



The Communications Market in Wales

5 Telecoms and networks

5.1 Telecoms and networks

5.1.1 Recent developments in Wales

Super-fast and high speed broadband roll-out

The past 12 months have seen considerable activity in the development of broadband services in Wales.

ADSL 2+ is now available in 41 exchanges in Wales, offering speeds of up to 20Mbit/s (compared to the up to 8Mbit/s available from ADSL1 networks), although the actual speed obtained depends upon the distance between the premises and the exchange³⁰.

Following its announcement of £1.5bn investment to deliver super-fast broadband to 10 million lines in the UK by mid-2012, BT has set out the areas³¹ where it will roll out super-fast fibre-to-the-cabinet/fibre-to-the-premises (FTTC/FTTP) broadband services in Wales. These include the Whitchurch area of Cardiff, where a trial of FTTC was held in 2009/10.

FTTC services, offering speeds of up to 40 Mbit/s, are now available from the Cardiff Central, Taffs Well, Barry, Penarth and Caerphilly exchanges. In addition, BT has recently announced roll-out of FTTC to the Connah's Quay, Howarden, Llantrisant, Bridgend, Chepstow, Hengoed, Llanishen, Newtown Llantwit and Llanedeyrn exchanges. This service is branded as BT Infinity by BT Retail, and FTTC super-fast broadband services could also offered by other providers using this network.

Virgin Media now offers speeds of up to 50Mbit/s broadband, and the company has announced plans to offer a 100Mbit/s service by the end of this year. It is also continuing a trial of a 200Mbit/s downstream (and 20Mbit/s upstream) service via its cable network. Virgin Media's network is currently available to 24% of households in South East Wales. There has been no further extension to date.

Rutland Telecom

In April this year Rutland Telecom announced that it would deploy FTTC technology to provide broadband connectivity to the rural community of Erbistock, near Wrexham, to deliver speeds of up to 40Mbit/s for residents and businesses³². The company claims that this is the first example of FTTC being used in Wales to address a broadband not-spot. Rutland Telecom claims that it has developed a sustainable business model based on sub-loop unbundling (SLU), which can provide next-generation broadband to rural communities.

Connect Cardiff

Connect Cardiff is a business-only ISP offering fibre optic and microwave managed internet services from its data centre in the city. Through its growing network of PoPs (points of presence) the company offers uncontended connections from 2Mb up to 1Gb, providing connectivity in difficult-to-serve areas, along with data back-up facilities.

³⁰ Premises served by lines of up to 2 km in length from an exchange should be able to obtain significantly higher speeds than the 8 Mbit/s maximum achievable via ADSL Max, but for premises served by lines longer than 3 km, the gains in speed are marginal.

³¹ http://www.openreach.co.uk/orpg/products/nga/downloads/FTTC_%20pot_exchs.pdf

³² <http://www.relay-rutlandtelecom.co.uk/>

Connect Cardiff is currently investing in local loop unbundling, sub-loop unbundling and fibre to the cabinet in concentrated business areas around South Wales, particularly to the north of Cardiff, Newport and Chepstow.

Fibrespeed

Following a procurement process by the Welsh Assembly Government, Geo Networks won the tender to undertake the FibreSpeed Project, which is designed to provide very high speed broadband access, initially to 14 business parks in North Wales, through an open-access, carrier-neutral fibre network. The network has now reached its first year of live operation and wholesale services are being provided to ISPs in order for them to sell on to end-users.

Carrier Wales

Carrier Wales offers WiMax, wireless and fixed internet connections, using the Fibrespeed optical fibre network to provide services to business and community users³³.

The company recently worked with residents in Treuddyn in North Wales to establish the commercial feasibility of providing a WiMax wireless solution to the community to address a number of broadband not-spots and to provide faster broadband services.

Following the successful outcome of this trial, the company is currently working to provide similar services in other rural and urban areas of North Wales.

5.1.2 Availability

Fixed voice telephony and narrowband internet availability

Fixed voice telephony over the public switched telephony network (PSTN) is available to all of the UK population under the universal service obligation (USO) which is provided by BT and Kingston Communications, the incumbent operator in Kingston upon Hull. Under the USO BT and Kingston Communications are required to provide a connection to the fixed telephony network upon reasonable request, meaning that all households have access to a fixed line, although where installation will cost over £3,400 the customer is required to pay the excess costs (plus the standard connection charge).

The USO therefore means that there are no significant issues regarding the provision of basic voice telephony in the UK, although there may still be a small number of remote dwellings where there are difficulties in connecting to the PSTN, or where the cost to the user of doing so is prohibitive.

A narrowband internet connection is defined as one which has a connection speed of less than 128kbit/s, which is not 'always on' and which does not allow simultaneous voice calls. The USO also encompasses the provision of a narrowband connection capable of 'functional internet access', i.e. a connection speed of at least 28.8kbit/s.

As the requirements to connect to the internet using a narrowband connection are a standard fixed telephony line, a suitably equipped PC and a narrowband account with an internet service provider (ISP), the availability of narrowband internet access is virtually identical to that of fixed telephony services, and there are no significant issues regarding the availability of narrowband internet services in the UK.

³³ <http://www.carrierwales.net/>

Broadband internet availability

Narrowband internet connections have largely been superseded by higher bandwidth broadband connections, and we estimate that at the end of 2009 around 92% of UK residential internet connections were broadband, compared to 42% five years earlier. In the UK the two main technologies for supplying broadband internet services are digital subscriber line (DSL) over a standard copper telephone line connected to a DSL or LLU-enabled local exchange or via cable modem over a cable provider's hybrid fibre-coaxial network.

The first UK fibre deployments are currently being rolled out, however these only account for a small proportion of total UK broadband connections, as do those using satellite and fixed wireless technologies which are typically used in remote areas, or to fill coverage 'not-spots'.

DSL broadband availability

As the UK availability of DSL broadband is higher than that of cable-based services, it provides a good proxy for overall broadband availability. At the end of December 2009 over 99.9% of UK households were connected to a DSL-enabled BT local exchange (Figure 5.1), and only 27 of BT's 5,587 local exchanges were not DSL-enabled (down from 28 at the end of 2008).

All homes in Wales are connected to a DSL-enabled local exchange

In Wales all homes were connected to a DSL-enabled local exchange at the end of 2009, a higher proportion than the UK average of 99.98%. Wales and Northern Ireland were the only nations where all local exchanges were DSL-enabled, and Scotland had the lowest proportion of households that were connected to a DSL-enabled exchange.

Although overall DSL broadband availability figures are high, there is still be a significant number of UK households in 'not-spots', that is areas where broadband services are not available due to factors such as the distance from the exchange, poor network quality and local technicalities. People living in these areas will not be able to fully benefit from the rapidly growing number of online services that require higher connection speeds, such as the streaming of audiovisual content. These not-spots are considered in more depth in section 1.4 of this report.

