CONSUMER PANEL

Ofcom Consumer Panel: Consumers and the communications market report

Focus on consumers under 65 in low income households

May 2007

Ofcom
OFFICE OF COMMUNICATIONS

Report outline

- This report looks at how consumers with in low income households under 65 compare with consumers in the **UK overall**
- Figures are also shown for three other key ‘vulnerable’ groups of interest to the Consumer Panel: consumers living in rural areas, consumers with a disability aged under 65 and consumers aged 65 and over
- 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. 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
- The definition of ‘low income’ used is those consumers who live in households with an annual income of less than £11,500
- Throughout this report, we only comment on differences between groups which are statistically significant
- Unweighted base sizes are shown throughout the report to illustrate the number of respondents interviewed. Question wording can be found in the notes pages

Profile of groups of interest by nation

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

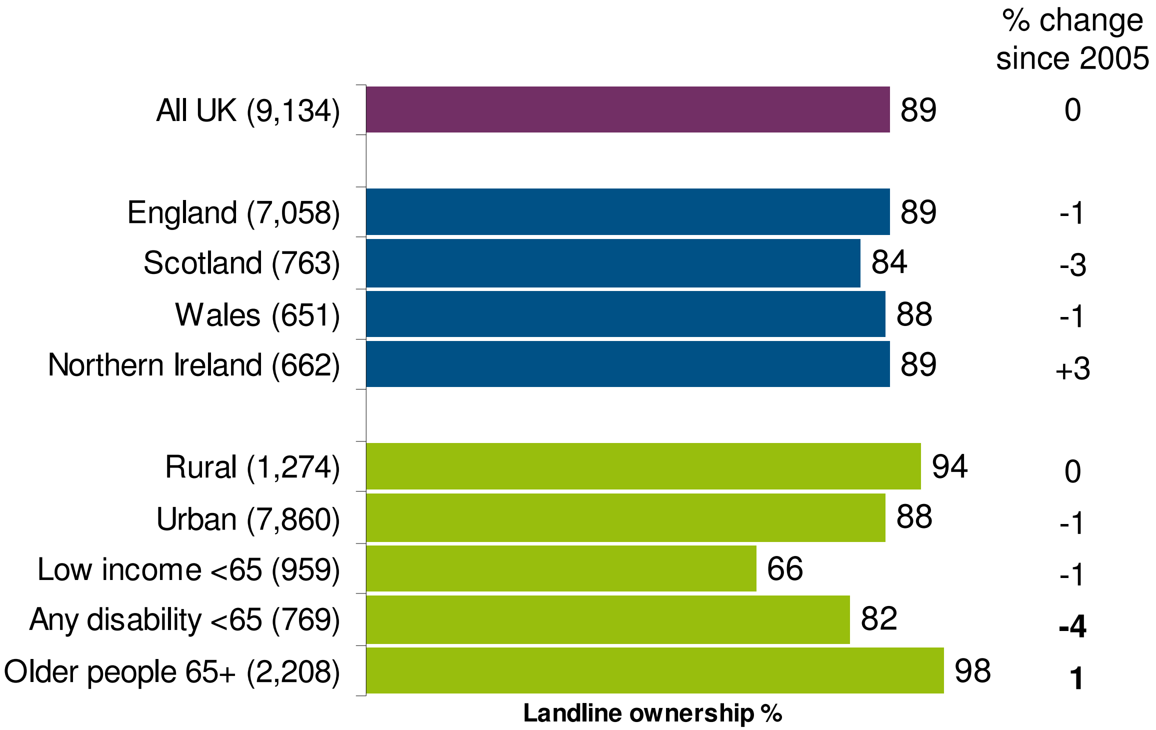
	All UK % *(9,134)*	England % *(7,058)*	Scotland % *(763)*	Wales % *(651)*	Northern Ireland % *(662)*
Older people (aged 65+)	19	**20**	**16**	**22**	17
Rural	14	**12**	**22**	**23**	**29**
Disability <65	8	**7**	**10**	**11**	**10**
Low income <65	10	10	**14**	**13**	10
TOTAL NATION SPLIT	100	84	9	5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

Gaps in ownership among consumers in low income households under 65, but more confidence than older consumers in switching and comparing suppliers

- Less likely than average to have access to the internet or digital TV at home. Use internet for fewer purposes
- Much more likely to live in mobile only households, with this figure increasing since last year. More likely to be on a pay as you go plan.
- More likely than average to say switching mobile phone supplier is or would be easy and to be satisfied that their landline, mobile and internet supplier is ensuring they are on the best deal
- More likely than average to describe cost and quality of service comparisons for landline and multichannel suppliers as easy, and to say quality of service comparisons between mobile phone suppliers are easy
- Awareness and understanding of the digital switchover is lower than average

