



# Communications Market Report: Wales

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# Introduction

This is Ofcom's sixth annual review of the communications market in Wales. The report offers a detailed overview of communications services across the nation and monitors key trends in the availability and take-up of digital services across Wales.

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

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

Arguably the most significant development in 2011 has been the sharp increase in broadband take-up in Wales, a rise of seven percentage points from 64% to 71% in 2011 (compared with the UK average of 74%) – the largest increase across the UK's nations.

At £25m, total spend by the PSBs on first-run TV content specifically for viewers in Wales was down 13% in 2010, the largest year-on-year reduction among the four nations. Total spend in Wales has decreased by 33% over the past five years. However, spend per head on UK originated content by PSBs was highest in Wales at £60.48, compared to a UK average of £38.23.

Digital satellite continues to be the most widely used TV platform for the main set in 51% of households in Wales and sixty per cent of adults with a TV at home have a pay TV service, similar to the UK figure (57%).

This year's report also finds one in three mobile phone owners in Wales (29%) have a smartphone handset, while one in four adults claim to use a mobile phone to access the internet. Consumers in Wales have the highest overall satisfaction level in the UK with fixed (93%) and mobile (95%) telephony.

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

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# Wales: Setting the scene

## Key facts about Wales

Figure	Wales	UK
Population	3 million (1.34 million households)	Equal to 5% of total UK population
Age profile	Median age of 41	Median age of 39.5
Language	Welsh spoken by 20.8% of population	Welsh is the first language for 0.4% of the UK population
Income	Weekly household income: £585 Weekly household expenditure: £396	Weekly household income: £683 Weekly household expenditure: £455
Unemployment	7.9% of working population	7.7% of working population

Source: Welsh Government, Office for National Statistics

## A note on our survey research

We conducted a face-to-face survey of 3,474 respondents aged 16+ in the UK, with 493 interviews conducted in Wales (241 in urban areas and 252 in rural). Quotas were set and weighting applied to ensure that the sample was representative of the population of Wales in terms of age, gender, socio-economic group and geographic location.

Fieldwork took place in January and February 2011.

**Note: the survey sample in Wales has error margins of approximately +/- 3-4% at the 95% confidence level.**

**In urban and rural Wales, survey error margins are approximately +/-4-6%.**

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

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

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

# 1 Wales' Communications Market

## 1.1 Introduction and key findings for Wales

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

### Key findings for Wales

#### TV and audio-visual content

- Following the completion of digital switchover at the end of March 2010, take-up of digital television services has reached 99% of TV homes in Wales according to our survey data.
- With a 51% share of main television sets, satellite remains the most widely used platform on main TV sets in Wales (compared to a UK average of 40%).
- 30% say that they have HDTV channels at home, in line with the UK average (32%).
- TV viewing per head is highest among the UK's nations in Wales and Scotland (averaging 4.5 hours per day in 2010).
- At £25m, total spend by the PSBs on first-run TV content specifically for viewers in Wales was down 13% in 2010, the largest year-on-year reduction among the four nations. Total spend in Wales has decreased by 33% over the past five years. However, spend per head on UK originated content by PSBs was highest in Wales at £60.48, compared to a UK average of £38.23.
- Compared to 2009, spending on news content for viewers in Wales experienced the most significant increase across the nations, up 22% year on year. Conversely, year-on-year spending on non-news/non-current affairs in Wales is down by 32%.

#### Radio and audio content

- More people in Wales listen to the radio, and for longer, than listeners in the UK's other nations. Weekly reach stood at 93% and average weekly listening was 23.3 hours/head, compared to the UK average of 91% reach and 22.3 weekly listening hours.
- In the year ending Q1 2011, BBC network stations accounted for 50% of radio listening hours in Wales, the highest across any of the UK nations (UK average was 46%).
- 27% of adults in Wales reported that they have a DAB radio set – the lowest across the nations and ten percentage points below the UK average (37%).

#### Internet and web-based content

- Broadband take-up in Wales increased by seven percentage points to 71% in the past year – the largest increase across the UK's nations – and is now broadly in line with the UK average (74%).

- On a par with the UK average, almost half of all adults in Wales (48%) use a social networking site.

### Telecoms and networks

- 80% of homes in Wales have a fixed-line phone – compared to 85% in the UK – and 87% of adults use a mobile phone (compared to 91% in the UK).
- One in five adults in Wales (19%) live in a home that has mobile telephony only – the highest across the UK.
- One in three mobile phone owners in Wales (29%) have a smartphone handset, while one in four adults claim to use a mobile phone to access the internet.
- Consumers in Wales have the highest overall satisfaction levels in the UK with fixed (93%) and mobile (95%) telephony.

## 1.2 UK communications market fast facts

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

**Figure 1.1 UK communications market fast facts**

	UK	England	Scotland	Wales	Northern Ireland	Wales urban	Wales rural	UK urban	UK Rural
Digital TV take-up among TV homes	96 ↑+4	96 ↑+4	97 ↑+6	99	90	99	98	96 ↑+4	95 ↑+3
Broadband take-up	74 ↑+3	76	61	71 ↑+7	75	72 ↑+10	67	74 ↑+4	80 ↑+5
Mobile broadband	17 ↑+2	18 ↑+3	9	16	13	18	12	17	14
Mobile phone take-up	91 ↑+2	92 ↑+2	86	87	92	88	85	91 ↑+2	92
Use mobile to access internet	32 ↑+9	34 ↑+9	21 ↑+6	25	29 ↑+8	26	22	34 ↑+8	23
Smartphone take-up amongst mobile phone owners	30 ↑+	31 ↑+	21 ↑+	29 ↑+	23 ↑+	30 ↑+	23 ↑+	30 ↑+	30 ↑+
Fixed landline take-up	85	85	80	80	84	78	85	84	90
Households taking bundles	53	54	49	47	46	49	37	54 ↑+3	47
DAB ownership amongst radio listeners	37	39	31	27	28	26	30	37	40

**X** Figure is significantly higher than UK average

**X** Figure is significantly lower than UK average

↑+xx Figure has risen significantly by xx percentage points since 2010

Ofcom research Q1 2011

Base: All adults aged 16+ (n = 3474 UK, 1983 England, 487 Scotland, 493 Wales, 511 Northern Ireland, 2458 UK urban, 1016 UK rural, 1719 England urban, 264 England rural, 239 Scotland urban, 248 Scotland rural, 241 Wales urban, 252 Wales rural, 259 Northern Ireland urban, 252 Northern Ireland rural)

Note: This is the first year we have collected survey data on smartphone use, so we cannot report a precise year-on-year-increase. But we are confident that ownership has increased significantly in the past year.

### 1.3 Availability of communications platforms and services

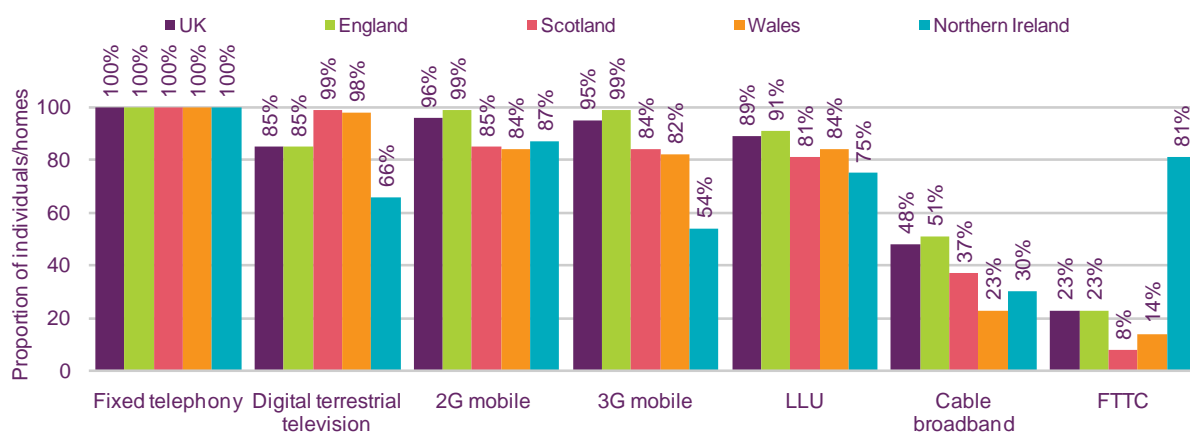
#### Availability of communications services varies across the UK's nations

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

- Digital terrestrial television availability in Wales has remained stable at 98% over the past year, with digital switchover in Wales completing in March 2010. This extended DTT (Freeview) coverage to most households in Wales, with coverage matching that of analogue terrestrial television. Ninety-eight per cent of households can receive the three public service multiplexes, carried by all the transmitters in Wales and providing around 20 television channels, including the BBC and ITV services, Channel 4, S4C and Five. The three commercial multiplexes continue to be broadcast from ten sites, with full six-multiplex coverage available to around 73% of households in Wales, where reception of up to 40 television channels will be possible (including S4C-2, which will remain on the SDN commercial multiplex). Fixed-line voice telephony and dial-up internet access are available to 100% of homes in the UK, as a result of the universal service obligation.
- Broadband delivered over a standard fixed telephony line is available to virtually all UK homes and commercial properties across the UK's four nations. However, factors such as line length and contention influence the actual broadband speed at customer premises.
- At the end of 2010, 84% of homes in Wales were connected to an LLU-enabled exchange, the second highest proportion among the UK nations, and just below the UK average of 89%.
- Among the UK nations, the proportion of homes passed by Virgin Media's cable broadband network was lowest in Wales at 23%, while it was highest in England at 51%.
- 2G mobile coverage is lower in Wales than in the UK average – 16% of the population live in postcode areas where no operator has more than 90% coverage. Lower network coverage is a reflection of large areas of low population density and areas where hilly or mountainous terrain limits the range of cellular masts. Population coverage of 3G networks is 82% - lower than England and Scotland, but higher than Northern Ireland.



**Figure 1.2 Communications infrastructure availability across the UK's nations**



Sources: Ofcom and:

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

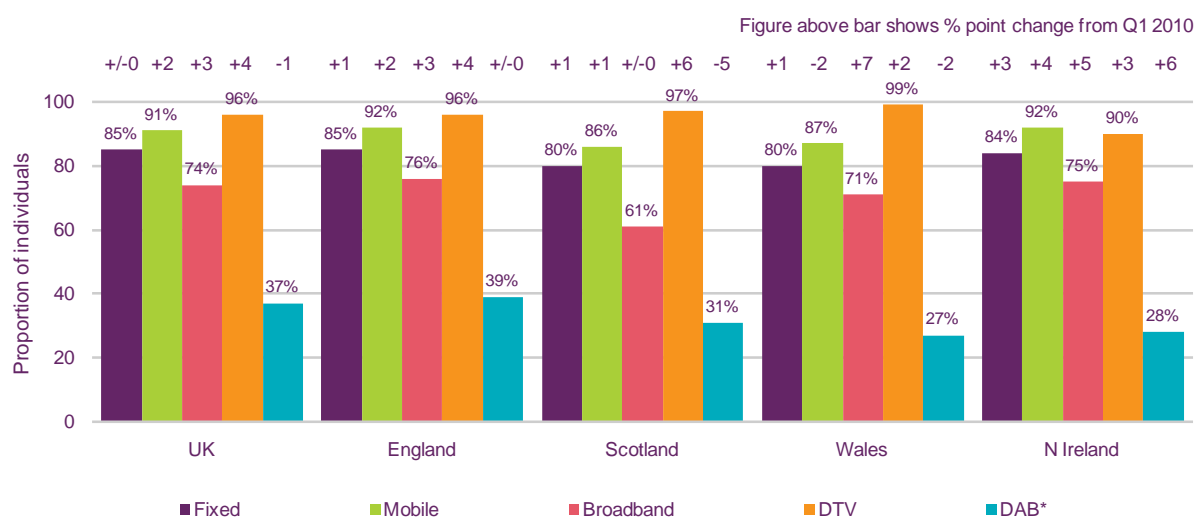
## 1.4 Take-up of communications platforms and services across the UK

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

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

- The small fall in ownership of fixed-line telephones across the UK, that we reported last year, has been sustained, with take-up remaining at 85%. Take-up of fixed-line telephones is lowest in Wales and Scotland (both at 80%).
- Broadband take-up (whether fixed or mobile) has continued to increase across the UK, with a three percentage point rise in the past year. The largest percentage point increase was seen in Wales, rising seven percentage points to stand at 71%.
- Over 9 in 10 UK adults now own a mobile phone, following a two percentage point increase in take-up during the past year. There is modest variation in take-up between nations. The apparent fall in mobile ownership in Wales is within the survey's error margins, so should not be considered significant.
- Digital television ownership has increased to 96% of the UK's adult population. Wales (the first UK nation to switch over to digital) has the highest uptake at 99%. Digital switchover in Northern Ireland is scheduled for 2012, when all of the remaining regions of the UK will switch to digital.

**Figure 1.3 Communications service adoption across the nations of the UK, 2011**



Source: Ofcom research, Q1 2011

Fixed line base: All adults aged 16+ (n = 3474 UK, 1983 England, 487 Scotland, 493 Wales, 511 Northern Ireland)

DTV, mobile and broadband bases: Adults aged 16+ with a TV in the household (n = 3412 UK, 1941 England, 479 Scotland, 483 Wales, 509 Northern Ireland)

DAB base: Adults aged 16+ with any active radio sets in the household who listen to radio. \*NB Data prior to 2011 is based on all who listen to radio (n = 2811 UK, 1629 England, 357 Scotland, 397 Wales, 428 Northern Ireland)

See published tables for questions:

[www.ofcom.org.uk/static/marketresearch/statistics/main\\_set.pdf](http://www.ofcom.org.uk/static/marketresearch/statistics/main_set.pdf)

### Almost a third of mobile users have a smartphone

Almost a third (30%) of UK mobile users now own a smartphone. Take-up has grown very quickly with 59% having purchased their smartphone in the past year. Smartphone ownership varies across the UK nations, with the highest levels of take-up being found among consumers in England (31%) and Wales (29%). Smartphone ownership is higher in ABC1 social groups and those aged 16-34. For a detailed study of smartphone users, see the Communications Market Report: UK at [www.ofcom.org.uk/cm11](http://www.ofcom.org.uk/cm11).

**Figure 1.4 Smartphone ownership among mobile phone owners**



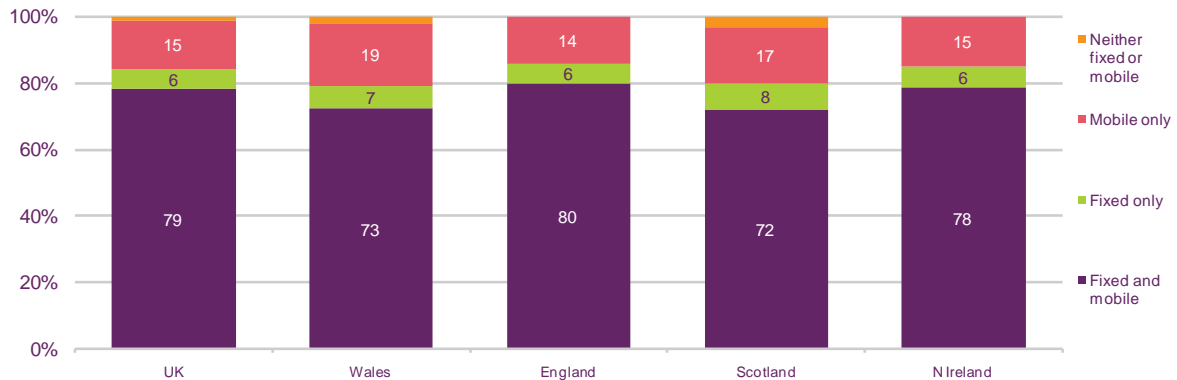
Source: Ofcom research, Q1 2011

Base: Adults aged 16+ who personally use a mobile phone (n = 3091 UK, 1786 England, 425 Scotland, 416 Wales, 464 Northern Ireland)

Question. Do you personally use a smartphone? A smartphone is a phone on which you can easily access emails, download files and applications, as well as view websites and generally surf the internet. Popular brands of smartphone include BlackBerry, iPhone and Android phones such as the HTC Desire.

Fifteen per cent of adults in the UK rely on mobile voice telephony only. As highlighted in last year's report, Wales and Scotland have the highest proportion of mobile-only homes (at 19% and 17% respectively). Across the UK, lower income homes are more likely to rely on mobile telephony.

**Figure 1.5 Mobile-only households in the UK**



Source: Ofcom research, Q1 2011

Base: All adults aged 16+ (n = 3474 UK, 1983 England, 487 Scotland, 493 Wales, 511 Northern Ireland)

Question. Is there a landline phone in your home that can be used to make and receive calls?/ How many mobile phones in total do you and members of your household use?

