Communications Market Report: Northern Ireland

Research Document

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Introduction

Welcome to Ofcom's sixth annual review of communications markets in Northern Ireland.

This report offers a detailed overview of Northern Ireland's communications markets, examining availability, take-up and use of the internet, and of telecommunications and broadcasting services, and compares the findings with the UK as a whole and with its constituent nations.

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

This year's report shows that Northern Ireland continues to outperform other parts of the UK in several measures; for example, broadband take-up. And while there is still progress to be made in other areas, such as DAB take-up, Northern Ireland appears to be catching up fast.

The research shows that over nine in ten adults in Northern Ireland use a mobile phone (92%), on a par with the UK (91%) – an increase of 4 percentage points year on year. Furthermore, 65% of Northern Ireland residents use pre-pay mobile. While this figure has fallen over time (from 73% in 2007), it is still well above the UK average of 50%. The report measures smartphone ownership for the first time, and shows that almost a quarter of Northern Ireland's residents claim to own a smartphone.

Mobile coverage in Northern Ireland remains lower than the rest of the UK. 87% of the population of Northern Ireland live in a postcode district with at least 90% 2G coverage; however the figure for 3G coverage is much lower at 54%. This is well below the UK average of 95%.Satisfaction with mobile coverage is high among consumers; overall, 89% are happy with the coverage they receive. This figure drops to 84% in rural areas (compared to 92% in urban areas).

The mix of suppliers used in Northern Ireland is different from the rest of the UK. O2 has a 67% share of residential customers, higher than anywhere else in the UK.

Since 2007, broadband penetration in Northern Ireland has risen from 45% and now stands at 75%, making Northern Ireland second only to England among the UK nations for broadband take-up. This may be due in part to extensive investment in telecoms infrastructure led by the Department of Enterprise, Trade and Investment (DETI) as well as business-as-usual investments from BT and other operators. Mobile broadband take-up remains relatively low at 13%.

Across the UK, there is low level of awareness of advertised and actual broadband speeds. Northern Ireland is slightly below the UK average, with 58% of consumers not knowing their advertised speed and 53% not knowing their actual speed. However, Eighty-nine per cent of consumers are satisfied with their fixed broadband service. Satisfaction in broadband speeds is slightly lower, at 83%, while urban consumers are more satisfied than their rural counterparts with their broadband speeds.

How the internet is used in Northern Ireland is changing. For example, use of social networking has doubled since 2008, with 47% of people now using these sites. People in Northern Ireland are also increasingly going online for everyday needs and tasks. Forty-one per cent watch TV online, up from 32% in 2008. Fifty-one per cent use internet banking sites and 32% use the internet to access information on health-related issues, a significant rise of 15 percentage points since 2010.

Northern Ireland's progress towards digital switchover continues. With a year to go before the official switchover in 2012, 90% of homes already have digital TV on their main set. This year also saw a dramatic rise in the number of homes with pay TV. Sixty-six per cent of homes claim to pay for TV in one form or another, 11 percentage points more than last year and well above the UK average of 57%.

Spend on television production in Northern Ireland has continued to fall this year, dropping by 7% to £24m. This translates to a 43% drop in spend since 2005, although this pattern appears across the whole of the UK.

This year also saw an increase in the take-up of DAB services in Northern Ireland, with 28% now claiming to own a DAB radio. This is less than the UK average of 37%, but is up 6% on last year, when DAB take-up in Northern Ireland stood at 22%.

Finally, while this report highlights the key stories of take-up and use of communications services, we are publishing the full data set and charts in a searchable resource. This can be found at www.ofcom.org.uk/cmruk. Companion reports for the UK and each of the nations are once again being launched alongside this report; these can be found at www.ofcom.org.uk/cmr11.

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

Contents

Northern Ireland: setting the scene

Key facts about Northern Ireland

Figure	Nation	UK
Population	1,779m *(mid-2009 estimate)*; population is estimated to have risen by 5.6%, or 94,000 people, since 2001 census	61,792m *(mid-2009 estimate)* Northern Ireland accounts for approximately 3% of UK population
Population density	132 people per sq km	246 people per sq km
Urban versus rural	Approximately 580,000 people live in the Belfast metropolitan area – around a third of population. 35% of population live in a rural area	n/a
Language	Approximately 170,000, or 10.4%, have some knowledge of Irish Approximately 30,000, or 2%, claimed to be able to speak Ulster Scots.[1]	Ulster Scots is the first language for 0.1% of the UK population Gaelic is the first language for <0.1% of the UK population
Unemployment	7.3% of working population	7.7% of working population
Income and Expenditure	Weekly household income: £627 Weekly household expenditure: £485.80	Weekly household income: £683 Weekly household expenditure: £455

Source: Northern Ireland Statistical Research Agency, Office for National Statistics, 2001 Census, www.statistics.gov.uk, Family Spending 2010 edition

A note on our survey research

We conducted a face-to-face survey of 3,474 respondents aged 16+ in the UK, with 511 interviews conducted in Northern Ireland. Quotas were set and weighting applied to ensure that the sample was representative of the population of Northern Ireland in terms of age, gender, socio-economic group and geographic location. Fieldwork took place in January and February 2011.

Respondents were defined as urban if they lived in a settlement with a population of 2000 or more and rural if they lived in areas with smaller populations.

The survey sample in Northern Ireland has error margins of approximately +/- 3-4% at the 95% confidence level. In urban and rural areas, survey error margins are approximately +/-4-6%.

In addition to the survey data, this report refers to information from a range of other sources, including data provided to Ofcom by stakeholders.

Tables summarising the data collected in our survey are published on Ofcom's website.

[1] 1999 Northern Ireland Life and Times Survey. Research undertaken by the Ulster Scots Agency, however, puts the figure as high as 100,000.

1 The nations' communications markets

1.1 Introduction and key findings for Northern Ireland

Introduction

This section sets out a selection of the key facts and figures relating to communications markets across the UK's nations in 2011, comparing and contrasting nations and highlighting changes that have taken place in the past year.

Key findings for Northern Ireland

TV and audio-visual content

- A year ahead of digital switchover in Northern Ireland, 90% of homes now have a digital TV service. While this is behind the UK average of 96%, it is the only UK nation where the switchover process has not begun.

- The proportion of homes with a pay-TV service has risen by eleven percentage points to 66% of TV homes in Northern Ireland, compared to the UK average of 57%.

- 32% of homes in Northern Ireland claim to have access to HDTV channels – on a par with the UK average (32%).

- Over a five-year period, PSB investment in first-run originated English-language programmes for viewers in Northern Ireland was down 43%, the largest decrease in spending across the nations.

Radio and audio content

- Weekly radio reach stood at 92% of adults in Northern Ireland in Q1 2011 – higher than the UK average of 90.9%. Similar to last year, BBC local/national stations were particularly popular in Northern Ireland, with a 22% share (compared to a 9% share across the UK).

- Radio is relied on for local news by 22% of adults in Northern Ireland, a significantly higher proportion than the UK average (10%).

Internet and web-based content

- Three-quarters (75%) of adults now have broadband at home; this is up by five percentage points since 2010, and is in line with the UK average (74%).

- The past year has seen a significant rise in the use of social networking sites, with almost half of all adults in Northern Ireland visiting these sites (47%).

Telecoms and networks

- Northern Ireland leads in the roll-out of fibre broadband, with 81% of households passed by a fibre-to-the-cabinet connection in June 2011, compared to 23% across the UK as a whole.

- Take-up of both fixed (+3 to 84%) and mobile (+4 to 92%) telephony has increased over the past year in Northern Ireland, with both on a par with the UK average.

- Almost a quarter (23%) of mobile phone users in Northern Ireland now own a smartphone, although this lags behind the UK average of 30%.
- Satisfaction with mobile phone reception has increased by eight percentage points over the past year to stand at 89%.

1.2 UK communications market: fast facts

Figure 1.1 illustrates how take-up and use of a variety of communications services across the UK has changed over the past year.

Figure 1.1 UK communication markets: fast facts

	UK	England	Scotland	Wales	Northern Ireland	NI urban	NI rural	UK urban	UK Rural
Digital TV take-up among TV homes	96 ↑+4	96 ↑+4	97 ↑+6	99	90	92	85	96 ↑+4	95 ↑+3
Broadband take-up	74 ↑+3	76	61	71 ↑+7	75	75	74	74 ↑+4	80 ↑+5
Mobile broadband	17 ↑+2	18 ↑+3	9	16	13	15	10	17	14
Mobile phone take-up	91 ↑+2	92 ↑+2	86	87	92	91	92	91 ↑+2	92
Use mobile to access internet	32 ↑+9	34 ↑+9	21 ↑+6	25	29 ↑+8	33 ↑+12	22	34 ↑+8	23
Smartphone take-up amongst mobile phone owners	30 ↑+	31 ↑+	21 ↑+	29 ↑+	23 ↑+	27 ↑+	17 ↑+	30 ↑+	30 ↑+
Fixed landline take-up	85	85	80	80	84	83	87	84	90
Households taking bundles	53	54	49	47	46	52	36	54 ↑+3	47
DAB ownership amongst radio listeners	37	39	31	27	28	30	24	37	40

X *Figure is significantly higher than UK average*

X *Figure is significantly lower than UK average*

↑+xx *Figures has risen significantly by xx percentage points since 2010*

Ofcom research Q1 2011
Base: All adults aged 16+ (n = 3474 UK, 1983 England, 487 Scotland, 493 Wales, 511 Northern Ireland, 2458 UK urban, 1016 UK rural, 1719 England urban, 264 England rural, 239 Scotland urban, 248 Scotland rural, 241 Wales urban, 252 Wales rural, 259 Northern Ireland urban, 252 Northern Ireland rural)
Note: This is the first year in which we have collected survey data on smartphone use, so we cannot report a precise year-on-year increase. We are, however, confident that ownership has increased significantly in the past year.

1.3 Availability of communications platforms and services

Availability of communications services varies across the UK's nations

Figure 1.2 shows the availability of communications services across the UK by percentage of population covered. The coverage of most services shown in the chart has not changed in the past year. Digital terrestrial television is an exception to this, having risen as a result of the continuing digital switchover programme across the UK (to be completed in 2012).

- Fixed-line voice telephony and dial-up internet access are available to 100% of homes in the UK, as a result of the universal service obligation.

- Eighty-one percent of homes in Northern Ireland are connected to a Fibre-to-the-cabinet enabled exchange – significantly above the UK average of 23%. 1700 cabinets have been upgraded with fibre-to-the-cabinet and that number is due to grow to almost 2500 by next year, giving 88% of the population access to super-fast broadband.

- At the end of 2010 89% of UK homes were in exchange areas that had been unbundled (up from 40% five years previously), with this proportion ranging from 75% in Northern Ireland to 91% in England.

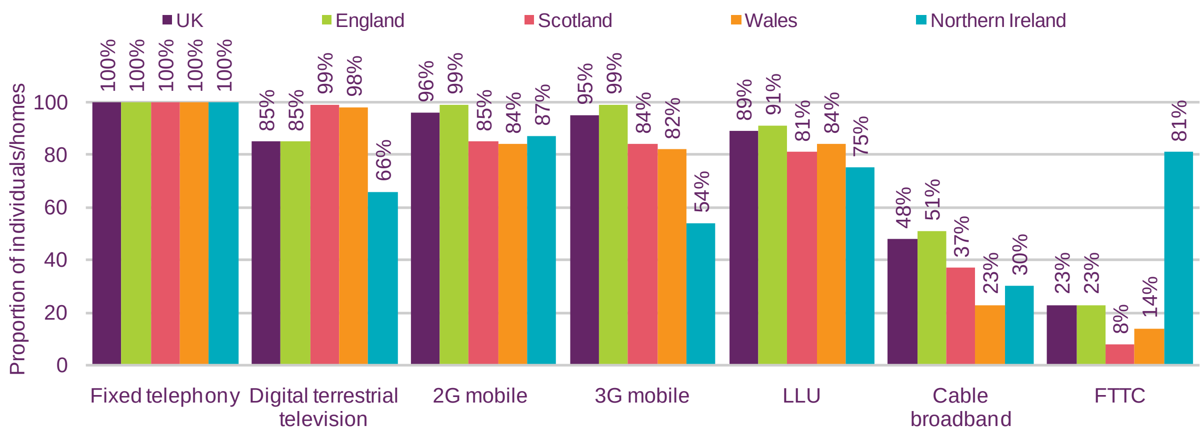
- Among the UK nations the proportion of homes passed by Virgin Media's cable broadband network was lowest in Wales at 23%, and highest in England at 51%. In Northern Ireland 30% of homes were passed by the cable broadband network, the second lowest proportion among the UK nations.

- 2G mobile coverage is lower in Northern Ireland than in the UK as a whole – 87% of people in Northern Ireland lived in postcode district with at least 90% 2G area-coverage, compared to 96% across the UK as a whole. Lower network coverage is a reflection of large areas of low population density and areas where hilly or mountainous terrain limits the range of mobile masts.

- Across the UK 3G coverage is generally lower than 2G coverage. This is particularly true in Northern Ireland, where 54% of people live in a postcode area with good 3G coverage from at least one operator – the lowest of all the UK nations.

- Digital terrestrial television, offering the full channel line-up, was available to 66% of Northern Ireland's population in 2011. This figure is the lowest among the UK nations, and coverage is now near-universal in Wales, where the switchover process is complete. Switchover in Northern Ireland, scheduled for 2012, will result in rising levels of coverage as the DTT signal power is increased.

Figure 1.2 Communications infrastructure availability across the UK's nations



Sources: Ofcom and:
1. DTT: Availability of 17 services. Ofcom estimates.
2. Proportion of population living in postal districts where at least one operator reports at least 90% 2G area coverage. Sourced from GSM Association / Europa Technologies (Q2 2011). Note that coverage data have been restated; this means that year-on-year comparisons are not possible.
3. Proportion of population living in postal districts where at least one operator reports at least 90% 3G area coverage. Sourced from GSM Association / Europa Technologies (Q2 2011). Note that coverage data have been restated; this means that year-on-year comparisons are not possible.
5. Proportion of households connected to an LLU-enabled exchange
6. Proportion of households passed by Virgin Media's broadband-enabled network
7. Proportion of households connected to an FTTC-enabled exchange

1.4 Take-up of communications platforms and services across the UK

Modest increases in take-up of established communications services across the UK nations

Take-up of the most established communications services remained stable or increased modestly in the past year. Digital television and mobile telephony services are approaching universal ownership, so year-on-year increases in take-up have slowed.

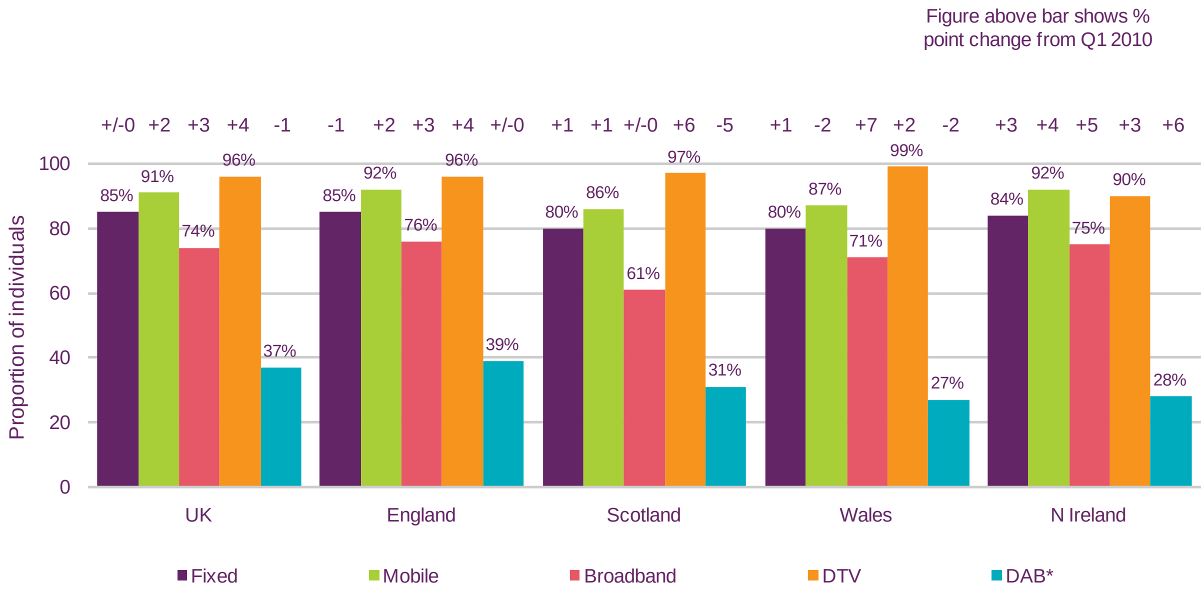
- The small fall in ownership of fixed-line telephones across the UK that we reported on last year has been sustained, with take-up remaining at 85%. Take up of fixed-line telephones is lowest in Scotland and Wales (both at 80%), with Northern Ireland more in line with the UK average, at 84%.

