



# Communications Market Report: Northern Ireland

Research Document

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# Introduction

Welcome to Ofcom's annual Communications Market Report for Northern Ireland. The report gives an overview of the region's communications markets, examining availability, take-up and consumption of the internet, telecommunications and broadcasting services, and comparing the findings with the other nations and the UK as a whole.

This year's report shows that the way we access the internet is changing rapidly, with the number of people in Northern Ireland owning tablet computers more than trebling in the past year.

With three in ten homes (29%) having one, Northern Ireland now has the highest rate of tablet ownership in the UK. Take-up was particularly marked in urban areas and homes with children.

The surge reflects the continuing rise in take-up and use of the internet in Northern Ireland. Eight in ten households (80%) now have access to the internet, which is on a par with the UK average. Northern Ireland also has the highest availability of fibre broadband in the UK.

The report also looks at how we access the internet on the move; smartphone ownership is up by a third, to 45%, in the past year. Linked to this, there has been a fall in the proportion of people using pre-pay mobile phone tariffs in favour of contracts.

Social media continues to be popular, with more than half (53%) accessing Facebook, Twitter and similar services online, either at home or on the move. A similar proportion (51%) say they bank online, while three in five of us (60%) purchase goods and services on the internet. Clothes and footwear, hotel and holiday bookings were the most popular online purchases.

Northern Ireland leads the way in take-up of pay TV, with two-thirds (66%) of homes having Sky, Virgin Media, or paid-for top-up services, compared with 59% for the UK as a whole.

New research, carried out for this year's report, also highlights the popularity of Republic of Ireland TV channels in Northern Ireland. One in four people watch RTE channels (One and Two) every week, with smaller but still significant numbers watching TG4 and TV3. These services, with the exception of TV3, became more widely available in Northern Ireland after digital switchover in October 2012.

In radio, our research shows that listeners value local content, with a far bigger share tuning into local commercial and BBC stations than in other nations.

While the report generally paints a picture of Northern Ireland catching up – and in some cases overtaking – other UK nations, there are some exceptions. Digital radio ownership is lowest in Northern Ireland, at just 24% of households, compared to the UK average (41%). Our research also shows that mobile users in Northern Ireland are more likely to experience problems with reception than users in other UK nations.

Finally, the report highlights upcoming developments that are set to improve broadband, mobile phone, and digital radio services in Northern Ireland over the next 12 months.

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# Key trends for Northern Ireland

**Northern Ireland leads take-up of tablets...** rising three-fold over the past twelve months to nearly three in ten (29%) – the highest across all nations and higher than the UK average (24%). Take-up was particularly marked in urban areas and homes with children. Tablet owners were 50% more likely to choose their tablet as their most important device for accessing the internet (12% vs. 8% UK average).

**...but rural areas still lag behind for 3G,** with lower use of smartphones (35% vs. 51%) and monthly contracts (50% vs. 60%) and consequently fewer using mobile internet (35%).

**Greatest concern with mobile reception noted in Northern Ireland...** three-quarters of mobile customers experienced problems, driven by being unable to get a signal at all (59%). Attitudes may have been heightened by the stronger attachment to mobile use in Northern Ireland, with 28% saying this would be their most missed activity – highest of all nations.

**...and rising dissatisfaction with service reliability.** In Northern Ireland the importance of making mobile voice calls at home is higher than in other nations, but so too is dissatisfaction with the ability to do so. And mobile customers are increasingly dissatisfied with their reception in general – satisfaction levels falling by five percentage points to 83%.

**Availability of fibre broadband in NI is the highest across the UK...** with 93% of premises in postcodes served by BT Openreach's fibre network in June 2013. Take-up of broadband rose 5 percentage points over the past year, driven by rising ownership in rural areas which is now equal to the UK average (75%).

**...but consumers appear to prefer more traditional communications.** Use of mobiles is concentrated around voice and text, despite the rising use of smartphones in urban areas. There is greater use of post to pay bills (39% vs. 29% average) and lower use of online banking/bill payment (27% vs. 39% average). Also, a greater preference for face-to-face communications for transactions with government services, which might partly explain the...

**... lower use of online government services, despite positive experience among users.** Around half of the online population in Northern Ireland say they use online government services: completing tax returns, applying for benefits, or completing the Census, which is the lowest across the devolved nations and lower than the UK average (61%). But the experience of users is positive, most agreeing that these services “are more convenient” (89%), “save time” (85%) and they “prefer this method of access” (81%) – some of the highest scores across the UK.

**Indications of more cautious behaviour while online.** Higher than average proportions (39% vs. 25% average) shop online only from known websites, and fewer say they are happy entering personal details.

# Setting the scene

## Key facts about Northern Ireland

Figure	Northern Ireland	UK
Population	1.810m (2011 census)	63.232m (mid-2011 estimate)
Age profile	Population aged <16: 20.9% Population aged 65+: 14.6%	Population aged <16: 18.2% Population aged 65+: 16.1%
Population density	131 people per square kilometre	260 people per square kilometre
Language	10.7% have some ability in Irish; 8.1% have some ability in Ulster-Scots	n/a
Unemployment	7.6% of the working age population	7.8% of the working age population
Income and expenditure	Weekly household income: £593 Weekly household expenditure: £489	Weekly household income: £699 Weekly household expenditure: £471

Source: Office for National Statistics: *Region and Country Profiles, Key Statistics – March 2013*; Office for National Statistics: *Family Spending 2012 edition*; Northern Ireland Statistics and Research Agency, *Census 2011 - Key Statistics for Northern Ireland*

### A note on our Technology Tracker survey research

We conducted a face-to-face survey of 3,750 respondents aged 16+ in the UK, with 507 interviews conducted in Northern Ireland. Quotas were set and weighting applied to ensure that the sample was representative of the population of Northern Ireland in terms of age, gender, socio-economic group and geographic location. Fieldwork took place in January and February 2013.

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 Northern Ireland has error margins of approximately +/- 3-4% at the 95% confidence level. In urban and rural areas; survey error margins are approximately +/-4-6%.

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.

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

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

# 1 Northern Ireland's communications market

## 1.1 Key findings for Northern Ireland

### Introduction

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

### Key findings for Northern Ireland

#### Use of online services

- **In Northern Ireland, around half of those with internet access use online government services** e.g. completing tax returns, applying for benefits, completing the Census, applying for a passport, contacting an MP or local council etc. This is lower than the UK average, where six in ten of the online population use these services.
- **Fewer internet users in Northern Ireland use government services than in England and Wales.** However, among users of the services opinions are positive; e.g. over eight in ten of those who use government services online said that they are more convenient (89%), slightly higher than the UK average. Users also said the services save time (85%) and they prefer to access these services online (81%).
- **Sixty per cent of internet users in Northern Ireland say they shop online nowadays** and around three-quarters (74%) of online shoppers in Northern Ireland said they felt secure when paying online, on par with the UK average.
- **Around three-quarters (79%) of online shoppers in Northern Ireland are confident that goods bought online will be delivered on time and in good condition,** in line with the UK average.
- **Among people who had made purchases online, around half (54%) said that a concern about delivery had previously prevented them buying online.** In particular, they mentioned concerns about high costs of delivery (32%) and delivery not being available in their area (24%). Online shoppers in Northern Ireland reported a higher level of concerns than those in other nations and the average for the UK as a whole.

#### 'Not-spots' – users' experience of mobile phone quality of service

- **Mobile users in NI are more likely to be dissatisfied and more likely to experience problems with mobile coverage than consumers in the other UK nations** – 75% of respondents in NI had experienced a problem, compared to the UK average of 52%.
- **Users in Northern Ireland are significantly more likely than users in other nations to be less satisfied than they were 12 months ago.**

## TV and audio-visual content

- **With digital switchover complete, a third of homes in Northern Ireland now have Freeview as their main TV platform.** The proportion of homes with Freeview as their main TV viewing platform has increased from 26% to 32% over the past year.
- **Northern Ireland continues to lead the UK in take-up of pay-TV platforms.** Two-thirds (66%) of TV homes claim to have pay-TV services, higher than the UK average of 59%.
- **Year-on-year figures show a 10% decline in spend on first-run originated content production for Northern Ireland, the largest relative decrease across the nations over this period.** By comparison, the UK figure was down 4% year on year.
- **Northern Ireland total spend on current affairs is up 5% on the year – the only increase across the four nations for current affairs.**
- **First-run networked programmes produced in Northern Ireland have increased marginally, with the percentage of programmes produced rising to 0.9% between 2011 and 2012.**
- **Two and a half million pounds are spent annually on Irish language content.** In the past financial year there were 17 recipients of funding for Irish language content.

## Radio and audio content

- **The reach of radio in Northern Ireland is lower than the UK average.** Among adults in Northern Ireland, radio services reached 87.1% of the adult population, 2.4 percentage points lower than the UK average of 89.5%.
- **Local/nations stations are more popular in Northern Ireland than in other UK nations.** Local commercial stations account for the largest share of listening in Northern Ireland, with over a third (36%) of all listening going to these stations.
- **Northern Ireland analogue radio listening remains high.** In 2012, listening to radio via the analogue FM and AM wavebands was higher in Northern Ireland (72%) than the UK average (62%).

## Internet and web-based content

- **Eight in ten homes in Northern Ireland are internet connected.** Internet access via broadband, mobile phone or narrowband rose by seven percentage points to 80% in the year to Q1 2013, to meet the UK average.
- **Three in ten households in Northern Ireland have a tablet computer.** Tablet take-up in Northern Ireland (29%) is highest among the devolved nations and five percentage points greater than the UK average. Furthermore, consumers in Northern Ireland are 50% more likely than the UK average to choose their tablet as their most important device for accessing the internet.
- **Forty-five per cent of all adults in Northern Ireland owned a smartphone in Q1 2013** (equivalent to 48% of mobile phone users). While this was below the UK



average of 51%, it represented a significant increase from the previous year's figure of 34%.

- **Internet users in Northern Ireland claim to spend significantly less time online than the UK average.** According to research conducted for *Ofcom's Adult Media Literacy Report*, internet users in Northern Ireland claim to spend almost 12 hours on the internet per week, significantly less than the UK average of 16.8 hours.

#### Telecoms and networks

- **Northern Ireland had the highest availability of fibre broadband among the UK nations in June 2013.** In Northern Ireland, 93% of premises were in postcodes served by BT Openreach's fibre networks in June 2013, the highest proportion among the UK nations and significantly higher than the UK average of 56%.
- **Half of all consumers in urban Northern Ireland use their phone to access the internet.** The proportion of adults in Northern Ireland who accessed the internet on their mobile phone increased by ten percentage points to 45% in the year to Q1 2013. There was a notable increase in mobile internet use in urban areas of Northern Ireland, where 51% of adults used their phone to access the internet in Q1 2013 (the proportion of adults in rural Northern Ireland who accessed the internet using a mobile phone was lower, at 35%).
- **Satisfaction with mobile phone reception declined in Northern Ireland in the year to Q1 2013:** Eighty-three per cent of mobile users in Northern Ireland said they were 'very' or 'fairly' satisfied with their ability to access their mobile network in Q1 2013, down from 88% in Q1 2012. Levels of satisfaction were slightly higher in urban areas (85%) than in rural (78%) areas: probably because coverage is better in urban areas.
- **Nearly nine in ten fixed broadband users in Northern Ireland are satisfied with their service:** Overall satisfaction with fixed broadband services and with fixed broadband speeds remained relatively stable in Northern Ireland in the year to Q1 2013, at 87% and 78% respectively. Fewer consumers in Northern Ireland were 'very' satisfied with their fixed broadband speeds in Q1 2013 (at 35%) than in Q1 2012 (44%).

#### Post

- **One in four people (25%) in Northern Ireland had not sent any items by post in the past month,** when asked throughout 2012, although households in Northern Ireland claim to send an average 6.6 items of post per month.
- **The majority of people in Northern Ireland use First Class postage when sending items,** with 61% using it most or all of the time. Over half (56%) of people living in Northern Ireland think the Royal Mail's First Class service for posting standard letters is good value for money, compared to 49% across the UK as a whole.
- **Nine in ten people in Northern Ireland are satisfied with Royal Mail.** This is primarily driven by satisfaction with delivery times such as the time of day post is delivered (80% v 71% across the UK) and the reliability of delivery time (85% v 89%).

Figure 1.1 Fast facts for Northern Ireland

	UK	England	Scotland	Wales	Northern Ireland	UK urban	UK rural	NI urban	NI rural
TV take-up	97	97	97	98	98	97	98	98	97
Smart TV take-up among TV homes	7	8	4 <sup>-</sup>	6	6	7	7	7	3 <sup>-</sup>
DAB ownership amongst radio listeners	41 ↑+3	43 ↑+3	29 <sup>-</sup>	27 <sup>-</sup>	24 <sup>-</sup>	41	39	23 <sup>-</sup>	26 <sup>-</sup>
Catch-up TV viewing (on mobile or computer)*	27	28	18 <sup>-</sup>	25	24	27	28	25	22
Broadband take-up	75	76	70 <sup>-</sup>	66 <sup>-</sup>	74 ↑+5	74	82 <sup>+</sup> ↑+5	73	75 ↑+6
Mobile broadband take-up	5	5	7	7	5	6	4	5	5
Use mobile to access internet	49 ↑+10	49 ↑+9	44 <sup>-</sup> ↑+13	47 ↑+8	45 ↑+10	49 ↑+10	48 ↑+13	51 ↑+15	35 <sup>-</sup>
Mobile phone take-up	92	92	92 ↑+7	92	94	92	93	95	91
Smartphone take-up	51 ↑+12	52 ↑+12	45 <sup>-</sup> ↑+13	49 ↑+10	45 <sup>-</sup> ↑+11	51 ↑+12	51 ↑+14	51 ↑+15	35 <sup>-</sup>
Fixed landline take-up	84	85	83	76 <sup>-</sup>	82	83	91 <sup>+</sup>	78 <sup>-</sup>	89 <sup>+</sup>
Tablet computer take-up	24 ↑+13	24 ↑+13	24 ↑+13	21 ↑+13	29 <sup>+</sup> ↑+20	23 ↑+12	29 <sup>+</sup> ↑+18	34 <sup>+</sup> ↑+23	19 <sup>-</sup> ↑+13
E-reader take-up (personal use)	16 ↑+6	17 ↑+7	14 ↑+6	15	12 <sup>-</sup> ↑+4	15 ↑+4	21 <sup>+</sup> ↑+6	14	9 <sup>-</sup>
Households taking bundles	60 ↑+3	60	60 ↑+13	50 <sup>-</sup>	57 ↑+6	59	64 ↑+8	60 ↑+7	52 <sup>-</sup>
Fixed telephony availability	100	100	100	100	100				
Fixed broadband availability <sup>1</sup>	99.98	100	99.86	100	100				
LLU ADSL broadband availability <sup>2</sup>	94 ↑+2	95 ↑+2	87 ↑+3	93 ↑+5	85 ↑+6				
Virgin Media cable broadband availability <sup>3</sup>	48	51	38	22	28				
BT Openreach / Kcom fibre broadband availability <sup>4</sup>	56	59	25	41	93				
NGA broadband availability <sup>5</sup>	73 ↑+8	76 ↑+8	52 ↑+7	48 ↑+11	95				
2G mobile availability <sup>6</sup>	99.6	99.8	99.3	98.8	98.5				
3G mobile availability <sup>7</sup>	99.1	99.5	96.6	97.7	97.4				
DTT availability <sup>8</sup>	98.5	98.6	98.7	97.8	97.4				
TV consumption (hours per day)	4.0	4.0	4.3	4.5	4.1				
Radio consumption (hours per day)	3.2	3.2	3.1	3.3	3.1				

Key: <sup>+</sup>Figure is significantly higher than UK average; <sup>-</sup>Figure is significantly lower than UK average;  
 ↑+xx Figures have risen significantly by xx percentage points since Q1 2012

*\*Catch-up TV – due to wording change in 2013 questionnaire, data are not directly comparable to previous years*

*Source: Ofcom research Q1 2013, BARB, RAJAR, industry data*

*Base: All adults aged 16+ (n = 3750 UK, 2250 England, 501 Scotland, 492 Wales, 507 Northern Ireland, 1962 England urban, 288 England rural, 250 Scotland urban, 251 Scotland rural, 247 Wales urban, 245 Wales rural, 254 Northern Ireland urban, 253 Northern Ireland rural)*

- 1. Proportion of premises able to receive ADSL broadband services based on data reported by BT*
- 2. Proportion of homes connected to an LLU-enabled BT local exchange area, December 2012*
- 3. Proportion of homes in postcodes served by Virgin Media's cable broadband network, June 2013*
- 4. Proportion of homes in postcodes served by BT Openreach/ KCom's fibre broadband networks, June 2013*
- 5. Proportion of homes in postcodes served by NGA networks, June 2013*
- 6. Proportion of premises that have outdoor 2G mobile coverage from at least one operator, June 2013*
- 7. Proportion of premises that have outdoor 3G mobile coverage from at least one operator*
- 8. Estimated proportion of homes that can receive the PSB channels via DTT (3PSB Mux coverage). Joint TV planning project (Arqiva, BBC, Ofcom)*

## **1.2 Use of internet services: e-government and e-commerce**

### **Introduction**

With more opportunities to carry out activities online that were once carried out only in person or through the postal service, we decided to focus this section of the report on the use of government services online ('e-government') and consumers' use of the internet to make purchases ('e-commerce').

This section reports several pieces of relevant research, including Ofcom's ongoing Technology Tracker survey research (see *Setting the scene* for more details) and Ofcom's Media Literacy tracker, which measures media literacy across the devolved nations of the UK among adults aged 16 and over<sup>1</sup>. But much of the data comes from a bespoke piece of research on the use of, and attitudes towards, the internet for e-government and e-commerce, conducted in March 2013<sup>2</sup>. We comment only on those differences that are statistically significant.

### **In Northern Ireland, around half of those with internet access have used online government services; a lower proportion than in England and Wales**

Among those with internet access in Northern Ireland, 48% claimed to have used a government service online, e.g. completing a tax return, applying for benefits, completing the Census, applying for a passport, etc (see Figure 1.2)<sup>3</sup>. The proportion of those with internet access who said they had used online government services in Northern Ireland is lower than in England and Wales. It does not significantly differ between those living in urban (53%) and

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<sup>1</sup> The dataset reported here comprises results from fieldwork conducted by Saville Rossiter-Base in autumn 2012 among 236 adults in Scotland, 231 adults in Wales, and 213 adults in Northern Ireland.

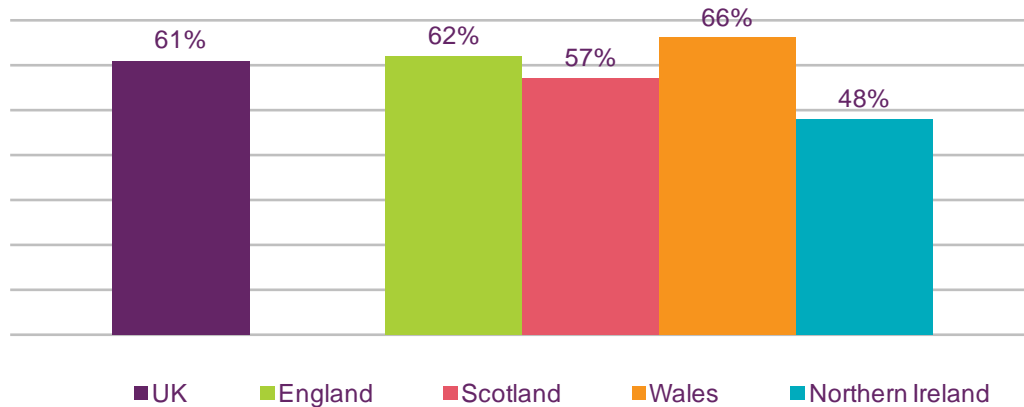
<sup>2</sup> The research involved 2971 UK adults, including 311 in Northern Ireland, in the face-to-face survey of UK residential consumers conducted in March 2013 by Kantar Media,

<sup>3</sup> Ofcom has collected data looking at similar areas in both the Technology Tracker and the Media Literacy research. The data reported here focuses on use of government services online and provides the respondent with 11 examples e.g. applying for a school place, completing the Census or applying for benefits. The Technology Tracker figures reported within this report in the Internet and web-based content section focus more simply on 'using local council/government websites'. The Media Literacy research looks at finding information separately to completing transactions online through council/government websites. The differences in the question wording and also methodology result in a range of figures in this area.

rural areas (42%). Those in social groups ABC1 were more likely to say they had used online government services (57%) than those in groups C2DE (34%).

**Figure 1.2 Proportion ‘ever’ using online government services, by nation**

% That use services



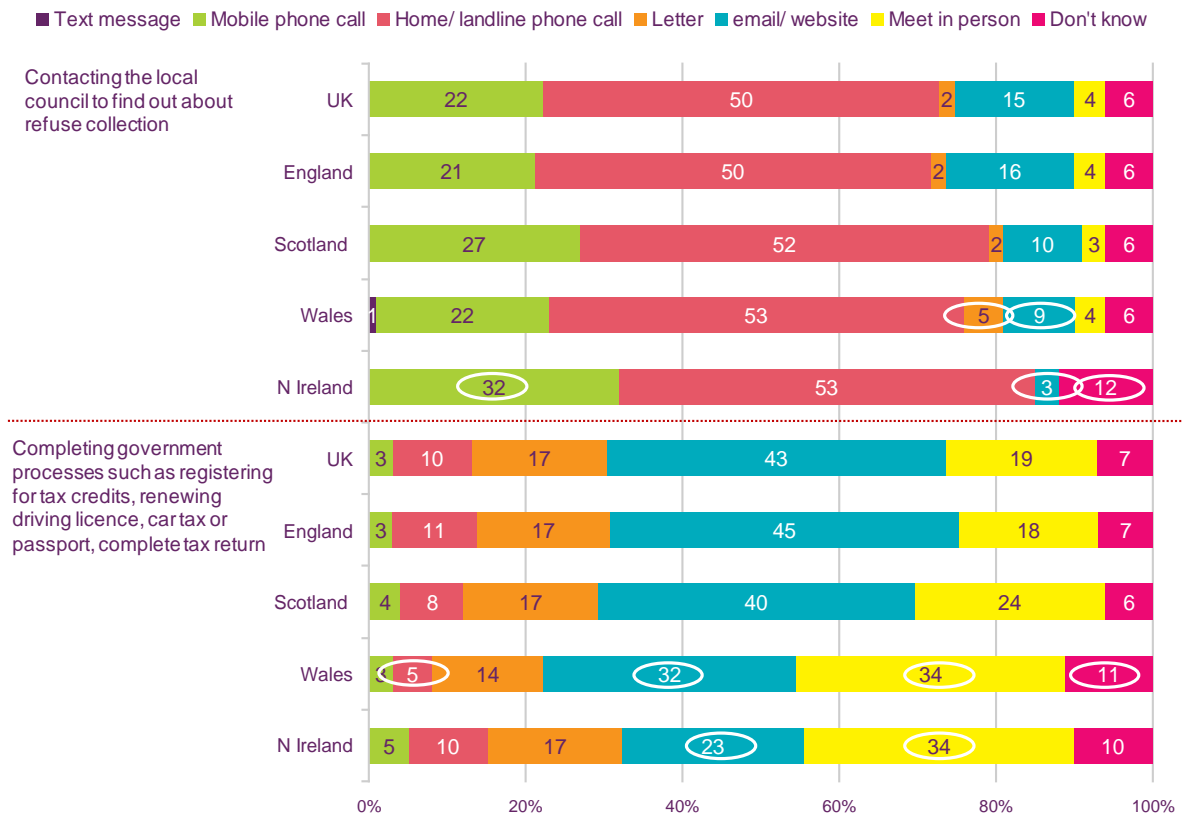
Source: Kantar Media Omnibus. Base: All with internet access. Internet access could be inside or outside the home, and be on a variety of devices. UK (2271) England (1325) Scotland (399) Wales (297) Northern Ireland (250). Question: Q.8 Nowadays, many government services are available online. Some examples of these services include <Examples> Do you ever use government online services?

**In Northern Ireland, around a quarter of adults said their preferred method for completing government processes was through a website or email**

Ofcom’s Media Literacy study identifies preferences for different e-government services. Across all nations, relatively few adults said their preferred method of contact with their local council (e.g. about refuse collection) was through a website or by email (see Figure 1.3). The majority of adults said they preferred to contact their local council about this type of issue by either a mobile or landline telephone call.

But when asked about their preferred method of contact for completing tasks such as renewing a driving licence or passport, they were more likely to prefer to use a website or email. In Northern Ireland, 23% of adults said their preferred method for completing government processes was via a website. The most preferred method of contact for these services was to meet in person, with 34% saying this.

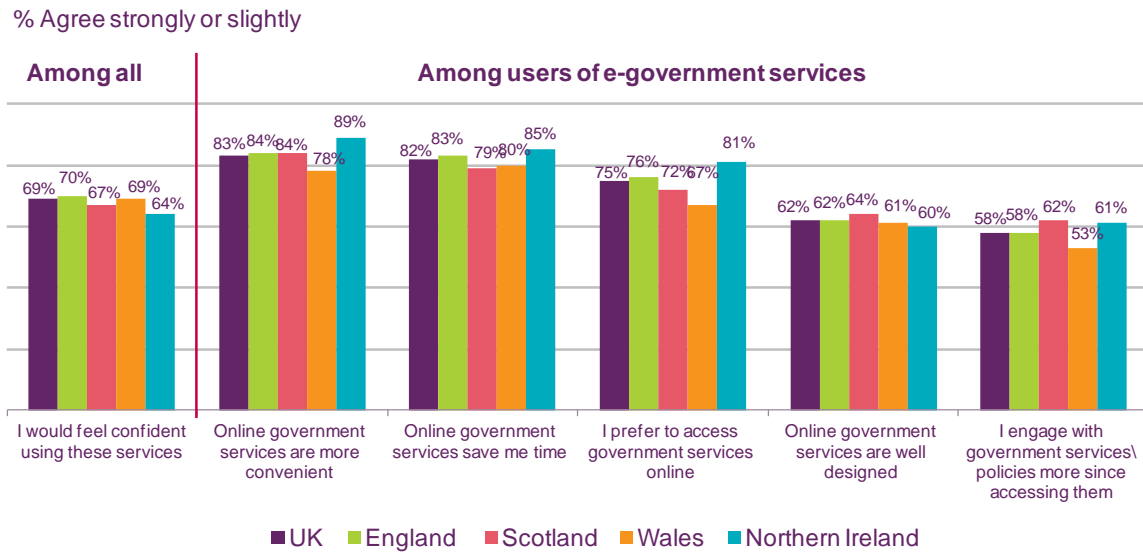
**Figure 1.3 Preferred method of contact with local council, and for government processes, by nation**



Source: Ofcom research, fieldwork carried out by Saville Rossiter-Base in September to November 2012. Base: All adults aged 16+ (1805 UK, 1125 England, 236 Scotland, 231 Wales, 213 Northern Ireland). Significance testing shows any difference between any nation and the UK. NZ2A-E. Please use this list to say which one way you would prefer to make contact for a few different reasons that I'll read out. (Prompted responses, single coded)

In Northern Ireland, 64% of all adults with internet access said they would feel confident using government services online (see Figure 1.4). Over eight in ten of those who used government services online said that they were more convenient (89%), saved time (85%) and they preferred to access these services online (81%). Sixty-one per cent of users of the online services said they had engaged with government services or policies more since accessing them online. Attitudes towards using government services online are similar across the nations.

**Figure 1.4 Attitude towards online government services, by nation**

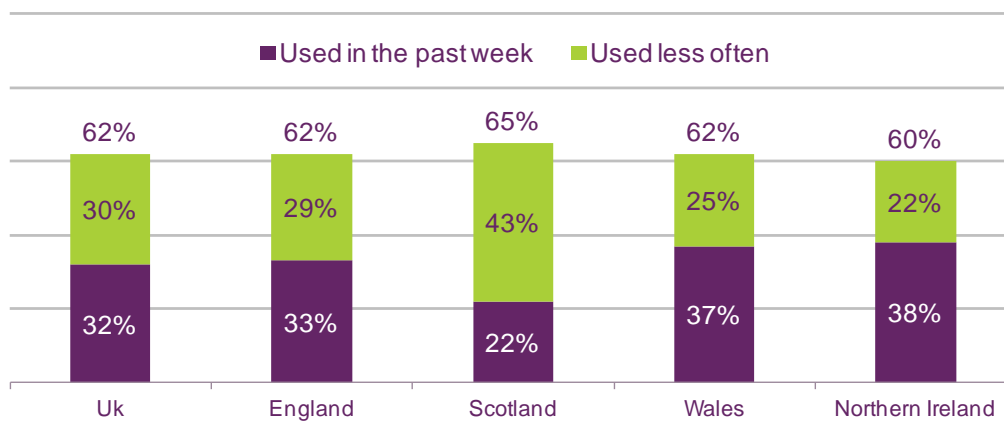


Source: Kantar Media Omnibus. Base: All with internet access: UK (2271), England (1325), Scotland (399), Wales (297), Northern Ireland (250). All ever used e-government services: the UK (1294), England (779), Scotland (217), Wales (187), Northern Ireland (109). Question: Q.9 Thinking about the kinds of services I have just shown you please tell me to what extent you agree or disagree with each of the following statements.

**Three in five adults in Northern Ireland say they shop online**

In Northern Ireland, 60% of internet users claimed to shop online for goods, services, tickets etc.; this is a similar proportion as claimed in the rest of the UK (see Figure 1.5). Whether or not people said they shopped online at all does not differ significantly among those living in urban (61%) and rural areas (60%) within Northern Ireland. Those in social groups ABC1 (74%) were more likely to shop online than those in C2DE (44%).

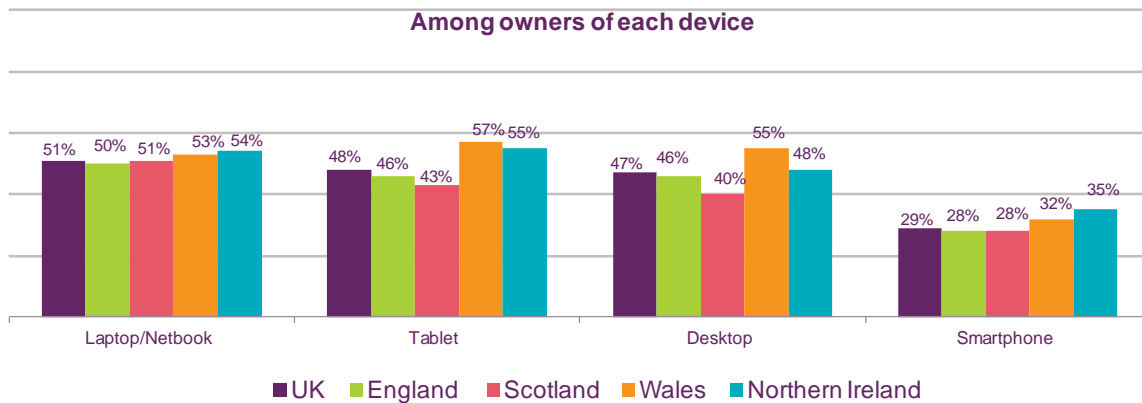
**Figure 1.5 Proportion of internet users shopping online, by nation**



Source: Ofcom Technology Tracker research, Q1 2013. Base: Adults aged 16+ who use the internet at home or elsewhere 2013. % purchasing good/services/tickets etc online. (UK= 2918, England=1787, Scotland=394, Wales=361, Northern Ireland=376). QE5. Which, if any, of these do you use the internet for? Note figures in the chart below are not directly comparable to figures on internet from previous years due to changes in question wording.

Figure 1.6 shows the proportion of those shopping online through devices that may be able to access the internet. In Northern Ireland, 55% of those with a tablet shop online using their tablet, 54% of those with a laptop or netbook shop online using this, 48% of those with a desktop computer shop using this, and 35% of smartphone owners shop using their smartphone.

**Figure 1.6 Proportion of people shopping online through devices, by nation**



Source: Kantar Media Omnibus Base: All who have each device. Desktop: UK (913) England (567) Scotland (133) Wales (119) NI (94). Laptop/netbook: UK (1647) England (951) Scotland (303) Wales (211) NI (182). Tablet: UK (608) England (334) Scotland (113) Wales (79) NI (82). Smartphone: UK (1230) England (715) Scotland (213) Wales (157) NI (145). Bases are 75+ respondents. Question: Q.1A Which of these activities do you use your device for nowadays?

The items that internet shoppers in Northern Ireland had bought online most often in the past six months were: clothing or footwear (75%), hotel or holiday bookings (54%), transport e.g. train or plane tickets (47%), physical multimedia products e.g. books, CDs, DVDs (42%), electrical devices e.g. TVs (37%), cinema or theatre tickets (35%), car/home/travel insurance (33%), digital multimedia e.g. music or e-books (33%) and groceries or take-aways (29%).

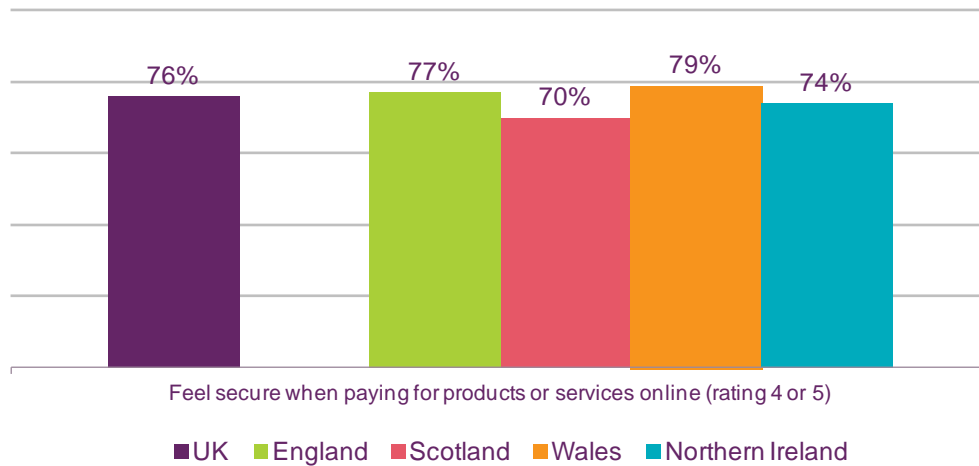
When asked about their preferred method of contact for booking a holiday (e.g. mobile phone, landline phone, in person, email/website etc), adults across all the nations were most likely to say that they would prefer contact via a website or email, or would like to meet in person. In Northern Ireland, 44% said they would prefer contact via a website or email, and around one-third (36%) preferred to meet in person.