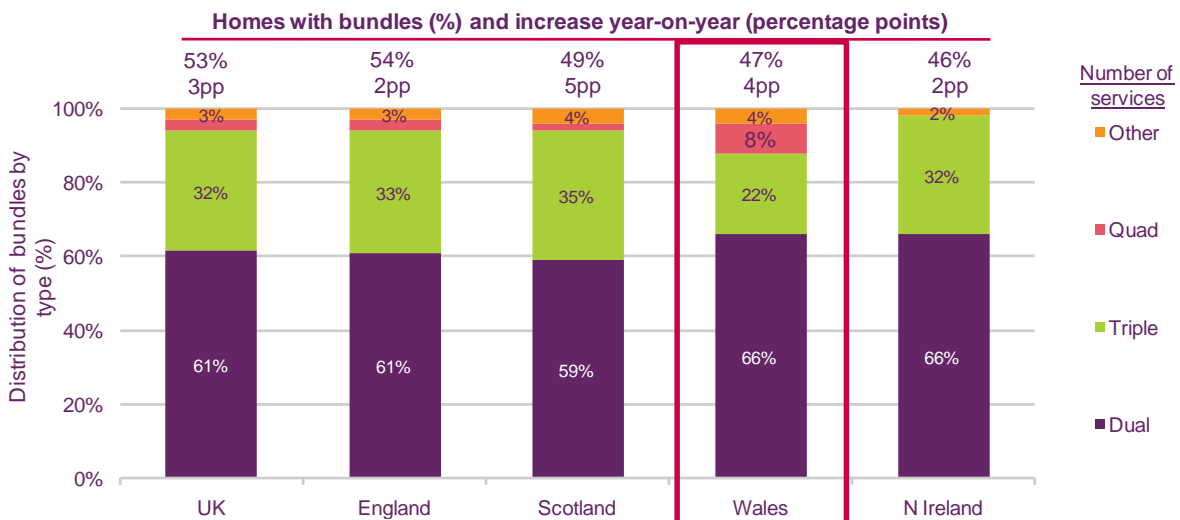
## 1.5 Consumer take-up of bundled services in the UK

**Almost half of all homes (47%) across Wales took a bundle of communications services at Q1 2011, up by four percentage points year on year.**

Purchasing communications services in bundles continues to increase in popularity across the UK. Fifty-three per cent of UK homes now purchase communications services in this way, a three percentage point increase year on year. In Wales, 47% purchase in this way; up by four percentage points year on year. The most popular type of bundle is a 'dual' package of two services (typically fixed-line telephony and broadband).

Take-up of bundled services is highest in England (54%), but is becoming an increasingly popular way to purchase services in the UK's other nations, in particular in Scotland and Wales, where we have seen year-on-year increases of five percentage points and four percentage points respectively. The lower take-up in Wales may be influenced by lower levels of cable coverage.

**Figure 1.6 Take-up of bundles, by nation**



Source: Ofcom research, Q1 2011

Base: All adults aged 16+ with a package of services regardless of whether or not these include a discount (n = 1680 UK, 1035 England, 226 Scotland, 197 Wales, 222 Northern Ireland)

Note: Remaining percentages are Don't know responses

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

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

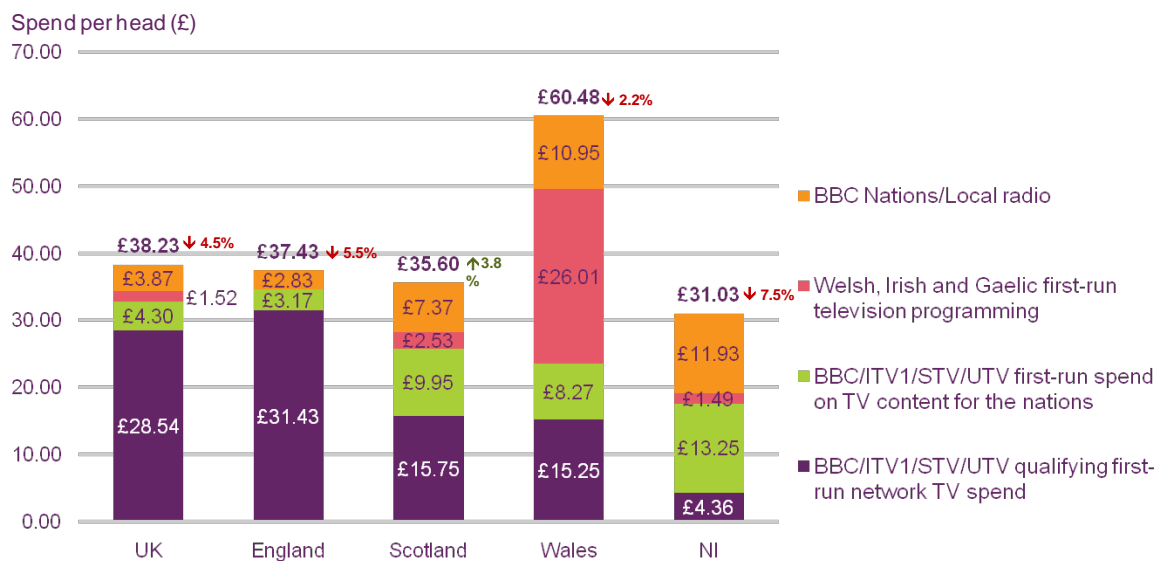
- the value of qualifying first-run networked TV spending – programmes that are produced in one nation/English macro region, and then broadcast to all UK viewers;
- BBC spend on radio services for listeners in the Nations (BBC Radio Foyle/Ulster, BBC Radio Wales/Cymru, BBC Radio Scotland/Nan Gaidheal and BBC Local Radio in England);

- spend by the BBC and ITV/STV/UTV on first-run programmes specifically for viewers in each nation; and
- TV content produced in Welsh (and broadcast on S4C), Gaelic (BBC Alba) and the Irish language.

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

Patterns of spending across the four nations differed in terms of both their level and composition. Spend per head in Wales was the highest among the four nations, reaching £60.48 in 2010, down by 2.2% in real terms year on year.

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



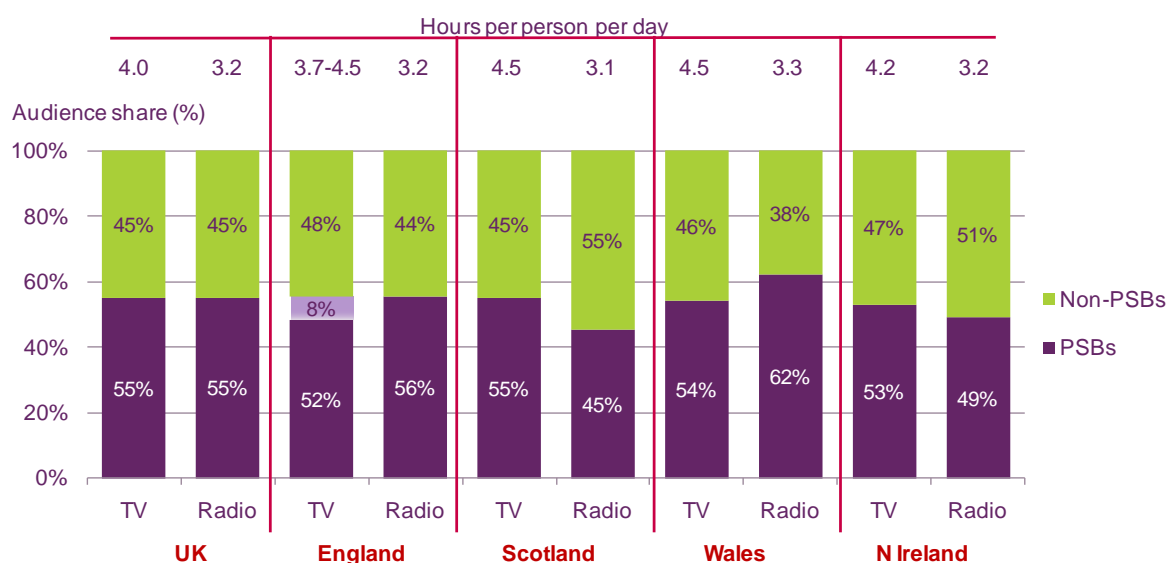
Source: broadcasters, BBC and S4C Annual Report and Accounts and Ofcom calculations

## 1.7 Consumption of television and radio services

### People in Wales spend an average of 4.5 hours per day watching TV

In 2010, average daily TV viewing among individuals (aged 4+) in UK was 4 hours per day. Viewing was highest in Wales and Scotland (where viewers watched on average 4.5 hours per day). Average daily radio listening among adults (15+) in the UK was 3.2 hours, and levels of listening among listeners in Wales and the UK's other nations were broadly similar, and all were comparable to the 2009 figures.

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



Source: BARB. i) TV: PSBs = BBC One, BBC Two, ITV1, C4+S4C, Five. (ii) Radio: PSBs = all BBC radio stations.

Notes: For England TV, a range is displayed reflecting the regions with the highest and lowest average daily viewing figures respectively

For Wales, TV viewing hours shows an increase of 0.9 hours on 2009 figures. While it is likely that there has been an increase in viewing in Wales, due to digital switchover, this increase may also be attributable to the effects of the new BARB panel introduced at the start of 2010. There are two important changes to note regarding the new BARB panel: 1) The panel is based on completely different viewers to the previous panel, so data comparisons pre- and post-2010 should be viewed with caution. 2) There was a redefining of border boundaries under the new panel change. Previously, viewing of C4 in some areas registered as 'out of area' and so did not count towards the Wales area viewing figures; under the new panel and re-defined regions, however, viewing of C4 in these regions is now included.

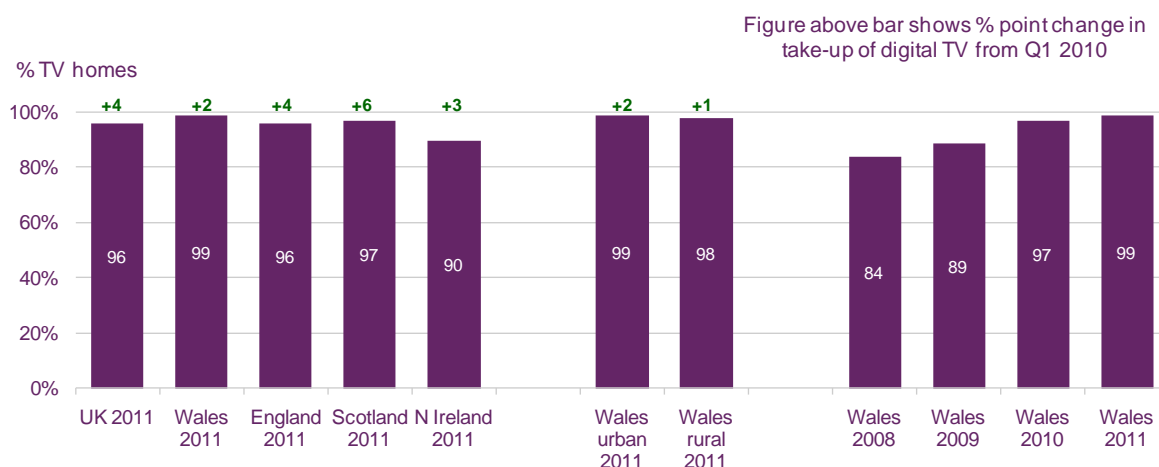
## 2 Television and audio-visual content

### 2.1 Digital television take-up in Wales

#### Virtually all TV homes in Wales receive digital television

Digital switchover in Wales is now complete. Virtually all homes with a TV in Wales (99%) now report that they have access to a digital television service. The remaining 1% of homes which claim that they receive analogue terrestrial TV may be misunderstanding the question, or possibly receiving their service from transmitters across the border in England.

**Figure 2.1 Digital television take-up in Wales**



Source: Ofcom research, Q1 2011

Base: All adults aged 16+ with a TV in household (n = 3412 UK, 483 Wales, 1941 England, 479 Scotland, 509 Northern Ireland, 234 Wales urban, 239 Wales rural, 797 Wales 2008, 970 Wales 2009, 1060 Wales 2010, 483 Wales 2011)

QH1a. Which, if any, of these types of television does your household use at the moment?

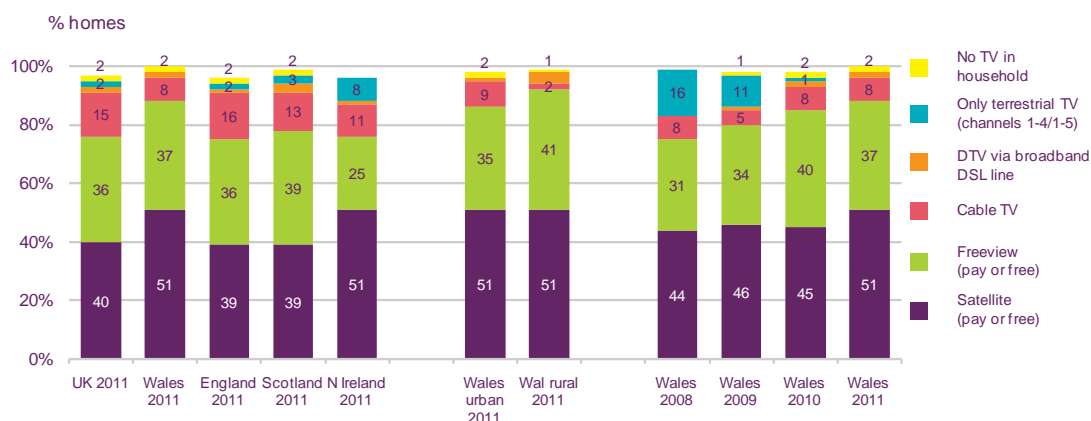
#### Satellite remains the most widely-used platform on main TV sets in Wales

The mix of platforms used to view digital television in Wales remains broadly similar to last year. Satellite was the most common, with lower levels of cable television take-up than in the other nations (largely because of the lower levels of cable availability in Wales).

Over the past year, the proportion of homes in Wales with satellite TV (whether pay or free) has increased by six percentage points to 51%.

Sixty per cent of adults with a TV at home in Wales have a pay TV service, an increase of seven percentage points since Q1 2010. This compares to 57% of homes taking a pay-TV service across the UK.

**Figure 2.2 Main set TV share in Wales, by platform**



Source: Ofcom research, Q1 2011

Base: All adults aged 16+ (n = 3474 UK, 493 Wales, 1983 England, 487 Scotland, 511 Northern Ireland, 241 Wales urban, 252 Wales rural, 811 Wales 2008, 987 Wales 2009, 1075 Wales 2010, 493 Wales 2011)

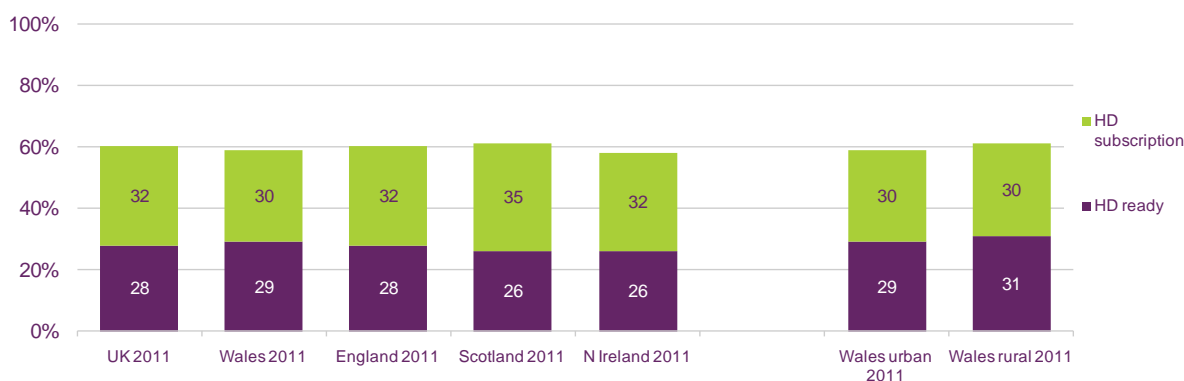
QH1a. Which, if any, of these types of television does your household use at the moment?

## 2.2 Access to high-definition TV

### Three in ten people in Wales have HDTV channels

Six in ten (59%) homes in Wales have an HD-ready TV set, and about half of these also claim to have access to HDTV channels (via cable, satellite or DTT). This equates to 30% of adults in Wales having access to HDTV channels, marginally below the UK average (32%). The most commonly used platform to access HDTV channels in Wales is Sky (used by 66% of HDTV viewers), followed by Freeview (23%) and Virgin Media (7%).

