OCI Tracker Benchmark Study Q3 2012

Prepared for **Ofcom**

By **Kantar Media**

KANTAR MEDIA

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Contents

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Key findings

General copyright infringement

- One in six (16%) UK internet users aged 12+ were estimated to have downloaded or streamed/accessed at least one item of online content illegally[1] over the 3 month period May-July 2012[2]. A quarter of these (4%) *only* consumed[3] illegal content.
- Levels of infringement varied significantly by content type; our survey indicated that 8% of internet users aged 12+ consumed some music illegally over the three month period, while 6% did so for films. For video games and computer software the figure was just 2%.
- When looking only at those internet users who had consumed any content online over the three month period, 31% of those consuming any film content and 23% of those consuming any music content had done so illegally. Books had the lowest incidence of illegal consumption among those who had consumed any e-books online, at 11%.
- Online copyright infringers across all the content types were more likely to be male (58%), 16-34 (64%) and ABC1 (62%).
- Overall volumes of illegal content consumed online varied by category. Volumes were highest for computer software (47% of all computer software products consumed online were estimated to be illegally obtained), followed by films (35%) and music (26%), whereas it was lowest for books (12%).
- The survey data shows that for music, film and TV programmes, those who consumed a mixture of legal and illegal content claimed to spend more on that type of content over the 3-month period than those who consumed 100% legally or 100% illegally.
- When asking infringers why they download or stream/access content illegally, the most common reasons cited for doing so were because it is free (54%), convenient (48%) and quick (44%). Close to a quarter (26%) of infringers also said they do it because it means they can try before they buy.
- Factors that infringers said would encourage them to stop infringing included the availability of cheaper legal services (39%), if everything they wanted was available legally (32%) and if it was clearer what is legal and what isn't (26%).
- Regarding the threat of a letter from their ISP, 22% indicated that a letter suspending their internet access would put them off, falling to 16% for a letter informing them their account had been used to infringe, and 14% for the restricting of internet speed.
- Forty four per cent of all internet users aged 12+ claimed to be either 'not particularly confident' or 'not at all' confident in terms of what is legal and what isn't online. Confidence was lower amongst females (51%) and C2DEs (48%). Although the proportion increased with age, 12-15 year olds (42%) claimed confidence was lower than all other age groups up to the age of 44.
- The most commonly cited indicator of the legality of a website was a reputable/well-known brand.

[1] Please refer to Section 1.2 for a full explanation of all calculations, including how legality is derived. We used the terms legal and illegal to make them readily comprehensible; we felt that terms such as "lawful/unlawful", "licensed/unlicensed" and "infringing" were too complicated (this was backed up by the cognitive testing we undertook prior to fieldwork).

[2] Fieldwork took place between the 11th and 18th July 2012.

[3] For convenience, we refer to the term 'consumed' to mean downloaded or streamed/accessed throughout this report.

Music copyright infringement

- Eight per cent of UK internet users aged 12+ were estimated to have downloaded or streamed at least one music track illegally over the period May-July 2012. Of those who had downloaded or streamed any music over the period, just under one in four (23%) had done so illegally.
- Music online copyright infringers were responsible for illegally downloading or streaming over a quarter (26%) of all digital music consumed on the internet.
- The vast majority of those who consumed any music illegally online were male (60%) under 34 (79%), and ABC1 (70%).
- Music infringers who accessed both legal and illegal content online claimed to spend the most on the category as a whole[3], spending on average £77.24 over the 3-month period. The 5% of internet users aged 12+ who only accessed illegal content, spent much less (£13.80).

Films copyright infringement

- Six per cent of UK internet users aged 12+ were estimated to have downloaded or streamed at least one film illegally over the period May-July 2012. Of those who had downloaded or streamed any content over the period, close to a third (31%) had done so illegally.
- Film online copyright infringers were responsible for illegally downloading or streaming 35% of all digital film consumed on the internet.
- The vast majority of those who consumed any films illegally online were male (64%) under 34 (79%), and ABC1 (59%).
- Film infringers who accessed both legal and illegal content online claimed to spend the most on the category as a whole[4], spending on average £56.11 over the 3-month period. The 2% of internet users aged 12+ who only accessed illegal film content, spent much less (£28.25).

TV Programmes copyright infringement

- Six per cent of UK internet users aged 12+ were estimated to have downloaded or streamed at least one TV programme illegally over the period May-July 2012. Of those who had downloaded or streamed any content over the period, close to a fifth (19%) had done so illegally.
- TV programme online copyright infringers were responsible for illegally downloading or streaming close to a fifth (19%) of all TV programmes consumed on the internet.
- The vast majority of those who consumed any TV programmes illegally online were 16-34 (64%) and ABC1 (66%).
- TV programme infringers who accessed both legal and illegal content online claimed to spend the most on paid for content (including physical rentals and purchases), spending on average £25.69 over the 3-month period. The 4% of internet users aged 12+ who only consumed illegal online content, spent much less (£3.51).

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[3] Music spend included individual digital purchases, online subscriptions, physical discs/vinyl/tapes purchased, concerts/gigs, and merchandise

[4] Films spend included individual digital purchases, online subscriptions, physical discs/tapes purchased and rented, and cinema,

Computer Software copyright infringement

- Two per cent of UK internet users aged 12+ were estimated to have downloaded or accessed at least one computer software product illegally over the period May-July 2012. Of those who had downloaded or streamed any content over the period, 17% had done so illegally.
- Computer software online copyright infringers were responsible for illegally downloading or streaming close to a half (47%) of all computer software consumed on the internet.
- The vast majority of those who consumed any computer software products illegally online were male (70%), 16-34 (65%) and ABC1 (58%).
- Computer software infringers who accessed all their online content legally spent more (£26.27) on average on software products (including physical discs) than those who consumed any illegally (£14.61).

Books copyright infringement

- One per cent of UK internet users aged 12+ were estimated to have downloaded or accessed at least one e-book illegally over the period May-July 2012. Of those who had downloaded or accessed any e-books over the period, close to a tenth (11%) had done so illegally.
- Book online copyright infringers were responsible for illegally downloading or accessing 12% of all e-books consumed on the internet.

Video Games copyright infringement

- Two per cent of UK internet users aged 12+ were estimated to have downloaded or accessed at least one video game illegally over the period May-July 2012. Of those who had downloaded or accessed any video games online over the period, close to a fifth (18%) had done so illegally.
- Video game online copyright infringers were responsible for illegally downloading or accessing 18% of all digital video games consumed on the internet.
- The vast majority of those who consumed any video games illegally were male (73%) and under 34 (85%).
- Video game infringers who consumed all their content legally spent more (£34.51) on average on content (physical and digital) than those who accessed any software illegally (£25).

1. Research overview

1.1 Background and objectives

Under the Digital Economy Act (DEA) 2010[5], the remit of Ofcom was extended to include a range of new duties related to online copyright infringement. The DEA requires Ofcom to establish a code setting out the rules for a scheme whereby internet service providers (ISPs) must notify their subscribers of allegations made by copyright owners that their account has been used to infringe copyright. Once the scheme is operational Ofcom must report to the Secretary of State on progress in reducing levels of infringement.

In May 2011, the Hargreaves Review of Intellectual Property and Growth recommended that Ofcom should not wait until the DEA scheme was up and running to begin gathering data and establishing benchmarks on online copyright infringement[6]. Government adopted this recommendation and, as a result, Ofcom and the Intellectual Property Office agreed to conduct research into online copyright infringement, in order to gather initial evidence and trends that could be used to assist policy making.

Ofcom and the IPO commissioned Kantar Media to conduct a quarterly tracking study covering behaviour and attitudes towards both lawful and unlawful access of copyright material using the internet, primarily relating to several key content types.

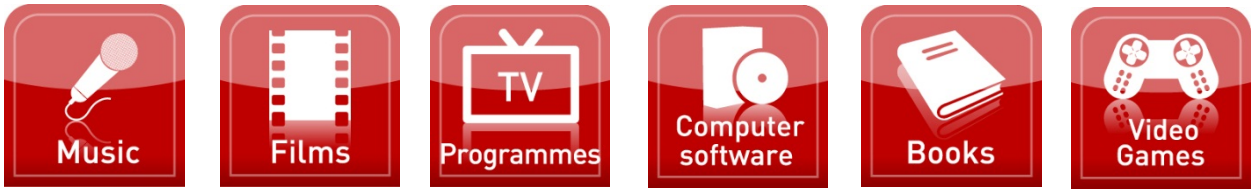
The table below sets out the wider overall aims of the research along with the specific research objectives and associated metrics:

OVERALL AIM	RESEARCH OBJECTIVE	METRICS
To establish the current level of subscribers' use of internet access services to infringe copyright.	• To measure online copyright infringement levels (alongside lawful activity) among UK consumers and monitor changes on a quarterly basis.	• Whether accessed/ downloaded/ shared files (ever, past 3 months) by content type. • Frequency per content type. • Volume per content type. • Proportion of type paid for (and thus % free). • Proportion of types of files believed to have been legally accessed (from which a figure for illegal files can be derived).
To describe and assess the steps taken by copyright owners "to inform, and change the attitude of, members of the public in relation to the infringement of copyright" and "to enable subscribers to obtain lawful access to copyright works."	• To gain deeper understanding of attitudes towards copyright infringement. • To monitor awareness and effectiveness of educational campaigns. • To assess awareness and attitudes towards availability of lawful alternatives.	• General attitudes. • Key drivers of behaviour. • Why people do /don't infringe. • What would make them stop? • Awareness/use of lawful services. • Reasons why do/don't use lawful services. • Understanding of what is legal.
To better understand the role that pricing plays in the lawful and unlawful access of online content.	• To measure spend on recorded and digital media to analyse potential impact of unlawful file-sharing on purchase of related content (positive and negative). • To explore willingness to pay and optimum pricing for different content types.	• Current spend on relevant material. • Willingness to pay modelling.

[5] http://www.legislation.gov.uk/ukpga/2010/24/contents
[6] http://www.ipo.gov.uk/ipreview.htm http://www.ipo.gov.uk/ipresponse-full.pdf

1.2 Content types, activities, key metrics and other research notes

Within this study we sought to provide measurements for six core content types of interest:



The questions we asked were primarily focused around the following online activities, explained to each respondent as follows:

- **Streamed or accessed**: By this we mean that you viewed, listened or played content directly through the internet without downloading a copy. For example, watching videos on YouTube or TV programmes on BBC iPlayer.
- **Downloaded**: By this we mean that you transferred a copy of the file to your device. For example, downloading a music track to your computer through iTunes or Amazon.
- **Shared:** By this we mean that you made the file publicly available, or sent or uploaded it online for someone else to download or stream/access. For example, sharing files on your computer through an online service. This does not include sharing links online.

These categories all relate to what we term 'digital' files. However, certain metrics in this report also incorporate consumer spend attributable to 'physical' formats (e.g. CDs, DVDs, physical books, games and cartridges) to help locate the consumption of digital content in its wider context.

CLARIFICATION OF DIGITAL CONTENT TYPES

For most of the content types there are several elements that had the potential to cause confusion and thus distort the figures if misinterpreted by the respondent. For example, there is a fine line between music tracks and music videos, and there is a distinct difference (in terms of number of digital files) between singles and albums. Similarly for computer software and video games people may consider updates and patches as products in themselves. Therefore we attempted to be as clear to respondents as possible in terms of what they should include in the definition. They are as follows:

Category	Definition for respondent
Music	Music tracks or albums (excluding online radio stations)[7]
Films	Films[8]
TV programmes	TV programmes
Computer software	Computer software (excluding mobile phone apps, and patches/upgrades to software already owned)
Books	e-books
Video games	Video games (excluding patches and upgrades)

[7] Note that 'music videos' and 'short video clips' were asked separately for the 'ever done' and 'done in past 3 months' questions to aid with the distinctions.

[8] Note also that for films we have decided to include 'full length' in brackets for the next wave of research.

A NOTE ON THE LIMITATIONS OF CLAIMED BEHAVIOUR AND DATA RECONCILIATION

Consumer research provides one source of insight about the extent and patterns of online content consumption. Other potential sources include analysis of ISP internet traffic, industry sales and revenue data, internet audience analysis and direct measurement of online activity (for example by monitoring activity on file-sharing networks). On their own, none of these sources presents a complete picture of the market, and each has strengths and limitations.

Data in this report (particularly consumption volumes and consumer spend) are not directly comparable to published industry sales data. Wide variations in notionally similar figures should be expected for many reasons, including:

- Differences in methodological approach
- Extent of market coverage
- Seasonality and timing of research
- Inclusion or otherwise of VAT
- Differences between consumer spend and sales receipts
- Inclusion of sales of second-hand material

It is also particularly important to note that figures in this report are based on the 'claimed' numbers collected from a random sample of people in this survey. This data was then grossed up to reflect the UK 12+ population. There was a wide variance in the numbers and reflects the behaviour indicated by a subsection of the UK population 12+ within the time periods asked about.

Furthermore, questions on unlawful behaviour have a particular reliance on honesty, which is also likely to affect accuracy to some degree i.e. result in under-claim for unlawful behaviour. We have gone to significant lengths to ensure that honesty was encouraged (to ensure that the data collected were as accurate as possible) by using indirect lines of questioning when calculating unlawful activity. These measures are discussed in more detail in the technical appendix (Section 10) of this report.

REPORTING AVERAGES

For metrics covering overall volumes of files downloaded/streamed, paid for/obtained free, and obtained legally/illegally in the past 3 months we report both means and medians for average numbers.

- The mean is the grand total divided by the number of data points.
- The median is the middle value in a sample sorted into ascending order.

We have chosen to report both of these because the distribution of responses given by individuals to these questions displays a large range; the upper end of the distribution in most types has been extended beyond what one would statistically expect due to a small number of extremely high outliers. If we were to exclude outliers from the mean calculations this would ignore valid data from possible enthusiasts. An alternative measure to the standard average (the mean) is offered by also reporting the median (middle number). It is worth noting that in most cases throughout this report the 'median' is lower than the 'mean', which demonstrates the effect that the high outliers have on the average.

A more thorough discussion concerning data distribution and reporting averages is contained in the technical appendix on page 87.

LEGALITY OF CONTENT

In order to calculate the number of files obtained illegally, we asked each respondent to indicate how many of the free files they said they had consumed in the past 3 months they thought had been obtained 'legally'. The number of 'illegal' files was then derived by subtracting the answer from the total.

For the purpose of overall legality calculations we have made an assumption throughout that all content that individuals claim to have paid for is legal (including physical discs). We acknowledge that this is an imperfect assumption to make, since some people will have paid to access online content illegally. This can involve direct transactional payment for a piece of content, or a payment in respect of bandwidth, hosting, premium services or membership of a file-sharing community. Equally, it is possible that a proportion of physical paid-for content is pirated or bootlegged.

We have seen little evidence, while conducting this research that the use of paid-for infringing sites would substantially alter our estimates of either the numbers of people who consume content 'illegally' or the volume of 'illegal' content. For example, while our survey invited respondents to write in the names of any sites they used to infringe content, only around ten respondents (out of more than 4000) wrote in any paid-for illegal sites.[9]

Nevertheless we have revised the questionnaire for the second wave of this research to accommodate consumption of infringing content via unlicensed, paid-for sites. We will publish a full report relating to this in the next wave. However, provisional data from this second wave suggests that paid-for illegal content does not make a significant difference to the overall number of infringers within the total online population. Paid-for illegal infringement nevertheless has some impact on overall volumes of infringing content and we will be investigating this further in future waves.

KEY METRICS

With respect to assessing levels of copyright infringement for each content category, the approach is consistent throughout the survey, filtering down from general online behaviour towards the sensitive topic of infringement. Within each category, several key metrics for each category and activity will be outlined across two levels:

1) **Respondent level**: For example, the total number and proportion of the UK population who undertook an activity such as downloading music.

2) **Volume level**: For example, the number of music tracks downloaded in the past 3 months, or the number of music tracks legally obtained.

The key metrics throughout this report are summarised as a table on the following page:

[9] See also the recent Google/PRS for Music study into the business models for online copyright infringement which showed that transactional infringing sites in particular (but also some 'rewarded freemium' sites) have declining user bases. http://www.prsformusic.com/aboutus/policyandresearch/researchandeconomics/Documents/TheSixBusinessModelsofCopyrightInfringement.pdf

Topic	Respondent Level	Volume Level
Assessing levels of copyright infringement		
General behaviour	1. Ever done 2. Done in the past 3 months[10] 3. Frequency 4. Mean and median volumes (past 3 months) amongst those who have done each activity	
Payment	Proportion of the population whose downloaded/streamed files in past 3 months were: 1. 100% paid 2. Mix of paid and free 3. 100% free 4. Any free (combination of 2 + 3) 5. Already owned in physical format 6. Previously downloaded for free (% of paid acquisitions across formats) As well as the proportions of those who have done the activity in the past 3 months, metrics 1-4 are also reported amongst the total 12+ internet user population. Mean and median volumes per individual (who fit into above groups) are also reported on	Paid and free proportions of total volume (incorporating physical format where relevant)
Legality	Proportion of the population whose downloaded/streamed files in past 3 months were believed to be: 1. 100% legal 2. Mix of legal and illegal 3. 100% illegal 4. Any illegal (combination of 2 + 3) As well as the proportions of those who have done the activity in the past 3 months, each of the above are also reported amongst the total 12+ internet user population. Mean and median volumes per individual (who fit into above groups) are also reported on	Legal and illegal proportions of total volume (incorporating physical format where relevant)
Assessing consumer spend on categories and price sensitivity		
Spend	Proportion of population who have spent anything (and average spend in the past 3 months) on digital subscriptions, individual digital downloads, physical formats and other related areas such as gigs or cinema.	Total volumes and proportions of overall spend
Price sensitivity	Willingness to pay (music, films and e-books only) - For consuming individual files via a download service - For a subscription service (monthly charge)	

[10] Note that the past 3 months was decided upon as the primary time based metric for this study. Although this might have repercussions regarding respondents' ability to recollect past behaviour accurately, it was chosen for two reasons - 1) it ties in with the future quarterly DEA reporting requirement, and 2) it is intended to avoid bias in the data caused by seasonality (especially regarding the Christmas period).

Subgroup analysis

For each category the report details the main findings, followed by significant differences of interest (at the 99% level[11], unless indicated otherwise) among the following groups:

Category	Subgroups
Gender	Male, Female
Age	12-15, 16-24, 25-35, 35-44, 45-54, 55+
Social Grade (16+ only)	ABC1, C2DE
Presence of children in the household	Yes (including under 15 year old respondents), No

[11] In statistics, a number that expresses the probability that the result of a given experiment or study could have occurred purely by chance. This number can be a margin of error ("The results of this public opinion poll are accurate to five per cent"), or it can indicate a confidence level ("If this experiment were repeated, there is a probability of ninety-five per cent that our conclusions would be substantiated"). Source: Dictionary of Cultural Literacy

2. Summary

2.1 Levels of copyright infringement

This section provides a summary of the key metrics and findings from the study (as described in Section 1.2). The six content sections of the report contain a thorough commentary of how the individual figures were calculated, along with more in-depth findings.

2.1.1 Summary of digital behaviour among internet users aged 12+ – all content types

Table 2.1.1a outlines the proportion of internet users aged 12+ who downloaded, streamed/accessed, or shared content in each of the six categories. The 'any' column is an aggregation across all of the content types (for example, if someone downloaded and streamed both music and films they would be counted only once within the overall proportion):

Table 2.1.1a: Digital behaviour among internet users aged 12+ – all content types

		Music	Films	TV Programmes	Computer software	Books	Video Games	Any
Base: all internet users 12+		4410	4410	4410	4410	4410	4410	4410
Download	**Ever done**	37%	14%	14%	17%	13%	12%	50%
	Past 3 months	25%	9%	8%	10%	10%	7%	39%
Stream or access	**Ever done**	37%	23%	40%	12%	9%	12%	58%
	Past 3 months	25%	16%	30%	5%	4%	7%	46%
Share	**Ever done**	8%	3%	2%	2%	1%	2%	11%
	Past 3 months	5%	2%	1%	1%	1%	1%	8%
Download or Stream/access i.e. Consumed	**Ever done**	48%	27%	42%	22%	16%	17%	65%
	Past 3 months	35%	19%	32%	12%	12%	11%	56%
Download, Stream/access, or Share	**Ever done**	49%	28%	42%	22%	16%	17%	66%
	Past 3 months	36%	19%	32%	13%	12%	11%	56%

- Sixty-six per cent of internet users aged 12+ claim to have ever downloaded or streamed/accessed content online (i.e. consumed) across the six content types evaluated, with 56% having done so in the past three months. Sharing doesn't add to this proportion, meaning that if someone shares files, they generally also consume them.
- Music was the most consumed (downloaded or streamed/accessed) content category (35% in the past 3 months) and video games the least with 11% (this is not significantly lower than computer software or books).
- Music was also by far the most downloaded content type from the six we explored; 37% of internet users had ever downloaded music, and 25% had done so in the past 3 months.
- TV programmes had the highest incidence of streaming across the content types – Forty per cent of internet users had ever streamed them, with 30% having done so in the past 3 months. Music was the second most commonly streamed type, with 37% having done so ever, and 25% in the past 3 months.

- Sharing content (actively) was shown to be a niche activity in general – just 11% of internet users claimed to have done this, dropping to 8% in the past 3 months[12]. Music was the most commonly shared content type (5% in the past 3 months, compared to 1-2% for the other content types).

The following table outlines the mean and median volumes of files downloaded, streamed/accessed or shared in the past 3 months (amongst those who had done each activity). The 'any' column shows aggregations across all three activities:

Table 2.1.1b: Digital behaviour among internet users aged 12+ who have downloaded or streamed/accessed content types in the past 3 months – mean and median averages

		Music	Films	TV Programmes	Computer software	Books	Video Games	Any
Base*		1199	383	339	439	406	345	1813
Download	Mean	30	9	10	8	10	6	29
	Median	10	3	4	2	5	2	10
Base*		1211	690	1326	258	179	356	2164
Stream or access	Mean	72	7	16	8	12	7	55
	Median	12	3	5	2	3	3	10
Base*		278	77	58**	53**	32**	72**	402
Share	Mean	38	7	9	3	5	6	32
	Median	5	2	3	2	1	3	5
Base*		1681	841	1400	545	468	533	2599
Download or Stream/access i.e. Consumed	Mean	73	10	18	10	13	8	66
	Median	15	4	5	3	5	3	15

*All bases are amongst those who had done each activity in the past 3 months

** Caution: Low bases

- Across all content types the mean number of files downloaded or streamed/accessed online was 66[13], whilst the mean number shared across all content types was 32. The median numbers for these activities were lower than the mean in both cases (15 for content consumed, 5 for content shared). This demonstrates that the mean was skewed by a small number of people who downloaded a large number of files; this trend was observed across all content types.
- More music files were consumed or shared than any other content type[14]; a mean number of 30 tracks had been downloaded, 72 streamed and 38 shared in the past 3 months. Again the median numbers were substantially lower (10, 12 and 5 respectively), equating to roughly two albums consumed and one album shared in this quarter of the year among those that did these activities.

[12] It is likely that some people are unaware that they are sharing content online, and so this figure may understate total levels of sharing.

[13] Note that the reason that the mean and median figures for "any" across all content types is lower than the average number of music tracks is because the base is higher i.e. it consists of those who have downloaded or accessed any of the content types in the past 3 months.

[14] Note that we asked about number of music tracks in order to rationalise both singles and albums – if the respondent was unsure of the number of tracks on a given album they were asked to count it as 10.

2.1.2 Summary of payment groups

With regards to payment of digital content, we have categorised people in relation to the proportion of total volume that was paid for. A more thorough description of the calculations is provided within each content specific section throughout the report. We refer to these categories as 'payment groups'.

The following table displays a summary of the payment groups, with respect to content types downloaded or streamed/accessed in the past 3 months. The proportions shown are the incidence levels amongst two different bases - 1) all those who did the activity in the past 3 months, and 2) all internet users aged 12+. The figures among the total internet population are shown because the proportion of people active in each category (i.e. those who accessed/downloaded or streamed) varies between each content type; therefore it is useful to look at these groups at the total level in order to give a more accurate picture of the differences between them.

Table 2.1.2: Summary of payment groups – content downloaded or streamed/accessed (past 3 months)

	Music	Films	TV Programmes	Computer software	Books	Video Games	Any
Base 1	1681	841	1400	545	468	533	2599
100% Paid	28%	28%	6%	24%	42%	38%	13%
Mix of Paid and Free	18%	14%	7%	16%	27%	22%	40%
100% Free	54%	58%	87%	60%	31%	40%	47%
ANY FREE	72%	72%	94%	76%	58%	62%	87%
Base 2	4410	4410	4410	4410	4410	4410	4410
100% Paid	10%	5%	2%	3%	5%	4%	7%
Mix of Paid and Free	7%	3%	2%	2%	3%	2%	22%
100% Free	19%	11%	28%	7%	4%	4%	27%
ANY FREE	26%	14%	30%	9%	7%	7%	49%

Base 1: All who have downloaded or streamed/accessed types of content in the past 3 months

Base 2: All internet users (aged 12+)

- Of those who downloaded or accessed content during the past three months from any of the types covered by this report, the great majority (87%) consumed at least some of it for free[15]. This equates to nearly half of the 12+ internet population (49%).
- TV programmes had the highest incidence of free consumption (downloading or streaming) across the content types; 94% of those who did any, accessed at least some of it for free; 87% all of it. This also translated to the total internet population (12+), where 30% downloaded or streamed any free TV programmes online in the past 3 months.
- By contrast, more readers of e-books (42%) paid for all of them than consumers of any other content type. However, when considering the total 12+ internet population, the higher incidence of online music consumption means that more people (10%) paid for all of the files they accessed than was the case for books (5%).

[15] Note that 'free' does not mean that the content was consumed 'illegally'

2.1.3 Summary of existing ownership, and free access to digital content before purchasing

Table 2.1.3a displays a summary of the key metrics regarding those who claimed to already own content in a physical format that they had downloaded, streamed or accessed online in the past 3 months.

Table 2.1.3a: Summary table - physical ownership of content downloaded or streamed (past 3 months)[16]

	Music	Films	TV Programmes	Computer software	Books	Video Games
Base*	1681	841	1400	545	468	533
All owned in physical format	7%	4%	2%	7%	4%	10%
Some owned in physical format	31%	18%	9%	19%	17%	27%
Mean number already owned	11	1	1	1	1	4

*All bases are amongst those who had done each activity in the past 3 months

- Across the content types, music had the highest incidence (31%) of those claiming to already own (in physical format) content they downloaded or streamed in the past three months. Video games also had a relatively high proportion at 27%. TV programmes had the lowest incidence at 9%.
- Ten per cent of those who had downloaded or accessed video games online in the past 3 months said they already owned all of it in physical format; this was the highest across the content types.

Similar to the above, the following table shows a summary regarding those who claim to have previously consumed paid for content (in either digital or physical format) for free before they purchased it:

Table 2.1.3b: Summary table - downloading or streaming/accessing content before purchasing (past 3 months)

	Music	Films	TV Programmes	Computer software	Books	Video Games
Base*	1459	1579	517	625	2178	1063
All previously consumed for free	12%	7%	20%	19%	5%	11%
Some previously consumed for free	32%	16%	39%	33%	9%	23%
Mean number of purchased tracks downloaded or streamed free previously	7	1	2	1	0.4	1

*All bases are amongst those who had paid for types of content (physical or digital) in the past 3 months

- Thirty-nine per cent of people who had paid for TV programmes (in any format, but excluding Pay TV) had previously accessed at least one of them for free online, with a fifth saying they had accessed all of them for free. This was higher than for any other content type; books had the lowest incidence, with 9% claiming to have previously accessed at least one e-book for free.

[16] Note for these two metrics we do not include the 'median' number (in addition to the mean) as the variance/standard deviation is much lower than for the other metrics.

2.1.4 Summary of legality groups

As with the payment group metrics previously outlined in Section 2.1.2, a similar summary can also be shown for 'legality' groups i.e. using the proportion of online content downloaded or accessed legally [17]:

Table 2.1.4a: Summary of legality groups – content downloaded or streamed/accessed (past 3 months)

	Music	Films	TV Programmes	Computer software	Books	Video Games	Any
Base 1	1681	841	1400	545	468	533	2599
100% legal	77%	69%	81%	83%	89%	82%	71%
Mix of legal and illegal	11%	10%	6%	7%	5%	7%	22%
100% illegal	13%	22%	13%	10%	6%	10%	8%
ANY ILLEGAL	23%	31%	19%	17%	11%	18%	29%
Base 2	4410	4410	4410	4410	4410	4410	4410
100% legal	27%	13%	26%	10%	10%	9%	40%
Mix of legal and illegal	4%	4%	2%	1%	1%	1%	12%
100% illegal	5%	2%	4%	1%	1%	1%	4%
ANY ILLEGAL	8%	6%	6%	2%	1%	2%	16%

Base 1: All who have downloaded or streamed/accessed types of content in the past 3 months

Base 2: All internet users (aged 12+)

- Across all the content types covered in this report, 29% of those who claimed to have consumed content online during the past three months indicated they had consumed at least one item illegally. This equates to 16% of all internet users aged 12+. Furthermore, 8% of those who consumed content in the past three months did so exclusively illegally (4% of all internet users).
- Films had the highest incidence of illegal consumption amongst those who had downloaded or streamed any in the past 3 months; an estimated 31% consumed any films illegally (22% all of them). However, among the entire 12+ internet population the proportion who had consumed any films illegally translated to the same percentage as those who had illegally accessed TV programmes (6%); this compared to 8% for music.
- E-books had the lowest incidence of 'any illegal' activity amongst those who had downloaded or accessed them in the past 3 months (11%). However, amongst all internet users aged 12+ books, computer software and video games all had similar levels at 1-2%.
- Across all content types, those who downloaded or streamed illegally were more likely to be male (58%), 16-34 (64%), and ABC1 (62%). However, this was also the case for those who consumed digital content online in general (whether lawfully or not).

[17] We derived figures for illegal files by looking at differences between claimed total number of files with claimed number of files obtained 'legally' in the past 3 months. A full description of how the legal groups are calculated is outlined in each category specific section of the report e.g. Section 3.1.5 for music.