Landline ownership is much lower than average among consumers under 65 in low income households

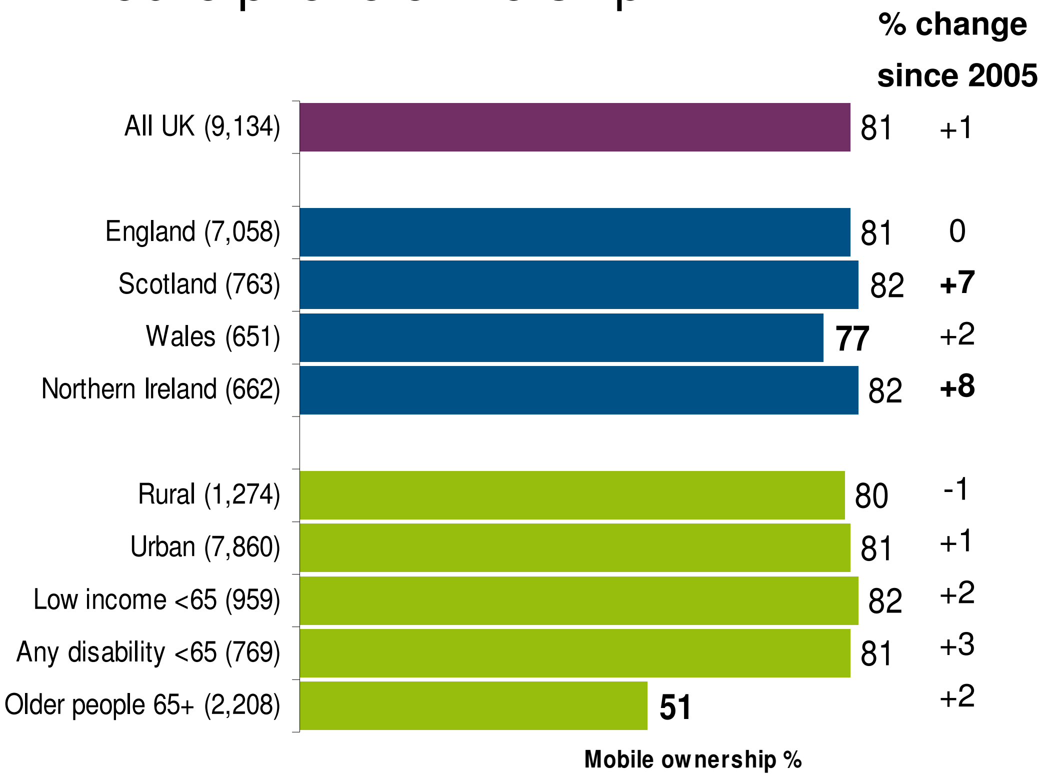
Landline ownership



- Levels of ownership have remained stable among consumers under 65 in low income households
- Quarterly reported spend on landline services by this group is in line with the UK as a whole and now stands at £20.15 (-£1.60)

Mobile phone ownership among consumers in low income households under 65 is in line with the UK average