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



Source: Ofcom research, Q1 2011

Base: All adults aged 16+ (n = 3474 UK, 493 Wales, 1983 England, 487 Scotland, 511 Northern Ireland, 241 Wales urban, 252 Wales rural)

QH53. Is the main TV in your household an HDTV set or HD-ready?/ QH54. For the main TV set, does your household have an HD TV service – from either Sky, Virgin Media, Freesat or Freeview?

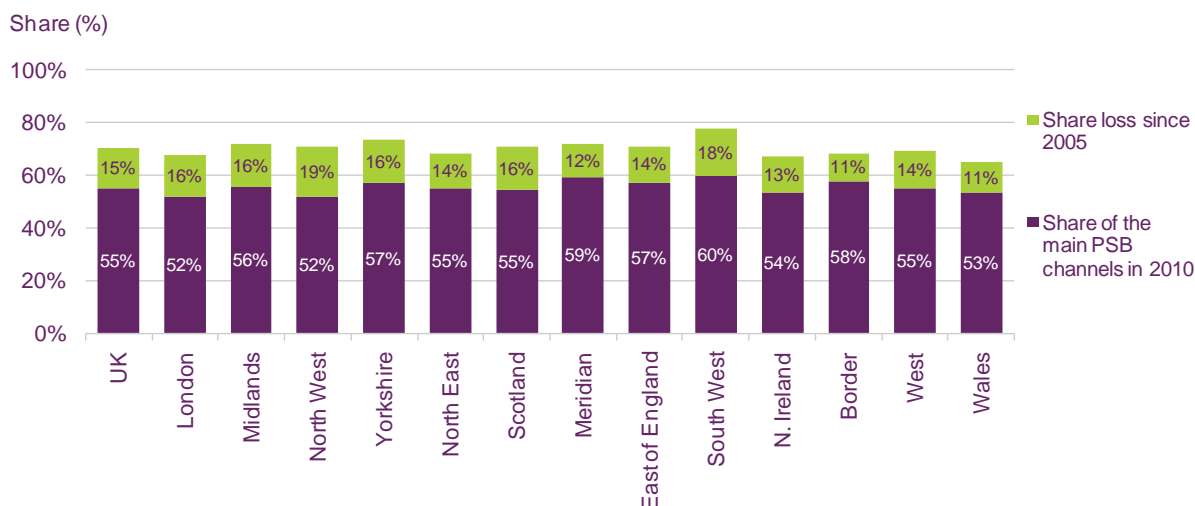
For information on consumption of audio-visual content over the internet, see Figure 4.3.



## 2.3 Broadcast television viewing

There was an 11 percentage point (pp) reduction in the combined share of the main PSB channels in Wales over five years (which stood at 53% in 2010). This reduction was less than the average reduction across the UK (of 15 pp) and lower than the reductions experienced everywhere else in the UK except Border.

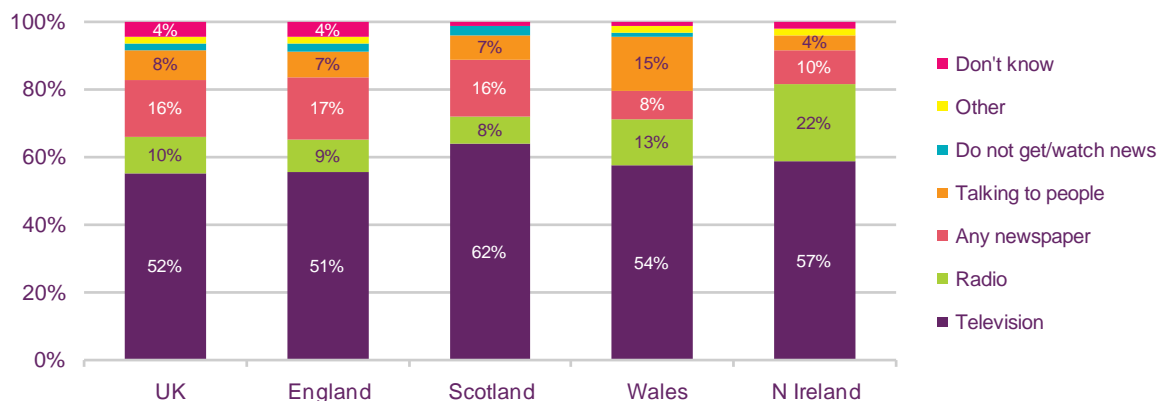
**Figure 2.4 Reduction in combined share of the five PSB channels, all homes: 2005 & 2010**



Source: BARB

In 2010, 54% of adults in Wales said that TV was their main source of local news, marginally higher than the UK average of 52%. "Talking to people" was mentioned by 15%, significantly higher than the UK average of 8%.

**Figure 2.5 Sources of local news in each nation: 2010**



Source: Ofcom Media Tracker 2010

Base: All adults 15+. n = 2,141 (UK), 1,726 (England) 194 (Scotland), 113 (Wales), 108 (NI)

Only responses ≥ 4% labelled

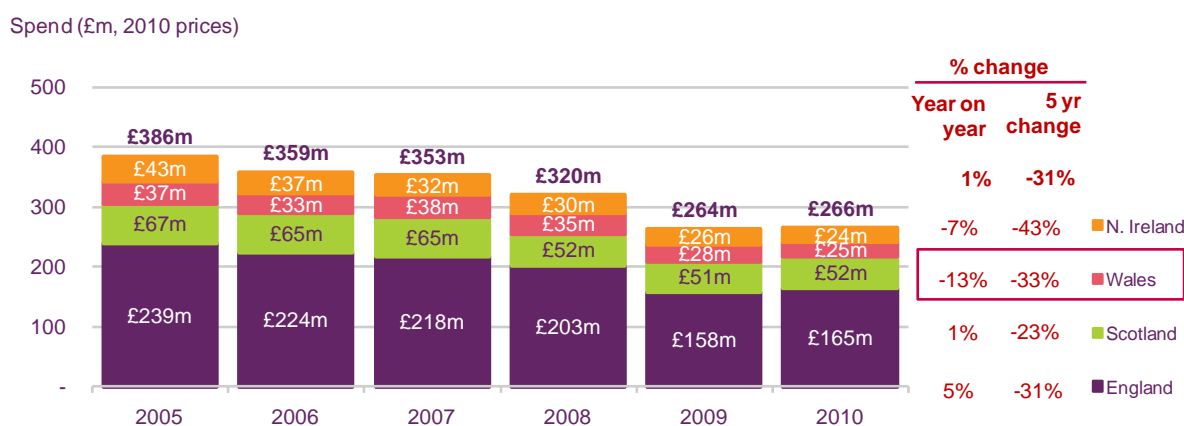
'Can you tell me what, if anything, is your main source of news about what is going on in your own local area?'

## 2.4 Spending by PSBs on TV content for viewers in Wales

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

At £25m, total spend on content for viewers in Wales was down by 13% year on year, representing the largest year-on-year reduction across the four nations; over five years, spend was down by 33%, compared to a UK-wide reduction of 31%.

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



Source: Broadcasters. All figures expressed in 2010 prices.

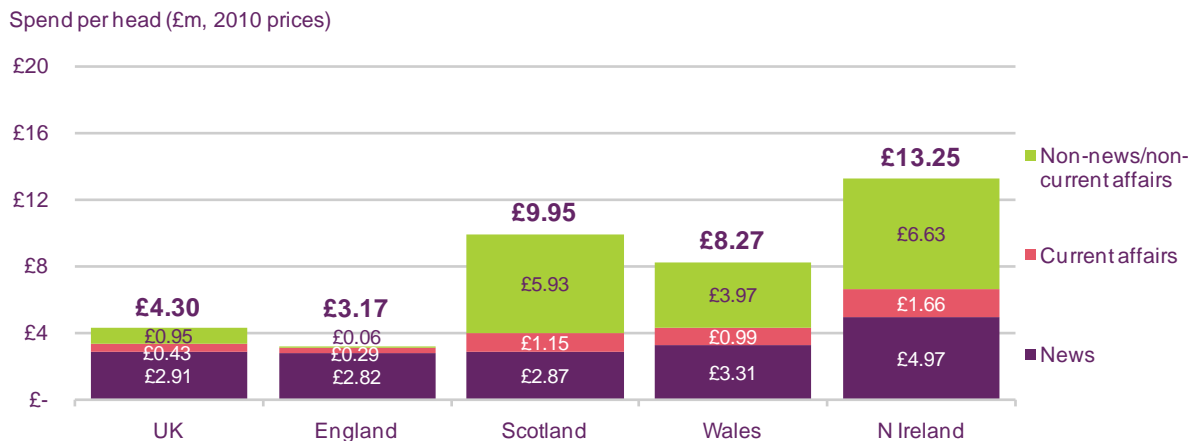
Note: Spend excludes Gaelic and Welsh language programming but includes some spend on Irish language programming by the BBC. Note that these figures supersede those published in previous reports; the index used to convert the data to 2010 prices in this report is CPI (RPI was used in previous editions); some historic data points have been restated.

### Change in spend/head by genre

Compared to 2009, Wales' expenditure on news saw the most significant increase across the nations, at 22%. Conversely, year-on-year spending on non-news/non-current affairs in Wales is down by 32%. As a whole, UK-wide spending on news witnessed a year-on-year increase of 3%, whereas non-news/non-current affairs saw an 8% decrease.

Figure 2.7 below shows that expenditure per head of population in Wales is down 13%; from £9.46 in 2009 to £8.27 in 2010, the largest reduction among the four nations. In Wales, spend per head on non-news/non-current affairs accounted for 48% of total spend in 2010; news accounted for a further 40% with current affairs making up the final 12%.

**Figure 2.7 Spend per head made by the BBC and ITV1 in national and regional output**

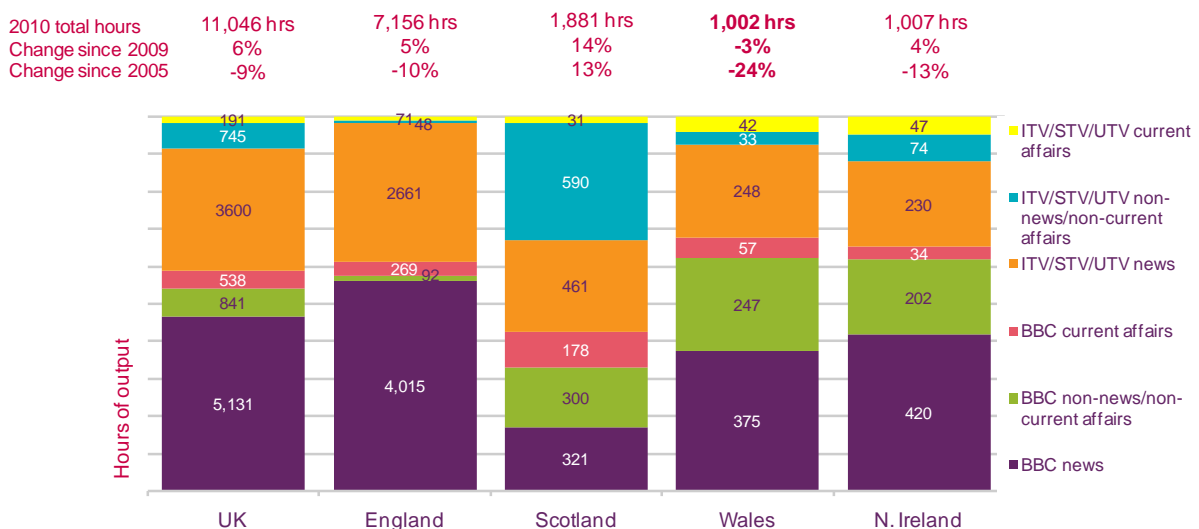


Source: PSB returns. Note that these figures supersede those published in previous reports; the index used to convert the data to 2010 prices in this report is CPI (RPI was used in previous editions); some historic data points have been restated. Spend excludes Gaelic and Welsh language programming but includes some spend on Irish language programming by the BBC. All figures expressed in 2010 prices.

### Hours of output of content for viewers

The BBC and ITV1/STV/UTV produced a total of 11,046 hours of programmes for the English regions, Scotland, Wales and Northern Ireland in 2010, up by 6% from 10,439 hours in 2009. The number of hours produced specifically for viewers in Wales in 2010 was down by 3% from 1,036 hours in 2009, compared to a 24% decline since 2005. Hours of current affairs output from ITV1 Wales and the BBC was up year on year by 8% and 10% respectively.

**Figure 2.8 Hours of regionalised output by genre and broadcaster: 2010**

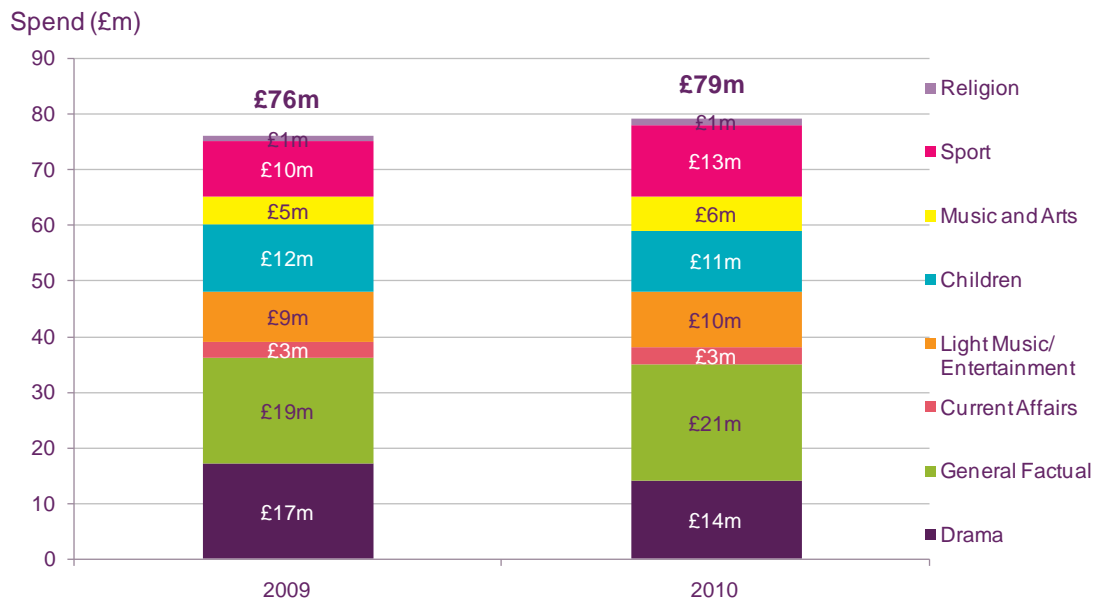


Source: PSB returns. Note: Hours data for first-run originations only. Hours exclude Gaelic and Welsh language programming but include some spend on Irish language programming by the BBC

## Investment and hours of Welsh-language output

Viewers in Wales also benefit from the Welsh language television service S4C. The broadcaster spent a total of £79m on first-run programming in 2010, a 3% increase in nominal terms on 2009. All genre categories apart from drama and children's programming saw year-on-year increases in spending. Similarly, with the exception of drama, all categories also saw annual increases in the number of first-run hours broadcast, with total first-runs rising by nearly a quarter (24%) between 2009 and 2010 to 1,786 hours.

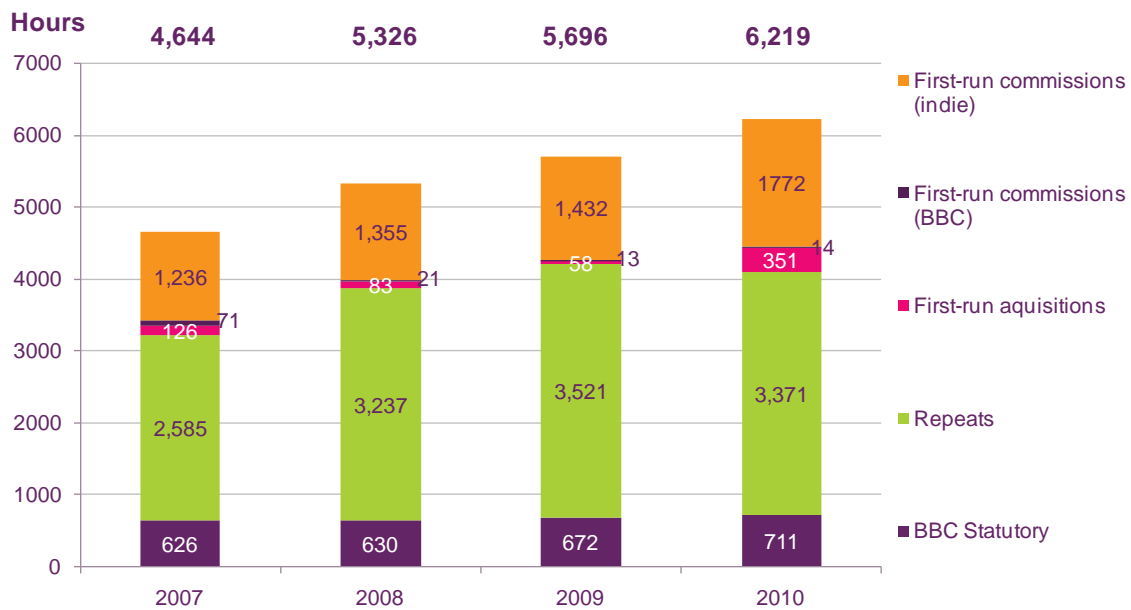
**Figure 2.9 Spend by S4C on first-run Welsh-language programming**



Source: S4C Annual Report (<http://www.s4c.co.uk/abouts4c/annualreport/acrobats/s4c-annual-report-2010.pdf>)

The total number of hours broadcast by S4C in 2010 increased by 9% year on year, bringing the total to 6,219 hours. Repeats made up the majority of the channel's output in 2010 although repeated hours were down by 4% from 2009. The number of first-run acquisitions saw a six-fold increase (from a small base) bringing the 2010 total to 351 hours, the biggest relative increase across the categories.