The following table shows the mean and median number of items downloaded or streamed illegally, split out by the legality groups:

Table 2.1.4b: Summary of legality groups – mean and median number of items of content downloaded or streamed illegally in the past 3 months

		Music	Films	TV Programmes	Computer software	Books	Video Games	Any
Base:		402	263	245	97*	48*	100	746
Mix of legal and illegal	**Mean**	81	7	15	*	*	*	52
	Median	10	4	5	*	*	*	9
100% illegal	**Mean**	84	13	19	*	*	*	73
	Median	11	4	4	*	*	*	6
ANY ILLEGAL	**Mean**	82	11	17	27	*	8	57
	Median	10	4	5	2	*	2	8

Base: All who have downloaded or streamed/accessed types of content illegally in the past 3 months
*Bases too small to analyse further

- Across all content types the mean number of files downloaded or streamed/accessed illegally amongst those who had done any at all was 57, whilst the median number was 9. The median numbers were lower than the mean for all content types. This again demonstrates that the mean was skewed by a small number of people who downloaded a large number of files illegally.
- The above statement is also highlighted by computer software which had the second highest mean score across the content types, but contrary to this also had the lowest median score along with video games (2).
- Music had the highest mean score across all six content types with 82 (the equivalent of 8 albums); it also had the highest median with 10 (the equivalent of 1 album).
- For all content types, those who downloaded or streamed all their content illegally consumed a higher number of files illegally than those who also consumed legal content. This amounted to 73 items of content on average for the '100% illegal' group, compared to 52 for the 'mix of legal and illegal' group. However, this was the reverse for the median, which was 6 for the former group and 9 for the latter.

2.1.5 Summary of total volume estimations

Whilst the metrics outlined so far have focused on results at an individual level, the following table outlines total volume estimates for each of the content types (in the past 3 months, rounded to the nearest million in each case[18]). The calculations involved are discussed within each of the individual category sections of the report as well as in Section 1.2.

Table 2.1.5: Total volume estimations – all content types

		Music	Films	TV Programmes	Computer software	Books	Video Games
TOTAL	**Number (000s)**	**1403m**	**148m**	**272m**	**69m**	**176m**	**68m**
Physical	**Number (000s)**	261m	65m	20m	14m	108m	31m
	% of total	19%	44%	8%	20%	61%	45%
Digital	**Number (000s)**	1143m	83m	252m	55m	69m	37m
	% of total	81%	56%	92%	80%	39%	55%
DIGITAL FILES ONLY							
Free	**Number (000s)**	824m	51m	219m	47m	40m	24m
	% of digital	72%	61%	87%	85%	59%	63%
Paid	**Number (000s)**	319m	32m	33m	8m	28m	14m
	% of digital	28%	39%	13%	15%	41%	37%
Legal	**Number (000s)**	842m	54m	205m	29m	60m	31m
	% of digital	74%	65%	82%	53%	88%	82%
Illegal	**Number (000s)**	301m	29m	47m	26m	8m	6m
	% of digital	26%	35%	19%	47%	12%	18%
PHYSICAL AND DIGITAL FILES COMBINED							
Paid	**Number (000s)**	579m	97m	53m	22m	136m	45m
	% of total	41%	66%	20%	32%	77%	65%
Legal	**Number (000s)**	1102m	119m	225m	43m	168m	62m
	% of total	79%	80%	83%	62%	95%	90%

- Our survey indicated that music had by far the highest total estimated volume of content consumed both digitally (1100 million) and physically (261 million) over the three month period across the six content types evaluated. This was partly driven by the fact that we assessed individual tracks, not albums. 81% of music tracks consumed over the previous quarter were consumed digitally.
- Books was the only category where physical volume estimates (108 million) outweighed digital (69 million).
- An estimated 72% per cent of all downloaded or streamed music was obtained for free, equating to 824 million tracks. However, proportionally both TV programmes (87%) and computer software (85%) were higher in this respect. Books had the highest proportion of paid for content at 41%.
- An estimated 301 million music tracks were consumed illegally in the past 3 months, accounting for 26% of all digital tracks. In terms of volume this was again by far the highest across the content types. However, with regards to proportions of total volume that were obtained illegally, computer software products (47%) and films (35%) were higher.

[18] Due to rounding (to the nearest million), not all figures e.g. Paid + free will add up to the total exactly.

2.2 Consumer spend

This sub-section outlines the main findings with respect to current consumer spend across the six content types.

2.2.1 Summary of quarterly consumer spend among 12+ year olds

The table below shows the results at a respondent level, showing proportions of the entire UK population aged 12+ that claim to have spent any money on specific items within the content type, as well as average spend in the past 3 months:

Table 2.2.1: Consumer quarterly spend among 12+ year olds – all content types[19]

	Music		Films		TV Programmes		Computer software		Books		Video Games	
	Mean	**%**	**Mean**	**%**	**Mean**	**%**	**Mean**	**%**	**Mean**	**%**	**Mean**	**%**
Purchases in Physical format	£4.05	20%	£4.72	19%	£3.06	12%	£3.50	9%	£8.84	40%	£5.81	16%
Individual digital purchases	£1.38	11%	28p	2%	47p	3%	£1.20	3%	£1.22	6%	91p	4%
Online Subscriptions	£2.18	6%	53p	4%	-	-	-	-	-	-	-	-
Other	£11.70	16%	£11.22	40%	£1.45	7%	-	-	-	-	-	-
TOTAL[20]	**£19.31**	**32%**	**£16.76**	**42%**	**£4.98**	**13%**	**£4.69**	**10%**	**£10.06**	**43%**	**£6.71**	**17%**

Mean is the average amongst all 12+ year olds in the UK

% is the proportion of 12+ year olds in the UK who spent anything on the content type

Base: All 12+ year olds in the UK (5099)

- Across the six content types, music had the highest average spend per person in the UK aged 12+ at £19.31, though it is worth noting that there were more items covered within this category than the others – one of the items included within 'other' was concerts and gigs and this had an average quarterly spend of £10.18 per person by itself[21].
- A higher proportion of people claimed to have spent any money in the past 3 months on films (42%) and books (43%) than on other content types. The average amount spent for these content types was £16.76 and £10.06 respectively (covering physical and digital purchases only for books).
- A fifth of adults in the UK aged 12+ claimed they had spent anything on physical music (on CD, vinyl or tape) in the past 3 months; this compared to 11% for digital music (downloaded or streamed). In fact, physical purchase of content was higher for all content types.
- Computer software had the lowest overall average spend across the six content types at £4.69, with just a tenth of the population spending anything in the three month period.

[19] ***Other** includes: **Music** = Concerts/Gigs (£10.18, 14%) Merchandise (£1.52, 8%) **Films** = Cinema (£6.95, 12%) Physical rentals (£2.65, 16%), Pay TV purchases (£1.61, 22%) **TV programmes** = Physical rentals (£1.45, 7%).
Cells marked with a dash mean that they were not covered for that specific content type.

[20] Note that the total percentages add to less than the individual ones added together due to duplication i.e. if someone purchased in physical format and online they only count once.

[21] Note that the fieldwork took place during the traditional 'festival season' which may have artificially inflated the proportionate spend on concerts or gigs for this wave of research.

2.2.2 Summary of quarterly total spend estimations and proportions

Whilst the previous table focused on results at an individual level, table 2.2.2 outlines total spend estimates for each of the content types (in the past 3 months rounded to the nearest million in each case[22]). Again, the various calculations, as well as important notes/caveats to consider, are discussed within each of the individual category sections of the report as well as in Section 1.2.

Table 2.2.2: Total quarterly spend estimations and proportions – all content types[23]

												
	Spend	%	Spend	%	Spend	%	Spend	%	Spend	%	Spend	%
Purchases in Physical format	£216m	21%	£253m	14%	£164m	62%	£187m	75%	£473m	88%	£311m	87%
Individual digital purchases	£74m	7%	£15m	3%	£25m	9%	£64m	25%	£65m	12%	£48m	13%
Online Subscriptions	£117m	11%	£28m	3%	-	-	-	-	-	-	-	-
Other	£627m	61%	£600m	67%	£77m	29%	-	-	-	-	-	-
TOTAL	**£1033 million**		**£896 million**		**£266 million**		**£251 million**		**£537 million**		**£359 million**	

Spend is the total amount spent across all 12+ year olds in the UK

% is the proportion of the total spend attributed to the specific category

Base: All 12+ year olds in the UK (5099)

- Music had the highest estimated overall spend (past 3 months) across the content types at approximately £1033 million, followed by films (£796m). Spend on music in physical format during this period (£216m) was more than that generated from digital music (approximately £190m for individual purchases and online subscriptions combined).
- However, in absolute terms, the £190m spent on digital music was by far the highest across the six categories evaluated. The second highest digital spend was books (£65m), with the lowest being TV programmes at £25m).
- Total spend on physical content purchases was higher than digital for all content types.
- Digital computer software purchases accounted for proportionately more spend compared to physical (25%) than for any other content type.

[22] Due to rounding (to the nearest million), not all figures will add up to the total exactly.

[23] ***Other** includes: **Music** = Concerts/Gigs (£545.3m, 53%), Merchandise (£81.3m, 8%). **Films** = Cinema (£372m, 42%), Physical rentals (£142m, 16%), Pay TV purchases (£86m, 10%). **TV programmes** = Physical rentals (£77.3m, 29%)
Cells marked with a dash mean that they were not covered for that specific content type.

2.3 Attitudes

The findings from the attitudinal elements of this study can be found in Section 9 of the report, but the key figures to note in this area are as follows:

- **Convenience was the prime motivation for downloading content online** rather than buying it in a physical format, with 67% highlighting this reason, compared with 56% who said they did so because it is quicker and 46% because it's cheaper.
- **Among those who downloaded or accessed content illegally, the most commonly cited reasons for doing so were because it is free (56%), convenient (48%) and quick (44%).** Twenty-six per cent said they did so because it means they can try before they buy. To match this back to behaviour, 40% of those who indicated any illegal behaviour across the content types, and had paid for any content, claimed they had previously accessed any of it for free.
- **Factors that infringers said would encourage them to stop infringing included the availability of cheaper legal services (39%), if everything they wanted was available legally (32%) and if it was clearer what is legal and what isn't (26%).**
- **44% of all internet users aged 12+ claimed to be either 'not particularly confident' or 'not at all' confident in terms of what is legal and what isn't online**. Confidence was lower amongst females (51%) and C2DEs (48%). i.e. those less likely to participate in all forms of online activity (legal and legal). Although the proportion increased with age, 12-15 year olds (42%) claimed to be less confident than all other age groups up to the age of 44.
- **YouTube (81%) had the highest prompted awareness of all lawful services covering each of the six content types**, followed by BBC iPlayer (76%), Amazon and ITV player (both 65%)

3. Music

3.1 Levels of music copyright infringement

3.1.1 Digital behaviour among internet users aged 12+

The following table summarises general digital behaviour in the music category:

Table 3.1.1a: Summary of digital behaviour among internet users aged 12+ - music

Base: Internet users aged 12+ (4410) Various questions	Downloaded	Streamed	Downloaded or streamed i.e. "consumed"	Shared	Downloaded, streamed or shared
Ever done	37%	37%	48%	8%	49%
Done in past 3 months	25%	25%	35%	5%	36%
Mean number of files in past 3 months among those who've done activity[24]	30	72	73	38	-
Median number of files in past 3 months among those who've done activity	10	12	15	5	-

Levels for downloading and streaming music were the same, both in terms of 'ever done' (37%) and within the past 3 months (25%). Sharing was shown to be a more niche activity, with 5% of internet users aged 12+ having done it in the past 3 months (8% ever).

Thirty-six per cent of the online 12+ population had done at least one of the three activities in the past 3 months. The mean number of music tracks downloaded in the past 3 months was 30, compared to 72 streamed. However, the median numbers for both activities were lower at 10 and 12 respectively. This demonstrates that the mean was skewed higher by a small number of people who downloaded a very large number of files.

The following table shows the demographic profile of each of the activity groups:

Table 3.1.1b: Downloaded, streamed or shared music in past 3 months - profiles

		Downloaders	Streamers	Sharers
	Base	1199	1211	278
Gender	Male	58%	56%	67%
	Female	42%	44%	33%
Age	12-15	10%	11%	14%
	16-34	55%	56%	62%
	35-54	27%	26%	21%
	55+	6%	7%	3%
Socio-economic group[25]	ABC1	71%	68%	59%
	C2DE	29%	32%	41%
Presence of children in household	Children in household	41%	40%	53%
	No children in household	59%	60%	47%

The demographic profiles of music 'downloaders' and 'streamers' were very similar to each other. Both skewed towards males, younger age groups (under 35), and ABC1s. In comparison, 'sharers' were even more likely to be male, younger and more C2DE (though 59% are still ABC1). Music sharers were also

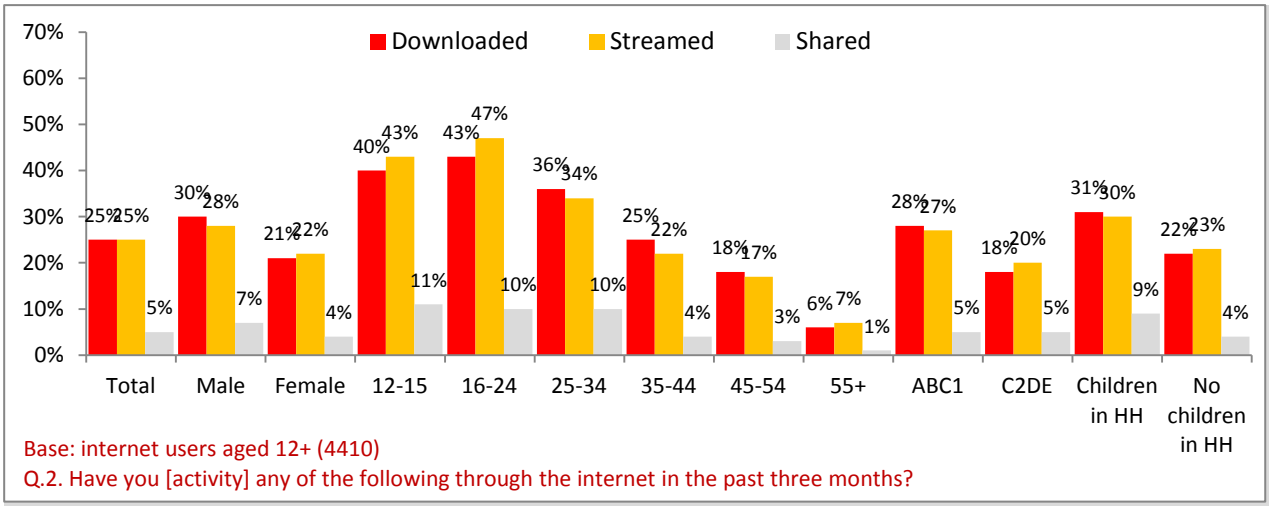
[24] Note that we asked about number of music tracks in order to span both singles and albums – if the respondent was unsure of the number of tracks on a given album they were asked to count it as 10.

[25] Note that Social Grade is not included for 12-15 year olds so profile is amongst 16+ year olds

significantly more likely to have children in the household compared to 'downloaders' and 'streamers' (53%, compared to 41% and 40% respectively).

The following chart shows the penetration of each of the activities amongst key subgroups:

Table 3.1.1c: Downloaded, streamed or shared music in past 3 months among subgroups



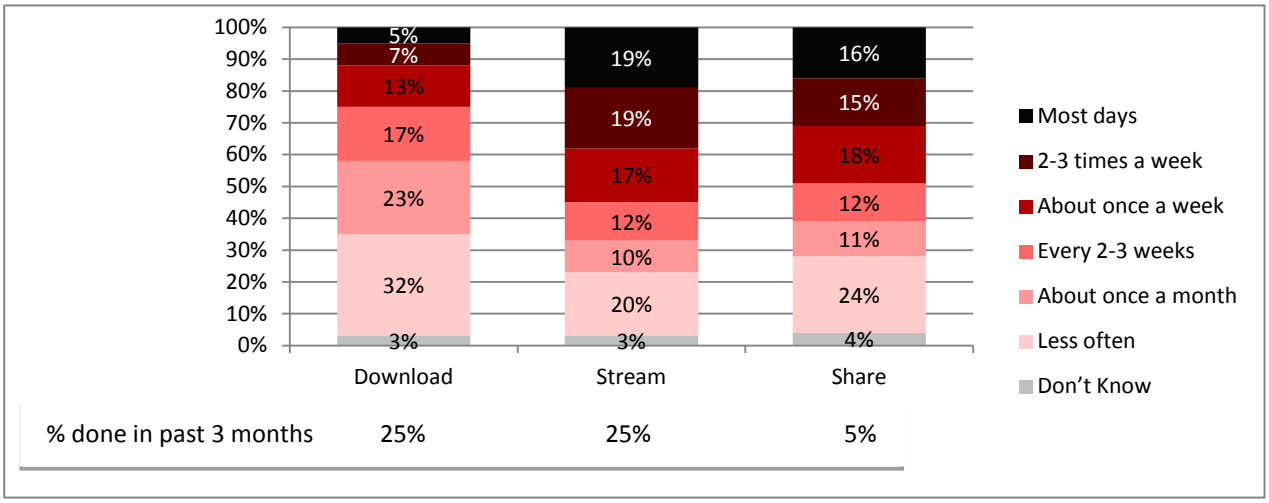
Base: internet users aged 12+ (4410)
Q.2. Have you [activity] any of the following through the internet in the past three months?

Taking the penetration figures above:

- Males were more likely than females to have taken part in all three activities in the past 3 months.
- Younger age groups were also more likely to engage in all three activities; 16-24 year old internet users had the highest penetration of downloading (43%), streaming (47%) and sharing (40%) music files.
- ABC1s were significantly more likely than C2DEs to have downloaded (28% v 18%) and streamed (27% v 20%) music, but sharing was at similar levels for both (5% each).
- Downloading (31%) and streaming (30%) music were more common among those with children in the household than among those without (22% and 23% respectively).

Those who indicated that they had downloaded, streamed or shared music in the past 3 months were also asked the frequency with which they did so, and the results are shown in the following chart:

Chart 3.1.1d: Frequency of downloading, streaming and sharing music



Base: All who have downloaded (1199), streamed (1211), shared (278) music in the past 3 months

Question: Generally, how often do you [ACTIVITY music tracks or albums] through the internet?

Streaming was shown to be a more frequent activity than downloading, with 55% claiming to stream music at least once a week compared to 25% for downloading. Sharing, while less common, was claimed to be conducted relatively frequently among those who claimed to do it, with 49% saying that they shared music files at least once a week.

Those who took part in all three activities most frequently displayed the same characteristics as the user groups in general. Significant points to note include:

- Males were more likely than females to download (32% v 19%) and stream (60% v 48%) music tracks once a week or more.
- Among those who streamed music, 16-24s year olds claimed to do so frequently, with 30% doing so most days.
- The most frequent music downloaders in terms of age were 12-15 year olds (36% of this age group said they did it at least once a week).
- Sharing of music was claimed to be more frequent among those under the age of 35 – 41% of sharers aged 12-15s said they did so at least 2-3 times a week.
- A higher percentage of those with children in the household said they downloaded music once a week or more (32%) than those without children (22%).

3.1.2 Payment for downloaded or streamed digital music

Using the total number of music tracks that respondents indicated they had downloaded and streamed in the past 3 months, those who specified any were asked:

You indicated you have downloaded or streamed/accessed [NUMBER] music tracks in the past 3 months. How many did you pay for, either as a one off or as part of a subscription?

Table 3.1.2 outlines the proportions of people and mean (and median) number of files for four derived groups:

1. **100% paid** accounts for those who indicated they paid for 'all' of the music tracks they had downloaded or streamed in the past 3 months.
2. **Mix of paid and free** was formed from anyone who was not in the above category but had a value greater than zero.
3. **100% free** was derived from anyone with a value of zero (and who had previously indicated they had downloaded or streamed at least one music track).
4. **Any free** is a combination of 2 and 3 above.

Table 3.1.2: Summary of payment groups – downloaded or streamed music

	% internet users aged 12+	% 12+ downloaded or streamed music in the past 3 months	Mean number of files (past 3 months	Median number of files (past 3 months)
Base	4410	1681	1681	1681
100% paid	10%	28%	42	10
Mix of paid and free	7%	18%	Total = 102 Paid = 46 Free = 56	Total = 30 Paid = 10 Free = 15
100% free	19%	54%	79	14
Any free	**26%**	**72%**	**Free = 73**	**Free = 15**

Seventy-two per cent of those who had downloaded or streamed music in the past 3 months claimed to have accessed any of it for free (equating to 26% of the online 12+ population); 54% accessed all of it for free. This compared to 46% who had paid for any, with 28% '100% paid'.

Those who accessed a mix of both paid and free music tracks downloaded the most on average (102 tracks in a three month period). They also paid for more tracks on average than those in the '100% paid'

group (46 compared to 42). The mean number of tracks consumed for free was highest amongst those who hadn't paid for any tracks at 79.

- The gender profile of all three payment groups was predominantly male, and was even more so for the 'mix of paid and free' group (60% - compared to 56% for '100% paid' and 54% for '100% free').
- This pattern was also observed for under 34s, who accounted for 77% of the 'mix of paid and free' group, compared to 54% for '100% paid' and 63% for '100% free'.
- Those aged 25-34s were the most likely to say they paid for any digital music tracks (56%).
- C2DEs (78%) were significantly more likely than ABC1s (67%) to have consumed any free digital music (among those who had downloaded or streamed any). However, because ABC1s were more likely to do each activity in the first place, the socio-economic profile of all three groups was still predominantly ABC1 (accounting for 77%, 68%, and 65% respectively).

3.1.3 Consuming music online already owned in physical format

As part of the same question used to assess payment, respondents were also asked:

How many did you already own on CD, vinyl or tape?

Table 3.1.3 outlines the following:

1. **All owned in physical format** shows the proportion of those who downloaded or streamed music in the past 3 months, and indicated they already owned 'all' of those tracks in a physical format.
2. **Some owned in physical format** shows the proportion of those who downloaded or streamed music in the past 3 months, and indicated they already owned 'some' of those tracks in a physical format.
3. **Mean number** is the average number of tracks that people who had downloaded or streamed music in the past 3 months claimed to have already owned in physical format.

Table 3.1.3: Summary table - physical ownership of downloaded or streamed music

Base: All those who downloaded or streamed music in the past 3 months	1681
All owned in physical format	7%
Some owned in physical format	31%
Mean number	11

Of those who had downloaded or streamed music in the previous three months, 31% claimed to have already owned at least one of the tracks in physical format; 7% all of them. The mean number already owned was 11 (this roughly translates to one album).

There was little difference in claimed ownership in physical format for the majority of sub-groups of interest. Only amongst those with children in the household was there a significant difference (36%) compared to those without children in the household (28%).

3.1.4 Downloading or streaming free music before purchasing

Taking the number of tracks respondents indicated they had paid for in the past 3 months, plus the number of physical purchases, respondents were asked:

You indicated you have paid for [NUMBER] music tracks in any format (digital or physical) in the past 3 months. How many of these had you previously downloaded or streamed online for free?

Table 3.1.4 outlines the following:

1. **All previously accessed for free** shows the proportion of those who had purchased any music (physical or digital) in the past 3 months, who indicated they had previously accessed 'all' of it for free online.

2. **Some previously accessed for free** shows the proportion of those who had purchased any music (physical or digital) in the past 3 months, who indicated they had previously accessed 'some' of it for free online.
3. **Mean number** is the average number of music tracks that people who had purchased any music in the past 3 months claimed to have previously downloaded or streamed for free.

Table 3.1.4: Summary table - downloading or streaming free music before purchasing

Base: all who had paid for any music (physical or digital) in the past 3 months	1459
All previously accessed for free	12%
Some previously accessed for free	32%
Mean number	7

Close to a third (32%) of those who had paid for music (any format) in the previous 3 months said they had previously downloaded or streamed at least one track for free prior to purchase; 12% all of them. The mean number of paid-for tracks in the past 3 months that were claimed to have been previously accessed for free was 7.

Younger age groups (for example, 16-24s = 47%) and those with children in the household (40%) were all significantly more likely than average (32%) to have previously downloaded purchased tracks for free.

3.1.5 Legality of digital music downloaded or streamed

Legality is clearly the area of this study that relies most on honesty, as well as the knowledge of the respondent in terms of what they personally believe constitutes lawful and unlawful behaviour (there is likely to be some uncertainty). Both of these factors mean that a degree of caution should be placed on the figures documented.

The number of tracks calculated as being downloaded or streamed for free in the past 3 months was shown to respondents, and they were asked how many of these they think were done so legally:

You indicated that you have downloaded or streamed/accessed [NUMBER] music tracks for free in the past 3 months. How many of these do you think were done so legally?

From this we were able to derive the number obtained illegally (total number of free files minus the number obtained legally). If we are to assume that all paid for files were obtained legally[26], and include these in the legal numbers, they can be translated into proportions based on all digital music consumed for each respondent.

Table 3.1.5 displays the percentages of people who fit into four derived groups along with the mean and median numbers for each:

1. **100% legal** accounts for those who indicated 'all' of the music tracks they had downloaded or streamed for free were legal.
2. **Mix of legal and illegal** was formed from anyone who was not in the above category but had a value greater than zero.
3. **100% illegal** accounts for anyone who either indicated all tracks were paid for (so were not asked the question), or those for whom none of the free music they downloaded or streamed was obtained legally.
4. **Any illegal** is a combination of 2 and 3 above.

[26] Note that in this scenario we are assuming that only free files can be illegal. We acknowledge that there may be certain instances where they are paid for and illegal.

Table 3.1.5: Summary of legality groups – downloaded or streamed music

	% of internet users aged 12+	% 12+ downloaded or streamed music in the past 3 months	Mean number of files in past 3 months	Median number of files in past 3 months
Base	4410	1681	1681	1681
100% legal	27%	77%	59	14
Mix of legal and illegal	4%	11%	Total = 160[27] Legal = 80 Illegal = 81	Total = 40 Legal = 22 Illegal = 10
100% illegal	5%	13%	84	11
Any illegal	**8%**	**23%**	**Illegal = 82**	**Illegal = 10**

Twenty three per cent of those who downloaded or streamed music in the past 3 months consumed at least one of their tracks illegally; 13% consumed all of their tracks illegally, equating to 5% of the overall 12+ Internet population.

On average, those in the 'mix of legal and illegal' group claimed to consume a similar number of tracks illegally as those in the '100% illegal' group (81 v 84), but they also claimed to consume a higher number of tracks legally than those in the '100% legal' group (80 v 59). The mean number of tracks downloaded or streamed illegally among those who had done any at all was 82, while the median was 10.

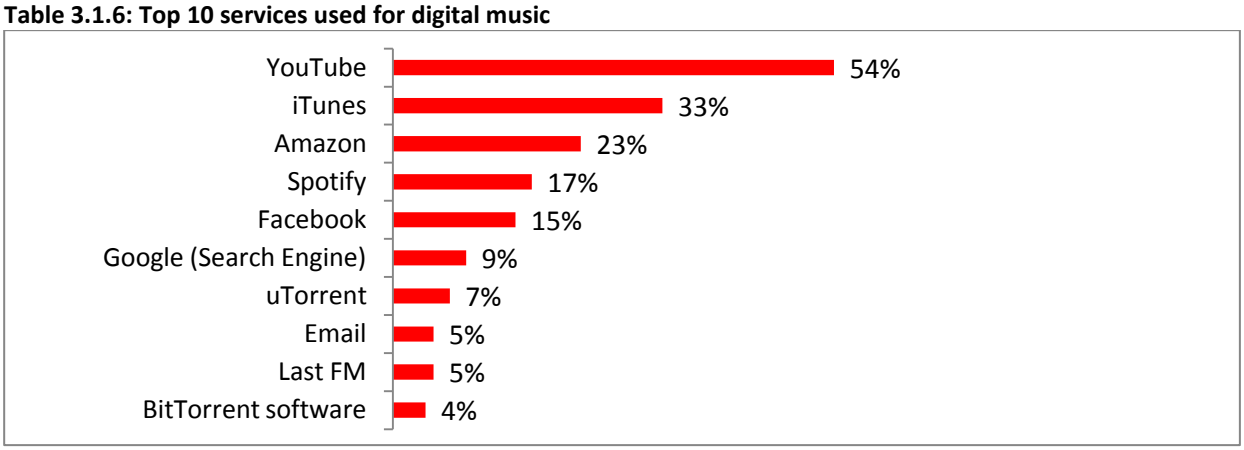
Of those who had downloaded or streamed music in the previous three months:

- The vast majority of those who consumed any music illegally online were male (60%) under 34 (79%), and ABC1 (70%).
- All illegality groups had a male and ABC1 skew, even though C2DEs (17%) were more likely than ABC1s (11%) to download exclusively illegally. This was because ABC1s constituted a much higher proportion of the base i.e. those who downloaded or streamed music at all.
- Two of the older age groups (35-44 and 55+) were significantly more likely than other ages to claim that all their music was obtained legally (88% and 87% respectively).

3.1.6 Services used for downloading, streaming or sharing music

The following table shows the top ten responses for services used to download, stream or share digital music in the past 3 months:

Table 3.1.6: Top 10 services used for digital music



Base: All who have downloaded, streamed or shared music in the past 3 months (1695)
Q.B1_4 Which sites or service shave you used in the past 3 months to download, stream/access, or share music tracks or albums through the internet?

[27] Note that the legal and illegal mean figures do not add exactly to the total mean due to rounding.

YouTube[28] was the most commonly cited service used for digital music (54%). This particular service is wholly streaming, whereas iTunes (33%) and Amazon (23%) are primarily download sources. The highest incidence of peer-to-peer (P2P) services was 7% for uTorrent. However, aggregating all such services (e.g. including Pirate Bay, Isohunt, Bittorrent software, etc) together indicated that 12% were using P2P services for music.

Significant findings amongst demographic and derived sub-groups were as follows:

- 12-15s were more likely than other age groups to use Facebook for music (26%).
- ABC1s had higher use of iTunes (36% v 24%) and Spotify (18% v 14%) than C2DEs. YouTube on the other hand was higher among C2DEs (59% v 50%).
- Facebook had the highest use among music sharers (29%). This compared to 15% amongst downloaders and 17% among streamers.
- uTorrent mentions measured 19% among the '100% illegal' group. This was the third highest response for this group behind Youtube (59%) and Facebook (20%), and highlights that all the music accessed on these services was deemed to be unlawful by a significant number of people, despite them being mainstream sites (and regardless of the fact that some of it may have been licensed).
- BitTorrent software (16%) and Pirate Bay (13%) recorded high levels of mentions amongst those in the 'mix of legal and illegal' group, although the paid services iTunes (40%) and Amazon (26%) had higher claimed usage.

3.1.7 Total volume estimates for music – past 3 months

This subsection focuses on the data at a 'volume' level, as described in Section 1.2. The following table shows total volume estimates for physical and digital music based on the sum of all individual volumes collected in this survey and subsequently grossed up to reflect the UK 12+ population.

