Communications Market Report: Scotland

Research Document

Publication date: 6 August 2015

About this document

The report contains statistics and analysis of the Scotland communications sector and is a reference for industry, stakeholders and consumers. It also provides context to the work Ofcom undertakes in furthering the interests of consumers and citizens in the markets we regulate.

The report contains data and analysis on broadcast television and radio, fixed and mobile telephony, internet take-up and consumption and post.

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

Introduction

This is Ofcom's tenth annual review of communications markets in Scotland, offering an overview of the take-up and use of communications services across the nation.

The report reveals the impact of the two major events of the year – the XX Commonwealth Games held in Glasgow and the Scottish Independence Referendum. Largely as a result, money spent on programmes for viewers in Scotland increased substantially – particularly on current affairs. It's worth noting that spending on Gaelic language programming also went up.

However, the evidence shows that people in Scotland are becoming less and less likely to watch content on TV at the time it is transmitted. Catch-up viewing is becoming increasingly popular.

As in previous years, we analyse the trends for broadband take-up in Glasgow. The fact that overall internet access has gone up, by nine percentage points in a year when access via mobile devices is included, is a positive finding.

In last year's *Communications Market Report* we noted that Scotland was becoming a more connected nation. There are signs of this continuing; the increases both in 4G service take-up and in tablet ownership are particularly noteworthy.

For radio, digital listening increased by only a small extent. However, over a third of all listening in Scotland is through a digital platform.

The section on post shows that people in Scotland are more likely than people in the other nations to send personal mail, and they continue to have high levels of satisfaction with Royal Mail.

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

The full data set and charts are available in a searchable resource, which can be found at www.ofcom.org.uk/cmrscotland. Companion reports for the UK and each of the nations can be found at www.ofcom.org.uk/cmr.

Contents

Setting the scene

Key facts about Scotland

Figure	Scotland	UK
Population	5.328 million (mid-2013 estimate)	64.106 million (mid-2013 estimate)
Age profile	Population aged <16: 17.1% Population aged 65+: 17.8%	Population aged <16: 20.0% Population aged 65+: 17.4%
Population density	68 people per square kilometre	263 people per square kilometre
Language	87,000 people aged 3 and over (1.7% of the population) had some Gaelic language ability in 2011.	n/a
Unemployment	6.0% of economically active population, aged 16 and over	5.5% of economically active population, aged 16 and over
Income and expenditure	Weekly household income: £674 Weekly household expenditure: £449	Weekly household income: £711 Weekly household expenditure: £497

Source: Office for National Statistics: Population Estimates for UK, England and Wales, Scotland and Northern Ireland, Mid-2013; Office for National Statistics: Regional Labour Market, May 2015; Office for National Statistics: Family Spending 2014 edition; National Records of Scotland, Statistical Bulletin – September 2013; 2011 Census, 2011 Census: Key Results

A note on our survey research

We conducted a face-to-face survey of 3,756 respondents aged 16+ in the UK, with 492 interviews conducted in Scotland. Quotas were set and weighting applied to ensure that the sample was representative of the population of Scotland in terms of age, gender, socio-economic group and geographic location. Fieldwork took place in January and February 2015.

Respondents were defined as urban if they lived in a settlement with a population of 2000 or more, and rural if they lived in areas with smaller populations. The survey sample in Scotland has error margins of approximately +/- 3-6% at the 95% confidence level. In urban and rural areas; survey error margins are approximately +/-4-7%.

In addition to the survey data, this report refers to information from a range of other sources, including data provided to Ofcom by stakeholders.Tables summarising the data collected in our survey are published on Ofcom's website.

1 Scotland's communications market

1.1 Key findings for Scotland

Introduction

This section sets out a selection of the key facts and figures relating to communications markets across Scotland in 2014[1], comparing and contrasting nations and highlighting changes that have taken place in the past year.

Key findings for Scotland

Changes in audio-visual consumption in Scotland

- **On average, viewers in Scotland watched 7 minutes less broadcast television per day in 2014, at 3 hours 50 minutes**. This was the smallest decline across the nations, compared to a fall of 15 minutes per day in Northern Ireland, 12 minutes per day in Wales, 9 minutes per day in England[2], and 11 minutes across the UK (network) as a whole.

- **Ofcom's consumer research found fewer people claiming to be watching traditional TV (i.e. at the time of broadcast) compared to the previous year in Scotland:** 7% of respondents said they were doing this more, while 41% said they were doing it less; a net change of -34%.

- **The research also showed increases in non-traditional viewing among Scottish respondents**. Net gains were +36% watching non-subscription catch-up (e.g. iPlayer), +24% watching content they had personally recorded and +15% saying they used subscription on-demand services (e.g. Netflix).

- **Claimed reductions in traditional TV viewing (i.e. at time of broadcast), viewing via a TV screen and viewing content from public service broadcasters were smaller than reductions in watching DVDs (net loss of -42% in Scotland) and going to the cinema (-34% in Scotland) over the same period.**

- **These findings are similar to the picture for the UK as a whole**, although the trends are more marked in Scotland.

- **Just over one in five (21%) adults in Scotland, had used standalone video subscription services in 2015, an increase of 12 percentage points since the same time in 2014.** Use of standalone video subscription services in Scotland (21%) is higher than in Northern Ireland (14%), Wales (14%) and the UK as a whole (15%). Just under half of adults in Scotland (49%) use catch-up services; in-line with Wales (48%); the UK as a whole (48%); and significantly higher than in Northern Ireland (32%). PVR usage in Scotland (58%) is similar to the UK average.

[1] The Ofcom Technology Tracker also includes data from Q1 2015.
[2] The figure for England reflects the average across the English regions with the largest decline in North East (-17 minutes) and the smallest decline in Border (-2 minutes).

Social communication online and social networking

- **Two-thirds of internet users in Scotland agree that technology has changed the way they communicate, and three-fifths say that new communications methods have made life easier.** However, these new communication methods also bring some downsides. Around half of all online adults in Scotland (53%) agree that being online interrupts face-to-face conversations with friends and family, and a quarter (24%) agree that they spend too much time online, compared with spending actual time with friends and family.

- **People use a mix of communication methods, both new and old, to make contact with family and friends. Text messages and email are common weekly choices, but the more traditional methods of meeting face-to-face and talking on the phone are still integral to the mix.** Text messaging (73%) and email communications (73%) are the top two most common methods of contact on a weekly basis. However, meeting face-to-face (61%) and voice calls (60%) are also used by a majority.

- **One in five adults say they are 'hooked' on social media.** Overall, over one in five adults (23%) in Scotland indicated a rating of between 7 and 10 on a 10-point scale (where 1 equated to 'I'm not at all hooked on social media' up to 10, 'I'm completely hooked on social media').

- **In terms of reach, Facebook is the most popular social media site, followed by YouTube.** Eight in ten (80%) online adults in Scotland said they had ever used Facebook, when prompted with a list of websites. YouTube follows closely behind with 70% of online users in Scotland having 'ever used' it. Twitter (32%), WhatsApp (29%) and LinkedIn (28%) also used by a significant minority.

TV and audio-visual content

- **BBC/STV spend on first-run originated content for viewers in Scotland grew in nominal terms in 2014.** Due to unique events programming, PSB spend in 2014 on first-run originated programmes for viewers in Scotland increased by £16m (or 31%) in nominal terms since 2013 and by 35% since 2009.

- **Nominal spend on Gaelic-language programming, broadcast by BBC Alba, increased by 15% year on year in 2014.** Spend on news increased by a fifth (19%), while non-news increased by 15%. Spending on current affairs output remained stable in nominal terms.

- **Half of all households in Scotland have access to HDTV services, in line with the UK average.** Seventy-two per cent of households in Scotland claim to either have HDTV services or have an HD-ready television. This figure is in line with the UK average and is unchanged since 2014. Smart TV ownership in Scotland increased by 11pp to 19% of TV households, also on a par with the UK average.

- **BBC One Scotland's and STV's early evening local news bulletin attracted a greater share in Scotland than the UK average for the same slot in 2014.** BBC One's early evening local news bulletin attracted an average 30.5% share of TV viewing in Scotland, higher than the UK average for the same slot (28.2%). STV's counterpart bulletin attracted a lower share than BBC One's, although at 22.7% it was higher than the Channel 3 UK average (18.0%).

Radio and audio content

- **People in Scotland spend more time than the UK average with commercial stations.** Commercial stations accounted for almost half (48%) of all listening hours in Scotland in 2014. This is 5pp higher than the UK average and the highest share for commercial radio across the UK nations.
- **Over a third of all listening in Scotland is through a digital platform.** Digital listening in Scotland grew by 1.9pp year on year, and now over a third (35%) of listening hours are through a digital platform. This compares to the UK share of 37% for digital listening in 2014.
- **Four new community radio stations launched during the year,** bringing the total number of community stations on air in Scotland to 26.

Telecoms and networks

- **Seventy-three per cent of premises in Scotland were able to receive superfast broadband services in May 2015.** This was the lowest proportion among the UK nations; availability was highest in England at 84%.
- **Scotland had a substantial increase in 4G availability between June 2014 and May 2015.** The proportion of premises in Scotland in areas with outdoor 4G mobile coverage stood at 79.7% in May 2015.
- **Take-up of household fixed broadband is lower in Scotland than in the UK as a whole.** Across the UK, 78% of homes had a fixed broadband connection of some description in Q1 2015, compared to 71% in Scotland.
- **Just under one in five households in Scotland are mobile-only;** 17% of households in Scotland used mobiles as their only form of telephony in Q1 2015, a similar level to that across the UK as a whole (15%).
- **Take-up of fixed broadband in Glasgow continues to be lower than the UK average. (78% UK vs. 62% Glasgow).** Fixed broadband take-up in Glasgow has remained stable since 2014 (2014: 63%, 2015: 62%).
- **While broadband access in Glasgow is at 62%, overall internet access increases to 75% when access via web-enabled mobile devices (e.g. smartphones, PDAs and tablets) is included.** This compares to 63% and 66% respectively for the same Glasgow-specific analysis last year.

Internet and web-based content

- **Following growth in previous years, smartphone take-up has remained at the same level in 2015 as in 2014** at around six in ten adults (63%), against 66% for the UK as a whole.
- **Half of all adults in Scotland said they had a tablet computer in the household (52%), a 10pp increase since 2014 (42%).** Take-up of tablet computers in Scotland is in line with the UK as a whole (at 54% of households).
- **People in Scotland said they spent more time online in 2014** (an average of 19.9 hours a week) than in 2013 (16.5 hours a week).

Post

- **Adults in Scotland are the least likely to send post each month.** Over a third of adults in Scotland hade not sent any post in the past month. Those in Scotland also sent fewer items than other nations on average each month (5.0) except those in Northern Ireland who sent an average of 4.5 items.

- **Adults in Scotland send more personal mail than other nations.** Nearly two thirds of adults in Scotland (63%) said that they had sent invitations and greeting cards in the past month.

- **Adults in Scotland are more satisfied than the rest of the UK with the cost of postage**. Almost seven in ten (69%) of adults in Scotland were satisfied with this, compared to just 58% across the whole of the UK.

Figure 1.1 Fast facts for Scotland

Nations' Fast Facts: wave 1 2015 (%)– unless otherwise stated, figures relate to household take-up

	UK	England	Scotland	Wales	Northern Ireland	UK urban	UK rural	Scotland urban	Scotland rural
Digital TV take-up	97	97	96	98	97	96 -	98 +	95	98
Pay digital TV	59	58	58 -10	67[1] + +10	63	59 +	55 -	58 -12	60
Freeview-only TV	30	30 -3	35[2] +10	24 - -9	28	30 -	35 +	35 +11	34
Smart TV take-up (among TV homes)	21 +9	21 +9	19 +11	17 +8	15 - +8	20 +8	23 +12	20 +13	15
HDTV service (among those with a HDTV)	75 +5	75 +5	75	69 -	75	74 - +4	81 +	76	72
DAB ownership (among radio listeners)[3]	43	44	37	47	29 -	42 -	50 +	38	35
Catch-up TV/ film viewing online/ on-demand (via any device, among those who use the internet)	56 +5	56 +5	62	57	42 -	56 +4	56 +10	62	63
Total internet access at home (via any device)	85 +3	86 +4	78 -	86 +6	79 -	85 +3	85	79	77
Broadband take-up at home (fixed or broadband)	80 +3	81 +4	73 -	78 +7	72 -	79 +3	82	73	73
Use mobile to access internet	61 +4	62 +5	59	59	60 +9	62 + +4	55 -	60	54
Mobile phone take-up (personal use)	93	93	91	90	91	92	93	90	93
Smartphone take-up (personal use)	66 +5	67 +6	63	63	63 +8	67 + +5	59 -	64	60
4G service take-up (among smartphone owners)	45 +26	45 +26	55 + +25	36 - +16	40 +25	46 + +26	35 - +16	56 +24	46 +29
Fixed landline take-up	84	85	82	83	84	84 -	90 +	81	86
Desktop PC take-up	34	37	22 -	26 -	28 -	34	35	22	24 -10
Laptop take-up	65	66	55 -	65 +8	55 -	64	67	55	55
Tablet computer take-up	54 +10	54 +10	52 +10	60 + +15	54 +9	54 +11	55 +8	53 +12	47
E-reader take-up (personal use)	20 +3	20 +3	14 -	19	15 -	19 +3	22	14	16
Households taking bundles	63	64	61	67 +8	61 +7	63	67	62	56 -9

Key: +Figure is significantly higher for nation than UK average or significantly higher for nation's urban/ rural than for nation's rural/ urban; -Figure is significantly lower for nation than UK average or significantly lower for nation's urban/ rural than for nation's rural/ urban; +xx Figures have risen significantly by xx percentage points since W1 2014; +xxFigures havedecreased significantly by xx percentage points since W1 2014;

	UK	England	Scotland	Wales	Northern Ireland
Fixed telephony availability	100	100	100	100	100
Fixed broadband availability[4]	99.98	100	99.86	100	100
LLU ADSL broadband availability[5]	95	96	89	93	89
Virgin Media cable broadband availability[6]	44	47	36	21	27
BT Openreach / Kcom fibre broadband availability[7]	82	82	75	83	92
NGA broadband availability[8]	90	90	85	87	95
Superfast broadband availability	83	84	73	79	77
2G mobile availability[9]	99.7	99.8	99.5	98.9	98.9
3G mobile availability[10]	99.3	99.6	97.1	97.9	98.6
4G mobile availability[11]	89.5	92.1	79.7	62.8	91.1
DTT availability[12]	98.5	98.6	98.7	97.8	97.4
TV consumption (minutes per day) (2014)	220	221 *	239	251	227
Radio consumption (minutes per day)	183	184	171	138	185

Source: Ofcom Technology Tracker W1 2015, BARB 2014, RAJAR, industry data
Base: All adults aged 16+ (n = 3756 UK, 496 Wales, 2264 England, 492 Scotland, 504 Northern Ireland, 1974 England urban, 290 England rural, 246 Scotland urban, 246 Scotland rural, 249 Wales urban, 247 Wales rural, 249 Northern Ireland urban, 255 Northern Ireland rural)
1. This increase may be attributable to an anomalous decline in Wales of cable TV as main television set in 2014 - In 2015 cable take-up in Wales increased by 6 pp to 10% over the previous year, returning it to 2013 levels. Market research surveys are subject to sample error and will occasionally report anomalous results.
2. In 2014 the survey data indicated a decline in use of Freeview as a main television service in Scotland. The 2015 measure is similar to the previous measure from 2013. This may suggest that the apparent decrease in 2014 could have been accounted for by sample error.
3. DAB ownership in the nations and UK as reported here is sourced from Ofcom research. The UK CMR uses RAJAR data for DAB ownership
4. Proportion of premises connected to an ADSL-enabled BT local exchange based on BT data, December 2014
5. Proportion of premises connected to an LLU-enabled BT local exchange based on BT data, December 2014
6. Proportion of premises able to receive Virgin Media cable broadband services, May 2015
7. Proportion of premises able to receive BT Openreach/ KCom fibre broadband services, May 2015; under regulatory rules other providers can provide retail fibre broadband services to consumers using these networks.
8. Proportion of premises able to receive NGA broadband services, May 2015
9. Proportion of premises with outdoor 2G mobile coverage from at least one operator, May 2015
10. Proportion of premises with outdoor 3G mobile coverage from at least one operator, May 2015
11. Proportion of premises with outdoor 4G mobile coverage from at least one operator, May 2015
12. Estimated proportion of homes that can receive the PSB channels via DTT (3PSB Mux coverage). Joint TV planning project (Arqiva, BBC, Ofcom).
** This figure reflects the average across the English regions with the highest in Border at 250 minutes (4 hours 10 minutes) and lowest in West at 197 minutes (3 hours 17 minutes) respectively.*

1.2 Social communication online

Introduction

Ofcom conducted a survey among internet users to investigate how the internet, and being online and connected, has influenced the way in which people maintain their existing relationships, as well as build new contacts and friendships[3].

This section looks at Scotland. It is worth noting that there are no significant differences between Scotland and the other nations, so the story is consistent with the other nations throughout[4]. All figures reported in the narrative relate to Scotland unless stated otherwise.

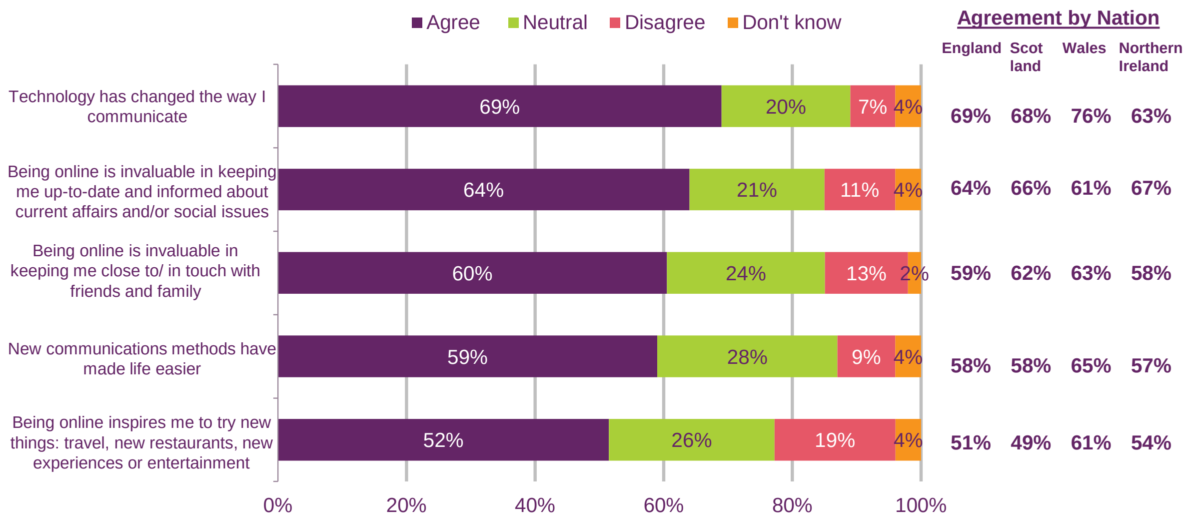
Attitudes to online communications

<u>Two-thirds of internet users in Scotland agree that technology has changed the way they communicate</u>

Two-thirds (68%) of internet users in Scotland agree that '*technology has changed the way they communicate*' and three-fifths (58%) agree that these new communication methods have '*made their life easier'*.

Digital communications are also seen to bring benefits. Around two-thirds (66%) of online adults in Scotland agree that '*being online is 'invaluable for keeping them informed about current affairs and social issues*' and agree that it helps them '*keep in touch with close family and friends*' (62%). Around half (49%) agree that it '*inspires them to try new things'*.

Figure 1.2 Level of agreement with positive statements about online communications, by nation



Source: Ofcom research, 'Connected Devices', May 2015
Base: All online adults aged 16+ (n=2290), England (n=1879), Scotland (n=200), Wales (n=113), Northern Ireland (n=98).

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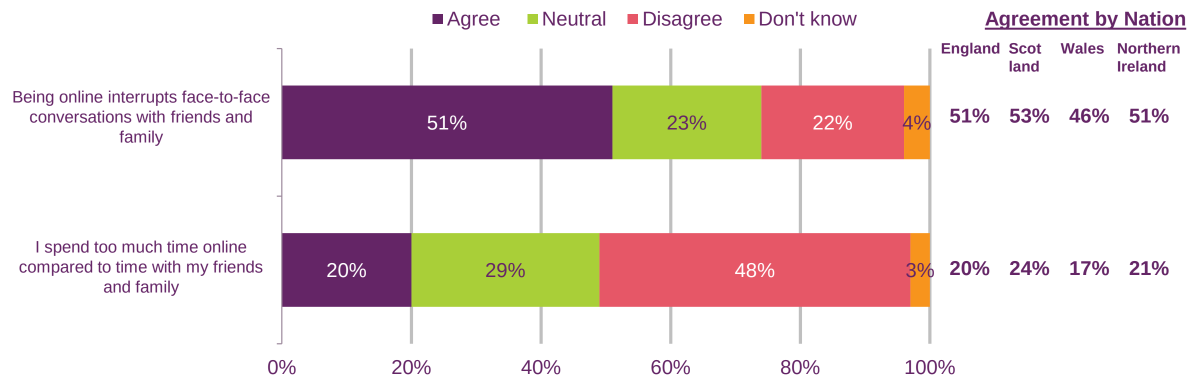
[3] The survey was conducted by YouGov in May 2015 among an online sample of 2,290 UK adults and provides a snapshot of people's personal communications. The number of interviews achieved by nation are: England = 1879, Scotland = 200, Wales = 113 and Northern Ireland = 98.
[4] Due to low base sizes, the confidence with which the population average can be estimated within nation is limited. This means that only large differences between nations (between 8% and 18%) can be reported as significantly different at 95% confidence. No differences between nations are significant when these margins of confidence are applied.

Q115. How much do you agree or disagree with the following statements?

A quarter (24%) of online adults in Scotland think that they spend too much time online compared to time spent with friends and family

Despite the benefits seen in Figure 1.2, these new communication methods also bring some downsides. Around half of all online adults in Scotland (53%) agree that '*being online interrupts face-to-face conversations with friends and family*' and a quarter (24%) agree that they '*spend too much time online compared with spending actual time with friends and family'*. There is no significant difference between the nations on these two statements.

Figure 1.3 Level of agreement with negative statements about online communications, by nation



Source: Ofcom research, 'Connected Devices', May 2015
Base: All online adults aged 16+ (n=2290), England (n=1879), Scotland (n=200), Wales (n=113), Northern Ireland (n=98).
Q115 How much do you agree or disagree with the following statements?

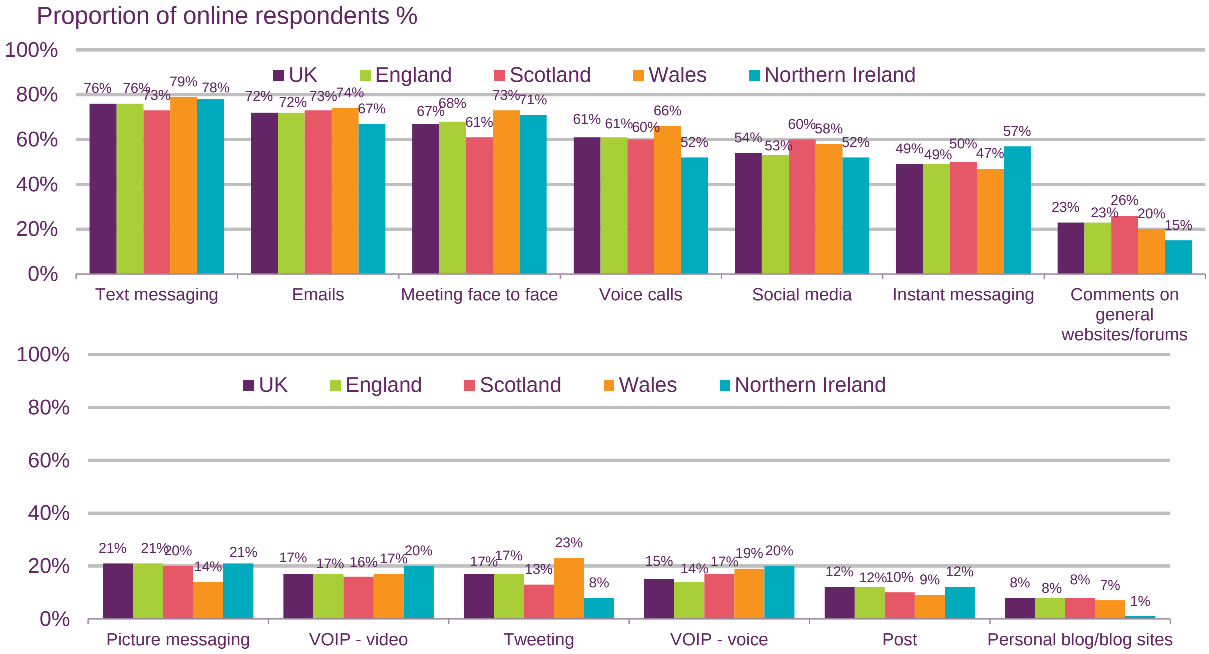
Communication methods

Text messaging and email are the most common weekly methods of communicating with family and friends

Figure 1.4 shows that text messaging (73%) and email communications (73%) are the top two most common methods of contact on a weekly basis. However, meeting face-to-face (61%) and voice calls (60%) are also used by a majority, alongside social media (60%). Instant messaging (50%) is used by half of online adults in Scotland. Around a quarter of online users make comments on websites (26%) and one in five (20%) use picture messaging services.

Postal communications such as letters or cards are used weekly or more often by one in ten (10%), increasing to a quarter (25%) when extending the time frame and considering usage once a month or more often.

Figure 1.4 Methods of communicating with friends and family: once a week or more often, by nation



Source: Ofcom research, 'Connected Devices', May 2015
Base: All online adults aged 16+ (n=2290), England (n=1879), Scotland (n=200), Wales (n=113), Northern Ireland (n=98).
Q50. Thinking about your personal communications in general, how often do you use the following to communicate with family and friends?

Communicating with friends and family

Over two-thirds of people in Scotland prefer to communicate with family members in person

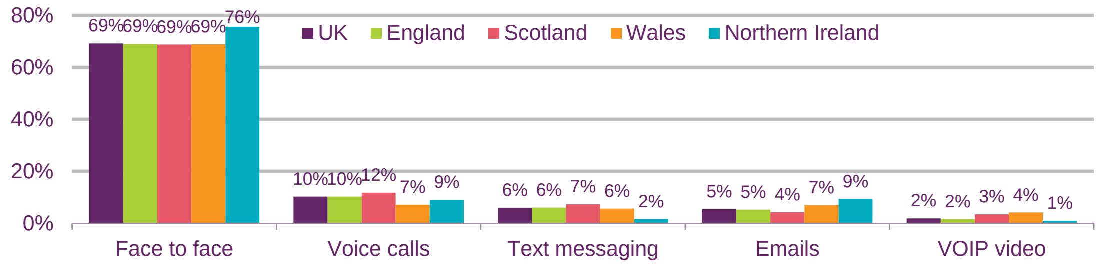
Figure 1.5 shows that the preferred methods of communication are the same for family and friends, with meeting people face-to-face being the dominant choice (69% for family and 66% for friends). This preference for face-to-face communication is consistent across all of the UK nations.

Voice calls (12% for family and 10% for friends), text messaging (7% for family and 10% for friends) and email (4% for family and 8% for friends) are the next most-preferred methods. Social media is notable in its low ranking for communicating with family members and close friends[5].

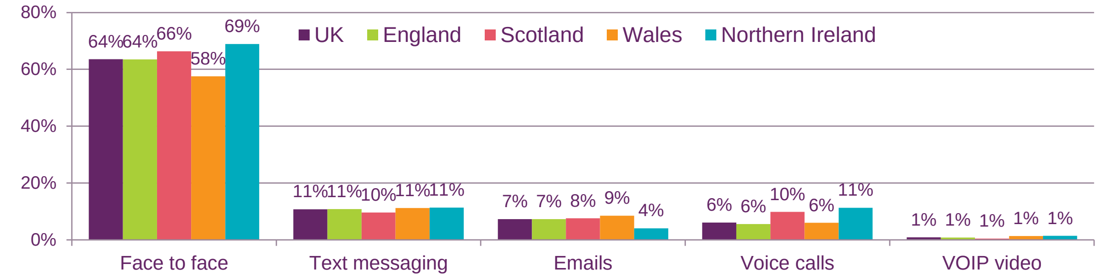
[5] Data are shown for responses 5% or greater on the charts.

Figure 1.5 Preferred methods of communicating with friends and family

Family members



Close friends



Source: Ofcom research, 'Connected Devices', May 2015
Base: All online adults aged 16+ who communicate with family members and close friends.
Q52. And which of these methods do you prefer to communicate with …… ?
Chart includes data for all responses 5% or over.

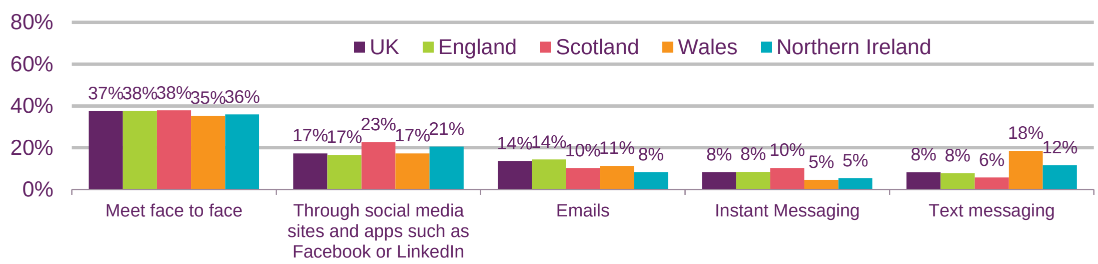
<u>When communicating with groups of friends and family, over one in five people prefer to use social media</u>

Figure 1.6 shows the preferred method for communicating with groups of family and friends. Whilst meeting face-to-face remains favourite for many (38% in Scotland), social media is favoured by 23% of people. Email (10%) and instant messaging (10%) are each chosen by one in ten.

Figure 1.6 Preferred method of communicating with groups of friends and family: once a week or more often, by nation

Groups of family and friends

Proportion of online respondents %

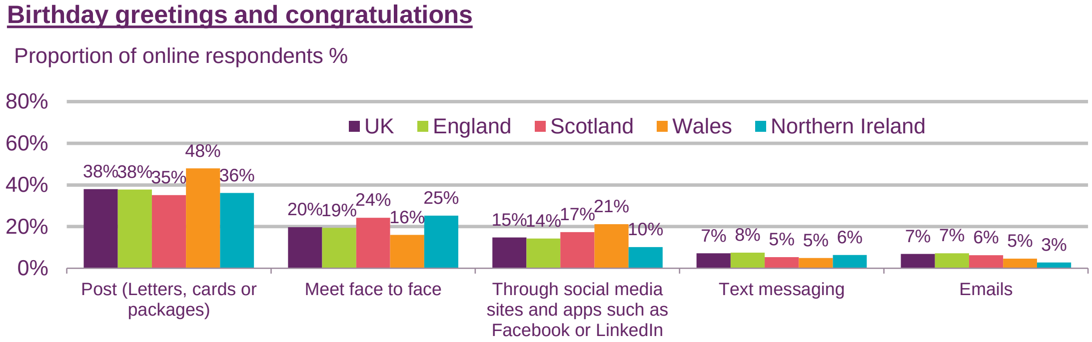


Source: Ofcom research, 'Connected Devices', May 2015
Base: All online adults aged 16+ who communicate with groups of family and friends.
Q52. And which of these methods do you prefer to communicate with …… ?
Chart includes data for all responses 5% or over.

Overall, post is the preferred way of sending a greeting for a third of online adults in Scotland

Figure 1.7 shows that around a third of online adults in Scotland (35%) use the postal service to send letters, cards or packets when they wish to send a greeting. A significant proportion (24%) prefer to meet face-to-face, while others (17%) prefer social media.

Figure 1.7 Preferred method of making birthday greetings and congratulations



Source: Ofcom research, 'Connected Devices', May 2015
Base: All online adults aged 16+ who send greetings for occasions and events such as birthdays, get well, congratulations, etc.
Q52. And which of these methods do you prefer to communicate for …… ?
Chart includes data for all responses 5% or over.

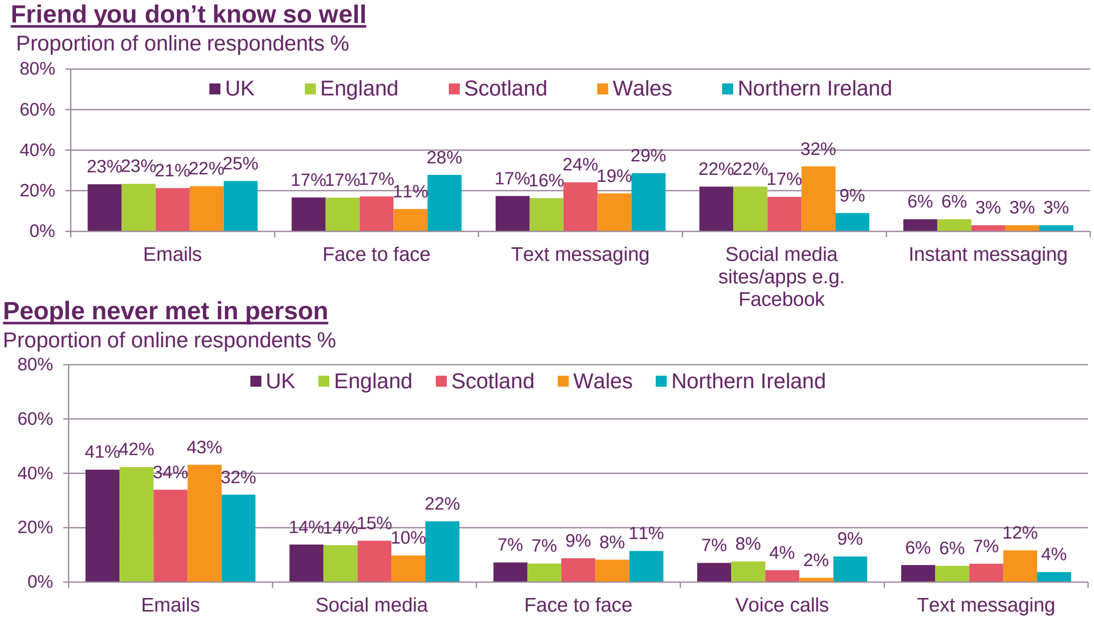
Communicating with people who are less well known

Text messaging and email are the preferred methods for communicating with people less well known

Figure 1.8 shows that the preferred method in Scotland for contacting people who are not so well-known is split between text messaging (24%) and email (21%), although face-to-face (17%) and social media (17%) are still preferred methods for many. Instant messaging (3%) is preferred by only a very small minority.

Email communications are becoming more popular for contacting people never met in real life (34%), followed by social media (15%).