**Figure 2.10 Type of Welsh-language output on S4C, by hours**



Source: S4C Annual Report (<http://www.s4c.co.uk/abouts4c/annualreport/acrobats/s4c-annual-report-2010.pdf>)

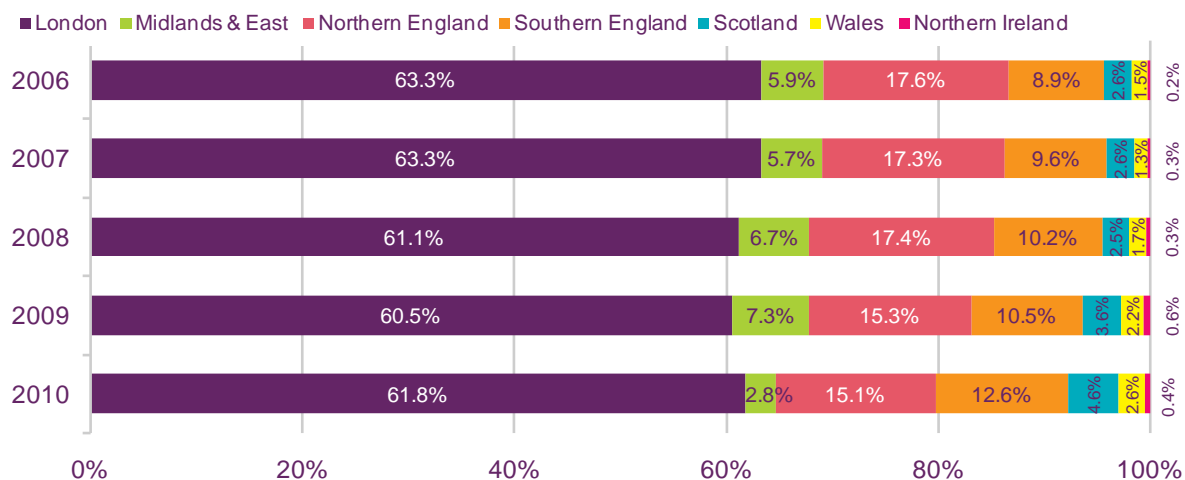
## 2.5 PSB television quota compliance

Figure 2.11 illustrates the distribution of spend on qualifying first-run commissioned content in 2010 by PSB channels. Just over 60% of qualifying expenditure (61.8%) was devoted to productions made in the M25 area. This figure rose a little (by 1.3 percentage points) from 60.5% in 2009, but was down from 63.3% in 2006. A further 15% of first-run spending was captured by producers based in the North of England (on a par with 2009) and 12.6% in Southern England (up from 10.5% in 2009).

In Wales, first-run productions accounted for 2.6% of expenditure, up from 2.2% of total expenditure in 2009. In Scotland, the figure rose from 3.6% to 4.6%. In Northern Ireland, the figure fell from 0.6% of total spending on first-runs to 0.4%.

**Figure 2.11 Expenditure on out-of-London productions**

Percentage of production by value



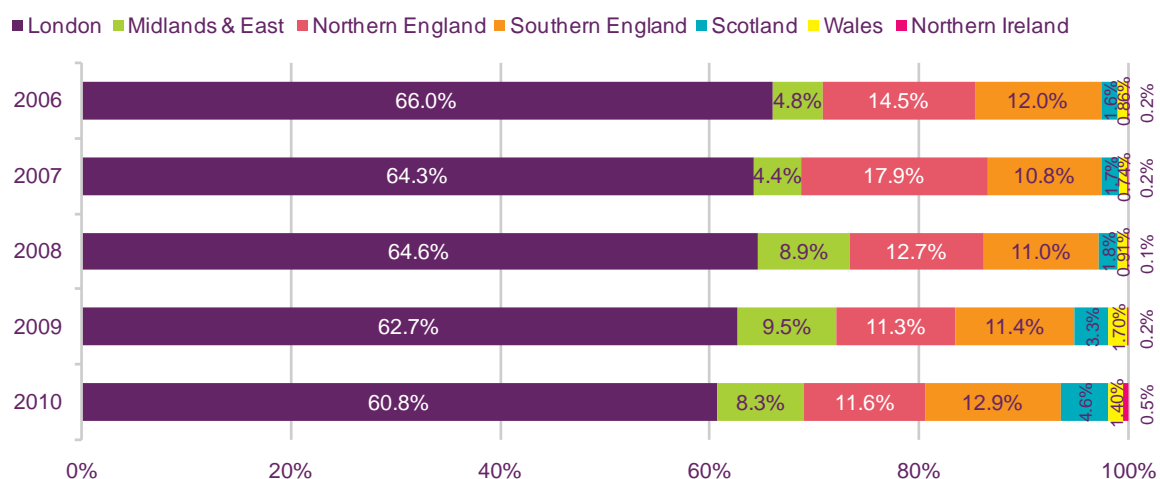
Source: Ofcom/broadcasters

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

Producers in Wales delivered 1.4% of all first-run hours during 2010, (down from 1.7% in 2009 but still up on the 0.9% figure for 2006), while the comparable figure for Scotland was 4.6%, up from 3.3% twelve months earlier (and up from 1.6% in 2006). First-run hours produced in Northern Ireland rose from 0.2% in 2009, to 0.5% in 2010 (Figure 2.12).

**Figure 2.12 Volume of out-of-London productions**

Percentage of production by volume



Source: Ofcom/broadcasters

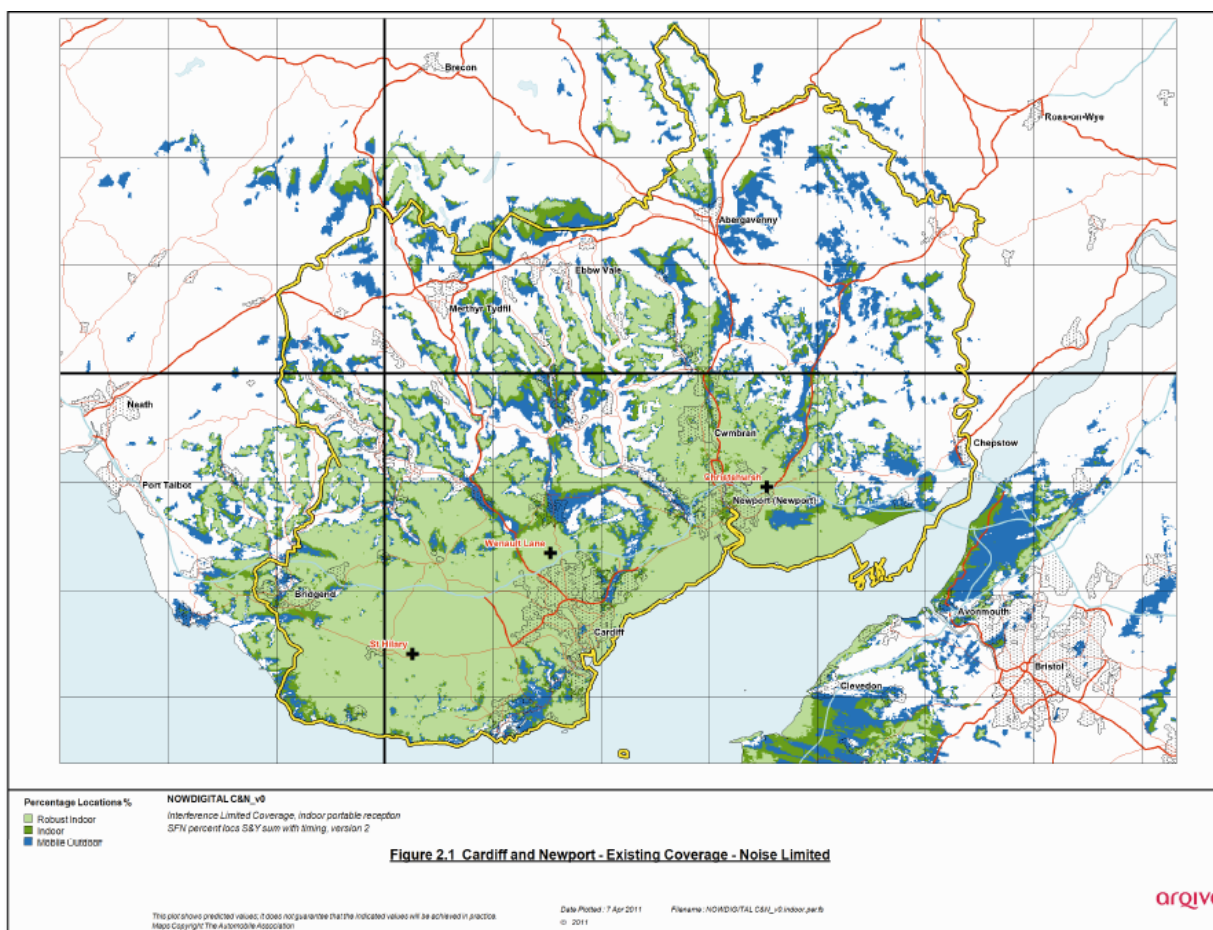
# 3 Radio and audio content

## 3.1 Radio service availability

Digital radio listeners living in the larger conurbations of Cardiff, Swansea, and Newport receive up to 32 DAB stations. These include the 23 UK-wide BBC and commercial stations, along with BBC Radio Wales / BBC Radio Cymru and additional local services serving South Wales carried on two local commercial multiplexes. There are currently no local DAB services on air in North or Mid Wales, but discussions are under way with the operators of licensed but as yet un-launched local multiplexes about launch dates. For further information on how DAB coverage may improve in the future, please see Ofcom's DAB planning consultation, published in June 2011<sup>1</sup>.

The Cardiff/ Newport multiplex, operated by Now Digital, provides services to around 49.39% of households in its editorial area<sup>2</sup> (Figure 3.1). This broadcasts a range of stations including seven local commercial DAB services, such as Capital FM and Gold.

**Figure 3.1 Commercial DAB multiplex coverage map for Cardiff and Newport**

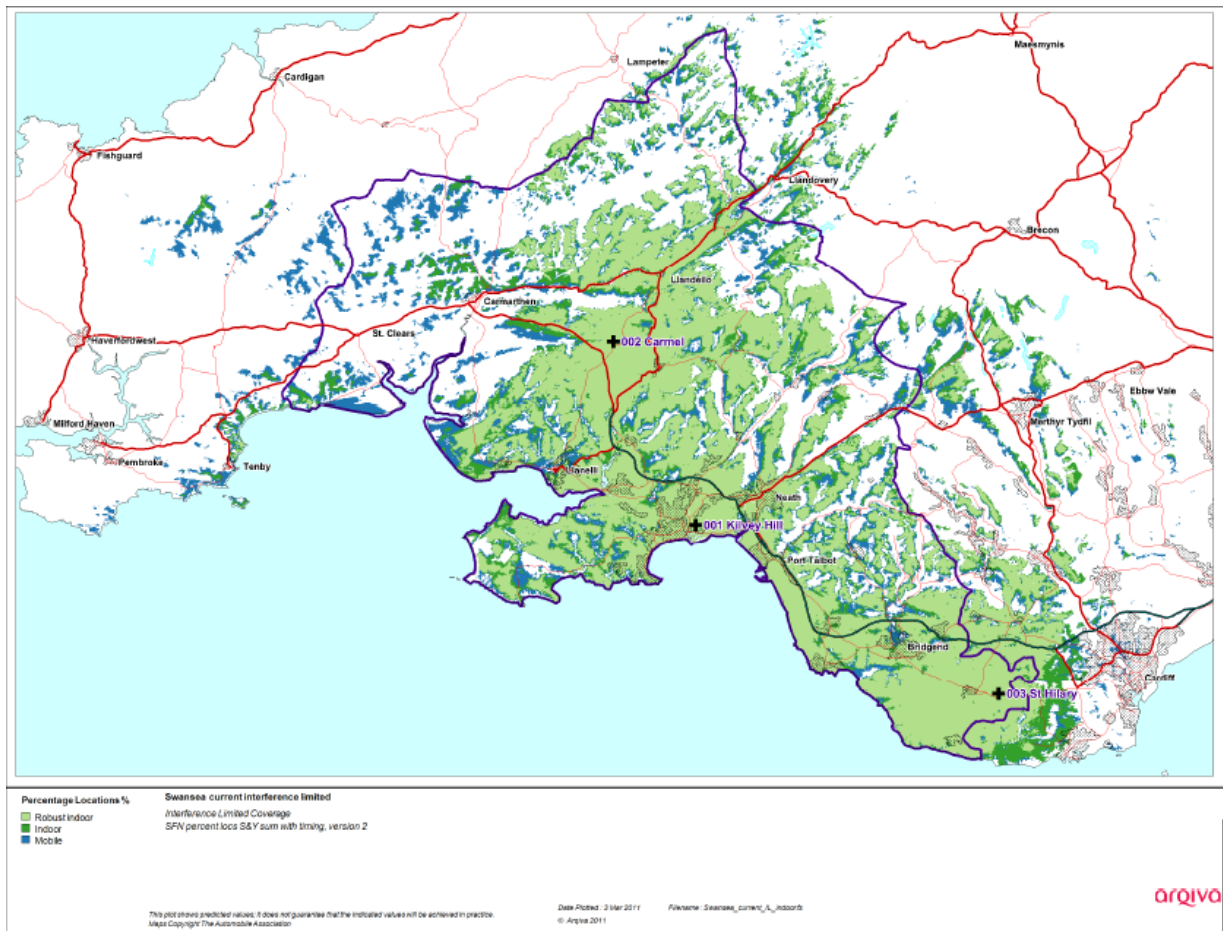


<sup>1</sup> <http://stakeholders.ofcom.org.uk/consultations/dab-coverage-planning/>

<sup>2</sup> [http://stakeholders.ofcom.org.uk/binaries/consultations/dab-coverage-planning/858230/DSO\\_11C\\_Cardiff\\_The\\_Valleys1.pdf](http://stakeholders.ofcom.org.uk/binaries/consultations/dab-coverage-planning/858230/DSO_11C_Cardiff_The_Valleys1.pdf)

The Swansea multiplex is operated by UTV-Bauer Digital and carries local stations including The Wave and Swansea Sound. It provides services to around 73.79% of households in the editorial area.

**Figure 3.2 Commercial DAB multiplex coverage map for Swansea**



### 3.2 Digital radio set ownership

Just over a quarter (27%) of adults in Wales who listen to the radio report that they have a DAB radio set at home. The proportion of DAB set owners in Wales is ten percentage points lower than the UK average, which may have some connection to the availability of DAB in Wales compared with the rest of the UK<sup>3</sup>.

