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Commission for Communications Regulation

Consumer Research

Attitudes to Broadcasting Services

December 2004

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Introduction

Background and Objectives

- ComReg is the statutory body responsible for the regulation of the electronic communications sector (telecommunications, radiocommunications and broadcasting transmission) and the postal sector.
- Broadcasting transmission includes networks and services used to deliver television and radio services to viewers and listeners over the air (terrestrial broadcasting), via MMDS, cable and satellite.
- ComReg commissioned research to deliver insight into consumer understanding of and attitudes to broadcasting services. The results of which will feed into ComReg's periodic reviews of the broadcasting transmission markets.
- The issues covered included: reasons for subscribing or not subscribing to pay TV, the types of services accessed by households, awareness of and attitudes to digital TV and the barriers and motivations to subscribing to pay TV services and specifically digital TV services.
- The research consisted of qualitative and quantitative research.

Qualitative Research

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- The qualitative research consisted of 6 focus groups which explored in depth consumer understanding, motivations and perceptions of broadcasting services.
- The resulting findings were then used to develop questions which were asked of a larger representative sample of the population to provide quantitative data.
- Six group discussions among specific target segments were conducted by Millward Brown IMS in June 2004

	Gender	Age	Social Class	Children	Pay TV Subscription	Digital Usage	Location
1	Mixed	25-45	BC1C2	Yes	Yes	Yes	Dublin
2	Mixed	25-45	BC1C2	No	Yes	No	Dublin
3	Mixed	25-45	BC1C2	Yes	Yes	No	Cork
4	Mixed	25-45	BC1C2	No	No	No	Cork
5	Mixed	25-45	BC1C2	Yes	No	No	Letterkenny
6	Mixed	25-45	BC1C2	No	Yes	Yes	Letterkenny

Quantitative Research

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- TNS MRBI conducted 1,000 CATI (Computer Assisted Telephone Interviewing) interviews with the head of the household.
- Quotas were applied on region, social class, known take-up of pay TV/non-pay TV households and on cable/MMDS and DTH (Direct-to-Home, satellite) subscribers.

Region	Population Quota Applied per Region (CSO data)	Number of Interviewees Per Region
Dublin	31%	309
Rest of Leinster	24%	244
Munster	27%	272
Connaught/Ulster	18%	175

- Different questions were put to subscribers (longer interview) and non-subscribers.
- Fieldwork took place in August 2004.

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Technologies in the Home

Focus Groups: Home Technologies

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- A majority of participants mentioned having a DVD player. Few mentioned a video player.
- There was a high level of interest in plasma screen TVs but most felt they were currently out of their price-range.

"I like the flat TVs that you hang on your wall like a picture but they're very expensive. We'll wait until they go down in price" (Digital, Letterkenny)

- A high number of participants had home Internet access. This was particularly evident in digital homes.
- Most connected to the Internet via regular dial-up. A small number of participants in Dublin had broadband at home. Having broadband at home seemed to be primarily driven by the nature of the work they did.

"I would use the Internet for work primarily so we would have a broadband connection through the job…I would connect into the job via the Internet to get access to mail" (Digital, Dublin)

- Most in Letterkenny did not think broadband was available in their area

"Well I don't know if it's in yet or not though they dug out all up the road there"

(Non-pay, Letterkenny)

- Almost all had a mobile phone. But how they related to their mobile was very dependent on their life stage (i.e. young singles versus older married participants).

Focus Groups: Home Technologies

- Younger participants, and in particular females, were very tied to their mobile and viewed it as having a vital role in their social life, while older, more settled people viewed it as a more functional communications tool.

"I couldn't live without my mobile" (Single female, Non-pay, Cork)

- Awareness of High Definition Television (HDTV) was very limited and although there was theoretical interest, the cost was expected to be currently too high.

- There appears to be a positive relationship between having digital TV and having other technologies. This is likely to be driven by a number of factors, including affluence, having an interest in "gadgets" and wanting to keep up with new product developments.

- Those not subscribing to pay-TV had few additional home technologies. A small minority seemed to value TV less than other technologies citing radio, music systems and mobile phones as being more important to them than TV.

"Stereo I think and the phone would be definitely more important than TV"
(Non-pay, Cork)

- Although those with digital TV did tend to have a higher than average number and range of other technologies in the home, most seemed to value the TV more than any other technology.

- The Internet was considered more of a functional technology rather than entertainment like TV.

"I use the TV everyday but I use the Internet maybe once a month"
(Digital, Dublin)

Focus Groups: TV versus other technologies

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- Many tended to associate the Internet with work:

"I use the Internet for work whereas TV to me is entertainment or news"
(Digital, Dublin)

"The last thing I want to do when I get home from work is turn on the PC"

"I think most people have their Internet at work if they need it and then when they go home they switch off"

"If you're just using the Internet to book flights, do it in work"

(Non-digital, Dublin)

- Overall no-one felt the Internet was of more importance to them than TV, although some acknowledged that the Internet was becoming more like TV.

"I have a TV card in my PC. You plug it into the back of your computer and you can watch your normal stations on your computer"

"You can download films now with broadband and watch DVDs on your PC"

(Non-digital, Dublin)

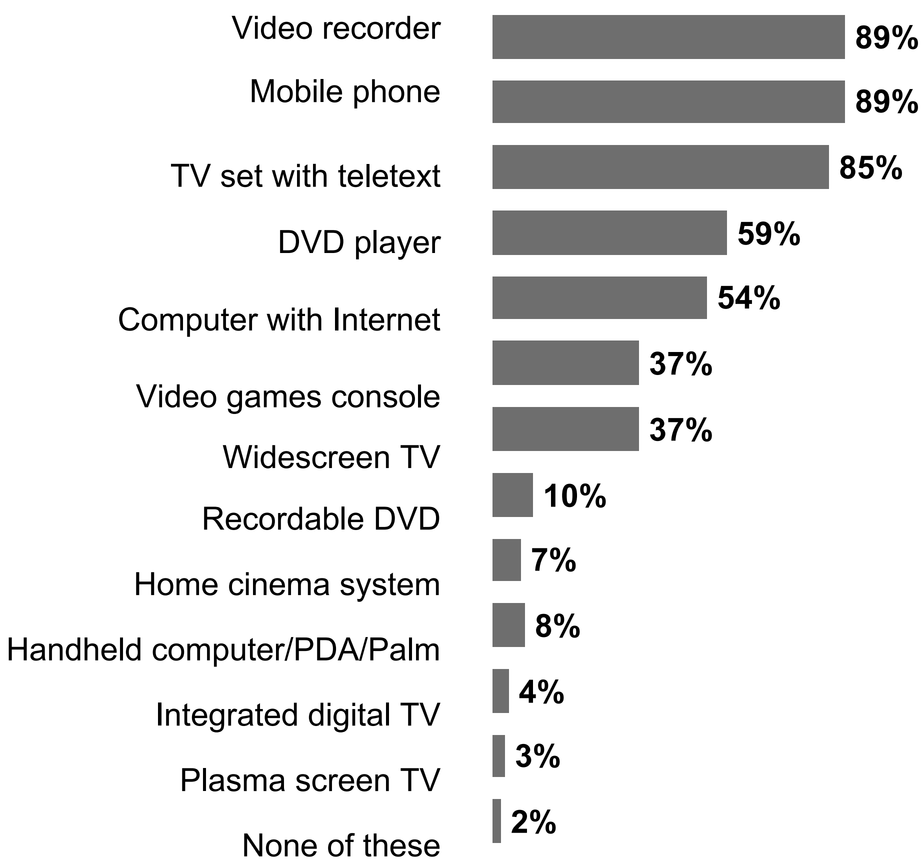
- A few, however, women in particular, would consider their mobile phone to be more important to them than TV.

"TV in relation to my mobile phone, oh god, my mobile phone is part of me"

(Non-pay, Cork)

Take up of TV related technology and other technology is higher amongst subscribers and households with children

Base: All Respondents: 1,000

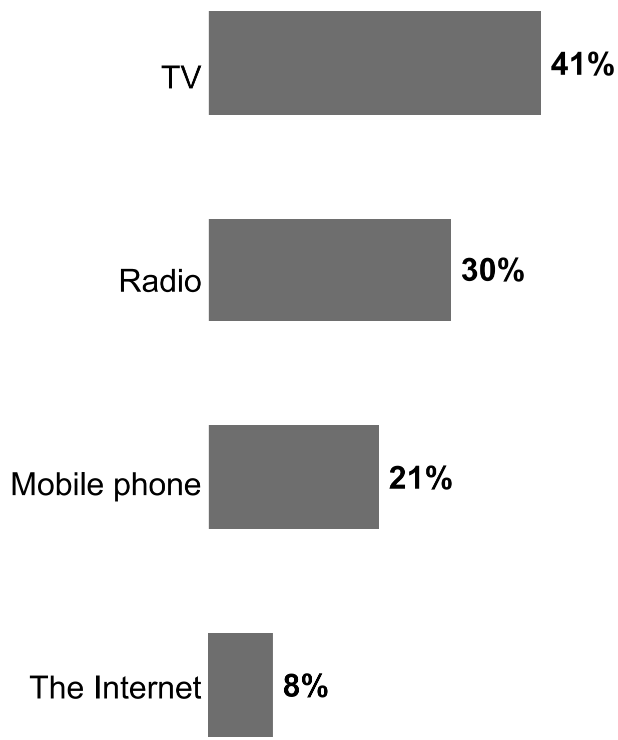


ABC1	C2DE	F	Sub-scriber	Non sub-scriber	With kids	Without kids
%	%	%	%	%	%	%
94	88	76	92	84	95	85
96	85	83	94	81	97	84
87	86	73	89	78	90	82
70	55	37	68	46	76	49
75	43	31	63	41	67	46
46	32	27	42	29	66	19
42	34	30	44	25	45	32
11	10	9	11	9	11	10
10	7	-	11	2	10	6
11	6	5	11	4	10	7
5	5	1	7	1	6	4
5	3	1	3	4	3	4
*	2	5	1	4	*	3

Q. Which of the following do you or anyone in your household have in your home at the moment

TV was ranked highest but Mobile phones were most valued by those in the 15-24 age bracket

Base: All Respondents: 1,000



	Male	Female	15-24	25-34	35-44	45-54	55+	ABC1	C2DE	F
	%	%	%	%	%	%	%	%	%	%
TV	43	40	26	39	43	40	43	38	44	42
Radio	24	33	15	10	24	34	36	28	31	35
Mobile phone	22	20	40	35	23	17	16	22	20	15
The Internet	11	7	19	15	9	9	4	13	5	8

Q: If you had to choose only one of the following, which one would you choose?