Table 3.1.7a: Volume and proportion estimates of physical and digital files - all music

Type	Number (000s)	% all music	Description
Physical	261m	19%	Total number of tracks bought on physical disc in the past three months (an album was asked to be considered as 10 tracks if respondent doesn't know how many tracks were on it).
Digital*	1143m	81%	Total number of digital tracks consumed via downloading or streaming (again an album was considered as 10 tracks).
Total	1403m[29]	100%	Total number of digital and physical music tracks consumed

*Digital was composed of approximately 336m downloaded and 807m streamed music tracks.

Focusing on 'digital' music only, the split between paid and free digital files was as follows:

Table 3.1.7b: Volume and proportions of paid and free – digital only

Type	Number (000s)	% digital	Description
Paid	319m	28%	Total number downloaded or streamed and paid for in the past 3 months
Free	824m	72%	Total derived number of music tracks downloaded or streamed for free in the past 3 months
Total	1102m	100%	Total no. of digital music tracks downloaded or streamed in past 3 months

[28] It is fairly likely that a significant number of respondents included music video within their definition of music tracks, resulting in the high numbers for YouTube. Our intentions were for people to exclude music videos, but given that the content can be listened to without necessarily viewing it might be difficult to differentiate.

[29] Note that in each table the two components will not always add exactly to the total due to rounding. All figures are rounded to the nearest million.

As we also know the number of physical tracks respondents claimed to have purchased on disc/vinyl/tape in the past 3 months, we are able to assess the picture in terms of all music consumption (digital and physical), by adding the paid digital volume figure above to the number of physical tracks bought on disc.

Table 3.1.7c: Volume and proportions of paid and free music – physical and digital combined

Type	Number (000s)	% all music	Description
Paid	579m	41%	The number of music tracks that were downloaded/streamed and paid for + the number of physical tracks bought on disc in the past three months
Free	824m	59%	The derived number of music tracks that were downloaded/streamed for free in the past 3 months
Total	1403m	100%	Total no. digital music tracks downloaded or streamed + Total number of tracks bought on physical disc in the past three months

Focusing on the legality element, the following table shows the total volume split of free downloaded or streamed music tracks in terms of whether they were believed to have been obtained legally or illegally.

Table 3.1.7d: Volume and proportions of legal and illegal – free digital music

Type	Number (000s)	% free digital	Description
Legal	523m	63%	The number of free music tracks that were downloaded or streamed legally in the past 3 months
Illegal	301m	37%	The derived number of free music tracks that were downloaded or streamed Illegally in the past 3 months
Total	824m	100%	Total number of digital tracks downloaded or streamed for free in the past 3 months

If we are to assume that all paid tracks were obtained legally[30], these can be added to the legal total in order to assess the picture across all digital music, and this is outlined as follows:

Table 3.1.7e: Volume and proportions of legal and illegal – all (paid + free) digital

Type	Number (000s)	% all digital	Description
Legal	842m	74%	The number of free digital files that were downloaded or streamed legally + the number of digital files that were downloaded/streamed and paid for
Illegal	301m	26%	The derived number of free music tracks that were downloaded or streamed Illegally in the past 3 months
Total	1102m	100%	Total number of digital tracks downloaded or streamed (paid or free) in the past 3 months

As with the paid and free split, if we also assume that physical discs/tapes/records were all purchased legally[31] we can incorporate this into the legal total in order to assess legality across all music.

Table 3.1.7f: Volume and proportions of legal and illegal – physical and digital combined

Type	Number (000s)	% all music	Description
Legal	1102m	79%	The number of free digital files that were downloaded or streamed legally + the number of digital files that were downloaded or streamed and paid for + the number of physical tracks bought on disc in the past three months
Illegal	301m	21%	The derived number of music tracks that were downloaded or streamed Illegally in the past 3 months
Total	1403m	100%	Total number of digital tracks downloaded or streamed + the number of physical tracks bought on disc in the past three months

An estimated 301 million music tracks were consumed illegally in the past 3 months – equating to 21% of all music (downloaded, streamed or bought in physical format).

[30] As mentioned earlier, we have made an assumption throughout that all paid files are legal; it is likely a small proportion of paid files attributed to 'legal' were obtained through unlicensed sites.

[31] We have also made an assumption for the purpose of these calculations that all physical discs were obtained legally. It is likely a small proportion of these were obtained from unlawful sources.

3.2 Consumer spend on music and price sensitivity

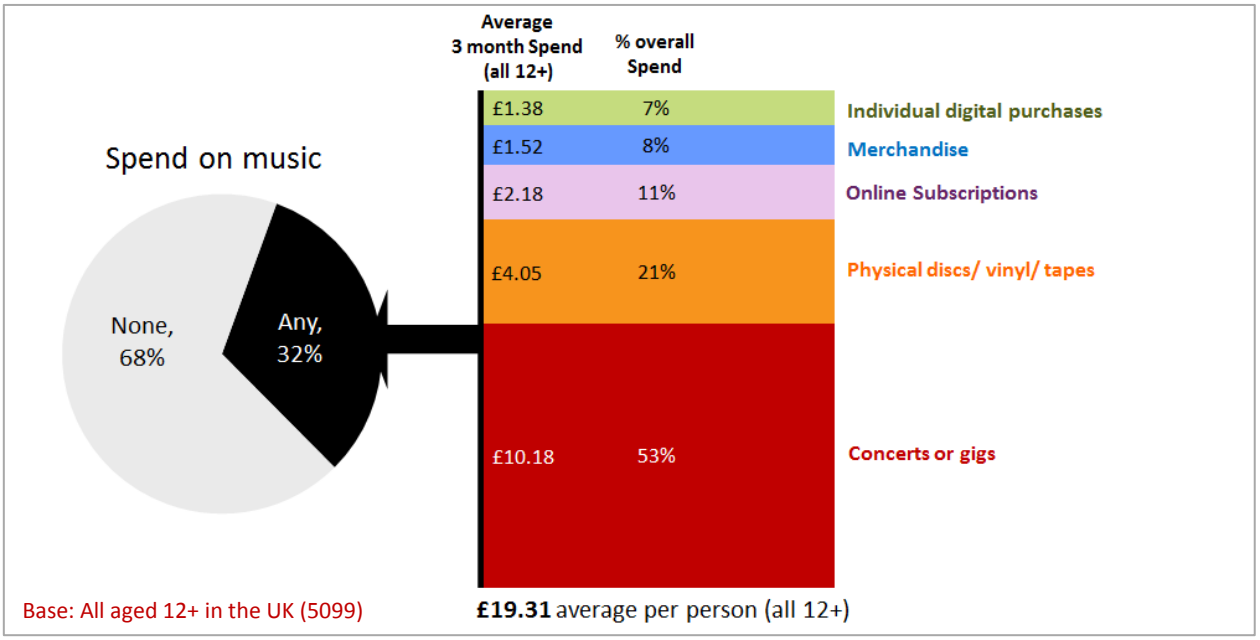
3.2.1 Quarterly music spend

Respondents were asked:

Approximately how much have you spent on the following in the past 3 months? Please include money spent on other people, where they haven't paid you back.

The following chart demonstrates the proportion of people who claimed they spent anything on music in the past 3 months as a category, along with the overall profile of spend among this group of people.

Chart 3.2.1: Proportion of the population who have spent anything on music, and split of spend (past 3 months)



The total three month spend estimate[32] was close to £1 billion, equating to £19.31[33] for every person in the UK. This was by far the highest across all six content types investigated in this research.

Almost a third (32%) of the total 12+ UK population claimed to have spent any money on music (across the items evaluated) in the past 3 months. The average spent by people active in this category was £60.79 per person.

The majority of spend on music in this period came from concerts or gigs[34], with over half (53%) of total music spend being attributed to this. Physical discs accounted for 21%, higher than the combined total for digital (subscriptions[35] + individual digital tracks = 18%).

In terms of the three 'legality' groups discussed earlier, those who accessed a mix of legal and illegal music spent the most on music (£77.24), with '100% illegal' (£13.80) the least. Those who claimed all their music was obtained legally were between these values, at £43.31.

[32] Total spend estimates are calculated by adding up all spend values across respondents (grossed to 12+ population).
[33] Note that each individual component will not necessarily add to the total (average) exactly due to rounding
[34] Note that the fieldwork took place during the traditional 'festival season' which may have artificially inflated the proportionate spend on concerts or gigs for this wave of research.
[35] We also believe there may have been some over claim on subscription spend, as some people may have included TV subscription spend if they stream tracks through their TV service.

3.2.2 Willingness to pay (PSM)

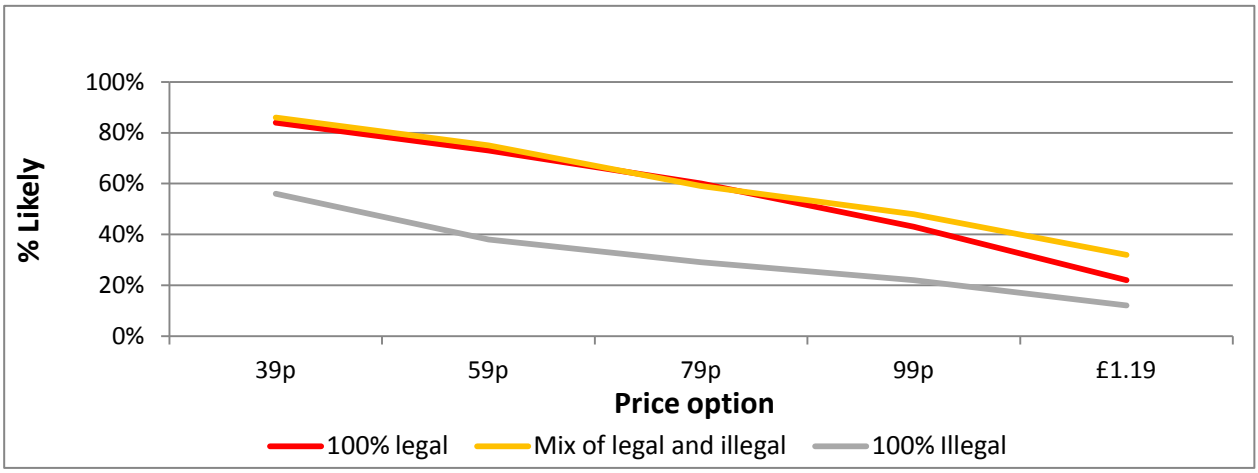
Within the survey we set out to assess at what price people would be willing to pay for both individual music tracks via a download service, and via a subscription service. A Gabor-Granger price sensitivity model was used for this purpose; an approach which delivers price elasticity to examine the likely effect on demand is to changes of price. It is important to note that the price points used in the survey were pre-determined i.e. they were not spontaneously offered by survey respondents.

With regard to a **download** service, the following question was asked:

Assuming you saw a single music track on an online service that you wanted to own. The track would be high quality, and you knew it was a reputable and reliable service. How likely would you be to download it if it was the following prices?

The following chart displays the percentage of people in each of the legality behavioural groups (discussed earlier) who claimed to be willing to pay (either quite likely or very likely) at certain price points for a single track.

Chart 3.2.2a: Likelihood to pay for downloading music tracks at different price options - single track



Base: All 12+ in the UK that have downloaded/streamed music tracks 100 % legally in the past 3 months (1279) 100% illegal (216) legally and illegally (186)

Willingness to pay declined steadily as the proposed price of a track download increases, and likelihood to purchase was much lower in general for those who only downloaded or streamed illegally. That said, over half (56%) of the '100% illegal' group said they would pay at 39p.

Those who consumed digital music both legally and illegally were just as likely to purchase at the majority of price points, and were in fact more likely to purchase at the highest price of £1.19 (32%), than those who only downloaded/streamed legally (12%).

Mean price willing to pay price points among these three groups were as follows:

- 100% legal = 72p per track
- Mix of legal and illegal = 76p per track
- 100% illegal = 42p per track

The most marked subgroup difference in willingness to pay for downloads were at the extreme ends of the age scale. 12-15s were the age group most likely to profess that they were willing to pay (at all price points), while 55+ were the lowest for all except the £1.19 price point (19% willing compared to 18% of 35-54s).

Focusing on a **subscription** service we asked the following question:

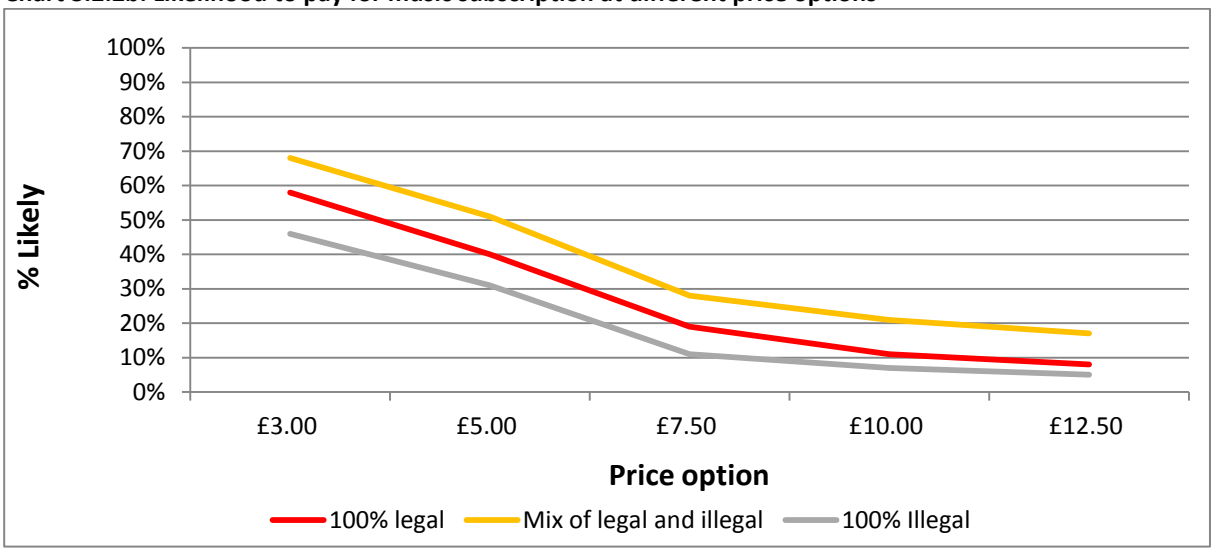
Assume that the following online service became available…

A monthly subscription service allowing you to stream\access unlimited music from any internet connected device. All the music you want would be available in high quality. The service would allow you to access the files offline. You would be allowed to cancel the service at any time

How likely would you be to subscribe at the following prices per month?

Again, the following chart displays the percentage of people in each of the three legality groups who said they would be willing to pay (either quite likely or very likely) for a subscription service at certain monthly price points:

Chart 3.2.2b: Likelihood to pay for music subscription at different price options



Base: All 12+ in the UK that have downloaded/streamed music tracks 100 % legally in the past 3 months (1279) 100% illegal (216) legally and illegally (186)

As with track downloads, willingness to pay declined steadily as the proposed price of a music subscription increased. At an entry price of £3.00, 68% of those who consumed a mix of legal and illegal music tracks in the past 3 months claimed they would pay, falling to 58% in the '100% legal' group, and 46% in the '100% illegal' group.

At the top end of the scale (£12.50), a similar trend was observed, but at much lower levels - 17% of the 'mix of legal and illegal' group, 8% of the '100% legal' group, and 5% of the '100% illegal' group said they would consider paying.

Mean price willing to pay among these three groups were as follows:

- 100% legal = £3.50 a month
- Mix of legal and illegal = £4.69 a month
- 100% illegal = £2.59 a month

Subgroup differences were more pronounced at the lower pricing levels for subscription services. For example, those aged 12-15s and 16-34s were significantly more likely to be willing to pay £3 (62%) than those aged 55+ (27%). Those with children in the household were also more willing to pay at the lowest price point of £3 (60%) than those without children in the household (49%). However all sub-groups converged by the time the price reached £12.50 (9% and 5%).

4. Films

4.1 Levels of film copyright infringement

4.1.1 Digital behaviour among internet users aged 12+ – films

The following table summarises general digital behaviour in the films category:

Table 4.1.1a: Summary of digital behaviour among internet users aged 12+ – films

Base: Internet users aged 12+ (4410) Various Questions *Caution – low base (77)	Downloaded	Streamed	Downloaded or streamed i.e. "consumed"	Shared	Downloaded, streamed or shared
Ever done	14%	23%	27%	3%	28%
Done in past 3 months	9%	16%	19%	2%	19%
Mean number of files in past 3 months among those who've done activity	9	7	10	7*	-
Median number of files in past 3 months among those who've done activity	3	3	4	2*	-

Streaming films was shown to be more common than downloading films, with 16% having done the former in the past 3 months, compared to 9% for the latter. Just 2% claimed to have shared films during the same period.

Nineteen per-cent of the 12+ online population had done at least one of the three activities in the past 3 months.

Unlike music, the mean number of films downloaded (9) in the past 3 months was slightly higher than those streamed (7). However, 3 was the median number for both activities. This demonstrates that the mean is skewed higher by a small number of people who download a very large number of files.

The following table shows the demographic profile of each of the activity groups.

Table 4.1.1b: Downloaded, streamed or shared films in past 3 months - profiles

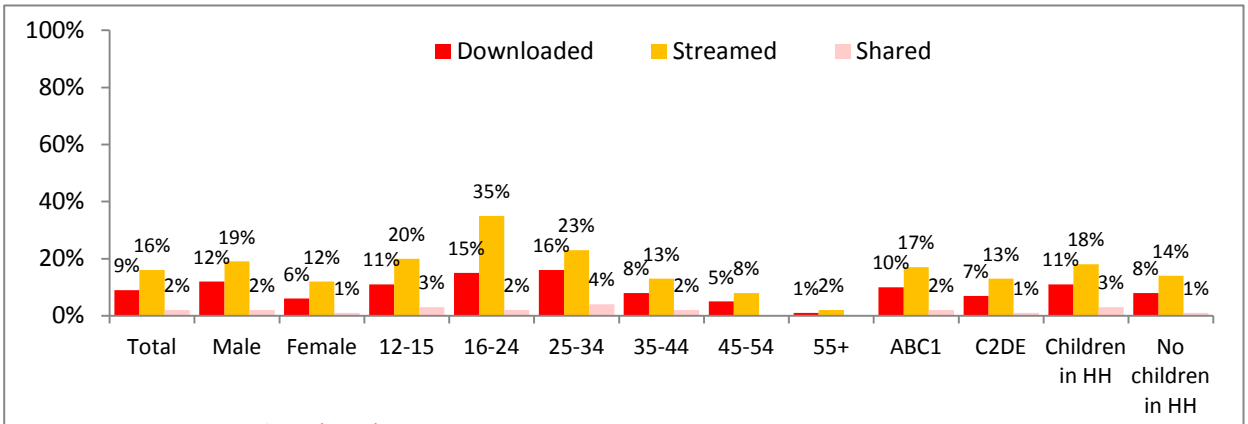
		Downloaders	Streamers	Sharers
	Base	383	690	77*
Gender	Male	66%	59%	71%
	Female	34%	41%	29%
Age	12-15	8%	8%	11%
	16-34	63%	65%	68%
	35-54	25%	23%	20%
	55+	4%	4%	1%
Socio- economic group[36]	ABC1	71%	68%	68%
	C2DE	29%	32%	32%
Presence of children in household	Children in household	41%	39%	50%
	No Children in household	59%	61%	50%

The demographic profile of people conducting all three activities skewed towards males, younger age groups (under 34) and ABC1s. Film sharers were significantly more likely than downloaders and streamers to have children in the household. The profile characteristics are similar to those observed in the music category.

[36] Note that socio economic group is not included for 12-15 year olds so profile is among 16+ year olds.

The following chart shows the penetration of each of the activities among key subgroups:

Table 4.1.1b: Downloaded, streamed or shared films in past 3 months amongst subgroups



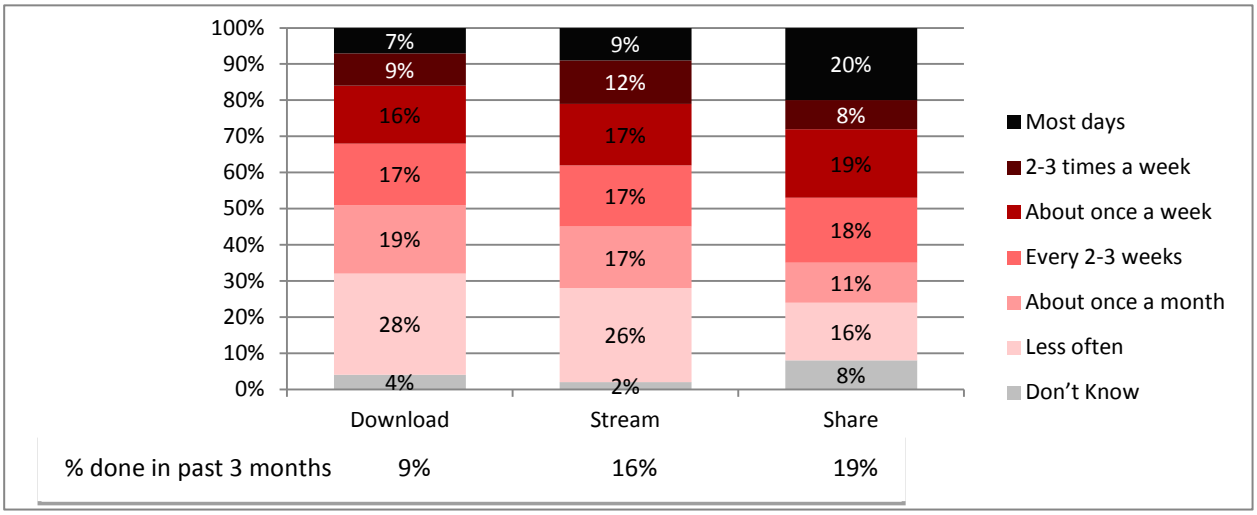
Base: internet users aged 12+ (4410)
Q.2. Have you [activity] any of the following through the internet in the past three months?

Taking the penetration figures above:

- Males were more likely than females to have taken part in all three activities (past 3 months).
- Younger age groups were also more likely to engage in downloading and streaming, with 16-24 year olds having the highest incidence of streaming films (35%).

Those who indicated that they had downloaded, streamed or shared films online were also asked the frequency with which they did so, and the results are shown in the following chart:

Chart 4.1.1d: Frequency of downloading, streaming and sharing films



Base: All who have downloaded (383), streamed (690), shared (77) films in the past 3 months

Question: Generally, how often do you [ACTIVITY films] through the internet?

Streaming and downloading of films were shown to have similar frequencies among those who did them - 32% claimed they downloaded films at least once a week and 38% claimed they streamed films at least once a week. Although a niche activity, sharing had the highest frequency, with 47% of those who did this activity saying they shared films at least once a week.

4.1.2 Payment for films downloaded or streamed online

Using the total number of films that respondents indicated they had downloaded and streamed in the past 3 months, those who specified any were asked:

Q.B2_5 You indicated you have downloaded or streamed [NUMBER] films in the past 3 months. How many did you pay for, either as a one off or as part of a subscription?

Table 4.1.2 outlines the proportions of people and mean (and median) number of files for four derived groups:

1. **100% paid** accounts for those who indicated they paid for 'all' of the films they had downloaded or streamed in the past 3 months.
2. **Mix of paid and free** was formed from anyone who was not in the above category but had a value greater than zero.
3. **100% free** was derived from anyone with a value of zero (and had previously indicated they had downloaded or streamed at least one film).
4. **Any free** is a combination of 2 and 3 above.

Table 4.1.2. Summary of payment groups – downloaded or streamed films

	% internet users aged 12+	% 12+ downloaded or streamed films in the past 3 months	Mean number of files (past 3 months)	Median number of files (past 3 months)
Base	4410	841	841	841
100% Paid	5%	28%	8	3
Mix of paid and free	3%	14%	Total = 19 Paid = 11 Free = 8	Total = 10 Paid = 3 Free = 5
100% free	11%	58%	8	4
Any free	**14%**	**72%**	**Free = 8**	**Free = 4**

Seventy two per cent of those who had downloaded or streamed films in the past 3 months consumed at least some of them for free (equating to 14% of the 12+ internet population), with the majority having consumed all of them for free (58%). In contrast, just over one-quarter (28%) paid for all them.

The mean number of paid films was higher amongst the 'mix of paid and free' group (11) than in the '100% paid' group (8).

Incidence levels of each of the payment groups were similar across all demographics, but those aged 16-24s (23%) and C2DEs (21%) were the least likely to have paid for all films downloaded or streamed.

4.1.3 Consuming films online already owned in physical format

As part of the same question used to assess payment, respondents were also asked:

How many did you already own on DVD, Blu-ray or VHS?

Table 4.1.3 outlines the following:

1. **All owned in physical format** shows the proportion of those who downloaded or streamed films in the past 3 months, and indicated they already owned 'all' of them in a physical format.
2. **Some owned in physical format** shows the proportion of those who downloaded or streamed films in the past 3 months, and indicated they already owned 'some' of them in a physical format.
3. **Mean number** is the average number of films that people who had downloaded or streamed any in the past 3 months claimed to have already owned in physical format.

Table 4.1.3: Summary table - physical ownership of downloaded or streamed films

Base: All those who downloaded or streamed films in the past 3 months	841
All owned in physical format	4%
Some owned in physical format	18%
Mean number	1

Of those who had downloaded or streamed films in the previous three months, 18% claimed to have already owned at least one of them in physical format; 4% all of them. The mean number already owned was one.

4.1.4 Downloading or accessing free films online before purchasing

Taking the number of films respondents had previously claimed they had paid for in the past 3 months, plus the number of physical purchases they had also indicated, respondents were asked:

You indicated you have paid for [NUMBER] films in any format (digital or physical) in the past 3 months. How many of these had you previously downloaded or streamed online for free?

Table 4.1.4 outlines the following:

1. **All previously accessed for free** shows the proportion of those who had purchased any films (physical or digital) in the past 3 months, who indicated they had previously accessed 'all' of it for free online.
2. **Some previously accessed for free** shows the proportion of those who had purchased any films (physical or digital) in the past 3 months, who indicated they had previously accessed 'some' of it for free online.
3. **Mean number** is the average number of films that people who had purchased any content in the past 3 months claimed to have previously downloaded or streamed for free.

Table 4.1.4: Summary table - downloading or streaming free films before purchasing

Base: all who had paid for any films (physical or digital) in the past 3 months	1579
All previously accessed for free	7%
Some previously accessed for free	16%
Mean number	1

Of those who have paid for films (any format) in the previous three months, 16% claimed to have previously downloaded or streamed at least one film for free prior to purchase; 7% all of them. The mean number of paid for films in the past 3 months that have been accessed for free earlier was one.

4.1.5 Legality of digital films downloaded or streamed

Legality is clearly the area of this study that relies most on honesty, as well as the knowledge of the respondent in terms of what they personally believe constitutes lawful and unlawful behaviour (there was likely to be some uncertainty). Both of these factors mean that a degree of caution should be placed on the figures documented.

The number of films calculated as being downloaded or streamed for free in the past 3 months was shown to respondents, and they were asked how many of these they thought were done so legally:

You indicated that you have downloaded or streamed/accessed [NUMBER] films for free in the past 3 months. How many of these do you think were done so legally?

From this we were able to derive the number obtained illegally (total number of free files minus number obtained legally). If we assume that all paid for files were obtained legally[37], and include these in the legal numbers, they can be translated into proportions based on all digital film acquisitions for each respondent.

Table 4.1.5 displays the percentages of people who fit into four derived groups along with the mean and median numbers for each:

1. **100% legal** accounts for those who indicated 'all' of the films they had downloaded or streamed for free were legal.
2. **Mix of legal and illegal** was formed from anyone who was not in the above category but had a value greater than zero.
3. **100% illegal** accounts for anyone who either indicated all films were paid for (so were not asked the question), or none of the free films they downloaded or streamed was obtained legally.
4. **Any illegal** is a combination of 2 and 3 above.

Table 4.1.5: Summary of legality groups – downloaded or streamed films

	% of internet users aged 12+	% 12+ downloaded or streamed films in the past 3 months	Mean number of files in past 3 months	Median number of files in past 3 months
Base	4410	841	841	841
100% legal	13%	69%	8	3
Mix of legal and illegal	4%	10%	Total = 17 Legal = 10 Illegal = 7	Total = 10 Legal = 5 Illegal = 4
100% illegal	2%	22%	13	4
Any illegal	**6%**	**31%**	**Illegal = 11**	**Illegal = 4**

Close to a third (31%) of those who have downloaded or streamed films in the past 3 months are estimated to have done at least some of this illegally, equating to 6% of internet users aged 12+. Just over one-fifth (22%) are estimated to have accessed all of them illegally, which equates to 2% of all internet users.

The vast majority of those who consumed any films illegally online were male (64%) under 34 (79%), and ABC1 (59%).

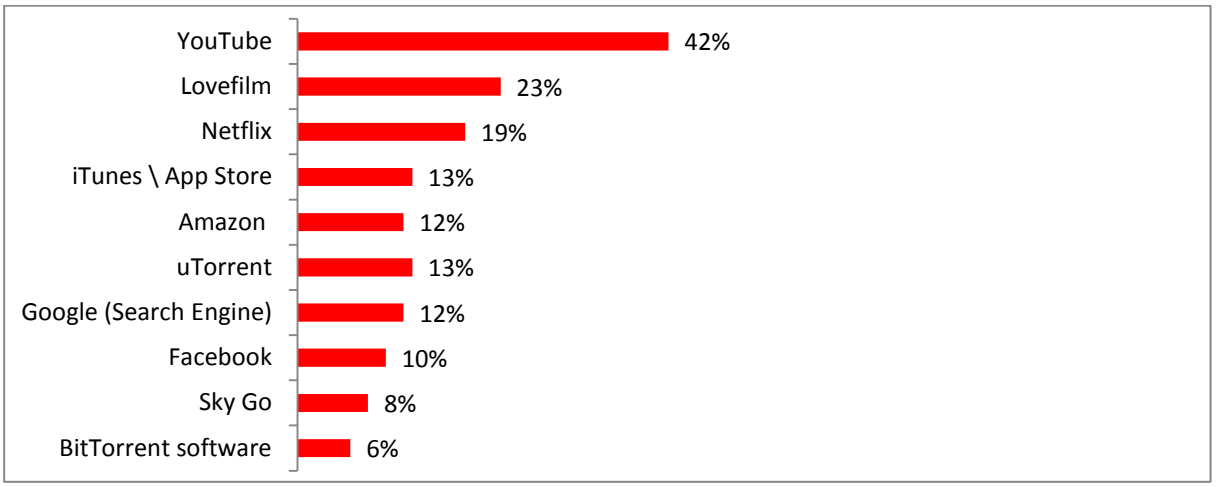
The mean number of films obtained legally was similar among those in the 'mix of legal and illegal' group (10) and those in the '100% legal' group (8). The mean number of films downloaded or streamed illegally among those who had done any at all was 11, whilst the median was 4.