Figure 1.8 Preferred method of communicating with people less well known



Source: Ofcom research, 'Connected Devices', May 2015
Base: All online adults aged 16+ who communicate with friends not known so well and people never met in person.
Q52. And which of these methods do you prefer to communicate with …… ?
Chart includes data for all responses 5% or over.

Making new contacts online

Of the 15% of online adults in Scotland who have used dating sites, two in five have made new friendships through them

Much of the social media discussed in this section is one-way; that is, a user posts or creates information that another user can choose to read or view. However, some activities can facilitate introductions between people, enabling them to form new contacts or even friendships.

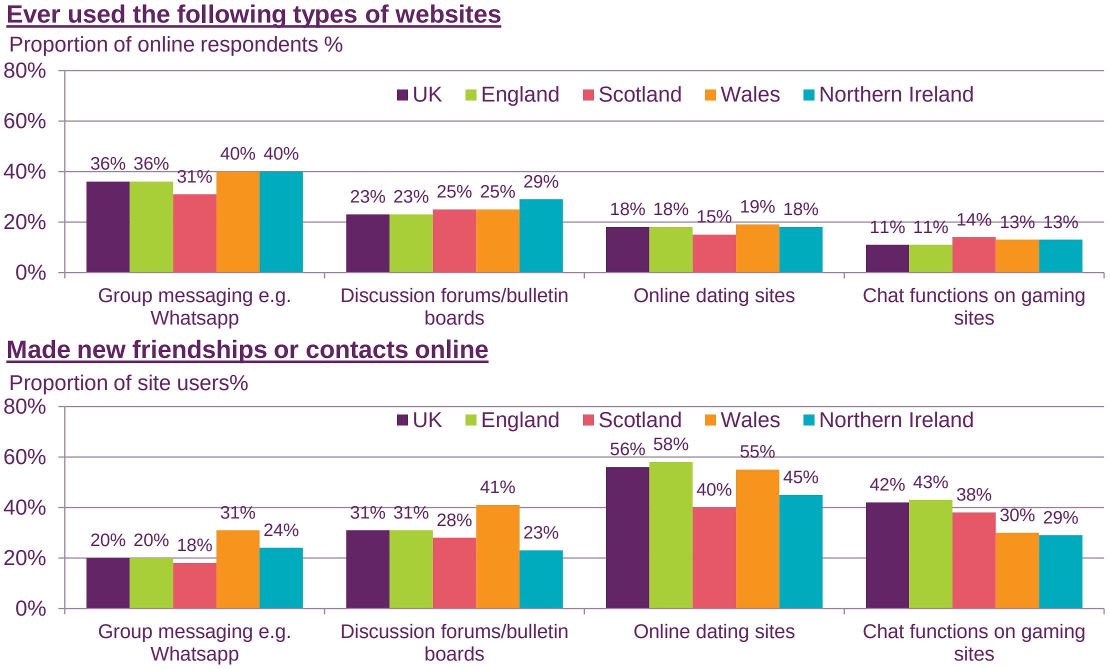
Figure 1.9 shows the extent to which people use different types of social media, and whether they have formed new relationships via these types of sites.

Of the four types of site covered in the survey, group messaging platforms such as WhatsApp and Snapchat are those used most commonly in Scotland (by 31% of online adults), followed by discussion forums and bulletin boards (25%).Online dating sites (15%) and chat functions within gaming websites (14%) have lower levels of reach in Scotland, used by around one in seven online adults.

Among the 15% of online adults in Scotland who claim to have used dating websites, 40% have made new friendships. Chat functions within gaming websites (38%) also generate new friendships for around two-fifths of their users.

Around one in three (28%) online adults users of these sites in Scotland have met new people within discussion forums and bulletin boards, and one in five (18%) have meet new people via group messaging platforms.

Figure 1.9 Use of different online activities to make new contacts



Source: Ofcom research, 'Connected Devices', May 2015
Base: All online adults aged 16+ and all website users aged 16+.
Q70. And have you ever used the following types of site ?
Q70a. And have you ever made new friendships of contacts online?

1.3 Social media

Introduction

Ofcom conducted a survey among internet users to investigate social media use and attitudes towards it. The data are sourced from the same questionnaire as was used in the previous section on personal communication networks[6].

This section looks at Scotland. It is worth noting that there are no significant differences between Scotland and the other nations, so the story is consistent with the other nations throughout[7]. All figures reported in the narrative relate to Scotland unless stated otherwise.

Use of social networking sites

Facebook is the most extensively used social media site, followed by YouTube

According to Ofcom's Media Literacy study, in terms of reach, Facebook is the most popular social media brand, with 97% of adults with a social media profile using the site[8].The online survey findings support this high use of Facebook, with eight in ten (80%) online adults in

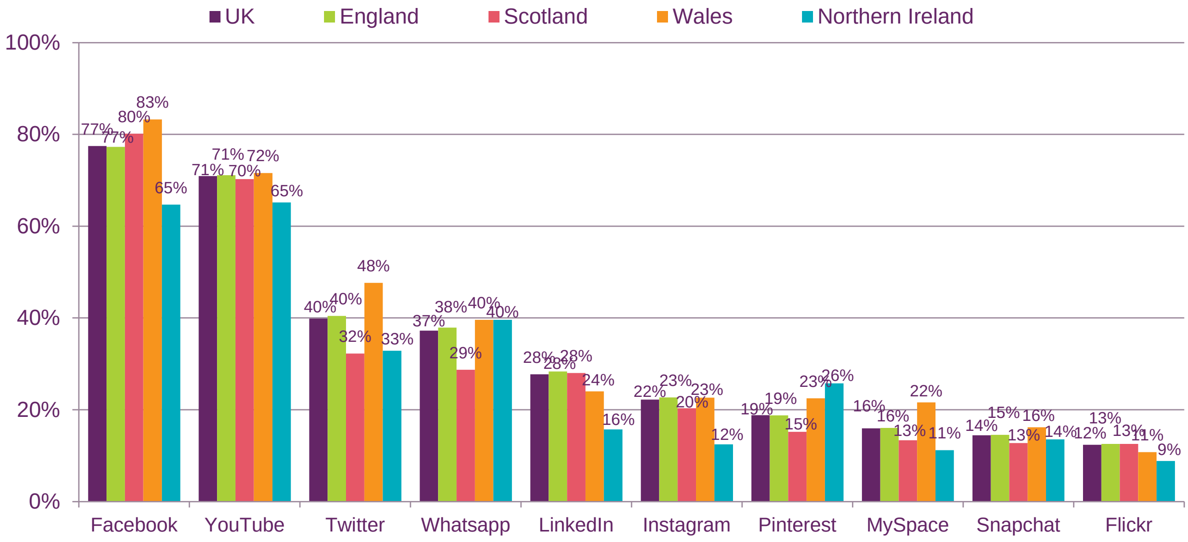
[6] The survey was conducted by YouGov in May 2015 among an online sample of 2,290 UK adults. The number of interviews achieved by nation are: England = 1879, Scotland = 200, Wales = 113 and Northern Ireland = 98.
[7] Due to low base sizes, the confidence with which the population average can be estimated within nation is limited. This means that only large differences between nations (between 8% and 18%) can be reported as significantly different at 95% confidence. No differences between nations are significant when these margins of confidence are applied.
[8] http://stakeholders.ofcom.org.uk/market-data-research/other/research-publications/adults/media-lit-10years/. Page 38.

Scotland claiming to have ever used Facebook, when prompted with a list of websites. YouTube follows quite closely behind, with 70% of online users in Scotland having 'ever used' it. Twitter (32%), WhatsApp (29%) and LinkedIn (28%) are also used by an increasing number of people in Scotland.

Video- and photo-based communications such as Instagram, Pinterest and Snapchat are becoming increasingly popular

One-fifth of online users in Scotland have used Instagram (20%). Around one in seven have used Pinterest (15%), Snapchat (13%) and Flickr (13%).

Figure 1.10 Websites and apps ever used, by nation: top ten responses

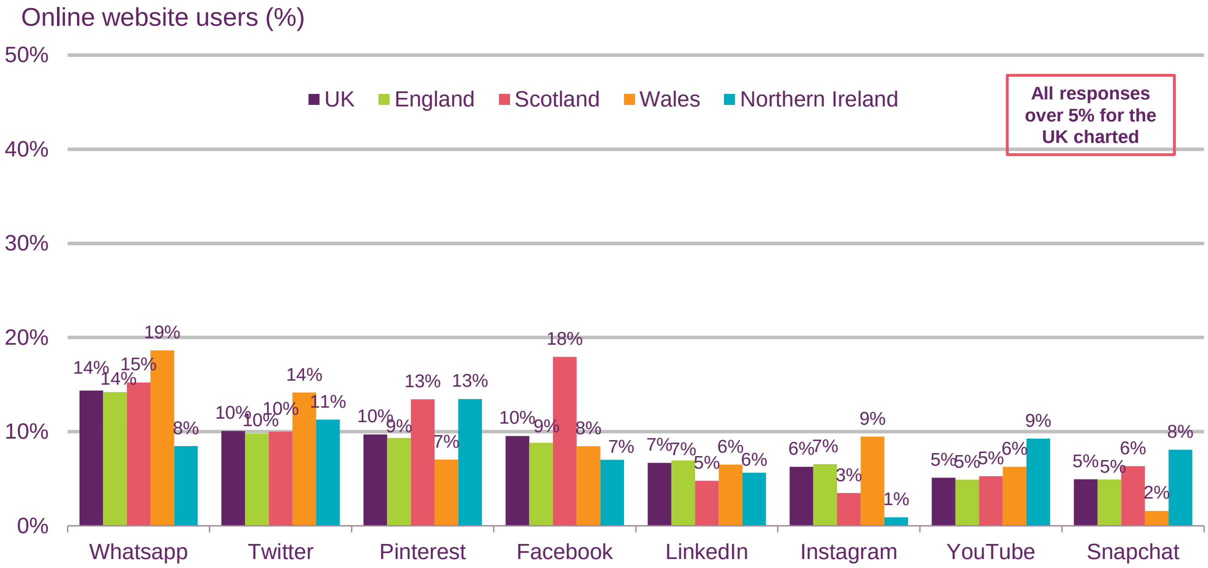


Source: Ofcom research, 'Connected Devices', May 2015
Base: All online adults aged 16+ (n=2290), England (n=1879), Scotland (n=200), Wales (n=113), Northern Ireland (n=98).
Q60. Which of the following websites have you ever used? (Top ten responses shown)

WhatsApp and Pinterest feature as most recent additions for some online users, as do Snapchat and Instagram

As a method of identifying recent trends in website and app use, a question was asked regarding people's most recent addition. Among those who claimed to use any of the social networking/ communication portals with which they were prompted (see Figure 1.11), Facebook was cited by 18% of website users as 'the most recent addition'. Twitter was cited as a recent addition for one in ten (10%). However, newer types of site are also fairly prevalent. WhatsApp (15%) and Pinterest (13%) are recent additions for one in seven, and although incidence is lower, Snapchat (6%) and Instagram (3%) also feature. These findings support the signs of early growth for these newer image- and photo-based websites.

Figure 1.11 Site or app most recently added



Source: Ofcom research, 'Connected Devices', May 2015
Base: All website users aged 16+ (n=1179), England (n=1457), Scotland (n=161), Wales (n=90), Northern Ireland (n=71).
Q61d. Which one is your most recent addition?
Chart includes data for all responses 5% or over.

<u>Nearly half of Scots who take digital photos say they share them on social media</u>

The use of photo and image based sites is also supported by Ofcom research into how people take and share photos[9]. Fifty seven per cent of adults in Scotland take digital photos and the mobile phone is the device most often used for this: 70% of Scottish adults have ever taken photos with a mobile phone and 50% say this is the device they use most often.

Nearly half (46%) of Scots who take digital photos say they share their photos using social media. Many of these are likely to be selfies. Nearly a quarter (23%) of Scots, say they have ever taken a selfie and 8% say they take selfies at least once a week.

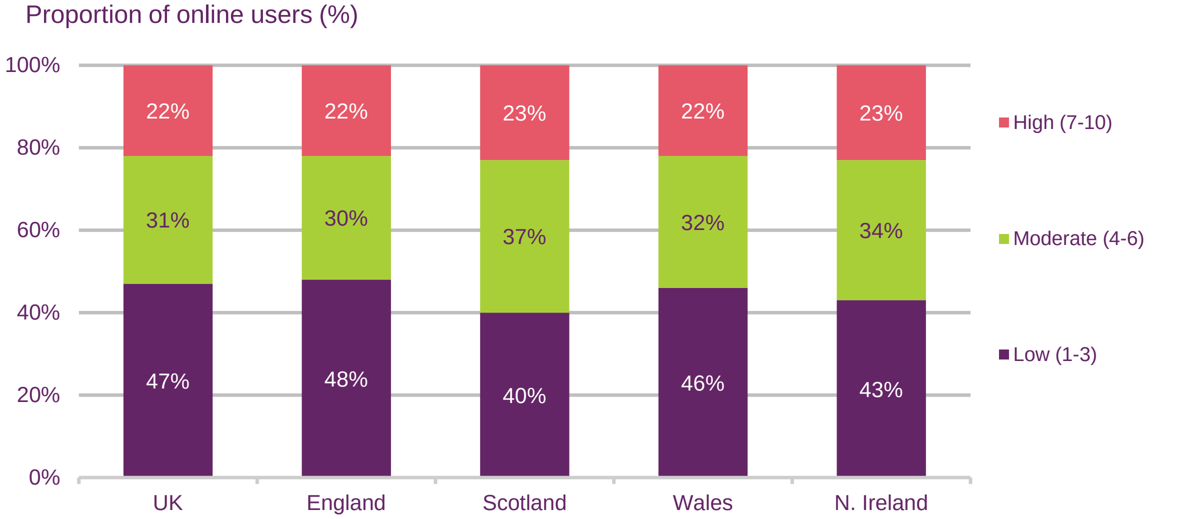
Attitudes to social media

<u>Over one in five people say that they are 'hooked' on social media</u>

In order to understand the extent to which social media is a part of people's lives, we asked people to indicate a number on a scale, where 1 equated to '*I'm not at all hooked on social media'* up to 10: '*I'm completely hooked on social media*'. Overall, just over one in five adults (23%) in Scotland indicated a rating of between 7 and 10 (see Figure 1.12), suggesting that these people perceive themselves as 'hooked on social media'. A similar and consistent pattern is seen across all the nations.

[9] Findings taken from the Kantar Media Omnibus, a Face to Face survey commissioned by Ofcom and representative of all UK adults.

Figure 1.12 Extent to which people are ‘hooked’ on social media, by nation

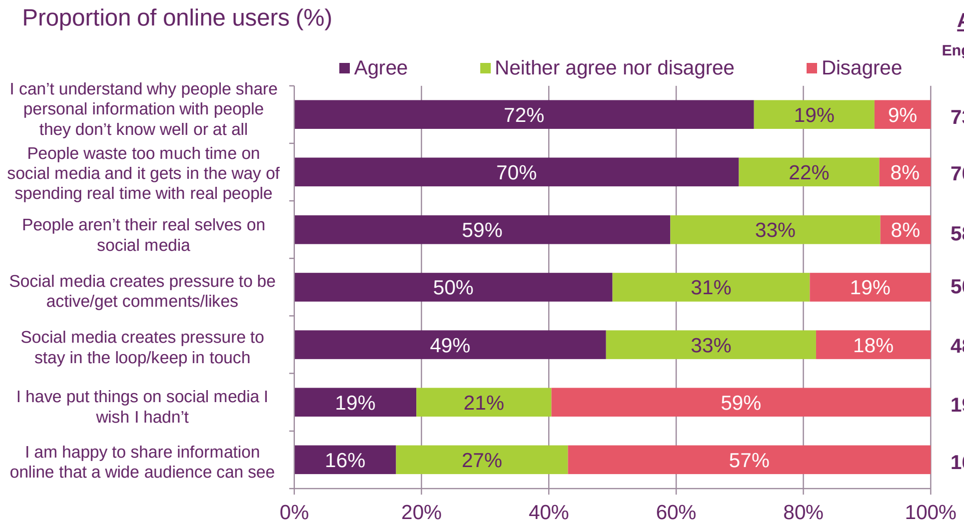


Source: Ofcom research, ‘Connected Devices’, May 2015
Base: All online adults aged 16+ (n=2290), England (n=1879), Scotland (n=200), Wales (n=113), Northern Ireland (n=98).
Q91. If you had to choose a number between 1 and 10, where 1 represented 'I'm not at all hooked on social media’ and 10 represented 'I'm completely hooked on social media’, which number would you choose for yourself?

<u>One in five have posted things online they wish they hadn’t</u>

There are concerns about privacy in relation to social media use; Figure 1.13 shows that almost seven in ten adults in Scotland (68%) agree that they ‘*can’t understand why people share personal information with people they don’t know well or at all*’. A similar proportion of people (67%) in Scotland agree that ‘*people waste too much time on social media’*. One in five (21%) have put things online they wish they hadn’t.

Figure 1.13 Level of agreement with statements about social media



<u>Agreement by Nation</u>

England	Scotland	Wales	Northern Ireland
73%	68%	69%	76%
70%	67%	63%	73%
58%	61%	66%	65%
50%	50%	50%	46%
48%	49%	55%	55%
19%	21%	23%	13%
16%	16%	20%	11%

Source: Ofcom research, ‘Connected Devices’, May 2015
Base: All online adults 16+ =2290
Q90 How much do you agree or disagree with the following statements regarding social media?

1.4 Changes in audio-visual consumption in Scotland

Broadcast TV viewing

BARB analysis is based on viewing to scheduled TV programmes such as those listed in TV listings magazines or on electronic programme guides (EPG) on TV sets. ‘Broadcast TV viewing’ refers to watching TV programmes on the TV set live at the time of broadcast (traditional TV viewing), watching recordings of these programmes, or viewing them through catch-up player services (referred to as time-shifted), up to seven days after they were televised.

Traditional TV viewing

‘Traditional TV viewing’ refers to TV programmes watched live at the time of broadcast on the TV set.

Non-traditional TV viewing

‘Non-traditional TV viewing’ refers to TV programmes which are not watched live at the time of broadcast. This includes viewing of TV programmes through the use of DVRs, video recorders, catch-up services, on-demand subscription services and pay-per-view services.

People in Scotland spend an average of 3 hours 59 minutes per day watching TV, seven minutes less than in 2013

The average TV individual in STV licence areas (referred to throughout as ‘Scotland’) watched 239 minutes (3 hours 59 minutes) of broadcast TV a day in 2014[10] [11]; 7 minutes less per day than in 2013 (Figure 1.14)[12]. This was the smallest decline across the nations and was below the UK average fall of 11 minutes. In comparison, TV viewing minutes fell by 15 minutes per day in Northern Ireland and 12 minutes per day in Wales. Despite this, Scotland had a greater year-on-year decline than the other nations in average TV viewing between 2012 and 2013, at 12 minutes less per day (compared to 7 minutes in Wales and 2 minutes in Northern Ireland).

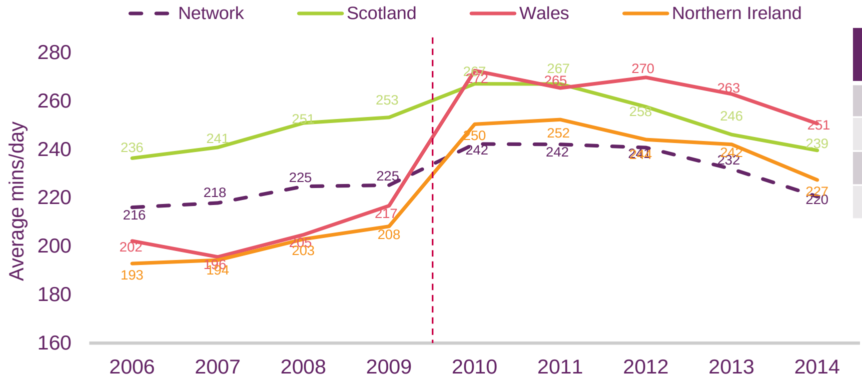
[10] When analysing BARB data we refer to viewing of programmes at the time of broadcast (live), any recordings of these programmes, and if watched through a broadcaster catch-up service (eg BBC iPlayer) within seven days of initial transmission.

[11] Individuals in the Scottish regions of the ITV Border region watched 276 minutes (3 hours 36 minutes) of TV each on an average day across 2014 (source: BARB). This figure is indicative due to low sample sizes. There are no BARB reported sub-regions for the Scottish and English regions with the ITV Border area and we have therefore created customised audience segments to undertake this analysis. Segmenting the ITV Border population into the Scottish and English regions is open to fluctuations in reported viewing because the ITV Border region is representative at an overall level rather than by geographical segments. Data should therefore be treated with caution. Only average daily minutes and average weekly reach viewing measures are robust enough for indicative analysis. The respective audiences were created using BARB’s ‘BBC/ITV area segments’ feature by selecting the BBC regions that comprise the Border area and running the viewing analysis against the ITV Border panel.

[12] The rise in viewing seen in Figure 1.14 and Figure 1.15 between 2009 and 2010 across some regions such as Wales, North East, and Border may be linked to specific regional BARB panel changes that occurred when the new BARB panel was introduced on 1 Jan 2010. As a result pre- and post-panel change data must be treated with caution (see dotted line).

Figure 1.14 Average minutes of television viewing per day, by nation: all homes

Average minutes of viewing/day by TV region: Total TV, Individuals 4+



	% change: 2013-2014
Northern Ireland	**-6.1%(-15min)**
Wales	**-4.7%(-12min)**
Network	-4.9% (-11min)
Scotland	-2.7%(-7min)

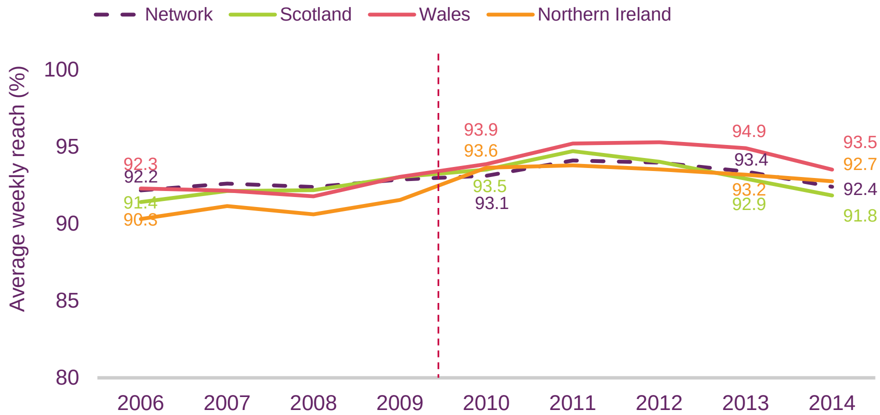
Source: BARB. Note: New BARB panel introduced 1 January 2010. As a result pre- and post-panel change data must be treated with caution (see dotted line). Note: Year-on-year percentage changes are calculated on data to two decimal places.

Over nine in ten (91.8%) individuals in Scotland watch TV every week; 1.1 percentage point less than in 2013

In each of the nations, the proportion of individuals who watched TV in an average week was over 90% (Figure 1.15). However, average weekly reach in Scotland (91.8%)[13] remains the lowest compared to the UK's (92.4%) other devolved nations, falling by 1.1 percentage points in 2014.

Figure 1.15 Average weekly reach of total TV, by nation

Average weekly reach by TV region: Total TV, Individuals 4+ (15 min+)



	Percentage point change: 2013-2014
Wales	**-1.4**
Scotland	**-1.1**
Network	-1.0
Northern Ireland	-0.4

Source: BARB. Reach criteria = 15 consecutive minutes of viewing at least once in the average week. Full weeks used. Note: New BARB panel introduced 1 Jan 2010. As a result pre- and post-panel change data must be treated with caution (see dotted line).

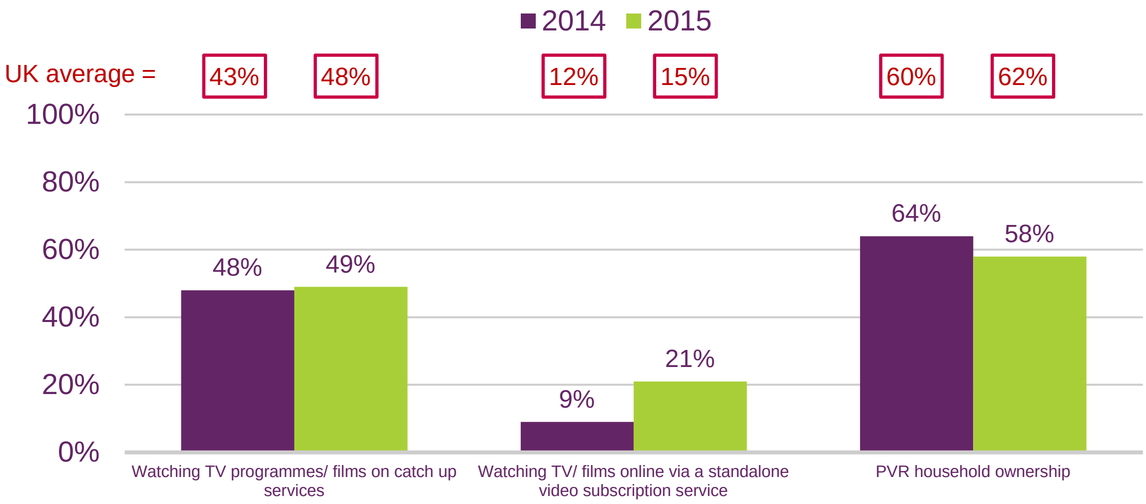
[13] The average weekly reach to all TV among individuals in the Scottish regions of ITV Border was 96.0% in 2014. This figure is indicative due to low sample sizes and because segmenting the ITV Border population into the Scottish and English regions is open to fluctuations in reported viewing (see footnote 11 for methodology). Data should therefore be treated with caution.

One in five adults in Scotland used standalone video subscription services such as Netflix and Amazon Instant in 2015; 12 percentage points higher than in 2014

Figure 1.16 shows the year on year change in the use of 'non-traditional TV viewing' methods in Scotland from the Ofcom Technology Tracker. The three methods covered are: catch-up services (e.g. iPlayer, ITV Player, All 4), standalone video subscription services (e.g. Netflix, Amazon Instant) and personal video recorders (PVRs).

Just over one in five (21%) adults in Scotland, had used standalone video subscription services in 2015, an increase of 12 percentage points since the same time in 2014. Use of standalone video subscription services in Scotland (21%) is higher than in Northern Ireland (14%), Wales (14%) and the UK as a whole (15%). Just under half of adults in Scotland (49%) use catch-up services; in-line with Wales (48%); the UK as a whole (48%); and significantly higher than in Northern Ireland (32%). PVR usage in Scotland is similar to the UK average.

Figure 1.16 Use of Catch-up, standalone video subscription and PVRs in Scotland



Source: Ofcom Technology Tracker, W1 2015
Base: All adults aged 16+ (UK 2014 = 3740, Scotland 2014 = 501; UK 2015 = 3756, Scotland 2015 = 492)
QH17 (QH46): Thinking about your personal use of TV programmes and films online and on demand services that you may use on any device (e.g. smartphone, TV set, tablet or laptop) anywhere, which of the following, if any, have you personally ever used? QR1A-B: Does your household have Sky+/ Virgin TiVo or V+? QR1C-E: Does your Freesat set top box/ Freeview box or Freeview TV set / broadband TV service allow you to record and store TV programmes, and also pause and rewind live TV programmes? QR1F-G: Do you have a YouView/ Now TV set top box?

Consumer research on the decline in traditional TV viewing

In order to better understand the decline in traditional TV viewing,[14] as identified through the previous BARB analysis, Ofcom commissioned omnibus research in April 2015. The research was carried out by Gfk NOP among 1,878 UK adults aged 16 years and over, with

[14] Traditional TV viewing refers to TV programmes watched live at the time of broadcast on the TV set.

additional boost interviews in Northern Ireland to allow individual nations' reporting[15]. The research resulted in 163 interviews in Scotland, 99 interviews in Wales and 110 interviews in Northern Ireland[16].

The research asked consumers to identify which audio-visual related activities they were doing more or less of, compared to a year ago[17]. The purpose of this was to provide a view of changes in behaviour across different features, e.g. screen used (TV vs. other), location of viewing (in home vs. out and about), traditional or non-traditional (e.g. at time of broadcast vs. catch-up, personally recorded, subscription on-demand or pay-per-view), and content viewed (e.g. programmes from BBC/ ITV/ UTV/ STV/Channel 4 or Channel 5, short clips, box sets/ series, films). As abbreviations are used in this section, the full question wording and list of activities asked about are shown at the end of the section.

Research found increases in use of non-traditional viewing methods: non-subscription catch-up, watching recorded content and subscription on-demand services.

Figure 1.17 shows claimed changes in specific audio-visual activities among respondents in the nations and the UK as a whole, and Figure 1.18 shows the findings for Scotland in more detail.

In the UK overall, the research identified claimed decreases in traditional TV viewing (that is, viewing 'at the time of broadcast') and also viewing 'via the TV set' over the last year. In parallel, respondents claimed to have made increases in their 'non-traditional' TV viewing, i.e. net gains were found for watching non-subscription catch-up, watching content they had personally recorded and using subscription on-demand services.

Respondents in Scotland also indicated these overall trends, but to a greater extent. Seven per cent said they were doing more traditional TV viewing (that is, watching at the time of broadcast) in April 2015 compared to the previous year, while 41% said they were doing this less, resulting in a net change of -34%.

Claimed increases in 'non-traditional' TV viewing were also more marked in Scotland compared to the UK overall, i.e. net gains were +36% for watching non-subscription catch-up, +24% for watching content personally recorded and +15% of respondents saying they used subscription on-demand services.

As context to the findings above, it is worth noting that claimed decreases for 'traditional TV' (i.e. viewing at time of broadcast) , viewing via TV set and viewing PSB TV were smaller than the decreases noted for watching DVDs (net loss of -42% in Scotland) and going to the cinema (net loss of -34% in Scotland) over the same time period. Again, this mirrors the findings in the UK overall.

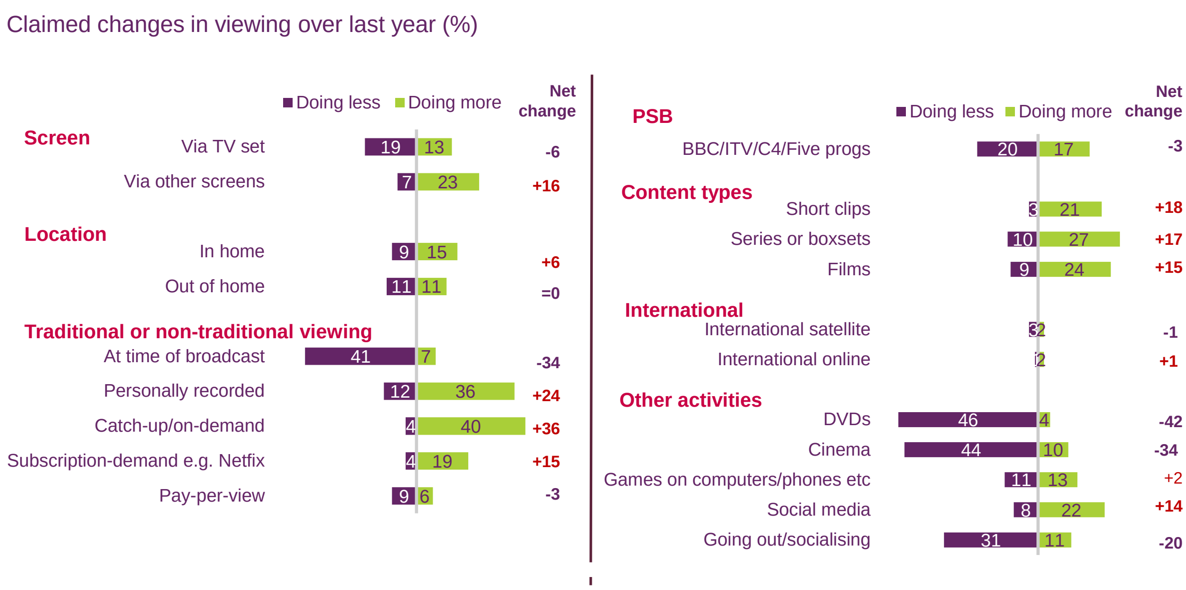
[15] Only a boost in Northern Ireland was needed, as sample sizes in the other nations were sufficient in the main sample.
[16] The Northern Ireland boost interviews and main interviews are reported together as a sample within the nations CMR, however the Northern Ireland boost interviews were not included in the overall UK sample.
[17] The research identified respondents' own views on changes in their viewing and related behaviours, however it does not indicate the *volume* of change, e.g. minutes of viewing increased or decreased.

Figure 1.17 Claimed changes in key audio-visual activities over the past year (%), by nation

		Net change				
		UK (1878)	England (1568)	Scotland (163)	Wales (99)	Northern Ireland (110)
Screen	Watching via TV set	-7%	-7%	-6%	+15%	-10%
	Watching via other screens	+13%	+13%	+16%	+25%	+23%
Location of viewing	In home	0	-2%	+6%	+12%	+2%
	Out of home	-4%	-6%	0	+7%	+7%
Traditional or non-traditional viewing	At time of broadcast	-19%	-17%	-34%	-19%	-25%
	Personally recorded	+13%	+11%	+24%	+18%	+32%
	Catch-up/on-demand	+26%	+23%	+36%	+40%	+39%
	Subscription-demand e.g. Netflix	+8%	+7%	+15%	+13%	+22%
	Pay-per-view	-3%	-3%	-3%	-2%	+4%
Public Service Broadcasting	Watching BBC, ITV/STV/UTV, C4, Five programmes	-6%	-5%	-3%	-9%	-28%

Source: GfK NOP omnibus, April 2015. Base: All adults (1878). Question wording: QA, For each of the following activities please say if you are doing this more, the same amount, or less, now compared to a year go? This reports the 'net gain' or 'net loss' for an activity. For example, if 20% of respondents said they did an activity more and 5% said they did an activity less, the net gain would be +15% doing the activity more.

Figure 1.18 Claimed changes in activities over the past year (%): Scotland



Source: GfK NOP omnibus, April 2015. Base: All adults 16+ in Scotland (163). Question wording: QA, For each of the following activities please say if you are doing this more, the same amount or less now compared to a year go?

