International Communications Market Report 2014

11 December 2014
Agenda

Introduction and Market Overview
James Thickett, Director of Research

Trends in the television and audio-visual industries
Jonathan Fenn, Senior Media Analyst

Internet and web-based content
Beatrix Kalmar, Senior Telecoms Analyst

Trends in telecoms
Beatrix Kalmar, Senior Telecoms Analyst

Comparative international pricing
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Introduction and Market overview

James Thickett, Director of Research
One of three Communications Markets Reports

International Communications Market Report 2014

Research Document

Publication date: 11 December 2014
Methodology

Combination of industry data (2013 and 2014) and consumer research data (October 2014)

- **Industry data** (18 countries)
  - Telecoms and media industry data: IHS
  - Pricing: Teligen
  - Post: WIK
  - Other third-party sources

- **Online consumer research** (9 countries, >=1000 consumers in each country) to examine the take-up and use of communications services. It focused on:
  - Device ownership
  - Use of the internet to watch AV content
  - Awareness and take up of 4G mobile services and superfast broadband
  - Main source of news
  - Use of, and attitudes towards, postal services

Communications revenues continue to rise

Global communications revenues 2009 - 2013

Source: Data derived from various sources: PwC Global Entertainment and Media Outlook 2014-2018 @ www.pwc.com/outlook for television and radio revenues (both include advertising, licence fees and subscription services only), Wik Consult / Ofcom estimates for postal revenues. IHS / industry data / Ofcom for telecoms revenues, which refer to retail revenues for fixed voice, broadband and mobile services. Interpretation and manipulation of data are solely Ofcom's responsibility. Ofcom has used IMF 2013 average exchange rates in converting from local currency to GBP.

Note: Postal revenues are for our 17 comparator countries only.
UK ranked 5th in terms of revenue

Communications sector revenues, 2013

Source: Data derived from various sources: PwC Global Entertainment and Media Outlook 2014-2018 @ www.pwc.com/outlook for radio revenues (include advertising, licence fees and satellite subscription services only), Wik Consult / Ofcom estimates for postal revenues, IHS / industry data / Ofcom for television and telecoms revenues (telecoms revenues refer to retail revenues). Interpretation and manipulation of data are solely Ofcom’s responsibility. Ofcom has used IMF 2013 average exchange rates in converting from local currency to GBP.

Note: Postal revenue data is not available for Nigeria.
Trends in the television and audio-visual industries

Jonathan Fenn, Senior Media Analyst
Global TV revenues up 3.1% YOY

Global TV industry revenues by source

% of revenues

<table>
<thead>
<tr>
<th>Year</th>
<th>Advertising</th>
<th>Public TV license fees</th>
<th>Subscriptions</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>£84bn</td>
<td>£23bn</td>
<td>£102bn</td>
<td>£208bn</td>
</tr>
<tr>
<td>2010</td>
<td>£93bn</td>
<td>£23bn</td>
<td>£109bn</td>
<td>£225bn</td>
</tr>
<tr>
<td>2011</td>
<td>£97bn</td>
<td>£24bn</td>
<td>£116bn</td>
<td>£236bn</td>
</tr>
<tr>
<td>2012</td>
<td>£101bn</td>
<td>£24bn</td>
<td>£122bn</td>
<td>£246bn</td>
</tr>
<tr>
<td>2013</td>
<td>£103bn</td>
<td>£24bn</td>
<td>£127bn</td>
<td>£254bn</td>
</tr>
</tbody>
</table>

YOY | CAGR (4yr)
---|----------
1.9% | 5.3%     
1.6% | 1.5%     
4.4% | 5.7%     
3.1% | 5.1%     
All  |          

Source: Data derived from PwC Global Entertainment and Media Outlook: 2014-2018
Increase in global revenues driven by BRICs