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Focus Groups: TV plays a major role in the home

- Few genuinely felt they could live without TV, particularly during the winter months.
  - It was widely acknowledged that TV plays an integral part in most people's lives, in terms of helping people switch off and unwind, and delivering entertainment and news.
  - Almost all participants lived in multiple TV homes.

> If we didn't have the telly they'd (the kids) would be killing each other

> There's this presumption that there's something wrong with watching telly and there's nothing wrong with it

> We built a cinema 2 years ago. We converted the attic ……we don't watch it as much as we initially thought. ..what transpired was people still remained downstairs watching normal TV

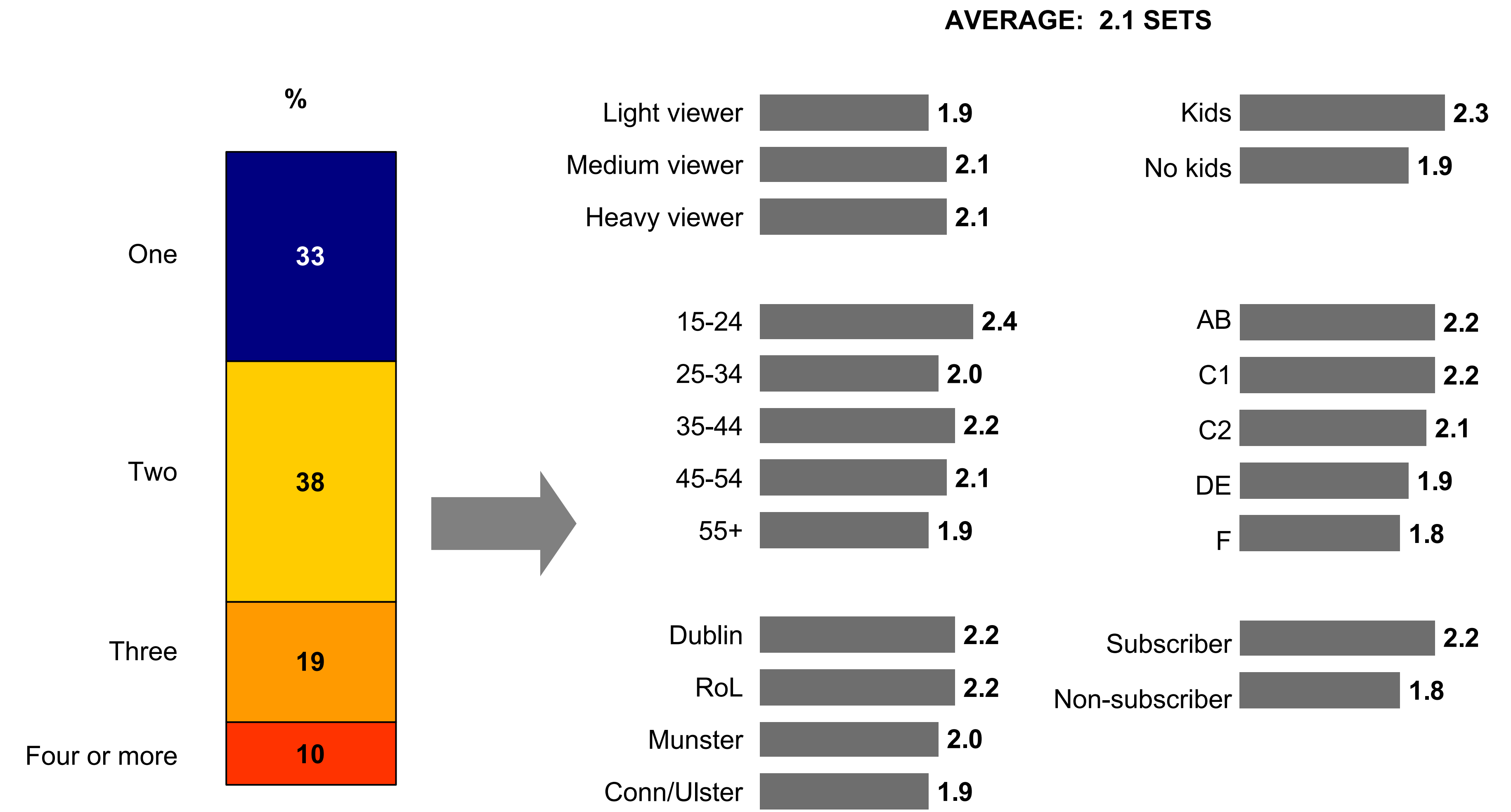
> We've 6 TVs in the house and one in the shed that I watch the matches on it when I'm cutting the grass

> I'd die of boredom

> Not with our lifestyle, it rains so much. You couldn't do without it

Two-thirds (67%) of those surveyed claimed to have 2 or more TV sets

Base: All Respondents: 1,000



Q. How many TV sets do you have in your household

Focus Groups: Radio Listening

- Almost all participants listened to the radio.

"Mainly in the evening, the music programmes and during the day if I'm working sometimes" (Non-Pay, Cork)
"It's great when you're cooking" (Non-Pay, Cork)

- Many said they listened to it travelling to and from work

"I turn it on at 7 when I get into the car and then I'll listen to it again at half past four" (Non-Digital, Cork)

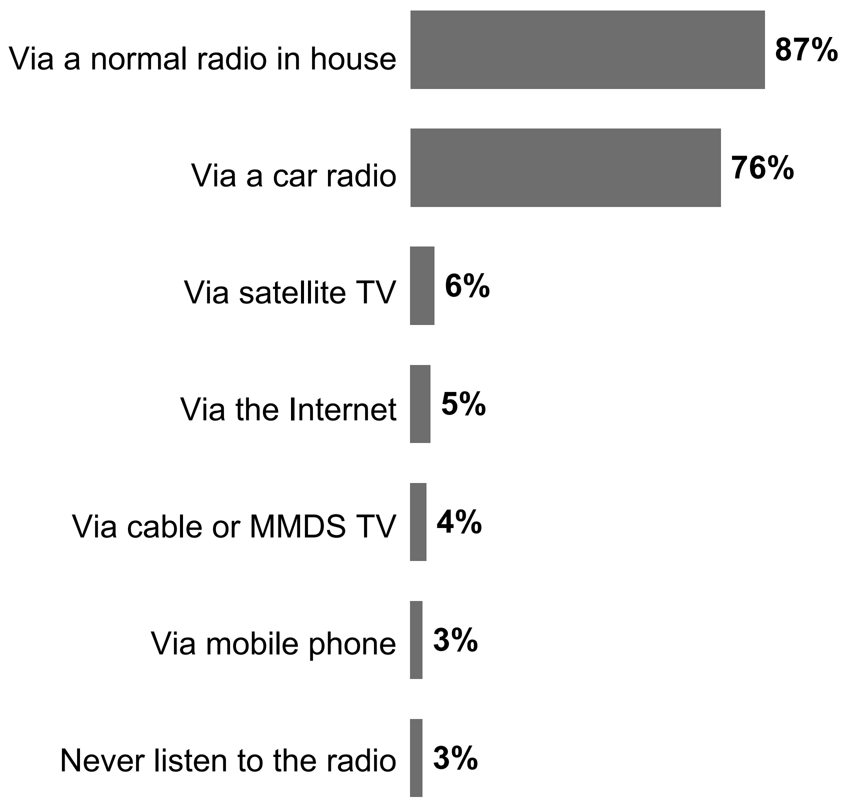
- Few digital TV subscribers listened to the radio through their television and very few people listened to the radio online.
- The degree to which people valued radio varied greatly. Non pay-TV subscribers and those with a particular interest in music and/or current affairs tended to value it most.
- Many seemed satisfied with the radio reception they received except for a small number of people who were interested in accessing UK stations for football matches, specialist music programmes and current affairs programmes.

"I'm listening to it in the car and the reception is good. I'm happy with it"
"The reception is good anyway. I don't think I pay anything extra for it" (Non-digital, Cork)

"I drive a taxi…and I listen to BBC5 Live a lot for football" (Digital, Dublin)

Home and car radios are the most common devices used for radio listening. The use of other devices is relatively low

Base: All Respondents: 1,000



Male	Female	15-24	25-34	35-44	45-54	55+	Kids	No kids
%	%	%	%	%	%	%	%	%
83	89	84	80	85	86	90	84	88
79	74	63	84	84	80	67	84	71
9	4	10	12	7	4	4	8	5
7	3	13	12	6	3	3	5	4
5	3	8	9	3	2	3	3	4
5	2	15	7	3	1	2	3	3
4	3	10	2	2	2	4	3	4

Q. Do you normally listen to the radio via the following

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Non-Subscribers

Focus Groups: Reasons for not subscribing to Pay TV

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- Those who rely solely on the “free-to-air” channels cited the following reasons for not subscribing to a Pay TV service:
  - Expense of initial installation and on-going subscription costs
  - Satisfaction with current channel range and reception
  - Renting/Not owning own home
  - Lack of interest in TV generally

You can get quite good reception with the cat’s ears

4 channels is plenty

The kids watch too much as it is

It’s too expensive

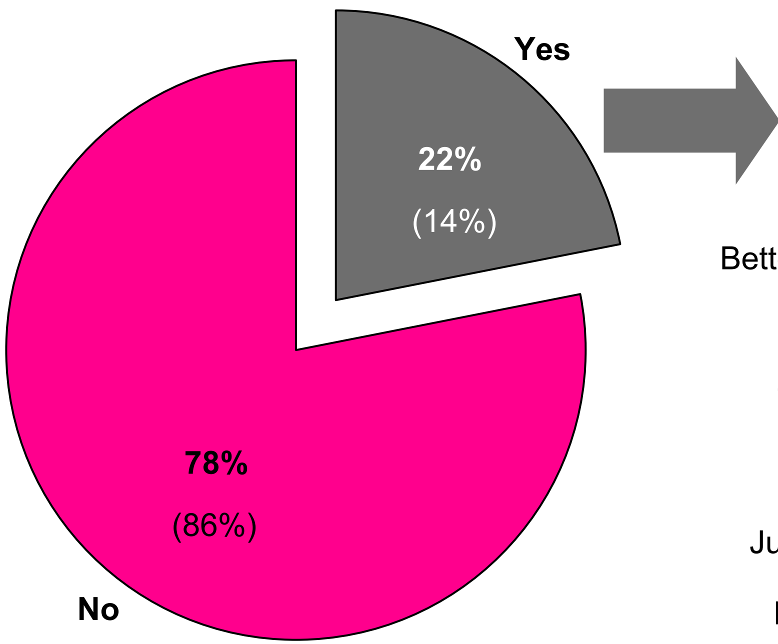
I don’t think it’s worth the money really for the time I’d spend in the house

