United Kingdom

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The Communications Market Report

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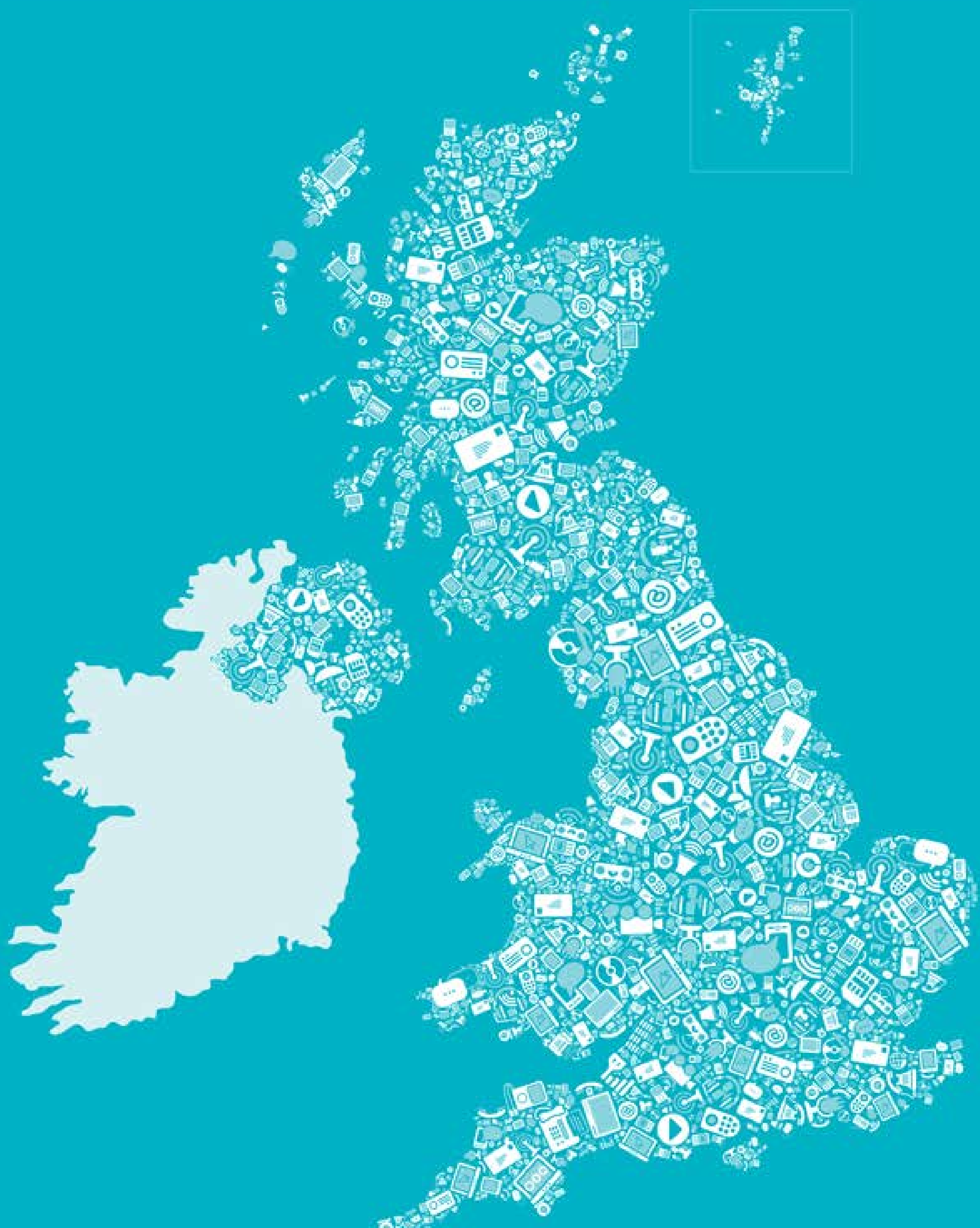

About this document

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

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

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

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Introduction

In 2004, when we began publishing the Communications Market Report, the proportion of households with broadband was just 16%. This has now grown to 77%. More recently, with the roll-out of new technologies, people have gained access to next-generation telecoms services such as 'superfast' broadband and 4G. By the end of Q1 2014 there were 6.1 million UK superfast broadband connections, an increase of 2.2 million (58%) compared to the previous year. The proportion of all UK broadband connections that were classed as being superfast increased over the same period, from 17.5% to 26.7%.