[37] Note that in this scenario we are assuming that only free files can be illegal. We feel that there may be certain instances where they are paid for and illegal.

4.1.6 Services used for downloading, streaming or sharing films

The following table shows the top ten mentions for services used to download, stream or share digital films in the past 3 months:

Table 4.1.6: Top ten services used for digital films



Base: All who have downloaded, streamed or shared films in the past 3 months (859)
Q.B4_4 Which sites or service shave you used in the past 3 months to download, access, or share films through the internet?

YouTube[38] was the most commonly cited service for online films measuring 42% of mentions. Following this, Lovefilm (23%) and Netflix (19%) had similar levels of mentions. uTorrent recorded the highest levels of mentions for a peer-to-peer service (13%). When aggregating all such P2P services (e.g. including Pirate Bay, Isohunt, Bittorrent software, etc.) the total measures 21% for films.

Significant sub group findings include:

- YouTube was the most commonly mentioned film site across all demographics, but the level of mentions decreased with age (55+ sig lower)
- Facebook (21%) and Sky Go (16%) are mentioned by significantly more 12-15 year olds than other age groups.
- uTorrent was the second most used service amongst those in the '100% illegal' group at 23%. YouTube gained higher mentions at 38%, and so similar to music this shows that all film content streamed on YouTube was deemed to be unlawful by a significant proportion of people.

[38] Note that we believe there is an element of over-claim for YouTube as some people may be interpreting/classifying short video clips or film trailers as films. To account for this we are looking to add clarification to the film questions going forward i.e. ensuring it is full length films we are interested in.

4.1.7 Total volume estimates for films – past 3 months

This subsection focuses on the data at a 'volume' level, as described in Section 1.2. The following table shows total volume estimates for physical and digital films based on the sum of all individual volumes collected in this survey (subsequently grossed up to reflect the UK 12+ population).

Table 4.1.7a: Volume and proportion estimates of physical and digital files - all films

Type	Number (000s)	% all films	Description
Physical	65m	44%	Total number of films bought on physical disc in the past three months
Digital	83m	56%	Total number of digital films consumed via downloading/ streaming
Total	148m	100%	Total number of digital and physical films consumed

Focusing on 'digital' films only, the split between paid and free digital files was as follows:

Table 4.1.7b: Volume and proportions of paid and free – digital only

Type	Number (000s)	% digital	Description
Paid	32m	39%	Total number downloaded/streamed online and paid for in the past 3 months
Free	51m	61%	Total derived number of films streamed online for free in the past 3 months
Total	83m	100%	Total no. of films downloaded/streamed online in past 3 months

As we also know the number of physical films claimed to have been purchased on disc or tape in the past 3 months, we are able to assess the picture in terms of all film acquisitions (digital and physical), by adding the paid digital volume figure above with the number of physical discs.

Table 4.1.7c: Volume and proportions of paid and free films – physical and digital combined

Type	Number (000s)	% all films	Description
Paid	97m	66%	The number of films that were downloaded/streamed and paid for + the number of physical tracks bought on disc in the past three months
Free	51m	34%	The derived number of films that were downloaded/streamed for free in the past 3 months
Total	148m	100%	Total no. digital films downloaded or streamed + Total number of films bought on physical disc in the past three months

Now focusing on the legality element, the following table shows the total volume split of free downloaded or streamed films in terms of whether they were believed to have been obtained legally or illegally.

Table 4.1.7d: Volume and proportions of legal and illegal – free digital films

Type	Number (000s)	% free digital	Description
Legal	22m	43%	The number of free films that were downloaded or streamed online legally in the past 3 months
Illegal	29m	57%	The derived number of free films that were downloaded or streamed Illegally in the past 3 months
Total	51m	100%	Total number of films downloaded or streamed for free in the past 3 months

If we are to assume that all paid films were obtained legally[39], these can be added to the legal total in order to assess the picture across all digital films, and this is outlined as follows:

[39] As mentioned earlier, we have made an assumption throughout that all paid files are legal; it is likely a small proportion of paid files attributed to 'legal' were obtained through unlicensed sites.

Table 4.1.7e: Volume and proportions of legal and illegal – all (paid + free) digital

Type	Number (000s)	% all digital	Description
Legal	54m	65%	The number of free films that were downloaded or streamed online legally + the number of digital films that were downloaded or streamed online and paid for
Illegal	29m	35%	The derived number of free films that were downloaded or streamed online Illegally in the past 3 months
Total	83m	100%	Total number of films downloaded or streamed online (paid or free) in the past 3 months

As with the paid and free split, if we also assume that physical discs or tapes were all purchased legally[40] we can then incorporate this into the legal total in order to assess legality across all films.

Table 4.1.7f: Volume and proportions of legal and illegal – physical and digital combined

Type	Number (000s)	% all films	Description
Legal	119m	80%	The number of free digital files that were downloaded/streamed legally + the number of digital files that were downloaded/streamed and paid for + the number of physical films bought on disc in the past three months
Illegal	29m	20%	The derived number of films that were downloaded or streamed online Illegally in the past 3 months
Total	148m	100%	Total number of films downloaded or streamed online + the number of physical films bought on disc in the past three months

An estimated 29 million films were consumed illegally in the past 3 months – equating to 20% of all films (downloaded, streamed or bought in physical format).

[40] We have also made an assumption for the purpose of these calculations that all physical discs were obtained legally. It is likely a small proportion of these were obtained from unlawful sources.

4.2 Consumer spend on films and price sensitivity

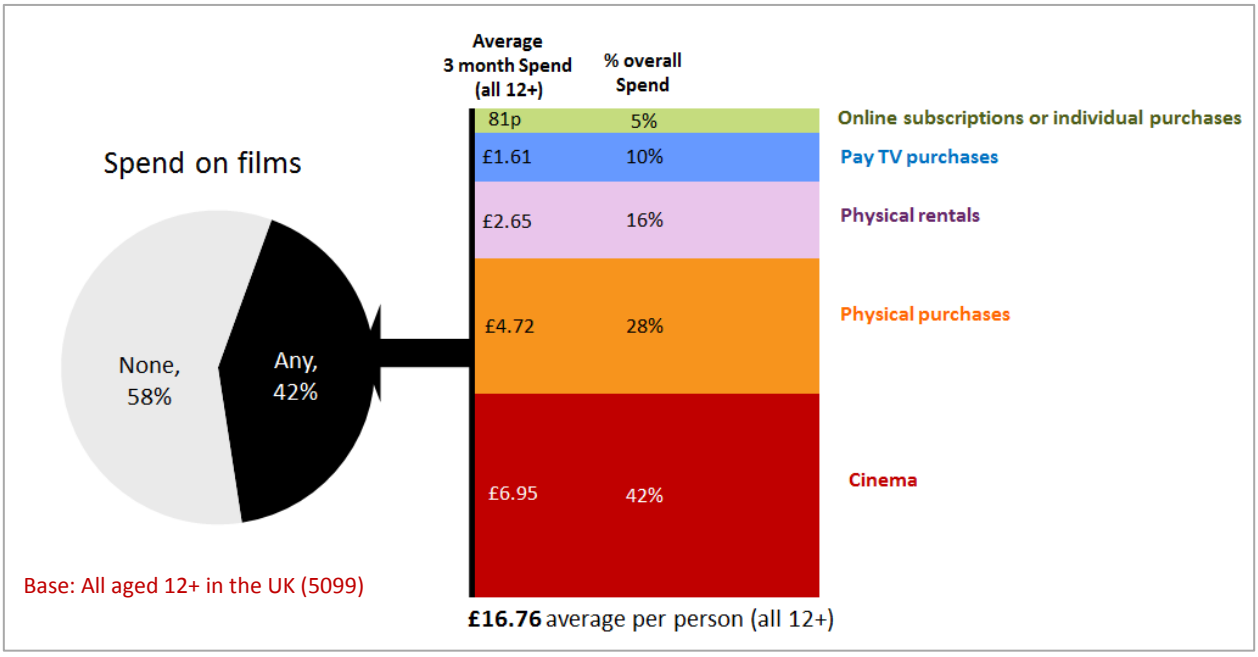
4.2.1 Quarterly films spend

Respondents were asked:

Approximately how much have you spent on the following in the past 3 months? Please include money spent on other people, where they haven't paid you back

The following chart demonstrates the proportion of people who claimed they spent anything on films in the past 3 months, along with the overall profile of spend amongst this group of people.

Chart 4.2.1: Proportion of the population who have spent anything on films, and split of spend (past 3 months)



The total three month spend estimate[41] was £896 million, equating to £16.76[42] for every person in the UK.

Forty two per cent of the total 12+ UK population spent any money on films as a category in the past 3 months. The average spent among people active in the category was £35.91 per person.

The majority of spend on films in this period came from cinema (42%) and Physical purchases (28%). Online film subscriptions and downloads combined accounted for only 5% of total spend.

As with music, those who accessed a mixture of legal and illegal films online claimed to spend the most on the category as a whole (£56.11), with the '100% illegal' group spending the least (£28.25). This compared to £35.57 for the '100% legal group'.

[41] Total spend estimates are calculated by adding up all spend values across respondents (grossed to 12+ population).
[42] Note that each individual component will not necessarily add to the total (average) exactly due to rounding

4.2.2 Willingness to pay (PSM)

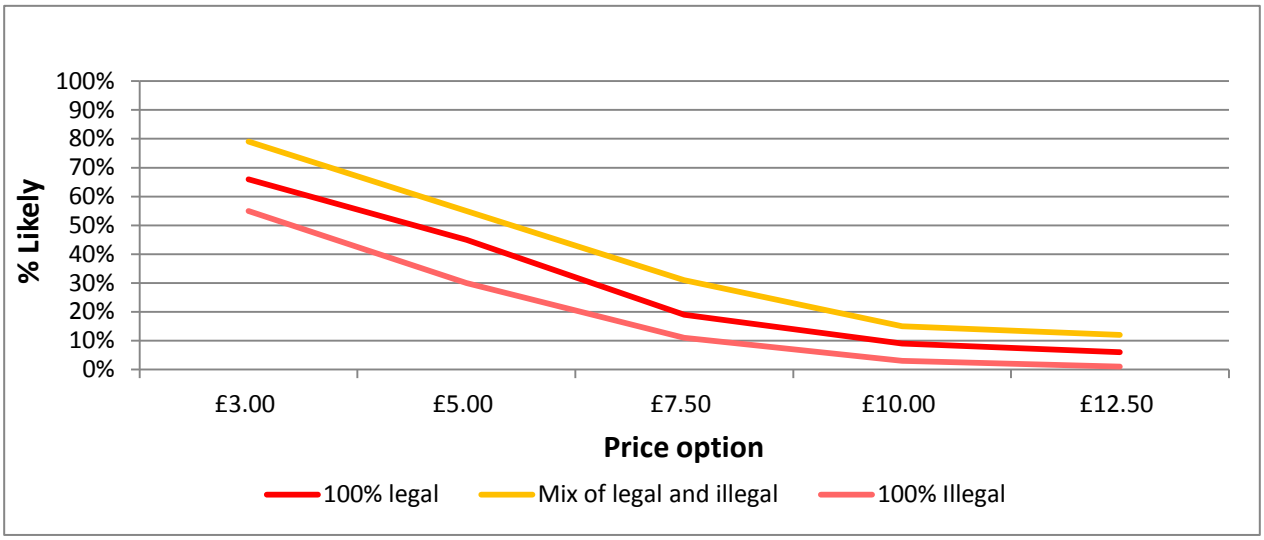
Within the survey we set out to assess at what levels people would be willing to pay both for individual films via a download service, or via a subscription service. A Gabor-Granger price sensitivity model was used for this purpose; an approach which delivers price elasticity to examine the likely effect on demand of changes in price. It is important to note that the price points used in the survey were pre-determined i.e. they were not spontaneously offered by survey respondents.

With regards to a **download service**, the following question was asked:

Assuming you saw a newly released film on an online service that you wanted to own. The film would be near DVD quality, and you knew it was a reputable and reliable service. How likely would you be to download it if it was the following prices?

The following chart displays the percentage of people in each of the legality behavioural groups (discussed earlier) who said they would be willing to pay (either quite likely or very likely) at certain price points:

Chart 4.2.2a: Likelihood to pay for downloading films at different price options - single film



Base: All 12+ in the UK that have downloaded/streamed films 100 % legally in the past 3 months(578) 100% illegal (179) legally and illegally (84)

Willingness to pay declined steadily as the proposed price of a film download increased, and likelihood was much lower in general for those who only downloaded or streamed illegally. That said, over half (55%) of the '100% illegal' group claimed they would pay at £3.

Those who consumed digital films both legally and illegally were more likely to say they would purchase at all price points than those who only downloaded or streamed legally. The mean price willing to pay amongst these three groups were as follows:

- 100% legal = £3.74
- Mix of legal and illegal = £4.92
- 100% illegal = £2.64

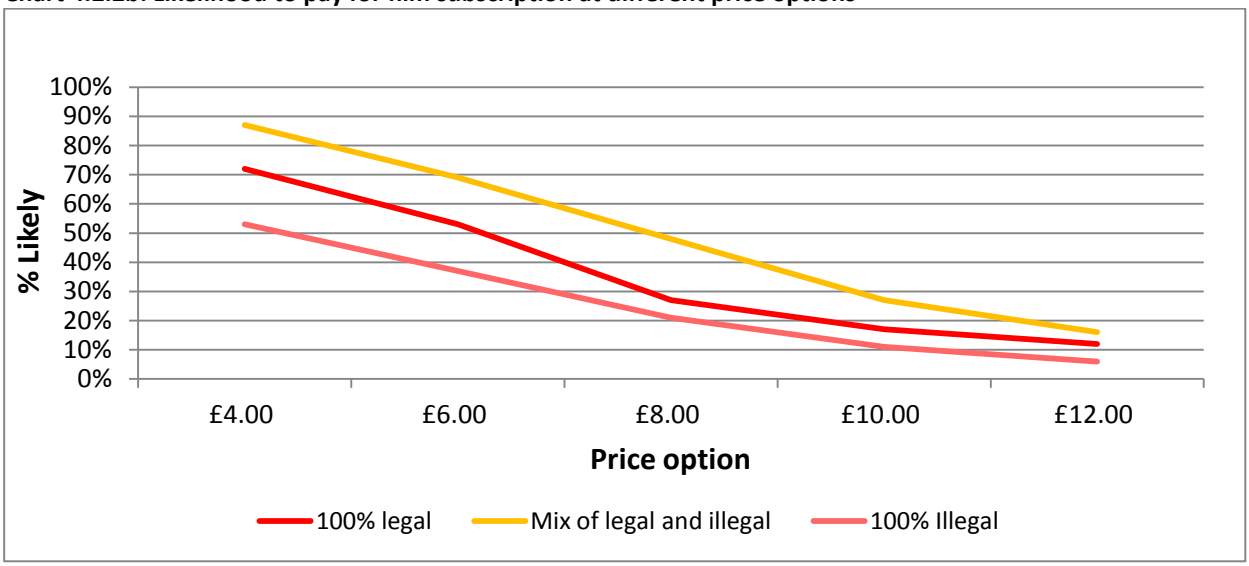
Focusing on a **subscription service** we asked the following question:

Assume that the following online service became available…

A monthly subscription service allowing you to stream\access unlimited films from any internet connected device. All the films you want would be available in near DVD quality. The service would allow you to access the files offline. You would be allowed to cancel the service at any time How likely would you be to subscribe at the following prices per month?

Again, the following chart displays the percentage of people in each of the three legality behavioural groups who said they would be willing to pay (either quite likely or very likely) at certain price points:

Chart 4.2.2b: Likelihood to pay for film subscription at different price options



Base: All 12+ in the UK that have downloaded/streamed films 100 % legally in the past 3 months(578) 100% illegal (179) legally and illegally (84)

As with music downloads, willingness to pay declined steadily as the proposed price of a film subscription increased. At an entry price of £4, the percentage of those who consumed a mix of legal and illegal films who claimed they would be willing to pay was 87%, falling to 72% for the '100% legal group', and 53% for the '100% illegal' group.

At the top end of the price scale (£12), a similar trend was observed, but at much lower levels - 16% of the 'mix of legal and illegal' group, 12% of the '100% legal' group, and 6% of the '100% illegal' group said they would consider paying.

Mean price willing to pay amongst the three legality groups were as follows:

- 100% legal = £5.05
- Mix of legal and illegal = £6.67
- 100% illegal = £3.60

5. TV programmes

5.1 Levels of TV programme copyright infringement

5.1.1 Digital behaviour among internet users aged 12+ – TV programmes

The following table summarises general digital behaviour in the TV programmes category:

Table 5.1.1a: Summary of digital behaviour among internet users aged 12+ – TV programmes

Base: internet users aged 12+ (4410) Various Questions *Caution – low base (58)	Downloaded	Streamed	Downloaded or streamed i.e. "consumed"	Shared	Downloaded, streamed or shared
Ever done	14%	40%	42%	2%	42%
Done in past 3 months	8%	30%	32%	1%	32%
Mean number of files in past 3 months among those who've done activity	10	16	10	9*	
Median number of files in past 3 months among those who've done activity	4	5	5	3*	

Streaming of TV programmes was shown to be much more common than downloading, with 30% having done the former in the past 3 months, compared to 8% for the latter.

Close to a third (32%) of the online 12+ population had done at least one of the three activities in the past 3 months. The mean number of TV programmes downloaded in the past 3 months was 10, compared to 16 streamed. However, the median for both activities was lower at 4 and 5 respectively.

The following table shows the demographic profile of each of the activity groups.

Table 5.1.1b: Downloaded, streamed or shared TV programmes in past 3 months - profiles

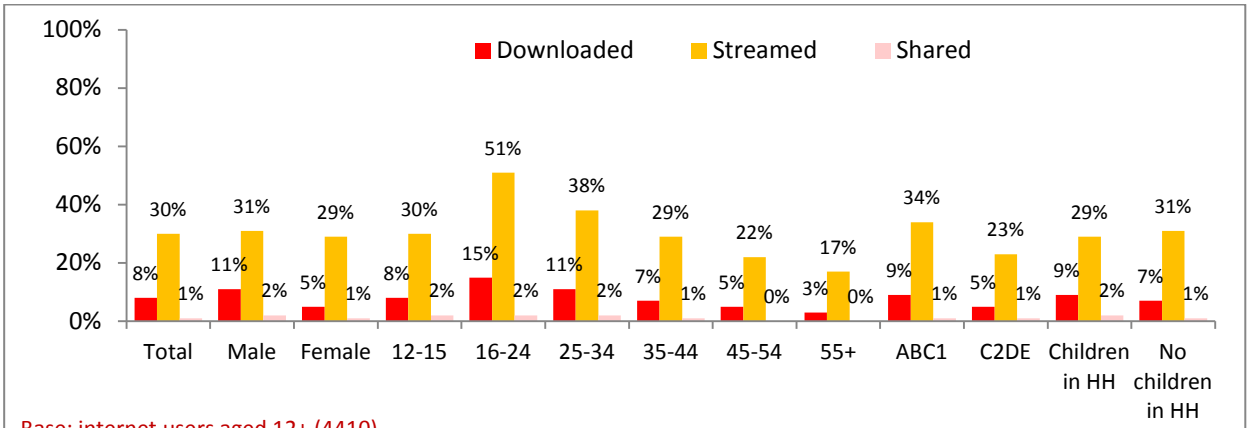
		Downloaders	Streamers	Sharers
	Base	339	1326	58*
Gender	Male	66%	51%	78%
	Female	34%	49%	22%
Age	12-15	7%	7%	13%
	16-34	58%	51%	66%
	35-54	27%	29%	20%
	55+	9%	14%	1%
Socio-economic group[43]	ABC1	73%	70%	72%
	C2DE	27%	30%	28%
Presence of children in household	Children in household	37%	33%	56%
	No children in household	63%	67%	44%

Whereas 'downloaders' and 'sharers' of TV programmes were skewed male, streaming had no gender bias. Streaming did have a slightly older profile than downloading, with 14% of 55+ year olds participating compared to 9% for downloading. All three activities skewed towards ABC1.

[43] Note that socio-economic group is not included for 12-15 year olds so profile is amongst 16+ year olds

The following chart shows the penetration of each of the activities among subgroups:

Table 5.1.1b: Downloaded, streamed or shared TV programmes in past 3 months among subgroups



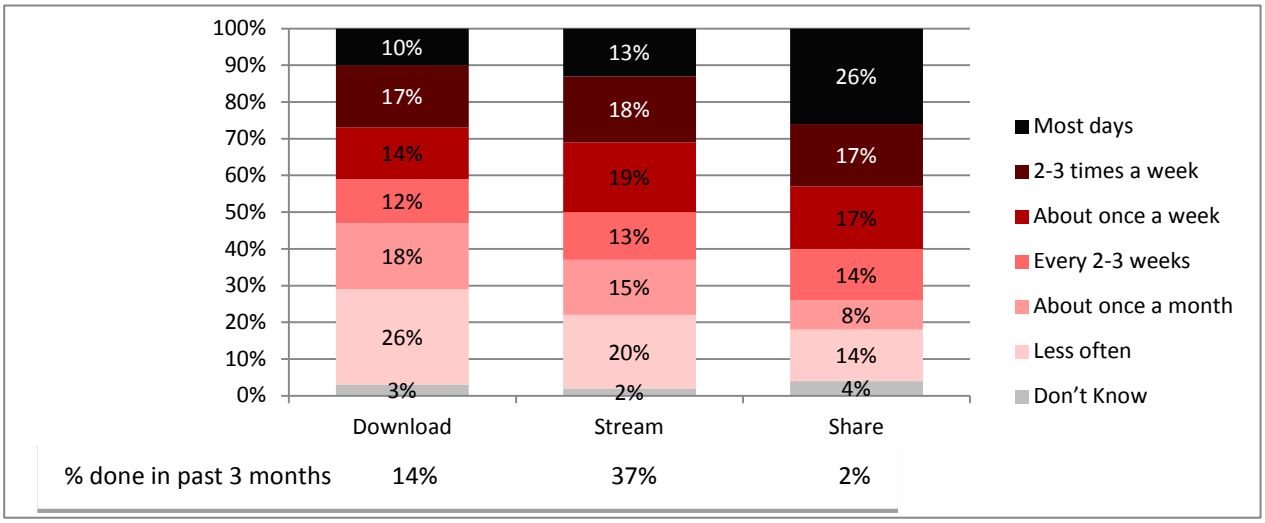
Base: internet users aged 12+ (4410)
Q.2. Have you [activity] any of the following through the internet in the past three months?

Taking the penetration figures above:

- Males were more than twice as likely as females to download (11% v 5%) TV programmes, but levels were similar for streaming (31% and 29% respectively).
- Those aged 16-24s had the highest incidence of downloading (15%) and streaming (51%).
- Penetration of streaming was higher among ABC1s (34%) than C2DEs (23%).

Those who indicated that they had downloaded, streamed or shared TV programmes online in the past 3 months were also asked the frequency with which they did so, and the results are shown in the following chart:

Chart 5.1.1d: Frequency of downloading, streaming and sharing TV programmes



Base: All who have downloaded (339), streamed (1326), shared (58* Caution) music in the past 3 months

Question: Generally, how often do you [ACTIVITY TV programmes] through the internet?

Streaming TV programmes was shown to be a more frequent activity than downloading, with 50% saying the do so at least once a week compared to 41% for the latter. Sharing was a frequent activity among those who claimed to do it, with 60% saying they shared TV programmes online at least once a week.

5.1.2 Payment for TV programmes downloaded or streamed online

Using the total number of TV programmes that respondents indicated they had downloaded and streamed in the past 3 months, those who specified any were asked:

You indicated you have downloaded or streamed [NUMBER] TV programmes in the past 3 months. How many did you pay for, either as a one off or as part of a subscription?

Table 5.1.2 outlines the proportions of people and mean (and median) numbers of files for four derived groups:

1. **100% paid** accounts for those who indicated they paid for 'all' of the TV programmes they had downloaded or streamed in the past 3 months.
2. **Mix of paid and free** was formed from anyone who was not in the above category but had a value greater than zero.
3. **100% free** was derived from anyone with a value of zero (and had previously indicated they had downloaded or streamed at least one TV programmes).
4. **Any free** is a combination of 2 and 3 above.

Table 5.1.2. Summary of payment groups – downloaded or streamed TV programmes

	% internet users aged 12+	% 12+ downloaded or streamed TV programmes in the past 3 months	Mean number of files (past 3 months)	Median number of files (past 3 months
Base	4410	1400	1400	1400
100% Paid	2%	6%	20	5
Mix of paid and free	2%	7%	Total = 34[44] Paid = 16 Free = 19	Total = 11 Paid = 4 Free = 5
100% free	28%	87%	16	5
Any free	**30%**	**94%**	**Free = 17**	**Free = 5**

Eighty seven per cent of those who had downloaded or streamed TV programmes in the past 3 months did all of it for free (equating to 28% of the 12+ internet population), with 13% having paid anything, and 6% having paid for all them.

The mean number of paid TV programmes was higher among the '100% paid' group (20) than the 'mix of paid and free' group (16).

Incidence levels of downloading or streaming all TV programmes for free was shown to be lowest among 25-34s; 20% of this age group paid for at least some of them.

[44] Note that the paid and free mean figures do not add exactly to the total mean due to rounding.

5.1.3 Consuming TV programmes online already owned in physical format

As part of the same question used to assess payment, respondents were also asked:

How many did you already own on DVD, Blu-ray or VHS?

Table 5.1.3 outlines the following:

1. **All owned in physical format** shows the proportion of those who downloaded or streamed TV programmes in the past 3 months, and indicated they already owned 'all' of them in a physical format.
2. **Some owned in physical format** shows the proportion of those who downloaded or streamed TV programmes in the past 3 months, and indicated they already owned 'some' of them in a physical format.
3. **Mean number** is the average number of TV programmes that people who had downloaded or streamed any in the past 3 months claimed to own already in physical format.

Table 5.1.3: Summary table - physical ownership of downloaded or streamed TV programmes

Base: All those who downloaded or streamed TV programmes in the past 3 months	1400
All owned in physical format	2%
Some owned in physical format	9%
Mean number	1

Nearly a tenth (9%) of those who had downloaded or streamed TV programmes in the past three months claimed to already own at least one of them in a physical format; 2% all of them. The mean number already owned was 1.

5.1.4 Downloading or accessing free TV programmes before purchasing

Taking the number of TV programmes respondents had previously indicated they had paid for in the past 3 months, plus the number of physical purchases they had also indicated, respondents were asked:

You indicated you have paid for [NUMBER] TV programmes in any format (digital or physical) in the past 3 months. How many of these had you previously downloaded or streamed or streamed online for free?

Table 5.1.4 outlines the following:

1. **All previously accessed for free** shows the proportion of those who had purchased any TV programmes (physical or digital, but not including pay TV) in the past 3 months, who indicated they had previously accessed 'all' of it for free online.
2. **Some previously accessed for free** shows the proportion of those who had purchased any TV programmes (physical or digital, but not including Pay TV) in the past 3 months, who indicated they had previously accessed 'some' of it for free online.
3. **Mean number** is the average number of TV programmes that people who had purchased any content in the past 3 months claimed to have previously downloaded or streamed for free.

Table 5.1.4: Summary table - downloading or streaming free TV programmes before purchasing

Base: all who had paid for any TV programmes (physical or digital) in the past 3 months	517
All previously accessed for free	20%
Some previously accessed for free	39%
Mean number	2

Thirty-nine per cent of those who had paid for TV programmes (any format, excluding pay TV) in the previous three months claimed to have previously downloaded or streamed at least one for free prior to purchase; 19% all of them. The mean number of paid for TV programmes in the past 3 months that were claimed to have been accessed for free previously was 2.

5.1.5 Legality of digital TV programmes downloaded or streamed

Legality is clearly the area of this study that relies most on honesty, as well as the knowledge of the respondent in terms of what they personally believe constitutes lawful and unlawful behaviour (there is likely to be some uncertainty). Both of these factors mean that a degree of caution should be placed on the figures documented.

The number of TV programmes calculated as being downloaded or streamed for free in the past 3 months was shown to respondents, and they were asked how many of these they think were done so legally:

You indicated that you have downloaded or streamed/streamed [NUMBER] TV programmes for free in the past 3 months. How many of these do you think were done so legally?

From this we were able to derive the number obtained illegally (Total number of free files minus number obtained legally). If we assume that all paid for files were obtained legally, and include these in the legal numbers, they can be translated into proportions based on all digital TV programme acquisitions for each respondent.

Table 5.1.5 displays the percentages of people who fit into four derived groups along with the mean and median numbers for each:

1. **100% legal** accounts for those who indicated 'all' of the TV programmes they had downloaded or streamed for free were legal.
2. **Mix of legal and illegal** was formed from anyone who was not in the above category but had a value greater than zero.
3. **100% illegal** accounts for anyone who either indicated all TV programmes were paid for (so were not asked the question), or none of the free TV programmes they downloaded or streamed was obtained legally.
4. **Any illegal** is a combination of 2 and 3 above.

Table 5.1.5: Summary of legality groups – downloaded or streamed TV programmes

	% of internet users aged 12+	% 12+ downloaded or streamed TV programmes in the past 3 months	Mean number of files in past 3 months	Median number of files in past 3 months
Base	4410	1400	1400	1400
100% legal	26%	81%	16	5
Mix of legal and illegal	2%	6%	Total = 40 Legal = 25 Illegal = 15	Total = 20 Legal = 10 Illegal = 5
100% illegal	4%	13%	19	4
Any illegal	**6%**	**19%**	**Illegal = 17**	**Illegal = 5**

Nineteen per cent of those who had downloaded or streamed TV programmes in the past 3 months are estimated to have done at least some of it illegally, equating to 6% of internet users aged 12+. Thirteen per cent are estimated to have done it all illegally, equating to 4% of all internet users.

