CONSUMER PANEL

Ofcom Consumer Panel Research
Quantitative Research Findings

Focus on lower income households

June 2006

Report outline

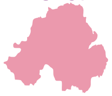
- This report compares the findings for residential consumers in low income households (with an annual household income of under £11,500 per year) with those residential consumers in the **UK overall**
  - measures for the 2004 survey are also shown for comparison

- Differences shown of +3% (where based on all respondents) are statistically significant

- Where findings for those in low income households are significantly different from the UK average or measures have changed significantly between 2004 and 2005 this has been shown using green and red arrows
  - to indicate significantly higher or lower measure for those in low income households ⇩ ⇧

- Unweighted base sizes are shown throughout the report to illustrate the number of respondents interviewed

Profile of vulnerable groups by nation

	England 	Scotland 	Wales 	Northern Ireland 	UK TOTAL 	Interviews conducted
Older people (aged 65 plus)	16%	16%	18%	14%	16%	463
Rural	13%	16%	**22%**	**35%**	12%	266
Limiting long term illness/ disability	14%	**18%**	**29%**	15%	15%	738
Household income under £11,500	26%	**32%**	**43%**	29%	27%	1080
TOTAL NATION SPLIT	**84%**	**8%**	**5%**	**3%**	**100%**	
INTERVIEWS CONDUCTED	***1507***	***460***	***366***	***356***	***2689***	

Source: Census 2001-Office of National Statistics and for rural areas Business Geographic 'Urban Indicator'

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Summary of key findings for people with in low income households compared to UK average and comparison to 2004

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HOUSEHOLD INCOME UNDER £11.5K

Knowledge

- Lower understanding of each of the communication terms compared to the UK average, but increase since 2004 in understanding of broadband, digital TV and 3G
- Overall awareness (aware of term or aware of service capability) for each of the services except digital TV is lower than the UK average
- Less likely than UK average to keep informed of developments regarding mobile phones and the internet
- Friends and family are by far the most popular source of advice, and people in low income households as a whole are less likely to refer to online sources than the UK average. Younger people in low income households, however, do not differ from the UK average.
- Awareness of digital switchover is below the UK average, but shown a significant increase since 2004

Ownership

- Less likely than UK average to have a mobile phone, digital TV, internet access generally and broadband internet access in particular, and as likely as the UK average to have a landline at home
- Higher level of involuntary exclusion for digital TV compared to the UK average, but all other services see higher levels of voluntary exclusion suggesting that lower ownership is through choice
- Increase since 2004 in ownership of mobile phone, digital TV, internet and broadband access to the internet

Usage

- Use made of mobile phone is narrower than the UK average, and also fewer uses made of the internet generally

Attitudes

- Generally similar levels of concerns or worries regarding services amongst owners compared to the UK average, but an increase in levels for landline and digital TV since 2004
- More likely to rate landline service as essential, with an increase in the importance of mobile phone service since 2004
- Whilst satisfaction with landline service exceeds the UK average, satisfaction with the internet service is lower. There are indications of increased satisfaction since 2004 for internet users

Awareness and understanding of communication terms - comparison to UK

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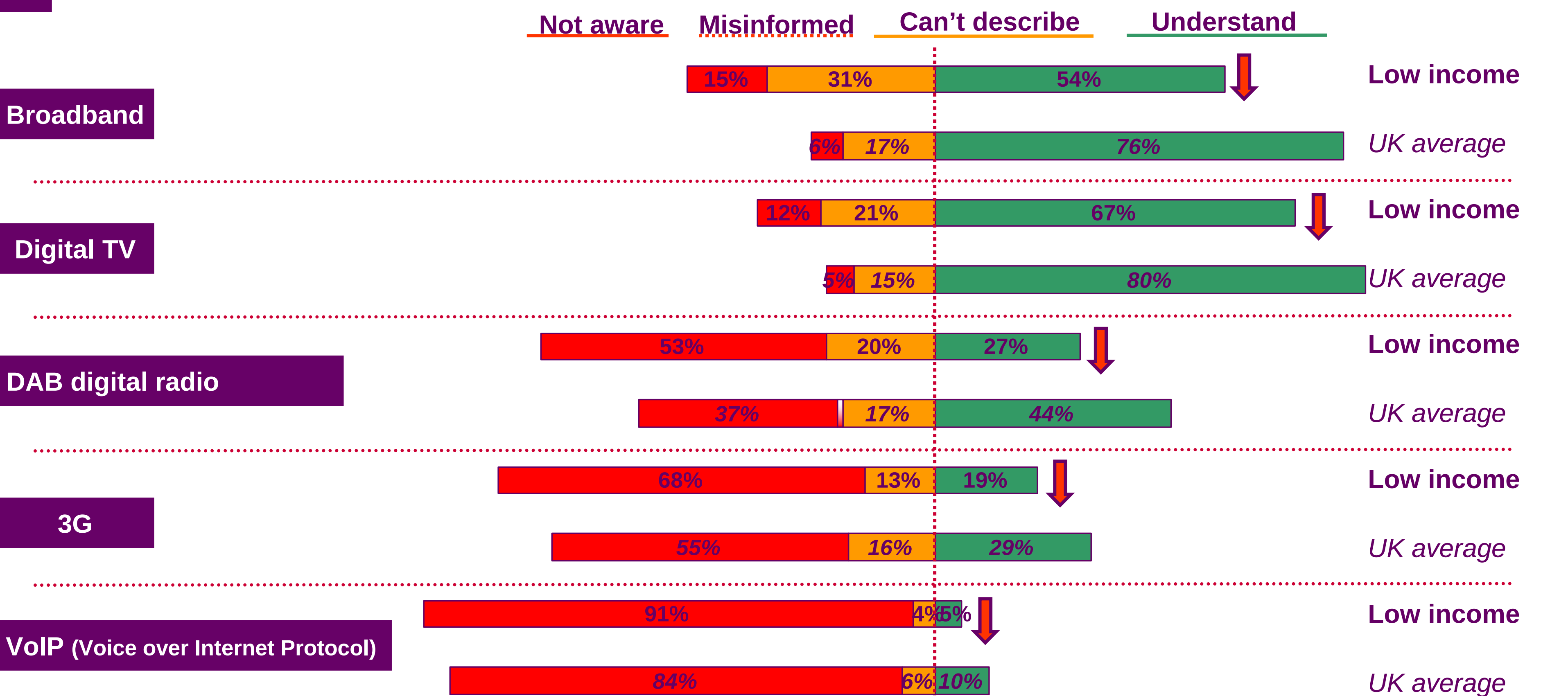
Knowledge

HOUSEHOLD INCOME UNDER £11.5K

- Higher awareness for digital TV and broadband than all other communication terms amongst people in low income households, with low awareness of 3G and even lower awareness of VoIP
- Amongst people in low income households awareness and understanding of each of the terms is significantly lower than the UK average
- Older people in low income households are the least aware of communication terms



Indicates significantly lower or higher than **2005 UK average**

Base : All respondents in low income households (1080) and UK overall (2,689)

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Awareness and understanding of communication terms – change since 2004

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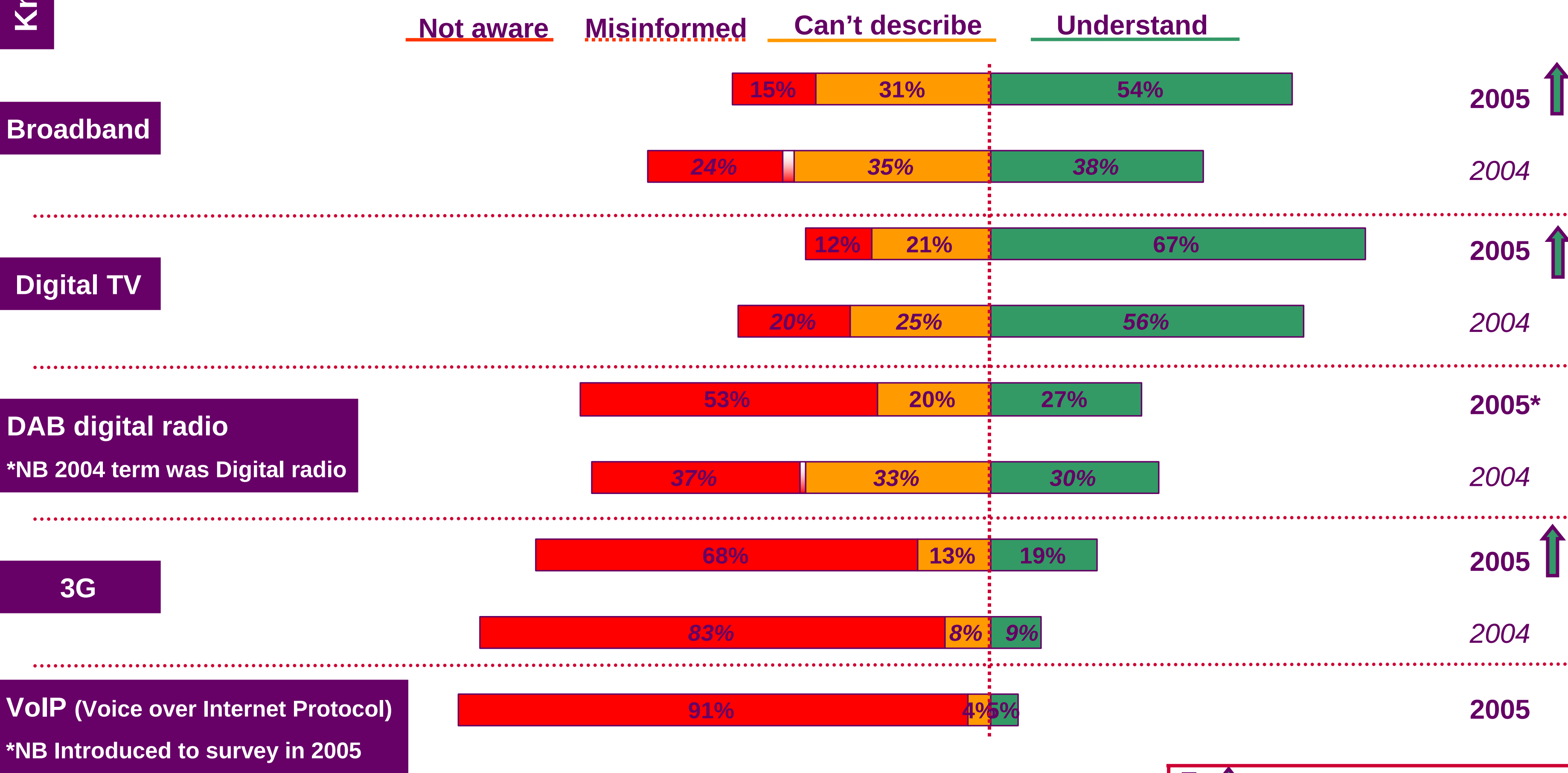
Knowledge

HOUSEHOLD INCOME UNDER £11.5K

- Significant increases amongst people in low income households in awareness and understanding of the communications terms broadband, digital TV and 3G since 2004



Indicates significantly lower or higher than **2004 low income**

Base : All respondents in low income households (1080) and 2004 (1013)

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Overall awareness of communications services - comparison to UK