We estimate that there were over six million 4G mobile subscriptions in the UK at the end of March 2014, equivalent to approximately 8% of all active mobile subscriptions. This represents a significant increase since a year ago, when EE, then the only UK 4G provider, announced that it had 318,000 4G subscriptions, accounting for less than 0.5% of all UK mobile subscriptions.

Take-up of smartphones has continued to increase rapidly over the past year, with six in ten adults now claiming to own one (61%), while household take-up of tablet computers has almost doubled over the past year to 44%. The ways in which people are connecting to the internet continues to evolve, with just under six in ten (57%) saying they personally use their mobile phone to access the internet (up from 49% in Q1 2013), due in part to the increasing take-up of smartphones.

These developments have manifested themselves in different behaviours within the market, particularly among younger people, and these are explored in more detail in this year's report. The first section of the report looks at a number of topics, including measuring confidence in digital communications services (page 33) and how and when people access media content and use communications services (page 43). We also explore how digital communication technologies are affecting people's work-life balance (page 89), as well as how communications media are used by older and younger users, to highlight the often significant differences between the two age groups (page 103).

The remainder of the report covers television and audio-visual content (page 125), radio and audio content (page 207), internet and web-based content (page 245), telecoms and networks (page 301), and post (page 371). In each chapter, we set out in detail an analysis of industry and consumer data.

To make this report and its resources more useful to stakeholders, we are publishing all of the data and charts in a searchable resource. This can be found at www.ofcom.org.uk/cmruk. Companion reports for each of the UK's nations are once again published alongside this report; these can be found at www.ofcom.org.uk/cmr14.

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.

Key points: the market in context

Key market trends

- **The TV sector saw the largest rise in communications industry revenues in 2013.** Total UK communications revenues generated by telecoms, TV, radio and postal were unchanged at £60.2bn in 2013. A 3.4% increase in UK TV industry revenue, and a 2.9% increase in postal revenue, were offset by revenue falls in the telecoms and radio sectors.

- **Meanwhile, average monthly household spend on communication services fell in real terms from £126.73 in 2008 to £117.08 in 2013.** This represents a monthly saving of £9.65, or £115.80 per year. The largest decrease in spending over the five-year period was on mobile services.

- **Household take-up of tablet computers has almost doubled over the past year.** Over four in ten households (44%) reported having one of these devices in Q1 2014, up from a quarter (24%) the previous year. Fourteen per cent of homes claimed to have two or more. A majority of this growth was over the Christmas period, with take-up rising nine percentage points between Q4 2013 and Q1 2014.

- **Take-up of smartphones has also continued to increase rapidly over the past year**, with six in ten adults now claiming to own one (61%), up from 51% in 2013.

- **Nearly six in ten consumers now report accessing the internet on their mobile.** While the proportion of households with access to the internet remains stable at 82%, the ways in which people connect continues to evolve. Nearly six in ten respondents (57%) said they personally used their mobile phone to access the internet (up from 49% in Q1 2013), driven by growth in the smartphone market. Almost all UK adults who have mobile phone internet access also have access via fixed broadband. Only 4% of UK adults reported that their household's only means of internet access was a smartphone.

- **4G is now available with all four national mobile network operators, with more than 6 million subscriptions.** The UK's four national mobile network operators (MNOs) are currently deploying 4G mobile networks, and by June 2014 71.8% of UK premises were in areas with outdoor 4G coverage from at least one mobile network.

- Over a quarter of all fixed broadband connections are now superfast. By the end of Q1 2014 there were 6.1 million UK superfast broadband connections, an increase of 2.2 million (58%) compared to a year previously. The proportion of all UK broadband connections that were classed as being superfast increased accordingly over the same period, from 17.5% to 26.7%.

Measuring confidence in digital communications services

- **Consumers' relationship with communications technology varies by age, with the highest levels of technological knowledge and confidence found among 14-15 year olds.** As age increases, consumers' Digital Confidence Score decreases, with 61% of over-55s registering a below-average score.