Mobile phone ownership

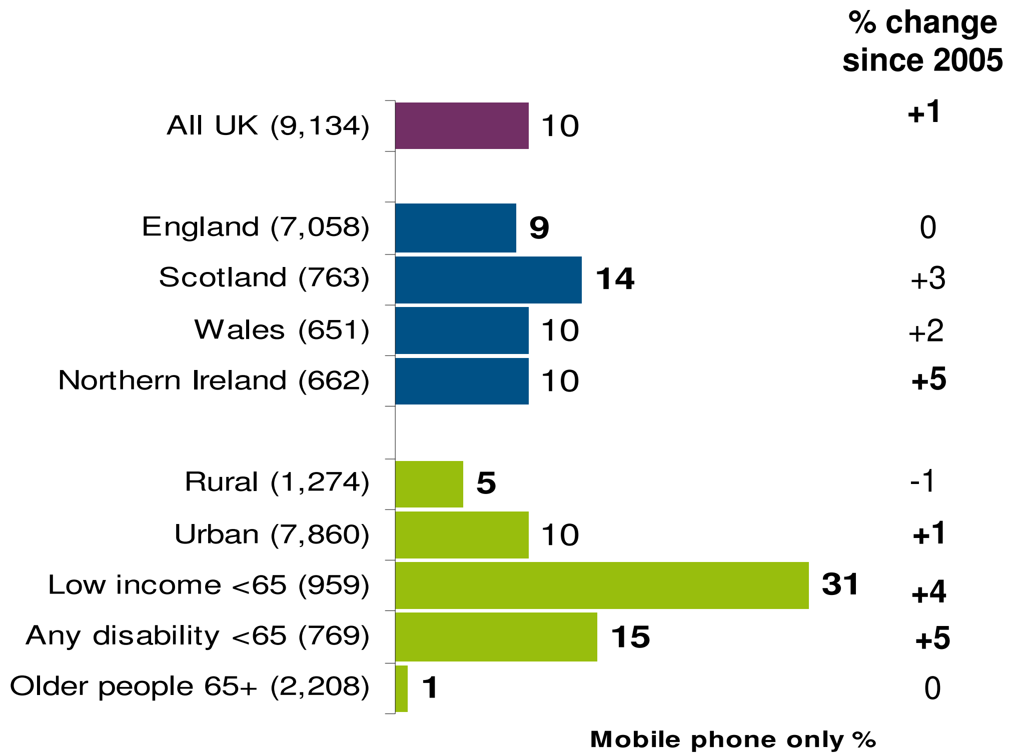


- Four in five (82%) mobile phone users aged under 65 from low income households have a pay as you go plan for their mobile, in contrast to 64% of mobile phone users as a whole

- Reported monthly spend by this group on mobile phones has fallen significantly since 2005 to £19.65 (-£2.40), and is now lower than reported spend among UK consumers as a whole (£22.20)

Three in ten consumers under 65 in low income households live in mobile only households - significantly higher than the rest of the UK

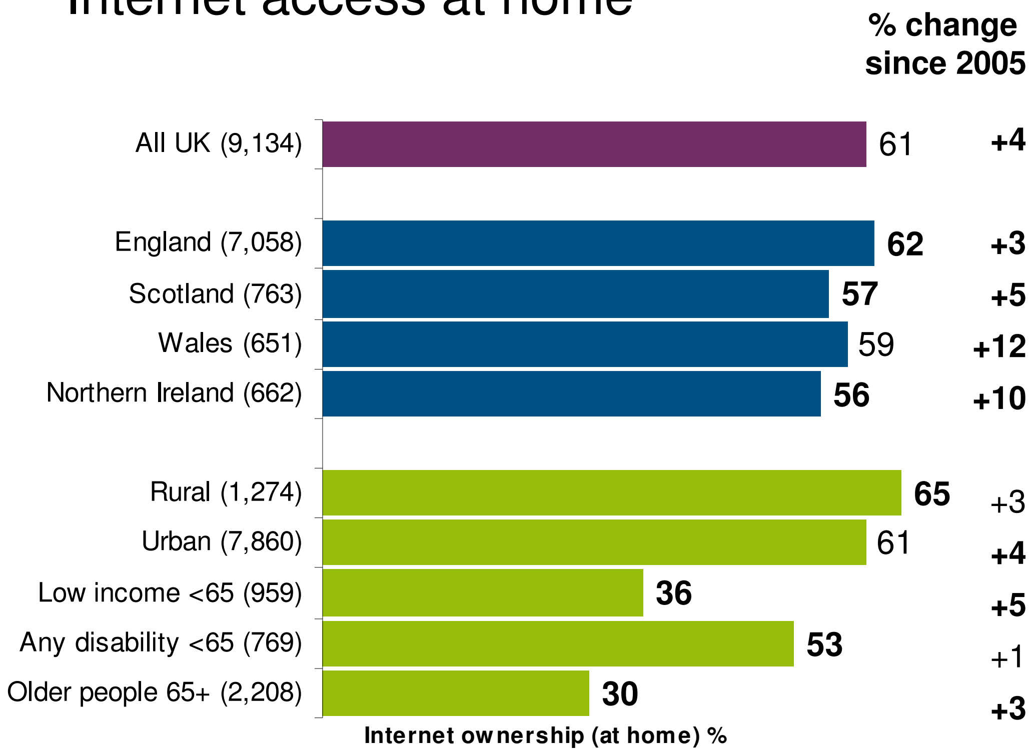
Mobile only ownership



- The proportion of consumers under 65 in low income households living in mobile only households has increased by four percentage points since 2005
- There is a strong relationship between age and mobile only ownership, with this being particularly prevalent among the 15-24 age group (22%)

Access to the internet at home has increased, but the gap between consumers under 65 from low income households and the rest of UK remains