**Around three-quarters of online shoppers in Northern Ireland feel secure when making online payments**

In general, across the nations, around three-quarters of those shopping online feel secure when they are paying for products and services online (see Figure 1.7). Similarly, 74% of online shoppers in Northern Ireland said they felt secure when paying online.

**Figure 1.7 Perceptions of security when shopping online, by nation**

% Feel secure



Source: Kantar Media Omnibus. Base: All who use online shopping in the UK (1221), England (689) Scotland (211) Wales (179) Northern Ireland (142). Question: Q.11A Generally, when ordering online how secure do you feel when paying for products or services online? Using a scale from 1-5, where 1 means not at all secure and 5 means very secure.

Online shoppers in Northern Ireland claim that their decisions about which website to buy from are influenced by several main factors: that the site is well known or a reputable brand (62%), the security of the site, e.g. secure payment options (52%), recommendations from friend, family and colleagues (48%), the website offering the product or service at the lowest price (41%), and the delivery options (30%). Although the frequency of mentions of these factors differ slightly across the nations, the most important five factors are constant across all nations of the UK.

When online shoppers were asked how they decided which websites they would be happy to buy from, 39% of online shoppers in Northern Ireland said they would buy only from websites they had previously bought from (see Figure 1.8). Fifty-six per cent said they would tend to buy something from a website they had not used before, once they had made checks on the site. The remaining 5% said they would buy from a website they had not used before (without necessarily making any checks on it). Online shoppers in Northern Ireland and Wales were more likely than those in the UK overall to say they would buy only through websites they had bought from in the past, suggesting they are more cautious about using websites that are new to them.



**Figure 1.8 Online shoppers' choice of websites for shopping, by nation**



Source: Ofcom research, fieldwork carried out by Saville Rossiter-Base in September to November 2012. Base: All who say they shop online (1076 UK, 667 England, 151 Scotland, 139 Wales, 119 Northern Ireland) Significance testing shows any difference between any nation and the UK. IN33E—When you want to buy something online, which of the following statements most closely applies? (Prompted responses, single coded)

General views on the postal service are included elsewhere in the report, but here we report on online shoppers' opinions on the delivery of goods purchased online. This is included because the delivery of goods is part of the overall online shopping experience.

**Around three-quarters of online shoppers in Northern Ireland are confident that goods bought online will be delivered on time and in good condition**

Among those who shop online, confidence levels were similar across the nations that the goods would arrive on time and be in good condition. In Northern Ireland, 79% of online shoppers were confident about the delivery of goods bought online (see Figure 1.9).

**Figure 1.9 Confidence in delivery when shopping online, by nation**

% Feel confident



Source: Kantar Media Omnibus. Base: All who use online shopping in the UK (1221), England (689) Scotland (211) Wales (179) Northern Ireland (142). Q.11B Generally, when ordering online how confident are you that the goods will arrive on time and in good condition? Using a scale form 1-5, where 1 means not at all confident and 5 means very confident.

Around nine in ten (89%) online shoppers in Northern Ireland said they usually had their online purchases delivered to their home address, rather than to a work address, friends or family or to a store.

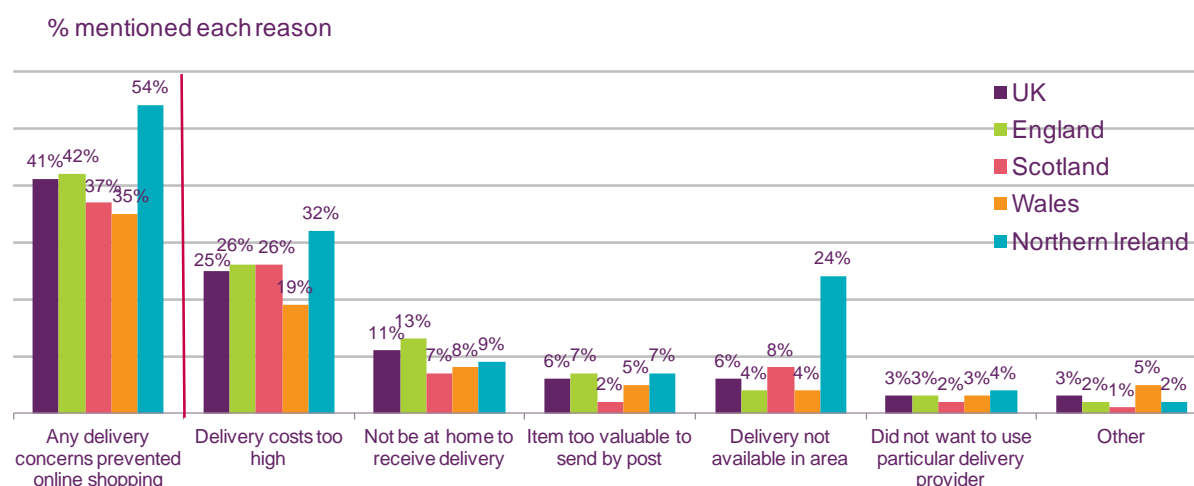
Online shoppers in Northern Ireland claimed that the factors which influenced their decision about which delivery method to use were: the price (free delivery 58% and cheapest delivery 50%), speed of delivery (44%), and the availability of order tracking (29%). Although the proportions of online shoppers who mention individual factors differ slightly by nation, the four most important factors are constant across all the nations of the UK. These findings are consistent with Ofcom's *Review of Postal Users' Needs* studies, which highlighted eight 'user needs' including; 'cost', 'speed' and 'control'.<sup>4</sup>

### **Online shoppers in Northern Ireland have greater concerns over delivery than shoppers in other nations, related to high costs and availability in their area**

Even among those who said they now made purchases online, around half (54%) said that delivery concerns had previously prevented them buying online (see Figure 1.10). Online shoppers in Northern Ireland reported more concerns than those in other nations. In particular, they mentioned concerns about high costs of delivery (32%) and delivery not being available in their area (24%).

<sup>4</sup> Ofcom, *Review of postal users' needs*, 16 October 2012, <http://stakeholders.ofcom.org.uk/consultations/review-of-user-needs/>

**Figure 1.10 Delivery concerns preventing online purchasing, by nation**



Source: Kantar Media Omnibus. Base: All who use online shopping in the UK (1221), England (689) Scotland (211) Wales (179) Northern Ireland (142). Question: Q.14 Have delivery concerns ever prevented you from buying items online? If yes, which of the following reasons prevented you from shopping?

### 1.3 'Not-spots' - Users' experience of mobile phone quality of service

#### Introduction

Ofcom is undertaking a programme of work to bring about improvements in mobile phone coverage (whether it is possible to receive a mobile signal or not) and mobile phone reception (where although a signal may be present it is not possible to connect or sustain a call or use data services).

As part of this work we commissioned research to understand the consumer experience. This research will help us understand the extent to which mobile phone reception issues affect consumers, and what types of problem are most prevalent and cause most concern.

We considered the specific issues:

- Being unable to make/connect a call (including if the phone shows 'bars' present)
- Poor sound quality / call breaks up
- Calls ending unexpectedly – not while travelling (when stationary or walking around)
- Calls ending unexpectedly – while travelling e.g. by road/rail
- Being unable to send a text message
- Text message does not arrive or arrives late
- Being unable to access or sustain access to mobile internet
- Being unable to send emails

The research also sought to understand the effect of location on the consumer experience of using mobile phones, including indoor and outdoor locations and while travelling.

The fieldwork was conducted in two waves using a face-to-face omnibus survey in November 2012. The total sample comprised 2,136 adults aged 16 and over. The research was conducted among a representative sample of UK consumers, and we also captured the experiences of specific sub-groups:

- the populations within each of the four nations
- those in urban and rural areas
- small business consumers (defined as those working within a business employing between one and ten employees)
- regular rail users
- regular road users

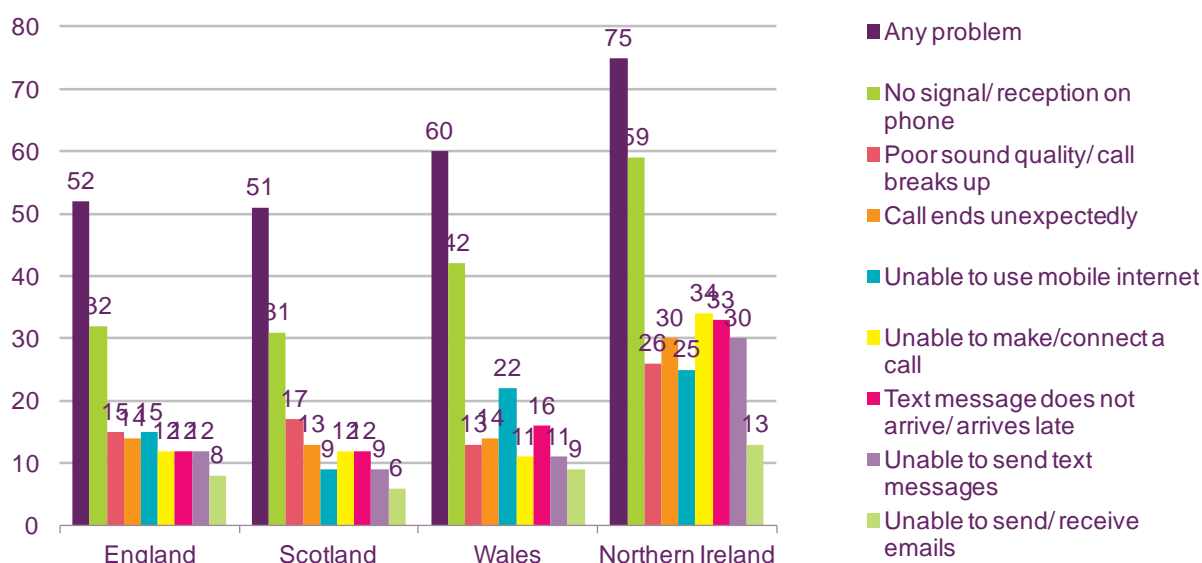
The research identified that a significant proportion of consumers were dissatisfied with certain aspects of their mobile service.

### Consumers in Northern Ireland are more likely to experience problems with reception than consumers in the other nations in the UK

Mobile users in NI are more likely to be dissatisfied and more likely to say they experience problems with mobile coverage than consumers in the other UK nations – 75% of respondents in NI had experienced a problem, compared to the UK average of 52%.

Not getting a signal is the problem experienced by most respondents (59%), followed by being unable to make or connect a call (34%), text messages arriving late or not at all (33%) and unable to send text messages (30%). Around a third of users in Northern Ireland have experienced four or more problems.

**Figure 1.11 Mobile phone users who have ever experienced problems with reception**



Source: Kantar Media omnibus, (14th – 20th November 2012)

Base: All who use a mobile phone (N=1743/195/95/103)

Q13: Thinking about your mobile reception with ... in the UK, do you ever experience any of the following issues?

## Northern Ireland users value the ability to make calls on their mobile phones at home and outdoors in rural areas

Figure 1.12 shows the overall figures for importance of, and satisfaction with the ability to make, calls in different locations, by nation.

As with the UK average, the largest gap between importance and satisfaction in each of the nations is for the ability to make calls outdoors in rural locations. In Northern Ireland it is just as important for consumers to be able to use a mobile phone at home as in places they regularly go to outdoors. Furthermore, the ability to make calls on their mobile phones at home is significantly more important to users in Northern Ireland than to those anywhere else in the UK. Ninety-two per cent of users reported that this is either important, or very important, compared to 82% in England, 83% in Wales and 86% in Scotland. Making calls outdoors in rural locations is also significantly more important to mobile users in Northern Ireland compared to the other nations in the UK (93% v 79% in England, 84% in Scotland and 87% in Wales).

Users in Wales and Northern Ireland are significantly more likely than users in England or Scotland to say that being able to make a call outdoors in places they go to regularly is important (96% and 94% vs. 86% and 90%).

**Figure 1.12 Net importance of / satisfaction with the ability to make calls**

		Indoor			Outdoor		
		Home	Work / place of study	General	Places go to regularly	Rural	Urban
UK	Importance	83	70	82	87	80	84
	Satisfaction	76	66	75	78	67	78
	S-I	-7	-4	-7	-9	-13	-6
England	Importance	82	70	81	86	79	83
	Satisfaction	76	66	74	78	67	77
	S-I	-6	-4	-7	-8	-12	-6
Scotland	Importance	86	71	89	90	84	88
	Satisfaction	80	66	80	82	71	80
	S-I	-6	-5	-19	-8	-13	-8
Wales	Importance	83	73	85	96	87	90
	Satisfaction	77	68	75	84	62	77
	S-I	-6	-5	-10	-12	-25	-13
Northern Ireland	Importance	92	76	91	94	93	90
	Satisfaction	72	58	77	76	70	80
	S-I	-20	-18	-14	-18	-23	-10

Source: Kantar Media omnibus, (14th – 20th November 2012)

Base: All who use a mobile phone (N=2136/1743/195/95/103)

Q17: How important is it for you to be able to make calls in the following locations?

Q18: How satisfied do you feel with the ability to make calls in each of these locations?

Net figures shown for very important/somewhat important and very satisfied/somewhat satisfied

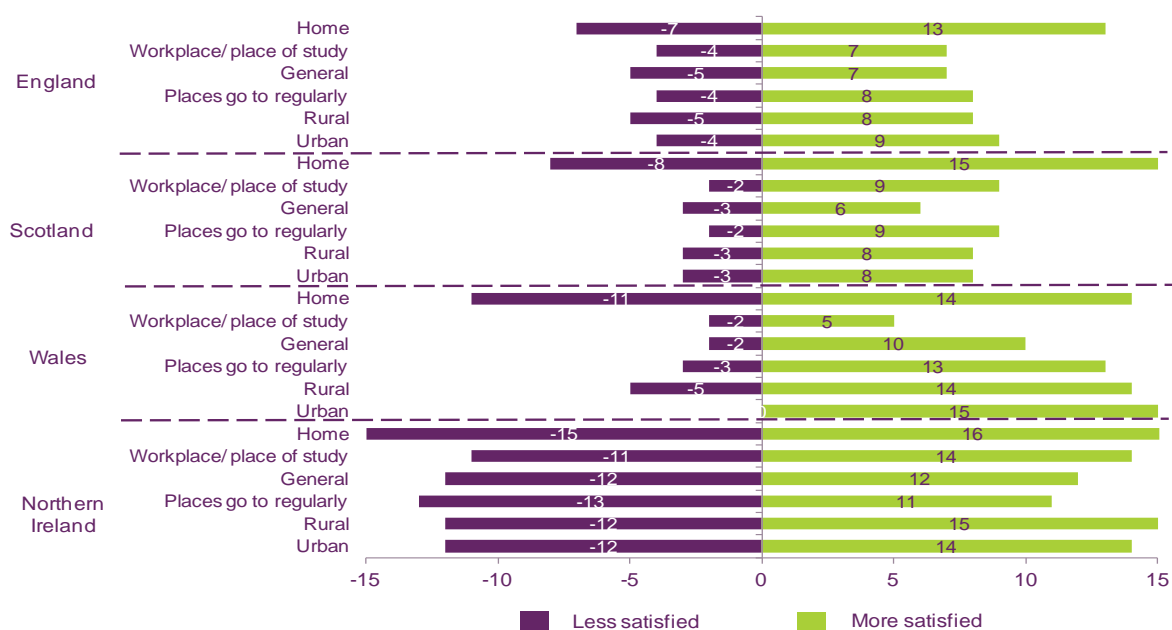
## Satisfaction with ability to make/receive calls falls most in Northern Ireland

When consumers were asked if they were more or less satisfied with their ability to make calls in a range of locations than they were 12 months ago, a similar proportion in each of the nations reported being more satisfied. But users in Northern Ireland were significantly more likely than users in other nations to be less satisfied than they were 12 months ago.

As shown in Figure 1.13 below, users in Northern Ireland are:

- Significantly more likely than users in England to be less satisfied with their ability to make calls indoors at home (15% vs. 7%).
- Significantly more likely than users in England and Scotland to be less satisfied with their ability to make calls indoors at their workplace or place of study (11% vs. 4% and 2%).
- Significantly more likely than users in England, Scotland and Wales to be less satisfied with their ability to make calls indoors in general, to make calls outdoors in places they go to regularly and to make calls outdoors in urban areas.

**Figure 1.13 Change in levels of satisfaction with ability to make calls in different locations compared to 12 months ago**



Source: Kantar Media omnibus, (14th – 20th November 2012)

Base: All who use a mobile phone (N=2136/1743/195/95/103/1757/379)

Q.10 And which is the ... important to you when thinking about your mobile operator? Most important.

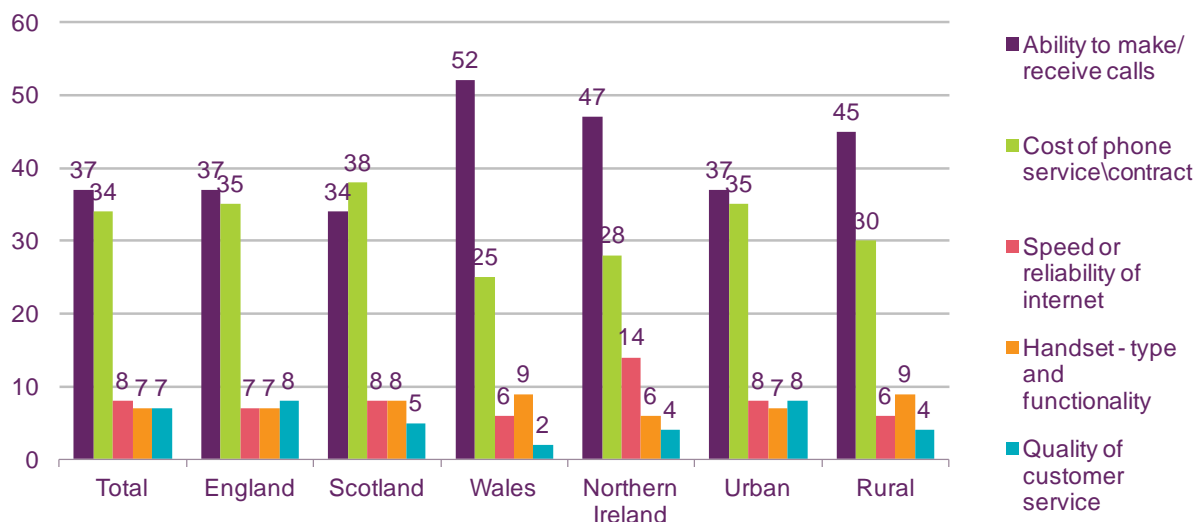
## The ability to make or receive calls or texts is particularly important when choosing a provider, for people living in Northern Ireland and Wales

For consumers in each of the four nations, the ability to make or receive voice calls or text messages is one of the top two most important factors in choosing their mobile provider. In Northern Ireland and Wales, this factor is considerably more important than other features, including price.

Although less important than being able to make or receive calls or texts, or than cost, the speed or reliability of internet access offered by a mobile provider is significantly more important for users in Northern Ireland than for the overall population (14% vs. 8%).

Users living in rural areas are significantly more likely than those living in urban areas to rate the ability to make or receive calls as most important, when thinking about their mobile provider (45% v. 37%).

**Figure 1.14 Most important factor, when choosing mobile provider**



Source: Kantar Media omnibus, (14th – 20th November 2012)

Base: All who use a mobile phone (N=2136/1743/195/95/103/1757/379)

Q.10 And which is the ... important to you when thinking about your mobile operator? Most important.

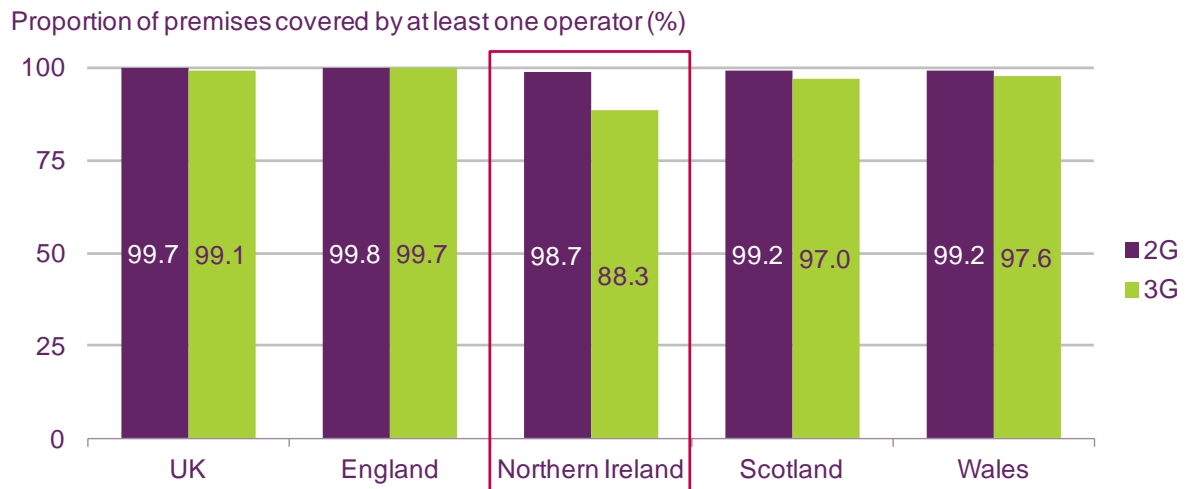
### 3G mobile coverage in Northern Ireland is the lowest in the UK, but there are plans for improvement

As Figure 1.15 shows, 3G mobile coverage in Northern Ireland is the lowest in the UK, with coverage by at least one operator reaching 88.3% of premises in the nation, compared to 97.0% in Scotland and 97.6% in Wales. In rural areas, this falls to 78.5% of premises compared to the UK average of 96.6%.

There are plans to improve 3G coverage in Northern Ireland. Everything Everywhere and Three expect to have completed improvements to their shared network by the end of 2013, which will see 3G population coverage rise to 95%. O2 and Vodafone have also committed to making improvements to their shared network to deliver similar levels of coverage.

Consumers in Northern Ireland will also benefit from the UK-wide Mobile Infrastructure Project (MIP). This project aims to improve mobile voice coverage in areas where coverage is poor or non-existent and to improve coverage on ten of the UK's busiest A roads, including two in Northern Ireland. Further information on MIP can be found in section 5.1 of this report.

**Figure 1.15 2G and 3G mobile coverage**



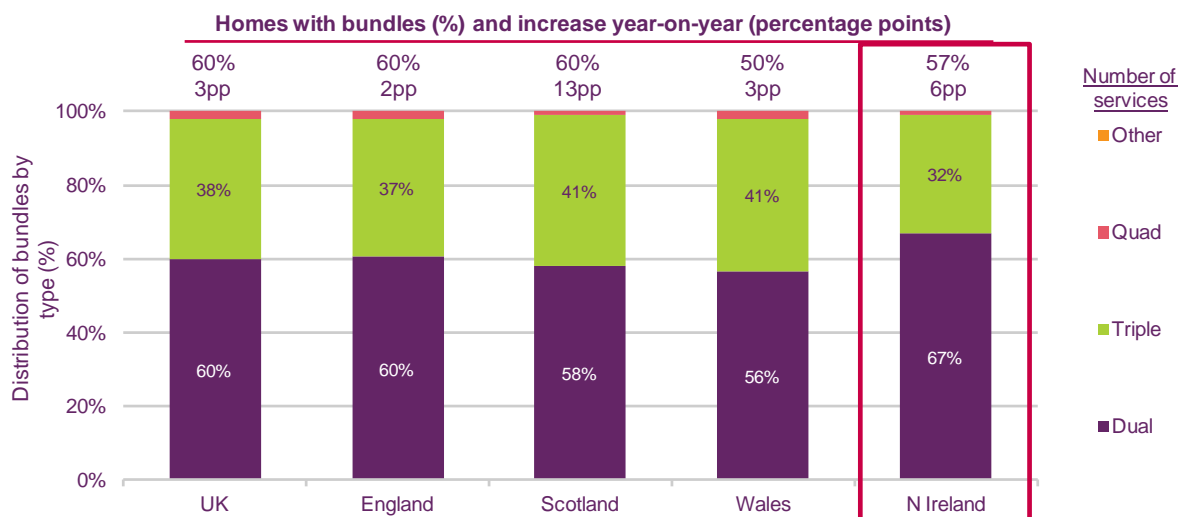
Source: Ofcom, *The availability of communications services in the UK, May 2013*

## 1.4 Purchasing communications services

### A majority of homes in Northern Ireland now buy their communications services in a bundle

Fifty-seven per cent of households in Northern Ireland now take two or more communications services as part of a package or bundle, up from 51% in Q1 2012. Of households with a bundle, two-thirds (67%) claim to have a 'dual play' package of two services bought together – the most popular combination being landline and broadband. (Figure 1.16)

**Figure 1.16 Take-up of bundle, by type**



Source: Ofcom research, Q1 2013

Base: All adults aged 16+ with a package of services regardless of whether or not these include a discount (n = 2104 UK, 1309 England, 297 Scotland, 220 Wales, 278 Northern Ireland)

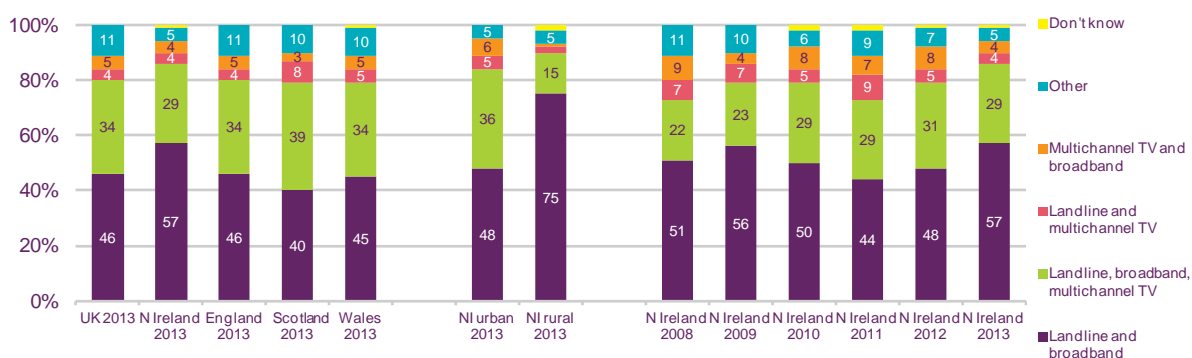
Note: Remaining percentages are Don't know responses



In Q1 2013, a third of all respondents in Northern Ireland (32%) took a dual-play bundle of landline and broadband, up from 24% the previous year. This is likely to be linked to the rise in broadband take-up in the nation over the same period.

Households in urban areas of Northern Ireland are more likely than households in rural areas to have at least one bundle (60% vs.52%). Furthermore, the composition of bundles of services purchased together varies markedly between urban and rural areas; due to the greater availability of cable services in towns, packages including multichannel TV are significantly more popular in urban than in rural areas.

**Figure 1.17 Trends in purchasing multiple communication services from a single supplier**



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

Source: Ofcom research, Q1 2013

Base: All adults aged 16+ with a package of services regardless of whether or not these include a discount (n = 2104 UK, 278 Northern Ireland, 1309 England, 297 Scotland, 220 Wales, 145 Northern Ireland urban, 133 Northern Ireland rural, 192 Northern Ireland 2008, 264 Northern Ireland 2009, 332 Northern Ireland 2010, 222 Northern Ireland 2011, 254 Northern Ireland 2012, 278 Northern Ireland 2013)

## 1.5 Availability and take-up of communications services in Belfast and availability in Derry-Londonderry

### Introduction

In its 2013/14 Annual Plan, Ofcom committed to undertake further research into the effect of communications infrastructure availability on high-density areas, including cities and towns. We will use this research, together with the conclusions of our work on the availability of communications services in the nations, which we published on 16 May 2013<sup>5</sup> and which looked primarily at the provision of services in rural areas, to help us understand the needs of different parts of the UK regarding communications services, how the market has delivered, and the impact of selected public interventions. As part of this research, Ofcom commissioned 11 case studies of UK cities identifying the availability of communications services and the factors driving availability. The cities are listed below.

1. **Northern Ireland:** Belfast, Derry-Londonderry
2. **England:** London, Birmingham, Manchester, Cambridge, Exeter
3. **Scotland:** Glasgow, Inverness
4. **Wales:** Cardiff, Bangor

<sup>5</sup> <http://stakeholders.ofcom.org.uk/market-data-research/market-data/economic-geography/>

The full Analysys Mason report can be found on Ofcom's website,<sup>6</sup> and a further overview of the findings is included in the *UK Communications Market Report*.

In parallel, we have used data from the British Population Survey (BPS) to consider how take-up of telecommunications services varies in different cities across the UK.

The second phase of our research, which will be the subject of a separate report, will consist of six case studies of international cities, as well as a more detailed analysis of some of the projects identified in phase one.

This section focuses on availability and take-up of telecommunications services in the city of Belfast, drawing on the key findings of our 2012 *Infrastructure Report* as well as our analysis of technology tracker data for the Belfast Metropolitan Area. We also present data from the 2012 *Infrastructure Report* in relation to the communications infrastructure in Derry-Londonderry. It was not possible to obtain technology tracker data for Derry-Londonderry.

### **Methodology**

Belfast Metropolitan Area is a group of council areas comprising six local government districts – Belfast, Castlereagh, Carrickfergus, Lisburn, Newtonabbey and North Down.

To report on the data collected from adults in households located within the Belfast Metropolitan Area, data from three Ofcom surveys (Q2 2012, Q4 2012 and Q1 2013) were rolled into one dataset comprising 319 interviews within the area. This data were compared with the UK average across the same period.

### **Belfast**

#### Summary of key findings

- Belfast is well served in terms of communications services, and the wider Metropolitan Area has a similar take-up of services to the average for the UK as a whole.
- Belfast has relatively high next-generation access (NGA) availability, compared to the other cities assessed, which appears to be partly due to the success of public interventions such as the Next Generation Broadband Project.
- Belfast has a lower WiFi hotspot density than average across the cities assessed.
- Belfast City Council intends significantly to extend 3G/4G/WiFi coverage to key locations such as the city centre, the Port of Belfast, and conference/ major event settings.
- The Super-Connected Belfast project, which is running as part of Belfast City Council's Investment Programme for 2012–15, aims to help Belfast become a 'world class' digital city by 2015.

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<sup>6</sup> <http://stakeholders.ofcom.org.uk/binaries/research/cmr/cmr13/cities-report.pdf>

Belfast has a population of c.269,000, with residential premises accounting for 94% of all premises

Figure 1.18 shows the size of the city in terms of population and number of residential and non-residential premises. The population is based on the 2011 census and the number of premises is based on postcodes within the local authority boundary.

Belfast is the commercial and educational centre for Northern Ireland. For many years, Belfast's economy was fragile and supported by the government, and the city has recently undergone much redevelopment.<sup>7</sup> Belfast is now home to a strong software, financial services and telecoms sector, and is embracing new sectors of excellence in areas such as creative industries and advanced manufacturing'.<sup>8</sup>

**Figure 1.18 City population and premises data**

City	Population	Total premises	Business premises	Residential premises
Belfast	c.269,000	c.132,000	c.8000	c.124,000

Source: Analysys Mason

For the purposes of this study the city boundary is defined by Belfast City Council, as shown in the following figure:

**Figure 1.19 Map of area local to Belfast highlighting city boundary**



Source: Analysys Mason

Next-generation access (NGA) is available to 97% of premises in Belfast

Figure 1.20 identifies fixed network infrastructure for the two main operators, BT and Virgin Media. This includes the availability of both first-generation broadband (ADSL copper<sup>9</sup> and

<sup>7</sup> Source: Analysys Mason

<sup>8</sup> <http://www.belfastcity.gov.uk/investinbelfastguide/growthsectors.asp>

<sup>9</sup> Asymmetric digital subscriber line (ADSL) is a technology for transmitting digital information over existing copper telephone lines, which allows users to connect to the internet.

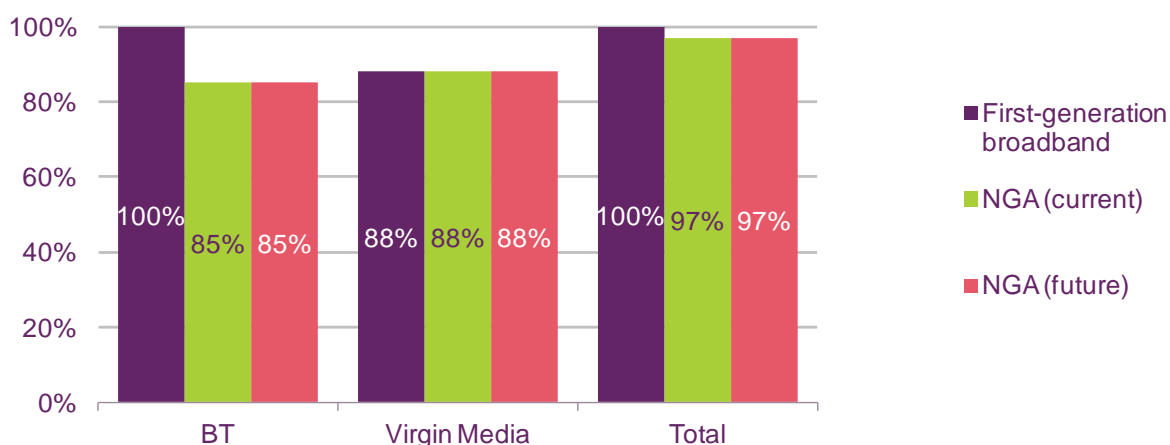
DOCSIS cable technologies<sup>10</sup>) and NGA infrastructure (FTTx<sup>11</sup> and DOCSIS v3.0 cable technologies<sup>12</sup>). Future NGA availability is predicted based on BT announcements for the upgrade of exchanges with NGA technology by 2015.