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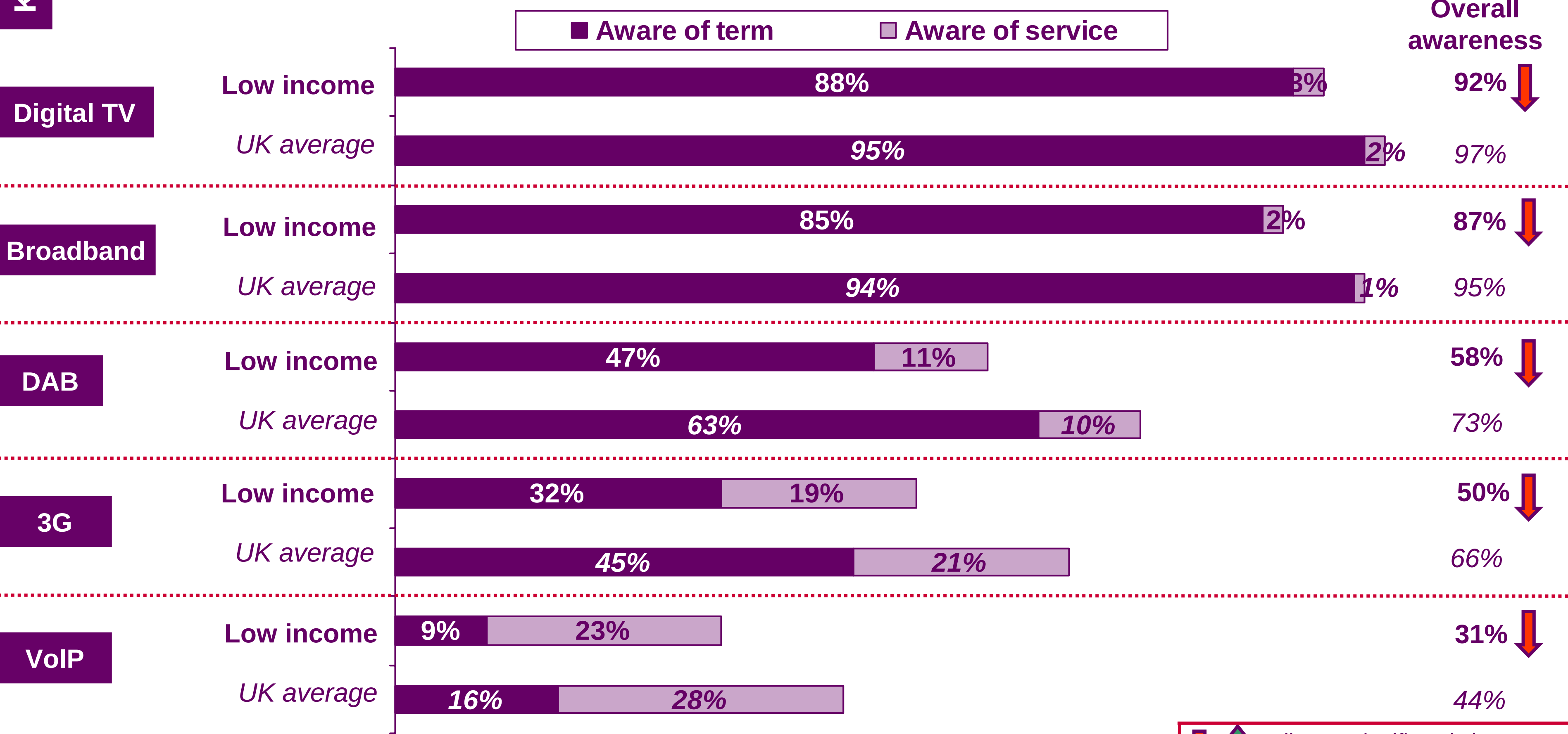
Knowledge

HOUSEHOLD INCOME UNDER £11.5K

- A significant proportion of people in low income households are aware of the capability of DAB digital radio, 3G and VoIP once they are read a description of what these services provide. Levels of overall awareness amongst people in low income households for each of the services are significantly below the average for the UK, and more so for older people in low income households



Indicates significantly lower or higher than **2005 UK average**

Base : All respondents in low income households (1080) and UK overall (2,689)

Keeping informed about new developments - comparison to UK and change since 2004

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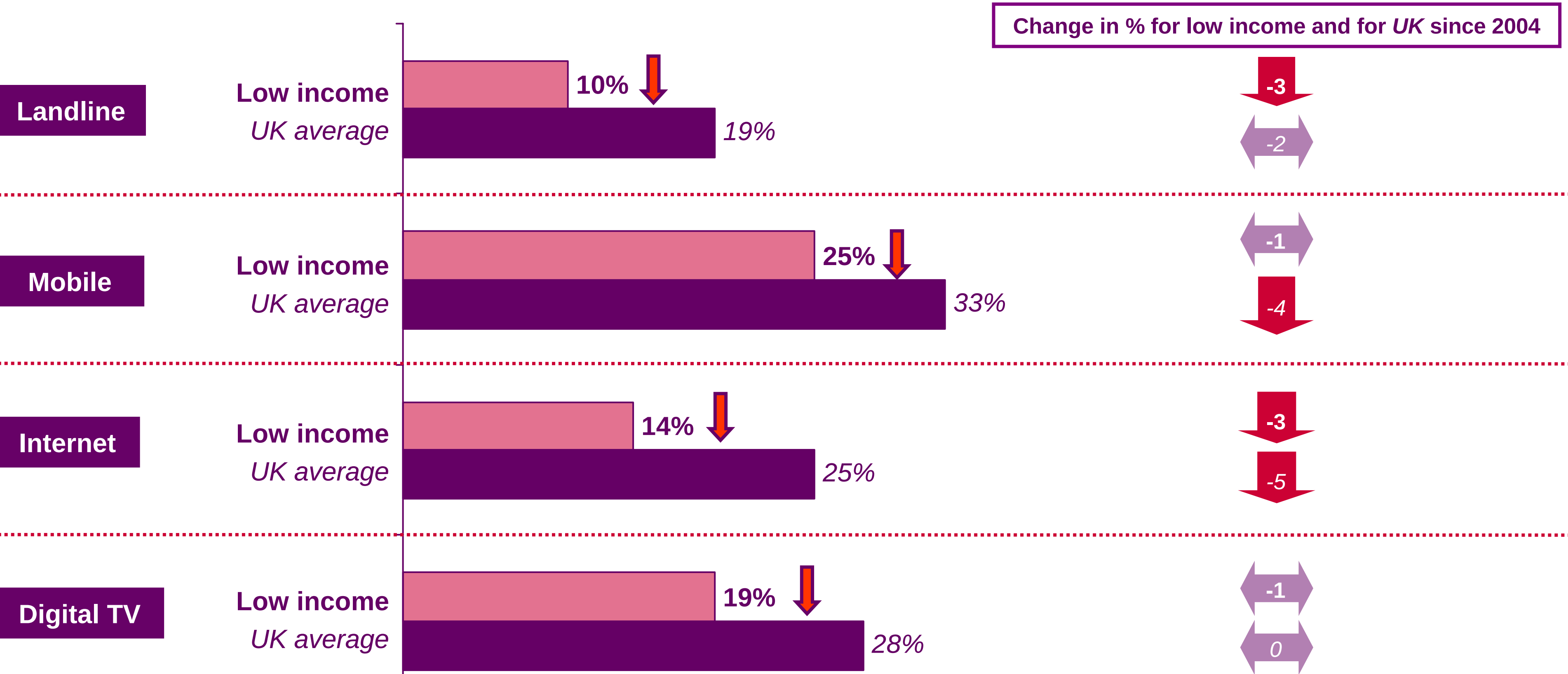
Knowledge

HOUSEHOLD INCOME UNDER £11.5K

- People in low income households are significantly less likely to keep themselves informed about developments each of the services compared to the UK overall, but it is clear that age is a key discriminator; with younger people in low income households similar to the UK average for digital TV and mobile phone developments
- Compared to 2004 people in low income households are slightly less likely to keep informed about developments regarding landline phones and the internet



Indicates significantly lower or higher than **2005 UK average**

Base : All respondents in low income households (1080) and UK overall (2,689)

Sources of advice and information - comparison to UK and change since 2004

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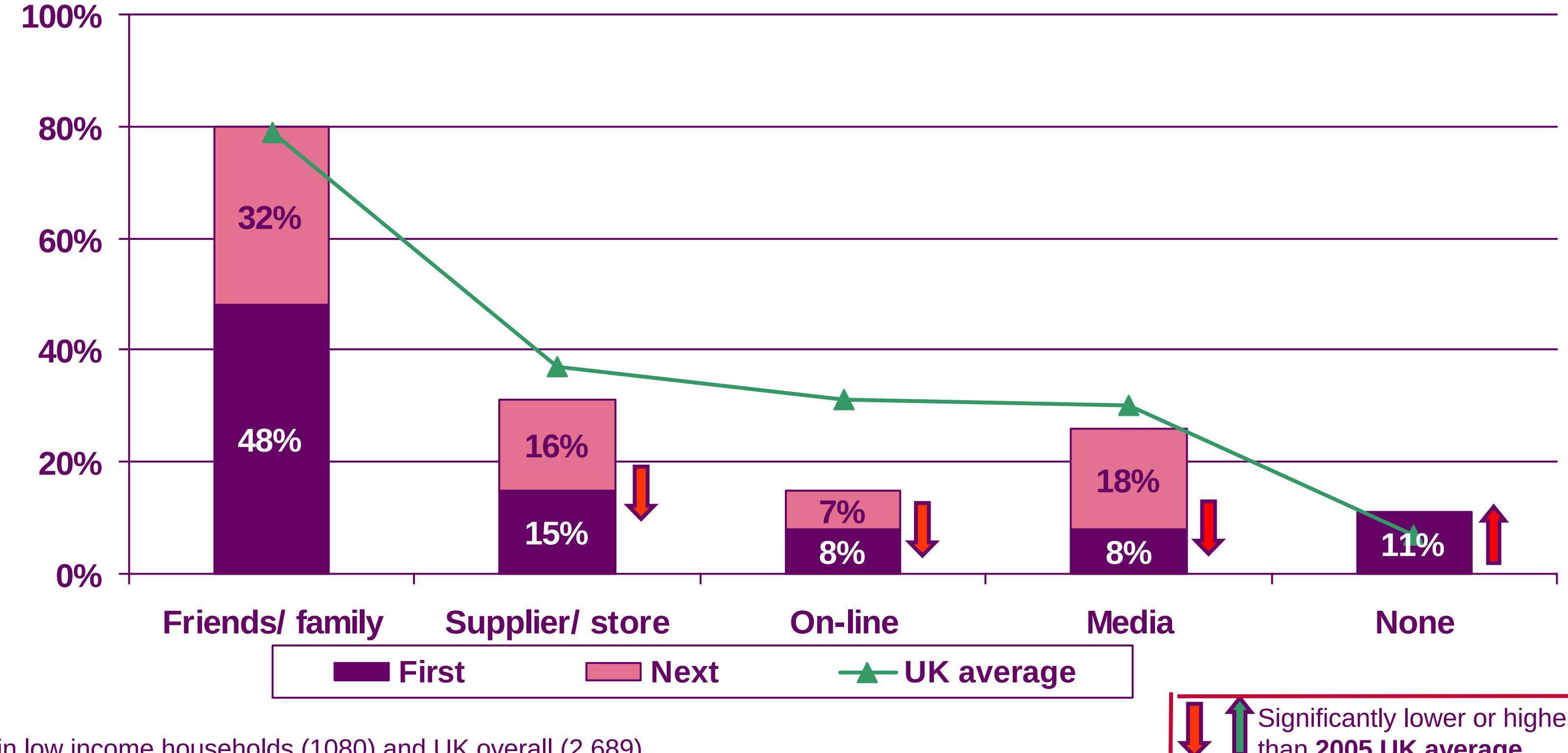
Knowledge