Ofcom omnibus: research question wording

For each of the following activities I read out can you say whether you are doing this more, the same amount or less now compared to a year ago? If you have never done the activity at all, please just tell me. INTERVIEWER: READ OUT EACH STATEMENT INDIVIDUALLY. SINGLE CODE FOR EACH STATEMENT

Screen
- Using a TV set to watch any programmes/films/clips i.e. watching any programmes/films/clips using any service (e.g. Freeview, Sky, Netflix, BBC iplayer, via a games console etc)
- Using other screens to watch any programmes/films/clips e.g. home computers, tablets, smartphones (rather than the TV set)

Location
- Watching any TV, clip, programme when in your own home (watching could be on any screen e.g. TV, home computers, tablets, smartphones)
- Watching any TV, clip, programme when out and about (watching could be on any screen e.g. TVs, computers, tablets, smartphones)

Traditional or non-traditional viewing
- Watching TV programmes as they are broadcast on TV (e.g. watching EastEnders when it is shown on BBC1 at 7.30pm or watching Game of Thrones at 9pm on Sky Atlantic when it is broadcast)
- Watching TV that you have personally recorded, i.e. after recording it onto a set-top box, or PVR
- Watching any 'catch-up' or on-demand TV where you watch programmes/films that have been shown on TV recently (via services like BBC iplayer, itv player, 4OD, SkyGo, Virgin Catch–up etc).
- Watching programmes/films through on-demand services that you pay a monthly subscription for like Netflix, Amazon Prime, Now TV etc
- Paying to watch individual programmes/films e.g. films through Sky's Box Office service or 'Pay per movie' with Virgin Movies

PSB
- Watching BBC, ITV/STV/UTV, Channel 4 or Five programmes in particular (through any channel, any screen and at any time)

Content
- Watching short clips e.g. like those found on Youtube, or linked on social media like Facebook
- Watching series or boxsets in any way, e.g. on TV, tablets, DVDs, Netflix etc
- Watching films (though any service, e.g. Netflix, Now TV, DVDs on either your TV set, computers or smartphones)

International
- Watching international channels via satellite services from other countries e.g. Hotbird, Turksat, Hellas Sat), Hispasat, Canal+, Cyfra.
- Watching programmes/films through international online video services from other countries, e.g. RTÉ Player, Hulu, My TF1, nc+

Other activities
- Watching DVDs
- Going to the cinema to watch films
- Playing games on a console, computer, tablet or smartphone etc
- Using social media e.g. Facebook, etc
- Going out and socialising

1.5 Analysis of fixed broadband take-up in Glasgow

Introduction

In the previous *Communications Market Reports*, we highlighted that broadband take-up was particularly low in the Glasgow area (at 50% in 2011). In order to explore this in more detail, Ofcom undertook analysis of broadband take-up in the City of Glasgow in the 2011 CMR. Data from the British Population Survey (BPS) were used and the period under study was January to September 2011. We repeated this analysis for the 2013 and 2014 reports. In 2013, broadband take-up was still at 50%, but increased to 63% in 2014.

Ofcom has decided to repeat this analysis for the current report, maintaining comparability by using data from BPS. The purpose of this analysis is to understand if take-up of broadband in the City of Glasgow has remained stable, and whether demographic variables continue to explain at least part of the difference.

Methodology

The BPS asks consumers in Great Britain about internet and fixed broadband, and comprises around 2,000 face-to-face, in-home interviews with adults (aged 15+) every week, allowing detailed regional and sub-demographic analysis

Using data from the BPS between April 2013 to March 2014, analysis was undertaken on Glasgow[18]. The sample size was 543 respondents. For this analysis, not all respondents were asked about broadband access, and this group has been excluded.

[18] The City of Glasgow is defined as the area under the control of Glasgow City Council.

The BPS uses a different methodology from Ofcom's Technology Tracker, in that quotas and question wordings are different. Therefore discrepancies between the BPS and Ofcom's quoted figures are not unexpected, or of concern.

Differences in demographic profiles between 2013/2014 and 2014/2015 do not affect our analysis

The BPS is designed to monitor the UK population at a regional level but not to look at relatively small areas such as the City of Glasgow. Therefore, the respondents' profile may shift from year to year. From analysis of Ofcom's *Technology Tracker*, we know that a respondent's age, socio-economic status and gender influence how likely they are to have broadband in the home. It was therefore important to compare the 2013/2014 and 2014/2015 samples.

There were differences between the two profiles, particularly with regard to socio-economic status. Some of this may be due to the areas interviewers were sent to. If the 2014/2015 is weighted to be the same as the 2013/2014 sample in terms of age and socio-economic status, the take-up of fixed broadband would increase to 63% and that of fixed and mobile broadband to 76%. Therefore, demographic differences do not have a significant impact.

The key differences between the 2012/2013 and 2013/2014 Glasgow profiles are shown below.

Figure 1.19 shows that the main changes between the years relate to age and socio-economic status. The 2013/2014 sample contained more respondents aged 25-34 and fewer aged 65+. For socio-economic status, the 2014/2015 sample is more clustered in social classes CD and has respondents in social classes AB and E. This is important, as the lower the socio-economic status or the greater the age; the less likely a person is to have broadband at home.

Figure 1.19 Differences between 2013/2014 and 2014/2015 Glasgow sample

Glasgow Profile	2013/2014	2014/2015	Difference
15-24	13%	13%	+0%
25-34	19%	15%	-4%
35-44	15%	15%	0%
45-54	18%	19%	+1%
55-64	15%	16%	+1%
65+	19%	22%	+3%
AB	16%	11%	-5%
C1	23%	24%	+1%
C2	17%	24%	+7%
D	24%	31%	+7%
E	21%	10%	-11%

Source: British Population Survey
Base: All adults 15+ (Glasgow 2014/2015 – 542 Glasgow 2013/2014 - 1405)

Glasgow's low fixed broadband take-up continues, but has remained stable since 2014. Access to web-enabled mobile phones has increased from 52% to 61%

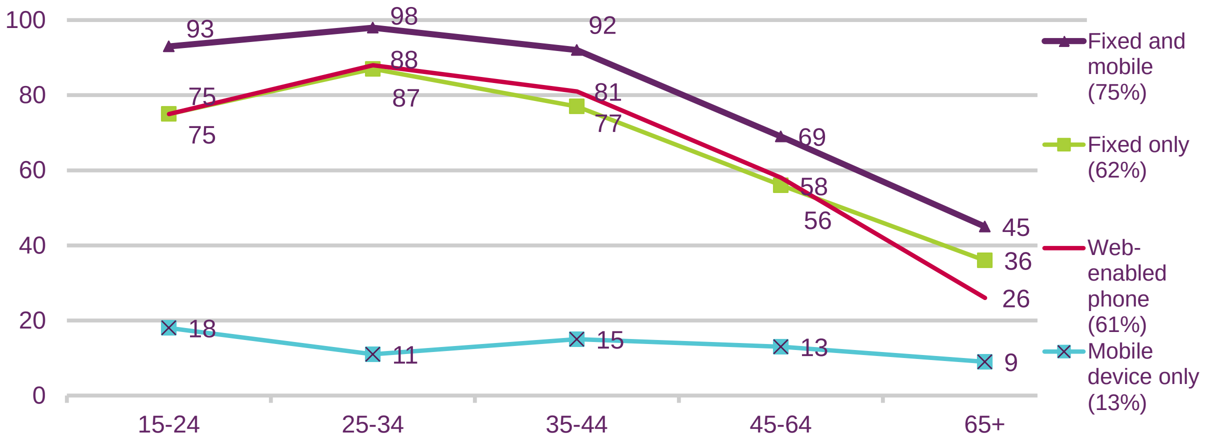
As the *Communications Market Report* highlighted between 2010 and 2013, broadband take-up has remained relatively low in Glasgow. For this report, the BPS provided data for respondents within Glasgow only, and therefore it is not possible to compare to the UK as a whole or to other cities. However, Ofcom's *Technology Tracker* shows that the percentage of the UK population with broadband (excluding mobile devices) is 78%, or 85% if mobile devices are included.

In contrast, the percentage of Glaswegians living in households with broadband (excluding mobile devices) is 62%, or 75% if mobile devices are included. This compares to 63% and 66% respectively for the same Glasgow-specific analysis in the 2014 CMR report. This would suggest that take-up of fixed services has remained stable since 2014 and take-up of web-enabled mobile phones has increased significantly. Access to web-enabled phones has increased from 52% in the 2014 CMR report to 61% in this report. The percentage of people who can access the internet only via a mobile device (phone or tablet) rose from 3% in 2013/2014 to 9% in 2014/2015.

Across Glasgow, 13% use only a web-enabled mobile device to access the internet

Three-quarters (75%) of the Glasgow sample have access either to fixed broadband at home or a web-enabled mobile phone. Access to a web-enabled mobile is highest among the 25-34 year-olds, at 88%, and lowest among the over-65s at 26% (Figure 1.20). Across Glasgow, 13% of respondents use only a web-enabled mobile device[19] to access the internet. This is most common among those aged 15-24 (18%), and least common among those aged 65+ (9%) This includes smartphones, PDAs and tablets.

Figure 1.20 Comparison of fixed broadband and mobile take-up in Glasgow



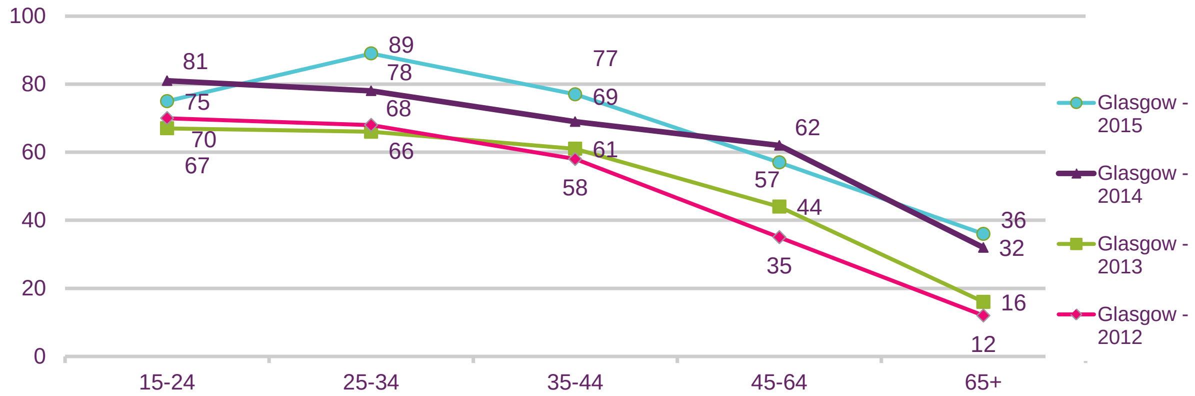
Source: British Population Survey
The perctange in brackets gives the percentage of all Glasgow respondents in that category.
Base: All adults 15+ (Glasgow 2015 – 543, Glasgow 2014 - 1405, Glasgow - 2013 1398, Glasgow – 2011/2012 597)
Q: Is your access to the internet at home cable broadband, ADSL broadband, or broadband but you don't know type?
Q: Do you have a web-enabled phone?

[19] A web-enabled device is a smartphone, tablet or a personal digital assistant (PDA).

Overall, fixed home internet take-up has remained stable. However, there are some demographic differences

As shown in Figure 1.21, between 2014 and 2015 there has been a significant decrease in the number of people aged 15-24, and a significant increase in those aged 25-34, who have fixed home internet (-19% 15-24; +11% 25-34) .

Figure 1.21 Changes in fixed home internet, by age group: 2012-2015

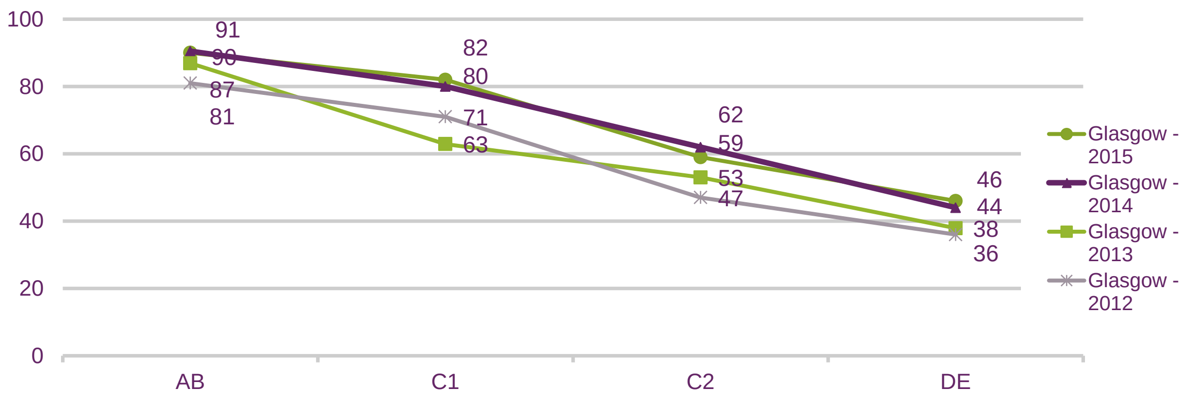


Source: British Population Survey
Base: All adults 15+ (Glasgow 2015 – 543, Glasgow 2014 - 1405, Glasgow - 2013 1398, Glasgow – 2011/2012 597)
Q: Is your access to the internet at home cable broadband, ADSL broadband, broadband but you don't know type or non-broadband?

Fixed internet take-up has remained stable for all socio-economic groups

As shown in Figure 1.22, there has been no significant change in the proportion of fixed internet take-up across each socio-economic group. Take-up, however, continues to decrease among those in the DE socio-economic group.

Figure 1.22 Changes in take-up, by socio-economic status: 2012-2015

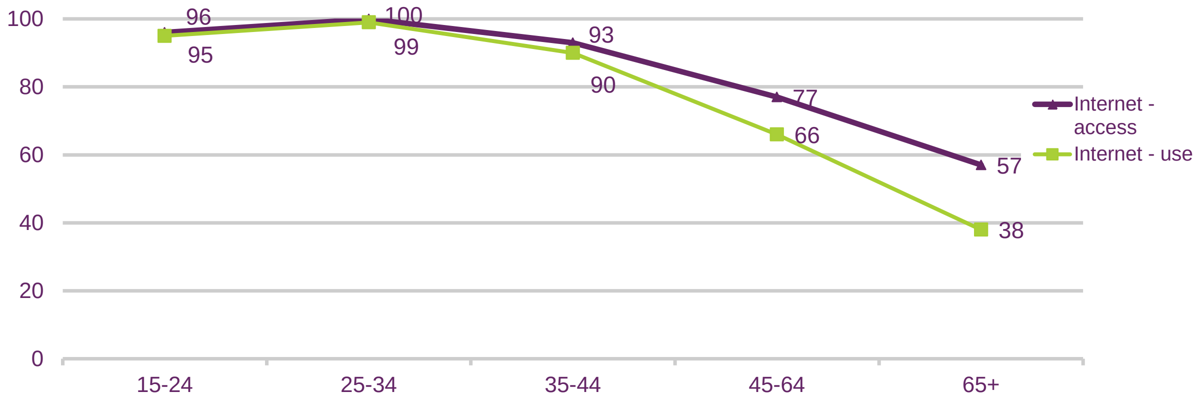


Source: British Population Survey
Base: All adults 15+ (Glasgow 2015 – 543, Glasgow 2014 - 1405, Glasgow - 2013 1398, Glasgow – 2011/2012 597)
Q: Is your access to the internet at home cable broadband, ADSL broadband, broadband but you don't know type, or non-broadband?

Almost all individuals under 35 have access to the internet and use it, whether in or outside the home

Across the sample, 89% of the sample who had access to the internet also used it. Among those under 35, 99% of those with access make use of the internet. However, among over-65s, 33% of those who have access do not use it.

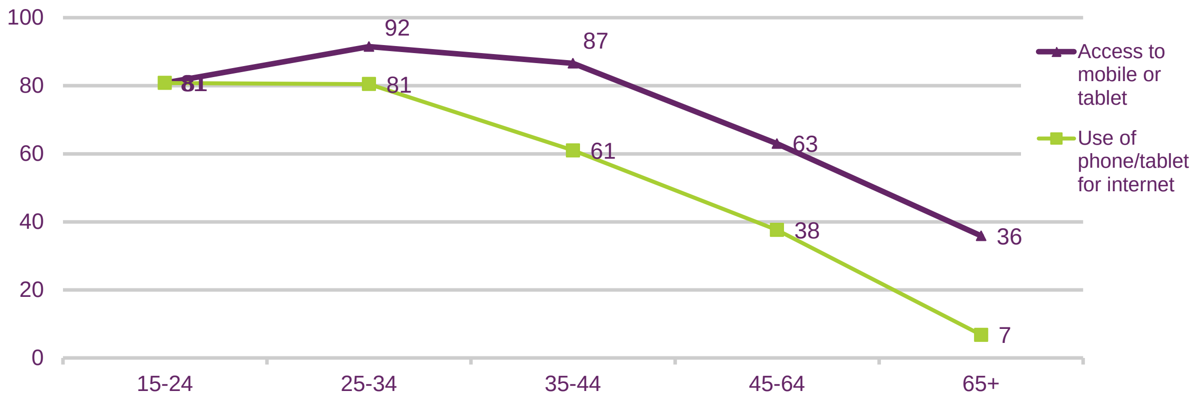
Figure 1.23 Internet access and internet use, by age



Source: British Population Survey
Base: All adults 15+ (Glasgow 2015 – 542 Glasgow 2014 - 1405, Glasgow - 2013 1398, Glasgow – 2011/2012 597)
Q: How frequently do you use the internet?

As shown in Figure 1.24 and Figure 1.25, This discrepancy between access and use is most marked for mobile terminals, such as web-enabled phones and tablets. Ninety-seven per cent of people aged 15-24 with such a device use it. However, among people aged 25 or over, the percentage of those with such a device who use it online declines with age.

Figure 1.24 Access to and use of web-enabled mobile devices, by age.



Source: British Population Survey
Base: All adults 15+ (Glasgow 2015 – 534, Glasgow 2014 - 1405, Glasgow - 2013 1398, Glasgow – 2011/2012 597)
Q: Do you have a web-enabled phone?
Q. Do you have access to a tablet?
Q: Do you access the internet via a mobile terminal?

Figure 1.25 Access to and use of web-enabled mobile devices, by age.

Age band	Access to web-enabled mobile device	Use of web-enabled mobile device	Percentage of those with access who use
15-24	81%	81%	100%
25-34	92%	81%	88%
35-44	87%	61%	70%
45-64	63%	38%	60%
65+	36%	7%	19%

Source: British Population Survey
Base: All adults 15+ (Glasgow 2015 – 534, Glasgow 2014 - 1405, Glasgow - 2013 1398, Glasgow – 2011/2012 597)
Q: Do you have a web-enabled phone?
Q. Do you have access to a tablet?
Q: Do you access the internet via a mobile terminal?

2 Television and audio-visual content

2.1 Recent developments in Scotland

2014 – Independence Referendum and Commonwealth Games

STV's coverage of the referendum on Scottish independence included the first live TV debate between First Minister, Alex Salmond, and leader of Better Together, Alistair Darling. *Salmond & Darling – The Debate* attracted the highest audience share for its slot in Scotland[20].

In the week of the Referendum vote, 13.2 million UK unique browsers visited the BBC Scotland News Online website; the average number of weekly visitors in 2014/15 was 4.7 million[21].

Record audiences watched the drama of the 2014 Commonwealth Games in Glasgow unfold on BBC television, with live coverage reaching 78% of the audience in Scotland (3.6 million people).

In December 2014 Ofcom published research into media consumption in Glasgow during the 2014 Commonwealth Games[22]. TV was the primary medium for consuming Games content. More than nine in ten (92%) people who chose to follow the Games did so via a television set and almost half of these viewed the coverage daily.

BBC Alba

BBC Alba's new drama series, *Bannan,* proved to be popular with the channel's Gaelic speaking audience. It topped the third quarter of the 2014 viewing table, the most popular series since the channel launched on Freeview in 2011[23].

Local TV

On 19 January 2015, STV launched its local TV channel, STV Edinburgh. Combined with STV Glasgow, the local services are broadcasting to over 3 million viewers in the central belt. In March 2015, Ofcom awarded licences to STV to run local TV services in Aberdeen, Ayr and Dundee, and on digital terrestrial TV. Work is currently under way, ahead of launch.

Production and commission updates

Channel 4 network spend in Scotland in 2014 rose again year on year to £16.2m, representing 4.6% of total spend.[24] One hundred and forty-two hours of content were commissioned from Scottish independent production companies. Series highlights included the successful *Location Location Location*; alongside *Phil Spencer Secret Agent*; *Fifteen To One* and *Small Animal Hospital with John Barrowman*. Channel 4 exceeded its 3% quota of nations' output and spend in 2014, with first-run originated programming from the nations on the main channel amounting to 6.1% of output and 6.0% of spend.

[20] http://www.stvplc.tv/blog/2014/08/stv-debate-reached-tv-and-online-audience-of-17-million
[21] http://downloads.bbc.co.uk/scotland/aboutus/management_review_2014_2015.pdf
[22] http://stakeholders.ofcom.org.uk/spectrum/glasgow2014/glasgow-2014-games-media-consumption/
[23] http://www.bbc.co.uk/news/uk-scotland-highlands-islands-30726674
[24] Source: Channel 4

Recent network drama commissions from BBC Scotland include Iain Banks' *Stonemouth*, *One Of Us*, a four-part drama thriller from the writers of *The Missing*, and a third series of *Shetland*. Across the year, BBC One Saturday night game shows from Scotland included *Perfection*, *Pressure Pad* and the National Lottery programmes *In It to Win It*, *Break the Safe* and *Win Your Wish List*.

STV Productions continues to secure commissions from major broadcasters in a number of genres, including a third series of *Catchphrase* for ITV to air this year.

See Figure 2.18 for the combined public service broadcaster expenditure on originated network productions in the nations and English regions.

In March 2015 the Scottish Parliament's Economy, Energy and Tourism Committee published its findings, following an inquiry into the economic impact of Scotland's film, TV and video games industries. It urged Scottish Enterprise and the Scottish Government to reach a decision on the current private sector proposal for the development of a film and TV studio as soon as possible.

Government developments

Following a report published by Ekos Consultants in 2014, the Scottish Government is currently pursuing a private sector proposal for studio infrastructure. This is undergoing due diligence and is subject to commercial negotiations at present.

The Scottish Government announced two new funds to provide financial support for Scottish film, animation and high-end TV productions and support skills development in the screen sector[25]. These are a £1m Screen Sector Skills Fund and a £2m Tax Credit Loan Fund made available to the sector over 2015/2016. Both new funds will be administered by Creative Scotland.

2.2 Digital television take-up in Scotland

DTT and satellite television remain the most widely-used platforms in Scotland

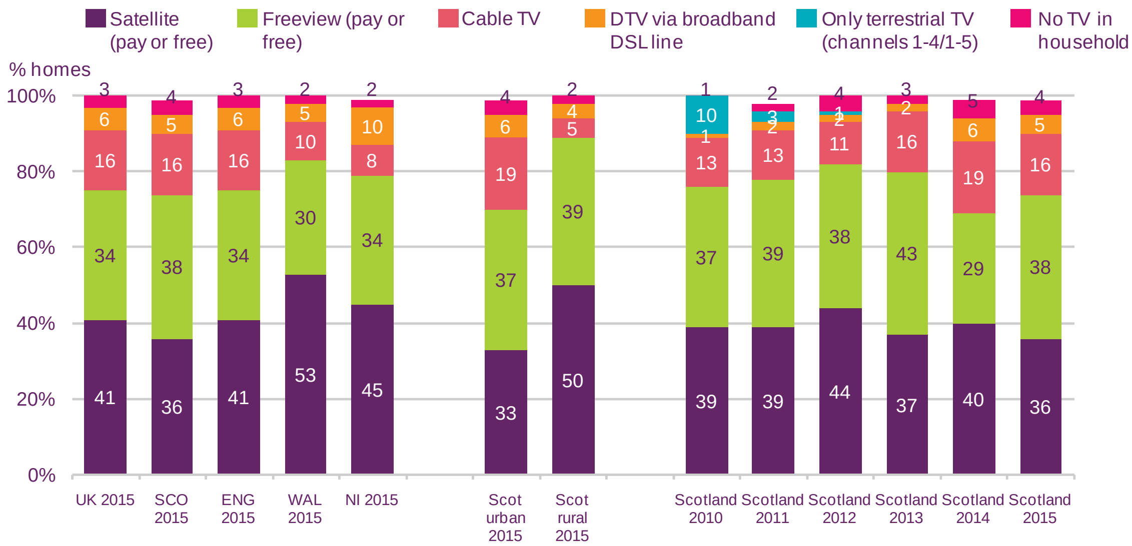
Figure 2.1 shows that in 2015, satellite television (36%) and Freeview/DTT (38%) were the most popular main television services in Scotland. Scotland and the UK as a whole were similar in terms of the main TV service used in 2015.

As in previous years, satellite television had higher penetration in rural areas of Scotland (50% in rural areas vs. 33% in urban areas), where cable services have lower penetration (5% in rural areas vs. 19% in urban areas). Both urban (37%) and rural areas (39%) had similar take-up of Freeview television in 2015.

Since 2014 there has been an increase[26] in the proportion of households in Scotland with Freeview (from 29% in 2014 to 38% in 2015), but no significant change for any other type of television service.

[25] http://news.scotland.gov.uk/News/Extra-3-million-for-Scotland-s-screen-sector-1592.aspx
[26] In 2014 the survey data indicated a decline in use of Freeview as a main television service in Scotland. The 2015 measure is similar to the previous measure from 2013. This may suggest that the apparent decrease in 2014 was due to sample error.

Figure 2.1 Main television set: share, by platform



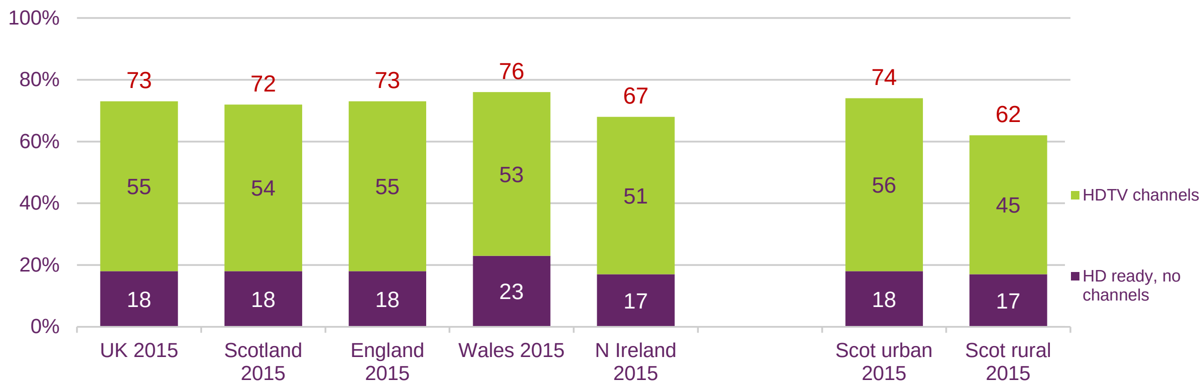
Source: Ofcom Technology Tracker, wave 1 2015
Base: All adults aged 16+ (n = 3756 UK, 492 Scotland, 2264 England, 496 Wales, 504 Northern Ireland, 246 Scotland urban, 246 Scotland rural, 1468 Scotland 2010, 487 Scotland 2011, 500 Scotland 2012, 501 Scotland 2013, 501 Scotland 2014, 492 Scotland 2015)
QH1a. Which, if any, of these types of television does your household use at the moment?/ QH1b And which of these do you consider is your main type of television?

Over half of households in Scotland have access to HDTV services, in line with the UK average

Seventy-two per cent of households in Scotland claimed to have either HDTV services or an HD-ready television, with this figure unchanged since 2014. More than half of households in Scotland (54%) receive HDTV services, with a further 18% claiming to have an HD-ready TV but not to receive HD services.

In Scotland, owning an HD-ready set was more likely in urban (74%) than in rural (62%) households. This difference was due to respondents in urban households being more likely to say they received HD services (56% vs. 45% among rural households).

Figure 2.2 Proportion of homes with HD television

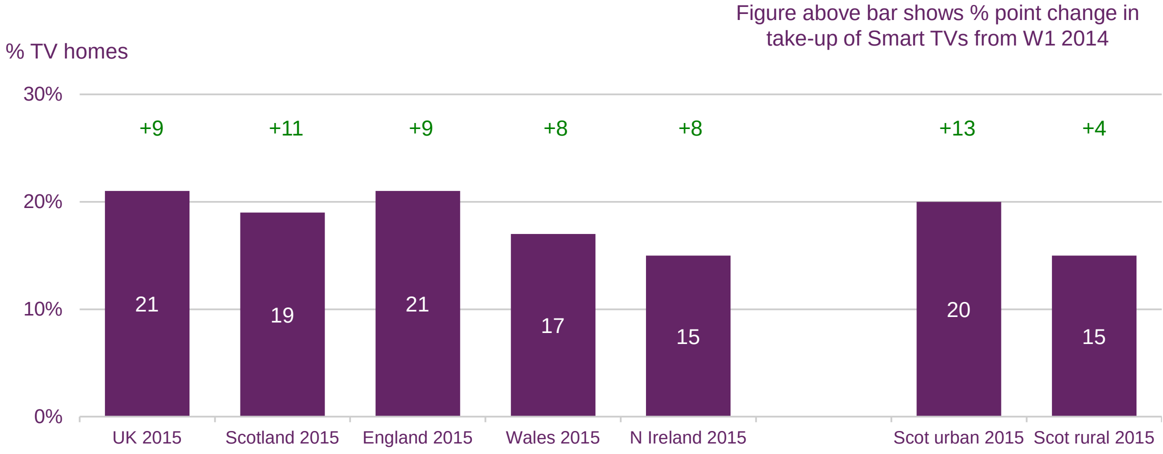


Source: Ofcom Technology Tracker, wave 1 2015
Base: All adults aged 16+ (n = 3756 UK, 492 Scotland, 2264 England, 496 Wales, 504 Northern Ireland, 246 Scotland urban, 246 Scotland rural)
QH53. Is the main TV in your household an HDTV set or HD ready?/ QH54. For the main TV set, does your household have an HD TV service – from either Sky, Virgin Media, Freesat or Freeview?

One in five TV households in Scotland have a smart TV set

Among those in Scotland with a TV set in the household, 19% claimed to have a smart TV; up since 2014 (from 8%). There has been an increase since 2014 in urban household ownership of smart TV sets (20% vs. 7%).

Figure 2.3 Smart TV take-up



Source: Ofcom Technology Tracker, wave 1 2015
Base: All adults aged 16+ with a TV in household (n = 3616 UK, 472 Scotland, 2197 England, 485 Wales, 462 Northern Ireland, 231 Scotland urban, 241 Scotland rural)
QH18. Are any of your TV sets "smart TVs"? These are new types of TV that are connected to the internet and can stream video directly onto your television screen, without the need for a computer, set-top box or games console.

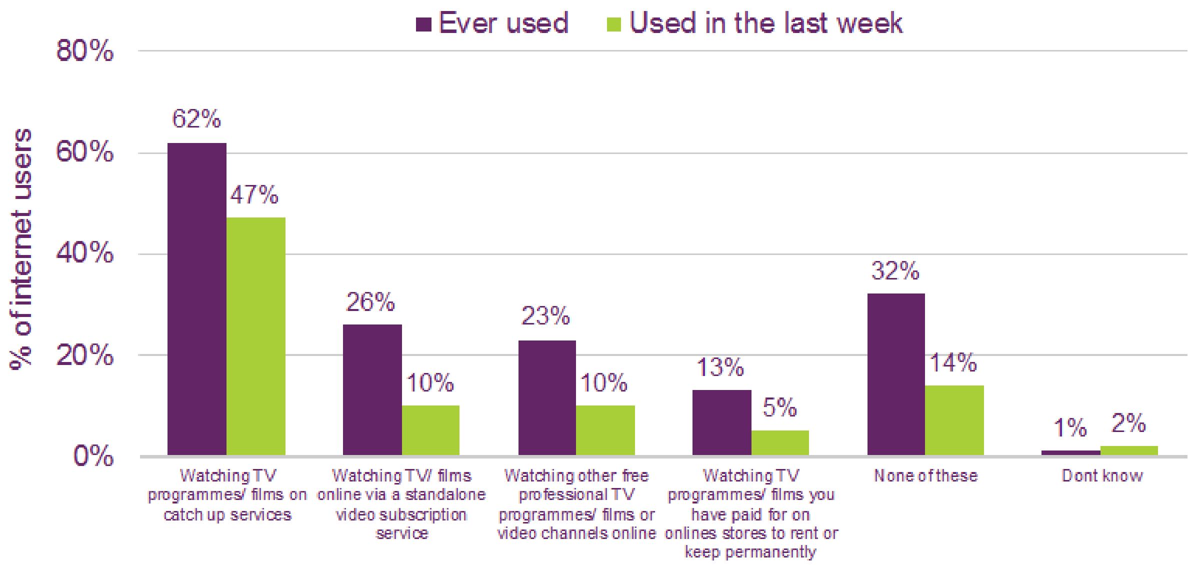
Catch-up services are the most popular way to watch TV programmes and films online among internet users in Scotland

Among those in Scotland who use the internet at home or elsewhere (e.g. on their smartphone, tablet or laptop), over three in five (62%) said they had ever watched TV programmes or films on a catch-up service (e.g. iPlayer, ITV Player, All4). Just under half (47%) of internet users claimed to have watched these services within the last week. This rises to 62% saying they have ever used these services.

Use of stand-alone video subscription services (e.g. Netflix, Amazon Instant) and free professional sources (e.g. official YouTube channels, producers' websites) are less popular, with around a quarter (26% and 23% respectively) of internet users in Scotland claiming to have ever used them. Just over one in ten (13%) internet users in Scotland had ever watched TV programmes or films that they had bought or rented digitally.

Just under a third (32%) of adults in Scotland who use the internet at home or elsewhere have never used any of these services.

Figure 2.4 TV programmes and films: demand on any service



Source: Ofcom Technology Tracker, wave 1 2015
Base: All Scotland adults aged 16+ who use the internet at home or elsewhere (n = 388)
QH17 (QH46)/QH18 (QH47): Thinking about your personal use of TV programmes and films online and on demand services that you may use on any device (e.g. smartphone, TV set, tablet or laptop) anywhere, which of the following, if any, have you personally ever used? And which, if any, of these have you used in the last week?

2.3 Broadcast television content

Broadcast TV viewing

BARB analysis is based on viewing to scheduled TV programmes such as those listed in TV listings magazines or on electronic programme guides (EPGs) on TV sets. 'Broadcast TV viewing' refers to TV programmes watched on the TV set live at the time of broadcast (traditional TV viewing), or recordings of these programmes, or viewing of these programmes through catch-up player services (referred to as time-shifted), up to seven days after they were televised.