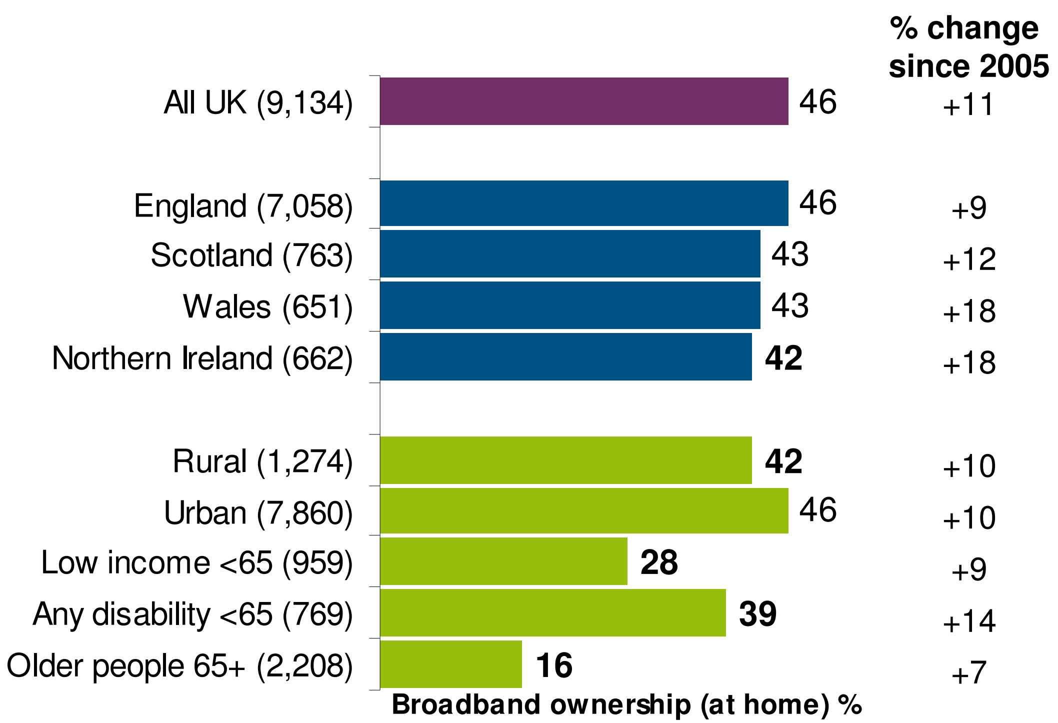
Internet access at home



- Just over a third (36%) of consumers within this group have the internet at home compared to nearly two thirds (61%) of all UK consumers
- Among consumers in low income households under 65 not planning to get internet access in the next 12 months, this group are much more likely than average to mention cost (60% vs 31% overall) and less likely to say they have no need for the internet (53% vs 63% overall)
- Reported monthly spend on home internet service by this group has dropped by £1.40 a month since 2005 to £16.50, which is significantly lower than the UK average (£18.35)

Broadband ownership has increased, but consumers under 65 in low income households still lag behind the rest of the UK

Broadband ownership



- The increase in broadband penetration of nine percentage points is in line with the rise of 11 percentage points among UK consumers as a whole

Those aged under 65 in low income households are less likely to use the internet for all activities

Base: All with internet at home	All UK % *(2,490)*	Rural % *(334)*	Urban % *(2,156)*	Low Income under 65 % *(144)*	With disability 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**

- The gap between this group and UK internet users as a whole is particularly marked for banking and finding information about work

NB Figures in bold purple indicate results for 'vulnerable' groups that are significantly higher or lower than the figure for all UK consumers

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Consumers from low income households are less likely to have ever switched mobile phone supplier

Switching by 'vulnerable' groups - 2006

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**

NB Figures in bold purple indicate results for 'vulnerable' groups that are significantly higher or lower than the figure for all UK consumers

Consumers under 65 in low income households are more likely to agree that it was or would be easy to switch landline or mobile phone supplier

Proportion agreeing it was or would be easy to switch - 2006

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**

NB Figures in bold purple indicate results for 'vulnerable' groups that are significantly higher or lower than the figure for all UK consumers

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Consumers aged under 65 in low income households are less likely to find it easy to make cost comparisons between different suppliers

Proportion agreeing it would be easy/difficult to make cost comparisons - 2006

Base: All with landline/ multichannel TV /use mobile/have internet at home	**Landline % easy**	**Landline % difficult**	**Mobile phone % easy**	**Mobile phone % difficult**	**Internet % easy**	**Internet % difficult**	**Multichannel TV % easy**	**Multichannel 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**