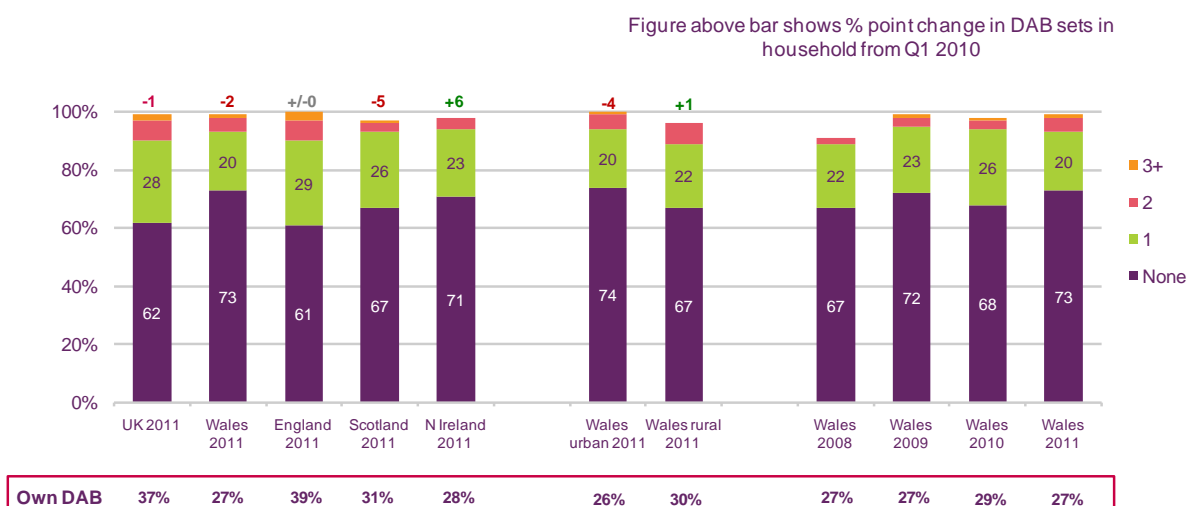
Among radio listeners in Wales who do not have a DAB radio set, one in five (22%) say that they are likely to purchase a DAB set in the next year, on a par with the UK average (21%)<sup>4</sup>.

<sup>3</sup> Caution should be applied to these data since some respondents in our survey may have confused the description of a DAB radio set with an analogue set that has a digital display.

<sup>4</sup> This finding should be treated with caution, as respondents' stated purchase intentions in survey research are often overstated.



**Figure 3.3 Ownership of DAB digital radios**



Source: Ofcom research, Q1 2011

Base: Adults aged 16+ who listen to radio and have any active radio sets in the household that someone listens to in most weeks (n = 2811 UK, 397 Wales, 1629 England, 357 Scotland, 428 Northern Ireland, 191 Wales urban, 206 Wales rural, 638 Wales 2008, 848 Wales 2009, 854 Wales 2010, 397 Wales 2011)

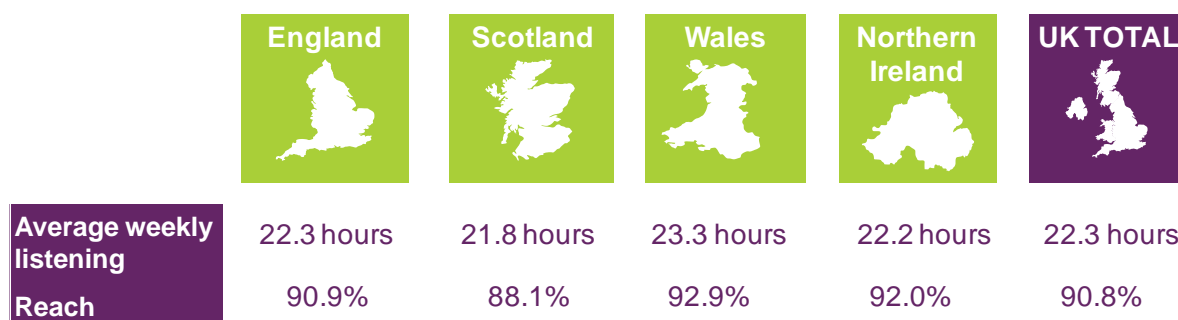
Q4. You said earlier that you have (NUMBER) radio sets in your home that someone in the household listens to in most weeks. How many of these radio sets are digital radios?

### 3.3 Patterns of listening to broadcast audio content

#### On average, adults in Wales listen to the most radio per week

Among adults in Wales, average weekly radio listening in the year ending Q1 2011 stood at 23.3 hours and average weekly reach 92.9% – both were the highest among all of the UK nations.

**Figure 3.4 Average weekly reach and listening hours – year to Q1 2011**

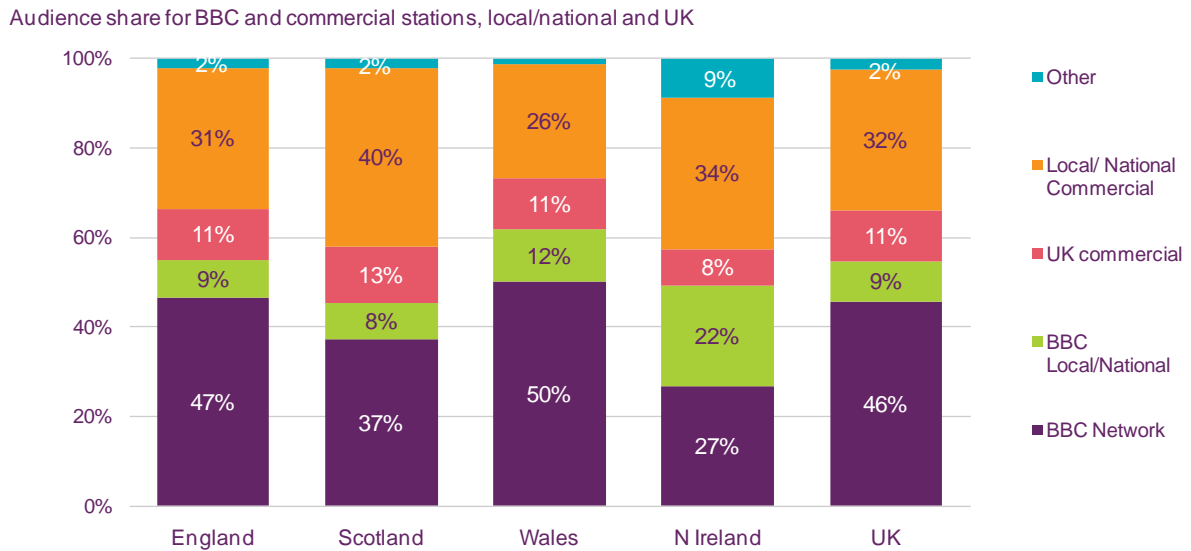


Source: RAJAR, All adults (15+), year ended Q1 2011. Reach is defined as the total proportion of the respective adult population who listened to at least five consecutive minutes in the average week.

## BBC network stations are relatively popular among people in Wales

In the year ending Q1 2011, BBC network stations accounted for 50% of radio listening hours in Wales, the highest across any of the UK nations (the UK average was 46%). Conversely, local commercial stations attracted a market share of 26%, which was the lowest among the four nations (the UK-wide average share was 32%).

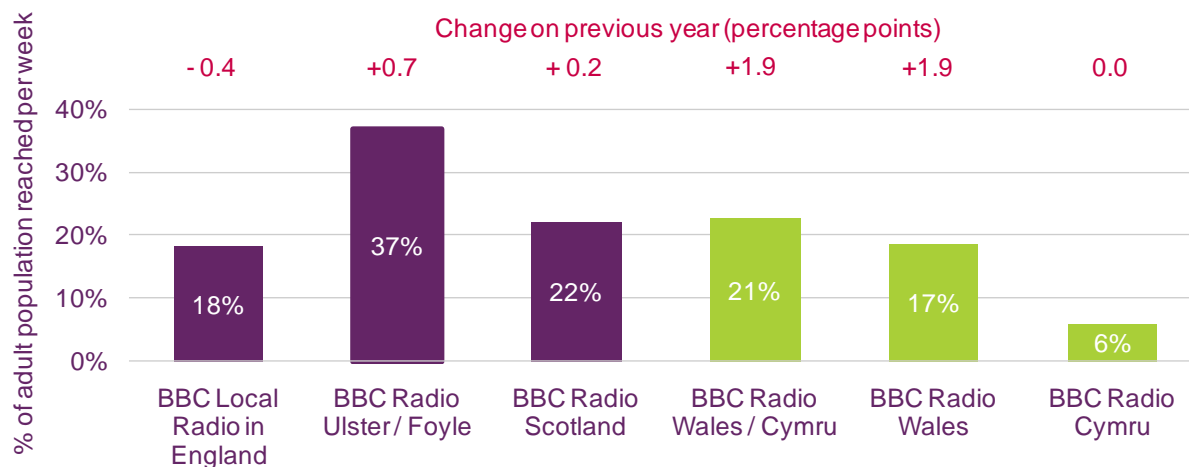
**Figure 3.5 Share of listening hours, by nation: year to Q1 2011**



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

Just over a fifth of adults (21%) listened to BBC Radio Wales/Radio Cymru in an average week in Q1 2011 (Figure 3.6). The figure rose year on year by 1.9 percentage points. BBC Radio Cymru reached 6% of adults weekly (on a par with 2009) while BBC Radio Wales reached 17% (up by 1.9 percentage points). Listening to nations-based services in Wales was similar to that in Scotland, with BBC Radio Scotland reaching 22% of adults per week.

**Figure 3.6 Weekly reach for national/ local BBC services**



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

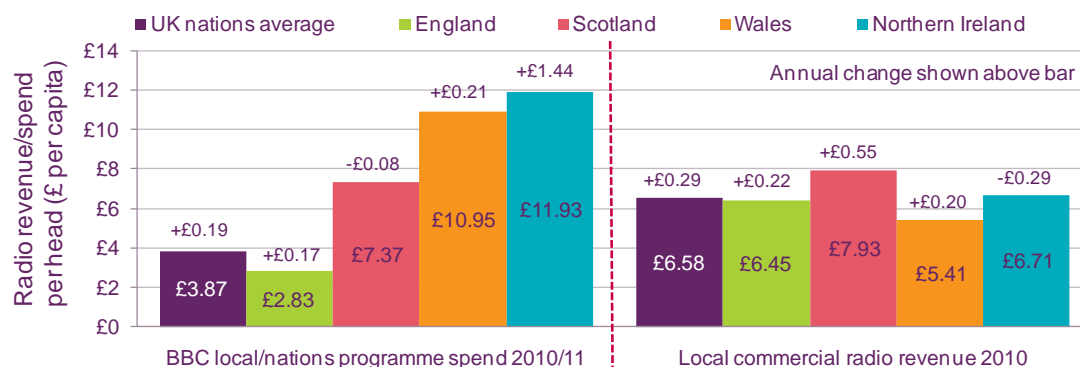
### 3.4 The radio industry

#### Commercial radio revenue and BBC Radio funding in Wales

The commercial revenues generated by local radio stations in Wales reached £16.3m in 2010. Adjusting for population size, Wales had the lowest revenue per head of the UK nations, at £5.41, despite a £0.20 (4%) increase on 2009.

BBC radio spend on BBC Radio Wales and BBC Radio Cymru totalled £33.1m in 2010/11. Expenditure per head was the second highest of the UK nations at £10.95, a 2% increase on the previous year. This is due to the smaller population in Wales and the added expenditure of running two services. It compares to the UK average spend per head of £3.87.

**Figure 3.7 Local/nations radio spend and revenue per head of population 2010/11**



Source: Broadcasters

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

## 3.5 Recent developments

### Real Radio becomes the first all-Wales commercial station

Real Radio expanded its service into Mid and North Wales in January 2011, thereby providing, for the first time, an all-Wales commercial radio service. Another development in commercial radio during the year was that Radio Maldwyn was sold to a new group and re-named Radio Hafren.

### Community radio

In April, Ofcom announced a third round of community radio licensing. However, it will not be possible to launch new services in several areas of Wales, including Newport and Swansea, due to a shortage of available frequencies.

The Welsh Government's Community Radio fund agreed that all seven applicants: BRFM, Tudno FM, Point FM, XS (formerly Afan FM), Bro Radio, GTFM and Calon FM, should receive some funding (no applications were received from Radio Cardiff or Radio Tircoed).

The grants awarded were:

- GTFM in Pontypridd, £15,899.
- BRFM in Blaenau Gwent, £16,500.
- XS in Neath Port Talbot, £10,000.
- Tudno FM in Llandudno, £15,222.
- Point FM in Rhyl, £10,000.
- Calon FM in Wrexham, £16,500.
- Bro Radio in the Vale of Glamorgan, £15,899.

# 4 Internet and web-based content

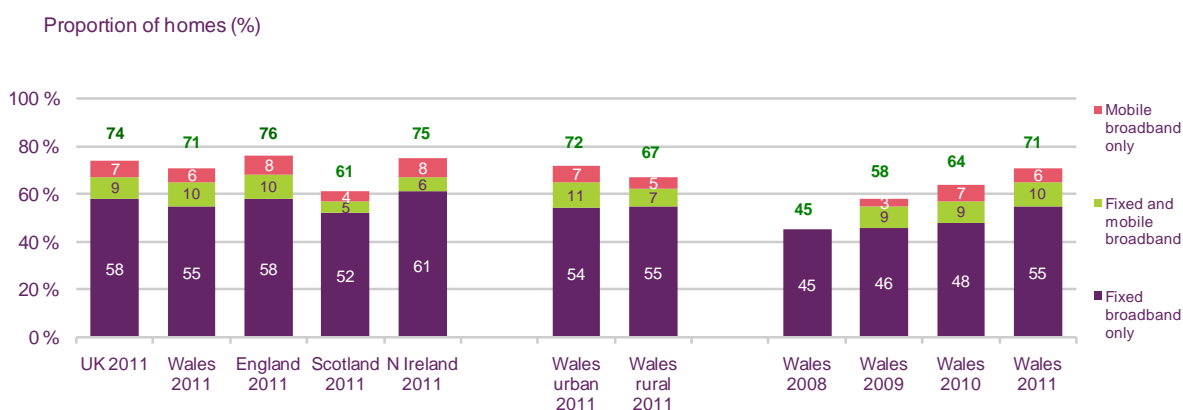
## 4.1 Broadband take-up

### Broadband take-up in Wales increased by seven percentage points

Broadband take-up in Wales has increased by seven percentage points in the past year – the largest year-on-year increase recorded across the UK’s nations. The increase has been driven by an increase in fixed broadband take-up, from 57% to 65%.

Broadband take-up in Wales remains below the UK average, but the gap has closed in the past year. Broadband penetration is higher in Wales’ urban areas (72%) than it is in rural areas (67%). One in ten homes in Wales have both a mobile broadband connection *and* a fixed broadband connection. For more information on broadband take-up by area, see Ofcom’s fixed broadband map: <http://maps.ofcom.org.uk/broadband/><sup>5</sup>.

**Figure 4.1 Broadband take-up at home**



Source: Ofcom research, Q1 2011

Base: All adults aged 16+ (3474 UK, 493 Wales, 1983 England, 487 Scotland, 511 Northern Ireland, 241 Wales urban, 252 Wales rural, 811 Wales 2008, 987 Wales 2009, 1075 Wales 2010, 493 Wales 2011)

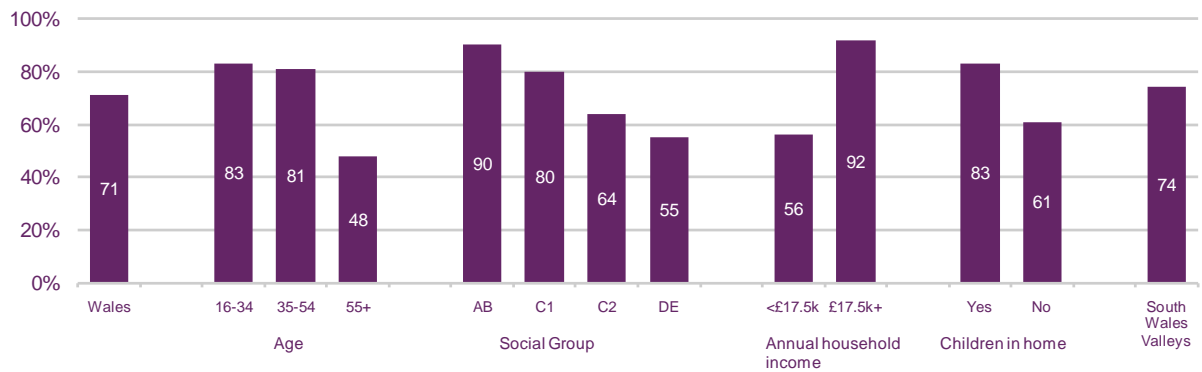
QE9. Which of these methods does your household use to connect to the internet at home? (NB 2008 survey did not cover mobile broadband. 2008 measure shows any broadband)

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

Figure 4.2 shows that, as in the rest of the UK, broadband take-up in Wales varies significantly by demographic factors. Take-up in Wales is relatively low among those aged 55+ (48%), DE social groups (55%), and in households with incomes less than £17.5k per annum (56%). In comparison, take-up is high among households with children, where 83% have a broadband connection.

<sup>5</sup> Note the figures in the broadband map are based on broadband penetration by premises (the number of broadband connections divided by number of postal delivery points). This includes residential and business connections. As a result the figure is not comparable with the survey data in this report.

