

# PSB Review Wales Market Context

Full Annex

December 2014

## 1. Executive summary

## 2. Television Broadcasting in Wales

## 3. Radio Broadcasting in Wales

## 4. Press and Online news in Wales

## 5. Connectivity and Availability in Wales

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 Wales 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:

One of the most striking characteristics of the media landscape in Wales, in stark contrast with both Scotland and Northern Ireland, is the absence of a strong indigenous print media. Most readers of daily newspapers in Wales read UK newspapers which include very little content that relates to Wales and its devolved elected institution, the National Assembly for Wales.

Wales has lower coverage on the commercial DTT multiplex and higher take-up of satellite television than the UK average.

Spending on first-run originated nations' & regions' output for Wales has decreased significantly more compared to Scotland, Northern Ireland and the English regions

Despite a significant decline in expenditure, Wales still has the highest spend on language programming of the nations by some margin.

Total broadband take-up in Wales is lower than the UK average.

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

Sections	Key findings
<b>TV production, platform availability and take up in Wales</b>	<ul style="list-style-type: none"> <li>• DTT availability of the commercial muxes is the lower than the other devolved nations, while take-up across all TV platforms mirrors that of the UK average. In areas where DTT coverage is not available, satellite take-up has plugged the gap.</li> <li>• Of programming made for a Welsh audience by the PSBs, 923 hours were created in the English language in 2013, down 23% since 2008; and 2472 hours of original programmes were created for a Welsh language audience.</li> </ul>
<b>Radio in Wales</b>	<ul style="list-style-type: none"> <li>• Listeners in Wales are more likely than the UK average to listen to BBC network radio (mainly Radio 2 or Radio 4). Listening to local commercial stations in Wales is lowest across the UK.</li> <li>• New digital multiplexes have led to a an increase in digital stations. Ownership of DAB radios has increased to 42% (up from 27% 2013).</li> </ul>
<b>Press and Online News in Wales</b>	<ul style="list-style-type: none"> <li>• People in Wales buy or read more UK tabloid newspapers than local or Wales national papers.</li> <li>• There has been a decline in readership of the largest Wales daily national newspapers over the past five years, this is driven by the trend to digital which has affected the press sector as a whole.</li> </ul>
<b>Connectivity and availability for Wales</b>	<ul style="list-style-type: none"> <li>• Wales has the lowest availability of next generation access (NGA) broadband services in the UK, although this has increased by more than ten percentage points compared to June 2013.</li> <li>• In terms of connectivity, broadband take-up in Wales is lower than the UK average with connected device take up differing depending on the device, smartphones being lower and tablets being higher than the UK average, with 37% of homes owning more than two tablet devices.</li> </ul>

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In terms of DTT availability, Wales is largely underserved with the lowest coverage for the 6 commercial multiplexes, 20 percentage points behind the UK average

### DTT Coverage

Percentage of households predicted to be covered by DTT services

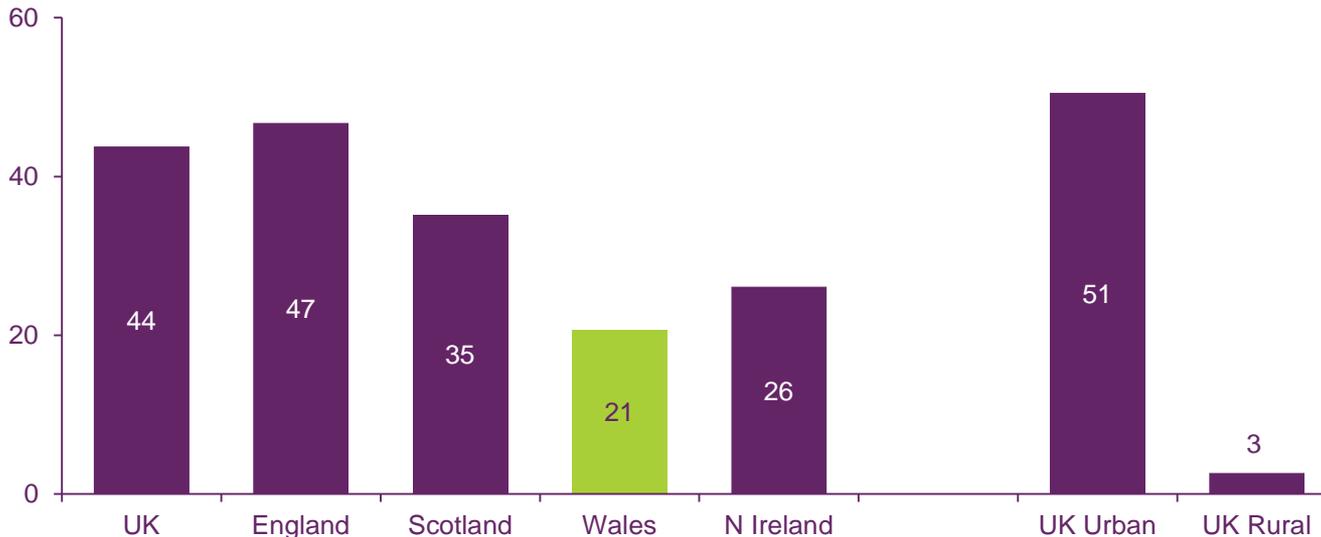
	UK	England	Scotland	Wales	NI
<b>3PSB Core</b>	>98.5	98.7	98.8	97.7	97.5
<b>6MUX Core</b>	90*	90.9	87.4	70.7	74.1

(\* 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 service 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. Wales has the worst coverage of all the nations, nearly 20 percentage points below the UK average
- Cable provision in Wales is also lower than the UK average with under a quarter of homes being able to receive Virgin Media services, half that of the UK average. This is because coverage is concentrated primarily in the major cities of Cardiff, Newport and Swansea in South Wales

Source: Ofcom / Virgin Media, June 2014 data

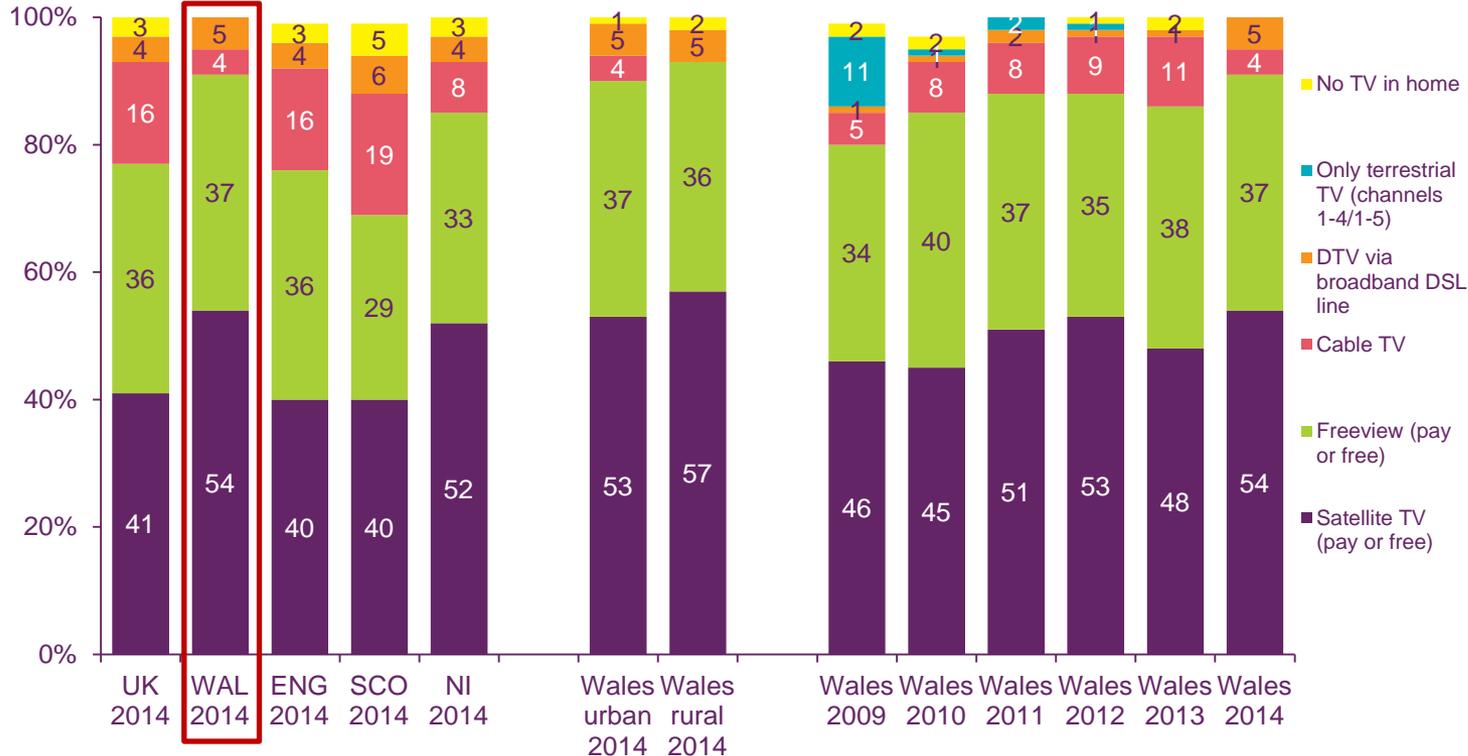
# Television Broadcasting in Wales

## TV take-up by platform

DTT and satellite remain the most widely-used platforms for TV in Wales; this is similar to the UK. However, DTV via broadband take-up remains the lowest of all the nations

### Main TV set by platform

Percentage of homes (%)



- More than half of TV homes in Wales have satellite (pay or free).
- As cable coverage has been restricted to the major cities and DTT coverage is not universally available across all of Wales, especially for the commercial muxes, take up of satellite is higher in rural areas than urban
- Similar to the UK, DTV via broadband now accounts for 5% of TV homes in Wales possibly as a result of both BT and Talk Talk offering YouView as part of their bundled service

QH1a. Which, if any, of these types of television does your household use at the moment? ...QH1b. And which of these do you consider is your main type of television?

Source: Ofcom research, Quarter 1 2014

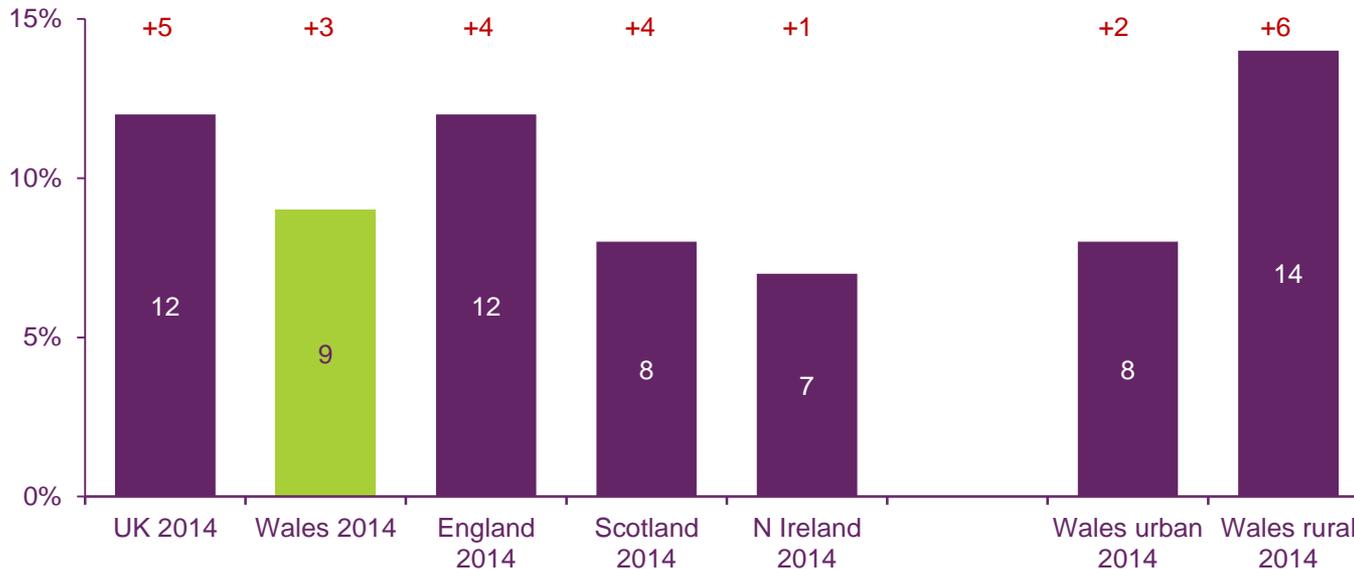
Base: All adults aged 16+ (n = 3740 UK, 491 Wales, 2249 England, 501 Scotland, 499 Northern Ireland, 252 Wales urban, 239 Wales rural, 987 Wales 2009, 1075 Wales 2010, 493 Wales 2011, 513 Wales 2012, 492 Wales 2013, 491 Wales 2014)

Smart TV take-up in Wales is the second highest of the nations, and 3 percentage points behind the UK average. Take-up is considerably higher in rural areas

### Smart TV take-up

Proportion of TV homes (%)

Figure above bar shows % point change in take-up of Smart TVs from Q1 2013



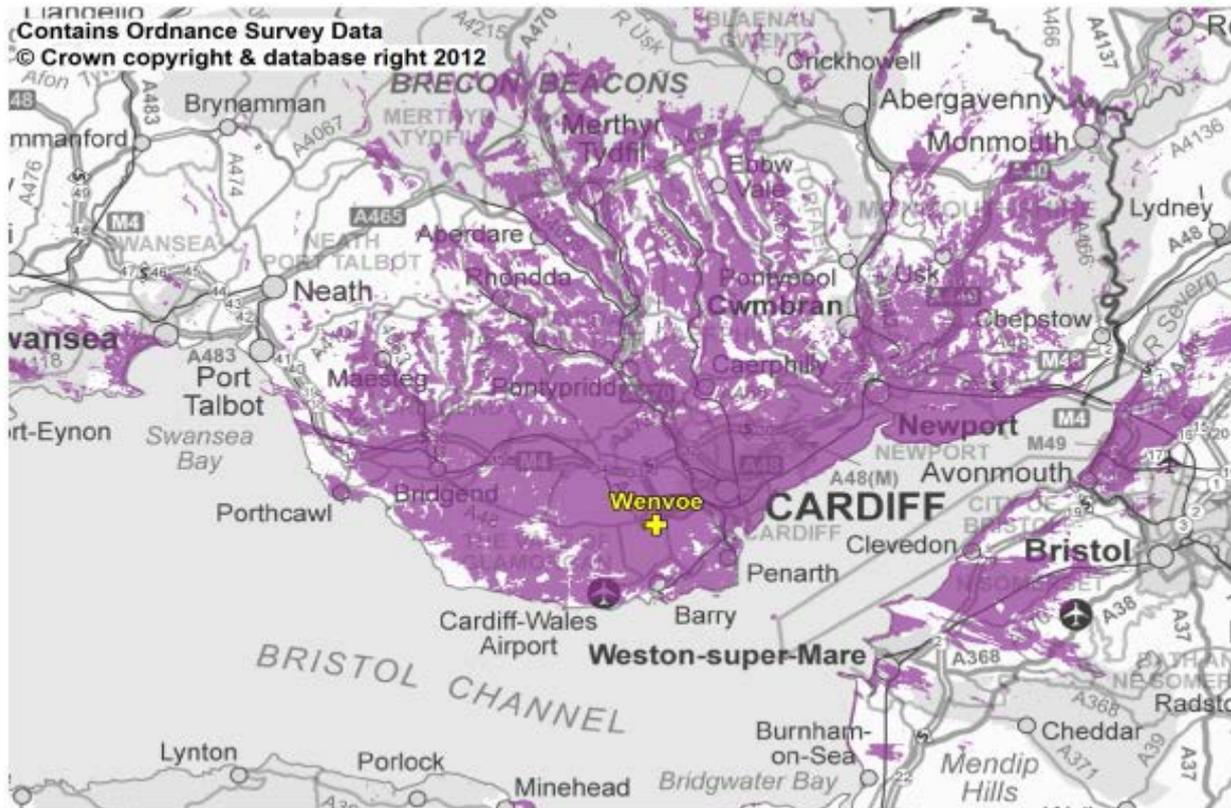
- The proportion of TV homes in Wales claiming to own a smart TV with an integrated internet connection has increased by three percentage points since Q1 2013 from 6% to 9%.
- Take-up across the UK however has increased and Wales is now 3 percentage points behind the UK average.
- Rural areas have seen a 6 percentage point increase over the past year with now 14% owning a smart TV, compared to 2 percentage points in urban areas with only 8% ownership

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)

### Three local TV licences have been awarded in Wales in Cardiff, Swansea and Mold



Cardiff – indicative coverage map

- The local TV licence for Cardiff is held by Made TV and commenced broadcasting on 15<sup>th</sup> October 2014.
- The estimated number of digital households covered by the service is 340,000\* (out of a total of 1,294,000 in Wales).
- Licences have also been awarded to Bay TV Swansea and Bay TV Clwyd to run services in Swansea and Mold respectively.
- The coverage of these two combined is estimated at 77,000 households.