NB Figures in bold purple indicate results for 'vulnerable' groups that are significantly higher or lower than the figure for all UK consumers

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They are also less likely to find it easy to make service quality comparisons between different suppliers

Proportion agreeing it would be easy/difficult to make service quality comparisons - 2006

Base: All with landline/ multichannel TV /use mobile/ have internet at home	**Land line % easy**	**Land line % difficult**	**Mobile phone % easy**	**Mobile phone % difficult**	**Internet % easy**	**Internet % difficult**	**Multichannel TV % easy**	**Multichannel 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

NB Figures in bold purple indicate results for 'vulnerable' groups that are significantly higher or lower than the figure for all UK consumers

Consumers from low income households are less likely to turn to the internet as a trusted source of information on suppliers

	Trusted sources of information for consumers - Mobiles		Trusted sources of information for consumers - Internet		Trusted sources of information for consumers - TV		Trusted sources of information for consumers - Landlines	
	UK TOTAL % *(1,505)*	Low income aged under 65 % (153)	**UK TOTAL** % *(1,505)*	Low income aged under 65 % *(153)*	**UK TOTAL** % *(1,505)*	Low income aged under 65 % *(153)*	**UK TOTAL** % *(1,505)*	Low income aged under 65 % *(153)*
Family members	27	32	29	30	28	**35**	26	**35**
Friends	20	**10**	22	23	20	24	19	23
Internet in general	19	21	21	**10**	19	**11**	20	**11**
Visit shop/store selling technology/device	17	20	7	7	12	14	6	4
Supplier already using	12	12	7	8	10	6	15	13
Magazines/newspapers	6	4	6	3	6	4	6	3
Would not look for information/advice	5	4	9	9	5	6	8	7

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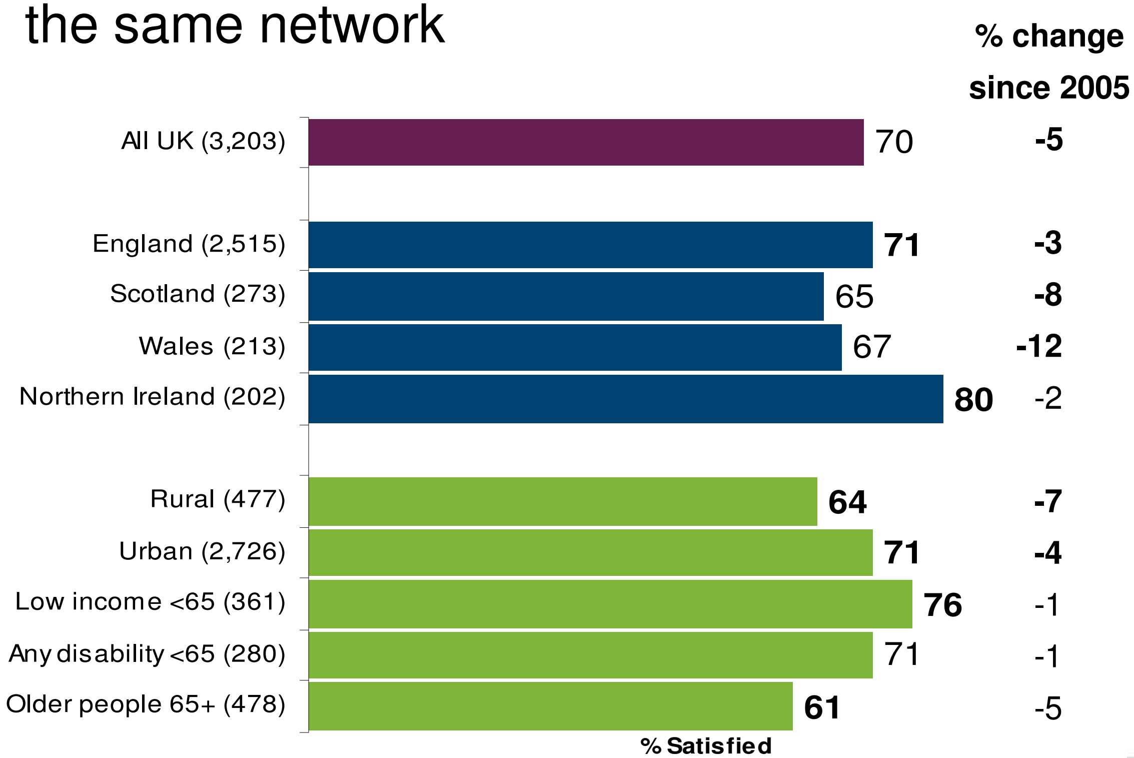
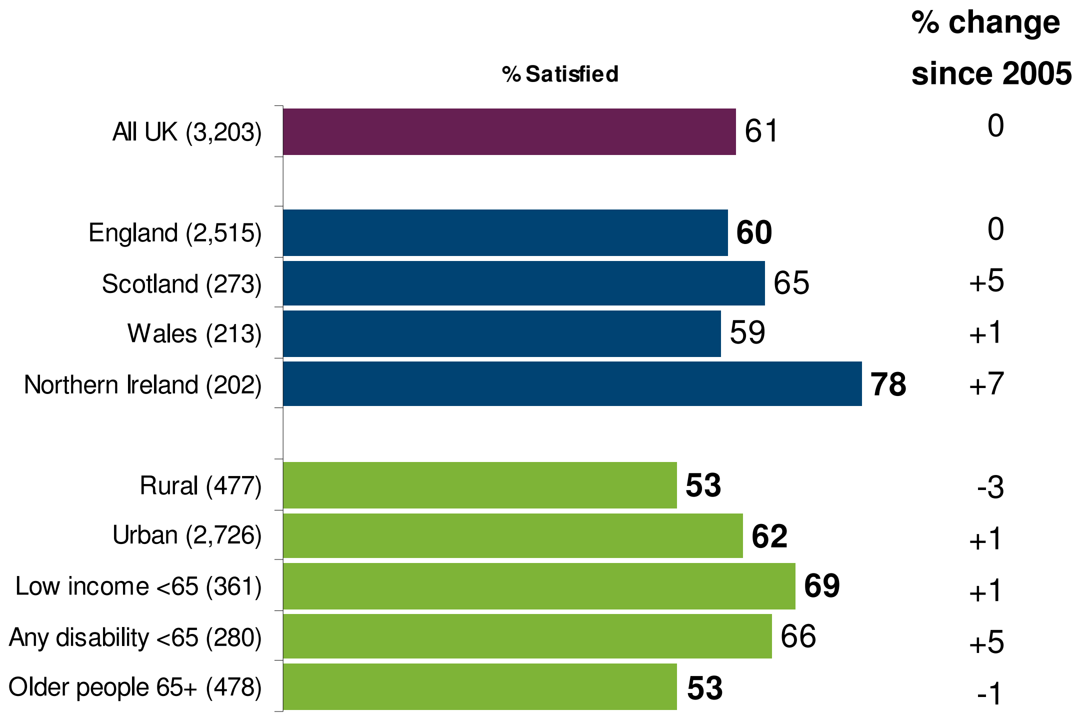
Consumers under 65 in low income households are more likely to be satisfied with the cost of calls to the same network

