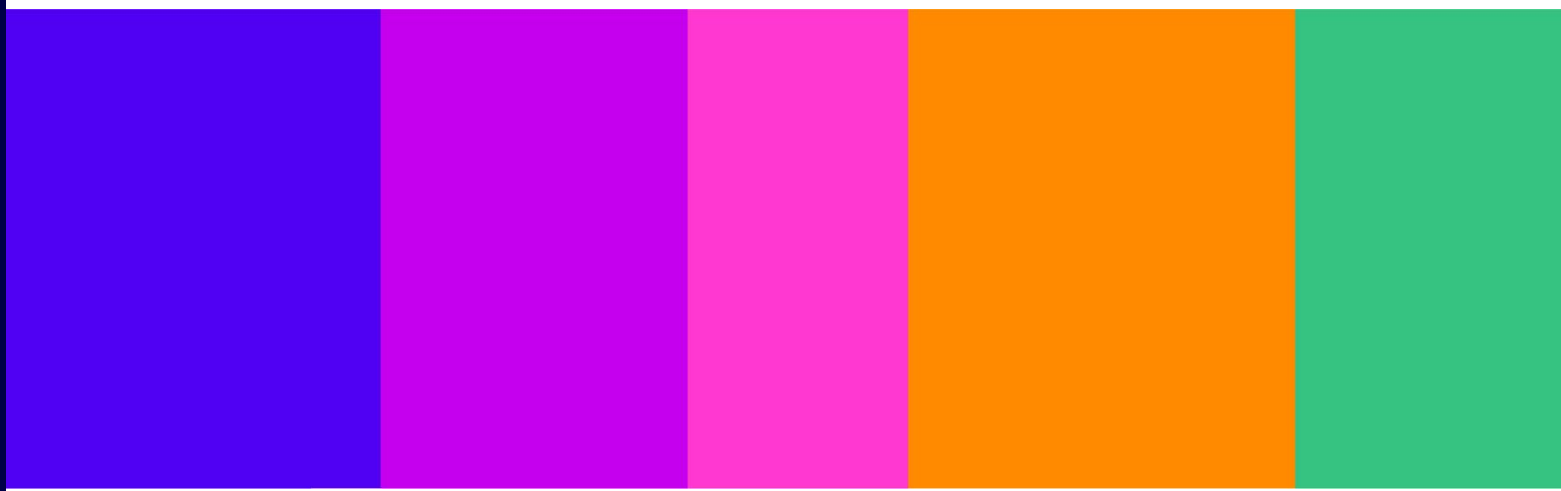




Communications Market Report 2024

Report

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Overview

The Communications Market Report is an interactive data portal, which allows users to interrogate data collected from industry by Ofcom, data from Ofcom's consumer research, and headline figures from selected third parties.

Commentary and analysis of much of the data used in the CMR can be found in our [Media Nations](#), [Online Nation](#) and [Connected Nations](#) reports, where we review and explore specific sectors of the media and communications markets in detail.

In this short document we highlight some key findings revealed by our most recent data.

What we have found – in brief

Decreases in the use of traditional communications services has continued. Following the growth in telephone call volumes and in time spent watching live TV that occurred during the 2020 lockdowns, declines that occurred in 2021 and 2022 persist. Total fixed and mobile call volumes fell by 6% in 2023 to 188 billion minutes while use of SMS and MMS messaging fell by 13%. The average time spent watching broadcast TV channels fell by nine minutes to 2 hours and 38 minutes per day and was just 39 minutes per day for the 16-24s. Outgoing calls from landlines fell by 20% year-on-year.

The demand for data continues to grow. The average consumption per data user on mobile (excluding machine-to-machine) increased by 21% to 9.9 GB per month in 2023. On fixed broadband connections, average monthly data use increased by 11% to 535 GB.

Growth in the use of data has been enabled by continued take-up of faster broadband connections. The number of full fibre lines increased by 53% to 5.7 million in 2023, accounting for 20% of the UK's 28.5 million fixed broadband lines. Eighty-eight per-cent of home broadband lines delivered superfast speeds of 30 Mbit/s or higher in 2023, while ultrafast speeds of 300 Mbit/s or higher made up 10% of the total as people continued to upgrade from standard broadband services.