(\*Approximate figures based on BARB viewing regions).

# Television Broadcasting in Wales

## Recent developments in Wales

### BBC



### ITV



### S4C



- There was a 30% growth in online usage - driven by mobile and tablet devices – with almost 3.7m unique browsers now accessing BBC Wales' interactive services each week.
- The BBC has unveiled plans to move its main headquarters in Wales to a new, purpose-built broadcast centre in Cardiff city centre by 2018.
- Cardiff's offer to the creative media industries has been strengthened since the BBC opened a new drama village at Roath Lock in Porth Teigr, Cardiff Bay. The drama village is now the location where the BBC among others host productions such as Dr Who, Torchwood and S4C's Pobol y Cwm.
- A stand alone licence for Wales was awarded to ITV in 2013. The licence will run 1 January 2015 for ten years. News output will remain at 4 hours per week and non-news output at 90minutes per week.
- It is difficult to break out the financials for ITV Wales as ITV does not publish these separately.
- ITV Wales moved base with a new production facility. ITV has also invested in two new satellite trucks covering stories in south and north Wales respectively.
- In July 2014 the Wales News Livestream achieved close to half a million unique users. ITV is due to launch a news app for Wales.
- ITV Wales has secured a network commission for autumn 2014 with an investigation for the ITV current affairs flagship *Tonight*.
- In May 2014, S4C published a consultation document 'The Future of Welsh Language Television' outlining services that will need to be offered in future in order to keep pace with the public's viewing habits. This follows the publication in 2013 of a new Operating Agreement between S4C and the BBC, ensuring that Welsh-language television has a secure future as S4C moves to being primarily funded by the BBC until 2017 while ensuring the editorial, managerial and operational independence of S4C.
- The cult crime noir series *Y Gwyll / Hinterland* is set to return to screens in Wales, following national and international acclaim for the first series. It premiered on S4C last year and has since been shown by BBC Wales, BBC4, and in Europe, the USA and Canada. *Y Gwyll/Hinterland* is produced by Fiction Factory in association with Tinopolis and All3Media International.

# Television Broadcasting in Wales

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

### Wales has seen the biggest decrease, by more than a fifth, in spend on nations' programming since 2008

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

Spend (£)



- In nominal terms, the year-on-year PSB spend in Wales has remained stable at around £26m over the last four years, after a sharp drop in 2009
- £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%) in nominal terms from 2012 and down by 13% since 2008

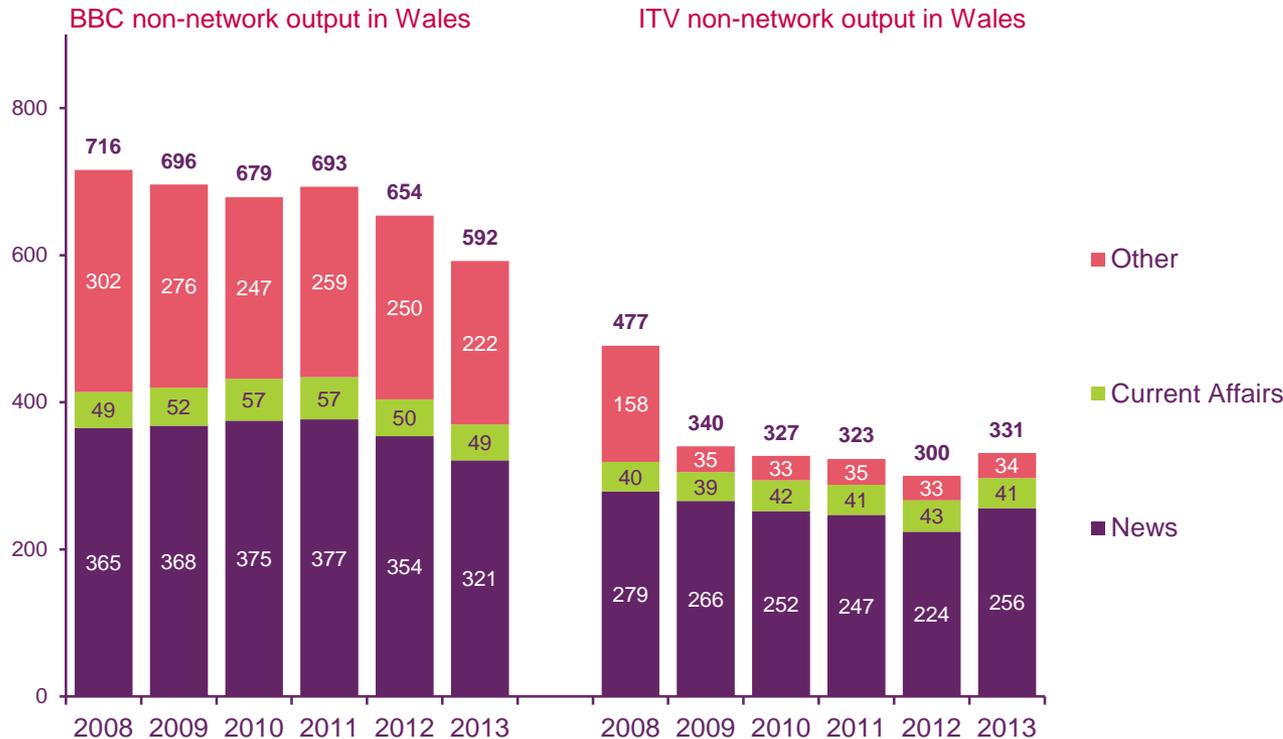
Source: Broadcasters. All figures are nominal.

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.

### The BBC provides the majority of non-network originated programming in Wales.

#### Welsh non-network programming

Total hours



Source: Ofcom/broadcasters

Note: Figures exclude S4C hours

- In April 2014\*, Tony Hall, Director General of the BBC, acknowledged the decline in English language programming in Wales by all broadcasters over the last decade. He also noted that, in response to budget cuts, the balance of BBC programming in Wales had shifted to focus on news and current affairs at the expense of English language programming covering other aspects of life in Wales.
- Between 2011 and 2013, there was a decline of 101 hours in BBC non-network/nations programming, with non-news programming declining most
- However, the BBC is still providing the bulk of non-news non-network programming Wales, in 2013 providing 222 hours as opposed to 34 hours by ITV Wales
- It is also the most significant provider of non-network TV news in Wales, and by a smaller margin, current affairs programming

\* In a speech in Cardiff to mark BBC Cymru Wales' 50th anniversary

# Television Broadcasting in Wales

Spend on news, current affairs and non-news

## Spend on non-news/non-current affairs accounted for more than half of total spend for non-network content broadcast in Wales



- Spend on non-news/non-current affairs accounted for more than half of total spend (55%); news accounted for a further 34%, with current affairs making up the remaining 11%.
- In addition to this, according to the latest annual report for financial year 2013/2014 the BBC also contributed £76.3m to the operational costs of S4C.
- It also incurred a further £23.5m of costs in delivering other content to S4C under the terms of the operating agreement. It also contributed £5.2m to content shown on BBC ALBA in Scotland.

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 total spend on BBC Alba or BBC spend on S4C output.

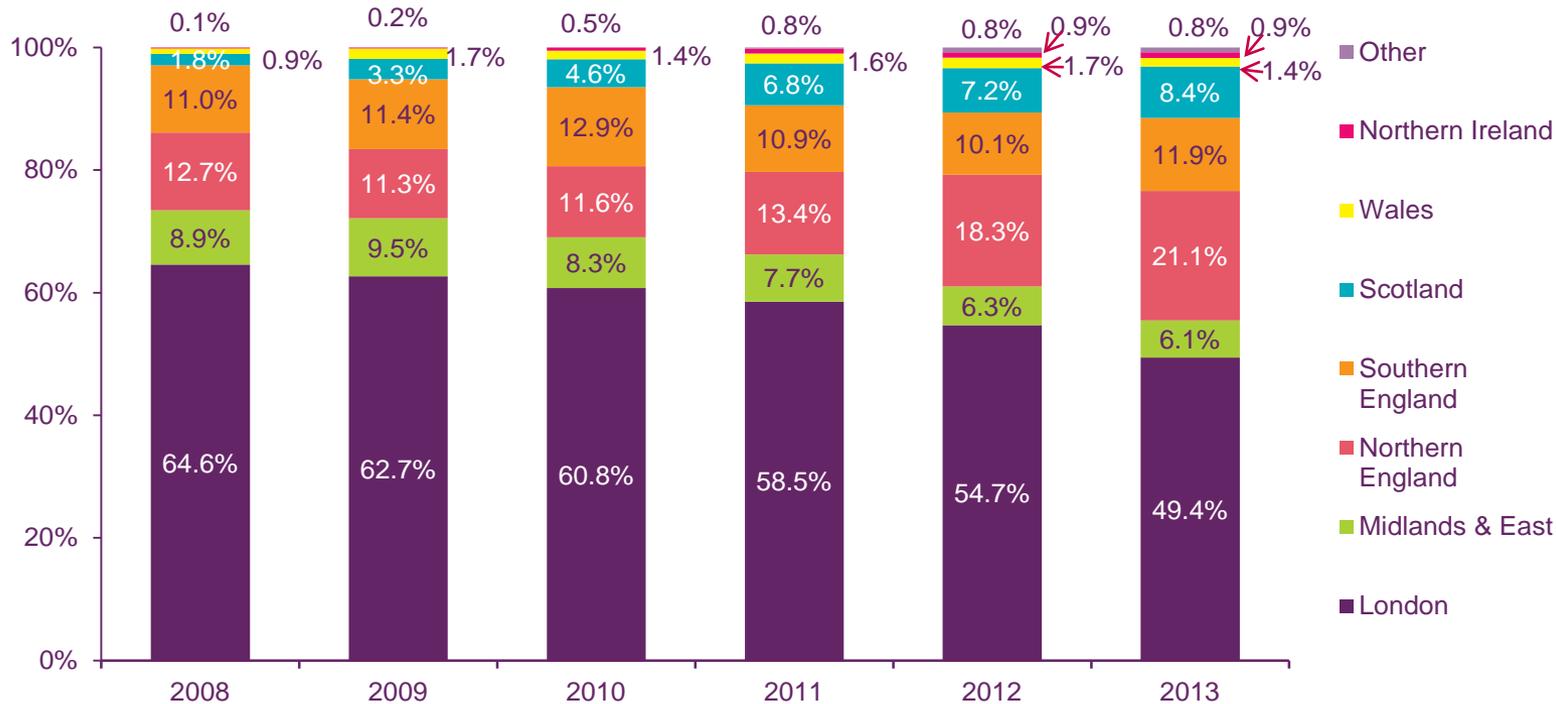
# Television Broadcasting in Wales

## Volume of network production

The volume of hours network programming made in Wales has remained relatively low since 2008

### Production by volume for regions

Percentage of volume (hours) (%)



- 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
- Wales accounted for 1.4% of hours, this is a decrease from 2012 when it was 1.7%

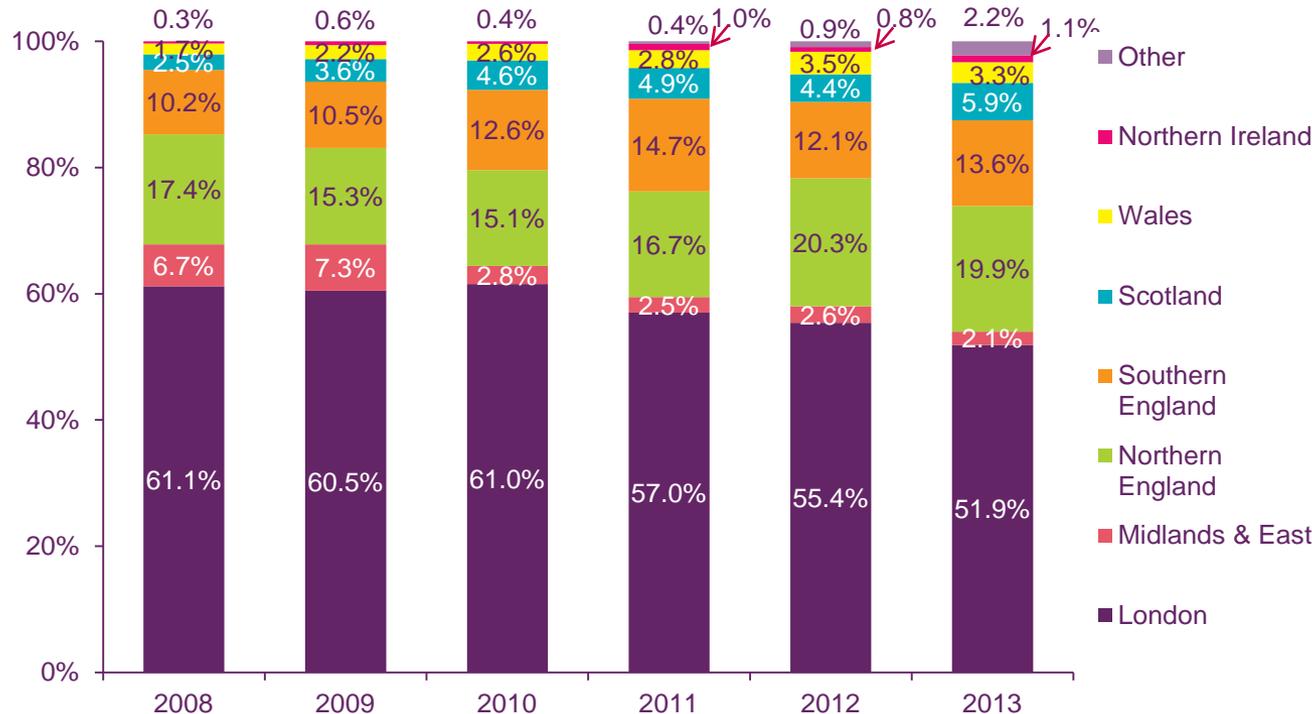
Source: Ofcom/broadcasters

Note: A new category 'Multi Nation/Region production' (noted 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/](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 for Wales declined in 2013

**Expenditure on production by region**

Percentage of spend



- After four years of growth, the share of spend in Wales declined from 3.5% to 3.3% in 2013
- The BBC has made a commitment to increase devolved nations production to 17% by 2016 (5% in Wales, in proportion to population). 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 combined from 2020.
- In January 2014, as part of its submission to the House of Common Culture, Media and Sport Select Committee's inquiry into 'The Future of the BBC' the body representing independent production companies in Wales (TAC) called for the BBC to increase portrayal of Wales on the network. TAC called for the BBC to commission more programmes from independent production companies to plug the gap in network portrayal

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/](http://stakeholders.ofcom.org.uk/broadcasting/guidance/programme-guidance/reg_prod/) on Ofcom website for further details.

