



The Communications Market 2008: Nations and Regions

Northern Ireland

Research Document

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Foreword

This is Ofcom's third annual review of the markets for television, radio, and telecommunications, showing detailed data for the nations and regions across the UK.

Its aim, like that of its predecessors, is to provide the context for Ofcom's own policy thinking and to inform debates and decisions taken by stakeholders in the public and private sectors.

This year's review takes place against the background of significant policy debates on issues as diverse as the future of public service broadcasting and the future regulatory framework for high-speed broadband. It is increasingly the case that distinct versions of these debates are taking place in Northern Ireland, Scotland, Wales and in the regions of England.

That is why Ofcom continues to seek, within the resources available, to deepen the geographical detail of its research, as well as to reflect on new themes and patterns of consumer behaviour, brought about by the convergence between fixed and wireless communications technologies.

The story that emerges from this year's research is that the pace of change continues to be rapid, but that some previously strong distinctions have shaded to grey.

For example, broadband. In the first two years that we have reported, we found that take-up was strikingly lower in rural than in urban areas. This year, the data suggest that, taken as a whole, rural areas have caught up – in fact, slightly overtaken urban areas. Overall, 57% of UK homes now have a broadband internet connection, up from 45% a year earlier.

There are other striking patterns; in the UK's biggest cities, such as Belfast, Birmingham, Cardiff, Glasgow, Liverpool, and Manchester, an ever-larger segment of the population is living without the use of fixed-line telephony. Across the UK as a whole, 87% of homes have a fixed-line telephone (down three percentage points from last year). The 12% of homes which rely on mobile phones only are able, increasingly, to access broadband through wireless technology.

People are also using broadband to download video. This report suggests that 30% of adults have taken advantage of video downloading, although on a city-by-city analysis, the hottest hotspots are Aberdeen, Dundee and Edinburgh.

There are many other such fascinating points of detail in the pages that follow. Social networking, as Ofcom has previously reported, is now enjoyed by one in five UK adults. This report suggests that the people of Northern Ireland are among the UK's most avid social networkers. Across the UK, these sites are most popular among young people.

Another big trend is the fact that more than 85% of UK homes now have digital television – ten percentage points higher than a year ago and a significant milestone to have passed in the year in which digital switchover began, in Copeland, Cumbria.

At the same time, take-up of digital radio continues to grow, with one in five adults reporting that they have a DAB digital radio at home.

On the whole, consumers are satisfied with the quality of the communications services they buy. Across the UK, 89% of broadband users say they are satisfied and 94% of consumers say they are satisfied with their mobile phone service. But our data show differences across the UK in levels of satisfaction.

As this year's report contains more detailed data, two other points need to be made. Firstly, care needs to be taken in drawing excessively far-reaching conclusions from data based upon small sample sizes. Secondly, this Ofcom exercise now involves so much data that we have decided to publish much of it separately, as a complement to this report. You can find the full data set by going to the following link: <http://www.ofcom.org.uk/research/cm/cmnr08>.

I hope that you will find this research useful and that it will encourage you to take the fullest possible part in the debates it is designed to support and stimulate.

Ed Richards
Chief Executive

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 and/or the assessment of licence applications or significant market or dominant position for the purposes of the Communications Act 2003, the Competition Act 1998 or other relevant legislation. We endeavour to ensure that the data in this report are the most accurate currently available.

Key themes

Take-up of communications services in Northern Ireland is similar to Scotland...

Take-up of communications services in Northern Ireland is higher than in Wales, similar to Scotland, and slightly lower than in England.

At 88%, fixed-line take-up in Northern Ireland is similar to England and Scotland (both 87%) and higher than in Wales (79%). Take-up of mobile phones is the joint highest in the UK: the same as England at 85% and higher than Wales (82%) and Scotland (81%). Broadband take-up in Northern Ireland (at 52%) is similar to Scotland (53%), higher than in Wales (45%) and lower than in England (58%).

However, digital TV take-up in Northern Ireland is, at 79%, lower than in England (86%), Scotland (85%) and Wales (84%).

Take-up of digital TV in rural areas of Northern Ireland was lower than in urban areas. (74% compared to 81%). However, take-up of fixed-line phones was higher in rural areas (94% compared to 85% in urban areas). Mobile phone (84% rural, 82% urban) and broadband (54% rural, 52% urban) take up were similar in rural and urban areas.

...and higher in the east than in the west

New survey data this year allow us to see how take-up and use of communications services varies across different parts of Northern Ireland.

Penetration of most services is higher in the east than in the west; for example digital TV take-up (85% in the east, 66% in the west), mobile phone ownership (88% in the east, 81% in the west) and broadband (62% compared to 57%).

Use of converged communications services also tended to be higher in the east; for example 24% of adults there have used a social networking site, compared to 17% in the west, while 27% have used the mobile internet compared to 15% in the west.

Non-ownership of communications services is due to lack of interest and cost

Consumers in Northern Ireland who do not have fixed-line phones, mobile phones or broadband typically say that this is because they don't want them or that the cost is too high. Less than 1% of survey respondents said that lack of service availability was a reason for not having a broadband connection.

The majority of homes can receive TV channels from the Republic of Ireland

Seventy one per cent of viewers in Northern Ireland can receive channels broadcast from the Republic of Ireland. Those in the border areas (92%), and the west (89%) were more likely to receive them than those in the east. Almost one-third of respondents to our survey reported watching RTÉ 1 and RTÉ 2 on a daily basis with roughly another 40% watching at least once a week

For a significant minority, access to these channels was very important. Around two-fifths said that the hypothetical loss of RTÉ 1, RTÉ 2, TV3 and TG4 would be "a major problem" and that they would be "very unhappy".

Community radio in Northern Ireland is growing

An additional eight community radio stations were licensed in Northern Ireland in 2007, bringing the total number of community stations to 14, including Raidió Fáilte which broadcasts in the Irish language to parts of Belfast. There were also six Ulster Scots Restricted Service Licences issued during the year.

Key points: converged communications

- **Three in ten adults in Northern Ireland have watched video content online**
Broadcasters operating in Northern Ireland are repackaging regional content for distribution over the internet; UTV and the BBC both offer locally-focused programmes. Thirty per cent of adults in Northern Ireland have used the internet to watch TV or video content, with little variation across Northern Ireland.
- **One in ten adults in Northern Ireland have listened to the radio online**
Many regional radio stations offer listen-live functionality over the internet. One in ten (9%) Northern Ireland adults, particularly those in eastern and urban areas, have used the internet to listen to the radio: lower than the UK average (13%).
- **A quarter of adults in Northern Ireland have accessed mobile internet....**
Adults in Northern Ireland are more likely than the UK average to access the internet using a mobile phone (23% compared to 20%). Those in eastern regions are much more likely than those in the west to access the internet on their mobile, despite similar levels of mobile phone take-up.
- **...and are above average users of video on mobiles...**
Adults in Northern Ireland are more likely than the UK average to use a mobile handset to watch video content (7% compared to 4%). One per cent have used a mobile phone to watch live television.
- **...while 19% have listened to audio on a mobile handset**
One in five adults (19%) in Northern Ireland have used a mobile phone to listen to audio content - a similar level to the UK overall. Again, there is a big difference between the east (22%) and the west (14%).
- **Social networking is highest in Londonderry/Derry**
Use of social networking sites is at a similar level in Northern Ireland to the UK as a whole. It appears to be higher in the east than in the west, though it is highest in Londonderry/Derry, at 28% of adults.
- **8% of adults in Northern Ireland have made VoIP telephone calls**
Eight per cent of adults have used the internet to make VoIP telephone calls in Northern Ireland, a level unchanged since 2006. However, take-up varies by region, ranging from 14% in western urban areas to just 2% in western rural areas.
- **8,000 Wikipedia articles in Irish or Ulster Scots**
Speakers of Irish and Ulster Scots can access and edit versions of Wikipedia in their own languages. As of January 2008, there were over 6,000 Wikipedia articles in Irish and over 2,000 in Ulster Scots.

Key points: television

- **Satellite TV popular in Northern Ireland**
Digital television take-up in Northern Ireland (79%) remains a little behind the UK-wide average (85%), possibly due to lower levels of Freeview and cable availability. Pay television is marginally more popular than in the UK as a whole, and satellite is a much more popular choice among those who chose to pay.
- **The five main PSB channels have a collective viewing share of 66%**
The five main PSB channels in Northern Ireland attract a collective share of 66%; 2 percentage points ahead of the UK as a whole. UTV is a particularly popular choice, with the second highest share of all the main commercial PSB channels in the UK (23%). Its early evening local news bulletin attracted the highest share of viewing in the UK in 2007, at 39%, compared to the Channel 3 average of 20%.
- **Two-thirds of people in Northern Ireland watch ROI channels**
As the Republic of Ireland is so close, many people are able to access – and choose to watch – channels broadcast from there. Up to 90% of homes in border areas can receive all four Republic of Ireland channels, and around two-thirds of the population watch RTÉ1 or RTÉ2 on a weekly basis.
- **The BBC and UTV spent £29m on Northern Ireland-originated output in 2007**
The BBC and UTV together spent £29m on originated output for viewers in Northern Ireland during 2007, accounting for 8% of BBC/ITV UK-wide spend. This figure is down by 15% in real terms from 2006, compared with the UK average fall of 3%, and was driven in large part by the BBC's reduced spend on non-news and non-current affairs output during the year.
- **Per head, spend on Northern Ireland-originated output was three times the UK average...** Viewers benefited in 2007 from £16.84 per head of spend on originated output, relative to the UK-wide average of £5.41. Although this was the highest level among the UK's four nations, it must be put in the context of Northern Ireland's relatively small overall population (comprising just 3% of the UK total).
- **...with 1,151 hours of locally originated output in 2007**
The £29m spend by the BBC and UTV funded 1,151 hours of originated output in 2007, a figure almost unchanged since 2006. Adjusting for population size, this equated to 13 hours of regional output per million of population per week, compared to the UK-wide average of 3.8 hours.
- **Out-of-London production quotas met by the BBC, Channel 4 and five but shortfall by ITV**
The BBC, Channel 4 and five each met their out-of London production quotas by value and by volume in 2007. While ITV1 met its 50% volume quota, achieving 53%, the proportion of ITV1 spend outside London in 2007 was 44% - significantly below the 50% minimum. ITV's failure to meet the value element of its out-of-London quota is a serious matter, and one which is the subject of further consideration by Ofcom with a view to regulatory action.

Key points: radio

- **Listening to BBC local / national radio is highest in the UK**
BBC nations / local radio is more popular in Northern Ireland than in any other nation, attracting a 25% share of all listening hours in 2007, compared to a UK average for BBC nations / local radio of 10%. BBC network radio share is below average in Northern Ireland at 27% of listening, (compared to 44%). 'Other' stations, (including community radio stations, short term stations and RTÉ Radio), now accounts for 10% of all radio listening in Northern Ireland, compared to a UK average of 2%. The most popular sector of radio listening in Northern Ireland is still local commercial radio however, with almost a third (31%) share of listening.
- **BBC Radio Ulster and Radio Foyle the most popular local radio stations**
Over half a million adult listeners (537k) tuned in to BBC Radio Ulster / BBC Radio Foyle on a weekly basis in 2007, equivalent to 39% of the adult population, making these the most popular radio services across Northern Ireland. The most popular commercial stations were based in Belfast and included Cool FM (311k adult listeners per week), Downtown Radio (240k) and Citybeat 96.7 FM (136k).
- **Digital radio listening lower in Northern Ireland**
Thirteen per cent of individuals in Northern Ireland own a DAB digital radio, an increase of 2 percentage points since 2006. This is lower than in the other nations, with ownership in England at 22%, Wales at 14%, and Scotland at 21%. Twenty-two per cent of radio listeners in Northern Ireland have listened to radio channels via digital television, and 11% have listened to radio through the internet.
- **BBC expenditure falls in Northern Ireland in 2006/07**
BBC nations / local radio spend in Northern Ireland totalled £15.9m in 2006/07, down from £17.0m in 2005/06. This equates to around £9.64 per person; lower than in Wales, but higher than in Scotland and than BBC local radio in England. Expenditure on BBC local radio in Northern Ireland decreased by £1.1m over the year, equivalent to a fall of £0.75 per head. BBC spend on BBC Radio Ulster and Radio Foyle averages 55p per listener hour lower than the cost per hour of national services in Scotland and in Wales.
- **Commercial revenue £8.03 per head in 2007, second highest in UK**
Revenue generated by local commercial radio stations in Northern Ireland exceeded £13m in 2007, up from £11m in 2006. Per person, this averaged £8.03 in 2007, up from £6.66 per head in 2006 – the second highest in the UK, and the second highest increase over the year.
- **Community radio growing in Northern Ireland**
The number of community radio stations continues to grow, with eight community licences awarded in Northern Ireland during 2007/08, bringing the total number to 14. Seven stations are already broadcasting to local communities in areas including Banbridge, Belfast, Downpatrick, Enniskillen, Lisburn, and Newry.

Key points: telecoms

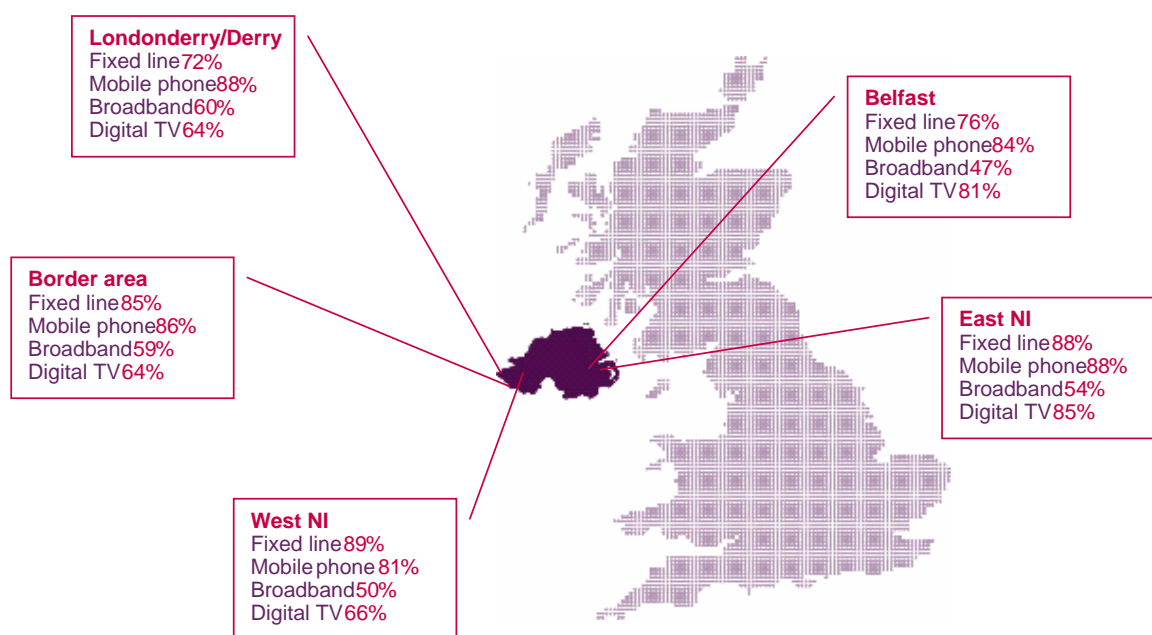
- **Northern Ireland take-up of telecoms services in line with UK average...**
Household take-up of fixed telephony in Northern Ireland is in line with the UK average, at 88%. However, there is a significant difference between fixed-line take-up in Northern Ireland's urban (85%) and rural (94%) areas. Mobile phone ownership, at 85%, is similar to the UK average, but greater in the east at 88%.
- **...but broadband take-up lower**
Internet penetration, at 61%, is lower than the UK average of 65%, as is broadband take-up (52% of homes, compared to 57%). Both are higher in the eastern and rural areas of Northern Ireland.
- **New tariffs introduced to alleviate border roaming costs**
In 2006 several mobile operators, on both sides of the border, introduced tariffs aimed at alleviating the problem of inadvertent roaming. EU developments led to the introduction of the 'Eurotariff' in September 2007, which, although not specifically designed as a solution to inadvertent roaming, could also result in significant price reductions for users.
- **Satisfaction with services lower in Northern Ireland**
Overall satisfaction with fixed-line services in Northern Ireland stood at 88% in 2007, identical to the UK average. Over three-quarters (78%) of broadband users in Northern Ireland were satisfied with the speed of their broadband connection, somewhat lower than the UK average (83%). However, mobile phone users in Northern Ireland are significantly less satisfied with their mobile phone reception (at 78%) than the UK average of 87%. Satisfaction levels are lowest in rural areas (59%), particularly in the rural west (44%).
- **Local loop unbundling speeding up in Northern Ireland**
Approximately 38 of Northern Ireland's 191 telephone exchanges, together serving 51% of the total Northern Ireland population, have been unbundled by four operators - AOL, Carphone Warehouse, Sky/Easynet and Tiscali. Although Northern Ireland had the lowest availability of LLU services at the end of 2007, it has had the fastest growth; up 41 percentage points from 10% at the end of 2006.

Contents

Section	Page
1 Northern Ireland: setting the scene	11
1.1 Profile of Northern Ireland	11
1.2 Introduction	12
1.3 Socio-demographic features	12
1.4 Geography	16
1.5 Politics	16
2 Recent developments in Northern Ireland	18
2.1 Television	18
2.2 Radio	19
2.3 Telecommunications	21
3 Comparative Analysis	26
3.1 Key Statistics	26
3.2 Converging communications markets in the UK and Northern Ireland	27
3.3 Radio	52
3.4 Telecommunications	62
	Page
Annex A: Survey Methodology	85
Glossary	88
Table of Figures	92

1 Northern Ireland: setting the scene

1.1 Profile of Northern Ireland



Size	13,843 km ²
Population	1.75 million
Population density	127 persons per km ²
Households	630,000
Average age (median)	35

1.2 Introduction

Northern Ireland is a distinctive part of the UK with a unique set of socio-demographic, cultural and geographic characteristics. It has more people living in rural areas than the other UK nations and the highest percentage of people in the C2DE socio-economic group in the UK.

One third of Northern Ireland's population lives in the Greater Belfast area and generally enjoy access to a wide range of communications services from competing providers. However, for those living in rural parts of the country the picture is very different, with fewer providers and often lower levels of take-up.

1.3 Socio-demographic features

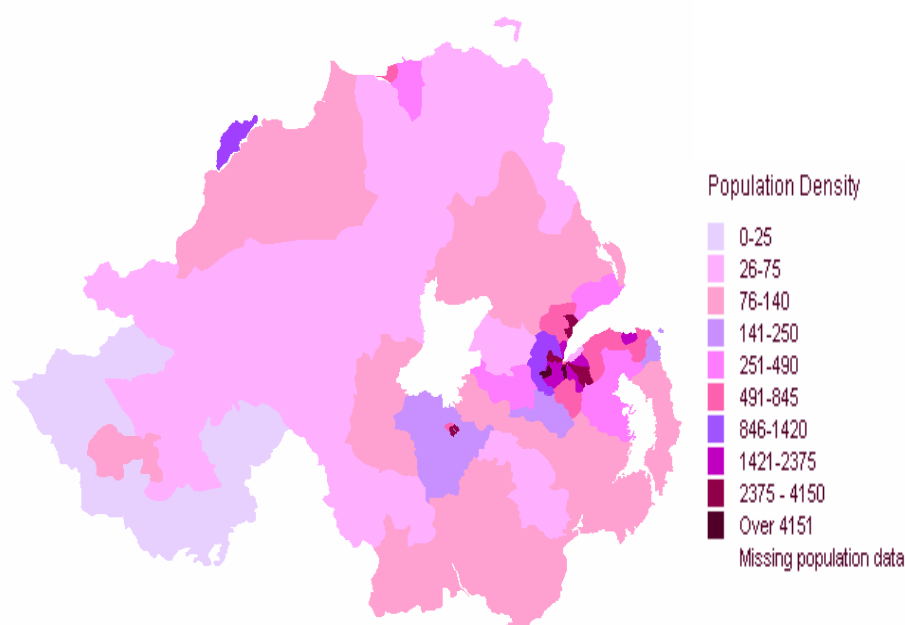
Population

Northern Ireland has a population of around 1.75 million¹ (approximately 3% of the UK population). Between 1981 and 2006 all local government districts, with the exception of Belfast, experienced population growth. Growth levels were highest in Carrickfergus, Lisburn and Ards, which are in the east of Northern Ireland.

Population density

In 2005 Northern Ireland's population density was 127 persons per square kilometre (Source: Northern Ireland Yearbook, 2008). This figure varies considerably throughout Northern Ireland and is lowest in rural areas in the west (Fermanagh, Omagh, Strabane) and north (Moyle), and highest in the east (Greater Belfast).

Figure 1.1 Population density



Source: Ofcom, based on Office of National Statistics 2001 Census (National Statistics website: www.statistics.gov.uk Crown copyright material is reproduced with the permission of the Controller of HMSO)

¹ Source: Northern Ireland Yearbook, 2008

Household size

Northern Ireland has approximately 630,000 households. Of these, 13% have five or more occupants, 32% have three or four occupants, 28% of households have two occupants and 27% are one-person households².

Religious affiliation

The 2001 Census reported that 40.3% of the population were Roman Catholic, 45.6% were Protestant or other Christian religions, while 0.3% were of other religions and 13.9% claimed no religious affiliation or did not state their religion.

Ethnic minority groups

The 2001 Census recorded that 99% are White. Northern Ireland's political and economic circumstances have in the past stood in the way of inward migration. Before recent immigration from Eastern Europe, the largest ethnic minority group in Northern Ireland was Chinese, with about 10,000 people. The Polish Association estimates that there are now between 34,000 and 40,000 Polish people in Northern Ireland.

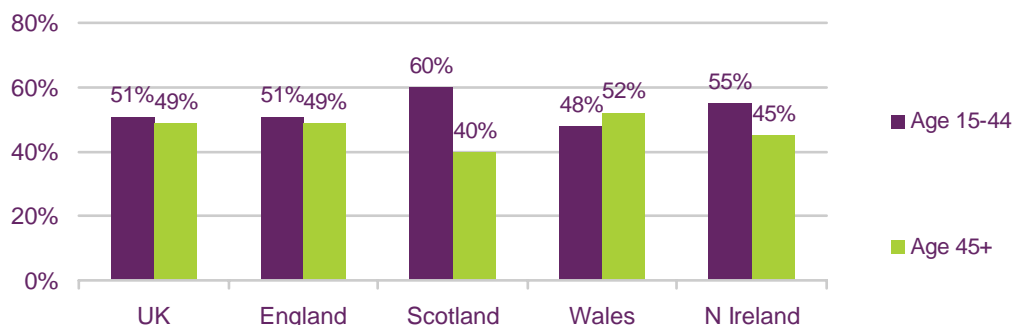
It is difficult to provide accurate figures for new immigrants but a recent report from the Northern Ireland Statistics and Research Agency estimates that between May 2004 and March 2007 about 24,000 migrants came to work in Northern Ireland; These figures do not include family members, or those not registered as employed. The same report estimated that in 2006, 1.5% (2,400) of primary school children in Northern Ireland and 0.75% (1,100) of secondary school children had a language other than English as their first language, an increase on 1,800 primary school children and 700 secondary school children in 2005.

Age profile

Northern Ireland has one of the youngest populations in the UK, with an average age of 35, second only to London where the average age is 34.

² Source: 2001 Census

Figure 1.2 Age profiles across the UK's nations



Source: Office of National Statistics, Census 2001 (National Statistics website: www.statistics.gov.uk. Crown copyright material is reproduced with the permission of the Controller of HMSO)

Urban / rural split

As shown in figure 1.3 below Northern Ireland has the largest rural population in the UK, at 35% compared to the UK average of 12%.

Figure 1.3 The geographic and socio-economic profile of the UK



Source: Indicative analysis based on Business Geographics 'Urban Indicator' and Office of National Statistics, Census 2001 (National Statistics website: www.statistics.gov.uk Crown copyright material is reproduced with the permission of the Controller of HMSO)

Socio-economic group

Northern Ireland's population has the highest percentage in the UK of C2DEs (53% compared to the UK average of 45%). The weekly household income Northern Ireland is £562 (below the UK average of £642).

Figure 1.4 Average weekly household income and expenditure



Source: Office of National Statistics, Family Spending: 2007 edition.
National Statistics website: www.statistics.gov.uk Crown copyright material is reproduced with the permission of the Controller of HMSO

Language and culture

English is the first language of the large majority of people in Northern Ireland. However around 170,000 people (10.4%) have some knowledge of Irish. In the school year 2007/2008, there were 43 Irish medium pre-schools (Naíscoil) with 573 pupils, 32 Irish primary schools (Bunscoil), with 2,675 pupils, and four Irish secondary schools, with 616 pupils. Irish is also taught in mainstream schools and in the 2007/08 school year there were approximately 2665 GCSE and 281 GCE level entrants.

Ulster Scots is also recognised as a distinct language in Northern Ireland under the European Charter for Minority Languages. There is no universal agreement on the number of Ulster Scots speakers in Northern Ireland and the 2001 Census did not include a question on the language. The 1999 *Northern Ireland Life and Times Survey* found that 2% (approximately 30,000) of the Northern Ireland population claimed to be able to speak it, while research undertaken by the Ulster Scots Agency suggested that the figure could be as high as 100,000.

Economy

Northern Ireland's economy has traditionally relied on industries such as shipbuilding and textiles, but in recent years these declining sectors have been replaced by service industries, such as software engineering and call centre operations. In addition, the end of what is often referred to as 'the Troubles' has led to rapid growth in the tourism, hospitality and retail sectors. Northern Ireland is still under-represented in business and financial services activities, with 8.3% fewer people employed in these sectors than elsewhere in the UK³.

³ 'Relative to the UK, business and financial services contribute 8.3% less to total employment in Northern Ireland' Source: Northern Ireland Yearbook, 2008, Overview of the Northern Ireland Economy p.275

Employment

Northern Ireland's unemployment rate in the period November 2007 – January 2008 was 4.4%. This represents a slight increase, both from the rate recorded in the previous quarter (4%) and from the rate for the same period last year (4.3%), but remains below the UK average unemployment rate of 5.2%. The working age economic inactivity rate was 27.1% in the same period, significantly higher than the UK average of 21% and the highest among the UK's nations and regions

Education levels

The 11-plus selection process is still a feature of Northern Ireland's education system, although plans are under way to replace this. In 2007 the Northern Ireland pass rate at 'A' level increased for the 25th year in a row, with 33.2% of students gaining at least one A grade, compared to the UK average of 25.3%. The overall A to E pass rate in Northern Ireland was 98%, compared to the UK average of 96.9%⁴.

Northern Ireland has two universities - Queen's University Belfast and the University of Ulster, which has campuses in Jordanstown, Coleraine, Belfast and at Magee College in Londonderry/ Derry. In 2006/07 1,640 higher degrees, including doctorates, were awarded in Northern Ireland. The most popular subjects were Medicine (and allied disciplines) (14%); Business and Administrative Studies (14%) and Social Studies (12%).

1.4 Geography

Northern Ireland occupies 5461 square miles in the northeast of the island of Ireland and has six counties: Antrim, Armagh, Down, Fermanagh, Londonderry/Derry and Tyrone. Belfast is its principal city.

Northern Ireland shares a border with the Republic of Ireland, running for 360 km (224 miles) – from Lough Foyle in the North West to Carlingford Lough in the south-east.

At the geographical centre of Northern Ireland is Lough Neagh, the largest freshwater lake in the UK and one of the largest in Europe (151 square miles or 392 km).

The country's topography consists mainly of low hills and drumlins, but with two mountain ranges – the Mourne and the Sperrins. Over 20% of Northern Ireland has been designated as areas of outstanding natural beauty.

1.5 Politics

The Northern Ireland Assembly and Executive were restored in May 2007. The Assembly is made up of 108 members. A First Minister and a Deputy First Minister are jointly elected to lead the Executive Committee of Ministers, The Executive includes ten other ministers with departmental responsibilities. The number of ministerial posts each party has is based on its proportion of Assembly seats using the d'Hondt method.

The 108 MLAs are split as follows: DUP, 36; Sinn Féin, 27; UUP, 18; SDLP, 16; Alliance, 7; PUP, 1; Greens, 1; Independents, 2. Northern Ireland also has 18 Westminster MPs and 3 MEPs.

⁴ Source: DENI, Statistics and Research Branch

There is an Assembly Committee for each of the Ministerial portfolios, the role of which is to scrutinise the work of its respective Minister and Department.

Since devolution was restored, much of the Assembly's time has been occupied by social and economic issues. These have included the replacement of the 11 plus transfer system in education; outbreaks of hospital 'superbugs'; several outbreaks of livestock diseases; the location of a new national sports stadium; and future support for the Irish language.

The Executive published its first *Programme for Government, Investment Strategy and Budget* in January 2008, putting the local economy at the heart of the Executive's priorities for the next three years.

The review of public administration in Northern Ireland is an ongoing project, designed to create a new, more accountable public sector, with fewer local Councils (currently totalling 26), a single Health & Social Services Authority, replacing four Health and Social Services Boards and a new Education and Skills Authority.

There are also proposals to devolve policing and justice to the new Executive.

2 Recent developments in Northern Ireland

2.1 Television

Digital switchover in Northern Ireland scheduled for 2012

Northern Ireland is scheduled to achieve digital switchover in 2012. The Republic of Ireland plans to switch in a similar timeframe, so the two governments are co-operating, with a view to minimising disruption to viewers on both sides of the border.

BBC Northern Ireland

BBC Northern Ireland (BBCNI) has started to re-structure itself and re-prioritise its programme-making activities to make the efficiency savings required as a result of the BBC's licence fee settlement. The BBC's framework of public purposes and its service licence (which include region-specific requirements) have been amended following feedback from local audiences and will shortly be published in their revised form. The BBC's Audience Council for Northern Ireland completed a two-stage consultation exercise on BBC provision in Irish and Ulster Scots. This was complemented by extensive audience research commissioned by BBCNI.

