

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

The UK communications market is changing rapidly. In recent years, with the roll-out of new technologies and services, increasing numbers of people have gained access to superfast broadband and 4G mobile network services.

Today, 83% of UK premises are able to receive a superfast broadband service. Almost one in three fixed broadband lines are now 'superfast' (providing speeds of 30Mbit/s or higher), compared to 0.2% in 2009. In the six years to November 2014 average actual fixed broadband speeds increased at an average annual rate of 36% per year, from 3.6Mbit/s in November 2008 to 22.8Mbit/s in November 2014 (although they are still lower in rural areas). Almost eight in ten households (78%) now have a fixed broadband connection.

During the past year we have also seen an increase in the availability and take-up of 4G services. As at May 2015, 89.5% of premises had outdoor coverage from at least one 4G mobile network, an increase of 17.7 percentage points since June 2014. During 2014, total UK 4G mobile subscriber numbers increased from 2.7 million to 23.6 million, taking the proportion of total mobile subscriptions that were 4G to 28% at the end of 2014, compared to 3% at the end of 2013.

Alongside the roll-out of 4G, take-up of smartphones has continued to increase - they are now the most widely-owned internet-enabled device, alongside laptops. In Q1 2015 smartphones were present in two-thirds of households (66%), on a par with laptops (65%). For the first time, the smartphone has overtaken the laptop as the device internet users say is the most important for connecting to the internet. Thirty-three per cent of internet users say their smartphone is the most important device for getting online, compared to 30% who cite their laptop. This marks a clear shift since 2014, when 23% cited their phone and 40% preferred their laptop.

Overall, smartphone users now spend nearly two hours (114 minutes) using the internet on their mobile phone, nearly twice as much time as the average adult spends going online via a PC or laptop (69 minutes). Our research shows that smartphones are used for a range of non-communication based activities, including watching short video clips (42%), streaming television programmes or films (21%); making purchases online (45%), and online banking (44%). Take-up and use of smartphones is explored in detail in the first chapter of this year's report (page 67).

Other areas covered in the first chapter include the decline in watching traditional TV (page 40) and developments in non-traditional viewing (catch-up and subscription services) (page 51), changes in the use of social media (page 95), the prevalence of digital music and photograph collections (page 105), shifts in attitudes to and understanding of the online environment over the past decade (page 115), and a summary of the nations' communications markets (page 126).

The remainder of the report covers television and audio-visual content (page 139), radio and audio content (page 203), telecoms and networks (page 246), internet and online content (page 317), and post (page 372). 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/cmnr.

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.

Methodological note

A variety of data sources were used in compiling this report: Ofcom's technology tracker survey, its residential consumer postal tracking survey, its business postal tracking survey and its media tracking survey, as well as a range of ad-hoc research. The following is a brief outline of the tracking surveys used, any methodological changes and an explanation of the significance testing.

Ofcom Technology Tracker

The technology tracker survey is run twice a year. It provides Ofcom with continuous understanding of consumer behaviour in the UK communications markets, helping us to monitor change and assess the degree and success of competition. The data collected is weighted to the profile of UK adults, so the data are representative of adults aged 16+. The weighting profile was updated for the 2015 data to reflect updated Census and NRS data.

Ofcom Residential Postal Tracker

The residential postal tracker survey is run throughout the course of the year and reported on a quarterly basis. The main objective is to help Ofcom to keep abreast of the UK postal market and to help us to quickly identify and react to any changes in attitudes and behaviour among residential postal consumers.

Ofcom Business Postal Tracker

The business postal tracker survey is run throughout the course of the year on a sample of 1600 SMEs (businesses with 0-249 employees) and reported annually. The main objective is to help Ofcom to keep abreast of the UK postal market and to help us to quickly identify and react to any changes in attitudes and behaviours among SME postal consumers.

Ofcom Media Tracker

The media tracker survey is run throughout the course of the year to counter potential seasonality issues, and is reported on an annual basis. The research provides Ofcom with a valuable source of information on consumers' attitudes, and helps inform Ofcom's work on broadcasting standards.

Significance testing

In statistics, a 'significant' result is one that is unlikely to have occurred by chance. All of the differences (e.g. year on year) that are commented on in the text of this report will be significantly different to one another. Where percentages are described as being the same or similar, despite there being a difference in number, this is because the difference is not statistically significant. Ofcom conducts all significance testing to a 95% confidence level, which means that we are 95% certain that there has been a 'real' change and that the difference has not occurred by chance. Significance is tested using the effective sample size, where available, and the unweighted base, where not.