- Broadband take-up (whether fixed or mobile) has continued to increase, with a three percentage point rise in the past year. The largest percentage point increases were seen in Wales (+7) and Northern Ireland (+5). In Scotland, broadband ownership remained at 61% and is now 13% points behind the UK average of 74%.

- Over nine in ten UK adults now own a mobile phone, following a two percentage point increase in take-up during the past year. There is modest variation in take-up between nations, with highest take-up (92%) being found in Northern Ireland and England and the lowest take-up in Scotland (86%). The apparent fall in mobile ownership in Wales is within the survey's error margins and so should be treated with caution.

- Digital television ownership has increased to 96% of the UK's adult population. Wales (the first UK nation to switch over to digital) has the highest uptake at 99%. Digital switchover in Northern Ireland is scheduled for 2012, when all of the remaining regions of the UK will also switch to digital.

Figure 1.3 Communications service adoption across the nations of the UK: 2011

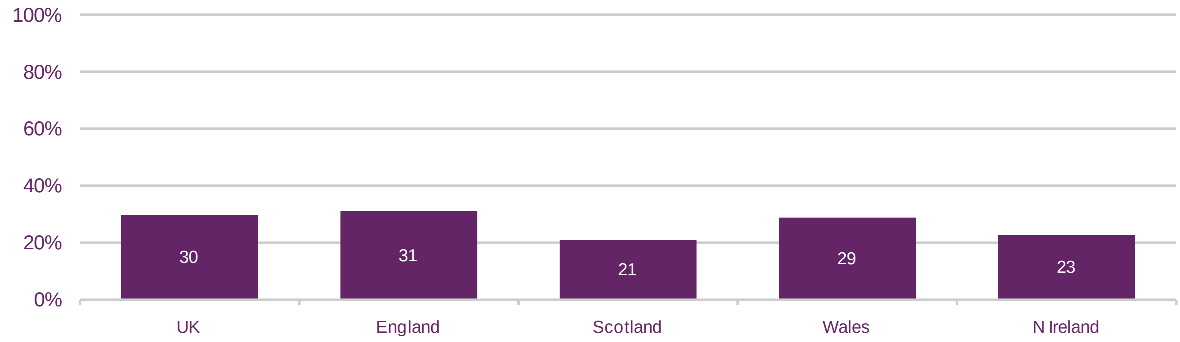


Source: Ofcom research, Q1 2011
Fixed line, broadband and mobile bases: All adults aged 16+ (n = 3474 UK, 1983 England, 487 Scotland, 493 Wales, 511 Northern Ireland)
DTV base: Adults aged 16+ with a TV in the household (n= 3412 UK, 1941 England, 479 Scotland, 483 Wales, 509 Northern Ireland)
*DAB base: Adults aged 16+ with any active radio sets in the household who listen to radio. *NB Data previous to 2011 are based on all who listen to radio (n = 2811 UK, 1629 England, 357 Scotland, 397 Wales, 428 Northern Ireland)*
See published data tables for question wording:
http://www.ofcom.org.uk/static/marketdataresearch/statistics/main_set.pdf

Nearly one in four mobile phone users in Northern Ireland have a smartphone

Almost a third (30%) of mobile phone owners now have a smartphone. Take-up has grown very quickly, with 59% having purchased their smartphone in the past year. Ownership varies across the UK nations; among mobile phone users, the highest levels of smartphone take-up are found among consumers in England (31%) and Wales (29%), with take-up lower in Scotland (21%) and Northern Ireland (23%). Smartphone ownership is higher among ABC1 socio-economic groups and those aged 16-34. For a detailed study of smartphone users, see the *Communications Market Report: UK* at www.ofcom.org.uk/cmr11.

Figure 1.4 Smartphone ownership among mobile phone owners



Source: Ofcom research, Q1 2011
Base: Adults aged 16+ who personally use a mobile phone (n = 3091 UK, 1786 England, 425 Scotland, 416 Wales, 464 Northern Ireland)
Question. Do you personally use a smartphone? A smartphone is a phone on which you can easily access emails, download files and applications, as well as view websites and generally surf the internet. Popular brands of smartphone include BlackBerry, iPhone and Android phones such as the HTC Desire.

Eight in ten homes in Northern Ireland have fixed and mobile telephony

Fifteen per cent of adults in Northern Ireland rely on mobile voice telephony only – the same proportion as the UK average. Across the UK, lower-income homes are more likely to rely on mobile telephony. Seventy-eight per cent of consumers in Northern Ireland have both fixed and mobile telephony in their homes.

Figure 1.5 Mobile-only households in the UK

Source: Ofcom research, Q1 2011
Base: All adults aged 16+ (n = 3474 UK, 1983 England, 487 Scotland, 493 Wales, 511 Northern Ireland)
Question. Is there a landline phone in your home that can be used to make and receive calls?/ How many mobile phones in total do you and members of your household use?

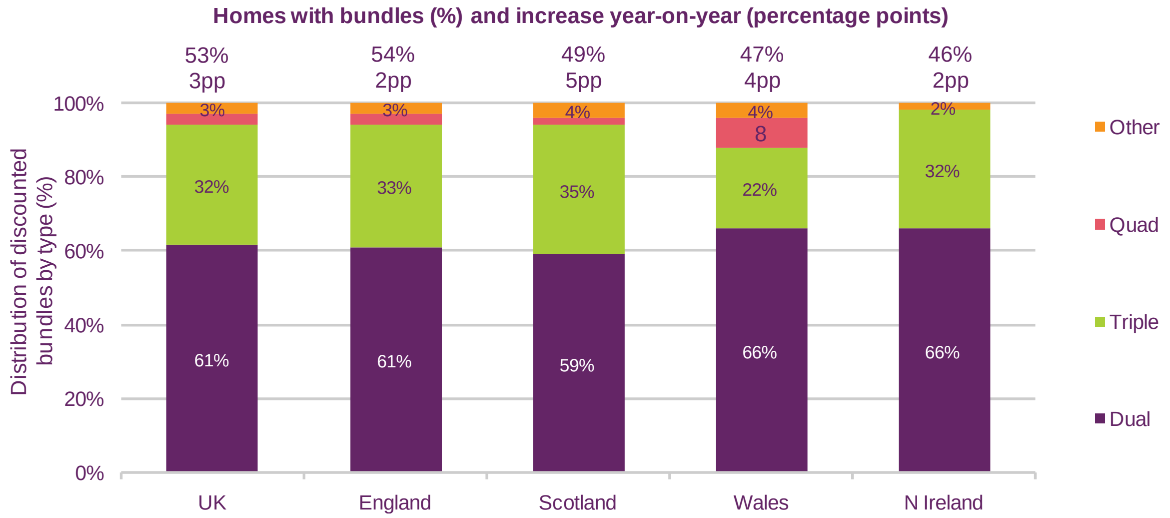
1.5 Consumer take-up of bundled services in the UK

Almost half of all homes across Northern Ireland took a bundle of communications services at Q1 2011, up by two percentage points year on year.

Purchasing communications services in bundles continues to increase in popularity across the UK. Fifty-three per cent of UK homes now purchase communications services in this way, a three percentage point increase year on year, following a four percentage point increase in 2009-2010. The most popular type of bundle is a ‘dual’ package of two services (typically fixed-line telephony and broadband).

At 46%, the proportion of consumers bundling communications services was lowest in Northern Ireland, perhaps relating to relatively low cable coverage.

Figure 1.6 Take-up of bundles, by nation



Source: Ofcom research, Q1 2011
Base: All adults aged 16+ with a package of services regardless of whether or not these include a discount (n = 1680 UK, 1035 England, 226 Scotland, 197 Wales, 222 Northern Ireland)
Note: Remaining percentages are Don’t know responses

1.6 Spending by public service broadcasters on television and radio content across the UK’s nations

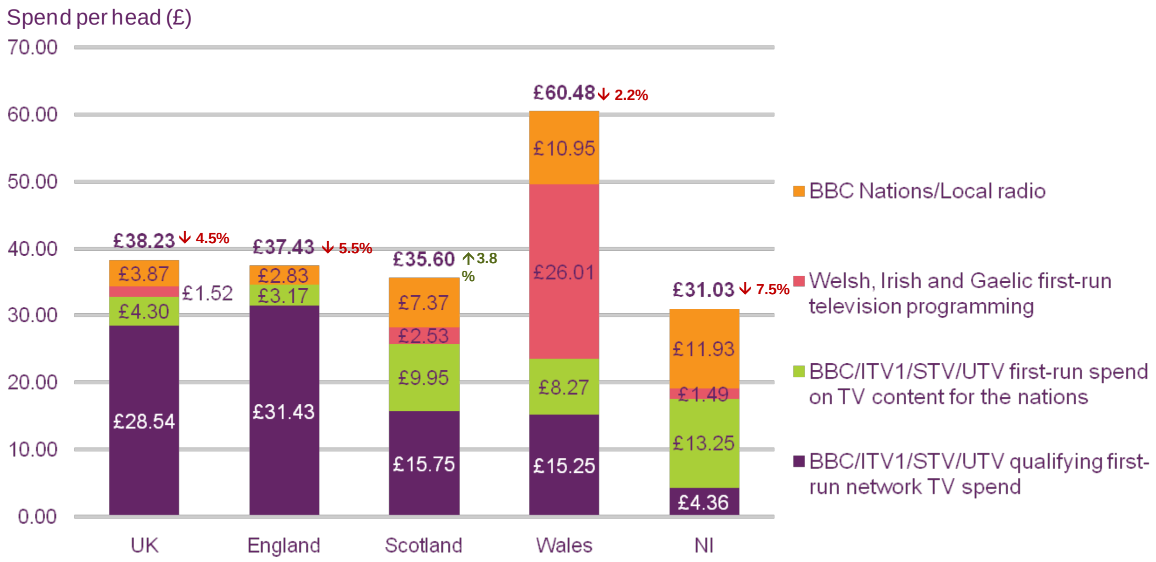
Figure 1.7 illustrates patterns of spend on broadcast output. It adjusts for population size by expressing spend on a per-head basis. The chart illustrates four types of expenditure:

- the value of qualifying first-run networked TV spending – programmes that are produced in one nation/English macro region, and then broadcast to all UK viewers;
- BBC spend on radio services for listeners in the nations (BBC Radio Ulster/Foyle, BBC Radio Wales/Cymru, BBC Radio Scotland/ nan Gàidheal and BBC Local Radio in England);
- spend by the BBC and ITV/STV/UTV on first-run programmes specifically for viewers in each nation; and
- TV content produced in Welsh Gaelic and the Irish language.

Total spend per head across the UK stood at £38.23 in 2010, up by 4.5% in real terms year on year; networked television productions accounted for three-quarters (75%) of that total, and nations/regional television output for a further 11%.

Patterns of spending across the four nations differed in terms of both their level and composition. In Northern Ireland spend per head stood at £31.03 (down by 7.5%), with television output specifically for Northern Ireland viewers and radio output forming a substantial proportion of the figure.

Figure 1.7 Spend per head on UK-originated content broadcast by PSBs on TV and radio, 2011



Source: Operators, Annual Reports and Ofcom calculations

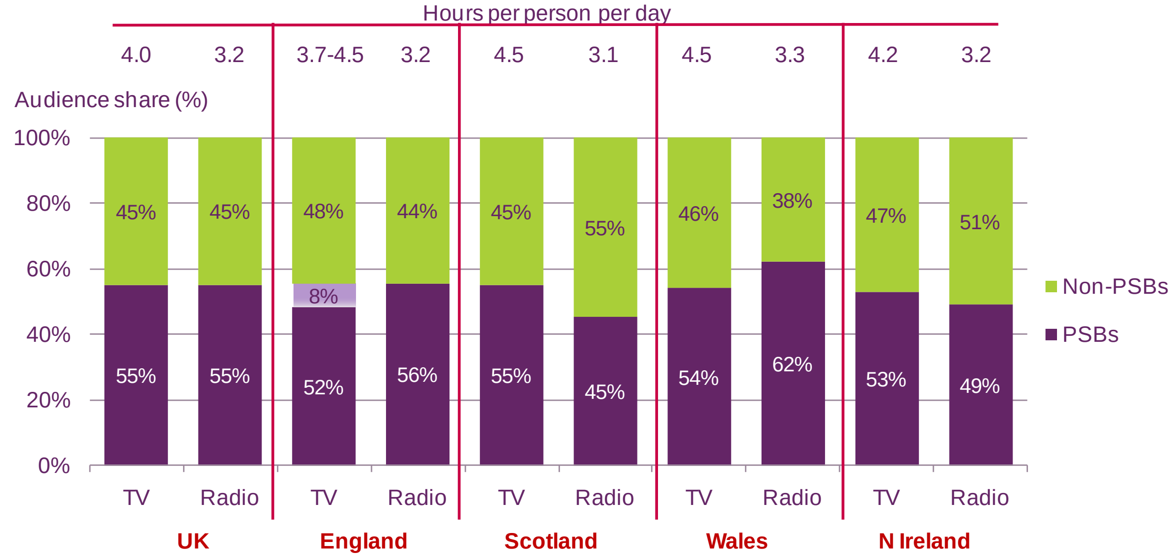
1.7 Consumption of television and radio services

People in Northern Ireland spend an average of 4.2 hours per day watching TV

In 2010, average daily TV viewing among individuals (aged 4+) in the UK was 4 hours per day. In Northern Ireland, viewing hours were marginally above that average at 4.2 hours per day.

In 2010, average daily radio listening among adults (15+) in Northern Ireland was 3.2 hours, broadly on a par with the other nations, and comparable to the 2009 figure.

Figure 1.8 Hours of daily viewing of television and radio, by nation: 2010



Source: BARB. i) TV: PSBs = BBC One, BBC Two, ITV1, C4+S4C, Five. (ii) Radio: PSBs = all BBC radio stations.
Notes: For England TV, a range is displayed reflecting the regions with the highest and lowest average daily viewing figures respectively
For Wales TV, viewing hours shows an increase of 0.9 hours on 2009 figures. While it is likely that there has been an increase in viewing in Wales, due to digital switchover, this increase may also be attributable to the effects of the new BARB panel, introduced at the start of 2010. There are two important changes to note regarding the new BARB panel: 1) The panel is based on completely different viewers to the previous panel, meaning that data comparisons pre- and post-2010 should be viewed with caution. 2) There was a redefining of border boundaries under the new panel change. Previously, viewing of C4 in some areas registered as 'out of area' and so did not count towards the Wales area viewing figures; under the new panel and re-defined regions however, viewing of C4 from these regions is now included.

2 Television and audio-visual content

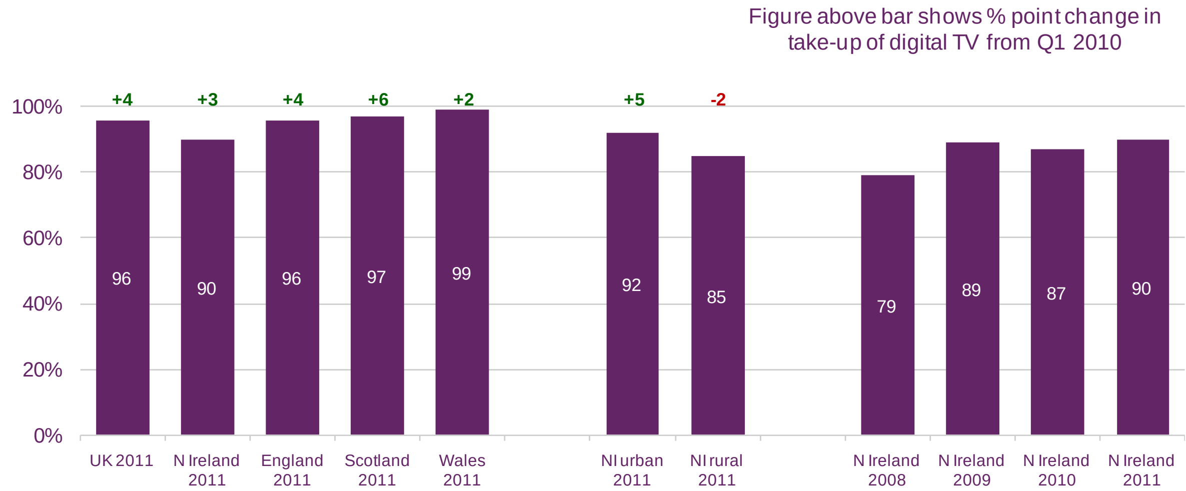
2.1 Digital television take-up in Northern Ireland

Nine in ten TV homes in Northern Ireland now have digital television

A year ahead of digital switchover taking place in Northern Ireland, 90% of homes with a TV have access to a digital television service. This is lower than the UK average (96%), but Northern Ireland is the only UK nation where digital switchover yet to begin (it takes place in 2012).

