CONSUMER PANEL

Consumers and the communications market: 2007

A research report

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Ofcom
OFFICE OF COMMUNICATIONS

The Consumer Panel was established under the Communications Act 2003 as the independent research and policy advisory body on consumer interests in telecommunications, broadcasting and spectrum markets (with the exception of content issues).

Working from a firm evidence base, we advise Ofcom, the communications regulator, and others on how to achieve a communications marketplace in which all consumers can confidently choose and use products and services that suit their needs.

The Consumer Panel sets its own agenda but works constructively with the Ofcom Board. This enables us to give strategic advice on policies early on in their development – before they are consulted on – so as to build consumer interests into Ofcom's decision-making from the outset.

The Consumer Panel is made up of part-time members with a balance of expertise in consumer issues in the electronic communications sector. There are members representing the interests of consumers in Scotland, Wales, Northern Ireland and England.

Consumer Panel Members are appointed by Ofcom, subject to approval by the Secretaries of State for Trade and Industry and for Culture, Media and Sport. They are appointed in accordance with Nolan principles for two or three year terms and are eligible for re-appointment. The Consumer Panel is assisted by a small support team.

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Foreword

This is the third Ofcom Consumer Panel annual research publication, designed to help inform everyone who has an interest in understanding people's experiences of fixed line communications, mobiles, the internet and digital TV.

Ofcom itself dedicates a significant resource to producing quality market research. This year, the Panel has decided, rather than carrying out duplicative research, to draw on research produced for Ofcom – but sliced in different ways to illustrate issues for particular parts of the UK population who are of close interest to us.

This report examines many issues: consumers' understanding, ownership and use of communications technologies; experiences of switching suppliers; satisfaction with communications services; and attitudes to digital switchover. The significant findings are presented in the executive summary (see pages 7-8).

There are four issues that we want to highlight in this brief foreword. The first is that over the past year in the communications market, we have seen a marked increase in the numbers and types of bundled services offered to consumers. This has particularly been the case in the area of broadband/fixed line bundling, most notably with some suppliers offering 'free broadband' to consumers. These changes have been accompanied by some well-publicised shortfalls in customer service, reflected in the levels of complaints that Ofcom has seen this year. It will be important to understand how people are reacting to these bundled products – and whether they encourage people to switch in search of a better deal – or stay put. It is too early to say as yet – but it will be important to track this development to see how consumers are taking advantage of the new shape of market offerings.

The second issue we want to highlight is the differing experience of consumers in some parts of the UK versus the experience of those living in urban areas. In some rural areas products and services may not be so readily available, and we note that consumers living in rural areas are more likely to be dissatisfied with communications services, experiencing problems with coverage, and find it less easy to compare or switch suppliers. We do not think that a rural/urban split in people's experience of communications should be allowed to take deep root – and we will be watching this issue carefully over the next year.

The third issue we want to highlight is around the experience of older people aged 65 and over. There is some positive news here, as the research seems to show that there has been an increase in information communications technology use amongst the 65 and over, but this group - if indeed it makes sense to see them as 'a group' - are still behind other groups in their engagement with the communications marketplace. While many (but not all) people who are 65 and over are among the least likely to own communications technologies, we think this diverse group could benefit greatly from the social connectedness these technologies can bring, and we will continue to explore ways to try to help and encourage people in this age group to use technology more fully – or at all.

The fourth point we want to highlight stems from increasing but not universal internet connectivity. While take-up of broadband continues to rise, many homes in the UK still do not have internet access. We have been carrying out some research into the experiences of children who live in households that do not have internet access, and this research will be ready for publication in the summer. We want to highlight now that this may well be another important aspect of how access to communications affects people's life experiences profoundly, and we will be saying more about this later this year.

The Consumer Panel's Tracker Survey paints a picture of a market in motion with some positive trends. Indeed, where there is dissatisfaction, some of this may result from raised consumer expectations, which is a healthy reflection of a maturing sector. However, there are still many areas of concern that need to be addressed to try to ensure that everyone in our society, regardless of who they are or where they live, gets a fair crack at all benefits communications technology can bring.

Executive summary

In the UK as a whole, take up of internet and digital TV continues to increase, along with levels of switching of landline suppliers

Access to the internet at home and to digital TV (driven mostly by Freeview) continues to rise. Broadband take-up has also increased. Landline ownership remains static, but levels of reported spend have decreased. Levels of reported spend on other platforms have remained consistent overall. As discussed below, some ‘vulnerable’ groups have lower levels of reported spend.

While ownership of the internet at home, broadband and digital TV has also increased among consumers aged over 65 and consumers under 65 in low income households, a gap remains between these two groups and the rest of the population.

Most consumers who do not own particular technologies do not intend to get that service in the next 12 months. A lack of perceived need is the most common reason given for this, although cost reasons are also mentioned.

Levels of switching have increased in the landline market in the past 12 months. The emergence of ‘bundled’ broadband and landline services appears to be driving this change.

Levels of switching in the internet service provider market remain stable, although the proportion saying it was or would be easy to switch has dropped 12 percentage points.

Findings from an ad hoc survey for Ofcom indicate that there have been rises in concern about particular technologies since 2004, most notably for the internet (up 38 percentage points) and digital TV (up 22 percentage points). Security and safety on the web are particular consumer concerns regarding the internet, while sexual and violent images are the most commonly cited concerns regarding TV.

There has been a slight increase in the proportion of consumers with reason to complain about either their landline, mobile or internet services, up four percentage points to 16%. Among those with a landline with a reason to complain, the proportion of consumers actually doing so has increased.

Overall the majority of consumers throughout the UK are aware of digital switchover (four in five) and three in five are aware and understand what digital switchover means. Over two-thirds of consumers are either neutral or positive about the switchover.

Nine in ten consumers plan to be at least partially converted to a TV set that is able to receive the digital signal, with only 2% currently saying no TV will be converted

Levels of ownership of and involvement with communication technologies remain lower than average among older consumers

With the exception of home landlines, ownership of the four technologies measured in this research is lower among consumers aged over 65. Older consumers who do own any of the four platforms have lower levels of reported spend, are less likely than average to switch supplier or to say they have reason to complain about their landline, mobile or internet service. They are also less likely than average to find it easy to make cost or quality comparisons.

Reflecting lower levels of engagement with communications technologies, older consumers use the internet for fewer reasons than average home internet users, and are by far the most likely group to only use their mobiles for voice calls. They are more likely to be on pay-as-you-go plans. Older consumers who do not plan to get the internet or digital TV in the next 12 months are more likely than average to say they have no need to do so, rather than cite cost reasons.

On the other hand, older consumers are more likely to be satisfied with the value for money offered by their landline service, and satisfaction with ease of understanding of internet bills has improved. However they are less satisfied than average with their mobile phone supplier on most measures.

While awareness levels of digital switchover are in line with the national average, a higher proportion of older consumers say they do not fully understand what switchover will entail.

Older people are more likely than average to say they do or would have visual, hearing or mobility difficulties using TVs, PCs, landline or mobile phones. TVs cause the most difficulty, with the main problems relating to hearing.

Consumers with a disability under 65 show higher levels of ownership than other ‘vulnerable’ groups, but are more likely to have difficulties using communication technologies

Consumers under 65 with a disability are less likely than average to have a home landline or home internet access. They are more likely to live in a mobile only household, and this figure has increased since last year.

As we would expect, consumers in this group are more likely to say they do or would have difficulties using communications technologies. The proportions doing so across each platform are very similar to older consumers, with TV again causing the most difficulty, particularly because of hearing issues.

Consumers under 65 living in low income households still lag behind the UK average in terms of access to communications technologies. However, they express higher levels of confidence than older consumers in switching and comparing suppliers

While penetration levels have increased in line with the UK average, consumers under 65 in low income households are less likely than average to have access to the internet or digital TV at home.

They are much more likely than average to live in mobile only households, with this figure increasing since last year. The majority of this group who use a mobile phone are on a pay as you go plan. Like older consumers, they are more likely to use their phones for voice calls only, and use the internet for fewer reasons.

They are less likely than average to say they have reason to complain about their landline, mobile or internet service. However unlike older consumers, they are also more likely than average to describe cost and quality of service comparisons for landline and multichannel TV suppliers as easy, and to say that quality of service comparisons between mobile phone suppliers are easy.

Consumers in this group are also more likely than average to say switching mobile phone supplier is easy and to be satisfied that their landline, mobile or internet supplier is ensuring they are on the best deal. The figure has risen for landline users.

Awareness and understanding of the digital switchover is lower than average among this group.

Consumers living in rural areas are more likely to be dissatisfied with communications services

While levels of ownership do not differ in rural areas compared to the UK average, consumers in this group are generally less satisfied with communications services across the landline, mobile and internet platforms. They are more likely than average to use their mobile phones for voice calls only.

Consumers living in rural areas also find it less easy than average to compare suppliers, or to say it was or would be easy to switch. They are less likely than consumers living in urban areas to have changed landline supplier.

Among consumers living in rural areas, we see a rise in the proportion of consumers with reason to complain about either their landline, mobile or internet services.

Take-up of communications technologies across the nations is not always in line with the rest of the UK, although the gap has been closing this year with Northern Ireland and the rest of the country

Mobile phone usage has increased in Scotland and Northern Ireland, and while access to digital TV has increased across the UK, we see particularly big rises in both these nations. The same is true of broadband uptake – this has increased across all nations, but we see particularly big rises in Scotland and Northern Ireland.

Patterns of ownership vary across the nations. Consumers living in Scotland are less likely to have a home landline or internet access at home. Consumers living in Wales are significantly less likely to use a mobile phone, but levels of digital TV ownership are higher than average. Consumers living in Northern Ireland are less likely to have digital TV, access to a PC or internet access at home (although the gap between Northern Ireland and the UK is narrowing following the increase in penetration in 2006).

Consumers in Wales are more likely to have ever switched their landline or home internet supplier, while consumers in Scotland are more likely to have changed their mobile phone supplier.

Consumers in Northern Ireland say they are paying more for mobiles than in 2005, although landline spend has gone down. We also see increases in satisfaction with the value for money offered by their landline, and with their landline supplier ensuring they are on the best deal.

Awareness of the digital switchover is higher in Scotland than average, while consumers living in Wales are less likely to feel positively about switchover, despite higher than average levels of understanding and conversion.

Introduction

2.1 Background

The Consumer Panel is the independent advisory body set up under section 16 (2) of the Communications Act 2003 to advise Ofcom on consumer interests in broadcasting and telecommunications.

In the past the Consumer Panel has commissioned its own quantitative research to provide the evidence base. However, discussion of the Consumer Panel's work priorities earlier this year identified the overlap between the Ofcom Residential Tracker and the Ofcom Consumer Panel Tracker.

For the 2007 report Consumer Panel members have agreed to use the data collected by Ofcom in their annual Communications Tracking Survey rather than duplicating primary research.

This report draws mainly upon the findings of Ofcom's monthly Communications Tracking Survey which tracks consumer behaviour and attitudes in the UK communications markets. Data are used from the 2005 and 2006 surveys. Chapter 7 is based on data from the Ofcom/Digital UK Switchover Tracker Survey conducted among consumers with a TV at home.

These surveys allow the Consumer Panel to explore the behaviour and attitudes of two particular areas of focus:

- '**Vulnerable' groups** – older consumers, consumers on a low income, consumers with a disability and consumers who live in rural or urban areas

- **The nations** – England, Scotland, Wales and Northern Ireland

2.2 Research Design

2.2.1 Ofcom Communications Tracking Survey

Ipsos MORI interviewed a representative quota sample of 9,134 adults, aged 15+, in the UK; 8,472 interviews were conducted in Great Britain and 662 interviews were conducted in Northern Ireland. Interviews were carried out across 112 different sampling points in the UK, face-to-face, in-home, using Computer Assisted Personal Interviewing (CAPI). All interviews were conducted between 7 January 2006 and 7 January 2007.

The data are weighted by age, gender, social class, working status, region and cable/non-cable to match the known population profile; the Northern Ireland results are down-weighted to their natural proportion of the national UK profile.

2.2.2 Ofcom/Digital UK survey

GfK NOP interviewed a representative quota sample of 1,964 UK adults aged 16+ with a TV in the home, by telephone. All interviews were conducted between 1 October 2006 and 18 December 2006. The data are weighted by age, social grade, ITV region and size of household.

2.2.3 Worries and consumer concerns survey

BMRB interviewed a representative quota sample of 2,000 adults aged 15 year and over across Great Britain, using Computer Assisted Personal Interviewing (CAPI). Interviews were conducted in August 2006. The data are weighted by age, sex, working status, social class, region and presence of children.

2.3 'Vulnerable' groups

There is a degree of overlap between the different 'vulnerable' groups of interest to the Consumer Panel. In particular, the majority of older people aged 65 or over are either in low income households or are people with a disability. This means that findings which appear to relate to those with a disability and/or those in low income households may actually relate to older people within these groups rather than the groups as a whole.

As with previous Consumer Panel reports, we have therefore looked at consumers in low income households who are aged under 65 and those with a disability who are aged under 65. Findings from the interviews conducted with all older people aged 65 or over are also detailed in this report.

The definition of 'those with a disability' used is those consumers who say that they have any long-term illness, health problem or disability which limit their daily activities or the work they can do. 'Low income' consumers are defined as those with an annual income of less than £11,500.

2.4 Profile of groups

All data reported in this document has been weighted to match the profile of each of the four nations of the UK, as detailed in the 2001 Census. Figure 2.1 shows the 'vulnerable' groups of interest covered by the survey for the UK as a whole and for each of the four nations. Where a figure is in **bold purple**, this indicates that incidences of the groups vary significantly from the profile of the UK as a whole.

Figure 2.1 Population profile of UK nations

	All UK **%** *(9,134)*	**England** **%** *(7,058)*	**Scotland** **%** *(763)*	**Wales** **%** *(651)*	**Northern Ireland** **%** *(662)*
Older people (aged 65+)	19	**20**	**16**	**22**	17
Rural	14	**12**	**22**	**23**	**29**
Disability <65	8	**7**	**10**	**11**	**10**
Low income <65	10	10	**14**	**13**	10
TOTAL NATION SPLIT	100	84	9	5	3

*Numbers in **bold purple** are significantly different to the All UK average*

Throughout this report we only comment on differences between groups that are statistically significant. See Annex C for an explanation of statistical significance as it relates to this report.

Ownership of communications technology

Overview

Ownership of landlines, mobiles, digital TV

- Home landlines remain the most commonly used technology in the UK, with ownership levels standing at 89%, unchanged since last year
- Around four-fifths (81%) use a mobile phone, a similar proportion to last year
- Ownership of digital TV (now at 75%) and home internet (now at 61%) has increased in the past year. Broadband take-up (now 46%) continues to rise. A third (36%) of consumers own all three digital platforms (mobile, internet and digital TV)

Non-ownership

- Reasons for not wishing to own particular technologies are both by choice (e.g. no perceived need) or due to exclusion, relating to cost in particular, but also usability issues for mobile phones and computers
- A minority of consumers who are non-users are excluded from taking up the technology. This is most marked for the internet (38%) and landlines (33%) but is less prevalent for digital TV (27%) and mobile phones (13%)

'Vulnerable' groups

- With the exception of home landlines, ownership of each of the technologies is lower among consumers aged over 65. Consumers under 65 in low income households are less likely to have access to the internet or digital TV at home. Both of these groups are significantly less likely than average to own all three digital services
- Consumers with a disability under 65 are less likely than average to have a home landline or home internet access. Landline access among this group has decreased over the past year
- Among consumers who do not use particular technologies, the majority (from about two-thirds to three-quarters depending on the platform) say they are unlikely to start doing so within the next 12 months

The nations

- Mobile phone usage has increased in Scotland and Northern Ireland, and while access to digital TV has increased across the board, we see particularly big rises in both these nations. The same is true of broadband uptake – this has increased across all nations, but we see particularly big rises in Scotland and Northern Ireland

3.1 Ownership in the UK and across the nations

Ownership of landline (89%) and mobile phones (81%) has not changed significantly since last year. However, more consumers now have access to digital TV or the internet at home (having increased by eight percentage points and four percentage points respectively in the past year). Currently, three-quarters of adults say they have digital TV (74%), three in five say they have internet access at home (61%) and nearly half have a broadband internet connection (46%).

Since last year, there have been significant increases across the nations in ownership of digital TV and internet access. During 2006, Northern Ireland in particular showed notable increases in ownership of the three main digital platforms (mobiles, internet and digital TV).

Figure 3.1 below shows differences in ownership across the UK nations, with bold text representing significant differences to the UK average ownership levels. Consumers in Scotland are less likely to have a home landline or internet access at home, but have similar levels of ownership of mobile phones, digital TV and broadband to the rest of the UK.

Figure 3.1 Ownership of communications services by nation - 2006[1]

Q: Is there a landline phone in your home that can be used to make and receive calls?- All with a landline. Do you personally use a mobile? Which, if any, of these types of television does your household receive at the moment? – Digital TV. Does your household have access to the internet/Worldwide web? Do you use a broadband internet connection at home? Does your household have a PC or laptop computer?

Base:	**All UK** **%** *(9,134)*	**England** **%** *(7,058)*	**Scotland** **%** *(763)*	**Wales** **%** *(651)*	**Northern Ireland** **%** *(662)*
Landline at home	89	89	**84**	88	89
Personal use of mobile	81	81	82	**77**	82
Digital TV at home	74	74	74	**81**	**68**
Internet access at home	61	**62**	**57**	59	**56**
Broadband internet access at home	46	46	43	43	**42**
Access to a PC	68	**69**	66	68	**60**

*Numbers in **bold purple** are significantly different to the All UK average*

Wales has a different pattern of take-up; consumers living here are significantly less likely to use a mobile phone, but levels of digital TV ownership are higher than average. All other platforms covered by the study are in line with the rest of the UK.

[1] Ofcom Communications Tracker Survey, January – December 2006, conducted by Ipsos MORI.

In terms of landline and mobile phone ownership, those in Northern Ireland have similar usage levels to the UK average. However, reflecting our findings in 2005, they are less likely to have digital TV, access to a PC or internet access at home (although the gap between Northern Ireland and the UK is narrowing).

3.2 Comparing ownership across 'vulnerable' consumer groups

Research has previously shown that there are two groups which consistently show below average take-up of communications services – older consumers aged 65 or above and those on a low income under 65. This tendency is still noticeable in this year's findings, as these two consumer groups are less likely to own any of the four platforms measured (the exception is home landlines among older consumers, and mobiles among low income consumers under 65).

Figure 3.2 Ownership of communications services by 'vulnerable' groups 2006

Q: Is there a landline phone in your home that can be used to make and receive calls?- All with a landline. Do you personally use a mobile? Which, if any, of these types of television does your household receive at the moment? – Digital TV. Does your household have access to the internet/Worldwide web? Do you use a broadband internet connection at home? Does your household have a PC or laptop computer?

Base:	**All UK** **%** *(9,134)*	**Rural** **%** *(1,274)*	**Urban** **%** *(7,860)*	**Low Income < 65** **%** *(959)*	**With disability < 65** **%** *(769)*	**Older people 65+** **%** *(2,208)*
Landline at home	89	**94**	**88**	**66**	**82**	**98**
Personal use of mobile	81	80	81	82	81	**51**
Digital TV at home	74	72	**75**	**67**	76	**57**
Internet access at home	61	**65**	61	**36**	**53**	**30**
Broadband internet at home	46	**42**	46	**25**	**39**	**16**
Access to a PC	68	**71**	68	**46**	**62**	**36**

*Numbers in **bold purple** indicate a significant difference to the All UK average*

Landline use is more common among older consumers and those living in rural areas, while those on lower incomes or with a disability are less likely to have a landline at home. Ownership of a PC and internet access is particularly unlikely among the typical low-usage groups (those 65+ or those under 65 on a low income), but also among those with a disability. Of those who have the internet at home, broadband connection is lower than average in rural areas and again for older consumers and low income households.

Non-ownership of internet and DTV among consumers aged 55+

The Ofcom Consumer Panel conducted qualitative research during March 2006 among older consumers (55+) to understand better why this age group tended to be less likely to want or perceive that they need the **internet at home**.

The evidence from this piece of work suggests that there are a significant number of non-internet users who currently feel ‘disengaged’ but, given the appropriate support and assistance, would overcome their concerns and fears and benefit from PC/internet use.

Further information and a downloadable version of the report *Older People and Communications Technology* is available on the Ofcom Consumer Panel website at http://www.ofcomconsumerpanel.org.uk.

3.3 Changes in levels of ownership 2005-2006

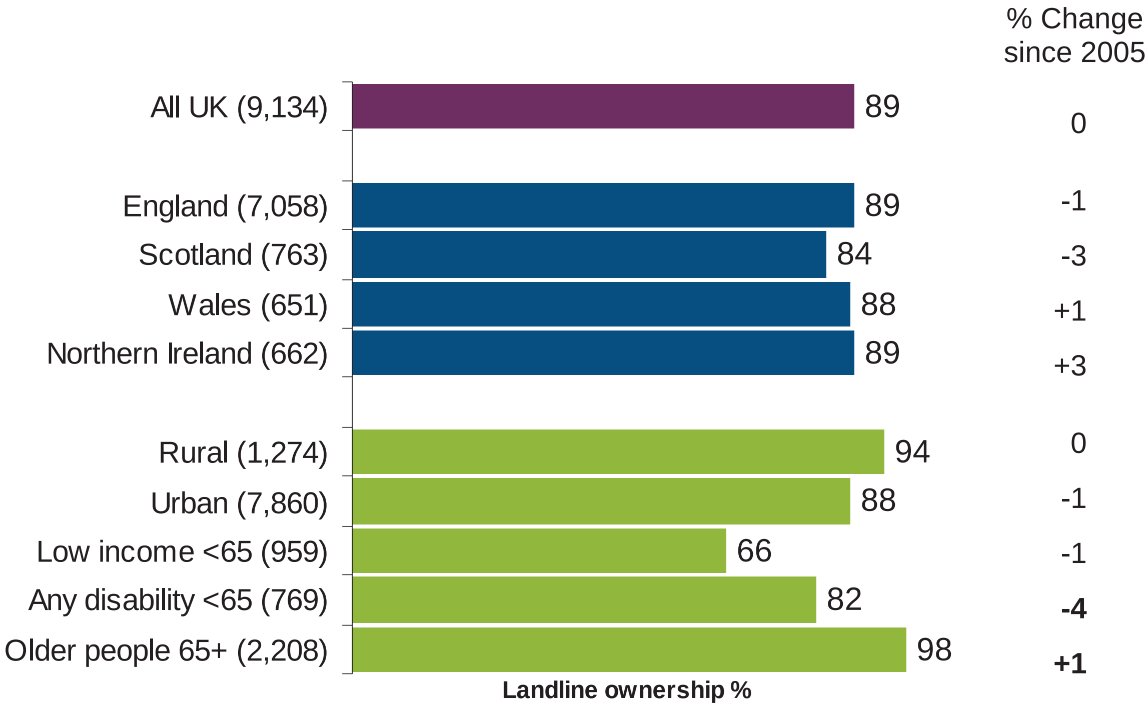
3.3.1 Landline ownership

There has been little change in home landline ownership in the last 12 months, with levels remaining stable at nine in ten consumers. Figure 3.3 provides more detail for the UK nations and ‘vulnerable’ consumer groups.

There has been a small (but significant) decrease in landline ownership among disabled consumers under 65, but over the same period there has been little change among the other consumer groups.

Figure 3.3 Ownership of landline phones 2005-2006

Q: Do you have a landline phone in your home that you're able to use to make and receive calls?



*Numbers in **bold** indicate a significant change in 2006 compared to 2005*

3.3.2 Reasons for not owning a landline

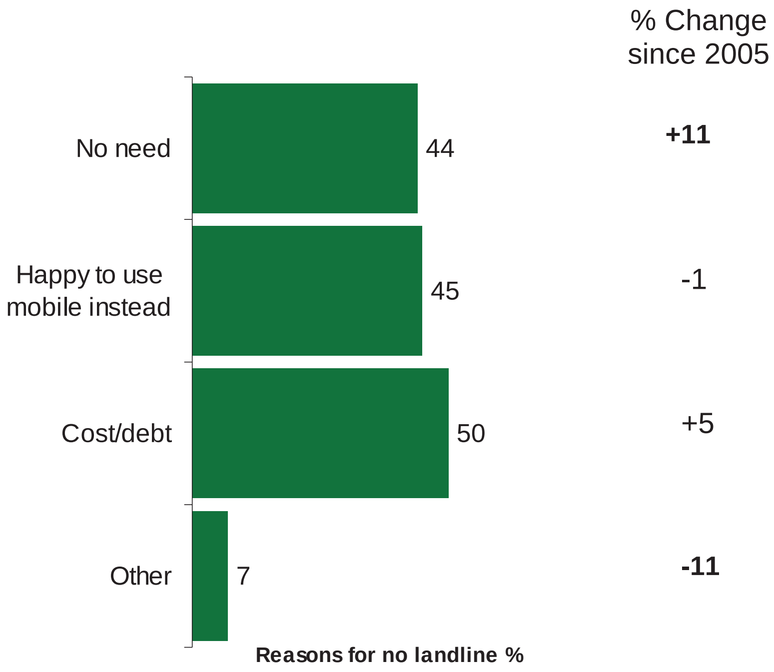
To explore the reasons behind non-usage of communications technology, this study asks whether consumers are likely to start using each service in the next 12 months, and, if not, why. Responses are broadly categorised as either rejection of the technology or exclusion. Rejection includes reasons such as lack of need or interest, whereas exclusion can be due to issues such as high costs or lack of service availability.

In the case of **landlines**, almost half of the reasons mentioned for not having this service revolve around cost and debt (50%); this is therefore a key source of exclusion. Those consumers who reject having landlines commonly mention not needing it or feeling their mobile replaces a landline (44% and 45% respectively). As the base sizes across the vulnerable groups are small, the findings do not show any significant differences to the UK average.

There have been some changes since 2005, with a significant 11% increase in consumers mentioning they do not need a landline.

Figure 3.4 Reasons for not having a landline 2005-2006

Q: Do you have a landline phone in your home that you're able to use to make and receive calls? How likely are you to get [service] in the next 12 months? Why?



