Communications Market Report: Northern Ireland

Research Document

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About this document

The report contains statistics and analysis of the Northern Ireland communications sector and is a reference for industry, stakeholders and consumers. It also provides context to the work Ofcom undertakes in furthering the interests of consumers and citizens in the markets we regulate.

The report contains data and analysis on broadcast television and radio, fixed and mobile telephony, internet take-up and consumption and post.

We publish this report to support Ofcom’s regulatory goal to research markets constantly and to remain at the forefront of technological understanding. It also fulfils the requirements on Ofcom under Section 358 of the Communications Act 2003 to publish an annual factual and statistical report. It also addresses the requirement to undertake and make public our consumer research (as set out in Sections 14 and 15 of the same Act).

Introduction

Welcome to Ofcom's annual Communications Market Report for Northern Ireland. The report gives an overview of the region's communications markets, examining availability, take-up and consumption of the internet, telecommunications, broadcasting and postal services, and comparing the findings with the other nations and the UK as a whole.

This year's report shows another rise in people accessing the internet on the move, with a significant increase in smartphone ownership and in the number of people owning tablet computers.

At 45%, Northern Ireland, along with Wales, has the highest rate of tablet ownership in the UK – up from 29% a year ago and 9% in 2012. Smartphone ownership has risen from 45% to 55% in the past year, with the biggest increase recorded in rural areas. Smartphones are most popular among young people (aged 16-34) while tablet computers and laptops are more popular with older users (35+).

Eight in ten households (80%) have access to the internet; slightly lower than the UK average, while Northern Ireland still has the highest availability of fibre broadband in the UK with 95% of premises being served by Next Generation Networks (NGA) compared to the UK average of 78%.

Social media continues to be popular, with more than half (58%) accessing Facebook, Twitter and similar services online, either at home or on the move. Sixty-eight per cent of internet users in Northern Ireland say they use the web for purchasing goods or services, up from 60% last year.

The proportion of premises in Northern Ireland in areas with 2G and 3G mobile coverage has also increased since last year. 98.9% of premises are in areas with outdoor 2G coverage. The percentage of homes in areas with at least one 3G operator now stands at 98%.

Northern Ireland has a higher level of pay-TV take-up, with two-thirds (67%) of homes having Sky, Virgin Media, BT Vision or paid-for top-up services, compared with 62% for the UK as a whole.

According to our research, people in Northern Ireland spend slightly more time watching TV (4 hrs a day) than the UK average (3.9 hrs) but claim to spend less time on the internet (13.8 hrs per week) than the UK average (16.9 hrs) and less time listening to radio (19.8 hrs per week) than the UK average (21.4 hrs).

Northern Ireland's unique television landscape is highlighted in the report, including research on Republic of Ireland TV channel viewing. One in four people watch RTÉ One every week, with smaller but still significant numbers watching RTÉ Two, TG4 and TV3. These services, with the exception of TV3, became more widely available in Northern Ireland after digital switchover in October 2012. The report also contains a section on Irish Language and Ulster Scots broadcasting.

In radio, our research shows that DAB radio ownership has increased to around 30% (from 24% a year ago), although this remains some way below the UK average (44%). Local stations continue to do well, with a bigger share of listeners tuning into local commercial and BBC stations than in other nations.

In post, our research shows that satisfaction with Royal Mail is highest in Northern Ireland, with nine in ten respondents saying they were satisfied with the service.

Finally, the report highlights upcoming developments that aim to further improve broadband and mobile phone coverage in Northern Ireland.

The information set out in this report does not represent any proposal or conclusion by Ofcom in respect of the current or future definition of markets. Nor does it represent any proposal or conclusion about the assessment of significant market power for the purpose of the Communications Act 2003, the Competition Act 1998 or any other relevant legislation.

Contents

Setting the scene

Key facts about Northern Ireland

Figure	Northern Ireland	UK
Population	1.823m (mid-2012 estimate)	63.705m (mid-2012 estimate)
Age profile	Population aged <16: 21% Population aged 65+:15%	Population aged <16: 18.8% Population aged 65+: 17%
Population density	134 people per square kilometre	263 people per square kilometre
Language	11% have some ability in Irish; 8.1% have some ability in Ulster-Scots	n/a
Unemployment	7.2% of the working age population	6.8% of the working age population
Income and expenditure	Weekly household income: £595 Weekly household expenditure: £481	Weekly household income: £711 Weekly household expenditure: £482

Source: Office for National Statistics: Region and Country Profiles, Key Statistics – December 2013; Office for National Statistics: Labour Market Statistics, May 2014; Office for National Statistics: Family Spending 2013 edition; Northern Ireland Statistics and Research Agency, Census 2011 - Key Statistics for Northern Ireland

A note on our survey research

We conducted a face-to-face survey of 3,740 respondents aged 16+ in the UK, with 499 interviews conducted in Northern Ireland. Quotas were set and weighting applied to ensure that the sample was representative of the population of Northern Ireland in terms of age, gender, socio-economic group and geographic location. Fieldwork took place in January and February 2014.

Respondents were defined as urban if they lived in a settlement with a population of 2000 or more and rural if they lived in areas with smaller populations. The survey sample in Northern Ireland has error margins of approximately +/- 3-4% at the 95% confidence level. In urban and rural areas survey error margins are approximately +/-4-6%.

In addition to the survey data, this report refers to information from a range of other sources, including data provided to Ofcom by stakeholders. Tables summarising the data collected in our survey are published on Ofcom's website.

1 Northern Ireland's communications market

1.1 Key findings for Northern Ireland

Introduction

This section sets out a selection of the key facts and figures relating to communications markets across Northern Ireland, comparing and contrasting nations and highlighting changes that have taken place in the past year.

Key findings for Northern Ireland

SME telecoms research

- **A majority of SMEs in Northern Ireland rate communications services as fundamental to their business,** and many are making use of online applications.

- **Most SMEs in Northern Ireland are satisfied with communications at an overall level.** Satisfaction is higher in urban areas for ADSL broadband compared to businesses in rural locations.

- **Four in ten Northern Ireland SMEs do not feel confident in their ability to identify new communications products or services.**

- **A quarter of SMEs in Northern Ireland report having experienced poor mobile coverage** and over one in five SMEs report having experienced poor reliability of internet connection. This rises to over a quarter in rural areas.

Mobile coverage in Northern Ireland

- **The majority of mobile phone users in Northern Ireland are satisfied with their current network.** Those in urban areas more likely than those in rural areas to be satisfied.

- **Around half of mobile users in Northern Ireland have experienced slow internet, been unable to use the internet and/or had no signal/reception**. The services with which the greatest proportion of users experience problems are slow internet (50%), being unable to access the internet (47%), not having any signal (46%) and being unable to send and receive email (40%).

- **The main reason for staying with the current provider is general satisfaction with the existing network (39%).** This is followed by satisfaction with their handset/number of inclusive minutes/ texts etc. (20%), getting good coverage (19%), liking the brand (12%) and thinking it would be too much hassle to change their number (12%). Nine per cent said they are not sufficiently bothered to change.

Availability of communications services in Belfast and Derry~Londonderry

- **Belfast has relatively high next-generation access (NGA) availability**, compared to the other cities assessed, which appears to be partly due to the success of public interventions such as the Next Generation Broadband Project.

- **However, NGA availability is lower in the most income and education-deprived areas of the city,** which may be because operators have chosen to roll out NGA services to higher-income areas first.

- **Derry~Londonderry has the highest level of NGA availability of all the cities assessed.** As in Belfast, this appears to be partly due to a successful public-sector intervention project, the Next Generation Broadband Project.

- **Despite the city's high NGA availability, 8.6% of lines in Derry~Londonderry deliver a speed less than 2Mbit/s**. This is because the city boundary incorporates a higher proportion of rural areas than the other cities assessed, so the average length of exchange loops is likely to be higher than in most other cities. However, the proportion of such lines has decreased by 3.1% since the previous report, most likely because of increased take-up of NGA services.

Digital Day

- **Consumers in Northern Ireland spend less time consuming media and communications across a typical day, compared to consumers in other nations.** Media consumption would take 10 hours 38 minutes in total if each activity were consumed on its own, but simultaneous activity allowed people to fit this into 8 hours 29 minutes per day. The average across the UK was 11 hours 7 minutes of media consumption, squeezed into 8 hours 41 minutes.

- **Traditional media devices still account for the majority of media consumption.** Across the nations TV and radio remain resilient, with approximately four in ten media and communication minutes spent watching TV on a TV set. Consumers in Northern Ireland and Wales spent a marginally greater proportion of their daily media and communications time on this activity, at 40% and 41% respectively, compared to a UK average of 37%. People in Northern Ireland and Wales also spent the greatest proportion of media time listening to radio on a radio set, at 12%.

TV and audio-visual content.

- **Half of all homes in Northern Ireland (52%) have satellite as their main TV platform,** higher than the UK average (41%). Take-up of satellite TV services rises to 56% in rural areas of Northern Ireland where there is lower availability of cable services.

- **More people use the television for local news in Northern Ireland than anywhere else in the UK**. In 2013, 64% of respondents cited television as their main source of local news, 14 percentage points higher than the UK average of 50%.

- **BBC and UTV spend on non-network first-run originated content for viewers in Northern Ireland increased by 14% in 2013**. In nominal terms, the year-on-year spend by PSBs on first-run originated programming for viewers in Northern Ireland increased from £23m in 2012 to £26m in 2013, a rise of 14%, the highest of any of the devolved nations but still 7.7% lower than in 2008.

- **Total spend by the BBC and UTV on nations programming in Northern Ireland was up 15% year on year.** The BBC and UTV spend on current affairs increased by 35% in 2013, a 31% rise on five years earlier, partly due to the introduction of *Nolan Live*. Non-news programming spend also increased by 23% year on year; Derry~Londonderry was the UK's City of Culture for 2013 and there was coverage of a number of events.

- **Year on year, the number of first-run originated hours produced specifically for viewers in Northern Ireland increased by 4%,** compared to the UK-wide average increase of 2%. This figure remains 17% lower than in 2008.

<u>Radio and audio content</u>

- **Listeners in Northern Ireland now have access to 31 digital radio services**. This is due to the extension of the national commercial digital multiplex, Digital One, to Northern Ireland. Six new transmitters have boosted DAB availability and brought ten new UK commercial stations.

- **Ownership of a DAB radio set has risen to almost a third of households**. This is a year-on-year increase of six percentage points, but take-up remains lowest in Northern Ireland compared to the other UK nations.

- **Local/ nations BBC services are more popular in Northern Ireland than in any other UK nation**. BBC Ulster has the highest reach of a BBC nations' service, listened to by 36% of adults in Northern Ireland.

- **BBC local/ nations radio spend per head was highest in Northern Ireland**. The total spend by BBC Radio Ulster/BBC Radio Foyle was £23.6m in 2013-14. Expenditure per head of population reduced by £0.23 to £12.95, but remained the highest of all the UK nations.

<u>Internet and web-based content</u>

- **Half of consumers in Northern Ireland are accessing the internet on their mobile phone.** Eight in ten households in Northern Ireland had access to the internet in Q1 2014, with mobile access increasing by 6pp in the past year, to 51% of consumers.

- **Over four in ten households in Northern Ireland have a tablet computer.** Among the UK nations, tablet take-up is highest in Northern Ireland and Wales, having increased by 16 percentage points over the past year, to 45%.

- **Internet users in Northern Ireland claim to spend significantly less time online than the UK average**. Internet users in Northern Ireland claim to spend 13.8 hours on the internet per week. This is significantly lower than the UK average of 16.9 hours.

<u>Telecoms and networks</u>

- **By June 2014 95% of premises in Northern Ireland were served by the NGA networks that are used to provide superfast broadband services.** This was above the UK average of 78% and was the highest proportion among the UK nations.

- **98.9% of premises were in areas with 2G mobile coverage and 98% of premises were in areas with 3G mobile coverage by June 2014.** The proportion of homes in Northern Ireland with outdoor 2G mobile coverage from all three national 2G networks increased by 10.7 percentage points to 91.7% in the year to June 2014.

- **In June 2014 79.2% of premises in Northern Ireland were in areas which have outdoor 4G mobile coverage.** This was the highest proportion among the UK nations and compares to the UK average of 72.0%. Among the other UK nations the proportion of premises in areas with outdoor 4G coverage ranged from 44.4% in Wales to 74.9% in England.

- **Northern Ireland had the largest increase in the availability of LLU broadband services in 2013.** Despite this increase, the proportion of premises that were in LLU-enabled exchange areas remained the lowest among the UK nations at the end of the year, at 87%.

- **Eighty-four per cent of mobile users in Northern Ireland were satisfied with their mobile phone reception in Q1 2014.** This was a similar level to 2013 and, although it was among the lowest levels recorded across the UK nations, 85% of mobile users in Northern Ireland said that they were either 'very' or 'fairly' satisfied with their mobile service overall.

- **The proportion of fixed broadband users who are 'very satisfied' with their service's speed has increased.** Overall satisfaction with fixed broadband services and fixed broadband speeds remained relatively stable in Northern Ireland in Q1 2014, at 87% and 81% respectively, although the proportion of users who said that they were 'very' satisfied with their fixed broadband speeds increased from 35% to 40% during the year. This improvement was even more marked in rural areas, where 43% of broadband consumers were reported as being very satisfied with their speeds in Q1 2014, compared to 34% in 2013.

Post

- **Nine in ten people in Northern Ireland are satisfied with Royal Mail.** When asked about their overall satisfaction levels with Royal Mail, the majority of people in Northern Ireland (89%) say they are either 'very satisfied' or 'fairly satisfied', compared to 86% across the UK overall.

- **One in three residents in Northern Ireland did not send any items through the post in the past month.** Each month, on average, adults in Northern Ireland claim to have sent 6.1 items of post. However, a third (33%) of people had not sent any items of post in the past month. When asked about their attitudes to using post, 47% of those in Northern Ireland say they '*only use post if there is no alternative'* compared to 40% across the UK as a whole.

- **A third of those receiving more post than two years ago say they are receiving more small parcels.** Around a quarter of adults in Northern Ireland (23%) claim to be receiving more post, compared to two years ago. Among these, over two-fifths (44%) say they are receiving more bills and statements, the highest of all the UK nations. In addition, a third (33%) claim to be receiving more small parcels compared to two years ago, significantly higher than across the UK as a whole.

- **Almost half of adults in Northern Ireland think the cost of sending a letter to the Republic of Ireland is poor value for money.** When asked to consider the cost of posting a standard letter to the Republic of Ireland (87p at the time of the survey), almost half (47%) of all adults in Northern Ireland perceived this to offer poor value for money ('very' or 'fairly') compared to around a third (34%) who saw it as good value for money ('very' or 'fairly').

Figure 1.1 Fast facts for Northern Ireland

	UK	England	Scotland	Wales	Northern Ireland	UK urban	UK rural	NI urban	NI rural
TV take-up	97	97	95-	98+	97	96	99+ ↑+1	97	98+
Smart TV take-up among TV homes	12 ↑+5	12 ↑+4	8- ↑+4	9- ↑+3	7-	12 ↑+5	11 ↑+4	6-	8- ↑+5
DAB ownership amongst radio listeners[1]	44	44	43 ↑+14	42 ↑+15	30- ↑+6	43	47 ↑+8	33- ↑+10	25-
Online TV / video viewing	49 ↑+7	50 ↑+8	42	48 ↑+10	48	50 ↑+8	41-	51	42
Broadband take-up	77	77	76 ↑+6	71- ↑+5	73-	76	78	72-	75
Mobile broadband take-up	8 ↑+3	9 ↑+4	6-	7	5-	8 ↑+2	11+ ↑+7	4-	6-
Use mobile to access internet	57 ↑+8	57 ↑+8	56 ↑+12	52- ↑+5	51- ↑+6	58 ↑+9	51- ↑+3	53-	49- ↑+14
Mobile phone take-up	93	94 ↑+2	90-	92	94	93	93	94	95+
Smartphone take-up	61 ↑+10	61 ↑+9	62 ↑+17	57- ↑+8	55- ↑+10	62 ↑+11	56- ↑+5	57- ↑+6	52- ↑+17
Fixed landline take-up	84	84	83	78-	83	83	87+	80	88+
Tablet computer take-up	44 ↑+20	44 ↑+20	42 ↑+18	45 ↑+24	45 ↑+16	43 ↑+20	47 ↑+18	40- ↑+6	52+ ↑+33
E-reader take-up (personal use)	17	17	16	18 ↑+3	20+ ↑+8	16	21+	19 ↑+5	22+ ↑+13
Households taking bundles	63 ↑+3	64 ↑+4	64 ↑+4	59- ↑+9	54- ↑+3	63 ↑+4	63	53-	55-
Fixed telephony availability	100	100	100	100	100				
Fixed broadband availability[2]	99.99	100	99.87	100	100				
LLU ADSL broadband availability[3]	95	96	88	93	87				
Virgin Media cable broadband availability[4]	44	47	35	21	26				
BT Openreach / Kcom fibre broadband availability[5]	69	71	48	55	92				
NGA broadband availability[6]	78	80	64	58	95				
2G mobile availability[7]	99.7	99.9	99.5	99.0	98.9				
3G mobile availability[8]	99.5	99.8	97.3	98.3	99.0				
4G mobile availability[9]	73.0	76.3	56.8	44.9	79.2				
DTT availability[10]	98.5	98.6	98.7	97.8	97.4				
TV consumption (hours per day)	3.9	3.8	4.1	4.4	4.0				
Radio consumption (hours per day)	3.1	3.1	2.9	3.1	2.8				

Key: +Figure is significantly higher than UK average; -Figure is significantly lower than UK average;
↑+*xx   Figures has risen significantly by xx percentage points since Q1 2013*
Source: Ofcom research Q1 2014, BARB, RAJAR, industry data
Base: All adults aged 16+ (n = 3740 UK, 491 Wales, 2249 England, 501 Scotland, 499 Northern Ireland, 1965 England urban, 284 England rural, 261 Scotland urban, 240 Scotland rural, 252 Wales urban, 239 Wales rural, 247 Northern Ireland urban, 252 Northern Ireland rural)
1. DAB ownership in the nations and UK as reported here is sourced *from Ofcom research. The UK CMR uses RAJAR data for DAB ownership,*
2. Proportion of premises able to receive ADSL broadband services based on data reported by BT, December 2013
3. Proportion of premises connected to an LLU-enabled BT local exchange area, December 2013
4. Proportion of premises able to receive Virgin Media cable broadband services, June 2014
5. Proportion of premises able to receive BT Openreach/ KCom fibre broadband services, June 2014; under regulatory rules other providers can provide retail fibre broadband services to consumers using these networks.
6. Proportion of premises able to receive NGA broadband services, June 2014
7. Proportion of premises that have outdoor 2G mobile coverage from at least one operator, June 2014
8. Proportion of premises that have outdoor 3G mobile coverage from at least one operator, June 2014
9. Proportion of premises that have outdoor 4G mobile coverage from at least one operator, June 2014
10. Estimated proportion of homes that can receive the PSB channels via DTT (3PSB Mux coverage). Joint TV planning project (Arqiva, BBC, Ofcom).

1.2 SME telecoms research 2014

A majority of SMEs in Northern Ireland rate communications services as fundamental to their business

Eighty-three per cent of Small and Medium Enterprises (SMEs) in Northern Ireland agree that communications services are fundamental to their business – this on a par with the average response from SMEs across the UK (83%).

When asked to rate the importance of different types of communications services on a scale of 1-10, fixed phone (9) and fixed internet (8.9) were both rated close to 9 out of 10 on average. Mobile phone services were rated slightly lower (at 8.4).

Figure 1.2 Importance of communications services to SMEs in Northern Ireland

	All UK	NI	Northern Ireland					
			Location		No. of employees			
			Urban	Rural	1-4	1-9	10-49	50-249
% who agree that "Communications services are fundamental to our business without them we could not achieve our goals"	83%	83%	87%	77%	81%	82%	88%	96%
Mean scores: "How important are XXX services on a scale of 1-10"								
Fixed phone lines	8.9	9	9.1	8.9	8.9	9	9.3	9.4
Leased Lines	8.4	Sample of users too small to report						
Mobile phone services	8.2	8.4	8.3	8.6	8.4	8.4	8.7	8.0
Fixed internet services	8.8	8.9	8.9	8.9	8.7	8.8	9.2	9.1
Mobile internet services	6.4	6	Sample of users too small to report					

Source: Ofcom SME research
Base: All SMEs (n=1,508 in the UK, 338 in Northern Ireland)
Note: Base sizes for rural (114), 10-49 (73) and 50-249 (52) employees are low and should be treated as indicative only. Importance scores based on all SMEs that use the service.

The majority of SMEs in Northern Ireland have broadband internet

The majority (78%) of SMEs in Northern Ireland are online and this is true across urban and rural areas and among businesses or different sizes. Just under two-thirds (65%) of SMEs in Northern Ireland use mobile phones. Use of internet and mobile phones is more common among larger businesses in Northern Ireland.

Compared to the UK average, SMEs in Northern Ireland have higher rates of take-up of fibre broadband (23% vs. 13%). This is likely to be related to the broad roll-out of fibre services across Northern Ireland.

Figure 1.3 Communications services used by SMEs in Northern Ireland (% use)

	All UK	NI	Northern Ireland					
			Location		No. of employees			
			Urban	Rural	1-4	1-9	10-49	50-249
Standard PSTN landline telephones	95%	98%	97%	98%	98%	98%	96%	92%
ADSL Broadband	66%	63%	62%	64%	59%	60%	82%	69%
Smartphones	44%	47%	43%	52%	42%	44%	64%	73%
Standard (non-smart) mobile phones	36%	35%	32%	38%	32%	33%	48%	56%
Fibre broadband	13%	23%	24%	21%	18%	21%	37%	46%
Mobile broadband (e.g, USB dongle)	10%	13%	11%	14%	12%	12%	16%	27%
Cable broadband[1]	11%	9%	9%	9%	10%	9%	11%	25%
Ethernet	7%	8%	10%	5%	8%	7%	11%	13%
VoIP	10%	10%	11%	10%	9%	9%	16%	17%
ISDN 2/ 2e	7%	7%	8%	5%	4%	5%	19%	27%
Video Conferencing	5%	4%	4%	3%	2%	2%	12%	19%
VPNs	5%	4%	5%	3%	2%	2%	16%	25%
Leased Lines/ Private Circuits	3%	3%	3%	2%	2%	3%	1%	17%
ISDN 30	2%	2%	3%	1%	0%	1%	11%	27%
NET: Landline	96%	98%	98%	98%	98%	98%	99%	100%
NET: Internet	78%	78%	77%	79%	74%	76%	95%	90%
NET: Mobile services	66%	65%	61%	72%	63%	63%	81%	85%

Source: Ofcom SME research
Base: All SMEs (n=1,508 in the UK, 338 in Northern Ireland)
Note: Base sizes for rural (114), 10-49 (73) and 50-249 (52) employees are low and should be treated as indicative only. "NET: Internet" figure excludes leased lines which can be used solely for voice service so the actual proportion connected to the internet may be marginally higher.

Most SMEs in Northern Ireland using online applications

The majority of SMEs are making use of the internet to order goods and services (83%) and make payments (58%). Just under seven in ten (69%) have a company website.

A minority of SMEs are using the internet for marketing and sales, with 40% using online marketing, 40% taking orders online and 38% taking payments online.

A smaller minority of SMEs say they are using online services to manage or access their data; around a quarter (24%) use cloud services.

[1] Likely to include an over-claim

Figure 1.4 Selected internet applications/ software used by SMEs in Northern Ireland (% use)

	All UK	NI	Northern Ireland					
			Location		No. of employees			
			Urban	Rural	1-4	1-9	10-49	50-249
Ordering goods and services online	83%	83%	83%	82%	81%	82%	88%	-
Making payments by BACS	62%	58%	57%	59%	53%	56%	70%	-
Company website	69%	69%	75%	59%	65%	66%	84%	-
Taking orders for goods and services	42%	38%	35%	42%	35%	37%	42%	-
Online marketing (e.g. email, Facebook, Twitter)	39%	40%	48%	29%	38%	39%	48%	-
Taking payment for goods and services	35%	38%	35%	42%	35%	37%	42%	-
Online data storage or back-up	28%	27%	26%	28%	21%	24%	43%	-
Cloud services	23%	24%	31%	14%	22%	23%	28%	-
Remote log-in to your work PC or laptop	20%	25%	28%	21%	20%	22%	41%	-
Remote log-in to work server	17%	17%	23%	9%	10%	13%	41%	-

Source: Ofcom SME research
Base: All SMEs that have a fixed internet (n=1,508 in the UK, 283 in Northern Ireland)
Note: Base sizes for SMEs with fixed internet in rural areas (114), 1-4 (96) and 10-49 (69) employees are low and should be treated as indicative only.

Four in ten SMEs in Northern Ireland do not feel confident in their ability to identify new communications products or services

The survey results suggest that there is a confidence gap among SMEs in Northern Ireland in identifying new communications products and services to benefit their business. Forty-one per cent say they do not feel confident in their ability to do this, although 68% say they feel well informed about how communications services can help businesses survive.

A lack of information does not seem to explain this low confidence; the large majority of SMEs in Northern Ireland (84%) agree that information is widely available. However, over a third (38%) of SMEs indicate that they have security concerns related to communications services, which may, in part at least, explain the lack of confidence.

Figure 1.5 Confidence in use of communications services by SMEs in Northern Ireland (%)

	All UK	NI	Northern Ireland					
			Location		No. of employees			
			Urban	Rural	1-4	1-9	10-49	50-249
% agree - I don't have confidence in my ability to identify which new communications products or services would be valuable for the organisation	34%	41%	37%	46%	45%	43%	25%	-
% agree - I feel very well informed about how communications services can help the organisation survive	67%	68%	71%	65%	68%	68%	68%	-

Source: Ofcom SME research
Base: All SMEs (n=1,508 in the UK, 338 in Northern Ireland)
Note: Base sizes for rural (114), 10-49 (73) and 50-249 (52) employees are low and should be treated as indicative only.

Most SMEs in Northern Ireland are satisfied with communications at an overall level…

Eighty-nine per cent are satisfied with standard PSTN[2] lines, 86% are satisfied with smartphones and 77% with standard mobile phones. Satisfaction with smartphones is lower in rural than in urban areas (75% vs. 91%), perhaps related to the quality of mobile coverage.

…but satisfaction in urban areas is higher for ADSL broadband

Eighty-two per cent stated they were satisfied with their ADSL broadband service. However, there is a difference in satisfaction by location, with businesses located in urban areas reporting 92% satisfaction compared to 68% among SMEs based in rural locations.

When SMEs were asked about particular aspects of mobile and internet services (for example, speed and coverage) satisfaction tended to sit at around seven or eight out of ten (see Figure 1.6 for more details).

[2] PSTN Public switched telephone network. The network that manages circuit-switched fixed-line telephone systems.

Figure 1.6 Satisfaction with elements of communications services: SMEs in Northern Ireland

	All UK	NI	Northern Ireland					
			Location		No. of employees			
% Satisfied with...			Urban	Rural	1-4	1-9	10-49	50-249
Standard PSTN landline telephone services	88%	89%	87%	93%	89%	89%	89%	-
Smartphones (eg. iPhones/ Blackberries/Samsung Galaxy/Other Android)	90%	86%	91%	79%	84%	86%	86%	-
Standard mobile phone	85%	77%	80%	74%	74%	76%	83%	-
ADSL Broadband (internet via fixed line)	78%	82%	92%	68%	79%	82%	88%	-
Mobile phones / smartphones - the reliability of the service in terms of the quality of the signal or connection?	73%	73%	81%	63%	72%	74%	73%	-
Mobile phones / smartphones- the geographic availability of the service (i.e. the breadth of coverage)	75%	70%	75%	63%	68%	70%	71%	-
Mobile phones / smartphones- the value for money of the service provided	81%	84%	88%	79%	88%	87%	62%	-
Mobile phones / smartphones – the reliability of the service in terms of being able to send and receive emails or access the internet	78%	80%	81%	78%	78%	80%	81%	-
Internet service - the reliability of the service in terms of the quality of the connection	80%	83%	86%	78%	81%	82%	88%	-
Internet service - the ability to access the speed that has been paid for	66%	65%	70%	58%	61%	64%	77%	-
Internet service - the geographic availability of the service (i.e. The ability to obtain the service where your company is based)	80%	83%	83%	77%	82%	83%	87%	-
Internet service- the speed of the connection	71%	71%	78%	60%	70%	70%	77%	-
Internet service - the geographic availability of symmetrical services where the upload and download speeds is the same	57%	62%	66%	56%	61%	61%	70%	-

Source: Ofcom SME research
Base: All SMEs (variable base)
Note: Base sizes for rural, 10-49 and 50-249 employees are low and should be treated as indicative only.

A quarter of Northern Ireland SMEs report having experienced poor mobile coverage

Despite the relatively high levels of satisfaction, over a quarter (28%) SMEs with mobile telephony in Northern Ireland report having experienced poor mobile coverage in the past 12 months.

Figure 1.7 Problems experienced with mobile phone service in the past 12 months

	All UK	NI	Northern Ireland					
			Location		No. of employees			
			Urban	Rural	1-4	1-9	10-49	50-249
Poor mobile coverage	26%	28%	20%	38%	28%	27%	31%	-
Poor mobile internet coverage	5%	7%	6%	9%	6%	7%	10%	-
Calls dropping out	6%	5%	4%	8%	5%	5%	8%	-
Slow speeds when connecting to internet	2%	2%	2%	2%	1%	1%	5%	-
Delays in receiving text messages	2%	2%	0%	4%	2%	2%	0%	-
Poor customer service	4%	2%	3%	0%-	1%	1%	8%	-
No problems experienced	61%	60%	64%	54%	60%	61%	51%	-

Source: Ofcom SME research
Base: All SMEs with mobile/smartphone (n=1,048 in the UK, 236 in Northern Ireland)
Note: Base sizes 1-4 (82) and 10-49 (59) employees are low and should be treated as indicative only. Problems mentioned by less than 2% in both the UK and Northern Ireland samples are not included.

The most commonly reported problem with fixed-line services was poor service reliability, with one in ten (11%) SMEs in Northern Ireland reporting having experienced such a problem in the past 12 months.

Figure 1.8 Problems experienced with fixed line service in the past 12 months

	All UK	NI	Northern Ireland					
			Location		No. of employees			
			Urban	Rural	1-4	1-9	10-49	50-249
Poor service reliability (loss of service/ technical fault)	15%	11%	11%	13%	10%	11%	15%	-
Poor voice quality	3%	3%	3%	3%	3%	3%	3%	-
Poor customer service	3%	4%	4%	3%	3%	3%	6%	-
Additional charges (unexpected)	2%	2%	3%	1%	2%	2%	3%	-
Unsolicited nuisance or silent calls	1%	1%	0%	1%	1%	1%	0%	-
No problems experienced	75%	79%	80%	78%	79%	79%	78%	-

Source: Ofcom SME research
Base: All SMEs with landline services (n=1,467 in the UK, 334 in Northern Ireland)
Note: Base sizes in rural (112), 10-49 (72) and 50-249 (52) employees are low and should be treated as indicative only. Problems mentioned by less than 2% in both the UK and Northern Ireland samples are not included.

Over one in five SMEs in Northern Ireland reported having experienced poor reliability of their internet connection, rising to over a quarter in rural areas

Over one in five (21%) internet-connected SMEs in Northern Ireland reported that they had experienced poor service reliability from their internet connection in the past 12 months. This figure was lower than the UK average figure, and higher in Northern Ireland's rural areas (27%) than in urban areas (17%).

Figure 1.9 Problems experienced by Northern Ireland SMEs with internet service in the past 12 months

	All UK	NI	Northern Ireland					
			Location		No. of employees			
			Urban	Rural	1-4	1-9	10-49	50-249
Poor service reliability (e.g. Temporary loss of service/connection)	29%	21%	17%	27%	20%	20%	28%	-
Slow download speeds	16%	16%	11%	23%	18%	16%	13%	-
Slow upload speeds	13%	15%	9%	23%	17%	16%	7%	-
Poor customer service	4%	1%	0%	2%	1%	1%	1%	-
No problems experienced	58%	68%	73%	59%	70%	69%	58%	-

Source: Ofcom SME research
Base: All SMEs with fixed internet (n=1,267 in the UK, 283 in Northern Ireland)
Note: Base size for SMEs with fixed internet in rural areas (96), 1-4 (96) and 10-49 (69) employees are low and should be treated as indicative only. Problems mentioned by less than 2% in both the UK and Northern Ireland samples are not included

Most SMEs in Northern Ireland say the needs of their business are well catered for by the communications industry

Most (88%) SMEs agree that the needs of their business are well catered for by the communications market. However, a minority (16%) report that the ability of their business to grow has been impacted by a lack of service availability.

One per cent of SMEs say that they have been unable to move premises due to a lack of service availability.

Figure 1.10 Communications services in the context of business needs

	All UK	NI	Northern Ireland					
			Location		No. of employees			
			Urban	Rural	1-4	1-9	10-49	50-249
% Agree - the needs of my business are well catered for in the communications market	85%	88%	91%	83%	88%	88%	88%	-
% Agree - The ability of my business to grow has been impacted by the lack of suitable communications products and services available to me	15%	16%	25%	21%	19%	17%	23%	-
Has your organisation ever been prevented from moving location due to the communications services you require to be able to function as a business not being available in the area or location you wanted to move to? (% Yes)	1%	2%	1%	2%	2%	1%	3%	-

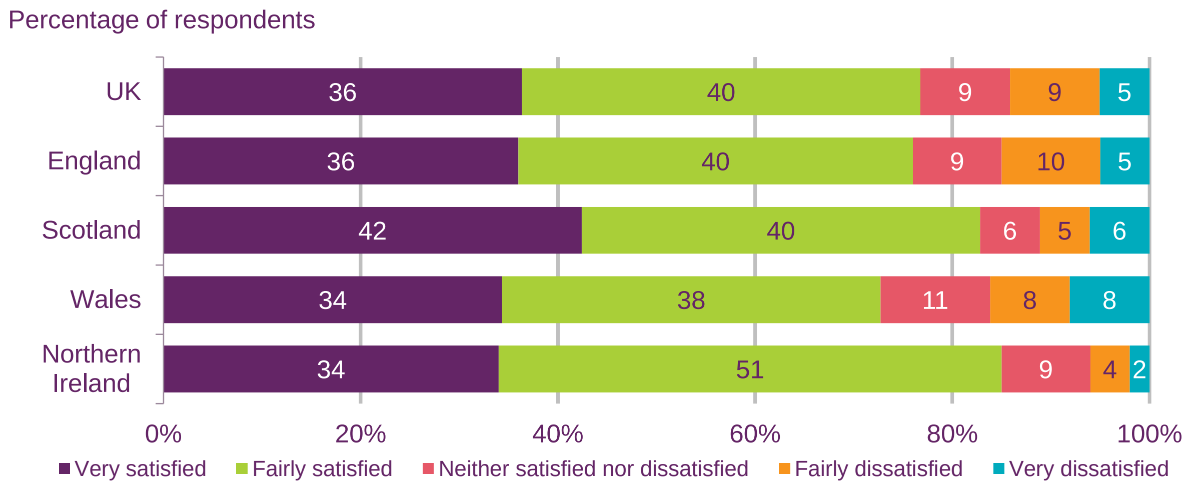
Source: Ofcom SME research
Base: All SMEs/ All SMEs that use the service (n=1508 in the UK, 338 in Northern Ireland)
Note: Base sizes for rural (114), 10-49 (73) and 50-249 (52) employees are low and should be treated as indicative only.

1.3 Mobile coverage

Overall satisfaction with mobile networks is greatest in Northern Ireland and Scotland

The majority of mobile phone users in Northern Ireland (85%) claim to be 'fairly' or 'very' satisfied with their current network. Satisfaction levels are on a par with Scotland and higher than in England and Wales.