- **Males, and those in the ABC1 socio-economic group, have greater confidence with technology.** A third of males have an above-average score, compared to a fifth

(22%) of females. And a third of those in the ABC1 group have an above-average score, compared with just over one in five C2DE group.

- **A third of adults claim to know a lot about 4G services, and half say they are knowledgeable about superfast broadband services.** And while over half of all adults claimed to know a lot about smartphone and tablet apps, 47% said they had never heard of Snapchat (an example we used of a newer popular communications app).

- **Knowledge and use of newer devices among adults was low.** Nearly half of all adults (46%) said that they had never heard of 'smart' glasses, and four in ten had not heard of 'smartwatches'. A quarter of adults claimed to have heard of these new devices but didn't know much about them.

- **Most adults claim that, at least sometimes, new technology confuses them.** Six in ten adults claim to like finding out about new technology (62%) and more than half (54%) say they wouldn't know what to do without technology. But six in ten admit that new technology confuses them, and the same proportion say they wait until someone they know gets new technology before they consider it themselves.

- **Children aged 6-15 display a greater enthusiasm and reliance on technology than the adult sample.** Three-quarters of children say they would not know what to do without technology, while this figure drops to 54% among adults. Half as many children as adults (32%) said that new technology confused them.

- **Children are advocates of technology; seven in ten claimed to tell their friends and family about new technology, compared to 47% of adults.** Almost nine in ten (88%) claimed to do 'lots of different things' on the devices that they use.

- **Knowledge and awareness of some new services was much higher among older children than adults.** Almost eight in ten children (77%) aged 12-15 claimed to know a lot about smartphone or tablet apps compared to 55% of adults, while a third were using apps such as Snapchat (compared to 12% of adults).

Digital Day 2014

- **The average adult in the UK spends over half of their waking hours engaged in media or communications activities.** On average, UK adults sleep for 8 hours 21 minutes in a 24-hour period, while they spend 8 hours 41 minutes engaged in media or communication activity.

- **UK adults squeeze over 11 hours' worth of communications and media activity into less than nine hours.** The total volume of media and communications activities undertaken by an individual each day equate to 11 hours 7 minutes. But as some media activities are conducted simultaneously, this is squeezed into 8 hours 41 minutes per day.

- **Our media and communications consumption is growing.** Comparisons with results from our 2010 study indicate an increase in total media consumption: from 8 hours 48 minutes of total media activity in 2010 to more than 11 hours in 2014. This is likely to be due to increased take-up and use of smartphones, and generally more time spent on communication activities, especially among the 16-24 age group. Overall, 16-24s spend a substantially greater amount of time communicating at 261 mins per day versus 146 mins for UK adults as whole.

- **Media multi-tasking is undertaken by almost every person.** Almost every adult (99%) recorded conducting two or more media activities at the same time at some point during the week. This simultaneous activity amounted to an average time of 2 hours 3 minutes a day. Watching live TV and making voice calls was the most popular multi-tasking combination, with 42% of adults doing this throughout the week.

- **On average, adults spend almost three hours each day watching live television.** Watching live television is the individual activity that has most time spent on it. Across all adults, it accounts for 2 hours 58 minutes per day. On average, 82% of adults watched live TV each day, while 94% watched it during the week. Live TV viewing peaked at 9pm when 80% of adults were watching it.

- **However, young people spend as much time on text communications as watching TV or films on a TV set.** Among all adults, 37% of total time spent on media and communications activities is attributed to watching TV or films on a television set. However, only a quarter (24%) of the media and communications activity of an average 16-24 year-old is spent doing this, compared to half (49%) for those aged 65 and older. The pattern switches for text communications; for 16-24 year olds, 23% of their media time is spent engaged in this form of activity (such as texting or communicating via social networks) compared to 7% for those aged 65+.

- **Live TV accounts for half of the time younger people spend on 'watching' activities compared to 69% among all adults.** Live TV is followed by just under a fifth (16%) of 'watching' time spent on recorded television among UK adults as a whole. In comparison, among 16-24s, only half (50%) of their time spent on 'watching' activities is accounted for by live TV. A fifth (21%) of their viewing time is spent consuming online content; 13% consuming downloaded/ streamed content and 8% watching short online video clips – a significantly greater proportion than for any other age group.