Base: All who are unlikely to get a fixed line phone in the next 12 months (250)

*Numbers in **bold** indicate a significant change in 2006 compared to 2005*

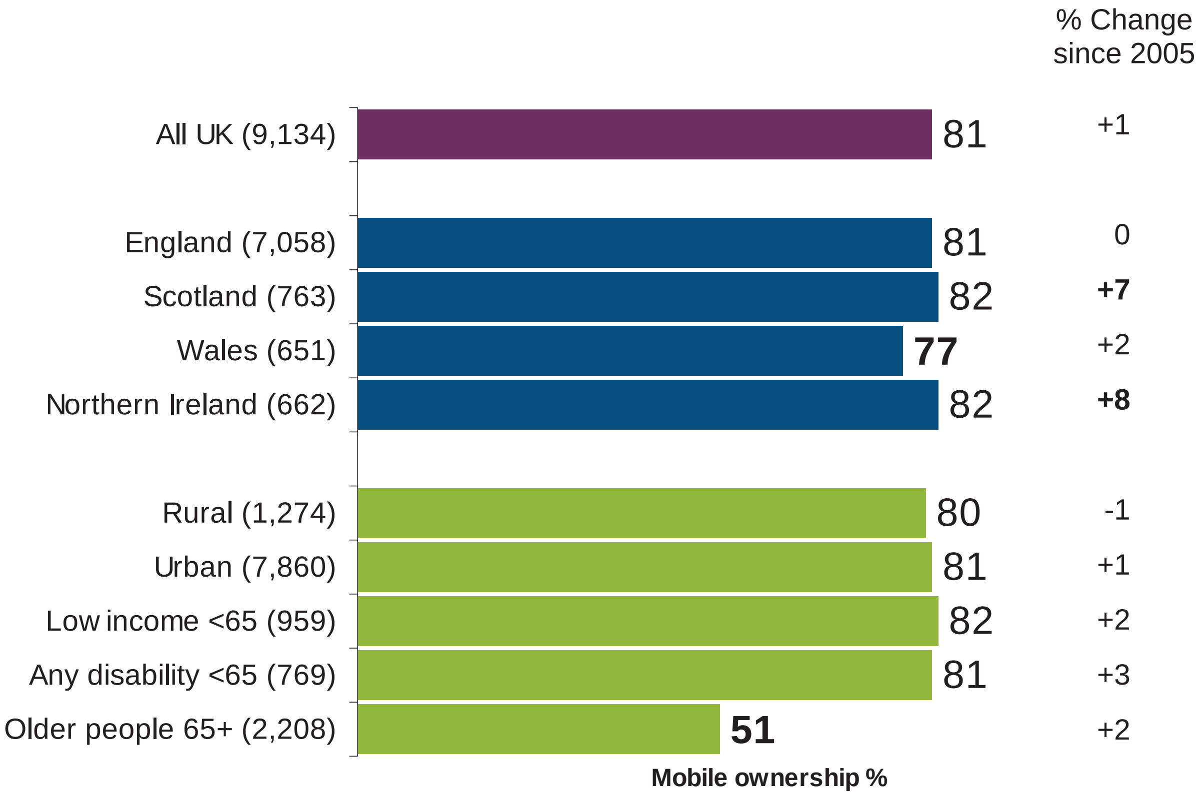
3.3.3 Mobile ownership (including mobile-only ownership)

During 2006, mobile phone usage has remained stable across the UK as a whole, although we see increases in Scotland and Northern Ireland. The majority of consumers continue to use pre-pay or pay as you go plans (64%) rather than monthly contracts (34%).

As in 2005, the 'vulnerable' groups of interest are more likely to use pre-pay or pay as you go plans than those in the UK as a whole. This is the case for those aged over 65 (90% using pre-pay or pay as you go plans in 2006, compared with 64% in the UK as a whole), those on low incomes under the age of 65 (82%) and those with a disability under the age of 65 (76%). One change in 2006 is that consumers in urban areas are more likely to be on a monthly mobile phone contract than those in rural areas (35% compared with 29%). This was not the case in 2005, when the figures for rural and urban were not significantly different from each other.

Figure 3.5 Usage of mobile phones 2005-2006

Q: Do you personally use a mobile phone? Please include any phones used for work or other purposes.



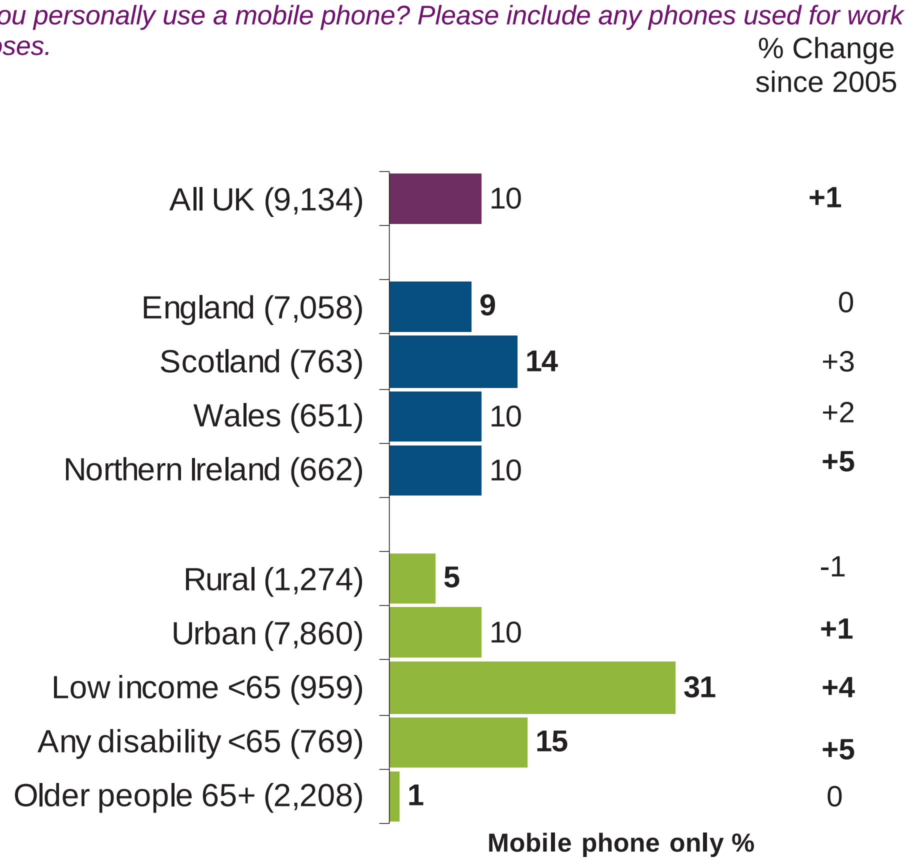
*Numbers in **bold** indicate a significant change in 2006 compared to 2005*

Reflecting national-level findings, there has been no significant change during 2006 in mobile ownership among the different consumers measured. Figure 3.5 shows the findings according to sub-groups of interest.

One in ten consumers in the UK currently have a mobile but not a landline phone; this proportion has changed little in the last year (11% in 2005). Consumers under 65 in low income households are particularly likely to live in mobile only households (31%, up four percentage points from last year). Disabled consumers under 65 are also more likely than average to do so (15%, up five percentage points from 2005). Older consumers are the least likely to live in mobile only households (1%).

Figure 3.6 Mobile only households 2005-2006

Q: Do you have a landline phone in your home that you're able to use to make and receive calls? Do you personally use a mobile phone? Please include any phones used for work or other purposes.



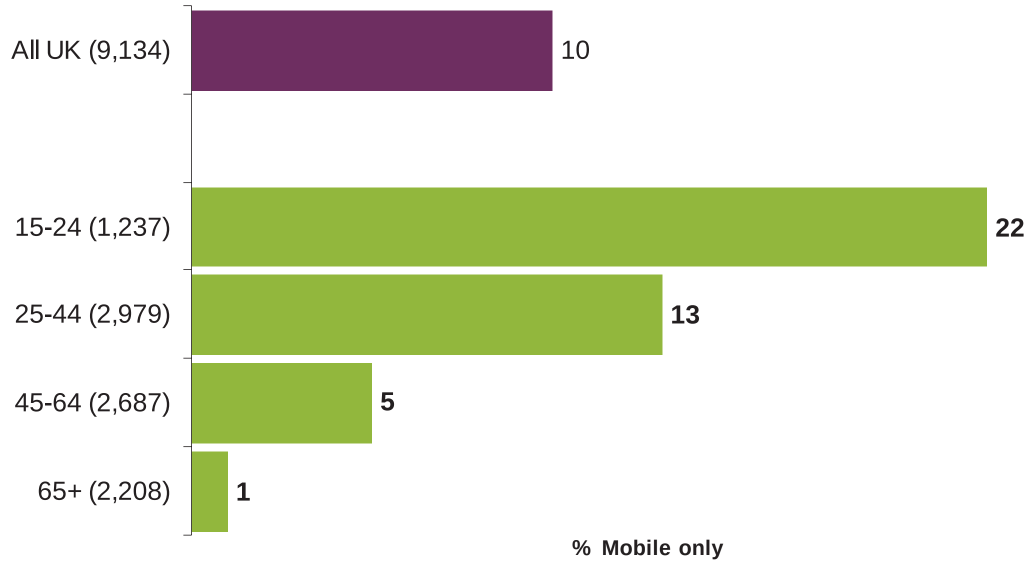
*Numbers in **bold** indicate a significant change in 2006 compared to 2005*

Figure 3.7 further illustrates how age impacts on mobile-only ownership – the younger the consumer, the greater likelihood that they will not use a landline phone. There are likely to be many reasons for these differences, but key factors may well relate to lifestyle and living arrangements.

Figure 3.7 Mobile only households - by age

Q: Do you have a landline phone in your home that you're able to use to make and receive calls?

Do you personally use a mobile phone? Please include any phones used for work or other purposes.



*Numbers in **bold** indicate a significant difference to the All UK average*

Consumers who own a mobile rather than use a landline are more likely to live in urban rather than rural areas (10% v 5%), and mobile only ownership is also higher than average in Scotland (14%).

The most common reasons for having a mobile but not a landline relate to cost, affordability and debt. Nearly half of adults say they only use mobiles to control costs or keep them low (47%), and over one in ten say they do not want to get into debt or cannot afford the charges (13% each). Other reasons reflect lifestyle or personal circumstances, such as not being home enough (12%) or living in a communal household (8%).

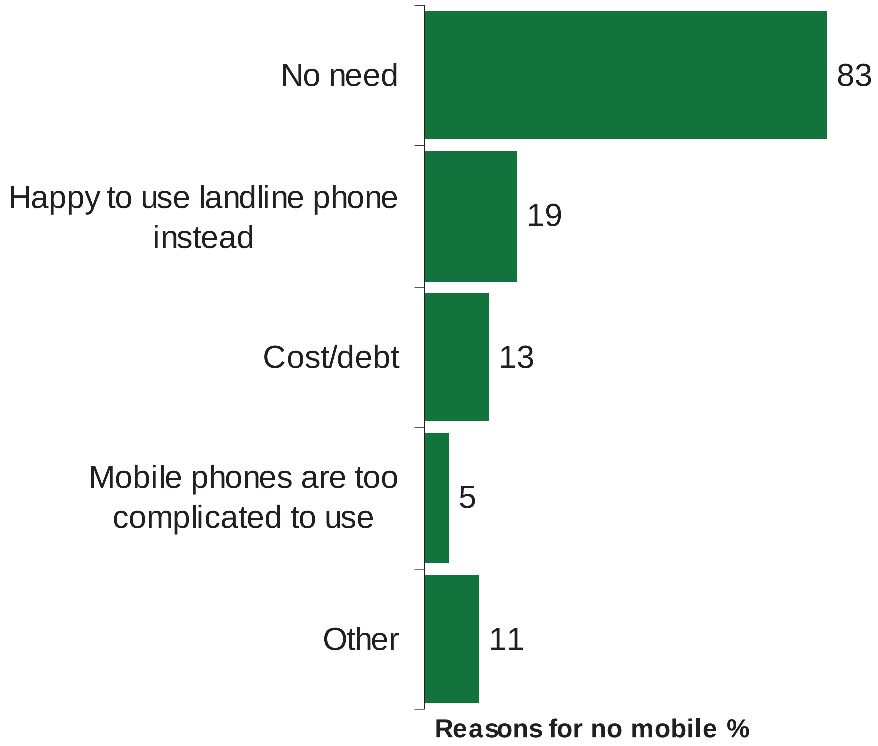
3.3.4 Reasons for not owning a mobile phone

A new question was added to the 2006 study which asked consumers without a mobile (and not intending to get one in the next 12 months) what their reasons are. Again, we have condensed the responses into need, use of alternative technology, cost and other considerations.

The findings show that commonly those without a mobile have chosen not to have one - the majority of mentions centre around a lack of need for mobile phones, and nearly one in five say they are happy to use a landline instead. Just over one in ten say they are excluded from owning mobile phones because of cost or debt, while a minority of mentions focus on inability to use the technology. Again, there are no significant differences between the vulnerable groups because of the small base sizes involved.

Figure 3.8 Reasons for not personally using a mobile phone

Q: Do you personally use a mobile phone? How likely are you to get [service] in the next 12 months? Why?



Base: All who do not personally use a mobile phone and do not intend to get one in the next 12 months (188)

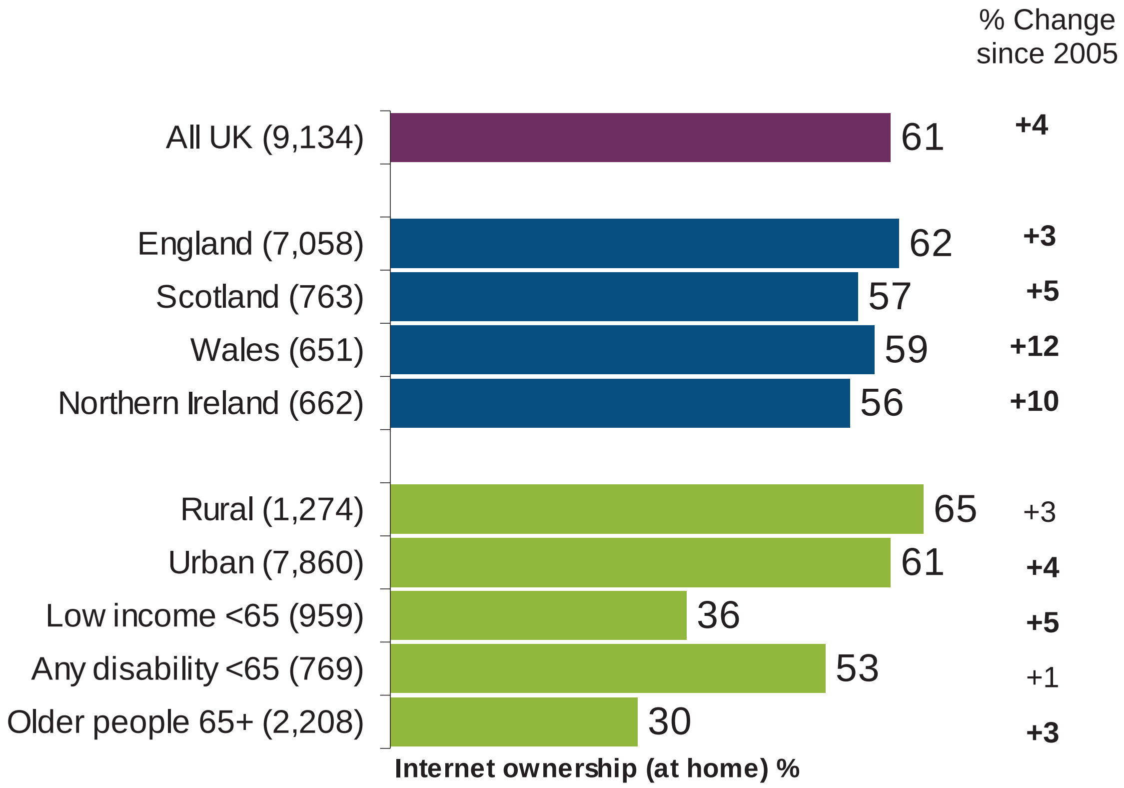
3.3.5 Internet and PC/laptop ownership

Currently over two-thirds (68%) of consumers in the UK have a **PC or laptop at home**. This figure has changed only slightly since 2005 (from 67%), although ownership is considerably lower among consumers over 65, those with a low household income or those with a disability. A slightly lower proportion of consumers have **internet** access at home (61%), but this figure has increased significantly since last year, up from 57%. There still exists a gap between PC/laptop ownership and internet access at home of seven percentage points - down from 10 percentage points in 2005.

The rise in home internet access has occurred in all four nations, with increases of between three and 12 percentage points in the last 12 months.

Figure 3.9 Ownership of internet at home 2005-2006

Q: Do you or does anyone in your household have access to the internet/worldwide web at home?

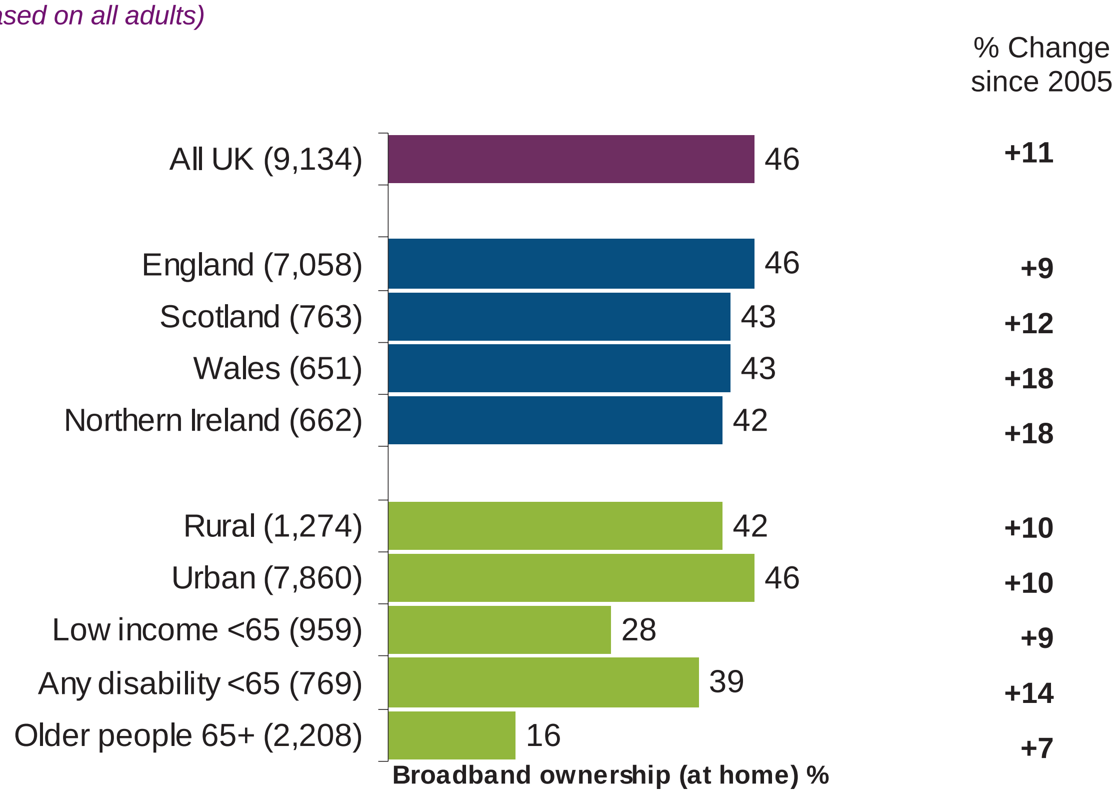


*Numbers in **bold** indicate a significant change in 2006 compared to 2005*

At the same time as the increase in the proportion of consumers with home internet access, take-up of **broadband** has significantly risen in 2006 (from 35% to 46% in the past year).

There has been substantial increase in broadband take-up across all four nations, with each seeing increases of at least 9 points, and particularly big rises in Wales and Northern Ireland. Although there have been significant increases in most of the 'vulnerable' consumer groups, access to broadband remains lowest among those with low incomes and older consumers over 65.

Figure 3.10 Ownership of broadband connection 2005-2006
Q: And which of these methods does your household use to connect to the internet at home? (Based on all adults)



*Numbers in **bold** indicate a significant change in 2006 compared to 2005*

3.3.6 Reasons for not having the internet at home (including broadband)

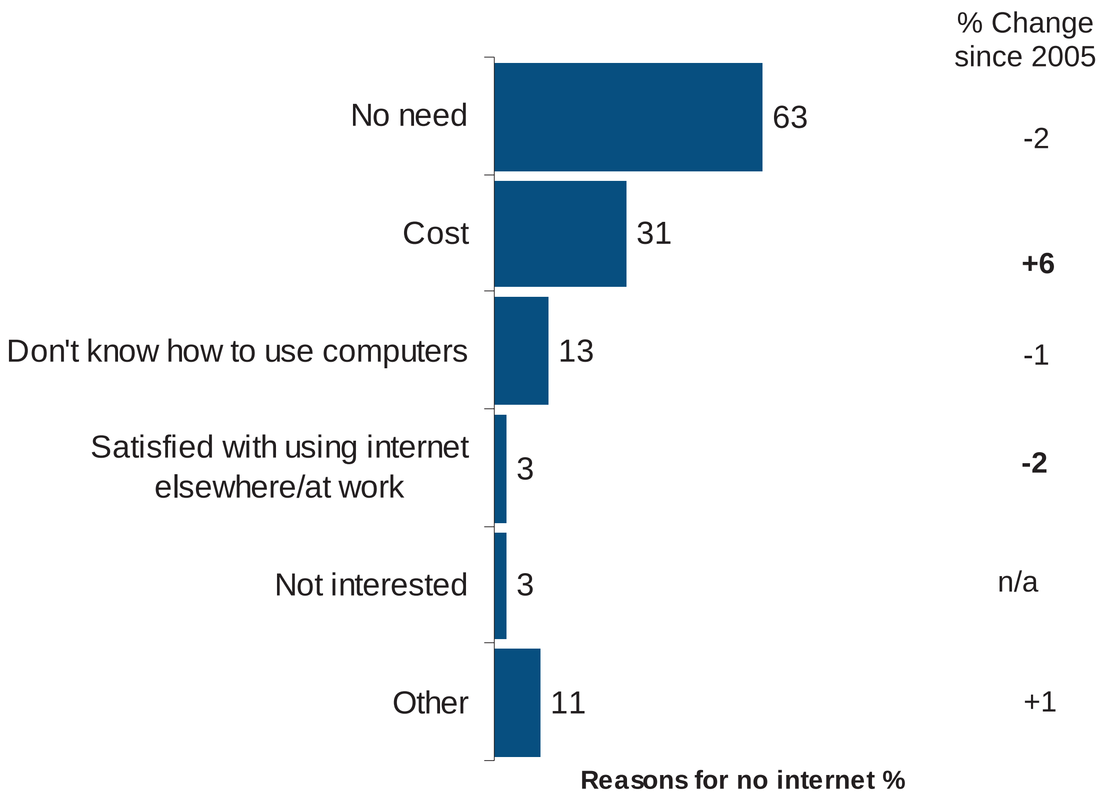
In a similar way to the mobile phone findings, out of all consumers who do not have (and do not intend to get) the internet at home, the most common reason mentioned is a lack of need. In contrast to mobile phones, cost is the second highest mention, with almost a third of these consumers saying it is a reason for having no internet access at home. The proportion saying cost is a factor has also increased significantly in the last year, up six points since 2005. Only a small number of consumers say they are happy to use the internet elsewhere.

Across the vulnerable groups, older consumers are the most likely to say they don’t have a need for the internet (73%), are not interested (5%) and don’t know how to use computers (16%). As described earlier, the oldest age group are also falling behind other consumers in broadband take-up. Their reasons for not using the internet, however, focus less on cost than for other UK consumers (14%).

Cost and expense are more likely to be mentioned by consumers living in rural areas (23%), those with a disability (56%) and consumers with a low income (60%). Cost is therefore a key reason for consumer exclusion from internet access at home, particularly as consumers with a disability or on a low income are less likely to say they don't need the internet (49% and 53% respectively).

Figure 3.11 Reasons for not having the internet at home 2005-2006

Q: Do you or does anyone in your household have access to the internet/worldwide web at home? How likely are you to get [service] in the next 12 months? Why?



Base: All who are unlikely to get internet access at home in the next 12 months (1,410)

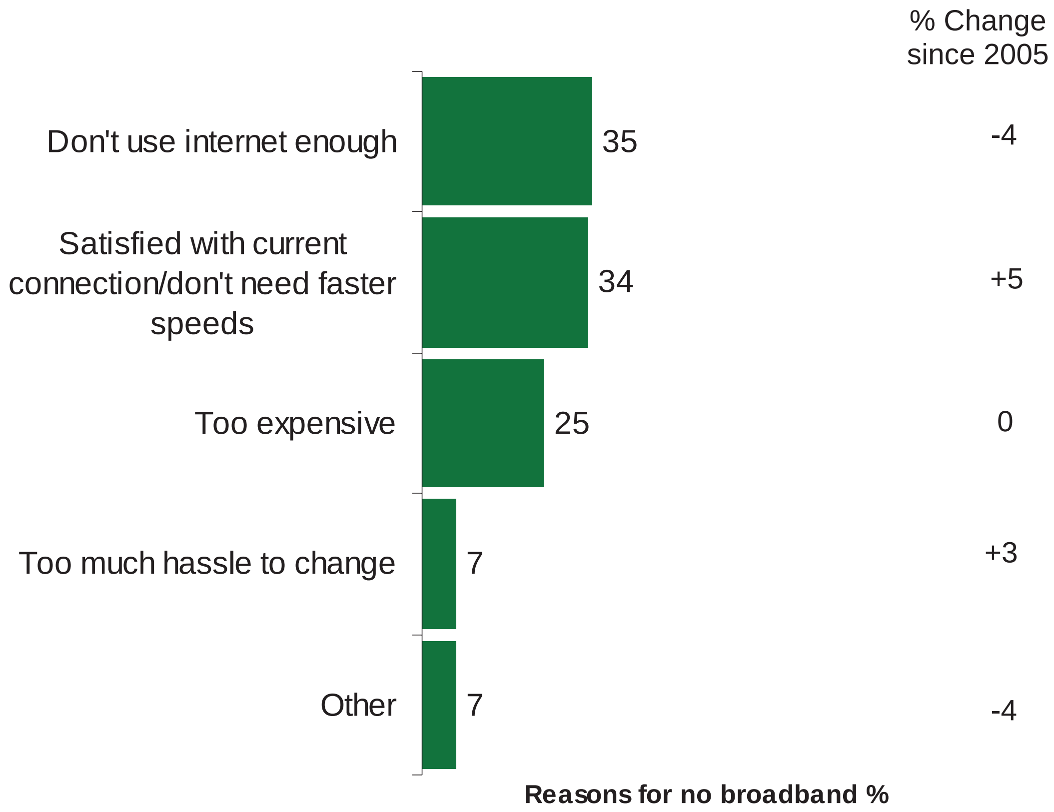
*Numbers in **bold** indicate a significant change in 2006 compared to 2005*

In addition to internet access in general, those who do not have broadband access at home were asked what their reasons were. Consumers were fairly split over why they do not have a broadband connection, with just over a third saying they don't use the internet enough, and a similar proportion of mentions showing satisfaction with their current speed and connection. This suggests that most non-broadband users are rejecting broadband rather than being excluded.

A quarter of responses, however, relate to the high cost of broadband. This suggests that for a significant minority of non-broadband consumers, cost is the key factor which excludes them from take-up. As the number of consumers in each of the vulnerable groups is small, the findings do not show any significant differences from the UK total.

Figure 3.12 Reasons for not having a broadband connection 2005-2006

Q: And which of these methods does your household use to connect to the internet at home? How likely are you to get [service] in the next 12 months? Why?



