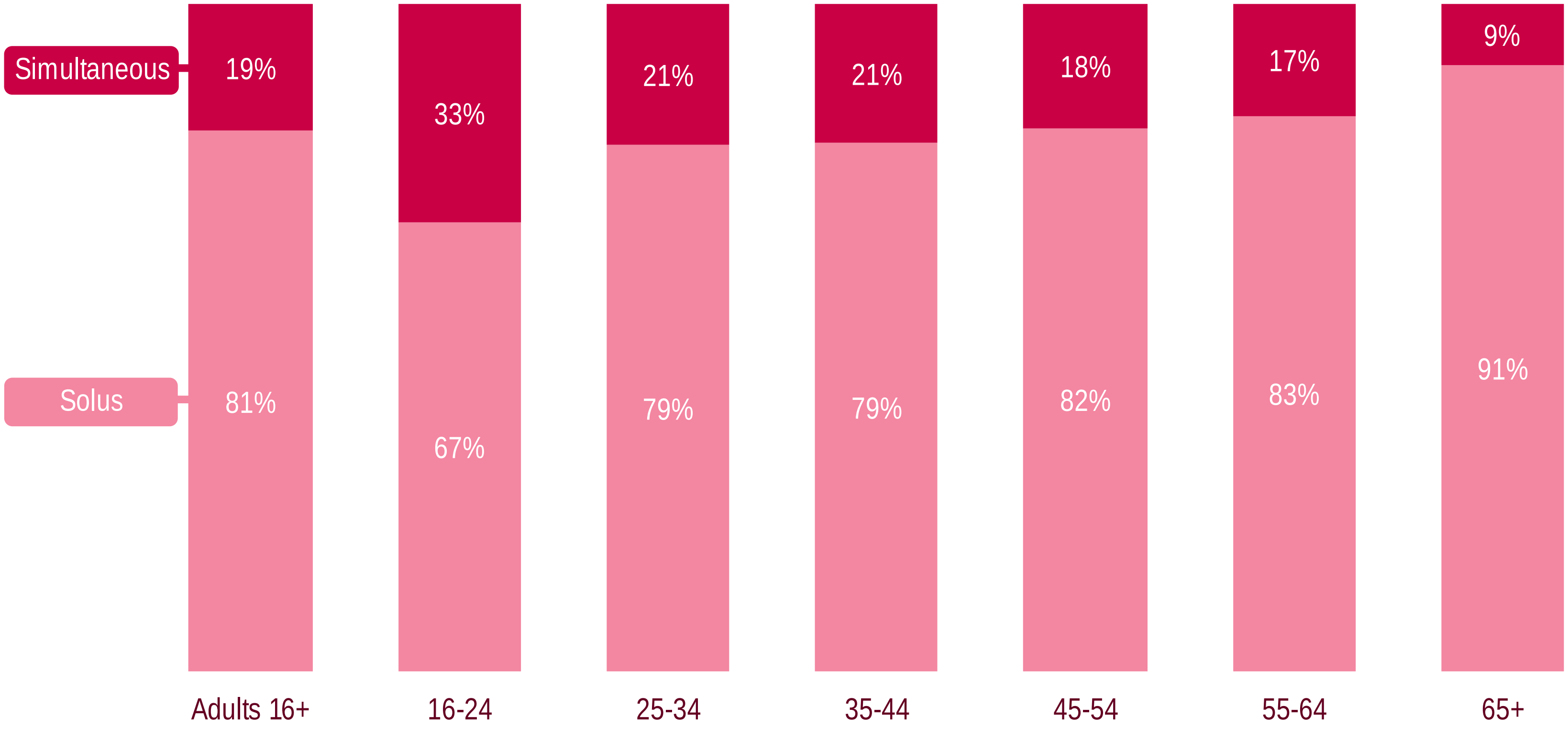
Media and comms activities cited as being of highest personal importance



Source: Ofcom Digital Day 2016
Base: Adults aged 16+ (1512)