HOUSEHOLD INCOME UNDER £11.5K

- Friends and family are the most popular source of advice and information on communications sources for people in low income households, and see a significant increase in nominations since 2004, as do media sources (e.g. TV, radio, press) and on-line sources
- People in low income households are significantly less likely to nominate each of the sources of advice or information apart from friends and family

	Friends/ family	Supplier/ store	On-line	Media	None
% Change since 2004 low income	+27	0	+4	+7	-3
% Change since 2004 UK	*+10*	*-2*	*+9*	*-1*	*-1*



Base : All respondents in low income households (1080) and UK overall (2,689)

Ownership of different platforms - comparison to UK and change since 2004

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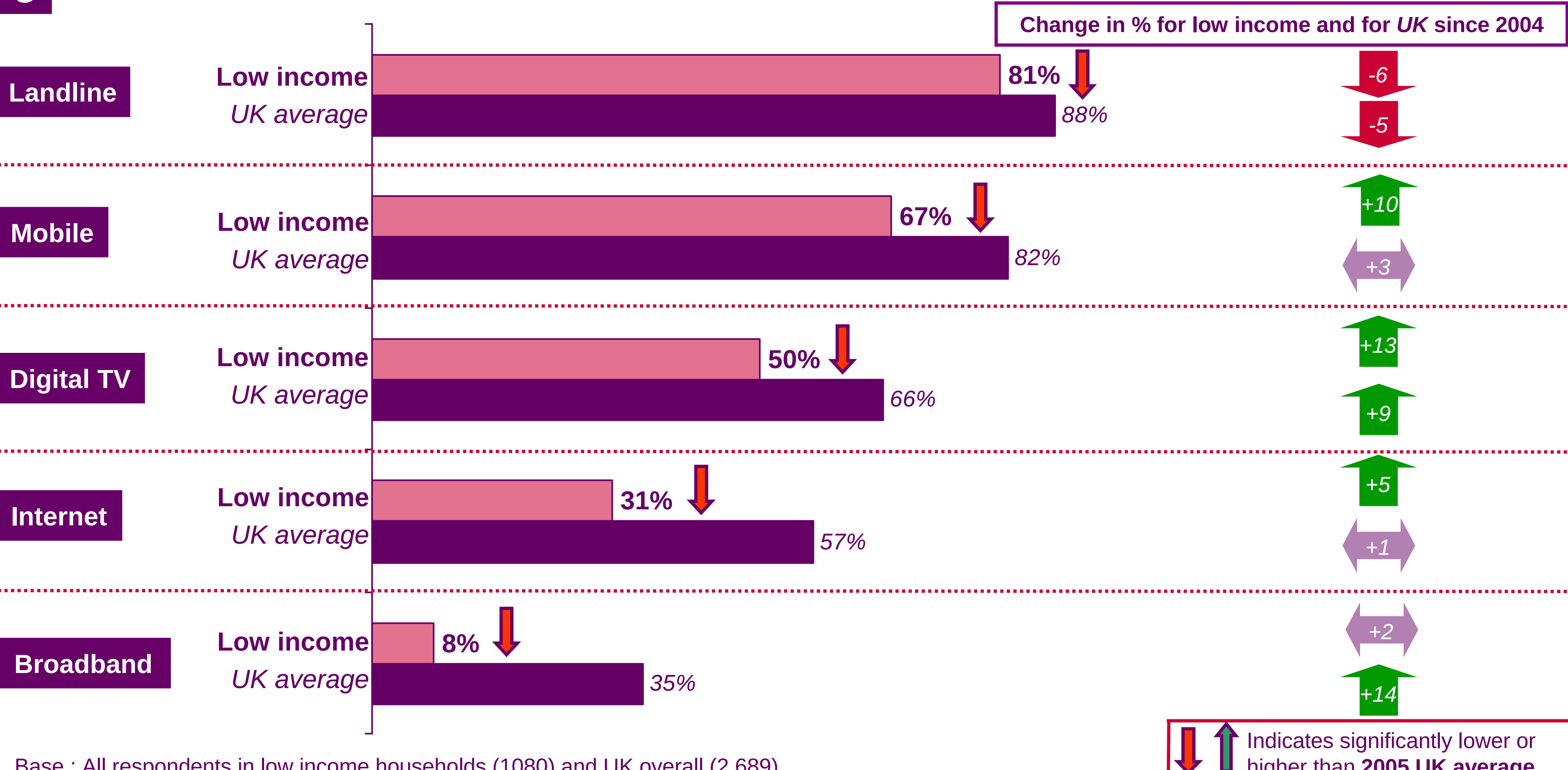
Ownership

HOUSEHOLD INCOME UNDER £11.5K

- People in low income households are significantly less likely to have each of the platforms compared to the UK average, with the greatest difference evident for internet access compared to the UK average. Similar to the UK picture - older people in low income households are less likely to have a mobile phone, the internet and digital TV, whilst younger people are less likely to have a landline phone although this is also the case for internet
- Ownership has increased significantly since 2004 (except for landlines and broadband).

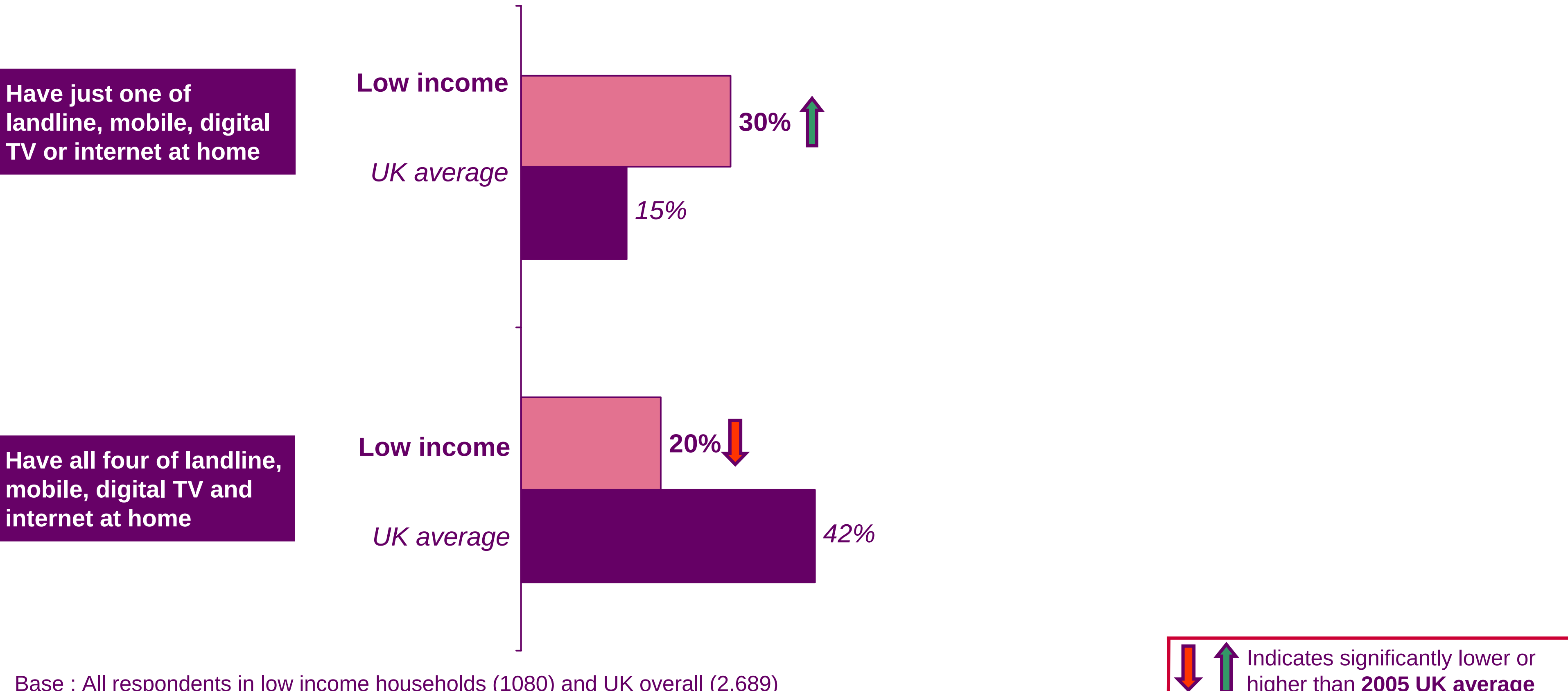


Base : All respondents in low income households (1080) and UK overall (2,689)

Multiple platform ownership - comparison to UK

HOUSEHOLD INCOME UNDER £11.5K

- Close to one in three people in low income households own just one of the four communications technologies (landline, mobile phone, digital TV or the internet) – typically just a landline phone. Amongst older people in low income households, the proportion owning one platform is much higher; at 46%.
- Owning all four of these types communications technology is significantly less common amongst people in low income households compared to the UK as a whole, due to lower ownership levels for each of the platforms. A slightly higher proportion of younger people in low income households have all four platforms – at 28% - but this measure is still significantly below the UK average



Base : All respondents in low income households (1080) and UK overall (2,689)