Public Service Broadcasting

Under the terms of the Communications Act 2003 Ofcom is required to undertake a review of Public Service Television Broadcasting at least every five years. The first review was completed in 2005 and owing to the rapid changes that have been taking place in the television sector, Ofcom decided to bring forward its second review which started in late 2007. The first phase of the second review was published on 10 April.

Network programming from Northern Ireland

2007 saw some response to the concerns that had been raised about low levels of network production from, and portrayal of, Northern Ireland. BBC network programmes made here during 2007 included *Fairytales*, *Messiah* and six episodes of *Panorama*.

Election coverage

Both BBCNI and UTV provided extensive cross-platform coverage of the Assembly election in early 2007, and political programming on both channels reflected the growing work of the new Executive and Assembly.

Irish Language Broadcast Fund - future uncertain

There is no statutory requirement for broadcasters in Northern Ireland to deliver Irish language programming. However, there is governmental recognition of Irish and Ulster Scots, as well as specific commitments to Irish language broadcasting in the 1998 Belfast/Good Friday Agreement.

The Irish Language Broadcast Fund, established in June 2005 with a budget of £12m for four years, is due to expire in 2009. The Programme for Government published by the Northern Ireland Executive in January 2008 makes no mention of future funding for the Broadcast Fund. Unless alternative sources of funding are found this will impact on the new independent production sector, which came into being to make use of the Fund, and has provided employment for some 823 individuals on a variety of projects.

Local screen industry receives £12m funding

During 2007 the Northern Ireland Film and Television Commission re-branded itself as Northern Ireland Screen and secured a £12m funding package from the Department of Enterprise, Trade and Investment, via Invest Northern Ireland. The funds will help finance the organisation's new three-year strategy, *Building on Success*, which aims to attract local, national and international film and television productions to Northern Ireland.

In February 2008 Maurice Hayes, former Northern Ireland Ombudsman and Chairman of the Community Relations Council (NI), was appointed Chairman of Northern Ireland Screen, replacing Colin Anderson.

2.2 Radio

Downtown Radio and Cool FM under new ownership

Commercial stations Downtown Radio and Cool FM changed ownership with the sale of parent company Emap to German media company Bauer. Changes at a management level at Downtown Radio/Cool FM saw Mark Mahaffy replace David Sloan as Managing Director.

CityBeat extends its transmission area

Belfast-based commercial station CityBeat improved its coverage in the Newtownabbey, Carrickfergus and Bangor areas with the addition of a relay transmitter at Carnmoney Hill in the city. The station won six major awards in 2007, including Arqiva Commercial Station of the Year (in the category for stations with a total survey area (TSA) of 300,000 - 1 million) and a world medal at the New York Radio Festival.

UTV Radio continues to expand

The Belfast-based UTV Radio Group added a new digital all-talk station, Talk Radio, to its portfolio, which it plans to launch on the new UK digital multiplex awarded to 4 Digital Group in July 2007. The Group now owns 16 independent stations across the UK and has stakes in five of the UK's 14 digital radio multiplexes.

UTV Radio also owns stations in Cork, Limerick, Dublin, Louth, and Meath in the Republic of Ireland and recently acquired another Dublin-based station, FM104. The Group's Belfast licence, U105, was launched in November 2005.

Community radio sector thrives

An additional eight community radio stations were licensed in Northern Ireland in 2007, bringing the total number of community stations to 14. These were Star FM (Bangor); Drive FM (Londonderry/Derry); Vibe FM (Enniskillen); BFBS (Aldergrove and Antrim); BFBS (Ballykinler); BFBS (Holywood); Lisburn City Radio and Belfast Student Radio.

All of the six stations licensed in 2006 have now launched with the remaining three - Shine FM (Banbridge); Iúr FM (Newry) and Féile FM (Belfast) – going on air during 2007.

Community stations in Northern Ireland are eligible to apply to the Community Radio Fund, administered by Ofcom, for grant aid towards the running of their stations. In the 2007/8 process both Féile FM and Iúr FM were each awarded grants of £15,000 towards funding a Volunteer and Community Outreach Officer and a Station Manager respectively.

2.3 Telecommunications

Infrastructure upgrade initiatives

Eircom investment

In July 2007, Eircom, the incumbent telecoms provider in the Republic of Ireland, announced a £3.5m investment in the Northern Ireland telecoms infrastructure, including establishing a state-of-the-art network operations centre in Belfast and completing work begun in 2006 on its core network in Northern Ireland.

Eircom was also awarded a £70m contract in September 2007 to help build the next generation network infrastructure for the Northern Ireland Civil Service, as part of the Network NI project. Services will be provided to all 11 government departments and will include voice, video and data applications.

Project Kelvin - direct international connectivity for Northern Ireland

The Northern Ireland Executive's *Programme for Government* committed to establishing an international telecommunications link connecting Northern Ireland directly to North America and Europe by 2009. This joint Northern Ireland and Republic of Ireland government project includes the location of an open access communications link in Londonderry/Derry, with access provided to Letterkenny and Monaghan in the Republic of Ireland.

The Department has highlighted benefits that will include bringing the cost of international communications in line with Glasgow, Manchester and Dublin, improving resilience on the island of Ireland, reducing latency between Northern Ireland and the United States and increasing competition in the telecommunications market.

The Department of Enterprise Trade and Investment (DETI) and the Department of Communications, Energy and Natural Resources in the Republic of Ireland will deliver this project as part of the EU programme for Cross-Border Territorial Co-operation 2007 - 2013. The estimated project cost is €30m.

Next generation networks

Broadband is available to 100% of the population of Northern Ireland under a DETI contract awarded to BT in 2005. This is delivered predominantly through ADSL with the balance provided via satellite - of the estimated 360,000 broadband connections in Northern Ireland, only 680 are via satellite. The Northern Ireland Executive's *Programme for Government* includes the target of delivering next generation broadband services to 85% of businesses by 2011. The Department is currently working on this project.

Fibre-to-the-cabinet and fibre-to-the-home trials

The Department of Enterprise, Trade and Investment is currently conducting a trial in conjunction with Virgin Media to install a fibre-to-the-kerb service to 72 homes in a social housing project in South Belfast, with the potential to supply broadband access at speeds of 20Mbit/s or greater.

The Department is also working with Bytel on a trial to provide ten properties in the same social housing project with a fibre-to-the-home service. While capable of speeds of up to 100 Mbit/s, the service has been restricted to 20 Mbit/s per home for the purposes of the trial.

Border broadband project

The Department of Communications, Energy and Natural Resources and DETI are looking at ways of increasing the amount of cross-border telecommunications infrastructure and economic activity in the South Armagh/Tyrone region of Northern Ireland and the Louth/Monaghan/Cavan region in the Republic of Ireland. A feasibility study and economic appraisal for this project is currently under way.

Titanic Quarter

New apartments in the first phase of residential development at Belfast's Titanic Quarter will benefit from access to fibre networks as standard.

Sub-loop unbundling trial

The Department of Enterprise, Trade and Investment is seeking proposals to carry out a sub-loop unbundling trial in Middleton, Co Armagh. The aim of the trial is to explore the practical issues involved in sub-loop unbundling in rural areas and the impact of availability of broadband services.

EU Programme for Cross-Border Territorial Co-operation (INTERREG IV) 2007 to 2013

The draft operational programme for this EU initiative recently went out to public consultation. The draft includes an allocation for cross-border telecommunications infrastructure, which may be used mainly for the international connectivity project (Project Kelvin) with the remainder being used for other smaller cross-border projects between 2007 and 2013.

Joint award of spectrum

As part of a coordinated award between the Commission for Communications Regulation (ComReg) in the Republic of Ireland and Ofcom, previously unused spectrum in the 1785 Mhz to 1805 Mhz radio band in Northern Ireland was auctioned simultaneously on both sides of the border. Licences in each jurisdiction were awarded to Personal Broadband UK Ltd, which intends to use the spectrum for new mobile broadband services.

Fixed-line telephony

BT Undertakings in Northern Ireland

Owing to the relatively small size of BT's business in Northern Ireland, the structural change that saw the creation of Openreach elsewhere in the UK has not been introduced in Northern Ireland. All other elements of the Undertakings, however, do apply in Northern Ireland.

In order to address any concerns this might raise with other telecommunications providers in the market, and to ensure greater transparency, BT Ireland set up a Regulatory Compliance Committee in 2006. The Committee met on a quarterly basis throughout 2007 and representatives of competing local telecoms providers and Ofcom's Advisory Committee for Northern Ireland have been invited to attend.

The Northern Ireland Telecoms Stakeholder Forum, set up by Ofcom in 2006, and made up of local communications providers, also continued to meet throughout 2007.

Local loop unbundling continues

About 38 of Northern Ireland's 191 telephone exchanges, together estimated to serve 51% of the total Northern Ireland population, have been unbundled by four operators - AOL, Carphone Warehouse, Sky/Easynet and Tiscali.

As elsewhere in the UK, several suppliers also provide fixed access and call services in Northern Ireland using BT's wholesale products. These include Clarity, Rainbow and UTV Talk.

UTV acquires Tibus

In February 2008 UTV Media plc announced the acquisition of Tibus, an all-Ireland web development company, from Anderson Spratt Group Holdings for £5m. Tibus will be integrated into UTV Media's New Media Division, which provides web development, design, hosting and interactivity to a largely retail customer base and broadband and telephony services to the residential market.

New CEO at BT Ireland

In July 2007 Chris Clark was appointed Chief Executive of BT Ireland formerly Director of Business Transformation at BT Retail. He succeeded Danny McLaughlin in this role.

Broadband

Northern Ireland Broadband Fund

The Department of Enterprise Trade and Investment (DETI) is carrying out a feasibility study and economic appraisal of a proposed new fund to encourage Northern Ireland companies to trial new and emerging broadband technologies. Following the outcome of the appraisal a decision on this project will be made early in 2008.

Broadband Content Initiative

Following on from last year's DETI-sponsored Broadband Content Initiative, a showcase event for the six winners was held in Belfast in January 2008. The Initiative took the form of a competition to find the best creative designs for broadband use and the event provided an opportunity for the six winners to demonstrate their projects as well as allowing local businesses and creative professionals to learn more about how to exploit the emerging commercial opportunities that broadband presents.

Broadband stimulation campaign

In response to evidence indicating lower than average take-up of broadband in the west of Northern Ireland, BT Wholesale ran a marketing campaign in December 2007 targeting Strabane, Fermanagh, Omagh, Magerafelt and Moyle District Council areas.

Broadband demonstration centres

A feasibility study and economic appraisal are currently underway on the provision of two or more broadband demonstration centres, situated outside Belfast, to encourage broadband take-up by small and medium-size enterprises (SMEs). Following the outcome of the appraisal, the Department of Enterprise, Trade and Investment will make a decision on whether or not to pursue this project.

Mobile telephony

Mobile roaming

Concerns about inadvertent mobile roaming in the border areas of Northern Ireland were documented in both the 2006 and 2007 Ofcom Communications Market Reports. In 2006 several operators, on both sides of the border, introduced tariffs aimed at alleviating the problem. These include O2's *'Ireland Bolt-on'* and Three's *'Three Like Home'* tariff.

Since we last reported, EU developments have led to the introduction of the Eurotariff in September 2007. Although not specifically designed as a solution for inadvertent roaming it is likely that the tariff will result in an average 50% or more reduction in prices for users. A call anywhere in Europe should now cost no more than 38 pence per minute to make and 19 pence per minute to receive.

Media literacy

Digital Inclusion Steering Board

The Digital Inclusion Steering Board, made up of representatives of industry, government and the voluntary sector, continued to meet throughout 2007 and organised focus group sessions with key target communities including older people, disabled people and rural communities. The groups gave feedback on barriers to digital inclusion and, as a result, a new website - www.click-thinking.org.uk was created to improve communication with local organisations with regard to digital inclusion activities.

'Silver Surfers'

The annual Silver Surfers Day event was held on May 25 2007. Delivered by a range of partners including the Department of Finance and Personnel for Northern Ireland, Business in the Community and BBCNI, the day offered over 1500 older people the opportunity to learn how to use a computer and the internet under the instruction of approximately 230 business volunteers.

Children's web policy

In January 2008 the Northern Ireland Executive announced plans to develop a strategy to warn children about the potential dangers of the internet and certain video games. A special cross-party sub-committee on children's issues will be set up.

Cross-border IT security campaign

In February 2008 the Department of Enterprise, Trade and Investment in Northern Ireland and the Department of Communications, Energy and Natural Resources in the Republic of Ireland launched an all-island campaign to educate people about potential security issues facing internet users - including phishing, spyware, identity theft and the dangers of social networking.

Internet Made Easy CD

During Adult Learners Week in May 2006 every household in Northern Ireland was sent an *'Internet Made Easy'* CD, providing information on how to use the internet for easy tasks such as booking a flight or banking. Demand for the CD remains high in Northern Ireland, and the government of Slovakia is currently considering a similar strategy to tackle digital exclusion.

University for Industry e-services programme

The University for Industry has launched a programme aimed at identifying and breaking down barriers to digital literacy as a first step to employability and social and economic inclusion. The programme specifically addresses engagement with 'hard to reach' individuals.

SMS and DTV messaging trial

The Delivery and Innovation Division at the Department of Finance and Personnel for Northern Ireland is currently exploring the use of digital TV and text messaging as complementary methods to the government's more traditional communication channels.

Internet kiosks

Internet-based kiosk technology is being trialled by the Delivery and Innovation Division to improve the delivery of local and central government services through public access kiosks.

3 Comparative Analysis

3.1 Key Statistics

Figure 3.1 Key statistics

	NI 2007*	NI 2008	NI % point change	UK 2008
Convergence	% of adults (unless stated)	% of adults (unless stated)		% of adults (unless stated)
Use of VoIP at home	9%	9%	0	12%
Watching video content online	Not available	30%	N/A	30%
Listening to the radio online	Not available	9%	N/A	13%
Internet access with a mobile phone	Not available	23%	N/A	20%
Watching video on a mobile phone	Not available	7%	N/A	4%
Listening to audio content on a mobile phone	Not available	19%	N/A	17%
Use of social networking sites	Not available	22%	N/A	20%
Television				
Digital Television ownership	69%	79%	+10%	85%
Pay TV subscription	49%	52%	+3%	49%
Average hours viewed per day	3.3 hours	3.2 hours	- 0.1 hour	3.6 hours
Radio				
DAB set ownership (among radio listeners)	11%	13%	+2%	22%
Average hours listened to per week	23 hours	23.1 hours	+ 0.1 hour	23.5 hours
Telecommunications				
Fixed line phone at home	90%	88%	-2%	87%
Mobile phone ownership	82%	85%	+3%	84%
3G phone ownership	10%	17%	+7%	17%
Internet at home	56%	61%	+5%	65%
Broadband at home	42%	52%	+10%	57%

*Survey data reported in the 2007 report were based on data from a survey conducted during 2006

A note on the Northern Ireland survey data

We conducted a face to face survey of 5,812 adults in the UK with 629 interviews conducted in Northern Ireland. Fieldwork took place in January and February 2008.

Some of the survey data in this section of the report are split by geographic areas of Northern Ireland.

- West NI is defined as areas broadly to the west of the River Bann.
- East NI is defined as areas broadly to the east of the River Bann.
- Respondents in the east and west 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.
- Small towns are defined as Enniskillen, Omagh, Newry, Dungannon, Armagh, Ballycastle, Ballymena, Cookstown and Coleraine.
- Border area is defined as Londonderry/ Derry, Newry, Strabane, Portstewart, Warrenpoint.

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

3.2 Converging communications markets in the UK and Northern Ireland

Introducing convergence

This chapter analyses what convergence means for the supply and demand of communications content and services in Northern Ireland.

Figure 3.2 Delivering audiovisual and voice services to consumers



Source: Ofcom

Content and packaging

This section looks at how radio stations, television channels and local and regional newspapers are taking advantage of the ways in which content is being created, distributed and received. We then look at how consumers are creating and interacting with content based on their regional interests.

Radio

Many local and regional radio stations in Northern Ireland use the internet to appeal to a wider audience for their content, and repackage their content for this purpose. For example in addition to 'listen live' functionality, Q102.9 (Northern Media Group), Downtown (Bauer)

and Citybeat all offer a picture gallery and news headlines on their websites. Visitors to the Q102.9 website can also listen again to selected programmes, while the Citybeat website syndicates some video content from other sites.

Recent market developments suggest that regional and local radio stations will continue to develop their online propositions. For example, in February 2008 GCap, which owns a number of regional stations, said that it would focus on broadband as a platform for expansion, and in March 2008 it announced that it had acquired a majority stake in the local social networking website company, welovelocal.com. In February 2008 UTV Media announced the acquisition of Tibus, a web development company which UTV said would enhance the online proposition of its television and radio stations and facilitate greater integration of media across online and broadcast platforms. BBC local radio stations are also available over the internet.

Television

Visitors to the UTV website can watch the *UTV Live* news bulletins online, as well as find out information and post comments about programmes. The BBC offers Northern Ireland-focused audiovisual content over the internet via its local news websites, as well as via the BBC Northern Ireland website, which also features programme information and message boards. The content offered by the BBC's iPlayer, the corporation's download and streaming service, does not include regional news and weather, but it is possible to view regional bulletins such as *Newsline* from the BBC's Northern Ireland news website.

In October 2007, as part of its *Delivering Creative Future* plan, the BBC announced that it was planning significant investment to develop an online multimedia interactive offer, called MyLocalNow. This project would be subject to approval by the BBC Trust.

Newspapers

Digital publishing is increasingly becoming a core part of the regional newspaper business. According to the Newspaper Society, at the end of 2006 there were 1,303 regional newspaper hard copy titles and 1,102 regional newspaper websites offering a wide range of content and functionality. The table below lists some of the online services provided by newspapers in the regions where we conducted consumer research. The newspapers selected are not intended to be representative of the entire output of either the relevant region or the newspaper group, but only to indicate the range of digital services on offer.

Figure 3.3 Online content and functionality offered by selected newspapers

Region	Newspaper	Group	Website	Video	Blogs	RSS	Forum	Digital edition
National	Irish News	MoG	Yes	Yes				
National	News Letter	JP	Yes			Yes	Yes	
National	Belfast Telegraph	INM	Yes	Yes		Yes		
West NI	Ulster Herald	NWIPP	Yes					Yes
East NI	Ballymena Times	JP	Yes	Yes	Yes	Yes		
Belfast	Belfast Media Group*		Yes		Yes			Yes
Londonderry / Derry	Derry Journal	JP	Yes	Yes	Yes	Yes	Yes	
Border Area	Newry Reporter		Yes					
Small towns	Impartial Reporter		Yes					

Source: Ofcom

Note: Newspaper websites are evolving continuously. The above functionality is accurate as of March 2008. * The Belfast Media Group has recently rebranded from the Andersontown Media Group. Hard copy papers supplied by this group include Andersontown News, North Belfast News and South Belfast News

Key: MoG = Morton Group; JP = Johnston Press; INM = Independent News and Media; NWIPP = North West of Ireland Printing & Publishing

The audiovisual content available on newspaper websites comes from a variety of sources. National news is generally syndicated from a national source such as the Press Association. For regional news some newspapers, like the Derry Journal, obtain the rights to video content from third party sources, whereas others, such as The Belfast Telegraph present their own bulletins.

Regional newspapers' investment in digital media has not yet translated into significant revenues. At £2.8bn, advertising and sponsorship revenue accounted for almost 75% of regional newspapers' revenue in 2006, but only 2.5% of this (£71m) was generated by online advertising.

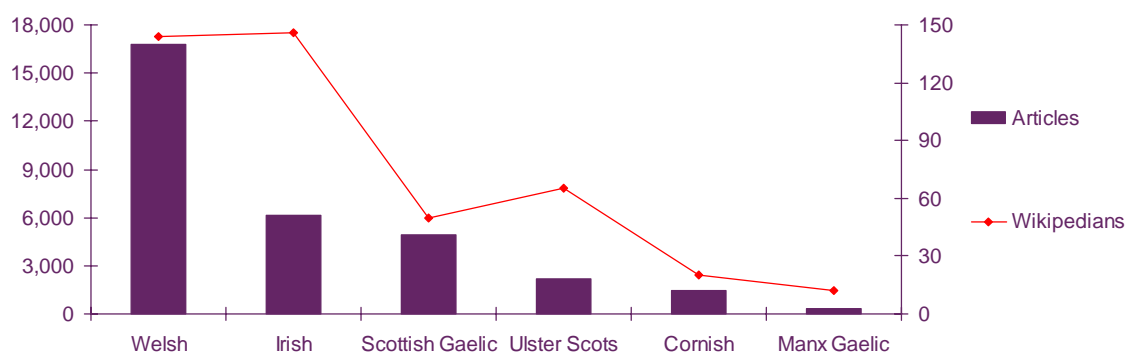
However, there are now signs that the regional newspaper groups are trying to increase their online advertising revenues, particularly in classified advertising. For example Archant, Johnston Press and Trinity Mirror have all recently launched websites dedicated to key classified categories of property, jobs and cars. Trinity Mirror's 2007 annual report cites the launch of such sites as being one of the contributory factors to a year-on-year increase in digital revenues of 33.3%.

User-generated content

As the level of user-generated content available on many local newspaper sites demonstrates, we are not only consumers of region-specific content, but also creators of it. Many websites offer individuals the opportunity to upload content relating to a particular regional area or interest. For example anyone can upload photos to the Flickr website and label or 'tag' them with a particular region e.g. Londonderry, Countydown or Giantscauseway (tags have to be one word).

Another website which allows a large group of users to contribute online content is Wikipedia, versions of which exist in many different languages including most of the indigenous languages spoken in the UK. The numbers of articles on Wikipedia in these languages, as well as the number of contributors to each linguistic version, are shown in fig x.x.

Figure 3.4 Indigenous language Wikipedia articles and contributors, Jan 2008



Source: Wikipedia

Note: English is not shown as the high numbers make it impossible to show on the same scale as other indigenous languages.

Consumption

This section begins by looking at the types of communications services that are purchased and consumed together in 'bundles'. We will then review how consumption of selected converged services varies by region. The services covered are:

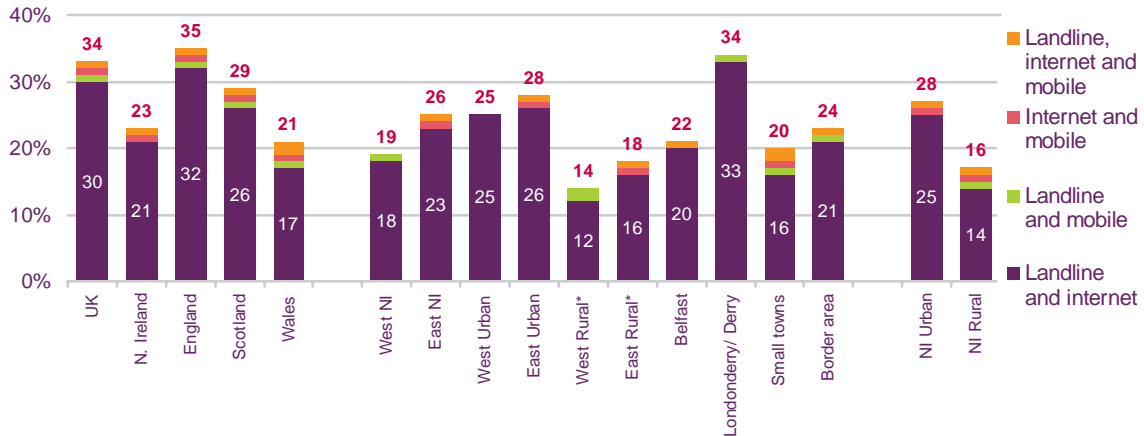
- those delivered over the internet, including voice calls, audio and audiovisual content;
- those delivered to the mobile handset, including data in the form of web pages, audio and audiovisual content; and
- social networking sites, which can be accessed via several distribution networks including internet and 2G and 3G mobile technologies.

Communications service bundles

Convergent technologies allow delivery of multiple content types over multiple networks. Many operators are seeking to exploit this by expanding into adjacent markets and offering 'bundles' of communications services.

Consumers in Northern Ireland are significantly less likely than the UK average to purchase telecommunications services in 'bundles' from the same supplier, with just under a quarter (23%) of all adults doing so. Use of service bundles appears highest in urban areas of Northern Ireland (28%), in particular in Londonderry/Derry (34%).

Figure 3.5 Bundling of telecoms services



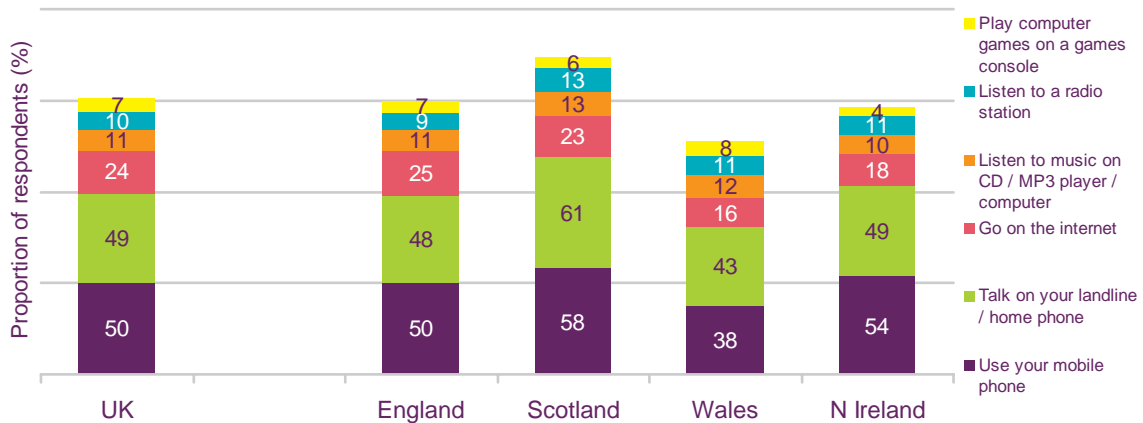
Source: Ofcom

* Sample size less than 100. Apply caution and treat as indicative only.

With the increasing range and ubiquity of communications services, multiple media can be used concurrently. This is often termed ‘media stacking’, and is a widespread phenomenon among UK adults, as indicated by figs X and X.

The most popular activity combined with watching TV is talking on the phone, with 54% of adults in Northern Ireland saying they speak on their mobile, and 49% saying they use their fixed-line while watching TV.

Figure 3.6 Use of other media while watching TV

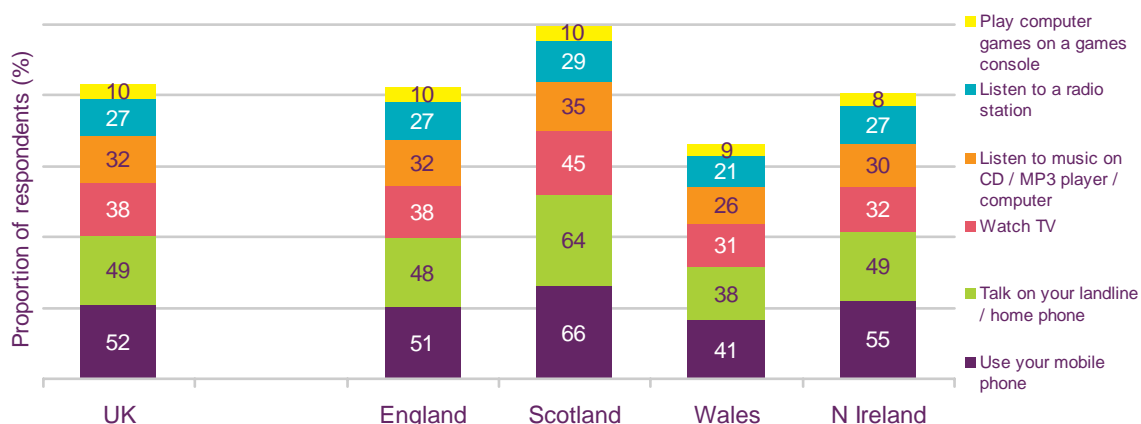


Source: Ofcom

Media stacking

Similar trends can be seen in the use of other media while using the internet, with roughly half of all adults in Northern Ireland saying that they have talked on a mobile phone or landline while using the internet. This combination of activities is more popular in Scotland, where media stacking across a range of activities combined with the internet is more popular than in the other nations.

Figure 3.7 Use of other media while using the internet



Source: Ofcom. Base: all adult internet users.

Internet

Consumers can make phone calls, listen to the radio, and watch video over the internet. This section looks at time spent and activities carried out on the internet, before looking at the consumption of voice, audio and audiovisual content.

According to self-reported estimates, the average time spent online by an adult in Northern Ireland who uses the internet is 9.6 hours a week, with almost two-thirds of this time spent online at home. This is 2.5 hours lower than the UK average.

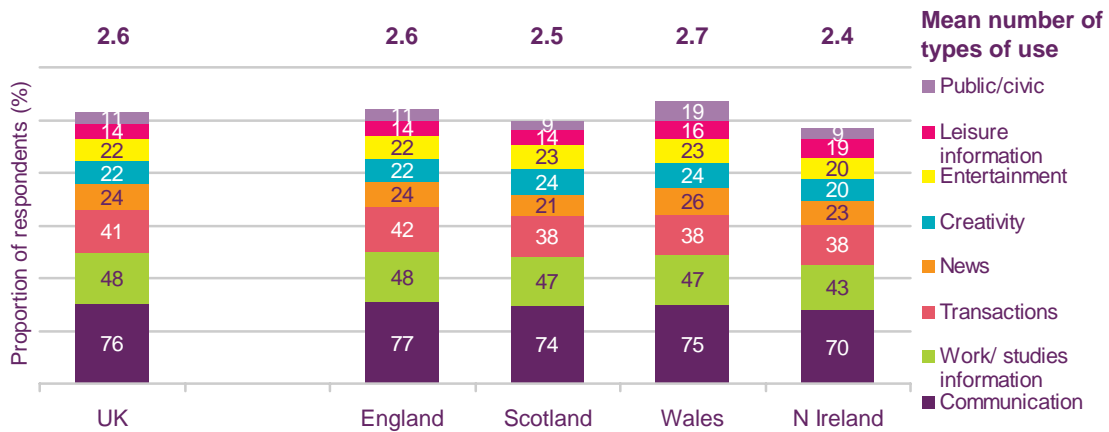
Figure 3.8 Time spent online



Source: Ofcom

Across all the UK nations, the internet is most commonly used for communication, for example in the form of email, instant messaging or chat rooms, with 70% of adults in Northern Ireland saying they use it for this reason. Across the UK, consumers use the internet for a variety of purposes, as shown in Figure 3.9.

