

**Online Copyright Infringement Tracker
Annex 1 – Individual content types
Wave 4 (Covering period March – May 2013)**

Prepared for **Ofcom**

By **Kantar Media**

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Introduction

This document forms a supplement to the main report which details the overview and key findings from the most recent wave of the Online Copyright Infringement (OCI) tracker, and provides detailed analysis for each individual category covered, including time series data.

The study was commissioned by Ofcom, undertaken by Kantar Media and made possible by financial support from the UK Intellectual Property Office (IPO). It is the fourth in a series of research waves intended to generate benchmarks and time series relevant to the access and use of copyright material online.

Researching copyright infringement and digital behaviour is a complex research task. The ways in which consumers' access and share copyright material online change regularly, and infringement levels, in particular, are notoriously difficult to measure. Rather than focusing on one industry, the study looks at six main types of online content – music, film, TV programmes, books, video games and computer software – and for each of these assesses levels of infringement and locates these within wider patterns of consumer behaviour and content consumption.

For this fourth research wave we surveyed respondents during the period of March to May 2013, and asked about their behaviour during “the past three months”. Reference to the figures from the previous wave (W3, covering the period November 2012 to January 2013¹) are made where statistically significant changes have occurred. In some cases references are also be made to the first and second waves (covering May to October 2012).

¹ Full details and results of previous waves can be found at <http://stakeholders.ofcom.org.uk/market-data-research/other/telecoms-research/copyright-infringement-tracker/> (W1) and <http://stakeholders.ofcom.org.uk/market-data-research/other/telecoms-research/copyright-infringement-trackerw2/> (W2) <http://stakeholders.ofcom.org.uk/market-data-research/other/telecoms-research/copyright-infringement-trackerw3/> (W3)



1. Music

Music: summary

- **Changes since W3** – Levels of consumption of digital music decreased from 38% in W3 to 35% in W4, driven by a fall in downloading from 28% to 25%. But the median number of music tracks streamed online increased significantly since W3, from 13 tracks to 18. As a proportion of all internet users age 12+, the '100% legal' group fell from 28% in W3 to 26% in W4. However, this is likely to be a result of lower consumption levels in general due to seasonal factors (W3 covered the Christmas and New Year period).
- **Levels of infringement** - We estimate that 9% of UK internet users aged 12+ downloaded or streamed at least one music track illegally over the period March to May 2013, and this equated to 26% of those who consumed music online.
- **Payment for music** - Seventy per cent of music consumers indicated that they had consumed at least some tracks for free over the previous three months; 49% consumed all of it for free. By contrast, close to a third (30%) indicated that they had paid for all of their online music.
- **Volumes of infringement** - Online music infringers illegally downloaded or streamed 16% of all digital music consumed on the internet.
- **Demographics** - Those who consumed any music illegally online were more likely to be male (60%) and aged under 35 (75%).
- **Spend** - Those who consumed both legal and illegal music online claimed to spend the most on this category as a whole²; on average, £95.31 over the three-month period. The 5% of internet users aged 12+ who consumed only illegal content spent much less (£27.07). This is a trend that has been observed in each of the four waves conducted so far.

² Music spend included individual digital purchases, online subscriptions, physical discs/vinyl/tapes purchased, concerts/gigs, and merchandise

1.1 Levels of music copyright infringement

1.1.1 Digital behaviour among internet users aged 12+

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

Table 1.1.1a: Summary of digital behaviour among internet users aged 12+

Base: internet users aged 12+ (4673) Various questions	Downloaded	Streamed	Downloaded or streamed i.e. "consumed"	Shared	Downloaded, streamed or shared
Ever done	37%	37%	48%	7%	48%
Done in past three months	25%↓	26%	35%↓	5%	35%
Median³ number of files in past three months among those who've done activity	10	18↑	20	5	

After a seasonal rise during W3 (which covered the Christmas and New Year period), consumption levels of digital music decreased from 38% to 35% in W4. This was driven by downloading, which fell from 28% to 25%. However, the median number of music tracks streamed online increased significantly since W3, from 13 tracks to 18.

Levels of downloading and streaming music were similar, both in terms of 'ever done' (both 37%) and 'done within the past three months' (25% and 26% respectively). Sharing was a more niche activity, with 5% of internet users aged 12+ having done it in the past three months (and 7% having ever done it).

Thirty-five per cent of the online 12+ population had taken part in at least one of the three activities in the past three months.

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

Table 1.1.1b: Downloaded, streamed or shared music in past three months - profiles

		Downloaders	Streamers	Sharers
Base		1378	1414	315
Gender	Male	55%	56%	64%
	Female	45%	44%	36%
Age	12-15	13%	13%	21%
	16-34	55%	53%	59%
	35-54	26%	26%	17%
	55+	6%	7%	4%
Socio-economic group ⁴	ABC1	67%	65%	61%
	C2DE	33%	35%	39%
Presence of children in household	Children in household	43%	43%	56%
	No children in household	57%	57%	44%

The demographic profiles of music 'downloaders' and 'streamers' were similar - both skewed towards males, younger age groups (under 35), and ABC1s. In comparison, 'sharers' were even more likely to be

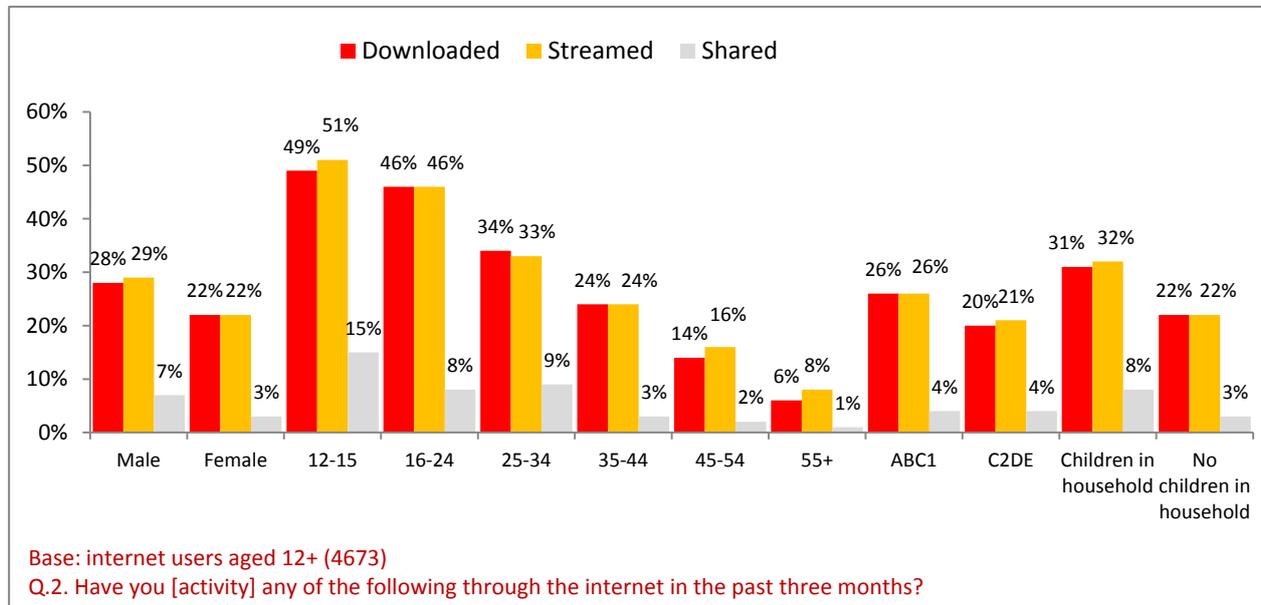
³ We have chosen not to report on mean figures in terms of volumes consumed throughout as they are highly volatile from one wave to the next for all content types covered. This is primarily due to outliers i.e. a small number of respondents claiming to consume a large amount of content. In contrast, the median figures are much more stable, hence using this metric to establish averages.

⁴ Socio-economic group is not included for 12-15 year olds, so this profile is among 16+ year olds.

male and 16-34. Sharing also proved to be relatively more popular than streaming and downloading among C2DEs (although 61% were ABC1). Furthermore, sharers were also significantly more likely to have children in the household, compared to ‘downloaders’ and ‘streamers’ (56%, compared to 43% respectively).

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

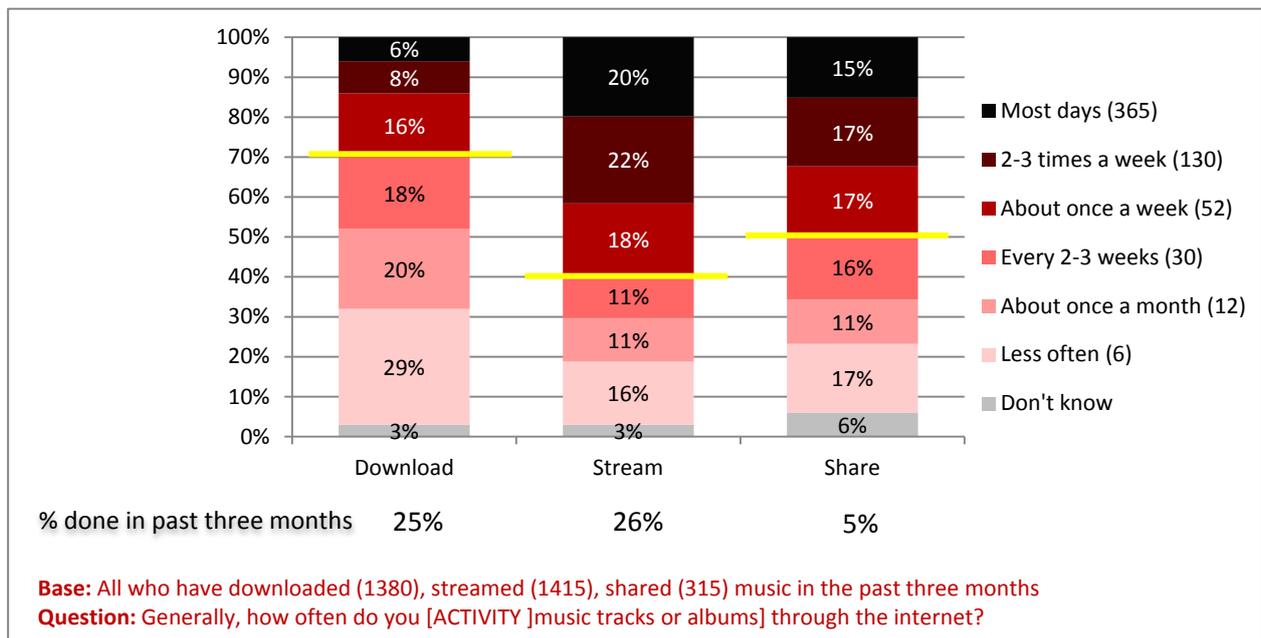
Table 1.1.1c: Downloaded, streamed or shared music in past three months among sub-groups



- Males were more likely than females to have downloaded (28% v 22%) or streamed (29% v 22%) music in the past three months.
- Younger age groups were more likely to engage in all three activities, and consumption decreased with age; 12-15 year old internet users had the highest levels of downloading (49%), streaming (51%) and sharing (15%) music files.
- ABC1s were significantly more likely than C2DEs to have downloaded (26% v 20%) and streamed (26% v 21%) music, but sharing was at similar levels for both (4%).
- Downloading (31%) and streaming (32%) music were more common among those with children in the household than among those without (22% and 22% respectively).

Those who indicated that they had downloaded, streamed or shared music in the past three months were asked about the frequency with which they did so. We show the results in the chart below.

Chart 1.1.1d: Frequency of downloading, streaming and sharing music



Streaming was a more frequent activity than downloading, with 60% claiming to stream music at least once a week compared to 30% for downloading. Sharing, while less common, was claimed to be conducted relatively frequently among those who had done it in the past three months, 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 demographics as those who took part in any of them. However, significant points to note (not captured in the chart) include:

- Males were more likely than females to download (34% v 24%) and stream (63% v 55%) music tracks once a week or more.
- Among those who streamed music, 16-24s year olds claimed to do so most frequently, with 33% doing so most days.
- Among those who downloaded music, 45% of 12-15s and 33% of 16-24 year olds said they did it at least once a week.

1.1.2 Payment for downloaded or streamed digital music

Based on the total number of music tracks that individual respondents indicated they had downloaded and streamed in the past three months, we asked the following:

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

Table 1.1.2 outlines the proportions of people and the median number of tracks for five derived groups:

1. **100% paid** are those who indicated they paid for ‘all’ of the music tracks they had downloaded or streamed in the past three months.
2. **Mix of paid and free** includes anyone who had paid for at least one, but not all, of the tracks consumed.
3. **100% free** are those who did not pay for any music (and who had previously indicated they had downloaded or streamed at least one track).
4. **Any paid** is a combination of 1 and 2 above
5. **Any free** is a combination of 2 and 3 above.

Table 1.1.2: Summary of payment groups – downloaded or streamed music

	% internet users aged 12+	% internet users aged 12+ who downloaded or streamed music in the past three months	Median number of tracks (past three months)
Base Population (000s)	4673 44458	1858 15417	1858 15417
100% paid	10%	30%	12
Mix of paid and free	7%	22%	Total = 30 Paid = 10 Free = 14
100% free	17%	49%	20
Any paid	17%	52%	Paid = 10
Any free	24%	70%	Free = 16

There were no significant changes since W3 in terms of the payment groups.

Seventy per cent of music consumers indicated that they had accessed any music for free; 49% had consumed all of it for free. In contrast, close to a third (30%) indicated they had paid for all the music they had consumed online in the past three months.

Those who downloaded or streamed a mix of paid and free tracks had consumed more than the other two groups: a median of 30 tracks (paid or free), compared to 12 among the ‘100% paid’ group and 20 among the ‘100% free’ group.

Significant points to note (not captured in the table) include:

- The gender profile for the ‘mix of paid and free’ group was predominantly male (55%), whereas the other two groups were slightly more even in this respect – 52% male for the ‘100% free’ group, and 51% male for the ‘100% paid’ group.
- The two payment groups which included free consumption showed a heavy skew towards under-35s; they accounted for 65% of the ‘mix of paid and free’ group and 67% of the ‘100% free’ group. They were less prominent among those who paid for all their online music consumption, accounting for 58%.

1.1.3 Consuming music online already owned in physical format

As part of the same question used to assess payment, we asked respondents the following:

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

Table 1.1.3 outlines the proportion of people who had downloaded or streamed music tracks in the past three months who indicated that they already owned a certain percentage of these in a physical format.

Table 1.1.3: Summary table – previous physical ownership of downloaded or streamed music

Base: All those who downloaded or streamed music in the past three months	1858
100% already owned in physical format	6%
Any already owned in physical format	32%
None already owned in physic format	67%
Mean number already owned in physical format ⁵	9

There have been no significant changes since W3.

Of those who had downloaded or streamed music in the previous three months, 32% claimed to already own at least one of the tracks in physical format; 6% claimed to already own all of the tracks. The mean number already owned was nine (roughly equivalent to one album).

1.1.4 Downloading or streaming free music before purchasing

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

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

Table 1.1.4 outlines the proportion of people who had purchased any music (physical or digital) in the past three months, who indicated they had previously consumed a certain number of tracks for free online.

Table 1.1.4: Summary table - downloading or streaming free music before purchasing

Base: all who had paid for any music (physical or digital) in the past three months	1653
100% previously accessed for free	13%
Any previously accessed for free	35%↑
None previously accessed for free	65%↓
Mean number previously accessed for free	15

There was a significant increase in the proportion of people who had paid for music (in any format) in the previous three months, who said they had previously downloaded or streamed at least one of the tracks for free before purchase (from 30% in W3 to 35% in W4). The mean number of paid-for tracks in the past three months that were claimed to have been previously accessed for free was 15.

Younger age groups (for example, 12-15s = 52%) and those with children in the household (45%) were all significantly more likely than the average (35%) to have previously consumed any purchased tracks for free (not shown in the table above).

⁵ We report only on the mean figures for the two metrics on this page, as the median is zero in all cases. This is because the majority of those who consumed content in the past three months did not own any already in physical format, or previously consumed paid for content for free.

1.1.5 Legality of digital music downloaded or streamed

We showed respondents the number of tracks calculated as being downloaded or streamed for free (total minus paid) in the past three months and we asked:

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

We then showed respondents the number of tracks they said that they had paid for and we asked:

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

From this we were able to derive the number obtained illegally as follows:

$$\begin{aligned} & \text{(Total number of free tracks minus the number obtained legally)} + \\ & \text{(Total number of paid tracks minus the number obtained legally)} \end{aligned}$$

This can be translated into proportions based on all digital music consumed for each respondent.

Table 1.1.5 displays the percentages of people who fit into the four derived groups, along with the median numbers for each:

1. **100% legal** are those who indicated that ‘all’ the music they had downloaded or streamed for free in the past three months was legal.
2. **Mix of legal and illegal** includes anyone who had downloaded or streamed at least one, but not all, of their music tracks illegally.
3. **100% illegal** are those who downloaded or streamed all of their paid and free music tracks illegally.
4. **Any illegal** is a combination of 2 and 3 above.

Table 1.1.5: Summary of legality groups – downloaded or streamed music

	% internet users aged 12+	% 12+ downloaded or streamed music in the past three months	Median number of tracks (past three months)
Base Population (000s)	4673 44458	1858 15417	1858 15417
100% legal	26%↓	74%	15
Mix of legal and illegal	4%	12%	Total = 40 Legal = 12 Illegal = 15
100% illegal	5%	14%	12
Any illegal	9%	26%	Illegal = 12

As a proportion of all internet users aged 12+, the ‘100% legal’ group fell from 28% in W3 to 26% in W4. However, this was probably a result of lower consumption levels in general.

Twenty-six per cent of those who downloaded or streamed music in the past three months had consumed at least one of their tracks illegally; 14% had consumed all of them in this way. As a percentage of the overall internet population (aged 12+) music infringement stood at one in ten (9%).

The ‘mix of legal and illegal’ group consumed the same median number of tracks illegally as the ‘100% illegal’ group (15). However, the median number of tracks consumed legally was also the same as for the 100% legal’ group (12).

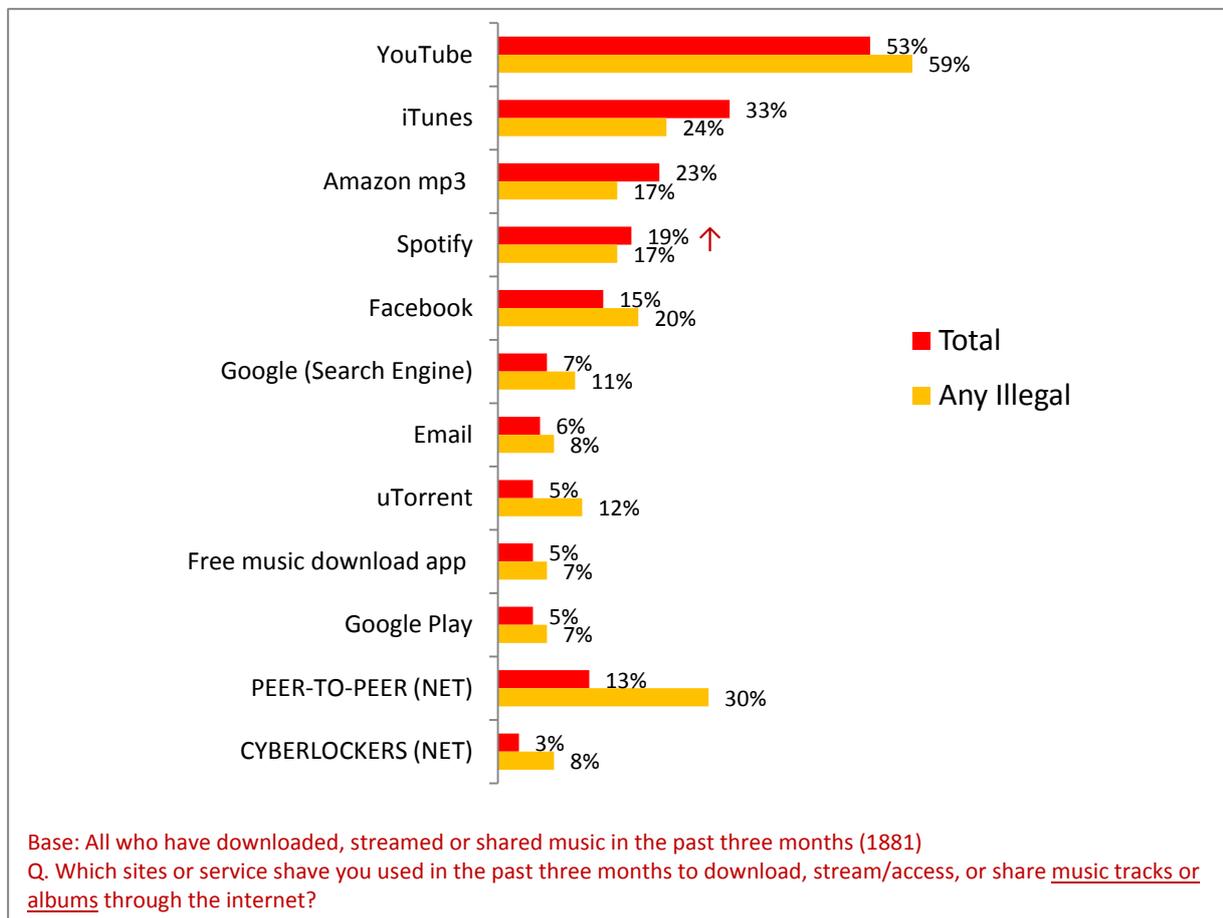
Significant points to note (not captured in the table above⁶) include:

- The majority of those who consumed any music illegally online were male (60%) and under 35 (75%). Socio-economic group was relatively even (52% ABC1).
- All illegality groups had a male and ABC1 skew, but C2DEs (21%) were more likely than ABC1s (10%) 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.
- Generally, the older the person the more likely they were to obtain all their music legally, with 86% of over-55s claiming this.

