Digital Television Update

Chart Pack for Q4 2012
April 2013

Digital Television Update: key findings

- In Q4 2012, 98% of households (25.1m) received digital television over any platform, an increase of nearly 5 percentage points (pp) on Q4 2011 (Figure 1).
- The remaining 2% of households included households that watched television through a connected device (e.g. a games console), households that did not have a TV set and any other households whose TV sets could not receive a digital signal (Figure 2).
- Seventy-five per cent of households watched TV over a digital terrestrial signal in Q4 2012, an increase of 0.5pp on Q4 2011 (Figure 1).
- In Q4 2012, 54% of households subscribed to pay TV, up by 2pp on Q4 2011. Thirty-seven per cent of households subscribed to pay satellite in Q4 2012, the same proportion as in Q4 2011. Thirteen per cent of households subscribed to cable in Q4 2012, which was also the same proportion as in Q4 2011 (Figure 5).
- In Q4 2012, 3.4% of households had multichannel platforms other than digital terrestrial, satellite and cable (for example BT Vision), up by 1.4pp on Q4 2011 (Figure 1).
- There were an estimated 2.12m free-to-view digital satellite households in Q4 2012, up from 2.04m in Q4 2011, according to our survey data (Figure 7).

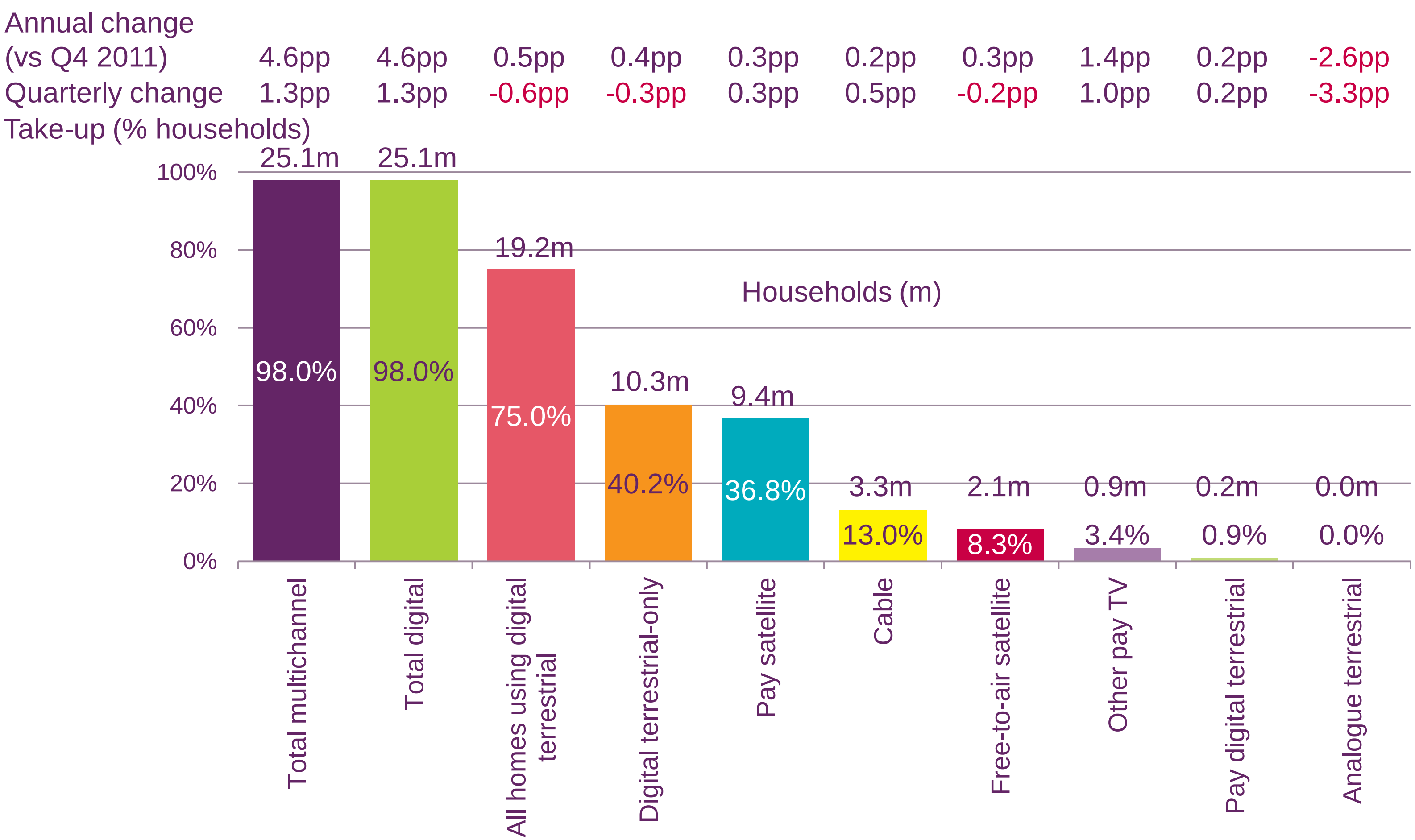
Background to the survey and methodology