Consumers in Northern Ireland who are aged 55+ (78%) and in DE socio-economic groups (79%) are less likely to have converted to digital television at home.

Figure 2.1 Digital television take-up in Northern Ireland



Source: Ofcom research, Q1 2011
Base: All adults aged 16+ with a TV in household (n = 3412 UK, 509 Northern Ireland, 1941 England, 479 Scotland, 483 Wales, 257 Northern Ireland urban, 252 Northern Ireland rural, 626 Northern Ireland 2008, 640 Northern Ireland 2009, 746 Northern Ireland 2010, 509 Northern Ireland 2011)
QH1a. Which, if any, of these types of television does your household use at the moment?

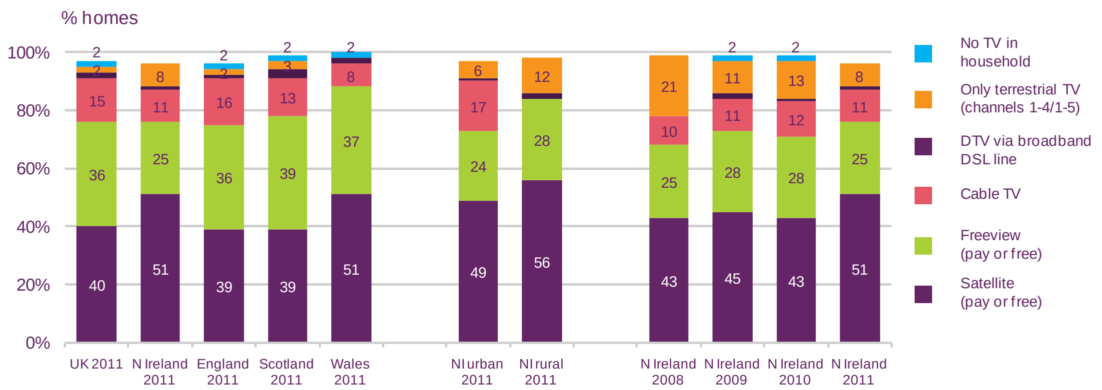
Over half of all homes in Northern Ireland have a satellite TV service

The mix of platforms used to view digital television has changed a little in the past year in Northern Ireland, with the proportion using satellite (either pay or free service) increasing by eight percentage points to 51%. Further, the proportion of analogue-only homes has fallen from 13% in quarter 1 2010 to 8% in quarter 1 2011. There are indications that a small proportion of consumers in Northern Ireland have switched from terrestrial to satellite in the last year.

The mix of TV platforms used in rural areas of Northern Ireland is different to that in urban centres, with a higher proportion of households having either satellite (56%) or terrestrial (12%) on their main set, due to the lack of cable availability in these areas.

Sixty-six per cent of adults with a TV at home in Northern Ireland have a pay-TV service, which is an increase of eleven percentage points since Q1 2010, and the highest across the nations.

Figure 2.2 Main set TV share in Northern Ireland, by platform



Source: Ofcom research, Q1 2011
Base: All adults aged 16+ (n = 3474 UK, 511 Northern Ireland, 1983 England, 487 Scotland, 493 Wales, 259 Northern Ireland urban, 252 Northern Ireland rural, 629 Northern Ireland 2008, 652 Northern Ireland 2009, 761 Northern Ireland 2010, 511 Northern Ireland 2011)
QH1a. Which, if any, of these types of television does your household use at the moment?

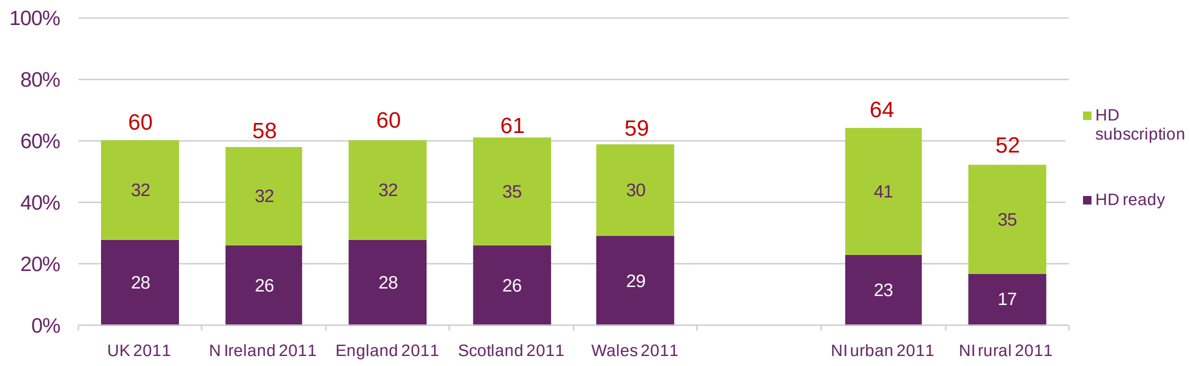
2.2 Access to high-definition TV

One in three homes in Northern Ireland claim to have HDTV channels

Fifty-eight per cent of homes in Northern Ireland have an HD-ready TV set, and over half of these also claim to have access to HDTV channels (via cable, satellite or DTT). This equates to 32% of homes in Northern Ireland having access to HDTV channels, which is on a par with the UK average (32%). This figure may be prone to over-claim, as some consumers may believe that having an HD-ready TV set means that HD channels are being received[2].

[2] We have removed the Northern Ireland respondents who said they have an HD service via the Freeview platform, due to this service not yet being available in Northern Ireland.

Figure 2.3 Proportion of homes with HD-ready TV sets and HDTV

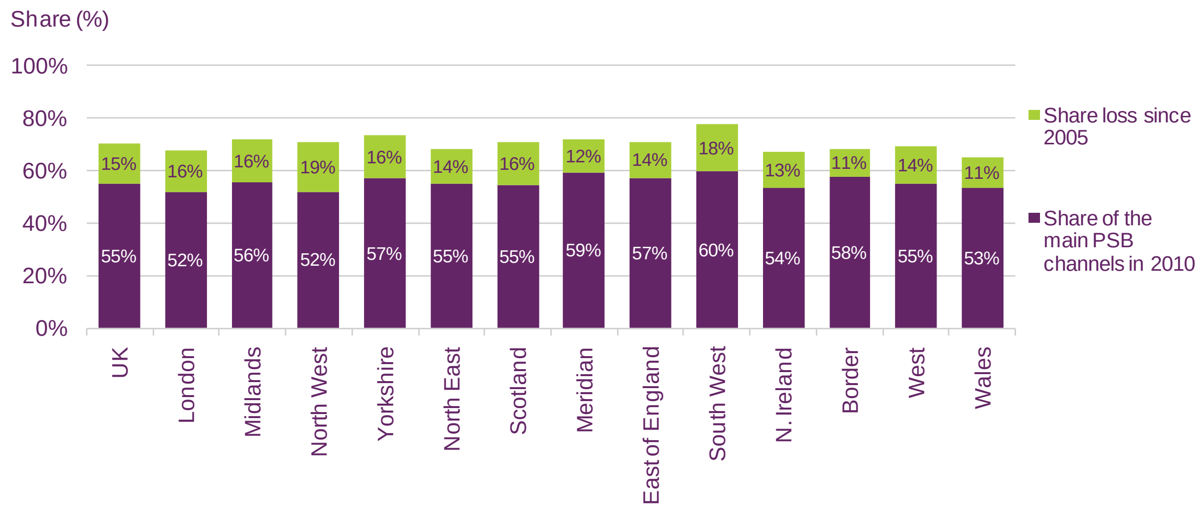


Source: Ofcom research, Q1 2011
Base: All adults aged 16+ (n = 3474 UK, 511 Northern Ireland, 1983 England, 487 Scotland, 493 Wales, 259 Northern Ireland urban, 252 Northern Ireland rural)
QH53. Is the main TV in your household an HDTV set or HD ready?/ QH54. For the main TV set, does your household have an HD TV service – from either Sky, Virgin Media, Freesat or Freeview?

2.3 Broadcast television viewing

In Northern Ireland, there was a 13 percentage point (pp) reduction in the combined share of viewing of the five main PSB channels over five years (falling to 54% in 2010). This reduction was less than the average decrease across the UK (15pp). However, despite the relatively smaller decline in share over this period, the five PSB channels' combined share in Northern Ireland in 2010 was still less than the corresponding UK average (54% vs. 55%).

Figure 2.4 Reduction in combined share of the five PSB channels, all homes: 2005 and 2010

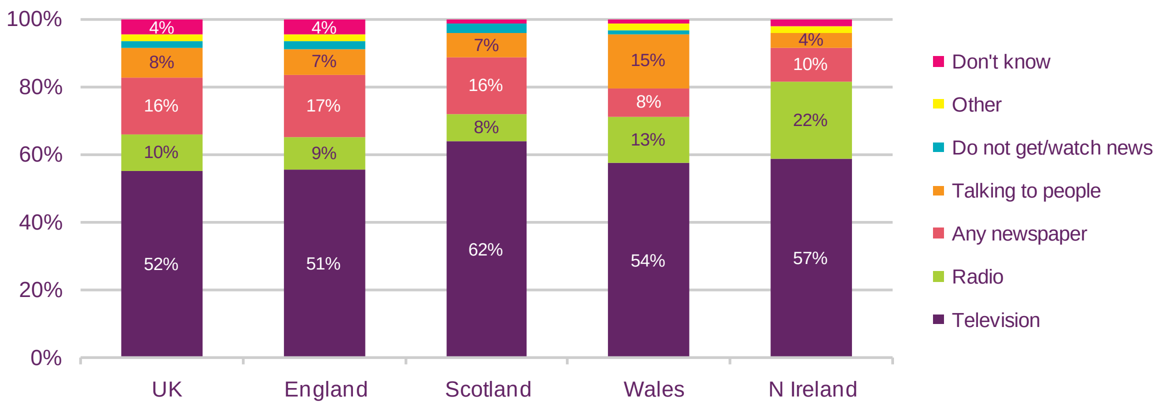


Source: BARB

Radio is main source of local news for one in five adults in Northern Ireland

In 2010, 57% of adults in Northern Ireland said that TV was their main source of local news, higher than the UK average of 52%. Radio was the second most mentioned, by 22%, which is significantly higher than the UK average (10%). Northern Ireland and Wales were the only two nations in which adults go to the radio ahead of newspapers for local news.

Figure 2.5 Sources of local news in each nation, 2010



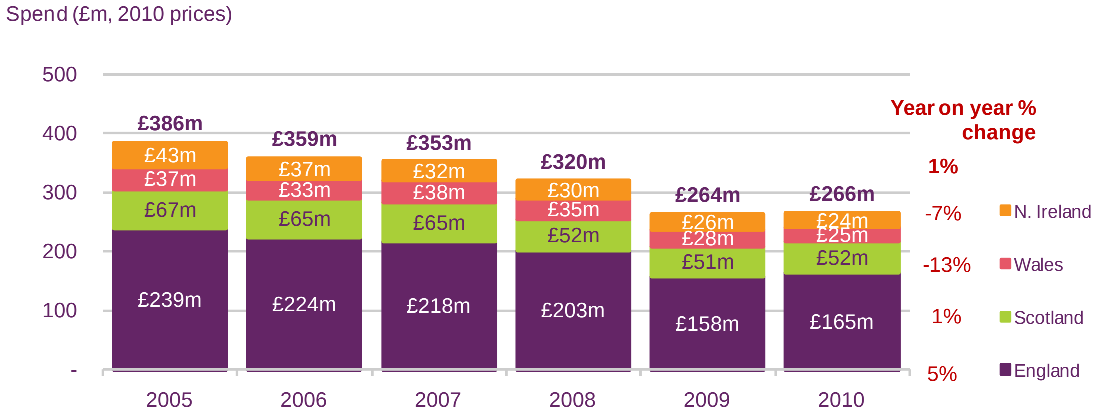
'Can you tell me what, if anything, is your main source of news about what is going on in your own local area?'
Source: Ofcom Media Tracker Survey 2010
Base: All adults 15+. n = 2,141 (UK), 1,726 (England) 194 (Scotland), 113 (Wales), 108 (NI)
Only responses ≥ 4% labelled

2.4 Spending by PSBs on first-run originated TV content for viewers in Northern Ireland

A total of £266m was spent by the BBC and ITV/STV/UTV on producing programmes specifically for viewers in Wales, Scotland, Northern Ireland and the English regions in 2010, up by £2m (or 1%) on 2009.

Year-on year figures show that there was a 7% decrease in investment by the BBC and UTV on content for Northern Ireland viewers (down by £2m to £24m) – substantially less than the 25% reduction between 2008 and 2009. The reduction was the second highest among the UK's four nations (only spending in Wales fell further, by 13%). Investment in TV content for viewers in Northern Ireland is now on a par with Wales (£24m versus £25m) – compared to a £6m difference in spending in 2005 (£43m versus £37m). BBC spending remained flat over the period, while UTV's investment fell by 28% from 2009.

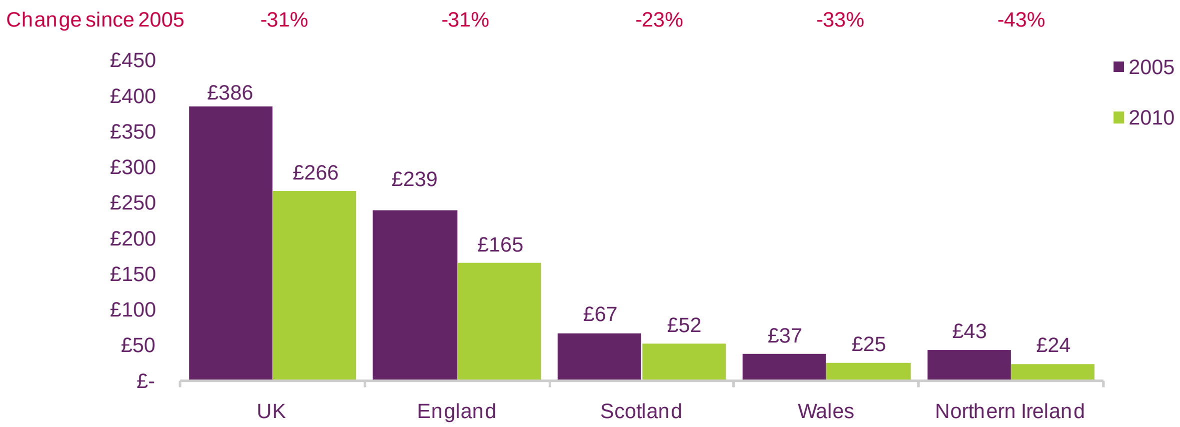
Figure 2.6 Spend on originated nations' and regions' output by the BBC, ITV1/STV/UTV



Source: Broadcasters. All figures expressed in 2010 prices.
Note: Spend excludes Gaelic and Welsh language programming but includes some spend on Irish language programming by the BBC.

At -43%, spending on Northern Ireland specific content experienced the biggest proportionate decrease between 2005 and 2010. This compared to a UK-wide reduction of 31% over the period, and falls of 33% in Wales, 31% in England and 23% in Scotland.

Figure 2.7 Spend on originated nations and regions output, by nation: 2005-2010



Source: Broadcasters. All figures expressed in 2010 prices.
Note: Spend excludes Gaelic and Welsh language programming but includes some spend on Irish language programming by the BBC.

By genre, over a five-year period, investment in current affairs in Northern Ireland fell by 5% or £1m to £3m; spending on news declined by £7m, while in all other genres other than news and current affairs, the value of commissions declined by £11m. Taken together, the absolute reduction in spending in Northern Ireland was higher than that in Wales or Scotland.