1.1.6 Services used for downloading, streaming or sharing music

The following table shows the top ten responses for individual services used to download, stream or share digital music over the past three months, along with aggregated figures for peer-to-peer and cyberlocker services⁷:

Table 1.1.6: Top ten individual services used for digital music, and peer-to-peer/cyberlockers



Spotify has seen a significant increase in use since W3 (from 15% to 19%).

⁶ Please note that all figures for individual sub-groups are available in the data tables.

⁷ Peer-to-peer (net) comprises Bittorrent software, uTorrent, Pirate Bay, Isohunt, Limewire, eDonkey/eMule, Gnutella, KickAssTorrents, and Torrentz. Cyberlockers comprises Rapidshare, MediaFire and YouSendit.

YouTube⁸ was the most commonly cited service used for digital music (53%). 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 5% for uTorrent. However, aggregating all such services together indicates that 13% were using P2P services for music.

Significant points to note (not captured in the chart) include:

- 12-15s were the most likely to use Facebook (23%) and free music download apps (11%) for music.
- ABC1s used iTunes more than C2DEs (36% v 23%). YouTube (61% v 49%) and Facebook (18% v 11%) were used more by C2DEs than ABC1s
- Facebook had the highest use among music sharers (28%). This compares to 13% among downloaders and 17% among streamers.
- Twelve per cent of music infringers ('any illegal') claimed to have used uTorrent to consume content; this was the sixth-highest response for this group. YouTube (56%) and iTunes (24%) were the top responses; it is possible that the reported use of these two services reflects confusion on the part of respondents, given the high volume of licensed content they contain. For iTunes it is also possible that some people used the paid-for iTunes match (cloud) service to access tracks that were originally obtained by illegal means.

⁸ It is possible that some respondents included music video within their definition of music tracks, inflating 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.

1.1.7 Total volume estimates for music – past three months

This sub-section focuses on the data at a 'volume' level, covering the period March-May 2013. The following table shows total volume estimates for physical and digital music, based on the sum of all individual volumes collected in the survey and subsequently grossed up to reflect the UK 12+ population.

Table 1.1.7a: Volume and proportion estimates of physical and digital tracks - all music

Type	Volume	% all music	Description
Physical	282m	19%	Total number of tracks bought in physical format ⁹
Digital	1225m	81%	Total number of digital tracks consumed via downloading or streaming.
Total	1507m	100%	Total number of digital and physical music tracks consumed in past three months.

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

Table 1.1.7b: Volume and proportions of paid and free music – digital only

Type	Volume	% digital	Description
Paid	509m	42%	Total number of tracks consumed online and paid for.
Free	716m	58%	Total derived number of tracks consumed online for free.
Total	1225m	100%	Total number of digital music tracks consumed in past three months.

As we know the number of physical tracks respondents claimed to have purchased on disc/vinyl/tape in the past three 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/vinyl/tape.

Table 1.1.7c: Volume and proportions of paid and free music – physical and digital combined

Type	Volume	% all music	Description
Paid	791m	52%	Total number of tracks consumed online and paid for + total number of tracks bought in physical format.
Free	716m	48%	Derived number of tracks consumed online for free.
Total	1507m	100%	Total number of digital music tracks consumed + total number of tracks bought in physical format in the past three months.

The following table shows the total volume split of free downloaded or streamed music tracks in terms of whether respondents believed to have obtained them legally or illegally.

Table 1.1.7d: Volume and proportions of legal and illegal – free digital music

Type	Volume	% free digital	Description
Legal	553m	77%	Total number of free tracks consumed legally.
Illegal	163m	23%	Derived number of free tracks consumed illegally.
Total	716m	100%	Total number of free digital tracks consumed in the past three months.

Similarly, the following table shows the total volume split of *paid* downloaded or streamed music tracks in terms of whether respondents believed they had obtained them legally or illegally.

⁹ An album was asked to be considered as ten tracks if respondent doesn't know how many tracks were on it.

Table 1.1.7e: Volume and proportions of legal and illegal – paid digital music

Type	Volume	% paid digital	Description
Legal	473m	93%	Total number of paid digital tracks consumed legally.
Illegal	36m	7%	Derived number of paid digital tracks consumed illegally.
Total	509m	100%	Total number of paid for digital tracks consumed in the past three months.

In order to assess the picture across all digital music we have combined the previous two tables. We show the results in the chart below.

Table 1.1.7f: Volume and proportions of legal and illegal – all (paid + free) digital

Type	Volume	% all digital	Description
Legal	1026m	84%	Total number of free digital tracks consumed legally + total number of paid digital tracks consumed legally.
Illegal	199m	16%	Derived number of free digital tracks consumed illegally + derived number of paid digital tracks consumed illegally.
Total	1225m	100%	Total number of digital music tracks consumed in the past three months.

If we assume that physical discs/tapes/records were all purchased legally¹⁰ we can incorporate this into the legal total in order to assess legality across all music.

Table 1.1.7g: Volume and proportions of legal and illegal – physical and digital combined

Type	Volume	% all music	Description
Legal	1308m	87%	Total number of free digital tracks consumed legally + total number of paid digital tracks consumed legally + total number of tracks bought in physical format.
Illegal	199m	13%	Derived number of digital tracks consumed illegally.
Total	1507m	100%	Total number of digital tracks consumed + total number of tracks bought in physical format in the past three months.

We estimate that 199 million music tracks were consumed illegally in the past three months – equating to 13% of all music (downloaded, streamed or bought in physical format).

¹⁰ We have made an assumption for the purpose of these calculations that all physical discs were obtained legally. It is likely that a small proportion of these were obtained from unlawful sources.

1.2 Consumer spend on music, and price sensitivity

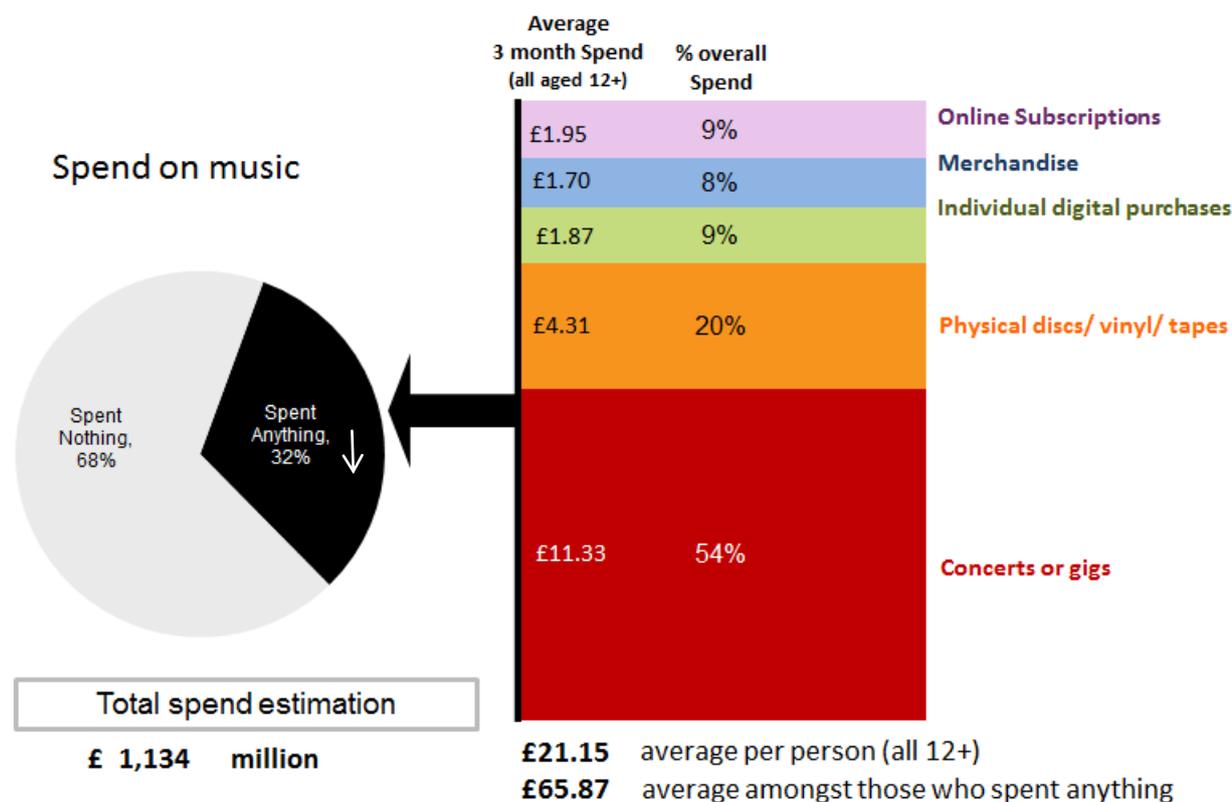
1.2.1 Quarterly music spend

We asked respondents:

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

The following chart shows the proportion of people who claimed they had spent anything on music in the past three 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 three months)



Q. Approximately how much have you spent in the past 3 months on...?
 All 12+ in the UK (5444).

Thirty-two per cent of the total 12+ UK population claimed to have spent any money on music (across the items evaluated) in the past three months, and this was a significant decrease from 39% in W3 (reflecting the fact that W3 covered Christmas and New Year). The increase in W3 was primarily due to physical discs/vinyl/tapes, and this has fallen from an average of £6.13 per person to £4.31.

The total three-month spend estimate¹¹ was just over £1bn, equating to £21.15¹² for every person in the UK. This was by far the highest spend across all the six content types investigated in this research. The average spend by people active in this category was £65.87 per person.

¹¹ Total spend estimates are calculated by adding up all spend values across respondents (grossed to 12+ population).

Over half (54%) of total spend on music in this period came from concerts or gigs¹³. Physical discs accounted for 20%, with 18% attributed to digital (either individual purchases or subscriptions). A further 8% of spend came from music merchandise.

Those who consumed a mix of legal and illegal music claimed to spend the most on music (£95.31), with ‘100% illegal’ (£27.07) the least. Spend by those who claimed that all their music was obtained legally was between these values, at £41.40.

1.2.2 Willingness to pay (price sensitivity)

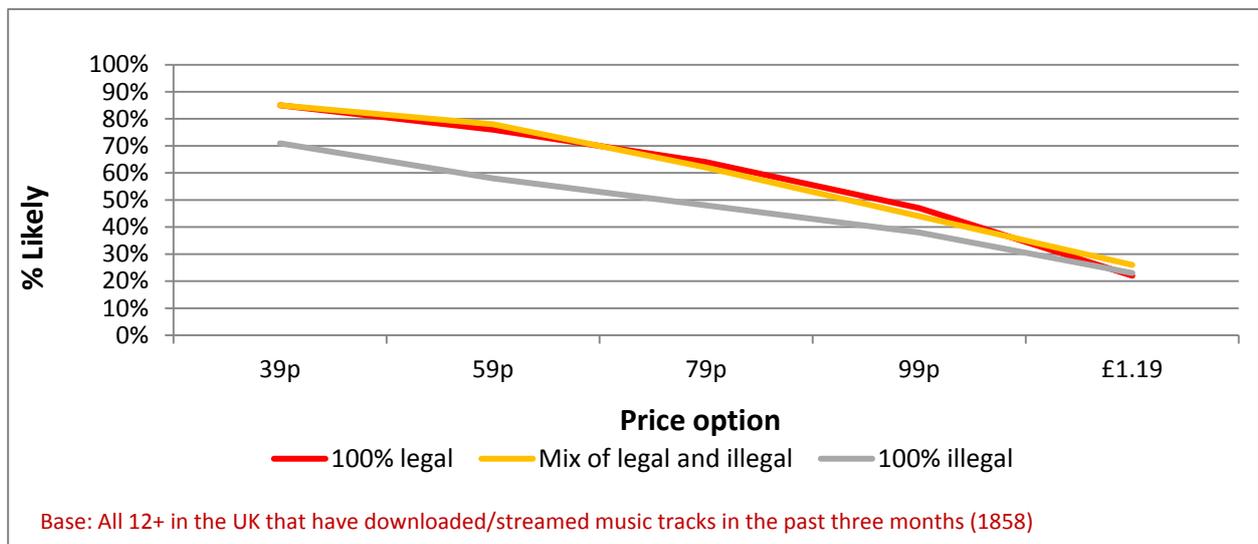
Within the survey we set out to assess at what price people would be willing to pay, both for individual music tracks via a download service, and via a subscription service. A Gabor-Granger price sensitivity model was used for this purpose; an approach which delivers price elasticity to examine the likely effect on demand resulting from 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 regard to a **download** service, we asked the following question:

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 proportions of 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 1.2.2a: Willingness to pay for downloading music tracks at different price options - single track



Unsurprisingly, willingness to pay declined as the proposed price of a track download increased, and likelihood to purchase was much lower in general for those who consumed music only illegally. That said, 58% of the ‘100% illegal’ group indicated they would pay at 59p, rising to 71% at 39p.

Those in the ‘mix of legal and illegal’ and ‘100% legal’ groups were similarly likely to purchase at all price points. The mean price the three legality groups were willing to pay was as follows:

¹² Note that each individual component will not necessarily add to the total (average) exactly, due to rounding

- 100% legal = 75p per track
- Mix of legal and illegal =75p per track
- 100% illegal = 61p per track

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

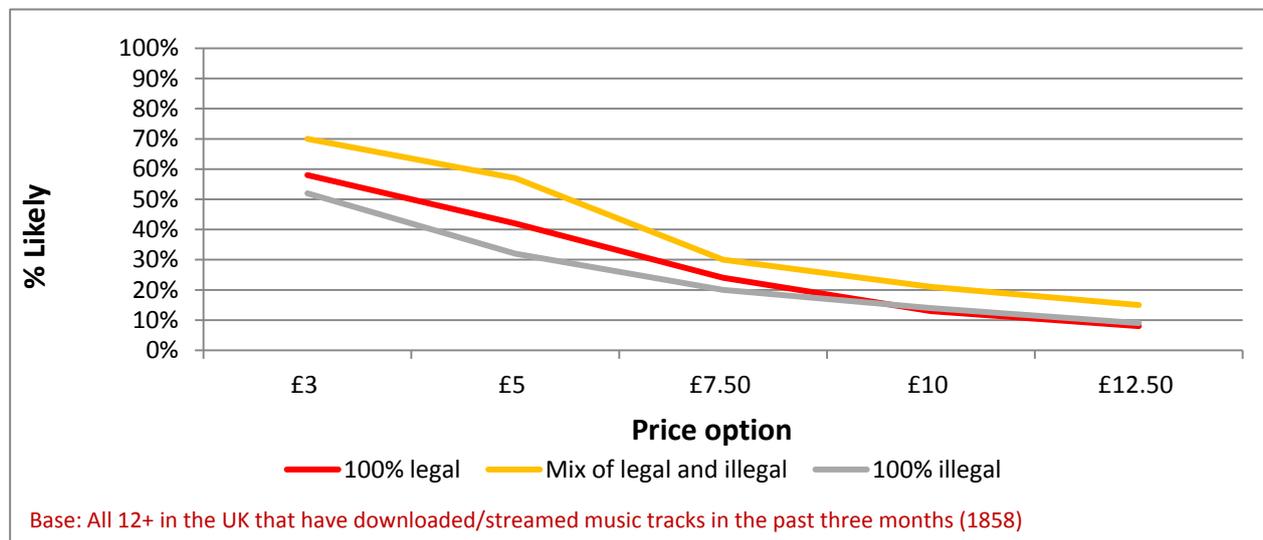
Assume that the following online service became available...

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 1.2.2b: Willingness to pay for music subscription at different price options



As with track downloads, willingness to pay declined steadily as the proposed price of a music subscription increased. However, the 'mix of legal and illegal' group were the most likely to purchase at all price points. Seventy per cent of this group said they would pay at an entry price of £3, compared to 58% in the '100% legal' group, and 52% in the '100% illegal' group. At the top end of the scale (£12.50), a similar trend was observed, but at much lower levels: 15% of the 'mix of legal and illegal' group, 8% of the '100% legal' group, and 9% of the '100% illegal' group said they would consider paying.

The mean prices that the three legality groups were willing to pay were:

- 100% legal = £3.68 a month
- Mix of legal and illegal = £4.88 a month
- 100% illegal = £3.27 a month



2. Films

Films: summary

- **Changes since W3** - After a seasonal rise during W3 (which covered the Christmas and New Year period), consumption levels of digital films decreased from 21% to 18% in W4. This was driven by a fall in downloading, from 10% to 8%. There was also a small but significant decrease from W3 in the percentage of all internet users who consumed any films online for free in the past three months (from 15% to 13%). This was closer to the levels seen in W2 (12%), which again suggests that the W3 increase was seasonal.
- **Levels of infringement** – We estimate that 6% of UK internet users aged 12+ downloaded or streamed at least one film illegally over the period March to May 2013, and this equated to 33% of those who consumed films online.
- **Payment for films** – Sixty-eight per cent of those who downloaded or streamed films in the past three months had consumed at least some of them for free (equating to 13% of the 12+ internet population), with the majority having consumed all of them for free (50%). By contrast, 32% indicated they paid for all their online films.
- **Volumes of infringement** - Online film copyright infringers were responsible for illegally downloading or streaming 32% of all digital film consumed on the internet.
- **Demographics** – The majority of those who consumed any films illegally online were likely to be male (64%) and under 35 (79%).
- **Spend** - Film infringers who accessed both legal and illegal content online claimed to spend more on average on this category as a whole (£52.68)¹⁴ than those who consumed films only legally (£40.03). The 4% of internet users aged 12+ who accessed only illegal film content spent much less (£28.15). This is a trend that has been observed in each of the four waves conducted so far.

¹⁴ Films spend included individual digital purchases, online subscriptions, physical discs purchased, rentals and cinema.

2.1 Levels of film copyright infringement

2.1.1 Digital behaviour among internet users aged 12+

The following table summarises general digital behaviour in the film category.

Table 2.1.1a: Summary of digital behaviour among internet users aged 12+ – films

Base: internet users aged 12+ (4673) Various questions	Downloaded	Streamed	Downloaded or streamed i.e. “consumed”	Shared	Downloaded, streamed or shared
Ever done	13%	23%	26%	2%	27%
Done in past three months	8%↓	16%	18%↓	2%	19%
Median number of files in past three months among those who’ve done activity	3	4	5	2	

After a seasonal rise during W3 (which covered the Christmas and New Year period), consumption levels of digital films decreased from 21% to 18% in W4. This was driven by downloading, which fell from 10% to 8%.

The median number of films downloaded and streamed were at similar levels - three and four respectively.

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

Table 2.1.1b: Downloaded, streamed or shared films in past three months - profiles

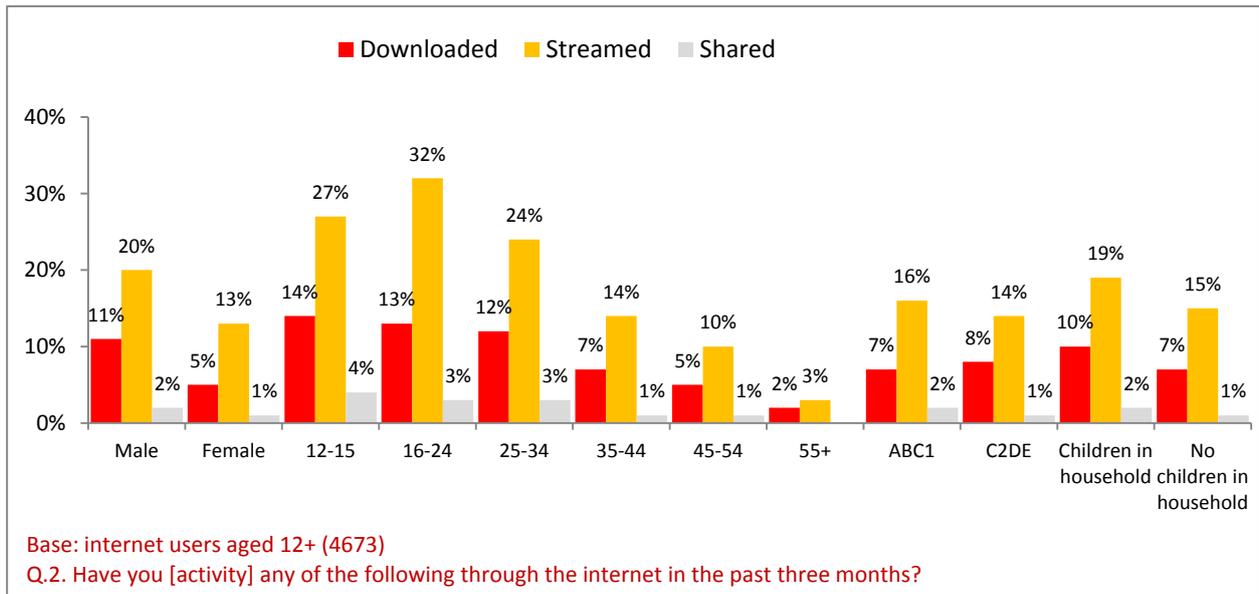
		Downloaders	Streamers	Sharers
Base		423	834	92
Gender	Male	68%	60%	66%
	Female	32%	40%	34%
Age	12-15	11%	11%	15%
	16-34	57%	60%	59%
	35-54	26%	25%	24%
	55+	6%	4%	2%
Socio- economic group ¹⁵	ABC1	59%	64%	66%
	C2DE	41%	36%	34%
Presence of children in household	Children in household	43%	40%	52%
	No children in household	57%	60%	48%

The demographic profile of people conducting all three activities skewed towards males, younger age groups (under-35s) and ABC1s. Film sharers (52%) were significantly more likely than downloaders (43%) and streamers (40%) to have children in the household.

