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The market in context 

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### 1.1 Introduction and structure

### 1.1.1 Introduction

This introductory section of the Communications Market Report 2011 is divided into five sections:

### • Key market trends (Section 1, page 17)

The section summarises developments in the UK's communications sectors during 2010/11. It focuses on service availability and take-up, industry revenues and on consumers' use and spending on communications services.

### • The digital decade (Section 1, page 27)

During the past decade the UK's communications market has experienced rapid change. We now have access to a complete data set for the last ten years, allowing us to tell the story of the communications market in the 'noughties'. In this section we look back and contrast today's market metrics with those from the year 2000. This section describes some of the changes that have taken place and is a reminder of how much has changed in such a short space of time. The analysis concludes that take-up and use of digital communications services has rocketed, while subscribers' spend as a proportion of income has been in decline since 2005.

### • The smartphone revolution (Section 1, page 47)

With the huge growth in smartphone take-up in the past 12 months – over one in four GB adults and almost half of teens now own one – this study looks at how the devices have affected people's lives. It considers how the rise of the smartphone has affected day-to-day social interaction, driven by the ability to be 'always connected'.

### • The generation gap (Section 1, page 69)

While take-up and use of media and communications is developing rapidly across the UK, the experience of consumers is far from uniform. This chapter explores the significant differences that remain between older and younger people in terms of their take-up and use of various communications media, and also of the differences in some of their attitudes towards internet use.

### • The nations' communications markets (Section 1, page 83)

This section sets out a selection of headline findings for communications markets across the UK's nations, putting them into context. It draws on the detailed reports that Ofcom publishes on communications services in each of the UK's nations (which can be found at <u>www.ofcom.org.uk/cmr11</u>).

## 1.2 Fast Facts

Digital TV				
Proportion of UK homes with digital TV	93% (Q1 2011)			
Number of minutes of TV people aged 4+ watch each day	242 (4 hours) (average in 2010)			
Proportion of UK homes with Digital TV on any set	96% (Q1 2011)			
Proportion of TV homes with a DVR	47% (Q1 2011)			
Radio				
Proportion of households with access to a DAB Digital Radio	37% (Q1 2011)			
Proportion of listener hours through a digital platform (DAB, online, DTV)	26.5% (Q1 2011)			
Number of local radio stations (excluding community stations)	344 (July 2011)			
Number of national radio stations (Analogue and DAB)	21 (July 2011)			
Internet				
Number of fixed residential broadband connections	18.0 million (end 2010)			
Proportion of adults with broadband (fixed + mobile)	74% (Q1 2011)			
Proportion of adults with mobile broadband	17% (Q1 2011)			
Market share of fixed broadband providers (connections)	BT 28%, Virgin Media 22%, TalkTalk Group 22%, Sky 15%, Everything Everywhere 4%, O2/Be 3%			
Average <b>actual</b> broadband speed	6.8Mbit/s (May 2011)			
Proportion of adults with a social networking profile	48% (Q1 2011)			
Proportion of people who use their mobile to access the internet	32% (Q1 2011)			
Number of mobile broadband (dongles/PC datacard) subscriptions	4.8 million (end 2010)			
Fixed and mobile telephony				
Number of residential fixed landlines	23.7 million (end 2010)			
Number of fixed landlines in the UK, including ISDN channels	33.4 million (end 2010)			
Market share of fixed line providers (voice call volumes)	BT 37%, Virgin Media 12%, other direct 18%, other indirect 33% (end 2010)			
Proportion of adults who personally own/use a mobile phone	91% (Q1 2011)			
Proportion of adults who live in a mobile-only home	15% (Q1 2011)			
Proportion of PAYG mobile subscriptions	51% (Q1 2011)			
Number of text messages sent per mobile subscription per month	133 (in 2010)			
Market share per mobile provider ( <b>connections</b> )	Everything Everywhere (inc Virgin Mobile) 38%, O2 (inc Tesco) 30%, Vodafone 25%, 3UK 7% (end 2010)			
Number of 3G mobile subscriptions	33.1 million (end 2010)			

## 1.3 Key market trends

### 1.3.1 Communications industry revenue remains stable

### Overall communications revenues remained stable year on year at £53.4bn

For the second successive year UK operator-reported retail telecoms revenues fell in 2010; to £40.5bn, although the rate of decline was lower than it had been in 2009. Revenues from fixed voice services and the volume of fixed calls continued to fall in 2010, while retail mobile revenues returned to growth, having declined for the first time in 2009. The total volume of mobile-originated calls and the number of active mobile connections both continued to increase, with the latter driven by growth in mobile data connections including mobile broadband dongles and data-only SIM cards. Revenues from fixed internet services fell for the first time in 2010, a reflection of the shift towards lower-cost bundled broadband services which are frequently provided using local loop unbundling (LLU).

UK television broadcasters generated revenue of £11.8bn in 2010, an increase of 6.6% year on year, driven both by a recovery in advertising revenue as well as continued increases in subscription revenues income. Total UK radio industry income was £1.12bn in 2010, up by 2.8% in the year, from £1.09bn.



### Figure 1.1 Communications industry revenue

Source: Ofcom / operators Note: Includes licence fee allocation for radio and TV

### 1.3.2 Availability of communications services

The availability of most key communication services remained largely unchanged during 2010, reflecting near-universal levels of coverage of most services.

The largest rise in availability came from the digital terrestrial television signal (DTT) which rose from 81% to 85% as the country's switchover to digital gathered pace. Homes in Wales and Scotland now no longer receive an analogue signal, and over the next 12 months the digital switchover process will complete in England and Northern Ireland.

As of June 2011, the BBC DAB network consisted of 196 transmitters across the UK, which provide coverage to 92% of households, while the DAB commercial network (Digital One) reached 85% of the UK population (but is not available in Northern Ireland).

Across the UK 96% of people lived in postcode districts with at least 90% 2G area coverage from one or more operators. This figure increases to 99% in England, but population coverage levels are lower in Wales, Scotland and Northern Ireland, which is a reflection of large areas of low population density and areas where hilly or mountainous terrain limits the

range of cellular masts. 3G coverage is relatively similar to 2G coverage, although it is lower in Northern Ireland (where 54% of people live in postcode districts with at least 90% 2G area coverage from one or more operators).

The household availability of broadband through local loop unbundling (LLU) services (whereby incumbent operators make their local network available to other communications providers) rose during 2010, and at a higher rate than in the previous year, growing by four percentage points to 89% (compared to a one percentage point increase in 2009). Cable coverage was unchanged, reflecting rises in both the total number of households and the number of homes passed by Virgin Media's cable broadband network.

The strategic focus of telecoms service providers is now shifting towards driving up the availability of higher-speed networks; mobile operators are continuing to upgrade their 3G networks to offer higher data speeds. Moves to increase the coverage of fixed super-fast broadband accelerated during 2010 and into 2011:

- Virgin Media launched its 'up to' 100Mbit/s service at the end of 2010, and in June 2011<sup>1</sup> announced that the service was available to 4 million UK homes.
- In May 2011<sup>2</sup> BT announced that its 'up to' 40Mbit/s fibre-to-the-cabinet (FTTC) service would be available to 5 million homes "...in the next few weeks..." and was passing 80,000 additional premises a week. By 2012 BT plans to provide fibre-based broadband coverage to 40% of the UK population, and to 66% by 2015, and has stated that it will start the upgrade of its FTTC service to offer 'up to' 80Mbit/s in 2012.
- A number of local fibre deployments continued during 2010, and there are further plans to provide coverage in more local areas in 2011 and beyond, including in Bournemouth, Belfast and Cumbria.

<sup>&</sup>lt;sup>1</sup> <u>http://pressoffice.virginmedia.com/phoenix.zhtml?c=205406&p=irol-newsArticle&ID=1572617&highlight=</u>

<sup>&</sup>lt;sup>2</sup> http://www.btplc.com/News/ResultsPDF/q411release.pdf

Platform	UK 2010	UK 2009	UK change	England	Scotland	Wales	N Ireland
Fixed line	100%	100%	0pp	100%	100%	100%	100%
2G mobile <sup>1</sup>	96%	-	n/a	99%	85%	84%	87%
3G mobile <sup>2</sup>	95%	-	n/a	99%	84%	82%	54%
Cable broadband <sup>3</sup>	48%	48%	0pp	51%	37%	23%	30%
LLU <sup>4</sup>	89%	85%	4pp	91%	81%	84%	75%
FTTC <sup>5</sup>	23%	-	-	23%	8%	14%	81%
Digital satellite TV	98%	98%	0	-	-	-	-
Digital terrestrial TV <sup>6</sup>	85%	81%	4pp	85%	99%	98%	66%
DAB BBC Network <sup>7</sup>	92%	-	-	94%	87%	78%	79%
DAB commercial network (Digital One) <sup>8</sup>	85%	-	-	90%	75%	59%	-

### Figure 1.2 Digital communications service availability: 2008 and 2009

Sources: Ofcom and operators:

1. Based on Q2 2011. 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 2. Based on Q2 2011. 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. Data are not comparable with previous report due to changes made by the mobile operators in the methodology used to calculate coverage

3. Proportion of homes passed by Virgin Media's cable broadband network, June 2010;

4. Proportion of homes connected to an LLU-enabled BT local exchange, December 2010;

5. Proportion of homes connected to an FTTC-enabled BT local exchange, June 2011;

6. Calculations based on the estimated proportion of homes that can now receive at least 17 channels, versus the coverage of the DTT signal prior to digital switch-over.

7. BBC National DAB network coverage as of 1 June 2011

http://stakeholders.ofcom.org.uk/binaries/consultations/dab-coverage-planning/annexes/annex-c.pdf 8. Digital One coverage (indoor proportional method – households), June 2011 http://stakeholders.ofcom.org.uk/binaries/consultations/dab-coverage-planning/annexes/annex-d.pdf

### **1.3.3 Take-up of services and devices**

### Increase in broadband take-up – internet penetration now exceeds PC penetration

Broadband internet connections continue to grow year on year, and in Q1 2011, take-up stood at 74% of UK households. There are indications of a slight rise in both fixed and mobile broadband connections, to 67% and 17% respectively, while the use of the internet on a mobile phone has grown substantially, currently standing at just over a quarter of all adults (28%). This has been driven by the growth in the smartphone market and mobile networks offering competitive mobile data packages, both allowing easier and more affordable access to mobile internet services than before.

Virtually all of the 77% of homes with a computer are now connected to the internet, with many households having more than one connection. When including internet access via a mobile phone, total internet penetration has reached 78%. The majority of mobile broadband connections are purchased in addition to a fixed broadband connection at home, although a minority of homes (7%) rely solely on a mobile broadband service.



### Figure 1.3 Household penetration of broadband

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 (via any device, e.g. PC, mobile phone etc)? / QE6: Which of these methods does your household use to connect to the internet at home?

Source: Ofcom technology tracker, Q1 2011.

Base: All adults aged 16+ (n=3474)

Note 1: "Internet on mobile" is the % of adults who use a mobile phone for any of the following activities: Instant messaging, downloading apps or programs, email, internet access, downloading video, video streaming, visiting social networking sites.

Note 2: From, Q1 2009 the 'Internet' figure includes those who access the internet on mobile phones.

### UK consumers continue to adopt digital communications technologies

Take-up of digital television (DTV) grew by four percentage points during 2010 to reach 96% of all TV homes, with the digital switch-over programme likely to have been the driver for some homes converting to digital.

The proportion of homes with digital video recorders (DVRs) continued to increase sharply during 2010, from 37% to 46%, while 32% of households claim to have access to HDTV channels in their living room.