Base: All who are unlikely to get broadband in the next 12 months (342)

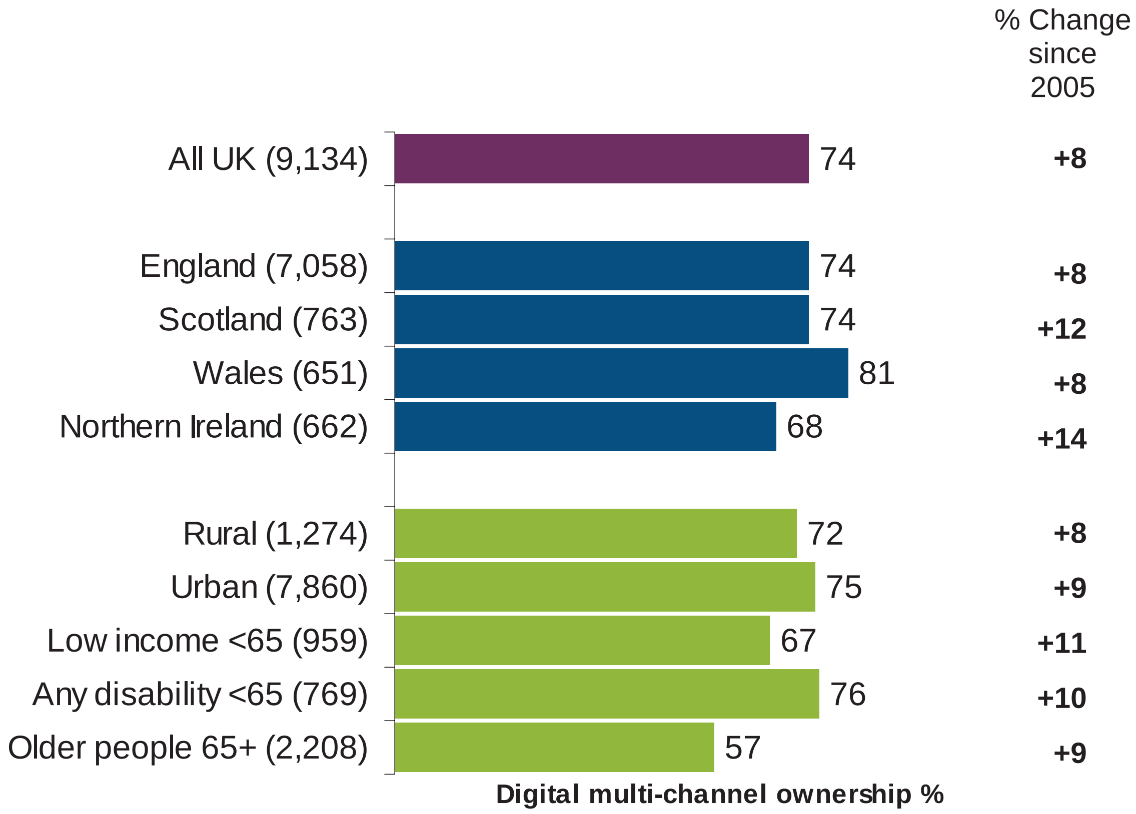
3.3.7 Ownership of digital TV

Take up of **digital TV** has increased in the last year, with nearly three quarters (74%) of adults in the UK now receiving it at home. This increase has been driven by Freeview, with penetration increasing by seven percentage points to 29%. Around a quarter of consumers have Freeview only (24%), while half pay a subscription (50%). In Wales and Northern Ireland, penetration of satellite TV is higher than average – 49% in Wales and 43% in Northern Ireland, compared to 36% overall. Ownership of cable TV is lower, standing at 10% in Wales and 8% in Northern Ireland compared to 15% overall.

Figure 3.13 shows ownership of digital TV across the UK, the four nations and the 'vulnerable' consumer groups. All four nations saw an increase in ownership of digital TV at home in 2006. This is particularly the case for Scotland and Northern Ireland, where both had increases of greater than 10 percentage points. There is greater take-up among all the 'vulnerable' consumer groups in 2006, although those aged 65+ still lag behind.

Figure 3.13 Ownership of digital TV 2005-2006

Q: Which, if any, of these types of television does your household receive at the moment? – Digital multichannel TV



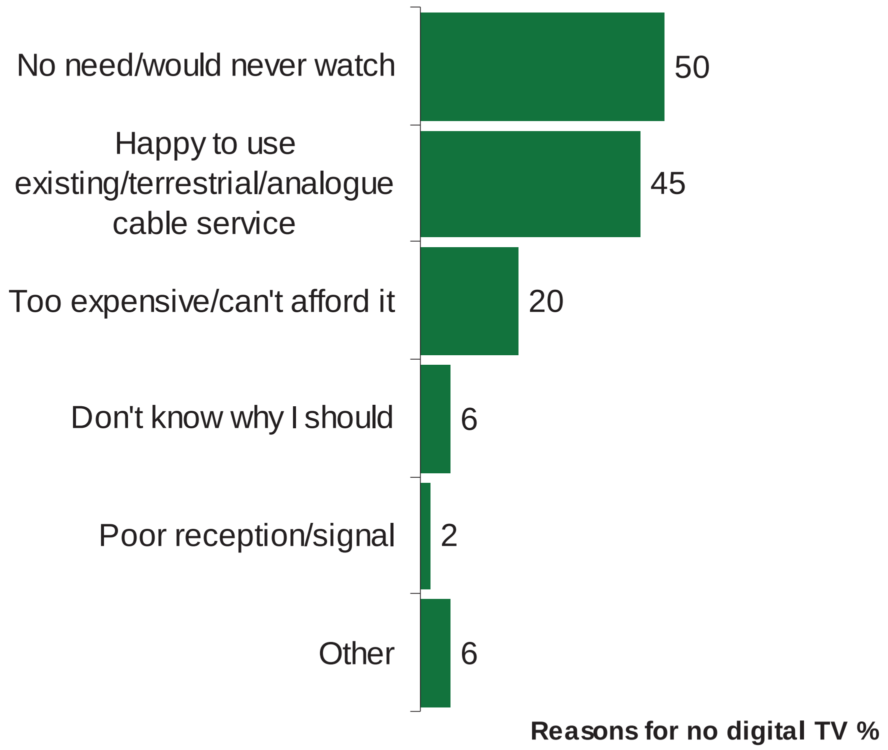
*Numbers in **bold** indicate a significant change in 2006 compared to 2005*

3.3.8 Reasons for not having digital TV

For the first time in 2006, consumers without digital TV were asked to give their reasons for not switching to a digital signal. As shown in figure 3.14, half of these consumers say they do not need it or would never watch it, with over two in five saying they are happy with their current service. A significant minority (20%), however, feel that digital TV is too costly. Although only a small proportion say they don't know why they should, the approaching digital switchover will mean that consumers still need clear communication on what it entails for them.

Although some of the vulnerable groups are too small for significant differences to emerge, older consumers are significantly more likely to reject digital TV rather than be excluded (for instance through cost). They are more likely to say they have no need for it or would never watch it (57%) and are happy with their existing service (59%). They are also more likely to say they don't know why they should convert to digital (9%), while cost is a less common issue among these consumers (14%).

Figure 3.14 Reasons for not having digital TV
Q: Which, if any, of these types of television does your household receive at the moment? – Digital multichannel TV Q How likely are you to get [service] in the next 12 months? Q Why?



Base: All who are unlikely to get digital TV in the next 12 months (408)

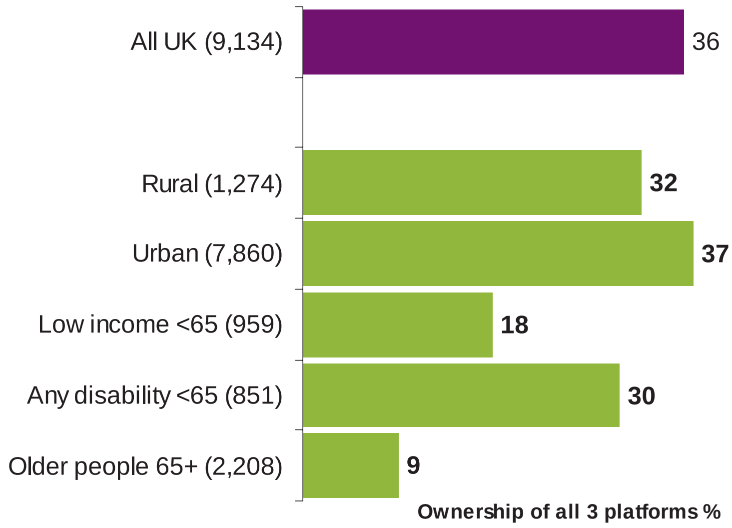
3.4 Multiple platform ownership

As well as looking at individual ownership levels for the four main communications technologies (landline telephones, mobiles, the internet and digital TV), it is also interesting to examine the combinations of services to which consumers have access. The proportion of adults owning **all four** in 2006 is 35%. This is least common among adults over 65 (9%), consumers on a low income (12%), and those with a disability (29%).

Over a third of consumers own all three digital platforms – mobile phone, digital TV and broadband internet (36%). Figure 3.15 below describes take-up among 'vulnerable' groups, and again older consumers, those with a low income or with a disability are less likely to use all three technologies together.

Figure 3.15 Ownership of all three digital platforms (mobile, internet and digital TV) – by 'vulnerable' groups

Q: Do you personally use a mobile phone? Which, if any, of these types of television does your household receive at the moment?- Digital multichannel TV; And which of these methods does your household use to connect to the internet at home? – Broadband

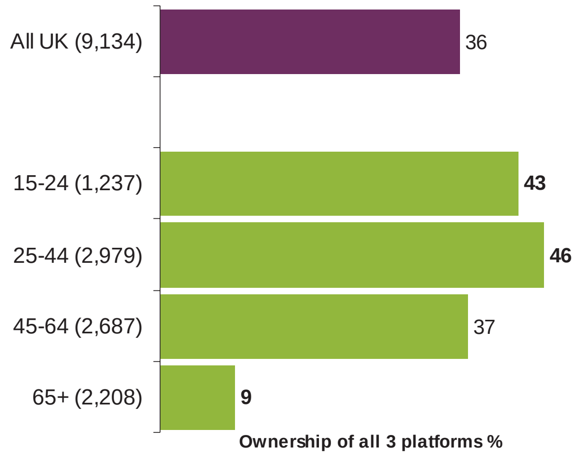


*Numbers in **bold** indicate a significant difference to the All UK average*

Looking at the age distribution in more detail, figure 3.16 below further reveals that the oldest age group (aged over 65) shows significantly lower levels of take-up than other consumers.

Figure 3.16 Ownership of all three digital platforms (mobile, internet and digital TV) – by age

Q: Do you personally use a mobile phone? Which, if any, of these types of television does your household receive at the moment? - Digital multichannel TV; And which of these methods does your household use to connect to the internet at home? – Broadband



*Numbers in **bold** indicate a significant difference to the UK average*

Use of communications technology

Overview

How consumers use mobiles and the internet

- After voice calls, mobile phones are most commonly used for sending and receiving texts (64%), while two in five also use their phone as a camera, and a quarter use photo messaging
- A fifth do not use their mobile phones for anything other than voice calls, particularly older consumers (68%), consumers living in rural areas (31%) and consumers on pay as you go plans (28%)
- The internet continues to be used most often at home for emailing (85%) and general surfing (72%). Three-fifths (63%) use the internet to buy online
- The proportion of home internet users downloading music or film has increased by five percentage points since 2005 to 40%. This is likely to be driven by the growth in broadband connections, as broadband users are much more likely than home internet users with a narrowband connection to download music or film
- Older consumers (65+) and consumers on a low income use the internet for fewer reasons than other consumers

Public payphones

- Usage of public payphones continues to decline, with two thirds of consumers saying they never use them at all, an increase of six percentage points. Only 5% of consumers use payphones at least once a month

Reported spending on home communications

- Reported spending levels for landlines have fallen since 2005, while reported spend for mobiles, the internet and multichannel TV is generally unchanged. Consumers on low incomes are paying less for multichannel TV
- Consumers in Northern Ireland say they are paying more for landlines and mobiles, while older consumers pay less than average for each of these platforms and for the internet

Difficulties using home communications technology

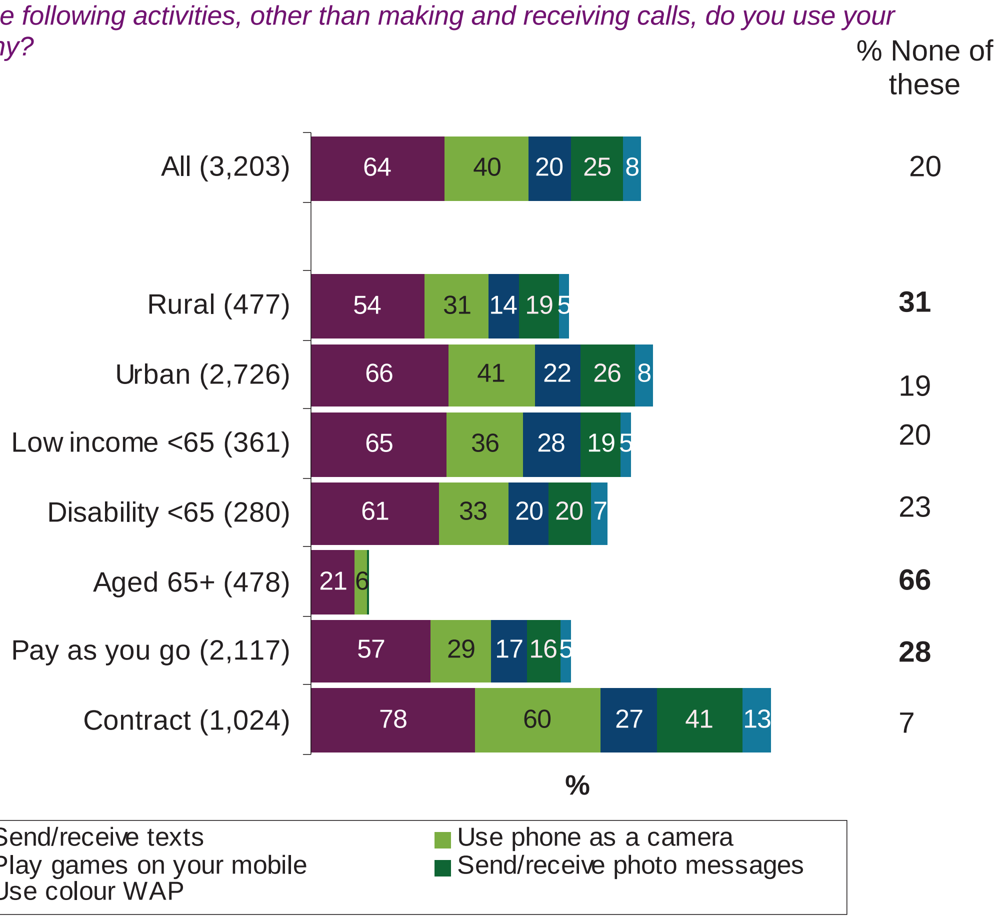
- Around one in ten UK adults have visual, hearing or mobility difficulties using mobile phones, landlines or TVs. Hearing difficulties are the most common

4.1 How consumers use mobile phones

As illustrated by figure 4.1, the use of mobile phones varies greatly according to consumer group. Across all groups, the most common mobile activity after voice calls is sending and receiving texts. Around two in five also use their phone as a camera, and a quarter use photo messaging. Only a minority of consumers use their phone for other services, and one in five only make standard voice calls on their mobiles.

Figure 4.1 Mobile phone activities – by 'vulnerable' groups and payment method

Q: Which of the following activities, other than making and receiving calls, do you use your mobile for, if any?



Base: All who personally use a mobile phone (3,203)

*Numbers in **bold** indicate a significant difference to the UK average*

Older consumers (over the age of 65) use their mobiles in a more limited way, with two thirds of mobile users in this group not using their mobiles for anything other than voice calls. This may be due to cost or difficulties in use (which will be discussed in more detail later in this section).

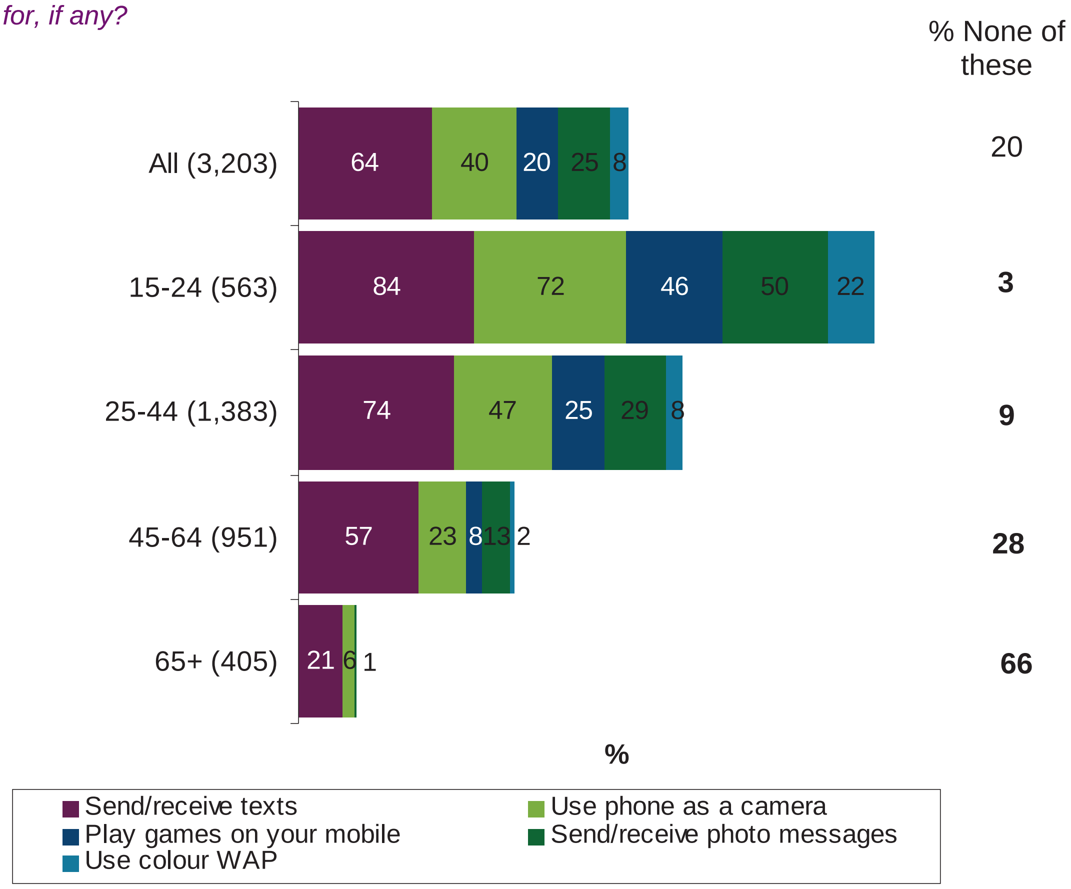
Other groups tend to make broader use of mobiles – those in urban areas are more likely than rural households to use the main services illustrated in figure 4.1, particularly texting, photo and gaming services.

The uses to which mobile phones are put differs according to payment plan, with some stark contrasts between contract and pay as you go consumers. Across all the activities measured in figure 4.1, pay as you go customers are less likely to use the range of services than the UK average, and a quarter (28%) only use their mobiles for voice calls, in contrast to only 7% of consumers on contracts. Contract customers tend to make use of all other phone capabilities, particularly services that are associated with a cost and/or advanced technology (such as taking and sending/receiving photos and using WAP).

While pay-as-you-go users tend to buy their phone and pay for services separately, contract customers often receive free up-to-date mobile phones with services included. These price structures appear to impact significantly on behaviour, discouraging pay as you go customers from using additional services. The relationship between payment plan and service use is magnified by the fact that older and less well-off consumers tend to use pre-pay methods, while younger groups (who tend to use their mobiles more widely, as shown below) are more likely to be on a contract.

Figure 4.2 Mobile phone use – by age

Q: Which of the following activities, other than making and receiving calls, do you use your mobile for, if any?



Base: All who personally use a mobile phone (3,203)

*Numbers in **bold** indicate a significant difference to the UK average*

As figure 4.2 illustrates, there is a strong relationship between age and breadth of mobile phone use. Consumers under 25 use their phones for the widest range of activities, with significantly more consumers using all five services measured. The slightly older group (25-44) are more in line with the UK average, tending to make less use of photo capabilities, gaming and WAP than the youngest consumers, but with three quarters sending and receiving text messages. The two oldest groups display a limited use of their mobiles, tending to use significantly fewer services than other consumers.

4.2 How consumers use the internet at home

As figure 4.3 illustrates, the most common use of the internet at home is e-mail communication, closely followed by general surfing or internet browsing. Making purchases online is also popular, as is searching for information for personal use (such as getting travel information or news). Around three in five consumers use the internet for either of these purposes. Nearly half of internet users do banking online, while slightly fewer use the internet to download music or films or find work-related information.

Figure 4.3 Internet use at home – by 'vulnerable' groups and connection
Q: Which, if any, of these do you or members of your household use the internet for whilst at home?

Base: All with internet at home	**All UK** % *(2,490)*	**Rural** % *(334)*	**Urban** % *(2,156)*	**Low Income under 65** % *(144)*	**With disab-ility under 65** % *(194)*	**Older people aged 65+** % *(295)*	**Broad band** % *(1,775)*	**Narrow band** % *(596)*
Sending/receiving email	85	88	84	**72**	82	**77**	87	**81**
Surfing/browsing	72	71	72	**59**	73	**50**	**76**	**61**
Purchasing goods/services	63	68	62	**41**	**55**	**47**	**68**	**52**
Finding/downloading info for personal use	60	62	59	**46**	60	55	**63**	**55**
Banking	49	50	49	**24**	**41**	**31**	**54**	**36**
Downloading music/movies	40	**31**	42	**32**	44	**9**	**47**	**21**
Finding/downloading info for work	42	44	42	**18**	**35**	**13**	**46**	**31**

*Numbers in **bold purple** are significantly different to the All UK average*

Two 'vulnerable' groups stand out as using the internet in a more restricted way: consumers on a low income under 65 and consumers over 65. These two groups are less likely to have the internet at home in the first place, and those who do are much less likely to use the internet for any of the activities asked about. Older consumers are particularly unlikely to do their banking, download music or films or search for work-related information. Clearly lifestyle is an important factor in determining internet use (for example those over 65 are likely to be retired and therefore will not need the internet for work), but other issues such as perceived need, cost and connection are likely to impact too.

Home internet users under 65 with a disability are less likely than average to use the internet for online shopping or internet banking, despite the potential benefits to this particular group of being able to access such services online. This may well be because these services have greater accessibility issues than other activities.

Connection speed also influences the range of activities the internet is used for. As figure 4.3 shows, broadband users typically use the internet more for most of the activities asked about. This is particularly the case for those requiring higher connection speeds such as downloads. This is to be expected, because a quicker connection makes it easier to access such services. However, consumers who still have a narrowband connection are also perhaps less likely to be engaged with the internet generally.

There is very little difference in how those living in urban areas and rural locations use the internet, compared to home internet users overall. This suggests that location has much less of an influence on the uses consumers make of the internet compared to lifestyle, attitudes and type of connection.

In comparison to mobile phone use, age has less of an influence on internet use. With the exception of the oldest consumers (65+), the ways in which different ages groups use the internet is much more consistent.

Across the UK, there has generally been little change in how consumers use the internet at home over the last year. However there has been a noticeable increase in the proportion of internet users downloading music and film since 2005, increasing from 35% of consumers to 40% now.

4.3 Use of public telephones

Most consumers now never use public payphones, with only a third (33%) saying they ever use them. Only 2% of consumers use payphones at least once a week, and a further 3% at least once a month.

Usage of payphones has declined. In 2005, slightly more used a payphone at least once a month (7% compared to 5% in 2006), and the proportion never using payphones at all is lower (60% compared to 66% now).

While none of the ‘vulnerable’ groups use payphones more than average, older consumers, those living in rural areas and in Northern Ireland are more likely to say they never use public payphones (75%, 72% and 80% respectively compared to 66% overall).

4.4 Reported spending on home communications

All users were asked to estimate how much they spend per month (or per quarter for landlines) on the four services. Figure 4.4 shows how the average UK spend compares across the four services. Although the findings provide an indication of amounts spent and differences across time and between groups, as results depend on consumers' estimations, the amounts quoted should not be considered definitive.

Figure 4.4 Reported monthly/quarterly spend on communications technology

Q: Approximately how much would you estimate the total quarterly bill is for your home landline phone service? Approximately how much do you spend each month on your main mobile phone network? Approximately how much would you estimate your household pays each month for your internet service at home? Approximately how much would you estimate your household pays each month for your multichannel TV service?

Base: All users of each technology	**Landline at home** *(6,306)*	**Personal use of mobile** *(5,444)*	**Internet access at home** *(2,490)*	**Digital TV at home** *(3,448)*
UK TOTAL	£21.28	£22.19	£18.37	£36.92

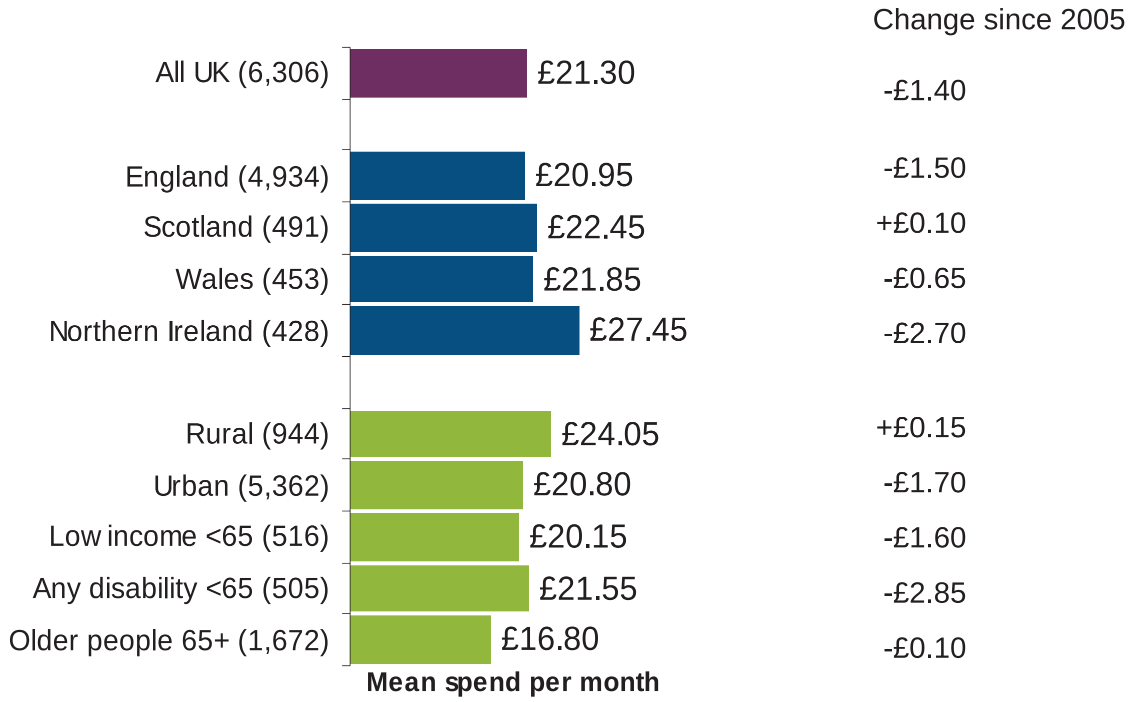
4.4.1 Reported spend on landline

Spending on **landlines** does not vary greatly across England, Scotland or Wales, but consumers in Northern Ireland report paying a higher amount than average, although this difference has reduced in 2006 (consumers in Northern Ireland now pay about £6 more per month).

Households on a low income under 65 tend to pay less than average per month, as do older consumers, while the other 'vulnerable' groups are in line with the average UK spending levels. Overall, the findings suggest that for most consumers, landline bills in 2006 were less than in 2005.