Figure 5.1 Proportion of households connected to a DSL-enabled BT exchange



Source: Ofcom / BT, December 2009 data

LLU broadband availability

Under LLU an alternative provider sites its own equipment in the BT (or Kingston Communications) local exchange. This is then connected to the LLU provider's core network and to the end-user's premises using the local loop, which is leased from either BT or Kingston Communications and is used to provide DSL broadband services (and fixed voice services in the case of full LLU). There are three main benefits to LLU:

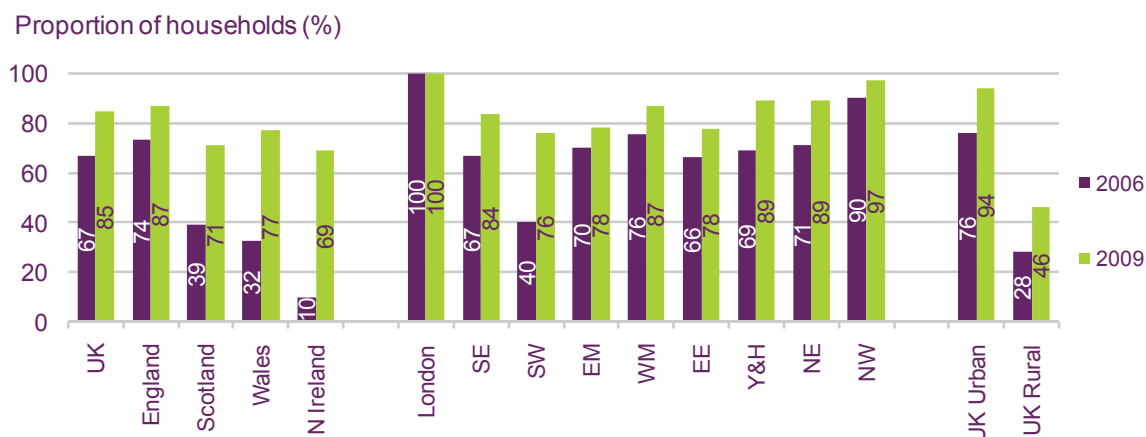
- It allows the LLU provider to take advantage of economies of scale that are not available to it when using wholesale services from BT or Kingston Communications which are purchased on a per-unit basis;
- it enables LLU providers to be more innovative with their products and tariffs; and
- it increases the choice of services available to the end-user.

At the end of 2009 LLU-based connections accounted for 35% of all UK non-corporate broadband connections, up from 32% a year previously, and LLU accounted for 90% of net non-corporate broadband additions in 2009.

85% of UK homes are connected to an LLU-enabled local exchange

At the end of December 2009, 85% of UK households were connected to an LLU-enabled local exchange (Figure 5.2), less than one percentage point higher than the figure at the end of 2008 and up from 67% three years previously. Wales had the second highest proportion of households connected to an LLU-enabled exchange among the UK nations at the end of December 2009, at 77%. This represented a 45 percentage point increase since the end of 2006, the second highest growth among the UK nations over the period.

Figure 5.2 Proportion of households connected to an unbundled exchange, 2006 and 2009



Source: Ofcom / BT, data as at December of each year

Urban households more than twice as likely as rural ones to be able to access LLU broadband services

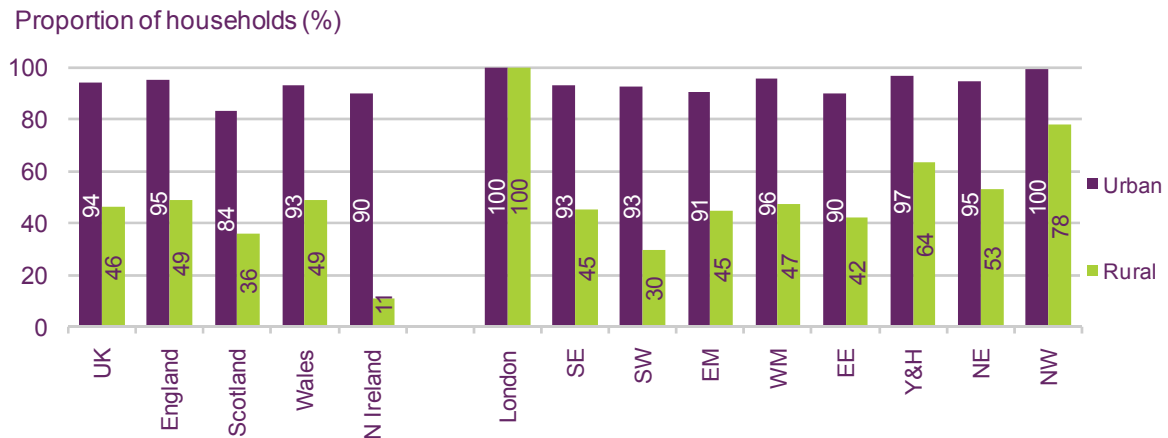
The availability of LLU-based DSL broadband services is higher in urban areas than rural ones. There are two reasons for this. Firstly, LLU deployment is characterised by high upfront costs and low per-unit costs, so operators have targeted exchanges with a large number of delivery points (which tend to be in urban areas). Secondly, because the maximum distance over which LLU broadband equipment can be backhauled to an operators' core network is approximately 40km (around 25 miles). The results of this can

be seen in Figure 5.3, which shows that at the end of December 2009 homes in urban areas were more than twice as likely as those in rural ones to be able to get LLU-based broadband services, with 94% of urban UK homes being in an unbundled area compared to 46% in rural areas.

The availability of LLU broadband services is higher in urban than rural areas in all of the UK's nations and regions with the exception of London. The analysis used in this report designates an exchange area as being urban or rural according to where the exchange is cited, and in some cases this designation will differ from that of the area covered by the exchange. This is why several urban areas of London are classed as being rural in our analysis.

Among the UK nations, the proportion of urban homes connected to an LLU-enabled exchange ranged from 84% in Scotland to 95% in England, while in rural areas the proportion was lowest in Northern Ireland at 11% and highest in England and Wales at 49%. Wales had the second highest proportion of homes connected to an LLU-enabled exchange in urban areas at the end of December 2009, at 93%.

Figure 5.3 Proportion of households in urban and rural areas connected to an unbundled exchange

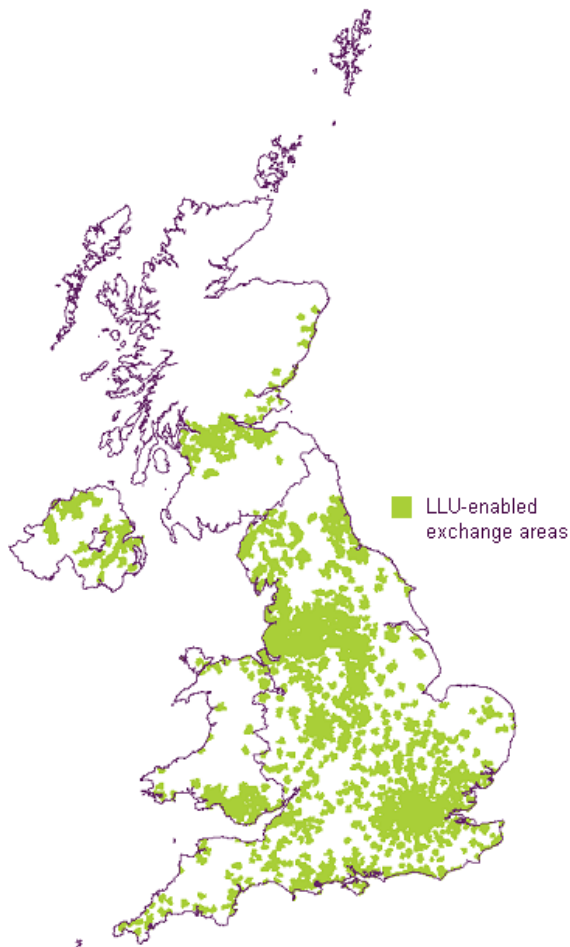


Source: Ofcom / BT, December 2009 data

Map of LLU DSL availability reflects higher availability in urban areas

The map in Figure 5.4 shows that the areas served by unbundled local exchanges tend to be in urban locations.

