



Communications Market Report: Northern Ireland

Research Document

Publication date:

19 August 2010

Introduction

This is Ofcom's fifth annual review of communications markets in Northern Ireland.

The report offers a detailed overview of Northern Ireland's communications services, compares their take-up and use within different parts of Northern Ireland, and explores the contrasts with other UK nations.

The story of Northern Ireland's communications market in 2009 begins with relatively high levels of take-up of a range of communications services. Nearly nine in ten people (88%) claimed to have a mobile handset in Q1 2010 – putting Northern Ireland on a par with the UK average. 2G mobile signal covers 89% of the population of Northern Ireland (the UK figure is 97%). Higher-speed 3G mobile, which is available to 91% of the UK population, covers 40% of people in Northern Ireland.

70% claim to have broadband in Northern Ireland, up by six percentage points in a year and close to the UK average (71%). Cable broadband is available to 30% of homes in Northern Ireland, compared to the UK-wide figure of 48%. And 100% of fixed exchanges are capable of supporting broadband. But we know that even then, the fixed broadband speeds experienced by consumers depend on a variety of factors. These include the length of the line from the exchange to a customer's premises, and the number of people connected to a single exchange that are logged on to the internet concurrently.

As competition between communications providers intensifies, a growing proportion of homes are taking services in bundles of two or more. Across Northern Ireland, 44% of homes took a bundle, up by five percentage points year on year; again, the gap with the UK average narrowed by one percentage point.

The growing adoption of digital technologies is influencing how people in Northern Ireland are consuming media content. Patterns of television viewing and radio listening remained relatively stable in 2009/10. People in Northern Ireland typically watch 3.5 hours of TV a day and listen to the radio for 3.1 hours (compared to the averages of 3.8 and 3.1 respectively). At the same time, we have found that people in Northern Ireland are making good use of converging media platforms; 38% claimed to watch television over the internet, while 15% did the same with radio services (these compare to the UK-wide figures of 38% and 14%). And a fifth (21%) of people in Northern Ireland are now using their mobile handset to access the internet – broadly on a par with the UK average.

There are also themes that unite the UK's nations. Perhaps one of the more striking is common experience of people who live in rural locations throughout the UK. They are less likely to have access to super-fast broadband, a 3G phone signal, and to have a choice of suppliers through their local fixed telephony exchange. Our research shows that the average broadband speed delivered to premises in rural locations are typically lower than in urban areas; that fixed-line take-up is often higher; and that households are less likely in rural areas to take communications services in bundles.

The consumer research that informs the report's analysis is based on larger regions this year. This has improved the robustness of the research, and its comparability from region to region. In future editions of this report, this will enable us to make more meaningful year-on-year comparisons. As with earlier editions of this report, the detailed data must be seen in the context in which they are collected. Care must be taken in drawing far-reaching conclusions.

These are just a snapshot of the findings from this year's report. The first section (see page 16) compares Northern Ireland's communications market with the UK's other nations. It goes on to examine the impact of the economic cycle on communications markets in Northern Ireland (page 24). It concludes by examining fixed-broadband and mobile not-spots in Northern Ireland (page 31).

The remainder of the report covers television/audio-visual content, radio/audio content, internet-only content/services and the telecommunications sector. In each, we set out in detail an analysis of industry and consumer data. The sections have been restructured to reflect user feedback. The headline findings from the consumer research are set out in a summary 'Fast Facts' table. We have also included consumption of video and audio content over the internet in the 'broadcast' sections (see relevant sections on page 44 and page 73).

Finally, to make this report and its resources more useable to stakeholders we are, for the first time, publishing all the data and charts in a searchable resource. This can be found at www.ofcom.org.uk/cmrrnorthernireland.

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.

Contents

Introduction	1
Fast Facts	4
Key Points	6
1 The market context	13
2 TV and audio-visual content	45
3 Radio and audio content	75
4 Internet and web-based content	91
5 Telecoms and networks	103

Fast Facts

Please read the notes below this table for important context and interpretation. The base used for all the figures in this table is all people/homes in Northern Ireland, with the exception of the digital television (DTV) figures. Statistically significant differences between Northern Ireland figures and the UK are *not* highlighted in this table; as a rule where there is a statistically significant difference, the Northern Ireland figure is below the UK average (DTV is the one exception).

	UK average	NI average	Belfast Met area	Rest of NI	NI Urban	NI Rural	England average	Scotland average	Wales average	UK urban	UK rural
Digital TV take-up among TV homes ¹	92 ↑+2	87	88	87	87	87	92	91	97 ↑+8	92 ↑+2	92
Broadband take-up ²	71 ↑+3	70 ↑+6	73	68	69	72	73	61	64 ↑+6	70	75
Mobile broadband ²	15 ↑+3	14 ↑+6	12	15	16	10	15	12 ↑+5	16 ↑+5	16	11
Mobile phone take-up ³	89	88	87	89	87	90	90	85	89 ↑+4	89	90
Use mobile to access data, inc. the internet ⁴	23 ↑+3	21	21	21	21	23	24	15	23 ↑+5	26 ↑+6	19
3G handset take-up ⁵	26 ↑+4	18 ↑+4	20	17	18	17	26	26 ↑+6	28	26	25
Fixed landline take-up ⁶	85 ↓-2	81	81	81	79	87	86	79	79	84	91
Households taking bundles ⁷	51 ↑+5	44	54	38	45	41	52	44	44 ↑+9	51	48
Watching video online ⁸	38 ↑+4	38	41	36	39	36	40	28 ↑+7	28	38	41
Use of social networking ⁹	40 ↑+10	37 ↑+9	39	35	37	36	42	27 ↑+7	37 ↑+12	40	42
Current use of VoIP ⁹	15 ↑+5	15 ↑+6	18	13	15	15	16	10	15	15 ↑+3	18 ↑+5

XX	Figure is higher than that nation's average	XX ↑+xx	Figure has risen by xx percentage points since 2009
XX	Figure is lower than that nation's average	XX ↓-xx	Figure has fallen by xx percentage points since 2009

Notes: 1. The data in this table are based on the results from a consumer survey of over 9,000 UK adults. The large sample size allows us to make robust comparisons between geographic areas of the UK's nations and regions. Statistically significant differences from the nation's average (that we can be 95% confident in) are indicated by red and green boxes and arrows are used to indicate where there has been a statistically significant change from quarter 1 2009. A statistically significant difference means that we can be 95% confident that the difference is real (i.e. a data points higher or lower) – but we cannot be as confident as this in the extent of the difference. 2. It should be noted that the information presented in this table is subject to the same risks of sample error that you would expect to find in any survey research. So, whilst we can be 95% confident that the changes marked by green or red boxes and arrows are real changes, this does mean that we would expect around 1 in 20 of the apparently statistically significant changes marked to be a result of sample error – rather than being a result of real change. 3. Note that in case the base used is all respondents in the indicated area. This allows each figure to be reported as a proportion of all respondents in that area, and each figure in this table is reported on a consistent basis. The figures will not, however, always match those that are reported in the body of this report – for example digital television take-up, which in the table is reported as 'Proportion of all respondents', is analysed in the report as 'Proportion of all respondents with television'.

Ofcom research Q1 2010

Base: All adults aged 15+ (n = 9013 UK, 761 Northern Ireland, 5709 England, 1468 Scotland, 1075 Wales, 501 Northern Ireland urban, 260 Northern Ireland rural, 349 Belfast metropolitan area, 412 Rest of Northern Ireland)

Questions

¹Which, if any, of these types of television does your household receive at the moment?

²Which of these methods does your household use to connect to the Internet at home?

³Do you personally use a mobile phone?

⁴Which if any, of the following activities, other than making and receiving voice calls, do you use your mobile for?

⁵Do you personally use a 3G mobile handset?

⁶Is there a landline phone in your home that can be used to make and receive calls?

⁷Do you receive any of these services as part of an overall deal or package from the same supplier?

⁸Which, if any, of these do you or members of your household use the Internet for whilst at home?

⁹Have you or anyone in your household ever used one of these services to make voice calls using the Internet at home?

Key points: TV and audio-visual content

The key points in this report relating to television and audio-visual content include:

- **Digital television (DTV) take-up in Northern Ireland stood at 87% in Q1 2010;** this was below the UK-wide average of 92%. This may be explained in part by Northern Ireland being one of the last nations to go through the digital television switchover process (**page 64**).
- **The most widely-used TV platform in Northern Ireland was satellite,** with 43% of people identifying it as their primary viewing platform; DTT followed at 28%. Cable television accounted for 12% of homes, with 1% having access to DTV via a broadband DSL line (**page 65**).
- **Fifty-five per cent of DTV homes in Northern Ireland took a pay-TV service** such as Sky or Virgin Media in Q1 2010. This was slightly higher than pay-TV take-up in Scotland (52%), Wales (53%), and in England (54%). This may also reflect the higher levels of satellite take-up in Northern Ireland and lower availability of Freeview (**page 66**).
- **People in Northern Ireland watch less TV than the UK average**
During 2009, people in Northern Ireland watched an average of 3.5 hours of television per head per day, 8% less than the UK average (3.8 hours per person per day). However, average viewing levels have increased in Northern Ireland, rising by 5% since 2004, compared to the UK-wide increase of 1%.
- **Online TV viewing is high in the Belfast metropolitan area**
Thirty-eight per cent of people in Northern Ireland watch TV online, which is level with the UK average. It is most popular in the Belfast metropolitan area, where 41% of people watch TV online.
- **PSB viewing in all homes in Northern Ireland fell in 2009, but less than elsewhere in the UK**
The reduction in the combined audience shares of the five main PSBs was less in all homes in Northern Ireland than the UK average reduction (a decline of nine percentage points versus a decline of 16 percentage points).
- **The BBC and UTV spent £25m on TV programmes for viewers in Northern Ireland in 2009, down 11% from 2008**
The BBC and UTV spent a combined total of £25m on TV programmes for viewers in Northern Ireland, down 11% year on year from £28m. Spend on programmes aimed specifically at Northern Ireland audiences represented 10% of total spending on nations and regions programming, up from 9% in 2008 (**page 51**).
- **Early evening news bulletins attract higher viewing shares in Northern Ireland than elsewhere in the UK**
Viewers in Northern Ireland had a high level of consumption of early evening television regional news bulletins in 2009, watching an average of 20.6 hours each year – nearly three hours more than the UK average.
- **Television (50%) is the main source of Local news for people living in Northern Ireland**
Ofcom consumer research shows that half (50%) of people in Northern Ireland

claimed that television was their main source of local news, with 20% giving radio as their main source and 15% stating newspapers. The television figure was in line with the UK average of 49%. The radio figure (20%) was above the UK average of 11%. Newspapers, at 15%, were below the UK average of 22%.

- **UTV is the only regional news provider which has a higher viewing share of regional news than the BBC.**

UTV regional early-evening news bulletins have an audience share of 34% of homes in Northern Ireland, higher than BBC Northern Ireland which has a 26% audience share. Northern Ireland is the only nation in the UK in which the BBC regional news bulletin does not attract the highest audience share.

- **TV programmes produced specifically for viewers in Northern Ireland stood at 969 hours, down 15.1%**

The number of non-network hours produced primarily for viewers in Northern Ireland was 969, less than for any of the other nations. Northern Ireland saw the sharpest decline in hours of output produced for the nation in 2009, down by 15.1% year on year. This compared to a UK-wide average decline of 12.4% (**page 54**).

- **The number of current affairs hours for Northern Ireland increased in 2009**

Despite the overall reduction in hours, the number of hours of current affairs programming produced by the BBC and UTV increased by nine hours in 2009 to 75 hours. News hours fell by 45 hours to 662. This was attributed to UTV decreasing its hours of news by 20%, to 245 hours. Non-news/non-current affairs programming produced by the BBC and UTV was down by a combined 137 hours (37%) to 232 hours (**page 62**).

- **Consumers in Northern Ireland were more likely to buy HD-ready TVs or DVRs than the UK as a whole**

Nearly a third of consumers in Northern Ireland (29%) claimed to have bought a HD-ready TV in the last 12 months, seven percentage points more than the UK average of 22%. Fifteen per cent of respondents in Northern Ireland also claimed to have bought a DVR, almost double the UK wide average of 8%.

Key points: Radio and audio content

The key points in this report relating to radio and audio content include:

- **Just over a fifth (22%) of radio listeners in Northern Ireland claimed to own at least one DAB digital radio set** in Q1 2010 (UK average 38%). This was the lowest of the UK nations, with ownership in England at 39%, Scotland 36% and Wales 29%. One fifth of respondents in Northern Ireland without a DAB radio set said they were likely to purchase one in the next twelve months, higher than the UK-wide average of 17% (**page 84**).
- **Radio listening via digital platforms** (including listening via DAB set, DTV, or online), had reached **14% of all radio listening hours in Northern Ireland** by Q1 2010. This was up by 2.6 percentage points on the previous year, but was still ten percentage points below the UK average digital share of 24% of hours. This was highest in England, where a quarter of all radio hours were via a digital platform, followed by Scotland and Wales, both at 22%. (**page 87**).
- **Listening to the radio over the internet had been tried by almost one in six** radio listeners (16%) in Northern Ireland, compared to the UK average of one in five (20%). Eight per cent in Northern Ireland listen online at least once a week (UK average 9%) (**page 86**).
- The **use of MP3 players was highest in Northern Ireland**, with over a third (37%) of adults using an MP3 player or iPod - five percentage points higher than the UK average of 32%. Forty five percent of respondents in Northern Ireland claimed that they, or someone in their household, owned an MP3 player / iPod, also higher than the UK average of 40%. Those in the Belfast area were the most likely to use an MP3 / iPod (42% compared to 33% across the rest of the country) (**page 85**).
- **BBC spend on radio services for Northern Ireland equated to £11.12 per head in Northern Ireland in 2009/10, up by 2.2%**. The BBC spent £18.8m on radio services for listeners in Northern Ireland in 2009/10, up by £0.4m (2.2%) year on year. Spend per head was the second highest of the UK nations at around £11.12 per person, lower than Wales (£11.21), but higher than Scotland (£7.82) and England (£2.82) (**page 79**).
- **Listening to BBC Ulster/Foyle was down in 2009**
Thirty six percent of adults (520,000) listened to BBC Radio Ulster / Foyle in an average week in Q1 2010. This was down by 1.5 percentage points on last year, but it remained the BBC's nations' service with the highest reach. The listening share of BBC Radio Ulster was equivalent to 23% of all listening in Northern Ireland, down by 0.4pp in a year but higher than the other BBC nations' share (UK average 9%). (**page 83**).
- **Commercial radio revenue per head the second highest in the UK**
Revenue generated by local commercial radio stations in Northern Ireland reached around £12.6m in 2009, down by £1.7m or 12% year on year. This was in line with the UK as a whole, with revenues also falling by 12% in 2009. Revenue in Northern Ireland equated to £7.62 per head in 2009, down by £1.01 on 2008 – this was the second highest average revenue per head in the UK (**page 79**).

- **11 community stations are now serving Northern Ireland**

There are currently 11 community radio stations broadcasting in Northern Ireland, with a further two stations (for services in Lisburn and Bangor) yet to go on air. The 11 stations on air serve local communities in Aldergrove / Antrim, Ballykinler, Banbridge, Belfast, Derry / Londonderry, Downpatrick, Holywood, Lisburn, and Newry. One in five people in Northern Ireland (20%) claimed that radio was their main source of local news, nine percentage points above the UK average of 11%. **(page 77)**.

Key points: internet and web-based content

The key points in this report relating to internet and web-based content include:

- **Mobile broadband take-up has continued to grow**
Fourteen per cent of people in Northern Ireland now use mobile broadband, an increase of six percentage points since last year. Mobile broadband take-up is higher in areas outside Belfast than in the Belfast metropolitan area.
- **Awareness of mobile broadband increased by 10 percentage points**
Awareness of mobile broadband in Northern Ireland grew by ten percentage points to reach 60%. This was slightly behind the UK average (64%), but similar to Scotland (61%) and Wales (60%).
- **Only a minority use their mobile phones to access the internet**
Sixteen per cent of people in Northern Ireland claim to have used their mobile phones to access the internet. This is in line with the UK average, and substantially ahead of Scotland (9%).
- **People living in urban areas are more likely to choose not to have the internet**
Twice as many people living in urban areas of Northern Ireland (11%) choose voluntarily not to have internet access, compared to those in rural areas (6%). Across the UK the average is 8%.
- **A third of people in Northern Ireland use social networking sites**
At 36%, use of social networking sites is similar to the UK average (40%). Take-up is similar to Wales (37%) and higher than in Scotland (27%). A quarter of people in Northern Ireland use these sites at least weekly.
- **Four in ten households in the Belfast area use the internet for banking**
Forty-one per cent of people in the Belfast metropolitan area use the internet for banking purposes, higher than the Northern Ireland average (36%) and approaching the UK average (43%).
- **One in six people in Northern Ireland accesses health information online**
In Northern Ireland 17% of people have used the internet to find out health-related issues, a similar level to Wales (19%) and Scotland (14%), but lower than the UK average (27%).

Key points: Telecoms and networks

The key points in this report relating to telecoms and networks include:

- **Ownership of a fixed-line home phone is lower than the UK average and falling**
81% of people in Northern Ireland currently have a fixed-line home phone, compared with the UK average of 85%. Fixed-line take-up in Northern Ireland has seen a fall of six percentage points year on year, the largest decrease among all the nations.
- **Broadband take-up in Northern Ireland has reached 70%**
Broadband take-up in Northern Ireland grew by six percentage points to reach 70%. This is similar to average take-up across the UK (71%).
- **Northern Ireland has a high proportion of mobile-only households**
In Northern Ireland 18% of households are mobile-only, compared to 14% across the UK. 21% of urban households in Northern Ireland have a mobile phone but no landline, compared to 13% of rural households.
- **Northern has the highest growth rate in households connected to an LLU-enabled exchange**
Northern Ireland saw a 59 percentage point increase in the proportion of households connected to an LLU-enabled exchange since 2006, the highest growth rate among the UK nations over this period. Urban households are more than twice as likely as rural ones to be able to access LLU broadband services.
- **Pay-as-you-go mobile phones are more popular in Northern Ireland (64%) than in the UK as a whole**
Pre-pay mobile phones are more popular in Northern Ireland (64%) and in other devolved nations than in England (52%). Despite this, the proportion of pre-paid mobiles in Northern Ireland has fallen by 4% over the last year, compared to 1% across the UK.
- **Consumers in Northern Ireland are less satisfied with their fixed-line service than the UK as a whole**
Fewer fixed-line telephony customers in Northern Ireland were satisfied with the value for money of their service (75%) than in the UK as a whole (83%). However, satisfaction with value for money has increased by 6% in comparison to 2009.
- **2G mobile population coverage in Northern Ireland reached 89% in 2010, but coverage for 3G was only 40%**
2G population coverage was below the UK average of 97% but higher than in Scotland (87%). 3G population coverage was also below the UK average of 87% and represented the lowest figure among the nations. These numbers only include postcode districts where mobile coverage stands at 90% or more; it is a conservative coverage estimate.
- **3G take-up is below the UK average and lowest among the nations**
Although mobile ownership is consistent with the rest of the UK at 88%, use of 3G mobile handsets is lower, at 18% of Northern Ireland adults, compared to 26% across the UK.

- **Consumers in Northern Ireland are more likely to cut their spending on mobile phones and pay TV subscriptions than those in the UK as a whole**
When selecting products or services to cut back on, respondents in Northern Ireland were more likely to reduce spending on mobile phones (22%) compared to the UK average (17%). Consumers in Northern Ireland were also more likely to cut their pay TV subscription compared to the UK as whole (20% in Northern Ireland vs 14% in the UK).



The Communications Market in Northern Ireland

1 The market context

1.1 Northern Ireland: setting the scene

Key facts

Figure	Nation	UK
Population	1.775m (<i>estimated mid-2008</i>); population is estimated to have risen by 5.1%, or 86,000 people, since census in 2001	Approximately 3% of UK population
Population density	131 people per sq km, compared to 130 in 2007 and 128 in 2006.	246 people per sq km
Urban versus rural	Approximately 580,000 people live in the Belfast metropolitan area – around a third of population 35% of population live in a rural area	n/a
Language	Approximately 170,000, or 10.4%, have some knowledge of Irish Approximately 30,000, or 2%, claimed to be able to speak Ulster Scots. ¹	Ulster Scots is the first language for 0.1% of the UK population Gaelic is the first language for <0.1% of the UK population
Unemployment	6.6% of working population	7.2% of working population
Income and Expenditure	Weekly household income: £616 Weekly household expenditure: £479.70	Weekly household income: £669 Weekly household expenditure: £459.70

Source: Northern Ireland Statistical Research Agency, Office for National Statistics, 2001 Census, http://www.statistics.gov.uk/downloads/theme_social/Family-Spending-2008/FamilySpending2009.pdf

Research

A note on the Northern Ireland survey data

We conducted face-to-face surveys of 9,013 adults in the UK, with 761 interviews conducted in Northern Ireland. Fieldwork took place in January and February 2010.

Some of the survey data in this report are split by geographic areas of Northern Ireland.

The Belfast Metropolitan Area is defined as the city councils of Belfast and Lisburn and the borough councils of Carrickfergus, Castlereagh, Newtownabbey and North Down. It was identified by the Planning Service, an agency of the Department of the Environment, to provide a planning framework to facilitate growth and high-quality development.

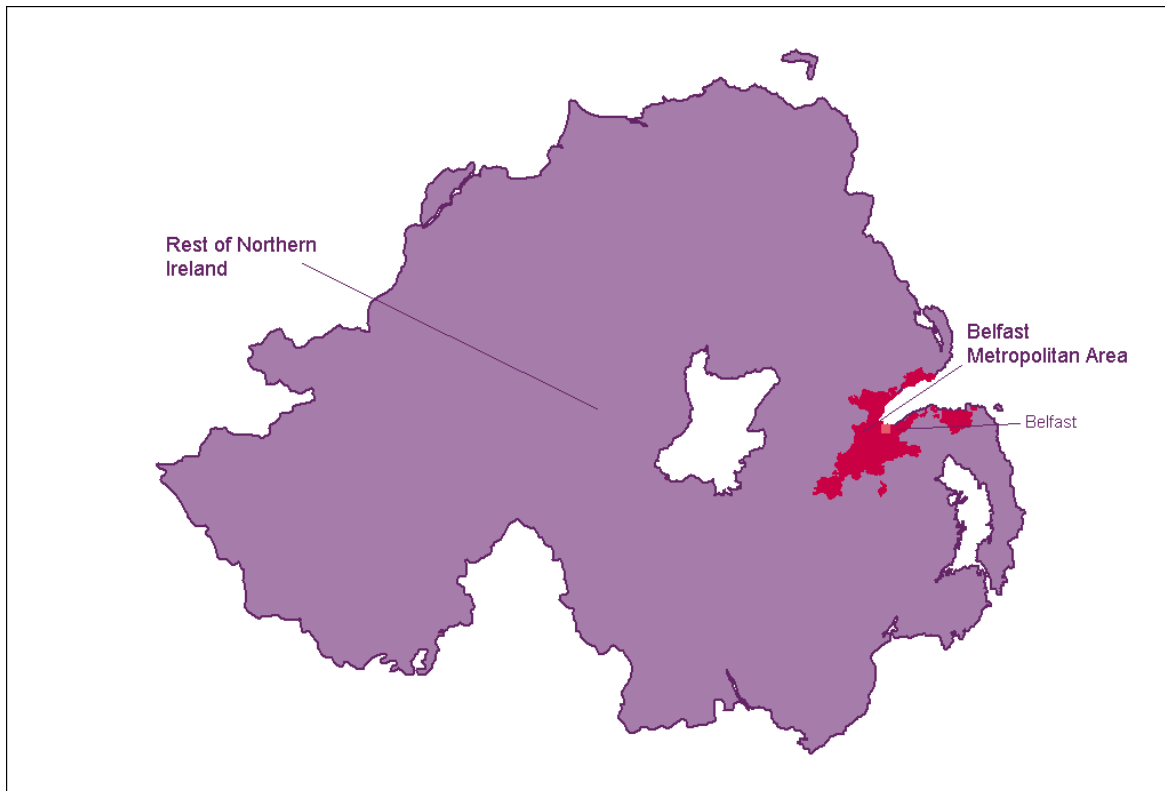
¹ 1999 Northern Ireland Life and Times Survey. Research undertaken by the Ulster Scots Agency, however, puts the figure as high as 100,000.

Respondents were defined as urban if they lived in a settlement with a population of 2000 or more, and rural if they lived in areas with smaller populations.

In addition to the survey data, this report refers to data from a range of other sources, including data provided to Ofcom by stakeholders.

A direct comparison between 2009 and 2010 data from specific geographic areas is not possible as they vary between years.

Figure 1.1 Map of research areas in Northern Ireland



Based on Ordnance Survey data, National Statistics Postcode Directory and data from Northern Ireland

Source: Ordnance Survey © Crown copyright 2010; Office for National Statistics; 2008 NISRA - Northern Ireland Statistics and Research Agency

1.2 Northern Ireland's communications market in the UK context

This section sets out a selection of headline figures for Northern Ireland's communications market, putting them into a UK-wide context.

1.2.1 Availability of communications platforms and services in Northern Ireland

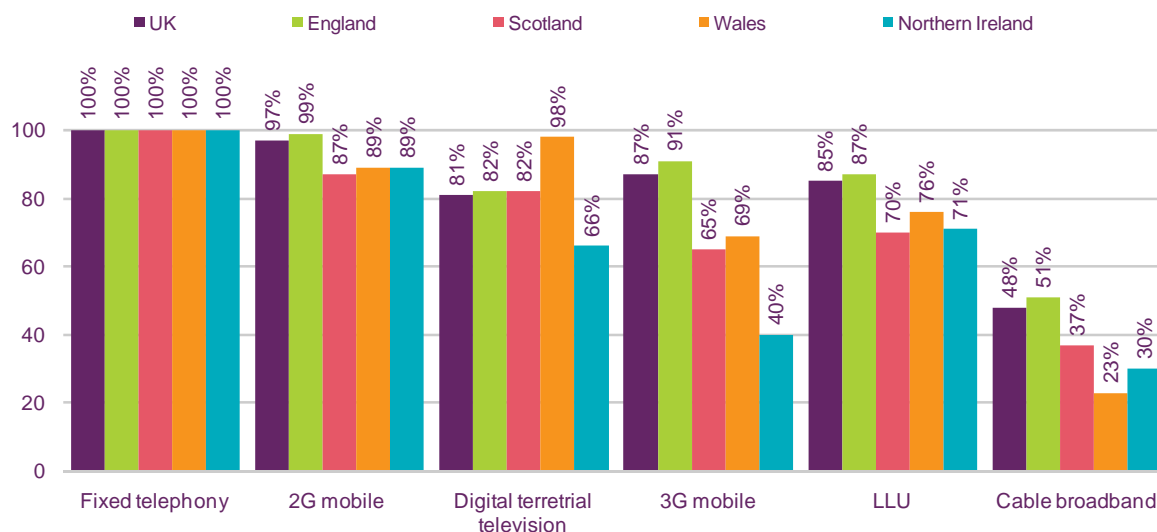
All homes in Northern Ireland are connected to a broadband-enabled telephone exchange, although speeds and services may vary

Figure 1.2 illustrates the availability of communications services in Northern Ireland. It compares coverage levels to the comparable figures for the other UK nations and the UK-wide average. With many communications services now well established, service availability in Northern Ireland changed little between 2009 and 2010.

Coverage of communications services in Northern Ireland varied from universality for some, to those that extend to only a minority of the population:

- Digital terrestrial television availability offering the full channel line-up was available to 66% of Northern Ireland's population in 2010. This figure is the lowest among the UK nations, and coverage is now near-universal in Wales, where the switchover process has been completed. Switchover in Northern Ireland, scheduled for 2012, will result in rising levels of coverage as the DTT signal power is increased.
- Broadband is available to all homes and commercial properties in Northern Ireland – normally delivered over a standard fixed phone line. But factors such as line length and contention influence the actual broadband speed at customer premises. Those living long distances from the local exchanges will not be able to get broadband, but subsidised satellite broadband is available as an alternative. Cable broadband, offering access to a high-speed internet service, is available to 30% of homes in Northern Ireland, the second lowest coverage level in the UK.
- 2G mobile services were available to available to 89% of people in Northern Ireland; this was second only to England (99%). 3G population coverage is lower than 2G (at 40%), and coverage in Northern Ireland was the least extensive among the four UK nations.
- The universal service obligation on fixed line telephony services and dial-up internet access means that it is available to all premises in Northern Ireland, in common with the other UK nations.

Figure 1.2 Communications infrastructure availability across the UK's nations, 2010



Sources: Ofcom

1. Proportion of population living in postal districts where at least one operator reports at least 90% 2G area coverage. Sourced from GSM Association / Europa Technologies (Q1 2008). Note that coverage data has been restated; this means that year-on-year comparisons are not possible.
2. Proportion of population living in postal districts where at least one operator reports at least 90% 3G area coverage. Sourced from GSM Association / Europa Technologies (Q1 2008). Note that coverage data has been restated; this means that year-on-year comparisons are not possible.
3. Proportion of premises able to receive DSL services based on data reported by BT
4. Proportion of households passed by Virgin Media's broadband-enabled network
5. Proportion of households connected to an LLU-enabled exchange
6. Availability of 17 services from; figures based on Ofcom estimates.
7. New DAB coverage estimates are forthcoming. Ofcom is currently leading a process to consider the future spectrum planning requirements of digital radio, to prepare for the digital radio upgrade and to make recommendations to Ministers.

1.2.2 Take-up of communications platforms and services in Northern Ireland

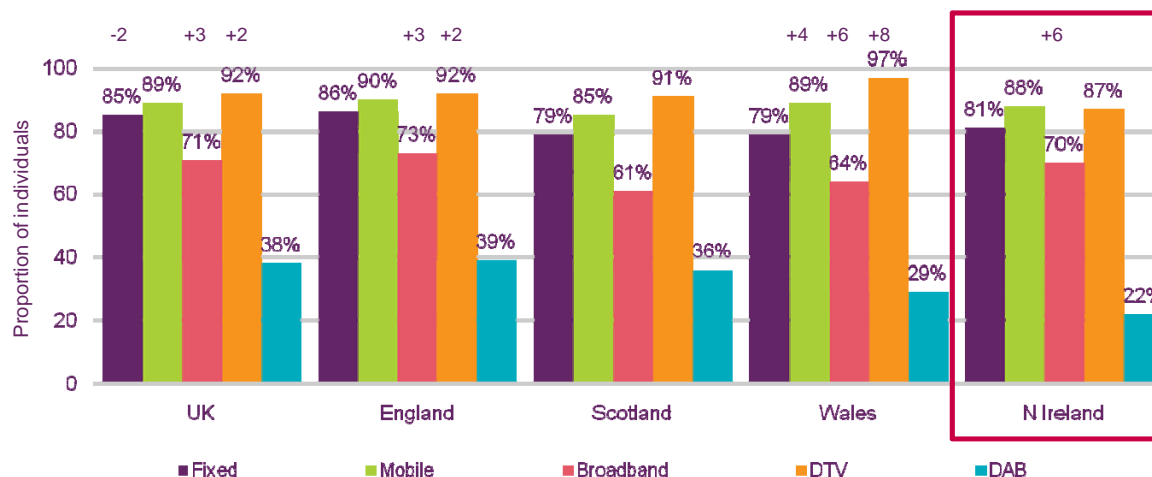
Take-up of DAB sets in Northern Ireland is low relative to the UK average

Take-up of communications services in Northern Ireland remained relatively flat year on year (Figure 1.3):

- Just over eight in ten (81%) of people in Northern Ireland claimed to have a fixed telephone line at home. This compares to the UK-wide average of 85%, and is broadly on a par with Scotland and Wales. Take-up in England, by contrast, stood at 86%. The gap with the UK-wide average narrowed by two percentage points year on year.
- Broadband take-up in Northern Ireland is highest among the smaller nations; in England take-up stood at 73% in Q1 2010. The figure rose by six percentage points year on year – a rate of growth comparable to that in Wales, and the highest among the UK's four nations. As a result, the margin between this figure and UK-wide take-up narrowed by three percentage points.
- Mobile phone take-up in Northern Ireland, at 88% of individuals, was broadly comparable to the UK-wide average of 89% in Q1 2010. Ownership of mobile

handsets in Northern Ireland was in line with take-up in England and Wales, and higher than that in Scotland. There continued to be a one percentage point difference in take-up with the UK-wide figure.

Figure 1.3 Patterns of communications service adoption across the nations of the UK, 2010



Source: Ofcom research, Q1 2009

Fixed line base: All adults aged 15+ (n = 6090 UK, 3437 England, 1014 Scotland, 987 Wales, 652 Northern Ireland)

Fixed line question: Is there a landline phone in your home that can be used to make and receive calls?

DTV base: Adults aged 15+ with a TV in the household (n= 6001 UK, 3389 England, 1002 Scotland, 970 Wales, 640 Northern Ireland)

DTV question: Which, if any, of these types of television does your household use at the moment?

Broadband base: All adults aged 15+ (n = 6090 UK, 3437 England, 1014 Scotland, 987 Wales, 652 Northern Ireland)

Broadband question: Which of these methods does your household use to connect to the internet at home?

DAB base: Adults aged 15+ who listen to radio (n= 5016 UK, 2819 England, 780 Scotland, 848 Wales, 569 Northern Ireland)

DAB question: How many DAB sets do you have in your household? Response represents those with one or more sets.

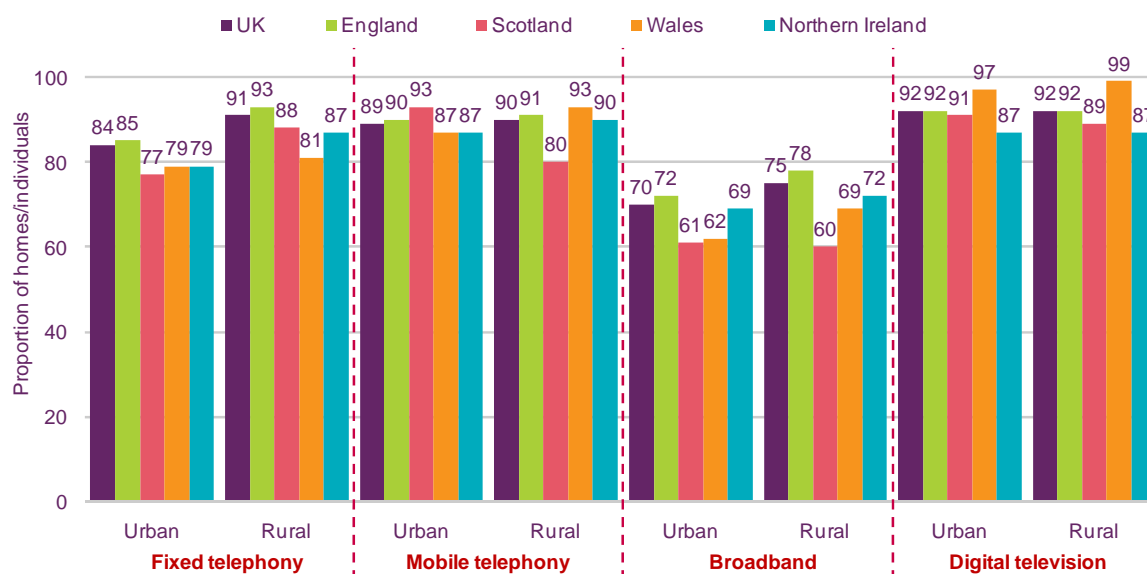
Note: Remaining percentages are Don't know responses

Mobile base: All adults aged 15+ (n = 6090 UK, 3437 England, 1014 Scotland, 987 Wales, 652 Northern Ireland)

Mobile question: Do you personally use a mobile phone?

Patterns of communications service take-up among people living in urban and rural locations vary by service and type nation. Take-up of fixed telephony services in Northern Ireland is higher among homes situated in rural locations (87% versus 79% in urban locations). Take-up of broadband (fixed or mobile) is also higher in rural locations (69% versus 72%). Mobile take-up among people in rural locations, at 90% was a little higher than among urban dwellers (87%). There is no material difference in the proportion of homes with digital television.

Figure 1.4 Adoption of communications technology/service in urban and rural locations



Source: Ofcom research, Q1 2010. For questions see notes beneath Figure 1.3.

1.2.3 Consumer take-up of bundled services in Northern Ireland

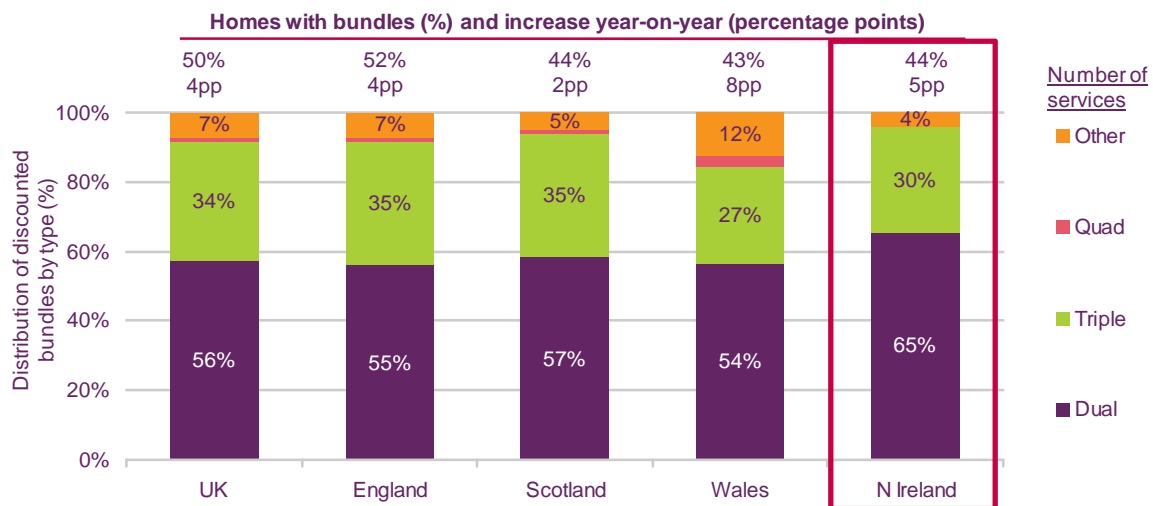
44% of homes in Northern Ireland took a bundle of communications services, up by five percentage points year-on-year

Across the UK, 50% of homes took a bundle of communications services in Q1 2010. This was up by four percentage points year on year. The most popular type of bundle – taken by more than half (56%) of those who chose a bundle – was a ‘dual’ package of services such as fixed-line telephony and broadband.

In Northern Ireland, 44% of homes took a bundle. Their popularity grew during 2009, with take-up rising by five percentage points over the year. As a result, the gap with the UK-wide average narrowed by one percentage point to six percentage points. Bundles were marginally more popular in Northern Ireland than in Wales and on a par with take-up in Scotland; a larger proportion of homes in England took bundles (52%).

The distribution of bundles by type in Northern Ireland was noticeably different from the UK-wide average. Sixty-five per cent of those who bundled chose the dual package, in contrast to 56% of those who bundled across the UK. Triple-play and other bundles were less popular compared to the UK-wide figures.

Figure 1.5 Take-up of bundles, by nation



Source: Ofcom research, Q1 2010

Source: Ofcom research, Q1 2010

Base: All adults aged 15+ with a package of services regardless of whether or not these include a discount (n = 4167 UK, 2793 England, 605 Scotland, 437 Wales, 332 Northern Ireland)

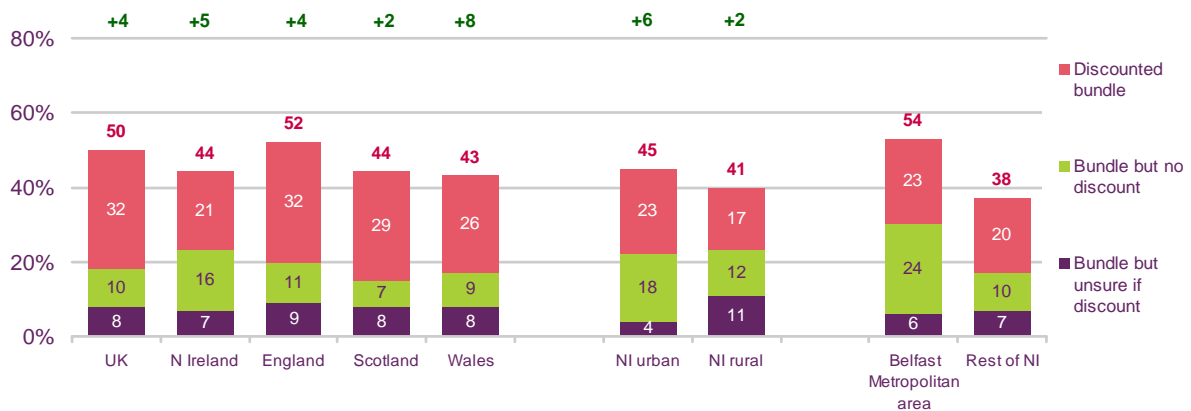
Notes: 1. Remaining percentages are Don't know responses. 2. Bundling is also considered in the UK report; that analysis is based on bespoke research, with a headline bundling figure of 48% (not 50%). The difference arises from different definitions of bundles used in the two pieces of research. In this report a bundle is defined as one where all services are on a single bill, with or without discount. In the UK report research, the definition was of two or more services from one supplier on a single bill and receiving a discount.

Consumers in the Belfast metropolitan area most likely to take bundles of communications services

Across Northern Ireland, take-up of bundles is lower in rural (41%) than in urban (45%) locations. This may reflect the fact that these areas are less well-served by both cable and unbundled exchanges than the rest of the UK, reducing the supply of bundles and discounted packages available. Take-up peaked at 54% of homes in the Belfast Metropolitan Area (above the UK-wide average of 50%).

Figure 1.6 Proportion of customers buying bundled services, 2009-2010

Figure above bar shows % point change in any bundling from Q1 2009



Source: Ofcom research, Q1 2010

Base: All adults aged 15+ (n = 9013 UK, 1468 Scotland, 5709 England, 1075 Wales, 761 Northern Ireland, 1172 Scotland urban, 296 Scotland rural, 368 Glasgow, Clyde & Lanarkshire, 357 Lothian & Forth Valley, 363 Grampian Tayside & Fife, 380 other Scotland)

QG1. Do you receive more than one of these services as part of an overall deal or package from the same supplier? QG3b. Do you receive a discount or special deal for subscribing to this package of services?

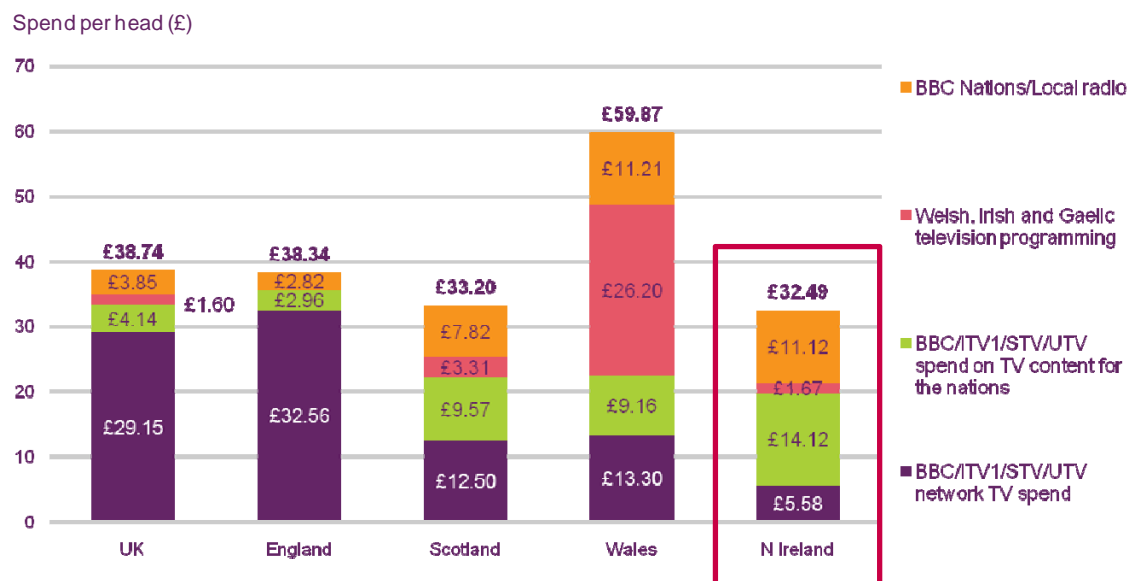
1.2.4 Spending by public service broadcasters on television and radio content in Northern Ireland

Figure 1.7 illustrates patterns of expenditure in Northern Ireland on broadcasting output. It adjusts for population size by expressing spend on a per-head basis. The chart sets out four types of expenditure:

- The value of networked television spending in Northern Ireland – programmes that are produced in Northern Ireland, which are then broadcast to all UK viewers.
- BBC spending on radio services for listeners in Northern Ireland (such as BBC Radio Ulster/Foyle).
- Spend by the BBC and UTV on television programmes specifically for viewers in Northern Ireland.
- Irish language television programmes.

Total spending per head on broadcast-based output in Northern Ireland totalled £32.49 in 2009, up from £31.71 twelve months earlier. This represents the lowest spend per head across the four nations.