Figure 4.5 Reported spending on landline phones 2005-2006

Q: Approximately how much would you estimate the total quarterly bill is for your home landline phone service? – converted to monthly



Base: All with a landline at home (6,306)

4.4.2 Reported spend on mobile

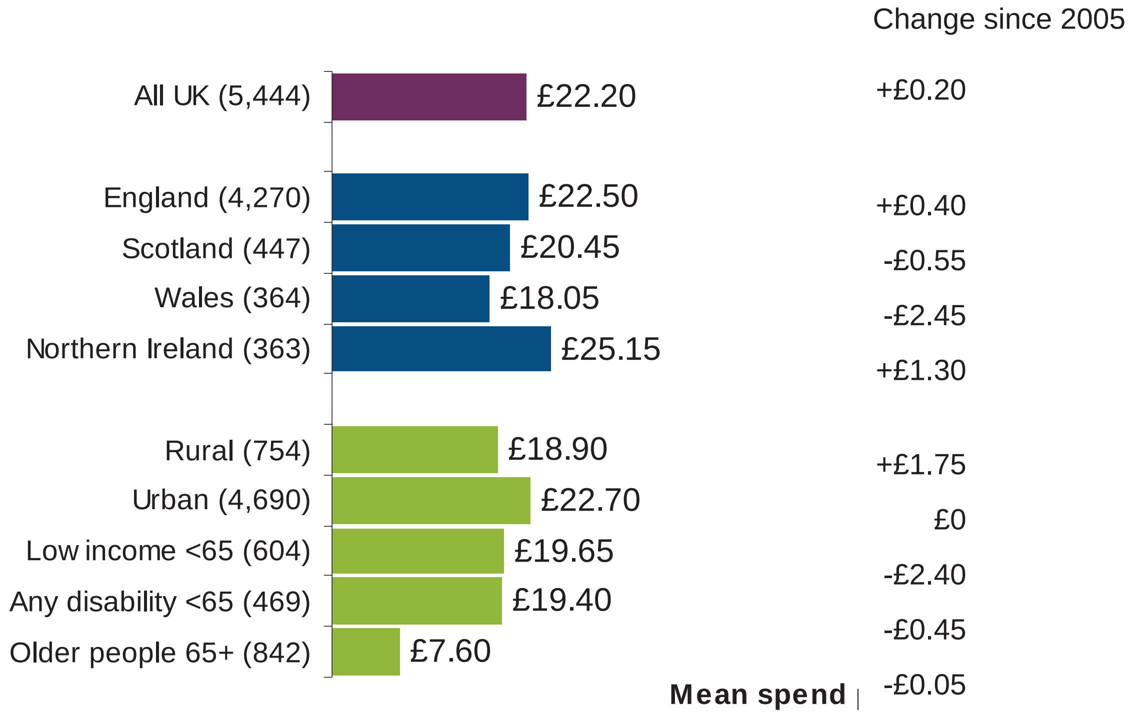
Since 2005, the amount spent on mobile phones every month has stayed stable overall. The average reported spend on **mobile phones** across the UK is currently £22.19, with nearly eight in ten saying they spend up to £30 per month (77%). Looking across the individual nations, the lowest average spend is in Wales (£18.07), while those in Northern Ireland again spend most on average (£25.13).

Spending also varies according to consumer group. Older consumers (over 65) say they spend the least on mobile phones, with an average monthly bill of £7.58, whereas mobile phone users in urban areas tend to spend more than the other 'vulnerable' groups (as shown in figure 4.6). These findings reflect patterns of usage discussed earlier in this report – those living in urban areas are far more likely to use a mobile than others, such as older consumers (over 65) and those on a low income.

There is a significant difference between monthly bills for pre-pay and contract mobile phone users: the average monthly spend for pay as you go customers is £14.11 while contract users pay on average £37.89 per month.

Figure 4.6 Reported spending on mobile phones 2005-2006

Q: Approximately how much do you spend each month on your main mobile phone network?



Base: All who personally use a mobile (5,444)

4.4.3 Reported spend on internet

As figure 4.7 illustrates, the average monthly cost of connecting to the **internet** is about £18.37, and there is very little variation across the four nations. Please note that the question on internet spend was not asked on the Residential Tracker October-December 2006, when 'free' broadband might have been expected to begin having an impact on reported spend.

The findings suggest that those with a disability tend to spend slightly more than other consumer groups, on average their internet costs about £2 more per month than for UK adults overall.

Whilst consumers overall spent roughly the same on their home internet connection in 2006, the findings suggest internet users living in rural areas increased their spending significantly (by £2.64 in the last 12 months)[2].

Although the gap between internet spend has remained between the connection types (broadband customers pay on average £6 more per month), the gap has narrowed slightly since 2005; a year ago the difference between average spend on broadband and average spend on other ways of connecting to the internet at home was £8.

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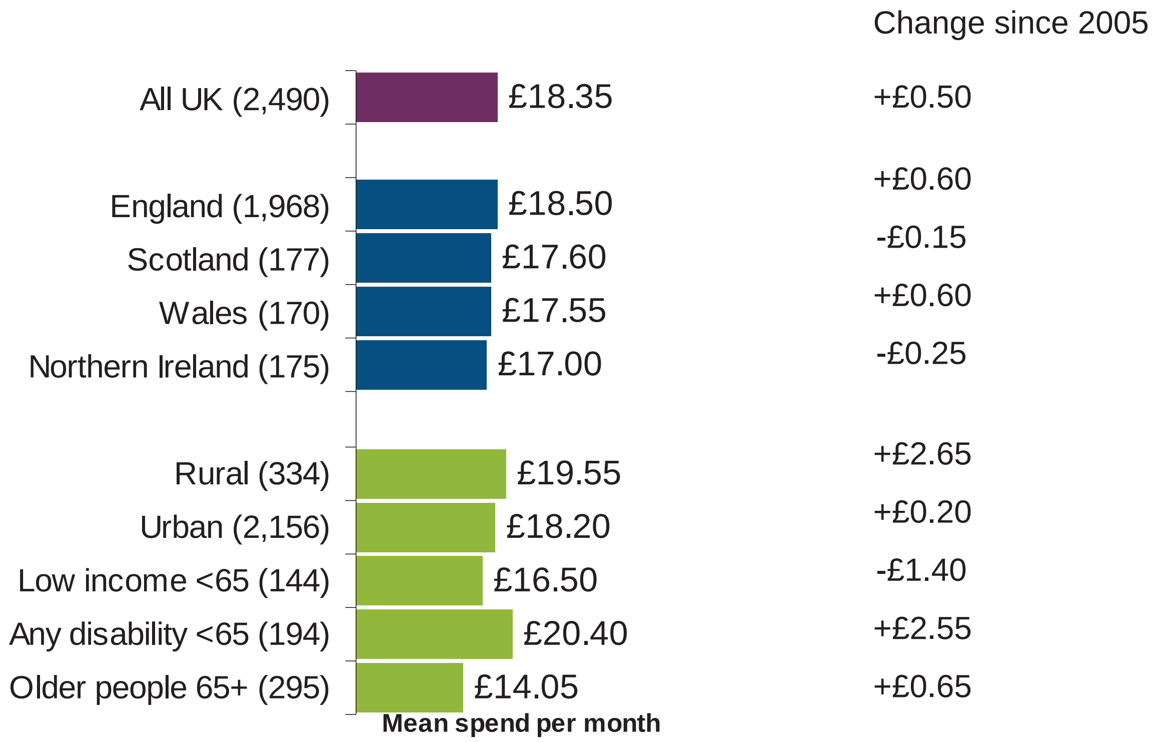
[2] Although use of the internet in rural areas increased slightly in 2006, we cannot tell actual usage levels (i.e. time spent on the internet) which may have an impact on spend.

Figure 4.7 Reported spending on the internet 2005-2006

Q: Approximately how much would you estimate your household pays each month for your internet service at home?



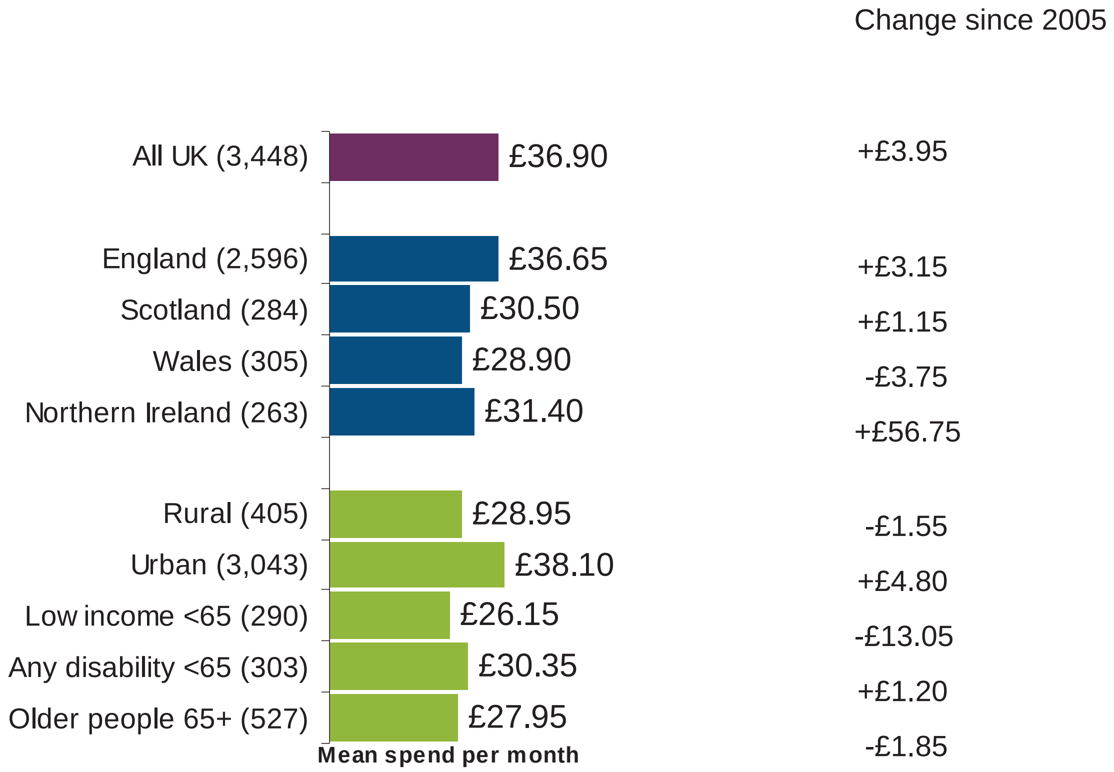
Base: All with internet at home (2,490)

4.4.4 Reported spend on multichannel TV

Again, for **multichannel TV**, costs are broadly similar across the four nations of the UK. Low income consumers say they now pay over £10 less than in 2005, which is likely to relate to the increased availability of deals, more competitive pricing by suppliers and ‘bundling’ where one service or product is tied to the supply of others, often at a discount to the consumer. Other than this, spending levels are similar to 2005.

Figure 4.8 Reported spending on multichannel TV 2005-2006

Q: Approximately how much would you estimate your household pays each month for your multichannel TV service?



All with multichannel TV except Freeview/existing aerial (3,448)

4.5 Difficulties using home communications technology

As figure 4.9 shows, about one in ten consumers have or would be likely to have any visual, hearing or mobility difficulties with mobile phones, TVs and landlines. Across landlines, mobiles and TV, the most common type of difficulty relates to hearing.

Compared to UK adults overall, over 65s tend to have significantly more problems with all of the platforms covered, particularly mobile phones and TVs. Hearing problems are the most common difficulty with landlines and TVs, while the problems surrounding mobiles are split between being visual, hearing and mobility in nature. When watching TV, the biggest difficulties relate to hearing, with 7% of older consumers having difficulties hearing quiet parts of programmes and 10% listening at a volume acceptable to other people. The figures are similar for consumers under 65 with a disability (10% and 7% respectively).

Figure 4.9 Difficulties in using home communications technology - all

Q: Thinking about (DEVICE), do you ever have/think you might have difficulties doing any of the following?

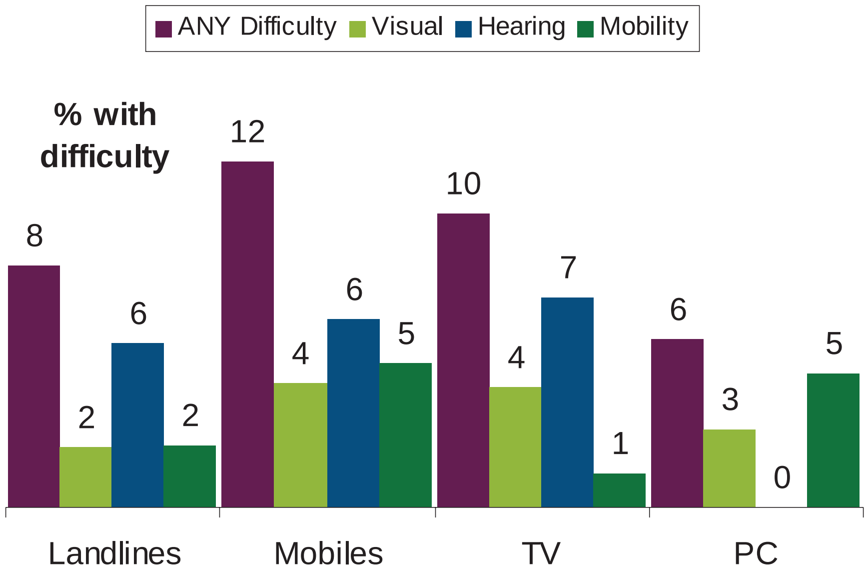
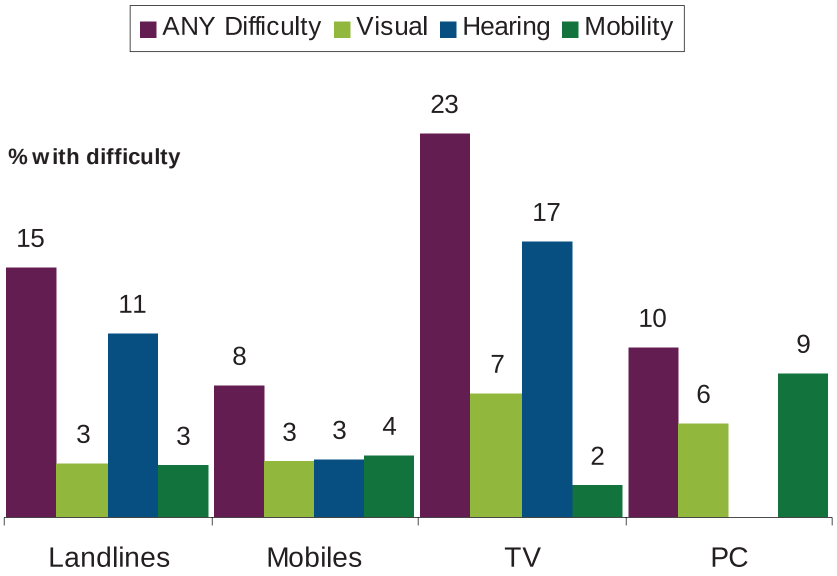


Figure 4.10 Difficulties in using home communications technology – over 65s

Q: Thinking about (DEVICE), do you ever have/think you might have difficulties doing any of the following?

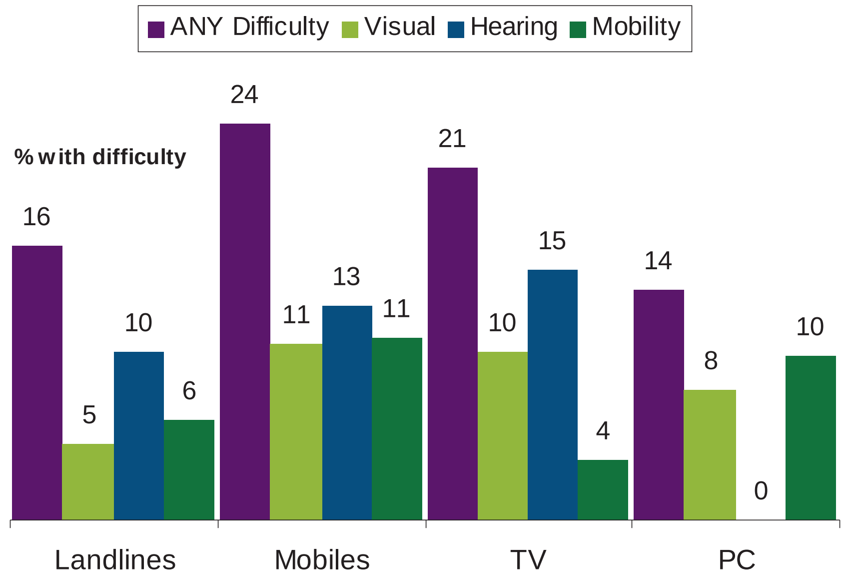


Base: All consumers over 65 (2,208)

Unsurprisingly, consumers with disabilities (under the age of 65) also have more difficulties with communications technology compared to other consumers, with similar proportions reporting problems as for older consumers. Although hearing problems are again the biggest problem for consumers with a disability, this group also tend to experience greater mobility and visual issues when using each platform than other consumers.

Figure 4.11 Difficulties in using home communications technology – consumers with a disability under 65

Q: Thinking about (DEVICE), do you ever have/think you might have difficulties doing any of the following?



Base: All consumers under 65 with a disability (1,487)

Information and switching

Overview

Levels and ease of switching

- Switching remains most prevalent in the mobile phone market, with almost two-fifths (38%) of mobile phone users having ever changed their network supplier
- Levels of switching in the landline market have almost caught up though, having increased by eight percentage points to 35%. The emergence of 'bundled' broadband and landline services appears to be driving this change
- Levels of switching are stable as far as internet suppliers are concerned, with a quarter of users having switched
- The majority of consumers say the process of switching is or would be easy, and this figure has increased since 2005 for consumers with a landline phone to 75%. In contrast, the proportion of consumers saying that switching their home internet service is or would be easy has fallen by 12 percentage points to 70%. This may well reflect the difficulties new providers to the home internet market faced in meeting demand for their services

Information sources

- Cost is the primary information consumers seek in order to compare different suppliers, followed by service information. Cost issues are particularly important for the internet (77%) and mobile phones (73%). Service issues are more relevant for the internet (51%) and digital TV (46%), particularly packages and services available
- Around three-fifths of consumers who use mobiles, home internet or digital TV say it is easy to make cost comparisons between different suppliers. This is true of about half of landline users
- Fewer consumers feel that comparing quality of services between different suppliers is easy, and about a third of landline and digital TV users think it would be difficult
- Across all platforms, family members are the most trusted sources of information, mentioned by about a quarter, followed by friends, cited by about a fifth. Around a fifth also choose the internet. Shops/stores are mentioned by 17% of mobile phone users

‘Vulnerable’ groups

- Older consumers (over 65) are less likely to have switched supplier across any platform, and are the most likely to say it was or would be difficult to switch. They are also less likely than average to find making cost or quality comparisons easy or to be interested in any information on different services
- Rural consumers are less likely than those in urban areas to have changed landline supplier (bundled packages offering cheap landline calls are less likely to be available in rural areas). They are also less likely than average to find making cost or quality comparisons easy or to say it was or would be easy to switch
- Consumers on low incomes aged under 65 are more likely than average to say switching mobile phone supplier is easy. They are also more likely than average to describe cost and quality of service comparisons for landline and multichannel TV suppliers as easy, and to say that quality of service comparisons between mobile phone suppliers are easy

Nations

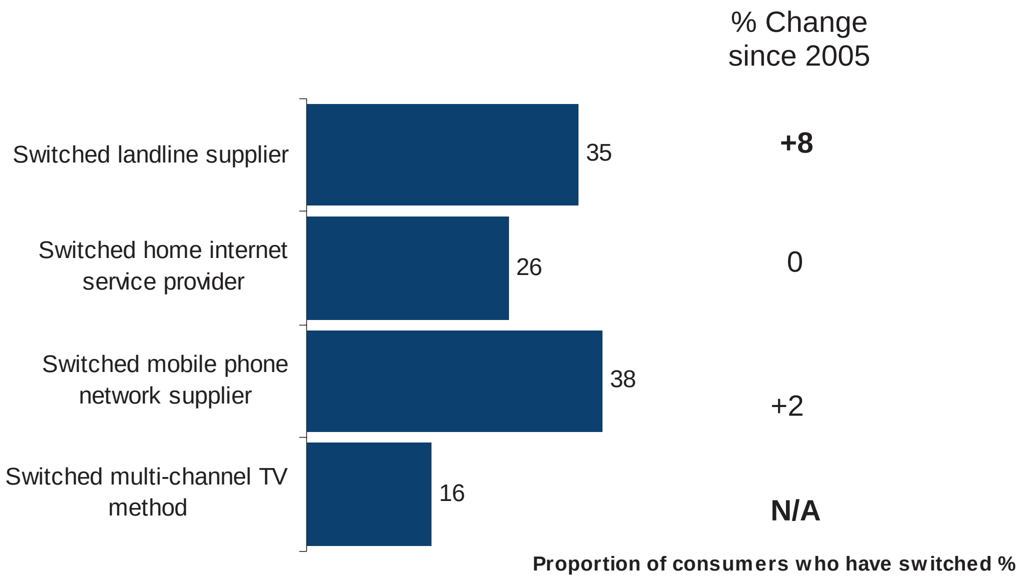
- Consumers in Wales are most likely to have switched their landline or home internet supplier, while consumers in Scotland are most likely to have changed their mobile phone supplier

5.1 Levels of switching

The proportion of consumers who have ever switched their landline phone supplier has increased since 2005, rising from 27% to 35% in 2006. In addition, there has been a two percentage point increase in the proportion of consumers who have ever switched their mobile phone network supplier, rising from 36% in 2005 to 38% in 2006. Only internet supplier switching shows no sign of increase, with the proportion of consumers who say they have switched remaining at 26%. Figure 5.1 illustrates the overall levels of switching behaviour in 2006 compared to 2005.

Figure 5.1 Overall levels of switching behaviour

Q: Apart from when you have moved house, have you or your household ever changed the company that provides your home landline phone service? Have you ever changed your mobile phone network supplier? Apart from when you have moved house, have you or your household ever changed your home internet Service Provider? While living at the same address, has your household ever used any other methods of receiving multichannel television that you have stopped using?



Base: All with a landline (4,295); all who personally use a mobile (3,203); all with internet at home and stating a connection method (3,790); all with multichannel TV (3,599)

*Numbers in **bold** indicate a significant change in 2006 compared to 2005*

There has been a marked increase in the number and types of 'bundled' services that are offered in the UK, (that is, one service or product tied to the supply of others), including some situations where the supply of services is linked through the use of discounts. This is mainly due to the increased number of operators that have developed the facility to offer bundles for the first time, particularly in the area of broadband/landline bundling.

The emergence of 'bundled' broadband and landline services is likely to be an important factor behind the eight percentage point increase in landline switching between 2005 and 2006. Other research conducted by Ofcom on decision making in June 2006 found that in the landline market one of the key drivers for switching behaviour is the ability to get bundled packages and the availability of additional services.[3]

Consumers are switching landline suppliers from BT, as illustrated by the finding that 63% of consumers described BT as their main landline supplier in 2006, which is a drop of ten percentage points from 2005.

Figure 5.2 Switching by nations

Q: Apart from when you have moved house, have you or your household ever changed the company that provides your home landline phone service? Have you ever changed your mobile phone network supplier? Apart from when you have moved house, have you or your household ever changed your home internet Service Provider? While living at the same address, has your household ever used any other methods of receiving multichannel television that you have stopped using?

Base: All with landline/use mobile/have internet at home	**Landline %** *(4,295)*	**Mobile phone %** *(3,203)*	**Internet %** *(3,790)*	**Multichannel TV %** *(3,599)*
All UK	35	38	26	16
England	35	38	26	**17**
Scotland	**30**	40	**21**	**10**
Wales	**41**	38	31	20
N Ireland	31	32	28	**10**

*Numbers in **bold purple** indicate a significant difference to the All UK average*

Geographically, consumers in Wales are those most likely to have switched their landline phone supplier (41%) and their home internet service provider (31%), while consumers living in Scotland are the most likely to have switched their mobile phone network supplier (40%). Of all consumers who have switched their landline supplier, a higher proportion live in urban areas (87%) than in rural areas (13%).

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[3] *The Consumer Experience Research Report* (November 2006)

Figure 5.3 Switching by 'vulnerable' groups

Q: Apart from when you have moved house, have you or your household ever changed the company that provides your home landline phone service? Have you ever changed your mobile phone network supplier? Apart from when you have moved house, have you or your household ever changed your home internet service provider? While living at the same address, has your household ever used any other methods of receiving multichannel television that you have stopped using?

Base: All with landline/use mobile/have internet at home	**Landline %** *(4,295)*	**Mobile phone %** *(3,203)*	**Internet %** *(3,790)*	**Multichannel TV %** *(3,599)*
All UK	35	38	26	16
Rural	30	34	26	12
Urban	**36**	38	26	**17**
Low income aged under 65	31	32	21	19
With disability aged under 65	**46**	43	28	**26**
Older people aged 65+	29	16	19	12

*Numbers in **bold purple** indicate a significant difference to the All UK average*

Amongst the 'vulnerable' consumer groups, consumers aged 65+ are those least likely to have switched suppliers for any of the communication services. Figure 5.3 shows what proportion of 'vulnerable' consumers have switched supplier for each of the types of communication service included. The figures highlighted in bold font indicate that the result is significantly higher than the average consumer for that particular service type.

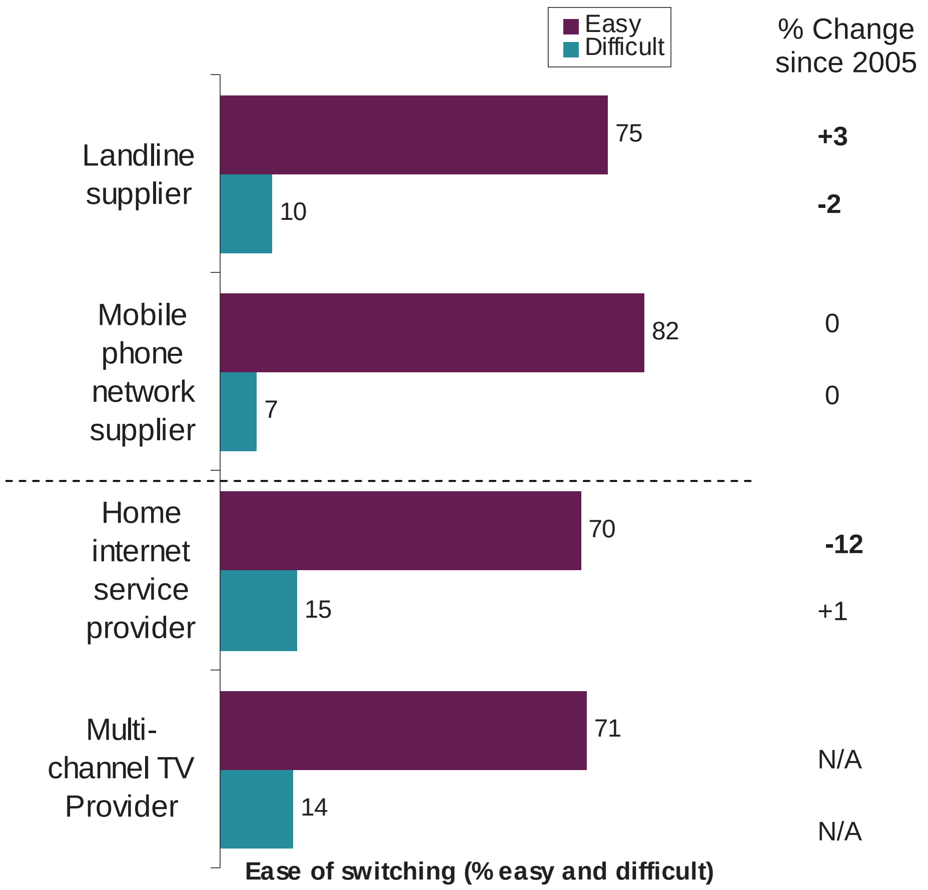
5.2 Ease of switching

Among consumers who have each type of communication service included, the majority say that either they found the experience of switching supplier easy (those who have changed supplier) or that they think it would be easy to switch supplier (those who have not changed supplier).

