CONSUMER PANEL

Ofcom Consumer Panel: Consumers and the communications market report

Focus on consumers living in rural areas

May 2007

Ofcom
OFFICE OF COMMUNICATIONS

Report outline

- This report looks at how consumers who live in rural areas 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 on low incomes aged under 65
- 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
- Rural areas are defined using Business Geographics' 'Urban Indicator', where postcodes were classified according to the size of the settlements they contained and the degree of isolation, determined by their proximity to larger settlements
- 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*

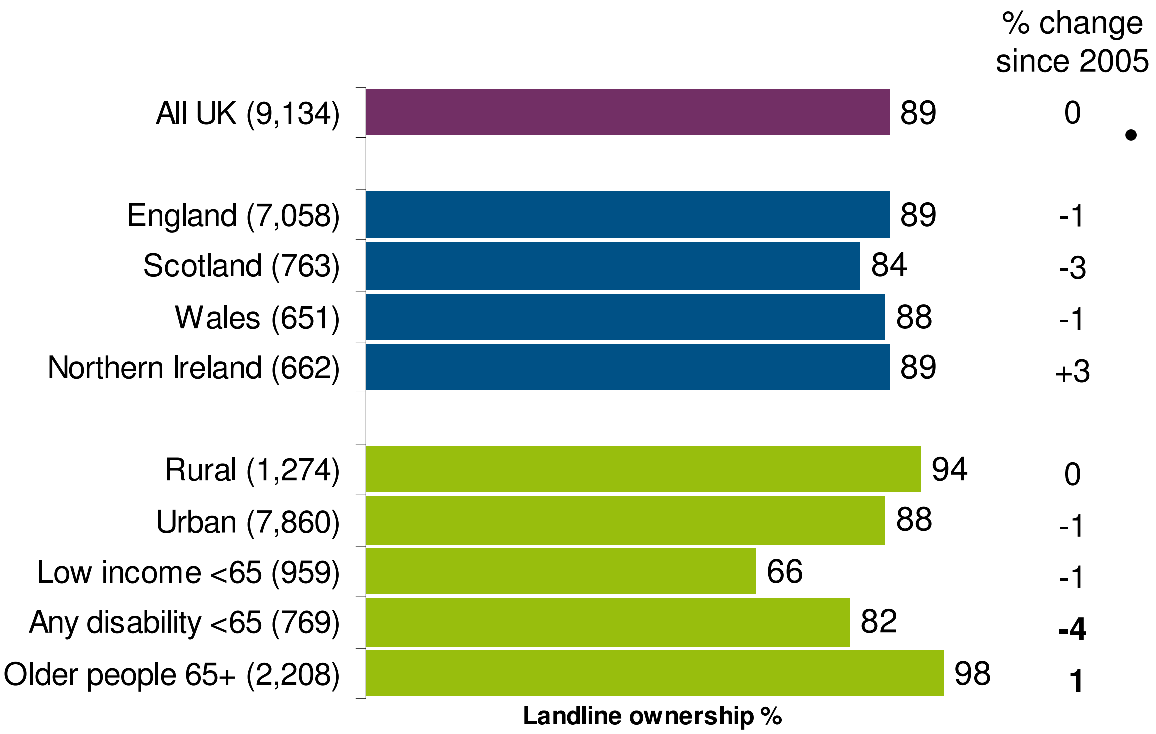
	All UK % *(9,134)*	England % *(7,058)*	Scotland % *(763)*	Wales % *(651)*	Northern Ireland % *(662)*
Older people (aged 65+)	19	**20**	**16**	**22**	17
Rural	14	**12**	**22**	**23**	**29**
Disability <65	8	**7**	**10**	**11**	**10**
Low income <65	10	10	**14**	**13**	10
TOTAL NATION SPLIT	100	84	9	5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

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

- Generally less satisfied with communications services across landline, mobile and internet platforms
- More likely to use mobiles for voice calls only
- Find it less easy to compare suppliers or say it was or would be easy to switch. Less likely than consumers in urban areas to have changed landline supplier
- Rise in number of consumers with reason to complain about either their landline, mobile or internet service
- More likely than average to have heard of digital switchover and to believe it is unfair