Ownership

Voluntary and involuntary exclusion - comparison to UK

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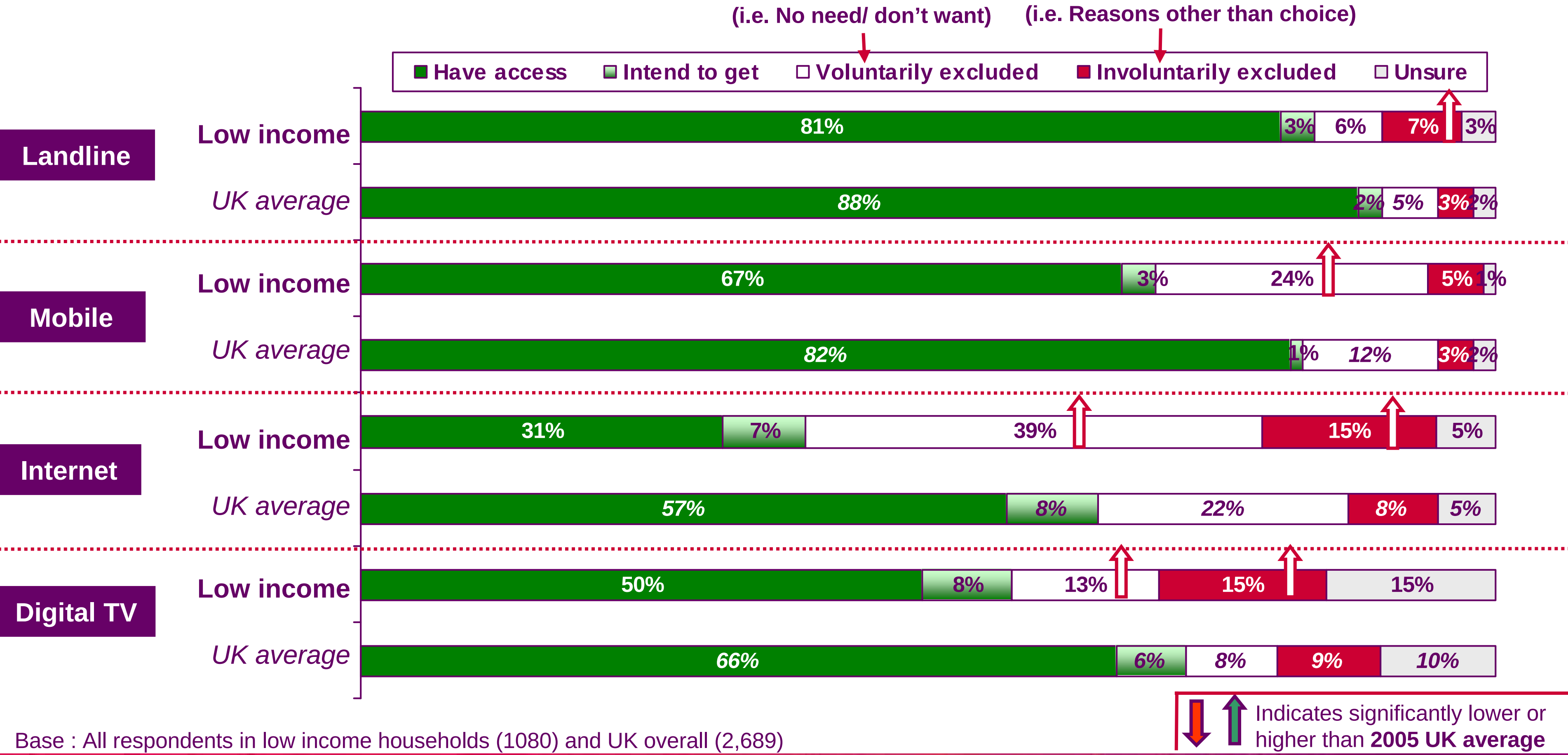
HOUSEHOLD INCOME UNDER £11.5K

- Lower ownership levels see those in low income households significantly more likely than the UK average to be voluntarily excluded for mobile phones, internet and digital TV – although levels of involuntary exclusion are higher for landline phones, internet and digital TV amongst those in low income households
- Involuntary exclusion is highest for the internet and digital TV. Levels of involuntary exclusion are higher amongst older people in low income households for mobile phones and digital TV, and higher amongst younger people in low income households for landline phones and the internet



Base : All respondents in low income households (1080) and UK overall (2,689)

Voluntary and involuntary exclusion - change since 2004

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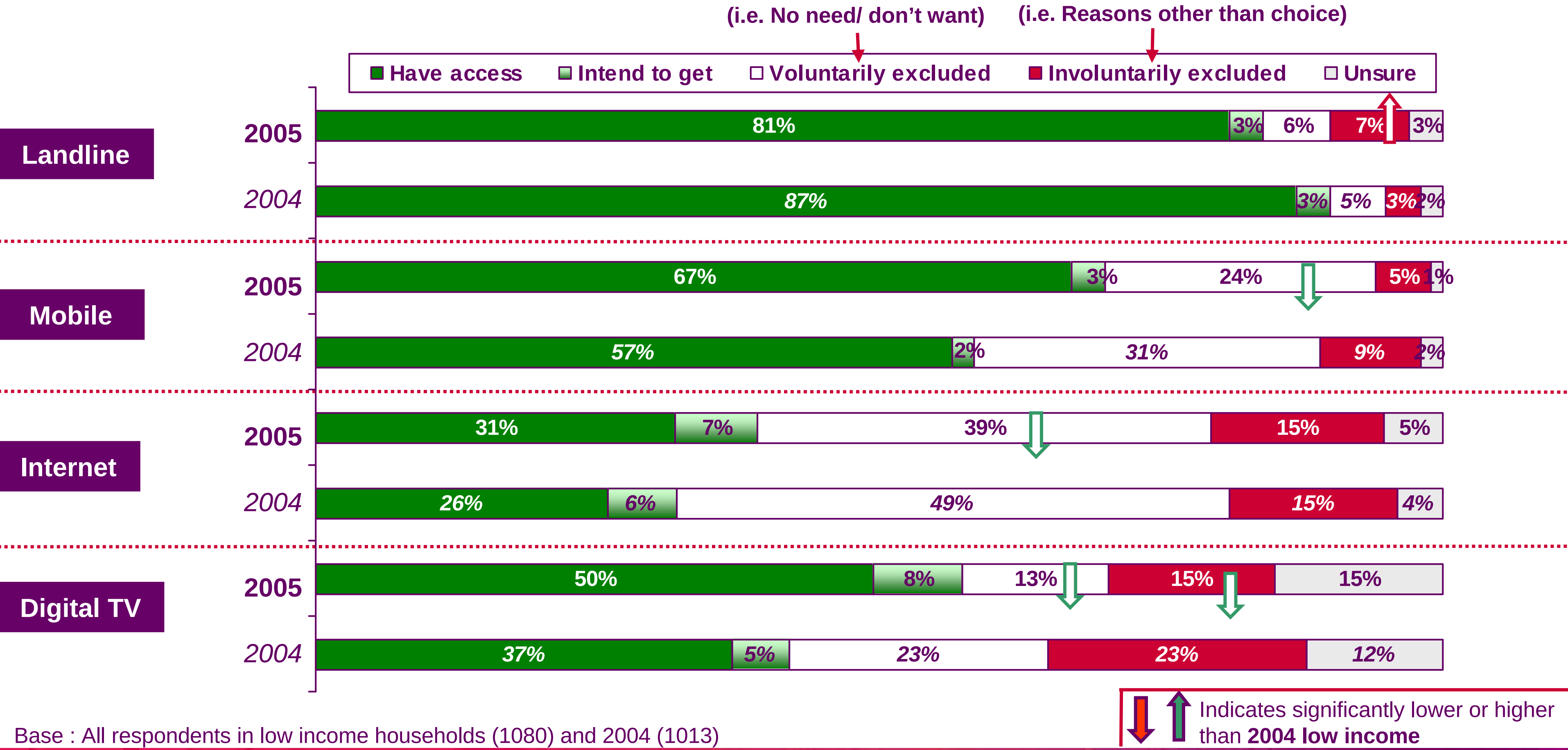
Ownership

HOUSEHOLD INCOME UNDER £11.5K

- Compared to 2004 increased ownership of mobile phone, internet and digital TV sees a significant drop in the levels of voluntary exclusion for people in low income households
- The level of involuntary exclusion amongst people in low income households has not changed for the internet, despite the increase in ownership, and has risen for landlines as a result of a decrease in ownership



Base : All respondents in low income households (1080) and 2004 (1013)

Mobile phone uses - comparison to UK

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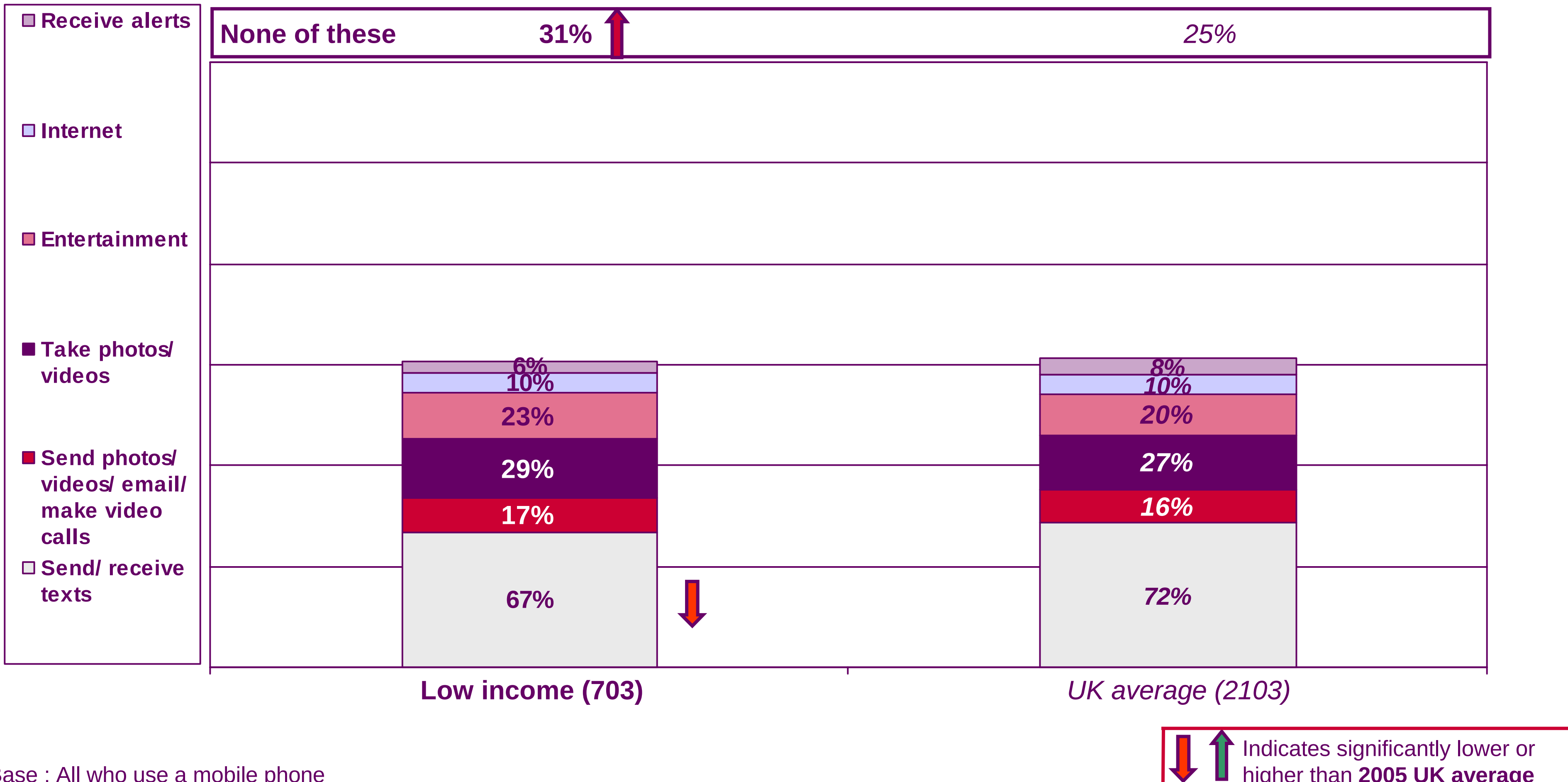
HOUSEHOLD INCOME UNDER £11.5K

- Amongst people in low income households, mobile phone owners use their phone on a weekly basis in a similar way to the UK average. Those in low income households are rather less likely to use their phone for text messaging, but all other uses shown matched the UK average. One in three mobile phone owners in low income households do not make **any** of these uses on a weekly basis