Figure 1.11 Overall satisfaction with network

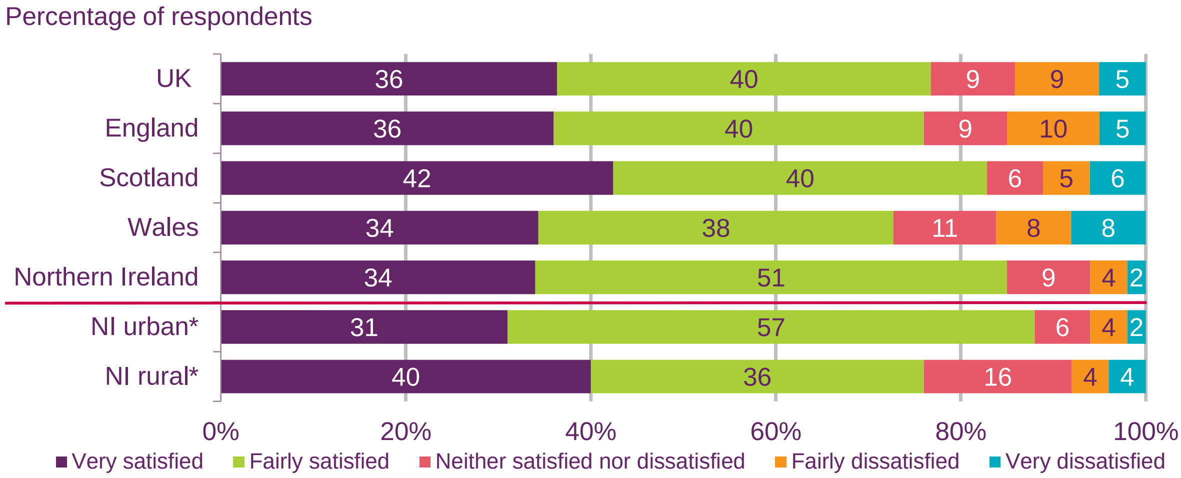


Source: Ofcom mobile network coverage research March 2014
Base: All mobile phone users: UK 1,509, England: 877, Scotland: 216, Wales: 222, Northern Ireland: 194
Q21: Overall, how satisfied or dissatisfied are you with [name of network currently used]?

Overall satisfaction with mobile networks is higher in urban than in rural areas

Satisfaction with mobile networks is higher in urban than in rural areas, although those in rural Northern Ireland are more likely to be 'very' satisfied than are those in urban areas of this country.

Figure 1.12 Overall satisfaction with network: urban vs. rural

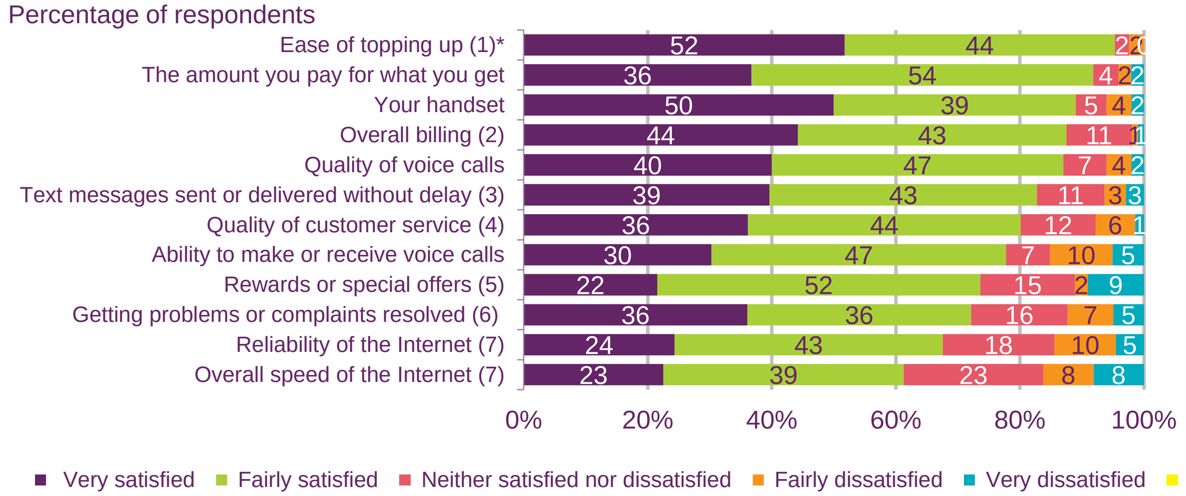


Source: Ofcom mobile network coverage research March 2014
Base: All mobile phone users: UK total: 1,509, England: 877, Scotland: 216, Wales: 222, Northern Ireland: 194, Northern Ireland urban: 97, Northern Ireland rural: 97**
Q21: Overall, how satisfied or dissatisfied are you with [name of network currently used]?
**Caution: Low base size*

Among mobile phone users in Northern Ireland, satisfaction is lowest for rewards/ special offers and for overall internet speed

Levels of satisfaction vary with specific aspects of services; the highest ratings are given for ease of topping up and the lowest for rewards or special offers and for the overall speed of the internet.

Figure 1.13 Satisfaction with aspects of service among mobile phone users in Northern Ireland



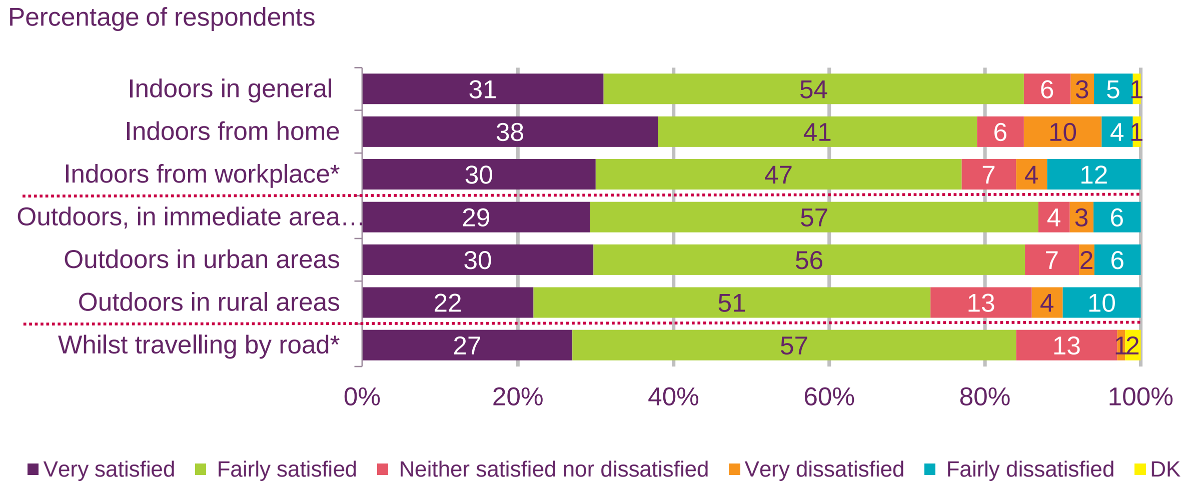
Source: Ofcom mobile network coverage research March 2014
Base: All mobile phone users, Northern Ireland 194, (1) those who top up: 85, (2) those who pay monthly: 104 (3) those who send/receive texts : 175, (4) those with experience of customer services: 141, (5) those with knowledge of rewards/special offers: 144 (6) those who have experienced a problem and/or made a complaint: 122, (7) those who use their mobile phone to browse the internet: 118. Don't know and Not applicable excluded from bases*
Q22: For each aspect of service, I would like you to tell me how satisfied or dissatisfied you are with it.
**Caution: small base*

Over seven in ten mobile phone users in Northern Ireland are satisfied with making calls in each type of location

The majority of mobile phone users in Northern Ireland expect their network's performance to be good, or very good, in terms of being able to make and receive clear voice calls without them dropping out unexpectedly, at home, indoors in other locations and outdoors in urban areas. Expectations are lower for when travelling by train or road, and outdoors in a rural area. Mobile phone users in Northern Ireland have higher expectations for voice calls when travelling by road or rail than do users in England or Wales.

Around 80% of those who make calls in each location type in Northern Ireland are satisfied with the service they receive. Satisfaction with making calls outdoors in rural areas is in line with other locations.

Figure 1.14 Satisfaction levels among mobile phone users in Northern Ireland with making calls in various locations



Source: Ofcom mobile network coverage research March 2014
Base: All mobile phone users in Northern Ireland who make calls in each location at least a few times a month: indoors from home 177, indoors in general 168, indoors from workplace 81, outdoors in urban areas 151, outdoors in immediate area 163, outdoors in rural areas 102, whilst travelling by road 91*.*
Q46: How satisfied are you with the ability to make/receive calls on your main personal phone in each of the following locations?
**Caution: Low base sizes*

In Northern Ireland, use of the internet on mobile phones is most likely indoors, either in users' own homes or elsewhere

Almost two-thirds of people in Northern Ireland who use mobile internet services on their mobile phone do so at least a few times a month indoors in their own home (63%), indoors in places other than their own home (63%), and outdoors in the immediate vicinity of where they live or work (57%). Just over half (51%) use the internet on their mobile phone outdoors in urban areas a few times a month or more, and 30% access the mobile internet outdoors in rural locations this frequently.

Around half of mobile users in Northern Ireland have experienced slow internet, been unable to use the internet and/or had no signal/ reception

Overall, half of all mobile phone users in Northern Ireland claimed to 'sometimes' or 'always' experience one or more of a list of problems presented to them when using their phone for one or more functions. The services with which the greatest proportions experience problems are slow internet (50%), being unable to access the internet (47%), not having any signal (46%) and being unable to send and receive email (40%). Over two-thirds either hardly ever, or never, experience problems with calls ending unexpectedly, being unable to make a call when the phone shows there is good service, sending and receiving texts, calls breaking up, or with text messaging. The degree to which each problem is experienced in Northern Ireland is in line with the UK as a whole.

Figure 1.15 Problems experienced on mobile phones a few times a month or more

	UK	Eng-land	Scot-land	Wales	NI
Web pages slow loading/slow internet	59%	58%	62%	65%	50%
Unable to use mobile internet*	48%	47%	49%	59%	47%
Having no signal/reception	44%	44%	39%	47%	46%
Unable to send/receive emails**	36%	35%	41%	48%	40%
Poor sound quality/calls breaking up	36%	36%	31%	42%	35%
Calls ending unexpectedly	34%	35%	28%	39%	27%
Unable to connect when phone shows signal	30%	31%	21%	39%	30%
Unable to send/receive texts	28%	28%	28%	33%	27%
Text messaged not arriving / being delayed	28%	27%	31%	36%	28%

Source: Ofcom mobile network coverage research March 2014
*Base: All mobile phone users, UK: 1.509, *those who use internet on their mobile phone 980, **those who use their mobile phone for email 712. England: 877 those who use internet on their mobile phone 568 **those who use their mobile phone for email 413. Scotland: *those who use internet on their mobile phone 144, **those who use their mobile phone for email 111. Wales: 216, *those who use internet on their mobile phone 144, **those who use their mobile phone for email 111. NI: 194, **those who use internet on their mobile phone 118, *those who use their mobile phone for email 72.*
Question: Q43: How often, if at all, have you experienced any of the following when using your main mobile phone?

Mobile network operators’ websites are the most likely source of information about network problems used by mobile phone users in Northern Ireland

Among mobile phone users in Northern Ireland who claimed to ‘sometimes’ or ‘always’ experience problems when using their phone for one or more functions (half the sample overall), a minority (8%) had looked for information about the problem, tried to resolve it (7%) or done both (2%). Those who had looked for information were most likely to have looked on their operator’s website. The level of proactive searching for information and/or solutions is lower in Northern Ireland than in the other three nations.

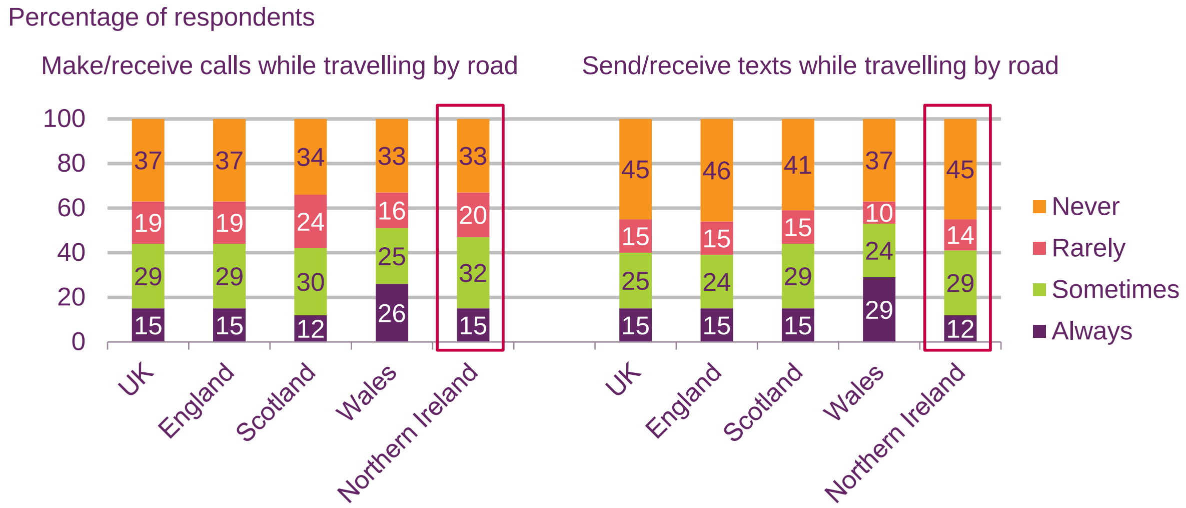
The majority (93%) said they had never received any information or communication from their network about problems with network coverage in their area. Three per cent had received a text from their provider, 2% an email and 1% a phone call. The proportion receiving any information from their suppler was significantly lower in Northern Ireland than in the other three nations.

Three-quarters of mobile phone users in Northern Ireland who travel by road (car and/or bus) make voice calls when doing so[3]

The majority (91%) travel by road (car and/or bus) at least once a week whereas just 3% travel this frequently by train. Just under half (47%) of road travellers who make calls regularly do so while travelling by road. Just over four in ten (41%) of those who regularly send texts and travel by road, either ‘always’ or ‘sometimes’ text while travelling.

[3] Making or receiving calls / texts can be by anyone in the car. Also the question did not ask if the car was in motion

Figure 1.16 Frequency of making/receiving voice calls and texts while travelling by road



Source: Ofcom mobile network coverage research March 2014
Base: All respondents, UK: 1248, England: 722, Scotland: 173, Wales: 184, Northern Ireland 169
Q41: How often do you use your main mobile phone for each of the following activities?

Lack of need is the main reason for not using a mobile phone when travelling by road in Northern Ireland

The main reason given for not using their phone while travelling by road, by those who did not do so, was having no need to (51%). This was followed by ‘do not have a hands-free kit’ (28%); this was significantly higher than in Wales. Six per cent do not use their mobile when travelling by road because they assume they will not be able to get a signal. Three per cent do not use their phone because they do not want to disturb other passengers: this is significantly lower than in Wales.

Two-thirds (67%) of road travellers who use their phone to make calls when travelling by road claim to rarely, or never, experience difficulties when doing so. However, 19% are dissatisfied with their ability to make and receive calls while travelling by road.

Figure 1.17 Reasons for not using a mobile phone while travelling by road

Source: Ofcom mobile network coverage research, March 2014
Base: All those who say "never" to at least one activity on their phone when travelling by car or bus UK: 771, England: 442, Scotland: 123, Wales: 107, Northern Ireland 111
Q42: you say you never [functions mobile phone is used for at least once a week but not used when travelling by car or bus] when you travel by car or bus. Why is that?

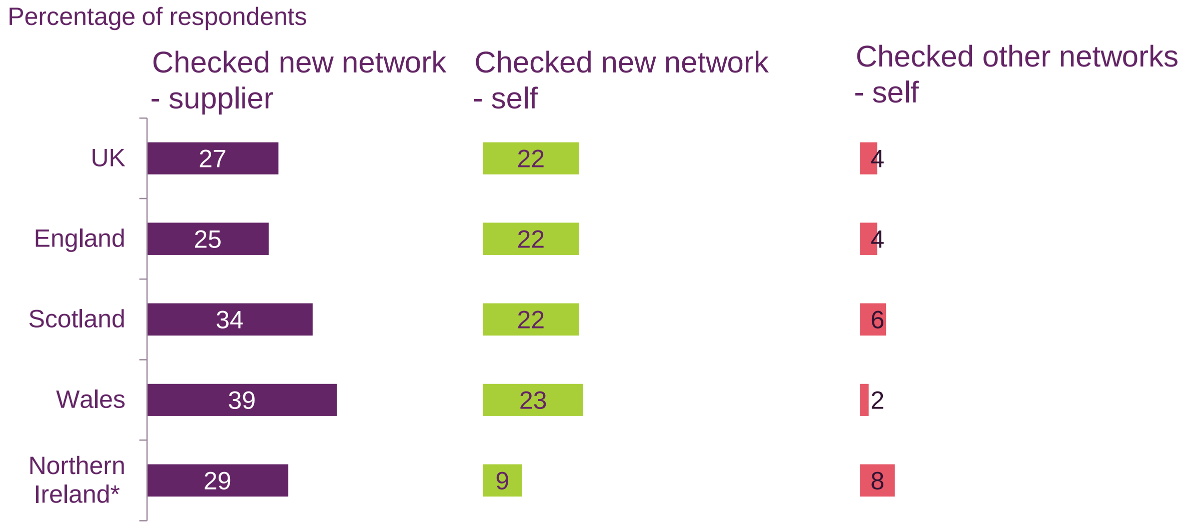
Over two in five claim their new supplier had not checked the coverage in their area when they signed up

Just over a quarter (29%) of mobile users in Northern Ireland who had been with their current supplier for five years or less said their current network supplier had checked the coverage in their area when they signed up. Two-fifths (42%) said their supplier had not checked their coverage and the remaining 29% could not remember whether it had been checked or not.

A minority had checked their new supplier's coverage themselves

Nine per cent of those in Northern Ireland who had been with their current supplier for five years or less had checked the coverage of their supplier themselves before signing up; this is significantly lower than the proportions doing so in the other three nations. Eight per cent checked the coverage of one or more other networks. In Northern Ireland friends and family were the most likely source of information about network coverage.

Figure 1.18 Checking network coverage



Source: Ofcom mobile network coverage research March 2014
Base: All mobile phone users who have switched their network operator within the last five years: UK 742, England: 453, Scotland: 110, Wales: 106, Northern Ireland: 73
Q63: Thinking back to when you signed up to [network currently with], did they check coverage in your area for you?
Q65: Did you personally do anything to check the coverage of your new provider and/or any other providers in your area before signing up with [network currently with]?

1.4 Availability of communications services in Belfast and Derry~Londonderry

Introduction

Ofcom's 2013/14 Annual Plan identified the importance of understanding infrastructure availability with respect to geography:

> *In 2013/14 we will undertake further research into the effect of communications infrastructure availability on geographic areas. This research will be used together with the conclusions of our work on the availability of communications services in the nations (Economic Geography) which we will publish shortly. This existing research focused on rural and lower-density geographies; our follow-up work will complement this by focusing on higher-density areas, including cities and towns*

In May 2013, Ofcom published a report on the availability of communications services in the UK[4], which examined how and why the availability of communications services varies across the UK, and how it could be improved. This work focused on the UK as a whole and the variations between urban and rural areas.

To build on this report Ofcom commissioned 11 case studies of UK cities. These would explore the availability of communications services in each city and attempt to identify some of the factors driving this. The 11 cities we chose to study are listed below. They were chosen to represent a range of urban populations across the UK, cover different business profiles, and include all the UK nations.

- **Northern Ireland:** Belfast, Derry-Londonderry.

[4] http://stakeholders.ofcom.org.uk/market-data-research/market-data/economic-geography/

- **England:** London, Birmingham, Manchester, Cambridge, Exeter
- **Scotland:** Glasgow, Inverness
- **Wales:** Cardiff, Bangor

The key findings of this research were published in Ofcom's *Communications Market Report* on 1 August 2013 alongside the full report, which can be found on Ofcom's website.[5]

Ofcom has decided to update key elements of this research for the current report in order to present the latest available data and to assess how availability has changed since we published the 2013 CMR.

This section focuses on the availability of fixed broadband networks in the cities of Belfast and Derry~Londonderry, drawing on the key findings of our 2013 *Infrastructure Report*.[6]

Methodology

The percentage of city premises that have access to NGA provided by BT Openreach and/or Virgin Media was estimated by combining a postcode-level dataset for current and future BT Openreach NGA with a postcode-level dataset for premises serviceable by Virgin Media's cable network, as provided by Virgin Media. This data only show premises that have access to NGA services; it does not reflect how many households have actually taken up the service.

The proportion of broadband connections with speeds less than 2Mbit/s was calculated using data from Ofcom's *Infrastructure Reports* published in 2012 and 2013. These data show the proportion of premises receiving broadband over their telephone line at speeds of less than 2Mbit/s.

For the city of Belfast only we also include a summary of analysis that compares availability of NGA and sub-2Mbit/s lines with the socio-economic factor of income deprivation. This analysis was carried out for Ofcom by Analysys Mason and the full report is available on the Ofcom website.[7]

The results for Belfast are broken down by quartile. Analysys Mason applied two alternative quartile analysis methods, which are summarised in Figure 1.19 .

[5] http://stakeholders.ofcom.org.uk/market-data-research/market-data/communications-market-reports/cmr13/uk/
[6] http://stakeholders.ofcom.org.uk/binaries/research/telecoms-research/infrastructure-report/IRU_2013.pdf
[7] http://stakeholders.ofcom.org.uk/binaries/research/infrastructure/Analysys_Mason_final_report.pdf

Figure 1.19 Description of quartile analysis methods used

Method	Description	Example
Equal domain range	This method defines each quartile as the difference between maximum and minimum values of scores in the IMD domain divided by four. The upper and lower scores of each quartile will be different for each city depending on its range of scores for the given IMD domain. Therefore, the number of premises in each quartile will be different. This method highlights acute deprivation relative to the rest of the nation.	This method highlights the NGA broadband availability for areas of the city that fall into the 25% most deprived areas.
Equal premises count	This method defines each quartile as the total number of premises in a city divided by four. Therefore, the number of premises in each quartile will be the same. This method highlights the relative differences in deprivation within a city.	This method highlights the NGA broadband availability for areas that represent the 25% most deprived premises in the city.

Source: Analysys Mason 2014

In its report, Analysys Mason presents findings from both quartile analysis methods. However, for the purpose of making comparisons and observing trends between the six cities, Analysys Mason has used findings based on the *equal domain range* method in order better to highlight those areas with the most acute deprivation. In most cities, there is a large gap between the maximum and minimum values of scores in the IMD domain, with most households clustered around the average values. This means that the number of premises in the lowest quartile (the households whose deprivation level is within the range covered by the lowest 25% of IMD domain values) can often be very low. In Glasgow, for example, only 1.3% of premises fell into the most income-deprived quartile. In our analysis, we have chosen to use findings based on the *equal premises count* as, by including an equal number of premises in each quartile, it is easier to compare how availability differs within a city.

Belfast

Summary of key findings

- Belfast has relatively high next-generation access (NGA) availability, compared to the other cities assessed, which appears to be partly due to the success of public interventions such as the Next Generation Broadband Project.

- However, NGA availability is lower in the most income- and education-deprived areas of the city, which may be because operators have chosen to roll out NGA services to higher-income areas first.

- Despite high NGA availability, there was still a notable proportion of '<2Mbit's' connections in the most education-and income-deprived areas.

Belfast has a population of c.269,000 with residential premises accounting for 94% of all premises

Figure 1.20 shows the size of the city in terms of population and number of residential and non-residential premises. The population is based on the 2011 census and the number of premises is based on postcodes within the local authority boundary.

Belfast is the commercial and educational centre for Northern Ireland. For many years, Belfast's economy was fragile and supported by the Government, and the city has recently undergone much redevelopment.[8] Belfast is now home to a strong software and financial

[8] Source: Analysys Mason

services sector, and is embracing new sectors of excellence in areas such as creative industries and advanced manufacturing'.[9]

Figure 1.20 City population and premises data

City	Population	Total premises	Business premises	Residential premises
Belfast	c.269,000	c.139,000	c.8,500	c.130,500

Source: Analysys Mason

For the purposes of this study the city boundary is defined by Belfast City Council, and is shown in the following figure:

Figure 1.21 Map of area local to Belfast highlighting city boundary

Source: Analysys Mason

Next generation access (NGA) is available to 98% of premises in Belfast

Figure 1.22 identifies NGA network infrastructure (FTTx[10] and DOCSIS v3.0 cable technologies[11]) for the two main operators, BT Openreach and Virgin Media.

Belfast already had exceptionally high NGA availability and that has risen by 1% since 2012, giving it the second highest availability of the 11 cities that we assessed.

Although the availability of first-generation broadband is 100%, some premises experience broadband speeds of less than 2Mbit/s, which is considered below the minimum requirement for a basic broadband service.

[9] http://www.belfastcity.gov.uk/investinbelfastguide/growthsectors.asp
[10] Fibre to the exchange (FTTx) is a generic term used to describe any broadband network using optical fibre to replace all or part of the usual metal local loop used for last-mile telecommunications.
[11] DOCSIS v3.0 is the next generation of DOCSIS, which allows users to experience significantly faster speeds.

Figure 1.22 NGA availability in Belfast, by premises passed and relative positioning

Source: Analysys Mason, Ofcom Infrastructure Report 2013

Figure 1.23 shows the proportion of connections with a speed of less than 2Mbit/s. The proportion of Belfast connections that have a speed of less than 2Mbit/s is 3.8%, a decrease of 1.3% since the previous report, which is likely to be due to increased take-up of NGA services.

Figure 1.23 Percentage of connections that have a speed of less than 2Mbit/s, and relative positioning

Source: Analysys Mason, Ofcom Infrastructure Report 2013

Belfast has 15 exchanges, all of which have been upgraded to NGA

Figure 1.24 shows the number of exchanges serving the city postcodes, the percentage of lines that support both ADSL and ADSL Max[12], and the average number of lines per exchange[13]. Not all of these exchanges are physically located within the city boundary. All of the copper lines support basic broadband (both ADSL and ADSL Max).

[12] ADSL Max is a ‘rate-adaptive’ variant of ADSL, where the transmitted bit rate varies depending on the physical conditions of the twisted-pair copper line, which may change over time. In contrast, the bit rate for ADSL is fixed and does not change.
[13] Source: Analysys Mason

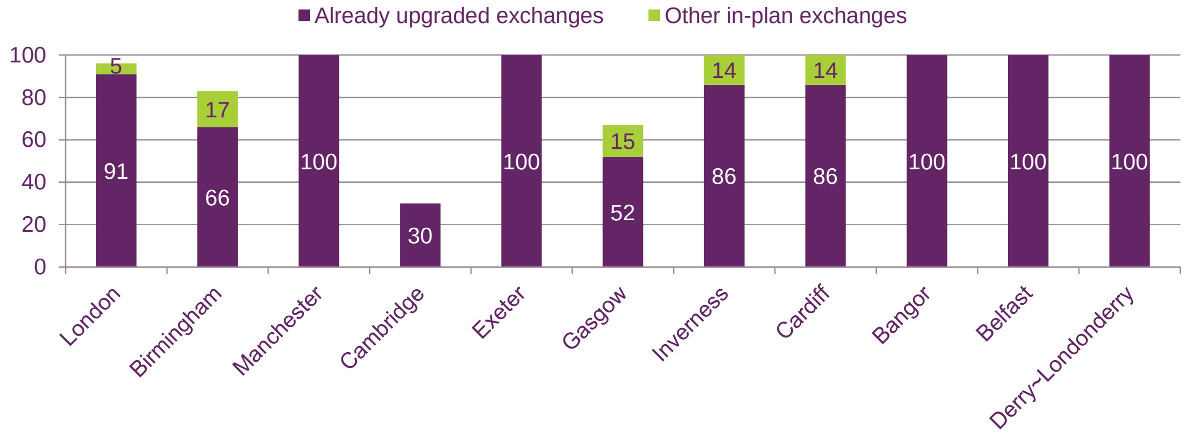
Figure 1.24 Number of exchanges and % of lines with access to basic broadband

No. of exchanges serving city postcodes	% of lines that have access to both ADSL & ADSL Max	Average number of lines per exchange
15	100%	8800

Source: Analysys Mason

The BT Openreach fibre network comprises fibre-to-the-cabinet (FTTC) and fibre-to-the-home (FTTH) infrastructure. Figure 1.25 shows the FTTC status of the city exchanges according to BT Openreach's current roll-out plans, compared to the other cities assessed.

Figure 1.25 FTTC status of exchanges serving city postcodes, according to BT Openreach's roll-out plans



Source: Analysys Mason

To date, 15 of the serving exchanges (100% of total serving exchanges) have been upgraded to FTTC[14].

<u>Summary of public interventions</u>

During 2009, the Department of Enterprise, Trade and Investment (DETI) entered into a partner agreement with BT on the £51m Next Generation Broadband Project to upgrade about 1300 cabinets in around 170 exchange areas across Northern Ireland, some of which were located in Belfast. In November 2013 it was announced that 150,000 premises across Northern Ireland had been connected to high speed fibre broadband.

In February 2014, the Enterprise, Trade and Investment Minister, Arlene Foster, announced details of a £24.5m investment that will see BT deliver improved broadband technologies and infrastructure across Northern Ireland. DETI is contributing £9.9m, under the European Regional Development Fund's (ERDF) European Sustainable Competitiveness Programme, with an additional £5m from the Department of Agriculture and Rural Development (DARD), under the European Agricultural Fund for Rural Development (EAFRD) Programme. The Department of Culture Media and Sport, through BDUK, is also contributing £4.4m. BT is contributing £4.2m to the project.

[14] Note that only a proportion of the cabinets that connect to the upgraded exchanges have been upgraded. Although data are not available on the actual number of cabinets upgraded across the city, BT Openreach has stated that for the national FTTC roll-out, on average 85% of premises are passed by NGA, which equates to an average 70% of cabinets per exchange area.

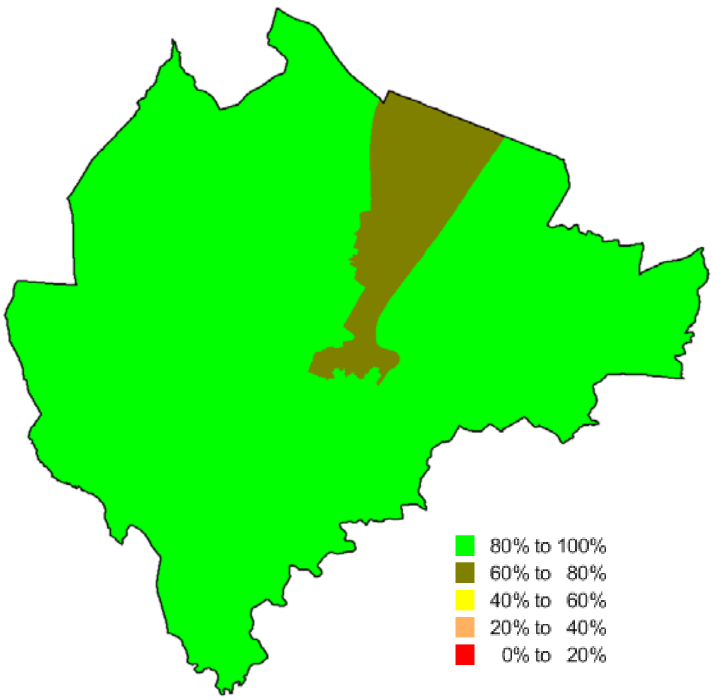
The Super-Connected Belfast project, under the auspices of the wider Super-Connected Cities Plan, has received £13.7m from the Urban Broadband Fund. This project is being implemented as part of Belfast City Council's investment programme for 2012-2015. The council will invest an additional £3m as part of the investment programme, while the private sector and the European Regional Development Fund will provide a further £8m. The project should help Belfast become a 'world-class' digital city by 2015. Super-Connected Belfast will provide 'connection vouchers' to businesses to make superfast broadband more affordable. The funds for all UBF projects must be committed by March 2015.

Analysis of availability against income deprivation

NGA availability was exceptionally high across Belfast although it was slightly lower in the most income-deprived areas

Belfast is generally well served by NGA broadband. This probably reflects the broadband intervention project initiated by the Department of Enterprise, Trade and Investment in 2009 to upgrade around 1300 cabinets in approximately 170 exchange areas across Northern Ireland (including some located in Belfast).

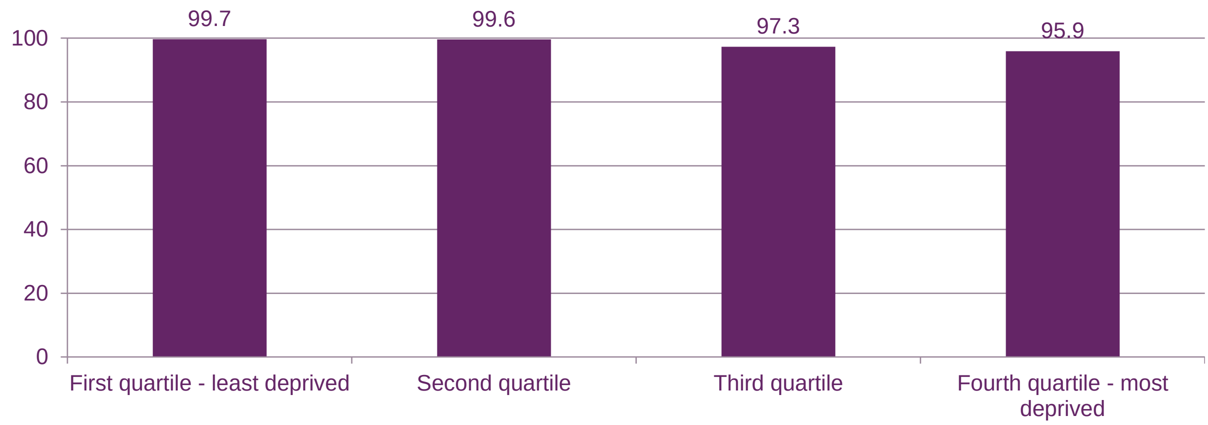
Figure 1.26 NGA availability in Belfast



Source: Analysys Mason, Ofcom Infrastructure Report 2013

Despite this, NGA availability is lower in the most income-deprived areas, which may be because operators have chosen to roll-out NGA services to higher income areas first. However, even in the most deprived areas of Belfast, NGA availability is higher than in many of the other cities assessed.

Figure 1.27 NGA availability in Belfast, by income deprivation

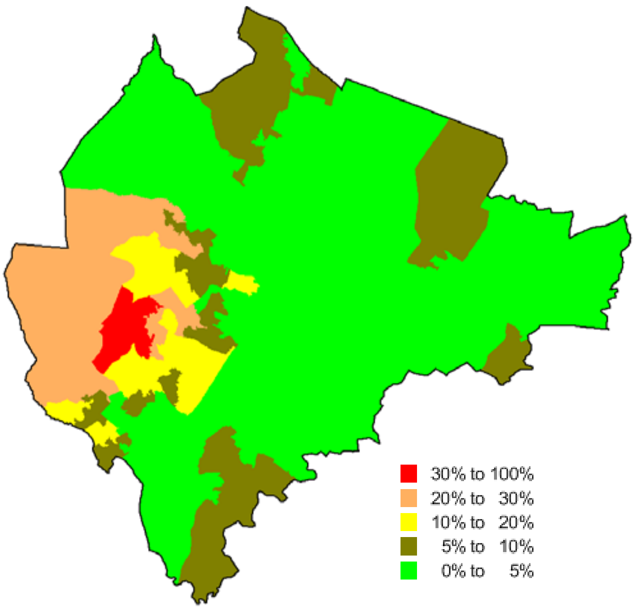


Source: Analysys Mason, IMD, Ofcom June 2013
Notes: Equal premises count method

Despite high NGA availability, there was still a notable proportion of <2Mbit/s connections in the most income-deprived areas

The areas with the highest percentage of <2Mbit/s connections, shown in red in Figure 1.28, are in the west of the city; there is a relatively low proportion of <2Mbit/s connections in the remaining parts of the city.