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

¹⁵ Socio-economic group is not included for 12-15 year olds, so this profile is among 16+ year olds.

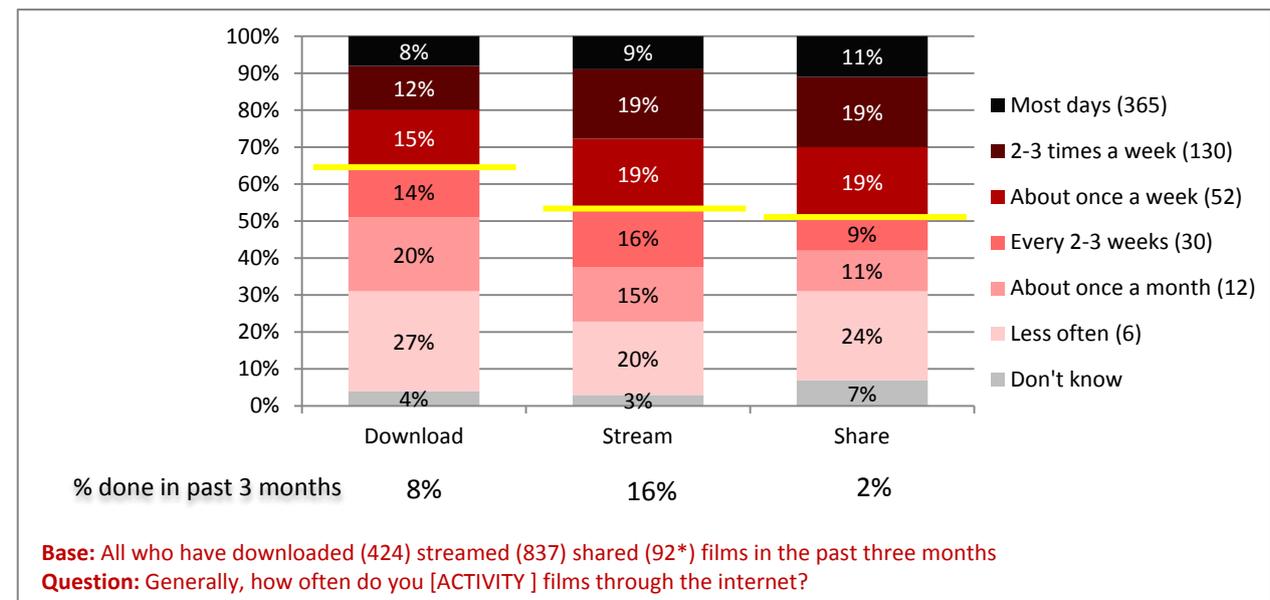
Table 2.1.1c: Downloaded, streamed or shared films in past three months, by sub-group



- Males were more likely than females to have downloaded (11% v 5%) or streamed (20% v 13%) films in the past three months.
- Younger age groups were more likely to engage in downloading and streaming, with 16-24 year olds having the highest incidence of streaming films, at 32%.
- Those with children in the household (19%) were significantly more likely than those without (15%) to have streamed films.

Those who indicated that they had downloaded, streamed or shared films online were also asked about the frequency with which they did so. We show the results in the chart below.

Chart 2.1.1d: Frequency of downloading, streaming and sharing films



Streaming was a more frequent activity than downloading, with 48% claiming to stream films at least once a week, compared to 35% for downloading. Sharing, while less common, was conducted relatively frequently among those who had done it in the past three months, with 49% saying that they shared films at least once a week.

2.1.2 Payment for films downloaded or streamed online

Based on the total number of films that individual respondents indicated they had downloaded and streamed in the past three months, we asked the following:

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

Table 2.1.2 outlines the proportions of people, and median number of files, for the five derived groups:

1. **100% paid** are those who indicated that they paid for ‘all’ of the films they had downloaded or streamed in the past three months.
2. **Mix of paid and free** includes anyone who had paid for at least one, but not all, of the films consumed.
3. **100% free** are those who did not pay for any of their films (and who had previously indicated that they had downloaded or streamed at least one film).
4. **Any paid** is a combination of 1 and 2 above
5. **Any free** is a combination of 2 and 3 above.

Table 2.1.2. Summary of payment groups – downloaded or streamed films

	% internet users aged 12+	% internet users aged 12+ who downloaded or streamed films in the past three months	Median number of films (past three months)
Base Population (000s)	4673 44458	947 8247	947 8247
100% paid	6%	32%	5
Mix of paid and free	3%	17%	Total = 8 Paid = 3 Free = 4
100% free	9%	50%	4
Any paid	9%	49%	Paid = 4
Any free	13% ↓	68%	Free = 4

There was a small decrease from W3 in the percentage of all internet users who had consumed any films online for free in the past three months (from 15% to 13%). It was closer to levels seen in W2 (12%), which suggests that the W3 increase was seasonal.

Those who downloaded or streamed a mix of both paid and free films consumed more than the other two groups; a median of eight films (paid or free) compared to five among the ‘100% paid’ group and four among the ‘100% free’ group.

Those aged 16-24 (61%) and C2DEs (59%) were the most likely to have exclusively consumed free films (not included in table).

2.1.3 Consuming films online already owned in physical format

As part of the same question used to assess payment, we asked respondents the following:

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

Table 2.1.3 outlines the proportion of people who had downloaded or streamed films in the past three months who indicated that they already owned a certain percentage of these in a physical format.

Table 2.1.3: Summary table - physical ownership of downloaded or streamed films

Base: All those who downloaded or streamed films in the past three months	947
100% already owned in physical format	4%
Any already owned in physical format	23%
None already owned in physical format	77%
Mean number already owned in physical format ¹⁶	2

There have been no significant changes since W3.

Of those who had downloaded or streamed films in the previous three months, 23% claimed to already own at least one film in physical format; 4% claimed to already own all of the films. The mean number of already owned films was two.

2.1.4 Downloading or accessing free films online before purchasing

Taking the number of films respondents indicated they had paid for in the past three months, plus the number of physical purchases they had indicated, we asked:

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

Table 2.1.4 outlines the proportion of people who had purchased any films (physical or digital) in the past three months, who indicated they had previously consumed any of them for free online.

Table 2.1.4: Summary table - downloading or streaming free films before purchasing

Base: all who had paid for any films (physical or digital) in the past three months	1608
100% previously accessed for free	8%
Any previously accessed for free	19%
None previously accessed for free	81%
Mean number previously accessed for free	1

There has been no change in the proportion downloading or streaming free films before purchasing since W3. Of those who had paid for films (physical or digital) in the previous three months, 19% claimed to have downloaded or streamed at least one film for free prior to purchase; 8% said they had downloaded or streamed all of them for free before purchase. The mean number of paid-for films in the past three months that were claimed to have been previously accessed for free was one. The reason for this is that a high proportion of people (81%) claimed that none of the films they had purchased in the past three months had been previously consumed for free.

¹⁶ Note that we report only on the mean figures for these two metrics, as the median is zero in all cases. This is because the majority of those who consumed content in the past three months didn't own any already in physical format, or previously consume any paid-for content for free.

2.1.5 Legality of digital films downloaded or streamed

We showed to respondents the number of films calculated as being downloaded or streamed for free (total minus paid) in the past three months, and we asked:

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

We then showed respondents the number of films they said they had paid for, and we asked:

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

From this we were able to derive the number obtained illegally: as follows:

$$(Total\ number\ of\ free\ films\ minus\ the\ number\ obtained\ legally) + \\ (Total\ number\ of\ paid\ films\ minus\ the\ number\ obtained\ legally)$$

This can be translated into proportions based on all the digital films consumed by each respondent.

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

- 1 **100% legal** are those who indicated that ‘all’ of the films they had downloaded or streamed for free in the past three months were legal.
- 2 **Mix of legal and illegal** includes anyone who had downloaded or streamed at least one, but not all, of their films illegally.
- 3 **100% illegal** are those who downloaded all of their films illegally.
- 4 **Any illegal** is a combination of 2 and 3 above.

Table 2.1.5: Summary of legality groups – downloaded or streamed films

	% internet users aged 12+	% internet users aged 12+ who downloaded or streamed films in the past three months	Median number of films (past three months)
Base Population (000s)	4673 44458	947 8247	947 8247
100% legal	12%	67%	4
Mix of legal and illegal	2%	12%	Total = 8 Legal = 3 Illegal = 4
100% illegal	4%	21%	5
Any illegal	6%	33%	Illegal = 4

Infringement levels remained consistent with W3. Thirty-three per cent of those who had downloaded or streamed films in the past three months had consumed at least one of them illegally. As a percentage of the overall 12+ internet population, film infringement was 6%.

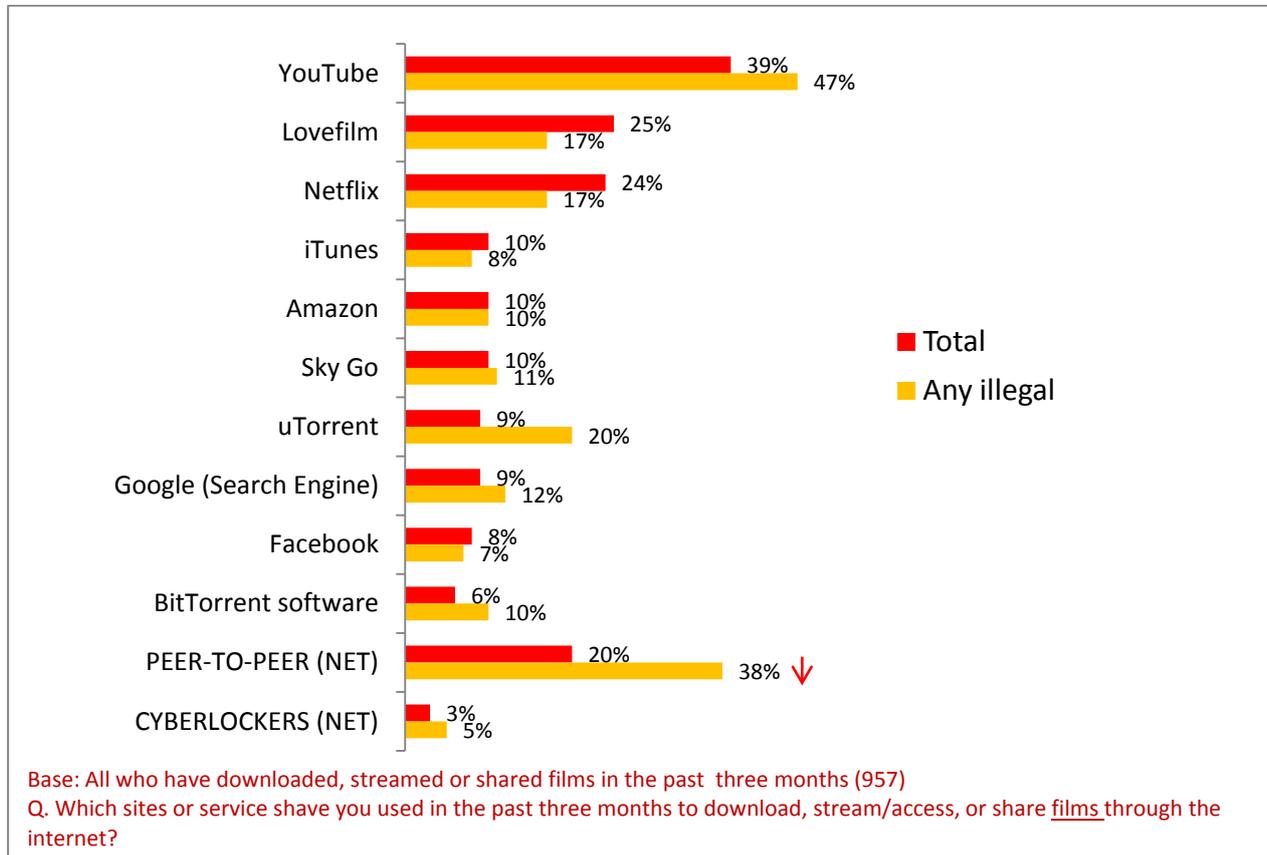
Although not shown in the above table, the majority of those who consumed any films illegally online were male (64%) and under 35 (79%).

The ‘mix of legal and illegal’ group consumed a median number of three films legally, compared to four for the ‘100% legal’ group. They also consumed a median of four films illegally, compared to five for the 100% illegal group.

2.1.6 Services used for downloading, streaming or sharing films

The following table shows the top ten mentions of individual services used to download, stream or share digital films in the past three months, along with aggregated figures for peer-to-peer and cyberlocker services¹⁷.

Table 2.1.6: Top ten individual services used for digital films and peer-to-peer/cyberlockers



There have been no significant changes in the usage levels of any of the individual services covered since W3. However, peer-to-peer (P2P) use among those who consumed any films illegally was much lower overall (38% in W4 compared to 50% in W3)

YouTube was the most commonly-cited service for online film (39%), followed by Lovefilm (25%) and Netflix (24%). The highest incidence of peer-to-peer services (P2P) was 9% for uTorrent.

Significant points to note (not captured in the chart) include:

- YouTube was used more by 12-15 year olds and 16-34 year olds (both at 46%). Its use was also higher among C2DEs (45%) than ABC1s (35%).
- uTorrent use was higher among C2DEs (13%) than ABC1s (6%)
- uTorrent was the second most-used service among infringers ('any illegal'), at 20%. However, YouTube gained higher mentions, at 47%.

¹⁷ Peer-to-peer (net) comprises Bittorrent software, uTorrent, Pirate Bay, Isohunt, Limewire, eDonkey/eMule, Gnutella, KickAssTorrents, Torrentz and Sopcast. Cyberlockers comprises Rapidshare, MediaFire and YouSendit.

2.1.7 Total volume estimates for films – past three months

This sub-section focuses on the data at a 'volume' level, covering the period March-May 2013. 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 2.1.7a: Volume and proportion estimates of physical and digital files - all films

Type	Volume	% all films	Description
Physical	70m	42%	Total number of films bought in physical format.
Digital	94m	58%	Total number of digital films consumed via downloading or streaming.
Total	164m	100%	Total number of digital and physical films consumed in past three months.

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

Table 2.1.7b: Volume and proportions of paid and free – digital films only

Type	Volume	% digital	Description
Paid	39m	65%	Total number of films consumed online and paid for.
Free	55m	35%	Total derived number of films consumed online for free.
Total	94m	100%	Total number of digital films consumed in past three months.

As we know the number of physical films respondents claimed to have purchased on disc or tape in the past three months, we are able to complete the picture in terms of all film acquisitions (digital and physical), by adding the paid digital volume figure above to the number of physical discs/tapes.

Table 2.1.7c: Volume and proportions of paid and free films – physical and digital combined

Type	Volume	% all films	Description
Paid	109m	75%	Total number of films consumed online and paid for + total number of films bought in physical format.
Free	55m	25%	Derived number of films consumed online for free.
Total	164m	100%	Total number of digital films consumed + total number of films bought in physical format in the past three months.

The following table shows the total volume split of *free* downloaded or streamed films in terms of whether respondents believed they had obtained them legally or illegally.

Table 2.1.7d: Volume and proportions of legal and illegal – free digital films

Type	Volume	% free digital	Description
Legal	31m	57%	Total number of free films consumed legally.
Illegal	24m	43%	Derived number of free films consumed illegally.
Total	55m	100%	Total number of free digital films consumed in the past three months.

Similarly, the following table shows the total volume split of *paid* downloaded or streamed films in terms of whether respondents believed they had obtained them legally or illegally.

Table 2.1.7e: Volume and proportions of legal and illegal – paid digital films

Type	Volume	% paid digital	Description
Legal	33m	84%	Total number of paid digital films consumed legally.
Illegal	6m	16%	Derived number of paid digital films consumed illegally.
Total	39m	100%	Total number of paid digital films consumed in the past three months.

In order to assess the picture across all digital films we have combined the previous two tables and the results are shown below.

Table 2.1.7f: Volume and proportions of legal and illegal – all (paid + free) digital films

Type	Volume	% all digital	Description
Legal	64m	68%	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	30m	32%	The derived number of free films that were downloaded or streamed online illegally in the past three months
Total	94m	100%	Total number of films downloaded or streamed online (paid or free) in the past three months

If we assume that physical discs or tapes were all purchased legally¹⁸ we can incorporate this into the legal total in order to assess legality across all films.

Table 2.1.7g: Volume and proportions of legal and illegal – physical and digital combined

Type	Volume	% all films	Description
Legal	134m	82%	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	30m	18%	The derived number of films that were downloaded or streamed online illegally in the past three months
Total	164m	100%	Total number of films downloaded or streamed online + the number of physical films bought on disc in the past three months

We estimate that 30 million films were consumed illegally in the past three months – equating to 18% of all films (downloaded, streamed or bought in physical format).

¹⁸ We have made an assumption for the purpose of these calculations that all physical discs were obtained legally. It is likely that a small proportion of these were obtained from unlawful sources.

2.2 Consumer spend on films, and price sensitivity

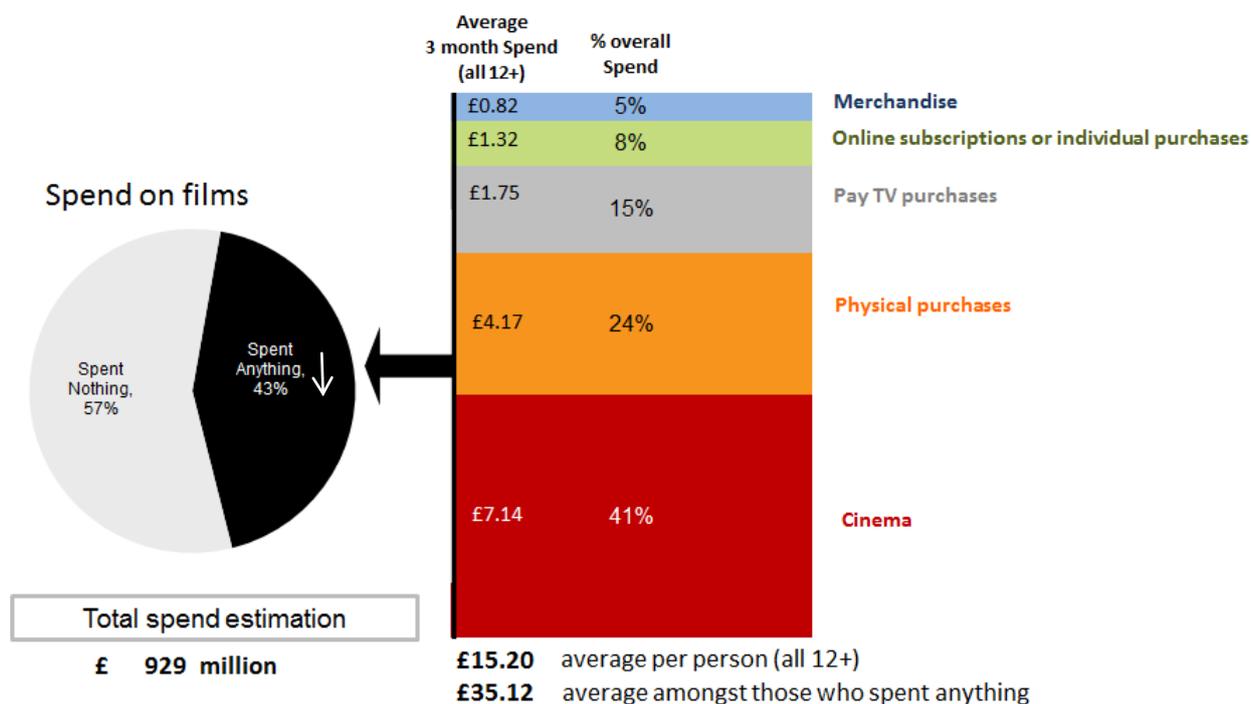
2.2.1 Quarterly films spend

We asked respondents:

Approximately how much have you spent on the following in the past three months? Please include money spent on other people, where they have not paid you back

The following chart shows the proportion of people who claimed that they had spent anything on films in the past three months, along with the overall profile of spend among this group of people.