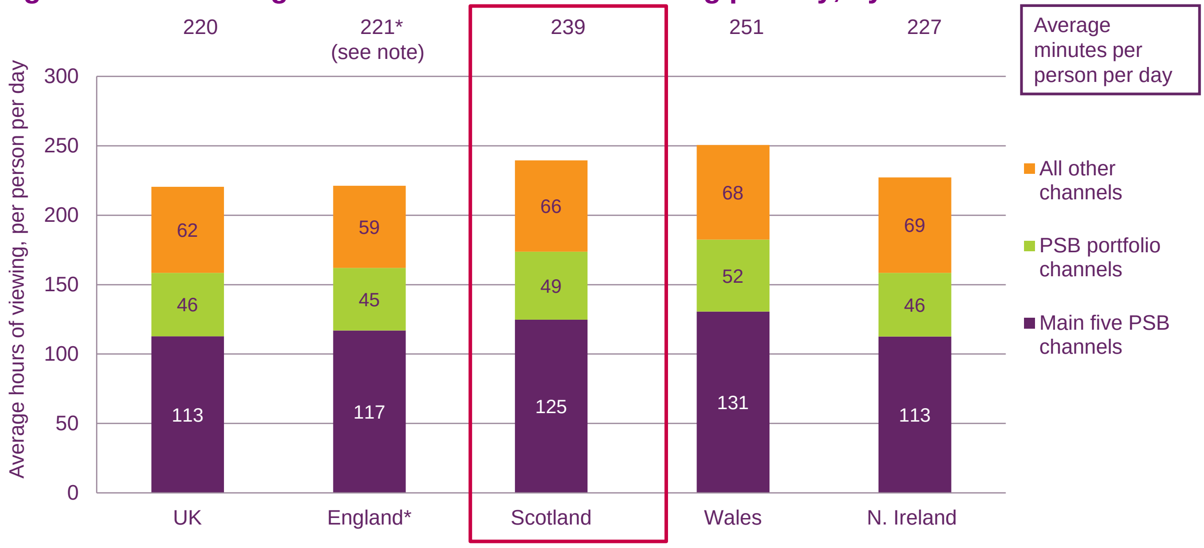
People in Scotland spend an average of 3 hours 59 minutes per day watching TV

In 2014, people in STV licence areas (referred to throughout as 'Scotland') spent an average of 239 minutes (3 hours 59 minutes) per day watching television[27], less than in Wales at 251 minutes (4 hours 11 minutes) but higher than in Northern Ireland at 227 minutes (3 hours 47 minutes) and higher than the UK average at 220 minutes (3 hours 40 minutes). Of the 239

[27]Individuals in the Scottish areas of the ITV Border region watched 276 minutes (3 hours 36 minutes) of TV each on an average day across 2014 (Source: BARB). ***Note***: this figure is indicative due to low sample sizes. There are no BARB reported sub-regions for the Scottish and English regions with the ITV Border area and we have therefore created customised audience segments to undertake this analysis. Segmenting the ITV Border population into the Scottish and English regions is open to fluctuations in reported viewing because the ITV Border region is representative at an overall level rather than by geographical segments. Data should therefore be treated with caution. Only average daily minutes and average weekly reach viewing measures are robust enough for indicative analysis. The respective audiences were created using BARB's 'BBC/ITV area segments' feature by selecting the BBC regions that comprise the Border area and running the viewing analysis against the ITV Border panel.

minutes spent watching television, 174 minutes was spent watching the PSB family of channels (the main five PSB channels[28] together with the PSB portfolio channels[29]).[30]

Figure 2.5 Average minutes of television viewing per day, by nation: 2014



Source: BARB, Individuals (4+). Main five PSB channels = BBC One, BBC Two, ITV, Channel 4 and Channel 5, including HD variants but excluding +1s. PSB portfolio channels = BBC Three, BBC Four, BBC News, BBC Parliament, CBBC, CBeebies, BBC streaming channels, ITV+1 Network (inc ITV Breakfast), ITV2, ITV2+1, ITV3, ITV3+1, ITV4, ITV4+1, CITV, Channel 4+1, E4, E4 +1, More4, More4 +1, Film4, Film4+1, 4Music, 4seven, Channel 5+1, 5, 5*+1, 5USA, 5USA+1. HD variants are included where applicable.*
Note: This figure reflects the average across the English regions with the highest in Border at 250 minutes (4 hours 10 minutes) and lowest in West at 197 minutes (3 hours 17 minutes) respectively.

Over half (52.1%) of all viewing is to the main five PSB channels

In 2014, the main five PSB channels accounted for a combined 52.1% share of total TV viewing in Scotland, equal to their combined share in Wales and just higher than the average 51.2% share across the UK. In Scotland the distribution of viewing share across the main five PSB channels is similar to the UK as a whole. However, Channel 5 gained a larger share of viewing in Scotland (4.8%) compared to the UK (4.0%), Wales (4.1%), Northern Ireland (4.0%) and any other English region.

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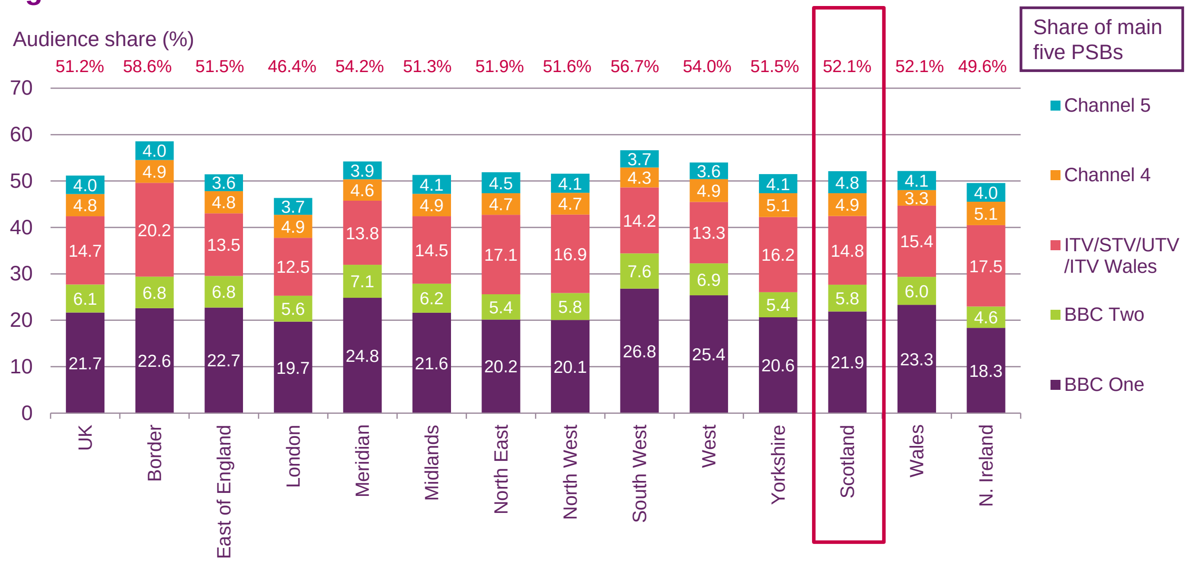
[28] Main five PSB channels = BBC One, BBC Two, ITV, Channel 4 and Channel 5. Includes HD variants but excludes +1s.
[29] PSB portfolio channels = BBC Three, BBC Four, BBC News, BBC Parliament, CBBC, CBeebies, BBC streaming channels, ITV+1 Network (inc ITV Breakfast) ,ITV2, ITV2+1, ITV3, ITV3+1, ITV4, ITV4+1, CITV, Channel 4+1, E4, E4 +1, More4, More4 +1, Film4, Film4+1, 4Music, 4seven, Channel 5+1, 5*, 5*+1, 5USA, 5USA+1. HD variants are included where applicable.
[30] Individuals in the Scottish areas of the ITV Border region watched 219 minutes each of the PSB broadcasters (main five PSBs plus their portfolio channels) on an average day in 2014 (source: BARB). 59% of total TV viewing minutes were attributed to the main five PSBs with their portfolio channels adding an additional 21%. ***Note***: these figure are indicative due to low sample sizes and because segmenting the ITV Border population into the Scottish and English regions is open to fluctuations in reported viewing (see footnote 8 for methodology).

Figure 2.6 Share of the main five PSB channels in all homes, by UK nations and regions: 2014



Source: BARB, Individuals (4+). HD channel variants are included but not +1s.
Note: Chart shows figures rounded to one decimal place. Numbers may not appear to sum up to total share of main five PSBs due to rounding.

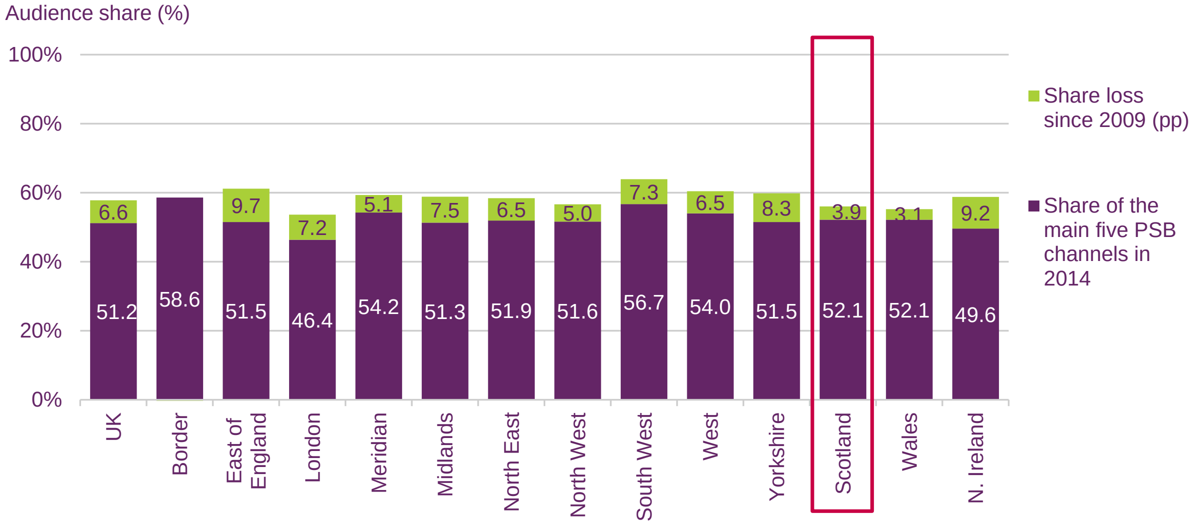
The combined share of the main five PSB channels has decreased by 3.9pp since 2009, less than the UK average net loss

Between 2009 and 2014 there was a 3.9 percentage point reduction in the combined share of the main five PSB channels in Scotland. This reduction was lower than the decrease across the UK as a whole (6.6pp) and lower than the reduction in Northern Ireland (9.2pp).

From 2009 to 2014, all UK nations and regions except Border[31] saw a reduction in the combined share of the main five PSB channels.

[31] In Border, however, their combined share increased from 54.4% to 58.6%. This may be related to the population demographic profile of the ITV Border region; it has the highest proportion of 65+ adults of all the BARB ITV regions and the highest proportion of 45+s overall (67%).

Figure 2.7 Reduction in combined share of the main five PSB channels, all homes: 2009 and 2014

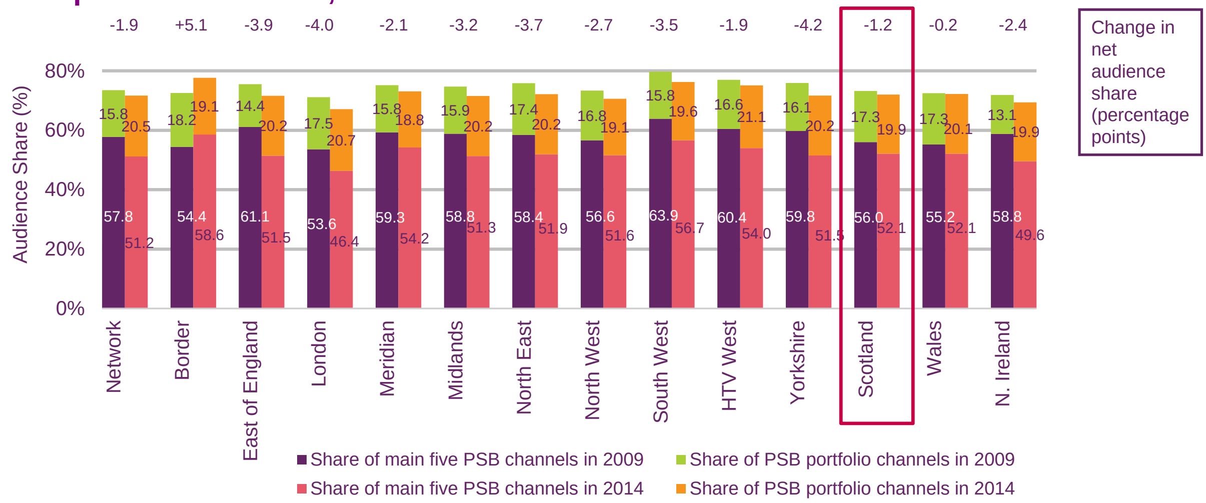


Source: BARB, Individuals (4+). HD channel variants are included but not +1s.
Notes: i) Following digital switchover in Wales in 2010, S4C ceased to carry Channel 4 content. S4C is therefore included in the main five PSB channels in 2009 but not in 2014. S4C's average share in Wales in 2014 is 1.8%. ii) In 2010 a new BARB panel was introduced, including the re-defining of boundaries. Therefore, pre- and post-panel change data should be compared with some caution.

The total share of the main five PSBs and their families of channels decreased by 1.2pp between 2009 and 2014 in Scotland

While the main five PSB channels' share of viewing decreased by 3.9pp, the PSB portfolio channels increased their share of viewing in Scotland by 2.6pp between 2009 and 2014. This resulted in a net share loss overall of 1.2 percentage points for the main five PSBs and their families of channels, the second-smallest decline in the UK nations and regions (the smallest decline was in Wales, -0.2pp and in Border there was a 5.1pp increase).

Figure 2.8 Net change in the audience share of the main five PSB channels and their portfolio channels, all homes: 2009 and 2014



Source: BARB, Individuals 4+. Main five PSB channels = BBC One, BBC Two, ITV, Channel 4 and Channel 5, including HD variants but excluding +1s. PSB portfolio channels = BBC Three, BBC Four, BBC News, BBC Parliament, CBBC, CBeebies, BBC streaming channels, ITV+1 Network (inc. ITV Breakfast) ,ITV2, ITV2+1, ITV3, ITV3+1, ITV4, ITV4+1, CITV, Channel 4+1, E4, E4 +1, More4, More4 +1, Film4, Film4+1, 4Music, 4seven, Channel 5+1, 5, 5*+1, 5USA, 5USA+1. HD variants are included where applicable.*
Notes: i) Following digital switchover in Wales in 2010 S4C ceased to carry Channel 4 content. S4C is therefore included in the main five PSB channels in 2008 but not in 2014. S4C's average share in Wales in 2014 is 0.9%. ii) In 2010 a new BARB panel was introduced, including the redefining of boundaries. Therefore, pre- and post-panel change data should be compared with caution. v) Numbers may not add to 100% due to rounding.

BBC One's and STV's early evening local news bulletin attracted a greater share in Scotland than the UK average for the same slot

In 2014, BBC One's early evening news bulletin, *Reporting Scotland*, attracted an average 30.5% share of TV viewing in Scotland between 6.30pm and 7.00pm – higher than the UK average for the same slot (28.2%). STV's counterpart bulletin, *STV News at Six*, attracted a lower share than BBC One's *Reporting Scotland*, although at 22.7% it was still higher than the Channel 3 UK average (18.0%). Viewing to *Reporting Scotland* in Border achieved 24.9% share, lower than the BBC One UK average share for the same 6:30pm to 7pm slot (24.5%). *ITV News Lookaround* took 41.0% in the 6pm to 6:30pm slot, higher than the ITV UK average in the same slot (39.3%)[32].

[32] It is not possible to analyse granular programme level viewing by the Scottish and English regions within the ITV Border licence area in a statistically robust way. Analysis has therefore been included for the ITV Border licence as a whole,

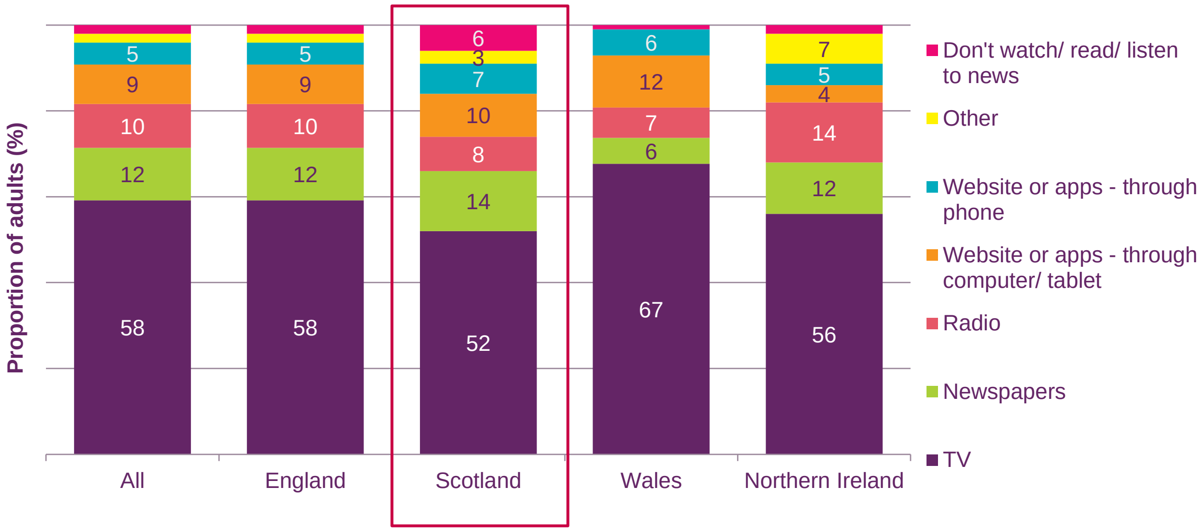
Figure 2.9 BBC One and ITV/ STV/ UTV/ ITV Wales early evening news bulletin shares, all homes: 2014

Source: BARB, Individuals (4+).BBC One includes HD variant. ITV excludes HD variants and +1. Note: Early evening ('local') news bulletin figures based on 'regional news' genre programmes, start time 17:55-18:35, 10mins+ duration, BBC One & ITV (exc HD), weekdays. UK figures based on share to respective early evening news bulletin day parts. BBC One's early evening news bulletin is transmitted between 18:30 – 19:00 and ITV/STV/UTV/ITV Wales' is transmitted between 18:00 – 18:30.

Half of all respondents in Scotland use TV as their main source of UK and world news

As shown in Figure 2.10, in Scotland in 2014, 52% of adults aged 16+ cited television as their main source of UK and world news. The next most popular sources were newspapers (14%) and websites or apps through a computer or tablet (10%). In total, 17% of respondents in Scotland said that their main media source of UK and world news was a website or app (either through a phone, computer or tablet).

Figure 2.10 Respondents' main media source for UK and world news, by nation: 2014



Source: Ofcom Media Tracker 2014.
Base: All (2,074); England (1,577); Scotland (183); Wales (154); Northern Ireland (160).
Significance testing (indicated by a triangle) shows any difference in the main source of news between any nation and all adults.

2.4 TV programming for viewers in Scotland

The following section outlines spend and hours of programming for viewers in Scotland, Wales, Northern Ireland, and the English regions, provided by the BBC and STV/ UTV/ ITV. The figures exclude Gaelic and Welsh-language programming but include some spend on Irish-language programming by the BBC. For information on BBC Alba, see section 2.5.

In January 2014, there was a change in the licensing obligations of the ITV Border region, creating two sub-regions: ITV Border Scotland and ITV Border England. While the majority of the broadcast content in these sub-regions is simulcast, ITV is required to transmit a weekly average of 86 minutes of local and Scotland-centric content, other than news, to ITV Border Scotland. This includes the current affairs programmes *Representing Border* and *Border Life.* As the ITV Border region operates under a single regional licence, and the majority of the programming is shared between the sub-regions, the output and spend for this region has been counted under England in the analysis below. In 2014 the total spend on ITV Border included £725,000 on current affairs programming for viewers in the ITV Border Scotland sub-region, which amounted to 83 hours of content. There were also 21 hours of non-news/non-current affairs programming broadcast specifically for viewers in the sub-region.

Historical financial figures are presented in nominal terms and not adjusted for inflation. The reason for this is to align the CMR suite of reports and to provide a 'base' view of the overall market to inform any further analysis.

Programme definitions

First-run originations - Programmes commissioned by or for a licensed public service channel with a view to their first showing on television in the United Kingdom in the reference year.

First-run acquisitions - A ready-made programme bought by a broadcaster from another rights holder and broadcast for the first time in the UK during the reference year.

Repeats - All programmes not meeting one of the two definitions above.

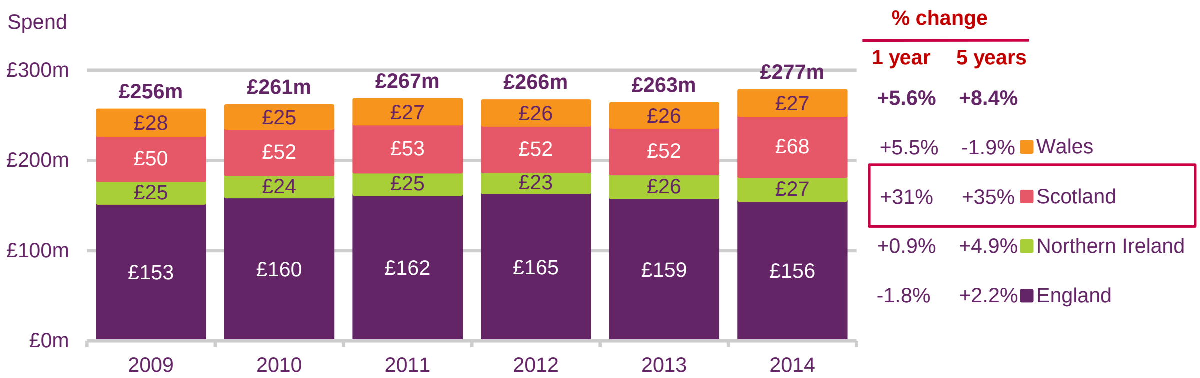
Two exceptional events took place in Scotland in 2014, the 2014 Commonwealth Games, held in Glasgow during July and August, and the Referendum on Scottish Independence in September. An increase in BBC programme investment in Scotland resulted in the production of a range of non-news programmes, which complemented the news and current affairs coverage of these events across the UK. This additional content included Commonwealth-themed documentary series such as *I Belong to Glasgow* and Mark Beaumont's series on the Queen's baton relay, as well as more than 25 televised referendum debates and documentaries, across local and network services, with additional content on radio and online. STV's spending also increased in Scotland but to a lesser degree. The majority of its spend was on current affairs programming, which doubled since the previous year.

BBC and STV spend on first-run originated content for viewers in Scotland grew in 2014 by 31%

£277m was spent by the BBC and ITV/ STV/ UTV on producing first-run originated programmes specifically for viewers in Wales, Scotland, Northern Ireland and the English regions in 2014, in nominal terms up by £14m (or 5.6%) since 2013 and by 8.4% since 2009.

Nominal spend by PSBs on first-run originated programming for viewers in Scotland had remained steady at around £52m in the four years preceding 2014. However, due to the unique events and programming discussed above, PSB spend in 2014 on first-run originated programmes for viewers in Scotland increased by £16m (or 31%) in nominal terms since 2013 and by 35% since 2009.

Figure 2.11 Spend on first-run originated nations' and regions' output by the BBC/ ITV1/ STV/ UTV



Source: Broadcasters. All figures are nominal.
Note: Spend data for first-run originations only. Excludes spend on BBC Alba and S4C output but includes some spend on Irish-language programming by the BBC. These figures do not include spend on network content. Spend on programming for the ITV Border region is included under England.

Total spend on nations' programming in Scotland, including acquisitions and repeats, was up 29% on the year

BBC and STV spend on current affairs programming for viewers in Scotland increased in nominal terms by 49% in 2014, a 61% rise on five years earlier, largely due to the Referendum taking place. Spend on news increased by 24% on the year, a 17% increase since 2009, and spend on non-news/non-current affairs increased by 27%, a 33% increase on 2009 spending. The latter was likely to be due to programming relating to the Commomwealth Games.

Spend on programming commissioned for Scotland as a whole increased by 29% year on year in nominal terms, driven by the previously-mentioned increased spend in all programme genres.

Figure 2.12 Change in total spend on nations' and regions' output, by genre and nation: 2009-2014

	UK		England		N. Ireland		Scotland		Wales	
	1yr (%)	5yr (%)	1yr (%)	5yr (%)	1yr (%)	5yr (%)	1yr (%)	5yr (%)	1yr (%)	5yr (%)
Current Affairs	22%	21%	10%	-1%	28%	43%	49%	61%	16%	29%
News	5%	6%	2%	4%	9%	8%	24%	17%	15%	30%
Non-news/non-current affairs	11%	11%	-2%	119%	-13%	-7%	27%	33%	-2%	-23%
Total Spend in 2014	£285m		£163m		£27m		£69m		£27m	

	UK		England		N. Ireland		Scotland		Wales	
	1yr	5yr	1yr	5yr	1yr	5yr	1yr	5yr	1yr	5yr
Change in Spend	8%	9%	2%	4%	0%	5%	29%	32%	6%	-3%

Source: Broadcasters. All figures are nominal.
Note: Excludes spend on BBC Alba and S4C output but includes some spend on Irish-language programming by the BBC. These figures do not include spend on network content. Spend on programming for the ITV Border region is included under England.

Expenditure in Scotland on PSB non-network programming increased by almost a third year on year

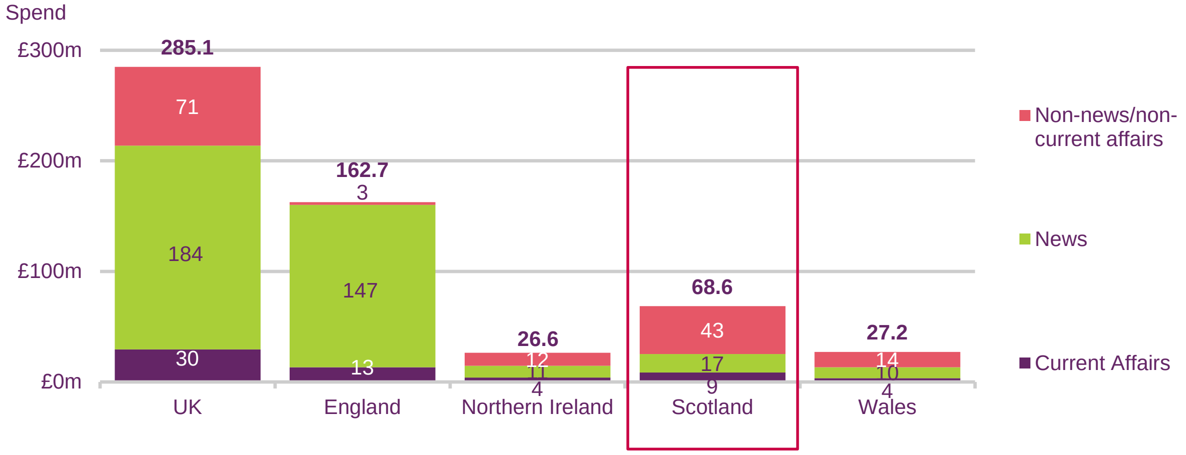
Expenditure on non-network content broadcast by the BBC and STV for people in Scotland increased by 29% in nominal terms to £68.6m in 2014.

Spend on non-news/ non-current affairs accounted for almost two-thirds of total spend (63%); news accounted for a further 24%, with current affairs making up the remaining 13%.

In addition to this, according to its annual report for 2014/2015, the BBC contributed £76m to the operational costs of S4C. It incurred a further £24.5m of costs in delivering other content to S4C under the terms of the operating agreement[33]. It also contributed £5.0m to content shown on BBC Alba in Scotland. See Section 2.5 for more detail on BBC Alba.

[33] http://www.s4c.co.uk/production/downloads/e_cytundeb-gweithredu-s4c-bbc.pdf

Figure 2.13 Total spend by the BBC/ ITV1/ STV/ UTV on non-network nations'/ regions' output for the main PSB channels (BBC One and Channel 3): 2014



Source: Broadcasters.
Note: Excludes spend on BBC Alba and S4C output but includes some spend on Irish-language programming by the BBC. These figures do not include spend on network content. Spend on programming for the ITV Border region is included under England.

Total first-run originated hours for Scotland have increased more than in any other nation since 2009

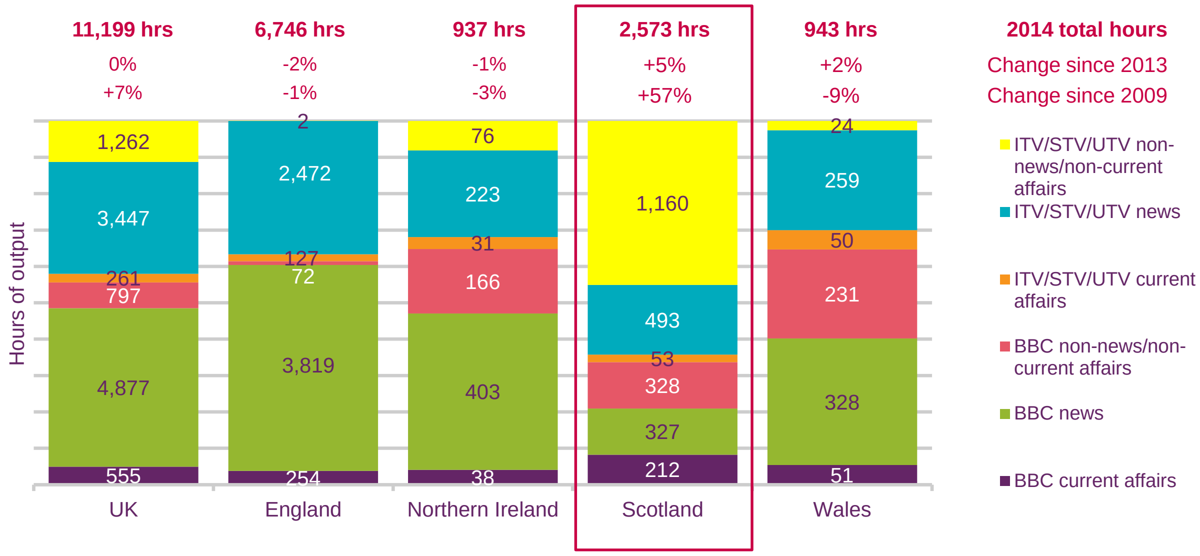
The BBC and ITV1/ STV/ UTV produced a total of 11,199 hours of first-run originated content for the English regions, Scotland, Wales and Northern Ireland in 2014, down by just 33 hours on 2013, and up by 7.3% (760 hours) since 2009.

The number of first-run originated hours produced specifically for viewers in Scotland has increased by 57% since 2009 to 2,573 hours in 2014. This is the highest relative increase across the four nations over this period, and is attributable to the Commonwealth Games and Referendum programming as well as the increased output of *The Nightshift* on STV in 2010/2011. Over one year, the number of first-run originated hours increased by 5% compared to the UK-wide average which has remained steady.

The year-on-year increase in 2014 was reflected relatively evenly across the BBC's output in Scotland with an additional 20-30 hours in each of the genres stated in Figure 2.14. In comparison, STV's additional 41 hours were attributable to a 36 hour increase in news programming and a 17 hour increase in non-news/ non-current affairs programming. These increases were offset by a 12 hour decrease in current affairs programming on STV across the year.

For comparison purposes, Figure 2.14 does not include first-run originated BBC Alba programming hours funded by the BBC, or BBC hours provided to S4C. In 2014 the BBC's first-run originated local hours for viewers in Scotland, including programming it funded on BBC Alba, amounted to 1,097 hours. MG Alba also funded an additional 456 hours of first-run originations on BBC Alba. There is a more detailed breakdown of BBC Alba programming in Section 2.5.

Figure 2.14 Hours of first-run originated nations'/regions' output, by genre and broadcaster: 2014



Source: Broadcasters.
Note: Hours data for first-run originations only. Excludes hours for BBC Alba and S4C output but includes some hours of Irish language programming by the BBC. These figures do not include hours of network content. Hours broadcast in the ITV Border region are included under England.

Total cost per hour on total nations' output for Scotland has decreased by 1% in nominal terms since 2009

When analysing the cost of making programmes for the nations, cost-per-hour calculations show that, when measured in nominal terms, Scotland was the only nation which produced programmes at a lower cost in 2014 than in 2009. However, it is worth noting that spending in Scotland has increased by 25% since 2013. There was a decrease in the Scottish figure in 2010/11 due to the large volume of hours and relatively low production cost of *The Nightshift*. Increased spending in 2014 has offset this reduction and returned the cost per hour to 2009 levels, in nominal terms.

Over the five-year period, Scotland's cost per hour decreased by 1%, compared to the UK average increase of 5%.

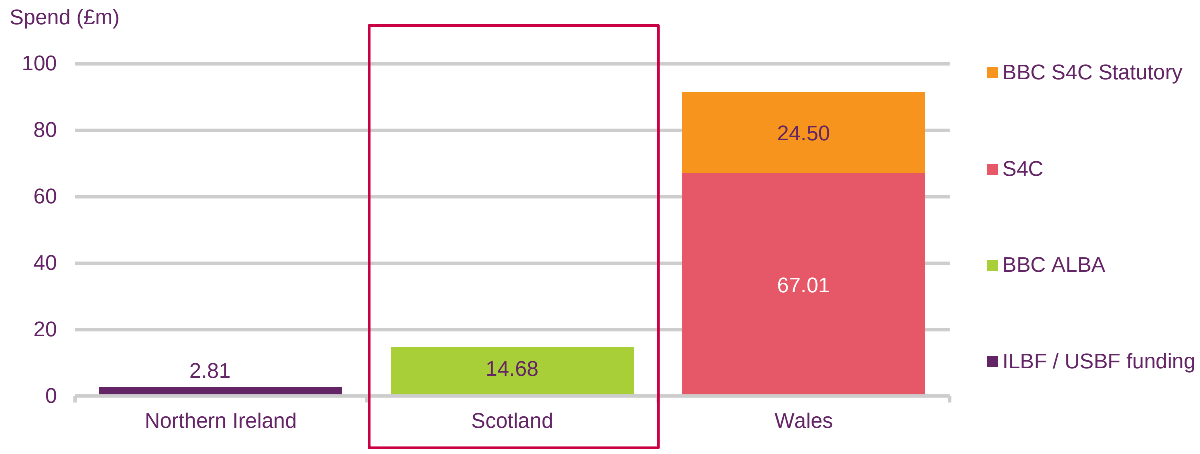
Figure 2.15 Cost per hour of total nations and regions output, by nation: 2009-2014

Source: Broadcasters. All figures are nominal
Note: Excludes spend on BBC Alba and S4C output but includes some spend on Irish-language programming by the BBC. These figures do not include spend on network content. Spend on programming for the ITV Border region is included under England.

2.5 Gaelic-language programming

Figure 2.16 shows other spend in the devolved nations. BBC Alba incurred production costs of £14.68m for all programming, including sports rights. The channel is jointly funded by the BBC and MG Alba.

Figure 2.16 Other spend on other programming in the devolved nations: 2014



Source: Broadcasters.
Note: BBC S4C Statutory refers to the cost to the BBC of programming supplied to S4C by the BBC as part of their statutory agreement. ILBF / USBF refers to additional production contributions by the Irish Language Broadcast Fund and the Ulster Scots Broadcast Fund. BBC S4C Statutory and S4C figures cover the 2014/15 financial year, ILBF/ USBF and BBC Alba figures cover the 2014 calendar year.