Four in five consumers (82%) say that switching their mobile phone service supplier was or would be easy; this is the highest proportion giving this view out of any of the four communication services. Consumers with a landline phone are significantly more likely now (75%) than they were a year ago (72%) to say that the experience of switching was or would be easy. In contrast, the proportion of consumers who say that switching their internet service provider was or would be easy has decreased significantly from 82% in 2005 to 70% in 2006. Figure 5.4 illustrates how consumers' perceptions compare with 2005.

Figure 5.4 Ease of switching suppliers

Q: How easy or difficult was it to change/do you think it would be to change your [service] supplier?



Base: All with a landline phone (3,669); all who personally use a mobile (3,203); all with internet at home (2,490); all with multichannel TV (3,599)

*Numbers in **bold** indicate a significant change in 2006 compared to 2005*

Among 'vulnerable' consumer groups, the over 65s, people on low incomes aged under 65 and those with a disability and aged under 65, are those more likely than average to feel unsure about whether switching is easy or difficult for all types of communication services included. Consumers living in urban areas are significantly more likely than those living in rural areas to say it is easy to switch supplier. In addition, low income consumers aged under 65 are significantly more likely than those in the UK as a whole to say that switching mobile phone supplier is easy.

Interestingly, when it comes to switching multichannel TV suppliers, it is those consumers who are more affluent that are more likely to say they have found or think they would find the experience difficult. Almost one in five (18%) consumers who earn at least £30k per year say switching their multichannel TV supplier was or would be difficult.

Figure 5.5 shows the proportions of ‘vulnerable’ consumers who say it is easy to switch supplier. The figures highlighted in bold font indicate that the result is significantly higher or lower than the average consumer for that service type.

Figure 5.5 Proportion of ‘vulnerable’ groups who find it easy to switch supplier

Q: How easy or difficult was it to change/do you think it would be to change your [service] supplier?

Base: All with landline/digital TV/use mobile /have internet at home	**Landline** **%** *(3,669)*	**Mobile phone** **%** *(3,203)*	**Internet** **%** *(2,490)*	**Digital TV** **%** *(3,599)*
All UK	75	82	70	71
Rural	69	75	66	59
Urban	**77**	**84**	**71**	**73**
Low income aged under 65	80	**87**	69	73
With disability aged under 65	77	83	66	70
Older people aged 65+	61	60	59	61

*Numbers in **bold purple** indicate a significant difference to the All UK average*

5.3 Information used when switching

For each of the types of communication service included in this study, the primary type of information consumers say they use in order to compare different suppliers is the **total cost of services**. Consistent with the 2005 results, no less than two thirds of consumers mention ‘cost’ as a type of information they use when comparing all types of communication services. Mentions of total cost are highest for consumers with the internet at home (77%).

Examining information about specific costs that consumers use in order to compare different suppliers, the majority of consumers say they use information on the ‘cost of calls’ or the ‘cost of subscription’. However, the proportion of consumers who mention the ‘cost of calls’ as an information source they use when comparing different suppliers for landline phone services and mobile phones, has decreased significantly, down from 55% in 2005 to 51% in 2006 for landline services and from 53% to 49% for mobile services.

Looking at sources of information related to service, customer satisfaction scores and the range of services available are the sources of information that consumers most commonly cite using when they compare different suppliers. Figure 5.6 highlights the main sources of information consumers say they use for each type of service and how this compares with a year ago (2005).

Figure 5.6 Main sources of information used when changing supplier

Q: If you were to change landline phone supplier/mobile phone network supplier/your household's internet supplier(s)/Digital TV supplier(s), which, if any, of these sources of information would you realistically use to compare different supplier(s)?

Base: All with landline/digital TV/ use mobile/have internet at home	**Land line 2005** *(3,954)*	**Land line 2006** *(3,446)*	**Mobile phone 2005** *(3,386)*	**Mobile phone 2006** *(2,969)*	**Internet 2005** *(1,601)*	**Internet 2005** *(2,072)*	**Digital TV 2005** *(1,920)*	**Digital TV 2006** *(3,201)*
Total Cost	68	67	73	73	74	77	68	68
Cost of calls	**55**	**51**	**53**	**49**	n/a	n/a	n/a	n/a
Cost of subscription	n/a	n/a	n/a	n/a	62	62	61	58
Total Service	24	22	27	27	50	51	44	46
Customer Satis-faction Scores	16	14	12	13	18	21	12	14
Services available	n/a	n/a	n/a	n/a	27	24	21	21
Channel packages offered	n/a	n/a	n/a	n/a	n/a	n/a	31	31
Alternative speeds available	n/a	n/a	n/a	n/a	26	25	n/a	n/a
Coverage	11	9	28	27	18	21	17	19

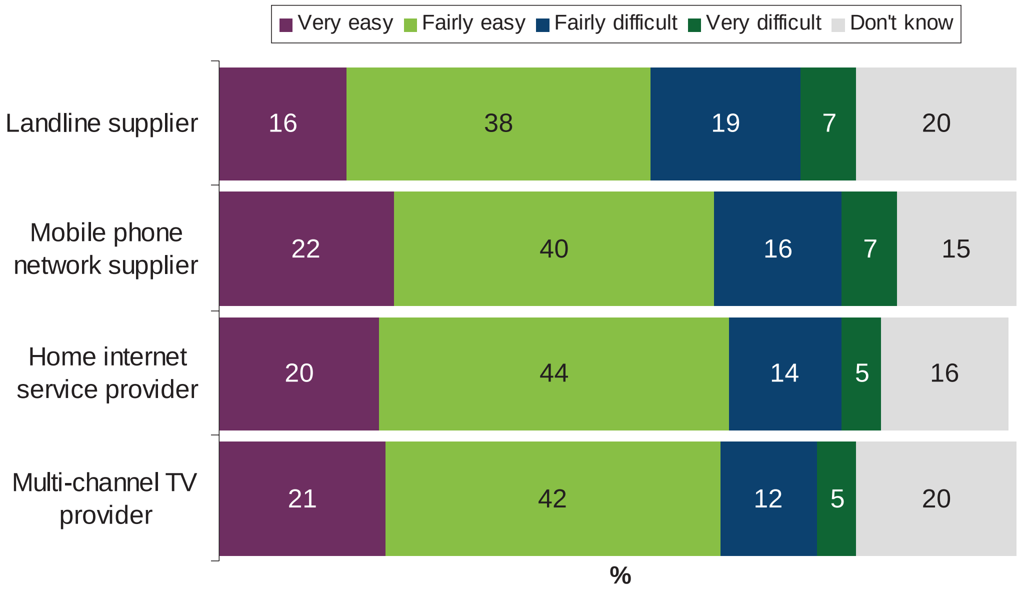
*Numbers in **bold purple** indicate a significant change in 2006 compared to 2005*

When asked about sources of information for mobile phone suppliers, coverage is cited by a significantly higher proportion of consumers living in rural locations than urban locations (40% in rural areas compared to 25% in urban). Coverage is also a bigger issue for rural consumers looking for information on landline phones, although to a smaller extent (14% in rural areas compared to 8% in urban areas). In contrast, when considering multichannel TV suppliers, consumers living in urban areas are significantly more likely than those in rural locations to seek out information relating to costs (69% in urban areas compared to 61% in rural). These findings suggest that coverage remains an important issue in rural areas and that the market for multichannel TV suppliers is more competitive in urban than in rural areas.

5.4 Ease of making cost and quality comparisons

Comparing all types of communication services included in this study, consumers are most likely to say it is easy to make **cost comparisons** between home internet service providers (64% of all those with the internet at home), multichannel TV suppliers (63% of all those with multichannel TV) and mobile phone suppliers (62% of all who personally use a mobile phone). In comparison just over half of consumers with a landline phone say it is easy when comparing costs for landline suppliers (54%). Figure 5.7 illustrates the extent to which consumers find it easy or difficult to make cost comparisons between different suppliers.

Figure 5.7 Consumers' experiences of making cost comparisons
Q: How easy or difficult do you think it is to make cost comparisons between [service] suppliers?



Base: All with a landline phone (3,669); all who personally use a mobile (3,203); all with internet at home (2,490); all with multichannel TV (3,599)

Among the 'vulnerable' groups, those aged over 65 are more likely than average to say they find it difficult to make cost comparisons for internet (25% of those aged over 65, compared to 20% overall) and multichannel TV suppliers (20% of those aged over 65, compared to 17% overall).

Looking at type of locality, it is clear that consumers living in urban locations are significantly more likely than their rural counterparts to say that making cost comparisons for all communication service types is easy. Furthermore, low income consumers aged under 65 are more likely than average to say that cost comparisons for landline and multichannel TV suppliers is easy.

Figure 5.8 illustrates the similarities and differences in opinion between these ‘vulnerable’ groups.

Figure 5.8 ‘Vulnerable’ groups’ experiences of making cost comparisons
Q: How easy or difficult do you think it is to make cost comparisons between [service] suppliers?

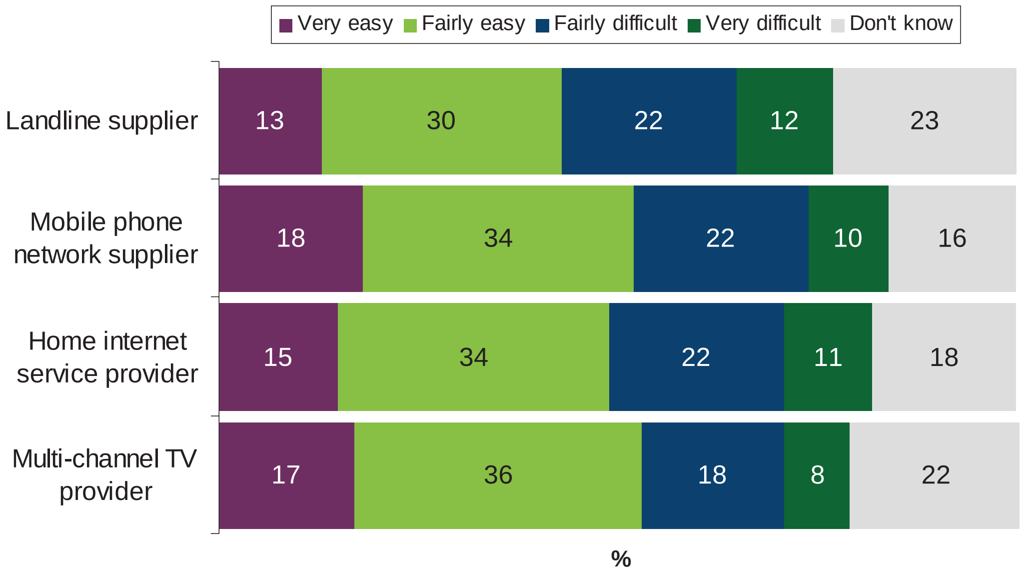
Base: All with landline/ multichannel TV /use mobile/have internet at home	**Land line % easy**	**Land line % difficult**	**Mobile phone % easy**	**Mobile phone % difficult**	**Inter net % easy**	**Internet % difficult**	**Multi Channel TV % easy**	**Multi Channel TV % difficult**
All UK	54	26	62	23	64	20	63	17
Rural	45	29	53	26	57	20	49	**22**
Urban	**56**	26	**64**	23	**65**	20	**65**	17
Low income aged under 65	**60**	23	66	18	67	19	**68**	15
With disability aged under 65	54	27	63	19	58	23	59	18
Older people aged 65+	38	26	39	25	46	**25**	48	**20**

*Numbers in **bold purple** indicate a significant difference to the All UK average*

Compared to the results for making cost comparisons, lower proportions of consumers find it easy to compare **quality of services** between the different communication suppliers. This is most pronounced for consumers with a landline phone, with a third (34%) saying that it is difficult to make comparisons, while two in five say it would be easy (43%). Figure 5.9 illustrates the extent to which consumers say it is easy or difficult to make comparisons of service quality between different communication service suppliers.

Figure 5.9 Consumers' experience of making quality of service comparisons

Q: How easy or difficult do you think it is to make quality of service comparisons between [service] suppliers?



Geographically, consumers living in Scotland make up a significant proportion of consumers who say it is easy to make quality of service comparisons for all communication service types. In contrast, significant proportions of consumers in England say it is difficult to make cost comparisons for landline phone and mobile phone suppliers.

Overall, the main variations in opinion are between consumers who live in rural or urban locations and between those on low incomes aged under 65 and consumers as a whole. For all types of communication services, consumers who live in urban areas are significantly more likely than consumers from rural locations to find it easy to make quality of service comparisons. Furthermore, low earners aged under 65 are more likely than average to say it is easy to make quality of service comparisons for landline, mobile phone and multichannel TV services.

Consumers aged over 65 are more likely than those in the UK as a whole to say they 'don't know' how easy or difficult it would be to make quality of service comparisons.

Figure 5.10 Consumers' experiences of making service quality comparisons – 'vulnerable' groups

Q: How easy or difficult do you think it is to make quality of service comparisons between [service] suppliers?

Base: All with landline/ multichannel TV /use mobile/ have internet at home	**Land Line % easy**	**Land line % difficult**	**Mobile phone % easy**	**Mobile phone % difficult**	**Inter-net % easy**	**Inter-net % diff-icult**	**Multi Channel TV % easy**	**Multi Chann el TV % diff-icult**
All UK	43	34	52	31	49	33	52	26
Rural	33	35	42	34	41	33	37	**32**
Urban	**45**	33	**54**	31	**51**	33	**55**	25
Low income aged under 65	**51**	30	**58**	23	56	30	**58**	23
With disability aged under 65	46	32	56	28	43	38	53	23
Older people aged 65+	31	28	32	29	39	31	40	25

Base: All with a landline phone (3,669); all who personally use a mobile (3,203); all with internet at home (2,490); all with multichannel TV (3,599)

*Numbers in **bold purple** indicate a significant difference to the All UK average*

5.5 Most trusted sources of information

Consistent with 2005, personal sources remain the most trusted information when looking for advice or information about different suppliers, technology or service options.

Across all of the communication service types, family members, friends, the internet in general and the supplier that people already use for each service are in the top five trusted sources mentioned by consumers. The first three of these were also in the top five trusted sources mentioned across all communication service types included in the 2005 study.

Figure 5.11 Trusted sources of information for consumers

Q: If you were looking for advice or information on mobile phone technology, service and suppliers, ways of connecting to the internet, ways of receiving TV channels, different options and suppliers for making calls from your landline, where would you turn to for trusted information?

	Mobile Phone Technology		**Ways of connecting to the Internet**		**Ways of receiving TV**		**Different options & suppliers for making calls from a landline**	
	2005	2006	2005	2006	2005	2006	2005	2006
Base: All (1505)	%	%	%	%	%	%	%	%
Family members	28	27	29	29	27	28	25	26
Friends	21	19	23	22	21	20	18	19
Supplier already using for the service	9	12	5	7	8	10	11	15
Internet in general	19	20	18	21	15	19	17	20
Visit shop/store selling technology/device	23	**17**	10	7	15	12	8	6

*Numbers in **bold purple** indicate a significant change in 2006 compared to 2005*

5.5.1 Sources of information most trusted by 'vulnerable groups'

Across all the platforms, older consumers are more likely to rely on family members for trusted advice, while for most services they are significantly less likely to ask friends. Interestingly, this group is the most likely of all 'vulnerable' consumers to say they would not look for information at all – this is consistent across all four platforms. Another trend across the services is that the internet is a particular source that is used less among certain consumers, notably those on a low income, those with a disability or older consumers (this reflects the fact that these groups all have below average access to the internet at home, as described in chapter 3).

When consumers are looking for information on **mobile phones and suppliers**, they tend to use the popular sources mentioned above for trusted information. Some 'vulnerable' groups, however, show different preferences on where to get trusted information. Those living in rural areas are more likely than others to use magazines or newspapers to get information on mobiles, while consumers with a disability (under the age of 65) tend to use family members more for trusted advice, as do older people.

Although they turn to their family for advice, the oldest consumers (65+) are less likely to look for information from the other top sources such as friends, their current supplier, newspapers and magazines and the internet. At the same time, they are significantly more likely to say they would not look for information or advice at all.

Figure 5.12 Trusted sources of information for consumers – mobiles, by 'vulnerable' groups

Q: If you were looking for advice or information on mobile phone technology, services and suppliers, where would you turn to for trusted information?

Base:	**UK TOTAL** **%** *(1,505)*	**Rural** **%** *(182)*	**Urban** **%** *(1,323)*	**Low Income under 65** **%** *(153)*	**With disab-ility under 65** **%** *(138)*	**Older people aged 65+** **%** *(377)*
Family members	27	33	**26**	32	**38**	**35**
Internet in general	20	16	20	**10**	**11**	**4**
Friends	19	20	19	21	18	**14**
Visit shop/store selling technology/device	17	19	17	20	15	14
Supplier already using	12	14	12	12	15	**5**
Magazines/newspapers	6	**11**	6	4	7	**3**
Would not look for information/advice	5	7	5	4	5	**15**

*Numbers in **bold purple** indicate a significant difference to the All UK average*

In a similar way to mobile phone information, low income consumers, those with a disability and older consumers tend to use the internet less than average to get trusted information on how to **connect to the internet**. In this case, consumers in rural areas also tend to use the internet less than UK adults overall. It is not clear whether the issue here is take up (these consumers do not have the same level of access to the internet compared to other consumers) or trust in the information provided.

Comparing the findings across regions also reveals differences: consumers in rural areas are much more likely than those in towns and cities to seek information from friends and family, the latter are more likely to turn to the internet for reliable advice.

Figure 5.13 Trusted sources of information for consumers - internet, by 'vulnerable' groups

Q: If you were looking for advice or information on ways to connect to the internet, where would you turn to for trusted information?

Base:	**UK TOTAL** % *(1,505)*	**Rural** % *(182)*	**Urban** % *(1,323)*	**Low Income under 65** % *(153)*	**With disab-ility under 65** % *(138)*	**Older people aged 65+** % *(377)*
Family members	29	**41**	**27**	30	32	**35**
Friends	22	**28**	**21**	23	18	**14**
Internet in general	21	**14**	**22**	**10**	**14**	**5**
Visit shop/store selling technology/device	7	6	7	7	7	6
Supplier already using	7	7	7	8	8	**3**
Magazines/newspapers	6	8	6	3	8	**3**
Would not look for information/advice	9	10	9	9	9	**23**

*Numbers in **bold purple** indicate a significant difference to the All UK average*

When it comes to finding information on **receiving TV channels**, family members are most popular among older or low income consumers, or those with a disability as a trusted source of information.

Figure 5.14 Trusted sources of information for consumers - TV, by 'vulnerable' groups

Q: If you were looking for advice or information on ways of receiving TV channels, where would you turn to for trusted information?

Base:	**UK TOTAL** % *(1,505)*	**Rural** % *(182)*	**Urban** % *(1,323)*	**Low Income under 65** % *(153)*	**With disability under 65** % *(138)*	**Older people aged 65+** % *(377)*
Family members	28	31	28	**35**	**37**	**39**
Friends	20	24	20	24	16	17
Internet in general	19	15	**20**	**11**	**10**	**3**
Visit shop/store selling technology/device	12	11	**13**	14	11	13
Supplier already using	10	11	10	6	12	11
Magazines/newspapers	6	9	6	4	7	5
Would not look for information/advice	5	6	5	6	5	**10**

*Numbers in **bold purple** indicate a significant difference to the All UK average*

Again, older or low income consumers, and those with a disability are more likely to mention family members as a source of reliable information about **landlines**, while consumers living in towns and cities tend to use this source less. Rural consumers are less likely to mention using shops or the internet for trusted information.

Figure 5.15 Trusted sources of information for consumers - landlines, by 'vulnerable' groups

Q: If you were looking for advice or information on different options and suppliers for making calls from your landline, where would you turn to for trusted information?

Base:	**All UK** **%** *(1,505)*	**Rural** **%** *(182)*	**Urban** **%** *(1,323)*	**Low Income under 65** **%** *(153)*	**With disability under 65** **%** *(138)*	**Older people aged 65+** **%** *(377)*
Family members	26	28	**25**	**35**	**33**	**35**
Friends	19	23	18	23	18	14
Internet in general	20	**14**	**21**	**11**	**10**	**5**
Visit shop/store selling technology/device	6	**2**	6	4	7	5
Supplier already using	15	16	15	13	15	16
Magazines/newspapers	6	9	5	3	6	6
Would not look for information/advice	8	10	7	7	9	**15**

*Numbers in **bold purple** indicate a significant difference to the All UK average*

Satisfaction with communications services

Overview

Satisfaction with value for money

- Satisfaction levels with value for money for landline, mobile and internet services are generally good, at about the 75% mark. Satisfaction is highest for mobile phones (82%)
- However satisfaction levels with the cost of calls are lower than this, and scores have deteriorated since 2005, particularly among rural customers. Contract customers tend to be more satisfied with the cost of their calls

Reliability and service

- Attitudes towards the overall service provided by landline, mobile phone and internet suppliers is very high, about the 90% mark
- Satisfaction with service reliability is high for landlines (91%), and the internet (85%), while 83% are satisfied with their mobile phone reception. Narrowband consumers tend to be less happy than those with a broadband connection

Satisfaction with suppliers

- Satisfaction with how easy bills are to understand is high for landline (82%) and mobile phone (85%) users, but internet users are less satisfied (71%). Nevertheless, this is a slight improvement on last year, particularly among older consumers and consumers with a disability
- Consumers' satisfaction with their supplier making sure they are on the best deal is lower, with about three-fifths saying they are satisfied across the three platforms

Concerns and complaints to service providers

- Consumers are most concerned about the internet, with three in five (61%) mentioning particular worries or concerns about the internet, compared with about a third doing so about other platforms
- The most commonly cited concerns about the internet relate to security and safety on the web, while for landlines and mobiles, rental and call charges are the principal worries for consumers. Consumers frequently cite sexual and violent images as a particular concern in relation to TV

- One in twenty (5%) mobile phone and internet users say they have had reason to complain in the past 12 months, and the majority of these disgruntled users did make a complaint (89%) and (83%). Among landline users, 8% had reason to complain, and of these 92% did so
- This represents a slight increase in the numbers of consumers with a cause to complain across any of the three services, up four percentage points to 16%

‘Vulnerable’ groups

- Consumers living in rural areas stand out as being less satisfied with communications services across all three platforms. For instance, levels of satisfaction with mobile phone reception are lower than average, as are attitudes towards value for money for landline services and ease of understanding internet and mobile bills. Satisfaction levels with the cost of mobile calls have declined. We also see an increase in the proportion of rural users across all the three services with any reason to complain (up eight percentage points)
- For older consumers over 65, the picture is more mixed. They are more likely to be satisfied with the value for money offered by their landline service, and satisfaction with ease of understanding of internet bills has improved. However they are less satisfied than average with their mobile phone supplier on most measures
- Among consumers under 65 in low income households, satisfaction with suppliers ensuring they are on the best deal is higher than average across all three platforms, and has risen among landline users
- Both older consumers and consumers under 65 in low income households are less likely than average to say they have reason to complain about their landline, mobile or internet service

Nations

- We see most changes in satisfaction among consumers living in Northern Ireland. They are more satisfied with the value for money offered by their landline, and with their landline supplier ensuring they are on the best deal. Satisfaction has also increased with ease of understanding internet bills

6.1 Cost and value for money

Looking at landlines, mobile phones and the internet, the platform which scores the highest satisfaction with value for money is the mobile phone, with over eight in ten users saying they are satisfied. Consumers are slightly less positive towards the internet and landline services, with three quarters saying they are satisfied with the value they receive. Since 2005, there has been very little change in how consumers rate the value of the service across the technologies.

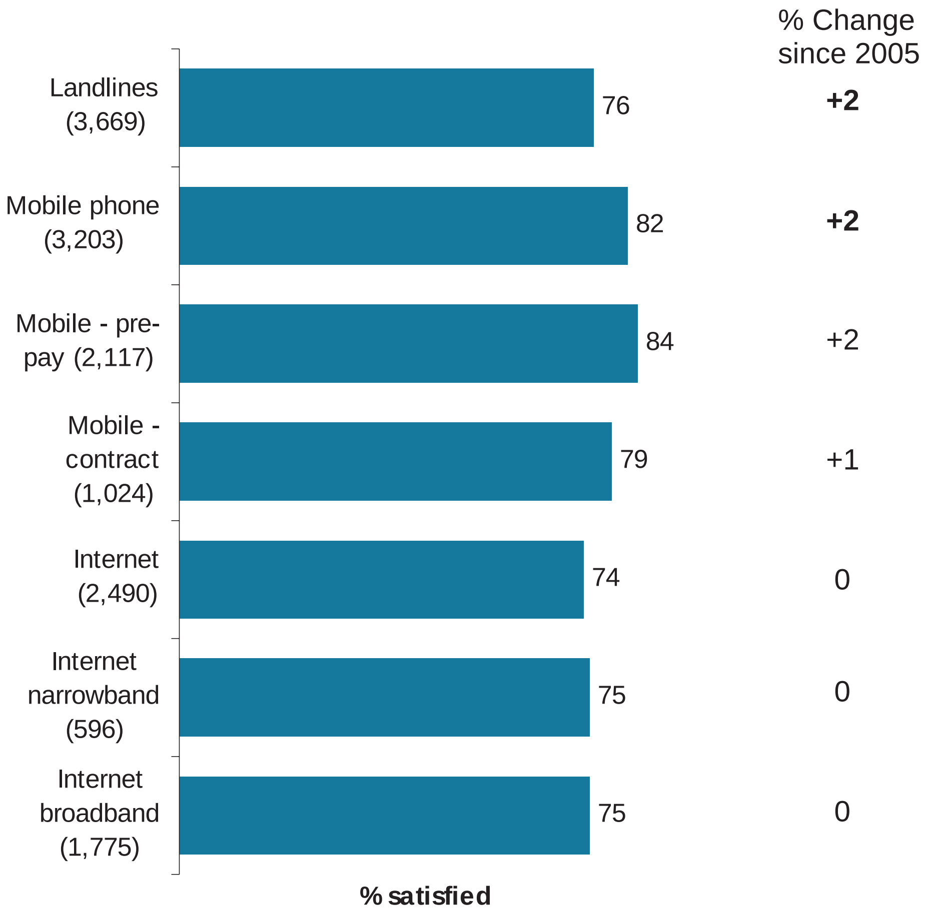
As we have seen earlier in this report[4], the type of package consumers use does have an impact on attitudes and behaviour. Pay-as-you-go mobile phone users are significantly more likely to be satisfied with value for money than those on a contract; this may be because they are in more control over how much they spend and also typically pay far less per month than those on a contract (see page 39-40 for more detail).

There is little variation, on the other hand, between internet users who have narrowband and broadband connections, with both groups feeling they get a similar level of value.

[4] See for example chapter 4 service use for mobile phones and the internet

Figure 6.1 Satisfaction with value for money across communications technologies 2005-2006

Q: Thinking about your (SERVICE), how satisfied are you with your main supplier for each of the following? Overall value for money from your service



*Numbers in **bold** indicate a significant change in 2006 compared to 2005*

6.1.1 Landlines

The vast majority of consumers are happy with the value they get from their landline phones, with three quarters overall saying they are satisfied (76%), and over a quarter saying they are very satisfied (28%). Only one in ten consumers feel unhappy with the value they receive (10%).

If we consider the 'vulnerable' consumer groups, the users most satisfied with the value for money are older (over 65) (81% satisfied), while those living in rural areas are significantly less satisfied (68%). There is, however, very little difference in attitudes across the four nations of the UK.

Since last year, the only notable change has been an increase in satisfaction among consumers in Northern Ireland (up nine percentage points since 2005 to 78% now).

