

Ofcom and Digital UK  
Switchover Tracker Survey

Switchover Progress Report  
Q3 2006

**digitaluk**

**Ofcom**  
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## Executive Summary

- The Q3 2006 results of the Ofcom / Digital UK Switchover Tracker represent the second full quarter of metrics on consumers' progress towards digital TV switchover, and enable some emerging trends to be identified.
- Awareness of switchover has built solidly, up 4 points from 66% in Q2 to 70% in Q3 (meeting the Q3 target) and there are signs of continued growth in conversion to digital TV (see below for further explanation). Overall while there remains a significant conversion challenge, the public do not seem concerned; with 79% feeling comfortable with the switchover process.

### Digital TV Conversion

- In October Ofcom issued its Q2 2006 Digital Television Progress Report on take-up of digital TV. Q2 multichannel conversion was 72% which suggested only a small growth of primary TV set conversion in households from Q1.
- Following a reweighting to represent household figures in the results of the Ofcom/Digital UK Switchover Tracker as per GfK, the switchover tracker shows very similar levels of digital conversion: in Q2 it suggested primary set conversion of 71% including analogue cable households against Ofcom's 72% multichannel conversion figure. Like the Ofcom Digital Progress figures the Tracker showed little growth in digital conversion during Q2.
- Q3 figures indicate, however, that there has been renewed growth in Q3. Ofcom and Digital UK will assess all Q3 conversion data sources as they become available, and Ofcom will publish final figures for Q3 in its next Digital Television Progress report out towards the end of the year.

### Awareness & Understanding of Switchover

- Nationwide awareness of switchover has grown from 66% in Q2 to 70% in Q3. This meets exactly the Q3 awareness target of 70%. In the leading four regions awareness targets have been exceeded.
- More than half of the population (52%) have an accurate understanding what they need to do for digital switchover. This proportion increases to three quarters (75%) amongst those who are aware of the change. When asked specifically on switchover implications for all TV sets in the household 67% said that they knew they needed to get digital on every TV set, up from 64% in Q2, and rising in line with growth in awareness.
- Knowledge of the relevant regional date for switchover (i.e. whether consumers know the year of switchover in their TV region) was slightly

lower in Q3 than in Q2. In Q2 10% of respondents could cite the correct year for their region. In Q3 only 8% gave the correct date.

### Intentions to Convert

- The number of ‘resisters’, those saying they will not convert any TV for switchover, is lower in Q3, with only 1% of those surveyed claiming that they would not switch to digital (down from 3% in Q2); although we might expect this figure to fluctuate as switchover approaches. The 10% difference are the people stating that they don’t yet know whether they will have digital in time for switchover.

### Attitudes Towards Switchover

- Attitudes towards the policy of switchover have improved marginally. In Q2 67% said that they felt either positive or neutral about switchover, and this rose a little to 70% in Q3. Almost 8 in 10 (79%) say that they are comfortable with the process of switching over, and do not feel concerned or threatened by it.

### People’s Experiences of Using Digital TV

- The Q3 Tracker explored people’s experiences of getting, installing and using digital TV and asked what more support analogue households might need during the conversion process.
- The results showed: 89% had found it easy to install their Freeview box, and 40% had found it easier than they expected, suggesting that many fear that getting digital TV will be more difficult than they find it in reality.
- However, it is also evident that many rely on family and friends to help them set up their TV equipment. 42% said that they do this themselves, 42% ask family or friends to do it for them, and 14% will ask a professional (either from the shop, a professional installer, or from the rental company). Older age groups are more likely to ask others for assistance, with only 19% of those 65 or over saying that they sort out their equipment themselves, 49% saying they ask family or friends, and 31% asking a professional.
- Half of those surveyed said they had no problems setting up their Freeview box. Of those who did encounter problems the most commonly cited was scanning for channels (which 16% had an issue with), followed by connecting to a VCR (which 12% had difficulties with). Given that less than two thirds (63%) of Freeview users said that they knew how to scan for channels or knew that the box would do it for them.
- Nine out of ten digital TV users found their equipment easy to use, and results were consistent across all platforms (94% of satellite users said their box was easy to use; 91% of Freeview users and 88% of cable users). Cable users mentioned some problems turning subtitles and audio description on and off, and with the Electronic Programme Guide (EPG).

Freeview users had some problems with the remote control buttons being too small and with changing channels.

- Freeview and cable users reported the most frequent problems with their picture breaking up. Perhaps more worryingly 16% of Freeview users and 13% of cable users said that their boxes crash at least once a week.
- We also asked analogue households what they felt would help them in the process of getting digital TV. The most popular option was reliable in-store advice (chosen by 38%). However among older people the most popular option was in-home support to show them how to use the equipment. 39% of 65-74s and 50% of the 75+ age groups chose this. 25% of all analogue households said that they found the idea of in-home support 'very appealing' and that they would 'need it for myself or somebody in my household'. Demand was highest in the 55-64 age group, but also above average for the 65-74s (27%) and the 75+ (26%).

### The Digital Switchover Logo

- Awareness of the digital 'tick' logo, the label for products and services certified to work through switchover, rose 6 percentage points in the quarter from 45% to 51%. This just exceeded our Q3 logo awareness target of 50%.
- Understanding of what the logo means held steady, with 63% giving an accurate interpretation (Q2 = 62%). In Q2 3% of people thought it meant the product was high-definition ready, and 3% said this again in Q3, although it is encouraging that with a high level of activity around HD that this figure has not gone up. With awareness on the rise, but in an increasingly 'noisy' brand environment (particularly at retail) we will work harder to explain what the logo means to consumers.

### Low Income Households

- According to the Tracker figures, 67% of adults aged 65+ are from a low income household compared to 28% of adults aged under 65.
- Digital TV penetration is similar amongst those aged under 65 from low income households when compared to with the population as a whole, 72% vs. 76% respectively, implying that low income is not a major barrier to ownership.
- Ownership levels are lower amongst adults aged 65+ from low income households (61%) and amongst adults aged 75+ from low income households (41%), indicating that age is the stronger influencing factor in the decision not to get digital TV in older low income households.
- Awareness of digital TV switchover is considerably lower amongst adults aged under 65 and from low income households than amongst the total population (57% vs. 68%). Older adults from low income households appear to have higher awareness than the younger group, 72% amongst adults 65+ from low income households and 64% amongst adults aged 75+ from low income households (in keeping with the demographic profile

of awareness amongst the population as a whole). It should be noted that awareness does not imply understanding.

- Understanding of digital TV switchover is lower amongst adults under 65, 65+ and 75+ from low income households, compared to the total population; 63%, 54%, 44% vs. 75% respectively.
- Adults from low income households aged under 65 and 65+ both feel slightly less positive about switchover than the population as a whole, 63% respond positively or neutrally regarding feelings towards switchover compared with 68% across the population as a whole. The 75+ from low income households group are the least positive, with 58% responding positively/ neutrally. Adults aged under 65 from low income households are also slightly more uncomfortable with the switchover process, with just over a fifth (22%) feeling at least slightly worried by switchover compared with 17% of the total population.
- Slightly more adults (16%) from low income households aged both under 65 and 65+ claim they don't know why switchover is happening compared with 12% of the total population.

### TV Recorders

- With the growth of digital TV, and the launch of a range of innovative digital recorders with enhanced functionality, sales of analogue VCRs have been declining while digital TV recorders show strong growth. By the end of June 2006 we estimate that there were around 1.8 million digital TV recorders in UK homes, including Sky+, DTT recorders and other devices such as Telewest's TV Drive and TiVo.
- Despite this more analogue recorders continue to be sold at retail than digital recorders. In Q3, according to figures from GfK, 449,000 analogue VCRs were sold in retail outlets, compared to just 47,000 digital recorders.
- There is an opportunity for retailers to communicate the enhanced benefits of digital recorders to consumers at point of sale, especially in the context of growing awareness of switchover. Our research shows strong interest in digital recorders, with 23% of VCR owners – around 4.5 million households – planning to replace their equipment with digital recorders.

### Going Forward

- The trends emerging from the Q3 data will now inform Digital UK's communications and assistance strategies. We have recognised that low understanding of the regional dates for switchover is problematic, and will seek to address this issue in future communications by ensuring that dates are included on all regional communications.
- The results of the Q3 usability module will be taken into account for the future development of the Digital UK communications campaign. Ideas such as exploring ways of telling people that getting digital TV may be 'easier than they think' and a specific communications strategy on re-scanning digital boxes for switchover. Furthermore Digital UK is looking at

how to ask the public to give others a 'helping hand' through switchover. These results have also been shared with the manufacturers and consumer groups as part of the Department of Trade and Industry's 'Usability Action Plan', and they are collectively considering how to address some of the issues raised in it.

- The Q4 Tracker will continue to monitor the key metrics, and is also testing the effectiveness of Digital UK's Autumn communications campaign. The Q4 report will be published in early February 2007.

**Chapter 1**

**The Dashboards – Q3 2006**

Quarterly results are presented on dashboards of progress:

(1) The Dashboard: By Regions

Key metrics for each switchover region, and the UK as a whole

(2) The Dashboard: By Consumer Groups

Key metrics provided for a range of demographic and consumer groups (see Appendix Two for a full Glossary of consumer group terms)

(3) The Dashboard: By Switchover Segment

Digital UK has conducted a segmentation of the UK population for switchover. The results are presented in Chapter 3, and the dashboard of key metrics for the six switchover segments shown below.

Note that conversion figures on the dashboard are based on tracker data, and are therefore indicative only. The figures provided in Ofcom’s Quarterly Digital TV Progress Reports remain the authoritative guide to digital TV take-up. The Q2 2006 report shows that 70.2% of households have digital TV, and 72.0% have multi-channel TV (including analogue cable).

**How to read the dashboards**

**FIGURE 1 – NAVIGATING THE TRACKER DASHBOARDS**

The number of surveys achieved for each region or consumer group is listed in the ‘Base Size’ column

The key switchover metrics – the responses to the most important questions from the Switchover Tracker survey that will be used to monitor progress by – are listed across the top of the dashboard [see appendix for further explanation of the key metrics]

UK-wide national data is shown across the top line of both dashboards

The lined below are either for the switchover regions, or the selected consumer groups

	BASE SIZE	-1- Awareness		-2- Understanding			-3- Pos/neutral attitude		-4- Intentions to convert			-5- Conversion				-6- Satisfact'n with digital TV
		-a- Prompted	-b- Logo	-a- What to do for DSO	-b- Update every TV set	-c- Date	-a- Overall opinion	-b- Personal opinion	-a- Convert at least one set	-b- Will not convert any set	-c- Analogue h/holds to convert 2m	-a- Primary set converted	-b- Other sets converted	-c- Full h/hold conversion	-d- Total converted	
<b>NATIONAL</b>	<b>1963</b>	70%	51%	52%	67%	8%	70%	79%	89%	1%	15%	76%	34%	38%	54%	79%
1 - Border	326	89%	60%	67%	80%	49%	72%	80%	92%	1%	16%	74%	33%	39%	53%	81%
2 - Westcountry	310	86%	59%	70%	79%	10%	70%	78%	91%	2%	9%	76%	32%	42%	54%	76%
3 - Wales	316	77%	54%	54%	72%	15%	63%	74%	90%	2%		79%	29%	38%	52%	80%
4 - Granada	328	71%	51%	49%	67%	8%	68%	78%	88%	3%	12%	78%	39%	40%	57%	78%
5 - West	57*	79%	51%	66%	81%	17%	69%	72%	98%	0%		81%	38%	34%	57%	
6 - STV/Gramp	72*	74%	57%	46%	65%	15%	67%	79%	86%	3%		71%	21%	33%	48%	86%
7 - Central	100	74%	55%	57%	69%	2%	76%	80%	91%	2%		79%	36%	44%	55%	76%
8 - Yorkshire	103	66%	51%	41%	60%	2%	61%	73%	90%	2%		74%	38%	42%	55%	73%
9 - Anglia	76*	77%	61%	64%	77%	8%	75%	78%	93%	0%		74%	30%	36%	52%	82%
10 - Meridian	95*	72%	40%	53%	73%	10%	67%	83%	87%	2%		75%	36%	34%	55%	73%
11 - London	100	62%	51%	53%	62%	9%	83%	84%	92%	0%		78%	35%	38%	55%	78%
12 - Tyne Tees	55*	63%	35%	44%	60%	4%	53%	72%	86%	0%		72%	19%	29%	42%	
13 - Ulster	66*	51%	28%		42%	3%	47%		75%	2%		51%		32%	44%	

Yellow cells contain data based on low sample sizes (under 100 surveys), and should therefore be treated with some caution

Cells are greyed out where the sample sizes are very low (less than 50 surveys), and the data is therefore considered unreliable and not shown

**(1) The Dashboard: By Regions**

	BASE SIZE	-1- Awareness		-2- Understanding			-3- Pos/neut attitude		-4- Intentions to convert			-5- Conversion				-6-
		-a- Unpromptd	-b- Logo	-a- What to do for DSO	-b- Update every TV set	-c- Date	-a- Overall opinion	-b- Personal opinion	-a- Convert at least one set	-b- Will not convert any set	-c- Analogue h/holds to cnvrt 12m	-a- Primary set converted	-b- Other sets converted	-c- Full h/hold convrsn	-d- Total converted	Satisfact'n with digital TV
<b>NATIONAL</b>	<b>1963</b>	70%	51%	52%	67%	8%	70%	79%	89%	1%	15%	76%	34%	38%	54%	79%
<b>1 - Border</b>	<b>326</b>	89%	60%	67%	80%	49%	72%	80%	92%	1%	16%	74%	33%	39%	53%	81%
<b>2 - Westcountry</b>	<b>310</b>	86%	59%	70%	79%	10%	70%	78%	91%	2%	9%	76%	32%	42%	54%	76%
<b>3 - Wales</b>	<b>316</b>	77%	54%	54%	72%	15%	63%	74%	90%	2%		79%	29%	38%	52%	80%
<b>4 - Granada</b>	<b>328</b>	71%	51%	49%	67%	8%	68%	78%	88%	3%	12%	78%	39%	40%	57%	78%
<b>5 - West</b>	<b>57*</b>	79%	51%	66%	81%	17%	69%	72%	98%	0%		81%	38%	34%	57%	
<b>6 - STV/Gramp</b>	<b>72*</b>	74%	57%	46%	65%	15%	67%	79%	86%	3%		71%	21%	33%	48%	86%
<b>7 - Central</b>	<b>100</b>	74%	55%	57%	69%	2%	76%	80%	91%	2%		79%	36%	44%	55%	76%
<b>8 - Yorkshire</b>	<b>103</b>	66%	51%	41%	60%	2%	61%	73%	90%	2%		74%	38%	42%	55%	73%
<b>9 - Anglia</b>	<b>76*</b>	77%	61%	64%	77%	8%	75%	78%	93%	0%		74%	30%	36%	52%	82%
<b>10 - Meridian</b>	<b>95*</b>	72%	40%	53%	73%	10%	67%	83%	87%	2%		75%	36%	34%	55%	73%
<b>11 - London</b>	<b>100</b>	62%	51%	53%	62%	9%	83%	84%	92%	0%		78%	35%	38%	55%	78%
<b>12 - Tyne Tees</b>	<b>55*</b>	63%	35%	44%	60%	4%	53%	72%	86%	0%		72%	19%	29%	42%	
<b>13 - Ulster</b>	<b>66*</b>	51%	28%		42%	3%	47%		75%	2%		51%		32%	44%	