Chart 2.2.1: Proportion of the population who have spent anything on films, and split of spend (past three months)



Q. Approximately how much have you spent in the past 3 months on...?
All 12+ in the UK (5444).

Forty-three per cent of the total 12+ UK population claimed to have spent any money on films as a category in the past three months, and this was a significant decrease on W3, when it was 51%. The increase seen in W3 was primarily due to physical purchases, and reflected the seasonal period. In W4 20% of the population had spent any money on physical discs in the past three months, compared to 25% in W3.

The total three-month spend estimate¹⁹ was close to £1bn, equating to £15.20²⁰ for every person in the UK. The average spend among people active in the category was £35.12 per person.

¹⁹ Total spend estimates are calculated by adding up all spend values across respondents (grossed to 12+ population).

²⁰ Note that each individual components will not necessarily add to the total (average) due to rounding.

The majority of spend on film came from cinema (41%) and physical purchases (24%). Online film subscriptions and downloads combined accounted for only 8% of total spend. This was lower than the percentage spent on films purchased through pay TV (15%).

Those who had consumed a mixture of legal and illegal films online claimed to spend more on average (£52.68) than those who consumed films only legally (£40.03). This compares to £28.15 for the '100% illegal group'.

2.2.2 Willingness to pay (price sensitivity)

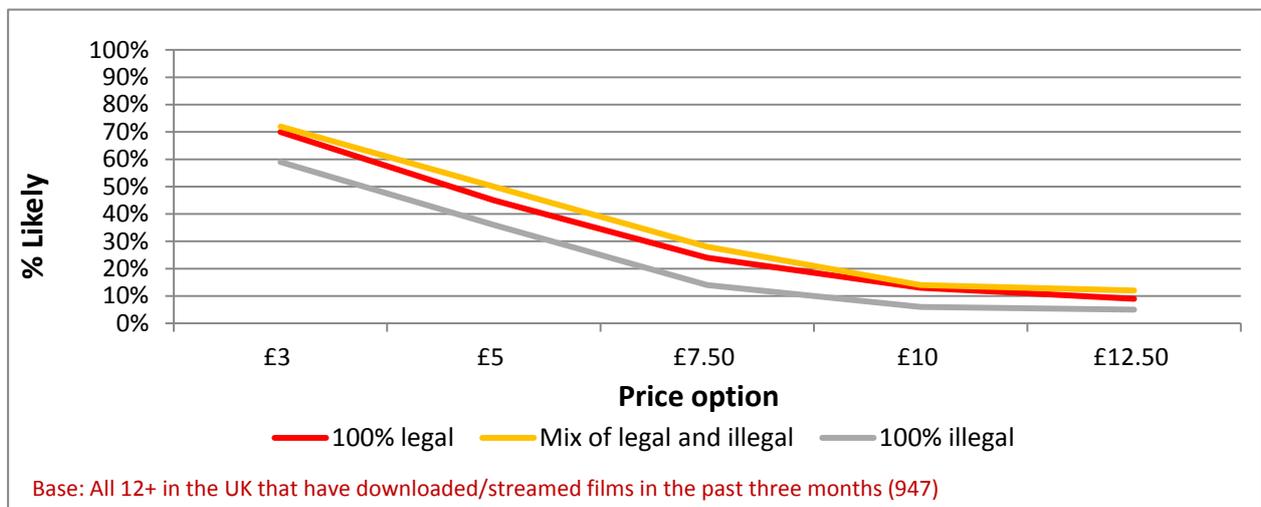
Within the survey we set out to assess at what levels people would be willing to pay, both for individual films via a download service, and via a subscription service. A Gabor-Granger price sensitivity model was used for this purpose; an approach which delivers price elasticity to examine the likely effect on demand resulting from 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 regard to a **download service**, we asked the following question:

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 2.2.2a: Willingness to pay for downloading films at different price options - single film



Unsurprisingly, willingness to pay declined steadily as the proposed price of a film download increased, and likelihood was generally lower for those who downloaded or streamed only illegally. That said, close to three in five (59%) of the '100% illegal' group claimed they would pay at £3.

Those in the 'mix of legal and illegal' and '100% legal' groups were similarly likely to purchase at all price points. The mean prices the three legality groups were willing to pay were as follows:

- 100% legal = £4.16
- Mix of legal and illegal = £4.51
- 100% illegal = £3.10

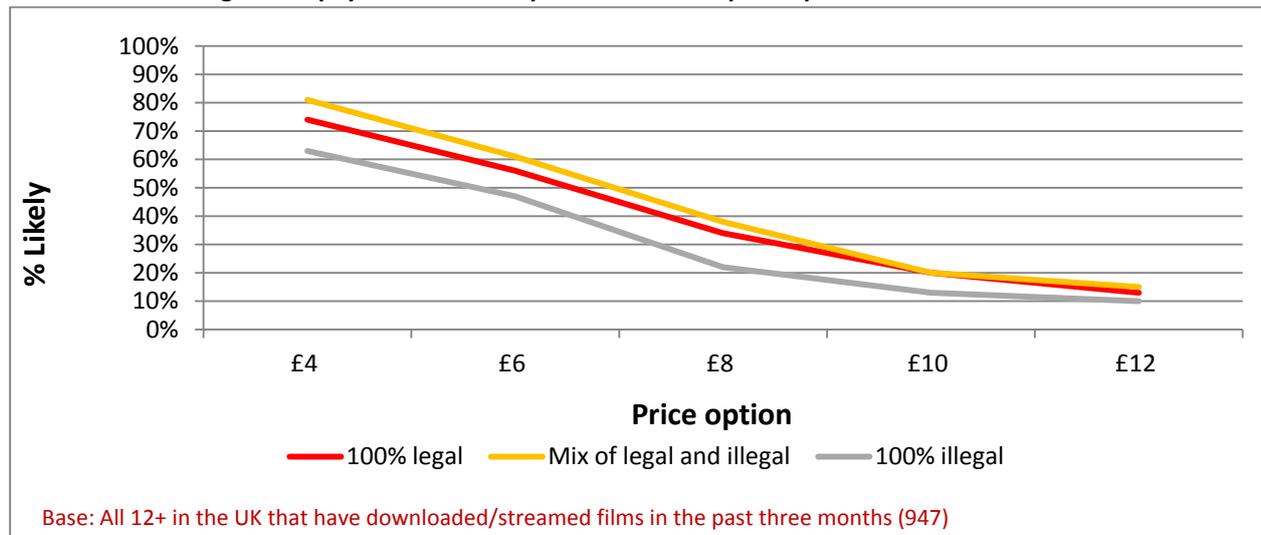
Focusing on a **subscription service**, we asked the following question:

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. Assuming 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 2.2.2b: Willingness to pay for film subscription at different price options



Willingness to pay declined steadily as the proposed price of a film subscription increased. Eighty-one per cent of those who consumed a mix of legal and illegal films claimed they would be willing to pay at an entry price of £4. This was higher than the '100% legal group' (74%) and 63% for the '100% illegal' group.

At the top end of the price scale the difference between the three groups was closer – 15% of the 'mix of legal and legal' group indicated they would be willing to pay, compared to 13% for the '100% legal' group and 10% for the '100% illegal group.' The mean prices the three legality groups were willing to pay were as follows:

- 100% legal = £5.40
- Mix of legal and illegal = £5.94
- 100% illegal = £4.38



3. TV programmes

TV programmes: summary

- **Changes since W3** – Levels of consumption of online TV programmes decreased from 36% in W3 to 34% in W4. This was driven both by downloading (down from 10% to 8%) and streaming (down from 35% to 32%).
- **Levels of infringement** – We estimate that 6% of UK internet users aged 12+ downloaded or streamed at least one TV programme illegally over the period March to May 2013, and this equated to (18%) of those who consumed TV programmes online.
- **Payment for TV programmes** - Eighty-five per cent of those who had downloaded or streamed TV programmes in the past three months did *all* of it for free (equating to 29% of the 12+ internet population). Seven per cent had paid for all TV programmes, with 8% doing a mixture of both.
- **Volumes of infringement** - TV programme online copyright infringers illegally downloaded or streamed 19% of all TV programmes consumed on the internet.
- **Demographics** - The majority of those who consumed any TV programmes illegally online were likely to be male (60%) and 16-34 (67%).
- **Spend** - 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 £17.83 over the three-month period. The 4% of internet users aged 12+ who consumed only illegal online content spent less (£14.24). This is a trend that has been observed in each of the four waves conducted so far.

3.1 Levels of TV programme copyright infringement

3.1.1 Digital behaviour among internet users aged 12+

The following table summarises general online behaviour for TV programmes:

Table 3.1.1a: Summary of digital behaviour among internet users aged 12+ – TV programmes

Base: internet users aged 12+ (4673) Various questions	Downloaded	Streamed	Downloaded or streamed i.e. “consumed”	Shared	Downloaded, streamed or shared
Ever done	13%	41%	43%	2%	43%
Done in past three months	8%↓	32%↓	34%↓	1%	34%↓
Median number of files in past three months among those who’ve done activity	3	5	6	3	

Overall consumption of TV programmes online in the past three months decreased from 36% in W3 to 34% among internet users aged 12+, and this was driven both by downloading (down from 10% to 8%) and streaming (down from 35% to 32%).

Actively sharing TV programmes has remained at similarly low levels, with 1% claiming to have done this in the past three months.

The median number of TV programmes downloaded (three), shared (three) and streamed (five) were at similar levels.

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

Table 3.1.1b: Downloaded, streamed or shared TV programmes in past three months – profiles

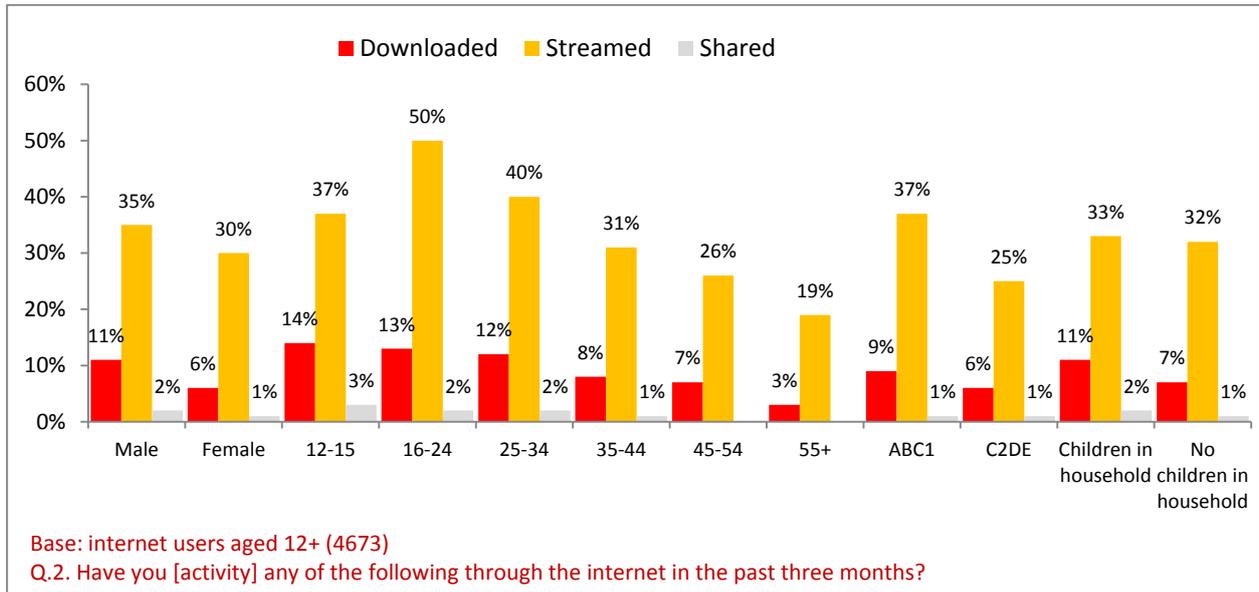
		Downloaders	Streamers	Sharers
Base		436	1598	72*
Gender	Male	66%	53%	70%
	Female	34%	47%	30%
Age	12-15	11%	8%	18%
	16-34	52%	48%	57%
	35-54	29%	30%	23%
	55+	8%	14%	2%
Socio-economic group ²¹	ABC1	71%	69%	52%
	C2DE	29%	31%	48%
Presence of children in household	Children in household	46%	35%	45%
	No children in household	54%	65%	55%

Whereas ‘downloaders’ and ‘sharers’ of TV programmes were heavily male-skewed, streaming was more even in terms of gender (53:47). Streaming also had a slightly older profile than downloading, with 14% of those aged 55+ participating, compared to 8% for downloading. Downloading and streaming were heavily skewed towards ABC1s (71% and 69% respectively), but the socio-economic group profile was closer for sharing (52% ABC1).

²¹ Socio-economic group is not included for 12-15 year olds, so this profile is among 16+ year olds.

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

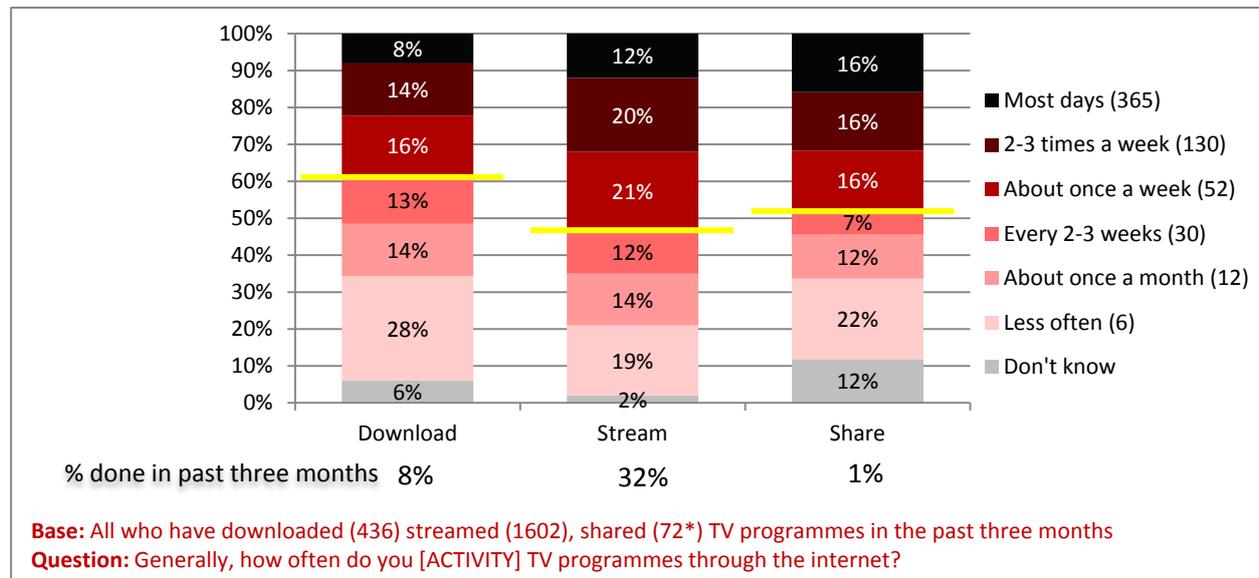
Table 3.1.1c: Downloaded, streamed or shared TV programmes in past three months, by sub-group



- Males were significantly more likely than females to download TV programmes (11% v 6%), but the 5% difference for streaming (35% and 30%) was not significant.
- Those aged 16-24 had the highest incidence of streaming (50%). Penetration of streaming was higher among ABC1s (37%) than C2DEs (25%).

Those who had downloaded, streamed or shared TV programmes online in the past three months were asked about the frequency with which they had done so. We show the results in the chart below.

Chart 3.1.1d: Frequency of downloading, streaming and sharing TV programmes



With regard to TV programmes, streaming was a much more popular activity than downloading. It was also done more frequently; 53% of streamers said they did it at least once a week, compared to 38% of downloaders. Sharing was also a regular activity among those who did it (48% at least once a week).

3.1.2 Payment for TV programmes downloaded or streamed online

Based on the total number of TV programmes that respondents indicated they had downloaded and streamed in the past three months, we asked the following:

You indicated you have downloaded or streamed [NUMBER] TV programmes in the past three 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 median number of files for five derived groups:

1. **100% paid** are those who indicated that they paid for ‘all’ of the TV programmes they had downloaded or streamed in the past three months.
2. **Mix of paid and free** includes anyone who had paid for at least one, but not all, of the programmes consumed.
3. **100% free** are those who did not pay for any of their TV programmes (and who had previously indicated that they had downloaded or streamed at least one programme).
4. **Any paid** is a combination of 1 and 2 above
5. **Any free** is a combination of 2 and 3 above.

Table 3.1.2. Summary of payment groups – downloaded or streamed TV programmes

	% internet users aged 12+	% internet users aged 12+ who downloaded or streamed TV programmes in the past three months	Median number of TV programmes (past three months)
Base Population (000s)	4673 44458	1685 15156	1685 15156
100% paid	3%	7%↓	5
Mix of paid and free	3%	8%	Total = 18 Paid = 4 Free = 10
100% free	29%	85%	5
Any paid	6%	15%↓	Paid = 5
Any free	32%	93%↑	Free = 6

Since W3 there has been a small but significant increase in the percentage of those who watched TV programmes online who did any of it for free (93% from 90%), offset by a small decrease in those who paid for all of their programmes (7%, down from 10%, also reflected in the decrease in ‘any paid’ from 19% to 15%). Both of these moved back to similar levels observed in W2.

Eighty-five per cent of those who had downloaded or streamed TV programmes in the past three months did *all* of it for free (equating to 29% of the 12+ internet population).

Those who downloaded or streamed a mix of paid and free TV programmes consumed a lot more in total than the other two groups (median score of 18 in a three-month period). They consumed a median of four paid programmes compared to five among the ‘100% paid’ group, but consumed twice as many free films (ten) as the ‘100% free’ group (five).

3.1.3 Consuming TV programmes online already owned in physical format

As part of the same question used to assess payment, we asked respondents the following:

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

Table 3.1.3 outlines the proportion of people who had downloaded or streamed TV programmes in the past three months and who indicated that they already owned a certain percentage of these in a physical format:

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

Base: All those who downloaded or streamed TV programmes in the past three months	1685
100% already owned in physical format	2%
Any already owned in physical format	10%
None already owned in physical format	90%
Mean number already owned in physical format ²²	1

There has been no significant change in these figures since W3. A tenth of those who had downloaded or streamed TV programmes in the past three months claimed to own at least one of them already in a physical format; 2% claimed to already own all of them. The mean number already owned was one.

3.1.4 Downloading or accessing free TV programmes before purchasing

Taking the number of TV programmes that respondents had previously indicated they had paid for in the past three months, plus the number of physical purchases they had indicated, we asked:

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

Table 3.1.4 outlines the proportion of people who had purchased any TV programmes (physical or digital) in the past three months, who said they had previously consumed a certain number of them for free online.

Table 3.1.4: 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 three months	1067
100% previously accessed for free	17%
Any previously accessed for free	30% ↑
None previously accessed for free	70% ↓
Mean number previously accessed for free	2

There was a significant increase in the proportion of people who had paid for TV programmes (in any format) in the previous three months, who said they had downloaded or streamed at least one of them for free prior to purchase (from 25% in W3 to 30% in W4). The mean number of paid-for films in the past three months that were claimed to have been previously accessed for free was two.

²² Note that we report only on the mean figures for these two metrics, as the median is zero in all cases. This is because the majority of those who consumed content in the past three months didn't own any already in physical format, or previously consume any paid-for content for free.

3.1.5 Legality of digital TV programmes downloaded or streamed

We showed respondents the number of TV programmes calculated as being downloaded or streamed for free (total minus paid) in the past three months. and we asked:

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

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

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

1. **100% legal** are those who indicated that ‘all’ of the TV programmes they had downloaded or streamed for free were legal.
2. **Mix of legal and illegal** included anyone who had downloaded at least one TV programme illegally.
3. **100% illegal** are those who indicated either that all their TV programmes were paid for (so were not asked the question), or that all of the free TV programmes they downloaded or streamed were obtained illegally.
4. **Any illegal** is a combination of 2 and 3 above.

Table 3.1.5: Summary of legality groups – downloaded or streamed TV programmes

	% internet users aged 12+	% internet users aged 12+ who downloaded or streamed TV programmes in the past three months	Median number of TV programmes (past three months)
Base Population (000s)	4673 44458	1685 15156	1685 15156
100% legal	28%	82%	5
Mix of legal and illegal	3%	8%	Total = 23 Legal = 10 Illegal = 10
100% illegal	4%	11%	4
Any illegal	6%	18%	Illegal = 6

There were no significant changes in these figures compared to W3.