Figure 5.4 Map showing areas served by unbundled local exchanges



Source: Ofcom / BT, September 2009 data

Cable broadband availability

Less than half of UK households can get cable broadband

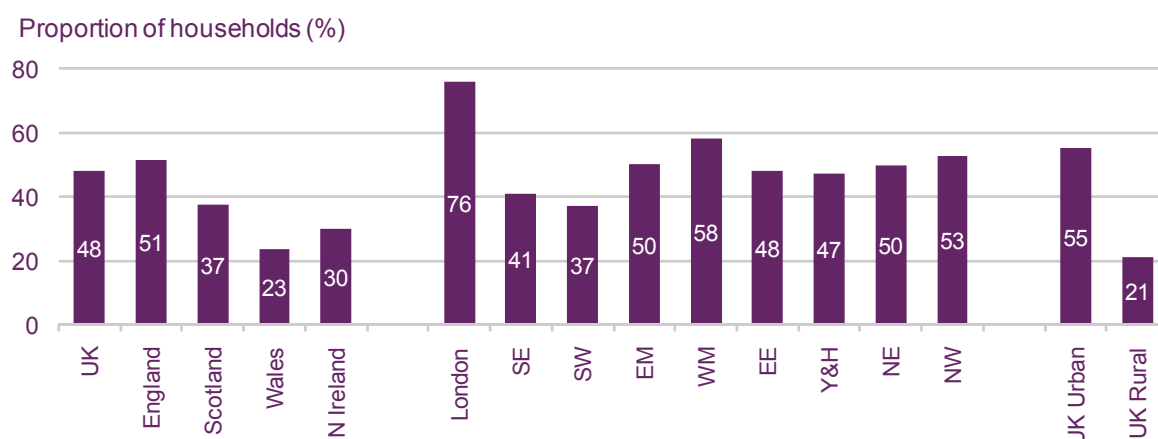
Just under half of UK households (48%) were passed by Virgin Media's broadband enabled cable network at the end of December 2009 (Figure 5.5). This figure has remained relatively stable over the past few years as the high costs related to cable network rollout have meant that Virgin Media has concentrated its efforts on upgrades to its existing network and increasing penetration in cabled areas. However, it is currently investing £100m on expanding its network to a further 500,000 homes and has announced³⁴ that it is to trial delivering broadband services over telegraph poles, having identified more than a million UK homes that could benefit from such deployments.

Wales had the lowest cable broadband availability among the UK nations at the end of 2009

Among the UK nations, Wales had the lowest proportion of homes passed by Virgin Media's broadband network at the end of 2009 at 23%, while the proportion was highest in England at 51%.

³⁴ <http://pressoffice.virginmedia.com/phoenix.zhtml?c=205406&p=irol-newsArticle&ID=1401380&highlight=>

Figure 5.5 Proportion of households passed by Virgin Media broadband



Source: Ofcom / Virgin Media, December 2009 data

Wales has the third highest proportion of rural homes passed by Virgin Media's cable broadband network and the lowest proportion of urban homes

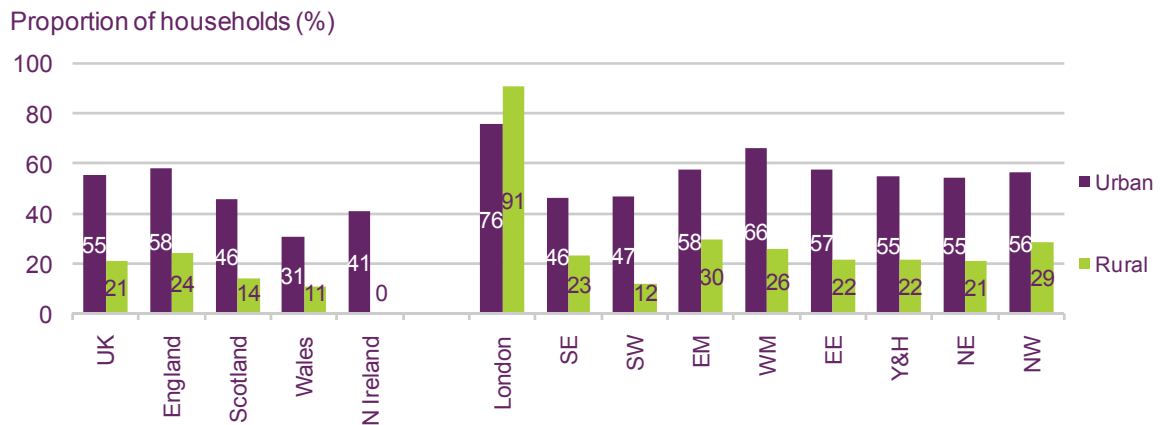
The majority of cable network rollout in the UK took place in the 1980's and 1990's and was concentrated in urban areas in order to maximise the number of homes and businesses covered, and therefore turnover, for the operator's network spend. This is reflected in Figure 5.6, which shows that while 55% of UK households in urban areas were passed by Virgin Media's broadband network at the end of 2009, only 21% of those in rural areas were.

In all of the UK nations and regions except London, broadband availability was higher in urban areas than rural areas (for the data categorisation reasons identified previously – see page 108). Among the UK nations the proportion of urban households passed by Virgin Media's cable broadband network was highest in England (58%) and lowest in Wales (31%). Similarly, the proportion in rural areas ranges from 24% in England to 0% in Northern Ireland. Wales had the third highest proportion of rural homes passed by Virgin Media's cable broadband network at the end of 2009 at 11%.

Virgin Media has announced a trial to provide broadband via electricity cables in the village of Crumlin, South Wales after reaching a commercial agreement with local power group, Surf Telecoms (a utility telecoms infrastructure provider owned by Western Power Distribution). The trial, which began in August 2010, is expected to run until 2011 and customers taking part will receive 'up to' 50Mbit/s broadband along with Virgin Media's digital television services.³⁵

³⁵ <http://www.thinkbroadband.com/news/4327-virgin-media-trials-broadband-over-electricity-poles-in-wales.html>

Figure 5.6 Proportion of households in urban and rural areas passed by Virgin Media broadband

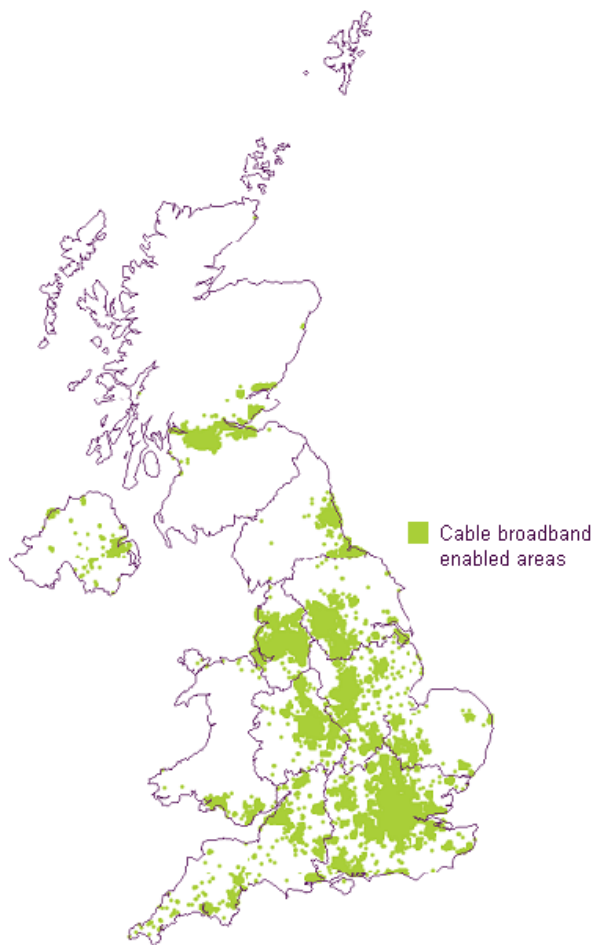


Source: Ofcom / Virgin Media, December 2009 data

As with LLU DSL, cable broadband availability is concentrated in urban areas

The map in Figure 5.7 below shows that cable availability is concentrated in urban areas.