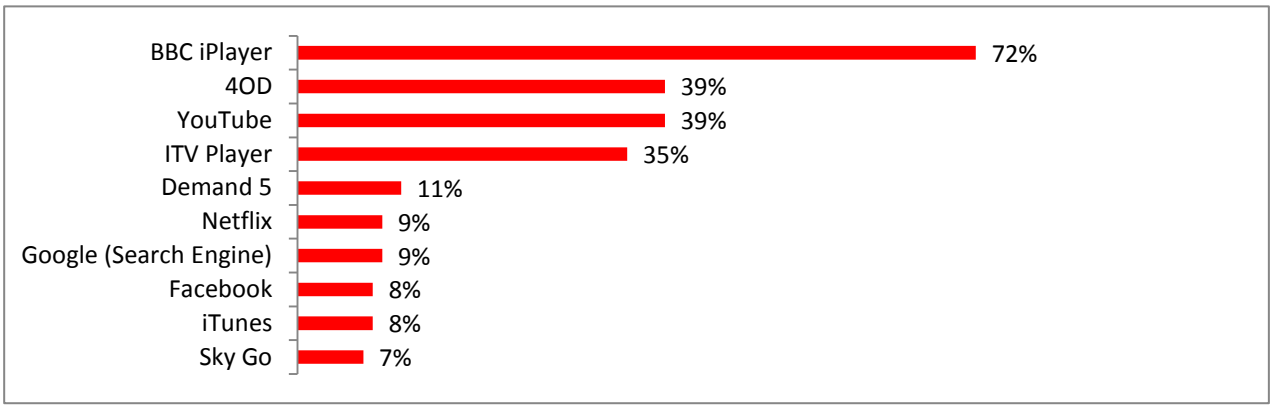
The vast majority of those who consumed any TV programmes illegally online were 16-34 (64%) and ABC1 (66%).

The mean number of TV programmes accessed legally was higher among those in the 'mix of legal and illegal' group (25), than those in the '100% legal' group (16). The mean number of TV programmes downloaded or streamed illegally among those who had done any at all was 17, while the median was 5.

5.1.6 Services used for downloading, streaming or sharing TV programmes

The following table shows the top ten responses for services used to download, stream or share digital TV programmes in the past 3 months:

Table 5.1.6: Top 10 services used for downloading, streaming or sharing TV programmes



Base: All who have downloaded, streamed or shared TV programmes in the past 3 months (1412)
Q.B2_4 Which sites or service shave you used in the past 3 months to download, access, or share TV programmes through the internet?

Generally, the free services dominated the mentions in terms of downloading or streaming TV programmes online. BBC iPlayer was by far the most commonly cited service used in the past 3 months (72%).[45]

Significant findings among demographic and derived sub-groups are as follows:

- Use of 4oD was significantly higher among those aged 16-24 at 62%.
- Use of ITV Player was significantly higher among those aged 12-15 than older age groups.

5.1.7 Total Volume Estimates for TV programmes – Past 3 months

This subsection focuses on the data at a 'volume' level, as described in Section 2.3. The following table shows total volume estimates for physical and digital TV programmes based on the sum of all individual volumes collected in this survey (subsequently grossed up to reflect the UK 12+ population).

Table 5.1.7a: Volume and proportion estimates of physical and digital files - all TV programmes

Type	Number (000s)	% all TV programmes	Description
Physical	20m	8%	Total number of TV programmes bought on physical disc in the past three months
Digital*	252m	92%	Total number of digital TV programmes consumed via downloading or streaming
Total	272m	100%	Total number of digital and physical TV programmes consumed

Focusing on 'digital' TV programmes only, the split between paid and free digital files was as follows:

[45] Note that downloading TV programmes was not available on BBC iPlayer throughout fieldwork. This service became available shortly after fieldwork ended.

Table 5.1.7b: Volume and proportions of paid and free – digital only

Type	Number (000s)	% all digital	Description
Paid	33m	20%	Total number downloaded or streamed online and paid for in the past 3 months
Free	219m	80%	Total derived number of TV programmes streamed online for free in the past 3 months
Total	252m	100%	Total no. of TV programmes downloaded/streamed online in past 3 months

As we also know the number of physical TV programmes claimed to have been purchased on disc or tape in the past 3 months, we are able to assess the picture in terms of all TV programme acquisitions (digital and physical), by adding the paid digital volume figure above to the number of physical discs.

Table 5.1.7c: Volume and Proportions of paid and free TV programmes – physical and digital combined

Type	Number (000s)	% all TV programmes	Description
Paid	53m	20%	The number of TV programmes that were downloaded or streamed and paid for + the number of physical tracks bought on disc in the past three months
Free	219m	80%	The derived number of TV programmes that were downloaded or streamed for free in the past 3 months
Total	272m	100%	Total no. digital TV programmes downloaded or streamed + Total number of TV programmes bought on physical disc in the past three months

Now focusing on the legality element, the following table shows the total volume split of free downloaded or streamed TV programmes in terms of whether they were believed to have been obtained legally or illegally.

Table 5.1.7d: Volume and proportions of legal and illegal – free digital TV programmes

Type	Number (000s)	% free digital	Description
Legal	172m	79%	The number of free TV programmes that were downloaded or streamed online legally in the past 3 months
Illegal	47m	21%	The derived number of free TV programmes that were downloaded or streamed Illegally in the past 3 months
Total	219m	100%	Total number of TV programmes downloaded or streamed for free in the past 3 months

If we are to assume that all paid files were obtained legally[46], these can be added to the legal total in order to assess the picture across all digital TV programmes, and this is outlined as follows:

Table 5.1.7e: Volume and proportions of legal and illegal – all (paid + free) digital

Type	Number (000s)	% all digital	Description
Legal	205m	81%	The number of free TV programmes that were downloaded or streamed online legally + the number of digital TV programmes that were downloaded or streamed online and paid for
Illegal	47m	19%	The derived number of free TV programmes that were downloaded or streamed online Illegally in the past 3 months
Total	252m	100%	Total number of TV programmes downloaded or streamed online (paid or free) in the past 3 months

[46] As mentioned earlier, we have made an assumption throughout that all paid files are legal; it is likely a small proportion of paid files attributed to 'legal' were obtained through unlicensed sites.

As with the paid and free split, if we assume that physical discs or tapes were all purchased legally[47] we can incorporate this into the legal total in order to assess legality across all TV programme acquisitions (downloaded, streamed, and in physical format).

Table 5.1.7f: Volume and proportions of legal and illegal – physical and digital combined

Type	Number (000s)	% all TV programmes	Description
Legal	225m	83%	The number of free digital TV programmes that were downloaded or streamed legally + the number of digital files that were downloaded/streamed and paid for + the number of physical TV programmes bought on disc in the past three months
Illegal	47m	17%	The derived number of TV programmes that were downloaded or streamed online Illegally in the past 3 months
Total	272m	100%	Total number of TV programmes downloaded or streamed online + the number of physical TV programmes bought on disc in the past three months

An estimated 47 million TV programmes were consumed illegally in the past 3 months – equating to 17% of all TV programmes (downloaded, streamed or bought in physical format).

[47] We have made an assumption for the purpose of these calculations that all physical discs were obtained legally. It is likely a small proportion of these were obtained from unlawful sources.

5.2 Consumer spend on TV programmes

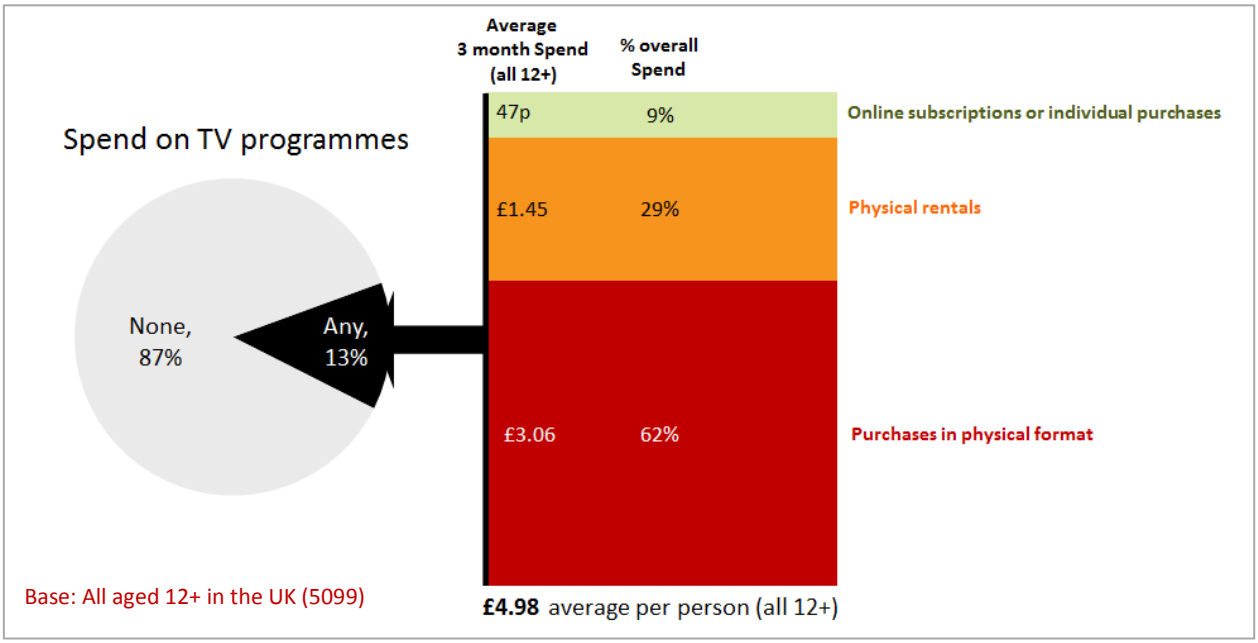
5.2.1 Quarterly TV programmes spend

Respondents were asked:

Approximately how much have you spent on the following in the past 3 months? Please include money spent on other people, where they haven't paid you back

The following chart demonstrates the proportion of people who claimed they spent anything on TV programmes (excluding pay TV services) in the past 3 months, along with the overall profile of spend among this group of people.

Chart 5.2.1: Proportion of the population who have spent anything on TV programmes, and split of spend (past 3 months)



Thirteen per cent of the total 12+ UK population spent any money on TV programmes (excluding Pay TV services) in the past 3 months.

The total three month spend estimate[48] was £266m, equating to £4.98 for every person in the UK. The average among those who spent any money on TV programmes in the past 3 months was £29.41 per person.

The majority of spend on TV programmes from this period came from physical purchases (62%), while 29% was attributed to online downloads/streams.

Those who accessed a mixture of legal and illegal online TV programmes spent the most on the category as a whole (£25.69[49]), with 100% illegal spending the least (£3.51). The 100% legal group sat in between with £8.28.

[48] Total spend estimates are calculated by adding up all spend values across respondents (grossed to 12+ population).

[49] Note that one respondent used in the calculations claimed to have spent £310 in the past 3 months on physical TV programme rentals. The figure without this outlier is still significantly higher than the other two groups - £20.84.

6. Computer software

6.1 Levels of computer software copyright infringement

6.1.1 Digital behaviour among internet users aged 12+ - computer software

The following table summarises general digital behaviour in the computer software category:

Table 6.1.1a: Summary of digital behaviour among internet users aged 12+ – computer software

Base: internet users aged 12+ (4410) Various Questions *Caution – low base (53)	Downloaded	Streamed	Downloaded or Streamed i.e. "consumed"	Shared	Downloaded, Streamed or Shared
Ever done	17%	12%	22%	2%	22%
Done in past 3 months	10%	5%	12%	1%	13%
Mean number of files in past 3 months among those who've done activity	8	8	10	3*	-
Median number of files in past 3 months among those who've done activity	2	2	3	2*	-

Downloading computer software was more common than directly accessing it online; a tenth of those with internet access did the former in the past 3 months (compared to 7% for the latter). Just 1% of those with internet access claimed to have actively shared computer software during the same period.

Thirteen per cent of the online 12+ population did at least one of the three activities in the past 3 months. The mean number of software products downloaded in the past 3 months was the same as the number accessed online at 8. This was also the case for the median, but at a lower figure of 2.

The following table shows the demographic profile of each of the activity groups.

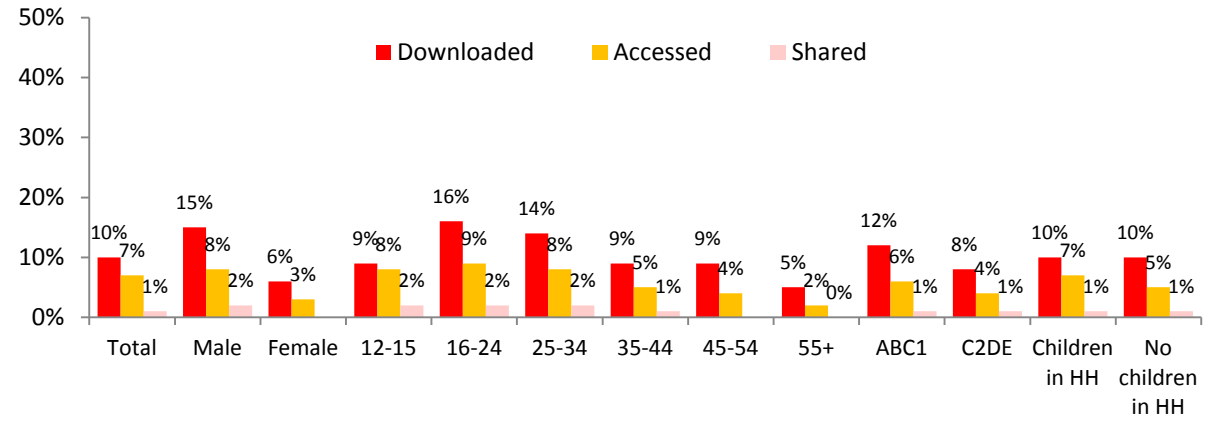
Table 6.1.1b: Downloaded, accessed or shared software in past 3 months - profiles

		Downloaders	Accessers	Sharers
	Base	439	258	53*
Gender	Male	72%	70%	84%
	Female	28%	30%	16%
Age	12-15	6%	9%	13%
	16-34	53%	55%	60%
	35-54	30%	27%	20%
	55+	12%	9%	7%
Socio-economic group[50]	ABC1	69%	67%	69%
	C2DE	31%	33%	31%
Presence of children in household	Children in household	34%	44%	41%
	No children in household	66%	56%	59%

As we have seen for the previous types, males, under 34s and ABC1s make up the majority of those who participated in all online activities relating to computer software.

[50] Note that socio-economic group is not included for 12-15 year olds so profile is among 16+ year olds

Table 6.1.1b: Downloaded, accessed or shared software in past 3 months, by sub-group



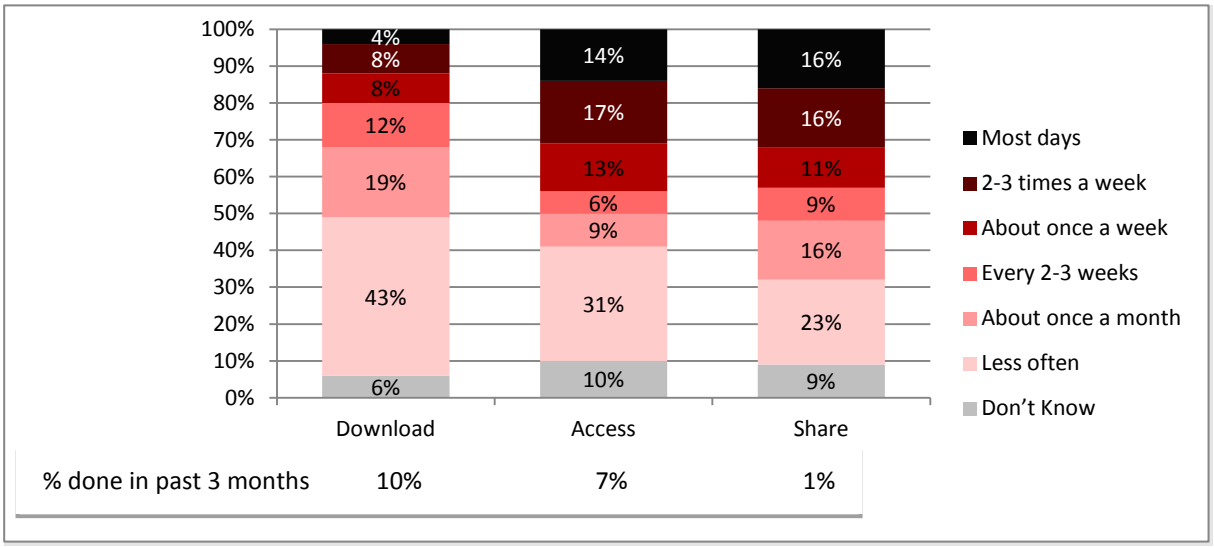
Base: internet users aged 12+ (4410)
Q.2. Have you [activity] any of the following through the internet in the past three months?

Taking the penetration figures above:

- Males were significantly more likely than females to have taken part in all three activities in the past 3 months.
- Those aged 16-24 (16%) and 25-34 (14%) had the highest incidence of downloading software online.

Those who indicated that they had downloaded, accessed or shared computer software online in the past 3 months were also asked the frequency with which they did so, and the results are shown in the following chart:

Chart 6.1.1d: Frequency of downloading, accessing and sharing computer software



Base: All who have downloaded (440), accessed (259), shared (53* Caution low base) computer software in the past 3 months

Question: Generally, how often do you [ACTIVITY computer software] through the internet?

Accessing online was shown to be a more frequent activity than downloading, with 44% doing so at least once a week compared to 20% for the latter. The more niche activity of sharing was a frequent activity among those who said they did it, with 43% saying they shared software files at least once a week.

6.1.2 Payment of computer software downloaded or accessed online

Using the total number of computer software files that respondents indicated they had downloaded and accessed in the past 3 months, those who specified any were asked:

You indicated you have downloaded or accessed [NUMBER] computer software in the past 3 months. How many did you pay for, either as a one off or as part of a subscription?

Table 6.1.2 outlines the proportions of people and mean (and median) number of files for four derived groups:

1. **100% paid** - accounts for those who indicated they paid for 'all' of the computer software they had downloaded or accessed in the past 3 months.
2. **Mix of paid and free** - comprised anyone who was not in the above category but had a value greater than zero.
3. **100% free** - was derived from anyone with a value of zero (and had previously indicated they had downloaded or accessed at least one software product).
4. **Any free -** is a combination of 2 and 3 above.

Table 6.1.2: Summary of payment groups – downloaded or accessed computer software

	% internet users aged 12+	% 12+ downloaded or accessed computer software in the past 3 months	Mean number of files (past 3 months)	Median number of files (past 3 months)
Base	4410	545	545	545
100% Paid	3%	24%	4	2
Mix of paid and free	2%	16%	Total = 17 Paid = 4 Free = 13	Total = 6 Paid = 2 Free = 3
100% free	7%	60%	11	2
Any free	**9%**	**76%**	**Free = 11**	**Free = 3**

Of those who had downloaded or accessed computer software online in the past 3 months, 76% had consumed any of it for free (this equates to 9% of the internet population). Three-fifths (60%) consumed all of their software for free, compared to 24% who had paid for all of it.

The mean number of paid software products was the same amongst the '100% paid' and 'mix of paid and free' groups (4).

Those aged 16-24 were the most likely to have accessed all their software for free (70%), while those aged 45-54 were the most likely to have paid for it all (32%).

6.1.3 Consuming software online already owned in physical format

As part of the same question used to assess payment, respondents were also asked:

How many did you already own on disc?

Table 6.1.3 outlines the following:

1. **All owned in physical format** shows the proportion of those who downloaded or accessed computer software online in the past 3 months, and indicated they already owned 'all' of them in a physical format.
2. **Some owned in physical format** shows the proportion of those who downloaded or accessed computer software online in the past 3 months, and indicated they already owned 'some' of them in a physical format.

3. **Mean number** is the average number of software products that people who had downloaded or streamed any in the past 3 months claimed to have already owned in physical format.

Table 6.1.3: Summary table - physical ownership of downloaded or accessed computer software

Base: All those who downloaded or accessed computer software online in the past 3 months	545
All owned in physical format	7%
Some owned in physical format	19%
Mean number	1

Nineteen per cent of those who downloaded or accessed computer software products online in the previous three months claimed to have already owned at least one of them in physical format; 7% all of them. The mean number already owned was just 1.

6.1.4 Downloading or accessing free software online before purchasing

Taking the number of computer software products respondents had previously indicated they had paid for in the past 3 months, plus the number of physical purchases made, respondents were asked:

You indicated you have paid for [NUMBER] computer software in any format (digital or physical) in the past 3 months. How many of these had you previously downloaded or streamed or accessed online for free?

Table 6.1.4 outlines the following:

1. **All previously accessed for free** shows the proportion of those who had purchased any computer software (physical or digital) in the past 3 months, who indicated they had previously accessed 'all' of it for free online.
2. **Some previously accessed for free** shows the proportion of those who had purchased any computer software (physical or digital) in the past 3 months, who indicated they had previously accessed 'some' of it for free online.
3. **Mean number** is the average number of computer software products that people who had purchased any content in the past 3 months claimed to have previously downloaded or accessed for free.

Table 6.1.4: Summary table - downloading or accessing free computer software before purchasing

Base: all who had paid for any computer software (physical or digital) in the past 3 months	625
All previously accessed for free	19%
Some previously accessed for free	33%
Mean number	1

A third of those who had paid for computer software (in any format) in the previous three months claimed to have previously downloaded or accessed at least one product for free prior to purchase; 19% all of them.

The mean number of paid for software products in the past 3 months claimed to have been accessed for free previously was 1.

6.1.5 Legality of computer software downloaded or accessed online

Legality is clearly the area of this study that relies most on honesty, as well as the knowledge of the respondent in terms of what they personally believe constitutes lawful and unlawful behaviour (there is likely to be some uncertainty). Both of these factors mean that the figures should be used with caution.

The number of items of computer software calculated as being downloaded or accessed for free in the past 3 months was shown to respondents, and they were asked how many of these they thought were obtained legally:

You indicated that you have downloaded or streamed/accessed [NUMBER] computer software for free in the past 3 months. How many of these do you think were done so legally?

From this we were able to derive the number obtained illegally (total number of free files minus number obtained legally). If we assume that all paid-for files were obtained legally, and include these in the legal numbers, they can be translated into proportions based on all software acquisitions for each respondent.

Table 6.1.5 displays the percentages of people who fit into four derived groups along with the mean and median numbers for each:

1. **100% legal** accounts for those who indicated 'all' of the computer software they had downloaded or accessed online for free were legal.
2. **Mix of legal and illegal** was formed from anyone who was not in the above category but had a value greater than zero.
3. **100% illegal** accounts for anyone who either indicated all computer software was paid for (so were not asked the question), or none of the free computer software products they downloaded or accessed online were obtained legally.
4. **Any illegal** is a combination of 2 and 3 above.

Table 6.1.5: Summary of legality groups – downloaded or accessed computer software

	% of internet users aged 12+	% 12+ downloaded or accessed computer software in the past 3 months	Mean number of files in past 3 months	Median number of files in past 3 months
Base	4410	545	545	545
100% legal	10%	83%	5	2
Mix of legal and illegal	1%	7%	Total = 32[51] Legal = 5 Illegal = 27	4 0 2
100% illegal	1%	10%		
Any illegal	**2%**	**17%**		

The vast majority (83%) of those who downloaded or accessed computer software online in the past 3 months are estimated to have done it all legally. One tenth are estimated to have done it all illegally, and 17% having done any of it illegally.

The vast majority of those who consumed any computer software products illegally online were male (70%), 16-34 (65%) and ABC1 (58%).

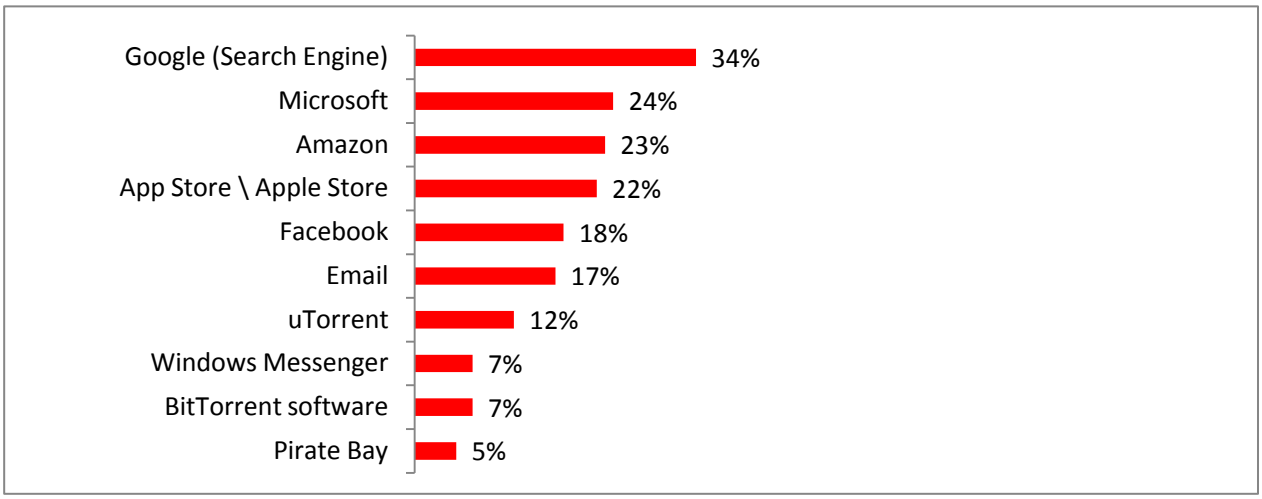
The mean number of legal computer software products was the same among those who obtained all of them legally and those who obtained any of them illegally (5). The mean number of computer software products downloaded or accessed illegally, among those who had done any at all was 27, while the median was 2.

[51] note: base too small for individual groups so combined to make 'Any illegal'

6.1.6 Services used for downloading, accessing or sharing software online

The following table shows the top ten responses for services used to download, stream or share digital computer software:

Table 6.1.6: Top ten services used for digital computer software



Base: All who have downloaded, accessed or shared computer software in the past 3 months (598)
Q.B3_4 Which sites or services have you used in the past 3 months to download, access, or share computer software through the internet?

Google search was the most popular portal used to source computer software, with just over a third (34%) claiming to have used this in the past 3 months. Microsoft (24%) and Amazon (23%) were the next most popular services cited. The highest incidence of a peer-to-peer service was 12% for uTorrent. However, aggregating all such P2P services (e.g. including Pirate Bay, Isohunt, Bittorrent software, etc) indicated that 18% used this type of service to source computer software.

Significant findings among demographic and derived sub-groups are as follows:

- Facebook had the third highest level of mentions among females, measuring 25% (significantly higher than males at 15%), and also achieved significantly higher mentions among 12-15 year olds (31%).
- Males were more likely than females to cite Microsoft (28% v 16%) for sourcing software. Microsoft also achieved significantly higher mentions among those aged 55+ (49%) than other age groups.
- Google mentions were higher among those who had accessed any software illegally (46%) than among those who had accessed any legally (33%).
- uTorrent was the most commonly-cited service used among the '100% illegal' group – 26% claimed to use it. Pirate Bay was the second highest with 14%.

6.1.7 Total volume estimates for computer software – past 3 months

This subsection focuses on the data at a 'volume' level, as described in Section 2.3. The following table shows total volume estimates for physical and online computer software based on the sum of all individual volumes collected in this survey (subsequently grossed up to reflect the UK 12+ population).

Table 6.1.7a: Volume and proportion estimates of physical and digital files - all computer software

Type	Number (000s)	% all software	Description
Physical	14m	20%	Total number of computer software products bought on physical disc in the past three months
Digital*	55m	80%	Total number of computer software products consumed via downloading or accessing online
Total	69m	100%	Total number of digital and physical software products consumed

Focusing on 'digital' computer software only, the split between paid and free digital files was as follows:

Table 6.1.7b: Volume and proportions of paid and free – digital only

Type	Number (000s)	% all digital	Description
Paid	8m	15%	Total number of computer software products downloaded or accessed online and paid for in the past 3 months
Free	47m	85%	Total derived number of computer software products accessed online for free in the past 3 months
Total	55m	100%	Total number of computer software products downloaded or accessed online in past 3 months

As we also know the number of software products claimed to have been purchased on disc in the past 3 months, we are able to assess the picture in terms of all computer software acquisitions (digital and physical), by summing the paid digital volume figure above with the number of physical discs.

Table 6.1.7c: Volume and proportions of paid and free computer software – physical and digital combined

Type	Number (000s)	% all software	Description
Paid	22m	32%	The number of computer software products that were downloaded or accessed online and paid for + the number of physical software bought on disc in the past three months
Free	47m	68%	The derived number of computer software products that were downloaded or accessed online for free in the past 3 months
Total	69m	100%	Total number of computer software products downloaded or accessed online + Total number of software products bought on physical disc in the past three months

Now focusing on the legality element, the following table shows the total volume split of free downloaded or accessed computer software in terms of whether they were believed to have been obtained legally or illegally.

Table 6.1.7d: Volume and proportions of legal and illegal – free digital computer software

Type	Number (000s)	% free digital	Description
Legal	21m	45%	The number of free computer software products that were downloaded or accessed online legally in the past 3 months
Illegal	26m	55%	The derived number of free computer software products that were downloaded or accessed Illegally in the past 3 months
Total	47m	100%	Total number of computer software products downloaded or streamed for free in the past 3 months

If we assume that all paid computer software was obtained legally [52], these can be added to the legal total in order to assess the picture across all digital computer software, and this is outlined as follows:

Table 6.1.7e: Volume and proportions of legal and illegal – all (paid + free) digital

Type	Number (000s)	% all digital	Description
Legal	29m	53%	The number of free computer software products that were downloaded or accessed online legally + the number of digital computer software that were downloaded or accessed online and paid for
Illegal	26m	47%	The derived number of free computer software products that were downloaded or accessed online Illegally in the past 3 months
Total	55m	100%	Total number of computer software products downloaded or accessed online (paid or free) in the past 3 months

As with the paid and free split, if we also assume that physical discs were all purchased legally[53] we can then incorporate this into the legal total in order to assess legality across all computer software.

Table 6.1.7f: Volume and proportions of legal and illegal – physical and digital combined

Type	Number (000s)	% all software	Description
Legal	43m	62%	The number of free digital computer software products that were downloaded or accessed legally + the number of digital computer software products that were downloaded or accessed and paid for + the number of physical software products bought on disc in the past three months
Illegal	26m	38%	The derived number of computer software products that were downloaded or accessed online Illegally in the past 3 months
Total	69m	100%	Total number of computer software products downloaded or accessed online + the number of physical computer software products bought on disc in the past three months

An estimated 26 million computer software products were consumed illegally in the past 3 months – equating to 38% of all computer software (downloaded, accessed online, or bought in physical format).