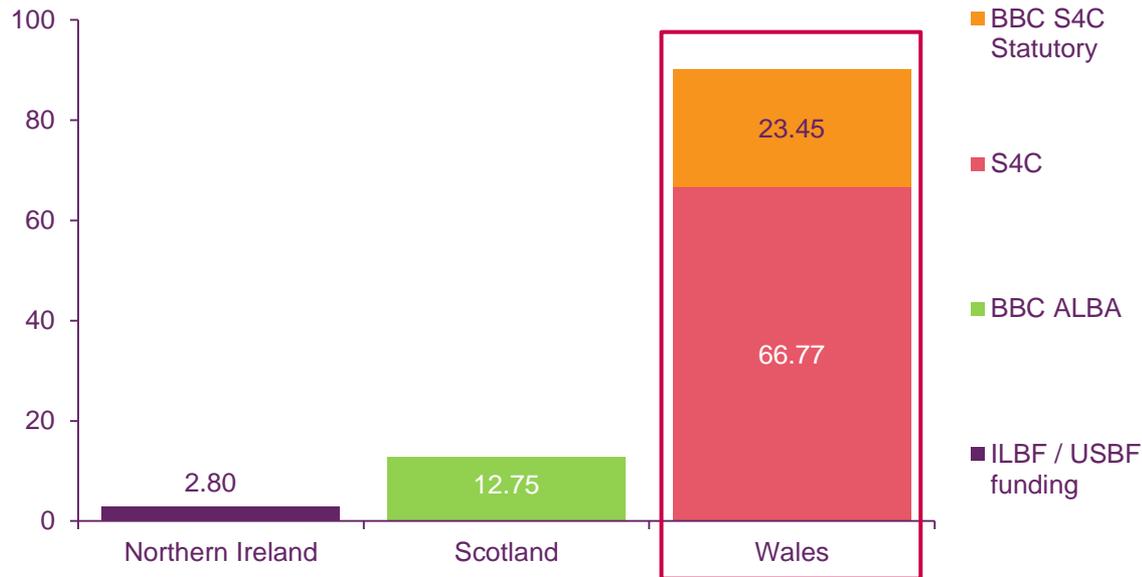
# Television Broadcasting in Wales

## Expenditure on indigenous language programming

Despite a significant decline in expenditure, Wales still has the highest spend on language programming of the nations by some margin

### Other spend on other programming in the devolved nations: 2013

Spend (£m)



- The combined spend of S4C and the BBC on programming on S4C was £90.2m in 2013.
- S4C spent £62m on first run Welsh language programming in 2013, a 9% **fall** in nominal terms on 2012. This was the third consecutive year of decline in spend.
- The total number of hours broadcast by S4C in 2013 rose by 91 hours to 6,720 hours, which was driven by increases in repeats and first-run acquisitions. Repeats continued to make up the majority of the channel's output, accounting for 56% of all programming during the year.
- 20% of the population in Wales are Welsh speakers, higher than indigenous language speakers in Northern Ireland or Scotland.

Source: Broadcasters.

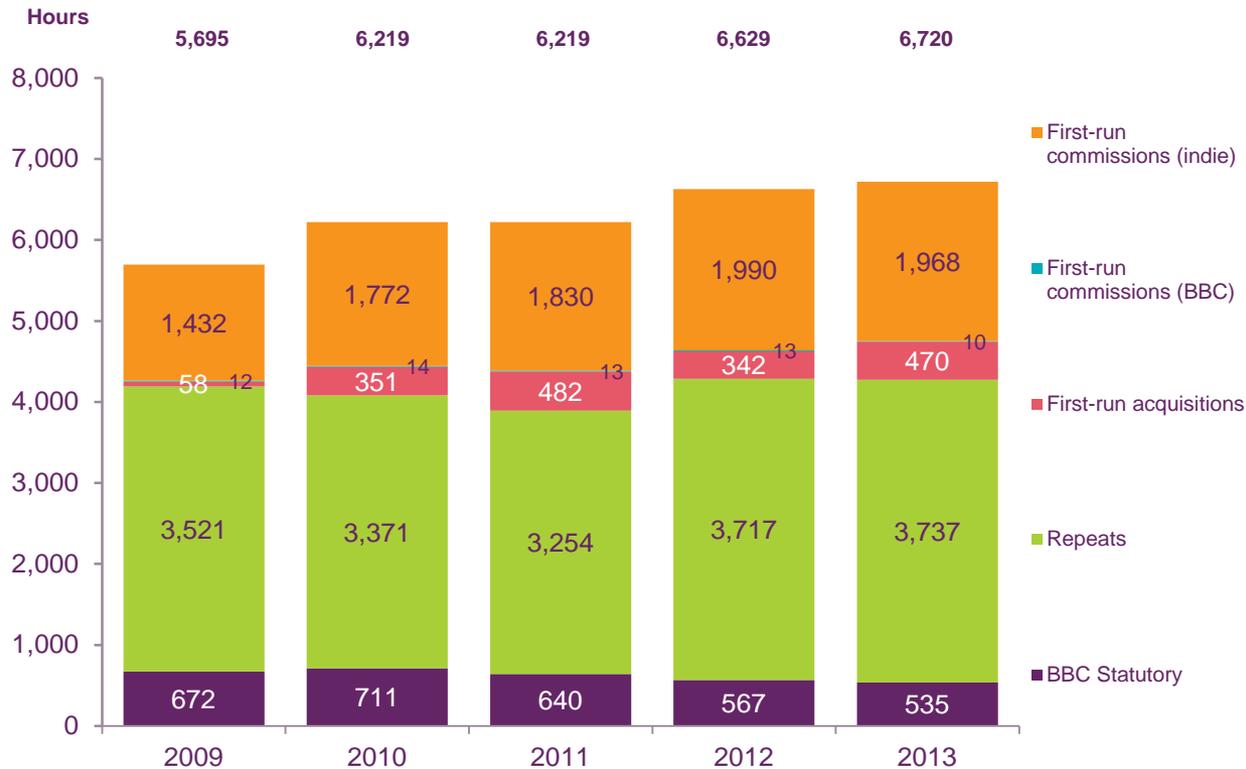
Note: BBC S4C Statutory refers to the cost to the BBC of programming supplied to S4C by the BBC as part of their Strategic Partnership Agreement and pursuant to section 58(1) of the Broadcasting Act 1990. Northern Ireland spend refers to additional production costs of Irish language and Ulster Scots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

# Television Broadcasting in Wales

## S4C Welsh language commissions

The total number of hours broadcast by S4C in 2013 rose by 91 hours to 6720 hours

Type of Welsh-language output on S4C, by hours



- Increase in hours was driven by repeats and first run acquisitions. Repeats continued to make up the majority of the channels output accounting for 56% of all programming during the year.
- Although not captured in data for Out-of-London production by PSB channels, S4C is the largest commissioner of programmes Wales\*. In 2013, S4C delivered 2,472 hours of original programmes from over 40 independent production companies\*.
- First-run commissions from the BBC dropped from 13 to ten hours for the between 2012 and 2013\*\*.

Source: S4C

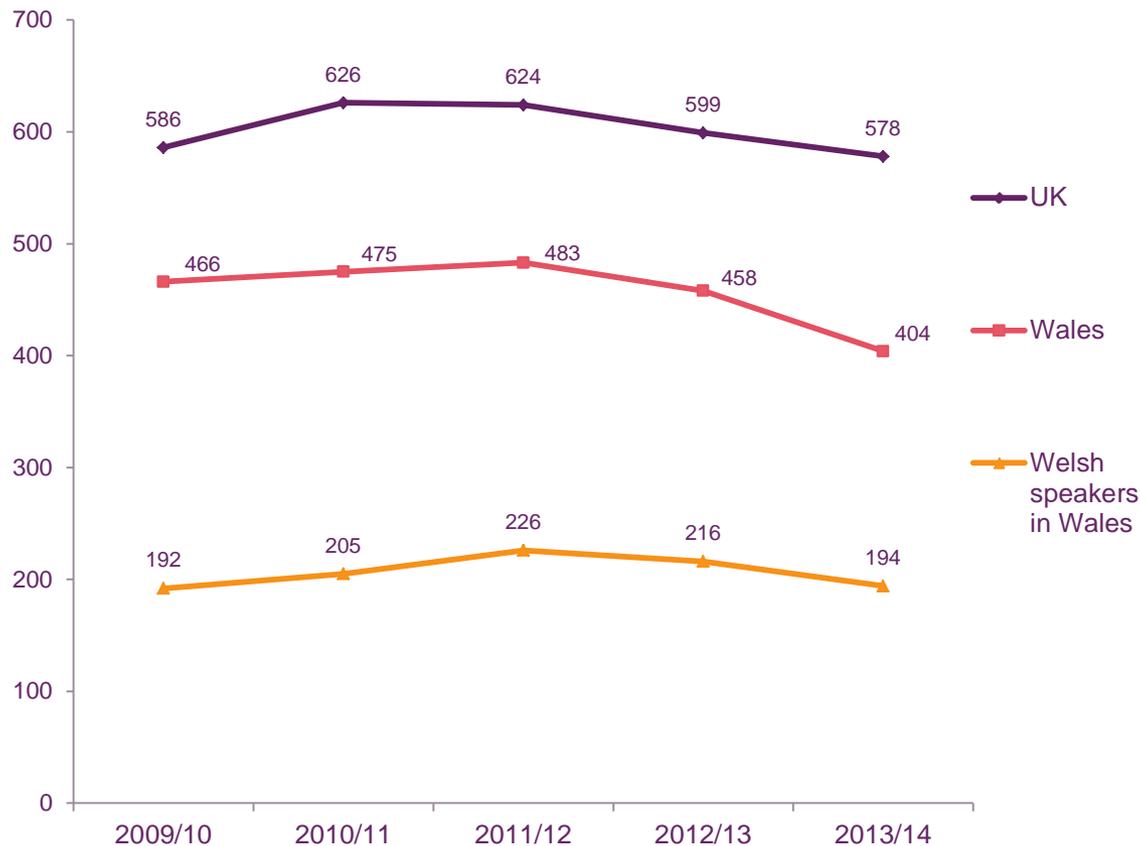
\* As captured in slide 14 ad 15

\*\*source: S4C annual report 2013/14

### S4C's reach has declined in recent years, although online viewing has grown

S4C's weekly reach across UK, Wales and Welsh speakers

Weekly Reach in 000s

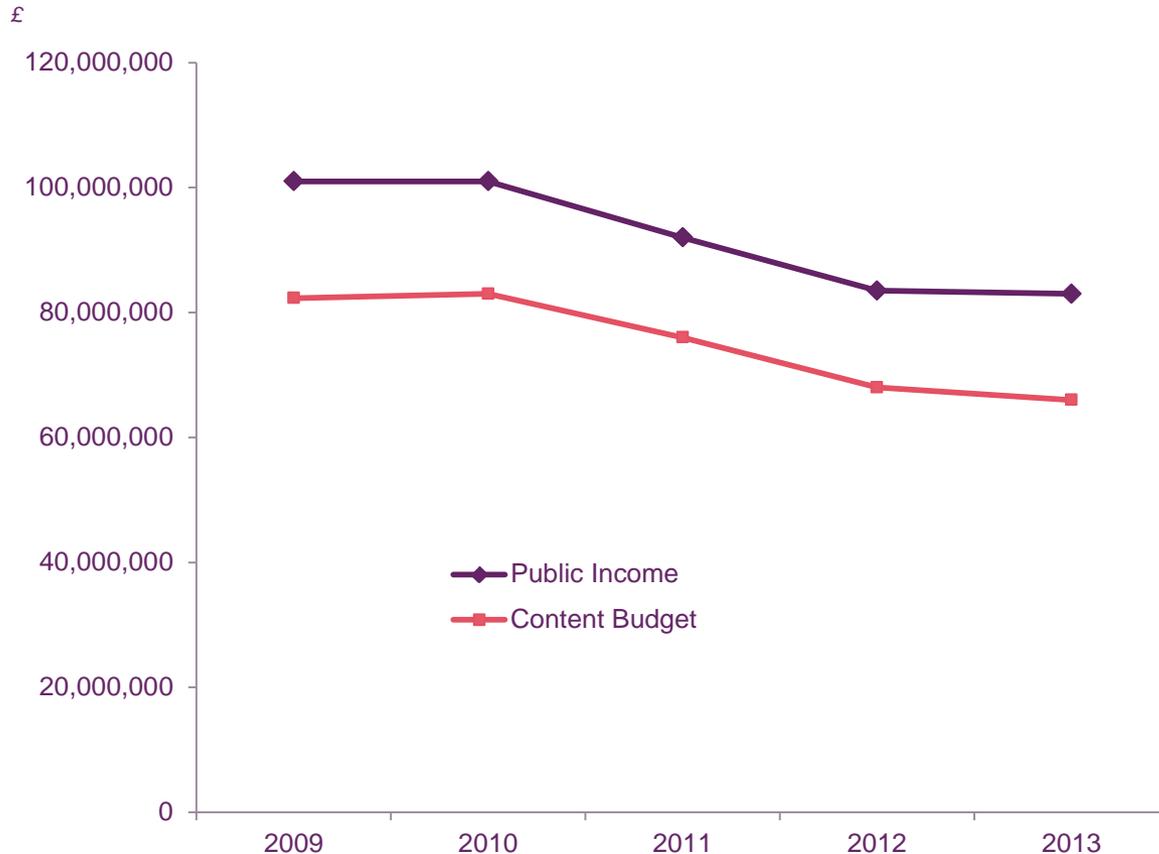


- S4C's weekly reach peaked in 2011/12 among viewers in Wales and Welsh speakers in Wales. Weekly reach has been declining among viewers in the UK and Wales since then. The number of Welsh speakers in Wales has remained stable
- S4C became available on Virgin Media during 2013/14
- Use of content via VoD platforms has grown in recent years. Online viewing of S4C increased 41% from the beginning of 2012 to March 2014. Viewing on mobiles has also increased mainly due to the creation of apps developed by S4C which make it easier to view content on mobile devices. There was an increase of 121% in the total app download figures between 2012 and 2013

Source: S4C Annual Report 2013/14

### S4C has experienced a decrease in public funding since 2011

Public Income and Content budget for S4C



- S4C has been delivering major savings since experiencing a reduction in funding since 2011. The cost per hour of S4C's service has decreased since then as has the cost of commissioned programmes from independent companies
- In 2013/14 79.5% of S4C's public income was invested directly in original content from the independent production sector
- The majority of S4C's public income is now provided by the BBC from the licence fee. In the past it came directly from DCMS.
- The allocation from the licence fee for 2013/14 and 2014/15 have previously been set at £76.3m and £76m respectively. For 2015/16 this will be £75.25m, and in 2016/17 £74.5m.