Figure 1.20

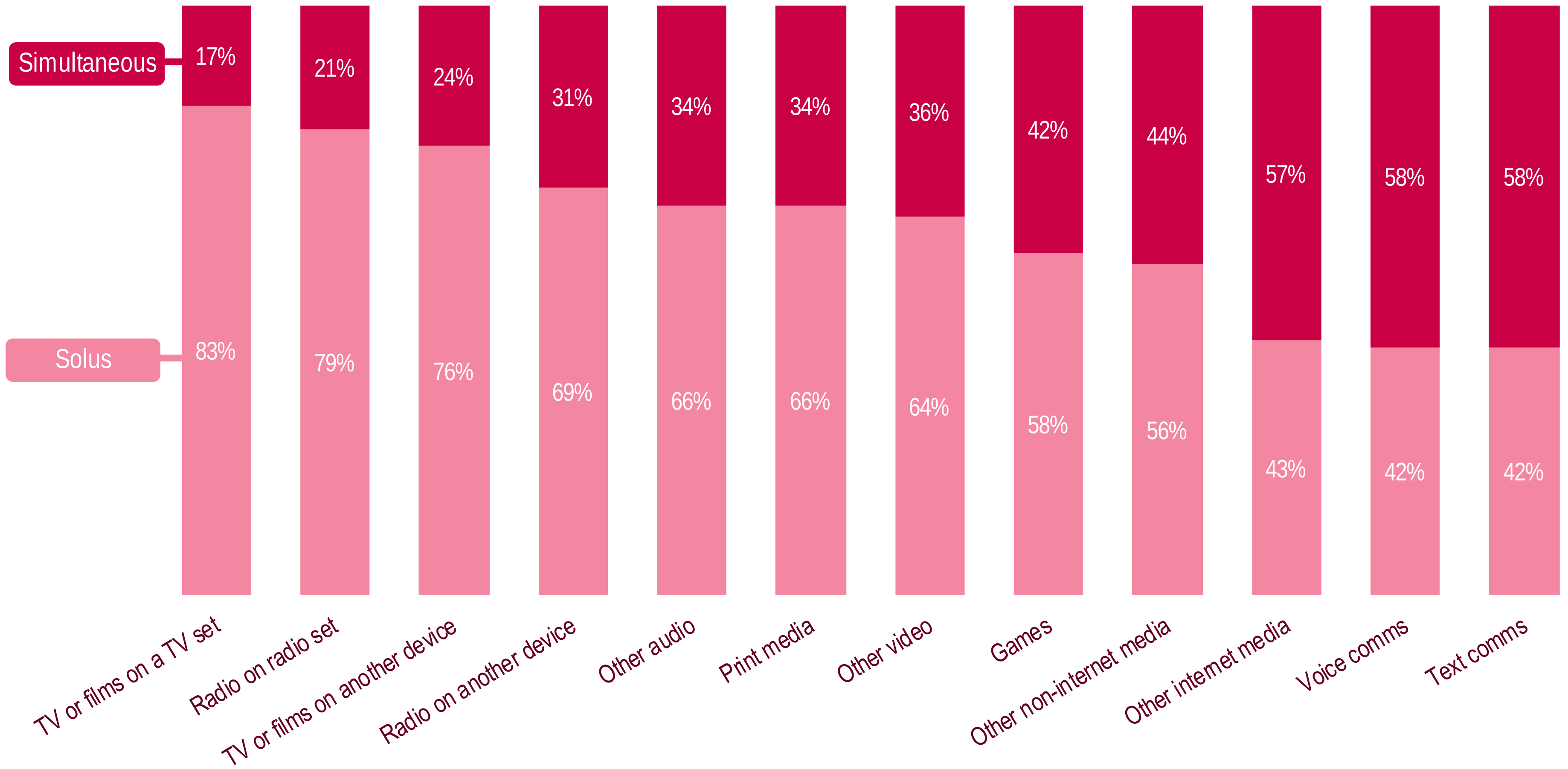
Proportion of solus vs. simultaneous minutes, by age



Source: Ofcom Digital Day 2016
Base: Adults aged 16+ (1512), 16-24 (129), 25-34 (189), 35-44 (282), 45-54 (299), 55-64 (259), 65+ (354)

Figure 1.21

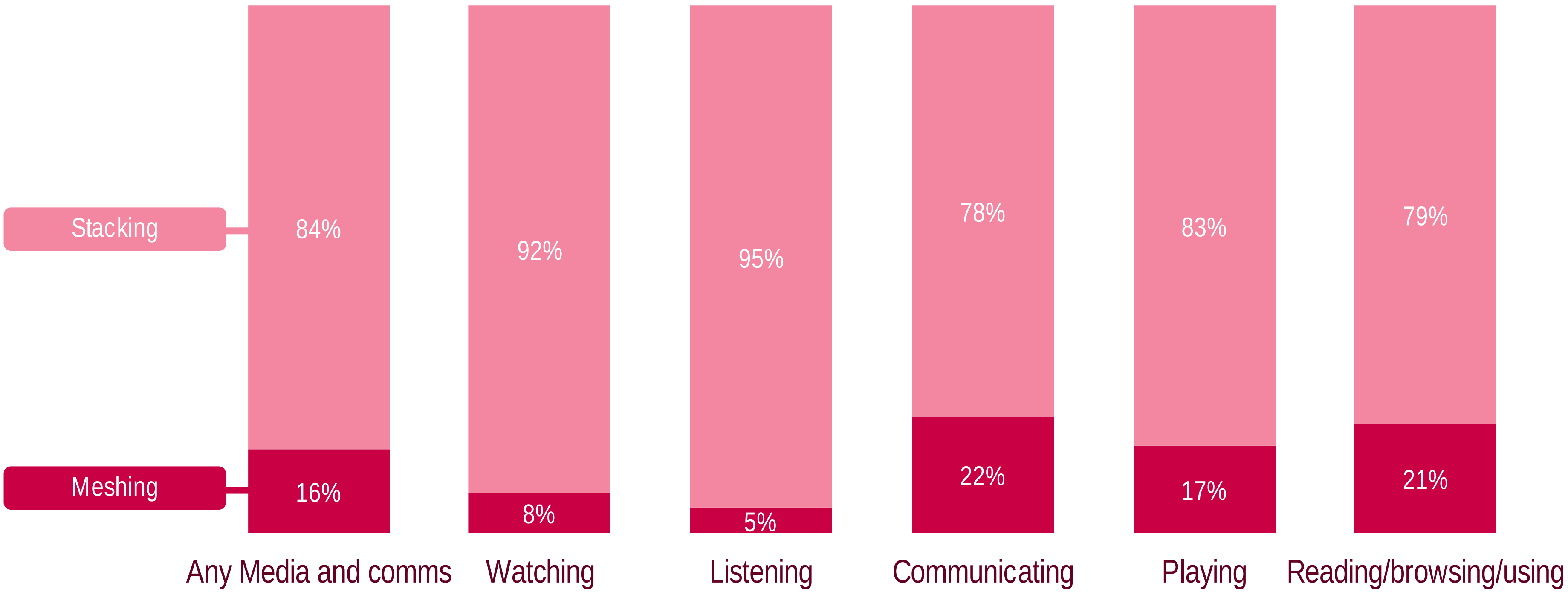
Proportion of solus vs. simultaneous minutes, by grouped activities