Landline ownership is higher than average amongst rural consumers

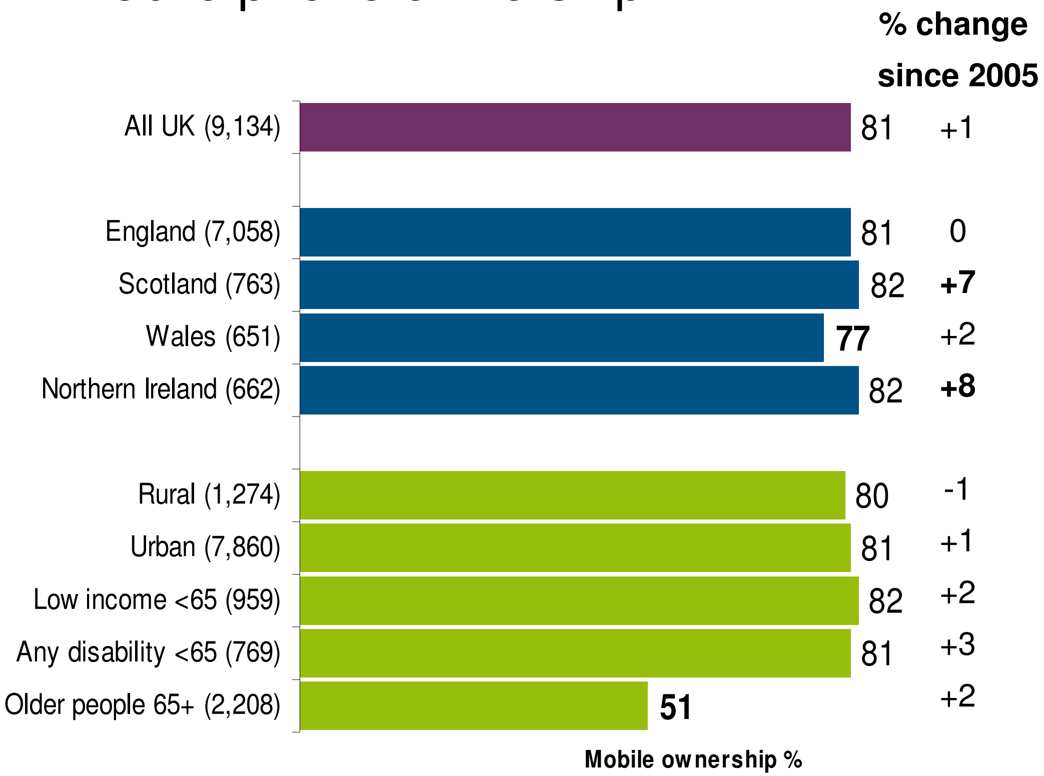
Landline ownership



- In the UK as a whole, reported quarterly spend on landline services has fallen by £1.40 since 2005, whereas for consumers living in rural areas spend has slightly increased (by £0.15) to £24.05, a significantly higher amount than the UK average (£21.30)

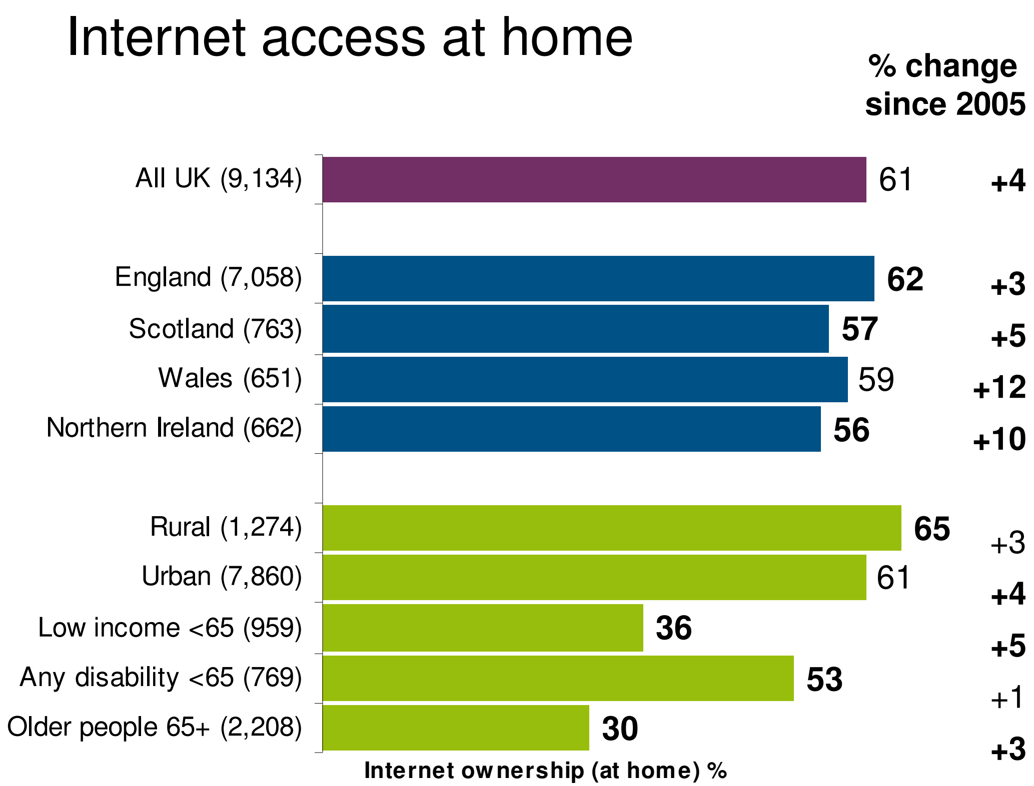
Mobile phone ownership among rural consumers is in line with the UK average