Source: S4C Annual Report 2013/14

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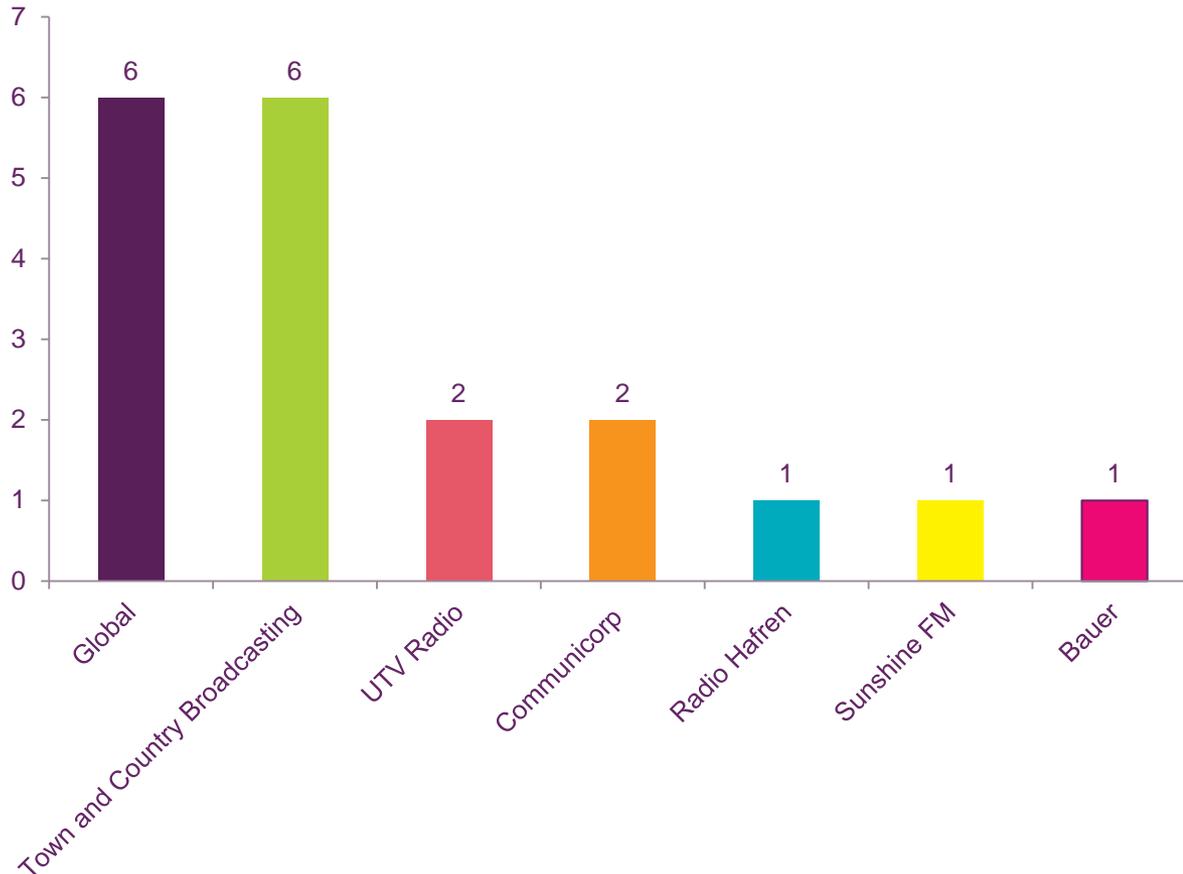
**4. Press and Online news in Wales**

**5. Connectivity and Availability in Wales**

There are only three independently owned commercial radio station in Wales, the remainder are part of larger groups

### Commercial radio ownership

Number of stations



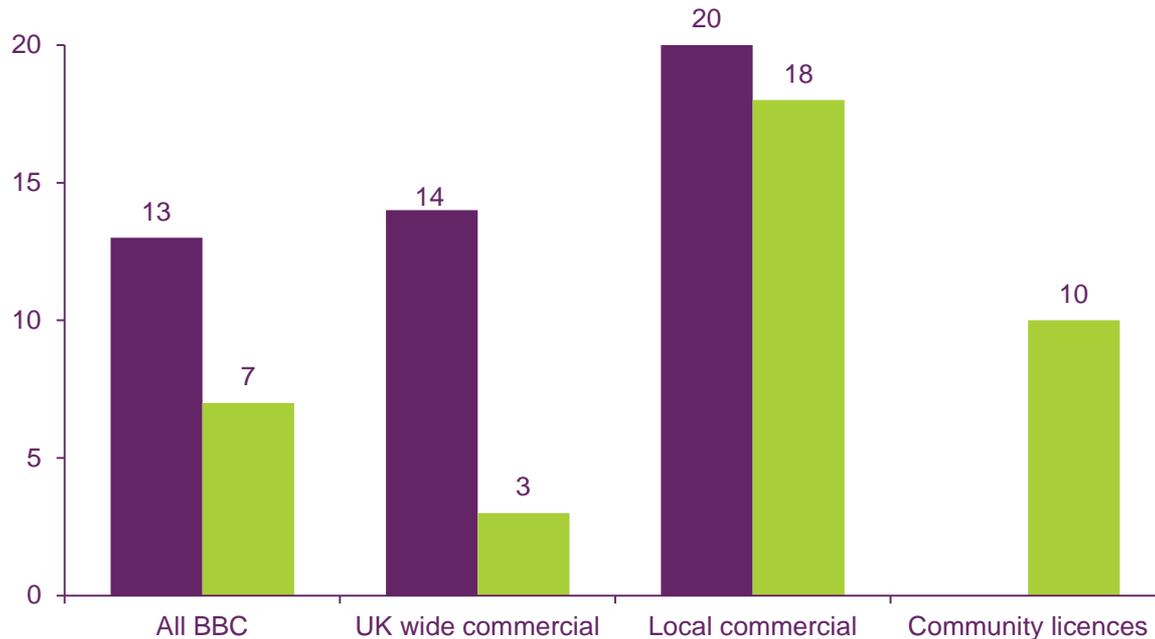
- Global and Town and Country Broadcasting own the majority of radio stations in Wales, 12 out of 19..
- UTV and Communicorp own a further two each, with Radio Hafren, Sunshine FM and Bauer owning one station each.
- Town and Country Broadcasting is a Wales-based radio group, whereas Global, UTV Radio, Sunshine FM, Bauer and Communicorp are UK-wide radio groups.

Two new DAB multiplexes launched during 2013 have improved DAB coverage and availability across Wales with 47 digital radio stations compared to 35 analogue radio stations

### Radio station availability in Wales

Number of stations available

■ Digital ■ Analogue



- By the end of 2013 the proportion of the population able to access Radio Wales and Radio Cymru on DAB stood at 65% (compared to 41% at the start of the year).
- There is a wide range of local commercial stations available in Wales, both on digital and analogue
- There are now ten community radio stations in Wales, following the launch of two stations during 2013. The Welsh Community Radio Fund was discontinued by the Welsh Government in 2013.

Source: Ofcom, April 2014

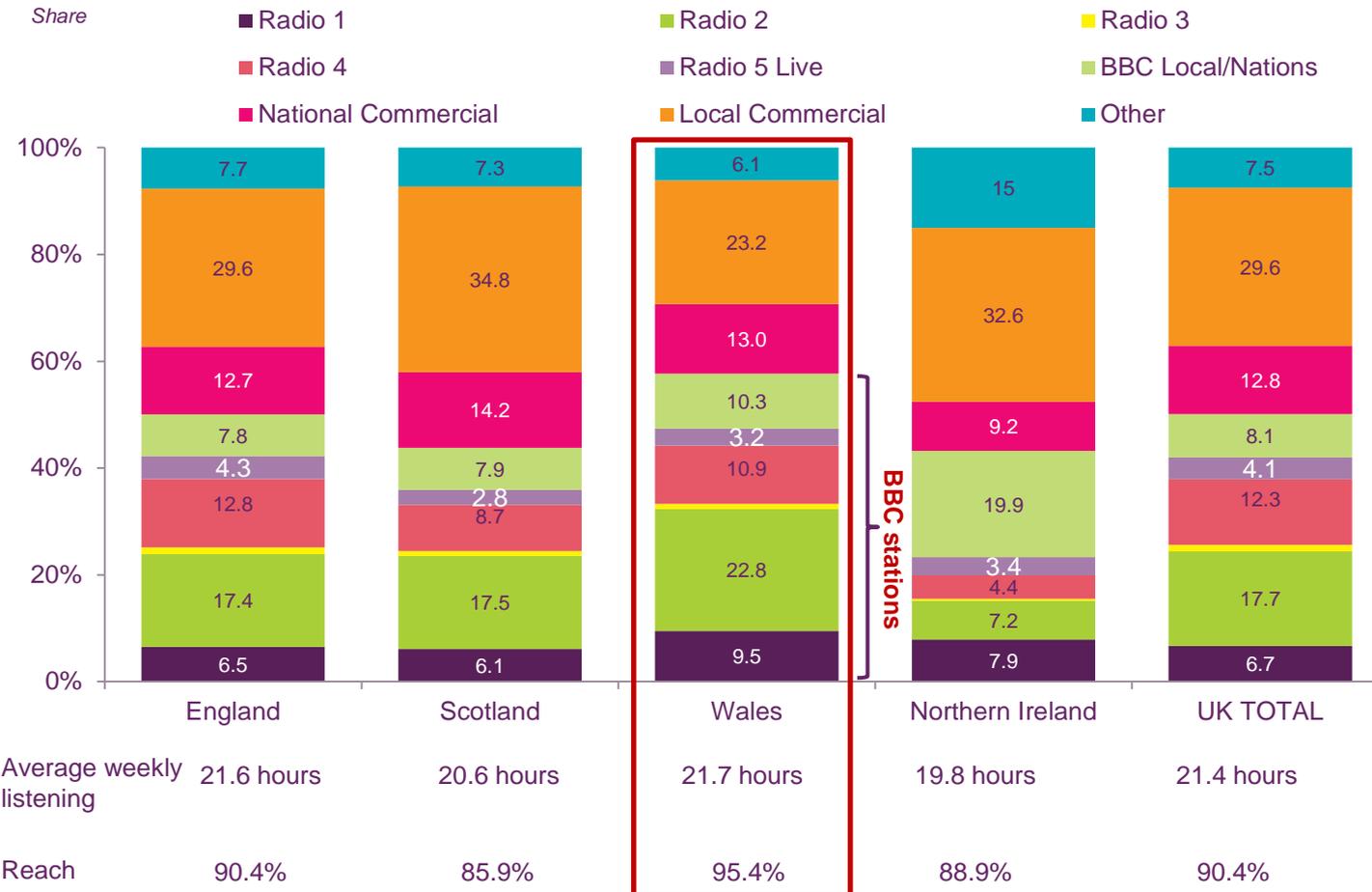
Note: This chart shows the maximum number of stations available; local variations along with reception issues mean that listeners may not be able to access all of these

# Radio Broadcasting in Wales

## Share of listening

People in Wales listen to 21.7 hours of radio per week, higher than the UK average, however the majority of the listening is to BBC Network stations rather than local commercial stations

Share of listening hours by nation: 2013



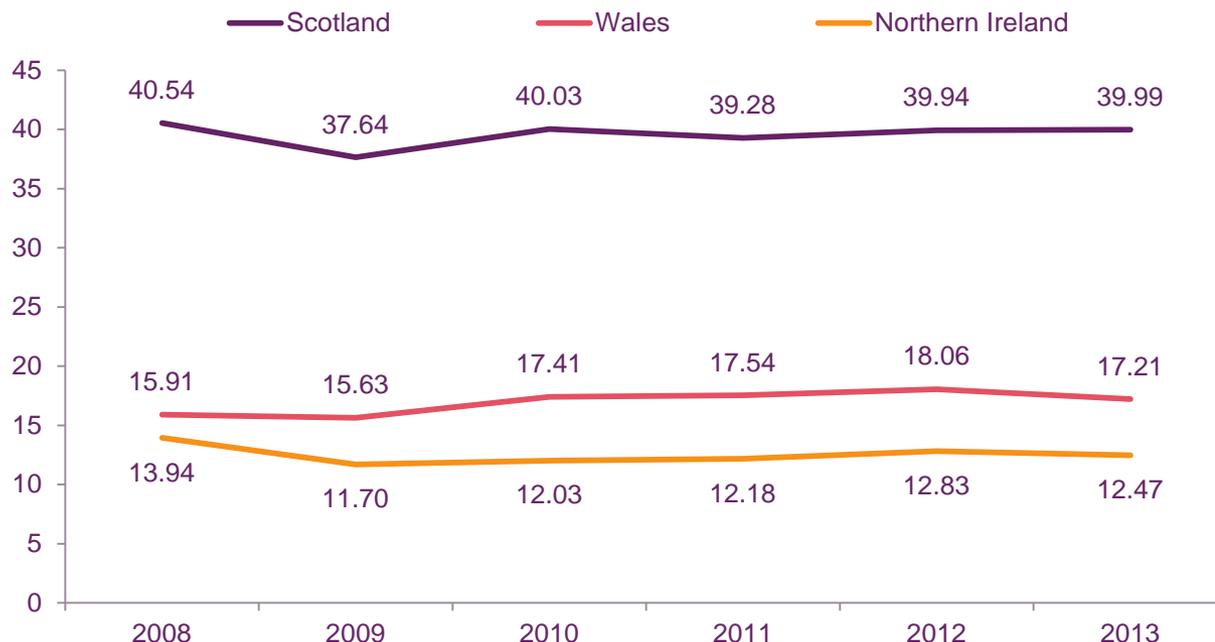
- In 2013 radio services reached 95.4% of the adult population in Wales, this is 5 percentage points higher than the UK average, and the largest reach of the nations.
- BBC network stations accounted for 51% of the total share of listening hours for Wales – more than Scotland or Northern Ireland and slightly above the UK average. This was driven by high levels of listening to Radio 2 and Radio 4.
- Listening to Radio Wales/Cymru accounts for 10.3% of all listening.
- Listening hours for local commercial stations is lowest in Wales compared to the other nations.

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 Wales accounting for the second highest proportion of revenue

### Local Commercial Radio Station Revenue

Revenue in £m



- In Wales, commercial radio revenue reached its peak in 2012 as it recovered from the economic recession.
- Commercial radio revenue across all the nations have followed a similar pattern over the past five years.
- Ken Skates the newly appointed Deputy Minister for Culture, Sport & Tourism at a debate on public service broadcasting at the Welsh Assembly\* raised concerns that, “over the past five years broadcasting directly aimed at Welsh listeners and viewers has seen a 23% reduction in first run programmes for Welsh consumers and that clearly a fresh review of Welsh needs is warranted”.