[52] As mentioned earlier, we have made an assumption throughout that all paid files are legal; it is likely a small proportion of paid files attributed to 'legal' were obtained through unlicensed sites.

[53] We have made an assumption for the purpose of these calculations that all physical discs were obtained legally. It is likely a small proportion of these were obtained from unlawful sources.

6.2 Consumer spend on computer software

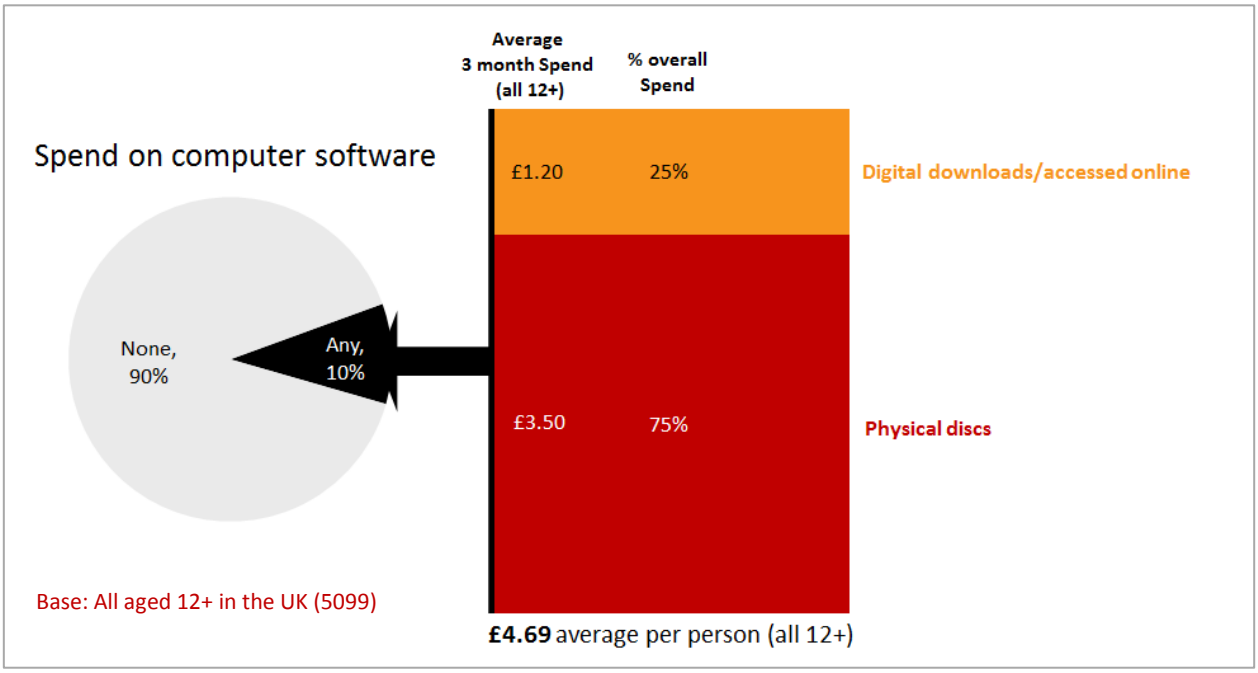
6.2.1 Quarterly computer software spend

Respondents were asked:

Approximately how much have you spent on the following in the past 3 months? Please include money spent on other people, where they haven't paid you back

The following chart demonstrates the proportion of people who claimed they spent anything on computer software (online or physical) in the past 3 months, along with the overall profile of spend amongst this group of people.

Chart 6.2.1: Proportion of the population who have spent anything on computer software, and split of spend (past 3 months)



A tenth of the total 12+ UK population had spent any money on computer software in the past 3 months.

The total three-month spend estimate[54] was £251m, equating to £4.69[55] for every person in the UK. The average among the people active in the category was £47.10 per person.

Purchase of physical discs accounted for 61% of the total amount spent on computer software, with digital accounting for the remaining 39%.

The mean spend was lower among those who claimed to have accessed any software illegally (£14.61), compared to £26.27 for the '100% legal' group[56].

[54] Total spend estimates are calculated by adding up all spend values across respondents (grossed to 12+ population).
[55] Note that each individual component will not necessarily add to the total exactly due to rounding
[56] The legal groups are too small to break down further regarding spend.

7. Books

7.1 Levels of book copyright infringement

7.1.1 Digital behaviour among internet users aged 12+ - e-books

The following table summarises general digital behaviour in the books category:

Table 7.1.1a: Summary of digital behaviour among internet users aged 12+ – e-books

Base: internet users aged 12+ (4410) Various Questions *Caution – low base (32)	Downloaded	Accessed	Downloaded or Streamed i.e. "consumed"	Shared	Downloaded, Streamed or Shared
Ever done	13%	9%	16%	1%	16%
Done in past 3 months	10%	4%	12%	1%	12%
Mean number of files in past 3 months among those who've done activity	10	12	13	5*	-
Median number of files in past 3 months among those who've done activity	5	3	5	1*	-

Downloading e-books was shown to be more common than accessing them online without downloading - 10% of internet users aged 12+ did the former in the past 3 months, compared to 4% for the latter. Just 1% shared books online.

Twelve per cent of the online 12+ population had done at least one of the three activities in the past 3 months. Although the mean number of e-books accessed in the past 3 months (12) was higher than the number downloaded (10), the median number for the latter was higher (5, compared to 3 for accessing).

The following table shows the demographic profile of each of the activity groups.

Table 7.1.1b: Downloaded or accessed e-books in past 3 months - profiles

		Downloaders	Accessers[57]
	Base	406	179
Gender	Male	46%	53%
	Female	54%	47%
Age	12-15	3%	5%
	16-34	40%	47%
	35-54	38%	32%
	55+	20%	16%
Socio-economic group[58]	ABC1	78%	78%
	C2DE	22%	22%
Presence of children in household	Children in household	33%	36%
	No Children in household	67%	64%

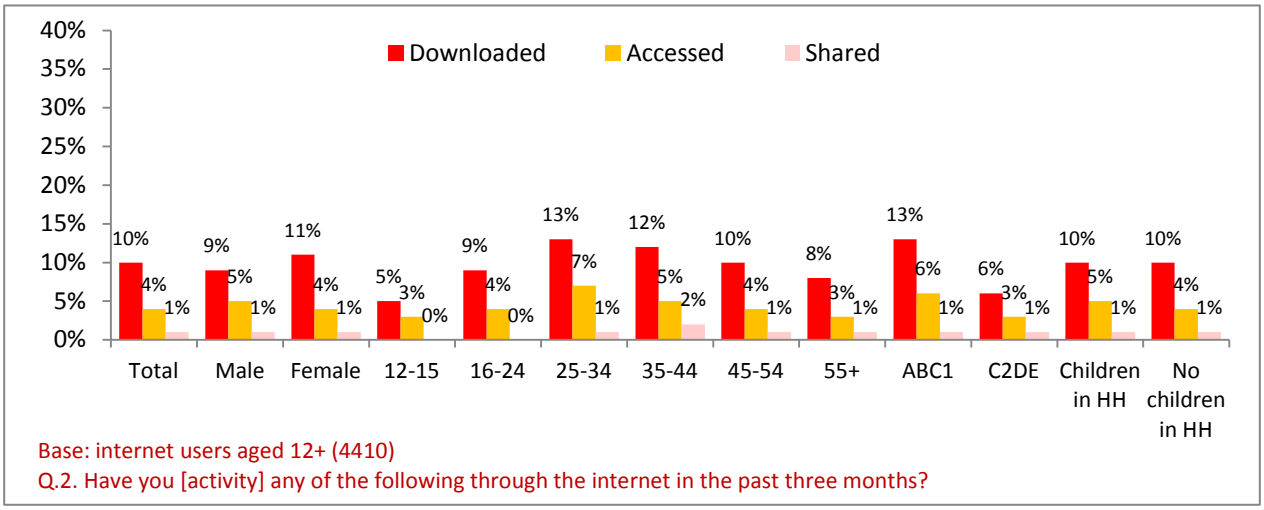
Unlike the other content types covered in this report, downloaders of e-books skewed slightly more female (54%). In contrast, those who accessed books online without downloading were slightly more male (53%). The age profile for both activities was also older than other content types, with 58% of downloaders and 48% of those who accessed them online over the age of 35.

[57] Note: the base for shared is too low to profile

[58] Socio-economic group is not included for 12-15 year olds so profile is amongst 16+ year olds

The following chart shows the penetration of each of the activities amongst key sub-groups:

Table 7.1.1b: Downloaded, accessed or shared e-books in past 3 months amongst sub-groups



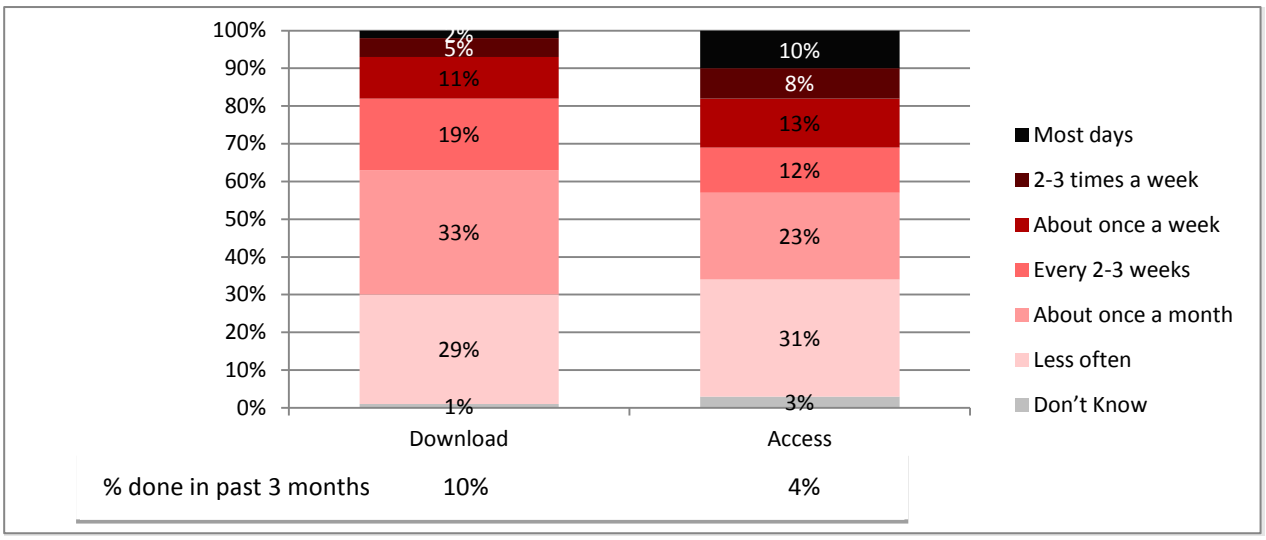
Base: internet users aged 12+ (4410)
Q.2. Have you [activity] any of the following through the internet in the past three months?

Taking the penetration figures above:

- Those aged 25-34 (13%) and 35-44 (12%) had the highest levels of downloading e-books.
- Incidence of downloading e-books was more than twice as high among ABC1s (13%) than it was among C2DEs (6%).

Those who indicated that they had downloaded, streamed or shared books online in the past 3 months were also asked the frequency with which they do so, and the results are shown in the following chart:

Chart 7.1.1d: Frequency of downloading, accessing and sharing e-books



Base: All who have downloaded (406), Accessed (179), * base for shared is too low to analyse (32)

Question: Generally, how often do you [ACTIVITY e-books] through the internet?

Accessing books was shown to be a more frequent activity than downloading, with 31% claiming to do the former at least once a week compared to 18% for the latter.

7.1.2 Payment of e-books downloaded or streamed online

Using the total number of e-books that respondents indicated they had downloaded and streamed in the past 3 months, those who specified 'any' were asked:

You indicated you have downloaded or streamed [NUMBER] books in the past 3 months. How many did you pay for, either as a one off or as part of a subscription?

Table 7.1.2 outlines the proportions of people and mean (and median) number of files for four derived groups:

1. **100% paid** - accounts for those who indicated they paid for 'all' of the e-books they had downloaded or streamed in the past 3 months.
2. **Mix of paid and free** - comprised anyone who was not in the above category but had a value greater than zero.
3. **100% free** - was derived from anyone with a value of zero (and had previously indicated they had downloaded or streamed at least one e-book).
4. **Any free -** is a combination of 2 and 3 above.

Table 7.1.2: Summary of payment groups – downloaded or accessed e-books

	% internet users aged 12+	% 12+ downloaded or accessed e-books in the past 3 months	Mean number of files (past 3 months)	Median number of files (past 3 months)
Base	4410	2599	2599	2599
100% paid	5%	42%	6	4
Mix of paid and free	3%	27%	Total = 27 Paid = 11 Free = 17	Total = 10 Paid = 4 Free = 5
100% free	4%	31%	11	4
Any free	**7%**	**58%**	**Free = 14**	**Free = 5**

The majority (42%) of those who had downloaded or accessed e-books online in the past 3 months had paid for all of them (equating to 5% of the 12+ online population); 31% had accessed all their books for free, with 27% having done a mixture of both.

The mean number of books paid for was higher (11) amongst the 'mix of paid and free' group than the '100% paid group' (6).

Each of the payment groups had relatively even penetration levels across ages and social grade, but males (37%) were more likely than females (25%) to have accessed them all for free.

7.1.3 Consuming e-books online already owned in physical format

As part of the same question used to assess payment, respondents were also asked:

How many did you already own in hardback or paperback?

Table 7.1.3 outlines the following:

1. **All owned in physical format** shows the proportion of those who downloaded or accessed e-books online in the past 3 months, and indicated they already owned 'all' of them in a physical format.
2. **Some owned in physical format** shows the proportion of those who downloaded or accessed e-books online in the past 3 months, and indicated they already owned 'some' of them in a physical format.

3. **Mean number** is the average number of e-books that people who had downloaded or streamed any in the past 3 months claimed to have already owned in physical format.

Table 7.1.3: Summary table - physical ownership of downloaded or accessed e-books

Base: All those who downloaded or accessed e-books online in the past 3 months	468
All owned in physical format	4%
Some owned in physical format	17%
Mean number	1

Seventeen per cent of those who had downloaded or accessed e-books in the previous three months claimed to have already owned at least one of them in physical format; 4% all of them. The mean number already owned was 1.

7.1.4 Downloading or accessing free e-books before purchasing

Taking the number of books respondents had previously indicated they had paid for in the past 3 months, plus the number of physical purchases they had also indicated, respondents were asked:

You indicated you have paid for [NUMBER] books in any format (digital or physical) in the past 3 months. How many of these had you previously downloaded or accessed online for free?

Table 7.1.4 outlines the following:

1. **All previously accessed for free** shows the proportion of those who had purchased any books (physical or digital) in the past 3 months, who indicated they had previously accessed 'all' of them for free online.
2. **Some previously accessed for free** shows the proportion of those who had purchased any books (physical or digital) in the past 3 months, who indicated they had previously accessed 'some' of them for free online.
3. **Mean number** is the average number of books that people who had purchased any content in the past 3 months claimed to have previously downloaded or accessed for free.

Table 7.1.4: Summary table - downloading or accessing free e-books before purchasing

Base: all who had paid for any books (physical or digital) in the past 3 months	2178
All previously accessed for free	5%
Some previously accessed for free	9%
Mean number	0.4

Nine per cent of those who had paid for books (any format) in the previous three months claimed to have previously downloaded or accessed at least one e-book for free prior to purchase; 5% all of them. The mean number of paid-for books in the past 3 months that were claimed to have been accessed for free previously was less than 1 (0.4).

7.1.5 Legality of e-books downloaded or accessed online

Legality is clearly the area of this study that relies most on honesty, as well as the respondents' knowledge of what they believe constitutes lawful and unlawful behaviour (there is likely to be some uncertainty). Both of these factors mean that a degree of caution should be placed on the figures documented.

The number of books calculated as being downloaded or streamed for free in the past 3 months was shown to respondents, and they were asked how many of these they think were done so legally:

You indicated that you have downloaded or streamed/streamed [NUMBER] books for free in the past 3 months. How many of these do you think were done so legally?

From this we were able to derive the number obtained illegally (total number of free files minus number obtained legally). If we assume that all paid-for files were obtained legally, and include these in the legal numbers, this can be translated into proportions based on all e-book acquisitions for each respondent.

Table 7.1.5 displays the percentages of people who fit into four derived groups, along with the mean and median numbers for each:

1. **100% legal** accounts for those who indicated 'all' of the e-books they had downloaded or accessed online for free were legal.
2. **Mix of legal and illegal** comprised anyone who was not in the above category but had a value greater than zero.
3. **100% illegal** accounts for anyone who either indicated all e-books were paid for (so were not asked the question), or none of the free e-books they downloaded or accessed online were obtained legally.
4. **Any illegal** is a combination of 2 and 3 above.

Table 7.1.5: Summary of legality groups – downloaded or accessed e-books

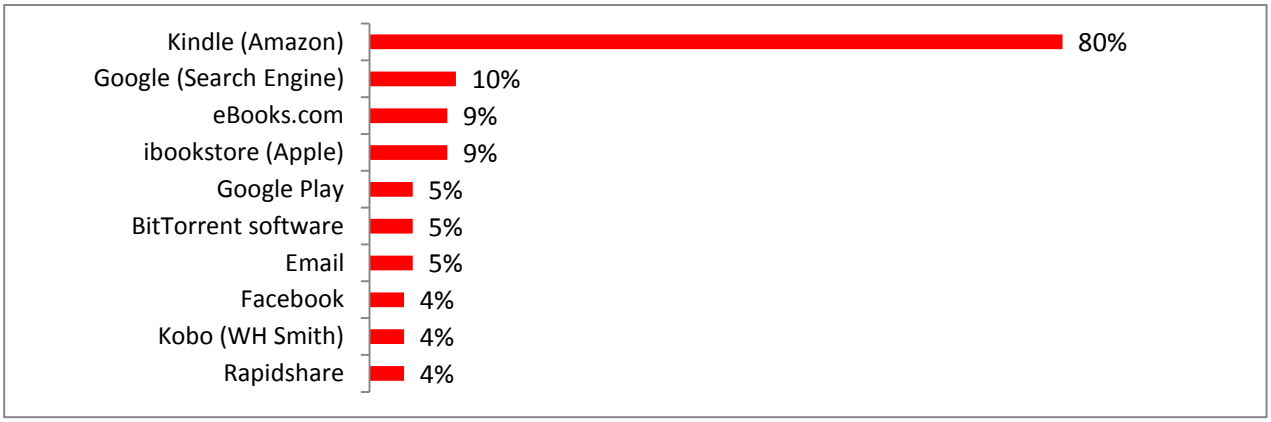
	% of internet users aged 12+	% 12+ downloaded or accessed e-books in the past 3 months	Mean number of files in past 3 months	Median number of files in past 3 months
Base	4410	468	468	468
100% legal	10%	89%	13	5
Mix of legal and illegal	1%	5%	Base too small to drill down (even combined)	
100% illegal	1%	6%		
Any illegal	**1%**	**11%**		

Books had the lowest estimation of illegal behaviour across the content types – Close to a tenth (11%) of those who had downloaded or accessed e-books in the past 3 months are estimated to have accessed at least some of them illegally, with 6% indicating all of them were illegal. Due to the low incidences of unlawful behaviour for e-books, it isn't possible to analyse the '100% legal' group any further than at the top-line level.

7.1.6 Services used for downloading, accessing or sharing e-books

The following table shows the top ten responses for services used to download, stream or share e-books in the past 3 months:

Table 7.1.6: Top 10 services used for e-books



Base: All who have downloaded, streamed or shared e-books in the past 3 months (476)
Q.B6_4 Which sites or service shave you used in the past 3 months to download, access, or share books through the internet?

The e-book market mentions are dominated by Kindle, with four-fifths of those who had downloaded, accessed or shared e-books in the past 3 months citing the Amazon brand. This was consistent across all demographics and sub-groups.

7.1.7 Total volume estimates for books – past 3 months

This subsection focuses on the data at a 'volume' level, as described in Section 2.3. The following table shows total volume estimates for physical and e-books based on the sum of all individual volumes collected in this survey (subsequently grossed up to reflect the UK 12+ population).

Table 7.1.7a: Volume and proportion estimates of physical and digital files - all books

Type	Number (000s)	% all books	Description
Physical	108m	61%	Total number of physical books bought in the past three months
Digital	69m	39%	Total number of e-books consumed via downloading or accessing online
Total	176m	100%	Total number of digital and physical books consumed

Focusing on 'digital' books only, the split between paid and free digital files was as follows:

Table 7.1.7b: Volume and proportions of paid and free – digital only

Type	Number (000s)	% all e-books	Description
Paid	28m	41%	Total number downloaded or accessed online and paid for in the past 3 months
Free	40m	59%	Total derived number of books accessed online for free in the past 3 months
Total	69m[59]	100%	Total no. of books downloaded or accessed online in past 3 months

As we also know the number of physical books claimed to have been purchased on hardback or softback in the past 3 months, we are able to assess the picture in terms of all e-book acquisitions (digital and physical), by adding the paid digital volume figure above to the number of physical books.

Table 7.1.7c: Volume and proportions of paid and free books – physical and digital combined

Type	Number (000s)	% all books	Description
Paid	136m	77%	The number of books that were downloaded or accessed online and paid for + the number of physical books in the past three months
Free	40m	23%	The derived number of books that were downloaded or accessed online for free in the past 3 months
Total	176m	100%	Total no. e-books downloaded or accessed + Total number of books bought on paper in the past three months

Focusing on the legality element, the following table shows the total volume split of free downloaded or accessed books in terms of whether they were believed to have been obtained legally or illegally.

[59] Note that in each table the two components will not always add exactly to the total due to rounding. All figures are rounded to the nearest million.

Table 7.1.7d: Volume and proportions of legal and illegal – free e-books

Type	Number (000s)	% free e-books	Description
Legal	32m	79%	The number of free books that were downloaded or accessed online legally in the past 3 months
Illegal	8m	21%	The derived number of free books that were downloaded or accessed Illegally in the past 3 months
Total	40m	100%	Total number of e-books downloaded or accessed for free in the past 3 months

If we are to assume that all paid books were obtained legally, these can be added to the legal total in order to assess the picture across all e-books, and this is outlined as follows:

Table 7.1.7e: Volume and proportions of legal and illegal – all (paid + free) digital

Type	Number (000s)	% all e-books	Description
Legal	60m	88%	The number of free books that were downloaded or accessed online legally + the number of e-books that were downloaded or streamed online and paid for
Illegal	8m	12%	The derived number of free books that were downloaded or accessed online Illegally in the past 3 months
Total	69m	100%	Total number of e-books downloaded or accessed online (paid or free) in the past 3 months

As with the paid and free split, if we also assume that physical books were all purchased legally we can then incorporate this into the legal total in order to assess legality across all books.

Table 7.1.7f: Volume and proportions of legal and illegal – physical and digital combined

Type	Number (000s)	% all books	Description
Legal	168m	95%	The number of free digital files that were downloaded or accessed legally + the number of digital files that were downloaded/streamed and paid for + the number of physical books bought on paper in the past three months
Illegal	8m	5%	The derived number of books that were downloaded or accessed online Illegally in the past 3 months
Total	176m	100%	Total number of e-books downloaded or accessed online + the number of physical books bought on disc in the past three months

An estimated 8 million e-books were consumed illegally online in the past 3 months – equating to 5% of all books (downloaded, accessed online, or bought in physical format).

7.2 Spend on books and price sensitivity

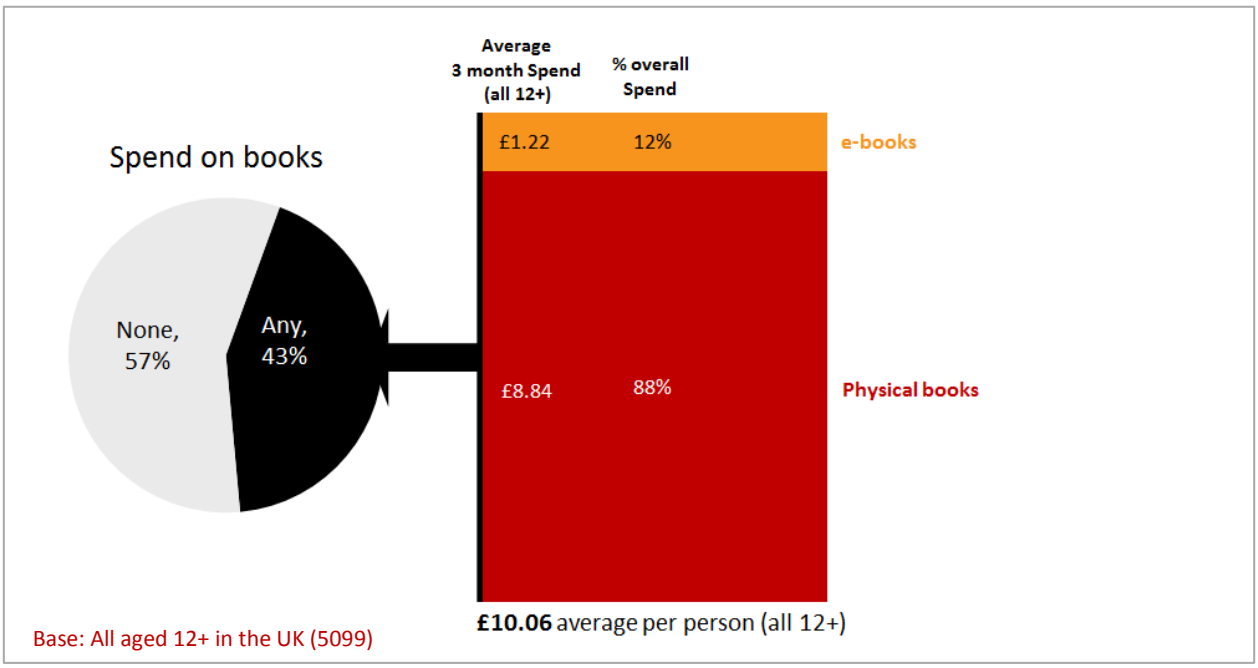
7.2.1 Quarterly books spend

Respondents were asked:

Approximately how much have you spent on the following in the past 3 months? Please include money spent on other people, where they haven't paid you back

The following chart demonstrates the proportion of people who claimed they spent anything in the past 3 months on books (e-books or paper copies), along with the overall profile of spend among this group of people.

Chart 7.2.1: Proportion of the population who have spent anything on books, and split of spend (past 3 months)



Forty-three per cent of the total 12+ UK population claim to have spent any money on books in the past 3 months.

The total three-month spend estimate[60] was £537m, equating to £10.06 for every person in the UK. The average among these people active in the category was £23.39 per person.

The majority of spend from this period came from physical books (hardback or paperback), with 88% being attributed to this, while the remaining 12% was attributed to e-books.

[60] Total spend estimates are calculated by adding up all spend values across respondents (grossed to 12+ population).

7.2.2 Willingness to pay (PSM)

Within the survey we set out to assess at what levels people would be willing to pay, both for individual books via a download service, and via a subscription service. A Gabor-Granger price sensitivity model was used for this purpose; an approach which delivers price elasticity to examine the likely effect of price changes on demand . It is important to note that the price points used in the survey were pre-determined i.e. they were not spontaneously offered by survey respondents.

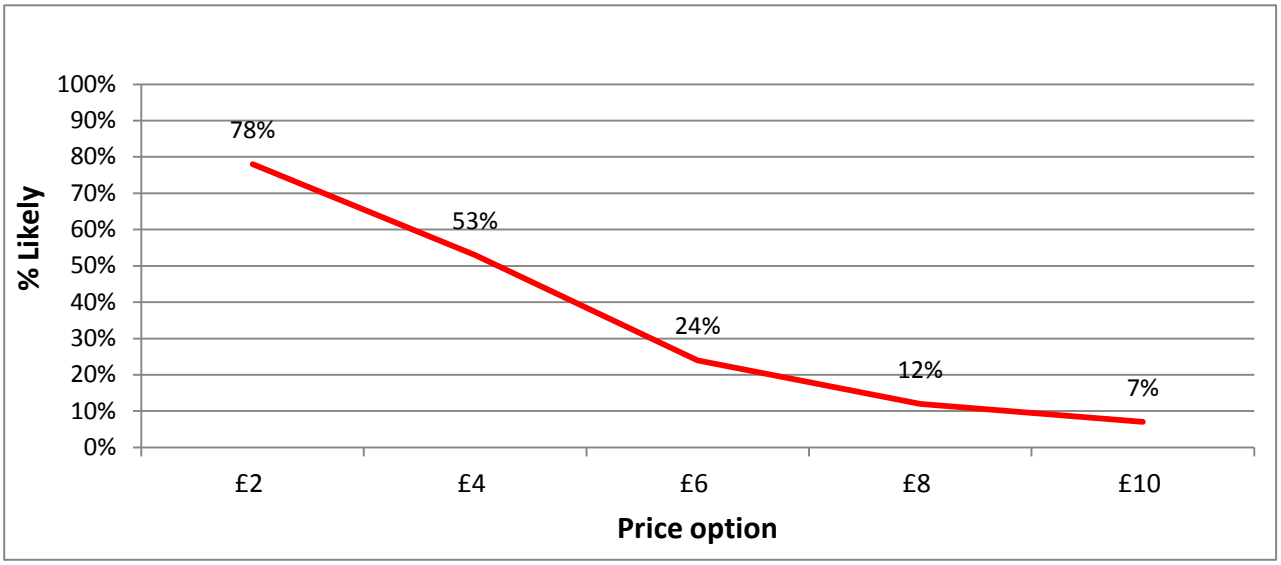
With regards to a **download service**, the following question was asked:

Assuming you saw a new fiction e-book on an online service that you wanted to own. It would be high quality, and you knew it was a reputable and reliable service. How likely would you be to download it if it was the following prices?

Unlike the other two content types where we asked about willingness to pay (music and films), the vast majority of e-books behaviour was claimed to be lawful. In total, only 48 respondents admitted to any illegal e-book behaviour. Therefore, we are unable to analyse the illegality groups any further (other than for '100% legal').

The following chart displays likelihood to purchase (either quite likely or very likely) at each price point amongst those who had ever downloaded or accessed e-books:

Chart 7.2.2a: Likelihood to pay for downloading e-books at different price options - single e-book



All 12+ in the UK that have EVER downloaded/accessed e-books (652)

Willingness to pay for a single book download declined steadily as the proposed price of a book download increased - 78% say they are prepared to pay at an entry price of £2, falling to 7% at £10.