Figure 1.28 <2Mbit/s connections in Belfast

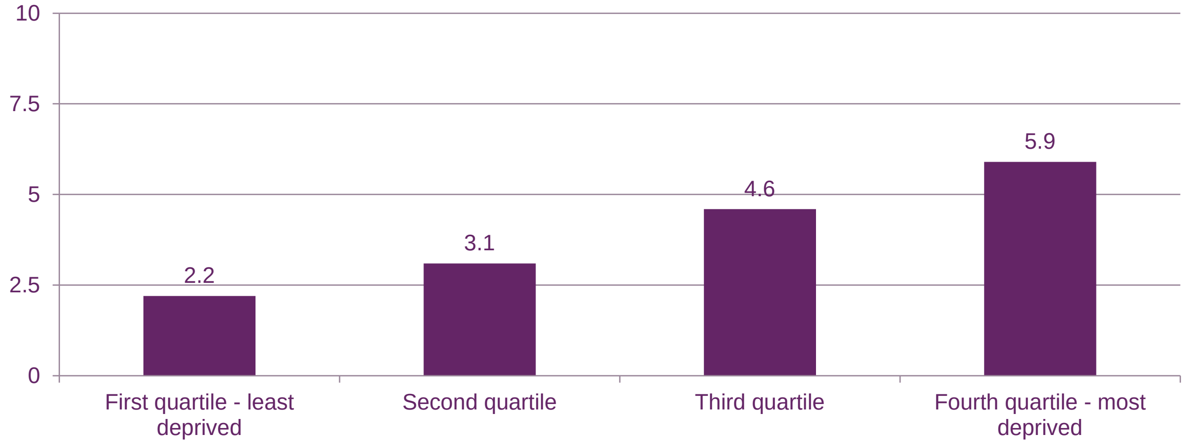


Source: Analysys Mason, Ofcom Infrastructure Report 2013

There was a significantly greater proportion of broadband connections with speeds of less than 2Mbit/s in the most income-deprived quartile than the least-deprived quartile in Belfast, a 3.7 percentage difference.

This suggests that, despite the widespread availability of NGA services, some consumers experiencing speeds of less than 2Mbit/s are choosing not to upgrade their connection to receive a faster speed. One explanation for this might be that consumers in income-deprived areas are less able to afford to upgrade to an NGA service. Alternatively, some consumers may be happy with the service they are receiving and therefore see no reason to upgrade.

Figure 1.29 Broadband connections with speeds of less than 2Mbit/s in Belfast, by income deprivation



Source: Analysys Mason, IMD, Ofcom June 2013
Notes: Equal premises count method

Derry~Londonderry

Summary of key findings

- Derry~Londonderry has the highest level of NGA availability of all the cities assessed, which appears to be due to a successful public-sector intervention project, the Next Generation Broadband Project.

- Despite the city's high NGA availability, 8.6% of lines in Derry~Londonderry deliver a speed less than 2Mbit/s. This is because the city boundary incorporates a higher proportion of rural areas than the other cities assessed, such that the average length of exchange loops is likely to be higher than for most other cities. However, the proportion of such lines has decreased by 3.1% since the previous report, most likely because of increased take-up of NGA services.

Derry~Londonderry has a population of 110,000, with residential premises accounting for 95% of all premises

Figure 1.30 shows the size of the city in terms of population and number of residential and non-residential premises. The population is based on the 2011 census and the number of premises is based on postcodes within the local authority boundary.

The economy of Derry~Londonderry has historically been dominated by the textile industry, but this has shown a large decline in recent times. Some production still remains, with the large conglomerate Dupont operating a factory in the area. The digital industry has particularly been encouraged, and the largest employers are international firms in this sector; for example, Seagate, which manufactures hard disk drives, has a large presence. The city economy has also recently been boosted by tourism. Derry~Londonderry was UK City of Culture for 2013[15].

[15] Source: Analysys Mason

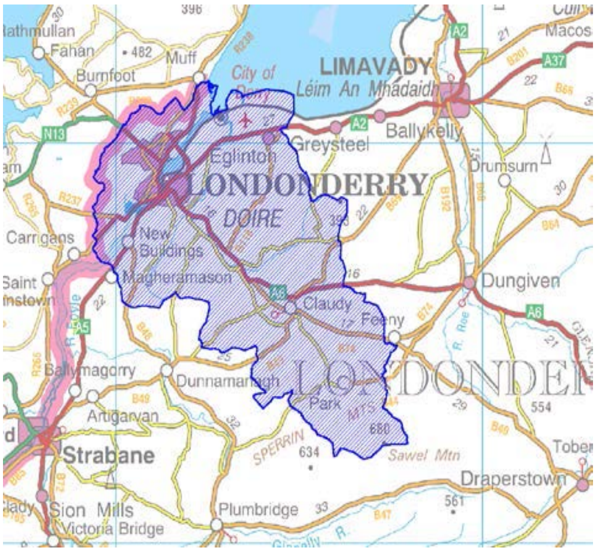
Figure 1.30 City population and premises data

City	Population	Total premises	Business premises	Residential premises
Derry~Londonderry	c.110,000	c.43,000	c.2000	c.41,000

Source: Analysys Mason

For the purposes of this study the city boundary is defined by that of Derry City Council, as shown in the following figure:

Figure 1.31 Map of local area highlighting city boundary



Source: Analysys Mason

Next generation access is available to 99% of premises in Derry~Londonderry

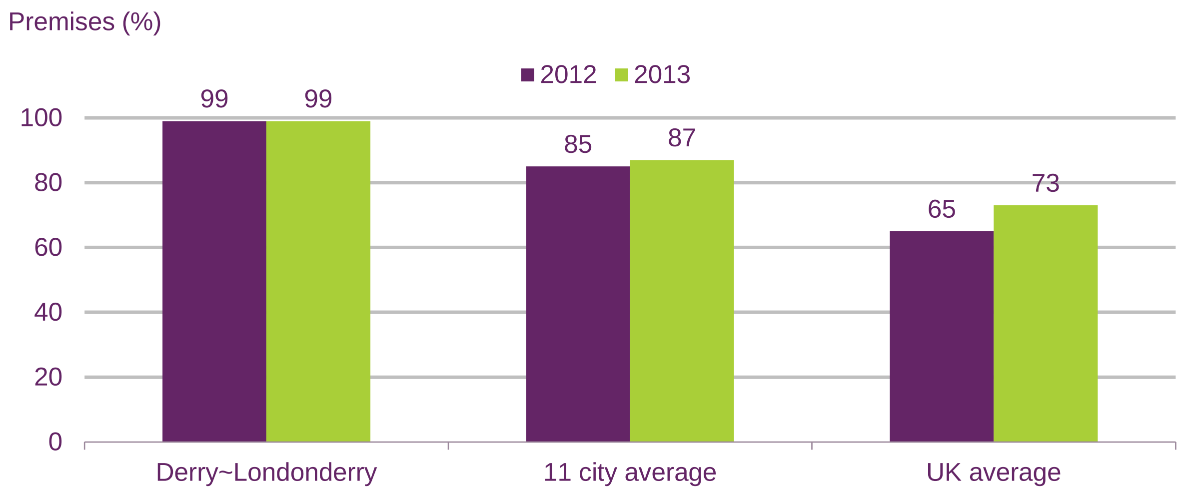
Figure 1.32 identifies NGA network infrastructure (FTTx[16] and DOCSIS v3.0 cable technologies[17]) for the two main operators, BT Openreach and Virgin Media.

NGA availability in Derry~Londonderry is 99%, which is unchanged since 2013 and gives it the highest availability of the 11 cities assessed.

Although the availability of first-generation broadband is 100%, some premises experience broadband speeds of less than 2Mbit/s, which is considered below the minimum requirement for a basic broadband service.

[16] Fibre to the exchange (FTTx) is a generic term used to describe any broadband network using optical fibre to replace all or part of the usual metal local loop used for last-mile telecommunications.
[17] DOCSIS v3.0 is the next generation of DOCSIS, which allows users to experience significantly faster speeds.

Figure 1.32 NGA availability in Derry~Londonderry, by premises passed and relative positioning



Source: Analysys Mason, Ofcom Infrastructure Report 2013

Figure 1.33 shows the proportion of connections with a speed of less than 2 Mbit/s. The proportion of Derry~Londonderry lines in this category is 8.6%, compared to 11.7% in 2012.

It is very likely that the lines measured as less than 2Mbit/s were, and in some cases continue to be, based on first-generation broadband infrastructure. However, this appears to be a reflection of choices made by end-users rather than a lack of NGA infrastructure. Ninety-nine per cent of premises across the city fall within areas of NGA infrastructure coverage, and so can gain access to high-speed connections. As the city boundary takes in a largely rural area, the slow speeds are likely to be due to longer line lengths. There has, however, been a substantial decrease in the proportion of slow lines, which is probably due to increased take-up of NGA services in the city.

Figure 1.33 Percentage of lines with speed less than 2Mbit/s, and relative positioning

Source: Analysys Mason, Ofcom Infrastructure Report 2013

Derry~Londonderry has ten copper exchanges, all of which have been upgraded to NGA

Figure 1.34 shows the number of exchanges serving the city postcodes, the percentage of lines that support both ADSL and ADSL Max[18], and the average number lines per exchange.[19] Not all of these exchanges are physically located within the city boundary. All of the copper lines support basic broadband (both ADSL and ADSL Max).

Figure 1.34 Number of exchanges and % of lines with access to basic broadband

No. of exchanges serving city postcodes	% of lines that have access to both ADSL & ADSL Max	Average number of lines per exchange
10	100%	4300

Source: Analysys Mason

Summary of public interventions

Derry~Londonderry is among 12 cities that will share £50m as part of a second round of funding from the UK Government's SCCP project. Derry~Londonderry City Council says the fund will help provide homes and businesses in the city with ultrafast broadband (at least 80-100Mbit/s) and high-speed wireless internet access. In May 2013 an invitation to tender was released for consultants to assist with the implementation of Derry~Londonderry's Super-Connected Cities Plan.

1.5 Digital Day 2014 Northern Ireland

Introduction

People have more flexibility and choice than ever before in what, how and when they access media content and use communications services. This is due in part to the expansion in the range of devices that are capable of supporting a wide variety of media content and service types, and the speed of their adoption.

In Q1 2014, Ofcom conducted an in-depth study on UK adults' total media and communications activities to provide an overview of the role of media and communications in people's lives. The study was designed as a follow-up to Ofcom's Digital Day study conducted in 2010[20], and was undertaken to support Ofcom's regulatory goal to research markets constantly and to remain at the forefront of technological understanding.

The research provides a snapshot of people's media and communications behaviour over a seven-day period. It was designed to explore how people use media and communications devices throughout the day, covering both personal and business use, and in- and out-of-home use. Note that in this analysis 'media consumption' refers not only to viewing and listening but to all text and voice communications, and the consumption of print media.

A nationally representative sample of 1,644 adults aged 16+ participated in the study across the UK in March-April 2014, including 240 in Northern Ireland. Respondents recorded all

[18] ADSL Max is a 'rate-adaptive' variant of ADSL, where the transmitted bit rate varies depending on the physical conditions of the twisted-pair copper line, which may change over time. In contrast, the bit rate for ADSL is fixed and does not change.
[19] Source: Analysys Mason.
[20] See http://stakeholders.ofcom.org.uk/market-data-research/market-data/digital-day/

their media behaviour in a diary for seven days, and these data were captured on a daily basis online or by telephone. Figure 1.35 shows all the activities and devices recorded.

Figure 1.35 Media consumption activities

Activity Types	Grouped activities	Activities	Devices
Watching	TV or films on a TV set	Live TV, Recorded TV, On-demand / catch-up TV or films (free), Downloaded or streamed TV or films (paid-for) , TV or films on DVD, Blu-ray, VHS video	A TV set (including TV set top box or DVD/Blu-ray player, but excluding games console)
	TV or films on another device	Live TV, Recorded TV, On-demand / catch-up TV or films (free), Downloaded or streamed TV or films (paid-for) , TV or films on DVD, Blu-ray, VHS video	Any capable device except for TV set
	Other video (short clips)	Short online video clips	Any capable device
Listening	Radio on radio set	Radio (at the time of broadcast), On-demand/'Listen again' radio programmes or podcasts	A Traditional analogue (FM/MW/AM) radio set, a Digital (DAB) radio set, or an Internet/WiFi radio set
	Radio on another device	Radio (at the time of broadcast), On-demand/'Listen again' radio programmes or podcasts	Any capable device except for radio set types
	Other audio	Personal digital music or audio collection , Streamed online music, Personal music collection on CD, Vinyl record or cassette tapes, Music videos (background listening)	Any capable device
Communicating	Voice communications	By phone call, By video calls	Any capable device
	Text communications	Through a Social Networking site (excluding checking updates), Instant Messaging, email (reading/ writing), Text message, Photo or video messages (viewing/ sending) or Snapchat	Any capable device
Playing	Games	Games (on an electronic device)	Any capable device
Read/ browsed/ used	Print media	A newspaper/article (printed or online/digital including apps), A magazine /article (printed or online/digital including apps), A book (printed or eBook)	A Printed copy (Newspaper/book/magazine)
	Other Internet media	A newspaper/article (printed or online/digital inc. apps), A magazine /article (printed or online/digital inc. apps), Other online news (not through an newspaper site), Sports news /updates (not through a newspaper site), Online shopping or ticketing site/ app, Other websites or apps	Any capable device
	Other non-internet media	A book (printed or eBook), Other activities such as creating office documents/spreadsheets, creating or editing videos/music/audio, etc.....	Any capable device

In this section we provide an overview of the key findings for consumers in Northern Ireland, while a detailed analysis of the findings can be found in the UK *Communications Market Report*[21].

Key findings

Radio is the dominant form of media consumption in the morning, with TV taking over in the evening

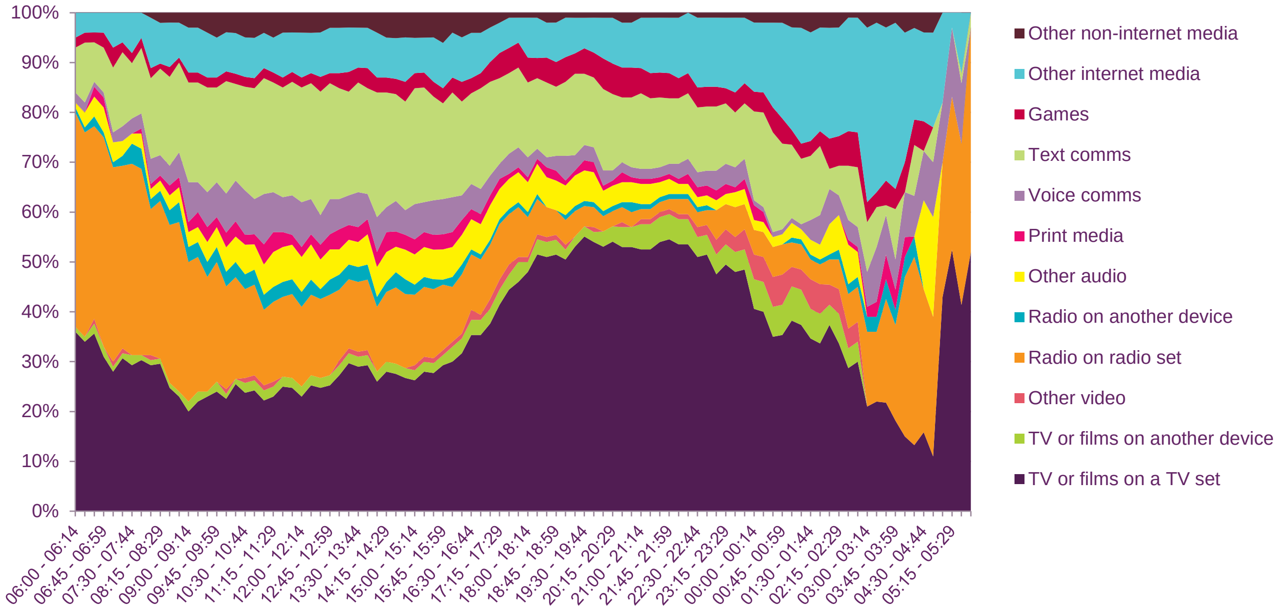
Figure 1.36 focuses on the proportion of media and communications activity undertaken throughout the day by respondents in Northern Ireland. The data illustrate the popularity of television in the evening, as between 6.15pm and 10.59pm over half of all media activities undertaken involved watching television or films on a TV set. This peaked at 54% between 7.30pm and 7.59pm, and between 9.30pm and 9.59pm. In comparison, despite the rise in consumption of tablets and smartphones, watching TV or films on a different device accounted for just 4% of peak-time media consumption. In the morning, listening to the radio on a radio set or another device was popular, accounting for 44% of all media activities between 6am-6.14am.

Text communications, including email, instant messaging, and communicating via a social networking site, made up a fair proportion of media activity throughout the day, but

[21] http://stakeholders.ofcom.org.uk/market-data-research/market-data/communications-market-reports/cmr14/

particularly between 9am and 5pm. This activity peaked at 12.30-12.44pm and 2pm-2.14pm, when it accounted for a quarter of all media activity (25%). Voice communications accounted for a significantly smaller proportion of media consumption, peaking at 10% between 11am-11.14am, while use of print media, including books, magazines and newspapers, made up an average of 2% of all media activity throughout the day.

Figure 1.36 Proportion of media activities across the day: Northern Ireland



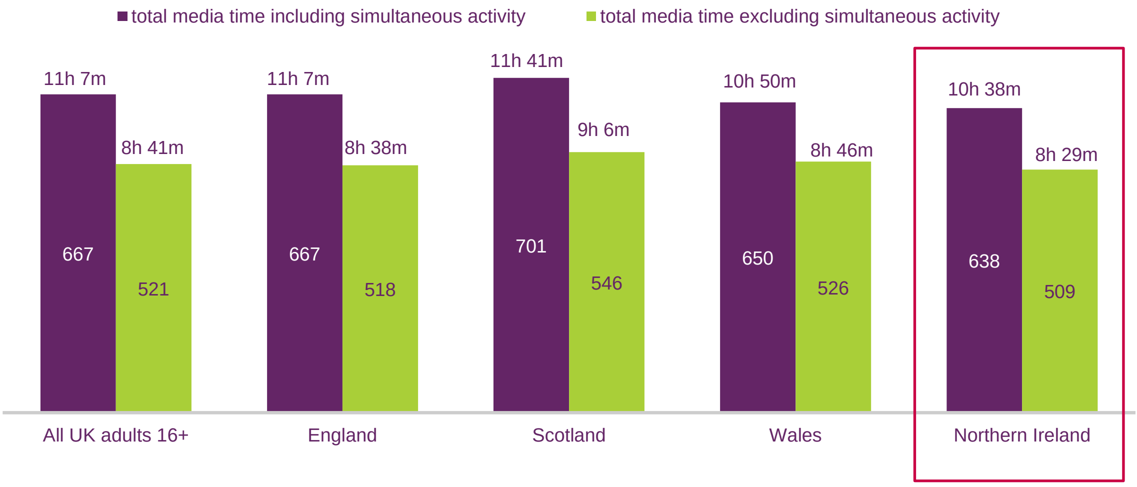
Source: Digital Day 7-day diary
Base: All activity records for adults aged 16+ in Northern Ireland (14821) - data aggregated to 15-min slots)
Note: The base of media activities changes every 15 min slot, so is much lower during sleeping hours

Consumers in Northern Ireland spend the least amount of time consuming media across an average day

Figure 1.37 shows the number of minutes of media and communication activity undertaken across a typical day, split by nation. Our research found that the time spent by people in Northern Ireland using media would be 638 minutes (10 hours 38 minutes) in total if it each activity were done separately. However, because people carry out some media activities concurrently, this simultaneous media consumption allowed people to fit these 638 minutes into 509 minutes, or 8 hours 29 minutes per day.

The chart shows that consumers in Northern Ireland spend less time consuming media and communications across a typical day, compared to consumers in other nations. Respondents in Scotland recorded the highest volume of media use, at 11 hours 41 minutes per day (squeezed into 9 hours 6 minutes). The average across the UK was 11 hours 7 minutes of media consumption, compressed into 8 hours 41 minutes.

Figure 1.37 Average total media and communications time, by nation



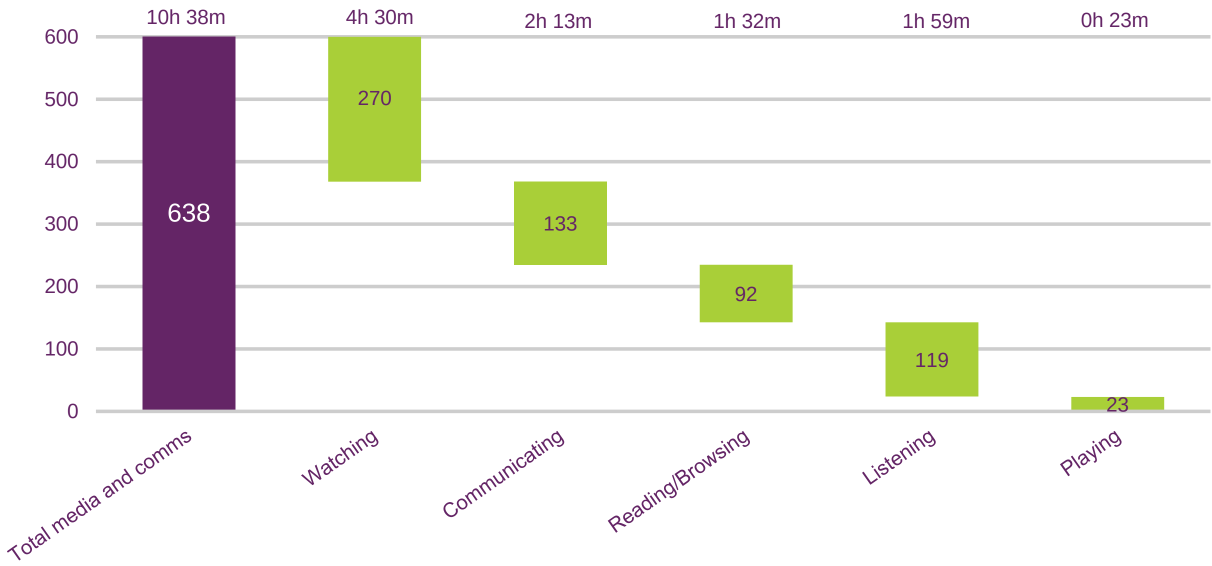
For this analysis the calculations are made by generating mean times spent for all adults for each of the activities (including zeros). These mean times are then summed for each group of activities, and in total across all activities
Source: Digital Day 7-day diary
Base = all media and comms activity records for adults aged 16+ (UK=108782, England=62289, Scotland=17356, Wales=14316, N Ireland=14821)

Consumers in Northern Ireland spend over two hours a day communicating via media

'Watching' activities dominated people's total media consumption time in Northern Ireland (Figure 1.38), as they did across the UK nations. In total, respondents in Northern Ireland recorded an average of four and a half hours of viewing per day, largely through watching live TV, but this category also includes watching recorded TV, video on demand and catch-up services, and short video clips.

However, consumers also spent the equivalent of 2 hours 15 minutes communicating – by email, text, social networks, instant messaging or voice calls. This amounts to a fifth of all their media and communications time throughout the day. A further two hours a day were spent 'listening' (to radio or other audio), while 1 hour 32 minutes was spent reading/ browsing – significantly less than the UK average of 2 hours 2 minutes.

Figure 1.38 Average total media and communications time (including simultaneous activity), Northern Ireland



For this analysis the calculations are made by generating mean times spent for all adults for each of the activities (including zeros). These mean times are then summed for each group of activities, and in total across all activities
Source: Digital Day 7-day diary
Base = all media and comms activity records for adults aged 16+ (N Ireland=14821)

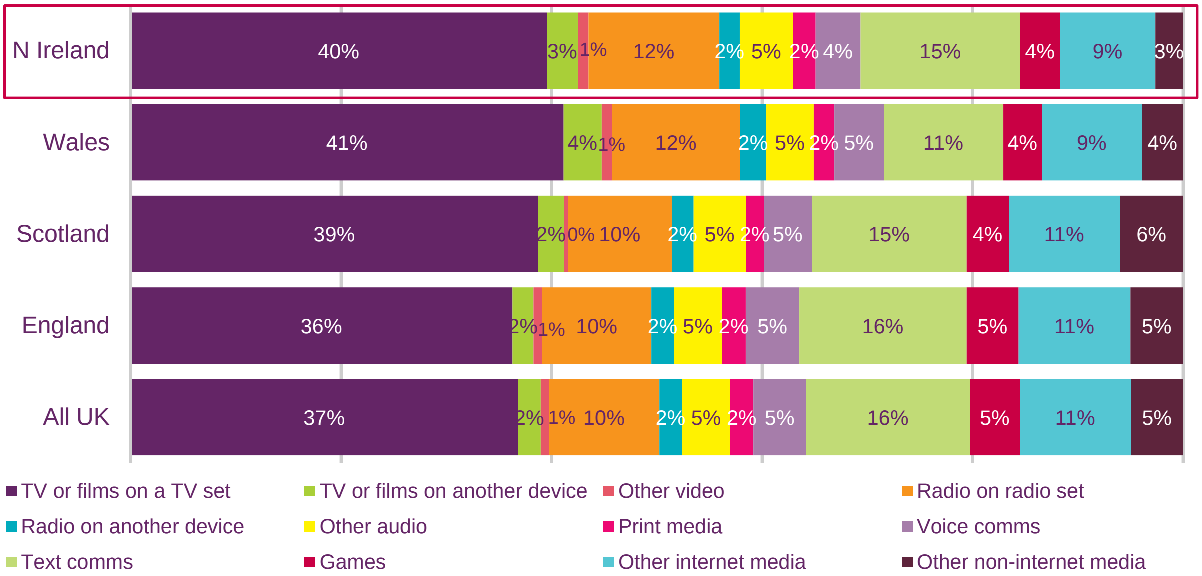
Television remains resilient in Northern Ireland, where four in ten media minutes are spent watching TV on a TV set

Consumers in Northern Ireland spent 40% of their daily media and communications time watching TV on a TV set – marginally higher than the UK average of 37% (Figure 1.39). In comparison, just 3% of media time was spent watching TV or films on another device, such as a tablet or laptop, in line with the UK average.

Across the nations, consumers in Northern Ireland and in Wales spent the greatest proportion of media time listening to radio on a radio set, both at 12%. In Northern Ireland, a further 9% of time was spent listening to radio on another device, such as a stereo, on a computer or TV.

Text communication, including emailing and texting, took up a significantly greater proportion of media time than voice communications (15% vs. 4%), a pattern which was shown across the nations.

Figure 1.39 Proportion of all media and communications time, split by activity



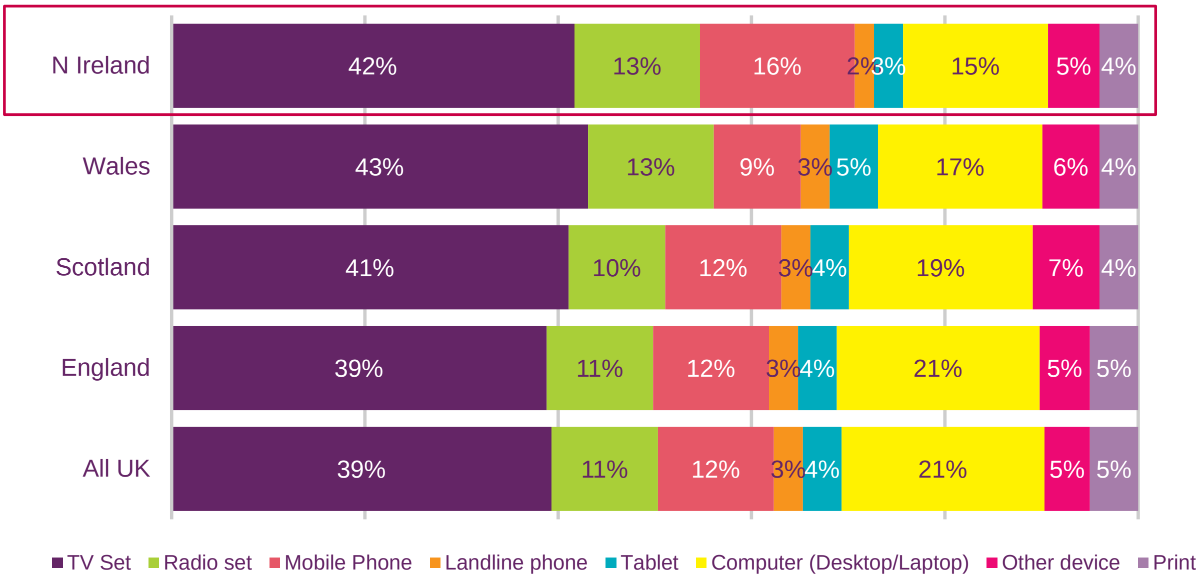
Source: Digital Day 7-day diary
Base: all media and comms activity records for adults aged 16+ (UK=108782, England=62289, Scotland=17356, Wales=14316, N Ireland=14821)
**Average time spent is the total average daily time spent doing media and comms activities, including simultaneous activity*

The proportion of media time spent on a mobile phone is highest in Northern Ireland

Figure 1.40 shows the proportion of media time spent on different devices. In line with the charts above, media time is dominated by the TV set, with over four in ten media minutes in Northern Ireland spent watching this device. Thirteen per cent of media time was spent using a radio set, with use of this device being most popular in the morning period. While these figures were broadly in line with the UK average, there are several ways in which time spent on different devices varies between Northern Ireland and the UK.

Respondents in Northern Ireland recorded spending a greater proportion of media time on their mobile phone (16%), compared to 12% across the UK as a whole. Conversely, they spent a smaller proportion of time on a desktop/ laptop computer. Furthermore, despite the rapid increase in ownership of tablets, just 3% of media time was spent on these devices.

Figure 1.40 Proportion of all media and comms use through each device, by nation



Source: Digital Day 7-day diary
Base: all media and comms activity records for adults aged 16+ (UK=108782, England=62289, Scotland=17356, Wales=14316, N Ireland=14821)
**Average time spent is the total average daily time spent doing media and comms activities, including simultaneous activity*
***'Other device' includes games console, stereo system, e-reader and any other devices not listed (each one represents 1%-2% of use)*

2 Television and audio-visual content

2.1 Recent developments in Northern Ireland

UTV accepts Ofcom terms for new licence

UTV Media Plc has accepted the terms announced by Ofcom for the renewal of its subsidiary, UTV's regional Channel 3 licence in Northern Ireland for a further ten years. The new licence period begins on 1 January 2015.

As a condition of licence renewal, programme output obligations remain unchanged at four hours of news and two hours of other regional programming per week.

Channel 4 licence renewal

Ofcom has renewed Channel 4's licence for a ten-year period from 1 January 2015.

As part of the licence renewal process, Ofcom strengthened obligations on Channel 4 to commission programmes in Northern Ireland, Scotland and Wales. The quota for programmes produced in the devolved nations will increase from the current level of 3% of volume and spend to 9% in 2020.

The new quota will require Channel 4 to increase the proportion of its TV production in the UK nations by an estimated 60% by spend and 30% by volume from current levels.

In addition, Ofcom has welcomed voluntary commitments from Channel 4 to:

- see the 9% as a base minimum and aspire to exceed the devolved nations' quota where possible;
- develop partnerships with broadcasters and other partners to develop skills and genre expertise in the independent production sector;
- report on production by spend and hours in each UK Nation in its annual statement of media content policy; and
- hold annual formal senior-level engagement with stakeholders in each UK nation to report on progress.

Green light for UTV Ireland

UTV Media will launch a new TV service, UTV Ireland, in the Republic of Ireland (RoI) in 2015. The company will replicate the ITV / UTV format with the addition of locally-produced news and current affairs programmes.

UTV has already secured exclusive broadcasting rights for ITV Studios programmes for the RoI audience, including soaps *Coronation Street* and *Emmerdale*. UTV Ireland will be based in Dublin, backed up by additional newsgathering and reporting presence in Cork, Galway, Waterford and Limerick.

Local TV

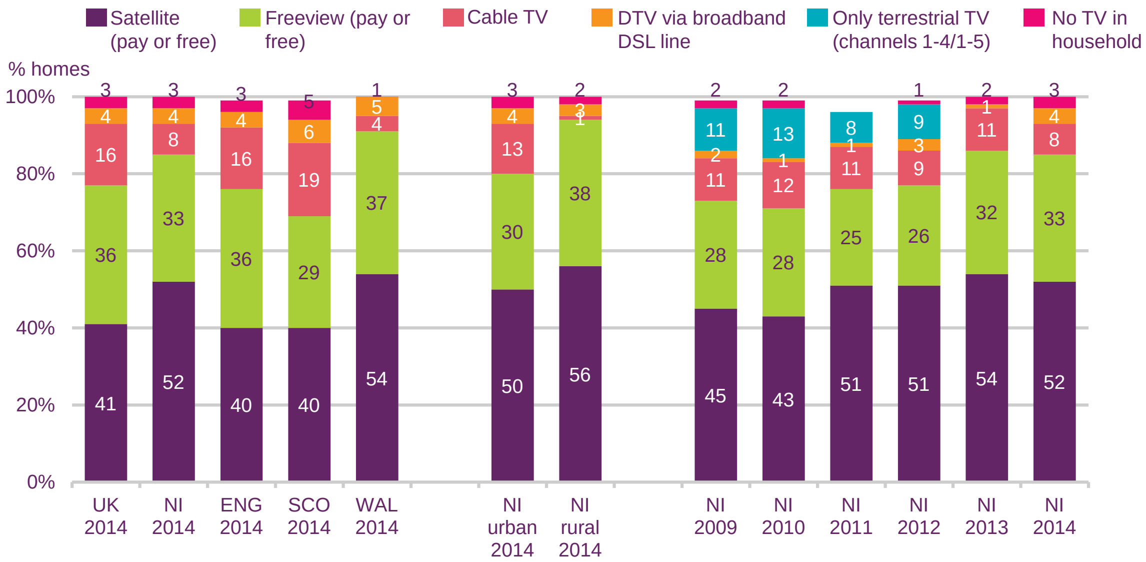
Ofcom confirmed in January 2014 that it had received no applications to operate local TV services in Derry~Londonderry or Limavady. In 2012, Ofcom awarded the local TV licence for Belfast to NvTv, which is due to start broadcasting on channel 8 on Freeview in September 2014.

2.2 Digital television take-up in Northern Ireland

Half of homes in Northern Ireland have satellite as their main TV platform

In Q1 2014, the proportion of homes in Northern Ireland taking different TV platforms (satellite, cable, Freeview etc.) has remained similar to that in Q1 2013. A third of homes (33%) claim to have Freeview as their main TV platform, while more than half (52%) have satellite, which includes paid-for and free services such as Freesat. This is significantly higher than the proportion of households with satellite on their main set across the UK as a whole (41%). DTV via broadband jumped from 1% to 4%, possibly as a result of both BT and TalkTalk offering YouView as part of their bundled services. Take-up of satellite TV services rises to 56% in rural areas of Northern Ireland, where there is lower availability of cable services.