Over a quarter (27%) of adults in the UK say that they now have a smartphone, with the majority claiming to have purchased this in the last year. Similar to Q1 2010, over half of all households have a games console (54%), while a third (32%) have a DAB set. E-readers have become increasingly popular over the past year, increasing from 1% take-up in Q1 2010, to 4% at the start of 2011. Two per cent of households have a tablet computer, such as the Apple iPad or Samsung Galaxy Tab.

### Figure 1.4 Digital radio listening by age group, (monthly)



Source: Ofcom technology tracker, Q1 2011. Base: All adults aged 16+(n=3474)

### 1.3.4 Purchasing communications services in bundles

### Take-up of communications services in a bundle remains relatively stable, with a third of households taking a 'dual play' package

Across the UK, 53% of homes took a bundle of communications services in Q1 2011 (Figure 1.5). This has remained relatively stable – increasing by three percentage points year on year. The most popular type of bundle – taken by more than half (61%) of those who chose a bundle – was a 'dual' package of services such as fixed-line telephony and broadband.

Over the past five years, the proportion of households bundling these two communications services has doubled – from 12% to 24%. This is likely to be a popular choice for recent broadband adopters, who are choosing to purchase broadband services from their existing landline phone supplier.

Triple-play (bundling three services together) accounted for a further 32% of the homes taking bundles (or 17% of all consumers) – the most popular package was fixed voice, broadband and multichannel TV. Just 2% of consumers bundle four communications services together, covering landline, broadband, multichannel TV and mobile phone.

Of those who took a bundle, 67% received a discount, compared to 60% in Q1 2010.



### Figure 1.5 Take-up of bundled services over time

QG1. Do you receive more than one of these services as part of an overall deal or package from the same supplier?

Source: Ofcom technology tracker, Q1 2011

### **1.3.5** Time spent on communications services continues to increase

Figure 1.6 examines how people consume different forms of media content and communications services.

Consumption of television and radio services continued to play a large role in the total time consumers spend on communications services each day during 2010. Figure 1.6 shows that adults in the UK spent 242 minutes daily watching television on a TV set, up by 23 minutes from 2005, while radio accounted for 173 minutes per day, down by 22 minutes over the same period. Fixed-line calls accounted for 12 minutes per person per day, while a similar amount of time (13 minutes) was spent on mobile phone calls and texting on a mobile. Internet activities undertaken on a fixed internet connection (using web and applications) experienced the largest increase in average daily use, nearly doubling from 15 minutes in 2005 to 28 minutes in 2010.



Figure 1.6 Average time per day spent using communications services

Source: Ofcom / BARB / RAJAR / Nielsen Netratings (home use only) Note: Daily figures were calculated from monthly data on the assumption that there are 30.4 days in the average month; the exception was for internet consumption where the quoted figures relate to May 2005 and May 2010, and 31 days were used; the internet consumption figures include the use of online applications such as streaming media and only include use at home; mobile telephony figures are estimated assuming that the average time taken to send and receive a text message is 35 seconds.

### 1.3.6 Consumer satisfaction highest for mobile telephony

Overall satisfaction with communications services remained largely unchanged for most services. Across the telecoms services surveyed, satisfaction was highest for mobile telephony (93%), while nearly nine in ten (89%) consumers were satisfied with their fixed line service. Fixed broadband satisfaction has fallen by four percentage points since Q1 2010, with this decline being among those who were 'very satisfied' with their service, as opposed to just 'satisfied'.

Consumers' satisfaction with mobile broadband increased slightly; by five percentage points to 88%, perhaps reflecting improvements in customer expectations as well as service quality, with those satisfied with the speed of their mobile broadband service rising from 73% to 80% during 2010.



### Figure 1.7 Satisfaction with communications services

Source: Ofcom technology tracker, Q1 2011. Note: Shows the proportion of users with each service, includes only those who expressed an opinion.

### 1.3.7 Nearly one in five adults cite internet as most missed media activity

When people are asked which medium they would miss the most if it were taken away, there are clear differences in response by age-group. Overall, 44% say they would most miss their TV - a decline of six percentage points on 2009, while 17% said they would most miss the internet – more than double the proportion five years ago (8% in 2005). Just over one in ten (12%) say they would most miss their mobile, and 10% listening to the radio.

For young adults aged 16-24, the picture is quite different – 28% say they would most miss their mobile, and 26% the internet – with the latter increasing from 18% in 2009. Broadcast media are less likely to be cited by this age group, with TV being the most-missed medium for 23%, and radio by 3%.

For people aged 55-64, 49% say they would most miss TV, 17% radio, and 8% newspapers/magazines. One in ten (10%) would most miss the internet and 1% mobile phones.



Figure 1.8 Which media activity consumers would miss the most

### A2 – Which one of these would you miss doing the most?

Base: All adults aged 16+ (3244 in 2005, 2905 in 2007, 1824 in 2009, 2117 in 2010), adults aged 16-24 (530 in 2005, 413 in 2007, 253 in 2009, 295 in 2010), adults aged 55-64 (412 in 2005, 344 in 2007, 276 in 2009, 336 in 2010) Circles show statistically significant change between 2009 and 2010. Source: Ofcom research, fieldwork carried out by Saville Rossiter-Base in April to May 2009 and September to October 2010

### 1.3.8 Household spend on communications services continues to fall

In the context of increasing use of most communications services, and their widening availability, real monthly household spend on communications services fell again in 2010. It was down by 2.9% on 2009 to £93.61, 12% lower than in 2005. While television subscriber spend and radio spend (licence fee funding) remained stable over the past year (at £27.97 and £2.54 respectively), spend on fixed internet declined for the first time in three years to £9.48 (-8.7%). This is a reflection of the shift towards bundled broadband services which are often lower-cost, and have proved popular in the current economic climate when many consumers are looking for ways to reduce their household spend. Average spend on fixed voice, and mobile voice and texts, continued to decline year on year.

Spend on communications services accounted for 4.66% of total household expenditure in 2010, compared to 4.78% in 2005.



### Figure 1.9 Average household spend on communications services

Source: Ofcom / operators

Note: TV includes pay-per-view. 2010 % of average household spend uses an estimate of household spend based on data for the previous four years

## 1.4 The digital decade

### 1.4.1 Introduction

During the last decade the UK's communications market has been totally transformed. The rapid emergence of digital technology has changed the way that communications services work for consumers and has had a major impact on businesses and networks. Since 2000, we have seen substantial changes that have shaped the decade:

- The majority of homes have connected to the internet.
- LLU roll-out has offered more choice in broadband supplier.
- Faster broadband connections have become available.
- There has been huge growth in consumption of mobile voice and data.
- The vast majority of homes have adopted digital, multichannel TV.
- Digital radio services now make up over a quarter of all radio listening.
- Smartphones are enabling people to access the internet while on the move.

We now have access to a decade of data, telling the story of the transformation of the communications market. This allows us to look back and contrast 2010/11's market metrics with those from the year 2000. This section describes some of the changes that have taken place and is a reminder of how much has changed in such a short space of time.

This section also highlights three important themes of the decade. Firstly, it notes the rapid acceleration in use of mobile data services in the latter part of the decade. Secondly, the pace of change has increased, with new communications devices and services being adopted by consumers faster than ever. Thirdly, the resilience and evolution of television over the decade has ensured that broadcast TV remains central to our consumption of audio-visual content.

### **1.4.2** The communications market and the economy

### Consumers have been spending less on communications services since 2005

Household spend on communications services averaged at £83.01 per month in 2000 and ended the decade at £93.61 in 2010, after peaking in 2005. The decline in spend in the latter half of the decade can be mostly attributed to decreasing cost of fixed and mobile voice telephony, along with declining use of fixed voice services. The recent decline in spend on fixed and mobile telephony comes despite the increased take-up and use of these services, as this section will go on to discuss.



Figure 1.10 Average monthly household spend on communications services

Source: Office of National Statistics/ Ofcom

Notes: Radio data prior to 2004 was compiled using a different methodology and is not directly comparable to subsequent figures. TV includes PPV from 2004 onwards. 2010 % of average household spend uses an estimate of household spend based on data for the previous four years; figures are adjusted for RPI

### In real terms, despite massive change, industry revenues have remained stable

Total annual communications industry revenue in 2010 was £53.4bn. This figure is remarkably similar to the (inflation adjusted) revenue of £54.3bn in 2000 (Figure 1.11). The first half of the decade saw gradual increases in total revenue as use of services increased, before a gradual decline in the latter half of the decade, to a large extent as a result of falling prices. This pattern was seen in both TV and telecoms revenues, with a relatively sharp decline in telecoms revenue seen between 2009 and 2010.



Figure 1.11 Communications industry revenue, RPI adjusted: 2010 prices

Source: Ofcom / operators Note: Includes licence fee allocation for radio and TV, figures are adjusted for RPI

### In real terms, spend by advertisers on broadcast channels declined during the decade

In real terms, annual spend on broadcasting channels by advertisers declined over the decade, falling from £5.9bn in 2000 to £4.5bn in real terms (Figure 1.12). The decline in spend was most marked between 2005 and 2009. 2010 saw a recovery in TV advertising spend, following the 2009 decline.



Figure 1.12 Real-terms broadcasting advertising spend, RPI adjusted: 2010 prices

Source: Ofcom calculations based on AA/Warc Expenditure Report. Note: excludes sponsorship/branded content. Figures are adjusted for RPI

#### Pay TV subscriber revenue almost doubled in the past decade

As the number of pay-TV subscribers increased over the decade, the revenues generated by BSkyB and by the cable companies (latterly, Virgin Media) through television subscriber payments also increased in real terms. They rose sharply in the first half of the decade and continued to grow, albeit at a slower rate, in the latter half (Figure 1.13).



### Figure 1.13 UK total pay-TV subscriber revenue

Both take-up and ARPU have increased for pay-TV services

The increases seen in subscriber revenue have been driven by both growth in subscriber numbers and by growing average revenue per user (ARPU). Figure 1.14 shows how ARPU increased for all pay-TV platforms between 2000 and 2010.



Figure 1.14 Pay TV annual average revenue per user, RPI adjusted: 2010 prices

Source: Ofcom calculations based on data from Screen Digest. Figures are adjusted for RPI

### Real-terms PSB spend ended the decade at the same level as ten years previously

In 2010 public service broadcasters (PSBs) spent £2.9bn on television programming, with £2.5bn of this being spent on first-run originated output. In real terms, this is at the same level recorded in 2000 (Figure 1.15).

The early part of the decade was characterised by real terms increases in the BBC's licence fee, partly explaining rising expenditure. Although more recently, spend on first-run output has been on a downward trend, a range of factors could explain this including changes in the genre mix, production efficiencies, as well as increased investment in content management and distribution technologies, such as iPlayer.



### Figure 1.15 Real-terms PSB network spending

Source: Ofcom/broadcasters. Figures include BBC One, BBC Two, BBC Three, BBC Four, CBBC, CBeebies, BBC News, BBC Parliament, ITV1, GMTV1/Daybreak, Channel 4 and Channel 5 and excludes S4C, BBC Alba and BBC HD; figures exclude nations/regions programming; figures are adjusted for CPI.

### Commercial radio revenues have fallen over the last ten years

Figure 1.16 shows that, consistent with the advertising spend shown in Figure 1.11, commercial radio revenues declined during the past decade, falling in real terms from £0.7bn in 2000 to £0.4bn in 2010.

Over the same period Ofcom's estimate of the BBC's spend on radio remained broadly consistent.



### Figure 1.16 Radio industry revenue and spend

Source: Commercial operators and Ofcom estimates based on BBC Annual Reports 1999/00-2010/11. Figures are in 2010 prices based on the Retail Prices Index (RPI).Note: figures are adjusted for RPI.