We estimate that the BT NGA network is currently available to around 85% of city premises. In the future this may change only as BT upgrades more of the cabinets attached to the city's serving exchanges, which have all been upgraded. Virgin Media's network is available to a high percentage (88%) of city premises, and on the basis of Virgin Media's announcements, this figure is unlikely to change before 2015. Total availability is slightly higher than the BT-only and Virgin Media-only figures, suggesting that there is a large overlap of the footprints of the two operator networks i.e. the majority of premises have access to the networks of both Virgin Media and BT.

In relation to the other 10 cities that we examine in detail in the *UK Communications Market Report*, Belfast's NGA availability is 26% higher than the city average.

Although the availability of first-generation broadband is 100%, some premises experience broadband speeds of less than 2Mbit/s, which is considered below the minimum requirement for a basic broadband service.

**Figure 1.20 Fixed network infrastructure: availability by premises passed**



Source: Analysys Mason, *Ofcom Infrastructure Report 2012*

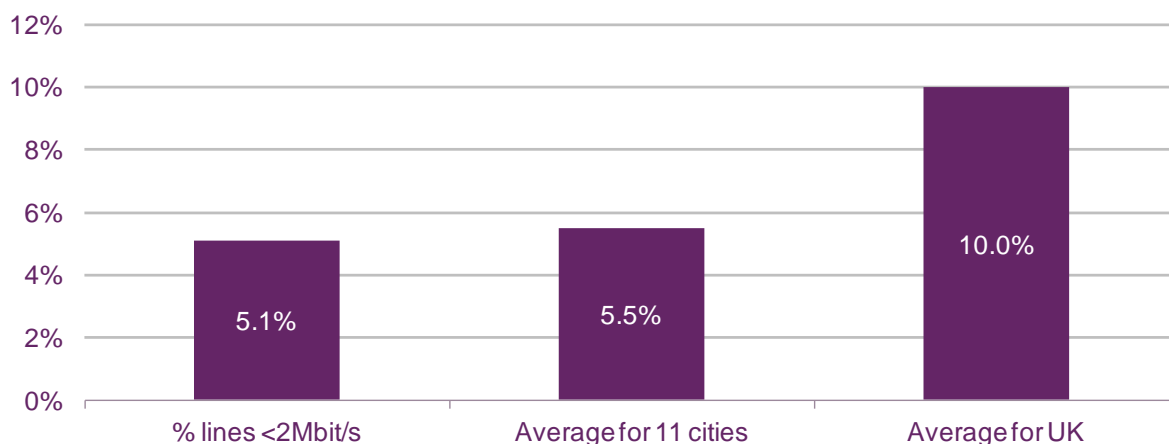
Figure 1.21 shows the proportion of lines with a speed of less than 2 Mbit/s. The proportion of Belfast lines that have a speed of less than 2Mbit/s is 5.1%, which is 0.4% less than the average across the cities assessed.

<sup>10</sup> Data over cable service interface specification (DOCSIS) is an international telecommunications standard that is employed by many cable operators to provide internet access over their existing infrastructure.

<sup>11</sup> Fibre to the exchange (FTTx) is a generic term used to describe any broadband network using optical fibre to replace all or part of the usual metal local loop used for last-mile telecommunications.

<sup>12</sup> DOCSIS v3.0 is the next generation of DOCSIS, which allows users to experience significantly faster speeds.

**Figure 1.21 Percentage of lines that have a speed of less than 2Mbit/s, and relative positioning**



Source: Analysys Mason, Ofcom Infrastructure Report 2012

Belfast has 15 exchanges, all of which have been upgraded to NGA

Figure 1.22 shows the number of exchanges serving the city postcodes, the percentage of lines that support both ADSL and ADSL Max<sup>13</sup>, and the average number of lines per exchange.<sup>14</sup> Not all of these exchanges are physically located within the city boundary. All of the copper lines support basic broadband (both ADSL and ADSL Max).

**Figure 1.22 Number of exchanges and % of lines with access to basic broadband**

No. of exchanges serving city postcodes	% of lines that have access to both ADSL & ADSL Max	Average number of lines per exchange
15	100%	8800

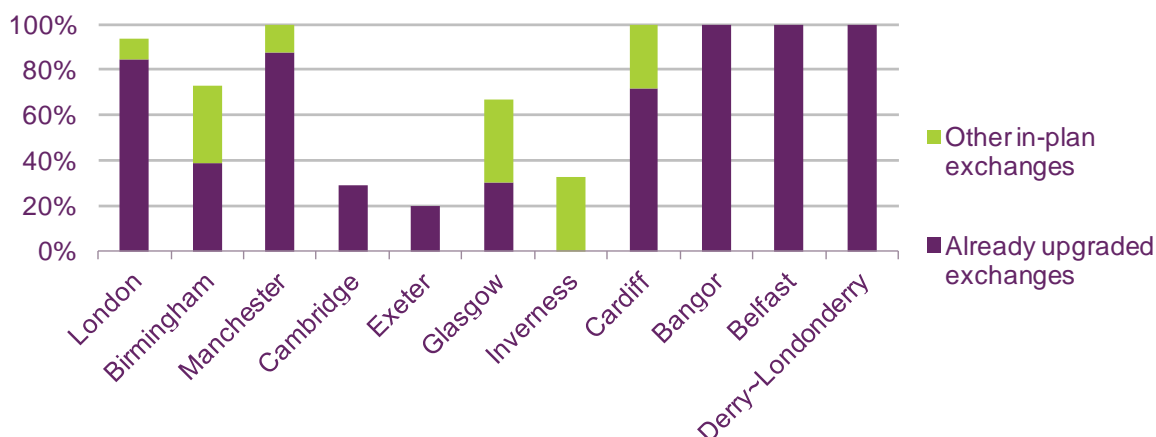
Source: Analysys Mason

The BT fibre network comprises fibre-to-the-cabinet (FTTC) and fibre-to-the-home (FTTH) infrastructure. Figure 1.23 shows the FTTC status of the city exchanges according to BT's current roll-out plans, compared to the other cities assessed.

<sup>13</sup> ADSL Max is a 'rate-adaptive' variant of ADSL, where the transmitted bit rate varies depending on the physical conditions of the twisted-pair copper line, which may change over time. In contrast, the bit rate for ADSL is fixed and does not change.

<sup>14</sup> Source: Analysys Mason

**Figure 1.23 FTTC status of exchanges serving city postcodes, according to BT's roll-out plans**



Source: Analysys Mason

To date, 15 of the serving exchanges (that is 100% of total serving exchanges) have been upgraded to FTTC<sup>15</sup>.

#### Nine operators offer NGA services in Belfast

In addition to the two main operators that own fibre network infrastructure (BT and Virgin Media), a number of alternative operators have their own fibre network infrastructure, or at least a point of presence i.e. an interconnection with another communications provider, in the city. Alternative operators tend to focus on providing services to larger business customers.

Seven alternative operators have been identified as having, as part of their national networks, a point of presence in the city: Atlas, Easynet, Eircom, Level3, TalkTalk, Virgin Media business, and Vodafone.<sup>16</sup>

Belfast has 150 WiFi hotspots, equivalent to 5.7 hotspots per 10,000 residents. Figure 1.24 shows key WiFi hotspot data for Belfast. The largest providers of WiFi infrastructure in UK cities are currently BT (branded as BT Openzone) and The Cloud, which is owned by BSkyB. Each operator owns a mix of outdoor and indoor WiFi access points. Other private and public organisations own hotspots, but they tend to make only a small contribution to a city's total. We have therefore used the total hotspots for BT and The Cloud to derive a city benchmark<sup>17</sup>. Belfast has 8% fewer hotspots per 10,000 city residents than the average across the cities analysed.

<sup>15</sup> Note that only a proportion of the cabinets which connect to the upgraded exchanges have been upgraded. Although data are not available on the actual number of cabinets upgraded across the city, BT has stated that for the national FTTC roll-out, on average of 85% of premises are passed with NGA, which equates to an average 70% of cabinets per exchange area.

<sup>16</sup> Source: Analysys Mason

<sup>17</sup> There is in general a good correlation between number of hotspots and number of the city residents, therefore that ratio forms a suitable benchmark for assessing Wi-Fi availability between cities

**Figure 1.24 Key city hotspots data**

City total	Total hotspots per 10,000 city residents (city benchmark)	Total hotspots per 10,000 city residents (11 city average)	Percentage difference from 11 city average
150	5.7	6.2	-8%

Source: Analysys Mason

**3G services are available through at least four operators in 99% of Belfast**

Figure 1.25 shows the proportion of premises that are covered by 3G networks, compared to the average across the other cities assessed, and the UK as a whole. At the time of writing EE was the only operator providing 4G coverage in Belfast, although it appears to be slightly less extensive than is the case for other cities which currently have 4G coverage<sup>18</sup>.

**Figure 1.25 3G mobile coverage in city**

% of premises with 3G signal from four operators (city benchmark)	% of premises with 3G signal from four operators (11 city average)	% of premises with 3G signal from four operators (UK average)	Percentage difference from 11-city average
99%	95.7%	77.3%	+3.3%

Source: Analysys Mason, Ofcom Infrastructure Report 2012

Ninety-eight per cent of premises in Belfast have a choice of four or more fixed-line telecoms providers. The classification assigned by Ofcom to each exchange is a good indicator of local competition in communications services. The classification is based on the number of operators with a presence in the exchange, typically local loop unbundling operators offering first-generation broadband wholesale services:

- a classification of 3 means that four or more operators (including BT) are present
- a classification of 2 means that two or three operators (including BT) are present
- a classification of 1 means that BT is the only operator present.

Figure 1.26 shows for each market classification the key city exchange data:

<sup>18</sup> Source: Analysys Mason

**Figure 1.26 Key city exchange data**

Ofcom classification	Number of city exchanges	% of total exchanges	% of premises passed
3	12	80%	98%
2	2	13%	<2%
1	1	7%	<1%

Source: Analysys Mason

Eighty per cent of exchanges are classed according to the Ofcom scheme as being within classification 3, and pass 98% of lines. Virgin Media also has a presence in 100% of exchange areas<sup>19</sup>. The number of operators present in an exchange is generally a good indicator of the degree of competition, and these findings suggest that there is a level of competition in provision of first-generation broadband services across the city<sup>20</sup>.

An equivalent or similar classification for SFBB is not yet established (although communications providers are currently using the generic Ethernet access product from BT Wholesale to provide retail superfast services).

Including superfast broadband, the average maximum modem sync speed for Belfast is 37.2 Mbit/s

Figure 1.27 compares the average maximum modem sync speed for just basic broadband lines, and for all lines, (including basic and SFBB). The speed values are compared to the city average. Note that the result for all lines (including SFBB lines) is for illustrative purposes only, as we have assumed all superfast lines to be 40Mbit/s. Not all broadband connections provided by NGA networks will necessarily achieve sync speeds of 40Mbit/s, as the speed will depend on the length and quality of the copper connection from the street cabinet to the consumer's premises.

**Figure 1.27 Average maximum modem sync speed compared to other cities**

Excluding SFBB lines			Including SFBB lines			
Average maximum speed (Mbit/s)	City average (Mbit/s)	% difference from city average	Average maximum speed (Mbit/s)	City average (Mbit/s)	UK average (Mbit/s)	% difference from city average
16.1	14.1	+14%	37.2	29.9	12.7	+24%

Source: Analysys Mason, Ofcom Infrastructure Report 2012

<sup>19</sup> Source: Analysys Mason

<sup>20</sup> This does not represent Ofcom's assessment of competition for the purpose of any market analysis under the Competition Act 2003. Ofcom has recently published a consultation document in our current review of the Wholesale Broadband Access Market (see: [http://stakeholders.ofcom.org.uk/binaries/consultations/review-wba-markets/summary/WBA\\_July\\_2013.pdf](http://stakeholders.ofcom.org.uk/binaries/consultations/review-wba-markets/summary/WBA_July_2013.pdf))



### A variety of social factors appear to be driving the availability of communications infrastructure across the city

Belfast City Council has a vision in which all individuals have access to the internet as well as the skills, resources and technical support to make that access meaningful and to allow them actively to participate in social, economic and political life. The social objectives of deploying digital infrastructure are specifically to:

- provide more direct and regular interaction opportunities between government and citizens through improved digital access to democratic processes;
- increase access to flexible working, particularly for those employees with childcare or care-giving responsibilities;
- facilitate working time adjustments for those attending education or training; and
- double the volume of e-commerce in Belfast by 2015<sup>21</sup>.

The Digital Northern Ireland 2020 (DNI2020) Advisory Board<sup>22</sup> was set up in 2010. It is supported by Invest NI (INI) and co-exists with DETI, Matrix, WHISPLE (a network of IT companies) and the Digital Network as part of INI's collaborative network programme. The vision of DNI2020 is to fully exploit the benefits of a digital platform for the Northern Ireland economy to maximise economic growth, improved quality of life and to achieve social uplift and a consequent improvement in quality of life for all NI citizens. By the end of this decade, it is intended that Northern Ireland will be the world's preferred destination for knowledge economy investment. The mission of DNI2020 is to engage with stakeholders (business, community, citizens and government), and to focus the activities of key players and influencers to transform Northern Ireland into a 21st century global knowledge economy and make it a preferred destination for inward investment.

### NGA availability in Belfast appears to have benefited from the success of public interventions

During 2009, DETI entered into a partner agreement with BT on the £51m Next Generation Broadband Project to upgrade 1265 cabinets across Northern Ireland, some of which were located in Belfast.

In addition, the Super-Connected Belfast project, which is running as part of Belfast City Council's Investment Programme for 2012–15, received £13.7m from the Urban Broadband Fund. The project is planned to provide city-wide access to speeds of at least 80Mbit/s, with high-speed ultrafast capacity (of at least 100Mbit/s) for businesses which need it. The Council will invest an additional £3m as part of its investment programme, while the private sector will provide a further £8m. The project is expected to help Belfast become a 'world class' digital city by 2015.

In a bid to augment its tourism and connectivity strengths, the Council also intends to significantly extend 3G/4G/WiFi coverage to key locations such as the city centre, the Port of Belfast, and major conference/ event settings.

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<sup>21</sup> Source: Analysys Mason

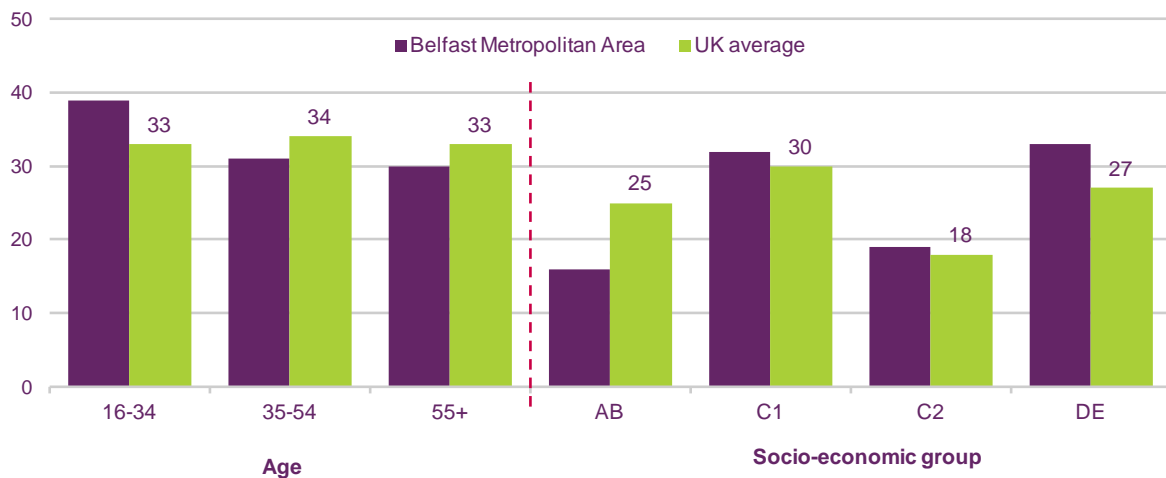
<sup>22</sup> <http://www.dni2020.com/>

### Four in ten adults in the Belfast Metropolitan Area are aged 16-34

Belfast Metropolitan Area is a group of council areas comprising six local government districts – Belfast, Castlereagh, Carrickfergus, Lisburn, Newtonabbey and North Down. The age profile in Belfast Metropolitan Area is younger than the profile for the UK average. Across the Belfast Metropolitan Area four in ten adults are aged 16-34 (39%) compared to one in three (33%) across the UK as a whole.

In terms of the socio-economic group profile, one in three adults in Belfast Metropolitan Area live in DE households. Adults in the Belfast Metropolitan Area are less likely than the UK average to live in an AB socio-economic group household (16% vs. 25%) and more likely to live in a DE household (33% vs. 27%).

**Figure 1.28 Age and SEG profile**



Source: Ofcom research, Q2 2012, Q4 2012, Q1 2013

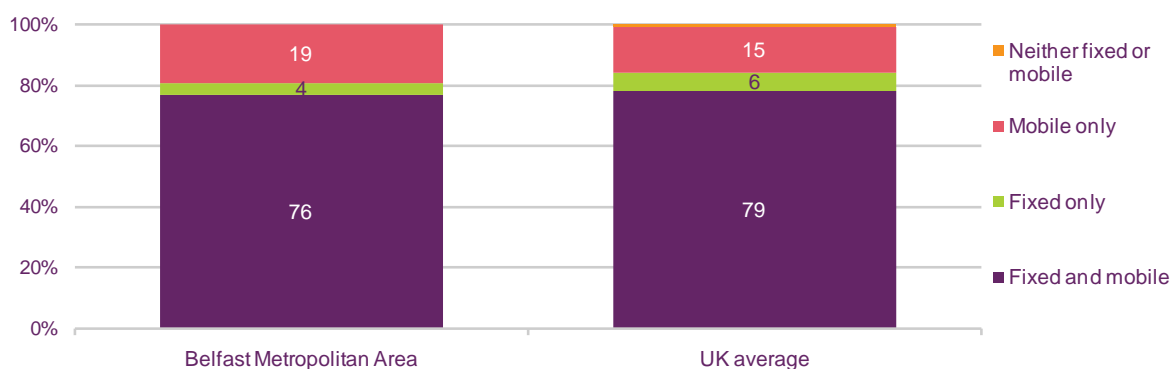
SF. What is your age?/ QZ8. What is the occupation of the main wage earner in your household?

Base: Adults aged 16+ (n = 319 Belfast Metropolitan Area, 9373 UK).

### One in five households in the Belfast Metropolitan Area is mobile-only

One in five (19%) households in the Belfast Metropolitan Area have mobile as the only form of telephony, similar to the average for the UK as a whole (15%). Most households (76%) have both fixed and mobile, as is also the case for the UK average (79%).

**Figure 1.29 Household penetration of fixed and mobile telephony**

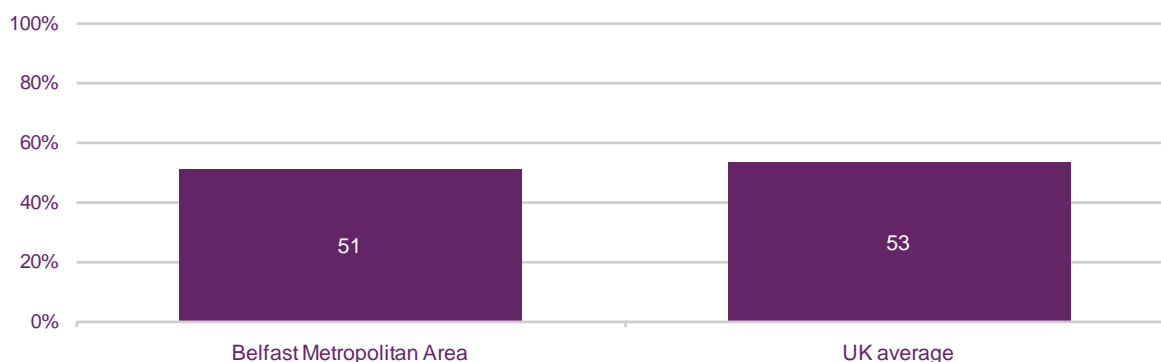


Source: Ofcom research, Q2 2012, Q4 2012, Q1 2013  
 QC1/ QD1. Is there a landline phone in your home that can be used to make and receive calls?/ How many mobile phones in total do you and members of your household use?  
 Base: Adults aged 16+ (n = 319 Belfast Metropolitan Area, 9373 UK).

Half of all mobile phone users in Belfast Metropolitan Area use a smartphone

Half (51%) of all mobile phone users in Belfast Metropolitan Area use a smartphone, similar to the average for the UK as a whole (53%).

**Figure 1.30 Take-up of smartphones among mobile phone users**



Source: Ofcom research, Q2 2012, Q4 2012, Q1 2013  
 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.  
 Base: Adults aged 16+ (n = 319 Belfast Metropolitan Area, 9373 UK).

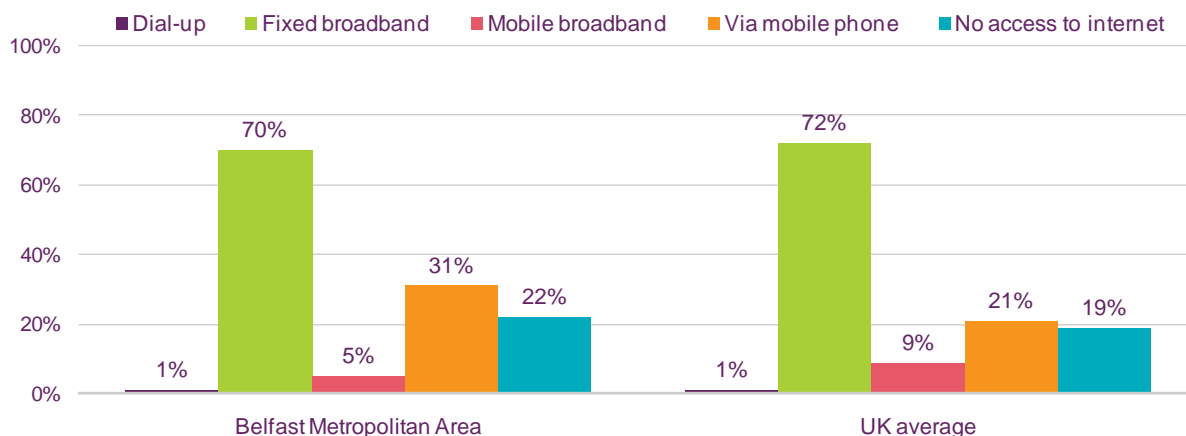
Belfast Metropolitan Area households are more likely to access the internet via a mobile phone

Eight in ten (78%) households in Belfast Metropolitan Area have access to the internet at home, similar to the UK average (81%). The most popular type of internet access for those in the Belfast Metropolitan Area is fixed broadband; used by seven in ten (70%) households, similar to the average for the UK.

Around one in three (31%) households in the Belfast Metropolitan Area access the internet at home using a mobile phone or smartphone, either through a WiFi network or via the phone's mobile network. Accessing through a mobile phone is less likely across the UK as a whole (21%).

One in twenty (5%) households in the Belfast Metropolitan Area access the internet at home using mobile broadband, connecting via a USB stick or dongle, or built-in connectivity in a laptop, netbook or tablet with a SIM card. Accessing through mobile broadband is more likely across the UK as a whole (9%).

**Figure 1.31 Internet access, by type**



Source: Ofcom research, Q2 2012, Q4 2012, Q1 2013

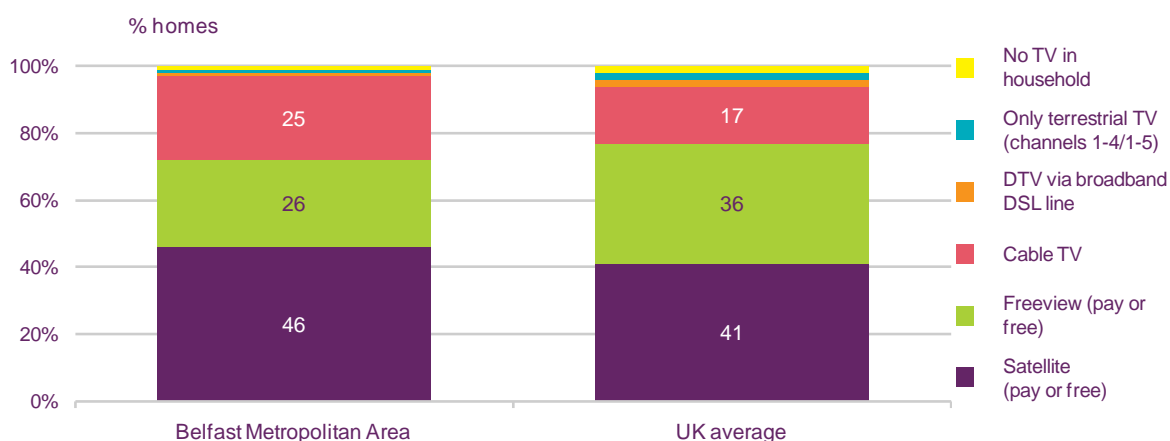
QE2/ QE9. Do you or does anyone in your household have access to the internet/ world wide web at home?/ Which of these methods does your household use to connect to the internet at home?

Base: Adults aged 16+ (n = 319 Belfast Metropolitan Area, 9373 UK).

**Households in Belfast Metropolitan Area are more likely to receive their main TV service via cable and less likely via Freeview, compared to the UK average**

The most popular main TV service in Belfast Metropolitan Area is satellite TV (46%), similar to the UK average (41%). Households in the Belfast Metropolitan Area are more likely than the UK average to receive their main TV service via cable TV (25% vs. 17% UK) and less likely to receive their main TV service via Freeview (26% vs. 36%).

**Figure 1.32 Main set TV share, by platform**



Source: Ofcom research, Q2 2012, Q4 2012, Q1 2013

QH1a/ QH1b. Which, if any, of these types of television does your household use at the moment?/ And which of these do you consider is your main type of television?

Base: Adults aged 16+ (n = 319 Belfast Metropolitan Area, 9373 UK).

## Derry-Londonderry

### Summary of key findings

- Derry-Londonderry has the highest level of NGA availability of all the cities assessed, which appears to be partly due to a successful public-sector intervention project, the Next Generation Broadband Project.
- Derry-Londonderry has recently become the first city in the UK to have all of its cabinets upgraded by BT.
- Derry-Londonderry is among 12 cities that will share £50m as part of a second round of funding from the UK government's Super-Connected Cities project, which will help provide homes and businesses in the city with ultrafast broadband (at least 80Mbit/s to 100Mbit/s) and high speed wireless internet access.
- Despite the city's high NGA availability, 11.7% of lines in Derry-Londonderry deliver a speed less than 2Mbit/s. This is because the city boundary incorporates a higher proportion of rural areas than the other cities assessed, such that the average length of exchange loops is likely to be higher than for most other cities.
- Derry-Londonderry is the only one of the cities assessed to have premises with no coverage by any mobile operator, although only 2% of premises fall into this category.
- Derry-Londonderry has a much lower WiFi hotspot density compared to other smaller cities in the study.
- Derry City Council has funded the installation of a public WiFi network in the city, which will supplement provision of commercial hotspots.

### Derry-Londonderry has a population of 110,000, with residential premises accounting for 95% of all premises

Figure 1.33 shows the size of the city in terms of population and number of residential and non-residential premises. The population is based on the 2011 Census and the number of premises is based on postcodes within the local authority boundary.

The economy of Derry-Londonderry has historically been dominated by the textile industry, but this has shown a large decline in recent times. Some production still remains, with the large conglomerate Dupont operating a factory in the area. The digital industry has particularly been encouraged, and the largest employers are international firms in this sector; for example, Seagate, which manufactures hard disk drives, has a large presence. The city economy has recently been boosted by tourism, supported by the appearance of budget airlines. Derry-Londonderry is UK City of Culture for 2013<sup>23</sup>.

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<sup>23</sup> Source: Analysys Mason

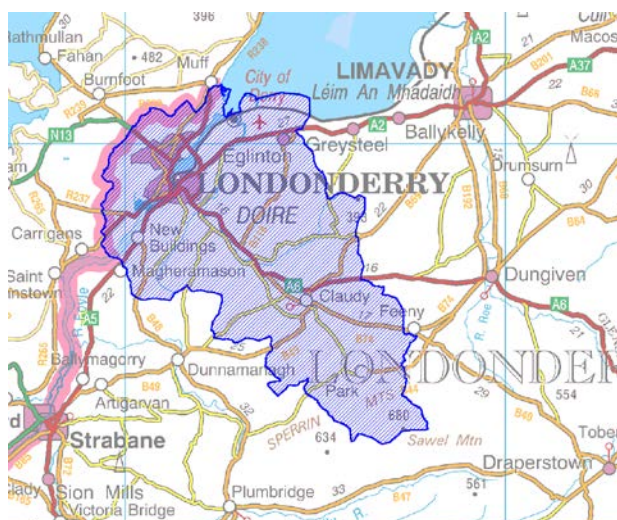
**Figure 1.33 City population and premises data**

City	Population	Total premises	Business premises	Residential premises
Derry-Londonderry	c.110,000	c.43,000	c.2,000	c.41,000

Source: Analysys Mason

For the purposes of this study the city boundary is defined by that of Derry City Council, as shown in the following figure:

**Figure 1.34 Map of local area highlighting city boundary**



Source: Analysys Mason

Next-generation access is available to 99% of premises in Derry-Londonderry

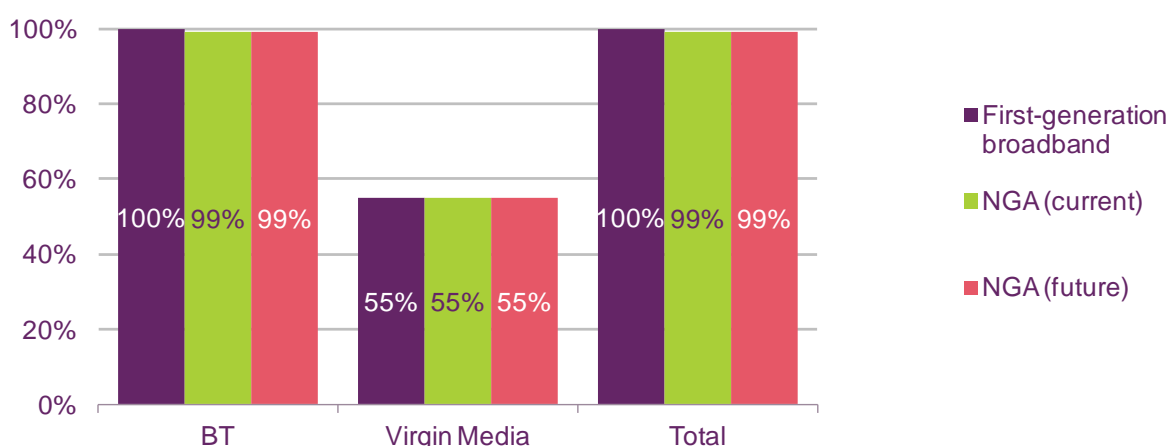
Figure 1.35 identifies fixed network infrastructure for the two main operators, BT and Virgin Media. This includes availability of both first-generation broadband (ADSL copper and DOCSIS cable technologies) and NGA infrastructure (FTTx and DOCSIS v3.0 cable technologies). Future NGA availability is predicted based on BT announcements for the upgrade of exchanges with NGA technology by 2015.

The BT NGA network is currently available to almost all city premises, since all exchanges and cabinets across the city have been upgraded. Virgin Media's network is available to around 55% of city premises, and based on its declared intentions, this figure is unlikely to change by 2015. Total availability is near-identical to the BT-only figures, suggesting that there is a substantial overlap of Virgin Media's network by the BT network i.e. virtually all of the premises that have access to Virgin media's network also have access to BT's network.

In relation to the 10 other cities which we examine in detail in the *UK Communications Market Report*, Derry-Londonderry's NGA availability is 28% more than the average.

Although the availability of first-generation broadband is 100%, some premises experience broadband speeds of less than 2Mbit/s, which is considered below the minimum requirement for a basic broadband service.

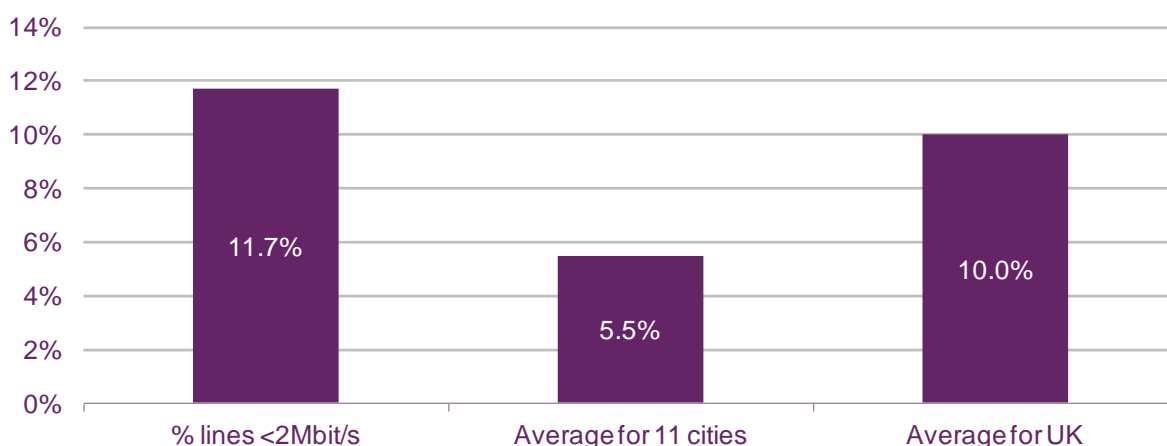
**Figure 1.35 Fixed network infrastructure: availability by premises passed**



Source: Analysys Mason, Ofcom Infrastructure Report 2012

Figure 1.36 shows the proportion of lines with a speed of less than 2 Mbit/s. The proportion of Derry-Londonderry lines in this category is 11.7%, which is 6.2% higher than the average across the cities assessed. It is very likely that the lines measured as less than 2Mbit/s were, and in some cases continue to be, based on first-generation broadband infrastructure. However, this appears to be a reflection of choices made by end-users rather than a lack of NGA infrastructure. Ninety-nine per cent of premises across the city fall within areas of NGA infrastructure coverage, and so can gain access to high-speed connections. As the city boundary takes in a largely rural area, the slow speeds are likely due to longer line lengths.