Mobile phone ownership



- Consumers living in rural areas are less likely to live in mobile only households (5% vs 10% overall)
- Reported monthly spend has risen significantly since 2005 to £18.90 (+£1.75) among consumers in rural areas with mobile phones. In contrast, average UK spend has only risen by £0.20. Despite this, average UK reported spend is still higher (£22.20)

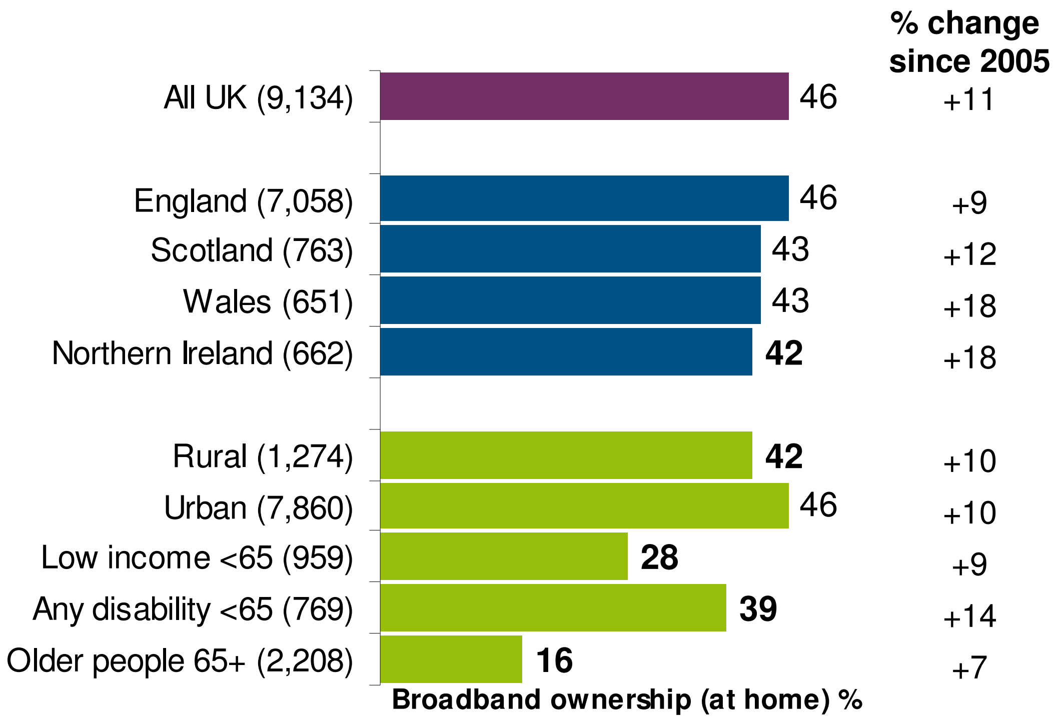
Access to the internet at home amongst consumers living in rural areas is higher than the UK average



- Access to the internet at home has increased since 2005 in line with the national average
- Reported monthly spend has increased significantly since 2005 to £19.55 (+£2.65), which is higher than the UK average (£18.35)

Broadband ownership has increased, but still a gap between rural consumers and the rest of the UK