TV industry revenues among BRIC countries

<table>
<thead>
<tr>
<th>Year</th>
<th>BRA</th>
<th>RUS</th>
<th>IND</th>
<th>CHN</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>2.6</td>
<td>2.8</td>
<td>2.4</td>
<td>2.8</td>
</tr>
<tr>
<td>2009</td>
<td>2.9</td>
<td>2.9</td>
<td>2.8</td>
<td>2.8</td>
</tr>
<tr>
<td>2010</td>
<td>3.4</td>
<td>3.3</td>
<td>3.0</td>
<td>3.4</td>
</tr>
<tr>
<td>2011</td>
<td>4.0</td>
<td>3.8</td>
<td>4.3</td>
<td>4.3</td>
</tr>
<tr>
<td>2012</td>
<td>4.3</td>
<td>4.3</td>
<td>5.0</td>
<td>5.0</td>
</tr>
<tr>
<td>2013</td>
<td>5.0</td>
<td>5.2</td>
<td>5.9</td>
<td>7.2</td>
</tr>
</tbody>
</table>

Total revenues (£bn)

- £21bn
- £22bn
- £27bn
- £32bn
- £37bn
- £42bn

Growth (%)

- YOY
- CAGR (5 yr)

- **BRICs**
  - 15.9%
  - 15.5%
  - 15.8%
  - 18.4%
  - 13.6%
  - 9.1%
  - 15.0%
  - 13.6%
  - 16.6%
  - 15.7%

Source: IHS / industry data / Ofcom.
Europe recorded more modest growth YoY

TV industry revenues among European countries

<table>
<thead>
<tr>
<th>Total revenues (£bn)</th>
<th>£53bn</th>
<th>£53bn</th>
<th>£56bn</th>
<th>£57bn</th>
<th>£57bn</th>
<th>£58bn</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>18.9</td>
<td>13.4</td>
<td>13.0</td>
<td>13.0</td>
<td>13.0</td>
<td>13.4</td>
</tr>
<tr>
<td>2012</td>
<td>18.5</td>
<td>13.0</td>
<td>13.0</td>
<td>17.8</td>
<td>17.8</td>
<td>18.5</td>
</tr>
<tr>
<td>2011</td>
<td>17.4</td>
<td>13.0</td>
<td>13.1</td>
<td>17.8</td>
<td>17.8</td>
<td>18.5</td>
</tr>
<tr>
<td>2010</td>
<td>16.8</td>
<td>11.9</td>
<td>13.0</td>
<td>17.4</td>
<td>17.4</td>
<td>18.4</td>
</tr>
<tr>
<td>2009</td>
<td>16.5</td>
<td>11.4</td>
<td>13.0</td>
<td>16.5</td>
<td>16.5</td>
<td>17.5</td>
</tr>
<tr>
<td>2008</td>
<td>11.4</td>
<td>7.5</td>
<td>8.1</td>
<td>11.4</td>
<td>11.4</td>
<td>12.4</td>
</tr>
</tbody>
</table>

**Growth (%)**

- **YOY**
  - UK: 3.4%
  - FRA: 0.4%
  - GER: 2.5%
  - ITA: -4.5%
  - ESP: -6.2%
  - NED: 1.5%
  - SWE: 2.0%
  - POL: -1.3%

- **CAGR (5 yr)**
  - UK: 3.3%
  - FRA: 3.3%
  - GER: 2.7%
  - ITA: 3.3%
  - ESP: 3.2%
  - NED: 3.9%
  - SWE: 3.7%
  - POL: 3.7%