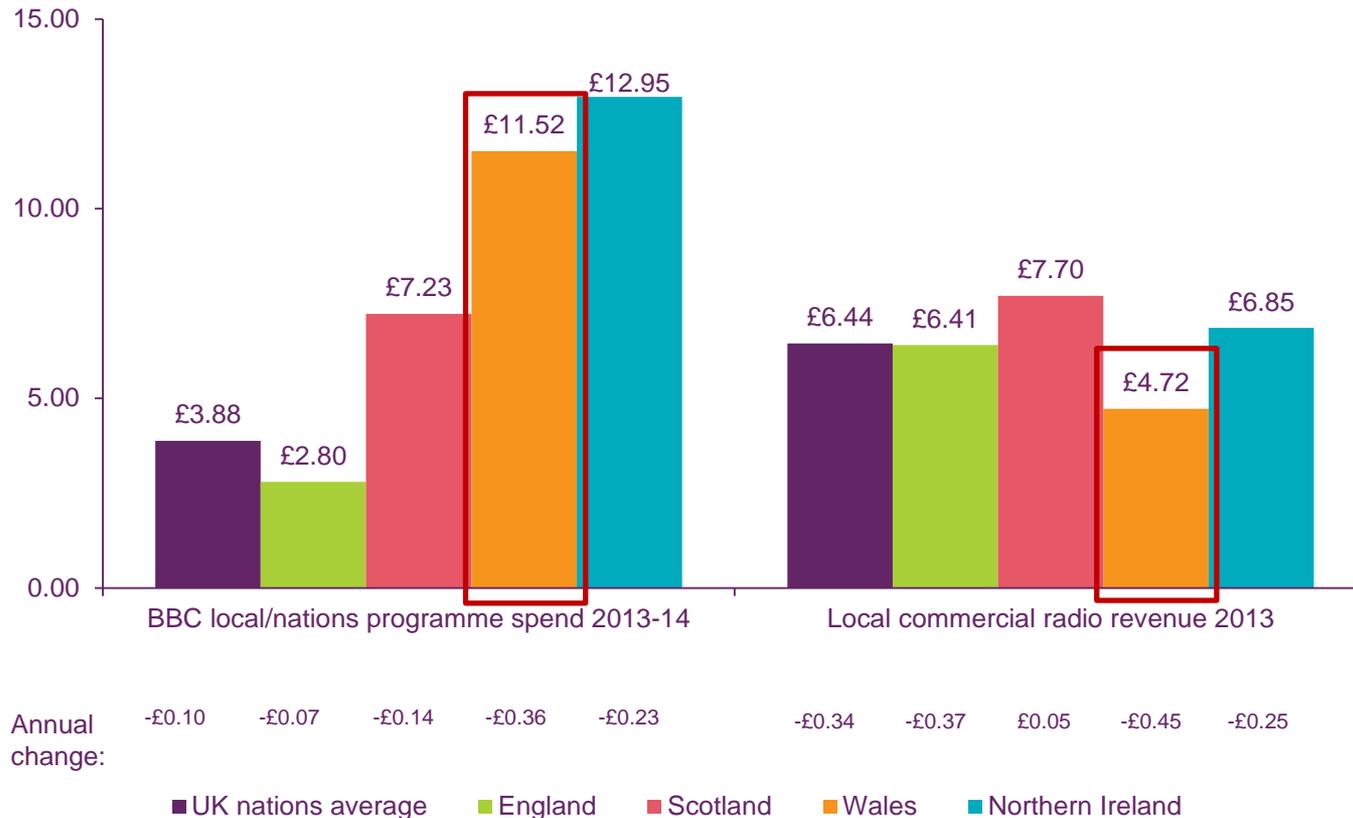
\* 30 September 2014

Source: Ofcom

### BBC's spend per capita in Wales is second highest after Northern Ireland and significantly higher than the UK average

#### Local/nations radio spend and revenue per head of population

Radio revenue / spend per head (£ per capita)



- Due to Wales's small population, BBC spend per head was second highest of the nations and significantly higher than the UK average.
- The BBC runs two services in Wales – Radio Wales and Radio Cymru.
- In terms of local commercial revenue, Wales has the lowest revenue per capita.
- Spend by the BBC and local commercial stations revenue have both decreased since 2012, but this has been the case across all the nations.

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 Broadcasting in Wales

## Radio sector revenues per capita

Radio spend by the BBC and commercial revenue generated by commercial radio stations remained relatively stable in Wales between 2009 and 2012/13; there was a decrease in both in the last year

Local/nations radio spend and revenue per head of population

Radio revenue / spend per head (£ per capita)



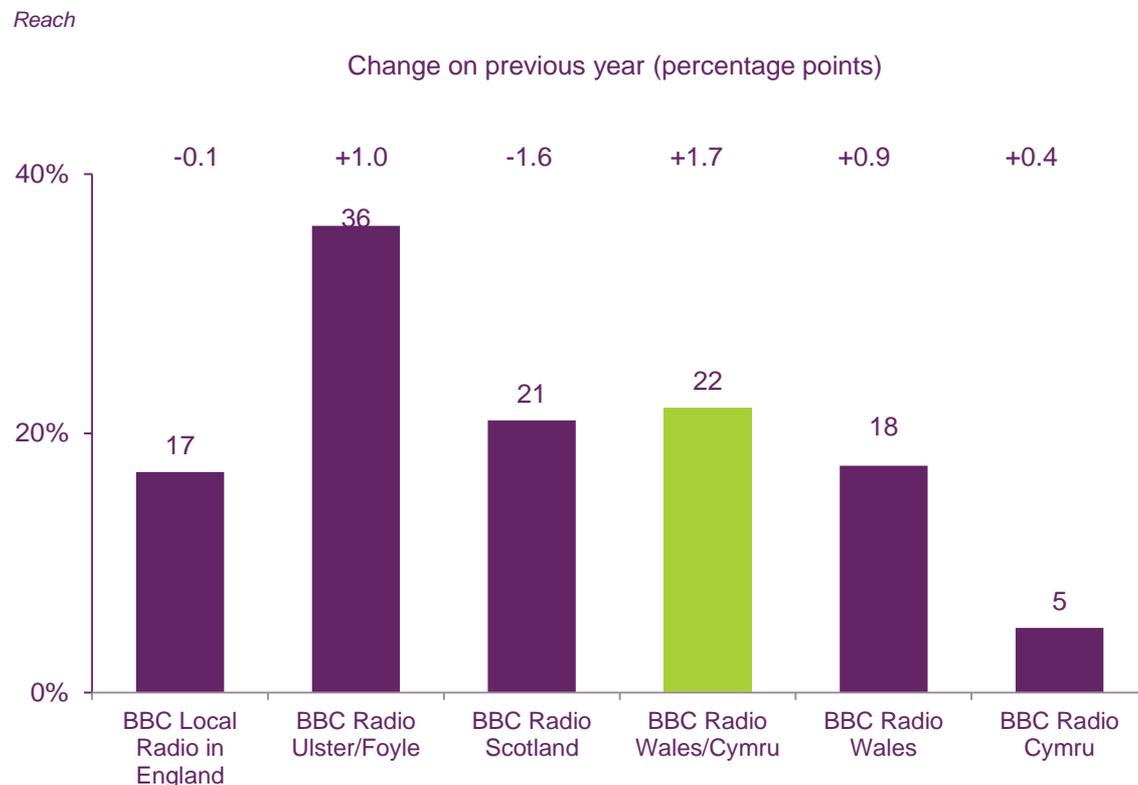
- Adjusting for population size, Wales has the lowest revenue per head of the UK nations for the past five years

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 Wales and Radio Cymru increased 1.7 percentage points from 2012 to reach 22% of all adults during an average week in 2013

### Weekly reach for nations/local BBC services



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

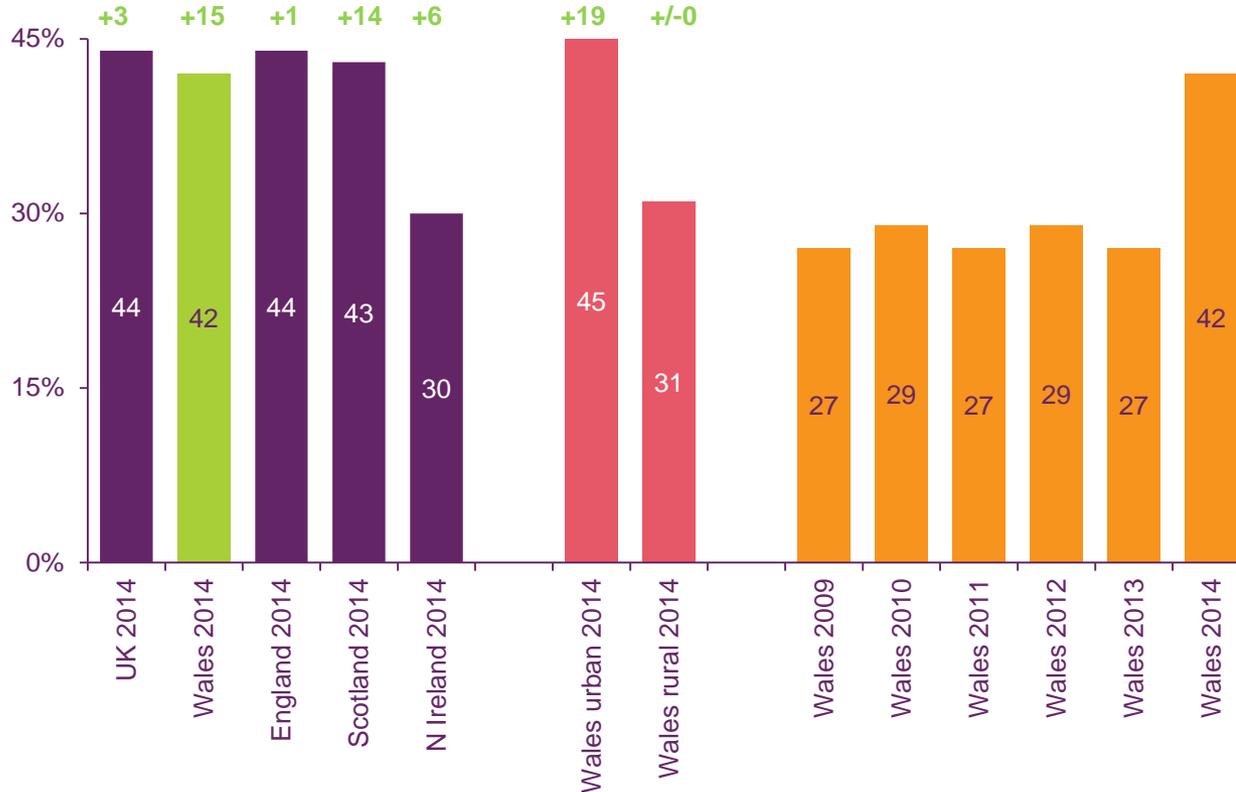
- Taken together Radio Wales and Radio Cymru reached more of the population than local BBC services in Scotland and England reflecting the popularity of the BBC in Wales
- BBC Radio Wales experienced more of an increase than BBC Radio Cymru in the past year
- It is worth noting that there is not 100% coverage for BBC radio stations in Wales. The indoor coverage on FM is:
  - Radio Cymru: 97% and;
  - Radio Wales: 80%
- However, local BBC radio in Northern Ireland remains by far the most popular compared to other local BBC stations in the UK

### Wales has seen the largest increase in DAB radio set ownership, likely related to new digital multiplexes being launched

#### Ownership of DAB digital radios

Percentage of radio listeners

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



- However, there is now a large gap (14 percentage points) in DAB ownership between urban and rural Wales.
- A new multiplex to cover North-West Wales is due to be launched in Q4 2014, and this may help drive ownership in rural areas

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

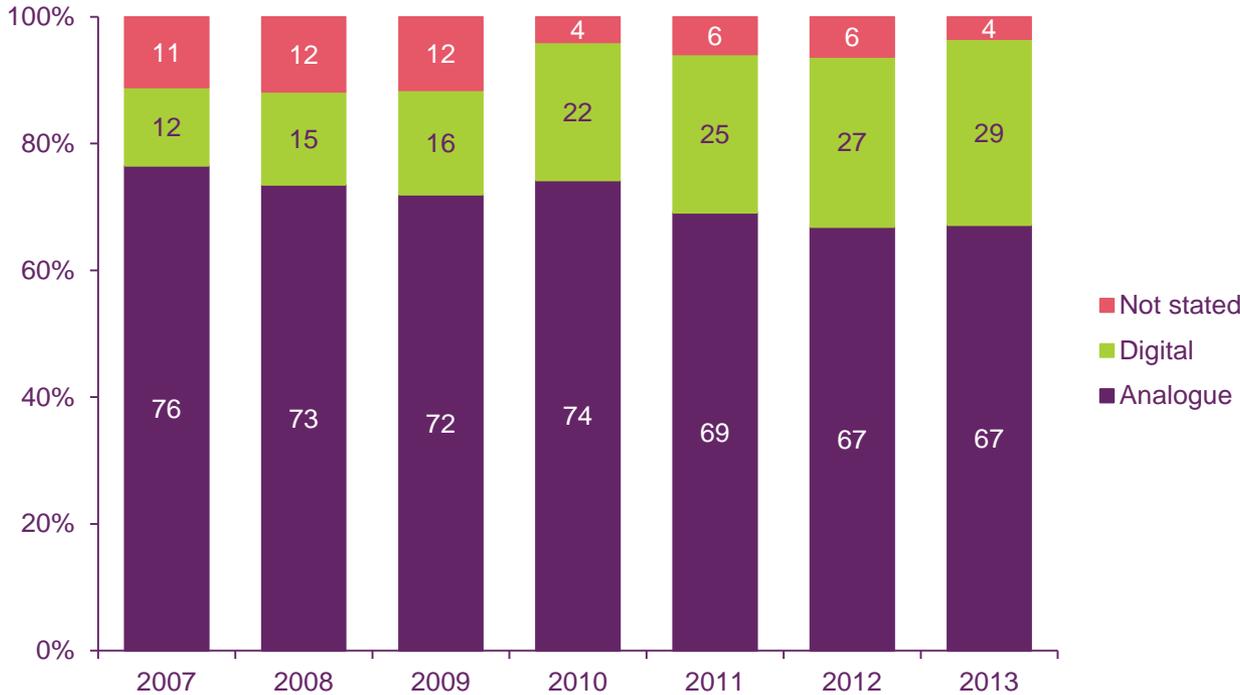
Scotland rural, 780 Scotland 2009, 1034 Scotland 2010, 357 Scotland 2011, 364 Scotland 2012, 375 Scotland 2013, 392 Scotland 2014)

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

Despite a high number of digital stations and the increase in DAB ownership, only 29% of listening is currently via digital, however this may increase as DAB ownership and coverage improves

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

Share of total listening hours (%)



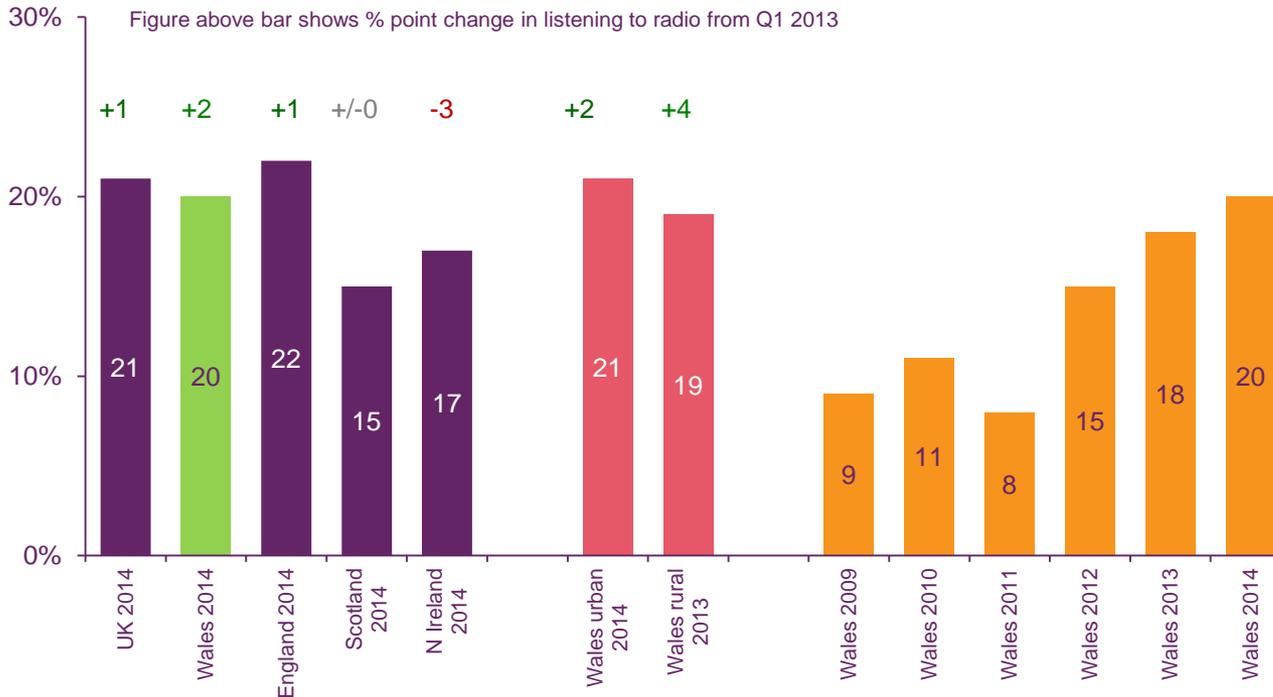
Source: RAJAR, all adults, calendar years 2007-2013

- 2013 to 2014 saw an increase of DAB radio ownership in Wales from 27% to 42% with growth in urban areas increasing from 26% to 45%.
- In 2013, when ownership of DAB radios was 27%, share of digital listening grew to 29%. Therefore it is expected that ownership of digital radios will influence digital listening with greater growth in 2014 due to increased ownership of DAB radios
- Growth is also likely to further continue as coverage improves in Wales with more digital transmitters planned.
- However, an area of concern exists with coverage on the move which is a known problem due to the topography of Wales.