Base : All who use a mobile phone

Internet uses - comparison to UK

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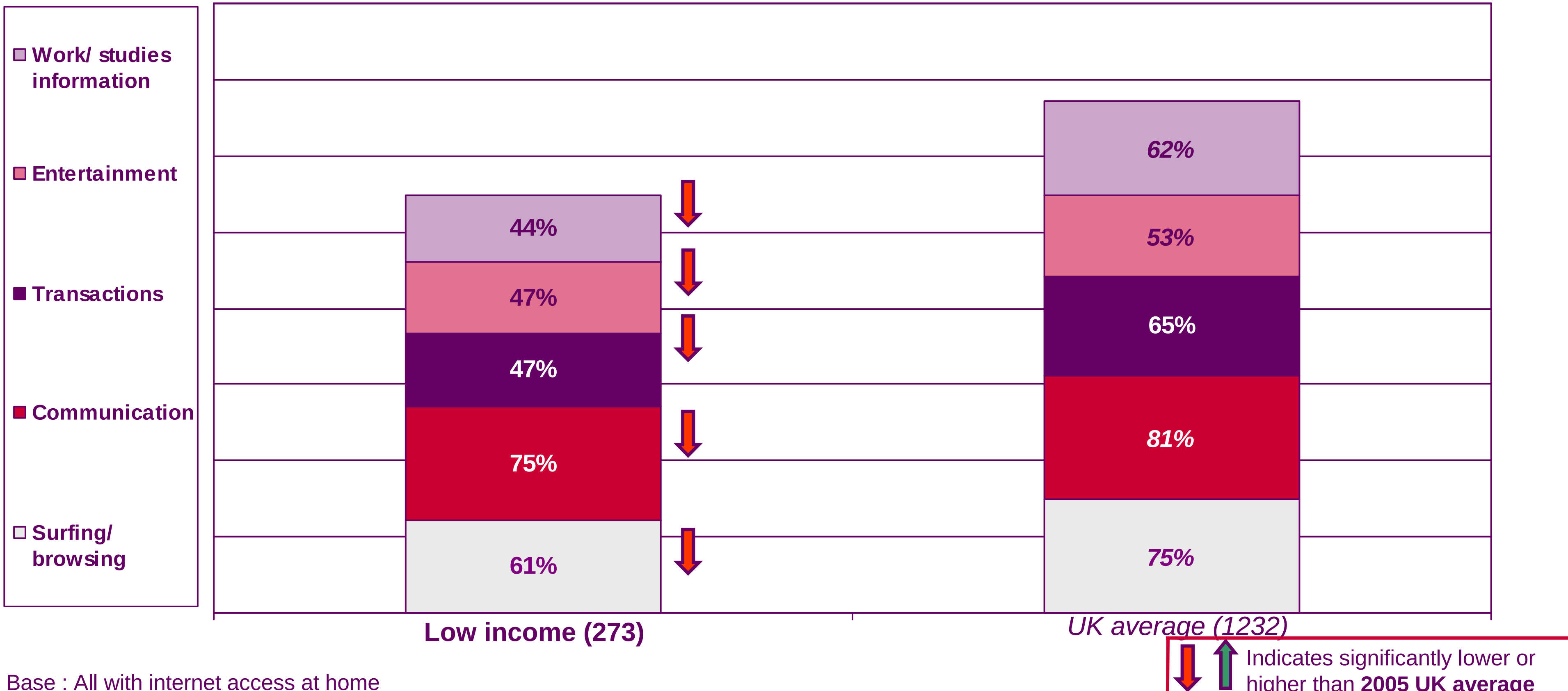
Usage

HOUSEHOLD INCOME UNDER £11.5K

- Amongst people in low income households, those with internet access at home make a narrower use of the internet compared to the UK average, with lower use of the internet for each of the types of uses shown – most notably transactions (e.g. banking, shopping online) and finding/ downloading information for work/ studies and general surfing/ browsing
- Age is a not a key discriminator in this respect, as almost all adults form low income households who have internet access are aged under 65. Difference in use are more likely a reflection of lower use of broadband amongst this group with those with broadband access making a significantly broader use of the internet than those with dial-up access.

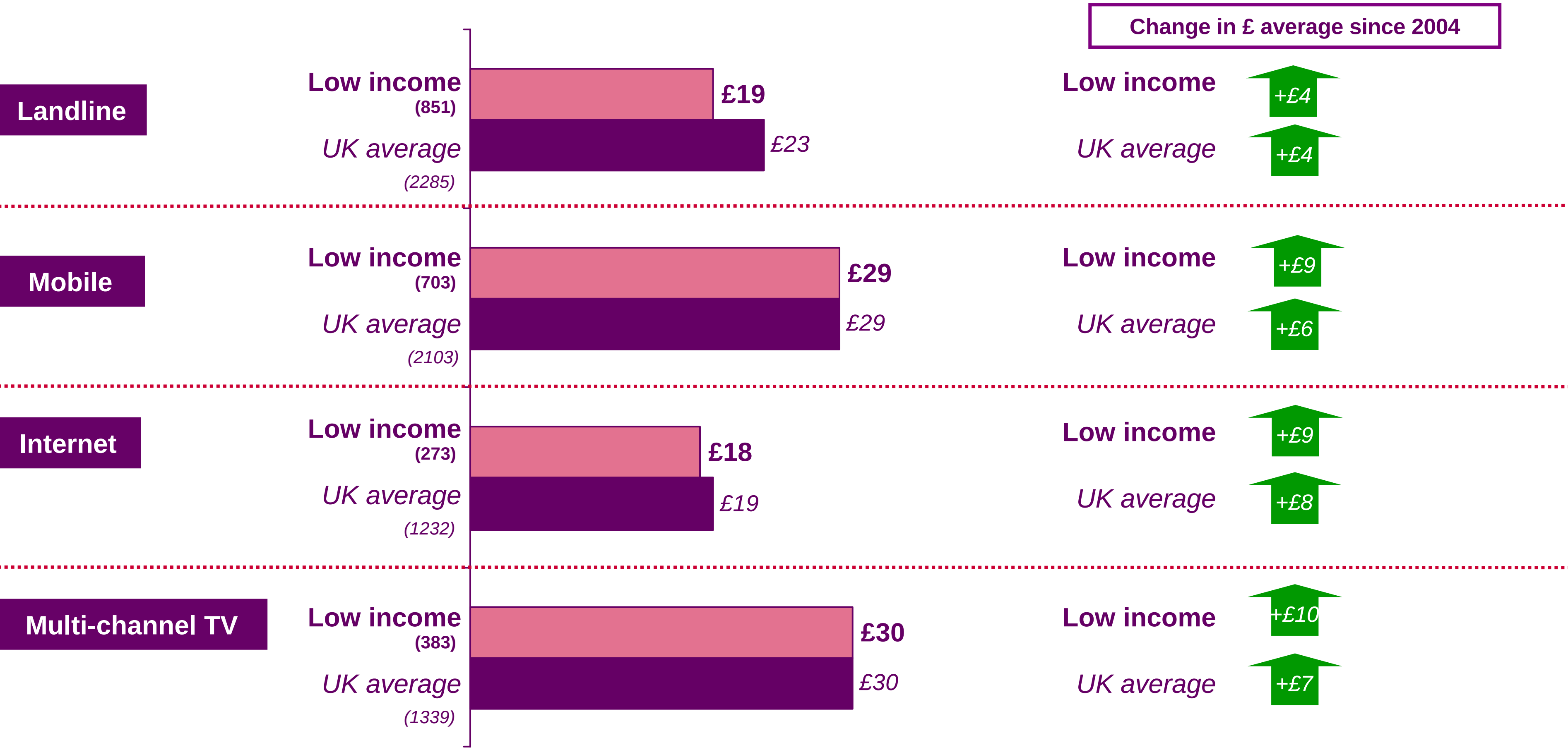


Base : All with internet access at home

Average monthly spend – comparison to UK

HOUSEHOLD INCOME UNDER £11.5K

- Amongst people in low income households with each service the average self-reported monthly spend is close to the UK average. This is likely to equate a higher proportion of disposable income spent on communications than average.
- Change in spend compared to 2004 is similar to the UK average



Base : Owners of each type of device/ service

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Concerns regarding services amongst owners

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Concerns

HOUSEHOLD INCOME UNDER £11.5K

Landline (851)

29% have any concerns or worries (30% for UK)
- 20% costs
- 8% privacy (unsolicited calls)

Higher level of reported concerns amongst older people

Decreased from 24% with any concerns or worries in 2004

Mobile phone (703)

29% have any concerns or worries (31% for UK)
- 21% costs
- 3% choice/ access/ coverage

Higher level of reported concerns amongst younger people

Increased from 25% with any concerns or worries in 2004

Internet (273)

22% have any concerns or worries (41% for UK)
- 15% spam/ pop-ups/ viruses/ control
- 8% security
- 4% slow/ poor connection

Higher level of reported concerns amongst broadband users

No real change from 23% with any concerns or worries in 2004

Digital TV (383)

20% have any concerns or worries (24% for UK)
- 13% costs
- 4% poor quality content
- 3% choice/ access

Little variation in level of reported concerns

Increased from 16% with any concerns or worries in 2004

Base : Owners of each type of device/ service

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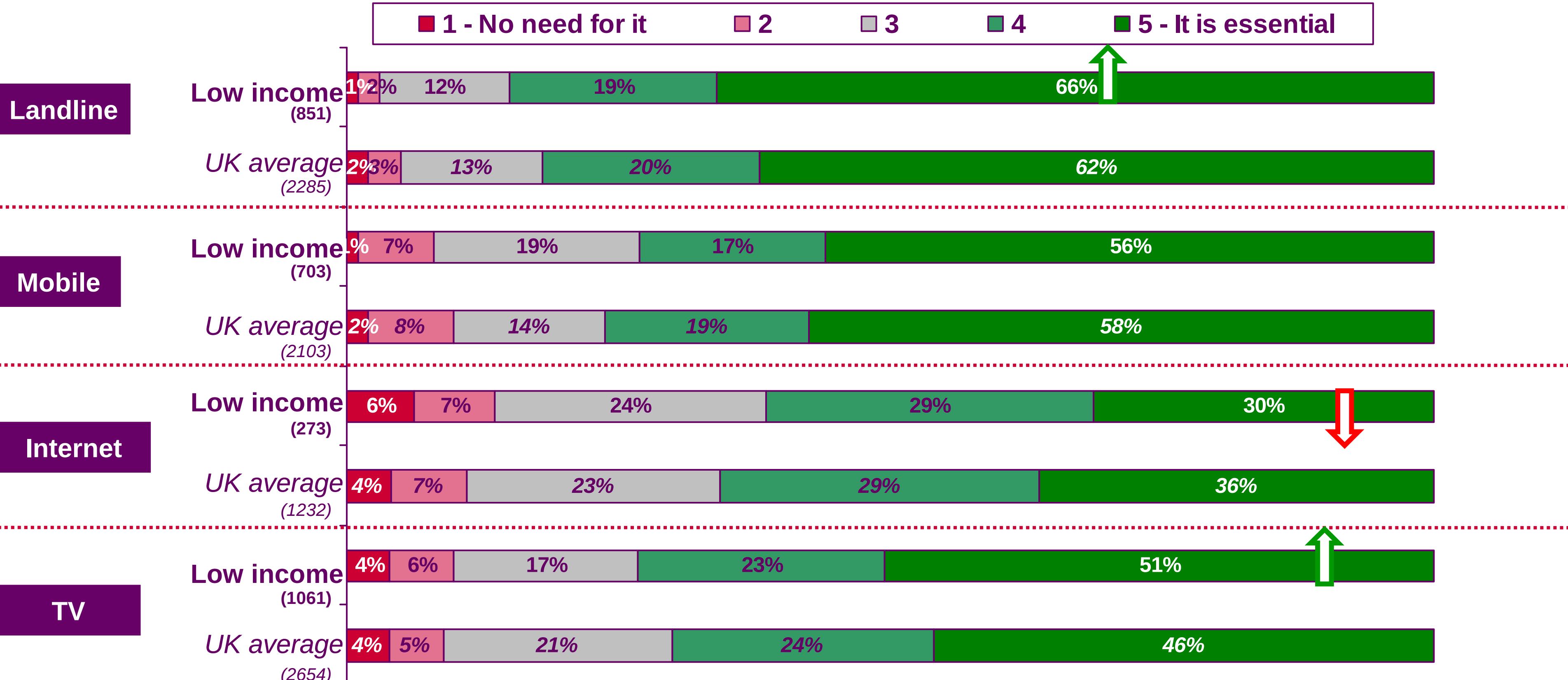
Importance of devices/ services owned - comparison to UK