- **Listening to live radio is only the third most popular audio activity for 16-24s, after streaming music and listening to a personal digital music collection.** Taking into account all audio-based activities, listening to live radio makes up 71%. However, for 16-24 year olds, listening to live radio comprises less than a quarter (24%) of their time spent on listening activities, with personal digital music and streamed music together accounting for 60% of their listening time.

- **16-24 year olds who use social media spend almost one and a half hours on it per day.** Over eight in ten adults in this age group (82%) used social networking sites during the week, and use of social networking sites accounts for a quarter of all time spent communicating for this age group. Young people (16-24) who use social media spend 1 hour 24 minutes on it per day, compared to 51 minutes per day spent on average by adult social media users.

- **Smartphones are ranked third in terms of time spent on devices across a typical day, after TV and desktops/ laptops.** However, their central role in consumers' lives is particularly evident among those aged 16-24; a quarter of all communications and media time spent by this age group is spent on a mobile phone and 77% of the time they spend on social media is on a mobile phone. The device that shows the largest difference in terms of daily use by age among adults is the smartphone with 16-24 year olds spending over three and a half hours on this device each day (216 mins) versus 82 mins for UK adults.

- **Whereas among 6-15 year olds tablets and smartphones are more popular than desktop/laptops.** Tablets are the most used device among 6-11s after TV sets.

Sixty per cent of children aged 6-11 years claim to use tablets each week compared to 38% of all adults. For 12-15s, smartphones are the most used device each week (67%) after TV sets.

Communications technology and work-life balance

- **On balance, workers tend towards a positive, or neutral, view of the impact of technology on work-life balance;** almost a quarter (24%) of workers think that technology (e.g. mobiles/smartphones, laptops, tablets etc) is improving their work-life balance; just under half (49%) say it is not making much difference either way, and 16% think this kind of technology is making their work-life balance worse.

With reference to working in personal time:

- **Emailing is the most common activity out of hours**, involving nearly half (46%) of all workers from time to time, including over a fifth (22%) on a regular basis. Around four in ten workers also take part in work-related telephone calls (41%) and text messages (37%) occasionally outside their working hours.

- **Workers in higher management level roles are more likely to work outside office hours.** Nearly three-quarters (72%) of senior managers send work related emails, at least occasionally, outside working hours, and 44% say they do this regularly.

- **Of those who work during 'personal time', over one in ten read or send work emails or texts in bed.** The largest proportion of work-related communications take place in the evening at home, with 53% of those who take part in work-related calls and 59% of those who do work-related emailing/texting in their personal time doing so in the evening at home. Additionally, just over one in ten engage in work-related emails or texts on waking in the morning or last thing at night in bed.

- **Around three in ten workers overall take part in some form of work-related activity while on holiday.** Approaching a quarter of workers (23%) regularly or occasionally engage in work emails on holiday, 19% regularly or occasionally engage in work texts and 16% take part in work phone calls (4% regularly).

- **The main advantages of working outside office hours are flexibility and a feeling that workers are not going to miss anything important**. But 80% acknowledge at least one disadvantage or working in their personal time: e.g. "it can be hard to switch off and relax".

Personal communications in work time:

- **Six in ten workers say that while they are at work they regularly or occasionally send and receive texts for personal reasons**. Furthermore, half email, and just under half make or receive telephone calls for non-work-related reasons.

- **Those in higher socio-economic grades and higher management levels are more likely to blur work-life boundaries and take part in most forms of personal communication and online activity during the working day**.

- **Workers who engage in personal communications at work see both the benefits and potential problems these can bring:** 55% value the greater ability to stay in contact with family and friends, and just over half (52%) agree that communications technology can help them have a break from work. However, about half are also aware of the downsides: potential time-wasting (51%), conflicts between employees and bosses (49%) and unnecessary distractions at work (48%).