Broadband ownership



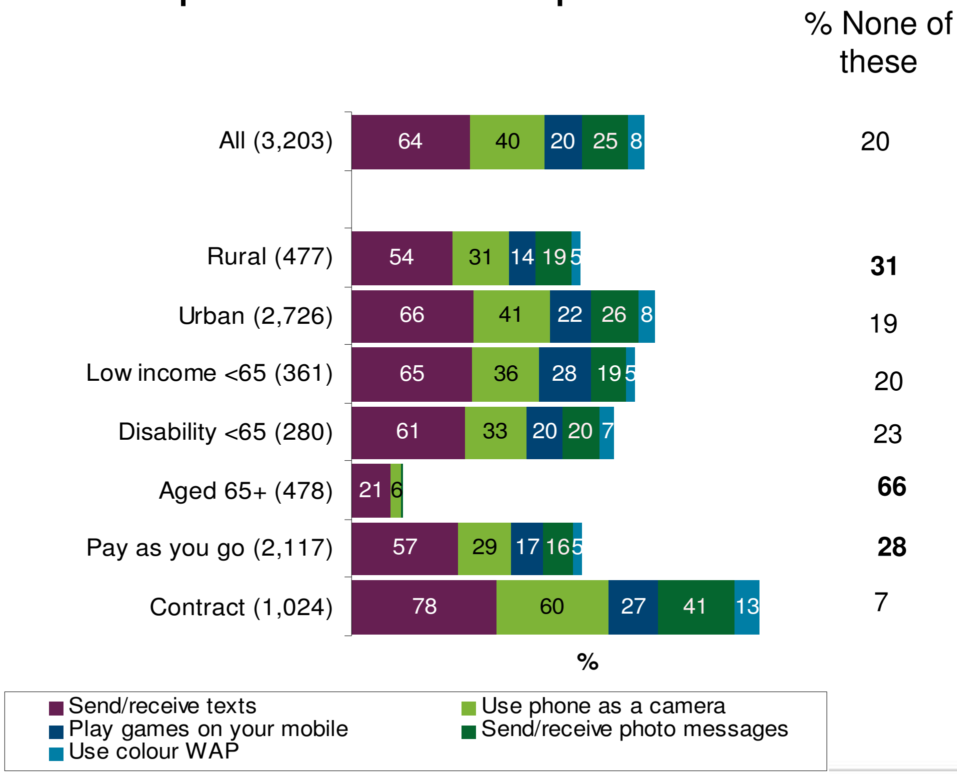
Consumers in rural areas less likely to use the internet to download music/movies

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**

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

Consumers living in rural areas are more likely to use their mobiles for voice calls only

Mobile phone ownership



- Consumers living in rural areas with a mobile phone are less likely to use their phone for texting, as a camera or for gaming

Consumers in rural areas are less likely to have ever switched landline or multichannel supplier

Switching by 'vulnerable' groups - 2006

Base: All with landline/use mobile/have internet/have multichannel TV 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 in rural areas are less likely to think it was or would be easy to switch landline, mobile or multichannel TV

Proportion agreeing it would be easy to switch - 2006

Base: All with landline/ multichannel TV/ use mobile/ have internet at home	**Landline** **%** *(3,669)*	**Mobile phone** **%** *(3,203)*	**Internet** **%** *(2,490)*	**Multichannel 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 living in rural areas 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

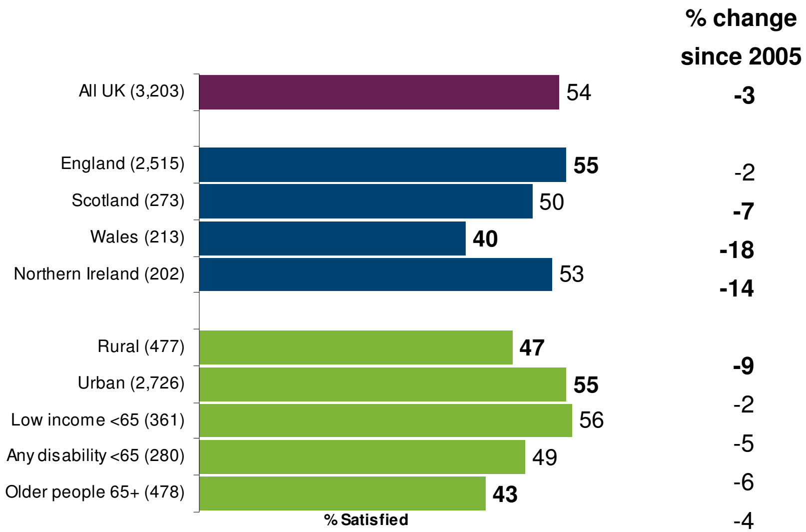
Rural consumers are less likely to turn to the internet as a trusted source of information on internet and landline suppliers