BBC Alba

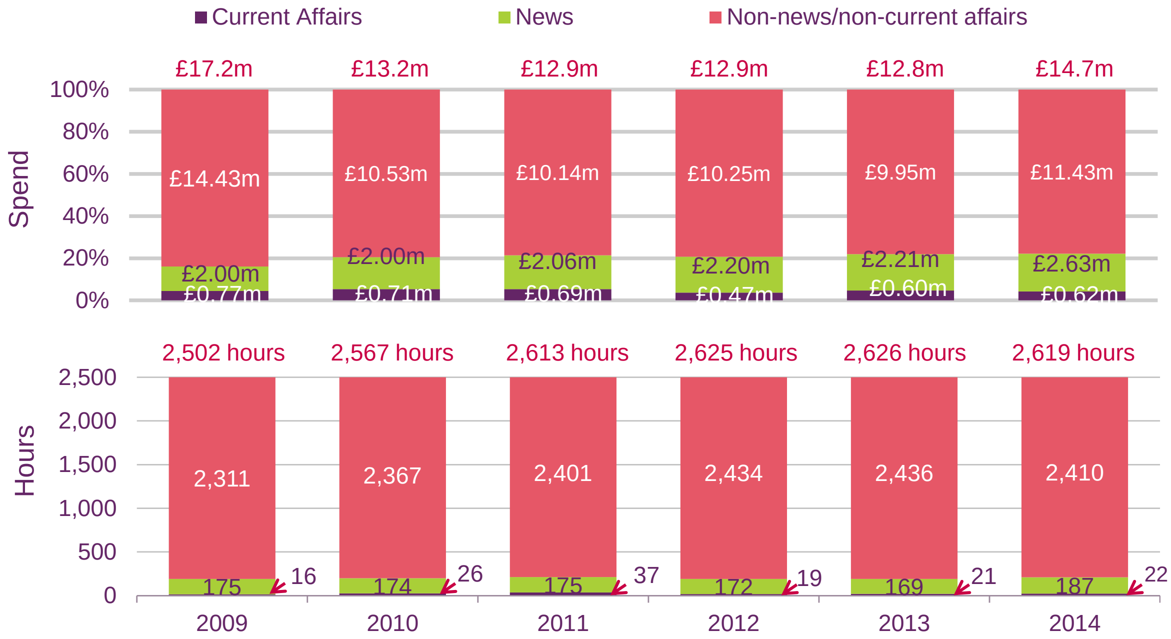
BBC Alba is the Gaelic-language service backed by the BBC and MG Alba, which launched in September 2008.

Figure 2.17 shows that £14.7m was spent on total programming output for BBC Alba in 2014. Ninety-nine per cent of this was spent on first-run originations (£14.62m).

Nominal spend on news increased by a fifth (19%) year on year, while non-news saw an increase of 15%. Spending on current affairs output remained stable at £0.6m in nominal terms.

In 2014 BBC Alba broadcast 2,619 hours in total, seven hours less than in 2013. Of this, 686 hours were originations, up 6.7% on the 643 origination hours broadcast in 2013.

Figure 2.17 BBC Alba total spend and hours: 2009-2014



Source: BBC, total hours and spend. All figures are nominal.

2.6 PSB television quota compliance

Scotland's share of total spend on original network productions decreased by 0.7pp in 2014

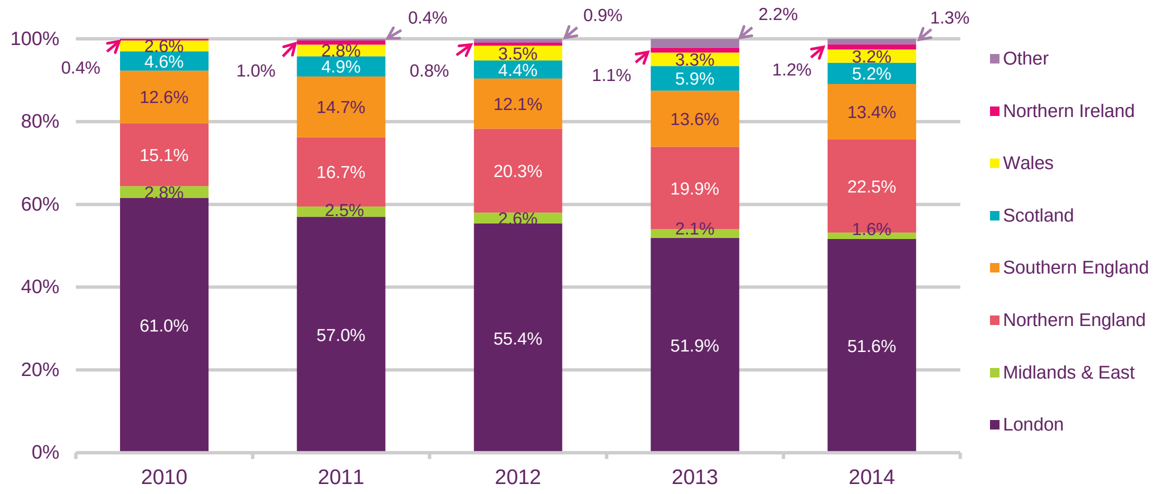
Figure 2.18 illustrates the distribution of spend on qualifying first-run commissioned network programming by the five main PSB channels in the five years to 2014. As in previous years, the majority was spent within the M25: 51.6%, down from 51.9% in 2013. A further 22.5% of first-run spending was captured by producers based in the north of England and 13.4% in southern England.

In 2014 the proportion of spending on originated network productions outside London increased for the fourth year in a row. In contrast, London spending continued a downward trend, falling by 0.3pp. This shift may be attributable in some part to the BBC relocating a significant production base, including the majority of BBC Sport, to Salford, and no London-based events programming on the scale of the royal wedding or the London 2012 Olympics to act as a counterweight in 2014.

Scottish productions accounted for 5.2% of spending on original network programming, down from 5.9% in the previous year, but 0.6pp up from 2010.

Figure 2.18 Expenditure on originated network productions: 2010-2014

Percentage of production by value



Source: Ofcom/broadcasters
Note: This expenditure does not include network news production[34]*.The category 'other' refers to programmes made by producers based within the M25 which qualify as regional productions on the grounds that 70% of total spend and 50% of off-screen talent spend was outside the M25 but not all in one macro-region, and therefore cannot be attributed to a single region.*

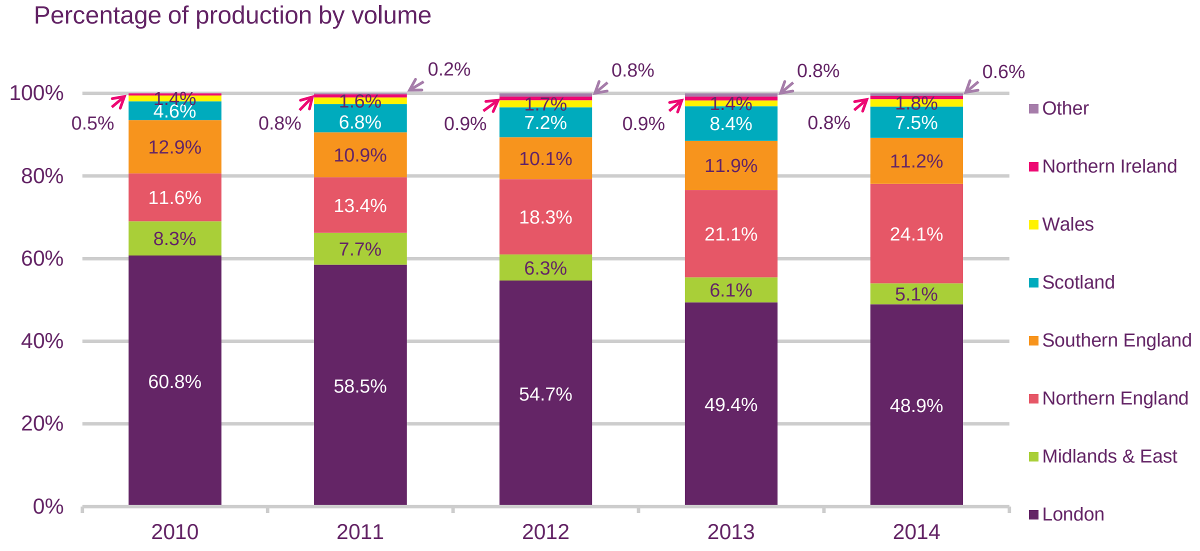
The proportion of originated network production hours produced in Scotland decreased by 0.9pp in 2014

In terms of volume of hours, in 2014 for the second year running less than half (48.9%) of first-run network programmes were produced within the M25, down from 60.8% in 2010. A further 24.1% were produced in northern England, up from 21.1% in 2013, as well as 11.2% in southern England and 7.5% in Scotland. The greater rise in volume produced outside London, when compared to spend, is in part attributable to lower production costs in regions outside the Greater London area.

The proportion of first-run hours produced in Scotland dropped by 0.9pp from 2013 to 7.5% in 2014. However this is an increase of 2.9pp since 2010.

[34] See http://stakeholders.ofcom.org.uk/broadcasting/guidance/programme-guidance/reg_prod/ on Ofcom website for further details

Figure 2.19 Volume of originated network productions: 2010-2014



Source: Ofcom/broadcasters
Note: These hours do not include network news production[35]. The category 'other' refers to programmes made by producers based within the M25 which qualify as regional productions on the grounds that 70% of total spend and 50% of off-screen talent spend was outside the M25 but not all in one macro-region, and therefore cannot be attributed to a single region.

[35] See http://stakeholders.ofcom.org.uk/broadcasting/guidance/programme-guidance/reg_prod/ on the Ofcom website for further details.

3 Radio and audio content

3.1 Recent developments in Scotland

DAB coverage in Scotland is increasing

DAB coverage across the UK is set to be expanded after an agreement between industry and the UK Government. The agreement will see coverage of local DAB in Scotland increasing from 65% to 86% of households by mid-2016.

The expansion of local DAB coverage is separate to the ongoing BBC drive to boost its national DAB radio coverage by the end of this year, and other plans to increase capacity and coverage for national commercial radio on DAB.

A second national commercial digital radio multiplex that will deliver 14 digital stations (nine of which are new) to listeners across the UK is to launch next year. The new digital radio multiplex will be run by Sound Digital, a consortium of Arqiva, Bauer, and UTV Media GB.

The multiplex (which is the transmission infrastructure used to deliver these services) will carry new services including Jazz FM, Magic Mellow, and British Muslim Radio.

Coverage from the new multiplex will be more limited than others: BBC National; Digital One; and local DAB. UK-wide indoor coverage will reach 72% of the population. In Scotland, the figure will be 71% of households.

Developments in community radio

Four new community radio stations launched during the past year: Keith Community Radio, broadcasting to Moray; Deveron FM, serving Banff and Macduff; Camglen Radio, covering Rutherglen, Cambuslang and surrounding areas; and TD1, transmitting in and around the Galashiels area.

Celtic Music Radio re-launched its service, with a new licence to broadcast on FM, in Glasgow in July 2014. It had been broadcasting on medium wave for the previous six and a half years.

The Super Station Orkney decided to cease its service in November 2014 (the service had been broadcasting for nearly seven years). The following two groups decided not to go ahead with planned services after all: K-Town FM (which had been awarded a licence for Kinglassie in Fife) in September 2014, and Sound of Mull Radio in December 2014.

Community radio stations across Scotland broadcast *The Week in Holyrood*. It covers the Scottish, UK and European Parliaments exclusively for the sector. Over the past year, there has also been a daily news service: *60 Seconds Scotland,* covering the referendum and the General Election, produced by Caledonia Media.

The Scottish Community Broadcasting Network (SCBN) continues to work to support community radio licensees and other not-for-profit broadcasters in Scotland. A report commissioned by DCMS last year concluded that it should consider a two-year programme of development support for the sector. In spring 2015, SCBN held a development workshop for all members with the aim of reviewing progress to date and identifying its future objectives. A key objective is now to achieve funding of a dedicated SCBN development worker.

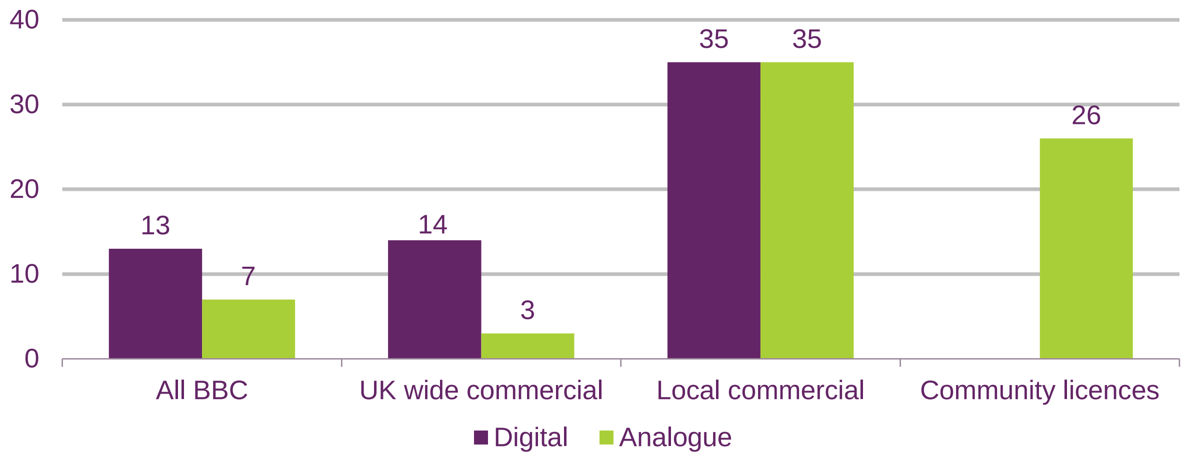
3.2 Radio station availability

There are 35 local commercial stations broadcasting on analogue in Scotland

Across Scotland, there are 35 local commercial stations broadcasting on analogue. Across the seven local commercial digital multiplexes, there are 52 services in total, but only 35 different stations. This is because some are broadcast on more than one multiplex, such as Absolute's decade-themed stations and Bauer's Kisstory brands.

As mentioned above, the launch of four new community radio stations has increased the number of community stations in Scotland to 26.

Figure 3.1 Radio station availability



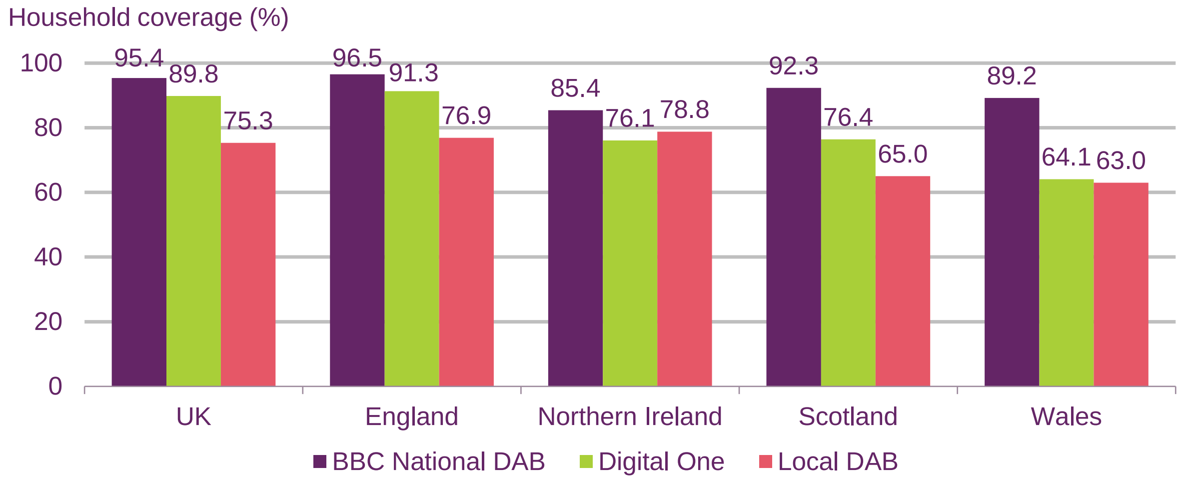
Source: Ofcom, April 2015
Note: This chart shows the maximum number of stations available; local variations and reception issues mean that listeners may not be able to access all of them.

3.3 DAB coverage

UK-wide commercial DAB services are available to 76.4% of households

The UK-wide multiplex Digital One reaches 76.4% of households in Scotland, an increase of 1pp year on year. The aggregate of local DAB multiplexes in Scotland covers 65.0% of households and 46.7% of major roads. The BBC's network services broadcast on DAB are available to 92.3% of households, up from 90.9% the previous year, as additional transmitters have been added to the network.

Figure 3.2 Household coverage of DAB



Source: BBC, Arqiva, Ofcom, June 2015
Note: BBC figures indicate coverage at the end of 2014

3.4 Patterns of listening to audio content

Radio is listened to by fewer people and for less time in Scotland, compared to the rest of the UK

During an average week in 2014, radio services reached 86.9% of adults in Scotland (Figure 3.3). This was the lowest among all of the UK nations and 2.6pp lower than the UK average (89.5%). People in Scotland also spend the least time listening to radio; the average time spent listening per week is 19.9 hours. This is 1.5 hours less than the UK average (21.4 hours).

Figure 3.3 Average weekly reach and listening hours: 2014

	England	Scotland	Wales	Northern Ireland	UK TOTAL
Average weekly listening	21.5 hours	19.9 hours	22.4 hours	21.6 hours	21.4 hours
Reach	89.4%	86.9%	94.5%	88.9%	89.5%

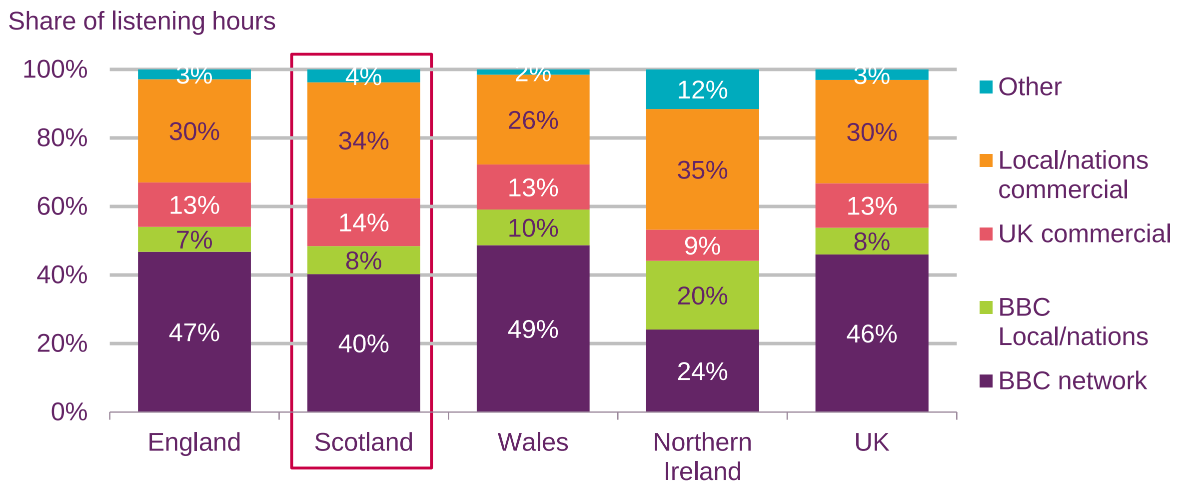
Source: RAJAR, All adults (15+), year ended Q4 2014. Reach is defined as a percentage of the area and adults population who listen to a station for at least five minutes in the course of an average week.

People in Scotland spend more time than the UK average listening to commercial stations

Commercial stations accounted for almost half (48%) of listening hours in Scotland in 2014 (Figure 3.4). This is the highest share for commercial radio across the UK nations and 5pp above the UK average (43%), due to a higher-than-average share of listening to both local and nations' commercial stations (34%) and UK-wide stations (14%).

The share of listening to BBC stations overall in Scotland is lower than the UK average and higher only than Northern Ireland. Four in ten listening hours are to BBC network stations, compared to 46% for the UK average.

Figure 3.4 Share of listening hours by nation: 2014



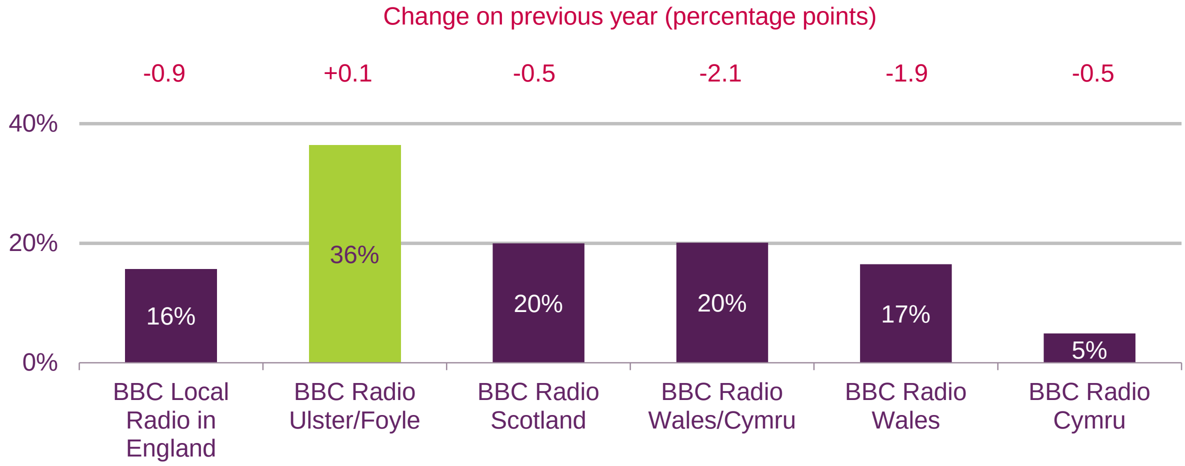
Source: RAJAR, All adults (15+), year ended Q4 2014.

There has been a slight decline in weekly reach to BBC Radio Scotland

In an average week in 2014, the weekly reach of BBC Radio Scotland was 20% (Figure 3.5), 3pp higher than the average weekly reach for BBC Radio Wales (17%). The reach of BBC Radio Scotland fell by 0.5pp year on year (Figure 3.5). Despite the fall in reach, the share of listening hours for BBC Radio Scotland was 1pp higher than the UK average of 7% during 2014.

BBC Radio's Gaelic-language service, Radio nan Gàidheal, reached 62.1% of Gaelic speakers aged 16+ in Scotland in 2014. Listening to Radio nan Gàidheal is measured separately to other radio services through a panel of Gaelic speakers, by Lèirsinn Research Centre, and is not comparable to the figures sourced by RAJAR in Figure 3.5.

Figure 3.5 Weekly reach for nations/local BBC services: 2014



Source: RAJAR, All adults (15+), year ended Q4 2014
Note: The reach for BBC Radio's Gaelic-language service, Radio nan Gàidheal is not measured by RAJAR and is therefore not included with the figure for BBC Radio Scotland.

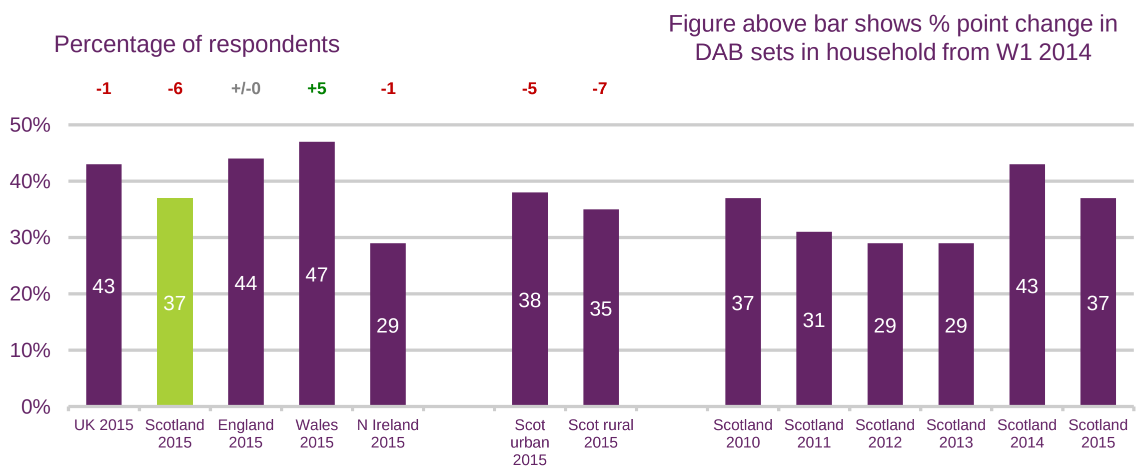
3.5 Digital radio set ownership and listening

Almost four in ten adults in Scotland who listen to radio have a digital radio set

About four in ten adults (37%) who listen to radio say they have at least one DAB radio set at home, unchanged since 2014. There is no statistically significant difference between ownership of DAB digital radios in Scotland and the UK average (43%).

Radio listeners in urban areas of Scotland who listen to radio are as likely to own a DAB set (38%) as those in rural areas (35%).

Figure 3.6 Ownership of DAB digital radios

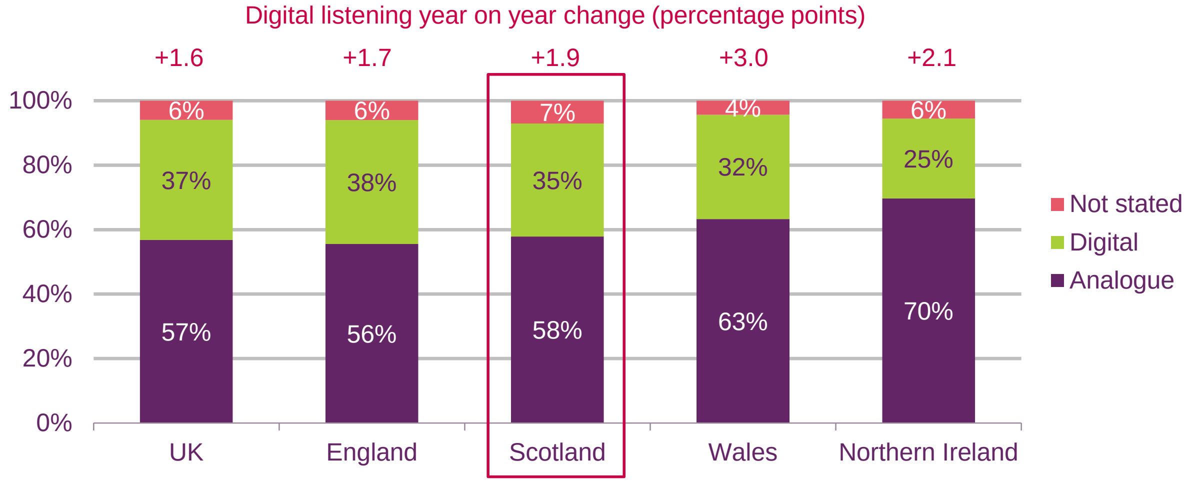


Source: Ofcom Technology Tracker, wave 1 2015
Base: Adults aged 16+ who listen to radio (n = 2934 UK, 386 Scotland, 1735 England, 406 Wales, 407 Northern Ireland, 182 Scotland urban, 204 Scotland rural, 1034 Scotland 2010, 357 Scotland 2011, 364 Scotland 2012, 375 Scotland 2013, 392 Scotland 2014, 386 Scotland 2015)
NB. Data in 2011 based on those who listen to radio and have any radio sets in the household that someone listens to in most weeks
QP9. How many DAB sets do you have in your household?

Over a third of all listening in Scotland is through a digital platform

Digital listening in Scotland grew by 1.9pp year on year, and now over a third (35%) of listening hours are via a digital platform (Figure 3.7). Although share of listening on a digital platform is lower than the UK average (37%), the rate of year-on-year growth in digital listening in Scotland is slightly higher than the rate of growth in the UK overall (1.6pp year-on-year growth).

Figure 3.7 Share of listening hours via digital and analogue platforms: 2014



Source: RAJAR, All adults (15+), year ended Q4 2014.

Figure 3.8 shows that the growth in share of radio listening on a digital platform in Scotland has been steady and continuous over the years, with digital listening now 22pp higher than it was in 2007 (13%). Digital listening has grown by 2pp since 2013, slower than between 2012 and 2013.

Figure 3.8 Share of listening hours via digital and analogue platforms in Scotland: 2007-2014

Source: RAJAR, all adults, calendar years 2007-2014

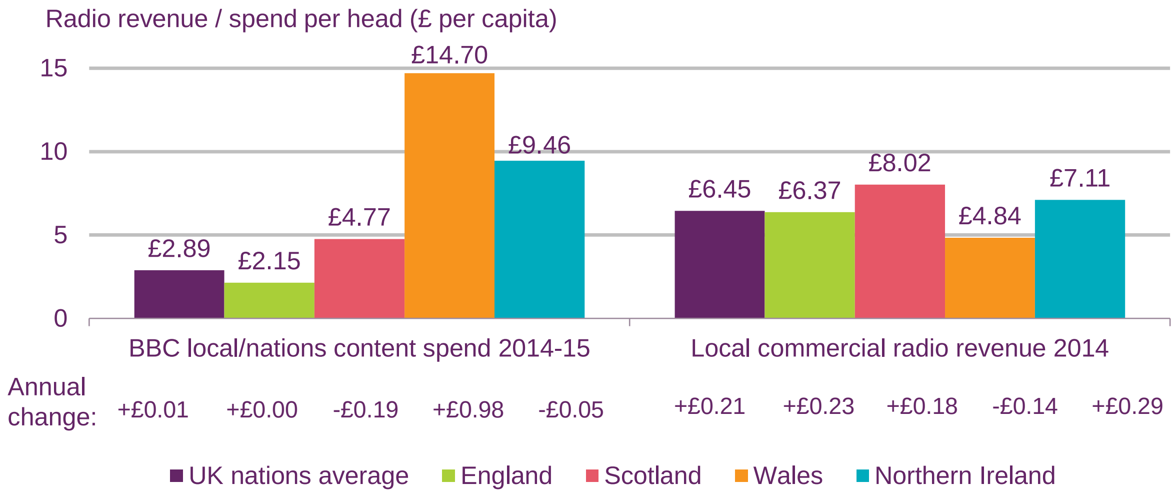
3.6 The radio industry

Local commercial radio revenue per head was higher in Scotland than in the other nations

In 2014, revenue per head of population increased by 18p to £8.02, the highest among all the UK nations. The total revenue generated by the local commercial radio sector in Scotland was £42.7m, a 2.3% increase on 2013.

The combined spend on content for BBC Radio Scotland and BBC Radio nan Gàidheal totalled £25.4m in 2014-15, a reduction from £26.4m in the previous year. Spend per head in Scotland decreased by £0.19 to £4.77.

Figure 3.9 Local/nations' radio spend and revenue per head of population: 2014



Source: Broadcasters
Note: The UK total shows the average for local commercial radio across the four nations and therefore excludes revenues for the UK-wide commercial stations: Classic FM, talkSPORT and Absolute.

4 Telecoms and networks

4.1 Recent developments in Scotland

The Scottish Government is leading the Digital Scotland Superfast Broadband Programme. Combined with existing commercial roll-out plans, the programme plans to deliver access to fibre broadband to around 85% of premises in 2015/16 and at least 95% of premises by the end of 2017.

The Digital Scotland Superfast Broadband programme passed 275,000 premises (around 40% of the total in Scotland) by April 2015. The programme also funded the laying of over 400km of sub-sea cabling to connect some islands and some of the most remote areas of Scotland.

The Scottish Futures Trust was appointed to help the Scottish Government deliver its 2020 vision. The work will include the scoping of digital infrastructure requirements and further projects under the Demonstrating Digital workstream, focusing on trialling innovative technological solutions.

Community Broadband Scotland (CBS)[36] continues to play a significant role in securing connectivity to the areas not covered by the Digital Scotland programme. CBS, as part of Highlands and Islands Enterprise, is actively working with 85 communities across Scotland to get access to faster broadband as part of the Scottish Government Digital Scotland project. These projects could potentially provide services to 16,000 premises. In total 45 projects have had approved grant funding for planning and development, and more than £500,000 has been awarded in capital funding for nine communities whose projects offer services to 1,456 premises and 2,920 beneficiaries.

Ofcom has published research on 3G and 4G network performance in Edinburgh. Average download speeds on both 3G and 4G networks were higher in Edinburgh than in London, and Edinburgh recorded the highest average 3G download speed of all the locations tested. The research also noted improvements in performance due to decreased latency and increases in upload speeds in Edinburgh.

The agreement between the UK Government and mobile network operators, to secure a £5bn investment in network infrastructure to bring 90% UK-wide geographic coverage, is anticipated to bring additional coverage to Scotland.

A pilot project went live in April which made 3G and 4G services available on the island of Coll for the first time. The concept behind this project is to test an alternative model, based around community ownership of the mobile mast. The community own the mast and are able to use it for their benefit while providing mobile coverage to the island.

Glasgow City Council has continued to work on its Digital Glasgow strategy, and following the launch of free city-wide WiFi access, 31 community centres and public halls operated by Glasgow Life have been connected. This will enable access and awareness raising, as well as the ability for users to develop their digital skills. Other outputs from the Digital Glasgow project have been the creation of a digital access map across the city, to identify learning opportunities and further work to identify the most digitally unconnected citizens and help them to get online.

[36] http://www.gov.scot/Topics/Economy/digital/action/WC2020/CBS

Wheatley Group has extended its pilot programme, trialling broadband facilities for GHA tenants living in a multi-storey block in Glasgow. The initial results were encouraging in terms of the number of tenants taking part in the study and increasing their breadth of use of different applications. One of the key areas being looked at is affordability for people on low and fixed incomes. One-third of the people taking part in the study expressed concern about affordability, with 55% of the tenants believing a figure of £5 per month would be manageable. The study will be extended until August 2016; the emphasis in the coming months will be on the use of digital housing and digital public sector services.

In 2015 the Scottish Government launched a new digital participation programme 'Let's Get On' aimed at supporting individuals and micro-businesses get online. It held 89 events across Scotland to highlight the benefits of broadband and to offer help with basic digital skills.

4.2 Availability of fixed broadband services

Almost all UK premises are able to receive basic broadband services

Three key technologies are used to provide fixed broadband services in the UK: exchange-based ADSL, cable (over a hybrid fibre-coaxial network) and fibre-to-the-cabinet (using VDSL in the street cabinet).[37] ADSL transmits data over the existing copper network, and is the cheapest of these technologies to deploy, as in most cases it does not require an upgrade to the existing telephone network other than new equipment in the local exchange (cable and fibre roll-out both involve the deployment of new infrastructure to connect local exchanges/nodes to the end user).

However, while ADSL technology has the benefit of being comparatively cheap to roll out, it is unable to provide the superfast speeds[38] that cable and fibre can, and some premises in ADSL-enabled areas may not be able to receive service, or may only be able to do so at very low speeds of as a result of the long length, or poor quality, of the telephone line from their premises to the local exchange.