Figure 2.8 Change in investment by genre and nation: 2005 – 2010

	England		Scotland		Wales		N. Ireland	
	1yr (£m)	5yr (£m)	1yr (£m)	5yr (£m)	1yr (£m)	5yr (£m)	1yr (£m)	5yr (£m)
News	4	-48	0	-3	2	-3	-1	-7
Current affairs	1	-3	0	-1	0	-1	-0	-1
Non-news/non-current affairs	1	-22	0	-11	-6	-9	-1	-11
Total Spend in 2010	£165m		£52m		£25m		£24m	

	England		Scotland		Wales		N. Ireland	
	1yr	5yr	1yr	5yr	1yr	5yr	1yr	5yr
Change in Spend	5%	-31%	1%	-23%	-13%	-33%	-7%	-43%

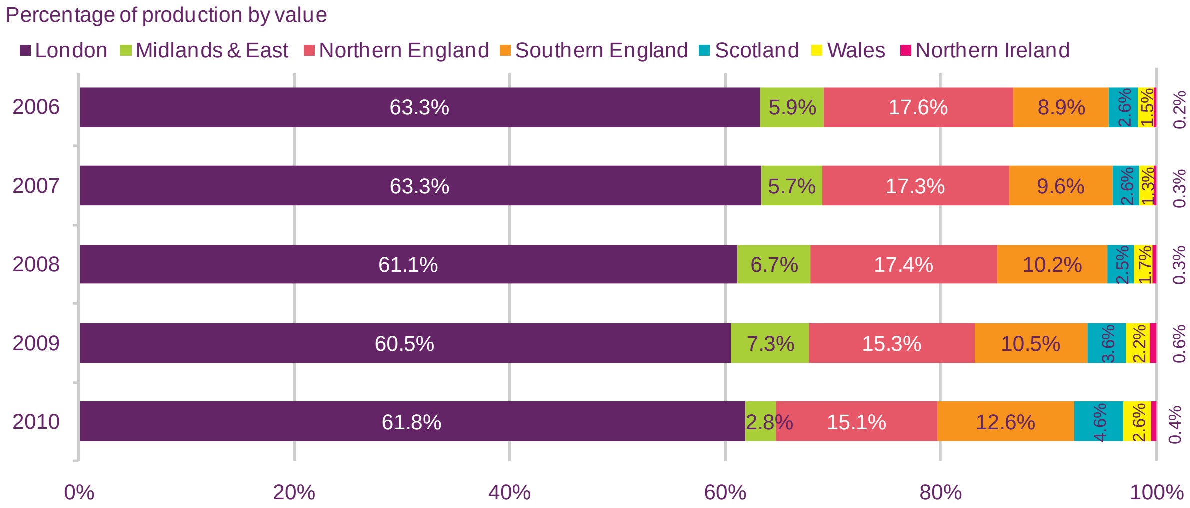
Source: Broadcasters. All figures expressed in 2010 prices.
Note: Spend excludes Gaelic and Welsh language programming but includes some spend on Irish language programming by the BBC.

2.5 PSB television quota compliance

Figure 2.9 illustrates the distribution of spend on qualifying first-run commissioned content in 2010 by PSB channels. Just over 60% of qualifying expenditure (61.8%) was devoted to productions made within the M25 area. This figure rose a little (by 1.3 percentage points) from the 60.5% in 2009, but was down from 63.3% in 2006. A further 15% of first-run spending was captured by producers based in the North of England (on a par with 2009) and 12.6% in Southern England (up from 10.5% in 2009).

In Northern Ireland, first-run productions accounted for 0.4% of expenditure, falling from 0.6% of total expenditure in 2009. In Scotland, the figure rose from 3.6% to 4.6%. In Wales, the figure rose from 3.6% of total spending on first-runs to 4.6%.

Figure 2.9 Expenditure on out-of-London productions

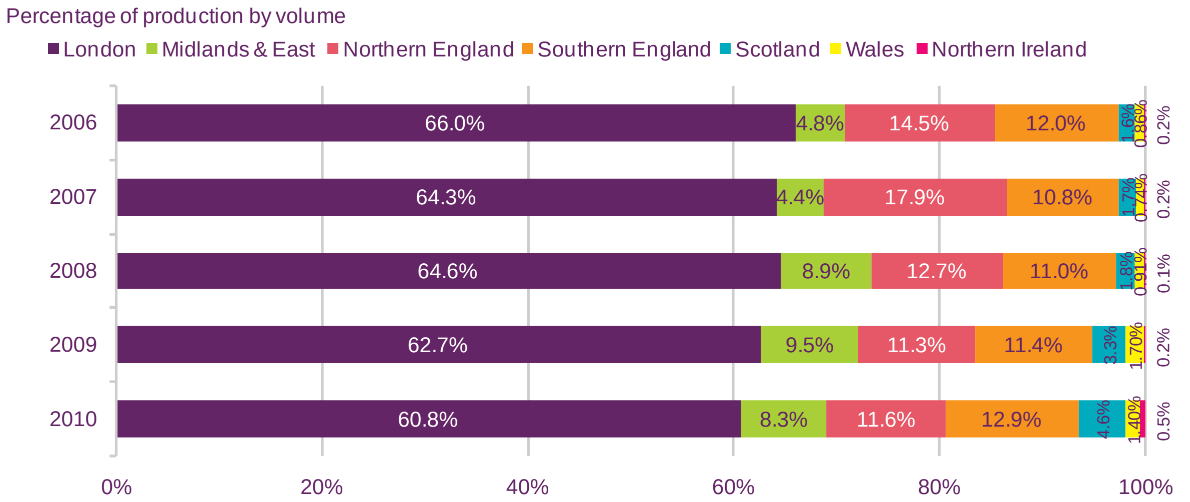


Source: Broadcasters

In terms of volume, 60.8% of first-run programmes made in the UK in 2010 were produced within the M25, down from 62.7% in 2009 and 66% in 2006. A further 11.6% were produced in Northern England, 12.9% in Southern England and 8.3% in the Midlands and East (a rise in each case compared to the 2009 figures – 11.3%, 11.4% and 9.5% respectively).

Producers in Northern Ireland delivered 0.5% of all first-run hours during 2010, (up from 0.2% in 2009), while the comparable figure for Scotland was 4.6%; up from 3.3% twelve months earlier (and up from 1.6% in 2006). First-run hours produced in Wales fell from 1.7% in 2009, to 1.4% in 2010 (but still up on the 0.9% figure for 2006) (Figure 2.10).

Figure 2.10 Volume of out-of-London productions



Source: Broadcasters

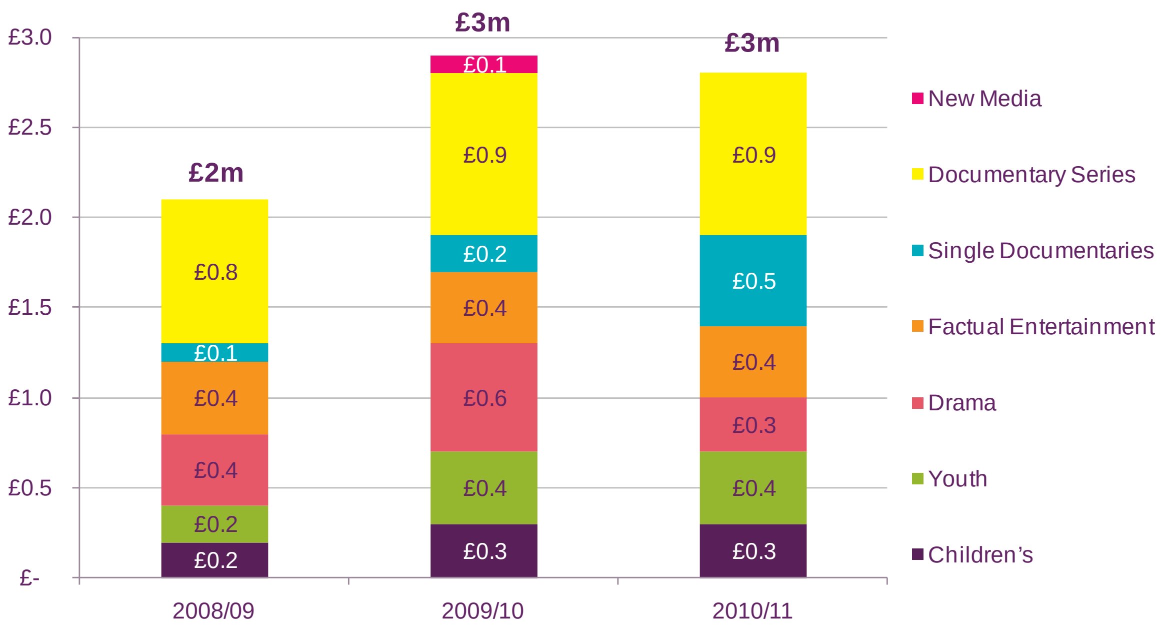
2.6 Irish language programming

In addition to English-language programming, viewers in Northern Ireland can watch Irish-language programming, mainly on the BBC and on TG4, the Irish language channel based in Galway in the Republic of Ireland. In Belfast, the local TV service, NvTv, also broadcast some programmes in Irish. Funding for Irish language programming comes mainly through the Irish Language Broadcast Fund (ILBF) which was set up under the Good Friday Agreement and is administered by Northern Ireland Screen.

In 2010/11, spend by the ILBF remained at £3m although investment levels in certain genres have changed. The largest component of spending in 2010/11 remained documentary series, comprising almost double the amount of the second largest genre category (single documentaries)

Spend on single documentaries has more than doubled since 2009/10 to £0.5m, while spend on drama has halved to £0.3m.

Figure 2.11 Spend by the ILBF on Irish language programming



Source: ILBF

2.7 Recent developments in Northern Ireland

Northern Ireland Screen announced the first and second calls for the new Ulster Scots Broadcast Fund (USBF) in February 2011. The organisation will oversee the new USBF with an anticipated budget of £1m per annum over the next five years (2011 to 2015). The USBF will provide finance for the production of film, television or other moving image projects relating to Ulster Scots heritage, culture and language in Northern Ireland. It aims to produce 20 hours of additional programming per year, with an initial audience target of 25,000 people.

In February 2010 the UK government confirmed £12m for the ILBF, securing the Fund's future until 2015.

The UK government has a commitment under the Good Friday Agreement of 1998 to secure the availability of TG4 in Northern Ireland after digital switchover and a commitment under a Memorandum of Understanding with the Republic of Ireland's government of February 2010 to facilitate the widespread availability of RTÉ 1 & 2 in Northern Ireland and of BBC One and Two in the Republic of Ireland. The Government asked Ofcom to identify suitable spectrum for the relay of these TV services in Northern Ireland and to advise the government on the technical and regulatory options.

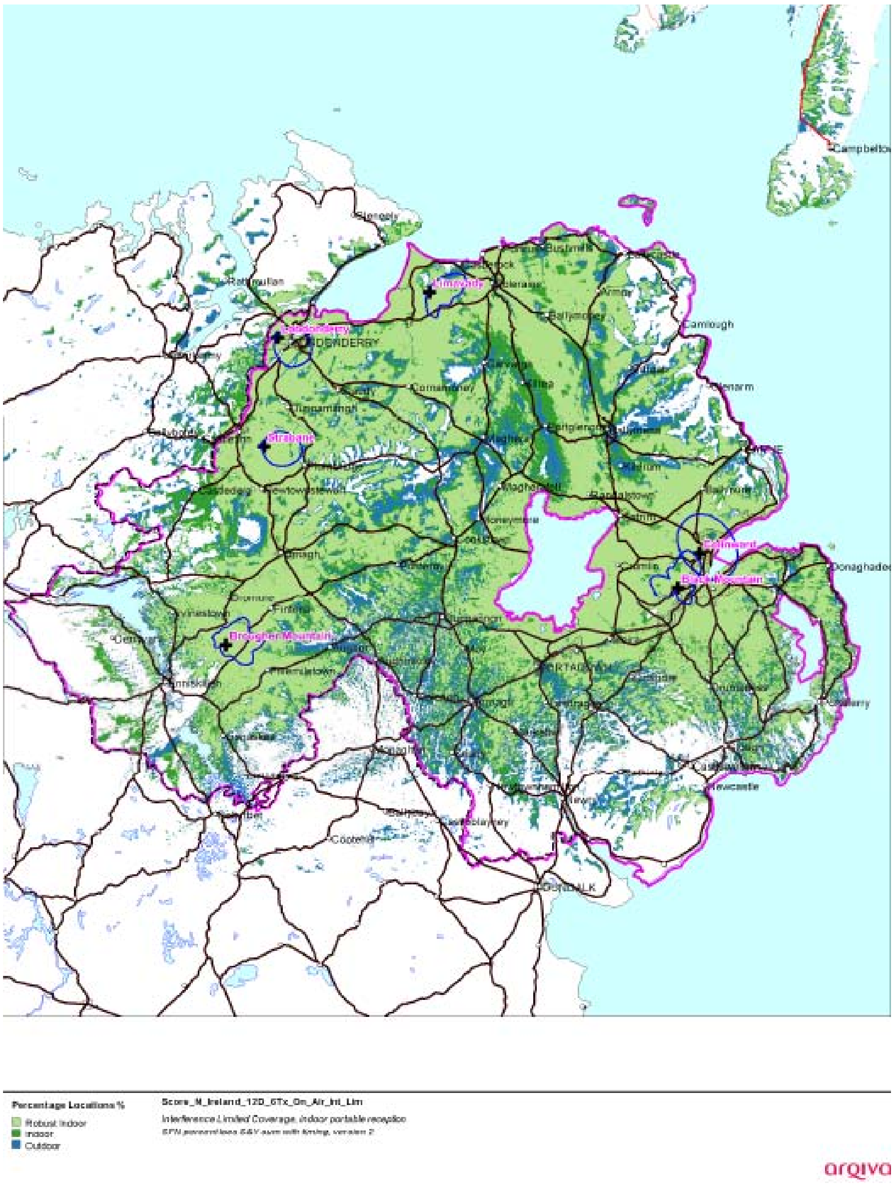
In December 2010 the government confirmed plans to launch an additional 'mini-multiplex' in Northern Ireland using the interleaved spectrum which will carry TG4 and RTÉ 1 & 2. The UK government has requested that Ofcom issue a licence for such a multiplex to a not-for-profit joint venture formed by TG4 and RTÉ. This new 'mini-mux', combined with digital overspill, will mean that most viewers across Northern Ireland will continue to be able to watch these channels on a free-to-air digital platform.

3 Radio and audio content

3.1 Radio service availability

In Northern Ireland digital radio listeners can access up to 22 DAB stations, including the 11 national BBC stations plus BBC Radio Ulster/ Foyle and three of the UK's national commercial stations (Classic FM, talkSPORT, and UCB). An additional six stations are available through the local DAB multiplex in Northern Ireland, including simulcasts of local commercial stations: Downtown Radio, Cool FM, Q102.9 FM and Citybeat, as well as two music-based stations, Magic and Heat. This multiplex provides services to around 75% of households in the editorial area[3]. For further information on how DAB coverage may improve in the future, see Ofcom's DAB planning consultation, published in June 2011[4].

Figure 3.1 Commercial DAB multiplex coverage map for Northern Ireland

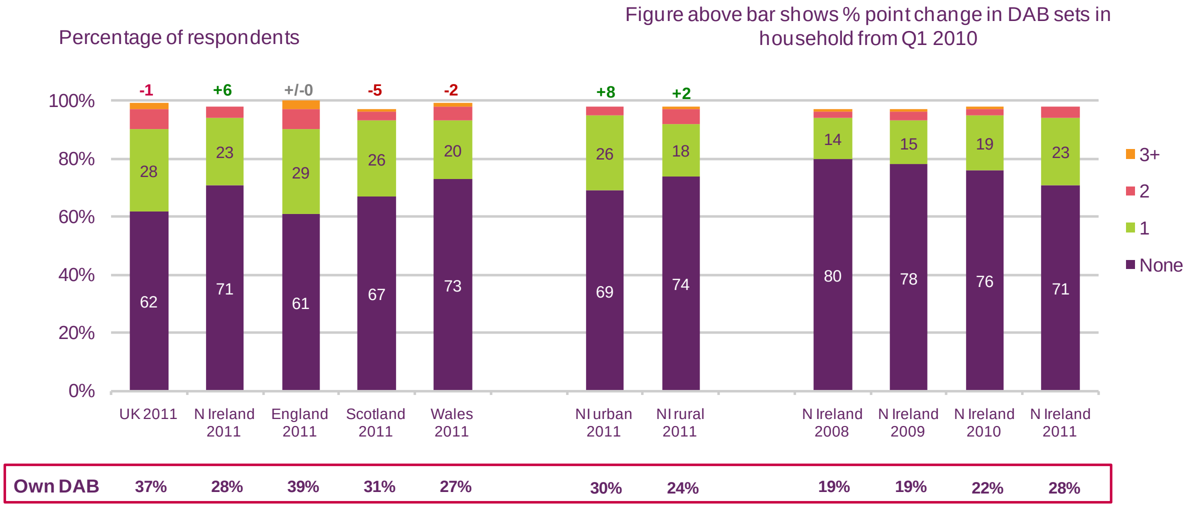


3 http://stakeholders.ofcom.org.uk/binaries/consultations/dab-coverage-planning/AnnexB/DSO_12D_Northern_Ireland_DA1.pdf
4 http://stakeholders.ofcom.org.uk/consultations/dab-coverage-planning/

3.2 Digital radio set ownership

Almost three in ten adults in Northern Ireland who listen to the radio claim they have a DAB radio set at home (28%). This represents a six percentage point rise on 2010 – the largest increase across the nations. DAB ownership is still significantly lower than the UK average of 37%.