Ulster fieldwork dates: 1<sup>st</sup> April – 30<sup>th</sup> September 2006

Source: DSO Tracker DSO Tracker DSO Tracker DSO Tracker DSO Tracker DSO Tracker DSO Tracker DSO Tracker DSO Tracker DSO Tracker DSO Tracker DSO Tracker DSO Tracker DSO Tracker DSO Tracker

**(2) The Dashboard: By Consumer Groups**

	BASE SIZE	-1- Awareness		-2- Understanding			-3- Pos/neut attitude		-4- Intentions to convert			-5- Conversion				-6- Satisfact'n with digital TV
		-a- Unpromptd	-b- Logo	-a- What to do for DSO	-b- Update every TV set	-c- Date	-a- Overall opinion	-b- Personal opinion	-a- Convert at least one set	-b- Will not convert any set	-c- Analogue h/holds to cnvrt 12m	-a- Primary set converted	-b- Other sets converted	-c- Full h/hold convrsion	-d- Total converted	
<b>NATIONAL</b>	<b>1963</b>	70%	51%	52%	67%	8%	70%	79%	89%	1%	15%	76%	34%	38%	54%	79%
<b>Male</b>	<b>954</b>	75%	56%	59%	74%	11%	73%	83%	90%	2%	15%	78%	37%	43%	57%	81%
<b>Female</b>	<b>1009</b>	65%	46%	46%	60%	6%	67%	76%	88%	1%	15%	73%	30%	34%	50%	76%
<b>16-24</b>	<b>230</b>	44%	53%	34%	47%	6%	74%	84%	87%	2%		80%	35%	33%	53%	86%
<b>65-74</b>	<b>239</b>	76%	56%	50%	78%	10%	65%	75%	86%	4%	11%	74%	25%	37%	50%	77%
<b>65+</b>	<b>423</b>	70%	49%	44%	69%	9%	62%	74%	81%	4%	20%	57%	21%	29%	41%	69%
<b>ABC1</b>	<b>886</b>	77%	48%	62%	73%	9%	74%	80%	92%	1%	15%	77%	35%	40%	55%	81%
<b>C2DE</b>	<b>1077</b>	63%	53%	42%	60%	8%	65%	79%	87%	2%	15%	74%	32%	37%	52%	76%
<b>Rural</b>	<b>396</b>	80%	52%	63%	76%	9%	72%	82%	92%	1%	11%	80%	35%	41%	56%	84%
<b>Urban</b>	<b>1567</b>	68%	51%	51%	65%	8%	70%	79%	89%	1%	15%	75%	33%	38%	53%	78%
<b>Low income</b>	<b>411</b>	67%	57%	40%	64%	8%	63%	72%	85%	3%	14%	65%	20%	34%	44%	68%
<b>BME</b>	<b>93*</b>	42%	56%	26%	39%	5%	76%	83%	84%	1%		80%	41%	48%	61%	74%
<b>Non-English</b>	<b>91*</b>	48%	59%	32%	45%	8%	75%	85%	77%	3%		67%	32%	45%	52%	83%
<b>Disabled</b>	<b>366</b>	71%	49%	44%	63%	8%	68%	68%	84%	4%	10%	70%	24%	37%	48%	73%
<b>Socially isolated</b>	<b>16**</b>															
<b>Living alone</b>	<b>366</b>	72%	47%	50%	66%	12%	68%	75%	82%	3%	16%	56%	19%	33%	41%	72%
<b>Families w/ children</b>	<b>554</b>	72%	54%	54%	65%	8%	66%	78%	90%	1%	12%	85%	35%	41%	56%	80%
<b>Rent private</b>	<b>200</b>	60%	47%	46%	58%	7%	67%	83%	82%	3%		70%	21%	42%	51%	70%
<b>Rent council</b>	<b>359</b>	60%	54%	43%	60%	8%	67%	73%	84%	4%	28%	73%	27%	36%	50%	88%
<b>House</b>	<b>1785</b>	70%	51%	53%	67%	8%	70%	80%	90%	1%	15%	77%	35%	39%	54%	78%
<b>Flat</b>	<b>158</b>	68%	48%	47%	65%	13%	65%	77%	83%	7%		65%	12%	31%	44%	81%
<b>THS - 75+</b>	<b>184</b>	62%	41%	36%	57%	6%	58%	73%	76%	4%	25%	39%	15%	21%	29%	53%
<b>THS - DLA/AA &lt;75</b>	<b>110</b>	72%	50%	49%	67%	9%	65%	67%	91%	5%		86%	31%	46%	58%	81%

Source:

DSO Tracker DSO Tracker DSO Tracker DSO Tracker DSO Tracker DSO Tracker DSO Tracker DSO Tracker DSO Tracker DSO Tracker DSO Tracker DSO Tracker DSO Tracker

**(3) The Dashboard: By Switchover Segment**

\* Very small base size – data should be viewed as indicative only

\*\* Extremely small base size – data omitted

	BASE SIZE	-1- Awareness		-2- Understanding			-3- Pos/neut attitude		-4- Intentions to convert			-5- Conversion				-6- Satisfact'n with digital TV
		-a- Unpromptd	-b- Logo	-a- What to do for DSO	-b- Update every TV set	-c- Date	-a- Overall opinion	-b- Personal opinion	-a- Convert at least one set	-b- Will not convert any set	-c- Analogue h/holds to cnvrt 12m	-a- Primary set converted	-b- Other sets converted	-c- Full h/hold convrsion	-d- Total converted	
<b>NATIONAL</b>	1963	70%	51%	52%	67%	8%	70%	79%	89%	1%	15%	76%	34%	38%	54%	79%
<b>Cultured Conservatives</b>	295	70%	43%	56%	68%	5%	59%	72%	85%	2%	8%	56%	25%	29%	41%	70%
<b>Out-and-About Families</b>	216	72%	43%	54%	68%	6%	67%	77%	92%	1%		82%	31%	42%	54%	74%
<b>Traditionalists</b>	418	65%	44%	35%	55%	4%	60%	72%	82%	4%	15%	61%	19%	27%	41%	65%
<b>TV-Centrics</b>	643	68%	59%	54%	67%	11%	76%	81%	92%	0%	14%	90%	41%	42%	62%	85%
<b>Rolling Stones</b>	147	76%	44%	60%	72%	10%	72%	82%	89%	0%		69%	19%	43%	49%	80%
<b>High-Tech Youth</b>	241	76%	61%	67%	77%	14%	82%	92%	96%	1%		91%	47%	51%	67%	86%

Source:

DSO Tracker DSO Tracker DSO Tracker DSO Tracker DSO Tracker DSO Tracker DSO Tracker DSO Tracker DSO Tracker DSO Tracker DSO Tracker DSO Tracker DSO Tracker DSO Tracker

## Chapter 2

# The Switchover Targets Model

## The Market Planning Model: Setting Targets for Switchover

- The over-arching target of the Digital Switchover Programme is to ensure that at switchover every household has access to digital television or the necessary understanding to make an informed decision not to convert. Beyond this goal it is necessary to set planning targets which will enable stakeholders and the market to plan the necessary action, equipment and resourcing to meet potential public requirements. These targets are based on Digital UK plans, stakeholder consultation and public research and provide the framework against which the quarterly Switchover Tracker results will be assessed.
- The market planning model has taken data from the first quarter of the Switchover Tracker (Q2 2006) as a start point, determined the endpoints and traced the path between the two to set quarterly targets on the following key metrics:
  - Awareness of switchover
  - Understanding of switchover
  - Conversion of the primary set
  - Conversion of the second set
- The endpoint targets for each of the key metrics is as follows:
  - Target 100% awareness of switchover 12 months prior to the start of switchover
  - Target 100% understanding of what you need to do for switchover 6 months prior to switchover
  - Target 100% of households having digital television at the end of switchover (unless they have chosen not to)
  - Target 100% conversion of the second set in the household 6 months after the completion of switchover in those households wishing to convert their second set

Note that a tolerance will be allowed around these targets to allow for unusual circumstances (for example an individual being out of the country). These targets will be refined following switchover in the lead region of Whitehaven.

- These planning targets are created for each region, and are rolled up to give national targets. By matching results from the Switchover Tracker against these targets the programme will be able to monitor progress and, where appropriate, reallocate resource accordingly.
- An additional output of the model is a 'sales requirement model' which translates the quarterly and regional conversion targets into a volume

sales require which the platforms and supply chain manufacturers and retailers may use to assist them with their logistics planning for switchover.

### Targets for 2006/07

- The awareness targets for the year to March 2007 in the lead regions have been confirmed as the following:

**FIGURE 2: NATIONAL AND REGIONAL SWITCHOVER TARGETS Q2 2006 - Q1 2007**

	<b>Q2 2006</b> (Start point taken from Q2 Tracker results)	<b>Q3 2006</b> (Targets)	<b>Q4 2006</b> (Targets)	<b>Q1 2007</b> (Targets)
<b>National</b>	66%	70%	75%	77%
<b>Border</b>	82%	85%	91%	92%
<b>Westcountry</b>	77%	80%	87%	89%
<b>Wales</b>	71%	75%	82%	84%
<b>Granada</b>	64%	69%	80%	82%

- We have also targeted 60% awareness of the digital tick logo by March 2007.

### Achievements Against Targets

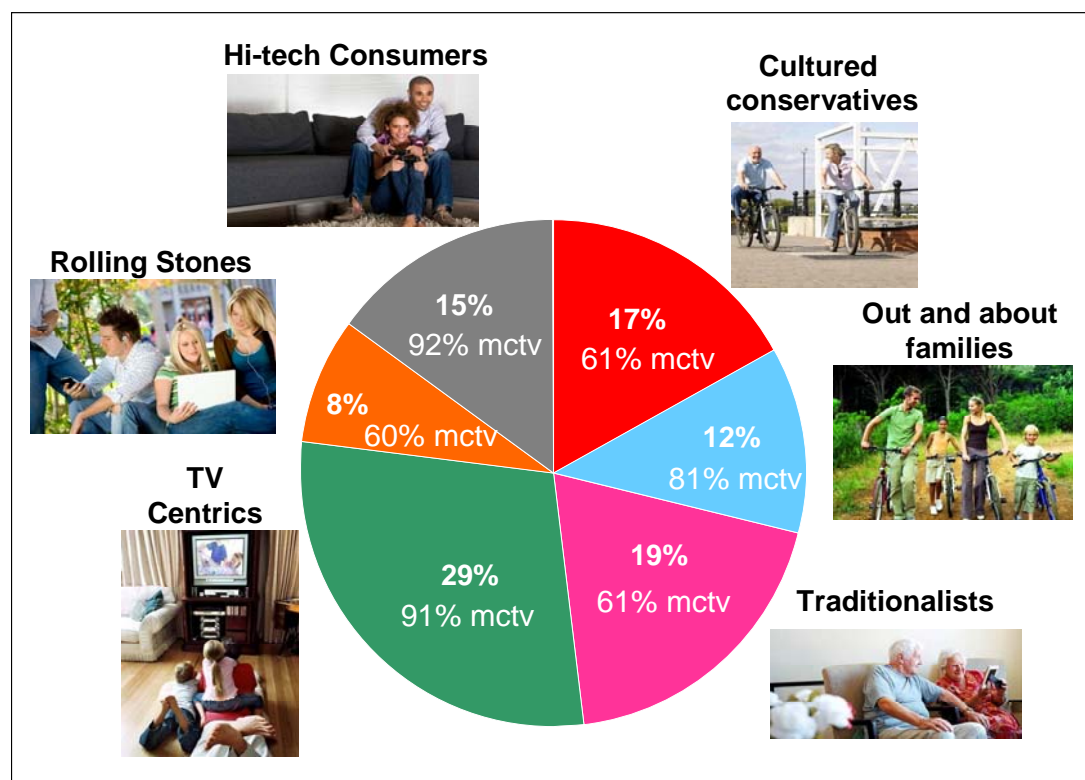
- In Q3 the programme met or exceeded its targets on the lead measure of awareness at a national level and in the lead four regions. We take this as an encouraging sign that at this early stage the programme is on track. Future reporting of the Tracker results will be against these targets.

▪ Chapter 3

## The Switchover Segmentation

- During Q3 Digital UK conducted a consumer segmentation based on people's propensity to have digital TV and their attitudes towards change in general and switchover in particular.
- Using the first tranche of data from the Ofcom / Digital UK Tracker the agencies GfK NOP and i2 Media conducted factor analysis of the survey sample, and using the 11 most discriminating attitudinal statements and developed six clusters or segments, each of which have strong characteristics in relation to digital TV and switchover.
- The six segments, their size (of the whole TV population) and their current multichannel television (mctv) take-up is summarised in the figure 3 below.

FIGURE 3: THE SWITCHOVER SEGMENTATION



- The six segments can be described as follows:

### **(1) Cultured Conservatives**

Cultured conservatives makes up 17% of the population but have below average multichannel television take-up at only 61%. They are more likely to be older (55+) and relatively upmarket. They are more likely to live in the Westcountry, Central or Yorkshire regions. They are indifferent to technology and particularly television, which they are likely to think is generally of poor quality. They are broadsheet newspaper readers who listen to BBC Radio 4 and love the arts. They will be well informed on current affairs, and are more likely to watch BBC One and BBC Two than other channels.

### **(2) Out and About Families**

As the name suggests there are young families (the parents are aged 25-44) who are ambitious and value being outdoors and active. They are found all over the UK, and are not concentrated in any one region. They comprise 12% of the population and have slightly above average take-up of multichannel television (81%), and probably have it for their kids. They are lighter TV viewers, but do try to keep up with technology and are probably heavy internet users. Their TV viewing is likely to be educational or geared towards their children (e.g. E4, Discovery, Smash Hits).

