

# 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.

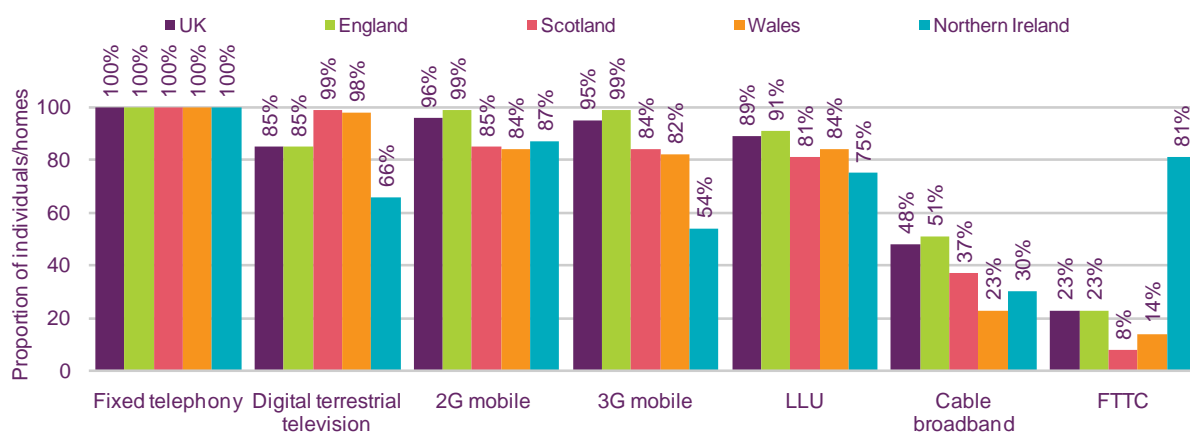
### 1.3 Availability of communications platforms and services

#### 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

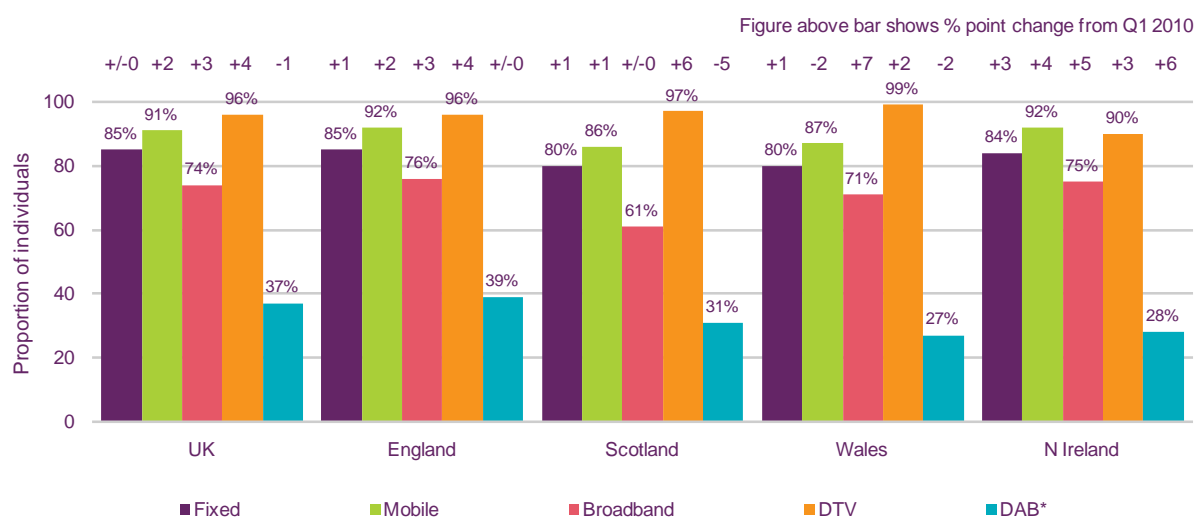
## 1.4 Take-up of communications platforms and services across the UK