Key points: the market in context

Key market trends

- **Total UK communications revenues stood at £56.1bn in 2014.** Total UK communications revenues generated by telecoms, TV, radio and postal services decreased in 2014, falling by £0.3bn (0.5%) to £56.1bn. This overall decrease in revenues was due to a decline in total telecoms revenue, which fell by £0.8bn (2.0%) to £37.4bn during the year, continuing the trend for the past five years.
- **Average monthly household spend on communication services has decreased in real terms over the past five years.** Although stable compared to 2013, average monthly household spend on communication services has decreased in real terms over the past five years (i.e. adjusted for inflation); from £122.07 in 2009 to £117.71 in 2014, representing a monthly decrease of £4.36, or £52.32 per year.
- **By May 2015 83% of UK premises were able to receive superfast broadband.** Eighty-two per cent of UK premises were able to receive fibre broadband over Openreach and 44% via Virgin Media's cable broadband service by May 2015. The availability of next-generation access (NGA) networks (calculated by combining Openreach, Kcom and Virgin Media's network coverage data) increased by 12 percentage points to 90%. However, these are not all capable of providing superfast services; the availability of superfast broadband is 83% of premises.
- **Three in ten of all broadband connections are now superfast.** By the end of 2014 there were an estimated 7.1 million UK superfast broadband connections, an increase of 1.8 million compared to the previous year. The proportion of all UK broadband connections that were classed as superfast increased accordingly over the same period, from 23.2% to 30.0%.
- **Four in five households now have fixed broadband and three in five adults access the internet through their mobile phone.** The proportion of households with access to the internet has increased, driven by a boost in fixed broadband connections. Fixed broadband connections were reported in 78% of households in 2015. In addition, accessing the internet through a mobile phone continues to increase; six in ten respondents (61%) said they personally used their mobile phone to access the internet in 2015 (up from 57% in Q1 2014).
- **Increase in take-up of tablets and smartphones continues.** Take-up of smartphones has continued to increase over the past year, with two-thirds of adults (66%) now owning one. Over half of households (54%) had a tablet computer in early 2015, increasing from 44% in Q1 2014.
- **Television sets are the most-missed media device among all adults, but the mobile phone is much more important to 16-24 year olds.** Among adults as a whole, the TV set is the device people say they would miss the most, cited by close to four in ten (37%). This differs significantly by age; from 17% of 16-24 year olds to 68% of those aged 75+. Those aged 16-24 are much more likely to cite the mobile phone, at 59%, compared to just 2% of those aged 75+.
- **Almost a quarter of consumers claimed to have sent no items of mail in the past month.** Adults in the UK claim to receive an average of 8.5 items of post – including letters, cards and parcels – in an average week. This compares to an

average of approximately 6.0 letters, cards or parcels sent in an average month. Almost a quarter of consumers (23%) in 2015 reported having sent no items of mail in the past month, a significant increase compared to 2014 (20%).

- **Reported use of bundled services remained stable from 2014 to 2015.** Just over six in ten consumers (63%) reported that they had bought at least two of their communications services together in a bundle in Q1 2015, the same as the previous year's figure (60%). Dual-play packages of landline and broadband, and triple-play packages of landline, broadband and TV were the most popular (reported to be taken up by 27% and 25% of households respectively).
- **Satisfaction levels remain high for telecoms services, although satisfaction with fixed broadband and mobile telephony has decreased.** In Q1 2015, around nine in ten adults were satisfied with the service asked about. However, both mobile services and fixed broadband services have seen small but statistically significant falls in satisfaction since 2014, each falling by two percentage points. For mobile this is part of a longer trend, falling from 95% in 2012.

Changes in TV viewing habits

- **In 2014 the average number of minutes of broadcast TV, watched on a TV set, was 220 minutes per person (aged 4 and above) per day; 11 minutes less than in 2013.** The fall, of 4.9% year on year, represents the second consecutive year of decline.
- **The entire year-on-year drop in viewing can be attributed to a decline in viewing of traditional TV (watching programmes at the time of broadcast).** Despite an increase in time-shifted viewing (+1 minute) this was not enough to compensate for the 12-minute decline in traditional TV viewing, resulting in an 11-minute decline in broadcast TV viewing overall.
- **The average proportion of the TV population who watch TV each week fell slightly year on year, from 93.4% to 92.4%.** However, in terms of volume, the number of people watching TV each week increased from 53.9 million to 54.1 million viewers between 2013 and 2014.
- **The decline was seen across all ages, but was more pronounced among the under-45 age groups,** with the greatest proportional drop among children aged 4-15 (-12.4%), followed by the 25-34 group (-8.8%) and 35-44s (-8.0%). Viewing among the over-65s fell the least; by 0.3%.
- **Among children, 16-24 year olds and 35-44 year olds, average daily viewing has fallen every year since 2010,** while viewing among other age groups has fluctuated across this period. Since 2012, however, all age groups have had year-on-year declines in daily TV viewing.
- **TV viewing fell across all channel groups between 2013 and 2014.** Viewing to ITV-owned channels fell the most; falling by 5 mins/ day (-3 mins to ITV and -1.8 mins to the ITV portfolio). In total, declines in viewing to ITV channels accounted for over 40% of the total fall in viewing.
- **BARB data suggest that about half of the decline in viewing may have shifted to 8-28 day catch-up and other (unknown) content on the TV set.** Analysis of viewing on the TV set shows that there was a one-minute increase in 8-28 day average daily time-shifted viewing per person (from four minutes to five minutes) and

a three-minute increase in 'unmatched' viewing (this includes apps on smart TVs, gaming and subscription video-on-demand services such as Netflix), from 26 to 29 minutes.¹

- **A number of other factors may also explain the decline in traditional TV viewing.** These include rising employment, a lack of events programming as seen in 2011 and 2012, the weather, increase in take-up of non-broadcast on-demand services and increase in use of other devices to watch AV content.