Generation Gap

- **Overall, younger and older people's consumption habits remain starkly differentiated across many communications media.** That said, differences are most evident in the extent and types of *use* made of communications, and less so in terms of actual *take-up* of various platforms, as we see internet access and mobile phone ownership become more prevalent among older age groups.

- **TV viewing has remained resilient over time, although there has been a decline since 2010 for younger age groups.** Between 2010 and 2012 there was very little change, either at the overall level or among older groups. However, younger people's viewing decreased during this period, with viewing among 16-24s decreasing from 169 minutes in 2010 to 157 in 2012. Between 2012 and 2013, there was an overall decrease in viewing. Viewing among all individuals (4+) went down from 241 to 232 minutes, and among 16-24s from 157 to 148 minutes.

- **The average weekly reach of radio remains high among all ages, while the amount of time spent listening has fallen – particularly for the 15-24s and the 25-34s.** Among all adults average time spent listening has dropped from 24.3 hours per week in 2003 to 21.5 hours per week in 2013, whereas 15-24s have experienced the largest decrease: from 21.4 to 15.5 hours per week.

- **The amount of 15-24s' total audio listening time spent with radio is far lower than for the other age groups.** Just 24% of listening time was spent with radio, compared to 30% with streaming audio and 30% with personally-owned digital audio. All other age groups spent at least two-thirds of their time listening to audio content listening to radio, rising to 86% among those aged 65+.

- **There is little difference by age in the take-up and use of mobiles – with only the over-65s out of step with the majority of the UK adult population.** For example, 99% of 16-34s and 98% of 35-54s use a mobile phone; this decreases slightly to 92% for 55-64s. Among those aged 65+ this figure is 72%. However, smartphone ownership differs greatly by age. Almost nine in ten (88%) of 16-24s own a smartphone, compared to 14% among those aged 65 and over.

- **Those aged 16-34 send less post than any other age group.** Older age groups are more likely to send more items of post, and are more likely to consider themselves reliant on post as a way of communicating. Younger age groups are more likely to express a preference for email, and to say that they only use post if there is no alternative.

- **While on average 82% of UK adults have internet access at home, this drops to half (50%) among those aged 65+.** Furthermore, younger people are more likely to undertake a wider range of activities online, including social networking. Over three-quarters (74%) of 16-24s with internet access use social networking sites, compared to 25% of 65-74s and one-fifth of those aged 75+ with internet access.

- **Younger people are three times more likely to get their news online.** Six in ten (60%) of 16-24s say they use the internet for news, compared to 21% of those aged 55+. Conversely, 90% of those aged 55+ say they watch news on TV compared to 56% of 16-24s.

- **Paradoxically, the growth in types of communication could lead to a deepening generation gap.** Twenty-five years ago, there were fewer, but more ubiquitous communications platforms; landlines and letters were the main means of person-to-person communication. Since then, methods of communication have proliferated. While the majority of younger people are engaged with these newer forms, older people use them far less, and so are less visible across a range of communication and connection platforms.

UK cities' communication markets

- **Of the cities in our study, one in 25 premises had a line speed of less than 2Mbit/s.** However, this was less than the UK average of 8% of premises and is a 1.4 percentage point decline since 2012.

- **Availability of NGA services, from either BT Openreach[1] or Virgin Media, was found to be close to or higher than 90% in nine of the 11 cities.** Across the 11 cities as a whole, availability increased by two percentage points between 2012 and 2013.

- **In eight of the 11 cities, less than 1% of premises that received a speed less than 2Mbit/s were in areas where NGA was unavailable.** This demonstrates that most households with connections of less than 2Mbit/s were able to upgrade to an NGA service but chose not to do so. This is likely to be because they did not want such a service, could not afford to upgrade, or were not aware of the benefits of doing so.

- **In five of the six cities we looked at in our socio-economic analysis, the most income-deprived quartile of each city had lower NGA availability and a greater prevalence of slow lines.** The exception was Cardiff, where NGA availability was higher, and the prevalence of sub-2Mbit/s connections was lower in the most income deprived-quartile than the average for Cardiff.

[1] or other providers using access to BT Openreach's NGA network BT Openreach has regulatory obligations to give other providers wholesale access to its NGA network. Those other providers can then make retail services available to consumers.