Figure 1.7 Spend per head on UK-originated content broadcast by PSBs on TV and radio, 2010



Source: Ofcom analysis, broadcasters

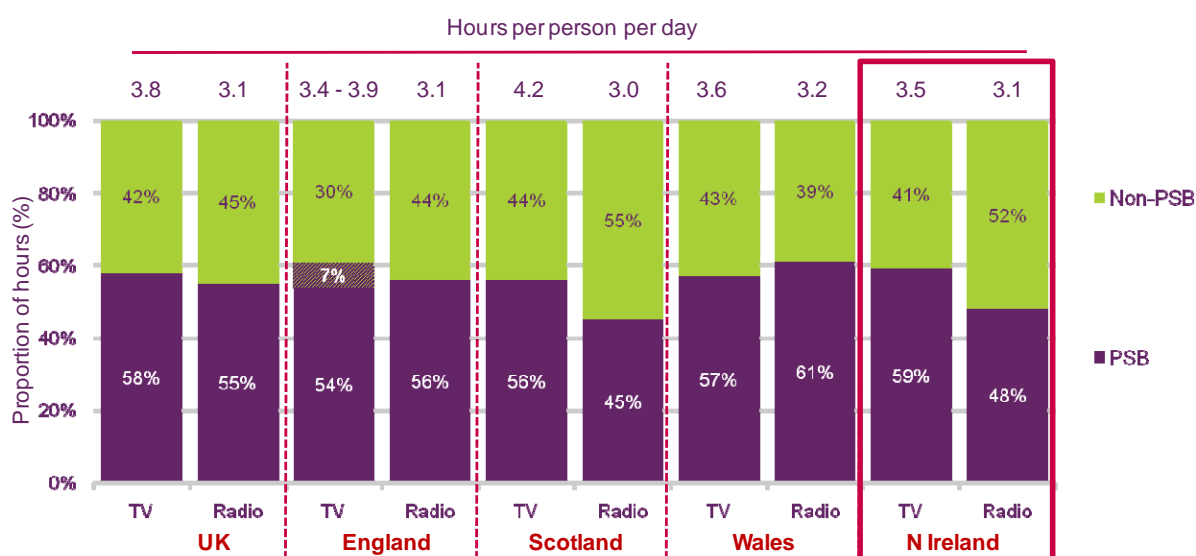
1.2.5 Consumption of television and radio services by people in Northern Ireland

UK-wide BBC radio services less popular with listeners in Northern Ireland

People in Northern Ireland spent a total of 6.6 hours a day watching television and listening to the radio. This was below the UK-wide average of 6.9 hours per day, and was driven by lower levels of television viewing per head in Northern Ireland. Levels of radio listening in Northern Ireland were broadly comparable to the UK-wide average (3.1 hours/day). Television viewing per head was marginally below the UK average (3.5 versus 3.8).

The BBC's UK-wide radio services were less popular in Northern Ireland than in England or Wales, commanding a 48% share of listening in 2009, compared to the UK average of 55%. PSB channels on the television took a 59% share of all viewer hours in Northern Ireland – broadly in line with the UK figure of 58%. In terms of station choice, there are ten local commercial stations broadcasting within Northern Ireland, equivalent to around 3% of the UK total of 296. This compares to the 15 local commercial stations licensed in Wales, 39 in Scotland, and 232 in England. BBC services include BBC Radio Ulster and Foyle, both available to listeners in Northern Ireland. In addition Northern Ireland currently has 11 community radio licences serving local populations across the country, with a further two (one for Bangor and Lisburn), still to go on air.

Figure 1.8 Hours of daily viewing of television and radio, by nation, 2010



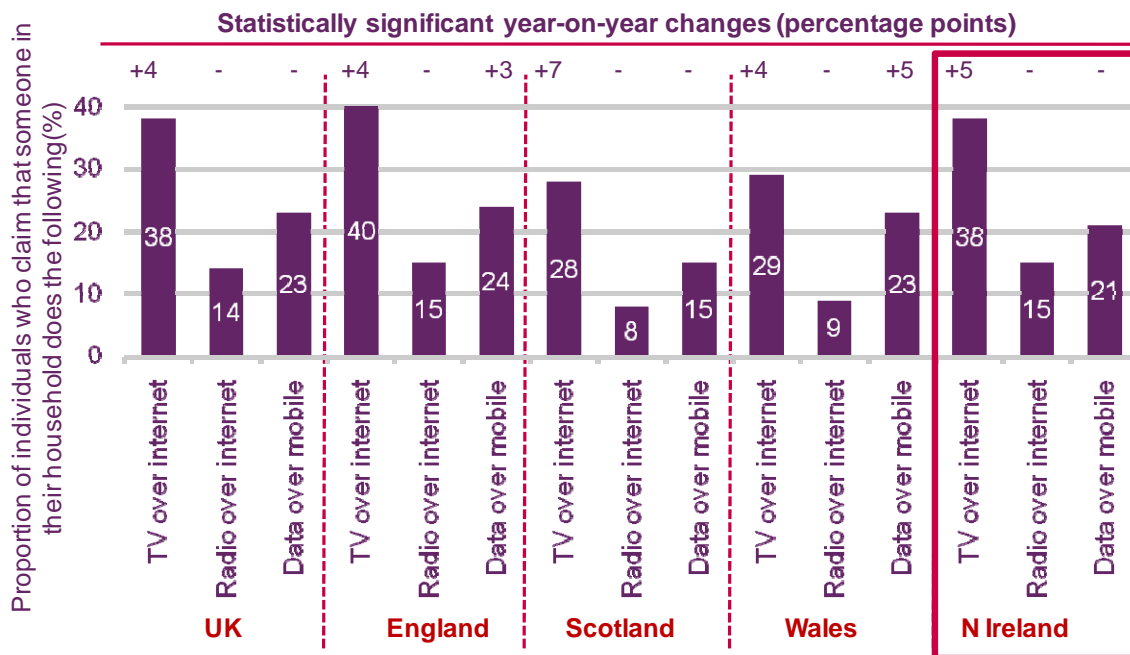
Source: BARB and RAJAR analysis

1.2.6 Use of converged platforms and devices by people in Northern Ireland

Over a third of internet users in Northern Ireland use the web to watch television content – in line with the UK-wide average

Over a third of the population of Northern Ireland (38%) claimed to be using their internet connection to watch television services; broadly in line with the UK-wide average. Fifteen per cent of respondents also claimed to use the internet to listen to the radio, again level with the UK. A fifth (21%) of people in Northern Ireland used their mobile handset to access data services (including the internet) – also broadly in line with the UK-wide average of 23%.

Figure 1.9 Consumers' use of converging platforms



Source: Ofcom research, Q1 2010

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

Q: For the TV and Radio question - Which, if any, of these do you or members of your household use the Internet for whilst at home?

For the Data question - Which if any, of the following activities, other than making and receiving voice calls, do you use your mobile for? Figure represents the of responses to the following: download free applications, download paid for applications, send/ receive emails, accessing the internet, connecting to the internet using Wi-fi., using VoIP service, download a new video clip, video streaming, TV streaming, accessing/ receiving, sports/ team news/ scores, accessing/ receiving news, use IM/ Instant messaging

1.3 Northern Ireland communication markets and the economy

1.3.1 Introduction

Since the last *Communications Market Report: Northern Ireland* was published in August 2009, the UK economy has shown signs of recovery, following the official end of the recession. In last year's report we explored the impact of the economic downturn on consumer attitudes towards communications services. In June 2010, we repeated this study to update the findings and assess the extent to which consumer spending and attitudes towards communications services in Northern Ireland have changed over the past 12 months.

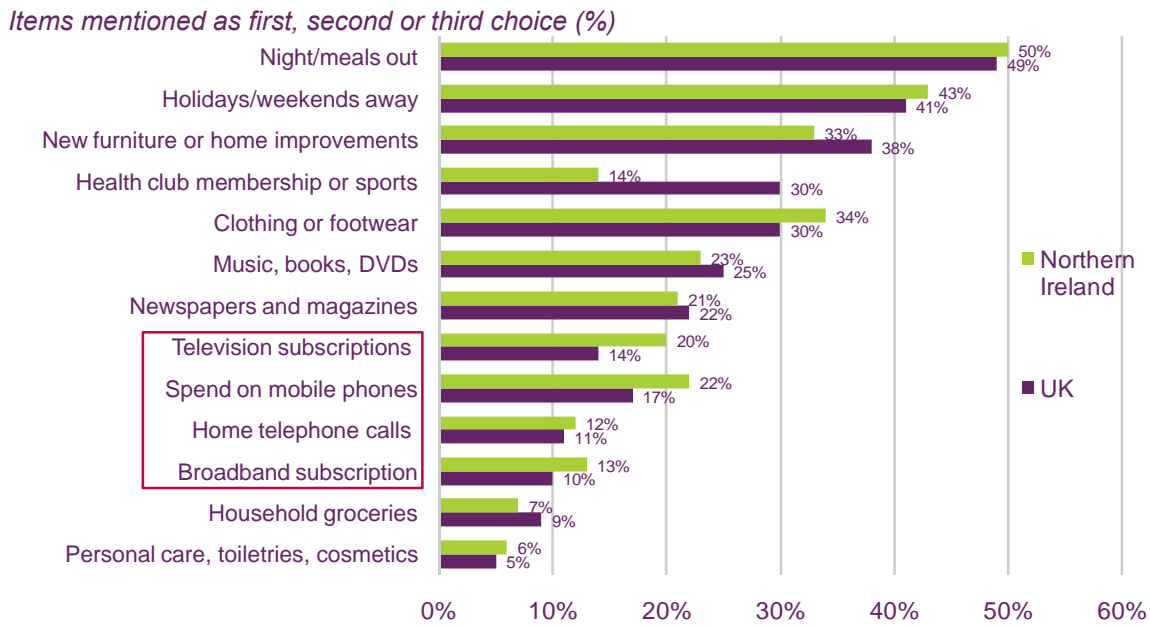
1.3.2 Consumer spending on communications services

Consumers in Northern Ireland are more inclined than people in the UK as a whole to review their spending on mobile phones

As shown in Figure 1.10, consumers in Northern Ireland place a significant value on communications services in comparison to expenditure on other items. When asked to select three products or services where they could make savings, respondents in Northern Ireland were more likely to reduce spend on holidays/weekends away (43%) and nights/meals out (50%) than on any communications services. Only household groceries (7%) and personal care products (6%) ranked as more important than communications services. These findings are consistent with the UK-wide results and with research we conducted in Northern Ireland in 2009.

However, when asked to select three products or services to generate savings respondents in Northern Ireland were more likely to review their spend on mobile phones (22% Northern Ireland vs. 17% UK) or pay TV subscriptions (14% Northern Ireland vs. 20% UK). This result mirrors another finding of our research (see below), that consumers in Northern Ireland perceive mobile providers are offering better deals than 12 months ago.

Figure 1.10 Items where consumers are most likely to cut back their spending



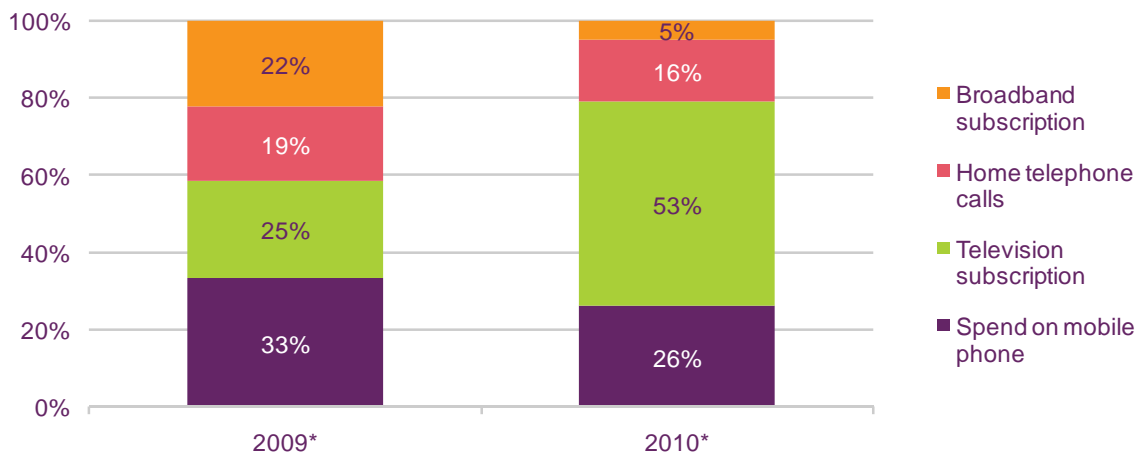
Source: Ofcom-commissioned research

Base: Total sample UK (n=2444), Northern Ireland (n=229)

Question: If you were forced to cut back on spending, which of the following items would you be most likely to spend less on?

If forced to choose, consumers in Northern Ireland with all four communications services were most likely to cut their pay TV subscription, as just over half (53%) of respondents in Northern Ireland chose this item. This represents an increase of 28 percentage points in comparison with 2009 (although care must be taken in making comparisons owing to the small sample sizes for this question). In contrast, a much smaller proportion of respondents in Northern Ireland (5%) chose their broadband subscription, a decrease of 17 percentage points in comparison to 2009.

Figure 1.11 The communications service where consumers would be most likely to cut spend



Source: Ofcom-commissioned research

Base: Those with all four communications services, 2009 (n=63) 2010 (n=70) *Note small base: results should be taken as indicative only.

Question: Which ONE of the following would you be most likely to cut back spending on?

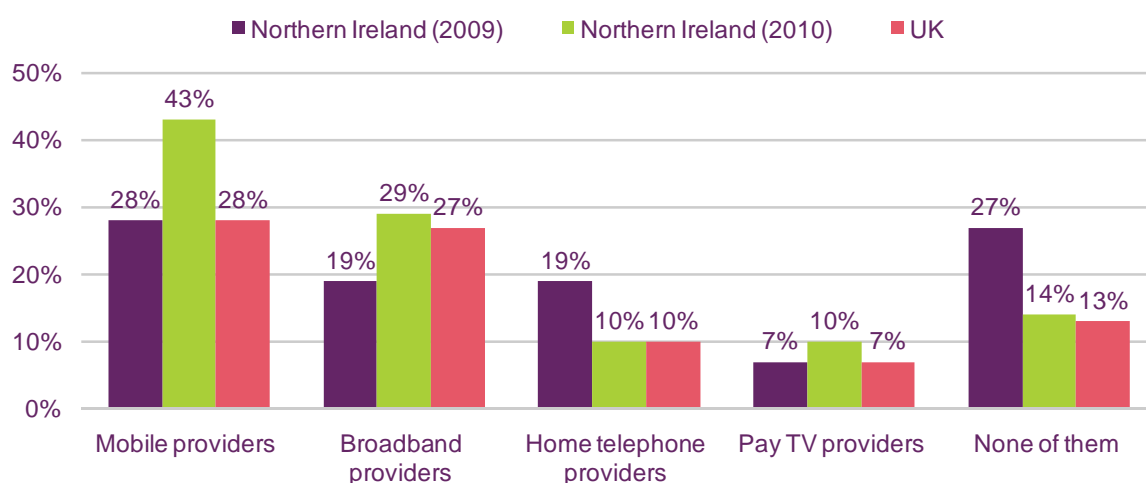
Consumers in Northern Ireland and throughout the UK believe that communications providers are offering improved deals now compared with 12 months ago

In 2009, more than a quarter of consumers in Northern Ireland believed that *no* communications providers were offering better deals; this figure dropped to 16% in 2010. This decrease is consistent with a similar drop across the UK and in all nations and regions. It suggests that consumers throughout the UK are gaining confidence that providers are responding to the recession by offering better value packages for communication services.

In Northern Ireland this confidence appears to be driven by perceptions that broadband and mobile phone providers are offering better deals than a year ago, which perhaps explains why respondents are prepared to review their expenditure on these services this year. Forty-three per cent believed that mobile phone operators are now offering better deals, up 15 percentage points on last year. Perceptions that broadband providers are offering better deals increased by ten percentage points; from 19% to 29% year on year. Conversely, fewer respondents in Northern Ireland believed that home telephone providers have better customer offers available now than a year ago.

Figure 1.12 Proportion of consumers in Northern Ireland agreeing that communications providers offer better deals now than a year ago

Proportion of respondents agreeing/disagreeing (%)



Source Ofcom-commissioned research

Base: Total sample UK (n=2444) Northern Ireland (2009 n=185, 2010 n=229)

Question: And which of the following providers, if any are offering better deals than they were 12 months ago?

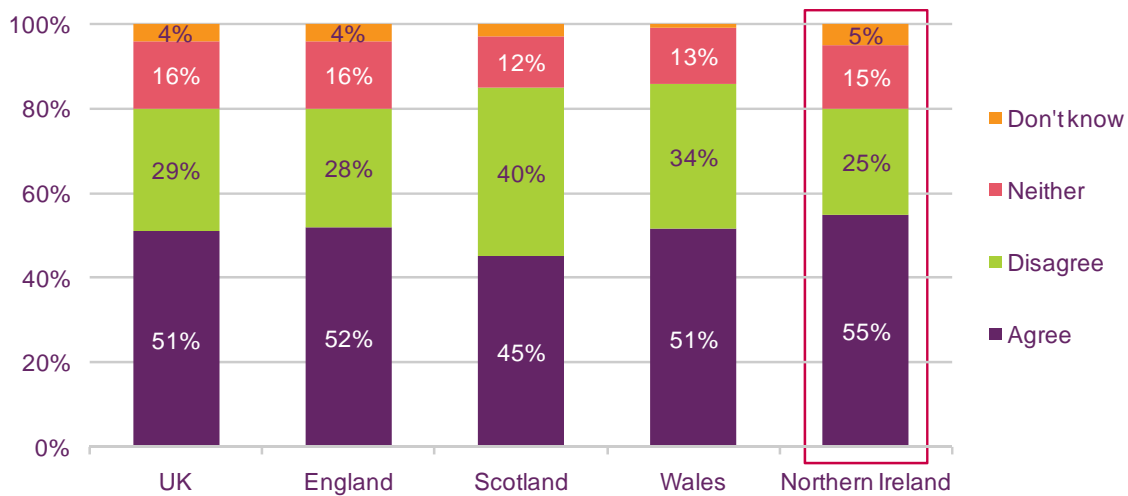
1.3.3 Bundled services

Consumers in Northern Ireland are more likely to purchase communications services in bundles now than 12 months ago

Last year's results indicated that purchasing multiple communications services from a single supplier was popular among consumers. In 2010 this trend continued across the UK, with just over half of consumers (51%) agreeing that they are more likely to buy communications services in a bundle now than 12 months ago. This represents only a small increase on the proportion of respondents agreeing with this statement in 2009, up four percentage points from 47%.

Figure 1.13 Consumers' agreement/disagreement that they were more likely to take communications services in a bundle

Proportion of respondents (%)



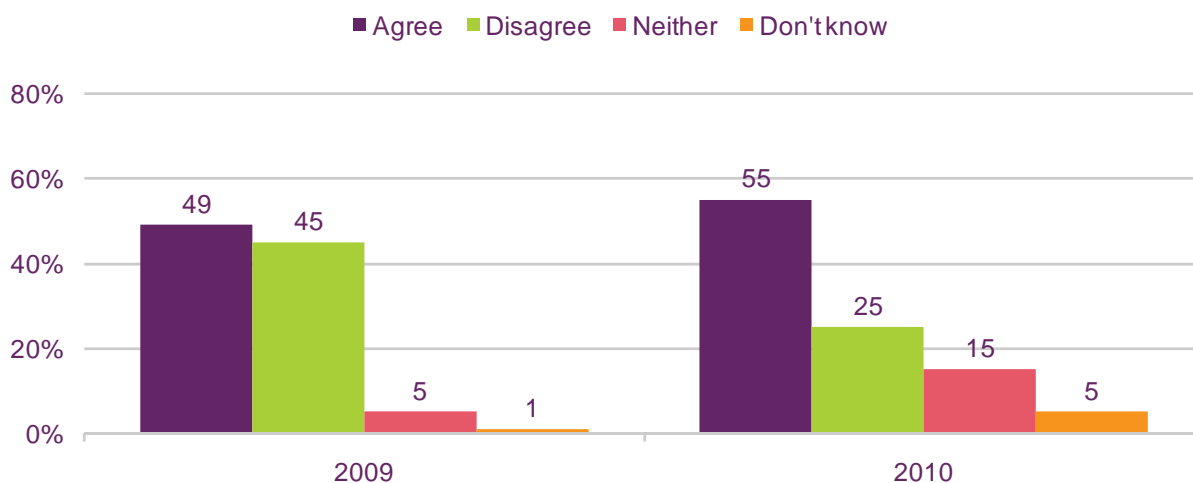
Source: Ofcom-commissioned research

Base: Total sample (n = 2444) England (n = 1727) Scotland (n = 285) Wales (n = 203) Northern Ireland (n = 229)

Question: How much do you agree or disagree... I'm more likely to consider purchasing TV, broadband and phone services in a package from the same supplier as it offers better value for money

As shown in Figure 1.14 below, the propensity to buy bundled services increased slightly in Northern Ireland year on year, from 49% of consumers thinking about signing up to bundled services in 2009, to 55% in 2010. This proportion is the highest in comparison to the other nations and regions results. Perhaps more notably, the proportion of respondents disagreeing with this statement fell by 20 percentage points compared to 2009 (from 45% to 25%).

Figure 1.14 Northern Ireland consumers' agreement/disagreement that they were more likely to take communications services in a bundle



Source: Ofcom-commissioned research

Base: Total sample (n = 229)

Question: How much do you agree or disagree... I'm more likely to consider purchasing TV, broadband and phone services in a package from the same supplier as it offers better value for money

1.3.4 Acquisition of new communications equipment

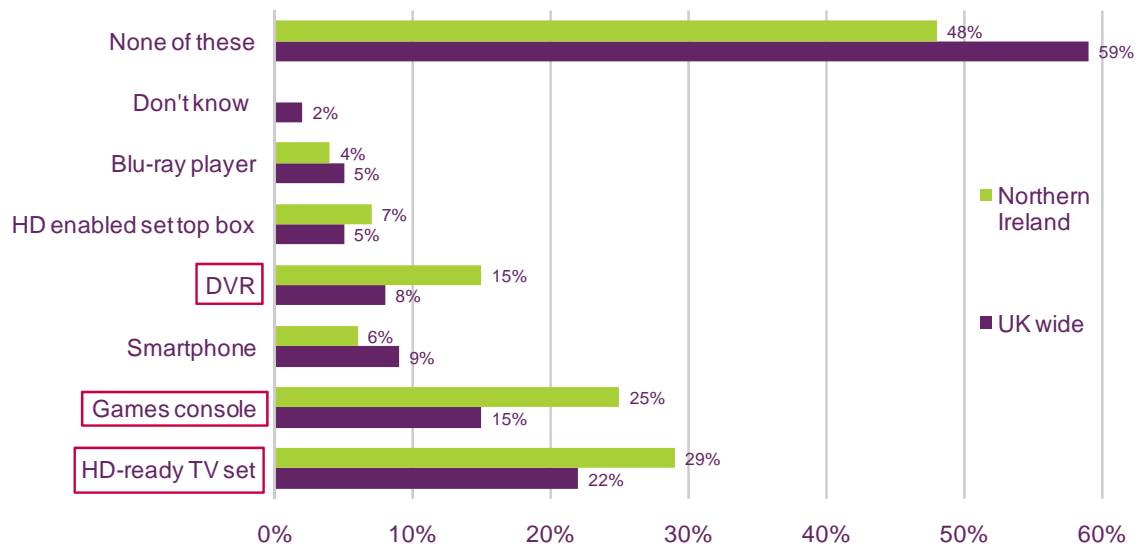
Consumers in Northern Ireland purchase digital and HD-ready TV products in spite of the economic downturn

Our research also looked at consumer spend on communications devices over the past year. The findings indicate that compared to the UK as a whole, more consumers in Northern Ireland have purchased new communications equipment. In the UK, 59% of respondents claimed not to have bought any of the communications devices listed below, but in Northern Ireland this figure was 48%

Survey respondents in Northern Ireland said they had purchased a range of media devices during the past year, with many buying digital TV products including HD-ready TV sets (29%) and digital TV recorders (15%). Games consoles were also popular with 25% saying they had bought one during the previous 12 months. Eighty-seven percent of all homes with a television² in Northern Ireland said they had access to digital TV on at least one set in their home by Q1 2010, this was lower than the UK average of 92% of TV homes, possibly as a result of switchover taking place later in Northern Ireland than many other parts of the UK.

² Note that approximately 2% of homes in the UK do not have a TV.

Figure 1.15 Selected communications devices bought in the past 12 months



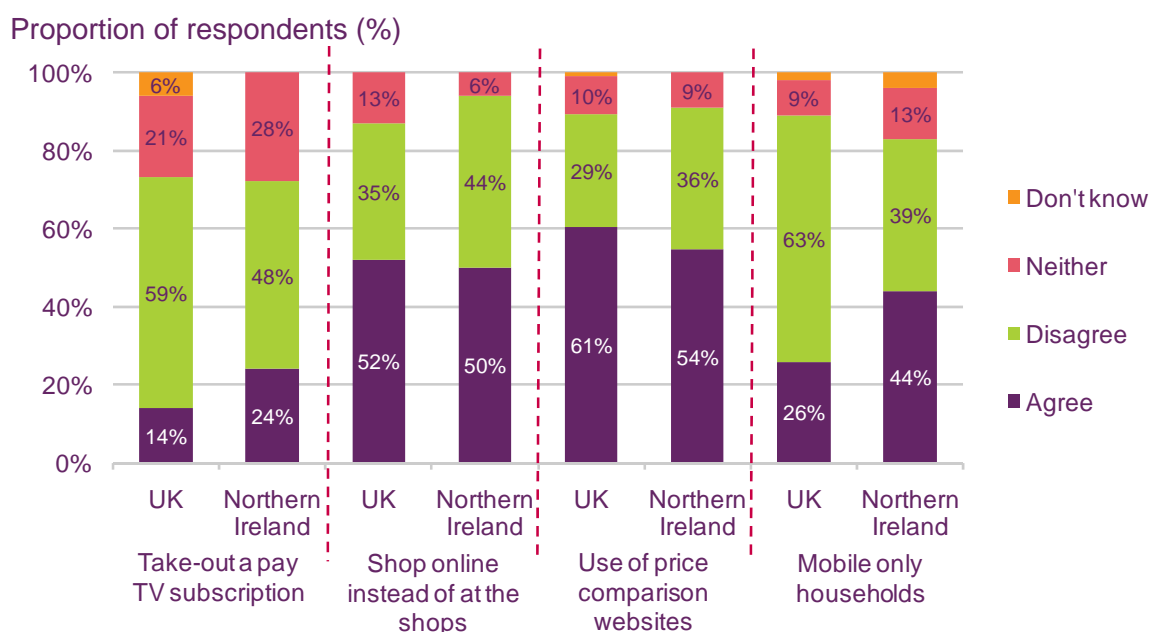
Source: Ofcom-commissioned research

Base: Total sample (UK n=2444, Northern Ireland n=229)

Question: Which, if any, of these products or services have you or your household bought in the last 12 months?

In comparison to the UK average, consumers in Northern Ireland appear more likely to cancel their home telephone line rental and rely solely on their mobile phone for making calls and accessing the internet. While 63% of respondents across the UK disagreed that they are more likely to become a 'mobile only' household, only 39% in Northern Ireland disagreed with this statement, with 44% agreeing.

Figure 1.16 Consumers' agreement with a range of statements exploring changes in behaviour over the last twelve months



Source: Ofcom commissioned research

Base: UK (n=1300, 1554, 1554, 2099) Northern Ireland (n=108, 122, 122, 203)

Question: I am now going to read out a number of statements other people have made about how the recession has changed their spending on TV, broadband, mobile and home phone services. For each statement please tell me how much you agree or disagree.

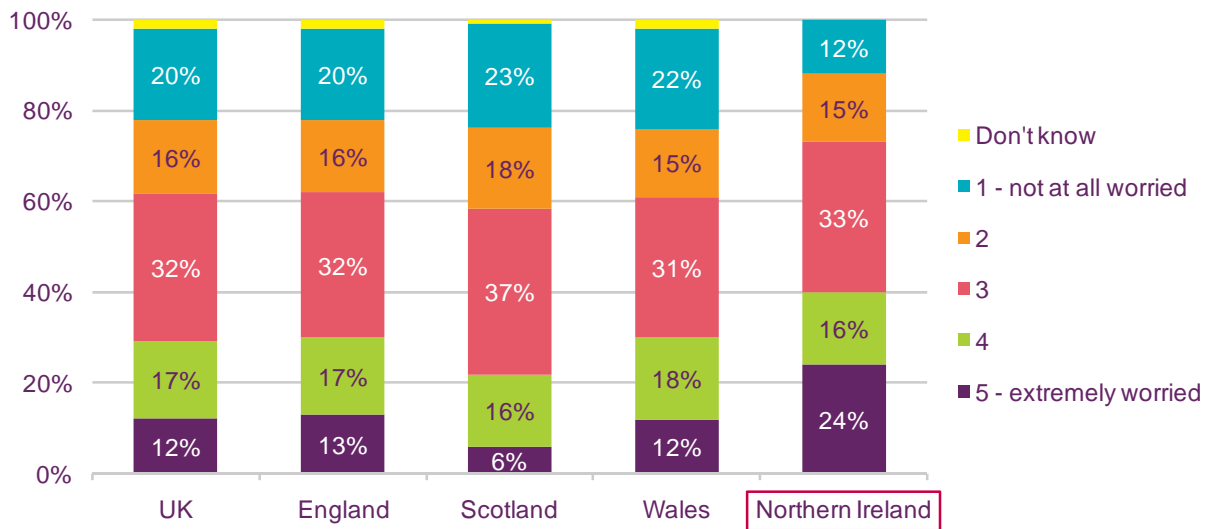
1.3.5 Attitudes of consumers in Northern Ireland towards the economy

Consumers in Northern Ireland are now more worried about the impacts of the recession than in 2009, and concerns are highest in Northern Ireland compared to the UK average.

Our research has revealed that consumer attitudes to the economic downturn are largely similar throughout the UK, but concerns increased in Northern Ireland between 2009 and 2010. Although the UK economy has now entered a slow growth period, more consumers in Northern Ireland are worried about the personal impact of the economic downturn compared to the UK as a whole, up 10 percentage points year on year to 40%. Across the UK, the proportion of people worried about the economic downturn has remained stable.

In comparison with other UK nations and regions, consumers in Northern appeared to display the highest level of concern. The large proportion of people in Northern Ireland working in the public sector may account for this apparent pessimism, due to the expected cuts in public expenditure.

Figure 1.17 Consumer attitudes towards the recession by nation



Source: Ofcom-commissioned research

Base: Total sample (n = 2444) England (n = 1727) Scotland (n = 285) Wales (n = 203) Northern Ireland (n = 229)

Question: On a scale of 1 to 5, where 5 is extremely worried and 1 is not at all worried, how worried are you about being personally affected by the recession?

1.4 ‘Not-spots’: the consumer experience in Northern Ireland

1.4.1 Introduction and context

This year, one of Ofcom’s annual planning priorities is to make progress on broadband and mobile phone not-spots³. To reflect this, this section brings together in one place relevant data that have in the past featured throughout the *CMR: Northern Ireland* report.

Section 1.4 below sets out the context for availability and take-up of broadband and mobile services in Northern Ireland.

The overall picture is that a good proportion of the population of Northern Ireland have access to 2G mobile and fixed-broadband services at home, and a substantial proportion of the population claim to have both.

At the same time, there are limitations on the ability of broadband-enabled fixed telephone exchanges to deliver high bandwidths. These limitations include long line lengths, which limit the ability of fixed lines to support popular internet-based activities such as watching broadcast-quality television output.

Moreover, while mobile population coverage in Northern Ireland is comparatively high, the figure for geographic coverage is lower; meaning that a proportion of the landmass of Northern Ireland is not covered by a mobile service from any operator.

1.4.2 Fixed broadband services

In some parts of Northern Ireland, very slow ‘broadband’ speeds may inhibit internet use

All local telephone exchanges in Northern Ireland are now DSL-enabled, meaning that most homes in Northern Ireland now have access to a broadband service. However, because of the length and/or quality of the copper telephone wire between exchanges and consumer premises, not all consumers are able to receive downstream broadband speeds sufficient for many internet applications.

Broadband not-spots typically arise when the length or quality of copper telephone lines is not sufficient to support speeds via DSL broadband, which are much higher than those available through dial-up internet access. Generally, not-spots are most likely to arise in rural areas where there can be long distances between homes and the local exchange. However, this can also be the case in some urban areas, for example when new housing developments are built on the edges of towns and are served by telephone exchanges in town centres.

In Northern Ireland a subsidised satellite broadband is available as an alternative to broadband over copper telephone lines.

The previous UK Government’s 2009 *Digital Britain* report⁴ estimated that around 11% of UK households were unable to get a broadband service with a downstream speed of

³ Ofcom Annual Plan 2010/11:

http://www.ofcom.org.uk/about/accoun/reports_plans/annual_plan1011/annplan1011/annplan1011.pdf

⁴ <http://www.culture.gov.uk/images/publications/digitalbritain-finalreport-jun09.pdf>

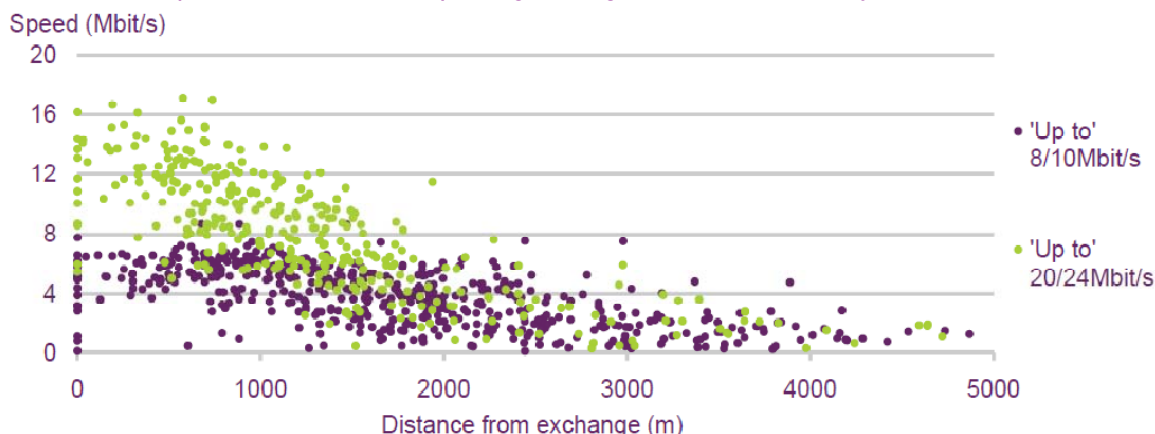
2Mbit/s or more. This is the connection speed the report believed was necessary to stream a TV programme and watch it online.⁵

Ofcom's research into broadband speeds (conducted in association with SamKnows) found that there was very large variation in the performance delivered to a panel of over 1,500 residential broadband users.⁶ Average speeds for consumers in rural areas (2.7Mbit/s) were around half of those in urban areas (5.8Mbit/s) and while some consumers taking high speed cable services were able to receive average download speeds of over 40Mbit/s, the average speed received by those with DSL broadband was just 4Mbit/s. Around a third (34%) of those on 'up to' 8 or 10Mbit/s DSL packages, received average speeds of less than 2Mbit/s.

Figure 1.18 maps the average speed of all the DSL panellist in this research against the (straight line) distance between their home and the local telephone exchange. It indicates that speeds typically decreased with the distance from the exchange, indicating that those living more than 4km from the exchange are unlikely to be able to receive speeds of more than 2Mbit/s. However, a few panellists had very slow broadband speeds despite living in close proximity to the exchange; this is likely to be the result of electrical interference causing signal loss, or very poor quality in-home wiring.

Figure 1.18 Average line speeds versus distance of customer premises from the telephone exchange, May 2010

Distance from exchange and average download speeds achieved by panellists on 'up to' 8/10Mbit/s and 'up to' 20/24Mbit/s DSL packages, single thread results, May 2010



Ofcom UK Broadband Speeds Report, July 2010.

Source: SamKnows measurement data for all panellists with a DSL connection in May 2010.

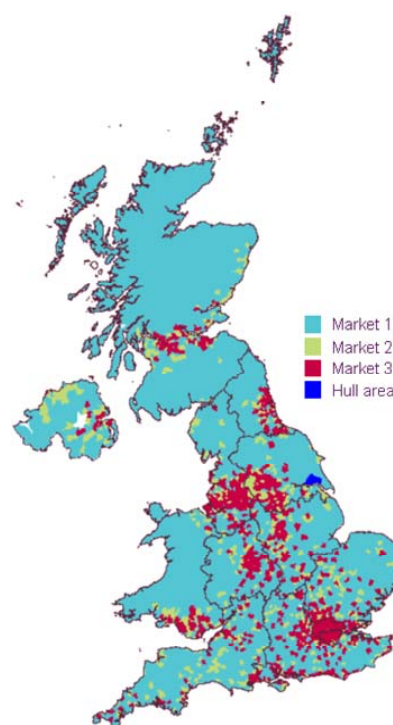
The availability of broadband services provides an indicator of which areas are better served than others. The blue areas in Figure 1.19 below indicate those areas in which BT is the only operator (geographic market 1) – meaning that all broadband is delivered via BT's wholesale services (either through BT Retail or another operator). The green and red shading depicts areas where LLU operators have unbundled exchanges, thereby offering consumers a wider choice of services. LLU availability is concentrated in densely-populated areas of Northern Ireland, particularly around Belfast and Londonderry/Derry.

⁵ Note, however, that the BBC recommends a minimum download connection speed of 0.5Mbit/s for its iPlayer service.

⁶ <http://stakeholders.ofcom.org.uk/market-data-research/telecoms-research/broadband-speeds/broadband-speeds-2010/>

Figure 1.19 Distribution of UK exchanges by geographic market definition

Market	Description	UK Exchanges	UK Coverage
The Kingston upon Hull area	Those geographic areas covered by exchanges where Kingston Communications is the only operator	14	0.7%
Market 1	Those geographic areas covered by exchanges where BT is the only operator	3,578	14.2%
Market 2	Those geographic areas covered by exchanges where there are 2 or 3 Principal Operators present (actual or forecast) AND exchanges where there are forecast to be 4 or more Principal Operators but where the exchange serves less than 10,000 premises	722	13.8%
Market 3	Those geographic areas covered by exchanges where there are currently 4 or more Principal Operators present AND exchanges where there are forecast to be 4 or more Principal Operators but where the exchange serves 10,000 or more premises	1,287	71.3%



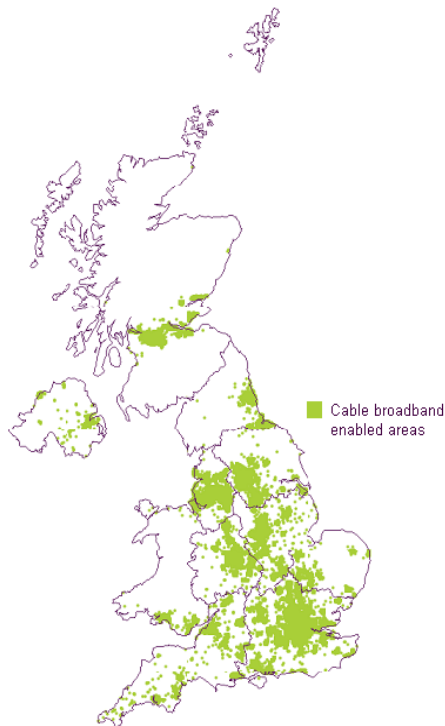
Source: Ofcom, *Review of the wholesale broadband access markets: Consultation on market definition, market power determinations and remedies*, July 2010,

<http://stakeholders.ofcom.org.uk/binaries/consultations/wba/summary/wbacondoc.pdf>

Note: Principal operators are those that provide broadband services over their own access networks (BT or Virgin Media) or have deployed LLU in more than 10% of the UK

Cable operators, providing high-speed broadband, also target areas of high population density. As shown in Figure 1.20, cable is available to approximately 50% of UK homes. In Northern Ireland, approximately 30% of homes – primarily in and around Belfast – are covered by Virgin Media's cable footprint.

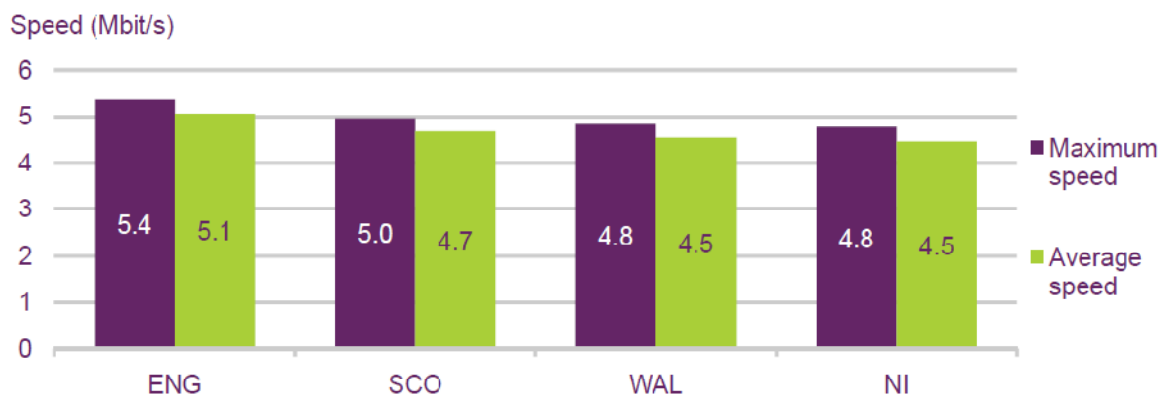
Figure 1.20 Map of the availability of Virgin Media cable broadband



Source: Ofcom / Virgin Media, September 2009 data

Lower availability and take-up of cable services, combined with longer average line lengths, mean that average broadband speeds in Northern Ireland are lower than in England and Scotland, and comparable to those available in Wales (Figure 1.21).

Figure 1.21 Estimated average and maximum download speeds, by nation, May 2010



Ofcom UK Broadband speeds report, July 2010

Source: SamKnows measurement data for all panel members with a connection in May 2010.

Panel Base: 1506.

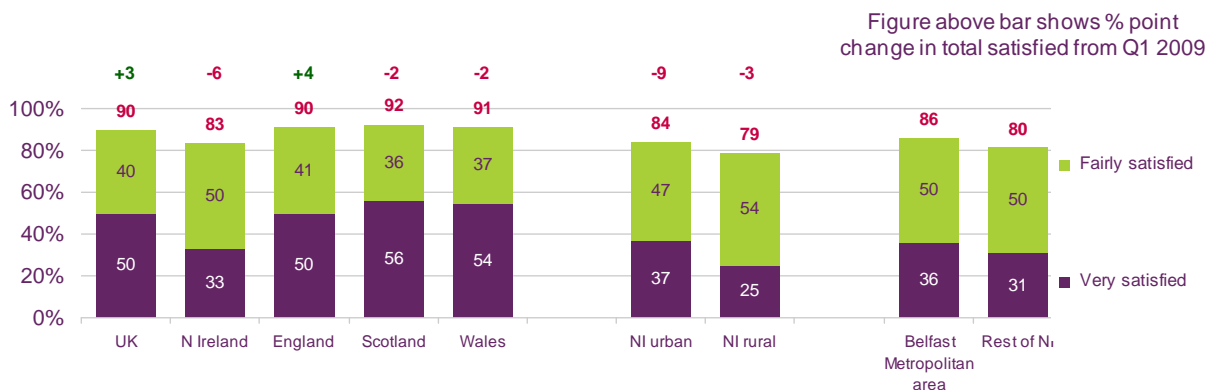
Notes: (1) Data have been weighted by ISP package and LLU/non-LLU connections, rural/urban, geographic market classification and distance from exchange to ensure that they are representative of UK residential broadband consumers as a whole; (2) As sufficient sample sizes were not available for consumers on packages of 'up to' 2Mbit/s or less, data collected for these packages in April 2009 has been factored in, in proportion to share of all connections in May 2010 and an estimated split between nations; (3) Data collected from single-thread download speed tests.

People living in urban areas in Northern Ireland are the most satisfied with their broadband service

As shown in Figure 1.22, 83% of consumers in Northern Ireland are satisfied or very satisfied with their fixed broadband service. This is below the UK average of 90% and the lowest of all of the UK nations.

Overall levels of satisfaction with fixed broadband services have fallen both in urban areas (down by nine percentage points from last year, to 84%) and rural areas (down by three percentage points to 79% - the lowest of any nation in the UK) in Northern Ireland. See Figure 5.21 in the Telecoms and Networks section below for satisfaction with fixed-line broadband speeds in Northern Ireland.