**Figure 1.36 Percentage of lines with speed less than 2Mbit/s, and relative positioning**



Source: Analysys Mason, Ofcom Infrastructure Report 2012

Derry-Londonderry has ten copper exchanges, all of which have been upgraded to NGA

Figure 1.37 shows the number of exchanges serving the city postcodes, the percentage of lines that support both ADSL and ADSL Max<sup>24</sup>, and the average number lines per

<sup>24</sup> ADSL Max is a 'rate-adaptive' variant of ADSL, where the transmitted bit rate varies depending on the physical conditions of the twisted-pair copper line, which may change over time. In contrast, the bit rate for ADSL is fixed and does not change.

exchange.<sup>25</sup> Not all of these exchanges are physically located within the city boundary. All of the copper lines support basic broadband (both ADSL and ADSL Max).

**Figure 1.37 Number of exchanges and % of lines with access to basic broadband**

No. of exchanges serving city postcodes	% of lines that have access to both ADSL & ADSL Max	Average number of lines per exchange
10	100%	4300

Source: Analysys Mason

#### Five operators offer NGA services in Derry-Londonderry

In addition to the two main operators that own fibre network infrastructure (BT and Virgin Media), a number of alternative operators also have their own fibre network infrastructure, or at least a point of presence, in the city. Alternative operators tend to focus on providing services to larger business customers.

Three alternative operators have been identified as having, as part of their national networks, a point of presence in the city: Hibernia, Level3 and Virgin Media business<sup>26</sup>.

#### Derry-Londonderry has 20 WiFi hotspots, equivalent to 1.8 hotspots per 10,000 residents

Figure 1.38 shows key WiFi hotspot data for Derry-Londonderry. The largest providers of WiFi infrastructure in UK cities are currently BT (branded as BT Openzone) and The Cloud, which is owned by BSkyB. Each operator owns a mix of outdoor and indoor WiFi access points. Other private and public organisations own hotspots, but they tend to make only a small contribution to a city's total. We have therefore used the total hotspots for BT and The Cloud to derive a city benchmark<sup>27</sup>. Derry-Londonderry has 70% fewer hotspots per 10,000 city residents than the city average.

**Figure 1.38 Key city hotspots data**

City total	Total hotspots per 10,000 city residents (city benchmark)	Total hotspots per 10,000 city residents (11 city average)	Percentage difference from 11 city average
20	1.8	6.2	-70%

Source: Analysys Mason

#### Eighty-two per cent of premises in Derry-Londonderry receive 3G coverage from four operators

Figure 1.39 shows the proportion of premises that are covered by 3G networks, split by number of mobile operators providing coverage, as 82.7%. This is 13% lower than the average across the 11 cities assessed, but 5.4% greater than the UK average. At the time of writing, no operators are currently providing 4G coverage in Derry-Londonderry.

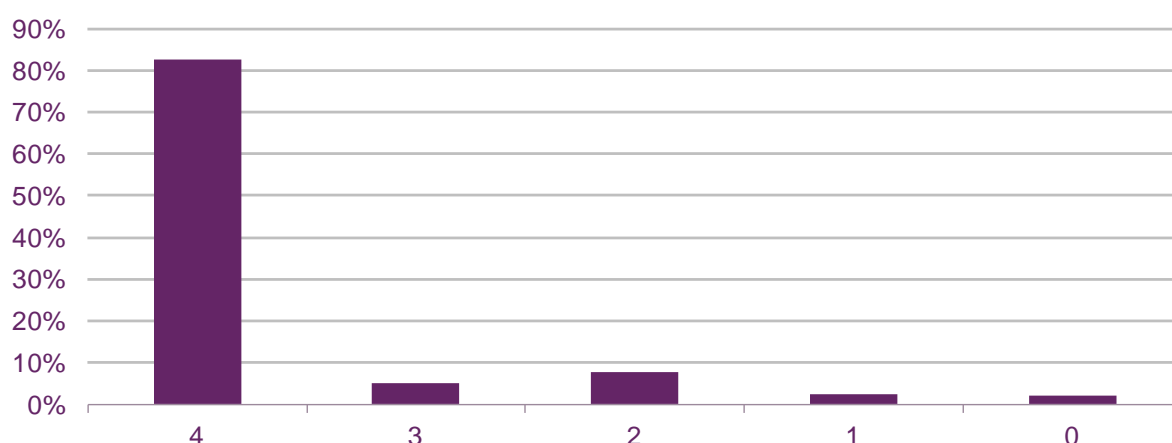
<sup>25</sup> Source: Analysys Mason.

<sup>26</sup> Source: Analysys Mason

<sup>27</sup> There is in general a good correlation between number of hotspots and number of the city residents, therefore that ratio forms a suitable benchmark for assessing Wi-Fi availability between cities.



**Figure 1.39 3G mobile coverage in city**



Source: Analysys Mason

**Ninety per cent of premises in Derry-Londonderry have a choice of four or more fixed line telecoms providers**

The classification assigned by Ofcom to each exchange is a good indicator of local competition in communications services. The classification is based on the number of operators with a presence in the exchange, typically local loop unbundling operators offering first-generation broadband wholesale services. The classifications are:

- a classification of 3 means that four or more operators (including BT) are present
- a classification of 2 means that two or three operators (including BT) are present
- a classification of 1 means that BT is the only operator present.

Figure 1.40 shows, for each market classification, the key city exchange data:

**Figure 1.40 Key city exchange data**

Ofcom classification	% of total exchanges	% of premises passed
3	30%	90%
2	20%	7%
1	50%	3%

Source: Analysys Mason

Only 30% of serving exchanges have as classification 3, but these pass 90% of lines. Virgin Media also has a presence in 40% of exchange areas<sup>28</sup>. These findings illustrate that there is a level of competition in provision of first-generation broadband services across the city<sup>29</sup>.

An equivalent or similar classification for SFBB is not yet established (although communications providers are currently using the generic Ethernet access product from BT Wholesale to provide retail superfast services).

<sup>28</sup> Source: SamKnows

<sup>29</sup> Again, this is not an assessment of competition for the purpose of a market analysis under the Competition Act 2003.

Including superfast broadband, the average maximum modem sync speed for Derry-Londonderry is 35Mbit/s

Figure 1.41 compares the average maximum modem sync speed for just basic broadband lines, and for all lines including basic and SFBB. The speed values are compared to the other cities. Note that the result for all lines (including SFBB lines) is for illustrative purposes only, as we have assumed all superfast lines to be 40Mbit/s. Not all broadband connections provided by NGA networks will necessarily achieve synch speeds of 40Mbit/s, as the speed will depend on the length and quality of the copper connection from the street cabinet to the consumer’s premises.

**Figure 1.41 Average maximum modem sync speed compared to other cities**

Excluding SFBB lines			Including SFBB lines			
Average maximum speed (Mbit/s)	City average (Mbit/s)	% difference	Average maximum speed (Mbit/s)	City average (Mbit/s)	UK average (Mbit/s)	% difference
11.9	14.1	-15%	35	29.9	12.7	+17%

Source: Analysys Mason

The average maximum modem sync speed for basic broadband lines across the city is less than the average by 15%. The average maximum modem speed for all broadband lines across the city is greater than the average by 17%.

Digital Derry has been set up to support, promote and grow the digital content sector in Derry-Londonderry

Digital Derry is a collaborative project, involving private, public and academic organisations, set up to support, promote and grow the digital content sector in Derry-Londonderry and the north-west of Northern Ireland. This project was started by the Londonderry Chamber of Commerce, with the support of Derry City Council, and now comprises an action team made up of representatives from private sector companies, the University of Ulster, and local and regional support organisations. To help deliver this project, the action team has appointed a Digital Champion. The project is part-funded by Derry City Council, ILEX (an urban regeneration company) and the European Regional Development Fund, under the European Sustainable Competitiveness Programme for Northern Ireland.

Derry-Londonderry appears to have benefited from high NGA availability, partly due to a successful public-sector intervention project

Derry-Londonderry has benefited from the Next Generation Broadband Project, a £51m partner agreement between DETI and BT to upgrade 1265 cabinets across Northern Ireland. The city has recently become the first city in the UK to have all of its cabinets upgraded by BT.

Derry-Londonderry is also among 12 cities that will share £50m as part of a second round of funding from the UK government’s Super-Connected Cities project. Derry City Council says the fund will help provide homes and businesses in the city with ultrafast broadband (at least 80Mbit/s to 100Mbit/s) and high speed wireless internet access<sup>30</sup>.

In addition, Derry City Council has funded the installation of a public WiFi network in the city, which will supplement provision of commercial hotspots. This was established through the DETI Broadband Flagship Initiative, the £1.38m ‘Wireless City’ scheme.

<sup>30</sup> <http://www.londonderrysentinel.co.uk/news/business/local-businesses/londonderry-s-economy-to-get-superfast-broadband-boost-1-4556866>

## 2 Television and audio-visual content

### 2.1 Recent developments in Northern Ireland

#### Switchover success

Northern Ireland was the final region of the UK to make the switch from analogue to digital TV broadcasting, in October 2012. Homes across Northern Ireland now have access to a wider range of terrestrial digital television channels. At the same time, three Republic of Ireland channels (RTÉ One and Two, and TG4) began broadcasting from transmitters in Northern Ireland, at Brougher Mountain (between Enniskillen and Omagh), Black Mountain and Carnmoney Hill (both above Belfast).

This coverage, combined with overspill from the Republic's version of Freeview – known as Saorview – means that RTÉ and TG4 are now widely available in Northern Ireland; coverage has increased from 56% of the population to 94%. In addition, RTÉ One, RTÉ Two and TG4 are available on satellite (Sky) and cable (Virgin Media).

The enhanced coverage came about as a result of a Memorandum of Understanding between the UK and Irish governments which aimed to ensure the widespread availability of these services in Northern Ireland after digital switchover.

#### Local TV

In October 2012 NvTv was awarded a new local TV licence for Belfast, one of 19 new licences awarded across the UK. NvTv has operated an analogue TV channel since 2004 in the Belfast area, and online until digital switchover, under a long-term restricted-service TV licence.

The general aims of the new digital channel are to broadcast local news, current affairs and a wide range of creative, educational, and entertaining programming.

The new local TV services, the first of which could be on air in late 2013, will be broadcast at a city or sub-regional level and will be available on Channel 8 on the Freeview platform in Northern Ireland.

A further round of local TV licensing will take place across the UK in 2013-14, with Derry / Londonderry and Limavady (north coast) among those being advertised.

#### Channel 3 and Channel 5 licence renewal

Ofcom is presently working towards offering new ten-year licences to ITV, STV, UTV and Channel 5 before the current licences expire at the end of 2014. This follows Culture Secretary Maria Miller's decision, announced in November 2012, not to block the renewal of the licences. We have consulted on the terms of those renewals, with three consultations – on the licensed areas, the financial terms of the renewal, and the programming obligations of the licences – all closing on 2 May 2013. Ofcom published a statement outlining the terms for renewal in July 2013.<sup>31</sup>

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<sup>31</sup> <http://stakeholders.ofcom.org.uk/consultations/c3-licensed-area/>  
<http://stakeholders.ofcom.org.uk/consultations/c3-c5-obligations/>  
<http://stakeholders.ofcom.org.uk/consultations/c3-c5-finance/>

## 2.2 Digital television take-up in Northern Ireland

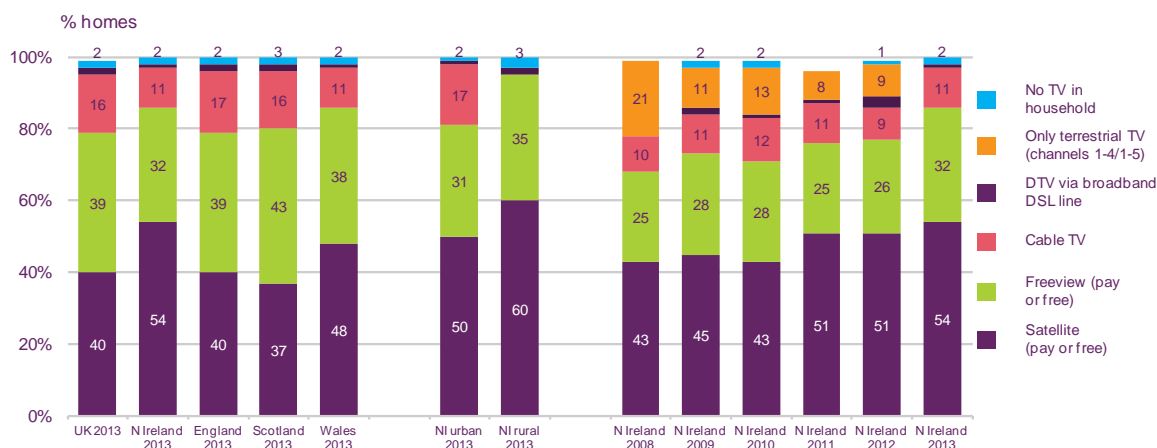
### Digital switchover completed in Northern Ireland

Before digital switchover in October 2012, just over nine in ten homes with a TV in Northern Ireland had a digital television service; lower than the UK average of 98%. Since October 2012 all TV households in Northern Ireland can receive digital television.

### With digital switchover complete, a third of homes in Northern Ireland now have Freeview as their main TV platform

All households in Northern Ireland with a TV have now been converted to digital (up from 91% last year). Linked to this, the proportion of homes with Freeview as their main TV viewing platform has increased from 26% to 32% over the past year. Just over half of all households (54%) in Northern Ireland have satellite TV (either pay or free services) – the highest proportion among the nations – rising to six in ten homes in rural Northern Ireland (where there is lower availability of cable TV).

**Figure 2.1 Main TV set, share by platform**



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

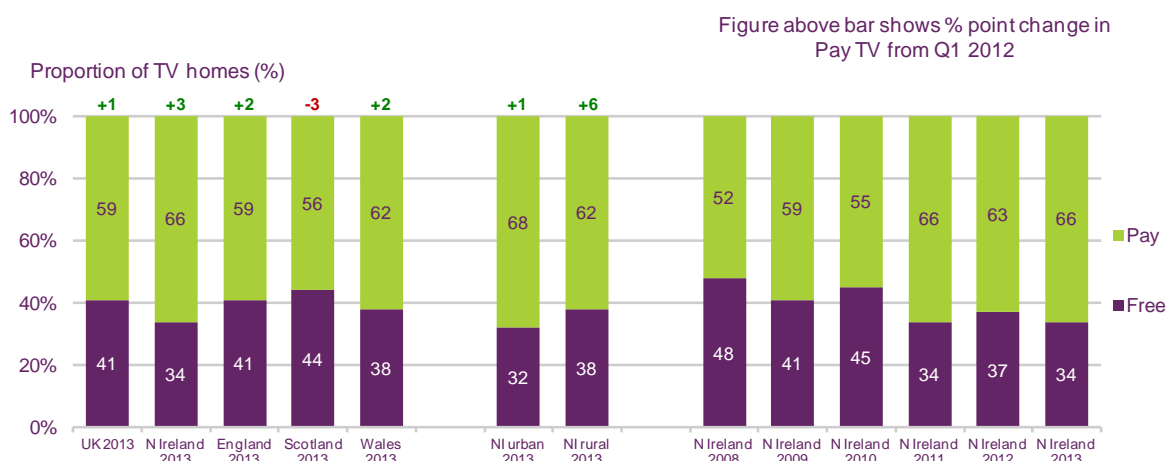
Source: Ofcom research, Q1 2013

Base: All adults aged 16+ (n = 3750 UK, 507 Northern Ireland, 2250 England, 501 Scotland, 492 Wales 254 Northern Ireland urban, 253 Northern Ireland rural, 629 Northern Ireland 2008, 652 Northern Ireland 2009, 761 Northern Ireland 2010, 511 Northern Ireland 2011, 508 Northern Ireland 2012, 507 Northern Ireland 2013)

### Northern Ireland continues to lead the UK in take-up of pay-TV platforms

Northern Ireland continues to have the greatest proportion of TV homes with a pay-TV service, reaching two-thirds (66%) of homes in Q1 2013, higher than the UK average of 59%. Thirty-seven per cent of households in Northern Ireland claim to receive pay-TV services from Sky, while 17% have cable TV from Virgin Media. A further 5% of households have Freeview with paid-for top-up channels.

**Figure 2.2 Proportion of TV homes with free and pay television**



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

Source: Ofcom research, Q1 2013

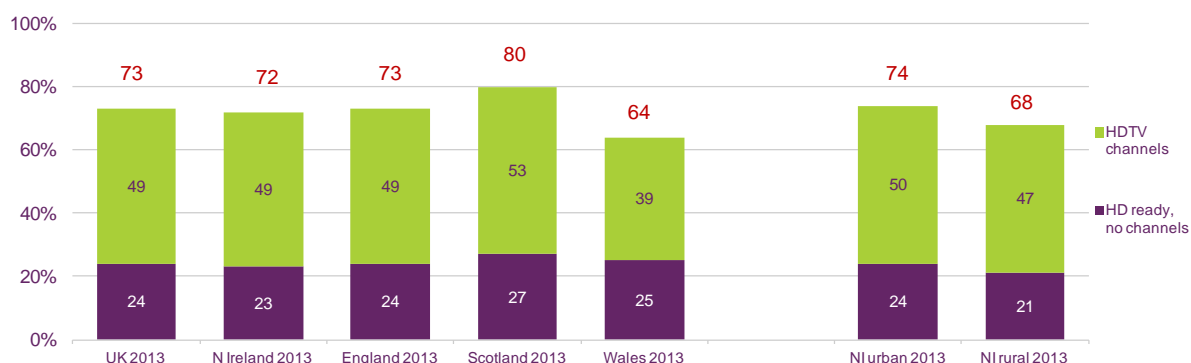
Base: All adults aged 16+ with a TV in household (n = 3661 UK, 492 Northern Ireland, 2197 England, 487 Scotland, 485 Wales, 248 Northern Ireland urban, 244 Northern Ireland rural, 629 Northern Ireland 2008, 652 Northern Ireland 2009, 761 Northern Ireland 2010, 511 Northern Ireland 2011, 508 Northern Ireland 2012, 492 Northern Ireland 2013)

## 2.3 Ownership of high-definition and smart TVs

### Half of households in Northern Ireland have HDTV

Just over seven in ten homes (72%) in Northern Ireland reported that they have TV sets that are 'HD-ready', a rise from 66% in Q1 2012. And almost half of all households in the UK and in Northern Ireland claimed to have access to HD channels, through pay TV or Freeview services. There is no significant difference between the proportion of households with access to HDTV in rural and urban areas of Northern Ireland.

**Figure 2.3 Proportion of homes with HD television**



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?

Source: Ofcom research, Q1 2013

Base: All adults aged 16+ (n = 3750 UK, 507 Northern Ireland, 2250 England, 501 Scotland, 492 Wales 254 Northern Ireland urban, 253 Northern Ireland rural)

### Smart TV take-up remains stable across the UK

A small proportion (6%) of homes in Northern Ireland claim to have a smart TV, with an integrated internet connection (Figure 2.4). Smart TV ownership in Northern Ireland is on a

par with the UK average (7%). Take-up in urban areas of Northern Ireland is double the take up in rural areas (7% vs. 3%).

**Figure 2.4 Smart TV take-up in Northern Ireland**



*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.*

Source: Ofcom research, Q1 2013

Base: All adults aged 16+ with a TV in household (n = 3661 UK, 492 Northern Ireland, 2197 England, 487 Scotland, 485 Wales, 248 Northern Ireland urban, 244 Northern Ireland rural)

### **Almost a third of all respondents claim to watch RTÉ One on a weekly basis**

Before digital switchover in October 2012, RTÉ One and Two, TG4 (Irish language channel), and TV3 were available to around 56% of the Northern Ireland population via overspill from transmitters in the Republic of Ireland (RoI). Since 2005, TG4 has also broadcast in the Belfast area from the Divis transmitter.

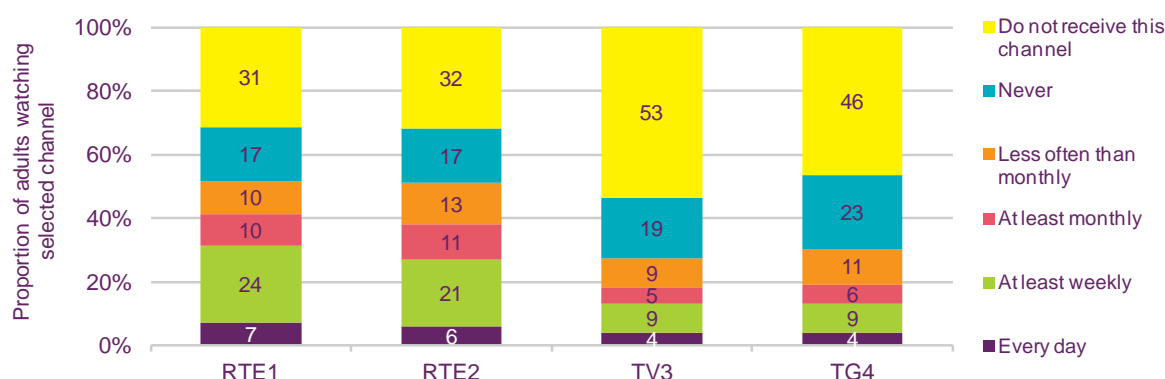
Since digital switchover, RTÉ One and Two and TG4 have been broadcast from three transmitters in Northern Ireland – Brougher Mountain, Black Mountain and Carnmoney Hill. Added to existing overspill coverage, this has significantly increased the free-to-view availability of these channels to around 94% of the population.

In addition, the RTÉ services and TG4 are available on Sky and Virgin Media. TV3 is still available only via overspill, which is why the majority of respondents (53%) claim not to have access to the channel.

Thirty-one per cent of all respondents claim to watch RTÉ One, and 27% of all respondents claim to watch RTÉ Two, at least on a weekly basis. TG4 is watched by around 13% of all respondents.

**Figure 2.5 Claimed viewing of RoI-originated TV channels in Northern Ireland**

Ever watch	51%	50%	26%	29%
Watch at least monthly	41%	38%	18%	19%



QH18/19. Which of these TV channels can you receive on your television/ How frequently, if at all, do you watch each of these channels?

Source: Ofcom research, Q1 2013

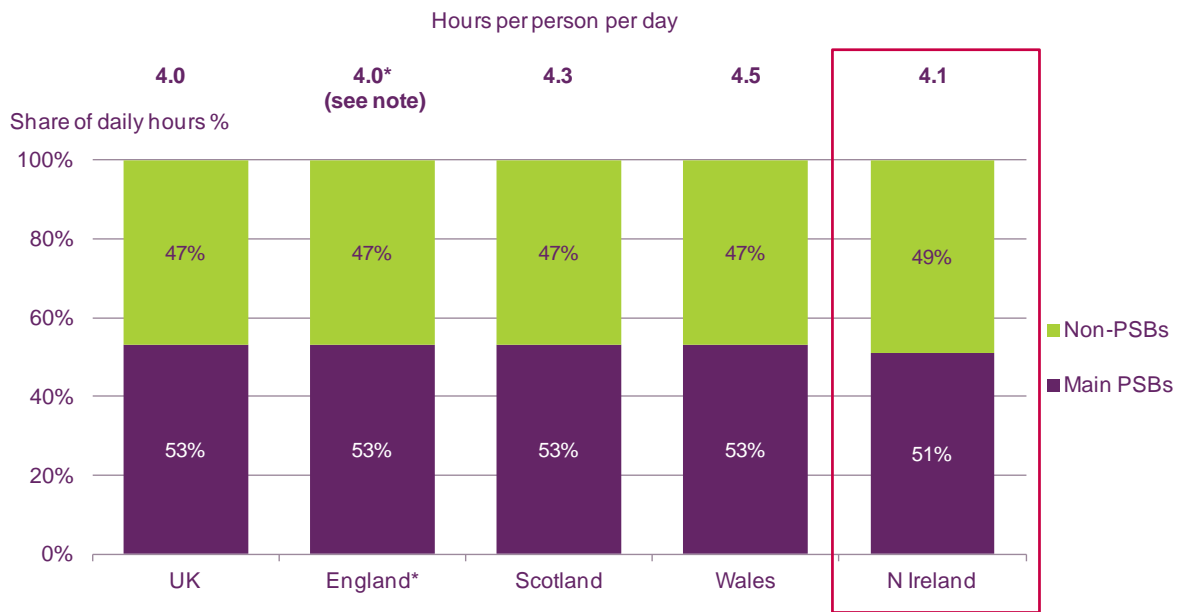
Base: All adults aged 16+ in Northern Ireland with a TV in household (n = 492)

## 2.4 Broadcast television viewing

### People in Northern Ireland spend 4.1 hours per day watching TV

In 2012, people in Northern Ireland spent 4.1 hours per day watching television, broadly in line with the UK average of 4.0 hours (Figure 2.6). The number of hours has decreased marginally from last year's figure (4.2 hours), along with the proportion of people watching the main PSBs, which fell by two percentage points since 2011. Conversely, there has been a 2pp increase in the proportion of people watching non-PSB channels; this stood at 47% in 2011.

**Figure 2.6 Average hours of daily TV viewing, by nation: 2012**

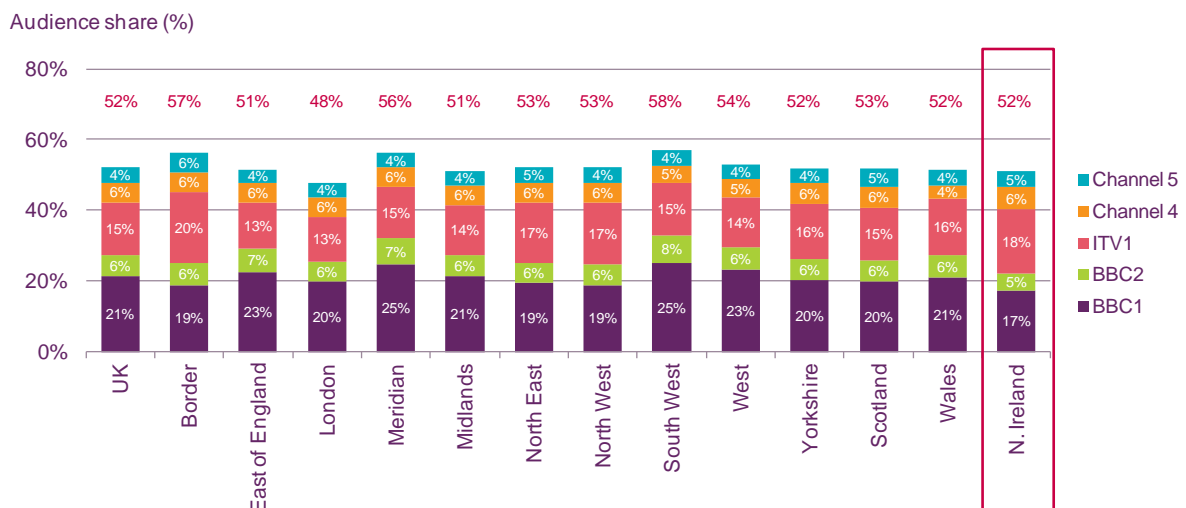


Source: TV = BARB. Based on all individuals (aged 4+). PSBs = BBC One, BBC Two, ITV1, C4, Channel 5 including HD variants.  
 \*Note: This figure reflects the average across the English regions with the highest in North-East (4.4) and lowest in West (3.7) respectively.

**Over half (52%) of all viewing in Northern Ireland is to the five main PSB channels**

In 2012, the five main PSB channels accounted for a combined 52% share of total TV viewing in Northern Ireland, comparable to that in the other nations and equal to the average 52% share across the UK.

**Figure 2.7 Share of the five main PSB channels, all homes: 2012**



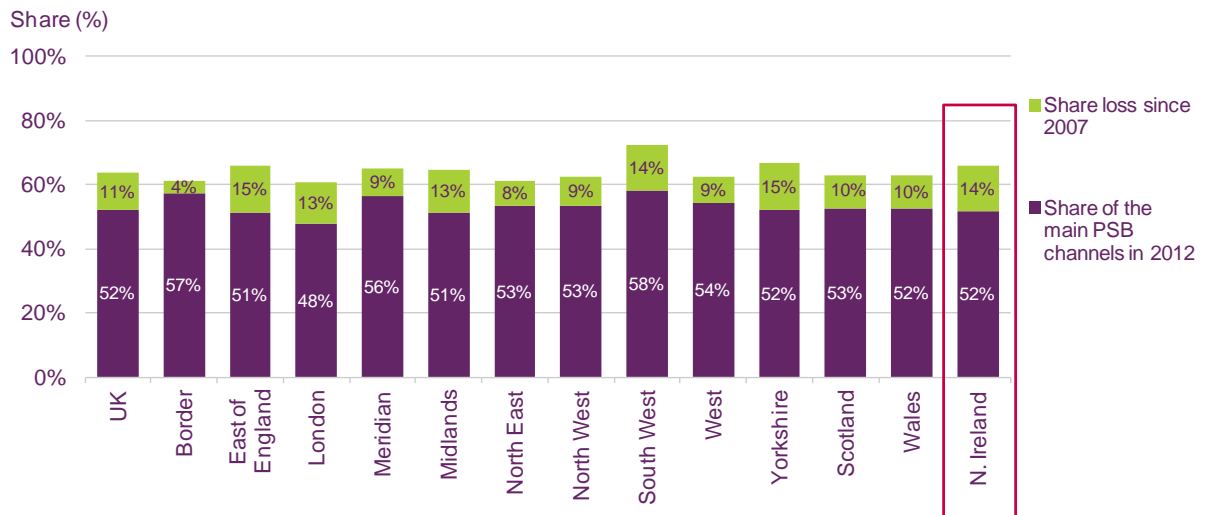
Source: BARB, all individuals (4+). HD channel variants are included.



**Between 2007 and 2012, the combined channel share of the five main PSB channels declined by 14 percentage points to 52% in Northern Ireland**

Between 2007 and 2012, there was a 14 percentage point reduction in the combined share of the five main PSB channels in Northern Ireland (to 52% in 2012). This reduction was above the average decrease across the UK (11 percentage points).

**Figure 2.8 Reduction in combined share of the five main PSB channels, all homes: 2007 and 2012**



Source: BARB, all individuals (4+). HD channel variants are included.

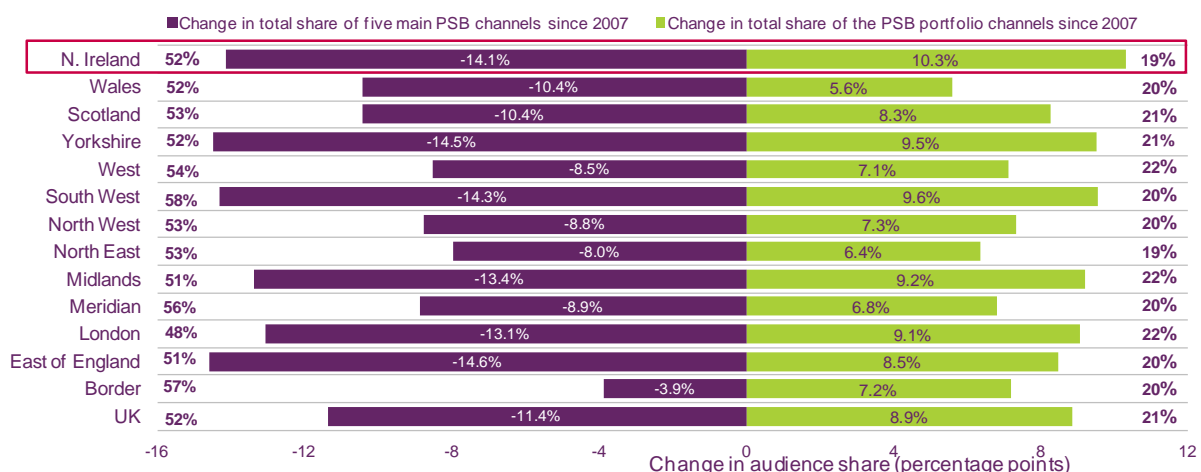
Note: In 2010 a new BARB panel was introduced, including the re-defining of boundaries. Therefore, pre- and post-panel change data should be compared with some caution.

Note: In 2010 C4 and S4C became two separate channels following digital switchover in Wales. S4C is included in the main PSB channels in 2007 but not in 2012.

**The PSB channels' total combined share (including digital channels) decreased by 3.8pp between 2007 and 2012, compared to the UK average net loss of 2.5pp**

From 2007 to 2012, the five main PSB channels experienced a 14.1pp decrease in their combined share of total TV viewing in Northern Ireland, compared to the UK average decrease of 11.4pp. Among viewers in Northern Ireland, the PSBs' portfolio channels enjoyed a 10.3pp increase in viewing share (UK average 8.9pp), resulting in a net loss overall of 3.8pp in their total combined channel share (UK average net loss 2.5pp).