Key points: TV and audio-visual

- **The UK television industry generated £12.9bn in revenue during 2013, an increase of £426m (3.4%).** The increase was driven by growth in subscription revenues and net advertising revenues. There was a small decline in publicly-funded television programming in 2013, following an eventful year in 2012, including the London Olympic and Paralympic Games.

- **Pay-TV subscription revenue continues to drive growth in total sector revenues.** Subscription revenues increased by 6.7% in 2013 to reach almost £5.9bn. Subscriptions now account for 46% of all television industry revenues in the UK.

- **Broadcast-based TV advertising income returned to growth in 2013,** increasing by 4% (or £146m) to reach almost £3.7bn, its highest number in the past five years**.** The largest proportional growth was in the commercial PSBs' portfolio channels, where revenues increased by 14% to reach a combined total of £669m.

- **Online TV revenue increased by 41% in 2013 to reach £364m.** The subscription model saw the steepest growth; revenue rose 76% to £112m, a possible indication that online streaming services are gaining traction in the UK market.

- **Spend on content by all UK TV channels rose by 3.7% to reach £5.8bn.** In a year of English Premier League broadcast rights renewal, spend on sports programming grew by 19% to reach £1,808m or 59.1% of all programme spend on commercial non-PSB channels. Spend on BBC digital channels and the other PSBs' portfolio channels also increased, rising by 6% and 4% respectively. Spend on first-run originated programming for the main five PSB channels declined by 5%; from £2,588m in 2012 to £2,451m in 2013, partly due to the absence of major sporting events that year.

- **Twelve per cent of TV households had a smart TV in Q1 2014, an increase of five percentage points on the previous year.** Among smart TV owners, use of the internet functionality is increasing; 82% used the internet connection on their TV in 2014 compared to 77% in 2013 and 65% in 2012.

- **TV viewing has remained resilient, although there was a decline in 2013 across all age groups.** According to BARB, average viewing dropped from 241 minutes in 2012 to 232 in 2013 among all individuals, with all age groups experiencing declines. This may be due in part to changing media habits, but it may also be influenced by the hotter summer in 2013 and a lack of 'event' viewing – in previous years viewing was boosted by major sports events such as the 2010 Football World Cup or the Olympic Games in 2012. However, among 16 to 24 year olds viewing has declined for three consecutive years: from 169 minutes in 2010 to 148 in 2013.

- **According to our Digital Day research, UK adults spent on average 4 hours and 17 minutes per day viewing audio visual content through a variety of media.** Sixty nine per cent of this viewing was to live TV and recorded television accounted for a further 16%. Viewing online content represented 10% (consisting of 5% on on-demand catch-up services such as BBC iplayer or 4oD, 3% on other downloaded or streamed services such as Amazon Prime Video or Netflix, and 2% on short video clips). A further 5% was spent on physical media such as DVDs or Blu-ray.

Key points: radio and audio

- **Total UK radio industry revenue was £1.18bn in 2013**, down by 2.1% from 2012. Within this total, BBC expenditure fell by £4m while commercial radio revenue fell by £21m.

- **Two prominent radio acquisitions were completed.** Global Group sold eight commercial radio licences to Communicorp, and now has a 17.6% share of all UK radio listening. Bauer Media Group acquired the Absolute Radio group of stations, bringing its share of listening to 13.4%.

- **According to our Digital Day research, radio listening is the main media activity at breakfast time.** Although television viewing dominates in the evening, and activities involving text communications thrive during the daytime, listening to the radio accounts for up to 58% of all media and communications activities at the start of the day.

- **Radio makes up 71% of all audio-based activities**. Considering music video channels, personal music collections, streamed music, personal digital music, on-demand listening and live radio listening, radio accounts for the largest portion by far of 'share of ear'.

- **On average, 90.4% of the adult population tuned in to the radio in 2013.** According to RAJAR, over the past six years the reach of radio remains practically unchanged. However, the average hours spent listening, by listeners of all ages, is falling.

- **DAB set ownership across the UK has edged closer to the 50% mark, while take-up of smartphones and tablets has increased.** Ownership of a DAB radio set in the first quarter of 2014 was 47.9%. Take-up of smartphones and tablets (both devices capable of receiving digital radio) has increased by 10pp and 20pp respectively year on year.

