

PSB Review Scotland Market Context

Full Annex

December 2014

1. Executive summary

2. Television Broadcasting in Scotland

3. Radio Broadcasting in Scotland

4. Scottish Press and Online News

5. Connectivity and availability in Scotland

Chapter 3 of the PSB Review sets out the context in which the PSB system operates. Recognising that each nation has its own distinct characteristics, chapter 3 also looks at key characteristics in Northern Ireland, Scotland and Wales. This slide pack provides further detailed analysis of the communications and media landscape in Scotland specifically.

We have used this analysis to inform our assessment of PSB performance in the UK and in each of the Nations.

Key findings from this annex include:

Spending on programmes for the people of Scotland has not experienced the same decline as nations spending for Wales and Northern Ireland audiences. This has been due to the an increase by STV for non-news and non-current affairs programming, especially since 2008.

Spend on and the volume of productions for the PSB networks have also increased as a faster rate in Scotland than the other nations since the last PSB Review largely due to the BBC increasing its production from Scotland.

Scotland also has a relatively healthy radio sector with profits remaining steady in recent years and local commercial radio being more popular among Scottish audiences than in the other nations. The number of community radio stations has also grown over the past few years. The Scottish national press remains popular, although readership is declining with an increasing audience going online for news.

The proportion of premises in Scotland with access to Next Generation Access (NGA) networks is lower than the UK average, however broadband take-up is in line with the UK average

This slide pack is an analysis of the communications and media landscape in Scotland in relation to Ofcom's third review of Public Service Broadcasting (PSB)

Sections	Key findings
Scottish TV	<ul style="list-style-type: none"> • DTT availability (both PSB and commercial multiplexes) is higher than Wales and Northern Ireland. Take-up across all TV platforms mirroring that of the UK average, in areas where DTT coverage is not available, satellite take-up is high. • Scotland was the only devolved nation to see a modest increase in spend on nations' programming by the PSB channels since 2008.
Scottish Radio	<ul style="list-style-type: none"> • There is a healthy radio sector in Scotland, with the majority of commercial radio stations being independently owned, and a thriving community radio sector. • Listeners in Scotland are less likely than the UK average to listen to BBC local or network stations, preferring local commercial stations resulting in high radio revenue per capita for local commercial radio.
Scottish Press and Online News	<ul style="list-style-type: none"> • People in Scotland prefer Scottish national newspapers to UK-wide papers, driven by interest in local/regional news and political coverage. • Even though there has been a decline in readership of all three daily Scottish newspapers over the past five years, this is driven by the trend to digital which has affected the press sector as a whole.
Connectivity and availability for Scotland	<ul style="list-style-type: none"> • In terms of connectivity, broadband take-up is in line with the UK average with connected device take up differing depending on the device, smartphones being higher and tablets being lower than the UK average. • For availability Scotland as a whole is largely underserved both in terms of broadband with at least 2Mbit/s speeds as well as for next generation access (NGA) broadband due to a higher proportion of rural areas

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Television Broadcasting in Scotland

DTT and cable availability

PSB multiplexes have near universal coverage in Scotland and higher than the UK average, however coverage of the 6 mux provision, even though second highest of the nations, is behind the UK average

DTT Coverage

Percentage of households predicted to be covered by DTT services

	UK	England	Scotland	Wales	NI
3PSB Core	>98.5	98.7	98.8	97.7	97.5
6MUX Core	90*	90.9	87.4	70.7	74.1

(* approx)

- The chart shows predicted DTT coverage by nation. '3PSB Core' means the percentage of households where all channels on the three public service broadcaster (PSB) multiplexes are available. '6MUX core' indicates household locations where all six DSO multiplexes (and their associated channels) are available.

Proportion of premises able to receive Virgin Media cable broadband services

Proportion of premises (%)



- 6MUX coverage is more limited than 3PSB in the nations and the UK as a whole, meaning the full range of commercial channels on DTT is available to fewer homes than the PSB services. While Scotland has better 6MUX coverage than Wales or Northern Ireland, it is still slightly behind the UK average.
- Cable provision in Scotland is also lower than the UK average with just over a third of homes, being able to receive Virgin Media services, lower than the UK average

Source: Ofcom / Virgin Media, June 2014 data

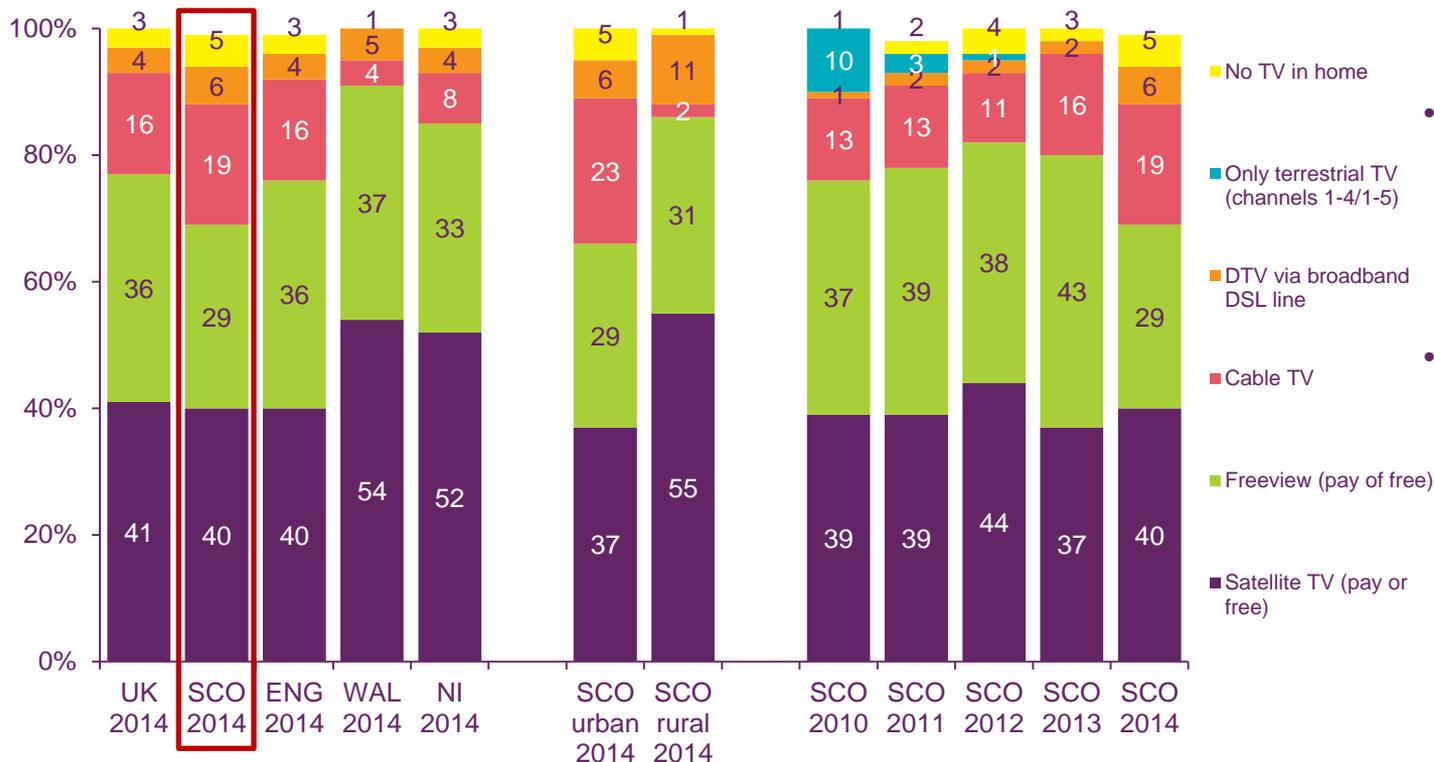
Television Broadcasting in Scotland

Main TV take-up by platform

DTT and satellite remain the most widely-used platforms for TV in Scotland, which is a similar story to the UK average, except with fewer satellite homes but more cable homes than the UK average

Main TV set by platform

Percentage of homes (%)



- There has been a decrease in the proportion of households with Freeview (from 43% of homes in Q1 2013 to 29% in Q1 2014)*
- Satellite (pay or free) is now the most popular main service in Scotland, however cable homes account for more than the UK average and other nations
- Satellite take-up in rural areas is 14 percentage points above the UK average. This could be due to households taking satellite in the past when DTT coverage was more limited

* survey data highlights decline in use of Freeview as a main TV source in Scotland, with viewers moving to cable, satellite or DTV platforms. Sampling error means that the apparent drop in use of DTT could be as little as three percentage points

QH1a. Which, if any, of these types of television does your household use at the moment?

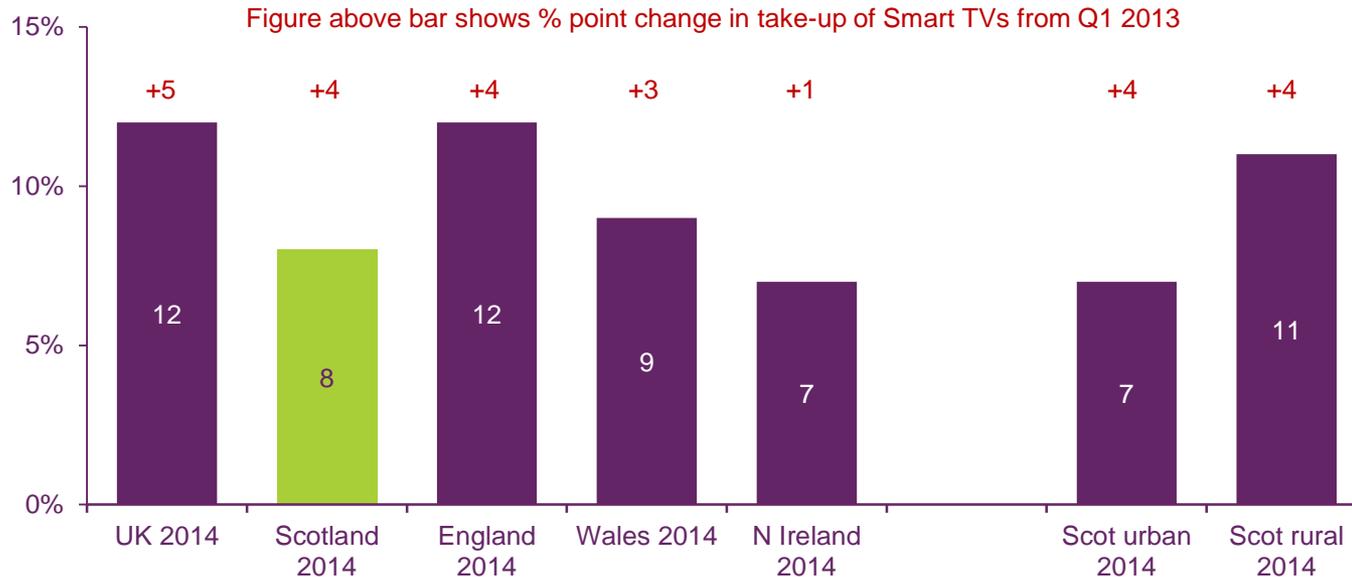
Source: Ofcom research, Quarter 1 2014

Base: All adults aged 16+ (n = 3740 UK, 501 Scotland, 2249 England, 491 Wales, 499 Northern Ireland, 261 Scotland urban, 240 Scotland rural, 1014 Scotland 2009, 1468 Scotland 2010, 487 Scotland 2011, 500 Scotland 2012, 501 Scotland 2013, 501 Scotland 2014)

Scotland has a low percentage of smart TV take-up compared to the UK average, but this has grown over the last year to double the penetration of take-up, albeit from a very low base

Smart TV take-up

Proportion of TV homes (%)



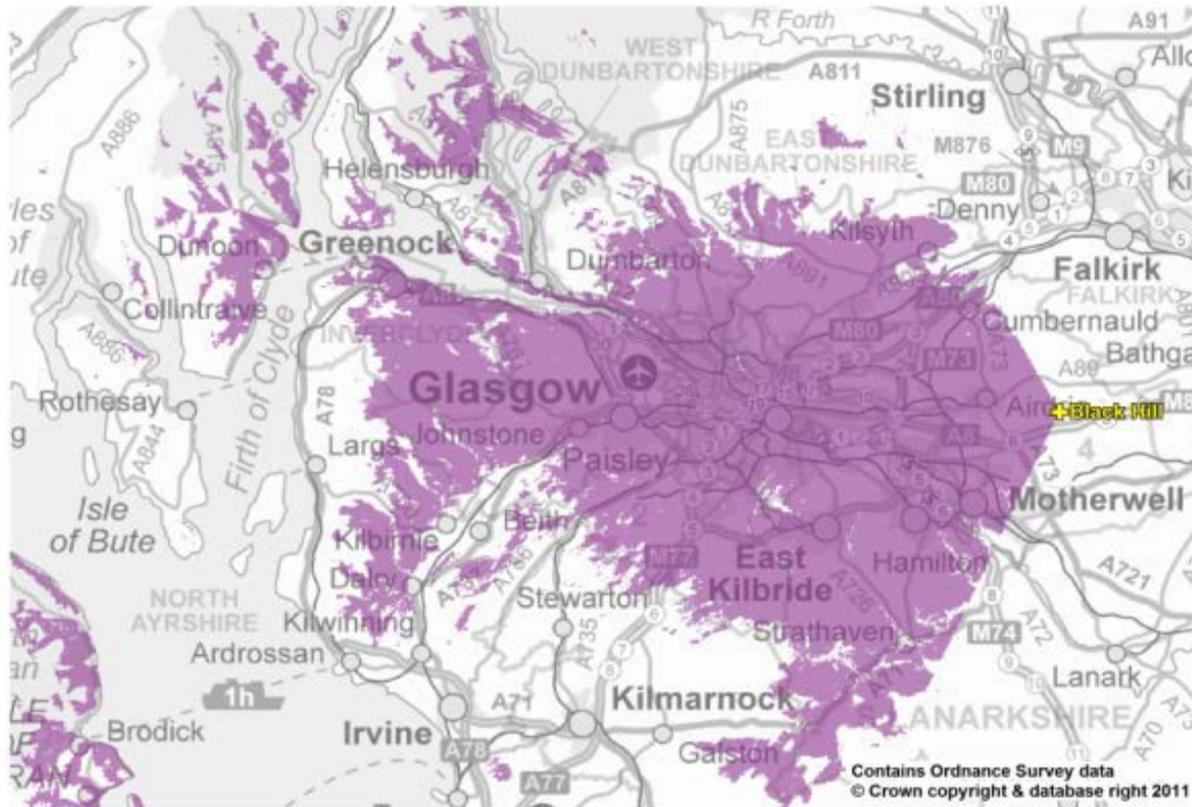
QH18. Are any of your TV sets "Smart TVs"? These are new types of TV that are connected to the internet and can stream video directly onto your television screen, without the need for a computer, set-top box or games console.