**Figure 4.2 Broadband take-up in Wales (by demographic)**



Source: Ofcom research, Q1 2011

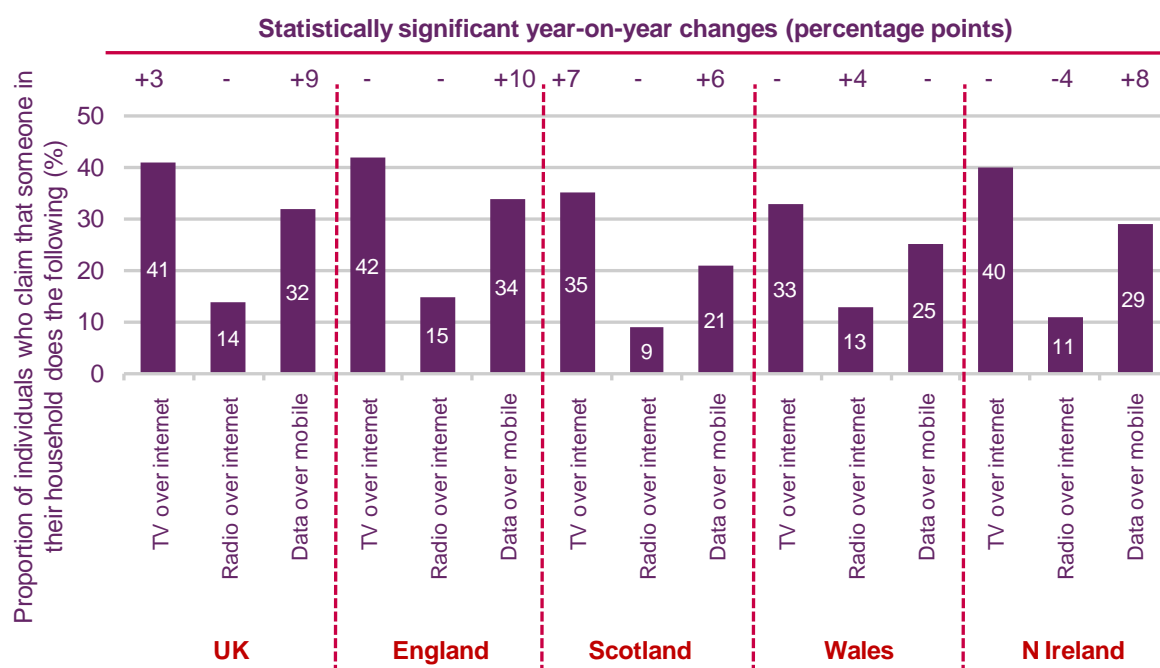
Base: All adults aged 16+ (n =493 Wales, 135 16-34s, 166 35-54s, 192 55+, 98 AB, 148 C1, 108 C2, 139 DE, 187 <£17.5k income, 116 £17.5k+, 169 children in home, 324 no children in home, 72 South Wales Valleys)

QE9. Which of these methods does your household use to connect to the internet at home?

## 4.2 Internet use

Watching audio-visual content over the internet continues to be a popular pastime, with a third of homes in Wales (33%) watching services such as BBC i-Player, 4oD and ITV Player. Thirteen per cent of homes use the internet to listen to the radio, in line with the UK average (14%), and increasing four percentage points in the past year.

**Figure 4.3 Consumers' use of converging platforms**



Source: Ofcom research, Q1 2011

Base: All adults aged 16+ (n = 3474 UK, 1983 England, 487 Scotland, 493 Wales, 511 Northern Ireland)

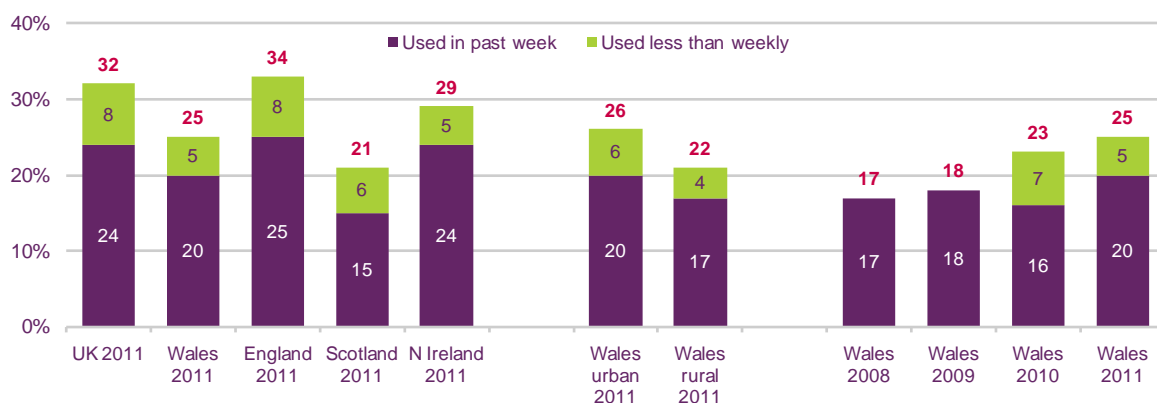
Questions. Which, if any, of these do you or members of your household use the internet for whilst at home?/ Which, if any, of the following activities, other than making and receiving calls, do you use your mobile for?/ Includes download free applications, download paid for applications, send/ receive emails, accessing the internet, connecting to the internet using Wi-Fi, using VoIP service, download a new video clip, video streaming, TV streaming, accessing/ receiving, sports/ team news/ scores, accessing/ receiving news, use IM/ Instant messaging

### **A quarter of adults in Wales use data on mobile handsets**

One in four (25%) consumers in Wales say that they use their mobile phone to access data services (internet, emails, web-enabled apps etc.), while one in five (20%) had done so in the past week. In comparison, a third of UK consumers (33%) access data over mobile, an increase of 9% points last year.

The proportion in Wales using a mobile to access the internet is on a par with the proportion of smartphone owners in Wales (29% of mobile phone owners – equating to 25% of all adults), suggesting that smartphone owners are making use of their phone's internet connectivity.

**Figure 4.4 Use of mobile phone to access the internet**



Source: Ofcom research, Q1 2011

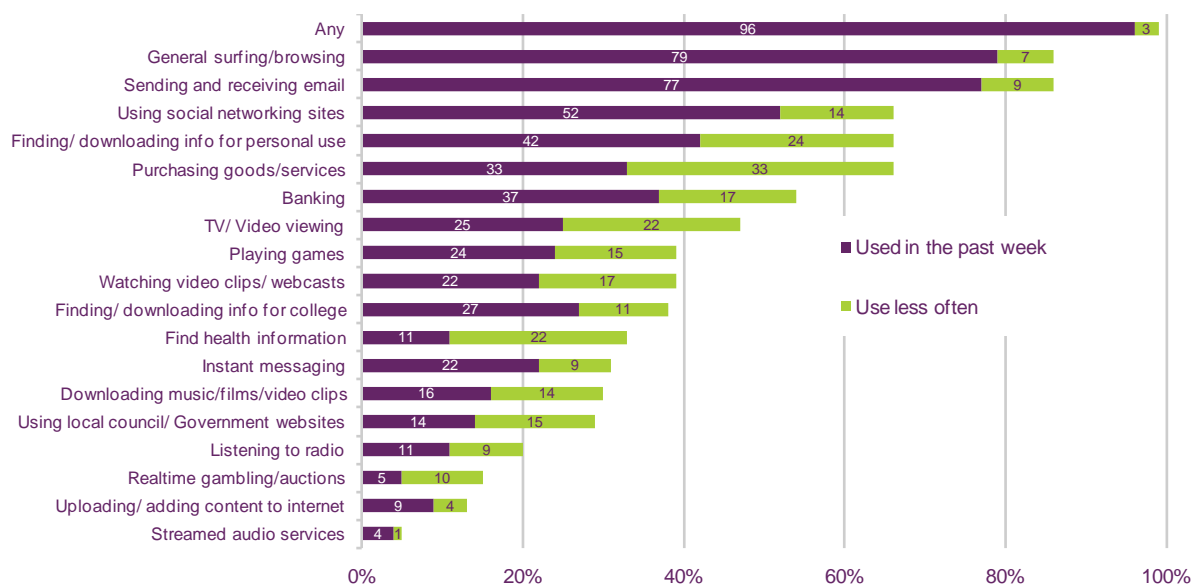
Base: All adults aged 16+ (3474 UK, 493 Wales, 1983 England, 487 Scotland, 511 Northern Ireland, 241 Wales urban, 252 Wales rural, 811 Wales 2008, 987 Wales 2009, 1075 Wales 2010, 493 Wales 2011)

QD28A-B. Which, if any, of the following activities, other than making and receiving calls, do you use your mobile for?/ And which of these activities have you used your mobile for in the last week? (NB 2008 and 2009 surveys did not cover use in past week – 2008 and 2009 measures show any use)

### Social networking continues to increase in popularity

Those in Wales who have a broadband connection at home make use of their connection for a range of different purposes. One of the most notable changes in the way people use the internet in recent years has been in the use of social networking sites. Two-thirds of those with broadband use a social networking site. Use of social networking websites is second only to 'general surfing/ browsing' and email use.

**Figure 4.5 Use of online applications among broadband users**



Source: Ofcom research, Q1 2011

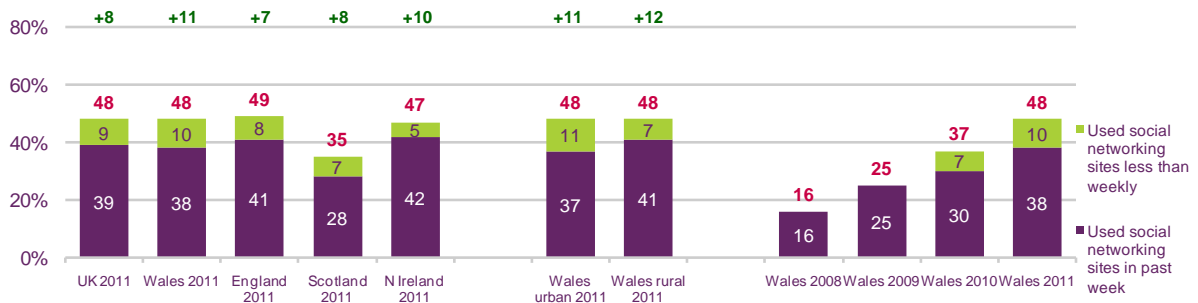
Base: Adults aged 16+ with a broadband connection at home (n= 328 Wales 2011)

QE5. Which, if any, of these do you or members of your household use the internet for whilst at home?



Forty-eight per cent of adults in Wales use social networking sites, with this proportion being equal in urban and rural areas. This represents an 11 percentage point rise from Q1 2010 – the fastest increase across the UK, bringing social networking in Wales into line with the UK average.

**Figure 4.6 Use of social networking sites in Wales**



Source: Ofcom research, Q1 2011

Base: All adults aged 16+ (3474 UK, 493 Wales, 1983 England, 487 Scotland, 511 Northern Ireland, 241 Wales urban, 252 Wales rural, 811 Wales 2008, 987 Wales 2009, 1075 Wales 2010, 493 Wales 2011)

QE5A-B. Which, if any, of these do you or members of your household use the internet for whilst at home?/ And, which, if any, of these activities have you or members of your household used the internet for in the last week?/ QD28A-B. Which, if any, of the following activities, other than making and receiving calls, do you use your mobile for?/ And, which of these activities have you used your mobile for in the last week?

# 5 Telecoms and networks

## 5.1 Broadband availability

**All homes in Wales are connected to an ADSL-enabled exchange, while 84% are connected to an LLU-enabled exchange**

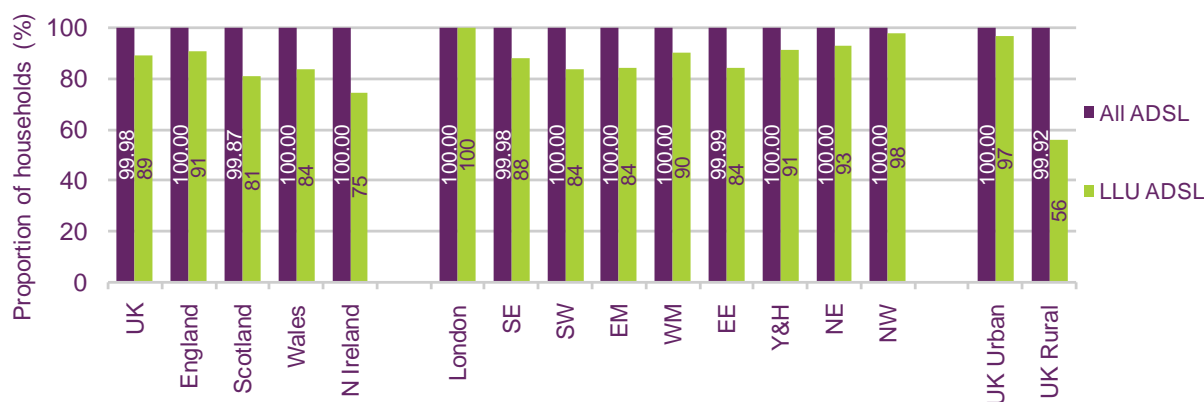
ADSL broadband is delivered over the copper phone line running from the local telephone exchange to the user's premises and has the highest availability of all of the technologies capable of delivering fixed broadband services in the UK. ADSL coverage therefore gives a good indication of overall UK broadband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

At the end of 2010 over 99.9% of UK homes were connected to an ADSL-enabled local exchange (although some people living in these areas may not be able to receive ADSL broadband services, or may be able to do so only at very slow speeds, as a result of the long length or poor quality of the copper telephone line from their premises to the local telephone exchange). All local exchanges in Wales were ADSL-enabled by the end of 2010.

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

Many exchanges have also been 'unbundled'. This means a local-loop unbundling (LLU) provider has sited its own equipment in BT's local exchange and provides ADSL broadband (either on a standalone basis or in conjunction with fixed voice services) over the incumbent's copper wire from the exchange to the customer premises. Those living in an unbundled exchange area are therefore likely to have a greater choice of providers and tariffs available to them than those living in exchange areas that have not been unbundled. At the end of 2010, 84% of homes in Wales were in exchange areas which had been unbundled, lower than the UK average (89%), but higher than in Scotland (81%) or Northern Ireland (75%).

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



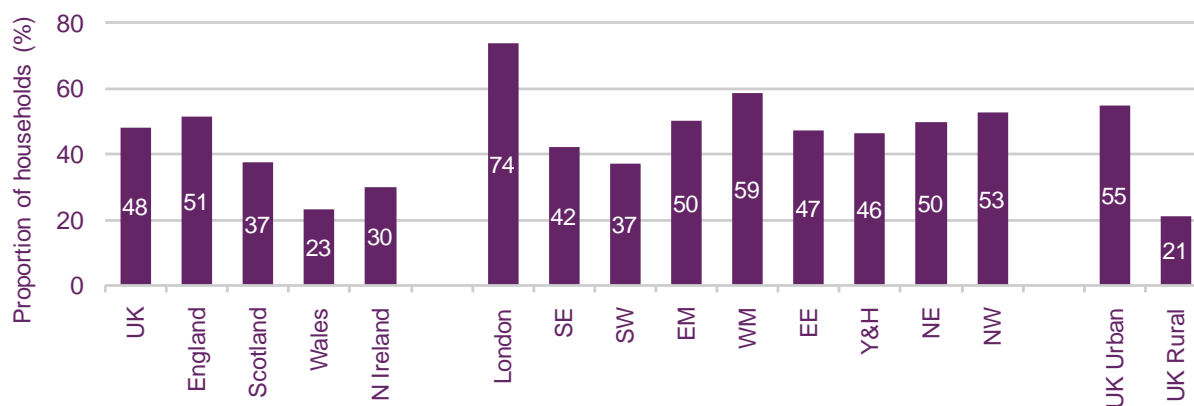
Source: Ofcom / BT, December 2010 data

**Wales had the lowest proportion of homes passed by Virgin Media’s cable network at 23%**

After ADSL broadband, cable broadband is the second most popular broadband technology in the UK and in June 2010, 23% of Wales homes were passed by Virgin Media’s cable broadband network, compared to 48% of all UK households. Virgin’s Media’s cable network offers headline connection speeds of ‘up to’ 50Mbit/s (and 100Mbit/s in some areas) and is concentrated in urban areas. This is because the original cable franchises concentrated network build in highly populated areas in order to maximise their potential customer bases.