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

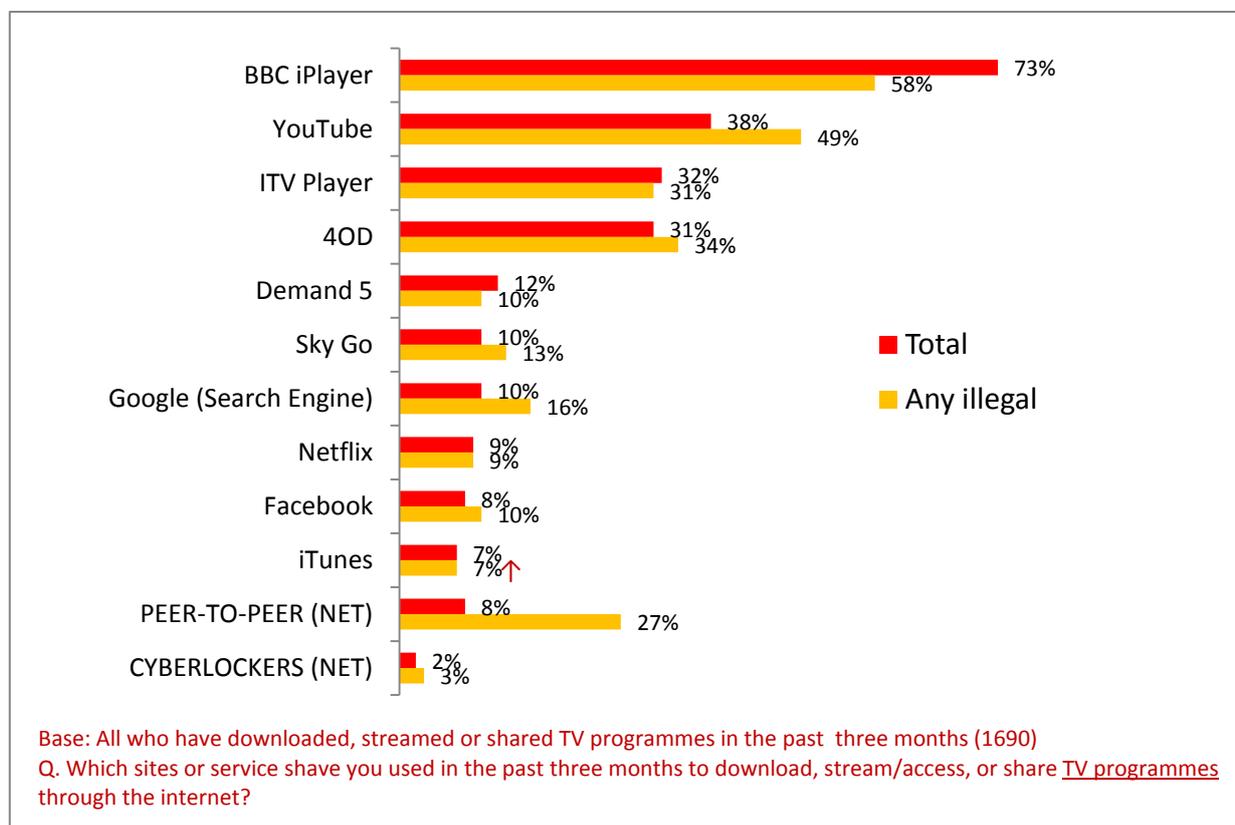
Although not shown in the above table, the majority of those who consumed any TV programmes illegally online were male (60%) and 16-34 (67%).

The median number of TV programmes accessed legally by the ‘mix of legal and illegal’ group (ten) was twice as high as the ‘100% legal’ group (five). However, the median number accessed illegally (ten) by this group was also higher than the ‘100% illegal’ group (four). Therefore, the total number among those who consumed TV programmes both legally and illegally (23) was much higher than in the other two groups.

3.1.6 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 TV programmes online in the past three months, along with aggregated figures for peer-to-peer and cyberlocker services²³.

Table 3.1.6: Top ten individual services used for downloading, streaming or sharing TV programmes, and peer-to-peer/cyberlockers



iTunes was the only service to have seen a significant change since wave 3 in terms of TV programme consumption; among infringers this increased from 5% to 7%.

Generally, the free services had higher incidence in terms of downloading or streaming TV programmes online. BBC iPlayer was by far the most common service used in the past three months (73%). Peer-to-peer services were used by 8% of people to download, stream or share TV programmes online, increasing to 27% among infringers.

Significant points to note (not captured in the chart) include:

- Use of 4oD was significantly higher among those aged 16-24 than all other age groups, at 48%.
- Use of Sky Go (13%) and Netflix (10%) were significantly higher among males than females.

²³ Peer-to-peer (net) comprises Bittorrent software, uTorrent, Pirate Bay, Isohunt, Limewire, eDonkey/eMule, Gnutella, KickAssTorrents, and Torrentz. Cyberlockers comprises Rapidshare, MediaFire and YouSendit.

3.1.7 Total volume estimates for TV programmes – past three months

This subsection focuses on the data at a ‘volume’ level, covering the period March-May 2013. 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 3.1.7a: Volume and proportion estimates of physical and digital files - all TV programmes

Type	Volume	% all TV programmes	Description
Physical	62m	18%	Total number of TV programmes bought in physical format.
Digital	282m	82%	Total number of digital TV programmes consumed via downloading or streaming.
Total	344m	100%	Total number of digital and physical TV programmes consumed in past three months.

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

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

Type	Volume	% all digital	Description
Paid	31m	11%	Total number of TV programmes consumed online and paid for.
Free	250m	89%	Total derived number of TV programmes consumed online for free.
Total	282m	100%	Total number of digital TV programmes consumed in past three months.

As we also know the number of physical TV programmes claimed to have been purchased on disc or tape in the past three 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/tapes acquired.

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

Type	Volume	% all TV programmes	Description
Paid	93m	27%	Total number of TV programmes consumed online and paid for + total number of TV programmes bought in physical format.
Free	250m	73%	Derived number of TV programmes consumed online for free.
Total	344m	100%	Total number of digital TV programmes consumed + total number of TV programmes bought in physical format in the past three months.

Focusing on infringement, the following table shows the total volume split of *free* downloaded or streamed TV programmes, in terms of whether respondents believed they had obtained them legally or illegally.

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

Type	Volume	% free digital	Description
Legal	196m	78%	Total number of free TV programmes consumed legally.
Illegal	54m	22%	Derived number of free TV programmes consumed illegally.
Total	250m	100%	Total number of free digital TV programmes consumed in the past three months.

If we are to assume that all paid files were obtained legally²⁴, we can add these to the legal total in order to assess the picture across all digital TV programmes. This is outlined as follows:

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

Type	Volume	% all digital	Description
Legal	227m	81%	Total number of free digital TV programmes consumed legally + total number of paid digital TV programmes consumed (assumed as legal).
Illegal	54m	19%	Derived number of free TV programmes consumed illegally.
Total	282m	100%	Total number of digital TV programmes consumed in the past three months.

As with the paid and free split, if we assume that physical discs or tapes were all purchased legally²⁵ 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 3.1.7f: Volume and proportions of legal and illegal – physical and digital combined

Type	Volume	% all TV programmes	Description
Legal	289m	84%	Total number of free digital TV programmes consumed legally + total number of paid digital TV programmes consumed (assumed as legal) + total number of TV programmes bought in physical format.
Illegal	54m	16%	Derived number of TV programmes consumed illegally.
Total	344m	100%	Total number of digital TV programmes consumed + total number of TV programmes bought in physical format in the past three months.

We estimate that 54 million TV programmes were consumed illegally in the past three months – equating to 16% of all TV programmes (downloaded, streamed or bought in physical format).

²⁴ We have made an assumption that all paid digital TV programmes are legal; it is possible that a small proportion of paid content attributed to 'legal' was obtained through unlicensed sites.

²⁵ We have also made an assumption for the purpose of these calculations that all physical discs were obtained legally. It is likely that a small proportion of these were obtained from unlawful sources.

3.2 Consumer spend on TV programmes

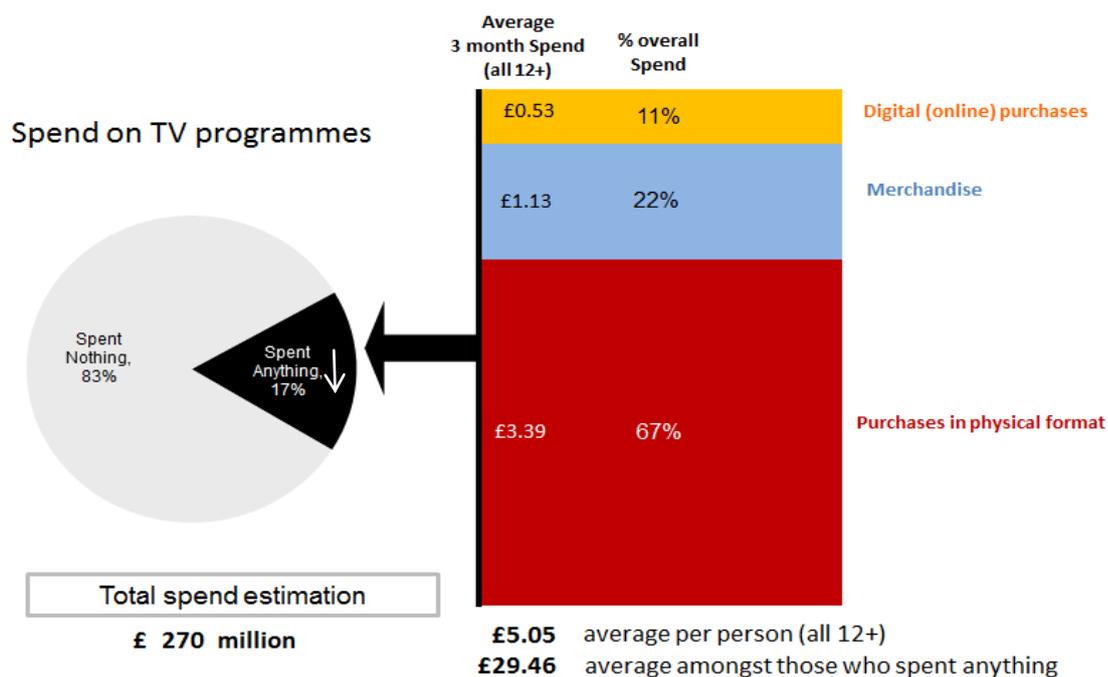
3.2.1 Quarterly TV programme spend

We asked respondents:

Approximately how much have you spent on the following in the past three months? Please include money spent on other people, where they have not paid you back

The following chart shows the proportion of people who claimed they spent anything on TV programmes (excluding pay-TV services) in the past three months, 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 TV programmes, and split of spend



Q. Approximately how much have you spent in the past 3 months on...?
All 12+ in the UK (5444).

Seventeen per cent of the total 12+ UK population claimed to have spent any money on TV programmes (excluding pay-TV services) in the past three months, a significant decrease since W3, when it was 22%. The increase seen in W3 was primarily due to physical purchases and it reflected the seasonal period. In W4 15% of the population spent any money on physical discs/tapes compared to 19% in W3.

The total three-month spend estimate²⁶ was £270m, equating to £5.05 for every person in the UK. The average spent among those active in the category was £29.46 per person.

The majority (67%) of total spend was attributed to purchases on physical disc/tapes, followed by merchandise (22%) and digital purchases (11%).

Those who accessed a mixture of legal and illegal online TV programmes claimed to spend the most on the category as a whole (£17.83), with 100% legal spending the least (£7.33). The 100% illegal group sat in between, with £13.52.

²⁶ Total spend estimates are calculated by adding up all spend values across respondents (grossed to 12+ population).



4. Computer software

Computer software: summary

- **Changes since W3** – After a seasonal rise during W3 (which covered the Christmas and New Year period), consumption levels of computer software decreased from 15% to 12% in W4. This was driven by downloading, which fell from 12% to 9%.
- **Levels of infringement** – We estimate that 3% of UK internet users aged 12+ downloaded or accessed at least one computer software product illegally over the period March to May 2013, and this equated to 21% of those who consumed computer software online.
- **Payment for computer software** – Three-quarters of those who had downloaded or accessed computer software online in the past three months, had consumed any of it for free (this equates to 9% of the internet population). Fifty-seven per cent had consumed all of their software for free, compared to 25% who had paid for all of it.
- **Volumes of infringement** - Computer software online copyright infringers were responsible for illegally downloading or accessing an estimated 18% of all computer software consumed on the internet.
- **Demographics** - Those who consumed any computer software products illegally skewed towards males (74%), under 34 (69%) and ABC1 (54%).
- **Spend** - Those who consumed all their online software legally spent more (£30.53) on average on software products (including physical discs) than those who consumed any illegally (£21.67).

4.1 Levels of computer software copyright infringement

4.1.1 Digital behaviour among internet users aged 12+

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

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

Base: internet users aged 12+ (4673) Various questions	Downloaded	Accessed	Downloaded or accessed i.e. “consumed”	Shared	Downloaded, accessed or shared
Ever done	15%	11%	20%	2%	21%
Done in past three months	9%↓	7%	12%↓	1%	13%↓
Median number of files in past three months among those who’ve done activity	2	3	3	2	

After a seasonal rise during W3 (which covered the Christmas and New Year period), consumption levels of computer software decreased from 15% to 12% in W4. This was driven by downloading, which fell from 12% to 9%.

Seven per cent of those with internet access accessed computer software directly online in the past three months. Just 1% of those with internet access claimed to have actively shared computer software during the same period.

The median number of software products consumed online was three.

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

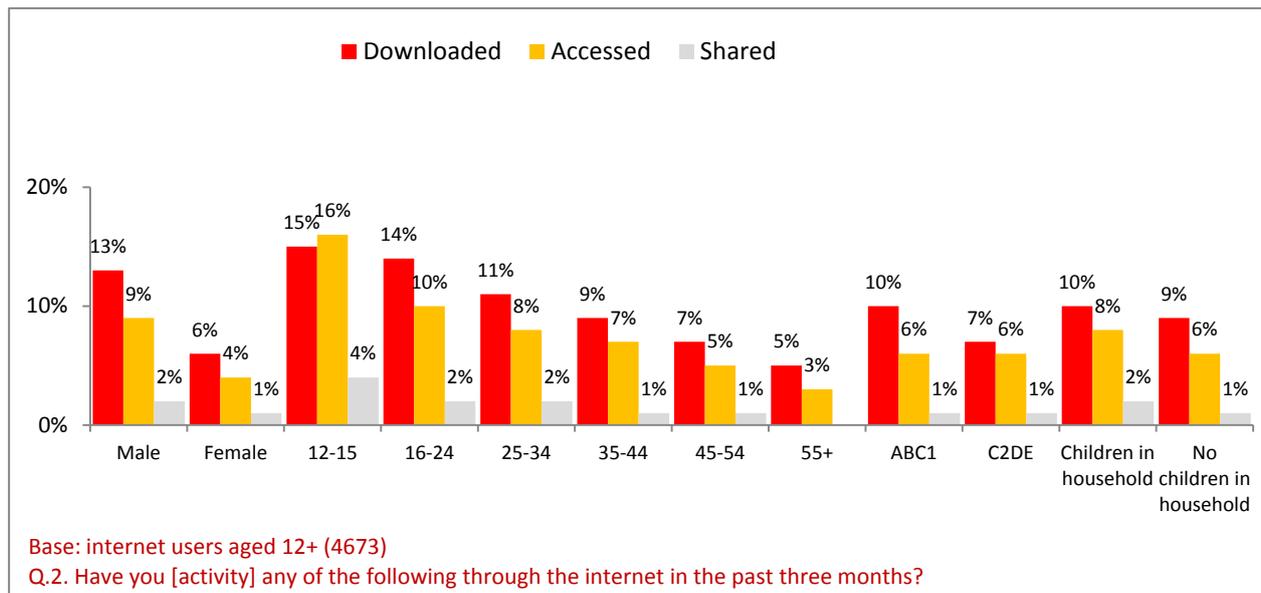
Table 4.1.1b: Downloaded, accessed or shared software in past three months - profiles

		Downloaders	Accessers	Sharers
Base		500	406	84*
Gender	Male	67%	67%	67%
	Female	33%	33%	33%
Age	12-15	11%	15%	18%
	16-34	48%	45%	57%
	35-54	29%	30%	24%
	55+	13%	10%	1%
Socio-economic group ²⁷	ABC1	68%	63%	61%
	C2DE	32%	37%	39%
Presence of children in household	Children in household	37%	42%	54%
	No children in household	63%	58%	46%

Males, under 35s and ABC1s made up the majority of those who participated in all online activities relating to computer software.

²⁷ Socio-economic group is not included for 12-15 year olds, so this profile is among 16+ year olds.

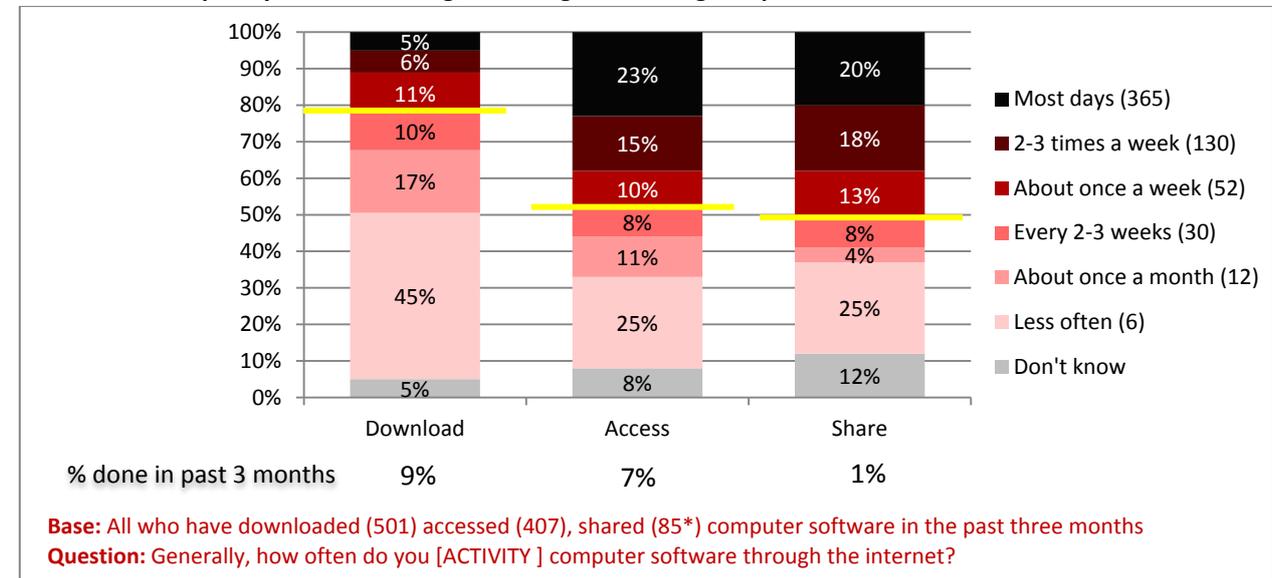
Table 4.1.1c: Downloaded, accessed or shared software in past three months, by sub-group



- Males were significantly more likely than females to have downloaded (13% v 6%) and accessed (9% v 4%) computer software online in the past three months.
- Those aged 12-15 (15%) and 16-24 (14%) had the highest incidences of downloading software online.

Those who indicated that they had downloaded, accessed or shared computer software online in the past three months were also asked about the frequency with which they had done this. We show the results in the chart below.

Chart 4.1.1d: Frequency of downloading, accessing and sharing computer software



Accessing online was shown to be a more frequent activity than downloading, with 48% doing this at least once a week, compared to 22% for downloading. Sharing, while less common, was claimed to have been done relatively frequently, among those who had done it in the past three months, with 51% saying that they had shared computer software at least once a week.

4.1.2 Payment for 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 three months, we asked those who specified ‘any’ the following:

You indicated you have downloaded or accessed [NUMBER] computer software in the past three 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 median number of files for five derived groups:

1. **100% paid** are those who indicated that they had paid for ‘all’ of the computer software they had downloaded or accessed in the past three months.
2. **Mix of paid and free** includes anyone who had paid for at least one, but not all, of the software products consumed.
3. **100% free** are those who did not pay for any of their software products (and who had previously indicated that they had downloaded or accessed at least one product)
4. **Any paid** is a combination of 1 and 2 above
5. **Any free** is a combination of 2 and 3 above.

Table 4.1.2: Summary of payment groups – downloaded or accessed computer software

	% internet users aged 12+	% internet users aged 12+ who downloaded or accessed computer software in the past three months	Median number of software products (past three months)
Base	4673	685	685
100% paid	3%	25%	2
Mix of paid and free	2%	18%	Total = 8 Paid = 2 Free = 4
100% free	7%	57%	2
Any paid	5%	43%	Paid = 2
Any free	9%	75%	Free = 3

There were no significant changes in these figures compared to W3.

Of those who had downloaded or accessed computer software online in the past three months, 75% had consumed any of it for free (equating to 9% of the internet population). Fifty-seven per cent had consumed all of their software for free, compared to 25% who had paid for all of it.

Those who downloaded or accessed a mix of both paid and free software products consumed a lot more than the other two groups (median score of eight in a three month period). They consumed a median of two paid products (the same as the ‘100% paid’ group) but consumed twice as many free products (four) as the ‘100% free’ group (two).

4.1.3 Consuming software online already owned in physical format

As part of the same question used to assess payment, we asked respondents the following:

How many did you already own on disc?