Source: Ofcom research, Quarter 1 2014

Base: All adults aged 16+ with a TV in household (n = 3635 UK, 481 Scotland, 2186 England, 480 Wales, 488 Northern Ireland, 246 Scotland urban, 235 Scotland rural)

- The proportion of TV homes in Scotland claiming to have purchased a smart TV with an integrated internet connection has increased by four percentage points since Q1 2013 from 4% to 8%. In Q1 2013 it had the lowest take up of smart TVs compared to the other nations and the UK average
- However, even with penetration doubling smart TV ownership in Scotland remained below the UK average (12%) and is now the second lowest nation
- This could reflect the tendency of Scottish consumers to be slow to take up some new technology but once convinced of the benefits, take-up can quicken considerably

Two local TV licences awarded in Glasgow and Edinburgh with the estimated number of households covered by both being 1.1m together



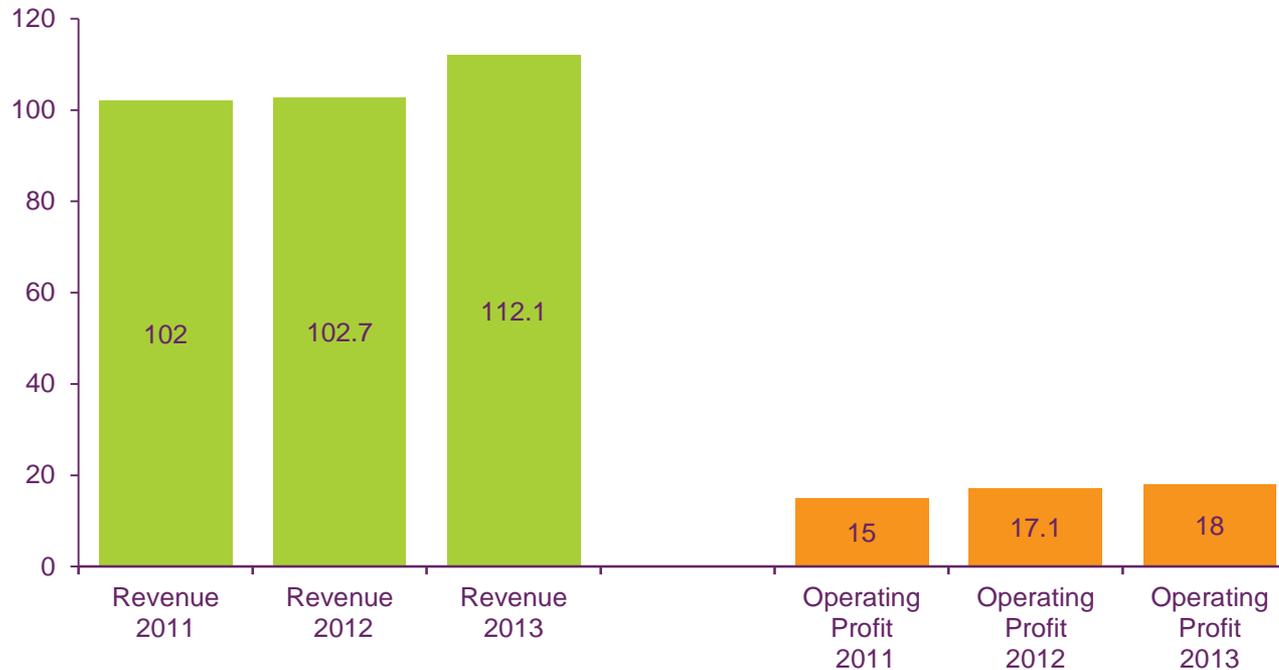
Glasgow – indicative coverage map

- STV Glasgow, which has already begun operating, announced that almost 600,000 viewers tuned in during its first month in operation. In addition to the TV audience, there were an additional 50,000 live and catch-up streams on the STV Player. STV Edinburgh is to launch in January 2015.
- Further licences have been advertised for Aberdeen, Ayr, Dundee, Forth Valley and Inverness
 - The coverage of these combined is estimated at 800,000 households

STV has transformed itself from having declining broadcasting interests to diversifying its media activity with strong digital growth boosting revenues and profits

Revenue and operating profit for STV 2011-2013

Millions (£)



Source: STV Annual Report 2013

- STV say its core channel reaches 91% of Scots each month and that 73% of Scots use two or more of its services each month
- There has been strong digital growth in VoD, classified, local and transactional revenues resulting in net debt decreasing by 21% from 2012 to now being £35.7m
- Full year results reported in March 2014 showed STV's national revenues outperforming the ITV Network and national airtime revenue totalled £71.3m in 2013 – up by 6% from 2012

Television Broadcasting in Scotland

Spend on first-run originated nations' & regions' output

Scotland was the only nation which has seen a modest increase in spend on nations' programming since 2008

Spend on first-run originated nations' and regions' output by BBC1/ITV1/STV/UTV

Spend (£)



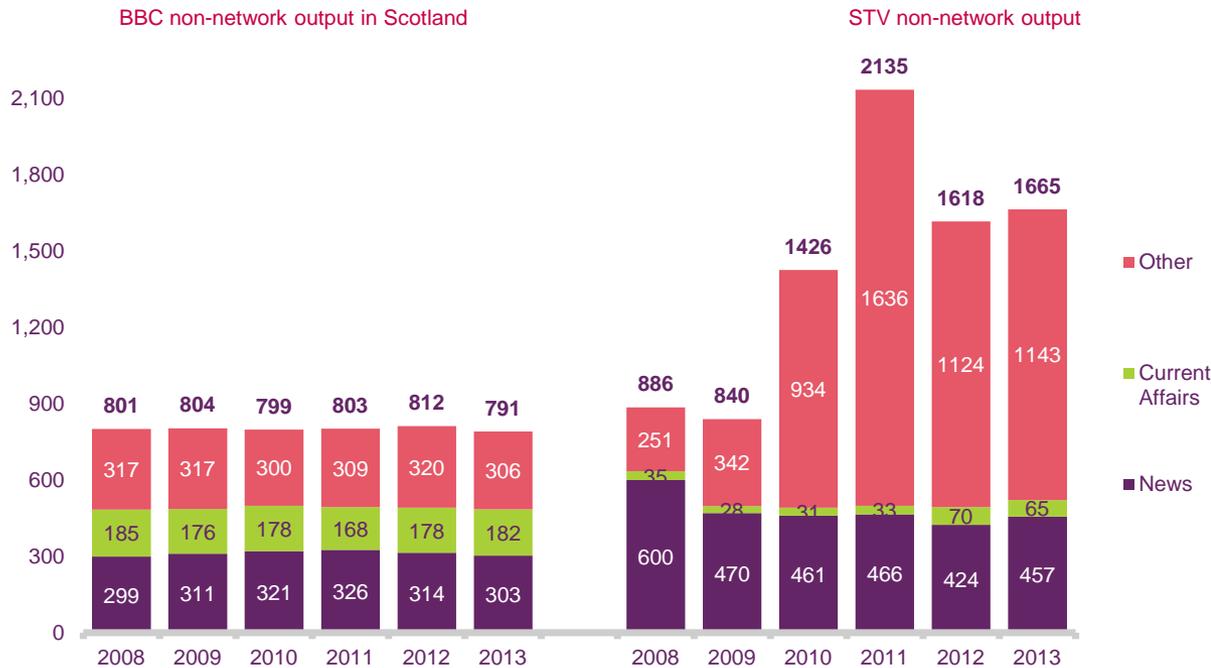
Source: Broadcasters. All figures are nominal.

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.

STV provides the majority of non-network i.e. nations specific originated programming in Scotland

Non-network first-run originations in Scotland

Hours



- This is in contrast to Wales and Northern Ireland, where the BBC provides the majority of non-network programming.
- in 2013 STV produced more 'other' types of programming than news and current affairs. This has been the case since 2010.

Source: Ofcom/broadcasters

Note: Figures exclude Gaelic programming. Increase in 'other hours' in 2011 due to STV opting out of some networked content on Channel 3, and increased output of *The Nightshift*.

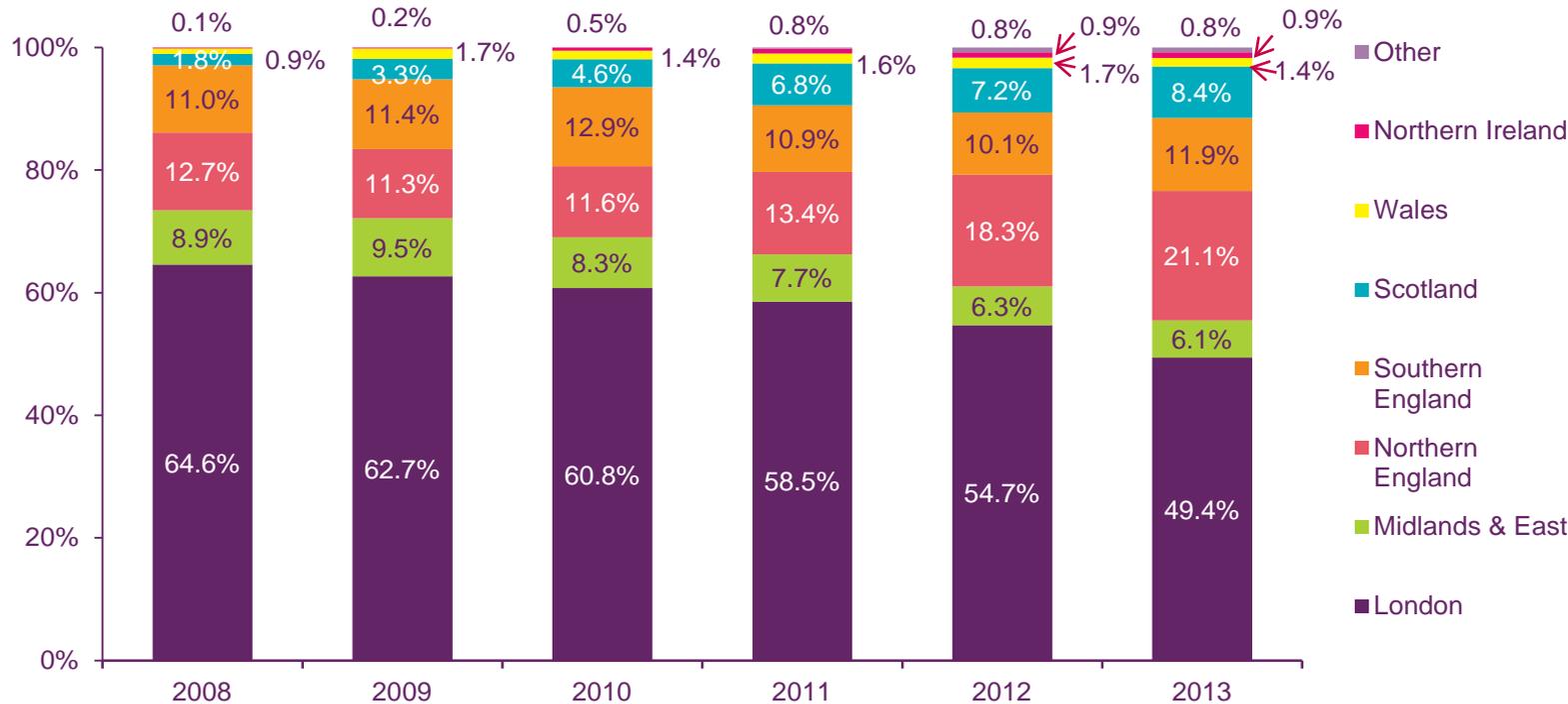
Television Broadcasting in Scotland

Volume of network production

The volume of hours of network programming made in Scotland has increased every year since 2008, while other regions have seen a decline

Production by volume by region

Percentage of production by volume (%)



- In 2013, for the first time, less than half (49.4%) of first-run network programme hours 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
- Scotland accounted for 8.4% of programming, higher than Wales and Northern Ireland.

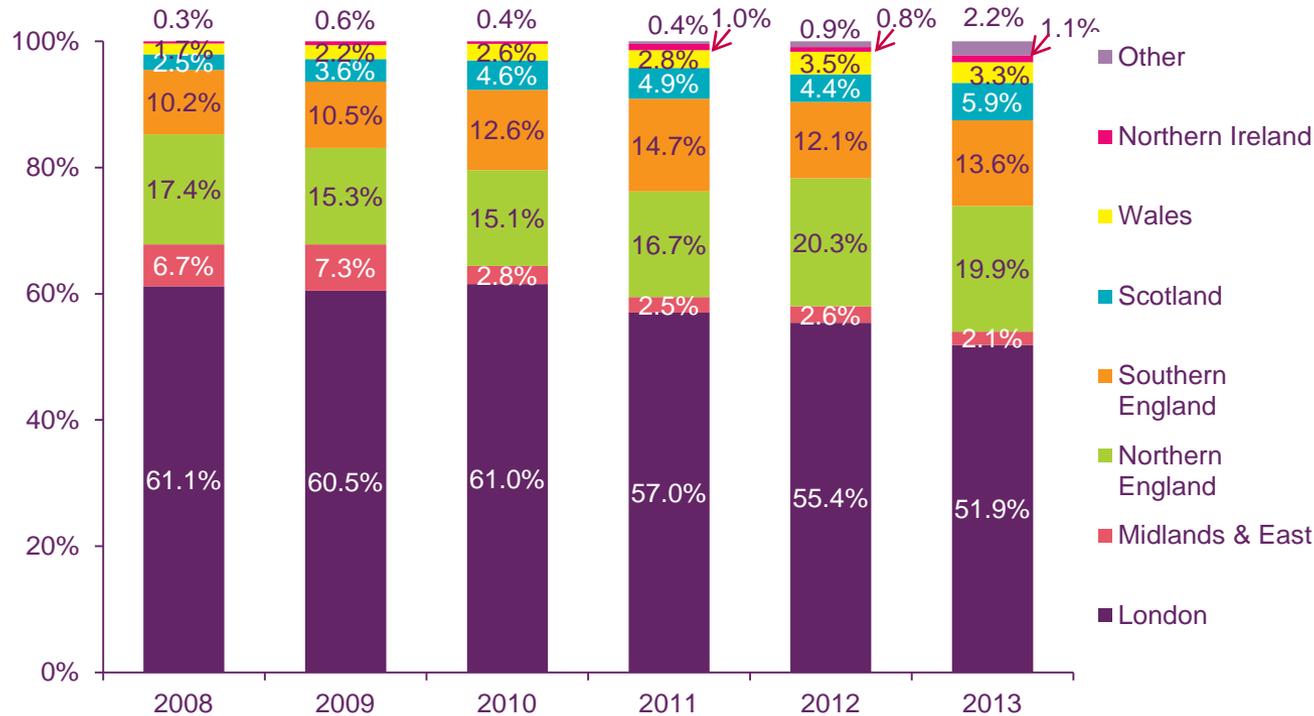
Source: Ofcom/broadcasters

Note: A new category 'Multi Nation/Region production' (labelled as 'other') 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' See http://stakeholders.ofcom.org.uk/broadcasting/guidance/programme-guidance/reg_prod/ on Ofcom website for further details.