Figure 2.1 Main TV set share, by platform



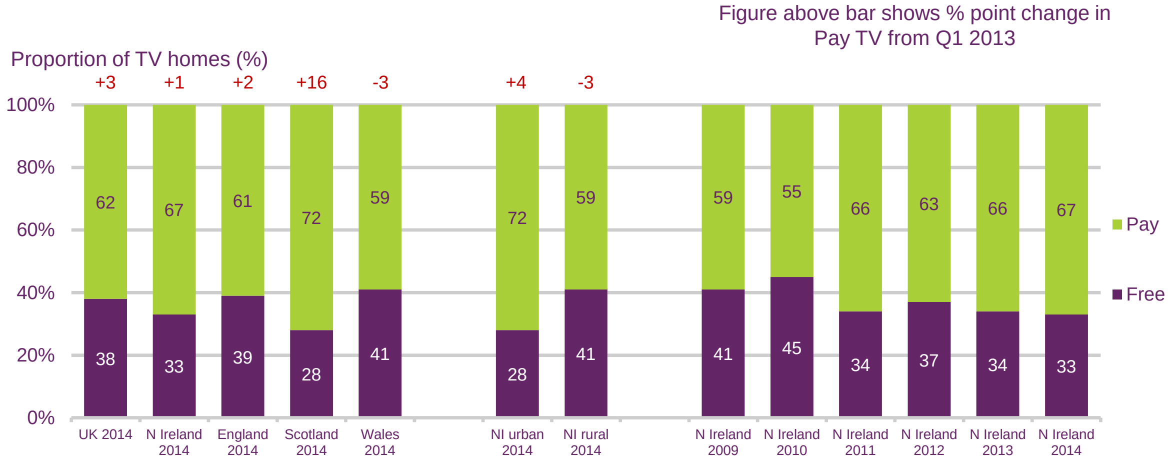
Source: Ofcom research, Q1 2014
Base: All adults aged 16+ (n = 3740 UK, 499 Northern Ireland, 2249 England, 501 Scotland, 491 Wales, 247 Northern Ireland urban, 252 Northern Ireland rural, 652 Northern Ireland 2009, 761 Northern Ireland 2010, 511 Northern Ireland 2011, 508 Northern Ireland 2012, 507 Northern Ireland 2013, 499 Northern Ireland 2014)
QH1a. Which, if any, of these types of television does your household use at the moment?

Two-thirds of TV homes in Northern Ireland have pay TV

Northern Ireland continues to have a higher than average proportion of TV homes with a pay-TV service; two thirds of homes with a TV (67%) reported to have paid-for satellite, cable or broadband TV, or have top-up channels on the Freeview service. This rises to almost three-quarters (72%) of TV homes with a paid-for service in urban areas of Northern Ireland.

Forty-nine per cent of all homes in Northern Ireland reported receiving a Sky satellite TV service, while 8% took a Virgin Media service, and 4% had BT Vision.

Figure 2.2 Proportion of homes with free and paid-for television

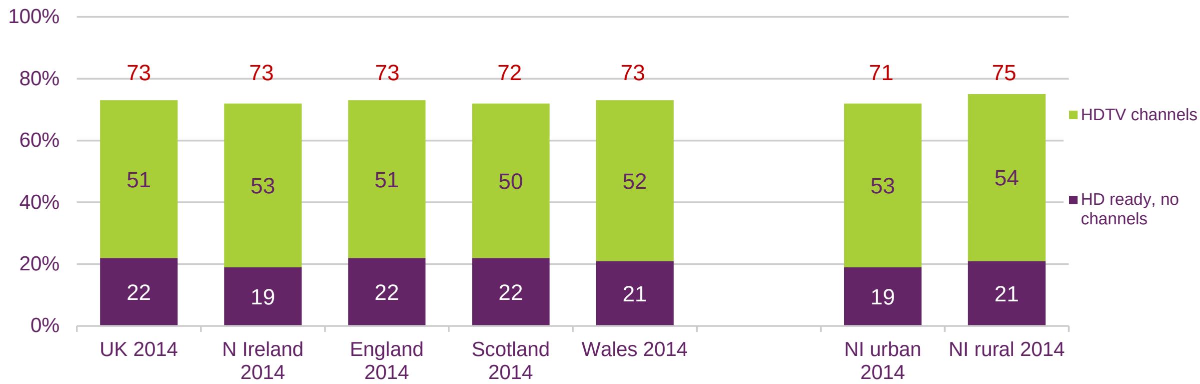


Source: Ofcom research, Q1 2014
Base: All adults aged 16+ with a TV in household (n = 3635 UK, 488 Northern Ireland, 2186 England, 481 Scotland, 480 Wales, 240 Northern Ireland urban, 248 Northern Ireland rural, 652 Northern Ireland 2009, 761 Northern Ireland 2010, 511 Northern Ireland 2011, 508 Northern Ireland 2012, 492 Northern Ireland 2013, 488 Northern Ireland 2014)
QH1a. Which, if any, of these types of television does your household use at the moment?

Half of all households in Northern Ireland have HDTV

In line with the UK as a whole, just over seven in ten homes (73%) in Northern Ireland reported to have at least one TV set that was 'HD ready' i.e. they have a TV set that has the ability to display high definition output. Furthermore, just over half (53%) claimed to have access to HD channels either through a built-in HD tuner, or through a set-top box, via their pay-TV or Freeview services. There is no significant difference in the proportion of households with access to HDTV in rural and urban areas of Northern Ireland.

Figure 2.3 Proportion of homes with HD television

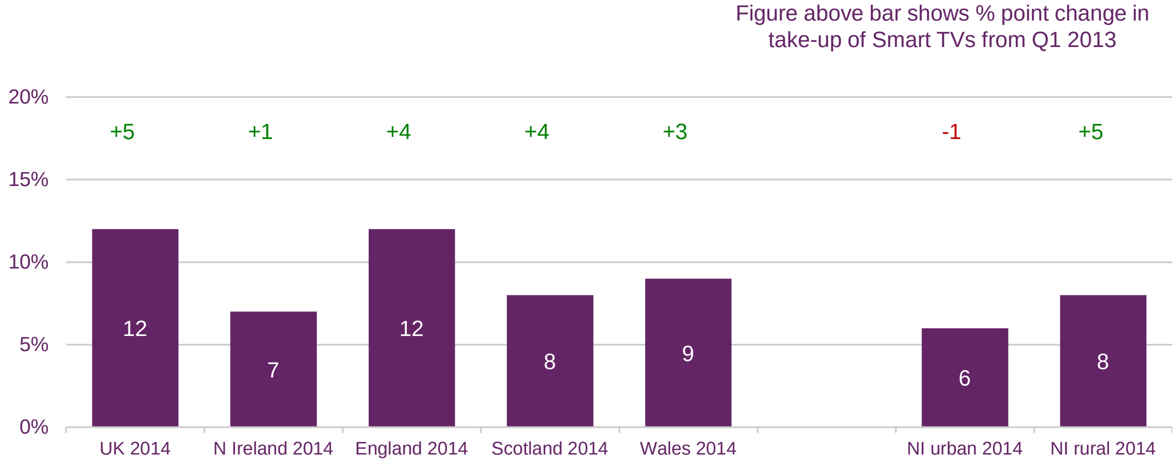


Source: Ofcom research, Q1 2014
Base: All adults aged 16+ (n = 3740 UK, 499 Northern Ireland, 2249 England, 501 Scotland, 491 Wales, 247 Northern Ireland urban, 252 Northern Ireland rural)
QH53. Is the main TV in your household an HDTV set or HD ready?/ QH54. For the main TV set, does your household have an HD TV service – from either Sky, Virgin Media, Freesat or Freeview?

Smart TV take-up remains stable in Northern Ireland

A small proportion (7%) of TV homes in Northern Ireland claim to have a smart TV with an integrated internet connection (Figure 2.4). While take-up across the UK has increased significantly over the past year (rising from 7% to 12%), this has not been mirrored in Northern Ireland, where take-up is lowest amongst the nations. However, smart TV ownership in rural areas of Northern Ireland has more than doubled over the past year, rising from 3% to 8%.

Figure 2.4 Smart TV take-up in Northern Ireland



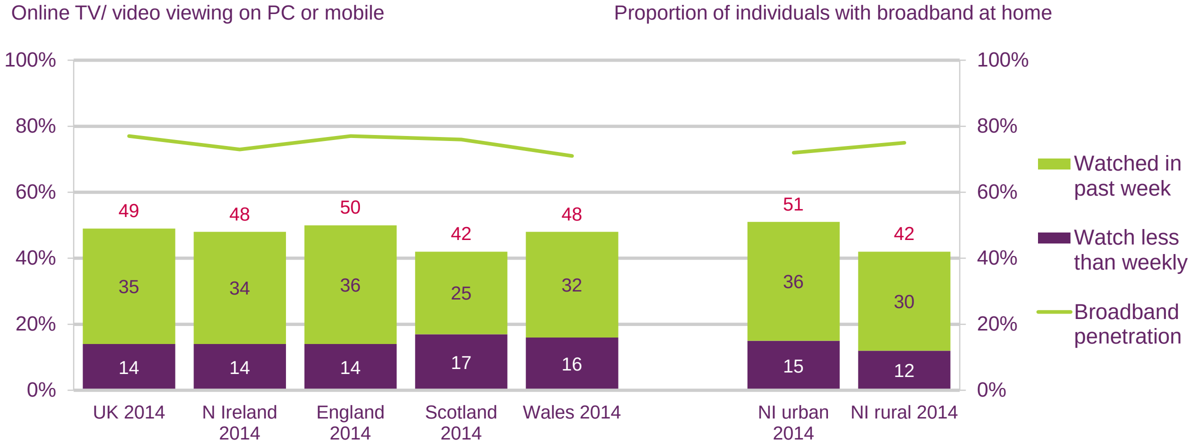
Source: Ofcom research, Q1 2014
Base: All adults aged 16+ with a TV in household (n = 3635 UK, 488 Northern Ireland, 2186 England, 481 Scotland, 480 Wales, 240 Northern Ireland urban, 248 Northern Ireland rural)
QH18. Are any of your TV sets "smart TVs"? These are new types of TV that are connected to the internet and can stream video directly onto your television screen, without the need for a computer, set-top box or games console.

Just under half of respondents in Northern Ireland report watching TV/video online

Almost half of adults in Northern Ireland (48%) reported using their internet connection to view online TV or video content in Q1 2014. This includes activities such as watching catch-up TV services as well as viewing of short video clips online. This represents a seven percentage point increase on the previous year (41%), and is in line with the UK average. Furthermore, over a third (34%) of respondents had viewed online AV material in the past week.

Viewing of online TV and video material was higher in urban areas (51%) than in rural areas (42%), despite comparable broadband take-up.

Figure 2.5 Online TV/video viewing in Northern Ireland



Source: Ofcom research, Q1 2014
Base: All adults aged 16+ (n = 3740 UK, 499 Northern Ireland, 2249 England, 501 Scotland, 491 Wales, 247 Northern Ireland urban, 252 Northern Ireland rural)
QE5A-B. Which, if any, of these do you use the internet for? And, which, if any, of these activities have you used the internet for in the last week? QD28A-B. Which if any, of the following activities, other than making and receiving voice calls, do you use your mobile for? And which of these activities have you used your mobile for in the last week?

2.3 Viewing to Republic of Ireland channels

RTÉ 1 and RTÉ 2 are the most popular Republic of Ireland originated TV channels watched in Northern Ireland

Before digital switchover in October 2012, RTÉ One and Two, TG4 (Irish language channel), and TV3 were available to around 56% of the Northern Ireland population via overspill from transmitters in the Republic of Ireland (RoI). Since 2005, TG4 has also broadcast in the Belfast area from the Divis transmitter.

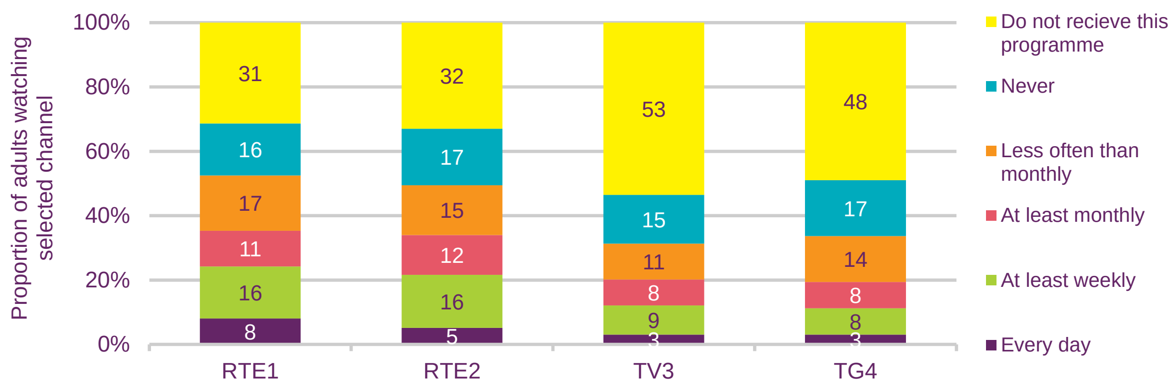
Since digital switchover, RTÉ One and Two, and TG4, have been broadcast from three transmitters in Northern Ireland – Brougher Mountain, Black Mountain and Carnmoney Hill. Added to the existing overspill coverage, this has significantly increased the free-to-view availability of these channels to around 94% of the population.

In addition, the RTÉ services and TG4 are available on Sky and Virgin Media. TV3 is still available only via overspill, which is why the majority of respondents (53%) claim not to have access to the channel.

In Q1 2014, approximately a third of respondents in Northern Ireland with a TV in their household claimed to watch RTÉ One and RTÉ Two on at least a monthly basis (Figure 2.6). In comparison, one in five consumers in Northern Ireland with a TV claimed to watch TV3 and TG4 on at least a monthly basis.

Figure 2.6 Claimed viewing of RoI-originated TV channels in Northern Ireland

	RTE1	RTE2	TV3	TG4
Ever watch	52%	49%	31%	33%
Watch at least monthly	35%	32%	21%	19%



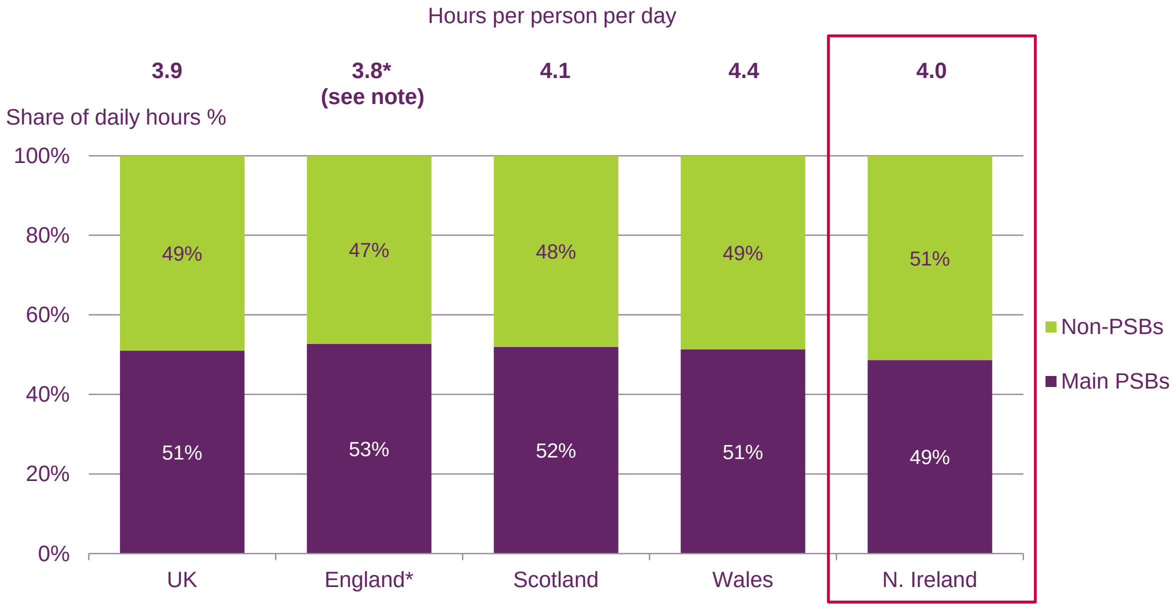
Source: Ofcom research, Q1 2014
Base: All adults aged 16+ in Northern Ireland with a TV in household (n = 488)
QH18/19. Which of these TV channels can you receive on your television/ How frequently, if at all, do you watch each of these channels?

2.4 Broadcast television viewing

People in Northern Ireland spend an average of four hours per day watching TV

In 2013, people in Northern Ireland spent an average of 4.0 hours per day watching television, less than the other devolved nations and marginally higher than the UK average.

Figure 2.7 Average hours of daily TV viewing, by nation: 2013

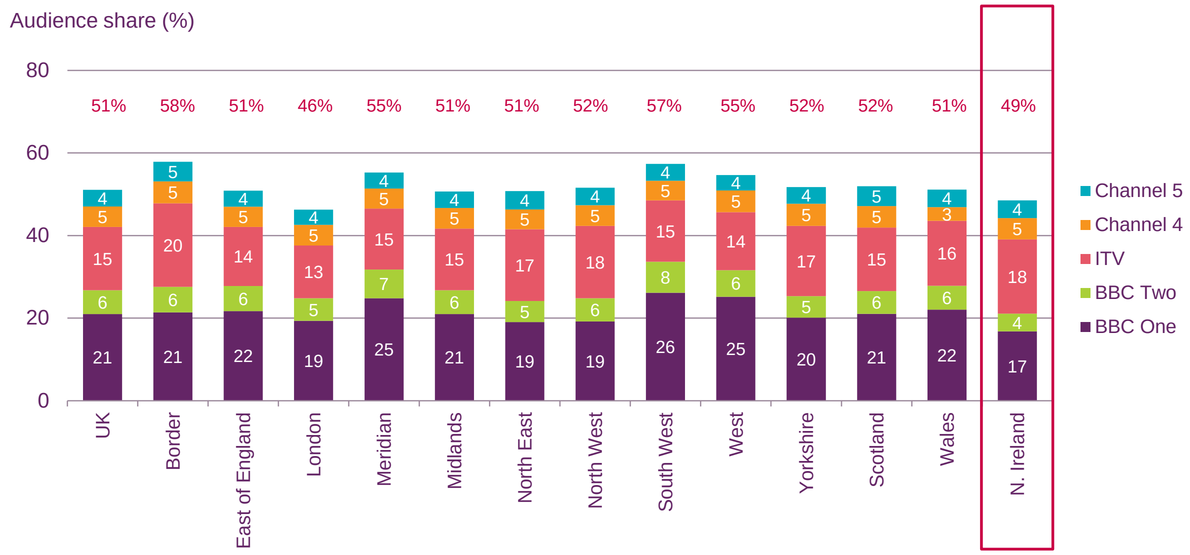


Source: BARB, Individuals (4+). Main PSBs = BBC One, BBC Two, ITV, Channel 4, Channel 5 including HD variants but excluding +1s.
*Note: *This figure reflects the average across the English regions with the highest in Border (4.2) and lowest in West (3.4) respectively.*

The share of the five main PSBs fell most in Northern Ireland, to just under half of all viewing

In 2013, the five main PSB channels accounted for a combined 49% share of total TV viewing in Northern Ireland, a decrease of 3pp on 2012. The loss was driven by 1pp declines across BBC Two, Channel 4 and Channel 5 respectively. Northern Ireland was the only nation in which the share of the five main PSBs fell below the majority of viewing, and was two percentage points lower than the UK average (Figure 2.8). However, the London ITV licensee held the lowest share of viewing to the main five PSBs, at 46%, a 2pp decrease compared to 2012.

Figure 2.8 Share of the five main PSB channels, all homes: 2013

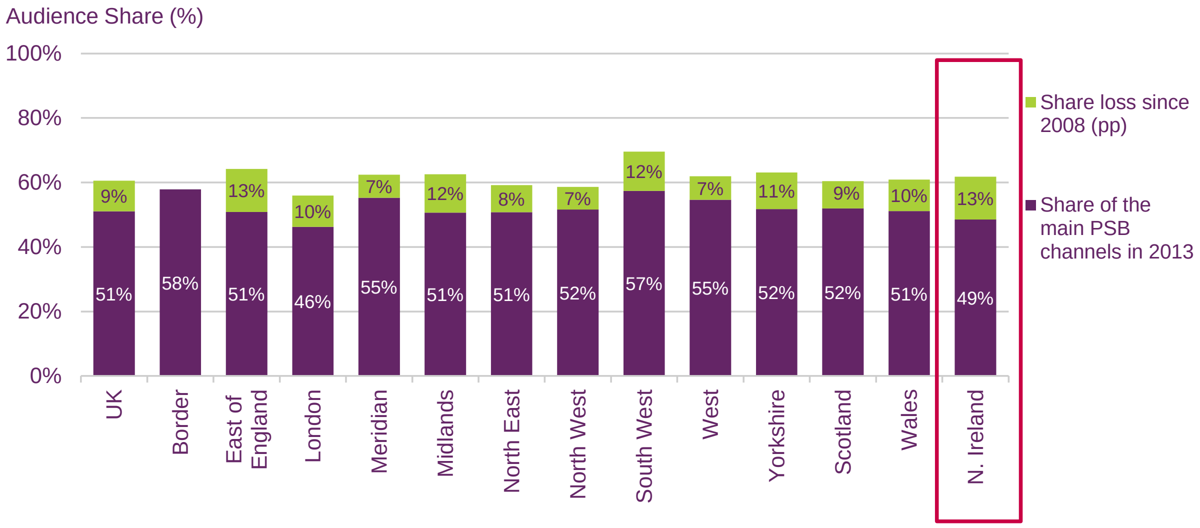


Source: BARB, Individuals (4+). HD channel variants are included but not +1s.
Note: Following digital switchover in Wales in 2010 S4C ceased to carry Channel 4 content. S4C is therefore included in the main PSB channels in 2008 but not in 2013. S4C's average share in Wales in 2013 is 1.1%.

The combined share of the five main PSB channels declined by 13 percentage points between 2008 and 2013

Between 2008 and 2013, there was a 13pp reduction in the combined share of the five main PSB channels in Northern Ireland (Figure 2.9). This reduction was 4pp above the average decrease across the UK, which stood at 9pp, and was greater than the losses in the other nations and regions, with the exception of the East of England.

Figure 2.9 Reduction in combined share of the five main PSB channels, all homes: 2008 and 2013

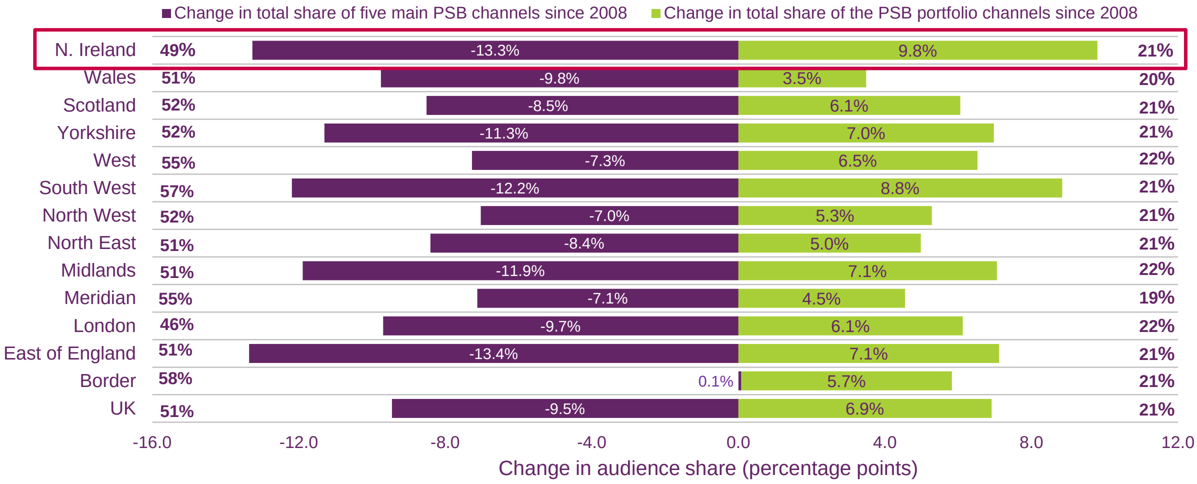


Source: BARB, Individuals (4+). HD channel variants are included but not +1s.
Notes: i) Following digital switchover in Wales in 2010 S4C ceased to carry Channel 4 content. S4C is therefore included in the main PSB channels in 2008 but not in 2013. S4C's average share in Wales in 2013 is 1.1% ii) In 2010 a new BARB panel was introduced, including the re-defining of boundaries. Therefore, pre- and post-panel change data should be compared with some caution.

The total share of the main PSBs and their family of channels decreased by 3.5pp between 2008 and 2013; more than the UK average net loss

In Northern Ireland, the five main PSB channels experienced a 13pp reduction in their combined share of total TV viewing compared to 2008. At the same time, the PSB portfolio channels saw a 10pp increase (the highest among the nations and ITV licensee regions). This resulted in a net share loss overall of 3.5 percentage points for the PSBs and their digital channels, slightly higher than the UK average net loss of 2.6pp.

Figure 2.10 Net change in the audience share of the five main PSB channels and their portfolio channels, all homes: 2008 and 2013

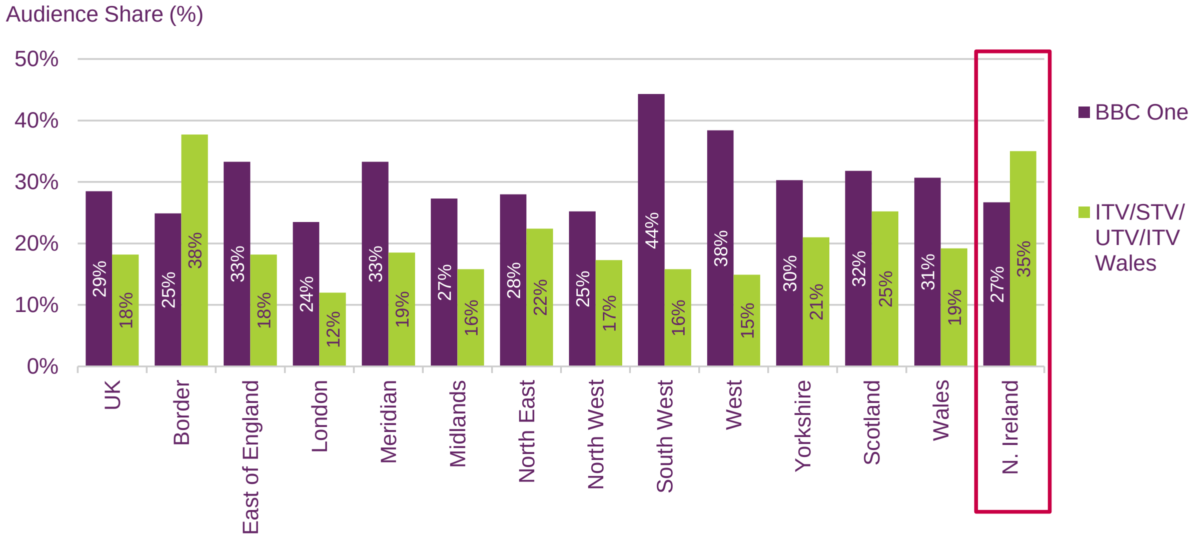


Source: BARB, Individuals (4+)
Notes: i) PSB main channels include HD variants but not +1s. PSB portfolio channels = main PSB +1 channel variants and the PSB digital channels and their respective HD and +1 variants). ii) Following digital switchover in Wales in 2010 S4C ceased to carry Channel 4 content. S4C is therefore included in the main PSB channels in 2008 but not in 2013. S4C's average share in Wales in 2013 is 1.1% iii) In 2010 a new BARB panel was introduced, including the re-defining of boundaries. Therefore, pre- and post-panel change data should be compared with some caution.

UTV's early evening news bulletin performed strongly, attracting an average 35% share

In 2013, BBC Northern Ireland's early evening nations news bulletin (*BBC Newsline*) attracted an average 27% share of TV viewing in Northern Ireland. UTV's counterpart bulletin (*UTV Live*) attracted a higher share average (35%), nearly double Channel 3's UK average. This was markedly higher than all the other nations and regions, with the exception of Border which achieved a 38% viewing share.

Figure 2.11 BBC One and ITV/ STV/ UTV /ITV Wales early-evening news bulletin shares, all homes: 2013



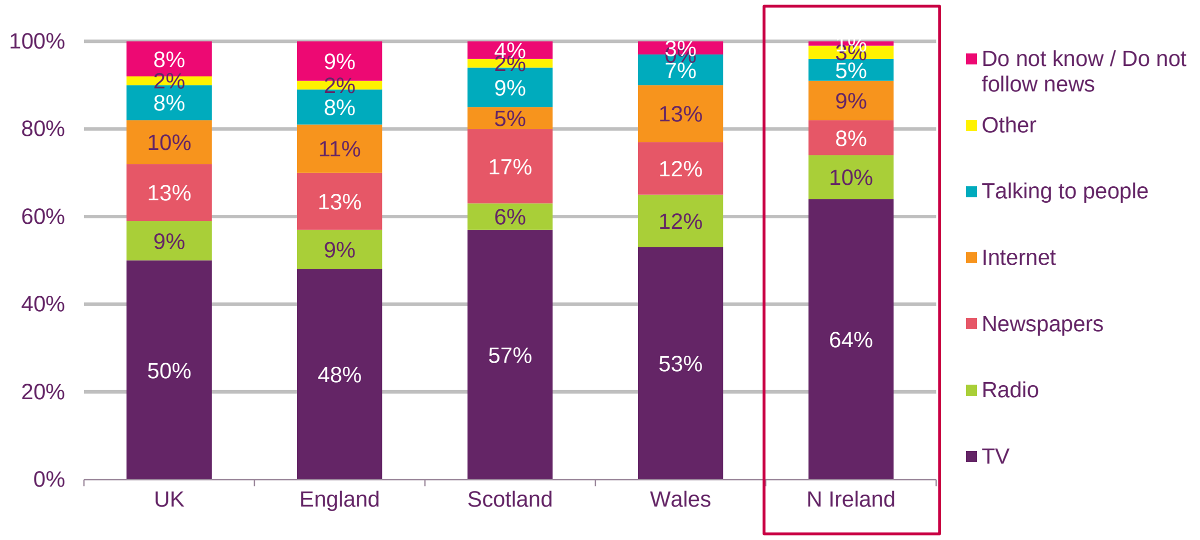
Source: BARB, Individuals (4+)
Notes: i) Based on regional news programmes, start time range 17:55-18:35, 10mins+ duration, BBC One and ITV (exc HD), weekdays. BBC One's early evening news bulletin is transmitted between 18:30-1900 and UTV's is transmitted between 18:00-18:30. ii) In 2010 a new BARB panel was introduced, including the re-defining of boundaries. Therefore, pre- and post-panel change data should be compared with some caution.

More people use the television for local news in Northern Ireland than anywhere else in the UK

In Northern Ireland in 2013, 64% of respondents cited television as their main source of local news[22], 14 percentage points higher than the UK average of 50%. The next most popular source was radio at 10%, in line with the UK average (9%). Newspaper and internet use were slightly below the UK average, at 8% and 9% respectively.

[22] Local news refers to news about the local area. There is a further question covering news for each devolved nation.

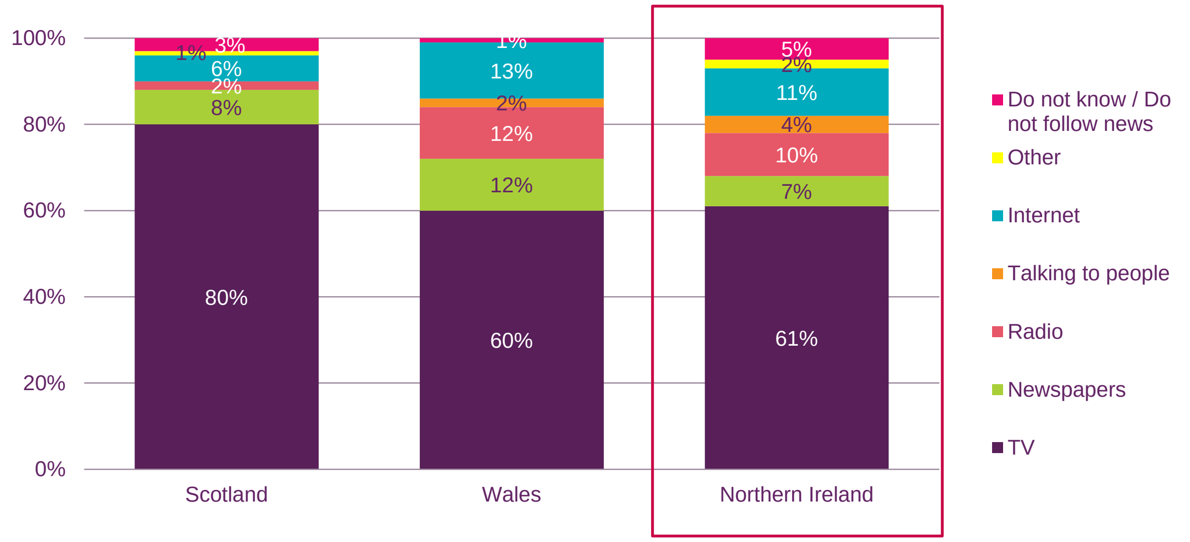
Figure 2.12 Sources of local news



Q: Can you tell me what, if anything, is your main source of news about what is going on in your own local area?
Source: Ofcom Media Tracker.
Base: All; England (1,452); Scotland (185); Wales (133); Northern Ireland (123). Only responses ≥ 3% labelled.

When asked about news concerning their nation, 61% of respondents in Northern Ireland cited television as the main source of news, in line with Wales but 19 percentage points lower than in Scotland.

Figure 2.13 Sources of nation's news, by nation



Q: Can you tell me what, if anything, is your main source of news about what is going on in [Scotland, Wales, Northern Ireland]?'
Source: Ofcom Media Tracker.
Base: All respondents in Scotland (189), Wales (118), Northern Ireland (113). Only responses ≥ 3% labelled.

2.5 TV programming for viewers in Northern Ireland

The following section outlines spend and hours of programming for viewers in Scotland, Wales, Northern Ireland, and the English regions provided by the BBC and UTV/ STV/ ITV. The figures exclude Gaelic and Welsh-language programming but include some spend on

Irish-language programming by the BBC. For information on Irish-language programming by the Irish Language Broadcast Fund (ILBF) see section 2.7.

In a change from previous years, historical financial figures are presented in nominal terms and not adjusted for inflation. The reason was to align the CMR suite of reports and to provide a 'base' view of the overall market.

Programme definitions

First-run originations - Programmes commissioned by, or for, a licensed public service channel with a view to their first showing on television in the United Kingdom in the reference year.

First-run acquisitions - A ready-made programme bought by a broadcaster from another rights holder and broadcast for the first time in the UK during the reference year.

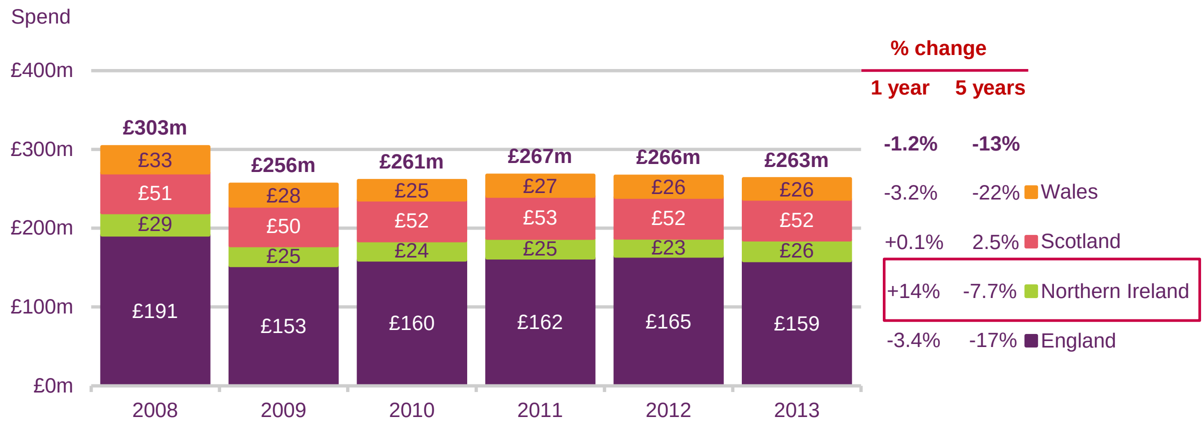
Repeats - All programmes not meeting one of the two definitions above.