	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 - Landline	
	UK TOTAL % *(1,505)*	Rural % (182)	**UK TOTAL %** *(1,505)*	Rural % (182)	**UK TOTAL %** *(1,505)*	Rural % (182)	**UK TOTAL %** *(1,505)*	Rural % (182)
Family members	27	33	29	**41**	28	31	26	28
Friends	20	16	22	**28**	20	24	19	23
Internet in general	19	20	21	**14**	19	15	20	**14**
Visit shop/store selling technology/device	17	19	7	6	12	11	6	**2**
Supplier already using	12	14	7	7	10	11	15	16
Magazines/newspapers	6	**11**	6	8	6	9	6	9
Would not look for information/advice	5	7	9	10	5	6	8	10

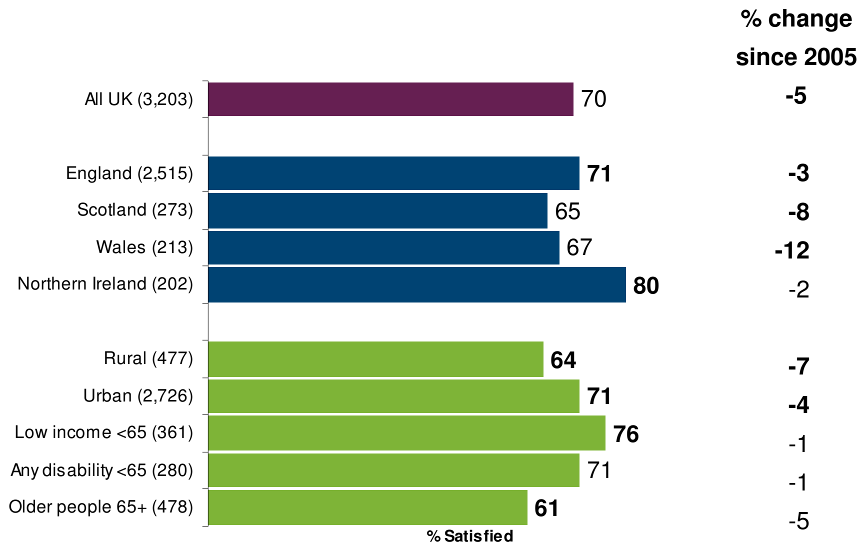
NB Figures in bold purple indicate results that are significantly higher or lower than the figure for all UK consumers

Consumers from rural areas are less likely to be satisfied with the cost of calls to the same network or to other networks

Satisfaction with cost of calls to different networks



Satisfaction with cost of calls to the same network



- Satisfaction on both measures has fallen significantly among consumers living in rural areas

