Ofcom and Digital UK
Switchover Tracker Survey

Switchover Progress Report
Q3 2007

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Contents

Executive Summary

- This report summarises Q3 (July-September) 2007 results of the Ofcom & Digital UK Switchover Tracker which measures the nation's progress to switchover across various key metrics: awareness of the change and understanding of what to do to prepare, as well as intentions to convert and digital TV conversion. Additional results included in the report this quarter are studies on intentions to convert and so-called "resisters", i.e. people not intending to convert their existing TV sets for switchover.
- In Q3 83% nationwide were aware of switchover (down 4 percentage points from Q2), and 65% understood what they needed to do (down 1 pp). Digital TV take-up results of the Ofcom & Digital UK Switchover Tracker indicated that more than 4 out of 5 homes were receiving digital TV on their main TV set. Attitudes to switchover improved slightly and digital TV conversion levels held stable.
- After continuous growth of all key metrics for the past 18 months, national awareness and understanding of digital switchover decreased for the first time in Q3 2007. There was very limited communications activity in the quarter and these results demonstrate how key metrics can erode in the absence of continuous reinforcement. A new national advertising campaign started at the end of September and is running until Christmas and we would expect a return to growth in awareness and understanding during Q4 2007. The October results already show a new high in awareness of 89%.
- Despite declines in awareness and understanding, awareness of the regional switchover dates has improved from 16% in Q2 to 18% in Q3, and the recent October results have shown further growth to 27%.

Digital TV Conversion

- On 20th September 2007 Ofcom issued its Q2 2007 Communications Market Progress Report on take-up of digital TV. At the end of June 2007 the proportion of homes with digital TV on their primary set stood at 84%. A further 1.1% of homes currently receive TV via analogue cable, bringing the overall UK multichannel audience to over 85%.
- This growth of the multichannel TV market indicates a further decrease of the analogue terrestrial main set audience by 3.3 percentage points from Q1 2007 (multichannel TV take up increased from 81.7% in Q1 to 85% in Q2 2007). Conversion results from the Ofcom & Digital UK Switchover Tracker figures also suggested 2pp additional growth of primary set conversion during the second quarter of this year (up from 78% in Q1 to 80% in Q2). However during Q3 2007 the Tracker showed flat conversion results.
- Over the most recent quarters the Ofcom & Digital UK Switchover Tracker saw substantial growth in take up of digital terrestrial TV equipment,

especially driven by increased penetration of the market with integrated digital TVs. In Q3 2007 the DTT platform grew to be the most commonly used TV platform (34.9% of the population), overtaking digital satellite through which 34.5% of the UK main set audience was watching TV.

- In line with the Ofcom Digital TV Update the Switchover Tracker data also suggests that secondary TV sets are increasingly being upgraded to digital in UK homes: In Q3 secondary set conversion stood at 41%.

Q3 Switchover Tracker Key Metrics

- In Q3 2007 national awareness of switchover at 83% (-4pp to Q2 2007) is at a similar level as it was at the end of Q1 2007 In Border, the first region to switch, awareness is almost universal with 97% of the population aware of the change. There are no differences between the awareness levels in the two main transmitter regions in Border: Selkirk (97%) and Caldbeck (96%).
- Despite a small drop in understanding from 66% in Q2 understanding to 63% in Q3, general understanding has remained broadly stable at 6 out of 10 throughout this year. Encouragingly, levels of understanding are significantly higher in the early switching regions Border (85%) Wales (74%) and Westcountry (78%), although Granada currently does not have higher understanding than the nation as a whole (both 63%)
- The levels of general and detailed understanding of switchover are significantly lower amongst people who intend to ask somebody for help than amongst those who will set up equipment themselves. Whilst 7 out of 10 of those who plan to do the installation themselves understand what they have to do to get digital, this proportion is much smaller (only 58%) amongst those who intend to ask somebody they know. Similarly the proportion of people aware of having to upgrade VCRs for digital switchover is 32% overall, but only 23% amongst people who will seek help with the switchover process.
- Until switchover finishes one quarter of UK homes (26%) cannot receive a digital terrestrial TV signal. However, overall only 40% of the population are aware that the current coverage extends at switchover. Amongst people who currently live outside of Freeview coverage this proportion increases to 48%.
- The Q3 module tested a number of switchover myths which are still present. Currently 42% of consumers felt sure that all high definition equipment is ready for switchover and this proportion increased to almost half of all men (47%). Although most high definition equipment on the market is also ready for switchover, the assumption is not correct.
- A second myth tested wrong assumptions around recording devices. More than a quarter of the population (28%) currently believe that their analogue recording devices will have no use after switchover (with no significant differences in understanding amongst the various consumer groups). However, analogue recorders only lose the functionality of recording a

different channel from the one that they are watching, whilst all playback functions and straightforward recording will continue to work.

- One of the oldest misconceptions around digital switchover is that people think they have to buy a new TV to get ready for switchover. In Q3 2007 18% believed that they could not convert their existing TV equipment to digital and amongst analogue households the proportion thinking they will have to buy a new TV increases to almost a quarter (23%).
- In comparison to a separate myth busting research which Digital UK conducted in February 2007 the Q3 results indicate that growing understanding amongst the population as a whole is also help eliminating some of the switchover myths.

Switchover in Copeland: Preparation levels before October 17th

- Overall levels of switchover readiness amongst Whitehaven residents were high during these last three months leading up to the first switchover date and residents felt well prepared for the change. As seen in previous months, awareness of switchover was almost universal and peaked at 100% during the days before the first switchover date. During the quarter improvements of general and detailed understanding were achieved. Immediately before switchover 95% understood what they had to do to get ready, three quarters of the population knew the exact switchover date, October 17th. 82% of Copeland residents with Freeview equipment were aware that their equipment had to be retuned at the switchover dates.
- Monitoring digital TV conversion over the last quarters has shown that take up of digital TV did not increase significantly before the actual switchover date (Copeland is an area where a digital terrestrial signal is not available until the first switchover date). In Q3 main set conversion remained at 75% which included unused TV equipment bought in preparation for switchover which will get installed when the signal becomes available after October 17th. Retailers saw a significant increase of equipment sales in the last two weeks before switchover and indicative figures from a dip stick survey conducted over the weekend before switchover suggested that 9 out of 10 homes were either using digital television equipment or had bought boxes in preparation for the change.

Resisters to digital switchover – results of a re-contact study

- Each quarter the Ofcom & Digital UK Switchover Tracker monitors the number "resisters"; those who say that they will not convert any of their TV sets for digital switchover. This quarter the Tracker suggested 3% of all homes will not convert any of their sets.
- A qualitative re-contact study conducted by Digital UK during August and September probed understanding and attitudes of 46 individuals who previously told us that they will not convert any of their TV sets to digital for switchover. Encouragingly, the results showed that on further questioning only a very small number (3 out of 46) confirmed that they were planning to remain without TV after switchover. This suggests that only a fraction

(7% of the 3% of resisters, or only 0.2% of all homes) truly intend to go without television at the point of switchover.

- This decision was based on a combination of personal choice reasons and comparably low understanding of some details of switchover, such as costs and options to go digital. All of these 3 individuals said they do not appreciate TV enough, despite their current use of analogue TV being relatively high. They believe that digital TV is lower quality TV and do not have an understanding about what type of content is available on additional digital channels.
- A large proportion (13 out of 46 respondents) of still-analogue respondents who previously indicated that they wanted to remain without access to TV after switchover had changed their mind when they were re-contacted. Although they still remained reluctant to upgrade equipment right now, they plan to go digital at the time of switchover when required, mainly if they “are still around at that time”. A second significant reason for the respondents’ change of mind was a better understanding of switchover – especially that the digital terrestrial TV signal will be broadcast at a higher power from switchover. Many household that currently cannot receive a digital terrestrial signal will then move into coverage, and some of the Freeview equipment will start to work.
- The remainder of the respondents who were re-contacted (20 individuals) had digital TV equipment in their home when they took part in the study. They either received it in between the two interviews or owned it already at the first interview and indicated that they were planning to uninstall it at the point of switchover. However, out of this group nobody confirmed when we spoke to them for the second time that they were planning to get rid of their digital TV equipment at the point of switchover.

Intentions to convert to digital – results of a longitudinal study

- A second re-contact study conducted in September contrasted conversion rates among people who intended to convert early versus respondents who intended to wait until the last minute. A significant proportion of homes with analogue sets that were re-contacted (35% overall) had converted at least one set since we last spoke to them. However, there were no significant differences between the conversion rate of the group intending to convert early and those intending to leave things to the last minute suggesting that people’s stated intentions to convert actually have little bearing on their propensity to convert.
- These results indicate that although digital switchover is developing as a background driver of digital TV take up (52% think switchover was quite important or very important in their decision to go digital), a large proportion of current conversion is still driven by spontaneous purchases – e.g. new services coming onto the market with large marketing campaigns and offers in supermarkets or electrical retail stores.
- The platform choice for recently-converted TVs underlines the popularity of Freeview equipment and the growing influence of integrated digital TVs in the digital TV market place. 53% of TVs upgraded to digital were

converted with a simple set top box, and 17% were upgraded to an integrated digital television.

- Experiences with the switchover process were generally positive. People making the switch often found the cost of digital TV equipment, especially set top boxes, surprisingly cheap. Overall 39% paid less than expected and 42% paid as much as expected for upgrading their sets. Consumers converting to subscription platforms (including Sky and Virgin Media) also found costs in line their expectations (67% said the costs were as they expected).

Switchover in stv North and stv Central

- With a population of over 5 million Scotland is served by 3 ITV franchise areas. ITV Border (Scottish Borders, 0.25 million), stv North (1.2 million) and stv Central (3.9 million).
- The north of Scotland has a lower level of digital TV penetration (72%) on main sets when compared to Central Scotland (88%). Comparing the regions to the UK average (80%) indicates that the level of digital TV take up in central Scotland is above the UK average, while penetration in the north of Scotland is below. Conversely, while north Scotland has lower levels of penetration compared to Central Scotland, it has higher levels of awareness of the term 'digital switchover' (86%) compared to central Scotland (80%), compared to the national average (83%). There appears to be fairly equal understanding amongst adults in north Scotland and central Scotland, with regards to what to do for digital switchover (those responding Need to get digital TV on every set / Need to get digital TV), 64% compared to 62% and this figure is similar to the national average, 63%.
- Firstly focusing on north Scotland, when comparing awareness of the term 'digital switchover' with knowledge of the actual planned date for the region, there appears to be a knowledge gap, with only 30% able to correctly state the planned year of digital switchover. In central Scotland the knowledge gap is even greater with less than a fifth (18%) being able to correctly state the planned year for digital switchover.
- Adults in central Scotland have a slightly higher positive/neutral attitude towards digital switchover overall (77%) when compared to north Scotland (71%) and the national average (74%).

Chapter 1

The Dashboards – Q3 2007

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
Following a segmentation of the UK population for switchover, the dashboard reports the performance of the individual consumer segments across the key metrics. Detailed information on the switchover segments can be found in the Q3 2006 Switchover Progress Report.

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 2007 report shows that 84% of households have digital TV on their primary set and 85% have multi-channel TV (including analogue cable).

How to read the dashboards

FIGURE 1 – NAVIGATING THE TRACKER DASHBOARDS

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]

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

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/neut attitude		-4- Intentions to convert			-5- Conversion				-6-
		-a- Switchover	-b- Logo	-a- What to do for DSO	-b- Update VCRs	-c- Regional date	-a- Overall opinion	-b- Personal comfort	-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 TV sets cnvrt	Satisfact'n with digital TV
NATIONAL	1964	80%	58%	61%	29%	11%	69%	82%	91%	2%	15%	79%	41%	45%	59%	78%
1 - Border	319	91%	69%	69%	32%	57%	71%	82%	90%	2%	17%	74%	42%	46%	58%	80%
2 - Westcountry	301	91%	64%	76%	32%	14%	72%	81%	96%	2%	16%	75%	33%	35%	52%	79%
3 - Wales	305	85%	62%	67%	30%	28%	65%	79%	87%	1%		82%	42%	51%	62%	82%
4 - Granada	324	87%	64%	57%	33%	19%	65%	79%	92%	1%	17%	79%	47%	45%	62%	77%
5 - West	61*	78%	55%	66%		5%	66%	87%	89%	3%		86%	37%	44%	59%	83%
6 - STV/Gramp	81*	87%	64%	63%	37%	12%	75%	80%	94%	4%		85%	34%	43%	56%	82%
7 - Central	108	84%	60%	74%	32%	4%	68%	80%	91%	3%		69%	32%	35%	51%	84%
8 - Yorkshire	101	75%	62%	45%	28%	5%	59%	85%	94%	4%		77%	39%	41%	59%	70%
9 - Anglia	79*	89%	68%	70%	27%	2%	72%	81%	90%	5%		82%	39%	49%	61%	84%
10 - Meridian	95*	80%	53%	64%	34%	16%	72%	83%	93%	1%		84%	36%	44%	58%	75%
11 - London	106	74%	54%	60%	20%	12%	74%	82%	91%	0%		78%	55%	55%	64%	79%
12 - Tyne Tees	52*	65%	39%	44%		13%	69%	79%							55%	
13 - Ulster	57*	44%	24%	30%		4%	46%	93%	70%	3%		69%		46%	60%	