Figure 3.9 What the internet is used for



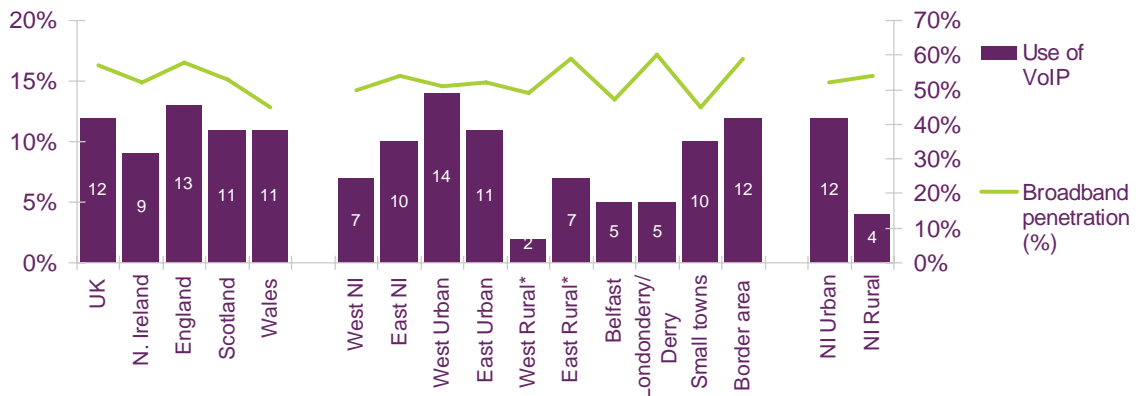
Source: Ofcom

Use of internet to make phone calls (VoIP)

One in ten (9%) adults in Northern Ireland use the internet to make telephone calls - marginally lower than the UK average. Take up of VoIP varies across Northern Ireland, ranging from a high of 14% in western urban areas to just 2% in western rural areas. There is a notable difference in take-up in urban areas (12%) compared to rural (4%) areas, across the country).

Use of VoIP has remained relatively stable in Northern Ireland since 2006, when take-up stood at 8%.

Figure 3.10 Proportion of adults living in a household that has used Voice over IP



Source: Ofcom

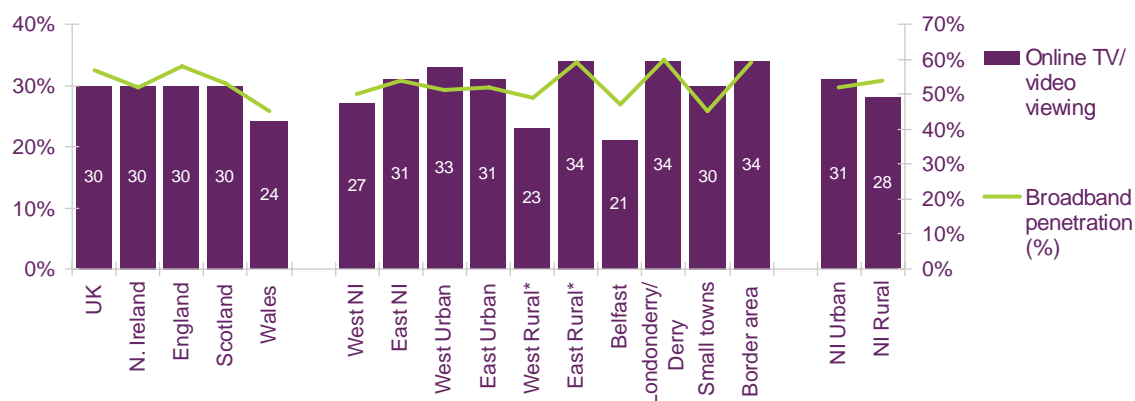
* Sample size less than 100. Apply caution and treat as indicative only.

Use of internet to watch television and video content

Thirty per cent of adults in Northern Ireland said that someone in their home had used the internet to watch television or video content. This was on par with the UK average, despite lower take-up of broadband. The relatively high use in Northern Ireland might be related to Northern Ireland’s younger than average population.

Watching video content in this way is similarly prevalent across most of Northern Ireland, though notably lower (21%) in Belfast. Unsurprisingly, use correlates with broadband take up.

Figure 3.11 Proportion of adults living in a household that has used the internet to watch TV or video content



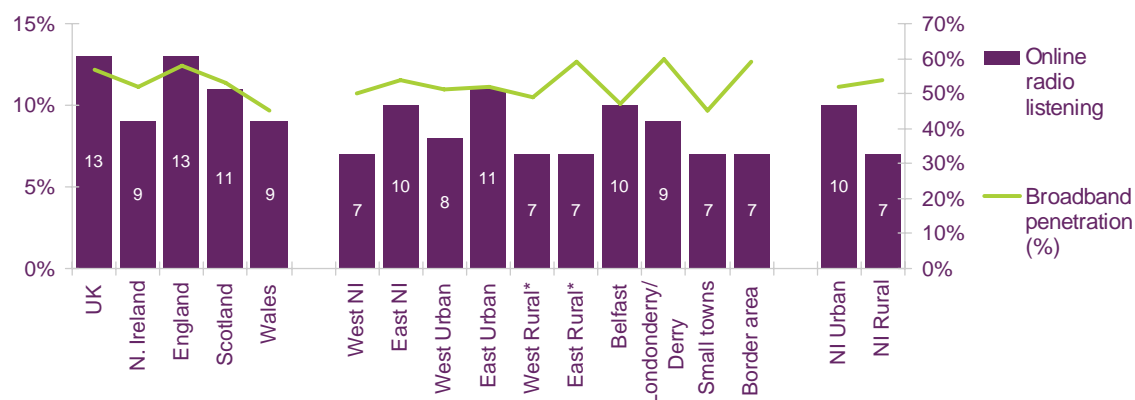
Source: Ofcom

* Sample size less than 100. Apply caution and treat as indicative only.

Use of internet to listen to the radio

One in ten (9%) Northern Ireland adults said that they had listened to the radio online: a lower proportion than the UK average. Those in the eastern and urban areas of Northern Ireland are more likely to have listened to radio online.

Figure 3.12 Proportion of adults living in a household that has used the internet to listen to radio content



Source: Ofcom

* Sample size less than 100. Apply caution and treat as indicative only.

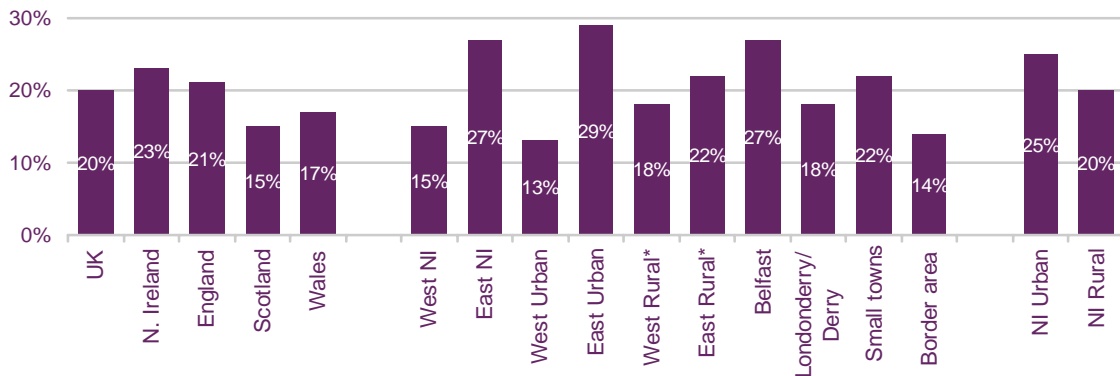
Mobile phone

The core 2G and 3G mobile phone technologies are able to carry voice, data and audiovisual content. In addition, the mobile handset can incorporate many more functions such as the ability to play music and games, and technologies such as Wifi, Bluetooth and GPS. This section looks at the proportion of adults who use their mobile phone to access the internet, watch TV and video and listen to audio content.

Use of a mobile phone to access the internet

Adults in Northern Ireland were more likely than the UK average to have accessed the internet using a mobile telephone (23% compared to 20% across the UK). Those in the east of Northern Ireland were much more likely than those in the west to have used a mobile phone in this way, despite similar levels of mobile phone take-up. The difference might be partly explained by 3G coverage, which is more likely to be available to those living in the east. Those in the east of Northern Ireland have, on average, a higher household income than those in the west. Since use of a mobile phone to access the internet correlates with income, this might also explain some of the difference.

Figure 3.13 Proportion of adults who have used a mobile phone to access the internet



Source: Ofcom

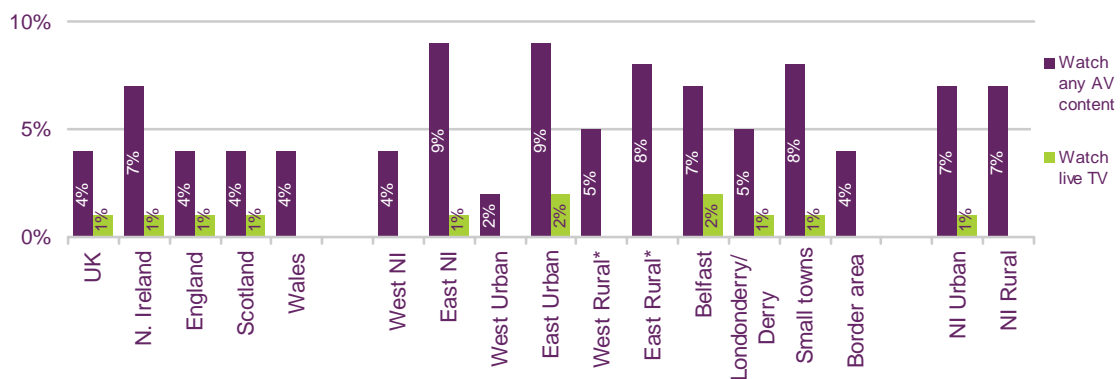
* Sample size less than 100. Apply caution and treat as indicative only.

Use of a mobile phone to watch audiovisual content

Adults in Northern Ireland were more likely than the UK average to have used a mobile phone handset to watch video content (7% compared to 4%). Only one per cent said that they had used a mobile phone to watch live television.

Viewing of video content with a mobile handset was particularly high in the east of Northern Ireland, at 9% of adults. This may be, in part, related to higher income levels in the east.

Figure 3.14 Proportion of adults that have used a mobile phone to watch audiovisual content



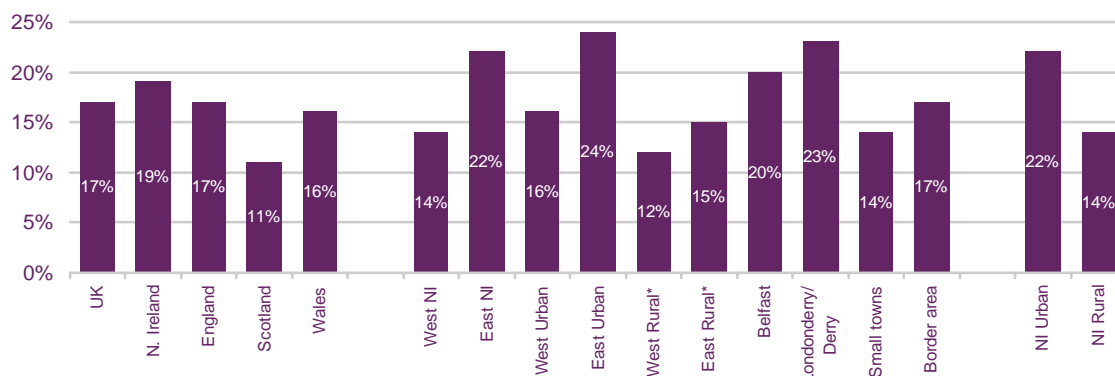
Source: Ofcom.*Sample size less than 100. Apply caution and treat as indicative only.

Use of a mobile phone to listen to audio

One in five adults (19%) had used a mobile phone handset to listen to audio content - a similar level to that across the UK.

Again, there was a difference between the east (22%) and west (14%) of Northern Ireland, with an equally marked difference between urban and rural areas.

Figure 3.15 Proportion of adults who have used a mobile phone to listen to audio content



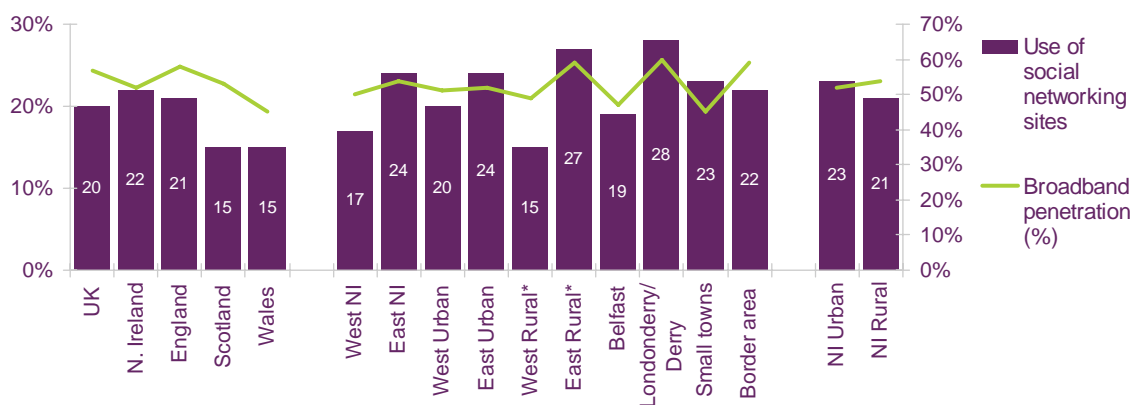
Source: Ofcom. *Sample size less than 100. Apply caution and treat as indicative only.

Social networking sites

Social networking sites are websites where users can create their own profiles using text, graphics and photos, join groups of people with common interests and send messages to other site members.

Despite the media coverage that these sites attract, this remains a minority activity among adults. The use of social networking sites was at a similar level in Northern Ireland to the UK as a whole. Use correlates with broadband take up and appears to be higher in the east than in the west, though is highest in Londonderry/Derry at 28% of adults. The relatively high use of social networking sites in Northern Ireland may be related to Northern Ireland's younger than average population.

Figure 3.16 Proportion of adults living in a household that has used social networking sites

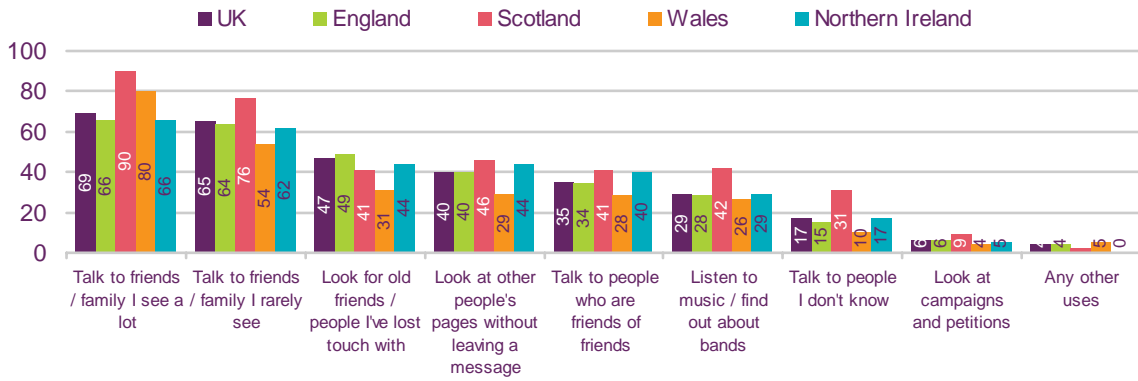


Source: Ofcom

* Sample size less than 100. Apply caution and treat as indicative only.

Adults in Northern Ireland with a page or profile on a social networking site are most likely to use the sites to talk to friends and family. Only 17% of profile owners in Northern Ireland use social networking sites to talk to people they don't know.

Figure 3.17 What social networking websites are used for



Source: Ofcom

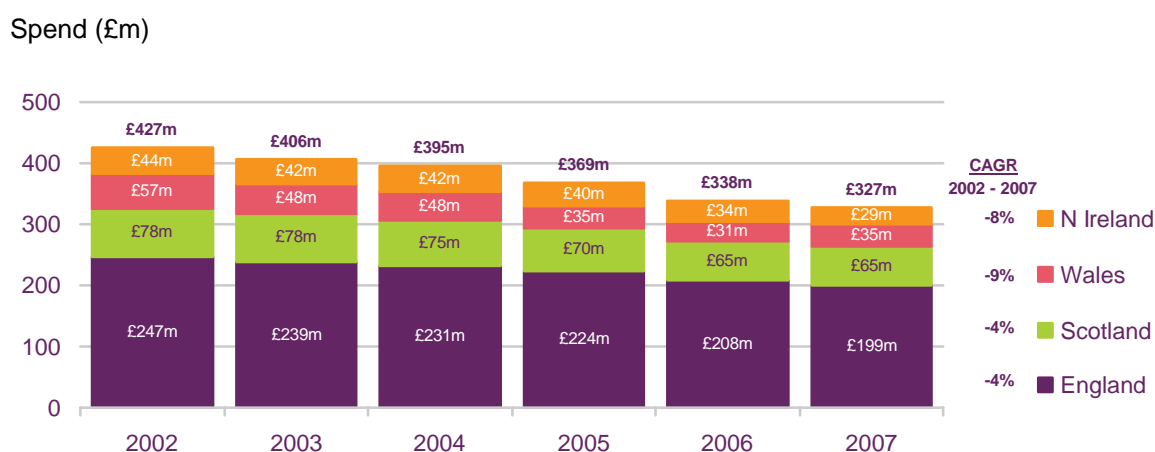
3.2 Television

PSB spend on originated output for the nations and English regions

Proportional reduction in spend on nations/regions originations since 2002 highest in N Ireland

In 2007 UTV and the BBC spent a total of £29m on originated hours of output for viewers in Northern Ireland, accounting for 8% of BBC/ITV's UK-wide spend on national and regional output (Northern Ireland's population accounts for 3% of the UK total). This represented a real-terms reduction of 15% on 2006 – the largest year-on-year reduction across the UK's four nations; spend in Scotland remained flat over the same period while it fell by 4% in England. In Wales spend actually rose by 13% over the period. The reduction in Northern Ireland was driven principally by the BBC's reduced spend on non-news/non-current affairs output for viewers in Northern Ireland, which fell by 23% or £4m between 2006 and 2007.

Figure 3.18 BBC/ITV1/stv/UTV's spend on originated nations & regions output



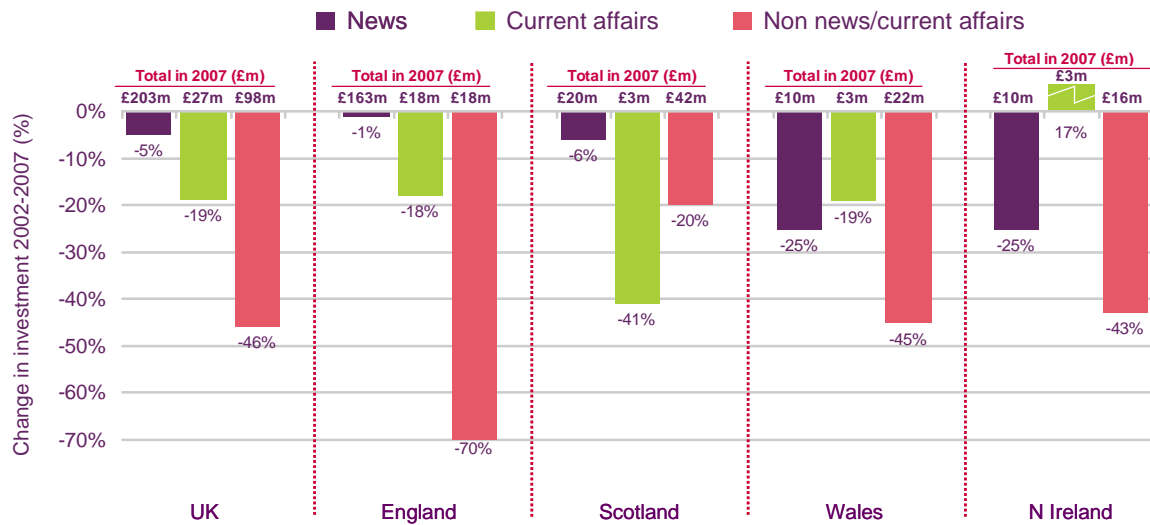
Source: Broadcasters. All figures expressed in 2007 prices.

Note: The BBC changed the way it calculated spend figures from 2005 onwards. The figures for 2002 – 2004 are based on cost per hour averages, while those for 2005 - 2007 are actual spend figures.

Over a five year period, other components of television spend have also shifted, as new platforms (such as the internet and mobile) have been used to carry nations/regions content to consumers. Spend on non-news/non-current affairs output has also been the main driver of reduced spend on originations in Northern Ireland. Spend in that genre fell by 43% (or £12m) real terms compared to the UK-wide average of 46%. Since it accounts for a large proportion of total spend, non-news/non-current affairs drove much of the overall decrease in spend between 2002 and 2007. But spend on news also fell, by 25% (or £4m) over the same period – the same in Wales - running significantly ahead of the UK average reduction of 5%. A increase in spend on current affairs had a modest offsetting effect, rising 17% over the period (running counter to the UK reduction of 19% - driven by an 18% reduction in England, a 41% fall in Scotland and a 19% decline in Wales), but its impact was slight because it accounts for only a small proportion (under 10%) of total spend in Northern Ireland.

Figure 3.19 Total spend on nations and regions output by the BBC, ITV/stv/UTV

Change in spend (%), 2002 - 2007



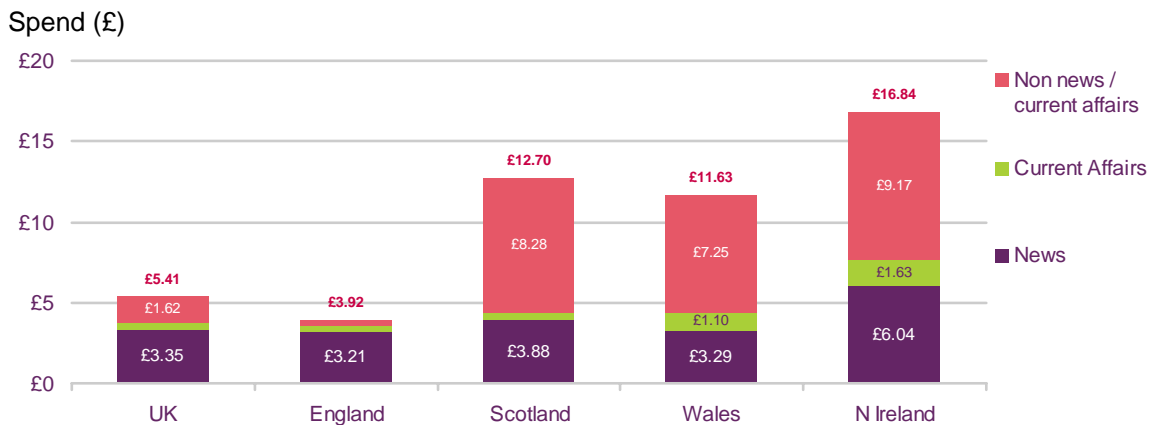
Source: Broadcasters and Ofcom calculations. All changes are expressed in real terms.

Note: The BBC changed the way it calculated spend figures from 2005 onwards. The figures for 2002 – 2004 are based on cost per hour averages, while those for 2005 - 2007 are actual spend figures. Comparisons over this time period should therefore be treated with caution.

Spend per head on originated nations output is highest in Northern Ireland at £16.84

Given Northern Ireland's relatively small population size, viewers benefited from the highest levels of spend per head in the UK at £16.84 or three times the UK average – consistent with our findings in 2006. This compared to a UK-wide average of £5.41 per head of population, with £12.70 in Scotland, £11.63 in Wales and £3.92 in England. However, the Northern Ireland figure was down by 15% in real terms on 2006 (mirroring the reduction in total spend described above) driven primarily by a 20% fall in per capita spend on non-news and non-current affairs output, and also by reductions in news and current affairs at 6% and 7% respectively. These reductions took 2007 per capita spend on originated news down to £9.17 and on non-news/non-current affairs down to £6.04; together they accounted for 90% the total with the remaining 10% or £1.63 accounted for by current affairs.

Figure 3.20 BBC and ITV1/stv/UTV spend per capita on national and regional output, 2007

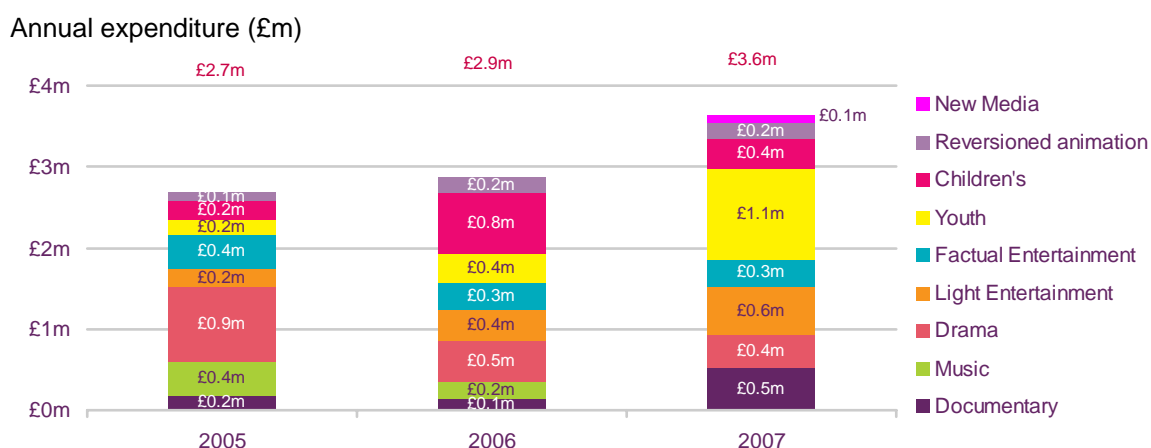


Source: Broadcasters and Ofcom, 2007 prices

Spend on Irish language programming rose by 24% year-on-year to £3.6m in 2007

Spend on Irish language output by the Irish Language Broadcast Fund (ILBF) experienced a year-on-year increase of 24% to reach £3.6m in 2007. Spend on programmes targeted at younger people increased with its budget rising £0.4m to £1.1m during 2007.

Figure 3.21 Irish Language Broadcasting Fund expenditure on first-run originations



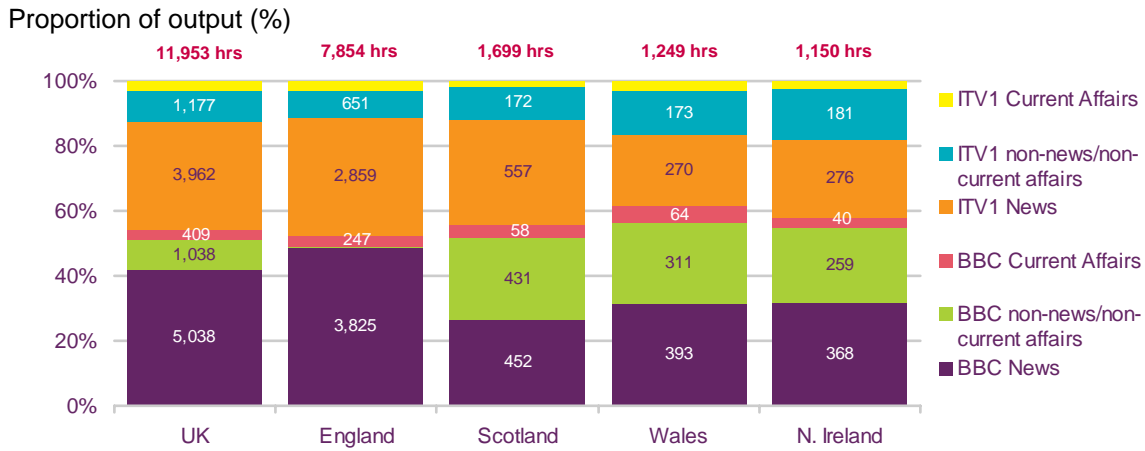
Source: ILBF. Note that 'new media' was established as a new category in 2007, while music was reallocated to factual entertainment and light entertainment in 2007.

Programme output

1,151 hours of originated output for viewers in Northern Ireland broadcast in 2007

Ten per cent of the UK's 11,953 hours of originated nations and regions output in 2007 (1,151 hours) were broadcast in Northern Ireland during 2007, up 32 hours or 2.9% on 2006. The distribution of hours among the three genre categories and across UTV/BBC was broadly consistent with the pattern in Scotland and Wales with differences in Northern Ireland explained by different methods of programme allocation between genres. News output accounted for the largest proportion of hours in Northern Ireland (56%) – UTV broadcast 276 hours during 2007 and the BBC 368 hours over the period.