6.1.2 Mobile phones

Mobile phone consumers are positive about the value they get from their phones, and this opinion is shared across the consumer groups and nations covered throughout this report. As we saw earlier, pre-pay users are more satisfied than contracted customers, as was the case in 2005. Since last year, there have been few changes in satisfaction, with the exception of older consumers (over 65), who are now more satisfied than a year ago (up five points to 84% now).

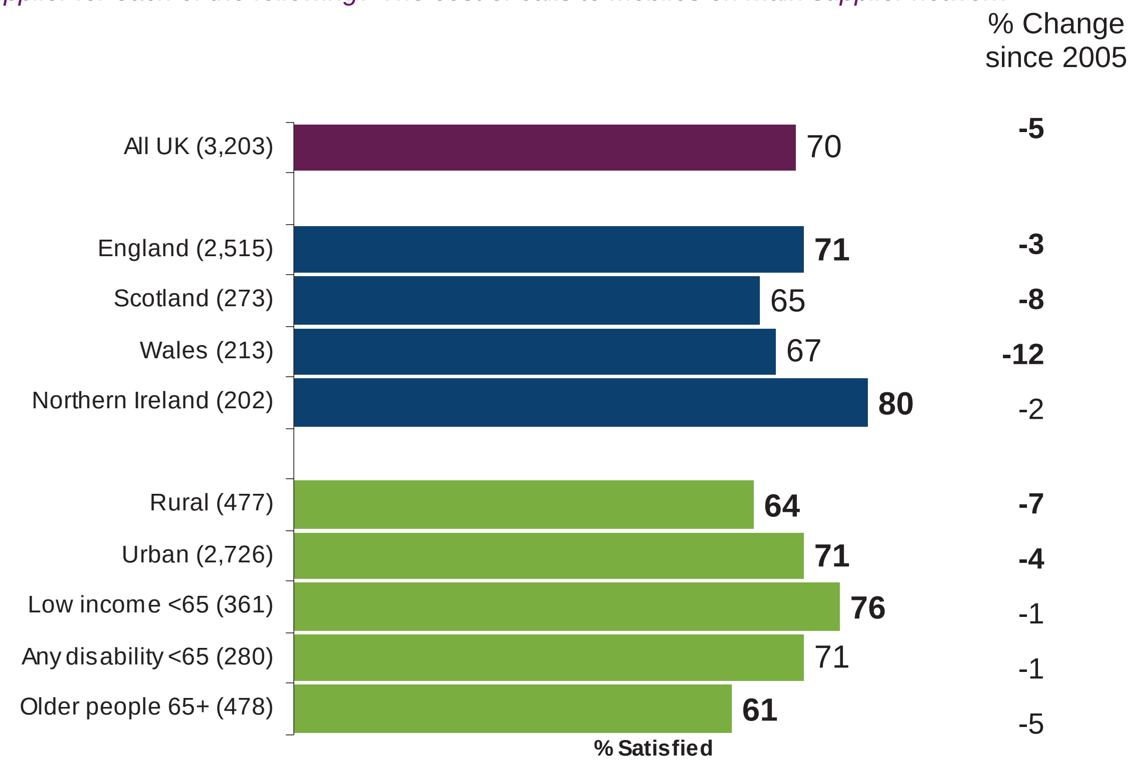
If we consider satisfaction with the cost of calls (focusing on calls to mobiles on the same network), we see that satisfaction is lower for those over 65 (61% satisfied compared to 70% overall), consumers in rural areas (64% satisfied) and those in Scotland (65% satisfied). Consumers in Northern Ireland are, however, more satisfied with the costs of their calls compared to the UK average (80% satisfied).

Different patterns emerge when consumers consider costs of calls to mobiles on a different network. Older consumers (over 65) and those living in rural areas are less likely than average to be satisfied with their network provider in this respect (43% and 47% satisfied respectively compared to 54% overall). Consumers in Wales are also less positive than average about these costs, with only two in five saying they are satisfied.

Contract customers tend to be more satisfied than the average, with three in five of these consumers saying they are satisfied (61% compared to 51% of pre-pay customers). This finding also links in to differences according to age, as older mobile users typically choose pre-pay packages which often do not offer as favourable calling plans as contract packages.

Figure 6.2 Satisfaction with the cost of calls to the same network 2005-2006

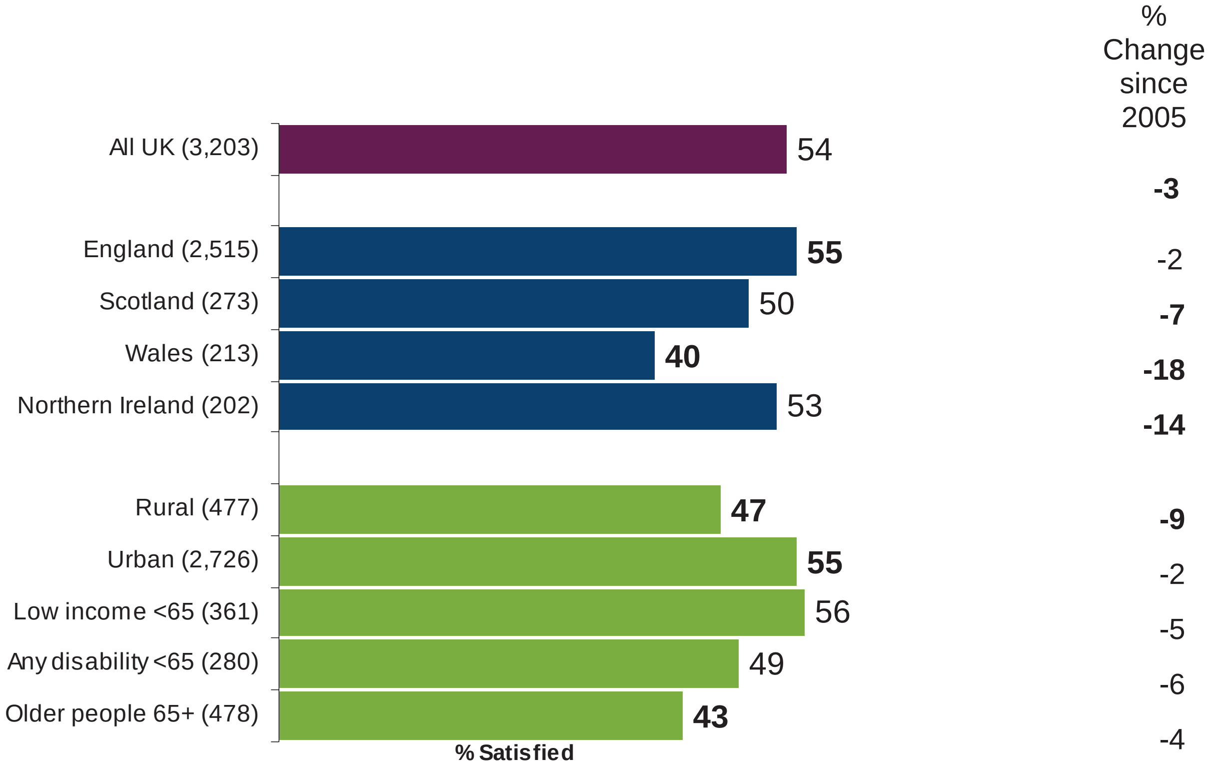
Q: Thinking about your mobile phone service only, how satisfied are you with your main supplier for each of the following? The cost of calls to mobiles on main supplier network



*Numbers in **bold** indicate a significant change in 2006 compared to 2005. Bars with numbers in bold indicate a significant difference to the 2006 UK average*

Figure 6.3 Satisfaction with the cost of calls to different networks 2005-2006

Q: Thinking about your mobile phone service only, how satisfied are you with your main supplier for each of the following? The cost of calls to mobiles on other networks



*Numbers in **bold** indicate a significant change in 2006 compared to 2005. Bars with numbers in bold indicate a significant difference to the 2006 UK average*

Attitudes to the cost of calls (both to the same network and across networks) have worsened across the board since 2005, notably among consumers in Wales, Scotland, Northern Ireland and in rural areas. The gap between satisfaction with call costs among pre-pay customers compared to contracted users has widened since 2005. For calls to the same network, the satisfaction gap in 2005 was four percentage points (seven points now), and for calls to other networks nine percentage points (10 points now).

6.1.3 Internet

Three quarters of internet users are satisfied with the value they get from their service provider (74%), and this is true across all the consumer groups and nations covered by the study.

A similar proportion of internet consumers are satisfied with the cost of the service (72%), although fewer users in Northern Ireland are satisfied (68%).

Over the last 12 months, there has been no notable change in attitudes towards the cost of the service. Satisfaction with value for money has overall remained stable in the last year, although there have been negative shifts in Scotland (satisfaction down five percentage points to 70%) and among low income consumers (down four percentage points to 72%) and improvements in Wales (up five percentage points to 78%).

6.2 Reliability and service

6.2.1 Landlines

Attitudes towards the service supplied by landline companies are very positive – nine in ten consumers are satisfied across the UK. None of the 'vulnerable' consumer groups express significantly lower levels of satisfaction, and consumers living in Wales are slightly more satisfied than average (95%).

Consumers show a similar level of satisfaction with the reliability of the service, and those in Northern Ireland are particularly positive (97% satisfied). These particular consumers have also become more satisfied with the service and reliability in the last year (up six percentage points to 93% and 11 percentage points to 97% respectively).

6.2.2 Mobile phones

Nine in ten mobile phone consumers are satisfied with the overall service they receive from their supplier, with two in five saying they are very satisfied. Satisfaction is fairly uniform across all groups, but pre-pay customers are slightly more satisfied (93%) than contract customers (89%).

When it comes to network reception, views are slightly less positive. Around eight in ten consumers say they are satisfied, and a third are very satisfied (35%). Mobile phone users in rural areas are more critical of the reception they receive (which is not surprising given mobile coverage in these areas), while those living in Northern Ireland are more likely to be satisfied than the UK average.

Across both the satisfaction measures (service and reception), attitudes have remained stable over the past year.

6.2.3 Internet

Again, most internet users are happy with the overall service provided by their supplier, currently nine in ten say they are satisfied and almost two in five are very satisfied (37%). The findings suggest that satisfaction relates somewhat to the type of connection used, as fewer narrowband users (85%) are satisfied than broadband users (90%).
There has been very little change in satisfaction with the overall service provision by internet providers between 2005 and 2006, although low income consumers are slightly less satisfied in 2006.

In terms of how reliable the service is, most consumers are again satisfied, although those with a low income are less likely to be satisfied with the reliability of their service (73% compared to 85% overall). Perhaps unsurprisingly, consumers with a narrowband connection are less positive about their service reliability (80% are satisfied vs 89% of broadband users). The gap between satisfaction with service reliability among narrow and broadband users has also increased since 2005 (from five to nine percentage points).

Over the last year, there have been few changes in attitude towards internet reliability. There has, however, been a significant deterioration in satisfaction among consumers under 65 in low income households, down 12 percentage points since 2005.

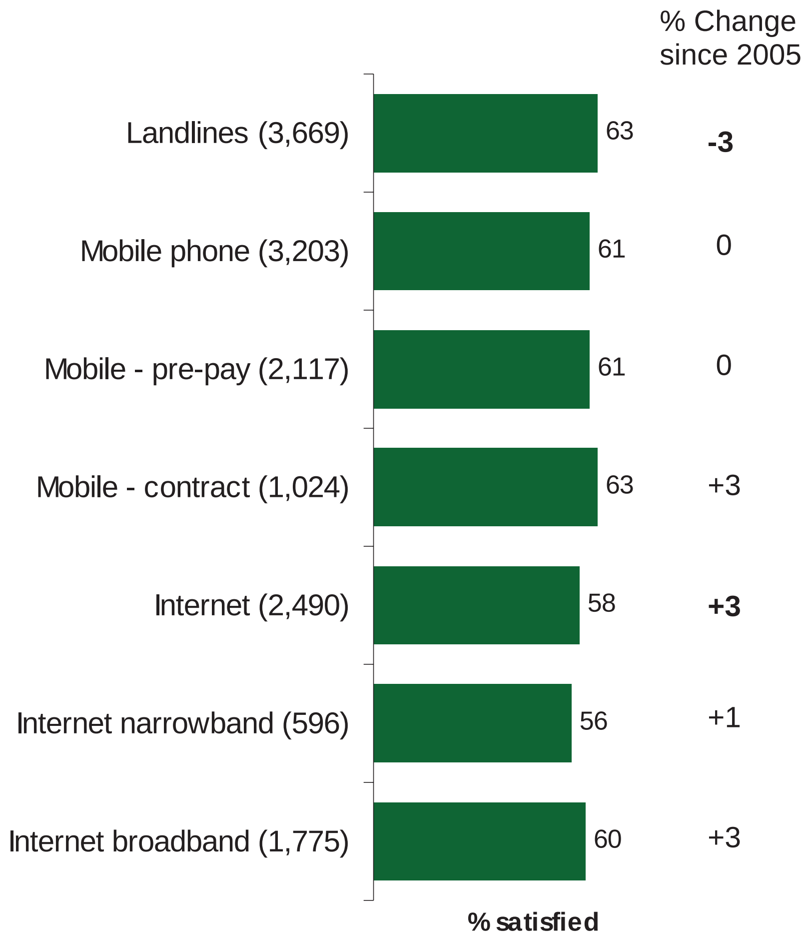
6.3 Satisfaction with suppliers

Overall, consumers tend to be more positive towards how understandable their bills are than how their suppliers perform on seeking out the best deals for them. This is not particularly surprising, as consumers often have to trust suppliers to offer the best deals to them, and it can be difficult for users to know whether their supplier is always acting in their best interest.

Out of the three platforms covered, consumers are most satisfied with landline suppliers when it comes to getting the best deal, although there are only very small differences between the services.

Figure 6.4 Satisfaction with supplier making sure you are on the best deal

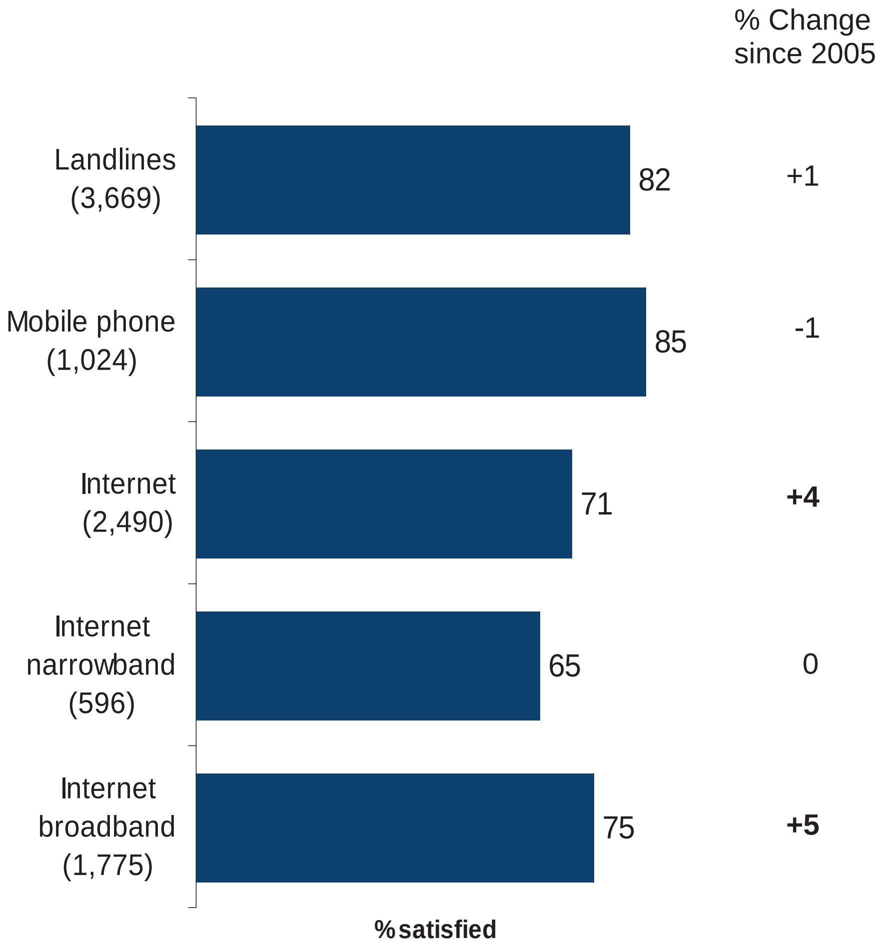
Q: Thinking about your [service], please state how satisfied you are with your main supplier for each of the following – Main supplier making sure you are on the best deal for your household



*Numbers in **bold** indicate a significant change in 2006 compared to 2005.*

When it comes to understanding bills, the large majority of consumers are satisfied, although internet users tend to be more critical. For internet bills, broadband users are again significantly more satisfied than narrowband.

Figure 6.5 Satisfaction with understanding bills
Q: Thinking about your [service], please state how satisfied you are with your main supplier for each of the following – Ease of understanding bills from your main supplier



*Numbers in **bold** indicate a significant change in 2006 compared to 2005.*

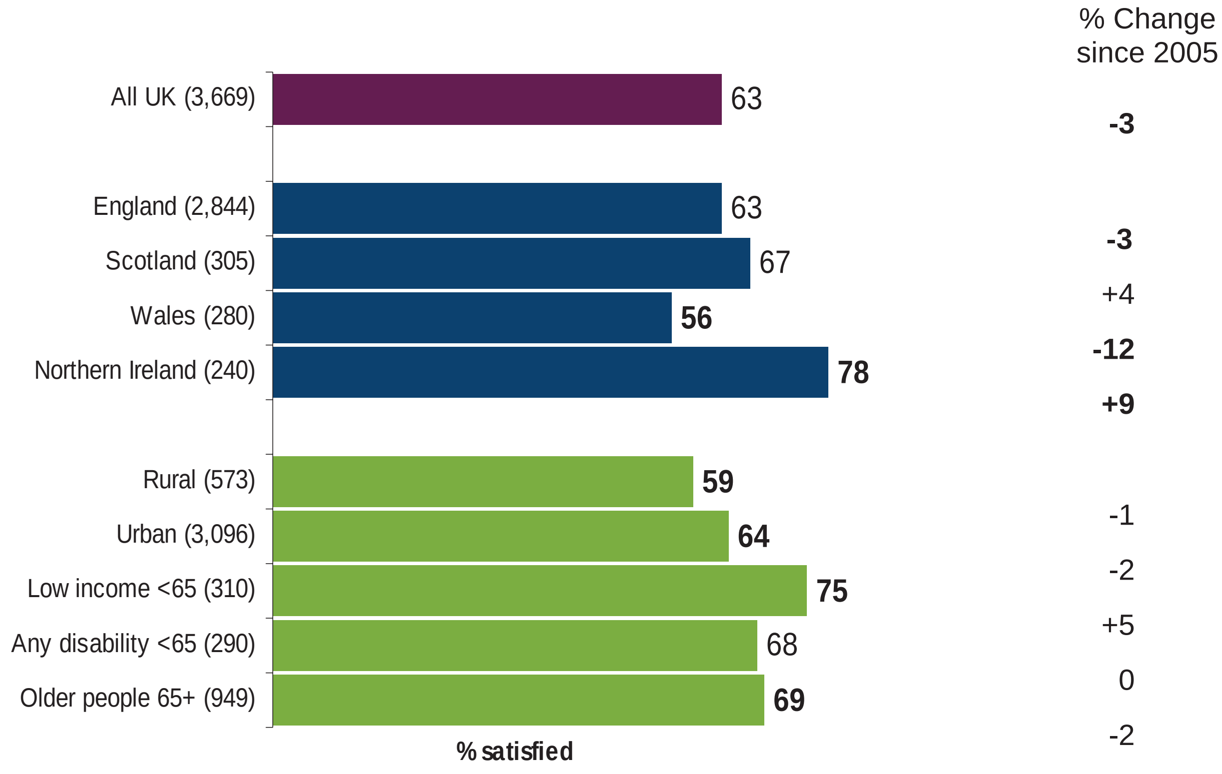
6.3.1 Landlines

Almost two thirds of consumers are satisfied that their landline supplier makes sure they are on the best deal. Consumers on a low income and those living in Northern Ireland are particularly pleased with the way their supplier ensures they are getting the best deal, while those in Wales are less likely to feel their supplier actively ensures they are on the best option.

Landline users in general held very similar views towards their landline suppliers in 2005, although in the last 12 months, differences between consumer groups have become more apparent. Those on a low income and consumers in Northern Ireland are now more satisfied with being given the best deal, but Welsh consumers are more critical (satisfaction down 12%).

Figure 6.6 Satisfaction with supplier making sure you are on the best deal – landlines

Q: Thinking about your home phone service only, please state how satisfied you are with your main supplier for each of the following – Main supplier making sure you are on the best deal for your household



*Numbers in **bold** indicate a significant change in 2006 compared to 2005. Bars with numbers in bold indicate a significant difference to the 2006 UK average*

Consumers are even more positive when it comes to how easy it is to understand landline bills – eight in ten are satisfied, with two in five (38%) saying they are very satisfied. There is very little variation across 'vulnerable' consumer groups/the nations and over time.

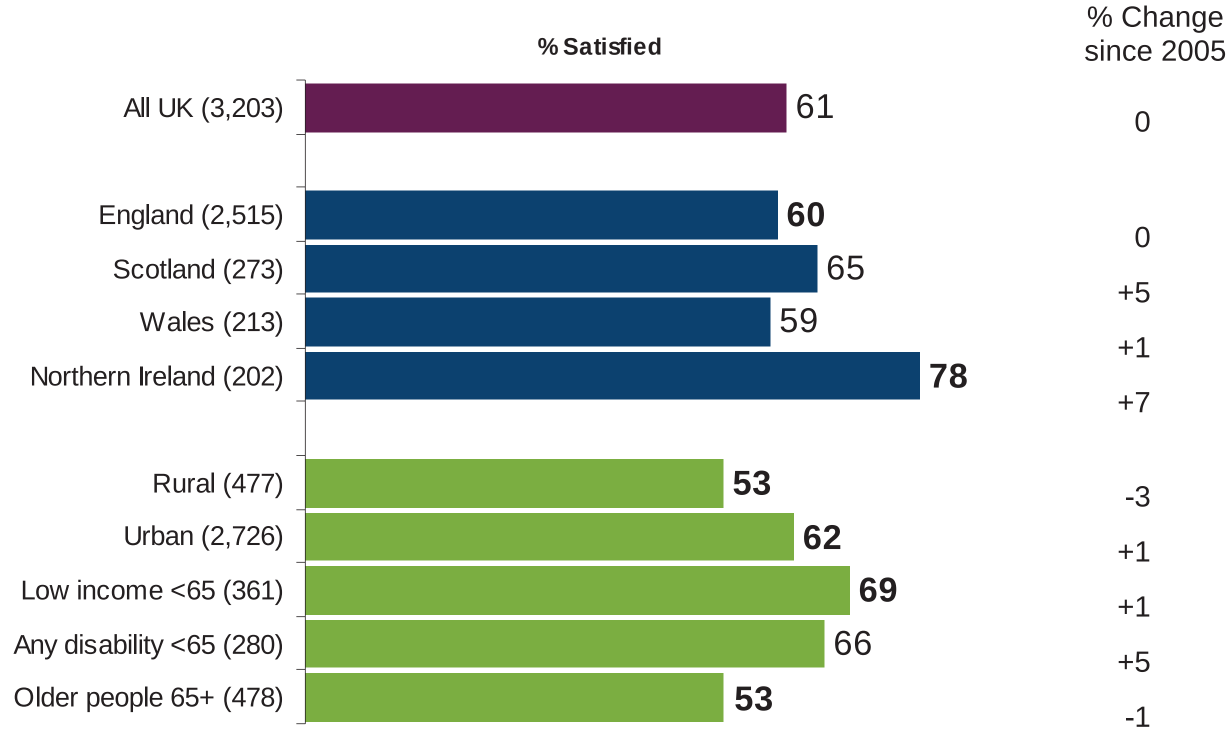
6.3.2 Mobile phones

Similar to the other platforms covered, three in five mobile phone users are satisfied with the way their supplier acts in getting the best deal for them, with one in five being very satisfied (21%). As the mobile phone market is comprised of so many packages and calling plans, it is perhaps unsurprising that consumers are slightly less confident that their supplier is making sure they are on the best deal.

Older consumers and those who live in rural locations are typically less satisfied with their supplier on making sure they are getting the best deal (53% satisfaction each). Low income users and consumers in Northern Ireland are, however, more satisfied than average. There does not seem to be any difference in attitudes according to the type of payment plan – pre-pay and contract customers are equally satisfied (61% and 63% respectively).

Figure 6.7 Satisfaction with supplier making sure you are on the best deal – mobile phones

Q: Thinking about your mobile phone service only, please state how satisfied you are with your main supplier for each of the following – Main supplier making sure you are on the best of their deals for you

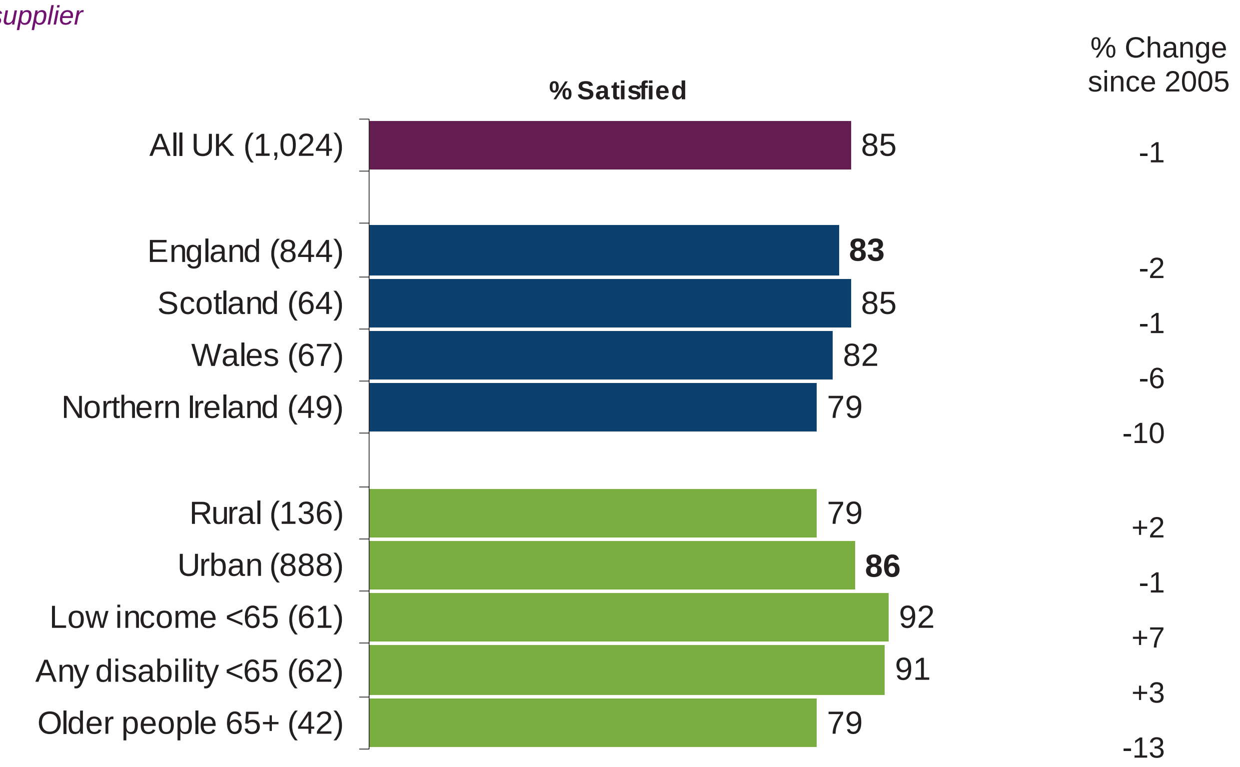


*Bars with numbers in **bold** indicate a significant difference to the 2006 UK average*

Again, the majority of mobile phone consumers are satisfied with how understandable their bills are. Older users and those in rural areas tend to be somewhat less positive towards the layout of their bills, but this does not necessarily signify that it is a disability-related problem – those with a disability (under the age of 65) tend to be more satisfied than average.