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

* 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-
		-a- Switchover	-b- Logo	-a- What to do for DSO	-b- Update VCRs	-c- Regional date	-a- Overall opinion	-b- Personal comfort	-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 TV sets cnvrt	Satisfact'n with digital TV
NATIONAL	**2829**	83%	65%	63%	32%	18%	74%	84%	90%	3%	16%	80%	41%	47%	61%	74%
1 - Border	**485**	97%	81%	85%	45%	69%	74%	88%	95%	3%	20%	82%	45%	49%	63%	73%
1 a Selkirk	**176**	97%	82%	88%	46%	80%	79%	91%	95%	3%		87%	45%	54%	64%	63%
1 b - Caldbeck	**302**	96%	79%	83%	45%	62%	72%	86%	95%	3%		80%	44%	47%	61%	81%
2 - Westcountry	**306**	92%	77%	78%	33%	26%	78%	87%	93%	3%		82%	43%	49%	63%	80%
3 - Wales	**315**	94%	79%	74%	34%	37%	72%	85%	91%	3%		86%	45%	56%	65%	76%
4 - Granada	**312**	88%	73%	63%	27%	25%	70%	83%	92%	1%	11%	81%	43%	47%	62%	72%
5 - West	**208**	91%	73%	74%	36%	21%	70%	86%	89%	3%		85%	45%	54%	65%	74%
6 - STV North	**155**	86%	64%	64%	33%	30%	71%	84%	87%	2%		72%	40%	40%	57%	79%
7 - STV Central	**164**	80%	69%	62%	43%	18%	77%	85%	92%	1%		88%	40%	54%	64%	78%
8 - Central	**108**	75%	57%	58%	29%	7%	78%	87%	89%	3%		77%	42%	45%	61%	71%
9 - Yorkshire	**103**	83%	68%	56%	31%	10%	66%	80%	86%	5%		78%	35%	38%	55%	72%
10 - Anglia	**87***	88%	71%	65%	31%	4%	69%	80%	95%	2%		75%	39%	49%	58%	79%
11 - Meridian	**99***	89%	63%	69%	36%	24%	74%	80%	92%	2%		79%	37%	44%	57%	62%
12 - London	**408**	77%	61%	59%	34%	19%	77%	85%	91%	3%	19%	82%	43%	54%	64%	75%
13 - Tyne Tees	**55***	93%	67%	74%	42%	18%	79%	91%	92%	4%		90%	39%	46%	64%	76%
14 - Ulster	**55***	78%	35%	59%		6%	88%	97%	83%	2%		80%		49%	63%	

(2) The Dashboard: By Consumer Groups

* 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-
		-a- Switchover	-b- Logo	-a- What to do for DSO	-b- Update VCRs	-c- Regional date	-a- Overall opinion	-b- Personal comfort	-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 TV sets cnvrt	Satisfact'n with digital TV
NATIONAL	**2829**	83%	65%	63%	32%	18%	74%	84%	90%	3%	16%	80%	41%	47%	61%	74%
Male	**1397**	85%	67%	68%	39%	19%	79%	89%	93%	3%	17%	83%	44%	52%	64%	77%
Female	**1432**	82%	64%	58%	26%	16%	69%	80%	88%	2%	16%	77%	38%	43%	58%	71%
16-24	**354**	63%	69%	42%	23%	13%	81%	88%	86%	4%		81%	41%	44%	60%	87%
65-74	**357**	90%	64%	65%	40%	27%	70%	83%	92%	2%	9%	79%	36%	45%	60%	79%
65+	**583**	88%	56%	57%	37%	24%	65%	76%	88%	2%	6%	68%	34%	39%	54%	70%
ABC1	**1285**	88%	64%	70%	37%	21%	78%	85%	92%	3%	20%	83%	42%	48%	62%	73%
C2DE	**1544**	79%	66%	57%	28%	15%	70%	84%	89%	2%	13%	78%	39%	47%	59%	75%
Rural	**422**	94%	69%	77%	32%	20%	75%	84%	95%	3%	11%	78%	41%	40%	59%	71%
Urban	**2407**	82%	65%	61%	32%	18%	74%	85%	90%	3%	17%	81%	40%	48%	61%	74%
Low income	**608**	79%	62%	55%	29%	17%	72%	79%	85%	3%	21%	71%	34%	43%	55%	71%
BME	**170**	49%	63%	36%	24%	7%	76%	82%	88%	5%		69%	43%	49%	60%	85%
Non-English	**167**	38%	52%	25%	24%	8%	77%	83%	90%	2%		66%	44%	54%	60%	78%
Disabled	**476**	86%	65%	57%	34%	18%	60%	78%	86%	4%	14%	76%	43%	48%	61%	69%
Need assistance	**156**	83%	51%	40%	21%	24%	54%	61%	78%	1%	6%	33%	7%	1%	23%	57%
Hard to reach	**1332**	79%	65%	58%	30%	17%	73%	83%	90%	3%	18%	78%	39%	47%	60%	75%
Living alone	**551**	85%	60%	58%	34%	22%	67%	79%	89%	4%	16%	68%	35%	47%	56%	68%
Families w/ chidren	**755**	84%	68%	66%	26%	16%	71%	85%	90%	3%	23%	86%	43%	47%	62%	73%
Rent private	**322**	62%	54%	44%	24%	8%	74%	86%	86%	2%	18%	72%	39%	57%	61%	80%
Rent council	**615**	77%	70%	52%	28%	14%	74%	85%	88%	2%	15%	78%	40%	51%	62%	75%
House	**2339**	84%	65%	65%	32%	18%	74%	84%	91%	3%	16%	82%	41%	46%	61%	73%
Flat	**473**	77%	64%	55%	31%	15%	75%	86%	89%	2%	16%	73%	41%	54%	62%	79%
THS - 75+	**226**	85%	46%	48%	33%	20%	59%	67%	85%	2%	5%	55%	31%	31%	46%	52%
THS - DLA/AA <75	**155**	79%	71%	57%	37%	20%	59%	77%	80%	10%		77%	37%	43%	57%	71%

(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-
		-a- Switchover	-b- Logo	-a- What to do for DSO	-b- Update VCRs	-c- Regional Date	-a- Overall opinion	-b- Personal comfort	-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 TV sets cnvrt	Satisfact'n with digital TV
Cultured Conservatives	388	88%	57%	68%	35%	25%	64%	78%	86%	4%	15%	68%	32%	33%	50%	58%
Out-and-About Families	358	83%	74%	70%	29%	26%	76%	87%	92%	1%		88%	41%	51%	62%	73%
Traditionalists	548	87%	64%	64%	32%	28%	64%	75%	91%	2%	14%	72%	34%	39%	54%	68%
TV-Centrics	931	90%	77%	73%	37%	35%	78%	89%	95%	1%	31%	93%	51%	55%	69%	82%
Rolling Stones	246	84%	76%	73%	35%	28%	76%	90%	91%	5%		78%	49%	62%	68%	79%
High-Tech Consumers	358	90%	75%	70%	41%	31%	85%	94%	95%	1%		94%	47%	59%	69%	79%

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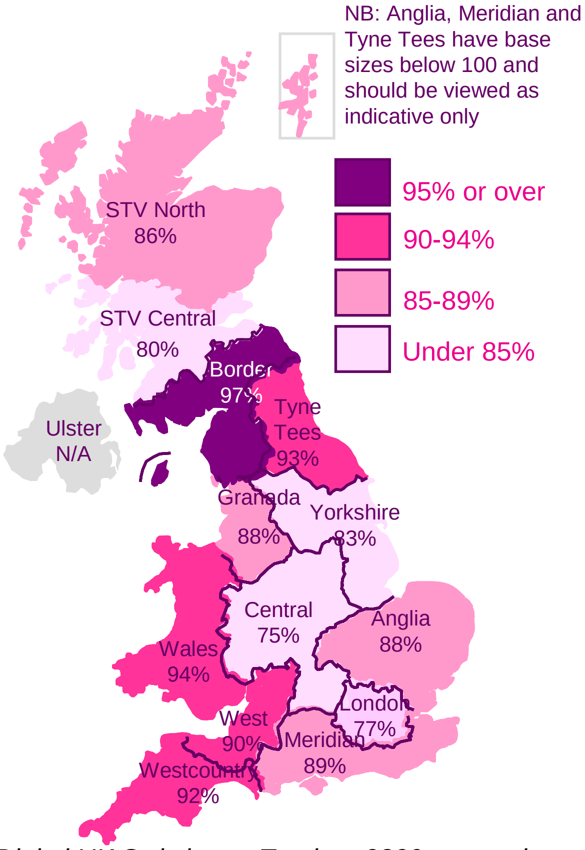
Chapter 2

The Q3 2007 Tracker Results

Switchover Awareness

- After continuous growth across the key metrics earlier in 2007 overall awareness and understanding of digital switchover decreased for the first time in Q3 2007. Attitudes to switchover improved slightly and digital TV conversion levels held stable. There was very limited communications during the quarter and these results demonstrate how key metrics can erode in the absence of continuous reinforcement. The new national advertising campaign started at the end of September 2007 and is running until Christmas and we would expect rising levels of awareness and detailed understanding for Q4 2007.
- In Q3 2007 national awareness of switchover at 83% (-4pp to Q2 2007) is at a similar level as it was at the end of Q1 2007 and particularly high levels of awareness remain stable in the lead switchover regions Border (97%), Wales (94%) and Westcountry (92%). In Border, the first region to switch, awareness is almost universal with 97% of the population aware of the change. There are no differences between the awareness levels in the two main transmitter regions in Border: Selkirk and Caldbeck. In Selkirk where switchover happens in November 2008 97% are aware whilst in Caldbeck switchover is not happening until Q4 2009 and awareness is 96%.

Figure 2.1: Digital Switchover awareness by TV region



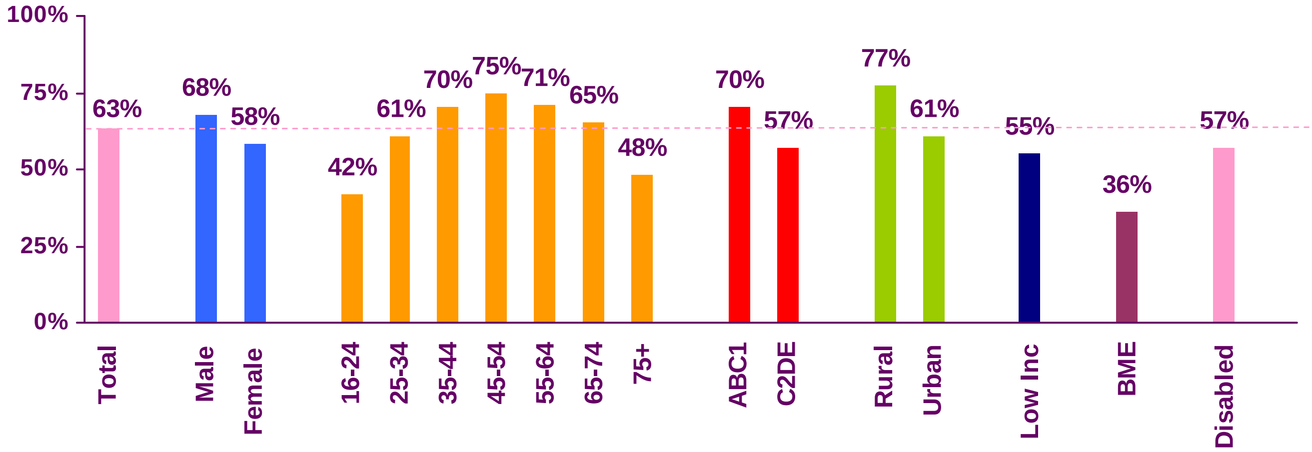
Source: Q3 Ofcom & Digital UK Switchover Tracker, 2829 respondents

- More than 4 out of 5 of all adults aged 25 years and over have heard about switchover, but significantly lower levels of awareness remain amongst the youngest age group of 16 to 24 year olds where just over 6 out of 10 (62%) have heard of the change to digital television. However, with above average levels of main set conversion in this age group there is no cause for concern about this age group being left behind.

Understanding of what to do for Switchover

- Despite a small drop during this last quarter from 66% understanding to 63% understanding, general understanding has remained broadly stable at 6 out of 10 throughout this year. Understanding is still higher in the early switching regions Border (85%) Wales (74%) and Westcountry (78%), although Granada currently does not have higher understanding than the nation as a whole (63% overall).
- Unlike awareness, where most consumer groups have reached similarly high levels of awareness (including the hard to reach), understanding of what to do for switchover is still lagging in many key groups that may find switchover more difficult to deal with. Less than half (48%) of all 75+ year olds know that they will need some form of digital TV equipment in order to watch TV after switchover, compared to 63% nationally. Understanding is also significantly lower amongst respondents with low incomes (55%), those from minority ethnic groups (36%), and amongst those who say they need assistance with the switchover process (40%).