#### Telecoms industry revenues increased by 9% in real terms between 2000 and 2010

Telecommunications retail revenues increased by 9% in real terms between 2000 and 2010.

This increase in revenue was driven by growth in mobile revenues, while fixed-line revenue gradually decreased in the latter half of the decade as a result of growing fixed to mobile substitution and use of other forms of communications such as email (Figure 1.17).



Figure 1.17 UK fixed and mobile operator-reported UK telecoms industry retail revenue

### Broadband emerged as a significant revenue source for the telecoms industry

Annual revenues from fixed broadband ended the decade at £3bn, having begun at virtually zero. In 2000 revenues from narrowband connections were £1.2bn, so growth in broadband revenues has been accompanied by a decline in narrowband revenues as consumers upgraded their connections.





Source: Ofcom / operators. Figures are adjusted for RPI.

### 1.4.3 Take-up of communications services and devices

The decade saw many important milestones.

### Internet connections, mobile phone ownership and multichannel TV have all become mainstream services, found in most homes

During the past decade there have been several notable milestones, both in service take-up and in service availability, as highlighted in Figure 1.19.





### Source: Ofcom

Several services have made the journey from niche to mainstream:

- Since 2000, the proportion of homes with an internet connection has tripled, increasing from 25% to 76%.
- Fixed and mobile broadband services have been launched and are now found in three-quarters of UK households (74%).
- Multichannel television penetration has increased by a similar amount, from 36% to 93%.
- In 2000, just half of UK adults said that they had a mobile phone that figure now stands at 91%.

During the same period, fixed-line phone ownership has gradually declined, from 93% to 85%, as some consumers have chosen to rely entirely on mobile telephony.

Dial-up internet connections, along with four/ five channel analogue terrestrial TV services, are now almost extinct.



Figure 1.20 Take-up of communications services, 2000 – 2011

Source: Oftel/ Ofcom survey research

### Take-up of new devices, such as HD-ready TVs, DVRs and MP3 players, has become more widespread

The past decade has also seen technological advances that have resulted in new communications devices becoming available to consumers. Figure 1.21 shows take-up of communications devices that were not widely available ten years ago. HD-ready TV sets are now in six in ten UK homes, with a third of homes receiving HDTV channels.

Smartphone ownership has also risen rapidly, with over a quarter of all adults (27%) now owning one – a trend that is likely to continue over the coming years.

In the latter half of the decade broadband speeds have also been increasing. Ofcom's Broadband Speeds research contains details of connection speeds that are achieved in the UK<sup>3</sup>.

However, some services have not proved to be so popular in the UK. PC-based telephone calls, made using an internet connection (VoIP) have proved less popular in the UK than in other nations. In 2009, 17% of UK adults claimed that somebody in their home used VoIP to make calls from a PC to a telephone, compared to 26% in France and 35% in Poland<sup>4</sup>. The prevalence of fixed and mobile telephone contracts with inclusive voice minutes means that for most call types there has been little cost incentive to use a VoIP service.

<sup>&</sup>lt;sup>3</sup> <u>http://stakeholders.ofcom.org.uk/market-data-research/market-data/broadband-services-data/</u>

<sup>&</sup>lt;sup>4</sup> Source: Ofcom, International Communications Market Report 2010, Figure 6.13, based on data from the European Commission E-Communications Household Survey Report.



### Figure 1.21 Communications device ownership: Q1 2011

Source: Ofcom technology tracking survey, Q1 2011 Base: UK adults, n = 3,474

### Increases in smartphone ownership have been accompanied by big increases in mobile data volumes in the latter part of the last decade

The first 3G mobile telephony services in the UK were launched in 2003, but availability of services that relied on 3G networks was at first, modest and mostly restricted to calls, texts, video calling, music downloads, games and short video clips. By the end of the decade, coinciding with the availability of smartphones, the range of services is much broader and the user experience is much better, with mobile-optimised web pages and applications available that facilitate mobile data access.

The recent growth in smartphone take-up has also been accompanied an increase in the volume of mobile data transferred over the UK's mobile networks. This increased forty-fold between Q4 2007 and Q4 2010.

### Television set sales have increased

The availability and subsequent fall in price of flat-screen, widescreen and HD-ready TV sets has led to an increase in sales of television sets. In 2010, 9.55 million TV sets were sold, compared to 4.75 million in 2002. Three in ten TV sets (31%) sold in 2010 had a screen size of 33" or above, which is indicative of a trend towards larger screen sizes.



### Figure 1.22 Annual UK television set sales: 2002 - 2010

Source: GFK sales data

There are also indications that new communications services are becoming established, mainstream services more quickly. As illustrated by Figure 1.23 communications services once took around 8-12 years to reach 50% penetration, but these periods have now shortened.

### New communications services are being adopted faster than ever

At the beginning of the last decade the launch of a new communications service was the beginning of a relatively slow adoption curve. As shown in Figure 1.23 mobile phones and multichannel television both took more than a decade to reach 50% penetration.

From 2000 to 2010, when services such as social networks and online TV were launched, they reached 50% penetration within 4-5 years. Analysts expect smartphones to reach the same landmark equally quickly.

This rapid change has typified the latter half of the past communications decade, enabled by higher penetration of computers, greater media literacy, increased availability of mobile data services and faster fixed broadband connections. These enablers have all been established within the same decade.

It seems likely that the rapid adoption of new communications services will continue during the current decade.



### Figure 1.23 Years taken to achieve 50% penetration

Source: Oliver & Ohlbaum, date provided: May 2011.

### 1.4.4 Consumption of communications services

### Time spent consuming communications services has increased

Last year we published our *Digital Day* research<sup>5</sup>, which found that, on average, nearly half of people's waking hours (45%) are spent using media and communications services. By

<sup>&</sup>lt;sup>5</sup> <u>http://stakeholders.ofcom.org.uk/market-data-research/market-data/digital-day/</u>

multi-tasking, people squeeze more media and communications consumption into this time; an equivalent of 8 hours 48 minutes into 7 hours.

### Overall television consumption has remained relatively stable

Consumption of TV services has remained relatively stable over the same time period, with BARB data suggesting that the average hours of daily television viewing has increased from 3.7 hours to 4.0 hours.



### Figure 1.24 Television consumption

#### Source: BARB

### The resilience and evolution of broadcast TV

Consumers now have access to much greater choice and control over the ways that they consume audio-visual content in (and away from) the home than they did at the start of the decade. As well as broadcast TV, many can now watch video content streamed onto a PC connected over the internet to any one of a number of devices (PC/laptop, mobile device or games console). Audio-visual content can also be captured, stored and viewed at a later date, and paused in real time.

In this context it is notable that broadcast television viewing appears to have increased, from an average of 3.7 to 4.0 hours per day<sup>6</sup>.

Television viewing is as popular as ever, despite the increased choice and control available to consumers. This is probably because the television viewing experience has evolved, in many ways:

- Screen sizes have increased, offering a better-quality viewing experience.
- Picture quality has improved, with the launch of high-definition TV channels.

<sup>&</sup>lt;sup>6</sup> This change should be treated with caution due to changes in the make-up of the BARB panel that were made during this time period.

- Digital video recorders (DVR), with features such as 'series link' have given viewers more choice of what they watch and when.
- Broader choice of channels available, with multichannel penetration increasing from 23% to 93% of homes.
- Innovative commissioning strategies: while investment in content has been relatively stable, broadcasters have focussed spend on fewer, bigger and more impactful programmes which generate string audience engagement and approval.
- Online content complements TV viewing. Many viewers appear to treat televisionrelated content online as a complement to broadcast TV services. Our research last year showed that some viewers multi-task by watching television at the same time as surfing the internet. Online catch-up services may act as a driver to television viewing, and increase viewer loyalty to television series.

### TV viewers are watching a broader range of channels

As more homes have gained access to multichannel TV services over the decade, the share of viewing of the five main PSB channels has declined, as some viewing has moved to multichannel services. The 'others' category includes digital channels that are owned by the PSBs.



Figure 1.25 All day channel shares in all homes: 2000 – 2010

#### Source: BARB, All homes

Notes: i) New BARB panel introduced 1 Jan 2010. As a result pr-e and post-panel change data must be viewed with caution (see dotted line). \* C4 data 2006-09 includes S4C; in 2010 it is excluded as S4C became a separate channel following DSO in Wales. S4C 2010 share = 0.1%

#### Take-up of pay-TV services has become more widespread

As digital switchover has approached, we have seen a gradual increase in the number of homes that pay for their television service. Today, approximately 9.3 million homes have a pay-satellite television service, an increase from 5 million in 2001. Subscription TV delivered

by cable has remained broadly flat over the period, standing now at approximately 3.4 million homes.



### Figure 1.26 Multichannel take-up by platform, percentage of homes: 2001-2011

Source: Ofcom, GfK NOP research from Q1 2007, previous quarters include subscriber data and Ofcom market estimates for DTT and free satellite. Note: Digital terrestrial relates to DTT-only homes

#### Overall radio consumption has remained relatively stable

Consumption of radio remained relatively stable over the past decade, with RAJAR data suggesting that the average hours of daily radio listening has fallen from 3.4 hours to 3.2 hours.



### Figure 1.27 Radio consumption

#### Source: RAJAR

### National commercial radio stations have gradually lost share to BBC network stations

During the past decade the listening share of BBC network stations increased from 40% to 46%, with the share of national commercial stations falling from 39% to 34% (Figure 1.28).

Smaller shifts in share were recorded for local/ regional stations, with local commercial's share declining by two percentage points, and BBC local/ national stations increasing its share by one percentage point.

### Figure 1.28 Radio listening shares: 2000-2010



Listening hours share for BBC and commercial stations, local/national

Source: RAJAR, All adults (15+), data relates to full 12 months of each corresponding year

### Radio listening through a DAB tuner or over the internet has grown in the last ten years

Figure 1.29 shows that the total share of radio listening over digital platforms (especially DAB and internet) has gradually increased since 2007 (comparable data are not available before this). However, analogue radio has remained fairly resilient in its hold on the large majority share of listening. The data in Figure 1.28 shows a reduction in share (although in the chart below this is less obvious, as the share of listening that was unspecified in measurement has been reduced).



### Figure 1.29 Digital radio listening share, by platform

### Between 2000 and 2010 SMS volumes increased by around 2000%

Combined fixed and voice telephony volumes have increased by approximately 20%, with SMS message consumption having increased hugely - up by around 2000% (Figure 1.30).

Source: RAJAR / Ipsos MORI / RSMB



### Figure 1.30 UK call and SMS volumes

Source: Ofcom/ operators

### Fixed voice volumes remain just higher than mobile voice

Fixed call minutes have fallen, but this is more than compensated for by the increases in mobile voice minutes: these increased by around 350% between 2000 and 2010.

Figure 1.31 shows that volumes of fixed voice minutes remain greater than mobile voice volumes, although only by a small margin.





Source: Ofcom/ operators

### Mobile became the main method of telephony for many consumers

The changes in use of fixed and mobile telephony is also illustrated in Figure 1.32, which shows which method consumers consider to be their main method of making and receiving calls. In 2001, 15% of the adult population claimed that mobile was their main method of making and receiving telephone calls; today this figure has risen to 46%. Consistent with the data on call volumes, fixed telephony still remains the main method of making and receiving calls for a marginally greater proportion of UK adults (53%, when calls made from a fixed-line phone at work are included).



Figure 1.32 Main method of making and receiving telephone calls (claimed)

Source: Ofcom/ Oftel technology tracking survey, Q1 2011, Q1 2001 2011 Base: UK adults aged 16+, n = 3474 QC3. Which of these do you consider to be your MAIN method of making and receiving telephone calls?