**Figure 2.9 Net change in the audience share of the five main PSB channels and their portfolio channels, all homes: 2007 - 2012**



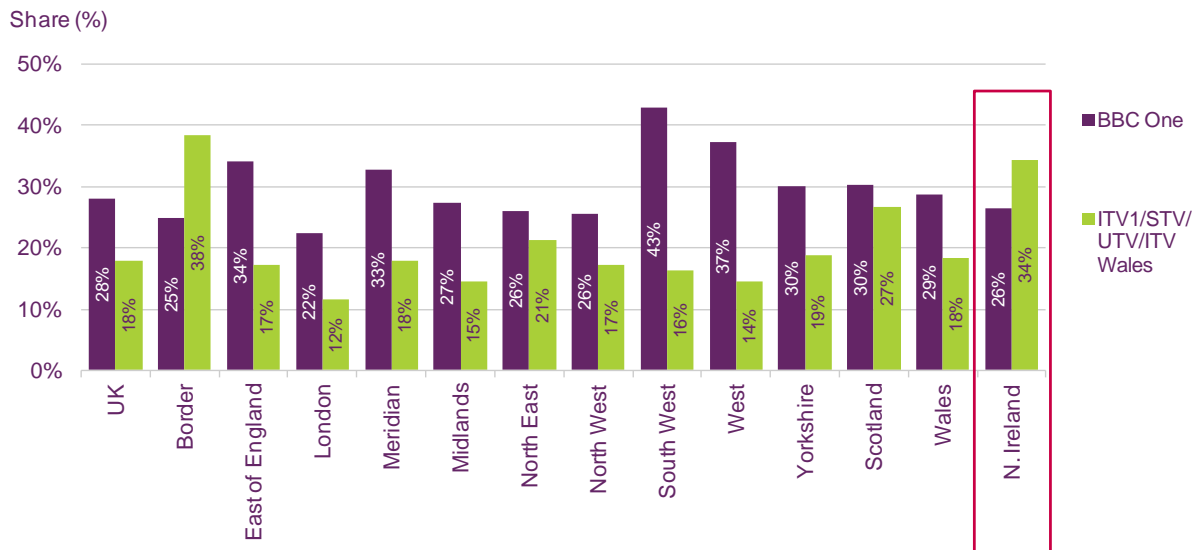
Source: BARB, all individuals (4+)

Notes: i) PSB main channels include HD variants but not +1s. 'PSB portfolio channels' include main PSB +1 channels and the PSB digital channels and their respective +1s). ii) In 2010 C4 and S4C became two separate channels following digital switchover in Wales. S4C is included in the main PSB channels in 2007 but not in 2012. iii) 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.

**UTV's early evening news bulletin performed relatively strongly, attracting an average 34% share**

During 2012, BBC Northern Ireland's early evening nations news bulletin attracted an average 26% share of TV viewing in Northern Ireland. UTV's counterpart bulletin continued to attract a comparatively higher share (34%) – nearly double Channel 3's UK average (18%) and significantly higher than achieved in any of the other nations, with the exception of Border which had a 38% market share.

**Figure 2.10 BBC One and ITV/ STV/ UTV/ ITV Wales early evening nations news bulletin shares, all homes: 2012**



Source: BARB, all individuals (4+)

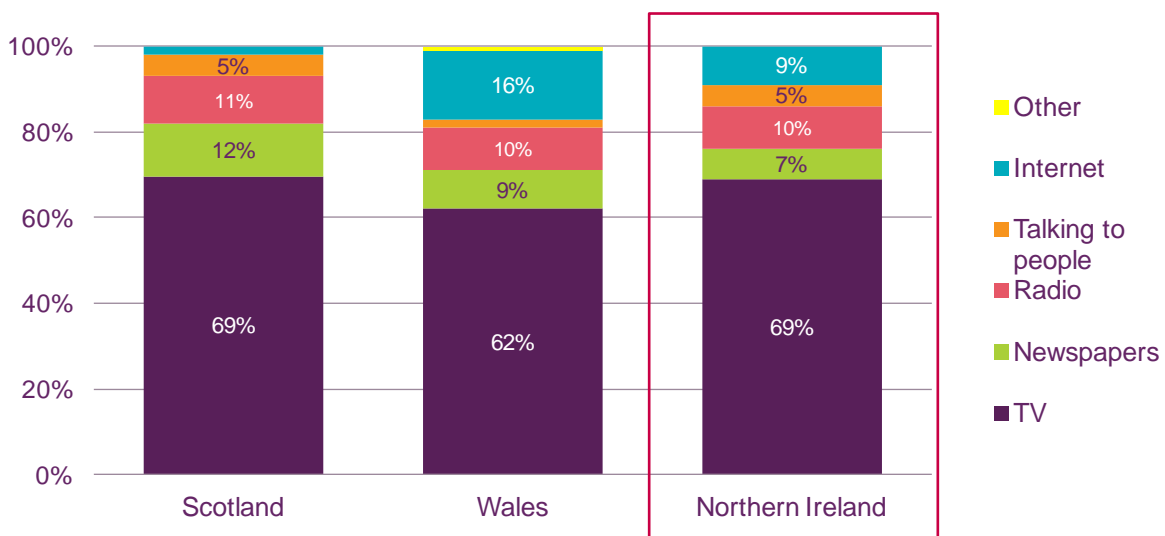
Note: Based on regional news prog, start time 17:55-18:35, 10mins+ duration, BBC1 & ITV (exc HD), weekdays.

**More than two-thirds of all adults in Northern Ireland use TV as their main source of nations' news**

In 2012, television was the most-mentioned main source for nations' news among adults in Northern Ireland, equal to Scotland (69%) but higher than in Wales (62%). Conversely, just over one-tenth of adults (10%) stated radio as their main source; roughly in line with Scotland and Wales.

**Figure 2.11 Main sources of nations' news, for each nation**

'Can you tell me what, if anything, is your \*main\* source of news about what is going on in [Scotland, Wales, Northern Ireland]?'



Source: Ofcom Media tracker.

Base: All respondents in Scotland (189), Wales (118), Northern Ireland (113). Only responses ≥ 3% labelled.

## 2.5 TV programming for viewers in Northern Ireland

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 UTV/STV/ITV. The figures exclude Gaelic and Welsh language programming but include some spend on Irish language programming by the BBC. For information on Irish language programming by the Irish Language Broadcast Fund (ILBF), see section 2.7.

### 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.

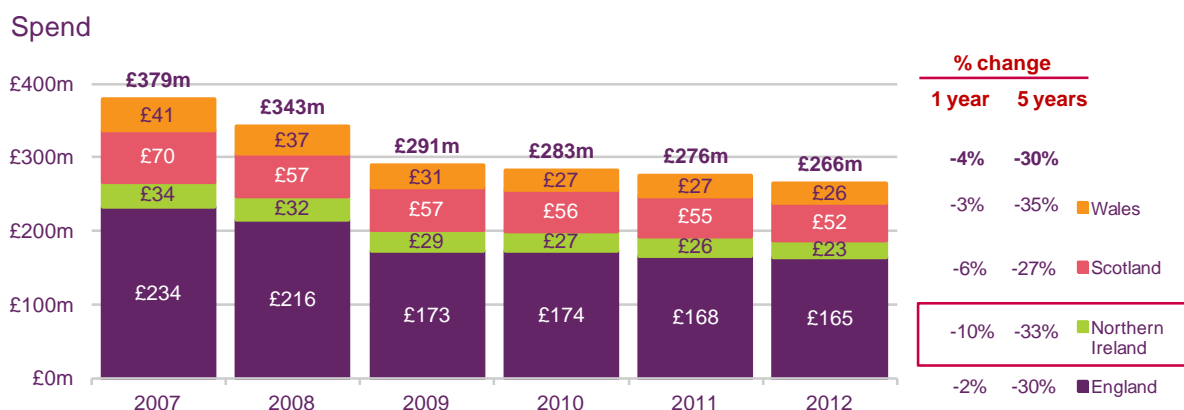
**Repeats** - All programmes not meeting one of the two definitions above.

### Year-on-year figures show a 10% decline in first-run originated output, giving Northern Ireland the largest relative decrease across the nations in 2012

£266m was spent by the BBC and ITV/STV/UTV on producing first-run originated programmes from the PSBs specifically for viewers in Wales, Scotland, Northern Ireland and the English regions in 2012, down by £10m (or 4%) from 2011 and down by 30% since 2007.

Spend on nations' programmes for viewers in Northern Ireland was down by a third (33%) since 2007. Year-on-year figures show a 10% decline, giving Northern Ireland the largest relative decrease across the nations over this period. By comparison, the UK figure was down 4% year on year.

**Figure 2.12 Spend on first-run originated nations' and regions' output by the BBC/ITV/STV/UTV**



Source: Broadcasters. All figures expressed in 2012 prices.

Note: Spend data for first-run originations only. Spend excludes Gaelic and Welsh language programming but includes some spend on Irish language programming by the BBC. This does not account for total spend on BBC Alba or BBC spend on S4C output.

For information on Irish language programming by the Irish Language Broadcast Fund (ILBF), please see Figure 2.20.

**Northern Ireland total spend on current affairs is up 5% year on year – the only increase across the four nations.**

Turning to total spend on programming for viewers in Northern Ireland, over the five-year period, spend for current affairs programming decreased by 28%, which is in line with the UK average decline over the same period.

By genre, only current affairs saw a year-on-year increase in spend in Northern Ireland; up by 5%, compared to a UK average decline of 5% over the same period.

**Figure 2.13 Change in total spend on nations’ and regions’ output, by genre and nation: 2007 – 2012**

	UK		England		N. Ireland		Scotland		Wales	
	1yr (%)	5yr (%)	1yr (%)	5yr (%)	1yr (%)	5yr (%)	1yr (%)	5yr (%)	1yr (%)	5yr (%)
Current Affairs	-5%	-28%	-8%	-36%	5%	-28%	-3%	6%	-5%	-31%
News	-3%	-22%	-1%	-21%	-2%	-21%	-13%	-32%	-14%	-22%
Non-news/non-current affairs	-5%	-43%	7%	-86%	-19%	-41%	-5%	-27%	8%	-40%
Total Spend in 2012	£271m		£168m		£23m		£53m		£27m	

	UK		England		N. Ireland		Scotland		Wales	
	1yr	5yr	1yr	5yr	1yr	5yr	1yr	5yr	1yr	5yr
Change in Spend	-4%	-29%	-2%	-28%	-10%	-33%	-7%	-26%	-2%	-34%

Source: Broadcasters. All figures expressed in 2012 prices.

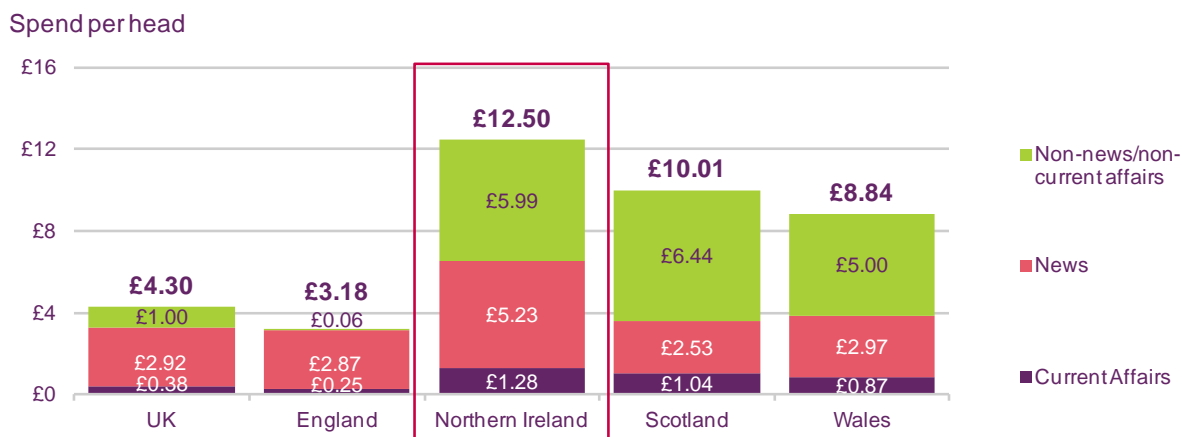
Note: Spend excludes Gaelic and Welsh language programming but includes some spend on Irish language programming by the BBC. This does not account for spend on BBC ALBA or BBC spend on S4C output.

**Northern Ireland has highest spend per head on nations’ and regions’ output in 2012**

Expenditure per head of population on nations’ and regions’ output was highest in Northern Ireland at £12.50, almost three times higher than the UK average of £4.30, and reflecting the fact that Northern Ireland has the smallest population of all the nations in the UK. Despite this, the overall spend per head has decreased 11% year on year, giving Northern Ireland the biggest relative decrease across the nations, almost three times the reduction seen by the UK as a whole.

At £5.99, non-news/non-current affairs accounts for the majority of spend per head in Northern Ireland. This figure however, has seen a year-on-year decrease of 20%; the biggest relative decrease across the nations across all genres.

**Figure 2.14 Total spend per head by the BBC/ITV1/STV/UTV on nations/regions output**



Source: Broadcasters. All figures expressed in 2012 prices.

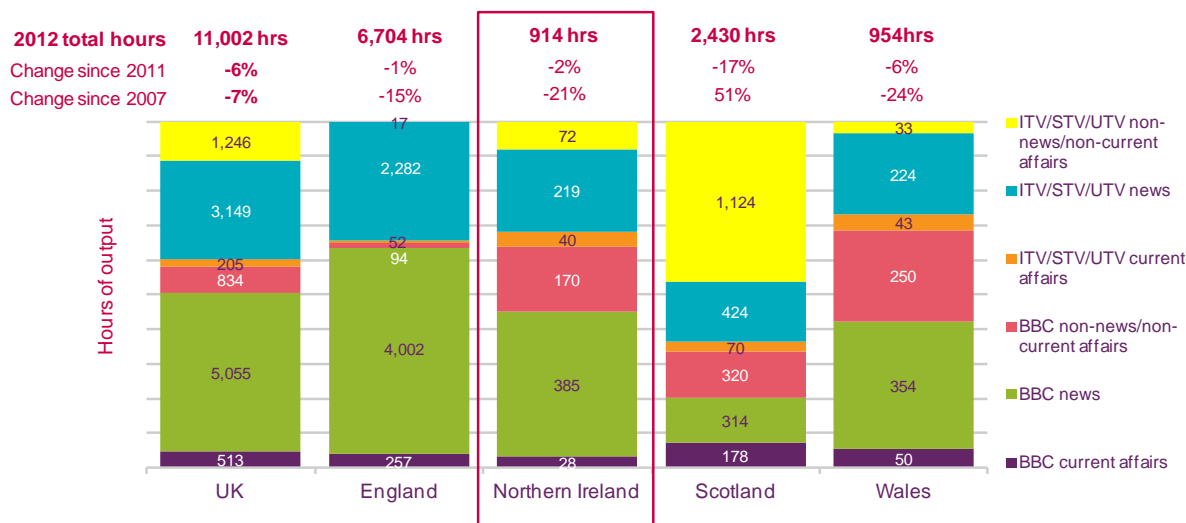
Note: Spend excludes Gaelic and Welsh language programming but includes some spend on Irish language programming by the BBC. This does not account for spend on BBC ALBA or BBC spend on S4C output.

**The number of first-run originated hours for viewers in Northern Ireland decreased by 20% between 2007 and 2012**

The BBC and ITV1/STV/UTV produced a total of 11,002 hours of first-run originated content for the English regions, Scotland, Wales and Northern Ireland in 2012, down 6% (or 645 hours) on 2011, and down 7% since 2007 (857 hours).

The number of first-run originated hours produced specifically for viewers in Northern Ireland decreased by just over a fifth (21%) since 2007 (down by 236 hours). Over a one-year period, the number of first-run hours decreased by 2%, compared to the UK-wide average decrease of 6%.

**Figure 2.15 Hours of first-run originated nations/regions output, by genre and broadcaster: 2012**



Source: Broadcasters.

Note: Hours data for first-run originations only. Hours excludes Gaelic and Welsh language programming but includes some spend on Irish language programming by the BBC. This does not include total hours for BBC ALBA or BBC hours on S4C output.

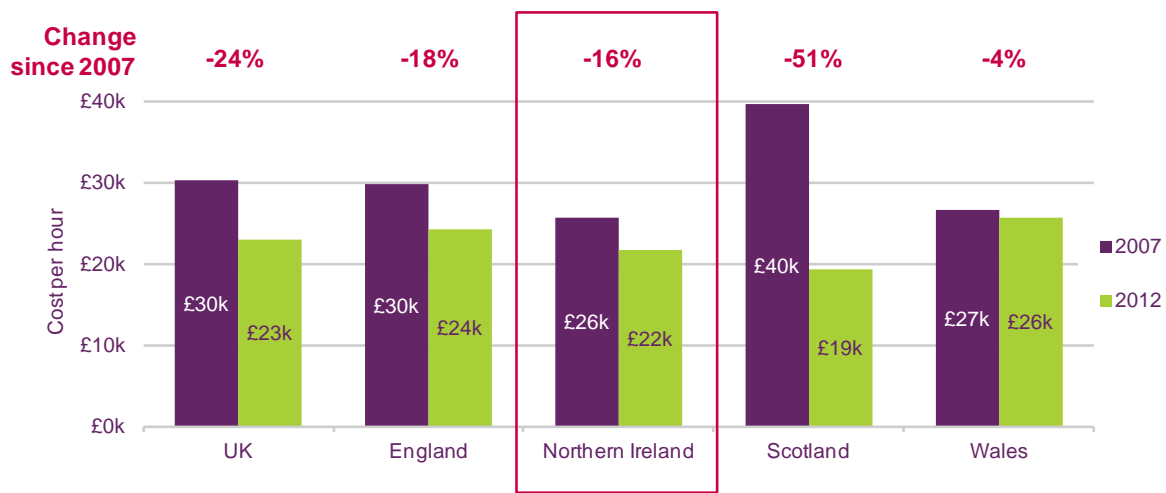
## Total cost per hour of nations' output decreased 7% year on year in Northern Ireland

Analysing the cost of making programmes for the nations, cost-per-hour calculations show that England, Northern Ireland and Scotland produced programmes more cost-effectively in 2012 than in 2007.

Over the five-year period, cost per hour decreased by 16% in Northern Ireland, compared to the UK average reduction of 24%.

Northern Ireland's average cost per hour also decreased by 7% year on year, from £23,000 per hour in 2011 to £22,000 per hour in 2012.

**Figure 2.16 Cost per hour – total nations/regions output, by nation**



Source: Broadcasters. All figures expressed in 2012 prices.

Note: Spend excludes Gaelic and Welsh language programming but includes some spend on Irish language programming by the BBC. This does not include hours or spend on BBC ALBA or BBC hours and spend on S4C output.

## 2.6 PSB television quota compliance

### Northern Ireland share of total spend on original network programming declined by 0.2% year on year

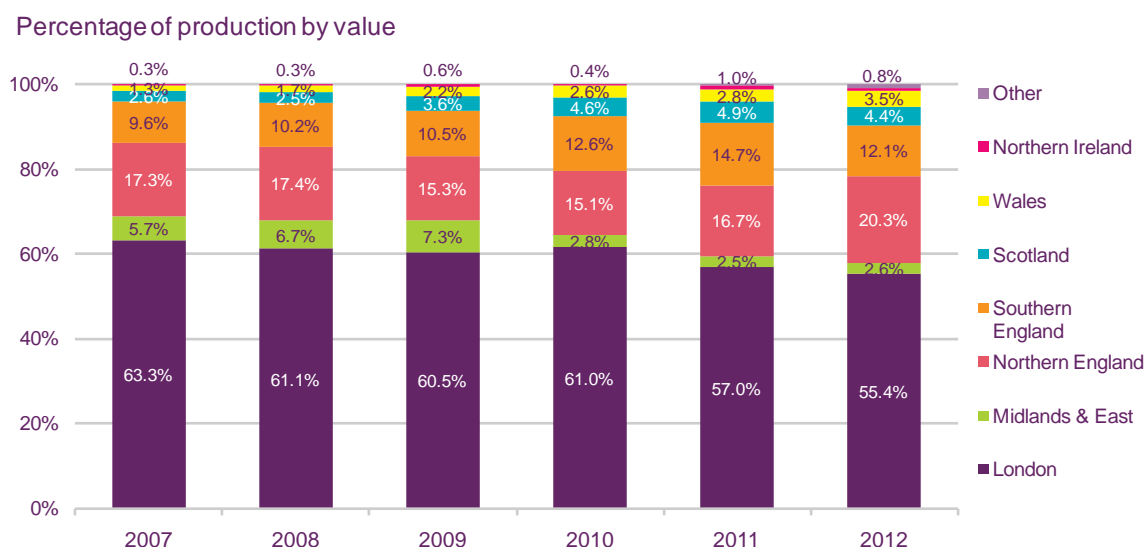
Figure 2.17 illustrates the distribution of spend on qualifying first-run commissioned network programming in 2012 by the five main PSB channels. This year, 55.4% of qualifying expenditure was devoted to productions made within the M25 - down from 57% in 2011. A further 20.3% of first-run spending was captured by producers based in the North of England and 12.1% in southern England.

In 2012 expenditure on originated network productions rose particularly strongly in northern England, where it increased by 3.6 percentage points, primarily driven by the BBC relocating a significant production base to Salford during the year. The increase came at the expense of southern England, which bucked the positive trend of the previous years as its share of overall spend on qualifying first-run commissioned network programming contracted by 2.6 percentage points over the year.

In Northern Ireland the share of total spend declined to 0.8% from 1% in the previous year. In Scotland, first-run productions accounted for 4.4% of expenditure of network programming, down marginally on 2011 and, as in the South of England, reversing the trend of growth seen between 2008 and 2011. In contrast, the share of spend dedicated to Wales

continued to grow, rising to 3.5% in 2012 from 2.8% in 2011, compared to the Midlands and east England where expenditure on first-runs rose marginally to 2.6%.

**Figure 2.17 Expenditure on originated network productions: 2007 – 2012**



Source: Ofcom/broadcasters.

Note: The category 'other' includes regional productions from London producers which do not meet both 70% of spend and 50% of talent in any one particular macro region. See [http://stakeholders.ofcom.org.uk/broadcasting/guidance/programme-guidance/reg\\_prod/](http://stakeholders.ofcom.org.uk/broadcasting/guidance/programme-guidance/reg_prod/) on the Ofcom website for further details.

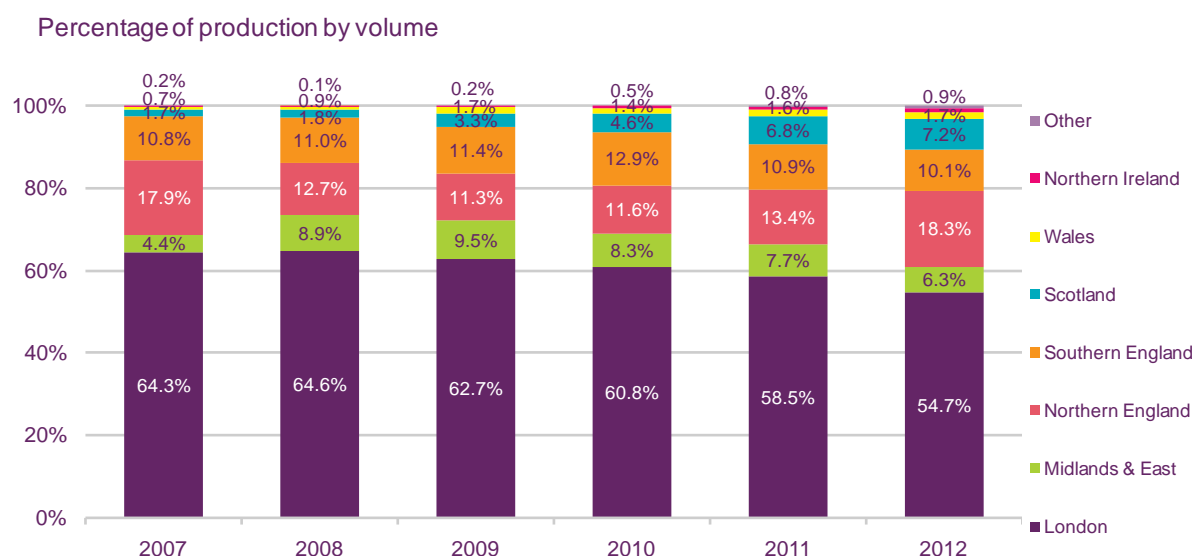
### First-run programmes produced in Northern Ireland increased marginally year on year, to 0.9% in 2012

In terms of volume, 54.7% of first-run network programming in 2012 was produced within the M25, down from 58.5% in 2011. A further 18.3% was produced in northern England, 10.1% in southern England and 7.2% in Scotland. In line with the spending trends discussed in the previous section, the North of England was a particular success story in 2012, having increased its share of first-run network programming hours by 4.9 percentage points. This rise, steeper than the one observed in programming spend, is attributable to lower production costs in the region than in southern England and the Greater London area.

First-run hours produced in Northern Ireland increased marginally from 0.8% in 2011 to 0.9% in 2012 (Figure 2.18). Producers in the Midlands and East delivered 6.3% of all first-run hours in 2012, down from 7.7% in 2011, while the comparable 2012 figure for Wales was 1.7% (up from 1.6% in 2011).



**Figure 2.18 Volume of originated network productions: 2007 – 2012**



Source: Ofcom/broadcasters.

Note: The category 'other' includes regional productions from London producers which do not meet both 70% of spend and 50% of talent in any one particular macro region. See [http://stakeholders.ofcom.org.uk/broadcasting/guidance/programme-guidance/reg\\_prod/](http://stakeholders.ofcom.org.uk/broadcasting/guidance/programme-guidance/reg_prod/) on the Ofcom website for further details.

## 2.7 Irish-language programming

### The majority of Irish-language productions in 2012/13 were produced by TG4

The Irish Language Broadcast Fund (ILBF) was launched in 2005, born out of the Belfast Agreement (1998) under which the UK government committed to “take resolute action to promote the language” and to “seek more effective ways to encourage and provide financial support for Irish language film and television production in Northern Ireland”.

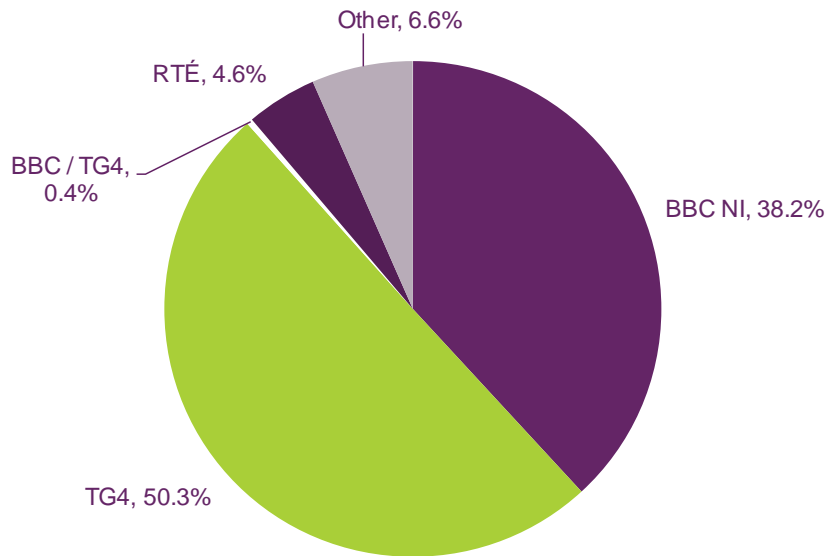
Funding comes from the UK Department for Culture, Media and Sport, through the British Film Institute to Northern Ireland Screen, which manages the fund.

The first period of funding ran from 2005-2009 (£3m per year). It was renewed in 2009, running until 2011. It was renewed again in 2011 and is currently set to run until 2015. The ILBF supports a minimum of 60 hours of Irish language content every year, the majority of which is broadcast on BBC Northern Ireland, TG4 and RTÉ.

In 2012/13, the majority of output was contributed by TG4, followed by BBC Northern Ireland at 38.2%.

**Figure 2.19 Breakdown of output, by broadcaster: 2012/2013**

**% breakdown of output by broadcaster 2012/2013**



*Source: ILBF. Includes all programmes.*

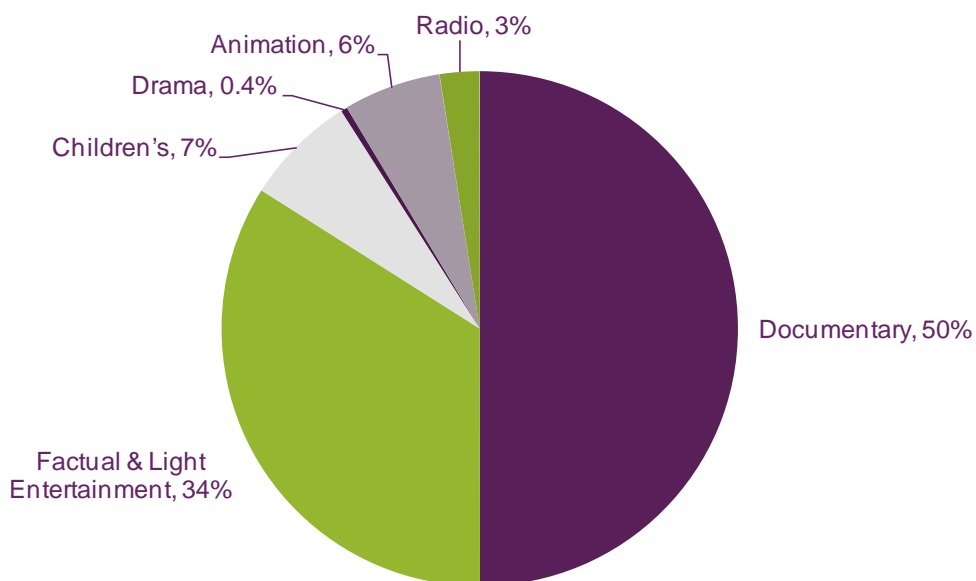
**Half all of all Irish-language programmes produced in 2012/13 were documentaries**

£2.5 million is spent annually on Irish language content, and in the last financial year there were 17 recipients of funding.

Funding is allocated to a range of genres including children's, documentary, entertainment, drama and digital media. In 2012/13, half of all the Irish-language programmes produced were documentaries, followed by factual and light entertainment, which made up just over a third (34%). Since the fund started, the minimum language content in programming has risen from 60% to 70%.

**Figure 2.20 Spend by the ILBF on Irish-language programming, 2012/13**

**Proportion of spend for 2012/13**



Source: ILBF. Includes all programmes.

**Programming highlights 2012/2013**

ILBF-funded *Smidiríní* and *Steip Le Tura* were shortlisted in the Entertainment and Arts categories at the 2013 Celtic Media Festival.

A new six-part drama, *Scúip*, set in a Belfast newspaper office, aired on TG4 and BBC NI, will be back for a second series in 2014.

Other 2012/2013 highlights include:

***Ballaí Dhoire***, a documentary on Derry's walls;

***Aniar Aduaidh***, a music series hosted by Altan's Mairéad Ní Mhaonaigh, which aired on RTÉ;

***Buail Cos***, a series on the history of Irish dance, which aired on TG4; and

***Wolfland***, a history of wolves in Ireland, which aired on BBC NI.

**Objectives for 2013/14 include:**

- To deliver at least 60 additional hours of Irish language content across a range of genres to reach a weekly audience of 25,000.
- To ensure a minimum language level of 70% with emphasis on the Ulster dialect.
- To ensure maximum use of Irish speaking cast and crew on each production.

## 2.8 Ulster-Scots broadcasting

The Ulster-Scots Broadcast Fund (USBF) was established to provide finance for the production of film, television and other moving image products on the Ulster-Scots heritage, culture and language in Northern Ireland.

Funding was secured in 2010, with the USBF making its first awards in March 2011.

The UK government has committed £1m a year to the fund until at least 2015 when the current funding round comes to an end.

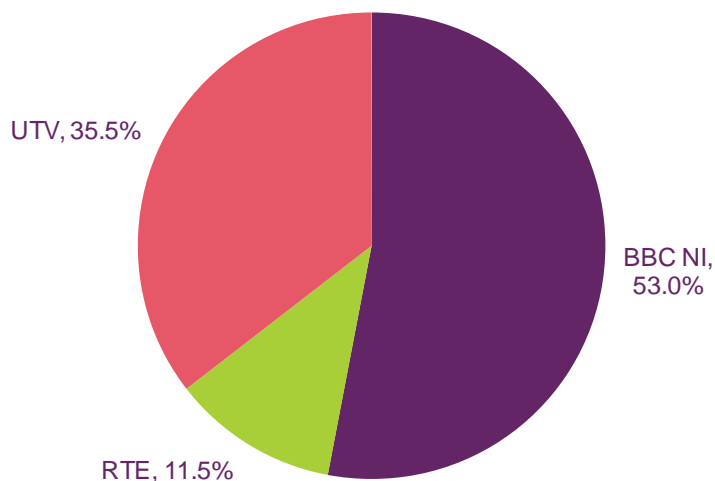
As with the ILBF, funding comes from the UK Department for Culture, Media and Sport through the British Film Institute to Northern Ireland Screen, which manages the fund.

### The majority of programming funded by the Ulster-Scots broadcasting fund was aired on BBC Northern Ireland in 2012/13

In 2012/13 eight awards were made for 15.1 hours of production. Funded programming included historical and factual documentaries, animation and light entertainment. The majority of funded content was broadcast on BBC Northern Ireland (53%), UTV (35.5%) and RTE (11.5%).

**Figure 2.21 Breakdown of output, by broadcaster: 2012/2013**

% breakdown of output by broadcaster 2012/13



Source: USBF. Includes all programmes.

#### Programming highlights 2012/13

In 2011/12 the fund supported the documentary series ***An Independent People***. The series was broadcast in March 2013 on BBC Northern Ireland. This three-part series explored the modern-day creation of the Presbyterian Church in Ireland.

Dan Cruickshank's ***Written in Stone*** was a four-part series exploring some of Ulster's most remarkable buildings. The series was broadcast on BBC Northern Ireland and BBC Four.

To mark its centenary, William Crawley explored the story behind this extraordinary event through the one-hour documentary ***The Ulster Covenant***.

***Ulster Unearthed*** was an archaeology and heritage series, shown on UTV, which revealed the stories of Northern Ireland's past and its Ulster-Scots links.