Developments in viewing beyond traditional television

- **Just under 70% of total time spent watching audio-visual content is to traditional (live) television, with marked differences between age groups.** Adults aged 16 to 24 spend 50% of their viewing time watching traditional television. This figure increases with age; over-65s spend 82% of their viewing time watching traditional TV. Viewing to VoD services represented 8% of total viewing among UK adults aged 16+, rising to 13% of viewing time among 16-24s.
- **Take-up and use of VoD services continues to grow, with almost six in ten adults saying that they have used at least one VoD service in the past 12 months.** BBC iPlayer remains the most popular of the VoD services provided by the major broadcasters and platforms, with around three in ten (31%) adults using it in the past year.
- **'Over the top' (OTT) services, providing content streamed over the internet, are increasing in popularity.** Since its launch in the UK in 2012, Netflix has increased its subscriptions to 4.4 million households, while 1.2 million households now have a subscription to Amazon Prime Instant (formerly LoveFilm). The most popular reason cited for using either of these subscription VoD services was to access the back catalogue of movies.
- **Viewing of short-form video is popular with many age groups.** Seventy-two per cent of people claimed to watch short-form video (such as clips and music videos on services such as YouTube), with 32% saying they watched either daily or at least weekly. This is now viewed by many as an important source of information as well as entertainment. Forty-seven per cent of internet users said they had used YouTube as a source when looking for information online, rising to 57% of 16 to 24 year-olds.
- **Ofcom's consumer research reported increases in non-traditional viewing; 33% of respondents claimed that they were using free catch-up and VoD services more than they did a year ago.** This compared to 7% saying they were doing this less, and resulted in net gains of +26% for watching non-subscription catch-up services such as the BBC iPlayer, ITV Player and All4 (formerly 4oD).
- **Ofcom's research also showed that 15% of respondents were using subscription on-demand services such as Netflix and Amazon Prime Instant Video more than they did last year,** and that 7% of respondents were doing it less, resulting in a net gain of +8%.
- **Twenty-six per cent of respondents said that they were using a digital video recorder (DVR) more than in the previous year, and 13% said they were doing**

¹ This analysis compares Q4 2013 vs Q4 2014 data as *unmatched viewing has only been reported by BARB since July 2013*

this less. This equates to +13% net gain in watching content personally recorded from live television.

- **Computers and smartphones are more popular than set-top boxes among 16-24 year olds for accessing on-demand and catch-up services.** Thirty-five per cent of the online population claimed to use a set-top box for some form of on-demand or catch-up service at least once a month – the highest for any of our measured devices. In the 16-24 age group, however, respondents were more likely to claim use of a desktop/ laptop computer (57%) or a smartphone (45%) than a set-top box (40%) for viewing on-demand and catch-up services on a monthly basis.

A smartphone society

- **Two-thirds of adults have a smartphone.** Ninety-three per cent of UK adults said they had a mobile phone in the first quarter of 2015. Of these, 71% said they had a smartphone; 66% of the adult population. This has increased by 27 percentage points since 2012.
- **Young people are ten times as likely as older people to say their mobile phone is the device they would miss the most.** Three in five (59%) 16-24 year olds named their mobile phone as the device they would miss the most if it were taken away, compared to less than a fifth (17%) who cited a TV set. In comparison, just 6% of those aged 55 and over said they would miss their phone the most, while 57% of this age group said they would most miss the TV set.
- **For the first time, the smartphone has overtaken the laptop as the device internet users say is the most important for connecting to the internet;** in 2015 33% chose their smartphone, and 30% chose their laptop, compared with 23% and 40% respectively in 2014. Furthermore, smartphones are now the most widely-owned internet-enabled device (66%), on a par with laptops (65% of households)
- **Half of smartphone users say they are ‘hooked’ on their mobile phone.** About half of smartphone users (48%) score themselves at 7 or above when asked to describe how hooked they are on their mobile phone on a scale of 1-10, rising to three-fifths (61%) of young people aged 16-24.
- **Half of young people aged 18-24 check their phones within five minutes of waking and two-fifths check it less than five minutes before going to sleep.** Three in ten adults (29%) said they checked their phones within five minutes of waking up, increasing to about half of 18-24 year olds (48%). The first thing people are most likely to access is text messages (35% of adults, 38% of 18-24 year olds).
- **Despite its multiple uses, the smartphone remains primarily a communications device.** Almost three-quarters (72%) of the time spent on a smartphone is on communications activities, including text messages, email, using social networks, instant messages and calls (voice or video).
- **While emailing is the most popular form of communications undertaken on a smartphone (81% of users),** photo and video based forms of communication are used by some smartphone owners. Just over four in ten (42%) smartphone users send photos or videos via text, while 18% use their phone for video internet calls.
- **Smartphones are twice as likely to be used for watching short video clips than for full-length programmes.** Although a smartphone can allow users to access any online film or television service, users are twice as likely to use their phones to watch

short-form video clips than for streaming television programmes or films (42% vs. 21%).