### 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**



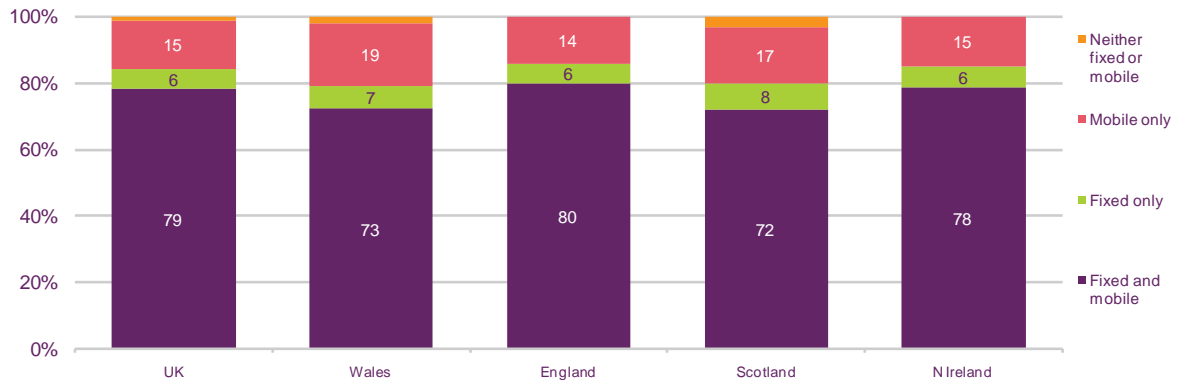
Source: Ofcom research, Q1 2011

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?

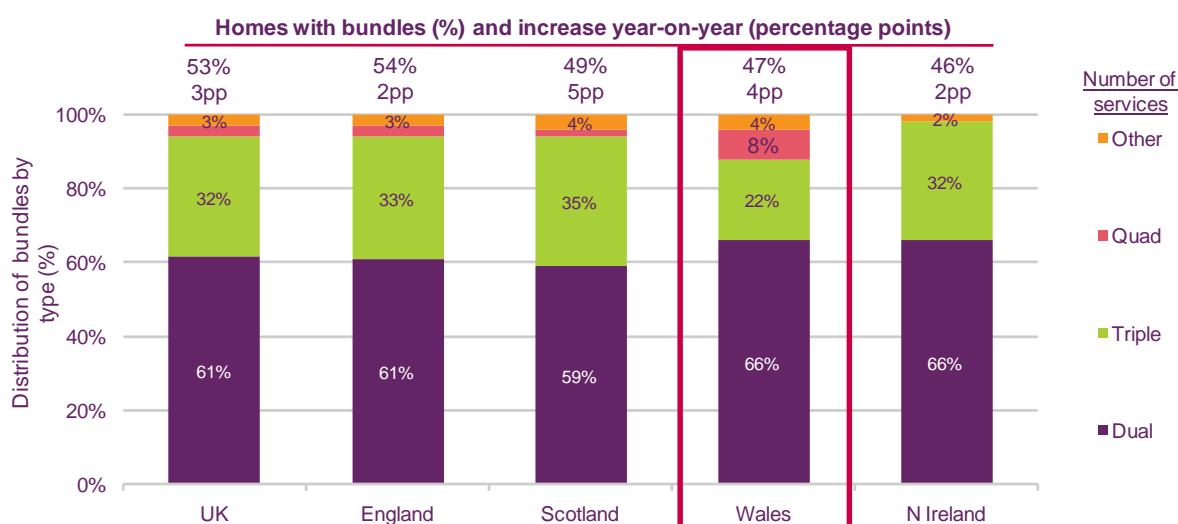
## 1.5 Consumer take-up of bundled services in the UK

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);