Figure 5.7 Map of the availability of Virgin Media cable broadband



Source: Ofcom / Virgin Media, September 2009 data

Mobile services

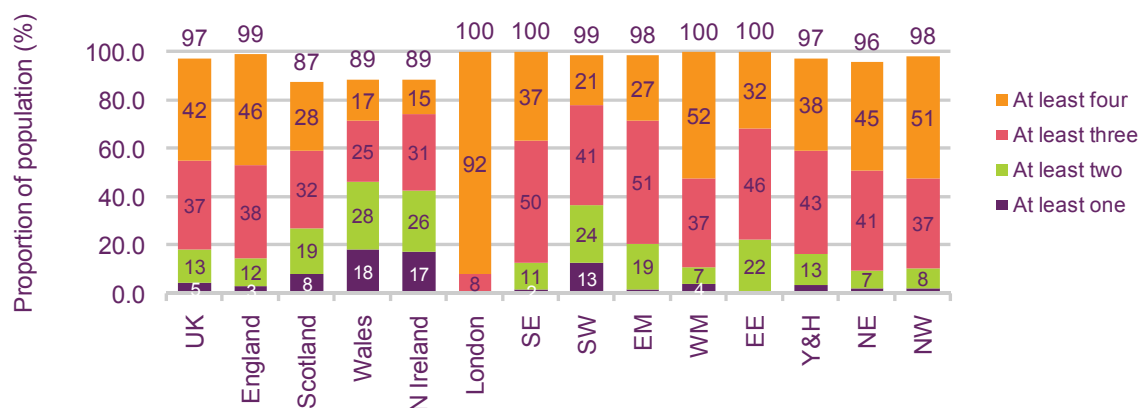
2G

As discussed in our coverage of 'not-spots' on page 34, in this report we evaluate the availability of mobile telephony across the UK by examining the number of mobile networks with second-generation (2G) and third-generation (3G) coverage in each postcode district.

Figure 5.8 shows that 89% of the population in Wales lived in a postcode district with at least 90% 3G area coverage from one or more of the mobile networks in Q2 2010. This is lower than the UK overall (97%) and England (99%) but higher than Scotland.

Within those areas in Wales with at least 90% coverage, just under a half have the choice of three or four operators providing area coverage above the threshold, while the remainder are limited to one or two operators.

Figure 5.8 2G mobile phone population coverage by number of operators



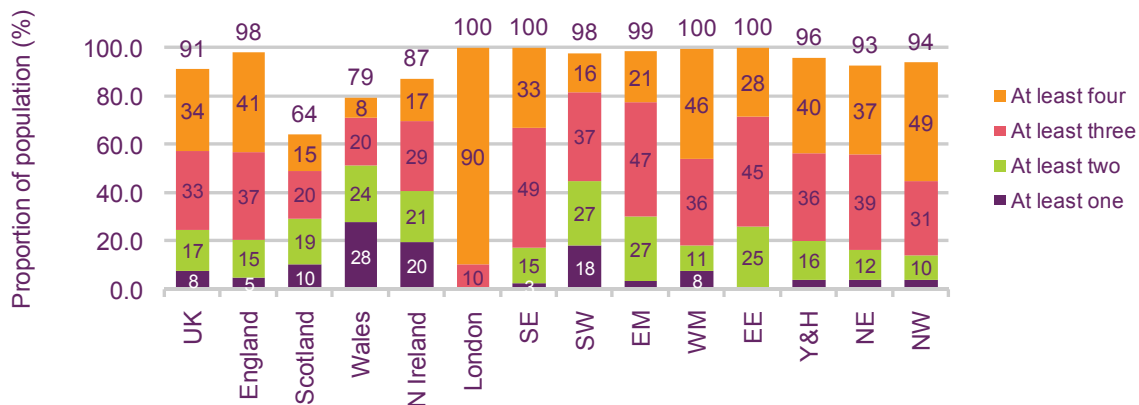
Source: Ofcom/ GSM Association / Europa Technologies; Q2 2010

Note: Figures show the percentage of population within postcode districts where at least one, two, three, four or five operators had at least 90% 2G area coverage; data not directly comparable to that published in the 2009 report.

Figure 5.9 shows the geographic coverage of 2G services (using the same 90% area coverage threshold) with 79% of postcode districts within Wales covered by one or more mobile networks; ten percentage points lower than population coverage. Wales had the second lowest geographic coverage among the nations, ahead of Scotland (64%) but below Northern Ireland (87%) and England (91%).

Nearly two-thirds of postcode districts with 90% area coverage in Wales were served by one or two providers, with the remaining third receiving 2G area coverage from three or four providers.

Figure 5.9 2G mobile phone geographic coverage by number of operators



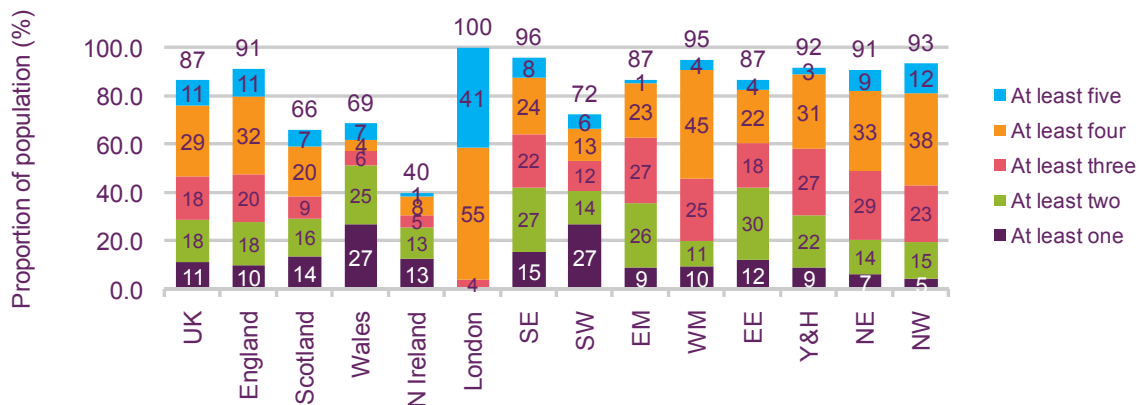
Source: Ofcom/ GSM Association / Europa Technologies; Q2 2010

Note: Figures show the percentage of postcode districts where at least one, two, three, four or five operators had at least 90% 2G area coverage; data not directly comparable to that published in the 2009 report.

3G

Figure 5.10 shows that 69% of the population in Wales lived in a postcode district with at least 90% 3G area coverage from one or more of the mobile networks in Q2 2010; lower than England (87%) but higher than Scotland (66%) and Northern Ireland (40%). Two in five of those covered in Wales were limited to only one provider exceeding the threshold while only one in five were living in an area where three or more providers offered 90% 3G area coverage.

Figure 5.10 3G mobile phone population coverage by number of operators



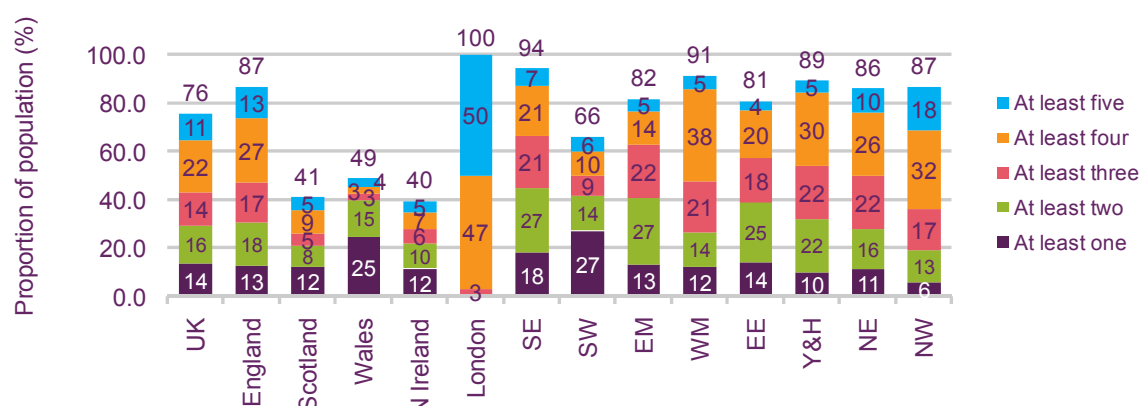
Source: Ofcom/ GSM Association / Europa Technologies; Q2 2010

Note: Figures show the percentage of population within postcode districts where at least one, two, three, four or five operators had at least 90% 3G area coverage; data not directly comparable to that published in the 2009 report.