Figure 1.22 Overall satisfaction with fixed broadband service



Source: Ofcom research, Q1 2010

Base: Adults aged 15+ with a fixed broadband connection at home (n= 5410 UK, 778 Scotland, 3559 England, 604 Wales, 469 Northern Ireland, 612 Scotland urban, 166 Scotland rural, 154 Glasgow, Clyde & Lanarkshire, 233 Lothian & Forth, 216 Grampian Tayside & Fife, 175 Other Scotland)

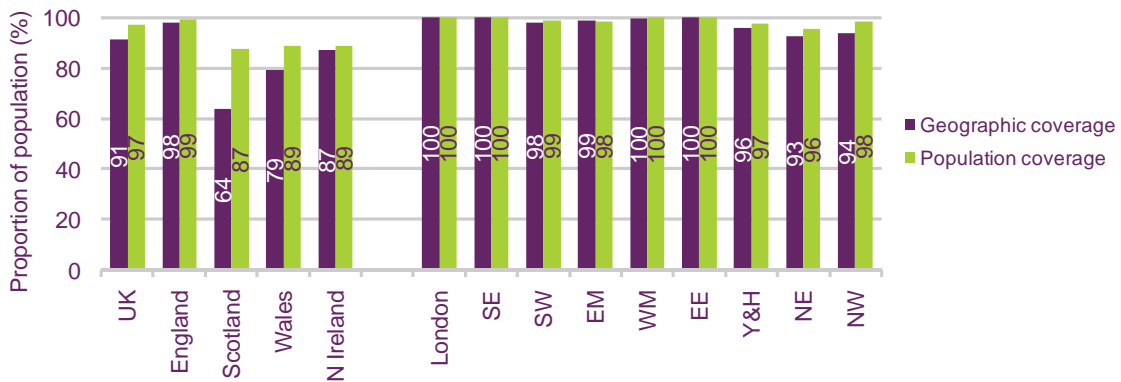
QE8a. Thinking about your fixed broadband internet service, how satisfied are you with (main supplier) for the overall service provided by (main supplier)?

1.4.3 Mobile services

Our data shows that across Northern Ireland, 89% of the population lived in a postcode district with at least 90% 2G area coverage from one or more operators in Q2 2010. This is lower than the UK overall (97%) and lower than England (99%) but level with Wales and higher than Scotland (87%). People in postcode districts in the remaining 11% of Northern Ireland may well receive some 2G mobile phone coverage – but the proportion of the postcode with a 2G signal falls below the 90% threshold.

The figure below illustrates geographic 2G coverage (using the same 90% coverage threshold). Eighty-seven per cent of postcode districts in Northern Ireland had 2G area coverage from one or more mobile networks in Q2 2010; lower than population coverage (89%). The gap between population and geographic coverage is likely to be wider in those nations with large areas of low population density or where hilly or mountainous terrain limits the range of cellular masts.

Figure 1.23 2G mobile phone geographic and population coverage



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

Note: Figures show the percentage of postcode districts and percentage of population within postcode districts where at least one operator had at least 90% 2G area coverage; data not directly comparable to that published in the 2009 report.

The first map below shows where 2G services were available from one or more operators in Northern Ireland and where coverage was less than 90%; the second details the population density of each of the postcode districts covered in this analysis. In Northern Ireland, coverage is primarily concentrated around the major urban area of Greater Belfast while there are some areas, particularly in rural areas in the west, where coverage is less than 90%. This is a result of the networks concentrating build in areas of higher population density, whereas mobile coverage is largely lower in those areas with low population density.

Figure 1.24 2G mobile coverage map and population density, by postal code district

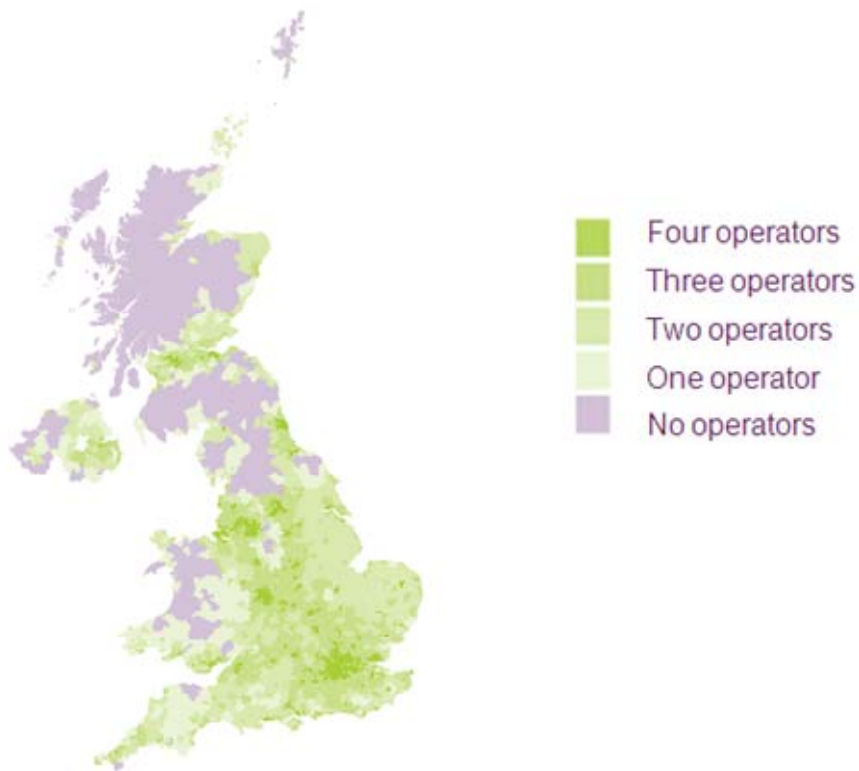


Source: Ofcom / GSM Association / Europa Technologies; Q2 2010, and National Statistics website: www.statistics.gov.uk 2001 Census data. Crown copyright material is reproduced with the permission of the Controller Office of Public Sector Information (OPSI).

Note: Map shows the number of 2G operators with at least 90% area coverage; not directly comparable to that published in the 2009 report. Population density shows number of people divided by area (km²) of postcode district.

The map of 2G coverage across the UK shows a similar trend, with coverage concentrated in and around major conurbations, whereas areas of low population density, such as parts of mid and north Wales, the Border areas and the national parks in England have lower coverage.

Figure 1.25 UK 2G mobile coverage map



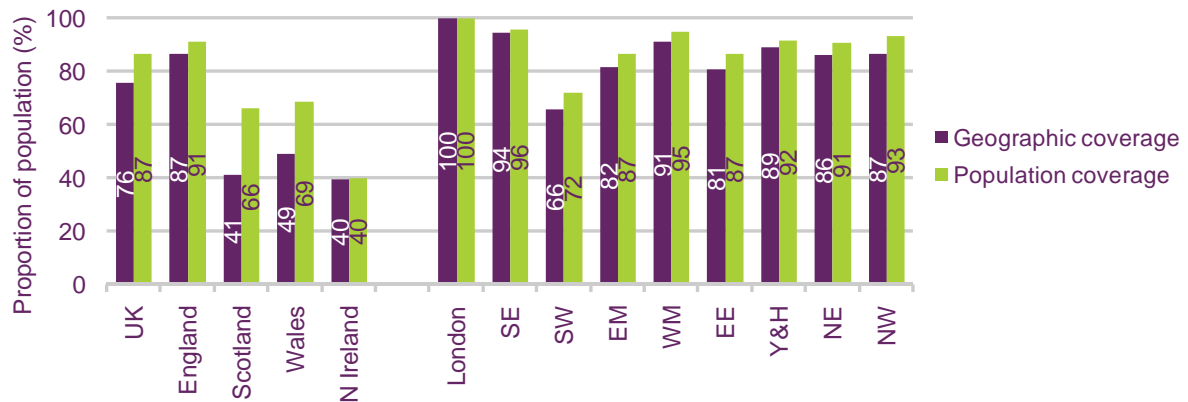
Source: Ofcom / GSM Association / Europa Technologies; Q2 2010

Note: Map shows the number of 2G operators with at least 90% area coverage; not directly comparable to data published in the 2009 report.

Across the UK, 3G coverage, supporting multimedia applications such as video and internet access alongside conventional voice services, was generally lower than 2G coverage.

Northern Ireland's 3G population coverage (using the 90% postcode district threshold) is lower than 2G at 40%; this is far lower than the UK-wide average (87%), and lower than Wales (69%) and Scotland (66%). Geographic coverage of 3G is at the same level as population coverage. Under half (40%) of postcode districts have area coverage from at least one mobile operator. This is significantly lower than the UK as a whole (76%), England (87%), Wales (49%) and Scotland (41%).

Figure 1.26 3G mobile phone geographic and population coverage, by number of operators

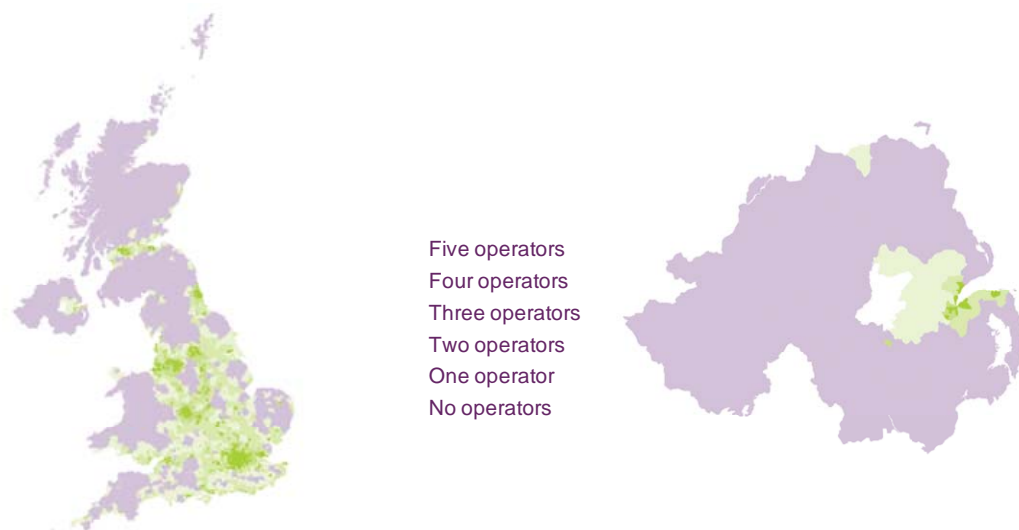


Source: Ofcom/ GSM Association / Europa Technologies; Q2 2010

Note: Figures show the percentage of postcode districts and percentage of population within postcode districts where at least one operator had at least 90% 3G area coverage; not directly comparable to data published in the 2009 report.

Figure 1.27 shows that within Northern Ireland the postcode districts with 90% 3G area coverage are largely concentrated around Greater Belfast, where population density is highest. In contrast there are large areas in the rest of Northern Ireland where 3G coverage falls below the threshold used in this analysis.

Figure 1.27 3G coverage map



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

Note: Map shows the number of 3G operators with at least 90% area coverage; not directly comparable to that published in the 2009 report.

Over a third of mobile phone users in Northern Ireland claim to regularly experience mobile not-spots

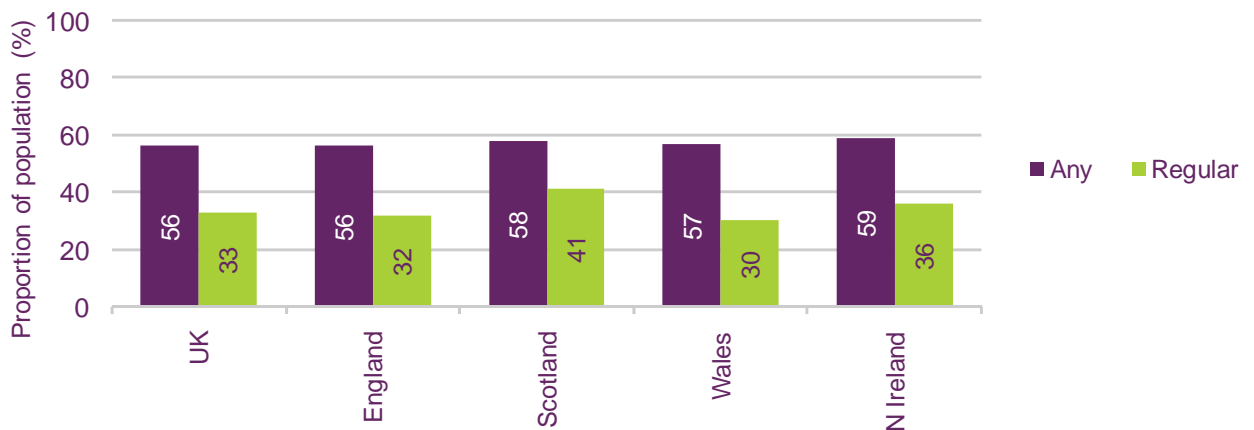
Mobile phones are commonplace in Northern Ireland, with take-up at 88%, just below the UK average (89%). The importance of mobile coverage to consumers in Northern Ireland is reflected in the fact that there are more mobile-only households in the nation than

elsewhere in the UK. In Q1 2010, the figure stood at 18% of all households, compared to 14% across the UK as a whole. However, consumers in Northern Ireland are less likely to claim that they use a mobile broadband service (14% of households, compared to the UK average of 15%). For these consumers, the reliability/widespread availability of the mobile signal is particularly relevant.

In October 2009, the Communications Consumer Panel published a review of mobile coverage⁷. Its research (Figure 1.28) found that over half (59%) of people with a mobile phone in Northern Ireland had experienced problems with mobile coverage. This was higher than the UK average of 56%.

In addition, over a third (36%) of consumers in Northern Ireland claim to have experienced regular problems with mobile phone coverage. This is also higher than the UK average (33%).

Figure 1.28 Proportion of UK adults with a mobile phone experiencing problems with coverage



Source: *Mostly Mobile, Communications Consumer Panel report*

Question: *Which of the following problems, if any, have you had in the past in terms of your mobile reception...? Which of them, if any, do you experience regularly?*

Base: *All those who use a mobile for personal use (UK n = 1716, England n = 1439, Scotland n = 144, Wales n = 84, Northern Ireland n = 50).*

Most consumers in Northern Ireland are satisfied with their mobile phone service

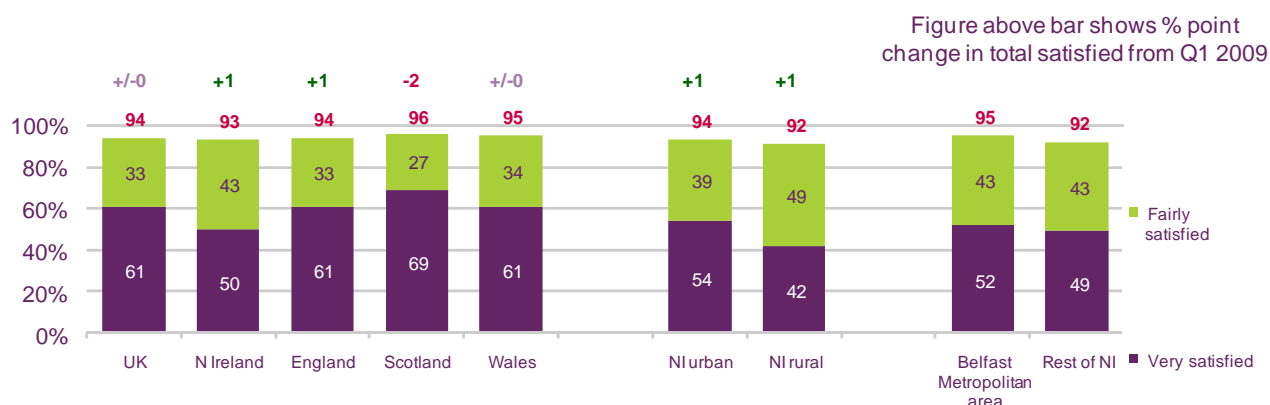
Ninety three per cent of mobile phone users in Northern Ireland are satisfied, or very satisfied, with the service they receive. This is just below the UK average of 94%.

People in rural parts of Northern Ireland are less likely to be satisfied (92%) than those living in urban areas (94%).

⁷ *Mostly Mobile, Communications Consumer Panel, October 2009:*

http://www.communicationsconsumerpanel.org.uk/Mobile_coverage_consumer_perspective.pdf

Figure 1.29 Overall satisfaction with mobile phone service



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

Source: Ofcom research, Quarter 1 2010

Base: Adults aged 15+ who personally use a mobile phone (n = 7826 UK, 658 Northern Ireland, 5008 England, 1237 Scotland, 923 Wales, 428 Northern Ireland urban, 230 Northern Ireland rural, 298 Belfast Metropolitan area, 360 Rest of NI)

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

1.4.4 The consumer's experience of not-spots in Northern Ireland

To better understand the consumer's experience of not-spots in Northern Ireland, we commissioned some qualitative research based on a mixture of telephone and face-to-face interviews, and diary exercises, to explore the effect on the smaller numbers of people who cannot get a mobile signal.

In Northern Ireland, the research focused on the following areas:

- rural locations: Lough Erne Resort in County Fermanagh; and Hilltown and Kilkeel in County Down;
- urban residential locations: Lagan College area, Belfast; and
commuter routes: Moyad Road (B27) between Kilkeel and Hilltown and commuter routes into Belfast.

In the research, consumers in Northern Ireland highlighted the importance they placed on services such as mobile access and fixed broadband. For example, consumers in rural Northern Ireland said that:

"The internet is essential today, so I don't know what we would do without broadband. Because we live so far away from shops etc we use it for our food shopping every week."

"I used to feel like our village was in the dark ages because we had no broadband."

This research is part of our UK wide work on better understanding the issue of mobile not-spots (again reflecting our Annual Plan priority). The full results of this will be published

later in the year as part of our overall consideration of the issues relating to mobile not-spots.

In addition to this, as part of our research we conducted a small number of in-depth interviews with people who are affected by not-spots. The case study below illustrates the experience of a consumer in Northern Ireland who experiences mobile roaming in an area where his network operator has poor coverage.

Case study: Mobile roaming in not-spot areas in Northern Ireland

James is self-employed and works in the fish trade in Kilkeel, Co. Down. He regularly commutes along the coastal route from Kilkeel to Newry and occasionally uses his hands-free kit to make business phone calls while on the move. For much of the route the Republic of Ireland is clearly visible across a small stretch of water.

He thinks that the not-spots in this area occur because of the geographical location, which includes both mountains and coastline. In his opinion, this problem might be solved if an additional mobile phone mast were to be built somewhere nearby.

James' experience of mobile not-spots

James does not experience any coverage problems where he lives, but he frequently drives through not-spots areas when travelling along this route. As he is a regular commuter on the road, he knows where the not-spots are and is able to work around them by avoiding the need to make calls when he is in this area: *"I know where there are no reception areas, so I tend to make a call before I enter this area."*

He also experiences issues of inadvertent international roaming

Occasionally James' phone roams onto a network in the Republic of Ireland when his own network is unable to receive coverage while he is travelling along this road. He does not feel that this is a major problem but he suspects that it would be for people living in this area. James believes that they must face the choice of putting up with areas where they have no coverage, or paying higher roaming rates for calls and texts using a network from the Republic of Ireland.

Note: The case study above is taken from one of the in-depth interviews conducted by the research agency as part of the not-spots qualitative research. The respondent's name has been changed to ensure anonymity.

1.4.5 Current progress and future work on not-spots

Emergency mobile roaming

A joint effort between Ofcom, mobile network operators, emergency authorities and the fixed operators who act as call handling agents has resulted in the development of new emergency roaming procedures. These were introduced in 2009 and allow mobile phone users to call the emergency service numbers using another mobile network operator if their own service provider does not offer coverage while an alternative provider does.

This means that in a situation that requires an emergency call to be made, people are now able to call 999 or 112 from their mobile phone using another network if their own network is not and an alternative provider has coverage. In this case, the phone automatically switches over to whichever network operator has the best signal in that area.

For people living, working and travelling through areas where there are mobile not spots, this provides them with reassurance that – should they need to make an emergency call – the call can still be made, provided that at least one mobile network operator has coverage in that area.

Mobile not-spots

Ofcom is undertaking further research to better understand mobile not-spots.

As outlined above, it is one of Ofcom's priorities for 2010/11 to make progress on broadband and mobile phone not-spots. As such, we are undertaking a programme of research to improve our understanding of mobile not-spots. Ofcom intends to publish further thinking on the causes of not-spots; where they are; and what impact they have for citizens and consumer across the UK, later this year. We plan to use this evidence to consider whether there are any appropriate solutions, within the scope of our duties and powers, for improving coverage.

Fixed broadband not-spots

The coalition government has announced a plan – subject to European state aid rules - to roll out 2Mb/s broadband across the UK by 2015. Ofcom will provide technical advice to assist with this process.

As well as municipal schemes, an alternative way of targeting fixed broadband not spots may be through the use of local schemes. For example, people experiencing fixed broadband not spots might be able to gain broadband access through point-to-point wireless networks, or satellite broadband provision. The emergence of increasingly fast and affordable mobile broadband - which is now used by 14% of people in Northern Ireland – may also provide an important alternative to people who are unable to receive a fixed broadband service – though there may also be areas where the not spots are concurrent.



The Communications Market in Northern Ireland

2 TV and audio-visual content

2.1 TV and audio-visual content

2.1.1 Recent developments in Northern Ireland

BBC Northern Ireland

As part of the BBC's overall efficiency programme, BBC Northern Ireland announced proposals for a major programme of savings and investments in October 2009. The proposals included the reshaping of its in-house production capacity; a refocusing of priorities in drama to enable more productions to be made in Northern Ireland; and a drive to move some newsgathering out of Belfast in order to deliver more news for local communities. Also in 2009, BBC Northern Ireland celebrated 70 years at Broadcasting House in Belfast. To mark the anniversary BBC Northern Ireland held a season of events and activities.

UTV

In 2009 UTV celebrated 50 years of television broadcasting to Northern Ireland. In the years since 1959, UTV has expanded its interests to include radio and new media and, in partnership with NWN Media, was the preferred bidder for the Independently Funded News Consortium (IFNC) pilot for Wales.⁸

Northern Ireland Affairs Select Committee

The Northern Ireland Affairs Select Committee published a report in January 2010 entitled *Television Broadcasting in Northern Ireland*⁹. In compiling the report members of the Committee, chaired by Sir Patrick Cormack MP, heard evidence from, among others, BBC Northern Ireland, UTV, Channel 4, Northern Ireland Screen, the NUJ, the independent production sector and Ofcom. It also received written evidence from a range of interested parties.

The report stated that “the evidence we received demonstrates that Northern Ireland is the least well served of the UK's four nations in terms of network production that reflects and portrays its life and the amount of network programming produced there. Among the three nations with devolved administrations, it also fares worst in terms of the provision of minority language broadcasting”.

A series of recommendations was contained in the report, including “that the Government seeks to engage with broadcasters and producers so as to more accurately reflect life as it is in Northern Ireland in a way that is understandable throughout the rest of the UK. We recommend that the Government encourages the BBC and Channel 4 to use programmes made within the province for UK-wide broadcasting to address the lack of portrayal and to help ensure the people throughout the rest of the UK have a clearer perception of Northern Ireland – its people, its geography and wildlife, history and culture; and of its history and culture in times before ‘the troubles’”.

⁸ Pilots for Independently Funded News Consortia were first proposed in the government's Digital Britain report in June 2009. Applications were invited for Scotland, Wales and the Tyne Tees/Border areas. Since UTV had indicated its intention to continue providing news for Northern Ireland it was not considered that an IFNC pilot was necessary here.

⁹ <http://www.parliament.the-stationery-office.co.uk/pa/cm200910/cmselect/cmniaf/237/237.pdf>

Network production in Northern Ireland

In the 2009/10 BBC Northern Ireland Annual Review, published in July 2010, the BBC Audience Council said that audiences now expect a more up-to-date portrayal of Northern Ireland on the BBC's UK-wide services, leaving behind an apparent preoccupation with political and security issues. The Council also said the BBC needed to do more to reflect the integral role which individuals from diverse groups play within wider society, noting that "too often people feel they are defined by a single fact of their identity."

The BBC has publicly committed to commission a total of 17% of its production from the nations, including Northern Ireland, by 2016. Network productions made in Northern Ireland in 2009/10 included *Five Minutes of Heaven* (which won Best Director and Best Screenplay at the 2009 Sundance Film Festival); *Occupation* (which won Best Serial at the Prix Europa); and *Small Island* – an adaptation of the Andrea Levy book.

In December 2009, two Northern Ireland-based independent production companies – Wild Rover and Green Inc – won commissions to produce network entertainment programmes for the BBC. These included *Secret Fortune*, a lottery show format for BBC One, and *The Many Faces of...June Whitfield* for BBC Two.

Channel 4 is the only other PSB broadcaster to have specific quotas for production in the nations of the UK, including Northern Ireland; currently 35% of the channel's programming must be made outside London, of which a combined total of 3% must come from Scotland, Wales and Northern Ireland. Channel 4 programmes made in Northern Ireland in 2009/2010 included *Mo* – a TV drama about former Northern Ireland Secretary of State, Mo Mowlam.

Other independent production in Northern Ireland

Independent television producers based in Northern Ireland continue to have success in winning commissions for television programmes broadcast outside the UK, and in recent years Northern Ireland has also enjoyed success as a location for international television and film productions; see the case study below.

Seacht, an Irish-language drama series set in Belfast, which was jointly commissioned by the Irish Language Broadcast Fund, BBC Northern Ireland and TG4, and produced by Northern Ireland independent production company, Stirling Film and Television Productions. It won the Award for Productions for Young People at the 2010 Celtic Media Festival.

Cross-border television

A Memorandum of Understanding (MoU) regarding digital switchover and the provision of digital television services in Northern Ireland and the Republic of Ireland was signed in February 2010 by the governments of the United Kingdom and Ireland.

The MoU committed both governments to co-operate to ensure "a smooth transition to digital terrestrial television and the switch-off of analogue services on the island of Ireland...the widespread availability on DTT (Digital Terrestrial Television) of TG4 in Northern Ireland...the widespread availability on the DTT platforms of BBC services in Ireland and of RTE services in Northern Ireland".¹⁰

¹⁰ http://www.culture.gov.uk/images/publications/UK-NI-ROI_MOU_Feb_2010.pdf

Local television

The Government is currently working on policy options to help create a regulatory environment which will support a strong, independent and vibrant local media sector. It has set out its vision for a network of local television services across the UK and has asked Nicholas Shott, the Head of UK Investment Banking at Lazard, to carry out an independent assessment of the commercial potential of local television in the UK. The findings of that review will help produce a local media action plan, due to be published in the autumn. In addition, the Government has cancelled the previous plans for pilots of the proposed Independently Funded News Consortia (IFNCs)¹¹.

There are two restricted television service licence services (RTSLs) in Northern Ireland – NvTv, broadcasting in analogue terrestrial to the Belfast area, and Channel 9, with three licences covering Derry/Londonderry, Coleraine and Limavady. The Channel 9 licences were transferred from their previous owners, North West Television Services Ltd, to UC Business in November 2008, but the station has yet to re-launch.

In March 2010, current holders of RTSLs in the UK were advised of Ofcom's agreement in principle to extend their existing licence periods to 31 December 2013, in order to allow them to begin digital transmissions, subject to spectrum availability, once digital switchover had been achieved in their broadcast areas. In the case of Northern Ireland digital switchover will be in 2012.

Irish- language broadcasting

Irish-language broadcasting is currently supported by the Irish Language Broadcast Fund. The fund supports the production of around 75 hours of television in the Irish language each year, broadcast primarily on BBC Northern Ireland and the Irish language channel, TG4 – based (and regulated) in the Republic of Ireland but available in Northern Ireland on satellite, cable and via analogue services in Belfast and spill-over signal from the Republic of Ireland.

TV and film production in Northern Ireland

Northern Ireland is developing a growing reputation for television and film production. While some of this has been for UK network production, primarily via BBC Northern Ireland, the independent production sector has also won major commissions from much further afield.

Northern Ireland Screen has played a pivotal role in attracting production to Northern Ireland. The organisation, funded jointly by Invest Northern Ireland and the European Regional Development Fund, can provide production funding of up to £800,000 per project (larger in certain cases) and productions made in Northern Ireland can also benefit from the UK's film tax relief arrangements – both of these incentives contribute to Northern Ireland's global competitiveness.

One element of the success has been the re-purposing of the Paint Hall building in Belfast's regenerated Titanic Quarter as a 64,000 square foot film studio. Once the home of a thriving shipbuilding industry, most famous for building the ill-fated Titanic, the Titanic Quarter is now at the forefront of Northern Ireland's aspiration to become a world-class destination for content production.

¹¹ http://www.culture.gov.uk/news/ministers_speeches/7132.aspx

In recent years the Paint Hall has served as the location for international film productions such as *Your Highness* (Universal Pictures) and *City of Ember* (Walden Media/Playtone Productions) and television productions including the BBC's *Small Island*, *Occupation* and *Best: His Mother's Son*.

Most recently the American cable channel HBO used the studio to shoot a pilot episode of the fantasy adventure, *Game of Thrones*. The series has now been commissioned for a further nine episodes, to be shot both at the Paint Hall and at other locations around Northern Ireland. The series is set to be one of the largest television productions ever filmed in Europe and it is estimated that it will generate £20m for the local economy.

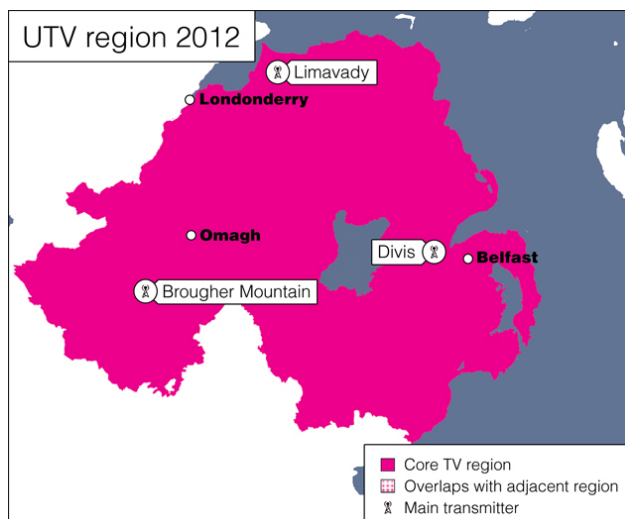
Elsewhere in Northern Ireland locations as diverse as Belfast's Crumlin Road Gaol and Cave Hill Country Park, Larne's Magheramorne Quarry and the seaside towns of Ardglass, Bangor, and Portaferry have played host to film productions including *Closing The Ring*, *Cherrybomb*, *Breakfast on Pluto*, the award-winning *Hunger* and television productions such as Channel 4's *Mo* and the BBC's *Messiah V* and *Five Minutes of Heaven*.

Northern Ireland independent production companies have also been enjoying success in the television production market outside the UK. Companies including Doubleband, Green Inc, Waddell Media and Wild Rover have won commissions from RTÉ, TG4 and TV3 in the Republic of Ireland and the Arts and Entertainment Network, National Geographic Channel and the Discovery Channel in the USA.

2.1.2 Digital switchover in Northern Ireland

Northern Ireland will switch to digital TV in 2012, bringing the UK switchover programme to a close after all three main transmitter groups in the region switch to digital-only broadcasting. Detailed switchover dates will be announced later in the programme.

Figure 2.1 Northern Ireland switchover transmitter map



Source: Digital UK

At the end of May 2010, over half a million homes in Northern Ireland already had access to digital TV on at least one TV set in their home, with 84% of main sets converted. Sixty-six per cent of homes can currently receive the low-powered digital terrestrial (Freeview) signal broadcast from the three main transmitter sites at Brougher Mountain, Limavady and Divis. At switchover, Freeview coverage at all three main transmitters will be boosted and the signal extended to all associated relay transmitter sites. Freeview coverage of the

public service channels will become universal (98% coverage) and 79% of homes will be able to receive the full channel line-up of public service and commercial TV channels.

Figure 2.2 Transmitter groups to switch in Northern Ireland

Northern Ireland main transmitter groups	Number of relay transmitters	Number of households served	Switchover year
Brougher Mountain	4	37,000	2012
Limavady	13	104,000	2012
Divis	26	508,000	2012

Source: Digital UK Programme office

Consumer readiness in Northern Ireland

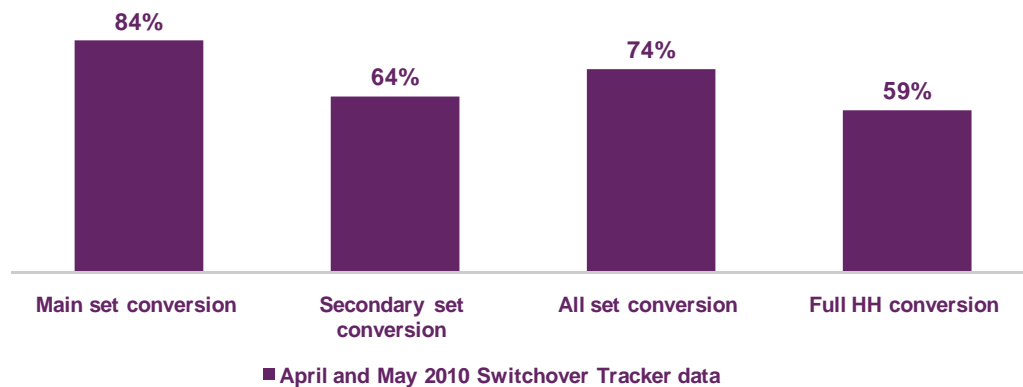
Digital UK, the organisation managing the UK switchover programme, started monthly tracking of awareness and understanding of switchover in Northern Ireland in April 2010. First results indicate that even before any campaign activity 87% of homes are aware that switchover is happening, and almost half of the population (46%) know that their region switches in 2012. Awareness of the switchover year in Northern Ireland is significantly higher than average date awareness in the other remaining switchover regions (35%), even in those switching in 2011.

People's understanding that they will have to upgrade their TV sets to get a digital Freeview, cable or satellite service is less widespread in Northern Ireland than elsewhere in the UK. Understanding of what to do stood at 59% in Northern Ireland in April and May, compared to an average of 67% in other un-switched regions.

However, with the switchover programme already well under way across the UK, people in Northern Ireland feel as positive about the process as those in other parts of the country. During April and May 2010, 95% of residents felt comfortable with switchover, slightly above the average 90% level across the remaining switchover regions.

Digital TV take-up is slightly lower in Northern Ireland, with 84% of homes receiving digital TV on their main set and 59% of homes fully converted to digital. As this region is the last to switch on the switchover timetable, conversion results look on track for the 2012 switchover.

Figure 2.3 Digital TV take-up in Northern Ireland, May 2010



Q Which, if any, of these types of television does your household receive at the moment?
Source: Digital UK Switchover Tracker April and May 2010 n=223 homes

Digital UK will start its information campaign to help people get ready for digital switchover at least six months before switchover starts in Northern Ireland. Awareness, understanding and TV conversion rates are expected to rise after the campaign starts.

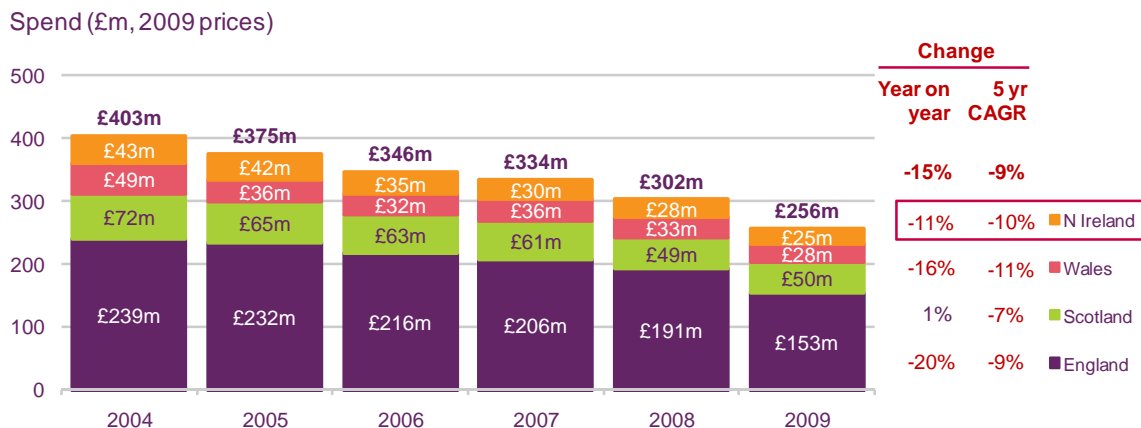
2.1.3 Spending by public service broadcasters (PSBs) on TV content for viewers in Northern Ireland

PSB spend on TV programmes for viewers in Northern Ireland

A total of £256m was spent by the BBC and ITV/STV/UTV on producing programmes specifically for viewers in Wales, Scotland, Northern Ireland and the English regions in 2009, down 15% (£46m) on 2008.

The BBC and UTV spent a combined total of £25m on TV programmes specially made for viewers in Northern Ireland, down 11% year on year from £28m. Spend on programmes for Northern Ireland represented 10% of total spending on nations and regions programming, up from 9% in 2008.

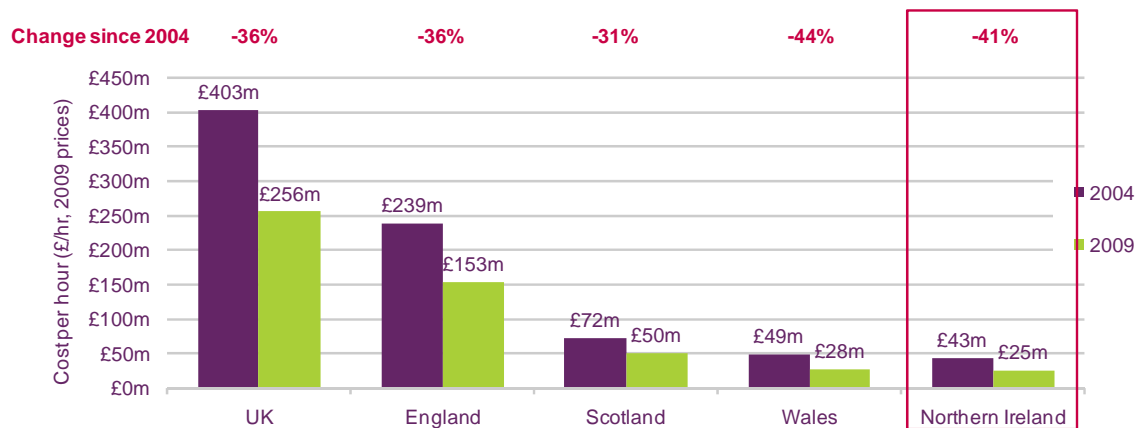
Figure 2.4 Spend on originated nations and regions output by the BBC, ITV1/STV/UTV, 2009



Source: Broadcasters. All figures expressed in 2009 prices. Note: The BBC changed the way it calculated its spend figures from 2005 onwards. The figures for 2002 – 2004 are based on cost per hour averages, while those for 2005 - 2008 are actual spend figures. Comparisons over the period 2003-2008 should therefore be made with caution. Spend excludes Gaelic and Welsh-language programming but includes some spend on Iris-language programming by the BBC.

Over a five-year period, investment in English-language programmes for viewers in Northern Ireland is down 10% per year since 2004 (41% over the period), a slightly larger decrease than the UK average decline of 9% per year (36% over the period).

Figure 2.5 Spend on originated nations and regions output by the nation, 2004 and 2009



Source: Broadcasters. All figures expressed in 2009 prices. Note: The BBC changed the way it calculated its spend figures from 2005 onwards. The figures for 2002 – 2004 are based on cost per hour averages, while those for 2005 - 2008 are actual spend figures. Comparisons over the period 2003-2008 should therefore be made with caution. Spend excludes Gaelic and Welsh language programming but includes some spend on Irish language programming by the BBC.

By genre, the steepest proportional decline in spending in Northern Ireland was seen in non-news/non-current affairs, down by 25% (£4.1m) in 2009 to £12.5m. Investment in both news and current affairs programming in Northern Ireland increased during the year, up by 7% and 18% respectively to £9.9m and £2.9m.

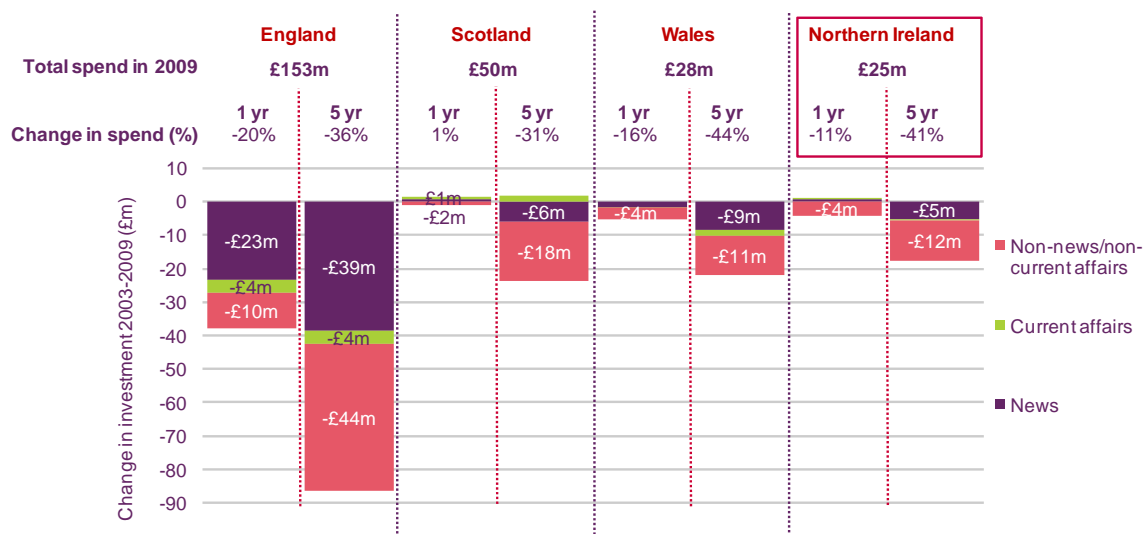
The UK-wide average investment in news fell by 13% (£24m) to £171m, while that for non-news/non-current affairs programming experienced a 25% (£20m) reduction across

all four nations to £61m. Spend on current affairs programming across all of the nations was down by 15% (£4m) year on year to £23m.

Since 2004, total expenditure by the BBC and UTV on TV programmes for viewers in Northern Ireland has fallen by 41% in real terms, from £43m in 2004 to £25m in 2009 (this spend includes a small amount of Irish language output from the BBC but the majority is English-language programming).

Proportionally, this is among the biggest declines in spending experienced by the four nations, behind only Wales, which saw a 44% decline between 2004 and 2009 as broadcasters reined in their spend. The bulk of the reduction in spending over the five years, £12m, was in programmes that fall outside the news or current affairs categories. Spend on news programmes fell by £5m between 2004 and 2009.

Figure 2.6 Change in investment, by genre and nation, 2004 – 2009



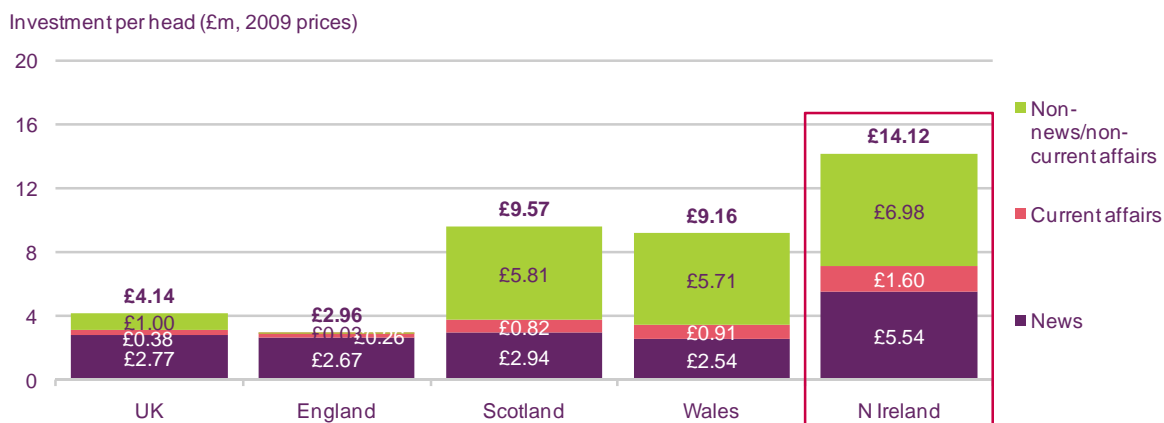
Source: Broadcasters. All figures expressed in 2009 prices. Note: The BBC changed the way it calculated its spend figures from 2005 onwards. The figures for 2002 – 2004 are based on cost per hour averages, while those for 2005 - 2008 are actual spend figures. Comparisons over the period 2003-2008 should therefore be made with caution. Spend excludes Gaelic and Welsh language programming but includes some spend on Irish language programming by the BBC.

Expenditure per head of population is highest in Northern Ireland at £14.12 (£16.05 in 2008) compared to the UK average of £4.14, and reflecting the fact that Northern Ireland has the smallest population of all the nations of the UK.

News programming accounted for 39% (£5.54) of spend per head in Northern Ireland in 2009, while current affairs accounted for 11% (or £1.60 per head). Other programming, which includes non-news and non-current affairs programmes made for the nation, accounted for nearly half of the spend per head (49% or £6.98).

Investment on TV programmes per head in Wales was £9.16, slightly lower than Scotland (£9.57/head). Spend per head in the English regions was much lower, at £2.96, due to the larger population of England compared to that of Scotland, Wales and Northern Ireland and fewer hours produced in the nations, while the UK average was £4.14. These figures exclude spend on programmes produced in local languages within the nations, apart from a small amount of Irish-language programming in Northern Ireland.