Older consumers also seem to have become more critical towards bills over time: in 2005 they were more satisfied than the average UK adult.

Figure 6.8 Satisfaction with understanding bills – mobile phones
Q: Thinking about your mobile phone service only, please state how satisfied you are with your main supplier for each of the following – Ease of understanding bills from your main supplier



*Bars with numbers in **bold** indicate a significant difference to the 2006 UK average*

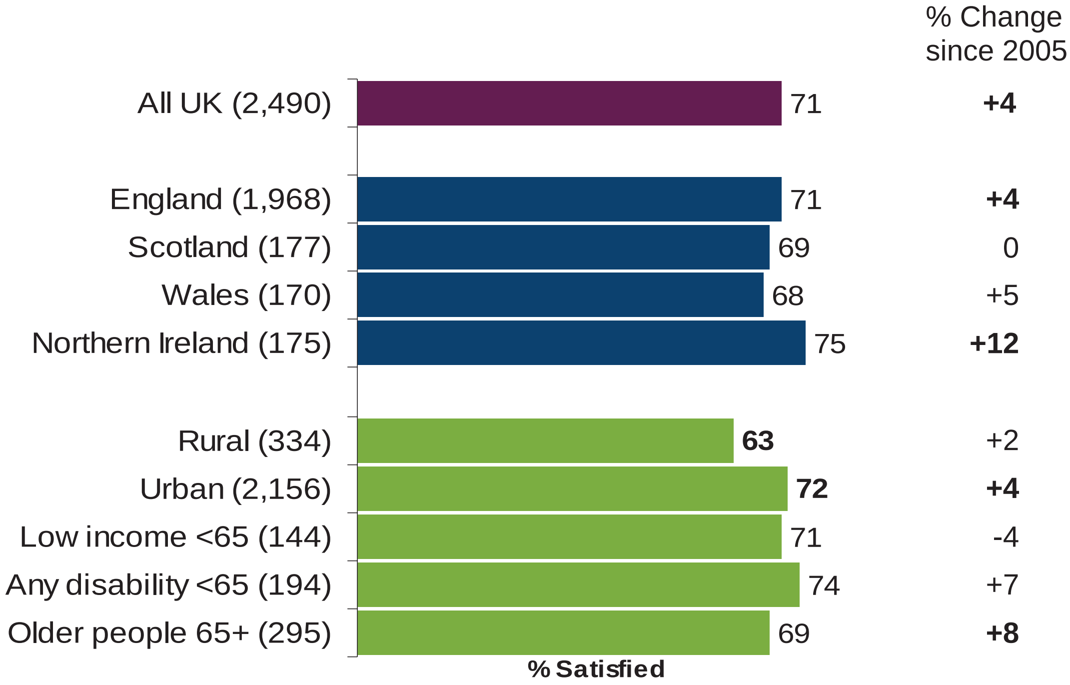
6.3.3 Internet

Nearly six in ten internet users are satisfied with their supplier's efforts to give them the best deal available (58%), and one in five are very satisfied (21%). Following the trend seen across the other technologies, consumers on a low income tend to say they are more satisfied than the All UK average (64% satisfied). In line with findings in the mobile phone section, the type of package used seems to have little impact on how satisfied users are with getting the best deal.

The findings show most consumers are satisfied with how easy their internet bills are to understand (30% are very satisfied). This is consistent across all the consumer groups with the exception of those in rural areas and consumers using a narrowband connection, both of whom are less satisfied with bill format. On a positive note, the findings suggest that improvements have occurred in the last year. Overall attitudes towards bills have improved slightly, but there have been notable increases in satisfaction among those living in Northern Ireland, those with a disability and older consumers.

Figure 6.9 Satisfaction with understanding bills – internet

Q: Thinking about your home internet service only, please state how satisfied you are with your main supplier for each of the following – Ease of understanding bills from your main supplier



*Numbers in **bold** indicate a significant change in 2006 compared to 2005. Bars with numbers in **bold** indicate a significant difference to the 2006 UK average*

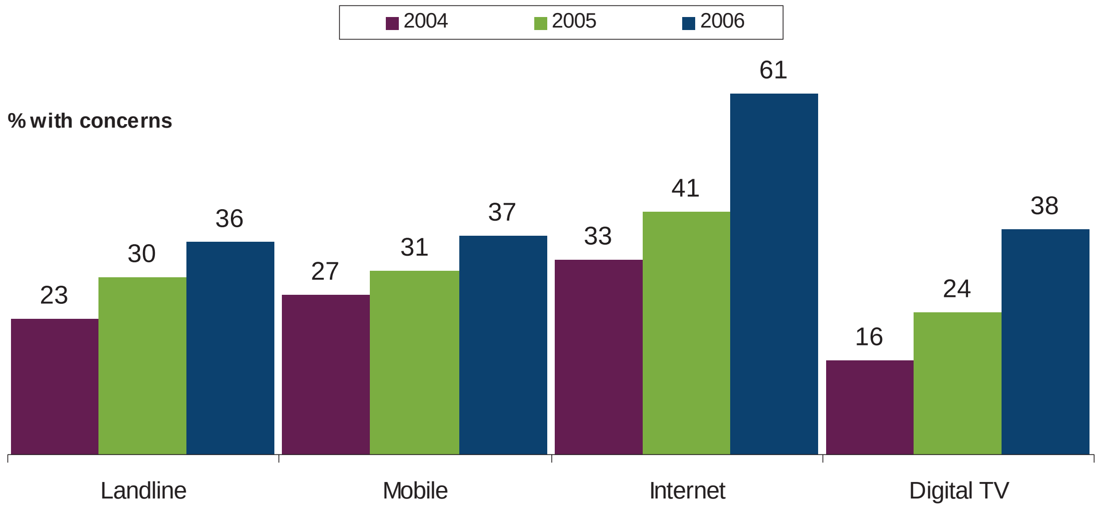
6.4 Concerns and complaints to service providers

Using findings from an ad hoc survey into worries and concerns conducted by Ofcom in 2006[5], as well as Consumer Panel research in 2004 and 2005, the figures below give an indication of the extent and nature of concerns that consumers have had with each platform. Figure 6.10 shows that the technology with which consumers have the most concerns is the internet, with three in five mentioning it, while about a third of consumers mention the other three platforms. Although the 2006 figures are not directly comparable with the Consumer Panel data, there have been rises in concern since 2004, most notably for the internet (up 38 percentage points) and digital TV (up 22 percentage points).

[5] BMRB interviewed a representative quota sample of 2000 adults aged 15 years and over across Great Britain, using Computer Assisted Personal Interviewing (CAPI). Interviews were conducted in August 2006. The data are weighted by age, sex, working status, social class, region and presence of children.

Figure 6.10 Proportion of owners with concerns or worries with each service

Q What particular worries or concerns, if any, do you have about your landline phone/mobile phone/internet/TV or Radio service at the moment?



Figures 6.11 to 6.14 go into the concerns about each platform in more detail. For landlines and mobiles, the most common issues surround rental and call charges, whereas for the internet the top worries relate to security and safety on the web. Consumers commonly cite sexual and violent images as a top concern about TV.

Figure 6.11 Spontaneous concerns about landline services

Q What particular worries or concerns, if any, do you have about your landline phone service at the moment?

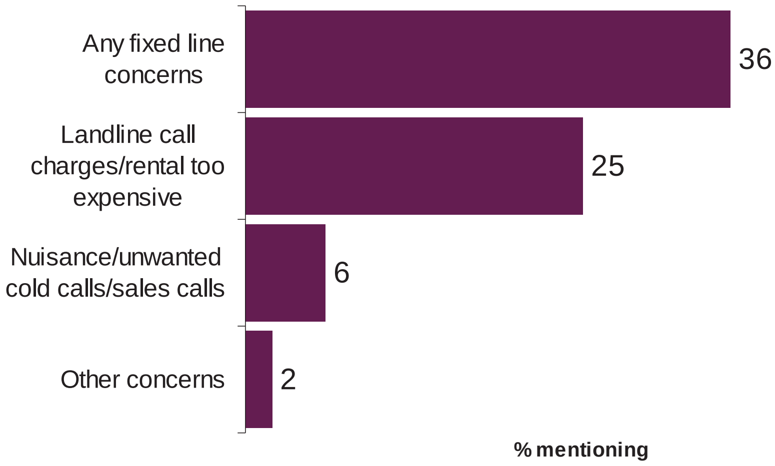


Figure 6.12 Spontaneous concerns about mobile services

Q What particular worries or concerns, if any, do you have about your mobile phone service at the moment?

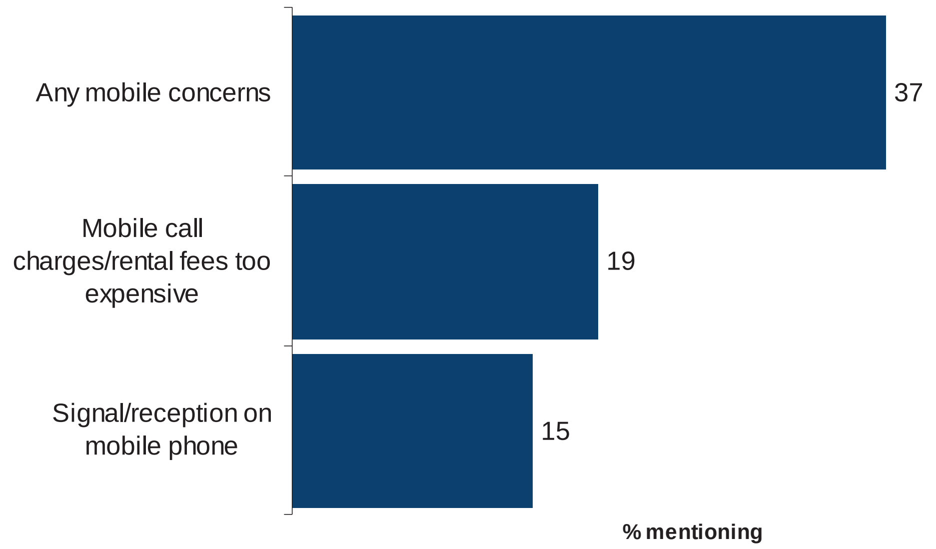


Figure 6.13 Spontaneous concerns about internet services

Q What particular worries or concerns, if any, do you have about your internet service at the moment?

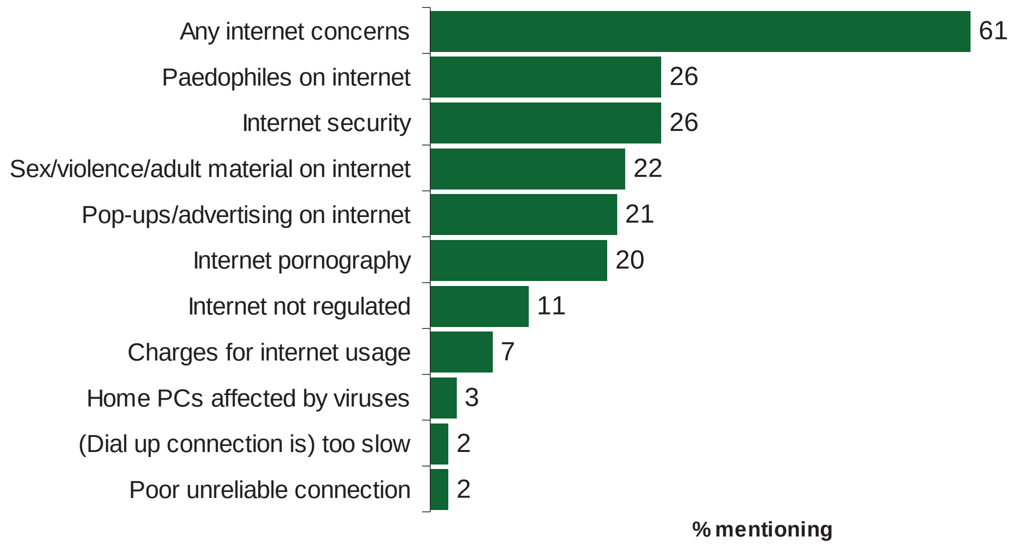
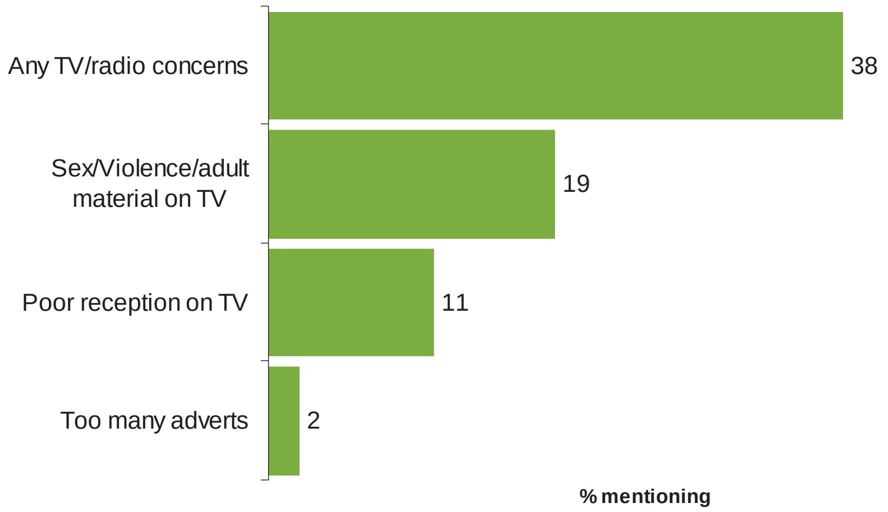


Figure 6.14 Spontaneous concerns about TV and radio services

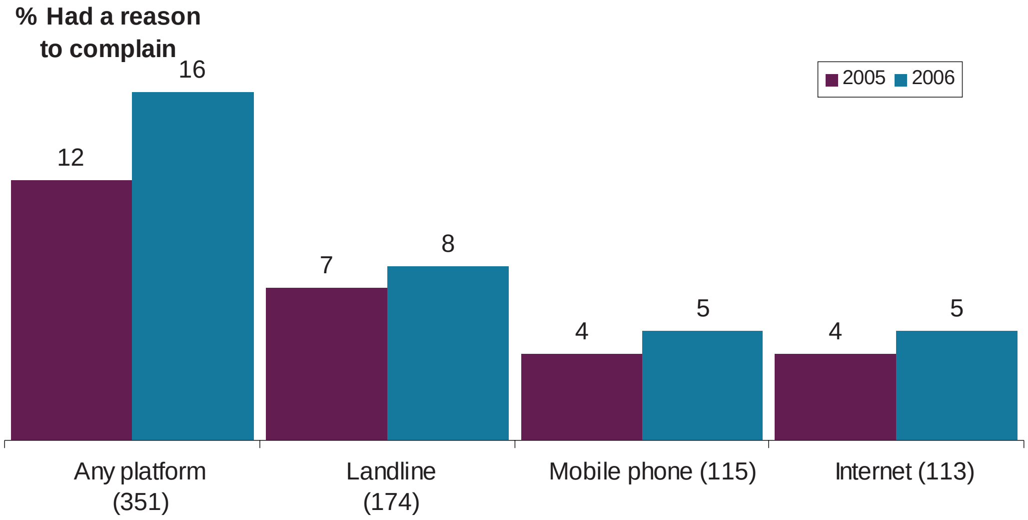
Q What particular worries or concerns, if any, do you have about your TV or Radio service at the moment?



On the residential tracker, all consumers who use a landline, mobile or the internet were asked whether they have had a reason to make a complaint about their service or supplier in the last year. The findings show that nearly one in five users have had problems with their service or supplier, a figure 4% higher than in 2005.

Figure 6.15 Complaints about services 2005-2006

Q: Have you personally had a reason to make a complaint about your landline, mobile or internet service/supplier in the last 12 months?

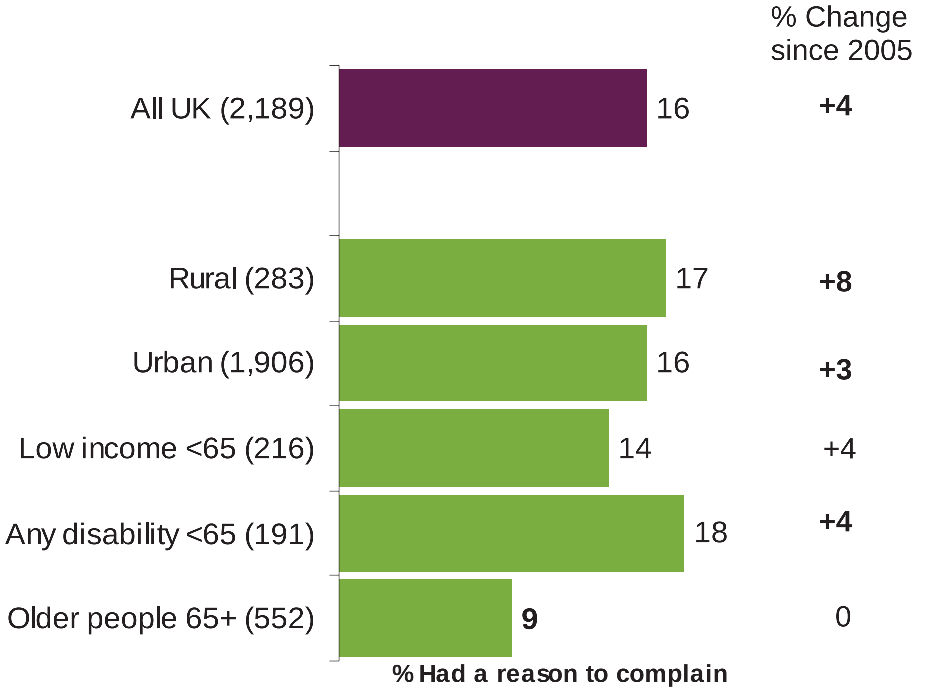


Older consumers (over 65) and those on a low income under 65 are significantly less likely than the UK average to say they have had a reason to complain.

The increase in problems occurs across most of the 'vulnerable' consumer groups, but there has been a notable increase in problems for those in rural areas (up eight percentage points in the last year).

Figure 6.16 Extent of reasons to complain about each service by sub-groups – 2005-2006

Q: Have you personally had a reason to make a complaint about your landline, mobile or internet service/supplier in the last 12 months?



*Numbers in **bold** indicate a significant change in 2006 compared to 2005. Bars with numbers in **bold** indicate a significant difference to the 2006 UK average*

6.4.1 Consumers with reason to complain about their landline who went on to do so

Although there was only a small increase in reasons to complain about a landline from 2005 to 2006, the proportion of consumers saying they proceeded to contact their supplier about it grew significantly in 2006 (up 11% to 92% now). This shift may suggest a change in the nature of landline problems (to more serious issues) or greater power and knowledge on the part of consumers in terms of how to improve their service.

The findings suggest, however, that older consumers are less likely to complain (84% of those with a reason to do so) although the small number of consumers involved means differences are indicative only.

Those who did not go on to complain about their landline problem were asked why. As the number of consumers questioned is so small (14 in 2006), differences cannot be said to be statistically significant. However, responses were spread across the options offered: '*not worth the hassle*' (3 consumers), '*the problem was sorted out*' (3 consumers), '*didn't have time*' (2), '*didn't know where to go*' (1) and '*they wouldn't do anything anyway*' (1).

6.4.2 Consumers with reason to complain about their mobile phone who went on to do so

A large number of mobile phone users who encountered problems with their service also went on to complain, similar to 2005. There are no significant differences across the ‘vulnerable’ consumer groups.

Again, those who did not complain were asked why. The small number of consumers involved (11) means there are no statistical differences to their replies, but again there was a spread in responses: ‘*the problem was sorted out*’ (4 users), ‘*not worth the hassle*’ (3), ‘they *wouldn’t do anything anyway*’ (2) and ‘*didn’t have time*’ (1). None of the consumers said they did not know where to go to complain (the same was true in 2005).

6.4.3 Consumers with reason to complain about their internet service who went on to do so

Slightly fewer internet users who had a reason to complain actually did complain about their problem in comparison to landline and mobile phone users, and again the small numbers involved mean there are no differences across the consumer groups.

A range of reasons for not complaining about the internet were given by those who did not contact anyone (14 internet users in total): ‘*the problem was sorted ou*t’ (8 consumers), ‘*didn’t have time*’ (5 consumers), ‘*not worth the hassle*’ (3) and ‘*didn’t know where to go*’ (1).

Digital switchover

UK total

- Overall the majority of consumers throughout the UK are aware of digital switchover (four in five) and three in five are aware and understand what digital switchover means
- Over two thirds of consumers are either neutral or positive about the switchover
- Nine in ten consumers plan to be at least partially converted to a TV set that is able to receive the digital signal, with only 2% currently saying no TV will be converted

Analogue-only households

- Consumers living in analogue-only households show lower understanding of switchover (49%) than do UK consumers overall (61%). Those living in analogue-only households are also less likely to say they are aware of the need for every TV to be digital after switchover
- Attitudes to the switchover are less positive among consumers living in analogue-only households. This group are less likely to say switchover is good for the UK or for them personally and more likely to say it is unfair, but also more likely to think it is something they will simply have to get on with
- This group is particularly likely to say they do not know what the principal reason for switchover is

Nations

- Awareness of switchover is higher in Scotland (87%) than in the UK overall (80%)
- Consumers in England and Wales are more likely to know that switchover means people will need to get digital TV on every TV set, and those in Wales are also more likely to say that the existing analogue/terrestrial service will be switched off, meaning that people will have to get digital TV
- The perception that switchover is unfair is particularly likely in Wales (36%, compared with 26% in the UK overall). The Welsh are also more likely to give a correct answer about when switchover is planned for their area (19% correct, compared with 11% of UK consumers overall)
- While consumers in the nations of the UK agree on the principal reasons for switchover, the extent to which they perceive some reasons do differ

- Those in Wales are less likely to select updating the broadcasting network, increasing viewer choice or freeing up the airwaves as the main reason, and more likely to cite retailers making more money than others. In contrast, those in Scotland are both more positive and less sure about the principal driving factor than others; they are more likely to say switchover is intended to give viewers more choice, although they are also particularly likely to say they do not know what the main reason is

‘Vulnerable’ groups

- Awareness and understanding of digital switchover is higher among rural consumers (71% aware and understand) than among urban consumers (59%)
- Certain ‘vulnerable’ groups show less awareness and understanding of the digital switchover compared with consumers as a whole. Consumers under 65 from low income households are less likely to be aware of the switchover, and the over 65s are more likely to say they are aware but do not fully understand what this entails
- Attitudes towards switchover are more negative among older consumers over 65 and consumers with a disability under 65, as well as among those living in rural areas
- These groups also differ from UK consumers overall as to the main reason they see driving the switchover to digital. Older consumers over 65 and consumers under 65 with a disability or from low income households are less likely to say the main aim is to update the broadcasting network
- The money to be made from switchover is also seen by certain ‘vulnerable’ groups as the major reason driving the change. Those aged 65+ and those aged under 65 with a disability are more likely to see retailers making money as switchover’s driving force, and the former group are also more likely to see the Government making money as the main reason for switchover
- The Consumer Panel has commissioned qualitative research to understand the experience of switching to digital among vulnerable groups. This will be published in autumn 2007

7.1 Awareness and understanding

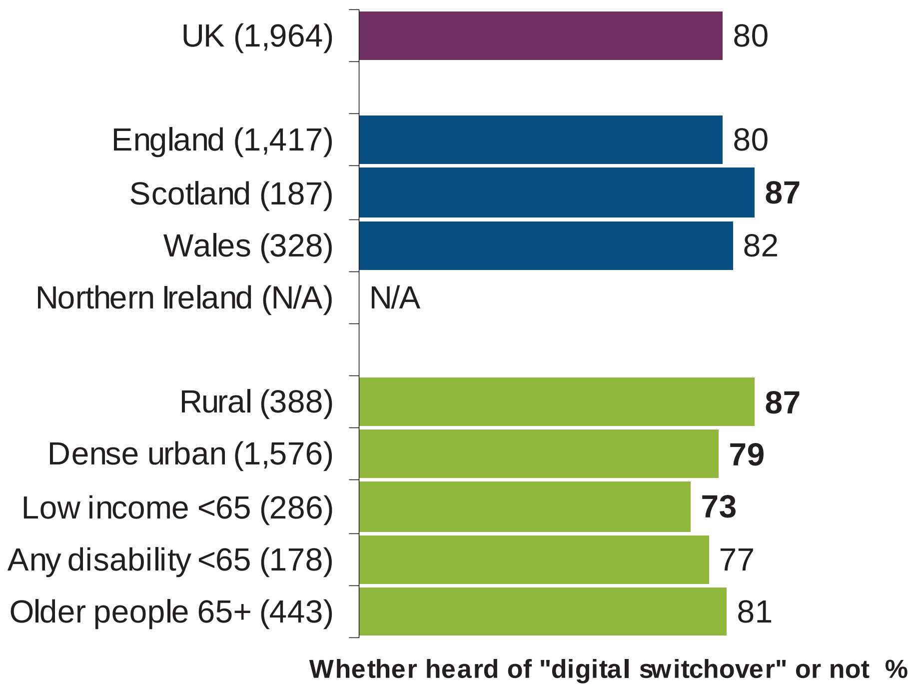
The data source for this chapter on digital switchover is from the Ofcom/Digital UK Switchover Tracker Survey and is therefore different from that of the other chapters. Research was conducted using computer assisted personal interviewing (CAPI) among consumers with a TV at home. The total base size is 1,964; it should be noted that the base size for Northern Ireland is too small (32) to be analysed separately.

7.1.1 Awareness of switchover

Eight in ten (80%) consumers with a TV at home say they have heard of the "digital TV switchover", without being prompted with a description of what this entails. This is significantly higher than awareness levels in other research conducted in 2004 (29%) and 2005 (52%).[6] When consumers were read a description of the digital switchover as a prompt, awareness remains at the four in five level (83%).

Figure 7.1 Awareness of "digital TV switchover" by nations and vulnerable groups

Q: Have you heard of "digital TV switchover" or not?



*Bars with numbers in **bold** indicate a significant difference to the 2006 UK average*

Claimed awareness of switchover is higher in Scotland (87% aware) than it is in the UK overall (80%). Among 'vulnerable' groups, consumers under 65

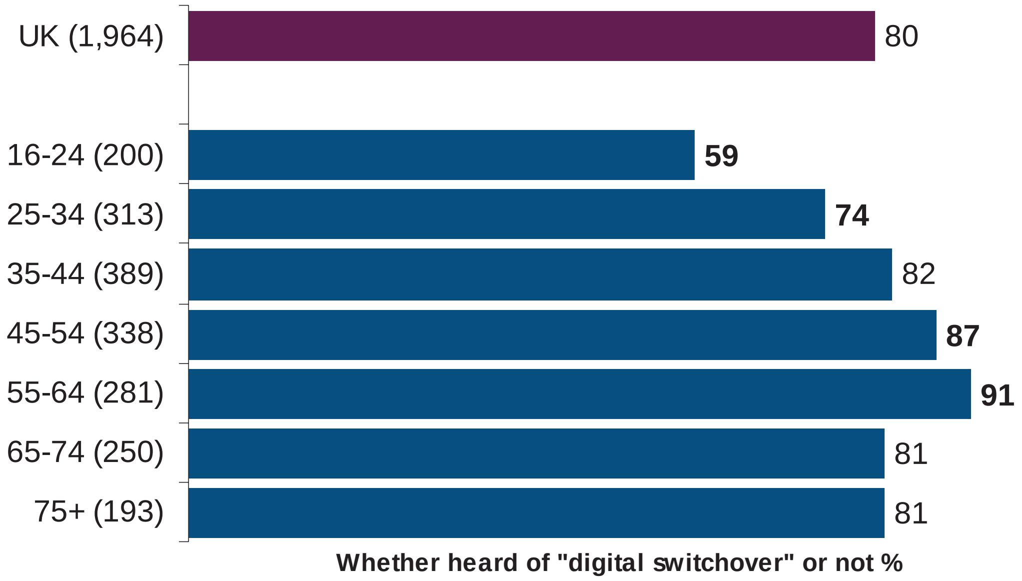
[6] 2004 and 2005 data is from Consumer Panel research. While the results are not directly comparable with 2006 because of differences in survey design, the differences are sufficiently large to suggest that the rise in awareness is a real change

from low income[7] households are less likely than average to have heard of the switchover. Rural consumers are more likely to have heard of the switchover than average, while their counterparts in urban areas are comparatively less likely to have heard of it.