Share of expenditure by PSB channels on originated network production has grown steadily in Scotland since 2008

Expenditure on production by region

Percentage of spend



- Share of network expenditure in Scotland has increased from 2.5% in 2008 to 5.9% in 2013.
- The BBC has made a commitment to increase devolved nations production to 17% by 2016 (9% in Scotland – proportionate to population, rather than a formal target). Efforts have also been made by Channel 4 to increase Out-of-London productions, with a licence obligation to achieve 9% by volume and spend from Scotland, Wales and Northern Ireland collectively from 2020.

Source: Ofcom/broadcasters

Note: A new category 'Multi Nation/Region production' 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' See http://stakeholders.ofcom.org.uk/broadcasting/guidance/programme-guidance/reg_prod/ on Ofcom website for further details.

Television Broadcasting in Scotland

Expenditure on indigenous language programming

BBC Alba incurred production costs of £12.75m for all Gaelic-language programming in 2013

Other spend on other programming in the devolved nations: 2013

Spend (£m)



- BBC Alba is jointly funded by the BBC and MG Alba.
- £12.65m was spent by BBC Alba on first-run originations in 2013.
- In 2013 BBC Alba broadcast 2,626 hours in total.

Source: Broadcasters.

Note: BBC S4C Statutory refers to the cost to the BBC of programming supplied to S4C by the BBC as part of their Strategic Partnership Agreement and pursuant to section 58(1) of the Broadcasting Act 1990. Northern Ireland spend refers to additional production costs of Irish language and Ulster Scots programmes broadcast in Northern Ireland.

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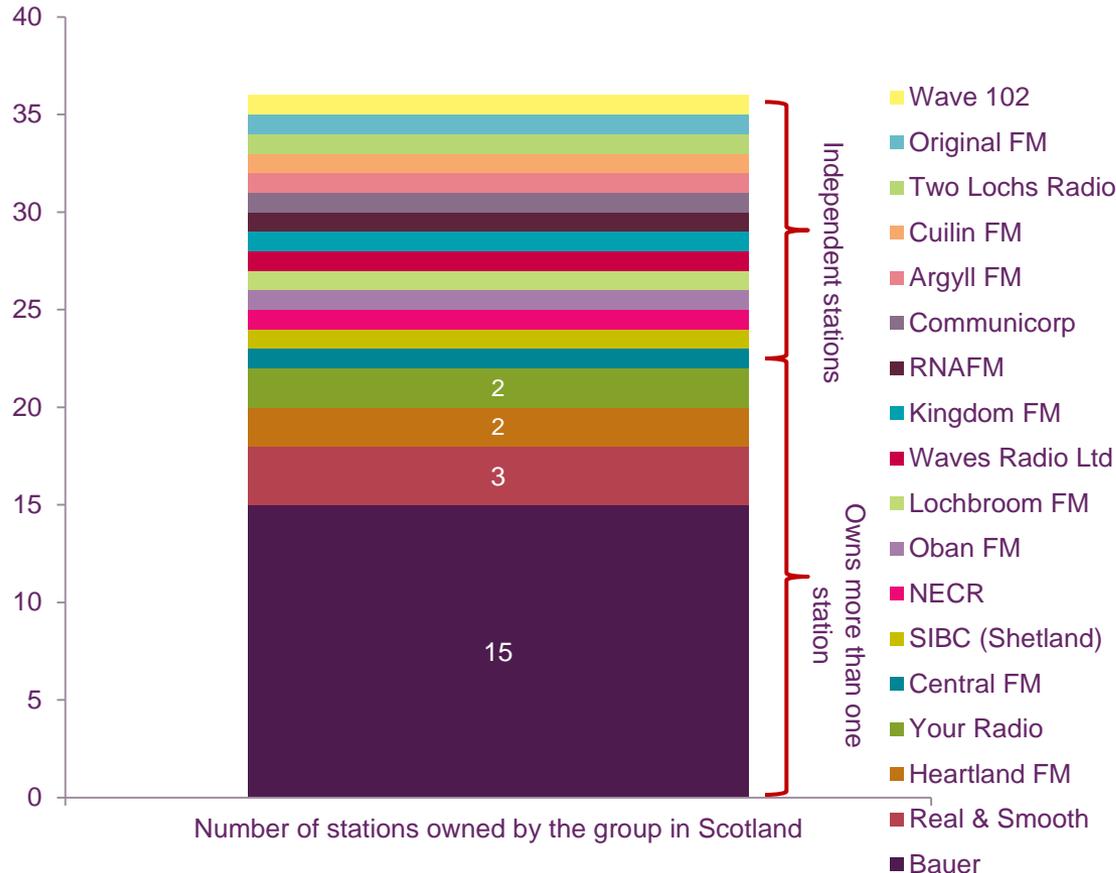
4. Scottish Press and Online News

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There is a healthy radio sector in Scotland with the majority of stations in Scotland being independently owned

Commercial radio ownership

Number of stations



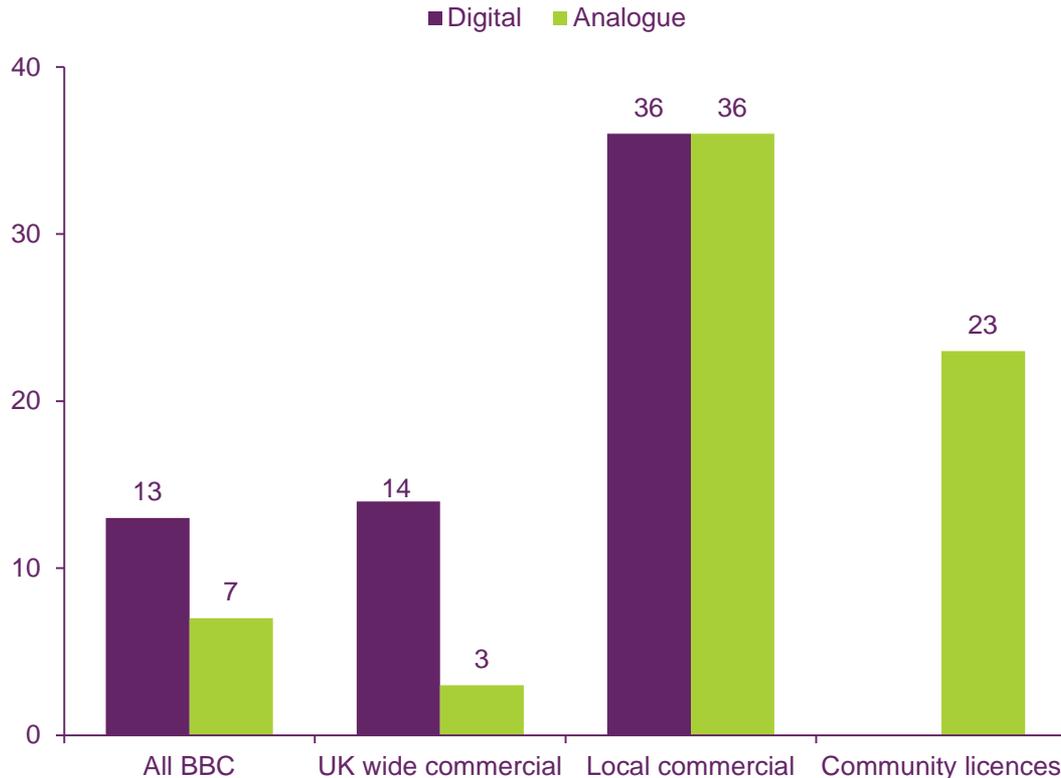
- Bauer Group (15) owns the most radio stations in Scotland.
- Real and Smooth (3), Heartland (2) and Your Radio (2) are the others to operate more than one station.
- The majority of the remaining local commercial stations are independently owned. This provides a rich mix of provision within the Scottish radio industry and highlights that there is a big enough market of listeners to appeal to.

Source: Ofcom analysis

Scotland's radio industry continues to grow for both community stations and local commercial radio, providing a mix and range of services for listeners for both analogue and digital

Radio station availability

Number of stations available



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

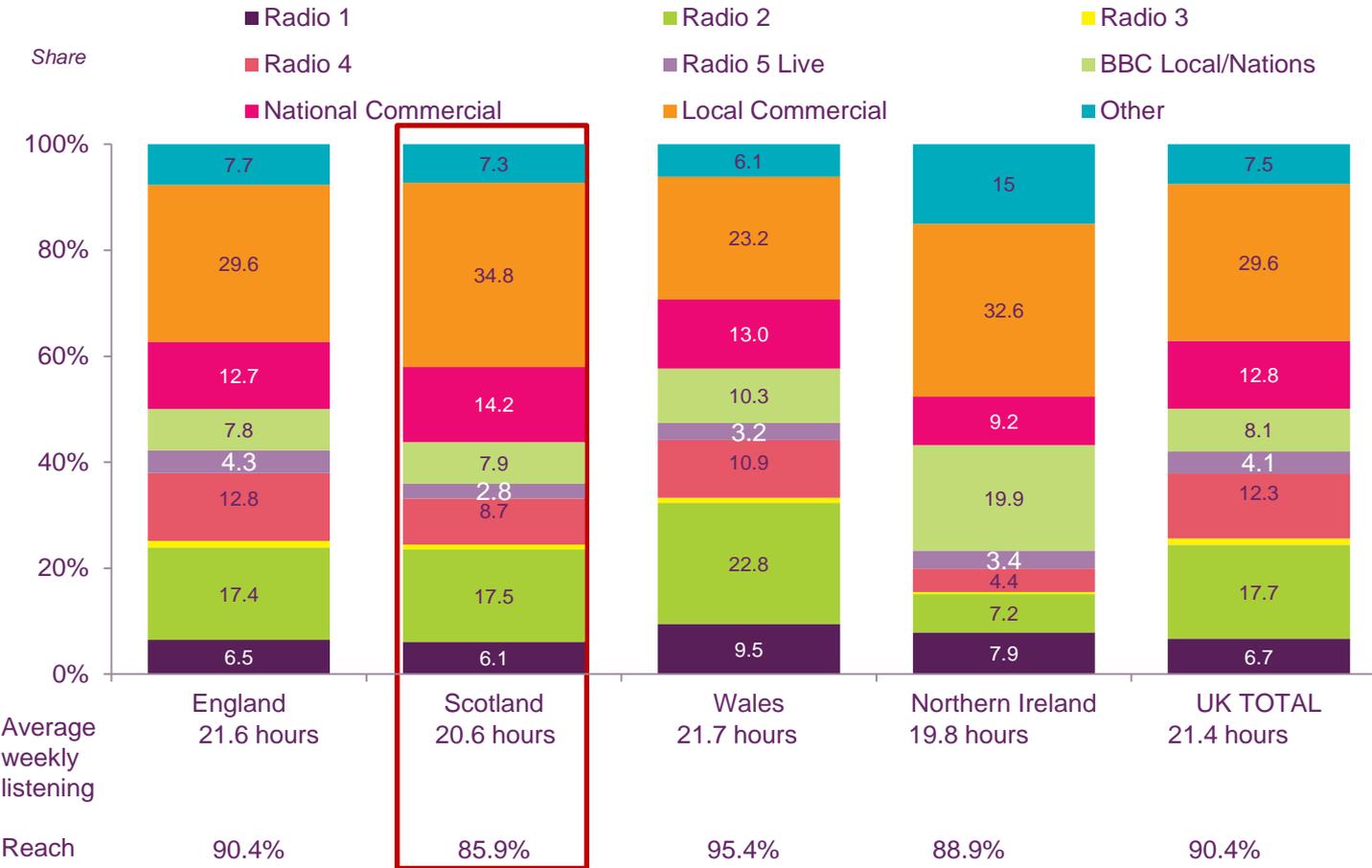
- There are now 23 community radio stations on air in Scotland*, with eight more preparing to launch which will bring the number of community stations close to that of local commercial stations.
- Community radio stations across Scotland carry the *Week in Holyrood*, a weekly politics and current affairs programme and also include coverage of the chamber and committees as well coverage of the European and UK Parliaments.
- There have been concerns about a reduction of local news on radio, however there are still plenty of stations available offering listeners a plethora of choice.
- An equal number of local commercial stations are available on digital and on analogue.
- * Since the data was published, one of the 23 stations has handed back its licence.

Radio Broadcasting in Scotland

Share of listening

Local commercial stations are more popular in Scotland than any other nation, as a result, listeners in Scotland are least likely to listen to BBC local/network radio stations, similar to Northern Ireland

Share of listening hours by nation: 2013



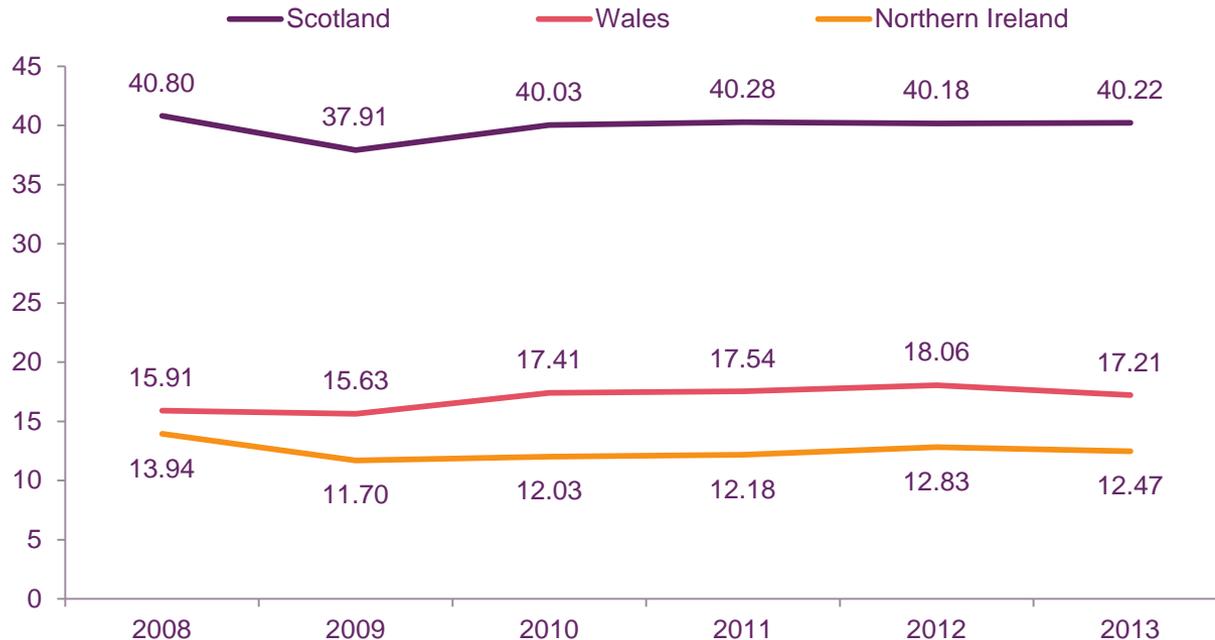
- In Scotland, even though listening to local stations remains the highest of the nations, radio services only reached 85.9% of adults. This is the lowest reach of all the UK nations and 4.5pp lower than the UK average (90.4%).
- On average, adult radio listeners in Scotland listened to 20.6 hours of radio each week.
 - Although higher than Northern Ireland, adults in Scotland listened to radio for fewer hours than in England and Wales (21.6 and 21.7 hours respectively) and the UK average (21.4 hours).