Table 4.1.3 outlines the proportion of people who downloaded or accessed computer software in the past three months who indicated that they already owned a certain percentage of it in a physical format.

Table 4.1.3: Summary table - physical ownership of downloaded or accessed computer software

Base: All those who downloaded or accessed computer software in the past three months	678
100% already owned in physical format	7%
Any already owned in physical format	27%
None already owned in physic format	73%
Mean number already owned in physical format ²⁸	2

There has been no significant change to these figures since W3. Twenty-seven per cent of those who had 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 two.

4.1.4 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 three months, plus the number of physical purchases made, we asked respondents:

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

Table 4.1.4 outlines the proportion of people who had purchased any computer software (physical or digital) in the past three months, who indicated they had previously consumed a certain number of these for free online.

Table 4.1.4: 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 three months	1104
100% previously accessed for free	22%↑
Any previously accessed for free	39%
None previously accessed for free	61%
Mean number previously accessed for free	2

There was an increase in the proportion of people who had paid for software (in any format) in the previous three months, who said they had previously downloaded or accessed all of the products for free prior to purchase (from 17% in W3 to 22% in W4).

Thirty-nine per cent 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. The mean number of software products paid for in the past three months, and claimed to have been accessed previously for free, was two.

²⁸ Note that we report only on the mean figures for these two metrics, as the median is zero in all cases. This is because the majority of those who consumed content in the past three months didn't own any already in physical format, and hadn't previously consumed paid-for content for free.

4.1.5 Legality of computer software downloaded or accessed online

We showed to respondents the number of items of computer software calculated as being downloaded or accessed for free (total minus paid) in the past three months, and we asked the following:

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

From this we were able to derive the number of files 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 a proportion based on all software acquisitions for each respondent.

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

1. **100% legal** are those who indicated that ‘all’ of the computer software they had downloaded or accessed online for free was legal.
2. **Mix of legal and illegal** included anyone who had downloaded at least one software product illegally.
3. **100% illegal** are those who indicated either that all their software downloads were paid for (so were not asked the question), or that all of the free software products they downloaded or accessed online were obtained illegally.
4. **Any illegal** is a combination of 2 and 3 above.

Table 4.1.5: Summary of legality groups – downloaded or accessed computer software

	% internet users aged 12+	% internet users aged 12+ who downloaded or accessed computer software in the past three months	Median number of software products (past three months)
Base Population (000s)	4673 44458	685 5535	685 5535
100% legal	10%↓	79%	2
Mix of legal and illegal	1%	8%	Total = 10 Legal = 5 Illegal = 3
100% illegal	2%	14%	2
Any illegal	3%	21%	Illegal = 2

As a proportion of all internet users age 12+, the ‘100% legal’ group fell from 12% in W3 to 10% in W4. However this was most likely a result of lower consumption levels in general.

The majority (79%) of those who had downloaded or accessed computer software online in the past three months are estimated to have done it all legally. Ten per cent are estimated to have done it all illegally, with 8% having done a mixture of both.

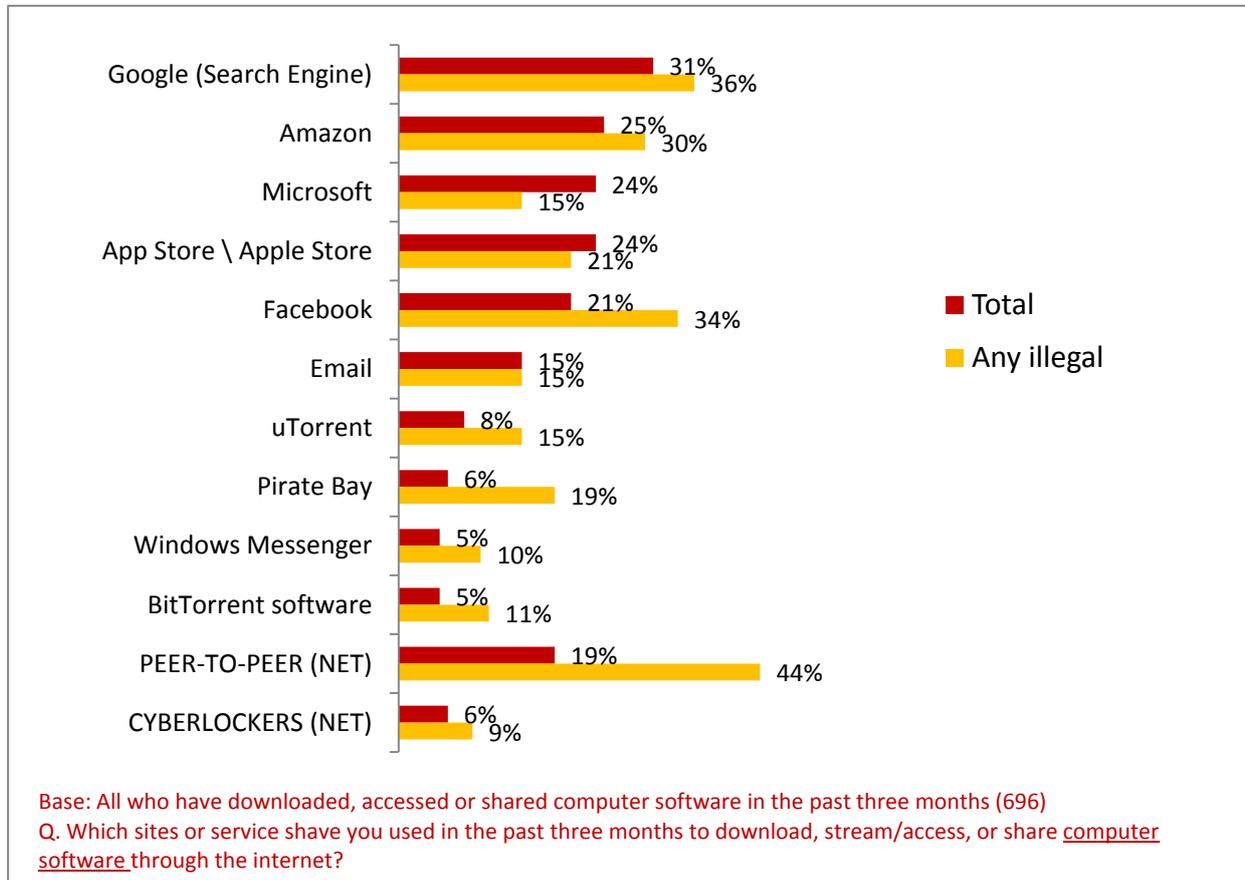
Although not shown in the above table, those who consumed any computer software products illegally skewed towards males (74%), under 34 (69%) and ABC1 (54%).

The ‘mix of legal and illegal’ group consumed a median number of five products legally, compared to two for the ‘100% legal’ group. They also consumed a median of three products illegally, compared to two for the ‘100% illegal’ group.

4.1.6 Services used for downloading, accessing or sharing software online

The following table shows the top ten responses for services used to download access or share digital computer software, along with aggregated figures for peer-to-peer and cyberlocker services²⁹:

Table 4.1.6: Top ten individual services used for digital computer software, and peer-to-peer/cyberlocker nets



There were no significant changes in terms of online services used for computer software in the past three months compared to W3.

Google search was the most popular method used to source computer software, with around a third (31%) claiming to have done this in the past three months. Amazon (25%), Microsoft (24%) and the App Store / Apple store (24%) were the next most popular services cited. The highest incidence of a peer-to-peer service was uTorrent, which was 15% among infringers. Aggregating all such P2P services indicated that they were used by 44% of infringers to source computer software (19% of all digital software consumers).

Significant points to note (not captured in the chart) include:

- Use of Facebook was significantly higher among 12-15 year olds than other age groups, at 36%; this was also the equal most popular service (with Google search) used among this age group.
- 16-24s had the highest incidence of uTorrent use, at 13%.

²⁹ Peer-to-peer (net) comprises Bittorrent software, uTorrent, Pirate Bay, Isohunt, Limewire, eDonkey/eMule, Gnutella, KickAssTorrents, and Torrentz. Cyberlockers comprises Rapidshare, MediaFire and YouSendit.

4.1.7 Total volume estimates for computer software – past three months

This sub-section focuses on the data at a ‘volume’ level, covering the period March-May 2013. 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 4.1.7a: Volume and proportion estimates of physical and digital files - all computer software

Type	Volume	% all software	Description
Physical	18m	26%	Total number of software products bought in physical format.
Digital	50m	74%	Total number of digital software products consumed via downloading or accessing.
Total	69m	100%	Total number of digital and physical software products consumed in past three months.

Focusing on ‘digital’ software products 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	Volume	% all digital	Description
Paid	15m	30%	Total number of software products consumed online and paid for.
Free	35m	70%	Total derived number of software products consumed online for free.
Total	50m	100%	Total number of digital software products consumed in past three months.

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

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

Type	Volume	% all software	Description
Paid	33m	49%	Total number of software products consumed online and paid for + total number of software products bought in physical format.
Free	35m	51%	Derived number of software products consumed online for free.
Total	69m	100%	Total number of digital software products consumed + total number of software products bought in physical format in the past three months.

Focusing on infringement, the following table shows the total volume split of *free* downloaded or accessed software products in terms of whether respondents believed they had obtained them legally or illegally:

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

Type	Volume	% free digital	Description
Legal	26m	74%	Total number of free software products consumed legally.
Illegal	9m	26%	Derived number of free software products consumed illegally.
Total	35m	100%	Total number of free digital software products consumed in the past three months.

If we assume that all paid software products were obtained legally³⁰, we can add to the legal total in order to assess the picture across all digital software products. This is outlined as follows:

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

Type	Volume	% all digital	Description
Legal	41m	82%	Total number of free digital software products consumed legally + total number of paid digital software products consumed (assumed as legal).
Illegal	9m	18%	Derived number of free software products consumed illegally.
Total	50m	100%	Total number of digital software products consumed in the past three months.

As with the paid and free split, if we also assume that physical discs were all purchased legally³¹ we can incorporate this into the legal total in order to assess legality across all software products.

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

Type	Volume	% all software	Description
Legal	59m	87%	Total number of free digital software products consumed legally + total number of paid digital software products consumed (assumed as legal) + total number of software products bought in physical format.
Illegal	9m	13%	Derived number of software products consumed illegally.
Total	69m	100%	Total number of digital software products consumed + total number of software products bought in physical format in the past three months.

We estimate that 9 million computer software products were consumed illegally in the past three months – equating to 13% of all computer software (downloaded, accessed online, or bought in physical format).

³⁰ We have made an assumption that all paid digital software products are legal; it is possible that a small proportion of paid content 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 that a small proportion of these were obtained from unlawful sources.

4.2 Consumer spend on computer software

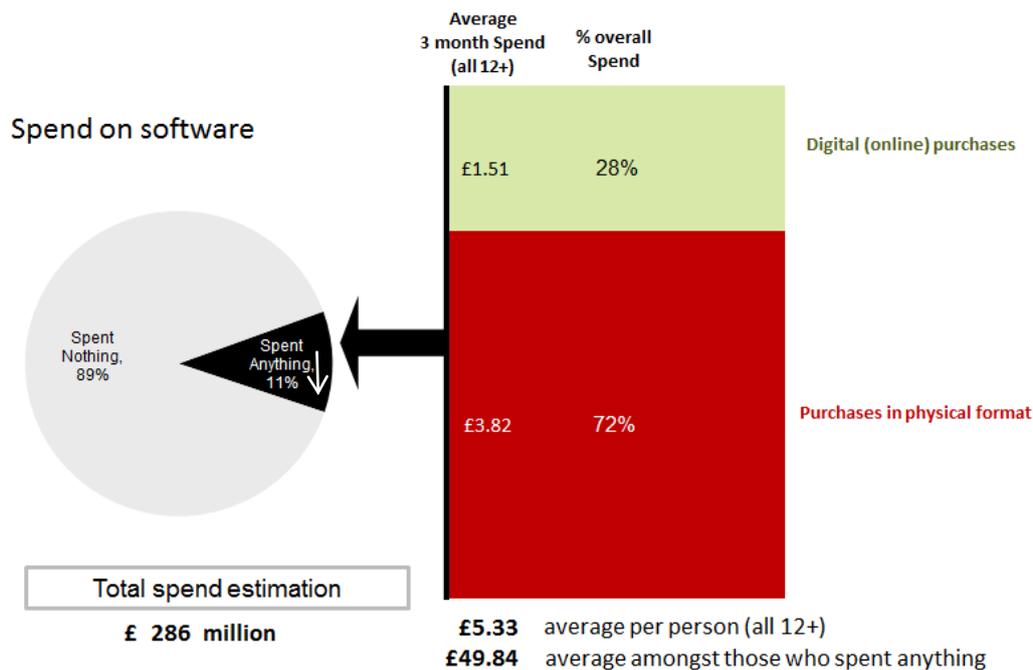
4.2.1 Quarterly computer software spend

We asked respondents:

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

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

Chart 4.2.1: Proportion of population who spent anything on computer software, and split of spend



Q. Approximately how much have you spent in the past 3 months on...?
 All 12+ in the UK (5444).

Eleven per cent of the total 12+ UK population had spent any money on computer software in the past three months, a significant decrease on W3, when it was 13%. The increase seen in W3 was primarily due to physical discs, and reflected the seasonal period – in W4 10% of the population spent any money on physical discs in the past three months, compared to 12% in W3.

The total three-month spend estimate³² was £286m, equating to £5.33³³ for every person in the UK. The average spent among the people active in the category was £49.84 per person.

Purchase of physical discs accounted for 72% of the total amount spent on computer software, with digital purchases accounting for the remaining 28%.

The mean spend on computer software was lower among those who claimed to have accessed any software illegally (£21.67), than those in the '100% legal' group³⁴ who had a mean spend of £30.53.

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 exactly due to rounding.



5. Books

Books: summary

- **Changes since W3** – Downloading e-books decreased from 13% in W3 to 11% in W4. Despite this, overall consumption remained at a similar level (13%). One per cent shared books online.
- **Levels of infringement** – We estimate that 1% of UK internet users aged 12+ downloaded or accessed at least one e-book illegally over the period March to May 2013, and this equated to 9% of those who consumed books online.
- **Payment for e-books** – Fifty-one per cent of those who had downloaded or accessed e-books online in the past three months consumed at least one of them for free (this equates to 7% of the internet population). Thirty-one per cent consumed all of their e-books for free, compared to 49% who had paid for all e-books.
- **Volumes of infringement** – E-book online copyright infringers were responsible for illegally downloading or accessing an estimated 10% of all e-books consumed on the internet.
- **Demographics** – Fifty-six per cent of book infringers were between the ages of 16 and 35. The gender split was fairly even (51% male), and 57% were ABC1.
- **Spend** - Those who consumed any e-books illegally claimed to spend more (£27.46) on average on books (including physical books) than those who accessed all their e-books legally (£23.77)³⁵.

³⁴ The legal groups are too small to break down further regarding spend.

³⁵ Caution: Low base (58)

5.1 Levels of book copyright infringement

5.1.1 Digital behaviour among internet users aged 12+

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

Table 5.1.1a: Summary of digital behaviour among internet users aged 12+ – e-books

Base: internet users aged 12+ (4673) Various questions	Downloaded	Accessed	Downloaded or accessed i.e. "consumed"	Shared	Downloaded, accessed or shared
Ever done	14%	9%	18%	1%	18%
Done in past three months	11%↓	6%	13%	1%	13%
Median number of files in past three months among those who've done activity	4	3	5	1	

Downloading e-books decreased from 13% in W3 to 11% in W4. Despite this, overall consumption in the past three months remained at a similar level to W3 (13%). One per cent shared books online.

The median number of e-books downloaded in the past three months was similar (four) to the number accessed (three); the mean number shared was just one.

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

Table 5.1.1b: Downloaded or accessed e-books in past three months - profiles

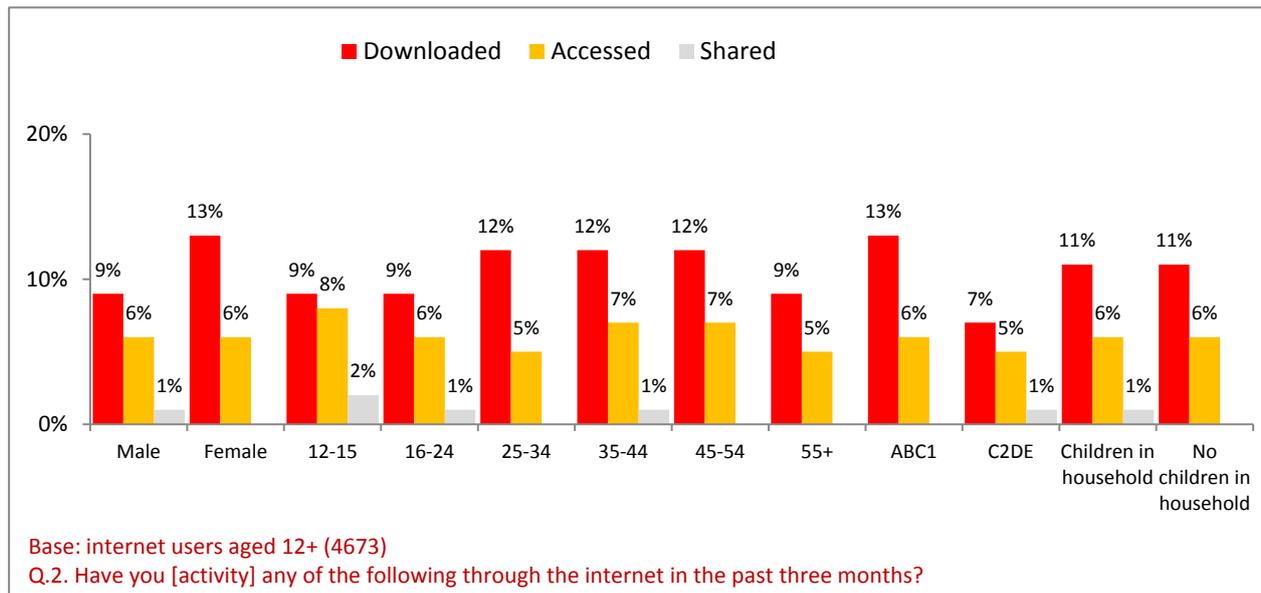
		Downloaders	Accessers
		520	321
Gender	Male	40%	50%
	Female	60%	50%
Age	12-15	6%	8%
	16-34	36%	34%
	35-54	38%	38%
	55+	20%	20%
Socio-economic group ³⁶	ABC1	74%	65%
	C2DE	26%	35%
Presence of children in household	Children in household	35%	35%
	No children in household	65%	65%

Unlike the other content types covered in this report, downloaders of e-books skewed towards females (60%). In contrast, those who accessed books online were evenly split between the genders. The age profile for both activities was older than other content types, with 58% of downloaders and accessers being over the age of 35.

³⁶ Socio-economic group is not included for 12-15 year olds, so this profile is among 16+ year olds.

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

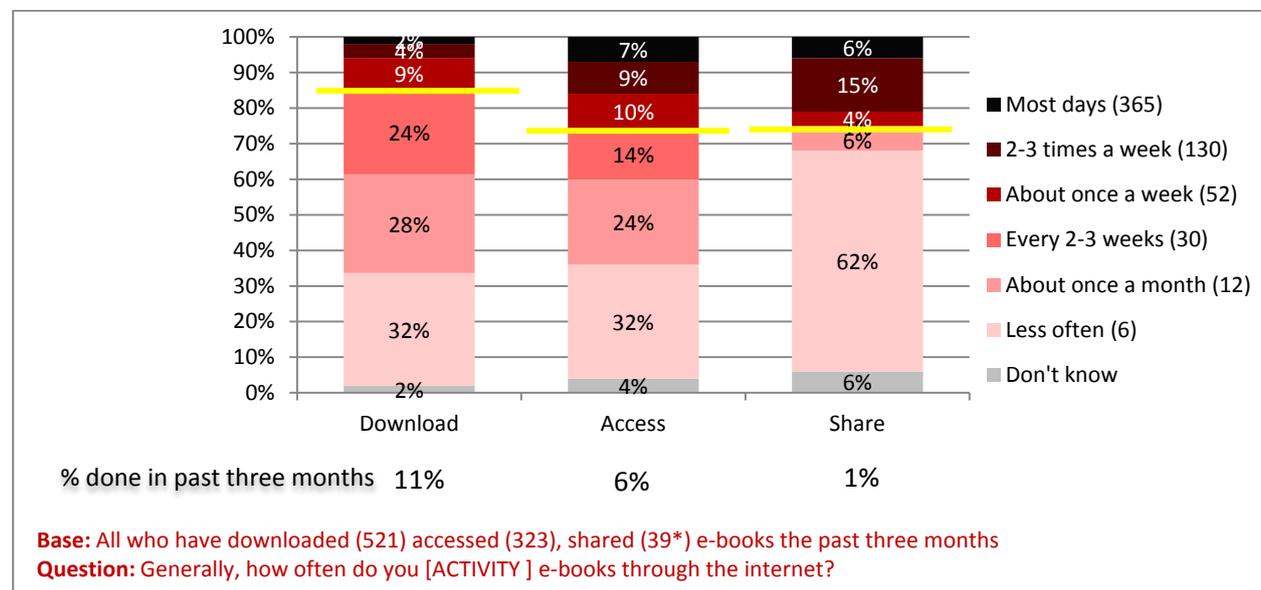
Table 5.1.1c: Downloaded, accessed or shared e-books in past three months, by sub-group



- Adults aged 25-34, 35-44 and 45-54 all had the same levels of downloading e-books (12%).
- Downloading e-books was almost twice as high among ABC1s (13%) than among C2DEs (7%).