I looked at the cost of installation

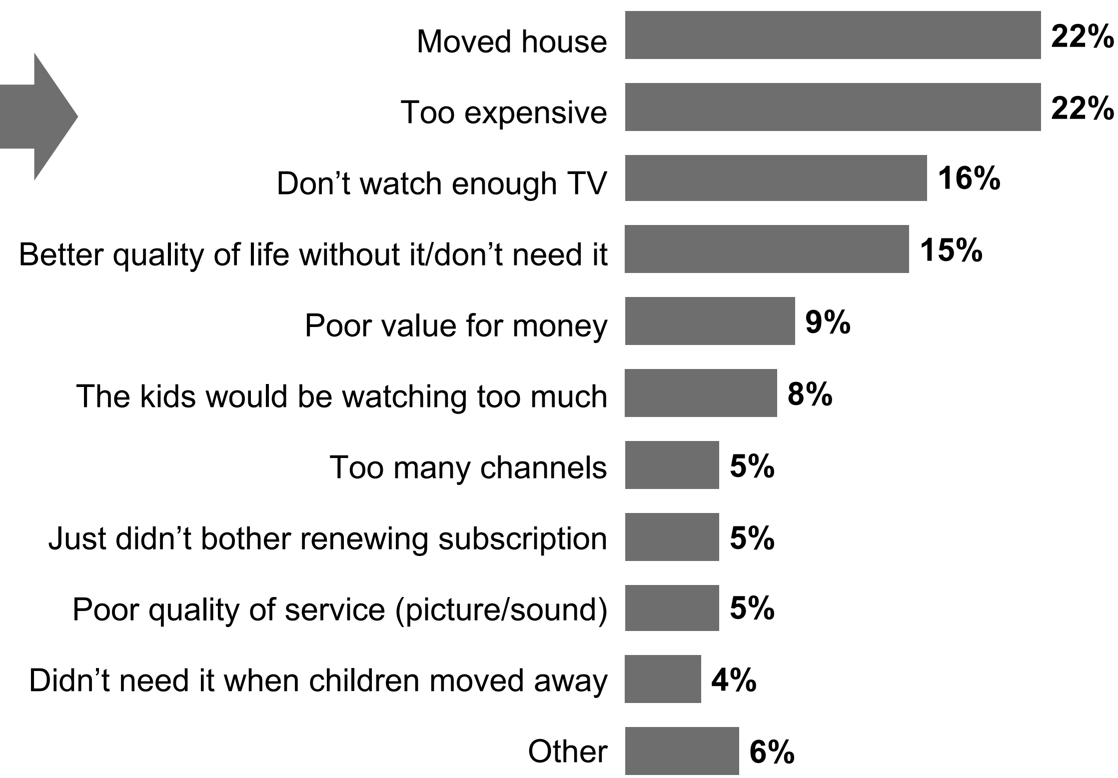
You need to get a phone line to get it in

We’re renting and the cat’s ears work fine

The majority of non-subscribers have never paid for TV services. The main reasons for no longer subscribing were moving house and cost



Base: All Non-subscribers: 380



Base: All Who Have Stopped Subscribing: 85*

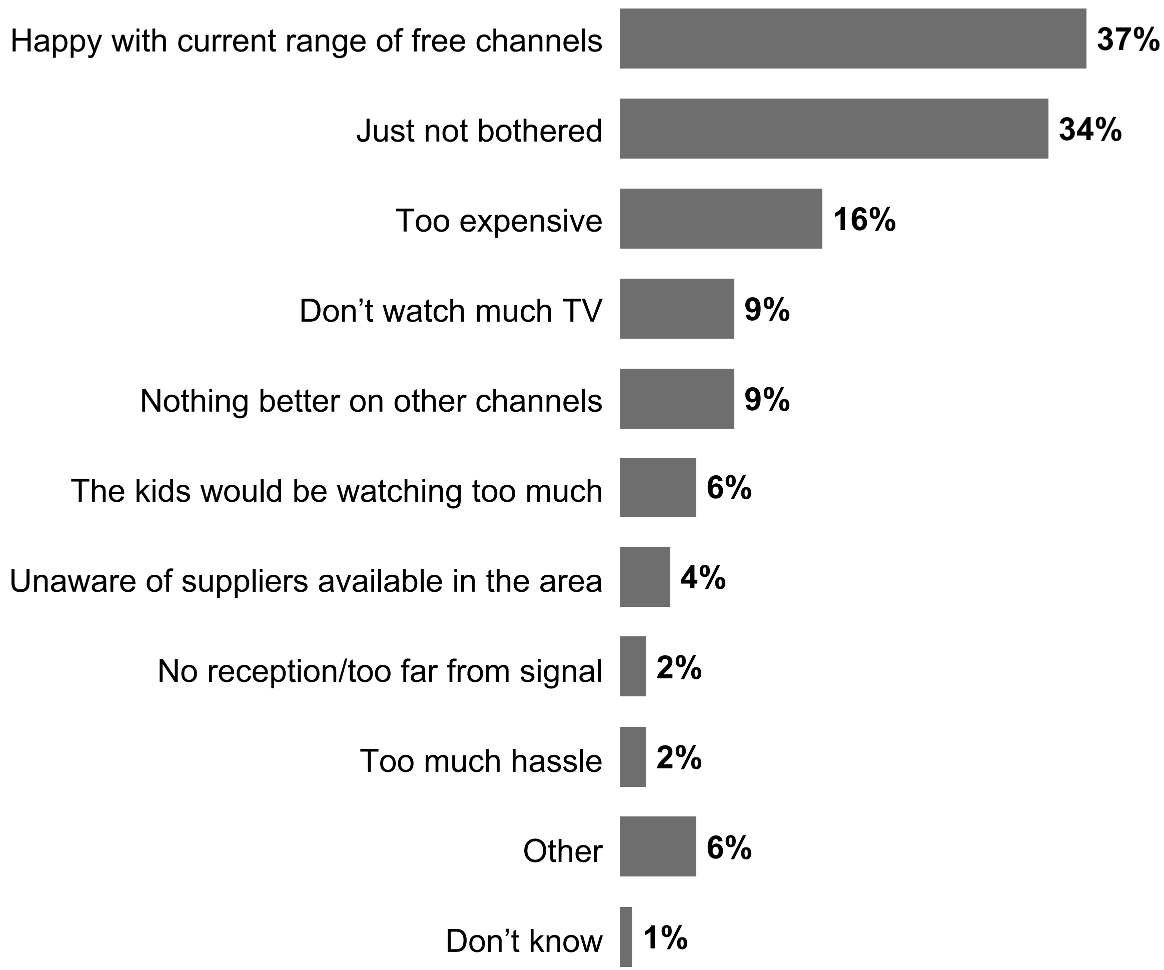
Q. Have you ever paid to receive TV services or channels via satellite or cable or MMDS in the past ?

Q. Why did you decide to stop getting pay TV?

( ) = August 2003

The primary reason for ***never*** subscribing to pay TV is satisfaction with current content

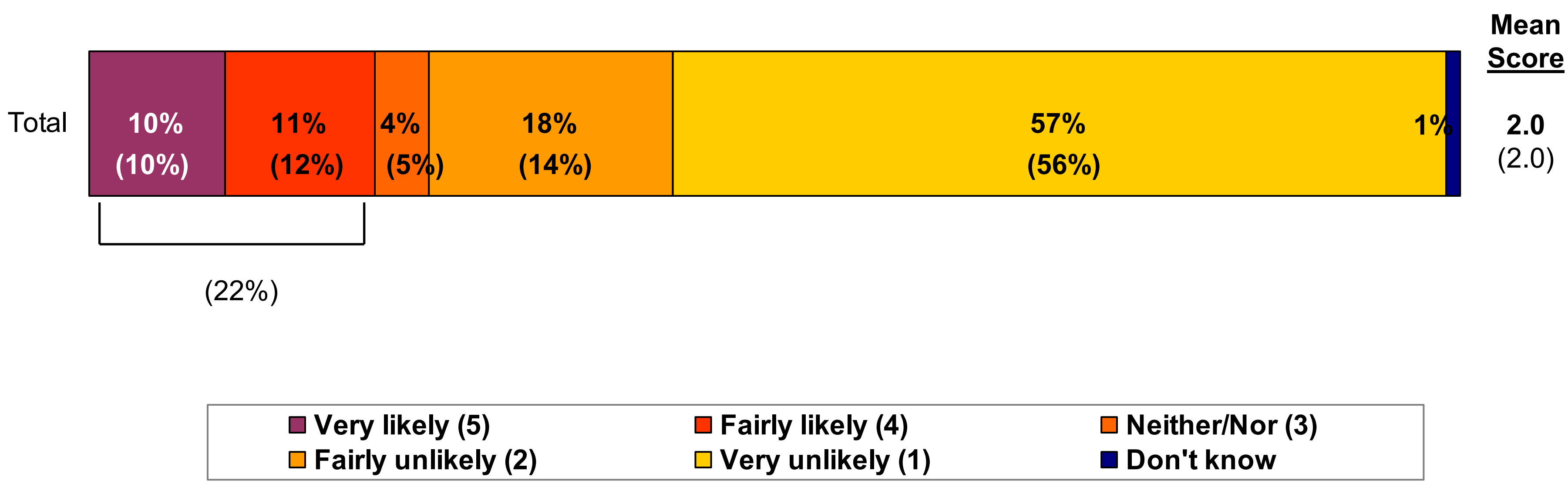
Base: All Who Have Never Subscribed: 295