By the end of 2014, almost all of BT's local exchanges (of which there are around 5,600 across the UK) had been upgraded to offer ADSL broadband services, and across the UK as a whole, the proportion of premises (i.e. homes and offices) connected to an ADSL-enabled exchange was over 99.9% (Figure 4.1). In Northern Ireland and Wales, all BT local exchanges have been upgraded to offer ADSL broadband services, while in England and Scotland there remain exchanges that are not ADSL-enabled, and the proportion of premises connected to ADSL-enabled exchanges is slightly lower.

Local-loop unbundling (LLU) enables an alternative provider to offer broadband services over the twisted copper pair from the local exchange to the end user's premises. To do this, the LLU provider has to site its own equipment in the incumbent's local exchange and connect it to its own backhaul network. The advantage of LLU to ISPs is that it allows them to benefit from the economies of scale that are not available when purchasing wholesale services from the incumbent on a per-connection basis, and it enables them to differentiate their retail products from those offered by their competitors. The deployment of LLU ADSL services in the UK has resulted in the availability of low-cost bundled broadband services to consumers living in unbundled exchange areas.

By the end of 2014, LLU availability in the UK was high, with 95% of premises being in areas served by unbundled local exchanges (an increase of just 0.2 percentage points compared

[37] A small proportion of premises is also served by fibre-to-the-premises (FTTP).
[38] i.e. actual speeds of 'up to' 30Mbit/s or higher

to the previous year). Roll-out of any fixed telecoms network tends, initially at least, to be concentrated in urban areas (where there are a larger number of premises to be served). This is reflected in fact that the proportion of premises in urban areas connected to an unbundled local exchange at the end of 2014 (over 99.9%) was higher than in rural areas (77%). Along with Northern Ireland, Scotland had the joint lowest proportion of premises that were connected to an unbundled local exchange at the end of 2014 (89%). England had the highest proportion at the end of the year, at 96%, while in Wales, the proportion was 93%.

Figure 4.1 Proportion of premises connected to ADSL-enabled and unbundled exchanges

Source: Ofcom / BT, December 2014 data

By May 2015, 36% of premises in Scotland could receive cable broadband services

Ofcom, as part of its work to monitor the UK's communications market infrastructure, collects data showing the number of UK premises that are able to receive cable and fibre broadband services. It is important to note that not all cable and fibre broadband connections are capable of providing superfast broadband services (i.e. those with an actual speed of 30Mbit/s or higher). For example, the speed achievable on a fibre-to-the-cabinet (FTTC) line will depend on the length and quality of the copper connection from the street cabinet to the user's premises, as is the case with ADSL (these limitations do not apply to cable and fibre-to-the-premises services). Ofcom's 2015 *Communications Infrastructure Report Update*[39] will provide more detailed analysis of the distribution of fixed broadband speeds.

Urban and rural classifications

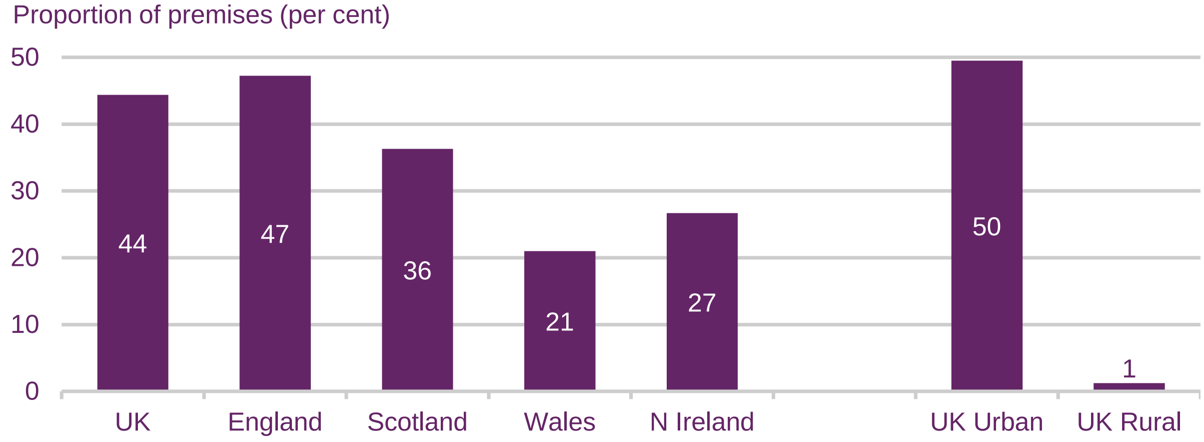
In previous *Communications Market Reports*, Ofcom has used a third-party data source (*Locale*) to classify postcodes as being urban or rural. This year, that data source was not available, so Ofcom has used the rural/urban classifications developed by DEFRA, NISRA and The Scottish Registry Office to produce urban/rural splits. Analysis shows that at an urban/rural split level, the two datasets correspond 95% of the time, where postcodes can be matched. However, each dataset cannot match 2.5% of all postcodes, and the unallocated postcodes differ between datasets. Therefore, the urban/rural classification of between 5% and 10% of postcodes varies between datasets, and the urban/rural figures in this report are not directly comparable to those in previous reports.

Data provided to Ofcom by Virgin Media shows that 44% of UK premises were able to receive cable broadband services over Virgin Media's network in May 2015, unchanged from

39 Due to be published in Q4 2015

June 2014 (Figure 4.2). Across the UK nations the proportion of premises able to receive Virgin Media cable broadband services (which offer advertised download speeds of 'up to' 50Mbit/s, 100Mbit/s and 152Mbit/s) ranged from 21% in Wales to 47% in England (in Scotland it was 36%, the second highest proportion across the nations). The proportion of premises able to receive Virgin Media cable broadband services was significantly higher in urban areas of the UK (50%) than in rural areas (1%).

Figure 4.2 Proportion of premises able to receive Virgin Media cable broadband services



Source: Ofcom / Virgin Media, May 2015 data

Three-quarters of premises in Scotland could receive fibre broadband services by May 2015

We have calculated the proportion of premises able to receive fibre broadband services using data provided by Openreach (a BT Group company) and Kcom (the incumbent provider in the Kingston-upon-Hull area).[40] As stated previously, it is important to note that not all fibre broadband connections will be able to achieve actual download speeds of 30Mbit/s.

Our analysis shows that by May 2015 82%[41] of UK premises were able to receive fibre broadband services over Openreach or Kcom's fibre broadband networks, a 13 percentage point increase compared to June 2014 (Figure 4.3). Scotland had the lowest proportion of premises that could receive fibre broadband services among the nations in May 2015 (75%), however, this was a 26 percentage point increase compared to June 2014, the second highest increase among the nations after Wales.

Among the other nations, the proportion of premises that were served by Openreach or Kcom's fibre broadband networks ranged from 82% in England to 92% in Northern Ireland, which has benefited from a Department of Enterprise, Trade and Investment (DETI) initiative to increase the availability of superfast broadband services. As is the case with cable services, the availability of fibre broadband services is higher in urban areas of the UK than in rural areas, with 84% of premises in urban areas being able to receive Openreach or Kcom's fibre broadband services, compared to 67% in rural areas.

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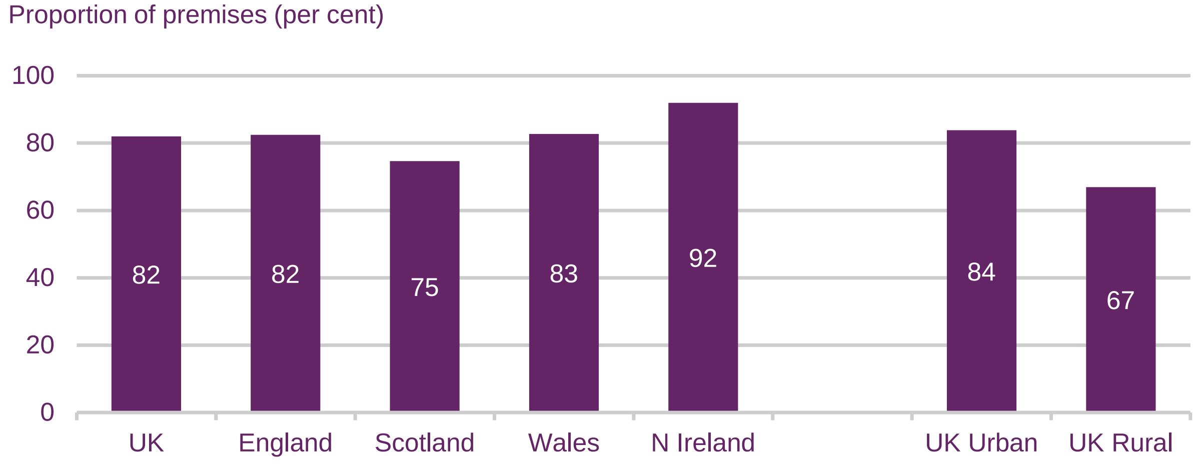
[40] Under regulatory rules other providers can provide retail fibre broadband services to consumers using these networks.
[41] It should be noted that this figure, and those given below, will understate actual fibre broadband availability as they exclude availability over networks other than Openreach and Kcom's.

Again, it is important to note than not all fibre broadband connections will be able to achieve actual downstream speeds of 30Mbit/s.

Figure 4.3 Proportion of premises able to receive Openreach / Kcom fibre broadband services



Source: Ofcom / Openreach / Kcom, May 2015 data

By May 2015, 85% of premises in Scotland could receive next generation access broadband services

We are able to estimate the proportion of premises that are served by next generation access (NGA) networks (which are used to deliver superfast broadband services) by combining the Virgin Media cable broadband availability data shown in Figure 4.2 with the Openreach/Kcom fibre broadband availability data shown in Figure 4.3.

Combining postcode-level availability data for cable and fibre services gives us a range of availability for NGA broadband services: for example, if cable broadband and fibre broadband services are both available to 50% of premises in a postcode, the availability of NGA services in that postcode will be somewhere between 50% of premises (where cable and fibre services are available to the same premises within the postcode area) to 100% of premises (where there is no overlap in the availability of cable and fibre services). In Figure 4.4 below, we show the mean of the possible range of availability of NGA services, which would be 75% in the example given above.

Our analysis indicates that 90% of UK premises were able to receive fixed broadband services over NGA networks by May 2015, a 12 percentage point increase compared to June 2014. Scotland had the lowest availability of NGA broadband networks in May 2015, with 85% of premises having access to these services, however, this was a 22 percentage point increase from June 2014 as a result of increasing fibre broadband availability. Across the other UK nations, the proportion of premises that could receive NGA broadband services ranged from 87% in Wales to 95% in Northern Ireland, with 90% of premises in England being within NGA network footprints. In urban areas of the UK, 92% of premises were able to receive NGA broadband services in May 2015, compared to 67% in rural areas.

Figure 4.4 Proportion of premises able to receive NGA broadband services

Source: Ofcom / Openreach / Virgin Media / Kcom, May 2015 data

Seventy-three per cent of premises in Scotland were able to receive superfast broadband services in May 2015

As mentioned previously, not all NGA broadband connections are capable of providing superfast broadband services (i.e. those with an actual speed of 30Mbit/s or higher) and in particular, the speed achievable over an FTTC connection will depend on the length and quality of the copper connection from the street cabinet to the user's premises. In collecting data to inform its work monitoring the UK's communications market infrastructure in 2015, Ofcom asked Virgin Media, Openreach and Kcom to provide postcode-level data regarding the proportion of premises that could receive superfast broadband services, i.e. a fixed broadband service with an actual speed of 30Mbit/s or higher.

As is shown in Figure 4.5 below, this data suggests that while 90% of UK premises were able to receive NGA broadband services in May 2015, the proportion that was able to receive superfast broadband services was seven percentage points lower, at 83%. As was the case with NGA broadband services, Scotland had the lowest proportion of premises that could receive superfast broadband services in May 2015 (73%), meaning that 12% of premises in Scotland were in areas where NGA broadband was available, but could not receive actual broadband speeds of 30Mbit/s, the second highest proportion across the UK nations after Northern Ireland (18%).

Among the other UK nations, the proportion of premises that could receive superfast broadband services ranged from 77% in Northern Ireland to 84% in England (in Wales it was 79%). The proportion of premises that could receive superfast broadband services in urban areas of the UK (88%) was significantly higher than in rural areas (37%). This indicates that while across the UK as a whole, 7% of premises in NGA areas could not receive an actual fixed broadband download speed of 30Mbit/s, this proportion was much higher in rural areas (45%) than in urban areas (4%).

Figure 4.5 Proportion of premises able to receive superfast broadband services

Source: Ofcom / Openreach / Virgin Media / Kcom, May 2015 data

4.3 Mobile network coverage

Overview

How we measure the availability of mobile telephony for this report

The coverage information presented in Ofcom's *Communications Market Reports* and *Infrastructure Report* is collected by Ofcom from the four UK mobile network operators (MNOs). Information on coverage is provided by each operator for each 100x100m pixel of landmass across the UK. This information is correlated with maps of premises to give the premises' coverage figures.

The availability figures quoted all refer to outdoor coverage. Coverage figures for indoor reception are likely to be lower because radio signals are attenuated as they pass through the fabric of buildings. Indoor reception is highly dependent on the building in which reception is desired, and where the user is located in the building, making it difficult to calculate accurate indoor coverage figures.

Figure 4.6, Figure 4.7 and Figure 4.8 show coverage levels for 2G, 3G and 4G mobile services respectively.[42] 2G is considered satisfactory for telephone calls and text messaging, while 3G is considered the minimum necessary to provide an acceptable experience of accessing mobile data services. 4G generally provides a better user experience than 3G when accessing mobile data services as a result of the faster data speeds that it offers.

There are still areas of the UK where a lack of mobile coverage means that it is not possible to make mobile voice calls, send text messages and/or access mobile data services. These areas are known as 'mobile not-spots' and are often characterised by low population density and/or hilly terrain which present physical and economic obstacles that deter mobile network operators (MNOs) from deploying mobile network infrastructure in these areas. In other areas (known as 'partial not-spots') some operators have mobile coverage whereas others do not.

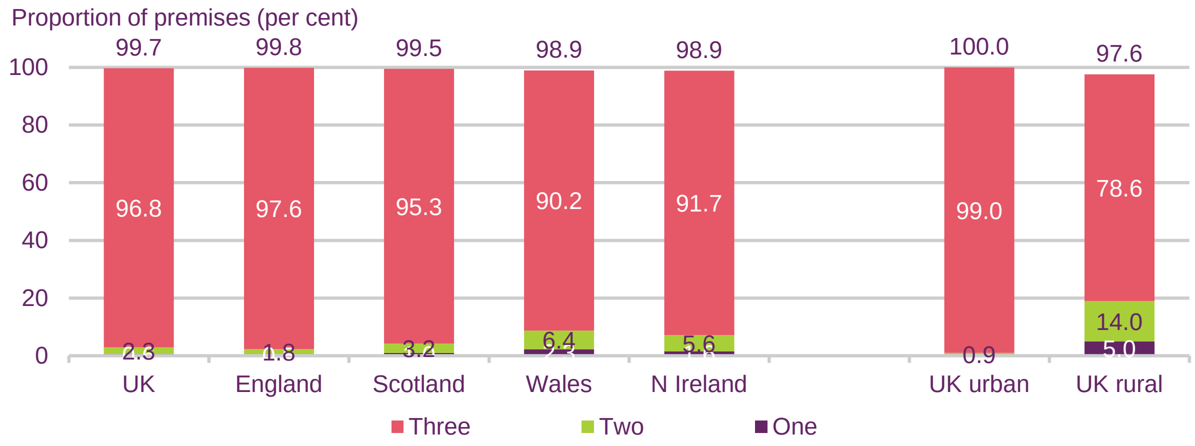
[42] The availability data provided by the MNOs are taken from network planning tools, which are subject to a margin of error, and local factors such as tall buildings or trees can affect signal strength.

99.5% of premises in Scotland were in areas with outdoor 2G coverage in May 2015

The coverage data provided to us by MNOs shows that 96.8% of UK premises had outdoor coverage from all three 2G network operators (EE, O2 and Vodafone) in May 2015 (Figure 4.6). Overall, 99.7% UK of premises were in areas where at least one mobile network provided outdoor 2G coverage, suggesting that 0.3% of UK premises (around 75,000 premises) were in areas without any 2G mobile coverage. The proportion of UK premises in areas with outdoor 2G mobile coverage was higher in urban locations (100.0%) than in rural ones (97.6%).

Scotland had the second highest proportion of premises with outdoor coverage from all three 2G networks among the UK nations in May 2015, at 95.3%, while 0.5% of premises in Scotland (around 14,000 premises) were in areas without 2G coverage. The lower-than-average network coverage in Scotland is a reflection of its lower population density (which means that providing mobile services in some areas is not commercially viable) and its hilly terrain, which restricts the propagation of mobile signals. England had the highest 2G coverage across the UK nations, with 97.6% of premises having outdoor coverage from all three 2G networks and 0.2% being in areas without any outdoor 2G coverage.

Figure 4.6 2G outdoor mobile coverage to premises, by number of operators



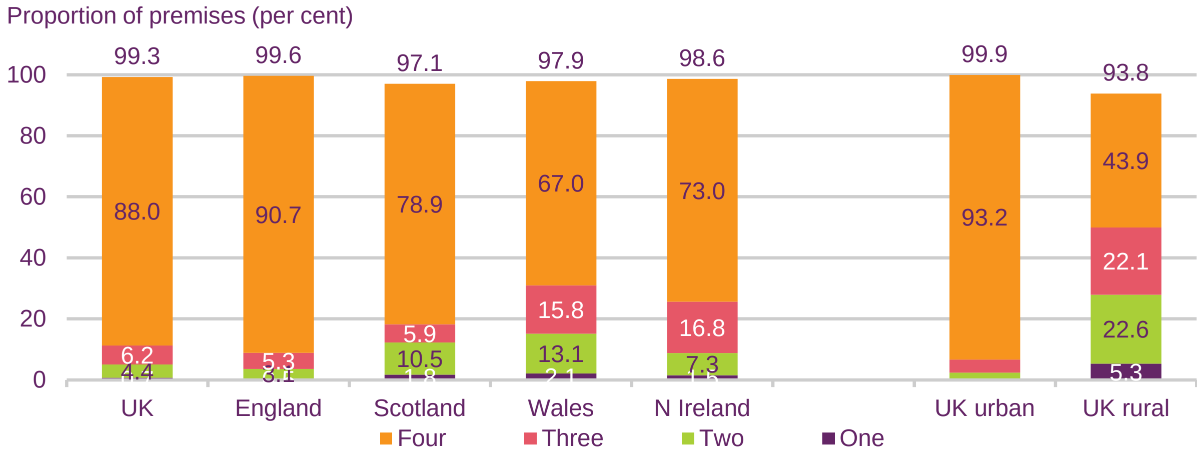
Source: Ofcom / operators, May 2015 data
Note: Coverage is based on 100m square pixels covering the UK

Scotland had the lowest proportion of premises with outdoor 3G coverage among the UK nations in May 2015

Our analysis suggests that 99.3% of UK premises were in areas where there was outdoor 3G mobile coverage in May 2015, while 88.0% were in areas where there was similar coverage from all four UK 3G networks (EE, O2, Vodafone and Three). Conversely, 0.7% of premises were in areas without any 3G mobile reception, equivalent to around 210,000 premises. The proportion of premises in areas with outdoor 3G coverage was higher in urban areas of the UK (99.9%) than in rural areas (93.8%).

As was the case with 2G services, the proportion of premises in areas with outdoor 3G mobile coverage was highest in England, where 99.6% of premises were in areas with coverage from at least one 3G network, and 90.7% had coverage from all four MNOs (Figure 4.7). Scotland had the lowest proportion of premises in areas with outdoor 3G coverage from at least one MNO, among the UK nations, in May 2015, at 97.1%; 2.2 percentage points below the UK average, although it had the second highest proportion of premises with similar coverage from all four 3G networks, at 78.9%.

Figure 4.7 3G outdoor mobile coverage to premises, by number of operators



Source: Ofcom / operators, May 2015 data
Note: Coverage is based on 100m² pixels covering the UK

Scotland had the largest increase in 4G availability among the UK nations between June 2014 and May 2015

The UK's four national MNOs are still in the process of deploying their 4G networks, and this is reflected by the fact that availability of 4G services in May 2015 was lower than that of 2G and 3G services (Figure 4.8).

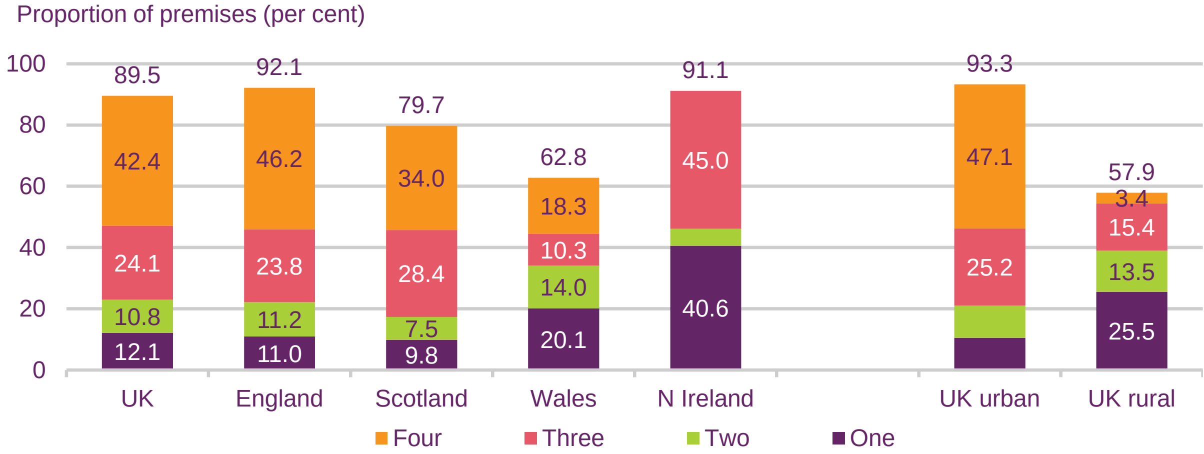
Data provided by the MNOs suggest that 89.5% of UK premises were in areas with outdoor mobile coverage from at least one 4G network in May 2015, a 17.7 percentage point increase compared to the 71.8% recorded in June 2014[43]. All four UK MNOs aim to have at least 98% 4G population coverage by the end of 2015, and the 4G spectrum licence acquired by O2 stipulates that it should provide indoor coverage to 98% of the UK population (and at least 95% of the population of each of the UK nations) by the end of 2017 at the latest.

Scotland had the second lowest proportion of premises in areas with outdoor 4G network coverage from at least one 4G network in May 2015 at 79.7%. This was a 23.3 percentage point increase compared to June 2014, the largest such increase among the UK nations over this period. Among the other UK nations, the proportion of premises with outdoor 4G coverage ranged from 62.8% in Wales to 92.1% in England (in Northern Ireland, where mobile provider Three did not offer 4G mobile services in May 2015, it was 91.1%).

The difference between urban and rural 4G coverage was much more marked for 4G services than for 2G and 3G in May 2015, with 93.3% of urban premises having outdoor 4G coverage, compared to 57.9% of those in rural areas.

[43] All 4G coverage comparisons between 2014 and 2015 are indicative only as coverage data for Three was not available in 2014, and 2014 figures are therefore based on three rather than four UK MNOs.

Figure 4.8 4G outdoor mobile coverage to premises, by number of operators



Source: Ofcom / operators, May 2015 data
Note: Coverage is based on 100m square pixels covering the UK

4.4 Service take-up

Household computer ownership is lower than average in Scotland

As shown in Figure 4.9, while take-up levels for landlines and mobile phones in Scotland in Q1 2015 were in line with the UK averages, internet take-up was lower than the average for the UK as a whole (78% vs. 85%).

This was largely because adults in Scotland are less likely to have fixed broadband at home compared to the UK average (71% vs. 78%), and this is likely to be related to the fact that fewer homes have any type of computer (75% vs. 83%). It was notable that there were no significant differences in levels of take-up of any of the services or devices shown below across urban or rural areas of Scotland in Q1 2015.

Figure 4.9 Take-up of communications services: 2015

		UK	Scotland	England	Wales	N Ireland	Scotland urban	Scotland rural
Individual								
Voice telephony	Fixed Line	**84%**	82%	85%	83%	84%	81%	86%
	Mobile phone	**93%**	91%	93%	90%	91%	90%	93%
	Smartphone	**66%**	63%	67%	63%	63%	64%	60%
Internet	Computer (any type)	**83%**	75%	84%	84%	77%	75%	75%
	Tablet computer	**54%**	52%	54%	60%	54%	53%	47%
	Total Internet[1]	**85%**	78%	86%	86%	79%	79%	77%
	Broadband (fixed & mobile)[2]	**80%**	73%	81%	78%	72%	73%	73%
	Fixed Broadband	**78%**	71%	79%	77%	69%	71%	72%
	Mobile internet[3]	**61%**	59%	62%	59%	60%	60%	54%

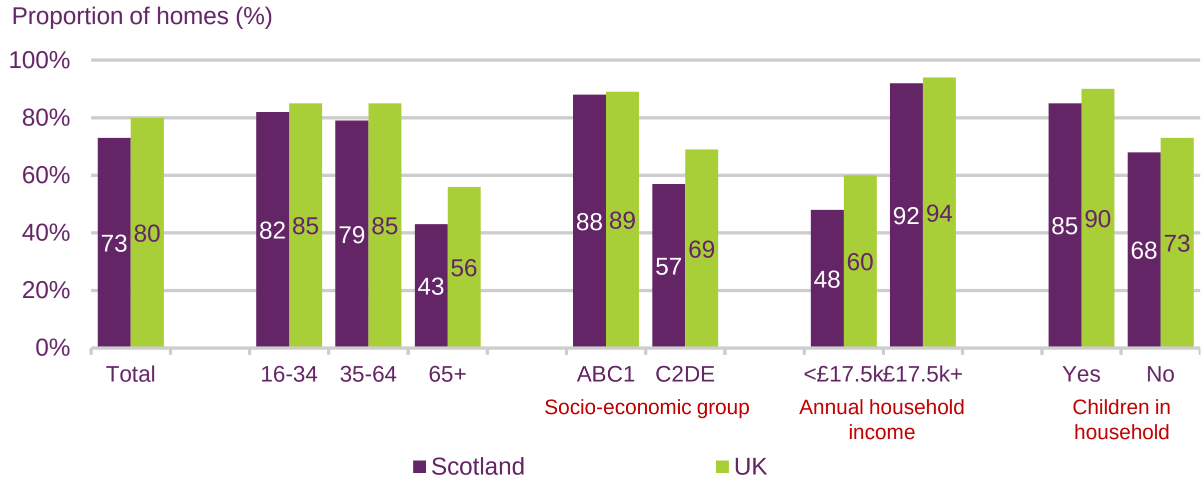
Source: Ofcom Technology Tracker, wave 1 2015
Base: All adults aged 16+ (n = 3756 UK, 492 Scotland, 2264 England, 496 Wales, 504 Northern Ireland, 246 Scotland urban, 246 Scotland rural)
Notes: [1]Households with an internet connection of any description; [2]Households with a fixed broadband and/or dedicated mobile broadband (dongle/SIM) data connection (excludes households that solely use a mobile handset/s to access the internet); [3]households that use a mobile handset/s to access the internet (may also have any other type of internet access).
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?/ QD24B. Do you personally use a smartphone?/ 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?/ QD28A. Which if any, of the following activities, other than making and receiving voice calls, do you use your mobile for?

Take-up of broadband is lower in Scotland than for the UK as a whole

Household broadband take-up in Scotland (73%) was lower than the UK average (80%) in Q1 2015 (Figure 4.10). Households in Scotland in C2DE socio-economic groups were less likely to have broadband at home (57%) than the UK average for these households (69%), while take-up among ABC1 homes in Scotland (88%) was in line with the UK average.

As was the case across the UK overall, there were differences in broadband take-up in Scotland by age, socio-economic group and household income in Q1 2015. Adults aged 65 and over were less likely to have broadband (43%) compared to 16-34s (82%) and 35-64s (79%). Broadband take-up was 31 percentage points higher among adults in Scotland in the ABC1 socio-economic groups (88%) than among those in C2DE socio-economic groups (57%). There was close to a 50 percentage point difference between household broadband take-up by adults in Scotland with a household income below £17.5k (48%) and those with a household income above £17.5k (92%). As in the UK overall, households with children in Scotland were more likely to have broadband at home, compared to households without children (85% vs. 68%).

Figure 4.10 Consumer broadband take-up in Scotland, by demographic



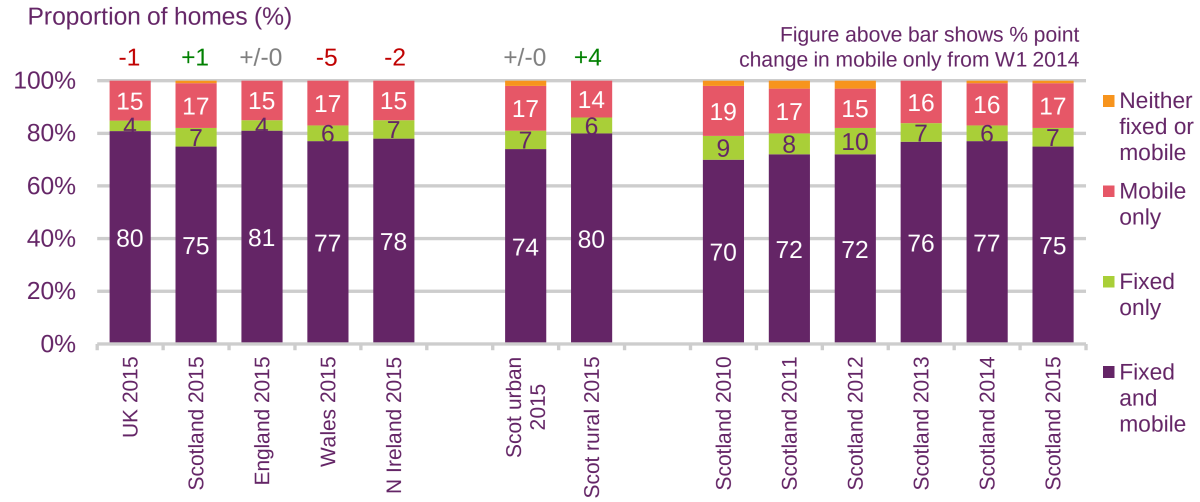
Source: Ofcom Technology Tracker, wave 1 2015
Base: All adults aged 16+ (n =492 Scotland, 158 16-34s, 231 35-64s, 103 65+, 249 ABC1, 243 C2DE, 157 <£17.5k income, 168 £17.5k+, 142 children in home, 350 no children in home)
QE9. Which of these methods does your household use to connect to the internet at home?

Just under one in five households in Scotland is mobile only

As is shown in Figure 4.11, in Q1 2015 just under one in five (17%) households in Scotland used mobile as their only form of telephony; this is similar to the level across the UK as a whole (15%) and to the level recorded in Q1 2014 (16%).

The level of mobile-only households varied significantly by demographic; those in the DE socio-economic group were more likely to live in a mobile-only household (32%) than those in the AB, C1 or C2 socio-economic groups (3%, 18% and 11% respectively). There are also significant differences between age and gender in the level of mobile-only penetration: those in the 16-34 age group are more likely than those in the 35-54 and 55+ age groups to live in a mobile-only household (31% vs. 14% and 8% respectively) and males in Scotland are more likely than females to live in a mobile-only household (22% vs. 12%).

Figure 4.11 Cross-ownership of household telephony services

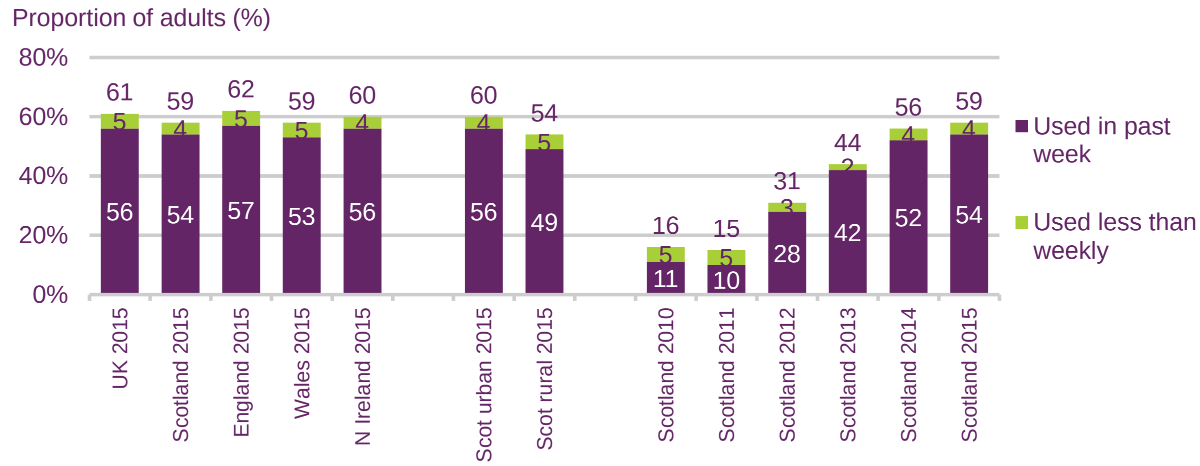


Source: Ofcom Technology Tracker, wave 1 2015
Base: All adults aged 16+ (n = 3756 UK, 492 Scotland, 2264 England, 496 Wales, 504 Northern Ireland, 246 Scotland urban, 246 Scotland rural, 1468 Scotland 2010, 487 Scotland 2011, 500 Scotland 2012, 501 Scotland 2013, 501 Scotland 2014, 492 Scotland 2015)
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?

A majority of adults in Scotland had been online using their mobile phone in the previous week

In Q1 2015, six in ten adults in Scotland (59%) said they had used their mobile phone to access the internet, with 92% of these saying they had done so in the previous week (Figure 4.12). These figures were in line with those for the UK as a whole. There was no change in levels of use of a mobile phone to access the internet in Scotland in the year to Q1 2015.

Figure 4.12 Proportion of adults who have used a mobile phone to access the internet



Source: Ofcom Technology Tracker, wave 1 2015
Base: All adults aged 16+ (n = 3756 UK, 492 Scotland, 2264 England, 496 Wales, 504 Northern Ireland, 246 Scotland urban, 246 Scotland rural, 1468 Scotland 2010, 487 Scotland 2011, 500 Scotland 2012, 501 Scotland 2013, 501 Scotland 2014, 492 Scotland 2015)
QD28A-B. Which, if any, of the following activities, other than making and receiving calls, do you use your mobile for?/ And, which of these activities have you used your mobile for in the last week?

A third of adults in Scotland had a 4G service in Q1 2015

In Scotland, a third (34%) of adults reported that they had a 4G mobile service in Q1 2015 (Figure 4.13). This was higher than the average across the UK as a whole (30%) and 11 percentage points higher than the proportion in Wales, where 4G take-up was lowest at 23% of adults. The proportion of adults with a 4G service in Scotland increased in the year to Q1 2015, up by 15pp.