PSB spend on first-run originated content for viewers in Northern Ireland increased by 14% in 2013.

£263m was spent by the BBC and ITV/ STV/ UTV on producing first-run originated programmes specifically for viewers in Wales, Scotland, Northern Ireland and the English regions in 2013, down by £3m (or 1.2%) on 2012 and down by 13% since 2008.

In nominal terms, the year-on-year spend by PSBs on first-run originated programming for viewers in Northern Ireland increased from £23m in 2012 to £26m in 2013, a rise of 14%, the highest of any of the devolved nations but still 7.7% lower than in 2008.

Figure 2.14 Spend on first-run originated nations' and regions' output by the BBC/ ITV1/ STV /UTV



Source: Broadcasters. All figures are nominal.
Note: Spend data for first-run originations only. Spend excludes Gaelic and Welsh language programming but includes some spend on Irish language programming by the BBC. This does not account for total spend on BBC Alba or BBC spend on S4C output. Note: BBC spent £23.5m on S4C output in 2013 and £5.2m on BBC Alba output for 2013.
For information on Irish-language programming by the Irish Language Broadcast Fund (ILBF), please see section 2.7

Total spend on nations programming in Northern Ireland was up 15% year on year

With regard to spend for each nation, including acquisitions and repeats, the BBC and UTV spend on current affairs programming for viewers in Northern Ireland increased by 35% in 2013, a 31% rise on five years earlier, partly due to the introduction of *Nolan Live* on BBC NI. Spend on news increased marginally, with a 1% year-on-year increase. Non-news programming spend also increased, by 23% year on year; Derry~Londonderry was the UK's City of Culture for 2013 and there was special coverage of a number of events.

Spend on programming commissioned for Northern Ireland as a whole increased by 15%, in contrast to the rest of the UK which saw an average 2% reduction in spending on programmes produced for specific nations and regions. One reason for this may be the BBC investing in a number of films in Northern Ireland in recent years, some of which were broadcast as a series in 2013.

Figure 2.15 Change in total spend on nations' and regions' output, by genre and nation: 2008–2013

	UK		England		N. Ireland		Scotland		Wales	
	1yr (%)	5yr (%)	1yr (%)	5yr (%)	1yr (%)	5yr (%)	1yr (%)	5yr (%)	1yr (%)	5yr (%)
Current Affairs	1%	-13%	-9%	-31%	35%	31%	6%	17%	15%	8%
News	-4%	-10%	-5%	-11%	1%	5%	0%	-6%	-5%	-8%
Non-news/non-current affairs	1%	-22%	-13%	-78%	23%	-19%	0%	6%	-8%	-34%
Total Spend in 2013	£265m		£159m		£27m		£53m		£26m	

	UK		England		N. Ireland		Scotland		Wales	
	1yr	5yr	1yr	5yr	1yr	5yr	1yr	5yr	1yr	5yr
Change in Spend	-2%	-13%	-5%	-17%	15%	-7%	1%	4%	-5%	-23%

Source: Broadcasters. All figures are nominal.
Note: Spend excludes Gaelic and Welsh-language programming but includes some spend on Irish-language programming by the BBC. This does not account for spend on BBC Alba or BBC spend on S4C output.

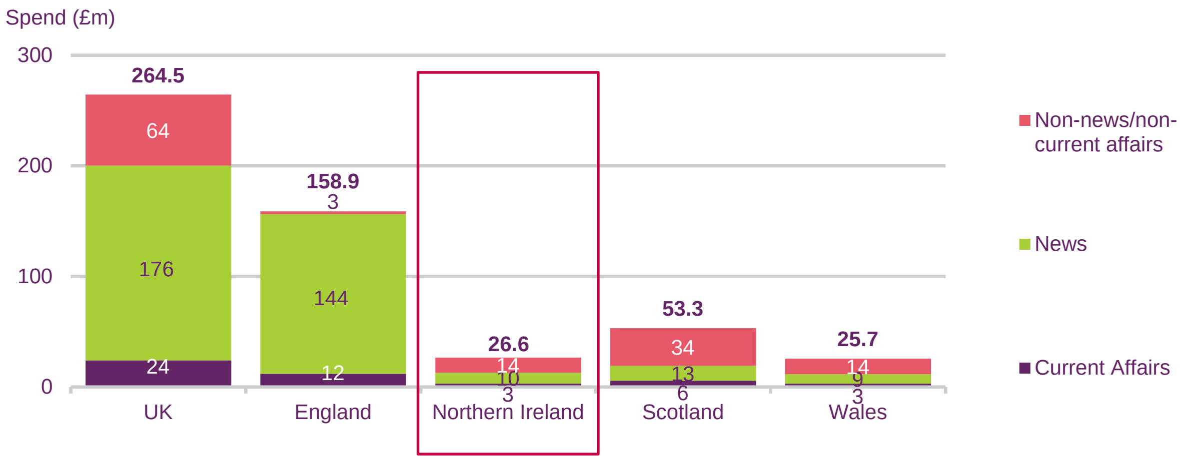
Expenditure in Northern Ireland on PSB non-network programming increased by 15% year on year

Expenditure on non-network content broadcast by the BBC and UTV for people in Northern Ireland increased by 15% to reach £26.6m in 2013. Of this £26.6m, just over half was attributed to programmes other than news and current affairs.

According to its latest Annual Report, for financial year 2013/2014, the BBC contributed £76.3m to the operational costs of S4C in Wales. It incurred a further £23.5m of costs in delivering other content to S4C under the terms of the operating agreement[23], and contributed £5.2m to BBC Alba in Scotland.

[23] http://www.s4c.co.uk/production/downloads/e_cytundeb-gweithredu-s4c-bbc.pdf

Figure 2.16 Total spend by the BBC/ ITV1/ STV/ UTV on non-network nations/ regions output for the main PSB channel (BBC1 and Channel 3)



Source: Broadcasters. All figures are nominal.
Note: Spend excludes Gaelic and Welsh-language programming but includes some spend on Irish-language programming by the BBC. This does not account for spend on BBC Alba or BBC spend on S4C output.

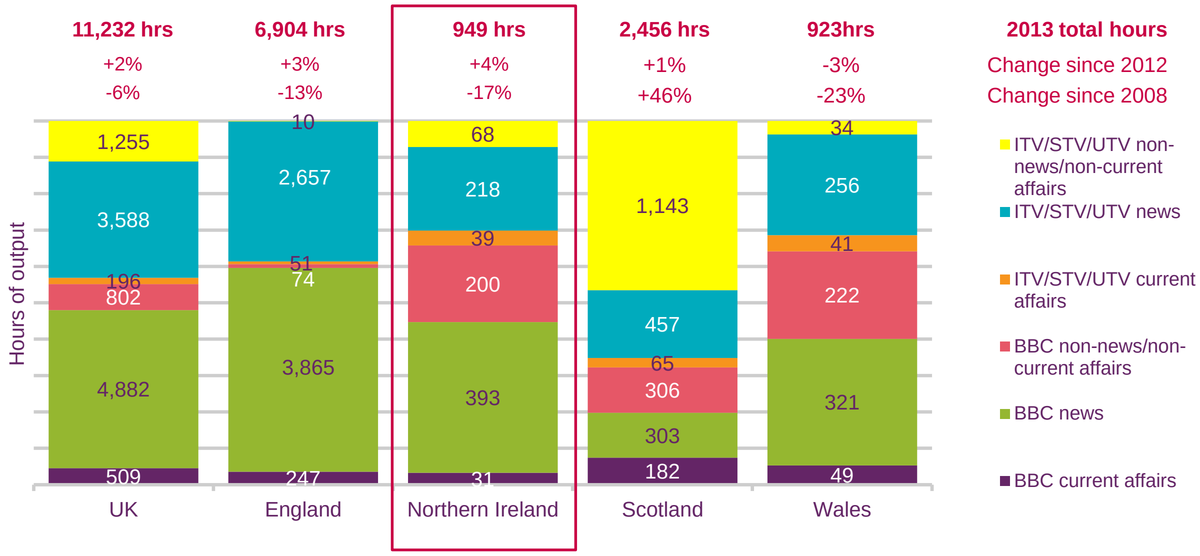
The number of first-run originated hours for viewers in Northern Ireland increased by 4% year on year in 2013

The BBC and ITV1/ STV/ UTV produced a total of 11,232 hours of first-run originated content for the English regions, Scotland, Wales and Northern Ireland in 2013, up 2% (or 230 hours) on 2012, and down 6% (765 hours) since 2008.

The number of first-run originated hours produced specifically for viewers in Northern Ireland has decreased by 17% since 2008 (or by 193 hours). Over the past year, the number of first-run hours has increased by 4%, compared to the UK-wide average increase of 2%.

The distribution of programmes across genres and broadcasters in Northern Ireland remained broadly the same as in 2012. The largest change was an additional 30 hours of non-news/ non-current affairs programming by the BBC.

Figure 2.17 Hours of first-run originated nations'/regions' output, by genre and broadcaster: 2013



Source: Broadcasters.
Note: Hours data for first-run originations only. Hours excludes Gaelic and Welsh-language programming but includes some spend on Irish-language programming by the BBC. This does not include total hours for BBC Alba or BBC hours on S4C output.

Total cost per hour of nations' output is up 20% since 2008 in Northern Ireland

Analysing the cost of making programmes for the nations, cost per hour calculations show that Northern Ireland costs, when measured in nominal terms, increased over the five-year period to 2013 by 20%, in contrast to the UK average, which saw a fall of 5%.

Figure 2.18 Cost per hour: total nations/regions output, by nation

Source: Broadcasters. All figures are nominal.
Note: Spend excludes Gaelic and Welsh- language programming but includes some spend on Irish-language programming by the BBC. This does not include hours or spend on BBC Alba or BBC hours and spend on S4C output.

2.6 PSB television quota compliance

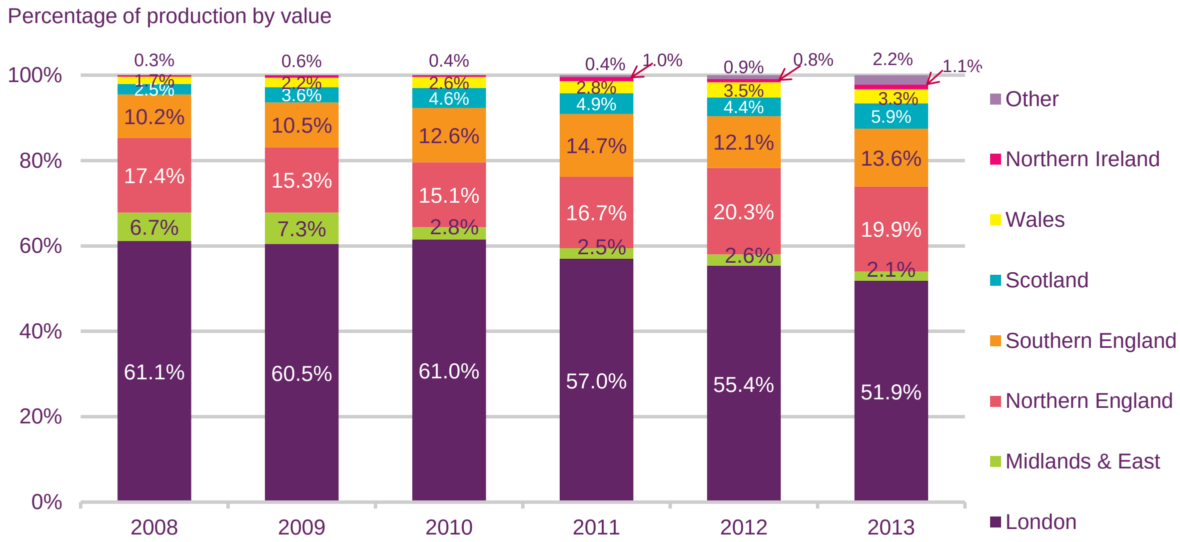
Northern Ireland's share of total spend on original network productions increased by 0.3pp year on year in 2013.

Figure 2.19 illustrates the distribution of spend on qualifying first-run commissioned network programming by the five main PSB channels in the six years to 2013. As in previous years, the majority was spent within the M25: 51.9%;down from 55.4% in 2012. A further 19.9% of first-run spending was captured by producers based in the north of England and 13.6% in southern England.

In 2013 the proportion of spending on originated network productions outside London increased for the third year in a row. In contrast, London spending continued a downward trend as it fell by 3.5pp. This shift may be attributable in some part to the BBC relocating a significant production base, including the majority of BBC Sport, to Salford, and no London Olympics to act as a counterweight this in 2013.

In Northern Ireland the share of total spend increased to 1.1% from 0.8% in the previous year.

Figure 2.19 Expenditure on originated network productions: 2008–2013



Source: Ofcom/broadcasters.
Note: A new category labelled 'other' on the chart has been created for regional productions from London producers which do not meet both 70% of spend and 50% of talent in any one particular macro region[24].

The proportion of originated network production hours produced in Northern Ireland remained at 0.9% in 2013

In terms of volume of hours, in 2013, for the first time, less than half (49.4%) of first-run network programmes were produced within the M25, down from 54.7% in 2012. A further 21.1% were produced in northern England, 11.9% in southern England and 8.4% in Scotland, up from 7.2% in 2012. The steeper rise in volume produced outside London, when compared to spend, is in part attributable to lower production costs in other regions than in the Greater London area.

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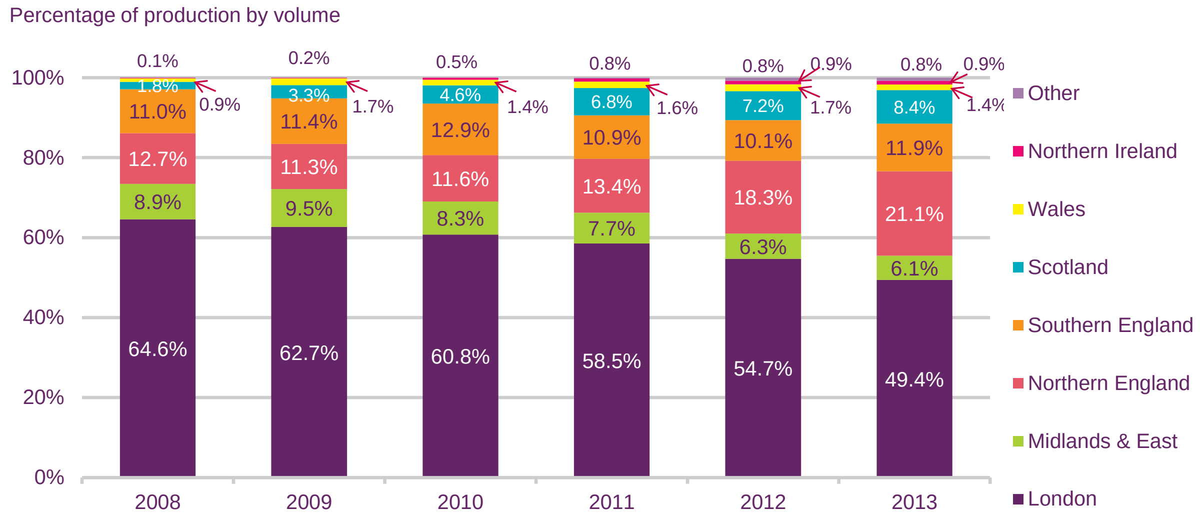
[24] See http://stakeholders.ofcom.org.uk/broadcasting/guidance/programme-guidance/reg_prod/ on the Ofcom website for further details.

First-run hours produced in Northern Ireland remained the same as in 2012, at 0.9%.

Figure 2.20 Volume of originated network productions: 2008–2013



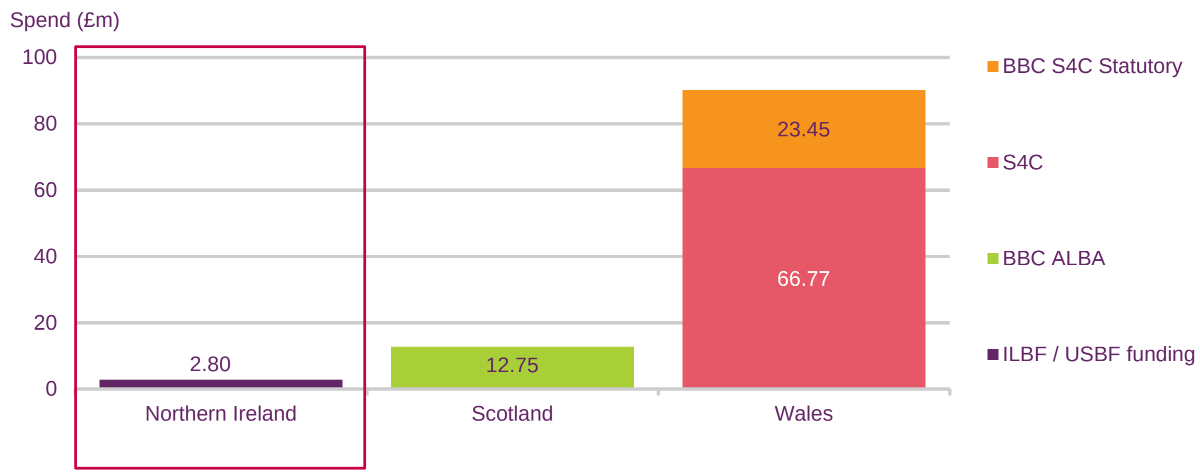
Source: Ofcom/broadcasters.
Note: A new category 'other' was created for regional productions from London producers which do not meet both 70% of spend and 50% of talent in any one particular macro region[25].

2.7 Other programming in Northern Ireland

Together the ILBF and USBF contributed £2.8m to programmes broadcast on PSB channels in Northern Ireland in 2013

On top of the BBC and UTV's contribution to local-interest programming, already mentioned in previous sections, the ILBF contributed £1.53m and the USBF contributed £1.27m to the cost of Irish-language and Ulster Scots cultural programming broadcast on the PSB channels in Northern Ireland in 2013.

Figure 2.21 Other spend on programming in the devolved nations: 2013



Source: Broadcasters / ILBF / USBF

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[25] See http://stakeholders.ofcom.org.uk/broadcasting/guidance/programme-guidance/reg_prod/ on the Ofcom website for further details.

About the Irish Language Broadcast Fund

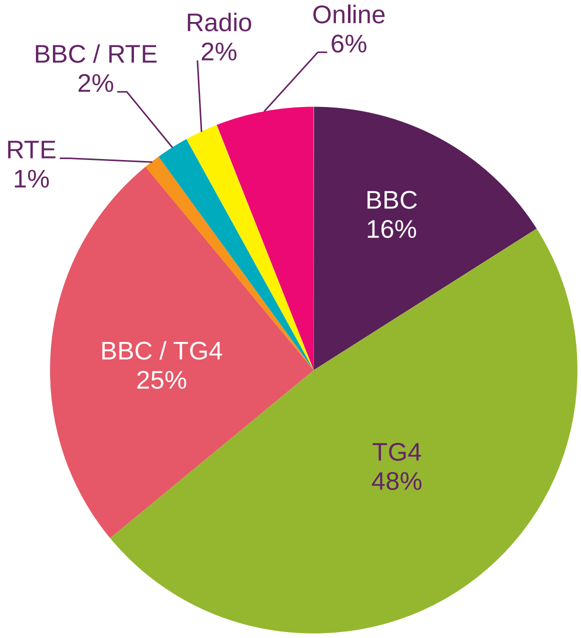
The Irish Language Broadcast Fund (ILBF) was launched in 2005. Funding comes from the UK Government's Department of Culture, Media and Sport through the British Film Institute to Northern Ireland Screen, which manages the fund.

The first period of funding ran from 2005-2009 (£3m per year). It was renewed in 2009, running until 2011 and again in 2013 for the period to 2015.

It was announced in the Chancellor's Autumn Statement (2013) that funding would be extended for another year, to 2016.

The ILBF supports a minimum of 55 hours of Irish-language content every year, the majority of which is broadcast on TG4 and BBC NI.

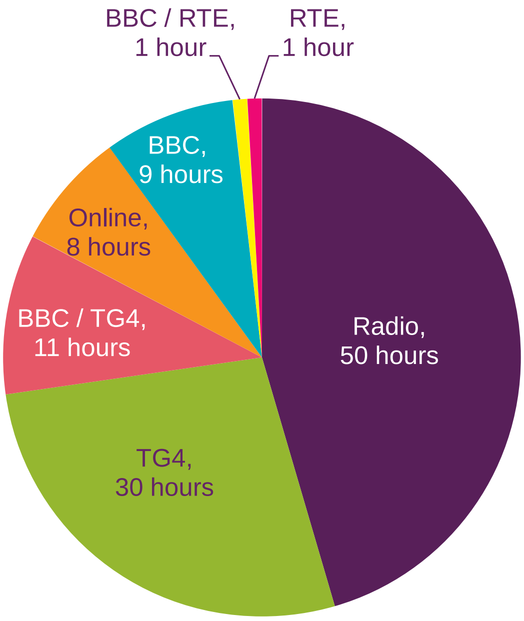
Figure 2.22 ILBF content funding, by broadcaster / type: 2013/2014



Source: Northern Ireland Screen

The ILBF also supports online content, mobile phone applications and, through a training programme, content on Raidió Fáilte. £2.5m is spent annually on Irish-language content, and in the last financial year there were 14 recipients of funding (television production companies and Raidió Fáilte). To secure funding, these companies must be based in Northern Ireland and have a commitment from a broadcaster to show output.

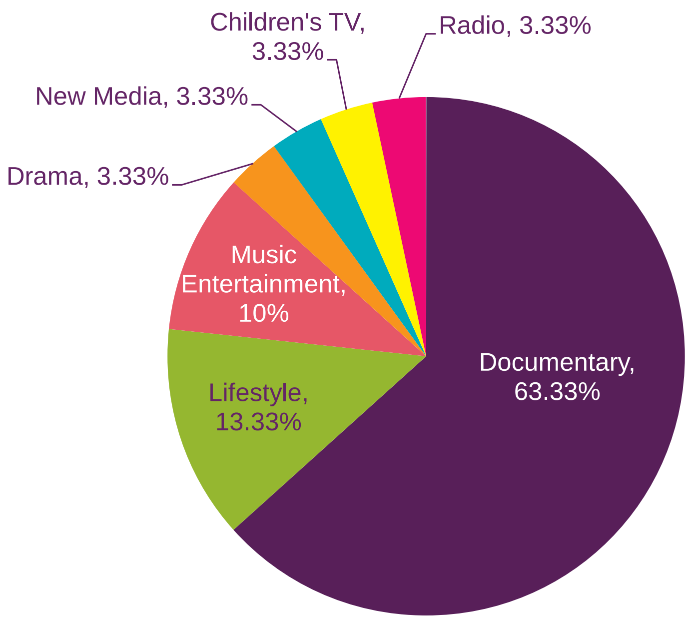
Figure 2.23 ILBF funded hours: 2013/2014



Source: Northern Ireland Screen

Since the fund was started, the minimum language content in programming has risen from 60% to 70%. Funding is allocated to a range of genres including children's, documentary, entertainment, drama and digital media.

Figure 2.24 ILBF content funding, by genre: 2013/2014



Source: Northern Ireland Screen. Includes all programmes.

Programming highlights

ILBF-funded programme ***Blianta an Chogaidh*** was shortlisted in the 2014 Celtic Media Festival Torc awards.

Scúp (set in a Belfast newspaper office) and ***Dushlán 1881*** were nominated in the 2014 Irish Film and Television Awards.

Other 2013/2014 highlights include documentaries: ***Athchuairt ar Translations***; ***Dlí Rory***; ***Rónán ar an Bhóthar go Santiago***; and ***Robert Burns***.

ILBF objectives for 2014/15 include:

- To deliver at least 55 additional hours of Irish-language content across a range of genres to reach a weekly audience of 25,000.
- To ensure a minimum language level of 70% with emphasis on the Ulster dialect.
- To ensure maximum use of Irish speaking cast and crew on each production.

About the Ulster-Scots Broadcast Fund

The Ulster-Scots Broadcast Fund (USBF) was established to provide finance for the production of film, television and other moving image products on the Ulster-Scots heritage, culture and language in Northern Ireland.

Funding was secured in 2010, with the USBF making its first awards in March 2011.

As with the ILBF, funding comes from the UK Department for Culture, Media and Sport through the British Film Institute to Northern Ireland Screen, which manages the fund.

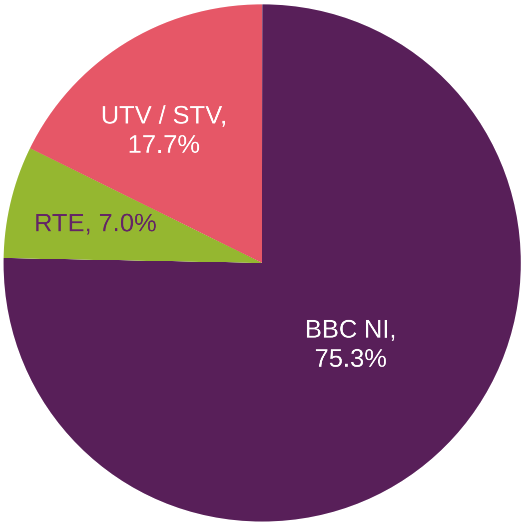
The UK Government has given a commitment to the fund (£1m per year) until at least 2016.

The majority of programming funded by the Ulster-Scots broadcasting fund was aired on BBC Northern Ireland in 2013/14

In 2013/14 seven awards were made, totalling 13 hours of production, and one digital content project was supported.

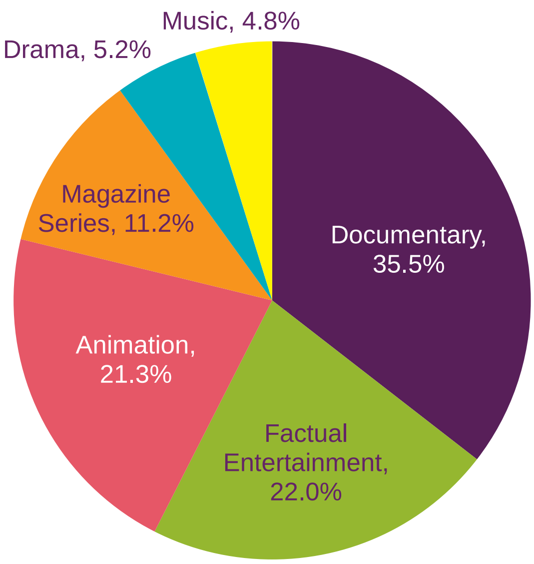
Thirteen projects were broadcast in 2013/14 including historical documentaries, factual entertainment, animation and drama. Funded content was broadcast on BBC Northern Ireland, UTV and STV, and RTE.

Figure 2.25 USBF content funding, by broadcaster: 2013/2014



Source: Northern Ireland Screen. Includes all programmes.

Figure 2.26 USBF content funding, by genre: 2013/2014



Source: Northern Ireland Screen, includes all programmes

Programming highlights 2013/14

In 2012/13 the fund supported the animation series ***Five Fables***. This was the first animation series for the fund (broadcast on BBC NI in March 2014). This five-part series was based on stories written by the medieval poet Robert Henryson, with Ulster-Scots infused modern translations of the poems provided by Seamus Heaney and narrated by Billy Connolly.

In October 2013 the Groundbreakers season on BBC NI showcased four USBF biography projects: ***The Extraordinary Life of Castlereagh***, ***Amy Carmichael***, ***Ulster's Forgotten Radical*** and ***The Man Who Shrank the World***.

Paul and Nick's Big Food Trip returned for a second series and was broadcast in Northern Ireland on UTV and in Scotland on STV.

USBF objectives for 2014/15 include:

- Deliver 12 additional hours of Ulster-Scots programming in a range of genres.
- Broadcast 90% of the USBF funded programming within 6 months of delivery.
- Reach a significant and initial audience target of 40,000 people in Northern Ireland.

Programming reach

During 2013/14, programming supported by the ILBF and USBF, and broadcast by BBC Northern Ireland, reached an audience of 660,000, representing just under 40% of the total Northern Ireland population.[26]

[26] Source BARB, all individuals in Northern Ireland (aged 4+)
Note: This is programming that broadcast during 2013/14, not allocation of funding.

3 Radio and audio content

3.1 Recent developments in Northern Ireland

More DAB transmitters for Northern Ireland

Northern Ireland is to get three new BBC DAB transmitters as part of plans by the corporation to improve DAB coverage for its national network stations across the UK. The new transmitters will serve Ballycastle, Bangor, and Newtownards.

The transmitters are part of 162 the BBC is building across the UK before the end of 2015, increasing coverage for BBC national stations - Radio 1,2,3, 4, and 5 live - as well as digital-only stations - Radio 1Xtra, Radio 5 live sports extra, 6 Music and Asian Network - to more than 97% of the UK population.

3.2 Radio station availability

Listeners in Northern Ireland now have access to 31 digital radio services

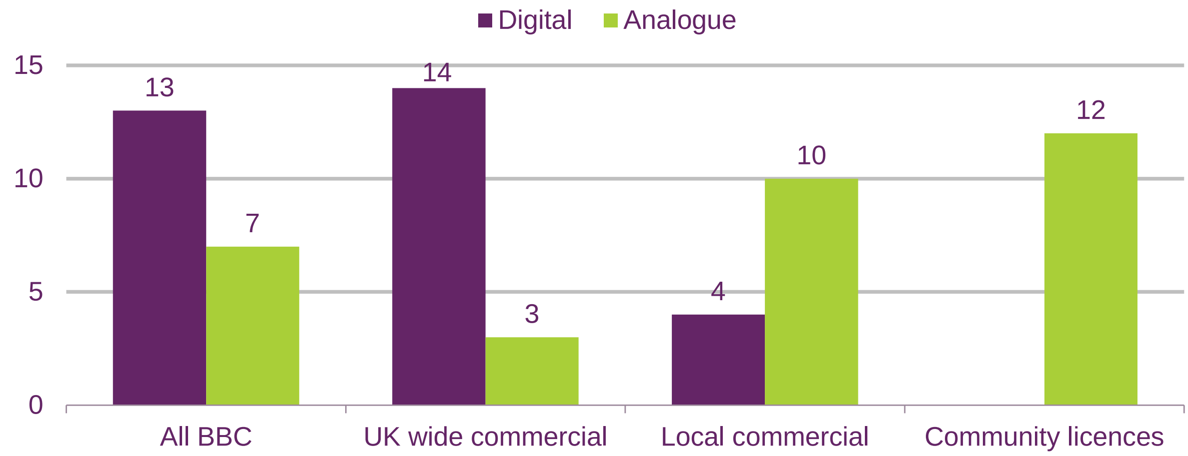
The extension of the national commercial digital multiplex, Digital One, to Northern Ireland means that listeners can now access up to 31 DAB digital radio stations, including 13 BBC stations. The additional ten services available on DAB are UK-wide stations. There remain only four local commercial services available on DAB - significantly lower than the other UK nations. Listeners in many parts of Northern Ireland can receive broadcast radio signals from the Republic of Ireland, which increases radio station availability above the 53 shown in Figure 3.1.

There are 12 community radio stations currently on air in Northern Ireland. Ofcom made five new awards in June 2013, including to the first Ulster-Scot station and the first Irish-language station outside Belfast.

Belfast FM (Belfast FM Limited)	Belfast
Raidió G (Raidió G Teo)	Maghera, County Derry
Bridge FM (Portadown Community Radio Limited)	Portadown
Chaine FM (Larne Community Media Limited)	Borough of Larne
fUSe FM (Ullans Speakers Association)	Ballymoney

None of these stations have begun broadcasting yet, but a licensee has two years from the date of the community licence award in which to launch a service.

Figure 3.1 Radio station availability: Northern Ireland



Source: Ofcom, April 2014
Note: This chart shows the maximum number of stations available; local variations along with reception issues mean that listeners may not be able to access all of these

3.3 Patterns of listening to audio content

Radio is listened to for the least amount of time in Northern Ireland compared to the other nations

During an average week in 2013, radio services reached 88.9% of adults in Northern Ireland (Figure 3.2). This is less than the UK average by 1.5pp and is lower than in England and Wales (90.4% and 95.4% respectively).

Adults in Northern Ireland spent the least time listening to radio of all the UK nations, at 19.8 hours of average weekly listening. This is 1.6 hours below the UK average, and 0.8 hours less than Scotland, despite radio in Northern Ireland having a higher reach than in Scotland.

Figure 3.2 Average weekly reach and listening hours: 2013

	England	Scotland	Wales	Northern Ireland	UK TOTAL
Average weekly listening	21.6 hours	20.6 hours	21.7 hours	19.8 hours	21.4 hours
Reach	90.4%	85.9%	95.4%	88.9%	90.4%

Source: RAJAR, All adults (15+), year ended Q4 2013. Reach is defined as a percentage of the area adult population who listen to a station for at least five minutes in the course of an average week.

Local commercial radio is the most listened-to form of radio in Northern Ireland

Local commercial radio accounted for the largest proportion of listening hours in Northern Ireland, at 35% (Figure 3.3). Overall, commercial radio accounted for the majority of listening hours in Northern Ireland in 2013, at 44%; this is above the UK average and second only to Scotland (49%).

Share of listening for BBC local/nations services is higher in Northern Ireland than in any other UK nation. At 12pp above the UK average, this accounts for one fifth of all listening. However, the share of listening to BBC network services is much lower than in the other nations, with a share of 23% compared to the 46% UK average. Similarly, UK commercial services account for a lower share of listening in Northern Ireland compared to the rest of the UK at 9% vs. 13%.

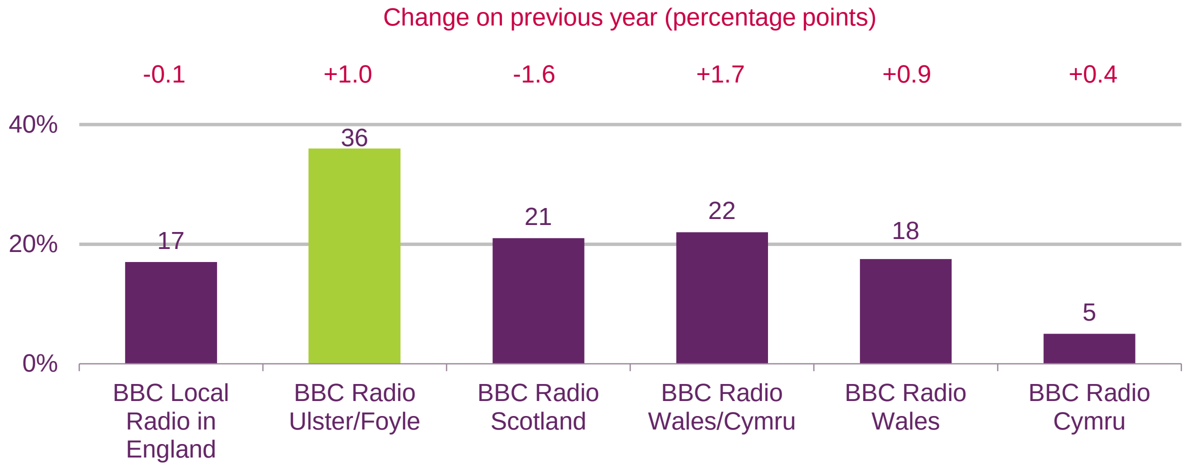
Figure 3.3 Share of listening hours by nation: 2013

Source: RAJAR, All adults (15+), year ended Q4 2013.

Northern Ireland has the highest reach for a BBC national service

In an average week in 2013, weekly reach of BBC Radio Ulster stood at 36%, demonstrating a growth of 1pp year on year (Figure 3.4). This reach is higher than that of any other respective national BBC local service, and is reflected by this sector having a larger share of listening hours in Northern Ireland than in any other nation.