### **(3) Traditionalists**

Nearly one in five of the UK population would be a 'Traditionalist', and they are found predominantly in the STV, Border and Tyne-Tees regions as well as in Wales. These are older people (65+), predominantly women, who are more likely to be in the lower C2 or DE socioeconomic groups and on low incomes than the Cultured Conservatives. One third live on their own. They also have low take-up of multichannel television (just 61%) but this is less to do with lack of interest (as is often the case for the Cultured Conservatives) and more because they are worried by new technology, averse to change, and attitudinally feel that 'there is little they can do to change their life'. They do, however, watch a lot of television, particularly BBC One, BBC Two and ITV1.

### **(4) TV Centrics**

Like the 'Out and About Families' the 'TV Centrics' who make up nearly 30% of the population are also likely to be families, but they are unashamedly TV addicts. They have one of the highest levels of multichannel television take up (91%) of any of the segments. They are more likely to be found in Granada, Yorkshire, Tyne-Tees and Wales. They read tabloid newspapers and celebrity magazines. Their preferred TV viewing includes ITV1, ITV2, Five, Living TV and Sky Movies.

### **(5) Rolling Stones**

Rolling Stones are the smallest segment at just 8% of the population. They are characterised by their life stage or circumstances. Whilst they may like TV and want digital TV (they are relatively young and affluent) they may feel or actually be prevented from getting it because they are sharing with

friends (first jobbers), renting, in flats or be divorcees living alone. They are much more likely than other segments to be renting and/or living in flats, and two thirds live alone.

**(6) Hi-Tech Consumers**

'Hi Tech Consumers' make up 15% of the population and have the highest level of multichannel TV take-up (at 92%). They live more often in the midlands and south of England (Central and Meridian TV regions). They can be of any age and very familiar with digital technology: it is likely that everything in their lives is digital and they love gadgets. They consumer a wide array of media and are heavy internet users, and actually watch little TV.

- The demographic and household profiles of each of the segments is given below:

**FIGURE 4: PROFILES OF THE SWITCHOVER SEGMENTS**

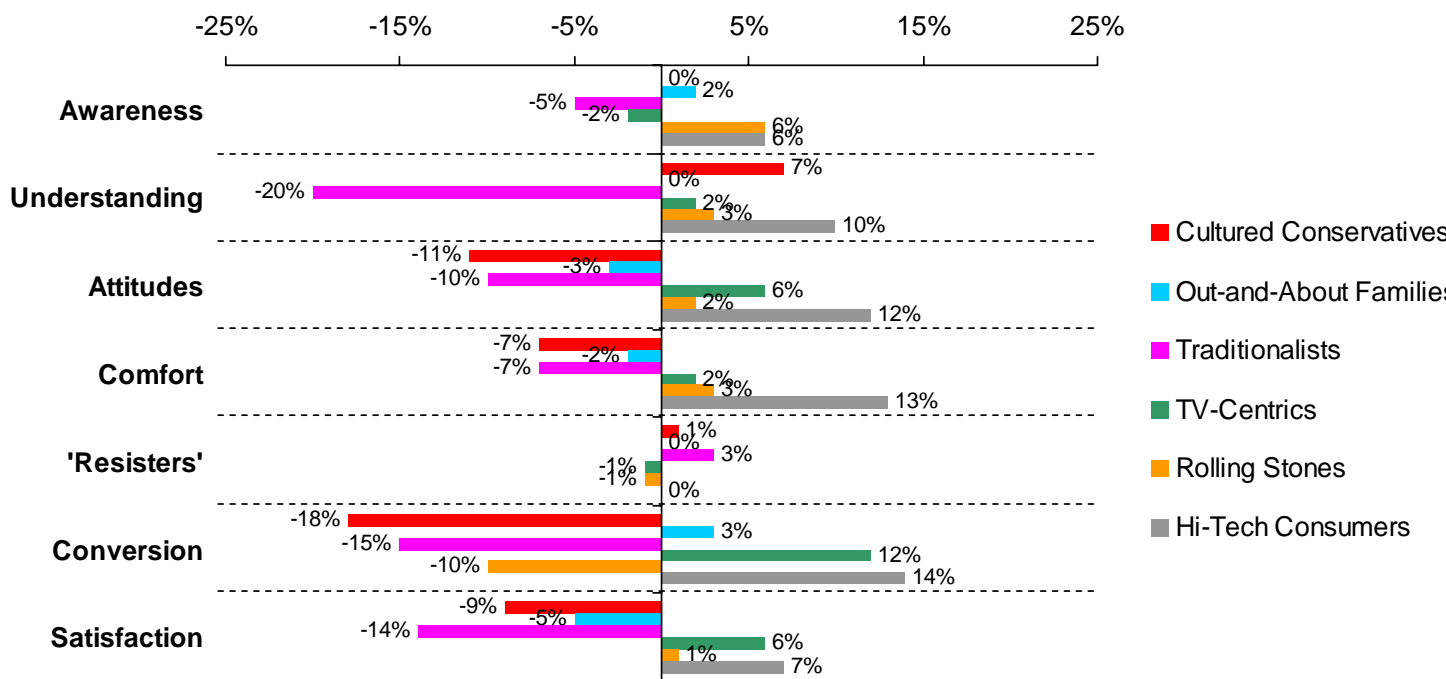
	Demographic Profile				Household Profile				
	% Female	% 65+	% ABC1	% BME	Average number of TV sets	% Renting	% Living in Flats	% Living on Own	% Low Income
<b>Cultured Conservatives</b>	54%	30%	55%	6%	2.0	21%	8%	17%	18%
<b>Out and About Families</b>	63%	1%	54%	15%	2.5	32%	8%	0%	17%
<b>Traditionalists</b>	65%	50%	30%	4%	2.0	33%	15%	35%	37%
<b>TV Centrics</b>	52%	15%	47%	8%	2.6	32%	10%	11%	20%
<b>Rolling Stones</b>	28%	0%	60%	9%	1.7	51%	32%	66%	31%
<b>Hi-Tech Consumers</b>	35%	7%	60%	10%	2.4	18%	8%	7%	6%

- The target segments are those with the lowest current levels of multichannel take-up, the Cultured Conservatives, the Traditionalists and the Rolling Stones, who, for different reasons, face barriers converting to digital.

- Whilst the Cultured Conservatives have above average levels of awareness and understanding of switchover they are much more likely than the average individual to feel negatively about switchover and perhaps don't perceive the benefits of having digital TV.
- Traditionalists are problematic across the board, with low scores on most of the key metrics. They are less aware of switchover and show lower levels of understanding as well as feeling negatively about it and being more likely to be worried about the process of getting (and perhaps using) digital TV.
- For the Rolling Stones the barrier to getting digital TV is more likely to be a practical one of investing in equipment and entering into contracts when they may be on the move in a few months time. They show average or above average awareness and understanding, feel relatively positive about the process and are comfortable with it.

**FIGURE 5: THE SWITCHOVER SEGMENTS BY KEY SWITCHOVER TRACKER METRICS**

[bars show variations against the national average; see footnote for explanation of key metrics<sup>1</sup>]



<sup>1</sup> 'Awareness' corresponds to metric 1a on the dashboard, unprompted awareness of switchover in response to the question 'Have you heard of digital TV switchover'. Understanding corresponds to metric 2a and is the proportion of those aware responding 'need to get digital TV or digital TV on every set' to the question series 'What does 'digital TV switchover' mean to you?', 'What do you think will happen at switchover?', 'What do you think people need to do at switchover?'. Attitudes corresponds to metric 3a and measures the proportion of those opting for 'Switchover is good for me or the UK' or 'Switchover is just one of those things, and we'll have to get on with it' when having to select a preferred statement. 'Comfort' corresponds to metric 3b selecting stating 'I am happy with it / I am ok with it / I am not bothered by it' when describing their personal feelings about switchover. 'Resisters' refers to metric 4b on the dashboard and describes the proportion of people who intend not to convert any of their sets whereas 'Conversion' means metric 5a and therefore the proportion of primary sets already converted. Satisfaction corresponds to metric 6, which is the proportion of respondents finding digital TV "Much better" or "A little better" than analogue TV.

- The six Switchover Segments will be used to direct future switchover communications activity, and Ofcom and Digital UK will now monitor the key metrics for each of the segments on a segment version of the switchover dashboard, as in Chapter 1 above.
- Further exploration of the specific needs and concerns of these segments will be discussed in future versions of this Switchover Progress Report.

## Chapter 4

# The Q2 2006 Tracker Results

### Awareness of Switchover

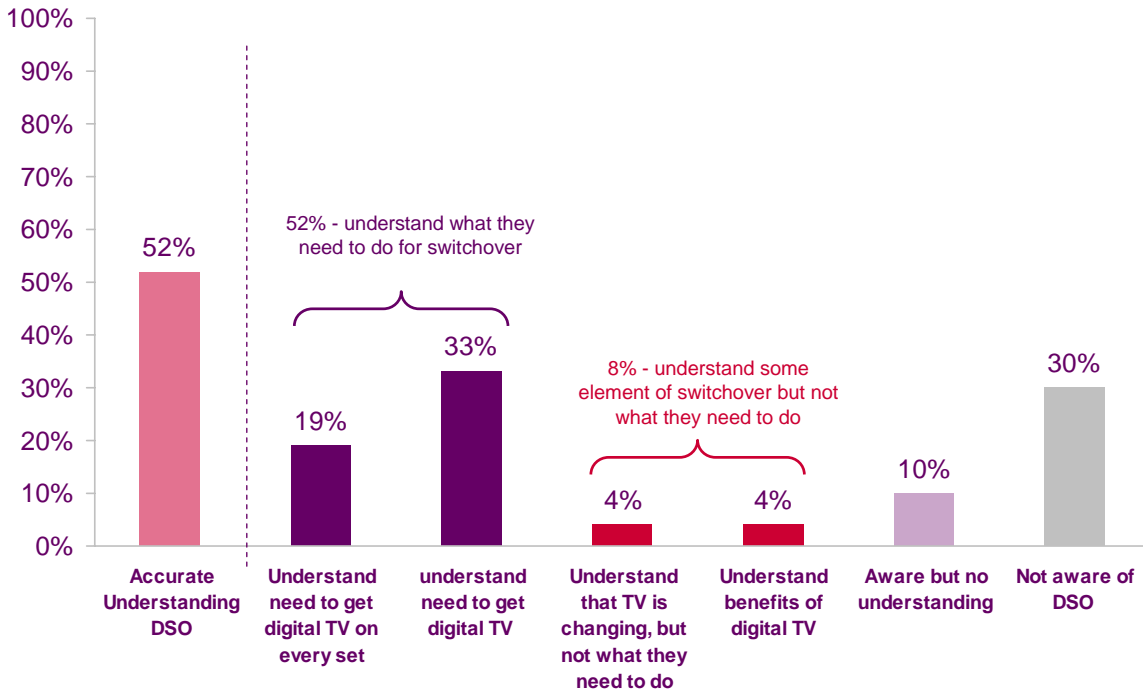
- Nationwide awareness of switchover has grown from 66% in Q2 to 70% in Q3. This meets exactly the Q3 awareness target of 70%. In the leading four regions awareness targets have been exceeded. See Chapter 2 for further detail.
- The patterns of awareness across consumer groups (ages and other demographics) have remained consistent with Q2 with 45-74s showing the highest levels of awareness but below average awareness amongst the oldest (75+).

### Understanding of Switchover

- Of those who are aware three-quarters (75%) understood what they needed to do for switchover (that it meant having to get digital TV). 67% said that they knew they needed to get digital on every TV set, up from 64% in Q2, and rising in line with growth in awareness.
- Other than the digital switchover awareness measure, where respondents are asked whether they have heard of digital switchover on a yes/no basis, probing respondent on their understanding of digital switchover proves more complex. People might think of technical issues such as the television system changing or the benefits of digital television when prompted with the term, without fully realizing the implications of switchover for them. Digital UK is trying to gauge how many people truly understand what they have to do to for digital switchover.
- The understanding question series in the Ofcom/Digital UK Switchover Tracker probes different levels of understanding of digital switchover of the individual respondent. Early in the interview each respondent is asked an open ended question what digital switchover means to them. Depending on their answer they will receive a follow up question to explain what they think will happen at switchover or what they will have to do to prepare for it. The intention is to drive each respondent to state the highest level of switchover understanding that they currently have.
- The results indicate that over half of the population (52%) have an accurate understanding of switchover and know that they have to get digital television for at least one set in the household. 19% even are aware that they have to get digital TV for every TV set in the household. A minority (8%) understand some elements of switchover, but do not understand its full implications. They are either able to explain some of the technical aspects such as the analogue signal being switched off or they know that digital TV will provide them with more channels or a better picture quality (4%). Three quarters (75%) of the respondents who are

aware of digital switchover have an accurate understanding of its implications.

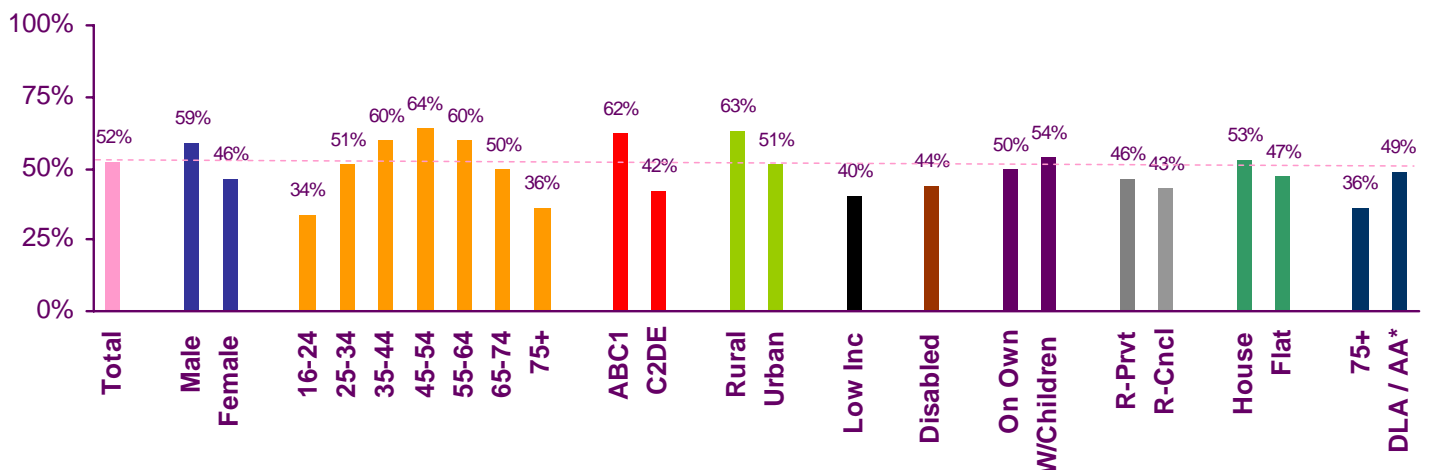
**FIGURE 6: UNDERSTANDING OF DIGITAL SWITCHOVER**



- Amongst different types of consumers the level of understanding of digital switchover varies greatly. The youngest (16-24) and the oldest (75+) age groups have the lowest understanding of implications of switchover, as they are also the parts of the population who are less aware of the change than the population as a whole. The middle aged parts of the population have the highest level of understanding. 64% of the 45-54 year olds know how to prepare for digital switchover. Low levels of understanding of switchover are also imminent amongst respondents suffering from a long term limiting illness and amongst low income groups.