Those who indicated that they had downloaded, streamed or shared e-books in the past three months were asked about the frequency with which they had done so. We show the results in the chart below.

Chart 5.1.1d: Frequency of downloading, accessing and sharing e-books



Accessing books was shown to be a more frequent activity than downloading, with 26% claiming to do the former at least once a week compared to 15% for the latter.

5.1.2 Payment for e-books downloaded or streamed online

Based on the total number of e-books that respondents indicated they had downloaded and streamed in the past three months, we asked:

You indicated you have downloaded or streamed [NUMBER] books in the past three 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 median number of e-books consumed for five derived groups:

1. **100% paid** are those who indicated they paid for ‘all’ of the e-books they had downloaded or streamed in the past three months.
2. **Mix of paid and free** includes anyone who had paid for at least one, but not all, of the e-books downloaded.
3. **100% free** - those who did not pay for any of their e-books (and who had previously indicated that they had downloaded or accessed at least one e-book).
4. **Any paid** is a combination of 1 and 2 above
5. **Any free** is a combination of 2 and 3 above.

Table 5.1.2: Summary of payment groups – downloaded or accessed e-books

	% internet users aged 12+	% internet users aged 12+ who downloaded or accessed e-books in the past three months	Median number of e-books (past three months)
Base Population (000s)	4673 44458	631 5734	631 5734
100% paid	6%	49%	4
Mix of paid and free	3%	20%↓	Total = 10 Paid = 4 Free = 5
100% free	4%	31%	4
Any paid	9%	69%	Paid = 4
Any free	7%	51%	Free = 4

There was a significant decrease in the proportion of e-book consumers (past three months) who fell into the ‘mix of paid and free’ group – from 26% in W3 to 20% in W4.

Forty nine per cent of those who had downloaded or accessed e-books online in the past three months had paid for all of them (equating to 6% of the online population aged 12+), while thirty-one per cent had consumed all of them for free (4% of the online population aged 12+).

Those who downloaded or accessed a mix of both paid and free books consumed a lot more in total than the other two groups (median score of ten in a three-month period). They consumed a median of four paid books (the same as the ‘100% paid’ group) and five free books (compared to four for the ‘100% free’ group).

5.1.3 Consuming e-books online already owned in physical format

As part of the same question used to assess payment, we asked respondents the following:

How many did you already own in hardback or paperback?

Table 5.1.3 outlines the proportion of people who downloaded or accessed e-books in the past three months who indicated that they already owned a certain percentage of these in a physical format.

Table 5.1.3: Summary table - physical ownership of downloaded or accessed e-books

Base: All those who downloaded or accessed e-books in the past three months	631
100% already owned in physical format	3%
Any already owned in physical format	20%
None already owned in physic format	80%
Mean number already owned in physical format ³⁷	1

There have been no changes in the past three months compared to W3. Twenty 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; 3% claimed to already own all of them. The mean number already owned was one.

5.1.4 Downloading or accessing free e-books before purchasing

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

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

Table 5.1.4 outlines the proportion of people who had purchased any books (physical or digital) in the past three months, who indicated they had previously consumed a certain number of them for free online.

Table 5.1.4: Summary table - downloading or accessing free e-books before purchasing

Base: all who had paid for any e-books (physical or digital) in the past three months	2085
100% previously accessed for free	6%
Any previously accessed for free	13%
None previously accessed for free	87%
Mean number previously accessed for free	1

There has been no change in the proportion downloading or accessing free e-books before purchasing since W3. Thirteen per cent of those who had paid for books (in any format) in the previous three months claimed to have previously downloaded or accessed at least one e-book for free prior to purchase; 6% claimed to already own all of them. The mean number of paid-for books in the past three months accessed for free before purchasing was one.

³⁷ Note that we report only on the mean figures for these two metrics, as the median is zero in all cases. This is because the majority of those who consumed content in the past three months didn't own any already in physical format, or previously consume any paid-for content for free.

5.1.5 Legality of e-books downloaded or accessed online

We showed to respondents the number of books calculated as being downloaded or streamed for free (total minus paid) in the past three months, and we asked the following:

You indicated that you have downloaded or accessed [NUMBER] books for free in the past three 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 a proportion based on all e-book 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** are those who indicated that ‘all’ of the e-books they had downloaded or accessed online for free were legal.
2. **Mix of legal and illegal** included anyone who had downloaded at least one e-book illegally.
3. **100% illegal** are those who indicated either that all their e-books were paid for (so were not asked the question), or that all of the free e-books they downloaded or accessed online were obtained illegally.
4. **Any illegal** is a combination of 2 and 3 above.

Table 5.1.5: Summary of legality groups – downloaded or accessed e-books

	% internet users aged 12+	% internet users aged 12+ who downloaded or accessed e-books in the past three months	Median number of e-books (past three months)
Base Population (000s)	4673 44458	631 5734	631 5734
100% legal	12%	91%	5
Mix of legal and illegal	1%	5%	Total = 6 legal = 1 illegal = 2
100% illegal	1%	4%	
Any illegal	1%	8%	

There were no significant changes in these figures compared to W3.

Books had the lowest estimated illegal behaviour across the content types – 8% of those who had downloaded or accessed e-books in the past three months had accessed at least one of them illegally (equating to 1% of the internet population), with 4% indicating that all of them were illegal.

The total median number of e-books consumed illegally was two, among infringers³⁸.

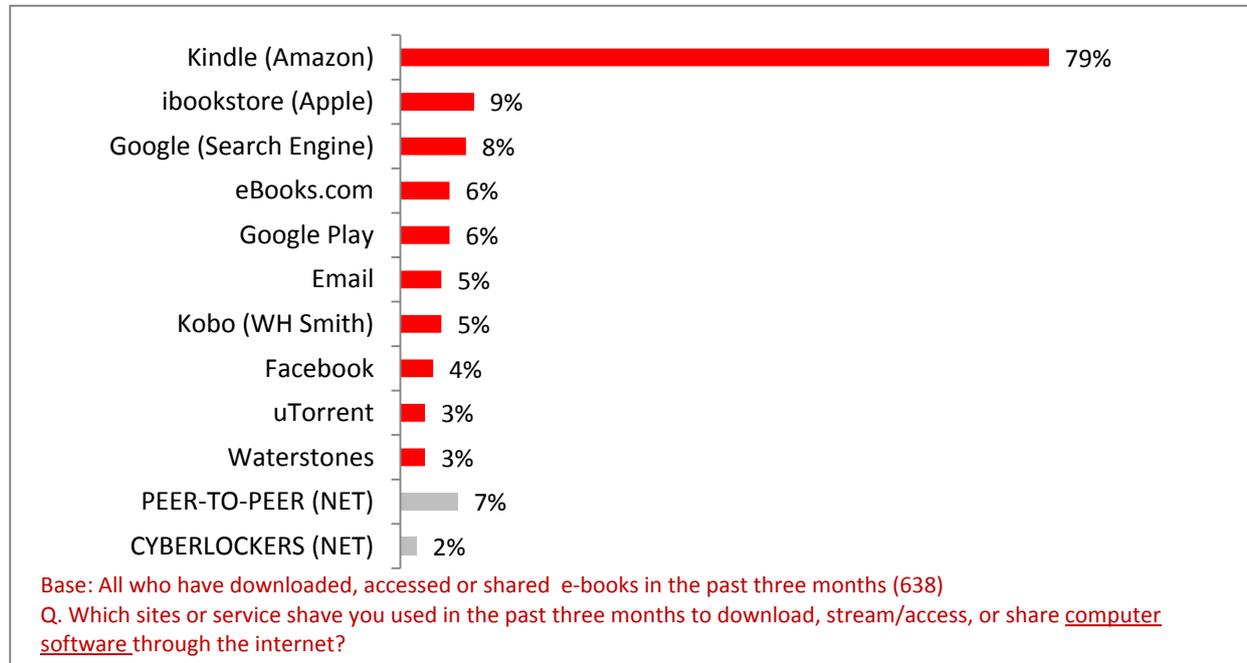
Although not shown in the above table, 56% of book infringers were between the ages of 16 and 35. The gender split was fairly even (51% male), and 57% were ABC1 (not included in table above).

³⁸ Note: Caution should be taken with findings relating to e-book infringers as the base is relatively low (58)

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

The following table shows the top ten responses for services used to download, access or share e-books in the past three months, along with aggregated figures for peer-to-peer and cyberlocker services³⁹:

Table 5.1.6: Top ten services used for e-books, and peer-to-peer/cyberlocker nets



The e-book services mentioned were dominated by Kindle, with 79% of those who had downloaded, accessed or shared e-books in the past three months citing the Amazon brand. This was consistent across all demographics and sub-groups.

The highest incidence of a peer-to-peer (P2P) service was 3% for uTorrent. Aggregating all such P2P services indicated that they were used by 7% to source e-books.

³⁹ Peer-to-peer (net) comprises Bittorrent software, uTorrent, Pirate Bay, Isohunt, Limewire, eDonkey/eMule, Gnutella, KickAssTorrents, and Torrentz. Cyberlockers comprises Rapidshare, MediaFire and YouSendit.

5.1.7 Total volume estimates for books – past three months

This sub-section focuses on the data at a 'volume' level, covering the period March-May 2013. 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 5.1.7a: Volume and proportion estimates of physical and digital files - all books

Type	Volume	% all books	Description
Physical	99m	58%	Total number of books bought in physical format.
Digital	71m	42%	Total number of e-books consumed via downloading or accessing.
Total	170m	100%	Total number of e-books and physical books consumed in past three months.

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

Table 5.1.7b: Volume and proportions of paid and free – e-books only

Type	Volume	% all e-books	Description
Paid	27m	39%	Total number of e-books consumed online and paid for.
Free	43m	61%	Total derived number of e-books consumed online for free.
Total	71m	100%	Total number of e-books consumed in past three months.

As we know the number of physical books respondents claimed to purchase as hardbacks or paperbacks in the past three months, we are able to assess the picture in terms of all book acquisitions (digital and physical), by adding the paid digital volume figure above to the number of physical books.

Table 5.1.7c: Volume and proportions of paid and free books – physical and digital combined

Type	Volume	% all books	Description
Paid	126m	74%	Total number of e-books consumed online and paid for + total number of books bought in physical format.
Free	43m	26%	Derived number of e-books consumed online for free.
Total	170m	100%	Total number of e-books consumed + total number of books bought in physical format in the past three months.

Focusing on infringement, the following table shows the total volume split of *free* downloaded or accessed books in terms of whether respondents believed to have obtained them legally or illegally.

Table 5.1.7d: Volume and proportions of legal and illegal – free e-books

Type	Volume	% free e-books	Description
Legal	36m	83%	Total number of free e-books consumed legally.
Illegal	7m	17%	Derived number of free e-books consumed illegally.
Total	43m	100%	Total number of free e-books consumed in the past three months.

If we are to assume that all paid-for books were obtained legally, we can add these to the legal total in order to assess the picture across all e-books. This is outlined as follows:

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

Type	Volume	% all e-books	Description
Legal	63m	90%	Total number of free e-books consumed legally + total number of paid e-books consumed (assumed as legal).
Illegal	7m	10%	Derived number of free e-books consumed illegally.
Total	71m	100%	Total number of e-books consumed in the past three months.

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

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

Type	Volume	% all books	Description
Legal	162m	96%	Total number of free e-books consumed legally + total number of paid e-books consumed (assumed as legal) + total number of books bought in physical format.
Illegal	7m	4%	Derived number of e-books consumed illegally.
Total	170m	100%	Total number of e-books consumed + total number of books bought in physical format in the past three months.

We estimate that 7 million e-books were consumed illegally online in the past three months – equating to 4% of all books (downloaded, accessed online, or bought in physical format).

5.2 Consumer spend on books and price sensitivity

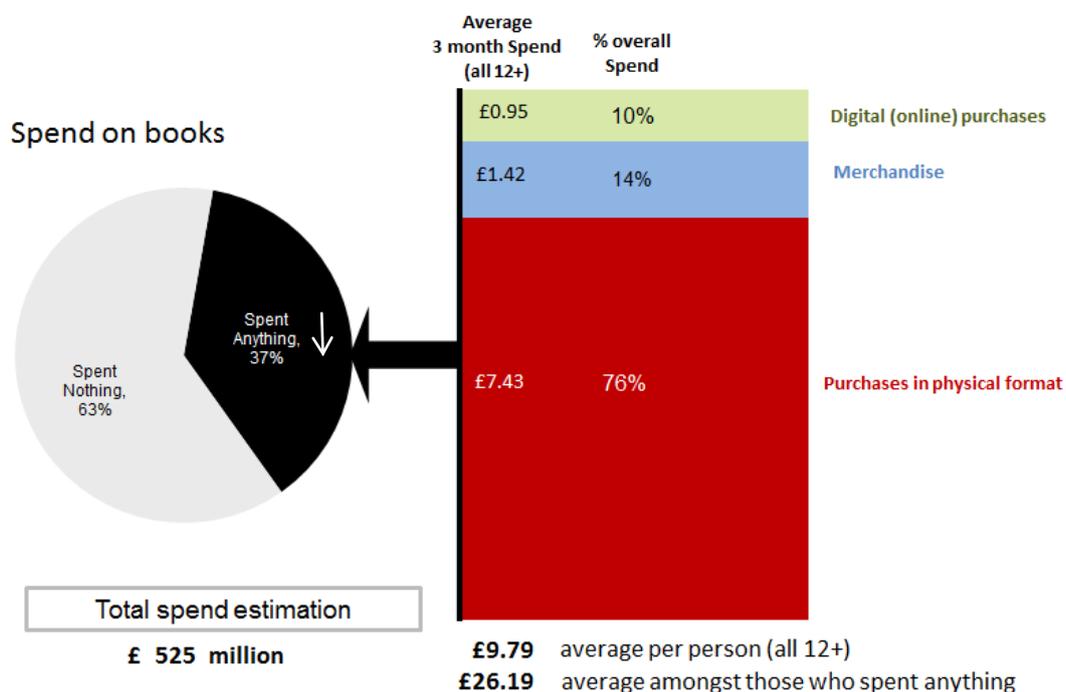
5.2.1 Quarterly book spend

We asked respondents:

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

The following chart shows the proportion of people who claimed they spent anything in the past three months on books (e-books or paper copies), 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 books, and split of spend (past three months)



Q. Approximately how much have you spent in the past 3 months on...?
All 12+ in the UK (5444).

Thirty-seven per cent of the total 12+ UK population claimed to have spent any money on books in the past three months, a significant decrease on W3, when it was 45%. The increase seen in W3 was primarily due to physical copies, and reflected the seasonal period – in W4 33% of the population spent any money on printed books in the past three months, compared to 41% in W3. Despite this, a large majority of spend in this period came from physical books (76%). A further 14% was attributed to merchandise and 10% to digital purchases.

The total three-month spend estimate⁴⁰ was £525m, equating to £9.79 for every person in the UK. The average spent among the people active in this category was £26.19 per person.

Those who consumed any e-books illegally claimed to spend more (£27.46) on average on books (including physical books) than those who accessed all their e-books legally (£23.77)⁴¹.

⁴⁰ Total spend estimates are calculated by adding up all spend values across respondents (grossed to 12+ population).

5.2.2 Willingness to pay (price sensitivity)

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.

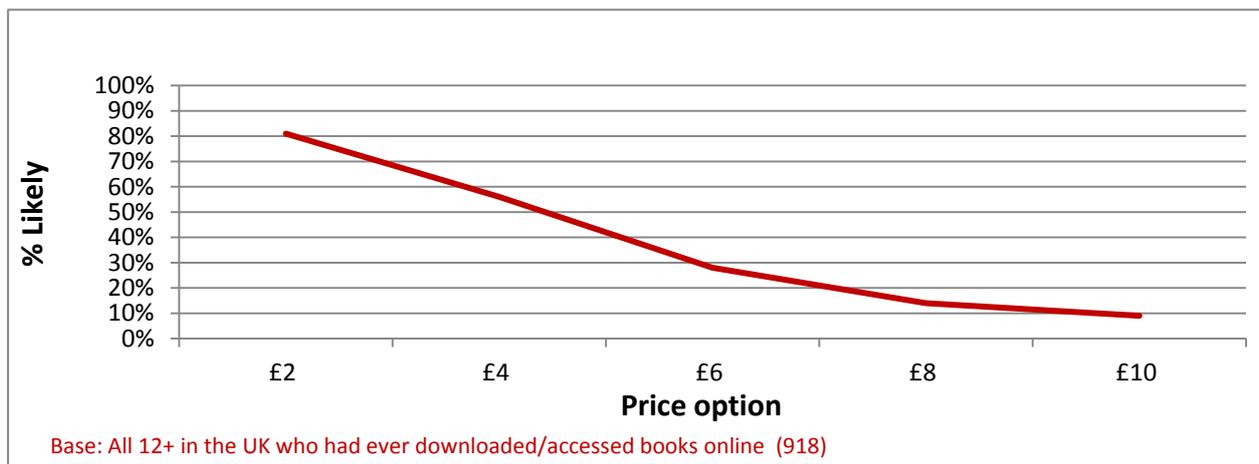
With regard to a **download service**, we asked the following question:

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) among these two groups at each price point:

Chart 5.2.2a: Willingness to pay for downloading e-books at different price options - single e-book



Willingness to pay for a single book download declined steadily as the proposed price of a book download increased - 81% of those who had ever consumed an e-book indicated that they would be prepared to pay at an entry price of £2, falling to 9% at £10. The average price respondents were willing to pay was £3.74.

⁴¹ Caution: Low base (58)

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 any e-books.

Chart 5.2.2b: Willingness to pay for e-book subscription at different price options



Again, willingness to pay declined steadily as the proposed price of a monthly subscription increased - 43% said they were prepared to pay at an entry price of £5, falling to 5% at £15.

The average price respondents were willing to pay for a monthly subscription of £3.40 was actually slightly lower than for a single book download (£3.74)⁴².

⁴² 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.



6. Video games

Video games: summary

- **Changes since W3** – There were no significant changes in terms of consumption of video games online since W3.
- **Levels of infringement** – We estimate that 2% of UK internet users aged 12+ downloaded or accessed at least one video game illegally over the period March to May 2013, and this equated to 17% of these who consumed video games online.
- **Payment for video games** – Sixty-three per cent of those who had downloaded or accessed video games in the past three months consumed at least some of them for free (equating to 7% of the 12+ online population), with 39% having downloaded all of them for free.
- **Volumes of infringement** - Video game online copyright infringers were responsible for illegally downloading or accessing 8% of all digital video games consumed on the internet.
- **Demographics** - The vast majority of those who consumed any video games illegally were male (73%) and under 35 (80%).
- **Spend** - The average spend was higher among those who claimed to have accessed any video games illegally (£51.90), compared to £42.95 for the '100% legal' group⁴³.

⁴³ The legal groups are too small to break down further regarding spend.

6.1 Levels of video game copyright infringement

6.1.1 Digital behaviour among internet users aged 12+

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

Table 6.1.1a: Summary of digital behaviour among internet users aged 12+ – video games

Base: internet users aged 12+ (4673) Various questions	Downloaded	Accessed	Downloaded or accessed i.e. “consumed”	Shared	Downloaded, accessed or shared
Ever done	12%	12%	17%	2%	17%
Done in past three months	8%	7%	11%	2%	11%
Median number of files in past three months among those who’ve done activity	2	3	3	2	

There were no significant changes in terms of consumption of video games online since W3.

Eight per cent of those with internet access had downloaded video games online in the past three months, compared to 7% who had accessed them directly online. Aggregated together, this equated to 11% consumption. Just 2% of those with internet access claimed to have actively shared video games during the same period.

The median number of video games downloaded (two), accessed (three) and shared (two) were all at similar levels.