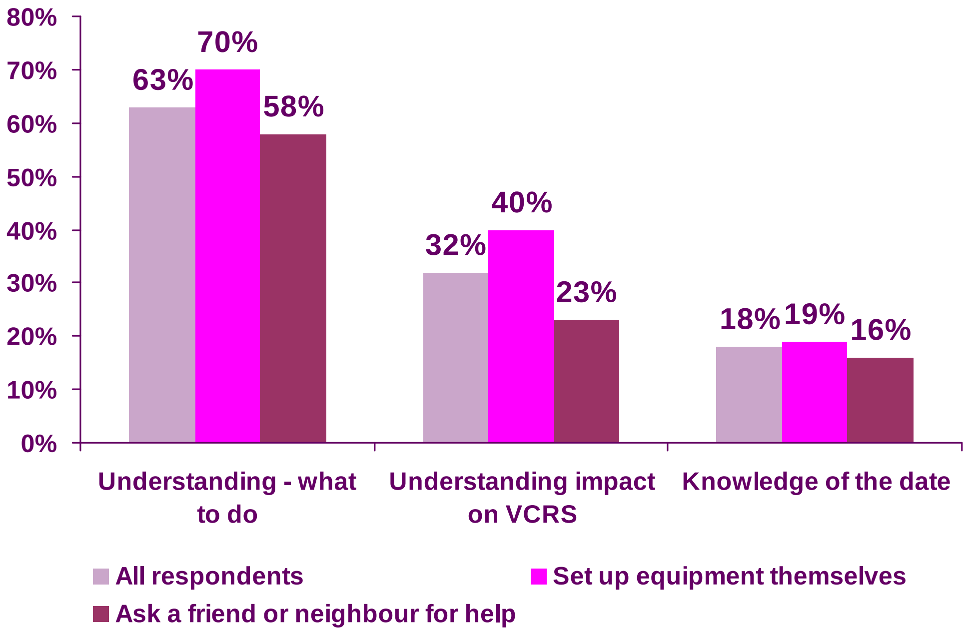
Figure 2.2: Q3 Understanding what to do by consumer group



Source: *Q3 Ofcom & Digital UK Switchover Tracker, 2829 respondents*

- Perhaps unsurprisingly, general and detailed understanding of switchover is significantly lower amongst people who prefer to ask someone they know for help setting up new digital equipment than amongst those who will do it themselves. Results for previous quarters indicate that understanding metrics is higher amongst people who already have a digital set at home.

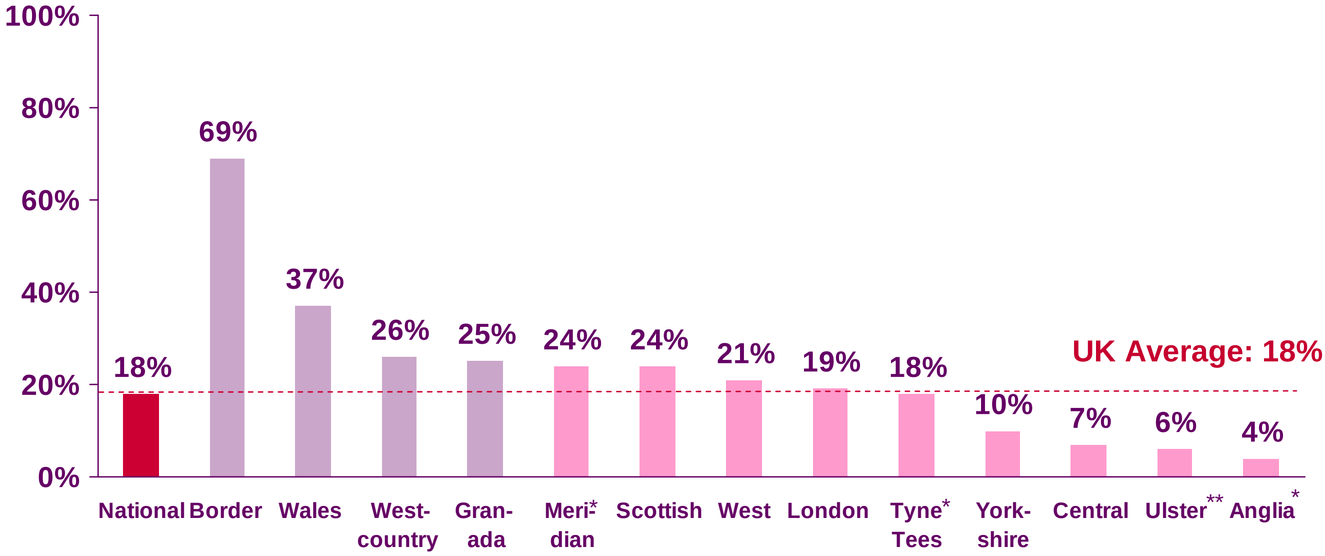
Figure 2.3: Higher understanding amongst people who install equipment themselves



Source: Q3 Ofcom & Digital UK Switchover tracker, 2829 respondents

- Despite declines in switchover awareness and general understanding in the quarter, awareness of the regional switchover dates has improved from Q2 to Q3 2007 (from 16% understanding nationally to 18% overall). The national monthly results highlight the impact of the most recent switchover campaign which focused on raising date awareness in late September and through October 2007. From August to September 2007 we saw an increase in regional date awareness by 4 percentage points from 17% to 21%.
- Switchover date awareness is significantly higher in the early switchover regions, especially in Border with more than two thirds of the population aware that switchover is happening between 2008 and 2009. However, looking at the responses by the relevant transmitter region, most Border residents believe that the switch to digital is happening in 2008 even if they are living in the Caldbeck transmitter area which is switching to digital in 2009. In Selkirk more than 3 quarters of the population (76%) think that switchover is happening in 2008 and only 12% in the Caldbeck area know switchover is happening in 2009.

Figure 2.4: Switchover date awareness by TV region



Source: Q3 Ofcom & Digital UK Switchover Tracker, 2829 respondents
** indicative only sample between 50 and 100 respondents,*
*** Ulster: combined figure for Q2 & Q3*

- Understanding that VCRs need to be upgraded in order to continue watching one channel while you record another remains relatively low nationally (32%) and in the lead regions, although awareness of the VCR issue is significantly higher in Border (45%). Analogue recorders will be the subject of a new national TV advertising campaign launching early in November.

Digital TV Conversion

- Conversion results from the Ofcom & Digital UK Switchover Tracker suggested 2pp additional growth of primary set conversion during the second quarter of this year (up from 78% in Q1 to 80% in Q2). This growth is along similar lines as the most recent Ofcom Digital TV update suggested, which reported 3.3 percentage points growth during the time period. However during this most recent quarter Q3 2007 the switchover Tracker did not indicate additional main set conversion and take up remained at 80%.
- In line with the Ofcom Digital TV Update the Switchover Tracker data also suggests that increasingly secondary TV sets are being upgraded to digital in UK homes and in Q3 overall secondary set conversion stood at 41%.
- Over the most recent quarters the Ofcom & Digital UK Switchover Tracker saw substantial growth in take up of digital terrestrial TV equipment, especially driven by increased penetration of the market with integrated digital TVs. In Q3 2007 the DTT platform grew to be the most commonly used TV platform (34.9% of the population), overtaking digital satellite through which 34.5% of the UK main set audience was watching TV.

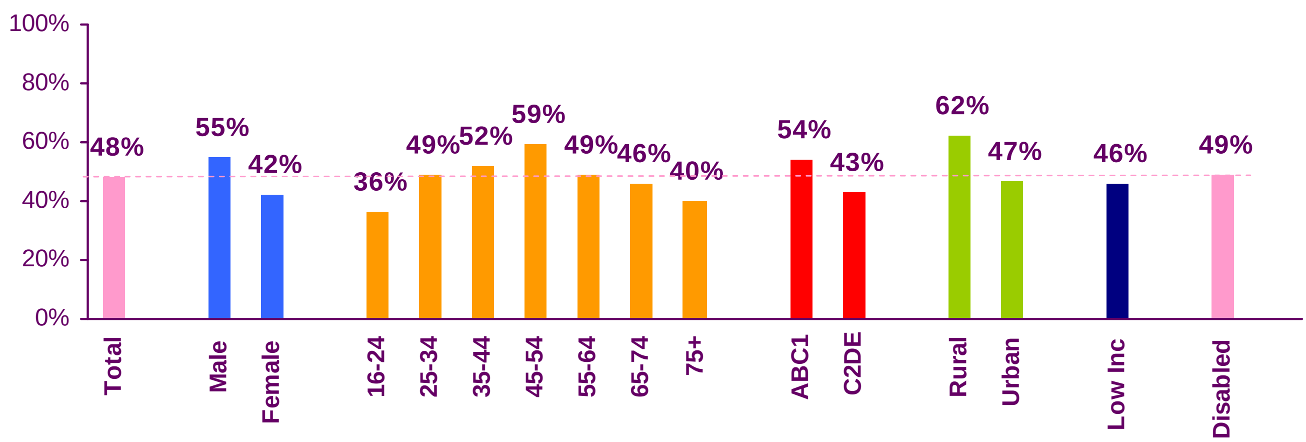
Digital Switchover myths

- For many consumers the impact of digital switchover and the conversion of TV equipment from analogue to digital is a complex process to understand and currently a number of digital switchover myths remain amongst the population as a whole. Digital UK is aiming to tackle many of them in its campaign during the upcoming months.

Misconceptions about extension of Freeview signal at switchover

- Misunderstandings exist especially about current and future coverage of the DTT signal. One of the main reasons for the switchover is to make the digital terrestrial TV signal available to the whole UK population, because currently only around three quarters (74%) of UK homes can receive a Freeview signal and at the end of the rollout programme coverage will be near universal (at 98.5%).
- Although only one quarter of homes in the UK cannot receive a DTT signal until their respective switchover dates, overall only 40% of the population are aware of the current coverage extending at switchover. Amongst people who currently live outside of Freeview coverage this proportion increases to 48%. Their awareness is higher as they will be the ones actually affected by the signal becoming available for the first time in their region. More detailed knowledge, that DTT coverage will be near universal (at 98.5% nationwide) at the point when all analogue signals in the UK are switched off is only known by about half of the population 48% and people living in rural areas in the UK are more knowledgeable about this than respondents from urban areas who are more likely to live in areas where they can already receive a DTT signal currently (62% understanding in rural areas vs. 47% in urban areas).

Figure 2.5: Awareness that Freeview coverage will be universal



Source: Q3 Ofcom & Digital UK Switchover Tracker, 2829 respondents

- The fact that switchover makes digital television fairer, because some areas will receive the Freeview signal for the first time has a small positive effect on how people feel about switchover. One in 5 (21%) of those who found out that the Freeview coverage will extend at switchover during the interview said that it made them think more positively about the programme, but the majority of people 67% found that this knowledge did not change their attitudes towards switchover.

- Another series of common switchover myths that were tested in the Q3 module were misconceptions about (1) having to buy an new TV for switchover rather than being able to upgrade old existing equipment, (2) misunderstanding that video recorders will stop working at the point of switchover and (3) that any form of high definition ready TV equipment also means that the equipment will work through switchover.

High definition ready equipment ready for switchover?

- Amongst those three myths tested, most confusion existed around whether buying High Definition ready TV equipment would also prepare the buyer for digital switchover. Currently 42% of consumers felt confident that all high definition equipment is ready for switchover and this proportion increased to almost half amongst men (47%). Although most of all HD ready TV equipment currently available on the market will work through switchover, consumers are asked to look for the digital tick when thinking of buying a new TV. All equipment carrying the digital tick logo has a digital tuner inside and Digital UK works to raise awareness of the digital tick logo. During Q3 2007 almost two thirds of the population (65%) were aware of the digital tick logo.

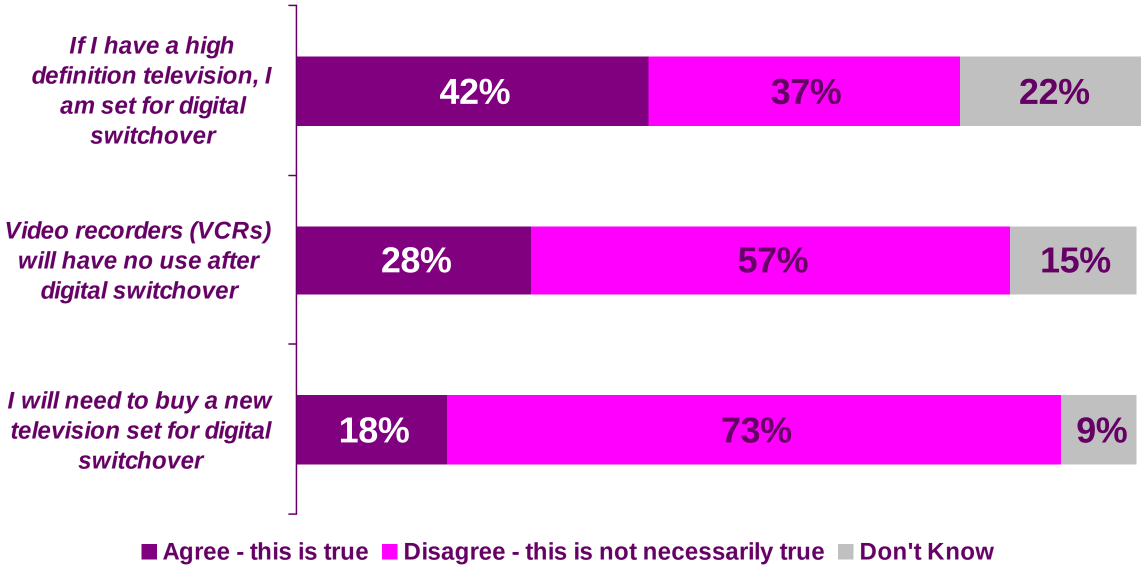
Functionality of analogue recorders after switchover

- More than a quarter of the population (28%) currently believe that their analogue recording devices will have no use after switchover with no significant differences in understanding amongst the various consumer groups. However, in comparison to the results of independent research commissioned by Digital UK and carried by BMRB amongst a representative sample of 1000 UK adults in early February of this year, this proportion has decreased substantially. In February 48% of the population believed that they had to replace or convert all of their recording devices for digital switchover. Although the two statements used in both types of research are not directly comparable, they still give an indication that understanding of the impact of switchover on recorders has improved substantially.