Figure 3.22 Hours of nations and regions output by genre and broadcaster, 2007



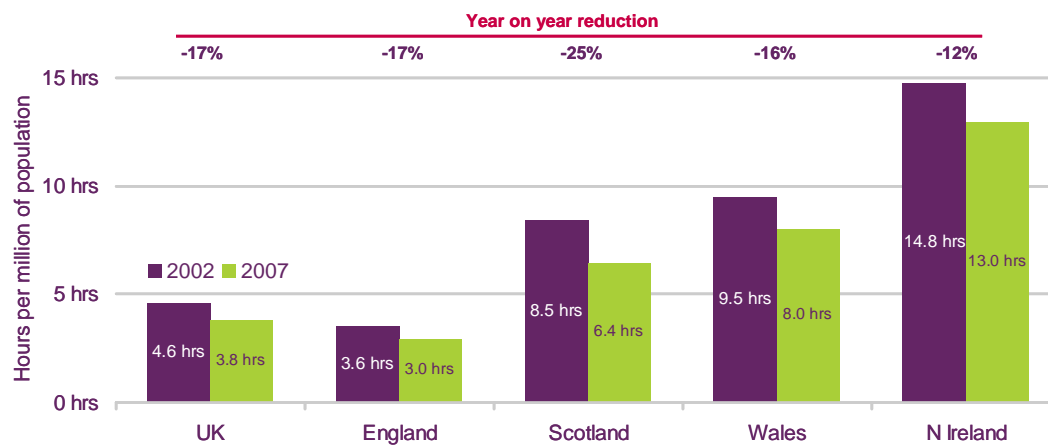
Source: Broadcasters.

Hours of output per head for viewers in N Ireland fell least between 2002 and 2007

When adjusted for population size, the BBC and UTV/ITV1 broadcast more hours of output tailored for Northern Ireland viewers than for any other UK nation – 13.0 hours a week per million of population, compared to 8.0 hours in Wales, 6.4 in Scotland and 3.0 in England. This figure also contracted least in Northern Ireland between 2002 and 2007 – by 1.8 hours or 12%. Scotland experienced a decline of 2 hours (25%) over the period, Wales 1.5 hours (16%) and England 0.6 hours (17%) (Figure 3.23).

Figure 3.23 Total hours of nations and regions output

Hours per week per million of population



Source: Broadcasters and Ofcom calculations

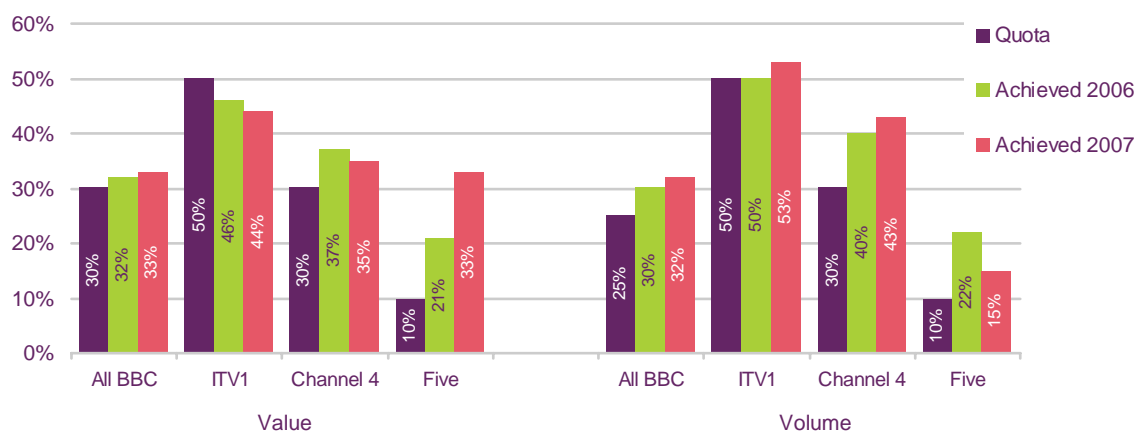
Out-of-London production quotas

In terms of network production in the nations and regions the Communications Act introduced a requirement for Ofcom to ensure that a suitable proportion and range of programmes are made outside the M25 and that a suitable proportion of money is spent in a range of production centres. The requirement applies across all PSBs (apart from S4C) and

is represented in the form of volume and value quotas for out-of-London network production. In order to qualify against the out-of-London quota, programmes should comply with Ofcom's Regional Production Definition. This establishes three criteria: having a production base, and achieving minimum spending levels for production budget and for production talent, in the nation or region concerned. Programmes must meet at least two of the criteria to qualify.

Figure 3.24 Performance against the Out-of-London production quotas

Percentage of network production produced outside London, by value and by volume



Source: Broadcaster returns⁵

Note: Figures for 2006 have been restated following Ofcom's audit of out-of-London production (see below)

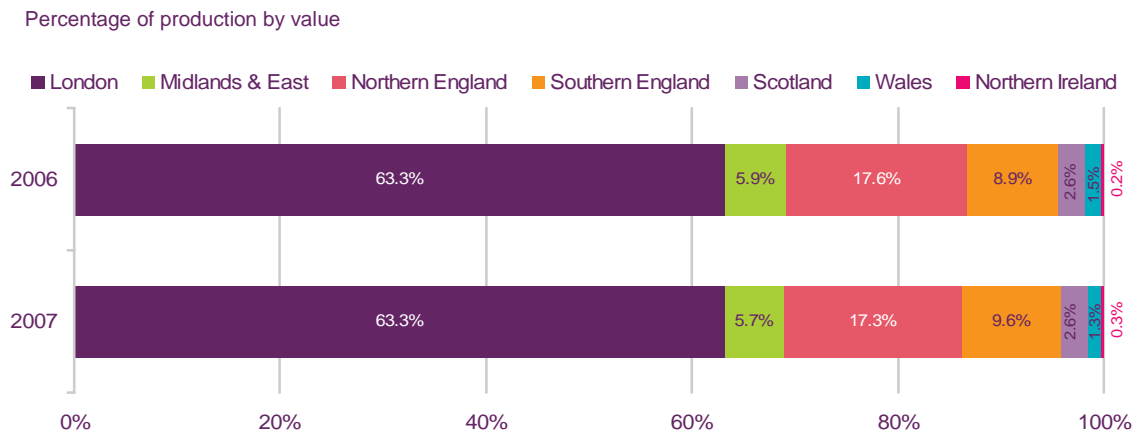
The out-of-London quotas apply by value and by volume. The BBC, Channel 4 and Five each met their value and volume quotas in 2007. While ITV1 met its 50% volume quota, achieving 53%, the proportion of ITV1 spend outside London in 2007 was 44% - significantly below the 50% minimum and therefore ITV1 failed to meet the value element of its out-of-London production quota in 2007.

Ofcom believes it is important that broadcasters meet the minimum requirements set out in their licences (or in the case of the BBC their service licences). ITV's failure to meet the value element of its out-of-London quota is a serious matter, and one which is the subject of further consideration by Ofcom with a view to regulatory action. The percentages shown in Figure 3.25 take account of changes made as a result of Ofcom's audit of out-of-London production (see below) and include restated figures for 2006.

The post-audit data shows that ITV1 also failed to meet the quota by value in 2006, achieving a level of 46%.

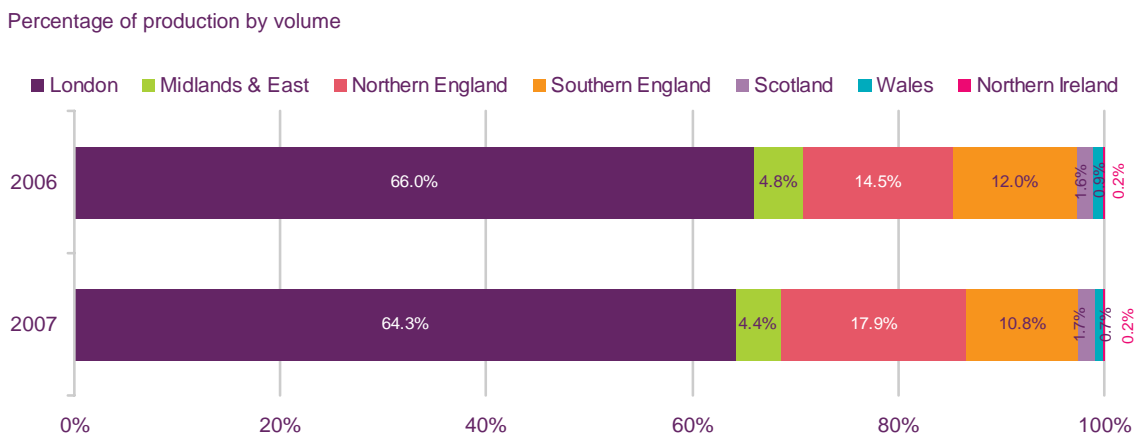
⁵ These figures reflect data provided to Ofcom by the PSBs as at 2 May 2008 and may be subject to further minor amendments.

Figure 3.25 Expenditure on out-of-London production



Source: Broadcaster returns¹
Note: Figures for 2006 have been restated

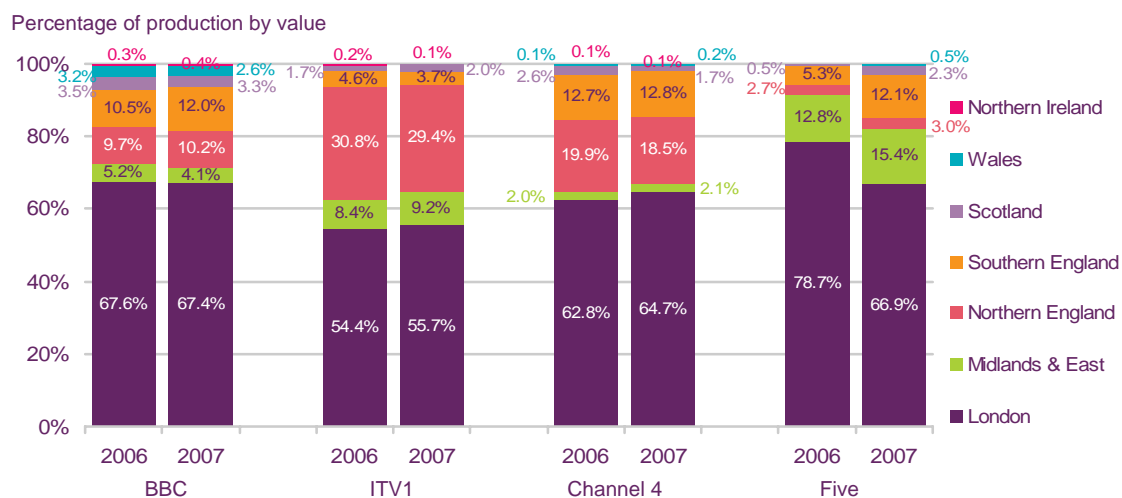
Figure 3.26 Volume of out-of-London production



Source: Broadcaster returns¹
Note: Figures for 2006 have been restated

Across all of the PSBs out-of-London production and spend are concentrated in the English regions, with low levels of network production and spend in the three devolved nations. The level of network production and spend from Northern Ireland remains particularly low at less than one percent by value and volume and is a matter of concern. Ofcom will consider this issue further in the second phase of its PSB review, to be published in the autumn.

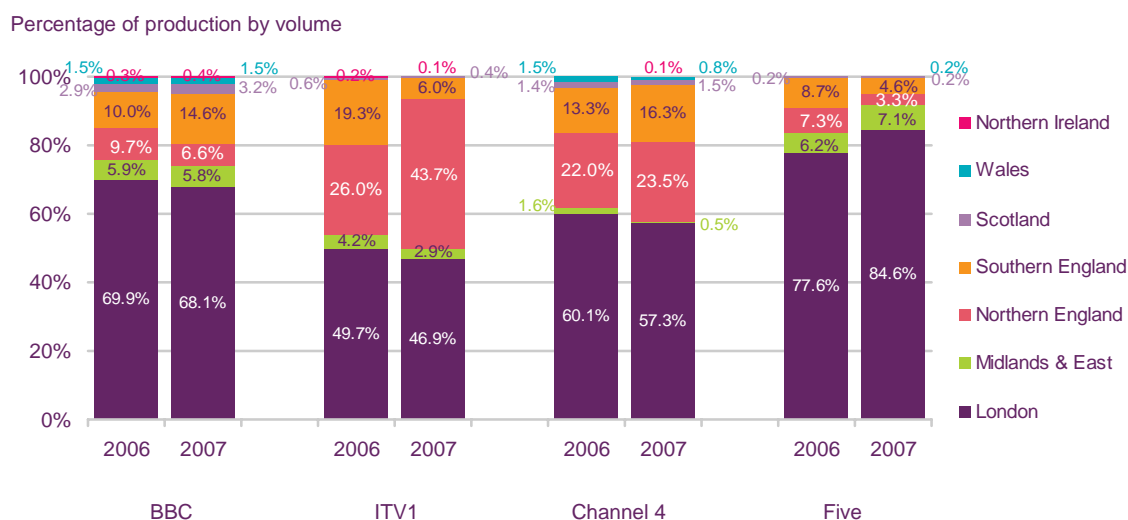
Figure 3.27 Breakdown of expenditure on production by broadcaster



Source: Broadcaster returns¹

Note: Figures for 2006 have been restated

Figure 3.28 Breakdown of production volume, by broadcaster



Source: Broadcaster returns¹

Note: Figures for 2006 have been restated

Ofcom audit of the out-of-London quotas

Pact and the Scottish Broadcasting Commission have each raised queries recently about some BBC programmes that appear to be labelled on-screen as nations and regions productions. On investigation by Ofcom, it was apparent that these programmes had not been reported to Ofcom as qualifying against the out-of-London production quota, despite their misleading on-screen credits.

However, recognising the importance of this issue, Ofcom decided to carry out a full audit of those programmes returned by the broadcasters as qualifying against the out-of-London quotas in 2006 and 2007. We identified some programmes returned against the quota that we believed merited further investigation and asked the broadcasters to provide evidence to

show the basis on which each one had qualified as an out-of-London production. Broadcasters also carried out their own reviews to check that all programmes had been correctly allocated.

On reviewing responses and evidence from the BBC and Channel 4, we found a small number of programmes that were wrongly returned against the out-of-London quotas. These changes resulted in relatively modest adjustments to the percentages achieved and the data presented in this section reflects those adjustments, including restated figures for 2006. There were no errors found in the data received from five.

In ITV's case, the number of programme amendments was more significant and ITV1 failed to meet the quota by value in 2006, as well as in 2007, as noted above. In addition, an issue arose over the methodology ITV1 used in calculating the quota figures. This concerned ITV's *Nightscreen* output – a text based service shown in the late night hours. This had been excluded from the total amount of originated programming for the purposes of calculation of the out-of-London quota percentage, on the basis that it is not a television programme, but simply a rolling teletext service. Ofcom's view is that this output cannot be excluded from the out-of-London production quota calculations and therefore the level of production by volume in 2006 and 2007 is several percentage points lower than would otherwise have been the case. The quota by value is not affected by this change in methodology.

Ofcom plans to assess whether and what further data might need to be sought from the broadcasters in relation to compliance with the out-of-London production quotas.

DTV penetration

DTV take-up is lowest in Northern Ireland at 79% of individuals

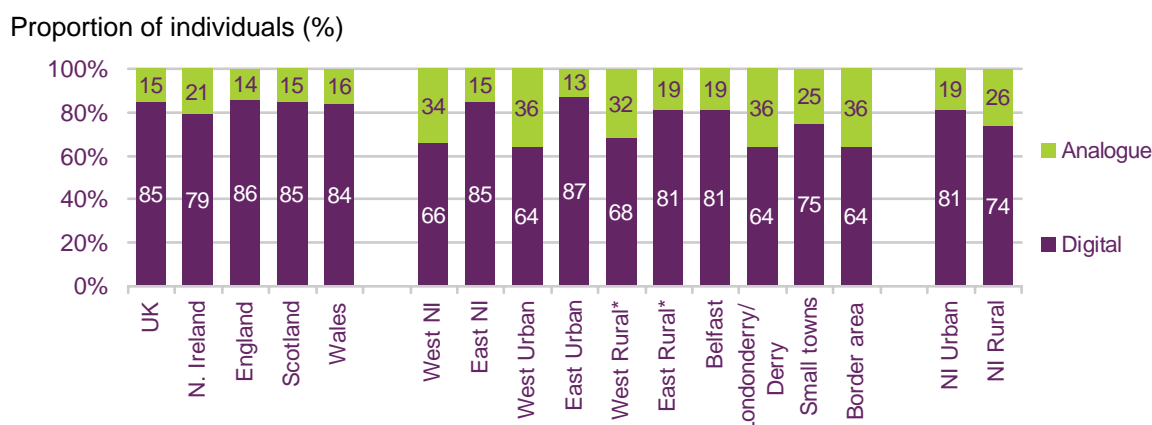
In 2006 Ofcom found that viewers in Northern Ireland were the least likely to be watching television through a digital platform. In Q1 2008 the same pattern emerged - fewer homes had adopted DTV services in Northern Ireland (79%) than elsewhere in the UK (85%). But take-up has risen by ten percentage points (pp) since 2006 – on a par with the UK average increase and that in Scotland (9 pp) and substantially ahead of Wales (2 pp).

Compared to the average level of DTV take-up in Northern Ireland, viewers in the East Urban area were more likely to have access, with 87% claiming to have it. By contrast, those in Londonderry/ Derry, West Urban and the Border area were far less likely to have access with 64% claiming to take digital television. At a more general level those in rural parts of Northern Ireland were less likely to have access to digital television when compared to their urban counterparts (74% versus 81% respectively having access in Q1 2008).

Lower levels of adoption in Northern Ireland are connected to low levels of Freeview take-up which in turn is explained by lower levels of availability. Conversely, the take-up of pay-TV services was 3 pp higher than the UK average of 49%. Of those who paid for television in Northern Ireland during Q108, 75% took satellite and 19% chose cable⁶ – a higher proportion taking satellite than in either England (64%) or Scotland (61%), perhaps explained by the lower availability of cable, which is only rolled-out in the Belfast and Londonderry/Derry areas.

⁶ The remaining percentages are homes that have Freeview with free channels plus paid-for top-up channels.

Figure 3.29 Individuals' access to digital television at home, 2008



Source: Ofcom. Base: All adults who have a television at home

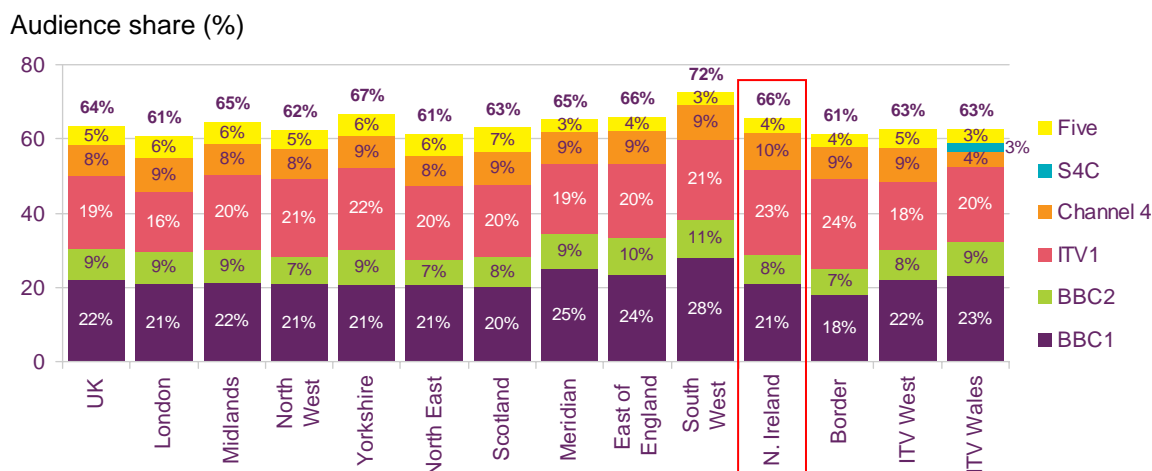
Television consumption

People in Northern Ireland watched an average of 3 hours 12 minutes of television a day in 2007. This was slightly lower than the 3 hours 36 minutes UK average in the same year and 6.9% lower than the figure for Northern Ireland in 2003. Fifteen-minute consecutive weekly all-TV reach in 2007 was also slightly lower than the UK average (91.1% versus 92.6%), although it has held up better in Northern Ireland than it did on a UK-wide basis since 2003 (a reduction of 0.9pp versus 1.4pp).

Viewing of the five main PSB channels has fallen least in Northern Ireland since 2003

The five PSB channels were more popular in Northern Ireland than on a UK-wide basis in 2007, attracting a 66% share of viewing (2 pp higher than the UK average and consistent with the trend in 2006) – perhaps explained in part by lower multichannel take-up. UTV remains a popular choice in Northern Ireland, attracting an average share in 2007 (23%) higher than stv's share or that of any other ITV1 licensee apart from Border (which attracted an audience share of 24%). But this was not at the expense of BBC One in Northern Ireland whose share of 21% was only slightly below the UK average of 22%. (Figure 3.30).

Figure 3.30 Share of the five terrestrial networks in all homes, 2007

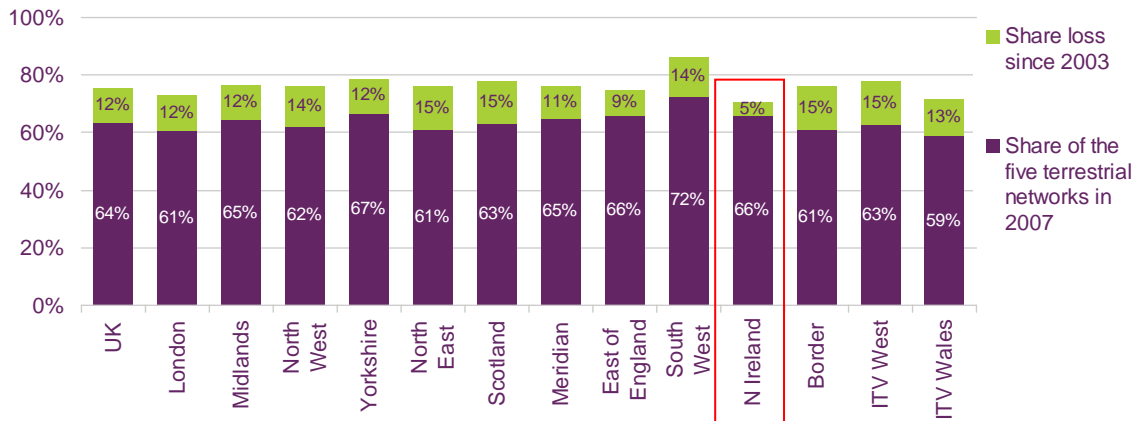


Source: BARB

Since 2002, the five main PSBs in Northern Ireland have been able to retain share when compared to their equivalents in other nations. Across the UK, the five networks lost an average of 12pp of share – with reductions as high as 15 percentage points in some English regions and Scotland; by contrast, they lost just 5 pp in Northern Ireland.

Figure 3.31 Reduction in combined share of the five main PSB channels, all homes

Audience share (%)



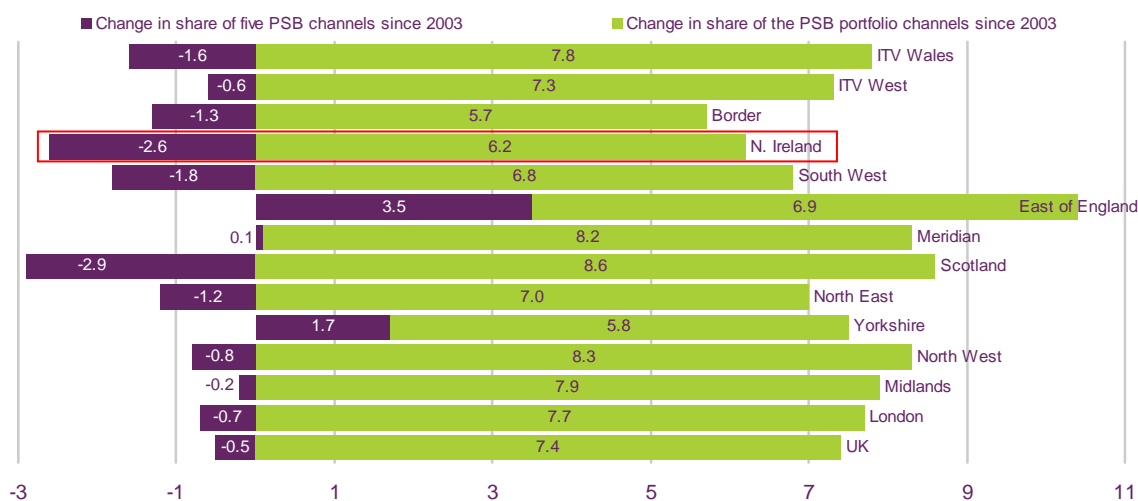
Source: BARB. Note that 'ITV Wales' excludes growth in the share of the full Channel 4 service.

In multichannel homes, the most popular channel choice beyond the five PSB channels was ITV2, with a 2% viewing share, followed by E4 (1% share) and the Disney Channel (1%).

In multichannel homes the five main PSB channels have shed 2.6 percentage points of share in Northern Ireland since 2003 – significantly ahead of the UK-wide average of 0.5 percentage points. This represented one of the highest reductions in the UK, with only Scotland (-2.9 percentage points) falling further.

The PSB portfolio channels (this includes all PSB channels except the five terrestrial channels) gained 6.2 percentage points in share over the same period – one of the lowest rises in share in the UK. Only in the Border and Yorkshire regions did the increase in share among viewers rise by fewer percentage points over the same period (Figure 3.32).

Figure 3.32 Net change in the audience share of the five PSB channels and the PSB portfolio channels, 2003-2007 – multichannel homes



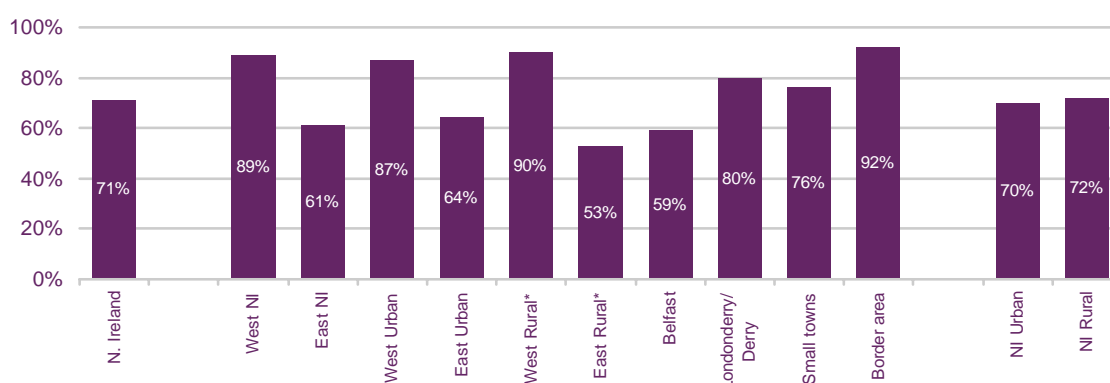
Source: BARB

Note: In the chart, the 'ITV Wales' bar for PSB channels includes Channel 4 and S4C.

71% of viewers receive channels from the Republic of Ireland

Seventy one percent of viewers in Northern Ireland can receive channels broadcast from the Republic of Ireland, whose channels are also distributed over the cable and satellite platforms. According to Ofcom's research, those in the border (92%), western rural (90%) and western (89%) regions were more likely to report receiving channels from the Republic than those in the eastern rural (53%), eastern (61%) and eastern urban (64%) regions (Figure 3.33). As a result many *analogue* viewers can receive RTÉ 1, RTÉ 2, TV3 and TG4 (an Irish language service) alongside the UK's five PSB channels.

Figure 3.33 Proportion who can pick up channels from Republic of Ireland at home

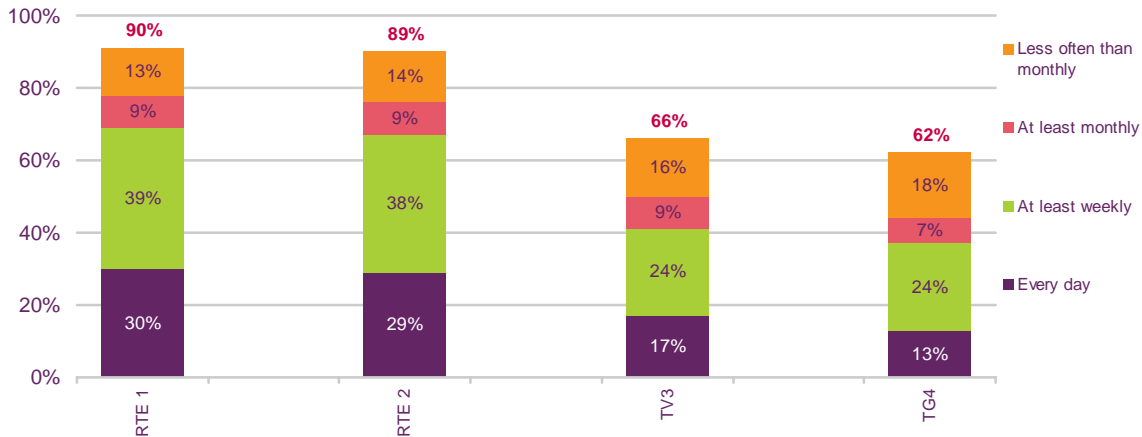


Source: Ofcom . Base: Adults aged 16+

Nearly one-third of respondents reported watching RTÉ 1 and RTÉ 2 on a daily basis with almost another 40% watching at least once a week. Viewing of TV3 and TG4 was lower, with around 40% of viewers stating that they watched these channels 'every day' or 'at least weekly'.

In line with the characteristics of analogue ‘spill-over’, viewing was higher in the border region and in the west generally than it was in the east. For instance, 44% of people reported watching RTÉ 1 every day in the border area, compared to 9% in Belfast.