**FIGURE 7: UNDERSTANDING OF DIGITAL SWITCHOVER BY KEY SWITCHOVER TRACKER METRICS**

**Responses by Consumer Group**

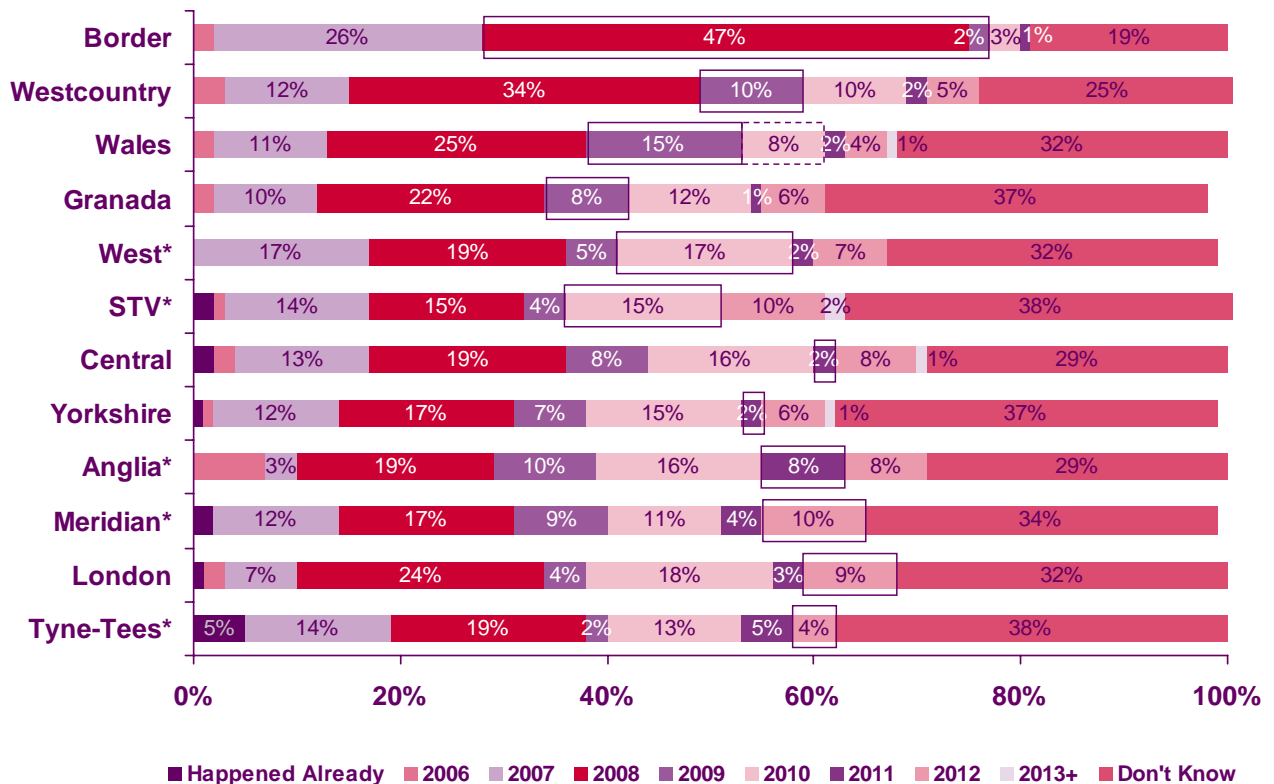


- To test more specific knowledge of digital switchover amongst all respondents, they are asked directly later in the questionnaire, whether they are aware that they have to convert all their TV sets in order to prepare for digital switchover. In Q3 two thirds of the population (67%) claimed they were aware of this. This figure showed slight improvement of 3 percentage points compared to Q2 results (64%).
- Knowledge of the relevant regional date for switchover (i.e. whether consumers know the year of switchover in their TV region) was slightly lower in Q3 than in Q2. In Q2 10% of respondents could cite the correct year for their region. In Q3 only 8% gave the correct date. See figure x below for further details.
- Understanding of the date in Border has held steady at 49%, but we may have seen some confusion emerging following the announcement of Whitehaven in Cumbria, Border as the lead location switching in October 2007. 26% of those in Border as a whole now say that they think switchover will happen in 2007, perhaps having seen coverage of the Whitehaven announcement.
- Knowledge of the date in all other regions remains relatively low, and 2008 is often cited in all regions (for example, 24% of Londoners said they thought that switchover was happening in 2008, when the correct date is 2012).

**FIGURE 8: KNOWLEDGE OF THE REGIONAL SWITCHOVER DATE**

Correct date for each region is highlighted by the black box.

Note that switchover in Wales runs into 2010, although at the time of the survey this had not yet been communicated to consumers.



\* Regions with base sizes of less than 100

- Digital UK recognises that regional dates should be more prominent in communications, now that the basic fact of switchover is well established, and will seek to include date information in all consumer-facing materials.
- The recent public announcement of the quarter of switchover by transmitter for Westcountry, Wales and Granada and accompanying press coverage may have helped to embed the date in people's minds, so we will closely scrutinise the Q4 Tracker for improvement in date understanding.

### **Intentions to Convert**

- The number of those intending to convert at least one set for switchover (i.e. with a definite plan to be ready for switchover) has been stable at 88% in Q2 and 89% in Q3.
- The number of 'resisters', those saying they will not convert any TV for switchover, is lower in Q3, with only 1% of those surveyed claiming that they would not switch to digital (down from 3% in Q2); although we might expect this figure to fluctuate as switchover approaches. The 10% difference between those saying they definitely will convert and those saying they won't are the people stating that they don't yet know whether they will have digital in time for switchover.
- We ask analogue households whether they are planning to get digital TV in the next 12 months as a leading indicator of conversion rates over the next year. 15% of analogue households said they would (up from 10% in Q2), and in the Border region the figure has risen from 5% in Q2 to 16% in Q3.

### **Attitudes Towards Switchover**

- Attitudes towards the policy of switchover have improved marginally. In Q2 67% said that they felt either positive or neutral about switchover, and this rose a little to 70% in Q3.
- Almost 8 in 10 (79%) say that they are comfortable with the process of switching over, and do not feel concerned or threatened by it.
- We find it encouraging that greater levels of awareness and understanding provide reassurance and comfort: better informed consumers are more content and more likely to feel positively about switchover.

## Chapter 5

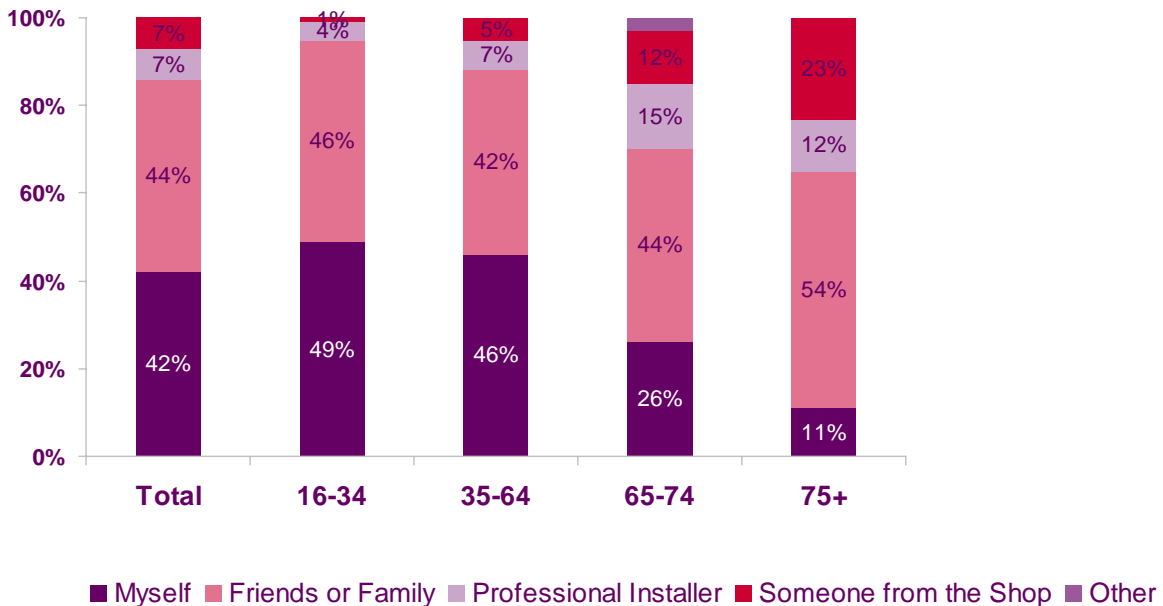
# Equipment Usability

- In the Q3 Switchover Tracker we asked a set of questions on people's experiences of installing and using digital TV equipment. We aimed to identify steps in the process of conversion which digital TV users find most difficult to overcome. Further objectives were to assess the need for additional support with installation and in-home support to tune Digital UK's communications and advice strategy to the needs of the consumer.

### Installation of TV equipment

- Almost nine out of ten households (89%) who recently installed Freeview equipment found it quite or very easy to install the digital box and only 5% of Freeview users are experiencing difficulties at all.
- Furthermore 40% of individuals who carried out the installation process found the process easier than they had expected it to be. Users getting onto the Freeview platform are required to install their equipment themselves while satellite or cable users will receive free installation of the equipment in their home as a service from the digital TV provider, when they decide to upgrade. The results suggest that the additional barrier of self-installation for Freeview users does not seem to be as difficult to overcome as previously expected.
- In more than eight out of ten households (84%) newly purchased television and video equipment are installed without professional assistance. 73% of households manage to set up the equipment themselves. Alternatively 11% ask a friend outside of the household to assist with the upgrade. The proportion of the population who are reliant on professional assistance to set up new TV equipment either pay for a technician or installer (7%) or receive help from the shop where the equipment was purchased or rented from (7%).
- A comparison by different age groups and consumer types highlights, however, that only 22% of women and 19% of over 65 year olds install equipment themselves. Older people and individuals with a disability are much more likely to ask friends and family for help with the installation or consult a professional to install new equipment in their home.
- When asked about problems encountered during the Freeview installation process, 50% of the respondents stated that they did not experience any problems at all. Of the problems cited, the most common difficulties were scanning for channels (16%), connecting the box to the video recorder (12%), organizing the channels (11%) and choosing the right accessories (8%).

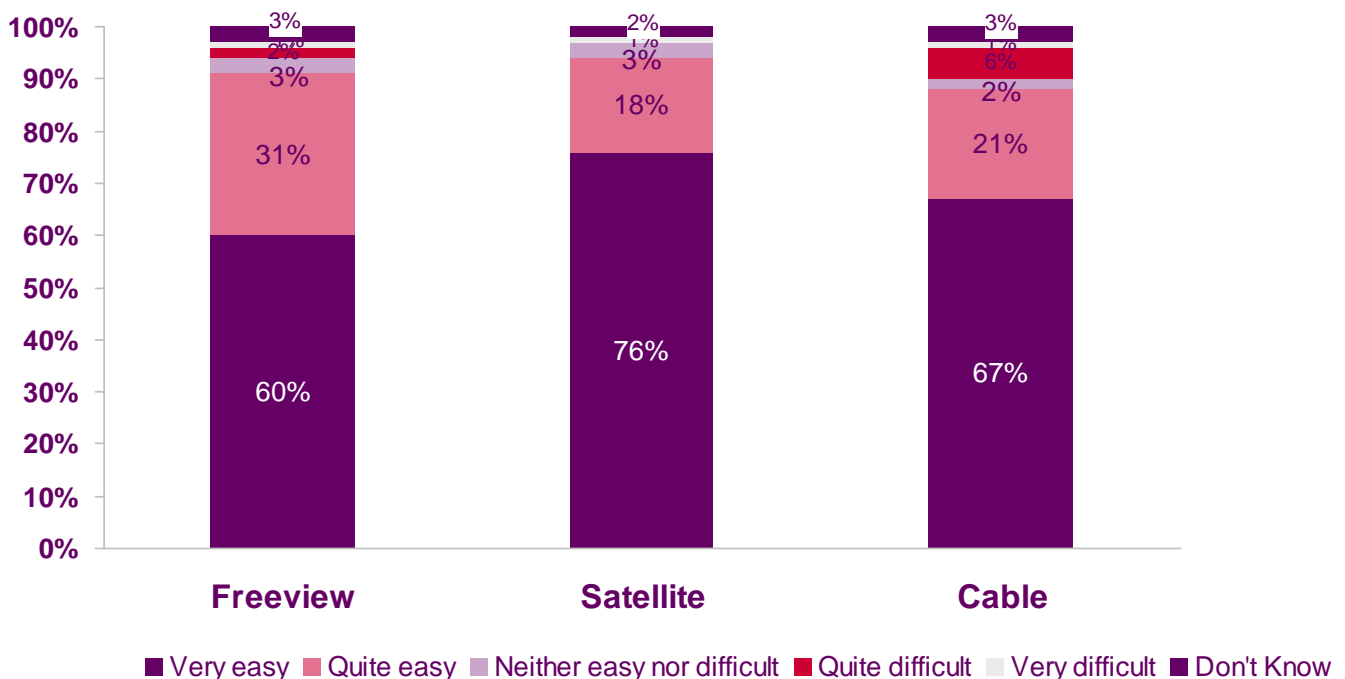
**FIGURE 9: INSTALLATION OF TV EQUIPMENT IN HOUSEHOLDS**



### Using the equipment

- 9 out of 10 people find their digital box quite or very easy to use. This result is consistent for all digital TV platforms (91% of Freeview users, 94% of Satellite users and 88% of cable users). 6% of cable users, however, find using their cable box quite difficult versus only 2% amongst Freeview users and 0% amongst satellite users.
- Nevertheless, a number of usability issues are highlighted by users across all digital platforms. Supporting results from previous usability studies (add footnote) users prefer to use only one remote control for all their equipment connected to the TV set (26% of satellite users, 28% of Freeview users and 34% of cable users). They also prefer fewer buttons on the remote to make channel changing or changing of the volume easier.
- With regards to some platform-specific factors, cable customers frequently mentioned problems using the on-screen menu or Electronic Programme Guide (EPG) (12% of mentions). 21% of the cable customers who use the EPG believe that the speed at which pages change is either quite bad or very bad compared to only 8% of satellite customers and 12% of Freeview users mentioning this about satellite or Freeview EPGs. Additionally, some cable customers report encountering difficulties with switching on extra services, such as digital subtitles and audio description (11% of mentions) or changing the volume on the remote (10% of mentions).