Figure 3.4 Weekly reach for nations'/local BBC services: 2013



Source: RAJAR, All adults (15+), year ended Q4 2013

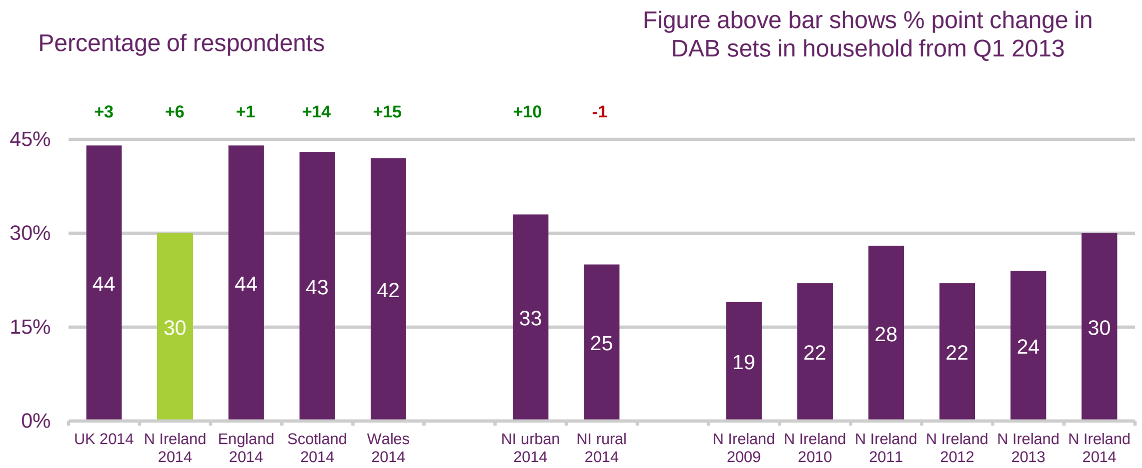
3.4 Digital radio set ownership and listening

Almost a third of households in Northern Ireland now have at least one DAB radio set, but take-up is still lower than the other UK nations

According to Ofcom research, over four in ten UK households (44%) claimed to have access to a DAB radio set in the home in Q1 2014, a slight increase on the previous year's figure (41%).

Figure 3.5 shows that take-up of DAB sets remains lowest in Northern Ireland, where approximately a third of households reported to have at least one of these in their home in Q1 2014 (30%). However, across Northern Ireland take-up has increased by six percentage points over the past year, while in urban areas take-up has risen by 10pp over the same period, with 33% of households now having at least one DAB set. Although the choice of digital radio services available in Northern Ireland remains lower than in the other nations, the new transmitters have boosted DAB availability and brought ten new UK commercial stations in 2013. This is likely to have contributed to the year-on-year increase in DAB set ownership.

Figure 3.5 Ownership of DAB radios among radio listeners

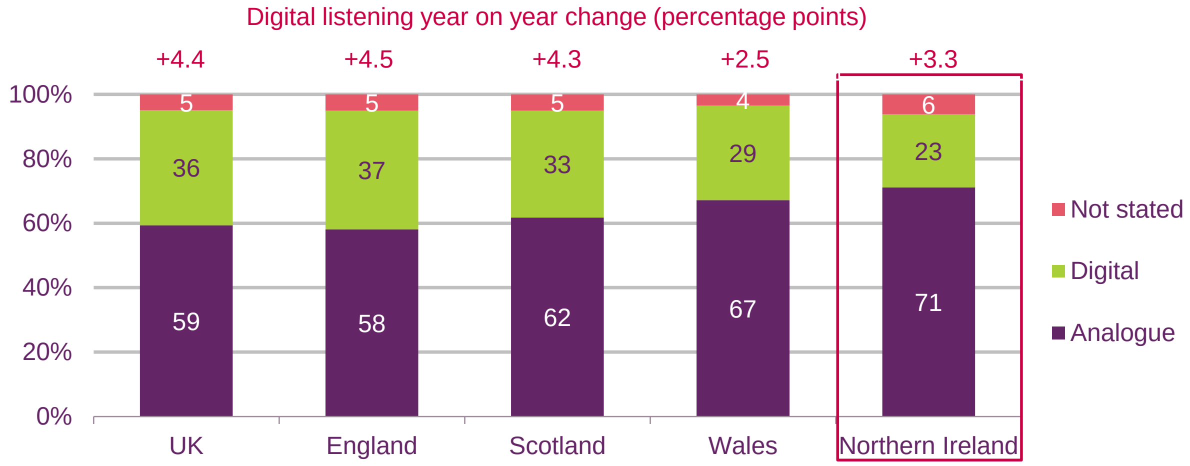


QP9. How many DAB sets do you have in your household?
Source: Ofcom research, Q1 2014
Base: Adults aged 16+ who listen to radio (n = 2885 UK, 404 Northern Ireland, 1686 England, 392 Scotland, 403 Wales, 188 Northern Ireland urban, 216 Northern Ireland rural, 569 Northern Ireland 2009, 653 Northern Ireland 2010, 428 Northern Ireland 2011, 404 Northern Ireland 2012, 405 Northern Ireland 2013, 404 Northern Ireland 2014)
NB. Data in 2011 based on those who listen to radio and have any radio sets in the household that someone listens to in most weeks

Analogue remains the most popular platform for listening in Northern Ireland

Twenty three per cent of listening hours in Northern Ireland were via digital platforms in 2013, a year-on-year increase of 3.3pp (Figure 3.6). However, this is a lower share of digital listening hours than in any other nation and is 13pp below the UK average (36%). Of all the nations, analogue remains the most popular platform for radio listening in Northern Ireland with a 71% share of listening hours.

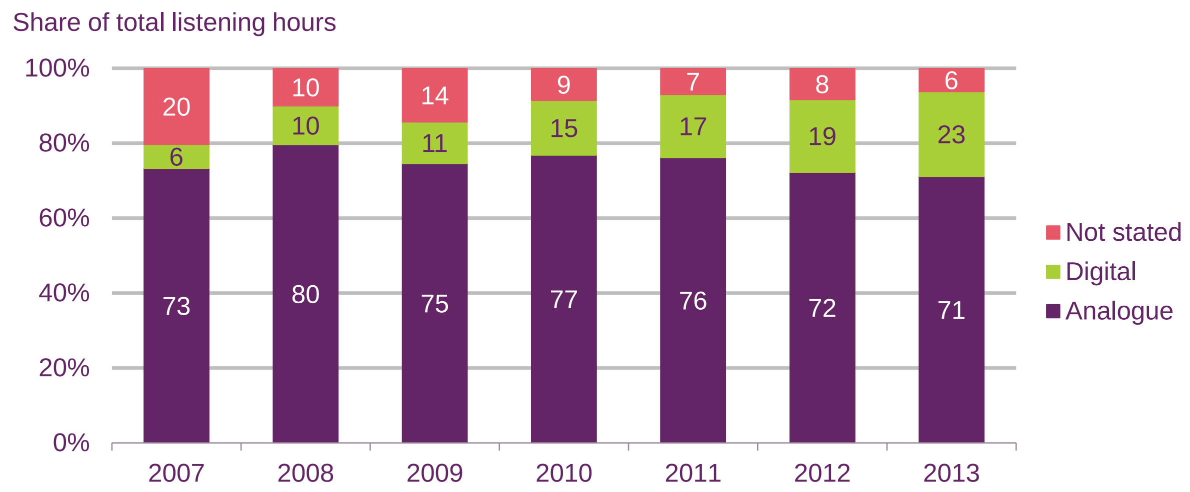
Figure 3.6 Share of listening hours via digital and analogue platforms: 2013



Source: RAJAR, All adults (15+), year ended Q4 2013

The share of listening hours accounted for by digital platforms has grown steadily over the years and is now 17pp higher than in 2007 (Figure 3.7); there has been an increase since 2012 of 4pp. The fall in 'not stated' over six years reflects a change in RAJAR methodology, but the underlying trend of an increase in digital share and gradual decline in analogue share is still evident.

Figure 3.7 Share of listening hours via digital and analogue platforms in Northern Ireland: 2013



Source: RAJAR, all adults, calendar years 2007–2013

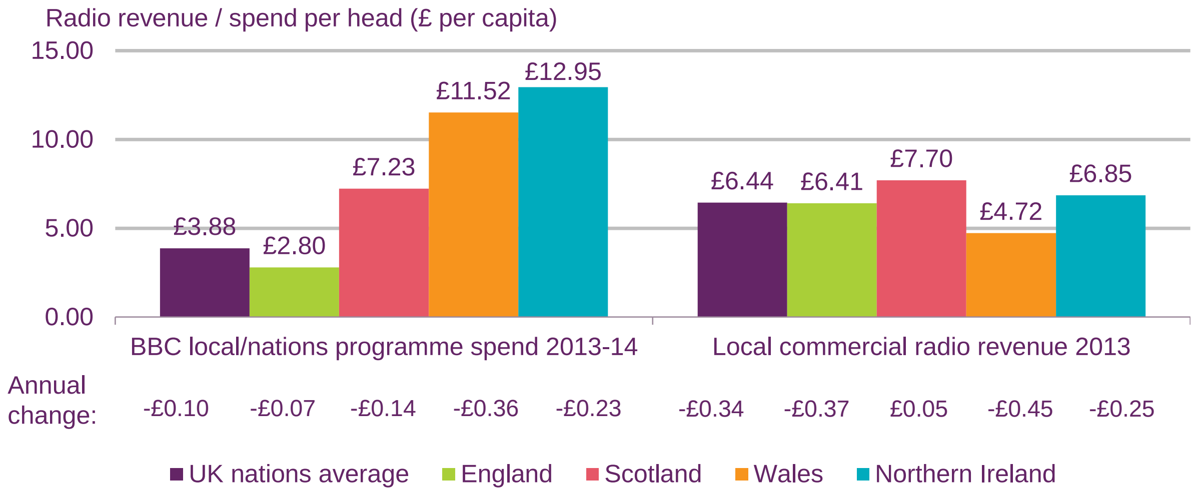
3.5 The radio industry

BBC spend on radio per head of population was highest in Northern Ireland

The total spend by BBC Radio Ulster/ BBC Radio Foyle was £23.6m in 2013-14, a small reduction from the £23.8m spent the previous year. The expenditure per head of population reduced by £0.23 to £12.95, but remains the highest out of all the UK nations.

The total revenue generated by local commercial radio stations in 2013 was £12.5m. Adjusting for population size, Northern Ireland had the second highest revenue per head of all the UK nations, at £6.85. This is a reduction of £0.25 per person on 2012.

Figure 3.8 Local/nations radio spend and revenue per head of population: 2013-14



Source: Broadcasters   Note: The UK total shows the average for local commercial radio across the four nations and therefore excludes revenues for the UK-wide commercial stations: Classic FM, talkSPORT and Absolute.

4 Internet and web-based content

4.1 Internet take-up

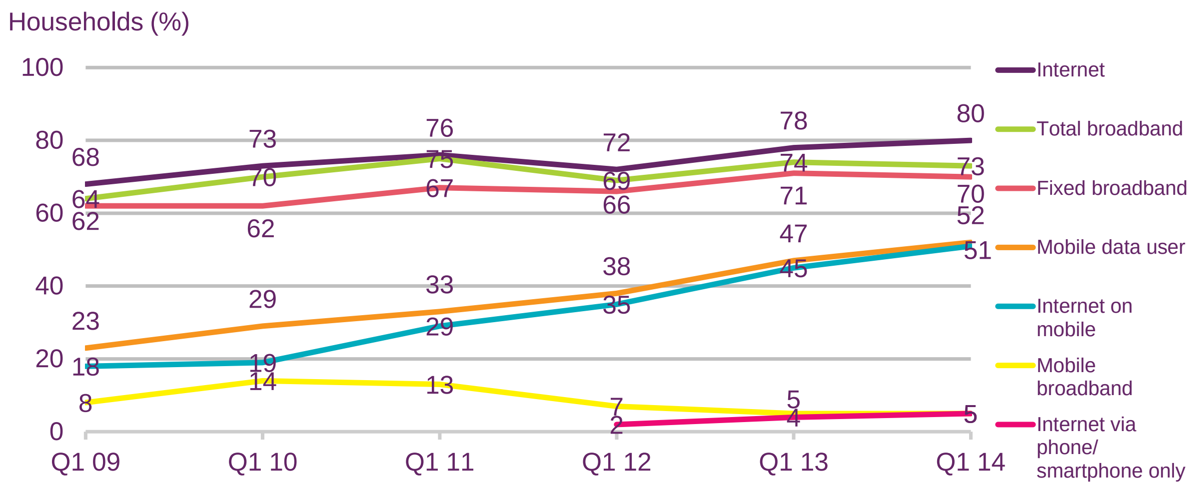
Half of consumers in Northern Ireland access the internet on their mobile phone

Eight in ten households in Northern Ireland had access to the internet in Q1 2014 (via broadband, mobile phone or narrowband), similar to the UK average (82%).

Broadband access (fixed and mobile) remained stable at 73% of households; just below the UK average of 77%. There is little difference between take-up in urban (73%) and rural (75%) areas of Northern Ireland.

There has been a significant rise in the proportion of consumers accessing the internet on their mobile phones, increasing six percentage points in the past year to 51% of consumers. This reflects the continued increase in smartphone ownership and is discussed below.

Figure 4.1 Internet take-up, Northern Ireland: 2009-2014



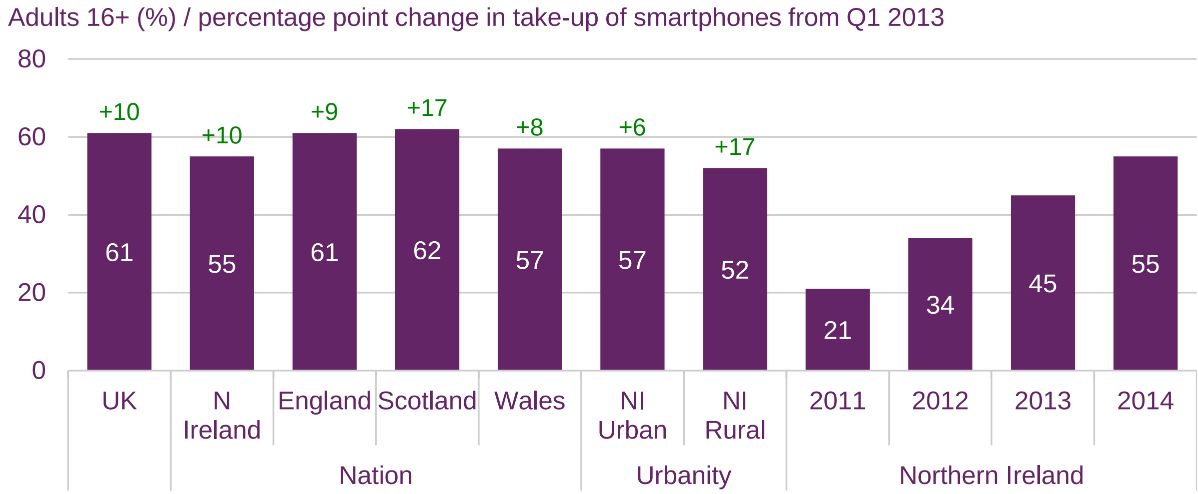
Source: Ofcom Technology Tracker
Base: All adults aged 16+ (n = 629 Northern Ireland 2009, 652 Northern Ireland 2010, 761 Northern Ireland 2011, 511 Northern Ireland 2012, 507 Northern Ireland 2013, 499 Northern Ireland 2014)

4.2 Internet-enabled devices

More than half of adults in Northern Ireland use a smartphone

Just over half (55%) of adults in Northern Ireland used a smartphone in Q1 2014, an increase of ten percentage points since Q1 2013 (Figure 4.2). The greatest increase in take-up of smartphones in Northern Ireland was in rural areas, which increased by 17 percentage points year on year, compared to an increase of 6pp points in urban areas. However, take-up of smartphones in Northern Ireland is the lowest among the nations, and significantly less than take-up in Scotland.

Figure 4.2 Take-up of smartphones in Northern Ireland



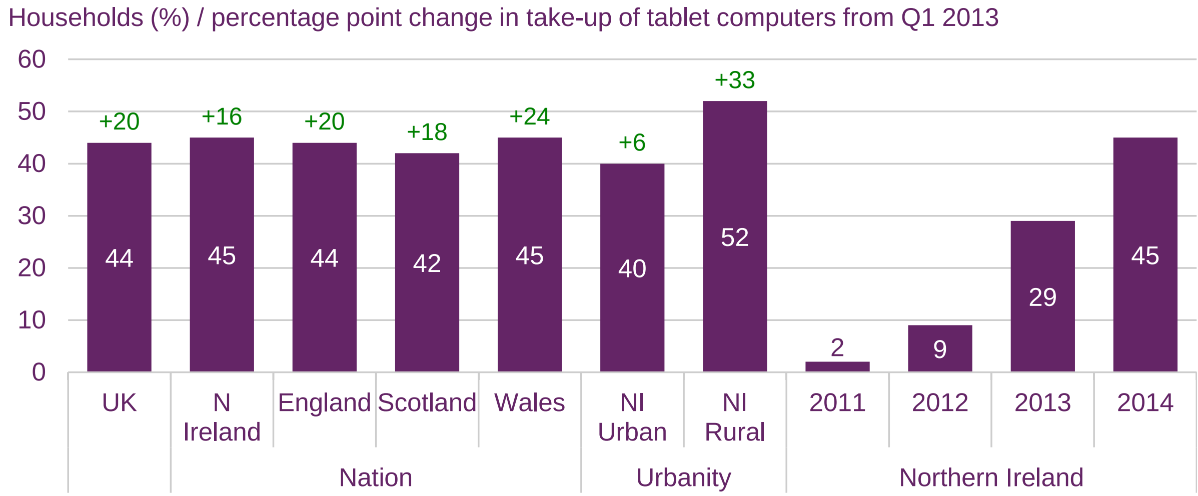
QD24B. Do you personally use a smartphone? A smartphone is a phone on which you can easily access emails, download files and applications, as well as view websites and generally surf the internet. Popular brands of smartphone include BlackBerry, iPhone and Android phones such as the Samsung Galaxy.
Source: Ofcom research, Q1 2014
Base: All adults aged 16+ (n = 3740 UK, 499 Northern Ireland, 2249 England, 501 Scotland, 491 Wales, 247 Northern Ireland urban, 252 Northern Ireland rural, 493 Northern Ireland 2011, 513 Northern Ireland 2012, 507 Northern Ireland 2013, 499 Northern Ireland 2014)

Over four in ten households in Northern Ireland have a tablet computer

Among the UK nations, household tablet computer take-up is joint highest in Northern Ireland (along with Wales), having increased by 16 percentage points over the past year, with over four in ten homes (45%) now having one. The increase in take-up of this device was particularly marked in rural areas of Northern Ireland, where 52% of households have one, up 33 percentage points on the previous year. The rise in tablet ownership in Northern Ireland and the rest of the UK is likely to have been driven by the release of cheaper models from high street retailers, such as Tesco’s Hudl and Argos’s MyTablet.

Six per cent of households in Northern Ireland in Q1 2014 were ‘tablet only’ i.e. they had a tablet computer but not a laptop or desktop PC, similar to the 4% across the UK as a whole.

Figure 4.3 Take-up of tablet computers in Northern Ireland



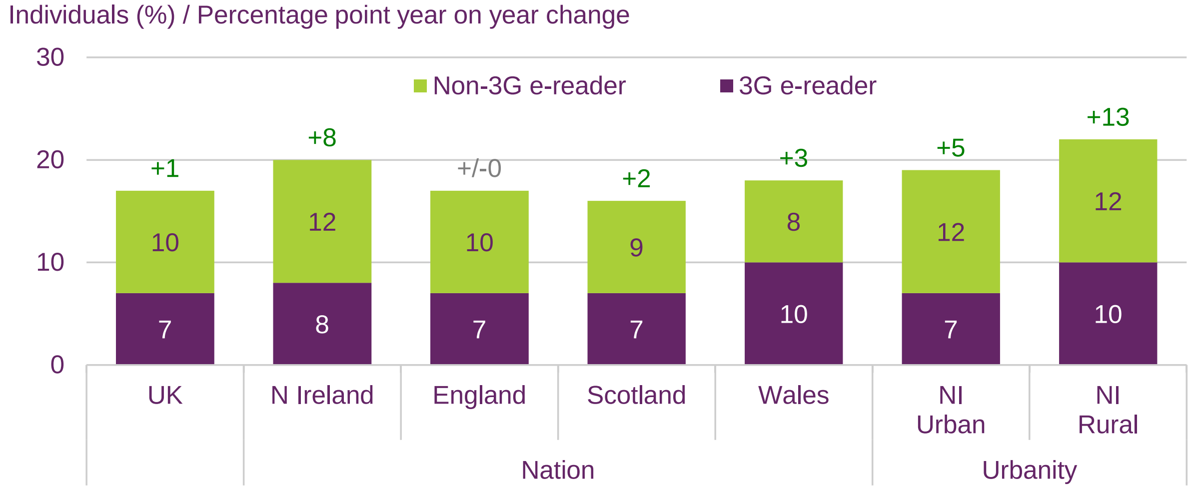
QE1. Does your household have a PC, laptop, netbook or tablet computer?
Source: Ofcom research, Q1 2014
Base: All adults aged 16+ (n = 3740 UK, 499 Northern Ireland, 2249 England, 501 Scotland, 491 Wales, 247 Northern Ireland urban, 252 Northern Ireland rural, 493 Northern Ireland 2011, 513 Northern Ireland 2012, 507 Northern Ireland 2013, 499 Northern Ireland 2014)

One in five adults in Northern Ireland use an e-reader

One in five (20%) adults in Northern Ireland personally use an e-reader to read ebooks, magazines or other text downloaded from the internet, an 8pp annual increase. Most consumers in Northern Ireland (12%) used e-readers without a built-in 3G connection (this allows users to download books using a mobile network). The incidence of household ownership of an e-reader in Q1 2013 was 28%, four percentage points greater than the UK average (24%).

Those in Northern Ireland most likely to use an e-reader were in ABC1 households (28%) and with household annual incomes greater than £17.5K (30%). There were no significant difference across Northern Ireland's urban or rural areas

Figure 4.4 Personal use of e-readers: 2014



Source: Ofcom research, Q1 2014
QB1. Which of the following do you, or does anyone in your household, have in your home at the moment?/ QB2. And do you personally use.../ QB6. Does your household's e-reader have built-in 3G access to a mobile network?
Base: All adults aged 16+ (n = 3740 UK, 499 Northern Ireland, 2249 England, 501 Scotland, 491 Wales, 247 Northern Ireland urban, 252 Northern Ireland rural)

Tablets are the most important device for internet access among affluent households

There was no device thought to be most important for accessing the internet by a majority of internet users in Northern Ireland in Q1 2014. The laptop (36%) was the most popular choice as the most important device, across Northern Ireland as a whole, and was significantly more popular in households with annual incomes less than £17.K than in households (46%) with higher incomes (27%).

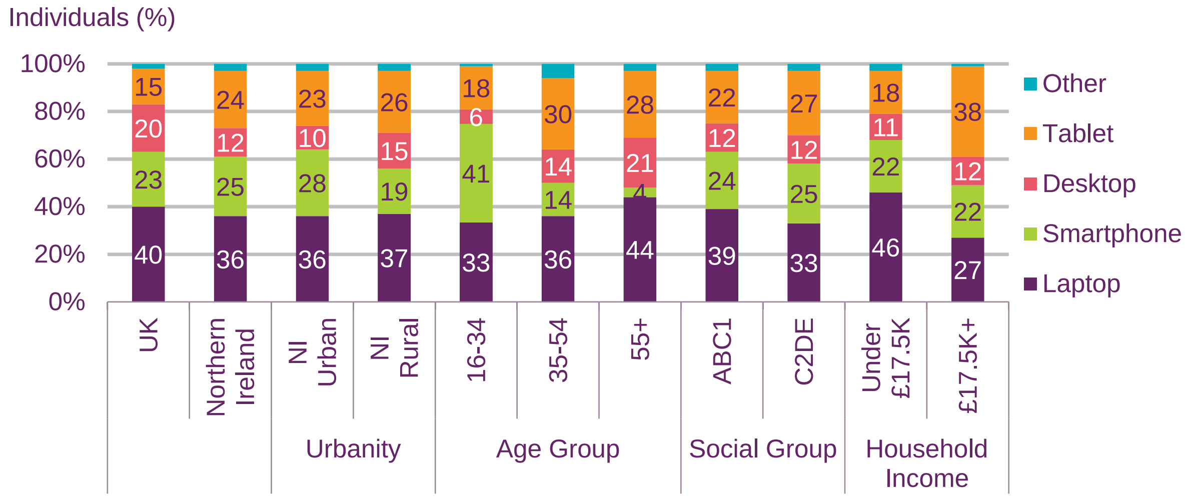
Smartphones were significantly more likely to be claimed as the most important device for internet access among internet users in urban areas than in rural areas (28% vs. 19%); and among 16 to 34 year olds (41%) than other age groups. Only one in 20 (6%) 16-34 year olds thought the desktop computer was the most important device for internet access, significantly less than in older age groups.

Tablets were a popular choice from some demographics, with 35-54 year olds (30%) significantly more likely than younger adults to choose it (18%), and those in households with annual incomes greater than £17.5K (38%) more likely to choose it than households with an annual income less than £17.5K (18%).

Device preferences are likely to reflect device take-up; we consider device importance by ownership in Chapter 4 of the *UK Communications Market Report*[27].

[27] Available online at http://www.ofcom.org.uk/cmr14

Figure 4.5 Most important device for accessing the internet in Northern Ireland



Source: Ofcom research, Q1 2014
Base: Internet users aged 16+ (n = 2976 UK, 390 Northern Ireland, 190 NI urban, 200 NI rural, 171 16-34, 139 35-54, 80 55+, 214 ABC1, 176 C2DE, 102 under £17.5K, 100 £17.5K+). Question: Which is the most important device you use to connect to the internet, at home or elsewhere? "Other" responses include: "Other device", "None" and "don't know".

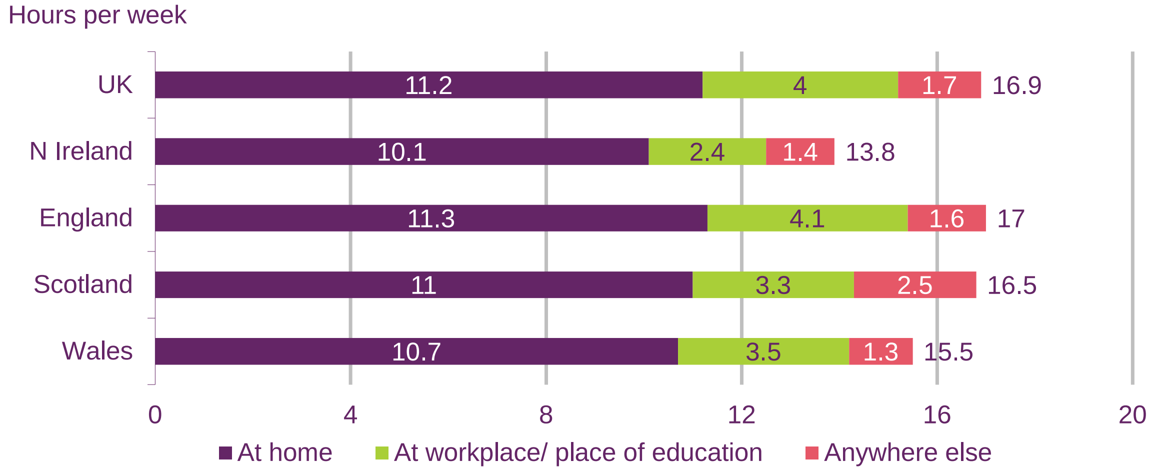
4.3 Internet use

Internet users in Northern Ireland claim to spend significantly less time online than the UK average

According to research conducted for Ofcom's *Adult Media Literacy Report*[28], internet users in Northern Ireland claim to spend 13.8 hours on the internet per week. This is significantly lower than the UK average of 16.9 hours. Following a similar pattern as the rest of the UK, internet users claim to spend the majority of time online at home, followed by their workplace or place of education, and the least time spent online in any other location.

[28] Available from online at http://stakeholders.ofcom.org.uk/market-data-research/other/research-publications/adults/adults-media-lit-14/

Figure 4.6 Claimed time spent on the internet in a typical week

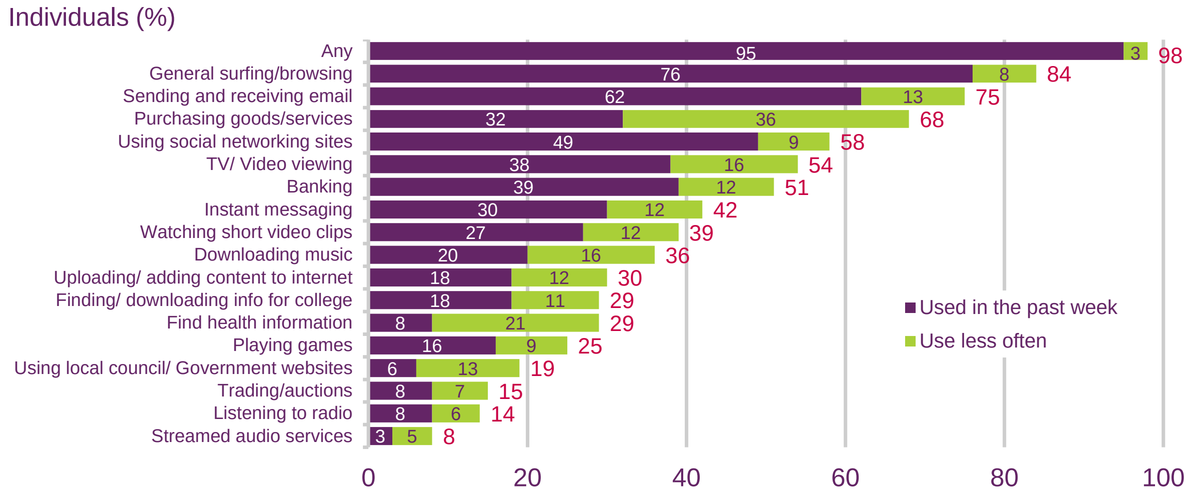


Source: Ofcom research, fieldwork carried out by Saville Rossiter-Base in October to November 2013
IN6A-C – How many hours in a typical week would you say you use the internet at home/ at your workplace or place of education/ anywhere else? (Unprompted responses, single coded)
Base: All adults aged 16+ who use the internet at home or elsewhere (1272 UK, 824 England, 150 Scotland, 163 Wales, 135 Northern Ireland). Significance testing shows any difference between any nation and the UK.

Over half of internet users in Northern Ireland use social networking sites

Figure 4.7 shows that, as with the UK, the most frequently-cited uses of the internet in Northern Ireland were general surfing/ browsing (84%) and emailing (75%). Sixty-eight per cent of internet users said they used the web for purchasing goods or services, up from 60% in Q1 2013. Fifty-eight per cent said they used it for accessing social networking sites such as Facebook or LinkedIn, with almost all of these saying that they had done so within the previous week. As in 2013, half of all internet users in Northern Ireland (51%) report using the internet for banking.

Figure 4.7 Activities conducted online by internet users in Northern Ireland



Source: Ofcom research, Q1 2014
QE5. Which, if any, of these do you use the internet for?
Base: Adults aged 16+ who use the internet at home or elsewhere (n= 390 Northern Ireland 2014)

5 Telecoms and networks

5.1 Recent developments in Northern Ireland

Northern Ireland Broadband Improvement Project announced

More than £23m is being invested to improve broadband services to 45,000 premises in Northern Ireland. DETI's Broadband Improvement Project, which is being delivered by BT, will specifically target premises currently receiving no broadband, or very low speeds.

4G roll-out

After launching a new 4G service in Belfast in July 2013, EE has expanded its 4G footprint to cover more than 72% of the population and more than 36% of the geographical area of Northern Ireland (March 2014). O2 switched on 4G services in Belfast and Lisburn in July 2014, with other areas, including Derry~Londonderry, set to follow before the end of the year. Vodafone will launch 4G services in Belfast during Q3 2014.

Roaming

Several mobile phone operators have introduced new or improved tariffs over the past year that can help customers in Northern Ireland reduce the cost of inadvertent roaming. Inadvertent roaming occurs when the signal from a domestic UK network is weak or unavailable and a phone picks up a stronger signal from a mast in the Republic of Ireland.

In September 2013 mobile operator Three introduced its Feel at Home tariff, allowing UK customers to use their domestic network allowance while roaming in 11 countries, including the Republic of Ireland. In January 2014, Vodafone reduced the price of its Ireland Plus tariff to £5 a month. The tariff allows Northern Ireland-based customers to use their UK allowance of minutes, texts, and data while roaming on any Republic of Ireland network.

Border areas' top list for potential new mobile investment

Arqiva, the company charged with carrying out the Government's UK-wide £150m Mobile Infrastructure Project (MIP), has identified potential locations for new mobile masts in Northern Ireland. The project aims to expand mobile phone coverage to areas where there is currently limited or no coverage, and is due to be completed by 2017. The majority of potential sites in Northern Ireland are in border areas, which means they have the potential to eradicate mobile notspots and could also help tackle inadvertent roaming.

5.2 Availability of fixed broadband services

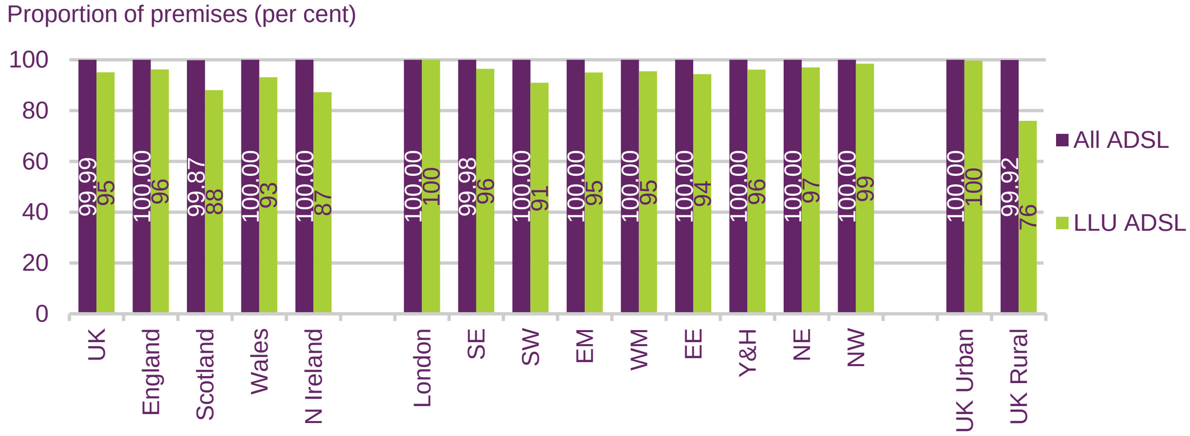
ADSL broadband services are available to almost all homes in Northern Ireland

By the end of 2013 almost all UK homes were connected to an ADSL-enabled BT local exchange, although some people living in these areas may not be able to receive ADSL broadband services, or may only be able to do so at very slow speeds, as a result of the long length or poor quality of the copper telephone line from their premises to the local exchange. BT's fixed telephony network includes around 5,600 local exchanges, of which fewer than 30 (most of which were in Scotland, with the remainder in England) had not been upgraded to offer ADSL broadband at the end of 2013. As a result, the proportion of homes connected to an ADSL-enabled BT exchange was marginally lower in Scotland than in the other UK nations at the end of 2013 (Figure 5.1).

Local loop unbundling (LLU) involves an alternative operator placing its own equipment in the incumbent provider's local exchange. This is then connected to the LLU provider's backhaul network and ADSL broadband services are provided over the twisted copper pair which is leased from the incumbent. LLU operator's are able to benefit from economies of scale which are not available to them when purchasing wholesale ADSL services on a per-unit basis, and have greater opportunity to differentiate the services that they offer from their competitors'. Consumers living in LLU-enabled exchange areas have a greater choice of ADSL broadband services and, typically, access to lower-cost (particularly bundled) broadband services.