Attitudes

HOUSEHOLD INCOME UNDER £11.5K

- Amongst people in low income households who own each type of device/ service landline and mobile phones are the most likely to be considered essential, followed by the TV service, with a minority of internet owners rating this service as being essential
- Compared to owners across the UK, people in low income households are more likely to consider their landline and TV services to be essential and less likely to consider their internet services to be essential



Indicates significantly lower or higher than **2005 UK average**

Base : Owners of each type of device/ service

Importance of devices/ services owned - change since 2004

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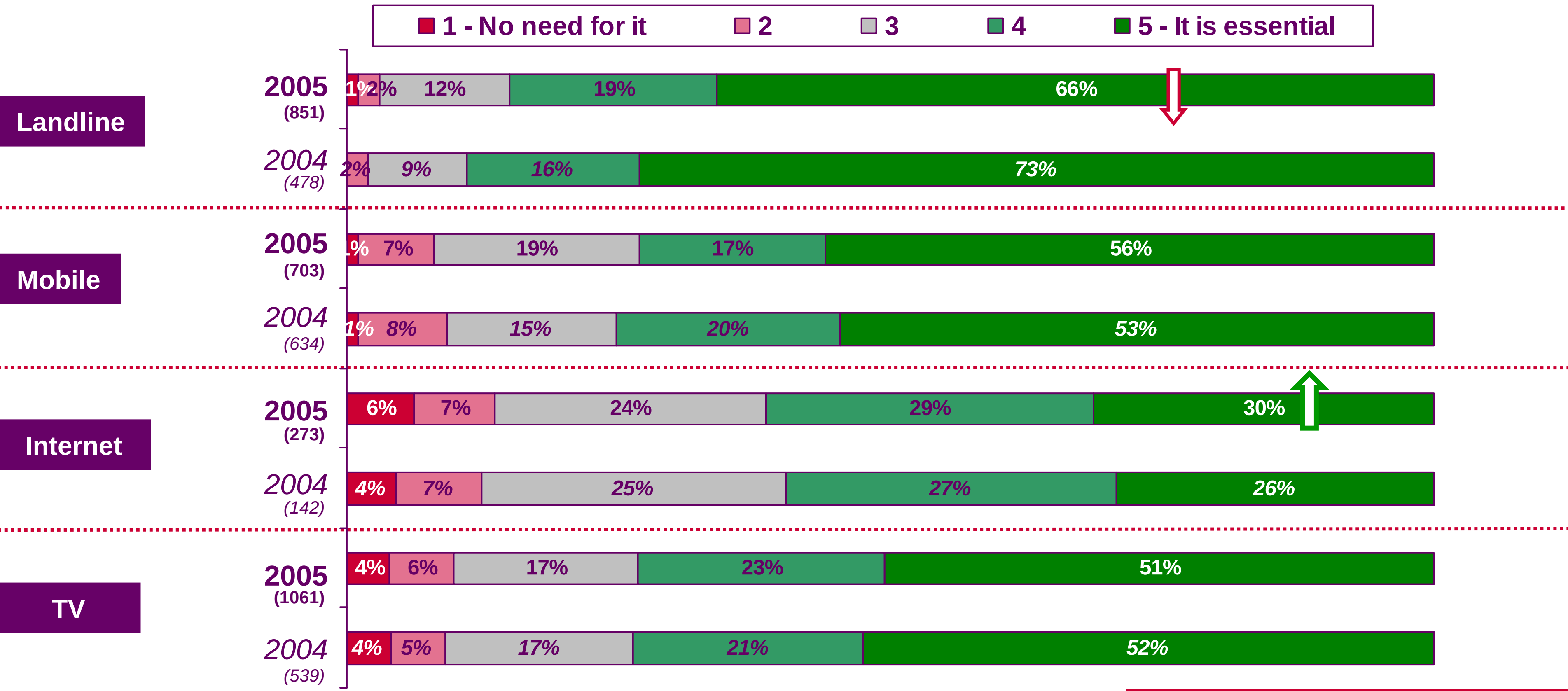
Attitudes

HOUSEHOLD INCOME UNDER £11.5K

- Compared to 2004 there are few changes in the perceived importance of services amongst people in low income households, but 2005 sees higher perceived importance for the internet and lower for landline phones
- Across the UK there has also been a decrease in rating landline phones as essential, which is mirrored amongst those in low income households



Indicates significantly lower or higher than **2004 low income**

Base : Owners of each type of device/ service

Attitude towards value from services - comparison to UK and change since 2004

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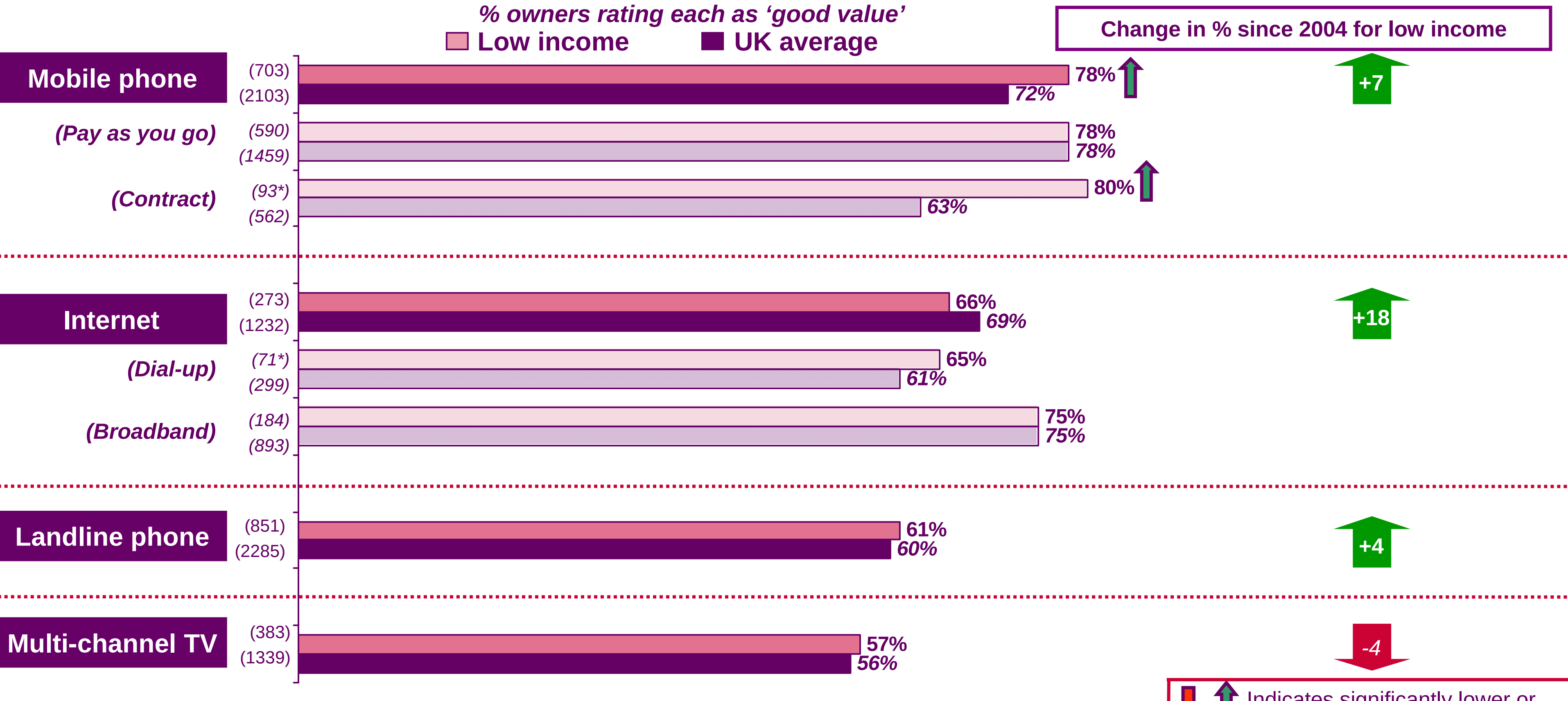
Attitudes

HOUSEHOLD INCOME UNDER £11.5K

- The mobile phone service is the most likely to be rated as providing good value by owners of each type of device/ service amongst people in low income households, with higher ratings for the internet compared to landline phone and TV services.
- Contract mobile phone customers and broadband internet users assign higher 'good value' ratings than pay as you go customers and dial-up internet users
- Value ratings from people in low income households have mostly increased since 2004 for mobile phones



Base : Owners of each type of device/ service *NB Low base size - treat as indicative only