**FIGURE 10: DIFFICULTY OF USE**

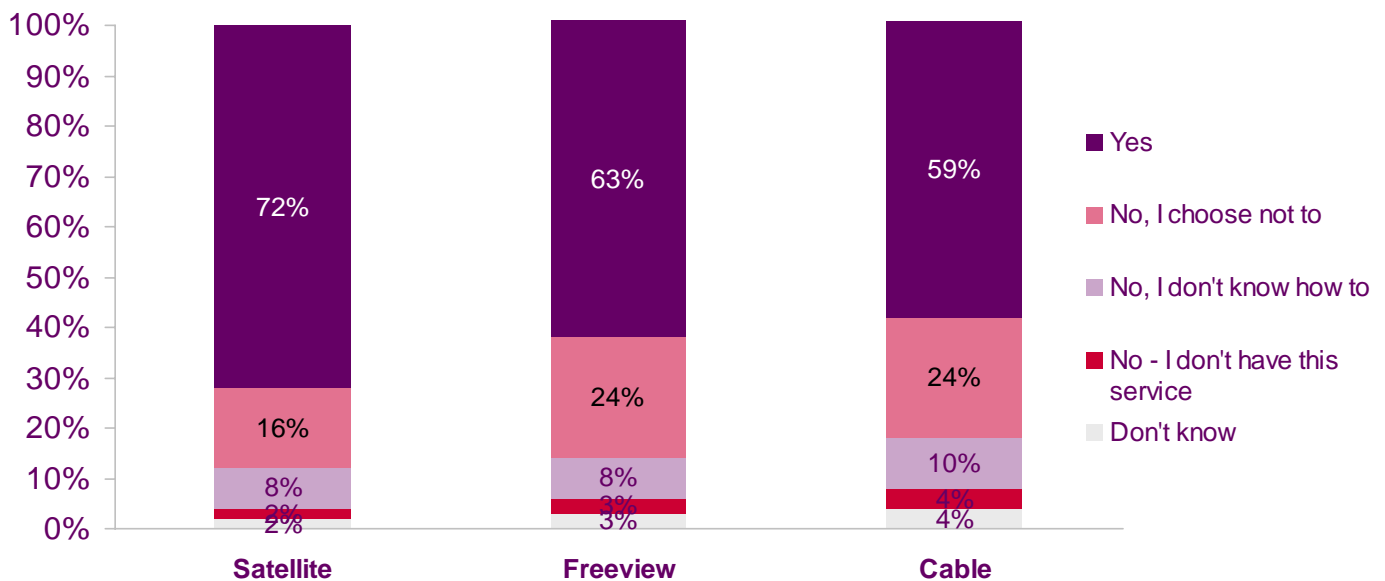


- Freeview users are more likely to find the buttons on the remote too small (6% of mentions), and experience difficulties changing channels (7% of mentions). Rescanning for new channels coming onto the Freeview platform could also lead to problems in the future, especially as many Freeview users will be required to rescan their boxes at switchover, when channels will be allocated onto new frequencies. Currently two thirds of Freeview users (63%) know they have to scan for channels occasionally and know how to do it, or they know that the box would do the rescan automatically for them. However 27% of Freeview users do not know how to rescan their digital box or to search for new channels.
- Satellite customers seem to encounter the fewest problems when using their equipment and there were no platform specific problems highlighted by users in the research.

**Electronic Programming Guides (EPGs)**

- Although Electronic Programming Guides are one of the most popular digital TV features, not all digital viewers access the full EPG menu on a regular basis. Satellite customers are more likely to use their EPG than Freeview users or cable customers. Underlining the finding of previous usability research, satellite users also evaluate the quality of the service more positively than the other platforms. 82% of satellite users, 74% of cable users and 67% of Freeview users rate their EPG as quite or very good

**FIGURE 11: USE OF ELECTRONIC PROGRAMMING GUIDE**



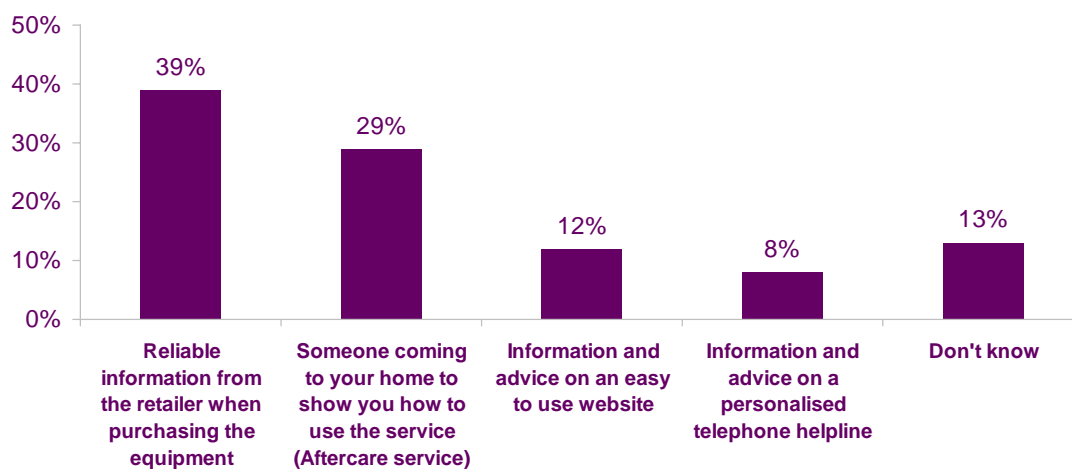
### Dealing with equipment problems

- Pictures breaking up and crashing of digital boxes continue to be main problems of digital television equipment and were highlighted by respondents in the study. The results suggest that these problems occur most frequently on the Freeview and cable platforms. 45% of Freeview users and almost one third of cable customers notice picture break ups at least once a week. Digital viewers living in the Westcountry seem to experience more problems with their picture freezing than people living in the other early switchover regions.
- The frequency of crashing of digital TV boxes is lower than problems with picture freezing. Nevertheless, more than a quarter (29%) of Freeview customers claim that their box stops working around once a month or more frequently; 16% of all respondents state it happens at least once a week. 23% of cable customers find their box crashes at least once a month and the majority of this group (13% of all respondents) say it happens at least once a week. Satellite boxes on the other hand appear to be more reliable as only 15% of Satellite customers experience problems with their box crashing once a month and only a minority (5%) find it happens at least once a week. Younger age groups are more likely to notice problems with their box crashing.
- On most occasions, when problems with picture freezing or box crashing occur, only a minority of people will consult a manual or call up technical support to fix the problem. In case of picture freezing it is most common not to do anything and wait until the problem fixes automatically and almost half of the people experiencing problems with their box crashing claim that they know what to do about it and fix the problem themselves.

### Additional support services

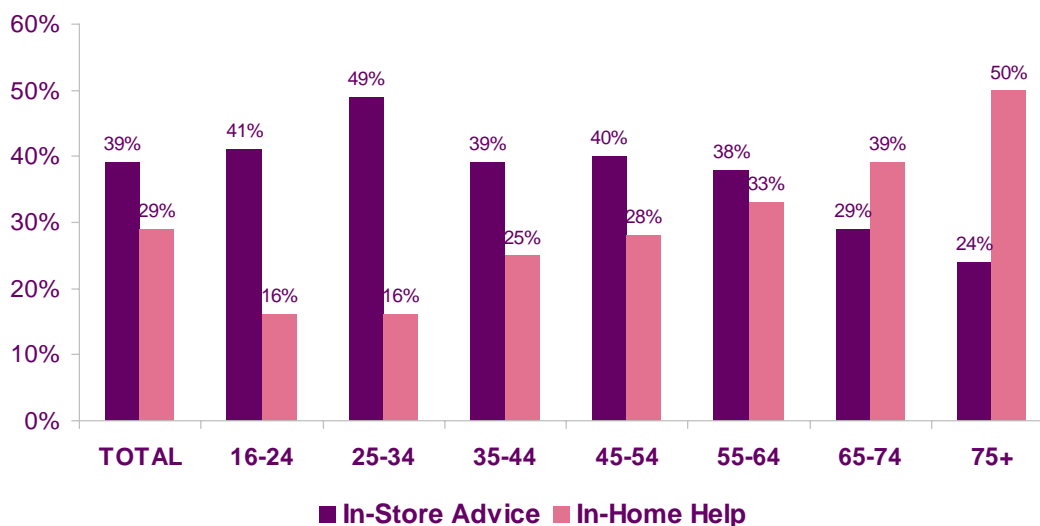
- Reliable advice and information from the retailer as well as in-home support services showing customers how to use digital TV are most important for people to help them switch over to digital. The results are consistent for the population as a whole and for people living in analogue only households. 39% of the population think that reliable information from the retailer is most important, followed by 29% who believe that in-home support is essential to assist them with the switch. Other services such as an easy to use website or a personalised telephone helpline get fewer mentions.

**FIGURE 12: PREFERRED OPTIONS FOR ADDITIONAL SUPPORT SERVICES**



- Preferences for support services vary amongst different types of customers. Older people (65+) and disabled people prefer in-home support services to in store advice whereas younger groups think that reliable in store advice is essential for them. 50% of over 75 year olds find in-home support most useful and 49% of 25-34 year olds will rather consult a retailer in store.

**Figure 13: Preference of additional support services by age groups**



- One third of analogue households find the offer of an aftercare service very appealing either for themselves, for somebody in their household (25%) or for somebody they know (8%). Interest in the service is slightly higher amongst older people. However, additional costs could limit the success of an in-home support service as one in three people find the offer quite appealing, but would not want to pay extra for the service.

### Going forward

- The results of the usability questions will feed into the immediate work of different Digital UK workstreams, including planning future consumer communications (the research, for example, highlights the need to communicate clearly with consumers on how to re-scan their boxes at switchover) and liaising with the supply chain. This work is being shared with the Supply Chain Group and members of the Department for Trade and Industry's Usability Action Plan.
- Digital UK encourages consumers to switch or help others to switch, because they may "find it easier than you think it is". To assist them with the process Digital UK is currently agreeing the availability of a "Digital SwitchKit" in the supply chain. This package could be purchased by consumers in electrical retail stores as a voucher, which can then be given to a relative or friend as a gift. The "Digital SwitchKit" voucher will entitle the recipient to a digital box to be installed in their home and to an aerial check.
- Digital UK and Ofcom also continue to explore 'easy-to-use' remote control solutions for digital switchover to make Digital TV services more accessible.

▪ Chapter 6

## Digital Switchover Logo Update

The digital switchover logo is the ‘tick’ mark used on products and services that are switchover-ready:



The Logo scheme is currently used in 3 ways:

1. Promotions – Non-certification mark logo for use by Electrical retailers and other organisations (e.g. platforms) when promoting or explaining digital switchover
2. Products – as a certification mark for products provided by manufacturers and digital TV platforms to denote products and services which should work through switchover
3. People (1) – as a certification mark for use by aerial installers, accredited by the Registered Digital Installer scheme, launched in March 2006 ; and  
People (2) – as a certification mark which can be used by switchover-trained retail staff as part of the ‘Approved Digital Adviser Scheme’, launched in October 2006



Take up of the Logo scheme continues to grow in the retail sector and visibility of material in stores is increasing steadily after more promotional activity was directed at retailers throughout this last quarter.

### The promotional logo

- At October 2006 the number of retail premises signed up for the logo had increased from 2,070 in the last quarter to 2,776, representing approximately half of all electrical retail firms. Independent retailers make up more than one third of all stores signed up to the scheme. In addition 231 websites have been registered to use the logo online.
- In the course of Digital UK’s Autumn communications campaign a new set of point-of-sale materials was made available to store managers signed up to the digital tick promotional licence. Each store received additional Digital

UK material such as stickers, postcards and leaflets to be made available to customers enquiring about digital television equipment.

### The logo for products

- 40 equipment manufacturers are currently signed up to the scheme, including all the major brands of TV equipment manufacturers, set top box and digital TV makers, as well as aerial and cable manufacturers.

### The Registered Digital Installer Scheme

- Since the Registered Digital Installer (RDI) scheme was launched in March 2006, 42 aerial installers have completed their training. They are located largely in the West Midlands and South Wales. A further 271 aerial installers are currently enrolled in training. They will serve all the early switchover regions and almost the whole of the UK.
- At present, 13 further education colleges are providing training to become a Registered Digital Installer.
- In October 2006, a new entry level scheme, the Associate RDI, was introduced for those installers, currently numbering around 1,000, awaiting RDI training and accreditation.

### The Digital Adviser Scheme

- The 'Digital Adviser Scheme' was launched in October 2006. Digital UK developed training material with the supply chain to train and certify retail staff as being knowledgeable about switchover. After successfully completing a test staff are certified to advise customers on digital switchover and receive a certificate and an 'ask digital' badge to wear on their staff uniform while serving on the shopfloor:

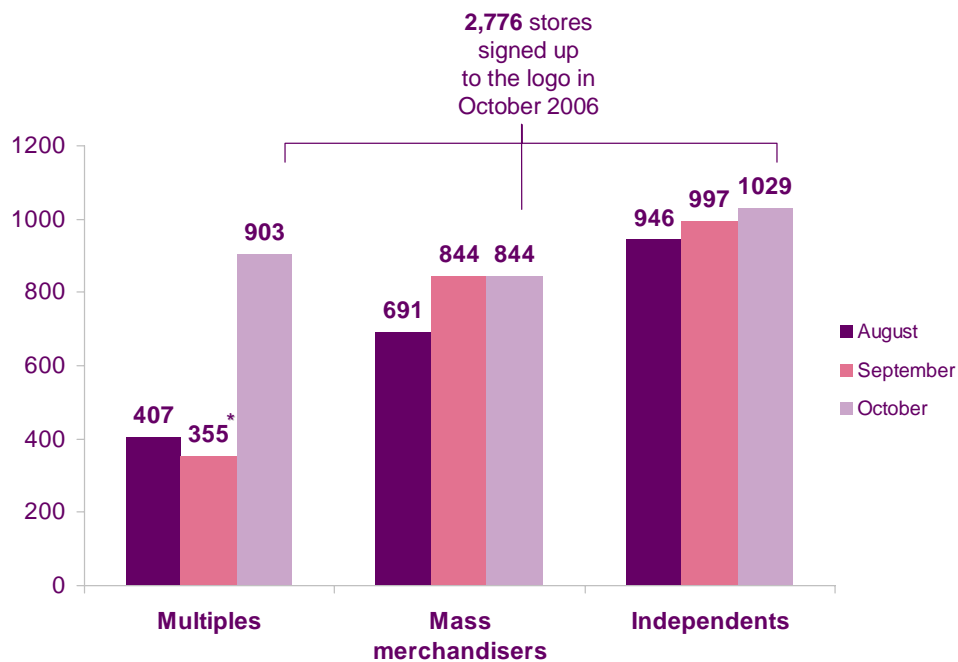


- In the first week of the scheme's operation 80 store staff had already been trained and certified. The scheme is receiving interest from several major retail chains and is supported by retra – the Radio, Electrical and Television Retailers' Association and from other members of the Supply Chain Group.