### Welsh people are more likely than those in Scotland or Northern Ireland to listen to the radio on their mobile phones

#### Listening to radio via mobile phone

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



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)

- There has been a 2 percentage point increase in the number of people listening to radio services on mobiles in Wales, which brings it close to the UK average
- The proportion of adults in Wales who listen to any kind of audio on their mobiles (27%) is higher than those in Scotland (20%) but below the UK average (29%) and Northern Ireland (31%)
- Interestingly, there is little difference in listening to the radio on mobiles in urban or rural areas

**1. Executive summary**

**2. Television Broadcasting in Wales**

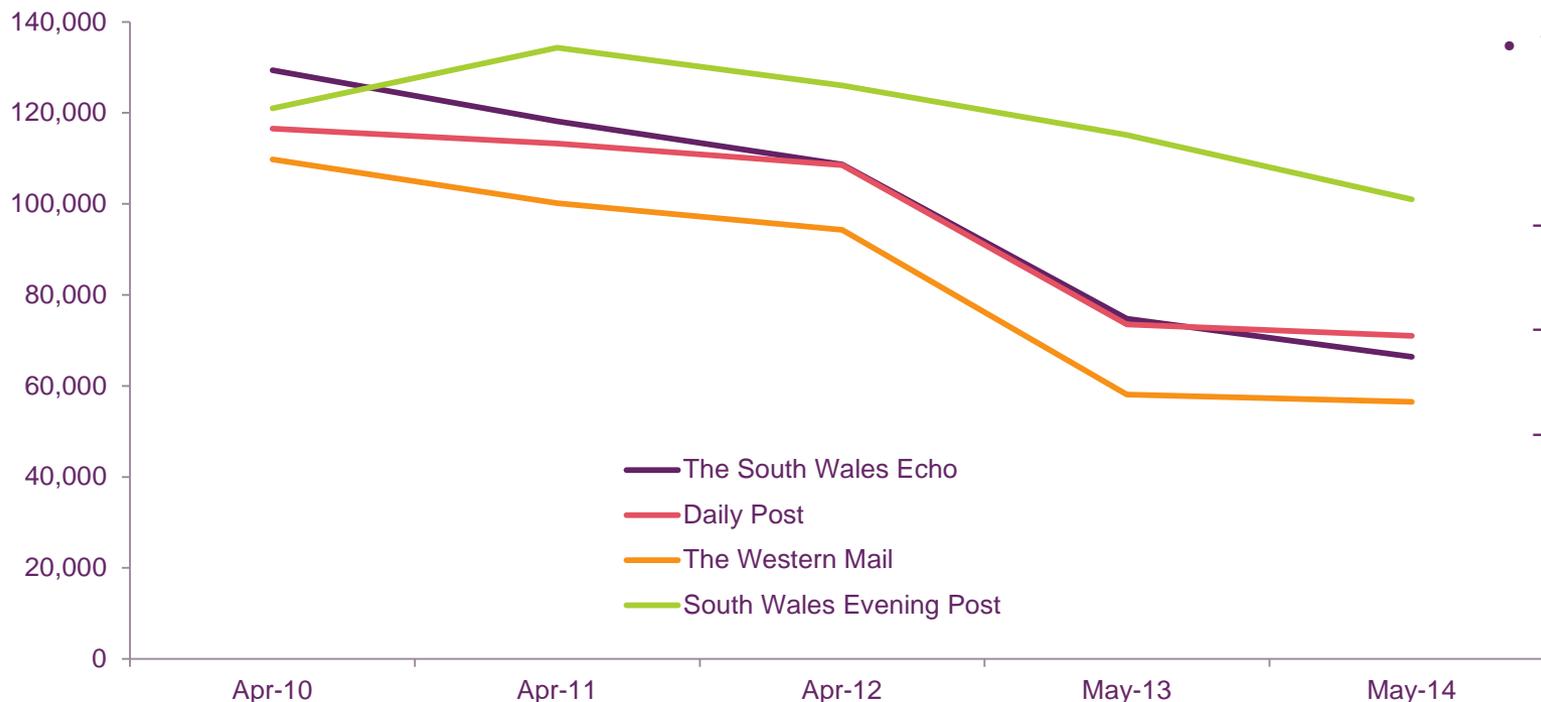
**3. Radio Broadcasting in Wales**

**4. Press and Online news in Wales**

**5. Connectivity and Availability in Wales**

The four main daily newspapers in Wales have all witnessed similar declines in readership, *The South Wales Echo* and *The Western Mail* having lost around half of their readership since 2010

Trend readership of daily regional newspapers, Wales



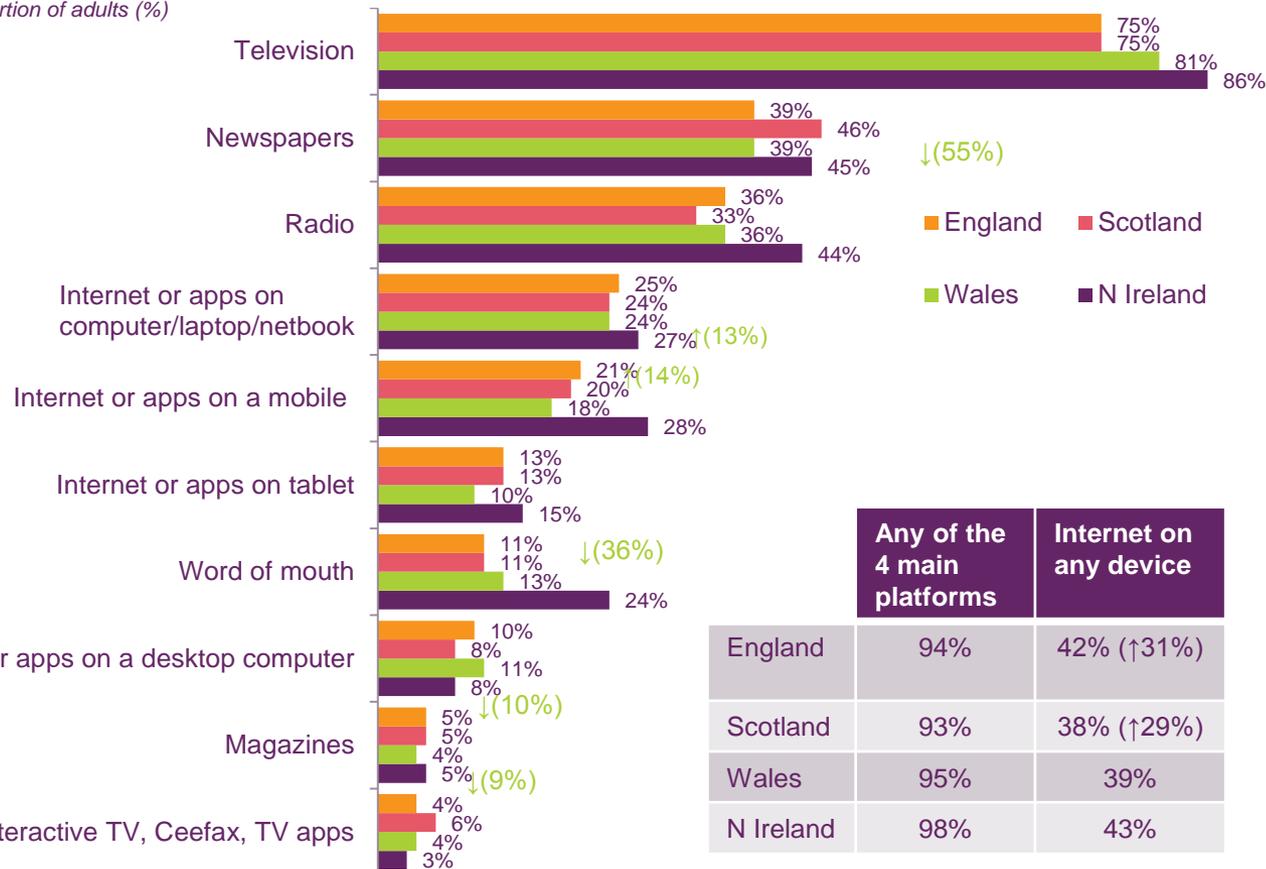
- The cause of the decline in readership of print-based newspapers is due to a number of factors:
  - The rise of internet and the resulting online media
  - Economic pressures based on loss of advertising revenues
  - Increasing costs of production and distribution

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

**8 in 10 adults in Wales (81%) use Television to obtain news, this is lower than Northern Ireland but higher than Scotland, with less than half using newspapers, and only a third using radio**

Platforms used for news 'nowadays', by nations

Proportion of adults (%)



- 95% of respondents in Wales 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 consumed by less than half of adults in Wales decreasing from the previous year as accessing news via the internet increases.
- Just over 1 in 10 (13%) of people in Wales use word of mouth for news

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

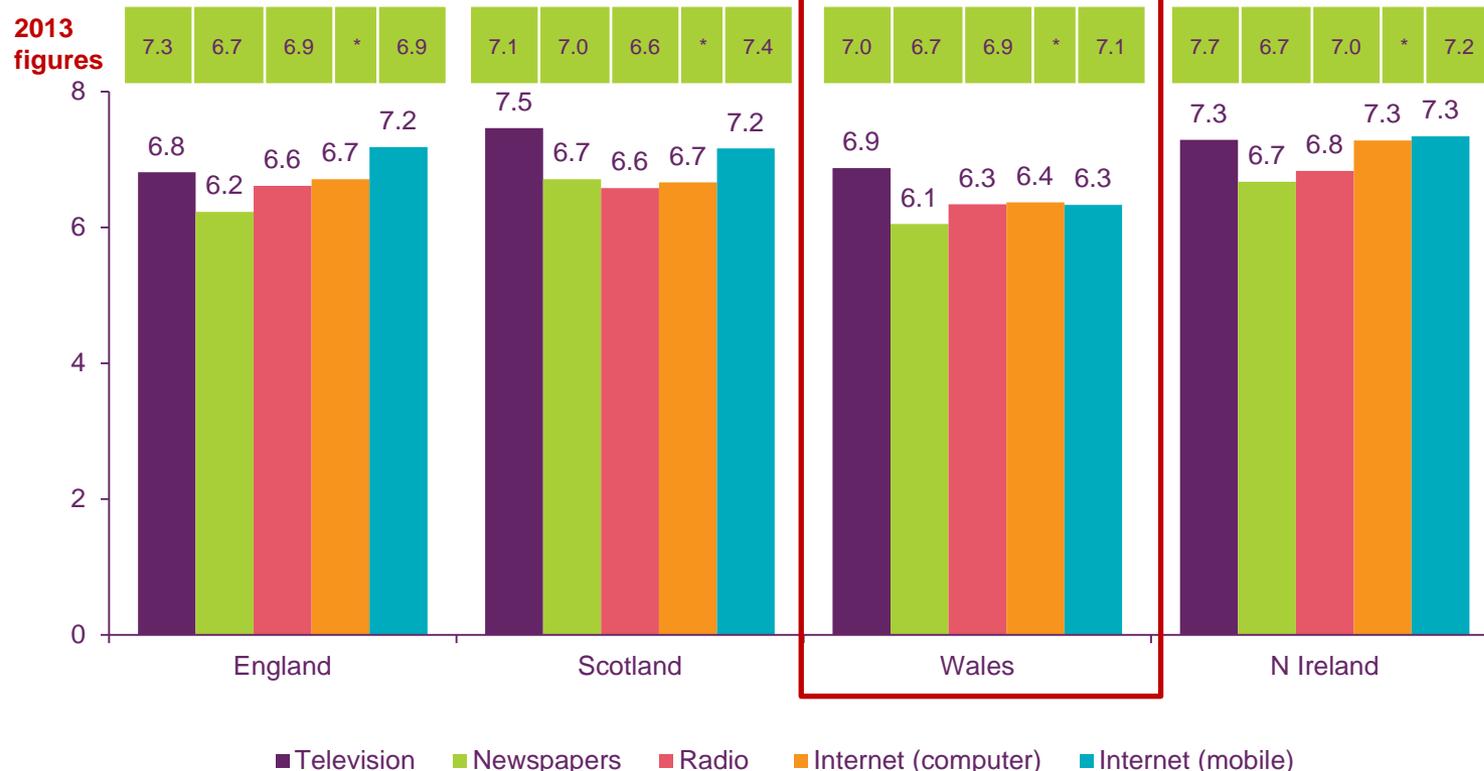
•Base 2014: All adults 16+ who follow the news (2731), England (1641); Scotland (363); Wales (376); NI (351)

•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

The importance of Internet accessed via a computer has remained stable in 2014 in Wales, however, all other platforms have seen a decrease in importance

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



- In comparison with other sources which have all declined, the importance of the internet via a computer and TV platforms as means of accessing news in Wales remain broadly stable.
- Newspapers, radio and internet via a mobile have decreased.

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 linternet (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

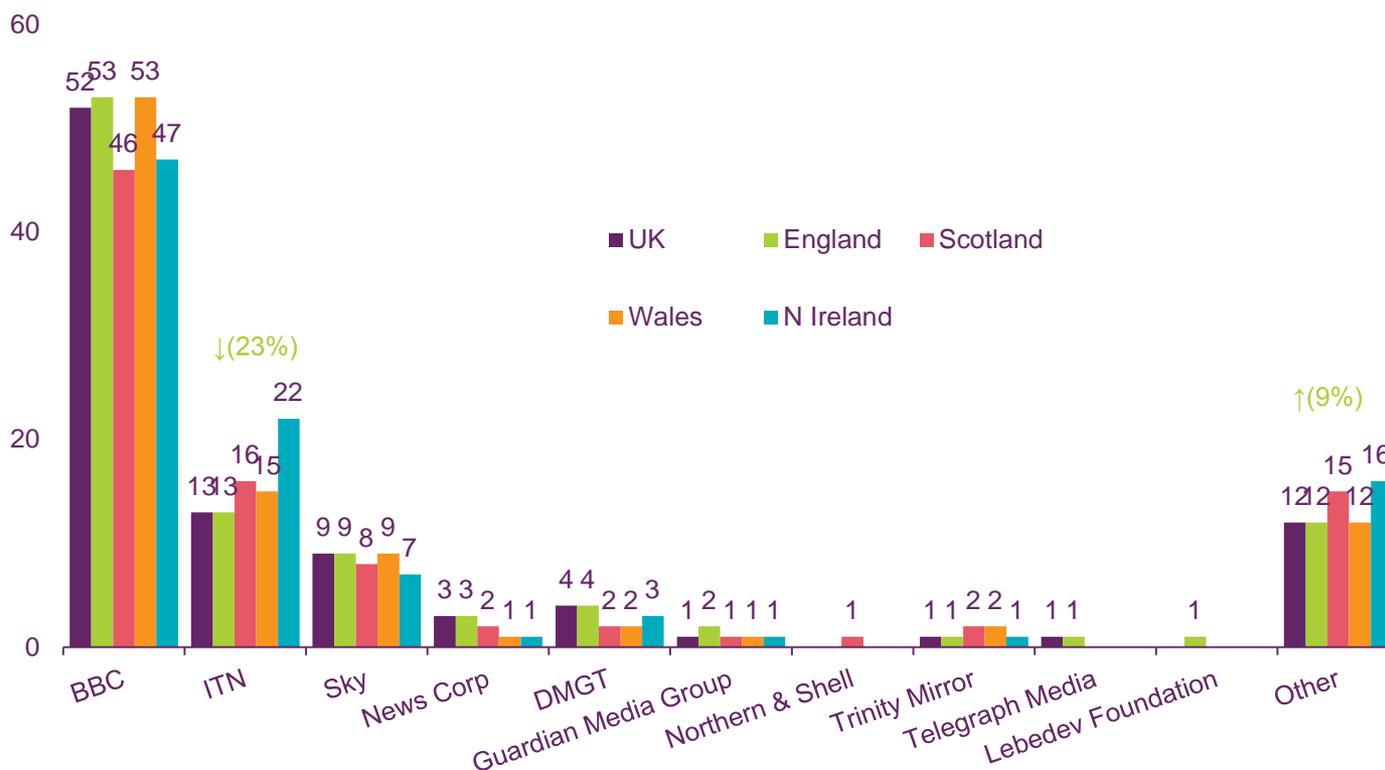
# Press and Online News in Wales

## Most important news source

People in Wales are generally as likely as the UK as a whole to rate a BBC source as their most important news source (53% vs. 52% UK average)

### 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.
- The BBC News website/app is also used more than other news websites/apps with 53% of adults in Wales using this as a source over other newspapers' apps/websites.

