

UK consumers continue to embrace digital communications services

- UK sees highest international increase in TV watching
- UK consumers text more than any other country except the USA
- UK consumers make the third highest volume of landline calls in the world
- UK enjoys lowest mobile and broadband prices

UK consumers are continuing to embrace digital communications services and lead internationally as a digitally advanced nation, new Ofcom research reveals.

Ofcom's International Communications Market data provides a snapshot of the £548 billion communications market in twelve major economies in the five years to 2008 and looks at take-up, availability, pricing and use of broadband, landlines and mobiles, TV and radio in these and the four fast growing economies of Brazil, India, Russia and China.

Watching more TV, on digital sets UK sees highest year-on-year increase in TV watching

Among the 11 comparator countries for which data were available, average TV viewing increased by 1.1 per cent to four hours a day in 2008. However, there was a mixed picture, with average viewing having fallen in France, Germany, Canada, Poland and the Netherlands during the year.

The UK witnessed the highest average increase in TV watching during 2008, up by 3.2 per cent to 3.8 hours a day. This was higher than the average (3.5 hours per day) across the European countries surveyed, but still slightly less than viewers in Italy, Poland and Spain. US viewers consumed the most television in 2008, watching on average 4.6 hours a day, up 1.8 per cent from 2007, whilst viewers in Sweden continued to watch the least at 2.7 hours a day, although this was a 1.9 per cent increase across the year.

UK has the highest proportion of digital TV households

The proportion of primary TV sets that had been converted to digital continued to grow in 2008, with the average among our comparator countries increasing by seven percentage points to 67 per cent during the year. The fastest rate of conversion was in Spain, where over 18 per cent of households migrated to digital services in 2008.

Of the countries surveyed, the UK remained the country with the highest proportion of households with digital TV on their main set, at 88 per cent in 2008, up 3 percentage points in the previous 12 months in the run up to switchover. The US was next with 76 per cent of households having digital TV, up by 6 percentage points on the previous year, closely followed by Spain which had the highest year-on-year increase of 18 percentage points, with 74 per cent of households having converted to digital by the end of 2008.

The UK had the second highest household take-up of digital terrestrial television services at the end of 2008 at 38 per cent, second only to Spain (45 per cent) among the 12 comparator countries. At the same time, UK household digital satellite television take-up in the UK (36 per cent) was the third highest, behind Ireland and Poland.

A texting nation...

UK is second highest texting nation in world, second to USA

Growth in text messaging continued in 2008, with total messaging volumes increasing by 43 per cent to 1.1 trillion, an average of 123 messages a month per mobile subscription, among the 11 comparator countries for which figures were available.

The UK had the second highest volume of outgoing text messages among our comparator nations in 2008 at 83 billion, second only to the USA at 830 billion. Despite having the second highest overall volumes of texts in 2008, the UK only had the fourth highest average monthly text messages per mobile subscription in the year, which at 92 was lower than in the US (262), Ireland (163) and Poland (150).

...but Brits love to talk and surf too...

Fixed line services proving resilient in the UK

The number of fixed lines fell in all of the nations covered in this report in 2008, the only exception being Canada where it was unchanged. The total number of fixed lines among our comparator countries fell by 17 million (4 per cent) during the year to 407 million, equivalent to 48 lines per 100 people (down from 50 in 2007).

In the five years to 2008 the number of UK landlines fell by an average of just 1.1 per cent a year, compared to an average of 3.1 per cent among the 12 countries covered in the report. Over the period Ireland and Canada were the only countries where the number of fixed lines increased, in Ireland by an average of 1.2 per cent a year and in Canada by 0.1 per cent a year.

On average, individuals in the UK made the third highest volume of calls from fixed telephones among the 11 comparator countries for which figures were available in 2008, at 190 minutes a month. The average across these countries was 150 minutes per person per month, down 8.4 per cent from 163 minutes a month in 2007. The only countries where average per capita landline usage was higher than in the UK were Sweden and the USA at 227 and 195 minutes a month respectively. If current trends continue, the average landline calls per person in the UK will overtake those in the USA during 2009.

Broadband growth is slowing

Growth in the number of broadband connections continued in all of our 12 main comparator countries in 2008, although the average rate of growth more than halved from 20.9 per cent in 2007 to 9.1 per cent. This was significantly lower than the 40 per cent average growth among the BRIC countries (Brazil, Russia, India, and China) also covered in the report.

Over the five years to 2008 the UK had the second highest growth in broadband lines per person among our 12 main comparator countries, at 23 connections per 100 people. During the same period the highest rate of growth was in the Netherlands at 25 connections per 100 people.

...and enjoy cheaper prices for their mobiles and broadband

Ofcom research into the prices consumers pay for their communications services has found that prices in the UK have generally fallen since 2008, and that prices compare favourably to those available in other countries.

The pricing analysis examines the prices of a typical 'basket' of communications services (fixed-line phone, mobile phone, broadband and pay-TV) for five household types. It compares the prices available to consumers in the UK with those in France, Germany, Italy, Spain and the US. Overall, the UK offers the lowest prices in three of the five baskets. Taking as an example a typical 'family' basket consisting of a fixed-line phone with high use, four mobile phones with varying use, a broadband connection at 8Mbit/s and a basic pay-TV subscription, the lowest price available to UK consumers (£102) was 28 per cent lower than that available in the next cheapest country, Italy.

The analysis identifies the lowest prices available from the leading suppliers of each service and finds that, across the five baskets, the lowest mobile prices in the UK fell by 8 per cent between July 2008 and July 2009, the lowest fixed-line voice prices fell by 9 per cent and the lowest broadband prices fell by 14 per cent. Overall, among the six comparator countries the UK has the lowest prices for mobile and for single-service broadband, and the second lowest prices (after Italy) for fixed-line voice.

Advertising spend moving online

Internet advertising has continued to grow across the countries we surveyed. The UK leads the way with the internet accounting for nearly a quarter (23 per cent) of total advertising spend, according to data from Warc*. In 2008 the UK had the highest absolute growth in internet ad spend of all the countries we looked at (four percentage points). But while the internet's share of total advertising spend is growing everywhere, its impact varies from country to country. Online makes up 19 per cent of advertising spend in Sweden, but only 9 per cent in Italy and Spain. Outside of Europe, the internet accounts for 15 per cent of advertising spend in the US and 12 per cent in Japan.

Ofcom Chief Executive Ed Richards said "The report shows that UK consumers have benefited from competition in the form of lower prices. Innovation means that the UK is well placed in the take up and availability of digital services."

NOTES FOR EDITORS

- 1. The report compares the availability, take-up and use of communications services in seven countries; the UK, France, Germany, Italy, the USA, Canada and Japan. The report also includes some information from other European countries; Poland, Spain, the**

Netherlands, Sweden and the Republic of Ireland. Separately the report also looks at the communications markets in four emerging countries; Brazil, Russia, India and China (so-called BRIC countries).

2. Sections 14 and 15 of the Communications Act 2003 require Ofcom to research markets constantly and to make public its consumer research.
3. *World Advertising Trends 2009, published by World Advertising Research Center