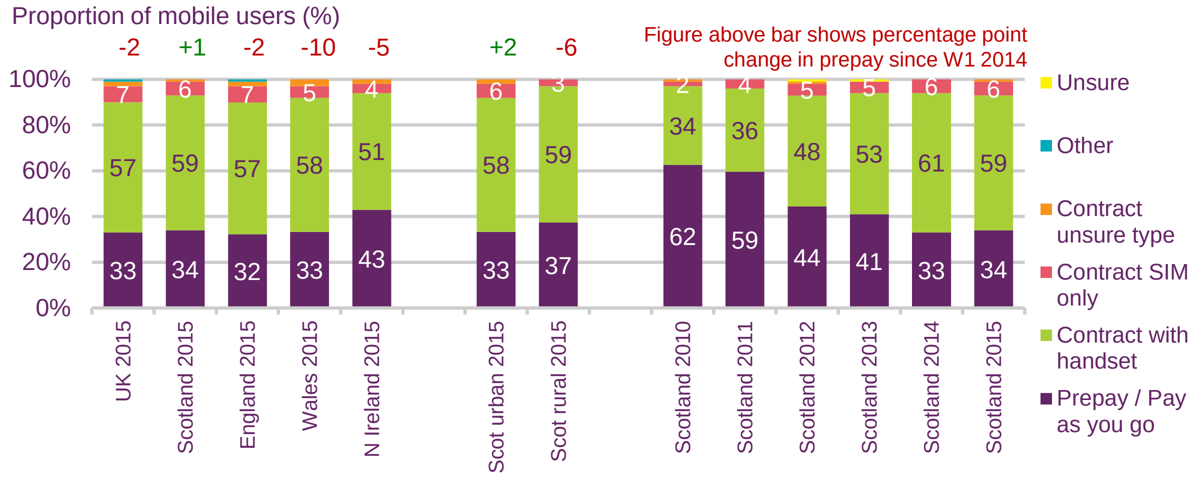
Figure 4.13 4G take-up, by nation

Source: Ofcom Technology Tracker, wave 1 2015
Base: All adults aged 16+ (n = 3756 UK, 438 Northern Ireland, 2264England, 492 Scotland, 496 Wales
QD6 (QD41). Do you have a 4G service? This is a relatively new service that enables faster mobile internet access

Take-up of pre-pay and pay-monthly mobile services in Scotland is in line with the UK average

In Q1 2015, one in three mobile phone users in Scotland (34%) had a pre-pay mobile phone service, unchanged since 2014 and in line with the UK average (Figure 4.14). Most mobile phone users in Scotland (66%) therefore continue to have a pay-monthly mobile phone contract, as is the case for the UK overall (67%). There was no statistically significant difference in the type of subscription held by mobile users in urban and rural areas of Scotland in Q1 2015, due to a six percentage point decline in the use of pre-pay among users in rural locations during the previous year.

Figure 4.14 Type of mobile subscription



Source: Ofcom Technology Tracker, wave 1 2015
Base: Adults aged 16+ who personally use a mobile phone (n = 3425 UK, 450 Scotland, 2080 England, 439 Wales, 456 Northern Ireland, 222 Scotland urban, 228 Scotland rural, 1237 Scotland 2010, 425 Scotland 2011, 430 Scotland 2012, 464 Scotland 2013, 447 Scotland 2014, 450 Scotland 2015)
QD11. Which of these best describes the mobile package you personally use most often?
Source: Ofcom Technology Tracker, wave 1 2015

4.5 Satisfaction with telecoms services

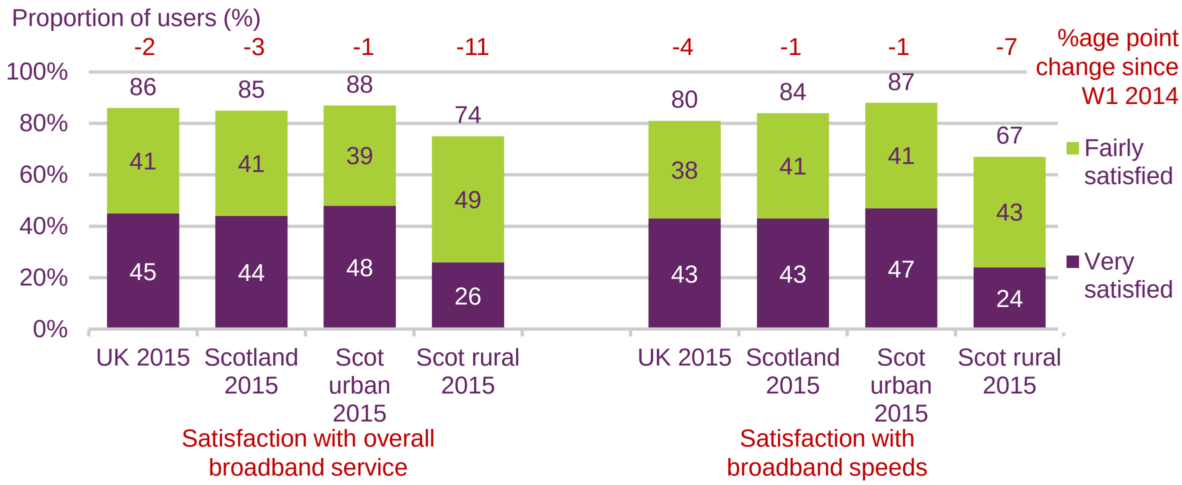
Rural broadband users in Scotland are less satisfied with their fixed broadband service

Overall, more than eight in ten broadband internet users (85%) in Scotland were either 'very' or 'fairly' satisfied with their fixed broadband service in Q1 2015, in line with the UK average (Figure 4.15). There was little change in overall levels of satisfaction with broadband services in Scotland, or across the UK as a whole, in the year to Q1 2015.

While on average, UK broadband users were less likely to be satisfied with their broadband speed (80%) than with their broadband service overall (86%) in Q1 2015, this was not the case among internet users in Scotland; they were equally satisfied with their broadband speeds (84%) and their service overall (85%). Levels of satisfaction with broadband speeds in Scotland were comparable to those for the UK as a whole in Q1 2015 (84% vs. 80%), and while satisfaction with broadband speeds fell among all UK internet users in the preceding year (down from 84% to 80%) there was no statistically significant change in Scotland over this period.

Urban broadband users in Scotland were more likely than rural users to say they were satisfied with their service overall (88% vs. 74%) and with the speed of their connection (87% vs. 67%). This was partly due to falling levels of satisfaction among rural broadband users in Scotland in the year to Q1 2015, with overall satisfaction falling by 11 percentage points to 74% in rural areas, and satisfaction with fixed broadband speeds falling by 7 percentage points to 67%.

Figure 4.15 Satisfaction with overall service and speed of fixed broadband connection

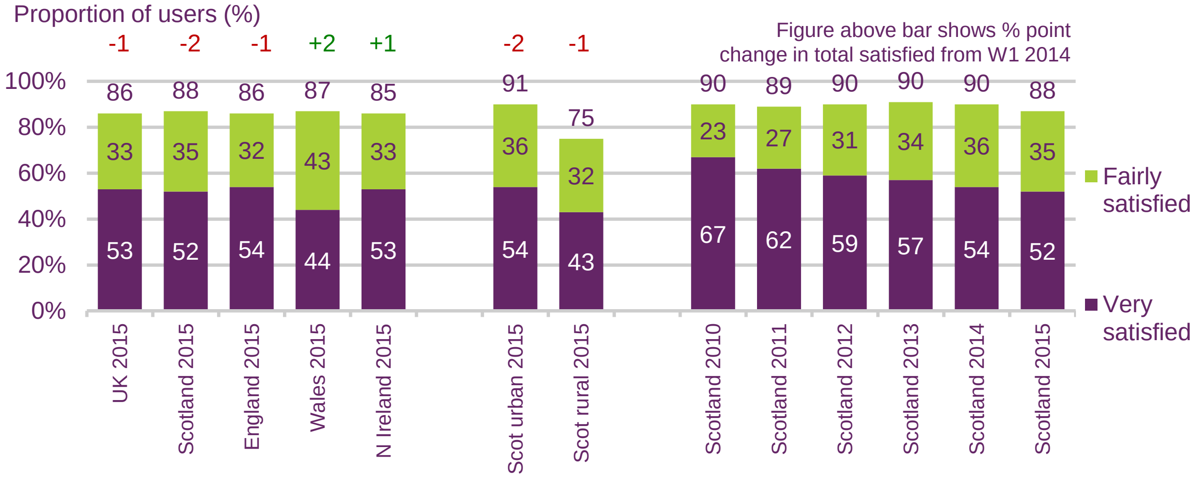


Source: Ofcom Technology Tracker, wave 1 2015
Base: Adults aged 16+ with broadband connection at home (n = 2781 UK, 345 Scotland, 171 Scotland urban, 174 Scotland rural)
Note: Figures above chart columns indicate the proportion of people who were 'very' or 'fairly' satisfied with their speed of service while online
QE8b. Thinking about your fixed broadband internet service, how satisfied are you with (main supplier) for the overall service/ for the speed of your service while online (not just the connection)?

Mobile users in Scotland are as likely as in the UK overall to say they are satisfied with their mobile phone reception

Around nine in ten mobile phone users in Scotland (88%) were 'very' or 'fairly' satisfied with their mobile reception in Q1 2015 (Figure 4.16). This was in line with the UK average, as were the proportions of mobile users in Scotland who were 'very' and 'fairly' satisfied with their mobile reception (52% and 35% respectively). There was no change in levels of satisfaction with mobile phone reception among users in Scotland in the year to Q1 2015, and mobile users in urban areas of Scotland are more likely than those in rural areas to say they are satisfied with reception (91% vs. 75%).

Figure 4.16 Satisfaction with reception of mobile service

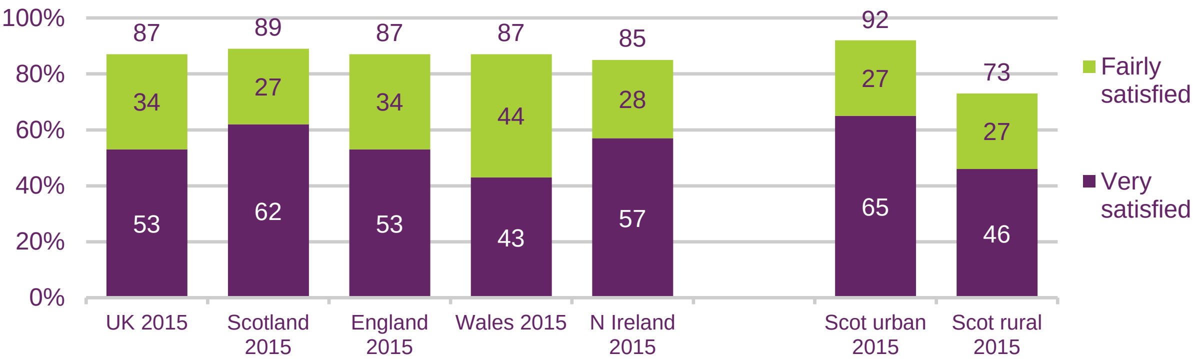


Source: Ofcom Technology Tracker, wave 1 2015
Base: Adults aged 16+ who personally use a mobile phone (n = 3425 UK, 450 Scotland, 2080 England, 439 Wales, 456 Northern Ireland, 222 Scotland urban, 228 Scotland rural, 1237 Scotland 2010, 425 Scotland 2011, 430 Scotland 2012, 464 Scotland 2013, 447 Scotland 2014, 450 Scotland 2015)
Note: Figures above chart columns indicate the proportion of people who were 'very' or 'fairly' satisfied with their mobile reception
QD21c. Thinking about your mobile phone service only, how satisfied are you with (main supplier) for reception/ accessing network?

Almost nine in ten smartphone users in Scotland are satisfied with the ability to connect to the internet via 3G or 4G

In Q1 2015 almost nine in ten (89%) smartphone users in Scotland were 'very' or 'fairly' satisfied with their mobile network service in terms of being able to connect to the internet via 3G or 4G; this was in line with other nations (Figure 4.17). Satisfaction with ability to connect to the internet via 3G or 4G is highest among smartphone users in urban Scotland (92%) compared to rural Scotland (73%).

Figure 4.17 Satisfaction with ability to connect to the internet via 3G or 4G



Source: Ofcom Technology Tracker, wave 1 2015
Base: Adults aged 16+ who personally use a smartphone (n = 2334 UK, 303 Scotland, 1437 England, 288 Wales, 306 Northern Ireland, 157 Scotland urban, 146 Scotland rural)
QD21k. Thinking about your mobile phone service only, how satisfied are you with (main supplier) for ability to connect to the internet using the mobile network (3G or 4G)?
Note: Figures above chart columns indicate the proportion of people who were 'very' or 'fairly' satisfied with the ability to connect to the internet using the mobile network

5 Internet and web-based content

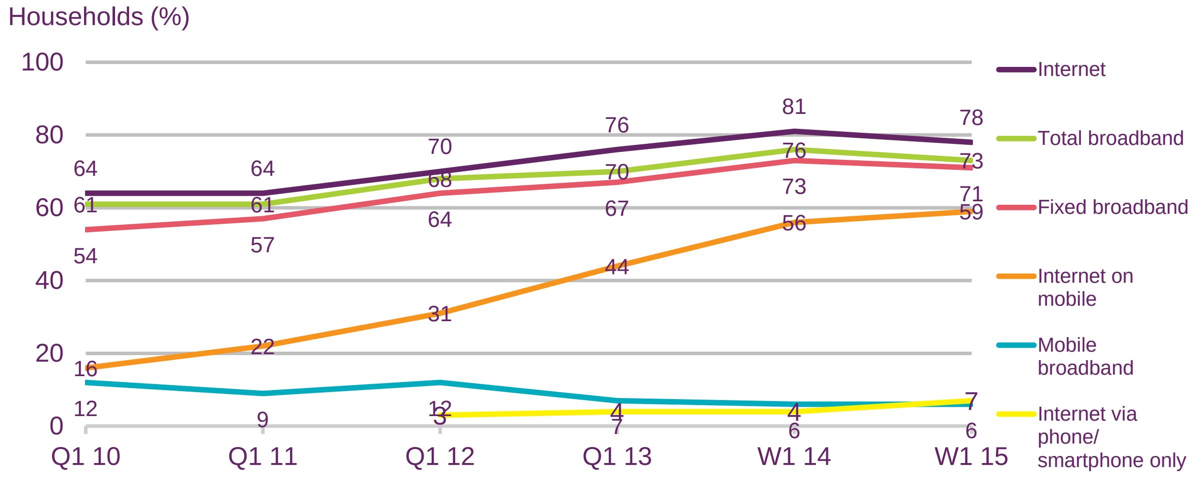
5.1 Internet take-up

As in 2014, eight in ten households in Scotland have internet access in 2015

In 2015, eight in ten households in Scotland (78%) have access to the internet (via fixed or mobile broadband, mobile phone or narrowband (dial-up). These figures are consistent with 2014 and suggest that take-up of these services may have plateaued.

Three in four households in Scotland (73%) have access to fixed broadband at home, and six in ten (59%) adults in Scotland have online access through a mobile phone. As with the other means of accessing the internet, take-up of these services was the same level in 2015 as in 2014. Throughout this chapter, we note differences which are statistically significant. Depending on sample size and reported number, not all differences between reported figures reflect real changes in take-up or use of devices or services.

Figure 5.1 Internet take-up, Scotland 2010-2015



Source: Ofcom Technology Tracker. Data from Quarter 1 of each year 2010-2013, then Wave 1 2014-2015
Base: All adults aged 16+ (n = 1468 Scotland 2010, 487 Scotland 2011, 500 Scotland 2012, 501 Scotland 2013, 501 Scotland 2014, 492 Scotland 2015.
Note 1: 'Internet' includes access to the Internet/Worldwide Web at HOME (via any device, e.g. PC, mobile phone, tablet etc.
Note 2: 'Total broadband' includes the following methods to connect to the internet at home – fixed broadband (via phone line or cable service), mobile broadband (via a USB stick or dongle, or built in connectivity in a laptop/netbook/tablet with a SIM), tethering (via mobile phone internet connection on laptop/tablet), and mobile broadband wireless router (via 3G or 4G mobile network, which can be shared between devices).
Note 3: 'Fixed broadband' includes ADSL, cable and fibre services – perhaps using a Wi-Fi router. This would include superfast broadband services.
Note 4: 'Mobile broadband' is connecting a device using a USB stick or dongle, or built in connectivity in a laptop or netbook or tablet computer with a SIM card.
Note 5: 'Internet on mobile' is the proportion 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.

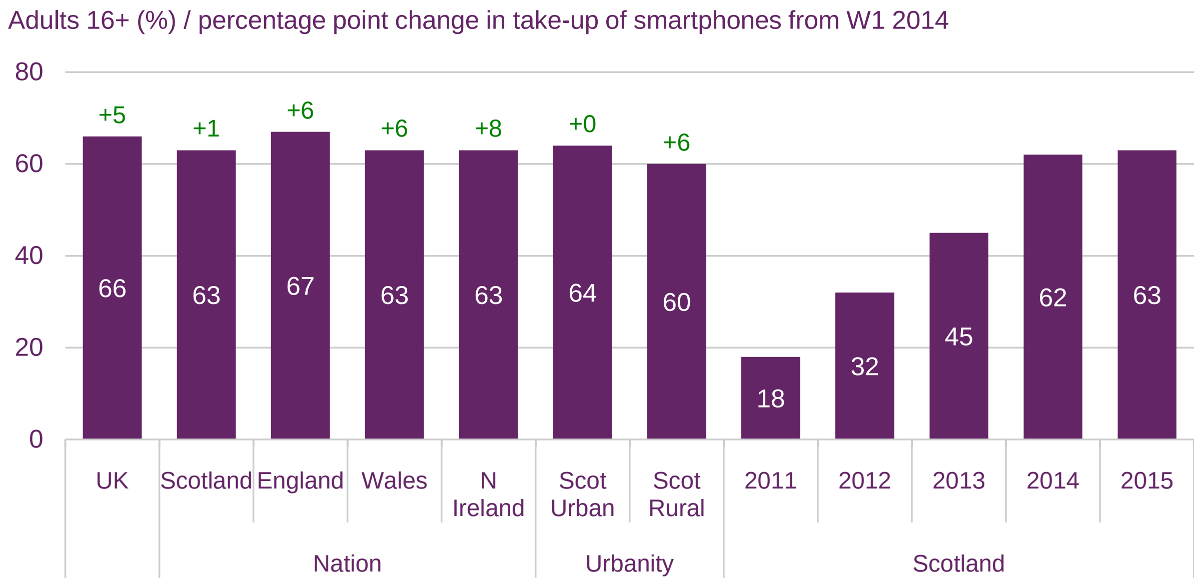
5.2 Internet-enabled devices

Six in ten adults in Scotland have a smartphone

Smartphone ownership in Scotland is unchanged since 2014, with about six in ten adults owning one (63%). This is the first time since 2011 where there has not been a year-on-year increase in smartphone ownership in Scotland.

The incidence of smartphone ownership among adults in Scotland does not differ from the UK average (66%) and ownership does not vary by urban or rural location in Scotland.

Figure 5.2 Take-up of smartphones in Scotland



Source: Ofcom Technology Tracker, Wave 1 2015 Base: All adults aged 16+ (n = 3756 UK, 492 Scotland, 2264 England, 496 Wales, 504 Northern Ireland, 246 Scotland urban, 246 Scotland rural, 487 Scotland 2011, 500 Scotland 2012, 501 Scotland 2013, 501 Scotland 2014, 492 Scotland 2015) QD24B. 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 Samsung Galaxy.

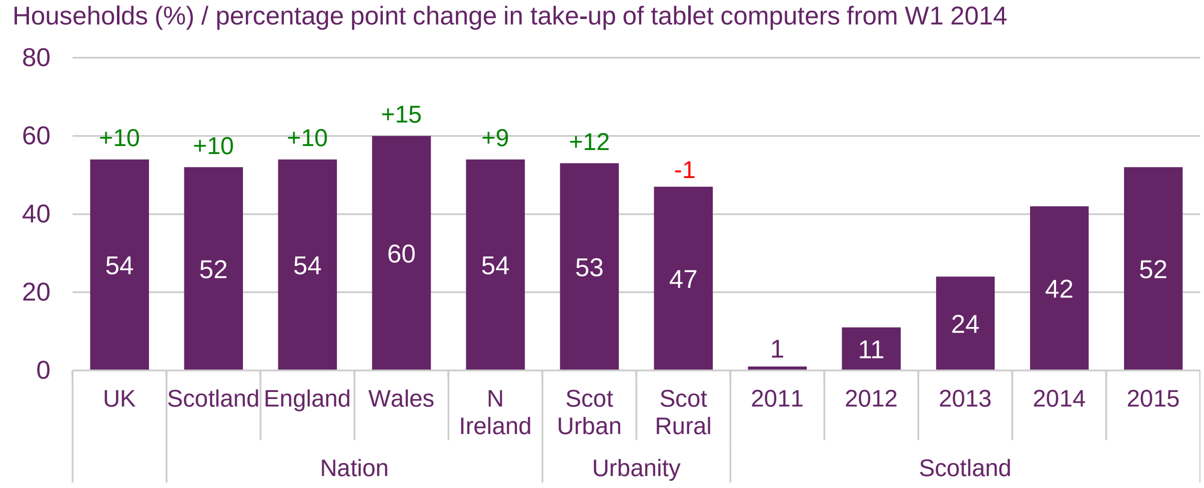
Half of households in Scotland now have a tablet computer

Tablet ownership has continued to increase among adults in Scotland and in the UK overall.

Half of adults in Scotland say they have a tablet computer in the household (52%), a 10 percentage point (pp) increase since 2014 (42%). Tablet ownership in the UK has also increased by 10 pp in this period and ownership levels do not vary significantly compared to the UK overall (52% vs. 54% in Scotland).

While adults in urban areas of Scotland are no more likely own a tablet compared to those in rural areas (53% vs. 47%) those in urban areas have seen a 12 pp increase in ownership since last year (from 41%).

Figure 5.3 Ownership of tablet computers



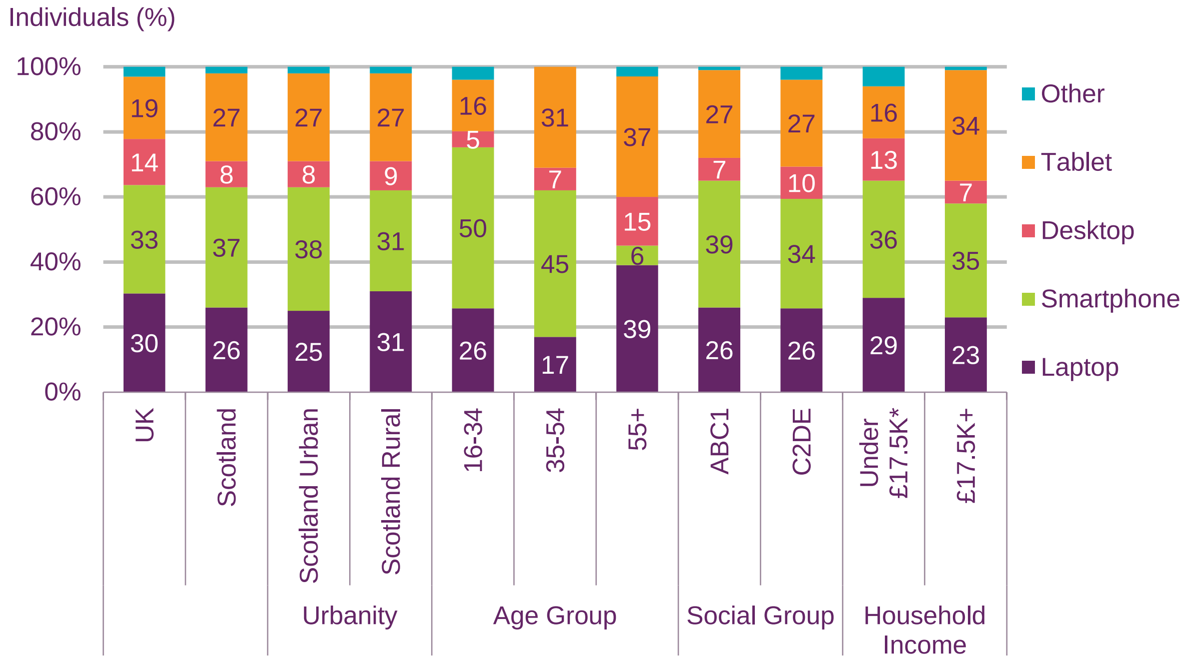
Source: Ofcom Technology Tracker, Wave 1 2015 Base: All adults aged 16+ (n = 3756 UK, 492 Scotland, 2264 England, 496 Wales, 504 Northern Ireland, 246 Scotland urban, 246 Scotland rural, 487 Scotland 2011, 500 Scotland 2012, 501 Scotland 2013, 501 Scotland 2014, 492 Scotland 2015) QE1. Does your household have a PC, laptop, netbook or tablet computer?

Smartphones are the most important device for accessing the internet in Scotland

When asked to name their most important device for accessing the internet, no single device is cited by a majority of internet users in Scotland. About four in ten (37%) internet users in Scotland cite smartphones as the most important device with one in four nominating a tablet (27%) or laptop (26%). Compared to the UK overall, users in Scotland are more likely to cite a tablet as their most important device (27% vs. 19%) and are less likely to nominate a desktop computer (8% vs. 14%).

There are no significant differences in 2015 among internet users in Scotland in urban or rural locations or by household socio-economic group. Half of internet users aged 16-34 (50%) and more than four in ten (45%) aged 35-54 say a smartphone is the most important device for going online. In contrast only 6% of internet users aged 55 and over are likely to say this. Younger internet users (aged 16-34) are less likely than older users to say a tablet computer is the most important device for going online (16%).

Figure 5.4 Most important device for accessing the internet in Scotland



Source: Ofcom Technology Tracker, Wave 1 2015Base: Internet users aged 16+ (n = 3095 UK, 388 Scotland, 197 Scotland urban, 191 Scotland rural, 150 16-34, 134 35-54, 104 55+, 224 ABC1, 164 C2DE, 97 under £17. 5K, 157 £17. 5K+).*
*QE40: Which is the most important device you use to connect to the internet, at home or elsewhere? "Other" responses include: "Other device", "None" and "don't know". *Caution: Low base*

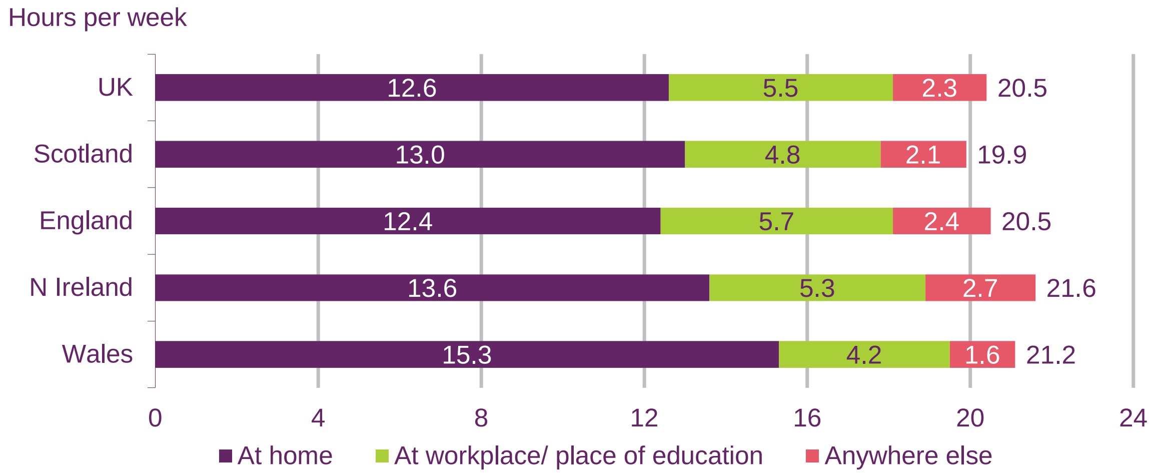
5.3 Internet use

People in Scotland say they spent more time online in 2014 than they did in 2013

According to research conducted for Ofcom's *Adult Media Literacy Report*[44], internet users in Scotland claim to spend 19.9 hours on the internet per week (16.5 hours in 2013). Internet users in Scotland claimed to spend a significantly lower amount of time using the internet inside of the home than in Wales (13.0 vs. 15.3 hours).

[44] Available from online at http://stakeholders.ofcom.org.uk/market-data-research/other/research-publications/adults/media-lit-10years/

Figure 5.5 Claimed time spent on the internet in a typical week



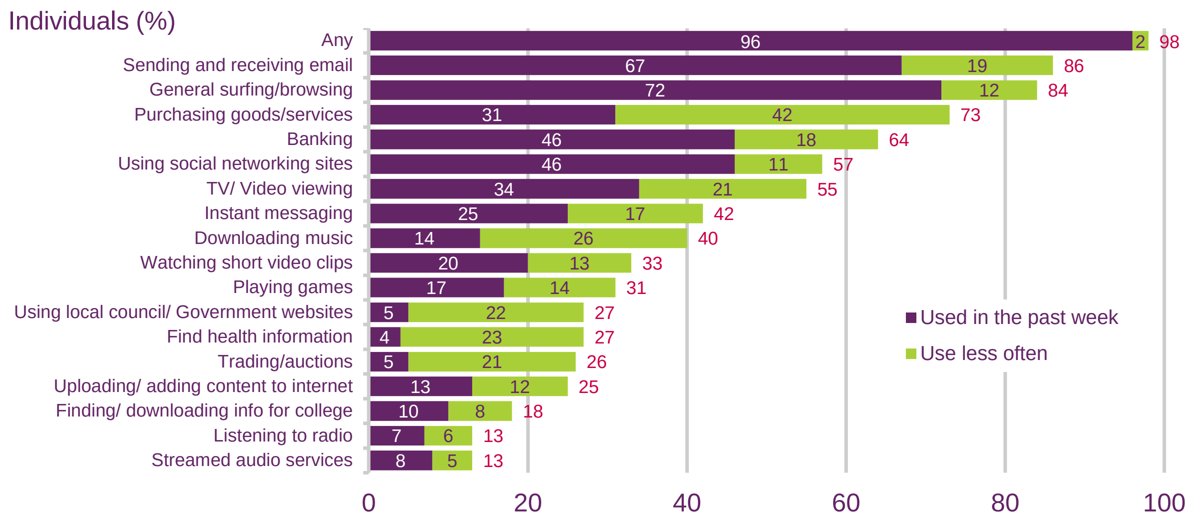
Source: Ofcom research, fieldwork carried out by Saville Rossiter-Base in October to November 2014
Base: All adults aged 16+ who use the internet at home or elsewhere (1609 UK, 1022 England, 194 Scotland, 200 Wales, 193 Northern Ireland).
Question: IN6A-C – How many hours in a typical week would you say you use the internet at home/ at your workplace or place of education/ anywhere else? (Unprompted responses, single coded)

More than half of internet users in Scotland now watch TV or video content online

There are six activities undertaken by a majority of internet users in Scotland. These are sending and receiving email (86%), general surfing or browsing (84%), purchasing goods or services (73%), banking (64%), using social networking sites (57%), and TV/ video viewing (55%). The first two of these activities had been undertaken in the previous week by a majority of internet users in Scotland.

Among the six activities undertaken by a majority of internet users in Scotland, compared to 2014 internet users in Scotland are now more likely to say they purchase goods or services (73% compared to 65% in 2014) or undertake TV/ video viewing (55% vs. 45%).

Figure 5.6 Activities conducted online by internet users in Scotland



Base: Adults aged 16+ who use the internet at home or elsewhere (n= 388 Scotland 2015)
QE5. Which, if any, of these do you use the internet for? Source: Ofcom Technology Tracker, Wave 1 2015

6 Post

6.1 Recent developments in Scotland

In October 2014 the Scottish Parliament debated end-to-end competition in postal services and its potential impact on Royal Mail's ability to provide the universal service.

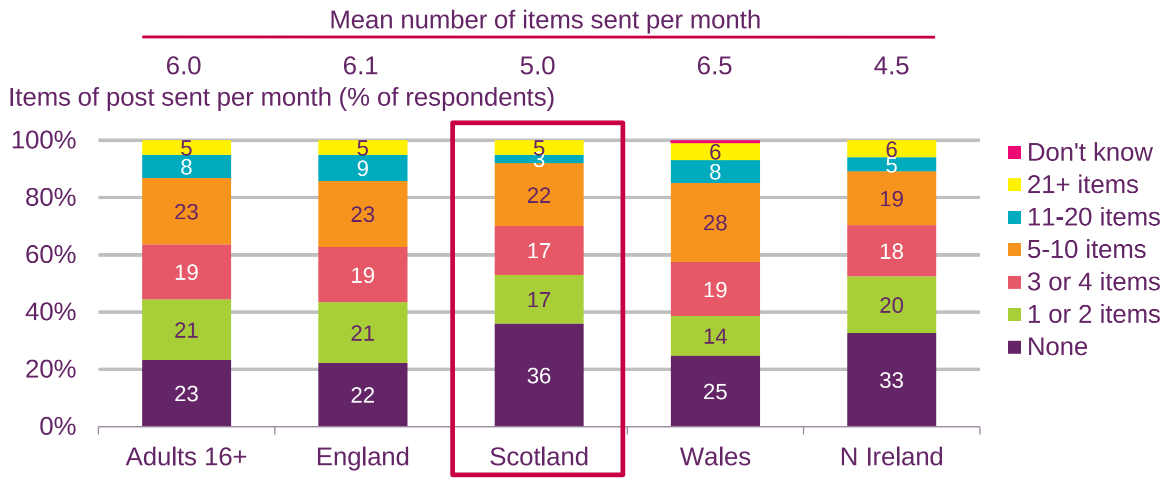
The Scottish Parliament has an active cross-party group on postal issues, of which Ofcom is a member, and which takes an interest in the universal service obligation and issues such as post offices and access to services. In December 2014 it discussed Ofcom's statement on end-to-end competition.

6.2 Sending post: residential customers

Adults in Scotland are the least likely to send post each month

Over a third of adults living in Scotland (36%) said they had not sent any post in the past month, the highest across all the nations. This compares to just under a quarter of those in England (22%) and a quarter of those in Wales (25%) who said they had not sent any items in the past month. Adults in Scotland also send fewer items than other nations on average each month (5.0) except Northern Ireland, where the average is 4.5 items.