Figure 2.7 Investments per head made by the BBC and ITV1 in regional and national output, 2009



Source: Broadcasters. All figures expressed in 2009 prices. Note: The BBC changed the way it calculated its spend figures from 2005 onwards. The figures for 2002 – 2004 are based on cost per hour averages, while those for 2005 - 2008 are actual spend figures. Comparisons over the period 2003-2008 should therefore be made with caution. Spend excludes Gaelic and Welsh language programming but includes some spend on Irish-language programming by the BBC.

2.1.4 Hours of output of content for viewers in the nations

Hours of programmes for viewers in Northern Ireland down in 2009

The BBC and ITV1/STV/UTV produced a total of 10,439 hours of programmes for the English regions, Scotland, Wales and Northern Ireland in 2009, down 12.4% (1,593 hours) compared to 2008 and down a fifth over a five-year period.

As part of its *Second Public Service Broadcasting Review: Putting Viewers First*, Ofcom reduced some of the quotas around the production of regional programming for the Channel 3 licences¹² from the beginning of 2009. This was to balance the cost of programme obligations to ITV, with the benefits to the broadcaster of continuing to hold the licences and maintain PSB delivery. Otherwise it might have been in ITV's interest to relinquish the licences, in which case all guarantees of any PSB delivery would be lost. For UTV, which was in a stronger commercial position, the quota on programmes other than news was revised upwards to a minimum of two hours per week.

The number of hours produced specifically for viewers in Northern Ireland stood at 969, the lowest number of hours produced for any of the nations. Northern Ireland saw the sharpest decline in hours of output produced in 2009, down by 15.1% year on year. This compared to a UK-wide average decline of 12.4%.

However, since 2004, hours of regionalised output produced specifically for Northern Ireland declined by just 17.3%, among the smallest decline of all the nations over the five-year period (behind Scotland, which saw a 15.6% decline over the same period). The UK average decline in hours of regionalised programming was 19.5% between 2004 and 2009.

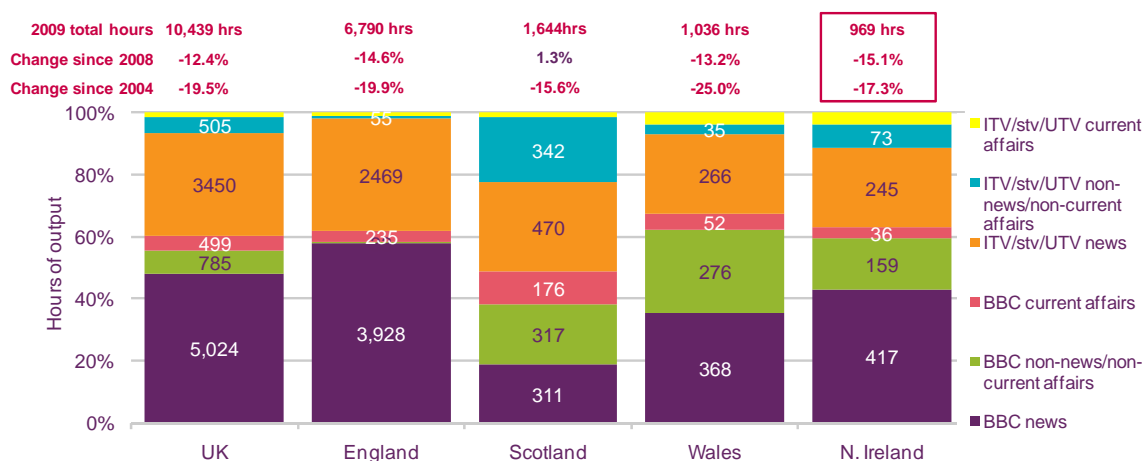
The largest single component of the reduction in hours for Northern Ireland in 2009 was attributable to non-news/non-current affairs produced by the BBC and UTV, which was down by a combined 137 hours (37%) to 232 hours. The number of hours of current

¹² For more information, read the statement on short-term regulatory decisions: http://www.ofcom.org.uk/consult/condocs/psb2_phase2/shortterm/

affairs programming increased by nine hours to 75 hours in 2009. News hours fell by 45 hours to 662. This was attributed to UTV decreasing the number of hours of news it produced by 20%, to 245 hours in 2009.

Programming produced by the BBC for viewers in Northern Ireland accounted for 63% of all hours, while UTV accounted for the remaining 37%.

Figure 2.8 Hours of regionalised output, by genre and broadcaster, 2009



Source: PSB returns. 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.

When analysing the cost of making programmes for the nations, cost per hour calculations show that all of the nations produced programmes more cheaply (or cost effectively) in 2009 than they did in 2004. The UK average cost per hour in 2009 was £25,000, down £6,000 (or 28%) compared to 2004.

The average cost per hour of producing content for Northern Ireland stood at £26,000 per hour in 2009, down 41% from £37,000 per hour in 2004. This represents the sharpest decline in cost per hour of all the nations during the five-year period. Scotland had the highest cost per hour of any nation in 2009, at £30,000, £5,000 higher than the UK average.

In terms of genres, across the UK, the cost per hour of producing regional news reduced the most in the five-year period, down by 19% to £20,000 per hour. The cost per hour for current affairs across the UK was down 15% to £35,000. Non-news and non-current affairs programmes made for the nations cost on average £48,000, a 0.4% reduction on 2004.

Figure 2.9 The cost of output for the nations, by genre, 2009



Source: Broadcasters, all figures expressed in 2009 prices. Note: The BBC changed the way it calculated its spend figures from 2005 onwards. The figures for 2002 – 2004 are based on cost per hour averages, while those for 2005 - 2008 are actual spend figures. Comparisons over the period 2003-2008 should therefore be made with caution. Spend excludes Gaelic and Welsh-language programming but includes some spend on Irish-language programming by the BBC.

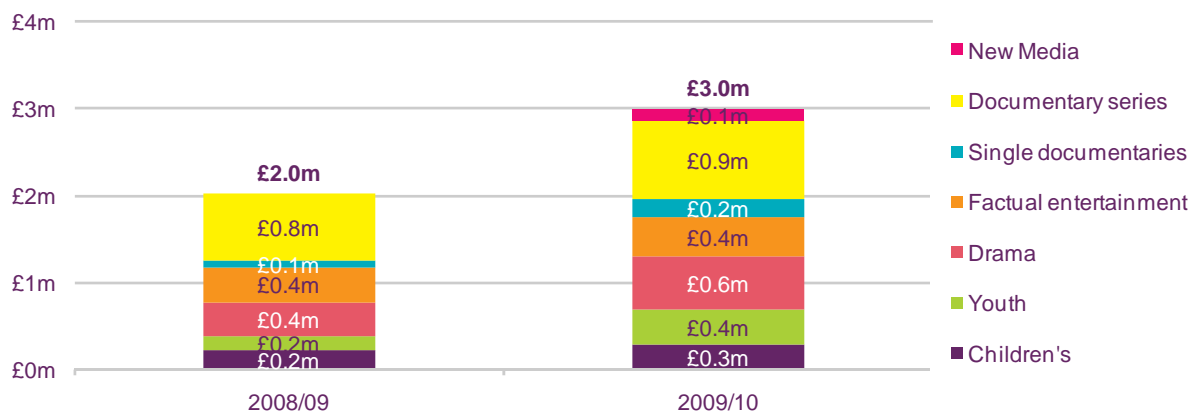
Non-network production in the nations and English regions

In addition to English-language programming, viewers in Northern Ireland can also watch Irish-language programming, which is funded by the BBC and the Irish Language Broadcast Fund (ILBF) on TG4, the Irish language channel based in Galway in the Republic of Ireland. In Belfast, the local TV service, NvTv, also broadcasts some programmes in Irish.

In 2009/10, spend by the ILBF reached £3.0m, up from £2.0m in 2008/09, as investment in all genres increased year on year. The largest component of spending in 2009/10 was documentary series, at £0.9m, up from £0.8m a year earlier. Investment in single documentaries reached £0.2m, while spend on youth programming more than doubled to £0.4m

The £3m investment by the ILBF represented a return to spending levels in 2007/08. Separately, funding of £5m over five years has also been announced for Ulster-Scots programming.

Figure 2.10 Spend by the ILBF on Irish language programming



Source: ILBF

2.1.5 PSB television quota compliance

Programme production in the nations and English regions

Production quotas for programmes produced outside London set minimum percentages for the four main PSBs (BBC, ITV, Channel 4 and Five) which must broadcast programmes produced in the nations and English regions. The out-of-London production quotas have two elements – one relating to the value, which applies to the amount of *money spent* on programmes produced in the nations and regions, and the second relating to the *volume of hours* broadcast.

To qualify against the quota, programmes must comply with Ofcom's regional production definition, which became the industry standard in 2006 and establishes three criteria:

- having a substantive base in the relevant nation or regional area;
- achieving a minimum level of expenditure in the nation or region; and
- achieving a minimum spend on production talent based in the nation or region.

Programmes must meet at least two of these three criteria.

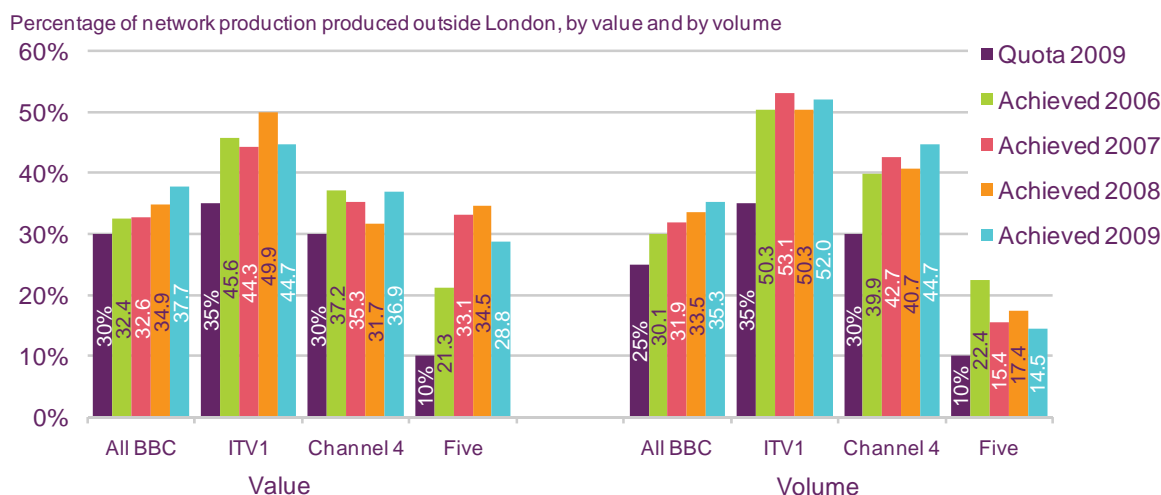
Figure 2.11 shows the broadcasters' achievements against the quotas over the last four years. The BBC's quotas are set at 30% by value and 25% by volume and apply across all of its PSB channels. The BBC has exceeded these quotas each year since 2006, steadily increasing the proportions year on year and achieving 37.7% by value and 35.3% by volume in 2009. The BBC plans to further increase its production and commissioning of programmes from outside London, and the relocation of key departments, such as Breakfast and Children's, from London to Salford Quays, Manchester, will contribute to the commitment to achieve 50% by 2016. Within this figure there is a further commitment to achieve 17% from the devolved nations.

Ofcom's Second PSB Review recognised the need to align PSB requirements on ITV1 with the diminishing value to ITV of holding the licences. As a result, the quota level for ITV was reduced from 50% by value and volume to 35% with effect from 2009. The levels achieved in 2009 were 44.7% in terms of value and 52% by volume, which remain higher than the amounts achieved by the other three main PSB broadcasters.

In 2009, Channel 4 achieved 36.9% by value and 44.7% by volume, exceeding the existing quota of 30% as well as its new quota of 35%, which came into effect at the beginning of 2010. Alongside the 2010 quota revision is the introduction of a minimum devolved nations quota of 3% of programmes by spend and volume which must be produced outside England. Subject to resources, it is expected that this figure will grow in future years.

Five has a lower quota commitment, at 10%, but has exceeded its obligations by large margins in recent years, reaching 28.8% by value and 14.5% by volume in 2009. These figures are lower than the levels achieved in previous years and are based on lower first-run originations expenditure figures than the other broadcasters.

Figure 2.11 Performance against the out-of-London production quotas

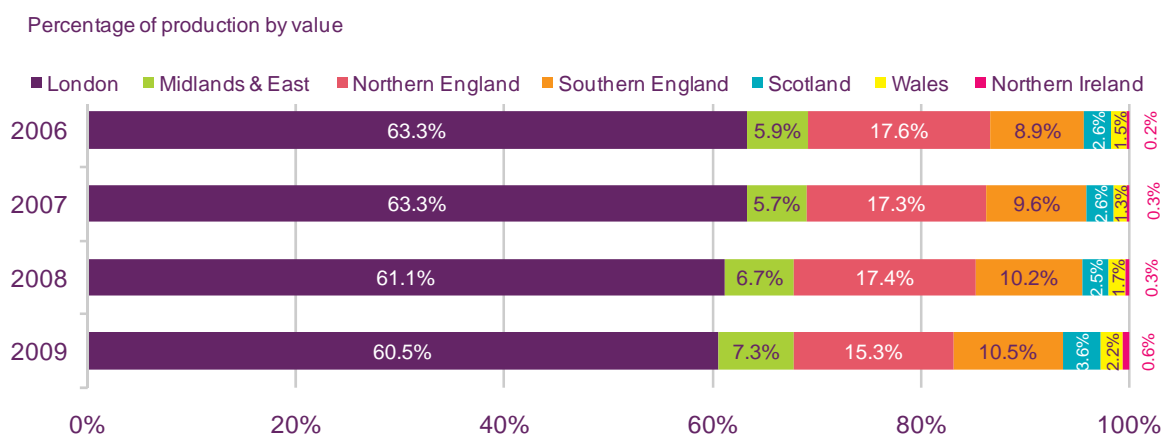


Source: Ofcom/broadcasters

The proportion of spend on network original programme productions in the UK, by the four PSBs collectively, is given in Figure 2.12. The chart shows how the expenditure was divided up among the UK's nations and, within England, among 'macro-regions'. The majority of programmes continue to be produced in London but this proportion is gradually falling – down from 63.3% in 2006 to 60.5% in 2009. Of the overall UK spend of £1,800m, a total of £1,089m was spent on programmes made in London and 33% of expenditure, or £596m, was in the English regions.

The total for the devolved nations has increased by 38% since 2006, rising from £83m to £115m in 2009, or 6.4% of all UK expenditure on originated programmes. The proportion of overall spend in Northern Ireland remained low – at 0.2% in 2009, down from 0.3% in 2008.

Figure 2.12 Expenditure on out-of-London production

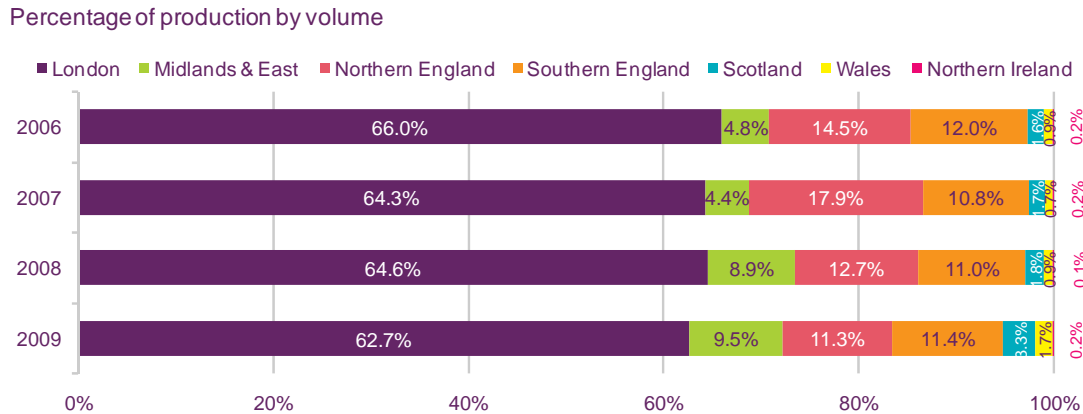


Source: Ofcom/Broadcasters

The proportion of hours of programmes produced outside the M25 has also increased; from 34% in 2006 to 37.3% in 2009. Of the total of 14,700 hours of first-run UK-originated network programmes broadcast by the four main PSBs in 2009, around 5,400 hours were made in the nations and English regions. The volume of productions made in England stood at 4,700 hours, with 750 hours in Scotland, Wales and Northern Ireland. The share of hours produced in the devolved nations increased to just over 5% in 2009, up from

2.7% in 2006. The number of hours produced in Scotland, and its share of total volume, rose from 1.8% in 2008 to 3.3% in 2009, and in Wales the proportion increased to 1.7% from 0.9% the previous year. In Northern Ireland there was a small rise in share to 0.2% from 0.1% in 2008 (Figure 2.13).

Figure 2.13 Volume of out-of-London production



Source: Ofcom/broadcasters

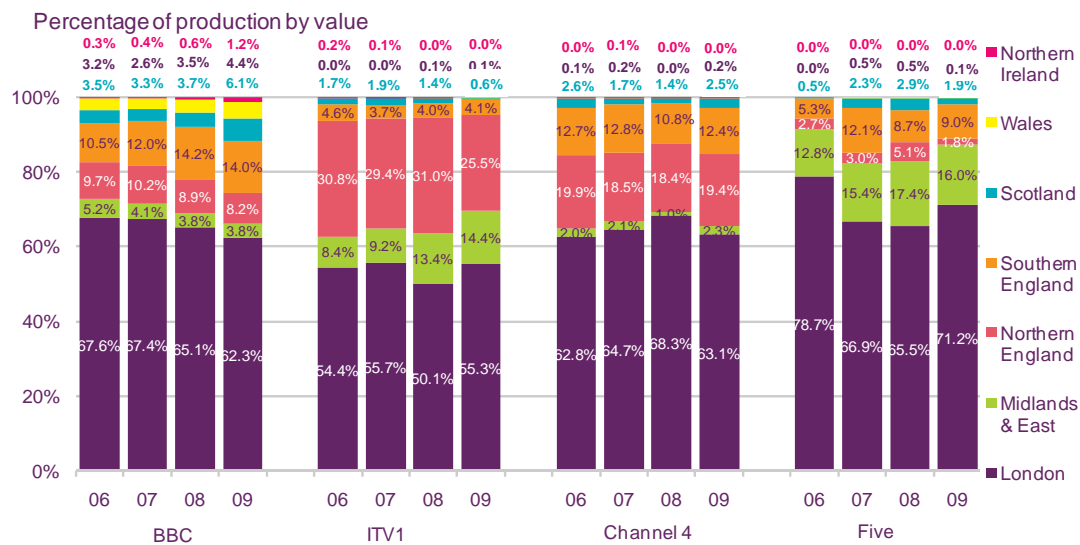
Figure 2.14 shows how expenditure is divided up for each broadcaster. The BBC's proportion of spend in London has reduced slightly in each of the past four years, with out-of-London spend going up from 32.4% in 2006 to 37.7% in 2009. The BBC's spend in the nations has increased from 7% to 11.7% over the same period. Within this, Northern Ireland's share rose from 0.6% in 2008 to 1.2% in 2009.

For ITV1, the proportion of out-of-London expenditure fell in 2009 from 45.6% in 2006 to 44.7% in 2009. Spend in the devolved nations has not shown signs of revival.

Channel 4's performance showed an improvement in 2009, with an increase in the proportion of out-of-London spend, from 31.7% in 2008 to 36.9% in 2009. Increases were more significant in the English regions than in the devolved nations.

Five's proportion of expenditure on out-of-London productions fell to 28.8% in 2009, compared with 34.5% in 2008, and the proportion of combined spend in Scotland, Wales and Northern Ireland also dropped.

Figure 2.14 Breakdown of expenditure, by broadcaster



Source: Ofcom/broadcasters

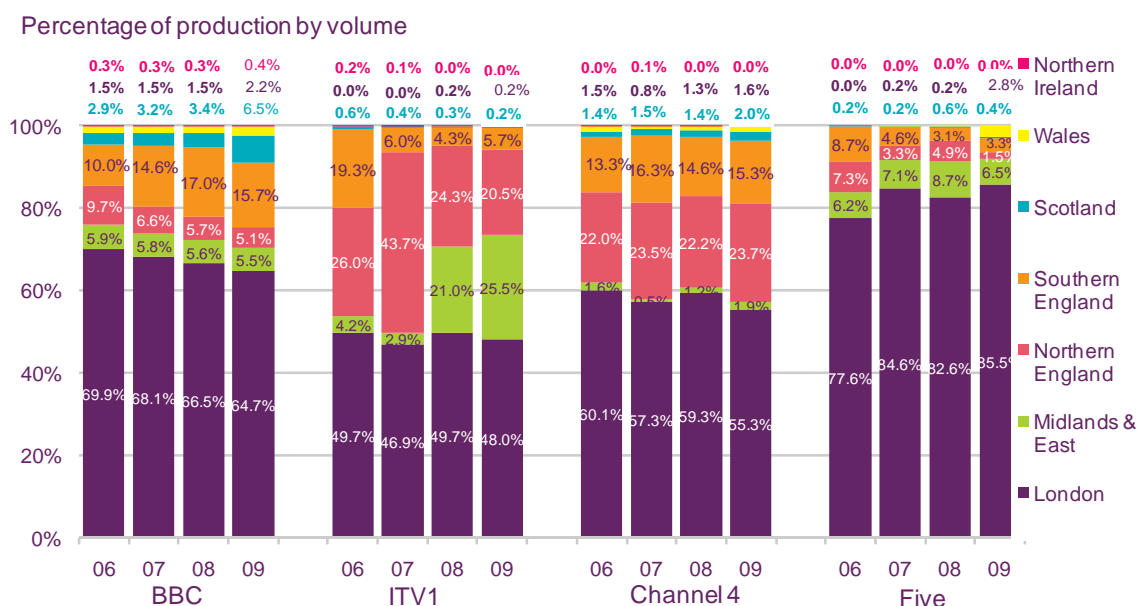
The volumes of out-of-London production by broadcaster over the last four years are shown in Figure 2.15. The proportion of hours made or commissioned by the BBC in London has fallen each year, reducing by five percentage points from 69.9% in 2006 to 64.7% in 2009. The number of hours made in the devolved nations increased, and the percentage in Northern Ireland increased marginally to 0.4%, compared with 0.3% in the previous three years.

While the proportion of hours from outside London broadcast by ITV1 in 2009 was a little higher, at 52%, in 2009, compared with 50.3% in 2006, the levels in the devolved nations remained static.

The proportion of Channel 4's hours made in London fell by five percentage points, from 60% to 55%, during the period, with small increases in the proportions in Scotland and Wales but not in Northern Ireland. The aggregated figure for the nations was 3.6% in 2009, compared with 2.9% in 2006.

For Five, the percentage of out-of-London production by volume fell to 14.5%, its lowest level since quotas were introduced, and the proportions in the nations were mostly lower, with the exception of Wales where the figure went up to 2.8%.

Figure 2.15 Breakdown of production volume, by broadcaster



Source: Ofcom/broadcasters

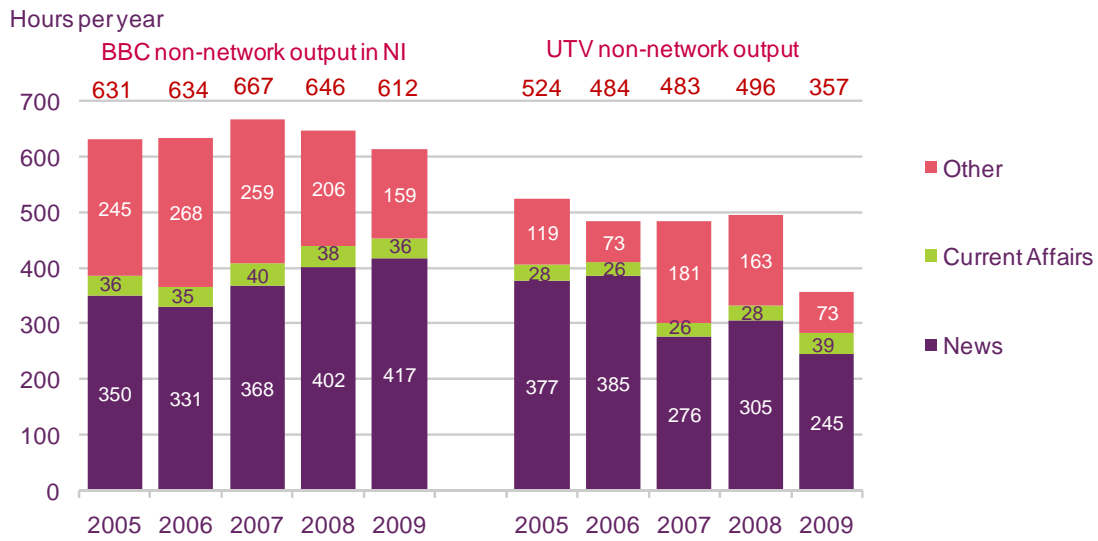
Non-network production in Northern Ireland

The volume of non-network programmes broadcast over the past five years is illustrated in Figure 2.16. Hours shown by BBC Northern Ireland on BBC One and Two declined a little (3%) between 2005 and 2009, going down from 631 hours per year to 612 hours. The volume of news increased by 19% over the period; to 417 hours in 2009, while current affairs remained relatively stable across the five years. The level of other non-network programmes fell by 35% from 245 hours in 2005 to 159 hours in 2009.

UTV's non-network programming volumes have also reduced over the last five years (by 32%) and they fell substantially in 2009 as a result of the changes agreed as part of Ofcom's second PSB Review. While the volume of non-network news programmes during peak time remains a priority, it was agreed that the levels of news bulletins broadcast during the daytime could be reduced. The weekly quota figure of 5 hours 20 minutes a week was reduced to 4 hours a week from 2009, in line with the rest of the ITV network, and to facilitate network screening.

The quota for non-news programmes was also reduced as part of the Review, from four hours to two hours a week, although peak time, near-peak and current affairs elements within this quota were unchanged. The effect of this can be seen in Figure 2.16, with current affairs remaining relatively stable between 2005 and 2008 and actually increasing by 11 hours year on year to 39 hours in 2009. Other non-network programmes fell from 119 hours in 2005 to 73 hours in 2009.

Figure 2.16 Non-network output in Northern Ireland, 2005-2009



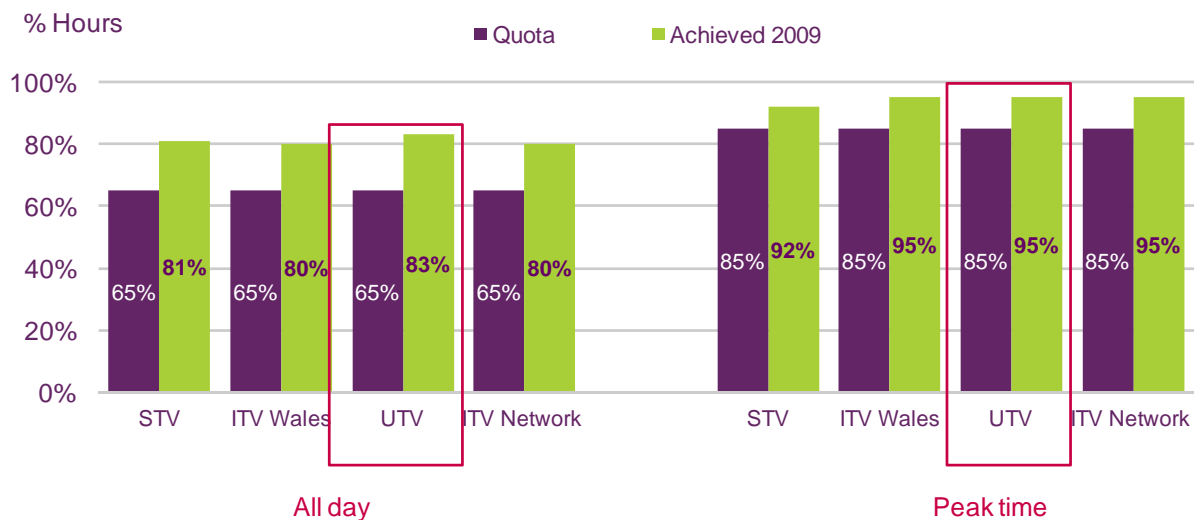
Source: Ofcom/broadcasters
 Note: Figures exclude repeats

Other quota compliance matters

In common with other ITV licensees broadcasting in the nations, UTV opts out of some network material, replacing programmes with its own productions designed for the Northern Ireland audience. In terms of compliance with the relevant network quotas, these changes did not adversely affect UTV’s ability to meet its licence commitments. Information on UTV’s delivery in 2009, compared with the ITV network performance and the position in Scotland and Wales, is shown in Figure 2.17 to Figure 2.19 below.

The original production quota for the full 24-hour day is set at 65% of all hours and UTV exceeded this, achieving 83% in 2009, which was also above the figure of 80% achieved by the ITV network. In peak time, UTV delivered 95%, again exceeding the quota of 85% and matching the ITV figure of 95% (Figure 2.17).

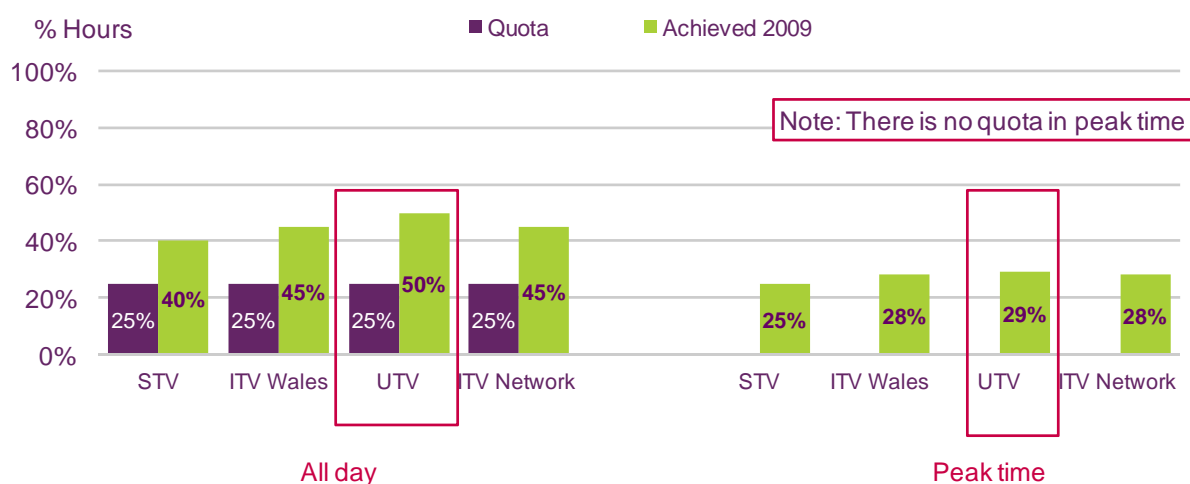
Figure 2.17 UTV performance against original production quotas, 2009



Source: Ofcom/broadcasters

UTV easily exceeded the 25% independent quota, and the proportion achieved was well above the levels delivered by other ITV licensees (Figure 2.18). UTV achieved 50% by volume of hours in total, compared with a figure of 45% reached by the rest of ITV. In peak time, the proportion for UTV was 29%, against the ITV network figure of 28% (Note that there is no separate quota for peak time; the proportions achieved are provided here for information).

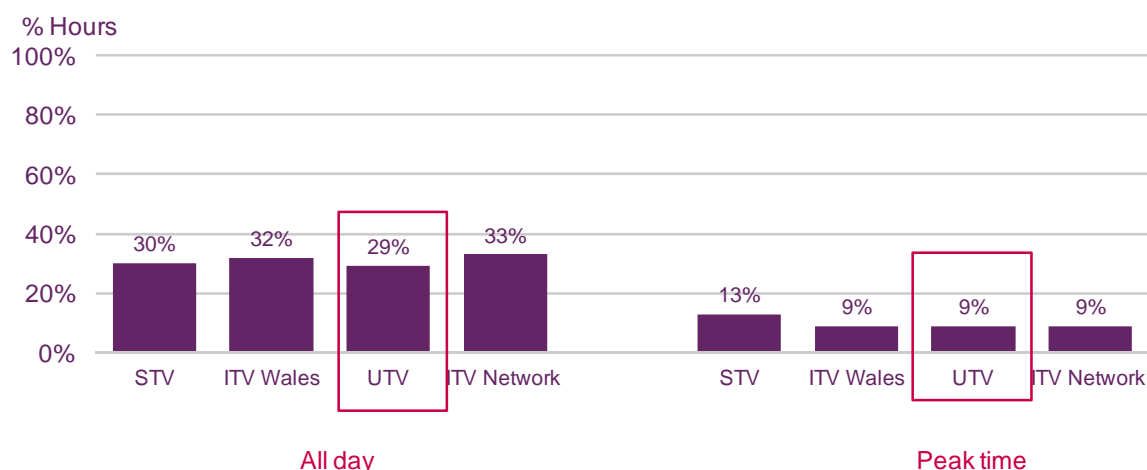
Figure 2.18 UTV performance against the independent quota, 2009



Source: Ofcom/broadcasters

There are no quotas limiting the number of repeats. But, given the views expressed by viewers in surveys such as Ofcom's Media Tracker¹³, information is provided here to illustrate the position in the nations. Across the whole schedule, the proportion of repeats broadcast by UTV in 2009 was four percentage points lower than for the ITV network as a whole - at 29%, compared with 33% - as shown in Figure 2.19. In peak time the level was the same for UTV and for the network, at 9%.

Figure 2.19 Proportion of repeats broadcast by UTV, 2009



Source: Ofcom/broadcasters

¹³ Ofcom's Media Tracker is an annual survey of viewers' perceptions and attitudes to television. In 2009, of the respondents who said that they felt programme standards had got worse, the most popular reason cited was "More repeats" at 65%.

2.1.6 Digital television take-up in Northern Ireland

Digital television (DTV) take-up in Northern Ireland stood at 87% in Q1 2010. This was below the UK-wide average of 92% (Figure 2.20); this is partly a result of Northern Ireland being the only UK nation yet to start the digital switchover process. Take-up showed a slight fall of two percentage points year on year, but this is within the error margin of the research.

Take-up was slightly higher in urban areas (88%) than rural (87%). The same pattern can be seen between the Belfast metropolitan area and the rest of Northern Ireland, with take-up of 88% and 87% respectively.

Figure 2.20 Digital television take-up in Northern Ireland

Proportion of TV homes (%) (Figures above bar shows % point change in take-up of digital TV since Q1 2009)



Source: Ofcom research, Q1 2010

Base: All adults aged 15+ with a TV in household (n = 8858 UK, 746 Northern Ireland, 5600 England, 1452 Scotland, 1060 Wales, 488 Northern Ireland urban, 258 Northern Ireland rural, 339 Belfast metropolitan area, 407 Rest of NI)

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

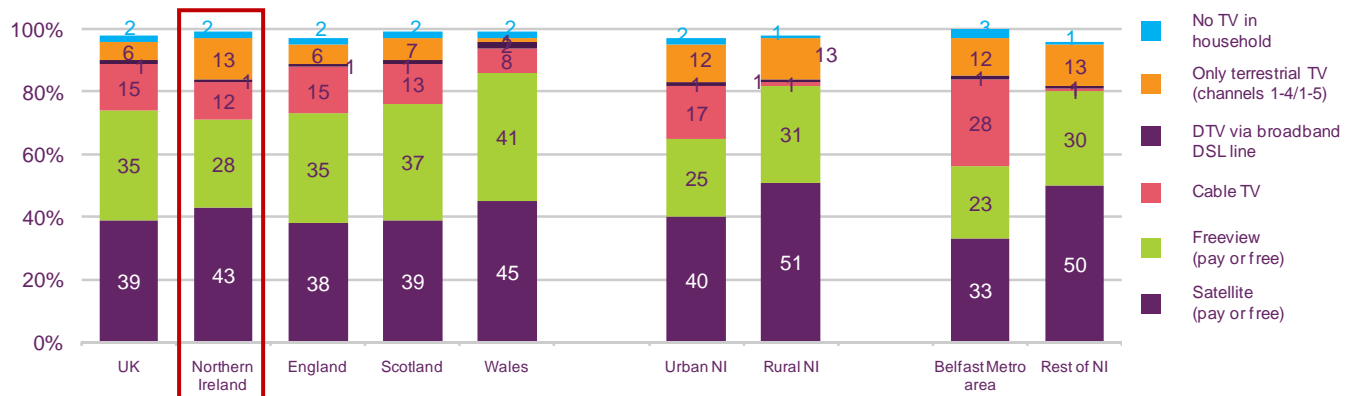
Satellite is the most widely-used TV platform in Northern Ireland

When asked which platform they considered to be their main type of television, satellite (both pay and free) was the most widely used platform in Northern Ireland at 43%, followed by Freeview (both pay and free) at 28%. The higher ratio of satellite in Northern Ireland could partly be a factor of lower DTT coverage across the country. DTT coverage was estimated at 66% by 2010, compared to the UK average of 80% by 2010. Cable television accounted for 12% of homes in Northern Ireland, with 1% having access to DTV via a broadband DSL line. Thirteen per cent of homes said that analogue terrestrial TV (channels 1-4/1-5) was still their main viewing platform; this was considerably higher than in the rest of the UK. Two per cent of respondents said they had no TV in the home.

Rural areas of Northern Ireland had a higher ratio of satellite, at 51%, than urban areas (40%), a similar pattern to that in Wales. Satellite take-up was lower in the Belfast area, at 33%, possibly because cable is much higher there, at 28%, with DTT at 23%. In the rest of the country satellite accounted for 50%, Freeview 30% and cable, which is not available outside the main metropolitan areas of Belfast and L/Derry, was only 1%.

Figure 2.21 TV, by platform, in Northern Ireland

Proportion of respondents / homes (%)



Source: Ofcom research, Q1 2010

Base: All adults aged 15+ (n = 9013 UK, 761 Northern Ireland, 5709 England, 1468 Scotland, 1075 Wales, 501 Northern Ireland urban, 260 Northern Ireland rural, 349 Belfast metropolitan area, 412 rest of Northern Ireland).

QH1b. And which of these do you consider is your main type of television?

Note: Figures may not add to 100% due to rounding, also an element of survey respondents not differentiating between digital and analogue TV.

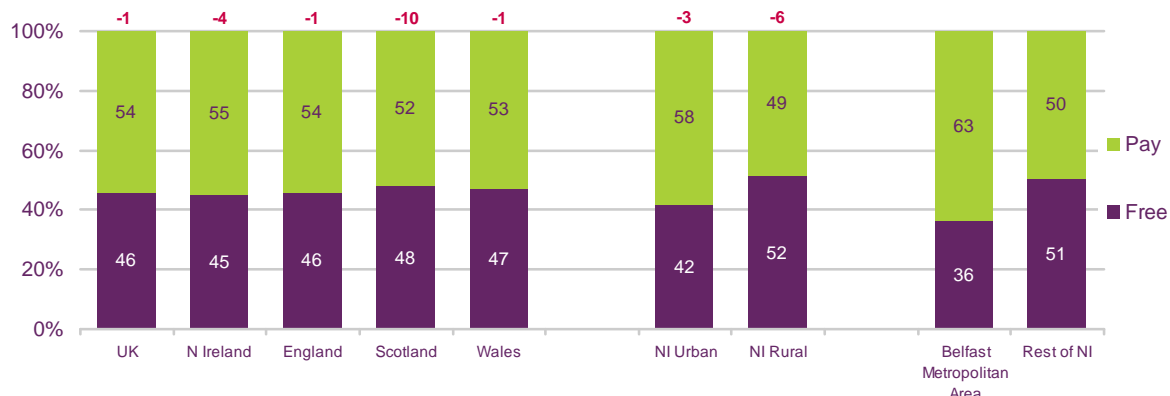
Fifty-five per cent of homes take a pay-TV service

Fifty-five per cent of DTV homes in Northern Ireland took a pay-TV service such as Sky or Virgin Media in Q1 2010. This was similar to the UK-wide average of 54% but slightly higher than pay-TV take-up in Scotland (52%), Wales (53%), and in England (54%). This reflects the higher levels of satellite take-up in Northern Ireland and lower availability of Freeview.

Of those with pay TV, around three-quarters (74%) claimed to take a pay satellite service; significantly higher than the UK average of 66%. Around a fifth (21%) subscribed to cable TV, (lower than the UK average of 28%). The above-average levels of take-up of pay satellite might also be explained by lower-than-average levels of availability of cable outside the urban areas of Northern Ireland.

Figure 2.22 Proportion of homes with free and pay television

Proportion of TV homes (%) (Figures above bar shows % point change in take-up of digital TV since Q1 2009)



Source: Ofcom research, Q1 2010

Base: All adults aged 15+ with a TV in household (n = 8858 UK, 746 Northern Ireland, 5600 England, 1452 Scotland, 1060 Wales, 488 Northern Ireland urban, 258 Northern Ireland rural, 339 Belfast metropolitan area, 407 rest of NI)

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

2.1.7 Broadcast television viewing

During 2009, people in Northern Ireland¹⁴ spent 8% less time watching television than people in the rest of the UK, at 3.5 hours a day, compared to 3.8 hours. However, average viewing levels have increased in Northern Ireland, rising by 5% since 2004, compared to the UK-wide increase of 1%.

The proportion of the population that watched at least 15 consecutive minutes of television in any one week (known as reach) in Northern Ireland during 2009 was also slightly below the UK average, at 92% compared to 93%. Compared to 2004 levels, reach in Northern Ireland has remained relatively stable, similar to the UK average. However, reach of the main PSB channels¹⁵ in Northern Ireland (89%) was higher than the UK average (88%).

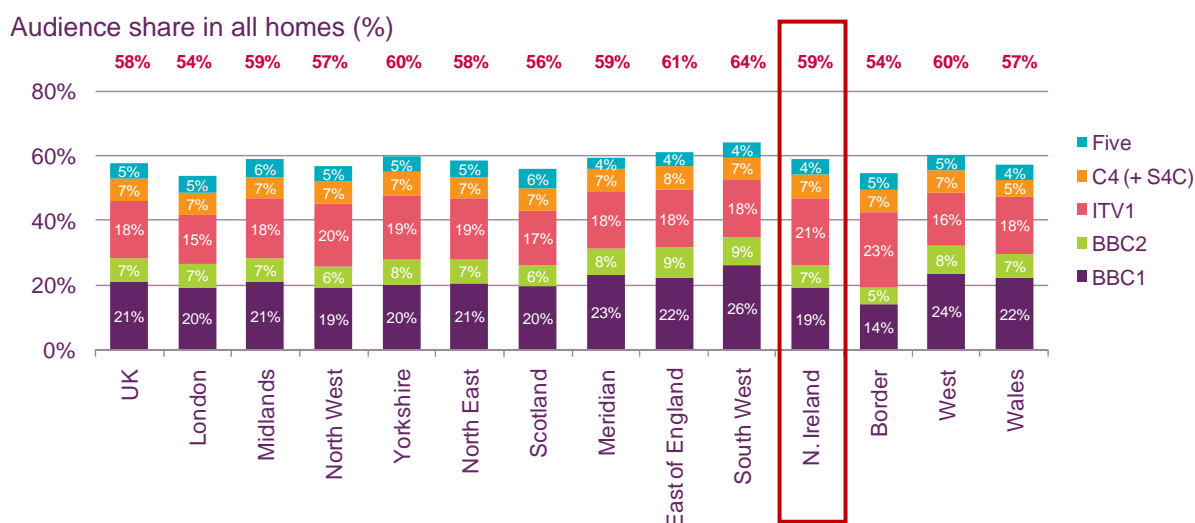
The main PSB channels' viewing share fell least in Northern Ireland

The main PSB channels held a 59% viewing share in Northern Ireland in 2009, which was one percentage point higher than the UK-wide average (58%). This is largely because UTV attracts a high share of viewing in Northern Ireland, averaging 21% in 2009, higher than any other ITV1 licensee (with the exception of Border, which attracted a 23% share). BBC One and Five's audience shares were, respectively, two percentage points and one percentage point lower than the UK average (Figure 2.23).

¹⁴ This is based on people who live in the ITV1 Northern Ireland region as defined by BARB.