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 5 minutes in the course of an average week.

Commercial radio revenue in the nations has remained relatively stable over time, despite the poor economic climate, with Scotland accounting for the highest proportion of revenue

Local Commercial Radio Station Revenue

Revenue in £m



- In Scotland, commercial radio revenue reached its peak in 2008

Commercial radio revenue across all the nations has followed a similar pattern over the past five years

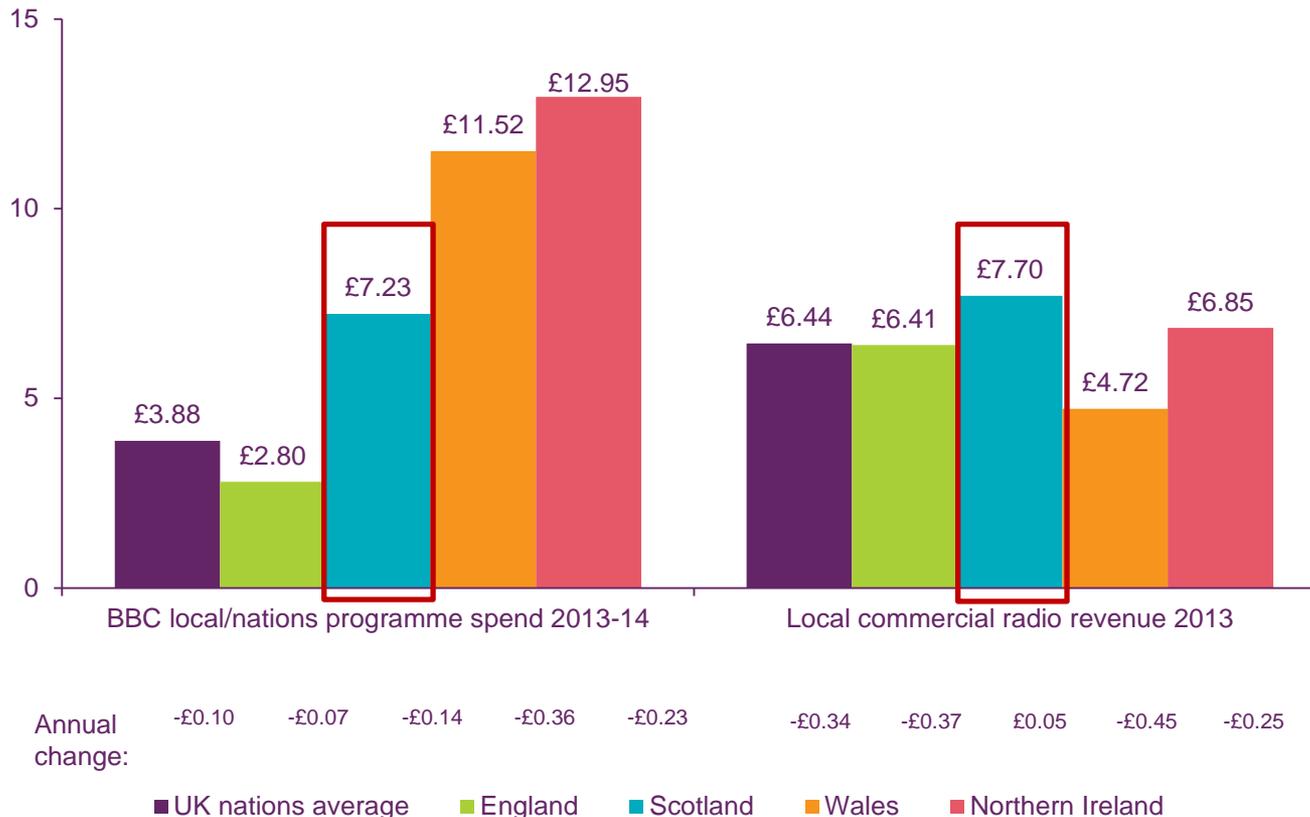
In Scotland the higher levels of revenue are likely to be due to the larger number of commercial stations compared to Wales or Northern Ireland.

Source: Ofcom

Revenue generated by local commercial radio stations continues to grow with revenue per capita in Scotland being the highest of all the nations; BBC's spend per head was lower than the other nations

Local/nations radio spend and revenue per head of population

Radio revenue / spend per head (£ per capita)



- Commercial radio stations in Scotland earned more revenue per head of the population than the other nations reflecting the number and popularity of these stations in that nation.
- Conversely, the combined spend on BBC Radio Scotland and BBC Radio nan Gàidheal totalled £38.4m in 2013-14, which is a reduction from £39m on the previous year, equating to a £0.14 reduction per head of the population.

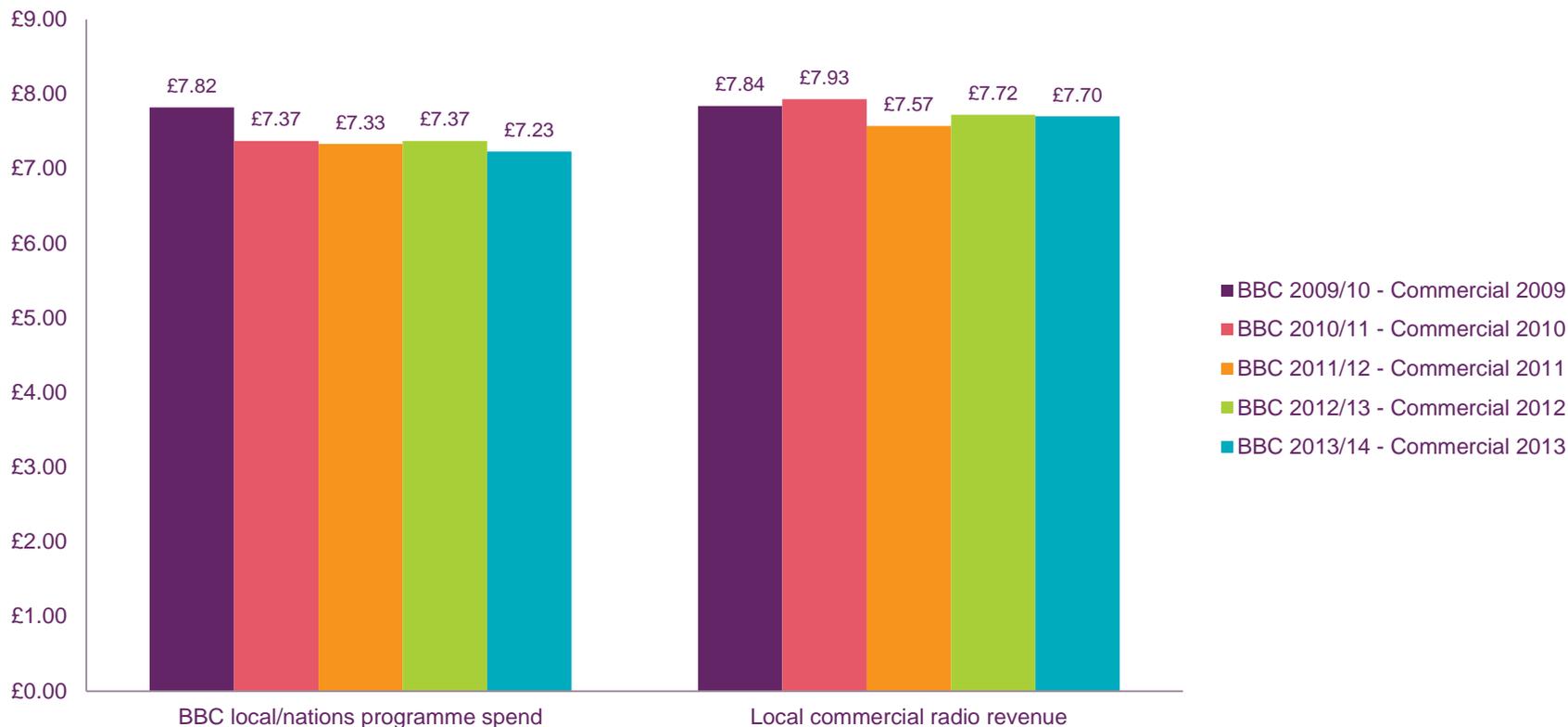
Source: Broadcasters

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.

Radio spend by the BBC and commercial revenue generated by commercial radio stations has remained relatively stable in Scotland since 2009

Local/nations radio spend and revenue per head of population in Scotland

Radio revenue / spend per head (£ per capita)

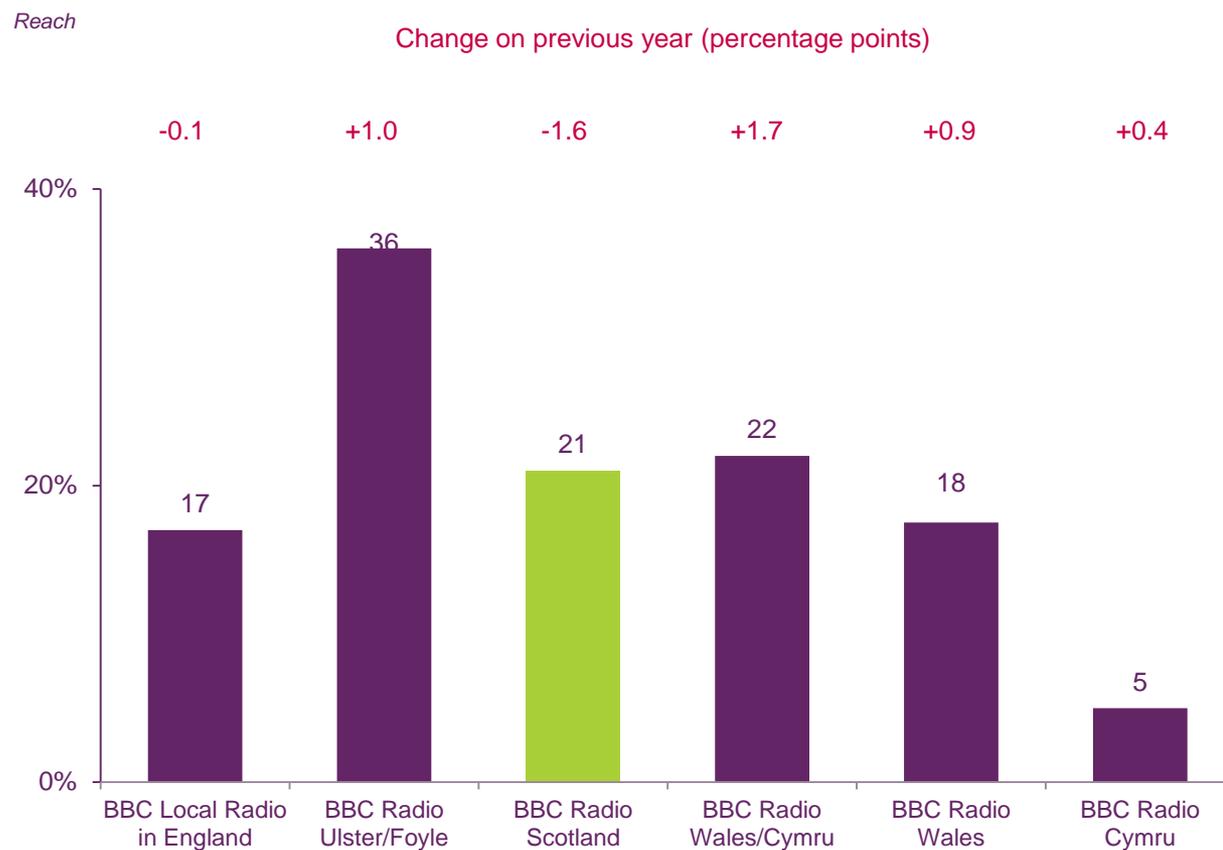


Source: Broadcasters

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.

The reach of BBC Radio Scotland has fallen 1.6 percentage points since 2012 to reach 21% of all adults during an average week in 2013

Weekly reach for nations/local BBC services



- There also has been a reduction in reach of BBC Radio's Gaelic-language service, Radio nan Gàidheal.
- Radio nan Gàidheal reached 65.4% of Gaelic Speakers aged 16+ in Scotland in 2013 (a reduction from 69.5% in 2012). This is likely to be the result of greater choice of Gaelic media since the BBC Alba television channel became more widely available on different platforms.

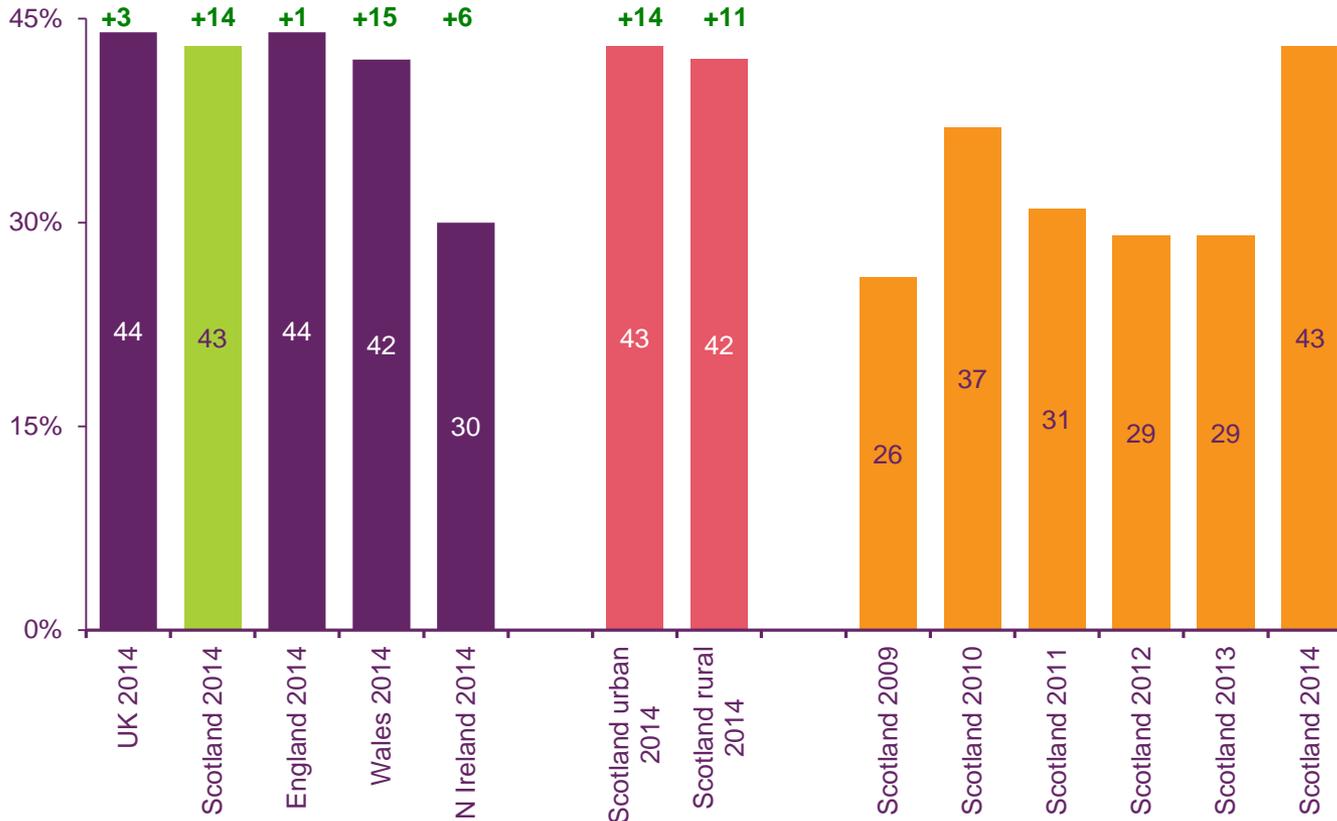
Source: RAJAR, All adults (15+), year ended Q4 2013

DAB radio set ownership in Scotland is now in line with the UK average with a growth of 14 percentage points over the previous year, resulting in nearly half of all adults now owning a DAB radio

Ownership of DAB digital radios

Percentage of radio listeners

Figure above bar shows % point change in DAB sets in household from Q1 2013



- There is no significant difference between ownership in urban or rural areas for DAB radios, with ownership being even across both, driven by the high number of local stations available in Scotland.
- This may be welcome news for local commercial stations which have all invested in digital platforms and have equal number of digital and analogue stations.