Figure 3.34 Frequency of viewing channels in Northern Ireland



Source: Ofcom. Base: Adults aged 16+ who pick up Republic of Ireland channels at home.

The obligation to extend the Irish language channel TG4 to audiences in Northern Ireland formed part of the Belfast/Good Friday Agreement of 1998. Ofcom has put forward a proposal whereby space would be made available to carry this channel on one of the DTT PSB multiplexes, in common with similar carriage provision for S4C in Wales and the Gaelic Digital Service in Scotland. RTÉ 1 and RTÉ 2 are currently available on digital satellite and cable platforms in Northern Ireland (along with TG4). Neither they nor TV3 are currently set to be available on DTT after digital switchover in 2012.

We asked respondents how they would react to not having access to channels from the Republic of Ireland. Around two-fifths said that losing RTÉ 1, RTÉ 2, TV3 and TG4 would be ‘a major problem’ and that they would be ‘very unhappy’, while roughly another third said that it would not be a major problem, although they would prefer not to lose them. The remaining proportion of respondents said that it would not be an issue.

By channel, the loss of RTÉ1 would be a major problem for 28% of respondents, rising to 49% in the border region. Corresponding figures for the other channels for Northern Ireland as a whole and for the border region were: 26% and 47% for RTÉ2, 16% and 35% for TV3 and 15% and 34% for TG4.

For more detail about this issue, we have published on our website (www.ofcom.org.uk) a Communications Market Report chart pack which includes a breakdown, by channel, of respondents’ reactions to the hypothetical loss of these channels.

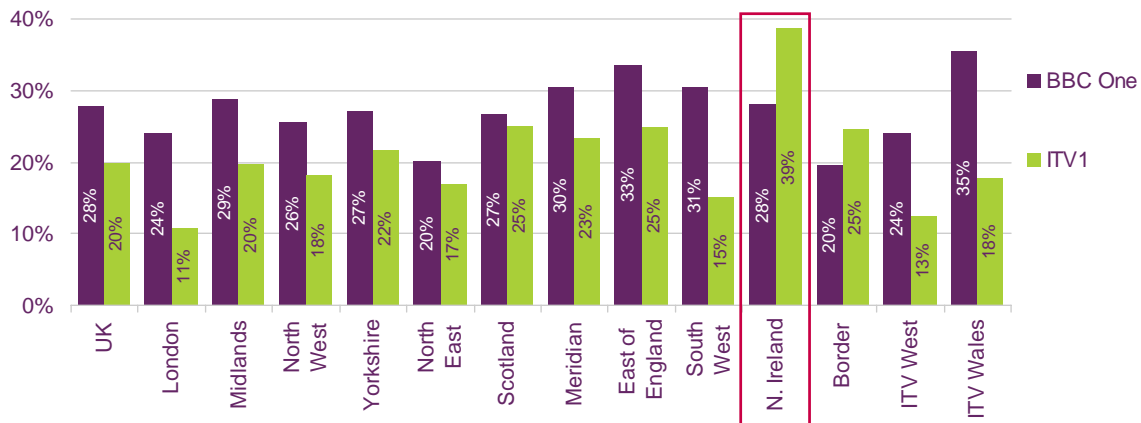
Early evening nations/regions news most popular in Northern Ireland

Once again in 2007, early evening nations news bulletins were more popular with viewers in Northern Ireland than anywhere else in the UK. UTV attracted a 39% share from 18:00 – 18:30 (the highest ITV in the UK), while BBC One took a 28% share between 18:30 and 19:00. Putting these figures into context, ITV early evening bulletins’ share of viewing fell as low as 11% (in London) while BBC One’s lowest viewing share was 20% (in the North East and Border). Northern Ireland was also one of only two areas of the UK (the other was Border) where ITV’s early evening bulletin attracted a greater share of viewing than BBC One’s.

Ofcom consumer research shows that 47% of people in Northern Ireland claimed that television was their main source for local news, while 28% preferred newspapers. This is roughly on a par with the UK average of 46% preferring television and 27% preferring newspapers.

Figure 3.35 BBC One and ITV1/UTV/stv early evening news bulletin shares, 2007

Audience share (%)

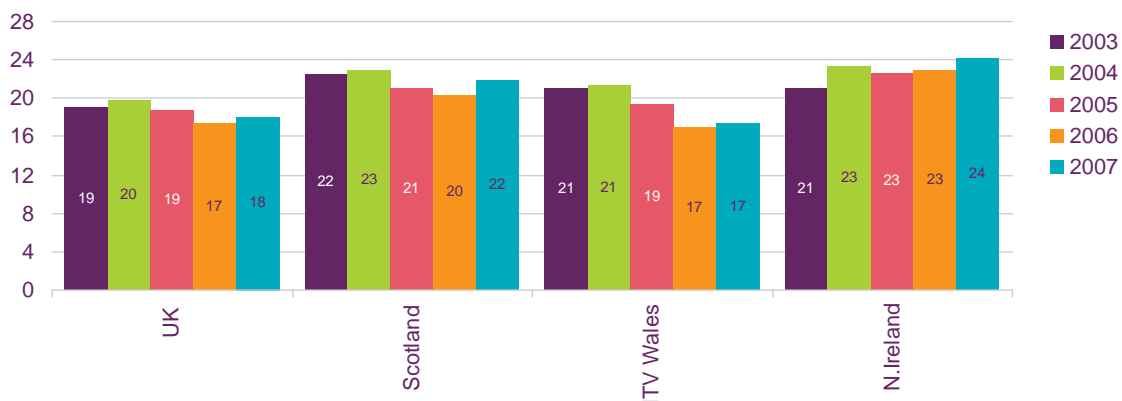


Source: BARB

Note: 'ITV1' refers to STV in Scotland and to UTV in Northern Ireland

Viewers in Northern Ireland watched an average of 24 hours of early evening regional news bulletins per capita over 2007 – the highest level of consumption in the UK – seven hours more than viewers in Wales and two hours more than those in Scotland. Not only that - while viewing across the UK has fallen by an average of one hour since 2003, the level of consumption in Northern Ireland has *risen* by three hours over the same period (Figure 3.36).

Figure 3.36 Combined total annual hours of viewing per head of early evening regional news bulletins, all homes in 2003-2007



Source: BARB

Note: Analysis done on genre regional news, start time 17:55-18:35, 10mins+ duration, channels BBC1 and ITV1 combined, Monday through Friday

Attitudes toward television content

36% of people in Northern Ireland are concerned about what's on TV

In May 2008 we published our Adult Media Literacy Audit, which included an analysis of consumers' concerns about television content. Thirty-six per cent of respondents in Northern Ireland claimed to be either very, or fairly, concerned about television content. This was on a par with the 36% UK average, but lower than the average in Wales (42%) and higher than that in Scotland (24%).

Figure 3.37 Concern overall about television

Overall, how concerned are you about what is on TV?



Source: Ofcom. Base: All adults aged 16+

3.3 Radio

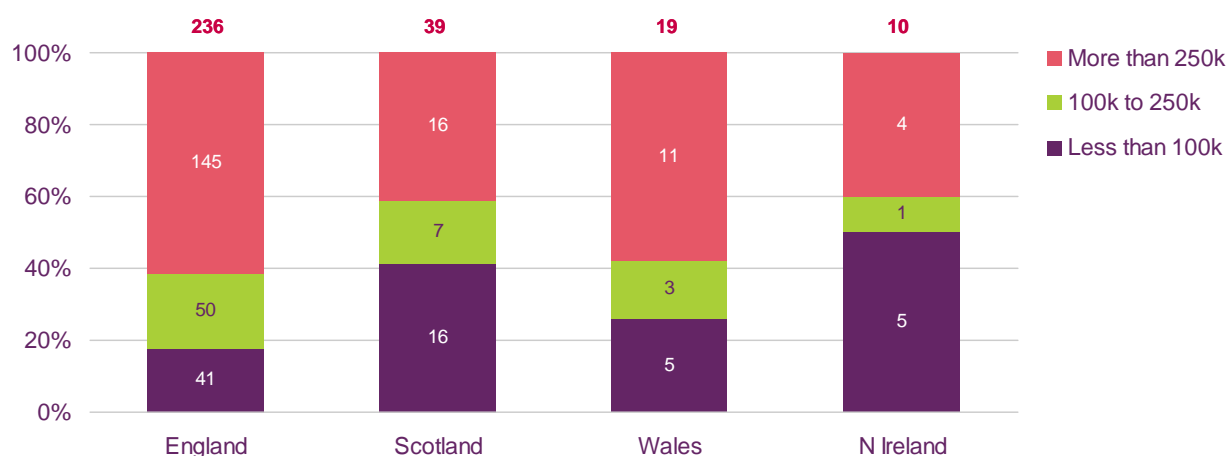
Northern Ireland has fewer commercial stations per capita than rest of UK

With 10 local commercial analogue radio stations, listeners in Northern Ireland have a lower than average choice of stations, around 2.1 local commercial stations per person. This compares to 5.2 local commercial stations in England, 3.5 in Scotland and 2.9 in Wales. This can partly be explained by the higher population density in the other three countries, England in particular.

If we include BBC Radio Ulster and Foyle, listeners in Northern Ireland therefore have access to around 3.1 local or national stations on average. Northern Ireland also currently has 14 community radio stations awarded, with 7 of these on already on air.

Five of the ten local commercial stations in Northern Ireland cover smaller populations of fewer than 100,000, these include local stations serving: Ballymena, Coleraine, mid Ulster, Newry, Omagh and Enniskillen. Four stations cover larger populations in the Belfast area, with Cool FM / Downtown Radio available to over 1m people. There is also one medium-sized station in Derry / Londonderry covering just over 100,000 people. This distribution pattern is a similar to the one in Scotland, with a relatively even share of stations serving smaller dispersed communities on the one hand and larger urban populations on the other.

Figure 3.38 Distribution of radio stations by population coverage



Source: Ofcom

BBC spend on local radio second highest in UK on a per head basis, but down in 2006/07

BBC local radio spend in Northern Ireland totalled £15.9m in 2006/07, compared to £17.0m in 2005/06 – a decrease of £1.1m on last year, equivalent to a fall of 75p per head. This compares to BBC expenditure of £29.9m in Wales in 2006/07, £34.6m in Scotland and £129.3m on local radio in England. This equates to spend of around £9.64 per person in Northern Ireland – lower than the average spend per head in Wales (£10.48) but higher than the average spend per head in Scotland (£7.07) and on BBC local radio in England (£2.65).

Figure 3.39 BBC investment in national / local radio programming 2006-07

BBC programme spend per head (£ per head)



Source: BBC Annual Report and Accounts 2006/07

Note: The revenue data above have been compiled on a new basis by the BBC to illustrate UK public services expenditure by service. The annual increase is also calculated using the new basis for consistency.

BBC spend per listener hour second lowest in Northern Ireland at £0.55 per hour

The cost per listener hour for the BBC national or local stations can be calculated by dividing expenditure on the BBC nations stations or local radio stations in England by the total number of listening hours to those stations.

On a UK-wide basis, BBC nations and local programming cost 47p per listener hour in the financial year 2006/07 (Figure 3.40). In the nations, Northern Ireland had the lowest expenditure per hour on this measure, with the cost for BBC Radio Ulster and Radio Foyle equating to 55p per listener hour. By comparison cost per listener hour was highest in Scotland, where BBC Radio Scotland and Radio nan Gaidheal cost £1.16 per listener hour; in Wales the equivalent figure for BBC Radio Wales and Cymru was 97p per listener hour.

On a cost per listener hour basis spend is lower in Northern Ireland and Wales than in Scotland, despite the higher overall expenditure per head in Northern Ireland and Wales. This is due to the higher average listening hours to the national stations in Northern Ireland and Wales. The cost of the English regional stations per listener hour was lower than the other nations at 36p per hour, again largely because of the higher volume of listening hours.

Figure 3.40 BBC expenditure per listener hour 2006/07



Source: BBC annual report and accounts 2006/07, RAJAR 2006/07

Commercial radio revenue per capita second highest in Northern Ireland and increased during 2007

Two main groups own 80% (8 stations) of the 10 local commercial stations in Northern Ireland. The Northern Media radio group holds the most licences with 6, followed by Bauer with two, with the CN Group and UTV both owning one station each in Northern Ireland. Revenue generated by the commercial stations in Northern Ireland reached over £13m in 2007. This was up by £2m or by 21% from £11m in 2006. This commercial revenue was equivalent to around 2.8% of the UK total of £526m. Adjusting for population size means that local commercial revenue in Northern Ireland was equivalent to £8.03 per head in 2007, up by £1.37 on £6.66 in 2006. This was higher than the local commercial radio revenues per head in England (£7.82) and Wales (£7.41), but lower than in Scotland (£11.46).

Figure 3.41 Local commercial radio revenue per head in 2007



Source: Ofcom, operator net broadcasting revenue returns 2007

Note: Chart shows net broadcasting revenues as based on returns received by Ofcom for the year 2007. The UK total also includes revenues for the UK wide commercial stations: Classic FM, TalkSPORT, and Virgin 1215

Radio services availability

DAB available to just under 90% of the population of Northern Ireland

Analogue radio is available to almost all of Northern Ireland, while digital radio coverage via the BBC and the local DAB network is estimated at 87 – 89% of the population. Digital radio services in Northern Ireland are provided by the BBC's national multiplex along with a local multiplex operated by Bauer (formerly Emap). Emap previously estimated that its local multiplex covered 88.6% of the population of Northern Ireland. The BBC has extended the coverage of its multiplex in Northern Ireland, with the addition of three new transmitters at Brougher Mountain, Limavady and Sheriff's Mountain in Londonderry/Derry, bringing BBC DAB coverage to around 87% by 2006.

Through the BBC and local multiplexes, Northern Ireland listeners have access to 20 DAB stations. These include the 11 UK-wide BBC stations (BBC Radio 1 to Five Live, Five Live Sports Extra, 6Music, BBC7, World Service and The Asian Network), BBC Radio Ulster, and two of the UK's national commercial stations (Classic FM and talkSPORT). An additional six stations are available through the local DAB multiplex in Northern Ireland.

BBC Radio Ulster is also available on digital TV and the internet, while BBC Radio Foyle is available on the internet and Freeview only.

Figure 3.42 National BBC radio stations available via digital radio in N Ireland

BBC station	Available DAB area	bbc.co.uk	Freeview	Sky	Virgin Media
Radio Ulster	Northern Ireland	www.bbc.co.uk/northernireland/radioulster/	719	118	932
Radio Foyle	Northern Ireland	www.bbc.co.uk/northernireland/radiofoyle/	720		

Source: BBC

Radio listening

Radio listening in Northern Ireland higher than Scotland but lower than in Wales and England.

Radio services reached 89.6% of the adult population in Northern Ireland on a weekly basis in 2007, (down slightly by 1.1 percentage points from 90.7% in 2006), this was lower than the UK average of 90.1% but higher than in Scotland. Average hours per listener in Northern Ireland were just over 23 hours per week in 2007 again slightly below the UK average of 23.5 hours (Figure 3.43)

Figure 3.43 Levels of radio listening in 2007

Average weekly listening hours and percentage reach of population

	England	Scotland	Wales	Northern Ireland	UK TOTAL
Average weekly listening	23.5 hours	22.9 hours	24.4 hours	23.1 hours	23.5 hours
Reach	90.3%	88.6%	90.5%	89.6%	90.1%

Source: RAJAR 2007

Radio services consumption by service type

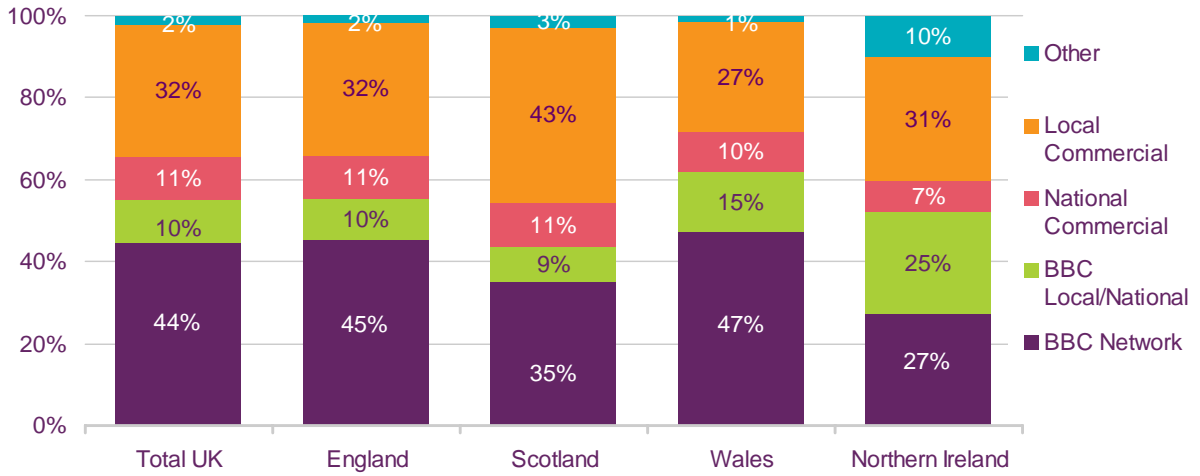
BBC stations account for over half of all listening in Northern Ireland

The BBC local and network stations continued to enjoy a majority share in Northern Ireland, with a 52% share of all listening in 2007. This was slightly down on a 54% share in 2006 with listening to the BBC national stations (Ulster and Foyle) falling by 2 percentage points in 2007. Listening share to BBC nations/ local services is still higher in Northern Ireland than in the other nations, at 25% of all listening compared to the UK average share of 10%. On the other hand BBC network listening is lower in Northern Ireland at 27% -17 percentage points lower than the UK average of 44%.

Listening to 'Other' radio stations, which includes RTÉ Radio, community radio and short term licensed stations (RSLs), now accounts for 10% of all radio listening in Northern Ireland. This is much higher than the UK average of 2% for 'Other' listening.

Local commercial radio accounted for 31% of listening, in line with the UK average of 32%. This was up by 5 percentage points in Northern Ireland on 2006, when it stood at 27%. UK-wide commercial stations however saw their listening share fall by 3% on last year to 7% of listening in 2007, significantly below the UK average of 11%. There is a general pattern in Northern Ireland of lower levels of listening to the UK wide stations (both commercial operators and the BBC), with local stations and Northern Ireland-wide stations attracting a larger share of audiences.

Figure 3.44 Share of listening hours by nation



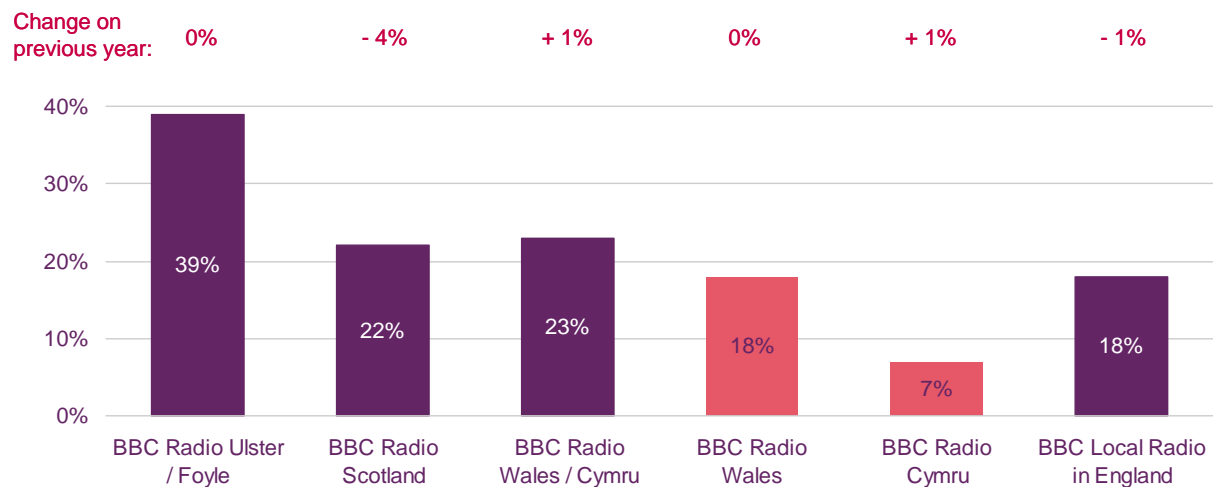
Source: RAJAR 2007

BBC Radio Ulster / BBC Radio Foyle reach 39% of adults per week

For BBC national and regional radio services, 39% of adults listened to BBC Radio Ulster / Foyle on an average week in 2007. This was by far the highest reach of a BBC nations/local station across the UK: 7 percentage points higher than listening to nations stations in Scotland, 16 percentage points higher than in Wales, and 21 percentage points higher than local BBC radio reach in the English regions. The BBC's nations / local stations saw a general fall in reach in 2007 in Scotland and England, while reach in Northern Ireland was stable. However, total listening hours to BBC Radio Ulster / Foyle did see a fall of almost 10% in 2007, equivalent to a 2 percentage point drop in all overall listening across Northern Ireland.

Figure 3.45 Weekly listening to national / local BBC services

% of adult population reached per week



Source: RAJAR Q4 2007

Ownership of DAB digital radio sets

Consumer research for 2007 showed that 13% of individuals in Northern Ireland now own a DAB digital radio set. This is lower than elsewhere in the UK, with ownership in England at 22%, Scotland (21%) and Wales (14%). Ownership in Northern Ireland has however increased by 2 percentage points during the year (Figure 3.46). Awareness of DAB digital radio was lower in Northern Ireland, with around 54% of people having heard of the term 'DAB digital radio' compared to a UK average of 75%. Meanwhile, the likelihood of obtaining a DAB digital radio was similar to the rest of the UK, with 15% of respondents saying they were likely to acquire a DAB set in the next six months, the same as in Scotland and Wales but slightly lower than in England (18%).

Figure 3.46 Ownership of DAB digital radios



Source: Ofcom. Base: All who listen to radio

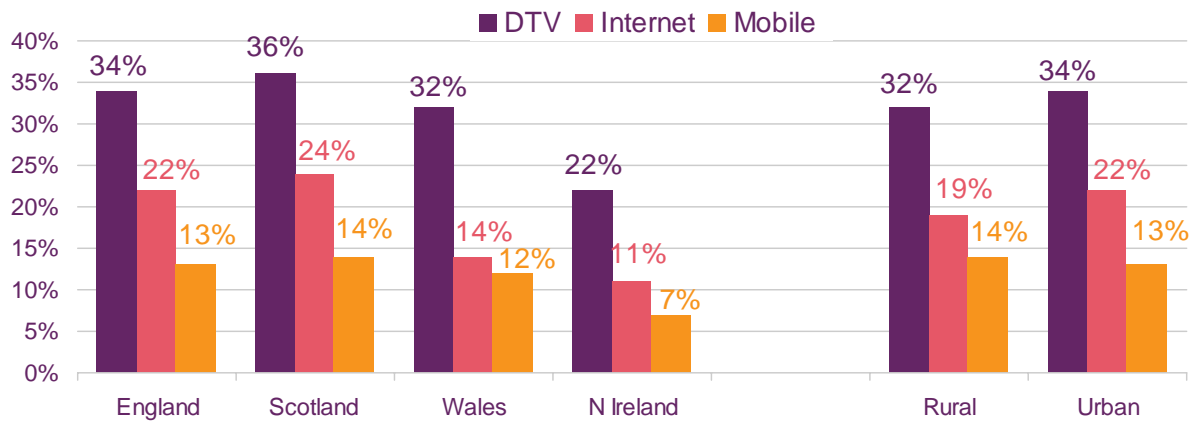
Listening to radio via DTV, internet and mobile phone lower in Northern Ireland

According to latest research, just over one in five (22%) radio listeners in Northern Ireland had used digital television to listen to radio channels in 2007, (with 15% using this feature on a weekly basis). This was lower than levels of DTV listening in the other UK nations, with Scotland the highest at 36% and England (34%) and Wales (32%) also higher.

Listening to radio via the internet had been tried by just over one in ten (11%) of radio listeners in Northern Ireland, (with 1% claiming to listen online on a weekly basis). This was lower than 24% of people in Scotland, 22% in England and 14% in Wales. Meanwhile listening to radio via mobile phone was a feature used by seven percent of people in Northern Ireland, again lower than mobile listening in Scotland (14%), England (13%) and Wales (12%) (Figure 3.47)

Figure 3.47 Listening to radio via DTV, internet, mobile phone

Proportion of respondents (%) who have ever listened to radio via DTV, Internet or mobile phone



Source: Ofcom. Base: All who listen to radio

Community radio licence awards 2007/08

Community radio licences are awarded to small-scale operators working on a not-for-profit basis to serve local areas or particular communities. The number of community stations has increased over the last couple of years with many new licences issued by Ofcom throughout the UK's nations and regions.

Northern Ireland currently has 14 community radio licences awarded, with eight awarded in the last year. Of the 14 stations in Northern Ireland 7 are already on air. This compares to Wales where five out of the 10 community stations awarded are on air. In Scotland there are 11 community stations on air with another nine awarded. Over the last couple of years there have been over a hundred community stations awarded across England. In terms of community radio availability, Northern Ireland has the most stations per head of population with an average of 8.5 community stations per million people. Scotland has the next highest number with 4.1 community stations per million people, followed by Wales (3.2) and England with 2.6 (Figure 3.48)

Figure 3.48 Community radio stations in the UK

Number of community radio stations, (average per million head of population)



Source: Ofcom

Community station awards in 2007/08

Northern Ireland community awards: 2007 saw further community station awards for Northern Ireland, with eight community stations awarded between May to September 2007, bringing the total to 14 stations overall. Recent awards included stations for Aldergrove and Antrim, Bangor, Belfast, County Antrim, County Down, Derry / Londonderry, and Enniskillen.

Figure 3.49 Community station awards in Northern Ireland 2007/08

Community station	Location
Star FM	Bangor
Vibe FM	Enniskillen
Drive FM	Derry / Londonderry
Aldergrove and Antrim FM	Aldergrove and Antrim
Ballykinler FM	Ballykinler, County Down
Hollywood FM	Hollywood, County Down
Belfast Student Radio	Belfast
Lisburn City Radio	Lisburn, County Antrim

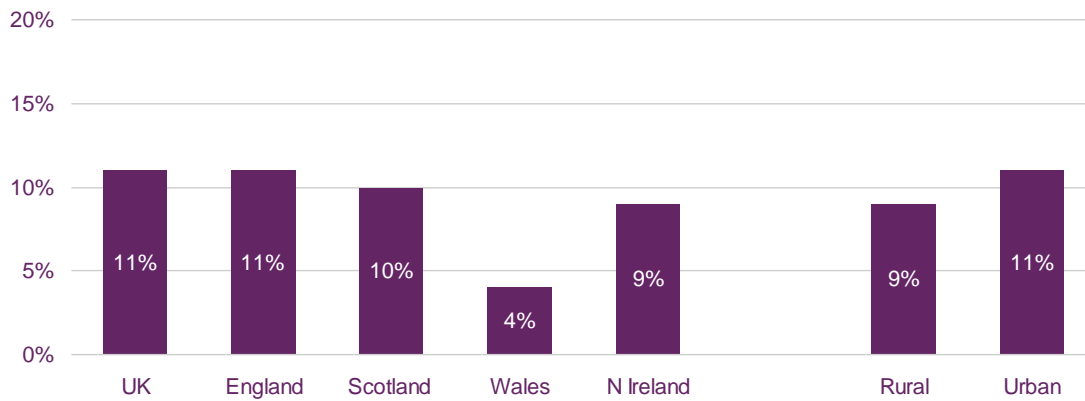
Source: Ofcom

Use of radio for local news in Northern Ireland

In Northern Ireland 9% of people cited radio as their main source of local news compared to the UK average of 11%. Meanwhile only 4% of respondents in Wales claim to use radio for local news in comparison to 11% in England and 10% in Scotland.

Figure 3.50 Use of radio for local news

What, if anything, is your main source of news about what is going on in your area? (Local and regional news)



Source: Ofcom . Base: All who listen to radio

3.4 Telecommunications

Availability

Fixed-lines

Fixed telephony services over the public switched telephone network (PSTN) are available to all of the UK population as a result of the universal service obligation (USO) which is provided by British Telecom (BT) and Kingston Communications in Kingston-upon-Hull.

Under the USO all UK households have access to a landline at a standard charge, although additional charges for connection apply where the cost of installation is in excess of £3,400. The USO mandates BT and Kingston to provide affordable telephone services for poorer and less well-advantaged members of the community in the form of special pricing schemes.

As a result of the USO, there are no significant issues relating to the availability of fixed voice telephony services anywhere in the UK, although a small number of single dwellings in remote locations may have difficulty in connecting to the network.

Narrowband internet

The availability of narrowband internet services (defined as an internet connection achieved by means of dial-up over a twisted copper pair or coaxial cable at speeds of less than 128kbit/s) is the same as that of fixed-line voice services as the only equipment required to access narrowband services (apart from a standard fixed-line) is a suitably equipped personal computer.

Over recent years the use of narrowband internet services has declined steeply as the availability of broadband internet services has increased and as prices for these faster services has fallen. According to the Office for National Statistics⁷, at the end of 2007 fewer than 10% of UK internet connections were narrowband, compared to 56% three years previously.

Broadband internet

The two main technologies used to supply broadband services in the UK are digital subscriber line (DSL), supplied over a standard copper twisted pair connected to a local telephone exchange, or using cable modem technology over a cable operator's hybrid fibre-coaxial network.

Ofcom figures show that at the end of 2007 DSL connections, including those provided using Local Loop Unbundling (LLU), accounted for 78% of non-corporate broadband connections, compared to 76% a year earlier. Cable modem broadband connections made up 22% of total connections at the end of 2007. Despite growth in the availability of wireless and satellite broadband services, in particular those using WiMAX and cellular technology, such connections accounted for under 1% of the total at the end of 2007. Data are not currently available on take-up of cellular wireless broadband connection, and these are excluded from our connection figures.