**Objectives for 2013/14 include:**

- Deliver 12 additional hours of Ulster-Scots programming in a range of genres.
- Broadcast 90% of the USBF funded programming within 6 months of delivery.
- Reach a significant and initial audience target of 40,000 people in Northern Ireland.

**Programming reach**

During 2012/13, programming supported by the ILBF and USBF, and broadcast by BBC Northern Ireland, reached an audience of 524,000, representing just under one-third of the total Northern Ireland population.<sup>32</sup>

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<sup>32</sup> Source BARB, all individuals in Northern Ireland (4+)

Note: This is programming that broadcast during 2012/13, not allocation of funding.



## 3 Radio and audio content

### 3.1 Recent developments in Northern Ireland

#### DAB boost

In April 2013 Ofcom approved a request from national DAB transmission operator Digital One to extend coverage to Northern Ireland. The move will enable radio services including Planet Rock, Absolute Radio, Absolute 80s, Absolute 90s, Jazz FM, Smooth Radio and Smooth 70s to be available on DAB digital radio in Northern Ireland for the first time.

Digital One, which already operates in England, Scotland, and Wales, has built a network of six transmitters across Northern Ireland (Divis, Carnmoney Hill, Londonderry, Brougher Mountain, Strabane and Limavady) providing coverage to around 75% of households. The new services are due to come online in summer 2013.

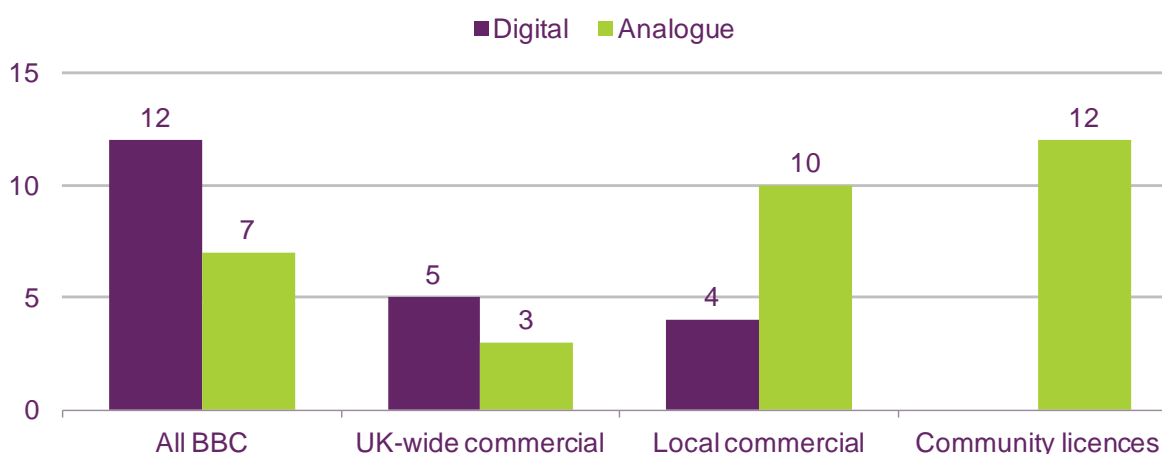
The coverage area of the new Digital One service is likely to improve in the coming years, in line with the UK government's radio switchover policy, as set out in its Digital Radio Action Plan.

### 3.2 Radio service availability

#### Listeners in Northern Ireland have access to at least 53 radio services

In terms of quantity, local commercial and community stations account for 40% of the total number of services available in Northern Ireland. However, most do not have universal coverage throughout Northern Ireland. The range of DAB services has been lower due to restricted digital multiplex availability (see above). Listeners in many parts of Northern Ireland can receive broadcast radio signals from the Republic of Ireland, which increases radio station availability to more than 53.

**Figure 3.1 Radio station availability in Northern Ireland**



Source: Ofcom, April 2013 Note: This chart shows the maximum number of UK radio services available in Northern Ireland; local variations along with reception constraints mean that listeners may not be able to access all of these

### 3.3 Community radio broadcasting

#### 2013 licence awards

Ofcom received ten applications for community radio services in Northern Ireland. Five awards were made in June 2013, including the first Ulster-Scots station and the first Irish-language station outside Belfast.

Belfast FM (Belfast FM Limited)	Belfast
Raidió G (Raidió G Teo)	Maghera, County Derry
Bridge FM (Portadown Community Radio Limited),	Portadown
Chaine FM (Larne Community Media Limited),	Borough of Larne
fUse FM (Ullans Speakers Association)	Ballymoney

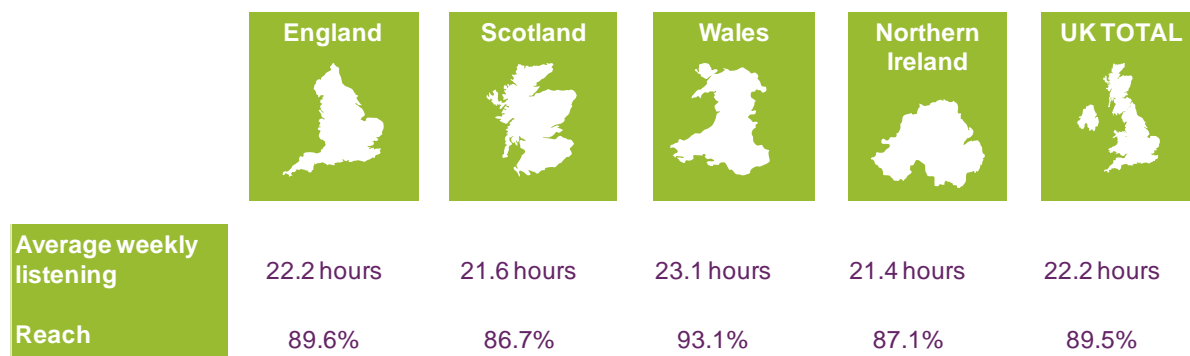
There are 12 community radio stations currently on air in Northern Ireland.

### 3.4 Patterns of listening to audio content

#### The reach of radio in Northern Ireland is lower than the UK average

Among adults in Northern Ireland, radio services reached 87.1% of the adult population, 2.4 percentage points lower than the UK average of 89.5%. Listeners in Northern Ireland spent an average of 21.4 hours each week listening to the radio in 2012, again lower than the UK average. (Figure 3.2) This represents a decline of 5% in the total number of radio listeners, with time spent listening falling by 54 minutes over a typical week.

Figure 3.2 Average weekly reach and listening hours: 2012



Source: RAJAR, All adults (15+), year ended Q4 2012. Reach is defined as a percentage of the area adult population who listen to a station for at least five minutes in the course of an average week.

#### Listeners in Northern Ireland prefer to listen to local services

Over half (58%) of all listening in Northern Ireland is to local/nations services, higher than in any other nation. Local commercial stations are the most popular; over a third (36%) of all listening in Northern Ireland in 2012 was to these stations. BBC local/nations services were also popular; BBC Radio Ulster and Radio Foyle accounted for 22% of all listening hours in Northern Ireland, a higher share for this sector than in Wales and Scotland.



Listening to the BBC network stations and UK-wide commercial stations in Northern Ireland is the lowest across all of the UK nations and lower than the UK average. Northern Ireland also has the highest proportion of listening to 'Other' (10%). This is thought to be cross-border listening to the stations from the Republic of Ireland and listening to community radio stations, neither of which appear in RAJAR. (Figure 3.3)

**Figure 3.3 Share of listening hours, by nation: 2012**

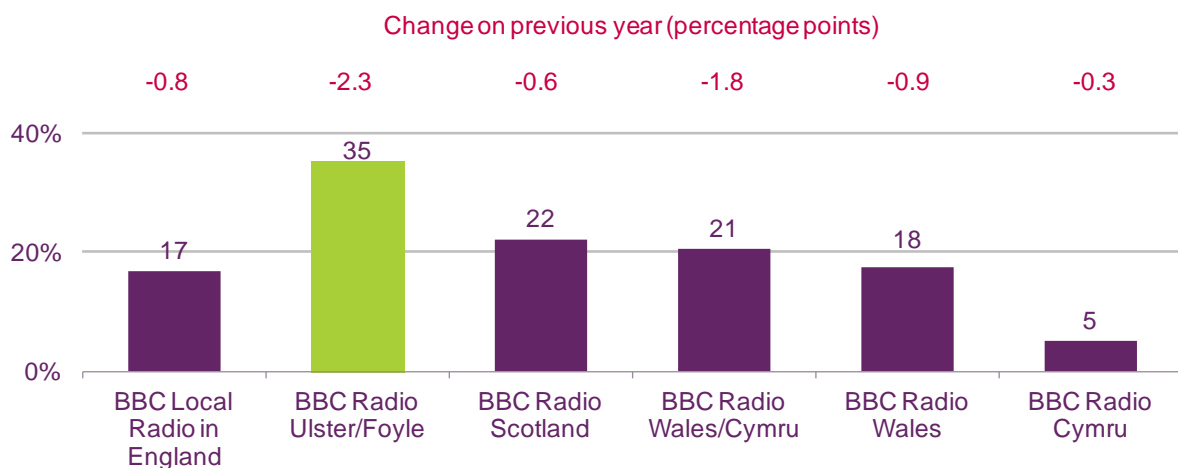


Source: RAJAR, All adults (15+), year ended Q4 2012

**BBC stations Radio Ulster and Foyle are more popular in Northern Ireland than BBC nations stations in Wales and Scotland**

Over one-third (35%) of adults listened to BBC Radio Ulster/Foyle in an average week in 2012; the highest reach of any of the BBC local or nations services. However, the proportion of adults listening to BBC Radio Ulster/Foyle fell by 2.3 percentage points year on year. Although listening to BBC nations and local services fell across all the UK nations, the largest fall was in Northern Ireland.

**Figure 3.4 Weekly reach for BBC nations/local services**



Source: RAJAR, All adults (15+), year ended Q4 2012

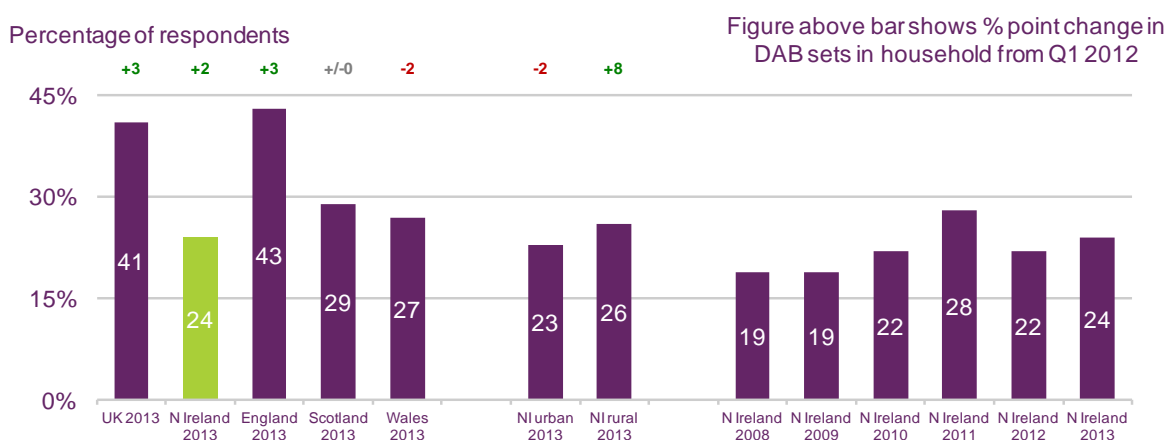
### 3.5 Digital radio set ownership and listening

#### A quarter of households in Northern Ireland have at least one DAB radio set

According to Ofcom research, four in ten UK households had access to a DAB radio set in the home in Q1 2013; a slight increase on the previous year's figure (38%). But take-up varies significantly across the UK; it is far higher in England (at 43%) than in the other UK nations.

Figure 3.5 shows that take-up of DAB sets remains lowest in Northern Ireland, where a quarter of households have at least one of these sets in the home (24%). The low level of take-up in Northern Ireland reflects the more limited choice of digital radio stations, both digital-only and analogue services on DAB, than in England.

**Figure 3.5 Ownership of DAB radios among radio listeners**



Source: Ofcom research, Q1 2013

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

Source: Ofcom research, Q1 2013

Base: Adults aged 16+ who listen to radio (n = 2910 UK, 405 Northern Ireland, 1747 England, 375 Scotland, 383 Wales, 197 Northern Ireland urban, 208 Northern Ireland rural, 539 Northern Ireland 2008, 569 Northern Ireland 2009, 653 Northern Ireland 2010, 428 Northern Ireland 2011, 404 Northern Ireland 2012, 405 Northern Ireland 2013)

Note: Remaining percentages are Don't know responses.

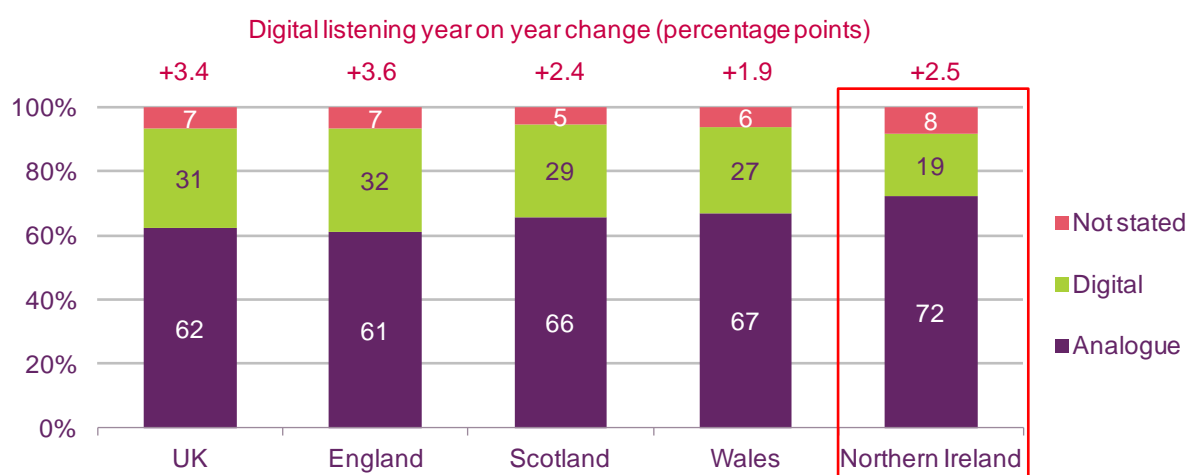
NB. Data in 2011 based on those who listen to radio and have any radio sets in the household that someone listens to in most weeks.

#### The proportion listening through a digital platform is lowest in Northern Ireland

Alongside the lower take-up of DAB sets in Northern Ireland, the proportion of listening through a digital platform was also the lowest of the UK nations (19%). Although the digital listening shown in Figure 3.6 includes listening via digital television and online, the majority of digital listening is via a DAB set, so it is not surprising that lower DAB radio take-up is reflected in a lower proportion of digital listening.

The proportion of listening through a digital platform in Northern Ireland grew by 2.5 percentage points in 2012; less than the UK average, but greater than in Wales and Scotland.

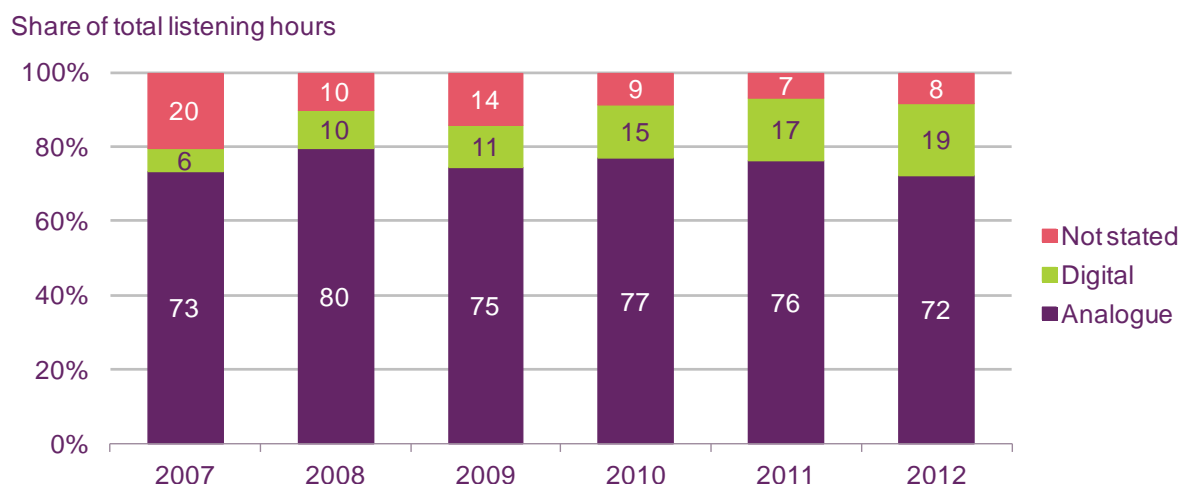
**Figure 3.6 Share of listening hours via digital and analogue platforms: 2012**



Source: RAJAR, All adults (15+), year ended Q4 2012

The share of digital listening since 2007 has grown steadily. While the fall in ‘not stated’ over six years reflects a change in RAJAR methodology, the underlying trend is still evident. Starting from a lower base, digital listening share has grown by 13pp over the past five years. Analogue listening remains strong in Northern Ireland at 72%; a fall of 5pp between 2010 and 2012.

**Figure 3.7 Share of listening hours via digital and analogue platforms in Northern Ireland: 2007 - 2012**



Source: RAJAR, All adults (15+), calendar years 2007 - 2012

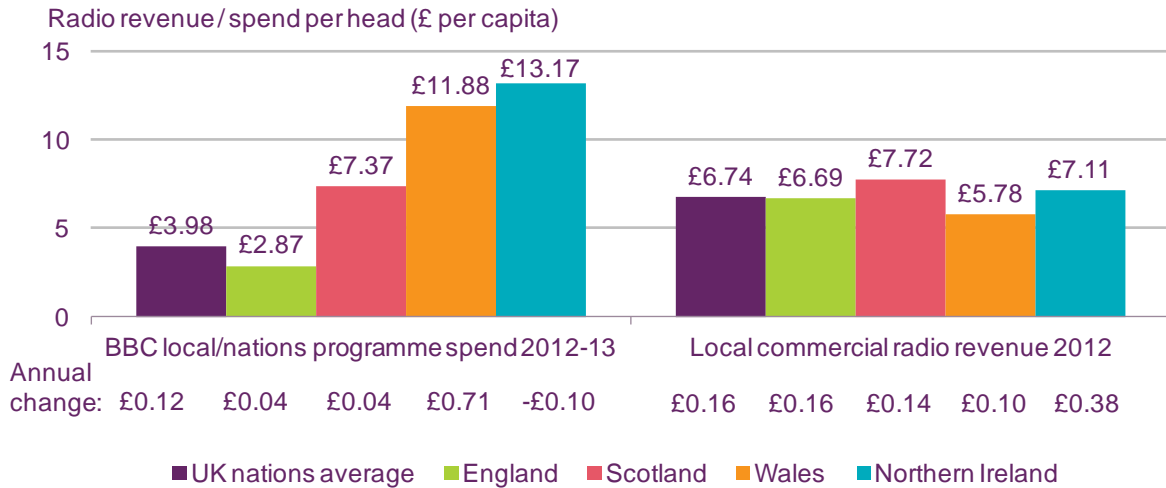
## 3.6 The radio industry

### BBC spend on radio per head of population was highest in Northern Ireland

Although the amount spent by the BBC on BBC Radio Ulster/Foyle in 2012-13 remained the same as in 2011-12 at £23.8m, spend per head declined by £0.10. This is due to a slight increase in the population size of Northern Ireland. BBC spend per head in Northern Ireland is the highest of all of the UK nations.

The commercial revenues generated by local commercial radio stations in Northern Ireland reached £12.9m in 2012. Adjusting for population size, Northern Ireland has the second highest revenue per head of the UK nations, at £7.11. Local commercial radio revenues in 2012 grew more than in any other nation in 2012, improving by £0.38 or 5.6% (Figure 3.8)

**Figure 3.8 Local/nations radio spend and revenue per head of population: 2012-13**



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 Internet and web-based content

### 4.1 Internet take-up

#### Almost eight in ten homes in Northern Ireland are internet-connected

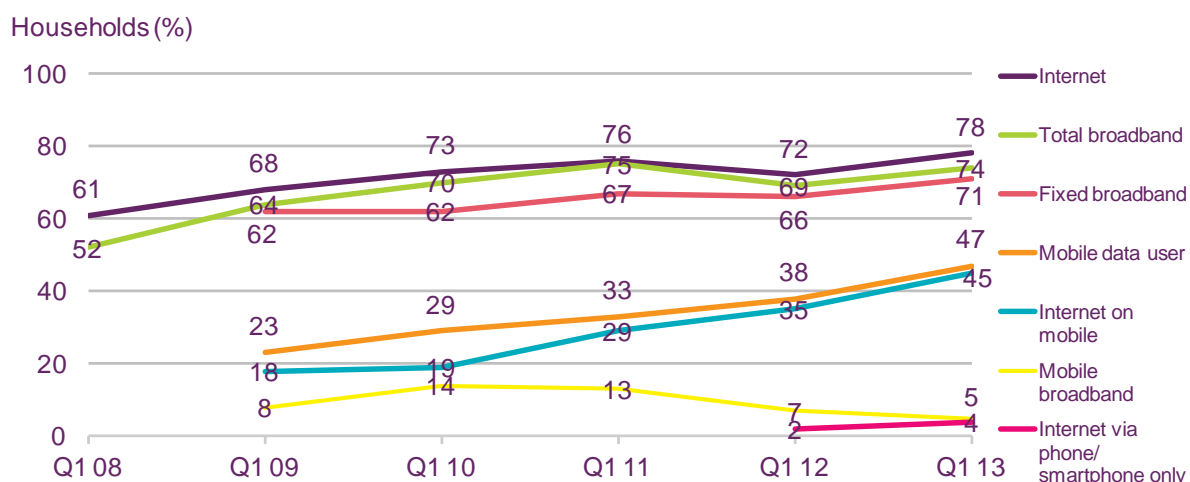
Just less than eight in ten households in Northern Ireland (78%) had access to the internet in Q1 2013 (via broadband, mobile phone or narrowband), with this figure increasing by seven percentage points year on year, to equal the UK average.

Northern Ireland was the only nation to see a significant rise in broadband take-up, increasing from 69% in Q1 2012 to 74% in Q1 2013 (in line with the UK average of 75%). This has been driven by an increase in take-up in rural Northern Ireland, where three-quarters of consumers (75%) now have broadband, up from 69% a year ago.

There has also been a significant rise in the proportion of consumers accessing the internet on their mobile phones, increasing by ten percentage points in the past year to 45% of consumers. This is discussed in more detail in Figure 5.7.

Conversely, over the past three years, take-up of mobile broadband dongles has declined, falling from 14% of households in Q1 2010 to 5% in Q1 2013, as smartphones and tablets offer other ways of staying connected while on the move, or without the need for a fixed broadband connection.

**Figure 4.1 Internet take-up, Northern Ireland: 2008-2013**



Source: Ofcom Technology Tracker

Base: All adults aged 16+ (n = 629 Northern Ireland 2008, 652 Northern Ireland 2009, 761 Northern Ireland 2010, 511 Northern Ireland 2011, 508 Northern Ireland 2012, 507 Northern Ireland 2013)

### 4.2 Internet-enabled devices

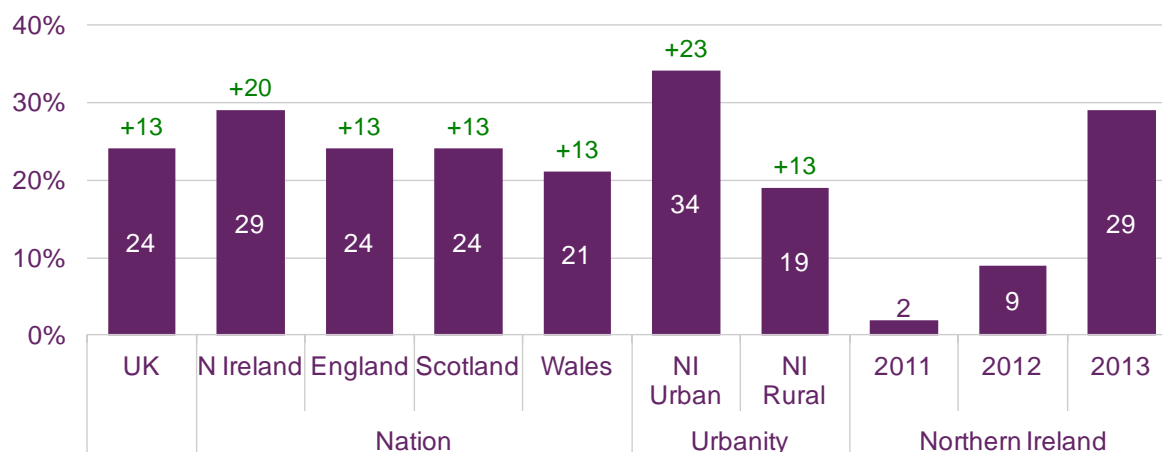
#### Three in ten households in Northern Ireland have a tablet computer

Household tablet computer take-up is highest in Northern Ireland, having increased three-fold (20pp) over the year to Q1 2013, with three in ten homes (29%) now owning one. The increase in take-up was particularly marked in urban Northern Ireland, where 34% of households now have a tablet, up from 11% the previous year. Those aged 16-34 (37%) and

35-54 (33%), from ABC1 households (36%), and from higher-income households (42%) were more likely to own a tablet than the Northern Ireland average.

**Figure 4.2 Take-up of tablet computers in Northern Ireland**

Households (%) / percentage point change in take-up of tablet computers from Q1 2012



QE1. Does your household have a PC, laptop, netbook or tablet computer?

Source: Ofcom research, Q1 2013

Base: All adults aged 16+ (n = 3750 UK, 507 Northern Ireland, 2250 England, 501 Scotland, 492 Wales 254 Northern Ireland urban, 253 Northern Ireland rural, 487 Scotland 2011, 500 Scotland 2012, 501 Scotland 2013)

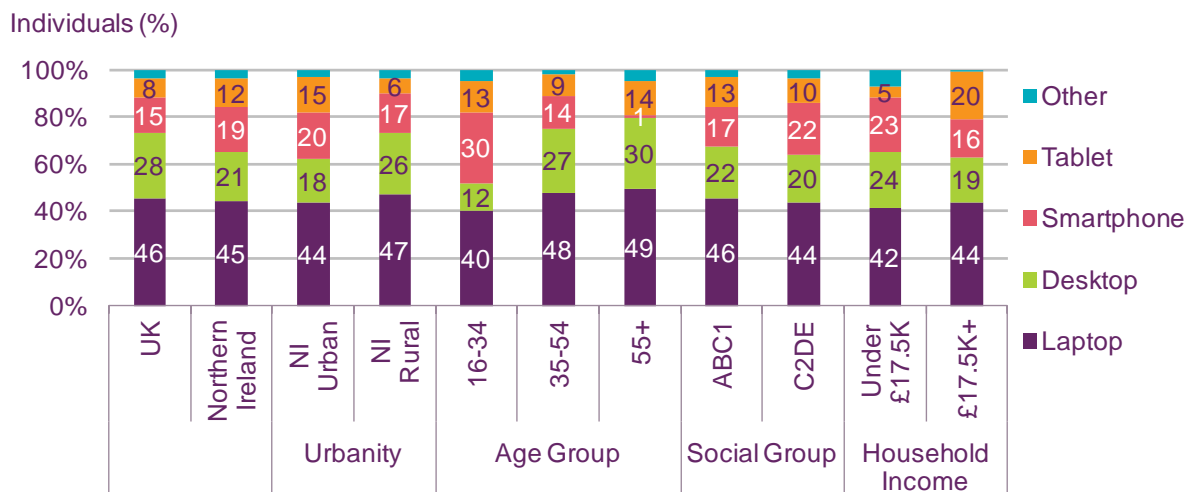
### Internet users in Northern Ireland are more likely than those in the UK to choose their tablet as the most important device for getting online

In comparison to the UK average, internet users in Northern Ireland were equally as likely to choose the laptop, less likely to choose the desktop, and one and half times more likely to choose the tablet as their most important device for accessing the internet. The tablet preference is likely to reflect the higher ownership in Northern Ireland of tablet computers compared to the rest of the UK. We consider device importance by ownership in Chapter 4 of the *UK Communications Market Report*.

The device most likely to be chosen as the most important device for accessing the internet by internet users in Northern Ireland was the laptop (45%), followed by the desktop computer (21%) and the smartphone (19%).

There are significant differences according to age, income, and urbanity. Those aged 16-34 were less likely than older age groups to choose their desktop computer as the most important device for accessing the internet (12%), but more likely to choose their smartphone (30%). Internet users in urban areas (15%) and those from higher-income households (20%) were significantly more likely than those in rural areas (6%) and lower-income households (5%), to choose their tablet computer as their most important internet device.

**Figure 4.3 Most important device for accessing the internet in Northern Ireland**



Source: Ofcom research, Q1 2013

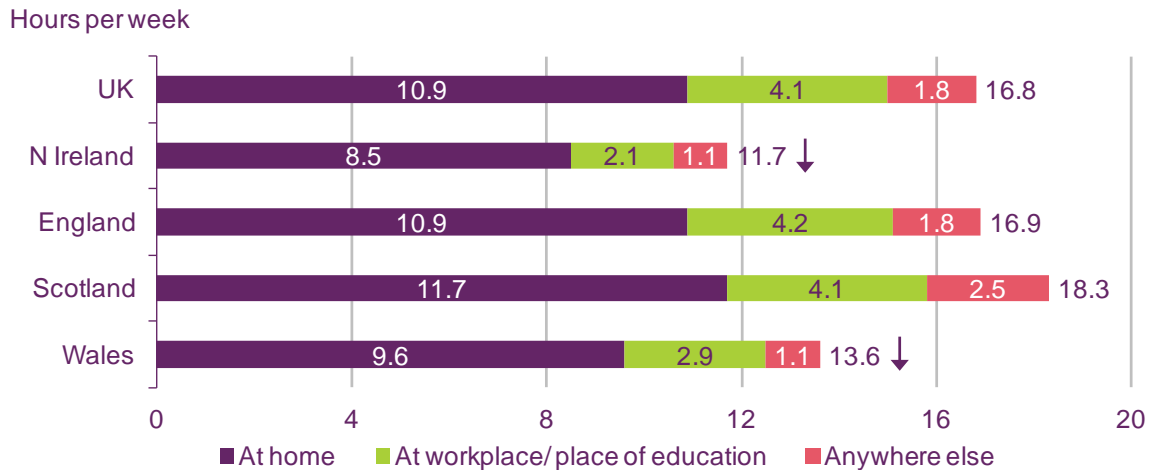
Base: Internet users aged 16+ (n = 2918 UK, 376 Northern Ireland, 185 NI urban, 191 NI rural, 152 16-34, 134 35-54, 90 55+, 205 ABC1, 171 C2DE, 99 under £17.5K, 124 £17.5K+). Question: Which is the most important device you use to connect to the internet, at home or elsewhere? "Other" responses include: "Netbook", "Games console", "Other device", "None" and "don't know".

### 4.3 Internet use

#### Internet users in Northern Ireland claim to spend significantly less time online than the UK average

According to research conducted for Ofcom's *Adult Media Literacy Report*, internet users in Northern Ireland claim to spend almost 12 hours on the internet per week. This is significantly lower than the UK average of 16.8 hours. Following a pattern similar to the rest of the UK, internet users claim to spend the majority of time online at home, followed by their workplace or place of education, and the least time online in any other location.

**Figure 4.4 Claimed time spent on the internet in a typical week**



Source: Ofcom research, fieldwork carried out by Saville Rossiter-Base in September to November 2012

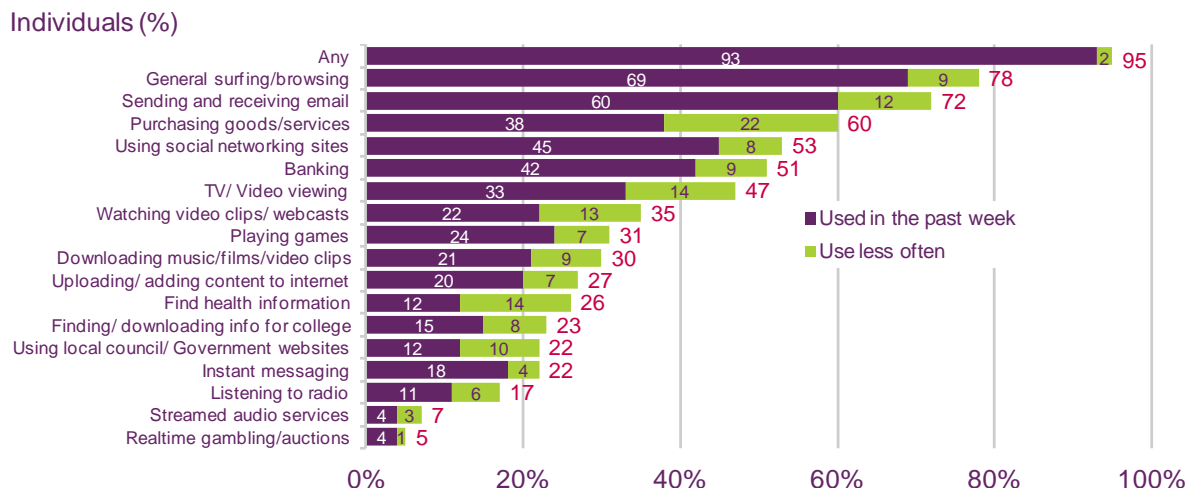
IN6A-C – How many hours in a typical week would you say you use the internet at home/ at your workplace or place of education/ anywhere else? (Unprompted responses, single coded)

Base: All adults aged 16+ who use the internet at home or elsewhere (1381 UK, 857 England, 183 Scotland, 177 Wales, 164 Northern Ireland). Significance testing shows any difference between any nation and the UK.