Source: Ofcom research, Quarter 1 2014

Base: Adults aged 16+ who listen to radio (n = 2885 UK, 392 Scotland, 1686 England, 403 Wales, 404 Northern Ireland, 202 Scotland urban, 190

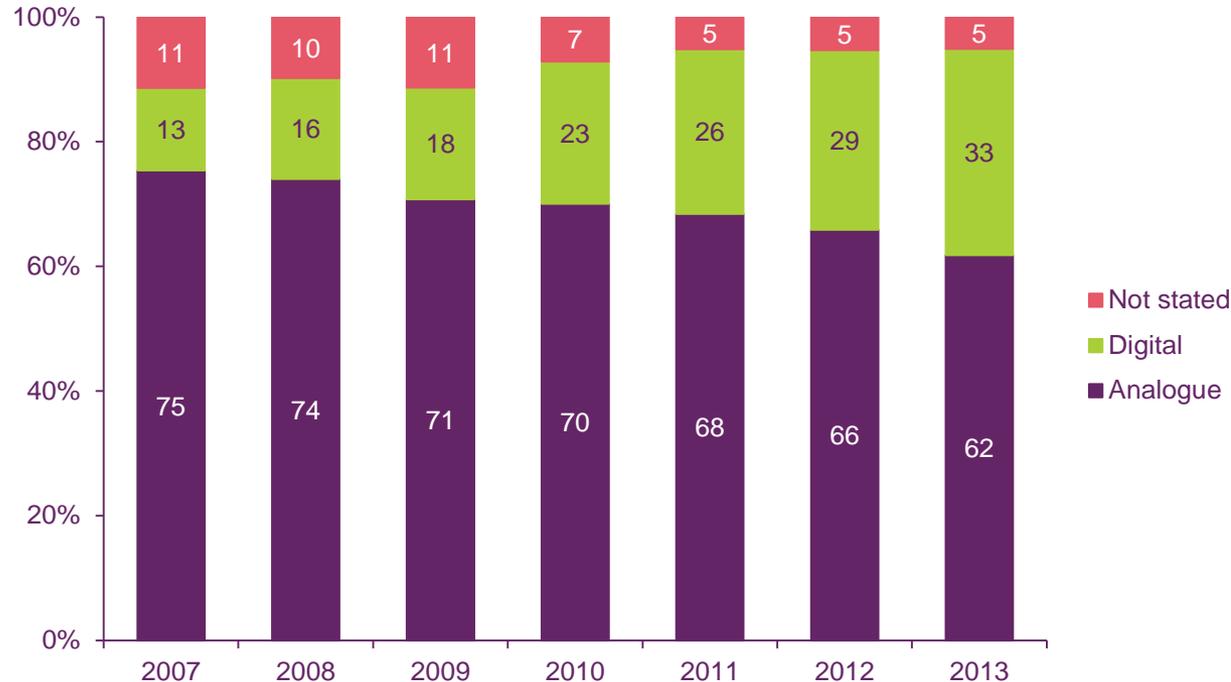
Scotland rural, 780 Scotland 2009, 1034 Scotland 2010, 357 Scotland 2011, 364 Scotland 2012, 375 Scotland 2013, 392 Scotland 2014)

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

Digital listening is continuing to grow with 29% owning a DAB radio in 2013, accounting for 33% of listening.

Share of listening hours via digital and analogue platforms in Scotland: 2007-2013

Share of total listening hours



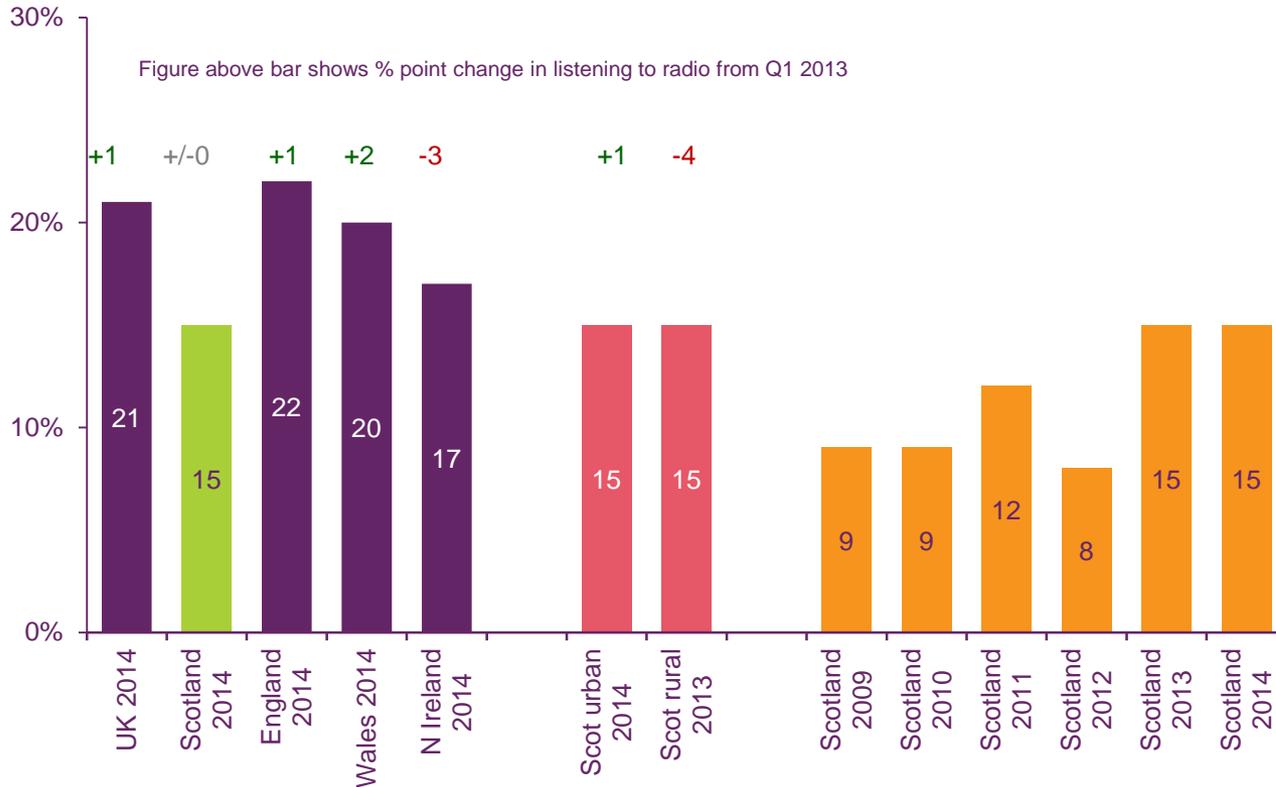
- Listening of digital is likely to continue to increase as DAB ownership becomes more commonplace.
- Although share of listening on a digital platform is lower than the UK average, the rate of year-on-year growth experienced is similar to that for the UK overall.
- In addition, digital radio listening is higher in Scotland than Wales or Northern Ireland but below the UK average.

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

Scottish people have not embraced audio listening via mobile phones as much as the other nations

Listening to radio via mobile phone

Proportion of respondents (%) who have used their mobile to listen to the radio



- There has been no change in the number of people listening to the radio on their mobile phones in Scotland over the last year
- The proportion of adults in Scotland who listen to any kind of audio on their mobiles is also lowest across the nations and, at 20%, is 9pp lower than the UK average
- Interestingly, there is no difference in listening to the radio on mobiles in urban or rural areas

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?/ QP11. How often, if at all, do you access the radio via mobile phone?

Source: Ofcom research, Quarter 1 2014

Base: All adults aged 16+ (n = 3740 UK, 501 Scotland, 2249 England, 491 Wales, 499 Northern Ireland, 261 Scotland urban, 240 Scotland rural, 1014 Scotland 2009, 1468 Scotland 2010, 487 Scotland 2011, 500 Scotland 2012, 501 Scotland 2013, 501 Scotland 2014)

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Readership of UK-wide newspapers in Scotland is focused on tabloids e.g. The Sun, over broadsheets, which is a similar trend across Wales and Northern Ireland

UK-wide daily newspapers used for news, by nation

Percentage of readership (%)

	England	Scotland	Wales	Northern Ireland
Unweighted base	663	177	153	167
The Sun	26%	27%	30%	20%
The Daily Mail	22%	16%	24%	14%
The Daily Star	3%	5%	7%	3%
The Daily Express	4%	6%	4%	1%
The Daily Mirror	13%	2%	18%	21% ^a
The Guardian	10%	7%	8%	3%
The Independent	3%	2%	4%	1%
The 'i'	4%	3%	3%	-
The Times	6%	3%	7%	6%
The Daily Telegraph	6%	4%	3%	6%
The Financial Times	2%	1%	1%	1%
The Morning Star	*	-	1%	-

- Readership of UK wide newspapers in Scotland is focused around tabloids as opposed to broadsheets.
- There are versions of The Sun and the Daily Mail published for people in Scotland which may contribute to their popularity.

Figures in red are significantly different to those in purple. Figures in green are significantly different from those in red and purple. Figures in black are not statistically significant differences. Applies to rows only.

^a This figure is significantly different from England and Scotland, but not Wales

Q5a-e) Thinking specifically about <Source>, which of the following do you use for news nowadays?

Base: All who use newspapers for news

Note that these figures plus the ones in the following slide total more than 100% as some respondents read more than one paper.

Press and Online News in Scotland

National and regional daily newspapers

There seems to be a preference for Scottish national newspapers which are more targeted to Scottish interests than the UK-wide newspapers

National and regional daily newspapers used for news, by nation

Percentage of readership (%)

	England	Scotland	Wales	Northern Ireland
Unweighted base	663	177	153	167
The Herald	-	5%	-	-
The Scotsman	-	4%	-	-
The Daily Record	-	22%	-	-
The Belfast Telegraph	-	-	-	22%
The Irish News	-	-	-	17%
The News Letter	-	-	-	7%
The Western Mail	-	-	9%	-
The Daily Post - Wales	*	-	8%	-
The South Wales Evening Post	-	-	5%	-
The Metro	11%	5%	3%	-
The Evening Standard	3%	-	2%	-
The Press and Journal (Aberdeen)	-	9%	-	-
The Courier and Advertiser (Dundee)	-	9%	-	-
Any local daily newspaper	13%	7%	13%	10%

- Over one in five (22%) of those who use newspapers for news in Scotland use the *Daily Record* for news. This is similar in Northern Ireland with the Belfast Telegraph.
- This is driven by the fact that in Scotland 52% of adults were interested in political news which rises to 71% when it comes to local/regional news. Therefore the Scottish national press is better placed to cover these issues than the UK-wide press.

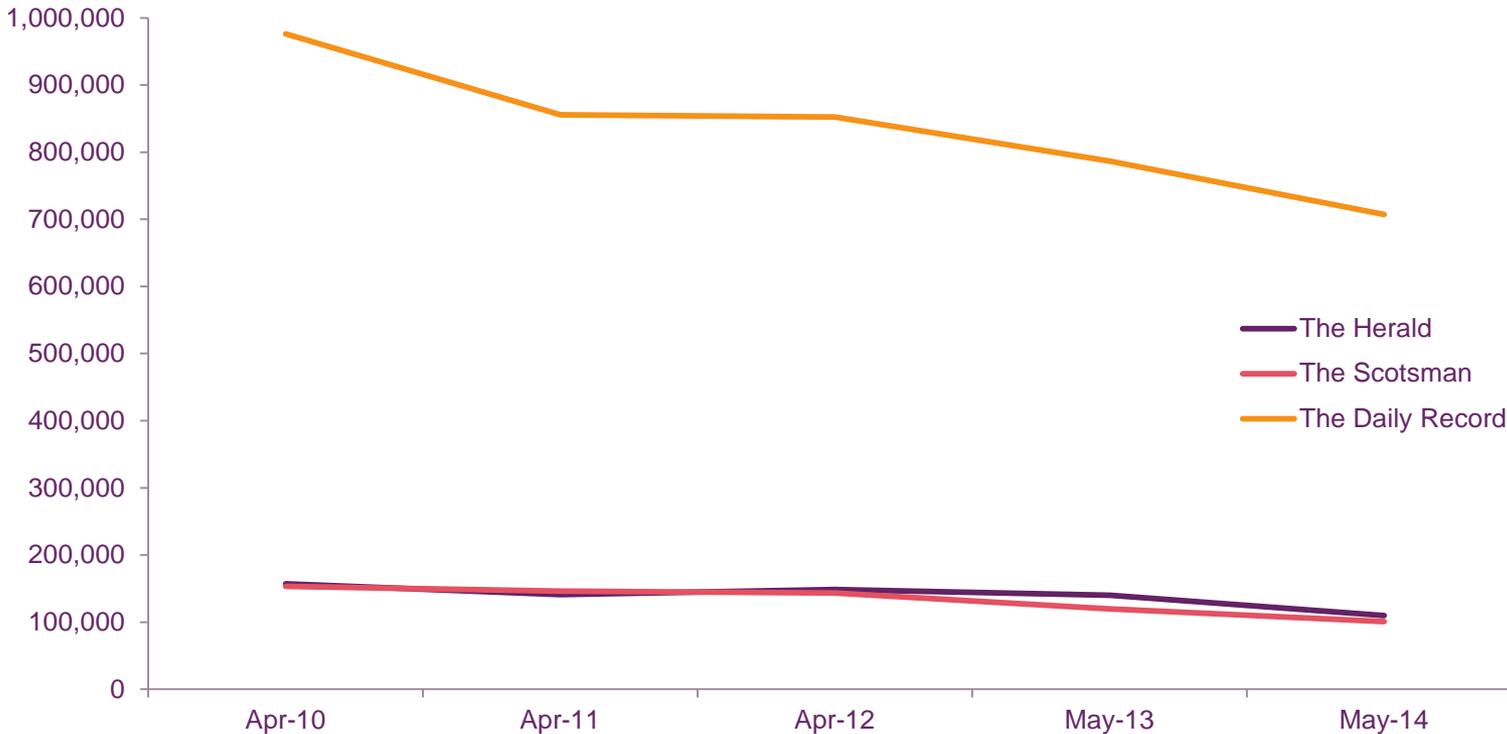
Figures in red are significantly different to those in purple. Figures in green are significantly different from those in red and purple. Figures in black are not statistically significant differences. Applies to rows only.