Satisfaction with cost of calls to the same network



Consumers under 65 from low income households are more likely to be satisfied that their mobile supplier is making sure they are on the best deal



- This group is also more likely to be satisfied that their landline service provider is making sure they are on the best deal (75%) than all UK consumers (63%), a rise of five percentage points since 2005
- They are also more likely to be satisfied that their internet provider is making sure they are on the best deal (64% vs 58% overall)

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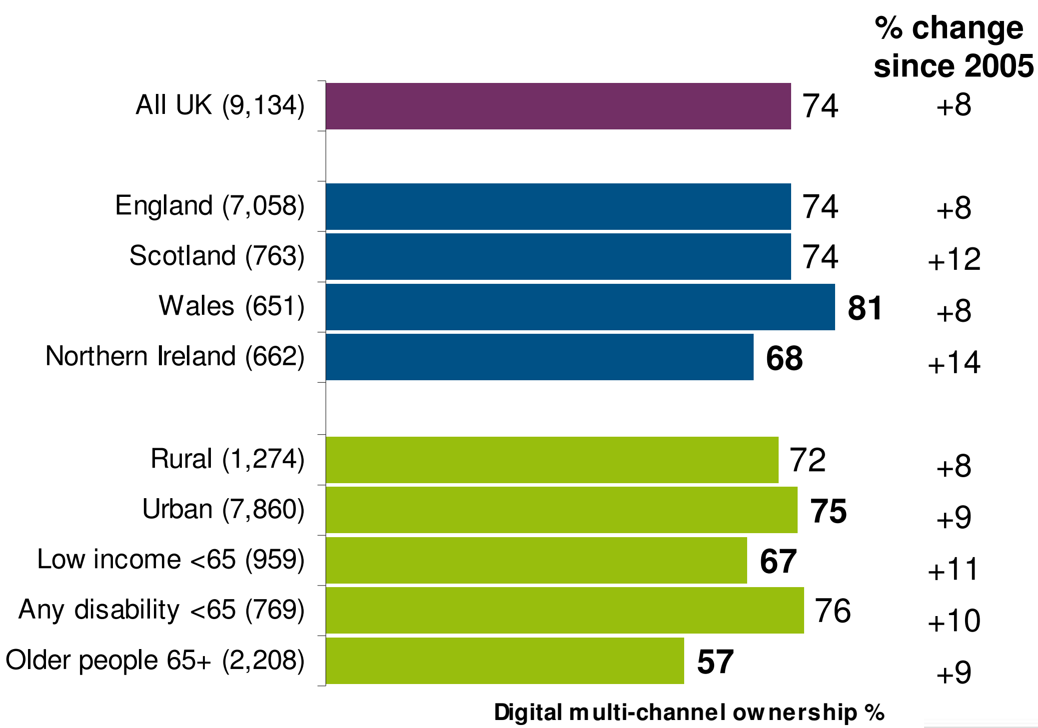
Ownership of digital TV has increased at a slightly faster rate among those under 65 from low income households