Nearly all TVs can be converted

- One of the oldest misconceptions around digital switchover is that people think they have to buy a new TV to get ready for switchover. In Q3 2007 18% believed that they would have to buy a new TV. Amongst analogue households increases to almost a quarter (23%). A similar myth was tested in the BMRB research in February 2007 and at the time 29% believed that people had to replace all their old TV sets with new ones to get ready for switchover. Although again the statements in both rounds of research are not identical, and not directly comparable, it gives an indication that more people understand that nearly all existing TVs can be converted to digital, although the improvement is less than that observed on other 'myth' statements. Digital UK will launch national communications to address this myth in the new year.

Figure 2.6: Popular digital switchover myths



Source: Q3 Ofcom & Digital UK Switchover Tracker, 2829 respondents

Chapter 3

Aerials and Digital Switchover

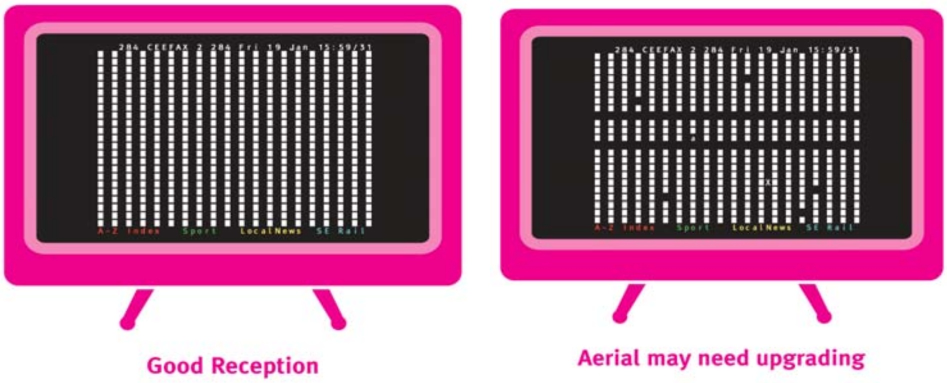
- Tracker results suggest that 83% of homes use some sort of terrestrial aerial, whilst 17% are fully reliant on satellite or cable. 58% of homes use a roof or loft aerial on a set in their home, 17% use a set-top aerial on at least one of their sets in their home (2% on their main sets), and 3% know that they use a communal aerial system (we know that the actual numbers using communal aerial systems are higher, but many will not recognise they are using a communal aerial).
- Ofcom estimates that 30% of terrestrial roof or loft aerials require upgrading to receive the current DTT signal. At switchover, with higher transmitter powers, 5-10% of roof or loft aerials will need replacing at switchover. Ofcom also estimate that only half of set-top aerials will work reliably after switchover, but that users will tolerate poor performance from a further third, and that perhaps 15% of set-top aerials will be replaced (or their sets connected to a roof-top aerial system).
- The number of roof or loft aerials that may require upgrading will be the proportion of homes who have a terrestrial roof or loft aerial and who do not currently have DTT anywhere in the home (i.e. the aerial is not yet being used for a digital signal, which of course would mean it is also switchover ready). Tracker data suggests that 58% of homes have a terrestrial roof or loft aerial, 66% of them have an analogue set somewhere in the home, and that 61% of them do not have DTT anywhere in the home. This equates to more than 20% of all UK homes (22%). If all of these homes waited until switchover to convert, and 5-10% of them therefore required an aerial upgrade, 290,000 to 580,000 homes would need a new roof-top aerial.
- Tracker data shows that 12% of all TVs use a set-top aerial, with most use on secondary sets. In a universe of 60 million TV sets this equates to 7 million TVs that use a set-top aerial. If 15% of these aerials require upgrading at switchover, this means that just over 1 million televisions (1,080,000) would require a new set-top aerial or connection to a roof-top aerial system.
- It should be noted that there are two possible reasons why aerials would need upgrading at switchover: (1) because the digital signal is more sensitive than the analogue signal, and poor quality aerial systems which maintained a poor analogue picture may not work at all in digital (the basis of Ofcom’s calculation above), and either the aerial or the cabling may need to be replaced; and (2) because in a small number of instances some of the digital channels will be in a different part of the spectrum to the analogue channels, and so a different type of aerial (aerial group) is required to pick up those channels. This tends to apply only to the commercial channels. As the frequency plan is consolidated Digital UK will be able to identify areas where this many be the case, and will communicate accordingly to households.

Aerial tests

- Digital UK and Ofcom have developed a series of ways of testing aerials for digital. All have been piloted in Copeland during switchover.

    (1) Teletext page 284. The Teletext page shows a series of dotted rows, indicating signal strength. A full screen indicates a good signal. If there are a significant number of dots missing the signal is weaker, and the consumer may need to have their aerial looked at by an installer.

Figure 3.1: Teletext page 284



(2) Reference Picture. An accompanying test relies on a 'reference picture' of a fuzzy analogue screen, which has been measured to correlate to the minimum signal strength which would be required in analogue for the digital signal to work. If the consumer believe they have a worse picture than the reference, they are likely to need their aerial inspecting. Both this and the Teletext page have been reference in an aerial leaflet distributed in Copeland, and have been used extensively by local residents.

Figure 3.2: Aerial Check Reference Picture

(3) Signal Strength Meter. The final test is a handheld signal strength meter which has been specially developed by Ofcom in conjunction with Digital UK. The meter is pre-loaded with information about the local transmitter, including the frequencies that are planned to be used there at switchover. By plugging it into the aerial socket it can assess whether enough signal is being received for digital.

Figure 3.3: Handheld Signal Strength Meter

Satisfaction with current analogue picture

- The Q3 Tracker asked a series of questions relating to aerials, starting with a question on perceived picture quality on analogue sets.
- 79% of those will analogue primary sets said that there were quite or very satisfied with their picture quality. Only 4% were very dissatisfied with their picture quality. Satisfaction with picture quality was lower on secondary sets, with just 63% saying they were quite or very satisfied.

Assessing the need for an aerial upgrade

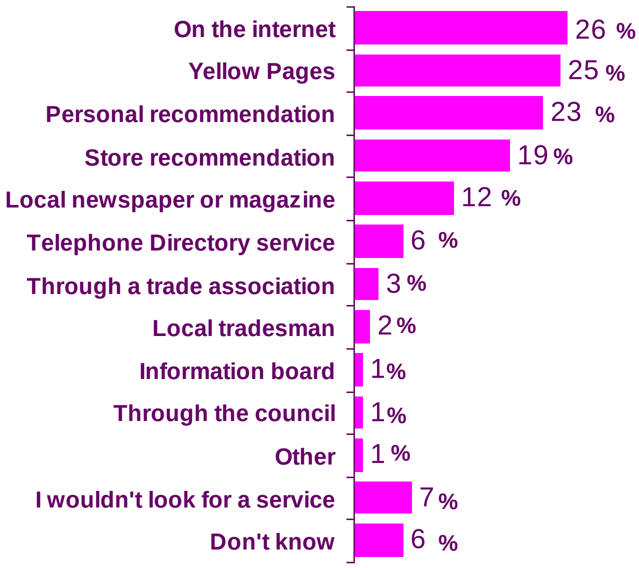
- As mentioned above, around one third of aerials require upgrading to receive the current DTT signal. The Q3 Tracker showed that just over half (53%) knew that this was the case.
- When asked unprompted whether they thought they might need an aerial upgrade, 46% said they thought they might, 33% thought they wouldn't, whilst 21% were not sure.
- Respondents were then shown the reference picture, and asked to re-assess whether they might need a new aerial. The picture helped some determine that they probably wouldn't need an upgrade, with 39% thinking they might, 43% saying they wouldn't, and only 8% saying they didn't know. These figures are marginally higher than the estimated 30% who

would currently need a new aerial, but Digital UK would always advise those who are not sure to have their aerial checked.

Finding a reputable aerial installer

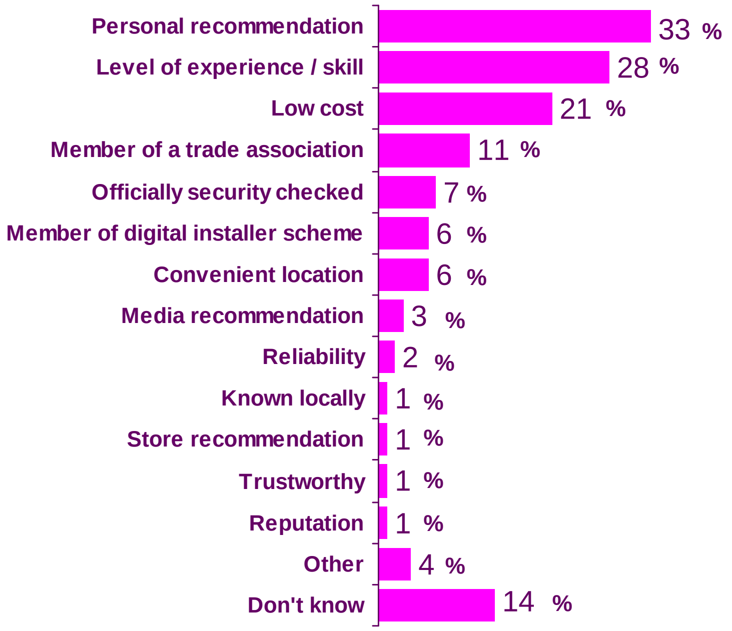
- The Department for Business Enterprise and Regulatory Reform (BERR) set up the Registered Digital Installer (RDI) Scheme in 2006. The RDI certifies aerial installers as being competent (having gained an NVQ qualification) and trustworthy (having passed a background check). On becoming an RDI and installer is eligible to use the digital tick logo.
- The Q3 Tracker asked respondents how they go about finding an aerial installer, and what was important to them when seeking an aerial installer. Whilst most still rely on word-of-mouth or the Yellow Pages, it was evident that many would prefer their installer to have a qualification and security check.
- When asked how they go about finding an installer 26% search on the internet, 25% use Yellow Pages and 23% go on a personal recommendation.

Figure 3.4: Information sources for aerial installation services



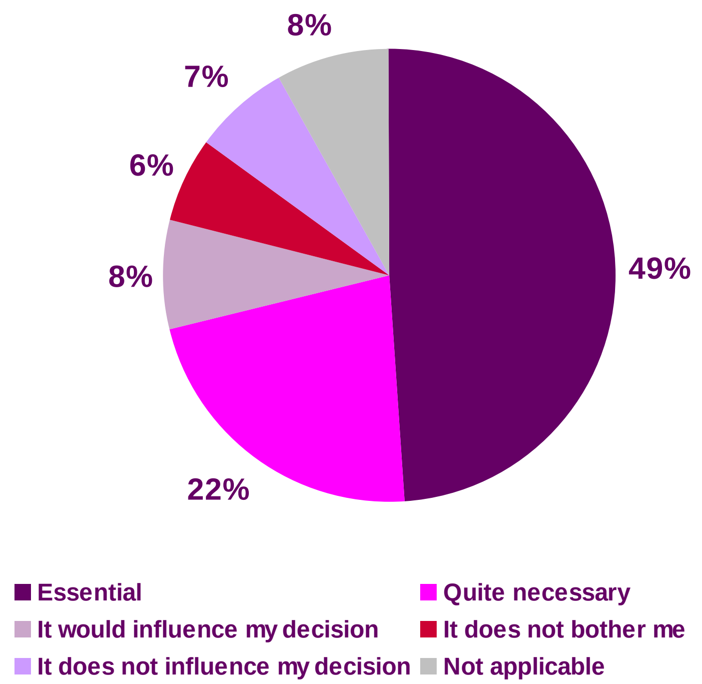
- When asked what skills they look for, again, most would seek a personal recommendation, and would want someone with experience.

Figure 3.5: Selection criteria for aerial installers



- However, when asked directly how important a qualification and security check would be, 49% said it was essential and a further 22% said it was necessary. Only 21% were not bothered about these qualifications.

Figure 3.6: Perceived necessity for national qualification and security check of aerial installers amongst the general public



Chapter 4

Update Q3 2007: Copeland before the October 17th switchover date

Summary

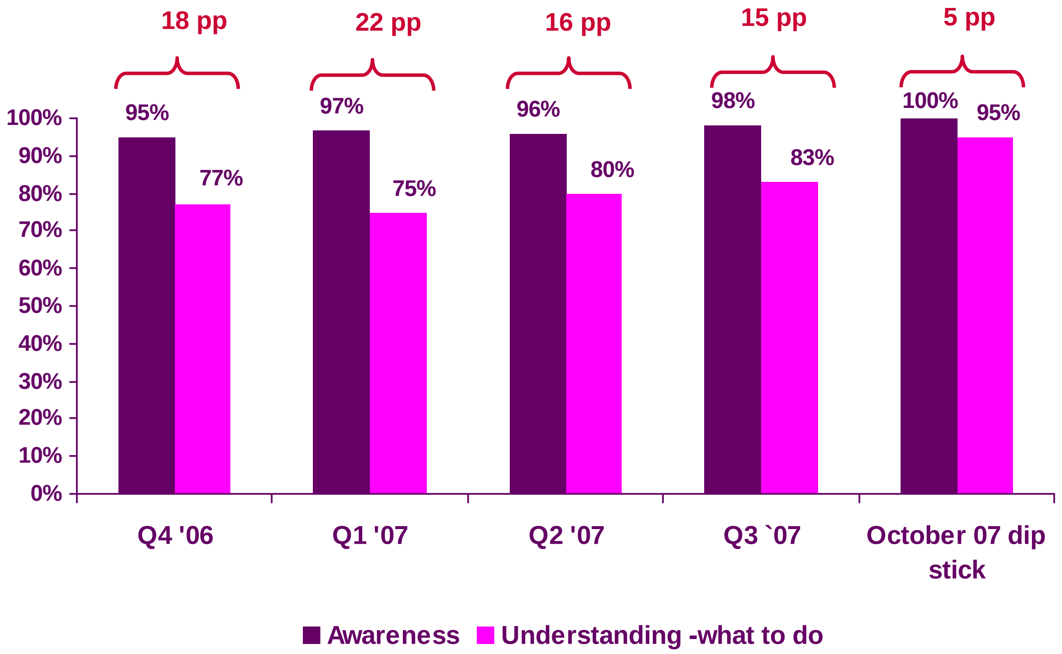
- This chapter summarises the Q3 (July to September) results of the Copeland Tracker which has continuously monitored the switchover process in Whitehaven and surrounding area since October last year. Digital UK also conducted an additional dip stick survey in the area immediately before the first switchover date on the 17th of October. Some of those results are also referenced in the chapter where appropriate. Fieldwork for these additional interviews took place from the 12th to the 15th of October.
- Overall levels of switchover readiness amongst Whitehaven residents were high during these last months leading up to the first switchover date and residents felt well prepared for the change. As seen in previous months, awareness of switchover was almost universal and peaked at 100% during the days before the first switchover date. During the quarter improvements of general and detailed understanding were achieved. Immediately before switchover 95% understood what they had to do to get ready, three quarters of the population knew the exact switchover date, October 17th. 86% of Copeland residents with Freeview equipment were aware that their equipment had to be retuned at the switchover dates.
- Monitoring digital TV conversion over the last quarters has shown that take up of digital TV did not increase significantly before the actual switchover date (Copeland is an area where a digital terrestrial signal is not available until the first switchover date). In Q3 main set conversion remained at 75% which included unused TV equipment bought in preparation for switchover which will get installed when the signal becomes available after October 17th. Retailers saw a significant increase of equipment sales in the last two weeks before switchover and indicative figures from the dip stick survey conducted over the weekend before switchover suggested that 9 out of 10 homes were either using digital television equipment or had bought boxes in preparation for the change.