Figure 5.11 shows the geographic coverage of 3G services by one or more mobile networks above the 90% threshold. Just under half (49%) of postcode districts in Wales had 3G area coverage from one or more mobile networks, lower than the UK overall (76%) but higher than Scotland (41%) and Northern Ireland (40%).

Over half of the covered districts in Wales had 2G coverage at a 90% area threshold from just one 2G network while one in five had coverage from at least three operators or more.

Figure 5.11 3G mobile phone geographic coverage by number of operators



Source: Ofcom/ GSM Association / Europa Technologies; Q2 2010

Note: Figures show the percentage of postcode districts where at least one, two, three, four or five operators had at least 90% 3G area coverage; data not directly comparable to that published in the 2009 report.

5.1.3 Service take-up

Mobile telephony and mobile broadband take-up in Wales on a par with the UK average

The picture of telecommunications services take-up is comparatively mixed (Figure 5.12). Despite relatively low fixed-line phone and fixed broadband penetration in 2009, mobile phones and mobile broadband take-up in Wales were broadly comparable to the UK average (89% and 16% respectively).

Along with Northern Ireland, Wales experienced the biggest rise in total broadband penetration among the UK nations, increasing by six percentage points between Q1 2009 and Q1 2010. It also saw the largest increase in mobile phone take-up, up by four percentage points compared to the previous year. Possibly related to this, fixed-line penetration fell by the same amount over that period

Figure 5.12 Take-up of communications services

| | UK | Wales | England | Scotland | N Ireland | UK Urban | UK Rural |
|-----------------------------------|-----|-------|---------|----------|-----------|----------|----------|
| Individual | | | | | | | |
| Voice telephony Fixed Line | 85% | 79% | 86% | 79% | 81% | 84% | 91% |
| Mobile | 89% | 89% | 90% | 85% | 88% | 89% | 90% |
| Internet PC | 76% | 70% | 77% | 66% | 75% | 75% | 80% |
| Total Internet | 73% | 66% | 75% | 64% | 73% | 73% | 77% |
| Broadband (fixed and mobile) | 71% | 64% | 73% | 61% | 70% | 70% | 75% |
| Fixed Broadband | 65% | 57% | 66% | 54% | 62% | 64% | 71% |
| Mobile Broadband | 15% | 16% | 15% | 12% | 14% | 16% | 11% |

Source: Ofcom research, Q1 2010

Base: All adults aged 15+ (n = 9013 UK, 1075 Wales, 5709 England, 1468 Scotland, 761 Northern Ireland, 7511 UK urban, 1502 UK rural)

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

Analysis of broadband take-up across Wales showed that penetration was relatively high across rural areas (70%) and the North/Mid Wales area (69%) (Figure 5.13). Rural areas saw the most rapid rise in broadband levels, increasing by nine percentage points over the past year compared to a five percentage point rise in urban areas. Fixed broadband take-up was particularly low in South East Wales, although take-up of mobile broadband in this region was the highest in Wales (18%).

However, despite increasing levels of take-up it should be noted that there are areas in Wales where broadband performance is likely to be poor or non-existent as a result of the long length of lines between premises and local exchanges. This is discussed in Section 1.4 of this report.

Figure 5.13 Take-up of communications services in Wales

| | | Wales | Wales urban | Wales rural | SE Wales | SW Wales | North/ Mid Wales |
|------------------------|------------------------------|-------|-------------|-------------|----------|----------|------------------|
| Individual | | | | | | | |
| Voice telephony | Fixed Line | 79% | 79% | 81% | 72% | 81% | 87% |
| | Mobile | 89% | 87% | 93% | 88% | 87% | 91% |
| Internet | PC | 70% | 68% | 76% | 64% | 70% | 79% |
| | Total Internet | 66% | 64% | 73% | 61% | 67% | 74% |
| | Broadband (fixed and mobile) | 64% | 62% | 69% | 58% | 66% | 70% |
| | Fixed Broadband | 57% | 56% | 61% | 50% | 61% | 63% |
| | Mobile Broadband | 16% | 15% | 17% | 18% | 12% | 14% |

Source: Ofcom research, Q1 2010

Base: All adults aged 15+ (n = 9013 UK, 1075 Wales, 5709 England, 1468 Scotland, 761 Northern Ireland, 810 Wales urban, 265 Wales rural, 348 South East Wales, 360 South West Wales, 367 North/ Mid Wales)

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

Fixed line

Fixed-line take-up low in Wales

At 79%, fixed-line take-up was lower in Wales than in the rest of the UK (85%), having fallen from 83% in Q1 2009. This decrease was most marked in rural areas, where fixed-line take-up fell by eight percentage points on the previous year. Across Wales, use of fixed lines was highest in North/Mid Wales (87%) and lowest in South East Wales (72%) – in line with the patterns of fixed broadband take-up (see Figure 5.14).

Figure 5.14 Fixed-line take-up



Source: Ofcom research, Q1 2010

Base: All adults aged 15+ (n = 9013 UK, 1075 Wales, 5709 England, 1468 Scotland, 761 Northern Ireland, 810 Wales urban, 265 Wales rural, 348 South East Wales, 360 South West Wales, 367 North/ Mid Wales)

QC1. Is there a landline phone in your home that can be used to make and receive calls?

Mobile

Mobile-only household penetration in Wales (19%) remains higher than the UK average (1%)

The relatively low levels of fixed-line take-up in Wales are reflected in the higher proportion of households with only mobile telephony. This accounted for 19% of households in Wales, higher than the UK average of 14%. Across Wales, the proportion of mobile-only households was markedly higher in the South East (25%) compared to North/Mid Wales where it was substantially lower at 12% (Figure 5.15). The proportion of people living in mobile-only households was constant across urban and rural areas.

Figure 5.15 Cross-ownership of household telephony services



Source: Ofcom research, Q1 2010

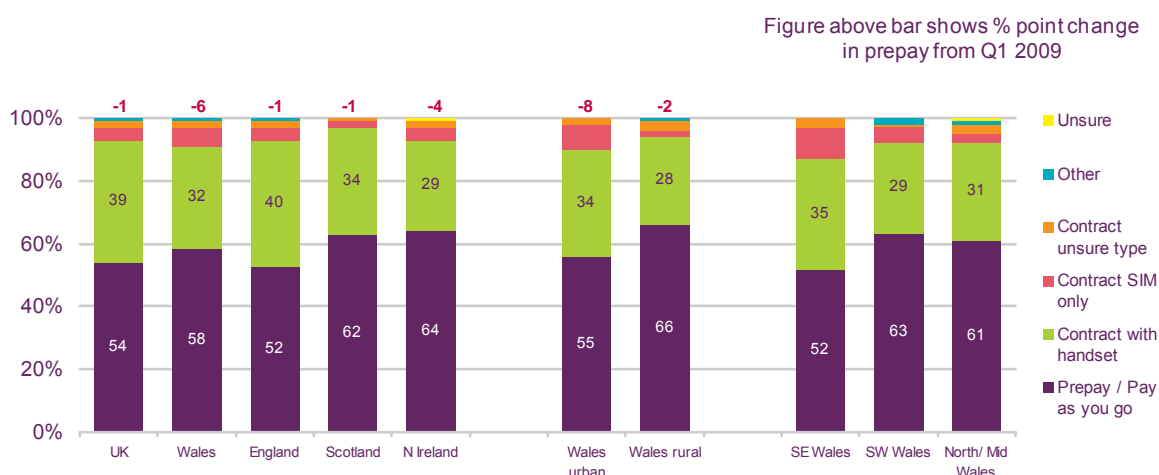
Base: All adults aged 15+ (n = 9013 UK, 1075 Wales, 5709 England, 1468 Scotland, 761 Northern Ireland, 810 Wales urban, 265 Wales rural, 348 South East Wales, 360 South West Wales, 367 North/ Mid Wales)

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

Pay-as-you-go tariffs are more popular in Wales than in the UK as a whole

A higher proportion of mobile phone users in Wales are on pay-as-you-go plans (58%) than in the UK as a whole (54%) (Figure 5.16). Mobile operators experienced the most marked decrease in the proportion of pre-pay mobile phone consumers in Wales, falling by six percentage points since Q1 2009. This suggests that operators have been more successful at converting pay-as-you go users to pay-monthly (contract) plans in Wales than in the rest of the UK. Across Wales the proportion of consumers on contracts was highest in urban areas and South East Wales.

