

Westminster eForum Keynote Seminar: Industry, CSR and the Digital Divide – Meeting the Challenges

Who is on the wrong side of the digital divide – and why?

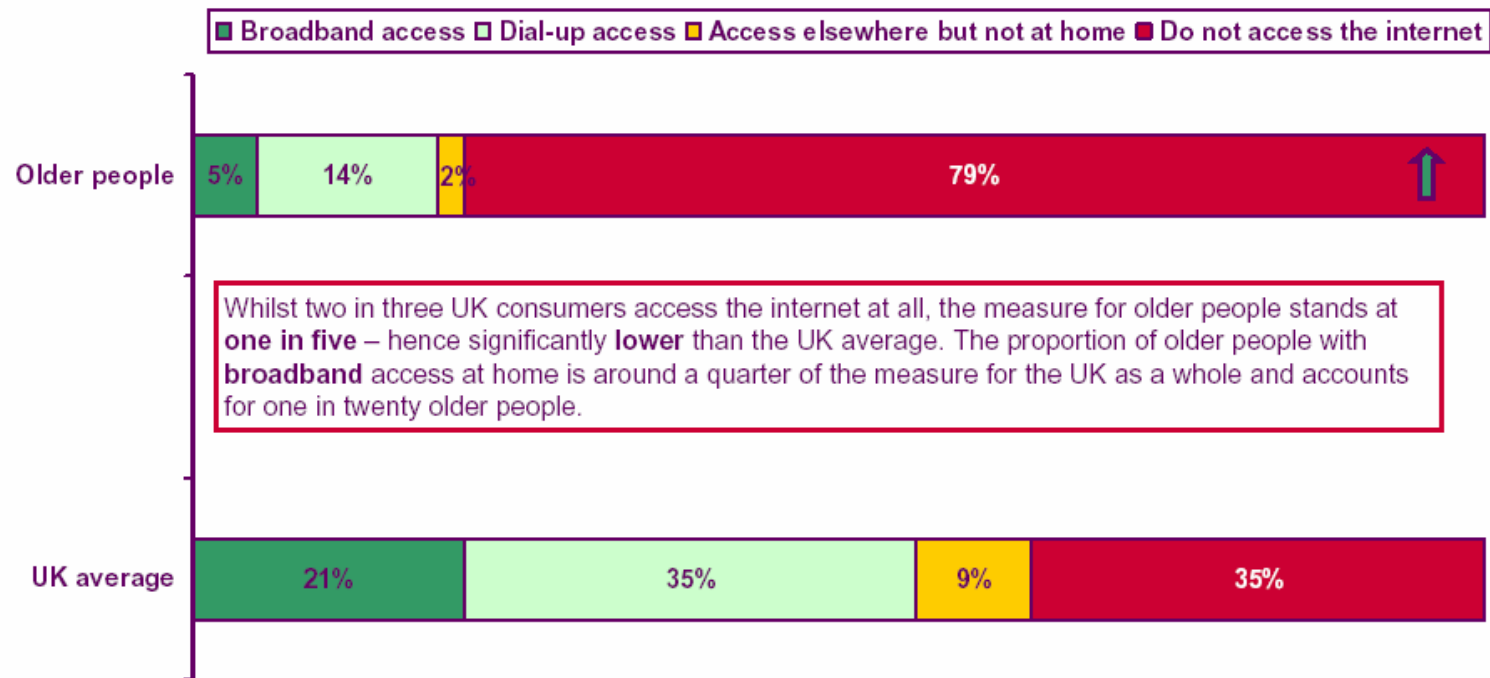
Colette Bowe, Chairman, Ofcom Consumer Panel
20 October 2005

Consumer Panel Research

- **Two key questions:**
 - What is the level of consumer knowledge regarding what is going on in the communications market and the choices/ alternatives they have now and will have in the future?
 - What is the current consumer experience in the communications market?
- **Scale of research with residential consumers:**
 - 2,519 interviews with consumers
 - Consumer groups: older people aged 65+; rural; urban; limiting long-term illness or disability; household income under £11,500pa; ethnic minorities
 - 193 locations in the UK
 - Also qualitative research (in-depth interviews, citizen research, group discussions) with 120+ consumers