## The platform logo

- All of the digital TV platforms and broadcasters continue to be part of the scheme. New digital platforms such as BT Vision are currently in the process of signing up to the scheme.

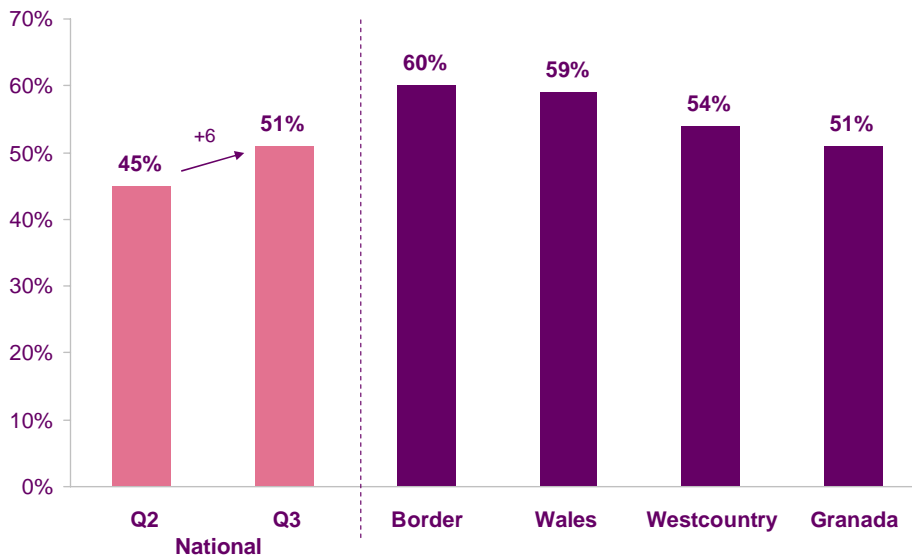
**FIGURE 14: AUTUMN 2006 SIGN UP TO THE DIGITAL SWITCHOVER LOGO SCHEME**



## Consumer Awareness and Understanding of the Logo

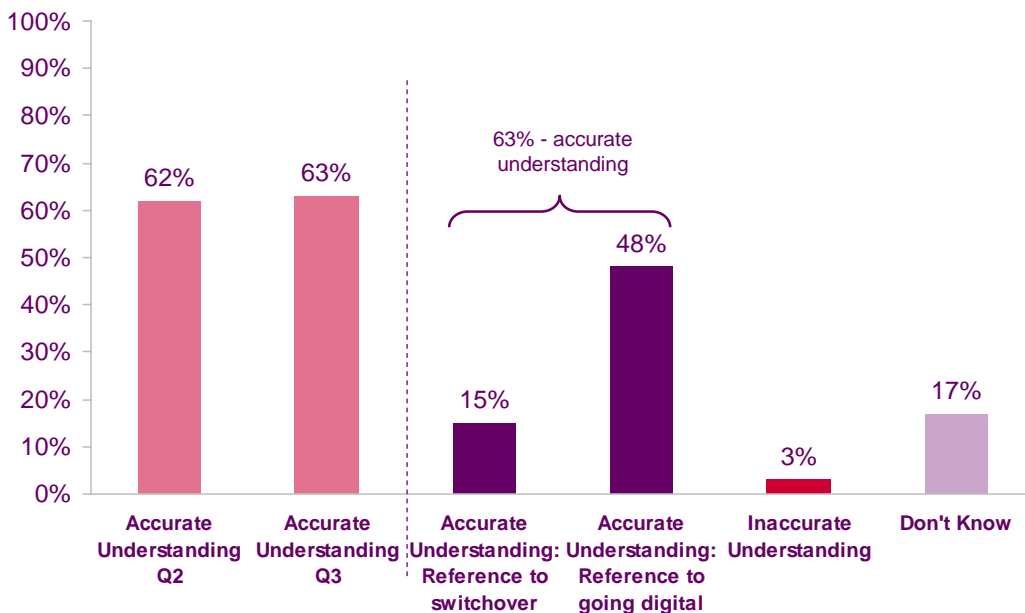
- Digital UK intends to build confidence amongst consumers by directing them to digital products or services, identified by the logo, showing that they should work through switchover.
- Awareness of the digital tick is continuously monitored amongst consumers with the Switchover Tracker Survey. Over the last quarter we have seen a substantial growth in logo awareness. Continuous visibility of the logo in shops on products and services has helped the logo become widely recognised and a common thread across the switchover programme. Even without further Digital UK activity directed to consumers over the summer, 51% of people said that they had seen the logo in Q3. The level of logo awareness is even higher in the early switchover regions, with 60% of the population in Border recognising it.

**FIGURE 15: RECOGNITION OF THE SWITCHOVER LOGO**



- Understanding of the logo amongst those who recognise it remains stable. In the quarter 63% were able to give a satisfactory explanation of the logo (compared to 62% in Q2), although only 15% amongst those directly mentioned television switchover and the majority (48%) gave a reference to “digital” or “getting ready for digital”. The number of people who have seen the logo before, but don’t directly know what it means has dropped by 11 percentage points and remains at 17%. However, in a small number of cases the logo is still wrongly associated with products being high-definition ready.
- The consistency in the level of understanding of the logo is encouraging especially following the high level of activity around HD in the last quarter. However, with logo awareness on the rise in an increasingly ‘noisy’ brand environment (particularly at retail) Digital UK will need to work harder to explain to consumers what the logo means

**Figure 16: What does the Switchover Logo Mean?**



## Mystery Shopping

- In September Digital UK conducted a mystery shopping exercise in the four early switchover regions Border, Wales, Westcountry and Granada. The research project was designed to audit the use of the digital tick logo in store and to assess the quality of service and information on digital switchover given to customers by retail staff.
- Results were encouraging and showed that the majority of stores visited (68%) had information on digital switchover available to customers on the shop floor, most commonly Digital UK leaflets. Availability of switchover information is higher in Border (81%) and Westcountry (76%) than in the other early switchover regions, Wales (60%) and Granada (56%). As might be expected, independent retail stores and multiple electrical retailers are more likely to provide suitable advice on switchover to their customers than stores providing unassisted sales, e.g. supermarkets. 71% of independent stores and 79% of Multiple Electrical Retail Stores had switchover information material available for customers enquiring about switchover compared to 48% of self service retailers.

Chapter 7

# IN FOCUS: Low Income Households

- Ofcom’s Media Literacy Report<sup>2</sup> reported that people on low income aged under 65 self reported watching on average 10 hours more television per week than the average adult and that they spent more of their leisure time at home. This indicates that this group rely more heavily on their televisions, possibly as a result of the fact that they spend more time at home than average.
- Ofcom and Digital UK therefore wish to look more closely at this particular group of consumers in order to better understand how much they know and understand about digital switchover as their strong relationship with television makes them a particularly important group to monitor.
- Before exploring switchover among consumers on low income it is useful to examine the relationship between low income households and age profile as there is a high level of correlation between these two socio-demographic variables. We need to isolate and measure the overlap between age and income in order to understand the relationship as it will impact on the analysis and interpretation of the data.

**FIGURE 17: THE PROPORTION OF ADULTS AGED 15+ ON A LOW INCOME**

Base = 2874	
	%
All adults	32
Adults aged under 65	28
Adults aged 65+	67

- On examining income profile by age it is clear that there is a strong relationship between the two variables. The survey profile data in the table above clearly shows that the proportion of adults on a low income is significantly higher, almost double, among those aged 65+ (67%) when compared to the adult population at large (32%). In order to assess the true impact of low income it is therefore necessary to separate the two factors otherwise findings which may appear to relate to the low income factor may actually be being driven by age.
- In order to reduce the effects of age on income on the analysis, this section will examine the differences between those aged under 65 from low income households and where relevant to highlight differences

<sup>2</sup> Media Literacy Audit, published by Ofcom 2<sup>nd</sup> March 2006 – definition of low income is total annual household income of under £11,500 before tax and deductions.

amongst those aged 65+ from low income households. Both sub-sets will be compared with the total population.

**Note:** the figures reported in this chapter are based on combined tracking data from April to September 2006 (Q2 and Q3 results). However some questions were only put on to the questionnaire in June/July therefore, where indicated, these figures are based on rolled data across June/July to September 2006.

**FIGURE 18: OWNERSHIP OF DIGITAL TV AND AWARENESS OF DIGITAL TV SWITCHOVER**

Base = 4485	Ownership of dTV	Awareness of dTV switchover
	%	%
All adults	76	68
Low income adults aged under 65	72	57
Low income adults aged 65+	61	72
Low income adults aged 75+	41	64

- When looking at levels of ownership of digital TV, penetration figures are similar among those aged under 65 from low income households (72%) when compared with the population as a whole (76%). This implies that low income is not a major barrier to ownership. Ownership levels are lower among the low income households/aged 65+ group (61%) implying that age is a strong influencing factor in the decision not to get digital television in older low income households as well as income. This is further highlighted by the figures for those aged 75+ and from low income households where only 41% have digital television, thus clearly indicating that ownership levels are significantly lower among consumers who are above the age of retirement.
- Ofcom’s Media Literacy report also found that awareness of digital TV was similar amongst those aged under 65 from low income households, compared to the population as a whole, 90% aged under 65 from low income households, compared with 91% across the total population. As is the case with ‘satisfaction’ with digital TV, 78% of the total sample expressed satisfaction compared to 80% of low income households/aged under 65. More differences begin to emerge in relation to awareness and understanding of digital TV switchover.
- Awareness of the term digital TV switchover lies at 57% among this group (aged under 65 from low income households), significantly lower than the total population (68%). This highlights the fact that around 15% of low income households aged under 65+ who have digital TV are not aware of the term ‘digital TV switchover’. Interestingly awareness of the term digital TV switchover is higher among the older age groups from low income households compared with the under 65 and from low income household group. However, awareness does not necessarily imply understanding.

**FIGURE 19: CORRECT UNDERSTANDING OF TERM ‘DIGITAL TV SWITCHOVER’**

	<b>Understanding Q12 - What to do for DSO (unprompted)</b>	<b>Understanding Q25 – need to update every TV set (unprompted)</b>
Base	Q12 = 1963	Q25 = 4485
	%	%
All adults	75	65
Low income adults aged under 65	63	57
Low income adults aged 65+	54	69
Low income adults aged 75+	44	61

- Respondents who were aware of the term ‘digital TV switchover’ were further asked what digital TV switchover meant to them in order to gauge understanding<sup>3</sup>. Three-quarters (75%) of the total adult population were able to respond correctly stating any of the following:
  - *I will need to get digital TV on every set*
  - *I need to get digital TV*
- Levels of understanding fell to 63% among low income households/aged under 65 group. Therefore despite 72% of this group having digital TV, only 57% are aware of the term digital TV switchover, and among those who are aware, only 63% know what it means.
- Additionally less of this group, just over half (56%) of low income households/aged under 65, knew that every set had to be converted in order to continue to watch on that set after switchover. This compares to 65% of the total population – further compounding their lack of understanding.

**FIGURE 20: ATTITUDES TOWARDS DSO IN LOW INCOME HOUSEHOLDS**

Base = 4485	<b>Overall opinion</b>
(Net positive/neutral response)	%
All adults	68
Low income adults aged under 65	63
Low income adults aged 65+	63
Low income adults aged 75+	58

- Respondents were asked the following question:
  - ‘Q Which of the following statements best describes what you think about switchover’
  - *Switchover is good for the UK*
  - *Switchover is good for me*

<sup>3</sup> Data based on rolled sample from July to September 2006

- *Switchover is just one of those things, and we'll have to get on with it*
  - *Switchover is unfair; we shouldn't be forced to convert to digital*
  - *None of the above*
- Low income households aged under 65 respond marginally lower (63%) than the population as a whole (68%) in terms of a positive or neutral response (higher negative response 31% vs. 26% respectively). The older (65+) low income age group responded similarly to the under 65 /low income group (both 63%). Those aged 75+ on low incomes were the least positive of all the income/age groups.
  - When asked their personal opinion of the switchover process<sup>4</sup> the majority respond positively (44% of all adults are positive compared to the same proportion of low income/aged under 65). However low income/aged under 65 adults are less likely than the average adult population (30% compared to 44%) to say they are 'not bothered by it and more likely (22% compared to 17%) to feel negatively towards switchover.
  - This indicates that the target group are marginally more uncomfortable with the process.

**FIGURE 21: PERSONAL COMFORT WITH DIGITAL SWITCHOVER IN LOW INCOME HOUSEHOLDS**

	All adults	Low income/under 65
Base:	2609	353
	%	%
I am happy with it	18	16
I am ok with it	26	28
I am not bothered by it	35	30
I am slightly worried by it	12	14
I feel threatened by it	5	8
Don't know	3	3
Net: Positive	44	44
Net: Negative	17	22

- Adults aged under 65 and from low income households are also marginally less likely to understand why switchover is happening. Whereas 39% of the total adult population understands that switchover is happening to modernise the current broadcasting system, this figure falls to 34% amongst this group and amongst the 65+ and from low income households this figure falls further to 28%. 16% of low income households/aged under 65 (same figure for the 65+ from low income households) claim they 'don't know' what the perceived reason for switchover is compared to 12% of the total adult population.