### Increased choice in fixed and mobile telephone networks has led to a more diverse range of suppliers

In Q3 2000 eight in ten (79%) homes had a BT telephone line, with most of the remainder using a cable supplier. A small proportion of homes (6%) used another supplier for their calls, using indirect access methods (but still requiring a BT line). The introduction of wholesale line rental and LLU has increased consumers' choice of providers, resulting in a fall in the proportion of fixed-line customers using BT and a sharp increase in the proportion of homes using retail suppliers other than cable and BT. In Q2 2010 just over half (56%) of fixed-line homes used BT, with almost one in five (18%) using another supplier.



### Figure 1.33 Use of fixed-line suppliers

Source: Ofcom communications tracking survey. Q3 2000, Q2 2001-2003, Q1 2004, Q2 2005-2010 Base: Those with a landline phone at home QC5. Which of these do you consider is your main supplier?

### Consumers have taken advantage of increased choice of mobile providers

There has also been a subtle shift in the profile of mobile providers used by consumers in response to increased choice. In Q2 2000, the four main mobile providers accounted for virtually all mobile networks used. By 2011 this had changed somewhat, with most of the main networks losing share of retail customers to new suppliers (some of whom operate a 'virtual' network).



### Figure 1.34 Mobile providers used most often by residential consumers

Source: Oftel research (2000), Ofcom research (2011) Base: Adults who personally own or use a mobile phone, (Q2 2000, 1,007) (Q1 2011, 2,054) QD3. Which mobile network do you use most often? Note: %s on the bars in the chart indicate share of residential customers who used that network 'most often'

### Bundles have become increasingly popular

The way in which consumers purchase communications services has also evolved over the past ten years. Today, over half (53%) of consumers purchase more than one communications service from the same supplier. Figure 1.35 demonstrates that this way of purchasing has almost doubled in popularity during the last six years.



### Figure 1.35 Proportion of consumers purchasing bundled communications services

#### Source: Ofcom communication tracking survey

Base: All adults 15+ (2005, 8766) (2006, 9134) (2007, 8960) (2008, 7496) (2009, 8199) (2010, 10611) QG1. Do you receive more than one of these services as part of an overall deal or package from the same supplier?/ QG3. Do you receive a discount or special deal for subscribing to this package of services?

Note: for 2000 – 2004 Cable telephone use is reported as a proxy for bundling, which may overstate the percentages, since some customers may have been purchasing cable telephone services without television of internet.

### 1.4.5 Satisfaction

### Consumer satisfaction with communications services has gradually increased

Since 2000, satisfaction with communications services appears to have gradually increased, with the most rapid increase happening in between 2004 and 2006 (Figure 1.36). With the improvements in service availability and performance (particularly in fixed broadband speeds and 3G availability), a larger increase in consumer satisfaction might have been expected. But as services have improved consumers' expectations have increased, so satisfaction levels have not changed dramatically.

Overall satisfaction with mobile phone service ended the decade at 93%, having been at 87% in 2000. Over the same period, overall satisfaction with fixed line telephony increased slightly, from 87% to 89% and satisfaction with internet service increased from 82% to 86%.



Figure 1.36 Overall satisfaction with communications services: Q2 2000 – Q1 2011

Source: Oftel/ Ofcom research % of adults who are very of fairly satisfied. Note: Data have been interpolated for some survey periods where the question was not asked.

### 1.4.6 Conclusion

As described in this section, the past decade has witnessed a transformation of the UK communications market. The main underlying cause has been the huge growth in competition in all parts of the communications sector, which has led to falling prices, increased choice and new innovations. Improvements in technology, meanwhile, including the advent of smartphones, DVRs and MP3 players, have also led to huge changes in how consumers engage with communications services.

These related trends of growing competition and improving technology are almost certain to continue in the future, meaning that transformation of the communications sector is likely to accelerate rather than slow down. Devices such as smartphones and tablet computers are likely to become more popular, and as more and more devices are connected to the internet, online services will become more diverse and be used for a wider range of purposes, while fixed and mobile broadband connections become faster. Changing consumer behaviour is likely to determine which firms succeed and which fail to adapt. In another decade's time, therefore, today's communications market is likely to appear as archaic as our snapshot of 2000 – analogue, dial-up, limited choice - does today.
### 1.5 The smartphone revolution

### 1.5.1 Introduction

Smartphones are capable of a range of functions including playing audio and visual media, providing voice and data telecommunications, allowing access to emails, downloading files and applications, as well as viewing websites and surfing the internet. The smartphone user has the ability to download multiple applications, giving each individual a unique handset offering unlimited functions developed through personal choice. There are currently an estimated 12 million adult consumers in Great Britain who use a smartphone<sup>7</sup>.

The research presented in this chapter provides a detailed snapshot of people's relationships with their mobile phones, and in parallel, looks at how smartphone users have a stronger relationship with their phone and greater phone dependency. It examines how smartphone users display clear differences in social attitudes towards the use of mobile phones and how smartphones have affected people's daily lives. The sample is drawn from GB adults (16+) and teenagers (aged 12-15).

Compared to users of 'traditional' mobile phone handsets, smartphone users use their phone more and claim to be more addicted to their phone, leaving it switched on for longer and displaying different social behaviours and work-life balance.

### 1.5.2 Summary of key findings

### Consumer take-up of smartphones

- There has been a huge growth in smartphone take-up in past 12 months. Over a quarter (27%) of UK adults are smartphone users<sup>8</sup>, with 59% of these claiming to have purchased their phone in the past year. This represents an estimated 12 million adult consumers.
- Smartphone users are more likely to be male, younger and from ABC1 social groups than regular mobile phone users. Almost half (47%) of all teens (aged 12-15) have a smartphone.
- The Apple iPhone is the most popular brand overall, but BlackBerry handsets are the most popular choice among younger consumers.
- Contract packages that include smartphone handsets may have helped the growth of the devices. Seventy-seven per cent of adults with a smartphone are on a contract, compared to 35% of all standard mobile phone users. Only 16% of smartphone adults are on 'pay as you go' (PAYG) compared to 63% of standard mobile phone users.

<sup>&</sup>lt;sup>7</sup> A smartphone was described in our survey as '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'. <sup>8</sup> Figure from the Ofcom technology tracker Q1 2011, base 3474 UK adults. The smartphone research in this chapter is based on a GB sample of 2073 adults, which recorded smartphone penetration of 26%.

### Traditional phone activities: smartphone users versus regular mobile users

- Phone calls and text messages are still the core functions of a smartphone and the functions that most people wouldn't want to live without. Calls are the most important function for adults, and text messages for teens and young adults.
- Call frequencies are higher among smartphone users than among standard mobile phone users. Eighty-one per cent of smartphone owners make and receive calls on their mobile every day, compared to 53% of regular phone users. Frequency of sending text messages is also higher among smartphone users; 79% of smartphone owners claim to make and receive SMS texts on their mobile every day, compared to 50% of standard mobile phone users.
- Younger adults and teens send and receive significantly higher numbers of SMS texts than older people, and teens send more texts than make calls.

### Activities other than calls and texts among smartphone users

- Activities that were traditionally PC/laptop based. such as sending emails, surfing the net and social networking are now commonly conducted on a smartphone.
- The top three activities/functions used regularly on a smartphone by adults are email (46%), internet surfing (41%), and social networking (40%).
- The top three activities/functions used regularly by teens are social networking (62%), listening to music (62%), and playing games (50%).
- Smartphones are also affecting people's other activities. Over half of all adult smartphone users (55%) and two-thirds of teens (68%) claim to be doing another activity *less*, now that they have a smartphone.
- One third of adult smartphone users (33%) agree that their phone is more important for accessing the internet than any other device. For teens the figure is 38%.
- Over half (55%) of adults and three-quarters (74%) of teens have used their smartphone for social networking, with 40% of adults and 62% of teens doing this regularly.

### **Smartphones and social relationships**

- The majority of smartphone users (81%) have their mobile switched on all of the time, even when they are in bed. This compares to 60% of standard mobile phone users.
- Smartphone users have a much stronger relationship with their phone than standard mobile phone users, with 37% admitting high levels of 'addiction' to their phone (scoring seven or more out of ten), compared to 12% of standard mobile handset users.
- Teens, in particular, are likely to have high levels of addiction to their smartphones, with 60% rating their level of 'addiction' to their phone at seven or higher. Teen girls are more addicted to their phones than boys.
- There are indications that smartphones are encroaching upon 'traditional' social interaction, with 51% saying that they ever use their phone while socialising with

others and 23% using their smartphone during a meal with others. Twenty-two per cent of smartphone users even claim to use it in the bathroom/toilet – these figures are all significantly higher than for standard mobile phone users.

• Teen smartphone users are generally much more likely to use their phone when socialising with others (66%), and at mealtimes with others (34%). Almost half (47%) of teen smartphone users claim to use it in the bathroom/toilet – this compares to just under one third (31%) for standard teen mobile phone users.

### The inter-relationship between work and personal life in mobile phone use

- A significant majority (93%) of smartphone users who use a smartphone at work say they take part in personal phone calls during work hours. This compares to 88% among standard mobile phone users. Eighty-five per cent take part in work-related phone calls during personal time.
- Smartphone users are also more likely than regular mobile phone users to make work-related calls while they are on holiday

### 1.5.3 Methodology

In order to understand this relatively new marketplace in more detail, Ofcom commissioned an omnibus survey among a representative sample of 2073 GB adults to explore people's relationships with their mobiles – with a particular focus on looking at the differences between regular mobile phone users versus smartphone users. The survey was run by Kantar Media as part of the TNS CAPI (computer aided personal interviewing) omnibus. Fieldwork took place among a representative sample of GB adults between 18 March and 22 March 2011.

In addition to the adults' survey, Ofcom also commissioned a survey among children/teens aged 12 -15 using the TNS Online teens omnibus survey. This is an online self-completion survey. Invitations to complete the questionnaire are emailed out to a sample of GB online panellists who have agreed to participate in market research and have children in the relevant age group. Parents pass the completion of the survey on to their child, having agreed that the child can participate. This survey ran among a representative sample of 521 children/teens between 18 March and 22 March 2011. For simplicity, the 12-15 sample is referred to as the 'teen sample' throughout this report.

A similar questionnaire was used for both the adults' and the teens' surveys.

The adults' and the teens' surveys are reported together throughout this chapter, for comparative purposes, although the differences in the methodologies should be noted (face-to-face survey versus online survey).

### 1.5.4 Consumer take-up of smartphones

#### There has been huge growth in smartphone take-up in the past 12 months

One quarter (27%) of UK adults are smartphone users. This represents an estimated 12 million adult consumers.

#### Teens and young adults are the age groups most likely to have a smartphone handset

Smartphone ownership is much higher among younger teens than in the general adult population; almost half (47%) of all teens aged 12 - 15 have one. There are no differences in take-up by gender among teens.

There are significantly higher levels of take-up of smartphones among males (32%), in younger age groups (50% among 16-24s, 42 % among 25-34s), and in higher socio-economic groups (32% among ABC1s).



Figure 1.37 Take-up of mobile phones / smartphones among the GB population

Source: Ofcom omnibus research, March 2011 Q2. How many mobile phones, if any, with different telephone numbers do you personally use at least once a month Q.3A Do you personally use a smartphone ? Base: Total GB adults aged 16+ (n = 2073). Total GB teens aged 12 – 15 (n = 521).

The take-up of this technology is a relatively new phenomenon, with 59% of adults acquiring their smartphone in the past year and 33% in the last six months. Eighty-seven per cent of teens got their smartphone in the past year, and 67% in the last six months.