⁷ <http://www.statistics.gov.uk/pdfdir/int0208.pdf>

DSL broadband availability

Figure 3.51 shows that almost all UK households (over 99.9%) were connected to a DSL-enabled BT local exchange at the end of December 2007, although not all of these will be able to obtain broadband services (see the box on “not-spots” below). DSL availability is higher than that of cable modem services in all areas of the UK, meaning the availability of DSL can be used as a model for overall UK broadband availability.

Broadband ‘not-spots’

Not all delivery points in an area served by a DSL-enabled area exchange will be able to obtain broadband services, for a variety of reasons including distance from the exchange and network quality.

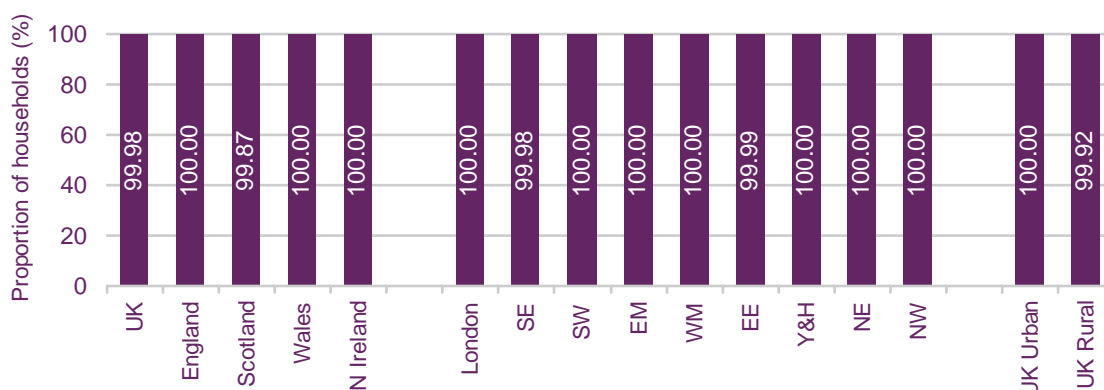
BT estimates that 99.6% of its network is able to support broadband speeds of 512kbit/s and above. However, even with this level of availability there will still be a significant number of households in ‘not-spots’ (areas unable to receive DSL broadband services), although the exact scale of the problem is difficult to quantify.

Households in ‘not-spots’ will not be able to access or obtain the full experience of using services which require higher or consistent bandwidth, such as VoIP and video streaming. As such, these consumers suffer a substantial detriment, and as both broadband take-up and the use of higher-bandwidth services increase, the scale of the problem is becoming more apparent.

The proportion of households connected to a DSL-enabled exchange was over 99.9% in Northern Ireland at the end of 2007, in line with levels in England and Wales and slightly higher than in Scotland (99.9%). The proportion of households connected to a DSL-enabled exchange was over 99.9% in both rural and urban areas of Northern Ireland, while across the UK as a whole the proportion of households in urban areas connected to a DSL-enabled exchange was slightly higher than in rural areas⁸. [Under the terms of the DETI-BT contract to provide 100% broadband availability throughout Northern Ireland the small number of premises not able to receive DSL broadband are entitled to a subsidised satellite broadband service.]

⁸ It should be noted that the rural / urban classifications used in this section of the report are based on the location of the BT local exchange in each area (as designated by the Northern Ireland Statistics and Research Agency (NISRA)). As such, the splits will not be exact as many rural areas are served by a local exchange cited in an urban area meaning that rural availability is likely to be understated, while urban availability may be overstated. As such, these splits should be interpreted with some caution.

Figure 3.51 Proportion of households connected to a DSL-enabled exchange



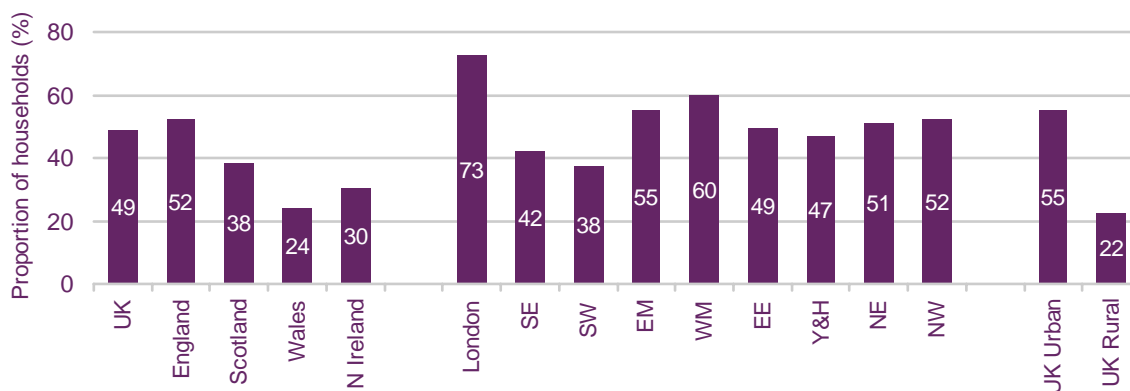
Source: Ofcom/BT, December 2007 data

Cable modem broadband availability

Data obtained from Virgin Media show that at the end of 2007 almost half of UK households (49%) were passed by its broadband-enabled cable network, although a small proportion of these will not be able to receive cable broadband services (Figure 3.52).

The proportion of households passed by Virgin Media’s broadband-enabled cable network was highest in London among the nations at 73% of households, and lowest in Wales at 24%. In Northern Ireland 30% of households were passed by Virgin Media’s broadband network, the second lowest among the nations.

Figure 3.52 Proportion of households passed by Virgin Media broadband

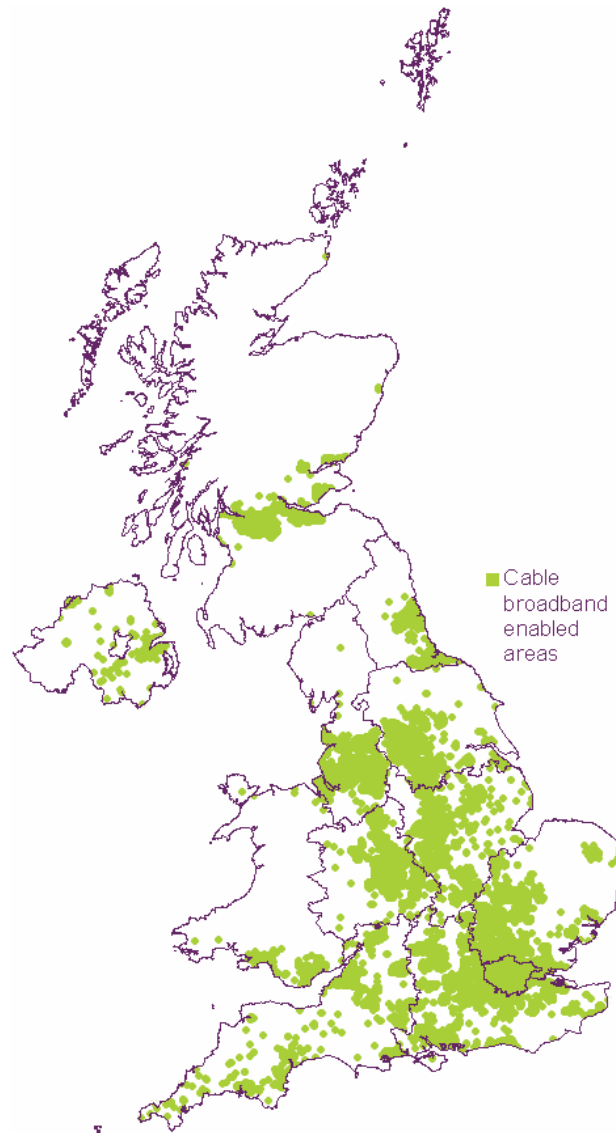


Source: Ofcom/Virgin Media, December 2007 data

Note: The basis on which figures have been calculated is different to that used in the 2007 report

When rolling out their networks the original cable franchisees concentrated network build in areas with high population density in order to maximise the potential return on their investment. This is clearly reflected in Figure X below, which shows that availability of Virgin Media cable broadband services is concentrated in large urban conurbations.

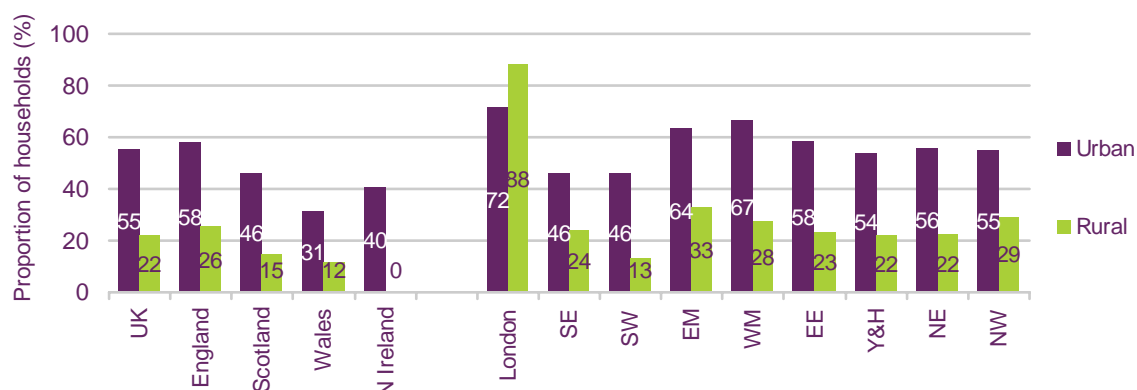
Figure 3.53 Map showing areas where Virgin Media cable broadband is available



Source: Ofcom/Virgin Media, Q4 2007 data

Households located in urban areas in the UK were more than twice as likely to be able to receive cable broadband services as those in rural areas (Figure 3.54). This was particularly evident in Northern Ireland where around 40% of households in urban areas were able to receive cable broadband services, compared to under 0.3% in rural areas.

Figure 3.54 Coverage of households in urban and rural areas passed by Virgin Media broadband



Source: Ofcom/Virgin Media, December 2007 data

Note: The basis on which figures have been calculated is different to that in the 2007 report; The urban rural split for Northern Ireland is based on the location of the local exchange rather than the area which it covers (as is used for the other nations). As such, the rural figure is likely to be understated and data are not directly comparable to those for the other nations

Local loop unbundling broadband availability

Local loop unbundling (LLU) involves an alternative operator taking over the twisted copper pair between the BT (or Kingston Communications in the case of Hull) local exchange and a customer's premises and placing their own equipment in the exchange. This allows the LLU operator to connect the end-user to its own network and provide voice and DSL services without investing in an expensive access network over the so-called "last mile".

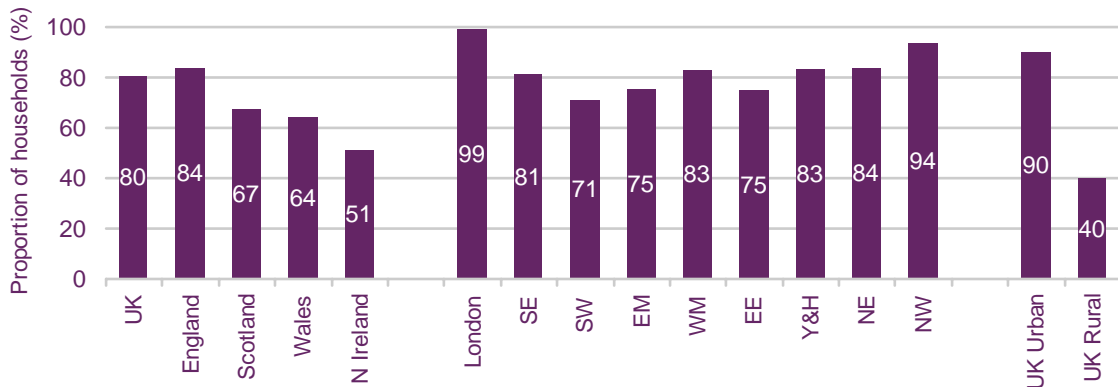
Unbundling an exchange allows operators to offer services without being tied to BT or Kingston's wholesale products, enabling greater differentiation in services and tariffs. It also gives operators access to economies of scale which are not available to them when purchasing wholesale products on a per-unit basis.

Consumers living in an unbundled exchange area are likely to have access to a wider range of suppliers and retail propositions than those living in an area which has not been unbundled, and in the last quarter of 2007 LLU services were responsible for over 85% of the growth in the total number of non-corporate UK broadband connections.

At the end of 2007 80% of UK households were connected to an unbundled local exchange as shown in Figure 3.55, an increase from 67% at the end of 2006. The proportion of households in Northern Ireland connected to an unbundled exchange was lowest in the UK at 51%, while it was highest in England at 84% (Figure X).

Although it had the lowest availability of LLU services at the end of 2007, Northern Ireland had the fastest growth in the availability of LLU services over the 2007; an increase of 41 percentage points from 10% at the end of 2006. At the end of 2005 LLU services were entirely absent from Northern Ireland.

Figure 3.55 Proportion of households connected to an unbundled exchange



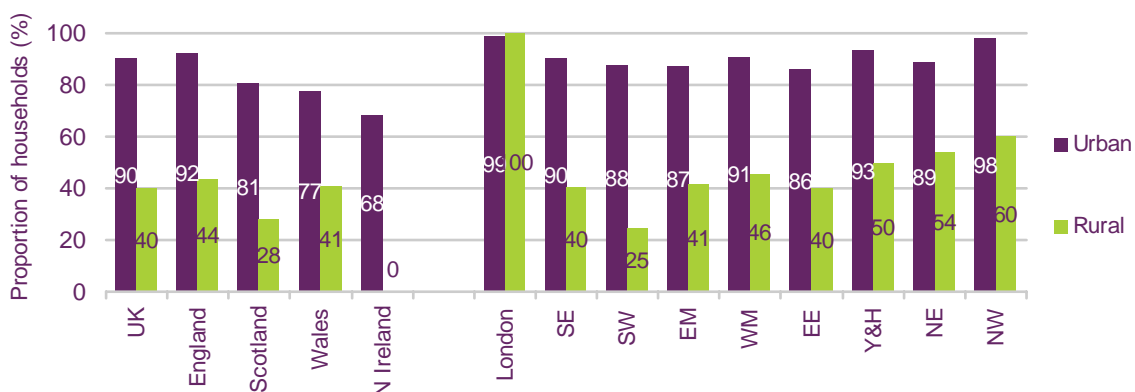
Source: Ofcom/BT, December 2007 data

The high fixed costs associated with unbundling a local exchange (siting of the equipment in the local exchange, the equipment itself and providing connectivity to the LLU provider's network) and the low rental cost per line (currently £1.30 a month for DSL services and £6.67 per month for DSL and voice services) mean that in order for an unbundled exchange to generate profit it needs to have a large number of customers.

This being the case, LLU operators have tended to unbundle exchanges serving a large number of delivery points, and typically these are found in urban areas. This is reflected in the fact that 90% of households in urban areas are connected to an unbundled local exchange, compared to just 40% in rural areas.

Again, this was particularly apparent in Northern Ireland where 68% of households in urban areas were connected to an unbundled local exchange while LLU services were not available at all in rural areas (see footnote regarding Northern Ireland urban / rural figures on page X).

Figure 3.56 Proportion of households in urban and rural areas connected to an unbundled exchange

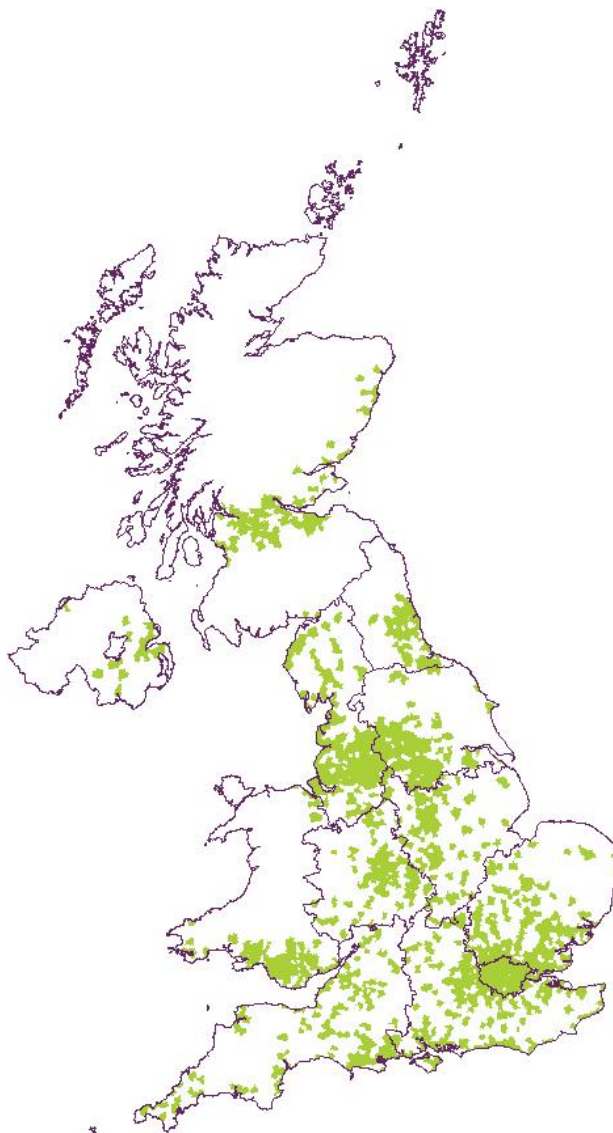


Source: Ofcom/BT, December 2007 data

Note: The urban rural split for Northern Ireland is based on the location of the local exchange rather than the area which it covers (as is used for the other nations). As such, the rural figure is likely to be understated and data are not directly comparable to those for the other nations

Figure 3.57 below shows the areas in the UK able to receive LLU-based voice and broadband services and indicates the concentration of unbundled exchange area in urban locations.

Figure 3.57 Areas served by unbundled exchanges



Source: Ofcom/BT, Q4 2007 data

Mobile availability

In order 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 75% of the postcode district, and by using this data in conjunction with population figures we are able to calculate the proportion of people living in such postcode districts. The 75% threshold is different to those used in the 2007 report (when we used 95% for 2G services and 50% for 3G) for the following reasons:

- to allow direct a comparison of 2G and 3G coverage levels;
- to reflect that the availability of 3G services is now widespread; and

- analysis of the data at a 95% area threshold revealed that small changes in the way in which the 2008 coverage figures had been compiled by the mobile network operators led to marked differences in the output figures.

It is important to note that just because a postcode district does not have 75% mobile coverage it does not necessarily follow that mobile services are not available there.

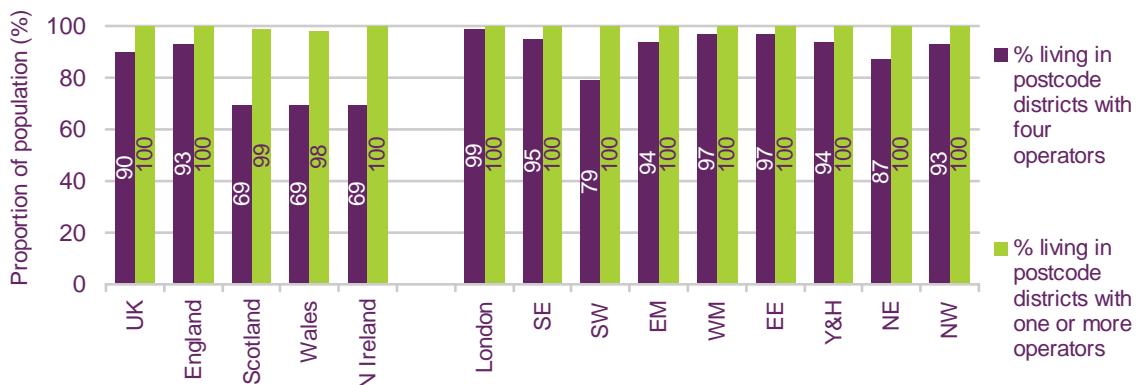
2G availability high across most of the UK

For 2G services we identified postcode districts where a) at least one and b) all four of the 2G networks had area coverage over the 75% threshold. It is important to note that the figures for Q1 2008 are not directly comparable with those published in the 2007 report as a result of the changes to the area coverage threshold outlined above.

The data show that across the UK almost all of the population (over 99%) lived in a postcode district where there was at least 75% 2G area coverage from one or more of the mobile networks in Q1 2008 (Figure 3.58). The data shows that in Northern Ireland the proportion living in an area with 2G coverage from at least one operator was over 99%, the joint highest level along with England.

There was greater variation in the proportion of people living in a postcode district with at least 75% coverage from all four 2G mobile networks. Across the whole of the UK, 90% of people lived in such an area, while in Northern Ireland more than two-thirds (69%) did. This was identical to levels in Scotland and Wales but lower than in England (93%).

Figure 3.58 2G mobile phone population coverage



Source: GSM Association / Europa Technologies; Q1 2008

Note: Figures show the percentage of population within postcode districts where at least one or four operators had at least 75% 2G area coverage; data not directly comparable to that published in the 2007 report.

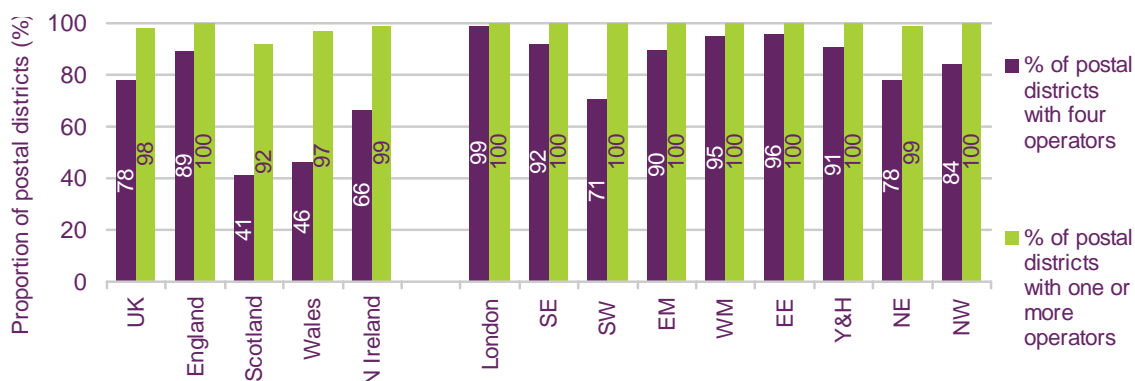
2G geographic coverage high in Northern Ireland

In addition to population coverage we also calculated geographic 2G coverage (using the same 75% area coverage threshold) in order to understand where there were gaps in coverage. Figure 3.59 below shows that, although 2G mobile geographic coverage was high across most of the UK in Q1 2008, it was not as high as population coverage. This is a result of the networks concentrating network build in areas of higher population density.

The majority of postcode districts in the UK (98%) had 2G area coverage from one or more mobile networks (Figure 3.59). Geographic 2G coverage was the second highest among the UK nations in Northern Ireland at 99%, while it was highest in England (over 99%). The

lower geographic coverage in Scotland (92%) reflects the fact that large areas of the sparsely populated Highlands and Islands are without coverage. The proportion of postcode districts with 75% area coverage from all four 2G networks varied across the UK nations and English regions. In all of the nations except England (89%) less than two-thirds of postcode districts had 2G coverage at a 75% area threshold from all four 2G networks. Northern Ireland had the second highest level of geographic 2G coverage from all four providers at 66% of postcode districts.

Figure 3.59 2G mobile phone geographic coverage

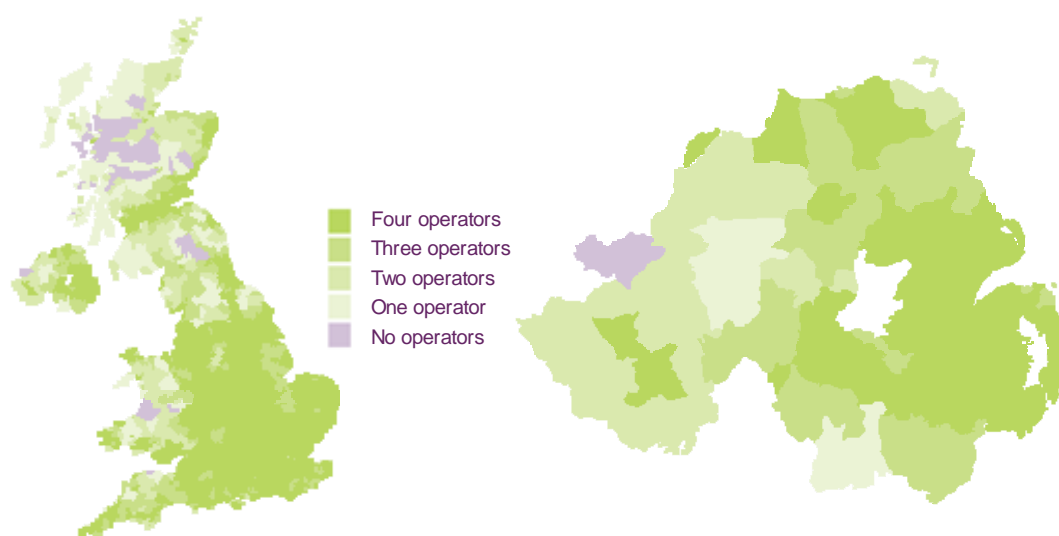


Source: GSM Association / Europa Technologies; Q1 2008

Note: Figures show the percentage postcode districts where at least one or four operators had at least 75% 2G area coverage; data not directly comparable to that published in the 2007 report.

Figure 3.60 shows that although most of the UK was covered by 2G services there were still sizeable areas where coverage was less than 75% or where 2G services were only available from one or two mobile networks. These regions included the Scottish Highlands and Islands, areas of mid-Wales and the west of Northern Ireland, many of which have poor coverage as a result of topographies that limit the range of cellular masts. The areas with higher levels of network 2G coverage in Northern Ireland tended to be found in the east of the country.

Figure 3.60 Map of 2G mobile phone geographic coverage by number of operators



Source: Ofcom / GSM Association / Europa Technologies; Q1 2008

Note: Maps show the number of 2G operators with at least 75% area coverage; not directly comparable to those published in the 2007 report.

3G availability concentrated around urban areas

The 75% postcode district network footprint threshold was also used when analysing 3G mobile availability. In the 2007 report a 50% area threshold was used for 3G services to reflect ongoing network rollout ahead of the end 2007 deadline for achieving 80% population coverage as stipulated in the five 3G licences. This means that that the data in this year's report are not comparable to those published last year.

Similarly, it should be noted that the methodology used to derive the coverage data in this report is different to that which was used to ascertain whether the 3G networks had met the coverage obligations outlined in their 3G licences earlier this year. The data in this report are based on postcode district coverage estimates provided to the GSM Association by the mobile networks, while the methodology used to establish whether the 3G licence coverage obligations had been met can be found at:

http://www.ofcom.org.uk/consult/condocs/3g_rollout/3GRolloutobligation/

In the case of 3G services there are five network operators (rather than four as there are for 2G) and we identified postcode districts where a) at least one and b) at least four of the 3G networks had area coverage above the 75% threshold.

90% of the UK population lives in an area where 3G services are available

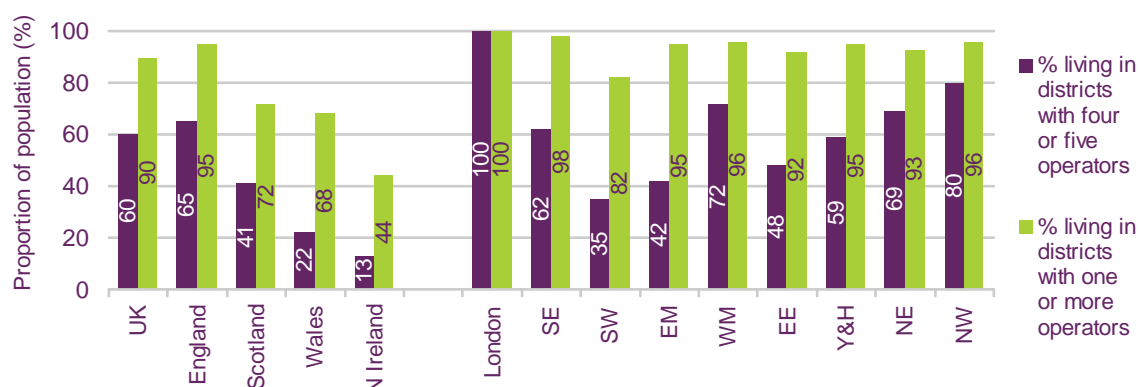
Across the UK, 3G coverage figures were lower than those for 2G services, the only exception being in London where the proportion of postcode areas with 2G and 3G coverage from at least one network at the 75% threshold was the same (over 99%) and the proportion with 3G coverage from four or more networks at the same threshold was higher than for 2G.

The data show that 90% of the UK population lived in a postcode district with at least 75% area coverage from one or more 3G networks, and among the UK nations the proportion was highest in England at 95% (Figure 3.61). Northern Ireland had the lowest 3G coverage at 44% of the population.

60% have a choice of four or more 3G networks

Across the UK, 60% of people lived in postcode districts with 75% 3G area coverage from at least four mobile networks. The proportion living in these areas was highest in England (65%) and, again, lowest in Northern Ireland (13%). In Wales 22% of people lived in an area with 3G coverage from four or more networks while 41% did so in Scotland.