Stable awareness and growth in understanding of switchover process

- As seen during previous quarters, the high levels of switchover awareness held stable in Q3 and in the days before the first analogue channel (BBC Two) was switched off, everybody in Whitehaven and surrounding area was aware of the change.

- Alongside the high levels of awareness the trend of improving levels of understanding of what to do in preparation for switchover continued and over the quarter more than 8 out of 10 (83%) of Whitehaven residents knew that they had to upgrade their TV equipment to digital. As the switchover date approached the gap between awareness and understanding grew smaller from 22 percentage points in Q1 2007 to 5 percentage points immediately before switchover.

Figure 4.1: Closing gap between awareness and understanding



- All households received a reference guide at the end of July, describing the process of switchover in greater detail than was explained to them before. Information included the switchover process happening in two stages, i.e. BBC Two being switched off on 17th October and the rest of the analogue channels (BBC One, ITV 1 and Channel 4) switching 4 weeks later on the 14th November. Other information focused on having to re-tune all Freeview equipment on the two dates of switchover; howvideo recorders are affected by switchover; and where to find information on aerial upgrades.
- Throughout Q3 more than two thirds (68%) of the Copeland population understood that their analogue recording devices will be affected by switchover, an increase of 12 percentage points in comparison to Q2 2007. However awareness increased substantially in August (from 59% in July to 67% in August and 74% in September) after the information leaflet was received by all households.
- All users of Freeview equipment had to re-tune their boxes or integrated digital televisions at the two switchover dates. Throughout quarter 3 42% of the Copeland population were aware of this, but alone in September this figure stood at 48% and the dip stick survey immediately before switchover showed more than 8 out of 10 (86%) aware having to retune equipment.

- In Q3 Copeland residents also learnt through the leaflet that they had to switch between the analogue and digital channels for different content. On the first switchover date only a selection of BBC channels became available in digital and to watch shows on ITV 1 and Channel 4 viewers still had to go back to the analogue signal. Only around one quarter of the Copeland population understood this at the end of July, but immediately before switchover when the dip stick survey was conducted almost 9 out of 10 (87%) were aware of this fact.

Figure 4.2: Picture of the Copeland July leaflet

Understanding of the switchover date

- In Q3 almost half of the population understood that switchover was happening on 17th October (49%) and immediately before switchover this proportion increased to over three quarters of the population (77%). Awareness that switchover was happening in October was almost universal with 98% awareness immediately before the date. Growing levels of date awareness are supported by the prominent billboard in the Whitehaven harbour displaying the switchover dates up until October 17 and both switchover dates during the transition period. Continuous coverage in the Whitehaven News and other local papers also helped build understanding of the local switchover date.

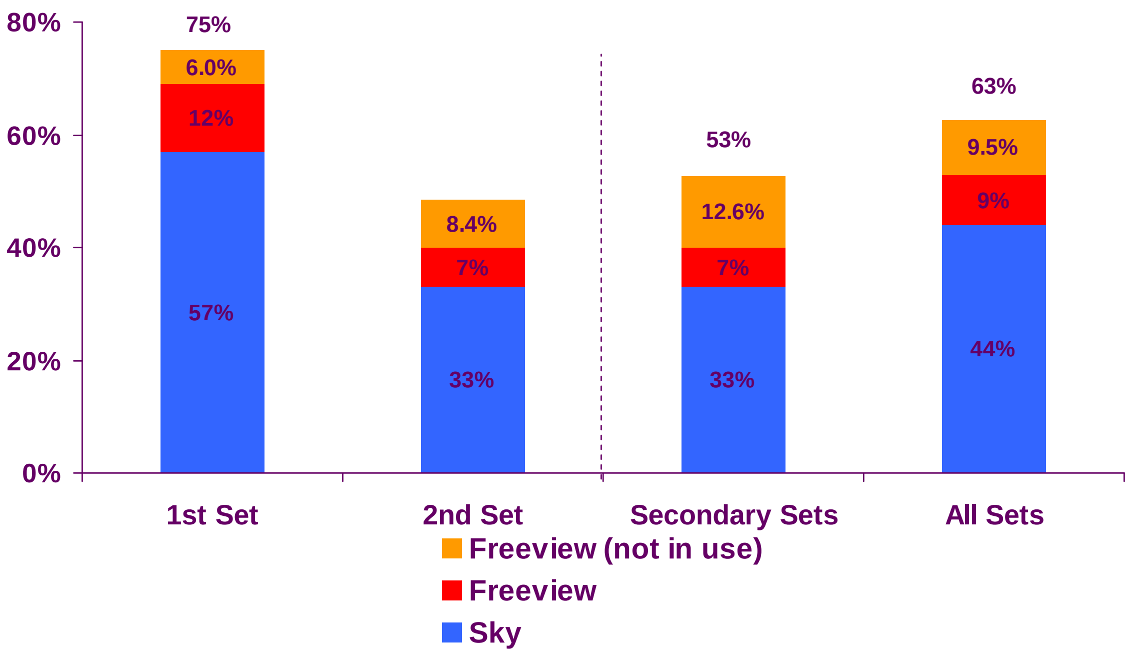
Figure 4.3: The harbour clock

- However, in July only one out of five (20%) of Whitehaven residents understood that switchover was happening in 2 stages. This proportion increased in the following months and over the whole quarter almost half of the Whitehaven population (47%) had learnt that there was a second switchover date. This trend was supported by the result of the dip stick survey immediately before the 17th of October, when 62% said they knew that switchover was happening in two stages.

Preparations for switchover and digital TV conversion

- At the end of Q3 take up of digital TV for main sets stood at 75% in Copeland homes. This includes the proportion of people who have purchased digital TV equipment for their main sets but have not yet installed it. Secondary set conversion increased to 53% including purchases of DTT equipment not yet connected. Currently 12.6% of secondary TV sets are waiting to be converted to digital when the DTT signal becomes available after the 17th of October.

Figure 4.4: Q3 Conversion status in Copeland homes



- Monitoring the switchover process in Copeland has shown that many people leave their plans for upgrading their equipment until the last minute and in the final weeks before switchover main set TV conversion saw a jump to 92%. This includes main sets already using digital TV equipment and people having made preparations for switchover by buying Freeview boxes for existing main sets in the home. These results are supported by observations of the Whitehaven retailers, who saw their sales surge in the region in the last two weeks before October 17th.

- Nevertheless, results of the Copeland Tracker also highlighted that the timing of conversion can also depend on external factors which the individual household cannot directly influence (13% of analogue homes). This could mean that communal aerial systems in blocks of flats are waiting to be upgraded; or people signed up for the Digital Switchover Help Scheme are waiting for the delivery of their service.
- Over the last year awareness of the digital tick logo has increased significantly in Copeland from three quarters of the population in Q4 2006 and Q1 2007 to 92% in this last quarter this compares to 65% logo awareness in the UK as a whole. The logo is used in retail and by manufacturers to identify all types of products that will continue to work through switchover.

Growing enthusiasm and broadly stable attitudes towards switchover

- As of the Q3 data the majority of Copeland residents (51%) thought that they had received an adequate amount of information about switchover. Since the first quarter of this year the proportion who would have liked to receive more information has dropped substantially, from 45% to 22%. On the other hand an equal proportion of the population (21%) believed that they had received too much switchover communication. However, the age profiles of both groups vary greatly and older residents were more likely to require more information whilst the younger demographic were more likely to think that they had received too much information.
- Attitudes towards switchover held broadly stable throughout last year. Continuously one quarter of the Whitehaven population believed that switchover was good for them or good for the UK (26% in Q3), whilst in Q3 4 out of 10 residents believed switchover is just one of those things and they need to get on with it (40%).
- Coming closer to switchover more people in Copeland felt comfortable with the switchover process and a number of people started to look forward to switchover and the arrival of new channels in their area. In Q3 22% felt happy about switching (up 4pp from Q2) and 26% felt ‘ok’ with switching over to digital (up 4pp from Q2). 11% felt slightly worried or threatened about having to go digital, in line with what we have seen in previous quarters, but the overall proportion of people feeling threatened had decreased from 5% to only 2% in Q3.

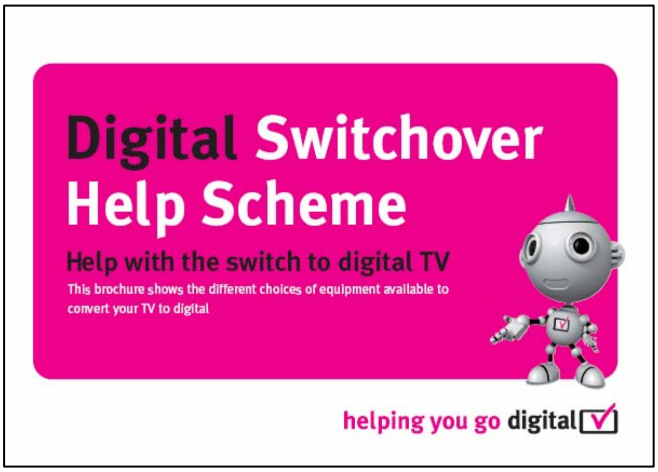
Help Scheme awareness and communications

- The Digital Switchover Help Scheme was first announced to Copeland residents in April 2007. Before that announcement only one third of the population (33% in Q4 2006 and 43% in Q1 2007) were aware of the availability of government assistance for some groups of the population to help them prepare for switchover. Since the announcement awareness increased to 60% in Q2 2007 and peaked at 83% in August at the time of the distribution of the options pack to all eligible Help Scheme homes in the end of the month. This compares to 34% awareness of the Digital

Switchover Help Scheme on a national level. Indicative figures suggest that amongst the eligible groups (75+ and severely disabled) awareness of the Help Scheme was above average in Copeland throughout last year.

- Following the distribution of the options pack the Help Scheme contractor started the installation of equipment to get Help Scheme homes ready for switchover on the 17th of October. Immediately before the first switchover date their data showed that 33% (3,111) of all eligible homes have responded to the options pack; of which 2,372 have taken up the scheme, and 739 have opted out. Before the first switchover date 1,248 boxes had been installed or delivered.