- **A substantial proportion of smartphone owners use their phones for transactional activities**, including making purchases online (45%) and online banking (44%).
- **A fifth of smartphone users admit to having used their phones in a cinema or theatre.** About three-fifths of smartphone users think it is unacceptable to use a mobile in cinemas or theatres (60%) or in restaurants with others (59%). Despite this, 45% of smartphone users admit to having used their device in a restaurant and a fifth (22%) admit to having used it when in a cinema or theatre.
- **One in four mobile phone users have donated to charity by text message.** A quarter (25%) of mobile phone users have texted a donation to charity. This is more likely to be done by those aged 25-54 (30%) than by older users (15%).

With reference to 4G users:

- **Nearly a third (30%) of UK adults say they now have access to 4G.** 4G stands for 4th generation, and relates to the 4th generation mobile communications standard, which allows internet access at higher speeds than previous standards. This equates to 45% of UK smartphone users, an increase of 28 percentage points since 2014.
- **4G users show significantly different online behaviour compared to smartphone owners without 4G access.** 4G users are more likely to go online more often, be more attached to their smartphones, do more 'data-heavy' activities online and do them more often.
- **4G users are more likely than smartphone owners without 4G access to use mobile internet outside the home.** Fifty-five per cent of smartphone users without 4G say they use WiFi to go online when they are away from home. However, this drops to 47% of 4G users, who are more likely to use their mobile network to go online (87% vs. 69% of those without access).
- **4G users are more likely to use their smartphones to access audio-visual content.** Fifty-seven per cent of 4G users access audio-visual content on their smartphones compared to 40% of those without 4G access. There is a similar difference when considering audio activities with 47% of 4G users accessing this type of content on their smartphone, compared to 28% of those without 4G access.
- **Over half of 4G users use their smartphone to make online purchases or use online banking, compared to a third of those without 4G access.** 4G users are more likely to use their smartphones for doing online banking (55% vs. 33% of those without 4G) and making online purchases (55% vs. 35%).
- **More than a quarter of 4G users say they access audio-visual content more often now that they have access to 4G.** The activity that 4G users are most likely to say they are doing more of, since they have had access to this network, is viewing /downloading audio-visual content, with 28% saying they do this more. A quarter (24%) also say they make internet calls more, and also do more general web browsing since having access to the 4G network.

Communication with friends and family

- **Seven in ten (69%) internet users say that technology has changed the way they communicate and six in ten (59%) say these new communications methods have made life easier.** Levels of agreement for all statements are higher among 16-24 year olds and lower among those aged 55+.
- **A fifth of all online adults agree that they spend too much time online, compared with spending actual time with friends and family.** Half of all online adults (51%) agree that being online interrupts face-to-face conversations, and a fifth (20%) agree that they spend too much time online compared with spending actual time with friends and family. 16-24 year olds are almost three times as likely as those aged 55+ to agree they spend too much time online compared with time they spend with their family (32% vs. 11%).
- **People use a mix of communication methods, both new and old, to make contact with family and friends.** Email (85%) and text messaging (84%) are the two most common methods of contact used to communicate with family and friends on a monthly basis. However, meeting face-to-face (80%) and voice calls (75%) are also used by a majority.
- **Newer online methods of communication are gaining significant levels of reach among online adults.** Social media (63%), instant messaging (57%) and VoIP calls/video (34%) are used by many people as part of their communications repertoire with family and friends. Picture messaging services are used by a third of online adults (34%) and a quarter use Twitter (24%).
- **There are significant generational differences in the use of communications services.** The biggest differences between the younger age groups and the older generation are in the use of instant messaging services (77% weekly use among 16-24s compared to 28% among over-55s) and picture messaging services (39% weekly use among 16-24s compared to 8% among over-55s)
- **Two-fifths of online adults prefer to use post for sending a birthday or congratulations greeting** although a substantial minority prefer to use social media (15%), rising to a quarter (25%) among 16-24 year olds.

Social media developments

- **More than seven in ten adult internet users (72%) have a social media profile,** and social media use is correlated to age. A majority of internet users aged 16-24 (93%), 25-34 (90%), 35-44 (80%) and 45-54 (68%) have a social media profile, such as a Facebook or Twitter account. This compares to half of 55-64s (49%) and three in ten aged 65+ (28%).
- **In addition to having the highest reach, Facebook has the highest frequency of use.** A fifth of Facebook users (19%) claim to go on the site more than ten times a day. Over 10% of Snapchat, Twitter and WhatsApp users also claim to use these sites more than ten times a day.
- **Young adults aged 16-24 have a more extensive breadth of use of social media** and are adopting newer sites and services such as Twitter (40%), WhatsApp (37%), YouTube (32%), Instagram (35%), Snapchat (26%), Tumblr (8%) and Vine (4%). However, the majority (97%) of all adults aged 16+ with a social media profile say

they use Facebook, and close to half (48%) of those with a profile say they have one only on Facebook.