**Over half of broadband users in Northern Ireland use social networking sites**

Figure 4.5 shows that well over half of internet users in Northern Ireland go online for general surfing/ browsing (78%), emailing (72%) and purchasing goods or services (60%). Fifty-three per cent claim to use the internet for accessing social networking sites such as Facebook or LinkedIn, on a par with the UK average, with 45% saying that they had done this within the previous week (45%). A similar proportion of internet users said they banked online (51%), with four in ten (42%) claiming to have done so in the previous week.

**Figure 4.5 Activities conducted online by internet users.**



QE5. Which, if any, of these do you use the internet for?

Source: Ofcom research, Q1 2013

Base: Adults aged 16+ who use the internet at home or elsewhere (n= 376 Northern Ireland 2013)



# 5 Telecoms and networks

## 5.1 Recent developments in Northern Ireland

### **Mobile Infrastructure Project (MIP) to tackle mobile voice not-spots**

Northern Ireland is to benefit from the UK-wide Mobile Infrastructure Project (MIP), which aims to improve mobile voice coverage in areas where coverage is poor or non-existent. The UK government has committed £150m to the project, which will secure mobile voice services for about 60,000 premises across the UK that do not receive any mobile service from any operator, and to improve coverage on at least ten of the UK's busiest A roads.

Of the ten key roads identified, two are in Northern Ireland – the A2, which runs from Londonderry / Derry to Newry around the coast, and the A29, which runs north to south from Portrush through Cookstown, Dungannon and Armagh and on to the border. In May 2013, the UK government appointed Arqiva to manage the project, which will begin to extend coverage in late 2013 and will be completed by 2015.

### **Operators invest in 3G networks**

Significant investment by mobile phone companies is set to deliver better 3G coverage for consumers in Northern Ireland. Everything Everywhere (EE) and Three expect to have completed improvements to their shared network by the end of 2013, which will see 3G population coverage rise to 95%. O2 and Vodafone have committed to making improvements to their shared network to deliver similar levels of coverage.

### **Further investment planned by the Northern Ireland Executive**

Following significant investment in fibre optic networks, the Northern Ireland Executive is planning further improvements to the region's broadband infrastructure. The Northern Ireland Broadband Improvement Project aims to meet the UK-wide objectives of delivering 2Mbit/s broadband services to all premises and 24Mbit/s broadband services to 90% of premises by 2015.

A public consultation in September/October 2012 sought to help identify the potential intervention area. This is being finalised with a further consultation running from July/August 2013. Around £19.3m of public sector funding is available across a number of sources including DETI, DARD, BDUK and the European Union in support of this project. It is anticipated that a contract will be awarded in autumn 2013.

### **4G services in the nations**

As part of the 4G spectrum auction, which took place in early 2013, one lot of 800MHz spectrum (which was awarded to Telefónica UK Ltd) carries an obligation to provide indoor mobile broadband reception to at least 98% of the UK population by the end of 2017. Given that it is easier to provide mobile coverage outdoors than indoors, a 4G network which meets this requirement is likely to cover more than 99% of the UK by population when outdoors.

In addition to the UK-wide coverage obligation, Ofcom requires the same operator to provide indoor service to at least 95% of the population of each of the UK nations. Outdoor coverage for the network meeting this obligation is likely to be around 97% of the population of each nation, and Northern Ireland will have similar levels of coverage and enjoy the benefits of 4G at the same time as other parts of the UK.

## **Cities get super-connected**

Belfast and Derry / Londonderry are among the beneficiaries of the UK government's Super Connected Cities project.

Belfast was awarded £13.7m in the first round of funding while Derry / Londonderry is among 12 cities that will share £50m as part of a second round of funding.

Both councils are planning to use the fund to provide:

- A voucher scheme to help SMEs access fibred broadband services
- WiFi in public buildings such as museums, galleries, and hospitals.
- An open access wireless infrastructure built on each city's street furniture. In Derry's case, this will be an extension of existing facilities.

## **5.2 Availability of fixed broadband services**

### **LLU broadband availability in Northern Ireland was the lowest among the UK nations at the end of 2012**

Almost all UK premises are connected to an ADSL-enabled BT local exchange, although some may not be able to receive ADSL broadband services, or may be able to do so only at very slow speeds, as a result of the long length or poor quality of the line from the premises to the local exchange.

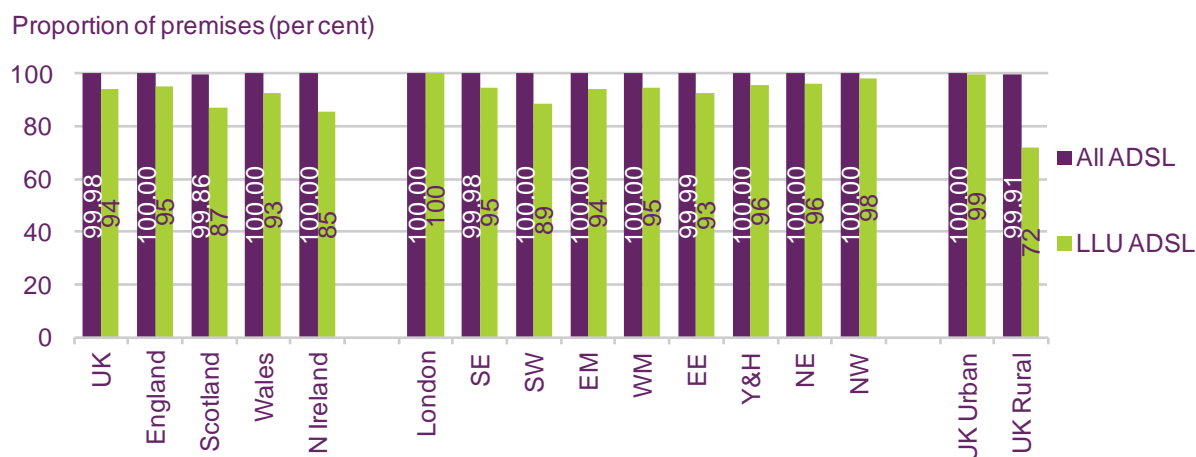
BT has just under 5,600 local exchanges, of which around 30 were not able to provide ADSL broadband at the end of 2012. Most of the BT local exchanges that are not capable of providing ADSL broadband are in Scotland (the remainder being in England) and the proportion of premises connected to an ADSL-enabled BT exchange is marginally lower in Scotland than in the rest of the UK (Figure 5.1).

Local loop unbundling (LLU) operators are able to provide fixed telecoms services by placing their own network equipment in the incumbent's local exchange. This is then connected to the LLU provider's backhaul network and ADSL broadband services are provided to the end user over the copper line from the exchange, which is leased from the incumbent operator. LLU operators generally benefit from economies of scale that are not available when purchasing wholesale services on a per-unit basis, and are better able to differentiate their services from those offered by their competitors. Premises in LLU-enabled exchange areas benefit as they usually have a greater choice of ADSL broadband services, and access to lower-cost services.

We estimate that 94% of UK premises were connected to an unbundled BT local exchange at the end of 2012, two percentage points higher than had been the case a year previously. This increase was largely due to LLU providers deploying services in rural areas: while the proportion of premises connected to an LLU-enabled local exchange in urban areas was unchanged at 99% during the year, the proportion in rural areas increased by over eight percentage points to 72%. This pattern is typical of telecoms network deployment: roll-out usually begins in urban areas (where there are larger numbers of premises and therefore more potential customers), and subsequently spreads to less densely populated areas. In fact, urban LLU availability was at a similar level to current rural availability as far back as 2006.

Northern Ireland had the lowest availability of LLU broadband at the end of 2012, when 85% of premises were connected to an LLU-enabled BT local exchange, nine percentage points below the UK average. By comparison, 95% of premises in England, where this proportion was highest, were connected to an LLU-enabled BT local exchange at the end of the year, while in Scotland and Wales the figures were 87% and 93% respectively.

**Figure 5.1 Proportion of premises connected to ADSL and LLU-enabled exchanges: December 2012**



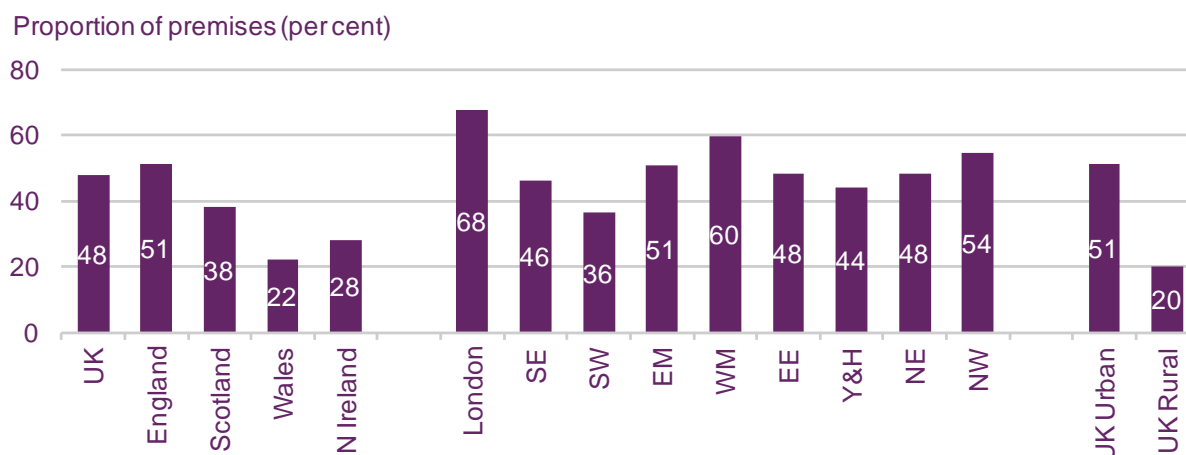
Sources: Ofcom/BT, December 2012 data

### Over a quarter of premises in Northern Ireland are in postcodes served by Virgin Media's cable broadband network

As part of its work to monitor the UK's communications infrastructure, Ofcom collects data which show the total number of premises that are in postcodes in which one or more premise can receive services from cable and fibre broadband networks. This methodology is likely to slightly overestimate the coverage of these networks, as not all premises in a postcode will necessarily be able to receive the same services.

Data provided to Ofcom by Virgin Media show that 48% of UK premises were in postcodes that were served by its cable broadband network in June 2013 (Figure 5.2). Among the UK nations, the proportion of premises in postcodes served by Virgin Media's cable broadband network ranged from 22% in Wales to 51% in England, while in Northern Ireland it was 28%, the second lowest proportion among the UK nations. All of Virgin Media's cable network is able to provide broadband speeds of 'up to' 100Mbit/s, and it is rolling out an upgrade to 'up to' 120Mbit/s, which is due to be completed by the end of 2013.

**Figure 5.2 Proportion of premises in postcodes served by Virgin Media’s cable broadband network**



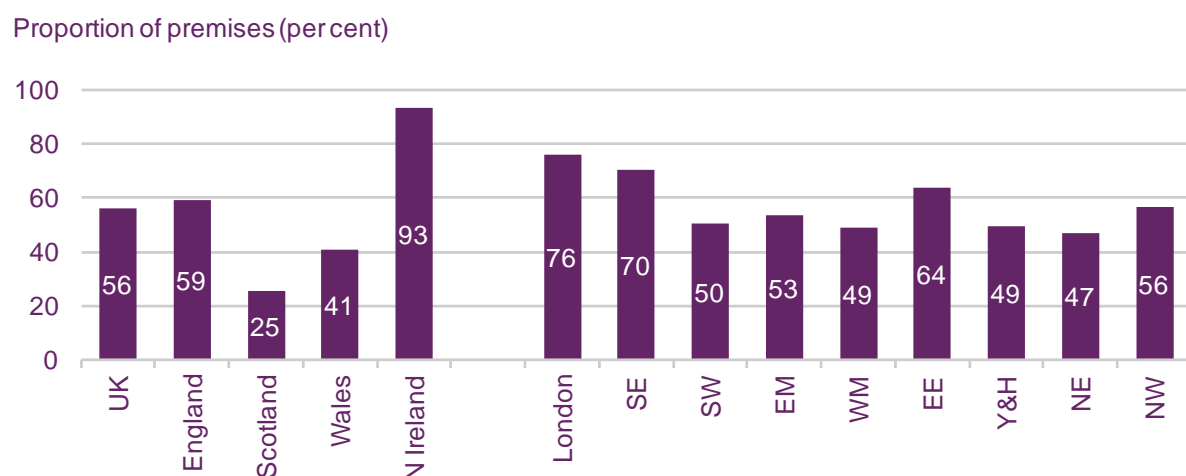
Sources: Ofcom/Virgin Media, June 2013 data

**Northern Ireland had the highest availability of fibre broadband among the UK nations in June 2013**

Data provided to Ofcom by BT Openreach and Kcom (the incumbent operator in the Kingston-upon-Hull area) show that over half of UK premises (56%) were in postcodes which were served by their fibre broadband networks by June 2013 (Figure 5.3). Once again, this is likely to slightly overstate the availability of fibre broadband services, as different premises in the same postcode may be served by different street cabinets, and one cabinet may have been upgraded while another has not.

In Northern Ireland, which has benefited from a Department of Enterprise, Trade and Investment (DETI) initiative to increase the availability of next-generation broadband services, 93% of premises were in postcodes served by BT Openreach’s fibre network in June 2013, the highest proportion across the UK nations. By contrast, in Scotland just a quarter of premises (25%) were in postcodes served by BT Openreach’s fibre network, less than half the UK average and the lowest proportion across the UK nations.

**Figure 5.3 Proportion of premises in postcodes served by BT Openreach/ Kcom fibre broadband networks**



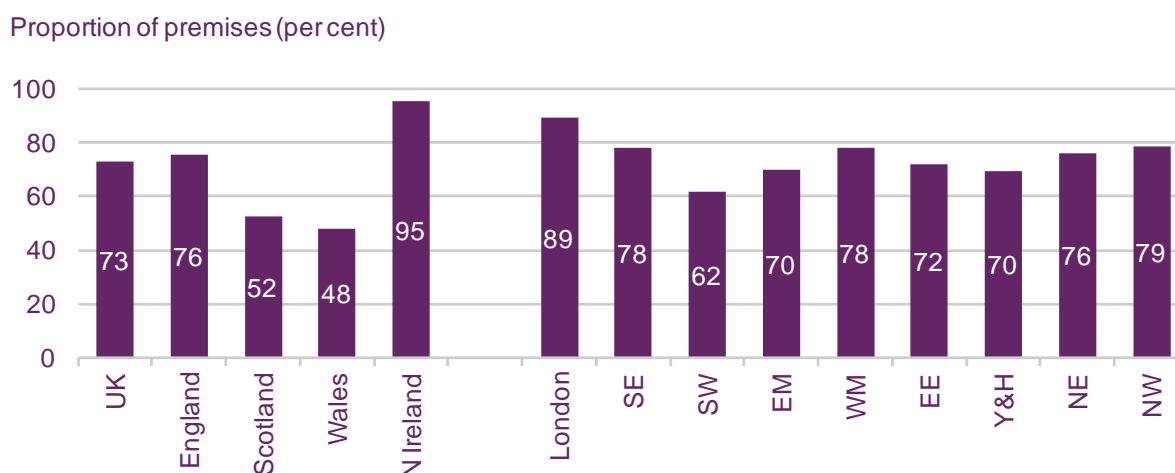
Sources: Ofcom/BT Openreach/Kcom, June 2013 data

## Just one in twenty premises in Northern Ireland cannot receive broadband over an NGA network

By overlaying the Virgin Media cable broadband availability data in Figure 5.2 with the BT Openreach/ Kcom fibre availability data in Figure 5.3 we are able to estimate the proportion of premises that are in postcodes served by the next-generation access (NGA) networks which are used to provide superfast broadband services. As previously, this methodology is likely to slightly overestimate NGA coverage (despite the fact that this analysis includes only Virgin Media, BT Openreach and Kcom's NGA networks) as not all premises in a postcode will necessarily be able to receive NGA services.

This analysis suggests that just under three-quarters of UK premises (73%) were in postcodes served by NGA networks in June 2013, up from 65% in June 2012 (Figure 5.4). Across the UK nations this proportion ranged from 48% in Wales to 95% in Northern Ireland (where it was unchanged from June 2012), with just over half of premises in Scotland (52%) and three-quarters of premises in England (76%) being within NGA network footprints. Not all broadband connections provided by NGA networks will necessarily achieve 'superfast' speeds (here defined as an actual downstream speed of 30Mbit/s or higher). In particular, the speed achieved on a given line using fibre-to-the-cabinet (FTTC) technology will depend on the length and quality of the copper connection from the street cabinet to the consumer's premises.

**Figure 5.4 Proportion of premises in postcodes served by NGA networks**



Sources: Ofcom/operators, June 2013 data

## 5.3 Availability of mobile services

### The proportion of premises in areas with outdoor mobile coverage varies across the UK nations

Ofcom research suggests that 92% of UK adults had a mobile phone in Q1 2013. While mobile use is widespread, there are still areas of the country where a lack of network coverage means that making mobile phone calls, sending text messages or accessing the internet over a cellular network is not possible. These areas, which are often referred to as 'mobile not-spots', are often characterised by low population density and/or undulating terrain, and present physical and economic obstacles that may deter mobile network operators (MNOs) from installing mobile phone masts in these areas. In other areas of the UK, some operators have installed masts and provide a mobile service where other operators do not have a presence, leading to the creation of 'partial not-spots'.

### **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 MNOs. Information on coverage is provided by each operator for each 200x200m 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.

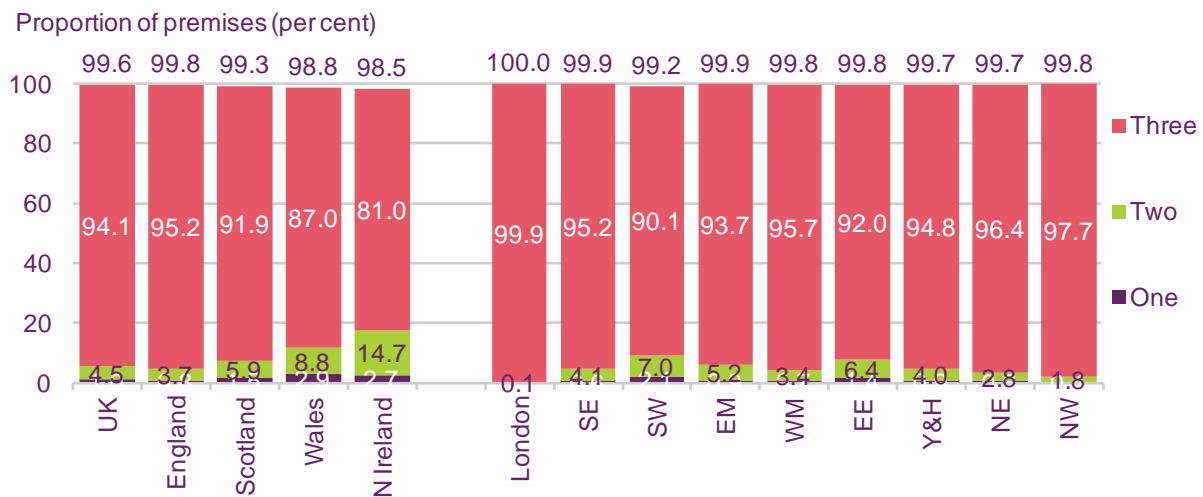
Figure 5.5 and Figure 5.6 show in detail levels of mobile coverage based on premises (i.e. homes and offices) for 2G and 3G services respectively. 3G is often considered the minimum necessary to provide a satisfactory experience of mobile internet, while 2G is considered satisfactory for telephone calls and text messaging. Mobile network operator Everything Everywhere (EE) launched 4G mobile services in the UK in October 2012, but we do not include details of 4G mobile coverage here.

### **98.5% of premises in Northern Ireland were in areas with outdoor 2G coverage in June 2013**

The coverage data provided to us by MNOs shows that 94.1% of UK premises had outdoor coverage from all three UK 2G network operators (EE, O2 and Vodafone) in June 2013 (Figure 5.5). In total, 99.6% of premises were in areas where at least one mobile network provided outdoor 2G coverage, suggesting that 0.4% of UK premises (around 100,000 premises) were in areas without any 2G mobile coverage. The proportion of premises in areas with outdoor 2G coverage recorded in June 2013 is slightly lower than the 99.7% figure, calculated from 2011 data, which was included in the 2012 *Communications Market Reports*, and we are investigating this discrepancy.

2G coverage was slightly higher than average in England in June 2013, when 99.8% of premises were in areas with outdoor 2G mobile coverage. Northern Ireland had the lowest population coverage across the UK nations, with 81.0% of premises having outdoor coverage from all three 2G networks and 1.5% of premises (around 10,000 premises) being in areas without any outdoor 2G coverage. The lower-than-average 2G coverage in Northern Ireland is partly because a relatively high proportion of its population is more evenly spread across rural areas, and providing mobile services may not be as commercially viable in some instances.

**Figure 5.5 2G premises mobile coverage, by number of operators**



Sources: Ofcom/operators, June 2013 data

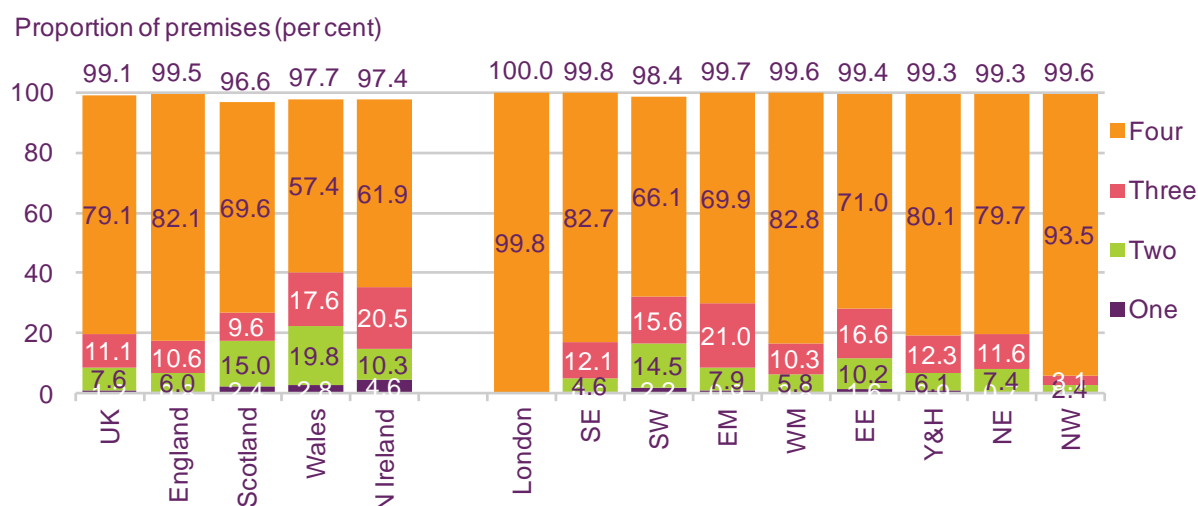
Note: Coverage is based on 200m square pixels covering the UK

**Northern Ireland had the second lowest proportion of premises in areas with outdoor 3G coverage among the UK nations in June 2013**

Our analysis suggests that 99.1% of UK premises were in areas where there was outdoor 3G mobile coverage in June 2013, while 79.1% were in areas where there was similar coverage from all four UK 3G MNOs (EE, O2, Vodafone and Three). Conversely, 0.9% of premises were in areas without any 3G mobile reception, equivalent to around 260,000 premises.

As was the case with 2G services, the proportion of premises in areas with outdoor 3G mobile coverage was highest in England, where 99.5% of premises were in areas with coverage from at least one 3G network and 82.1% had coverage from all four (Figure 5.6). Northern Ireland had both the second lowest proportion of premises in areas with outdoor 3G coverage from at least one MNO, and the second lowest proportion of premises with similar coverage from all four 3G networks among the UK nations in June 2013, at 97.4% and 61.9% respectively. This is likely to be due to stricter planning laws, introduced in 2002, for mobile masts, local opposition to building masts, and MNO network planning decisions at the time of 3G roll-out.

**Figure 5.6 3G premises mobile coverage, by number of operators**



Sources: Ofcom/operators, June 2013 data

Note: Coverage is based on 200m square pixels covering the UK

## 5.4 Service take-up

### Northern Ireland has the highest mobile take-up among the UK nations

Personal ownership of a mobile phone was the highest among the UK nations in Northern Ireland in Q1 2013, at 94% (Figure 5.7). Furthermore, 28% of adults in Northern Ireland said they would miss mobile services most, out of all communications services, in Q1 2013 (see *Annex A: Adults' media literacy in the nations*), more than in any other nation and a significant increase since Q1 2012.

Forty-five per cent of all adults in Northern Ireland owned a smartphone in Q1 2013 (equivalent to 48% of mobile phone users), and while this was below the UK average of 51%, it represented a significant increase from the previous year's figure of 34%. Smartphone take-up was higher in urban areas (51% of adults) than in rural areas (35%), a difference which was reflected in the proportion of consumers using their mobile to access the internet.

Take-up of fixed telephony remained stable in Northern Ireland in the year to Q1 2013, at 82% of households, in line with the UK average of 84%. Household landline take-up was higher in the rural areas of Northern Ireland (89%) than in urban areas (78%), and 18% per cent of households in Northern Ireland had access only to mobile telephony in Q1 2013, similar to the UK average of 15%.



**Figure 5.7 Take-up of communications services: 2013**

		UK	N Ireland	England	Scotland	Wales	NI urban	NI rural
<b>Individual</b>								
<b>Voice telephony</b>	Fixed Line	84%	82%	85%	83%	76%	78%	89%
	Mobile phone	92%	94%	92%	92%	92%	95%	91%
	Smartphone	51%	45%	52%	45%	49%	51%	35%
	Mobile-only homes	15%	18%	15%	16%	23%	22%	11%
<b>Internet</b>	Total Internet	80%	78%	81%	76%	75%	78%	79%
	Broadband (fixed and mobile)	75%	74%	76%	70%	66%	73%	75%
	Fixed Broadband	72%	71%	73%	67%	63%	70%	72%
	Mobile Broadband	5%	5%	5%	7%	7%	5%	5%
	Mobile internet	49%	45%	49%	44%	47%	51%	35%

Source: Ofcom research, Q1 2013

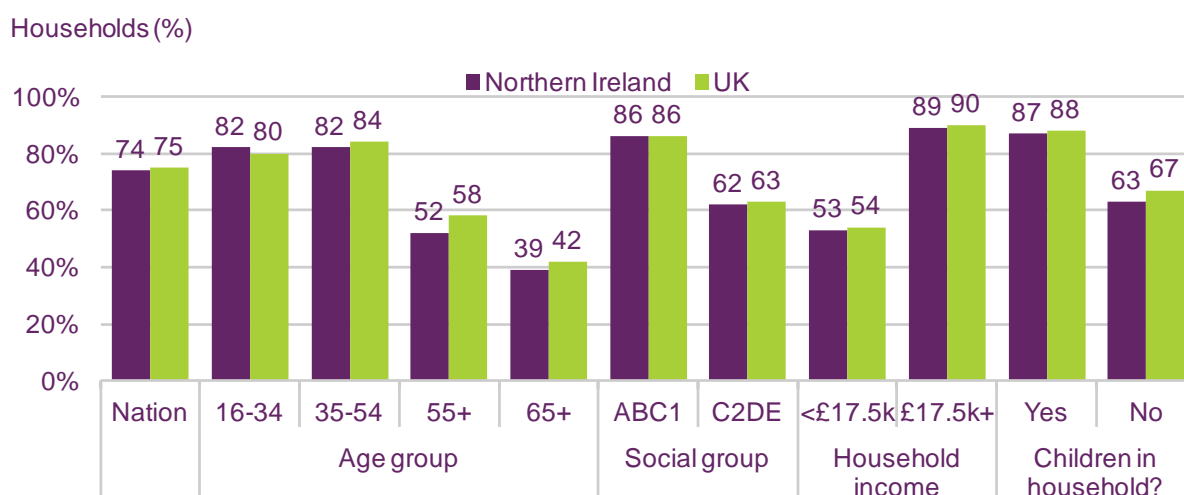
Base: All adults aged 16+ (n = 3750 UK, 507 Northern Ireland, 2250 England, 501 Scotland, 492 Wales 254 Northern Ireland urban, 253 Northern Ireland rural)

### Age and income are key drivers of broadband take-up in Northern Ireland

Figure 5.8 shows that, as with the rest of the UK, broadband penetration in Northern Ireland varies significantly by demographic. Eight in ten of those aged 16 to 34 and 35 to 64 had access to broadband services at home in Q1 2013, while this fell to four in ten (39%) among those aged 65+. Linked to age, nearly nine in ten households with children under 18 had broadband access (87%), with the same being true of higher-income households (89% of those with an annual household income of £17.5k+). Take-up was significantly lower (53%) among households with an income of less than £17.5k.

Analysis of broadband take-up shows that the gap between Northern Ireland and the UK average has closed over the past year, particularly with regard to those in older age groups.

**Figure 5.8 Consumer broadband take-up in Northern Ireland**



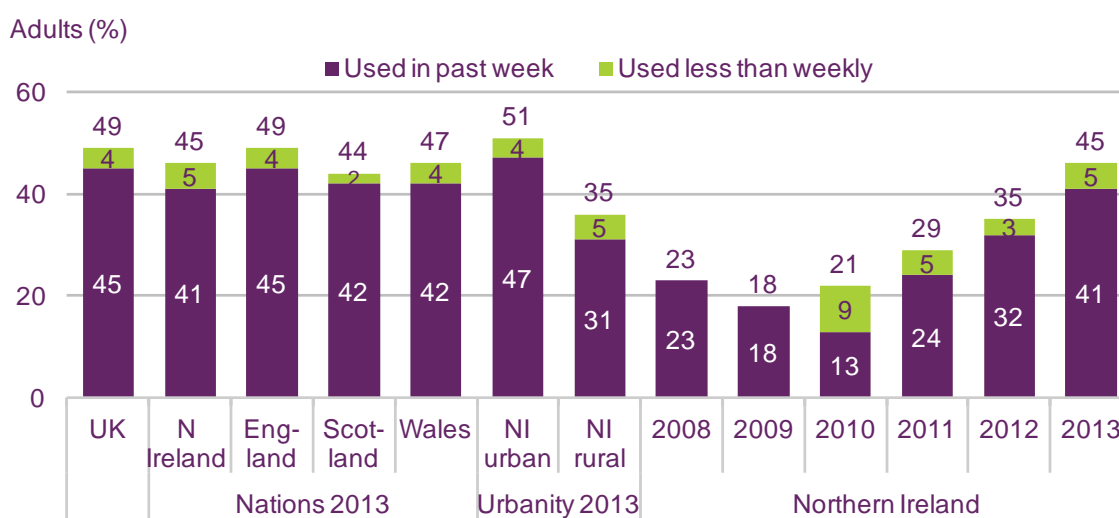
Source: Ofcom research, Q1 2013

Base: All adults aged 16+ (n = 507 Northern Ireland, 161 16-34s, 161 35-54s, 185 55+, 104 65+, 233 ABC1, 274 C2DE, 174 <£17.5k income, 139 £17.5k+, 197 children in home, 310 no children in home) QE9. Which of these methods does your household use to connect to the internet at home? Internet-enabled devices

## Half of consumers in urban Northern Ireland use their phone to access the internet

As is shown in Figure 5.9, the proportion of adults in Northern Ireland who accessed the internet on their mobile phone increased by ten percentage points, to 45%, in the year to Q1 2013. Mobile internet use in Q1 2013 was in line with the UK average, and the increase over the previous year was largely as a result of increasing smartphone take-up (which grew from 34% to 45% in the year to Q1 2013). There was a notable increase in mobile internet use in urban areas of Northern Ireland, where 51% of adults used their phone to access the internet in Q1 2013 (the same proportion that had a smartphone). The proportion of adults in rural Northern Ireland who accessed the internet using a mobile was lower, at 35%.

**Figure 5.9 Use of mobile phone to access the internet**



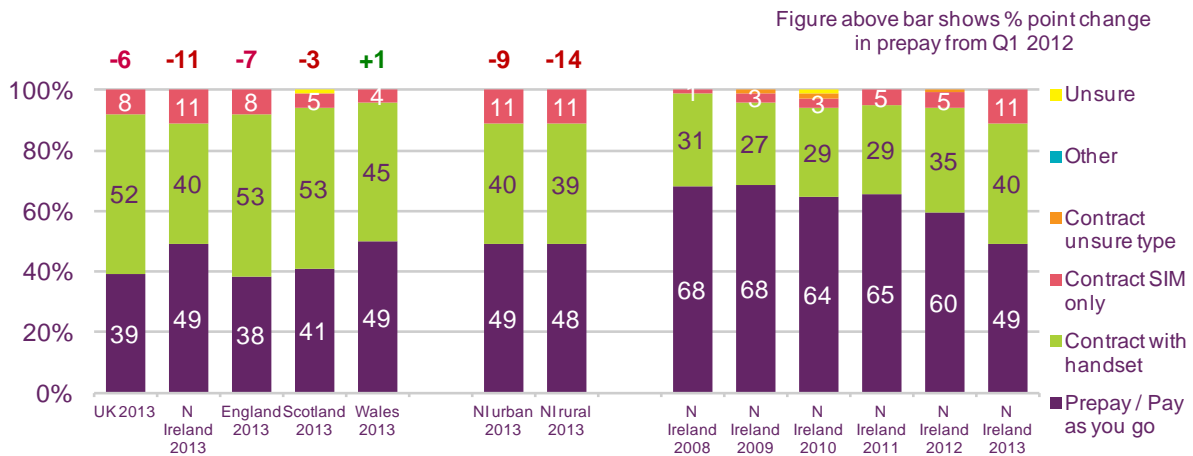
QD28A-B. Which, if any, of the following activities, other than making and receiving calls, do you use your mobile for?/ And, which of these activities have you used your mobile for in the last week? (NB 2008 and 2009 surveys did not cover use in past week – 2008 and 2009 measures show any use)  
Source: Ofcom research, Q1 2013

Base: All adults aged 16+ (n = 3750 UK, 507 Northern Ireland, 2250 England, 501 Scotland, 492 Wales 254 Northern Ireland urban, 253 Northern Ireland rural, 629 Northern Ireland 2008, 652 Northern Ireland 2009, 761 Northern Ireland 2010, 511 Northern Ireland 2011, 508 Northern Ireland 2012, 507 Northern Ireland 2013)

## Half of mobile consumers in Northern Ireland have a contract subscription

There was a significant fall in the proportion of mobile phone users in Northern Ireland who used pay-as-you-go tariffs in the year to Q1 2013, down from 60% to 49% (although this was still higher than the UK average of 39%). This shift of consumers from pre-pay to contract tariffs has occurred across the UK, and is likely to be linked to the increase in take-up of smartphones. A fifth of contract mobile users in Northern Ireland (21%) had a SIM-only tariff in Q1 2013, while 78% had a contract which included a mobile handset (Figure 5.10).