### Smartphone users tend to be male, younger and more ABC1 than standard mobile phone users

When looking specifically at demographic profiles of regular mobile phone users compared to smartphone users, there are some key differences:

- smartphone users are more likely to be male than regular mobile phone users (58% compared to 44%);
- they are also younger (27% are 16-24 compared to 11% of regular mobile phone users); and
- Sixty-four per cent are ABC1, compared to 52% of standard mobile phone users.





Source: Ofcom omnibus research, March 2011 Q2. How many mobile phones, if any, with different telephone numbers do you personally use at least once a month Q.3A Do you personally use a smartphone ? Base: GB adults who use a mobile (n = 1810). GB teens aged 12 – 15 who use a mobile (n = 502)

### The Apple iPhone is the most popular brand of smartphone, but BlackBerry handsets are a favourite choice among younger consumers

Apple's iPhone is the most popular brand of smartphone, with a 32% share among adults. This is the brand of choice among ABC1s (37%) and is even higher among ABs alone (44%). But BlackBerry handsets have also taken a significant share of the market (24%) and are particularly popular among younger adults and teens (37% each). Female teens, in particular, appear to have a preference for BlackBerry handsets (44%). Anecdotal evidence suggests that this preference is driven by the BlackBerry messenger service (BBM) which offers a free alternative to texting (SMS).



### Figure 1.39 Smartphone brand choice among users

Source: Ofcom omnibus research, March 2011 Base: Total GB adults aged 16+ with a smartphone (n = 474). Total GB teens aged 12 – 15 with a smartphone (n = 243).

### Contract packages that include smartphone handsets may have facilitated the growth in smartphone penetration

Seventy-seven per cent of adult smartphone users are on a contract, compared to 35% of all regular mobile phone users. Only 16% of smartphone adults are on pay-as-you-go, compared to 63% of regular mobile phone users. The remaining 7% of smartphone users and 3% of regular phone users have their phone bills organised/paid for by someone else.

Unsurprisingly, there are different payment arrangements among teens, with lower numbers on contracts when compared to their adult counterparts. However, significant numbers of parents whose children have smartphones have arranged contracts for them. Forty per cent of teen smartphone users are on a contract (significantly lower than the 77% of adults) compared to 19% of teen standard mobile phone users.



### Figure 1.40 Type of mobile phone package

Source: Ofcom omnibus research, March 2011 Q.6A Which of these best describes the mobile package you are on? Base: GB adults who use a mobile (n = 1810) GB teens aged 12 – 15 who use a mobile (n = 502)

Most adults (89%) pay their own phone bills. A small minority (5%) have their bills paid for by work and by family/other people (6%). As one might expect, most teens have their phone bills paid for by adults (82%), although nearly one in five (18%) claim to pay their phone bill themselves.

### 1.5.5 Traditional phone activities: smartphone users versus regular mobile users

### Smartphone users make calls more often than regular mobile phone users

Eighty-one per cent of smartphone owners make and receive calls on their mobile every day, compared to 53% of regular phone users. This difference in use can be partly explained by contract type, with contract phone users making calls significantly more often than pay-asyou-go users overall. This has been confirmed by analysing the research results, isolating the regular mobile phone users on contracts and comparing them with smartphone users on contracts – call frequency profiles are similar for both. But there are differences between regular and smartphone pay-as-you-go users; smartphone users make calls more frequently.



### Figure 1.41 Frequency of making calls: adults

Source: Ofcom omnibus research, March 2011 Q.7a How often, if at all, do you use your mobile phone to make or receive calls? Base: GB adults who use a mobile phone (n = 1810).

In terms of demographic differences, there is a notable age skew on call frequency: among standard mobile phone users, younger people make calls more often than older people. These age differences are not observed among smartphone users.

### Smartphone users also send texts more often

Seventy-nine per cent of smartphone owners claim to make and receive SMS texts on their mobile every day, compared to 50% of regular phone users. This difference, again, can partly be explained by contract type, with higher numbers of smartphone users being on a contract, and contract phone users sending / receiving SMS texts significantly more often than pay-as-you-go users. This is confirmed through analysis - when isolating regular mobile phone users on contracts and comparing them with smartphone users on contracts, their SMS frequency profiles are very similar. However, again, there are differences between regular and smartphone PAYG users; smartphone users send / receive significantly higher levels of SMS texts.



### Figure 1.42 Frequency of sending texts: adults

Source: Ofcom omnibus research, March 2011 Q.7b How often, if at all, do you use your mobile phone to make or receive texts? Base: GB adults who use a mobile phone (n = 1810).

Age skews on receiving / making SMS texts can be seen among both regular and smartphone users, with younger people sending / receiving significantly higher numbers of SMS texts than older people. Women also tend to send / receive more texts than men, regardless of whether they have a regular mobile phone or a smartphone.

Among adults, the volumes of calls and texts are broadly equal.

### Teens send more texts than make calls

The majority of teens make calls every day (56% of smartphone users and 35% of regular phone users). But a significantly higher proportion of teens send text messages every day (80% of smartphone users and 57% of regular phone users). The same influences by contract type apply to teens, who make calls and send SMS texts more often if they are on a contract, regardless of phone type. However, pay-as-you-go smartphone users do claim to make and receive more calls and texts than PAYG regular phone users.

When looking at the actual numbers of texts sent, 39% of teens who send texts claim to have sent over ten texts 'yesterday' (compared to 21% of adults).



### Figure 1.43 Frequency of making calls and sending texts: teens

Source: Ofcom omnibus research, March 2011 Q.7a/b How often, if at all, do you use your mobile phone to make or receive calls/texts? Base: Total GB teens aged 12–15 who use a mobile phone (n = 502)

In terms of gender differences, girls make significantly more calls than boys (53% make calls every day compared to 38% of boys). Girls also send more texts than boys (77% send / receive texts calls every day, compared to 60% of boys).

### **1.5.6** Activities other than calls and texts among smartphone users

### Activities that were traditionally PC/laptop-based, such as sending emails, surfing the net and social networking are now commonly conducted on a smartphone

Among GB adults, the top three activities / functions <u>ever used</u> on a smartphone (other than making and receiving calls and texts) are internet surfing (69%), taking photos/videos (68%), and email (67%).

The top three activities / functions <u>used regularly</u> are email (46%), internet surfing (41%), and social networking (40%).

The least-used features are accessing content (TV programmes, sports news, general news, video clips). Nine per cent of smartphone users do not regularly use any of these functions.



### Figure 1.44 Activities conducted on a smartphone: adults

Source: Ofcom omnibus research, March 2011 Q.8/9 Which, if any, of the following functions or activities have you <u>ever</u> used/use regularly on your mobile?

Base: GB adults who use a smartphone (n = 474).

Younger adults (16-34s) are significantly more likely than average to use their smartphone for internet surfing, social networking and instant messaging.

However, phone calls and text messages are still the core functions of a smartphone and the functions that most people wouldn't want to live without. Calls are more important among adults and text messages among teens and younger adults.

The importance of smartphones in providing access to the internet is confirmed through an attitude statement ("*My phone is more important to me for accessing the internet than any other device*"). One third of adult smartphone users agree with this statement. These users tend to be younger (16-34) and there is a social group bias (C2s).

### Teens' activities on a smartphone differ from adults' with more emphasis on social networking, music and games

In general, teens use the various functions on their smartphones more than adults do. The top three activities / functions that teens have <u>ever tried</u> on a smartphone (other than making and receiving calls and texts) are: listening to music (82%), taking photos/videos (81%) and playing games (78%). Social networking (74%) comes fourth and internet surfing (69%) fifth.

The top three activities / functions <u>used regularly</u> are social networking (62%), listening to music (62%), and playing games (50%).

The least-used features are accessing content (TV programmes, sports news, general news) and maps/GPS.

Only 1% of teen smartphone users do not use any of these functions regularly.



### Figure 1.45 Activities conducted on a smartphone: teens

Source: Ofcom omnibus research, March 2011

Q.8/9 Which, if any, of the following functions or activities have you <u>ever</u> used/use regularly on your mobile?

Base: GB teens who use a smartphone (n = 243).

Marginally more teens than adults agree with the statement: "*My phone is more important to me for accessing the internet than any other device*" (38% net agreement among teens compared to 33% among adults). More boys agree than girls – although this is not a significant difference on this sample size.

# Instant messaging (IM) is a minority activity among adult smartphone users (28% of adult smartphone users do it regularly). But among those who do it, it has the highest frequency of use

Measured by the average number of occurrences 'yesterday' among adult regular users of each feature, instant messaging comes first, followed by social networking (averages of 8.65 and 7.99 times per day respectively).

- 29% of adults who use their phone to IM claim to have used instant messaging over ten times 'yesterday'.
- 26% of adults who use social networking sites from their phone claim to have done this over ten times 'yesterday'.

This is followed by email (3.97 times per day) and using an app (2.81 times per day).

Using the same methodology, instant messaging also has the highest frequency of use among teens aged 12-15, followed by social networking (averages of 8.16 and 7.38 times per day respectively).

- 25% of teens who use their phone to IM claim to have used instant messaging over ten times 'yesterday'.
- 21% of teens who use social networking sites from their phone claim to have done this over ten times 'yesterday'.



This is followed by email (4.25 times per day) and using an app (2.38 per day).

Figure 1.46 Number of times did activity 'yesterday' (all who do that activity): adults and teen smartphone users

Source: Ofcom omnibus research, March 2011

Q.11 For each activity, how many times did you do that activity using your mobile phone yesterday? Base: GB adults who use a smartphone (n = 474). GB teens who use a smartphone (n = 243).

## Smartphones are affecting people's other leisure activities. Over half of all adult smartphone users (55%) claim to be doing some kind of non-smartphone activity less, now that they have a smartphone

The activities that people claim to be doing less since getting a smartphone are: taking photos with a camera (16%), using a PC to access the internet (15%), reading a printed newspaper (13%), using a paper map (13%), watching TV (10%), reading books (9%), playing games on a console/PC (7%), socialising with friends (4%) and taking part in sport (4%).

### The 'cannibalisation' of other activities is even greater among teens; over two-thirds (68%) claim to do some activities less than before

The activities teens claim to take part in less since getting a smartphone are: playing games on a console/PC (30%), taking photos with a camera (30%), using a PC to access the internet (28%), watching TV (23%), reading books (15%), using a paper map (14%), reading a printed newspaper (14%), socialising with friends (7%) and taking part in sport (6%).

### Figure 1.47 Activities done less since having smartphone: adults vs. teens



Source: Ofcom omnibus research, March 2011

Q.25 Since you got your smartphone which, if any, of the following activities do you now take part in less than you used to ?

Base: GB adults who use a smartphone (n = 474). GB teens who use a smartphone (n = 243).

#### A look at social networkers

#### Adults:

Fifty-five per cent of adult smartphone users have used their phone for social networking, with one in four doing so regularly (40%). Regular smartphone social networkers are significantly more likely to be female and aged 16-24. There are no social group biases. The most popular social networking site among adults is Facebook (97%), followed by Twitter (24%), LinkedIn (5%) and MySpace (5%). Seventy-eight per cent do social networking via their smartphone at least once a day, 26% every couple of hours of more.

#### Teens:

Seventy-four per cent of teen smartphone users have used their phone for social networking, with 62% doing this regularly. The most popular social networking site used is Facebook (97%). Twitter comes in a distant second (26%), followed by MySpace (13%) and Bebo (10%). Eighty-three per cent of teen smartphone social networkers claim to do this via their smartphone at least once a day, 29% every couple of hours of more

### A look at apps users

### Adults:

Just under half (47%) of adult smartphone users have ever downloaded an app, with one in five (20%) doing so regularly. Regular apps downloaders are skewed male and age 25-34.