- **There is significant take-up of social networking sites and apps among 12-15 year olds.** A significant proportion of teens aged 12-15 have 'ever used' YouTube (81%), Facebook (72%), Instagram (55%), Snapchat (53%) and WhatsApp (48%). When asked which they used the most, Facebook (30%), YouTube (27%), Instagram (17%) and Snapchat (13%) were the most commonly cited.
- **Snapchat was cited by 19% of website users aged 12-15 as 'their most recent addition'.** Instagram (12%) and Facebook (11%) were cited as recent additions for just over one in ten (12%).
- **A quarter of adults with a Twitter account use it to air complaints or frustrations.** Aside from 're-tweeting', 'news' is the topic that people are most likely to 'tweet' about, with a third (33%) doing this. This is followed by complaints or frustrations, with almost a quarter (24%) tweeting in this way. Tweeting information on celebrities is most likely to be by 12-15 year old account holders, with 30% doing so, almost four times as many as among all adult account holders (8%).
- **Twitter users are equally as likely to follow celebrities as they are to follow friends.** When asked about the type of Twitter feed that they followed, the most popular type was 'news', at 50% of account holders. A similar proportion of people followed 'friends' (45%) as followed 'celebrities' (44%).
- **Almost a fifth of adults say they are 'hooked' on social media.** Overall, one in five online adults (22%) indicated a rating of between 7 and 10 on a 10-point scale (where 1 equated to 'I'm not at all hooked on social media' up to 10 'I'm completely hooked on social media'). Dependency on social media is correlated to age, with two in five (41%) 16-24 year olds giving a 7-10 'hooked on' rating, falling to 6% among over-55s.
- **One in five adults (19%) have posted things online they wish they hadn't.** In contrast, almost three-quarters of adults (72%) agreed that they '*can't understand why people share personal information with people they don't know well or at all*', increasing to 82% of those aged 55 and over. Similarly, almost six in ten online adults (57%) disagree about being '*happy to share information online that a wide audience can see*'.

Digital music and photo collections

- **There is heavy use of digital formats for both music and photos, particularly among young people** although some people are retaining physical formats. There is no clear preference as to the type of digital music (stored or streamed) or where to store digital photos (cloud, device).

With reference to music formats:

- **Just over half of all adults have ever had a music collection in a digital format, and they are more likely than those with music in physical formats to still listen to it.** Fifty-one per cent of adults have ever had a digital music collection, and they are significantly more likely to still listen to it than the 70% who hold their collection in physical formats (96% of those who have music in a digital format still listen to it compared to 84% of those who have music in a physical format).

- **Three-quarters of those who have stopped listening to their CD collections now listen to music in digital formats.** Those who no longer listen to their CD collection are much more likely to listen to music in a digital format (74%) than in an alternative physical format (8%): two-thirds (65%) listen to digital music they have stored on a device, and over a quarter (27%) listen to music through a streaming service.
- **Half of those with music in digital formats appreciate its portability and perceive it to be better value for money.** The portability of digital music formats is valued by many; 50% agree that they like being able to carry their music with them, enabled by the convenience of smartphones or MP3 players. Similarly, 49% agree that these types of music format are more convenient.

With reference to photo formats:

- **16-24 year olds are more likely than those aged 65 and over to have digital photo collections and older adults are twice as likely to have photo albums.** Those aged 16-24 are significantly more likely than those aged 65 and over to have digital photos or videos, stored either on a personal device (75% vs. 39%), in online storage (40% vs. 10%) or shared on photo-sharing sites (29% vs. 5%). In contrast, over-65s are significantly more likely to have framed photos on display (74% vs. 49%) and to have boxes or albums of printed photos (65% vs. 33%).
- **Young people are six times as likely as older people to mainly use a mobile phone to take photos.** Seven in ten (70%) adults say they 'ever' use a mobile phone to take photos. This is the device most likely to be used to take photos; 60% of UK adults say they use it most often, followed by one in five (22%) who say they mainly use a digital camera. Eighty-nine per cent of 16-24 year olds mainly use a mobile phone, compared to 22% of over-55s.
- **More than a third of 16-24 year olds take more than ten photos each week and 8% take more than 50.** Just over half (53%) of adults take between one and ten photos each week, with almost one in five taking more than this (19%). Younger adults are more likely than older adults to take more photographs each week: 34% of those aged 16-24 say they take more than ten photos each week, with 8% claiming to take more than 50.
- **Nearly a third of UK adults ever take 'selfies'.** Friends and family are the most popular subjects for photographs, with 83% of UK adults ever taking these kinds of photos and 34% taking them either daily or weekly. Nearly a third (31%) of UK adults ever take 'selfies' while over a third (36%) take photos of their pets.
- **Over three-fifths of younger adults often use social media to share photos, compared to just over a third of older adults.** More than two in five adults (44%) agree that '*I often use social media to share photos with friends and family*', and there are significant age differences; 62% of those aged 16-34 agree compared to only 34% of those aged 35 and older.

Media literacy: the past decade

- **Over the past ten years the time adults spend using the internet has increased substantially, both at home and elsewhere.** The estimated number of hours spent online per week has more than doubled since 2005, from around ten to over 20 hours.