Q. Why have you never subscribed to pay TV

22% of non subscribers claim it likely that they would subscribe to pay TV in the future

Base: All Non-subscribers: 380

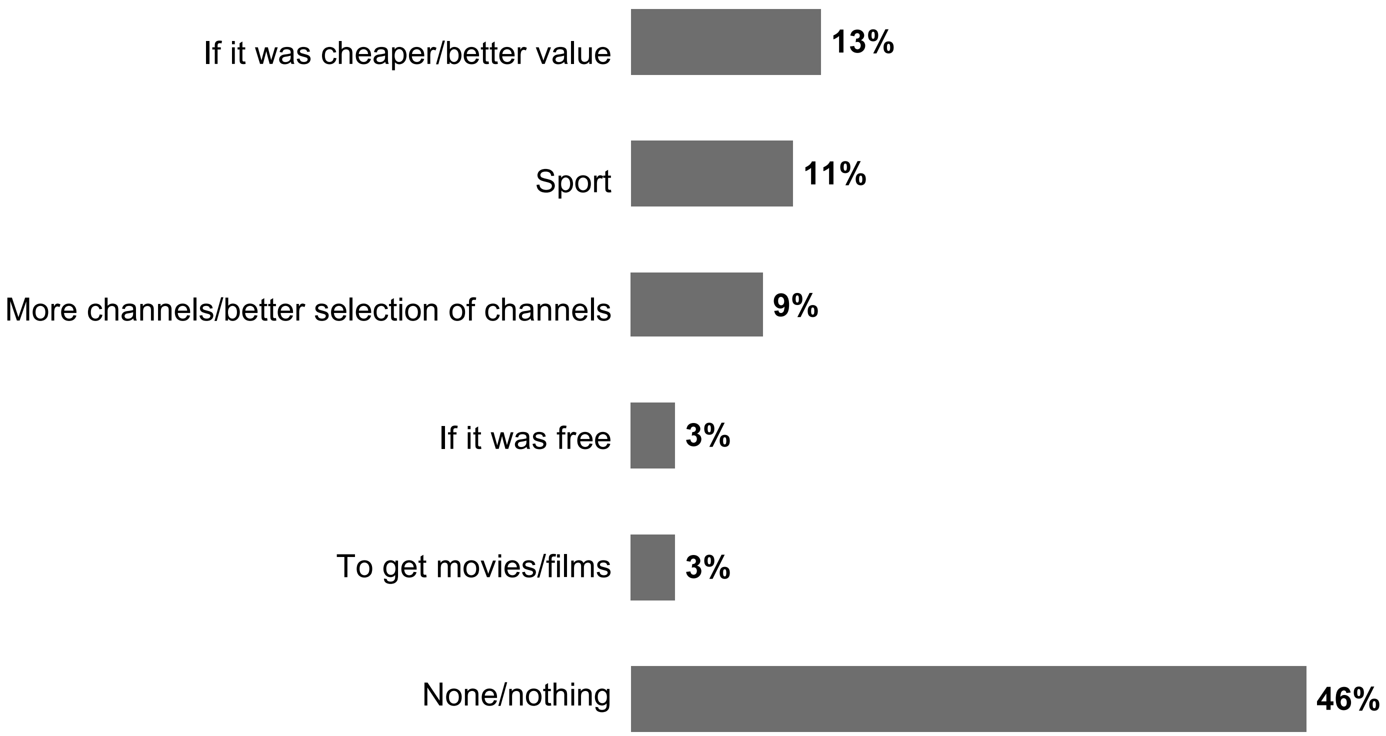


Q. How likely are you to subscribe to satellite/cable/MMDS in the future ?

( ) = August 2003

46% of non subscribers claimed that nothing would encourage them to get pay TV

Base: All Non-subscribers: 380



Q. What factors, if any, would encourage you to subscribe to TV services via satellite, cable or MMDS ?

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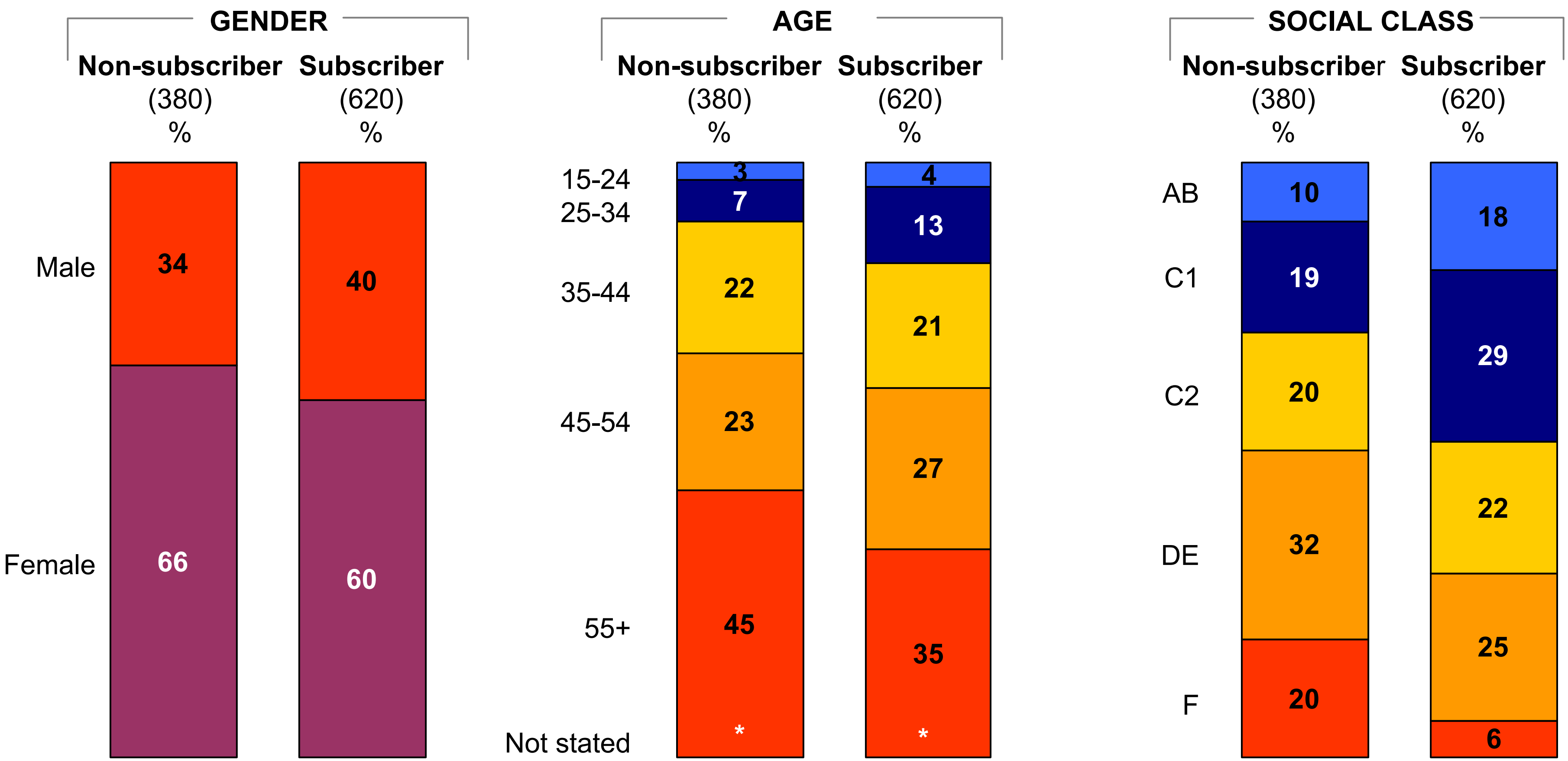
Subscribers

62% of all respondents pay for additional TV service

Subscribers tend to be younger and more affluent

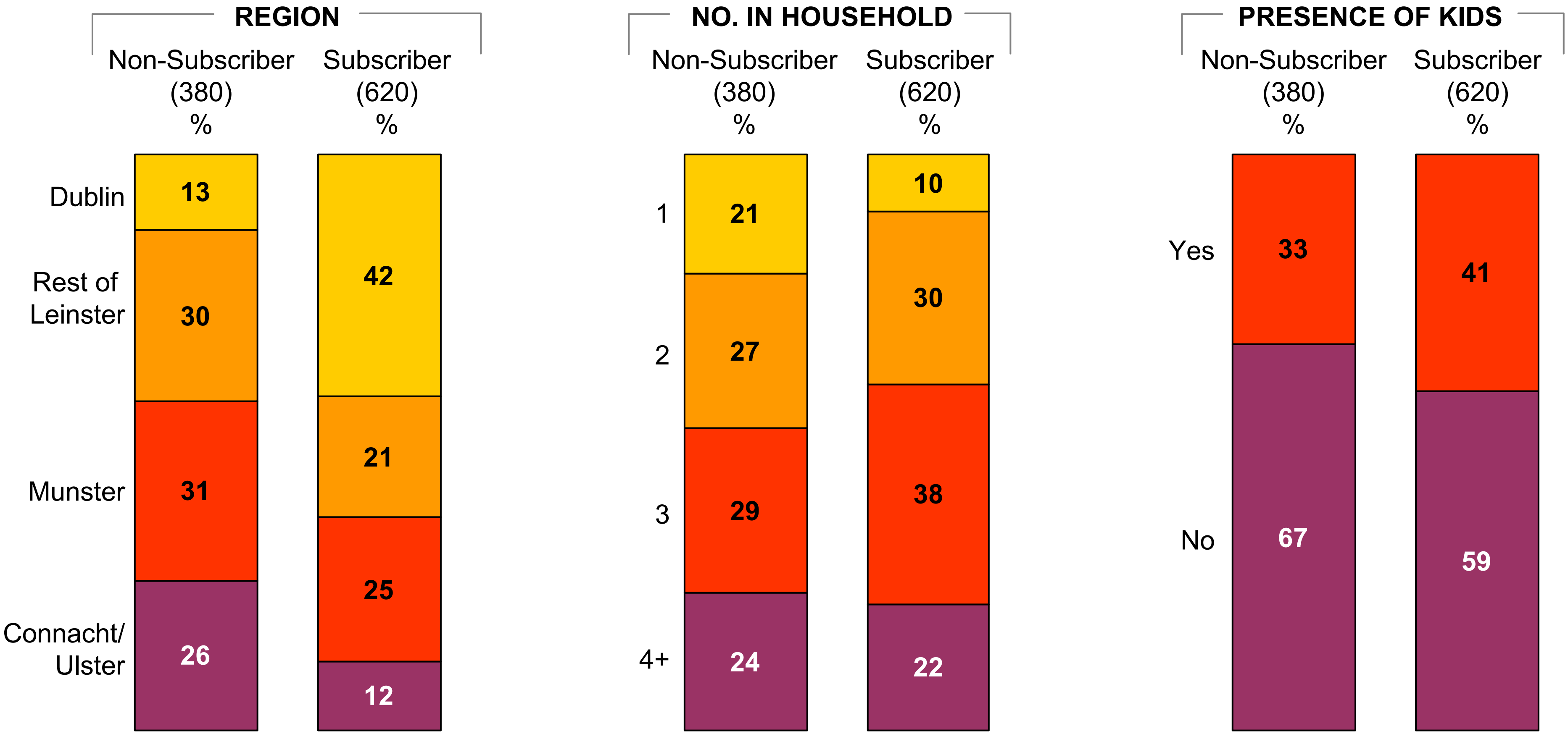
Base: 1000, All Respondents



Q. Do you or does anyone in your household pay a fee or subscription to receive UK or other channels via one or more of these three options: cable or satellite or MMDS Aerial