<sup>4</sup> Data based on rolled sample from June to September 2006

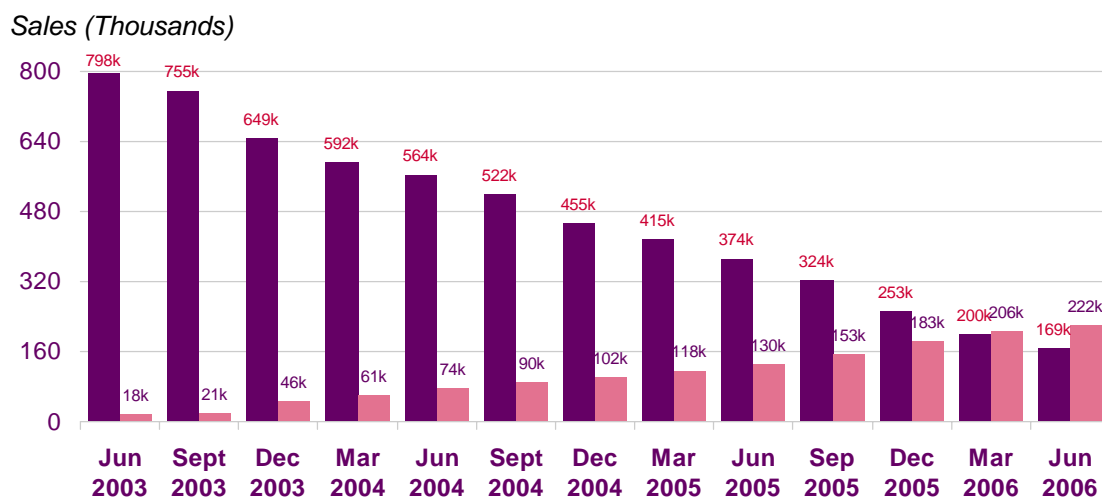
**Chapter 8**

# IN FOCUS: TV Recorders

**The market for digital recorders**

- The past three years have seen steady growth in take-up of digital TV recorders and falling sales of analogue video cassette recorders (VCRs). By the first quarter of 2006, sales of digital recorders – including Sky+ subscriptions, cable PVR subscriptions, and sales of DTT recorders and DVD-recorders with a hard drive – outstripped sales of VCRs. Over the last four quarters, digital recorder sales reached an average of more than 220,000 per quarter, compared to just under 170,000 VCR sales per quarter.

**FIGURE 22: SALES OF ANALOGUE VCRs AND DIGITAL RECORDERS (FOUR-QUARTER ROLLING AVERAGE)**

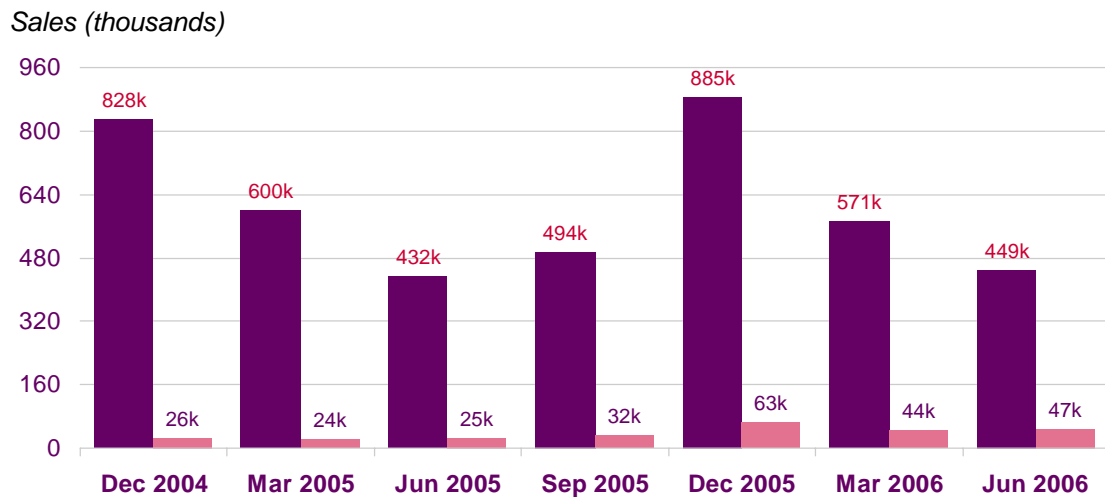


Source: GfK LekTrak Sales Data; four quarter rolling average

Source: GfK

- Although digital recorders are proving increasingly popular in the market overall, this is largely driven by subscriptions to satellite and cable services. At the retail level, perhaps surprisingly, sales of digital recorders are still dwarfed by sales of VCRs. As switchover approaches, there is an opportunity for retailers to communicate the benefits of digital recorders, which offer enhanced functionality as well as built-in receivers for digital terrestrial television. It is likely that in many parts of the UK viewers would now be better off buying a set-top box with a built-in DTT receiver and digital recorder than a new VCR, although this of course depends on individual viewers' requirements and whether they live inside DTT coverage.

**FIGURE 23: QUARTERLY SALES OF ANALOGUE VCRs AND DIGITAL RECORDERS IN RETAIL OUTLETS<sup>5</sup>**



Source: GfK

- Growth in the digital recorder market has been driven by the steadily increasing take-up of Sky+ by satellite subscribers and by the launch of new products including Telewest's HD-compatible recorder, TV Drive, and by new DTT recorders with enhanced functionality including larger hard drives, full 7-day EPGs and dual or triple tuners. BT's planned IPTV product, BT Vision, will also include a digital recorder, with a 160GB hard drive and access to a library of on-demand content.
- At the time of writing, prices for DTT recorders start at £99 for a recorder with twin tuners, a 7-day EPG and an 80GB hard disk; standard Sky+ boxes cost £99 for a 80GB box, with £60 installation and £10 per month subscription (free for subscribers to two or more premium channels); and Telewest's HD-compatible TV Drive is available to new customers for no up-front fee and £15 per month subscription (£10 per month to subscribers to Telewest's Supreme package).
- Earlier in 2006, Freeview announced plans to launch a new digital TV recorder brand, Freeview Playback, to raise consumer awareness and boost sales of DTT recorders. Freeview's research had shown that there was little consumer awareness of digital TV recorders, a finding supported by limited uptake of the devices already available for the DTT platform. The Freeview Playback brand is expected to be in the market by spring 2007.

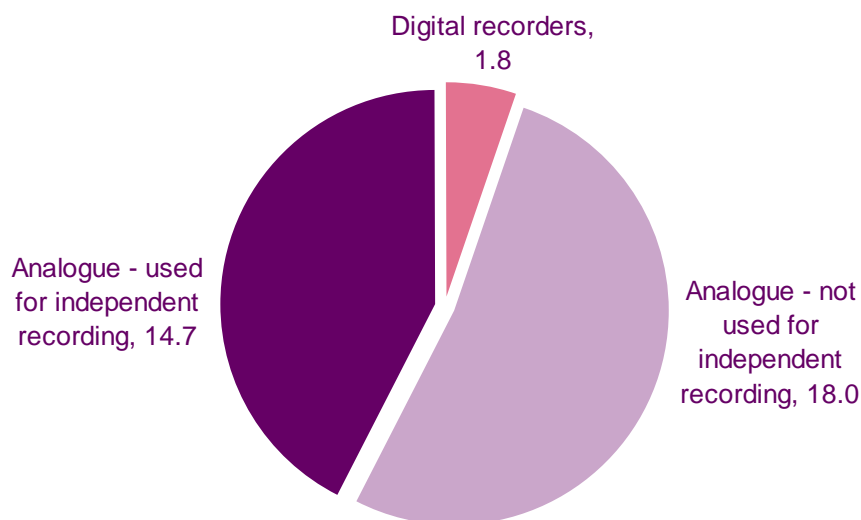
<sup>5</sup> Excludes online sales and direct subscriptions to Sky and Telewest services, but includes sales of Sky+ boxes at retail

## The extent of digital conversion

- As a result of growth in digital recorder sales and the decline in VCR sales, we estimate that fewer than 80% of homes now own an analogue recorder, whereas this figure was well above 90% throughout the 1990s. Nonetheless, there are still large numbers of homes that will need to swap out their analogue VCRs for digital recorders by the time of switchover if they wish to continue to be able to record one channel while watching another, or to preset their recorder to tape a programme on a channel different to the one the recorder is tuned to.
- There are in total around 34.5m recording devices in UK homes, including both analogue VCRs and digital recorders. Of these, we estimate around 1.8 million are digital recorders of one form or another. Of the remainder, around 18 million will not need converting, because our research suggests that they are not used for independent recording, and are only used for playing back tapes or prerecorded videos – for which purposes they will still be perfectly usable after switchover. That leaves around 14.7 million VCRs that may need replacing or converting for switchover, if viewers still wish to retain the ability to record independently of the channel their TV is tuned to.

**FIGURE 24: ANALOGUE VCRs AND DIGITAL RECORDERS IN UK HOMES**

*Number of recorders in UK TV homes (million)*

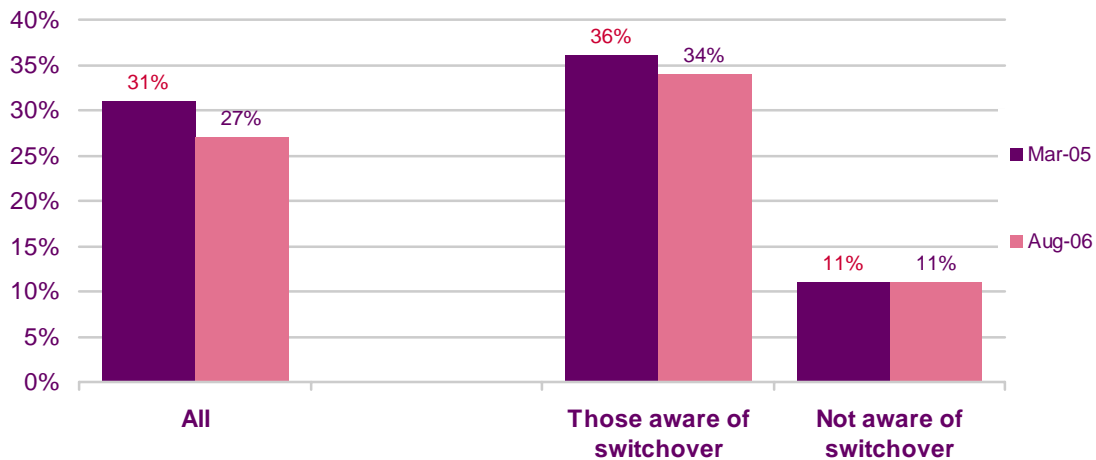


Source: GfK, Ofcom/Digital UK Switchover Tracker, Q2 2006

- There is more to do to communicate to viewers the potential need to upgrade their recording equipment. Just over one in four viewers (27%) is aware that unconverted VCRs will not be able to record one channel while watching another after switchover, rising to 34% of those who were aware of switchover prior to our survey. These numbers have declined slightly since the second quarter of 2006, although the change is relatively small.

**Figure 25: Awareness that unconverted VCRs will not be able to record independently after switchover**

*Proportion of viewers (%)*

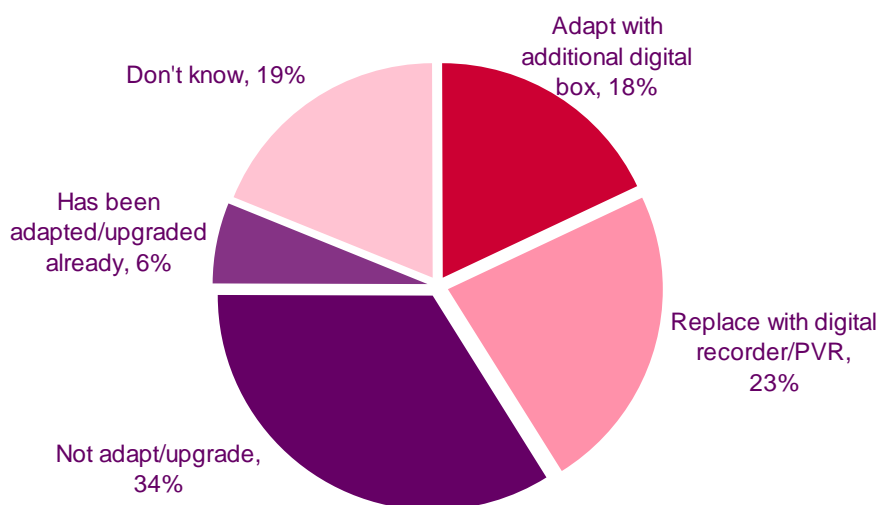


Source: Ofcom/Digital UK Switchover Tracker, Q2 2006

- Different viewers have different views about how they intend to adapt their recording equipment for switchover. Around two in five VCR owners say they will either replace their VCR with a digital recorder (23%) or will adapt it with an additional digital box (18%). Around one in three VCR owners (34%) currently say they will not adapt or upgrade at all, and will live with the reduced functionality, suggesting that the ability to record independently is not that important to them. This is supported by BARB data which suggests that the amount of scheduled TV that is recorded and watched subsequently on a VCR is very small, and usually only accounts for around 2-3% of all viewing. Around one in five viewers (22%) say they don't yet know how they will upgrade their equipment, which is perhaps not surprising given currently relatively limited levels of understanding of this issue.

**FIGURE 26: INTENTIONS TO ADAPT OR UPGRADE RECORDING EQUIPMENT**

*Proportion of viewers owning VCRs*



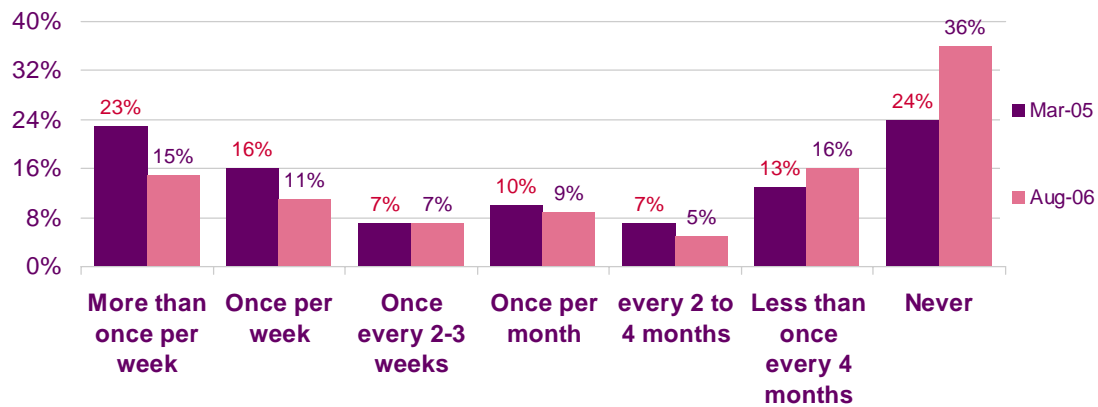
Source: Ofcom/Digital UK Switchover Tracker, Q2 2006

- As patterns of recorder ownership change, with less reliance on VCRs, increasing take-up of digital recorders, and strong sales of DVD-players and recorders, there is evidence to suggest that fewer viewers are using their VCRs to record programmes from the TV. Between March 2005 and August 2006, the proportion of viewers who use a VCR to record programmes from the TV at least once a week fell from 39% to 26%, while the proportion who never do so increased correspondingly, from 24% to 36%.