Just over half (54 per cent) of apps downloaders have paid for an app - with their mean average maximum spend on a single app being  $\pounds 3 - \pounds 3.99$ .

Just under one-third (27%) have paid a maximum of £1.99 or less. Around half (56%) have paid £4.99 or less. Just under a quarter (22%) have paid a maximum amount of  $\pm$ 5.00 -  $\pm$ 9.99. Twelve per cent have paid more than  $\pm$ 10.00, and 10% don't know the maximum amount they have paid.

Men, 16-34s and ABC1s pay more than other demographic groups.

The top five paid-for apps are games (59%), music (30%), maps/navigation (28%), travel/journey planning (21%) and books (14%). The top five most popular apps downloaded for free are games (73%), social networking (60%), music (37%), maps/navigation (35%) and news (35%).

### Teens:

Apps downloading is higher among teens than adults; around two-thirds (63%) of teen smartphone users have ever downloaded an app, with one in four (28%) doing so regularly.

Six in ten (60%) have paid for an app. The average maximum amount of spend among teens is  $\pounds$ 3.70 and the median is  $\pounds$ 3.00 -  $\pounds$ 3.99.

Just over half of all teens (53%) have paid a maximum price of £4.99 or less (with 22% paying £1.99 or less). Just under one-fifth (19%) have paid a maximum amount of  $\pounds$ 5.00 -  $\pounds$ 9.99, and 4% have paid more than £10. One-quarter (24%) don't know the maximum amount they have paid.

Although the numbers are not significant (due to small base sizes), there are indications that more boys download apps than girls.

The top three most popular paid-for apps among teens are games (84%), music (57%), and social networking (22%). The same areas appear in the top three most popular apps downloaded for free: (games (64%), social networking (61%) and music (47%).

### 1.5.7 Smartphones and social relationships

### Smartphone users have a much stronger relationship with their phone than standard mobile phone users

When asked how addicted they are to their mobiles phones (10 represents '*completely addicted*' to 1 '*not at all addicted*'), smartphone users are clearly and significantly more addicted to their phones than regular mobile phone users. Almost four in ten (37%) adult smartphone users indicate 'high' levels of addiction (i.e. they rate their 'addiction' as 7 or more out of 10) compared to 12% among regular mobile phone users. Sixty-one per cent of regular mobile phone users measure 'low' addiction compared to 25% of smartphone users.

There are some age and gender differences among GB adults: higher levels of phone addiction are seen among younger adults (16-24s and 25-34s) and females.

### Teens are more likely to claim 'addiction' to their smartphones

Teens aged 12-15 claim to be significantly more addicted to their phones than their adult counterparts. Six in ten (60%) of teen smartphone users indicate a high level of addiction, compared to a third (33%) of teen regular mobile phone users.

And girls are more addicted to their phones than boys (53% 'high addiction' across all mobile phones, compared to 38% among boys).



### Figure 1.48 Mobile phone 'addiction'

Source: Ofcom omnibus research, March 2011

Q16 Choose a number between 1 and 10, where 1 represents 'l'm not at all addicted to my mobile phone' and 10 represents 'l'm completely addicted to my mobile phone'. Base: Total GB adults who use a mobile phone (n = 1810), Total GB teens aged 12 – 15 who use a mobile phone (n = 502).

Phone dependency among smartphone users is confirmed by studying data that show how often during the day people have their phone switched on. The majority (81%) of smartphone users have their mobile phoned switched on all the time, even when in bed, compared to 60% of standard mobile phone users. Older people (aged 65+) are the most likely to have their phone switched on only when they need to use if (23%) or generally switched off (24%).

The same relationship differences exist among teens; 71% of teens with smartphones generally have their mobile phoned switched on all the time. This compares to 51% of regular mobile phone users in the same age group. Again, there are indications that girls have their phones switched on more often than boys.



Figure 1.49 Amount of time mobile phone is switched on

Source: Ofcom omnibus research, March 2011 Q12 Which of these statements best applies to how often your phone is switched on? Base: Total GB adults who use a mobile phone (n = 1810), Total GB teens aged 12 – 15 who use a mobile phone (n = 502).

### Smartphones are encroaching on 'traditional' social situations

There are indications that smartphones are encroaching upon 'traditional' social interaction, with 51% saying that they ever use their phone while socialising with others and 23% using their smartphone during a meal with others. Twenty-two per cent of smartphone users claim to use it in the bathroom or toilet – all significantly higher than regular mobile phone users.

There are, however, significant age skews across all of these activities. The younger age groups are more willing to use their phone in all situations, compared to the older age groups. This implies that the differences in behaviour are not driven only by phone dependency but are also influenced by differences in social etiquette between younger and older age groups – younger people are more willing to engage with their phones in all manner of social situations.



### Figure 1.50 Occasions when use the phone: adults

Source: Ofcom omnibus research, March 2011 Q14a Which of the following do you ever do? Q14b and how often do you do it? Base: GB adults who use a smartphone (n = 474).

### Teen smartphone users are generally more likely than regular mobile phone users to use their phone in a variety of different social situations

Teen smartphone users are generally much more likely to use their phone when socialising with others (66%), and at mealtimes with others (34%). Almost half (47%) of teen smartphone users claim to use it in the bathroom or toilet – this compares to just under one-third (31%) for regular teen mobile phone users.

These differences in behaviour appear to be partially driven by the additional functionality of a smartphone – with teen smartphone users also sending emails, social networking and instant messaging, in addition to making calls and sending texts in the situations listed.

The influence of age on social etiquette is more apparent when looking specifically at the teen data for using the phone '*when socialising with others*' – there are no differences between regular teen mobile phone users and teen smartphone users.

There are also gender differences at play among the teens, with girls generally conducting these activities more frequently than boys.



### Figure 1.51 Occasions when use the phone: teens

Source: Ofcom omnibus research, March 2011 Q14a Which of the following do you ever do? Q14b and how often do you do it? GB teens who use a smartphone (n = 243).

Smartphone users are significantly more likely to think that it is OK to use their phone when with others/in a public place (53% compared to 40%). The influence of age as well as handset is also at play here. Younger people are more likely than older people to think it is OK (and they are more likely to have a smartphone). Social group also plays a part; C2DEs display significantly stronger levels of agreement than do ABC1s (49% compared to 40%).

However, interestingly, smartphone users are equally as likely to think it is not 'OK to use when disturbing others/interrupting others' as regular phone users (80% compared to 81%).



Figure 1.52 Attitude statements towards phone use: adults

Source: Ofcom omnibus research, March 2011 Q15 Please tell me the extent you agree or disagree with the following statements? Base: Total GB adults who use a mobile phone (n = 1810).

### Teens' views on social etiquette differ from adults', with greater willingness to use their phone in a public place and less concern about disturbing others

Teen mobile phone users are much more likely than adult mobile phone users to think it is OK to use their phone when with others/in a public place (63% agreement at the total teen sample level compared to 44% agreement among all GB adults).

Teen smartphone users are marginally more likely than teen regular mobile phone users to think it is OK to use their phone when with others/in a public place (67% compared to 59%).

However, teen smartphone users are equally as likely as regular teen mobile phone users to think it is not OK to use their phone when disturbing others/interrupting others.



Figure 1.53 Attitude statements towards phone use: teens

Source: Ofcom omnibus research, March 2011 Q15 Please tell me the extent you agree or disagree with the following statements? Base: Total GB teens aged 12–15 who use a mobile phone (n = 502).

### 1.5.8 A look at phone etiquette among those who use phone for work

### People who use a mobile phone for work are just as likely to take personal calls during work time as they are to take work-related calls during personal time

The majority (70%) of smartphone users who work use a mobile phone for personal reasons during working hours, and for work reasons outside working hours. Of this 70%, 45% are smartphone users and 55% are regular mobile phone users.

When looking at the profiles of people who use their mobiles at work, smartphone users are significantly more likely to be male and significantly younger (25-34). They are also more likely to be in the ABC1 socio-economic group.

### Figure 1.54 Profile of those who use a phone for work: smartphone vs. regular mobile



Source: Ofcom omnibus research, March 2011 Q17b. Is the phone you use when you are working a smartphone? ..... Base: Total GB Adults aged 16+ who use a mobile phone when working (n = 614).

Both smartphone users and regular mobile phone users are just as likely to take personal calls during work time as they are to take work-related calls during personal time. Thirty per cent of smartphone users who use a phone for work say they regularly use their phone for personal calls during work hours, compared to 23% of regular phone users. However, smartphone users are more likely to take work-related calls when on holiday or annual leave than are regular phone users.





Source: Ofcom omnibus research, March 2011 Q18. How often do you do the following using your mobile phone? ..... Base: Total GB adults aged 16+ who use a mobile phone when working (n = 614). Total GB adults who use a smartphone when working (n = 257) Looking at smartphone users in isolation, there is a core group of working people who regularly conduct the whole range of personal and work-related activities on their smartphones. They represent about one-third of smartphone users who use a smartphone at work.

Smartphone users are slightly less likely to make work-related calls or emails during personal time than they are to make personal calls or send personal emails during work time. They are also slightly less likely to make work-related calls or emails during their annual leave. These differences are not significant at these base sizes.

The least-frequent behaviour is emailing or texting while in meetings, although a significant minority (19%) do this regularly - about half of all workers with smartphones (53%) have ever done this.



#### Figure 1.56 Profile of those who use a smartphone for work

Source: Ofcom omnibus research, March 2011 Q18. How often do you do the following using your mobile phone? ..... Base: Total GB adults who use a smartphone when working (n = 257)

## 1.6 The generation gap

### 1.6.1 Introduction

Take-up and use of media communications is developing rapidly across the UK, as *The digital decade* section illustrates. However, it is important to remind ourselves of the differences that remain between older and younger people in terms of their take-up and use of various communications services, and also the differences in some of their attitudes towards internet use.

This section reports on a variety of measures, including take-up of landlines, mobile phones and the internet; what people do regularly across a range of media; their reasons for using different media; and the preferred medium used for making contact in particular situations. It focuses in particular on the internet, and the types of internet activities carried out, as well as levels of confidence online and the degree of comfort people feel about giving out personal details online.

Ofcom's annual media literacy audits of adults and children seek to understand people's ability to use, understand and create communications. An overview of media literacy among UK adults (aged 16+), published in April, looks at take-up and use of communications services, understanding of and attitudes towards the internet, and privacy and security concerns in the online environment. Some of the findings are included below, while the full report is available here: <u>http://stakeholders.ofcom.org.uk/market-data-research/media-literacy/medlitpub/medlitpubrss/adultmedialitreport11/</u>

### 1.6.2 Take-up of telephony services

### Landline and mobile phone ownership varies by age

At an overall level, broadly similar levels of the population have a landline and a mobile phone – some 85% of UK adults have a fixed line at home, and 91% say they personally use a mobile phone. However, younger adults aged 16-24 are much more likely to have a mobile phone than a fixed line (98% vs. 67%) and older people, particularly those aged 75+, are far more likely to have a fixed line (94%) than a mobile (51%).

Among those aged 65+, the proportion who personally use a mobile has increased from half of this age group in Q1 2006 (49%), to now nearly two-thirds (64% in Q1 2011).

### Figure 1.57 Landline and mobile phone services, by age: 2011

Proportion of respondents with service (per cent)



Source: Ofcom research, fieldwork carried out by Saville Rossiter-Base in January/February 2011 Base: All adults aged 16+ (3474)

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? How many mobile phones with different telephone numbers do you use at least once a month? Please include any phones used for work or other purposes.