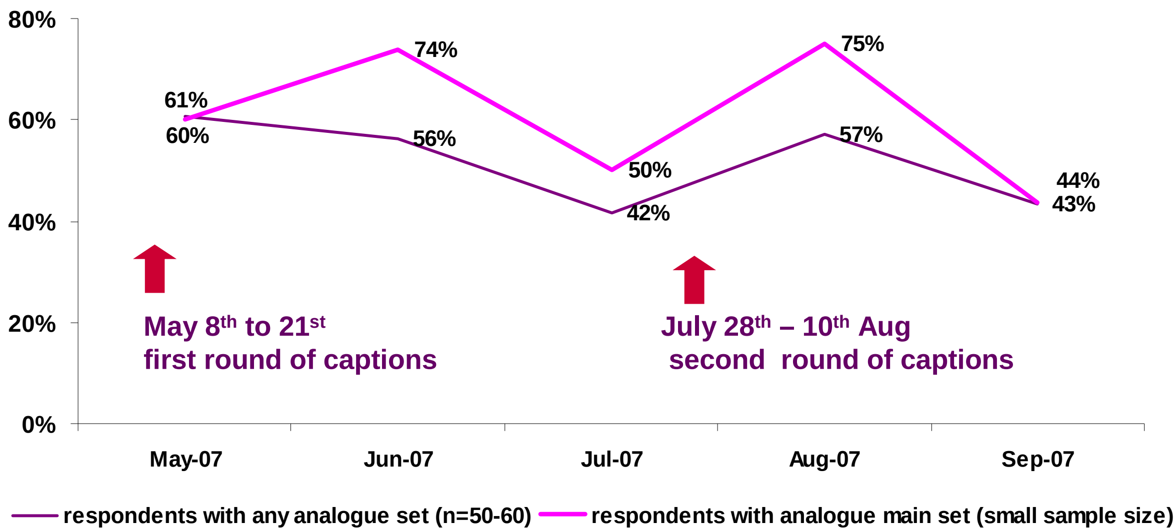
Figure 4.5: The Help Scheme Options Pack



Digital UK information campaign: Captions

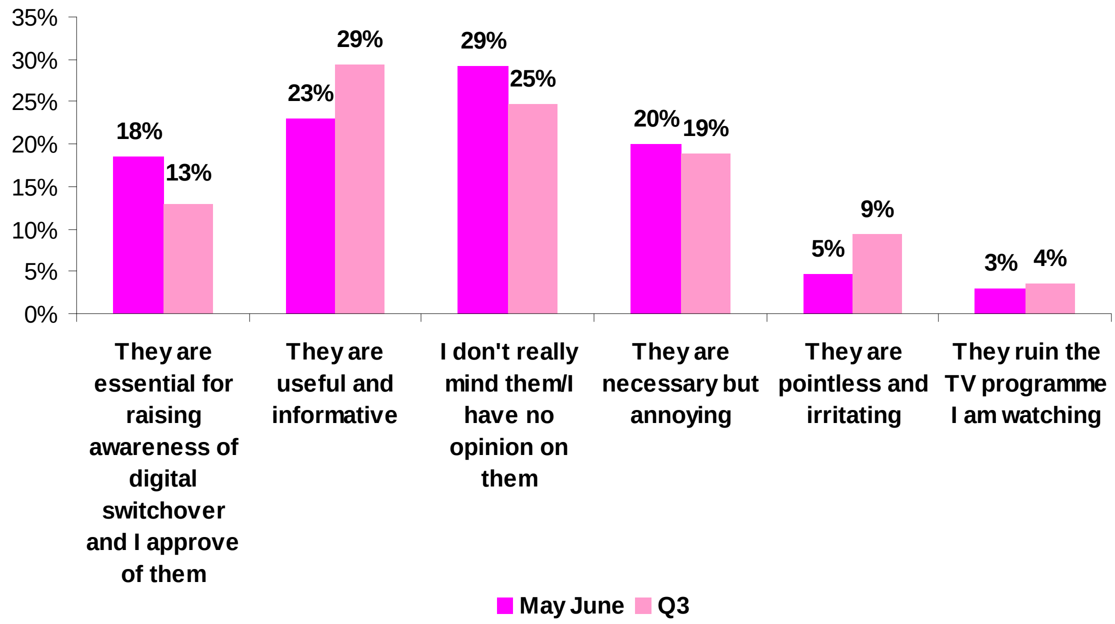
- In Copeland captions about digital switchover started appearing on analogue TV sets from May 2007 and during the whole of Q3 period about half of all respondents with any analogue sets in the area (47%) had seen the captions. The captions did not appear continuously but in bursts, increasing in frequency and size coming closer to switchover. During the times when captions were on, slightly more people recalled seeing the captions and amongst people with analogue main sets up to three quarters noticed the captions during the peaks of the bursts.

Figure 4.6: Captions awareness in Copeland over time



- Overall 9 out of 10 who had seen the captions accepted them as a necessary way of raising awareness of digital switchover. In the most recent quarter slightly more people started to feel negatively about the captions appearing on screen. In Q3 13% thought the captions were pointless and irritating or even ruined the programme that they were watching compared to 9% during may and June.

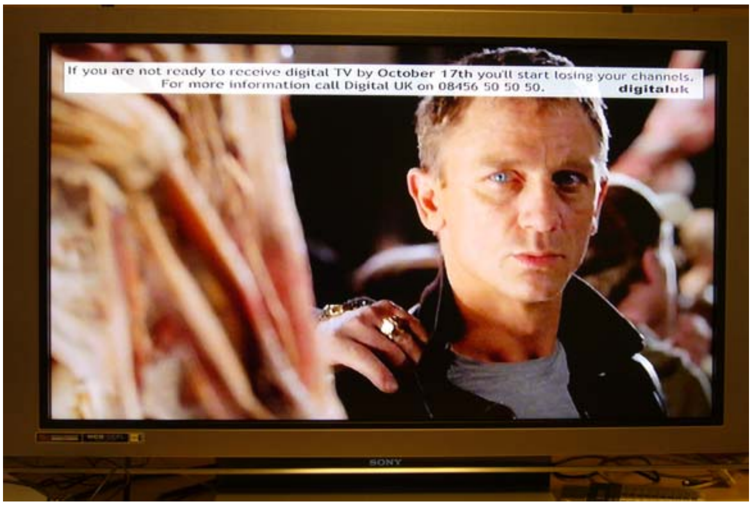
Figure 4.7: Attitudes towards captions in Copland



- 33% of people who saw the captions knew that Digital UK was responsible for putting them on screen and 23% thought they originated from the broadcasters (2% specified the BBC). However, most viewers did not know where the captions originated from.

- In recent months seeing the captions prompted a higher call to action amongst the viewers: In September 18% of respondents said they would make sure that their TV equipment is ready for switchover, a 100% increase from 9% in June. However, even then 48% of the viewers said they would do nothing for now

Figure 4.8: Picture of captions in Copeland



- Qualitative research results from a panel of 25 households in Copeland panel were very much in line with the Copeland Tracker results. The majority of panel households referenced having seen the captions but there was little clarity on who was responsible for this or where it was coming from, only that the message was a reminder that switchover was happening.
- Most viewers did not mind the captions appearing and saw them as a good way to alert people about digital switchover, although following the July leaflet most did felt they knew what they needed to do and therefore felt the captions weren't relevant to them. However there was a minority view that they were annoying.

Copeland next steps

- On October 17th the first analogue channel (BBC Two) in Copeland was switched off and a four week transition period started for all analogue and digital viewers served by the Whitehaven transmitter and its relays. From that point a selection of BBC channels were available on digital but some of the analogue channels (Channel 4 and ITV1) were only available in analogue until all the remaining channels were switched off at the end of the transition period on November 14th.
- A Help Centre run by the Digital Switchover Help Scheme first opened in Copeland in July and Digital UK conducted a series of drop in sessions to explain switchover to the residents and help them with setting up their equipment. These continued in between the two switchover dates and will run until the end of the year. Digital UK will hold weekly drop-in sessions

for those still familiarising themselves with the digital TV equipment, and is also training local volunteers to answer ongoing user questions.

- Copeland is served by Caldbeck, and there will be further switchover communications directed to Whitehaven residents when Caldbeck switches in Q2 2009 when Copeland residents will need a further re-scan.
- Digital UK is leading a Copeland review process, which will commence following the end of the transition period. A report with the findings will be published in March 2007.

Chapter 5

IN FOCUS: Consumer behaviour and intentions to convert TVs to digital
A Digital UK re-contact study

- In order to understand consumers' behaviour and their expressed intentions to convert remaining analogue TV sets in their household, Digital UK conducted a series of re-contact studies during August and September 2007. This chapter summarises relevant findings of the two studies.
- A qualitative study probed the attitudes to switchover and understanding of switchover among a small group of 46 Tracker respondents who had previously said they would not convert any sets.
- A second re-contact study tried to gauge how people's expressed intentions to convert early translates into actual conversion. To understand respondents' conversion status and experiences with switchover, Digital UK re-contacted 194 previous tracker respondents overall and followed up on their previously-expressed intentions to convert some or all TV sets to digital.
- The sample of the second study was split into two subgroups: people who intended to convert at least one of their remaining analogue sets (main and/or secondary sets) to digital early, - within 12 months of the original interview - (114 households), and a control group of 80 analogue households who only intended to convert one or more remaining analogue TV sets to digital at switchover – at the last minute. Both groups received the same set of questions in order to contrast the conversion rates between the two groups.
- All respondents of the quantitative study were contacted via Computer Assisted Telephone Interviewing (CATI) methodology. Fieldwork was carried out by GfK between 10th and 24th of September

Summary of the resisters study

- After more than one year of continuous interviewing through the Switchover Tracker and 13,682 completed interviews since monitoring began in April 2006, Digital UK commissioned a qualitative research project with I2 Media Research in August 2007 to re-contact a small minority of respondents - around 2% of the overall sample - who previously reported they would not switch to digital and instead remain without access to television when the analogue signal was switched off. These "resisters" appear continuously as metric 4b on all Tracker dashboards as included in chapter 1 of this report. The sample contained 86 people, of whom 46 managed to be re-contacted during the project.

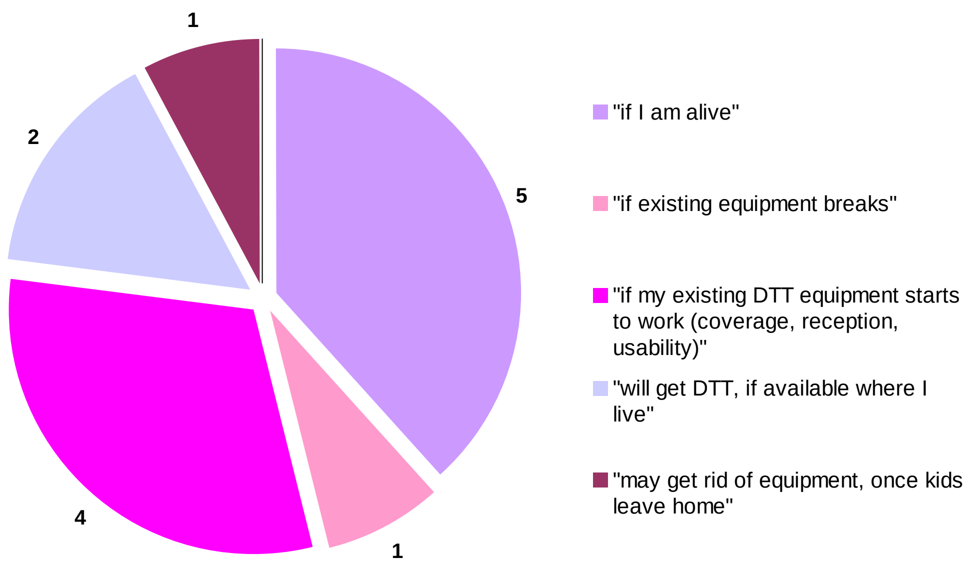
Resisters driven by low understanding and small appreciation of TV

- Only a very small number of people (3 out of 46) confirmed at the second interview that they were planning to remain without TV after switchover, while a large proportion of the overall group already owned digital equipment at the point of re-contact. This suggests that only a fraction (7% of the 3% of resisters, or only 0.2% of all homes) truly intend to go without television at the point of switchover.
- Although all three of those resisters were medium-to-heavy analogue TV users, they said TV was not sufficiently important for them to upgrade their equipment to digital. A general perception remained that digital TV was lower quality TV with more channels but many repeats and lower quality programming. Instead of watching TV the respondents intended to listen more to radio and music after switchover.
- However, even these resisters mentioned that they might consider going digital at a later stage, e.g. if they felt that the quality of digital programming had improved or if they were entitled to free equipment.

Late converters rather than resisters to switchover

- A second finding of the resisters study was that a large proportion of analogue respondents had changed their mind about converting their equipment to digital at switchover when re-contacted. When probed about losing access to TV after switchover, it was revealed that thirteen of 46 respondents were considering making the switch. Although they remained reluctant to upgrade equipment right now, because they were not required to take any action just yet, they will go digital at the time of switchover and when required if they "are still around at that time". The breakdown of responses is shown in figure 5.1 below.

Figure 5.1. Reasons for possible late conversion at the time of switchover



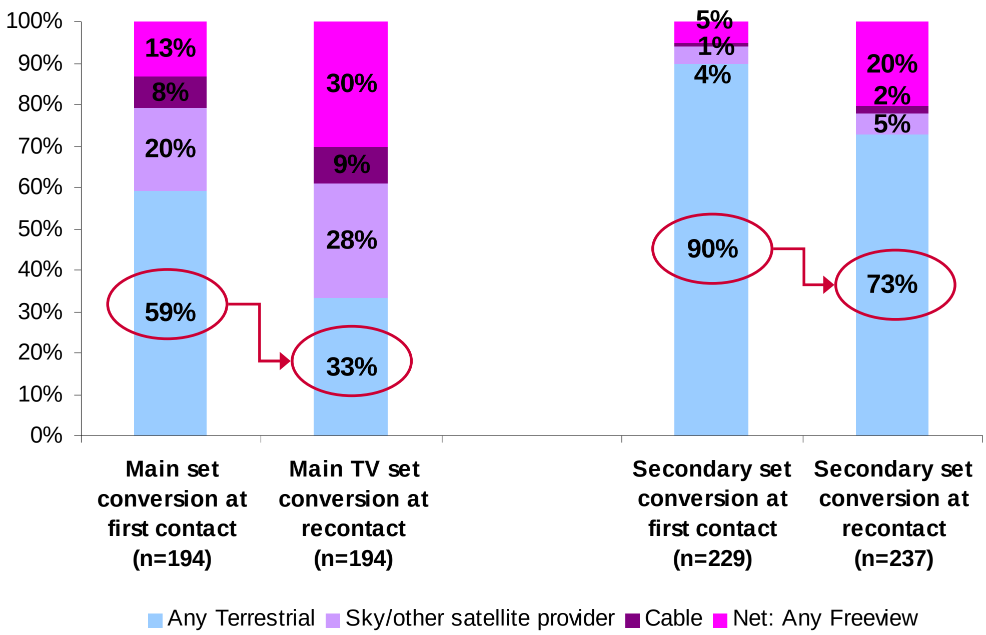
- One of the main reasons for the respondents' change of mind was a better understanding of switchover, especially that the digital terrestrial TV signal extends at the time of switchover. Many households that currently cannot receive a digital terrestrial signal will then move into coverage and some of the Freeview equipment which some of those households already own will start to work.
- The remainder of the respondents who were re-contacted (20 individuals) had digital TV equipment in their home when they took part in the study. They either received it in between the two interviews or owned it already at the first interview and indicated that they were planning to uninstall it at the point of switchover. However, when we spoke to them for the second time nobody out of this group intended to get rid of their digital TV equipment at the point of switchover.