Satisfaction with communications services and suppliers - comparison to UK

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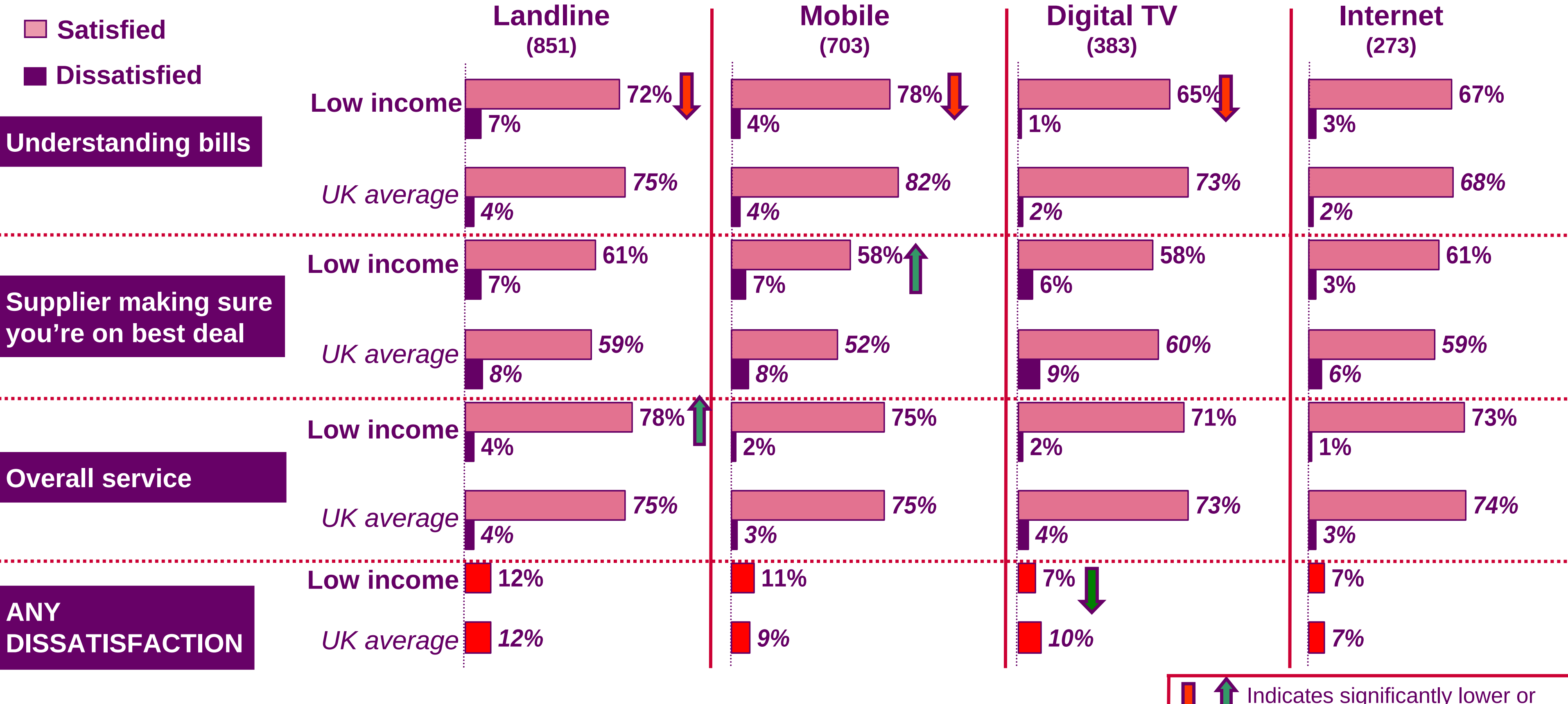
Attitudes

HOUSEHOLD INCOME UNDER £11.5K

- Amongst people in low income households who own each type of service/ device satisfaction with the overall service provided is highest for landline and lowest for the digital TV service. Other than the internet service, those in low income households are less satisfied than the UK average with the ease of understanding supplier bills.
- Otherwise, few aspects of service differ from the UK average



Base : Owners of each type of device/ service

Satisfaction with communications services and suppliers - change since 2004

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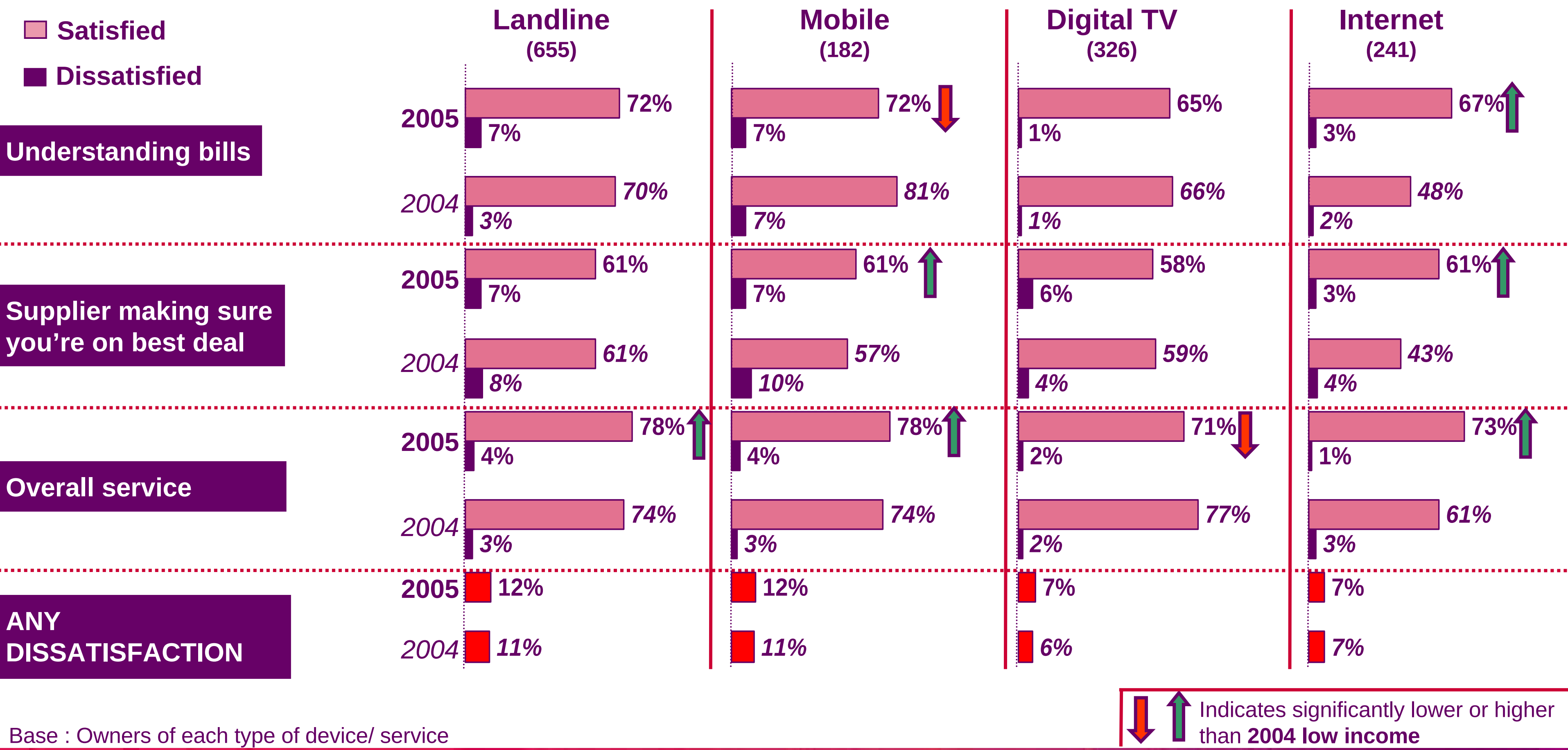
Attitudes

HOUSEHOLD INCOME UNDER £11.5K

- Amongst people in low income households, changes since 2004 in terms of satisfaction with services and suppliers are mostly positive, in particular regarding the internet service. However, internet ratings assigned in 2004 by those in low income households included a higher proportion of neutral and don't know responses.



Base : Owners of each type of device/ service

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Switching suppliers - comparison to UK and change since 2004

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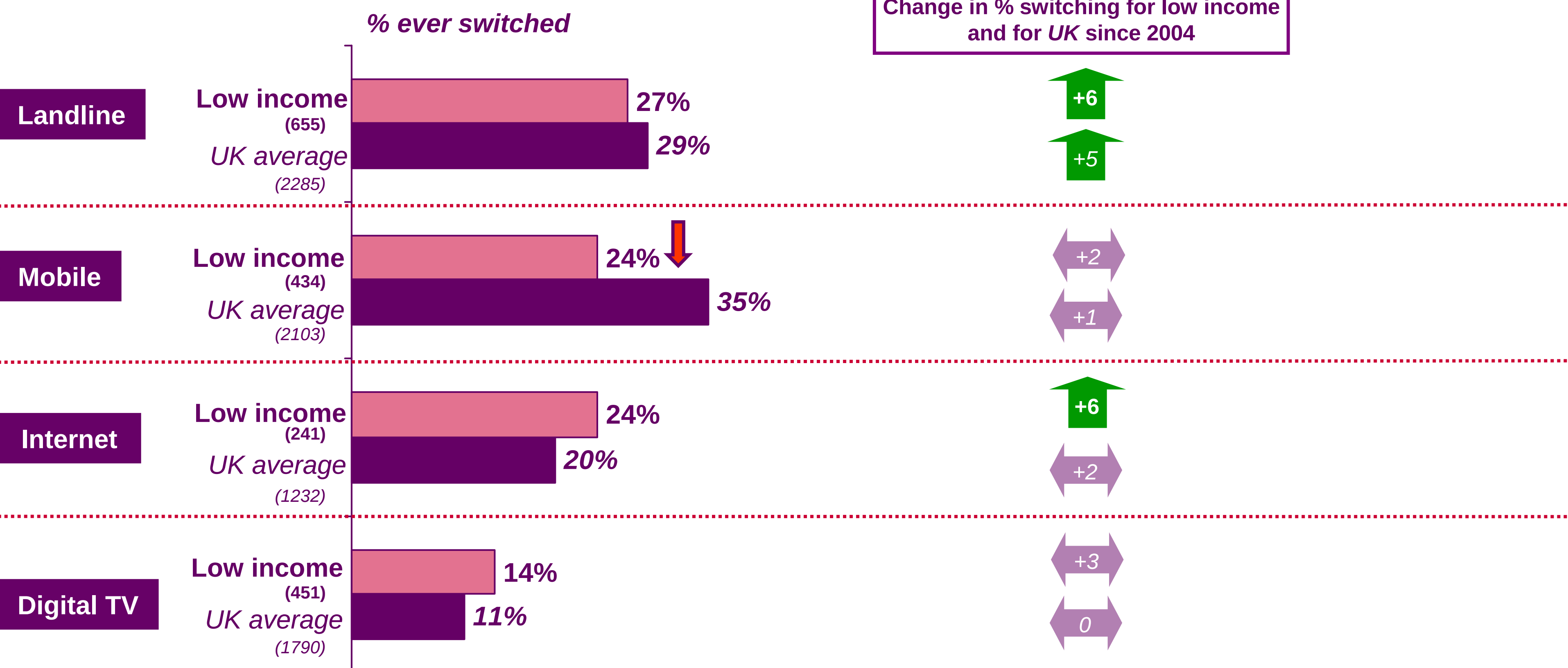
Switching

HOUSEHOLD INCOME UNDER £11.5K

- People in low income households show similar levels of ever having switched suppliers for their landline and mobile phone services and internet service, with the incidence of having ever changed the company used for the landline service and internet service showing an increase since 2004
- For each of the services, younger people in low income households are more likely to have ever switched suppler