#### One in four older people live in households reliant on fixed telephony

Older people are significantly less likely to live in 'mobile-only' households (homes with access to a mobile phone but not a fixed line). While 32% of those aged 16-24 are in mobile-only households, this falls to 4% of those aged 75+. Conversely, older people are significantly more likely to live in a household with only fixed-line telephony (37% of those aged over 75, compared to less than 1% of those aged 16-24).



#### Figure 1.58 Household penetration of fixed and mobile telephony, by age

Source: Ofcom research, fieldwork carried out by Saville Rossiter-Base in January/February 2011 Base: All adults aged 16+ (3474)

#### Differences in main use of communications device

When people are asked about their main method of making and receiving phone calls, at an overall level around half nominate a landline, and half a mobile phone (51% landline, 46% mobile). However, this changes significantly by age, with four in five adults aged 16-24 nominating a mobile (79%), one in ten adults aged 65-74 (12%), and 5% of adults aged 75+.



Figure 1.59 Main method of making and receiving telephone calls, by age: 2011

Source: Ofcom research, fieldwork carried out by Saville Rossiter-Base in January/February 2011 Base: All adults aged 16+ (3474)

QC3 (QC28). Which of these do you consider to be your MAIN method of making and receiving telephone calls?

### 1.6.3 Internet take-up

### Now over half of 65-74 year olds have internet access at home, compared to a quarter of those aged 75+

Three-quarters (76%) of the UK population aged 16+ have internet access at home. Younger people are far more likely to have the internet at home than older people – 81% of 16-24s, 88% of 25-34s, 90% of 35-44s and 82% of 45-54s have it, compared to 55% of those aged 65-74 and 26% of those aged 75+.

Among those aged 65-74, five years ago only four in ten had internet access at home (42%), but by 2011, this had risen to over half of this age group (55%). This compares to a quarter (26%) of those aged 75+ who have the internet at home in Q1 2011 (up from 15% in 2006).



#### Figure 1.60 Internet take-up, by age: 2006 and 2011

Source: Ofcom technology tracker survey, Q1 2006 and Q1 2011 Base: 2006: All adults aged 15+ (2214); 2011: all adults aged 16+ (3474) Q: do you or does anyone in your household have access to the internet/ World Wide Web at home? Note in 2011 this includes internet access via any device, e.g. PC, mobile phone etc.

#### 16-24s over ten times more likely to go online via a mobile than those aged 55+

While around one third (32%) of the UK population aged 16+ uses a mobile phone to go online, this rises to 57% of those aged 16-24. However, 13% of those aged 55-64 say they do this, dropping to 4% of those aged 65-74. No respondents in our sample aged 75+ used a mobile phone to go online.



#### Figure 1.61 Use of mobile to go online, by age

Source: Ofcom research, fieldwork carried out by Saville Rossiter-Base in January/February 2011 Base: All adults aged 16+ (3474) QD28: Which, if any, of the following activities, other than making and receiving calls, do you use your mobile for?

### **1.6.4 Use of communications services**

### Older people are most likely to miss their TVs the most – then radio and the press

When people are asked which medium they would miss the most if it were taken away, there are clear differences by age group. Overall, 44% say they would most miss their TV, and 17% the internet. Just over one in ten (12%) say they would most miss their mobile, and 10% listening to the radio.

For young adults aged 16-24, the picture is quite different – 28% say they would most miss their mobile, 26% the internet, and 23% TV. Radio would be most missed by 3%.

For people aged 75+, 65% say they would most miss TV, 15% radio, and 8% newspapers/magazines. Just 2% would most miss a mobile phone and 2% the internet.

Figure 1.62 Which medium would be most missed, by age: 2010



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 aged 16+ in 2010, 295 aged 16-24, 172 aged 75+. A2 – Which one of these would you miss doing the most? (Prompted responses, single coded)

### Catch-up TV sees most significant growth among those aged 65+

In Q1 2011, on average 35% of adults claimed to use the internet for viewing catch-up television services, up from 31% in the previous year, and 23% in Q1 2009. Although younger adults are the most likely to use catch-up; growth in its use has, since 2009, been fastest among people over 65, with nearly a quarter (24%) claiming to now use catch-up, against just 10% in Q1 2009.

### Variation in types of media regularly used

Watching television is the dominant regular media activity, both for those aged 16-24 and those aged 75+, but there is significant variation across a number of other measures.

Older people are more likely to say they regularly read newspapers and magazines, and listen to the radio, than younger people, but for all the other media, younger people are more likely to say they regularly use them. The most marked difference between the age groups was in use of the internet via a computer or laptop -83% of 16-24 year olds said they did this regularly, compared to 13% of those aged 75 and over.



#### **Figure 1.63** Regular use of different media, by age

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 in 2010).

A1 – Which of the following do you regularly do? (Prompted responses, multi-coded)

### E-readers popular across the age range

Our research indicates that 4% of adults claimed to use an e-reader in Q1 2011. Unlike other connected devices, e-readers are as popular with older age-groups as younger age-groups: 4% of 16-24s and 4% of 55-64s claimed to own an e-reader while take-up was highest among 35-54s (6%).

### Self-reported hours of internet use significantly lower among adults aged 65+

The estimated<sup>9</sup> weekly volume of use of the internet among users in 2010 was 14.2 hours<sup>10</sup>. Internet users aged 16-24 had a higher weekly volume of use in 2010 compared to all internet users (17.2 vs. 14.2 hours). Users aged 55-64 and 65+ had a lower weekly volume of use compared to all internet users (11.1 for 55-64 and 6.7 for 65+ vs. 14.2 hours).

<sup>&</sup>lt;sup>9</sup> Adults using the internet at home or elsewhere were asked to estimate how many hours in a typical week they used the internet at each of the places they accessed it. Because these estimates are selfreported it is likely that a degree of under- and over-reporting will be present, and the estimates shown should be taken as indicative only. <sup>10</sup> This compares to a UKOM/Nielsen figure of 13.5 hours per week spent using an internet-connected

PC. This figure is from November 2010, and includes all internet users aged 2+.



### Figure 1.64 Self-reported hours of internet use, by age: 2010

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 (1746 in 2005, 1723 in 2007, 1282 in 2009, 1489 in 2010) Significance testing shows any change between 2009 and 2010, any difference between any age group and all adults aged 16+. Data for those aged 75+ not available due to low base size.

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)

### Older people less likely than young people to say they use the internet as a fun, relaxing pastime

Figure 1.65 focuses on the reasons for using the internet. It shows that younger internet users perceive their use of the internet differently from older age groups; they see it as a means of fun, relaxation and a pastime, while older age groups say they use it to find out information. Internet users aged 16-24 are more likely to say they use the internet for fun (74% vs. 49% of all users), to relax (53% vs. 40%) and to pass the time (52% vs. 36%).

People aged 65+ are most likely to focus on the informational element of the internet, and less likely to nominate reasons such as relaxation or pastime, or indeed to keep up to date with the news.



Figure 1.65 Reasons for using the internet, by age

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 in 2010, 271 aged 16-24, 287 aged 25-34, 338 aged 35-44, 245 aged 45-54, 214 aged 55-64, 134 aged 65+, Significance testing shows any change between 2009 and 2010, any differences between any age group and all adults aged 16+. Data for those aged 75+ not available due to low base size. IN42 – Which, if any of these are reasons why you use the internet? (prompted responses, multi-coded)

### Older people more likely to make contact by meeting in person

This looks at how people prefer to make contact in two everyday circumstances: booking a holiday and getting in touch with a friend to arrange to meet. For each scenario, respondents were shown a list of six methods and asked to say which one they would choose to use to make contact<sup>11</sup>.

Preferences for ways of getting in touch with a friend to arrange to meet vary considerably by age. Adults aged 16-24 are more likely to prefer to send a text (62% of 16-24s vs. 34% of all adults), while adults aged 75 and over are more likely to prefer to make a call using the home / landline phone (91% aged 75+ vs. 34% of all adults).

Preferences for booking a holiday also show considerable differences by age – 48% of 16-24s say they would prefer to book via an email/website, compared to 5% of those aged 75+. Older people prefer to meet in person (43%) compared to 31% of 16-24s nominating this option.

<sup>&</sup>lt;sup>11</sup> It should be noted that the responses shown are for all UK adults, and not solely those with the available technology, in order to be able to capture an overall picture of preferred communication methods across all adults. People's preferences for a method of communication depend on what communications devices they have access to. As we have seen, demographic groups vary in the extent to which they have access to various devices. Therefore, older people may be less likely to say that they would choose to make contact via email/website, as they do not have access to the internet.



### Figure 1.66 Preferred methods of making contact

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 in 2010). NZ2A-D. Please use this list to say which one way you would prefer to make

### Older online users are less likely to use the internet weekly for a variety of activities, although 70% of them use it to communicate each week

Adults who use the internet were prompted with 26 different internet activities and were asked to say how often they did each<sup>12</sup>.

<sup>&</sup>lt;sup>12</sup> These activities in no way represent an exhaustive list of all the potential activities that can be undertaken online, but were chosen as representing the majority of activities for most people.

The individual activities have been grouped into nine types, to enable comparison. These are:

**Communication** – relates to activities such as sending or receiving email, using instant messaging services or making or receiving calls over the internet (e.g. Skype).

**Transactions** – relates to buying or selling things online, banking and paying bills online, downloading software or gambling online.

**Work / studies information** – relates to finding information online for work or for studies, doing an online course to achieve a qualification, or looking at job opportunities.

**Social networking** – relates to using social networking sites (such as Facebook, MySpace, Piczo, Bebo, hi5 or Twitter).

**Entertainment** – relates to uses such as listening to radio stations online, playing games online, watching or downloading video clips, TV programmes or films online, downloading or listening online to music, looking at adult-only websites, or (added in 2010) visiting dating websites.

News - relates to looking at news websites.

**Leisure information** – relates to finding information for booking holidays or finding information for leisure time such as cinema and live music.

**Public / civic** – relates to finding information online about public services provided by local or national government, or completing government processes online such as registering for tax credits, renewing a driving licence, car tax or passport, completing a tax return, or looking at political, campaign or issues websites.

Health - relates to finding information about health-related issues.

Figure 1.67 shows the proportion of internet users who carry out each of the categories of internet use at least weekly by age group. Internet users aged 16-24 are more likely to use the internet at least weekly for work/ studies information (60% vs. 49% of all UK internet users), social networking (77% vs. 45%), entertainment (59% vs. 40%) and leisure information (31% vs. 19%). By contrast, internet users aged 65 and over are less likely to use the internet at least weekly for each of the nine types of use, with the exception of health.



### Figure 1.67 Types of internet activities carried out by age: 2010

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 in 2010 271 aged 16-24, 134 aged 65+). Data for those aged 75+ not available due to low base size.

IN13/14 – Could you please tell me from this list the types of things you currently do using the internet, and how often you do each? (Prompted responses, single coded)

### Older people have less confidence online

As context to these elements of use, we ask internet users to rate their levels of confidence across a range of aspects of using the internet.

Younger users aged 16-24 are far more likely than older people to say that they are confident doing creative things online such as making blogs, sharing photos and uploading short videos (73% say they are very confident, compared to 18% of those aged 65+).

Younger users aged 16-24 are also more likely to say they are very confident in judging whether a website is truthful (58% vs. 21% for older people aged 65+). Users aged 65 and over are more likely to say they are not confident (24% vs. 12% for all).



### Figure 1.68 Confidence as an internet user

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

Base: Adults aged 16+ who use the internet at home or elsewhere (1489 in 2010). Data for those aged 75+ not available due to low base size.