Ownership: older people are less likely to have access

Significantly less likely to access the internet at home or elsewhere

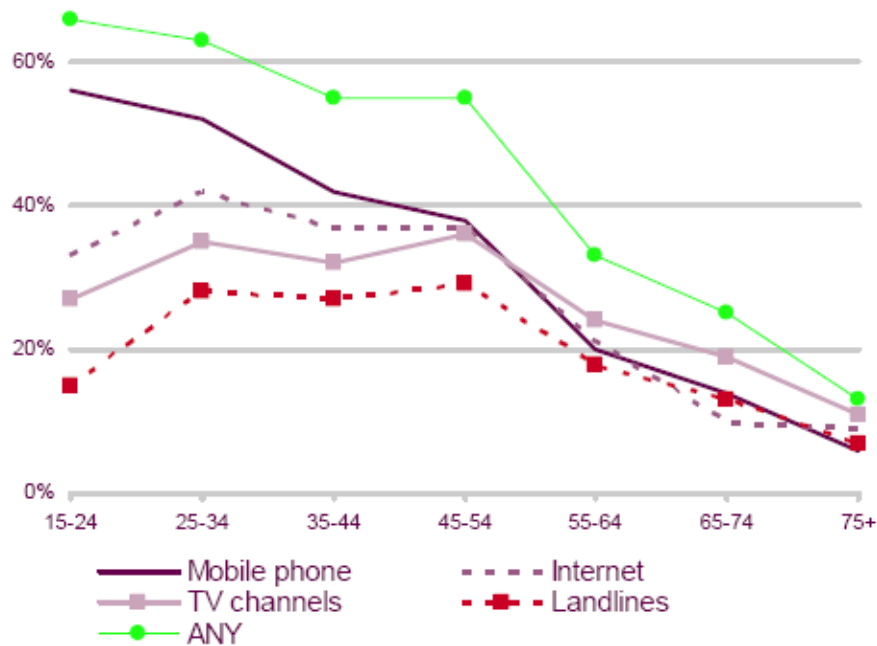


Base : All respondents aged 65 and over (461) and UK overall (2519)

 Indicates significantly lower or higher levels accessing the Internet

Awareness and understanding: age is a significant factor in keeping informed

Keeping informed about communications services developments by age*



* Base: All respondents (2519 UK adults). Ofcom Consumer Panel Survey, October 2004, conducted by Saville Rossiter-Base
Ofcom Consumer Panel, *Consumers and the communications market: where we are now* (May 2005)

Why does this happen?

- **Affordability an issue - but not a major one**

Only 7% of UK residential consumers do not have home access to the internet because of cost.

- **Availability an issue for rural areas but not a major one**

Availability was at 96% in 2004. BT has committed to achieving 99.6% availability before 2005 ends.

- **Interaction between poor usability and poor design**

One in twenty UK adults experience difficulties using a PC, rising to 1 in 10 older people aged 65 and over.

- **Lack of exposure through work**

Those who are working are more than twice as likely to keep informed as those who are retired.

- **The internet has limited appeal**

28% choose not to have the internet because they say they have no need for it or don't want it.

- **Broadband has limited appeal to narrowband users**

1 in 5 narrowband users are unsure as to whether there would be a benefit of changing to broadband. 2 in 5 do not see a benefit in changing. 2 in 5 think there would be a benefit.

Why does it matter?

- **Maintaining access to essential services**
- **Improving service provision**
- **Ageing population and needing a skilled workforce**
- **Reducing isolation**
- **Ensuring everyone, not just the affluent gain financially**

What needs to be done?

- **Appeal to the uninterested and disenfranchised over-55s**
- **Enhance the benefits of going on-line**
- **Maximise exposure and breed familiarity**
- **Provide practical support for the socially isolated**
- **Good design**
- **Funding to support community and household ownership**