Overall audiovisual revenues were flat, while radio revenues grew. Total audiovisual revenues were £18.2bn in 2023, with growth for online video offset by declines by commercial PSBs, digital multichannels and pay-TV platform operators. Commercial radio revenues for radio grew to £667m, with sponsorship and other relevant turnover (such as income from on-air competitions) driving increases. TV advertising revenue – combined linear TV and broadcaster video-on-demand (BVOD) – decreased by 8.9% to £4.9bn.

Radio listening remains high. Among the 88% of the UK population that listen to the radio, an average of 20 hours each week was spent listening to the radio.

Most people consider post to be important. 69% of people say that they feel that post is essential or important as a channel of communication.

Key findings

Telecoms

The UK telecoms sector generated £32.8bn in revenue in 2023, a year-on-year decline of £1.3bn (3.8%). Retail fixed and mobile services generated £14.0bn and £13.7bn in revenue respectively, with wholesale fixed and mobile services making up the remaining £5.1bn. Mobile services accounted for 49.4% of total retail revenues in 2023, up from 48.4% in 2022.

There were 28.5 million UK fixed broadband connections at the end of 2023, an increase of 310,000 (1.1%) compared to 2022. Seventy-one per cent of broadband connections were provided using fibre technologies at the end of 2023. The number of fibre-to-the-cabinet (FTTC) connections fell again in 2023 (down by 1.5 million to 14.5 million) while the number of full fibre lines increased by 53% to 5.7 million during the year, and at the end of 2023 there were more full fibre lines than cable lines.

There were 26.7 million UK fixed voice connections at the end of 2023, a year-on-year decrease of 3.4 million (11%). The number of PSTN/emulated PSTN lines and ISDN channels continued to decline during the year due to people switching to standalone fixed broadband and cancelling their landline service. Meanwhile the number of 'other' lines (mainly managed VoIP connections) increased by 2 million (22%) to 10.9 million. This was due to growing take-up of full fibre broadband services and voice increasingly offered using VoIP over a broadband connection as PSTN switch-off approaches.

Average monthly data use continued to rise in both fixed and mobile. Average data use per fixed broadband connection increased by 53 GB per month (11%) to 535 GB in 2023. Average monthly data volumes per mobile data user (excluding machine-to-machine) increased by 1.7 GB (21%) to 9.9 GB per month in 2023. Both are likely driven by increasing use of on-demand video streaming and social media.

Voice call volumes continued to decline. Total fixed and mobile call volumes fell by 12.2 billion minutes (6%) to 188 billion minutes in 2023. Outgoing calls from fixed lines decreased in 2023, down by 5.9 billion minutes (20%) to 23 billion minutes, and outgoing call volumes from mobile phones fell by 6.3 billion minutes (4%) to 165 billion minutes during the year. Eighty-eight per cent of call volumes originated on mobile networks in 2023, up from 85% in 2022.

The total number of mobile subscriptions increased by 4% to 116.1 million in 2023. The largest percentage increase was for machine-to-machine subscriptions (up by 8% or 2.0 million subscriptions).

The total number of pre-pay subscriptions increased by 0.6 million (3%) to 23.0 million in 2023. The proportion of mobile subscriptions that were post-pay was unchanged at 80% during the year. Average outgoing call volumes for post-pay customers (194 minutes per month) were more than double the pre-pay average (87 minutes per month).

Average monthly use of SMS and MMS messages per subscriber continued to decline, down six messages per month (16%) to 32 messages in 2023. Average monthly messages per subscriber was higher for post-pay users (35) than pre-pay users (24). The main driver of falling SMS and MMS use continues to be growing use of over-the-top (OTT) messaging services such as WhatsApp, iMessage and Facebook Messenger.