Q5a-e) Thinking specifically about <Source>, which of the following do you use for news nowadays?

Base: All who use newspapers for news

However, the three main daily newspapers in Scotland have all witnessed a decline in readership over the past five years due to a number of factors

Trend readership of daily regional newspapers, Scotland



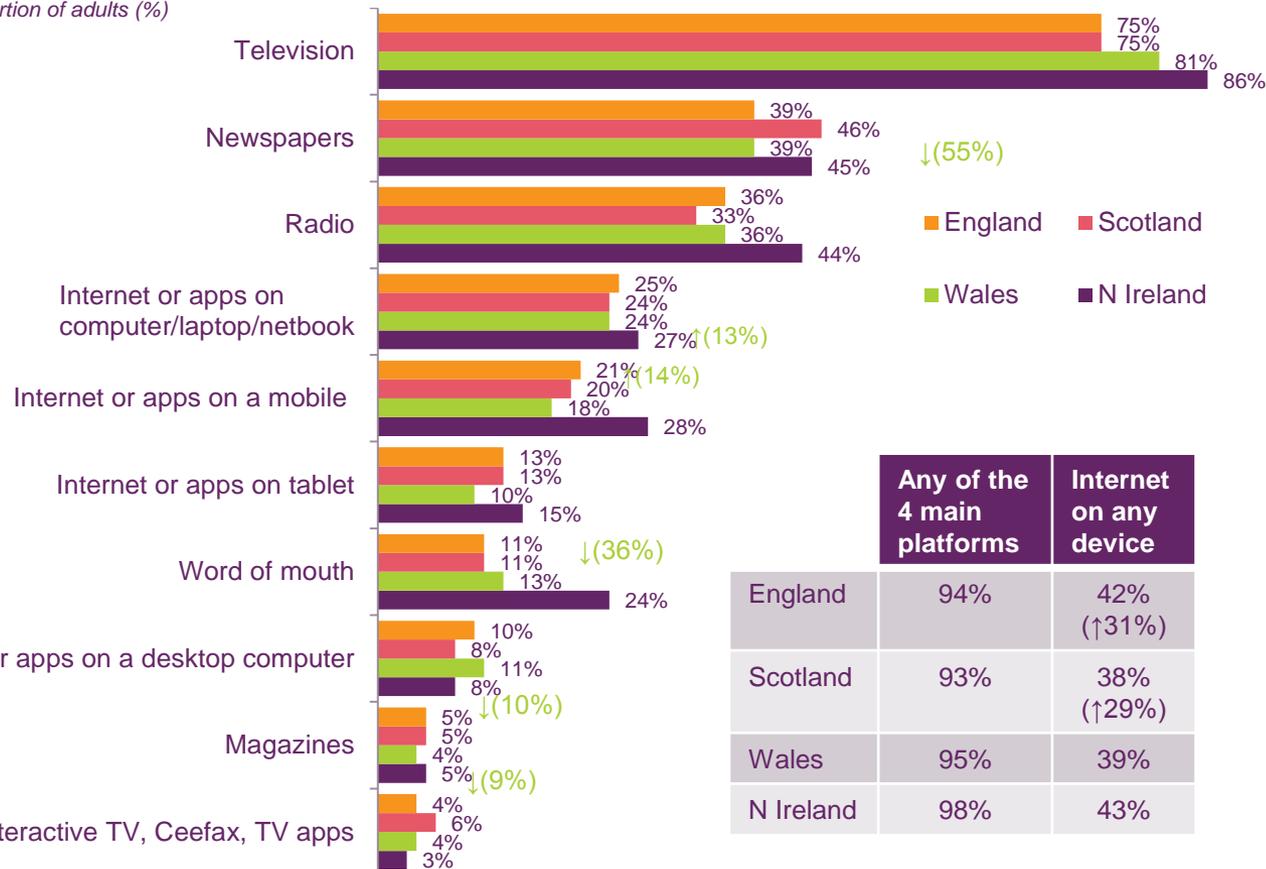
- The cause of the decline in readership is due to a number of factors:
 - The rise of internet and the resulting online media
 - Economic pressures based on loss of advertising revenues
 - Increasing costs of production and distribution

Sustainability of local newspaper is a growing concern, with the more established newspapers witnessing a year on year reduction in circulation and with smaller newspapers already closed (between 2005 and 2011 242 local press closures occurred*) there is a concern that news gaps (areas of the UK that are not covered by professional journalists) will continue to grow

Even though less than half use newspapers in Scotland (46%) for news, it still accounts for the highest proportion of all the nations. Using TV as a news source is lower than in Wales and Northern Ireland

Platforms used for news 'nowadays', by nations

Proportion of adults (%)



	Any of the 4 main platforms	Internet on any device
England	94%	42% (↑31%)
Scotland	93%	38% (↑29%)
Wales	95%	39%
N Ireland	98%	43%

- 93% of respondents in Scotland used any of the four main platforms to obtain news.
- Even though TV is still the main platform to access news, this has decreased from the previous year offset by the popularity of accessing news via the internet or apps over mobiles, tablets and computers.
- Other traditional news sources such as radio and newspapers were also consumed less, dropping to less than half of adults in Scotland.
- Just over 1 in 10 (11%) of people in Scotland use word of mouth for news, the lowest of the nations.

•Q3a) Which of the following do you use for news nowadays?

•Base 2014: All adults 16+ who follow the news (2731), England (1641); Scotland (363); Wales (376); NI (351)

•Base 2013: All adults 16+ who follow the news (2862), England (1764), Scotland (361), Wales (385), NI (352)

•* 2013 figures only shown where there are statistically significant differences between 2013 and 2014

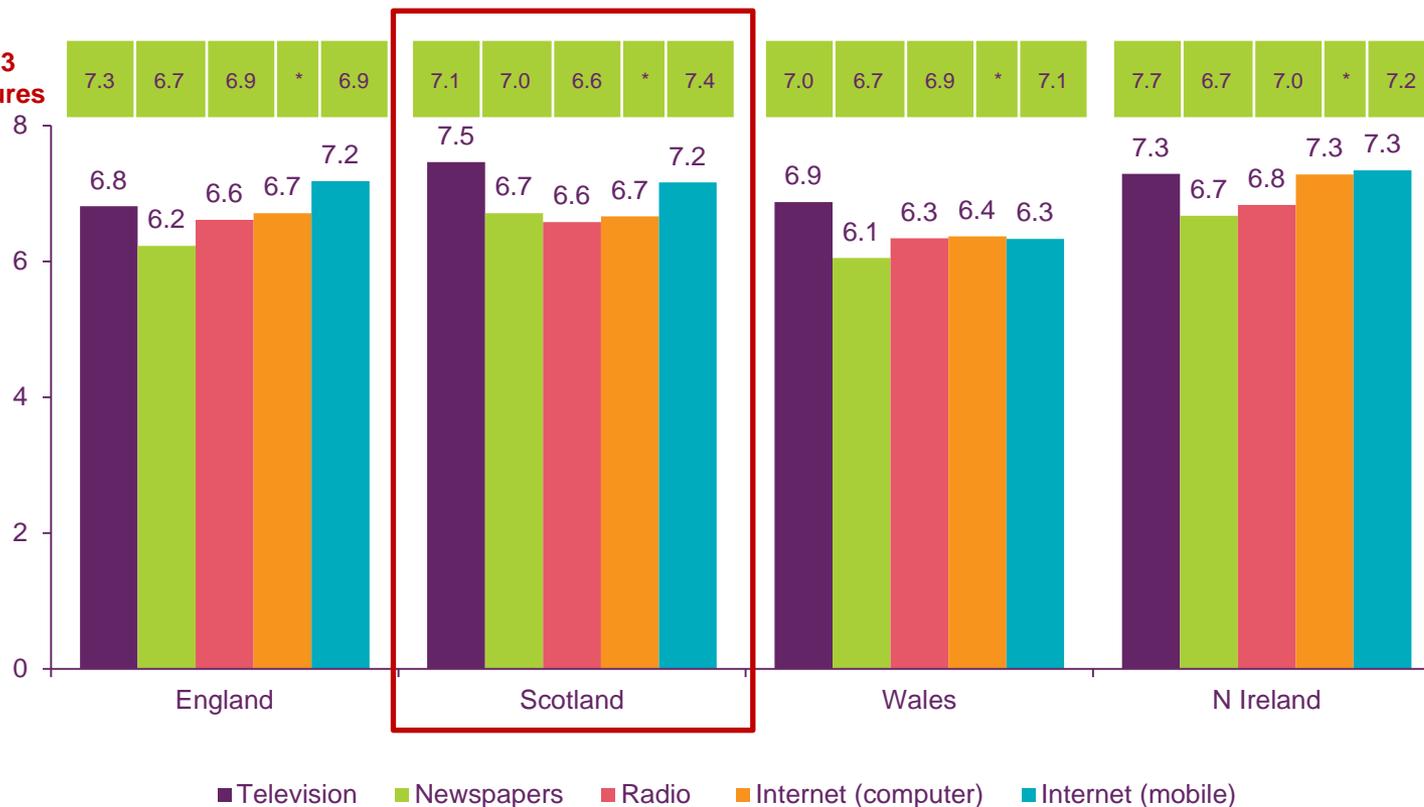
Press and Online News in Scotland

Mean importance of platforms

The importance of TV has risen in 2014 over the previous year in Scotland, for all other nations this has decreased. With the rise in TV, other platforms' significance has either remained stable or fallen

Mean importance of platforms among users of each platform, by nation

2013 figures



- The importance of TV in Scotland is higher than in the other nations and is higher than in 2013. This may be due to the Scottish independence referendum where TV coverage was widespread on the issues
- Radio in terms of importance has remained, with newspapers dropping ever so slightly and surprisingly internet via a mobile decreasing (although not significantly) and could be related to coverage issues

Q3b Looking at the ways you say you use news nowadays, how important are the following to you personally when using news? Answer using a scale of 1 to 10, where, 1 is not at all important and 10 is absolutely essential.

Base: All adults 16+ who use platform for news nowadays (TV/Newspapers/radio/internet(computer)/Internet(mobile)) in England (1238/663/570/391/317), Scotland (282/177/122/80/62), Wales (310/153/130/88), N Ireland (306/167/168/87)

* In 2013 internet (computer) included tablet. In 2014 this was split out as a separate code, but bases too low (under 50) in non-English nations to analyse

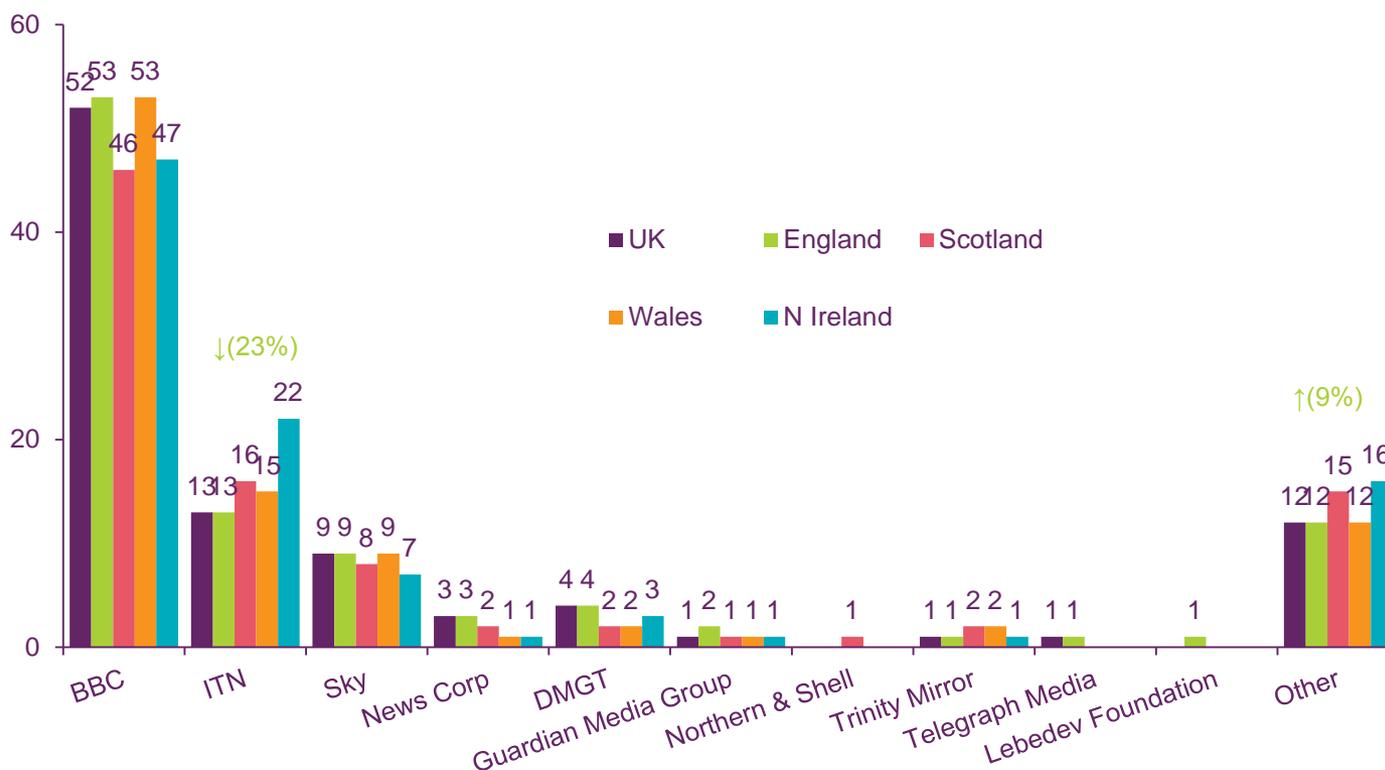
Press and Online News in Scotland

Most important news source

People in Scotland are less likely than the UK as a whole to rate a BBC source as their most important news source (46% vs. 52% UK average), 'Other' and ITN were also seen as important

Single most personally important news source, by nations (WHOLESALE)

Cross-platform reach (%)



- The BBC is seen as the single most personally important news source across all of the UK, driven by their 24 hour news channel (TV is the most important news platform), their news website (news via apps and the internet is increasing) and their radio channels.
- However, in terms of cross-platform reach, Scotland sees the BBC as less important than the other nations.
- The BBC News website/app also is more favoured than other news websites/apps with 65% of adults in Scotland using this as a source over other newspapers' apps/websites.
- In terms of 'Other' those who use the internet for news in Scotland tend to use sites such as Facebook (19%) and Twitter (8%).