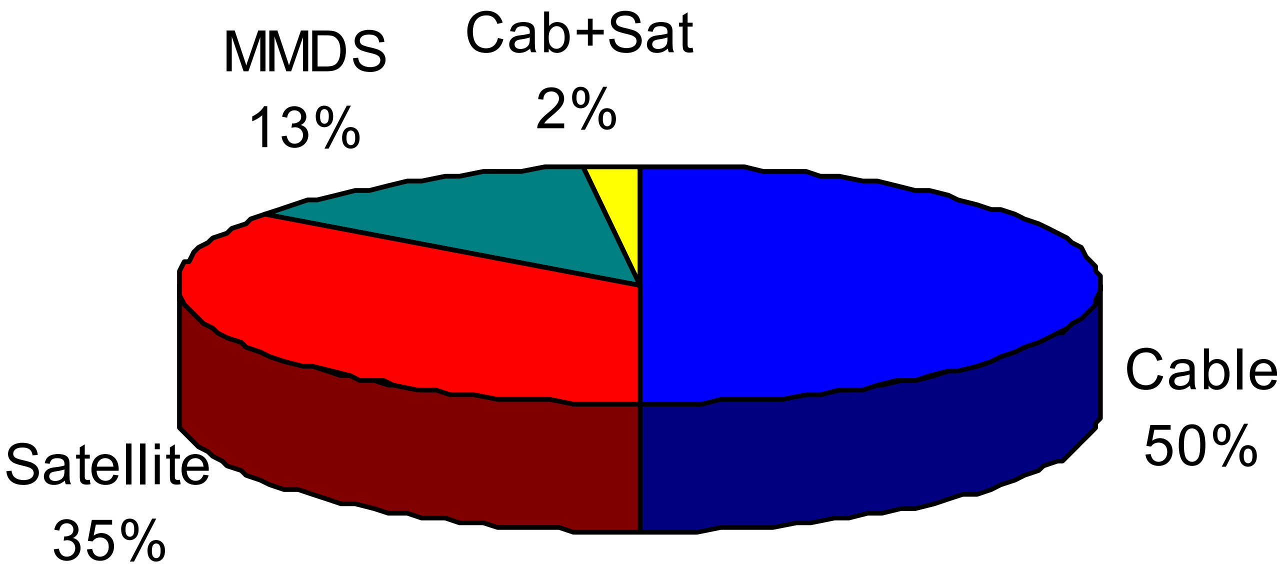
Subscriber households tend to be Dublin based, larger in number and have more children

Base: All Respondents



Cable connection, followed by satellite, is the most common means of receiving pay TV

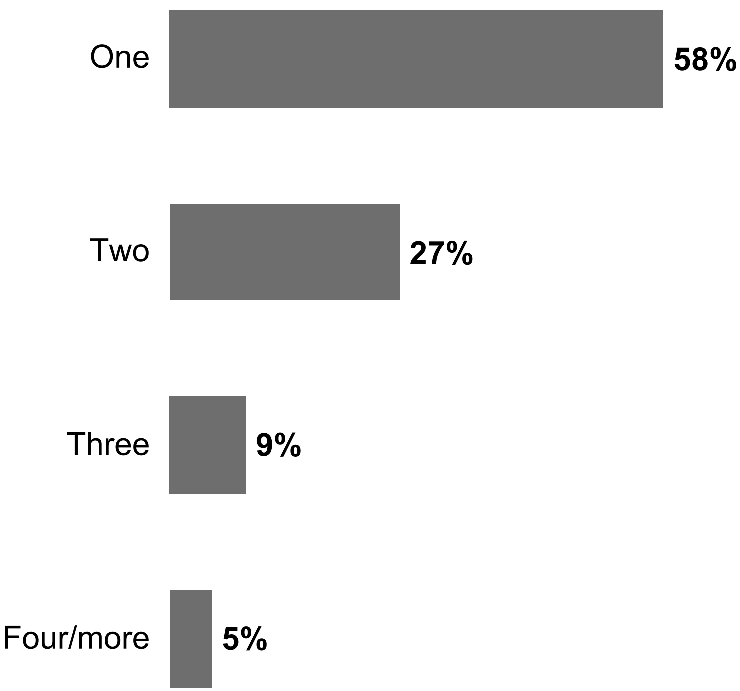
Base: All Subscribers: 620



Q: Which provider or providers do you currently subscribe to?

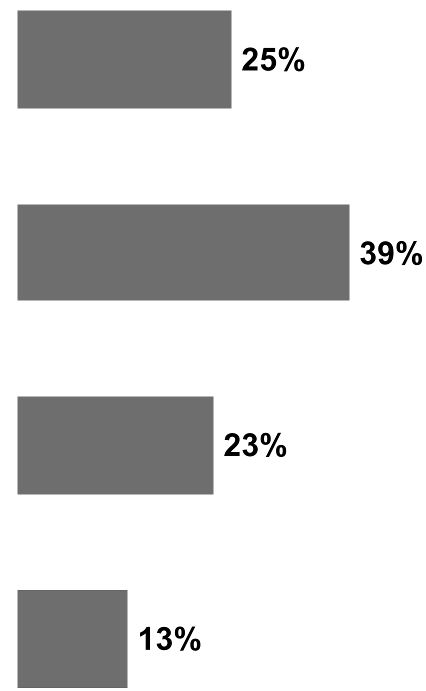
Over half of all subscribers can only watch pay TV on one TV set

Base: All Subscribers: 620



All Cable %	All MMDS %	All Satellite %
49	56	69
33	37	17
12	5	7
6	1	6

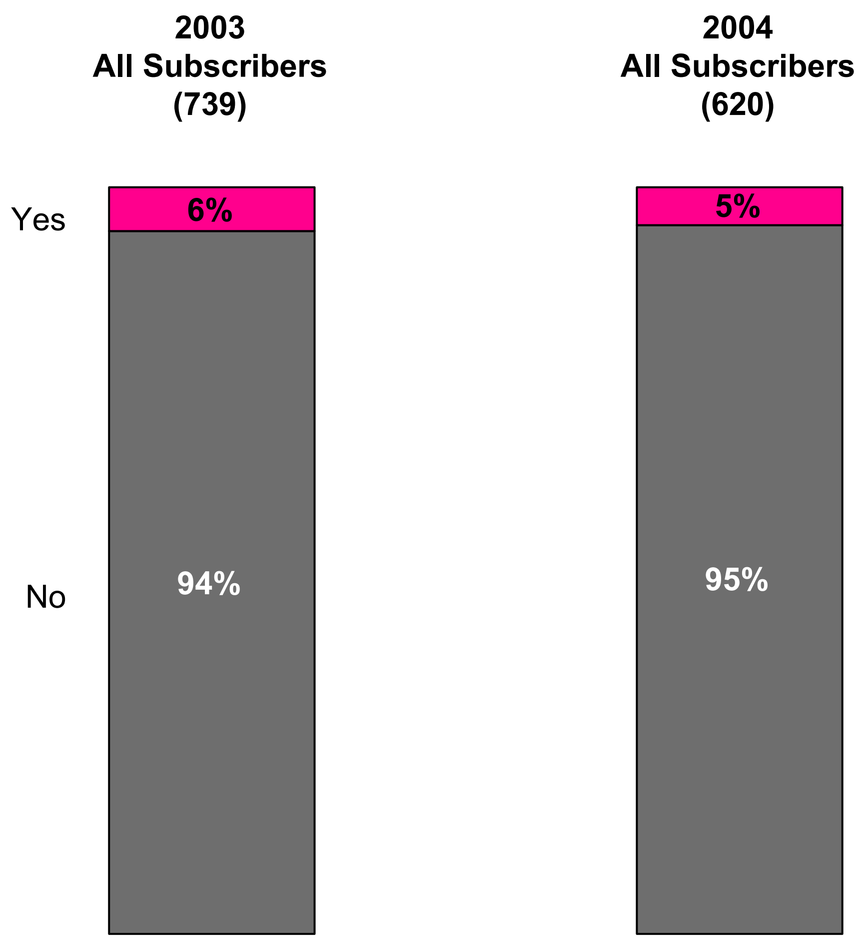
Total No. Of Sets In Household



Q: On how many TV sets in your household can you watch pay TV?

Relatively few subscribers claimed to have switched service provider in the past two years

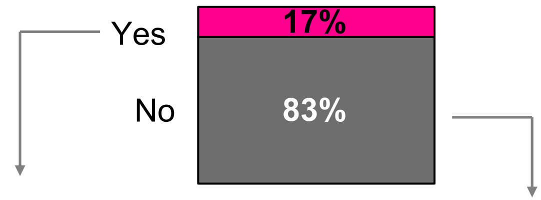
Base: All Subscribers



Q: Have you switched pay TV service provider in the past two years?