Figure 3.2 Ownership of DAB digital radios



Source: Ofcom research, Q1 2011
Base: Adults aged 16+ who listen to radio (n = 2811 UK, 428 Northern Ireland, 1629 England, 357 Scotland, 397 Wales, 212 Northern Ireland urban, 216 Northern Ireland rural, 539 Northern Ireland 2008, 569 Northern Ireland 2009, 653 Northern Ireland 2010, 428 Northern Ireland 2011)
Q4. You said earlier that you have (NUMBER) radio sets in your home that someone in the household listens to in most weeks. How many of these radio sets are digital radios?

Among radio listeners in Northern Ireland who do not have a DAB radio set, 16% say that it is likely that they will purchase a DAB set in the next year[5], compared to 21% across the UK.

3.3 Patterns of listening to audio content

Radio reach in Northern Ireland is higher than the UK average

Among adults in Northern Ireland, average weekly radio listening in the year ending Q1 2011 stood at 22.2 hours and average weekly reach at 92%. While weekly hours of listening were marginally lower than the UK average (22.3 hours), reach was higher (the UK-wide figure was 90.8%) suggesting that, compared to the UK average, a greater proportion of people in Northern Ireland listen to radio, but for shorter periods.

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[5] This finding should be treated with caution, as respondents' stated purchase intentions in survey research are often unreliable.

Figure 3.3 Average weekly reach and listening hours – year to Q1 2011

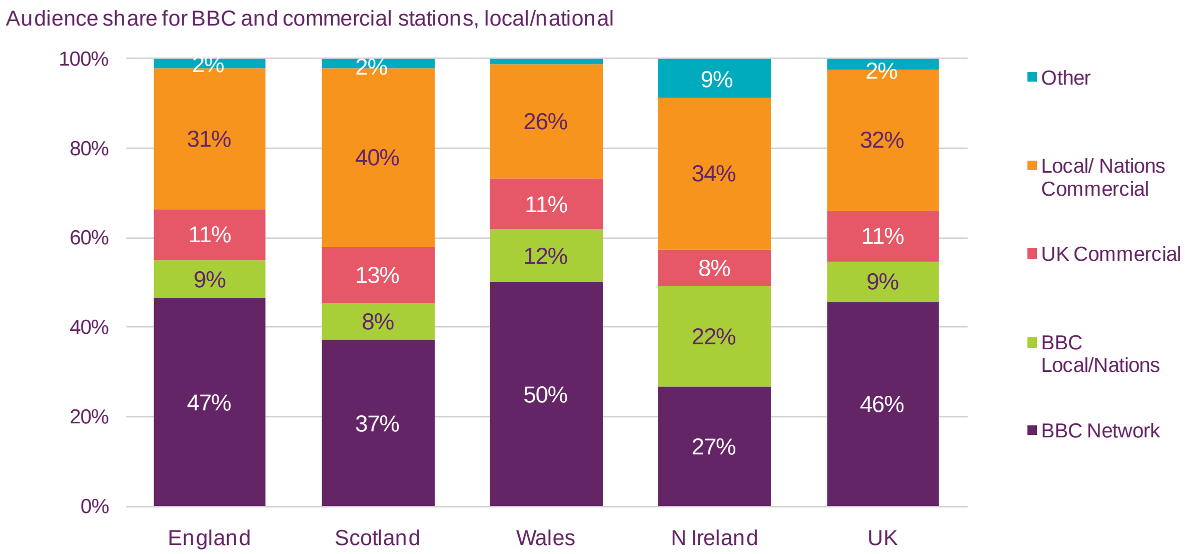
	England	Scotland	Wales	Northern Ireland	UK TOTAL
Average weekly listening	22.3 hours	21.8 hours	23.3 hours	22.2 hours	22.3 hours
Reach	90.9%	88.1%	92.9%	92.0%	90.8%

Source: RAJAR, All adults (15+), year ended Q1 2011. Reach is defined as the total proportion of the respective adult population who listened to at least five consecutive minutes in the average week.

BBC Local/national stations are relatively popular among people in Northern Ireland

In the year ending Q1 2011, BBC Local/nations stations attracted a 22% share of radio listening hours in Northern Ireland, significantly higher than across the other nations (the UK average was 9%). This is consistent with findings in previous years and is explained by the relatively high share of Radio Ulster/ Foyle. Conversely, the BBC's networked services attracted a market share of 27%, much lower than in any of the other nations (the UK average share was 46%). The share of other stations, which includes small community and commercial stations, was 9% - higher than the rest of the UK (where the average was 2%).

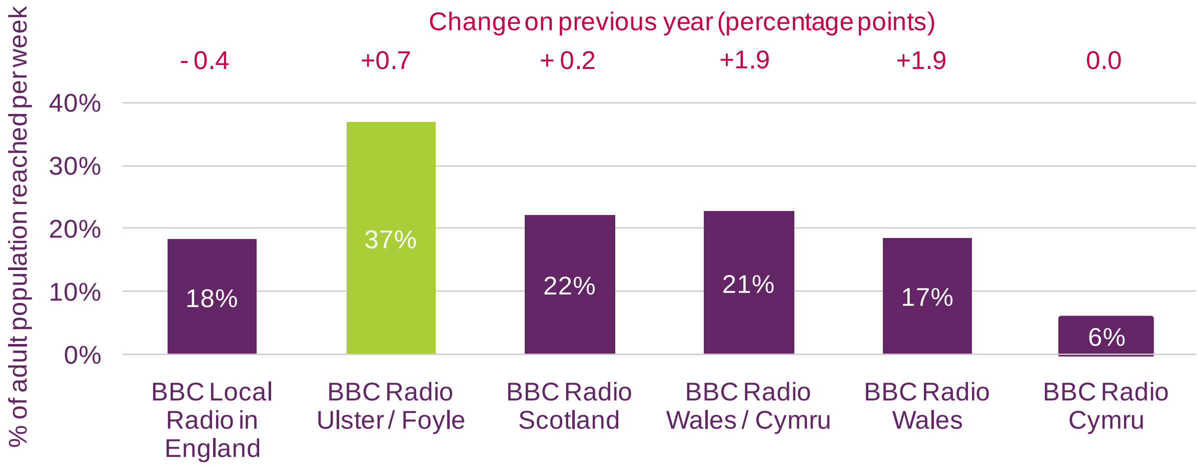
Figure 3.4 Share of listening hours, by nation: year to Q1 2011



Source: RAJAR, All adults (15+), year ended Q1 2011

Just over a third of adults (37%) listened to BBC Ulster/ Foyle in an average week in Q1 2011 (Figure 3.5). The figure rose year on year by 0.7 percentage points, and remains the highest reach of the BBC's national services, and higher than the average local BBC radio audience in England.

Figure 3.5 Weekly reach for national/ local BBC services



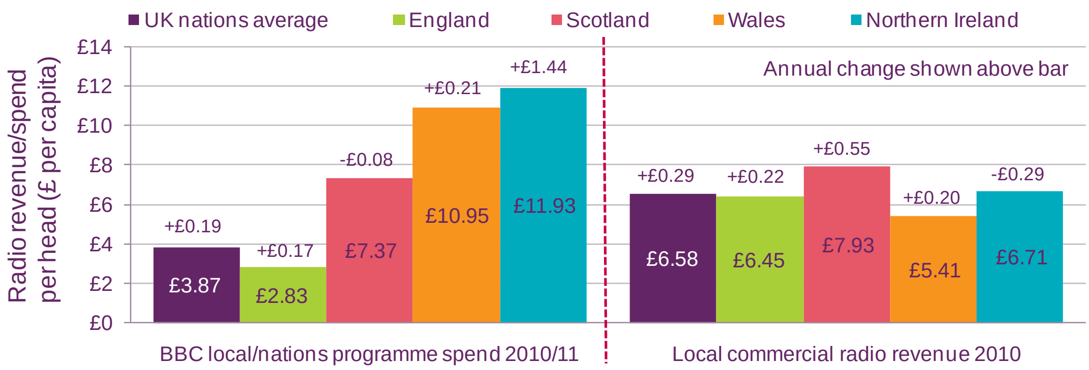
Source: RAJAR, All adults (15+), year ended Q1 2011. Reach is defined as the total proportion of the adult population within each respective TSA who listened to at least five consecutive minutes in the average week.

3.4 The radio industry

We estimate that revenue generated by the commercial stations in Northern Ireland reached £12m in 2010. Adjusting for population size, Northern Ireland has revenue per head of £6.71, a £0.29 decrease on 2009, but above the UK average of £6.58 (which rose by 4% year on year).

BBC Radio spend on BBC Radio Ulster and BBC Radio Foyle totalled £21.6m in 2010/11. Expenditure per head in Northern Ireland is the highest among the UK nations, rising £1.44 on the previous year to £11.93. This is due to the smaller population in Northern Ireland and the added expenditure of running two services.

Figure 3.6 Local/nations radio spend and revenue per head of population 2010/11



Source: Broadcasters, 2010
Note: The UK total shows the average for local commercial radio across the four nations and therefore excludes revenues for the UK-wide commercial stations: Classic FM, talkSPORT, and Absolute. These figures supersede all others and are not directly comparable with historical data.

3.5 Northern Ireland community broadcasting

There are currently ten community radio stations broadcasting in Northern Ireland, with another two due to go on air in 2011.

Belfast-based station Féile FM ceased broadcasting in March 2011 after encountering financial difficulties and the decision was made to surrender the licence, with hopes of applying for a Restricted Service Licence in the future.

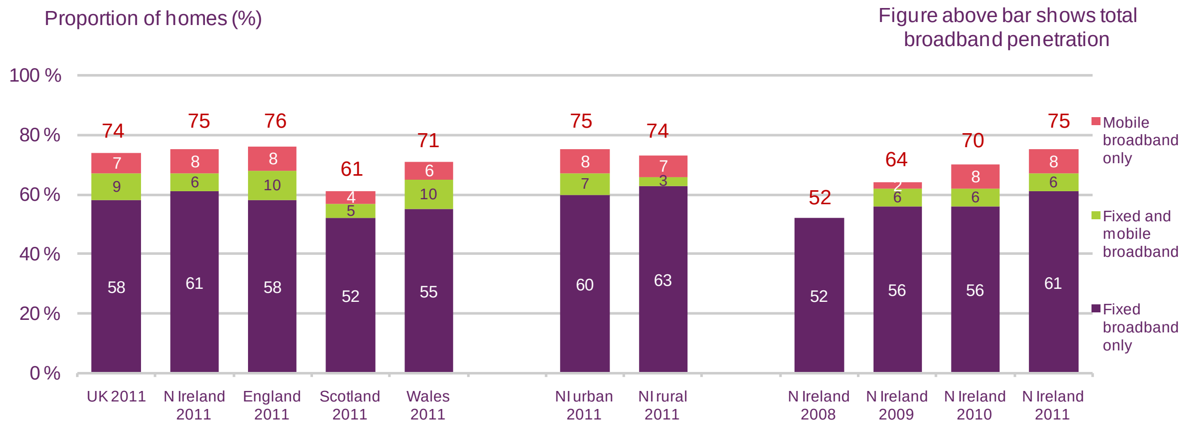
4 Internet and web-based content

4.1 Broadband take-up

Three-quarters of Northern Ireland homes have broadband

Broadband take-up in Northern Ireland has increased by five percentage points since Q1 2010, with 75% of homes now connected. This is on a par with the UK average (74%). This increase has been driven by take-up of fixed broadband connections: 67% of homes in Northern Ireland have a fixed broadband connection and 61% have it as their only connection. Across Northern Ireland, 14% of homes have a mobile broadband connection, although in rural areas take-up is slightly lower, at 10%, compared to 15% in urban areas.

Figure 4.1 Broadband take-up at home



Source: Ofcom research, Q1 2011
Base: All adults aged 16+ (n = 3474 UK, 511 Northern Ireland, 1983 England, 487 Scotland, 493 Wales, 259 Northern Ireland urban, 252 Northern Ireland rural, 629 Northern Ireland 2008, 652 Northern Ireland 2009, 761 Northern Ireland 2010, 511 Northern Ireland 2011)
QE9. Which of these methods does your household use to connect to the internet at home? (NB 2008 survey did not cover mobile broadband. 2008 measure shows any broadband)

Broadband take-up is lowest among over-55s and DE households

Figure 4.2 shows that, as in the rest of the UK, broadband take-up in Northern Ireland varies considerably by demographic factors. Less than half (44%) of those aged 55+ in Northern Ireland have broadband in the home, while take-up is also relatively low among DE socio-economic groups (54%), and in households with incomes less than £17.5k per annum (56%). Whether there are children in the home also has a significant bearing on take-up – 92% of households with children have a broadband connection.

Figure 4.2 Broadband take-up in Northern Ireland (by demographic)

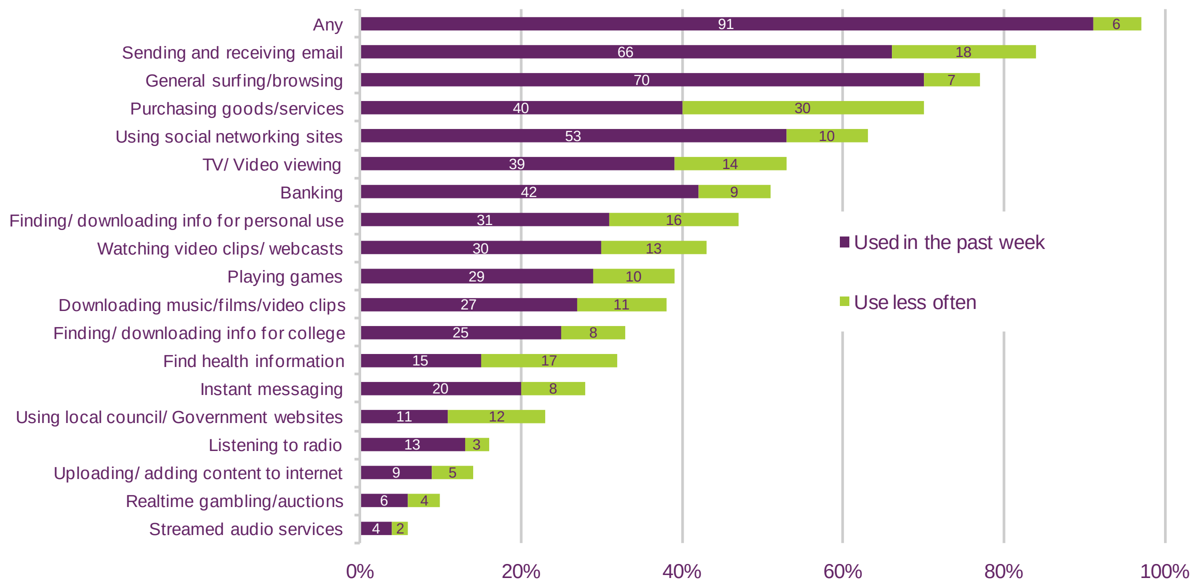
Source: Ofcom research, Q1 2011
Base: All adults aged 16+ (n =511 Northern Ireland, 178 16-34s, 172 35-54s, 161 55+, 99 AB, 135 C1, 100 C2, 177 DE, 225 <£17.5k income, 142 £17.5k+, 209 children in home, 302 no children in home, 162 Belfast metropolitan area)
QE9. Which of these methods does your household use to connect to the Internet at home?