- **Digital platforms' share of total listening has doubled since 2008.** Currently standing at 36.6% (Q1 2014) the share of listening via a digital platform has increased from 17.8% (Q1 2008).

- **In Q1 2014 there were 213 million requests to listen to radio on BBC iPlayer.** The use of BBC iPlayer to listen to radio has increased year on year; in each quarter there were at least 200 million requests, peaking in Q3 2013 at 220 million. One fifth (20%) of the requests in March 2014 came from mobile devices.

- **The number of subscribers to on-demand music services grew by 49% in 2013.** There were more than two million subscribers to on-demand music services in the UK by the end of 2013 - an increase of 48.9% on the previous year.

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Key points: internet and web-based content

- **More than eight in ten households had internet access in Q1 2014.** The number of adults with household internet access grew to 82%, a rise of two percentage points since Q1 2013. Fixed broadband increased by one percentage point to 73% in Q1 2014, while mobile broadband rose three percentage points to 8% of UK households.

- **Two-thirds of adults aged between 65 and 74 had access to the internet in Q1 2014.** However, there are large differences between the younger and older age groups: 94% of those aged between 16 and 24 had access to the internet, while only 32% of those aged 75 and over had access.

- **Almost three-quarters of offline homes do not intend to take up the internet in the next 12 months.** Just under a fifth of adults (19%) did not have household access to the internet in Q1 2014. The majority of respondents without internet access claimed that they do not intend to get access (14% of all adults).

- **Laptop and desktop users spend an average of 31.4 hours browsing the web each month.** This was down 14.7% from 36 hours 49 minutes in March 2013, while the average time spent webpage browsing on mobile phones was up 2.5% to 5 hours 48 minutes in March 2014.

- **UK smartphone take-up is almost on a par with laptop ownership.** In Q1 2014, laptop computers remained the most popular internet-enabled device and were present in 63% of households, followed very closely by smartphones, present in 61%.

- **Mobile advertising doubled to £1bn in 2013.** Mobile advertising expenditure grew like-for-like by 93.3% from £528.5m in the year to 2013. This increase accounted for 59% of the increase in total digital advertising spend in 2013.

- **eBay overtook Amazon as the most popular retail website in March 2014**. eBay had 27.3 million visitors compared 26.9 million visitors to Amazon. eBay and Amazon have maintained their leading positions among retail websites ahead of the next most popular sites Argos (11.2 million visitors) and Tesco (10.2 million).

- **Online news is increasingly accessed on mobile handsets.** The most popular news provider on a mobile handset was the BBC (14.5 million users) in April 2014, and a fifth of mobile internet users access news on their handset every day.

- **Despite the growth in digital media in recent years, forms of physical media remain popular.** Books were the most popular physical medium between 2005 and 2014. Eighty-four per cent of UK adults had a physical book collection in April 2014, down from 93% in 2005. Notwithstanding this decline, books are still more popular than DVD/Blu-ray discs (80%) and music CDs (79%).

- **The average DVD and Blu-ray disc collection increased from 45 to 68 discs between 2005 and 2014**. During the same period the average size of a book collection declined by three books (to 86) and the average size of a music CD collection declined by six CDs (to 84).

Key points: telecoms and networks

- **Total operator-reported telecoms revenues fell by £0.6m to £38.6bn in 2013.** The main reasons for this fall were a £0.4bn (5.1%) fall in wholesale revenues and a £0.3bn (2.0%) fall in retail mobile revenues, which were partially offset by a £0.3bn (8.0%) increase in revenues generated by fixed broadband services.

- **Average monthly household spend on telecoms services fell by 2.9% in 2013.** Average household spend on telecoms services was £81.17 a month in real terms in 2013, £2.41 less than in 2012, as a result of a fall in the average household spend on fixed voice services and mobile voice and data services.

- **4G is now available with all four national MNOs, with more than 6 million subscriptions.** In March 2014 EE had the largest UK 4G network footprint, with its 4G services available to 71.8% of the UK population based on outdoor coverage. Telefonica (O2) followed with 41% and then Vodafone at 36% (Three has not published any population coverage figures yet, but has said that its 4G services are available in 36 large towns and cities).