At the end of 2013, 95% of UK premises were connected to an LLU-enabled BT exchange, a 1.0 percentage point increase compared to a year previously. LLU roll-out was originally concentrated in exchange areas that serve a large number of premises (which tend to be in urban areas), and the proportion of premises connected to an LLU-enabled local exchange continued to be higher in urban areas (over 99%) than in rural ones (76%) at the end of 2013. Across the UK nations, the proportion of premises connected to an LLU-enabled BT local exchange ranged from 87% in Northern Ireland to 95% in England at the end of 2013, and Northern Ireland benefited from the largest increase in this proportion during the year, up by just under two percentage points.

Figure 5.1 Proportion of premises connected to ADSL-enabled and unbundled exchanges: December 2013



Sources: Ofcom/BT

Over a quarter of premises in Northern Ireland were able to receive cable broadband services in June 2014

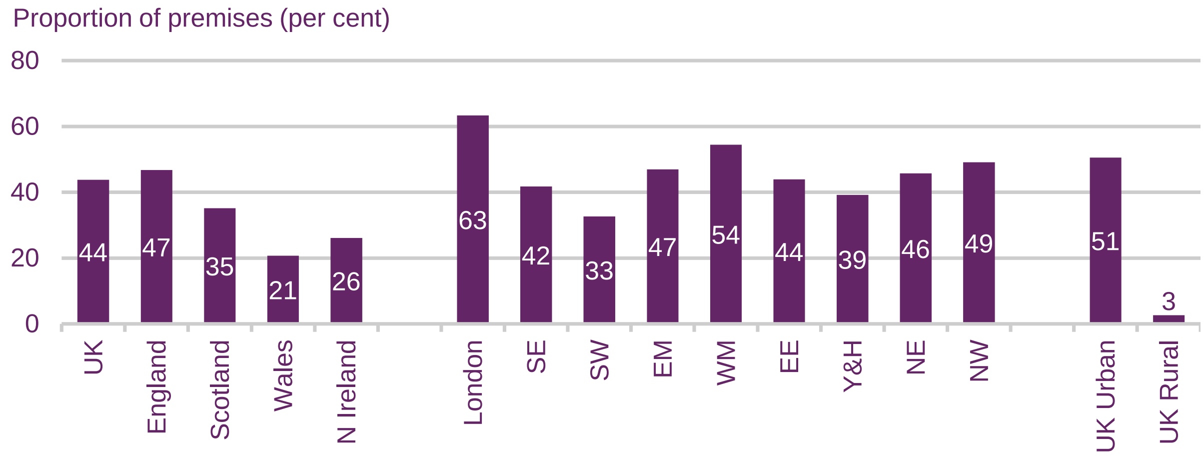
Ofcom collects data showing the number of premises (i.e. homes and offices) in the UK that are able to receive cable and fibre broadband, as part of its work to monitor the UK's communications infrastructure.

The methodology used to analyse the cable, fibre and next-generation access (NGA) broadband availability data in this report is different to that used to compile the data included in the 2013 report. In the last report we included data regarding the proportion of premises in postcodes that were served by cable broadband and fibre networks, which can sometimes overstate service availability as not all premises in a postcode will necessarily be able to receive services. In compiling the figures in this report we have been able to use more granular data, which means that the figures in Figure 5.2 to Figure 5.4 are more accurate that those published previously, but the data in these charts are slightly lower than they would be had they been compiled using the same methodology as the figures in the 2013 report.

Furthermore, it is important to note that not all connections provided over the cable and fibre networks which are used to provide superfast fixed broadband services (i.e. those with a headline speed of 'up to' 30Mbit/s or higher)[29] will necessarily achieve actual speeds of 30Mbit/s or higher. For example, the maximum speed achievable on a given line using fibre-to-the-cabinet (FTTC) technology will depend on the length and quality of the copper connection from the street cabinet to the user's premises. Ofcom's 2014 Communications Infrastructure Report (to be published later this year) will provide more detailed analysis of the distribution of fixed broadband speeds.

Analysis of data provided by Virgin Media shows that 44% of UK premises were able to receive broadband services via its cable broadband network in June 2014 (Figure 5.2).[30] The proportion of premises able to receive Virgin Media cable broadband ranged from 21% in Wales to 47% in England (in Northern Ireland it was 26%, the second lowest proportion across the nations), and was significantly higher in urban areas of the UK (51%) than in rural areas (3%). Virgin Media is currently upgrading its cable network to offer speeds of 'up to' 152Mbit/s, and its most basic cable broadband package currently offers speeds of 'up to' 50Mbit/s, where these upgrades have already taken place.

Figure 5.2 Proportion of premises able to receive Virgin Media cable broadband services



Sources: Ofcom/Virgin Media, June 2014 data

Northern Ireland had the highest proportion of premises that could receive fibre broadband services in June 2014

From data provided by the UK's incumbent fixed telephony providers, BT Openreach (a BT Group company) and Kcom (the incumbent provider in the Kingston-upon-Hull area), we are able to calculate the proportion of UK premises that are able to receive fibre broadband services over these providers' combined fibre-to-the-cabinet (FTTC) and fibre-to-the-

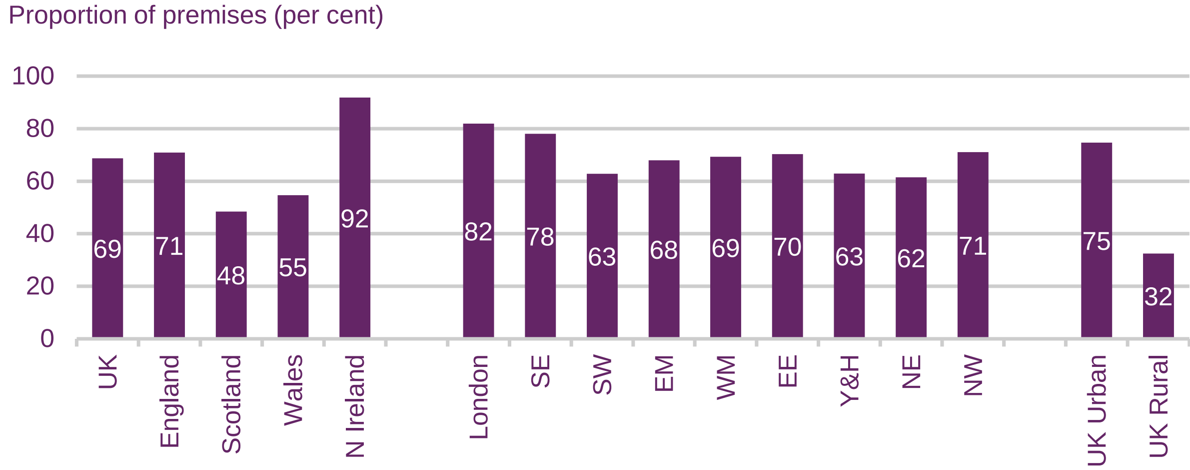
[29] The definition of a superfast fixed broadband connection used by UK Government is one with a download speed of at least 24Mbit/s.
[30] Compiled on the same basis as the figures in the 2013 report, 46% of UK premises and 27% of premises in Northern Ireland were in postcodes served by Virgin Media's cable broadband network in June 2014. These figures represent annual falls of two percentage points and one percentage point respectively, which are predominantly due to Virgin Media having undertaken a clean-up of its serviceable addresses database.

premises (FTTP) networks in June 2014 (Figure 5.3).[31][32] For the reasons mentioned above, the figures below are not comparable to those published in the 2013 report.[33]

Our analysis shows that by June 2014 92% of premises in Northern Ireland were able to receive fibre broadband services over BT's fibre broadband network, the highest proportion among the UK nations.[34] High fibre broadband availability in Northern Ireland is partly due to a Department of Enterprise, Trade and Investment (DETI) initiative to increase the availability of superfast broadband services. Across the other nations the proportion of premises that were served by fibre broadband networks ranged from 48% in Scotland to 71% in England.

Availability of fibre broadband services was higher in urban than in rural areas of the UK: 75% of UK premises in urban areas were able to receive BT Openreach or Kcom's fibre broadband services in June 2014, compared to 32% in rural areas. Again, it is important to note than not all fibre broadband connections with be able to achieve actual downstream speeds of 30Mbit/s.

Figure 5.3 Proportion of premises able to receive BT Openreach/ Kcom fibre broadband services



Sources: Ofcom/BT Openreach/Kcom, June 2014 data

Northern Ireland had the highest proportion of premises that could receive NGA broadband services in June 2014

By combining the Virgin Media cable broadband data in Figure 5.2 with the BT Openreach/Kcom fibre broadband availability data in Figure 5.3 we are able to estimate the proportion of premises that are served by NGA networks (which are used to deliver superfast broadband services). For the reasons mentioned previously, not all fixed broadband

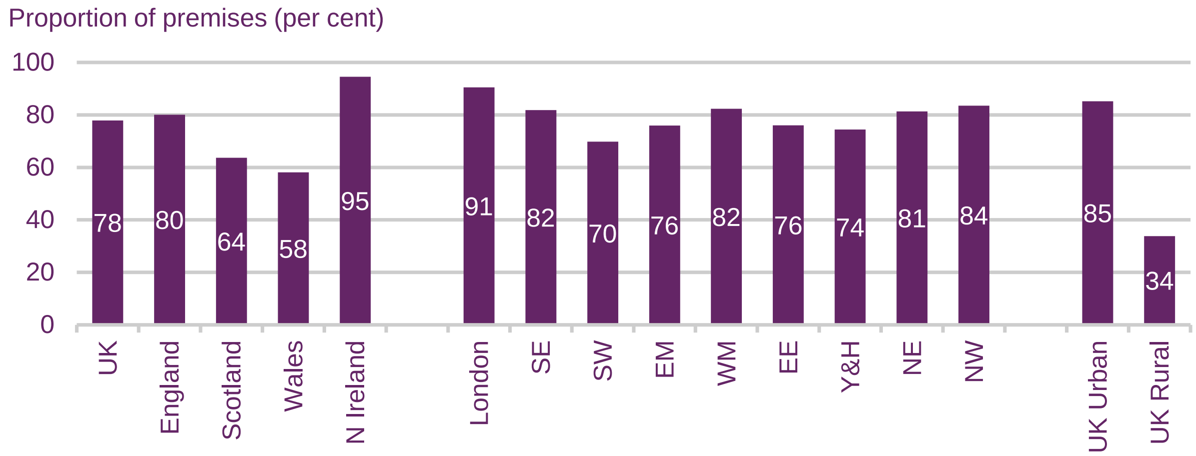
[31] Under regulatory rules other providers can provide retail fibre broadband services to consumers using these networks.
[32] It should be noted that these figures will understate actual fibre broadband availability as they exclude availability over networks other than BT Openreach and Kcom's.
[33] Compiled on the same basis as the figures in the 2013 report, 71% of UK premises were in postcodes served by BT Openreach/Kcom's fibre broadband networks in June 2014, a 15 percentage point increase compared to a year previously.
[34] Compiled on the same basis as the figures in the 2013 report, 94% of premises in Northern Ireland were in postcodes served by BT's fibre broadband network in June 2014, a one percentage point increase compared to a year previously.

connections provided over NGA networks will necessarily achieve actual downstream speeds of 30Mbit/s.

Combining the postcode-level availability data for cable and fibre broadband services gives us a range of availability for NGA broadband services: for example, if cable broadband and fibre broadband services are both available to 50% of premises in a postcode area the availability of NGA services in that postcode will be somewhere between 50% of premises (in the case where cable and fibre services are available to the same 50% of premises within the postcode area) to 100% of premises (where there is no overlap in the availability of cable and fibre networks). In Figure 5.4 below, we show the mean of the possible range of availability of NGA services (which would be 75% in the example given above). As previously, the figures below are not directly comparable to those that were included in the 2013 report.

The analysis shows that 78% of UK premises were able to receive fixed broadband services over NGA networks by June 2014.[35] Northern Ireland had the highest availability of NGA broadband services among the UK nations, with 95% of premises being able to receive such services. [36] Across the other UK nations, this proportion ranged from 58% in Wales to 80% of premises in England, with 64% of premises in Scotland being within NGA network footprints. In urban areas of the UK, 85% of premises were able to receive NGA broadband services in June 2014, compared to 34% in rural areas.

Figure 5.4 Proportion of premises able to receive NGA broadband services



Sources: Ofcom/BT Openreach/Kcom, June 2014 data

5.3 Mobile coverage

Overview

While mobile use is widespread across the UK, there are still areas where a lack of network coverage means that making mobile phone calls, sending text messages and/or accessing data services over a cellular network is not possible. These areas, which are referred to as 'mobile not-spots', are often characterised by low population density and/or hilly terrain, and

35 Compiled on the same basis as the figures in the 2013 report, 80% of UK premises were in postcodes served by NGA networks in June 2014, a seven percentage point increase compared to a year previously.

36 Compiled on the same basis as the figures in the 2013 report, 96% of premises in Northern Ireland were in postcodes served by NGA networks in June 2014, a one percentage point increase compared to a year previously.

present physical and economic obstacles that may deter mobile network operators (MNOs) from installing mobile phone masts in these areas. In other areas, some operators have mobile coverage whereas others do not have a presence, leading to the creation of 'partial not-spots'.

How we measure the availability of mobile telephony for this report

The coverage information presented in Ofcom's *Communications Market Reports* and *Infrastructure Report* is collected by Ofcom from the four UK mobile network operators (MNOs). Information on coverage is provided by each operator for each 100x100m pixel of landmass across the UK.[37] This information is correlated with maps of premises to give the premises coverage figures.

These availability figures quoted all refer to outdoor coverage. Coverage figures for indoor reception are likely to be lower because radio signals are attenuated as they pass through the fabric of buildings. Indoor reception is highly dependent on the building in which reception is desired, and where the user is located within the building, making it difficult to calculate accurate indoor coverage figures.

Figure 5.5, Figure 5.6 and Figure 5.7 show levels of mobile coverage for 2G, 3G and 4G services respectively.[38] 2G is considered satisfactory for telephone calls and text messaging, while 3G is often considered as the minimum necessary to provide an acceptable experience of accessing mobile data services. The first 4G mobile services launched in the UK in 2012, and this is the first time that we have included 4G mobile coverage data in these reports.

98.9% of premises in Northern Ireland were in areas with 2G mobile coverage in June 2014

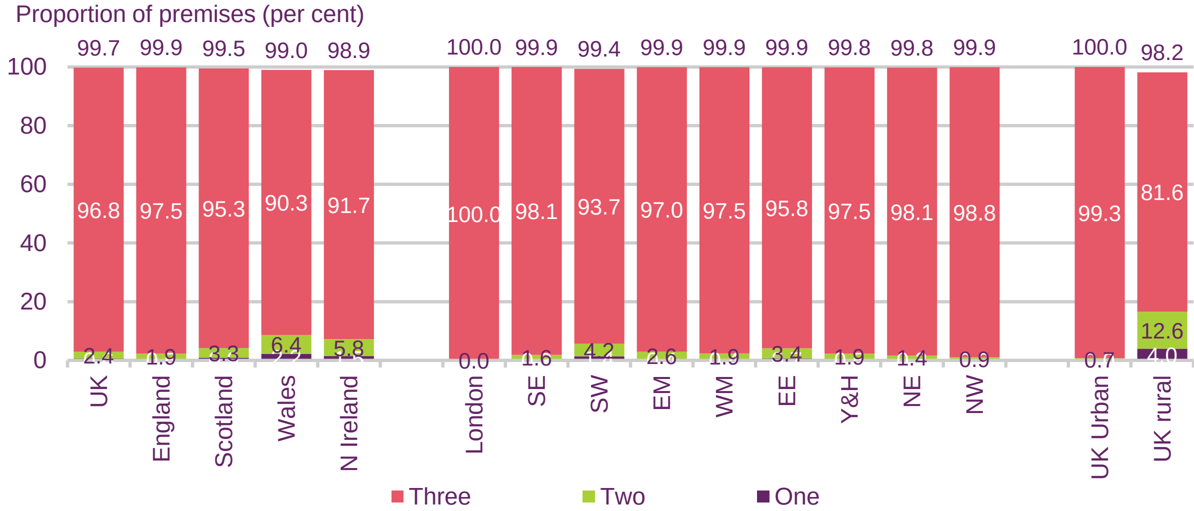
Coverage data provided to us by the UK's three national 2G network operators (Vodafone, O2 and EE) show that by June 2014 96.8% of UK premises were in areas with outdoor coverage from all three of these providers' 2G networks, and 99.7% were in areas with outdoor coverage from at least one 2G network (Figure 5.5). Conversely, this means that 0.3% of UK premises (around 75,000 premises) were in areas without any 2G coverage.

Northern Ireland had a slightly lower proportion of premises with outdoor coverage from at least one 2G network than the other UK nations in June 2014, at 98.9% (by comparison, England had the highest proportion of premises in areas with 2G coverage, at 99.9%). The proportion of premises with 2G coverage from all three 2G networks was highest in England at 97.5% and lowest in Wales at 90.3% (in Northern Ireland it was 91.7%, the second lowest proportion among the nations).

The proportion of homes in Northern Ireland with outdoor 2G mobile coverage from all three national 2G networks increased by 10.7 percentage points in the year to June 2014, while the proportion with outdoor coverage from at least one 2G network increased by 0.4 percentage points.

[37] This year we have refined our analysis of mobile coverage by increasing the granularity of the data we gather from the MNOs, moving from 200m x 200m coverage grids to 100m x 100m coverage grids.
[38] The availability data provided by the MNOs is taken from network planning tools, which are subject to a margin of error, and local factors such as tall buildings or trees can affect signal strength.

Figure 5.5 2G premises mobile coverage, by number of operators



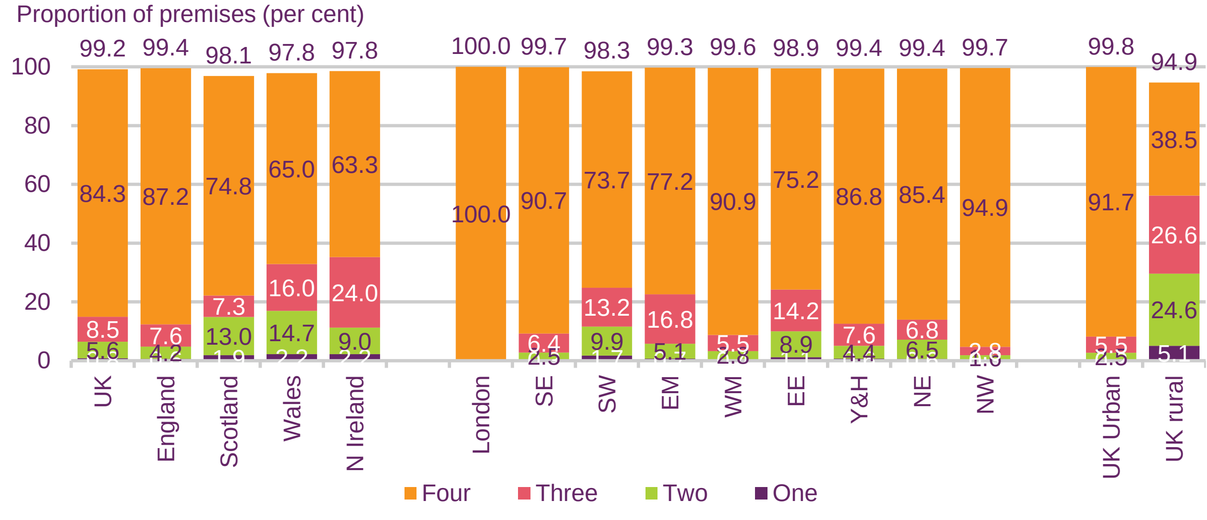
Sources: Ofcom/operators, June 2014 data
Note: Coverage is based on 100m square pixels covering the UK

By June 2014 98% of premises in Northern Ireland were in areas with 3G mobile coverage

The coverage data provided to us by the four national UK 3G MNOs (the three 2G providers plus 3UK) shows that, overall, UK 3G coverage was lower than 2G coverage in June 2014, when 99.2% of UK premises were in an area with outdoor coverage from at least one 3G network, and 84.3% were in an area with coverage from all four networks (Figure 5.6). Northern Ireland was the only nation where the proportion of premises in areas with 3G coverage (99.0%) was higher than that in areas with 2G coverage (98.9%).

Across the UK nations, the proportion of premises in areas with outdoor 3G coverage from at least one network was highest in England at 99.4while the proportion in areas with coverage from all four 3G networks ranged from 65.0% in Wales to 87.2% in England (in Northern Ireland these proportions were 99.0% and 63.3% respectively, in both cases the second highest proportion among the UK nations after England).

Figure 5.6 3G premises mobile coverage, by number of operators



Sources: Ofcom/operators, June 2014 data
*Note: Coverage is based on 100m square pixels covering the UK**Updated (June 2015)***

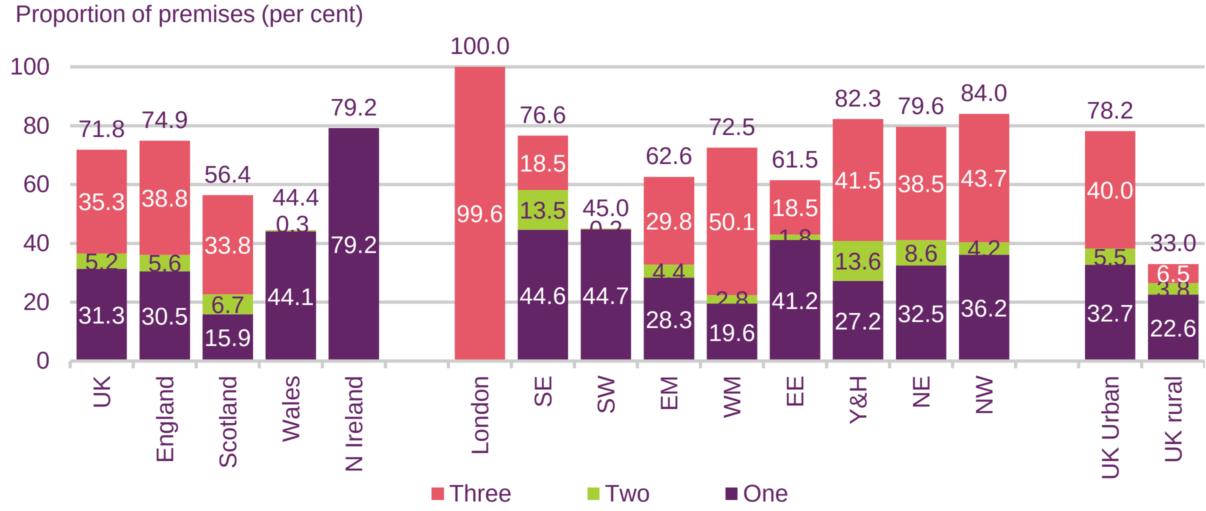
Northern Ireland had the highest proportion of premises in areas with outdoor 4G coverage in June 2014

The four national UK MNOs are still in the process of deploying their 4G networks, and this is reflected in the lower availability of 4G services than of 2G and 3G services in June 2014 (Figure 5.7). Data provided by the MNOs suggests that 72.0% of UK premises were in areas with outdoor mobile coverage from at least one 4G network by June 2014, with the proportion of premises in 4G coverage areas being highest in Northern Ireland at 79.2%, and lowest in Wales at 44.4%[39].

All four UK MNOs say that they will have 98% 4G population coverage by the end of 2015 (with some reaching this threshold earlier), and O2's 4G spectrum licence stipulates that it should provide indoor coverage to 98% of the UK population (and at least 95% of the population of each of the UK nations) by the end of 2017 at the latest.

[39] (updated June 2015): please note this did not include data from Three

Figure 5.7 4G premises mobile coverage, by number of operators



Sources: Ofcom/operators, June 2014 data
Note: Coverage is based on 100m square pixels covering the UK
Updated (June 2015): data excludes Three

5.4 Service take-up

Rural areas of Northern Ireland had the most significant rises in tablet and smartphone ownership

In Q1 2014, personal ownership of a mobile phone in Northern Ireland remained in line with the UK average, at 94% (Figure 5.8). Furthermore, 55% of all adults in Northern Ireland reported owning a smartphone. While this was below the UK average of 61%, it represented a significant increase on the previous year's figure of 45%. While smartphone take-up was marginally higher in urban areas (57%), rural areas of Northern Ireland saw the greatest increase (from 35% to 52% of adults owning a smartphone).

Take-up of fixed telephony remained stable at 83% of households (on a par with the UK average of 84%). However, this varied significantly by area; take-up in rural Northern Ireland was 88%, compared to 80% in urban areas.

As noted in Figure 4.3, with over four in ten (45%) households having a tablet computer, Northern Ireland had the joint highest take-up of this device among the UK nations, along with Wales. Rural areas of Northern Ireland saw the most dramatic rise in tablet take-up, from 19% in Q1 2013 to 52% in Q1 2014.

Figure 5.8 Take-up of communications services and devices: 2014

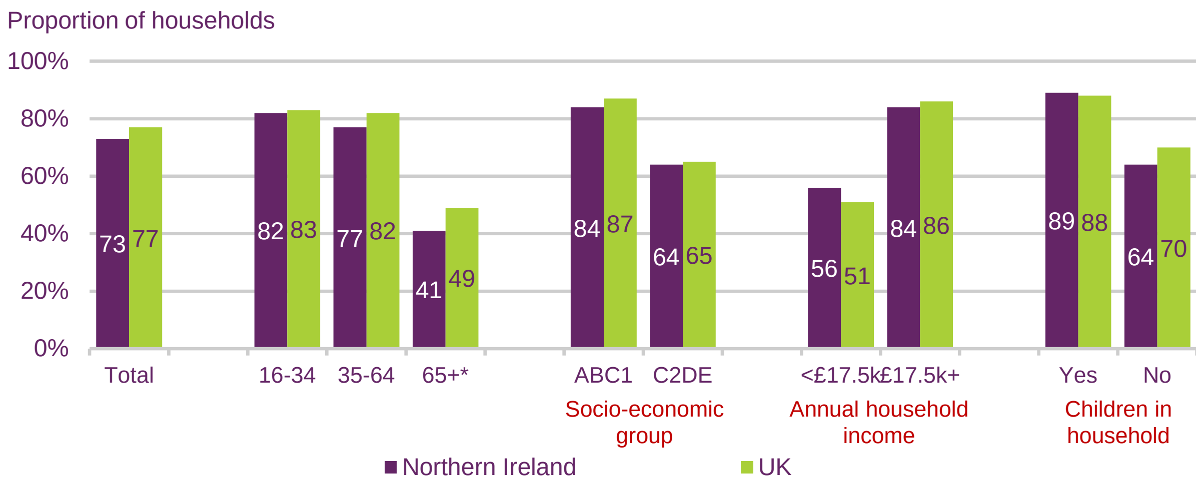
		UK	N Ireland	England	Scotland	Wales	NI urban	NI rural
Individual								
Voice telephony	Fixed Line	**84%**	83%	84%	83%	78%	80%	88%
	Mobile phone	**93%**	94%	94%	90%	92%	94%	95%
	Smartphone	**61%**	55%	61%	62%	57%	57%	52%
Internet	Computer (any type)	**79%**	76%	80%	77%	76%	74%	78%
	Tablet computer	**44%**	45%	44%	42%	45%	40%	52%
	Total Internet	**82%**	80%	82%	81%	80%	79%	81%
	Broadband (fixed and mobile)	**77%**	73%	77%	76%	71%	72%	75%
	Fixed Broadband	**73%**	70%	73%	73%	69%	70%	71%
	Mobile Broadband	**8%**	5%	9%	6%	7%	4%	6%
	Mobile internet	**57%**	51%	57%	56%	52%	53%	49%

QC1. Is there a landline phone in your home that can be used to make and receive calls?/ QD2. Do you personally use a mobile phone?/ QD24B. Do you personally use a smartphone?/ QE1. Does your household have a PC or laptop computer?/ QE2. Do you or does anyone in your household have access to the internet/ World Wide Web at home?/ QE9. Which of these methods does your household use to connect to the internet at home?/ QD28A. Which if any, of the following activities, other than making and receiving voice calls, do you use your mobile for?
Source: Ofcom research, Q1 2014
Base: All adults aged 16+ (n = 3740 UK, 499 Northern Ireland, 2249 England, 501 Scotland, 491 Wales, 247 Northern Ireland urban, 252 Northern Ireland rural)

Age and income are key factors determining broadband take-up

Figure 5.9 shows how, as with the rest of the UK, broadband penetration in Northern Ireland varies significantly by demographic factors. Around eight in ten of those aged 16-34 and 35-64 had access to broadband services at home, while this fell to four in ten (41%) among over-65s. Linked to age, nearly nine in ten households with children under 18 had broadband access (89%), with the same being true of higher-income households (84% of those with an annual household income of over £17.5k). Take-up fell to 56% among households with income less than £17.5k.

Figure 5.9 Consumer broadband take-up in Northern Ireland, by demographic



QE9. Which of these methods does your household use to connect to the internet at home?
Source: Ofcom research, Q1 2014
Base: All adults aged 16+ (n =499 Northern Ireland, 174 16-34s, 239 35-64s, 86 65+, 241 ABC1, 258

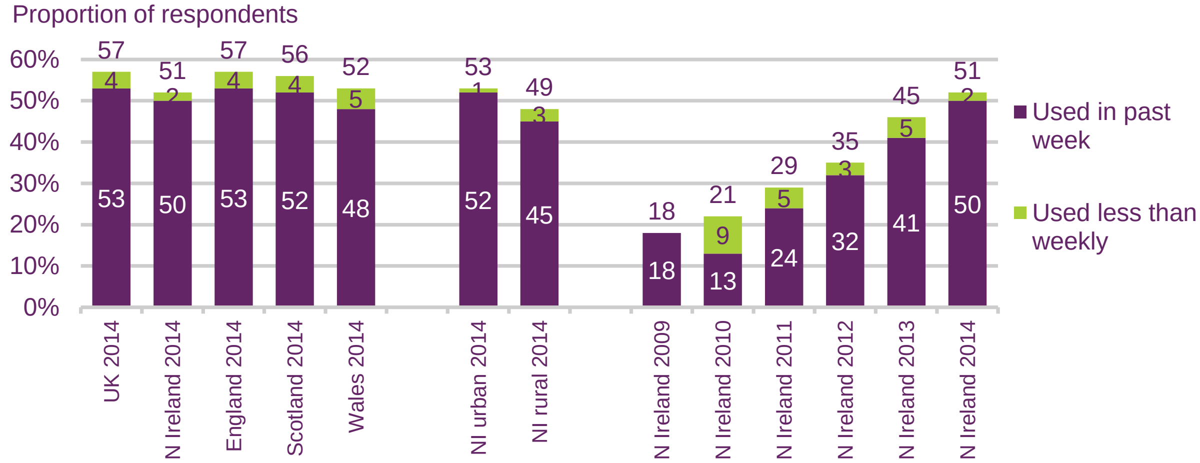
*C2DE, 160 <£17.5k income, 107 £17.5k+, 174 children in home, 325 no children in home) *Caution: Low base*

One in two consumers in Northern Ireland use their phone to access the internet

Fifty-one per cent of adults in Northern Ireland now access the internet on their mobile phone, up from 45% in Q1 2013 (Figure 5.10). This increase is linked to the continued rise in smartphone ownership, which has risen from 45% to 55% in Northern Ireland over the past year (this is discussed further in Figure 5.8).

There has been a particular increase in mobile internet use in rural areas, where 49% of adults use their phone to access the internet, up from 35% in Q1 2013. However, despite these increases, use of mobile internet in Northern Ireland (51%) was lower than across the UK as a whole (57%).

Figure 5.10 Proportion of adults who use a mobile phone to access the internet

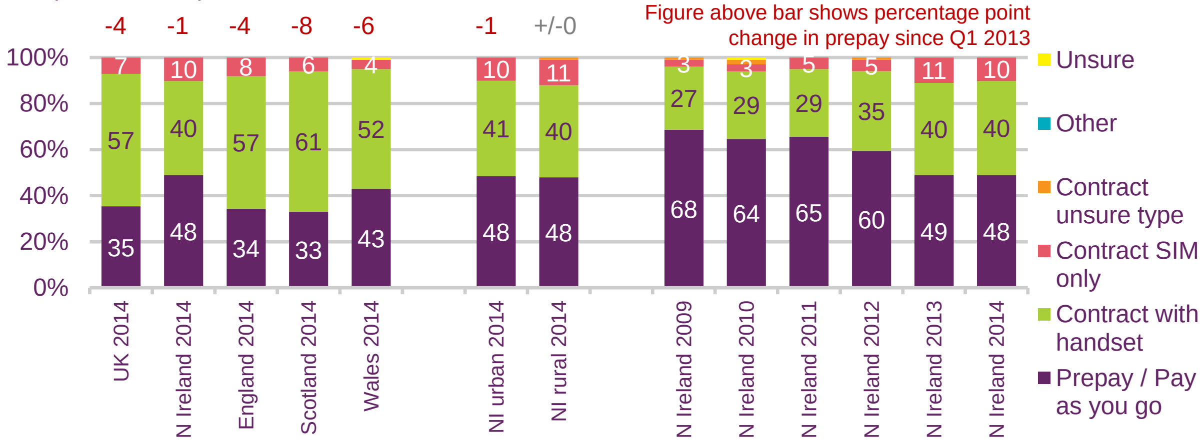


QD28A-B. Which, if any, of the following activities, other than making and receiving calls, do you use your mobile for?/ And, which of these activities have you used your mobile for in the last week? (NB 2009 survey did not cover use in past week – shows any use)
Source: Ofcom research, Q1 2014
Base: All adults aged 16+ (n = 3740 UK, 499 Northern Ireland, 2249 England, 501 Scotland, 491 Wales, 247 Northern Ireland urban, 252 Northern Ireland rural, 652 Northern Ireland 2009, 761 Northern Ireland 2010, 511 Northern Ireland 2011, 508 Northern Ireland 2012, 507 Northern Ireland 2013, 499 Northern Ireland 2014)

More than half of mobile users in Northern Ireland have a pay-monthly contract

The has been little change in the type of mobile tariffs being taken up by mobile phone users in Northern Ireland over the past year (Figure 5.11). Northern Ireland continues to have the highest proportion of pre-pay customers (48%) across the nations, compared to the UK average of 35%. Across the UK, there has been a gradual shift of consumers from pre-pay to contract tariffs, linked to the increase in take-up of smartphones.

Figure 5.11 Type of mobile subscription

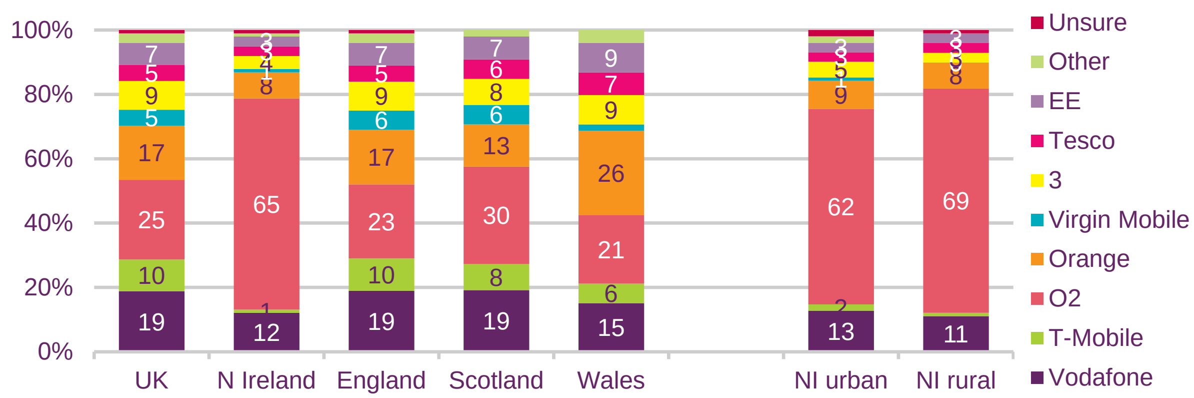


QD11. Which of these best describes the mobile package you personally use most often?
Source: Ofcom research, Q1 2014
Base: Adults aged 16+ who personally use a mobile phone (n = 3405 UK, 465 Northern Ireland, 2055 England, 447 Scotland, 438 Wales, 229 Northern Ireland urban, 236 Northern Ireland rural, 877 Northern Ireland 2009, 658 Northern Ireland 2010, 425 Northern Ireland 2011, 463 Northern Ireland 2012, 463 Northern Ireland 2013, 465 Northern Ireland 2014)

O2 is the most frequently-used provider for almost two-thirds of mobile users in Northern Ireland

In line with previous years, O2 retained a high share of mobile consumers in Northern Ireland in Q1 2014: 65% of those who use a mobile phone said O2 was the network they use most often, compared to 25% across the UK as a whole (Figure 5.12). This increased to seven in ten mobile consumers on this network in rural areas. Vodafone and Orange were the second and third most popular mobile providers, with 12% and 8% respective shares of mobile consumers in Northern Ireland.