Mean price willing to pay was £3.49

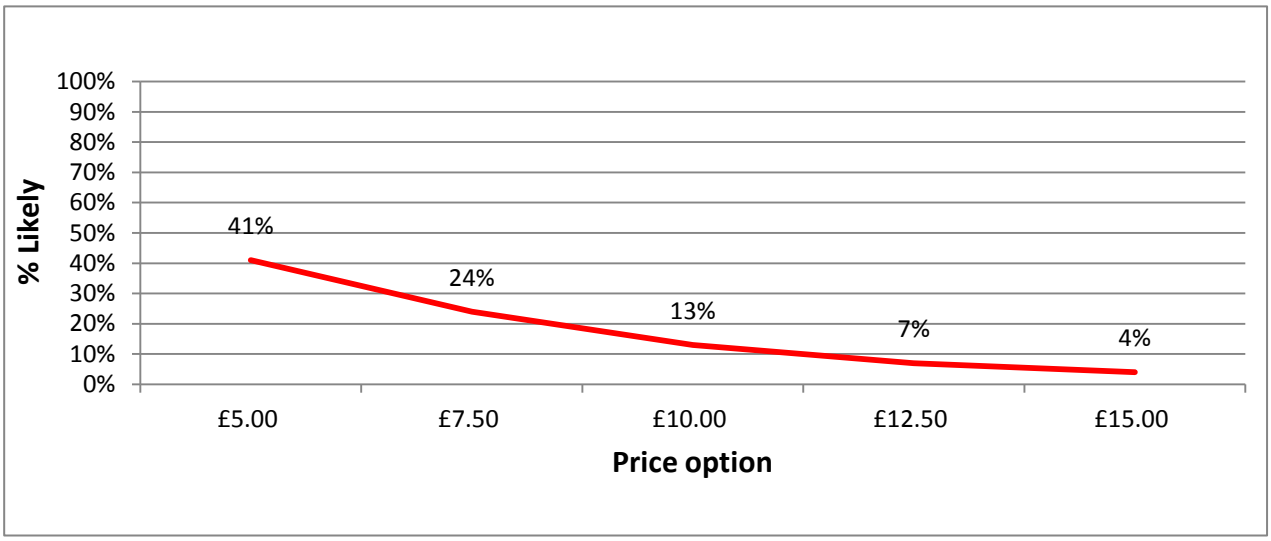
Focusing on a **subscription service** we asked the following question:

Assume that the following online service became available…

A monthly subscription service allowing you to access ten e-books each month from any internet-connected device. You would be able to access the files offline but they could only be read through the service itself. You would be allowed to cancel the service at any time How likely would you be to subscribe at the following prices per month?

The following chart displays likelihood to purchase (either quite likely or very likely) at each price point among those who had ever downloaded or accessed e-books:

Chart 7.2.2b: Likelihood to pay for e-book subscription at different price options



All 12+ in the UK that have EVER downloaded/accessed e-books (652)

Willingness to pay declined steadily as the proposed price of a monthly subscription increased - 41% said they were prepared to pay at an entry price of £5, falling to 4% at £15.

The average price willing to pay for a monthly subscription of £3.27 was actually slightly lower than for a single book download (£3.49)[61].

[61] It is likely that the mean price willing to pay for an e-book subscription is lower than an individual download for three reasons – 1) a service doesn't currently exist for the former, 2) the demand for using such a service at all is lower, and 3) because a single book generally has more longevity than the other categories i.e. a person may only be able to consume one book within a monthly period.

8. Video games

8.1 Levels of video game copyright infringement

8.1.1 Digital behaviour among internet users aged 12+ - video games

The following table summarises general digital behaviour in the video games category:

Table 8.1.1a: Summary of digital behaviour among internet users aged 12+ – video games

Base: internet users aged 12+ (4410) Various Questions *Caution – low base (72)	Downloaded	Streamed	Downloaded or streamed i.e. "consumed"	Shared	Downloaded, streamed or shared
Ever done	12%	12%	17%	2%	17%
Done in past 3 months	7%	7%	11%	1%	11%
Mean number of files in past 3 months among those who've done activity	6	3	8	6*	-
Median number of files in past 3 months among those who've done activity	2	3	3	3*	-

Levels of downloading and accessing of video games online were shown to be equal (both 7% in the past 3 months). Just 1% of internet users aged 12+ claimed to have shared video games in the past 3 months.

Eleven per cent of the online 12+ population did at least one of the three activities in the past 3 months. The mean number of video games downloaded in the past 3 months was 6, twice the number for accessed (3). The median was the same for accessing, but lower for downloading (2).

The following table shows the penetration of each of the activities amongst key subgroups:

Table 8.1.1b: Downloaded, accessed or shared video games in past 3 months - profiles

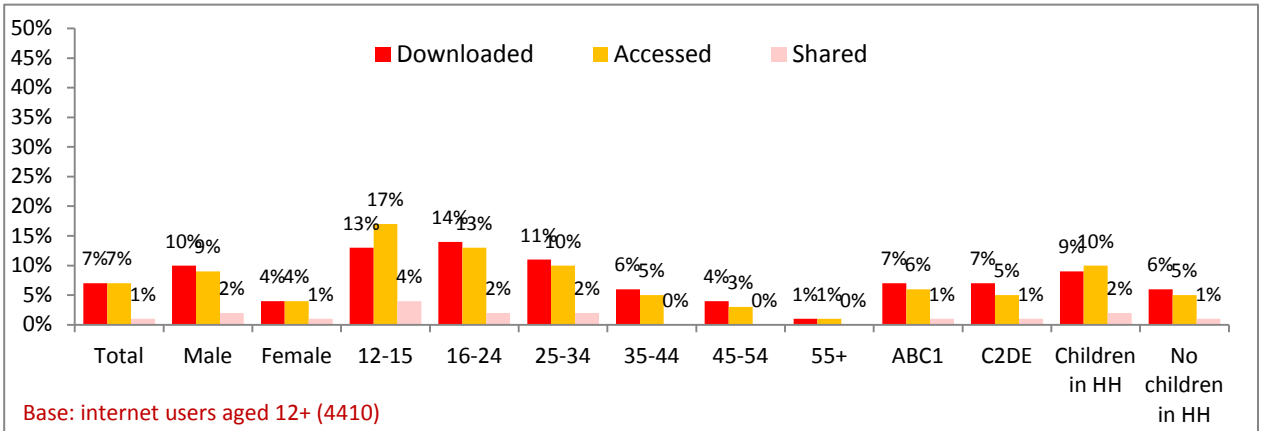
		Downloaders	Accessers	Sharers
	Base	345	356	72*
Gender	Male	72%	68%	68%
	Female	28%	32%	32%
Age	12-15	12%	17%	25%
	16-34	61%	60%	62%
	35-54	23%	21%	11%
	55+	4%	2%	1%
Socio-economic group[62]	ABC1	60%	66%	62%
	C2DE	40%	34%	38%
Presence of children in household	Children in household	45%	48%	60%
	No children in household	55%	52%	40%

The profiles of people active across all three activities skewed towards males, under 35s and ABC1s. Sharers were significantly more likely to have children in the household (60%) when compared to the other two types.

The following chart shows the penetration of each of the activities among key sub-groups:

[62] Socio-economic group is not included for 12-15 year olds, so profile is among 16+ year olds

Table 8.1.1b: Downloaded, accessed or shared video games in past 3 months, by sub-group



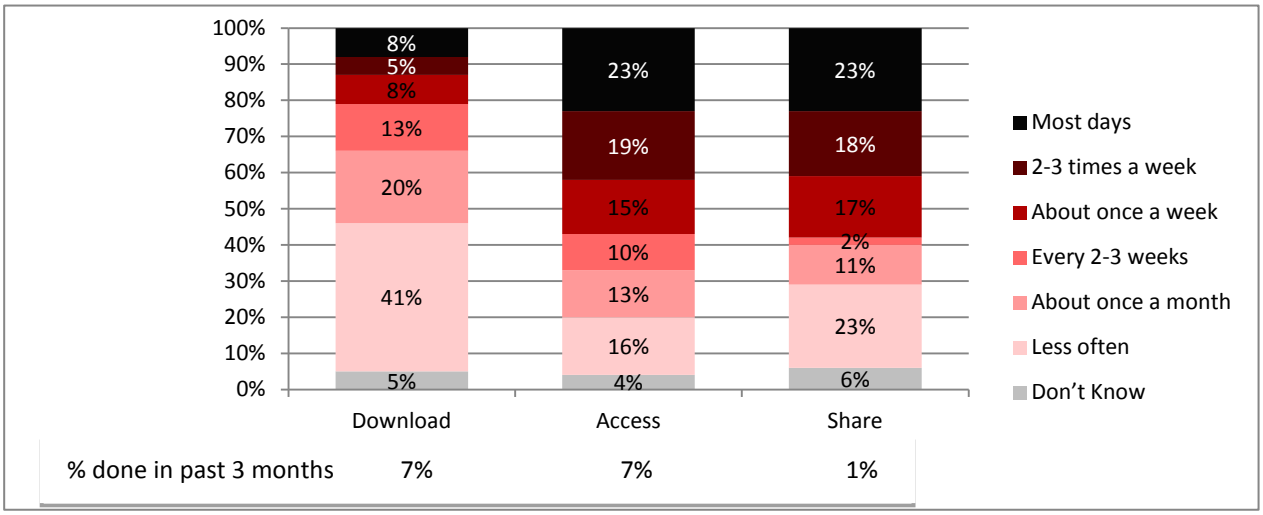
Base: internet users aged 12+ (4410)
Q.2. Have you [activity] any of the following through the internet in the past three months?

Taking the penetration figures above:

- Males were significantly more likely than females to have taken part in downloading (10% v 4%) and accessing (9% v 4%) video games online.
- Younger age groups were also more likely to engage in all three activities – 12-15 year olds (13%) and 16-24s (14%) had similar incidences for downloading (13% and 14%) and accessing (17% and 15%).
- Those with children in the household were twice as likely as those without to access video games online (10% v 5%).

Those who indicated that they had downloaded, accessed or shared video games online were also asked the frequency with which they did so, and the results are shown in the following chart:

Chart 8.1.1d: Frequency of downloading, accessing and sharing video games



Base: All who have downloaded (345), accessed (356), shared (72) video games in the past 3 months

Question: Generally, how often do you [ACTIVITY video games] through the internet?

Accessing video games online was shown to be a more frequent activity than downloading, with 57% doing so at least once a week compared to 21% for the latter. The more niche activity of sharing was a frequent activity among those who claimed to do it, with 58% saying they shared video games online at least once a week.

8.1.2 Payment of video games downloaded or accessed online

Using the total number of video games that respondents indicated they had downloaded and accessed in the past 3 months, those who specified 'any' were asked:

You indicated you have downloaded or accessed [NUMBER] video games in the past 3 months. How many did you pay for, either as a one off or as part of a subscription?

Table 8.1.2 outlines the proportions of people and mean (and median) number of files for four derived groups:

1. **100% paid** - accounts for those who indicated they paid for 'all' of the video games they had downloaded or accessed in the past 3 months.
2. **Mix of paid and free** - comprised anyone who was not in the above category but had a value greater than zero.
3. **100% free** - was derived from anyone with a value of zero (and had previously indicated they had downloaded or accessed at least one video game).
4. **Any free -** is a combination of 2 and 3 above.

Table 8.1.2: Summary of payment groups – downloaded or accessed video games

	% internet users aged 12+	% 12+ downloaded or accessed video games in the past 3 months	Mean number of files (past 3 months)	Median number of files (past 3 months)
Base	4410	533	533	533
100% paid	4%	38%	5	2
Mix of paid and free	2%	22%	Total = 14 Paid = 4 Free = 10	Total = 6 Paid = 3 Free = 4
100% free	4%	40%	7	2
Any free	**6%**	**62%**	**Free = 8**	**Free = 3**

Of those who had downloaded or accessed video games in the last 3 months, 62% had downloaded or accessed at least some of them for free (equating to 6% of the 12+ online population). The '100% paid' (38%) and '100% free' (40%) groups had a relatively even split, with 22% having done a mix of both.

The mean number of paid files was slightly higher among those who paid for all their video games (5) than among those who also obtained some for free (4).

Females were the most likely to have accessed all their video games for free (48% compared to 36% for males). Those aged 55 or above were the most likely to have paid for all of them at 43%, although they constituted only 4% of all those in this payment group.

8.1.3 Consuming video games online already owned in physical format

As part of the same question used to assess payment, respondents were also asked:

How many did you already own on disc or cartridge?

Table 8.1.3 outlines the following:

1. **All owned in physical format** shows the proportion of those who downloaded or accessed video games online in the past 3 months, and indicated they already owned 'all' of them in a physical format.
2. **Some owned in physical format** shows the proportion of those who downloaded or accessed video games online in the past 3 months, and indicated they already owned 'some' of them in a physical format.

3. **Mean number** is the average number of video games that people who had downloaded or streamed any in the past 3 months claimed to have already owned in physical format.

Table 8.1.3: Summary table - physical ownership of downloaded or accessed video games

Base: All those who downloaded or accessed video games online in the past 3 months	533
All owned in physical format	10%
Some owned in physical format	27%
Mean number	4

Twenty-seven per cent of those who downloaded or accessed video games online in the past 3 months claimed to have already owned some or all of them in physical format; 10% all of them. The mean number already owned was 4.

8.1.4 Downloading or accessing free video games online before purchasing

Taking the number of video games respondents had indicated they had paid for in the past 3 months, plus the number of physical purchases, respondents were asked:

You indicated you have paid for [NUMBER] video games in any format (digital or physical) in the past 3 months. How many of these had you previously downloaded or streamed or accessed online for free?

Table 8.1.4 outlines the following:

1. **All previously accessed for free** shows the proportion of those who had purchased any video games (physical or digital) in the past 3 months, who indicated they had previously accessed 'all' of them for free online.
2. **Some previously accessed for free** shows the proportion of those who had purchased any video games (physical or digital) in the past 3 months, who indicated they had previously accessed 'some' of them for free online.
3. **Mean number** is the average number of video games that people who had purchased any content in the past 3 months claimed to have previously downloaded or accessed for free.

Table 8.1.4: Summary table - downloading or accessing free video games before purchasing

Base: all who had paid for any video games (physical or digital) in the past 3 months	1063
All previously accessed for free	11%
Some previously accessed for free	23%
Mean number	1

Twenty three per cent of those who had paid for video games (any format) in the previous three months claimed to have previously downloaded or accessed at least one video game for free prior to purchase; 11% all of them. The mean number of paid-for video games in the past 3 months, claimed to have been accessed for free previously, was just 1.

8.1.5 Legality of video games downloaded or accessed online

Legality is clearly the area of this study that relies most on honesty, as well as respondents' knowledge of what they believe constitutes lawful and unlawful behaviour (there is likely to be some uncertainty). Both of these factors mean that the figures should be used with caution.

The number of video games calculated as being downloaded or accessed for free in the past 3 months was shown to respondents, and they were asked how many of these they think were obtained legally:

You indicated that you have downloaded or streamed/accessed [NUMBER] video games for free in the past 3 months. How many of these do you think were done so legally?

From this we were able to derive the number obtained illegally (Total number of free files minus number obtained legally). If we assume that all paid-for files were obtained legally, and include these in the legal

numbers, they can be translated into proportions based on all video games (downloaded or accessed online) for each respondent.

Table 8.1.5 displays the percentages of people who fit into four derived groups, along with the mean and median numbers for each:

1. **100% legal** accounts for those who indicated 'all' of the video games they had downloaded or accessed online for free were legal.
2. **Mix of legal and illegal** was formed from anyone who was not in the above category but had a value greater than zero.
3. **100% illegal** accounts for anyone who either indicated all video games were paid for (so were not asked the question), or none of the free video games they downloaded or accessed online were obtained legally.
4. **Any illegal** is a combination of 2 and 3 above.

Table 8.1.5: Summary of legality groups – downloaded or accessed video games

	% of internet users aged 12+	% 12+ downloaded or accessed video games in the past 3 months	Mean number of files in past 3 months	Median number of files in past 3 months
Base	4410	348	348	348
100% legal	9%	82%	7	3
Mix of legal and legal	1%	7%	Total = 13[63] Legal = 5 Illegal = 8	Total = 4 Legal = 0 Illegal = 2
100% illegal	1%	10%		
Any illegal	**2%**	**18%**		

Of those who downloaded or accessed video games in the past 3 months, 17% are estimated to have done at least some of this illegally, equating to 2% of internet users aged 12+; 10% (2% of internet users) consumed all of them illegally. Subsequently, a high majority (82%) are estimated to have consumed all of them legally.

The vast majority of those who consumed any video games illegally were male (73%) and under 34 (85%).

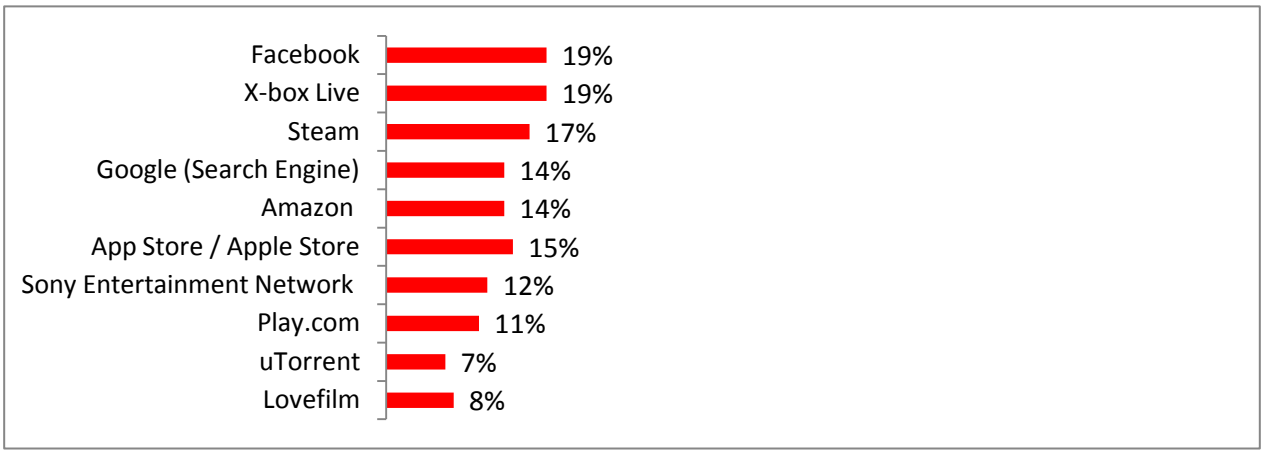
The mean number of legal video games (7) among the former is close to the latter (5). The mean number of video games downloaded or accessed illegally among those who had done any at all was 8, while the median was 2.

[63] note: base too small for individual groups so combined to make 'Any illegal'

8.1.6 Services used for downloading, accessing or sharing video games

The following table shows the top ten responses cited for services used to download, stream or share digital video games:

Table 8.1.6: Top 10 services used for digital video games



Base: All who had downloaded, streamed or shared video games in the past 3 months (554)
Q.B2_4 Which sites or services have you used in the past 3 months to download, access, or share video games through the internet?

Facebook and X-box Live had similar levels of mentions for video games, with 19% having used each in the past 3 months. The highest incidence of peer-to-peer services was 7% for uTorrent. However, aggregating all such services (e.g. including Pirate Bay, Isohunt, Bittorrent software, etc) indicated that 12% used at least one of these for video games.

Significant findings among both demographic and derived sub-groups are as follows:

- Facebook and X-Box Live mentions were both significantly higher among 12-15 year olds than other age groups (31% and 32% respectively).
- Steam (20%) was twice as likely to be used by males as females (10%). Conversely, the Apple sites had significantly higher usage among females, at 23%.
- Xbox Live and Facebook had particularly high usage among sharers (31% and 27%)
- uTorrent was 19% among those who had done any unlawful downloading of video games in the past 3 months. The only service with a similarly high level, among this group with respect to video games, was Facebook (19%).

8.1.7 Total volume estimates for video games – past 3 months

This sub-section focuses on the data at a 'volume' level, as described in Section 1.2. The following table shows total volume estimates for physical and digital video games based on the sum of all individual volumes collected in this survey (subsequently grossed up to reflect the UK 12+ population).

Table 8.1.7a: Volume and proportion estimates of physical and digital files - all video games

Type	Number (000s)	% all video games	Description
Physical	31m	45%	Total number of video games bought on physical disc in the past three months
Digital*	37m	55%	Total number of digital video games consumed via downloading or accessing online
Total	68m[64]	100%	Total number of digital and physical video games consumed

Focusing on 'digital' video games only, the split between paid and free digital files was as follows:

Table 8.1.7b: Volume and proportions of paid and free – digital only

Type	Number (000s)	% all digital	Description
Paid	14m	37%	Total number downloaded or accessed online and paid for in the past 3 months
Free	24m	63%	Total derived no. video games accessed online for free in the past 3 months
Total	37m	100%	Total no. of video games downloaded or accessed online in past 3 months

As we also know the number of physical video games claimed to have been purchased on disc in the past 3 months, we are able to assess the picture in terms of all video game consumption (digital and physical, not including rentals), by adding the paid digital volume figure above to the number of physical discs/cartridges.

Table 8.1.7c: Volume and proportions of paid and free video games – physical and digital

Type	Number (000s)	% all video games	Description
Paid	45m	65%	The number of video games that were downloaded or accessed online and paid for + the number of physical video games bought on disc or cartridge in the past three months
Free	24m	35%	The derived number of video games that were downloaded/accessed online for free in the past 3 months
Total	68m	100%	Total no. digital video games downloaded or accessed online + Total no. of video games bought on physical disc in the past three months

Focusing on the legality element, the following table shows the total volume split of free downloaded or accessed video games in terms of whether they were believed to have been obtained legally or illegally.

Table 8.1.7d: Volume and proportions of legal and illegal – free digital video games

Type	Number (000s)	% free digital	Description
Legal	17m	71%	The number of free video games that were downloaded or accessed online legally in the past 3 months
Illegal	7m	29%	The derived number of free video games that were downloaded or accessed Illegally in the past 3 months
Total	24m	100%	Total number of digital video games downloaded or streamed for free in the past 3 months

[64] Note that in each table the two components will not always add exactly to the total due to rounding. All figures are rounded to the nearest million

If we are to assume that all paid for video games were obtained legally[65], these can be added to the legal total in order to assess the picture across all digital video games, and this is outlined as follows:

Table 8.1.7e: Volume and proportions of legal and illegal – all (paid + free) digital

Type	Number (000s)	% all digital	Description
Legal	31m	82%	The number of free video games that were downloaded or accessed online legally + the number of digital video games that were downloaded or accessed online and paid for
Illegal	7m	18%	The derived number of free video games that were downloaded or accessed online Illegally in the past 3 months
Total	37m	100%	Total number of video games downloaded or accessed online (paid or free) in the past 3 months

As with the paid and free split, if we also assume that physical discs or cartridges were all purchased legally[66] we can then incorporate this into the legal total in order to assess legality across all video games.

Table 8.1.7f: Volume and proportions of legal and illegal – physical and digital combined

Type	Number (000s)	% all video games	Description
Legal	62m	90%	The number of free digital video games that were downloaded or accessed legally + the number of digital video games that were downloaded or accessed and paid for + The number of physical video games bought in the past three month.
Illegal	7m	10%	The derived number of video games that were downloaded or accessed online Illegally in the past 3 months.
Total	68m	100%	Total number of video games downloaded or accessed online + the number of physical video games bought in the past three months

An estimated 7 million video games were consumed illegally in the past 3 months – equating to 10% of all video games (downloaded, accessed online, or bought in physical format).

[65] As mentioned earlier, we have made an assumption throughout that all paid files are legal; it is likely a small proportion of paid files attributed to 'legal' were obtained through unlicensed sites.

[66] We have made an assumption for the purpose of these calculations that all physical discs were obtained legally. It is likely a small proportion of these were obtained from unlawful sources.

8.2 Consumer spend on video games

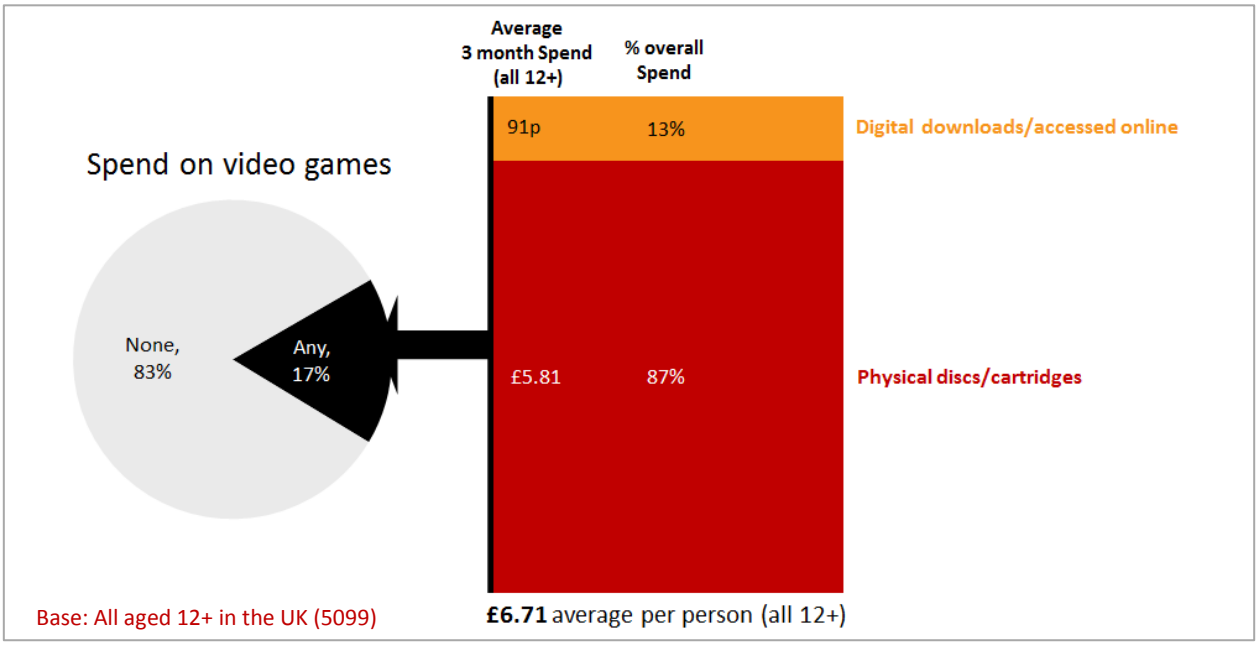
8.2.1 Video games spend in the past 3 months

Respondents were asked:

Approximately how much have you spent on the following in the past 3 months? Please include money spent on other people, where they haven't paid you back

The following chart demonstrates the proportion of people who claimed they spent anything on video games in the past 3 months as a category, along with the overall profile of spend among this group of people.

Chart 8.2.1: Proportion of the population who have spent anything on video games, and split of spend (past 3 months)



Seventeen per cent of the total 12+ UK population had spent any money on video games as a category (composed of physical discs and digital files) in the past 3 months.

The total three-month spend estimate[67] was £359 million, equating to £6.71[68] for every person in the UK. The average spend among the people active in the category was £39.98 per person.

The majority of spend from this period came from purchases in physical format, with 87% being attributed to this; the remaining 13% is attributed to online video games (downloaded or accessed).

The mean spend was lower among those who claim to have accessed any video games illegally (£25), compared to £34.51 for the '100% legal' group[69].

[67] Total spend estimates are calculated by adding up all spend values across respondents (grossed to 12+ population).
[68] Note that each individual component will not necessarily add to the total exactly due to rounding
[69] The legal groups are too small to break down further regarding spend.

9. Attitudes towards digital activities

9.1 Attitudes towards online content

Respondents were asked the following, in relation to the consumption of digital media.

To what extent do you agree or disagree with each of the following statements?
1: Strongly agree 2: Slightly agree 3: Neither agree nor disagree 4: Slightly disagree 5: Strongly disagree

The table below outlines the proportions of agreement (strongly or slightly agree) among all those with internet access (12+) and among those who had consumed any content illegally in the previous 3 months (aggregated across all six content types):

Table 9.1: Proportion of legal subgroups who agree with statements

Q.4 To what extent do you agree or disagree with each of the following statements?	All aged 12+ with internet access	Any illegal (across all 6 content types)
Base	4410	746
Content that you download or access online should be cheaper than the equivalent purchased in a physical format	63%	70%
It is wrong to access content online without the creators/artists permission	53%	42%
The rules governing what you can and can't do with content you purchase should be the same for both physical and online formats	50%	51%
If you had paid for a digital file you should then be able to share it with others	43%	53%
It is easy to find content on the internet for free that would usually be paid for	39%	63%
I think that you should be able to download or access the content you want for free from the internet	37%	52%
The price that you pay to download or access content online is generally about right	26%	28%
I find it difficult to find legal content online	18%	28%

To summarise the main findings:

- The general consensus was that online/digital content should be cheaper than the equivalent purchased in a physical format - 63% of 12+ year olds with internet access believed this, rising to 70% among those who accessed any content illegally. Despite this, a similar proportion (28%) of those who consumed at least some content illegally agreed that "the price you pay for downloaded or accessed content online is about right" (compared to 19% of all internet users aged 12+).
- Those who indicated they consumed any content illegally across all six content types in the past 3 months were more likely than the general internet population (12+) to agree that "you should be able to download or access content for free on the internet" (52%), and that "you should be able to share digital files if you have paid for them" (53%). Sixty-three per cent of them also agreed with the statement 'it is easy to find content on the internet (that you usually pay for) for free'. Of the statements presented, they were only less likely to agree that: "is wrong to access content online without the creators/artists permission"; this applied to 42%, compared to 53% among all internet users.

9.2 Motivations for general online activities

Several attitudinal questions were presented in the survey in order to uncover primary motivations for specific online behaviour. The following tables shows the ranked prompted responses for each of the general activities covered - downloading, streaming/accessing, and sharing files - among those who claimed to have taken part in them (and additionally, those not taking part, in the case of downloading) for any of the six content types of interest in the past 3 months; only those answers that gained 5% or more response, among those asked the questions, are shown in the tables.

It is worth noting that motivations for general online behaviour were similar for those who had consumed any illegal content as those of the general internet population, since these questions focused on the general acts of downloading, streaming and sharing (without any reference to legality). The sub-section following this one focuses on motivations for lawful and unlawful activity.