Television and audiovisual

Broadcast TV viewing continued its downward trend across almost all age groups in 2023. The average daily viewing of broadcast television on the TV set (including live and watched within 28 days of broadcast) fell by 9 minutes from 2022, to an average of 2 hours and 29 minutes in 2023.

Those aged 16-24 are now watching just 33 minutes of broadcast TV on average each day, from 39 minutes the previous year. The majority of broadcast viewing continues to be accounted for by older age groups, with those aged 75+ watching just over 5 and a half hours of broadcast TV on average a day in 2023, an increase by 4 minutes compared to 2022.

Audiovisual revenues totalled £18.2bn in 2023, remaining flat (+0.1%) compared to 2022.

Combined revenues for commercial PSBs, digital multichannels and pay-TV platform operators fell by 7.5% to £10.2bn. Meanwhile, subscription video-on-demand (SVoD) revenues increased by around £700m to just under £4bn.

TV advertising revenue (linear plus BVoD) decreased by 8.9% to £4.9bn, reflecting a difficult year for the market, set against the backdrop of the challenging economic environment. Linear ad spend fell by a greater amount – 13.6%. Connected TV advertising, which is spend accrued on TVs that are connected to the internet and can access web-based content, generated £1.2bn, up from £962 million in 2022. Commercial PSB channels' combined advertising revenue (including from their portfolio channels) declined by £382m, down 14.6% year on year.

PSB first-run UK-originated spend declined by 5.3% in 2023 to £2.7bn, with ITV the only channel (other than CBeebies) to increase its spend, by 4.4%. First-run originated hours, meanwhile, reduced by 2.9% to 31,770, though Channel 5 and some of the BBC portfolio channels (BBC News, BBC Parliament and CBeebies) bucked the trend in this case, with Channel 5 increasing its output by 1.8%. The reductions in both spend and hours – largely driven by sports but with most genres following the trend – should be contextualised by noting that 2022's highs were in part inflated by lingering Covid-19 impacts.

Third-party spend on first-run UK-originated PSB content declined marginally from its 2022 high, reducing by 0.9% to £674m. This spend comes from sources such as co-productions with other commissioners, government high-end TV tax credits, deficit financing and advances from independent producers. Despite the marginal decline in absolute terms, the 2023 figure represented 20% of total PSB origination spend, a higher proportion than ever. Increases in third-party contributions to drama (up 7% compared to 2022) were offset by declines in most other genres, including children's and factual (down 17% and 8% respectively).

Total programming spend by multichannels (such as Sky and UKTV) across key genres increased by 5.4% in 2023 to £4.8bn. Sports was the main driver of this growth, increasing by £391m (12.6%) to £3.5bn, and increasing its share of spend among the key genres to an all-time high of 73%, compared to 59% in 2013. The increase for sport offset a notable decline in multichannel spend on entertainment programming, which fell by £136m (-15.5%) to £739m.

SVoD services such as Netflix, Amazon Prime Video and Disney+ generated just under £4bn in subscription revenue in 2023, up by 22% year on year. Price rises were one of the key revenue drivers in the year, while the introduction of advertising – which is so far making only a small contribution to revenues, in a nascent period for ad tiers – is one of SVoD providers' strategic responses to the market maturing and take-up reaching a plateau.

Radio

Q1 2024 saw the highest number of radio listeners in the past twenty years, with an average of 49.9 million adults (88.6%) listening each week. Average listening was up six minutes year-on-year to 20.5 hours per week, meaning not only are more people tuning in but they're listening for longer across the week. The majority of this live listening is to commercial radio stations (54.2% of listening hours) which now reach seven in ten adults each week (70.4%) compared to 55.6% for BBC stations.

Radio listening continues to shift towards online, with smart speakers and internet listening now accounting for more listening than analogue (27.8% v 27.0%). The majority of online listening is via smart speakers (16.6% of total hours), with the remainder coming from other online sources including browsers and radio apps (11.2%). However, DAB remains the most popular platform for radio listening, accounting for over four in ten radio hours (42.6%) and up by 2.8pp in the last year.