Source: IHS / industry data / Ofcom.
Rapid increase in online TV revenue

Online TV and video revenue for selected ICMR countries

Source: IHS / industry data / Ofcom.
Take-up of pay TV varies by country

Take up of pay and free-to-air television: 2013

Proportion of TV Households

<table>
<thead>
<tr>
<th>Country</th>
<th>Free TV</th>
<th>Pay TV</th>
</tr>
</thead>
<tbody>
<tr>
<td>UK</td>
<td>47%</td>
<td>53%</td>
</tr>
<tr>
<td>FRA</td>
<td>24%</td>
<td>76%</td>
</tr>
<tr>
<td>GER</td>
<td>43%</td>
<td>67%</td>
</tr>
<tr>
<td>ITA</td>
<td>16%</td>
<td>30%</td>
</tr>
<tr>
<td>USA</td>
<td>30%</td>
<td>71%</td>
</tr>
<tr>
<td>JPN</td>
<td>78%</td>
<td>78%</td>
</tr>
<tr>
<td>AUS</td>
<td>98%</td>
<td>22%</td>
</tr>
<tr>
<td>ESP</td>
<td>84%</td>
<td>84%</td>
</tr>
<tr>
<td>NED</td>
<td>6%</td>
<td>6%</td>
</tr>
<tr>
<td>SWE</td>
<td>37%</td>
<td>16%</td>
</tr>
<tr>
<td>POL</td>
<td>94%</td>
<td>16%</td>
</tr>
<tr>
<td>SGP</td>
<td>69%</td>
<td>16%</td>
</tr>
<tr>
<td>KOR</td>
<td>61%</td>
<td>32%</td>
</tr>
<tr>
<td>BRA</td>
<td>99%</td>
<td>39%</td>
</tr>
<tr>
<td>RUS</td>
<td>99%</td>
<td>39%</td>
</tr>
<tr>
<td>IND</td>
<td>61%</td>
<td>39%</td>
</tr>
<tr>
<td>CHN</td>
<td>82%</td>
<td>39%</td>
</tr>
<tr>
<td>NGA</td>
<td>18%</td>
<td>39%</td>
</tr>
</tbody>
</table>

Source: IHS/ industry data/ Ofcom
UK consumers more likely to watch TV online...

Weekly access of TV content over the internet

All respondents

Source: Ofcom consumer research October 2014. Base: All respondents
Driven by free catch up services

Use of free-to-access broadcaster catch-up TV services

All who had ever watched TV or films online

<table>
<thead>
<tr>
<th>Country</th>
<th>Within the last:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Year</td>
</tr>
<tr>
<td>UK</td>
<td>48%</td>
</tr>
<tr>
<td>FRA</td>
<td>36%</td>
</tr>
<tr>
<td>GER</td>
<td>31%</td>
</tr>
<tr>
<td>ITA</td>
<td>28%</td>
</tr>
<tr>
<td>USA</td>
<td>26%</td>
</tr>
<tr>
<td>JPN</td>
<td>21%</td>
</tr>
<tr>
<td>AUS</td>
<td>16%</td>
</tr>
<tr>
<td>ESP</td>
<td>19%</td>
</tr>
</tbody>
</table>

Source: Ofcom consumer research October 2014. Base: all who had ever watched TV or films online
Use of subscription video-on-demand services

All who had ever watched TV or films online

Source: Ofcom consumer research October 2014.
Base: all who had ever watched TV or films online
Increase in VoD enabled devices

Household ownership of smart TV sets

All respondents – take-up

Source: Ofcom consumer research October 2014. Base: All respondents
Live TV down or unchanged in 11 out of 15 ICMR countries

Daily TV viewing per head, 2012 - 2013

Change in minutes of viewing per person per day, 2012 - 2013

-3.7% -1.7% -0.5% 1.6% 0.0% -0.7% 0.0% -0.8% -0.5% -3.0% 1.6% -2.5% 0.5% 0.4% -3.0%

Minutes per person per day

Source: Médiamétrie, Eurodata TV Worldwide. Note: Figures include timeshifted viewing via PVR.
Internet and web-based content

Beatrix Kalmar,
Senior Telecoms Analyst
40% of all UK advertising spend is online

Internet share of total advertising spend

Per cent

UK  23  40
FRA  14  28
GER  16  25
ITA  8   24
USA  15  27
JPN  13  19
AUS  14  30
ESP  9   21
NED  18  35
SWE  20  32
POL  11  27
SGP  2   11
KOR  16  29

Source: Warc data (www.warc.com)
Fixed internet advertising continues to grow

Fixed internet advertising expenditure per head, 2013

Internet advertising spend per head (GBP)

Source: Ofcom analysis based on data from PwC Global Entertainment and Media Outlook 2014-2018 @ pwc.com/outlook. Interpretation and manipulation of data are solely Ofcom’s responsibility. Population figures from Ofcom/IHS
Significant growth in mobile advertising

Mobile advertising expenditure per head, 2013

Source: Ofcom analysis based on data from PwC Global Entertainment and Media Outlook 2014-2018 @ pwc.com/outlook. Interpretation and manipulation of data are solely Ofcom’s responsibility.
Population figures from Ofcom/IHS
50%+ of internet users have a smartphone

Use of smartphones and tablets

Proportion of respondents (%)

Source: Ofcom consumer research October 2014
Social networking and reading news online are the most popular internet activities