¹⁵ The main PSB channels consist of BBC One, BBC Two, ITV1 (UTV), Channel 4 (& S4C) and Five

Figure 2.23 Share of the five terrestrial networks, all homes, 2009

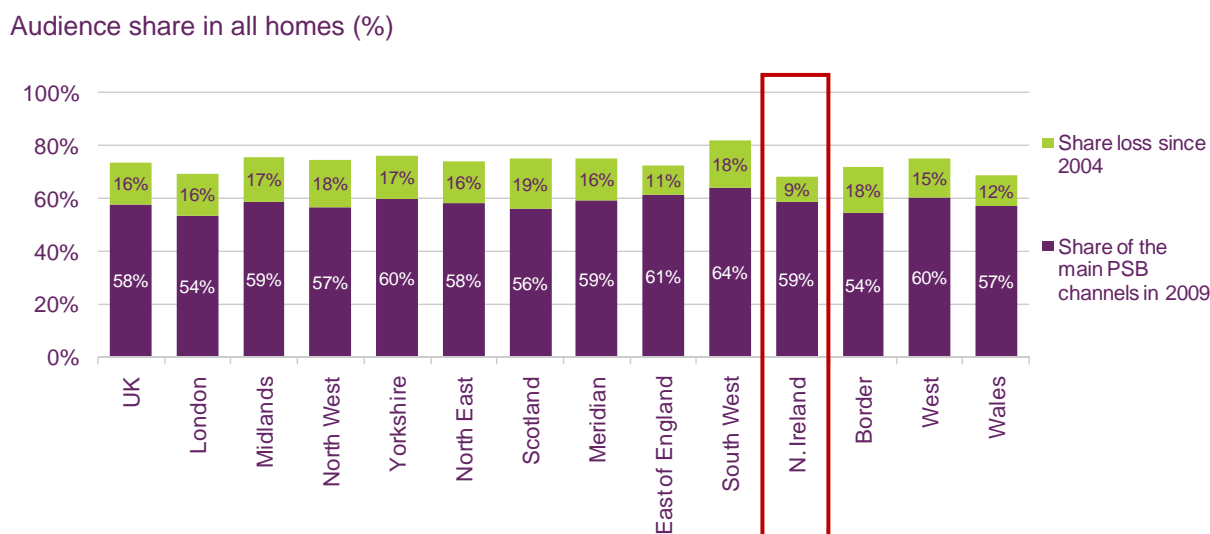


Source: BARB

Note: Labels refer to the ITV region where the audiences are resident as defined by BARB.

Since 2004, the main PSB channels' combined share of viewing fell by nine percentage points in all homes in Northern Ireland. This was below the UK average reduction of 16 percentage points.

Figure 2.24 Reduction in combined share of the main PSB channels, 2004 – 2009



Source: BARB

Note: Labels refer to the ITV region where the audiences are resident as defined by BARB.

PSBs and their portfolio channels' share of viewing is rising in multichannel homes

Despite losing share in all homes, in multichannel homes in Northern Ireland the main PSB channels' share grew between 2004 and 2009 by two percentage points, compared to the UK-wide average reduction of two percentage points (Figure 2.25). The PSB portfolio channels¹⁶ further boosted the total PSB share over the period, by eight

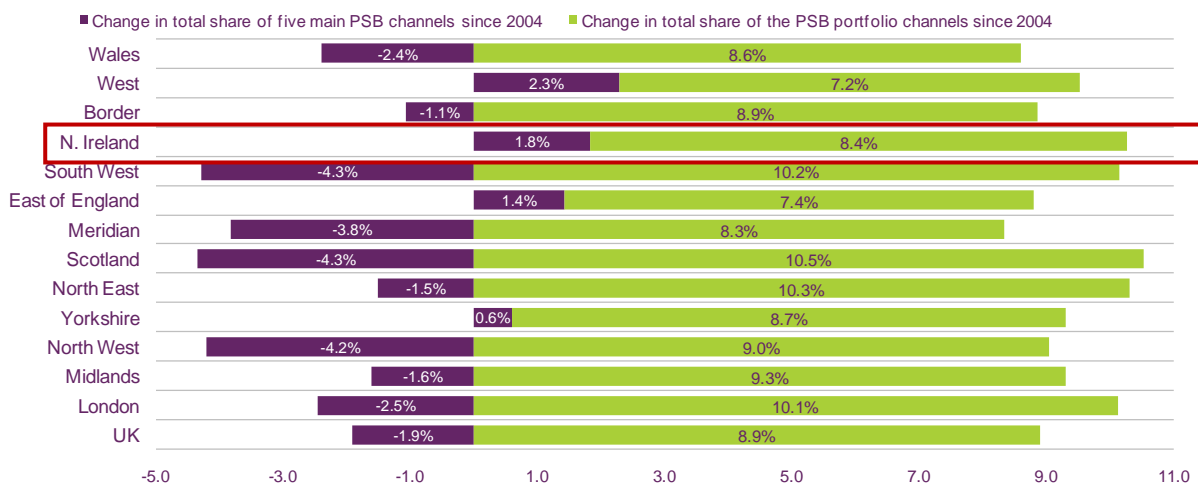
¹⁶ PSB portfolio channels include all the PSB channels except the main channels. For example, BBC Three, ITV2, E4, Fiver.

percentage points – although this was lower than the UK share rise of nine percentage points.

In multichannel homes in Northern Ireland, the most viewed channel, beyond the main PSB channels, was ITV2, followed by E4 – both with audience shares of around 2%.

Figure 2.25 Net change in the audience share of the main PSB channels and the PSB portfolio channels, multichannel homes, 2004 - 2009

Change in share (percentage point)



Source: BARB.

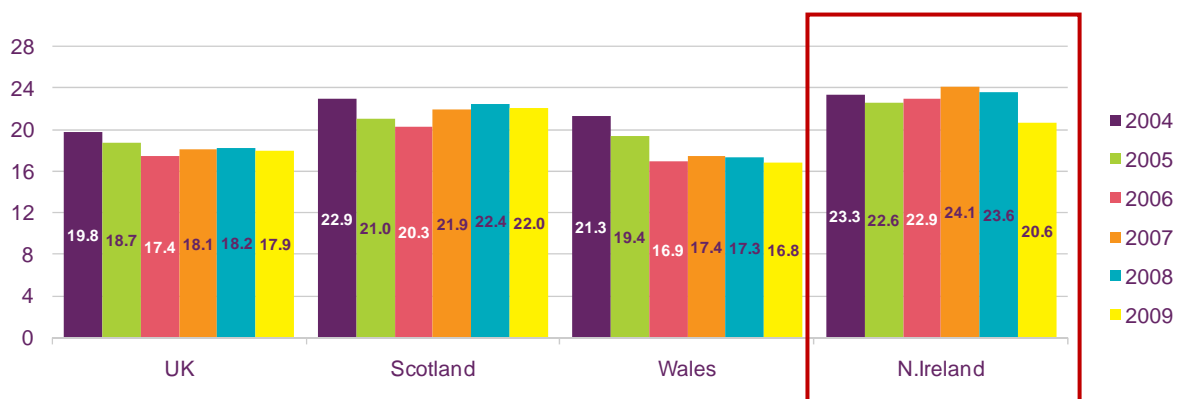
Note: PSB Portfolio channels include all PSB channels except for the main PSB channels.

Regional television news is most popular in Northern Ireland

Viewers in Northern Ireland continued to have a high level of consumption of early evening television regional news bulletins in 2009, watching an average of 20.6 hours each – nearly three hours more than the UK average (Figure 1.4).

Figure 2.26 Combined total hours of viewing of early evening regional news bulletins, all homes, 2004 to 2009

Hours per viewer/year



Source: BARB. Analysis done on BARB genre of Regional News, start time 17:55-18:35, programmes with 10 mins+ duration, channels BBC One and ITV1 (UTV) combined, Monday to Friday.

In 2009, UTV's early evening news bulletins were significantly more popular with viewers than comparable bulletins on STV or ITV1, attracting a 34% average share, compared to

the UK ITV1 average of 19%. BBC One Northern Ireland's early evening news bulletin share (26%) was roughly in line with the UK average of 28%.

Figure 2.27 BBC One and ITV1/STV/UTV / ITV Wales early evening news bulletin share, 2009



Source: BARB. Analysis based on daypart analysis of BBC One Monday-Friday 18:30-19:00 and ITV1 Monday-Friday 18:00-18:30. Note: Labels refer to the ITV region where the audiences are resident as defined by BARB.

Sources of local news

Ofcom consumer research (Figure 2.28) shows that half (50%) of people in Northern Ireland claimed that television was their main source of local news, with 20% giving radio as their second main source and 15% stating newspapers. The television figure was in line with the UK average of 49%. The radio figure (20%) was above the U.K average of 11%; newspapers, at 15%, were below the UK average of 22%.

Figure 2.28 Sources of local news in each nation, 2009



Q85 Can you tell me what, if anything, is your main source of news about what is going on in your own LOCAL AREA? By this I mean news of local and regional significance.

Base: All adults 15+. n = 2044 (UK), 1713 (Eng) 180 (Sc), 113 (Wa), 108 (NI)

Only responses ≥ 5% labelled

Source: Ofcom 2009 Media Tracker survey. Fieldwork carried out by Continental Research, April and October 2009.

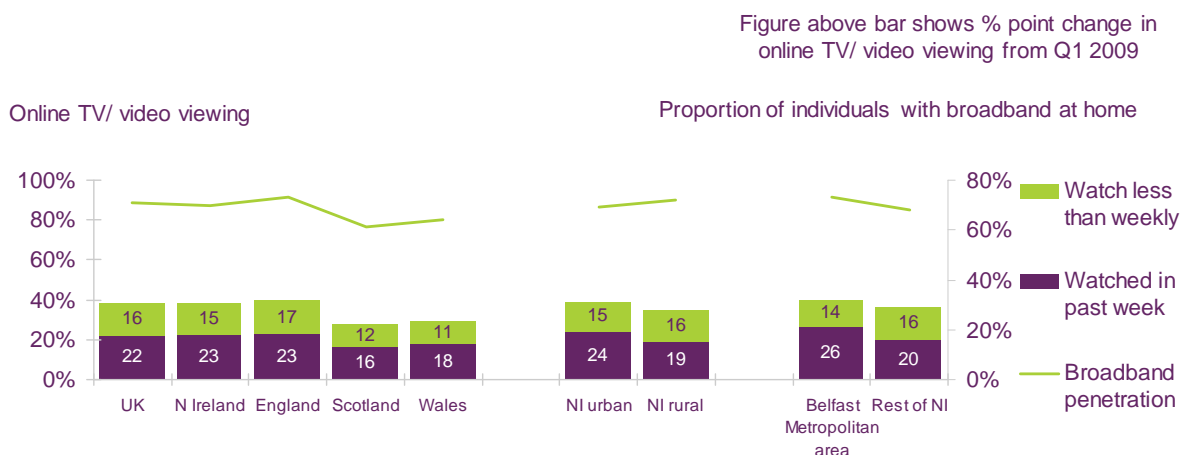
2.1.8 AV viewing and consumer satisfaction

Over a third of households in Northern Ireland used the internet to watch video online

Audio-visual content online can include catch-up TV, user-generated content, music videos and video on demand. Sites like YouTube, which enable consumers to share content with each other, and video content embedded in social networking sites, have continued to grow in popularity. And the success of services like the BBC iPlayer, Skyplayer and itvplayer (Uplayer on UTV) has shown that there is also an appetite for made-for-television content delivered online.

Over a third of adults in Northern Ireland (38%) said that someone in their home had used the internet to watch television or video content. This is on a par with England (38%) but ahead of Scotland (28%) and Wales (29%).

Figure 2.29 Proportion of adults living in a household that has used the internet to watch TV or video content



Source: Ofcom research, Q1 2010

Base: All adults aged 15+ (n = 9013 UK, 761 Northern Ireland, 5709 England, 1468 Scotland, 1075 Wales, 501 Northern Ireland urban, 260 Northern Ireland rural, 349 Belfast metropolitan area, 412 Rest of Northern Ireland)

*Base size less than 100: Apply caution

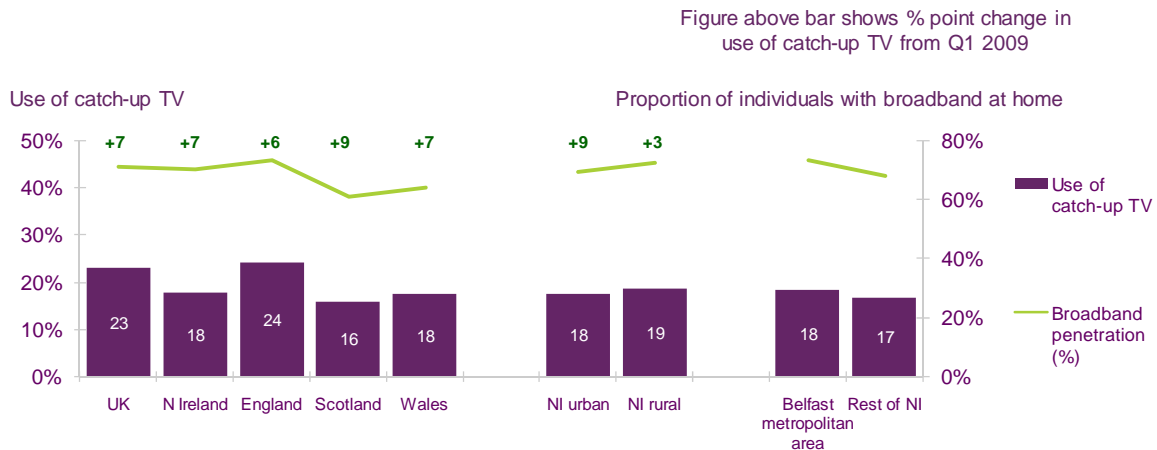
QE5A-B. Which, if any, of these do you or members of your household use the internet for whilst at home?/ And, which, if any, of these activities have you or members of your household used the internet for in the last week?

One in five households in Northern Ireland use the internet to watch catch-up TV

Catch-up TV formed a significant part of the consumption of TV content online during the past year. Across the UK just under a quarter (23%) of adults claimed that someone in their household used the internet to watch catch-up TV online. Take-up was highest in England (24%) and lowest in Scotland (16%). In Northern Ireland and Wales the figure stood at 18%. Lower take-up outside England may be a result of lower broadband take-up in those areas. Use of catch-up TV has grown rapidly over the past year, with growth of at least six percentage points in each nation. Growth was fastest in Scotland, at nine percentage points (Figure 2.30).

There was very little difference in use of catch-up TV within Northern Ireland. Take-up has grown most rapidly in urban areas, by nine percentage points, to reach 18%. By contrast take-up grew by only three percentage points in rural areas.

Figure 2.30 Proportion of adults living in a household that has used the internet to watch catch-up TV



Source: Ofcom research, Q1 2010

Base: All adults aged 15+ (n = 9013 UK, 761 Northern Ireland, 5709 England, 1468 Scotland, 1075 Wales, 501 Northern Ireland urban, 260 Northern Ireland rural, 349 Belfast metropolitan area, 412 Rest of Northern Ireland)

*Base size less than 100: Apply caution

QE5A-B. Which, if any, of these do you or members of your household use the internet for whilst at home?/ And, which, if any, of these activities have you or members of your household used the internet for in the last week?

Watching video clips and webcasts is highest in Northern Ireland

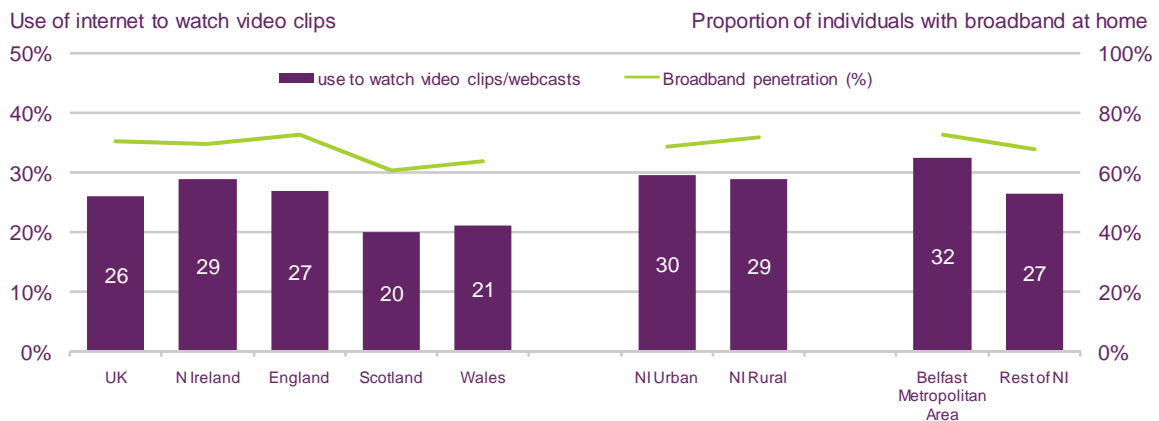
Despite the rapid growth in watching catch-up TV online in some areas, it still forms only a part of consumers' engagement with audio-visual content online. Many people's main engagement with audio-visual content online is through sites offering video clips or short webcasts, such as YouTube and webcasts of programmes like Big Brother.

But the boundary with long-form and broadcast content is beginning to blur. Both Channel 4 (in October 2009) and Five (in December 2009) signed deals with YouTube to make their broadcast catch-up content available on the site.

Across the UK use of the internet to watch video clips and webcasts ranges from 20% of households in Scotland to 29% in Northern Ireland, possibly reflecting the younger population skew in Northern Ireland. The UK average take-up was 26%. Unsurprisingly, this type of activity broadly reflects levels of broadband take-up (Figure 2.31).

Within Northern Ireland use of the internet to watch video clips was highest in the Belfast metropolitan area, at 32%, compared to 27% in the rest of Northern Ireland. This broadly reflected internet take-up. There was little discernible difference between rural and urban areas.

Figure 2.31 Use of the internet for watching clips and webcasts



Source: Ofcom research, Q1 2010

Base: All adults aged 15+ (n = 9013 UK, 761 Northern Ireland, 5709 England, 1468 Scotland, 1075 Wales, 501 Northern Ireland urban, 260 Northern Ireland rural, 349 Belfast metropolitan area, 412 Rest of Northern Ireland)

*Base size less than 100: Apply caution

QE5A-B. Which, if any, of these do you or members of your household use the internet for whilst at home?/ And, which, if any, of these activities have you or members of your household used the internet for in the last week?

2.1.9 Take-up of leading games consoles is highest in Northern Ireland

In recent years games consoles have developed from simple games-playing machines into sophisticated pieces of technology, supporting a variety of converged services. Consumers can, among other things, use them to:

- watch audio-visual content on demand – including streaming and downloading films on demand and watching content on catch-up services such as the BBC iPlayer;
- watch high-definition content using the Blu-ray drive on the Playstation 3;
- download new content such as games and extras such as trailers and add-on game content (e.g. extra items or levels) to their console;
- play networked games and communicate and chat with other players; and
- watch live streamed television from Sky on the Xbox 360.

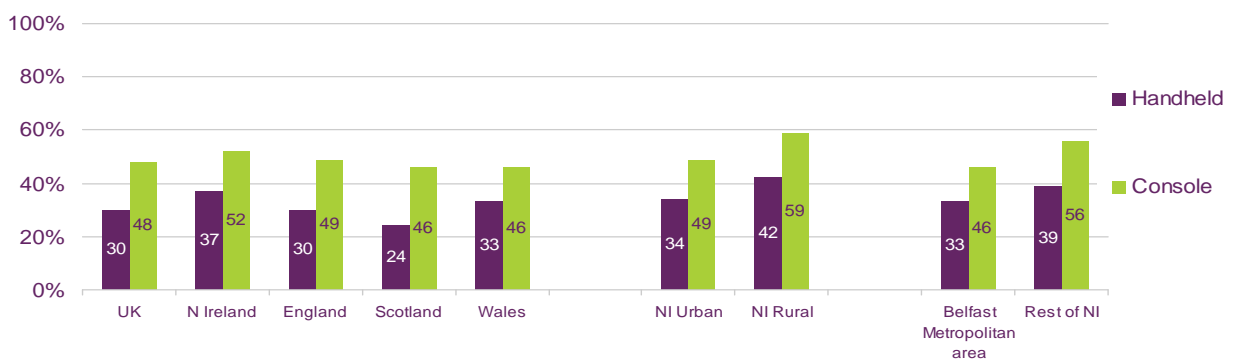
As functionality has increased, games consoles have expanded out of their traditional niche segments (typically younger men) to reach a wider audience, and nearly one in every two households now have these converged devices.

Figure 2.32 shows the take-up of the three leading games consoles (PS3, Wii and Xbox 360) in Northern Ireland, where take-up, at 52%, remains ahead of Wales and Scotland. England has closed the gap, with 49% of households having a games console. Microsoft's Xbox is less popular in Northern Ireland (27%) than in other parts of the UK (33%), and rural households are more likely to have a games console than those in urban areas. The consoles used in the Belfast metropolitan area tend to be newer models than those in the rest of Northern Ireland, where a third of households (37%) have a Playstation 2.

Hand-held portable consoles with their own screens and barriers, such as the Nintendo DSi / DSi Lite and Sony's PSP/PSP Slim & Lite / PSP Go are more common in Northern Ireland, where 37% of households have one, compared to England (30%) and Scotland (24%). The Nintendo DSi and DSi Lite are popular in Northern Ireland, with 15% of console-owning households having a DSi Lite and 10% a DSi. The Nintendo DSi is more common in the Belfast metropolitan area, where 41% of households with a portable gaming device use that brand, compared to 29% in the rest of Northern Ireland.

In Northern Ireland and Wales, a quarter of people with a console use it to watch DVDs and just under a third use it to watch video content. It also plays a social role, with 25% of people in Northern Ireland playing online games and 14% using it to surf the internet. People in the Belfast metropolitan area are more likely than people in other parts of Northern Ireland to watch live TV(10%) and browse the internet (10%) using the consoles.

Figure 2.32 Take-up of leading games consoles



Source: Ofcom research, Q1 2010

Base: All adults aged 15+ (n = 9013 UK, 761 Northern Ireland, 5709 England, 1468 Scotland, 1075 Wales, 501 Northern Ireland urban, 260 Northern Ireland rural, 349 Belfast metropolitan area, 412 Rest of Northern Ireland)*Base size less than 100: Apply caution.



The Communications Market in Northern Ireland

3 Radio and audio content

3.1 Radio and audio content

3.1.1 Recent developments in Northern Ireland

Commercial radio in Northern Ireland

Northern Ireland has ten commercial radio stations: Downtown Radio and Cool FM (Bauer Media's Big City Network); CityBeat (CN Radio Group); U105 (UTV Media Plc); Five FM, Six FM, Seven FM, Q97.2, Q102.9 and Q101.2 (Northern Media Group).

Development in the sector during the year include the launch of a CityBeat i-phone application, allowing owners of the handset to listen to live output, In 2009, CityBeat also won a gold and two silver awards at the New York Festivals Radio Programming and Promotions Awards, as well as a Chartered Institute of Public Relations Award for Best News Programme. Downtown Radio renewed its focus on news provision and launched extended news bulletins at lunchtime and in the early evening.

BBC radio

In March 2010, BBC Northern Ireland announced that it would be commissioning a further seven digital radio transmitters to provide coverage for the Enniskillen and North Antrim coast areas, as well as improving coverage for the Belfast area.

The BBC also announced plans to trial a solution, known as dynamuxing, to partially address the carriage of BBC Radio Foyle on DAB. Dynamuxing will enable the capacity currently reserved for BBC Radio Ulster to be split in half to allow Foyle to be broadcast digitally at certain times throughout the day.

In September 2009, Radio Ulster won the Counsel and Care Awards Best Radio category with its coverage of a Northern Ireland charity's *Community Safety for Older People* campaign. The awards recognise the positive portrayal of older people in a way that is "sensitive, respectful, diverse and age neutral". The station also won two awards at the Phonographic Performance Ireland (PPI) award ceremony in October 2009; these were for the music programme *ATL* in the New Irish Music category and for *Blas* in the Irish language category.

Community radio

Community radio licences are awarded to small-scale operators working on a not-for-profit basis to serve local geographic areas or particular communities. The number of community stations has increased over the last three years, with a total of 228 licence awards since the start of community radio licensing in March 2005.

Fourteen community radio stations have been awarded in Northern Ireland, 11 of which are already on air; XLFM in Bangor and Lisburn City Radio have yet to launch. The company that operated the Vibe FM community radio licence in Enniskillen went into administration in September 2009 and its licence was surrendered.

The Irish Language Community Radio station, Raidió Fáilte, was runner-up to BBC Radio Ulster at the Radio Academy's Nations and Regions Awards for 2009 and was also shortlisted for Radio Station of the Year at the Celtic Media Festival 2010.

Figure 3.1 Community radio stations in Northern Ireland

Community station	Location	On-air date
Aldergrove and Antrim FM	Aldergrove and Antrim	05/03/2008
Ballykinler FM	Ballykinler, County Down	05/03/2008
Shine FM	Banbridge County Down	02/06/2007
XLFM	Bangor	
Blast 106	Belfast	01/07/2009
Féile FM	Belfast	12/09/2007
Raidió Fáilte	Belfast	15/09/2006
Drive 105 FM	Derry / Londonderry	27/06/2009
Down FM	Downpatrick, County Down	30/03/2006
Hollywood FM	Hollywood, County Down	05/03/2008
BFBS Lisburn	Lisburn, County Antrim	08/05/2006
Lisburn City Radio	Lisburn, County Antrim	
Iúr FM	Newry & Mourne	10/10/2007

Source: Ofcom July 2010

RSLs

Between April 2009 and June 2010 a total of 28 restricted service licences (RSLs) were issued to groups in Northern Ireland to run a radio station for up to 28 days. These included services for sporting events, religious holidays and those targeted at minority language speakers, including Ulster Scots.

In 2009, Omagh Community Radio Group won a Sony Radio Award for its output on the Strule FM RSL.

Illegal radio stations

Although illegal radio stations still continue to spring up in border areas, they are much less prevalent than they used to be. These stations compete for advertising revenue with legally operated commercial and community stations and have the potential to cause interference to licensed spectrum, including that used by aircraft radio systems.

Field engineers from Ofcom's Spectrum Engineering and Enforcement team continue to work closely with their counterparts in ComReg, the telecoms and spectrum regulator in the Republic of Ireland, and there has been a series of joint enforcement operations in the past year. Both organisations monitor illegal broadcasters on an ongoing basis and take action as appropriate.

Radio in Northern Ireland

The radio sector in Northern Ireland has a very distinctive set of characteristics. A relatively small population of 1.7 million is served by two BBC stations, ten commercial stations and currently 11 community radio stations. (Furthermore, audiences in Northern Ireland can access radio stations broadcast from the Republic of Ireland as well as some from Scotland). Ownership is primarily in local hands; seven of the commercial stations are controlled by Northern Ireland-based companies; the other three are owned by Bauer and the CN Group.

RAJAR figures for the period ending December 2009 showed an increase in listeners for almost all the commercial stations; with Cool FM – which broadcasts to the Greater Belfast area – showing a 16% rise in listeners compared to the previous year. BBC Radio Ulster / Foyle has also retained its traditionally strong position, reaching 36% of adult listeners on a weekly basis in the past year, making it the most listened-to BBC national service in the UK.

Despite a general downturn in radio revenues across the UK, commercial revenue per head of population in Northern Ireland is the second highest of all the UK nations, at £7.62 per head of population in 2009.

Online listening to radio in Northern Ireland is above the UK average, with 15% of people listening to content via the internet (compared to the UK average of 14%), 9% of whom claimed to have done so in the previous week; in urban areas around Belfast those claiming to have listened to radio via the internet rises to 18%, with 11% having listened online in the past week.

Digital Audio Broadcast (DAB) radio is currently available to an estimated 87 – 89% of the Northern Ireland population, but, due partly to the non-availability of the Digital One multiplex, there are fewer DAB stations to choose from in Northern Ireland than in other parts of the UK. DAB digital radio ownership is also lowest in Northern Ireland, with only 22% of homes owning one, compared to the UK average of 38%.

Levels of listening to 'other' stations (i.e. not BBC or commercial radio) is higher in Northern Ireland than in the other UK nations, at 8% versus the 2% UK average. This category of listening includes community stations, RSL stations, and radio services received from the Republic of Ireland. BBC Radio Ulster / Foyle held a 23% share of listening in Northern Ireland in Q1 2010, but local commercial radio was still the largest sector, with a 37% share. For comparison, in the Republic of Ireland, RTÉ Radio 1 recorded a market share of 23.4% in the period January 2009 – December 2009; RTÉ 2FM had a 10.1% share and RTÉ Lyric a 1.6% share.¹⁷

3.1.2 The radio industry

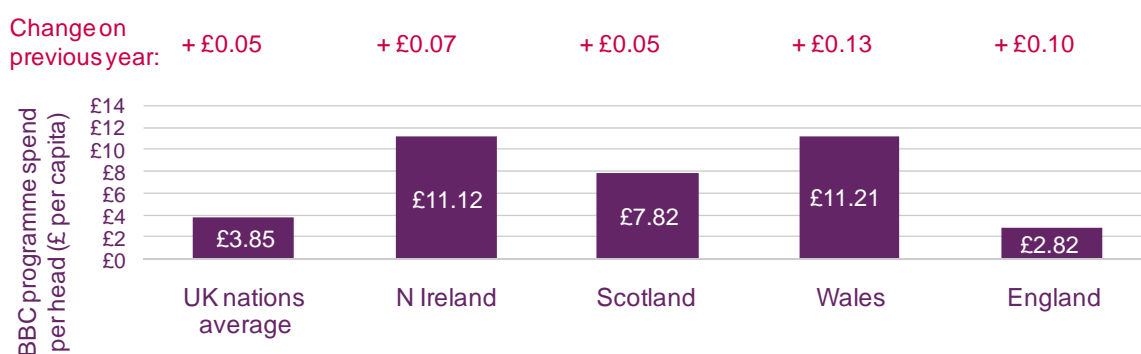
BBC expenditure

BBC spend on national radio second highest in UK on a per-head basis

BBC local radio spend in Northern Ireland totalled £18.8m in 2009/10, up from £18.4m in 2008/09, an increase of 2% on the year. Expenditure per head was the second highest of the UK nations in 2009/10, at £11.12 per head, just behind that of Wales at £11.21. This is due to the smaller populations in Northern Ireland and Wales and also the added expenditure of running two services while much of England has one local BBC service.

¹⁷ http://www.bai.ie/pdfs/jnlr_jan_dec_2009%20.pdf

Figure 3.2 BBC spend on national / local radio programming 2009-10



Source: BBC Annual Report and Accounts 2009/10

Note: The revenue data above have been compiled by the BBC to illustrate UK public services expenditure by service.

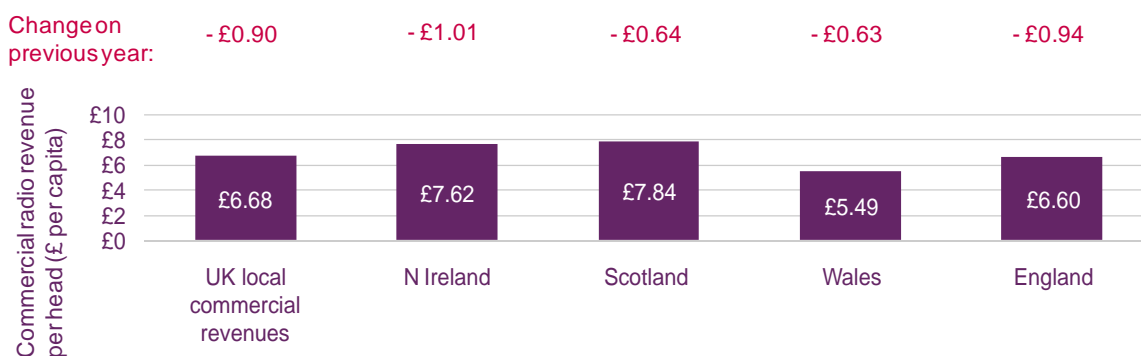
Commercial radio revenue

Commercial radio revenue in Northern Ireland second highest per capita in the UK

In Northern Ireland the Northern Media radio group holds six licences, Bauer holds two, and the CN Group and UTV own one station each. Revenue generated by the commercial stations in Northern Ireland reached almost £12.6m in 2009. This was down by £1.7m, or 12%, on 2008, with the wider UK market seeing the same fall of 12%. Local commercial radio revenue in Northern Ireland was equivalent to around 3.2% of the UK total of £389m. Wales had a 4.0% share of UK revenues and Scotland 9.9%.

Per head of population, local commercial revenues in Northern Ireland were equivalent to £7.62 per person in 2009 (Figure 3.3), down by £1.01 on the year before. This was the second highest of the UK nations, with revenues per head highest in Scotland (£7.84), compared to £6.60 in England and £5.49 in Wales.

Figure 3.3 Local commercial radio revenue, per head, 2009



Source: Ofcom, operators 2009

Note: Chart shows net broadcasting revenues as based on returns received by Ofcom for the year 2009. The UK total shows the average for local commercial radio revenues across the four nations and excludes revenues for the UK-wide commercial stations.

3.1.3 Radio service availability

BBC to increase national DAB coverage in Northern Ireland

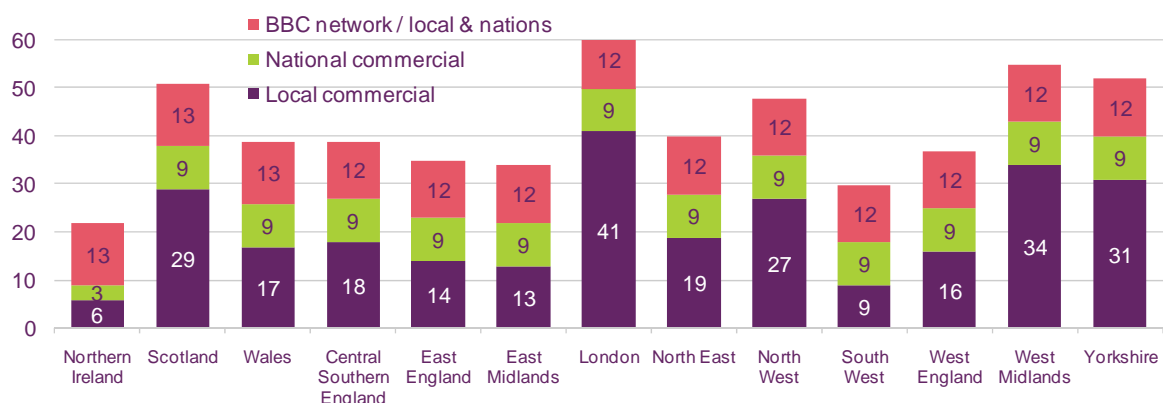
Analogue radio is available to almost all of Northern Ireland, while digital radio coverage via the BBC and the local DAB network is estimated at 87 - 89% of the population. Digital radio services in Northern Ireland are provided by the BBC's national multiplex, and by a local multiplex operated by Bauer. It was previously estimated by Emap that the local multiplex covered 88.6% of the population of Northern Ireland. The BBC national multiplex was extended in April 2009, with a new transmitter installed at Armagh, adding coverage for an estimated 80,000 people and improving reception for around 200,000 more in the area. The other four transmitter sites in Northern Ireland are at: Divis, Brougher Mountain, Limavady and Sheriff's Mountain in Derry/Londonderry. The BBC DAB coverage is estimated at around 87% of the population. In March 2010 the BBC announced that it would be commissioning a further seven digital radio transmitters in Northern Ireland to provide coverage for the Enniskillen and North Antrim coast areas, as well as improving coverage for the Belfast area.

In July 2010, as part of the government's Digital Radio Action Plan, Ofcom was asked to lead a process to consider the future spectrum planning requirements of digital radio, in order to prepare for the digital radio upgrade and to make recommendations to Ministers. This process will establish the current levels of FM coverage, which will provide the benchmark for future planning, and determine the most technically efficient way of matching DAB coverage to FM. This process is likely to consider appropriate DAB field strengths, which will be needed to calculate accurately the existing coverage of all national and local multiplexes, and to work out what steps are required to improve coverage. This process is likely to be completed by the end of Q2 2011.

DAB station availability in Northern Ireland

Listeners in Northern Ireland can access up to 22 DAB stations, including the 11 national BBC stations plus BBC Radio Ulster / Foyle, and three of the UK's national commercial stations (Classic FM, talkSPORT, and UCB). An additional six stations are available through the local DAB multiplex in Northern Ireland, including simulcasts of local commercial stations: Downtown Radio, Cool FM, Q102.9 FM, and City Beat 96.7, as well as two music based stations, Magic and Heat.

Figure 3.4 Availability of DAB stations, by geography



Source: Ofcom, July 2010

Note: This chart shows the maximum number of stations available in each area; local variations along with reception issues mean that listeners may not be able to access all of these.

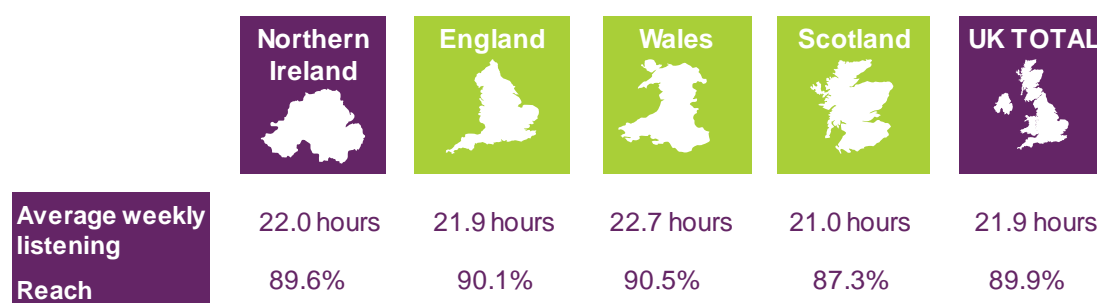
3.1.4 Patterns of listening to audio content

Radio listening in Northern Ireland second highest in UK

Radio services reached 89.6% of the adult population in Northern Ireland on a weekly basis in the year to Q1 2010; this was up by 2.5 percentage points from 87.1% in the previous year. This was still slightly lower than radio reach in the other UK nations, with a UK average of 89.9%. For radio listeners in Northern Ireland, the average listening per week was 22.0 hours in the year to Q1 2010, (down slightly from 22.7 hours the year before); this was, however, still the second highest average weekly listening in the UK (behind Wales at 22.7 hours) (Figure 3.5).

Figure 3.5 Levels of radio listening in 2010

Average weekly listening hours and percentage reach of population



Source: RAJAR, year to Q1 2010

BBC stations account for over half of all listening in Northern Ireland

The past year saw some changes to the patterns of radio listening in Northern Ireland, with the BBC network stations losing some of their audience share to the local commercial stations.

The BBC network (UK-wide) stations share fell by five percentage points, to account for a quarter of all listening hours in Northern Ireland over the year. This was much lower than the UK average of 46% for the BBC network. But BBC Radio Ulster / Foyle maintained its

share of 23%, and remained much higher than the UK average (9%) for BBC nations / local radio.

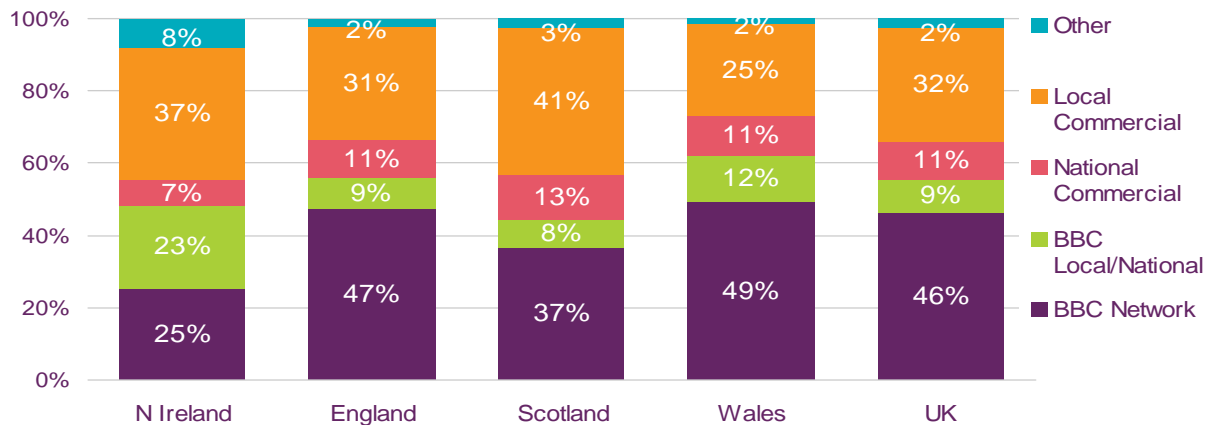
The combined BBC stations (network and nations' radio) therefore accounted for just under half of all radio hours (48%) in the year to Q1 2010. This was down from a share of 53% the previous year.

The local commercial stations grew share in the year and were up by five percentage points to a over a third (37%) of all listening hours, now higher than the UK average of 32% for local commercial listening. National commercial share fell slightly from 8% the previous year to 7% by Q1 2010.

Listening to 'other' radio stations, which includes RTÉ Radio, community radio and short-term licensed stations (RSLs), accounted for 8% of all radio listening in Northern Ireland. This was stable on last year and remained higher than the UK average of 2% for 'other' listening.

Figure 3.6 Share of listening hours, by nation and sector

Audience share for BBC and commercial stations, local/national

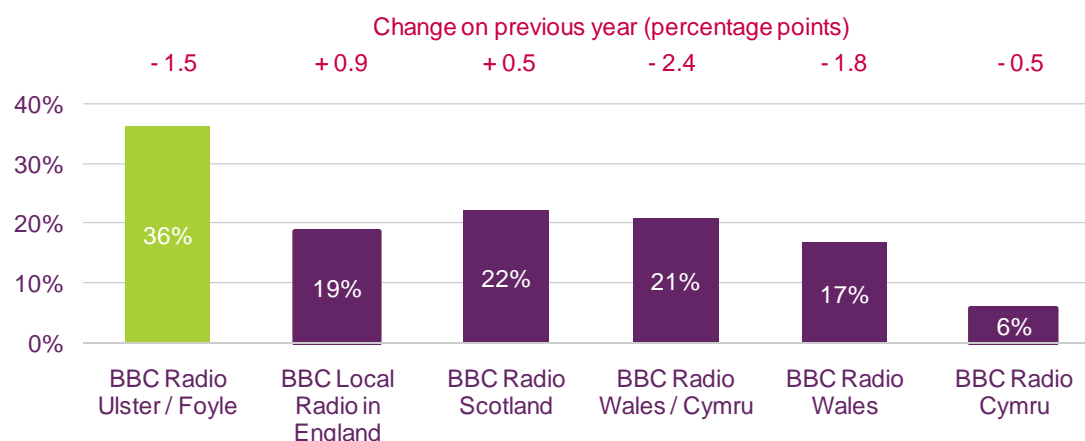


Source: RAJAR, year to Q1 2010

BBC Radio Ulster / BBC Radio Foyle is the most widely-used BBC national service, reaching 36% of adults per week

Thirty-six per cent of adults (519,000) listened to BBC Radio Ulster / Foyle in an average week in Q1 2010. This was down by 1.5 percentage points on last year, but was still the highest reach of the BBC's national services, and higher than the average local BBC radio audience in England. The listening share of BBC Radio Ulster was equivalent to 23% of all listening in Northern Ireland, and also much higher than the other BBC nations / local share, (UK average 9%).

Figure 3.7 Weekly reach for national / local BBC services, Q1 2010



Percentage of adult population reached per week

Source: RAJAR, weekly reach Q1 2010

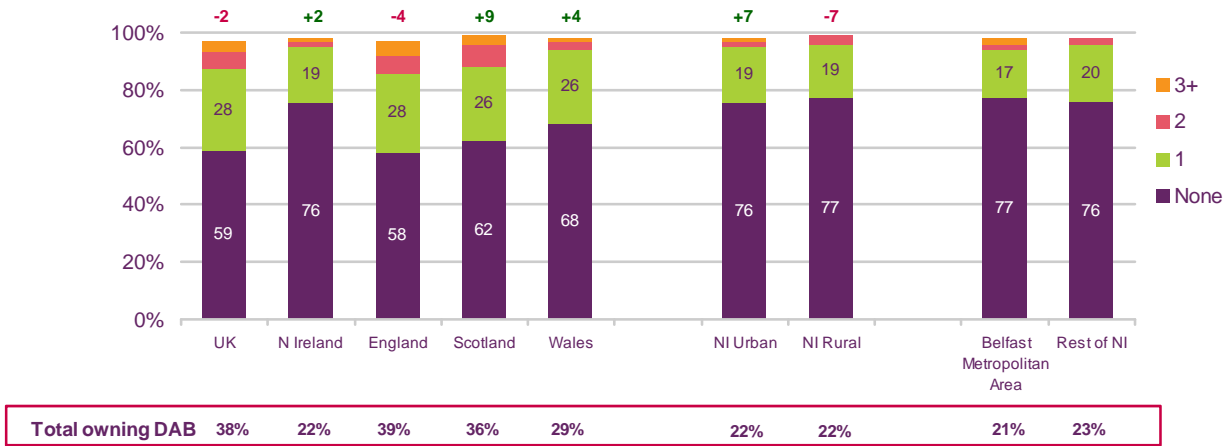
3.1.5 Digital device ownership

DAB digital radio sets: ownership of DAB digital radio sets below UK average

Just over a fifth (22%) of adults in Northern Ireland claimed to own at least one DAB digital radio set in Q1 2010, compared to the UK average of 38%. This figure was the lowest of the UK nations, with ownership in England at 39%, Wales at 29%, and Scotland 36% (Figure 3.8). It may be influenced by the lower availability of DAB stations in Northern Ireland. The gap between average UK take-up and take-up in Northern Ireland has, however, reduced year on year, with claimed ownership increasing by 2% in Northern Ireland. Of the different areas within Northern Ireland, people in urban and rural areas were equally likely to own a DAB set, both at 22%. The Belfast metropolitan area, at 21%, was slightly lower than the rest of Northern Ireland (23%).