Source: Ofcom Digital Day 2016
Base: Adults aged 16+ (1512)

Figure 1.22

Proportion of meshing vs. stacking minutes, by activity types

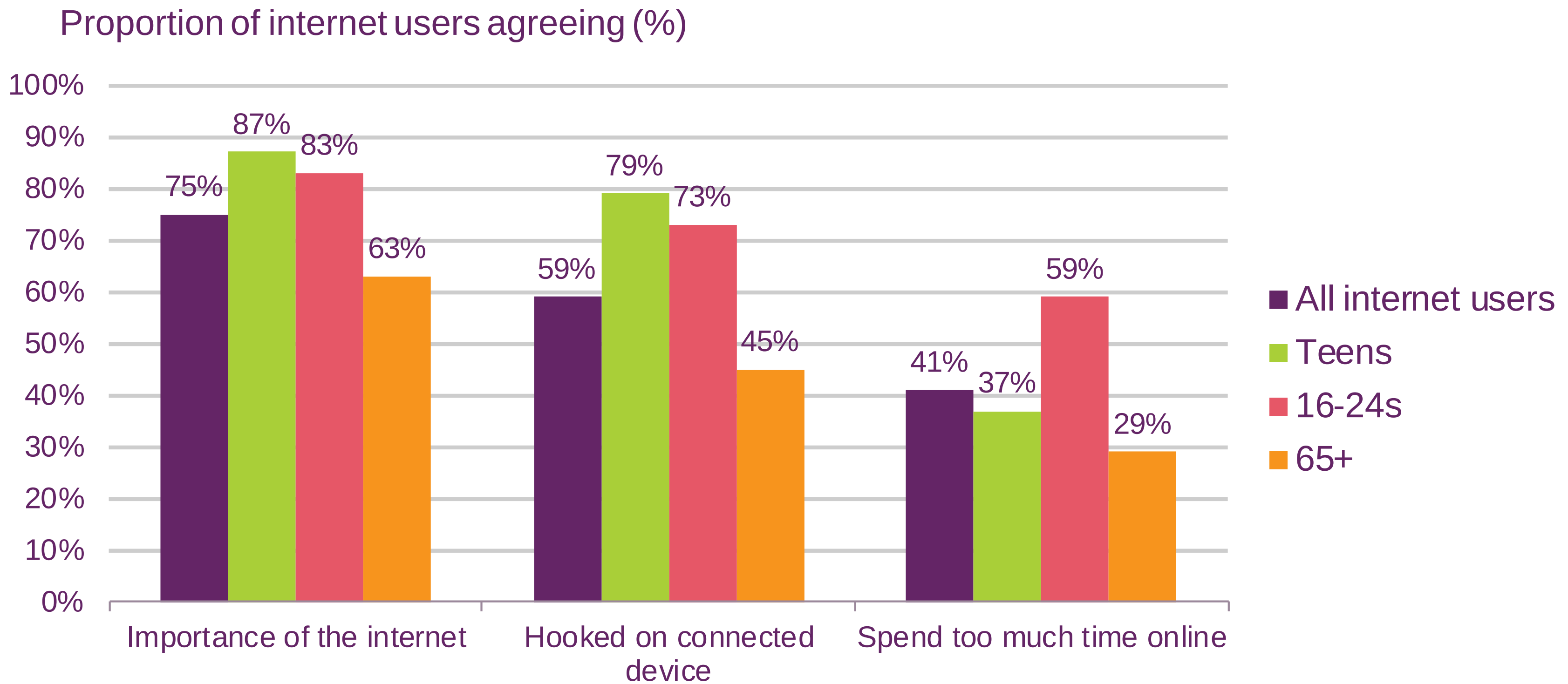


Source: Ofcom Digital Day 2016
Base: Adults aged 16+ (1512)