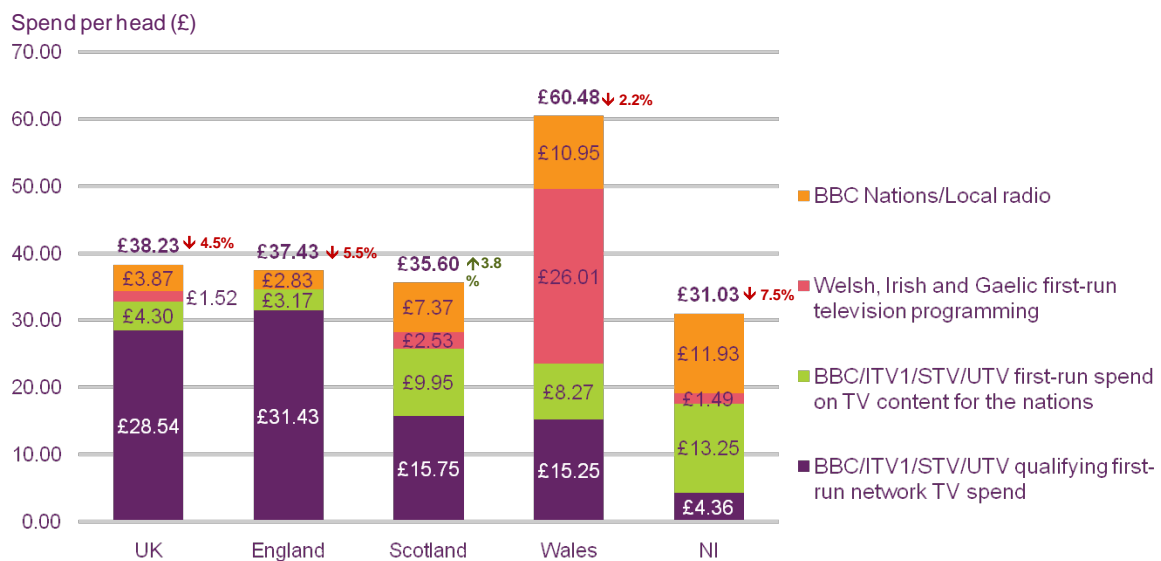


- spend by the BBC and ITV/STV/UTV on first-run programmes specifically for viewers in each nation; and
- TV content produced in Welsh (and broadcast on S4C), Gaelic (BBC Alba) and the Irish language.

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**



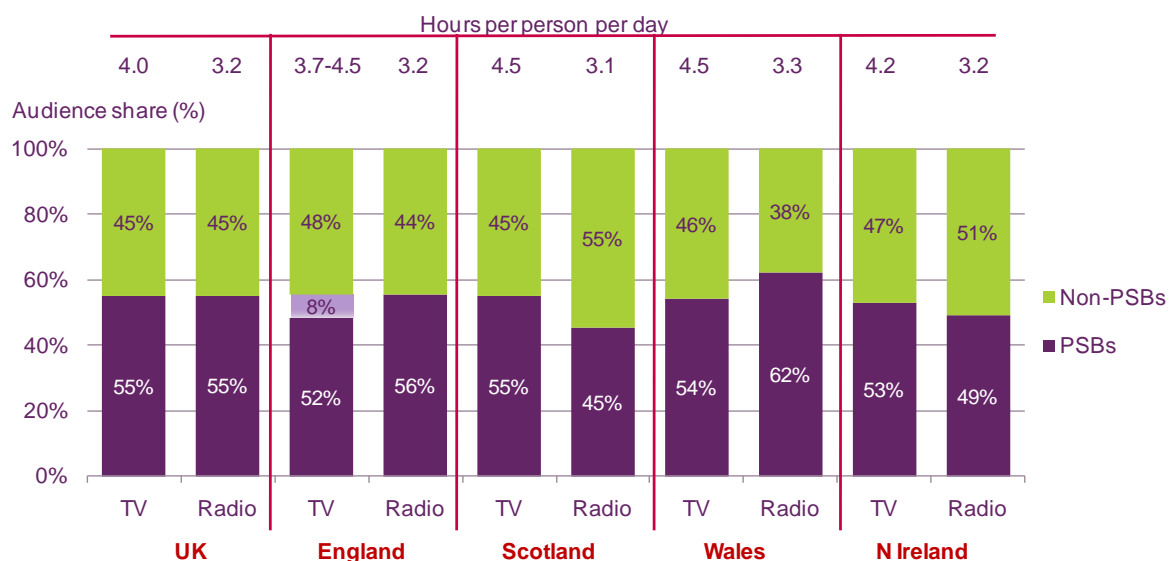
Source: broadcasters, BBC and S4C Annual Report and Accounts and Ofcom calculations

## 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.