Figure 3.8 Ownership of DAB digital radios

Percentage of radio listeners, (figure above bar shows % point change in DAB sets in household from Q1 2009)



Source: Ofcom research, Q1 2010

Base: Adults aged 15+ who listen to radio (n= 7017 UK, 653 Northern Ireland, 4476 England, 1034 Scotland, 854 Wales, 415 Northern Ireland urban, 238 Northern Ireland rural, 295 Belfast metropolitan area, 358 Rest of NI). QP9. How many DAB sets do you have in your household?

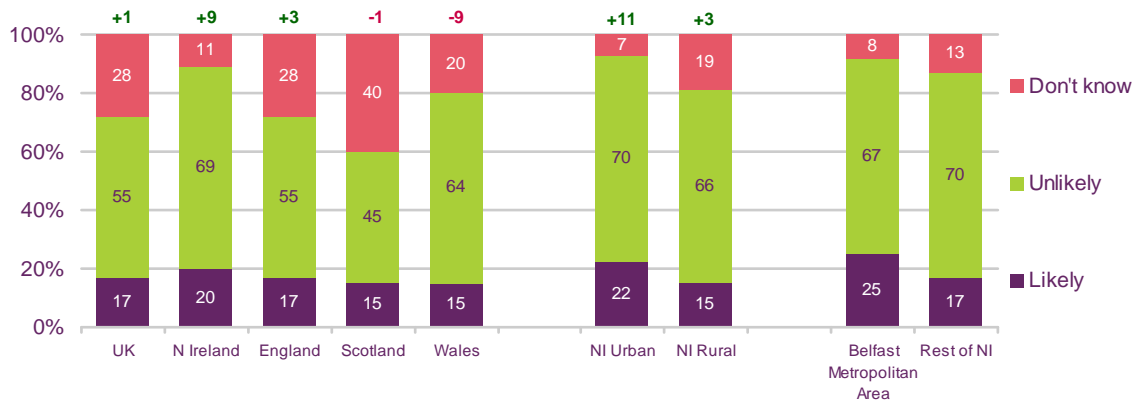
Note: Remaining percentages are Don't know responses

Likelihood to purchase DAB radio set highest in Northern Ireland

Around 20% of respondents in Northern Ireland without a DAB radio set said they were likely to purchase one within the next twelve months, higher than the UK-wide average figure of 17%. This was also up from around 11% last year. Within the regions of Northern Ireland, people in the Belfast area expressed the greatest interest, with 25% intending to buy. This figure was lower in the rest of Northern Ireland, at just 17%. People living in urban areas (22%) were more likely to buy than those in rural areas (15%).

Figure 3.9 Intention to purchase DAB radio

Percentage of radio listeners, (figure above bar shows % point change in DAB sets in household from Q1 2009)



Source: Ofcom research, Q1 2010

Base: Adults aged 15+ who listen to radio and do not have a DAB set (n= 4445 UK, 500 Northern Ireland, 2690 England, 661 Scotland, 594 Wales, 316 Northern Ireland urban, 184 Northern Ireland rural, 226 Belfast metropolitan area, 274 Rest of NI)

QP12: How likely is it that your household will get a DAB radio in the next 12 months?

Reasons for not purchasing a DAB radio set

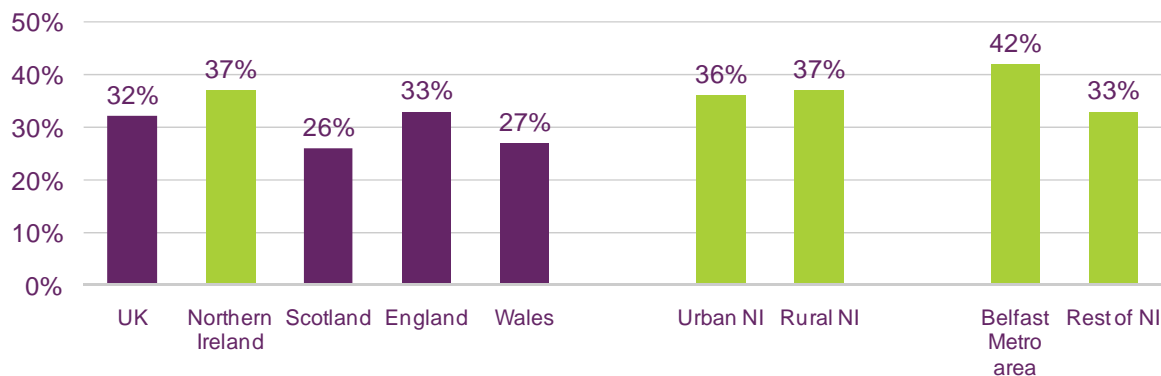
The most popular reason for being unlikely to acquire digital radio was that the respondent did not think he or she needed a digital radio; this equated to almost two-thirds (65%) of those unlikely to acquire DAB in Northern Ireland, higher than the UK average (55%). Just over a third (36%) of those unlikely to acquire DAB said they were happy with the existing analogue service (UK figure 32%). Only 2% in Northern Ireland pointed to poor reception in their area as the reason for not getting a DAB digital radio set, compared to 4% across the UK. Five per cent of respondents in Northern Ireland also said they thought that a DAB radio was too expensive, higher than the 3% for the UK as a whole.

Use of MP3 players highest in Northern Ireland

Over a third (37%) of respondents in Northern Ireland claimed to personally use an MP3 player or iPod, five percentage points higher than the UK average of 32% (Figure 3.10). The proportion of respondents in Northern Ireland claiming that they, or someone in their household, owned an MP3 player / iPod was 45%, close to the UK average of 40%. Those in the Belfast area were the most likely to use an MP3 / iPod; at 42% compared to 33% across the rest of the country.

Figure 3.10 Personal use of MP3 player / iPod

Use of either an MP3 player or an iPod (% adults)



Source: Ofcom research, Q1 2010

Base: All adults aged 15+ (n = 9013 UK, 761 Northern Ireland, 5709 England, 1468 Scotland, 1075 Wales, 501 Northern Ireland urban, 260 Northern Ireland rural, 349 Belfast metropolitan area, 412 Rest of Northern Ireland)

QB2. Do you personally use: MP3 player / iPod?

3.1.6 Digital radio listening

The number of people listening to the radio through digital TV and online is lower in Northern Ireland than in other UK nations, while mobile listening is above average

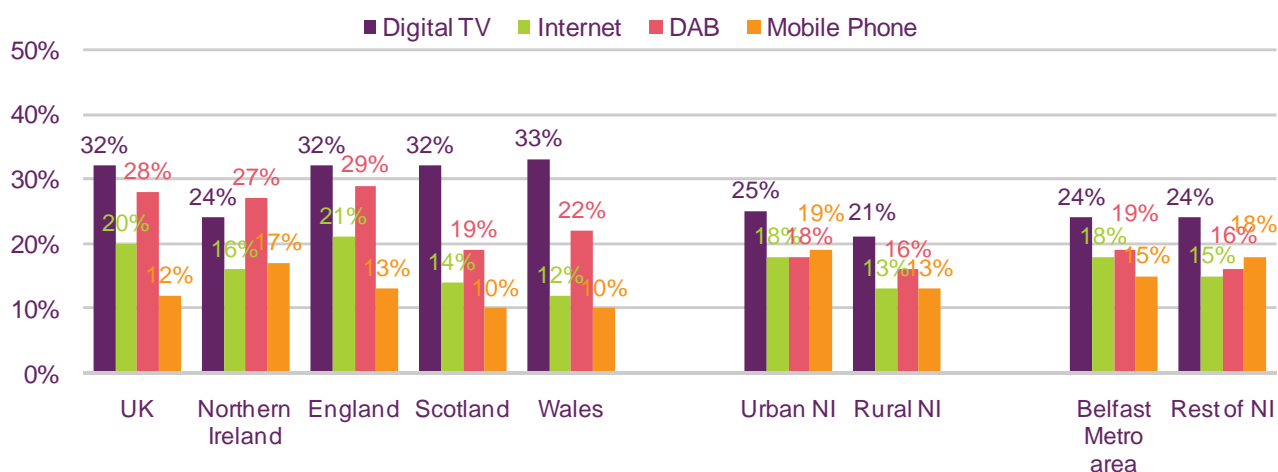
Listening to radio channels via digital TV was less prevalent in Northern Ireland, at 24% of individuals compared to the UK average of 32%. Eleven per cent of respondents in Northern Ireland said they listened to radio channels on their TV at least weekly, (UK average 15%). Listening to the radio over the internet had been tried by almost one in six (16%) people in Northern Ireland compared to the UK average of one in five (20%). Eight per cent of people in Northern Ireland listened online at least once a week, (UK average 9%).

Listening to digital radio via DAB, however, was more in line with the rest of the UK at 27%, similar to the UK average of 28%, with 14% in Northern Ireland listening to DAB on a weekly basis. People living in urban areas were more likely than those in rural areas to use the various digital radio platforms.

Of the other radio / audio formats, listening to radio via a mobile phone had been tried by 17% of respondents in Northern Ireland (up from 15% last year). This was the highest use of mobile audio in the UK, with an average of 12% (Figure 3.11).

Figure 3.11 Listening to radio via DTV, internet, mobile phone

Proportion of respondents (%) who have listened to radio via DTV, internet or mobile phone



Source: Ofcom research, Q1 2010

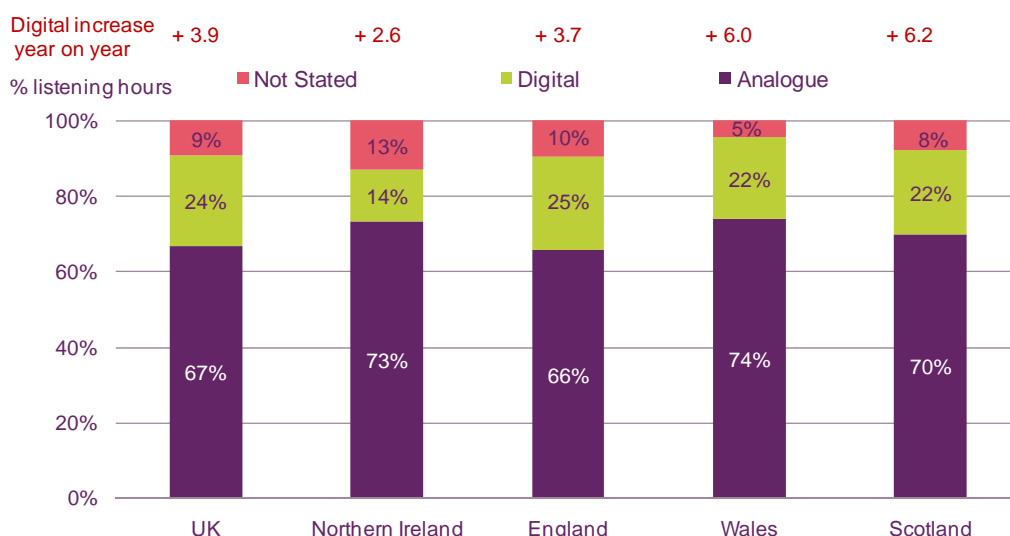
Base: Adults aged 15+ who listen to radio (n= 7017 UK, 653 Northern Ireland, 4476 England, 1034 Scotland, 854 Wales, 415 Northern Ireland urban, 238 Northern Ireland rural, 295 Belfast metropolitan area, 358 rest of NI)

QP3. How often, if at all, do you access the radio via – Digital radio via: TV, Internet, DAB radio, mobile phone?

Digital radio share of listening lower in Northern Ireland

In Q1 2010, radio listening via digital platforms (including listening via DAB set, DTV, or online), had reached 14% of all radio listening hours in Northern Ireland. It was up by 2.6 percentage points on a year previously but was still ten percentage points below the UK average digital share of 24% of hours. The figure was highest in England, where a quarter of all radio hours were via a digital platform, followed by Scotland and Wales, both at around 22%. This metric reflects the patterns of take-up and availability of digital radio across the nations generally (Figure 3.12).

Figure 3.12 Share of radio listening hours via digital and analogue platforms



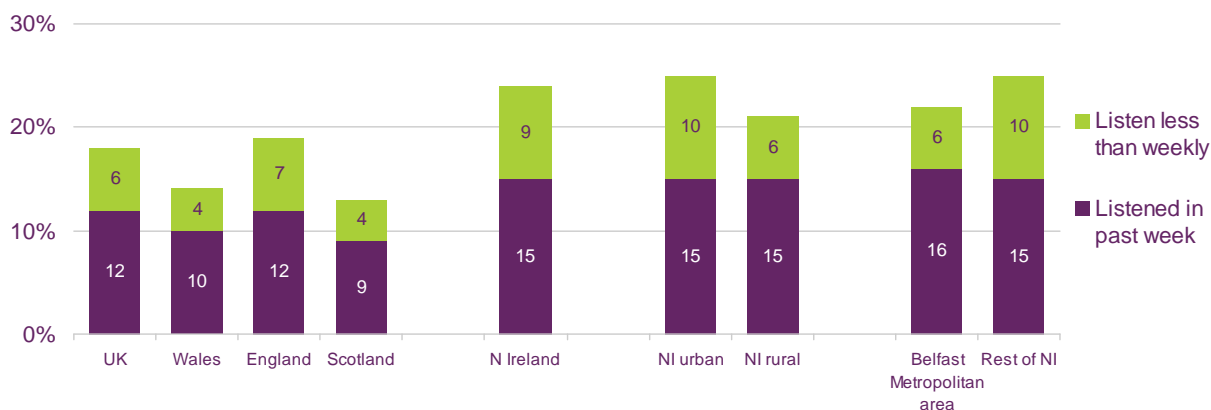
Source: RAJAR / Octagon, Quarter 1 2010

Using a mobile phone to listen to audio is most common in Northern Ireland

When asked to consider the wider range of audio content, such as digitally stored music and podcasts, as well as radio, one in four adults in Northern Ireland (24%) said they had used a mobile phone handset to listen to these types of audio content. This reflects the versatility of phones as audio devices and the ability to listen to audio content without either paying data charges or needing lots of storage space. This figure was higher than the UK average (18%) (Figure 3.13).

Figure 3.13 Use of a mobile phone to listen to audio

Proportion of respondents (%) who have used their mobile to listen to audio content



Source: Ofcom research, Q1 2010

Base: All adults aged 15+ (n = 9013 UK, 761 Northern Ireland, 5709 England, 1468 Scotland, 1075 Wales, 501 Northern Ireland urban, 260 Northern Ireland rural, 349 Belfast metropolitan area, 412 rest of Northern Ireland)

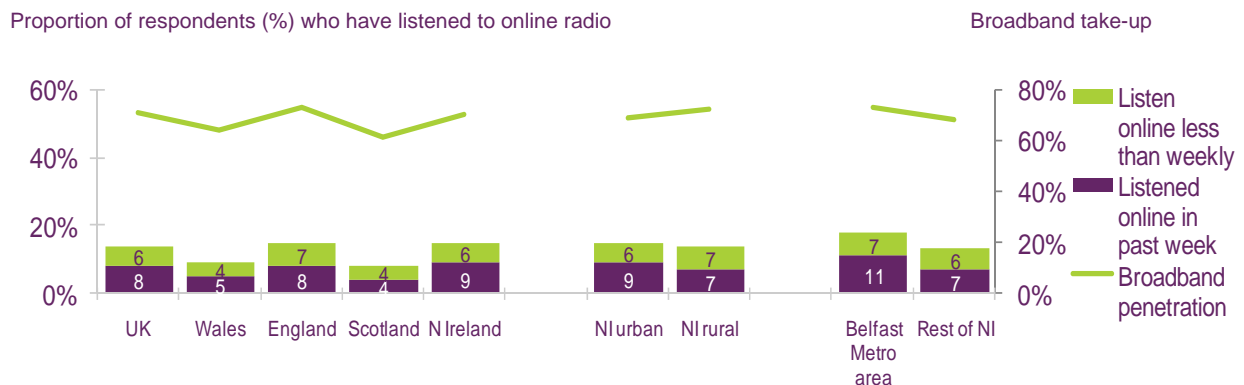
QD28A-B. Which, if any, of the following activities, other than making and receiving calls, do you use your mobile for?/ And which of these activities have you used your mobile for in the last week?

3.1.7 Listening to music online

Frequency of listening to radio online is higher in Northern Ireland than in the rest of the UK

When asked about the frequency of their listening to the radio online, 9% of respondents in Northern Ireland said they listened to radio over the internet on a weekly basis, higher than the 8% average across the UK. A further 6% of listeners in Northern Ireland said they listened online less than weekly (UK average also 6%). Online listening was highest in the Belfast area, with 11% listening weekly and 7% less frequently. Across the rest of Northern Ireland 7% listened via the internet weekly and 6% less frequently. (Figure 3.14).

Figure 3.14 Online radio listening



Source: Ofcom research, Q1 2010

Base: All adults aged 15+ (n = 9013 UK, 761 Northern Ireland, 5709 England, 1468 Scotland, 1075 Wales, 501 Northern Ireland urban, 260 Northern Ireland rural, 349 Belfast metropolitan area, 412 rest of Northern Ireland)

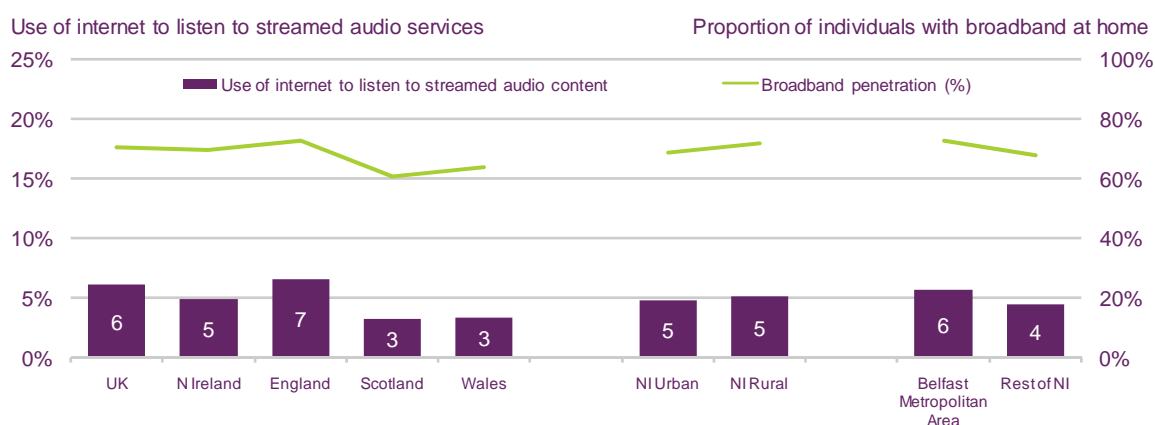
QE5A-B. Which, if any, of these do you or members of your household use the internet for whilst at home?/ And, which, if any, of these activities have you or members of your household used the internet for in the last week?

Listening to streamed audio services is still a niche activity

During the past year several on-demand streaming services have grown in prominence as an alternative means of consuming music online. Instead of listening to online radio stations, or paying to download individual tracks from services like iTunes, services such as Spotify, We7 and Last.fm allow users to stream music on-demand to their computers (and in some cases mobile devices). The basic tier of these services is usually advertising-supported and provided to consumers for free. But most services also offer premium subscription tiers without adverts and with advanced or mobile functionality.

Although streaming services have received significant media attention over the past year, Ofcom research shows that take-up is still relatively low. Across the UK just 6% of consumers claim to have accessed these services using the internet. Take-up is lowest in Scotland and Wales (both 3%), and higher in Northern Ireland (5%) and England (7%). Within Northern Ireland this activity was higher in Belfast (6%) than in the rest of the country (4%) (Figure 3.15).

Figure 3.15 Use of the internet for listening to streamed audio services



Source: Ofcom research, Q1 2010

Base: All adults aged 15+ (n = 9013 UK, 761 Northern Ireland, 5709 England, 1468 Scotland, 1075 Wales, 501 Northern Ireland urban, 260 Northern Ireland rural, 349 Belfast metropolitan area, 412 rest of Northern Ireland)

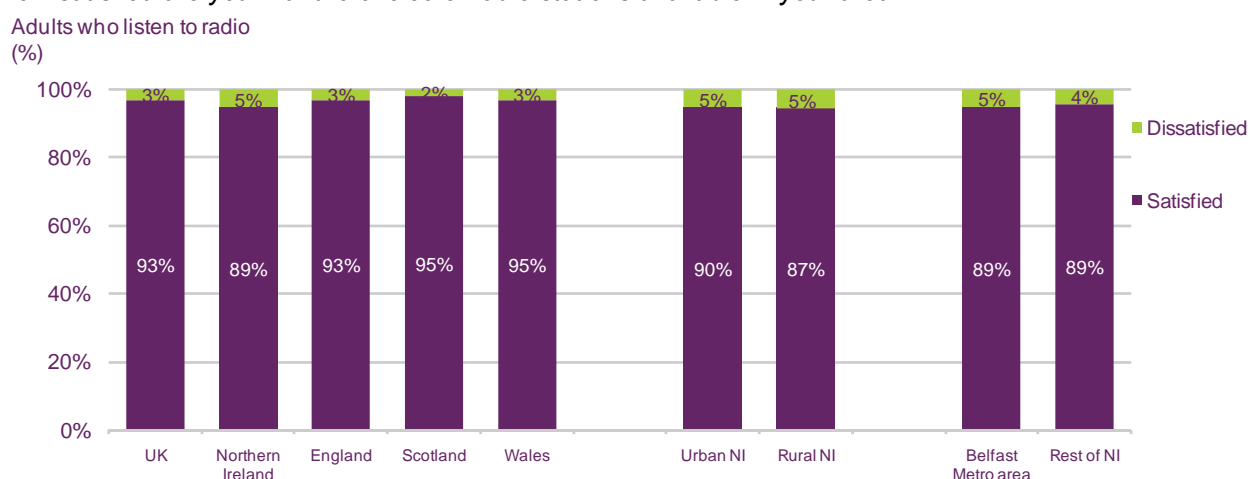
QE5A-B. Which, if any, of these do you or members of your household use the internet for whilst at home?/ And, which, if any, of these activities have you or members of your household used the internet for in the last week?

Satisfaction with choice of radio services lowest in Northern Ireland

Satisfaction with the choice of stations available in Northern Ireland was relatively high, at 89%. However, this was below the UK average of 93%, with 5% of respondents in Northern Ireland saying they were dissatisfied with station choice in their area, (UK average 3%). Satisfaction was higher in urban areas of Northern Ireland, at 90% versus 87% in rural areas.

Figure 3.16 Satisfaction with choice of radio services

How satisfied are you with the choice of radio stations available in your area?



Source: Ofcom research, Q1 2010

Base: Adults aged 15+ who listen to radio (n = 7017 UK, 653 Northern Ireland, 4476 England, 1034 Scotland, 854 Wales, 415 Northern Ireland urban, 238 Northern Ireland rural, 295 Belfast metropolitan area, 358 Rest of NI)

QP4: How satisfied are you with the choice of radio stations available in your area?

Note: Remaining percentages are Don't know responses.



The Communications Market in Northern Ireland

4 Internet and web-based content

4.1 Internet and web-based content

4.1.1 Recent developments in Northern Ireland

UK Digital Champion

In June 2010, Martha Lane Fox was appointed by the Prime Minister as the UK Digital Champion.¹⁸ Her role includes encouraging as many people as possible to get online in the lifetime of this Parliament, as well advising the government on how efficiencies can best be realised through the online delivery of public services.

In July, Race Online 2012, headed by Martha Lane Fox, launched a manifesto¹⁹ for a 'Networked Nation'. The manifesto noted that one fifth of the population in the UK, ten million people, are missing out on consumer savings, access to vital information and educational success as a result of not being online.

The manifesto called for urgent action to get millions more online by the end of 2012, with key roles for government, industry and charities and the aim "to get everyone of working age online by the end of this Parliament, so that everyone who then retires will have the skills to enjoy the benefits of the web"²⁰.

Race Online 2012 aims to sign up 10,000 partner organisations and individual advocates to help achieve its goal of making the UK one of the first developed countries in the world to achieve near-total internet use by 2012.²¹

Northern Ireland Media Literacy Network

During 2009/10 the remit of the Northern Ireland Media Literacy Network was extended to include those organisations with a remit for, or interest in, digital inclusion and digital life skills.

The Network is chaired by the Ofcom Content Board Member for Northern Ireland, Professor Paul Moore of the University of Ulster, and comprises representatives from the Northern Ireland Executive, broadcasters, telecoms companies, colleges, libraries, learning organisations and voluntary organisations.

The Network has produced a strategy for promoting media literacy in Northern Ireland; its objectives will be achieved by co-ordinating existing activity across Northern Ireland and by creating partnerships between stakeholders to extend the reach and remit of relevant projects.

My GroupNI

MyGroupNI is a digital inclusion initiative supported by the Department of Finance and Personnel for Northern Ireland. It is designed to bring together the public, voluntary, community and private sectors and supports 3,500 community groups across Northern Ireland by linking them to a single web portal - one of the largest community portals in Europe.

¹⁸ <http://www.number10.gov.uk/news/statements-and-articles/2010/06/letter-of-appointment-to-martha-lane-fox-52045>

¹⁹ <http://raceonline2012.org/manifesto>

²⁰ http://raceonline2012.org/sites/default/files/resources/manifesto_for_a_networked_nation_-_press_release.pdf

²¹ <http://raceonline2012.org/why-get-involved>

During 2009/2010 the portal received over 25 million hits and had 10 million page impressions generated by 1.8 million visitors. The programme has also deployed 50 public access kiosks at sites across Northern Ireland, including government buildings, council offices hospitals, shopping centres and tourist locations. Total usage figures for all purposes shows use averaging approximately 400,000 page views per month.

NI Direct

With the launch of www.nidirect.gov.uk Northern Ireland became the first of the devolved administrations to develop a dedicated website for citizens. Based on the Directgov model, the website has approximately 3,500 pages of information from all Northern Ireland government departments and agencies, organised by theme, and making over 150 types of online transaction available to citizens. Traffic to the site has grown steadily and it is now one of the most-accessed government sites.

Other initiatives

In May 2010, the Department of Employment and Learning announced the introduction of free entry-level ICT classes for anyone wishing to improve their computer skills. As part of the Department's Essential Skills provision, these classes will be available to anyone in Northern Ireland from 1 August 2010. In July, the Department of Agriculture and Rural Development launched a rural IT project in County Tyrone, targeted at low-paid workers in the Carrickmore and surrounding areas. The project provides ICT courses at the Milestone Centre in conjunction with the South West College outreach services.

Other initiatives included Silver Surfers' Day, an annual day-long event offering over-50s the opportunity to learn more about how to get online and make the most of the internet; the launch of www.digimumsni.co.uk - a forum-based website with blogs, groups, discussions and directory listings on a wide variety of issues and with a particular emphasis on digital safety; and the digital participation initiatives offered by the Community Media Association to community radio station volunteers.

4.1.2 Broadband take-up

The growth of the internet has provided another platform over which content can be delivered to consumers. Rapid take-up of fast broadband connections by consumers means that the majority of households can now receive content in this way (though by no means all do). In recent years the internet has had a significant impact on how content can be consumed. For example:

- it allows **existing services** such as some government services, banking and other information services to be delivered to citizens and consumers online; and
- it has allowed **new, specifically internet-based forms of content** to emerge (such as social networking sites, blogs and other user-generated content).

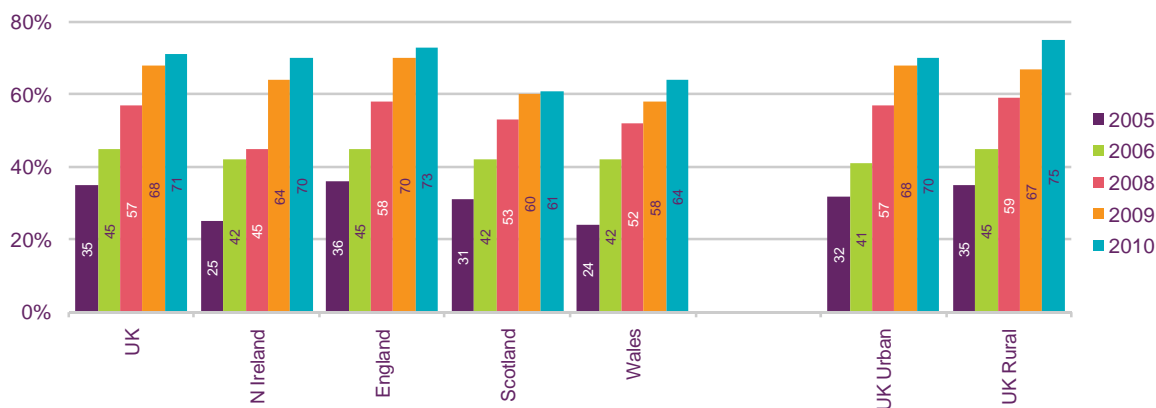
At 70%, broadband take-up is higher in Northern Ireland than in Scotland or Wales

Figure 4.1 shows that while broadband penetration in Northern Ireland remained lower than the UK average until 2010, the general trend in broadband take-up mirrored that of the rest of the UK, with the proportion of connected homes increasing significantly year on year, from 64% in 2009 to 70% in 2010.

In 2010, broadband take-up in Northern Ireland caught up with England and is now ahead of Scotland and Wales. Between March 2004 and March 2009, Northern Ireland has

benefited from a DETI (Department of Enterprise, Trade and Investment) initiative to ensure that a minimum of 512 k/bits is available to every residence and business in Northern Ireland. Ninety-nine per cent of addresses are covered by DSL broadband and the remaining 1% by satellite - now administered by Avanti, which had 927 subscribers in May 2010.

Figure 4.1 Broadband take-up trend in Q1, 2005-2010



Source: Ofcom research, Q1 2010

Base: All adults aged 15+ (n = 9013 UK, 761 Northern Ireland, 5709 England, 1468 Scotland, 1075 Wales, 7511 UK urban, 1502 UK rural. QE9. Which of these methods does your household use to connect to the internet at home?

Mobile broadband is used by 14% of households in Northern Ireland

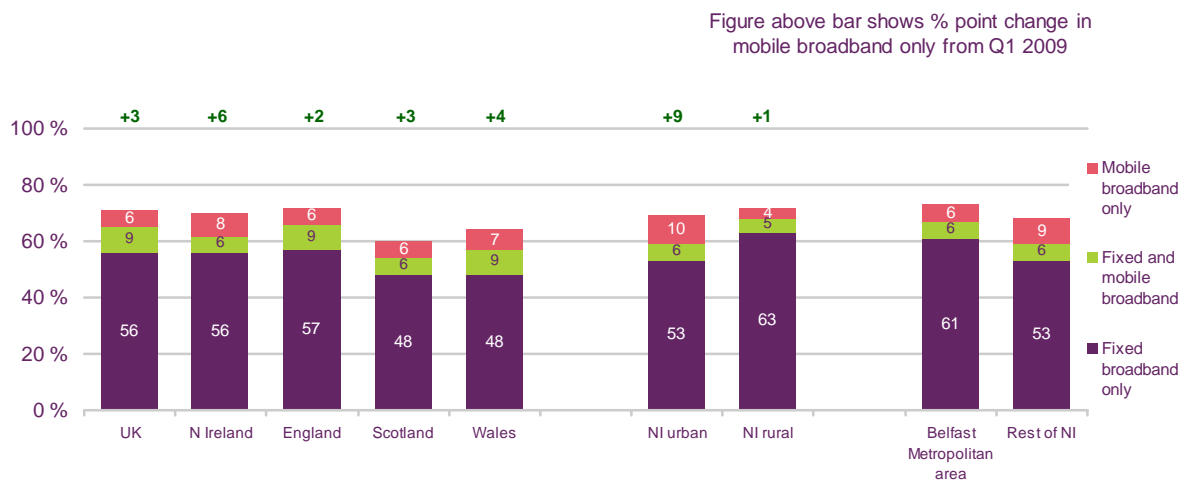
During 2009, take-up of mobile broadband continued to grow, as consumers increasingly accessed the internet via cellular networks. In Q1 2010, 14% of households in Northern Ireland claimed to be accessing the internet via mobile broadband, compared to 15% across the UK as a whole.

Eight per cent of households in Northern Ireland (6% in the UK as a whole) used mobile broadband as their only means of accessing the internet; the majority of mobile broadband users also have a fixed-line broadband connection at home.

Despite the large number of mobile-only households in Belfast (where 24% of households have no fixed-line connection), mobile broadband-only in Belfast was lower (at 6%) than across Northern Ireland as a whole. Use of mobile broadband is more common in urban areas, with 16% of households using it, than in rural areas (9%). However, use in the Belfast metropolitan area (at 12%) remains lower than in other parts of Northern Ireland (15%).

In Q1 2010, just 2% of households in Northern Ireland had a dial-up connection (compared to 3% a year previously and 9% in Q1 2008). This is consistent with the rest of the UK.

Figure 4.2 Broadband take-up



Source: Ofcom research, Q1 2010

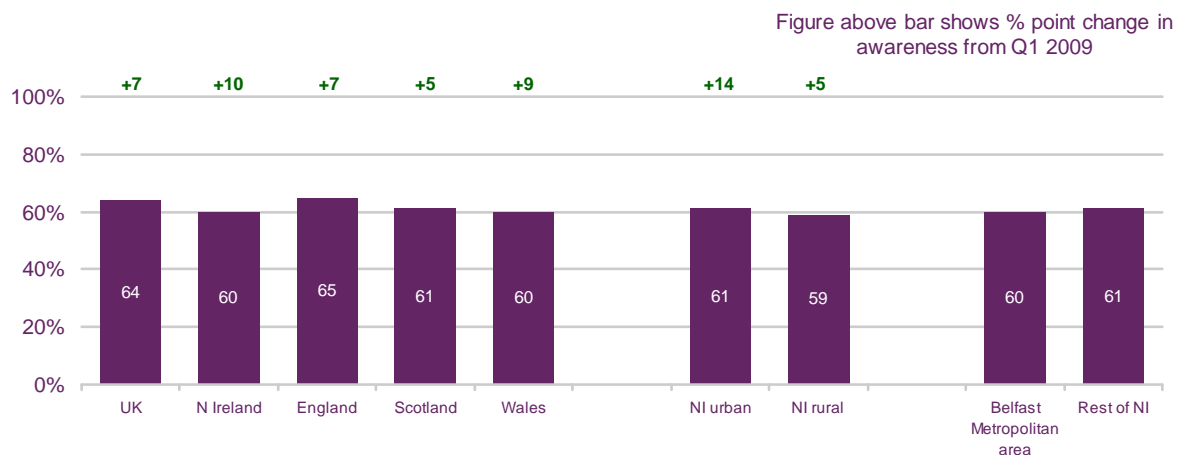
Base: All adults aged 15+ (n = 9013 UK, 761 Northern Ireland, 5709 England, 1468 Scotland, 1075 Wales, 501 Northern Ireland urban, 260 Northern Ireland rural, 349 Belfast metropolitan area, 412 rest of Northern Ireland)

QE9. Which of these methods does your household use to connect to the internet at home?

Mobile broadband awareness has increased by 10% in Northern Ireland

Awareness of mobile broadband in Northern Ireland has increased by 10% since Q1 2009, bringing levels into line with awareness across the rest of the UK. There has been a growth of 14 in awareness among consumers living in urban areas. This may help explain the 9% growth in mobile broadband penetration in the same areas.

Figure 4.3 Awareness of mobile broadband



Source: Ofcom research, Q1 2010

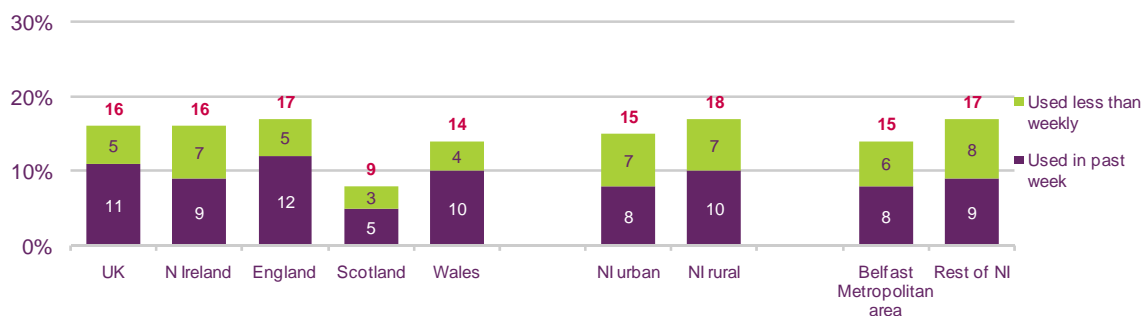
Base: All adults aged 15+ (n = 9013 UK, 761 Northern Ireland, 5709 England, 1468 Scotland, 1075 Wales, 501 Northern Ireland urban, 260 Northern Ireland rural, 349 Belfast metropolitan area, 412 rest of Northern Ireland)

* Base size less than 100: Apply caution

QE21. Before now, were you aware that you can access broadband services on your PC or laptop by using a mobile network?

Figure 4.4 shows that the proportion of adults in Northern Ireland who have accessed the internet using a mobile phone is in line with the UK average (16%). In the past year, the number of adults using their mobile phone in this way in Northern Ireland has decreased very slightly (16% versus 18% in 2009).

Figure 4.4 Proportion of adults who have used a mobile phone to access the internet



Base: All adults aged 15+ (n = 9013 UK, 761 Northern Ireland, 5709 England, 1468 Scotland, 1075 Wales, 501 Northern Ireland urban, 260 Northern Ireland rural, 349 Belfast metropolitan area, 412 Rest of Northern Ireland)

Source: Ofcom research, Q1 2010

*Base size less than 100: Apply caution

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?

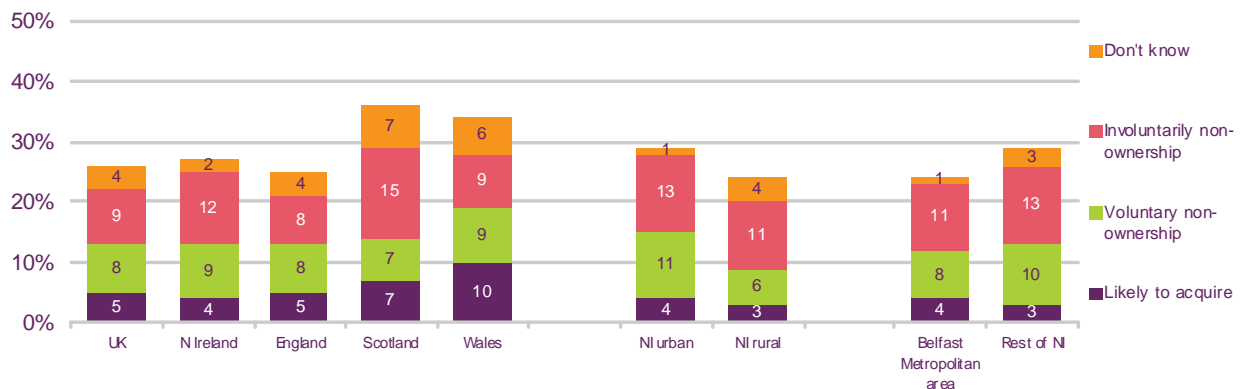
Non-ownership of broadband

There are many reasons for not having the internet, and these fall into two broad categories: voluntary and involuntary. Voluntary non-ownership is where potential consumers do without services because they perceive they do not need them, or because they are satisfied with alternative services. Involuntary non-ownership is where potential consumers do without services, but not through choice; this is mainly due to affordability and lack of availability. In the following analysis, where consumers gave multiple responses which fell into both categories these have been reported as 'involuntary'.

In Northern Ireland 12% of people said that they did have internet access at home for 'involuntary' reasons. This was slightly higher than the UK average of 9%, but lower than in Scotland (15%). England was the nation least likely to state 'involuntary' reasons for non-ownership (8%).

People living in urban areas of Northern Ireland were nearly twice as likely as people in rural areas to say that they did not have the internet for 'voluntary' reasons (11% compared to 6%).

Figure 4.5 Non-ownership of internet services



QE24. How likely is it that your household will get a internet access at home in the next 12 months?/ QE25. Why are you unlikely to get internet access at home in the next 12 months?

Source: Ofcom research, Q1 2010

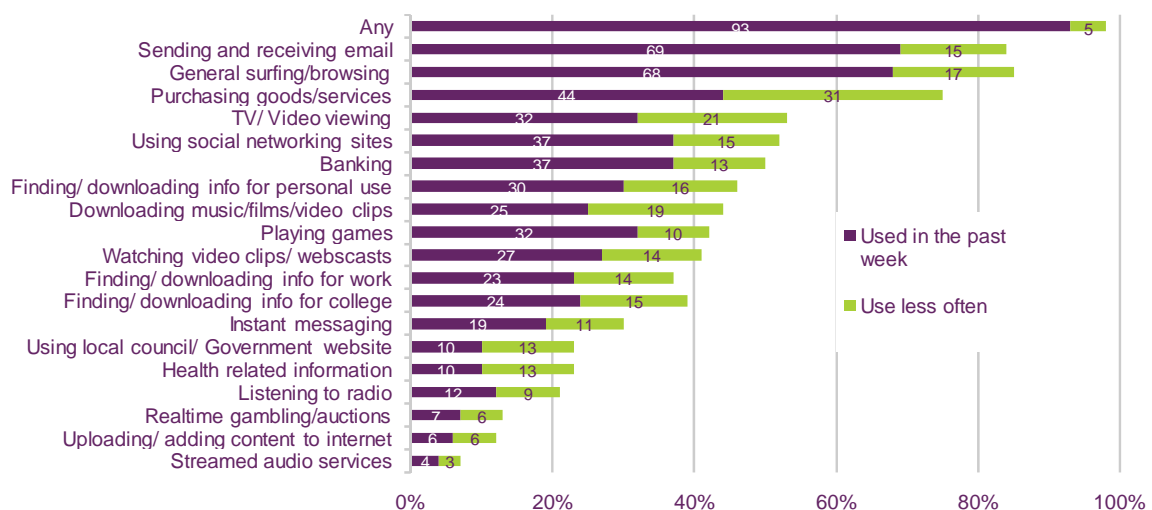
Base: All adults aged 15+ (n = 9013 UK, 761 Northern Ireland, 5709 England, 1468 Scotland, 1075 Wales, 501 Northern Ireland urban, 260 Northern Ireland rural, 349 Belfast metropolitan area, 412 rest of Northern Ireland)

4.1.3 Regional use of the internet to access services

Broadband users in Northern Ireland are most likely to use the internet to send emails and surf the web

The internet enables users to undertake a wide range of activities online. Our consumer research asked about a number of these and found that the most common and frequent internet use in Northern Ireland is sending/receiving email (69%) and general surfing/browsing (68%). Home internet access has an important entertainment function with 53% of people accessing TV online, 42% playing games, 44% downloading entertainment files, 41% watching video clips or webcasts and 21% listening to radio online. Over half of households with home internet have ever watched TV online (53%), used a social networking site (52%) or done online banking (50%).

Figure 4.6 Use of online applications among Northern Ireland broadband users



Source: Ofcom research, Q1 2010

Base: Adults aged 15+ with a broadband connection at home (n= 519 Northern Ireland)

QE5. Which, if any, of these do you or members of your household use the internet for whilst at home?

Increasingly, people with a broadband connection are going online to access and engage in traditional 'offline' services and activities. Accessing services and content in this way has the potential to bring real benefits in terms of time, functionality and cost to citizens and consumers. In the light of these benefits, for the first time in this report we are presenting some of our consumer research findings on three of these topics: accessing government services, online banking, and accessing information on health-related issues.

More than a fifth of people with internet access in Northern Ireland have accessed government services online

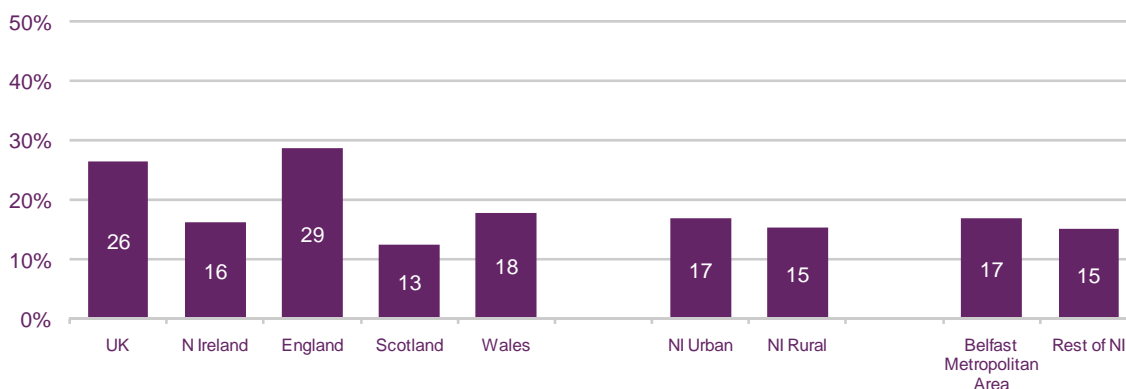
Almost all local, regional and central government departments, agencies, executives and bodies across the UK have a presence online. And as well as information, some services such as driving licence renewal are increasingly being delivered online. Looking at the regional coverage (proportion of unique online persons) of government websites is one way of assessing engagement with these services in the nations and regions of the UK.