- This is the final Digital Television Update and follows the completion of the switchover to digital terrestrial television.
- The GfK consumer research used in this report is based on a panel of 12,000 households surveyed quarterly via the internet and by telephone.
- The survey provides data on ownership and acquisition of television sets and other receiving equipment such as set-top boxes.
- The ratio of online to telephone interviews is designed to specifically meet demographic representative quotas. The error margin for the research results is estimated to be within 1-2pp (up to +/-500,000 households).
- GfK's sample was located in Great Britain only and did not contain households in Northern Ireland.

Figure 1

Platform take-up survey results: Q4 2012

In Q4 2012 98% of households received digital television over any platform

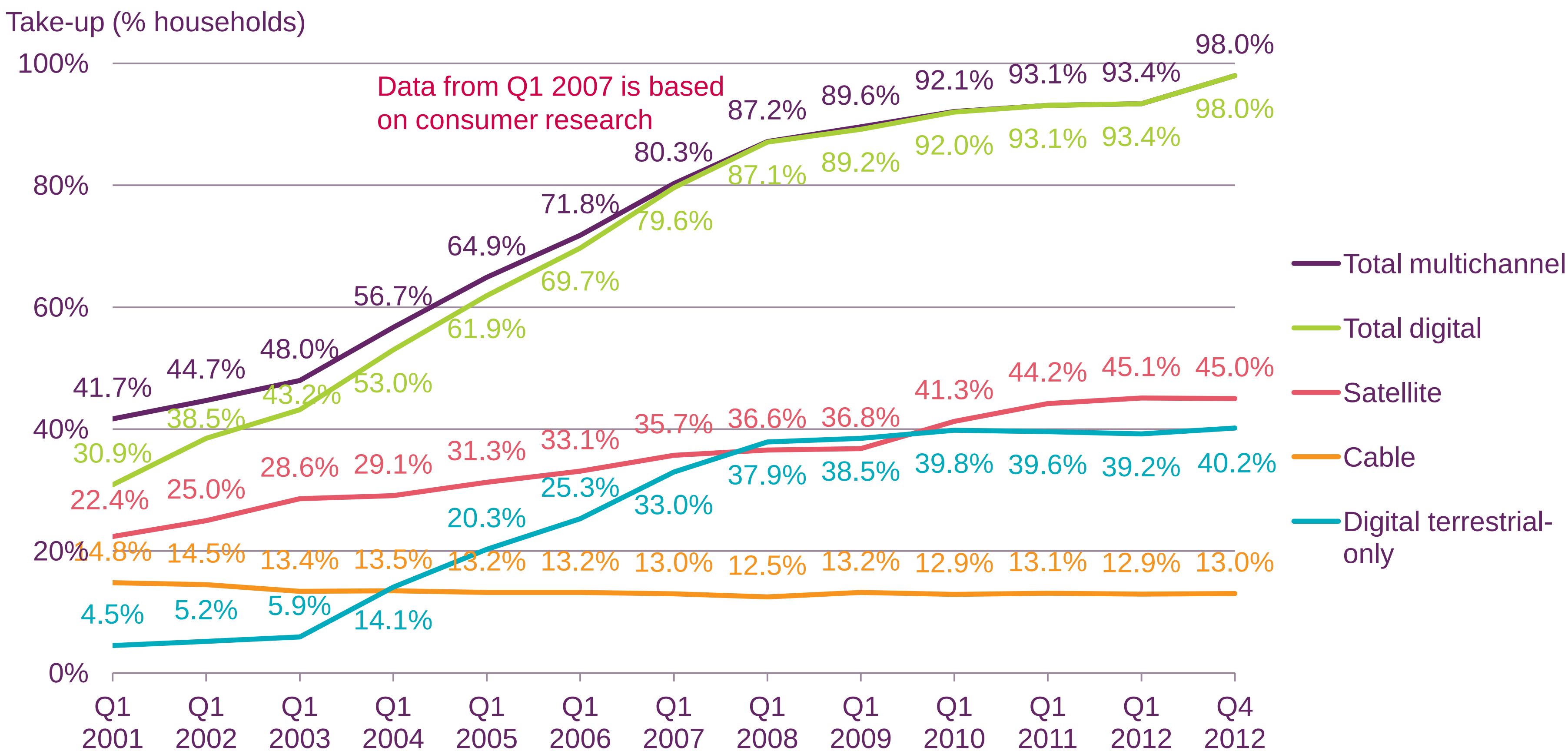


Source: Ofcom / GfK NOP consumer research. Sample GB only.
Note: Analogue terrestrial take-up no longer appears on this chart, as from Q4 2012 television could no longer be watched via an analogue signal.

Figure 2

Digital / multichannel take-up survey results: Q1 2001 - Q4 2012 (% households)

Take-up of satellite and cable as a proportion of all households was stable in 2012

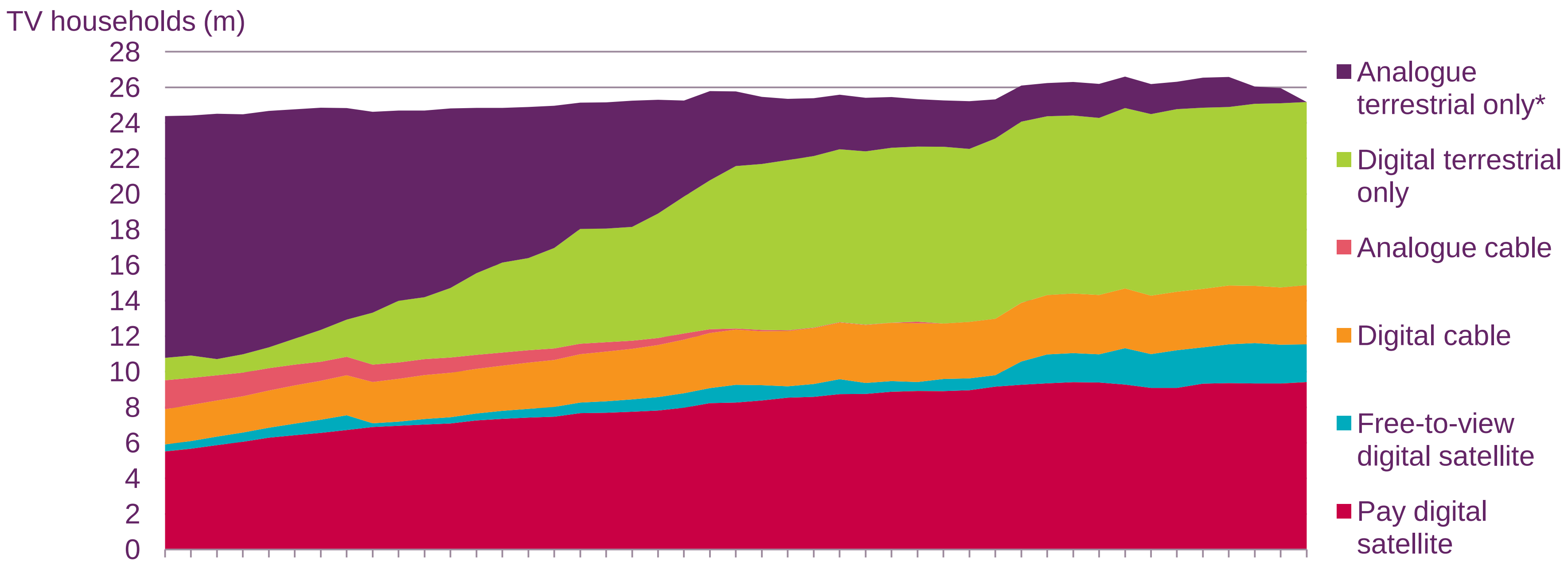


Source: Ofcom / GfK NOP consumer research from Q1 2007. Sample GB only. Previous quarters include subscriber data and Ofcom estimates for digital terrestrial and free-to-view satellite.