Figure 5.16 Type of mobile subscription



Source: Ofcom research, Q1 2010

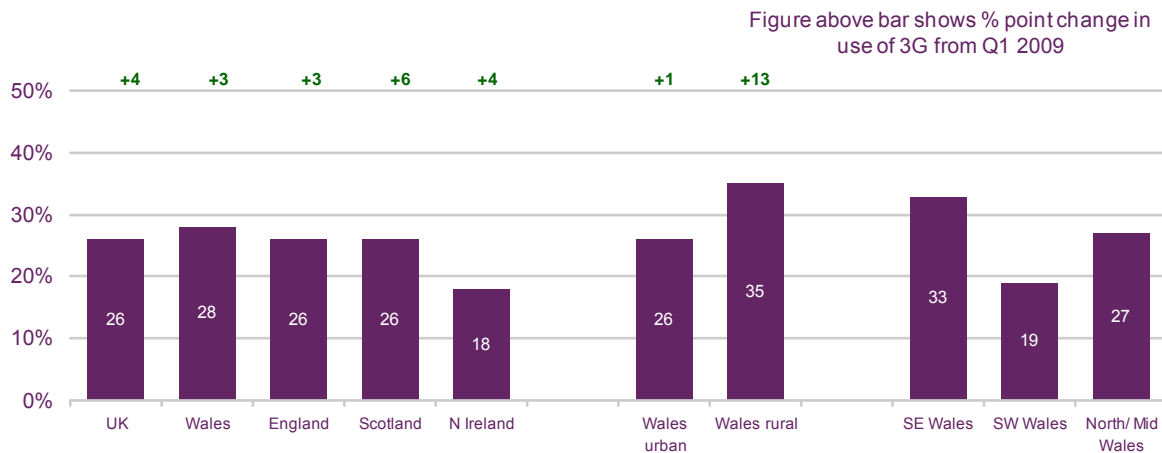
Base: Adults aged 15+ who personally use a mobile phone (n = 7826 UK, 923 Wales, 5008 England, 1237 Scotland, 658 Northern Ireland, 683 Wales urban, 240 Wales rural, 293 South East Wales, 303 South West Wales, 327 North/ Mid Wales)

QD11. Which of these best describes the mobile package you personally use most often?

Wales leads take-up of 3G handsets

Wales had the highest proportion of people with a 3G mobile phone in the UK (28%), above the UK average of 26%. In contrast to the rest of the UK, take-up of 3G mobile handsets was higher in rural (35%) than urban areas (26%) in Wales. However, take-up in South East Wales was particularly high (Figure 5.17)³⁶.

Figure 5.17 Take-up of 3G services



Source: Ofcom research, Q1 2010

Base: All adults aged 15+ (n = 9013 UK, 1075 Wales, 5709 England, 1468 Scotland, 761 Northern Ireland, 810 Wales urban, 265 Wales rural, 348 South East Wales, 360 South West Wales, 367 North/ Mid Wales)

QD24B: Do you personally use a 3G mobile handset – third generation mobile phones allow you to send and receive data at high speeds, allowing you to carry out activities such as making and receiving video calls – this might be for business or personal use?

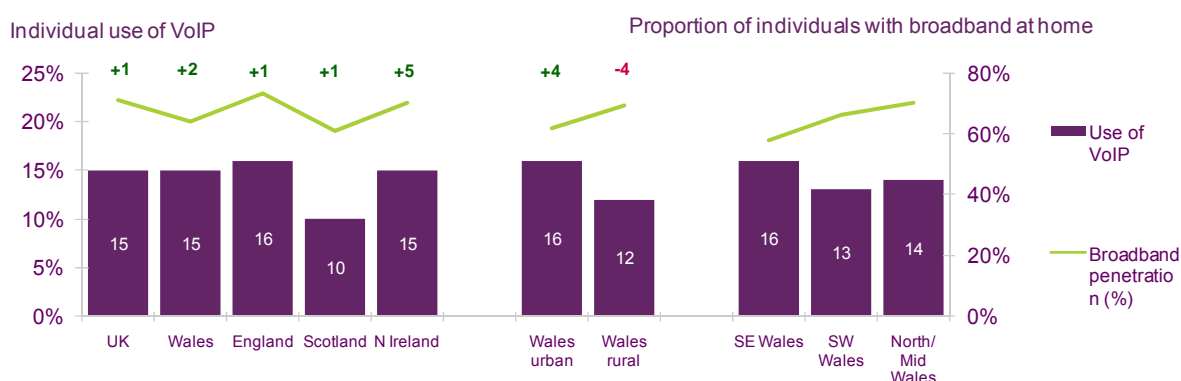
Use of the internet to make phone calls (VoIP) remains stable in Wales

Voice over internet protocol (VoIP) technology allows users to make cheap (or free) voice calls over fixed or mobile telephony networks. VoIP-only providers (e.g. Skype) and telecoms network operators (e.g. BT and Orange) provide services that make use of VoIP technology.

Use of VoIP in Wales has remained relatively stable since 2009, increasing by two percentage points since Q1 2009. In Q1 2010, 15% of adults in Wales used the internet to make telephone calls, in line with the UK average (Figure 5.18). This is despite lower levels of broadband penetration in Wales (64% compared to the UK average of 71%). Across Wales, use of VoIP was higher in urban areas, where take-up has increased by four percentage points since Q1 2009.

³⁶ Please note these numbers should be treated with some caution as it is uncertain whether consumers are accurately reporting the type of handset they have.

Figure 5.18 Proportion of adults living in a household that has used VoIP



Source: Ofcom research, Q1 2010

Base: All adults aged 15+ (n = 9013 UK, 1075 Wales, 5709 England, 1468 Scotland, 761 Northern Ireland, 810 Wales urban, 265 Wales rural, 348 South East Wales, 360 South West Wales, 367 North/ Mid Wales) QE29. Before now, were you aware that you could make voice calls using the internet?/ QE30. Have you or anyone in your household ever used one of these services to make voice calls using the internet?