Coping in a Connected World

Figure 1.23

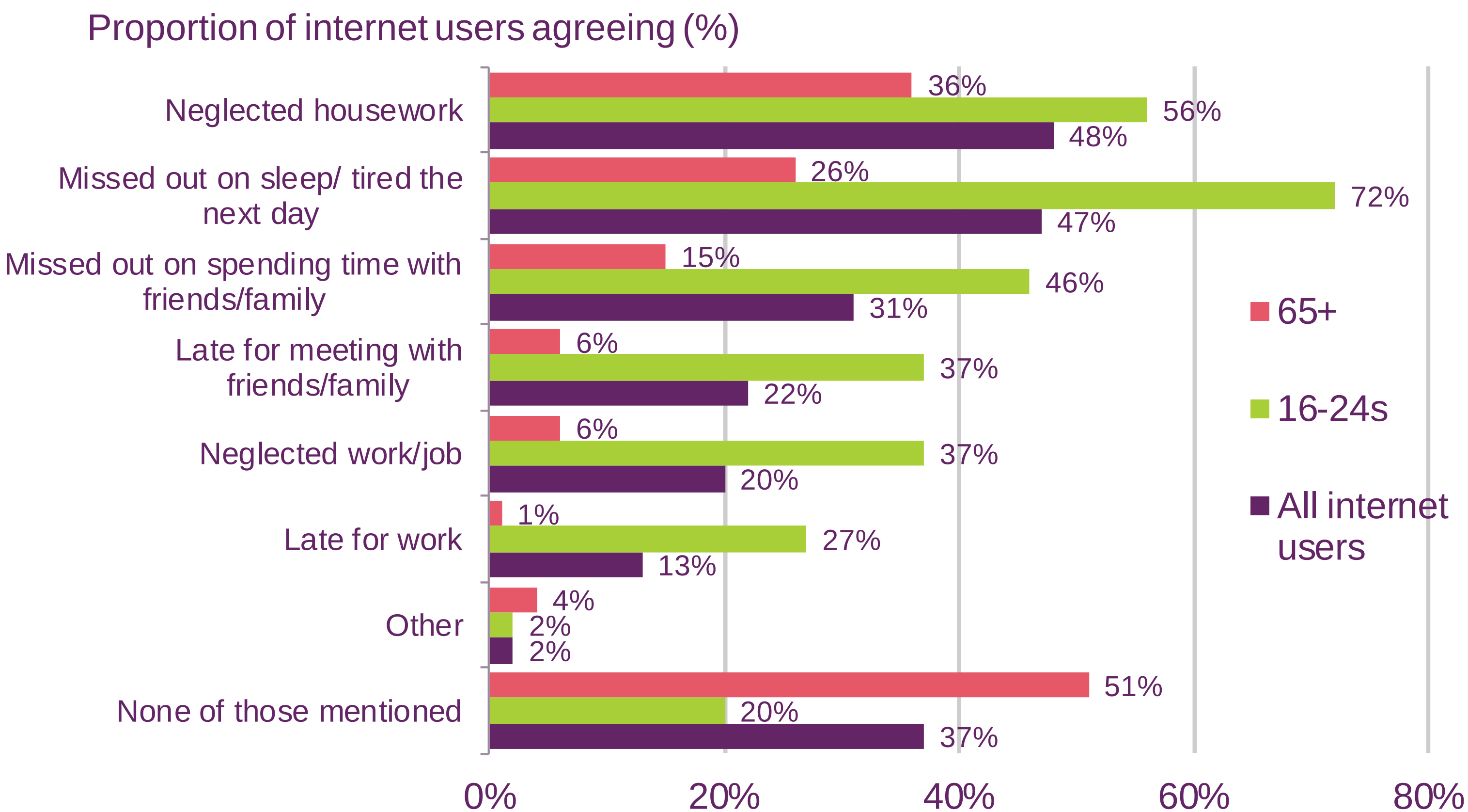
Attitudes towards the internet and connected devices



Source: Ofcom research 2016
Base: All going online at least once a month (All: 1861, 16-24: 275, 65+: 309, teens: 494) Q.C1 How much do you agree or disagree with the following statements (I spend too much time online) Q.D1 On a scale of 1 to 10, how important is the internet to your daily life? Q.D2 If you had to choose a number between 1 and 10, where 1 represented 'I'm not at all hooked on my [DEVICE MOST LIKELY TO USE TO GO ONLINE FROM B5] and 10 represented 'I'm completely hooked on my [DEVICE MOST LIKELY TO USE TO GO ONLINE FROM B5]', which number would you choose for yourself?