Figure 6.1 Approximate number of items of post sent each month

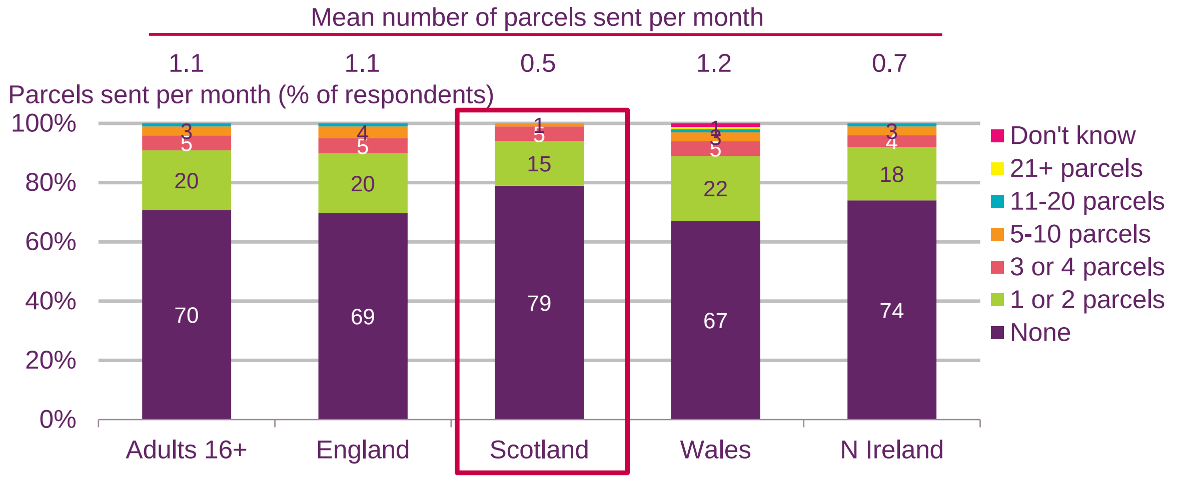


Source: Ofcom Residential Postal Tracker, Q2 2014-Q1 2015
Base: All respondents (n = 3557 UK, 2123 England, 580 Scotland, 418 Wales, 436 Northern Ireland)
QC1. Approximately how many items of post - including letters, cards and parcels - have you personally sent in the past month?

One in five adults in Scotland have sent a parcel in the past month

A fifth (21%) of adults in Scotland said that they had sent a parcel in the past month, lower than the UK overall (30%). Those in Scotland were the least likely to have sent a parcel, with 79% saying that they had not done so in the past month.

Figure 6.2 Parcels sent in the past month



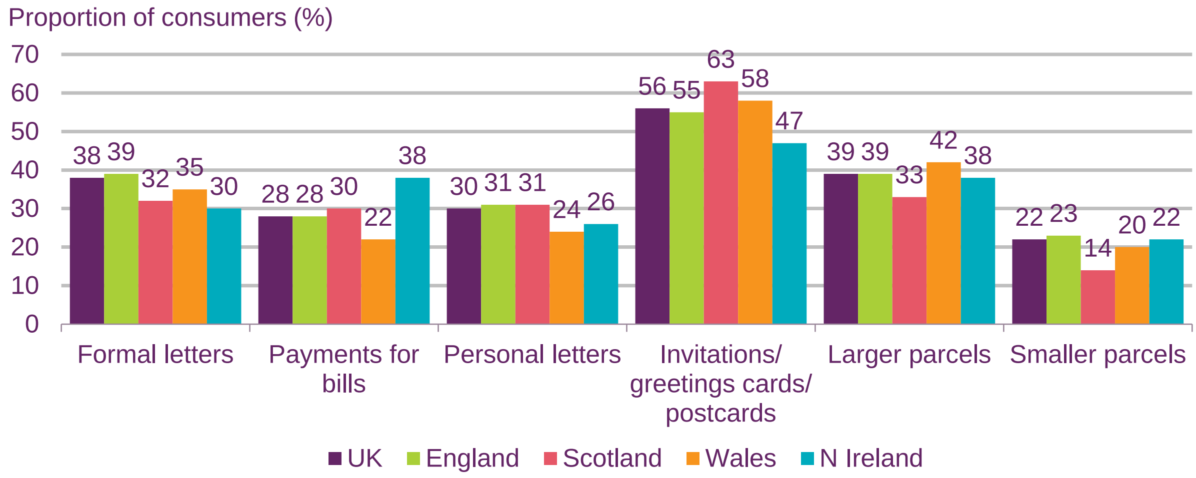
Source: Ofcom Residential Postal Tracker, Q2 2014-Q1 2015
Base: All respondents (n = 3557 UK, 2123 England, 580 Scotland, 418 Wales, 436 Northern Ireland)
QC2. And how many of these items sent in the last month were parcels rather than letters and cards?

Adults in Scotland send more personal mail than in other nations

Although fewer people in Scotland had sent a parcel than the UK average, nearly two thirds of adults in Scotland (63%) said that they had sent invitations and greeting cards in the past month.

Those in Scotland were more likely to have sent any item of personal mail, three-quarters of adults having done so in the past month. This is higher than any other nation, and 5pp higher than the UK overall (70%).

Figure 6.3 Type of post sent in the last month



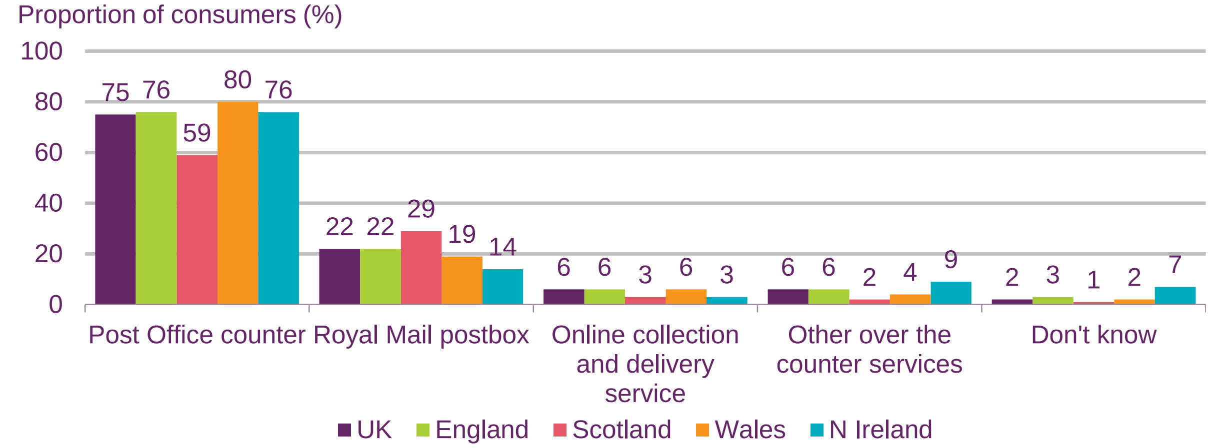
Source: Ofcom Residential Postal Tracker, Q2 2014-Q1 2015
Base: All who have personally sent any items of post in the last week (n = 2685 UK, 1673 England, 382 Scotland, 330 Wales, 300 Northern Ireland)
QC5. Which of these types of mail would you say you have personally sent in the last month by post? (multicode)

Adults in Scotland are more likely to use a Royal Mail post box to send parcels

Adults in Scotland are more likely than those in the other nations to use a post box to send a parcel (29% vs. 22% across the UK) and less likely to go to a post office counter (59% vs

75% across the UK). This suggests that, although people in Scotland send fewer parcels overall, they are more likely than those in other nations to send small parcels capable of being posted in a post box.

Figure 6.4 Methods used to send parcels



Source: Ofcom Residential Postal Tracker, Q2 2014-Q1 2015
Base: All who have sent any parcels in the last month (n = 1088 UK, 688 England, 146 Scotland, 135 Wales, 119 Northern Ireland)
QC20. You said earlier that you have sent one or more parcels in the last month... When you sent these parcels, which of these methods did you use? (multicode)

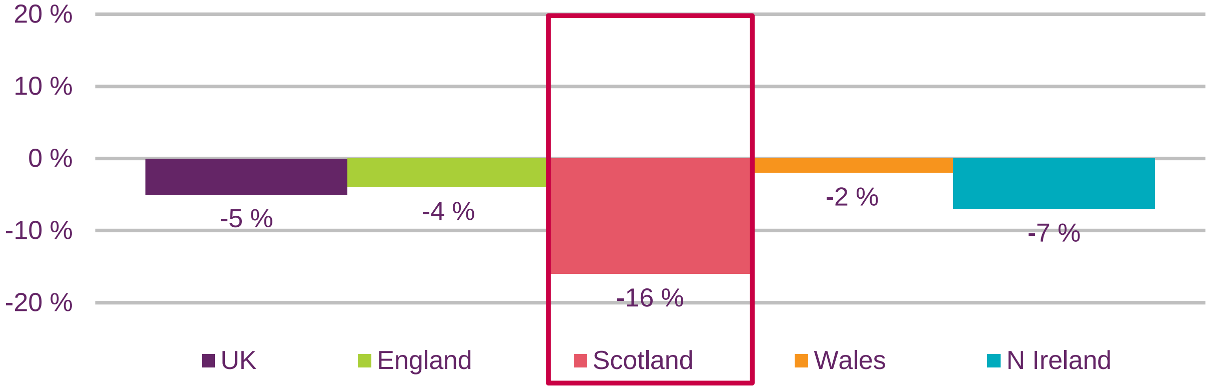
Those in Scotland are more likely than all UK adults to have reduced, and to continue to reduce, the amount of post they send

When asked about how the amount of post they send has changed in recent times, people in Scotland were more likely than the UK average to say they now send less (-18% net). They also anticipated that they will further reduce their use of post in the future (-16% net).

Figure 6.5 Net claimed change in amount of post sent in the past two years

Source: Ofcom Residential Postal Tracker, Q2 2014-Q1 2015
Base: All respondents (n = 3557 UK, 2123England, 580 Scotland, 418 Wales, 436 N Ireland)
QC10: Compared with two years ago, would you say that the number of items you send through the post has...increased greatly, increased slightly, stayed the same, decreased slightly, decreased greatly? (Multiple choice)
Note: chart shows net (% who claim use has increased - % those who claim use has decreased)

Figure 6.6 Predicted change in amount of post sent in the next two years



Source: Ofcom Residential Postal Tracker, Q2 2014-Q1 2015
Base: All respondents (n = 2354 UK, 1433 England, 379 Scotland, 278 Wales, 264 N Ireland)
QC25: Looking to the future... Compared with now, would you say that the number of letters, cards and parcels you will be sending in the post two years from now will have.....increased greatly, increased slightly, stayed the same, decreased slightly, decreased greatly?
Note: chart shows net (% who claim use will increase - % those who their use will decrease)

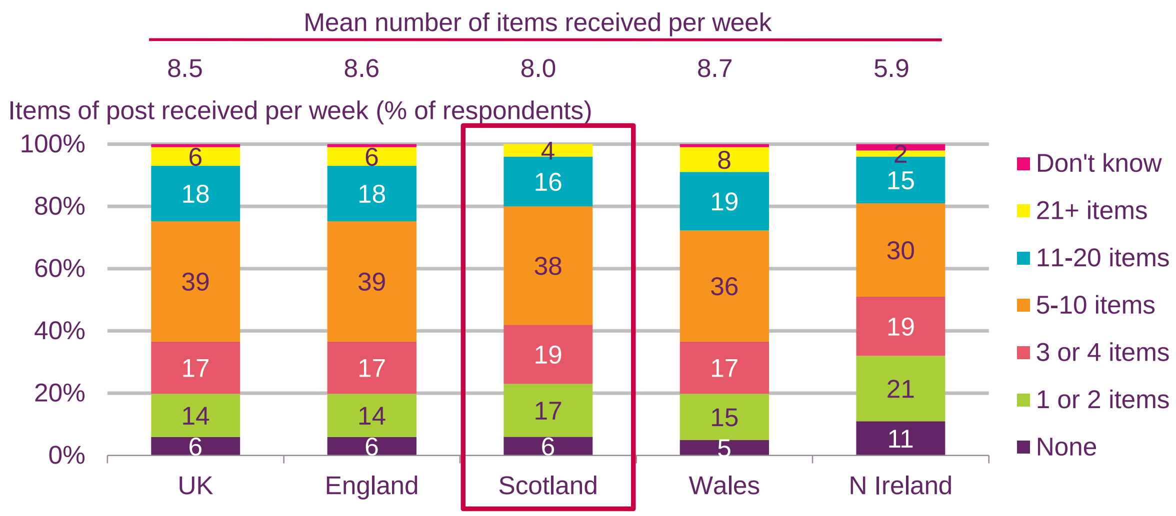
6.3 Receiving post: residential customers

Those living in Scotland claim to receive eight items of post each week, slightly fewer than the UK average

People in Scotland are more likely to receive four items or fewer each week than the UK average, with a third of adults (36%) saying that they had received between one and four items in the past week.

Although the average number of letters, cards and parcels received by adults in Scotland is lower than the UK average (8.0 vs 8.5), it is much higher than the Northern Ireland stated average of 5.9 items received per week.

Figure 6.7 Approximate number of items received in the past week



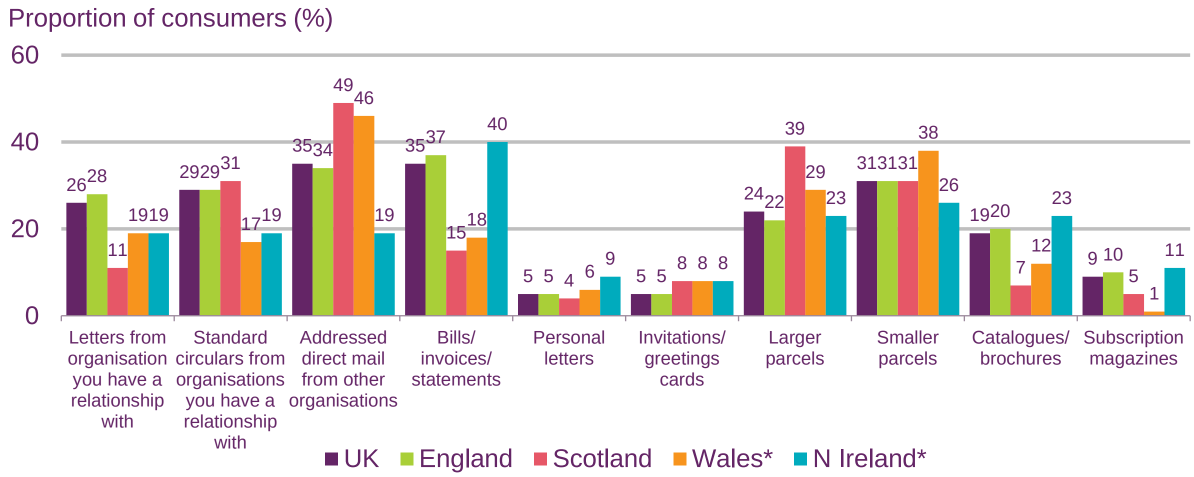
Source: Ofcom Residential Postal Tracker, Q2 2014-Q1 2015
Base: All respondents (n = 3557 UK, 2123 England, 580 Scotland, 418 Wales, 436 Northern Ireland)
QD1. Approximately how many items of post – including letters, cards and parcels – have you personally received in the last week?

Increases in post received in Scotland appear to be driven by direct mail and parcels.

When asked to compare the amount of post they receive now with what they typically received two years ago, almost a quarter of adults in Scotland (23%) think they are receiving more.

Around half of those who say they are receiving more post than two years ago report receiving more addressed direct mail (49%), and four in ten say that they are receiving more large parcels (39%). Only 4% say that they are receiving more personal letters.

Figure 6.8 Types of items people are receiving more often



	UK	England	Scotland	Wales*	N Ireland*
Letters from organisation you have a relationship with	26	28	11	19	19
Standard circulars from organisations you have a relationship with	29	29	31	17	19
Addressed direct mail from other organisations	35	34	49	46	19
Bills/ invoices/ statements	35	37	15	18	40
Personal letters	5	5	4	6	9
Invitations/ greetings cards	5	5	8	8	8
Larger parcels	24	22	39	29	23
Smaller parcels	31	31	31	38	26
Catalogues/ brochures	19	20	7	12	23
Subscription magazines	9	10	5	1	11

Source: Ofcom Residential Postal Tracker, Q2 2014-Q1 2015
Base: All respondents who say that the number of items received by post has increased, compared to two years ago (n = 885 UK, 580 England, 130 Scotland, 98 Wales, 77 Northern Ireland)
*QD6. Which of these types of addressed items are you personally receiving more often through the post now? (multicode) * Caution: Low base*

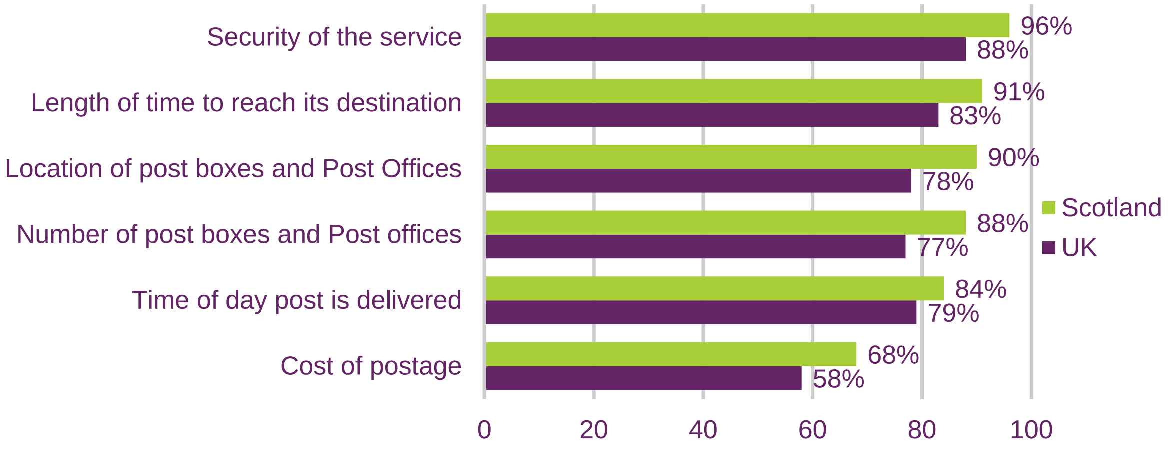
6.4 Attitudes towards Royal Mail

Adults living in Scotland are more satisfied than the rest of the UK with the cost of postage

Eighty-six per cent of people in Scotland are ‘very’ or ‘quite’ satisfied with Royal Mail overall. Figure 6.9 shows that this satisfaction is seen across all aspects of Royal Mail’s service, in particular the cost of postage: almost seven in ten (69%) adults in Scotland express satisfaction with this, compared to just 58% across the whole of the UK.

More than nine in ten (93%) people in Scotland were satisfied with the security of the service, and 90% were satisfied with the length of time taken for post to reach its destination.

Figure 6.9 Satisfaction with specific aspects of Royal Mail's service



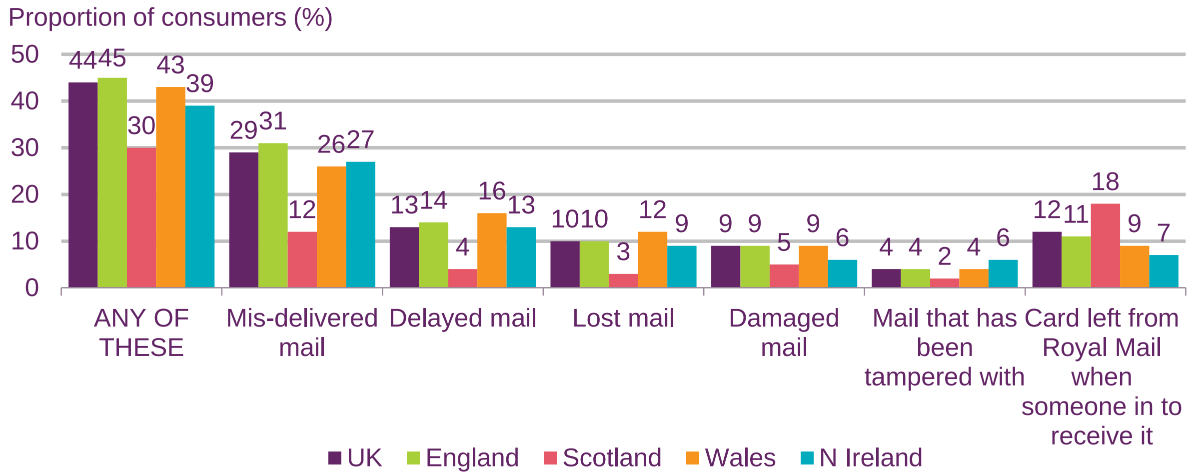
Source: Ofcom Residential Postal Tracker, Q2 2014-Q1 2015
Base: All respondents (n = 3557 UK, 580 Scotland)
QE3A-F. Satisfaction with specific aspects of Royal Mail's services (very or quite satisfied)
Ranked by proportion satisfied among Scotland adults

Two in ten adults in Scotland claim that a card has been left by Royal Mail when there was someone at home to receive the post, in the past year

Customers in Scotland reported the lowest level of most problems with Royal Mail, compared to the other nations. Three in ten people in Scotland had experienced any problem with Royal Mail, far lower than the UK average of 44%.

Of the problems experienced in Scotland, just over one in ten (12%) had had post incorrectly delivered to their address, compared to 29% across the UK and 27% in Northern Ireland. Just 4% had experienced delayed mail, again the lowest of all the nations. However, Scotland had the highest number of adults claiming that a card was left for them by Royal Mail when someone was in to receive the post (18% vs 12% UK average).

Figure 6.10 Problems experienced with Royal Mail in the past 12 months



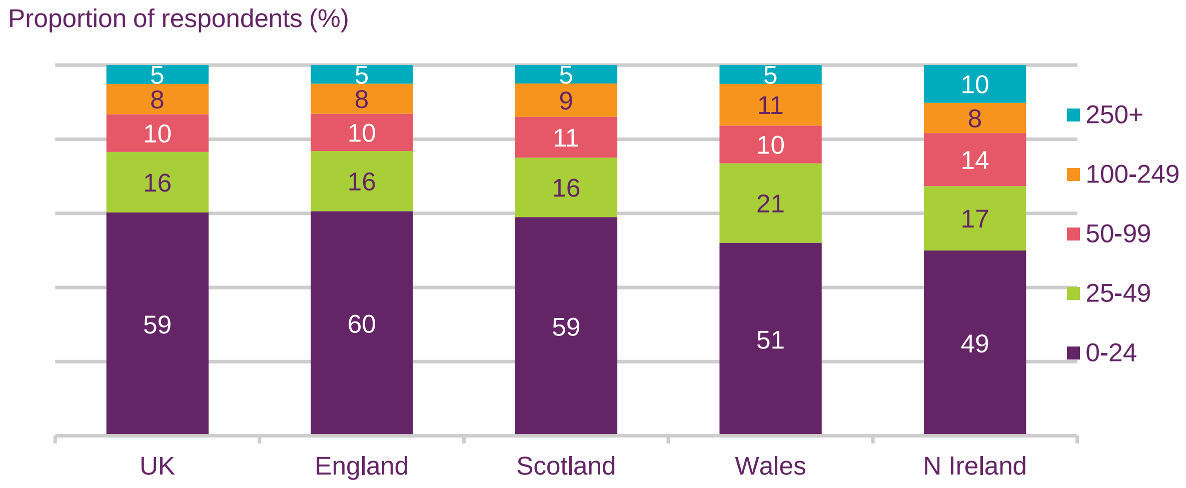
Source: Ofcom Residential Postal Tracker, Q2 2014-Q1 2015
Base: All respondents (n = 3557 adults 16+, 2123 England, 580 Scotland, 418 Wales, 436 Northern Ireland)
QG1A-E. Problems experienced with Royal Mail service in the last 12 months, ranked by proportion among all UK adults

6.5 Sending and receiving post: business customers

Over six in ten businesses in Scotland send fewer than 25 letters each month

Almost six in ten (59%) of organisations based in Scotland say they send fewer than 25 letters each month. This is in line with the UK average (59%).

Figure 6.11 Average volume of letters sent each month

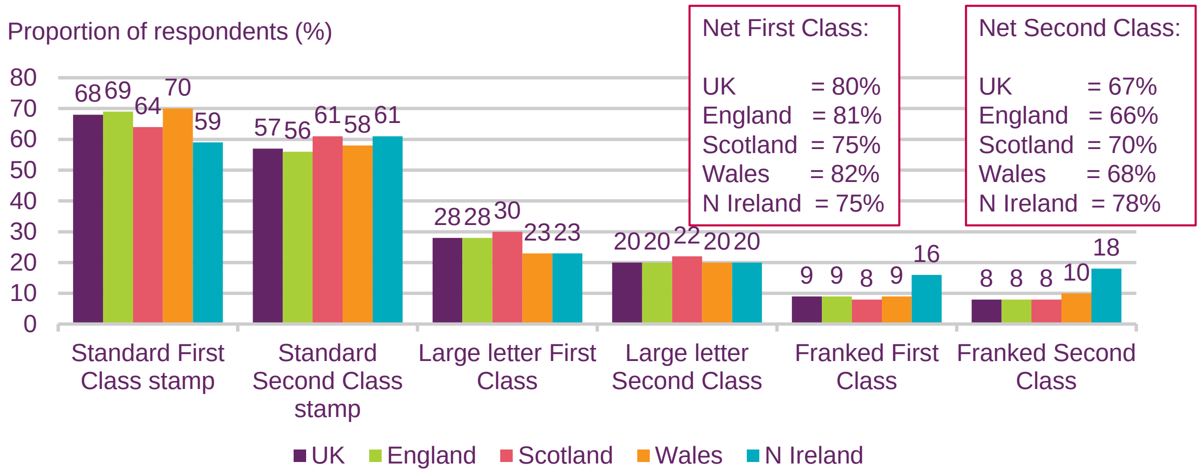


Source: Ofcom Business Postal Tracker, Q2 2014-Q1 2015
Base: All respondents (n = 1591 UK, 973 England, 217 Scotland, 198 Wales, 203 N Ireland)
QV2a. On average, how many letter items does your organisation send per month? Please think only about all the letters and large letters you may send as an organisation.

Three in ten businesses in Scotland use large letter First Class stamps for their post

Just over six in ten (62%) of businesses in Scotland send their letters using standard First Class stamps, lower than the overall across the UK (68%). However, businesses in Scotland are more likely to use large letter First Class stamps, with three in ten using this product. This compares to 23% in Wales and Northern Ireland and 28% in the UK overall (28%).

Figure 6.12 Royal Mail services used to send items of post



Source: Ofcom Business Postal Tracker, Q2 2014-Q1 2015
Base: All respondents using RM standard delivery services (n = 1493 UK, 916 England, 205 Scotland, 182 Wales, 190 N Ireland)
QV6d. Which, if any, of the following Royal Mail services does your organisation use to send your standard mail?

Six in ten organisations in Scotland say they have switched some post to other methods over the past 12 months

Businesses were asked if they had substituted any of their postal communications with other methods such as email or other electronic alternatives. Six in ten (59%) of organisations in Scotland said they had switched some of their communications from post to another method in the past 12 months. This is the lowest across all of the UK nations. Across the UK, 63% of business said that they had switched some post to another method.

Figure 6.13 Switched some post to other methods over past 12 months

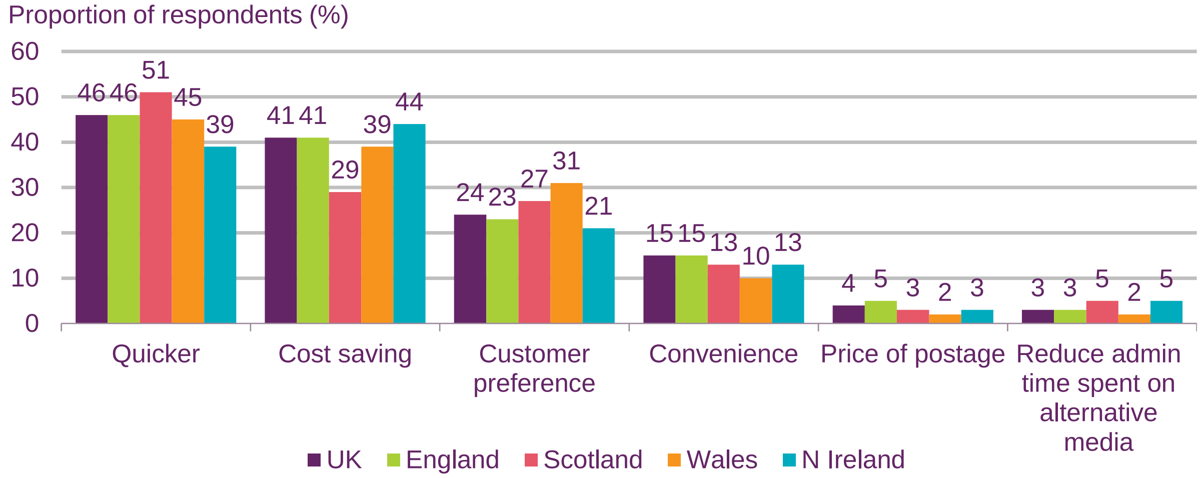
Source: Ofcom Business Postal Tracker, Q2 2014-Q1 2015
Base: All respondents (n = 1591 UK, 973 England, 217 Scotland, 198 Wales, 203 N Ireland)
QF4. Over the last 12 months, has your organisation moved some mail to other communication methods?

Speed is more important than cost saving when considering switching mail to another method in Scotland

Figure 6.14 shows that businesses in Scotland are the most likely of all the UK nations to say that speed is a reason to switch post to other methods. Although Scotland was the most likely to say speed was a motivating factor, this was one of the most-cited reasons for almost all nations.

Cost saving is the least likely reason for switching in Scotland, with less than three in ten (29%) choosing this, compared to 39% in Wales and 44% in Northern Ireland.

Figure 6.14 Reasons for switching some mail to other methods over past 12 months

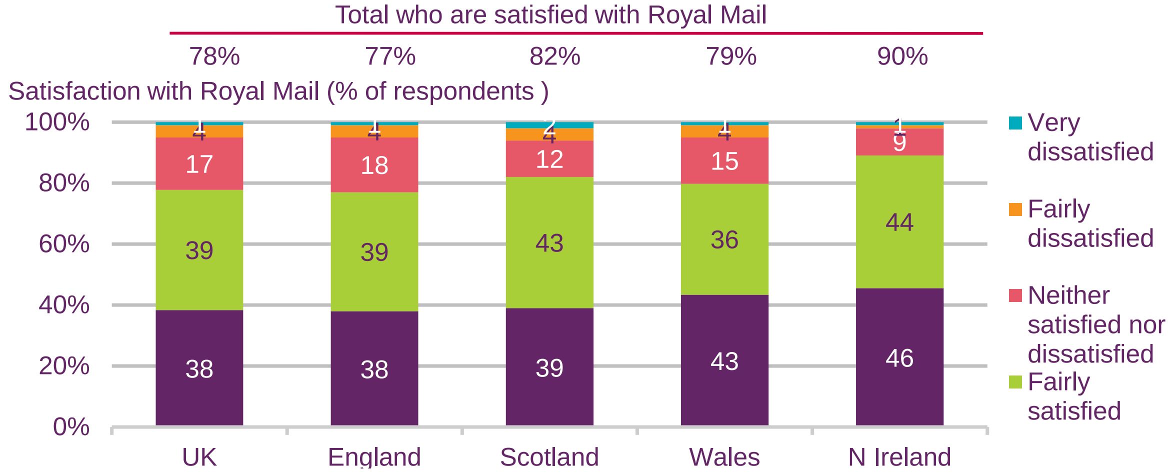


Source: Ofcom Business Postal Tracker, Q2 2013-Q1 2014
Base: All who have moved to other communication methods (n = 909 UK, 543 England, 123 Scotland, 130 Wales, 113 N Ireland)
QF6: Why have you moved some mail to other communication methods? Open-ended
All above 2% across UK shown

Over four-fifths of businesses in Scotland are satisfied with the postal service they receive from Royal Mail

Eighty-two per cent of business customers in Scotland say they are satisfied with the service they receive from Royal Mail, with 39% saying they are 'very satisfied'. Although satisfaction overall is higher in Scotland than in Wales, more businesses in Wales said that they were 'very satisfied'.

Figure 6.15 Overall satisfaction with the service from Royal Mail



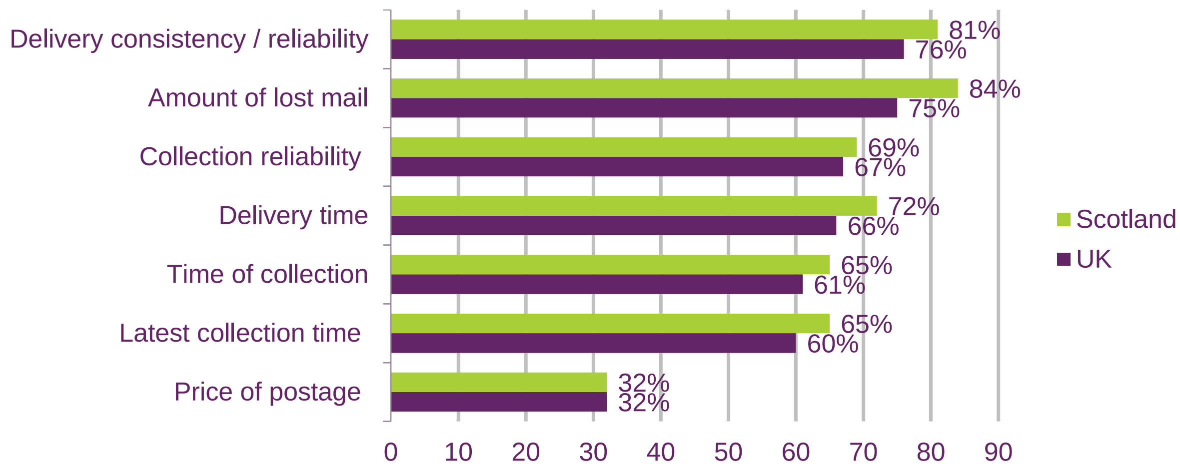
Source: Ofcom Business Postal Tracker, Q2 2014-Q1 2015
Base: All respondents who use Royal Mail (n = 163 UK, 958 England, 213 Scotland, 195 Wales, 197 Northern Ireland)
QRM2. Thinking generally about the service your organisation receives as a whole, on a scale of 1 to 5 where 1 is very dissatisfied and 5 is very satisfied, how satisfied are you with the overall quality of the services you receive from Royal Mail as a recipient and sender?

Businesses in Scotland are more satisfied than those in the UK overall with aspects of Royal Mail's service

When asked about satisfaction with specific aspects of Royal Mail's services in Scotland, 81% of respondents expressed satisfaction with the consistency and reliability of delivery (76 across the UK) and 72% said they were happy with delivery times (66% across the UK). Eighty-four per cent of businesses in Scotland were satisfied with the amount of lost mail (75% across the UK).

With the exception of the price of postage, where 32% were satisfied – the same as the UK overall – businesses in Scotland were more satisfied than those in the UK as a whole.

Figure 6.16 Satisfaction with specific aspects of Royal Mail's service



Source: Ofcom Business Postal Tracker, Q2 2014-Q1 2015
Base: All respondents who use Royal Mail (n = 1563 UK, 213 Scotland)
QRM3: How would you rate the performance of Royal Mail, as a recipient and sender, in the following areas on a 5 point scale where 1 is very dissatisfied and 5 is very satisfied?
Ranked by satisfaction levels in Scotland