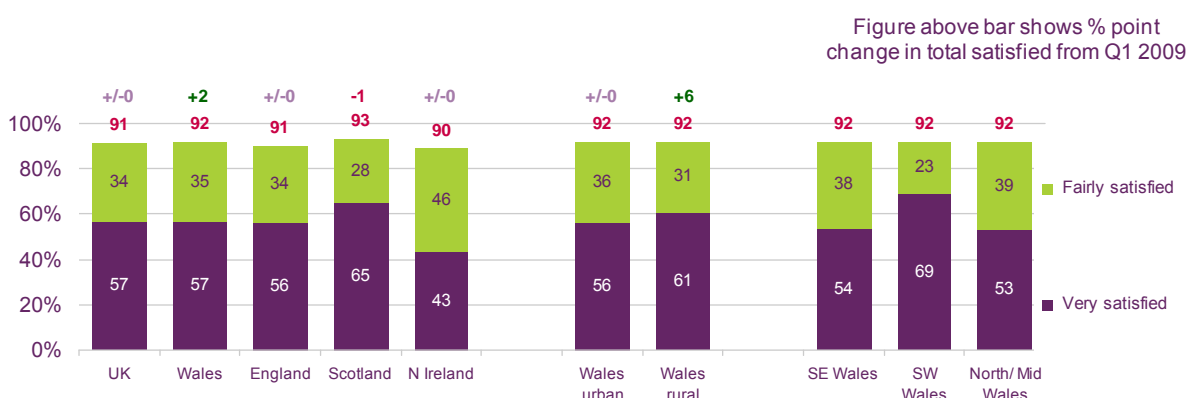
5.1.4 Satisfaction with telecoms services

Fixed line

Satisfaction with fixed-line services rising in Wales

Ninety two per cent of consumers in Wales are either fairly, or very, satisfied with fixed-line voice services; a similar level to the UK average (91%). Overall satisfaction levels were also similar across Wales and in urban and rural areas. South West Wales recorded the highest proportion of adults with a fixed line who were 'very satisfied' with their service (69%), compared to 54% in South East Wales and 53% in North/Mid Wales. Wales was the only nation to record an increase in satisfaction levels – up two percentage points on Q1 2009 figures, with this increase most pronounced in rural areas, where satisfaction has risen by six percentage points since last year (Figure 5.19).

Figure 5.19 Overall satisfaction with fixed-line service



Source: Ofcom research, Q1 2010

Base: Adults aged 15+ with a landline phone at home (n = 7494 UK, 874 Wales, 4851 England, 1141 Scotland, 628 Northern Ireland, 653 Wales urban, 221 Wales rural, 257 South East Wales, 295 South West Wales, 322 North/ Mid Wales)

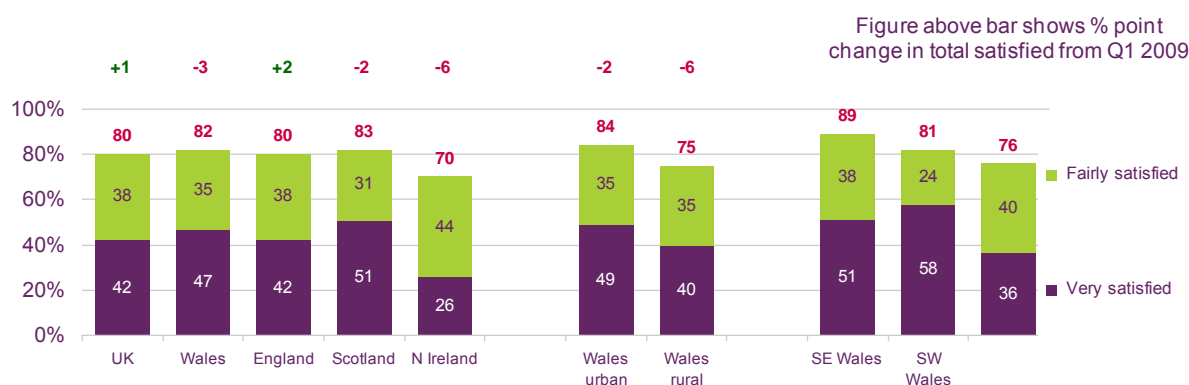
QC13a. Thinking about your home phone service only, how satisfied are you with (main supplier) for the overall service provided by (main supplier)?

Fixed broadband

Satisfaction with the speed of broadband in Wales (82%) was marginally higher than the UK average (80%), England (80%) and Northern Ireland (70%). In contrast to the satisfaction levels with overall broadband services, satisfaction with connection speeds varied across Wales, with these being lowest in rural areas and North / Mid Wales (75% and 76% respectively), and highest in South East Wales (89%) (Figure 5.20).

This may be the consequence of rural consumers typically receiving slower speeds than urban consumers, as a result of longer line length between exchange and premises (it is a characteristic of broadband delivered over a copper wire that speeds degrade with distance), as well as the lower availability of higher-speed cable services.

Figure 5.20 Satisfaction with speed of fixed broadband connection



Source: Ofcom research, Q1 2010

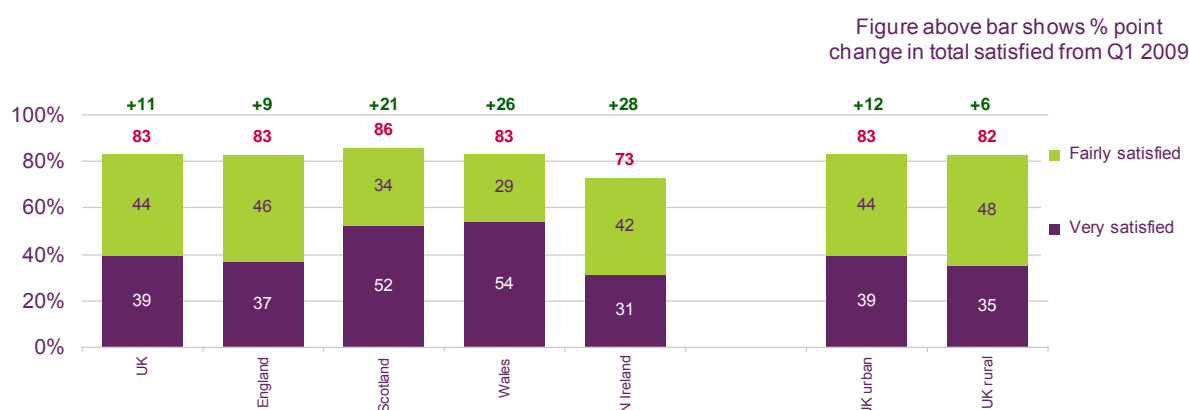
Base: Adults aged 15+ with a fixed broadband connection at home (n= 5410 UK, 604 Wales, 3559 England, 778 Scotland, 469 Northern Ireland, 444 Wales urban, 160 Wales rural, 165 South East Wales, 211 South West Wales, 228 North/ Mid Wales)

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

Mobile broadband

Over eight in ten customers in Wales were satisfied with their mobile broadband service, with over one-third very satisfied with the service. Satisfaction levels in Wales were on a par with the UK average (both 83%), but marginally behind Scotland, where 86% of mobile broadband customers were satisfied with their service. There were similar levels of satisfaction across urban and rural areas of the UK.

Figure 5.21 Overall satisfaction with mobile broadband



Source: Ofcom research, Q1 2010

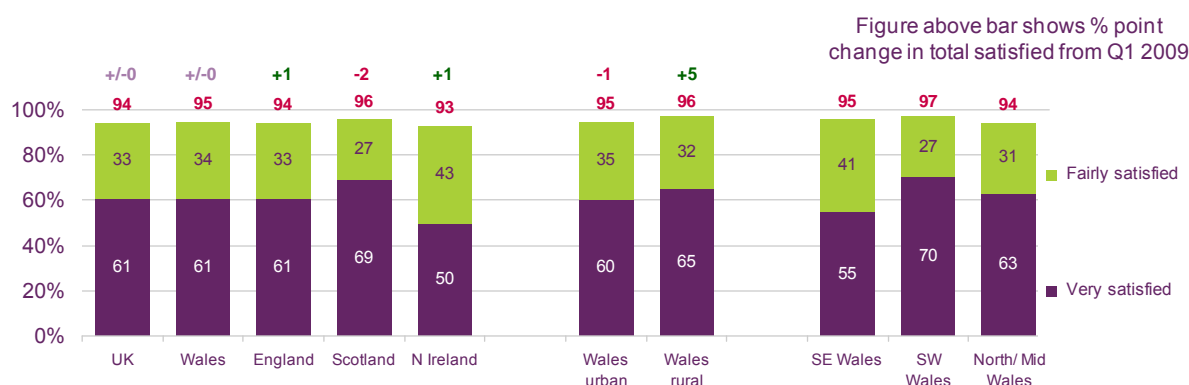
Base: Adults aged 15+ with a mobile broadband connection (n= 1353 UK, 874 England, 208 Scotland, 166 Wales, 105 Northern Ireland)

QE8aa. Thinking about your mobile broadband internet service, how satisfied are you with (main supplier) for the overall service provided by (main supplier)?