Figure 1.24

Reported negative effects of spending too much time online

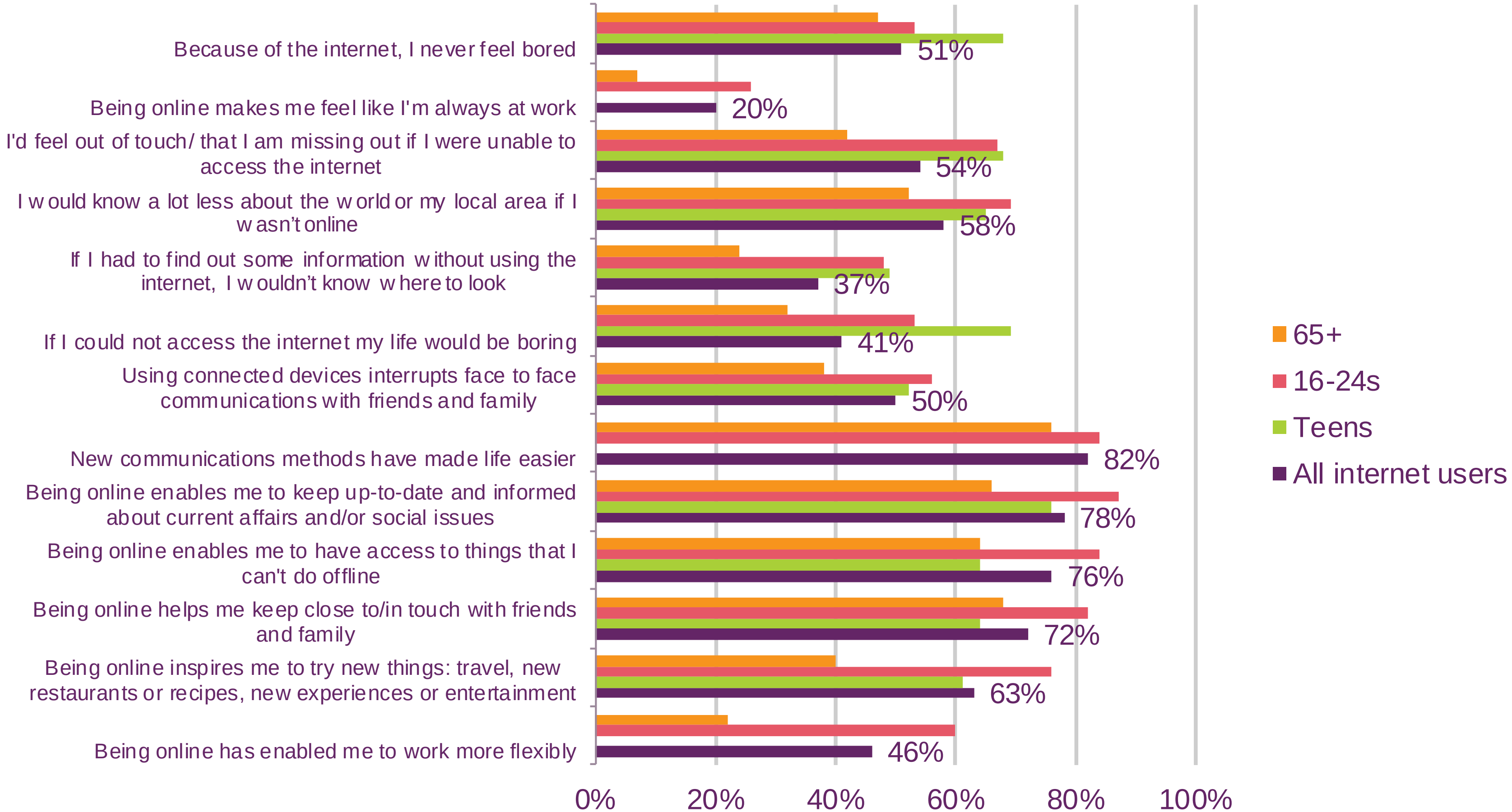


Source: Ofcom research 2016
Base: All going online at least once a month (All: 1861, 16-24: 275, 65+: 309)
Q.D7 Have any of these parts of your work or personal life ever been negatively affected by spending too much time online?

Figure 1.25

Effects of being online

Proportion of internet users agreeing (%)