4.2 Internet use

Nearly half of consumers use social networking

Those in Northern Ireland with a broadband connection at home use their connection for a range of purposes, as shown in Figure 4.3. The applications used by broadband consumers in Northern Ireland are similar to those used across the rest of the UK.

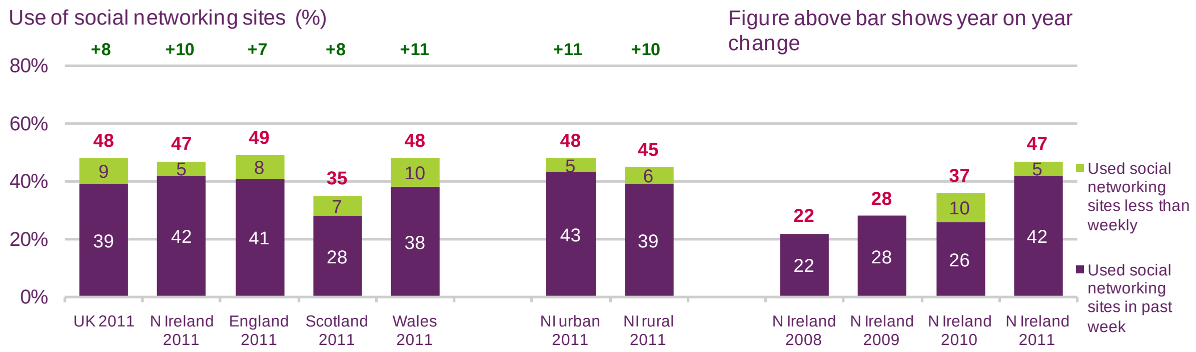
Figure 4.3 Use of online applications among broadband users



Source: Ofcom research, Q1 2011
Base: Adults aged 16+ with a broadband connection at home (n= 317 Northern Ireland)
QE5. Which, if any, of these do you or members of your household use the internet for while at home?

Use of social networking sites increased by eleven percentage points between Q1 2010 and Q1 2011 (when it was used by 63% of broadband users – marginally above the UK average of 60%). This equates to almost half of all consumers in Northern Ireland (47%) visiting such sites, the majority doing so on at least a weekly basis.

Figure 4.4 Use of social networking sites



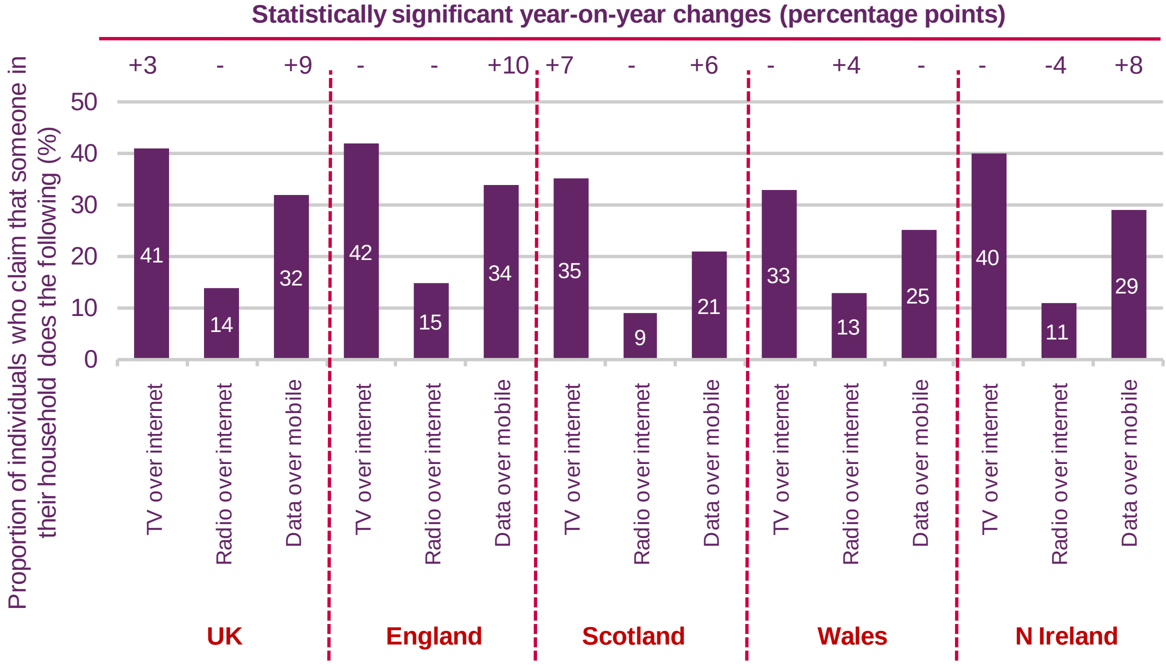
Source: Ofcom research, Q1 2011
QE5A-B. Which, if any, of these do you or members of your household use the internet for while at home?/ And, which, if any, of these activities have you or members of your household used the internet for in the last week?/ QD28A-B. Which, if any, of the following activities, other than making and receiving calls, do you use your mobile for?/ And, which of these activities have you used your mobile for in the last week? (NB 2008 and 2009 surveys did not cover use in past week – 2008 and 2009 measures show any use. 2008, 2009 and 2010 surveys did not ask about using mobile to visit social networking sites)
Base: All adults aged 16+ (n = 3474 UK, 511 Northern Ireland, 1983 England, 487 Scotland, 493 Wales, 259 Northern Ireland urban, 252 Northern Ireland rural, 629 Northern Ireland 2008, 652 Northern Ireland 2009, 761 Northern Ireland 2010, 511 Northern Ireland 2011)

A third of adults in Northern Ireland use data on mobile handsets

Three in ten (29%) consumers in Northern Ireland now say that somebody in their home uses their mobile phone to access data services (internet, emails, web-enabled apps etc.), with this figure increasing by eight percentage points since last year. In comparison, a third of UK consumers access data over mobile, an increase of nine percentage points last year. This rapid growth has been driven by the fast-increasing popularity of smartphones. More detail on consumers' use of smartphones is shown in Figure 1.4.

Watching audio-visual content over the internet continues to be a popular pastime in Northern Ireland, with four in ten homes watching services such as BBC iPlayer, 4oD and ITV Player. Eleven per cent of homes use the internet to listen to the radio, broadly in line with the UK average (14%).

Figure 4.5 Consumers' use of converging platforms



Source: Ofcom research, Q1 2011
Base: All adults aged 16+ (n = 3474 UK, 1983 England, 487 Scotland, 493 Wales, 511 Northern Ireland)
Questions. Which, if any, of these do you or members of your household use the internet for whilst at home?/ Which, if any, of the following activities, other than making and receiving calls, do you use your mobile for?/ Includes download free applications, download paid for applications, send/ receive emails, accessing the internet, connecting to the internet using Wi-Fi, using VoIP service, download a new video clip, video streaming, TV streaming, accessing/ receiving, sports/ team news/ scores, accessing/ receiving news, use IM/ Instant messaging

5 Telecoms and networks

5.1 Broadband availability

All homes in Northern Ireland are connected to an ADSL-enabled exchange, while 75% are connected to an LLU-enabled exchange

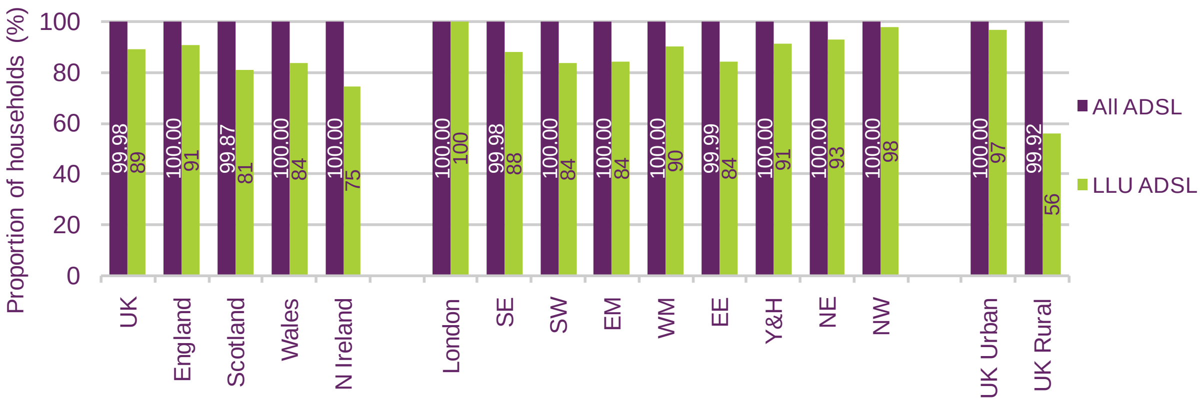
ADSL broadband is delivered over the copper phone line running from the local telephone exchange to the user's premises and has the highest availability of all of the technologies capable of delivering fixed broadband services in the UK. ADSL coverage therefore gives a good indication of overall UK broadband availability.

At the end of 2010 over 99.9% of UK homes were connected to an ADSL-enabled local exchange (although some people living in these areas may not be able to receive ADSL broadband services, or may be able to do so only at very slow speeds, as a result of the long length or poor quality of the copper telephone line from their premises to the local telephone exchange). All local exchanges in Wales and Northern Ireland were ADSL-enabled, while across England and Scotland 26 local exchanges were not ADSL-enabled (20 in Scotland and six in England) meaning that only a small proportion of households could not access fixed-line broadband services (Figure 5.1).

Households connected to an ADSL-enabled exchange have access to broadband services delivered by the incumbent operator (BT for the whole of Northern Ireland and all of the UK except Hull), and consumers can choose between retail services provided either by the retail arm of the incumbent (BT Retail), or other retail services which use wholesale services provided by the incumbent.

In addition, many exchanges have been 'unbundled'. This means that a local-loop-unbundling (LLU) provider has sited its own equipment in the BT's local exchange and provides ADSL broadband (either on a standalone basis or in conjunction with fixed voice services) over the incumbent's copper wire from the exchange to the customer premises. Those living in an unbundled exchange area are therefore likely to have a greater choice of providers and tariffs available to them than those living in exchange areas which have not been unbundled. At the end of 2010, 75% of homes in Northern Ireland were in exchange areas that had been unbundled, the lowest of all the UK nations. However, this is up from 69% of Northern Ireland households at the end of 2009, and just 10% at the end of 2006.

Figure 5.1 Proportion of homes connected to ADSL-enabled and unbundled exchanges



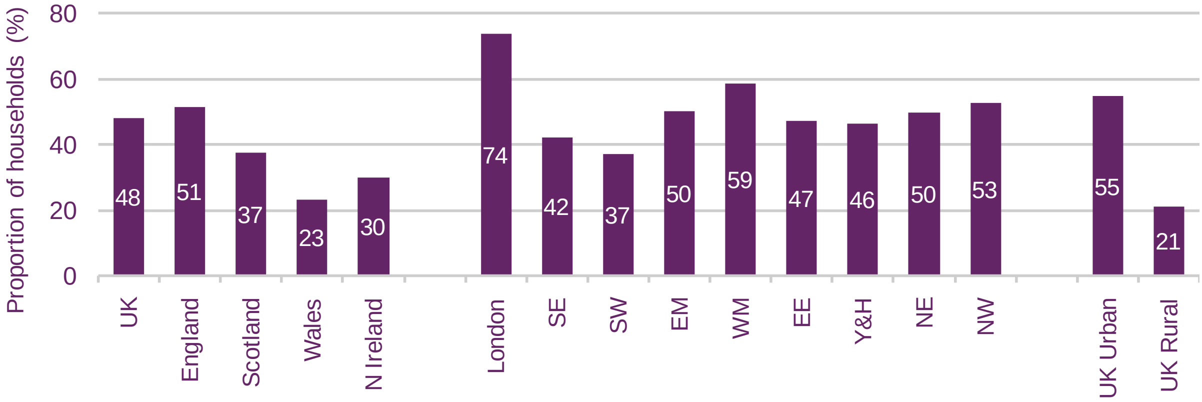
Source: Ofcom / BT, December 2010 data

Northern Ireland had the second lowest proportion of homes passed by Virgin Media's cable network, at 30%

After ADSL broadband, cable broadband is the second most popular broadband technology in the UK and in June 2010, 30% of Northern Ireland homes were passed by Virgin Media's cable broadband network, compared to 48% of all UK households. The cable network offers headline connection speeds of 'up to' 50Mbit/s (and 100Mbit/s in some areas including parts of Belfast, Glengormley and Derry/Londonderry City) and is concentrated in urban areas, as the original cable franchises concentrated the network build in highly populated areas in order to maximise their potential customer bases.

This is reflected in Figure 5.2 below, which shows that while 55% of homes in urban areas were passed by Virgin's cable broadband network in June 2010, only 21% in rural areas were. This largely explains the difference between the nations - the proportion of homes passed by Virgin Media's cable broadband network was lowest in Wales at 23%, and highest in England at 51%.

Figure 5.2 Proportion of households passed by Virgin Media's cable broadband network



Source: Ofcom / Virgin Media, June 2010 data

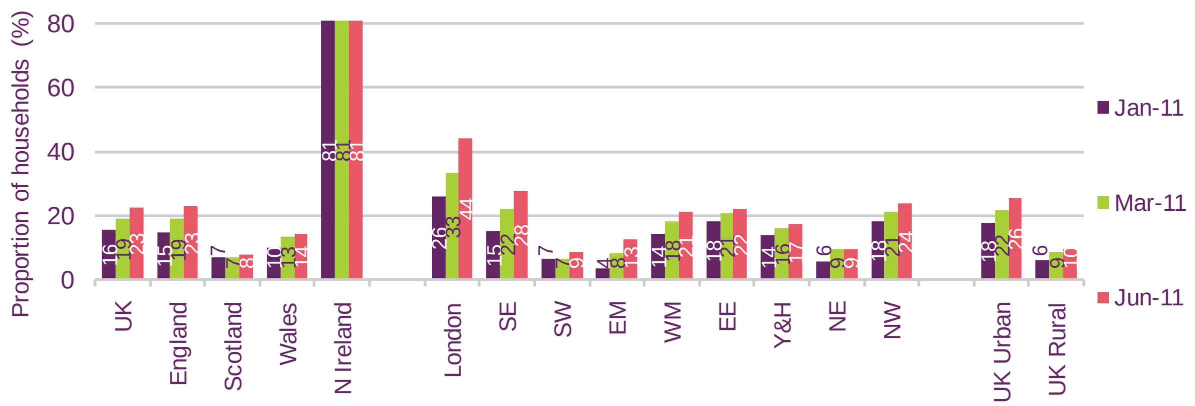
More than eight in ten Northern Ireland homes are passed by fibre-to-the-cabinet broadband –higher than the rest of the UK

Fibre-to-the-cabinet (FTTC) broadband involves running fibre-optic cable from the local exchange to the street cabinet and then using VDSL (a fast form of DSL) to provide broadband service to the end-user over the copper wire from the cabinet to the customer's premises. BT's current FTTC service offers headline speeds of 'up to' 40Mbit/s, although it recently announced that this will be increased to 'up to' 80Mbit/s in 2012[6]. Ofcom research finds that average speeds delivered by BT Retail's *Infinity* service were around 32Mbit/s, more than four times as fast as average speeds delivered by 'up to' 20/24Mbit/s ADSL services

BT is now rolling-out FTTC, passing around 80,000 new premises every week, and aims to make it available to two-thirds of UK homes by 2015[7]. Northern Ireland has benefited from early deployment and at the beginning of June 2011 81% of homes were connected to an exchange where FTTC has been deployed – compared to around 23% across the UK as a whole.

It should be noted that it is usual in FTTC deployments that not all cabinets in an FTTC-enabled exchange area have fibre-optic cable run to them. This means that it is likely that the proportion of homes in Northern Ireland that are able to receive FTTC services will be slightly lower than the 81% that are connected to an FTTC-enabled exchange.

Figure 5.3 Proportion of households connected to an FTTC-enabled exchange



Source: Ofcom / BT, January 2011 data

5.2 Mobile coverage

Although around nine in ten households in the UK have a mobile phone, there remain areas of the country where a lack of network coverage means that making mobile calls is not possible. These areas, sometimes known as 'mobile not-spots', are characterised by low population density and/or challenging terrain which present physical and economic obstacles that may deter operators from erecting and maintaining mobile masts.