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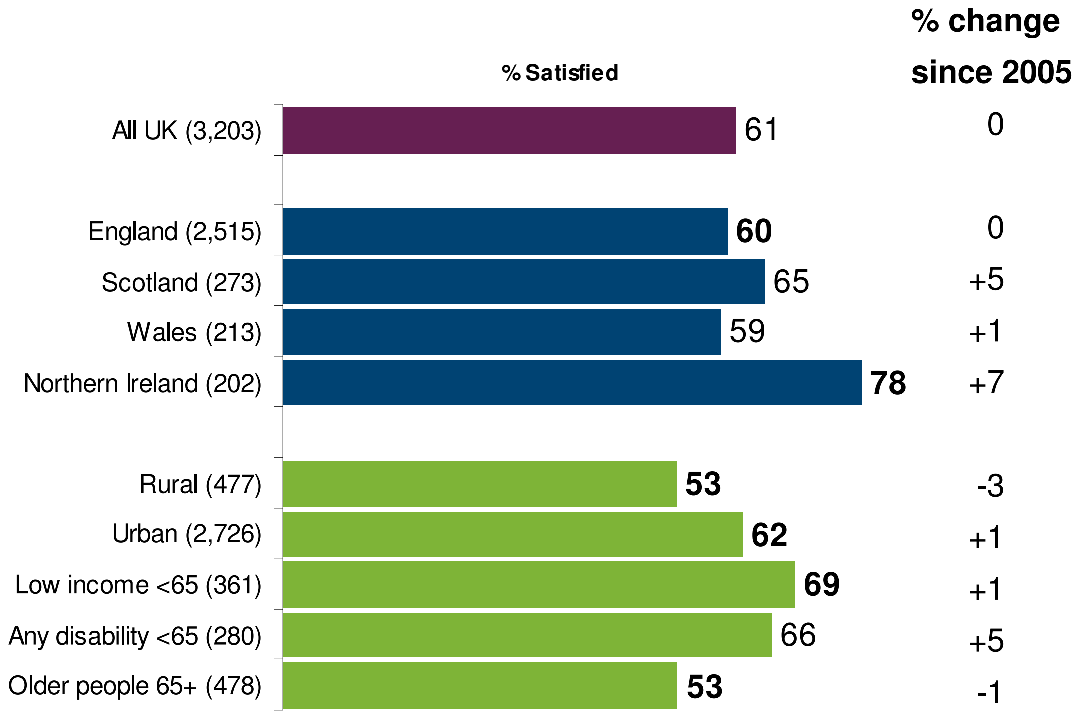
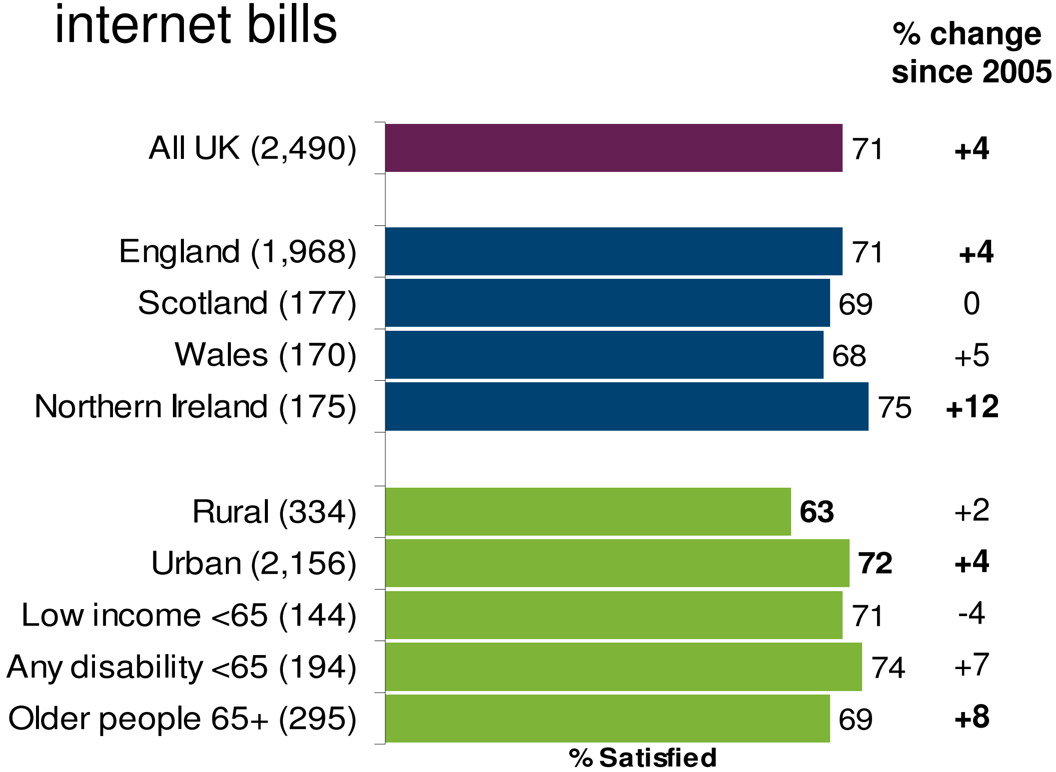
Consumers living in rural areas are less likely to be satisfied that their mobile supplier is making sure they are on the best deal