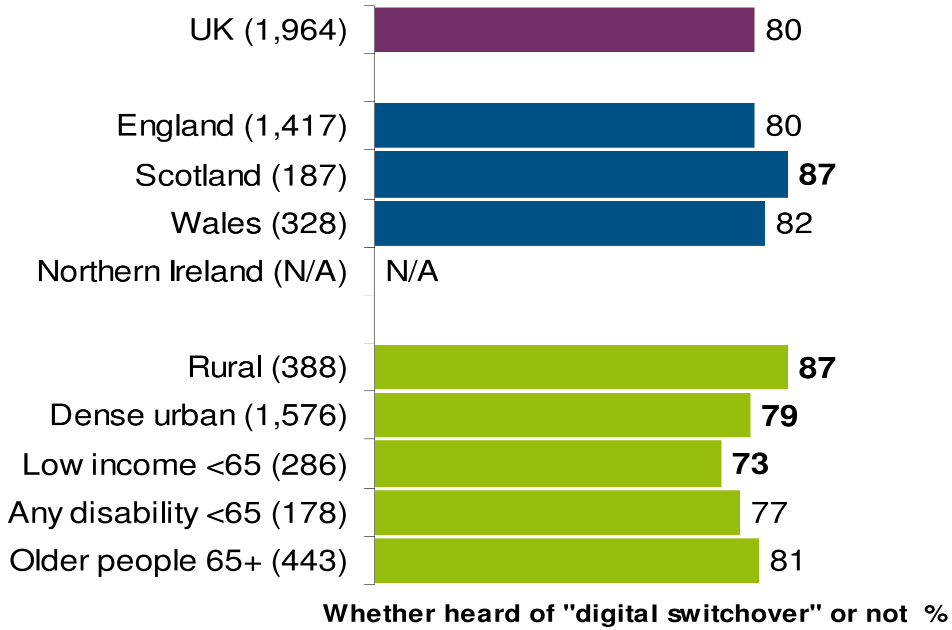
Ownership of digital TV



- Reported monthly spend among consumers under 65 in low income households has dropped considerably (by £13.05) since 2005, and now stands at £26.15, significantly lower than the UK average of £36.90

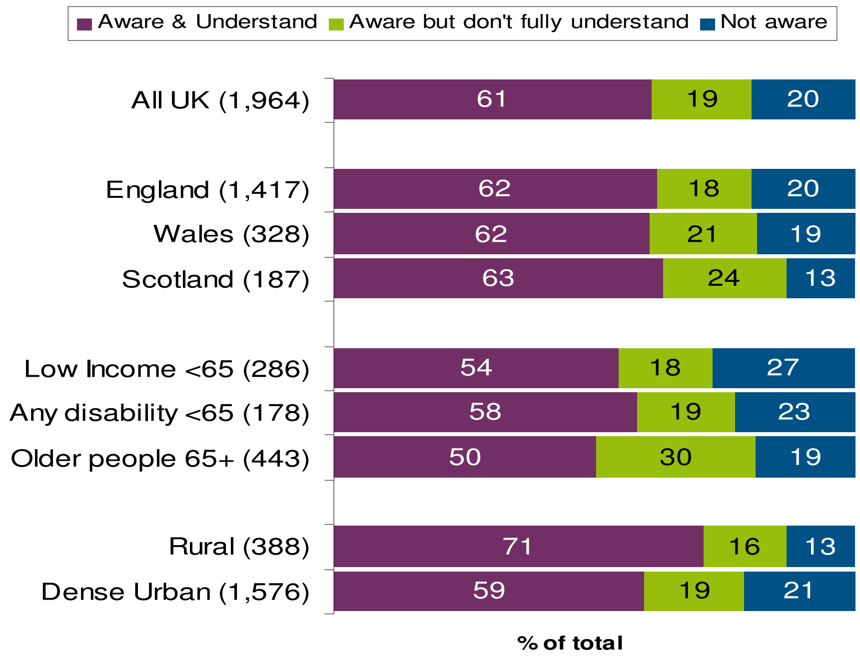
Consumers in low income households aged under 65 are less likely to have heard of the digital switchover