Eight in ten (83%) subscribers have not considered switching pay TV provider in the last 2 years

Base: All Who Have Not Switched: 592

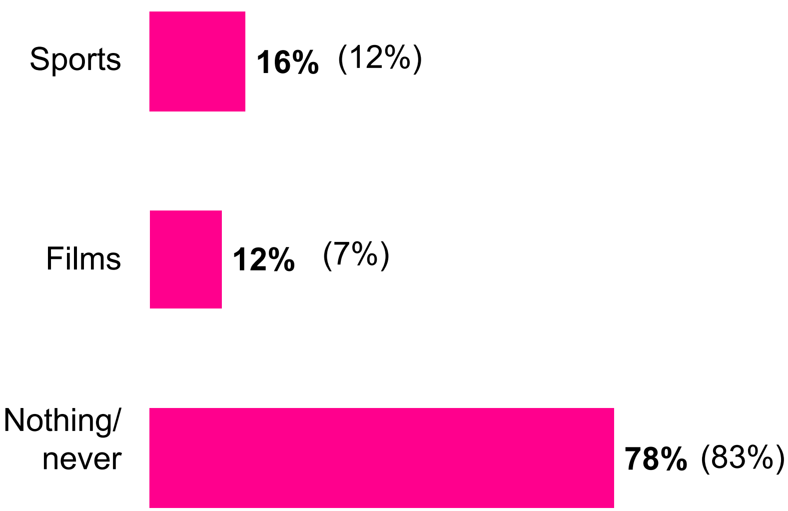


MENTIONS 3%+	Reasons for not switching (100) %	Reasons for not considering switching (491) %
Happy enough with what we have	13	58
No better offer/no better alternative	26	14
Never got round to it	12	9
It's expensive	13	4
Like the channels we have	11	-
Don't watch much TV	6	9
No other alternative in my area	-	6
Too much hassle	-	5

Q: If you have considered switching pay TV provider and haven't switched, then why haven't you switched. Why haven' t you considered changing your pay TV provider?

22% of subscribers have used Pay Per View

Base: All Subscribers: 620



	2003		2004	
	Films	Sports	Films	Sports
	54	86	74	99
	%	%	%	%
More than once a week	2	4	4	6
Once a week	4	8	3	4
Less than once a week	n/a	n/a	10	4
Once a month	n/a	n/a	17	14
Once every 2-3 months	n/a	n/a	22	24
Hardly ever	n/a	n/a	44	47

Q: Have you ever watched anything on a pay per view basis in your own home?

( ) = August 2003

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Digital

Focus Groups: Likelihood of going digital

- Among non-digital users there was no evidence to suggest that they would be switching in large numbers to a DTV service anytime soon, although a minority certainly do intend to switch.

"It's free installation and free something else now, so I'd consider it" (Non-digital, Cork)

"I'm getting satellite soon. I just had to buy other stuff for the house, like a sofa and that " (Non-pay, Cork)

- Existing cable users appeared more interested in upgrading to DTV than non-pay TV.
- Expense appears to be the main barrier to getting DTV but this is closely followed by a generally high level of satisfaction with their current channel range and reception quality.
- A lack of a understanding or awareness of what the real benefits of DTV are was also evident.

"I'd want proof of it, to see what I'm actually going to see on my TV and what's good about it" (Non-Pay, Cork)

- Despite this, many did feel that in time "everyone" would have digital TV and that the cost of it was likely to come down.

"It's like when mobile phones first came out, no one had them, now we all have one" (Digital, Dublin)

- A few respondents felt any analogue switch-off would be similar to the recent smoking ban, and would be accepted with resignation.

"That's life, it's like the smoking ban. You take it as it comes. You don't complain, no point, no one listens" (Non-digital, Dublin)

Focus Groups: Barriers to getting digital TV

- Some express a fear of becoming addicted to TV or just watching too much TV if they got a digital service.

"I would get hooked on music and sports channels…I think it would change me" (Non-pay, Cork)

- The quality of channels available from digital services was questioned in a number of groups.

"You're getting an awful lot of quantity but very little quality"
(Non-digital, Cork)

"There's too many programmes like Big Brother. Reality TV, it's not great viewing"

(Non-pay, Letterkenny)

- Some parents expressed a concern about what their children could access on digital TV and few seemed aware of the parental control option or had little confidence in its effectiveness.

"You'd probably get an awful lot of channels that you wouldn't like the kids to be watching"
"With play stations and that you can hardly get them away from the telly. You don't really want anymore channels"
"Kids are smarter now than the adults are. They'd crack the code on it"

(Non-Pay, Letterkenny)

Focus Groups: Barriers to getting digital TV

- Expense for many is a big issue. Both the cost of installation and the on-going charges were frequently cited.

"It's a lot to be paying out every month and then there's the installation as well"
"You have to pay extra for the sports on top of that"   (Non-pay, Letterkenny)

- Concern was expressed that some key UK channels were absent from the satellite line up, that a satellite dish or a cable phone was required and that digital viewing was restricted to one TV set.

I just think it's an awful lot of money to be paying to watch telly

You can only watch it in one room

They didn't have Channel 4 or UTV when I looked into it

It's too expensive

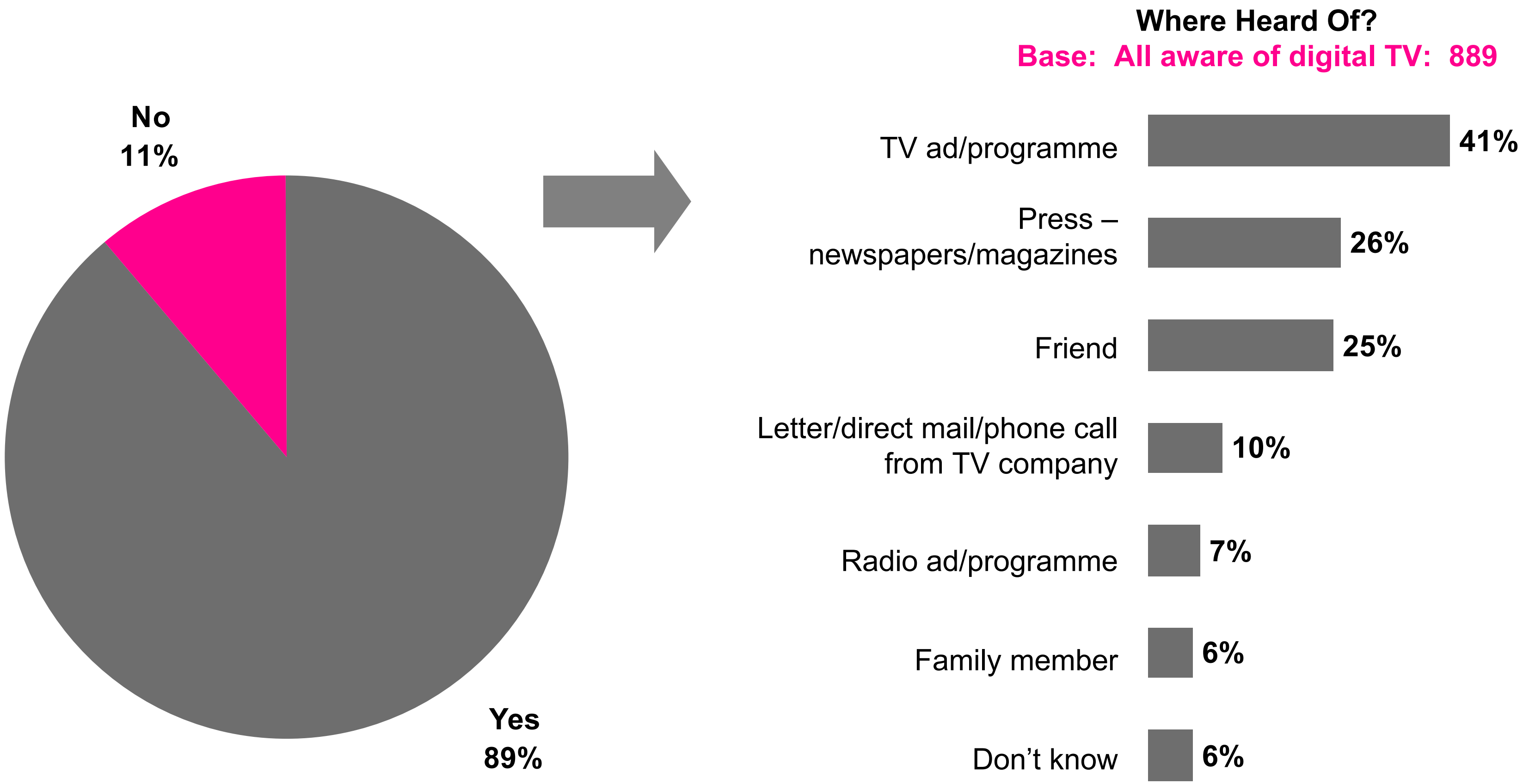
I'd need to get a Chorus phone line

My wife won't get a satellite dish on the roof

I would have a concern about the kids watching it..some of the cartoons are very adult

The majority of respondents have heard of digital TV

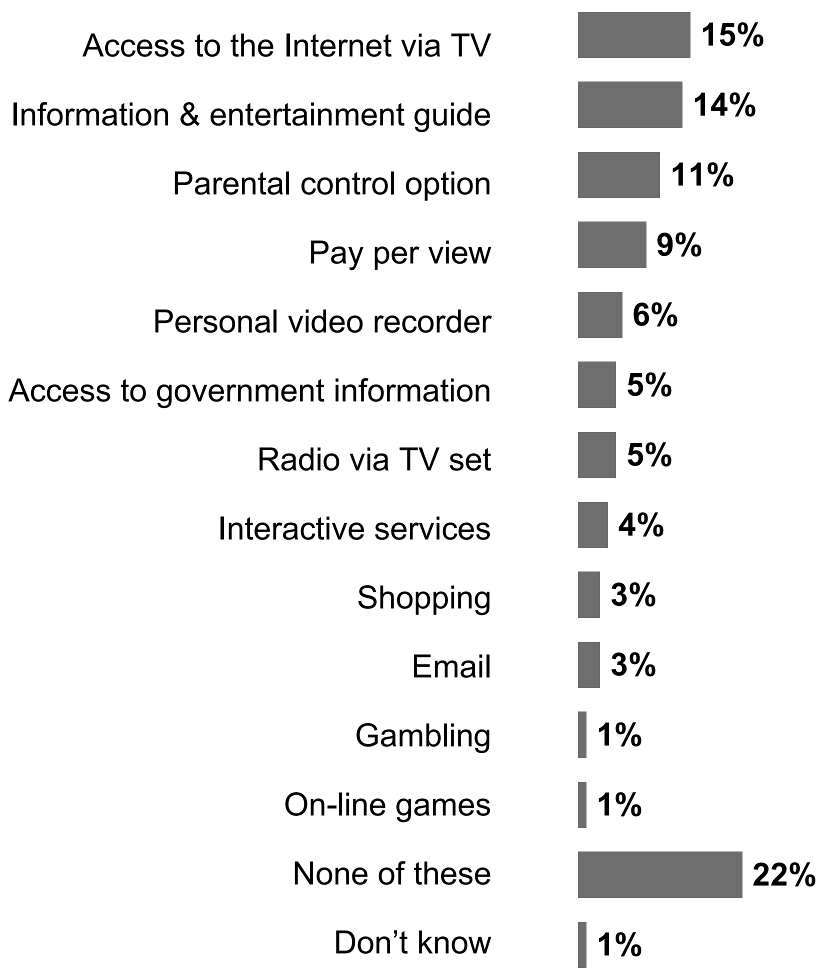
Base: All Respondents: 1,000



Q: Have you heard of digital TV? Where did you hear or learn about digital TV?