**Figure 5.10 Type of mobile subscription**



QD11. Which of these best describes the mobile package you personally use most often? (NB 2008 survey did not cover type of contract)

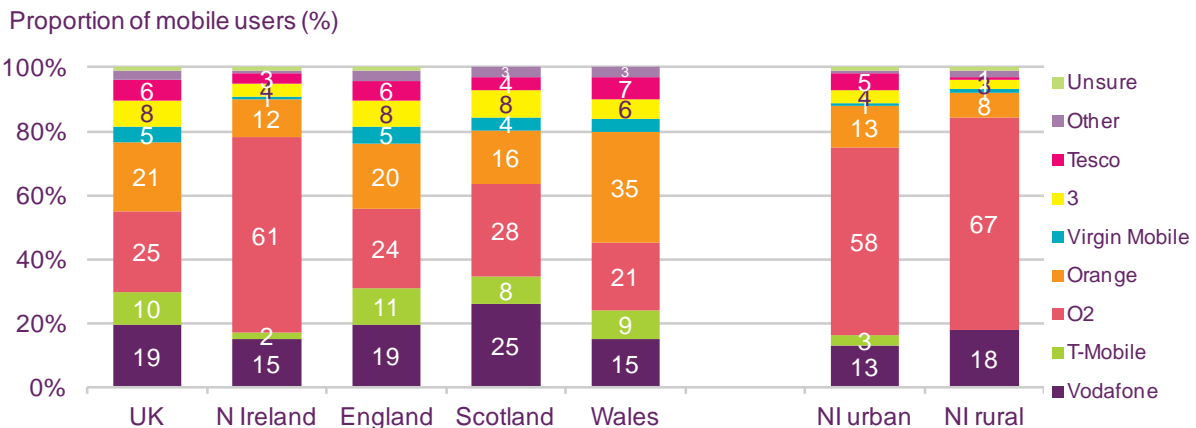
Source: Ofcom research, Q1 2013

Base: Adults aged 16+ who personally use a mobile phone (n = 3387 UK, 463 Northern Ireland, 2020 England, 464 Scotland, 440 Wales, 237 Northern Ireland urban, 226 Northern Ireland rural, 744 Northern Ireland 2008, 877 Northern Ireland 2009, 658 Northern Ireland 2010, 425 Northern Ireland 2011, 463 Northern Ireland 2012, 463 Northern Ireland 2013)

Six in ten mobile consumers in Northern Ireland are on the O2 network

As was the case in previous years, O2 had a high share of mobile consumers in Northern Ireland in Q1 2013, at 61% (rising to 67% of mobile consumers on this network in rural areas). While this was a seven percentage point fall from 2012, O2's share in Northern Ireland remains significantly above the UK average of 25% (Figure 5.11). Vodafone and Orange were the second and third most popular mobile networks, with a 15% and 12% share of mobile consumers in Northern Ireland respectively.

**Figure 5.11 Mobile network provider used most often**



QD10. Which mobile network do you use most often?

Source: Ofcom research, Q1 2013

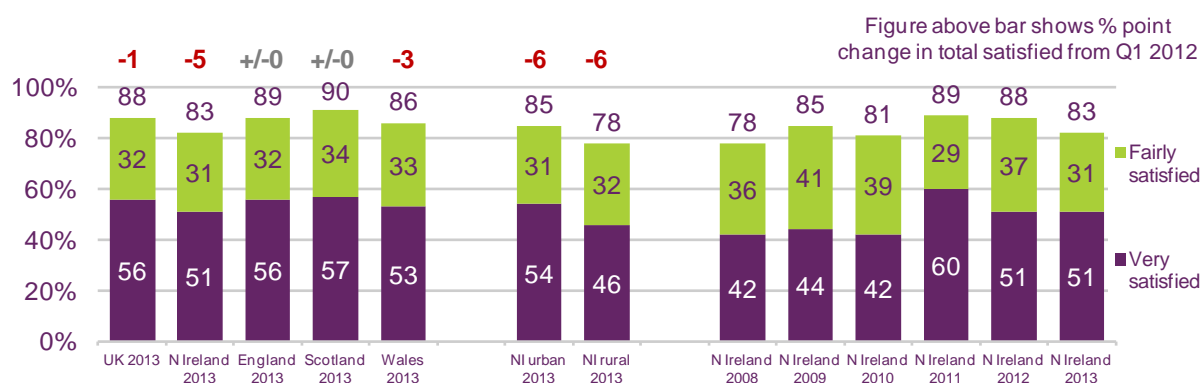
Base: Adults aged 16+ who personally use a mobile phone (n = 3387 UK, 463 Northern Ireland, 2020 England, 464 Scotland, 440 Wales, 237 Northern Ireland urban, 226 Northern Ireland rural)

## 5.5 Satisfaction with telecoms services

### Satisfaction with mobile phone reception declined in the year to Q1 2013

Satisfaction with mobile phone reception in Northern Ireland dipped slightly in the year to Q1 2013, when it was among the lowest across the UK nations (Figure 5.12). Eighty-three per cent of mobile users in Northern Ireland described themselves as being 'very' or 'fairly' satisfied with their ability to access their mobile network in Q1 2013, down from 88% in Q1 2012. Levels of satisfaction were slightly higher in urban (85%) than in rural (78%) areas, probably due to better mobile infrastructure in urban centres. More information regarding consumer views and experiences of mobile reception issues and not-spots can be found in Section 1.3 of this report.

**Figure 5.12 Satisfaction with mobile reception**



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

Source: Ofcom research, Q1 2013

Base: Adults aged 16+ who personally use a mobile phone (n = 3387 UK, 463 Northern Ireland, 2020 England, 464 Scotland, 440 Wales, 237 Northern Ireland urban, 226 Northern Ireland rural, 744 Northern Ireland 2008, 877 Northern Ireland 2009, 658 Northern Ireland 2010, 425 Northern Ireland 2011, 463 Northern Ireland 2012, 463 Northern Ireland 2013)

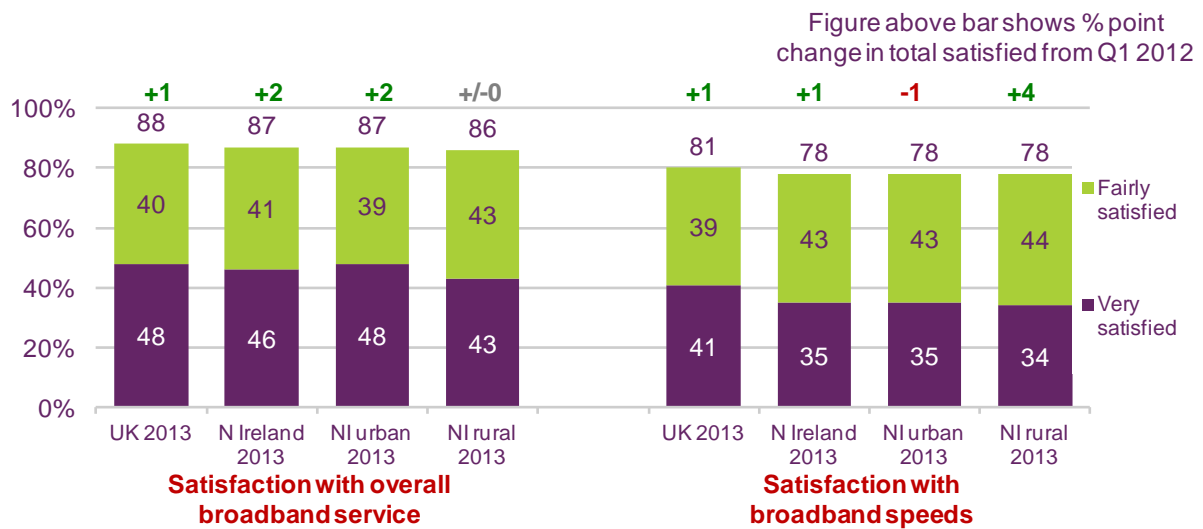
Note: Figures above chart columns indicate the proportion of people who were 'very' or 'fairly' satisfied with their mobile reception

The findings presented in Section 1.3 of this report are from a different source of consumer research to this chart.

### Nearly nine in ten fixed broadband users in Northern Ireland are satisfied with their service

Overall satisfaction with fixed broadband services and satisfaction with fixed broadband speeds remained relatively stable in Northern Ireland, at 87% and 78% respectively in the year to Q1 2013 (Figure 5.13). Satisfaction levels were similar across rural and urban areas, although a smaller proportion of consumers across Northern Ireland as a whole said that they were 'very' satisfied with their fixed broadband speeds in Q1 2013 (35%) than had done in Q1 2012 (44%). As was the case across the rest of the UK, most broadband users in Northern Ireland (72%) were unaware of the advertised speed of their connection, and three-quarters (77%) were unaware of its actual speed.

**Figure 5.13 Satisfaction with fixed broadband service and fixed broadband speeds**



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)?

Source: Ofcom research, Q1 2013

Base: Adults aged 16+ with a fixed broadband connection at home (n = 2548 UK, 351 Northern Ireland, 1562 England, 341 Scotland, 294 Wales, 173 Northern Ireland urban, 178 Northern Ireland rural, 319 Northern Ireland 2008, 388 Northern Ireland 2009, 469 Northern Ireland 2010, 335 Northern Ireland 2011, 331 Northern Ireland 2012, 351 Northern Ireland 2013)

Note: Figures above chart columns indicate the proportion of people who were 'very' or 'fairly' satisfied with their speed of service while online



# 6 Post

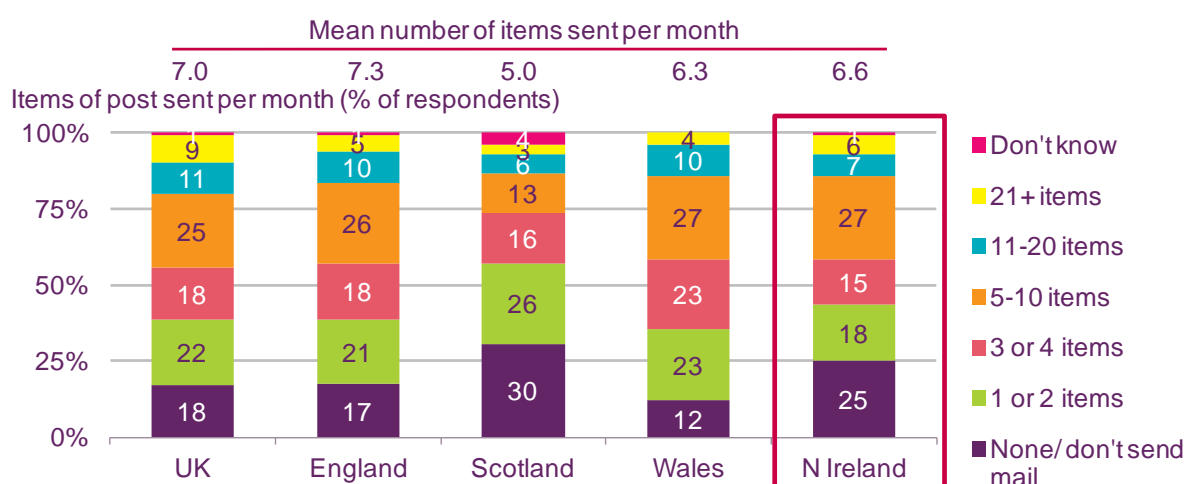
## 6.1 Sending and receiving post in Northern Ireland – residential customers

**One in four residents in Northern Ireland did not send any items through the post in the past month**

Adults in Northern Ireland claim to send an average of 6.6 items of post per month. However, when asked how many items they had posted in the past month, a quarter (25%) had not sent anything.

Of those in Northern Ireland who did send post in the past month, 13% sent at least one item to the Republic of Ireland.

**Figure 6.1 Approximate number of items of post sent in the past month**

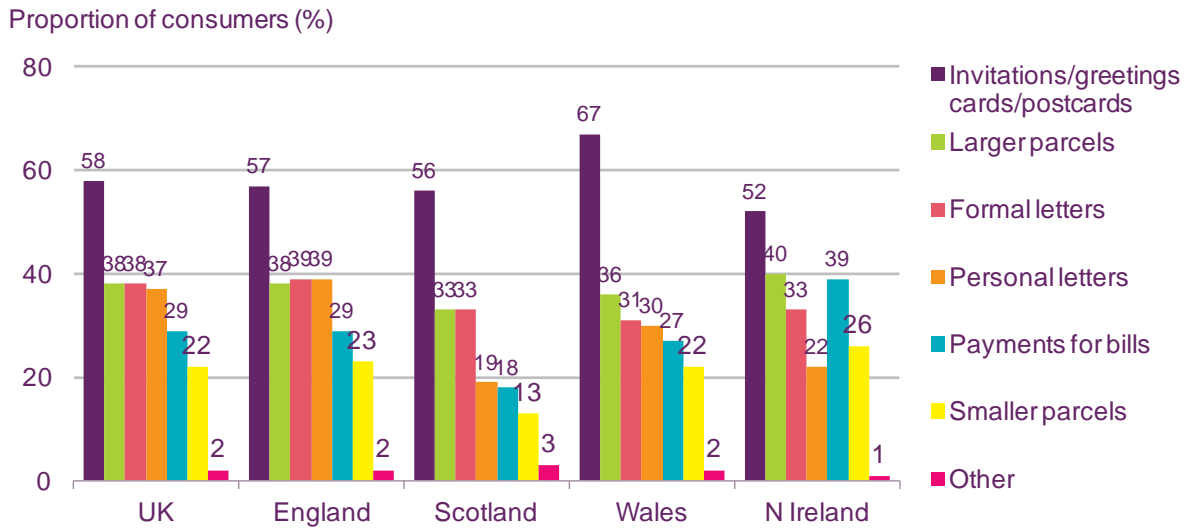


Source: Ofcom Residential Postal Tracker, Q3 2012-Q2 2013  
 Base: All respondents (n = 4844 UK, 2789 England, 811 Scotland, 547 Wales, 697 Northern Ireland)  
 QC1. Approximately how many items of post - including letters, cards and parcels - have you personally sent in the last month?

### Adults in Northern Ireland more likely to send payments for bills through the post

Figure 6.2 shows that twice as many people in Northern Ireland as in Scotland had sent postal payments for bills in the past month (39% v 18%). This is in line with findings in the *Ofcom Media Literacy Survey*, which shows lower use of banking and bill payment online compared to the UK overall (27% vs. 39%).

**Figure 6.2 Type of post sent in the past month**

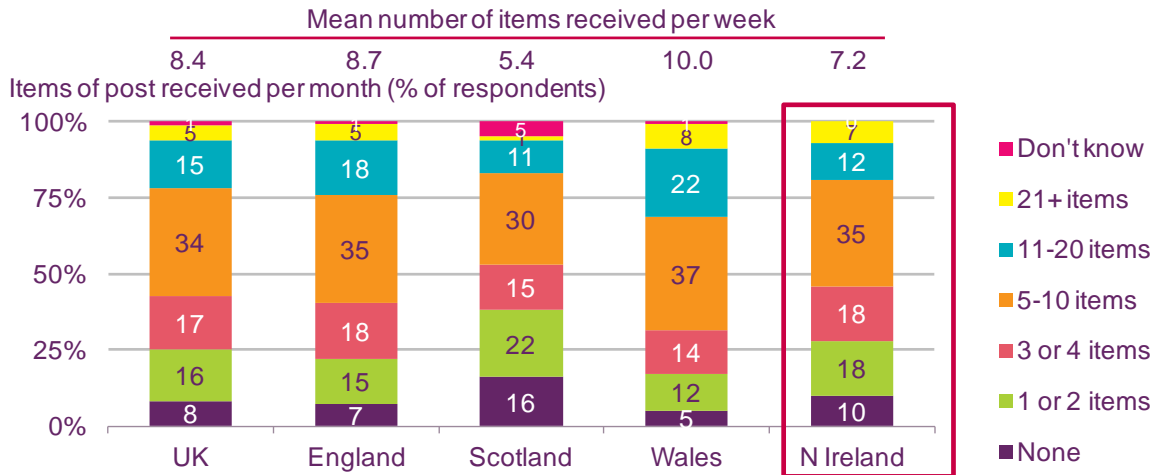


Source: Ofcom Residential Postal Tracker, Q3 2012-Q2 2013  
 Base: All respondents (n = 4844 UK, 2789 England, 811 Scotland, 547 Wales, 697 Northern Ireland)  
 QC5. Which of these types of mail would you say you have personally sent in the last month by post? (MULTICODE)

**Around one in ten adults in Northern Ireland had received no items of post in the past week**

When asked to consider items sent to them (Figure 6.3), people in Northern Ireland say they receive around seven items (7.2) each week, with one in ten (10%) receiving no items by post.

**Figure 6.3 Approximate number of items of post received in past week**



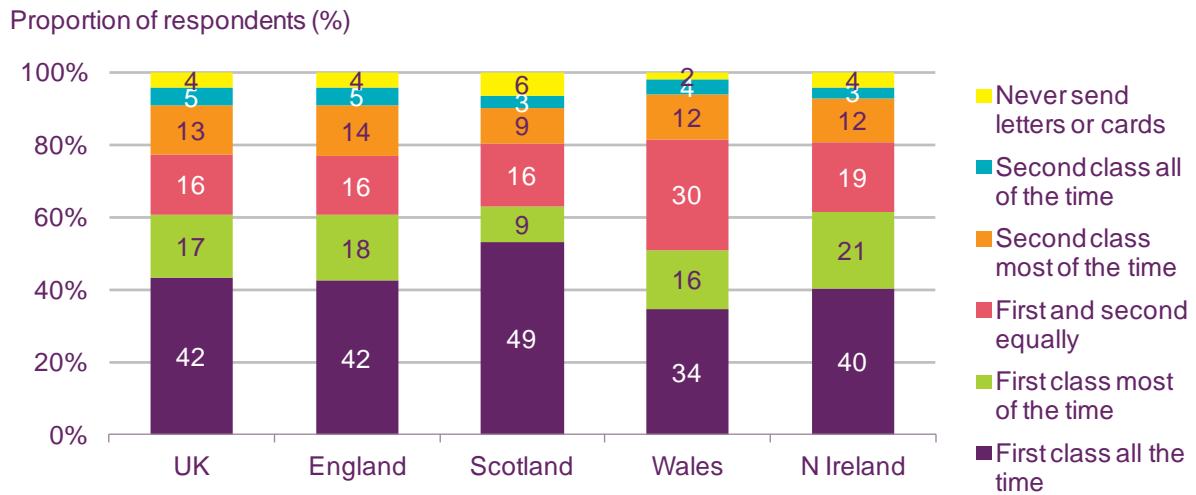
Source: Ofcom Residential Postal Tracker, Q3 2012-Q2 2013  
 Base: All respondents (n = 4844 UK, 2789 England, 811 Scotland, 547 Wales, 697 Northern Ireland)  
 QD1. Approximately how many items of post - including letters, cards and parcels - have you personally received in the last week?



## The majority of people in Northern Ireland use First Class postage when sending items

The majority (93%) of people in Northern Ireland send at least some mail via First Class, with 61% using it most or all of the time. This compares to 89% across the UK as a whole who use a First Class service to send mail.

**Figure 6.4 Services used to send items of post**



Source: Ofcom Residential Postal Tracker, Q3 2012-Q2 2013

Base: All respondents (n = 4844 UK, 2789 England, 811 Scotland, 547 Wales, 697 Northern Ireland) QF6. When sending letters or cards, which service do you use?

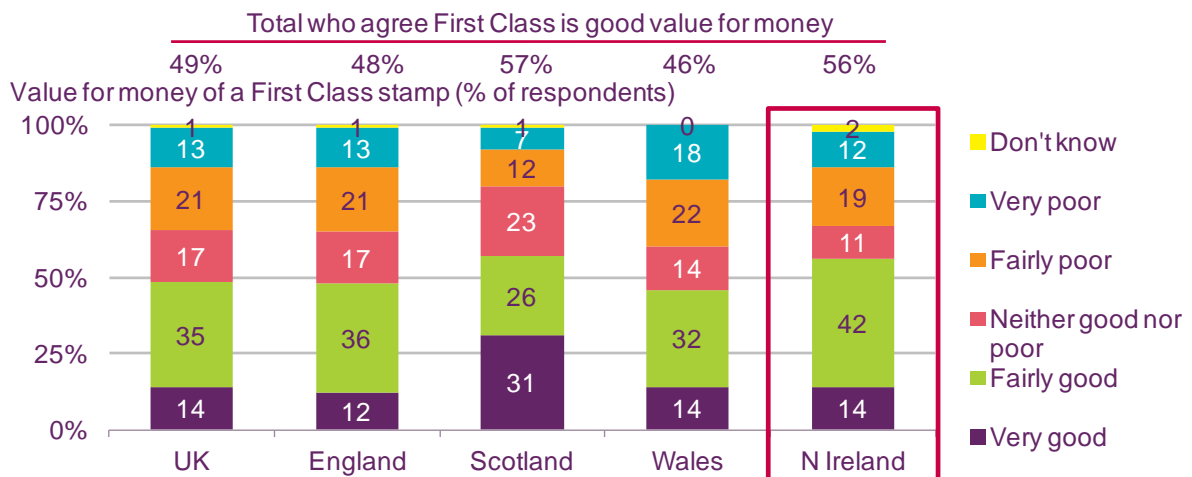
## Stamps considered 'good value' by around half of adults in Northern Ireland

Over half (56%) of people living in Northern Ireland think the Royal Mail First Class service for posting standard letters is good value for money. This is particularly high when compared with the equivalent perceptions of value for money in England and Wales (48% and 46% respectively).

Similarly, the Second Class standard letter service is also more widely perceived to be good value for money compared to the UK as a whole (48% v 40%).

When asked about the cost of posting a letter from Northern Ireland to the Republic of Ireland (87p), 47% of people in Northern Ireland think this is poor value for money with only 32% saying it offers good value.

**Figure 6.5 Value for money of sending post using a First Class stamp**



Source: Ofcom Residential Postal Tracker, Q3 2012-Q2 2013  
 Base: All respondents (n = 4844 UK, 2789 England, 811 Scotland, 547 Wales, 697 Northern Ireland) QF3. It currently costs 60p to send a standard letter First Class within the UK. How would you rate the Royal Mail's First Class service in terms of value for money?

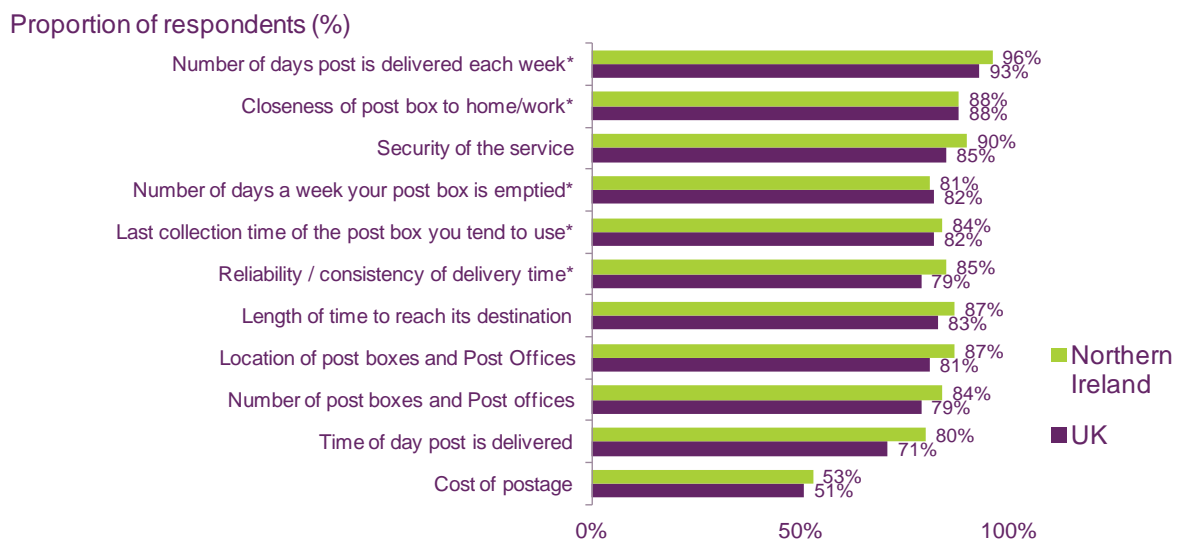
## 6.2 Attitudes towards Royal Mail

### Nine in ten people in Northern Ireland are satisfied with Royal Mail

When asked about their overall level of satisfaction with Royal Mail, the majority of people in Northern Ireland state that they are 'very satisfied' or 'fairly satisfied' (92% v 85% in the UK overall).

Looking at respondents' satisfaction with specific aspects of the service (Figure 6.6), this seems to be primarily driven by satisfaction with delivery times, such as the time of day post is delivered (80% v 71% across the UK) and the reliability of the delivery time (85% v 79%).

**Figure 6.6 Satisfaction with specific aspects of Royal Mail's service**

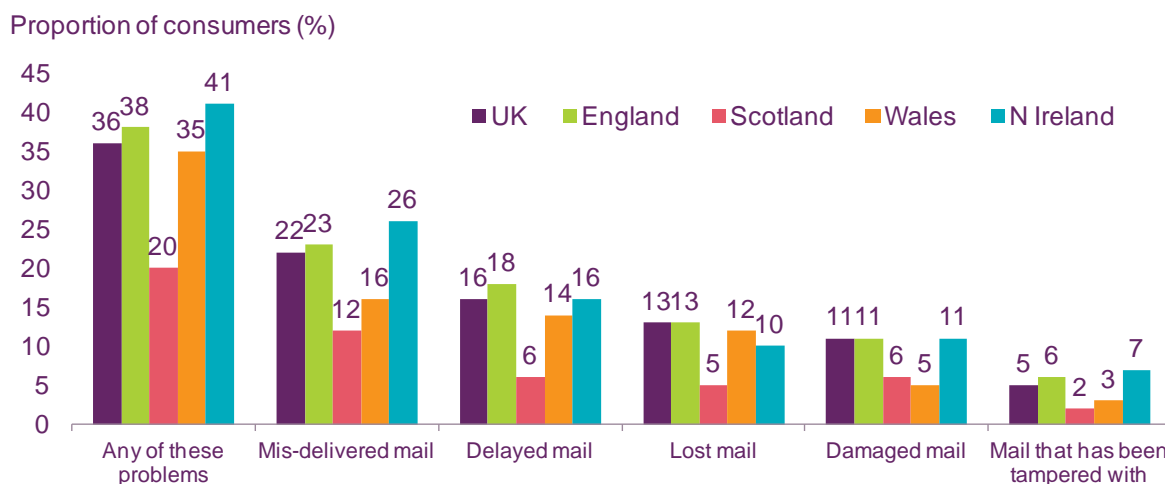


Source: Ofcom Residential Postal Tracker, Q3 2012-Q1 2013  
 Base: All respondents (n = 4844 UK, 697 N Ireland)  
 QE3A-K: SHOWCARD - SATISFACTION WITH ASPECTS OF ROYAL MAIL'S SERVICE  
 \*Base: All respondents (from Q1 2013) (n = 2397 UK, 329 N Ireland)

**More than one in four customers in Northern Ireland have experienced a problem with mis-delivered post in the past year.**

The higher levels of satisfaction with Royal Mail in Northern Ireland are despite the finding that customers in Northern Ireland are more likely to have experienced problems with Royal Mail in the past year. In particular, more than one in four adults in Northern Ireland (26%) say they have had a problem with mis-delivered mail, compared to 16% in Wales and 12% in Scotland. This is post that has been incorrectly delivered to their address, or post for them that has been delivered to someone else's address.

**Figure 6.7 Problems experienced with Royal Mail in past 12 months**



Source: Ofcom Residential Postal Tracker, Q3 2012-Q2 2013

Base: All respondents (n = 4844 UK, 2789 England, 811 Scotland, 547 Wales, 697 Northern Ireland)  
 QG1A-E: Experience of problems with Royal Mail service in the last 12 months (PROMPTED LIST)

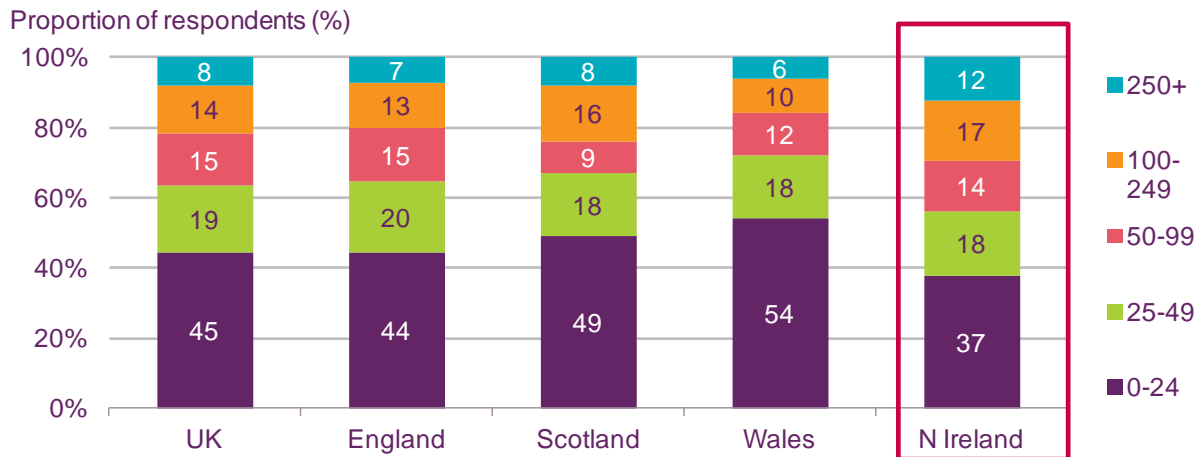
### 6.3 Sending and receiving post – business customers

**Over half of organisations in Northern Ireland say post is ‘core’ or ‘critical’ to their business**

When asked about the role of post within their organisation, 53% of organisations on Northern Ireland say it is ‘core’ or ‘critical’ to their business (compared to 49% across the UK as a whole).

This is reflected in the volume of post sent (Figure 6.8); 29% of businesses send over 100 items of post each month, compared to 22% across the UK as a whole.

**Figure 6.8 Average volume of letters sent each month**



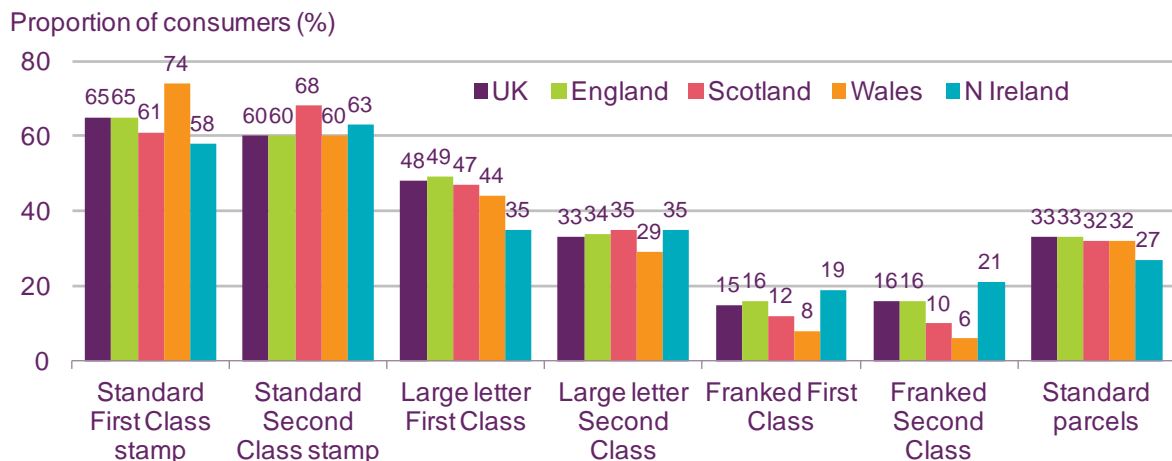
Source: Ofcom Business Postal Tracker, Q3 2012-Q2 2013

Base: All respondents (n = 1604 UK, 1023 England, 214 Scotland, 193 Wales, 174 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.

**Business customers in Northern Ireland are more like to use a franking machine to send mail, compared to the other devolved nations**

As with the rest of the UK, First and Second Class stamps are used most often to send business post in Northern Ireland. However, business customers here are much more likely than organisations in the other devolved nations to frank some of their post each month, with 19% using franked First Class and 21% using franked Second Class.

**Figure 6.9 Royal Mail services used to send letters each month**



Source: Ofcom Business Postal Tracker, Q3 2012-Q2 2013

Base: All respondents using RM standard delivery services (n = 1460 UK, 934 England, 197 Scotland, 168 Wales, 161 N Ireland)

QV6d. Which, if any, of the following Royal Mail services does your organisation use to send your standard mail?