Figure 3

Platform take-up survey results: Q4 2001 - Q4 2012

Over 25m households received a digital multichannel signal in Q4 2012



	Q4 2001	Q4 2002	Q4 2003	Q4 2004	Q4 2005	Q4 2006	Q4 2007	Q4 2008	Q4 2009	Q4 2010	Q4 2011	Q4 2012
Multichannel take-up (TV households)	10.8m	11.4m	13.3m	15.5m	18.0m	19.9m	21.9m	22.6m	23.1m	24.3m	24.9m	25.1m
Multichannel take-up (% all households	44.3%	46.0%	54.2%	62.6%	71.8%	78.6%	86.5%	88.9%	91.4%	92.5%	93.4%	98.0%

Source: Ofcom / GfK NOP consumer research from Q1 2007. Sample GB only.
Note: (1) Previous quarters include subscriber data and Ofcom estimates for digital terrestrial and free-to-view satellite.
*Some analogue terrestrial only households would have watched TV through a device connected to their set (e.g. a games console), through another connected device or misreported themselves as analogue terrestrial. From Q2 2012 GfK amended its questionnaire in regions where switchover was complete so that non-multichannel households were no longer recorded as TV households.

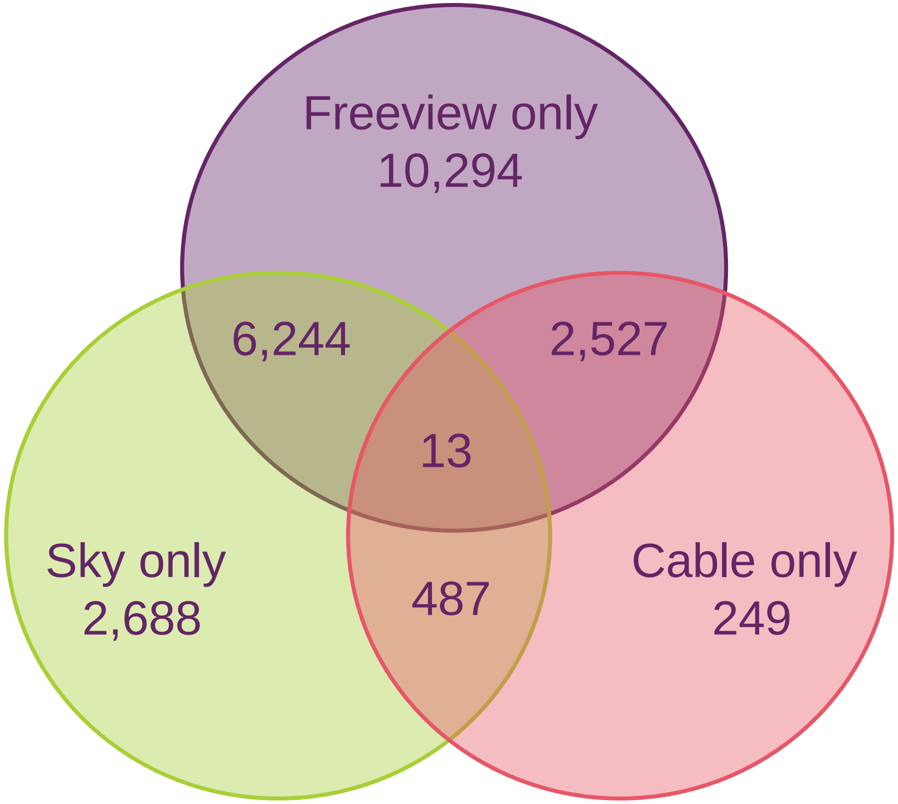
- The survey data indicates a decline in the total number of TV households from Q2 2012 (Figure 3). GfK amended its questionnaire in regions where switchover was complete from Q2 2012, ceasing to record households that claimed to be analogue terrestrial only. However, as households were able to claim to be analogue terrestrial only in previous quarters, the change to the questionnaire may have exaggerated the drop in the total number of TV households between Q2 and Q4 2012.

- Ofcom’s Technology Tracker survey asks respondents what kind of TV signal they receive in their home. In January-February 2013, when switchover was complete across the UK, we saw no increase in the number of households that did not receive a TV signal.

Figure 4

Digital platform overlap: Q4 2012 (000s households)

6,244,000 households received both Sky and Freeview signals in Q4 2012



Source: Ofcom / GfK NOP consumer research. Sample GB only.