Figure 3.61 3G mobile phone population coverage



Source: GSM Association / Europa Technologies; Q1 2008

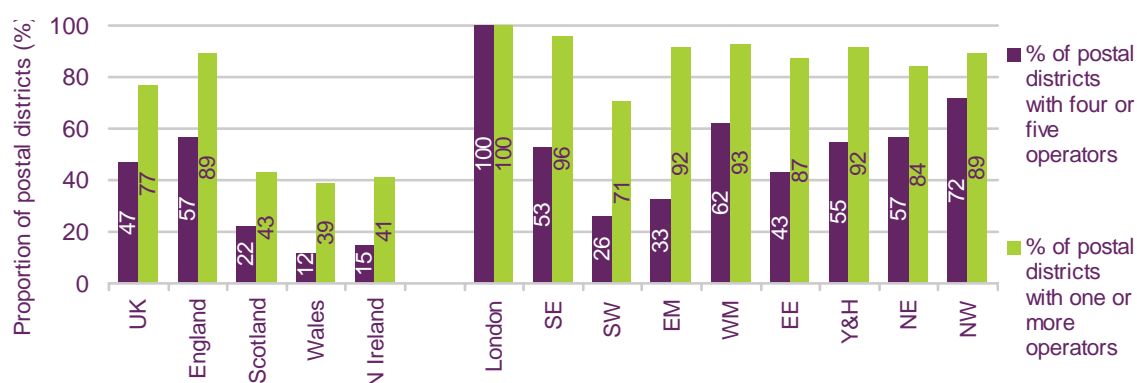
Note: Figures show the percentage of population within postcode districts where at least one or four or five operators had at least 75% 3G area coverage; data not directly comparable to that published in the 2007 report.

Geographic 3G coverage varies widely across the UK

Analysis of geographic 3G coverage showed that in Q1 2008 over three-quarters (77%) of UK postcode districts had 75% 3G area coverage from one or more of the mobile networks (Figure 3.62). Among the UK nations the geographic 3G coverage was highest in England at 89%, while it was lowest in Wales at 39%. In Northern Ireland 41% of postcode districts had at least 75% 3G area coverage.

Across the UK, just under half of postcode districts (47%) had 75% 3G area coverage from at least four of the UK 3G networks. The proportion in England (57%) was, again, much greater than in the other nations, where it was highest in Scotland (22%) and lowest in Wales (12%), only slightly lower than in Northern Ireland (15%).

Figure 3.62 3G mobile phone geographic coverage

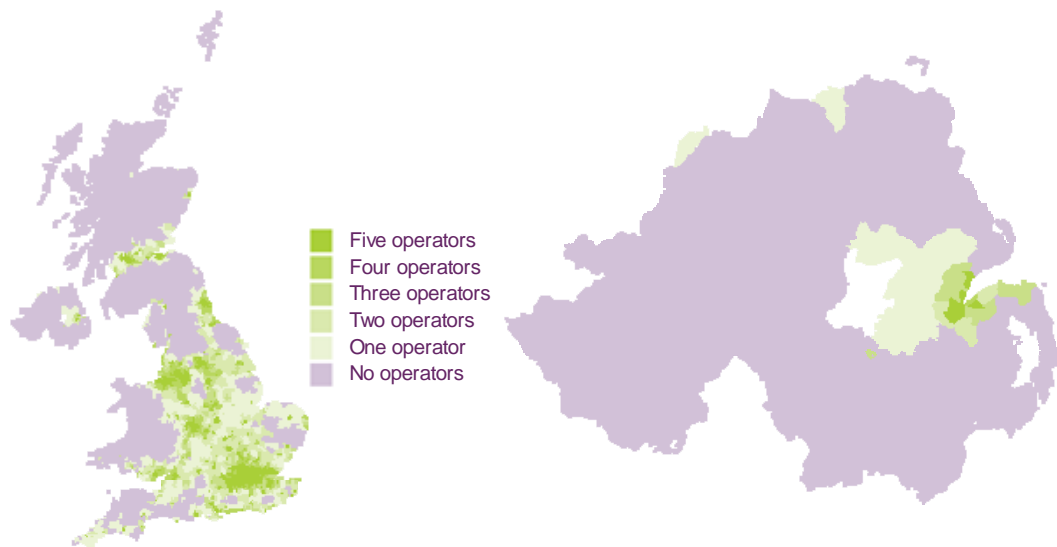


Source: GSM Association / Europa Technologies; Q1 2008

Note: Figures show the percentage postcode districts where at least one or four or five operators had at least 75% 2G area coverage; data not directly comparable to that published in the 2007 report.

Figure 3.63 shows where the mobile operators have implemented their 3G networks. Across the UK 3G network rollout has been concentrated in urban areas to enable the networks to meet the population coverage obligations outlined in the 3G spectrum licences. The result of this is that there are still large areas with a low population density where 3G services are not available. In Northern Ireland 3G coverage is concentrated around Belfast and in the Portadown, Coleraine and Londonderry/Derry areas.

Figure 3.63 Map of 3G mobile phone geographic coverage by number of operators



Source: Ofcom / GSM Association / Europa Technologies; Q1 2008

Note: Map shows the number of 3G operators with at least 75% area coverage; not directly comparable to that published in the 2007 report.

Service take-up

Household take up of fixed-line telephony in Northern Ireland is in line with the UK average, at 88% (Figure 3.64) and significantly higher than Wales. There was a significant difference in fixed-line take-up between Northern Ireland's urban (85%) and rural areas (94%). This is consistent with the higher use of fixed-line telephony in rural areas found across the UK, with a greater proportion of homes in urban areas being solely reliant on mobile telephony. There is a greater proportion of rented and shared accommodation in urban areas, where residents are more likely to rely on mobile telephony only.

People living in rural Northern Ireland, along with those living in rural England were more likely to have a fixed-line than those in rural Scotland or Wales.

There was little difference in take-up of communications services between people living in urban areas in Northern Ireland, Scotland and England. But people living in urban areas in Wales had consistently lower levels of take-up than the other UK nations.

Homes in Northern Ireland's urban areas, particularly Belfast and Londonderry/Derry, were more likely than average to be without a fixed-line phone at home and to rely on mobile telephony only, as shown in Figure 3.65.

Mobile phone ownership, at 85%, was also on a par with the UK average, with ownership in the East of Northern Ireland being higher than average (88%). People in rural Northern Ireland were as likely as those in rural England and Scotland to have a mobile phone, and significantly more likely than those in rural Wales.

Internet penetration, at 61% in Northern Ireland, was lower than the UK average of 65%, as was broadband take up, at 52% of homes compared to a UK average of 57%. Take-up of the internet was similar to take-up in Scotland and lower than in England.

Within Northern Ireland broadband and internet take up was highest in East and rural areas of Northern Ireland. This is consistent with higher take-up of the internet in rural areas across the UK.

PC ownership in Northern Ireland has increased by five percentage points since the 2006 survey. The majority of PC owners are now connected to the internet. Despite the increase people in rural Northern Ireland were less likely than their rural counterparts in England and Scotland.

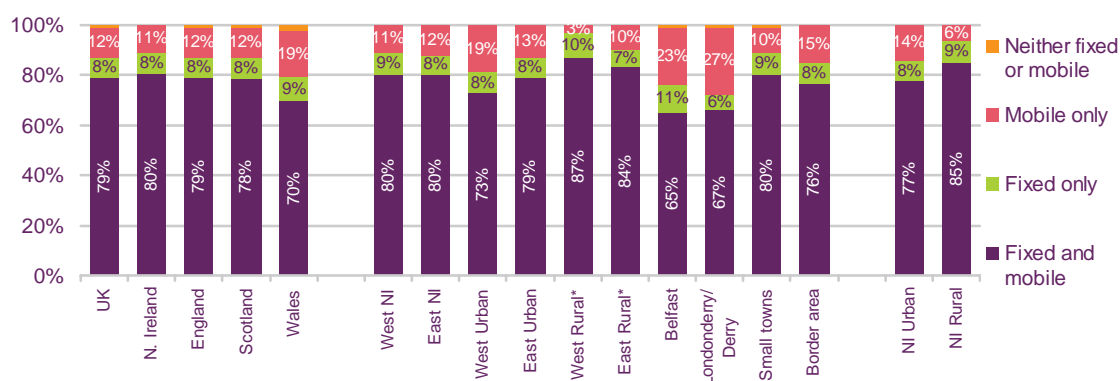
Figure 3.64 Take up of communications services 2008

		UK	England	Scotland	Wales	N. Ireland	UK Urban	UK Rural
Individual								
Voice telephony	Fixed Line	87%	87%	87%	79%	88%	86%	93%
	Mobile	84%	85%	81%	82%	85%	84%	84%
Internet	PC	69%	70%	64%	60%	65%	68%	73%
	Total Internet	65%	66%	60%	55%	61%	64%	69%
	Broadband	57%	58%	53%	45%	52%	57%	59%

		NI	West	East	West Urban	East Urban	West Rural*	East Rural*	Bfast	L'derr y/ Derry	Small towns	Brder	Urban	Rural
Individual														
Voice telephony	Fixed Line	88%	89%	88%	80%	87%	97%	90%	76%	72%	89%	85%	85%	94%
	Mobile	85%	81%	88%	85%	87%	79%	89%	84%	88%	86%	86%	86%	84%
Internet	PC	65%	60%	68%	62%	67%	59%	68%	61%	74%	56%	70%	66%	63%
	Total Internet	61%	57%	62%	56%	61%	59%	67%	50%	67%	53%	66%	60%	62%
	Broadband	52%	50%	54%	51%	52%	49%	59%	47%	60%	45%	59%	52%	54%

Source: Ofcom * Sample size less than 100. Apply caution and treat as indicative only.

Figure 3.65 Cross-ownership of household telephony services



Source: Ofcom * Sample size less than 100. Apply caution and treat as indicative only.

Non ownership of telecommunications services

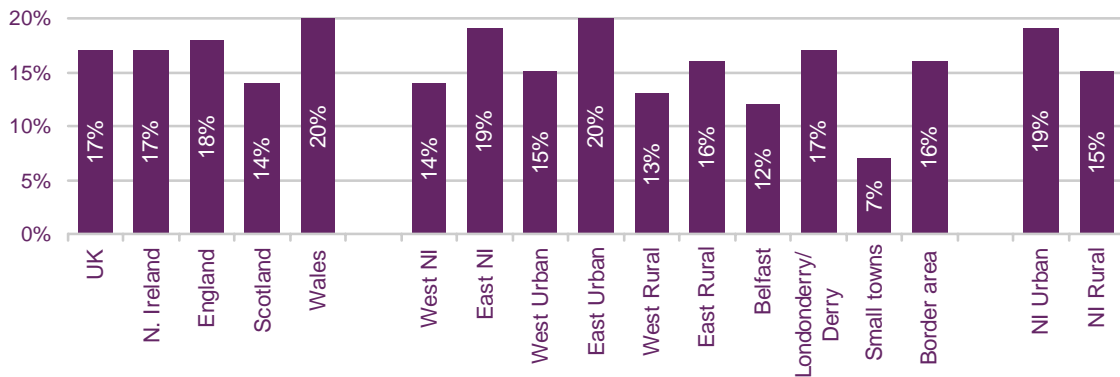
Around one in ten (11%) people in Northern Ireland did not have either a fixed-line or mobile phone in the house, similar to the UK average (12%). Six percent of people in rural areas in Northern Ireland said they did not have either fixed-line or mobile in the house compared with 14% of people in urban areas. The comparatively high proportion of non-ownership in urban areas such as Belfast (23%) and Londonderry/Derry (27%) is consistent with other large cities in the UK such as Manchester, Birmingham and London.

The reasons people cited for not having a fixed-line or mobile phone at home could be categorised as either voluntary or involuntary reasons. Voluntary reasons were

predominantly due to people having no interest in getting the service or satisfaction with their current communications arrangements. Involuntary reasons were predominantly connected to affordability. Consistent with the UK non-owners of fixed-lines and/or mobile phones were much more likely to have said they did not have these services because they were not interested. The second reason given, although with significantly fewer mentions, was not being able to afford the service.

Take up of 3G phone services in Northern Ireland was equal to the UK average at 17% of adults. Take up was higher in the east of Northern Ireland (19%) than the West (14%).

Figure 3.66 Take-up of 3G telephony services

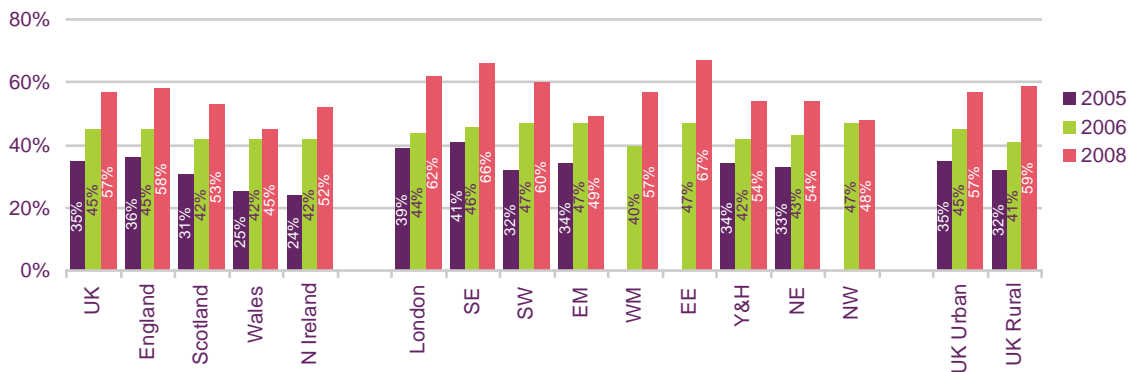


Source: Ofcom * Sample size less than 100. Apply caution and treat as indicative only.

Broadband

Figure 3.67 shows that while broadband penetration in Northern Ireland remained lower than the UK average, the general trend in take up of broadband mirrored that of the rest of the UK, with the proportion of connected homes having more than doubled between 2005 and 2007, from 24% to 52%.

Figure 3.67 Broadband take up trend

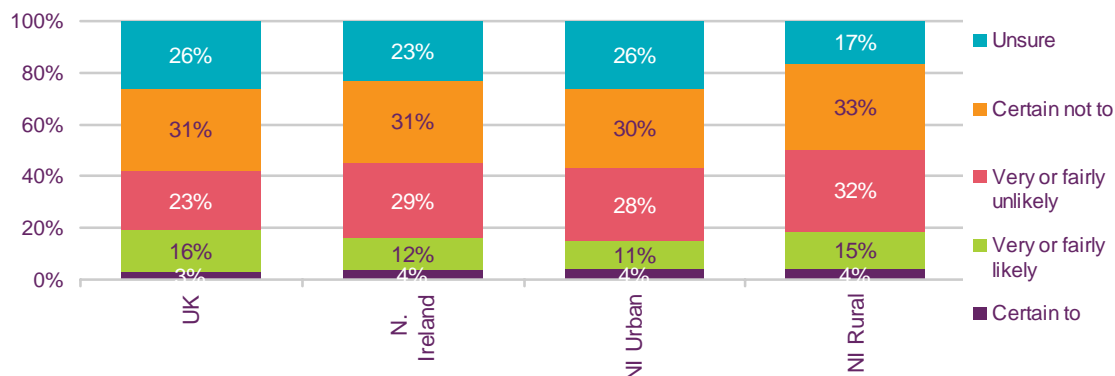


Source: Ofcom

A significant proportion of consumers in Northern Ireland currently without broadband at home (45%) said that they were either certain or likely to get broadband within the next year (Figure 3.68). This suggests that we can expect household broadband penetration to continue to grow in Northern Ireland during 2008.

Small base sizes limit comparisons within Northern Ireland, however the data does indicate there is little difference in the intention to get broadband in-home between rural and urban areas in Northern Ireland.

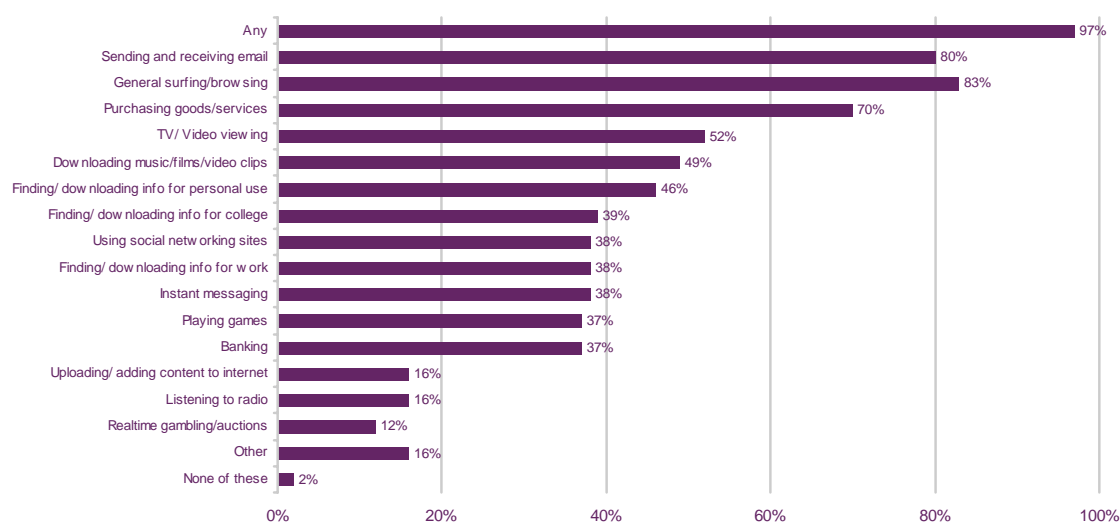
Figure 3.68 Intention to get broadband in the next year



Source: Ofcom. Base: All who do not currently have broadband at home

Broadband users in Northern Ireland used the internet for a variety of online applications, as shown in Figure 3.69. The most common internet use was sending/receiving email (80%) and general surfing/browsing (83%). However, many of Northern Ireland's broadband users made use of faster connection speeds to stream video content (52%) and download audio and video files (49%).

Figure 3.69 Use of online applications amongst NI broadband users



Source: Ofcom Base: All internet users

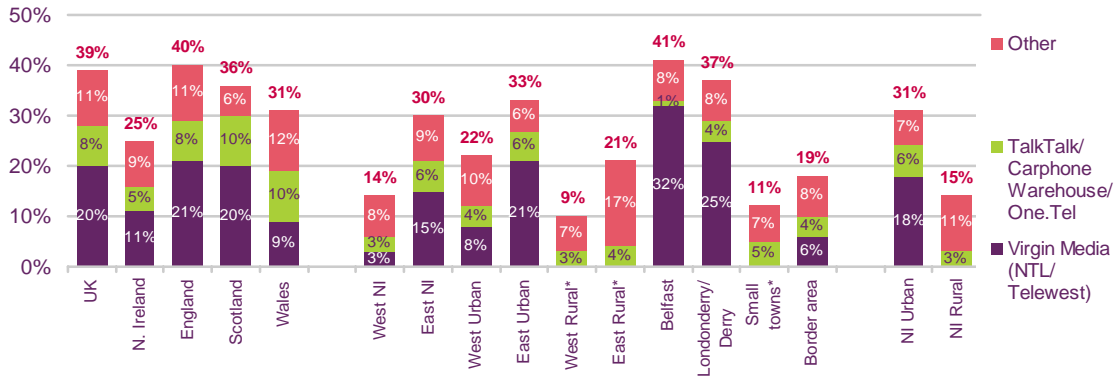
* Sample size less than 100. Apply caution and treat as indicative only.

Suppliers

Three quarters (75%) of those with a fixed-line phone in Northern Ireland said that BT was their main supplier, although some of these may be taking call services from another operator using carrier pre-selection (CPS) or indirect access services (Figure 3.70). This figure has remained stable over the year and was higher than the UK average (61%), partly as a result of a lower proportion of households in Northern Ireland being passed by Virgin Media's cable network or connected to an unbundled local exchange.

Use of BT for fixed-line services was higher in the West and in rural areas than the Northern Ireland average – probably for the reasons already given.

Figure 3.70 Fixed-line supplier use other than BT

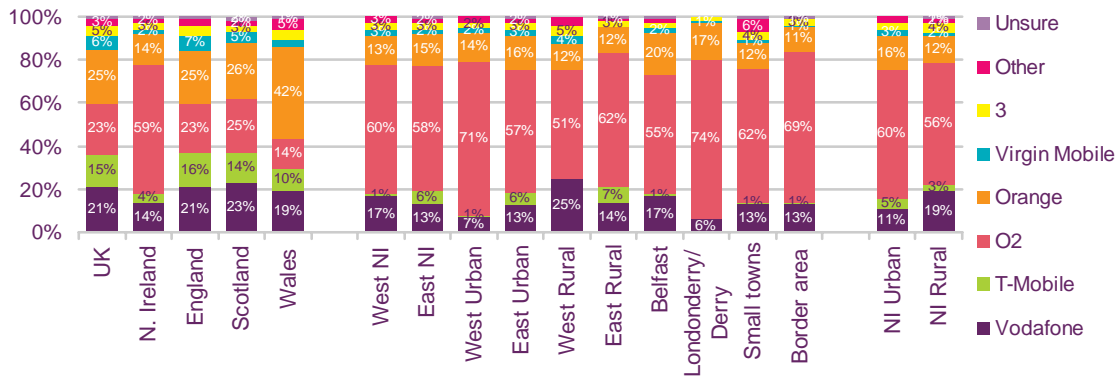


Source: Ofcom. Base: All with a fixed line

* Sample size less than 100. Apply caution and treat as indicative only.

As indicated in the 2007 report, O2 was by far the most commonly used mobile network operator in Northern Ireland with 59% of mobile phone customers reporting that it was their main network (Figure 3.71). Use of O2 among mobile customers was highest in Londonderry/Derry (74%) and West urban areas (71%).

Figure 3.71 Mobile network operator used



Source: Ofcom. Base: All with a mobile phone

Telecoms spend

Average reported fixed-line telephony spend was £27 per month in Northern Ireland (Figure 3.72). This was higher than the UK average (£21) and increased to £31 in Northern Ireland's rural areas, possibly as those living in rural areas are more reliant on fixed telephony to keep in touch than people living in urban areas.

In contrast spend on mobile telephony and internet was higher in Northern Ireland's urban areas than in its rural areas.

Claimed monthly expenditure on fixed-lines is higher in both urban and rural areas in Northern Ireland compared with similar areas in the other three nations. The lower spending on fixed-lines in Northern Ireland's urban areas appears to be a result of lower spending in Belfast only.

Figure 3.72 Average monthly household spend on fixed-line telephony



Source: Ofcom * Sample size less than 100. Apply caution and treat as indicative only.

Average reported spend on internet services in Northern Ireland was similar to the UK average at £18 per month (Figure 3.73). Reported internet spend was £2 per month higher in urban areas than in rural areas. Furthermore, expenditure in Northern Ireland's urban and rural areas is similar to expenditure in these areas in the rest for the UK.

People living in West rural areas spend the least on the internet.

Figure 3.73 Average monthly household spend on internet



Source: Ofcom. * Sample size less than 100. Apply caution and treat as indicative only.

Mobile phone users in Northern Ireland reported spending an average of £23 per month on their mobile phone service, a similar level to the UK average figure (Figure 3.74). Those with a mobile phone in Northern Ireland's urban areas claimed, on average, to spend more a month on mobile telephony (£25) than those in rural areas (£20), in contrast to spend on fixed telephony. Again, this suggests that those in rural areas rely more on their landline than people living in urban areas.

The greater expenditure among people living in urban areas compared with those in rural areas was a similar trend to expenditure in between these areas in England and Wales.

People in East rural areas spent the least while those in Londonderry/Derry spent the most.

Figure 3.74 Average monthly individual spend on mobile telephony

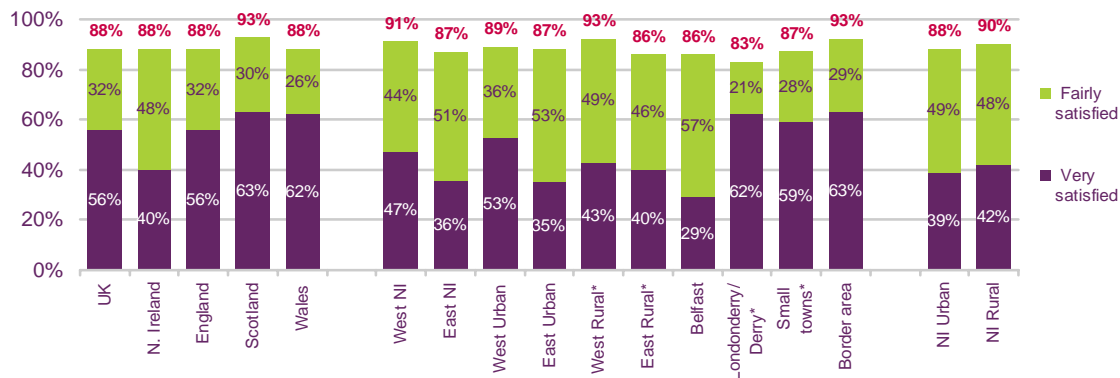


Source: Ofcom * Sample size less than 100. Apply caution and treat as indicative only.

Satisfaction

Overall satisfaction with fixed-line services in Northern Ireland stood at 88%, identical to the UK average. However, the proportion who claimed to be very satisfied with their fixed-line service was lower in Northern Ireland (40%) than the UK average of 56% (Figure 3.75). This is possibly related to lower satisfaction with value for money of the fixed-line services as shown below. Satisfaction with fixed-line services was higher in the West of Northern Ireland than it was in the East.

Figure 3.75 Overall satisfaction with fixed-line services

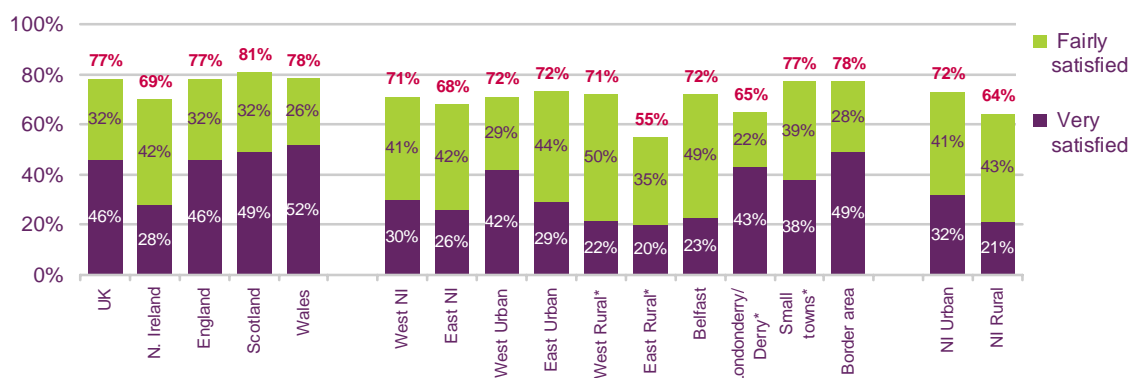


Source: Ofcom. Base: All with a fixed line phone

* Sample size less than 100. Apply caution and treat as indicative only.

Fewer fixed-line telephony customers in Northern Ireland were either very or fairly satisfied with the value for money of the service (69%) than the UK average (77%), as shown in Figure 3.76. This is perhaps related to the higher than average reported spend on fixed telephony in Northern Ireland. Satisfaction with value for money appeared to be lowest in East rural areas, although caution should be applied to this conclusion due to the small sample size.

Figure 3.76 Satisfaction with value for money of fixed-line service



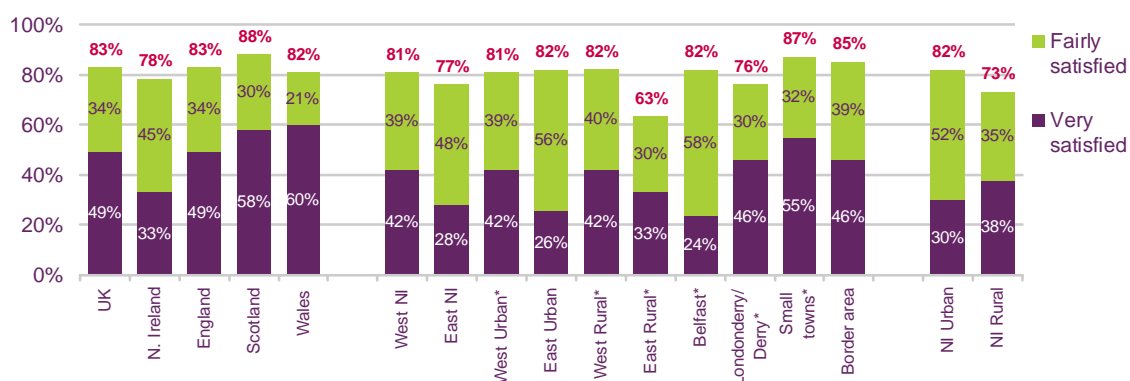
Source: Ofcom. Base: All with a fixed line phone

* Sample size less than 100. Apply caution and treat as indicative only.

Figure 3.77 shows that over three quarters (78%) of broadband users in Northern Ireland were either very or fairly satisfied with the speed of their broadband connection, although this was lower than the UK average (83%). Broadband users in Northern Ireland were also much less likely to report that they were very satisfied with the speed of their broadband connection (33%) than the UK average (49%).

Satisfaction with broadband speed in Northern Ireland was lowest in rural areas, particularly those in the East. This is possibly due to longer distances from exchanges to consumer premises affecting connection performance.