Base: All who use a news source nowadays in England (1538), Scotland (339), Wales (359) and Northern Ireland (344) Note: Wholesale is classified as the company that provides the news for the given source. Retail is classified as the branded title/service through which the news is provided.

Note: 2013 figures are in brackets, and shown where statistically different to 2014.

Note: This wholesale category is derived from responses given about individual news titles.

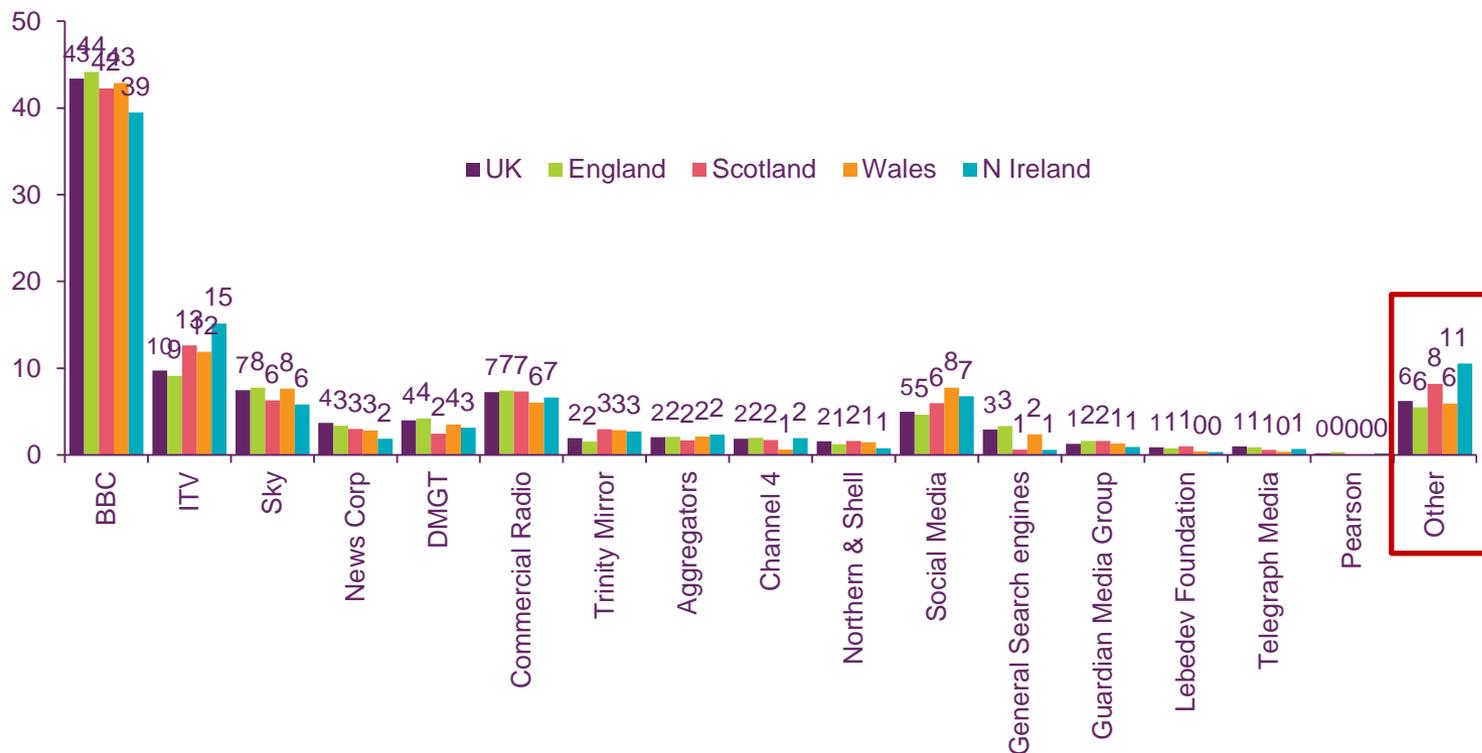
Press and Online News in Scotland

Share of references by nations

The distribution of share of references is generally even across the nations, although those included in 'Other', gain a high share in Scotland, but not as high as in Northern Ireland

Share of references, by nation (RETAIL)

Share of references (%)



- 'Other' ranks highly as adults in Scotland are increasingly using Facebook and Twitter as alternative news sources on the internet

Base: All who use a news source nowadays in England (1538), Scotland (339), Wales (359) and Northern Ireland (344) Note: Wholesale is classified as the company that provides the news for the given source. Retail is classified as the branded title/service through which the news is provided (except the three generic categories 'commercial radio', 'aggregators' and 'social media'). Note: 2013 figures only shown where there are statistically significant differences between 2013 and 2014

Press and Online News in Scotland

Other internet sources used for news, by nation

Internet news users in Scotland are less likely than those in Wales and Northern Ireland to use Facebook for news, but a higher proportion use YouTube, which is the second most popular source

Other internet sources used for news, by nation

Percentage of usage (%)

	England	Scotland	Wales	Northern Ireland
Unweighted base	641	121	137	130
Facebook	16%	19%	26%	24%
Twitter	9%	8%	11%	17%
Google News (search engine just for news)	7%	5%	7%	10%
Yahoo news	4%	5%	9%	5%
MSN news	4%	2%	4%	3%
AOL news	1%	1%	-	1%
YouTube	8%	12%	8%	7%
Feedly app	-	-	*	-
Flipboard app	2%	3%	3%	2%
Google (General search Engine)	21%	3%	15%	6%
Other general search engine	*	-	-	-
Other search engine just for news	-	-	1%	-
Huffington Post	3%	5%	5%	3%
Any local newspaper websites or apps	4%	2%	2%	2%
Any Scotland based websites or apps	-	4%	-	-
Any Wales based news websites or apps	-	-	8%	-
Any Northern Ireland based news websites or apps	-	-	-	7%
Other site that combines news links	1%	1%	-	-
Other website(s) or app(s)	5%	4%	3%	3%

- When it comes to YouTube as a news source, Scotland scored 12% higher than all the other nations and it is second most used source after Facebook
- Of the other nations, fewer people in Scotland used Scottish based websites or apps, compared to Wales and Northern Ireland
 - Usage of Facebook and Twitter was not as high either in comparison

Figures in red are significantly different to those in purple. Figures in green are significantly different from those in red and purple. Figures in black are not statistically significant differences. Applies to rows only.

Q5a-e) Thinking specifically about <Source>, which of the following do you use for news nowadays?

Base: All who use newspapers for news

1. Executive summary

2. Television Broadcasting in Scotland

3. Radio Broadcasting in Scotland

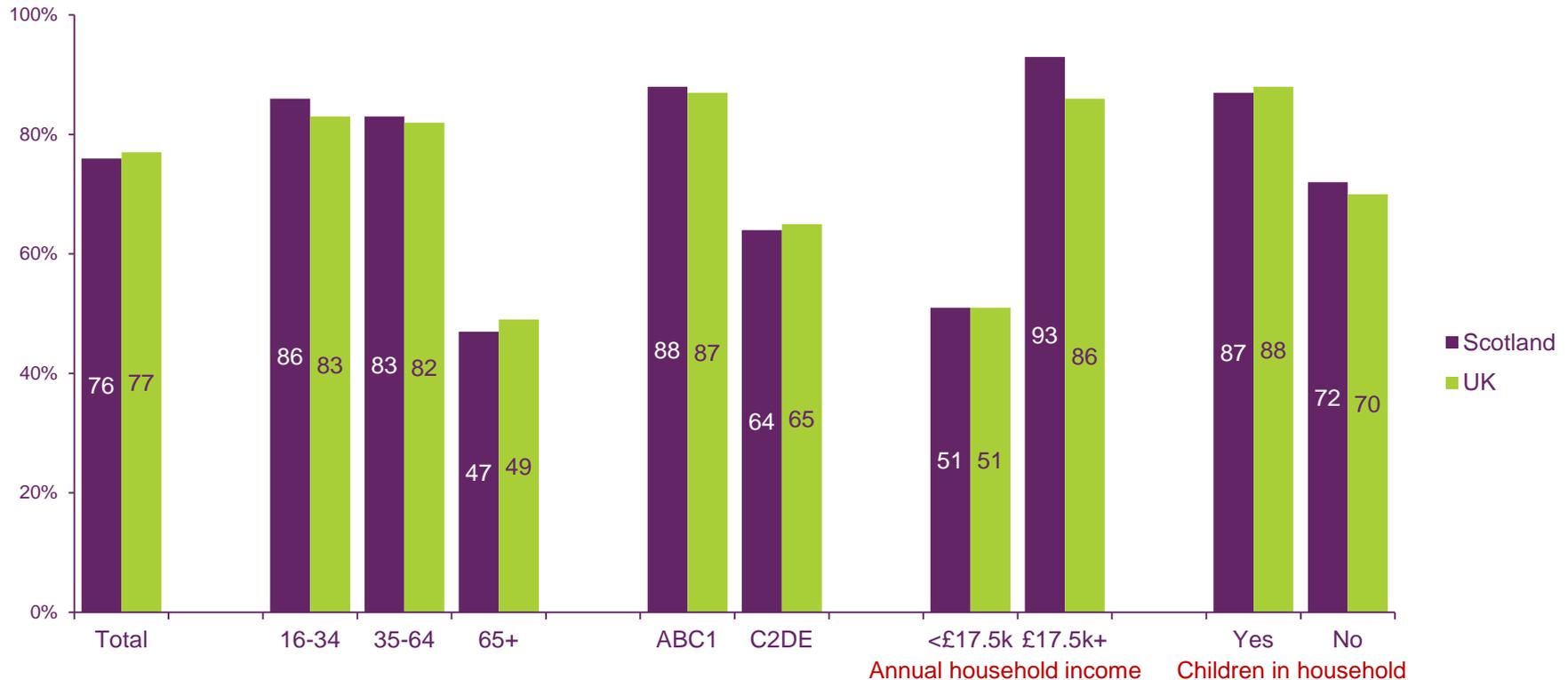
4. Scottish Press and Online News

5. Connectivity and Availability in Scotland

Broadband take-up is in line with the UK average across all demographics, however for Scottish households with higher incomes, a greater proportion have broadband compared to the UK average

Consumer broadband take-up in Scotland compared to the UK, by demographic

Proportion of households (%)



Source: Ofcom research, Quarter 1 2014

Base: All adults aged 16+ (n =501 Scotland, 138 16-34s, 251 35-64s, 112 65+, 257 ABC1, 242 C2DE, 156 <£17.5k income, 155 £17.5k+, 143 children in home, 358 no children in home)

Smartphone take-up by Scottish adults is higher than the UK average, take-up growth over the last year was also significantly higher than the UK average, driven largely by take-up in Scottish urban areas

Take-up of smartphones in Scotland

Adults 16+ (%) / percentage point change in take-up of smartphones from Q1 2013



- One in seven (16%) households in Scotland are mobile only households (mobile is their only form of telephony) with those living in Scotland's urban areas (17%) more likely to live in a mobile only household compared to rural households (10%).
- Smartphone take-up was highest among those aged 16-34 (90%), those in ABC1 group (79%) and higher-income households (take-up was 80% among mobile users with a household income of £17.5k+).
- Even though take-up in rural areas accounted for over half of Scottish adults, and growth has been lower than urban areas, it is likely that this may change over the next few years but might not match take-up of those living in urban areas.

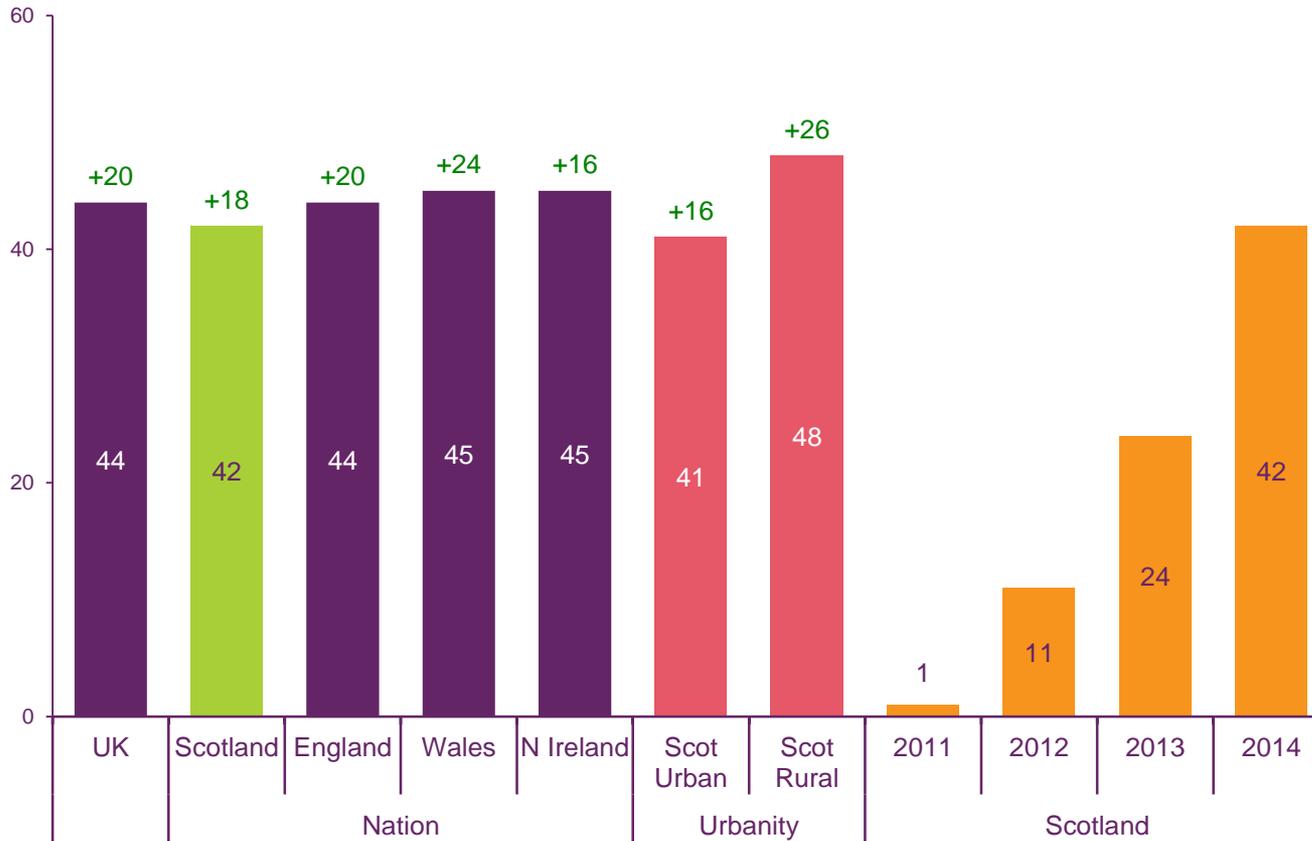
Source: Ofcom research, Quarter 1 2014

Base: All adults aged 16+ (n = 3740 UK, 501 Scotland, 2249 England, 499 Northern Ireland, 491 Wales, 261 Scotland urban, 240 Scotland rural, 487 Scotland 2011, 500 Scotland 2012, 501 Scotland 2013, 501 Scotland 2014)

Take-up of tablets, even though the lowest among the nations, has almost doubled in the past year, now only slightly behind the UK average with no significant difference between urban and rural areas

Take-up of tablet computers in Scotland

Households (%) / percentage point change in take-up of tablet computers from Q1 2013



Source: Ofcom research, Quarter 1 2014

Base: All adults aged 16+ (n = 3740 UK, 501 Scotland, 2249 England, 491 Wales, 499 Northern Ireland, 261 Scotland urban, 240 Scotland rural, 487 Scotland 2011, 500 Scotland 2012, 501 Scotland 2013, 501 Scotland 2014)

- The demographics most likely to purchase tablet computers in Scotland are aged between 35-54 with over half (55%) having one in their household and from higher-income households (64% are in households with an income of £17.5k+ a year).
 - Unsurprisingly, ABC1 households (53%) were more significantly likely than C2DE households (32%) to own a tablet, however there was no difference between urban and rural areas.
- The rise in tablet ownership is most likely due to cheaper models being released, compared to smartphones which can still be seen as expensive for some adults.
- In Scotland, most homes with tablets have these in addition to a desktop, laptop or netbook computer. Only 3% of Scottish households have *only* a tablet computer, rising to 6% in rural areas.