Figure 5

Summary: Multichannel take-up and market share survey results

Fifty-four per cent of households received pay TV in Q4 2012

	Q2 2011	Q3 2011	Q4 2011	Q1 2012	Q2 2012	Q3 2012	Q4 2012
Multichannel take-up (% households)							
Cable	12.9%	12.9%	12.9%	12.9%	12.6%	12.6%	13.0%
Satellite	43.0%	43.8%	44.4%	45.1%	45.3%	45.0%	45.0%
Digital terrestrial	39.9%	40.1%	39.8%	39.2%	40.0%	40.4%	40.2%
Other platforms	1.8%	1.7%	2.0%	1.9%	2.6%	2.3%	3.4%
Total multichannel	**93.4%**	**94.0 %**	**93.4%**	**93.4%**	**96.2%**	**96.7%**	**98.0%**
Pay TV take-up (% households)							
Cable	12.9%	12.9%	12.9%	12.9%	12.6%	12.6%	13.0%
Pay satellite	35.5%	35.5%	36.5%	36.6%	36.5%	36.5%	36.8%
Pay digital terrestrial	1.2%	1.1%	0.7%	1.0%	1.0%	0.8%	0.9%
Other pay platforms	1.8%	1.7%	2.0%	1.9%	2.6%	2.3%	3.4%
Total pay TV	**51.5%**	**51.2%**	**52.0%**	**52.4%**	**52.6%**	**52.2%**	**54.1%**
Share of multichannel TV market (% multichannel households)							
Cable	13.8%	13.7%	13.8%	13.8%	13.1%	13.0%	13.3%
Satellite	46.0%	46.6%	47.6%	48.3%	47.0%	46.4%	46.0%
Digital terrestrial	42.7%	42.6%	42.6%	42.0%	41.6%	41.8%	41.0%
Other platforms	2.0%	1.8%	2.1%	2.0%	2.7%	2.4%	3.4%

Source: Ofcom / GfK NOP consumer research. Sample GB only.

Figure 6
BSkyB results: Q2 2011 - Q3 2012

Pay digital satellite: BSkyB	Q2 2011	Q3 2011	Q4 2011	Q1 2012	Q2 2012	Q3 2012
Pay-TV satellite subscribers*	**10,213,000**	**10,253,000**	**10,268,000**	**10,288,000**	**10,308,000**	**10,333,000**
Sky Multiroom subscribers	2,295,000	2,350,000	2,378,000	2,402,000	2,423,000	2,467,000
Sky+HD subscribers	3,925,000	4,063,000	4,222,000	4,343,000	4,468,000	4,561,000
ARPU (annualised)**	£535	£544	£546	£548	£550	£568
Churn**	11.1%	9.6%	10.1%	9.9%	10.9%	10.3%

Source: BSkyB quarterly results. Quarters relate to calendar year.
* These figures are for BSkyB's subscribers in the UK and the Republic of Ireland.
** BSkyB's ARPU and churn rates relate to their total consumer division (TV, telephone, and internet services).

Figure 7
Free-to-view satellite survey results: Q2 2011 - Q4 2012

Free-to-view digital satellite	Q4 2009	Q4 2010	Q4 2011	Q4 2012
Free-to-view digital satellite households	643,000	1,585,000	2,040,000	2,120,000

Source: Ofcom / GfK NOP consumer research. Sample GB only.
Note: These figures are estimates calculated using survey data and were not published by a provider.

Figure 8
Virgin Media results: Q2 2011 - Q4 2012

Cable: Virgin Media	Q2 2011	Q3 2011	Q4 2011	Q1 2012	Q2 2012	Q3 2012	Q4 2012
Total TV subscribers	**3,767,700**	**3,762,000**	**3,763,100**	**3,775,300**	**3,767,700**	**3,778,400**	**3,795,500**
Total subscribers (TV, telephony, internet)	4,784,300	4,790,600	4,805,600	4,826,800	4,812,100	4,851,600	4,894,300
TiVo subscribers	-	162,900	435,000	677,100	938,800	1,140,000	1,330,000
ARPU (annualised)*	£568	£574	£574	£563	£586	£585	£586
Churn*	4.2%	5.1%	3.9%	3.6%	4.2%	4.2%	3.3%

Source: Virgin Media quarterly results. Quarters relate to calendar year.
*Virgin Media's ARPU and quarterly churn are estimated from reported monthly ARPU and churn rates and refer to all Virgin Media cable customers (of TV, telephone and internet services).