Mobile-internet activities

All respondents who access internet with a mobile phone/ smartphone (%)

Source: Ofcom consumer research October 2014
Trends in telecoms

Beatrix Kalmar,
Senior Telecoms Analyst
Total telecoms revenues increased in 2013

Total comparator country retail telecoms revenue

Source: IHS / industry data / Ofcom
The US and China contributed almost half of the total retail telecoms revenue in 2013

Telecoms service retail revenues, by sector

Source: IHS / industry data / Ofcom
PSTN lines fall while managed VoIP connections grow

Fixed voice connections per 100 population

Source: IHS / industry data / Ofcom
Eighteen per cent of UK adults have a fixed line at home but are not regular users

Household take-up and personal use of fixed telephony services

Proportion of respondents (%)

<table>
<thead>
<tr>
<th>Country</th>
<th>Landline at home</th>
<th>Regularly use a landline</th>
<th>Percentage point difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>UK</td>
<td>78</td>
<td>60</td>
<td>-18</td>
</tr>
<tr>
<td>FRA</td>
<td>72</td>
<td>66</td>
<td>-6</td>
</tr>
<tr>
<td>GER</td>
<td>83</td>
<td>62</td>
<td>-2</td>
</tr>
<tr>
<td>ITA</td>
<td>71</td>
<td>47</td>
<td>-9</td>
</tr>
<tr>
<td>USA</td>
<td>50</td>
<td>41</td>
<td>-3</td>
</tr>
<tr>
<td>JPN</td>
<td>68</td>
<td>68</td>
<td>-27</td>
</tr>
<tr>
<td>AUS</td>
<td>69</td>
<td>52</td>
<td>-17</td>
</tr>
<tr>
<td>ESP</td>
<td>82</td>
<td>75</td>
<td>-7</td>
</tr>
<tr>
<td>CHN</td>
<td>40</td>
<td>27</td>
<td>-13</td>
</tr>
</tbody>
</table>

Source: Ofcom research, September 2014
Fixed broadband continues to grow

Fixed broadband connections

Connections (millions)

Source: IHS / industry data / Ofcom
Fixed broadband data usage increases

Average monthly fixed broadband data volume per person

Source: IHS / industry data / Ofcom
High speed broadband is on the rise

Fixed broadband connections 30Mbit/s or higher, end 2013

Proportion of connections (%)

Source: IHS / Ofcom / operator data
South Korea and Singapore have the highest 4G availability

2G, 3G and LTE mobile network availability: end 2013

Population coverage (per cent)

Source: IHS / industry data / Ofcom
Total mobile revenues continue to grow, with data services the main factor

Total comparator country retail mobile telecoms revenue, by service

Source: IHS / industry data / Ofcom
Smartphones help push mobile data services

Use of data services on mobile phones

Source: Ofcom research, October 2014
Mobile data usage increases

Average per-capita monthly mobile data use

MB per month

Source: IHS / industry data / Ofcom
4G mobile coverage increased in most comparator countries

4G population coverage (%) by country

Population coverage (per cent)

Source: IHS
Asia Pacific countries and the US have the highest proportion of 4G connections

4G as a proportion of total mobile subscriptions: end 2013

Proportion of mobile connections (%)

Source: IHS
Comparative international pricing

Nick Collins,
Senior Telecoms Analyst
Price benchmarking methodology

- We compare UK prices to those in the other EU5 countries and the US
- Pricing model developed by Teligen
- Includes tariffs from the largest providers of each service (over 6,000 in 2014)
- Takes connection fees, hardware costs and promotional discounts into account
- Construct five household usage profiles and consider the minimum price required to fulfil these requirements
## Summary of households usage profiles used in the analysis