Satisfaction with being on the best deal



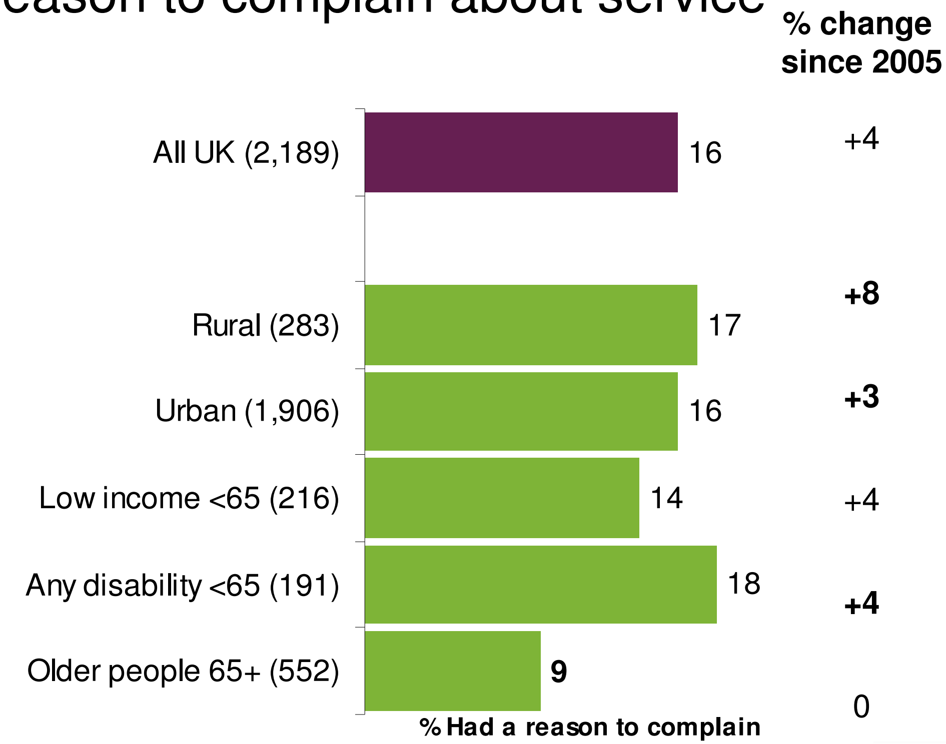
Rural consumers are less likely to be satisfied with ease of understanding internet bills

Satisfaction with understanding internet bills

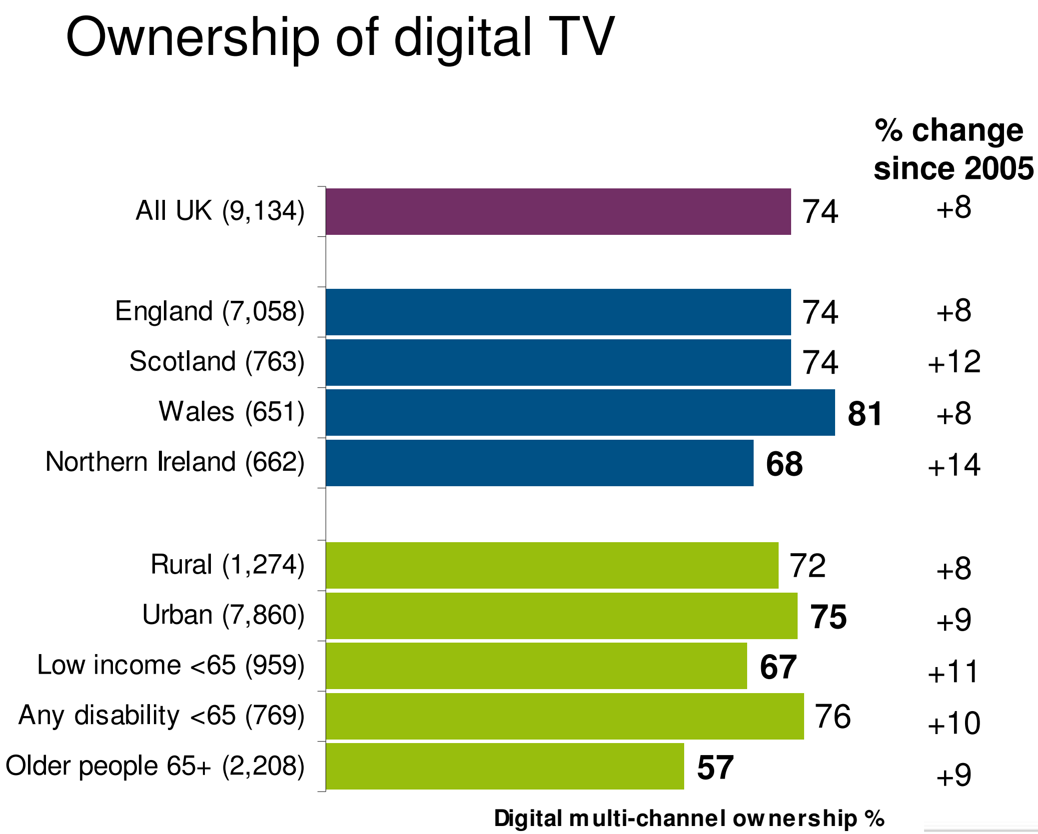


Proportion of rural consumers with reason to complain about their landline, mobile or internet service has increased since 2005