Summary of the longitudinal intentions to convert study:

Conversion and platform choice

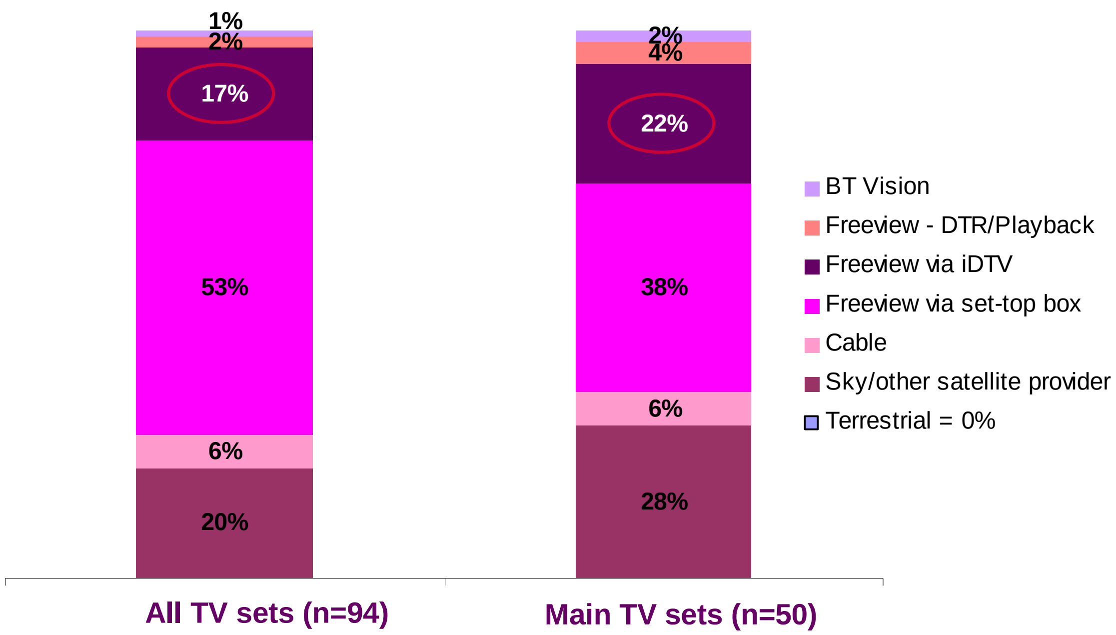
- Overall a significant proportion of analogue homes that were re-contacted in this study had made changes to their TV set up in between the two points of contact. A significant proportion of homes with analogue sets that were re-contacted (35% overall) had converted at least one set since we last spoke to them. However, there were no significant differences between the conversion rate of the group intending to convert early and those intending to leave things to the last minute suggesting that people's stated intentions to convert actually have little bearing on their propensity to convert. In both groups, about one third of respondents had made changes to the digital TV platforms in their home (35% overall, 35% intending to convert early and 34% intending to convert at switchover).

Figure 5.2: Platform conversion comparison at two points of contact
(Combined conversion figures for those intending to convert early and control group not intending to convert until DSO)



- Indicative figures suggest that planned converters opted for more expensive TV equipment like IdTVs, rather than a simple set top box that might have been on offer in a supermarket or an electrical retailer.
- Conversion rates for both groups re-contacted in the study underline the current popularity of Freeview in the digital TV market place, with two thirds (65%) of conversions via Freeview.
- The platform choice of people who converted any of their sets within the last year suggests that, of all sets converted within the last year, 53% were upgraded with a simple set top box and 17% were upgraded to an integrated television with a digital tuner built inside. This proportion increases for main sets converted to digital in previously analogue households.

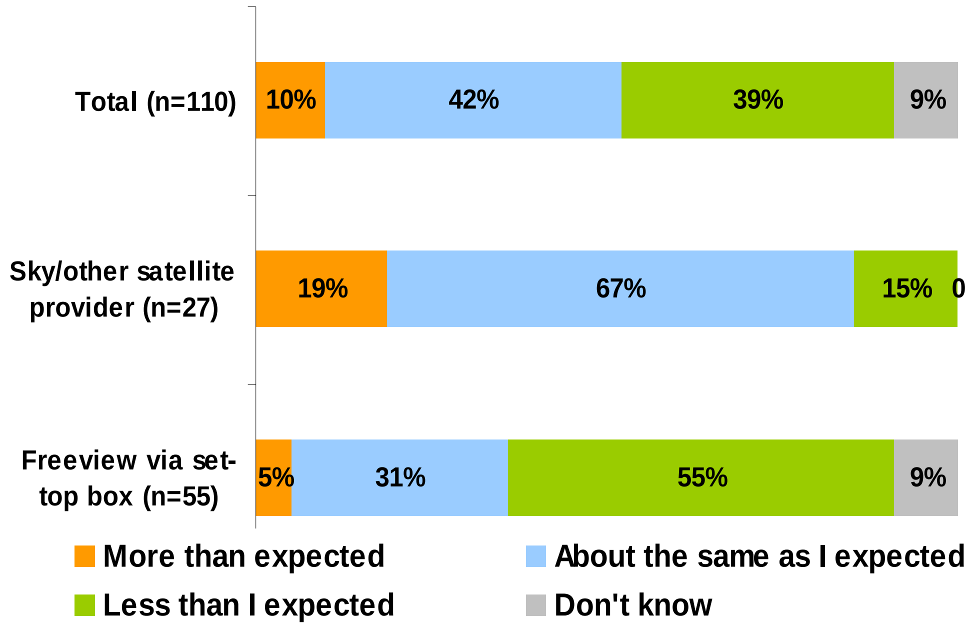
Figure 5.3: Platform choice of converters within the last year



Experiences with switchover

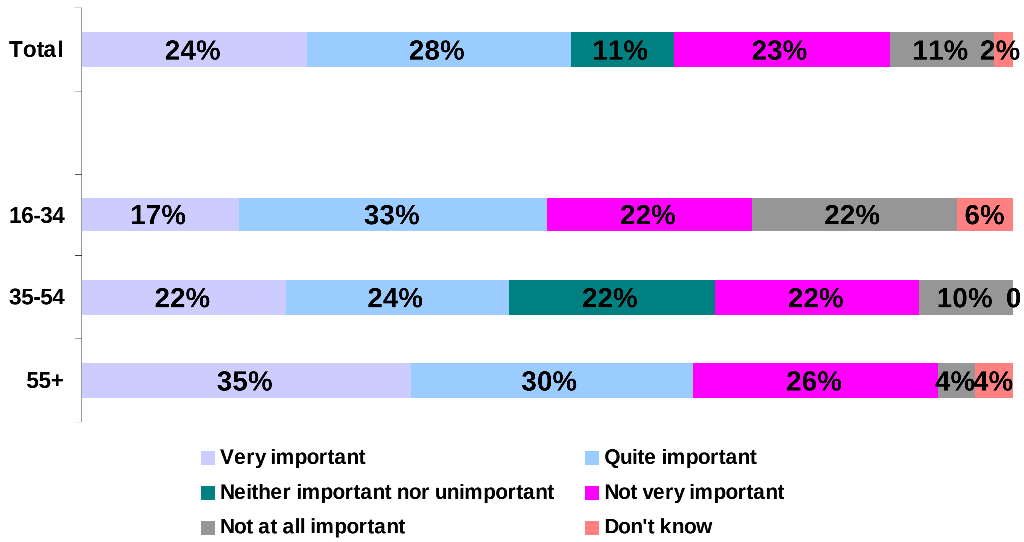
- When asked about their experiences of converting television equipment to digital, respondents reacted very positively, and often found the prices of digital TV equipment – especially set-top boxes – surprisingly cheap. 55% of boxes purchased were bought at a lower price than expected by their owners. Indicative figures suggest that even conversion to platforms requiring a minimum-term subscription (such as a digital satellite subscription from Sky) was in line with peoples' expectations.

Figure 5.4: Cost of conversion against expectations



- 7 put of 10 respondents had not needed any aerial work to receive a digital TV signal. Of the 30% that did, half needed adjustments or re-cabling, and half needed an aerial replacement.
- Finally, the longitudinal study also highlighted that switchover is increasingly influencing purchasing decisions in households waiting to go digital. Overall, more than half of respondents who upgraded equipment during this year said that the switch to digital TV either highly or significantly influenced the decision to go digital at that point in time. This proportion increases further among older age groups who have made the switch.

Figure 5.5: Relevance of switchover in the decision to upgrade equipment



Chapter 6

IN FOCUS:
stv North and stv Central

With a population of over 5 million Scotland is served by 3 ITV franchise areas. ITV Border (Scottish Borders, 0.25 million), stv North (1.2 million) and stv Central (3.9 million). This section looks specifically at digital switchover issues among consumers living in North Scotland (stv North) and Central Scotland (stv Central) and gives a brief introduction to the region.

Scotland and its people

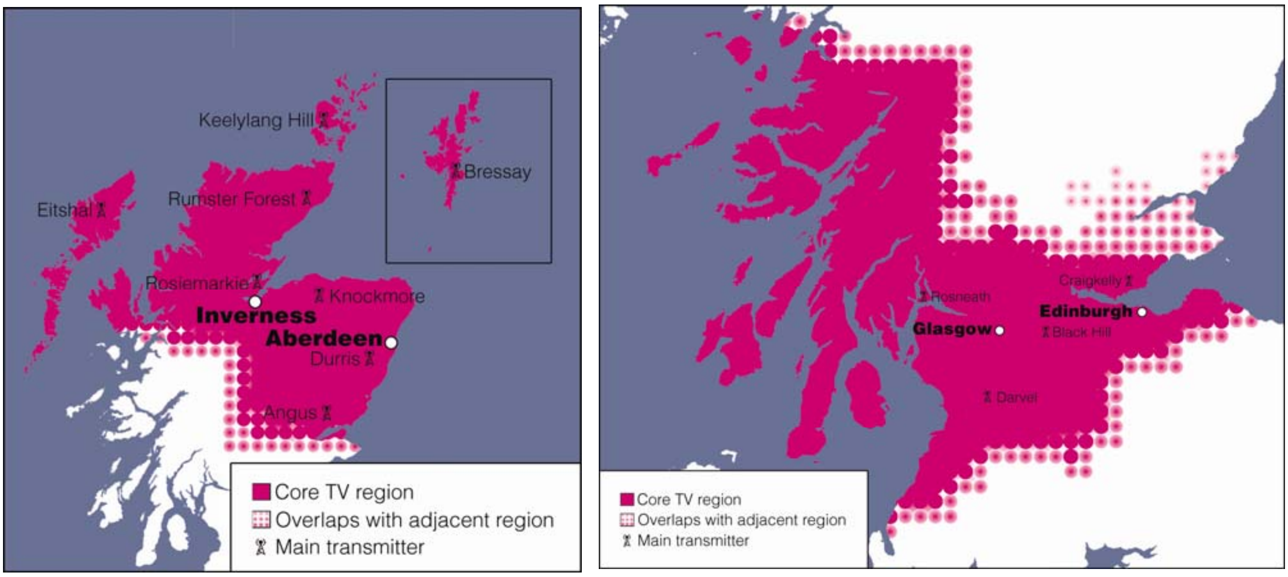
- Scotland accounts for around 8.5% of the UK's population but around a third of its landmass making it the least densely populated nation within the UK.
- While stv North is largely rural and covers an area around the size of Belgium, stv central contains the Central Belt which includes Scotland's capital, Edinburgh, and the densely populated West Coast conurbation around Glasgow. The nation's terrain is such that it is quicker to drive from Central Glasgow to the Houses of Parliament in the South East of England than it is to drive to Durness in North West Scotland.
- There are around 800 islands off the shores of Scotland. 95 are inhabited islands and have a total population of just under 100,000.
- Scotland has a complex representation process on different levels of policy making. In the UK parliament the nation is represented by 59 Members of Parliament, The Scottish Parliament counts 129 Members in Edinburgh and Scotland is represented by 7 Members of European Parliament in Brussels. On a local level Scotland counts 1,222 Councillors in 32 Local Authorities.
- The Scottish Government and Scottish Parliament have a variety of devolved powers. Many relate to digital switchover, although this does not include broadcasting: Local Government, Housing, Social Work, Planning, Tourism, Health, Education and Training, Economic Development, Law, Home Affairs, Police, Fire, The Environment, Natural and Built Heritage, Sport, Arts, Statistics, Agriculture, Forestry, Fisheries and Transport.

Scottish broadcasting infrastructure

- stv Central is formed by 4 main transmitter regions, including Craigkelly, Darvel, Rosneath and Black Hill. 97 relay transmitters depend on the signal of these 4 main transmitters. stv north is served by 8 main transmitter regions including Keelylang Hill, Bressay, Rumster Forest, Eitshal, Angus, Durris, Knockmore and Rosemarkie. The area has 91 dependent relay transmitters. A digital TV signal is currently only transmitted from the 12 main transmitters in stv North and stv Central.

- Around half the Scottish population is served by the Black Hill Transmitter near Airdrie on Glasgow's Eastern outskirts. At 306.6 metres (1,006 ft) it is Scotland's tallest structure.
- Digital Terrestrial Television availability is currently around 82% in Scotland, while 4 out of 5 Scots now have some form of digital television on at least one TV.