<table>
<thead>
<tr>
<th>‘Typical household type’</th>
<th>Fixed voice</th>
<th>Mobile voice</th>
<th>Mobile messaging</th>
<th>Mobile handset data</th>
<th>Fixed line broadband</th>
<th>Mobile broadband</th>
<th>Television</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. A low use household with basic needs</td>
<td>Low use</td>
<td>Low use</td>
<td>None</td>
<td>None</td>
<td>None</td>
<td>None</td>
<td>Free-to-air</td>
</tr>
<tr>
<td>2. A broadband household with basic needs</td>
<td>Medium use</td>
<td>Low use</td>
<td>Low use</td>
<td>Low use</td>
<td>Low use</td>
<td>None</td>
<td>Free-to-air</td>
</tr>
<tr>
<td>3. A mobile ‘power user’</td>
<td>None</td>
<td>High use</td>
<td>High use</td>
<td>High use</td>
<td>None</td>
<td>High use</td>
<td>Basic pay-TV with PVR</td>
</tr>
<tr>
<td>4. A family household with multiple needs</td>
<td>High use</td>
<td>Medium use</td>
<td>High use</td>
<td>Medium use</td>
<td>High use</td>
<td>None</td>
<td>Basic pay-TV with HD &amp; PVR</td>
</tr>
<tr>
<td>5. An affluent two person household</td>
<td>Low use</td>
<td>High use</td>
<td>Medium use</td>
<td>Medium use</td>
<td>Medium use &gt;30Mbit/s</td>
<td>None</td>
<td>Premium pay-TV with HD &amp; PVR</td>
</tr>
</tbody>
</table>

**Source:** Ofcom
## Examples of combinations of multi-play and single service offers

<table>
<thead>
<tr>
<th>Household</th>
<th>Fixed voice</th>
<th>Fixed b/band</th>
<th>Mobile</th>
<th>Television</th>
</tr>
</thead>
<tbody>
<tr>
<td>Multi-play offer</td>
<td>Multi-play fixed voice &amp; broadband</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Single services</td>
<td></td>
<td>Single mobile tariff</td>
<td>Single TV service</td>
<td></td>
</tr>
<tr>
<td>Multi-play offer</td>
<td>Triple-play fixed voice, fixed broadband &amp;</td>
<td></td>
<td>bundled TV service</td>
<td></td>
</tr>
<tr>
<td>Single services</td>
<td></td>
<td></td>
<td>Single mobile tariff</td>
<td></td>
</tr>
<tr>
<td>Multi-play offer</td>
<td>Multi-play landline &amp;</td>
<td>Single broadband</td>
<td></td>
<td>bundled TV service</td>
</tr>
<tr>
<td>Single services</td>
<td></td>
<td></td>
<td>Single mobile tariff</td>
<td></td>
</tr>
<tr>
<td>Multi-play offer</td>
<td></td>
<td>Quad-play fixed voice, fixed broadband, mobile and TV service</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Single services</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Teligen
UK stand-alone fixed voice prices increased by 6% in 2014

Comparative stand-alone ‘weighted average’ fixed-line voice pricing

Source: Ofcom, using data supplied by Teligen
UK weighted average mobile prices fell by 2% in 2014

Comparative stand-alone ‘weighted average’ mobile pricing

Source: Ofcom, using data supplied by Teligen
The UK has the cheapest ‘lowest available’ stand-alone fixed broadband prices in 2014

Comparative stand-alone ‘lowest available’ fixed-line broadband pricing

Source: Ofcom, using data supplied by Teligen

Note: 1In France Household 5 includes a lower speed connection in 2013, so figures are not directly comparable
The UK had the third-lowest prices for mobile broadband services

Comparative stand-alone ‘lowest available’ mobile broadband pricing

Source: Ofcom, using data supplied by Teligen
The UK was second most expensive for premium pay-TV services in 2014

Comparative stand-alone TV pricing

Monthly cost (£)

<table>
<thead>
<tr>
<th>Year</th>
<th>UK</th>
<th>FRA</th>
<th>GER</th>
<th>ITA</th>
<th>ESP</th>
<th>USA</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>16</td>
<td>66</td>
<td>20</td>
<td>8</td>
<td>28</td>
<td>47</td>
</tr>
<tr>
<td>2014</td>
<td>17</td>
<td>63</td>
<td>23</td>
<td>11</td>
<td>31</td>
<td>17</td>
</tr>
</tbody>
</table>

- Licence fee
- Premium pay-TV with HD & PVR
- Basic pay-TV with HD & PVR
- Basic pay-TV with PVR

Source: Ofcom, using data supplied by Teligen
The UK had the lowest ‘weighted average’ stand-alone prices for four baskets in 2014...