NI Direct (www.nidirect.gov.uk) is now one of the most-accessed government sites in Northern Ireland. In its first year, the site recorded 1.5 million visits and currently receives approximately 40,000 visits each week. Towards the end of 2009, the Benefit Advisory Service was launched on the site. This had been available on Directgov, but people from Northern Ireland had not previously been able to fully access the service. The application recorded 1,300 page impressions in its first week of official operation.

Ofcom research shows that 16% of adults in Northern Ireland with internet access at home visited a government or local council website in Q1 2010. Across the UK the figure was 26%, in Wales this stood at 18% and 13% in Scotland. There was very little variation within Northern Ireland, either by sub-region or between rural and urban areas.

Figure 4.7 Use of the internet to access local council/government websites

Use of internet for local council/government websites (%)



QE5A-B. Which, if any, of these do you or members of your household use the internet for whilst at home?

Source: Ofcom research, Q1 2010

Base: Adults aged 15+ (n= 9013 UK, 5709 England, 1468 Scotland, 1075 Wales, 761 Northern Ireland)

A third of people with internet access in Northern Ireland use the internet to access online banking services

Online banking allows people to manage their money from home, allowing them to check balances, pay bills online, open new accounts and transfer money.

Our research shows that across the UK, four in ten (43%) people visited a banking website in the first quarter of 2010. Use of these sites was highest in England (45%) followed by Wales and Northern Ireland (both 36%). In Scotland take-up was 29%. Within Northern Ireland, people in the Belfast area were more likely than in other areas of Northern Ireland to do their banking online (by 41% to 33%).

The data show that many internet users do not use online banking regularly. This is likely to be for a number of reasons, including concerns about security, and the fact that under-18s are less likely to have a bank account.

Figure 4.8 Use of the internet to access online banking services



QE5A-B. Which, if any, of these do you or members of your household use the internet for whilst at home?

Source: Ofcom research, Q1 2010

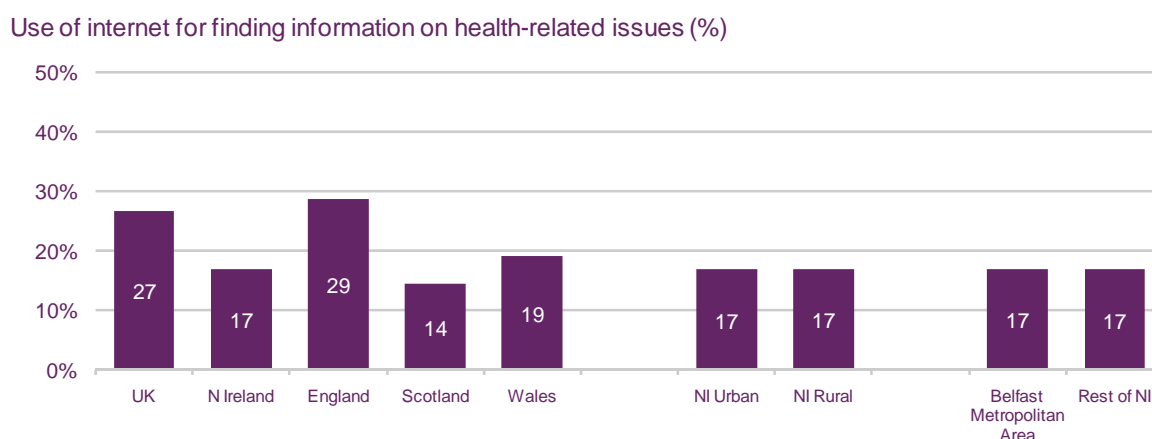
Base: Adults aged 15+ (n= 9013 UK, 5709 England, 1468 Scotland, 1075 Wales, 761 Northern Ireland)

Almost a quarter of people with internet access in Northern Ireland look for health-related information online

The internet has also had an impact on the provision of information about health issues. It gives information providers (whether the NHS, private providers or otherwise) a way to reach their target audience easily and cheaply, and it offers individuals a vast array of information on almost any health issue. This brings both advantages and disadvantages. For instance, during the swine flu outbreak, concerned individuals could access advice through portals like *Direct.gov* and *NHS Choices*, which may have played a part in keeping infectious individuals away from surgeries. However, the sheer amount of available information on the internet has also raised concerns about inaccurate self-diagnosis.

Twenty-seven per cent of internet users in the UK claimed to use the internet to find information relating to health issues. This figure varies from 14% in Scotland and 17% in Northern Ireland, to 29% in England. Across Northern Ireland there was little distinction either between rural and urban areas, or between Belfast and other areas.

Figure 4.9 Use of the internet to find out information about health-related issues



QE5A-B. Which, if any, of these do you or members of your household use the internet for whilst at home?

Source: Ofcom research, Q1 2010

Base: Adults aged 15+ (n= 9013 UK, 5709 England, 1468 Scotland, 1075 Wales, 761 Northern Ireland)

4.1.4 Social networking

Social networking sites (SNS) are websites such as Facebook and MySpace on which users can create their own profiles using text, graphics and photos, join groups of people with common interests and send messages to other site members.

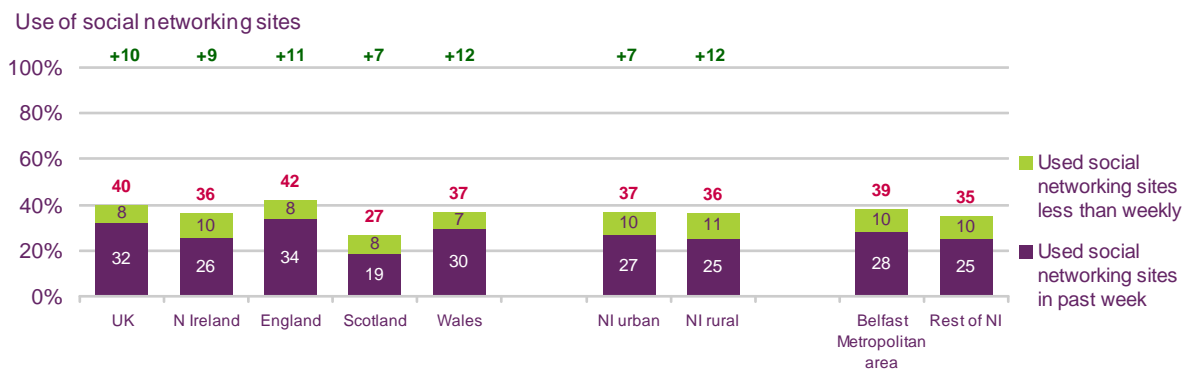
Use of social networking sites is consistent across all nations, except Scotland. Across the UK, 40% of adults live in a household that has used social networking sites, with 32% using them on a weekly basis.

The use of SNS in Northern Ireland has increased since 2009 (by nine percentage points) and is on a level similar to the UK as a whole (36% compared to the 40% UK average). Use of social networking sites is more common in Northern Ireland (36%) than in Scotland (27%) and is similar to Wales (37%).

Use of social networking sites is slightly more common in the Belfast metropolitan area (39%) than in the rest of Northern Ireland (35%).

Our *UK Communications Market* report shows that Facebook is the most popular SNS, and is likely to be responsible for much of the growth found in our research. All major SNS have now been optimised for mobile phones, and it is likely that this will be an area of future growth, particularly as smartphones become more widespread.

Figure 4.10 Frequency of use of social networking sites



Source: Ofcom research, Q1 2010

Base: All adults aged 15+ (n = 9013 UK, 761 Northern Ireland, 5709 England, 1468 Scotland, 1075 Wales, 501 Northern Ireland urban, 260 Northern Ireland rural, 349 Belfast metropolitan area, 412 Rest of Northern Ireland)

QE5A-B. Which, if any, of these do you or members of your household use the internet for whilst at home?/ And, which, if any, of these activities have you or members of your household used the internet for in the last week?



The Communications Market in Northern Ireland

5 Telecoms and networks

5.1 Telecoms and networks

5.1.1 Recent developments in Northern Ireland

BT awarded next-generation broadband contract

In 2009, the Department of Enterprise, Trade and Investment (DETI) awarded BT the contract to deliver DETI's next-generation broadband project across Northern Ireland, following a competitive government tender process. The total investment in the project will be £48m.

BT is investing close to £30m in the project, with an additional £16.5m coming from DETI (under the European Regional Development Fund European Sustainable Competitiveness Programme) and a further £1.5m from the Department of Agriculture & Rural Development (under a European Agricultural Fund for Rural Development programme).

The project is designed to meet a target set in the Northern Ireland Executive's Programme for Government in 2008, of ensuring that 85% of businesses in Northern Ireland have access to next-generation broadband speeds by 2011. It is aimed at areas across Northern Ireland, both urban and rural, which will deliver the greatest economic benefit from receiving high-speed broadband, but which may not be suitable for private sector investment.

The project involves upgrades at 166 telephone exchanges and the deployment of fibre to 1175 new street cabinets. Businesses within defined urban areas are set to receive minimum broadband speeds of 10Mb/s, with businesses in defined rural areas receiving minimum broadband speeds of 2Mb/s. However, it is expected that many businesses in these areas will receive speeds in excess of these minimum thresholds.

Northern Ireland Broadband Fund

The Northern Ireland Broadband Fund, which is co-financed under the European Regional Development Fund Sustainable Competitive Programme 2007-2013 and delivered by DETI, was launched in August 2008. It offers financial support to organisations undertaking innovative broadband technology trials.

During the 2009/10 year DETI issued two calls for project proposals, and subsequently provided funding totalling £246,000 to four successful applications, bringing the total number of projects supported under the fund to six.

The supported projects will see delivery of fixed wireless networks across the Foyle Basin/North Sperrins, along the County Fermanagh/South Tyrone border and across the North Antrim Coast. A fourth project will deliver a fibre-optic ring around Enniskillen town centre using the existing waste water infrastructure.

Two further projects were completed in 2009/10: the installation of a fixed wireless network across the rural West, which is now operational and delivering commercial broadband services to businesses and residential customers; and the completion of trials to expand 3G coverage in Ballinamallard and Ballintoy using satellite backhaul services.

Project Kelvin

Project Kelvin is part of the Northern Ireland Executive's Programme for Government and is designed to improve Northern Ireland's international connectivity by connecting into an

existing transatlantic telecoms cable. The €30m project (a cross-border endeavour with the Republic of Ireland, co-financed under the INTERREG IVA programme 2007-2013) now provides Northern Ireland with fast connectivity to North America as well as improved connectivity from Northern Ireland to mainland Europe.

The new submarine telecoms cable linking Northern Ireland to North America and Europe was brought ashore at Portrush in June 2009 and by December 2009 the new fibre optic network was operational, connecting eight towns and cities in Northern Ireland and five locations in the border regions of the Republic of Ireland.

Atlas, a local communications provider, has announced plans to add Newry to the Project Kelvin network.

Logon-ni

This £3.9m DETI project, co-financed under the European Regional Development Fund Sustainable Competitive Programme 2007-2013, provides businesses with free broadband advice and guidance from a mobile facility and a demonstration centre in Omagh, Co Tyrone.

BT rolls out ADSL2+

As part of its 21st Century Networks programme, BT announced plans to introduce ADSL2+ to 13 exchange areas: Ballymena, Balmoral, Bangor, Belfast City, Coleraine, Foyle, Lisburn, Lurgan, Malone, Newry, Newtownards, Portadown and Whiteabbey. It is expected that 200,000 homes and businesses in enabled areas will experience a potential increase in download speeds of up to 20 Mb/s and upload speeds of up to 1Mb/s.

Super-fast broadband for Bangor

BT has announced that its Bangor exchange is one of 63 locations in the UK to be upgraded to fibre-based broadband. Around 30,000 homes and businesses in Bangor are expected to benefit from fibre-to-the-cabinet (FTTC) technology by the autumn.

Bangor will follow the Balmoral and Lisburn exchanges, which have already been upgraded to FTTC. BT is offering other communications providers access to FTTC services on an open, wholesale basis.

Rainbow enters mobile market

Rainbow Telecom, Northern Ireland's largest independent telecommunications provider, has purchased mobile phone specialist Red Sky Communications. The deal, for an undisclosed figure, saw Red Sky re-brand its Ballymena office as Rainbow Mobile.

Eircom infrastructure investment

In autumn 2009 Eircom Northern Ireland launched its Enterprise MPLS network. The network has been deployed with an optical core network with open-ended bandwidth design, suitable for carrying MPLS and multi-gigabit/s traffic, which offers business users high quality voice, data and video network services, supported by Eircom's network operations centre in Belfast. The network is based on Cisco MPLS technology and provides both private cloud and internet services.

Clarity introduces SIP trunks

Clarity Telecom has introduced a technology called SIP trunks to deliver telephony services over an IP exchange. It can deliver new services which work on all existing phone systems and making hardware investment unnecessary.

Investment in broadband

Northern Ireland has benefited from a number of public investments in broadband infrastructure in recent years.

In January 2006, Northern Ireland became the first region in Europe to have 100% broadband availability. Following the award of a DETI contract to BT after a competitive tender process, all BT exchanges in Northern Ireland were upgraded to deliver broadband on a wholesale basis over existing phone lines at a minimum speed of 512Kb/s and at a maximum retail price of £27.99 per month. BT also provided a satellite broadband alternative (at the same speed and price) where phone lines could not deliver the service. The BT contract ended in March 2009 and DETI appointed Avanti Communications to provide the satellite broadband infill service in order to maintain 100% availability.

In December 2009, DETI led a further initiative aimed at delivering next-generation access to 85% of businesses in Northern Ireland. Following another competitive tendering process, BT won the contract to implement the project, which will involve upgrades at 166 BT exchanges (out of a total of 191) and the deployment of fibre-to-the-cabinet in urban and rural areas across Northern Ireland which the market-led roll-out is unlikely to reach. Access to this next-generation network will be on an open-access basis, allowing other providers to provide super-fast broadband services to customers. Businesses in urban areas are set to receive minimum broadband speeds of 10Mb/s, with businesses in defined rural areas receiving minimum broadband speeds of 2Mb/s. The total investment in the project will be £48m; £30m from BT and the remainder from European funds via DETI and the Department of Agriculture and Rural Development. The project will deliver on a commitment by the Northern Ireland Executive, made in its Programme for Government in 2008, to ensure that 85% of businesses in Northern Ireland will have access to next-generation broadband speeds by 2011.

Project Kelvin, another commitment in the Northern Ireland Executive's Programme for Government, now connects Northern Ireland into an existing transatlantic telecoms cable giving greater connectivity to North America and mainland Europe. This €30m cross-border project was jointly awarded to Hibernia Atlantic in 2008 by DETI and the Department of Communication, Energy and Natural Resources in the Republic of Ireland. Project Kelvin's new fibre network has also established Points of Presence in eight towns and cities in Northern Ireland and five locations in the border regions of the Republic of Ireland.

In September 2007 Eircom was awarded a contract, after competitive tender, to manage the communications network of the Northern Ireland Civil Service. The contract, which runs for 6-10 years and is valued at up to £70m, re-established Eircom in the Northern Ireland market where it is now offering its network services to the wider public sector and business markets.

5.1.2 Availability of telecoms services

Fixed voice telephony and narrowband internet availability

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

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

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

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

Broadband internet availability

Narrowband internet connections have largely been superseded by higher bandwidth broadband connections, and we estimate that at the end of 2009 around 92% of UK residential internet connections were broadband, compared to 42% five years earlier. In the UK the two main technologies for supplying broadband internet services are digital subscriber line (DSL) over a standard copper telephone line connected to a DSL or LLU-enabled local exchange or via cable modem over a cable provider's hybrid fibre-coaxial network. The first UK fibre deployments are currently being rolled out, but these account for only a small proportion of total UK broadband connections, as do those using satellite and fixed wireless technologies, which are typically used in remote areas, or to fill coverage not-spots.

DSL broadband availability

All homes in Northern Ireland are connected to a DSL-enabled local exchange, but not all homes are able to receive broadband

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

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

However, not every household served by a DSL-enabled exchange is able to receive broadband services, or may only be able to do so at low speeds. This is due to factors such as the distance from the exchange, poor network quality and local technicalities. People living in these areas (known as 'not-spots') will not be able to benefit fully from the rapidly growing number of online services that require higher connection speeds, such as the streaming of audio-visual content. Not-spots are considered in more depth in section 1.4 of this report.

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



Source: Ofcom / BT, December 2009 data

LLU broadband availability

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

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

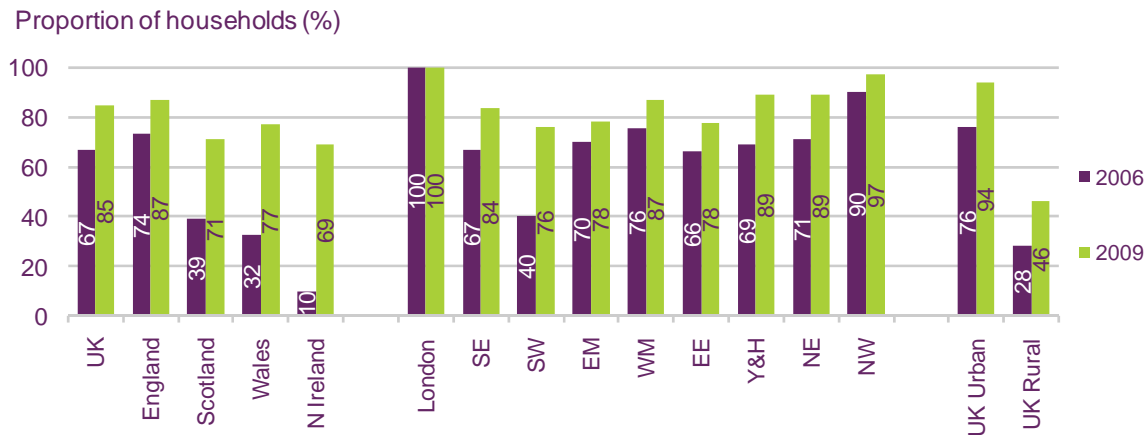
At the end of 2009 LLU-based connections accounted for 35% of all UK non-corporate broadband connections, up from 32% a year previously, and in 2009 LLU accounted for 90% of net non-corporate broadband additions.

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

At the end of December 2009, 85% of UK households were connected to an LLU-enabled local exchange (Figure 5.2), less than one percentage point higher than the figure at the end of 2008 and up from 67% three years previously. Northern Ireland had the lowest proportion of households connected to an LLU-enabled exchange among the UK nations

at the end of December 2009, at 69%. However, this represented a 59 percentage point increase since the end of 2006, the highest growth among the UK nations over the period.

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



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

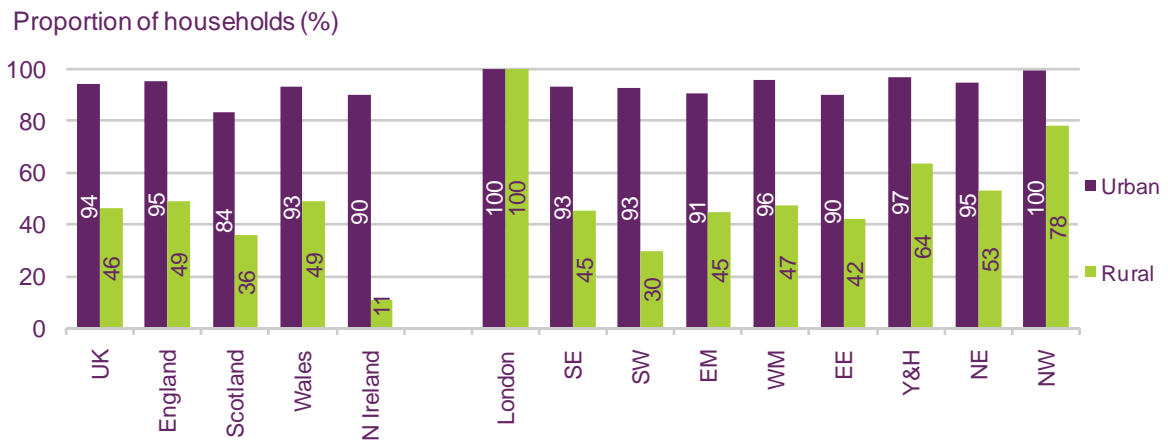
Urban households more than twice as likely as rural ones to be able to access LLU broadband services

The availability of LLU-based DSL broadband services is higher in urban areas than rural ones. This is for two reasons: firstly, LLU deployment is characterised by high up-front costs and low per-unit costs, so operators have targeted exchanges with a large number of delivery points (which tend to be in urban areas). Secondly, the maximum distance over which LLU broadband equipment can be backhauled to an operators' core network is approximately 40km (around 25 miles). The results of this can be seen in Figure 5.3, which shows that at the end of December 2009 homes in urban areas were more than twice as likely as those in rural ones to be able to get LLU-based broadband services, with 94% of urban UK homes being in an unbundled area, compared to 46% in rural areas.

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

Among the UK nations, the proportion of urban homes connected to an LLU-enabled exchange ranged from 84% in Scotland to 95% in England, while in rural areas the proportion was lowest in Northern Ireland at 11% and highest in England and Wales at 49%. Northern Ireland also had the third-highest urban LLU availability at the end of December 2009, with 90% of homes being connected to an LLU-enabled local exchange.

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

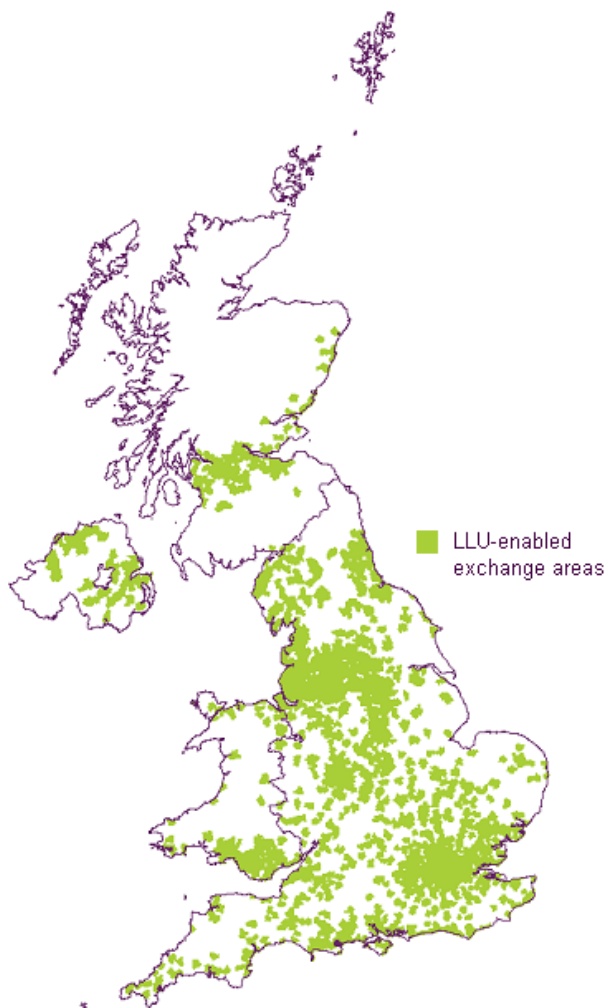


Source: Ofcom / BT, December 2009 data

Map of LLU DSL availability reflects higher availability in urban areas

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

Figure 5.4 Map showing areas served by unbundled local exchanges



Source: Ofcom / BT, September 2009 data

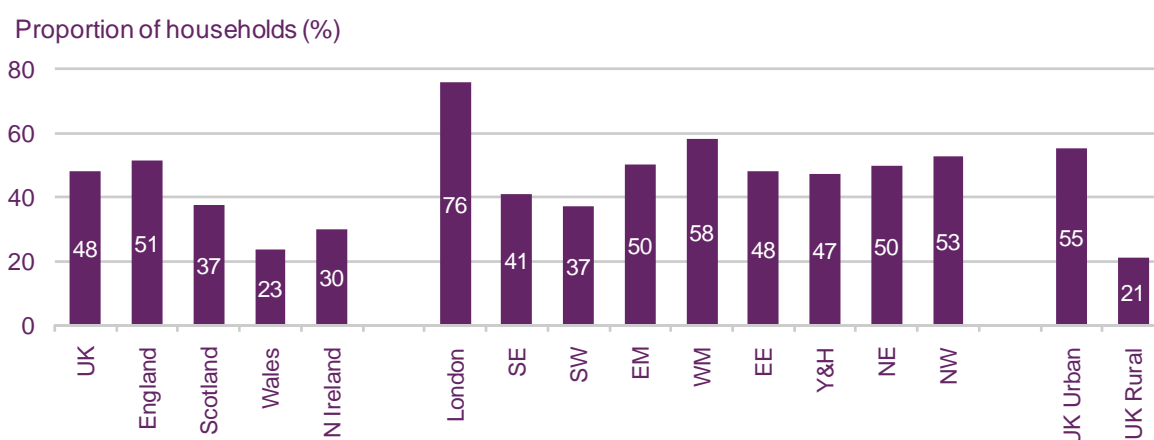
Cable broadband

Northern Ireland has the third highest cable broadband availability among the UK nations

Just under half of UK households (48%) were passed by Virgin Media's broadband-enabled cable network at the end of December 2009 (Figure 5.5). This figure has remained relatively stable over the past few years as Virgin Media has concentrated its efforts on upgrading its existing network and increasing take-up within cabled areas rather than embark on costly further cable network roll-out.

Among the UK nations, Northern Ireland had the third highest proportion of homes passed by Virgin Media's broadband network at the end of 2009, at 30%, while the proportion was highest in England at 51% and lowest in Wales at 23%.

Figure 5.5 Proportion of households passed by Virgin Media broadband



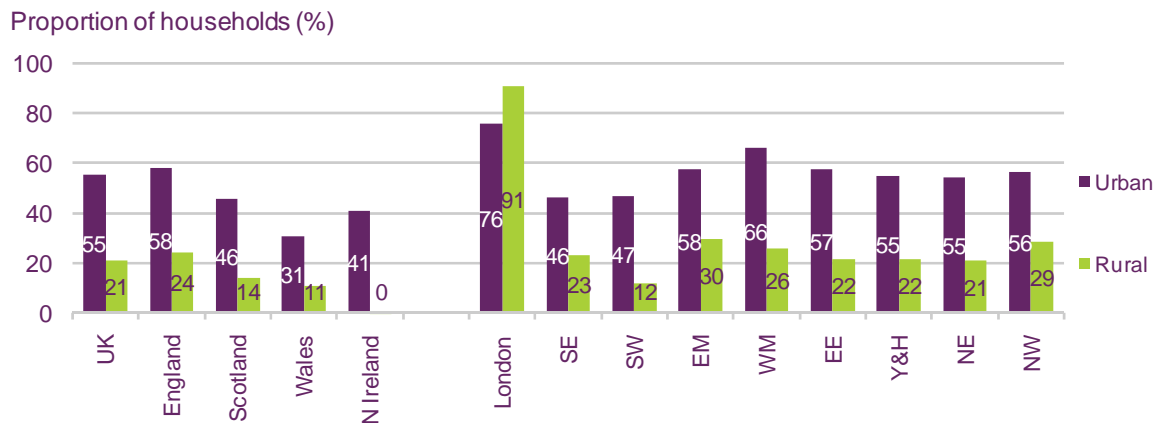
Source: Ofcom / Virgin Media, December 2009 data

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

The majority of cable network roll-out in the UK took place in the 1980s and 1990s and was concentrated in urban areas to maximise return on investment. This is reflected in Figure 5.6, which shows that while 55% of UK households in urban areas were passed by Virgin Media's broadband network at the end of 2009, it passed only 21% of those in rural areas.

Among the UK nations the proportion of urban households passed by Virgin Media's cable broadband network was highest at 58% in England and lowest at 31% in Wales. Similarly, the proportion in rural areas ranges from 24% in England to 0% in Northern Ireland. Northern Ireland also had the third highest proportion of urban homes passed by Virgin Media's cable broadband network at 41%.

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

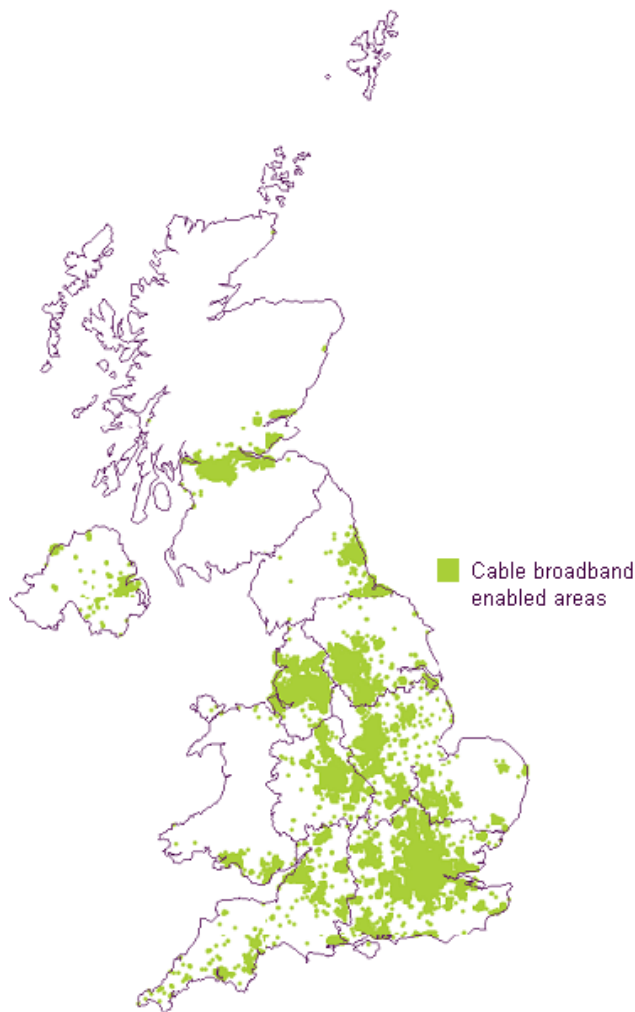


Source: Ofcom / Virgin Media, December 2009 data

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

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

Figure 5.7 Map of the availability of Virgin Media cable broadband



Source: Ofcom / Virgin Media, September 2009 data

Mobile

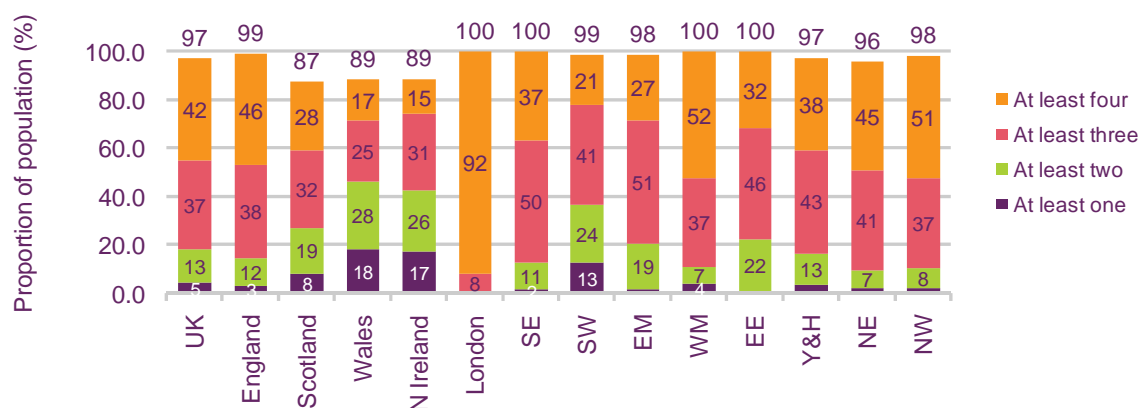
2G

As discussed in our coverage of not-spots on page 31, in this report we evaluate the availability of mobile telephony across the UK by examining the number of mobile networks with second-generation (2G) and third-generation (3G) coverage in each postcode district.

Figure 5.8 shows that 89% of the population in Northern Ireland lived in a postcode district with at least 90% 3G area coverage from one or more of the mobile networks in Q2 2010. This is lower than the UK overall (97%) and England (99%) but higher than Scotland (87%).

Within those areas in Northern Ireland with at least 90% coverage, over half (52%) have the choice of three or four operators providing area coverage above the threshold, while the remainder are limited to one or two operators.

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



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

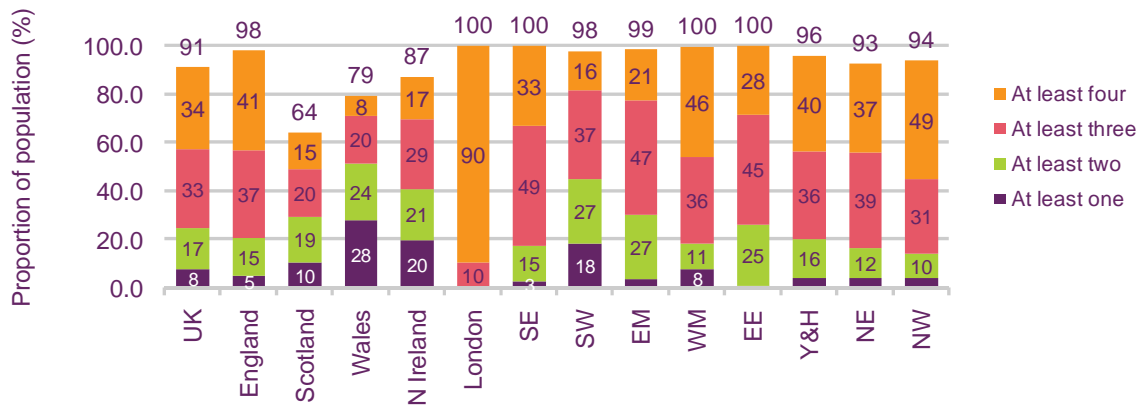
Note: Figures show the percentage of population within postcode districts where at least one, two, three, four or five operators had at least 90% 2G area coverage; data not directly comparable to those published in the 2009 report.

Figure 5.9 shows the geographic coverage of 2G services (using the same 90% area coverage threshold) with 87% of postcode districts within Northern Ireland covered by one or more mobile networks; two percentage points lower than population coverage.

Northern Ireland had the second-highest 2G geographic coverage among the nations, above Wales (79%) and Scotland (64%) but below England (98%).

Just under half (47%) of postcode districts with 90% area coverage in Northern Ireland were served by one or two providers, with the remaining 53% receiving 2G area coverage from three or four providers.

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



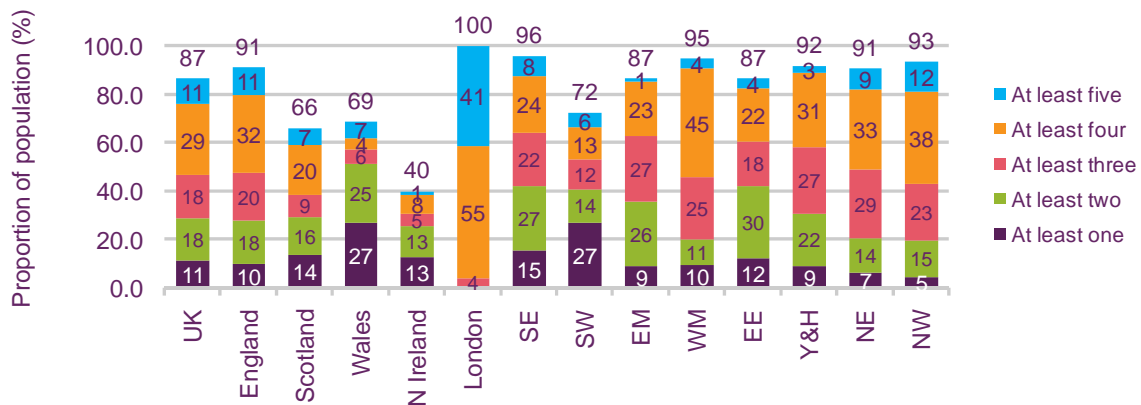
Source: Ofcom/ GSM Association / Europa Technologies; Q2 2010

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

3G

Figure 5.10 shows that only 40% of the population in Northern Ireland lived in a postcode district with at least 90% 3G area coverage from one or more of the mobile networks in Q2 2010; lower than England (91%), Wales (69%) and Scotland (66%) Nearly two-thirds (65%) of those covered in Northern Ireland were limited to one or two providers exceeding the threshold, while the remainder were living in an area where three or more providers offered 90% 3G area coverage.

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



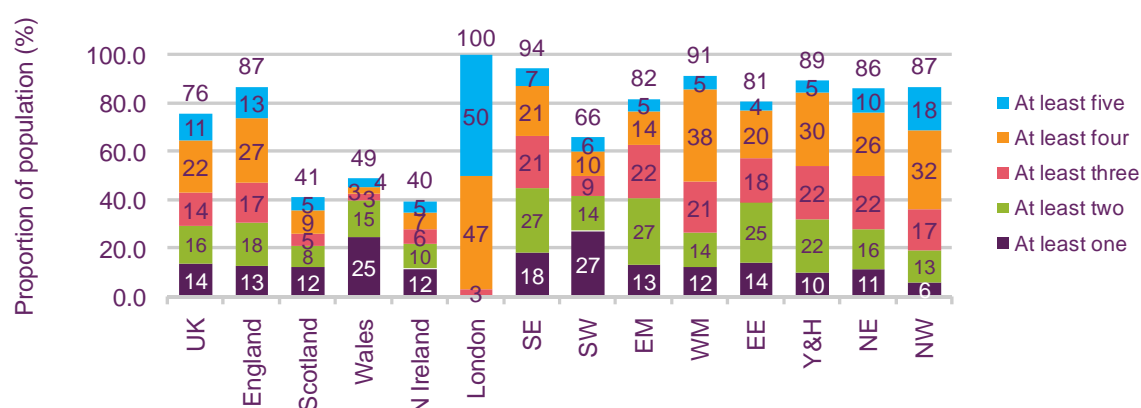
Source: Ofcom/ GSM Association / Europa Technologies; Q2 2010

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

Figure 5.11 shows the geographic coverage of 3G services by one or more mobile networks above the 90% threshold. Forty per cent of postcode districts in Northern Ireland had 3G area coverage from one or more mobile networks, lower than the UK overall (76%), England (87%), Wales (49%) and just below Scotland (41%).

Just under a third (30%) of the covered districts in Northern Ireland had 3G coverage at a 90% area threshold from just one 3G network, while one in three had coverage from at least four operators or more.

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



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

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

5.1.3 Service take-up

Fixed line

Household take-up of fixed-line telephony in Northern Ireland (81%) is below that of England (86%) but consistent with Scotland and Wales (both at 79%) (Figure 5.12). There is a significant difference between fixed-line take-up between Northern Ireland's urban (79%) and rural areas (87%). This is consistent with the higher use of fixed-line telephony in rural areas, found across the UK, with a greater proportion of homes in urban areas being solely reliant on mobile telephony. In part this may be due to a greater proportion of rented and shared accommodation in urban areas, where residents are more likely to rely on mobile telephony alone (mobile telephony is typically an individual purchase, whereas fixed telephony is a household purchase). In general, younger households and households in lower socio-economic groups are more likely to be mobile-only, and a higher proportion of these households are in urban areas. A potential additional factor may be that mobile coverage is typically better in urban than in rural areas, meaning that rural consumers may be less willing to rely on mobile for all their telephony needs.

Mobile phone ownership, at 88%, is consistent with the UK average of 89%. Households in rural areas are more likely to have both a landline and mobile phone (82%) than those in urban areas.

Internet penetration in Northern Ireland is the same as the UK average, at 73%, and broadband penetration is also similar (70% versus 71%). Take-up of the internet is higher than in Scotland or Wales.

Within Northern Ireland, broadband and internet use are the same in both rural and urban areas. However, users in rural areas are more likely to use fixed broadband (68%) than those in urban areas (60%) and mobile broadband is more common in urban areas (16%) than rural (10%). Mobile broadband is most common in urban areas where 16% of adults live in a household where someone has access to mobile broadband. People in the Belfast metropolitan area are more likely to use fixed broadband (67%) than those elsewhere (59%) in Northern Ireland.

Figure 5.12 Take-up of communications services, 2010

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

		N Ireland	NI urban	NI rural	Belfast Metropolitan area	Rest of NI
Individual						
Voice telephony	Fixed Line	81%	79%	87%	81%	81%
	Mobile	88%	87%	90%	87%	89%
Internet	PC	75%	73%	79%	78%	73%
	Total Internet	73%	71%	76%	76%	71%
	Broadband (fixed and mobile)	70%	69%	72%	73%	68%
	Fixed Broadband	62%	60%	68%	67%	59%
	Mobile Broadband	14%	16%	10%	12%	15%

Source: Ofcom research, Q1 2010

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

* Base size less than 100: Apply caution

QC1. Is there a landline phone in your home that can be used to make and receive calls? / QD2.

Do you personally use a mobile phone? / QE1. Does your household have a PC or laptop

computer? / QE2. Do you or does anyone in your household have access to the Internet/

Worldwide Web at home? / QE9. Which of these methods does your household use to connect to the Internet at home?

Within Northern Ireland, 21% of urban households do not have a fixed-line home phone, compared to 13% of rural households. This is a fall of 7% for rural households since Q1 2009. However, only 3% of households in Northern Ireland do not have access to either a mobile or a landline (see Figure 5.13).

Figure 5.13 Fixed-line take-up



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

Source: Ofcom research, Q1 2010

Base: All adults aged 15+ (n = 9013 UK, 761 Northern Ireland, 5709 England, 1468 Scotland, 1075 Wales, 501 Northern Ireland urban, 260 Northern Ireland rural, 349 Belfast metropolitan area, 412 rest of Northern Ireland)

* Base size less than 100: Apply caution

Mobile

High take-up of 2G mobile services

Figure 5.14 shows personal use of mobile phones remains high, with 88% of adults in Northern Ireland using one. Although this represents a fall of 5% since Q1 2009, last year the same figure rose 8% to put Northern Ireland as the highest among the nations in terms of mobile take-up, whereas the 5% decrease in Q1 2010 brings Northern Ireland in line with the rest of the UK. Thirty-nine per cent of adults in Northern Ireland live in a household with three or more mobile phones, compared to 27% in Scotland and 28% in Wales.

Figure 5.14 Mobile take-up

Figure above bar shows % point change in use of mobile phones from Q1 2009



Source: Ofcom research, Q1 2010

Base: All adults aged 15+ (n = 9013 UK, 761 Northern Ireland, 5709 England, 1468 Scotland, 1075 Wales, 501 Northern Ireland urban, 260 Northern Ireland rural, 349 Belfast metropolitan area, 412 rest of Northern Ireland)

*Base size less than 100: Apply caution

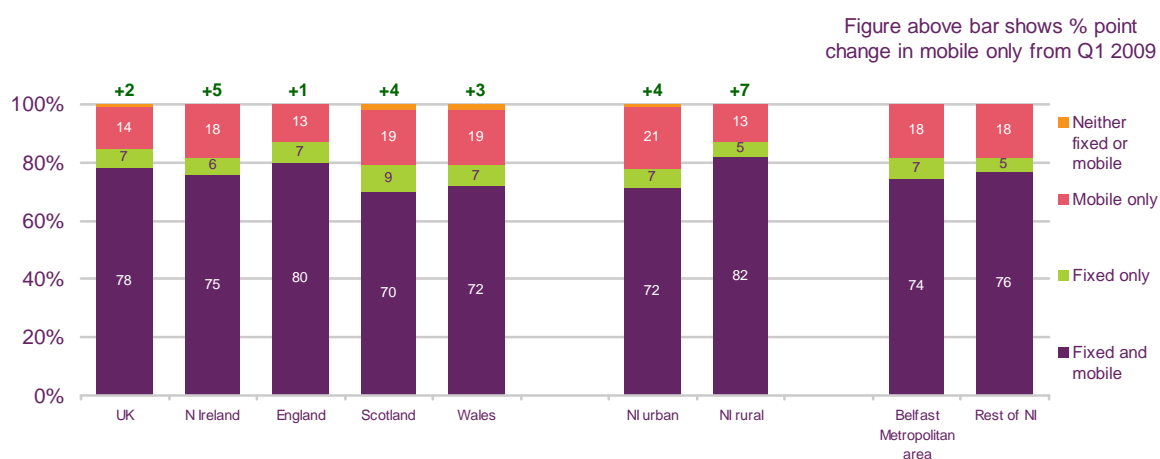
QD2. Do you personally use a mobile phone?

Rise in mobile-only households in Northern Ireland, to 18%

Three-quarters of households in Northern Ireland (75%) have both a mobile and a fixed-line phone connection (Figure 5.15). This is a fall of over 5% since Q1 2009, and there has been a corresponding increase of 5% in the number of mobile-only households. In these households, consumers do not have a landline and are dependent on mobile telephony for all their voice communications needs.

Landlines remain more common in rural areas, with 87% of households having a landline compared to 79% in urban areas. Twenty-one per cent of households in urban areas use only mobile telephony, compared to 13% in rural areas. However, mobile-only rural households have increased by 7% since Q1 2009.