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

Table 6.1.1b: Downloaded, accessed or shared video games in past three months - profiles

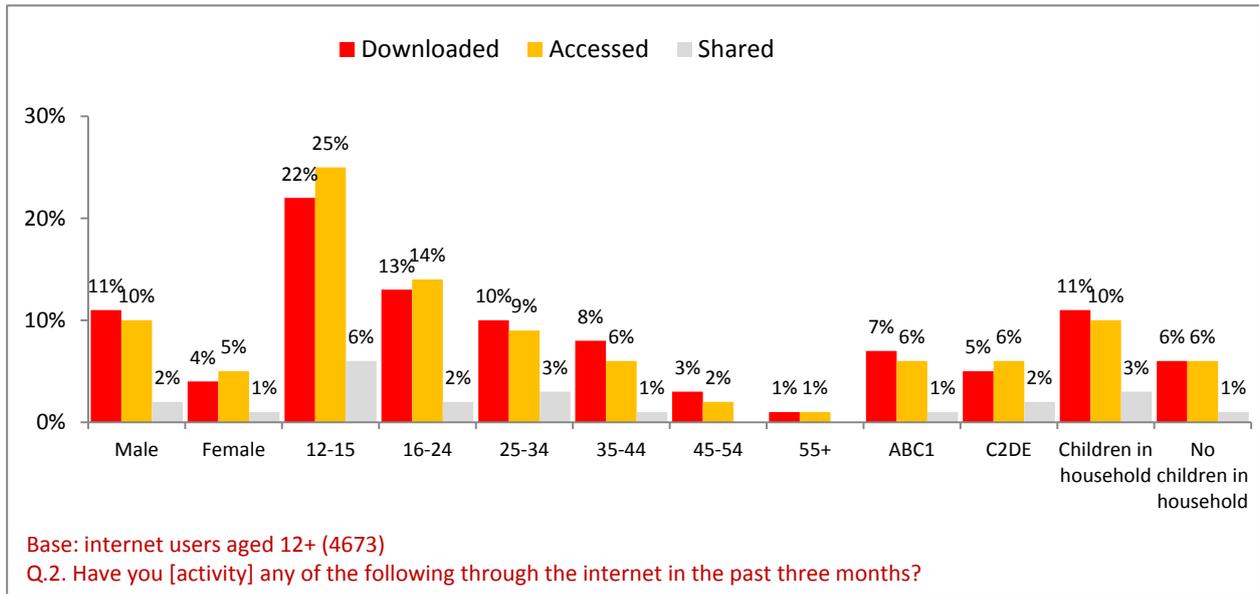
		Downloaders	Accessers	Sharers
Base		465	477	106
Gender	Male	73%	68%	71%
	Female	27%	32%	29%
Age	12-15	19%	23%	23%
	16-34	52%	54%	60%
	35-54	24%	19%	17%
	55+	4%	4%	-
Socio-economic group ⁴⁴	ABC1	67%	59%	50%
	C2DE	33%	41%	50%
Presence of children in household	Children in household	52%	50%	60%
	No children in household	48%	50%	40%

The profiles of people active across all three activities skewed towards males and under-35s. Although downloading and accessing were skewed towards ABC1s, sharing was completely even in terms of socio-economic group. Sharers were significantly more likely than the other two types to have children in the household (60%).

⁴⁴ Socio-economic group is not included for 12-15 year olds, so this profile is among 16+ year olds.

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

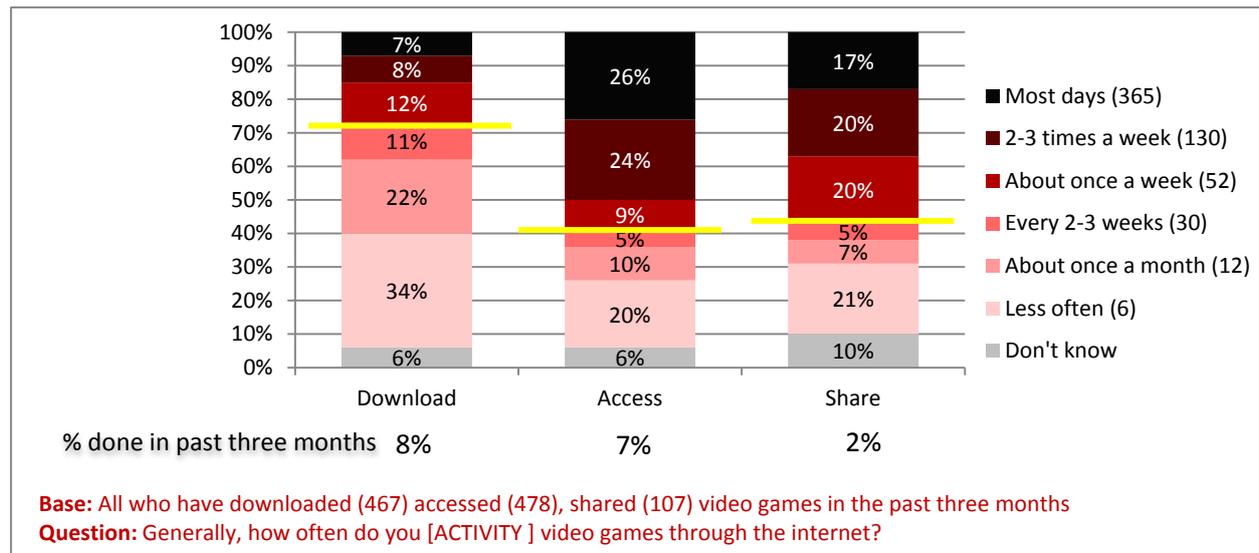
Table 6.1.1c: Downloaded, accessed or shared video games in past three months, by sub-group



- Males were significantly more likely than females to have downloaded (11% v 4%) and accessed (10% v 5%) video games online.
- Younger age groups were more likely to engage in all three activities – 12-15 year olds had the highest levels of downloading (22%) and accessing (25%) video games online.
- Those with children in the household were almost twice as likely as those without to download video games online (11% v 6%).

Those who indicated that they had downloaded, accessed or shared video games online were also asked about the frequency with which they did this. We show the results in the chart below.

Chart 6.1.1d: Frequency of downloading, accessing and sharing video games



Accessing video games online was more frequent activity than downloading, with 59% doing this at least once a week, compared to 27% for the latter. The more niche activity of sharing was frequent among those who claimed to do it, with 57% saying they shared video games online at least once a week.

6.1.2 Payment for video games downloaded or accessed online

Based on the total number of video games respondents indicated they had downloaded and accessed in the past three months, we asked the following:

You indicated you have downloaded or accessed [NUMBER] video games in the past three 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 median number of video games for five derived groups:

1. **100% paid** - those who indicated that they paid for ‘all’ of the video games they had downloaded or accessed in the past three months.
2. **Mix of paid and free** - included anyone who had downloaded at least one game illegally.
3. **100% free** - those who did not pay for any of their video games (and who had previously indicated that they had downloaded or accessed at least game).
4. **Any paid** is a combination of 1 and 2 above
5. **Any free** - is a combination of 2 and 3 above.

Table 6.1.2: Summary of payment groups – downloaded or accessed video games

	% internet users aged 12+	% internet users aged 12+who downloaded or accessed video games in the past three months	Median number of video games (past three months)
Base Population (000s)	4673 44458	678 4895	678 4895
100% paid	4%	37%	2
Mix of paid and free	3%	24%	Total = 6 Paid = 3 Free = 3
100% free	4%	39%	3
Any paid	7%	61%	Paid = 2
Any free	7%	63%	Free = 3

There were no significant changes in these figures compared to W3.

Of those who had downloaded or accessed video games in the past three months, 63% had downloaded or accessed at least some of them for free (equating to 7% of the 12+ online population). The ‘100% paid’ group constituted 37%, the ‘100% free’ group 39%, and the remaining 24% had done a mix of both.

Those who downloaded or accessed a mix of both paid and free books consumed more in total than the other two groups (median score of six in a three-month period). They consumed a median of three paid books (compared to two for the ‘100% paid’ group) and three free books (the same as the ‘100% free’ group).

6.1.3 Consuming video games online already owned in physical format

As part of the same question used to assess payment, we asked:

How many did you already own on disc or cartridge?

Table 6.1.3 outlines the proportion of people who had downloaded or accessed video games in the past three months, who indicated that they already owned a certain percentage of them in a physical format.

Table 6.1.3: Summary table - physical ownership of downloaded or accessed video games

Base: All those who downloaded or accessed video games in the past three months	678
100% already owned in physical format	7%
Any already owned in physical format	27%
None already owned in physic format	73%
Mean number already owned in physical format ⁴⁵	2

There has been no significant change in these figures since W3. Twenty-seven per cent of those who downloaded or accessed video games online in the past three months claimed to own some or all of them already in physical format; 7% all of them. The mean number already owned was two.

6.1.4 Downloading or accessing free video games online before purchasing

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

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

Table 6.1.4 outlines the proportion of people who had purchased any video games (physical or digital) in the past three months, who indicated they had previously consumed a certain number of them for free online.

Table 6.1.4: 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 three months	1104
100% previously accessed for free	12%
Any previously accessed for free	27%↑
None previously accessed for free	73%↓
Mean number previously accessed for free	1

There was a significant increase in the proportion of people who had paid for video games (any format) in the previous three months, who said they had previously downloaded or accessed all of the products for free prior to purchase (from 21% in W3 to 27% in W4).

12% claimed to have previously accessed all of them for free. The mean number of paid-for video games in the past three months, claimed to have been accessed for free previously, was one.

⁴⁵ Note that we report only on the mean figures for these two metrics, as the median is zero in all cases. This is because the majority of those who consumed content in the past three months didn't own any already in physical format, or previously consume any paid-for content for free.

6.1.5 Legality of video games downloaded or accessed online

We showed to respondents the number of video games calculated as being downloaded or accessed for free in the past three months, and we asked:

You indicated that you have downloaded or streamed/accessed [NUMBER] video games for free in the past three months. How many of these do you think were done 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 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** are those who indicated that ‘all’ of the video games they had downloaded or accessed online for free were legal.
2. **Mix of legal and illegal** included anyone who had downloaded at least one video game illegally.
3. **100% illegal** are those who indicated either that all their video games were paid for (so were not asked the question), or that all of the free video games they downloaded or accessed online were obtained illegally.
4. **Any illegal** is a combination of 2 and 3 above.

Table 6.1.5: Summary of legality groups – downloaded or accessed video games

	% internet users aged 12+	% 12+ downloaded or accessed video games in the past three months	Median number of files (past three months)
Base Population (000s)	4673 44458	678 4895	678 4895
100% legal	9%	83%	3
Mix of legal and illegal	1%	7%	Total = 10 Legal = 4 Illegal = 3
100% illegal	1%	10%	2
Any illegal	2%	17%	Illegal = 2

There were no significant changes in these figures compared to W3.

Of those who had downloaded or accessed video games in the past three months, we estimate that 17% consumed at least some of them illegally, equating to 2% of internet users aged 12+; 10% (1% of internet users) consumed all of them illegally. A large majority (83%) consumed all of them legally.

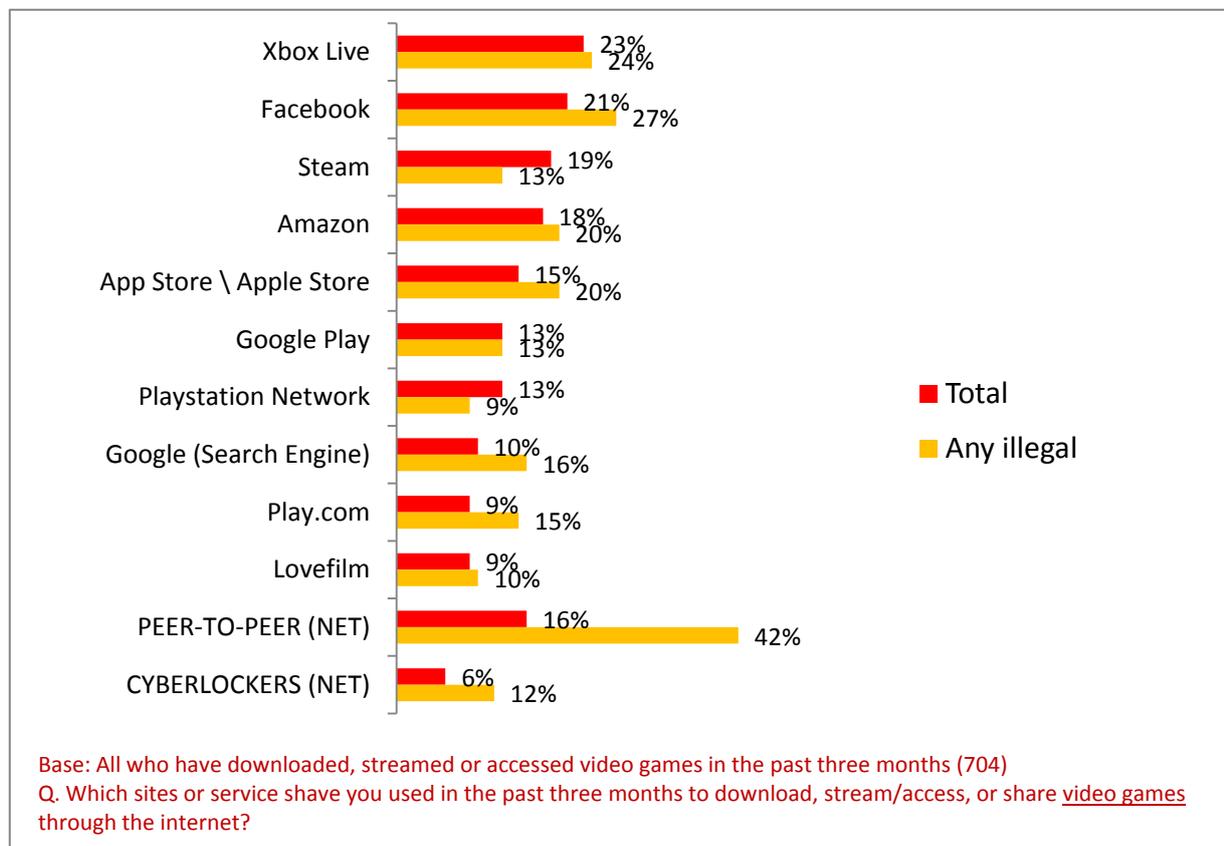
Although not shown in the above table, the vast majority of those who consumed any video games illegally were male (72%) and under 35 (74%).

The ‘mix of legal and illegal’ group consumed a median number of four video games legally, compared to three for the ‘100% legal’ group. They also consumed a median of three products illegally, compared to two for the ‘100% illegal’ group.

6.1.6 Services used for downloading, accessing or sharing video games

The following table shows the top ten responses cited for services used to download, access or share digital video games, along with aggregated figures for peer-to-peer and cyberlocker services⁴⁶.

Table 6.1.6: Top ten services used for digital video games, and peer-to-peer/cyberlockers



None of the services saw significant changes in use since W3.

Xbox Live had the highest share of responses, at 23%. It was followed by Facebook (21%), Steam (19%) and Amazon (18%). Peer-to-peer services were used by 16% (rising to 42% among infringers), with uTorrent having the highest incidence at 6% (not shown on chart, again rising to 23% among infringers).

Significant points to note (not captured in the chart) include:

- Use of Steam was significantly higher among 16-24 year olds than other age groups, at 28%. It was also much more likely to be used by males (23%) than females (10%).
- Xbox Live was higher among 12-15 year olds than other age groups, at 34%.
- Email and Facebook had particularly high use among sharers (29% and 17% respectively)

⁴⁶ Peer-to-peer (net) comprises Bittorrent software, uTorrent, Pirate Bay, Isohunt, Limewire, eDonkey/eMule, Gnutella, KickAssTorrents, and Torrentz. Cyberlockers comprises Rapidshare, MediaFire and YouSendit.

6.1.7 Total volume estimates for video games – past three months

This sub-section focuses on the data at a ‘volume’ level, covering the period March-May 2013. 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 6.1.7a: Volume and proportion estimates of physical and digital content - all video games

Type	Volume	% all video games	Description
Physical	26m	27%	Total number of video games bought in physical format.
Digital	69m	73%	Total number of digital video games consumed via downloading or accessing.
Total	95m	100%	Total number of digital and physical video games consumed in past three months.

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

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

Type	Volume	% all digital	Description
Paid	45m	65%	Total number of video games consumed online and paid for.
Free	24m	35%	Total derived number of video games consumed online for free.
Total	69m	100%	Total number of digital video games consumed in past three months.

As we know the number of physical video games that respondents claimed they had purchased on disc in the past three 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 6.1.7c: Volume and proportions of paid and free video games – physical and digital

Type	Volume	% all video games	Description
Paid	71m	75%	Total number of video games consumed online and paid for + total number of video games bought in physical format.
Free	24m	25%	Derived number of video games consumed online for free.
Total	95m	100%	Total number of digital video games consumed + total number of video games bought in physical format in the past three months.

Focusing on infringement, the following table shows the total volume split of *free* downloaded or accessed video games, in terms of whether respondents believed they had obtained them legally or illegally.

Table 6.1.7d: Volume and proportions of legal and illegal – free digital video games

Type	Volume	% free digital	Description
Legal	19m	77%	Total number of free video games consumed legally.
Illegal	5m	23%	Derived number of free video games consumed illegally.
Total	24m	100%	Total number of free digital video games consumed in the past three months.

If we are to assume that all paid-for video games were obtained legally⁴⁷, we can add these to the legal total in order to assess the picture across all digital video games. This is outlined as follows:

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

Type	Volume	% all digital	Description
Legal	64m	92%	Total number of free digital video games consumed legally + total number of paid digital video games consumed (assumed as legal).
Illegal	5m	8%	Derived number of free video games consumed illegally.
Total	69m	100%	Total number of digital video games consumed in the past three months.

As with the paid and free split, if we also assume that physical discs or cartridges were all purchased legally⁴⁸ we can then incorporate this into the legal total in order to assess legality across all video games.

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

Type	Volume	% all video games	Description
Legal	90m	94%	Total number of free digital video games consumed legally + total number of paid digital video games consumed (assumed as legal) + total number of video games bought in physical format.
Illegal	5m	6%	Derived number of video games consumed illegally.
Total	95m	100%	Total number of digital video games consumed + total number of video games bought in physical format in the past three months.

We estimate that five million video games were consumed illegally in the past three months – equating to 6% of all video games (downloaded, accessed online, or bought in physical format).

⁴⁷ We have made an assumption that all paid files are legal; it is likely that a small proportion of paid files attributed to 'legal' were obtained through unlicensed sites.

⁴⁸ We have also made an assumption for the purpose of these calculations that all physical discs were obtained legally. It is likely that a small proportion of these were obtained from unlawful sources.

6.2 Consumer spend on video games

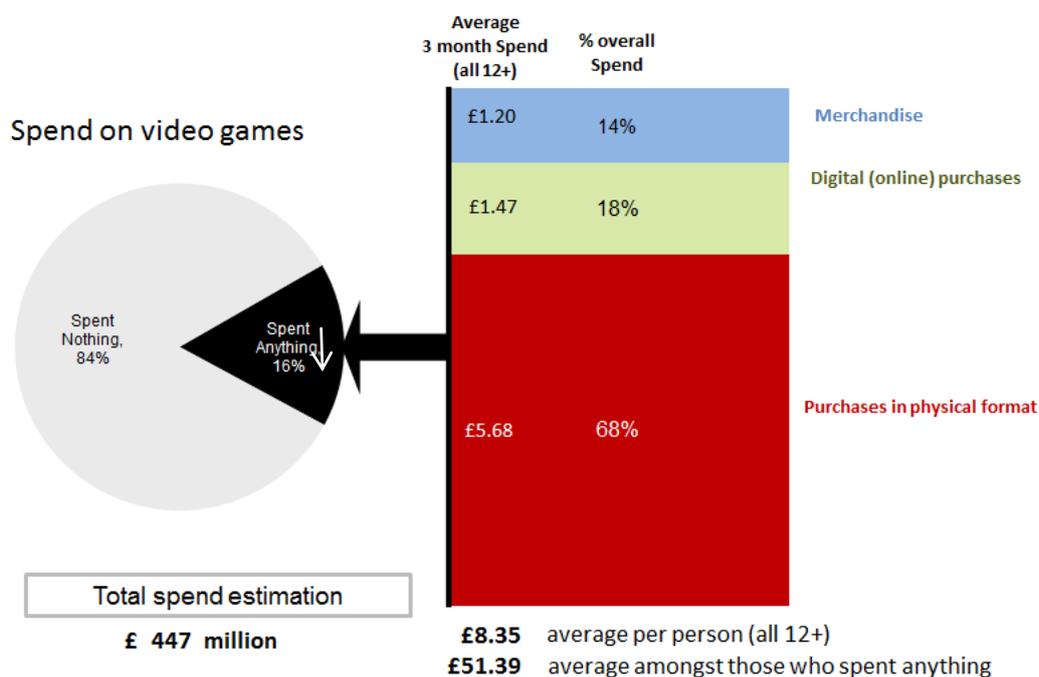
6.2.1 Video game spend in the past three months

We asked respondents:

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

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

Chart 6.2.1: Proportion of the population who have spent anything on video games, and split of spend (past three months)



Q. Approximately how much have you spent in the past 3 months on...?
All 12+ in the UK (5444).

Sixteen per cent of the total 12+ UK population had spent any money on video games as a category in the past three months, a significant decrease on W3, when it was 21%. The increase seen in W3 was primarily due to physical discs, and reflected the seasonal period – in W4 15% of the population had spent any money on physical discs in the past three months, compared to 19% in W3.

The total three-month spend estimate⁴⁹ was £447m, equating to £8.35 for every person in the UK. The average spend among the people active in the category was £51.39 per person.

The majority of spend (68%) came from purchases in physical format, with 18% attributed to merchandise, and 14% to digital purchases.

The mean spend was higher among those who claimed to have accessed any video games illegally (£51.90), compared to £42.95 for the '100% legal' group⁵⁰.

⁴⁹ Total spend estimates are calculated by adding up all spend values across respondents (grossed to 12+ population).

⁵⁰ The legal groups are too small to break down further regarding spend.