Connectivity in Scotland

Devices used for accessing the internet

There was no one device which over half of Scottish individuals saw as the most important when accessing the internet. The previous year over half (54%) stated the laptop was the most important

Most important device for accessing the internet in Scotland

Individuals (%)



- 45% of Scottish people stated the laptop was the most important device used when accessing the internet. This was a drop in nine percentage points compared to the previous year which had probably decreased due to increased use of tablets to go online
- Those over 55 still felt laptops and desktops were the most important (52% and 24%, respectively) when accessing the internet, with tablets and smartphones having less importance. This could be as a result of these devices not being as prevalent to the older age groups compared to the younger groups.
 - For example, 34% of those aged 16-34 saw the smartphone as being the most important device to connect to the internet, compared to 3% of those aged 55+

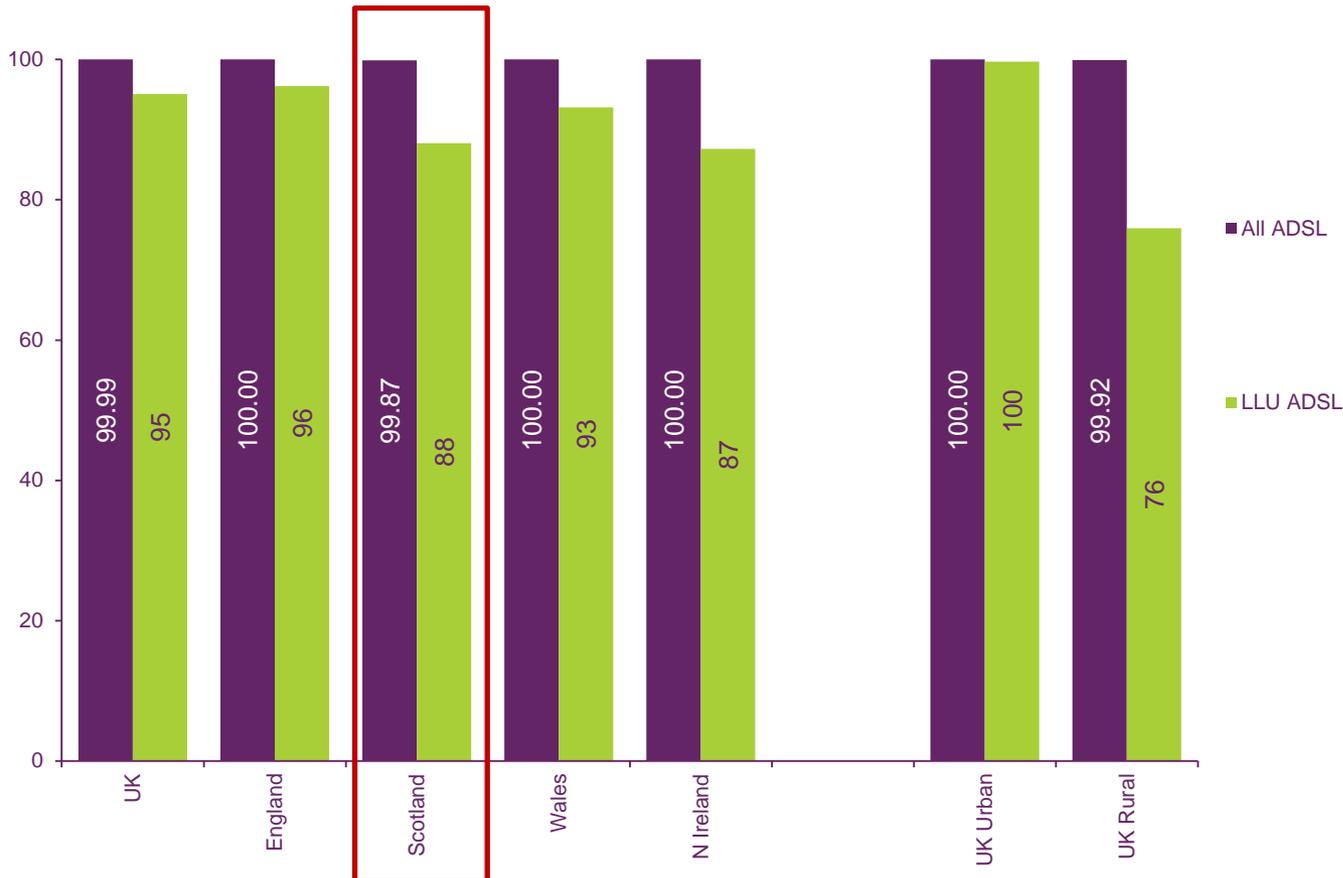
Source: Ofcom research, Q1 2014

Base: All adults aged 16+ (n = 2976 UK, 415 Scotland, 226 Scotland urban, 189 Scotland rural, 134 16-34, 160 35-54, 121 55+, 236 ABC1, 178 C2DE, 102 <£17.5K, 149 £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".

12% of premises in Scotland have lower than average broadband speeds as the majority of exchanges still using copper are located in Scotland

Proportion of premises connected to ADSL and LLU-enabled exchanges: December 2013

Proportion of premises (%)



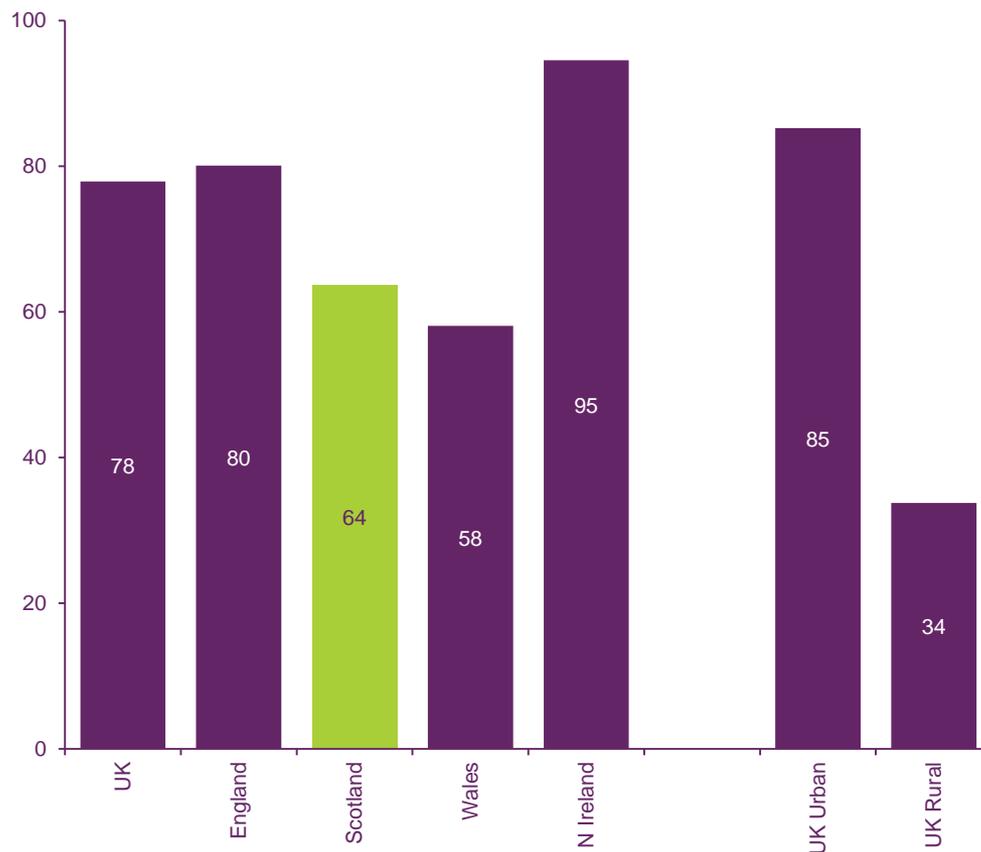
- The proportion of homes in Scotland connected to an ADSL enabled BT exchange is marginally lower compared to other nations and the UK average
- Consumers served by LLU enabled exchange areas have a greater choice of ADSL broadband services and typically, access to lower-cost (particularly bundled) broadband services

Source: Ofcom / BT, December 2013 data

When it comes to fibre, Scotland as a whole tends to be underserved largely due to the high proportion of rural areas, making it less cost effective to roll out fibre in those areas

Proportion of premises able to receive NGA broadband services 2014

Proportion of premises (%)



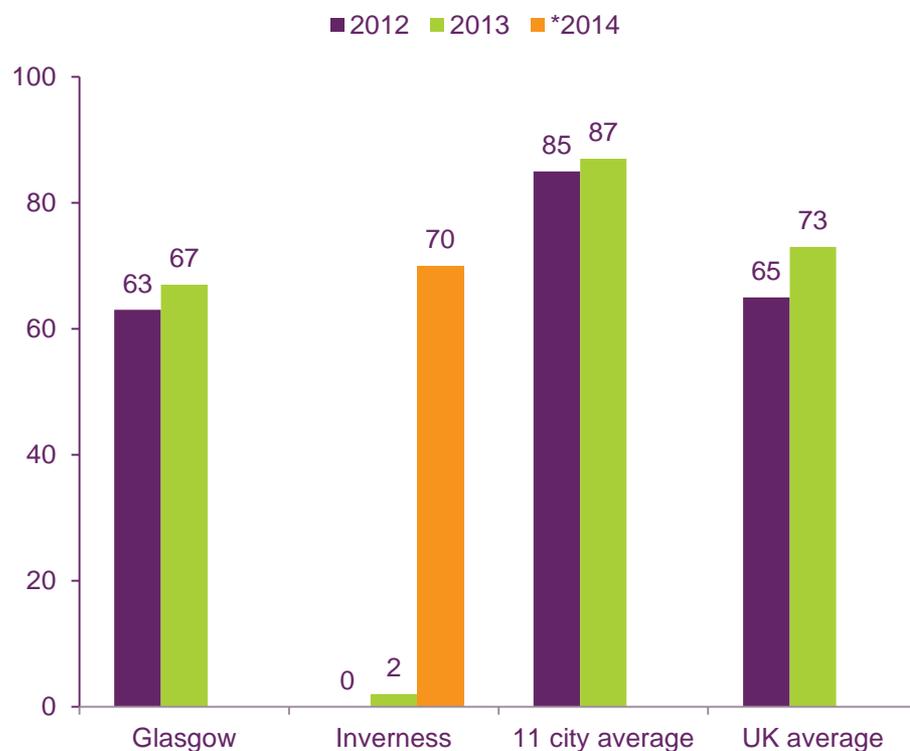
Source: Ofcom / BT, December 2013 data

- Only 48% of Scottish premises were able to receive Openreach fibre services, which falls to 35% when only looking at proportion of premises that are serviced by Virgin's fibre services.
- Unsurprisingly, urban areas tend to have a higher fibre reach as the investment cost of laying down fibre can be recouped faster as it connects a larger proportion of homes, due to the population density.
 - As there are more rural areas in Scotland and Wales, they tend to have a lower proportion of premises connected to fibre.
- The £410m Scottish Government, BDUK and BT partnership scheme is to provide fibre access to 95% of the Scottish population by 2017/2018. In July 2014, 55,000 premises were already reported to be able to access SFBB through the publicly supported roll-out.
- For the last 5% not covered by this roll-out, money and support will be available under the Community Broadband Scotland initiative. This is part of the Highlands and Islands Enterprise and supports communities seeking local solutions for connectivity. CBS aims to help bring improved broadband to rural Scottish communities that receive download speeds of less than 2Mbit/s.

Even within urban areas, Scotland's NGA availability is below the UK and 11 city average

NGA availability in Glasgow and Inverness by premises passed, compared to 11-city and UK average

Proportion of premises (%)



- Of Glasgow's 33 copper exchanges, 17 have already been upgraded to NGA resulting in just over half (51.5%) of the city's exchanges being upgraded.
- In comparison, at the time of this research Inverness only had 2% of premises able to access NGA which is significantly behind both the UK and 11 city average.
- It is worth noting that since this research was conducted for this report, data supplied by the Highlands and Islands Enterprise shows coverage of fibre broadband in Inverness has reached 70% (represented by the *2014 data series, this data was only available for Inverness).
- Highlands and Islands Enterprise (HIE) is leading a £146 million investment in broadband infrastructure and on completion around 84% of Highlands and Islands homes and businesses will have access to fibre broadband.

Source: Ofcom / BT, December 2013 data

11 cities include Scotland: Glasgow, Inverness, Northern Ireland: Belfast, Derry-Londonderry, Wales: Cardiff, Bangor, England: London, Birmingham, Manchester, Cambridge, Exeter

*2014 data provided by Highlands and Islands Enterprise

Total premises in Glasgow and Inverness which experience speeds of less than 2Mbit/s remains lower than the UK average, but higher than the average for the 11 major cities which were assessed

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

Proportion of connections (%)



- Even though availability of first-generation broadband is 99.8%, 5.5% of premises in Glasgow and 7.6% in Inverness receive broadband speeds of less than 2Mbit/s which is considered below the minimum requirement for a basic broadband service
 - This figure dropped by 2% for both cities over the previous year which could be due to increased take-up of NGA broadband services which offer higher speeds
 - Even though Glasgow and Inverness are lower than the UK average, which assesses both urban and rural areas, both had a higher proportion of lower speeds than the average of the 11 cities assessed

Source: Analysys Mason, Ofcom Infrastructure Report 2013

11 cities include Scotland: Glasgow, Inverness, Northern Ireland: Belfast, Derry-Londonderry, Wales: Cardiff, Bangor, England: London, Birmingham, Manchester, Cambridge, Exeter