Figure 5.12 Mobile network provider used most often



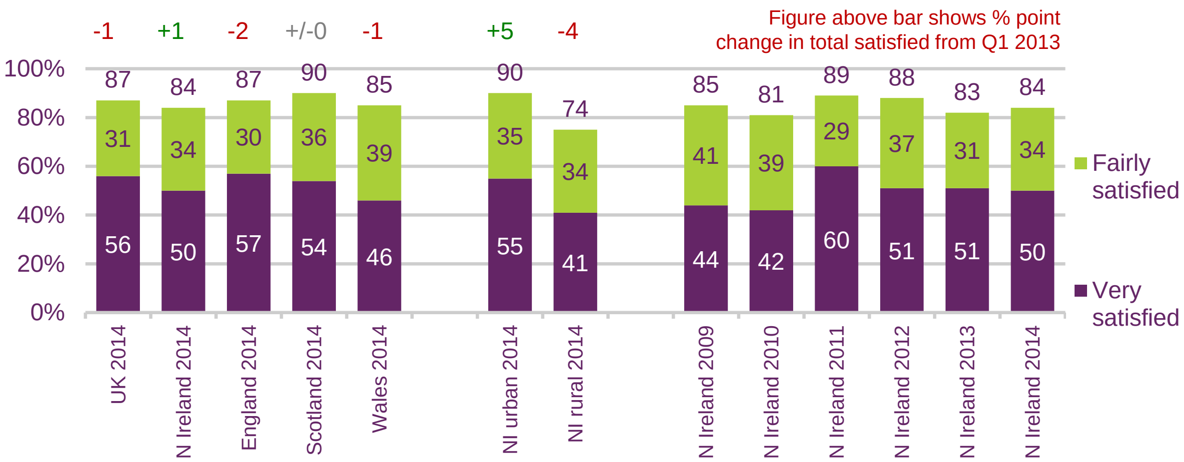
QD10. Which mobile network do you use most often?
Source: Ofcom research, Q1 2014
Base: Adults aged 16+ who personally use a mobile phone

5.5 Satisfaction with telecoms services

Over eight in ten mobile consumers are satisfied with their mobile phone reception

Satisfaction with mobile phone reception in Northern Ireland has remained at a similar level as in 2013, at 84% (Figure 5.13). While satisfaction among mobile consumers in Northern Ireland is amongst the lowest in the UK, over eight in ten consumers still described themselves as 'very' or 'fairly' satisfied. Satisfaction was higher in urban (90%) than rural (74%) areas, probably due to there being better infrastructure in urban centres.

Figure 5.13 Satisfaction with mobile reception



QD21c. Thinking about your mobile phone service only, how satisfied are you with (main supplier) for reception/ accessing network?
Source: Ofcom research, Q1 2014
Base: Adults aged 16+ who personally use a mobile phone (n = 3405 UK, 465 Northern Ireland, 2055 England, 447 Scotland, 438 Wales, 229 Northern Ireland urban, 236 Northern Ireland rural, 877 Northern Ireland 2009, 658 Northern Ireland 2010, 425 Northern Ireland 2011, 463 Northern Ireland 2012, 463 Northern Ireland 2013, 465 Northern Ireland 2014)
Note: Figures above chart columns indicate the proportion of people who were 'very' or 'fairly' satisfied with their mobile reception

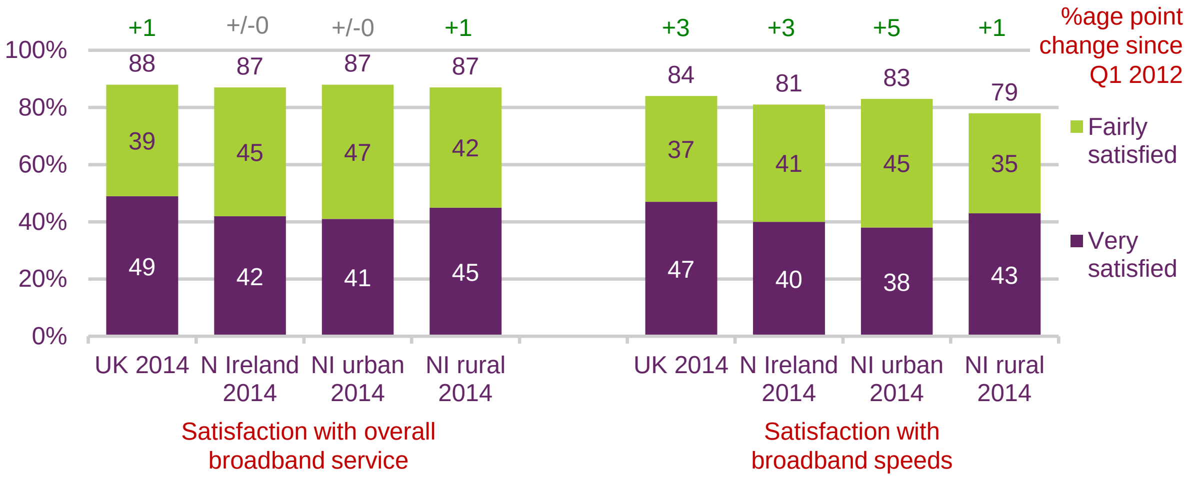
Rise in the proportion of consumers in Northern Ireland 'very satisfied' with their broadband speeds

Overall satisfaction with fixed broadband services and fixed broadband speeds remained stable at 87% and 81% respectively in Northern Ireland in Q1 2014 (Figure 5.14).

Satisfaction levels were similar across rural and urban areas, although a greater proportion of consumers across Northern Ireland as a whole said that they were 'very' satisfied with their fixed broadband speeds in Q1 2014 (40%) than in Q1 2013 (35%). This improvement was even more marked in rural areas, where 43% of broadband consumers reported being very satisfied with their speeds in Q1 2014, compared to 34% in 2013.

As with the rest of the UK, approximately eight in ten broadband users in Northern Ireland were unaware of the advertised speed of their connection (79%), and were unaware of their actual broadband speed (83%).

Figure 5.14 Satisfaction with fixed broadband service and fixed broadband speeds



QE8b. Thinking about your fixed broadband internet service, how satisfied are you with (main supplier) for the overall service/ for the speed of your service while online (not just the connection)?
Source: Ofcom research, Q1 2013
Base: Adults aged 16+ with a fixed broadband connection at home (n = 2548 UK, 351 Northern Ireland, 1562 England, 341 Scotland, 294 Wales, 173 Northern Ireland urban, 178 Northern Ireland rural, 319 Northern Ireland 2008, 388 Northern Ireland 2009, 469 Northern Ireland 2010, 335 Northern Ireland 2011, 331 Northern Ireland 2012, 351 Northern Ireland 2013)
Note: Figures above chart columns indicate the proportion of people who were 'very' or 'fairly' satisfied with their speed of service while online

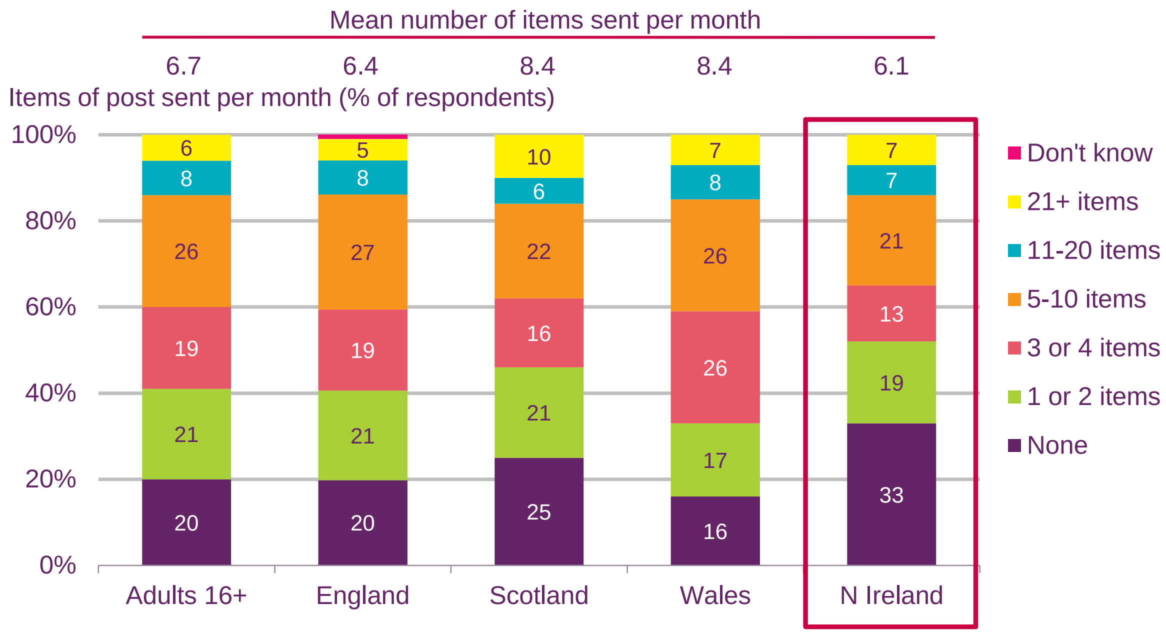
6 Post

6.1 Sending post: residential customers

One in three residents in Northern Ireland did not send any items through the post in the last month

Adults in Northern Ireland claim to send 6.1 items of post per month on average. However, a third (33%) of people, when asked, had not sent any items of post in the past month. When asked about their attitudes to using post, 47% of those in Northern Ireland say they '*only use post if there is no alternative'* compared to 40% across the UK as a whole.

Figure 6.1 Approximate number of items of post sent each month (residential)

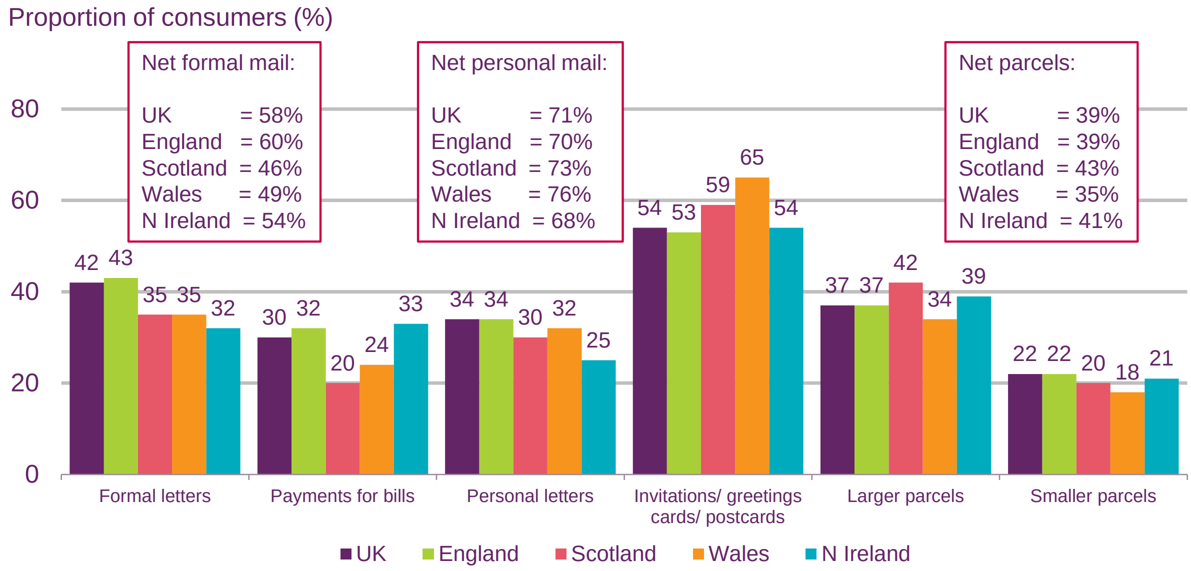


Source: Ofcom Residential Postal Tracker, Q2 2013-Q1 2014
Base: All respondents (n = 4823 UK, 2761 England, 830 Scotland, 557 Wales, 675 Northern Ireland)
QC1. Approximately how many items of post - including letters, cards and parcels - have you personally sent in the last month?

Adults in Northern Ireland are the least likely to have sent personal letters in the past month

Figure 6.2 shows that people in Northern Ireland are more likely than those living in Scotland to have sent payments for bills in the past month (33% vs. 20%). However, adults in Northern Ireland are the least likely of all the UK nations to have sent any personal letters in the past month (25% vs. 34% across the UK). Similarly, when asked about their attitudes to sending and receiving post, those in Northern are less likely than the UK average to say they 'love to send and receive letters and cards' (55% vs. 60%).

Figure 6.2 Types of post sent in the past month



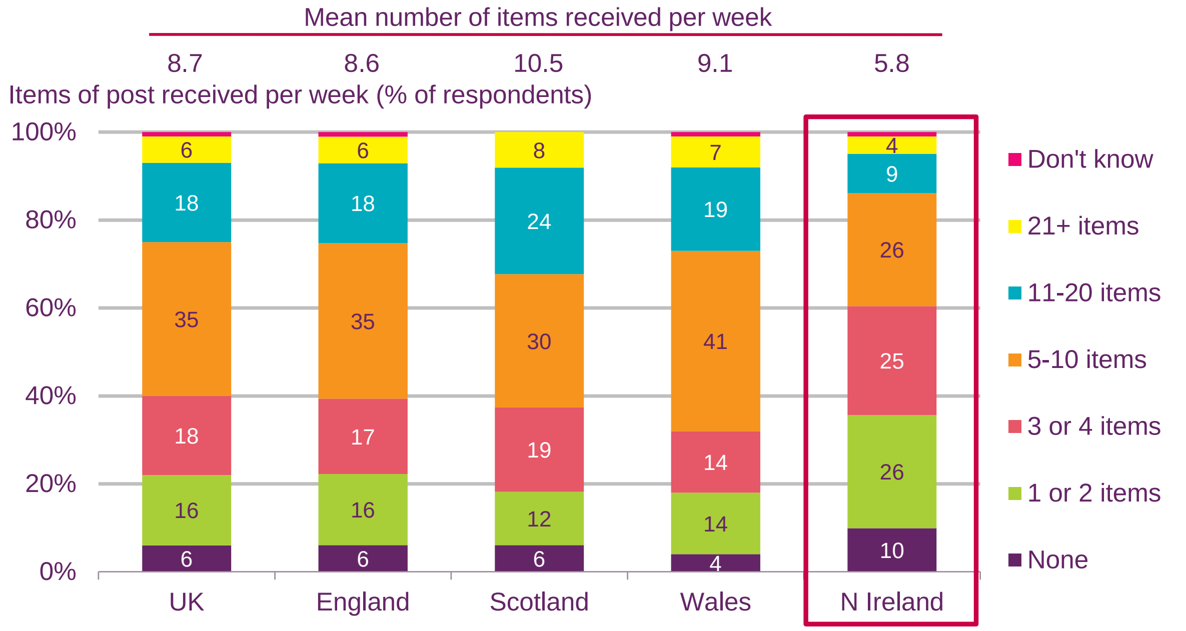
Source: Ofcom Residential Postal Tracker, Q2 2013-Q1 2014
Base: All who have personally sent any items of post in the last week (n = 3817 UK, 2192 England, 652 Scotland, 502 Wales, 471 Northern Ireland)
QC5. Which of these types of mail would you say you have personally sent in the last month by post? (multicode)

6.2 Receiving post: residential customers

One in ten adults in Northern Ireland received no items of post in the past week

People in Northern Ireland say they receive around six items (5.8) each week, although 10% claimed to have received no items through the post in the past week (Figure 6.3),. Of those who did receive post, a third (33%) claim to have received at least one parcel in the past week.

Figure 6.3 Approximate number of items of post received in the past week

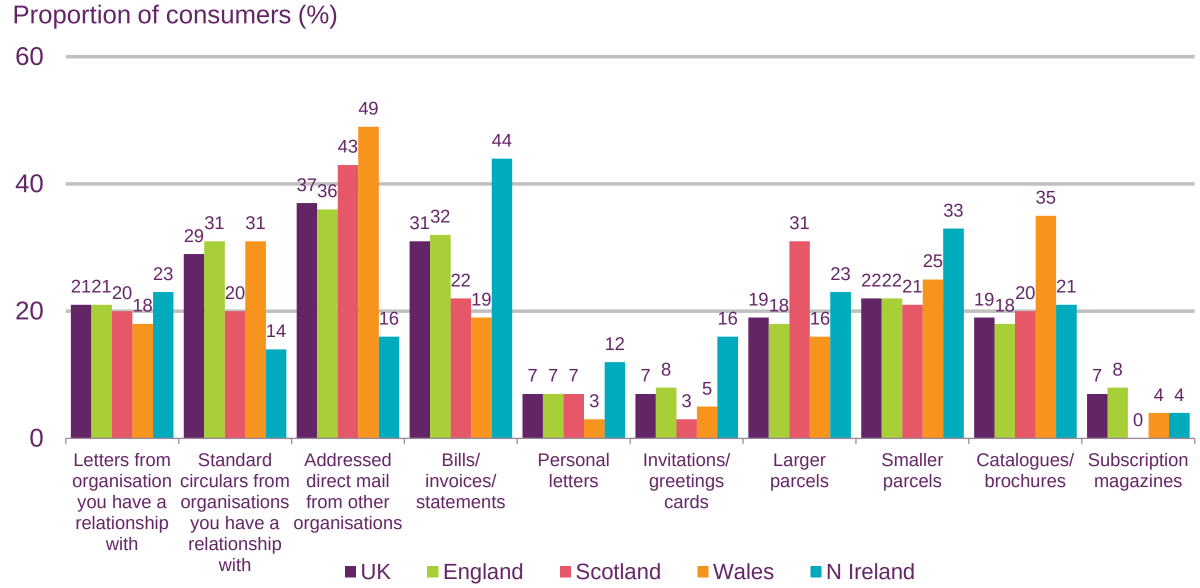


Source: Ofcom Residential Postal Tracker, Q2 2013-Q1 2014
Base: All respondents (n = 4823 UK, 2761 England, 830 Scotland, 557 Wales, 675 Northern Ireland)
QD1. Approximately how many items of post – including letters, cards and parcels – have you personally received in the past week

A third of those receiving more post than two years ago say they are receiving more small parcels

Around a quarter of adults in Northern Ireland (23%) claim to be receiving more post than they did two years ago. Among these, over two-fifths (44%) say they are receiving more bills and statements, the highest of all the UK nations. In addition, a third (33%) claim to be receiving more parcels than two years ago, significantly higher than across the UK as a whole.

Figure 6.4 Types of items people are receiving more often



Source: Ofcom Residential Postal Tracker, Q2 2013-Q1 2014
Base: All respondents who say that the number of items received by post has increased, compared to two years ago (n = 1197 UK, 705 England, 207 Scotland, 140 Wales, 145 Northern Ireland)
QD6. Which of these types of addressed items are you personally receiving more often through the post now? (multicode)

Homes in Northern Ireland are more likely to have their post delivered at midday or later

When asked to indicate the time of day during the week (Monday to Friday) that their post is normally delivered, adults in Northern Ireland are more likely than those in the rest of the UK to say midday or later (41% vs. 31%).

Figure 6.5 Time of day post is normally delivered during the week

Source: Ofcom Residential Postal Tracker, Q2 2013-Q1 2014
Base: All respondents (n = 4823 UK, 2761 England, 830 Scotland, 557 Wales, 675 Northern Ireland)
QD20. Show card When you receive post, at what time of day is your mail normally delivered to your home during the week - so Monday to Friday? (single code)

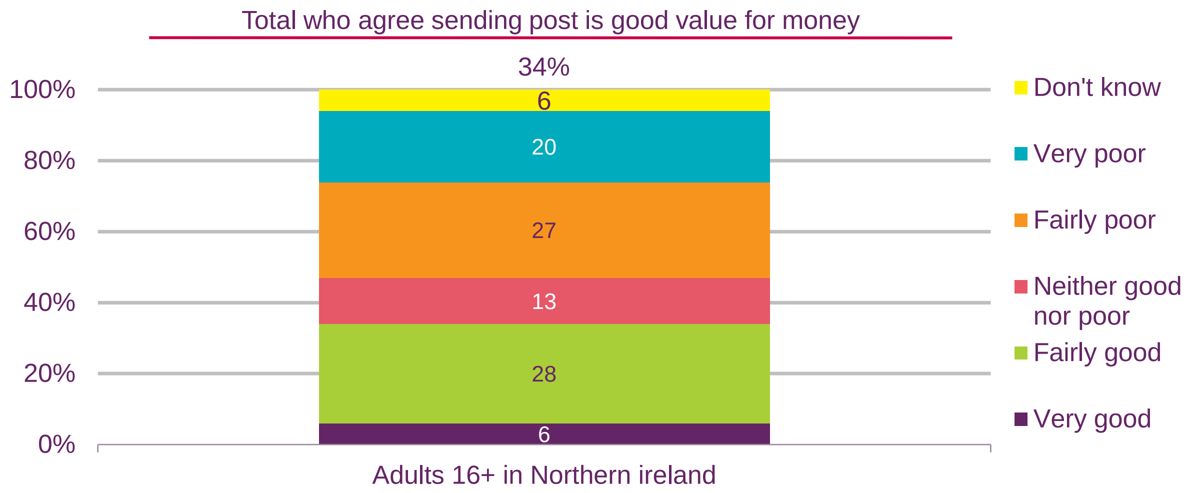
6.3 Sending post to the Republic of Ireland

Almost half of adults in Northern Ireland think the cost of sending a letter to the Republic of Ireland is poor value for money

Of adults in Northern Ireland who had sent post in the past month, only one in ten (10%) had sent any items to the Republic of Ireland. Of those who had received items in the past week, only 7% had been sent from the Republic of Ireland.

Figure 6.6 shows that when asked to consider the cost of posting a standard letter to the Republic of Ireland (87p at the time of the survey), almost half (47%) of all adults in Northern Ireland perceived this to offer poor value for money (very or fairly) compared to around a third (34%) who saw this as good value for money (very or fairly).

Figure 6.6 Value for money of sending a standard letter to the Republic of Ireland



Source: Ofcom Residential Postal Tracker, Q2 2013-Q1 2014
Base: All respondents in Northern Ireland (n = 675)
QF5. (Show card) It currently costs 87p to send a standard letter from Northern Ireland to the Republic of Ireland. How would you rate this service in terms of value for money? (single code)

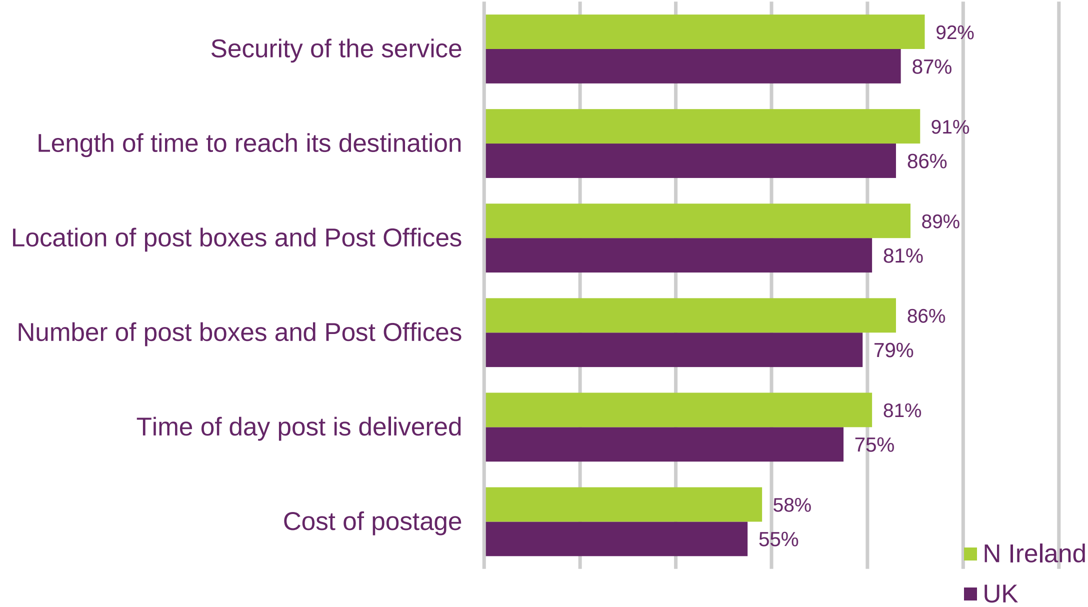
6.4 Attitudes towards Royal Mail

Nine in ten people in Northern Ireland are satisfied with Royal Mail

When asked about their overall satisfaction levels with Royal Mail, the majority of people in Northern Ireland (89%) stated that they were either 'very satisfied' or 'fairly satisfied' compared to 86% across the UK overall.

Considering their satisfaction with specific aspects of the service (Figure 6.7), people in Northern Ireland are more likely to be happy with the number of post boxes and Post Offices compared to the UK as a whole (86% vs. 79%).

Figure 6.7 Satisfaction with specific aspects of Royal Mail's service



Source: Ofcom Residential Postal Tracker, Q2 2013-Q1 2014
Base: All respondents (n = 4823 UK, 675 Northern Ireland)
QE3A-F. Satisfaction with specific aspects of Royal Mail's services – Ranked by proportion satisfied among NI adults

6.5 Sending and receiving post – business customers

Six in ten business customers in Northern Ireland send over 24 letters each month, the highest of all the UK nations

On average across the UK, businesses are more likely to send fewer than 25 letters (59%). However, in Northern Ireland 60% of businesses customers say they send more than this amount each month, with almost a quarter (23%) sending over 100 items.

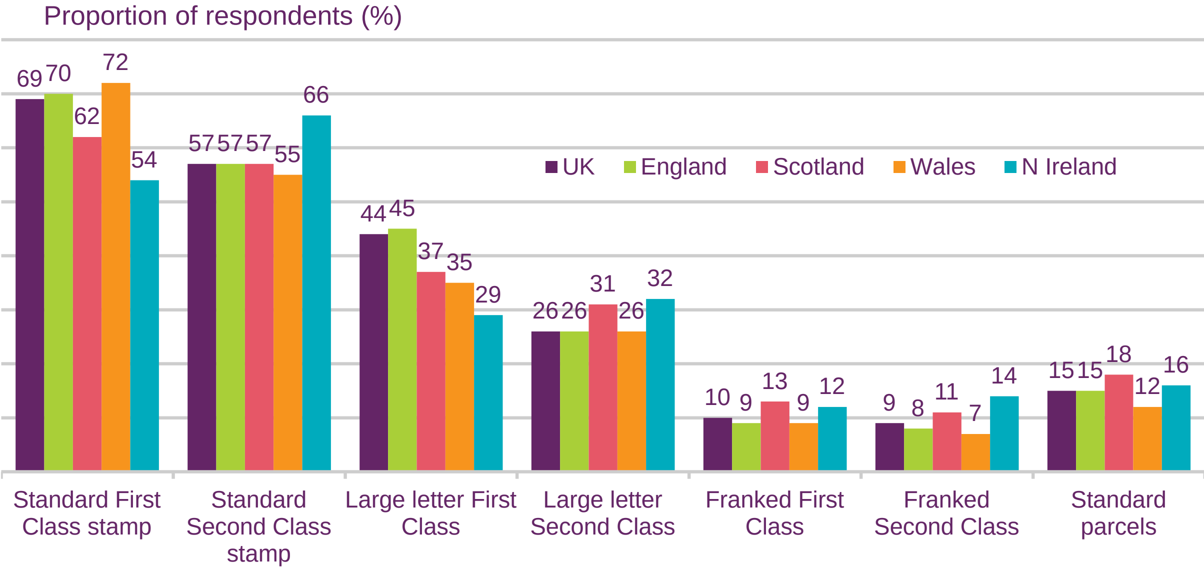
Figure 6.8 Average volume of letters sent each month

Source: Ofcom Business Postal Tracker, Q2 2013-Q1 2014
Base: All respondents (n = 1524 UK, 911 England, 223 Scotland, 208 Wales, 182 N Ireland)
QV2a. On average, how many letter items does your organisation send per month? Please think only about all the letters and large letters you may send as an organisation.

Business customers in Northern Ireland are the most likely to use Second Class services for their standard post

Standard Second Class postage is the most-used service for sending post by organisations in Northern Ireland, used by two-thirds (66%) of customers. This is in contrast to the rest of the UK, where standard First Class stamps are more likely to be used (69% for UK business vs. 54% for Northern Ireland businesses). Over three-quarters (77%) of organisations in Northern Ireland say they use Second Class services, compared to two-thirds (66%) across the UK as a whole.

Figure 6.9 Royal Mail services used to send standard post each month

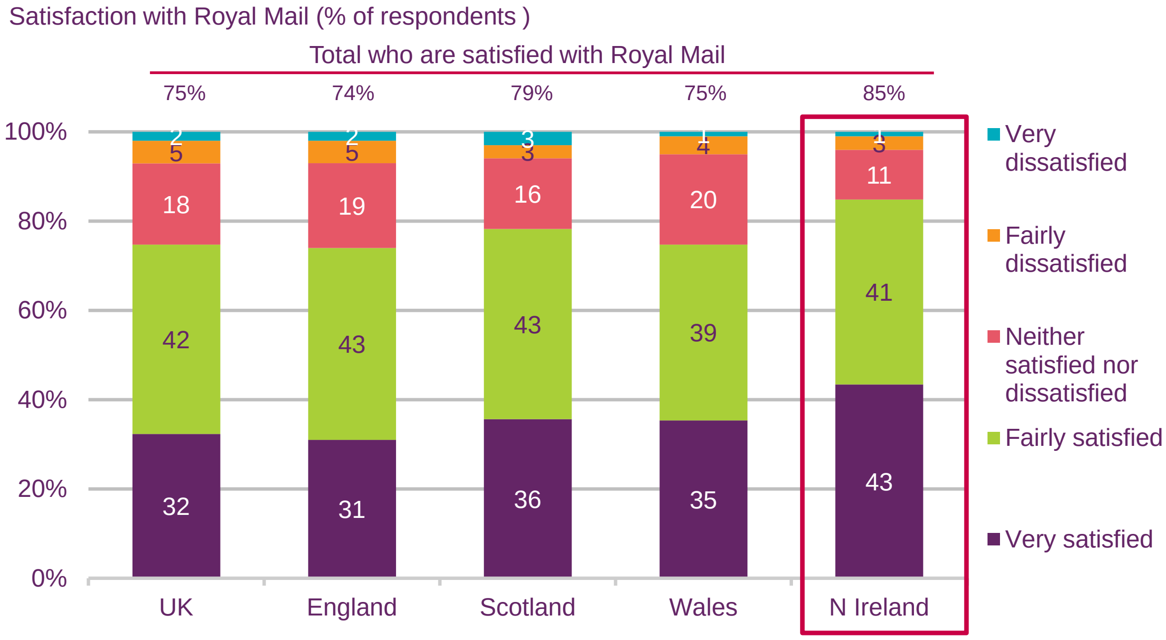


Source: Ofcom Business Postal Tracker, Q2 2013-Q1 2014
Base: All respondents using RM standard delivery services (n = 1380 UK, 828 England, 202 Scotland, 180 Wales, 170 N Ireland)
QV6d. Which, if any, of the following Royal Mail services does your organisation use to send your standard mail?

Businesses in Northern Ireland are the most likely to be satisfied with the service they receive from Royal Mail

When asked about the quality of the service they receive from Royal Mail, both as a sender and as a recipient, 85% of organisations in Northern Ireland say they are satisfied (very or fairly), the highest of all the nations.

Figure 6.10 Overall satisfaction with the quality of service from Royal Mail

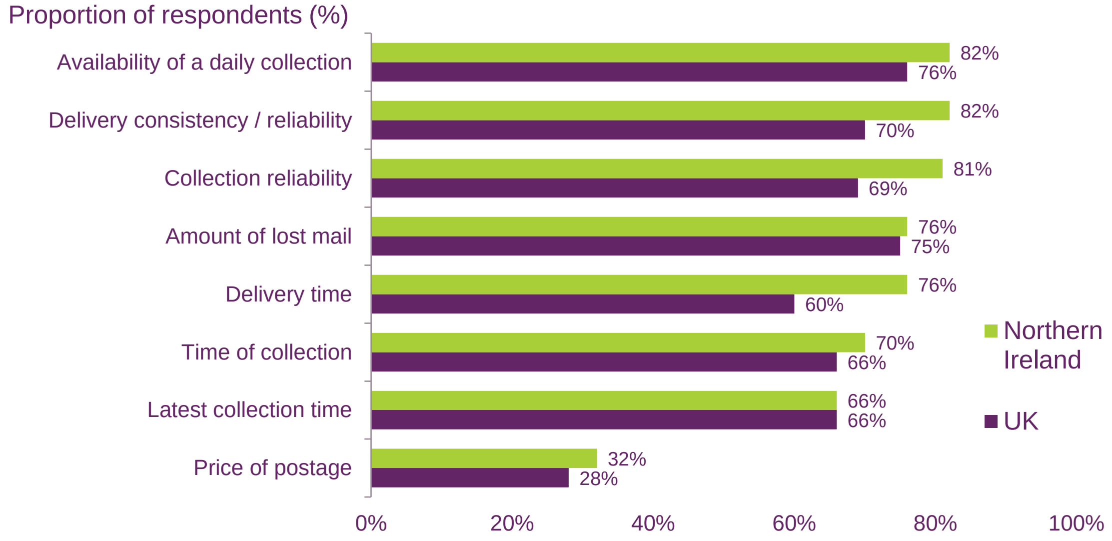


Source: Ofcom Residential Postal Tracker, Q2 2013-Q1 2014
Base: All respondents who use Royal Mail (n = 1492 UK, 886 England, 220 Scotland, 205 Wales, 181 Northern Ireland)
QRM2. Thinking generally about the service your organisation receives as a whole, on a scale of 1 to 5 where 1 is very dissatisfied and 5 is very satisfied, how satisfied are you with the overall quality of the services you receive from Royal Mail as a recipient and sender?

Businesses in Northern Ireland are the most likely to be satisfied with the reliability of both deliveries and collections

Considering specific aspects of the Royal Mail service, Figure 6.11 shows that businesses in Northern Ireland are much more likely than the UK average to be satisfied with the reliability of both deliveries and collections (delivery reliability 82% vs. 70%, collection reliability 81% vs. 69%).

Figure 6.11 Satisfaction with specific aspects of Royal Mail's service



Source: Ofcom Business Postal Tracker, Q2 2013-Q1 2014
Base: All respondents who use Royal Mail (n = 1422 UK, 181 Northern Ireland)
QRM3: How would you rate the performance of Royal Mail, as a recipient and sender, in the following areas on a 5-point scale where 1 is very dissatisfied and 5 is very satisfied?
Ranked by satisfaction levels in Northern Ireland