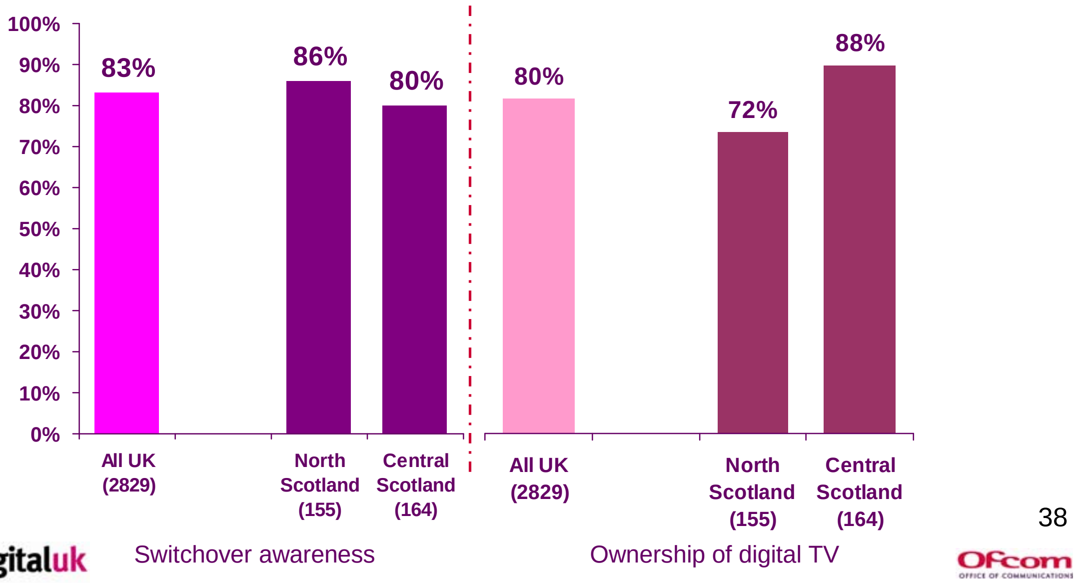
FIGURE 6.1: STV NORTH AND STV CENTRAL REGIONS MAP



Ownership of digital TV and awareness of digital TV switchover

- When looking at levels of ownership of digital TV, penetration figures are higher in Central Scotland (88%) when compared to North Scotland (72%) and the national average (80%).
- Awareness of the term digital TV switchover lies at 86% among adults in North Scotland, compared to 80% in Central Scotland and 83% for the national average.

FIGURE 6.2: SWITCHOVER AWARENESS AND DIGITAL TV TAKE UP IN STV NORTH AND CENTRAL



Understanding of digital switchover

- Respondents who were aware of the term 'digital TV switchover' were further asked what digital TV switchover meant to them in order to gauge their level of understanding. 64% of adults in North Scotland were able to respond correctly, compared to 62% of adults in Central Scotland. These figures are level with the figure for the national average, 63%.
- North Scotland is due to switchover in 2010 and Central Scotland in 2010/11, two of the later regions to switchover. It appears from the figures above that Central Scotland currently has the largest knowledge gap of the correct switchover date, however it should be born in mind that the region isn't due to switch until 2010/11. In contrast 30% of adults in North Scotland were aware of the correct date and when compared to some of the earlier switching regions, this figure is significantly higher. Of those adults in North Scotland who mentioned an incorrect date, a third thought that the switchover date was in fact earlier than the actual date. Of adults in Central Scotland this figure was 29%, but the majority response in Central Scotland was 'don't know' at 43%.

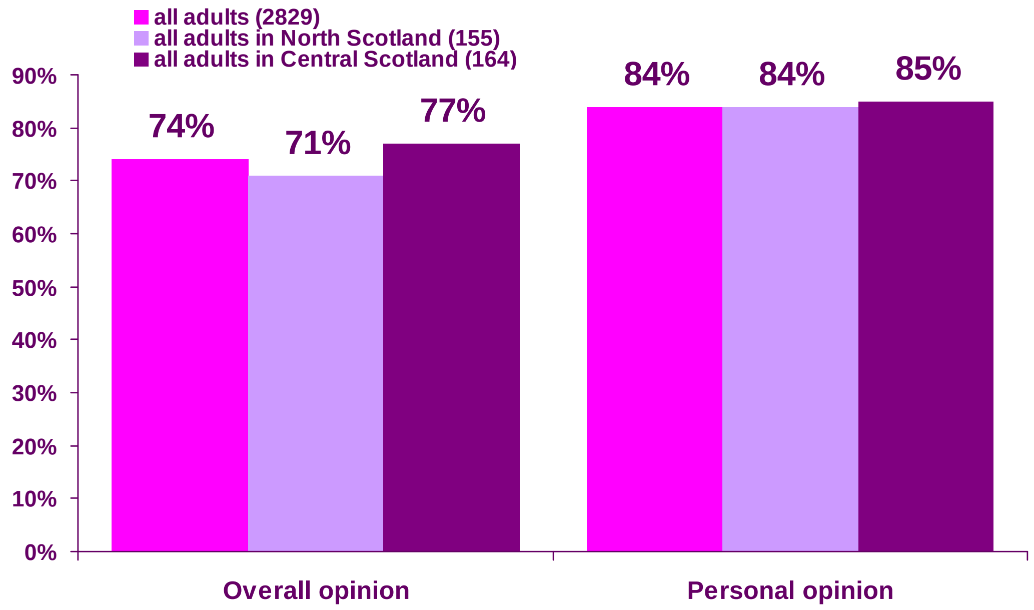
FIGURE 6.3: CORRECT SWITCHOVER DATE KNOWN

Attitudes towards digital switchover

- To gauge their overall opinion, respondents were asked about their attitudes to towards switchover and about their personal comfort with the process
- Adults in Central Scotland had a higher net positive or neutral response (77%) on this question than adults in North Scotland (71%) and compared to the UK average (74%).
- When asked about their personal opinion of the switchover process, adults in North Scotland and Central Scotland reported almost identical net

positive or neutral responses (84% and 85%) also compared to the total UK population (84%).

FIGURE 6.4: ATTITUDES TOWARDS DIGITAL SWITCHOVER IN STV CENTRAL AND STV NORTH



Digital UK activity in stv North and stv Central

- In June 2007, Digital UK appointed Paul Hughes as National Manager for Scotland. Since his appointment Paul has started to build relationships with Scottish stakeholders from government Ministers and national voluntary organisations to community councils and local interest groups.
- On 29th October 2007, Digital UK marked the beginning of its 3 year communications campaign with a door drop to every household in the stv north and stv central areas announcing the years for switchover and directing viewers to Digital UK's Scotland based helpline and website for further information.
- Scotland presents a contrasting group of challenges for the digital switchover programme from reaching remote communities in the Highlands and Islands to ensuring tenants in the Central Belt's highly urbanised areas are prepared.

APPENDIX ONE: About the Switchover Tracker

- On 3rd 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 were surveyed, face-to-face during 2006 and around 10,000 households will be surveyed in 2007. The quarterly results are used as the key tool by which progress towards switchover is assessed.
- The questionnaire is designed to track the following six dimensions:

FIGURE 7.1 – THE SIX MEASURES ON THE OFCOM & DIGITAL UK SWITCHOVER TRACKER

1	Awareness	• Have you heard of digital TV? • Have you heard of digital TV switchover?
2	Understanding	• Do you know what 'switchover' is? • Do you know what you need to do? • Do you know how to get digital TV? • Do you know you need to get digital on every set you wish to continue watching broadcast TV on? • Do you know when it's happening – nationally and in your area? • Do you know what happens to your VCR, and what you might need to do?
3	Attitudes	• What do you think about switchover? Is it a good thing, something to get on with, or unfair? • How do you feel about the process of converting? Are you OK with it, or does it worry you?
4	Intentions to Convert	• If you don't already have digital TV, do you plan on getting it? • When do you plan on getting digital TV? • Do you plan to convert any other remaining analogue TV sets in your home? • If you don't plan on getting digital TV, why not?
5	Conversion	• Is your primary set converted to digital? • Are your other sets converted? • Are all your sets converted?
6	Satisfaction with Digital TV	• Is digital TV better than analogue TV? • How would you describe your overall enjoyment of digital TV?

- The tracker is conducted in all switchover regions, and samples are boosted in each region three years out from switchover. In 2006 Border, Westcountry, Wales and Granada were boosted to each achieve at least 300 respondents per quarter. From April 2007 onwards two additional regions West and the two STV regions received an additional boost to enable monthly reporting. From July 2007, a further boost was set up within Border in order to increase sample size within the area covered by the Selkirk transmitter. The remaining regions are sampled in line with their proportion of the national population[1].

- 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, people living on their own and those living in different types of property e.g. 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 Digital Switchover Help Scheme: 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 hard to reach groups (see Appendix Two for a Glossary explaining the consumer group terms)

  (3) The Dashboard: By Segment - showing tracking metrics for the six switchover segments (see Q3 Switchover Progress Report for detailed description of these segments)

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.

[1] 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 7.2 – EXPLANATION OF THE ‘KEY METRICS’ SHOWN ON THE TRACKER DASHBOARDS

1a – Unprompted Awareness of switchover

Question:

“Have you heard of digital TV switchover?”

One of the opening questions on the survey, with no preceding mention of switchover

Responding: Yes

2a – Probing question series: What to do for DSO

Questions:

“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?”

Responding: Need to get digital TV and need to get digital TV on every set

2b – Understanding to update VCRs

Question:

“Were you aware that, after switchover, video recorders will no longer be able to record a programme while you watch a different programme on another channel

Asked following several questions on switchover, and an explanation of what switchover is

Responding: Yes

4a/b– Intentions to convert to digital

Question:

“Which of the following best describes your plans to get multi-channel television to TV sets in your house so you can use them to watch TV after switchover?”

4a Responding: Some or all of TVs have already been or will be adapted/upgraded
4b Responding: None of my TVs will be adapted/upgraded

5a/b/c – Conversion

Question:

“Which…types of [multichannel] television does your household receive at the moment?”

5a Responding one of Sky/satellite; Freeview/digital terrestrial, Ntl/Telewest/Wight/cable; or TV via a phone line/Homechoice for main TV set
5b Responding as above for all non-primary TV sets
5c/5d Responding as above for all TV sets in household

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 VCR	-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	Satisfact'n with digital TV

1b – Awareness of the logo

Question:

“Do you recognise this?

When shown a screen with the digital tick logo

Responding: Yes

2c – Understanding of the date

Question:

“In which year do you think switchover is planned for your area of the country?”

Responding: Correct year for region

3a – Attitudes: positive or neutral

Question:

“Which of the following statements best described what you think about switchover?”

Responding: Either switchover is good for me or the UK; or that switchover is just one of those things, and we’ll have to get on with it

3b– positive or neut. personal opinion

Question:

“Which one of the statements best describes how you feel about digital switchover?

Responding: Either I am happy with it /I am ok with it /I am not bothered by it

4c– Analogue households to convert in 12 months

Question:

“When do you plan to update this TV set so that you can use it after switchover?”

Responding: In the next 3 months or next 3 months to a year

6– Satisfaction with digital TV

Question:

“How does digital TV compare to your previous analogue service in terms of overall enjoyment you gain from watching TV”

Responding: “Much better” or “A little better”

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 2007 focused on aerials and what people look for when installing an aerial. There were further questions on awareness of the digital terrestrial signal extending at switchover and whether people could see through myths relating to digital switchover, such as HD-equipped televisions being set for digital. The Q4 module will test awareness and attitudes of both regional and national communications run by Digital UK.

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 Q3 2007 the Tracker interviewed 2829 households:

- 946 in July
- 949 in August; and
- 934 in September.

The total tracker sample for the second year (Q2 2007 to Q1 2008) will be approximately 11,000 interviews.

Regional Sample Sizes

The Tracker will boost each switchover region at least 2 and a half 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. Further regional boosting for a more granular view transmitter by transmitter is agreed closer to the actual switchover date for each ITV region individually.

During this second year of switchover monitoring this means that Westcountry, Wales, Granada, West and STV North/Central will achieve c.300 interviews per quarter, or 1,200 interviews each over the course of the year. From Q3 2007 onwards, Border, the first region to switch was boosted on its individual main transmitter regions, Caldbeck and Selkirk. Over one quarter around 450 interviews will be achieved throughout Border – 1,800 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 (age, gender and social class), 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).

Sampling 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 ITV 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. In Q3 2007, a quota on flats was included in order to further ensure the representative nature of each sample point.

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.

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 and ITV region.

Several different weighting factors are used depending on the particular population that is being investigated. Quotas and one set of weights are set at the individual level. Within face-to-face interviewing, it is given that the fewer people in the household, the less likely they are to be home and available to be interviewed. Therefore a household weighting factor (which in addition to matching the national profile also corrects for number of people in household) is used to achieve an accurate reading of household measures, such as number and type of televisions within the household.

Furthermore, separate individual and household weights are applied to the segmentation model. Quotas by segment are not possible, and so these additional weights correct for differences in the demographic composition of each segment. This allows for comparability over time, and ensures that differences in measures within segment over time are not down to differing segment profiles.

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 citing health problems or disabilities that mean they have difficulties with everyday tasks
Need assistance	Those living alone with terrestrial on any set who would neither install Freeview themselves, nor ask someone in their house for help
Hard to reach	Those under the age of 75 in the following groups: 65-74, Low income, BME, Non-English, Disabled (but not receiving DLA/AA), those living in rural areas, and those with terrestrial on any TV set who are not sure who they would ask for help with installing Freeview
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)