IN10F/G/A/B/C/D - I'm going to read out some questions about confidence using the internet, for each one please say which of the options on the card applies to you. (Prompted responses, single coded)

### Older people less likely to be happy to give out personal details

Around four in ten internet users say they would be happy to share photos online, while around three in ten say they would be happy to share information about how they are feeling in general (30%). Internet users are least likely to say they would be happy to share information about how they are feeling about work or college (22%).

As Figure 1.69 shows, there is a strong relationship between privacy concerns and the age of the internet user, with users aged 16-24 being far more likely than those aged 65+ to say that they would be happy to share these types of information online.



### Figure 1.69 Information prepared to share online, by age

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 aged 16+, 271 aged 16-24, 134 aged 65+). Data for those aged 75+ not available due to low base size. NIN35D/E/A/B/C – I'm going to read out some types of information that people can show on the internet, and for each one I would like you to say how you would feel about putting this information online in terms of any privacy concerns. (Prompted responses, single coded)
# 1.7 The nations' communications markets

## 1.7.1 Introduction, structure and findings

### Introduction

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

### Structure

The section begins by highlighting a range of 'fast facts' for England, Scotland, Wales and Northern Ireland, which draws on Ofcom's annual survey of the nations and regions. It then reports on communications service availability and take-up by nation.

This section also includes analysis of data on service bundling and public service broadcasting spend and viewing.

### Findings

- Communications service availability Fixed-line telephony is available to all premises in the UK (along with dial-up internet access). Fixed-line broadband is available to a large proportion of the UK population (although individuals' experience of broadband and the speed they receive will be heavily influenced by factors including the length of the line between the customer premises and the exchange). Cable broadband, offering bandwidths of 'up to' 50 Mbit/s, is available to 48% of UK homes with coverage highest (51%) in England and lowest (23%) in Wales. Freeview coverage is rising as digital switchover takes effect 98% of homes in Wales and 99% in Scotland can now receive the signal and nationwide coverage of the DTT signal has risen to 85% over the year.
- Service and device take-up Digital television remains the most widely-adopted digital communications technology across the UK's nations, at 96% of all TV homes. Take-up is highest in Wales (99%) and lowest in Northern Ireland (90%). Across the UK, DTV take-up increased by four percentage points in the past year, with the largest increase recorded in Scotland, where it rose by six percentage points. This was driven by digital switchover which was under way during the fieldwork period. Broadband take-up has increased by three percentage points to 74%, with year-on-year increases recorded in all of the UK nations with the exception of Scotland, which has the lowest level of broadband take-up (61%). Fixed-line take-up in the UK has remained at 85%, with mobile phone ownership having increased by two percentage points this year to stand at 91%.
- **Bundling** The trend of purchasing two or more communications services from the same supplier has continued across the UK this year, with increases in all four UK nations. Fifty-three per cent of UK adults now buy communications services in this way. Bundles are most popular in England (54%) and least popular in Northern Ireland (46%).
- Spending on content production spend per head on PSB content (TV and radio) stood at £38.23 across the UK in 2010. Expenditure on programme production for UK audiences was a big component of spend in England. It was also a substantial part of spending in Wales and in Scotland, although spending on programme production

specifically for Scottish and Welsh audiences was also significant. This spend on programme production for the nations was the largest component of spend in Northern Ireland, while in Wales, the largest component of expenditure was on Welsh-language productions.

• **Consumption of audio/audio-visual content** – Viewing share among the PSBs averaged 55% in 2010. BBC radio services attracted a 55% listening share in 2010, ranging from 62% in Wales to 45% in Scotland (where commercial local radio is popular). Access to broadband is providing consumers with new ways to access audio and video content; 41% of people claimed that they had watched TV content over the internet in 2010 (up by three percentage points year on year). Fourteen per cent had done the same with radio content, while a third of the population (32%) had used their mobile handsets to access data (including surfing the internet), up by nine percentage points year on year.

### 1.7.2 UK communications market: fast facts

Figure 1.70 illustrates how take-up and use of a variety of communications services across the UK has changed over the past year.

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

### Figure 1.70 UK communication markets: fast facts

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) Note: This is the first year that 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.

xx xx Figure is significantly higher than UK average

Figure is significantly lower than UK average

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

## 1.7.3 Availability of communications platforms and services

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

Figure 1.71 shows the availability of communications services across the UK by percentage of population covered. The coverage of most services shown in the chart has not changed in the past year. Digital terrestrial television is an exception to this, having risen (substantially in Scotland, where digital switchover has recently completed. The charts shows that population coverage of communications services varies by service and by nation:

- Fixed-line voice telephony is available to 100% of homes in the UK. Broadband delivered over a standard fixed telephony line is available to almost all UK homes and commercial properties (99.98%) across the UK's four nations. However, factors such as line length and contention influence the actual broadband speed at customer premises.
- Local loop unbundling, providing consumers with a choice between fixed-line telephony and fixed broadband providers, stood at 89% of UK homes in Q1 2010. The figure was up by four percentage points year on year. Homes in England were the most likely to be connected to an unbundled exchange (91% of the total). In Wales the figure stood at 84%, in Scotland 81% and in Northern Ireland 75%.
- Cable broadband, offering access to high-speed internet and pay-TV services, is available to 48% of homes in the UK. Coverage, which is typically concentrated in areas of high population density, ranged from 51% of homes in England to 23% in Wales. Since the end of 2010, broadband speeds of 'up to' 100 Mbit/s have become available over Virgin Media's cable infrastructure.
- BT is now 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. Northern Ireland has benefited from early deployment and at the beginning of March 2011 81% of homes were connected to an exchange where FTTC has been deployed – compared to around 23% across the UK as a whole.
- 2G mobile telephony services covered 96% of the UK population in Q1 2010. Levels
  of coverage are influenced by population densities and by topography. As a result,
  99% of the population of England was covered, in contrast to 84% in Wales, 85% in
  Scotland and 87% in Northern Ireland. The comparable figures for 3G coverage were
  lower 95% of the UK population; 99% in England and 54% in Northern Ireland.
- Digital terrestrial television availability, offering at least a 17-channel line-up, was available to 85% of the UK population (up from 81% a year ago). The increase is largely explained by the completion of switchover in Scotland, where coverage is now highest, at 99% of homes; switchover has also completed in Wales (where 99% of homes can receive DTT). In England the comparable figure was 85%; it was lowest in Northern Ireland at 66%.



### Figure 1.71 Communications infrastructure availability across the UK's nations

Sources: Ofcom and:

1. DTT: Availability of 17 services. Ofcom estimates.

Proportion of population living in postal districts where at least one operator reports at least 90%
 G 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.
 Proportion of population living in postal districts where at least one operator reports at least 90%
 G 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.
 Froportion of population living in postal districts where at least one operator reports at least 90%
 G 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.
 Proportion of households connected to an LLU-enabled exchange

6. Proportion of households passed by Virgin Media's broadband-enabled network

7. Proportion of households connected to an FTTC-enabled exchange.

## 1.7.4 Coverage of 2G and 3G mobile services

Figure 1.72 illustrates the geographic coverage of 2G and 3G mobile services. It highlights postcodes only where there is mobile coverage of at least 90%. Those parts of the country where choice between mobile phone operators is greatest tend to coincide with areas of high population density, or with a major road network. The result is that geographic mobile phone coverage in the UK tends to be lower than population coverage. Lower network coverage in Scotland, Wales 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 1.72 Coverage of 2G and 3G mobile services



Source: Ofcom/ GSM Association / Europa Technologies; Q2 2011 Note: Map shows the number of 2G operators with at least 90% geographic coverage by postcode area; not directly comparable to that published in the 2011 report

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

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

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

- The small fall in ownership of fixed-line telephones across the UK that we reported on last year has been sustained, with take-up remaining at 85%. Take up of fixed-line telephones is lowest in Scotland and Wales (both at 80%).
- Broadband take-up (whether fixed or mobile) has continued to increase, with a three percentage point rise in the past year. The largest percentage point increases were seen in Wales (+7) and Northern Ireland (+5). In Scotland, broadband take-up remained at 61% and is now 13% points behind the UK average of 74%.
- Over nine in ten UK adults now own a mobile phone, following a two percentage point increase in take-up during the past year. There is modest variation in take-up between nations, with highest take-up (92%) in England and Northern Ireland and the lowest take-up in Scotland (86%). The apparent fall in mobile phone ownership in Wales is within the survey's error margins, so should not be considered significant.
- Digital television take-up has increased to 96% of the UK's adult population. Wales (the first UK nation to switch over to digital) has the highest take-up, 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 1.73 Communications service adoption across the nations of the UK: 2011

Figure above bar shows % point change from Q1 2010

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/marketdataresearch/statistics/main\_set.pdf

Figure 1.74 sets out patterns of communications technology / service adoption, by nation and by location (urban/rural). Broadly speaking, higher levels of take-up in rural locations tend to run alongside higher levels in urban areas. Fixed-line services are the only deviation from this pattern, where take-up is higher – sometimes substantially – in rural locations. That said, there are some variations in take-up by location: broadband take-up among homes in rural areas is higher than in urban areas in England and Scotland, which is likely to relate to higher-income households in rural areas. In Q1 2011, rural areas in England had the highest level of broadband take-up, at 84%.



## Figure 1.74 Adoption of communications technology / services in urban and rural locations

Source: Ofcom research, Q1 2011

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

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

Almost one in three (27%) UK adults now own a smartphone, equating to 30% of mobile phone users. 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 among ABC1 social groups and those aged 16-34.



#### Figure 1.75 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 solely on mobile voice telephony. As highlighted in last year's report, Wales and Scotland have the highest proportion of mobile-only homes. Across the UK, lower-income homes are more likely to rely solely on mobile telephony.



Figure 1.76 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?

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

## Over half of all homes across the UK took a bundle of communications services at Q1 2011, up by three percentage points year on year.

Purchasing communications services in bundles continues to increase in popularity across the UK. Fifty-three per cent of UK homes now purchase communications services in this way, a three percentage point increase year on year, following a four percentage point increase from 2009-2010. 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.



## Figure 1.77 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

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

Figure 1.78 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 Gàidheal and BBC Local Radio in England);
- spend by the BBC and ITV/STV/UTV on first-run programmes specifically for viewers in each nation; and
- TV content produced in Welsh (and broadcast on S4C), Gaelic (BBC Alba) and the Irish language.

Total spend per 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. In England, spend per head stood at £37.43 and was driven primarily by networked television production; the figure was down by 5.5% year on year in real terms. In Scotland spend/head stood at £35.60 (up by 3.8%), where networked and regional production both made substantial contributions to that total. The comparable figure for Northern Ireland was £31.03 (down by 7.5%), with television output specifically for Northern Ireland viewers and radio output forming a substantial proportion of the figure.



## Figure 1.78 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

## 1.7.8 Consumption of television and radio services

### People in Scotland and 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 (average 4.5 hours per day). Average daily radio listening among adults (15+) in the UK was 3.2 hours, 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 1.79 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 show 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.

## 1.7.9 Use of converged platforms and devices by people across the UK

#### Consumers' use of data on mobile handsets has increased by 39% in the past year

A third (32%) of UK consumers now say that somebody in their households uses their mobile phone to access data services (internet, emails, web-enabled apps etc). This is an increase of nine percentage points (or 39%) since last year. This rapid growth has been driven by the fast increasing popularity of smartphones. Consumers' use of smartphones is discussed in more detail in *The smartphone revolution*.

Watching audio-visual content over the internet continues to be a popular pastime, with over four in ten (41%) homes watching services such as BBC iPlayer, 4oD and ITV Player.



### Figure 1.80 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 WiFi, 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