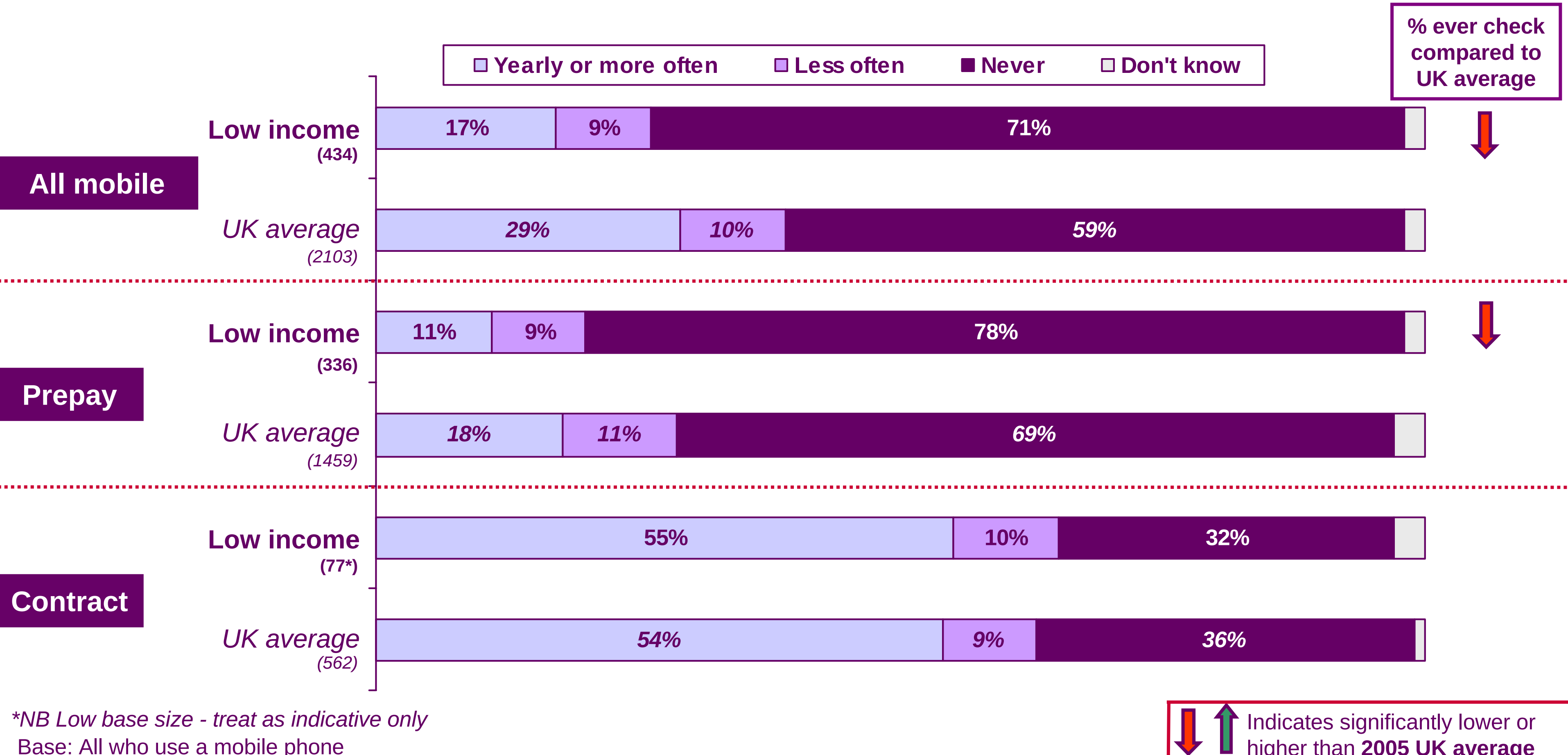
Indicates significantly lower or higher than **2005 UK average**

Base : Owners of each type of device/ service

Mobile tariff checking to ensure best deal - comparison to UK

HOUSEHOLD INCOME UNDER £11.5K

- A minority of all people in low income households with a mobile phone ever check whether they are on the best tariff or deal, with this being significantly less common than for the UK overall
- Those with a contract phone are considerably more likely to ever check, with responses from people in low income households with a contract phone matched the UK average



**NB Low base size - treat as indicative only*

Base: All who use a mobile phone

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Awareness and understanding of Digital switchover - comparison to UK

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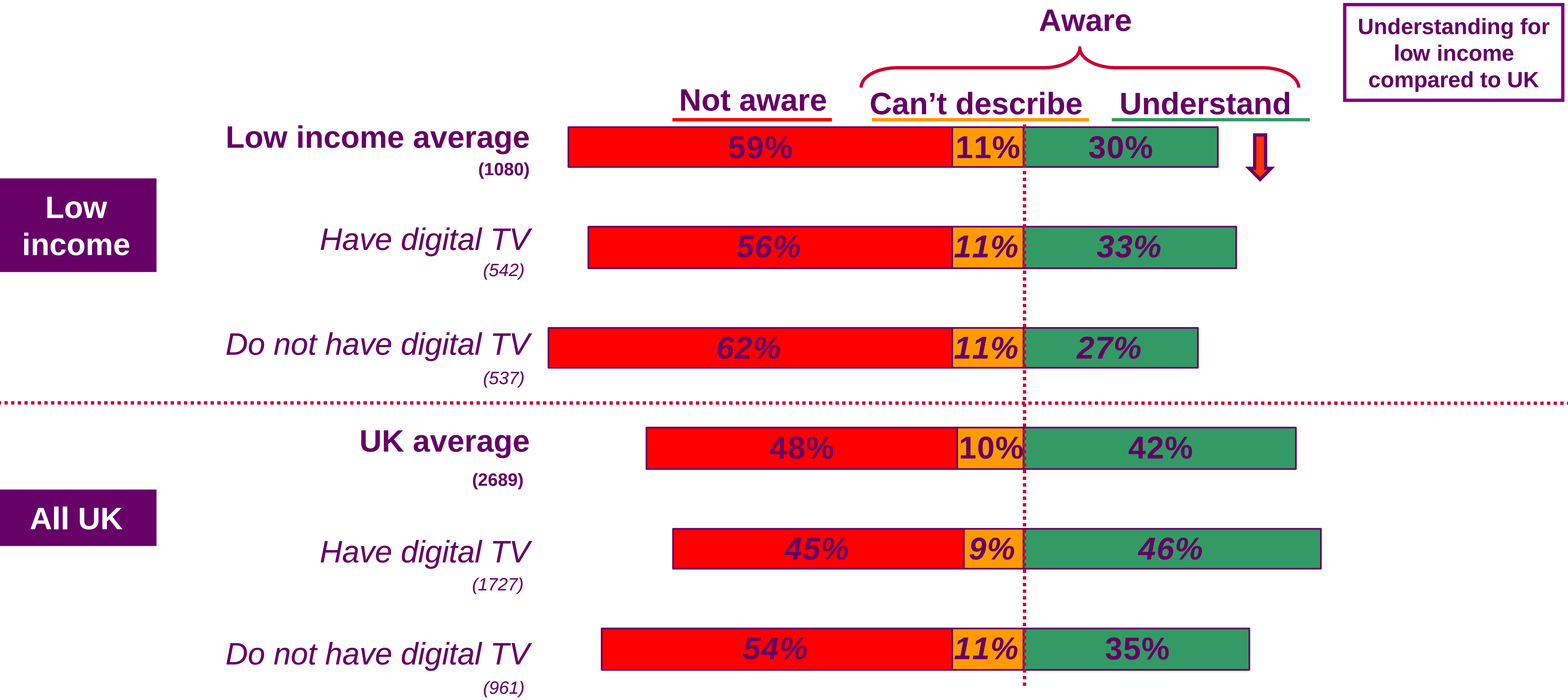
DSO

HOUSEHOLD INCOME UNDER £11.5K

- Just below one in three people living in a low income household have heard the term digital switchover and are able to describe what the term refers to (‘Understand’); significantly below the UK average
- Amongst people in low income households, as with the UK overall, a higher proportion of those with digital TV are aware of digital switchover compared to those without



Base : All respondents

Indicates significantly lower or higher than **2005 UK average**

Awareness and understanding of Digital switchover - change since 2004

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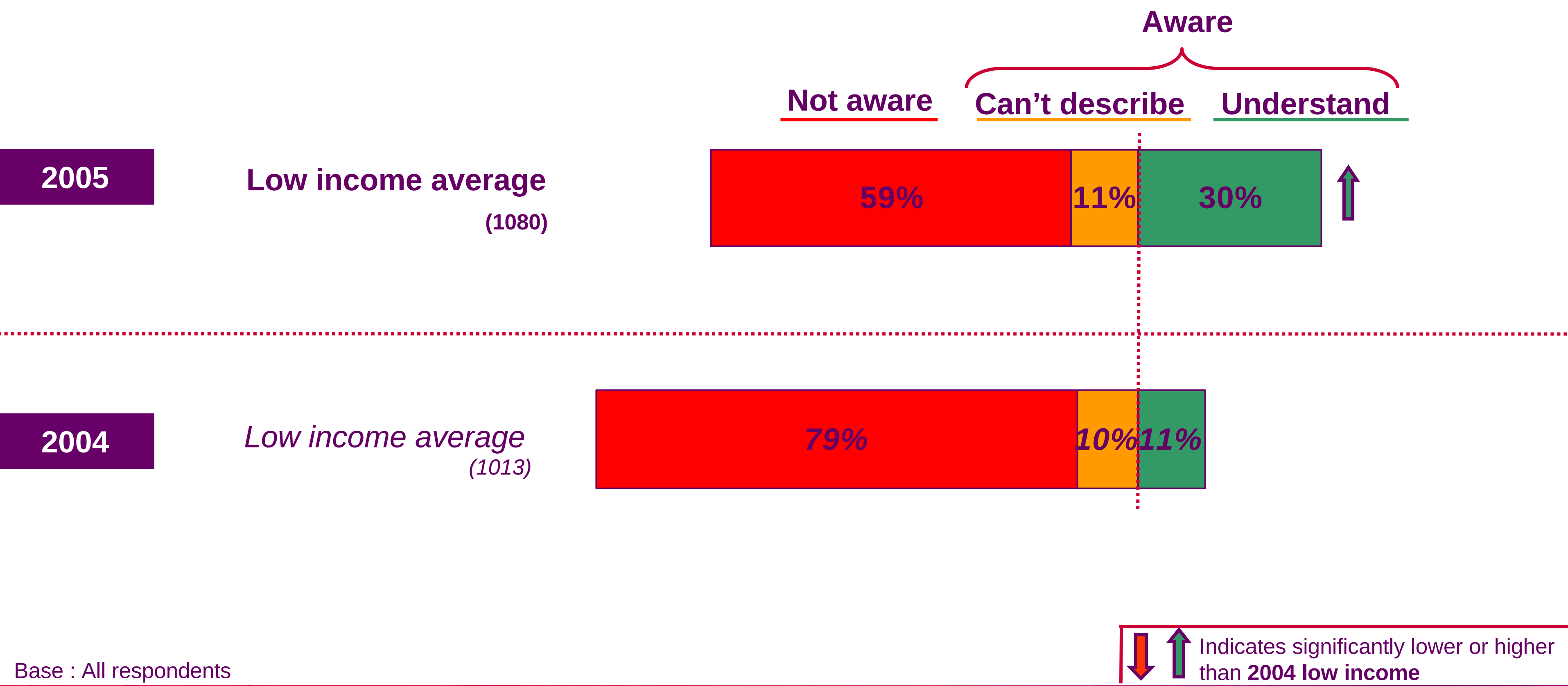
DSO

HOUSEHOLD INCOME UNDER £11.5K

- Understanding of the term digital switchover has increased significantly amongst people in low income households compared to 2004; rising by 19% to account for 30% of all people in low income households
- Understanding is lower amongst people with a disability in low income households and females



Base : All respondents