Figure 5.15 Cross-ownership of household telephony services



Source: Ofcom research, Q1 2010

Base: All adults aged 15+ (n = 9013 UK, 761 Northern Ireland, 5709 England, 1468 Scotland, 1075 Wales, 501 Northern Ireland urban, 260 Northern Ireland rural, 349 Belfast metropolitan area, 412 rest of Northern Ireland)

*Base size less than 100: Apply caution

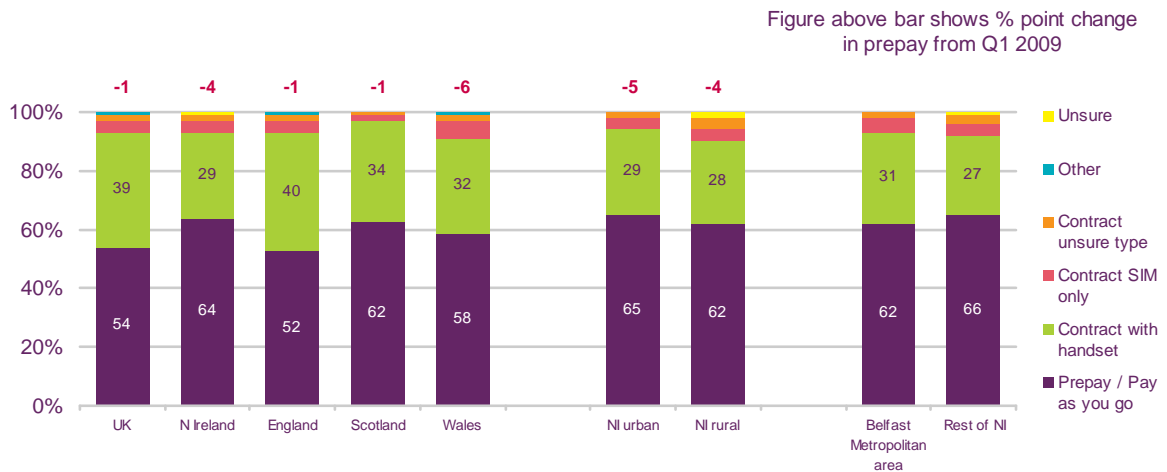
QC1. Is there a landline phone in your home that can be used to make and receive calls?/ QD1. How many mobile phones in total do you and members of your household use?

Pay-as-you-go mobile phones are more popular in Northern Ireland (64%) than in the UK as a whole

Pre-pay mobile phones are more popular in Northern Ireland (64%) and in the other devolved nations than in England (52%). However, the proportion of pre-paid mobiles in Northern Ireland has fallen by 4% over the last year (see Figure 5.16), compared to a 1% fall across the UK.

In Q1 2009, there was a 5% year-on-year increase in the proportion of mobile phone users on pay-monthly contracts across the UK, whereas in Northern Ireland there was no change. This may indicate that there was a lag in operators being successful in their efforts to convert people in Northern Ireland to pay-monthly contracts, compared to other nations.

Figure 5.16 Type of mobile subscription



Source: Ofcom research, Q1 2010

Base: Adults aged 15+ who personally use a mobile phone (n = 7826 UK, 658 Northern Ireland, 5008 England, 1237 Scotland, 923 Wales, 428 Northern Ireland urban, 230 Northern Ireland rural, 298 Belfast metropolitan area, 360 rest of NI)

*Base size less than 100: Apply caution

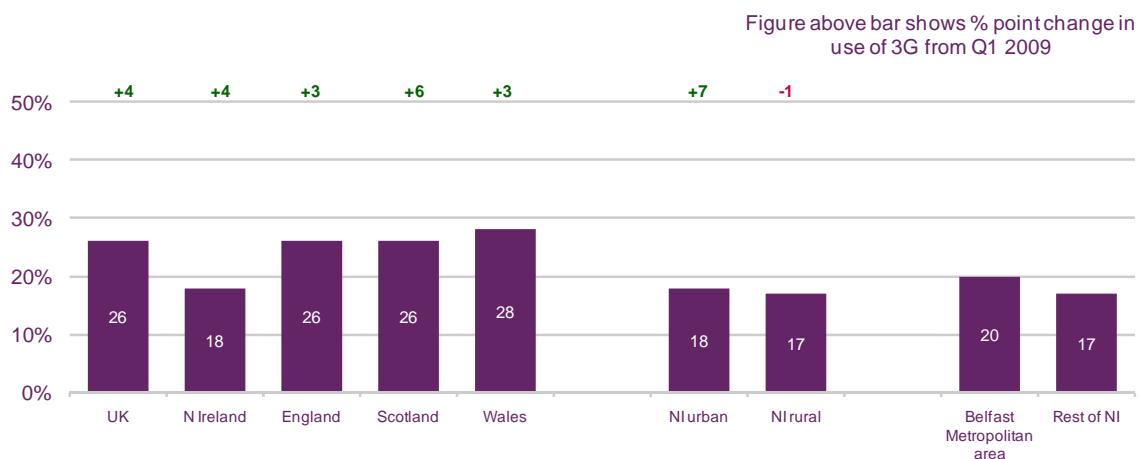
QD11. Which of these best describes the mobile package you personally use most often?

Take-up of 3G and broadband below the UK average

Figure 5.17 shows take-up of 3G phone services in Northern Ireland was below the UK average of 26%, at 18% of adults. This represents an increase of 4% since Q1 2009 and the rate of growth is consistent with the UK as a whole.

Growth in personal use of a 3G mobile phone was higher in urban areas (7%) than in rural areas, which saw a fall of 1%. Use of a 3G handset is now almost equal in both rural and urban areas. However, these numbers should be treated with some caution as it is uncertain whether consumers are accurately reporting the type of handset they have.

Figure 5.17 Take-up of 3G telephony services



Source: Ofcom research, Q1 2010

Base: All adults aged 15+ (n = 9013 UK, 761 Northern Ireland, 5709 England, 1468 Scotland, 1075 Wales, 501 Northern Ireland urban, 260 Northern Ireland rural, 349 Belfast metropolitan area, 412 rest of Northern Ireland)

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

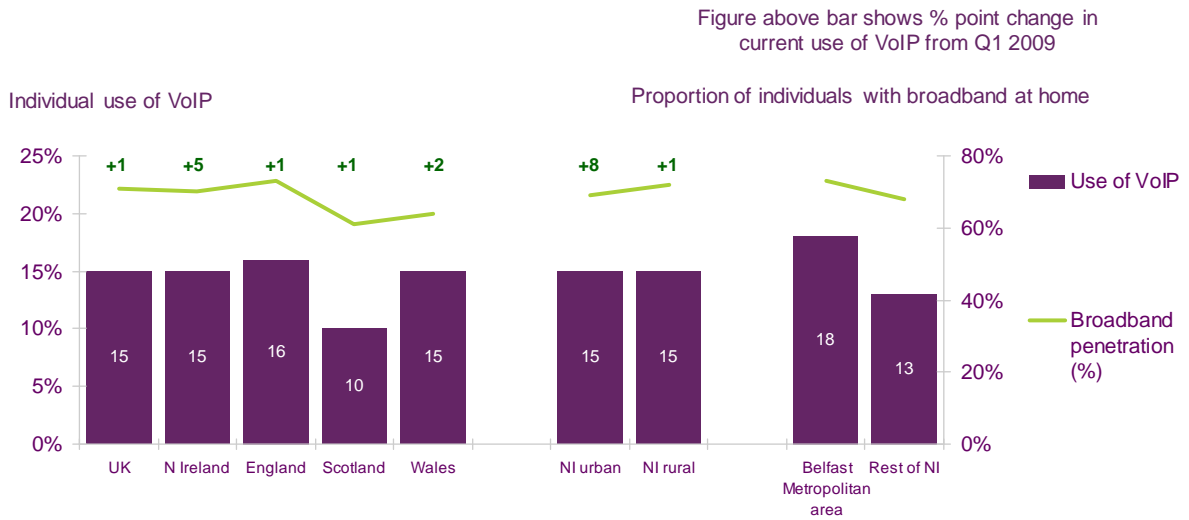
5.1.4 Internet and broadband

Use of the internet to make phone calls (VoIP) has grown most in urban Northern Ireland

Voice over Internet Protocol technology allows users to make cheap (or free) voice calls over fixed or mobile telephony networks. Recent entrants (e.g. Skype) and existing operators (e.g. BT and Orange) provide services that make use of VoIP technology.

Use of VoIP in Northern Ireland has increased by 5% to 15%. The overall penetration is now comparable with the rest of the UK and ahead of Scotland (see Figure 5.18). Growth in the use of VoIP has been focused more in urban areas than in rural ones, and use of VoIP is more likely in the Belfast metropolitan area than in the rest of Northern Ireland.

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



Source: Ofcom research, Q1 2010

Base: All adults aged 15+ (n = 9013 UK, 761 Northern Ireland, 5709 England, 1468 Scotland, 1075 Wales, 501 Northern Ireland urban, 260 Northern Ireland rural, 349 Belfast metropolitan area, 412 rest of Northern Ireland)

*Base size less than 100: Apply caution

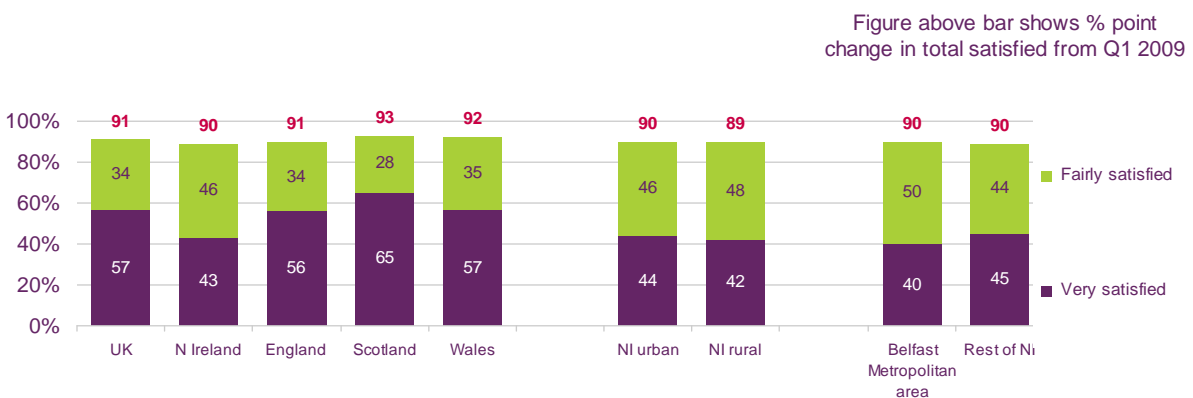
QE29. Before now, were you aware that you could make voice calls using the internet?/ QE30.

Have you or anyone in your household ever used one of these services to make voice calls using the internet?

5.1.5 Satisfaction with telecoms services

Overall satisfaction with fixed-line services in Northern Ireland stood at 90%, in line with the UK average. However, the proportion that claimed to be very satisfied with their fixed-line service was lower in Northern Ireland (43%) than the UK average of 57% (Figure 5.19). This is possibly related to lower satisfaction with value for money of fixed-line services, as shown below. Satisfaction with fixed-line services was broadly similar across the different regions of Northern Ireland.

Figure 5.19 Overall satisfaction with fixed-line services



Source: Ofcom research, Q1 2010

Base: Adults aged 15+ with a landline phone at home (n = 7494 UK, 628 Northern Ireland, 4851 England, 1141 Scotland, 874 Wales, 402 Northern Ireland urban, 226 Northern Ireland rural, 291 Belfast metropolitan area, 337 rest of NI)

*Base size less than 100: Apply caution

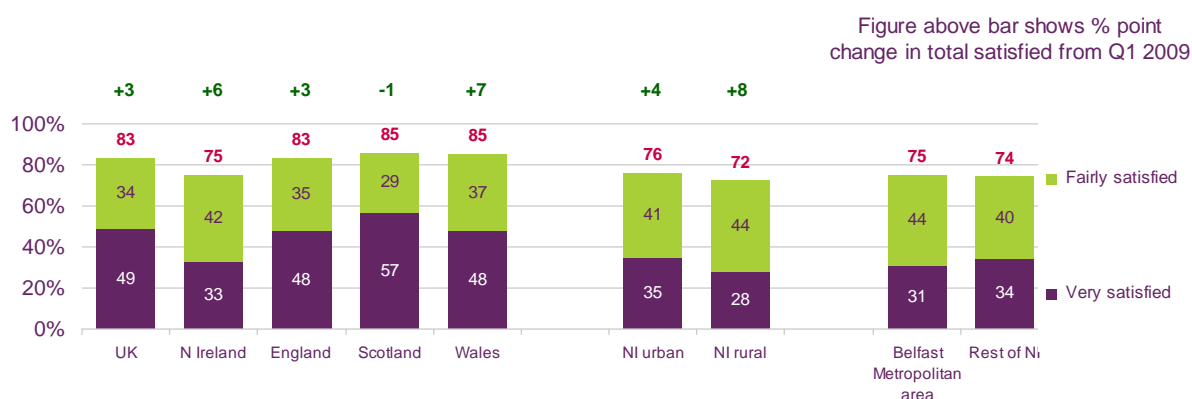
QC13a. Thinking about your home phone service only, how satisfied are you with (main supplier) for the overall service provided by (main supplier)?

Fixed voice

Fewer fixed-line telephony customers in Northern Ireland were satisfied with the value for money of the service (75%) than in the UK (average 83%), as shown in Figure 5.20. However, satisfaction with value for money in Northern Ireland has increased by 6% since Q1 2009. There was no difference in satisfaction between rural and urban users, or by area, within Northern Ireland.

Customers in Northern Ireland claim to spend more (£75.70), on average, than rest of UK - England; £54.60; Wales £62.50 and Scotland £65.10 per quarter. Within Northern Ireland, rural customers claim to spend more (£86.80) than urban households (£69.50).

Figure 5.20 Satisfaction with value for money of fixed-line service



Source: Ofcom research, Q1 2010

Base: Adults aged 15+ with a landline phone at home (n = 7494 UK, 628 Northern Ireland, 4851 England, 1141 Scotland, 874 Wales, 402 Northern Ireland urban, 226 Northern Ireland rural, 291 Belfast metropolitan area, 337 rest of NI)

*Base size less than 100: Apply caution

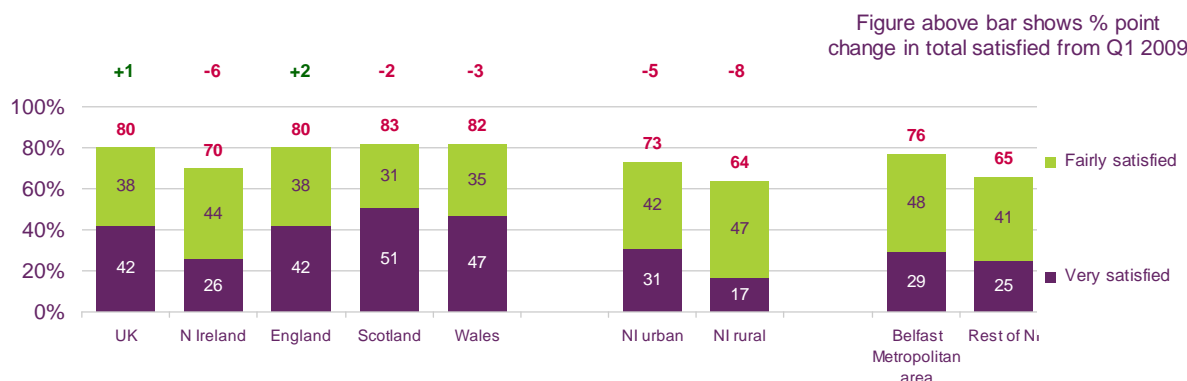
QC13b. Thinking about your home phone service only, how satisfied are you with (main supplier) for the overall value for money from your service?

Fixed broadband

Figure 5.21 shows that 70% of broadband users in Northern Ireland were either very, or fairly, satisfied with the speed of their broadband connection. This was lower than the UK average (80%) and represents a fall of 6% since Q1 2009.

Satisfaction with broadband speed in Northern Ireland was lowest in rural areas and outside the Belfast metropolitan area. This is possibly because the longer distances from the exchanges to consumer premises are affecting connection performance, and due to the lower availability of cable services in rural areas (such as Virgin Media's 50Mb/s cable broadband service).

Figure 5.21 Satisfaction with speed of fixed broadband connection



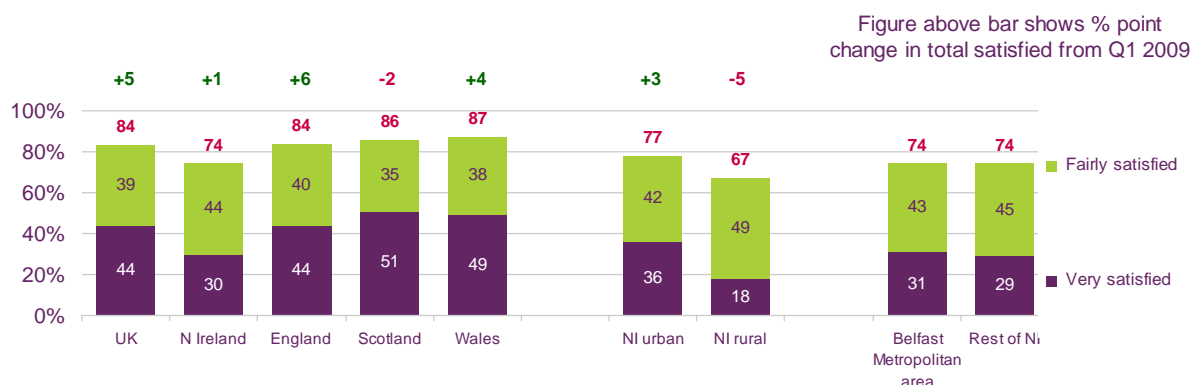
Source: Ofcom research, Q1 2010

Base: Adults aged 15+ with a fixed broadband connection at home (n= 5410 UK, 469 Northern Ireland, 3559 England, 778 Scotland, 604 Wales, 297 Northern Ireland urban, 173 Northern Ireland rural, 230 Belfast metropolitan area, 239 rest of NI)

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

Levels of satisfaction with the value for money of broadband services were higher than levels of satisfaction with speed (Figure 5.22). However, consumers in Northern Ireland are less satisfied with the value of money of their broadband service (74%) than the UK average (84%), as shown in Figure 5.22, and consumers in rural areas are less satisfied (67%) than those in urban areas (77%).

Figure 5.22 Satisfaction with value for money of fixed broadband service



Source: Ofcom research, Q1 2010

Base: Adults aged 15+ with a fixed broadband connection at home (n= 5410 UK, 469 Northern Ireland, 3559 England, 778 Scotland, 604 Wales, 297 Northern Ireland urban, 173 Northern Ireland rural, 230 Belfast metropolitan area, 239 rest of NI)

*Base size less than 100: Apply caution

QE8c. Thinking about your fixed broadband internet service, how satisfied are you with (main supplier) for the overall value for money of your service?

Mobile broadband

Figure 5.23 shows seventy-three per cent of customers in Northern Ireland were satisfied with their mobile broadband service, significantly lower than the UK average (83%).

Figure 5.23 Overall satisfaction with mobile broadband



Source: Ofcom research, Q1 2010

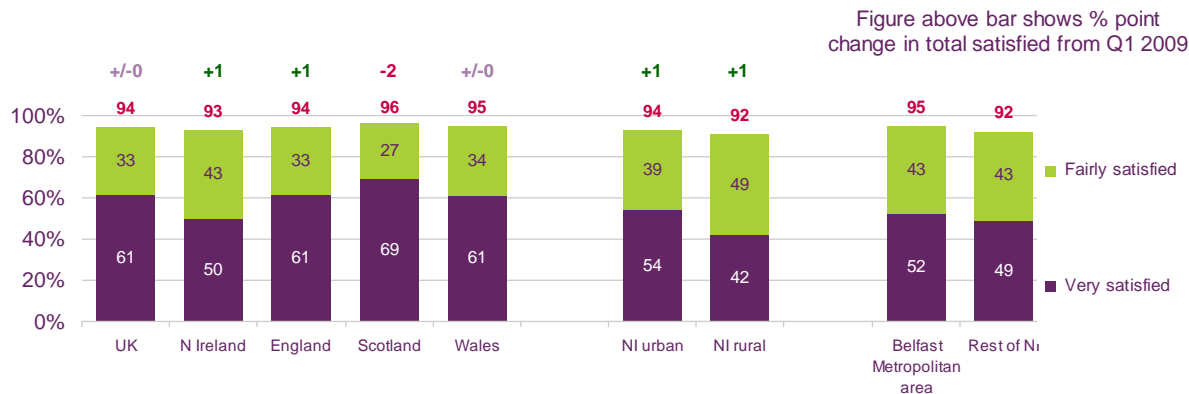
Base: Adults aged 15+ with a mobile broadband connection at home (n=1353UK, 105 Northern Ireland, 874 England, 208 Scotland, 166 Wales)

QE16. Thinking about your mobile broadband internet service, how satisfied are you with (main supplier) for the overall service provided by (main supplier)?

Mobile

Overall satisfaction with mobile phone services among mobile users was high in Northern Ireland at 93%, consistent with the UK average figure (see Figure 5.24). A lower proportion of customers were very satisfied in rural areas of Northern Ireland, perhaps due to issues relating to coverage.

Figure 5.24 Overall satisfaction with mobile phone service



Source: Ofcom research, Q1 2010

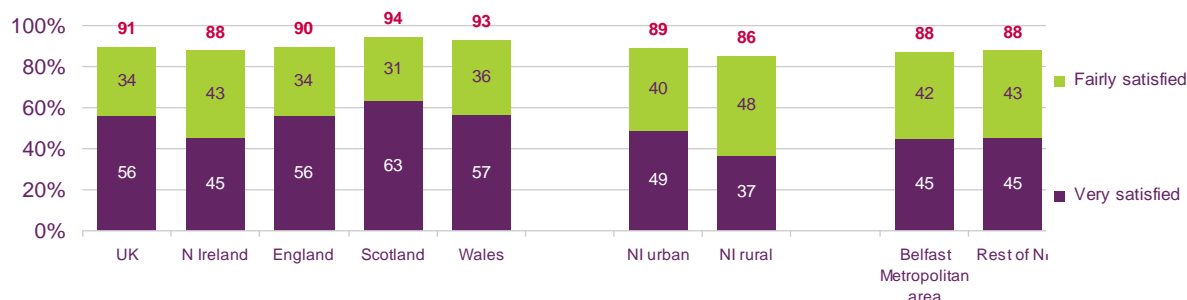
Base: Adults aged 15+ who personally use a mobile phone (n = 7826 UK, 658 Northern Ireland, 5008 England, 1237 Scotland, 923 Wales, 428 Northern Ireland urban, 230 Northern Ireland rural, 298 Belfast metropolitan area, 360 rest of NI)

*Base size less than 100: Apply caution

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

Satisfaction with value for money of mobile services in Northern Ireland has increased by two percentage points (Figure 5.25), to 88%, in 2010, but it remains at the lowest level out of the four nations.

Figure 5.25 Satisfaction with value for money of mobile service



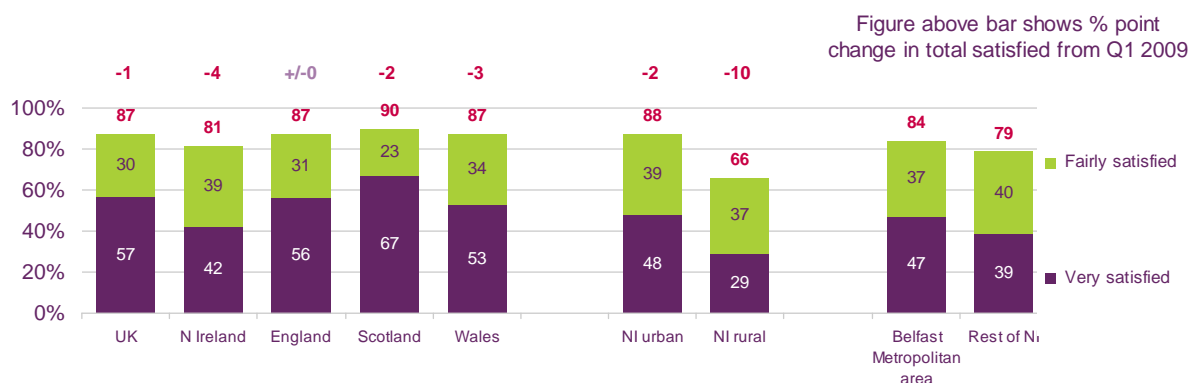
Source: Ofcom research, Q1 2010

Base: Adults aged 15+ who personally use a mobile phone (n = 7826 UK, 658 Northern Ireland, 5008 England, 1237 Scotland, 923 Wales, 428 Northern Ireland urban, 230 Northern Ireland rural, 298 Belfast metropolitan area, 360 rest of NI)

QD21b. Thinking about your mobile phone service only, how satisfied are you with (main supplier) for the overall value for money from your service?

Satisfaction with mobile phone reception among users in Northern Ireland (81%) was lower than the UK average of 88% (Figure 5.26). The proportion of mobile users who were either very, or fairly, satisfied with their mobile reception was lower in rural areas (66%) and outside the Belfast metropolitan area (79%). This represents a fall of 4% across Northern Ireland and a fall of 10% in rural areas since Q1 2009.

Figure 5.26 Satisfaction with reception of mobile phone service



Source: Ofcom research, Q1 2010

Base: Adults aged 15+ who personally use a mobile phone (n = 7826 UK, 658 Northern Ireland, 5008 England, 1237 Scotland, 923 Wales, 428 Northern Ireland urban, 230 Northern Ireland rural, 298 Belfast metropolitan area, 360 rest of NI)

*Base size less than 100: Apply caution

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

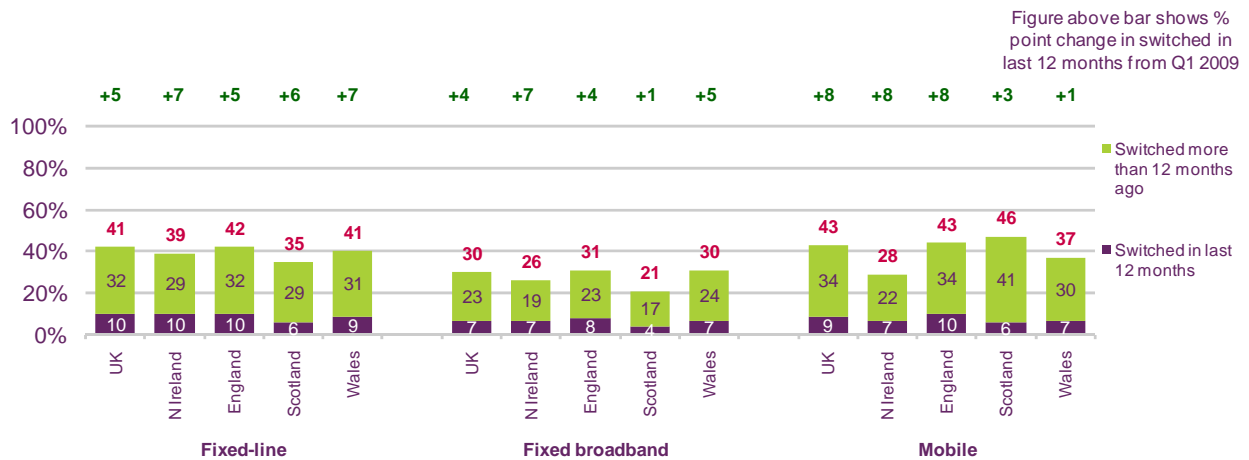
Switching

As shown in Figure 5.27, the proportion of fixed-line users who have switched provider was lower in Northern Ireland (39%) than the UK average (41%), and lower than in England (42%) and Wales (41%). However, more people in Northern Ireland switched their landline than in Scotland (35%). The proportion of users who have switched provider in the last 12 months was similar in Northern Ireland (10%) to the UK and England (10%) averages, and higher than Wales (9%) and Scotland (6%).

Fixed broadband switching is lower in Northern Ireland (26%) than the UK overall (30%) while the proportion of mobile users switching provider in Northern Ireland is significantly

lower (at 28%) than the UK average (43%) and England (43%), Scotland (46%) and Wales (37%).

Figure 5.27 Fixed line, fixed broadband and mobile supplier switching



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

Source: Ofcom research, Q1 2010

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

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

Glossary

2G Second generation of mobile telephony systems. Uses digital transmission to support voice, low-speed data communications, and short messaging services.

3G Third generation of mobile systems. Provides high-speed data transmission and supports multimedia applications such as full-motion video, video-conferencing and internet access, alongside conventional voice services.

ADSL Asymmetric Digital Subscriber Line. A digital technology that allows the use of a standard telephone line to provide high speed data communications. Allows higher speeds in one direction (towards the customer) than the other.

ADSL1 The first generation of ADSL, capable of data speeds of up to 8Mbit/s towards the customer and up to 640kbit/s from the customer.

ADSL2/ADSL2+ Improved versions of ADSL, offering high speeds, especially on shorter telephone lines. In the case of ADSL2+, up to 24Mb/s can be delivered towards the customer.

AM Amplitude Modulation. Type of modulation produced by varying the strength of a radio signal. This type of modulation is used by broadcasters in three frequency bands: medium frequency (MF, also known as medium wave: MW); low frequency (LF, also known as long wave: LW), and high frequency (HF, also known as short wave: SW). The term AM is often used to refer to the medium frequency band (see MF below).

ATT Analogue Terrestrial Television. The television broadcast standard that all television industries launched with. Most countries in this study are planning to phase out ATT in the next ten years.

BARB Broadcasters Audience Research Board. The pan-industry body which measures television viewing.

Broadband A service or connection generally defined as being 'always on' and providing a bandwidth greater than narrowband.

Contention ratio An indication of the number of customers who share the capacity available in an ISP's broadband network. Figures of 50:1 for residential broadband connections and 20:1 for business are typical).

CPS Carrier Pre-selection. The facility offered to customers which allows them to opt for certain defined classes of call to be carried by an operator that has been selected in advance and has a contract with the customer. CPS does not require the customer to dial a routing prefix or use a dialler box.

DAB Digital Audio Broadcasting. A set of internationally accepted standards for the technology by which terrestrial Digital Radio multiplex services are broadcast in the UK.

Digital dividend The spectrum that will be released by the switch to all-digital television.

Digital switchover The process of switching over the current analogue television broadcasting system to digital, as well as ensuring that people have adapted or upgraded their televisions and recording equipment to receive digital TV.

DSL Digital Subscriber Line. A family of technologies generally referred to as DSL, or xDSL, capable of transforming ordinary phone lines (also known as 'twisted copper pairs') into high-speed digital lines, capable of supporting advanced services such as fast Internet access and video-on-demand. ADSL, HDSL (High data rate Digital Subscriber Line) and VDSL (Very high data rate Digital Subscriber Line) are all variants of xDSL).

DTT Digital Terrestrial Television, currently most commonly delivered through the Freeview service.

DVD Digital Versatile Disc A high capacity CD-size disc for carrying audio-visual content. Initially available read-only, but recordable formats are now available.

DVR Digital Video Recorder (also known as Personal Video Recorder and Digital Television Recorder). A digital TV set-top box including a hard disk drive which allows the user to record, pause and rewind live TV.

Fibre-to-the-cabinet Access network consisting of optical fibre extending from the access node to the street cabinet. The street cabinet is usually located only a few hundred metres from the subscriber premises. The remaining segment of the access network from the cabinet to the customer is usually a copper pair but could use another technology, such as wireless.

Fibre-to-the-home A form of fibre optic communication delivery in which the optical signal reaches the end user's living or office space.

Fibre-to-the-building A form of fibre-optic communication delivery in which an optical fibre is run directly onto the customers' premises.

FM Frequency Modulation. Type of modulation produced by varying the frequency of a radio carrier in response to the signal to be transmitted. This is the type of modulation used by broadcasters in part of the VHF (Very High Frequency) band, known as VHF Band 2.

Format The type of programme service broadcast by radio stations. Also, the part of a radio station's licence which describes the programme service.

Free-to-air Broadcast content that people can watch or listen to without having to pay a subscription.

GSM Global Standard for Mobile Telephony, the standard used for 2G mobile systems.

HDTV High-Definition Television. A technology that provides viewers with better quality, high-resolution pictures.

HSPA Jointly, downlink and uplink mobile broadband technologies are referred to as HSPA (High Speed Packet Access) services.

Internet A global network of networks, using a common set of standards (e.g. the Internet Protocol), accessed by users with a computer via a service provider.

Internet-enabled mobile phone A mobile phone which allows its user to access the internet via in-built access technology such as GPRS or WCDMA.

IP (Internet Protocol) The packet data protocol used for routing and carriage of messages across the Internet and similar networks.

IPTV Internet Protocol Television. Television and/or video signals that are delivered to subscribers or viewers using Internet Protocol (IP), the technology that is also used to access the Internet. We use the term to mean delivery over a 'closed intranet', typically operated by ISPs and local-loop unbundlers, rather than over the public internet. IPTV services are hosted on servers placed in the exchange, which means they can be delivered with assured QoS since the ISP has more control over the network.

ISP Internet Service Provider. A company that provides access to the internet.

LLU (Local Loop Unbundling) LLU is the process whereby incumbent operators (in the UK this means BT and Kingston Communications) make their local network (the lines that run from customer's premises to the telephone exchange) available to other communications providers. The process requires the competitor to deploy its own equipment in the incumbent's local exchange and to establish a backhaul connection between this equipment and its core network.

Local Loop The access network connection between the customer's premises and the local PSTN exchange, usually a loop comprised of two copper wires.

Mobile Broadband Various types of wireless high-speed internet access through a portable modem, telephone or other device.

MP3 (MPEG-1 Audio Layer-3) A standard technology and format for compressing a sound sequence into a very small file (about one-twelfth the size of the original file) while preserving the original level of sound quality when it is played.

MP3 Player A device that is able to store and play back MP3 files.

MPEG Moving Picture Experts Group. A set of international standards for compression and transmission of digital audio-visual content. Most digital television services in the UK use MPEG2, but MPEG4 offers greater efficiency and is likely to be used for new services including TV over DSL and High-Definition TV.

Multichannel In the UK, this refers to the provision or receipt of television services other than the main five channels (BBC ONE & TWO, ITV1, Channel 4/S4C, Five) plus local analogue services. 'Multichannel homes' comprise all those with digital terrestrial TV, satellite TV, digital cable or analogue cable, or TV over broadband. Also used as a noun to refer to a channel only available on digital platforms (or analogue cable).

Multiplex A device that sends multiple signals or streams of information on a carrier at the same time in the form of a single, complex signal. The separate signals are then recovered at the receiving end.

MVNO An organisation which provides mobile telephony services to its customers, but does not have allocation of spectrum or its own wireless network.

Narrowband A service or connection providing data speeds up to 128kbit/s, such as via an analogue telephone line, or via ISDN.

PAYG Pay-as-you-go.

Podcasting Away for digital audio files to be published on the internet, which can then be downloaded onto computers and transferred to portable digital audio players.

PSB Public Service Broadcasting, or Public Service Broadcaster. The Communications Act in the UK defines the PSBs to include the BBC, ITV1, Channel 4, Five and S4C.

PSTN Public Switched Telephony Network.

RAJAR Radio Joint Audience Research The pan-industry body which measures radio listening.

RSS is an acronym of either 'Really Simple Syndication' or 'Rich Site Summary'. It refers to a news feed that is generated by the content on a website, but which visitors can select to have delivered to their computer without visiting the source website

Service bundling (or multi-play) A marketing term describing the packaging together of different communications services by organisations that traditionally only offered one or two of those services.

Service provider A provider of electronic communications services to third parties whether over its own network or otherwise.

Share (Radio) Proportion of total listener hours, expressed as a percentage, attributable to one station within that a defined area.

Share (TV) Proportion of total TV viewing to a particular channel over a specified time, expressed as a percentage of total hours of viewing.

Sub-loop unbundling A variant of LLU where a competitive operator takes control of only a portion of a customer's local loop, allowing them to install their equipment closer to the customer and potentially offer higher-speed services. In Sub-loop unbundling, the point of handover is commonly the Primary Connection Point (PCP) or street cabinet.

Telecommunications, or 'Telecoms' Conveyance over distance of speech, music and other sounds, visual images or signals by electric, magnetic or electro-magnetic means.

Transmitter A device which amplifies an electrical signal at a frequency to be converted, by means of an aerial, into an electromagnetic wave (or radio wave). The term is commonly used to include other, attached devices, which impose a more simple signal onto the frequency, which is then sent as a radio wave. The term is sometimes also used to include the cable and aerial system referred to above, and indeed the whole electrical, electronic and physical system at the site of the transmitter.

VoIP Voice over Internet Protocol. A technology that allows users to send calls using Internet Protocol, using either the public Internet or private IP networks.

Web 2.0 A perceived second generation of web-based communities and hosted services - such as social-networking sites and wikis, which facilitate collaboration and sharing between users.

WiFi hotspot A public location which provides access to the internet using WiFi technology.

Wireless LAN or WiFi (Wireless Fidelity) Short range wireless technologies using any type of 802.11 standard such as 802.11b or 802.11a. These technologies allow an over-the-air connection between a wireless client and a base station, or between two wireless clients.

WLR Wholesale Line Rental A regulatory instrument requiring the operator of local access lines to make this service available to competing providers at a wholesale price.

Table of Figures

Figure 1.1	Map of research areas in Northern Ireland.....	15
Figure 1.2	Communications infrastructure availability across the UK's nations, 2010	17
Figure 1.3	Patterns of communications service adoption across the nations of the UK, 2010	18
Figure 1.4	Adoption of communications technology/service in urban and rural locations	19
Figure 1.5	Take-up of bundles, by nation	20
Figure 1.6	Proportion of customers buying bundled services, 2009-2010.....	21
Figure 1.7	Spend per head on UK-originated content broadcast by PSBs on TV and radio, 2010	22
Figure 1.8	Hours of daily viewing of television and radio, by nation, 2010.....	23
Figure 1.9	Consumers' use of converging platforms	24
Figure 1.10	Items where consumers are most likely to cut back their spending	26
Figure 1.11	The communications service where consumers would be most likely to cut spend.....	26
Figure 1.12	Proportion of consumers in Northern Ireland agreeing that communications providers offer better deals now than a year ago	27
Figure 1.13	Consumers' agreement/disagreement that they were more likely to take communications services in a bundle.....	28
Figure 1.14	Northern Ireland consumers' agreement/disagreement that they were more likely to take communications services in a bundle	29
Figure 1.15	Selected communications devices bought in the past 12 months.....	30
Figure 1.16	Consumers' agreement with a range of statements exploring changes in behaviour over the last twelve months	31
Figure 1.17	Consumer attitudes towards the recession by nation.....	32
Figure 1.18	Average line speeds versus distance of customer premises from the telephone exchange, May 2010	34
Figure 1.19	Distribution of UK exchanges by geographic market definition	35
Figure 1.20	Map of the availability of Virgin Media cable broadband	36
Figure 1.21	Estimated average and maximum download speeds, by nation, May 2010	36
Figure 1.22	Overall satisfaction with fixed broadband service.....	37
Figure 1.23	2G mobile phone geographic and population coverage	38
Figure 1.24	2G mobile coverage map and population density, by postal code district.	38
Figure 1.25	UK 2G mobile coverage map	39
Figure 1.26	3G mobile phone geographic and population coverage, by number of operators	40
Figure 1.27	3G coverage map.....	40
Figure 1.28	Proportion of UK adults with a mobile phone experiencing problems with coverage.....	41
Figure 1.29	Overall satisfaction with mobile phone service.....	42
Figure 2.1	Northern Ireland switchover transmitter map.....	49
Figure 2.2	Transmitter groups to switch in Northern Ireland.....	50
Figure 2.3	Digital TV take-up in Northern Ireland, May 2010	51
Figure 2.4	Spend on originated nations and regions output by the BBC, ITV1/STV/UTV, 2009.....	52
Figure 2.5	Spend on originated nations and regions output by the nation, 2004 and 2009	52
Figure 2.6	Change in investment, by genre and nation, 2004 – 2009.....	53
Figure 2.7	Investments per head made by the BBC and ITV1 in regional and national output, 2009	54
Figure 2.8	Hours of regionalised output, by genre and broadcaster, 2009.....	55

Figure 2.9	The cost of output for the nations, by genre, 2009	56
Figure 2.10	Spend by the ILBF on Irish language programming	56
Figure 2.11	Performance against the out-of-London production quotas	58
Figure 2.12	Expenditure on out-of-London production	58
Figure 2.13	Volume of out-of-London production	59
Figure 2.14	Breakdown of expenditure, by broadcaster	60
Figure 2.15	Breakdown of production volume, by broadcaster	61
Figure 2.16	Non-network output in Northern Ireland, 2005-2009	62
Figure 2.17	UTV performance against original production quotas, 2009	62
Figure 2.18	UTV performance against the independent quota, 2009.....	63
Figure 2.19	Proportion of repeats broadcast by UTV, 2009	63
Figure 2.20	Digital television take-up in Northern Ireland.....	64
Figure 2.21	TV, by platform, in Northern Ireland	65
Figure 2.22	Proportion of homes with free and pay television.....	66
Figure 2.23	Share of the five terrestrial networks, all homes, 2009.....	67
Figure 2.24	Reduction in combined share of the main PSB channels, 2004 – 2009....	67
Figure 2.25	Net change in the audience share of the main PSB channels and the PSB portfolio channels, multichannel homes, 2004 - 2009	68
Figure 2.26	Combined total hours of viewing of early evening regional news bulletins, all homes, 2004 to 2009	68
Figure 2.27	BBC One and ITV1/STV/UTV / ITV Wales early evening news bulletin share, 2009	69
Figure 2.28	Sources of local news in each nation, 2009	69
Figure 2.29	Proportion of adults living in a household that has used the internet to watch TV or video content.....	70
Figure 2.30	Proportion of adults living in a household that has used the internet to watch catch-up TV.....	71
Figure 2.31	Use of the internet for watching clips and webcasts.....	72
Figure 2.32	Take-up of leading games consoles.....	73
Figure 3.1	Community radio stations in Northern Ireland	77
Figure 3.2	BBC spend on national / local radio programming 2009-10	79
Figure 3.3	Local commercial radio revenue, per head, 2009	79
Figure 3.4	Availability of DAB stations, by geography	81
Figure 3.5	Levels of radio listening in 2010	81
Figure 3.6	Share of listening hours, by nation and sector	82
Figure 3.7	Weekly reach for national / local BBC services, Q1 2010	83
Figure 3.8	Ownership of DAB digital radios.....	84
Figure 3.9	Intention to purchase DAB radio.....	84
Figure 3.10	Personal use of MP3 player / iPod	85
Figure 3.11	Listening to radio via DTV, internet, mobile phone.....	86
Figure 3.12	Share of radio listening hours via digital and analogue platforms	87
Figure 3.13	Use of a mobile phone to listen to audio Proportion of respondents (%) who have used their mobile to listen to audio content.....	87
Figure 3.14	Online radio listening.....	88
Figure 3.15	Use of the internet for listening to streamed audio services.....	89
Figure 3.16	Satisfaction with choice of radio services.....	89
Figure 4.1	Broadband take-up trend in Q1, 2005-2010.....	94
Figure 4.2	Broadband take-up.....	95
Figure 4.3	Awareness of mobile broadband.....	95
Figure 4.4	Proportion of adults who have used a mobile phone to access the internet	96
Figure 4.5	Non-ownership of internet services	97
Figure 4.6	Use of online applications among Northern Ireland broadband users.....	97
Figure 4.7	Use of the internet to access local council/government websites	98
Figure 4.8	Use of the internet to access online banking services.....	99

Figure 4.9	Use of the internet to find out information about health-related issues ...	100
Figure 4.10	Frequency of use of social networking sites.....	101
Figure 5.1	Proportion of households connected to a DSL-enabled BT exchange....	108
Figure 5.2	Proportion of households connected to an unbundled exchange, 2006 and 2009	109
Figure 5.3	Proportion of households in urban and rural areas connected to an unbundled exchange	110
Figure 5.4	Map showing areas served by unbundled local exchanges	110
Figure 5.5	Proportion of households passed by Virgin Media broadband.....	111
Figure 5.6	Proportion of households in urban and rural areas passed by Virgin Media broadband	112
Figure 5.7	Map of the availability of Virgin Media cable broadband	112
Figure 5.8	2G mobile phone population coverage, by number of operators.....	113
Figure 5.9	2G mobile phone geographic coverage by number of operators	114
Figure 5.10	3G mobile phone population coverage, by number of operators.....	114
Figure 5.11	3G mobile phone geographic coverage by number of operators	115
Figure 5.12	Take-up of communications services, 2010	116
Figure 5.13	Fixed-line take-up.....	117
Figure 5.14	Mobile take-up.....	118
Figure 5.15	Cross-ownership of household telephony services	119
Figure 5.16	Type of mobile subscription.....	120
Figure 5.17	Take-up of 3G telephony services.....	121
Figure 5.18	Proportion of adults living in a household that has used VoIP	122
Figure 5.19	Overall satisfaction with fixed-line services	122
Figure 5.20	Satisfaction with value for money of fixed-line service	123
Figure 5.21	Satisfaction with speed of fixed broadband connection.....	124
Figure 5.22	Satisfaction with value for money of fixed broadband service.....	124
Figure 5.23	Overall satisfaction with mobile broadband.....	125
Figure 5.24	Overall satisfaction with mobile phone service.....	125
Figure 5.25	Satisfaction with value for money of mobile service	126
Figure 5.26	Satisfaction with reception of mobile phone service.....	126
Figure 5.27	Fixed line, fixed broadband and mobile supplier switching	127