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

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



Source: Ofcom / Virgin Media, June 2010 data

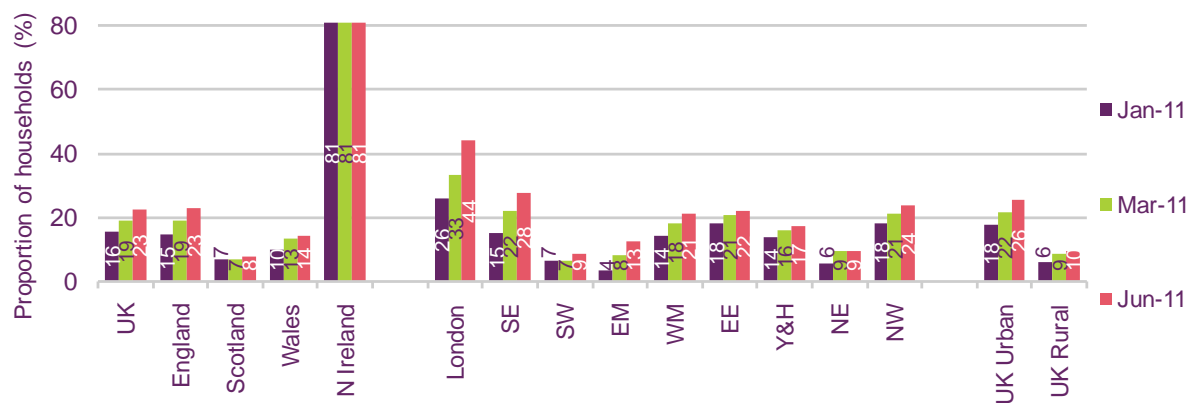
**Wales had the second lowest proportion of homes connected to a fibre-to-the-cabinet enabled exchange in June 2011, at 14%**

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

BT is currently rapidly rolling out FTTC, passing around 80,000 new premises every week, and aims to make it available to two-thirds of UK homes by 2015. In June 2011, 14% of homes in Wales were connected to an exchange where FTTC has been deployed – compared to around 23% across the UK as a whole.

It should be noted that, on average, when an exchange is FTTC-enabled, cabinets serving only around 80% to 90% of premises in the exchange area have fibre-optic cable run to them. This means that the proportion of homes in Wales that are able to receive FTTC services will be lower than the proportion connected to the exchange (approximately 11-13% at the beginning of June 2011, compared to the 14% connected to an FTTC-enabled exchange).

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



Source: Ofcom / BT

## 5.2 Mobile coverage

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

### How we measure the availability of mobile telephony in this report

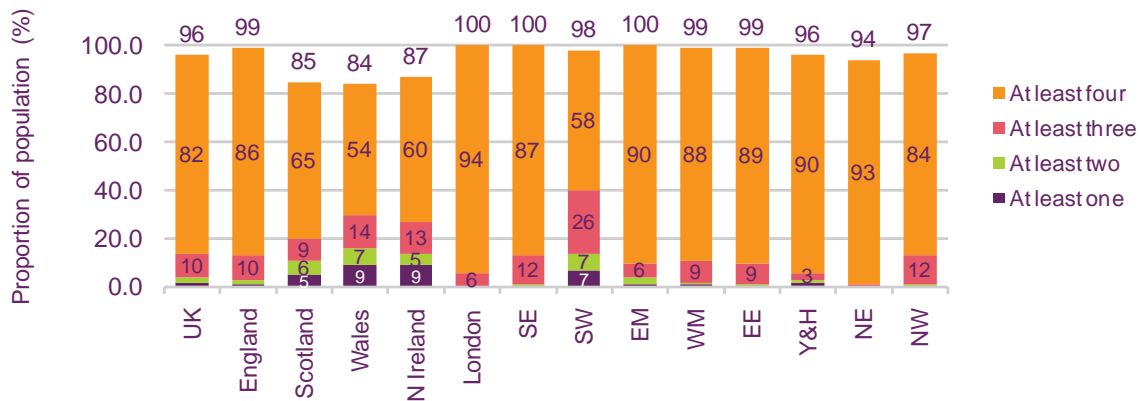
To evaluate the availability of mobile telephony services across the UK we examine the number of mobile networks with second generation (2G) and third generation (3G) coverage in each postcode district. For an operator to be counted as having coverage, its network footprint has to cover at least 90%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

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

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

2G mobile coverage is lower in Wales than in the other UK nations – 16% of the population live in postcode areas where no operator has more than 90% coverage. Lower network coverage in Wales, Scotland and Northern Ireland compared to England is a reflection of large areas of low population density and areas where hilly or mountainous terrain limits the range of cellular masts.

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

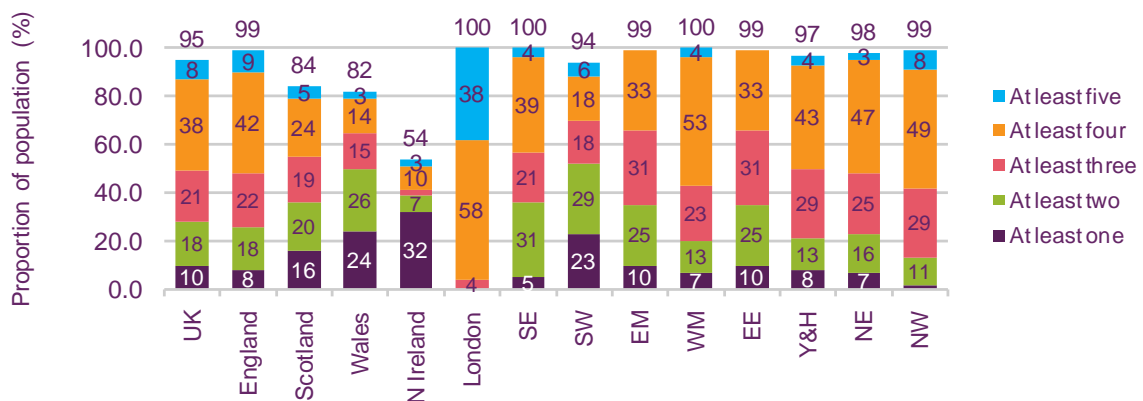


Source: Ofcom / GSM Association / Europa Technologies; Q2 2011

Note: Figures show the percentage of population within postcode districts where at least one operator had at least 90% 2G area coverage; data not directly comparable to those published in the 2010 report.

3G mobile networks offer faster download speeds which allow a much better experience of mobile data services such as web browsing and downloading files from the internet. Across the UK 3G coverage is generally lower than 2G coverage. In Wales, population coverage of 3G networks is 82% - lower than in England and Scotland, but higher than in Northern Ireland. However, whereas 54% of the population of Wales live in areas where four operators provide a 2G network, just 17% live in areas where four or five operators have a 3G network. This makes it particularly important that consumers check coverage using operators' postcode checkers before choosing a network provider.

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



Source: Ofcom/ GSM Association / Europa Technologies; Q2 2011

Note: Figures show the percentage of population within postcode districts where at least one operator had at least 90% 3G area coverage; data not directly comparable to those published in the 2010 report.

### 5.3 Service take-up

#### Take-up of telephony services in Wales remains stable

Take-up of communications services in Wales is broadly in line with that in the other UK nations (Figure 5.66). A higher proportion of households in Wales have a mobile phone (87%) than a fixed-line phone (80%), with both these figures remaining stable since 2010.

The reported fall in mobile ownership in rural Wales (from 93% in Q1 2010 to 85% in 2011) should be treated with caution. It is unlikely that this reflects an actual decrease in ownership, as previously there have been year-on-year increases in mobile take-up in rural Wales. There are several possible explanations for this apparent fall: respondents for our consumer research are randomly selected (within quotas), and therefore sample profiles change every year. There is a slightly lower proportion of 16-24 year olds in this year's rural Wales sample, which may partly explain the lower take-up; people in this group are the most likely to own mobile phones. Further, the locations the sample is drawn from are selected randomly. As mobile-phone take-up varies within Wales' rural areas, the areas sampled this year may have been those with lower take-up.

**Figure 5.6 Take-up of communications services, 2011**

		UK	Wales	England	Scotland	N Ireland	Wales urban	Wales rural
<b>Individual</b>								
<b>Voice telephony</b>	Fixed Line	<b>85%</b>	80%	85%	80%	84%	78%	85%
	Mobile	<b>91%</b>	87%	92%	86%	92%	88%	85%
<b>Internet</b>	PC	<b>77%</b>	74%	78%	65%	78%	75%	70%
	Total Internet	<b>76%</b>	72%	78%	64%	76%	72%	68%
	Broadband (fixed and mobile)	<b>74%</b>	71%	76%	61%	75%	72%	67%
	Fixed Broadband	<b>67%</b>	65%	68%	57%	67%	65%	62%
	Mobile Broadband	<b>17%</b>	16%	18%	9%	13%	18%	12%

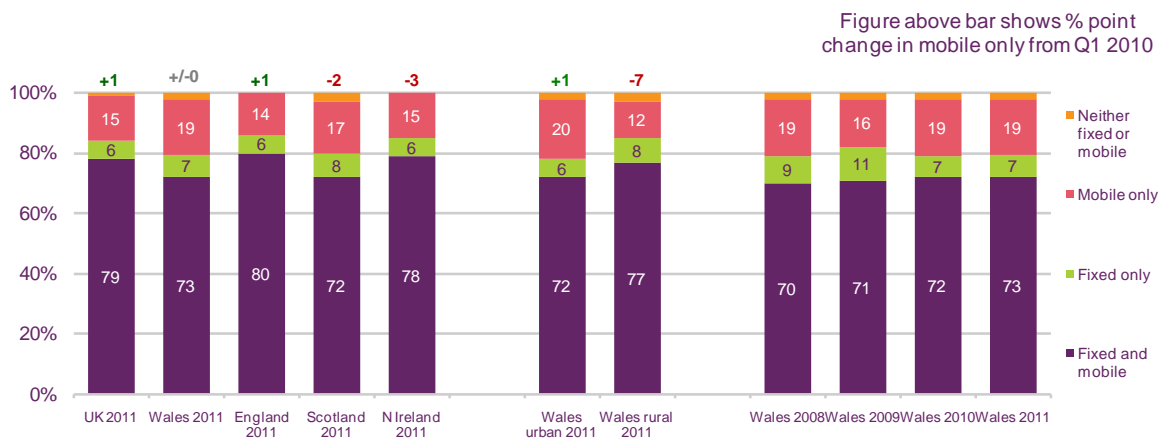
Source: Ofcom research, Q1 2011

Base: All adults aged 16+ (3474 UK, 493 Wales, 1983 England, 487 Scotland, 511 Northern Ireland, 241 Wales urban, 252 Wales rural)

QC1. Is there a landline phone in your home that can be used to make and receive calls?/ QD2. Do you personally use a mobile phone?/ QE1. Does your household have a PC or laptop computer?/ QE2. Do you or does anyone in your household have access to the internet/ world wide web at home?/ QE9. Which of these methods does your household use to connect to the Internet at home?

While nearly three-quarters of homes in Wales have both a fixed-line phone and a mobile phone (73%), one in five adults (19%) in Wales live in a mobile-only home, so are reliant on mobile telephony for incoming and outgoing calls. This proportion is higher than in the other UK nations, but has not changed since 2010. Mobile-only homes are more prevalent in urban (20%) than in rural areas (12%), and are most common among those aged 16-34 (37%).

**Figure 5.7 Cross-ownership of household telephony services**



Source: Ofcom research, Q1 2011

Base: All adults aged 16+ (3474 UK, 493 Wales, 1983 England, 487 Scotland, 511 Northern Ireland, 241 Wales urban, 252 Wales rural, 811 Wales 2008, 987 Wales 2009, 1075 Wales 2010, 493 Wales 2011)

QC1. Is there a landline phone in your home that can be used to make and receive calls?/ QD1. How many mobile phones in total do you and members of your household use?

### One in three mobile phone owners in Wales now own a smartphone

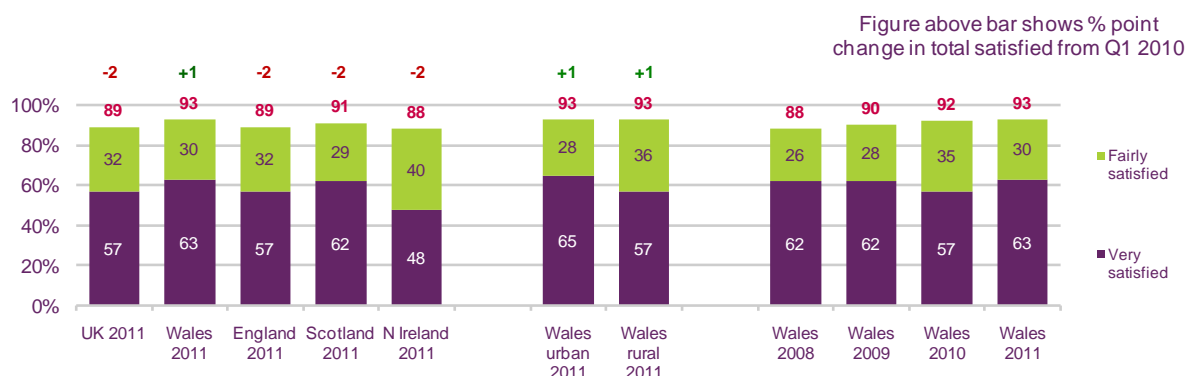
Furthermore, one in three (29%) adults with a mobile phone in Wales now have a smartphone handset. Ownership of smartphones is on a par with the UK average of 30%, and represents rapid adoption of a device that has only been widely available to consumers for the past 2-3 years. 16-34 year olds (47%) and ABC1 social groups (42%) are among those most likely to have a smartphone in Wales (see Figure 1.4, in Section 1)

## 5.4 Satisfaction

### Satisfaction with telecommunications service remains high in Wales

Ninety-three per cent of people in Wales with a fixed-line phone service say they are satisfied with the overall service provided, the highest level of satisfaction in the UK, with 62% saying they are “very satisfied” with the overall services provided.

**Figure 5.8 Overall satisfaction with fixed-line service**



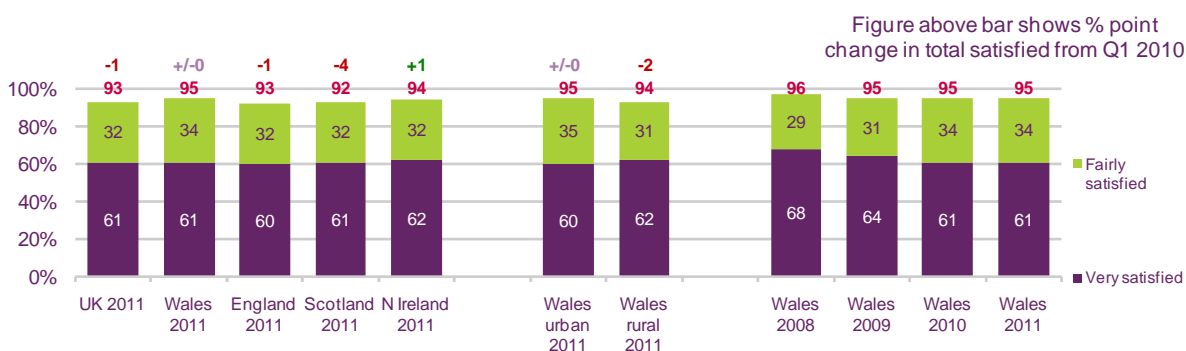
Source: Ofcom research, Q1 2011

Base: Adults aged 16+ with a landline phone at home (n = 2943 UK, 402 Wales, 1707 England, 400 Scotland, 434 Northern Ireland, 189 Wales urban, 213 Wales rural, 643 Wales 2008, 818 Wales 2009, 874 Wales 2010, 402 Wales 2011)

QC13a. Thinking about your home phone service only, how satisfied are you with (main supplier) for the overall service provided by (main supplier)?

Satisfaction with mobile phone service overall (95%) and mobile phone reception (87%) have both remained unchanged in Wales since 2010. Overall satisfaction with mobile phone service in Wales is the highest in the UK.