6 http://www.btplc.com/News/ResultsPDF/q411release.pdf
7 http://www.btplc.com/news/Articles/ShowArticle.cfm?ArticleID=B6241B17-F6F9-43E1-954C-D88EFD2150FC

How we measure the availability of mobile telephony in this report

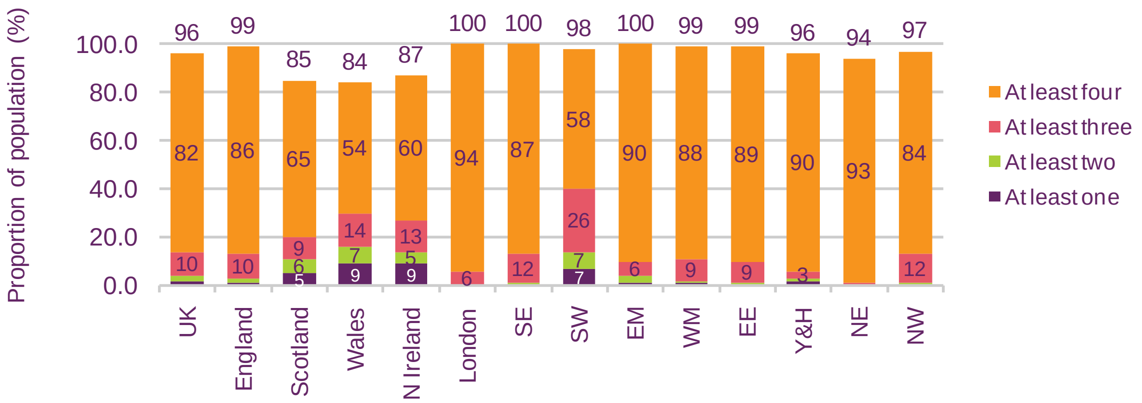
To evaluate the availability of mobile telephony services across the UK we examine the number of mobile networks with second generation (2G) and third generation (3G) coverage in each postcode district. For an operator to be counted as having coverage, its network footprint has to cover at least 90% of the postcode district, and by using this information in conjunction with population figures we can calculate the proportion of people living in postcodes that fall within this coverage threshold.

It is important to note that even if a postcode district does not meet or exceed the 90% threshold, it does not mean that mobile services are not available there; rather, that none of the mobile operators meets the 90% threshold that we have set in this analysis.

Figure 5.4 details levels of mobile coverage based on population – it shows that 96% of people across the UK live in a postcode district with at least 90% 2G area-coverage from one or more operators. In the chart pack for this report we also detail mobile coverage by geography and provide maps indicating areas of mobile coverage.

2G mobile coverage is lower in Northern Ireland than in the UK as a whole – 13% of the population in Northern Ireland live in postcode areas where no operator has more than 90% coverage. Lower network coverage in Northern Ireland, Wales and Scotland than in England is a reflection of large areas of low population density and areas where hilly or mountainous terrain limits the range of cellular masts.

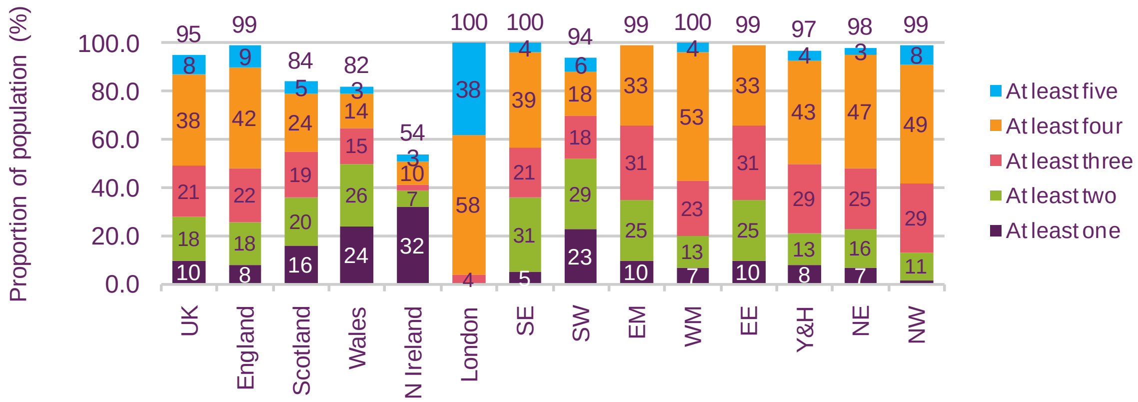
Figure 5.4 2G mobile phone population coverage (90%), by number of operators



Source: Ofcom / GSM Association / Europa Technologies; Q2 2011
Note: Figures show the percentage of population within postcode districts where at least one operator had at least 90% 2G area coverage; data not directly comparable to those published in the 2010 report.

3G mobile networks offer faster download speeds which offer a much better experience of mobile data services such as web browsing and downloading files from the internet. Across the UK 3G coverage is generally lower than 2G coverage. This is particularly true in Northern Ireland, where 54% of people live in a postcode area with good 3G coverage from at least one operator – the lowest of all the UK nations. It is also notable that the majority of those who live in an area with good 3G coverage only have it from one operator. This makes it particularly important that consumers check coverage using operators' postcode checkers before choosing a network provider.

Figure 5.5 3G mobile phone population coverage (90%), by number of operators



Source: Ofcom/ GSM Association / Europa Technologies; Q2 2011
Note: Figures show the percentage of population within postcode districts where at least one operator had at least 90% 3G area coverage; data not directly comparable to those published in the 2010 report.

5.3 Service take-up

High levels of ownership of fixed and mobile telephony in Northern Ireland

Ownership of mobile telephony has risen by four percentage points on Q1 2010 figures, with this increase driven by rising take-up in urban areas. Personal ownership of a mobile phone in Northern Ireland is among the highest in the UK, at 92%.

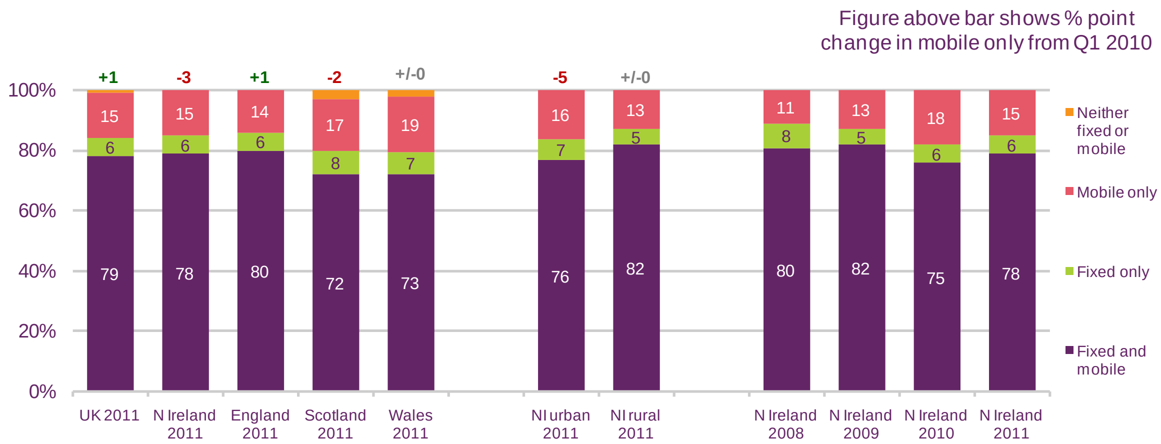
Figure 5.6 Take-up of communications services: 2011

		UK	N Ireland	England	Scotland	Wales	NI urban	NI rural
Individual								
Voice telephony	Fixed Line	**85%**	84%	85%	80%	80%	83%	87%
	Mobile	**91%**	92%	92%	86%	87%	91%	92%
Internet	PC	**77%**	78%	78%	65%	74%	78%	80%
	Total Internet	**76%**	76%	78%	64%	72%	76%	75%
	Broadband (fixed and mobile)	**74%**	75%	76%	61%	71%	75%	74%
	Fixed Broadband	**67%**	67%	68%	57%	65%	67%	67%
	Mobile Broadband	**17%**	13%	18%	9%	16%	15%	10%

Source: Ofcom research, Q1 2011
Base: All adults aged 16+ (n = 3474 UK, 511 Northern Ireland, 1983 England, 487 Scotland, 493 Wales, 259 Northern Ireland urban, 252 Northern Ireland rural))
QC1. Is there a landline phone in your home that can be used to make and receive calls?/ QD2. Do you personally use a mobile phone?/ 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?/ QE9. Which of these methods does your household use to connect to the Internet at home?

Just as in the UK as a whole, 15% of adults in Northern Ireland live in a mobile-only home, so are reliant on mobile telephony for incoming and outgoing calls. Across Northern Ireland nearly eight in ten homes (78%) have fixed and mobile telephony – with this being more prevalent in rural (82%) than in urban (76%) areas.

Figure 5.7 Cross-ownership of household telephony services

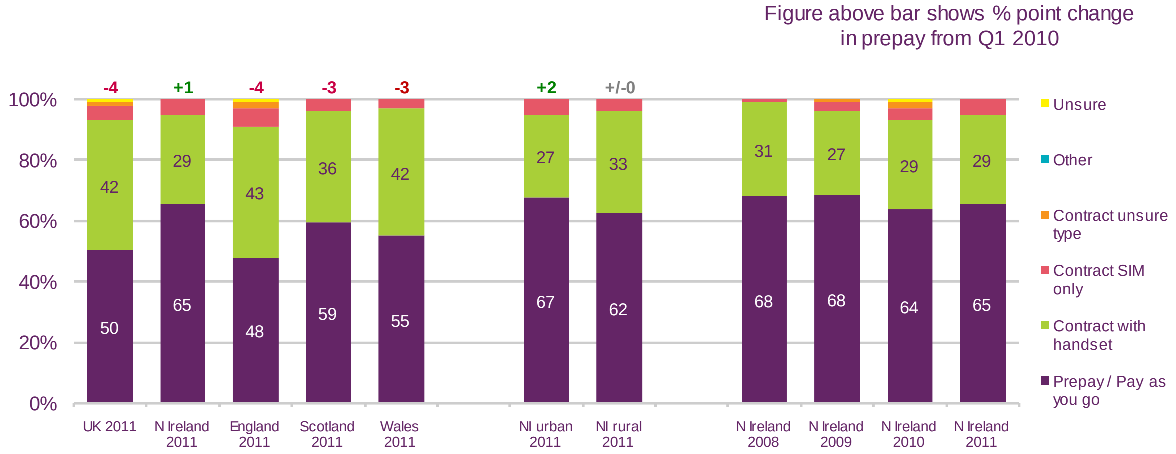


Source: Ofcom research, Q1 2011
Base: All adults aged 16+ (n = 3474 UK, 511 Northern Ireland, 1983 England, 487 Scotland, 493 Wales, 259 Northern Ireland urban, 252 Northern Ireland rural, 629 Northern Ireland 2008, 652 Northern Ireland 2009, 761 Northern Ireland 2010, 511 Northern Ireland 2011)
QC1. Is there a landline phone in your home that can be used to make and receive calls?/ QD1. How many mobile phones in total do you and members of your household use?

Nearly two-thirds of mobile users in Northern Ireland (65%) have a pre-pay (or 'pay-as-you-go') package rather than a contract (or 'pay-monthly') subscription, compared to 50% in the UK as a whole. It is also notable that while there has been a trend in the rest of the UK for consumers to move from pre-pay to contract, in Northern Ireland the proportion on pay monthly was stable (up one percentage point between Q1 2010 and Q1 2011).

Another characteristic of the Northern Ireland mobile market is the high share of O2 customers, with 67% of mobile users claiming to use the O2 network most often – significantly higher than the 26% UK average.

Figure 5.8 Type of mobile subscription



Source: Ofcom research, Q1 2011
Base: Adults aged 16+ who personally use a mobile phone (n = 3091 UK, 425 Scotland, 1786 England, 416 Wales, 464 Northern Ireland, 205 Northern Ireland urban, 220 Northern Ireland rural, 744 Northern Ireland 2008, 877 Northern Ireland 2009, 1237 Northern Ireland 2010, 425 Northern Ireland 2011)
QD11. Which of these best describes the mobile package you personally use most often? (NB 2008 survey did not cover type of contract)

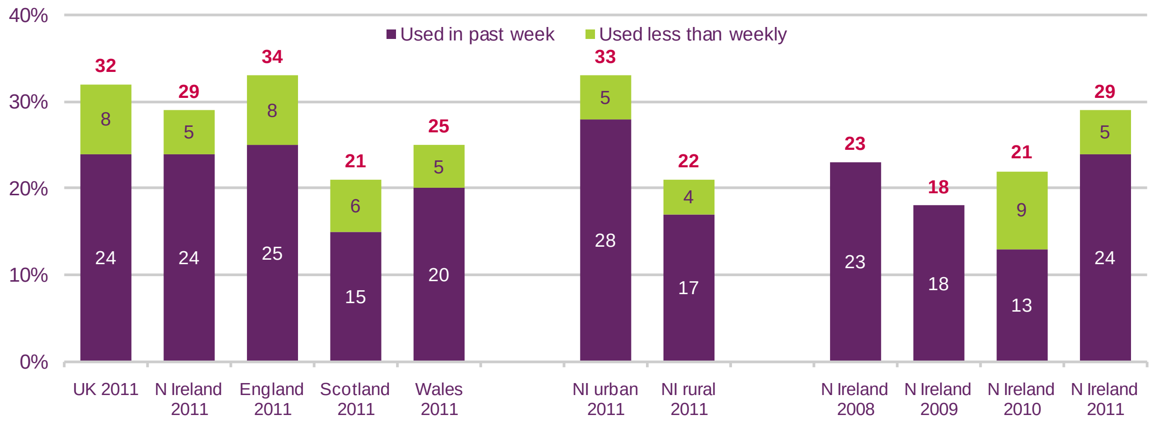
Nearly a quarter of mobile phone users now own a smartphone

Twenty-three per cent of adults with a mobile phone in Northern Ireland now have a smartphone handset. Ownership of smartphones is below the UK average of 30%, but still represents the rapid adoption of a technology that has only been widely available to consumers for the past 2-3 years. In Northern Ireland 16-34 year olds (37%) and ABC1 socio-economic groups (29%) are among those most likely to have a smartphone (see Figure 1.4 in section 1).

Significant rise in use of mobile handsets to access the internet

Hand-in-hand with the adoption of smartphones is an increase in the use of mobile phones to access the internet. In Q1 2011, 29% of adults in Northern Ireland said that they used a mobile phone handset to access the internet (up from 23% in Q1 2010), and 24% had done so in the past week. One in three adults (33%) used a phone to access the internet in urban areas, compared to one in five in rural areas (22%).

Figure 5.9 Use of mobile phone to access the internet



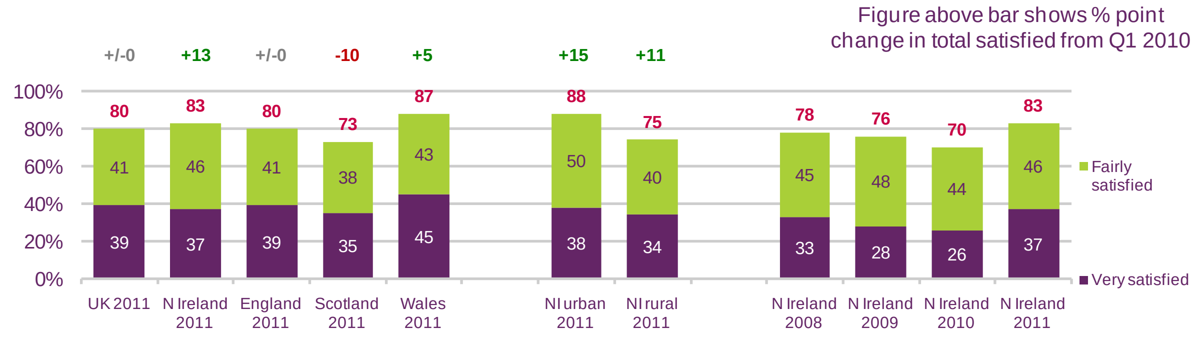
Source: Ofcom research, Q1 2011
Base: All adults aged 16+ (n = 3474 UK, 511 Northern Ireland, 1983 England, 487 Scotland, 493 Wales, 259 Northern Ireland urban, 252 Northern Ireland rural, 629 Northern Ireland 2008, 652 Northern Ireland 2009, 761 Northern Ireland 2010, 511 Northern Ireland 2011)
QD28A-B. Which, if any, of the following activities, other than making and receiving calls, do you use your mobile for?/ And, which of these activities have you used your mobile for in the last week? (NB 2008 and 2009 surveys did not cover use in past week – 2008 and 2009 measures show any use)

5.4 Satisfaction

Satisfaction with fixed broadband speeds increases in Northern Ireland

Overall satisfaction with fixed broadband connections has increased significantly over the past year in Northern Ireland – rising 13 percentage points to 83% satisfied, while the UK figure has remained stable at 80%. Consumers in urban areas are more likely to be satisfied with the speed of their service (88%) than those in rural areas (75%), which is likely to reflect better average performance due to factors such as shorter line lengths between exchange and home and the greater availability of cable. However, despite high satisfaction with fixed broadband speeds in Northern Ireland, as with the rest of the UK, there is low awareness of speed of connections – 58% were unaware of the advertised speed of their connection, while 53% did not know their actual speed.