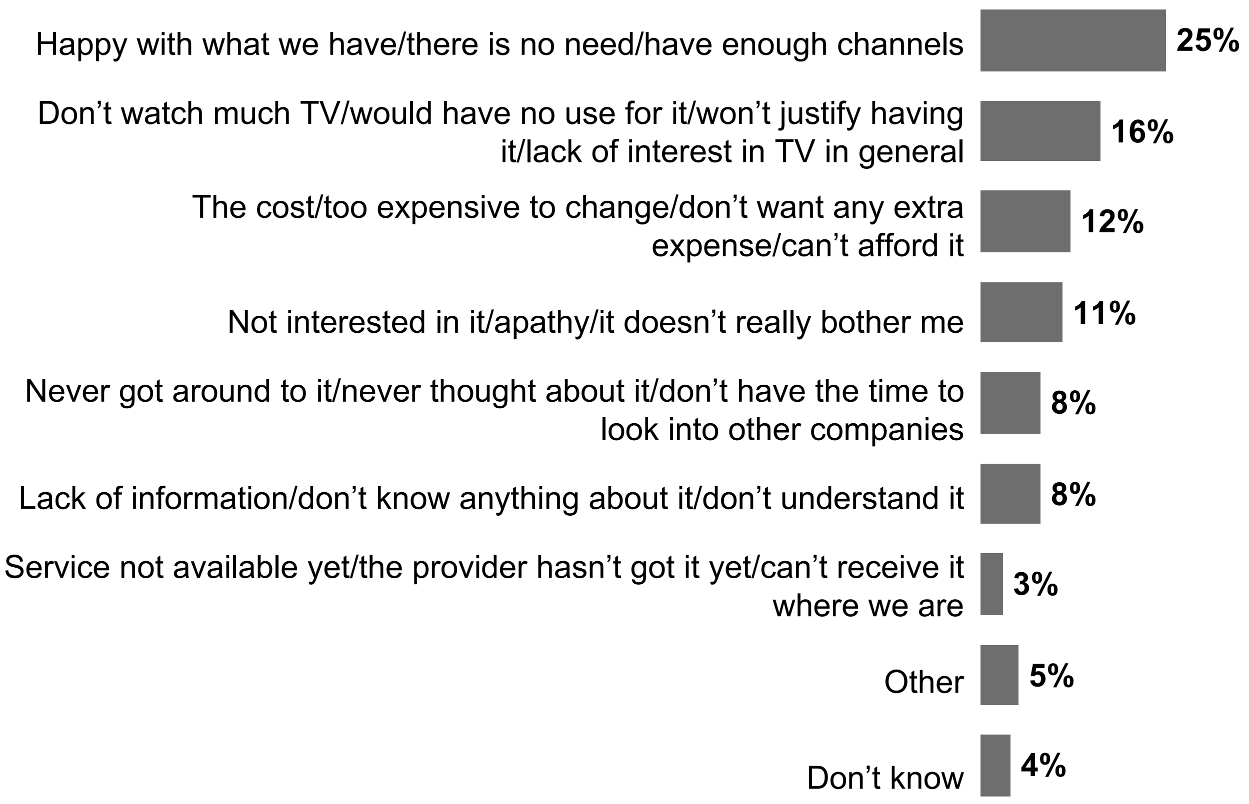
Access to the internet via TV is of interest to 15% of all respondents (both subscribers and non-subscribers)

Base: All Respondents: 1,000



Q: Which one of the following would you be most interested in?

Main reasons for not switching to digital are…
Base: All non-Digital TV Subscribers: 315



Focus Groups: Reasons for getting digital TV

- The main reasons behind the initial decision to subscribe to a digital TV service included:
  - Poor reception, special offers and Increased range of channels, particularly sports channels

"I think the initial thing was quality with a lot of people, the quality of digital I think hits you immediately. A friend of mine who has just got digital down in the golf club came into me and the very first thing he said, the very first thing he said was you know the reception is absolutely fantastic. It's just crystal clear."
(Digital, Dublin)

The US Open is starting next week. You can't watch that on anything but Sky Digital

Ntl: came to the door with a special offer

I just get the basic family package, it's only €28..for what you're getting. it's great value for money

I just think everyone was getting digital at the time

Most people got it for quality, our own stations were so poor

The variety. You've choice now.

People pay for luxuries and it is a luxury

Focus Groups: Criticisms of digital

- The main critcisms of digital TV were related to content and single set viewing

*"Why can't you change it in rooms?
If you have a 3 bed roomed house, why don't you get 3 decoders?
I don't see why they don't give you the extra boxes"*

*"That to me is the biggest scam in terms of digital.
I mean you should be able to put any channel that comes
through the service onto any telly. That's just a way of making money"*

Most on Sky Digital is repeat stuff that is ancient

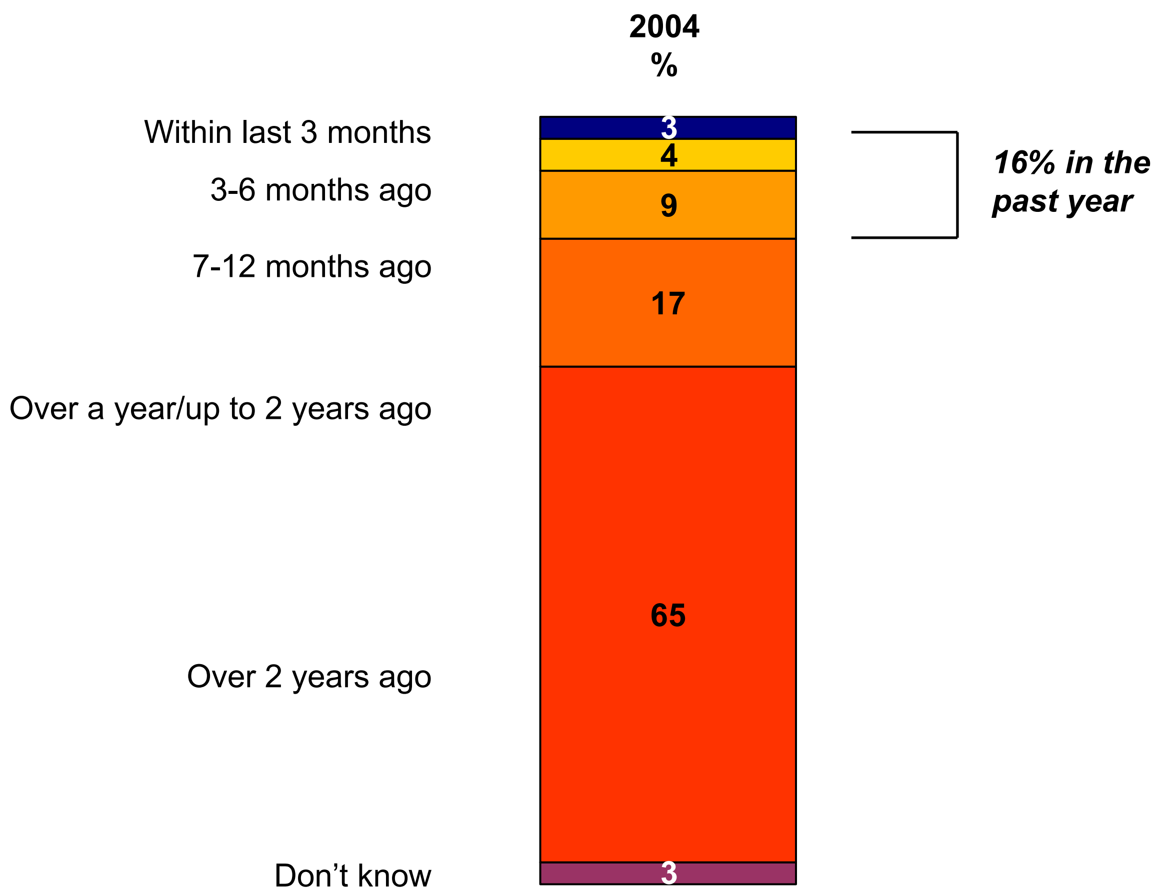
As a parent, I've a 17 year old girl at home and she will literally sit in front of the telly 24/7 watching Big Brother, Tropical Lovers, Tropical Lovers Part 2, Newlyweds and it's all mind-numbingly trash

My parents have digital TV and I remember they were watching football and I wanted to watch something else but I couldn't

You keep looking until you get something

31% of all respondents subscribed to digital
16% of digital subscribers had "gone digital" in the last year

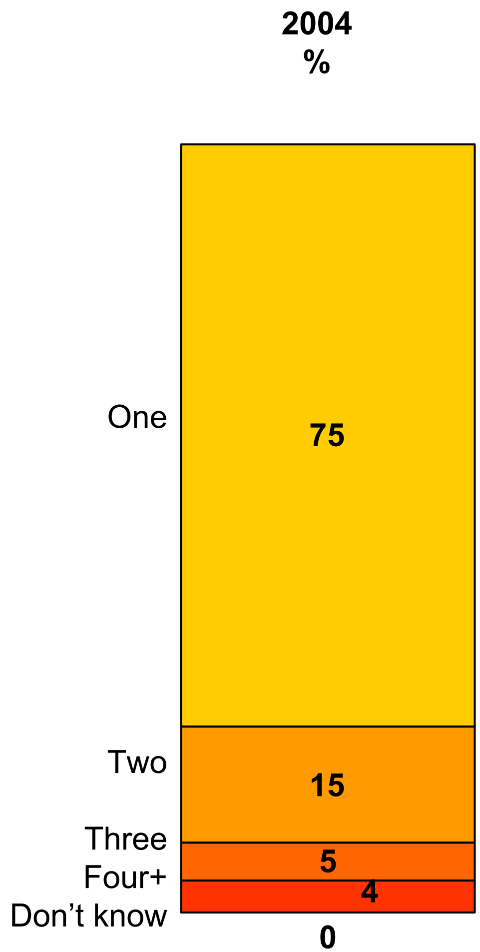
Base: All Digital Subscribers: 305



Q: How long have you been with your service provider?