**Figure 5.9 Overall satisfaction with mobile phone service**



Source: Ofcom research, Q1 2011

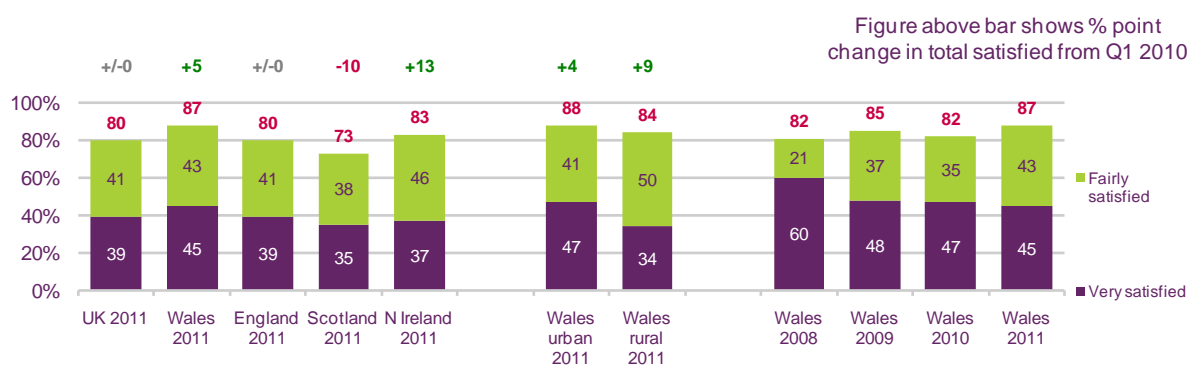
Base: Adults aged 16+ who personally use a mobile phone (n = 3091 UK, 416 Wales, 1786 England, 425 Scotland, 464 Northern Ireland, 208 Wales urban, 208 Wales rural, 645 Wales 2008, 836 Wales 2009, 923 Wales 2010, 416 Wales 2011)

QD21a. Thinking about your mobile phone service only, how satisfied are you with (main supplier) for the overall service provided by (main supplier)?

Satisfaction with fixed broadband services in Wales has increased by four percentage points in the past year, standing now at 95% (with 39% being fairly satisfied and 56% very satisfied). Satisfaction with the speed of fixed broadband connection has also increased in Wales, by five percentage points, to 87%, the highest reported satisfaction level in the UK. Satisfaction with broadband speeds is higher in Wales' urban areas (88%) than it is in rural areas (84%). It should be noted that high satisfaction does not necessarily equate to high speeds, as consumer satisfaction is influenced by expectations.



**Figure 5.10 Satisfaction with speed of fixed broadband connection**



Source: Ofcom research, Q1 2011

Base: Adults aged 16+ with a fixed broadband connection at home (n = 2243 UK, 303 Wales, 1311 England, 294 Scotland, 335 Northern Ireland, 155 Wales urban, 148 Wales rural, 386 Wales 2008, 527 Wales 2009, 604 Wales 2010, 303 Wales 2011)

QE8b. Thinking about your fixed broadband internet service, how satisfied are you with (main supplier) for the speed of your service while online (not just the connection)?

## 5.5 Recent developments in Wales

### Upgrades to ADSL services

BT's roll-out of upgraded broadband services continued as 12 new exchange areas were listed for upgrade to wholesale broadband connect (WBC) ADSL2+ technology, which offers theoretical speeds of 'up to' 24Mbit/s, compared to the 'up to' 8Mbit/s services offered by first-generation ADSL technology (although it should be noted that actual speeds are typically much slower than these theoretical speeds – Ofcom's broadband speeds research finds that the average speeds for 'up to' 20/24Mbit/s ADSL services is around 6.2Mbit/s, compared to 3.4Mbit/s for 'up to' 8Mbit/s ADSL<sup>6</sup>). By Spring 2011, 47 of Wales' 437 exchanges had been upgraded.

### Super-fast broadband availability and trials

Nearly a quarter (23%) of households in Wales have access to Virgin Media's 'up to' 50Mbit/s service, and the cable operator is upgrading its network to offer speeds of 'up to' 100Mbit/s.

Virgin Media and Surf Telecom conducted a super-fast broadband trial in the village of Crumlin near Caerphilly. Five thousand subscribers received broadband speeds of up to 50Mbit/s, delivered by fibre carried over electricity pylons - the first time such a technology has been deployed in the UK.

<sup>6</sup> <http://stakeholders.ofcom.org.uk/binaries/research/telecoms-research/bbspeeds2011/bb-speeds-nov-2010.pdf>

BT is also in the process of rolling out fibre-to-the-cabinet (FTTC) services, offering speeds of 'up to' 40Mbit/s using VDSL technology. In April 2011, BT announced that 60,000 more homes and businesses in Wales would have access to super-fast broadband via fibre to the cabinet (FTTC) services<sup>7</sup>. BT plans to provide FTTC services to a quarter of a million premises in Wales by the end of 2012.

In March, Spectrum Internet (formerly Connect Cardiff) launched a new ISP service for Wales, initially serving south-east Wales via three exchanges in Chepstow, Cardiff and Newport. The ISP hopes to offer services for residential customers with speeds of between 20 and 30 Mbit/s.

For information on Welsh, and UK government projects to support the roll-out of broadband in Wales, please refer to Ofcom's *Broadband Guide for Wales* ([www.ofcom.org.uk/files/2010/11/A\\_broadband\\_guide\\_for\\_Wales.pdf](http://www.ofcom.org.uk/files/2010/11/A_broadband_guide_for_Wales.pdf)).

### **Wireless broadband trial**

During the year mobile technology trials in Pembrokeshire, using the Preseli mast, demonstrated how a wireless network could be used to deploy mobile broadband with speeds of 'up to' 50 Mbit/s in hard-to-reach broadband not-spot areas.

### **Spectrum liberalisation**

New technologies and innovations in the market offer the prospect of improved mobile voice and broadband coverage. In the past year, Ofcom liberalised the use of the existing 2G frequencies and announced proposals in March to auction the 800 Mhz and 2.6 Ghz bands. Taken together, both of these developments free up more spectrum which could be used for 3G, 4G/LTE (long term evolution) and WiMax services.

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<sup>7</sup> <http://www.btplc.com/news/Articles/ShowArticle.cfm?ArticleID=DF637649-26A2-4B80-ACB7-A5C3810B02F3>

## 6 Media literacy in Wales

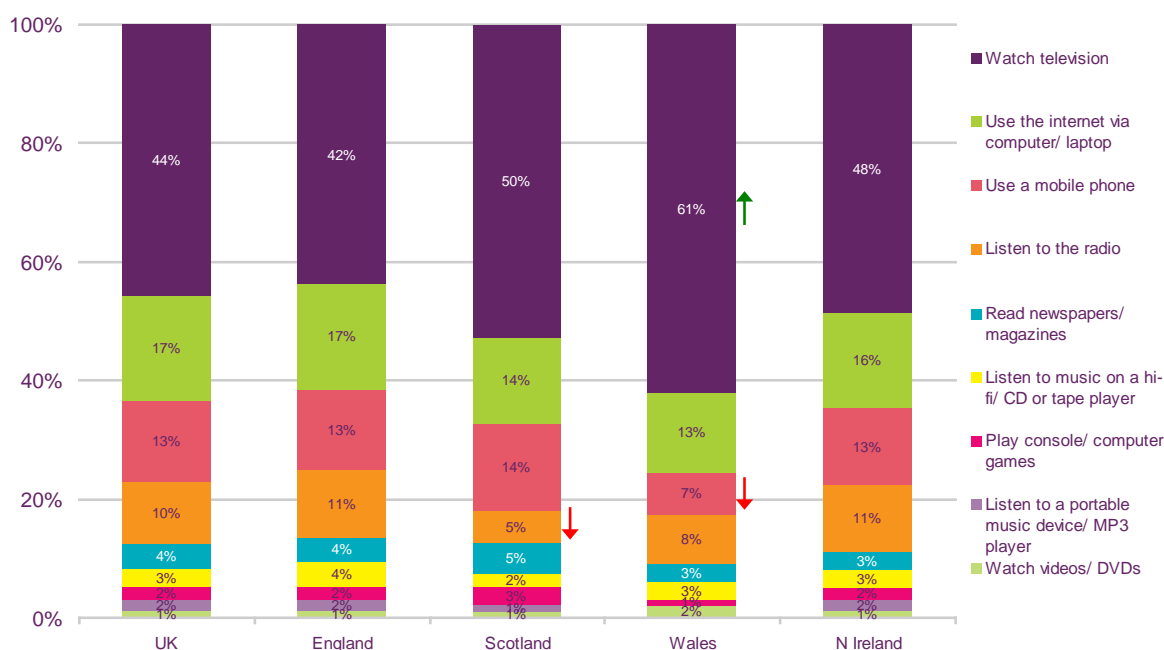
In July, Ofcom published its *Adults' Media Literacy in the Nations* report. A summary of the findings in Wales is reproduced below, providing an overview of some of the key measures of media literacy across Wales among adults aged 16 and over. The dataset comprises results from fieldwork conducted in spring and autumn 2010 among 240 adults in Wales. The full findings are available here: <http://www.ofcom.org.uk/medialiteracyresearch>

### 6.1 Media preferences

#### Adults in Wales are the most likely in the UK to select TV as the medium they would miss the most

When asked which medium they would miss the most, adults in Wales are more likely than all UK adults to nominate television (61% vs. 44%) and less likely to say they would miss using a mobile phone (7% vs. 13%). Preferred media activities among adults in Wales mostly remain at similar levels to those found in 2009, but with an increase in nominations for the internet (13%).

**Figure 6.1 Most-missed media activity**



Source: Ofcom research, fieldwork carried out by Saville Rossiter-Base in April to May and September to October 2010

Base: All adults aged 16+ (2117 UK, 1382 England, 256 Scotland, 240 Wales, 239 Northern Ireland).

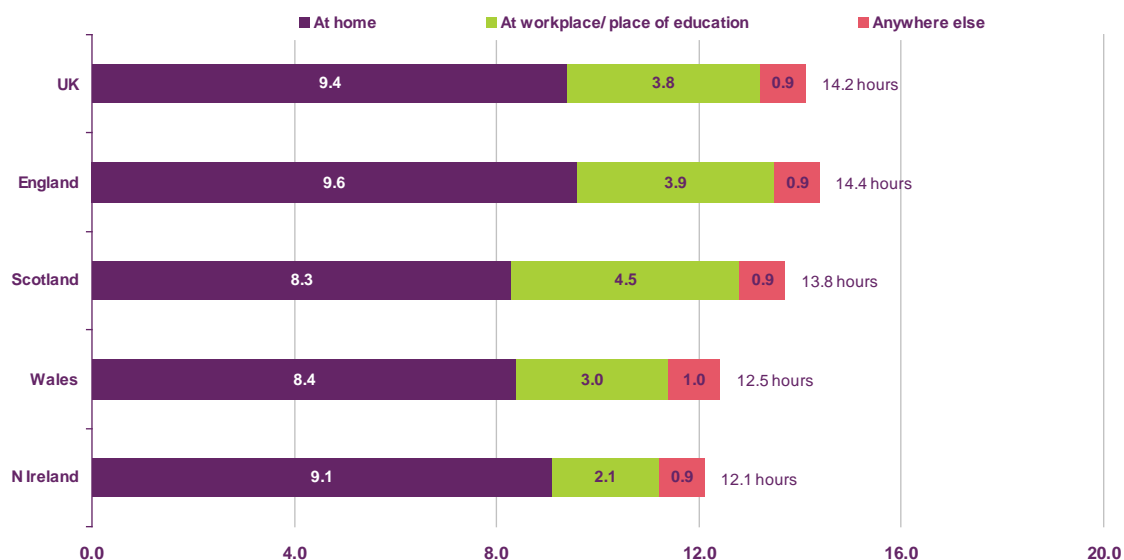
A2 – Which one of these would you miss doing the most? (Prompted responses, single coded)

Arrow indicates a significant difference between any nation and the UK.

## 6.2 Media use

The overall claimed volume of internet use per week among users in Wales is similar to that for all UK adults who use the internet at home or elsewhere (12.5 hours vs. 14.2 hours).

**Figure 6.2 Claimed volume of internet use per week**



Source: Ofcom research, fieldwork carried out by Saville Rossiter-Base in April to May and September to October 2010

Base: All adults aged 16+ who use the internet at home or elsewhere (1489 UK, 1004 England, 162 Scotland, 156 Wales, 167 Northern Ireland). Significance testing shows any difference between any nation and the UK.

IN7A-C – How many hours in a typical week would you say you use the internet at home/ at your workplace or place of education/ anywhere else? (Unprompted responses, single coded)

## 6.3 Understanding of and attitudes towards the internet

### Adults in Wales are becoming more cautious about providing personal details online

Whereas UK internet users' attitudes to providing personal details online are largely unchanged since 2009, those in Wales are now less likely to say they are happy to provide their home address (34%) or home phone number (30%) and are now less happy to pay by entering their credit card details (32%). In 2010, internet users in Wales had similar attitudes to users across the UK regarding providing each of the types of personal details online that we asked about.

### Almost three-quarters of internet users in Wales say they have made savings by buying online

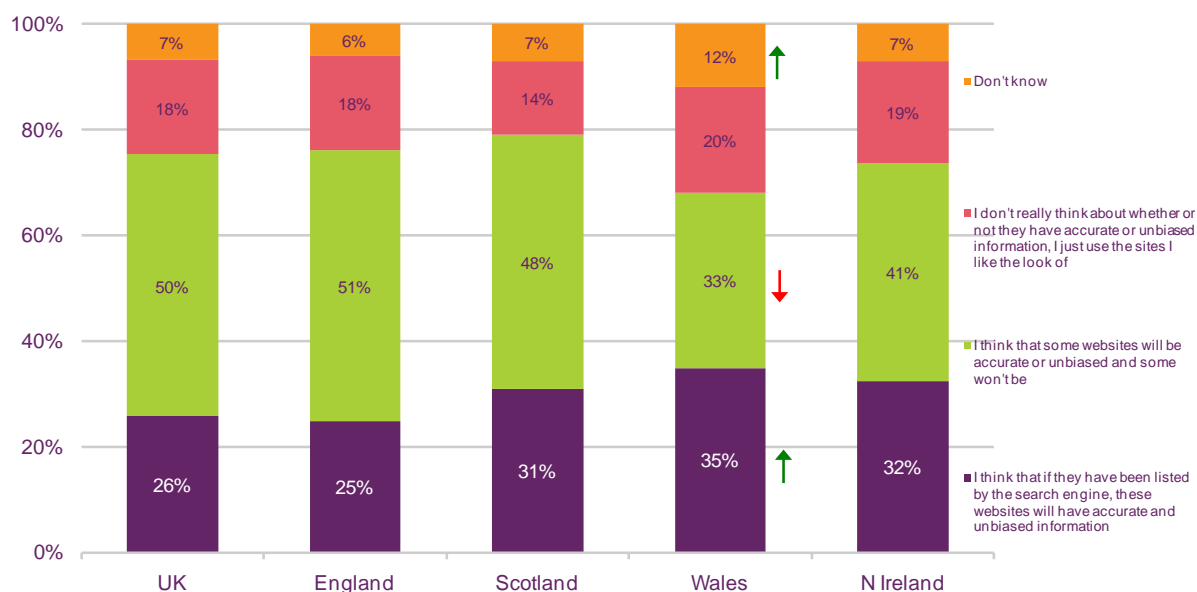
The majority of internet users in Wales say they have made savings through activities such as buying something online rather than in the shops (73%), comparing prices online (71%), or booking travel online (58%). Users in Wales are as likely as those in the UK as a whole to have experience of saving money through any of the online activities we asked about (87% vs. 82%), and more likely to have saved by buying online (73% vs. 63%) or by booking travel online (58% vs. 48%).

## 6.4 Trust and concerns about media

The majority of people in Wales who use each medium say that they tend to trust the news output from TV and from news websites. Adults in Wales are more likely than those in the UK as a whole to say they trust news websites (75% vs. 59%).

Among those who use search engines, adults in Wales are more likely than those in the UK as a whole to believe that the results returned will have accurate and unbiased information (35% vs. 26%), and less likely to respond that some will and some won't be accurate or unbiased (33% vs. 50%).

**Figure 6.3 Search engine users attitudes towards the accuracy or bias of the websites returned by a search**



*NIN46 – When you use a search engine to find information, you enter a query in the search box and the search engine will then show some links to websites in the results pages. Which one of these is closest to your opinion about the level of accuracy or bias of the information detailed in the websites that appear in the results pages? (Prompted responses, single coded)*

*Base: All adults aged 16+ who ever use search engines (1090 UK, 738 England, 114 Scotland, 120 Wales, 118 Northern Ireland). Significance testing shows any difference between a nation and the UK.*

*Source: Ofcom research, fieldwork carried out by Saville Rossiter-Base in April to May and September to October 2010.*

### Over half of internet users in Wales have concerns about what is on the internet

The proportion of users in Wales mentioning any concerns is similar to the 2009 measures for television, mobile phones and radio, with a decrease in concerns about the internet since 2009. As with the UK as a whole, over half of all internet users in Wales have concerns about what is on the internet (both 54%), four in ten with any TVs have concerns about what is on TV (41% vs. 40%), around two in ten mobile phone users have concerns about mobile phones (18% vs. 24%) and around one in ten listeners has concerns about what is on radio (7% vs. 9%). As with all UK internet users, concern about what is on the internet mostly relates to offensive or illegal content.