- **Take-up of most online activities has increased since 2005.** For example, there has been a noticeable increase in the use of the internet at least weekly for news (25% to 42%), and for banking and paying bills (31% to 42%).
- **There is less concern about online content than ten years ago, but concerns remain more evident than for other media, and apps are posing a new challenge.** The proportion of internet users citing internet-related concerns has decreased from seven in ten (70%) in 2005 to half (51%). However, concerns with apps have increased from 20% in 2013 to 28%, mainly driven by security/fraud or privacy issues (20% from 14%).
- **Internet users under the age of 65 are more inclined to care about who owns websites, or how they are funded, than they were in 2007²:** 35% disagree with the statement *'As long as the internet provides good websites it doesn't really matter who owns the websites or how they're funded'* compared to 23% in 2007.
- **A majority of internet users claim confidence in finding information on the internet, and understand how search engines operate.** The proportion of internet users who agree that they are confident at finding things online has remained the same since 2007 (91% vs. 92%). Six in ten (60%) adults believe that some websites will be accurate and unbiased, while others won't be, close to the 2009 figure (54%).
- **Although overall agreement that internet users must be protected from inappropriate or offensive content is similar to 2005, opinions are stronger than in 2013.** Six in ten (60%) internet users strongly believe this, compared to 51% in 2013.
- **The majority of internet users say they would share personal information online, but there is evidence of added caution in doing this over the ten years of tracking.** For example, six in ten (60%) internet users say they would give out their home address online but have concerns about doing so, compared to 46% in 2005.
- **The majority of internet users are using technical indicators such as padlocks and system messages to measure website safety,** and this has increased among over-25s since 2005. Use of these indicators has increased among all internet users; from 43% in 2005 to 55% in 2014. The change has been driven by those aged 25 and over. For example, the figure for adults aged 45-54 has increased by 15 percentage points (from 43% to 58%).

Developments in the nations

- **On average, people in Wales watch the most TV in the UK (251 minutes per day).** There has been a decline in TV viewing in Scotland, Wales and Northern Ireland, in line with the rest of the UK.
- **Across all the devolved nations, there were claimed increases in non-traditional viewing compared to the previous year.** This includes catch-up on-demand services e.g. BBC iPlayer, watching content that has been personally recorded e.g. using a DVR, and using subscription on demand e.g. Netflix).

² It is important to note that there has been a large increase in the number of internet users aged 65+ since 2005 (See 2015 report as per link above). As this question is asked of internet users, the base of the question is more robust in 2014 than it was in 2007.

Increases for all of these non-traditional viewing activities were higher in Scotland and Wales than in the UK overall. In Wales, the increase in using catch-up on-demand services was higher than in the UK.

- **Smartphone take-up is lower in the nations.** Sixty-seven per cent of adults in England have a smartphone, compared to 63% in Wales, Scotland and Northern Ireland.
- **Household take-up of tablet devices across the UK stands at 54%.** It is highest in Wales at 60%, followed by England at 54%, Northern Ireland at 54%, and Scotland at 52%.
- **4G coverage is highest in England, covering 92% of premises, and lowest in Wales (62.8%).** Almost half of premises in England (46.2%) have coverage from four operators, compared to just 18.3% in Wales.
- **4G take-up has increased significantly in all four nations over the past year.** By Q1 2015, 30% of UK adults said they were 4G users, with take-up highest in Scotland (34%, up by 15 % points compared to 2014), followed by England at 30% (an increase of 18 % points), Northern Ireland (26%, an increase of 17 % points), and Wales (23%, an increase of 12 % points).
- **The proportion of premises able to receive superfast broadband services (30Mbit/s or higher) is highest in England (84%), followed by Wales (79%), Northern Ireland (77%), and Scotland (73%).** Across the UK and in each of the nations, superfast broadband availability is considerably higher in urban than in rural areas.
- **People in Scotland listen to radio less than those in other nations of the UK.** People in Scotland spend the least amount of time listening to radio (19.9 hours on average per week), while people in Wales spend the most (22.4 hours).
- **Over a third of adults in Scotland (36%) said they had not sent any post in the past month, the highest across all the nations.** This compares to 33% in Northern Ireland, 25% in Wales and 22% in England.

Key points: TV and audio-visual

- **The UK television industry generated £13.2bn in revenue during 2014, an increase of 3.1% year on year.** Pay-TV subscription revenue continues to be the main driver behind the industry's growth, with a 1.9% increase since 2013 and a compound annual growth of 5.2% over the last five years, to £6bn.
- **Broadcast-based TV advertising revenue increased by 3.9% overall in 2014 to £3.8bn.** The largest proportional increase was among the multichannels, where ad revenues increased by 7.7% year on year, passing £1bn for the first time.
- **Online TV revenue in the UK has increased rapidly in the past five years but still represents only a small proportion of total TV revenues.** According to data from IHS, revenue from online TV grew by 38% in 2014 to £793m, with income from online TV subscriptions increasing by 53% to £317m, driven by the increasing popularity of services such as Netflix and Amazon Prime Instant Video.
- **Broadcast TV advertising has held up well as a proportion of total display advertising.** According to WARC, *total* display advertising expenditure stood at £10.6bn in 2014, of which broadcaster display advertising accounted for 43.5%, an increase of 2.5 percentage points over the last five years, despite increased competition from other media such as online advertising.
- **Spend on content by all UK TV channels in 2014 rose by 9.4% to £6.4bn in nominal terms.** Spend on sports content by the commercial multichannels³ exceeded £2bn in 2014, following a 21% annual increase. This was the first full year of the current English Premier League rights deal; this contributed to sports spend making up 62% of multichannel content spend across the eight mainstream genres.
- **Spend on first-run UK originated programming by the main five PSB channels increased by 5%; from £2,451m in 2013 to £2,585m in 2014, in nominal terms,** driven mainly by the Brazil World Cup and the Glasgow Commonwealth Games.⁴
- **Over half (56%) of UK TV homes had a TV connected to the internet,** either via a set-top box or a smart TV, at the end of 2014. However, this figure is likely to be higher when other devices such as games consoles are included.
- **Two-thirds (64%) of TV homes have a digital video recorder (DVR),** although in the past year this figure has increased by only 2pp, suggesting that growth in take-up is beginning to slow. Take-up of HDTV services also increased marginally, from 53% in 2014 to 57% in 2015. Just 7% of UK TV homes claim to watch 3DTV.
- **The average number of minutes of broadcast TV watched on a TV set in 2014 fell for the second consecutive year.** On average, people watched 220 minutes of television per day in 2014, 11 minutes/day less than in 2013. TV viewing varies greatly by age, and between 2013 and 2014 it fell by varying degrees among all age groups. The largest decline was among children aged 4-15, with a 17 min/day (-12.4%) fall, compared to a 1 min/day (-0.3%) decline among viewers aged 65 or over.