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.

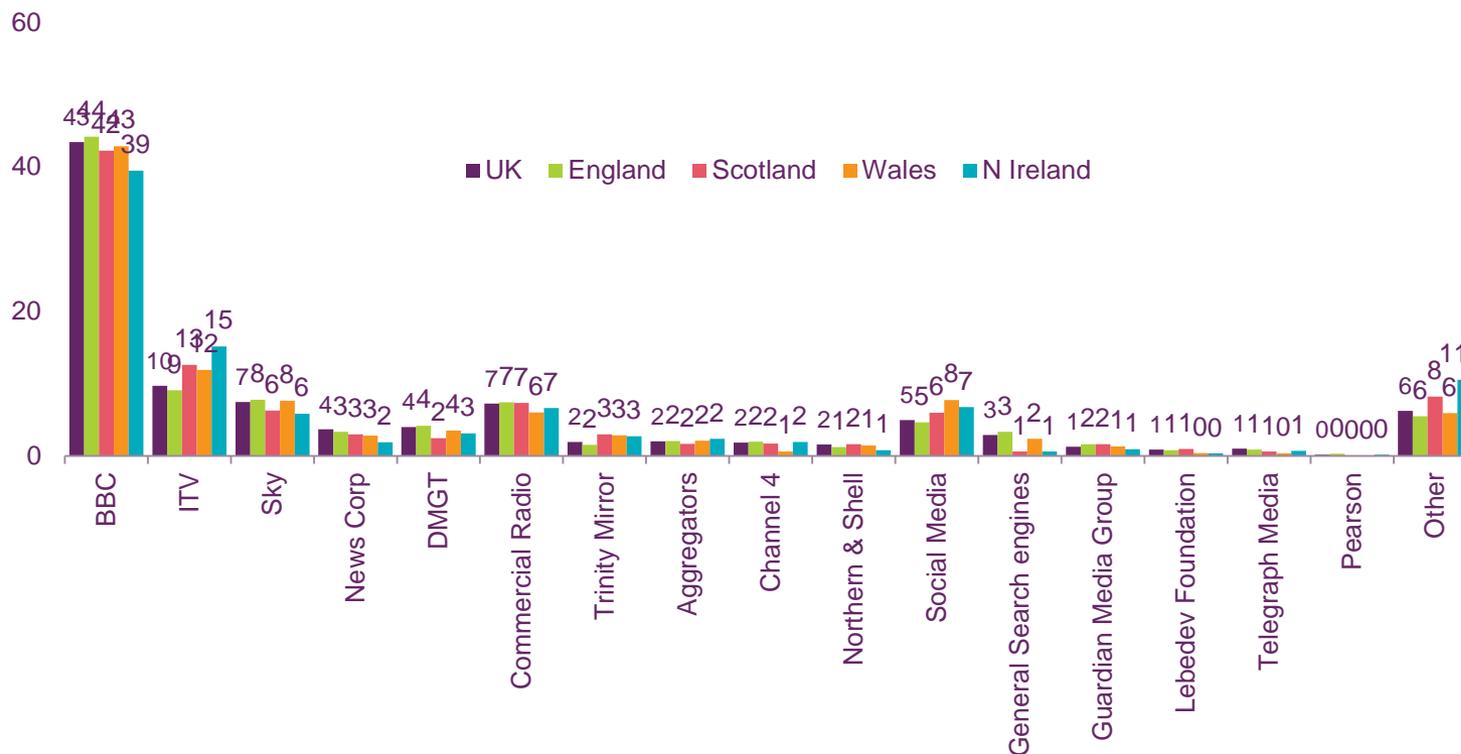
Note: 2013 figures are in brackets, and shown where statistically different to 2014.

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

The distribution of share of references is generally even across the nations, with Wales also following this trend, but there is a greater use of social media for news compared to the rest of the country

### Share of references, by nation (RETAIL)

Share of references (%)



- 'Social media' ranks the highest in Wales compared to the rest of the country as adults in Wales 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

### Internet news users in Wales are more likely than those in Scotland and Northern Ireland to use Facebook for news as well as Twitter

#### 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%

- Over a quarter of people who use the internet for news in Wales, use Facebook for news (26%), with Twitter accounting for the second highest proportion compared to the other nations (11%)
- Google's search engine was also used a lot more in Wales than Scotland and Northern Ireland

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.

\* Wales data is to be treated as indicative, due to low base sizes

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 Wales**

**3. Radio Broadcasting in Wales**

**4. Press and Online news in Wales**

**5. Connectivity and availability in Wales**

**Total broadband take-up in Wales is lower than the UK average (and of the nations) across all demographics, apart from those aged 65+ and those living in higher income households**

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

Proportion of households (%)



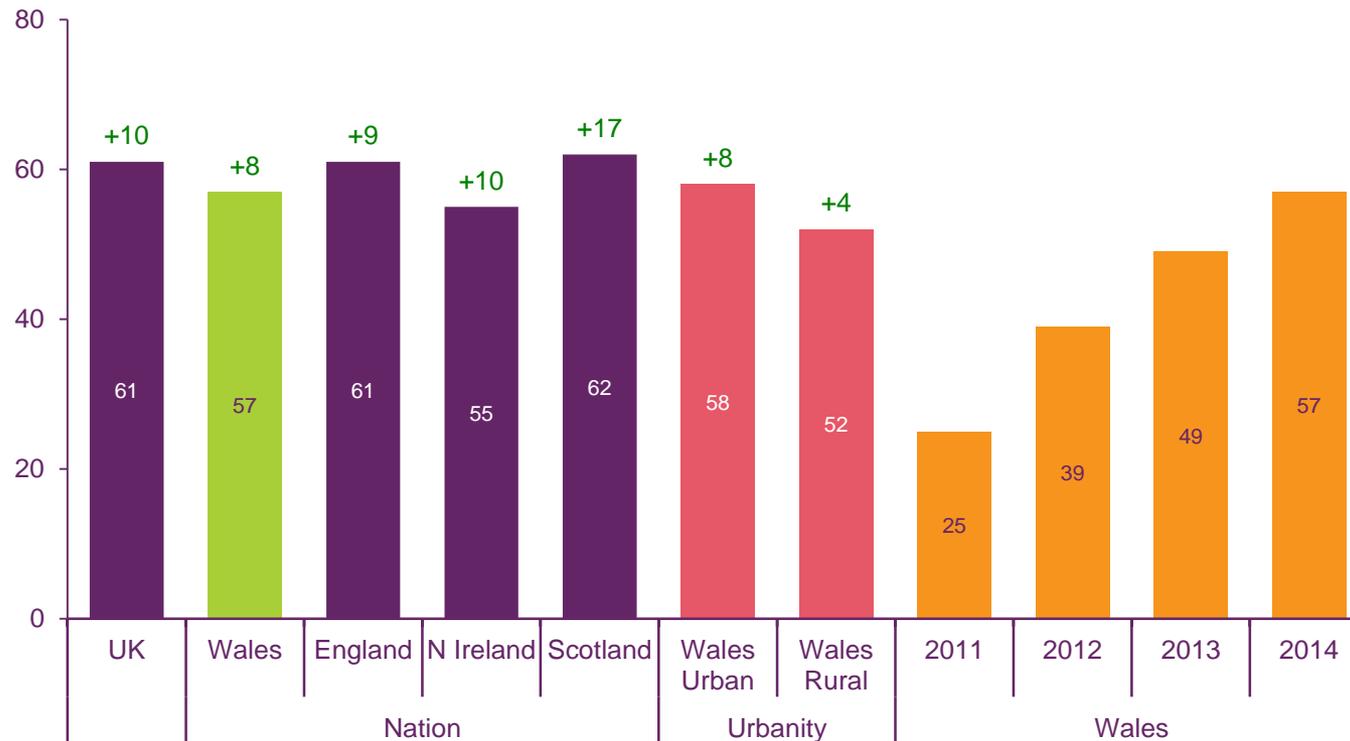
Source: Ofcom research, Quarter 1 2014

Base: All adults aged 16+ (n =491 Wales, 125 16-34s, 229 35-64s, 137 65+, 256 ABC1, 235 C2DE, 184 <£17.5k income, 132 £17.5k+, 152 children in home, 339 no children in home)

### Take-up of smartphones in Wales increased, particularly in urban areas

#### Take-up of smartphones in Wales

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



- Wales has the highest proportion of mobile-only households with just over one in five households (22%) only having access to a mobile phone and no fixed line.
- Even though take-up increased of smartphones, this was at a much lower rate compared to the other nations and growth since 2012 has also been gradual.

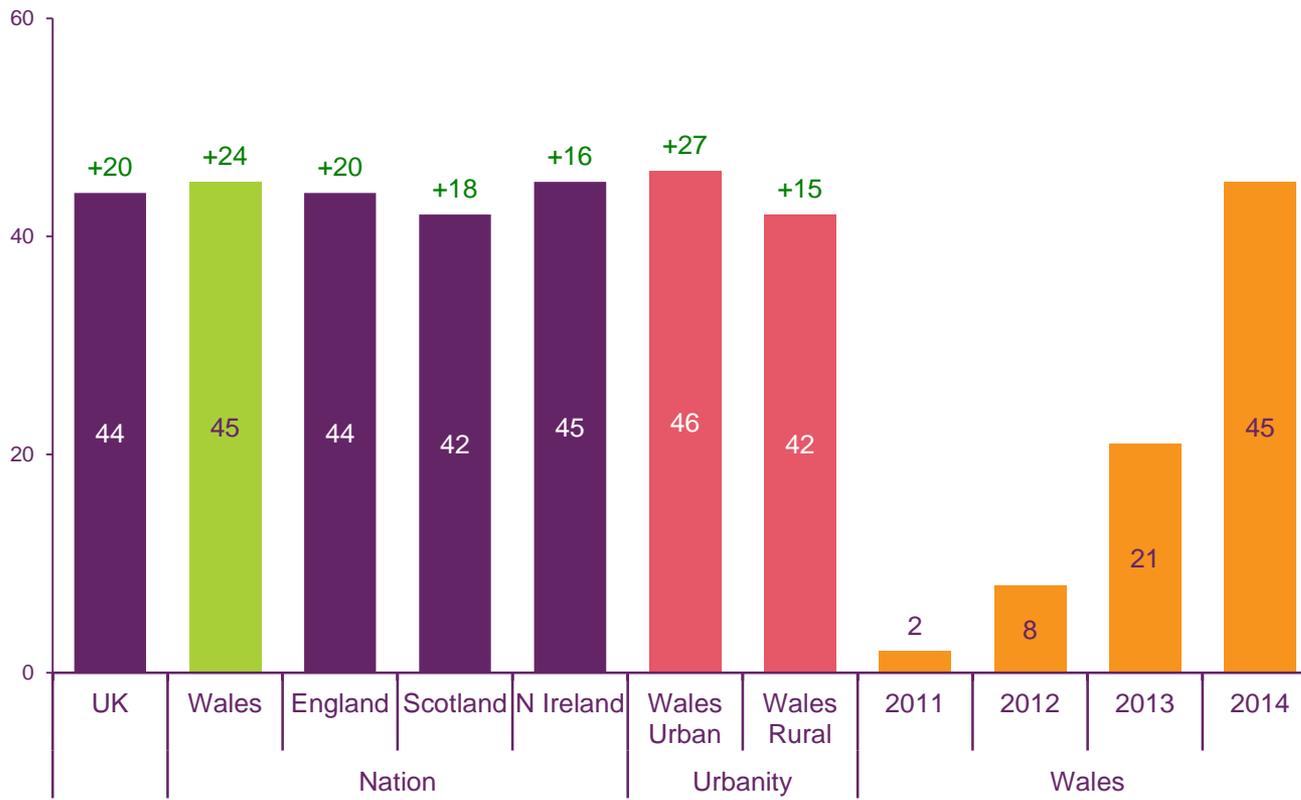
Source: Ofcom research, Quarter 1 2014

Base: All adults aged 16+ (n = 3740 UK, 491 Wales, 2249 England, 499 Northern Ireland, 501 Scotland, 252 Wales urban, 239 Wales rural, 493 Wales 2011, 513 Wales 2012, 492 Wales 2013, 491 Wales 2014)

However, take-up of tablet computers in Wales is joint highest, alongside Northern Ireland, with just under half of homes (45%) owning a tablet, with 37% of those owning more than two tablet devices

### Take-up of tablet computers in Wales

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



- Unlike the other nations, growth in tablet computers in Wales has been driven by growth in ownership by those in urban areas, with an increase of 27 percentage points since Q1 2013 to 46% now owning a tablet in urban homes in Wales.
- For the other nations, growth in tablet ownership has been driven largely by the 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.
- Furthermore, tablet computers in some cases are replacing laptops and desktop PCs in the home due to their low cost. As a result, 7% of urban households in Wales were tablet only (the highest compared to the other nations), compared to 2% of rural households.