Awareness of switchover varies between different age groups, as Figure 7.2 illustrates. Those aged 16-34 are less likely to have heard of the switchover than those in the UK as a whole, while those aged 45-64 are more likely to have heard of it. Among those aged 65+, however, awareness is at a similar level as the UK in general.

Figure 7.2 Awareness of "digital TV switchover" by age

Q: Have you heard of "digital TV switchover" or not?



*Bars with numbers in **bold** indicate a significant difference to the 2006 UK average*

It should be noted that levels of awareness of digital switchover do not vary significantly between consumers overall (80% aware) and those living in analogue-only households (76% aware).

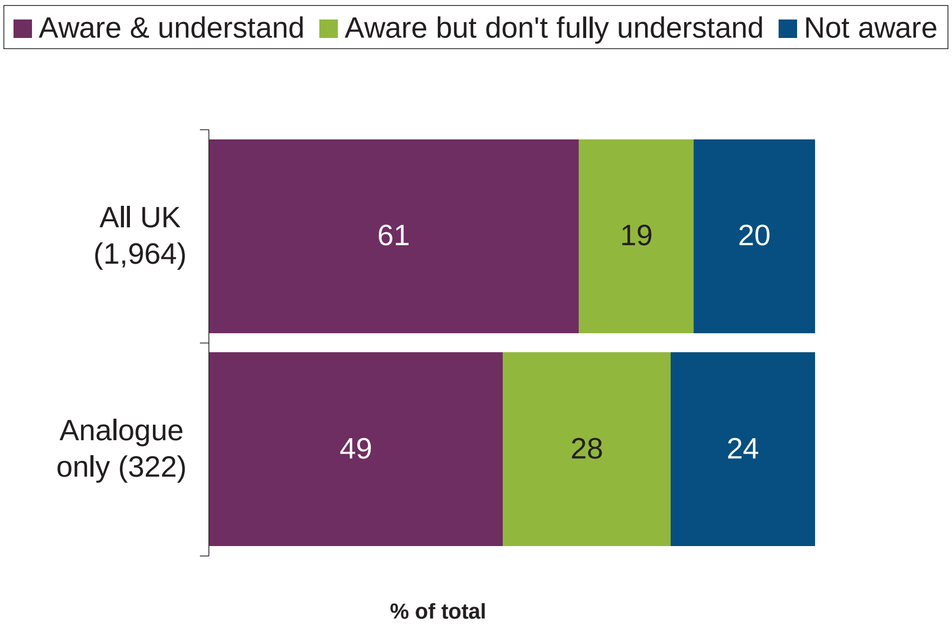
7.1.2 Understanding of switchover

The majority of UK consumers (80%) are aware of switchover and understand it (61%). However, one in five say they are not aware of the digital switchover, and of those who are aware, one in ten have no understanding of what it means, as Figure 7.3 illustrates. This rises to almost one in five for those in analogue-only households.

[7] The definition of low income is £13,499 or less in the Ofcom/Digital UK Switchover Tracker but £11,500 or under in the Communications Tracking Survey.

Figure 7.3 Understanding of "digital TV switchover" by analogue-only consumers

Q: What does "digital TV switchover" mean to you? What do you think will happen at switchover? What do you think people need to do at switchover? ALL MENTIONS COMBINED

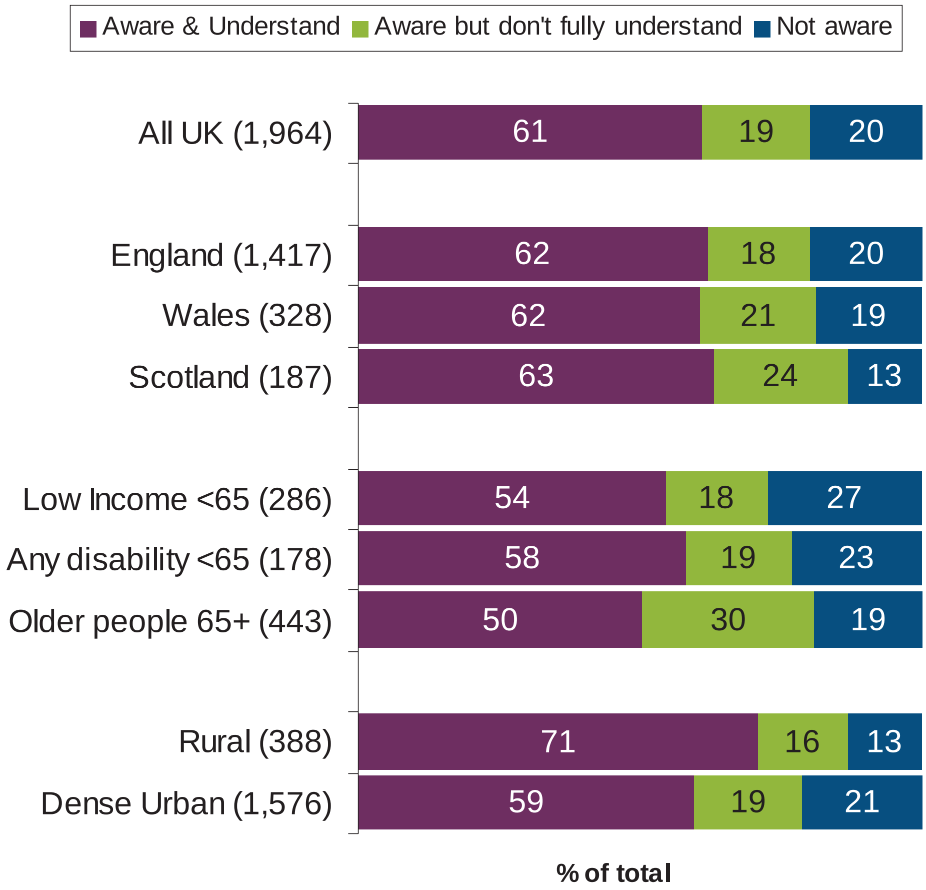


As Figure 7.3 illustrates, less than half of analogue consumers understand the process - mentioning the need to get digital TV on their home sets.

While the proportion of consumers who say they have no understanding of digital switchover does not vary significantly across the three nations of Great Britain, consumers in England and Wales are more likely than those in the UK as a whole to say that switchover means people will need to get digital TV on every set. Those in Wales are also more likely to say that switchover means people will need to get digital TV because the existing analogue/terrestrial service will be switched off.

Figure 7.4 Understanding of “digital TV switchover” by nation

Q: What does “digital TV switchover” mean to you? What do you think will happen at switchover? What do you think people need to do at switchover? ALL MENTIONS COMBINED



Both awareness and understanding of the digital switchover process are higher among rural consumers than urban.

An important finding is that although over half of those in low income households (54%) claimed understanding of switchover, this is lower than it is for consumers in the UK as a whole (61%).

While 20% of UK consumers overall claim they are not aware of what switchover means, this rises to 27% among consumers under 65 on low incomes. Older people aged 65+ are equally as likely as the UK average to say that they are aware of switchover (80%), but a larger proportion of them do not fully understand what it means (30% compared to 19%).

7.1.3 Awareness of timing of switchover

Consumers were also asked which year they think the digital switchover is planned for their area of the country. The most common response was 2008 (21%), which is when the digital switchover begins to take place, although only in the Border TV region. Only 11% of consumers gave the correct answer for their area, although this figure rises to 19% in Wales.

7.2 Attitudes to the digital switchover

7.2.1 General attitudes

Consumers were asked to select from a list of statements the one which best describes what they think about the switchover:

Four in ten consumers (42%) are of the opinion that the switchover is something they will just have to get on with;

A quarter (26%) feel that the switchover is unfair and think that we shouldn't be forced to convert to digital;

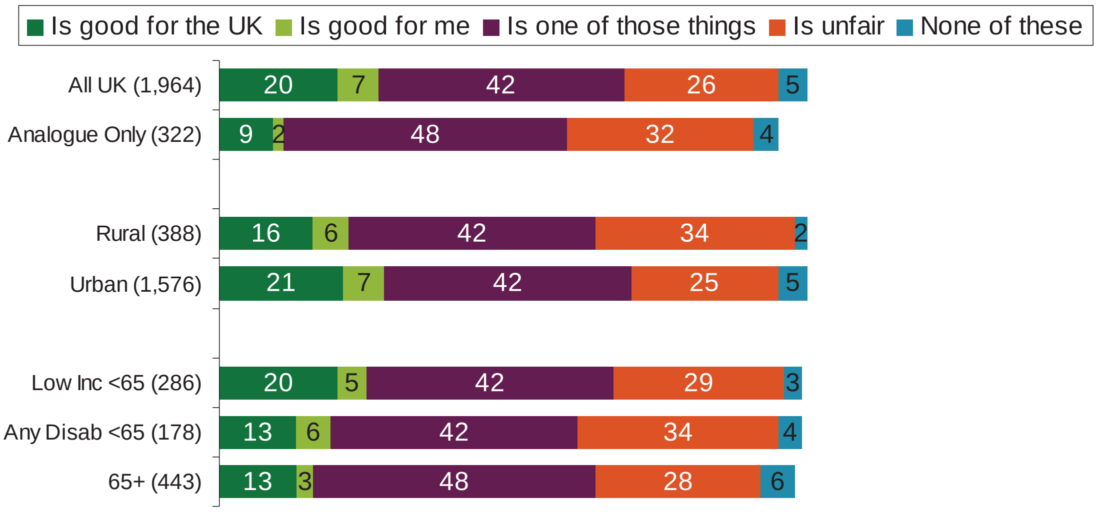
Another quarter (27%) feel more positively about the digital switchover, with 20% saying it is good for the UK and 7% thinking it is good for them personally.

Overall consumers are either neutral or positive about the switchover (69%)

Attitudes are less positive among analogue-only consumers. As Figure 7.5 illustrates, this group is less likely than UK consumers overall to say that switchover is either good for the UK or good for them personally and more likely to say it is unfair, but also more likely to say that it is something they will just have to get on with.

Figure 7.5 Attitudes towards switchover by analogue-only, rural/urban and vulnerable groups

Q: Which of the following statements best describes what you think about switchover?



Consumers under 65 with a disability are more likely to feel the switchover is unfair, and less likely to think it is good for the UK. Older people (over 65) are also less likely to feel it is good for the UK, but more likely to feel it is one of those things. Consumers living in rural areas (34%) or in Wales (36%) are more likely to say it is unfair.

7.2.2 Perceived reasons for switchover

When asked to select the principal reason for the digital switchover from a prompted list[8], the most popular response, chosen by a third of consumers (34%) is to update and modernise the broadcasting network, while 12% say it is to give viewers more choice. However, almost a quarter of consumers feel that the principal reason for the switchover is so that the government can make money by selling off the airwaves (23%).

Responses for analogue-only consumers are broadly in line with those for UK consumers overall, the only differences being that this group are less likely to say that switchover is being undertaken with the primary intention of giving viewers more choice (6%, compared with 12% for UK consumers overall) and more likely to say they do not know what the principal reason for switchover is (18%, compared with 10% for UK consumers as a whole).

Figure 7.6 Perceived principal reason for digital switchover by 'vulnerable' group and nation

Q: Which of the following do you think is the principal reason for digital TV switchover?

Base:	**All** **%** *(2,490)*	**Eng land** **%** *(1,147)*	**Scot land** **%** *(187)*	**Wales** **%** *(328)*	**Rural** **%** *(388)*	**Urban** **%** *(1,576)*	**Low Incom e <65** **%** *(286)*	**Any disab-ility <65** **%** *(178)*	**Older people aged 65+** **%** *(295)*
Update broad-casting network	34	34	35	28	34	34	26	21	26
Govt. can make money	23	23	19	27	22	23	24	30	22
Give viewers more choice	12	12	17	8	9	13	20	16	8
Retailers can make money	9	9	7	16	12	8	12	14	13
Will free up airwaves	9	9	4	4	8	9	4	9	5
Don't know	10	8	15	11	9	10	11	7	19

[8] Possible responses were: 'only by turning off the old signal is it possible to get Freeview to the 25% of the country that currently can't get it', 'to update and modernise the current ageing broadcasting network', 'because it will free up the airwaves for other uses', 'so that the retailers and manufacturers can make money', 'so that the government can make money selling off the airwaves' and 'something else'.

Differences between the nations are apparent regarding the main perceived reason for digital switchover. Welsh consumers are less likely than UK consumers overall to say that switchover is being undertaken in order to update the broadcasting network, to give viewers more choice or to free up the airwaves, and more likely to say it is being undertaken with the goal of enabling retailers to make more money. As we have already seen, those in Wales are more likely to perceive switchover as unfair, which may go some way to explaining these perceptions.

In contrast, there is evidence to suggest that consumers in Scotland perceive digital switchover as being undertaken with more positive aims in mind; they are more likely than UK consumers overall to say that switchover is intended mainly to give viewers more choice. However, they are also more likely to say that they do not know what the principal reason for switchover is (in contrast to English consumers, who are less likely to say this) and less likely to say that switchover is intended to free up the airwaves.

Findings for rural and urban consumers regarding the main reason for switchover are broadly in line with those for UK consumers overall, the only significant difference being that rural consumers are less likely to say that the principal aim of switchover is to give viewers more choice, whereas urban consumers are more likely to give this view.

There are important differences between the other ‘vulnerable’ groups of interest and UK consumers as a whole regarding the principal reason for switchover. Those with a disability under 65, low income consumers under 65 and older consumers aged 65+ are all less likely to say that the main aim of switchover is to update the broadcasting network than are UK consumers overall. However, those with a disability aged under 65 and older consumers aged 65+ are more likely to cite retailers making money as the main reason behind switchover, and the former group are also more likely to say that switchover is happening to enable the Government to make money.

The ‘vulnerable’ groups differ on the issue of whether the main reason for switchover is to give viewers more choice, with those on low incomes under 65 more likely than UK consumers overall to give this view, but consumers aged over 65 less likely to. A final point is that older consumers aged 65+ are more likely to say they do not know what the main reason for switchover is, in line with the lower levels of understanding of switchover generally claimed by this group.

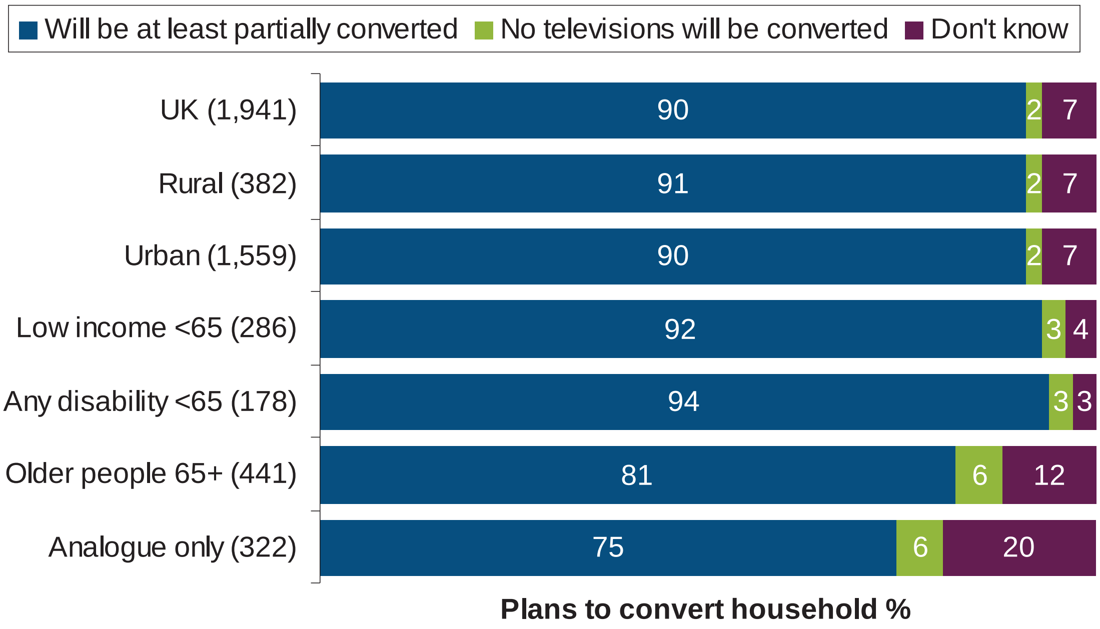
7.3 Take-up of digital services and preparation for the switchover

The majority of consumers – 90% in total – say they plan to convert at least some of their televisions so they can watch TV after the switchover. Over a third (37%) already have all their TVs converted, while a further one in three (29%) say that all their televisions will be converted. Around a quarter (23%) say that some, but not all, of their televisions will be converted. Just 2% say they will not have any of their televisions adapted for switchover.

As figure 7.7 illustrates, a small minority, 6% of over 65s and analogue-only households have no plans to convert, compared to 1% of UK consumers overall. These groups are also less sure about their plans, suggesting more information on the digital switchover is still required.

Figure 7.7 Plans to convert TVs by 'vulnerable' groups

Q: Which of the following best describes your plans to get multichannel television to TV set(s) in your house so you can use them to watch TV after switchover?



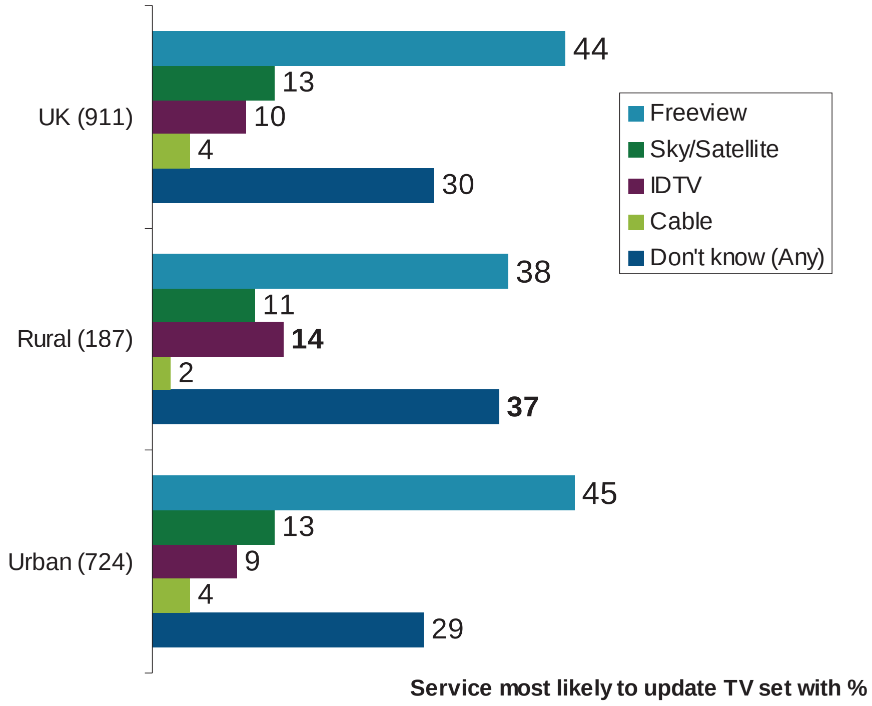
Of those who are planning to convert their TV, one in seven UK consumers (15%) say they will do so in the next 12 months. A third (33%) claim not to know when they will do this, while 16% say they will do so at the last minute.

All those who said they were planning to update a TV set at some point were asked which service they were most likely to update their TV with to get multichannel TV. Consumers who are planning to convert a TV set are most likely to say they will update it with Freeview.

Other than in Scotland, where consumers are more likely to say they will update their set with Sky/satellite or IDTV than they are in the UK as a whole, there are no significant differences between the nations. Rural consumers are also more likely to say that they will update their set with IDTV, as Figure 7.10 illustrates.

Figure 7.8 Which service TV set is likely to be updated with - by urban and rural sub groups

Q: Which of the following services are you most likely to update this TV set with to get multichannel television?



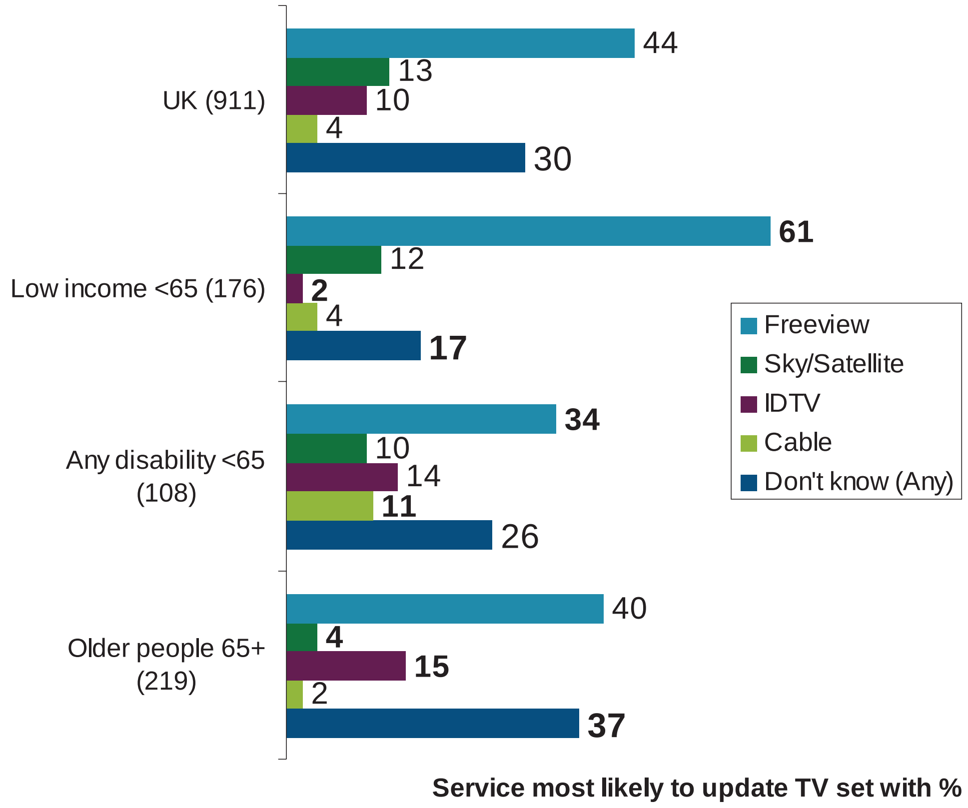
*Bars with numbers in **bold** indicate a significant difference to the 2006 All UK average*

Three in ten UK consumers say they do not know which service they will update their TV set with. This figure rises for rural consumers (37%) and those aged 65+ (37%), although it is lower for those on low incomes aged under 65 (17%).

Overall Freeview is the preferred service for 'vulnerable' groups. Further differences in preferred services for 'vulnerable' groups compared to the UK as a whole also emerge, with consumers with a disability under 65 more likely to update their set with cable and the over 65s less likely to update their set with Sky or satellite than UK consumers overall. The over 65s are more likely than UK consumers overall to update their set with IDTV, while those on low incomes under 65 say they are less likely to do so. Figure 7.11 shows these key differences for the 'vulnerable' groups.

Figure 7.9 Which service TV set is likely to be updated with by 'vulnerable' groups

Q: Which of the following services are you most likely to update this TV set with to get multichannel television?



*Bars with numbers in **bold** indicate a significant difference to the 2006 All UK average*

Glossary

Analogue

Analogue television encodes picture information as an analogue signal, that is, by varying the voltages and/or frequencies of the signal. All systems preceding digital television can be considered analogue.

Broadband

An internet service or connection generally defined as being ‘always on’, and providing bandwidth greater than 512kbit/s.

Bundling

Tying one service or product to the supply of others including some situations where the supply of services are linked through the use of discounts

DTV - Digital Television

Digital Television is where images and sounds are transmitted as compressed data, which means that more services can be delivered in less space. This extra capacity (or bandwidth) can then be used to provide extra TV or radio channels.

Freeview

Free digital service giving access to at least 30 TV channels, over 20 radio stations and a range of interactive services

Multichannel

Provision or receipt of television services other than the main five channels (BBC1, BBC2, ITV1, Channel 4/S4C, Five) plus local analogue services. ‘Multichannel homes’ comprises all those with digital terrestrial TV, satellite TV, digital cable or analogue cable, or TV over broadband.

Pay-as-you-go

A type of mobile phone service subscription which allows owners to pay in advance for talk time, and add more airtime as needed, by day, week or month. Pay-as-you-go services require no contract, and often no sign-up fees other than mobile phone service hook-up.

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Statistical significance

Throughout this report we look at results for the UK as a whole, the four UK nations, and some of the ‘vulnerable’ groups whose interests the Consumer Panel represents. Because the survey of residential consumers was conducted among a sample of people aged 15 and over rather than the whole UK population, the data may be subject to a small margin of error. The error margin for each of the groups of residential consumers covered by the survey is illustrated in the following table. Error margins rise among smaller sub-groups. Results referred to as ‘significantly’ different have been tested at the 95% level of confidence. Unweighted base sizes are shown throughout this report to illustrate the number of respondents interviewed.

Approximate sampling tolerances applicable to percentages at or near these levels

Sample size	**10% or 90%** ±	**20% or 80%** ±	**30% or 70%** ±	**40% or 60%** ±	**50%** ±
9,134 (All respondents)	0.6	0.8	0.9	1.0	1.0
8,269 (All with a landline phone at home)	0.6	0.9	1.0	1.1	1.1
5,292 (All who are connected to the internet at home)	0.8	1.1	1.2	1.3	1.3
3,059 (All connected to the internet at home using broadband)	1.1	1.4	1.6	1.7	1.8
1,246 (All connected to the internet at home using narrowband)	1.7	2.2	2.5	2.7	2.8

For example, if 30% or 70% of a sample of 9134 gives a particular answer, the chances are 95 in 100 that the “true” value will fall within the range of ± 0.9 percentage points from the sample results.

When results are compared between separate groups within a sample, different results may be obtained. The difference may be “real”, or it may occur by chance (because not everyone has been interviewed). To test if the difference is a real one – i.e. if it is “statistically significant” – we again have to know the size of the samples, the percentages giving a certain answer and the degree of confidence chosen. If we assume “95% confidence interval”, the difference between two sample results must be greater than the values given in the table below to be significant:

Differences required for significance at or near these percentages					
Sample sizes being compared (sub-groups or trends)	**10% or 90%** ±	**20% or 80%** ±	**30% or 70%** ±	**40% or 60%** ±	**50%** ±
4,300 v 4,834 (male v female)	1.2	1.6	1.9	2.0	2.0
3,059 v 1,246 internet broadband v internet narrowband)	2.0	2.6	3.0	3.2	3.3