Reason to complain about service



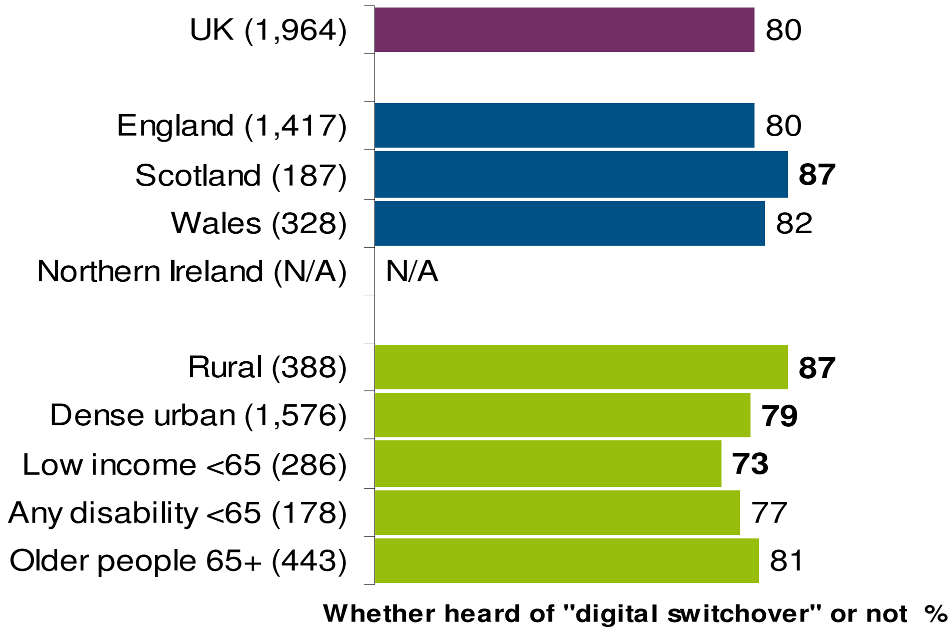
Ownership of digital TV has increased in line with the UK overall



- Reported monthly spend has dropped by £1.55 to £28.95 since 2005. This figure is significantly lower than the rest of the UK where spend has risen by £3.95 to £36.90

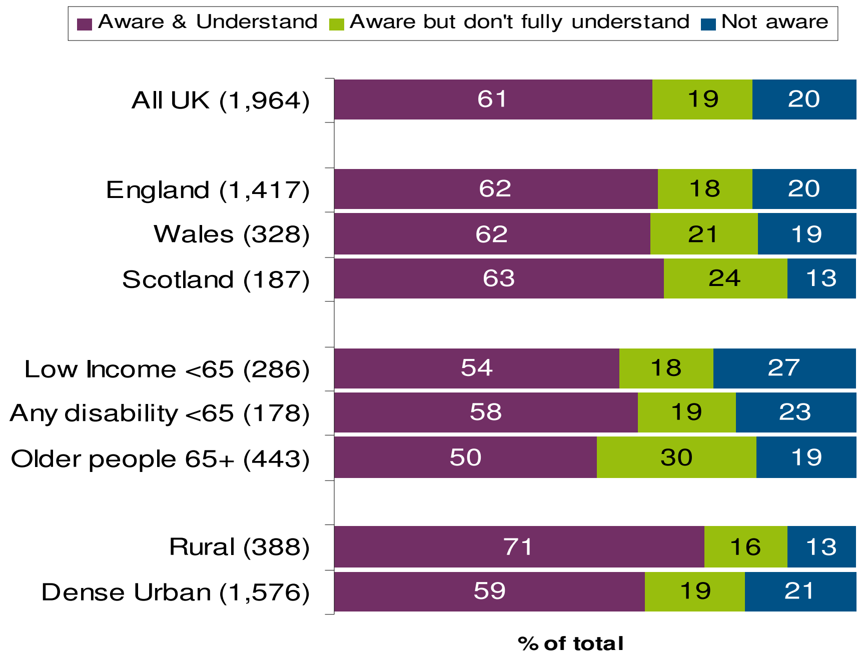
Consumers living in rural areas are more likely to be aware of the digital switchover

Awareness of digital TV switchover



Awareness and understanding of digital switchover also significantly higher amongst rural consumers

Understanding of digital switchover



- Consumers living in rural areas are more likely to believe that the switchover is unfair (34% vs 26% overall)

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Consumers in rural areas less likely to think that the principal reason for switchover is to give viewers more choice

Base:	**All** % *(2,490)*	**England** % *(1,147)*	**Scotland** % *(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**