Source: Ofcom research, Quarter 1 2014

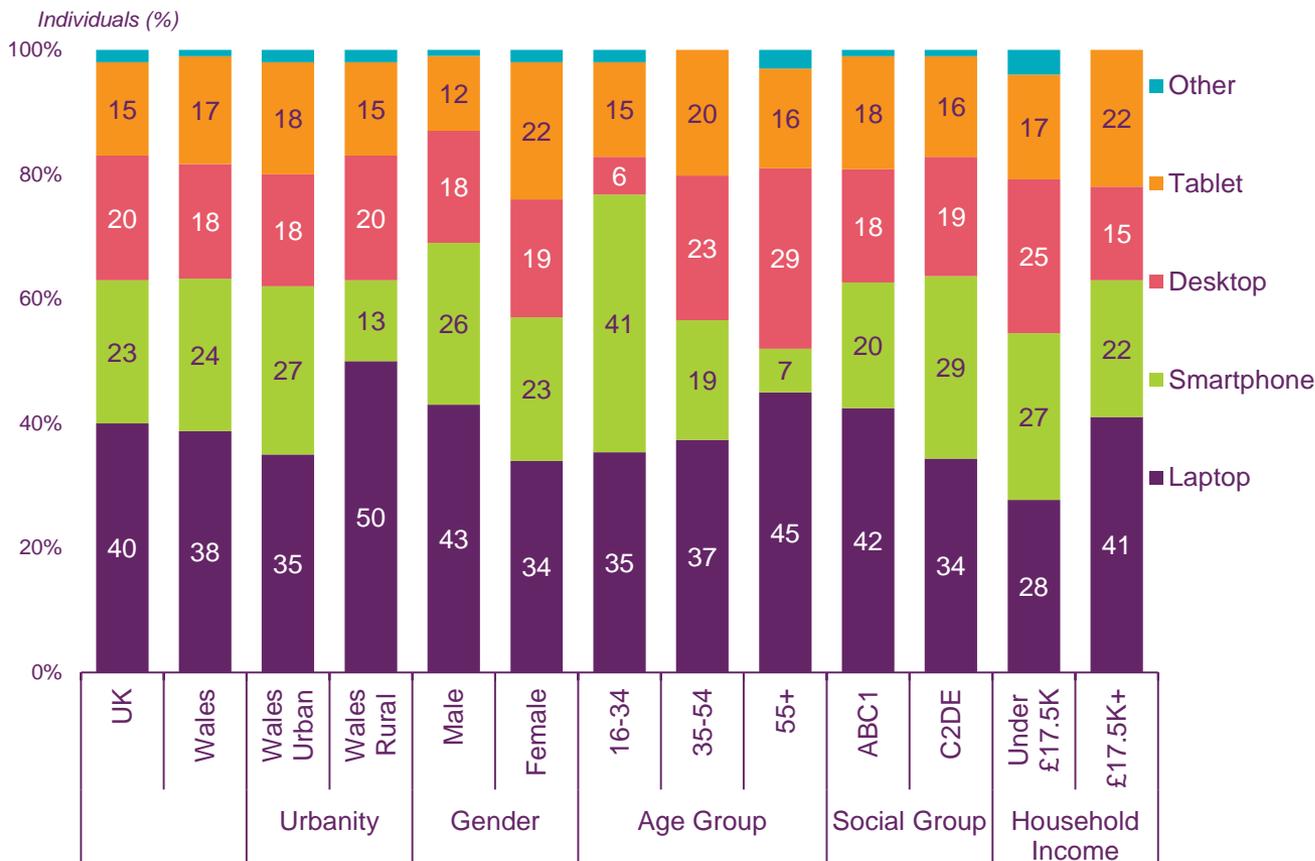
Base: All adults aged 16+ (n = 3740 UK, 491 Wales, 2249 England, 501 Scotland, 499 Northern Ireland, 252 Wales urban, 239 Wales rural, 493 Wales 2011, 513 Wales 2012, 492 Wales 2013, 491 Wales 2014)

# Connectivity in Wales

## Devices used for accessing the internet

Even though no single device was thought to be the most important by the majority of users, half of those who lived in rural areas were more likely to cite laptops as their device of choice

Most important device for accessing the internet in Wales



Source: Ofcom research, Q1 2014

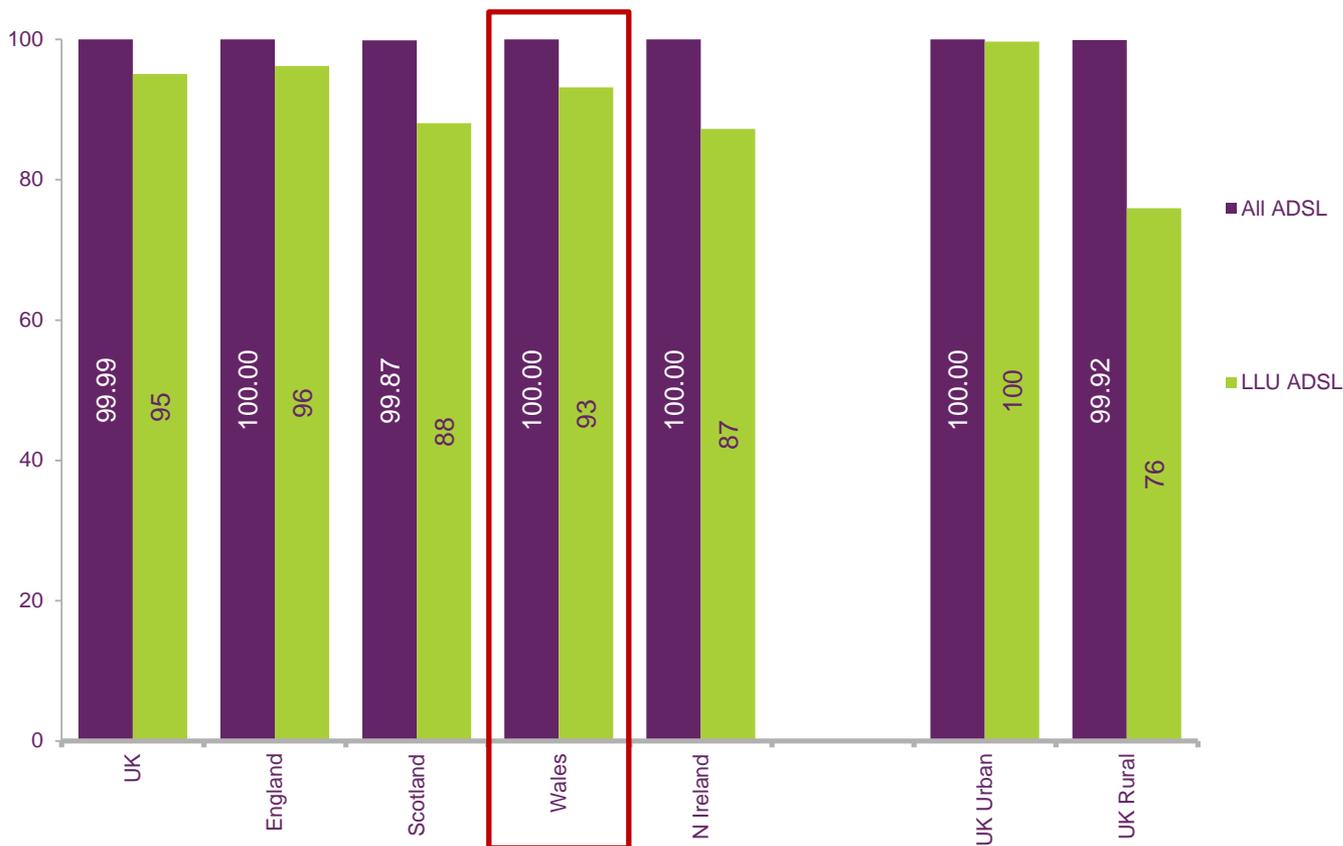
Base: Internet users aged 16+ (n = 2976 UK., 369 Wales, 189 Wales urban, 180 Wales rural, 118 16-34, 113 35-54, 138 55+, 210 ABC1, 159 C2DE, 103 under £17.5K, 126 £17.5K+). Question: Which is the most important device you use to connect to the internet, at home or elsewhere? "Other" responses include, "Other device", "None" and "don't know".

- Even though no one device was cited as the most important by the majority when accessing the internet, 50% of those in rural areas stated their laptop was their most preferred device
- Those living in rural areas (13%), were less likely than those in urban areas (27%) to claim their smartphones were the most important when connecting to the internet. This could be a result of coverage issues in those areas, or a preference to view content on a larger screen
- When looking at age, those over 55 still felt laptops and desktops were the most important (45% and 29%, respectively), 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, nearly half (41%) of those aged 16-34 saw the smartphone as being the most important device to connect to the internet, compared to 7% of those aged 55+

### Wales has the second highest proportion of homes connected to an LLU ADSL exchange offering more competitive prices and bundled services

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

Proportion of premises (%)



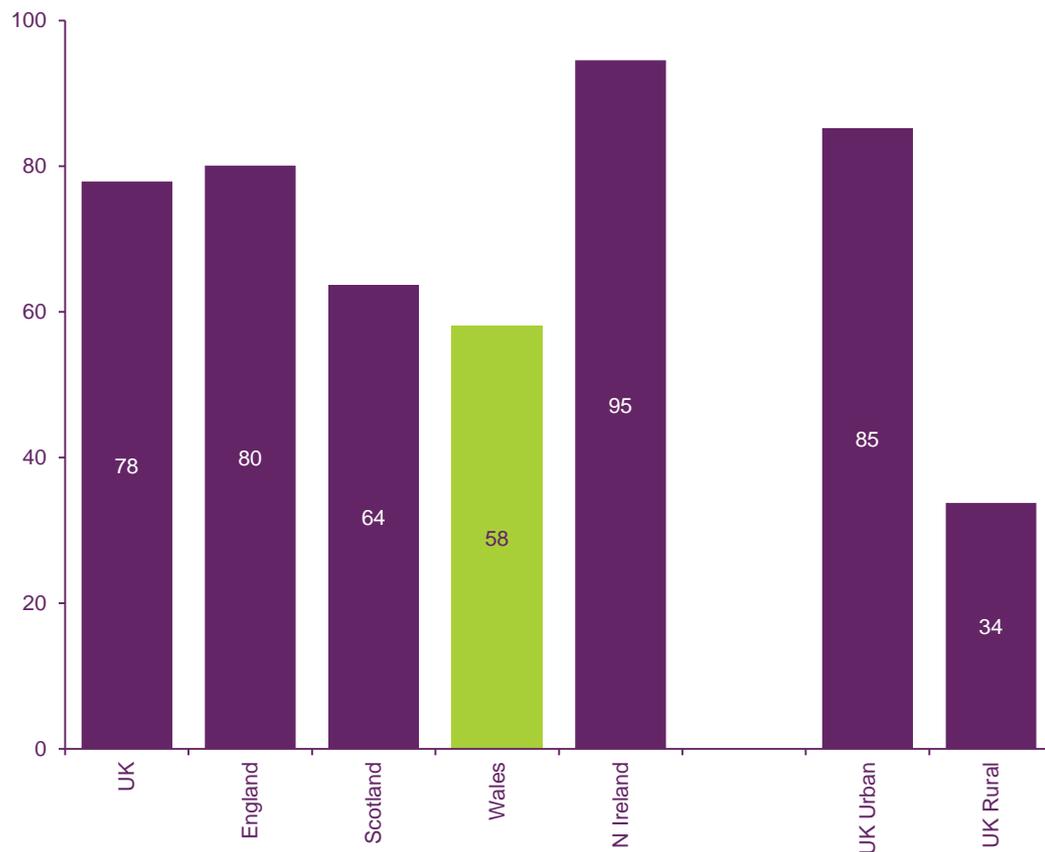
- Proportion of homes in Wales connected to an LLU ADSL enabled exchange is the second highest of the nations in the UK
- Consumers being served by LLU enabled exchange areas have a greater choice of ADSL broadband services and typically, access to lower-cost (particularly bundled) broadband services
- Only 7% of homes in Wales do not benefit from faster broadband speeds and tend to pay more for their service

Source: Ofcom / BT, December 2013 data

Wales also had the lowest availability of NGA broadband services in the UK, although this has increased by more than ten percentage points compared to June 2013

Proportion of premises able to receive NGA broadband services 2014

Proportion of premises (%)



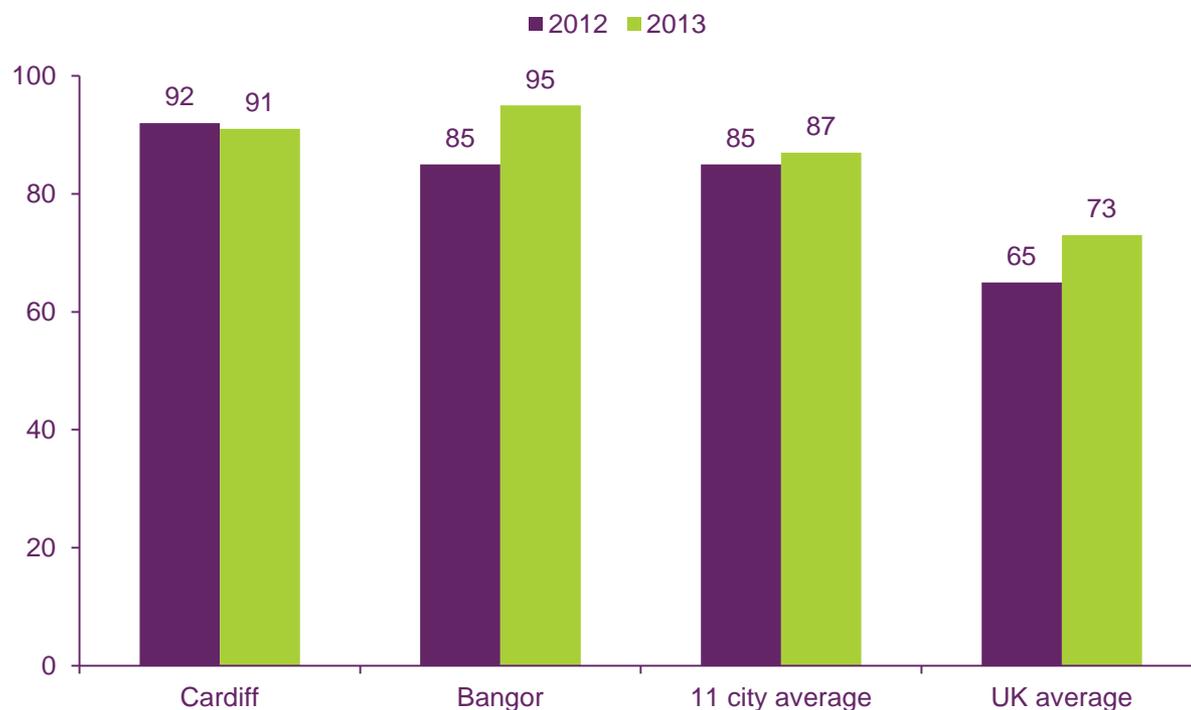
Source: Ofcom / BT, December 2013 data

- Only 55% of Welsh premises were able to receive Openreach fibre services, which falls to 21% when only looking at proportion of premises that are serviced by Virgin's fibre services. Overall 58% of premises could receive NGA services
- 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 increase in premises able to receive fibre in Wales has been driven by the Welsh Government's aim to ensure that 96% of homes and businesses have access to NGA or fibre by 2016
  - In its first year of implementation, the Superfast Cymru project made fibre broadband available to more than 135,000 Welsh homes and businesses and is on track to complete by end of Spring 2016
  - The Welsh Government also launched Access Broadband Cymru to provide grants of up to £1000 to households and businesses with slow broadband connections (less than 2Mbit/s) in areas either not covered by Superfast Broadband Cymru or where no date has been published for the roll-out of fibre

**But across cities like Cardiff and Bangor's NGA availability is nearly universal and higher than both the UK and the 11 city average, driven largely by the Superfast Cymru scheme**

NGA availability in Cardiff and Bangor by premises passed, compared to 11-city and UK average

Proportion of premises (%)



- Of Cardiff's 14 copper exchanges, 12 have already been upgraded to NGA resulting in over three-quarters (85.7%) of the city's exchanges being upgraded. The reduction of one percentage point over the previous year is a result of a change in the methodology Virgin Media use to calculate NGA network coverage, not a reduction in the availability of NGA services served by Virgin Media and/or BT/Openreach
- Bangor only has one exchange, which has already been upgraded to NGA. The increase of ten percentage points over the previous year (the highest of any of the cities assessed) is attributable to the Welsh Government's Superfast Cymru scheme
- As a result, both Cardiff and Bangor are well above the UK and 11 city average with the rural areas now having to upgrade once the cities exchanges have all been upgraded to NGA

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

**In Cardiff however, there are still 7.7% of connections which receive lower than basic broadband services, in line with the UK average but nearly double the 11 city average**

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 100%, 7.7% of premises in Cardiff and 5% in Bangor receive broadband speeds of less than 2Mbit/s which is considered below the minimum requirement for a basic broadband service
  - This figure dropped by 2.3% and 1.5% for Cardiff and Bangor, respectively over the previous year which could be due to increased take-up of NGA broadband services which offer higher speeds
  - Even though Cardiff and Bangor 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