

# Digital Trends Spring - UK - March 2010

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## What is this report about?

According to market regulator Ofcom in December 2009, the average cost of broadband has reduced by £9.69 a month compared to the end of 2005. This report's special focus looks in more detail at why prices have come down and whether the trend for lower prices has encouraged more households to switch between providers to get the best deal.

Further analysis looks at the difference in attitudes between young and old, as well as suggesting ways to sell more premium services to those that are less likely to be interested in getting (more expensive) higher speed connections – in particular women, who were found to be less loyal to internet service providers, and more likely to look for the cheapest deal possible.

## What have we found out?

- In 2010, more advanced smartphones (currently used by 15% of internet users) will become increasingly popular because of increased choice and lower prices. Software will also be important to increased adoption, with Google's mobile operating system Android a key part of this trend.
- Despite increased marketing efforts by Blu-ray player manufacturers in the run up to Christmas, penetration rates remain low at 11%. Further price cuts and greater education of consumers are required to drive increased adoption in 2010.
- Better functionality and ease of use differentiate dedicated satnav units and smartphone-based navigation. But handset manufacturers will continue innovating, so the threat to the likes of Tom Tom and Garmin will not go away.
- Used by 61% of internet users, social networking usage shows no signs of slowing down. By far the most popular is Facebook, visited by 32 million unique internet users at the start of 2010. Twitter has also shown strong growth, with more than 30 times the number of unique visitors it had in October 2008.
- More than 40% of internet respondents haven't tried to access the web on their mobile phone. A key reason for relatively low usage is low use of smartphones, which tend to come with unlimited surfing packages, whereas deals for more basic handset are still focused on minutes and texts.
- Online shopping is not just a youth activity: 55+ year olds are likely to shop online from as wide a variety of sites as 16-24yr olds.

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