- **Over a quarter of fixed broadband connections were superfast in Q1 2014.** The number of superfast broadband connections increased by 58% to 6.1 million in the year to Q1 2014, with the proportion of all fixed connections that were classed as being superfast increasing by 9.2 percentage points to 26.7% over the same period. Ofcom estimates that 22.5% of UK homes had superfast broadband by the end of Q1 2014.

- **Over a third of UK adults were VoIP users in Q1 2014.** The proportion of adults who said that they were users of VoIP services almost tripled in the five years to Q1 2014, up from 12% to 35%, due to growing take-up of fixed and mobile data access services, smartphones and tablets with integrated VoIP apps.

- **Total outgoing fixed and mobile voice call minutes fell by 3.9% to 226 billion minutes in 2013.** Total outgoing fixed voice call volumes fell by 10.7% to 92 billion minutes during the year, while mobile-originated call minutes increased by 1.4% to 134 billion minutes.

- **The total number of mobile subscriptions fell for the first time in 2013.** There were a total of 83.1 million active mobile handsets and dedicated mobile data connections at the end of 2013, a 0.4% decrease compared to the previous year.

- **Nearly four in five households had a broadband connection in 2013.** 77% of households had a fixed broadband or a dedicated data-only mobile broadband connection in 2013.

- **There were 55 million UK mobile data connections at the end of 2013.** The total number of mobile data connections (including machine-to-machine) increased by 6.5 million (13.3%) during the year, with most of this increase being in the number of handsets that were used to access data services, up by 6.2 million (16.1%) to 44.5 million as a result of increasing smartphone take-up.

Key points: post

- **Mail revenue increased for the third consecutive year.** Mail revenue grew by 2.9% in 2013 to reach £7.5bn. Royal Mail increased its revenue by 2.8% to £7.3bn, with 80% of this coming from its end-to-end retail products. Revenue from access operations increased, both for Royal Mail and for the access operators.

- **Addressed mail volumes fell by 5.0% in 2013.** Mail volume fell from 15.5 billion to 14.8 billion items in 2013; there are now 5.8 billion fewer items in the market than in 2008.

- **Access mail volumes declined for the first time in 2013.** For the first time since its introduction in 2004, the volume of access mail declined, falling by 0.6%. In 2013, 49% of mail volume came from access agreements.

- **Operators other than Royal Mail delivered 56 million letters in 2013.** This is more than triple the amount of items delivered in 2012, and a more than six-fold increase on 2011. It represents less than 0.4% of total addressed mail.

- **Older people send the most items of post per month.** The average number of items sent per month increases with age, with those aged 55+ sending an average of 8.4 items per month. This falls to 4.3 items each month among those aged 16-34.

- **Among those who are sending less post than two years ago, email is the most common replacement for post.** Eight in ten (80%) of those aged 16-34 who are sending less post than two years ago claim to have replaced post with email.

- **One-fifth (20%) of all adults had not received an item of post in the past week.** Those aged 16-34 were more likely to have received no post at all in the past week, with three in ten (29%) claiming this. For the twelve months ending Q1 2014, the average number of items received in the past week was 8.7.

- **Half of all consumers claim to have received their parcels exclusively from Royal Mail**. Half of all respondents who had received a parcel had had their parcels delivered exclusively by Royal Mail; a further fifth had received parcels from both Royal Mail and at least one other operator.

- **Awareness of the correct price of a First Class stamp increases with age.** Just over one-third of adults were able to correctly state the price of a First Class stamp when asked, rising to four in ten (39%) of those aged 55+.

- **Six in ten consumers love to send and receive letters and cards**. As is the case with the use of post, consumers' attitudes to post differ by age. Six in ten adults agree with the statement "I love to send and receive letters and cards", falling to 53% of 16-34s, but rising to seven in ten (69%) of those aged 55+.

- **Two-thirds (66%) of consumers consider themselves reliant on post as a way of communicating.** There is little variation in this across the age groups – in all cases, at least six in ten say that they are either "very reliant" or "fairly reliant".