Total commercial radio revenues grew by 2% in 2023 reaching £667m. National advertising fell by 3%, while local advertising fell by 4%, reflecting declines in advertiser sentiment and concerns about the economy. In contrast, sponsorship grew by 4% and other relevant turnover (such as income from competitions) grew by 23%.

Online

UK adult internet users spent an average of 4 hours 19 minutes a day online in March 2024. Of the 100 brands with the largest audience YouTube had the highest average time spent per user at 48 minutes per day, followed by Facebook & Messenger at a combined 35 minutes. TikTok was visited by half (50%) of UK online adults, up from 44% in 2023, with users spending an average of 26 minutes on the site or app per day.

WhatsApp was the highest reaching smartphone app, reaching nine in ten UK adult internet users (67% among 18-24-year-olds) who spent an average of 14 minutes using the app per day (up from 10 minutes in 2023).

A third (30%) of UK adult internet users say they have seen something uncomfortable or upsetting online in the last four weeks. This rises to 39% of 18-24 year olds and 25-34 year olds, but falls to 21% of 13-17 year olds.

Compared to six months ago, UK adult internet users are less sure of the benefits of going online, with 68% in January 2024 saying that the benefits of going online outweighed the risks, compared to 71% in June 2023.

The greatest number of UK adult internet users reported experiencing misinformation (37%) in a four week period, followed by generally offensive or bad language (34%) and scams, fraud or phishing (33%). For those aged 13-17, generally offensive or bad language was most often experienced at 40% of respondents, followed by unwelcome friend or follow requests (31%) and misinformation (31%).

Updated online data will be added to the interactive report alongside the publication of Online Nation in the autumn.

Post

Eight in ten adults (79%) say they have sent an item of post in the last month. However, most of these (61% of those sending any post) say they have sent fewer than three items of post in the past month. Nine in ten (91%) say they have received an item in the post in the last week.

More than two thirds of people (69%) consider post to be essential or fairly important as a channel of communication. Those aged 55+ are more likely to say that post is important to them (73%) as are those who are housebound (77%).

New data on postal volumes and revenues will be added to the interactive report in the autumn.

The interactive data

The Communications Market Report interactive data can be accessed here:

<https://www.ofcom.org.uk/research-and-data/multi-sector-research/cmr>

There are six sections in the report: data covering the communications and media sectors as a whole, television and audiovisual, radio and audio, telecommunications, online and post. Below we set out what can be found in each section.

Market in context

This section contains data on:

- Advertising spend across the communication and media sectors
- Consumer research on the affordability of communications services
- Device and service take-up and use
- Affordability issues across communication and media sectors

Television and audiovisual content

This section contains data on:

- TV broadcaster revenues
- Hours and spend on content for commercial TV broadcasters
- Hours and spend for the public service broadcasters, for network and regional services
- TV viewing, including reach, share and average minutes per day.
- Production sector revenue trends
- Consumer research on the use of, and attitudes towards, video on-demand (VoD) services
- VoD services, catalogues and revenues
- The use of social video platforms among children and adults

Radio and audio content

This section contains data on:

- Radio broadcaster revenues
- Radio listening, including reach and share
- Community radio revenues and expenditure
- Consumer research about audio and podcast use and attitudes

Telecommunications

This section contains data on:

- Telecommunications data revenues, volumes and market shares
- Average monthly spend data
- Home Broadband performance data
- Consumer research from our technology tracker
- Consumer research from our customer satisfaction tracker

Online

This section contains data on:

- Use of apps and websites, including reach, time spent and use on different devices
- People's attitudes to, and experiences of, using online services, including potentially encountering harm online from our Online Experiences Tracker consumer research
- Users' experience of harmful content, awareness of safety measures and reporting measures on video sharing platforms from our Video Sharing Platforms Tracker consumer research
- Take up and use of internet connectivity, including reasons for not being online, from Ofcom's Technology Tracker consumer research

Post

This section contains data on:

- Consumer research data from our residential postal tracker
- Post volumes and revenues (to be updated in autumn 2024)