3 in 4 digital subscribers have only one TV connected to digital

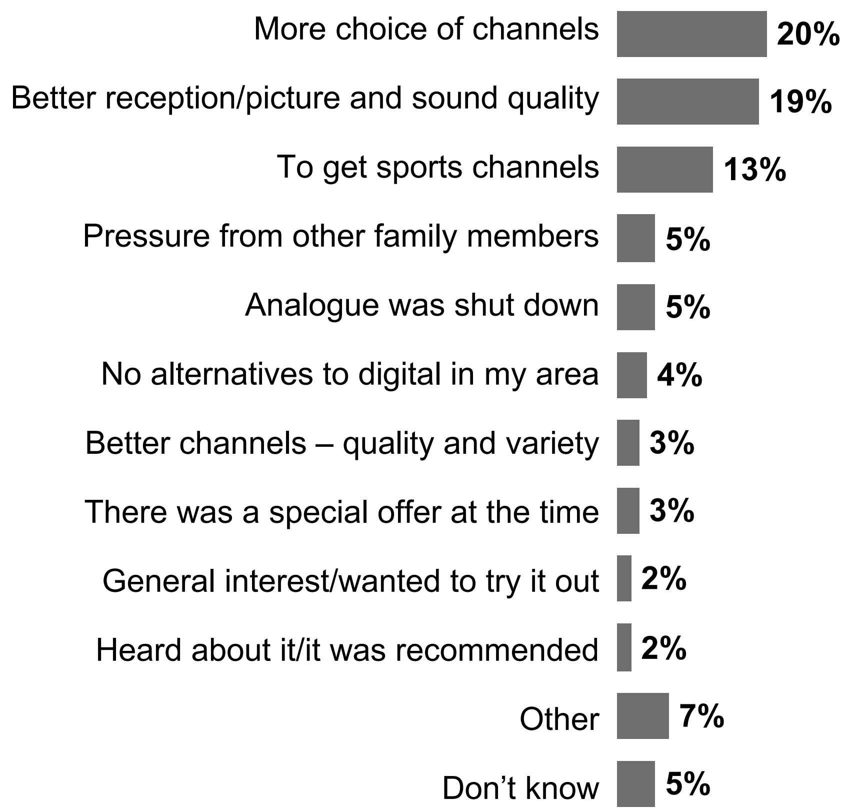
Base: All Digital Subscribers: 305



Q: On how many TV sets in your household can you watch pay TV?

The main reasons for switching to digital are…

Base: All Digital Subscribers: 305



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Almost half of digital subscribers claimed never to have used an interactive service

Base: All Digital Subscribers: 305

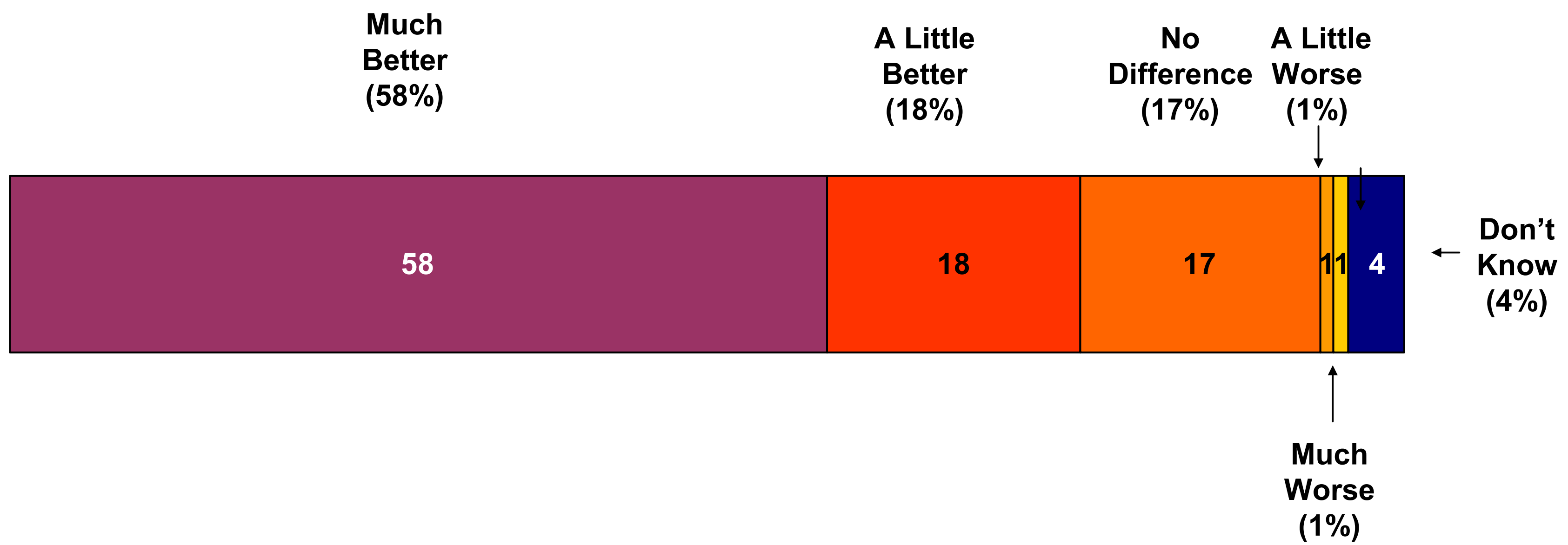
	Total	Male	Fe-male	15-24	25-34	35-44	45-54	55+	Kids	No Kids
		%	%	%	%	%	%	%	%	%
Information & entertainment guides (what's on)	37%	35	38	39	26	41	47	31	42	32
Interactive services (pressing the red button)	31%	33	30	53	29	35	34	25	35	29
On-line games	11%	10	11	33	11	13	11	6	15	7
Personal video recorder	10%	8	11	-	8	7	12	13	9	10
Shopping	6%	8	4	12	-	4	9	6	6	6
E-mail	2%	2	2	-	2	-	2	4	2	2
Gambling	1%	2	1	13	3	-	-	1	1	2
None of these	47%	48	47	41	58	40	38	56	41	53

Q: Have you ever used any of the following digital TV services in your own home?

tns mrbi

Over half of digital subscribers stated that digital TV was much better than (non-digital) analogue TV

Base: All Digital Subscribers: 305



Q: Now thinking about digital TV, taking everything into account, do you think it is better or worse than non-digital (analogue TV) or do you think there is any difference?

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Summary of Findings

Technologies in the Home

- Take up of TV related technology and other technologies are higher amongst subscribers to pay TV and households with Children.
- Almost 9 in 10 respondents had a Video Recorder (89% of all respondents, 92% amongst subscribers and 95% in households with Children) and a mobile phone (89% of all respondents, 94% of subscribers and 97% in households with Children).
- 67% of those surveyed claimed to have 2 or more TV sets while 10% had four or more.
- Around 8 in 10 respondents listen to the radio on a "normal" radio in the home (87%) and in their car (78%). But a number also listen via their TV (6% via satellite, 4% via cable/MMDS), via the internet (5%) and via their mobile phone (3%).

Non-Subscribers

- A third of the sample did not subscribe to pay TV (38%), the majority of whom had never subscribed to pay TV (78% of 380 non-subscribers).
- The main reasons for stopping subscriptions to pay TV were moving house (22%)and cost (22%).
- The main reasons given for never having subscribed to pay TV were "happy with current range of free channels" (37%) and "just not bothered" (34%).

Subscribers

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- Almost two-thirds (62%) of respondents subscribed to pay TV. Subscribers tend to be younger, more affluent, are more likely to be Dublin-based and have children present in the household.
- 50% of subscribers were connected to pay TV via cable, 35% via satellite and 13% via MMDS. 2% claimed to have both satellite and cable TV.
- 58% of subscribers only had access to pay TV via one TV set. This figure was higher in satellite homes (69%) than in homes with cable (49%) or MMDS (56%).
- Only 5% of subscribers claimed to have switched pay TV service provider over the last 2 years and 88% of all subscribers have not considered switching.
- 1 in 5 subscribers (22%) had used "Pay Per View" services. 16% of subscribers had bought a sports pay per view event while 12% had used it to buy a film.

Digital

- Nine in Ten (89%) of all respondents were aware of/had heard of digital TV.
- Access to the internet via TV is the digital service of most interest to 15% of all respondents (both subscribers and non-subscribers). Fourteen percent expressed an interest in information and entertainment guides, while the parental control option was popular amongst 11% of respondents.
- The main reasons for pay TV subscribers not going digital were "happy with what we have" (25%) , "Don't watch much TV" (16%) and cost (12%).
- Around a third (31%) of all respondents and 49% of pay TV subscribers claimed to have digital TV. Sixteen per cent of all digital subscribers have signed up in the past year.
- The key drivers for 'going digital' were a wider range of channels (20%), better picture and sound quality (19%) and sports channels (13%).
- Almost six in ten (58%) of all digital subscribers regarded digital TV as 'much better' than analogue, with a further 18% claiming digital was 'a little better'.