**FIGURE 27: USE OF VCRs TO WATCH PROGRAMMES RECORDED FROM THE TV**

*"How often, if ever, do you use your video recorder to watch programmes recorded from the TV?"*

**Proportion of homes (%)**

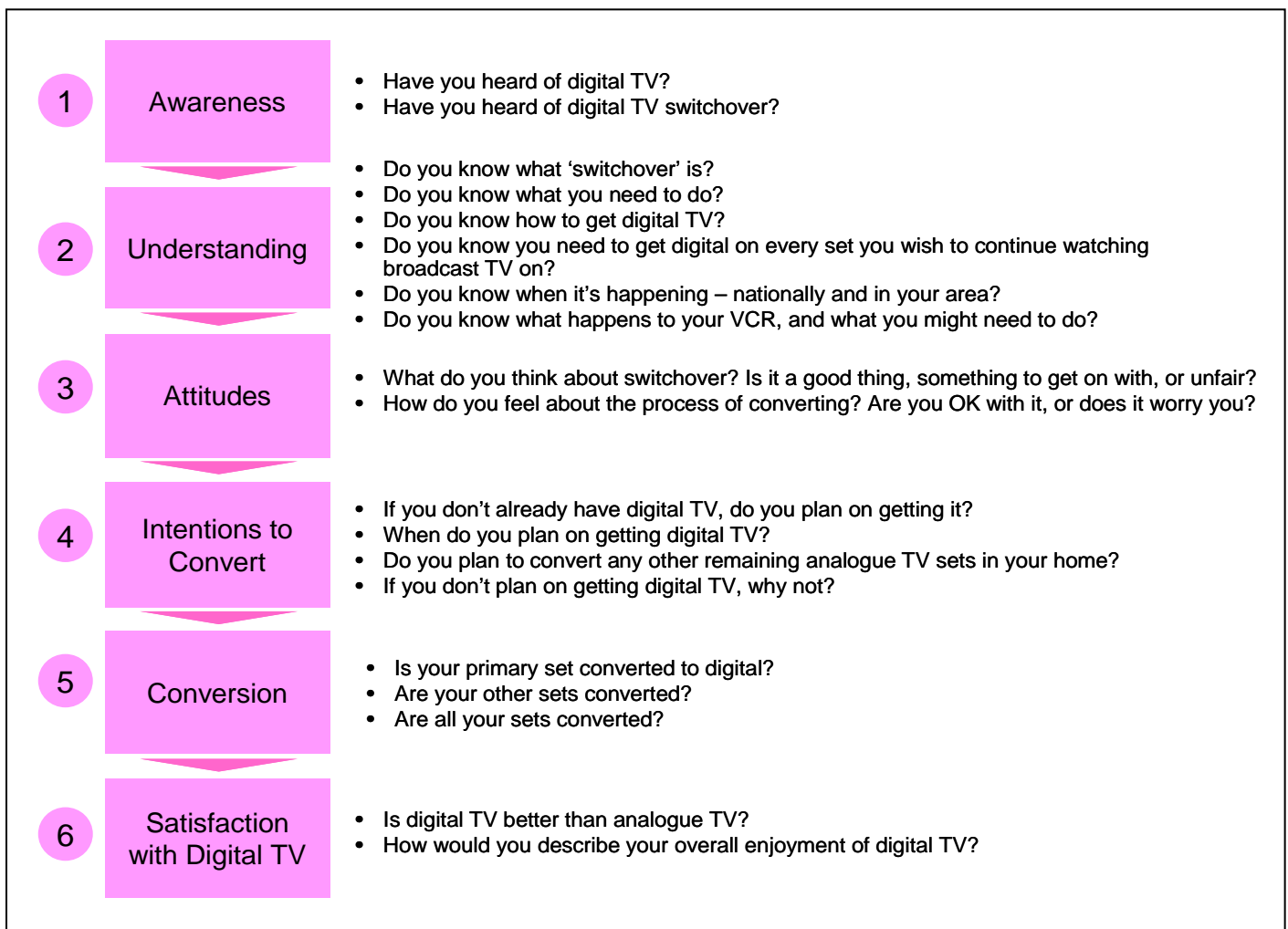


Source: Ofcom/Digital UK Switchover Tracker, Q2 2006

## APPENDIX ONE: About the Switchover Tracker

- On 3 April 2006 Ofcom and Digital UK launched a continuous tracking study, the 'Switchover Tracker', to monitor the UK's conversion to digital television for switchover. More than 8,300 households will be surveyed, face-to-face during 2006/07 and the quarterly results will be the key tool by which progress towards switchover is assessed<sup>6</sup>.
- The questionnaire is designed to track the following six dimensions:

FIGURE 28 – THE SIX MEASURES ON THE OFCOM & DIGITAL UK SWITCHOVER TRACKER



<sup>6</sup> The Department of Trade and Industry made a one-off contribution to the tracker to boost the April survey.

- The Tracker is conducted in all switchover regions, and samples are boosted in each region three years out from switchover. For the current year, therefore, Border, Westcountry, Wales and Granada are all boosted to each achieve at least 300 respondents per quarter. The remaining regions are sampled in line with their proportion of the national population<sup>7</sup>.
- The sample includes the full range of consumer groups, including those who may have some difficulty with switchover, including: older people, people with disabilities, those in rural areas, black and minority ethnic groups, the socially isolated and those living on their own, those living in rented accommodation (private or social housing), and in multiple-dwelling units. See the Glossary at Appendix Two for a full explanation of these terms.
- The sample also includes those who will, at switchover, be eligible for the Targeted Help Scheme of assistance for the most vulnerable: the over 75s and the severely disabled (those on Disability Living Allowance, Attendance Allowance, or the registered blind or partially sighted).

### The Dashboards

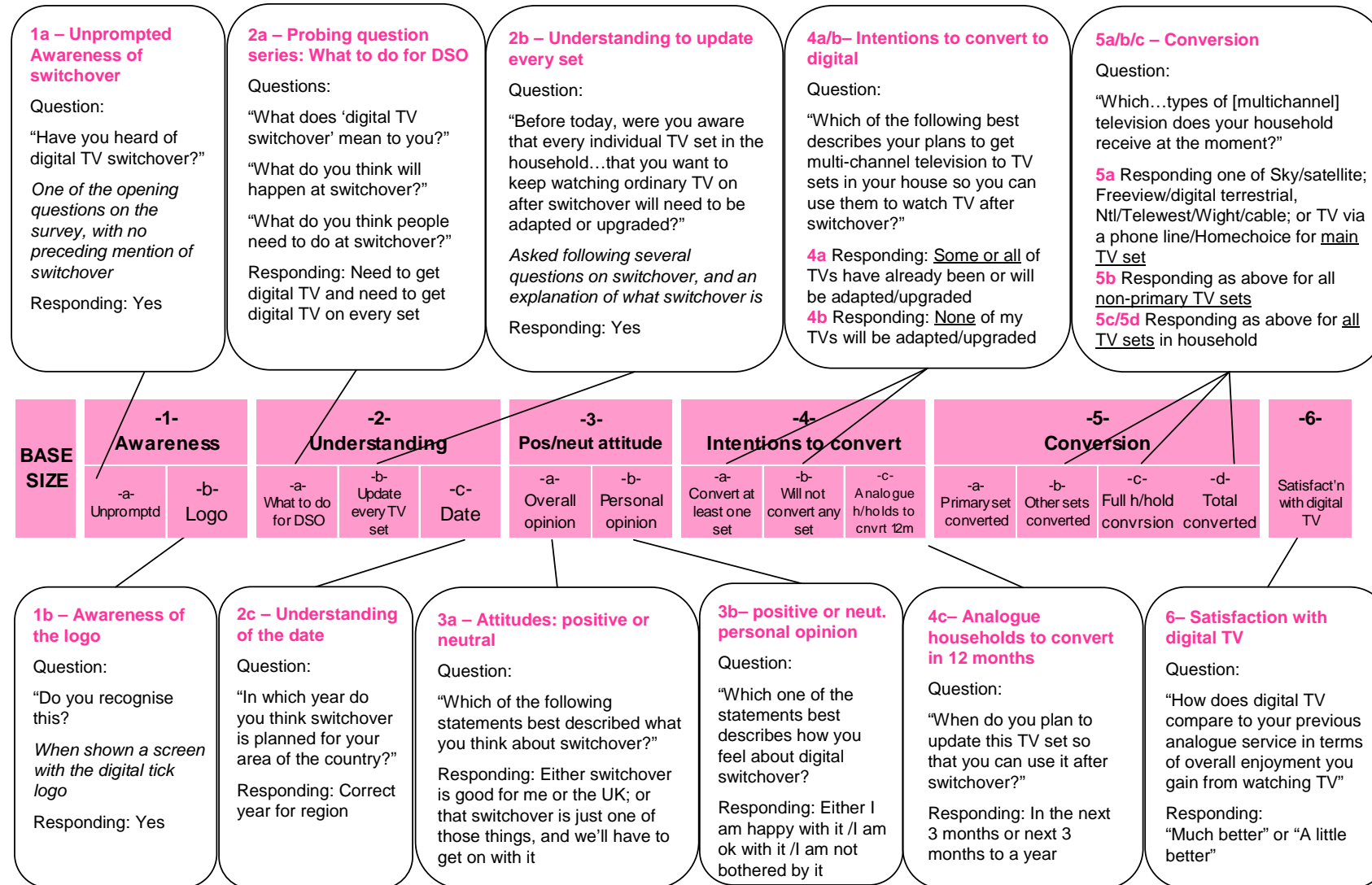
- Summary Tracker results are provided in the ‘dashboards’ of progress towards switchover:
  - (1) The Dashboard: By Regions – which summarises results of each of the key metrics for each of the switchover regions, and at a national level
  - (2) The Dashboard: By Consumer Groups – which provides key metrics for different consumer groups including standard demographic breakdowns but also with a focus on potentially vulnerable groups (see Appendix Two for a Glossary explaining the consumer group terms)
  - (3) The Dashboard: By Segment - the Q3 report provides the key metrics for the six switchover segments for the first time

The key metrics listed across the top row of the dashboard relate to the most important questions on the Tracker that act as a guide to progress. The actual questions they represent are explained on the diagram on the following page.

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<sup>7</sup> Note that Ulster, as the smallest region in population terms (other than Border, which is being heavily boosted), does not currently collect enough surveys each quarter to report on a quarterly basis. Data for Ulster will be provided every six months, and the region, like all others, will be boosted three years out from switchover.

**FIGURE 29 – EXPLANATION OF THE ‘KEY METRICS’ SHOWN ON THE TRACKER DASHBOARDS**



## The Tracker Module

In addition to the standard question set described above, each quarter the Tracker will have a sub-set of questions on a current topic. The topic for Q3 has been equipment usability, and an exploration of people's perceptions of their digital TV equipment and their confidence in using it. The module for Q4 will test the effectiveness of Digital UK's autumn communications campaign.

## Tracker Methodology

The Ofcom & Digital UK Switchover Tracker Survey is conducted by GfK NOP using a face-to-face CAPI (computer assisted personal interviewing) methodology.

### Sample Sizes

During Q2 2006 the Tracker interviewed 2,522 households:

- 1,225 in April, a boosted monthly sample to enable early reporting of results;
- 651 in May; and
- 646 in June.

The normal monthly sample is approximately 650 households, and so future quarters of the tracker will tend to report on a sample size of around 1,950 interviews.

The total Tracker sample for the first year will be approximately 8,400 interviews.

### Regional Sample Sizes

The Tracker will boost each switchover region three years out from its switchover date (as regional communications and support activity commences) to a minimum of 300 per quarter to enable detailed analysis of those regions.

During the first year this means that Border, Westcountry, Wales and Granada will achieve c.300 interviews per quarter, or 1,200 interviews each over the course of the year.

All other regions will be sampled in proportion to their percentage of the total UK population. Due to their size Central and London will register over 100 interviews per quarter; all others should register the minimum reporting requirement of 50 interviews (below which data is considered unreliable and will not be listed), except Ulster, where only 24 interviews per quarter will be achieved. Until Ulster is boosted (in 2009) data for this region will be reported every six months.

National data is weighted to reflect the regions in their correct incidence, ensuring that data from any one boosted region does not skew the national picture.

### Consumer Group Sample Sizes

The Tracker currently uses standard demographic quotas to achieve a sample that is representative of the UK as a whole (see below).

Ofcom and Digital UK are currently reviewing whether standard sampling will collect enough interviews from the relevant consumers groups, in particular some of the vulnerable groups, to enable the necessary in-depth analysis, and will seek to address any issues with these sample sizes. However, in many instances it is likely to be more efficient to conduct in-depth questioning to specific consumer groups via a re-contact survey (getting back in touch with those who said they didn't mind being asked follow-up questions) from the re-contact pool, which is always growing over time.

### *Sampling Method*

#### Surveying Method

The sample selection uses a Random Location sample design, utilising census data and the current Postal Address file to generate street listings and quota sheets for interviewers. Postcode sectors are used to determine sample points within each BARB region.

The sample of 16+ adults is divided with quotas on age, gender and working status, to reflect the demographic profile of each ITV region.

Interviews for each wave take place at addresses from those supplied (constituency name and sample number are recorded on each script in order to monitor quotas), with each wave of interviews spread evenly across four weeks of fieldwork.

To ensure consistency with trend data, the sample design is the same across all waves.

In April, GfK NOP carried out interviews on a sample of adults aged 16+ in the UK. The sample was targeted to achieve 1200 interviews, with 8 interviews taking place across each of 150 sampling points (1225 interviews were actually achieved).

In both May and June, GfK NOP carried out interviews on a sample of adults aged 16+ in the UK, with 8 interviews taking place at each of 80 sampling points, giving a targeted sample size of 640 (651 and 646 interviews were actually achieved in May and June respectively).

#### Post-survey weighting

Given that the sample is controlled by quotas, the final demographic profile should be fairly close to that of the target population. However, the sample is examined post fieldwork to ensure that the profile is as it should be. The sample will, if necessary, be weighted in order to ensure that it is representative in terms of known population data on age, sex, social class.

## APPENDIX TWO: Glossary of Terms

ABC1	Higher socioeconomic groups [higher (A) intermediate (B) or junior (C1) managerial, professional or administrative occupations or students]
C2DE	Lower socioeconomic groups [skilled (C2) and semi or unskilled manual workers (D), pensioners, the retired and casual workers (E)]
Rural	Those living in areas with population density of less than 3 people per hectare
Urban	Those living in areas with population density of more than 3 people per hectare
Low Income	Those on less than 60% of national median income; less than £13,500 p.a.
BME	Black and minority ethnic groups
Non-English	Those whose first language is not English
Disabled	Those who identify themselves as disabled under the Disability Discrimination Act definition
Socially Isolated	Those who do not come into contact with other people (other than people they live with) more than once a fortnight
Living on Own	Those living in single person households
Disabled DLA/AA	Disabled people on Disability Living Allowance or Attendance Allowances (and therefore eligible for the Targeted Help Scheme)