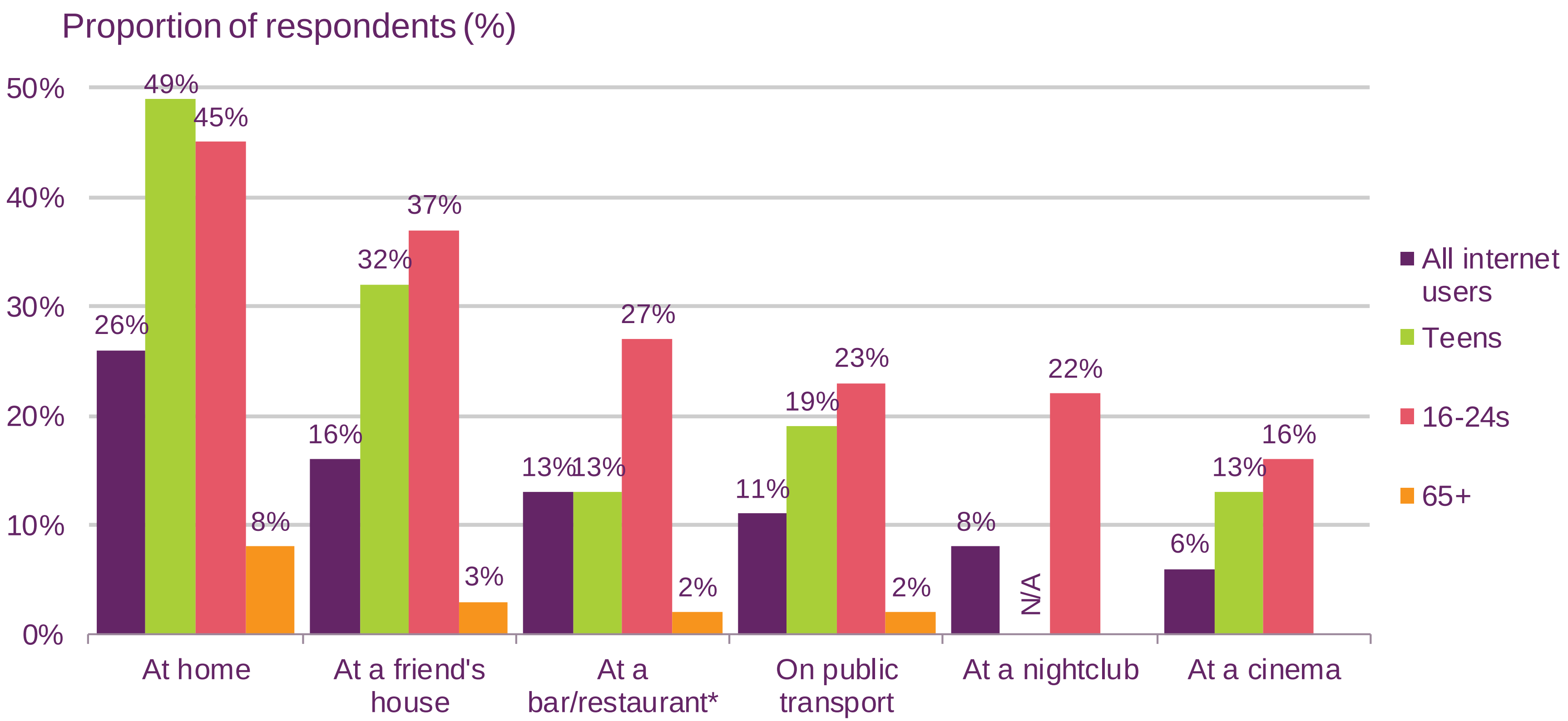
Source: Ofcom research 2016

Base: All going online at least once a month (All: 1861, 16-24: 275, 65+: 309, teens: 494)

Q.C1 How much do you agree or disagree with the following statements

Figure 1.26

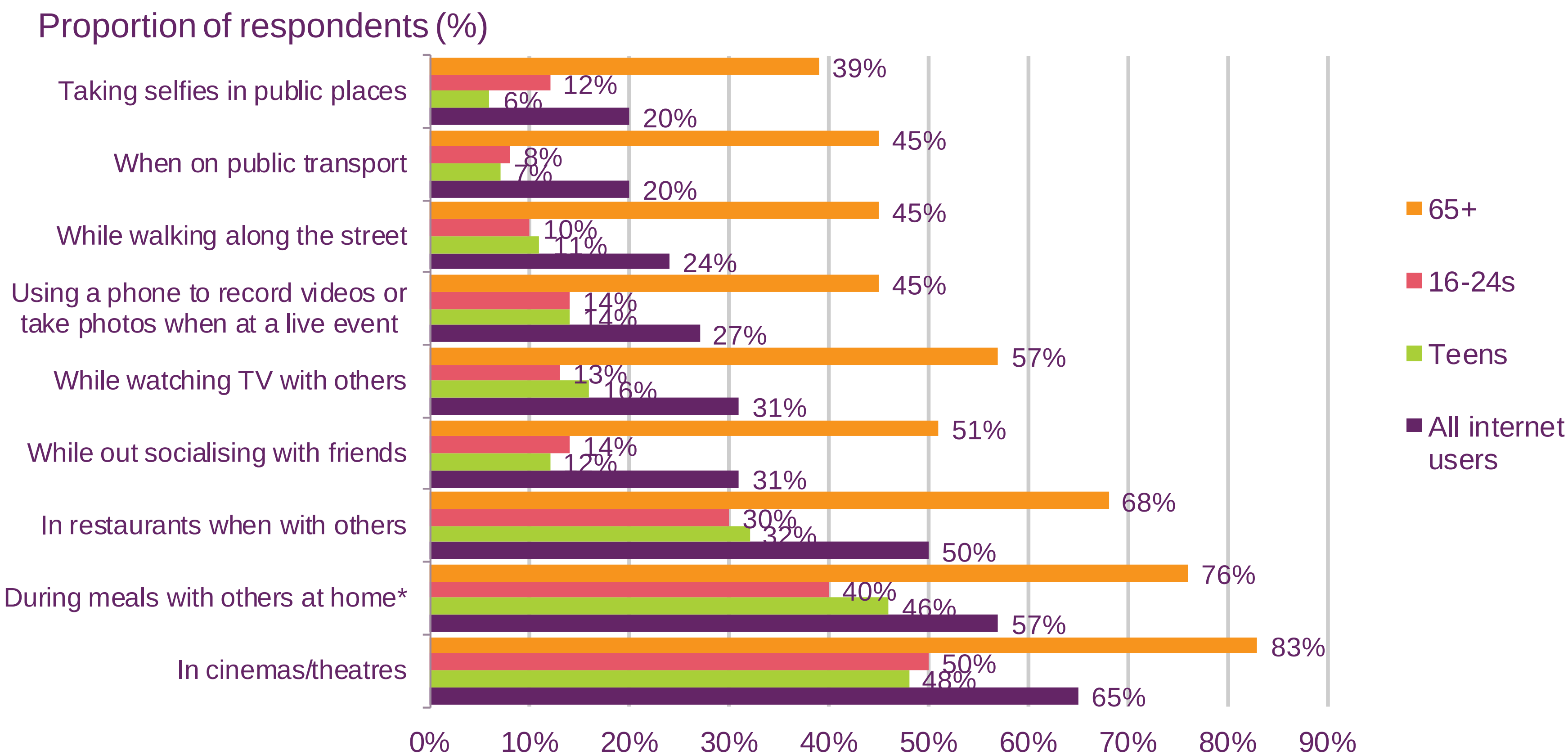
Communication via a device with those in the same room/space