Mobile

Figure 5.22 shows that overall satisfaction with mobile phone services remained high in Wales (95%) and on a par with the UK average (94%). The proportion of consumers in Wales who were satisfied with their mobile service was slightly higher than that for fixed-line phones (91%), as shown below. Satisfaction with mobile services was similar in urban and rural areas and across Wales. People in South West Wales were most likely to be very satisfied with the mobile phone service (70%).

Figure 5.22 Overall satisfaction with mobile phone service



Source: Ofcom research, Q1 2010

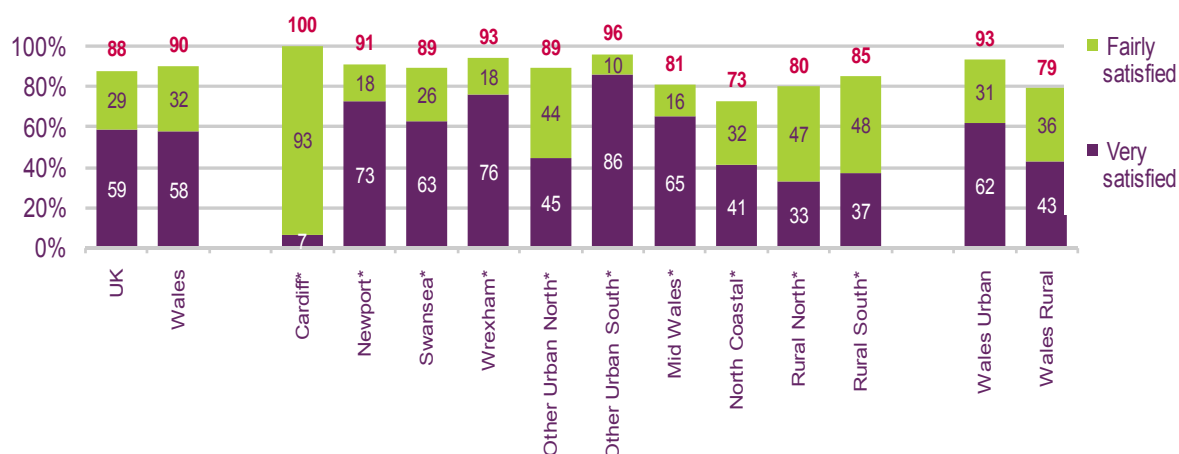
Base: Adults aged 15+ who personally use a mobile phone (n = 7826 UK, 923 Wales, 5008 England, 1237 Scotland, 658 Northern Ireland, 683 Wales urban, 240 Wales rural, 293 South East Wales, 303 South West Wales, 327 North/ Mid Wales)

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

People in Wales are more satisfied with mobile services in urban than rural areas

The proportion of mobile phone users satisfied with their mobile reception in Wales (90%) was slightly higher than the UK average (88%) (Figure 5.23). However, satisfaction levels were significantly lower in rural areas (79%) than in urban areas (93%), and in particular there were lower levels of satisfaction in Mid Wales and the North coastal regions.

Figure 5.23 Satisfaction with reception of mobile phone service



QD21c. Thinking about your mobile phone service only, how satisfied are you with (main supplier) for reception/ accessing network?

Source: Ofcom research, Q1 2009

Base: Adults aged 15+ who personally use a mobile phone (n= 5273 UK, 836 Wales)

*Base size less than 100: Apply caution and treat as indicative only

Note: Figures above chart columns indicate the proportion of people who were 'very' or 'fairly' satisfied

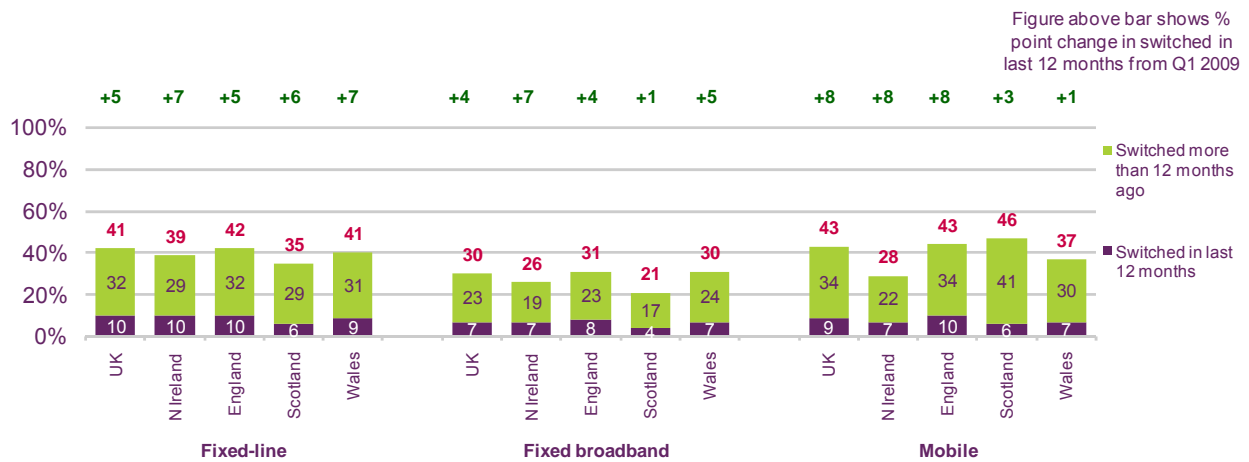
Switching

As shown in Figure 5.24, people in Wales were as likely (41%) to have switched their fixed-line supplier than the UK average, and more likely to have switched than people living in Northern Ireland (39%) or Scotland (41%). In the past year, 9% of people in Wales switched their landline service from one supplier to another.

People in Wales were also as likely as the UK average (30%) to have switched their fixed broadband service. However, far fewer people in Wales have switched their mobile phone service.

Thirty seven per cent of people in Wales have switched their mobile phone service from one supplier to another, less than the UK average of 43%, and less than in England or Scotland. However, people in Wales were more likely to have switched their mobile phone supplier than people living in Northern Ireland (28%).

Figure 5.24 Fixed line, fixed broadband and mobile supplier switching



QC14a. Apart from when you moved house, have you or your household ever changed the company that provides any of your home landline phone, broadband and mobile services?

Source: Ofcom research, Q1 2010

Base: Adults aged 15+ with a landline phone at home (n = 7494 UK, 628 Northern Ireland, 4851 England, 1141 Scotland, 874 Wales, 402 Northern Ireland urban, 226 Northern Ireland rural, 291 Belfast metropolitan area, 337 rest of NI). Adults aged 15+ with a fixed broadband connection at home (n= 5410 UK, 469 Northern Ireland, 3559 England, 778 Scotland, 604 Wales, 297 Northern Ireland urban, 173 Northern Ireland rural, 230 Belfast metropolitan area, 239 rest of NI). Base: Adults aged 15+ who personally use a mobile phone (n = 7826 UK, 658 Northern Ireland, 5008 England, 1237 Scotland, 923 Wales, 428 Northern Ireland urban, 230 Northern Ireland rural, 298 Belfast metropolitan area, 360 rest of NI)

Note: Figures above chart columns indicate the proportion of people with a personal mobile phone who have ever switched supplier.