Awareness of digital TV switchover



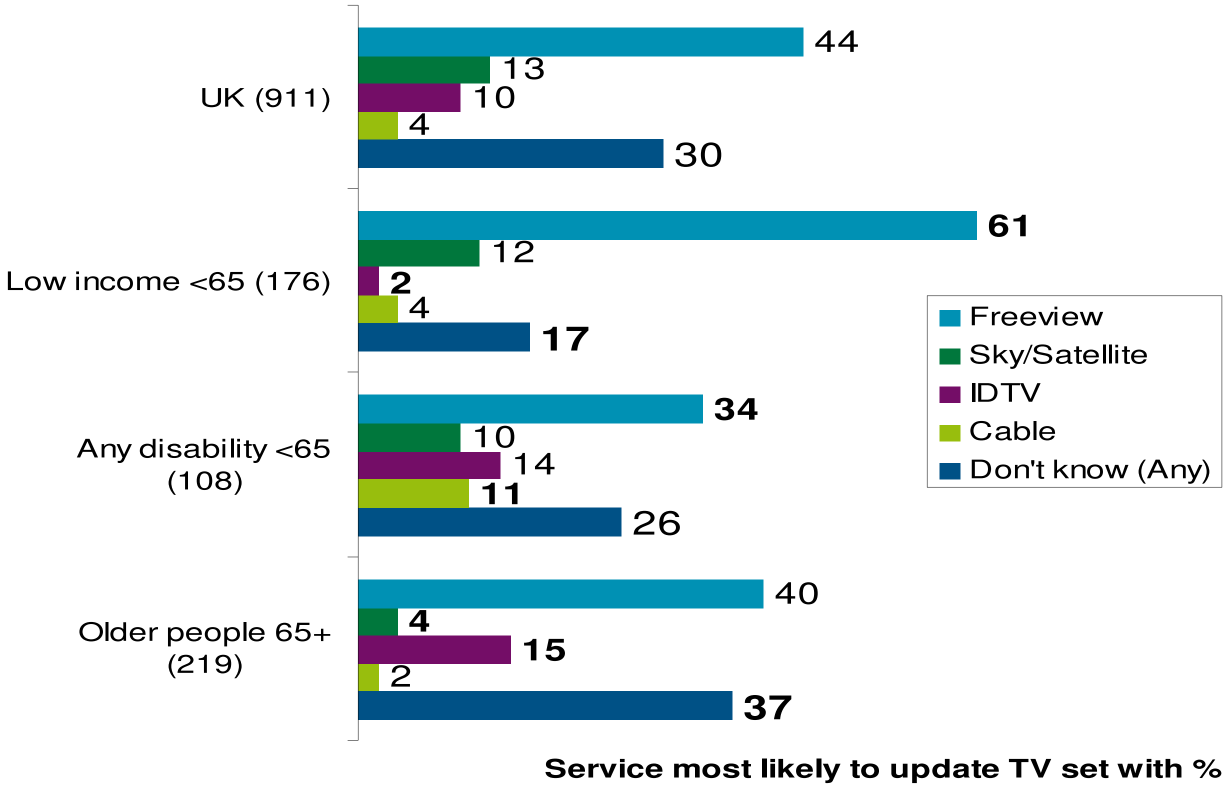
Awareness and understanding of digital switchover also significantly lower amongst consumers under 65 in low income households

Understanding of digital switchover



Consumers under 65 in low income households are more likely to say they will update their TV set with Freeview

Which service TV set is likely to be updated with



Consumers in low income households under 65 differ from UK consumers overall as to the main reason for the switchover to digital

Base:	All % (2,490)	Eng land % (1,147)	Scot land % (187)	Wales % (328)	Rural % (388)	Urban % (1,576)	Low Income <65 % (286)	Any disability <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**

- **Consumers from low income households under 65 are less likely to think that the principal reason for the digital switchover is to update the network and more likely to believe that the switchover will provide viewers with more choice**