Table 9.2a. Summary of motivations for downloading (or not) content online

DOWNLOADING CONTENT ONLINE
You indicated you have downloaded [CONTENT TYPES] in the past 3 months. Generally, what would you say are your personal reasons for downloading these types of files rather than buying a physical version such as a CD, DVD, Blu-ray, paper, etc.?
Base: All who had downloaded any of the six content types of interest in the past three months (1813)
- It's easier/more convenient = 67% - It's quicker = 56% - It's cheaper = 46% - I can access them more easily on the devices I have = 35% - I can get them for free = 34% - The quality isn't noticeably different = 18% - It's more up-to-date = 17% - No physical version available = 12% - It's what everyone does = 11%
What are the reasons that you haven't downloaded any files in the past 3 months?
Base: All with internet access who'd not downloaded any of the six content types of interest in the past three months (2459)
- I'm not interested = 64% - I prefer to have a physical copy = 22% - I fear they may have viruses\ malware \ spyware = 13% - I'm not sure how to do it = 14% - They are too expensive = 10% - I fear that they could be illegal = 10% - It is easier to buy physical copies = 7% - I prefer to stream\access (without downloading) files = 6%

Table 9.2b. Summary of motivations for streaming or accessing content online

STREAMING / ACCESSING CONTENT ONLINE
You indicated you have accessed or streamed [CONTENT TYPES] in the past 3 months. What are your personal reasons for doing this?
Base: All who had streamed or accessed any of the six content types of interest in the past three months (2164)
- It's easier/more convenient = 60 % - It's free = 51% - It's quick = 49% - It's easy to do = 43% - For entertainment = 31% - It means I don't have to download them = 26% - It's quicker than downloading = 23% - It means I can try something before I buy it = 20% - It's cheaper than downloading = 15% - Some types of file are too expensive to buy = 6%

Table 9.2c. Summary of motivations for sharing content online

SHARING CONTENT ONLINE
You indicated you have shared [CONTENT TYPES] in the past 3 months. What are your personal reasons for doing this?
Base: All who had shared any of the six content types of interest in the past three months (402)
- It's easy to do = 56 % - It's only fair = 32% - It's what everyone does = 29% - I should be able to share my content with whomever I chose = 18% - My friends/family can't access files themselves = 16% - I don't know how to download them = 7%

- Convenience was shown to be the prime motivation for downloading rather than buying a physical version (67%), and was also the main reason given for accessing/streaming online (60%). Speed was also cited highly for both activities - 56% among downloaders and 49% among streamers.
- The motivation of being able to access content for free was higher for streaming/accessing (51%) than it was for downloading (34%).
- The majority (64%) of those who said they don't download were simply not interested, but aside from this, the preference for owning a physical copy was also a motivation (22%).
- Among those who said they shared files, the ease of doing so was the main reason given (56%). However, 29% said they did it because they think it's fair to do so.

9.3 Motivations for lawful and unlawful behaviour

Further attitudinal questions were asked to assess the primary motivations for lawful and unlawful behaviour, and also attempt to uncover factors that might encourage those who currently act unlawfully to stop infringing (particularly in relation to current government measures). The following tables display the ranked prompted responses, for each of the activities, in relation to lawful and unlawful behaviour: [70]

Table 9.3a. Summary of motivations for using paid services

REASONS FOR USING PAID SERVICES
You indicated you have paid to download or stream/access [CONTENT TYPES] in the past 3 months. What were your personal reasons for doing this rather than using services where you could have got them for free?
Base: All who had paid to download or stream/access any of the six content types of interest in the past three months (1359)
- It's easier/more convenient = 45% - I don't want to use illegal sites = 39% - It's quicker = 39% - I want to support creators/industry = 27% - I think it's morally wrong to use illegal sites = 26% - They are better quality = 24% - I fear they may have viruses/malware/spyware = 23% - I don't think it is right to get them for free = 19% - I can afford to pay = 15% - I prefer to pay = 14% - I fear I might be caught = 11% - I'm unaware of the free services available = 11% - I don't know how to use the free services = 7%

Table 9.3b. Summary of motivations for unlawful downloading/streaming of content online

REASONS FOR UNLAWFUL DOWNLOADING/STREAMING
You indicated you have downloaded or streamed the following types of files in the past 3 months which you think may have been done so illegally [CONTENT TYPES]. What are your personal reasons for doing this?
Base: All who had downloaded or streamed/accessed any of the six content types of interest illegally in the past three months, and answered the question (471)
- It's free = 54% - It's easier/ convenient = 48% - It's quick = 44% - It means I can try something before I buy it = 26% - Because I can = 19% - I can't afford to pay = 16% - I think legal content is too expensive = 15% - I already owned content in another format = 14% - The files I want are not available on legal services = 11% - I already spend enough on content = 11% - I don't want to wait for content to become available on legal services = 10% - I've already paid to see it/them at the cinema/in concert etc.= 9% - The industry makes too much money = 9% - It's what my friends or family do = 8% - I don't think I should have to pay for files online = 7%

[70] It is important to note that when we ask about the usage of paid services over free ones we are not necessarily implying that the latter is illegal – as we have seen for many of the content types, free services such as YouTube, BBC iPlayer and Facebook are particularly popular when it comes to consuming and sharing content.

Table 9.3c. Aspects that would encourage stopping accessing content illegally online

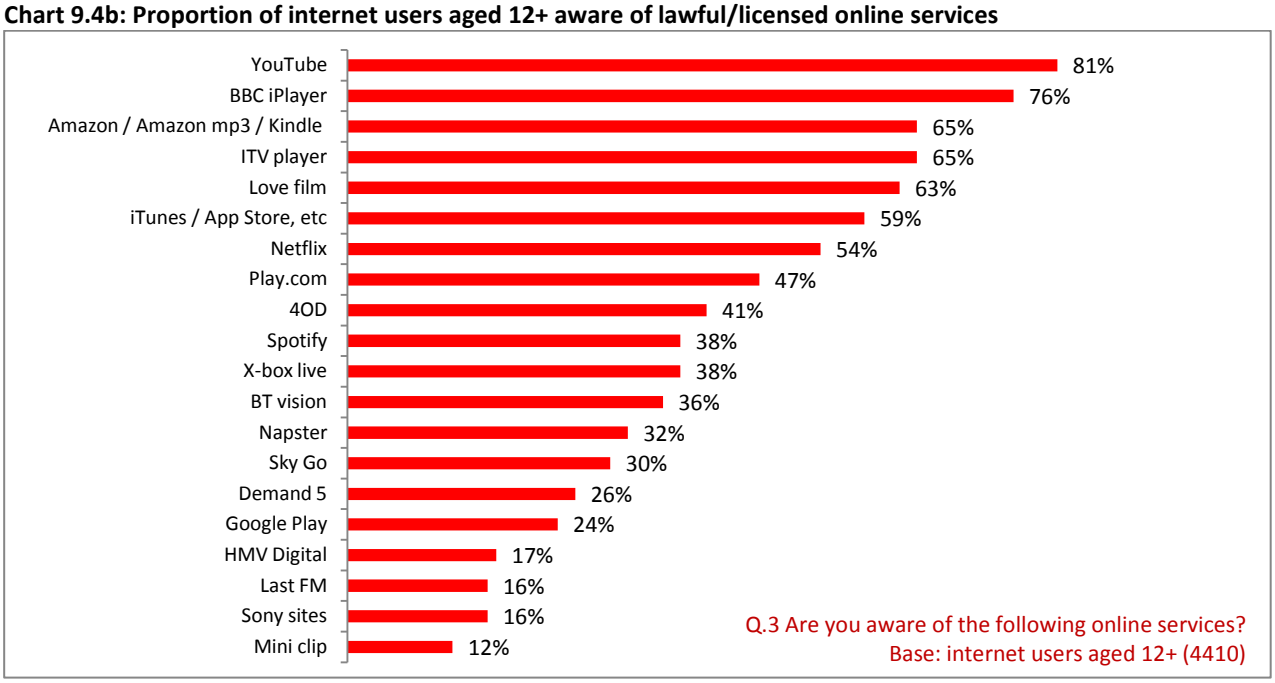
ASPECTS THAT WOULD ENCOURAGE STOPPING ACCESSING CONTENT ILLEGALLY ONLINE
And which, if any, of the following do you think would make you stop downloading or streaming files illegally?
Base: All who had downloaded or streamed/accessed any of the six content types of interest illegally in the past three months, and answered the question (471)
- If legal services were cheaper = 39% - Everything wanted available legally = 32% - Clearer what is legal and what isn't = 26% - Everything wanted available legally online as soon as released elsewhere = 22% - If legal services were better = 22% - Letter from ISP - Suspending internet access = 22% - Thought they might be sued = 20% - If legal services were more convenient/flexible = 18% - Subscription service of interest became available = 17% - Letter from ISP - account had been used to infringe = 16% - Thought they might be caught = 16% - Friends or family caught = 15% - If everyone else stopped doing it = 14% - Letter from ISP - restricting internet speed = 14% - If knew where to go to see something was illegal or not = 13% - Articles in the media about people being caught = 7%

- Convenience (45%) and speed (39%) were given as the primary reasons for using paid downloading or streaming services rather than free ones, but 39% also agreed that they didn't want to use illegal sites (with free sites automatically inferred as illegal by respondents in these cases).
- The free aspect (54%) was the main motivation for illegal downloading, with convenience (48%) and speed (44%) also cited highly.
- The most-stated aspects that would encourage those who currently infringe to stop were: if legal services were cheaper (39%) and if everything was available legally (32%).
- Regarding the threat of a letter from their ISP, this appeared to have less of an anticipated effect on behaviour than the factors mentioned above; 22% indicated that a letter suspending their internet access would put them off, falling to 16% for a letter informing them their account had been used to infringe, and 14% for the restricting of internet speed.

9.4 Awareness of lawful/licensed services

The following chart shows the top 20 responses for lawful / licensed sites[71] covering all six content types of interest in terms of prompted awareness (note that these figures include people who had already indicated that they had used them in the past 3 months, for any of the content types):

Chart 9.4b: Proportion of internet users aged 12+ aware of lawful/licensed online services



Two free online services topped the list - YouTube had the highest awareness with 81%, followed by BBC iPlayer with 76%. Amazon (65%) and Lovefilm (63%) had the highest awareness in terms of paid-for services.

- Several sites or services had significantly higher awareness among males; these included Spotify (41%), Napster (36%), Google Play (28%), HMV Digital (21%), and Last FM (20%).
- Awareness of 4oD was significantly higher among 16-24 year olds than other age groups (69%).
- ABC1s had significantly higher awareness than C2DEs of the majority of lawful services.

[71] Note that unlawful activities are possible on some of these services (such YouTube and Google Play).

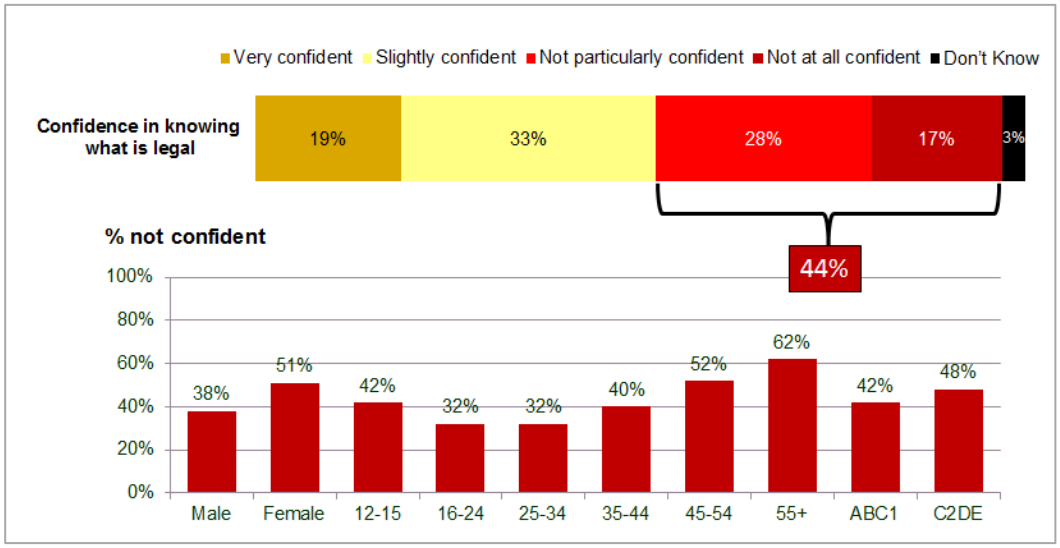
9.5 Confidence in knowing what is legal online and what isn't

Respondents with internet access were also asked the following question:

How confident are you that you know what is legal and what isn't in terms of downloading, streaming/accessing, and sharing content through the internet?

The results are shown in the chart below, with the proportion who said they were "not particularly confident" or "not at all confident" broken down by sex, age and socio-economic group (16+ only).

Chart 9.5a: Confidence in knowing what is legal online and what isn't



Base: internet users aged 12+ (4410)

Overall 44% of all internet users aged 12+ claimed to be either "not particularly confident" or "not at all confident" in terms of what is legal and what isn't online. Confidence was lower among females (51%) and C2DEs (48%). i.e. those less likely to participate in all forms of online activity (legal and legal). Although the proportion increased with age, 12-15 year olds (42%) claimed to be less confident than all other age groups up to the age of 44.

An open-ended question was also asked of respondents:

What aspects of an online service which allows you to either download, or stream/access content through the internet would make you trust it was legal?

By far the top response was in relation to a reputable/well known company or brand; 22% of all those with internet access spontaneously mentioned this as being the primary indicator of a legal online service, followed by 7% for security measures on the site itself. The verbatim examples collected included:

> *"If it was a well-known channel such as BBC or 4OD, as it is a trusted proper brand that is known to the public and government"*
>
> *"An online seal of approval from a central body"*
>
> *"If it was surveyed by an independent organization that recommends and approves of the service. Also, if there was a clear and concise and easy to access section that details and clarifies that it is free and legal, PLUS the reasons why."*
>
> *"If the subscription was at a logical rate, not ridiculously cheap and the service was advertised in the mainstream media"*

10. Technical appendix

Data-collection methodology

The research universe for this study was all aged 12+ in the UK. Although some elements of the survey cover those 'without' internet access, so as to provide a nationally representative frame, the core focus of the study (and thus the majority of questions) was the UK online population aged 12+.

A mixed online and face-to-face methodology was employed for this project, following the guidelines established in response to the *illegal file-sharing pilot study*[72] in 2010. The original design recommended by Kantar Media was subsequently approved via peer review, albeit with several recommendations. For the pilot research the core objective was to establish the most appropriate methodology for measuring behaviour and attitudes in this area. The main drivers that sat front of mind when assessing the most appropriate methodology (for what is clearly a sensitive yet technical subject matter) were representativeness, honesty of responses, and consumer understanding of the issue and terminology. These were all addressed to some extent, and provided a solid grounding for the on-going tracker methodology. The benefits of the 'chosen methodology' are as follows:

- It is the most suitable / relevant methodology to the subject matter.
- It is seemingly the most likely to generate honesty, due to being entirely self-completion. i.e. removing the interviewer conditioning effects.
- It contains a larger incidence of high frequency internet users; key to qualification for any questions on illegal online behaviour, and hence providing a more robust sample / higher representation with which to profile and cut the data. This sample can be down-weighted in order to provide the true proportion amongst all adults.

However, despite these benefits, it is clear that an online sample cannot be considered representative in isolation as it:

- Reduces coverage of 65+ year olds significantly
- Provides only a handful of low frequency internet users, who are less likely to participate in the kind of behaviour covered, but are again necessary for a representative sample.

Therefore a single methodology approach to the project is not sufficient, and a mixed one is more likely to generate accurate and representative results. All the missing elements from the CAWI (Computer Aided Web Interviewing) online sample (i.e. over 65s and non/infrequent internet users) can feasibly be supplemented by a CAPI (Computer Aided Personal Interviewing) face-to-face methodology (with a self-completion element for sensitive areas) interviewing just those groups.

The core online survey

For the core online survey we chose to make use of the Kantar online omnibus. However, rather than offer a standard omnibus approach we provided Ofcom with the flexibility to run a standalone project within the Omnibus framework – i.e. an omnibus survey set up just for this project with the precise sample definition we require, the timings we require and the sample numbers we require. This has two key advantages:

[72] http://stakeholders.ofcom.org.uk/binaries/research/telecoms-research/filesharing/kantar.pdf

- Disguising the subject matter, since it would include a standard Omnibus invitation rather than a survey with specific subject matter, hence also avoiding a situation where respondents demand to know who the survey is for.
- Retains consistency with the file-sharing pilot approach in terms of both methodology and personnel (the same team available to co-ordinate).

Face-to-face to 'fill the gaps'

The face-to-face (CAPI) element was also conducted using the Kantar Omnibus (as it was for the pilot study) rather than ad-hoc. Our CAPI Omnibus offers the largest weekly face to face consumer survey in the United Kingdom. Each survey interviews approximately 2,060 adults aged 16+ and runs twice per week, offering c.4,120 adult interviews per week. The sample design is also structured in a way that allows a nationally representative sample to be gained from a 'half wave' of c.1,030. All these factors make it a high quality and cost-effective research solution for those who want to access a representative sample or specific groups.

We used the CAPI omnibus to screen for eligibility (internet use) and only those aged over 65 and/or those who are non / low frequency internet users were then asked subsequent questions.

Self-completion was offered for all sensitive questions. We know from experience that this method drives more honest responses, and it also maintains some consistency with online research, which is 100% self-completion. Although, we had some concerns that older age groups might prefer to be asked the questions due to being less technically proficient on the whole, this only applies to those who claim to partake in such behaviour. We therefore felt it was safe to assume that if they are proficient enough to download via a computer, they should have little trouble in using the CAPI machine with an interviewer's guidance.

Including 12-15 year olds

12-15 year olds have to be handled quite differently to adult respondents as they need to be recruited via the parents (they are asked for consent). Amongst children of this age group, we could confidently only use online (rather than including a face-to-face supplement) as internet penetration and frequency is so high.

Consistency of timings

All three surveys were run concurrently in field in order to avoid bias in the data caused by any changes in the market, particularly given the rapid pace of change and high profile cases in the media. This was another advantage of adopting an Omnibus approach as all three surveys were turned around in a period of two weeks. Fieldwork took place between the 11th and 18th July 2012.

The sample

Sample structure

The table below shows the breakdown (by data-collection methodology) of the total sample size per quarter, in comparison to that from the pilot survey (chosen methodology):

Methodology	Description	Sample Size
Online (CAWI) adults	16-64 year olds who use the internet at least once a day	2599
Face-to-face (CAPI) adults	16-64 year olds who use the internet less than once a day 16-64 year olds without internet access All 65+ year olds	1508
Online (CAWI) 12-15s	All 12-15 year olds with internet access	992
TOTAL	**All 12+ year olds in UK**	**5099**

Sample selection

The way in which the sample was selected varied across methodologies:

Online interviews (adults 16+): The sample was initially selected using demographic information already held from Kantar's 'Lightspeed' consumer panel (this information is regularly updated, since it is a fully managed panel). The panellists were invited via email to take part in the survey, and demographic quota targets (sex, age, working status and region) were set to ensure the end sample profile was representative of the UK internet population. Respondents were screened out if they claimed to use the internet less than once a day.

Online interviews (12-15 year olds): Invitations to complete the questionnaire were emailed out to a separate sample of online panellists who had previously agreed to participate in market research, and have children in the relevant age group. They were instructed to pass the completion of the survey on to their child having agreed they can participate. Quotas were set by age (250 of each age 12-15) and gender. The survey was left open for a week and then closed when the required sample profile was achieved.

Face-to-face interviews (adults 16+): Our face-to-face Omnibus uses a comprehensive address based system using PAF and CD-Rom, cross referenced to the census data. For each wave, 143 sample points are selected and, within the selected primary sampling points, a postcode sector is chosen. Postcode selection within primary sampling points alternates between A and B halves to reduce clustering effects. All interviews were conducted via the field team and in accordance with strict quality control procedures. Quotas (by sex, age, working status and presence of children) were set during interviewing to ensure representivity, whilst any sample profile imbalances are corrected at the analysis stage through weighting. Further technical details can be provided on request.

Qualitative piloting

In-depth qualitative piloting was essential given the range of research challenges faced. These included: comprehension of a complex topic area, the legality of behaviours measured, and associated issues surrounding the honesty of responses. Such challenges demanded a dual focus for piloting sessions:

1. Cognitive testing of question wording and terminology
2. Qualitative investigation of respondent reactions and freedom to answer openly and honestly

To reflect the actual survey experience, 12 pilot interviews were conducted in respondents' homes. The familiar in-home setting encouraged open dialogue on a potentially sensitive subject area. Moreover, early versions of the CAWI and CAPI scripts were used for piloting to best test the actual data collection methods. Interviews were staggered to allow scripts to be amended in line with feedback, and alternative wording and ordering to be tested.

The pilot sample was selected to best reflect and test the main survey design. This required recruitment of those involved in file sharing, whilst encompassing a range of associated behaviours. The topic of the survey was not explicitly revealed in the recruitment process, and barriers to participation were monitored.

Qualitative piloting sample overview

Total sample	File sharing category	Internet use frequency	Age	Gender	Interview mode
12 respondents	4 x Mainstream	8 x *at least* once a day	3 x 12-15	5 females	8 x CAWI
	4 x Moderate	4 x *less than* once a day	3 x 16-24	7 males	4 x CAPI
	4 x Heavy		3 x 25-44		
			3 x 45+		

- Age range of 12–59; 5 females and 7 males
- All respondents had broadband internet connection
- 8 respondents used internet daily; 4 less than once a day
- All respondents had at least one internet device. Minimum of 6 with Smartphone, 3 with e-book reader, and 2 with tablet computer
- All download OR share content
- At least 6 accessed or streamed content (without downloading)
- At least 4 respondents from each of the key category areas: films/TV programmes, music, and e-books
- At least 6 respondents using 'peer-to-peer' (e.g. BitTorrent) and 'commercial websites' (e.g. iTunes.) At least 3 for 'social networking' and 'file sharing websites' (e.g. Rapidshare)
- 4 respondents from each of the attitudinally derived file sharing segments: 'Mainstream', 'Moderate', and 'Heavy'

The blend of CAWI and CAPI interviews reflected the composition of the full project design. Eight of the interviews (covering daily internet users) involved respondents completing the CAWI survey in advance of researcher visits. Respondents were asked to note anything they found difficult to understand or answer openly. The following in-home visits involved detailed cognitive testing of the online survey on respondents' own internet devices.

Four of the interviews (covering less frequent internet users) involved administering the survey in line with the Omnibus CAPI approach. This again involved a researcher visit, with cognitive testing of the questionnaire, and observation and discussion around ability to answer openly, honestly, and accurately.

The piloting produced a range of recommendations surrounding the wording, ordering, and administration of the survey. These ranged from specific instances of word choice and explanation of technical terminology, through to broader findings.

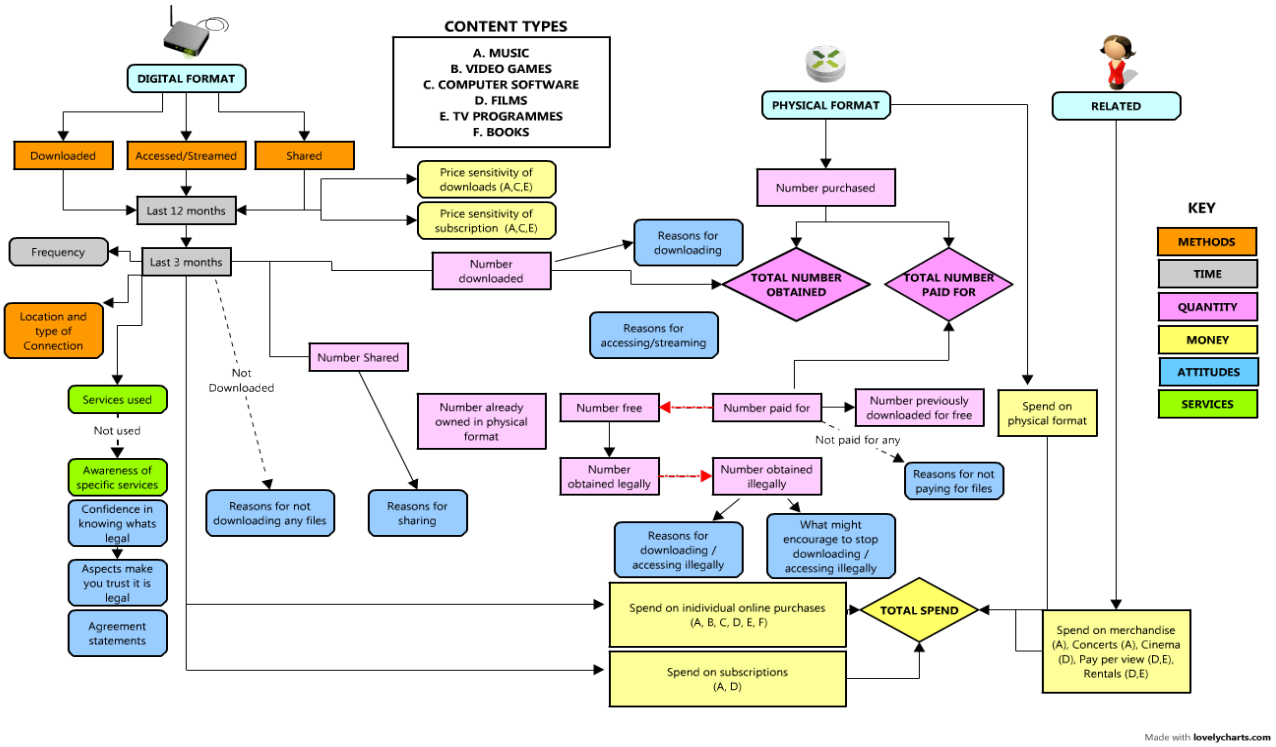
For example, the piloting demonstrated the requirement to achieve full comprehension of the key activities of 'downloading', 'sharing', and 'accessing/streaming'. Indeed, whilst when probed the majority of respondents were able to explain these terms accurately, there were varying degrees of confidence. Given their centrality to the topic under investigation, it is essential that respondents are able to answer accurately and confidently in relation to these categories. As a result, clear definitions were subsequently provided, including illustrative examples of well-known products and services.

In addition, the piloting process highlighted relative strengths and weaknesses of the CAWI and CAPI methods. As a result, measures were taken to ensure that the strengths of one method were reflected in the other. An example of this surrounded the reassurances that CAPI interviewers were able to provide surrounding anonymity and privacy – so crucial given the sensitive topic area and legality issues. Given this, a screen was added to the CAWI script providing such reassurances before such questions were tackled by respondents.

Finally, the piloting showed that respondents were often keen to further explain their behaviours and motivations around file sharing and content streaming. This was prompted by the detailed consideration of their behaviour required across the various content areas. The attitudinal section of the questionnaire worked well in allowing respondents to consider why they engaged or did not engage in such activities. Building upon this, a key recommendation of the piloting involved adding a 'sounding box' style open question at the end of the survey. This allowed respondents to feel like they were able to fully explain behaviours, and contribute to discussion of the topic area. Moreover, it also provides the practical benefit of monitoring for any emerging, niche activities that may not have been covered in the survey.

The questionnaire

The full questionnaire is available as a separate document, but the following diagram demonstrates the overall flow and topics asked about:



Weighting

Data were weighted on 3 different measures (amongst all 12+ year olds, including those without internet access) in order to address imbalances in the sample. As there is no single source for 12+ and internet frequency, three different sources were used and the 12-15 year old and 16+ sample were weighted separately; the weighting efficiency for these were 97.8% and 92.6% respectively.

SEX WITHIN AGE WITHIN SOCIAL GRADE (000's) Source: NRS 2010 (16+) & ONS Mid 2010 Population Estimates (12+)		ABC1	C2DE
	12-15	16+	16+
Male	2.8%	24.2%	21.9%
Female	2.7%	27.0%	21.4%

REGION Source: ONS Mid 2010 Population Estimates (12+)	%
Scotland	8.6%
Northern Ireland	2.9%
North England (Yorkshire and the Humber, North East, North West)	24.2%
Midlands (East Midlands, West Midlands, East of England, Wales)	30.6%
South England (London, South West, South East)	33.7%

INTERNET USAGE Source: OCI Q3 July 2012 (16+)	16-24	25-34	35-44	45-54	55-64	65+
At least once a day (QD codes 1 or 2)	11.8%	15.7%	12.3%	10.1%	8.2%	4.4%
At least once a week but less than once a day (QD codes 2 or 4 or 5)	1.3%	1.7%	2.4%	2.5%	1.8%	2.4%
Access the Internet Less Often	0.3%	0.3%	0.7%	1.6%	1.9%	2.5%
Do not access the Internet	0.5%	0.8%	1.3%	1.9%	3.3%	10.2%

Following weighting, the data were grossed to represent the UK 12+ population = 53.571 million (Source: ONS Mid 2010 Population Estimate).

Data distribution

Throughout the research, distributions have been assumed to be normal (also known as bell curve or Gaussian distribution) or binomial, depending on the type of question. Questions which have two stated (Yes/No) responses are binomial, while questions which have a volume response or are 'likert' are assumed to follow a normal distribution.

A 'likert' question is where people specify their level of agreement on a symmetric scale of agree-disagree or likely-unlikely. In Ofcom research, these scales tend to have points and the distribution underlying the responses should in theory match the normal distribution. A volume response is one where the respondents answer with a value corresponding to their spend, or number of items auctioned within the last 3 months.

Although the volume distributions tend not to follow a strictly normal distribution, it is legitimate to use this distribution due to the central limit theorem. For a sufficiently large sample of independent random variables, the mean should be approximately normally distributed. The variables will be independent as one person's spend on music, say, will not influence another person's in most circumstances. This means that the mean can be calculated using the standard normal definition of dividing the sum of all volumes by the number of respondents. So if 1000 people spend £2,500 on e-books in three months, the average spend would be £2.50.

In practice, for the distributions of this type, large numbers of people tend to spend small amounts of money and a few large amounts. This means the distribution is biased and the degree of bias can be seen by comparing the median (spend by middle person if all respondents are placed in ascending order of spend) and the mean. With a negatively biased distribution (most people spending a little), the median will be lower than the mean.

The one place this assumption falls down is the distribution created when a ratio is taken of two normal distributions, for example number of legal downloads divided by total downloads. Such a ration follows a special distribution known as the Cauchy distribution. The Cauchy is unusual in that the mean and variance cannot be calculated. Instead, it is usual to use the median and median absolute deviation (MAD) as proxies for these values.