Summary of stand-alone ‘weighted average, basket pricing

Source: Ofcom, using data supplied by Teligen
...but performed less well in terms of and the lowest available prices for three baskets

Summary of ‘lowest available’ basket prices

Monthly cost (£)

Source: Ofcom, using data supplied by Teligen
The UK performed worst for the highest and lowest use households

Comparison of international household profile pricing, 2014

<table>
<thead>
<tr>
<th>Price (£ per month)</th>
<th>‘Basic needs’ household</th>
<th>‘Late adopters’ household</th>
<th>‘Mobile power user’ household</th>
<th>‘Connected family’ household</th>
<th>‘Sophisticated couple’ household</th>
</tr>
</thead>
<tbody>
<tr>
<td>UK</td>
<td>40 (circled)</td>
<td>28 (circled)</td>
<td>61 (circled)</td>
<td>40 (circled)</td>
<td>81 (circled)</td>
</tr>
<tr>
<td>FRA</td>
<td>42</td>
<td>30</td>
<td>69</td>
<td>33</td>
<td>81</td>
</tr>
<tr>
<td>GER</td>
<td>44</td>
<td>26</td>
<td>94</td>
<td>47</td>
<td>130</td>
</tr>
<tr>
<td>ITA</td>
<td>46</td>
<td>25</td>
<td>79</td>
<td>41</td>
<td>91</td>
</tr>
<tr>
<td>ESP</td>
<td>49 (circled)</td>
<td>21 (circled)</td>
<td>87</td>
<td>50</td>
<td>128</td>
</tr>
<tr>
<td>US</td>
<td>75</td>
<td>44</td>
<td>112</td>
<td>87</td>
<td>153</td>
</tr>
</tbody>
</table>

Source: Ofcom, using data supplied by Teligen
The UK’s average rank was unchanged in 2014, but France has caught up

Average pricing rankings, by country: 2013 and 2014

<table>
<thead>
<tr>
<th>2014 rank</th>
<th>Country</th>
<th>Average rank 2013</th>
<th>Average rank 2014</th>
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<tr>
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<td>1.9</td>
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<tr>
<td>1=</td>
<td>FRA</td>
<td>2.4</td>
<td>1.9</td>
</tr>
<tr>
<td>3</td>
<td>ITA</td>
<td>2.0</td>
<td>2.8</td>
</tr>
<tr>
<td>4=</td>
<td>GER</td>
<td>4.0</td>
<td>4.2</td>
</tr>
<tr>
<td>4=</td>
<td>ESP</td>
<td>4.8</td>
<td>4.2</td>
</tr>
<tr>
<td>6</td>
<td>USA</td>
<td>5.9</td>
<td>6.0</td>
</tr>
</tbody>
</table>

Source: Ofcom, using data supplied by Teligen
Steven Cape,
Senior Analyst,
Market Intelligence
Mail volumes across our comparator countries have declined by 18.6% since 2008

Source: WIK / Ofcom analysis
Revenues have fallen as well, but not at the same rate

Source: WIK / Ofcom analysis
Price increases are one reason for this...

Change in First Class equivalent stamp price since 2010

(2010=1)

Source: WIK / Ofcom analysis.
Note: Figures are nominal. Standard letter is a C5 envelope, 229x162x5 <=100g
increased packet and parcel volume is another

Increase in packet and parcel volume since 2008

Parcel volume growth (2008=1)

<table>
<thead>
<tr>
<th>Year</th>
<th>SWE</th>
<th>NED</th>
<th>UK</th>
<th>GER</th>
<th>JPN</th>
<th>USA</th>
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<td>1.1</td>
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<td>1.46</td>
<td>1.1</td>
<td>1.5</td>
<td>1.23</td>
<td>1.46</td>
</tr>
</tbody>
</table>

Source: WIK / Ofcom analysis
People in the UK spend the most online

Value of B2C e-commerce per head 2013 (£)

Source: European B2C e-commerce report 2014, Ecommerce Europe
And online shoppers are far more likely to send and receive parcels

Proportion of respondents who have received a parcel in the past week (%)

Source: Ofcom research
Consumers' reliance on post remains high

Proportion of consumers stating reliance on post (%):

- UK: 56%
- FRA: 52%
- GER: 52%
- ITA: 59%
- USA: 53%
- JPN: 19%
- AUS: 62%
- ESP: 26%

Source: Ofcom research
Questions?