Source: Ofcom research 2016
Base: All respondents (All: 2025, 16-24: 278, 65+: 421)
Q.10A Have you ever communicated, by any method other than face-to-face, with a friend or relative, in any of the following places while they are in the same room/space as you? *we asked teens ‘at a restaurant’

Figure 1.27

Unacceptability of device use in social situations

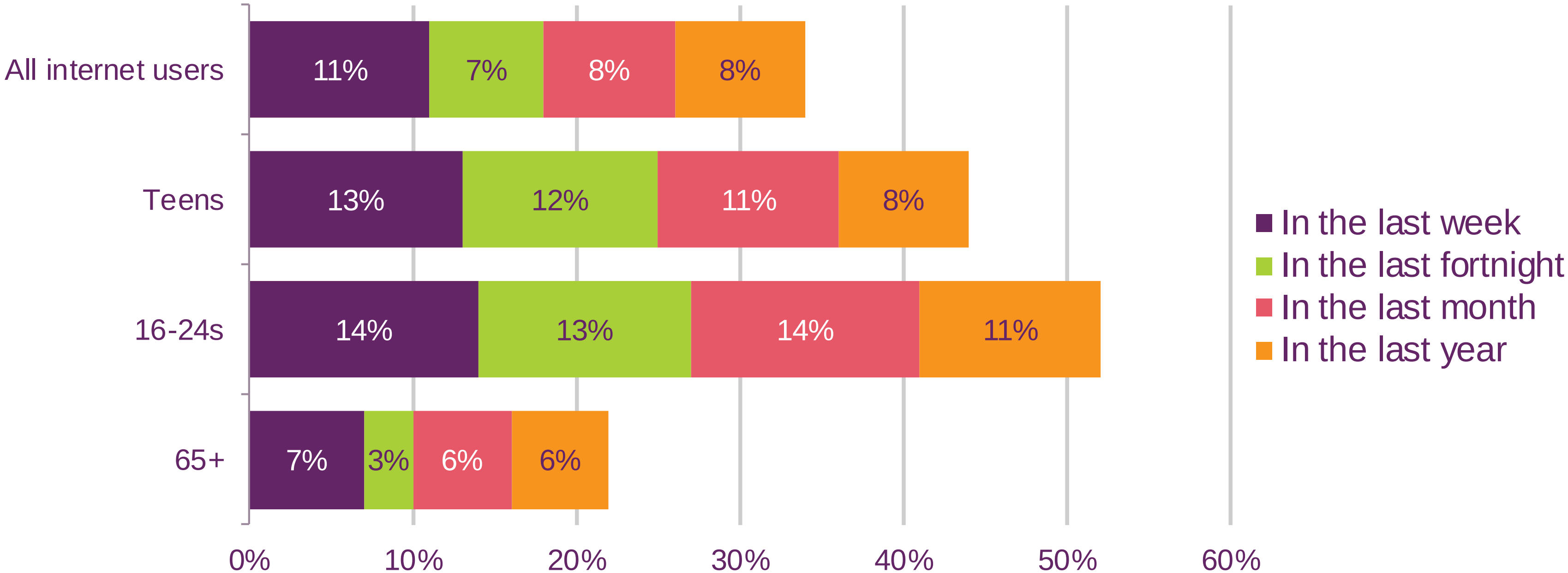


Source: Ofcom research 2016
Base: All respondents (All: 2025, teens: 500, 16-24: 278, 65+: 421)
Q.E1B And for each occasion, could you indicate the extent to which you think using a MOBILE/SMARTPHONE at this time is acceptable?