³ This includes the commercial PSB portfolio channels.

⁴ Further information on content spend by the PSBs can be found in Ofcom's PSB Review where figures are adjusted for inflation; <http://stakeholders.ofcom.org.uk/consultations/psb-review-3/>

Key points: radio and audio

- **Total industry revenue and spending has increased by 3.6% to £1.2bn.** Commercial radio revenue has increased by £22m to £483m, and spend by the BBC on radio has increased by £20m to £725m.
- **National advertising revenue for commercial stations has grown by 17.3% to £483m.** The increase in commercial radio revenues has been driven by growth in national advertising revenue; from £207m to £243m. Commercial radio revenue per listener increased by 5.9% to £14.14 in 2014.
- **Community radio revenue has increased year on year for the first time.** Average (mean) income is up by 0.8%, and median income has grown by 6.9% since last year. The average community radio station income is £55,750, while median income is £35,750 (an increase of £2,500 on the year).
- **The reach of radio remains high.** Nine in ten (89.5%) UK adults listen to the radio each week, tuning in for 21.4 hours (an average of 183.4 minutes of listening per day, per listener). This is down by six minutes per week (average) year on year.
- **Digital's share of radio listening hours is 39.6%.** The rate of increase in digital listening, and the consequential decline in analogue listening, are both accelerating. Between Q1 2011 and Q1 2012 the annual analogue decline was 2.3pp: between Q1 2014 and Q1 2015 it is 3.5pp. Digital listening grew by 2.8 percentage points year on year, to account for 39.6% of all radio listening.
- **A third of all radio listening is to local radio, and 56.2% of UK adults tune in on a weekly basis. Among local radio listeners, local radio is still regarded as important.** Two-thirds (66%) of local radio listeners rate local radio as 'important' while 65% believe it is important that local radio services should be based locally. Between 24% and 36% of local radio listeners depend on the bespoke speech content which features in commercial and BBC local radio broadcasts.
- **Subscription streaming revenue has more than doubled in two years;** it has grown from £77m in 2012 to £175m in 2014. Almost 15 billion tracks were streamed through subscription and ad-funded streaming services in 2014.
- **Among regular music listeners aged 16-24, streaming services are as popular as radio stations.** Around two-fifths of regular music listeners aged 16-24 use streaming services to listen to music (39%), similar to the proportion of this age group who listen to music on the radio.
- **For the first time the proportion of recorded music revenue is distributed equally between physical and digital formats.** Total recorded music revenues were £1.03bn in 2014. Of the digital share, one-third is attributed to music streaming, 39% to albums and 27% to singles.

Key points: telecoms and networks

- **Total telecoms revenues fell by 2.0% to £37.4bn in 2014.** This was a £0.8bn fall compared to 2013 and a £3.9bn (9.5%) decline compared to 2009, largely the result of falling wholesale service revenues. The decline in telecoms revenues was partially offset by a £0.8bn increase in fixed internet revenues in 2014.
- **The proportion of household spend on telecoms services fell to 3.5% in 2014.** The average UK household spend on telecoms services (calculated by dividing residential telecoms service revenues by the number of UK households) was £81.30 a month in 2014, £0.11 (0.1%) less than in 2013.
- **Fixed voice prices continued to increase in real terms in 2014.** The price of a basket of residential fixed voice services (including line rental and outgoing voice call volumes, based on average use in 2014) increased by 1.2% to £21.19 during the year, in line with the average increase over the previous five-year period.
- **Fixed internet revenue growth has accelerated as a result of increased fibre take-up.** Non-corporate internet revenues totalled £4.9bn in 2014, a £0.8bn (18.5%) increase compared to 2013, driven by the continuing migration of UK consumers onto superfast services.
- **Almost one in three fixed broadband lines are now 'superfast'.** The 7.1 million fixed broadband lines providing speeds of 30Mbit/s or higher in the UK today account for 30% of all fixed broadband lines, compared to 0.2% (41k) in 2009.
- **In the six years to November 2014 average actual fixed broadband speeds have increased at an average annual rate of 36% per year.** The average actual fixed broadband download speed in the UK was 22.8Mbit/s in November 2014, up from 3.6Mbit/s in November 2008.
- **Total 4G subscriptions jumped to 23.6 million in Q4 2014.** Data from operators showed that 4G subscriptions made up 28% of total subscriptions in Q4 2014, compared with 3% in Q4 2013.
- **The total number of mobile data connections⁵ increased by 13.6%.** The total number of UK mobile data connections (including internet on a mobile handset, dedicated mobile broadband and M2M⁶ connections) increased by 7.5 million connections to 62.6 million in the year to December 2014.
- **SMS use fell for the second consecutive year.** The total volume of outgoing SMS and MMS messages fell by 20 billion messages (15.3%) to 110 billion messages in 2014, due to increasing smartphone take-up and use of internet-based communications methods.