Figure 3.77 Satisfaction with speed of broadband connection

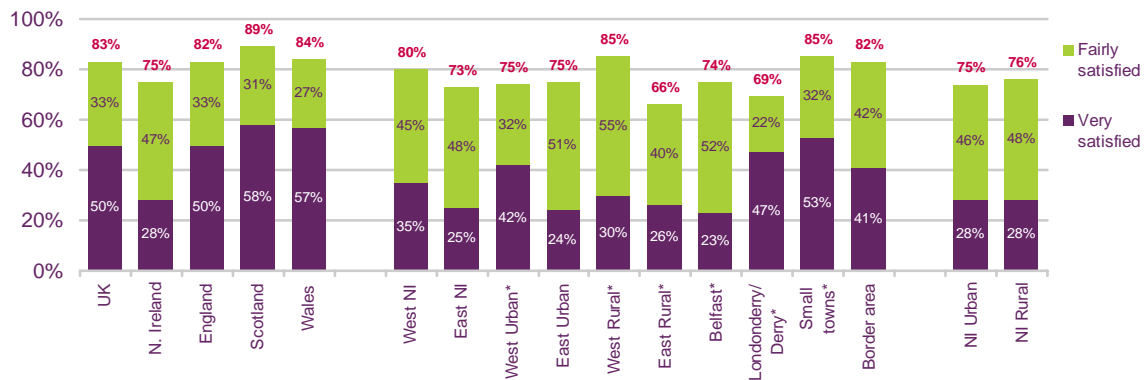


Source: Ofcom. Base: All with a fixed line phone

* Sample size less than 100. Apply caution and treat as indicative only.

Satisfaction with the value for money of broadband services mirrored that of satisfaction with broadband speeds, and the overall level in Northern Ireland (75%) was lower than the UK average (83%) as shown in Figure 3.78. However, there was little difference in satisfaction levels between urban and rural areas.

Figure 3.78 Satisfaction with value for money of broadband service

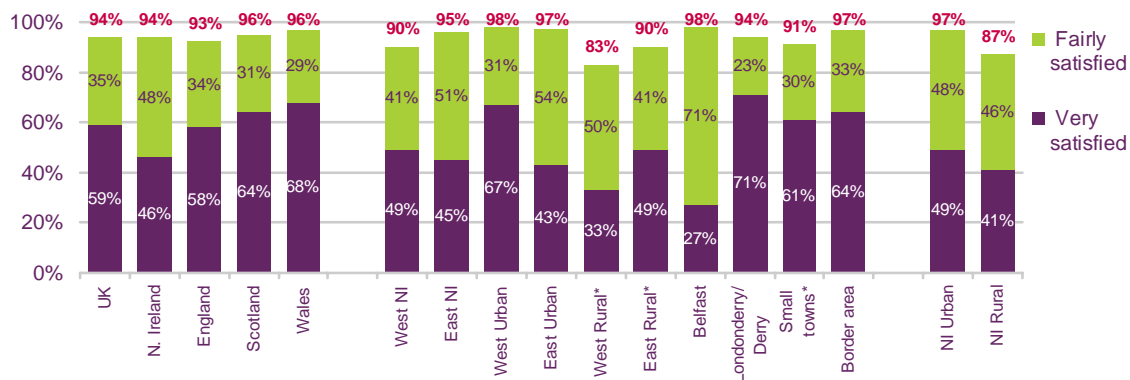


Source: Ofcom Base: All with a fixed line phone

* Sample size less than 100. Apply caution and treat as indicative only.

Overall satisfaction with mobile phone service among mobile users was high in Northern Ireland at 94%, identical to the UK average figure, although a lower proportion of consumers in Northern Ireland (46% compared to 59% for the whole of the UK) were very satisfied with their service (Figure 3.79). Satisfaction was slightly lower in rural areas of Northern Ireland, perhaps due to issues relating to coverage and issues surrounding inadvertent roaming, both of which are discussed later in the report

Figure 3.79 Overall satisfaction with mobile phone service

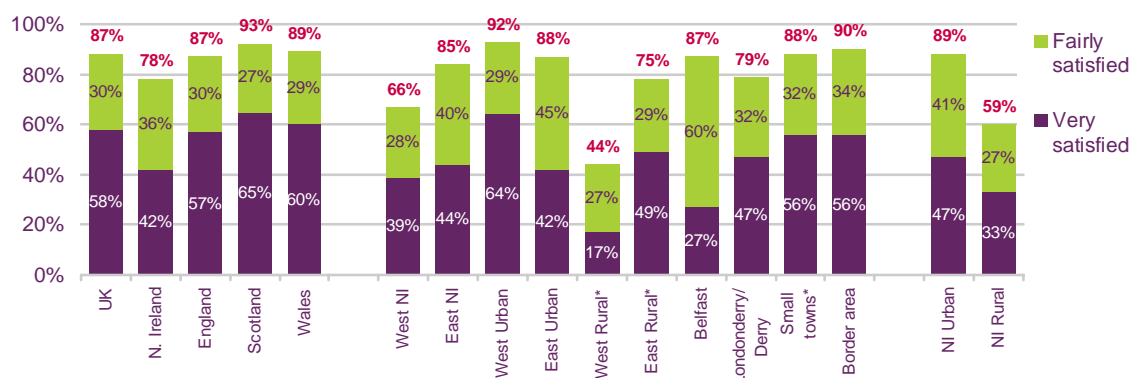


Source: Ofcom. Base: All with a mobile phone

* Sample size less than 100. Apply caution and treat as indicative only.

Satisfaction with mobile phone reception amongst users in Northern Ireland (78%) was significantly lower than the UK average of 87% (Figure 3.80). The proportion of mobile users who were either very or fairly satisfied with their mobile reception was lowest in rural areas (59%) and in particular in rural areas in the West (44%).

Figure 3.80 Satisfaction with reception of mobile phone service



Source: Ofcom. Base: All with a fixed line phone

* Sample size less than 100. Apply caution and treat as indicative only.

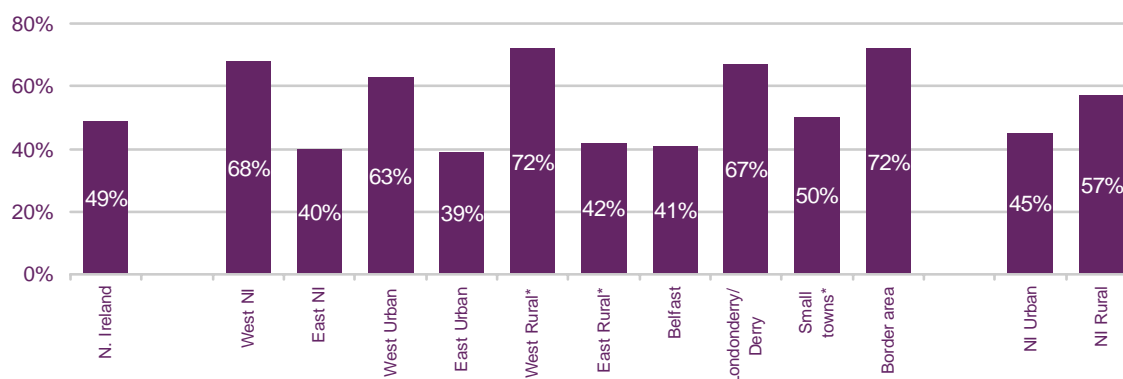
Inadvertent mobile roaming

Inadvertent mobile roaming affects consumers living and working along the border between Northern Ireland and the Republic of Ireland and occurs when a consumer unwittingly or unavoidably makes or receives a call while on a network based on the other side of the border. Calls like these can incur charges for international roaming, even though the consumer has not left Northern Ireland.

Last year, Ofcom conducted a bespoke survey in Northern Ireland's border area to measure the proportion of mobile customers who had experienced inadvertent roaming. Key questions from that survey were repeated across Northern Ireland in the 2008 research.

Almost half (49%) of all mobile users in Northern Ireland said that they had experienced inadvertent roaming at some point (Figure 3.81). The proportion that experienced inadvertent roaming in the border area was at a similar level to that reported last year (72%). Consistent with last year's findings, two-thirds of mobile customers in Londonderry/Derry, reported having experienced the problem.

Figure 3.81 Proportion of mobile customers who have ever picked up an ROI network signal whilst in Northern Ireland



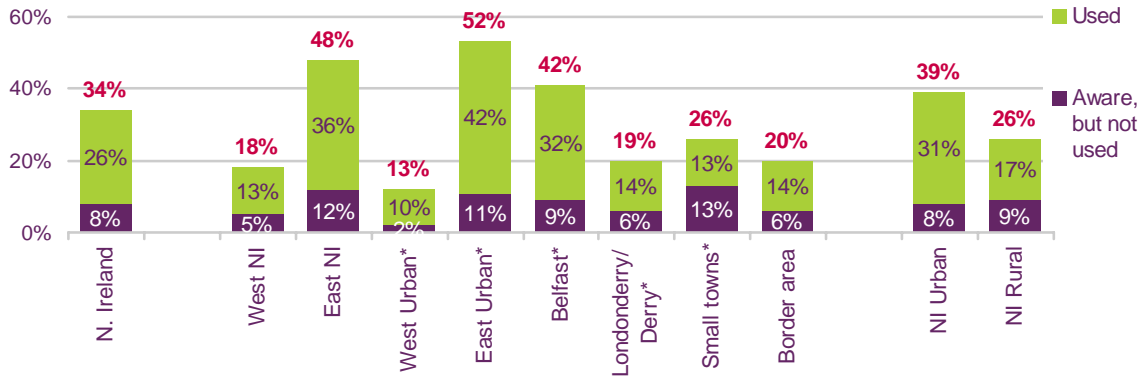
Source: Ofcom Base: All with a mobile phone

* Sample size less than 100. Apply caution and treat as indicative only.

Awareness of tariffs to deal with inadvertent roaming (20%) remained quite low among those in border areas who had experienced the problem (Figure 3.82). The survey also suggested that 14% of consumers in border areas who had experienced the problem were users of these tariffs.

Awareness of such tariffs appeared to be higher in urban areas and, surprisingly, lower than average in areas where mobile customers were most likely to be affected (the border area and Londonderry/Derry).

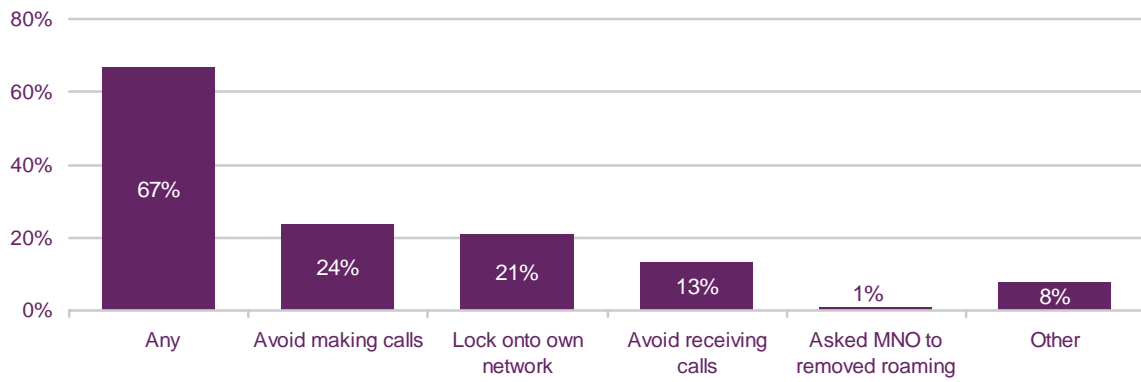
Figure 3.82 Awareness and use of tariffs to deal with inadvertent roaming



Source: Ofcom Base: All with a mobile phone who have experienced inadvertent roaming
* Sample size less than 100. Apply caution and treat as indicative only. Sample size in West Rural and East Rural too small to report on.

Approximately two thirds of those who have experienced inadvertent mobile roaming said that they had taken some action to avoid the problem (Figure 3.83). This figure appears lower than that reported last year, although caution should be applied because the sample size for this question in the 2008 survey was small.

Figure 3.83 **Actions taken to avoid inadvertent roaming**



Source: Ofcom. Base: All with a mobile phone who have experienced inadvertent roaming
* Sample size less than 100. Apply caution and treat as indicative only.

Annex A: Survey Methodology

The research survey referred to in this report is the first in a planned series of annual surveys. Respondents were adults, living in the UK, aged 15 or over. A total of 5,812 interviews were conducted; 3,447 in England, 925 in Scotland, 811 in Wales and 629 in Northern Ireland.

In England, the North West, North East and South West regions were over-sampled. This is to allow more detailed analysis within those areas. In future years, other regions will be picked for detailed analysis.

Research agency Saville Rossiter-Base was commissioned to conduct the survey as part of Ofcom's annual residential consumer tracking survey. A specialist sampling agency (UK Geographics) was used to draw the sampling points, using output areas (OAs) as classified by the 2001 Census. In Scotland, due to the smaller size of OAs, UK Geographic used their own aggregation process to create sample areas of a comparable population to English and Wales OAs.

Interviewers were provided with specific addresses to approach regarding the research. All interviews were conducted in the respondents' homes using paper questionnaires and prompt material. The questionnaire took an average of 30 minutes to complete. Parents of respondents aged 15 were free to stay with their child during the interview. In total, 5,812 interviews were conducted across 490 sampling points; 289 in England, 78 in Scotland, 67 in Wales and 56 in Northern Ireland. Fieldwork was conducted between 12 January and 29 February 2008.

Quotas were set according to regional population profiles, so the findings are representative of the regions surveyed. The quotas were set on age, gender, social-economic group, and whether the area was cabled, rural or urban, and the level of deprivation. The indices of rurality and deprivation are UK Geographics' proprietary datasets, to ensure comparability between nations.

Quotas were set to achieve a minimum of 100 interviews in each of the regions and sub-regions of interest. This required the number of interviews to be boosted in many areas, including specific towns and some rural areas. Data analysed on sample sizes below 100 within nation or region are indicated in the charts and tables with an asterisk (*). These findings should be treated with caution and at an indicative level only.

Data weighting

All data have been weighted to match the profile of each of the four nations as detailed in the 2001 Census and to remove the effect of the over-sampling of specific areas mentioned above. Unweighted bases are shown throughout this report to illustrate the number of respondents interviewed.

	Unweighted	Weighted
UK	5,812	3,000
England	3,447	2,510
Scotland	925	261
Wales	811	146
Northern Ireland	629	82

Margin of error and statistical significance

Because the survey was conducted among a sample of people aged 15 or over rather than the whole UK population, the data may be subject to a small margin of error. The error margin for each of the nations and regions of interest covered by the survey are illustrated in the following tables. Error margin rises among smaller sub-groups. Results referred to as 'significantly' different, have been tested at the 95% level of confidence.

UK nations

	Total sample size	Error margin at 95% confidence interval, for questions asked of the full sample
UK	5,812	1-2%
England	3,447	1-2%
Scotland	925	3-4%
Wales	811	3-4%
Northern Ireland	629	3-5%

UK regions - England

	Total sample size	Error margin at 95% confidence interval, for questions asked of the full sample
Total urban	2,224	1-2%
Total rural	1,203	2-3%
London	192	4-7%
South East urban	184	4-7%
Bristol & SW urban	106	6-10%
Plymouth	115	6-9%
Truro	108	6-10%
East Midlands urban	131	5-9%
Birmingham	108	6-10%
West Midlands urban	227	5-8%
East of England urban	142	5-8%
Yorkshire & Humber urban	143	5-9%
Newcastle	108	6-10%
Sunderland	107	6-10%
Middlesbrough	97	6-10%
Greater Manchester	193	6-9%
City of Manchester	108	6-10%
Liverpool	109	6-10%
South East rural	106	6-10%
Devon & Cornwall	108	6-10%
Other South West rural	108	6-10%
East Midlands rural	108	6-10%
West Midlands rural	103	6-10%
East of England rural	107	6-10%
Yorkshire & Humber rural	109	6-10%
Northumberland rural	108	6-10%
Durham rural	108	6-9%
Cumbria rural	109	6-10%
Other North West rural	105	6-10%

UK regions – Scotland

	Total sample size	Error margin at 95% confidence interval, for questions asked of the full sample
Total urban	689	3-5%
Total rural	236	4-7%
Aberdeen	107	6-10%
Dundee	107	6-10%
Glasgow	104	6-11%
Edinburgh	108	6-10%
Border	108	6-10%
Highlands & Islands	116	9-14%
Other urban	191	4-7%
Other rural	84	6-11%

UK regions – Wales

	Total sample size	Error margin at 95% confidence interval, for questions asked of the full sample
Total urban	566	3-5%
Total rural	245	4-7%
Cardiff	108	6-10%
Newport	111	6-10%
Swansea	108	6-10%
Wrexham & urban north	121	6-9%
Other urban south	118	6-9%
Mid Wales	68	8-13%
North Coastal	56	8-14%
Rural North	136	5-9%
Rural South	109	6-10%

UK regions – Northern Ireland

	Total sample size	Error margin at 95% confidence interval, for questions asked of the full sample
Total urban	487	3-5%
Total rural	142	5-8%
West	227	5-8%
East	402	3-5%
West urban	166	6-10%
East urban	321	4-6%
West rural	61	8-13%
East rural	81	7-11%
Belfast	176	4-7%
Londonderry/ Derry	118	5-9%
Small towns	109	6-10%
Border	183	5-9%

Glossary

2G Second generation of mobile telephony systems. Uses digital transmission to support voice, low-speed data communications, and short messaging services.

3G Third generation of mobile systems. Provides high-speed data transmission and supports multimedia applications such as full-motion video, video-conferencing and internet access, alongside conventional voice services.

ADSL Asymmetric Digital Subscriber Line. A digital technology that allows the use of a standard telephone line to provide high speed data communications. Allows higher speeds in one direction (towards the customer) than the other.

ADSL1 The first generation of ADSL, capable of data speeds of up to 8Mbit/s towards the customer and up to 640kbit/s from the customer.

ADSL2/ADSL2+ Improved versions of ADSL, offering high speeds, especially on shorter telephone lines. In the case of ADSL2+, up to 24Mb/s can be delivered towards the customer.

Broadband A service or connection generally defined as being 'always on' and providing a bandwidth greater than narrowband.

Contention ratio An indication of the number of customers who share the capacity available in an ISP's broadband network. Figures of 50:1 for residential broadband connections and 20:1 for business are typical).

CPS Carrier Pre-selection. The facility offered to customers which allows them to opt for certain defined classes of call to be carried by an operator that has been selected in advance and has a contract with the customer. CPS does not require the customer to dial a routing prefix or use a dialler box.

DAB Digital Audio Broadcasting. A set of internationally accepted standards for the technology by which terrestrial Digital Radio multiplex services are broadcast in the UK.

Digital dividend The spectrum that will be released by the switch to all-digital television.

Digital switchover The process of switching over the current analogue television broadcasting system to digital, as well as ensuring that people have adapted or upgraded their televisions and recording equipment to receive digital TV.

DSL Digital Subscriber Line. A family of technologies generally referred to as DSL, or xDSL, capable of transforming ordinary phone lines (also known as 'twisted copper pairs') into high-speed digital lines, capable of supporting advanced services such as fast Internet access and video-on-demand. ADSL, HDSL (High data rate Digital Subscriber Line) and VDSL (Very high data rate Digital Subscriber Line) are all variants of xDSL).

DTT Digital Terrestrial Television, currently most commonly delivered through the Freeview service.

Fibre-to-the-cabinet Access network consisting of optical fibre extending from the access node to the street cabinet. The street cabinet is usually located only a few hundred metres from the subscriber premises. The remaining segment of the access network from the

cabinet to the customer is usually a copper pair but could use another technology, such as wireless.

Fibre-to-the-home A form of fibre optic communication delivery in which the optical signal reaches the end user's living or office space.

Fibre-to-the-building A form of fibre-optic communication delivery in which an optical fibre is run directly onto the customers' premises.

FM Frequency Modulation. Type of modulation produced by varying the frequency of a radio carrier in response to the signal to be transmitted. This is the type of modulation used by broadcasters in part of the VHF (Very High Frequency) band, known as VHF Band 2.

GSM Global Standard for Mobile Telephony, the standard used for 2G mobile systems.

HDTV High-Definition Television. A technology that provides viewers with better quality, high-resolution pictures.

International roaming A service offered by mobile operators that allows customers to use their phone abroad. The home operator has agreements with foreign operators that allows customers to make and receive calls, send and pick up text messages, and use some of the other mobile services (such as access to voicemail or topping-up credit on pre-pay phones). The exact services available and the charges for their use vary between operators.

Internet A global network of networks, using a common set of standards (e.g. the Internet Protocol), accessed by users with a computer via a service provider.

IP (Internet Protocol) The packet data protocol used for routing and carriage of messages across the Internet and similar networks.

IPTV Internet Protocol Television. Television and/or video signals that are delivered to subscribers or viewers using Internet Protocol (IP), the technology that is also used to access the Internet. We use the term to mean delivery over a 'closed intranet', typically operated by ISPs and local-loop unbundlers, rather than over the public internet. IPTV services are hosted on servers placed in the exchange, which means they can be delivered with assured QoS since the ISP has more control over the network.

ISP Internet Service Provider. A company that provides access to the internet.

LLU (Local Loop Unbundling) LLU is the process whereby incumbent operators (in the UK this means BT and Kingston Communications) make their local network (the lines that run from customer's premises to the telephone exchange) available to other communications providers. The process requires the competitor to deploy its own equipment in the incumbent's local exchange and to establish a backhaul connection between this equipment and its core network.

Local Loop The access network connection between the customer's premises and the local PSTN exchange, usually a loop comprised of two copper wires.

Multichannel In the UK, this refers to the provision or receipt of television services other than the main five channels (BBC ONE & TWO, ITV1, Channel 4/S4C, five) plus local analogue services. 'Multichannel homes' comprise all those with digital terrestrial TV, satellite TV, digital cable or analogue cable, or TV over broadband. Also used as a noun to refer to a channel only available on digital platforms (or analogue cable).

Multiplex A device that sends multiple signals or streams of information on a carrier at the same time in the form of a single, complex signal. The separate signals are then recovered at the receiving end.

MVNO An organisation which provides mobile telephony services to its customers, but does not have allocation of spectrum or its own wireless network.

Narrowband A service or connection providing data speeds up to 128kbit/s, such as via an analogue telephone line, or via ISDN.

PAYG Pay-as-you-go.

Podcasting Away for digital audio files to be published on the internet, which can then be downloaded onto computers and transferred to portable digital audio players.

PSB Public Service Broadcasting, or Public Service Broadcaster. The Communications Act in the UK defines the PSBs to include the BBC, ITV1, Channel 4, five and S4C.

PSTN Public Switched Telephony Network.

RAJAR Radio Joint Audience Research The pan-industry body which measures radio listening.

RSS is an acronym of either 'Really Simply Syndication' or 'Rich Site Summary'. It refers to a news feed that is generated by the content on a website, but which visitors can select to have delivered to their computer without visiting the source website

Service bundling (or multi-play) A marketing term describing the packaging together of different communications services by organisations that traditionally only offered one or two of those services.

Service provider A provider of electronic communications services to third parties whether over its own network or otherwise.

Share (Radio) Proportion of total listener hours, expressed as a percentage, attributable to one station within that a defined area.

Share (TV) Proportion of total TV viewing to a particular channel over a specified time, expressed as a percentage of total hours of viewing.

Sub-loop unbundling A variant of LLU where a competitive operator takes control of only a portion of a customer's local loop, allowing them to install their equipment closer to the customer and potentially offer higher-speed services. In Sub-loop unbundling, the point of handover is commonly the Primary Connection Point (PCP) or street cabinet.

Telecommunications, or 'Telecoms' Conveyance over distance of speech, music and other sounds, visual images or signals by electric, magnetic or electro-magnetic means.

VoIP Voice over Internet Protocol. A technology that allows users to send calls using Internet Protocol, using either the public Internet or private IP networks.

Web 2.0 A perceived second generation of web-based communities and hosted services - such as social-networking sites and wikis, which facilitate collaboration and sharing between users.

WiFi hotspot A public location which provides access to the internet using WiFi technology.

WiMAX A wireless MAN (metropolitan area network) technology, based on the 802.16 standard. Available for both fixed and mobile data applications.

Wireless LAN or WiFi (Wireless Fidelity) Short range wireless technologies using any type of 802.11 standard such as 802.11b or 802.11a. These technologies allow an over-the-air connection between a wireless client and a base station, or between two wireless clients.

WLR Wholesale Line Rental A regulatory instrument requiring the operator of local access lines to make this service available to competing providers at a wholesale price.

Table of Figures

Charts and tables in this document

Figure 1.1	Population density	12
Figure 1.2	Age profiles across the UK's nations	14
Figure 1.3	The geographic and socio-economic profile of the UK	14
Figure 1.4	Average weekly household income and expenditure	15
Figure 3.1	Key statistics	26
Figure 3.2	Delivering audiovisual and voice services to consumers	27
Figure 3.3	Online content and functionality offered by selected newspapers.....	29
Figure 3.4	Indigenous language Wikipedia articles and contributors, Jan 2008.....	30
Figure 3.5	Bundling of telecoms services	31
Figure 3.6	Use of other media while watching TV	31
Figure 3.7	Use of other media while using the internet	32
Figure 3.8	Time spent online	32
Figure 3.9	What the internet is used for	33
Figure 3.10	Proportion of adults living in a household that has used Voice over IP.....	33
Figure 3.11	Proportion of adults living in a household that has used the internet to watch TV or video content	34
Figure 3.12	Proportion of adults living in a household that has used the internet to listen to radio content.....	34
Figure 3.13	Proportion of adults who have used a mobile phone to access the internet .	35
Figure 3.14	Proportion of adults that have used a mobile phone to watch audiovisual content.....	35
Figure 3.15	Proportion of adults who have used a mobile phone to listen to audio content	36
Figure 3.16	Proportion of adults living in a household that has used social networking sites	36
Figure 3.17	What social networking websites are used for	37
Figure 3.18	BBC/ITV1/stv/UTV's spend on originated nations & regions output.....	38
Figure 3.19	Total spend on nations and regions output by the BBC, ITV/stv/UTV.....	39
Figure 3.20	BBC and ITV1/stv/UTV spend per capita on national and regional output, 2007	39
Figure 3.21	Irish Language Broadcasting Fund expenditure on first-run originations	40
Figure 3.22	Hours of nations and regions output by genre and broadcaster, 2007.....	41
Figure 3.23	Total hours of nations and regions output	41
Figure 3.24	Performance against the Out-of-London production quotas.....	42
Figure 3.25	Expenditure on out-of-London production	43
Figure 3.26	Volume of out-of-London production	43
Figure 3.27	Breakdown of expenditure on production by broadcaster	44
Figure 3.28	Breakdown of production volume, by broadcaster	44
Figure 3.29	Individuals' access to digital television at home, 2008	46
Figure 3.30	Share of the five terrestrial networks in all homes, 2007	46
Figure 3.31	Reduction in combined share of the five main PSB channels, all homes.....	47
Figure 3.32	Net change in the audience share of the five PSB channels and the PSB portfolio channels, 2003-2007 – multichannel homes	48
Figure 3.33	Proportion who can pick up channels from Republic of Ireland at home.....	48
Figure 3.34	Frequency of viewing channels in Northern Ireland	49
Figure 3.35	BBC One and ITV1/UTV/stv early evening news bulletin shares, 2007	50
Figure 3.36	Combined total annual hours of viewing per head of early evening regional news bulletins, all homes in 2003-2007.....	50
Figure 3.37	Concern overall about television	51
Figure 3.38	Distribution of radio stations by population coverage	52

Figure 3.39	BBC investment in national / local radio programming 2006-07.....	53
Figure 3.40	BBC expenditure per listener hour 2006/07	54
Figure 3.41	Local commercial radio revenue per head in 2007.....	54
Figure 3.42	National BBC radio stations available via digital radio in N Ireland.....	55
Figure 3.43	Levels of radio listening in 2007	56
Figure 3.44	Share of listening hours by nation	57
Figure 3.45	Weekly listening to national / local BBC services	57
Figure 3.46	Ownership of DAB digital radios.....	58
Figure 3.47	Listening to radio via DTV, internet, mobile phone.....	59
Figure 3.48	Community radio stations in the UK	60
Figure 3.49	Community station awards in Northern Ireland 2007/08	60
Figure 3.50	Use of radio for local news	61
Figure 3.51	Proportion of households connected to a DSL-enabled exchange	64
Figure 3.52	Proportion of households passed by Virgin Media broadband.....	64
Figure 3.53	Map showing areas where Virgin Media cable broadband is available	65
Figure 3.54	Coverage of households in urban and rural areas passed by Virgin Media broadband	66
Figure 3.55	Proportion of households connected to an unbundled exchange.....	67
Figure 3.56	Proportion of households in urban and rural areas connected to an unbundled exchange.....	67
Figure 3.57	Areas served by unbundled exchanges	68
Figure 3.58	2G mobile phone population coverage.....	69
Figure 3.59	2G mobile phone geographic coverage.....	70
Figure 3.60	Map of 2G mobile phone geographic coverage by number of operators	70
Figure 3.61	3G mobile phone population coverage.....	72
Figure 3.62	3G mobile phone geographic coverage.....	72
Figure 3.63	Map of 3G mobile phone geographic coverage by number of operators	73
Figure 3.64	Take up of communications services 2008	74
Figure 3.65	Cross-ownership of household telephony services	74
Figure 3.66	Take-up of 3G telephony services.....	75
Figure 3.67	Broadband take up trend.....	75
Figure 3.68	Intention to get broadband in the next year	76
Figure 3.69	Use of online applications amongst NI broadband users	76
Figure 3.70	Fixed-line supplier use other than BT.....	77
Figure 3.71	Mobile network operator used	77
Figure 3.72	Average monthly household spend on fixed-line telephony	78
Figure 3.73	Average monthly household spend on internet	78
Figure 3.74	Average monthly individual spend on mobile telephony.....	79
Figure 3.75	Overall satisfaction with fixed-line services	79
Figure 3.76	Satisfaction with value for money of fixed-line service	80
Figure 3.77	Satisfaction with speed of broadband connection	80
Figure 3.78	Satisfaction with value for money of broadband service	81
Figure 3.79	Overall satisfaction with mobile phone service.....	81
Figure 3.80	Satisfaction with reception of mobile phone service.....	82
Figure 3.81	Proportion of mobile customers who have ever picked up an ROI network signal whilst in Northern Ireland	82
Figure 3.82	Awareness and use of tariffs to deal with inadvertent roaming	83
Figure 3.83	Actions taken to avoid inadvertent roaming.....	84

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