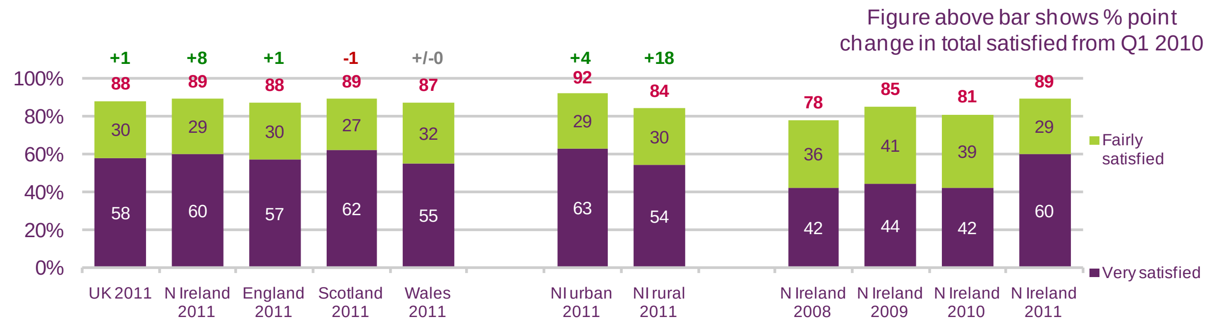
Figure 5.10 Satisfaction with speed of fixed broadband connection



Source: Ofcom research, Q1 2011
Base: Adults aged 16+ with a fixed broadband connection at home (n = 2243 UK, 335 Northern Ireland, 1311 England, 294 Scotland, 303 Wales, 169 Northern Ireland urban, 166 Northern Ireland rural, 319 Northern Ireland 2008, 388 Northern Ireland 2009, 469 Northern Ireland 2010, 335 Northern Ireland 2011)
QE8b. Thinking about your fixed broadband internet service, how satisfied are you with (main supplier) for the speed of your service while online (not just the connection)?
Note: Figures above chart columns indicate the proportion of people who were 'very' or 'fairly' satisfied with their speed of service while online

Satisfaction with mobile phone reception in Northern Ireland has increased by eight percentage points since Q1 2010, and at 89% is on a par with the UK average. This increase was particularly marked in rural areas, where satisfaction increased from 66% in 2010, to 84% in 2011.

Figure 5.11 Satisfaction with reception of mobile phone service



QD21c. Thinking about your mobile phone service only, how satisfied are you with (main supplier) for reception/ accessing network?
Source: Ofcom research, Q1 2011
Base: Adults aged 16+ who personally use a mobile phone (n = 3091 UK, 464 Northern Ireland, 1786 England, 425 Scotland, 416 Wales, 234 Northern Ireland urban, 230 Northern Ireland rural, 527 Northern Ireland 2008, 587 Northern Ireland 2009, 658 Northern Ireland 2010, 464 Northern Ireland 2011)
QD21c. Thinking about your mobile phone service only, how satisfied are you with (main supplier) for reception/ accessing network?
Note: Figures above chart columns indicate the proportion of people who were 'very' or 'fairly' satisfied with their mobile reception

5.5 Recent developments in Northern Ireland

This year has seen significant investment in the telecoms infrastructure in Northern Ireland. By July 2011, the Department of Enterprise, Trade and Investment's (DETI) *Next Generation Broadband* project had delivered fibre-to-the-cabinet (FTTC) to more than 1,700 cabinets at 166 of the 191 exchanges across Northern Ireland.

Total investment in the project was £48m, with £30m coming from BT and the remainder from DETI and the Department of Agriculture and Rural Development (DARD) through the European Regional Development Fund's European Sustainable Competitiveness Programme and the European Agricultural Fund for Rural Development's Rural Development Programme.

In January 2011, BT signed up as the first corporate partner to Derry~Londonderry's role as the inaugural UK City of Culture in 2013[8]. As part of the five-year deal, BT has promised to make the city the first in Ireland, and one of the first in the UK, to have 100% super-fast broadband with fibre being deployed to all the street cabinets.

All these investments, along with BT's own business-as-usual improvements to its network, mean that, by next year, Northern Ireland will have over 2400 fibre-enabled cabinets.

As it is doing across its network, Virgin Media has also started rolling out an 'up to' 100Mbit/s cable broadband service in Northern Ireland, making it available in Belfast, Glengormley and well as in Derry City. The service also offers 'up to' 10Mbit/s upload speeds.

[8] http://www.btplc.com/news/Articles/ShowArticle.cfm?ArticleID=FF2BBFD6-4ED2-4AB9-82A3-7AFD3C90DDC3

6 Media literacy in Northern Ireland

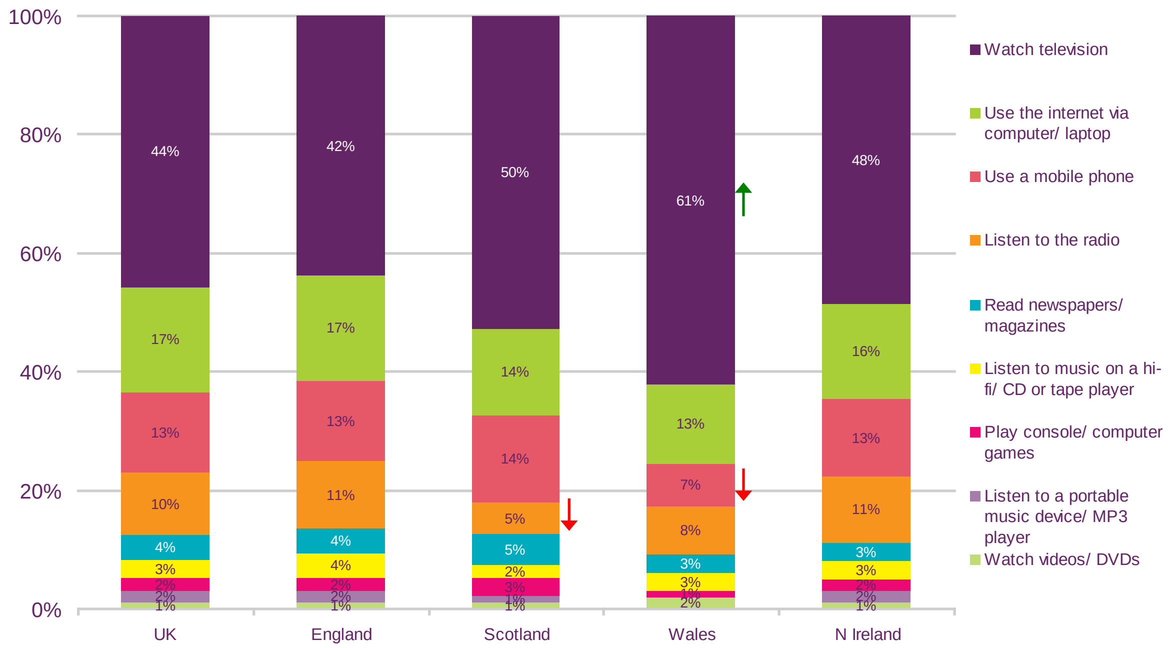
In July, Ofcom published its report *Adults' Media Literacy in the Nations* report. A summary of the findings in Northern Ireland is reproduced below, providing an overview of some of the key measures of media literacy across the nation among adults aged 16 and over. The dataset comprises results from fieldwork conducted in spring and autumn 2010 among 239 adults in Northern Ireland. The full dataset is available here:
www.ofcom.org.uk/medialiteracyresearch

6.1 Media preferences

Similar to the UK average, TV would be the most-missed medium in Northern Ireland

When asked which medium they would miss the most, around half of all adults in Northern Ireland (48%) say television, as in the UK overall. Preferred media activities among adults in Northern Ireland do not differ from the UK as a whole and are at similar levels to 2009.

Figure 6.1 Most-missed media activity



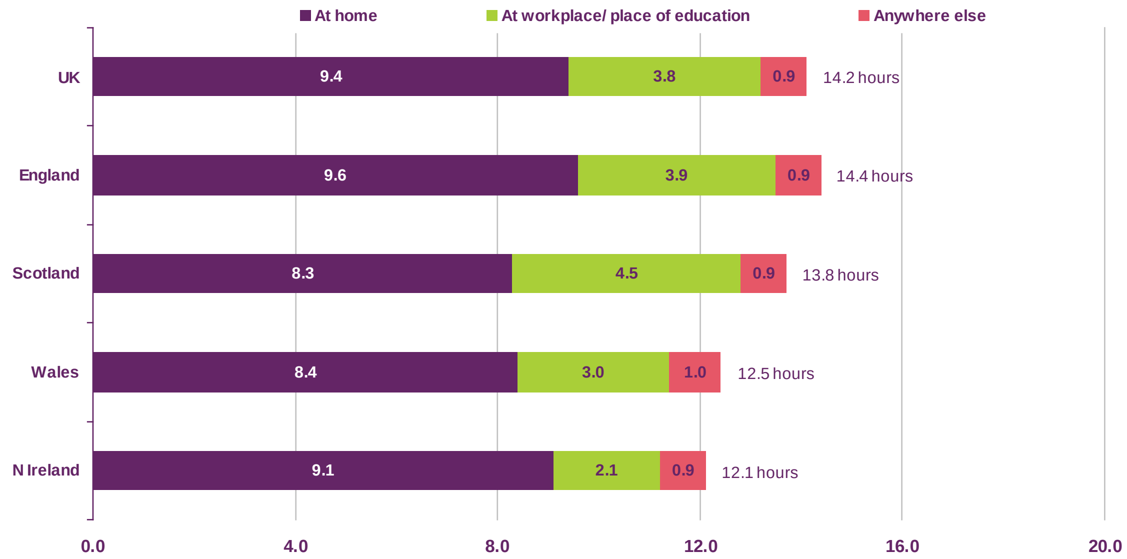
A2 – Which one of these would you miss doing the most? (Prompted responses, single coded)
Base: All adults aged 16+ (2117 UK, 1382 England, 256 Scotland, 240 Wales, 239 Northern Ireland).
Significance testing shows any difference between any nation and the UK.
Source: Ofcom research, fieldwork carried out by Saville Rossiter-Base in April to May and September to October 2010

6.2 Media use

Adults in Northern Ireland claim to spend 12.1 hours per week online

While the overall claimed volume of internet use per week among internet users in Northern Ireland does not differ (in terms of it being statistically significant) to those for all UK adult internet users (12.1 hours vs. 14.2 hours), users in Northern Ireland have a lower claimed volume of internet use at the workplace/ place of education compared to the overall UK measure (2.1 hours vs. 3.8 hours).

Figure 6.2 Claimed volume of internet use per week

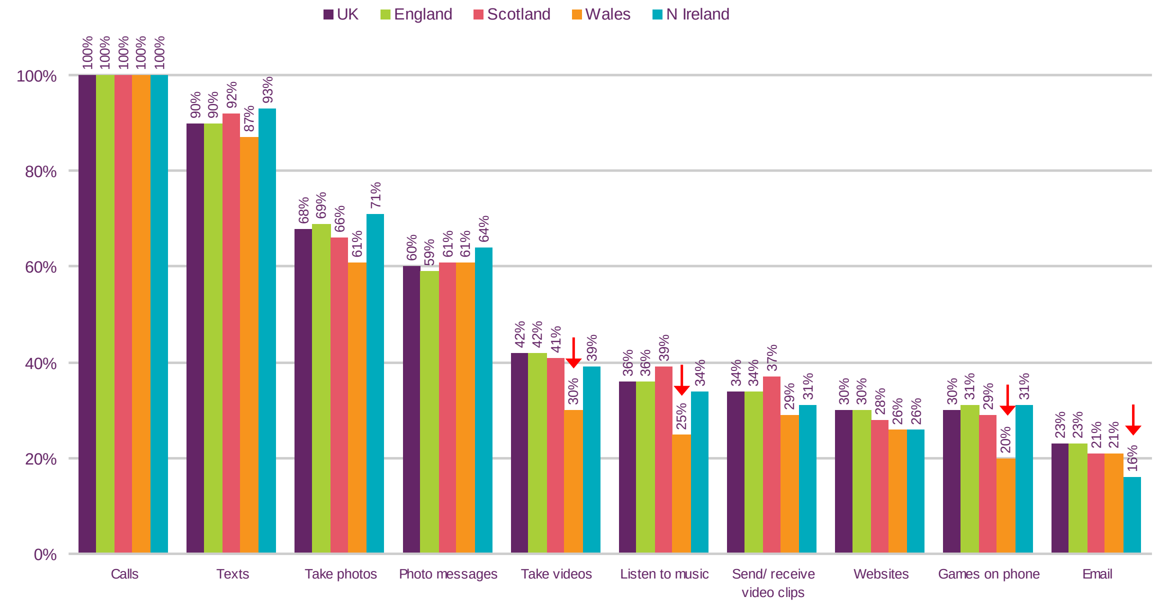


IN7A-C – How many hours in a typical week would you say you use the internet at home/ at your workplace or place of education/ anywhere else? (Unprompted responses, single coded)
Base: All adults aged 16+ who use the internet at home or elsewhere (1489 UK, 1004 England, 162 Scotland, 156 Wales, 167 Northern Ireland). Significance testing shows any difference between any nation and the UK.
Source: Ofcom research, fieldwork carried out by Saville Rossiter-Base in April to May and September to October 2010

Northern Ireland's mobile phone owners claim to make calls and send texts more than the UK average

Mobile phone users in Northern Ireland are more likely than those in the UK as a whole to regularly make calls (98% vs. 93%) or send texts (91% vs. 85%). As with all UK mobile phone users, a minority of those in Northern Ireland regularly use their phone for any of the other types of activities that we asked about. Types of use ever made using a mobile phone are broadly similar to all UK users, but some minority activities are less likely to ever be undertaken by users in Northern Ireland: email (16% vs. 23%), visiting social networking sites (15% vs. 22%), maps/ satellite navigation (7% vs. 21%), checking bank balance (6% vs. 14%) and using Instant Messaging (5% vs. 13%).

Figure 6.3 Top ten mobile phone activities carried out at least once a week



M8A-M8T – Please tell me from this list the types of things you use your mobile phone for, and how often you do each.
Base: All adults aged 16+ who use a mobile phone (1632 in 2009, 1885 in 2010) Smartphone users in 2010 (268). Shows the top 10 weekly uses made by mobile phone users. Significance testing shows any change between 2009 and 2010
Source: Ofcom research, fieldwork carried out by Saville Rossiter-Base in April to May and September to October 2010

6.3 Trust and concerns about media

Adults in Northern Ireland are less likely than all UK adults to agree that they tend to trust the news output from TV (44% vs. 54%) and more likely to disagree (39% vs. 26%). This difference was not evident in 2009. The majority of users in Northern Ireland say that they tend to trust the news output from news websites, to a similar extent as all UK users (53% vs. 59%).

Over half of all internet users in Northern Ireland have concerns about the content

The proportion of users in Northern Ireland mentioning any concerns about media content is similar to that found in 2009, for the internet, television, mobile phone and radio. As with the UK as a whole, around six in ten internet users in Northern Ireland have concerns about what is on the internet (55% vs. 54%), around three in ten users have concerns about mobile phones (27% vs. 24%), and around one in ten listeners has concerns about what is on radio (7% vs. 9%). Adults in Northern Ireland with any TVs are more likely than those in the UK as a whole to have concerns about television (51% vs. 40%), as was also the case in 2009. This difference is due to adults in Northern Ireland being more likely to have concerns that relate to offensive content, such as bad language, violence or nudity (34% vs. 22%). As with all UK internet users, concern about what is on the internet mostly relates to offensive or illegal content.