Figure 1.28

When was the last time internet users did a digital detox

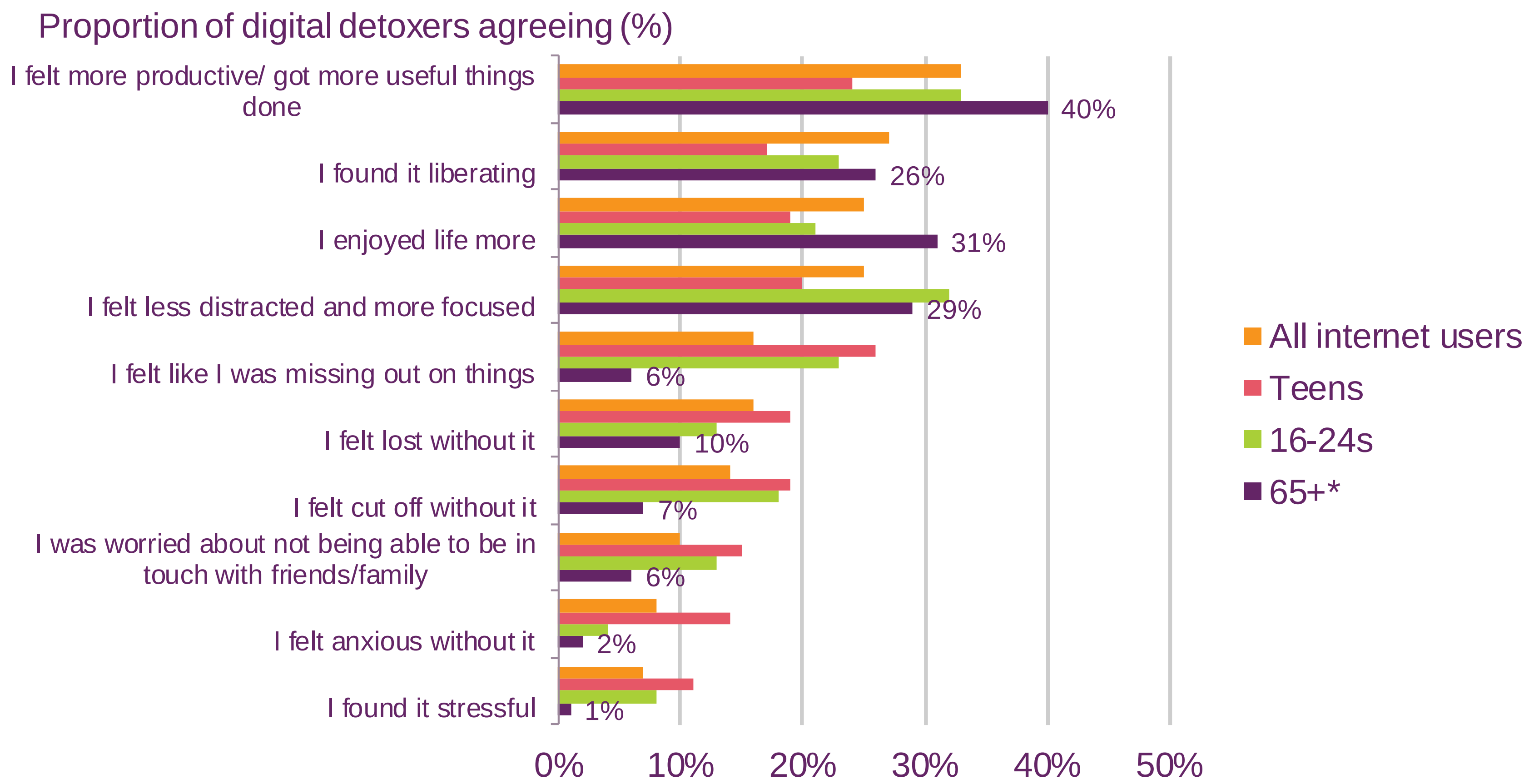
Proportion of internet users (%)



Source: Ofcom research 2016
Base: All going online at least once a month (All: 1861, 16-24: 275, 65+: 309, teens: 494)
Q. F1A When was the last time you purposely spent a period of time without accessing the internet because you thought you were using it too much?

Figure 1.29

How ‘digital detoxers’ found the experience



Source: Ofcom research 2016
Base: All who have had a web detox at Q.F1A (All: 634, 16-24: 141, 65+: 70, teens: 213)
Q.F1D When you last purposely spent any time without the internet, how did you feel?
*CAUTION low base size