⁵ Including internet on a mobile handset, dedicated mobile broadband and M2M connections.

⁶ Machine-to-machine, a connection, often wireless, in which human input is not necessarily required.

Key points: internet and online content

- **Almost eight in ten households now have fixed broadband access at home.** Home internet access continues to grow, with 85% of adults having access in Q1 2015, a rise of three percentage points since Q1 2014. In particular, fixed broadband has increased by five percentage points, standing at 78% in Q1 2015.
- **Smartphones have become the most widely owned internet-enabled devices, alongside laptops.** In Q1 2015 smartphones were present in two-thirds of households (66%), on a par with laptops at 65%.
- **The largest increase in internet-enabled device ownership is for tablet computers.** Over half (54%) of households now own at least one tablet, an increase of ten percentage points since last year.
- **The average amount of time spent online per user on smartphones exceeds that spent browsing on desktops and laptops.** In March 2015 users spent an average of 58 hours 39 minutes browsing or using apps on smartphones, compared to an average of 31 hours 19 minutes on laptops and desktop computers.
- **Google's services were the most-visited by the digital audience,** with 46 million visitors in March 2015, but people spent more time on Facebook's properties than Google's (51 billion minutes compared to 34 billion minutes).
- **More people visited YouTube on an Android or iOS smartphone/tablet (27.1 million) than on a desktop or laptop (24.9 million)** in March 2015.
- **Overall use of mobile phones to make a purchase was around one in four (26%) mobile internet users in March 2015, consistent with 2014,** but only 6% had used their handset to make a payment at physical point of sale.
- **Over a third (36%) of online adults say that they use an online (cloud) storage service,** but four in ten of these say they would not use them to store confidential documents. A quarter of online storage users say they have not thought about taking steps such as leaving instructions with friends or family to ensure that content can be accessed in future.
- **UK digital advertising rose by 15% to £7.2bn in 2014 and accounted for 39% of estimated UK advertising expenditure.** Key drivers of this growth were increases in mobile advertising, broadcaster VoD advertising and national and regional digital print advertising.

Key points: post

- **Letter revenues grew slightly (by 0.4%) in 2014.** Addressed letter revenues increased by £18.5m to £4.3bn in 2014 (0.4%). Revenue from Royal Mail accounted for the majority of letter revenues, although the proportion of revenues taken by other operators, both access and end to end, has risen from 3.6% in 2010 to 4.7% in 2014.
- **Letter volumes fell by 1.5% in 2014.** Letter volume decline slowed in 2014, falling by just 1.5%. The volume of mail handled end to end by Royal Mail fell by 3.7% to 5.4 billion items. Access volumes continued to decline, falling by 1.2% to 7.1 billion. This is the second consecutive year that access volumes have fallen.
- **Operators other than Royal Mail delivered 158.5 million items in 2014.** Although this is a large proportional increase, it represents a small part of the total letters market. For the first year since the postal market in the UK was liberalised, volumes delivered by competitors to Royal Mail accounted for more than 1% of total letter volumes. However, in June 2015, Royal Mail's main end-to-end competitor, Whistl, announced that it was permanently ceasing its end-to-end operations.
- **The parcels market is growing, and is more competitive than the letters sector.** Figures published in Royal Mail's latest annual report estimate total parcel volume growth at approximately 4%. By volume, Royal Mail considers that it has a 52% share. In terms of estimated revenue, Royal Mail considers that it accounts for the largest share, with 38%. This compares to Royal Mail's near-99% share of the letters sector by volume, and 95% share by revenue.
- **Only one in ten consumers consider that the operator that delivers their parcel is an important factor in choosing a retailer.** A majority of consumers like to have notifications and/or tracking in place for their e-retail deliveries, but six in ten are unwilling to pay an additional fee for these features.
- **More than half expect to receive their orders within three days.** The majority of people (57%) expect that a UK retailer will be able to provide goods ordered online within three days, with a further 31% expecting their order to arrive within six days. The expectation of delivery time from a retailer based overseas is lower. One-fifth (19%) of people would expect an overseas retailer to get their orders to them within six days.
- **Forty-five per cent of consumers have not ordered on a specific occasion because of a concern over delivery.** The price of delivery is the most common issue that prevents ordering. Over half of those (55%) who had had a concern said that cost was a factor.
- **Email is the most common replacement for post across all age groups.** Almost eight in ten (77%) 16-34s who are sending less post than two years ago claim to have replaced post with email. This age group is also more likely to be using a range of alternative electronic communication methods as a replacement for post.

